

July 22, 2002

Quarterly Report of HOYA for the three months ended June 30, 2002

Quarterly Financial Highlights (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries

1. Performance for the three months ended June 30, 2002 and 2001

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

(1) Results of Operations	Three months ended June 30,		Variance
	2002	2001	(%)
Net sales	61,242	60,321	1.5
Operating income	12,598	11,613	8.5
Ordinary income	10,848	12,124	-10.5
Net income	6,868	7,468	-8.0
Net income per share (Yen)	59.15	64.31	

Notes : No changes have been made in accounting policy.

(2) Financial Position	As of June 30,	As of Mar. 31,	As of June 30,
	2002	2002	2001
Total assets	277,988	278,067	263,751
Shareholders' equity	219,695	219,180	198,590
Shareholders' equity ratio	79.0%	78.8%	75.3%
Shareholders' equity per share (Yen)	1,891.96	1,887.50	1,710.15

(3) Conditions of Cash Flows	Three months ended June 30,	
	2002	2001
Net cash provided by operating activities	12,161	2,013
Net cash used in investing activities	-2,250	-4,818
Net cash provided by (used in) financing activities	-2,765	-2,756
Cash and cash equivalents, end of period	71,941	45,987

2. Earnings Forecasts (First Half : Six months ending September 30, 2002)

	Six months ending/ended Sep.30,		
	2002	2001	Variance(%)
Net sales	121,900	118,358	3.0
Operating income	24,600	22,847	7.7
Ordinary income	22,600	22,697	-0.4
Net income	13,500	13,660	-1.2
Net income per share (Yen)	116.25	117.63	-1.38

This report is provided solely for the information of professional analysts who are expected to make their own evaluation of the company. These statements are based on management's assumptions and beliefs in light of the information currently available to it and therefore you should not place undue reliance on them.

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.

We accept no liability whatsoever for any direct or consequential loss arising from any use of this report.

(1) Business Overview

1. Results of Operations

1) General Overview

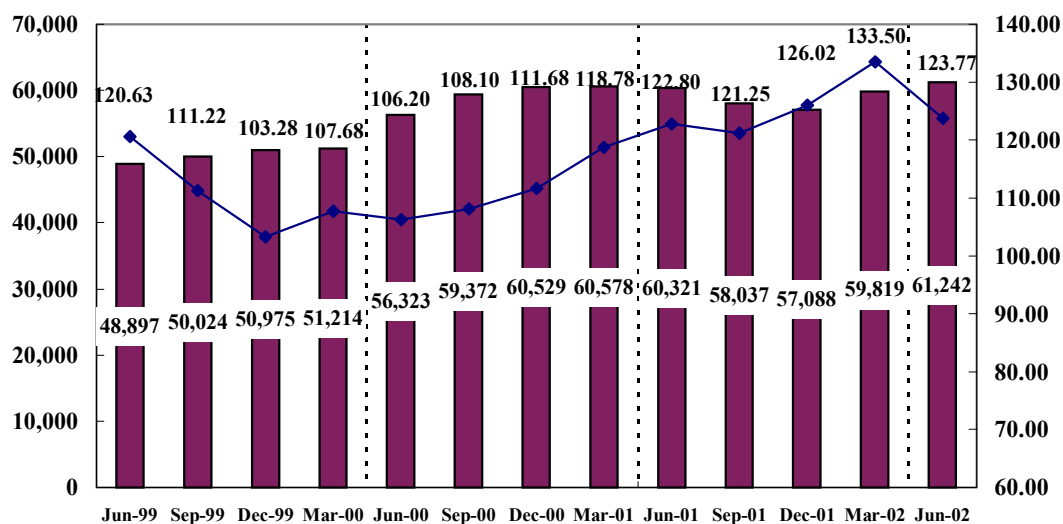
<u>Results of Operations</u>	<u>Millions of Yen</u> <u>Three months ended Jun. 30, 2002</u>
Net sales	61,242
Operating income	12,598
Ordinary income	10,848
Net income	6,868
Net income per share(Yen)	59.15

In the first quarter under review, there were signs of recovery from the IT (information technology) led depression as industries related to semiconductors and electronic components in Asia, mainly in South Korea and Taiwan, proactively invested in plant and equipment. In Japan, while some bright signs were observed of those related industries despite persistently tough business conditions, personal consumption, on the other hand, remained sluggish due to the effects of corporate restructuring and other factors.

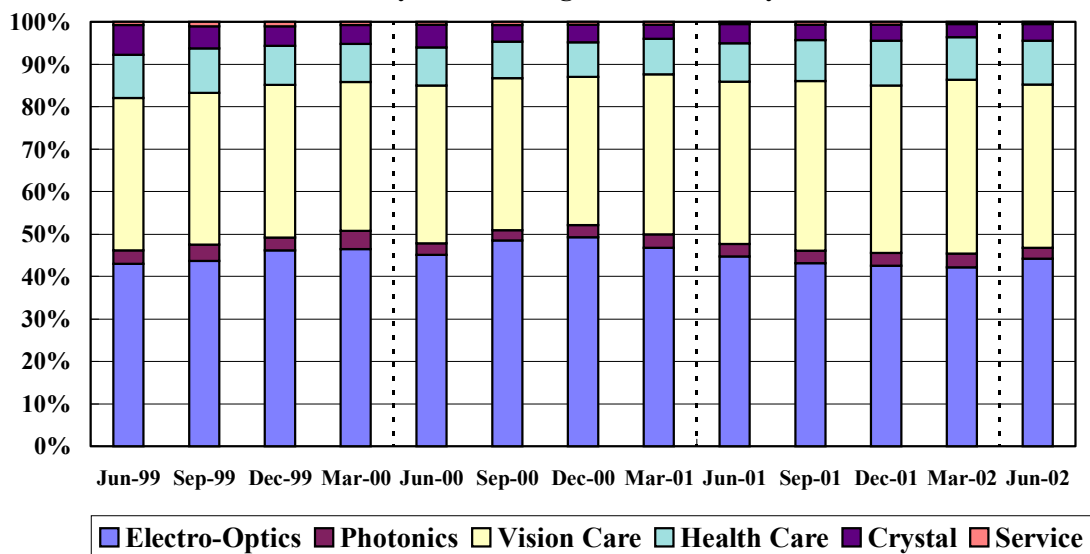
In the currency markets during the same quarter, the US dollar depreciated by 0.8%, the Euro by 9.4%, and the Thai baht by 7.7%, all against the yen, respectively on a year-on-year basis.

In this business environment, sales of the Electro-Optics segment of HOYA Group increased compared with those of the 4th quarter of Fiscal 2001. The same sales increased a little on a year-on-year basis, too. In the Eye Care segment, sales increased on a year-on-year basis thanks to the enhanced added value of products. As a result, consolidated sales during the quarter increased 1.5% on a year-on-year basis to Yen 61,242 million, recording historical quarterly result.

Quarterly Net Sales (Millions of Yen) and Average Exchange Rate (Yen/US\$)



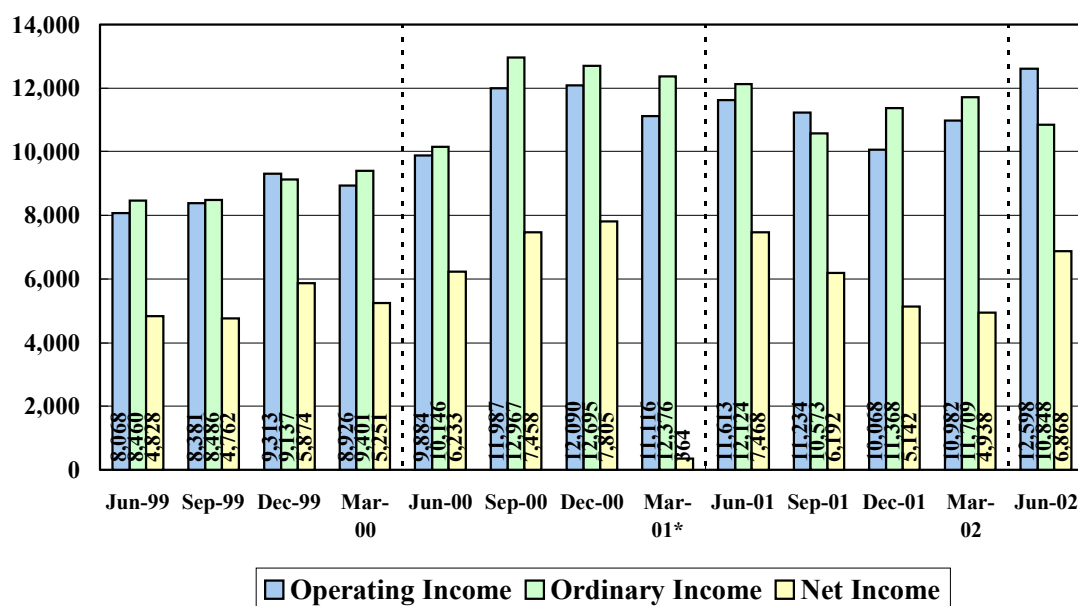
Ratio of Net Sales by Business Segment - Quarterly Transition



During the quarter, sales and profits of the Electro-Optics division increased on a year-on-year basis amid signs of recovery from the IT-led depression. Sales and profits of the Eye Care segment increased, too, owing to the continued sales efforts of high-value-added products. As a result, operating income during the quarter increased 8.5% on a year-on-year basis, recording historical quarterly record, too.

However, as Yen 1,434 million for exchange loss was posted under non-operating expenses, ordinary income and net income for the quarter decreased 10.5% and 8.0% respectively on a year-on-year basis.

Quarterly Incomes (Millions of Yen)



* : In the quarter ended March 31, 2001, the Company amortized goodwill for Yen 14,347 million and appropriated it into extra-ordinary loss.

2) Segment Overview

1.Information Technology

Electro-Optics

Sales of mask blanks for manufacturing semiconductors during the quarter increased year-on-year as orders have been increasing for high-precision products including blanks for phase-shift masks, etc. since the previous quarter.

In terms of photomasks for manufacturing semiconductors, while the global semiconductor market recovered rapidly, demand for masks for trial and new development did not increase in Japan, the Company's major market for this products. As a result, sales of the photomasks increased slightly in comparison with that of the 4th quarter of the previous fiscal year but decreased on a year-on-year basis.

Production capacity of LCD manufacturers was fully stretched. Even though introduction of trial and newly developed products was curbed, orders came in for super-large-sized masks and for masks for newly operated production lines, etc. in Korea and Taiwan. As a result, sales of photomasks for LCDs increased on a year-on-year basis.

In terms of glass disks for HDDs (Hard Disk Drives), sales of glass substrates ("Substrates") increased on a year-on-year basis thanks to a substantial increase in sales of 3.5-inch disks. Sales of magnetic coated products ("Media") increased both on a year-on-year basis and in comparison with that of the 4th quarter of the previous fiscal year as such products were adopted for new models.

In terms of optical lenses and glasses, demand for lenses has been recovering rapidly as the inventory adjustment among our customers ended and new digital camera models were introduced. At HOYA, too, the recovery trend that started in the 4th quarter of the previous fiscal year strengthened further while sales during the quarter under review were not as high as those of the same quarter of the previous fiscal year when sales had been favorable.

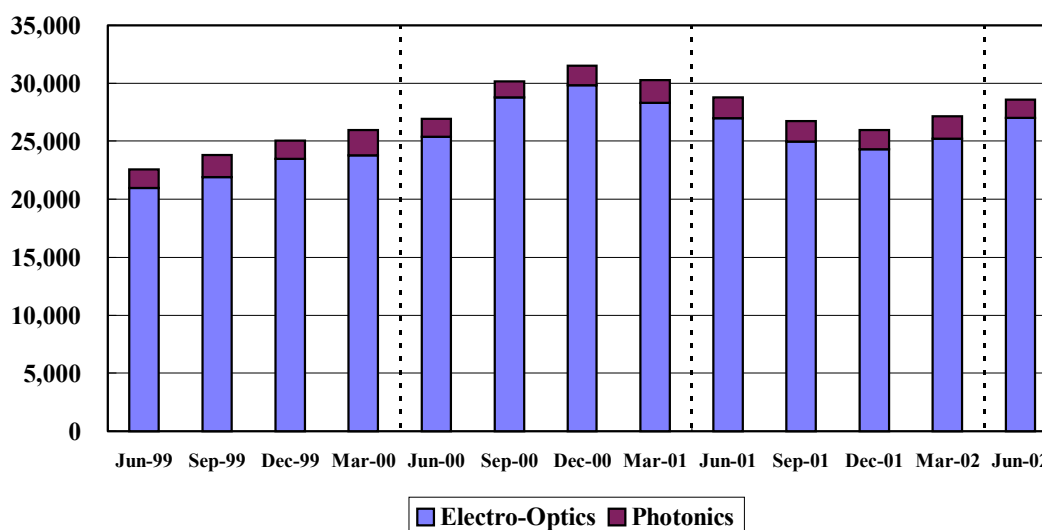
Sales of optical-communication-related products decreased further on a year-on-year basis as unit prices continued to fall even though the market remained in a trough.

Photonics

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

Sales of the Photonics segment decreased as sales of laser-related equipment for medical use decreased substantially, which offset favorable sales of those for physicochemical and dental uses.

Quarterly Net Sales of Electro-Optics (Millions of Yen)



2. Eye Care

Vision Care

In the domestic market for eyeglass lenses, while the quantitative size of the market seems to have remained almost the same on a year-on-year basis, unit prices continued to fall due to the recent preponderance of discount shops. At HOYA, while sales of progressive lenses remained solid as new products were proactively introduced to the market, sales of unifocal lenses decreased due to the effect of low-priced lenses made in Asia, etc. In total, sales of eyeglass lenses decreased on a year-on-year.

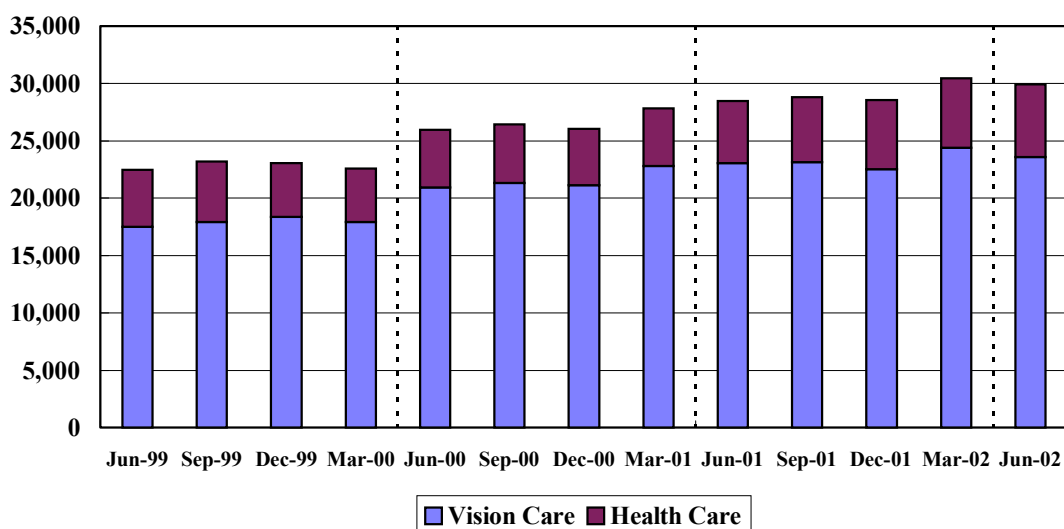
Overseas, sales increased as HOYA shifted focus of its sales efforts to high-value-added products across all regions including Asia, Europe and North America. In the United States, business for custom orders was steady at those laboratories of the North American branch of the HOYA Corporation. The sales growth was also helped by a weak yen against the US dollar and Euro in the currency markets on a year-on-year basis.

Health Care

Sales of contact lenses increased on a year-on-year basis thanks to the expansion of products backed by our "E-System" in which lens compensation services are available in such cases as damaged or lost lenses or of changes in the refraction index, to the reinforced sales promotion of high-value-added products including lenses for astigmatism, and to the effects of the Scrapping & Building of retail outlets which was mainly to establish new outlets in premier business locations.

Sales of intraocular lenses increased solidly on a year-on-year basis thanks to the shipment of "Acryfold," a new soft lens product, for which HOYA acquired manufacturing approval in October last year. Sales of hearing aids decreased on a year-on-year basis following the closure of unprofitable outlets.

Quarterly Net Sales of Eye Care (Millions of Yen)

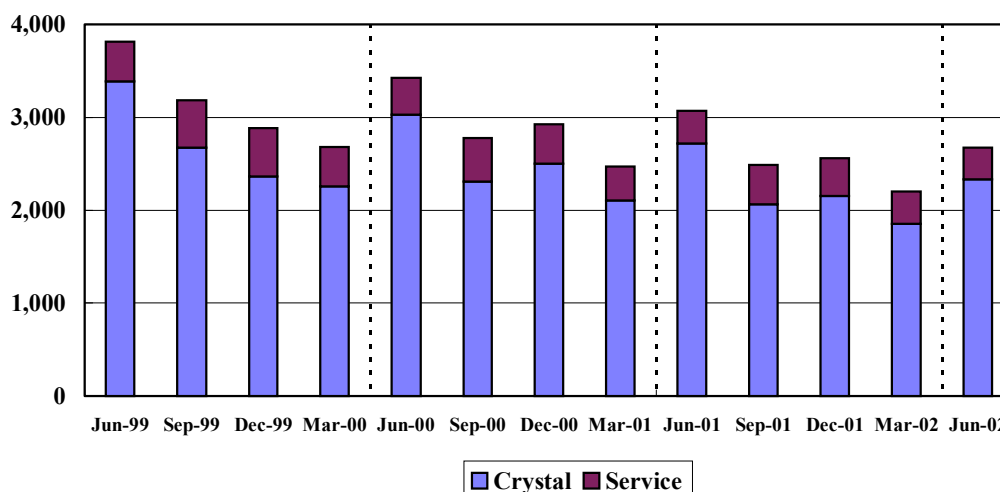


3. Lifestyle Refinement

Crystal

Sales of crystal decreased on a year-on-year basis as ceremonial demand for gifts declined substantially.

Quarterly Net Sales of lifestyle Refinement (Millions of Yen)



2. Financial Position

1) Conditions of Assets

	<u>Millions of Yen</u>
	<u>As of June 30, 2002</u>
Total assets	277,988
Shareholders' equity	219,695
Shareholders' equity ratio	79.0%

At the end of the quarter under review, while the outstanding balance of cash and deposits increased by Yen 5,620 million in comparison with that of the 4th quarter of the previous fiscal year, fixed assets decreased by Yen 5,748 million mainly due to the effects of exchange adjustment rates. Total assets, therefore, remained almost the same as those at the end of the 4th quarter of the previous fiscal year. Shareholders' equity did not change much, either, and the equity ratio increased marginally.

2) Conditions of Cash Flows

	<u>Millions of Yen</u>
	<u>Three months ended June 30, 2002</u>
Net cash provided by operating activities	12,161
Net cash used in investing activities	-2,250
Net cash provided by (used in) financing activities	-2,765
Cash and cash equivalents, end of period	71,941

In terms of cash flows from operating activities, on the basis of Yen 10,685 million in income before income taxes and minority interests and Yen 4,823 million in depreciation and amortization, net cash provided by operating activities amounted to Yen 12,161 million. Net cash used in investing activities amounted to Yen 2,250 million, mainly used for purchases of property, plant and equipment. Consequently, free cash flow amounted to Yen 9,911 million and approx. 25% of the amount was apportioned to payment of dividends. The outstanding balance of cash and cash equivalents at the end of the quarter increased by Yen 5,620 million in comparison with that of the 4th quarter of the previous fiscal year.

3. Earnings Forecast for the First Half

(Six months ending Sep. 30, 2002)

As forecast sales of personal computers, which is the largest consumer of semiconductors, declines gradually from the beginning of this year, signs of a recovery in business conditions decelerate. Recently, accounting scandals involving some large U.S. firms have been revealed which is causing a further decline in share prices.

Japanese companies, who forecast an improvement in earnings with implementation of large-scale restructuring measures, remain prudent in terms of plant and equipment investment. In addition, there are concerns that the recent trend towards a strong yen will hamper Japanese companies' plans to improve earnings.

Under this environment, the management of HOYA expects steady growth in the Electro-Optics division with the related market recovery.

In the Eye Care segment, while the Japanese market for the Vision Care division is expected to be tough with falling prices, the overseas market is expected to grow steadily with the expansion of high-value-added products. The Health Care division is also expected to grow firmly.

The outlook for business conditions, especially for the period starting in the latter half of this fiscal year, is uncertain and the future situation is unpredictable. The management expects to achieve an increase on a year-on-year basis in both sales and profits for the 2nd quarter, which also means an increase on a year-on-year basis in both sales and operating profits for the first six months of the fiscal year.

	<u>Millions of Yen</u>		variance (%)
	<u>Six months ending/ended</u>		
	Sep.30,2002	Sep.30,2001	
Net sales	121,900	118,358 (	3.0)
Operating income	24,600	22,847 (	7.7)
Ordinary income	22,600	22,697 (	-0.4)
Net income	13,500	13,660 (	-1.2)
Net income per share (Yen)	116.25	117.63	-1.38

Ref:Forecast for the 2nd quarter

1. Year-on-year comparison	<u>Millions of Yen</u>		variance (%)
	<u>Three months ending/ended</u>		
	Sep.30,2002	Sep.30,2001	
Net sales	60,658	58,037 (	4.5)
Operating income	12,002	11,234 (	6.8)
Ordinary income	11,752	10,573 (	11.2)
Net income	6,632	6,192 (	7.1)
Net income per share (Yen)	57.11	53.32	3.79

2. Quarter-on-quarter comparison	<u>Millions of Yen</u>		variance (%)
	<u>Three months ending/ended</u>		
	Sep.30,2002	Jun.30,2002	
Net sales	60,658	61,242 (	-1.0)
Operating income	12,002	12,598 (	-4.7)
Ordinary income	11,752	10,848 (	8.3)
Net income	6,632	6,868 (	-3.4)
Net income per share (Yen)	57.11	59.15	-2.04

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

1. Quarterly Consolidated Balance Sheets

HOYA CORPORATION and Consolidated Subsidiaries	Millions of Yen			
	Jun.30,2002	Mar.31,2002	Variance	Jun.30,2001
ASSETS				
Current assets	175,247	169,587	5,660	150,946
Cash and deposits	71,941	66,321	5,620	45,987
Notes and accounts receivable - trades	59,414	59,095	319	58,317
Inventories	35,895	35,595	300	36,490
Deferred taxes	3,495	3,615	-120	3,035
Other current assets	5,730	6,352	-622	8,100
Allowance for doubtful receivables	-1,229	-1,392	163	-984
Fixed assets	102,303	108,051	-5,748	112,338
Tangible fixed assets	80,657	85,272	-4,615	85,363
Buildings and structures	25,134	26,272	-1,138	25,215
Machinery and vehicles	35,490	37,447	-1,957	37,939
Lands	9,375	9,445	-70	8,996
Other tangible fixed assets	10,657	12,107	-1,450	13,211
Intangible fixed assets	4,410	4,754	-344	4,314
Investments and other assets	17,235	18,025	-790	22,660
Investment securities	5,720	5,816	-96	9,704
Long-term deferred taxes	6,785	7,411	-626	7,949
Other investments and other assets	6,363	6,378	-15	6,603
Allowance for doubtful receivables	-1,634	-1,580	-54	-1,596
Deferred charges	437	429	8	467
Total Assets	277,988	278,067	-79	263,751
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities	48,719	49,113	-394	54,762
Notes and accounts payable - trades	21,789	19,918	1,871	23,140
Short-term loan payable	3,098	3,378	-280	4,709
Income tax payable	4,275	4,867	-592	3,426
Accrued bonus	2,045	3,881	-1,836	2,156
Other current liabilities	17,510	17,067	443	21,329
Long-term liabilities	9,421	9,617	-196	9,809
Long-term loan payable	569	569	0	385
Employees retirement benefits	7,273	7,311	-38	8,291
Directors retirement benefits	273	254	19	183
Other long-term liabilities	1,305	1,482	-177	949
Total Liabilities	58,141	58,731	-590	64,572
Minority interest	151	155	-4	588
Common stock	6,264	6,264	-	6,264
Capital retained earnings	15,898	15,898	-	15,898
Profit retained earnings	206,071	202,255	3,816	188,153
Net unrealized gain (loss) on available - for - sale securities	93	110	-17	-428
Foreign currency translation adjustments	-8,602	-5,331	-3,271	-11,295
Treasury stock, at cost	-28	-16	-12	-1
Total Shareholders' Equity	219,695	219,180	515	198,590
Total	277,988	278,067	-79	263,751
Notes:	Millions of Yen			
1. Accumulated depreciation	143,012	141,232		130,703
2. Sales of trade notes receivable for trust	-	-		3,096
3. Guarantees of borrowings and lease obligations for customers and Group's employees	546	570		329
4. Number of shares of treasury stock	3,394	2,059		146

2. Quarterly Consolidated Statements of Income

HOYA CORPORATION and Consolidated Subsidiaries

Millions of Yen

	Three months ended		Variance		Mar.31, 2002
	Jun.30, 2002	Jun.30, 2001	Value	(%)	
Net sales	61,242	60,321	921	1.5	59,819
Cost of sales	33,519	34,572	-1,053	-3.0	33,820
Gross profit	27,722	25,748	1,974	7.7	25,999
Selling, general and administrative expenses	15,124	14,135	989	7.0	15,016
Operating income	12,598	11,613	985	8.5	10,982
Non-operating income	737	1,281	-544	-42.5	1,424
Interest income	127	99	28		141
Foreign exchange gains	-	170	-170		408
Equity in earnings of associated companies	196	83	113		51
Others	413	927	-514		824
Non-operating expenses	2,487	770	1,717	223.0	697
Interest expense	145	150	-5		163
Foreign exchange losses	1,434	-	1,434		-
Others	908	619	289		534
Ordinary income	10,848	12,124	-1,276	-10.5	11,709
Extra-ordinary income	117	280	-163	-58.2	215
Gain on sales of investment securities	92	-	92		135
Gain on sales of property, plant and equipment	22	227	-205		45
Others	3	53	-50		34
Extra-ordinary losses	280	371	-91	-24.5	3,778
Loss on disposal of property, plant and equipment	205	140	65		1,165
Additional retirement benefits paid to employees	51	-	51		1,126
Amortization of goodwill	-	-	-		469
Temporary plant closure expenses	-	-	-		455
Others	23	231	-208		563
Income before income taxes and minority interests	10,685	12,033	-1,348	-11.2	8,145
Income taxes - Current	2,940	2,887	53	1.8	3,613
Income taxes - Deferred	871	1,657	-786	-	-409
Minority interests in net income	4	20	-16	-80.0	3
Net income	6,868	7,468	-600	-8.0	4,938
Net income per share(Yen)	59.15	64.31	-5.16		42.53

Notes:

- Influences of Exchange Currency ("2002 A" is the actual value of this period. "2002 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)

	2002 A	2002 B	influences
Net sales	61,242	60,450	792
Operating income	12,598	12,319	279
Ordinary income	10,848	10,579	269
Net income	6,868	6,646	222

- Average rates of major foreign currencies
- | | Three months ended Jun. 30, | | |
|------------|-----------------------------|--------|-------------|
| | 2002 | 2001 | Variance(%) |
| US\$ | Yen 123.77 | 122.80 | -0.8% |
| Euro | Yen 116.58 | 106.54 | -9.4% |
| Thail Baht | Yen 2.92 | 2.71 | -7.7% |

3. Quarterly Consolidated Statements of Retained Earnings

HOYA CORPORATION and Consolidated Subsidiaries

Items	Millions of Yen			
	Three months ended			Mar. 31, 2002
	June 30, 2002	June 30, 2001	Variance	
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	202,255	184,361	17,894	197,250
Adjustment of retained earnings	6,868	7,468	-600	5,003
1. Net income	6,868	7,468	-600	4,938
2. for accounting changes at foreign subsidiaries	-	-	-	65
Appropriations	3,052	3,676	-624	-
1. Cash dividends	2,903	3,483	-580	-
2. Bonuses to directors	149	192	-43	-
Balance at the end of the period	206,071	188,153	17,918	202,255

4. Quarterly Consolidated Statements of Cash Flows

HOYA CORPORATION and Consolidated Subsidiaries

	<u>Millions of Yen</u>		
	<u>Three months ended Jun.30,</u>		
	2002	2001	variance
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	10,685	12,033	-1,348
Adjustments for:			
Income taxes - paid	-3,622	-8,773	5,151
Depreciation and amortization	4,823	4,435	388
Provision for (reversal of) accrued bonuses to employees	-1,829	-1,866	-1,829
Reversal of accrued retirement benefits	-19	-229	210
Provision for (Reversal of) reserve for periodic repairs	-108	103	-211
Equity in earnings of associated companies	-196	-83	-113
Foreign exchange loss (gain)	634	-6	640
Bonus to directors	-149	-195	46
Devaluation losses on investment securities	6	62	-56
Gain on sales of property, plant and equipment and investment securities	-114	-228	114
Loss on disposal of property, plant and equipment and investment securities	205	140	65
Other	105	396	-291
<i>Changes in assets and liabilities:</i>			
(Increase) decrease in notes and accounts receivable	-770	-3,408	2,638
(Increase) decrease in inventories	-675	-102	-573
(Increase) decrease in other current assets	601	-270	871
Increase (decrease) in notes and accounts payable	2,175	-455	2,630
Increase (decrease) in other current liabilities	407	459	-52
Total adjustment			
Net cash provided by operating activities	12,161	2,013	10,148
INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	-2,753	-4,740	1,987
Proceeds from sales of property, plant and equipment	528	229	299
Purchases of investment securities	0	-61	61
Proceeds from sales of investment securities	248	-	248
Increase in investments and other assets	-427	-342	-85
Decrease in investments and other assets	154	97	57
Net cash used in investing activities	-2,250	-4,818	2,568
FINANCING ACTIVITIES:			
Net increase (decrease) in short-term borrowings	-212	84	-296
Repayment of long term bank loans	-8	-15	7
Net (increase) decrease in treasury stock	-12	-1	-11
Dividends paid	-2,532	-2,824	292
Net cash used in financing activities	-2,765	-2,756	-9
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	7,145	-5,561	12,706
Effect of Exchange Rate Changes on Cash and Cash Equivalents	-1,524	-149	-1,375
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	66,321	51,697	14,624
CASH AND CASH EQUIVALENTS, END OF PERIOD	71,941	45,987	25,954

5. Scope of Consolidation and Application of the Equity Method

1. Number of consolidated subsidiaries : 52 companies
(Major companies: <overseas> HOYA HOLDINGS, INC.,HOYA LENS EUROPE N.V.,
HOYA HOLDINGS ASIA PACIFIC PTE. LTD., HOYA PHOTONICS, INC.
<domestic> HOYA HEALTHCARE CORPORATION,
HOYA CRYSTAL CORPORATION, HOYA OPTICS 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)

	as of June 30,	as of Mar. 31,	variance	as of June 30,2001
Consolidated subsidiaries	52 (do 8, os44)	51 (do 7, os44)	+1 (do+1, os -)	46 (do 6, os40)
Nonconsolidated subsidiaries	- (do -, os -)	- (do -, os -)	- (do-, os -)	2 (do 2, os -)
Affiliates	6 (do 6, os -)	6 (do 6, os -)	- (do-, os-)	8 (do 6, os 2)
Total Hoya Group	58	57	+1	56

(do : domestic, os : overseas)

Notes: Changes in Accounting Policies and Others

1. Changes in scope of consolidation and application of the equity method:
 - 1) In comparison to the end of March 31, 2002.....1 company increased.
 - a. Scope of consolidation
 - 1 company increased due to the establishment:
HOYA ADVANCED SEMICONDUCTOR TECHNOLOGIES CO.,LTD. (Japan)
 - b. Application of the equity method
No change
 - 2) In comparison to the end of June 30, 2001.....6 companies increased in total.
 - a. Scope of consolidation
 - 4 companies increased due to the establishment:
HOYA OPTICAL ASIA CO.,LTD. (Hong Kong)
HOYA OPTO-ELECTRO QINGDAO LTD. (P.R.China)
THAI HOYA HOLDINGS LTD. (Thailand)
HOYA ADVANCED SEMICONDUCTOR TECHNOLOGIES CO.,LTD. (Japan)
 - 2 companies increased due to the increase of shareholding:
HOYA-OPTIKSLIP AB (Sweden, current name is HOYA LENS SWEDEN AB)
THAI HOYA LENS LTD. (Thailand)
 - 1 company increased due to the division from another consolidated subsidiary:
WELFARE CORPORATION (Japan)
 - 1 company increased due to the acquisition:
EAGLE OPTICS, INC. (USA)
 - 2 companies decreased due to the merger between overseas subsidiaries:
HOYA LENS FRANCE S.A.
(BUCHMANN FRANCE SAS merged HOYA LENS FRANCE S.A. and changed its corporate name to HOYA LENS FRANCE SAS)
HOYA HOLDINGS BELGIUM N.V. (This company was merged into HOYA LENS EUROPE N.V.)
 - b. Application of the equity method
 - 2 companies decreased due to the increase of shareholding and changed to consolidated subsidiaries:
HOYA-OPTIKSLIP AB (Sweden, current name is HOYA LENS SWEDEN AB)
THAI HOYA LENS LTD. (Thailand)
2. Changes in accounting policy :
None

Notes Relating to Consolidated Statements of Cash Flows

1. Cash and Cash Equivalents at the End of the Period

	<u>Millions of Yen</u>		
	<u>Three months ended</u>		
	<u>June 30,2002</u>	<u>June 30,2001</u>	<u>Mar.31,2002</u>
Cash and deposits	71,941	45,987	51,769
Marketable securities	-	-	-
Total	<u>71,941</u>	<u>45,987</u>	<u>51,769</u>

2. Details of Assets and Liabilities of the Newly Consolidated Subsidiaries by Acquisition of Shares

None

Notes Relating to Investment Securities and Derivatives

1. Investment securities of current market values:

(Millions of Yen)

	As of								
	<u>Jun.30,2002</u>			<u>Mar.31, 2002</u>			<u>Jun.30, 2001</u>		
	Cost	Fair Value	Variance	Cost	Fair Value	Variance	Cost	Fair Value	Variance
Available-for-sale									
Available-for-sale : Marketable Equity securities	243	403	160	399	589	189	3,334	2,620	-713
Government bonds	-	-	-	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Total	243	403	160	399	589	189	3,334	2,620	-713

2. Investment securities of non-current market values:

(Millions of Yen)

	As of		
	<u>Jun.30,2002</u>	<u>Mar.31, 2002</u>	<u>Jun.30, 2001</u>
	Non-marketable equity securities	5,316	5,226	5,433
Non-marketable corporate bonds	-	-	1,650
Commercial paper	-	-	-
Total	5,316	5,226	7,083

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>		
(1) Current deferred tax assets and liabilities	<u>Jun.30, 2002</u>	<u>Mar.31, 2002</u>	<u>Jun.30, 2001</u>
Deferred tax assets			
Excess deductible amount of depreciation expenses	1,264	1,266	1,264
Excess deductible amount of expenses for accrued bonus	655	1,089	566
Inventories - intercompany unrealized profits	872	921	929
Enterprise tax not deductible	207	351	233
Other deferred tax assets	895	622	625
Total amount of deferred tax assets - current	3,896	4,250	3,619
Deferred tax liabilities			
Prepaid pension expenses	-295	-518	-474
Other deferred tax liabilities	-104	-116	-109
Total amount of deferred tax liabilities - current	-400	-635	-583
Net amount of deferred tax assets - current	3,495	3,615	3,035
(2) Non-current deferred tax assets and liabilities			
Deferred tax assets			
Excess amount of inclusion in deductible expenses for depreciation	2,485	2,910	3,846
Excess amount of inclusion in deductible expenses for reserve for employees' retirement benefits	2,586	2,548	2,392
Amount denied of evaluation loss of fixed assets	746	677	673
Excess amount of inclusion in deductible expenses for allowance for doubtful receivables	279	246	209
Other deferred tax assets	1,918	2,253	2,100
Total amount of deferred tax assets - fixed	8,016	8,635	9,223
Deferred tax liabilities			
Reserve for deferred income taxes on fixed assets	-637	-656	-714
Special depreciation reserve	-366	-344	-388
Difference of evaluation of other marketable securities	-66	-78	-
Other deferred tax liabilities	-160	-145	-171
Total amount of deferred tax liabilities - fixed	-1,231	-1,224	-1,273
Net amount of deferred tax assets - fixed	6,785	7,411	7,949

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

	<u>Three months ended</u>		
	<u>Jun.30,2002</u>	<u>Jun.30,2001</u>	<u>Mar.31,2002</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	-7.1	-4.6	-2.8
Non-Deductible expenses such as entertainment expenses	0.6	0.4	0.3
Per capita levy of inhabitants tax and others	0.3	0.3	0.4
Non-taxable income such as dividend received	-5.6	-8.5	-5.3
Intercompany cash dividend	5.6	8.4	5.2
Other adjustment	0.2	0.1	-0.2
Effective income tax rate	35.7	37.8	39.3

Notes Relating to Employees' Retirement Benefits

1. Systems of employees' retirement benefits the Company adopts

Lump-sum retirement benefit plan and multi-employer pension plan grants and of welfare pension

2. Details of liabilities for employees' retirement benefits

(1) Breakdown of liabilities for employees' retirement benefits

	Millions of Yen		
	As of		
	<u>Jun.30, 2002</u>	<u>Mar.31, 2002</u>	<u>Jun.30, 2001</u>
Liabilities for employees' retirement benefits	66,956	66,510	54,862
Pension assets	<u>-37,576</u>	<u>-37,126</u>	<u>-40,940</u>
Accrued liabilities for employees' retirement benefits	29,380	29,383	13,921
Unappropriated amount of the difference arising from the change in accounting standards	2,692	2,745	2,903
Unrecognized prior service cost (decrease in liabilities)	1,655	1,696	1,818
Unrecognized actuarial differences (increase in liabilities)	-27,163	-27,756	-12,046
Prepaid pension expenses	<u>708</u>	<u>1,243</u>	<u>1,694</u>
Reserve for employees' retirement benefits	<u><u>7,273</u></u>	<u><u>7,311</u></u>	<u><u>8,291</u></u>

(2) Breakdown of expenses for employees' retirement benefits

	Millions of Yen		
	Three months ended		
	<u>Jun.30, 2002</u>	<u>Jun.30, 2001</u>	<u>Mar.31, 2002</u>
Service cost	564	416	419
Interest expenses	411	469	470
Expected return of investments	-507	-548	-549
Difference arising from the change in accounting standards	-52	-52	-53
Prior service cost	-40	-	-41
Actuarial differences	<u>593</u>	<u>-</u>	<u>257</u>
sub total	968	499	504
Additional retirement benefits paid to employees	<u>51</u>	<u>168</u>	<u>1,126</u>
Expenses for employees' retirement benefits	<u><u>1,020</u></u>	<u><u>668</u></u>	<u><u>1,630</u></u>

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

	Three months ended		
	<u>Jun.30, 2002</u>	<u>Jun.30, 2001</u>	<u>Mar.31, 2002</u>
1. Discount rate	2.5%	2.5%	3.5%
2. Expected rate of return of investments	5.5%	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	15 years
5. Number of years over which the prior service cost is amortized	12 years	12 years	12 years
6. Number of years over which the actuarial differences are amortized	12 years	12 years	12 years

(3) Segment Information

HOYA CORPORATION and Consolidated Subsidiaries

1. Operations Different Industries

(Figures less than a million Yen are omitted.)

for the three months ended June 30, 2002

	Millions of Yen								Consolidated
	Electro-Optics	Photo-nics	Vision Care	Health Care	Crystal	Service	Total	Elimin. or corp.*	
Net sales:									
To outside customers	27,046	1,575	23,574	6,373	2,334	338	61,242	-	61,242
Intersegment	59	-	2	0	8	724	794	(794)	-
Total	27,105	1,575	23,576	6,373	2,342	1,062	62,037	(794)	61,242
Operating expenses	19,199	1,821	19,618	5,319	2,136	995	49,091	(447)	48,643
Operating income	7,905	-246	3,958	1,054	206	66	12,945	(347)	12,598
Operating profit ratio	29.2%	-15.6%	16.8%	16.5%	8.8%	6.3%	20.9%	-	20.6%
Assets	113,979	4,223	92,993	14,268	9,005	2,945	237,415	40,573	277,988
Depreciation	3,146	20	1,390	142	87	7	4,796	26	4,823
Capital Expenditures	1,778	20	692	137	26	1	2,657	7	2,664

*Elimi. or corp. : Elimination or corporate

for the three months ended June 30, 2001

	Millions of Yen								Consolidated
	Electro-Optics	Photo-nics	Vision Care	Health Care	Crystal	Service	Total	Elimin. or corp.*	
Net sales:									
To outside customers	26,988	1,793	23,053	5,412	2,719	353	60,321	-	60,321
Intersegment	162	-	5	435	10	694	1,309	(1,309)	-
Total	27,151	1,793	23,058	5,847	2,730	1,048	61,630	(1,309)	60,321
Operating expenses	19,543	1,916	19,516	5,090	2,559	960	49,586	(878)	48,707
Operating income	7,607	-122	3,542	757	171	88	12,043	(430)	11,613
Operating profit ratio	28.0%	-6.9%	15.4%	12.9%	6.3%	8.4%	19.5%	-	19.3%
Assets	111,092	4,810	85,813	13,294	9,998	3,503	228,513	35,238	263,751
Depreciation	2,775	77	1,295	132	114	10	4,406	28	4,435
Capital Expenditures	4,271	15	987	194	129	0	5,599	4	5,603

*Elimi. or corp. : Elimination or corporate

Ref:

Difference between the 1st quarter this year and the same quarter last year

	Millions of Yen								Consolidated
	Electro-Optics	Photo-nics	Vision Care	Health Care	Crystal	Service	Total	Elimin. or corp.*	
Net sales:									
To outside customers	58	-218	521	961	-385	-15	921	-	921
Variance (%)	0.2%	-12.2%	2.3%	17.8%	-14.2%	-4.2%	1.5%	-	1.5%
Intersegment	-103	-	-3	-435	-2	30	-515	515	-
Total	-46	-218	518	526	-388	14	407	515	921
Operating expenses	-344	-95	102	229	-423	35	-495	431	-64
Operating income	298	-124	416	297	35	-22	902	83	985
Variance (%)	3.9%	101.6%	11.7%	39.2%	20.5%	-25.0%	7.5%	-	8.5%
Assets	2,887	-587	7,180	974	-993	-558	8,902	5,335	14,237
Depreciation	371	-57	95	10	-27	-3	390	-2	388
Capital Expenditures	-2,493	5	-295	-57	-103	1	-2,942	3	-2,939

*Elimi. or corp. : Elimination or corporate

Note:

The Business Categories and Industries over the reviewing periods are as follows:

Business Category	Industries	Products and Services
Information Technologies	(Electro-Optics)	Photomasks and Maskblanks for semiconductors, Masks and Devices for liquid-crystal displays (LCDs) Glass disks for hard disk drives (HDDs), Optical lenses, optical glasses, electronic glasses, Optical communication related devices, etc.
	(Photonics)	Lazer equipments for industrial, research & laboratory, and medical purposes, etc.
Eye Care	(Vision Care)	Eyeglass lenses, eyeglass frames, ophthalmic equipments, etc.
	(Health Care)	Contact lenses and accessories, intraocular lenses, hearing aids, 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 in the two geographic areas, which are not allocated to each industry segment. Corporate operating expenses for the three months ended Jun. 30, 2002 and 2001 are as follows:

	<u>2002</u>		<u>2001</u>
Yen	480 million	Yen	456 million

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 Jun. 30, 2002 and 2001 are as follows:

	<u>2002</u>		<u>2001</u>
Yen	49,042 million	Yen	43,056 million

2. Foreign Operations

(Figures less than a million Yen are omitted.)

for the three months ended June 30, 2002							
Millions of Yen							
	Japan	North America	Europe	Asia	Total	Eliminations or corporate	Consolidated
Net sales:							
To outside customers	41,030	9,485	7,776	2,950	61,242	-	61,242
Intersegment	4,848	9	375	11,112	16,345	(16,345)	-
Total	45,878	9,494	8,151	14,062	77,588	(16,345)	61,242
Operating expenses	37,347	9,314	6,788	11,562	65,013	(16,369)	48,643
Operating income	8,531	180	1,363	2,499	12,575	23	12,598
Operating income ratio	18.6%	1.9%	16.7%	17.8%	16.2%	-	20.6%
Assets	143,145	20,064	30,068	53,809	247,088	30,899	277,988

for the three months ended June 30, 2001							
Millions of Yen							
	Japan	North America	Europe	Asia	Total	Eliminations or corporate	Consolidated
Net sales:							
To outside customers	42,169	9,211	6,633	2,306	60,321	-	60,321
Intersegment	3,494	45	225	9,163	12,929	(12,929)	-
Total	45,663	9,256	6,859	11,470	73,250	(12,929)	60,321
Operating expenses	37,099	8,964	5,714	9,984	61,763	(13,055)	48,707
Operating income	8,563	291	1,144	1,486	11,487	126	11,613
Operating income ratio	18.8%	3.2%	16.7%	13.0%	15.7%	-	19.3%
Assets	145,571	20,438	26,211	47,612	239,833	23,918	263,751

Ref : Difference between the 1st quarter this year and the same quarter last year

Millions of Yen							
	Japan	North America	Europe	Asia	Total	Eliminations or corporate	Consolidated
Net sales:							
To outside customers	-1,139	274	1,143	644	921	-	921
Variance (%)	-2.7%	3.0%	17.2%	27.9%	1.5%	-	1.5%
Intersegment	1,354	-36	150	1,949	3,416	-3,416	-
Total	215	238	1,292	2,592	4,338	-3,416	921
Operating expenses	248	350	1,074	1,578	3,250	-3,314	-64
Operating income	-32	-111	219	1,013	1,088	-103	985
Variance (%)	-0.4%	-38.1%	19.1%	68.2%	9.5%	-	8.5%
Assets	-2,426	-374	3,857	6,197	7,255	6,981	14,237

Notes:

- 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 three months ended Jun. 30, 2002 and 2001 are as follows:

	<u>2002</u>	<u>2001</u>
Yen	418 million	413 million

- 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 Jun. 30, 2002 and 2001 are as follows:

	<u>2002</u>	<u>2001</u>
Yen	46,123 million	39,762 million

3. Overseas Sales

(Figures less than a million Yen are omitted.)

for the three months ended June 30, 2002

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	9,956	9,970	7,544	29	27,501
Consolidated Sales (B)					61,242
Overseas Sales ratio A/B	16.3%	16.3%	12.3%	0.0%	44.9%
Regional Sales Ratio	36.2%	36.3%	27.4%	0.1%	100.0%

for the three months ended June 30, 2001

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	9,523	9,468	6,527	14	25,533
Consolidated Sales (B)					60,321
Overseas Sales ratio A/B	15.8%	15.7%	10.8%	0.0%	42.3%
Regional Sales Ratio	37.3%	37.1%	25.6%	0.0%	100.0%

Ref:

Difference between the 1st quarter this year and the same quarter last year

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	433	502	1,017	15	1,968
Consolidated Sales (B)					921
Variance (%)	4.5%	5.3%	15.6%	107.1%	7.7%

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

Business Category Company	Millions of Yen				Three months ended Mar. 31, 2002
	Three months ended Jun.30, 2002		Three months ended Jun.30, 2001			Variance (%)
Electro-Optics					
Domestic	14,954 (55.3)	15,192 (56.3)	-238	-1.6	13,206 (52.4)
Overseas	12,091 (44.7)	11,795 (43.7)	296	2.5	11,996 (47.6)
total	27,046 [44.2]	26,988 [44.7]	58	0.2	25,203 [42.1]
Photonics					
Domestic	832 (52.8)	904 (50.4)	-72	-8.0	1,168 (59.7)
Overseas	743 (47.2)	889 (49.6)	-146	-16.4	788 (40.3)
total	1,575 [2.6]	1,793 [3.0]	-218	-12.2	1,956 [3.3]
Electro-Optics					
Domestic	15,786 (55.2)	16,097 (55.9)	-311	-1.9	14,373 (52.9)
Overseas	12,835 (44.8)	12,684 (44.1)	151	1.2	12,785 (47.1)
total	28,622 [46.7]	28,782 [47.7]	-160	-0.6	27,158 [45.4]
Vision Care					
Domestic	9,089 (38.6)	10,437 (45.3)	-1,348	-12.9	9,207 (37.7)
Overseas	14,484 (61.4)	12,615 (54.7)	1,869	14.8	15,225 (62.3)
total	23,574 [38.5]	23,053 [38.2]	521	2.3	24,432 [40.8]
Health Care					
Domestic	6,356 (99.7)	5,384 (99.5)	972	18.1	6,012 (99.7)
Overseas	16 (0.3)	27 (0.5)	-11	-40.7	18 (0.3)
total	6,373 [10.4]	5,412 [9.0]	961	17.8	6,030 [10.1]
Eye Care					
Domestic	15,446 (51.6)	15,822 (55.6)	-376	-2.4	15,219 (50.0)
Overseas	14,501 (48.4)	12,642 (44.4)	1,859	14.7	15,244 (50.0)
total	29,947 [48.9]	28,465 [47.2]	1,482	5.2	30,462 [50.9]
Crystal					
Domestic	2,168 (92.9)	2,518 (92.6)	-350	-13.9	1,649 (88.9)
Overseas	165 (7.1)	201 (7.4)	-36	-17.9	205 (11.1)
total	2,334 [3.8]	2,719 [4.5]	-385	-14.2	1,855 [3.1]
Service					
Domestic	338 (100.0)	349 (98.9)	-11	-3.2	344 (99.7)
Overseas	0 (0.0)	4 (1.1)	-4	-	0 (0.3)
total	338 [0.6]	353 [0.6]	-15	-4.2	345 [0.6]
Lifestyle Refinement					
Domestic	2,506 (93.8)	2,867 (93.3)	-361	-12.6	1,993 (90.6)
Overseas	165 (6.2)	206 (6.7)	-41	-19.9	205 (9.4)
total	2,672 [4.4]	3,073 [5.1]	-401	-13.0	2,199 [3.7]
Total Net Sales					
Domestic	33,740 (55.1)	34,787 (57.7)	-1,047	-3.0	31,587 (52.8)
Overseas	27,501 (44.9)	25,533 (42.3)	1,968	7.7	28,233 (47.2)
Total	61,242 [100.0]	60,321 [100.0]	921	1.5	59,819 [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.