



Annual Financial Highlights (unaudited)

April 21, 2003

HOYA CORPORATION and Consolidated Subsidiaries

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Performance for the years ended March 31, 2003 and 2002

(Unit:Millions of Yen, figures less than a million yen are omitted.)

(1)Results of Operations	Years ended March 31,		Variance
	2003	2002	(%)
Net sales	246,293	235,265	4.7
Operating income	52,982	43,897	20.7
Ordinary income	50,874	45,774	11.1
Net income	20,037	23,740	-15.6
EPS (Yen)	171.10	204.44	
ROE	9.0%	11.5%	
Ordinary income / total assets	18.4%	16.8%	
Ordinary income / net sales	20.7%	19.5%	

Notes : No changes have been made in accounting policy.

(2)Dividends	Years ended March 31,	
	2003	2002
Annual cash dividends per share (Yen)	50.00	50.00

(3)Financial Position	As of March 31,	
	2003	2002
Total assets	274,288	278,067
Shareholders' equity	224,218	219,180
Shareholders' equity ratio	81.7%	78.8%
Shareholders' equity per share (Yen)	1,946.79	1,887.50

(4)Conditions of Cash Flow	2003	2002
	Net cash provided by operating activities	38,390
Net cash used in investing activities	-13,583	-19,653
Net cash provided by (used in) financing activities	-14,547	-8,186
Cash and cash equivalents, end of period	75,694	66,321

Ref:Performance of HOYA CORPORATION for the years ended March 31, 2003 and 2002

	2003	2002	Variance(%)
Net sales	159,432	151,789	5.0
Operating income	26,536	23,985	10.6
Ordinary income	29,460	30,169	-2.4
Net income	8,852	15,333	-42.3
EPS (Yen)	75.27	132.04	
Total assets	209,387	217,074	
Shareholders' equity	166,374	171,933	

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1.Global Group Management

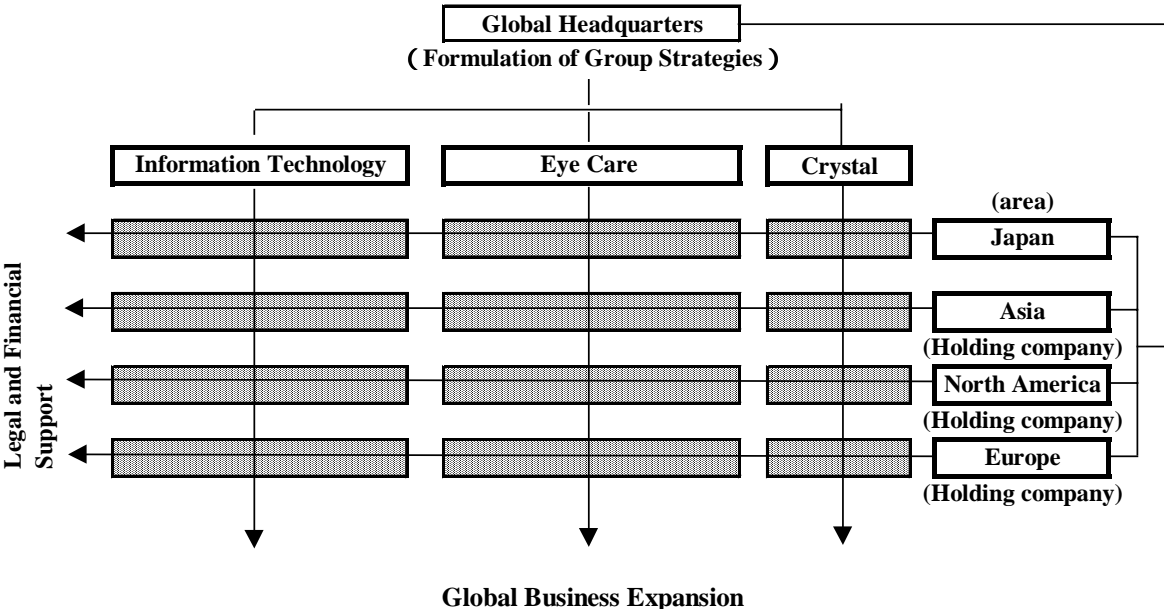
The HOYA Group consists of the HOYA CORPORATION (the "Company"), 52 consolidated subsidiaries (6 in Japan and 46 overseas) and six affiliates (6 in Japan). The HOYA Group is engaged in manufacturing, sales and businesses related to Electro-Optics, Photonics, Vision Care, Health Care and Crystal products. Of the six affiliates, two (2 in Japan) are accounted for using the equity method (as of March 31, 2003).

Our products are manufactured by the Company itself and by other companies in the Group both in Japan and abroad. In Japan, most of our products are distributed directly to retailers, specialty stores, assemblers, etc. Some products are exported to various countries abroad through our overseas Group companies.

The HOYA Group has adopted a global group management system. Global Headquarters at the HOYA CORPORATION formulate management strategies, which are enacted on a global basis by the two major business segments such as Information Technology and Eye Care in line with their respective business responsibilities.

By area, regional holding companies in North America, Europe and Asia are in charge of reinforcing relationships with the countries and areas in their respective regions, financial management on a regional basis, legal support and internal audits, thereby supporting the promotion of business activities.

Global Group Management System

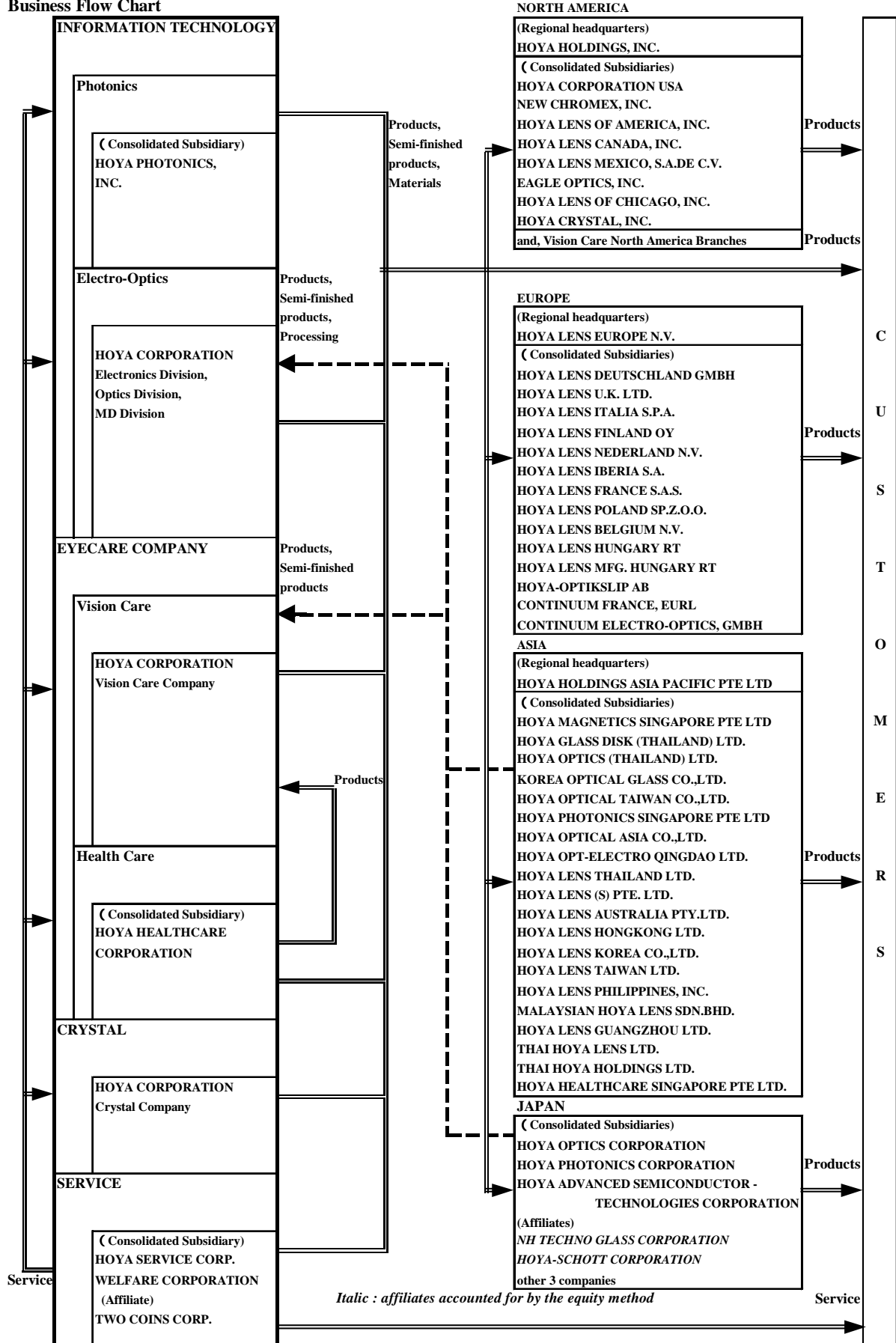


Business Categories	Industries	Products and Services	Major Subsidiaries and Affiliates
Information Technology	Electro-Optics	Photomasks and Maskblanks for semiconductors, Masks and Devices for LCDs; Glass disks for hard disk drives (HDDs); Optical lenses, Optical glasses, Electronic glass, Optical communication related devices, etc.	HOYA CORP. Electronics; Optics; MD Divisions HOYA CORPORATION USA HOYA MAGNETICS SINGAPORE PTE LTD HOYA GLASS DISK (THAILAND) LTD. HOYA OPTICS CORPORATION
	Photonics	Lazer equipments for industrial, research & laboratory, and medical purposes	HOYA PHOTONICS, INC. HOYA CONTINUUM CORPORATION
Eye Care	Vision Care	Eyeglass lenses, Eyeglass frames, Ophthalmic equipments, etc.	HOYA CORP. Vision Care Company HOYA LENS DEUTSCHLAND GMBH HOYA LENS U.K. LTD. HOYA LENS OF AMERICA, INC. HOYA LENS THAILAND LTD.
	Health Care	Contact lenses and accessories, Intraocular lenses, Hearing aids (1), etc.	HOYA HEALTHCARE CORPORATION
Lifestyle Refinement	Crystal	Crystal glass products	HOYA CORP. Crystal Company (2) HOYA CRYSTAL, INC.
	Service	Design of information systems, Placement of temporary staff, etc.	HOYA SERVICE CORPORATION WELFARE CORPORATION

Notes:

- (1) Business of hearing aids in Healthcare segment was sold to the Harmony Corporation (Japan) with effect on Mar. 31, 2003.
- (2) Though the business of Crystal segment has been mainly covered by HOYA CRYSTAL CORP. and HOYA CRYSTALSHOP CORP., these two subsidiaries were merged into HOYA CORP. with effect on March 1, 2003 and transformed to internal Crystal company.

Business Flow Chart



2. Management Policies

An outline of the management policies of the HOYA Group is as follows:

Top Priority Policy of the Management "Maximization of Corporate Value"

1. SVA management

(SVA:Shareholders' Value Added or an increment in shareholder value during one fiscal year)

In order to maximize shareholder value, we will streamline our management and carry out SVA management. We are confident that we will be able to respond to the expectations of our shareholders and satisfy all stakeholders with an increase in corporate value by producing profits that exceed capital costs while paying due attention to all expenses.

2. Corporate governance (Outside board members)

We believe that a business should be managed so as to maximize shareholder value. With a view to ensuring that the board of directors adequately represents the shareholders' interests, the Company has co-opted three external directors (half of numbers of board members) to supervise and advise the senior management.

3. Strategy of "Global Niche"

Applying our original technologies, which have been accumulated over many years, the Company will develop technologies that will prevail in the global marketplace, create new business fields with growth potential to attain the top market shares therein, and develop them into highly profitable businesses.

4. Harmonizing the interests of management, employees and shareholders

In order to improve business results and produce profits for both shareholders and management/employees simultaneously, board members are obliged to own shares in the Company, bonus payments to employees are linked to business results, and an employee stock ownership plan has been established that allows employees to have a sense of participation in the management of the Company.

The Company has adopted new system that places importance on the employees' abilities regardless of age or sex so that they can work with enthusiasm.

5. Global group management

We will make the best combination of management resources in order to give full play to our competitive edge in a global perspective and strive to increase our share of overseas business.

Measures designed to promote globalization include not only expansion of the worldwide marketing network and transfer of manufacturing overseas, but also employment of locals in the senior management of overseas subsidiaries regardless of race.

3. Business Overview

3-1. Results of Operations

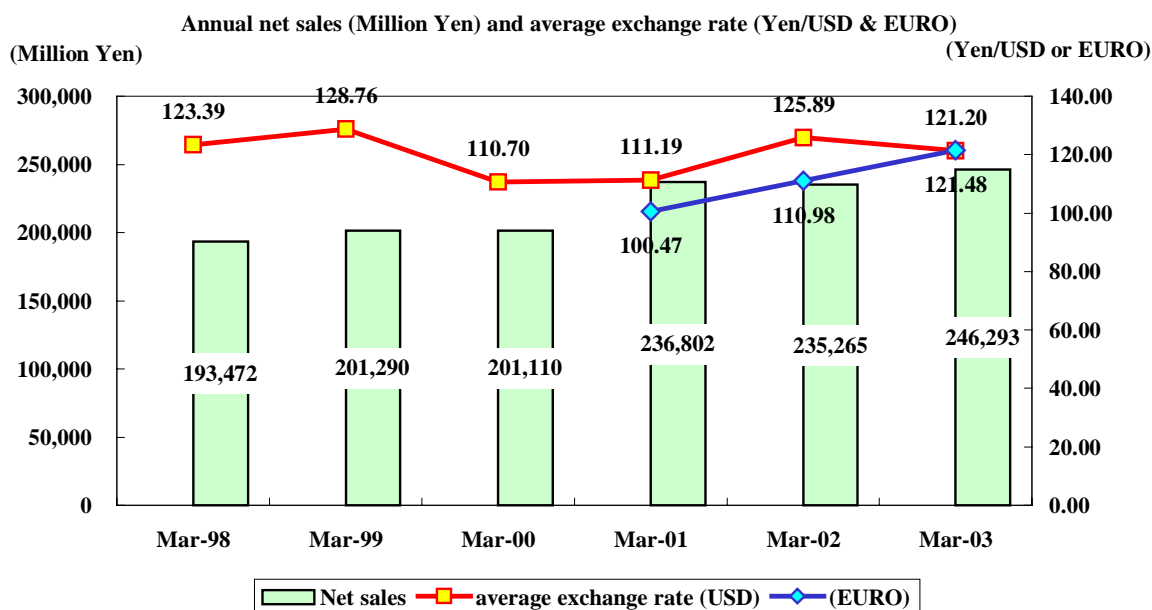
(1) General Overview

<u>Results of Operations</u>	<u>Millions of Yen</u> <u>Year ended Mar. 31, 2003</u>
Net sales	246,293
Operating income	52,982
Ordinary income	50,874
Net income	20,037
EPS (Yen)	171.10

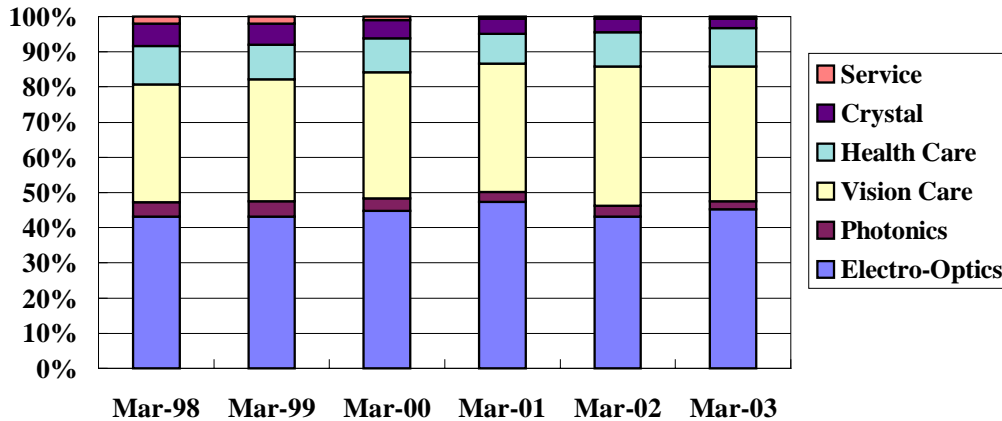
In terms of the economic conditions surrounding the Company in Fiscal 2002, a moderate recovery trend was observed in the Japanese economy as business conditions, mainly in the United States, recovered initially due to progress in inventory adjustment. Thereafter, however, corporate investment in information technology (IT) was depressed amid revelations of accounting scandals in the United States, a lowering of stock prices worldwide, and intensifying Middle East tension, etc. In Japan, too, employment stability was increasingly threatened due to corporate failures and restructuring, a lowering of stock prices intensified due to unloading of cross-shareholdings, and business conditions remained sluggish.

In the currency markets, with respect to average rates during Fiscal 2002, the US dollar depreciated by 3.7%, the euro appreciated by 9.5%, and the Thai baht remained fairly static, all against the yen, respectively on a year-on-year basis.

In this business environment, in the Electro-Optics segment of the HOYA Group, the order volume increased for high precision products as customers increasingly required new product development. In the Vision Care division, overseas sales of eyeglass lenses were solid, while in the Health Care division, sales of contact lenses and intraocular lenses were solid. As a result, consolidated sales during Fiscal 2002 increased 4.7% on a year-on-year basis, which was a historical annual result.



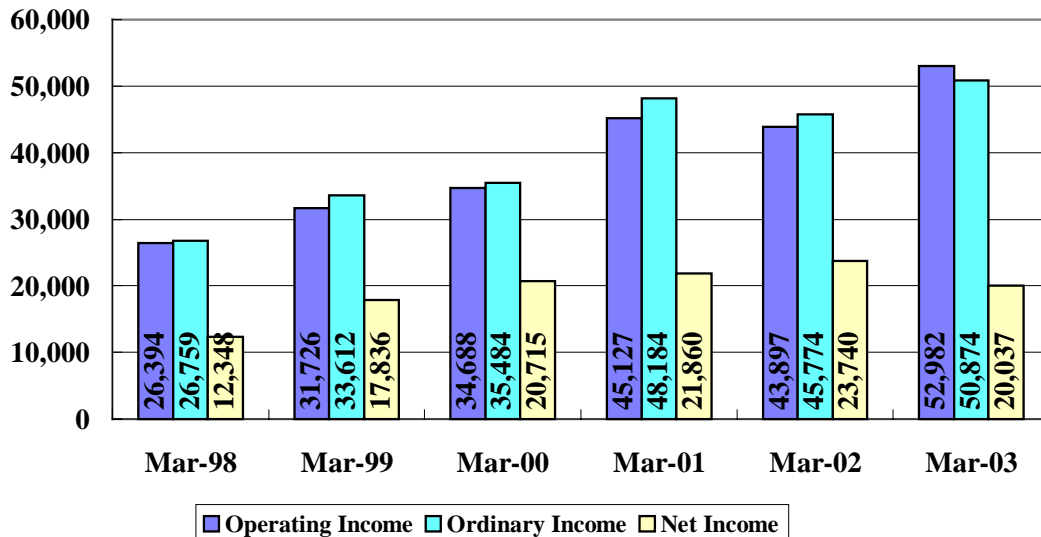
Ratio of Net Sales by Business Segment



In Fiscal 2002, every plant in the Electro-Optics segment was in full operation at a high operating rate throughout the period on the back of solid orders for high value-added products in association with the development of next-generation products on the customers' side. In the Vision Care and Health Care divisions, both sales and profits increased with expanded sales of new products and high value-added products. As a result, operating income and ordinary income increased 20.7% and 11.1% on a year-on-year basis respectively, which recorded annual historical results.

At the same time, on the other hand, HOYA carried out structural reform with an eye on the future, and posted extraordinary losses that include approximately Yen15 billion to cover the amount required in connection with the dissolution of the employees' pension fund and approximately Yen3.1 billion that related to abolition of the system of lump sum severance pay in the Vision Care and Crystal divisions, etc. As a result net income decreased 15.6% on a year-on-year basis. Net income per share was Yen171.10, a decrease of Yen33.34 on a year-on-year basis.

Profits (Million Yen)

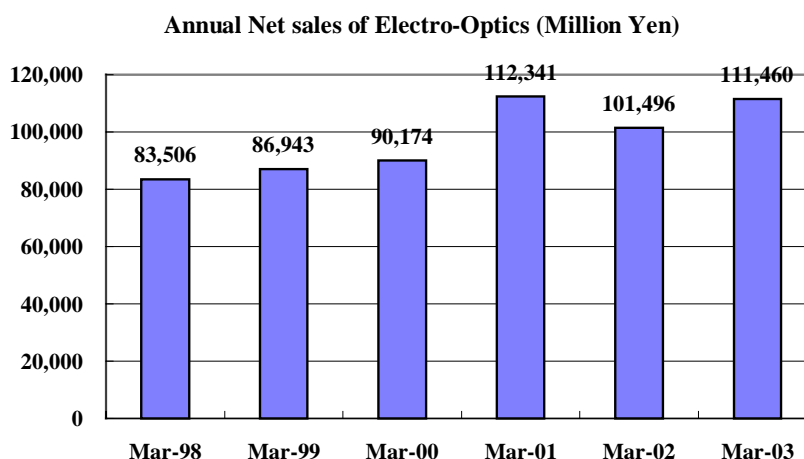


HOYA continually strives to increase our shareholder value to meet the expectations of our shareholders. For the dividends of Fiscal 2002, we plan to pay a year-end dividend of Yen 25 per share in consideration of the results. Combined with the interim dividend of Yen 25 per share (paid), the annual dividend per share will be Yen 50, remaining the same as that of the previous year.

(2) Segment Overview

1) Information Technology

Electro-Optics

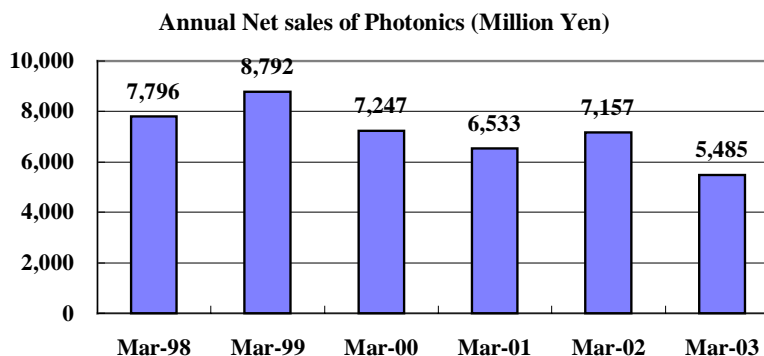


In terms of mask blanks for manufacturing semiconductors, demand for high technology products, especially for high precision products including blanks for phase-shift masks, etc., grew solidly and sales increased on a year-on-year basis. Sales of photomasks for manufacturing semiconductors remained almost the same year-on-year with a shrinkage in the Japanese market compensated for by a shift in demand for high precision products and by an increase in the weighting of overseas sales. Sales of photomasks for LCDs increased on a year-on-year basis thanks to the starting up of new production lines destined for the overseas market as well as to the intensifying volume-production concerning screen panels for televisions, etc.

In terms of glass disks for HDDs (Hard Disk Drives), coated products (Media) enjoyed favorable demand thanks to an increase in the number of HDD shipments and sales increased on a year-on-year basis while sales of glass substrates (Substrates), on the other hand, were sluggish. Overall sales decreased on a year-on-year basis.

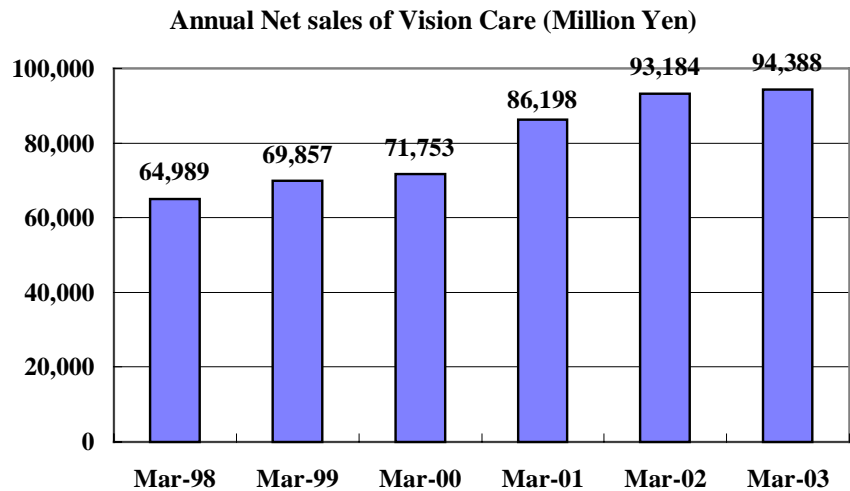
In terms of optical lenses and glasses, shipment of lenses for digital still and video cameras, which had been undergoing a phase of significant production adjustment in Fiscal 2001, recovered substantially in Fiscal 2002. Sales of LCD projectors grew solidly and sales increased on a year-on-year basis.

Photonics



In terms of laser-related equipment, the division handling physicochemical use was sold off in October as part of our business reform. While the sales in Japan of those for industrial use (related to semiconductors and LCD) were favorable, overall sales decreased on a year-on-year basis.

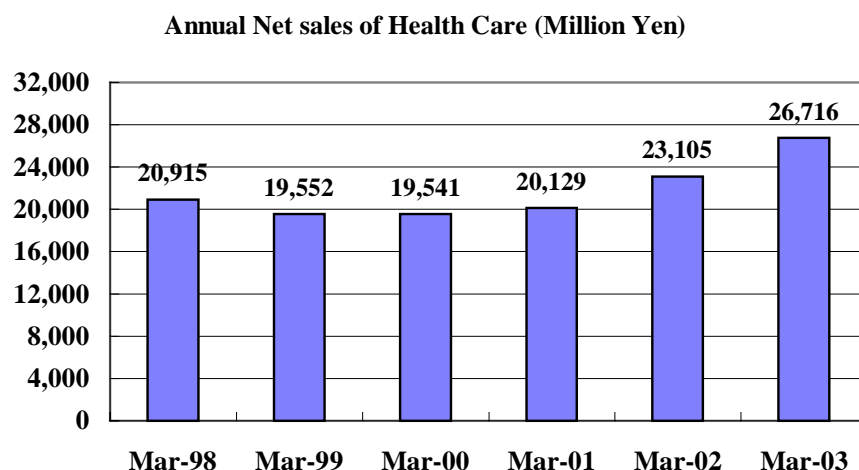
2) Eye Care Vision Care



In the domestic eyeglass market, tough conditions persisted as unit prices continued to fall due to deflation as well as to the preponderance of discount shops and a trend towards market bipolarization was observed. HOYA promoted the higher value-addition of products centering on new progressive lens products in order to maintain the power of the HOYA brand. While sales of products in the upper price band were favorable, overall sales decreased on a year-on-year basis.

In the overseas market, too, a substantial volume of low-priced products circulated in the market. However, HOYA actively promoted the higher value-addition, especially the enhancement of progressive rates, of its products in every region and sales of high value-added products increased accordingly. In Europe, sales growth was also helped by a weaker yen against the euro on a year-on-year basis. As a result, overall sales of the segment increased on a year-on-year basis.

Health Care

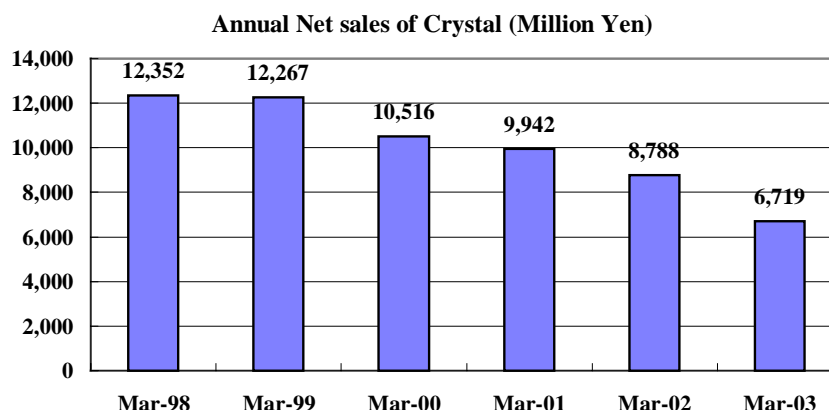


Sales of contact lenses increased on a year-on-year basis thanks to the reinforced sales promotion of high-value-added products including lenses for astigmatism and bifocal lenses and of products backed by our *E-System* of lens compensation services as well as to the effects of the Scrapping & Building program for retail outlets.

Sales of intraocular lenses (IOLs) increased substantially on a year-on-year basis thanks to a favorable increase in sales of *Acryfold*, a soft intraocular lens product, which was well received.

3) Lifestyle Refinement

Crystal



Sales of crystal decreased on a year-on-year basis due to a substantial decline in demand for personal consumption and for corporate gifts amid the sluggish market as well as to the downsizing as part of our business reform in order to reconstruct the HOYA brand.

3-2. Financial Position

(1) Conditions of Assets

	<u>Millions of Yen</u>
	<u>As of Mar. 31, 2003</u>
Total assets	274,288
Shareholders' equity	224,218
Shareholders' equity ratio	81.7%

At the end of Fiscal 2002, the outstanding balance of cash and deposits increased by Yen 9.37 billion, while Yen 12.32 billion in fixed asset decreased. Total Assets, therefore, decreased by Yen 3.77 billion. Liabilities decreased by Yen 8.84 billion. Shareholders' Equity increased by Yen 5.03 billion as the surplus increased.

(2) Conditions of Cash Flows

	<u>Millions of Yen</u>
	<u>Year ended Mar. 31, 2003</u>
Net cash provided by operating activities	38,390
Net cash used in investing activities	-13,583
Net cash provided by (used in) financing activities	-14,547
Cash and cash equivalents, end of period	75,694

In terms of Cash flows from operating activities, on the basis of Yen 28.7 billion in Net Income, Yen 19.7 billion of Depreciation and amortization, Net cash provided by operating activities amounted to Yen 38.3 billion. Net cash used in investing activities amounted to Yen 13.5 billion centered mainly on the reinforcement of plant and equipment for Electro-optics segment. Free cash flow amounted to Yen 24.8 billion and was apportioned to repayments of loans, payments of dividends, etc. Amount of Cash and cash equivalent increased by Yen 9.3 billion in comparison to that of the beginning of the fiscal year.

3-3. Business Plans for the Year Ending March 31, 2004

1) Market Environment

Towards the end of Fiscal 2002, some factors that may hinder the movement of people and freight substantially arose, including the war that started in Iraq that started and a new type of pneumonia (SARS) that began to spread. In Japan, the business outlook is extremely unclear due to deflation, sluggish consumption and a lowering of stock prices as well as to anxiety over possible shortfalls in the electricity supply.

On the other hand, IT-related industries grow steadily with pivotal development of high technology products. Semiconductor- and LCD-related enterprises in Asia, especially in Korea, Taiwan and China, operate vibrantly and demonstrate a strong will to invest in plant and equipment.

2) Issues for the Company

We will continue our research and development efforts with a view to the future. We will continuously bring about new businesses, new products and new markets that will shoulder the operations of the next generation centered on such areas as optical communication and medical care, etc.

In the Electro-Optics segment, we will reinforce sales of high precision products and will make efforts to further reduce costs. With respect to those products for which we have sizable market shares, we will strengthen the relationship of trust with our customers by developing technologies in collaboration with them and by securing a stable supply with reinforced production capacity, etc. and, thereby, we will strengthen our competitive edge.

In terms of the Vision Care segment, conditions are expected to remain tough due to sluggish personal consumption and to the fall in unit prices in Japan. We will secure profitability by implementing the advantages of the shift overseas of our mass production bases that was enacted in Fiscal 2002 and by strengthening the sales of high value-added products including new products. Overseas, we will utilize our laboratories in every region efficiently and will engage in expanding our area-based high-added-value strategy.

In terms of the Health Care segment, and with regard to contact lenses, we will enhance customer satisfaction at existing retail outlets so as to increase and secure our clientele and, at the same time, will strive to increase our sales profits through actively opening new retail outlets. For intraocular lenses, we will engage in expanding our sales of soft lens and will strive to increase our market share in Japan and develop our operations globally.

In terms of plant and equipment investment, we will strengthen our plants and equipment proactively to address technological progress so as to secure our competitive advantage.

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4. Consolidated Financial Statements (unaudited)

(1) Consolidated Balance Sheets

HOYA CORPORATION and Consolidated Subsidiaries	Millions of Yen			
	As of Mar.31,		Variance	
	2003	2002	Value	(%)
ASSETS				
Current assets	178,153	169,587	8,566	5.1
Cash and deposits	75,694	66,321	9,373	
Notes and accounts receivable - trades	58,945	59,095	-150	
Inventories	32,360	35,595	-3,235	
Refundable income tax - receivable	3,899	-	3,899	
Deferred taxes	3,969	3,615	354	
Other current assets	4,583	6,352	-1,769	
Allowance for doubtful receivables	-1,299	-1,392	93	
Fixed assets	95,723	108,051	-12,328	-11.4
Tangible fixed assets	77,237	85,272	-8,035	-9.4
Buildings and structures	23,539	26,272	-2,733	
Machinery and vehicles	33,203	37,447	-4,244	
Lands	9,326	9,445	-119	
Other tangible fixed assets	11,167	12,107	-940	
Intangible fixed assets	5,106	4,754	352	7.4
Investments and other assets	13,379	18,025	-4,646	-25.8
Investment securities	5,739	5,816	-77	
Long-term deferred taxes	3,210	7,411	-4,201	
Other investments and other assets	6,140	6,378	-238	
Allowance for doubtful receivables	-1,711	-1,580	-131	
Deferred charges	411	429	-18	-4.2
Total Assets	274,288	278,067	-3,779	-1.4
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities	47,889	49,113	-1,224	-2.5
Notes and accounts payable - trades	20,405	19,918	487	
Short-term loan payable	2,284	3,378	-1,094	
Income tax payable	2,609	4,867	-2,258	
Accrued bonus	3,512	3,881	-369	
Other current liabilities	19,077	17,066	2,011	
Long-term liabilities	1,996	9,617	-7,621	-79.2
Long-term loan payable	7	569	-562	
Employees retirement benefits	-	7,311	-7,311	
Directors retirement benefits	316	254	62	
Other long-term liabilities	1,673	1,482	191	
Total Liabilities	49,886	58,731	-8,845	-15.1
Minority interest	183	155	28	18.1
Common stock	6,264	6,264	-	-
Additional paid-in capital	15,898	15,898	-	-
Retained earnings	216,271	202,255	14,016	6.9
Evaluation difference of investments securities	15	110	-95	-86.4
Foreign currency statement translation adjustments	-7,178	-5,331	-1,847	34.6
Treasury stock, at cost	-7,052	-16	-7,036	-
Total Shareholders' Equity	224,218	219,180	5,038	2.3
Total	274,288	278,067	-3,779	-1.4
notes:				
Accumulated depreciation	148,647	141,232	(Million Yen)	
Guarantees of borrowings and lease obligations for customers	496	570	(Million Yen)	
Number of shares of treasury stock	951,050	2,059	(stocks)	

(2) Consolidated Statements of Income

HOYA CORPORATION and Consolidated Subsidiaries

	Millions of Yen			
	Years ended Mar. 31,		Variance	
	2003	2002	Value	(%)
Net sales	246,293	235,265	11,028	4.7
Cost of sales	133,274	134,258	-984	-0.7
Gross profit	113,018	101,006	12,012	11.9
Selling, general and administrative expenses	60,035	57,108	2,927	5.1
Operating income	52,982	43,897	9,085	20.7
Non-operating income	3,038	4,966	-1,928	-38.8
Interest income	580	476	104	
Foreign exchange gains	-	1,033	-1,033	
Equity in earnings of associated companies	417	533	-116	
Others	2,040	2,923	-883	
Non-operating expenses	5,146	3,090	2,056	66.5
Interest expense	374	616	-242	
Foreign exchange losses	1,251	-	1,251	
Others	3,520	2,473	1,047	
Ordinary income	50,874	45,774	5,100	11.1
Extra-ordinary income	1,469	513	956	186.4
Gain on sales of property, plant and equipment	725	335	390	
Gain on sales of investment securities	109	136	-27	
Others	634	41	593	
Extra-ordinary losses	23,600	8,700	14,900	171.3
Coverage to Company's employees pension funds	14,949	-	14,949	
Lump-sum retirement benefit paid to employees	351	-	351	
Additional retirement benefits paid to employees	3,691	1,995	1,696	
Loss on disposal of property, plant and equipment	1,946	1,528	418	
Expense on stoppage of operation	462	777	-315	
Loss on sales of investment securities	6	3,118	-3,112	
Others	2,192	1,280	912	
Income before income taxes and other items	28,742	37,587	-8,845	-23.5
Income taxes - Current	5,648	12,001	-6,353	-52.9
Income taxes - Deferred	3,028	1,745	1,283	73.5
Minority interests in net income	28	99	-71	-71.7
Net income	20,037	23,740	-3,703	-15.6
Net income per share(Yen)	171.10	204.44	-33.34	-16.3

Notes:

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

		2003 A	2003 B	influences
Net sales	Million Yen	246,293	244,956	1,337
Operating income	Million Yen	52,982	52,533	449
Ordinary income	Million Yen	50,874	50,492	382
Net income	Million Yen	20,037	19,808	229

- Average rates of major foreign currencies:

		Years ended Mar. 31,		Variance(%)
		2003	2002	
US Dollar	Yen	121.20	125.89	3.7%
Euro	Yen	121.48	110.98	-9.5%
Thail Baht	Yen	2.83	2.83	0.0%

- Due to the dissolution of the employee pension fund, Yen 14,949 million was posted under extra-ordinary loss in the third quarter of this fiscal year.

(3) Consolidated Statements of Retained Earnings

HOYA CORPORATION and Consolidated Subsidiaries

Items	Millions of Yen		
	Years ended Mar. 31,		Variance
	2003	2002	
Capital Retained Earnings			
Balance at the beginning of the period	15,898	15,898	-
Adjustment of retained earnings	-	-	-
Appropriations	-	-	-
Balance at the end of the period	15,898	15,898	-
Profit Retained Earnings			
Balance at the beginning of the period	202,255	184,361	17,894
Adjustment of retained earnings	20,037	24,472	-4,435
1. Net income	20,037	23,740	-3,703
2. for merger of unconsolidated subsidiaries	-	667	-667
3. for accounting changes at foreign subsidiaries	-	65	-65
Appropriations	6,021	6,579	-558
1. Cash dividends	5,806	6,386	-580
2. Bonuses to directors	149	192	-43
3. for merger of unconsolidated subsidiaries	65	-	65
Balance at the end of the period	216,271	202,255	14,016

(4) Consolidated Statements of Cash Flows

HOYA CORPORATION and Consolidated Subsidiaries

	Millions of Yen		
	<u>Years ended Mar.31,</u>		
	2003	2002	Variance
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	28,742	37,587	-8,845
Adjustments for:			
Income taxes - paid	-11,508	-15,394	3,886
Depreciation and amortization	19,792	19,635	157
Amortization of Goodwill	-	469	-469
Reversal of accrued bonuses to employees	-359	-190	-169
Reversal of accrued retirement benefits	-7,255	-1,192	-6,063
Provision for (Reversal of) reserve for periodic repairs	-366	243	-609
Accumulation of consolidation account adjustment	-	-171	171
Equity in earnings of associated companies	-417	-533	116
Foreign exchange loss (gain)	705	-305	1,010
Bonus to directors	-149	-194	45
Devaluation losses on investment securities	110	479	-369
Gain on sales of property, plant and equipment and investment securities	-834	-472	-362
Loss on disposal of property, plant and equipment and investment securities	1,953	4,646	-2,693
Gain on transfer of businesses	-488	-	-488
Other	841	993	-152
<i>Changes in assets and liabilities:</i>			
(Increase) decrease in notes and accounts receivable	622	-2,445	3,067
(Increase) decrease in inventories	3,207	2,860	347
(Increase) decrease in other current assets	1,979	465	1,514
Increase (decrease) in notes and accounts payable	554	-4,180	4,734
Increase (decrease) in other current liabilities	1,259	-1,278	2,537
Retire benefit payable	22,325	-	22,325
Payment of retire benefit payable	-22,325	-	-22,325
Total adjustment			
Net cash provided by operating activities	38,390	41,023	-2,633
INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	-14,212	-19,000	4,788
Proceeds from sales of property, plant and equipment	2,254	479	1,775
Purchases of investment securities	-345	-118	-227
Proceeds from sales of investment securities	321	1,631	-1,310
Payments for purchases of affiliates (Sweden), etc. net of cash acquired	-1,301	-785	-516
Increase in investments and other assets	-1,755	-2,416	661
Decrease in investments and other assets	562	557	5
Net cash used in investing activities	-13,583	-19,653	6,070
FINANCING ACTIVITIES:			
Net increase (decrease) in short-term borrowings	-1,264	-1,722	458
Proceeds from long-term bank loans	-	90	-90
Repayment of long term bank loans	-434	-126	-308
Net (increase) decrease in treasury stock	-7,036	-16	-7,020
Dividends paid	-5,813	-6,412	599
Net cash used in financing activities	-14,547	-8,186	-6,361
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	10,259	13,183	-2,924
Effect of Exchange Rate Changes on Cash and Cash Equivalents	-927	1,149	-2,076
Cash and cash equivalents of merged unconsolidated subsidiaries, beginning of year	41	290	-249
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	66,321	51,697	14,624
CASH AND CASH EQUIVALENTS, END OF YEAR	75,694	66,321	9,373

(5) Scope of Consolidation and Application of the Equity Method

1. Number of consolidated subsidiaries : 52 companies
 (Major consolidated subsidiaries :
 <overseas> HOYA HOLDINGS, INC.,HOYA LENS EUROPE N.V.,
 HOYA HOLDINGS ASIA PACIFIC PTE LTD., HOYA PHOTONICS, INC.
 <domestic> HOYA OPTICS CORPORATION, HOYA HEALTHCARE CORPORATION
2. Number of unconsolidated subsidiaries : None
3. Number of affiliates : 6 companies
 (Number of affiliates accounted for by the equity method : 2 companies;
 Major affiliate : NH TECHNO GLASS CORPORATION)

Notes Changes in Accounting Policies and Others

1. Changes in scope of consolidation and application of the equity method:

In comparison to March 31, 2002

a. Scope of consolidation : 1company increased in total.

2 companies increased due to the establishment:

HOYA ADVANCED SEMICONDUCTOR TECHNOLOGIES CORPORATION (Japan)
 HOYA HEALTHCARE SINGAPORE PTE LTD. (Singapore)

1 company increased due to the acquisition:

HOYA LENS OF CHICAGO, INC. (USA)

2 companies decreased due to the merger:

HOYA CRYSTAL CORPORATION (Japan)
 HOYA CRYSTAL SHOP CORPORATION (Japan)
 (The above two companies were merged into HOYA CORPORATION.)

b. Application of the equity method : No change

2. Changes in accounting policy :

None

	as of Mar. 31, 2003	as of Mar. 31, 2002	variance
Consolidated subsidiaries	52 (do 6, os46)	51 (do 7, os44)	1 (do-1, os +2)
Nonconsolidated subsidiaries	- (do -, os -)	- (do -, os -)	- (do-, os -)
Affiliates	6 (do 6, os -)	6 (do 6, os -)	- (do-, os-)
Total Hoya Group	58	57	1

(do : domestic, os : overseas)

Notes Relating to Consolidated Statements of Cash Flows

	<u>Millions of Yen</u>	
	<u>As of Mar. 31,</u>	
	<u>2003</u>	<u>2002</u>
1. Cash and Cash Equivalents at the End of the Period		
Cash and deposits	75,694	66,321
Marketable securities	-	-
Total	<u>75,694</u>	<u>66,321</u>
2. Details of Assets and Liabilities of the Newly Consolidated Subsidiaries by Acquisition of Shares		
<u>Year ended Mar. 31, 2003</u>		
HOYA LENS OF CHICAGO, INC. (as of Mar. 1, 2003)		
Current assets	309	
Goodwill	1,132	
Fixed assets	-	
Current liabilities	93	
Long-term liabilities	-	
Value for acquisition of shares of this subsidiary	1,348	
Cash and cash equivalents possessed by this subsidiary	47	
Balance : Payments for purchases of this subsidiary net of cash acquired	<u>1,301</u>	
<u>Year ended Mar. 31, 2002</u>		
HOYA-OPTIKSLIP AB (as of Oct. 1, 2001)		
Current assets	561	
Fixed assets	190	
Current liabilities	-456	
Long-term liabilities	-164	
Adjustment of consolidation	335	
Stock of company of the equity method	-65	
Value for acquisition of shares of this subsidiary	400	
Cash and cash equivalents possessed by this subsidiary	-15	
Balance : Payments for purchases of this subsidiary net of cash acquired	<u>384</u>	
EAGLE OPTICS, INC. (as of Feb. 1, 2002)		
Current assets	76	
Goodwill	469	
Fixed assets	61	
Current liabilities	-72	
Long-term liabilities	-52	
Value for acquisition of shares of this subsidiary	480	
Cash and cash equivalents possessed by this subsidiary	-6	
Balance : Payments for purchases of this subsidiary net of cash acquired	<u>474</u>	
THAI HOYA LENS LTD. (as of Mar. 31, 2002)		
Current assets	411	
Fixed assets	64	
Current liabilities	-54	
Long-term liabilities	-4	
Adjustment of consolidation	-147	
Stock of company of the equity method	-212	
Value for acquisition of shares of this subsidiary	58	
Cash and cash equivalents possessed by this subsidiary	-132	
Balance : Payments for purchases of this subsidiary net of cash acquired	<u>-73</u>	

Notes Relating to Consolidated Statements of Cash Flows 2

Millions of Yen

3. Details of Asstets and Liabilities of the Newly Consolidated Subsidiary

Year ended Mar. 31, 2003

HOYA CUSTOMER SERVICE CORPORATION (as of Mar. 1, 2003)

Current assets	22
Fixed assets	0
Total assets	<u>22</u>
Current liabilities	6
Long-term liabilities	-
Total liabilities	<u>6</u>

HOYA TECHNO-PROCESS CORPORATION (as of Mar. 1, 2003)

Current assets	41
Fixed assets	0
Total assets	<u>41</u>
Current liabilities	26
Long-term liabilities	-
Total liabilities	<u>26</u>

H.C.S.NISHI-NIHON CORPORATION (as of Mar. 1, 2003)

Current assets	18
Fixed assets	-
Total assets	<u>18</u>
Current liabilities	4
Long-term liabilities	-
Total liabilities	<u>4</u>

Year ended Mar. 31, 2002

HOYA FIBER-PHOTONICS CORPORATION

(merged into HOYA CORPORATION as of July 1, 2001)

Current assets	388
Fixed assets	46
Total assets	<u>434</u>
Current liabilities	66
Long-term liabilities	3
Total liabilities	<u>69</u>

WELFARE CORPORATION

(merged into HOYA SERVICE CORPORATION, a consolidated subsidiary on Oct. 1, 2001)

Current assets	530
Fixed assets	201
Total assets	<u>732</u>
Current liabilities	100
Long-term liabilities	26
Total liabilities	<u>126</u>

(Note: This company was reborn as a consolidated subsidiary divided from HOYA SERVICE CORP. on Jan.1, 2002)

Notes Relating to Investment Securities and Derivatives

1. Investment securities of current market values:

(Millions of Yen)

		<u>As of Mar. 31,</u>					
		<u>2003</u>			<u>2002</u>		
Available-for-sale		Cost	Fair Value	Variance	Cost	Fair Value	Variance
Securities of which <i>fair value</i> exceeds <i>cost</i>	Marketable Equity securities	51	90	38	299	503	203
	Government bonds	-	-	-	-	-	-
	Corporate bonds	-	-	-	-	-	-
	Others	-	-	-	-	-	-
Sub total		51	90	38	299	503	203
Securities of which <i>fair value</i> does NOT exceed <i>cost</i>	Marketable Equity securities	93	80	-13	99	86	-13
	Government bonds	-	-	-	-	-	-
	Corporate bonds	-	-	-	-	-	-
	Others	-	-	-	-	-	-
Sub total		93	80	-13	99	86	-13
Total		144	170	25	399	589	189

2. Condition of sales of marketable securities during this fiscal year:

(Millions of Yen)

	<u>Years ended March 31,</u>	
	<u>2003</u>	<u>2002</u>
Value of sales	321	1,631
Total of gains from sales	109	136
Total of losses from sales	6	3,118

3. Investment securities of non-current market values:

(Millions of Yen)

	<u>As of Mar. 31,</u>	
	<u>2003</u>	<u>2002</u>
Non-marketable equity securities	4,911	4,760
Non-marketable corporate bonds	-	-
Commercial paper	-	-

4. 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 Mar. 31,</u>	
	<u>2003</u>	<u>2002</u>
(1) Current deferred tax assets and liabilities		
Deferred tax assets		
Excess deductible amount of depreciation expenses	1,264	1,266
Excess deductible amount of expenses for accrued bonus	1,361	1,089
Inventories - intercompany unrealized profits	829	921
Enterprise tax not deductible	76	351
Other deferred tax assets	772	622
Total amount of deferred tax assets - current	<u>4,304</u>	<u>4,250</u>
Deferred tax liabilities		
Prepaid pension expenses	-	-518
Other deferred tax liabilities	-334	-116
Total amount of deferred tax liabilities - current	<u>-334</u>	<u>-635</u>
Net amount of deferred tax assets - current	<u><u>3,969</u></u>	<u><u>3,615</u></u>
(2) Non-current deferred tax assets and liabilities		
Deferred tax assets		
Excess amount of inclusion in deductible expenses for depreciation	1,589	2,910
Excess amount of inclusion in deductible expenses for reserve for employees' retirement benefits	-	2,548
Amount denied of evaluation loss of fixed assets	913	677
Excess amount of inclusion in deductible expenses for allowance for doubtful receivables	401	246
Other deferred tax assets	1,382	2,253
Total amount of deferred tax assets - fixed	<u>4,286</u>	<u>8,635</u>
Deferred tax liabilities		
Reserve for deferred income taxes on fixed assets	-582	-656
Special depreciation reserve	-312	-344
Difference of evaluation for marketable securities	-10	-78
Other deferred tax liabilities	-171	-145
Total amount of deferred tax liabilities - fixed	<u>-1,076</u>	<u>-1,224</u>
Net amount of deferred tax assets - fixed	<u><u>3,210</u></u>	<u><u>7,411</u></u>

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

	<u>Years ended Mar.31,</u>	
	<u>2003</u>	<u>2002</u>
Statutory tax rate of the Company	41.7 %	41.7 %
(Adjustment)		
Lower income tax rates applicable to income in certain foreign countries	-13.5	-5.2
Non-Deductible expenses such as entertainment expenses	0.6	0.5
Per capita levy of inhabitants tax and others	0.4	0.3
Non-taxable income such as dividend received	-2.1	-3.9
Intercompany cash dividend	2.1	3.8
Correction of decrease of deferred tax assets due to change of tax rate	0.3	-
Other adjustment	0.7	-0.6
Effective income tax rate	<u><u>30.2</u></u>	<u><u>36.6</u></u>

Notes Relating to Employees' Retirement Benefits

1. Systems of employees' retirement benefits the Company adopts

HOYA had systems to support lump sum severance pay and an employees' pension fund. In the 3rd quarter of Fiscal 2002, the system of lump sum severance pay was abolished. The employees' pension fund was dissolved on January 29, 2003 once the Minister of Health, Labor and Welfare sanctioned approval of its dissolution on that date.

2. Details of liabilities for employees' retirement benefits

(1) Breakdown of liabilities for employees' retirement benefits

	<u>Millions of Yen</u>	
	<u>As of Mar. 31,</u>	
	<u>2003</u>	<u>2002</u>
Liabilities for employees' retirement benefits	-	66,510
Pension assets	-	-37,126
Accrued liabilities for employees' retirement benefits	-	29,383
Unappropriated amount of the difference arising from the change in accounting standards	-	2,745
Unrecognized prior service cost (decrease in liabilities)	-	1,696
Unrecognized actuarial differences (increase in liabilities)	-	-27,756
Prepaid pension expenses	-	1,243
Reserve for employees' retirement benefits	-	7,311

(2) Breakdown of expenses for employees' retirement benefits

	<u>Years ended Mar.31,</u>	
	<u>2002</u>	<u>2001</u>
Service cost	1,695	1,667
Interest expenses	1,234	1,879
Expected return of investments	-1,522	-2,194
Difference arising from the change in accounting standards	-156	-210
Prior service cost	-122	-162
Actuarial differences	1,780	-
sub total	2,908	2,000
Payment for dissolution of Company's employees pension funds	14,949	-
Lump-sum retirement benefit paid to employees	351	-
Additional retirement benefits paid to employees	3,691	1,995
Expenses for employees' retirement benefits	21,899	3,996

(3) Calculation basis of liabilities for employees' retirement benefits

	<u>Years ended Mar.31,</u>	
	<u>2003</u>	<u>2002</u>
1. Discount rate	-	2.5%
2. Expected rate of return of investments	5.5%	5.5%
3. Method of periodical allocation of the estimated amount of employees' retirement benefits	pro rata division over the period	
4. Number of years over which the difference arising from the change in accounting standards is amortized	15 years	15 years
5. Number of years over which the prior service cost is amortized	12 years	12 years
6. Number of years over which the actuarial differences are amortized	12 years	12 years

5. Segment Information (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries

(1) Industry Segments

(Figures less than a million Yen are omitted.)

Annual : for the year ended March 31, 2003

	Millions of Yen								
	Electro- Optics	Photo- nics	Vision Care	Health Care	Crystal	Service	Total	Elimin. or corp.*	Consolidated
Net sales:									
To outside customers	111,460	5,485	94,388	26,716	6,719	1,522	246,293	-	246,293
Intersegment	206	-	1,987	0	35	3,025	5,255	(5,255)	-
Total	111,667	5,485	96,376	26,716	6,754	4,548	251,548	(5,255)	246,293
Operating expenses	77,253	6,073	80,977	21,628	6,766	4,308	197,008	(3,698)	193,310
Operating income	34,414	-588	15,398	5,088	-11	239	54,539	(1,557)	52,982
Operating margin	30.8%	-10.7%	16.0%	19.0%	-0.2%	5.3%	21.7%	-	21.5%
Assets	114,877	2,697	98,077	16,446	8,409	2,432	242,940	31,348	274,288
Depreciation	13,128	83	5,578	570	302	32	19,697	95	19,792
Capital Expenditures	10,443	151	3,934	426	776	12	15,744	203	15,948
R&D Expenses	5,857	373	1,704	773	2	-	8,710	-29	8,681
Number of employees (p)	6,509	135	6,321	617	201	129	13,912	47	13,959

Annual : for the year ended March 31, 2002

	Millions of Yen								
	Electro- Optics	Photo- nics	Vision Care	Health Care	Crystal	Service	Total	Elimin. or corp.*	Consolidated
Net sales:									
To outside customers	101,496	7,157	93,184	23,105	8,788	1,534	235,265	-	235,265
Intersegment	481	-	28	811	34	3,109	4,465	(4,465)	-
Total	101,977	7,157	93,212	23,916	8,822	4,643	239,730	(4,465)	235,265
Operating expenses	74,188	7,623	78,798	20,487	8,824	4,392	194,314	(2,947)	191,367
Operating income	27,788	-466	14,414	3,429	-1	251	45,415	(1,517)	43,897
Operating margin	27.3%	-6.5%	15.5%	14.3%	-0.0%	5.4%	18.9%	-	18.7%
Assets	111,805	4,515	92,309	15,815	8,683	3,444	236,575	41,492	278,067
Depreciation	12,687	227	5,515	554	497	36	19,518	117	19,635
Capital Expenditures	13,279	53	5,259	686	254	1	19,534	50	19,585
R&D Expenses	4,558	510	1,573	597	49	-	7,289	0	7,289
Number of employees (p)	5,671	235	6,311	624	303	123	13,267	44	13,311

Ref:

Differences between the years ended Mar.31, 2003 and 2002

	Millions of Yen								
	Electro- Optics	Photo- nics	Vision Care	Health Care	Crystal	Service	Total	Elimi. or corp.*	Consolidated
Net sales:									
To outside customers	9,964	-1,672	1,204	3,611	-2,069	-12	11,028	-	11,028
Variance	9.8%	-23.4%	1.3%	15.6%	-23.5%	-0.8%	4.7%	-	4.7%
Intersegment	-275	-	1,959	-811	1	-84	790	(790)	-
Total	9,690	-1,672	3,164	2,800	-2,068	-95	11,818	(790)	11,028
Operating expenses	3,065	-1,550	2,179	1,141	-2,058	-84	2,694	(751)	1,943
Operating income	6,626	-122	984	1,659	-10	-12	9,124	(40)	9,085
Variance	23.8%	-	6.8%	48.4%	-	-4.8%	20.1%	-	20.7%
Assets	3,072	-1,818	5,768	631	-274	-1,012	6,365	-10,144	-3,779
Depreciation	441	-144	63	16	-195	-4	179	-22	157
Capital Expenditures	-2,836	98	-1,325	-260	522	11	-3,790	153	-3,637
R&D Expenses	1,299	-137	131	176	-47	-	1,421	-29	1,392
Number of employees (p)	838	-100	10	-7	-102	6	645	3	648

*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, hearing aids, etc.
Lifestyle Refinement	Crystal	Crystal glass products
	Service	Design of information systems, placement of temporary staff, etc.

Business of hearing aids in Healthcare segment was sold to the Harmony Corporation (Japan) with effect on Mar.31, 2003.

2. Corporate operating expenses mainly consist of the administration expenses of the headquarters of the Company and the overseas regional holding companies in the two geographic areas, which are not allocated to each industry segment. Corporate operating expenses for the years ended Mar. 31, 2003 and 2002 are as follows:

<u>2003</u>	<u>2002</u>
2,052 Million Yen	1,980 Million Yen

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

<u>2003</u>	<u>2002</u>
51,570 Million Yen	51,631 Million Yen

(2) Geographic Segments

(Figures less than a million Yen are omitted.)

Annual : for the year ended March 31, 2003

	Millions of Yen						Consolidated
	Japan	North America	Europe	Asia	Total	Elimi. or corp.	
Net sales:							
To outside customers	166,178	35,770	32,639	11,704	246,293	-	246,293
Intersegment	17,343	73	1,890	44,513	63,820	(63,820)	-
Total	183,521	35,844	34,529	56,218	310,113	(63,820)	246,293
Operating expenses	148,960	34,898	28,411	45,281	257,551	(64,241)	193,310
Operating income	34,560	945	6,118	10,937	52,562	420	52,982
Operating margin	18.8%	2.6%	17.7%	19.5%	16.9%	-	21.5%
Assets	139,012	19,505	34,970	59,155	252,643	21,645	274,288

Annual : for the year ended March 31, 2002

	Millions of Yen						Consolidated
	Japan	North America	Europe	Asia	Total	Elimi. or corp.	
Net sales:							
To outside customers	159,368	36,984	28,964	9,948	235,265	-	235,265
Intersegment	14,963	113	1,195	40,329	56,602	(56,602)	-
Total	174,332	37,098	30,159	50,277	291,868	(56,602)	235,265
Operating expenses	143,426	35,139	25,918	43,108	247,592	(56,225)	191,367
Operating income	30,906	1,958	4,241	7,168	44,275	(377)	43,897
Operating margin	17.7%	5.3%	14.1%	14.3%	15.2%	-	18.7%
Assets	138,962	21,000	30,356	55,412	245,730	32,336	278,067

Ref:

Differences between the years ended Mar.31, 2003 and 2002

	Millions of Yen						Consolidated
	Japan	North America	Europe	Asia	Total	Elimi. or corp.	
Net sales:							
To outside customers	6,810	-1,214	3,675	1,756	11,028	-	11,028
Variance	4.3%	-3.3%	12.7%	17.7%	4.7%	-	4.7%
Intersegment	2,380	-40	695	4,184	7,218	-7,218	-
Total	9,189	-1,254	4,370	5,941	18,245	-7,218	11,028
Operating expenses	5,534	-241	2,493	2,173	9,959	-8,016	1,943
Operating income	3,654	-1,013	1,877	3,769	8,287	797	9,085
Variance	11.8%	-51.7%	44.3%	52.6%	18.7%	-	20.7%
Assets	50	-1,495	4,614	3,743	6,913	-10,691	-3,779

*Elimi. or corp. : Eliminations or corporate

Notes:

- 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 and Canada
 - Europe: Netherlands, Germany, United Kingdom, etc.
 - Asia: Singapore, Republic of Korea, Taiwan, etc.
- Corporate operating expenses mainly consist of the administration expenses of the headquarters of the Company and the overseas regional holding companies in the two geographic areas. Corporate operating expenses for the years ended Mar. 31, 2003 and 2002 are as follows:

<u>2003</u>	1,812 Million Yen	<u>2002</u>	1,770 Million Yen
-------------	-------------------	-------------	-------------------
- Corporate assets mainly consist of cash, time deposits, marketable securities, investments securities and administrative assets of the Company and the overseas regional holding companies in the two geographic areas. Corporate assets as of Mar. 31, 2003 and 2002 are as follows:

<u>2003</u>	40,279 Million Yen	<u>2002</u>	48,341 Million Yen
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(3) Sales to Foreign Customers

(Figures less than a million Yen are omitted.)

Annual : for the year ended Mar. 31, 2003

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	36,692	38,788	32,772	33	108,287
Consolidated Sales (B)					246,293
Overseas Sales ratio A/B	14.9%	15.8%	13.3%	0.0%	44.0%
Regional Sales ratio	33.9%	35.8%	30.3%	0.0%	100.0%

Annual : for the year ended Mar. 31, 2002

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	39,746	38,143	25,079	47	103,017
Consolidated Sales (B)					235,265
Overseas Sales ratio A/B	16.9%	16.2%	10.7%	0.0%	43.8%
Regional Sales ratio	38.6%	37.0%	24.4%	0.0%	100.0%

Ref:

Differences between the years ended Mar.31, 2003 and 2002

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	-3,054	645	7,693	-14	5,270
Consolidated Sales (B)					11,028
Variance of Overseas Sales	-7.7%	1.7%	30.7%	-29.8%	5.1%

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.

6. Composition of Net Sales by Business Category

HOYA CORPORATION and Consolidated Subsidiaries

(Unaudited)

Business Category Company	Millions of Yen [%]			
	Years ended March 31,		Variance	
	2003	2002	Value	%
Electro-Optics				
Domestic	64,273 (57.7)	56,383 (55.6)	7,890	14.0
Overseas	47,186 (42.3)	45,112 (44.4)	2,074	4.6
total	111,460 [45.3]	101,496 [43.1]	9,964	9.8
Photonics				
Domestic	3,296 (60.1)	3,630 (50.7)	-334	-9.2
Overseas	2,188 (39.9)	3,526 (49.3)	-1,338	-37.9
total	5,485 [2.2]	7,157 [3.0]	-1,672	-23.4
Information Technology				
Domestic	67,570 (57.8)	60,013 (55.2)	7,557	12.6
Overseas	49,375 (42.2)	48,639 (44.8)	736	1.5
total	116,946 [47.5]	108,653 [46.2]	8,293	7.6
Vision Care				
Domestic	36,160 (38.3)	39,715 (42.6)	-3,555	-9.0
Overseas	58,227 (61.7)	53,468 (57.4)	4,759	8.9
total	94,388 [38.3]	93,184 [39.6]	1,204	1.3
Health Care				
Domestic	26,655 (99.8)	23,013 (99.6)	3,642	15.8
Overseas	61 (0.2)	91 (0.4)	-30	-33.0
total	26,716 [10.8]	23,105 [9.8]	3,611	15.6
Eye Care				
Domestic	62,816 (51.9)	62,729 (53.9)	87	0.1
Overseas	58,288 (48.1)	53,560 (46.1)	4,728	8.8
total	121,105 [49.2]	116,289 [49.4]	4,816	4.1
Crystal				
Domestic	6,096 (90.7)	7,975 (90.7)	-1,879	-23.6
Overseas	622 (9.3)	812 (9.3)	-190	-23.4
total	6,719 [2.7]	8,788 [3.7]	-2,069	-23.5
Service				
Domestic	1,522 (100.0)	1,528 (99.6)	-6	-0.4
Overseas	0 (0.0)	5 (0.4)	-5	0.0
total	1,522 [0.6]	1,534 [0.7]	-12	-0.8
Lifestyle Refinement				
Domestic	7,619 (92.5)	9,504 (92.1)	-1,885	-19.8
Overseas	622 (7.5)	817 (7.9)	-195	-23.9
total	8,241 [3.3]	10,322 [4.4]	-2,081	-20.2
Total Net Sales				
Domestic	138,006 (56.0)	132,248 (56.2)	5,758	4.4
Overseas	108,286 (44.0)	103,017 (43.8)	5,269	5.1
Total	246,293 [100.0]	235,265 [100.0]	11,028	4.7

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.

7.Changes in Directors of HOYA CORPORATION

(With effect on June 20, 2003)

Subject to the approval and passage of the proposition for amendment to the Articles of Incorporation at the 65th Ordinary General Meeting of Shareholders of the Company scheduled for June 20, 2003, the Company is scheduled to adopt the Company with Committees system (Committee System) under the revised Commercial Code. The following change in officers is concomitant with the adoption of the Committee System.

1. Change in Representative Directors

No change

With the adoption of the Committee System, the position of Representative Director will be abolished and a new position of Representative Executive Officer will be introduced.

2. Change in the Other Directors

1) Candidates for New Directors

Outside Director	Yoshikazu Hanawa	Presently Chairman of Nissan Motor Co.,Ltd.
Outside Director	Eiko Kono	Presently President and Representative Director of Recruit Co., Ltd.

It is subject to the election (as a Director) at the 65th Ordinary General Meeting of Shareholders of the Company scheduled for June 20, 2003.

2) Candidates for Directors to be reelected upon expiration of their term of office.

Director	Hiroshi Suzuki	Presently President and Representative Director of the Company
Director	Kenji Ema	Presently Executive Managing Director of the Company
Outside Director	Takeo Shiina	Presently Outside Director of the Company, Senior Advisor of IBM Japan, Ltd.
Outside Director	Yuzaburo Mogi	Presently Outside Director of the Company, President and Representative Director of Kikkoman Corporation

3) Candidates for Directors to be reelected who resigned in the middle of their term of office.

Director	Hiroaki Tanji	Presently Director of the Company
Outside Director	Naotaka Saeki	Presently Outside Director of the Company, Senior Advisor of UFJ Bank Limited

The above-mentioned measures are concomitant with the adoption of the Committee System.

The *Outside Director* in the paragraphs 1), 2) and 3) above is a director who satisfies the requirements of outside directors as provided for in Article 188, Paragraph 2, Item 7-2 of the Commercial Code.

4) Retiring Auditors

Standing Corporate Auditor	Takashi Kato
Standing Corporate Auditor	Yasuo Ozawa
Standing Corporate Auditor	Katsuhiro Matsunaga
Corporate Auditor	Hideaki Iizuka

It is due to the abolition of the position of auditor since an Audit Committee will be established concomitant with the adoption of the Committee System.

5) Executive Officers scheduled to assume their positions

Representative Executive Officer	Hiroshi Suzuki
Executive Officer	Kenji Ema
Executive Officer	Hiroaki Tanji

3. Date of Newly Appointment

June 20, 2003