

Quarterly Report for three months ended Dec.31, 2003

January 21, 2004

Financial Highlights for the Three Months (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries

*Contact:Naoji Ito, Manager of Investor Relations Tel:03(3952)1160 Fax:03(3952)0726 E-mail:naoji.ito@mb.hoya.co.jp

(Figures less than a million yen are omitted.)

1.Performance for the three months ended Dec. 31, 2003 and 2002

	Millions of Yen		variance (%)
	Three months ended Dec. 31,		
(1)Results of Operations	2003	2002	
Net sales	68,688	61,627	(11.5)
Operating income	17,679	13,433	(31.6)
Ordinary income	17,091	12,435	(37.4)
Net income	10,419	-2,125	(-)
Basic net income per share(Yen)	93.68	-18.29	
Diluted net income per share(Yen)	93.52	-	

Notes : No changes have been made in accounting policy.

	Millions of Yen		
	As of Dec. 31, 2003	As of Sep. 30, 2003	As of Dec. 31, 2002
(2)Financial Position			
Total assets	275,251	265,734	293,641
Shareholders' equity	209,967	205,213	222,735
Shareholders' equity ratio	76.3%	77.2%	75.9%
Shareholders' equity per share (Yen)	1,887.57	1,845.23	1,918.30

	Millions of Yen	
	Three months ended Dec. 31,	
(3)Conditions of Cash Flow	2003	2002
Net cash provided by operating activities	17,245	6,098
Net cash used in investing activities	-7,105	-2,496
Net cash provided by (used in) financing activities	-6,440	-4,049
Cash and cash equivalents, end of period	66,125	87,434

	Millions of Yen		variance (%)
	Three months ending/ended		
2. Earnings Forecasts for the Fourth Quarter	Mar.31,2004	Mar.31,2003	
Net sales	68,614	61,653	(11.3)
Operating income	16,885	13,000	(29.9)
Ordinary income	16,614	13,412	(23.9)
Net income	7,657	7,317	(4.6)
Ref:Expected net income per share (Yen)	67.30	61.62	5.68

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1. Business Overview

1. Results of Operations

1) General Overview

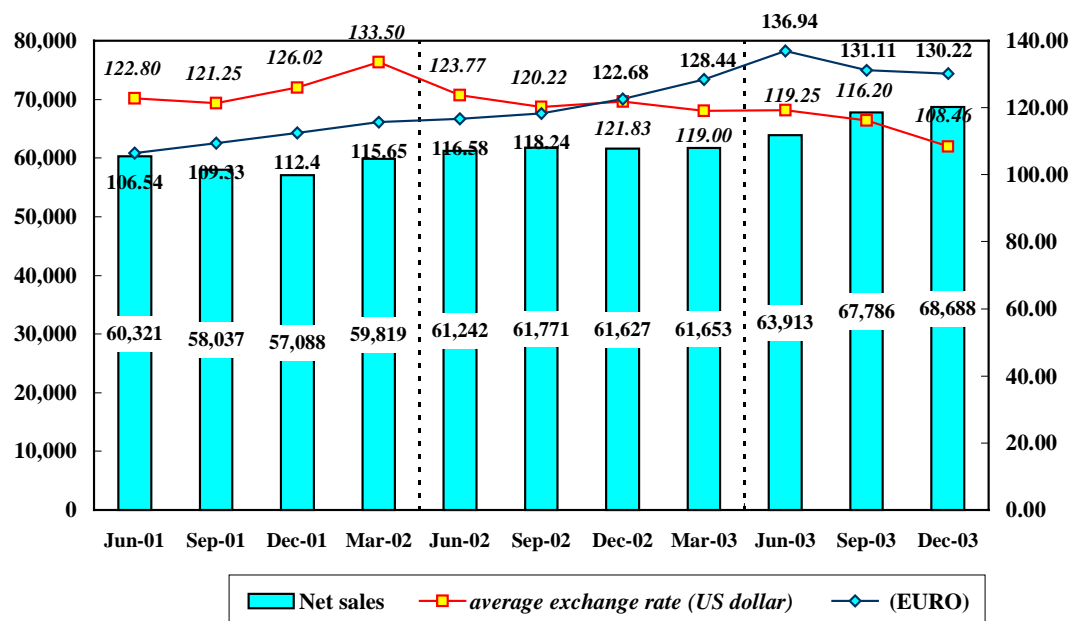
<u>Results of Operations</u>	<u>Millions of Yen</u> <u>Three months ended Dec. 31, 2003</u>
Net sales	68,688
Operating income	17,679
Ordinary income	17,091
Net income	10,419
Net income per share(Yen)	93.68

During the quarter under review, a trend towards economic recovery became more evident around the world centered on the semiconductor and electronic component industries. In Japan, with the digital home appliances acting as the engine for market growth, exports by the manufacturing sectors, which expanded their plant and equipment investment, increased. On the other hand, the non-manufacturing sectors, which mainly depended on domestic demand, remained sluggish due to the stagnant growth of personal income and the deflationary trend. In addition, the Yen appreciated on the currency market towards the latter half of the quarter, which exacerbated uncertainties over the economic outlook.

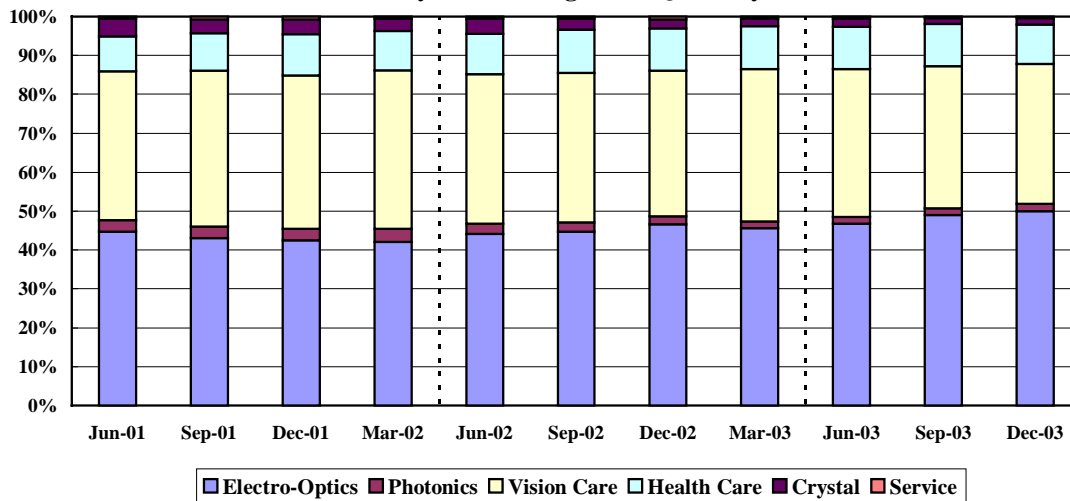
On the currency market, during the quarter under review, in terms of the quarterly averaged exchange rates, the US Dollar depreciated by 11.0% while the Thai Baht depreciated by 3.2%, whereas the Euro appreciated by 6.1% all against the Yen on a year-on-year basis.

At HOYA Group under this business environment, the Electro-Optics segment saw an increase in shipments of its well-demanded high precision products in general, the Vision Care division fared favorably overseas, and the Health Care division performed well to increase its sales. As a result, consolidated sales during the quarter under review increased 11.5% year-on-year to 68,688 million yen.

Quarterly net sales (Million Yen) and average exchange rate
(Yen/US dollar & EURO)

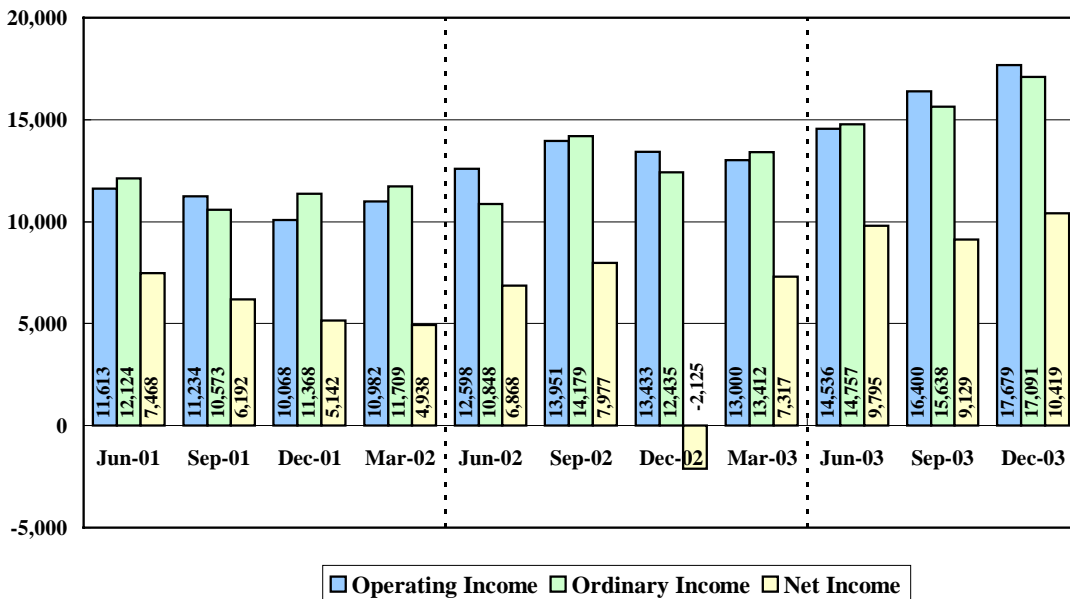


Ratio of Net Sales by Business Segment - Quarterly Transition



In the quarter under review, the Electro-Optics segment experienced another peak following on from the 2nd quarter in shipments of its high precision products and the main factories were kept fully operational, while the Eye Care segment expanded sales of high-value-added products, such that earnings of both segments increased. On a Group basis, operating income and ordinary income increased 31.6% and 37.4% respectively on a year-on-year basis, while net income amounted to 10,419 million yen. All three incomes represented record quarterly results. Net income per share for the quarter amounted to 93.68 yen. Please note that the Company temporarily posted a net loss during the same quarter of the previous fiscal year consequent to the posting of approximately 18 billion yen under extraordinary losses that included approximately 15 billion yen to cover the amount required in connection with the dissolution process of the Company's employee pension fund as well as approximately 1.7 billion yen as lump sum severance pay to early retirees in connection with business reforms, etc.

Quarterly Incomes (Millions of Yen)



Note : In the quarter ended Dec. 31, 2002, the Company posted the expenses for dissolution of the employee pension fund for Yen 14,949 million under extra-ordinary loss.

2) Segment Overview

1.Information Technology

Electro-Optics

In terms of mask blanks for manufacturing semiconductors, the Company received a decent volume of orders for such high-precision products as blanks for state-of-the-art phase-shift masks, etc., but those products destined for the US market were adversely affected by the exchange rate. Consequently, sales slightly decreased on a year-on-year basis.

In terms of photomasks for manufacturing semiconductors, the semiconductor market fared well with digital home appliances acting as its engine for growth. In terms of large-sized masks for LCDs, the Company benefited from strong demand for masks as consumer demand for LCD televisions expanded and LCD panel manufacturers began operation of new production lines. Sales of both products increased on a year-on-year basis.

In terms of glass disks for HDDs (Hard Disk Drives), thanks to a recovery in sales of personal computers, demand expanded favorably and sales increased on a year-on-year basis.

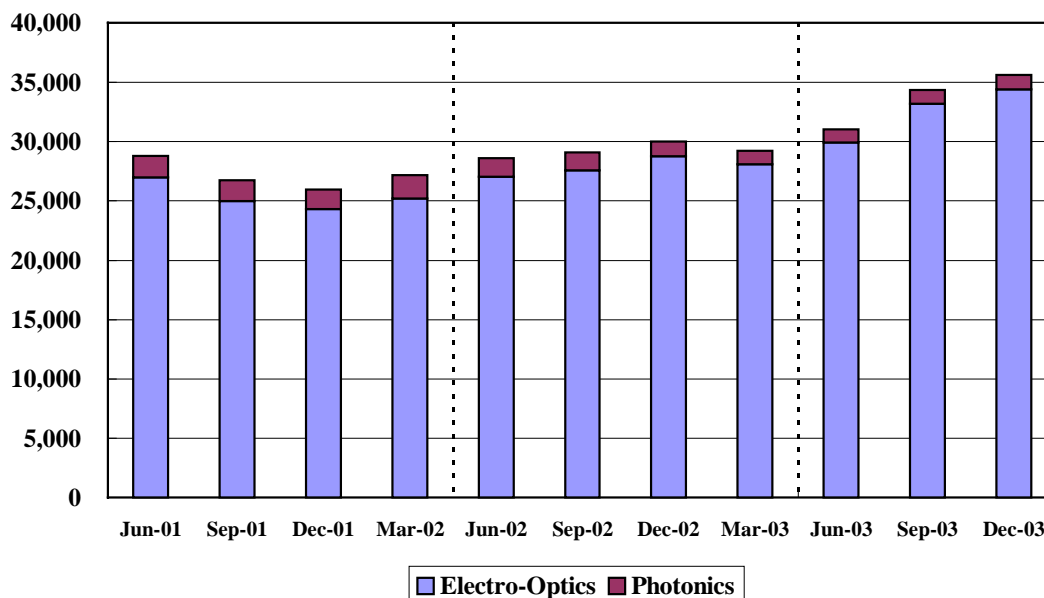
In terms of optical lenses and glasses, sales of digital products, such as digital cameras, continued to grow substantially in the market, and sales of our optical lenses, such as molded aspheric lenses, fared well. Sales increased on a year-on-year basis.

Photonics

This segment covers laser-related equipment for industrial, dental and medical applications.

Sales of laser-related products for industrial use increased year-on-year thanks to favorable shipments to LCD panel manufacturers in South Korea and Taiwan, but the sales of those for medical use were sluggish. Overall sales decreased on a year-on-year basis.

Quarterly Net Sales of Information Technology (Millions of Yen)



2. Eye Care

Vision Care

In the domestic eyeglass market, in spite of a moderate recovery, tough conditions persisted as the market continued to gravitate towards low-priced products. The Company promoted sales of its high-value-added products, such as newly designed progressive lenses, and secured sales of products in the upper-price band but the sales quantity of ordinary products decreased. Overall, sales decreased on a year-on-year basis.

Overseas, a considerable volume of low-priced products circulated in the market and the price competition for generic products intensified. The Company, however, strengthened its sales of high-value-added products, including progressive and highly refractive lenses, etc., which resulted in an increase in the average unit price, and sales increased on a year-on-year basis. Sales increased substantially in Germany, the largest market in Europe.

In Europe and North America, HOYA continued to carry out higher value-addition of its products including progressive and highly refractive lenses, etc. with vigor and sales increased on a year-on-year basis.

As a result, the overall sales of the division increased on a year-on-year basis.

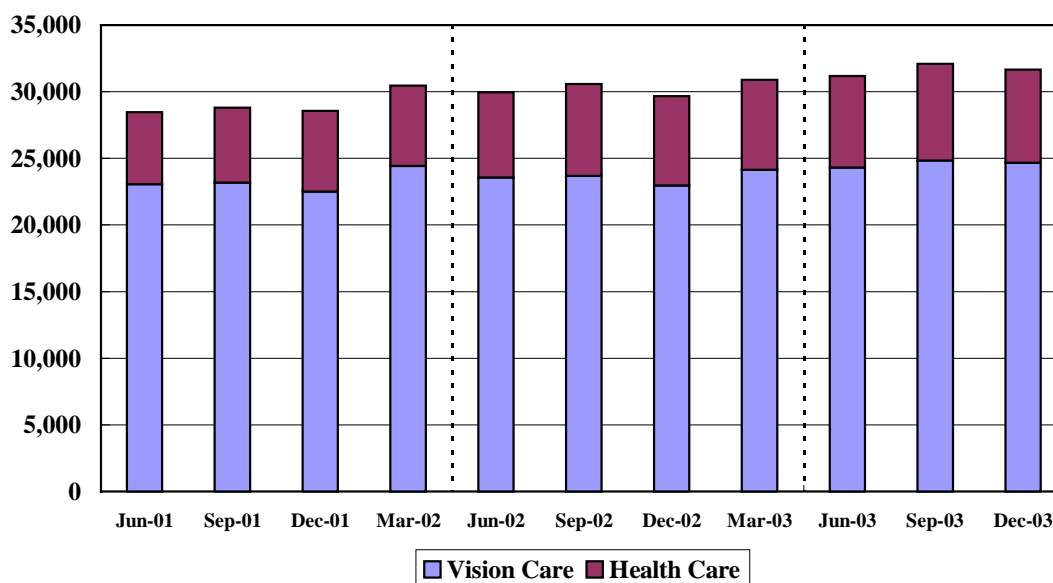
This sales growth was also helped by a weaker Yen against the Euro in spite of a stronger Yen against the US Dollar in the currency market on a year-on-year basis.

Health Care

In terms of contact lenses, while price competition in the market intensified, the Company tried to distinguish itself from the competition by promoting sales of high-value-added products and products backed by its E-system of lens compensation services and by improving its face-to-face services to clients by capitalizing on its expertise. Sales at newly established retail outlets fared well, too. Overall, sales increased on a year-on-year basis.

Sales of intraocular lenses (IOL) increased substantially on a year-on-year basis as soft intraocular lenses were well received by the market.

Quarterly Net Sales of Eye Care (Millions of Yen)

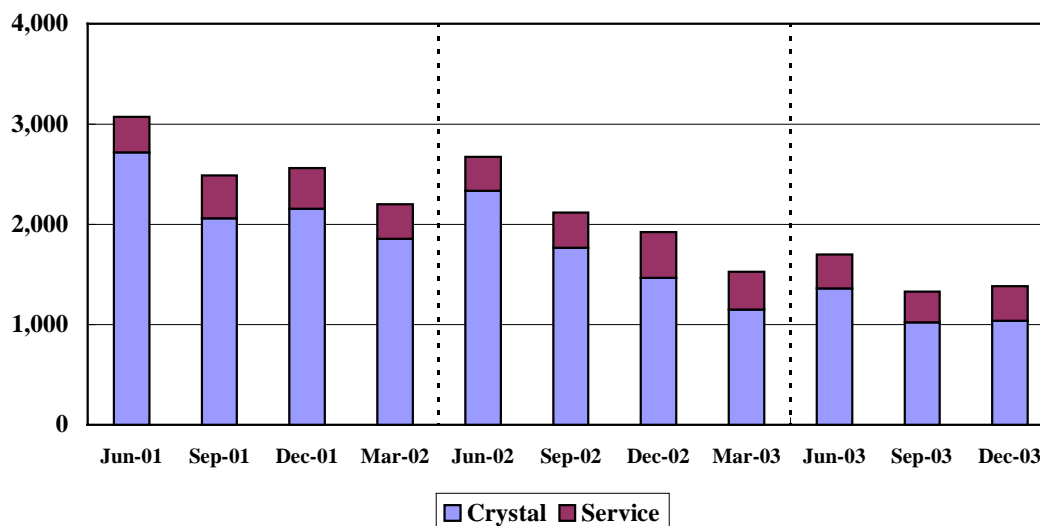


3. Lifestyle Refinement

Crystal

Sales of crystal decreased on a year-on-year basis due to the dampened personal consumption amid sluggish economic conditions as well as to our downsizing as part of the business reform in order to reconstruct business operations.

Quarterly Net Sales of Lifestyle Refinement (Millions of Yen)



2. Financial Position

	<u>Millions of Yen</u>
	<u>As of Dec. 31, 2003</u>
Total assets	275,251
Shareholders' equity	209,967
Shareholders' equity ratio	76.3%

At the end of the quarter under review, current assets increased Yen 8,615 million and fixed assets also increased Yen 971 million against the end of the previous quarter. As a result, total assets increased Yen 9,517 million. Shareholders' equity increased Yen 4,754 million due to increase in retained earnings and decrease of treasury stock as a negative factor.

3. Conditions of Cash Flows

	<u>Millions of Yen</u>
	<u>Three months ended Dec. 31, 2003</u>
Net cash provided by operating activities	17,245
Net cash used in investing activities	-7,105
Net cash provided by (used in) financing activities	-6,440
Cash and cash equivalents, end of period	66,125

Cash flow from operating activities during the quarter under review amounted to 17,245 million yen, comprised of 15,704 million yen in quarterly income before income taxes and minority interests and 5,027 million yen in depreciation and amortization among others. Free cash flow amounted to 10,140 million yen, while a part of them was made for the payment of dividends. As a result, the term-end balance of cash and cash equivalents increased 3,229 million yen from the end of the 2nd quarter.

4. Earnings Forecast for the Fourth Quarter

Signs of economic recovery are being observed across the world and the semiconductor and electronic component industries, mainly in respect of their high precision products, are thriving. On the other hand, with the situation remaining tense in Iraq and fears of another bout of SARS, for example, we still need to keep a close watch on developments around the world. Furthermore, the on-going appreciation of the yen harbors some major concerns ahead for the domestic manufacturing sectors, whose recovery has been underpinned precisely on the premise of export markets.

In this environment, HOYA is benefiting from the booming digital appliances market and has the prospect of steady growth in the sector covering consumables, such as eyeglasses and contact lenses, etc., primarily in terms of their high-value-added products and new models. Paying all due attention to the afore-mentioned world affairs and currency situations, we at HOYA will strengthen development and sales of high precision products to meet customer needs, strive to reduce costs and position ourselves for steady growth.

1. Year-on-year comparison	<u>Millions of Yen</u>		variance (%)
	<u>Three months ending/ended</u>		
	Mar.31,2004	Mar.31,2003	
Net sales	68,614	61,653 (	11.3)
Operating income	16,885	13,000 (	29.9)
Ordinary income	16,614	13,412 (	23.9)
Net income	7,657	7,317 (	4.6)
Net income per share (Yen)	67.30	61.62	5.68 Yen

2. Quarter-on-quarter comparison	<u>Millions of Yen</u>		variance (%)
	<u>Three months ending/ended</u>		
	Mar.31,2004	Dec.31,2003	
Net sales	68,614	68,688 (	-0.1)
Operating income	16,885	17,679 (	-4.5)
Ordinary income	16,614	17,091 (	-2.8)
Net income	7,657	10,419 (	-26.5)
Net income per share (Yen)	67.30	93.68	-26.38 Yen

Ref:Forecast for the Year ending March 31, 2003

	<u>Millions of Yen</u>		variance (%)
	<u>Years ending/ended</u>		
	Mar.31,2004	Mar.31,2003	
Net sales	269,000	246,293 (	9.2)
Operating income	65,500	52,982 (	23.6)
Ordinary income	64,100	50,874 (	26.0)
Net income	37,000	20,037 (	84.7)
Net income per share (Yen)	327.26	171.10	156.16 Yen

These forward looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to differ materially from that anticipated in these statements. These factors include changes in economic conditions, trends in our major markets, or currency exchange rates.

(2) Consolidated Financial Statements (unaudited)

1. Consolidated Balance Sheets

HOYA CORPORATION and Consolidated Subsidiaries

Millions of Yen

	Dec. 31,2003	Sep. 30, 2003	Variance(%)	Dec. 31,2002
ASSETS				
Current assets	180,257	171,642	5.0	196,095
Cash and deposits	66,125	62,895		87,434
Notes and accounts receivable - trades	68,010	63,420		60,932
Inventories	33,804	33,360		33,811
Income taxes refund receivable	-	-		4,163
Deferred tax assets	5,283	5,517		4,996
Other current assets	8,398	7,952		6,083
Allowance for doubtful receivables	-1,365	-1,504		-1,326
Fixed assets	94,560	93,589	1.0	97,052
Tangible fixed assets	78,539	76,866	2.2	78,961
Buildings and structures	22,463	22,766		23,925
Machinery and vehicles	32,497	33,788		34,275
Land	9,294	9,284		9,137
Other tangible fixed assets	14,284	11,027		11,623
Intangible fixed assets	4,747	4,895	-3.0	3,907
Investments and other assets	11,273	11,826	-4.7	14,184
Investment securities	5,380	5,265		5,577
Deferred tax assets	1,559	2,030		3,972
Other assets	4,853	6,071		6,028
Allowance for doubtful receivables	-519	-1,540		-1,394
Deferred charges	433	503	-13.9	492
Total Assets	275,251	265,734	3.6	293,641
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities	62,496	57,501	8.7	68,720
Notes and accounts payable - trades	26,849	23,974		20,980
Short-term bank loans	1,297	2,050		2,549
Additional expense incurred to discontinued unfunded retirement benefit plan - payable	-	-		7,051
Additional expense incurred to discontinued contributory funded pension plan - payable	-	-		15,274
Income taxes payable	10,590	8,094		2,038
Accrued bonus to employees	1,876	3,746		1,908
Other current liabilities	21,882	19,635		18,918
Long-term liabilities	1,847	1,947	-5.1	2,023
Long-term bank loans	0	150		15
Liability for directors retirement benefits	-	-		315
Other long-term liabilities	1,846	1,796		1,693
Total Liabilities	64,343	59,449	8.2	70,743
Minority interests	940	1,070	-12.1	161
Common stock	6,264	6,264	-	6,264
Capital surplus	15,898	15,898	-	15,898
Retained earnings	236,995	232,147	2.1	209,020
Net unrealized gain on available-for-sale securities	-77	-3	-	9
Foreign currency translation adjustments	-9,367	-9,154	-	-8,344
Treasury stock - at cost	-39,745	-39,938	-	-113
Total Shareholders' Equity	209,967	205,213	2.3	222,735
Total	275,251	265,734	3.6	293,641
notes:		<u>Millions of Yen</u>		
Accumulated depreciation	158,237	155,408		146,711
Guarantees of borrowings and lease obligations for customer	746	669		529
Number of shares of treasury stock	4,887,862	4,911,680		13,828

2. Consolidated Statements of Income

HOYA CORPORATION and Consolidated Subsidiaries

(Three months ended Dec. 31, 2003 and 2002)	Millions of Yen			
	Three months ended Dec. 31,		Variance(%)	Three months ended Sep.30, 2003
	2003	2002		
Net sales	68,688	61,627	11.5	67,786
Cost of sales	35,439	33,193	6.8	36,302
Gross profit	33,249	28,434	16.9	31,484
Selling, general and administrative expenses	15,570	15,000	3.8	15,084
Operating income	17,679	13,433	31.6	16,400
Non-operating income	627	358	75.1	946
Interest income	136	134		150
Equity in earnings of associated companies	275	27		230
Others	218	197		565
Non-operating expenses	1,216	1,356	-10.3	1,708
Interest expense	41	67		50
Foreign exchange losses	809	433		1,227
Others	365	857		431
Ordinary income	17,091	12,435	37.4	15,638
Extra-ordinary income	85	767	-	588
Gain on sales of property, plant and equipment	9	650		476
Gain on sales of investment securities	-	-		51
Others	76	117		61
Extra-ordinary losses	1,472	18,096	-91.9	3,054
Additional retirement benefits paid to employees	703	1,659		82
Loss on disposal of property, plant and equipment	357	539		924
Loss on write-down of investment securities	241	63		228
Additional expense incurred to discontinued contributory funded pension plan	8	14,949		879
Others	162	886		940
Income before income taxes and other items	15,704	-4,893	-	13,173
Income taxes - Current	4,167	-4,809	-	5,421
Income taxes - Deferred	1,012	2,030	-50.1	-1,390
Minority interests in net income	104	9	-	14
Net income	10,419	-2,125	-	9,129
Basic net income per share(Yen)	93.68	-18.29	111.97	81.12
Diluted net income per share(Yen)	93.52	-	-	81.08

Notes:

1. Influences of Exchange Currency ("2003 A" is the actual value of this period. "2003 B" is the nominal value of this period which temporarily exchanged by the currency rate of the same period last year. unit : millions of Yen)

	2003 A	2003 B	influences
Net sales	68,688	69,298	-610
Operating income	17,679	17,768	-89
Ordinary income	17,091	17,163	-72
Net income	10,419	10,516	-97

2. Average rates of major foreign currencies		Three months ended Dec. 31,		Variance(%)	Three months ended Sep.30, 2003
		2003	2002		
US\$	Yen	108.46	121.83	11.0%	116.20
Euro	Yen	130.22	122.68	-6.1%	131.11
Thail Baht	Yen	2.72	2.81	3.2%	2.83

3. Consolidated Statements of Retained Earnings

HOYA CORPORATION and Consolidated Subsidiaries

(Three months ended Dec. 31, 2003 and 2002)

Items	<u>Millions of Yen</u>			<u>Three months ended</u> Sep. 30, 2003
	<u>Three months ended</u> Dec. 31, 2003	<u>Dec. 31, 2002</u>	<u>Variance</u>	
Capital Retained Earnings				
Balance at the beginning of the period	15,898	15,898	-	15,898
Adjustment of retained earnings	-	-	-	-
Appropriations	-	-	-	-
Balance at the end of the period	15,898	15,898	-	15,898
Profit Retained Earnings				
Balance at the beginning of the period	232,147	214,048	18,099	223,018
Adjustment of retained earnings	10,419	-	10,419	9,129
Net income	10,419	-	10,419	9,129
Appropriations	5,572	5,028	544	-
1. Net loss	-	2,125	-2,125	-
2. Cash dividends	5,560	2,903	2,657	-
3. Loss on disposal of treasury stock	11	-	11	-
Balance at the end of the period	236,995	209,020	27,975	232,147

4. Consolidated Statements of Cash Flows

HOYA CORPORATION and Consolidated Subsidiaries

	<u>Millions of Yen</u>		
	<u>Three months ended Dec.31,</u>		
(Three months ended Dec. 31, 2003 and 2002)	2003	2002	variance
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	15,703	-4,893	20,596
Adjustments for:			
Income taxes - paid	-1,939	-5,172	3,233
Depreciation and amortization	5,027	5,021	6
Provision for (reversal of) accrued bonuses to employees	-1,867	-1,692	-175
Provision for (reversal of) accrued retirement benefits	-	-6,882	6,882
Provision for (reversal of) reserve for periodic repairs	83	-160	243
Equity in loss (earnings) of associated companies	-274	-27	-247
Foreign exchange loss (gain)	358	228	130
Devaluation losses on investment securities	240	63	177
Gain on sales of property, plant and equipment and investment securities	-8	-649	641
Loss on disposal of property, plant and equipment and investment securities	357	538	-181
Other	87	115	-28
<i>Changes in assets and liabilities:</i>			
(Increase) decrease in notes and accounts receivable	-4,502	-3,737	-765
(Increase) decrease in inventories	-489	1,221	-1,710
(Increase) decrease in other current assets	-259	-146	-113
Increase (decrease) in notes and accounts payable	3,002	-1,079	4,081
Increase (decrease) in other current liabilities	1,725	1,026	699
Increase in additional expense incurred to discontinued unfunded retirement benefit plan payable	-	7,051	-7,051
Increase in additional expense incurred to discontinued contributory funded pension plan payable	-	15,274	-15,274
Total adjustment			
Net cash provided by operating activities	17,245	6,098	11,147
INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	-6,901	-3,504	-3,397
Proceeds from sales of property, plant and equipment	120	1,511	-1,391
Purchases of investment securities	-70	-107	37
Increase in investments and other assets	-456	-515	59
Decrease in investments and other assets	203	119	84
Net cash used in investing activities	-7,105	-2,496	-4,609
FINANCING ACTIVITIES:			
Net increase (decrease) in short-term borrowings	-849	-662	-187
Repayments of long term bank loans	0	-410	410
Net (increase) decrease in treasury stock	181	-73	254
Dividends paid	-5,616	-2,903	-2,713
Dividends paid for minority shareholders	-155	-	-155
Net cash used in financing activities	-6,440	-4,049	-2,391
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,700	-447	4,147
Effect of Exchange Rate Changes on Cash and Cash Equivalents	-470	-186	-284
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	62,895	88,068	-25,173
CASH AND CASH EQUIVALENTS, END OF PERIOD	66,125	87,434	-21,309

Note : Cash and Cash Equivalents at the End of the Period

	<u>Three months ended Dec.31,</u>	
	2003	2002
Cash and deposits	66,125	87,434
Marketable securities	-	-
Total	<u>66,125</u>	<u>87,434</u>

5. Scope of Consolidation and Application of the Equity Method

1. Number of consolidated subsidiaries : 56 companies
(Major consolidated subsidiaries :
<overseas> HOYA HOLDINGS, INC., HOYA HOLDINGS N.V., HOYA HOLDINGS ASIA PACIFIC PTE LTD.
<domestic> HOYA HEALTHCARE CORPORATION
2. Number of unconsolidated subsidiaries : None
3. Number of affiliates : 5 companies
(Number of affiliates accounted for by the equity method : 1 company, NH TECHNO GLASS CORPORATION)

Notes: Changes in Accounting Policies and Others

1. Changes in scope of consolidation and application of the equity method:
 - 1) Scope of consolidation
 - a) In comparison to the end of Sep. 30, 2003 : 1 company decreased in total.
 - 1 company increased due to the establishment: HOYA MICROELECTRONICS TAIWAN CO.,LTD. (Taiwan)
 - 2 companies decreased due to the closing: HOYA PHOTONICS SINGAPORE PTE LTD. (Singapore)
CONTINUUM ELECTRO-OPTICS GMBH (Germany)
 - b) In comparison to the end of Dec. 31, 2002 : 4 companies increased in total.
 - 6 companies increased due to the establishment: HOYA HEALTHCARE SINGAPORE PTE LTD. (Singapore)
HOYA MICROELECTRONICS (SUZHOU) LTD. (China)
HOYA OPTICAL TECHNOLOGY (SUZHOU) LTD. (China)
HOYA LENS DANMARK A/S (Denmark)
HOYA LENS SHANGHAI LTD. (China)
HOYA MICROELECTRONICS TAIWAN CO.,LTD. (Taiwan)
 - 1 company increased due to the acquisition: HOYA LENS OF CHICAGO, INC. (USA)
 - 1 company increased due to the transfer to the consolidated subsidiary : HOYA CANDEO OPTRONICS CORPORATION (Japan)
(changed its corporate name from HOYA SCHOTT CORP.)
 - 2 companies decreased due to the merger with the parent company : HOYA CRYSTAL CORPORATION (Japan)
HOYA CRYSTALSHOP CORPORATION (Japan)
 - 2 companies decreased due to the closing: HOYA PHOTONICS SINGAPORE PTE LTD. (Singapore)
CONTINUUM ELECTRO-OPTICS GMBH (Germany)
 - 2) Application of the equity method
 - a) In comparison to the end of Sep. 30, 2003 : No change
None
 - b) In comparison to the end of Dec. 31, 2002 : 1 company decreased.
1 company decreased due to the transfer to the consolidated subsidiary : HOYA CANDEO OPTRONICS CORPORATION (Japan)

	as of Dec.31, 2003	as of Sep. 30, 2003	variance	as of Dec.31,2002
Consolidated subsidiaries	56 (do 7, os49)	57 (do 7, os50)	-1 (do -, os-1)	52 (do 8, os44)
Nonconsolidated subsidiaries	- (do -, os -)	- (do -, os -)	- (do -, os -)	3 (do 3, os -)
Affiliates	5 (do 5, os -)	5 (do 5, os -)	- (do -, os -)	6 (do 6, os -)
(accounted for by the equity method)	(1) (do 1, os -)	(1) (do 1, os -)	(-) (do -, os -)	(2) (do 2, os -)
Total Hoya Group	61	62	-1	61
(accounted for by the equity method)	(1)	(1)	(-)	(2)

(do : domestic, os : overseas)

2. Changes in accounting policy :
None

Notes Relating to Investment Securities and Derivatives

1. Investment securities of current market values:

(Millions of Yen)

	As of								
	Dec.31, 2003			Sep.30, 2003			Dec.31, 2002		
	Cost	Fair Value	Variance	Cost	Fair Value	Variance	Cost	Fair Value	Variance
Available-for-sale									
Available-for-sale :									
Marketable Equity securities	102	109	6	102	119	17	202	161	-40
Government bonds	-	-	-	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Total	102	109	6	102	119	17	202	161	-40

2. Investment securities of non-current market values:

(Millions of Yen)

	As of		
	Dec.31, 2003	Sep.30, 2003	Dec.31, 2002
	Non-marketable stock of subsidiaries	4,852	4,495	4,961
Total	4,852	4,495	4,961
Non-marketable equity securities	418	650	453
Total	418	650	453

3. Derivatives

None

Notes Relating to Tax Effect Accounting

1. Breakdown of deferred tax assets and deferred tax liabilities by major cause of accrual:

	<u>Millions of Yen</u>		
	<u>As of</u>		
	<u>Dec.31, 2003</u>	<u>Sep.30, 2003</u>	<u>Dec.31, 2002</u>
(1) Current deferred tax assets and liabilities			
Deferred tax assets			
Excess deductible amount of depreciation expenses	1,238	1,245	1,264
Inventories - intercompany unrealized profits	1,053	916	779
Enterprise tax not deductible	811	643	-
Excess deductible amount of expenses for accrued bonus	747	1,482	607
Transferred amount of loss on taxation	-	-	2,095
Other deferred tax assets	1,433	1,229	564
Total amount of deferred tax assets - current	<u>5,283</u>	<u>5,517</u>	<u>5,311</u>
Deferred tax liabilities			
Prepaid pension expenses	-	-	-314
Total amount of deferred tax liabilities - current	<u>-</u>	<u>-</u>	<u>-314</u>
Net amount of deferred tax assets - current	<u>5,283</u>	<u>5,517</u>	<u>4,996</u>
(2) Non-current deferred tax assets and liabilities			
Deferred tax assets			
Excess amount of inclusion in deductible expenses for depreciation	990	927	705
Excess amount of inclusion in deductible expenses for reserve for employees' retirement benefits	325	804	1,887
Amount denied of evaluation loss of fixed assets	176	364	279
Other deferred tax assets	1,075	974	2,222
Total amount of deferred tax assets - fixed	<u>2,567</u>	<u>3,070</u>	<u>5,094</u>
Deferred tax liabilities			
Reserve for deferred income taxes on fixed assets	-521	-537	-599
Special depreciation reserve	-314	-337	-345
Difference of evaluation of other marketable securities	-	-	-6
Other deferred tax liabilities	-171	-165	-171
Total amount of deferred tax liabilities - fixed	<u>-1,007</u>	<u>-1,040</u>	<u>-1,122</u>
Net amount of deferred tax assets - fixed	<u>1,559</u>	<u>2,030</u>	<u>3,972</u>

2. Reconciliation of the difference between statutory income tax rate and actual tax rate:

	<u>Three months ended</u>		
	<u>Dec.31,2003</u>	<u>Dec.31,2002</u>	<u>Sep.30,2003</u>
Statutory tax rate of the Company	41.7 %	41.7 %	41.7 %
(Adjustment)			
Lower income tax rates applicable to income in certain foreign countries	-11.4		-9.4
Non-Deductible expenses such as entertainment expenses	1.0		0.3
Per capita levy of inhabitants tax and others	0.1	N/A due to	0.2
Non-taxable income such as dividend received	0.0	net loss	-
Intercompany cash dividend	-	in this quarter	-
Correction of deferred tax assets due to change of tax rate	-		-
Other adjustment	1.6		-2.2
Effective income tax rate	<u>33.0</u>		<u>30.6</u>

(3) Segment Information (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries

1. Industry Segments

(Figures less than a million Yen are omitted.)

For the three months ended December 31, 2003

	Millions of Yen							Elimi. or corp.*	Consolidated
	Electro-Optics	Photo-nics	Vision Care	Health Care	Crystal	Service	Total		
Net sales:									
To outside customers	34,391	1,241	24,663	7,011	1,039	343	68,688	-	68,688
Intersegment	14	-	4	0	33	1,477	1,528	(1,528)	-
Total	34,405	1,241	24,667	7,011	1,072	1,820	70,217	(1,528)	68,688
Operating expenses	22,462	1,215	20,193	5,667	1,124	1,611	52,270	(1,260)	51,009
Operating income	11,944	27	4,475	1,345	-51	209	17,946	(267)	17,679
Operating income ratio	34.7%	2.2%	18.1%	19.2%	-4.8%	11.5%	25.6%	-	25.7%
Assets	131,907	2,275	96,217	16,569	4,930	2,798	254,700	20,550	275,251
Depreciation	3,319	17	1,439	134	90	6	5,008	18	5,027
Capital Expenditures	4,854	5	2,578	492	33	-	7,963	1	7,965
R&D Expenses	2,002	65	321	222	8	-	2,620	-48	2,571
Number of employees (p)	8,438	135	5,874	562	175	355	15,539	50	15,589

For the three months ended December 31, 2002

	Millions of Yen							Elimi. or corp.*	Consolidated
	Electro-Optics	Photo-nics	Vision Care	Health Care	Crystal	Service	Total		
Net sales:									
To outside customers	28,752	1,265	22,993	6,693	1,466	457	61,627	-	61,627
Intersegment	78	-	896	0	16	785	1,775	(1,775)	-
Total	28,829	1,265	23,889	6,693	1,482	1,242	63,401	(1,775)	61,627
Operating expenses	19,382	1,244	20,748	5,447	1,533	1,175	49,529	(1,337)	48,193
Operating income	9,448	21	3,140	1,246	-51	66	13,871	(437)	13,433
Operating income ratio	32.8%	1.7%	13.1%	18.6%	-3.4%	5.3%	21.9%	-	21.8%
Assets	115,198	3,727	95,875	16,389	9,157	3,251	243,600	50,040	293,641
Depreciation	3,367	22	1,403	143	53	8	4,999	21	5,020
Capital Expenditures	2,723	47	1,315	99	563	10	4,759	35	4,794
R&D Expenses	1,359	62	374	162	5	-	1,962	-5	1,957
Number of employees (p)	6,183	147	6,416	624	241	129	13,740	46	13,786

Ref : Differences between the 3rd quarter of this year and the same period last year

	Millions of Yen							Elimi. or corp.*	Consolidated
	Electro-Optics	Photo-nics	Vision Care	Health Care	Crystal	Service	Total		
Net sales:									
To outside customers	5,639	-24	1,670	318	-427	-114	7,061	-	7,061
Variance(%)	19.6%	-1.9%	7.3%	4.8%	-29.1%	-24.9%	11.5%	-	11.5%
Intersegment	-64	-	-892	0	17	692	-247	247	-
Total	5,576	-24	778	318	-410	578	6,816	247	7,061
Operating expenses	3,080	-29	-555	220	-409	436	2,741	77	2,816
Operating income	2,496	6	1,335	99	0	143	4,075	170	4,246
Variance(%)	26.4%	28.6%	42.5%	7.9%	-	216.7%	29.4%	-	31.6%
Assets	16,709	-1,452	342	180	-4,227	-453	11,100	-29,490	-18,390
Depreciation	-48	-5	36	-9	37	-2	9	-3	7
Capital Expenditures	2,131	-42	1,263	393	-530	-10	3,204	-34	3,171
R&D Expenses	643	3	-53	60	3	-	658	-43	614
Number of employees (p)	2,255	-12	-542	-62	-66	226	1,799	4	1,803

*Elimi. or corp. : Eliminations or corporate

Notes:

1. The Business Categories and Industries are as follows:

Business Category	Industries	Products and Services
Information Technology	Electro-Optics	Photomasks and Maskblanks for semiconductors, Masks and devices for liquid-crystal displays (LCDs) Glass disks for hard disk drives (HDDs), Optical Communication, Optical lenses, optical glasses, electronic glasses, etc.
	Photonics	Laser equipments for industrial, research & laboratory, and medical purposes, etc.
Eye Care	Vision Care	Eyeglass lenses, eyeglass frames, ophthalmic equipments, etc.
	Health Care	Contact lenses, intraocular lenses, etc.
Lifestyle Refinement	Crystal	Crystal glass products
	Service	Design of information systems, placement of temporary staff, etc.

2. Corporate operating expenses mainly consist of the administration expenses of the headquarters of the Company and the overseas regional holding companies, which are not allocated to each industry segment. Corporate operating expenses for the three months ended Dec. 31, 2003 and 2002 are as follows:

<u>2003</u>	<u>2002</u>
395 million Yen	503 million Yen

3. Corporate assets mainly consist of cash, time deposits, investments securities and administrative assets of the Company and the overseas regional holding companies. Corporate assets as of Dec. 31, 2003 and 2002 are as follows:

<u>2003</u>	<u>2002</u>
35,776 million Yen	61,855 million Yen

2. Geographic Segments

(Figures less than a million Yen are omitted.)

For the three months ended December 31, 2003

	Millions of Yen						
	Japan	North America	Europe	Asia	Total	Elimi. or corp.	Consolidated
Net sales:							
To outside customers	47,800	7,792	10,155	2,941	68,688	-	68,688
Intersegment	4,034	24	42	15,827	19,926	(19,926)	-
Total	51,835	7,815	10,197	18,767	88,615	(19,926)	68,688
Operating expenses	42,465	7,674	7,431	13,793	71,362	(20,352)	51,009
Operating income	9,370	141	2,765	4,975	17,252	426	17,679
Operating income ratio	18.1%	1.8%	27.1%	26.5%	19.5%	-	25.7%
Assets	152,407	18,267	28,952	66,239	265,868	9,383	275,251

For the three months ended December 31, 2002

	Millions of Yen						
	Japan	North America	Europe	Asia	Total	Elimi. or corp.	Consolidated
Net sales:							
To outside customers	41,906	8,670	8,300	2,750	61,627	-	61,627
Intersegment	4,658	29	553	11,385	16,626	(16,626)	-
Total	46,564	8,699	8,853	14,135	78,252	(16,626)	61,627
Operating expenses	37,688	8,352	7,367	11,320	64,725	(16,532)	48,193
Operating income	8,876	348	1,486	2,816	13,527	(93)	13,433
Operating income ratio	19.1%	4.0%	16.8%	19.9%	17.3%	-	21.8%
Assets	142,995	20,009	33,142	55,114	251,261	42,379	293,641

Ref:

Differences between the 3rd quarter of this year and the same period last year

	Millions of Yen						
	Japan	North America	Europe	Asia	Total	Elimi. or corp.	Consolidated
Net sales:							
To outside customers	5,894	-878	1,855	191	7,061	-	7,061
Variance(%)	14.1%	-10.1%	22.3%	6.9%	11.5%	-	11.5%
Intersegment	-624	-5	-511	4,442	3,300	-3,300	-
Total	5,271	-884	1,344	4,632	10,363	-3,300	7,061
Operating expenses	4,777	-678	64	2,473	6,637	-3,820	2,816
Operating income	494	-207	1,279	2,159	3,725	519	4,246
Variance(%)	5.6%	-59.5%	86.1%	76.7%	27.5%	-	31.6%
Assets	9,412	-1,742	-4,190	11,125	14,607	-32,996	-18,390

Notes:

- Corporate operating expenses mainly consist of the administration expenses of the headquarters of the Company. Corporate operating expenses for the three months ended Dec. 31, 2003 and 2002 are as follows:

<u>2003</u>	400 million Yen	<u>2002</u>	450 million Yen
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- Corporate assets mainly consist of cash, time deposits, investments securities and administrative assets of the Company. Corporate assets as of Dec. 31, 2003 and 2002 are as follows:

<u>2003</u>	30,499 million Yen	<u>2002</u>	56,993 million Yen
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3. Sales to Foreign Customers

(Figures less than a million Yen are omitted.)

For the three months ended December 31, 2003

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	8,792	10,822	11,578	4	31,197
Consolidated Sales (B)					68,688
Overseas Sales ratio A/B	12.8%	15.7%	16.9%	0.0%	45.4%
Regional Sales ratio	28.2%	34.7%	37.1%	0.0%	100.0%

For the three months ended December 31, 2002

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	8,739	10,125	8,393	-25	27,234
Consolidated Sales (B)					61,627
Overseas Sales ratio A/B	14.2%	16.4%	13.6%	0.0%	44.2%
Regional Sales ratio	32.1%	37.2%	30.8%	-0.1%	100.0%

Ref:

Differences between the 3rd quarter of this year and the same period last year

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	53	697	3,185	29	3,963
Consolidated Sales (B)					7,061
Overseas Sales ratio A/B	0.6%	6.9%	37.9%	-	14.6%

Note: The Company and consolidated subsidiaries are summarized in four segments by geographic area based on the countries where the Companies are located. The segments consisted of the following countries:

North America:	United States of America, Canada, etc.
Europe:	Netherlands, Germany, United Kingdom, etc.
Asia:	Singapore, Republic of Korea, Taiwan, etc.
Other:	Saudi Arabia, Brazil, etc.

(4) Composition of Net Sales by Business Category

HOYA CORPORATION and Consolidated Subsidiaries

(Unaudited)

(Three months ended Dec. 31, 2003 and 2002)

Business Category Company	Millions of yen, (%), [%]					
	Three months ended Dec. 31,		Variance		Three months ended	
	2003	2002	Amount	%	Sep.30, 2003	
Electro-Optics						
Domestic	20,017 (58.2)	16,391 (57.0)	3,626	22.1	19,215 (57.9)	
Overseas	14,374 (41.8)	12,361 (43.0)	2,013	16.3	13,983 (42.1)	
total	34,391 [50.1]	28,752 [46.7]	5,639	19.6	33,198 [49.0]	
Photonics						
Domestic	654 (52.7)	820 (64.8)	-166	-20.2	852 (73.8)	
Overseas	588 (47.3)	445 (35.2)	143	32.1	302 (26.2)	
total	1,241 [1.8]	1,265 [2.1]	-24	-1.9	1,155 [1.7]	
Information Technology						
Domestic	20,670 (58.0)	17,211 (57.3)	3,459	20.1	20,068 (58.4)	
Overseas	14,962 (42.0)	12,806 (42.7)	2,156	16.8	14,285 (41.6)	
total	35,632 [51.9]	30,017 [48.7]	5,615	18.7	34,353 [50.7]	
Vision Care						
Domestic	8,616 (34.9)	8,725 (37.9)	-109	-1.2	9,247 (37.2)	
Overseas	16,046 (65.1)	14,268 (62.1)	1,778	12.5	15,581 (62.8)	
total	24,663 [35.9]	22,993 [37.3]	1,670	7.3	24,828 [36.6]	
Health Care						
Domestic	6,938 (99.0)	6,681 (99.8)	257	3.8	7,220 (99.2)	
Overseas	73 (1.0)	13 (0.2)	60	461.5	58 (0.8)	
total	7,011 [10.2]	6,693 [10.9]	318	4.8	7,277 [10.7]	
Eye Care						
Domestic	15,554 (49.1)	15,406 (51.9)	148	1.0	16,467 (51.3)	
Overseas	16,119 (50.9)	14,281 (48.1)	1,838	12.9	15,639 (48.7)	
total	31,674 [46.1]	29,686 [48.2]	1,988	6.7	32,106 [47.4]	
Crystal						
Domestic	923 (88.8)	1,319 (90.0)	-396	-30.0	899 (88.1)	
Overseas	117 (11.2)	147 (10.0)	-30	-20.4	122 (11.9)	
total	1,039 [1.5]	1,466 [2.4]	-427	-29.1	1,021 [1.5]	
Service						
Domestic	343 (100.0)	457 (100.0)	-114	-24.9	307 (100.0)	
Overseas	0 (0.0)	0 (0.0)	0	-	0 (0.0)	
total	343 [0.5]	457 [0.7]	-114	-24.9	307 [0.5]	
Lifestyle Refinement						
Domestic	1,266 (91.5)	1,776 (92.4)	-510	-28.7	1,205 (90.8)	
Overseas	117 (8.5)	147 (7.6)	-30	-20.4	122 (9.2)	
total	1,383 [2.0]	1,923 [3.1]	-540	-28.1	1,327 [1.9]	
Total Net Sales						
Domestic	37,491 (54.6)	34,394 (55.8)	3,097	9.0	37,739 (55.7)	
Overseas	31,197 (45.4)	27,234 (44.2)	3,963	14.6	30,047 (44.3)	
Total	68,688 [100.0]	61,627 [100.0]	7,061	11.5	67,786 [100.0]	

Notes: 1. Figures of less than a million yen are omitted.

2. Figures in () are percentages of business category sales.

3. Figures in [] are percentages of total net sales.