

Quarterly Report Sep.2002

Part 2. Second Quarter for the three months ended September 30, 2002

Financial Highlights for the quarter (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries

Performance for the three months ended September 30, 2002 and 2001

(Figures less than a million yen are omitted.)

(1)Results of Operations	Millions of Yen			
	Three months ended			
	Sep.30, 2002	Sep.30, 2001	change(%)	Jun.30, 2002
Net sales	61,771	58,037	(6.4)	61,242
Operating income	13,951	11,234	(24.2)	12,598
Ordinary income	14,179	10,573	(34.1)	10,848
Net income	7,977	6,192	(28.8)	6,868
Net income per share(Yen)	68.70	53.32		59.15
Ordinary income / net sales	23.0%	21.9%		17.7%

Notes : No changes have been made in accounting policy.

(2)Financial Position	Millions of Yen		
	As of		
	Sep.30, 2002	Jun.30, 2002	Sep.30, 2001
Total assets	291,099	277,988	268,316
Shareholders' equity	227,964	219,695	204,363
Shareholders' equity ratio	78.3%	79.0%	76.2%
Shareholders' equity per share (Yen)	1,963.19	1,887.49	1,759.86

(3)Conditions of Cash Flows	Millions of Yen	
	Three months ended September 30,	
	2002	2001
Net cash provided by operating activities	20,210	13,114
Net cash used in investing activities	-4,128	-5,925
Net cash provided (used in) financing activities	-395	-2,164
Cash and cash equivalents, end of period	88,068	51,125

Note: Hoya Corporation discloses financial reports quarterly on consolidated basis.

The forecast for the fiscal year will be released on consolidated basis when the business results for the third quarter are disclosed.

Hoya Corporation does not guarantee the accuracy or completeness of the information herein. Unless otherwise stated estimates or forecasts are solely those of our company and subject to change without notice. Hoya Corporation accepts no liability whatsoever for any direct or consequential loss arising from any use of this report.

(1) Business Overview

1. Results of Operations

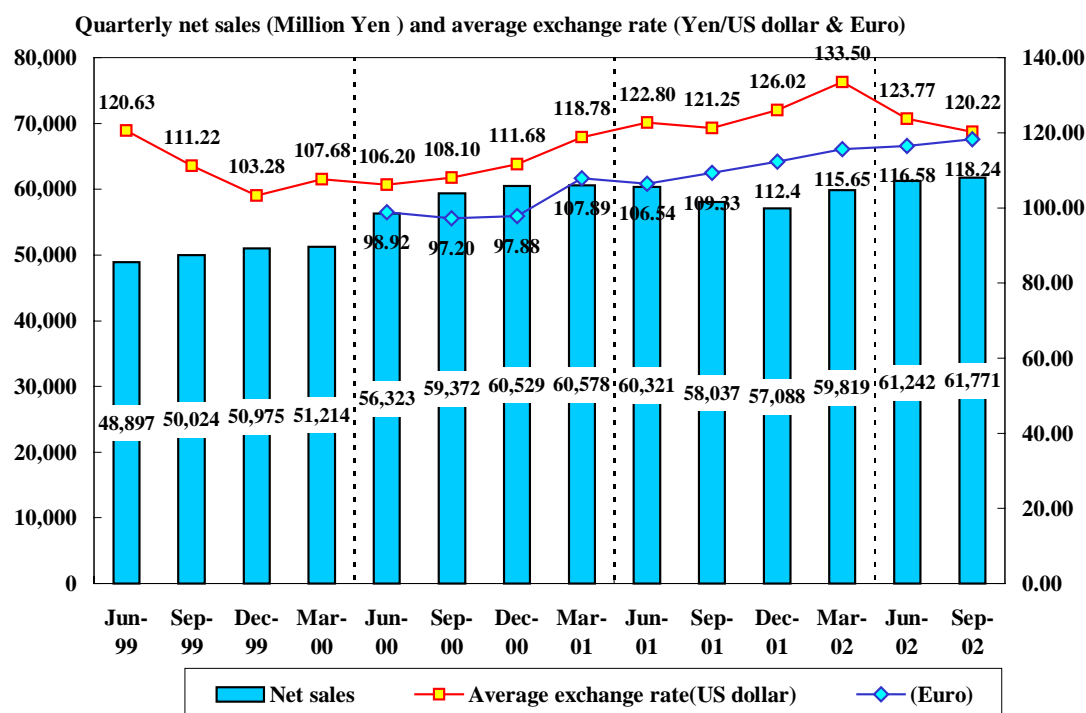
1) General Overview

Results of Operations	Millions of Yen
	Three months ended Sep. 30, 2002
Net sales	61,771
Operating income	13,951
Ordinary income	14,179
Net income	7,977
Net income per share(Yen)	68.70

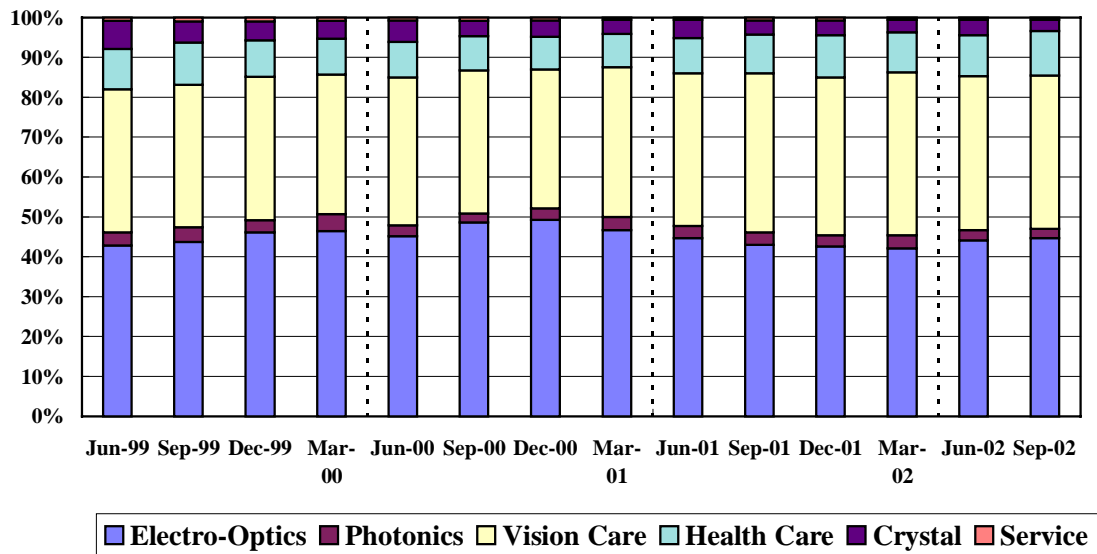
In the quarter under review, the moderate recovery trend observed in the 1st quarter was halted and an unclear business outlook deepened again as corporate investment in information technology (IT) was depressed and personal consumption stagnated amid revelation of accounting scandals in the United States and the lowering of stock prices worldwide, etc.

In the currency markets during the same quarter, the US dollar depreciated by 0.8% but the euro appreciated by 8.1% and the Thai baht appreciated by 4.1%, all against the yen, respectively on a year-on-year basis.

In this business environment, sales of the Electro-Optics segment of the HOYA Group increased as product precision was enhanced to meet customers demand for innovative products and as orders increased at the close of the inventory adjustment cycle. In the Eye Care segment, sales increased as such mainstay products as eyeglass lenses in the Vision Care division and contact lenses in the Health Care division, etc. sold solidly. As a result, consolidated sales during the quarter increased 6.4% on a year-on-year basis to Yen 61,771 million, which was a historical quarterly result.



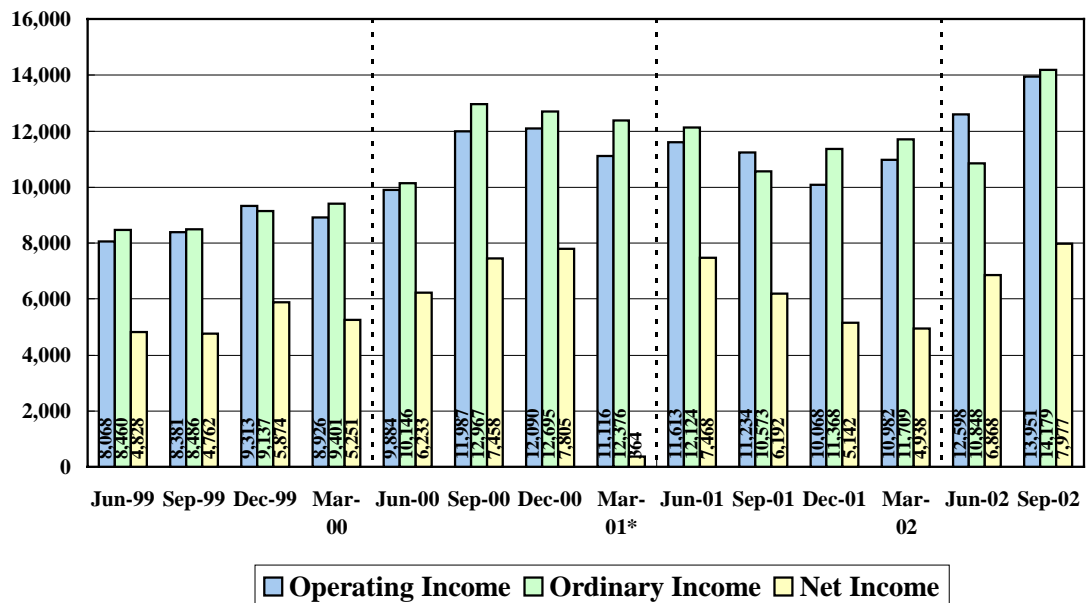
Ratio of Net Sales by Business Segment - Quarterly Transition



In the quarter under review, product precision was enhanced and product size was enlarged for the products in the Electro-Optics segment, sales and profits of which increased on a year-on-year basis. In the Eye Care segment, too, sales and profits increased through constant marketing of high-value-added products. As a result, operating income and ordinary income increased 24.2% and 34.1% respectively, which recorded historical quarterly results in tandem with the sales.

The Company posted additional expenditure for early retirement under extraordinary losses in connection with the business reform in the Vision Care division and Crystal division. Consequently, net quarterly income increased 28.8% on a year-on-year basis and recorded historical quarterly results, too.

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

In terms of mask blanks for manufacturing semiconductors, the volume of orders increased for high-precision products such as blanks for phase-shift masks that were made to meet customer requirements. Consequently, sales increased on a year-on-year basis.

Sales of photomasks for manufacturing semiconductors increased on a year-on-year basis thanks to increase of the ratio of high-precision masks, though there were limited growth in the photomasks for product-trial or development use.

In terms of photomasks for LCDs, as LCD panel manufacturers maintained their mass production, the introduction of trial and newly developed products was curbed. However, orders came in for super-large-sized masks and for masks for newly operational production lines, etc. in Korea and Taiwan. As a result, sales increased on a year-on-year basis.

Sales of glass disks for HDDs (Hard Disk Drives) decreased on a year-on-year basis as sales of polished glass plates (substrates) decreased due to the sluggish sales of PCs.

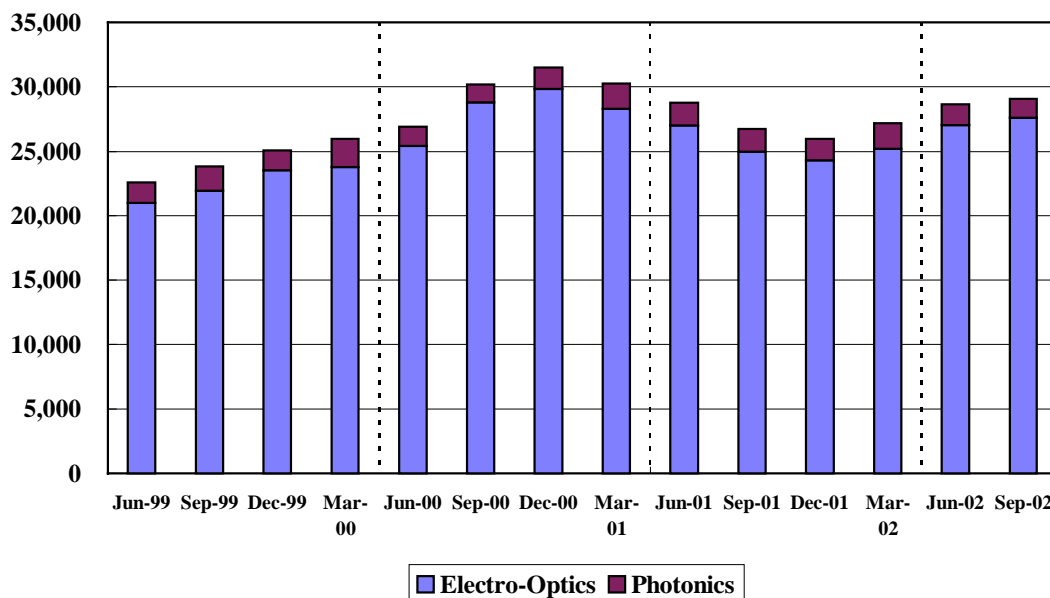
In terms of optical lenses and glasses, shipment of digital still and video cameras remained solid and sales of lenses of the Company recovered substantially. As a result, overall sales increased on a year-on-year basis.

Photonics

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

While laser-related equipment for medical and industrial uses sold favorably, sales of those for scientific use decreased substantially. As a result, overall sales decreased on a year-on-year basis.

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



2. Eye Care

Vision Care

In the domestic eyeglass market, tough conditions persisted as unit prices fell due to deflation and to the preponderance of discount shops and a trend towards bipolarization of the market was observed. The Company introduced new products into the market and promoted higher value-addition of products centered on progressive lenses so as to strengthen sales of products in the upper price band. Sales, however, decreased on a year-on-year basis.

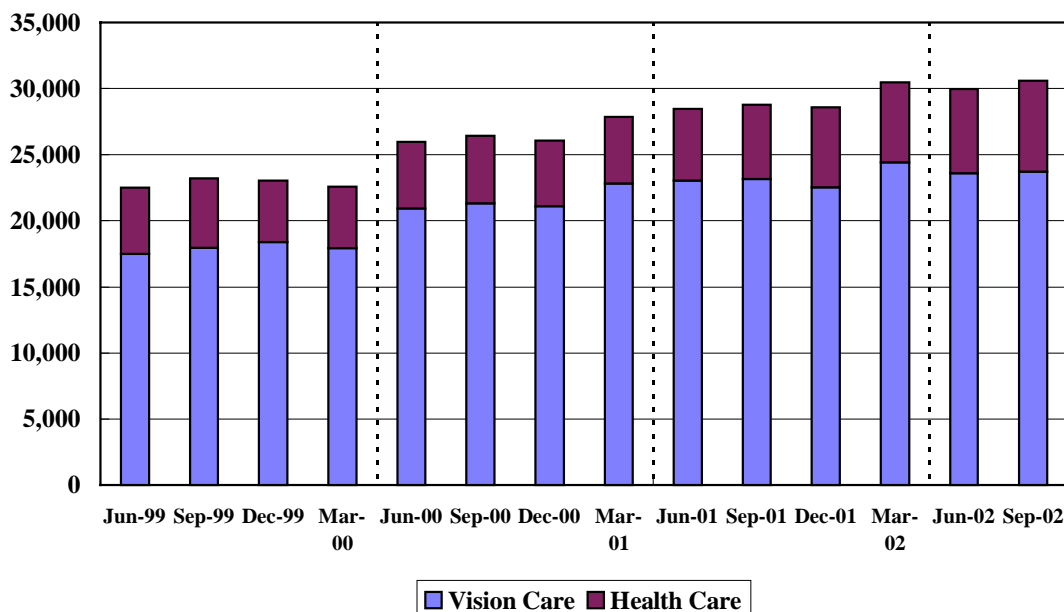
Overseas, HOYA actively promoted higher value-addition of products, especially to increase the sales weight of progressive lenses, across all regions. Sales increased centered on such high value-added products including progressive and highly refractive lenses. In overseas, where a substantial volume of low-priced products were circulating in the market as well as in Japan, the Company strengthened its marketing of high-value-added products and sales increased to offset weak domestic business. The sales growth was also helped by an appreciation of the euro against the Yen 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 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 accelerated establishment of new outlets and to the effects of the Scrapping & Building of retail outlets.

Sales of intraocular lenses increased substantially on a year-on-year basis thanks to the favorable reputation of Acryfold, a soft lens product that had been shipped since last year.

Quarterly Net Sales of Eye Care (Millions of Yen)

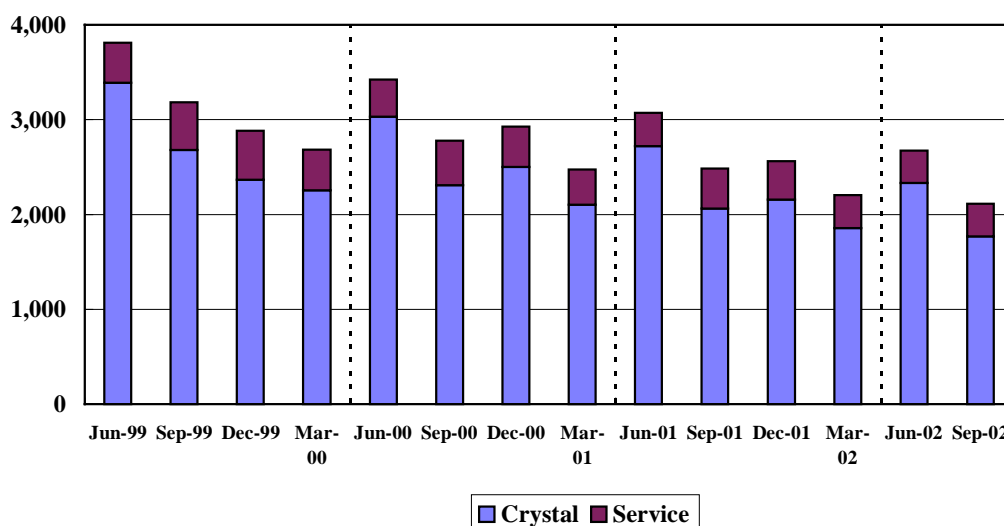


3. Lifestyle Refinement

Crystal

Sales of crystal decreased on a year-on-year basis as the market for gift use shrank amid the dampened personal consumption and as the Company started business reform in order to reconstruct its brand.

Quarterly Net Sales of lifestyle Refinement (Millions of Yen)



2. Financial Position

1) Conditions of Assets

	<u>Millions of Yen</u>
	<u>As of Sep. 30, 2002</u>
Total assets	291,099
Shareholders' equity	227,964
Shareholders' equity ratio	78.3%

At the end of the quarter under review, while the outstanding balance of cash and deposits increased by Yen 16,127 million in comparison with that of the 1st quarter of this fiscal year, notes and accounts receivable-trades decreased by Yen 2,202 million. Total assets, therefore, increased by Yen 13,111 million in comparison with that of the 1st quarter of this fiscal year. Shareholders' equity increased because of increase in retained earnings by Yen 8,269 million and the equity ratio decreased to 78.3%.

2) Conditions of Cash Flows

	<u>Millions of Yen</u>
	<u>Three months ended Sep. 30, 2002</u>
Net cash provided by operating activities	20,210
Net cash used in investing activities	-4,128
Net cash provided by (used in) financing activities	-395
Cash and cash equivalents, end of period	88,068

In terms of cash flows from operating activities, on the basis of Yen 12,252 million in income before income taxes and minority interests and Yen 4,886 million in depreciation and amortization, net cash provided by operating activities amounted to Yen 20,210 million. Net cash used in investing activities amounted to Yen 4,128 million. Consequently, free cash flow amounted to Yen 16,082 million and was used to payment of dividends. The outstanding balance of cash and cash equivalents at the end of the quarter increased by Yen 16,126 million in comparison with that of the 1st quarter of this fiscal year.

(2) Consolidated Financial Statements (unaudited)

1. Consolidated Balance Sheets

HOYA CORPORATION and Consolidated Subsidiaries	Millions of Yen			
	Sep.30,2002	Jun.30,2002	Variance	Sep.30,2001
ASSETS				
Current assets	189,356	175,247	14,109	156,747
Cash and deposits	88,068	71,941	16,127	51,125
Notes and accounts receivable - trades	57,212	59,414	-2,202	59,344
Inventories	35,024	35,895	-871	35,817
Deferred taxes	4,354	3,495	859	3,712
Other current assets	5,925	5,730	195	7,713
Allowance for doubtful receivables	-1,229	-1,229	0	-967
Fixed assets	101,388	102,303	-915	111,062
Tangible fixed assets	80,453	80,657	-204	84,863
Buildings and structures	24,733	25,134	-401	25,191
Machinery and vehicles	34,943	35,490	-547	37,235
Lands	9,389	9,375	14	9,238
Other tangible fixed assets	11,387	10,657	730	13,197
Intangible fixed assets	4,081	4,410	-329	4,012
Investments and other assets	16,853	17,235	-382	22,186
Investment securities	5,716	5,720	-4	9,412
Long-term deferred taxes	6,666	6,785	-119	7,778
Other investments and other assets	5,963	6,363	-400	6,674
Allowance for doubtful receivables	-1,493	-1,634	141	-1,679
Deferred charges	355	437	-82	506
Total Assets	291,099	277,988	13,111	268,316
LIABILITIES AND SHAREHOLDERS' EQUITY			0	
Current liabilities	53,922	48,719	5,203	53,633
Notes and accounts payable - trades	22,087	21,789	298	21,615
Short-term loan payable	3,264	3,098	166	3,176
Income tax payable	7,883	4,275	3,608	6,353
Accrued bonus	3,602	2,045	1,557	4,160
Other current liabilities	17,083	17,510	-427	18,326
Long-term liabilities	9,057	9,421	-364	9,672
Long-term loan payable	417	569	-152	406
Employees retirement benefits	6,898	7,273	-375	8,091
Directors retirement benefits	293	273	20	201
Other long-term liabilities	1,446	1,305	141	972
Total Liabilities	62,979	58,141	4,838	63,306
Minority interest	155	151	4	646
Common stock	6,264	6,264	0	6,264
Additional paid-in capital	15,898	15,898	0	15,898
Retained earnings	214,048	206,071	7,977	194,550
Evaluation difference of investments securitis	28	93	-65	-631
Foreign currency statement translation adjustments	-8,234	-8,602	368	-11,716
Treasury stock, at cost	-40	-28	-12	0
Total Shareholders' Equity	227,964	219,695	8,269	204,363
Total	291,099	277,988	13,111	268,316
Notes:				
		Millions of Yen		
Accumulated depreciation	146,623	143,012		133,773
Guarantees of borrowings and lease obligations for customers	558	546		300
Number of shares of treasury stock	4,867	3,394		141

2. Consolidated Statements of Income

HOYA CORPORATION and Consolidated Subsidi

Millions of Yen

	Three months ended				
	Sep.30,2002	Sep.30,2001	Variance		Jun.30,2002
			Value	(%)	
Net sales	61,771	58,037	3,734	6.4	61,242
Cost of sales	33,277	33,246	31	0.1	33,519
Gross profit	28,494	24,791	3,703	14.9	27,722
Selling, general and administrative expenses	14,543	13,557	986	7.3	15,124
Operating income	13,951	11,234	2,717	24.2	12,598
Non-operating income	1,356	573	783	136.6	737
Interest income	145	130	15		127
Foreign exchange gains	570	-	570		-
Equity in earnings of associated companies	129	-	129		196
Others	512	443	69		413
Non-operating expenses	1,126	1,234	-108	-8.8	2,487
Interest expense	78	161	-83		145
Foreign exchange losses	-	210	-210		1,434
Loss in earnings of associated companies	-	16	-16		-
Others	1,048	847	201		908
Ordinary income	14,179	10,573	3,606	34.1	10,848
Extra-ordinary income	70	45	25	55.6	117
Gain on sales of investment securities	17	-	17		92
Gain on sales of property, plant and equipment	53	45	8		22
Others	-	-	-		3
Extra-ordinary losses	1,996	456	1,540	337.7	280
Additional retirement benefits paid to employees	1,370	226	1,144		51
Loss on disposal of property, plant and equipment	134	57	77		205
Others	492	173	319		23
Income before income taxes and other items	12,253	10,161	2,092	20.6	10,685
Income taxes - Current	5,177	4,184	993	23.7	2,940
Income taxes - Deferred	-906	-289	-617	213.5	871
Minority interests in net income	7	75	-68	-90.7	4
Net income	7,977	6,192	1,785	28.8	6,868
Net income per share(Yen)	68.70	53.32	15.38		59.15

Notes:

1. 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	61,771	61,178	593
Operating income	13,951	13,763	188
Ordinary income	14,179	13,988	191
Net income	7,977	7,821	156

2. Average rates of major foreign currencies		Three months ended		
		Sep.30,2002	Sep.30,2001	Variance(%)
US\$	Yen	120.22	121.25	0.8%
Euro	Yen	118.24	109.33	-8.1%
Thail Baht	Yen	2.82	2.71	-4.1%

3. Consolidated Statements of Retained Earnings

HOYA CORPORATION and Consolidated Subsidiaries

Items	Millions of Yen			
	Three months ended		Variance	Three months ended
	Sep. 30,2002	Sep. 30,2001		Jun. 30, 2002
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	206,071	188,153	17,918	202,255
Adjustment of retained earnings	7,977	6,397	1,580	6,868
1. Net income	7,977	6,192	1,785	6,868
2. for merger of unconsolidated subsidiaries	-	205	-205	-
Appropriations	-	-	-	3,052
1. Cash dividends	-	-	-	2,903
2. Bonuses to directors	-	-	-	149
Balance at the end of the period	214,048	194,550	19,498	206,071

4. Consolidated Statements of Cash Flows

HOYA CORPORATION and Consolidated Subsidiaries

	Millions of Yen		
	<u>Three months ended Sep.30,</u>		
	2002	2001	Variance
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	12,253	10,160	2,093
Adjustments for:			
Income taxes - paid	-1,381	-1,165	-216
Depreciation and amortization	4,885	4,718	167
Provision for (reversal of) accrued bonuses to employees	1,558	1,999	1,558
Reversal of accrued retirement benefits	-355	-179	-176
Provision for (Reversal of) reserve for periodic repairs	24	48	-24
Equity in loss earnings of associated companies	-129	16	-145
Foreign exchange loss	-145	72	-217
Devaluation losses on investment securities	26	68	-42
Gain on sales of property, plant and equipment and investment securities	-70	-45	-25
Loss on disposal of property, plant and equipment and investment securities	134	57	77
Other	148	220	-72
<i>Changes in assets and liabilities:</i>			
(Increase) decrease in notes and accounts receivable	2,405	-916	3,321
(Increase) decrease in inventories	882	666	216
(Increase) decrease in other current assets	-275	-55	-220
Increase (decrease) in notes and accounts payable	251	-1,435	1,686
Increase (Decrease) in other current liabilities	-2	-1,117	1,115
Total adjustment			
Net cash provided by operating activities	20,210	13,114	7,096
INVESTING ACTIVITIES:			
Payment for purchases of property, plant and equipment	-4,053	-5,526	1,473
Proceeds from sales of property, plant and equipment	27	52	-25
Payment for purchases of investment securities	0	-400	400
Proceeds from sales of investment securities	59	2	57
Increase in investments and other assets	-407	-177	-230
Decrease in investments and other assets	244	123	121
Net cash used in investing activities	-4,128	-5,925	1,797
FINANCING ACTIVITIES:			
Net increase (decrease) in short-term borrowings	-44	-1,465	1,421
Repayments of long-term bank loans	-7	-14	7
Net (increase) decrease in treasury stock	-11	0	-11
Dividends paid	-331	-684	353
Net cash used in financing activities	-395	-2,164	1,769
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	15,685	5,024	10,661
Effect of Exchange Rate Changes on Cash and Cash Equivalents	440	-141	581
Cash and cash equivalents of merged non-consolidated subsidiaries, beginning of period	-	255	-255
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	71,941	45,987	25,954
CASH AND CASH EQUIVALENTS, END OF PERIOD	88,068	51,125	36,943

Notes Relating to Tax Effect Accounting

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

	<u>Millions of Yen</u>		
	<u>As of</u>		
	<u>Sep.30, 2002</u>	<u>Jun.30, 2002</u>	<u>Sep.30, 2001</u>
(1) Current deferred tax assets and liabilities			
Deferred tax assets			
Excess deductible amount of depreciation expenses	1,264	1,264	1,272
Excess deductible amount of expenses for accrued bonus	1,212	655	1,129
Inventories - intercompany unrealized profits	696	872	838
Enterprise tax not deductible	613	207	528
Other deferred tax assets	638	895	713
Total amount of deferred tax assets - current	<u>4,425</u>	<u>3,896</u>	<u>4,482</u>
Deferred tax liabilities			
Prepaid pension expenses	-71	-295	-665
Other deferred tax liabilities	-	-104	-104
Total amount of deferred tax liabilities - current	<u>-71</u>	<u>-400</u>	<u>-770</u>
Net amount of deferred tax assets - current	<u>4,354</u>	<u>3,495</u>	<u>3,712</u>
(2) Non-current deferred tax assets and liabilities			
Deferred tax assets			
Excess amount of inclusion in deductible expenses for depreciation	2,147	2,485	3,547
Excess amount of inclusion in deductible expenses for reserve for employees' retirement benefits	2,613	2,586	2,542
Amount denied of evaluation loss of fixed assets	657	746	675
Excess amount of inclusion in deductible expenses for allowance for doubtful receivables	281	279	226
Other deferred tax assets	2,135	1,918	2,043
Total amount of deferred tax assets - fixed	<u>7,835</u>	<u>8,016</u>	<u>9,034</u>
Deferred tax liabilities			
Reserve for deferred income taxes on fixed assets	-618	-637	-694
Special depreciation reserve	-358	-366	-389
Difference of evaluation of other marketable securities	-20	-66	-
Other deferred tax liabilities	-171	-160	-171
Total amount of deferred tax liabilities - fixed	<u>-1,168</u>	<u>-1,231</u>	<u>-1,256</u>
Net amount of deferred tax assets - fixed	<u>6,666</u>	<u>6,785</u>	<u>7,778</u>

(3) Segment Information (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries

1. Operations Different Industries

(Figures less than a million Yen are omitted.)

for the three months ended September 30, 2002

	Millions of Yen							Elimin. or corp.*	Consolidated
	Electro- Optics	Photo- nics	Vision Care	Health Care	Crystal	Service	Total		
Net sales:									
To outside customers	27,584	1,484	23,694	6,893	1,769	347	61,771	-	61,771
Intersegment	57	-	12	0	3	683	756	(756)	-
Total	27,642	1,484	23,707	6,893	1,773	1,030	62,527	(756)	61,771
Operating expenses	18,844	1,707	19,437	5,430	1,778	977	48,172	(351)	47,821
Operating income	8,798	-222	4,270	1,463	-6	54	14,356	(405)	13,951
Operating income ratio	31.8%	-15.0%	18.0%	21.2%	-0.3%	5.2%	23.0%	-	22.6%
Assets	116,038	4,121	93,788	16,083	8,576	2,997	241,607	49,492	291,099
Depreciation	3,262	22	1,358	139	71	8	4,860	28	4,887
Capital Expenditures	3,167	18	820	95	31	1	4,132	2	4,134
R&D Expenses	1,401	126	369	180	6	-	2,085	-10	2,074
Number of employees (p)	6,021	229	6,379	625	283	129	13,666	45	13,711

for the three months ended September 30, 2001

	Millions of Yen							Elimin. or corp.*	Consolidated
	Electro- Optics	Photo- nics	Vision Care	Health Care	Crystal	Service	Total		
Net sales:									
To outside customers	24,992	1,756	23,165	5,638	2,060	427	58,037	-	58,037
Intersegment	207	0	8	376	10	697	1,296	(1,296)	-
Total	25,198	1,756	23,173	6,014	2,070	1,123	59,334	(1,296)	58,037
Operating expenses	18,081	1,828	19,672	5,128	2,122	1,026	47,857	(1,053)	46,804
Operating income	7,118	-73	3,501	886	-52	97	11,478	(244)	11,234
Operating income ratio	28.2%	-0.1%	15.1%	14.7%	-2.5%	8.6%	19.3%	-	19.4%
Assets	110,167	4,468	86,895	14,106	9,450	3,246	228,335	39,981	268,316
Depreciation	3,025	76	1,318	138	121	8	4,689	29	4,718
Capital Expenditures	3,026	11	1,396	192	47	0	4,675	0	4,675
R&D Expenses	1,037	121	345	145	10	-	1,660	0	1,660
Number of employees (p)	5,491	239	6,112	625	311	122	12,900	40	12,940

Ref:

Differences between the second quarter of this year and the same period last year

	Millions of Yen							Elimin. or corp.*	Consolidated
	Electro- Optics	Photo- nics	Vision Care	Health Care	Crystal	Service	Total		
Net sales:									
To outside customers	2,592	-272	529	1,255	-291	-80	3,734	-	3,734
Variance(%)	10.4%	-15.5%	2.3%	22.3%	-14.1%	-18.7%	6.4%	-	6.4%
Intersegment	-150	-	4	-376	-7	-14	-540	540	-
Total	2,444	-272	534	879	-297	-93	3,193	540	3,734
Operating expenses	763	-121	-235	302	-344	-49	315	702	1,017
Operating income	1,680	-149	769	577	46	-43	2,878	(161)	2,717
Variance(%)	23.6%	-	22.0%	65.1%	-88.5%	-44.3%	25.1%	-	24.2%
Assets	5,871	-347	6,893	1,977	-874	-249	13,272	9,511	22,783
Depreciation	237	-54	40	1	-50	0	171	-1	169
Capital Expenditures	141	7	-576	-97	-16	1	-543	2	-541
R&D Expenses	364	5	24	35	-4	-	425	-10	414
Number of employees (p)	530	-10	267	0	-28	7	766	5	771

*Elimi. or corp. : Eliminations or corporate

Note:

1. The Business Categories and Industries over the three months ended September 30, 2002 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	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, 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 Sep. 30, 2002 and 2001 are as follows:

2002	491 million Yen	2001	389 million Yen
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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 Sep. 30, 2002 and 2001 are as follows:

2002	61,309 million Yen	2001	49,232 million Yen
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2. Foreign Operations

(Figures less than a million Yen are omitted.)

for the three months ended September 30, 2002

	Millions of Yen						Consolidated
	Japan	North America	Europe	Asia	Total	Eliminations or corporate	
Net sales:							
To outside customers	42,206	8,989	7,532	3,044	61,771	-	61,771
Intersegment	3,868	15	467	10,316	14,666	(14,666)	-
Total	46,074	9,004	7,999	13,361	76,437	(14,666)	61,771
Operating expenses	36,580	8,743	6,827	10,791	62,941	(15,121)	47,821
Operating income	9,494	260	1,172	2,570	13,495	455	13,951
Operating income ratio	20.6%	2.9%	14.7%	19.2%	17.7%	-	22.6%
Assets	144,238	19,665	31,514	54,123	249,541	41,558	291,099

for the three months ended September 30, 2001

	Millions of Yen						Consolidated
	Japan	North America	Europe	Asia	Total	Eliminations or corporate	
Net sales:							
To outside customers	40,261	8,736	6,449	2,592	58,037	-	58,037
Intersegment	3,819	22	287	9,908	14,035	(14,035)	-
Total	44,081	8,758	6,735	12,500	72,073	(14,035)	58,037
Operating expenses	36,068	8,183	6,020	10,546	60,817	(14,013)	46,804
Operating income	8,013	576	716	1,953	11,255	(22)	11,234
Operating income ratio	18.2%	6.6%	10.6%	15.6%	15.6%	-	19.4%
Assets	145,839	20,559	25,897	48,736	241,033	27,283	268,316

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

	Millions of Yen						Consolidated
	Japan	North America	Europe	Asia	Total	Eliminations or corporate	
Net sales:							
To outside customers	1,945	253	1,083	452	3,734	-	3,734
Variance(%)	4.8%	2.9%	16.8%	17.4%	6.4%	-	6.4%
Intersegment	49	-7	180	408	631	(631)	-
Total	1,993	246	1,264	861	4,364	(631)	3,734
Operating expenses	512	560	807	245	2,124	(1,108)	1,017
Operating income	1,481	-316	456	617	2,240	477	2,717
Variance(%)	18.5%	-54.9%	63.7%	31.6%	19.9%	-	24.2%
Assets	-1,601	-894	5,617	5,387	8,508	14,275	22,783

Notes:

- The Company and its 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 three months ended Sep. 30, 2002 and 2001 are as follows:

2002	439 million Yen	2001	350 million Yen
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- 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 Sep. 30, 2002 and 2001 are as follows:

2002	57,816 million Yen	2001	43,766 million Yen
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3. Overseas Sales

(Figures less than a million Yen are omitted.)

for the three months ended September 30, 2002

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	8,990	8,997	7,840	27	25,853
Consolidated Sales (B)					61,771
Overseas Sales ratio A/B	14.6%	14.6%	12.7%	0.0%	41.9%
Regional Sales ratio	34.8%	34.8%	30.3%	0.1%	100.0%

for the three months ended September 30, 2001

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	10,392	8,562	5,379	17	24,351
Consolidated Sales (B)					58,037
Overseas Sales ratio A/B	17.9%	14.8%	9.3%	0.0%	42.0%
Regional Sales ratio	42.7%	35.1%	22.1%	0.1%	100.0%

Ref:

Differences between the second quarter of this year and the same period last year

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	-1,402	435	2,461	10	1,502
Consolidated Sales (B)					3,734
Variance(%)	-13.5%	5.1%	45.8%	58.8%	6.2%

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 Segment (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries

Business Category Company	Millions of yen [%]					
	Three months ended		Variance		Three months ended	
	Sep.30, 2002	Sep.30, 2001	Value	(%)	Jun.30, 2002	
Electro-Optics						
Domestic	16,502 (59.8)	14,216 (56.9)	2,286	16.1	14,954 (55.3)	
Overseas	11,082 (40.2)	10,777 (43.1)	305	2.8	12,091 (44.7)	
total	27,584 [44.7]	24,992 [43.1]	2,592	10.4	27,046 [44.2]	
Photonics						
Domestic	863 (58.2)	833 (47.5)	30	3.6	832 (52.8)	
Overseas	621 (41.8)	922 (52.5)	-301	-32.6	743 (47.2)	
total	1,484 [2.4]	1,756 [3.0]	-272	-15.5	1,575 [2.6]	
Information Technology						
Domestic	17,366 (59.7)	15,049 (56.3)	2,317	15.4	15,786 (55.2)	
Overseas	11,702 (40.3)	11,699 (43.7)	3	0.0	12,835 (44.8)	
total	29,068 [47.1]	26,748 [46.1]	2,320	8.7	28,622 [46.7]	
Vision Care						
Domestic	9,775 (41.3)	10,771 (46.5)	-996	-9.2	9,089 (38.6)	
Overseas	13,920 (58.7)	12,395 (53.5)	1,525	12.3	14,484 (61.4)	
total	23,694 [38.4]	23,165 [39.9]	529	2.3	23,574 [38.5]	
Health Care						
Domestic	6,879 (99.8)	5,614 (99.6)	1,265	22.5	6,356 (99.7)	
Overseas	14 (0.2)	25 (0.4)	-11	-44.0	16 (0.3)	
total	6,893 [11.2]	5,638 [9.7]	1,255	22.3	6,373 [10.4]	
Eye Care						
Domestic	16,654 (54.4)	16,384 (56.9)	270	1.6	15,446 (51.6)	
Overseas	13,933 (45.6)	12,420 (43.1)	1,513	12.2	14,501 (48.4)	
total	30,588 [49.5]	28,803 [49.6]	1,785	6.2	29,947 [48.9]	
Crystal						
Domestic	1,553 (87.8)	1,828 (88.7)	-275	-15.0	2,168 (92.9)	
Overseas	216 (12.2)	232 (11.3)	-16	-6.9	165 (7.1)	
total	1,769 [2.9]	2,060 [3.5]	-291	-14.1	2,334 [3.8]	
Service						
Domestic	347 (100.0)	426 (99.8)	-79	-18.5	338 (100.0)	
Overseas	0 (0.0)	1 (0.2)	-1	-	0 (0.0)	
total	347 [0.6]	427 [0.7]	-80	-18.7	338 [0.6]	
Lifestyle Refinement						
Domestic	1,900 (89.8)	2,254 (90.6)	-354	-15.7	2,506 (93.8)	
Overseas	216 (10.2)	232 (9.4)	-16	-6.9	165 (6.2)	
total	2,116 [3.4]	2,487 [4.3]	-371	-14.9	2,672 [4.4]	
Total Net Sales						
Domestic	35,918 (58.1)	33,687 (58.0)	2,231	6.6	33,740 (55.1)	
Overseas	25,853 (41.9)	24,351 (42.0)	1,502	6.2	27,501 (44.9)	
total	61,771 [100.0]	58,037 [100.0]	3,734	6.4	61,242 [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.