



## Quarterly Financial Highlights (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries

### 1. Performance for the three months ended June 30, 2001 and 2000

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

(1) Results of Operations	Three months ended June 30,		Variance
	2001	2000	(%)
Net sales	¥60,321	¥56,323	7.1
Operating income	11,613	9,884	17.5
Ordinary income	12,124	10,146	19.5
Net income	7,468	6,233	19.8
Net income per share (Yen)	¥64.31	¥53.68	
Ordinary income / net sales	20.1%	18.0%	

Notes : No changes have been made in accounting policy.

(2) Financial Position	As of June 30,	As of Mar. 31,	As of June 30,
	2001	2001	2000
Total assets	¥263,751	¥267,610	¥241,234
Shareholders' equity	198,590	195,333	178,044
Shareholders' equity ratio	75.3%	73.0%	73.8%
Shareholders' equity per share (Yen)	¥1,710.15	¥1,682.10	¥1,533.23

(3) Conditions of Cash Flows	Three months ended June 30,	
	2001	2000
Net cash provided by operating activities	¥2,013	¥4,516
Net cash used in investing activities	-4,818	-21,871
Net cash provided by (used in ) financing activities	-2,756	-1,228
Cash and cash equivalents, end of period	¥45,987	¥33,293

### 2. Earnings Forecasts (First Half : Six months ending September 30, 2001)

	Six months ending/ended Sep.30,		Variance(%)
	2001	2000	
Net sales	¥118,000	¥115,695	2.0
Operating income	¥22,500	¥21,871	2.9
Ordinary income	¥23,500	¥23,113	1.7
Net income	¥14,000	¥13,691	2.3
Net income per share (Yen)	¥120.56	¥117.90	¥2.66

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. The Quarter in Review

### 1) General Overview

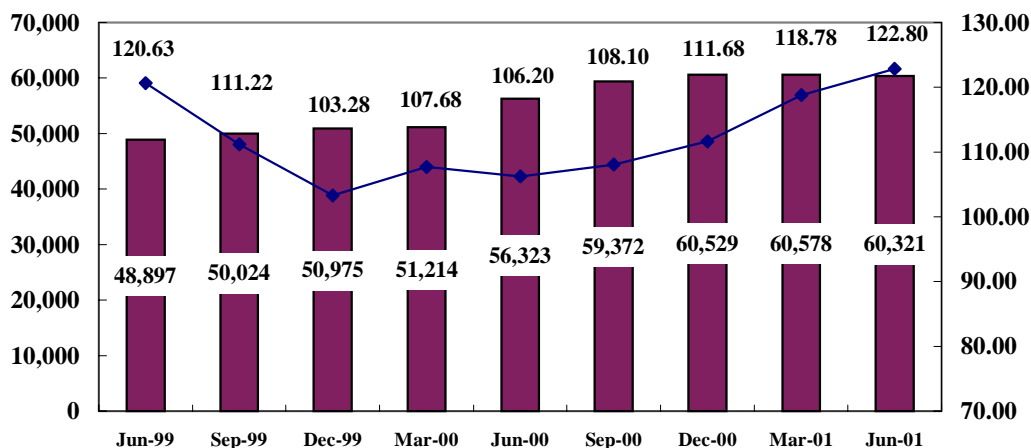
<u>Results of Operations</u>	<u>Millions of Yen</u> <u>Three months ended Jun. 30, 2001</u>
Net sales	¥60,321
Operating income	11,613
Ordinary income	12,124
Net income	7,468
Net income per share(Yen)	¥64.31

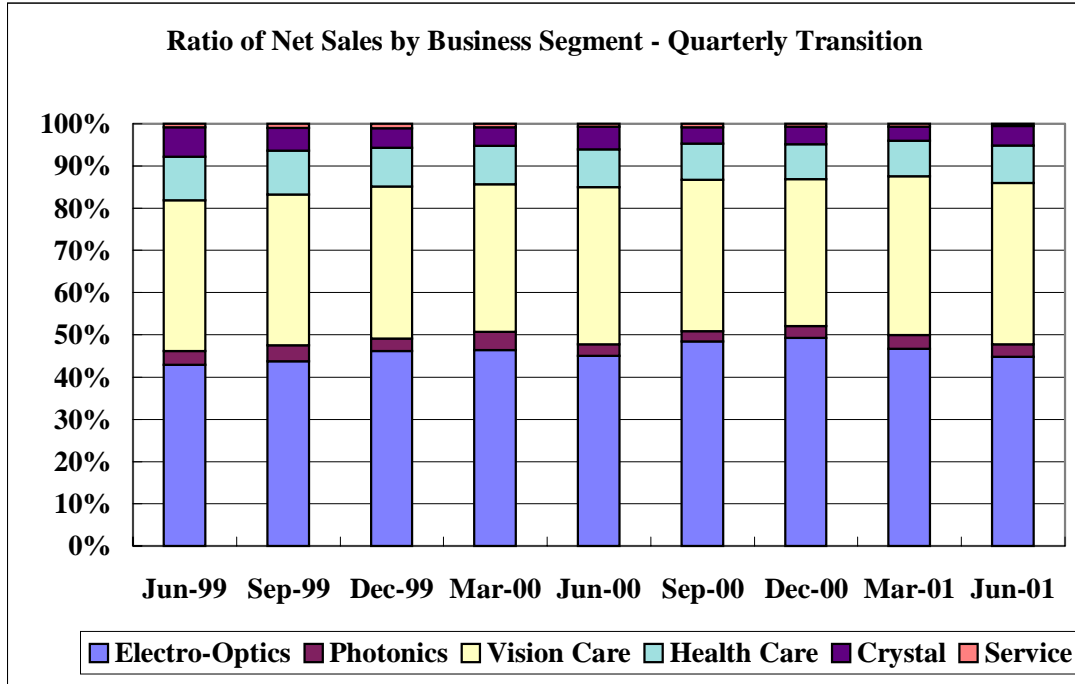
In the previous fiscal year, IT (information technology) related industries grew substantially in the first quarter. In the latter half, however, exports by Japanese industries related to semiconductors and electronic components stagnated due to the deceleration of the U.S. economy, and economic conditions deteriorated rapidly. In the first quarter of this fiscal year, too, business conditions continued to be dull, plant and equipment investment remained restricted, production adjustment stayed, and the business outlook has become increasingly gloomy.

On the foreign exchange market in this first quarter under review, against the Japanese yen, the U.S. dollar strengthened 15.6%; the Euro strengthened 7.7%, while the Thai Baht weakened 1.1% - all on a year-on-year basis.

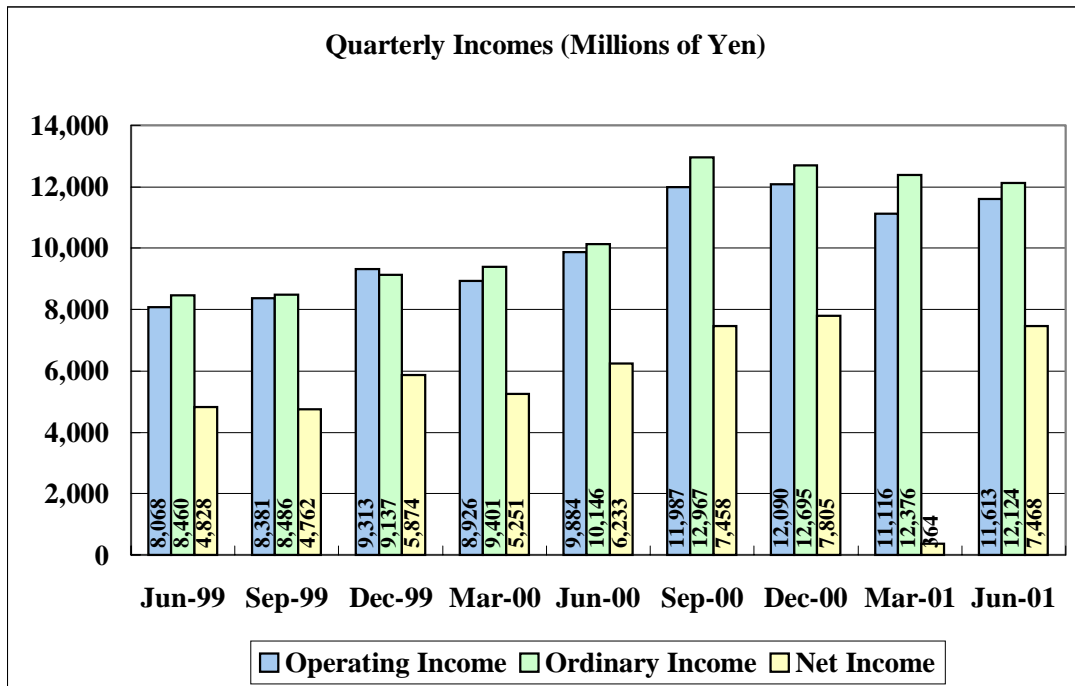
Under this environment, the sales of Electro-Optics Division increased steadily in spite of affecting the tough conditions on the market. In the Vision Care division, the overseas companies which the Company acquired during the previous fiscal year continued to increase the growth of sales. Overseas sales also grew thanks to a weakened Japanese Yen on a year-on-year basis. As a result, sales of the HOYA Group as a whole increased 7.1% on a year-on-year basis to Yen 60,321 million.

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





In the quarter under review, though the Company has suffered from the downturn of the economy, operating income increased 17.5% and ordinary income increased 19.5% and net income increased 19.8% respectively on a year-on-year basis, thanks to favorable sales of high-precision and high-valued-added products, and improvement of profitability of the overseas companies acquired during the previous fiscal year. EPS was Yen 64.31.



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 semiconductors increased in spite of a sluggish semiconductor market, thanks to increased shipment of blanks for phase shift masks.

Sales of photomasks for manufacturing semiconductors increased in spite of the sluggish semiconductor market. Demand for the photomasks continues on the back of increased developments and progressive micronization of semiconductors. Sales of the Mask Division of Oki Electric Industry Co., Ltd., which was acquired in July last year, were also added to overall sales.

Sales of masks for LCDs increased on a year-on-year basis as sales of TFT masks for LCDs, of which HOYA has a significant share, increased on the back of an increase in newly introduced and developed products.

In terms of glass disks for HDDs, the sales of 3-inch glass substrates increased on a year-on-year basis. On the other hand, sales of finished products with magnetic coating of 2.5-inch disks (Media) decreased substantially due to the fall in unit price and the production / inventory adjustment of HDDs manufacturers as a result of stagnant growth of personal computers sales.

In terms of optical products, the sales of aspheric mould lenses increased on a year-on-year basis. The sales of optical glass material decreased due to prolonged inventory adjustment. As a result, sales of optical products as a whole decreased.

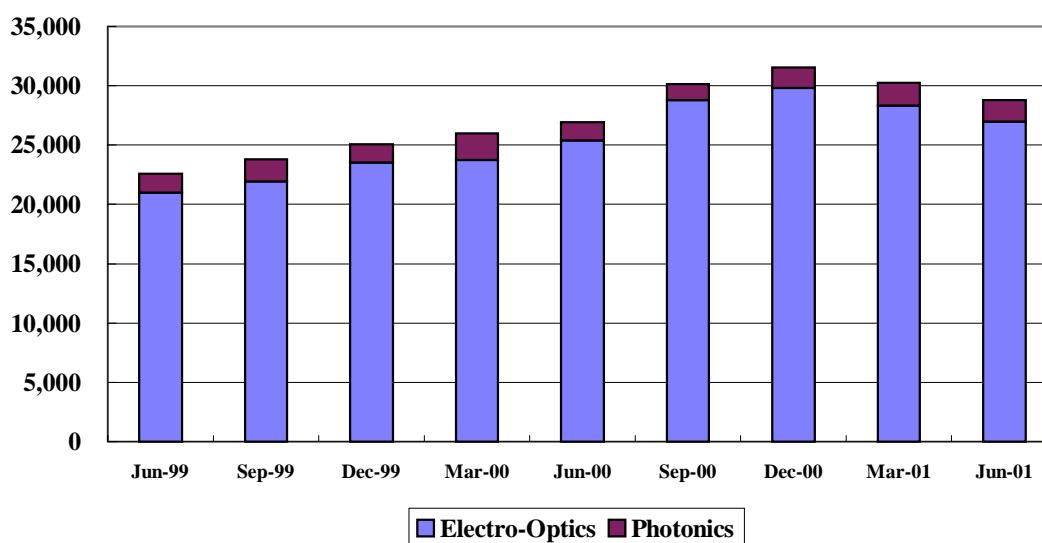
The market for WDM-related products shrank rapidly due to the deceleration in business conditions. Sales of WDM-related products decreased substantially on a year-on-year basis.

#### **Photonics**

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

Sales of laser-related equipment (Photonics division) increased thanks to an increase in sales of lasers for industrial use as companies in the LCD industry continued to invest in both Japan and Taiwan despite the decelerating business conditions.

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



## 2. Eye Care

### Vision Care

In the domestic eyeglass lenses market, the unit price fell due to the sluggish economic conditions and the emergence of discount shops, etc. HOYA intensified value addition of its products in order to strengthen its brand power and implemented various proactive sales promotion measures when launching new products. As a result, sales increased on a year-on-year basis.

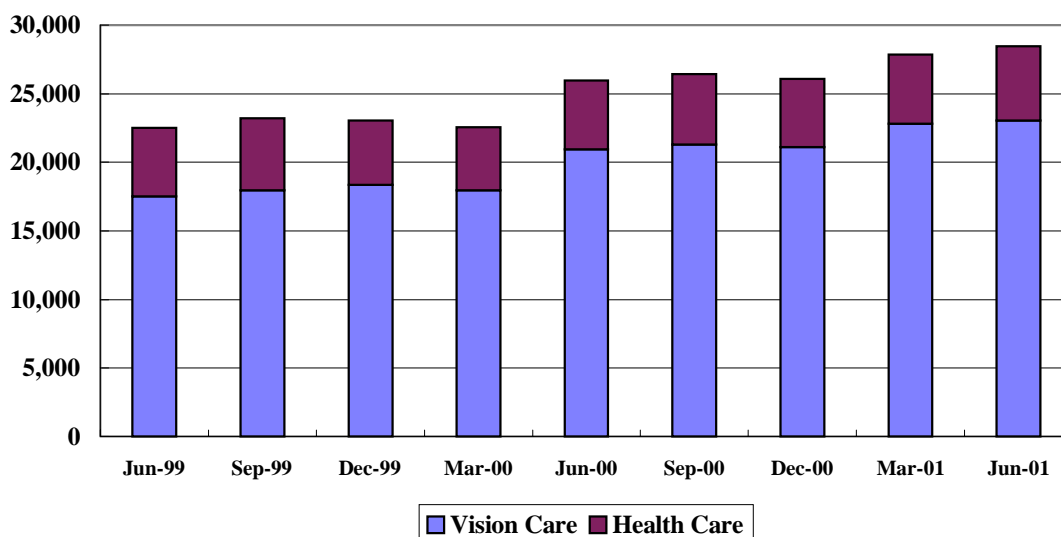
Overseas, sales in every Asian country grew favorably as value-addition intensified. In Europe, the organizational rearrangement of the Buchmann Group and the existing companies took effect and sales increased centered on high value-added products. In the United States, the percentage of HOYA products handled by HOYA CORPORATION U.S. branches (formerly the companies in the HOLA Group) increased steadily and sales increased. During the quarter under review, the unit price increased in all regions. And the U.S. dollar and Euro strengthened against the Japanese yen on a year-on-year basis affected positively to increase in sales.

### Health Care

In terms of contact lenses, HOYA strengthened its marketing of high-function products such as lenses for astigmatic eyes and bifocal lenses as well as of lens products with replacement services. The scrap and build program that had been enacted in the previous fiscal year also took effect. As a result, sales of contact lenses increased on a year-on-year basis.

The market for hearing aids has been recovering. HOYA implemented sales promotion and advertising activities focused on selected areas, along with marketing activities based on such high-function products as hearing aids with digital functions. As a result, sales of hearing aids increased on a year-on-year basis. Sales of intraocular lenses remained at the same level on a year-on-year basis.

Quarterly Net Sales of Eye Care (Millions of Yen)

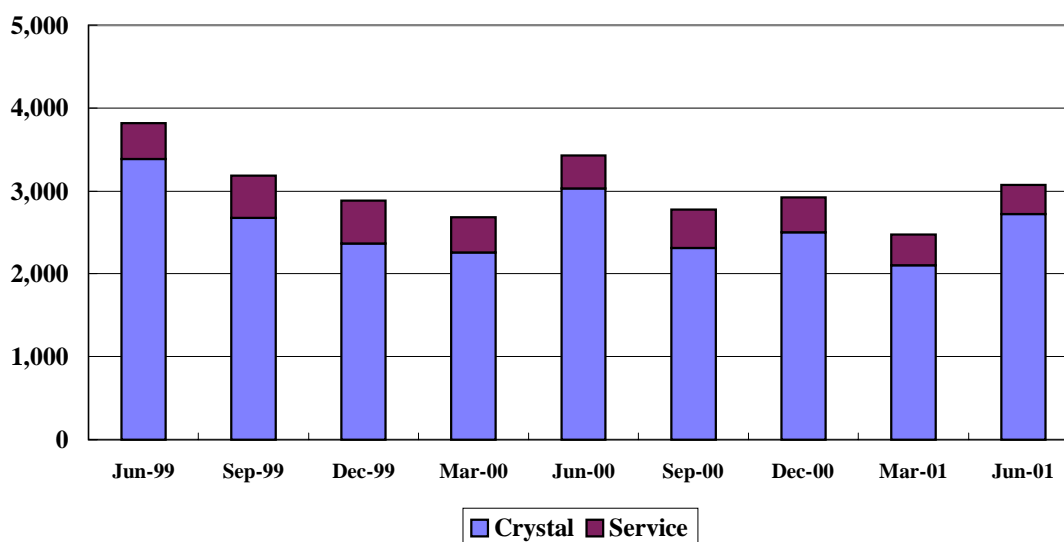


### 3. Lifestyle Refinement

#### Crystal

Sales of crystal decreased as sales through major channels were sluggish amid stagnant personal consumption, failing to match the results of bulk orders in the same quarter of the previous fiscal year.

Quarterly Net Sales of lifestyle Refinement (Millions of Yen)



## 2. Earnings Forecast for the First Half

(Six months ending Sep. 30, 2001)

Due to the rapid deceleration in the economic conditions, semiconductor and electronic components industries suffered more difficult conditions compared to those in the same quarter of the previous fiscal year. The related divisions of the Company were also substantially affected. The conditions look set to stay in the second quarter, and there is no knowing what may transpire.

On the other hand, sales of the Vision Care division are expected to grow on a year-on-year basis with the introduction of new products and by reconstructing overseas companies that have been acquired. We will face up to the challenges by taking advantage of our operations across a multitude of business areas.

	<u>Millions of Yen</u>		
	<u>Six months ending/ended</u>		variance (%)
	Sep.30,2001	Sep.30,2000	
Net sales	¥118,000	¥115,695 (	2.0 )
Operating income	¥22,500	¥21,871 (	2.9 )
Ordinary income	¥23,500	¥23,113 (	1.7 )
Net income	¥14,000	¥13,691 (	2.3 )
Net income per share (Yen)	¥120.56	¥117.90	¥2.66

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

## (2) Consolidated Financial Statements (unaudited)

### 1. Consolidated Balance Sheets

HOYA CORPORATION and Consolidated Subsidiaries	Millions of Yen		
	Jun.30,2001	Mar.31,2001	Variance
<b>ASSETS</b>			
Current assets	¥150,946	¥154,763	-3,817
Cash and deposits	45,987	44,697	1,290
Notes and accounts receivable - trades	58,317	55,143	3,174
Marketable securities	-	7,000	-7,000
Inventories	36,490	36,506	-16
Deferred taxes	3,035	4,499	-1,464
Other current assets	8,100	7,975	125
Allowance for doubtful receivables	-984	-1,059	75
Fixed assets	112,338	112,361	-23
Tangible fixed assets	85,363	84,479	884
Buildings and structures	25,215	25,604	-389
Machinery and vehicles	37,939	38,041	-102
Lands	8,996	9,032	-36
Other tangible fixed assets	13,211	11,800	1,411
Intangible fixed assets	4,314	4,413	-99
Investments and other assets	22,660	23,468	-808
Investment securities	9,704	9,741	-37
Long-term deferred taxes	7,949	8,654	-705
Other investments and other assets	6,603	8,429	-1,826
Allowance for doubtful receivables	-1,596	-3,357	1,761
Deferred charges	467	485	-18
<b>Total Assets</b>	<b>263,751</b>	<b>267,610</b>	<b>-3,859</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Current liabilities	54,762	61,640	-6,878
Notes and accounts payable - trades	23,140	23,610	-470
Short-term loan payable	4,709	4,630	79
Income tax payable	3,426	9,679	-6,253
Accrued bonus	2,156	4,022	-1,866
Other current liabilities	21,329	19,697	1,632
Long-term liabilities	9,809	10,003	-194
Long-term loan payable	385	424	-39
Employees retirement benefits	8,291	8,360	-69
Directors retirement benefits	183	343	-160
Other long-term liabilities	949	875	74
<b>Total Liabilities</b>	<b>64,572</b>	<b>71,643</b>	<b>-7,071</b>
Minority interest	588	633	-45
Common stock	6,264	6,264	-
Additional paid-in capital	15,898	15,898	-
Retained earnings	188,153	184,361	3,792
Evaluation difference of investments securitis	-428	-515	87
Foreign currency statement translation adjustments	-11,295	-10,675	-620
Treasury stock, at cost	-1	0	-1
<b>Total Shareholders' Equity</b>	<b>198,590</b>	<b>195,333</b>	<b>3,257</b>
<b>Total</b>	<b>¥263,751</b>	<b>¥267,610</b>	<b>-3,859</b>
notes:	Millions of Yen		
Accumulated depreciation	¥130,703	¥128,850	
Sales of trade notes receivable for trust	3,096	10,356	
Guarantees of borrowings and lease obligations for customers	¥329	¥332	
Number of shares of treasury stock	146	30	

## 2. Consolidated Statements of Income

HOYA CORPORATION and Consolidated Subsidiaries (Three months ended Jun. 30, 2001 and 2000)	Millions of Yen			
	Three months ended Jun. 30,		Variance	
	2001	2000	Value	(%)
Net sales	¥60,321	¥56,323	¥3,998	7.1
Cost of sales	34,572	32,396	2,176	6.7
Gross profit	25,748	23,926	1,822	7.6
Selling, general and administrative expenses	14,135	14,041	94	0.7
<b>Operating income</b>	<b>11,613</b>	<b>9,884</b>	<b>1,729</b>	<b>17.5</b>
Non-operating income	1,281	964	317	32.9
Interest income	99	111	-12	
Foreign exchange gains	170	-	170	
Equity in earnings of associated companies	83	491	-408	
Others	927	360	567	
Non-operating expenses	770	702	68	9.7
Interest expense	150	176	-26	
Foreign exchange losses	-	99	-99	
Others	619	426	193	
<b>Ordinary income</b>	<b>12,124</b>	<b>10,146</b>	<b>1,978</b>	<b>19.5</b>
Extra-ordinary income	280	167	113	67.7
Gain on sales of property, plant and equipment	227	142	85	
Others	53	24	29	
Extra-ordinary losses	371	291	80	27.5
Loss on disposal of property, plant and equipment	140	170	-30	
Others	231	120	111	
<b>Income before income taxes and other items</b>	<b>12,033</b>	<b>10,022</b>	<b>2,011</b>	<b>20.1</b>
Income taxes - Current	2,887	2,807	80	2.9
Income taxes - Deferred	1,657	966	691	-
Minority interests in net income	20	15	5	33.3
<b>Net income</b>	<b>¥7,468</b>	<b>¥6,233</b>	<b>¥1,235</b>	<b>19.8</b>
Net income per share(Yen)	¥64.31	¥53.68	¥10.63	

Notes:

1. Influences of Exchange Currency ("2001 A" is the actual value of this period. "2001 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)

	2001 A	2001 B	influences
Net sales	¥60,321	¥58,958	¥1,363
Gross Profit	25,748	25,325	423
Operating income	11,613	11,536	77
Ordinary income	12,124	12,035	89
Net income	¥7,468	¥7,430	¥38

2. Average rates of major foreign currencies	Three months ended Jun. 30,		
	2001	2000	Variance(%)
US\$	¥122.80	¥106.20	-15.6%
Euro	¥106.54	¥98.92	-7.7%
Thail Baht	¥2.71	¥2.74	1.1%

## Notes Relating to Tax Effect Accounting

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

	Millions of Yen	
	As of	
	<u>Jun.30, 2001</u>	<u>Mar.31, 2001</u>
(1) Current deferred tax assets and liabilities		
Deferred tax assets		
Excess deductible amount of depreciation expenses	¥1,264	¥1,264
Inventories - intercompany unrealized profits	929	1,068
Excess deductible amount of expenses for accrued bonus	566	870
Enterprise tax not deductible	233	737
Other deferred tax assets	625	1,173
Total amount of deferred tax assets - current	<u>3,619</u>	<u>5,113</u>
Deferred tax liabilities		
Prepaid pension expenses	-474	-487
Other deferred tax liabilities	-109	-126
Total amount of deferred tax liabilities - current	<u>-583</u>	<u>-614</u>
Net amount of deferred tax assets - current	<u>¥3,035</u>	<u>¥4,499</u>
(2) Non-current deferred tax assets and liabilities		
Deferred tax assets		
Excess amount of inclusion in deductible expenses for depreciation	¥3,846	¥4,327
Excess amount of inclusion in deductible expenses for reserve for employees' retirement benefits	2,392	2,386
Amount denied of evaluation loss of fixed assets	673	640
Excess amount of inclusion in deductible expenses for allowance for doubtful receivables	209	626
Other deferred tax assets	2,100	1,863
Total amount of deferred tax assets - fixed	<u>9,223</u>	<u>9,844</u>
Deferred tax liabilities		
Reserve for deferred income taxes on fixed assets	-714	-664
Special depreciation reserve	-388	-354
Other deferred tax liabilities	-171	-171
Total amount of deferred tax liabilities - fixed	<u>-1,273</u>	<u>-1,190</u>
Net amount of deferred tax assets - fixed	<u>¥7,949</u>	<u>¥8,654</u>

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

	Three months ended Jun. 30.	
	<u>2001</u>	<u>2000</u>
Statutory tax rate of the Company	41.7 %	41.7 %
(Adjustment)		
Lower income tax rates applicable to income in certain foreign countries	-4.6	-3.5
Non-Deductible expenses such as entertainment expenses	0.4	0.5
Per capita levy of inhabitants tax and others	0.3	0.4
Non-taxable income such as dividend received	-8.5	-7.6
Intercompany cash dividend	8.4	7.5
Other adjustment	0.1	-1.3
Effective income tax rate	<u>37.8</u>	<u>37.7</u>

## 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

	<u>Millions of Yen</u>	
	<u>As of</u>	
	<u>Jun.30, 2001</u>	<u>Mar.31, 2001</u>
<b>2. <u>Details of liabilities for employees' retirement benefits</u></b>		
<b>(1) Breakdown of liabilities for employees' retirement benefits</b>		
Liabilities for employees' retirement benefits	¥54,862	¥54,237
Pension assets	-40,940	-40,107
Accrued liabilities for employees' retirement benefits	13,921	14,130
Unappropriated amount of the difference arising from the change in accounting standards	2,903	2,955
Unrecognized prior service cost (decrease in liabilities)	1,818	1,858
Unrecognized actuarial differences (increase in liabilities)	-12,046	-12,300
Prepaid pension expenses	1,694	1,716
Reserve for employees' retirement benefits	<u>8,291</u>	<u>¥8,360</u>
	<u>Three months ended Jun. 30,</u>	
	<u>2001</u>	<u>2000</u>
<b>(2) Breakdown of expenses for employees' retirement benefits</b>		
Service cost	¥416	¥458
Interest expenses	469	449
Expected return of investments	-548	-637
Difference arising from the change in accounting standards	-52	-52
Prior service cost	-40	-
Actuarial differences	254	-
sub total	<u>499</u>	<u>217</u>
Additional retirement benefits paid to employees	168	12
Expenses for employees' retirement benefits	<u>¥668</u>	<u>¥229</u>
<b>(3) Calculation basis of liabilities for employees' retirement benefits</b>		
1. Discount rate	3.5%	3.5%
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	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

## **3. Consolidated Statements of Retained Earnings**

Items	<u>Millions of Yen</u>		
	<u>Three months ended Jun. 30,</u>		Variance
	<u>2001</u>	<u>2000</u>	
Balance at the beginning of the period	¥184,361	¥168,106	¥16,255
Appropriations	3,676	2,462	1,214
1. Cash dividends	3,483	2,206	1,277
2. Bonuses to directors	192	248	-56
3. Transfer of retained earnings of the merged subsidiary to additional paid-in capital	-	7	-7
Net income	7,468	6,233	¥1,235
Balance at the end of the period	¥188,153	¥171,877	¥16,276

## 4. Consolidated Statements of Cash Flows

### HOYA CORPORATION and Consolidated Subsidiaries

	<u>Millions of Yen</u>	
	<u>Three months ended June 30,</u>	
	2001	2000
<b>OPERATING ACTIVITIES:</b>		
Net Income	7,468	6,233
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	4,435	4,079
Reversal of accrued retirement benefits	(229)	(769)
Provision for reserve for periodic repairs	103	33
Equity in earnings of associated companies	(83)	(491)
Minority interest in net income	20	15
Foreign exchange loss (gain)	(6)	232
Bonus to directors	(195)	(250)
Devaluation losses on investment securities	62	108
Gain on sales of property, plant and equipment and investment securities	(228)	(150)
Loss on disposal of property, plant and equipment and investment securities	140	170
Other	396	-
Changes in assets and liabilities:		
Increase in notes and accounts receivable	(3,408)	(2,164)
Increase in inventories	(102)	(467)
Increase in other current assets	(270)	(115)
Increase (decrease) in notes and accounts payable	(455)	608
Decrease in income taxes payable	(4,228)	(2,590)
Increase (decrease) in other current liabilities	(1,407)	34
Total adjustment	(5,455)	(1,717)
Net cash provided by operating activities	2,013	4,516
<b>INVESTING ACTIVITIES:</b>		
Payments for purchases of property, plant and equipment-net	(4,511)	(3,348)
Payments for purchases of ORI Group, net of cash acquired	-	(15,895)
Increase in investments and other assets-net	(307)	(2,627)
Net cash used in investing activities	(4,818)	(21,871)
<b>FINANCING ACTIVITIES:</b>		
Net increase in short-term borrowings	84	714
Repayments of long-term bank loans	(15)	-
Proceeds from sales of treasury stock	7	183
Payments for purchase of treasury stock	(8)	(177)
Dividends paid	(2,824)	(1,948)
Net cash used in financing activities	(2,756)	(1,228)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(149)	186
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(5,561)</b>	<b>(18,397)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>51,697</b>	<b>51,654</b>
Cash and cash equivalents of newly consolidated subsidiaries, beginning of year	-	36
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>45,987</b>	<b>33,293</b>

## Notes for Consolidated Statements of Cash Flows

### 1. Cash and Cash Equivalents at the End of the Year

	<u>Millions of Yen</u>	
	<u>Three months ended Jun. 30,</u>	
	<u>2001</u>	<u>2000</u>
Cash and deposits	¥45,987	¥33,293
Marketable securities	-	-
Total	<u>¥45,987</u>	<u>¥33,293</u>

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

#### Three months ended June 30, 2001

None

#### Three months ended June 30, 2000

	<u>Millions of Yen</u>
Eleven (11) subsidiaries of HOLA group ( as of April 1, 2000 )	
Current assets	¥2,504
Goodwill	13,698
Fixed assets	1,353
Current liabilities	-1,407
Long-term liabilities	-74
Value for acquisition of shares of these subsidiaries	16,074
Cash and cash equivalents possessed by these subsidiaries	-179
Balance : Payments for purchases of these subsidiaries net of cash acquired	<u>¥15,895</u>

### 3. Stop of Sales of Trade Notes Receivable for Trust

Since May 2001, the Company stopped the sales of trade notes receivable for trust. As a result, net cash provided by operating activities decreased approx. Yen 7.3 billion.

## 5. Scope of Consolidation and Application of the Equity Method

1. Number of consolidated subsidiaries : 46 companies  
(Major consolidated subsidiaries :  
<overseas> HOYA HOLDINGS, INC., HOYA LENS EUROPE N.V.,  
HOYA HOLDINGS ASIA PACIFIC PTE LTD., HOYA PHOTONICS, INC.  
<domestic> HOYA HEALTHCARE CORP., HOYA CRYSTAL CORP., HOYA OPTICS CORP.)
2. Number of unconsolidated subsidiaries : 2 companies  
(Number of unconsolidated subsidiaries accounted for by the equity method: None)
3. Number of affiliates : 8 companies (Number of affiliates accounted for by the equity method : 4 companies;  
Major affiliate : NH TECHNO GLASS CORPORATION)

	as of Jun. 30, 2001	as of Mar. 31, 2001	Variance	as of Jun. 30, 2000
Consolidated subsidiaries	46 (do 6, os 40)	46 (do 6, os 40)	- (do-, os -)	58 (do 6, os 52)
Nonconsolidated subsidiaries	2 (do 2, os 0)	2 (do 2, os 0)	- (do -, os -)	2 (do 2, os 0)
Affiliates	8 (do 6, os 2)	8 (do 6, os 2)	- (do-, os-)	8 (do 6, os 2)
<b>Total Hoya Group</b>	<b>56</b>	<b>56</b>	<b>-</b>	<b>68</b>

(do : domestic, os : overseas)

### Notes: Changes in Accounting Policies and Others

1. Changes in scope of consolidation and application of the equity method:
  - a. Scope of consolidation  
In comparison to the end of March 31, 2001  
No change  
  
In comparison to the end of Junn 30, 2000.....12 companies decreased in total  
3 companies increased due to the establishment:  
3-D OPTICAL, INC. (USA)  
CB SALT LAKE, INC. (USA)  
HOYA PHOTONICS SINGAPORE (Singapore)  
1 company increased due to the acquisition:  
MIDWEST OPTICAL LABORATORIES, INC.  
3 companies decreased due to the merger:  
ORG OPERATING COMPANY (USA) ( was merged into HOYA OPTICAL LABORATORIES, INC.)  
HOYA LENS, INC. (USA) ( was merged into HOYA LENS OF AMERICA, INC.)  
OPTIMED (Belgium) ( was merged into HOYA HOLDINGS BELGIUM N.V.)  
13 companies decreased due to reorganization to branches:  
HOYA OPTICAL LABORATORIES, INC. (USA, hereafter)  
MARTIN OPTICAL SERVICE, INC.  
BENEDICT OPTICAL, INC.  
SOUND OPTICAL LABORATORY, INCORPORATED  
COLUMBIAN BIFOCAL CO.  
QSA OPTICAL CO., INC.  
ADVANCED LENS LAB, INC  
PROGRESSIVE LENS LABORATORIES, LLC  
MUELLER OPTICAL CO.  
SIERRA OPTICAL, INC.  
MIDWEST OPTICAL LABORATORIES, INC.  
3-D OPTICAL, INC.  
CB SALT LAKE, INC.
  - b. Application of the equity method : No change
2. Changes in accounting policy : None

### (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 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

\*Elimin. or corp. : Elimination or corporate

for the three months ended June 30, 2000

	Millions of Yen								Consolidated
	Electro-Optics	Photo-nics	Vision Care	Health Care	Crystal	Service	Total	Elimin. or corp.*	
Net sales:									
To outside customers	¥25,395	¥1,534	¥20,950	¥5,015	¥3,030	¥396	¥56,323	-	¥56,323
Intersegment	102	-	6	347	9	652	1,118	(¥1,118)	-
Total	25,497	1,534	20,957	5,363	3,039	1,048	57,441	(1,118)	56,323
Operating expenses	18,592	1,601	18,118	4,662	2,858	974	46,806	(367)	46,438
Operating income	¥6,905	¥-66	¥2,839	¥700	¥181	¥74	¥10,634	(¥750)	¥9,884
Operating profit ratio	27.1%	-4.3%	13.5%	13.1%	6.0%	7.1%	18.5%	-	17.5%
Assets	¥96,254	¥4,399	¥86,732	¥12,465	¥10,566	¥5,561	¥215,979	¥25,254	¥241,234
Depreciation	2,375	27	1,313	110	123	13	3,963	28	3,991
Capital Expenditures	¥3,442	¥15	¥16,163	¥194	¥136	¥0	¥19,953	¥130	¥20,083

\*Elimin. 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	¥1,593	¥259	¥2,103	¥397	¥-311	¥-43	¥3,998	-	¥3,998
Variance (%)	6.3%	16.9%	10.0%	7.9%	-10.3%	-10.9%	7.1%	-	7.1%
Intersegment	¥60	-	¥-1	¥88	¥1	¥42	¥191	¥-191	-
Total	1,654	259	2,101	484	-309	0	4,189	-191	¥3,998
Operating expenses	951	315	1,398	428	-299	-14	2,780	-511	2,269
Operating income	¥702	¥-56	¥703	¥57	¥-10	¥14	¥1,409	¥320	¥1,729
Variance (%)	10.2%	-84.8%	24.8%	8.1%	-5.5%	18.9%	13.2%	-	17.5%
Assets	¥14,838	¥411	¥-919	¥829	¥-568	¥-2,058	¥12,534	¥9,984	¥22,517
Depreciation	400	50	-18	22	-9	-3	443	0	444
Capital Expenditures	¥829	¥0	¥-15,176	¥0	¥-7	¥0	¥-14,354	¥-126	¥-14,480

\*Elimin. or corp. : Elimination or corporate

**Note:**

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

<b>Business Category</b>	<b>Industries</b>	<b>Products and Services</b>
<b>Information Technologies</b>	<b>(Electro-Optics)</b>	<b>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.</b>
	<b>(Photonics)</b>	<b>Lazer equipments for industrial, research &amp; laboratory, and medical purposes, etc.</b>
<b>Eye Care</b>	<b>(Vision Care)</b>	<b>Eyeglass lenses, eyeglass frames, ophthalmic equipments, etc.</b>
	<b>(Health Care)</b>	<b>Contact lenses and accessories, intraocular lenses, hearing aids, etc.</b>
<b>Lifestyle Refinement</b>	<b>(Crystal)</b>	<b>Crystal glass products</b>
	<b>(Service)</b>	<b>Design of information systems, placement of temporary staff, etc.</b>

## 2. Foreign Operations

(Figures less than a million Yen are omitted.)

for the three months ended June 30, 2001

	Millions of Yen						Consolidated
	Japan	North America	Europe	Asia	Total	Eliminations or corporate	
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

for the three months ended June 30, 2000

	Millions of Yen						Consolidated
	Japan	North America	Europe	Asia	Total	Eliminations or corporate	
Net sales:							
To outside customers	¥39,637	¥8,624	¥5,876	¥2,184	¥56,323	-	¥56,323
Intersegment	5,060	59	188	9,384	14,693	(¥14,693)	-
Total	44,697	8,684	6,065	11,569	71,016	(14,693)	56,323
Operating expenses	36,060	8,359	5,461	10,598	60,480	(14,042)	46,438
Operating income	¥8,636	¥324	¥603	¥970	¥10,535	(¥650)	¥9,884
Operating income ratio	19.3%	3.7%	10.0%	8.4%	14.8%	-	17.5%
Assets	¥132,977	¥32,761	¥23,629	¥39,767	¥229,136	¥12,097	¥241,234

Ref:

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

	Millions of Yen						Consolidated
	Japan	North America	Europe	Asia	Total	Eliminations or corporate	
Net sales:							
To outside customers	¥2,532	¥587	¥757	¥122	¥3,998	-	¥3,998
Variance (%)	6.4%	6.8%	12.9%	5.6%	7.1%	-	7.1%
Intersegment	¥-1,566	¥-14	¥37	¥-221	¥-1,764	¥1,764	-
Total	966	572	794	-99	2,234	1,764	¥3,998
Operating expenses	1,039	605	253	-614	1,283	987	2,269
Operating income	¥-73	¥-33	¥541	¥516	¥952	¥776	¥1,729
Variance (%)	-0.8%	-10.2%	89.7%	53.2%	9.0%	-	17.5%
Assets	¥12,594	¥12,323	¥2,582	¥7,845	¥10,697	¥11,821	¥22,517

### 3. Overseas Sales

(Figures less than a million Yen are omitted.)

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%

for the three months ended June 30, 2000

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	¥8,699	¥8,082	¥6,024	¥12	¥22,818
Consolidated Sales (B)					¥56,323
Overseas Sales ratio A/B	15.4%	14.4%	10.7%	0.0%	40.5%
Regional Sales Ratio	38.1%	35.4%	26.4%	0.1%	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)	¥824	¥1,386	¥503	¥2	¥2,715
Consolidated Sales (B)					¥3,998
Variance (%)	9.5%	17.1%	8.3%	16.7%	11.9%

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			Change (%)
	Three months ended June 30,		Variance	
	2001	2000		
<b>Electro-Optics</b>				
Domestic	¥15,192 ( 56.3 )	¥14,260 ( 56.2 )	¥932	6.5
Overseas	11,795 ( 43.7 )	11,135 ( 43.8 )	660	5.9
total	26,988 [ 44.7 ]	25,395 [ 45.1 ]	1,593	6.3
<b>Photonics</b>				
Domestic	904 ( 50.4 )	884 ( 57.6 )	20	2.3
Overseas	889 ( 49.6 )	649 ( 42.4 )	240	37.0
total	1,793 [ 3.0 ]	1,534 [ 2.7 ]	259	16.9
<b>Electro-Optics</b>				
Domestic	16,097 ( 55.9 )	15,144 ( 56.2 )	953	6.3
Overseas	12,684 ( 44.1 )	11,785 ( 43.8 )	899	7.6
total	28,782 [ 47.7 ]	26,930 [ 47.8 ]	1,852	6.9
<b>Vision Care</b>				
Domestic	10,437 ( 45.3 )	10,167 ( 48.5 )	270	2.7
Overseas	12,615 ( 54.7 )	10,783 ( 51.5 )	1,832	17.0
total	23,053 [ 38.2 ]	20,950 [ 37.2 ]	2,103	10.0
<b>Health Care</b>				
Domestic	5,384 ( 99.5 )	4,983 ( 99.4 )	401	8.0
Overseas	27 ( 0.5 )	31 ( 0.6 )	-4	-12.9
total	5,412 [ 9.0 ]	5,015 [ 8.9 ]	397	7.9
<b>Eye Care</b>				
Domestic	15,822 ( 55.6 )	15,151 ( 58.3 )	671	4.4
Overseas	12,642 ( 44.4 )	10,814 ( 41.7 )	1,828	16.9
total	28,465 [ 47.2 ]	25,966 [ 46.1 ]	2,499	9.6
<b>Crystal</b>				
Domestic	2,518 ( 92.6 )	2,811 ( 92.8 )	-293	-10.4
Overseas	201 ( 7.4 )	218 ( 7.2 )	-17	-7.8
total	2,719 [ 4.5 ]	3,030 [ 5.4 ]	-311	-10.3
<b>Service</b>				
Domestic	349 ( 98.9 )	396 ( 100.0 )	-47	-11.9
Overseas	4 ( 1.1 )	- ( - )	4	-
total	353 [ 0.6 ]	396 [ 0.7 ]	-43	-10.9
<b>Lifestyle Refinement</b>				
Domestic	2,867 ( 93.3 )	3,208 ( 93.6 )	-341	-10.6
Overseas	206 ( 6.7 )	218 ( 6.4 )	-12	-5.5
total	3,073 [ 5.1 ]	3,426 [ 6.1 ]	-353	-10.3
<b>Total Net Sales</b>				
Domestic	¥34,787 ( 57.7 )	¥33,504 ( 59.5 )	¥1,283	3.8
Overseas	25,533 ( 42.3 )	22,818 ( 40.5 )	2,715	11.9
Total	¥60,321 [ 100.0 ]	¥56,323 [ 100.0 ]	¥3,998	7.1

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.