

Semiannual Report September 2001

Part 1. First Half

Six months ended September 30, 2001

1. Financial Highlights (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries

Performance for the six months ended September 30, 2001 and 2000 (unit:Millions of Yen)

(Figures less than a million yen are omitted.)

(1)Results of Operations	Six months ended September 30.		variance(%)	Year ended March 31.
	2001	2000		2001
Net sales	¥118,358	¥115,695	(2.3)	¥236,802
Operating income	22,847	21,871	(4.5)	45,127
Ordinary income	22,697	23,113	(-1.8)	48,184
Net income	13,660	13,691	(-0.2)	21,860
Net income per share(Yen)	¥117.63	¥117.90		¥188.25
Net income / shareholders' equity	6.8%	12.4%		7.4%
Ordinary income / total assets	8.5%	19.4%		9.1%
Ordinary income / net sales	19.2%	20.0%		20.3%

Notes : No changes have been made in accounting policy.

(2)Financial Position	As of Sep. 30.	As of Mar. 31.	As of Sep. 30.
	2001	2001	2000
Total assets	¥268,316	¥267,610	¥264,010
Shareholders' equity	204,363	195,333	184,786
Shareholders' equity ratio	76.2%	73.0%	70.0%
Shareholders' equity per share (Yen)	¥1,759.87	¥1,682.10	¥1,591.28

(3)Conditions of Cash Flows	Six months ended September 30.	
	2001	2000
Net cash provided by operating activities	¥15,127	¥20,190
Net cash used in investing activities	-10,743	-27,646
Net cash provided (used in) financing activities	-4,920	5,669
Cash and cash equivalents, end of period	¥51,125	¥49,722

Ref:Performance for the six months ended Sep. 30, 2001 and 2000 of HOYA CORPORATION

Millions of Yen

	Six months ended September 30.		change(%)	Year ended March 31.
	2001	2000		2001
Net sales	¥78,292	¥73,642	(6.3%)	¥151,166
Operating income	13,335	14,403	(-7.4%)	29,852
Ordinary income	17,333	18,086	(-4.2%)	35,945
Net income	11,087	11,002	(0.8%)	12,283
Net income per share(Yen)	¥95.48	¥94.74		¥105.78
Total assets	219,498	217,910		217,967
Shareholders' equity	¥169,632	¥163,612		¥162,102

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.

2.Global Group Management

The HOYA group ("HOYA") consists of HOYA CORPORATION (the "Company"), 46 consolidated subsidiaries, one unconsolidated subsidiaries and eight affiliates, including four affiliates accounted for by the equity method (as of Sep. 30, 2001) .

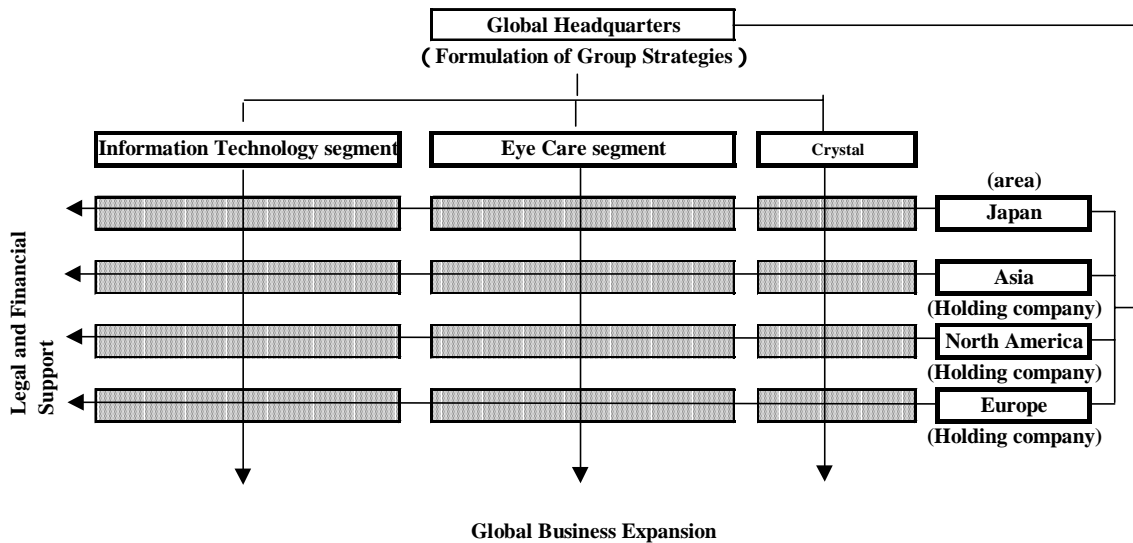
The Company and its consolidated subsidiaries are engaged mainly in the manufacture and sales of products in six major segments : Electro-Optics, Photonics, Vision Care, Health Care, Crystal and Service.

The products of each segment are manufactured by the Company, or by its subsidiaries and affiliates overseas.

In the domestic market, products are sold directly to retailers, specialty stores or assemblers. Products destined for overseas markets are exported to subsidiaries in various countries and marketed by them.

HOYA has adopted a global group management system. The Information Technology and Eye Care segment implement the corporate strategy formulated at the Group Headquarters. Regional holding companies in three areas serve legal and financial supports to sales activities of regional subsidiaries as the frontline representatives of Global Headquarters.

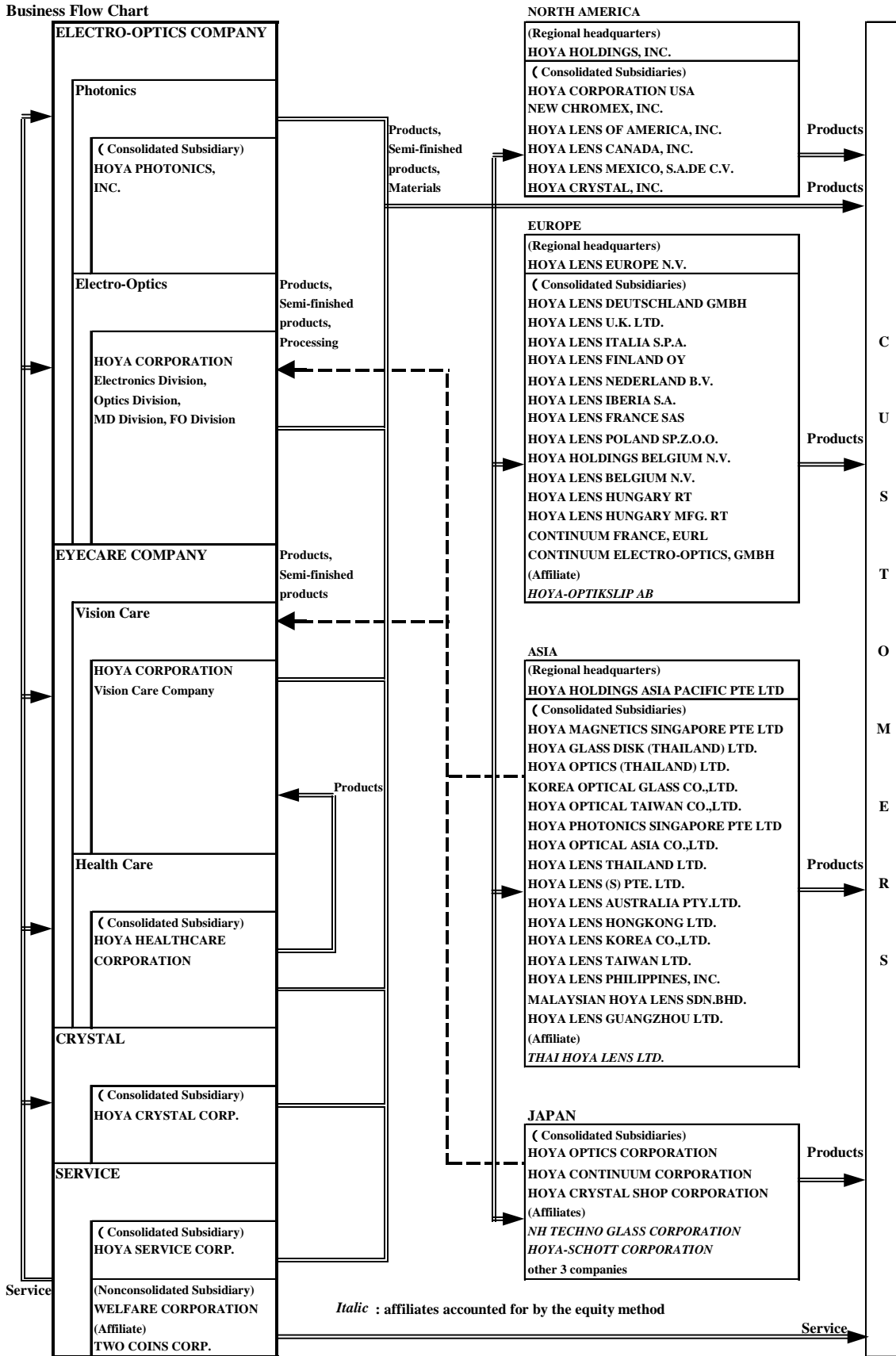
Global Group Management System



The Company and its consolidated subsidiaries are engaged mainly in the manufacture and sales of products in six major segments as per below: **Electro-Optics, Photonics, Vision Care, Health Care, Crystal and Service.**

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

Business Flow Chart



3. Management Policies

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

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

1. SVA management

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

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

2. Corporate governance (Outside board members)

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

3. Strategy of "Being a big fish in a small pond"

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

4. Harmonizing the interests of management, employees and shareholders

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

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

5. Global group management

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

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

4. Business Overview

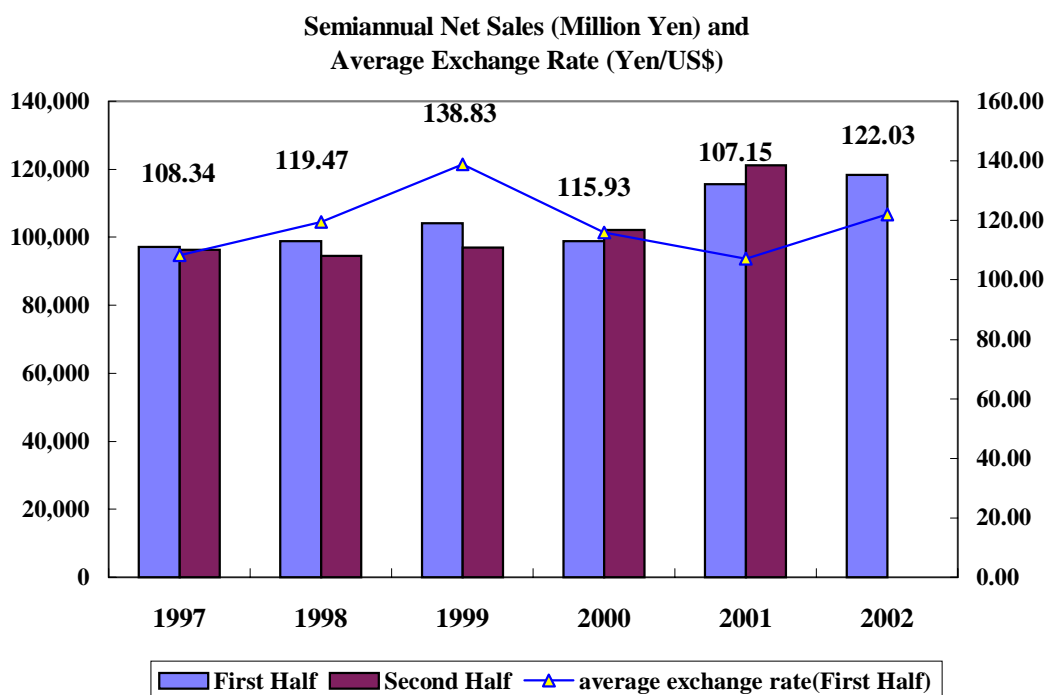
(1) General Overview

<u>Results of Operations</u>	<u>Millions of Yen</u> <u>Six months ended Sep. 30, 2001</u>
Net sales	¥118,358
Operating income	22,847
Ordinary income	22,697
Net income	¥13,660
Net income per share(Yen)	¥117.63

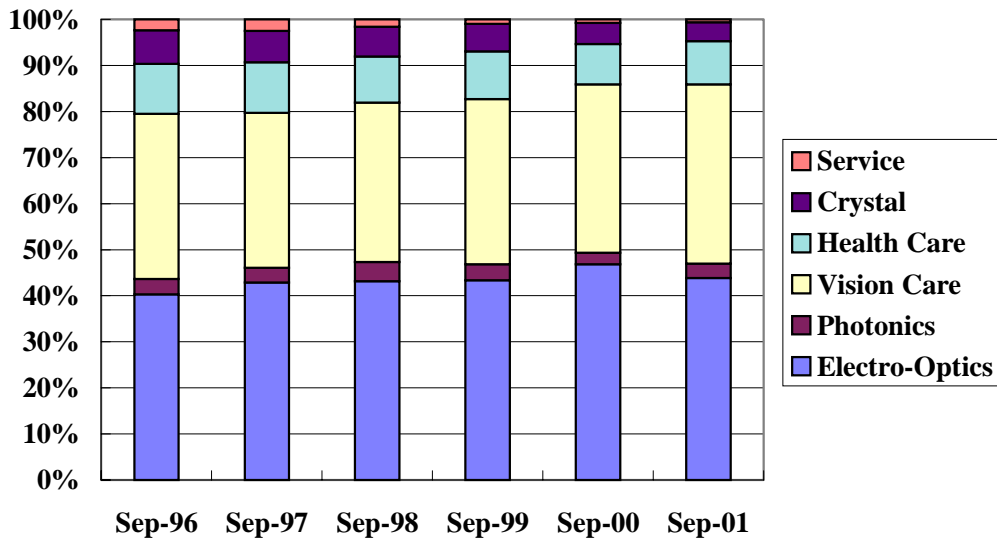
In the six month period under review (the "Six Months" ended in September 2001), business conditions surrounding HOYA CORPORATION ("the Company") centered on those industrial sectors related to semi-conductors and electronic components deteriorated rapidly affected by the deceleration in the US economy which had been instigated by dampened sales of IT (information technology) products. Excessive inventory level brought forth weak corporate results and restrained investment in plants and equipment and production adjustments persisted. The terrorist attacks in the United States in mid-September and the related movements cast a grim psychological shadow over consumption not just in the United States, but also across the world and an unclear business outlook continued to prevail.

In the currency market, the US dollar appreciated by 13.9%, the euro by 10.1%, and the Thai baht by 1.5%, all against the yen, respectively during the Six Months.

In this business environment, the operations of the Electro-Optics Company within the HOYA Group had been steady in the first quarter notwithstanding the sluggish markets, the impact of which, however, increased in the second quarter; as a result, sales fell on a year-on-year basis. Sales of the Vision Care Company increased thanks to the steadily heightened value added to products in each region including those companies overseas which had been acquired during the previous fiscal year. As a result, consolidated sales in the Six Months increased 2.3% on a year-on-year basis to Yen 118,358 million.



Ratio of Net Sales by Business Segment - First Half

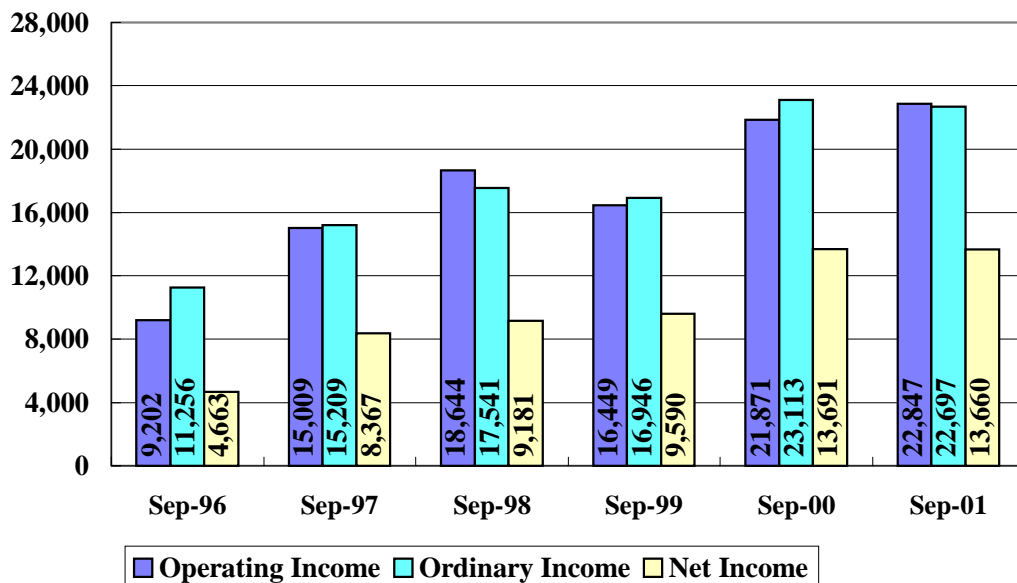


In the Six Months, the Electro-Optics Company increased its sales of high-precision products, while sales of semi-conductor-related products started to decline in the second quarter due to the more visible effects of the IT recession. The Vision Care Company concentrated its efforts on increasing sales of high value-added products and to improve the rate of return of the acquired companies so as to maintain the profitability level of the Group as a whole. On a consolidated basis, however, operating income increased 4.5%, while ordinary income and net interim income decreased 1.8% and 0.2% on a year-on-year basis respectively.

The interim EPS was Yen 117.63, an decrease of Yen 0.27 on the same period last year.

In appreciation of the continued support of the shareholders, an interim dividend of Yen 25.00 per share will be paid, an increase of Yen 5.00 on a year-on-year basis.

Interim Profits (Million Yen) - First Half



(2) Segment Overview

1) Information Technology

Electro-Optics

In terms of mask blanks for manufacturing semiconductors, high-precision products sold favorably notwithstanding the sluggish semi-conductor market in the first quarter. However, shrugging off the substantial impact of the sluggish markets in the second quarter, sales decreased in the Six Months.

Sales of photomasks for manufacturing semiconductors increased in spite of a fall in quantities and declining prices, etc. Large manufacturers of semi-conductors kept to their inclination to briskly develop new products without slacking off the pace.

Sales of photomasks for LCDs increased on a year-on-year basis as the good demand for masks for TFT, an area in which HOYA has a large market share continued on the back of an increase in newly introduced and developed products and as the production capacity of large-sized masks was reinforced.

In terms of glass disks for HDDs (Hard Disk Drives), while glass substrates (“Substrate”) sold steadily, sales of coated products (“Media”) decreased substantially due to production and inventory adjustments by HDD manufacturers.

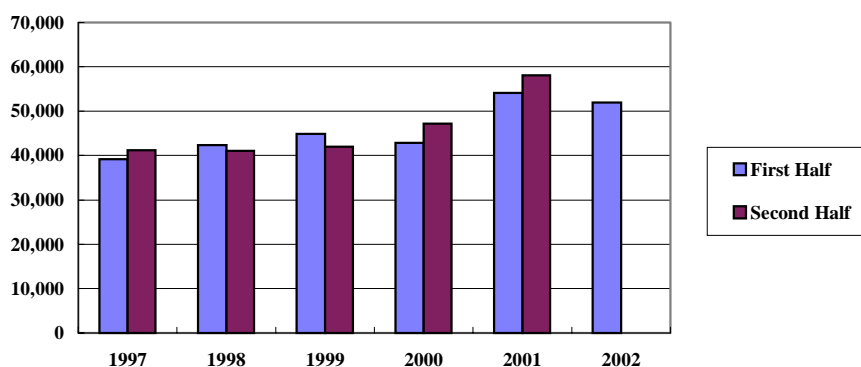
Sales of optical products as a whole decreased, while sales of aspheric molded lenses for digital still cameras increased on a year-on-year basis, orders for lenses for video cameras and optical glass materials were sluggish due to the prolonged inventory adjustment.

Sales of optical-communication-related products decreased substantially on a year-on-year basis as markets centered on the United States cooled down.

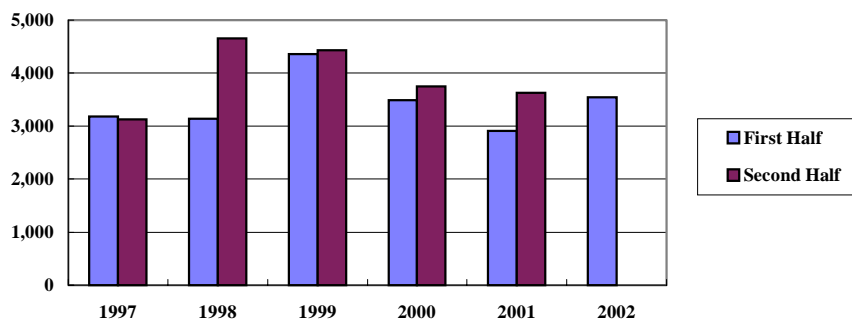
Photonics

In terms of laser-related equipment (Photonics), sales of industrial use equipment for the LCD industry increased.

Semiannual Net Sales of Electro-Optics (Million Yen)



Semiannual Net Sales of Photonics (Million Yen)



2) Eye Care

Vision Care

In the domestic market for eyeglass lenses, the unit price fell due to the sluggish economy and to the recent preponderance of discount shops. The Company developed various proactive sales promotion measures in line with the introduction of new products so as to strengthen HOYA's brand power and further promoted higher value-addition of products centered on progressive lenses. As a result, sales slightly increased on a year-on-year basis.

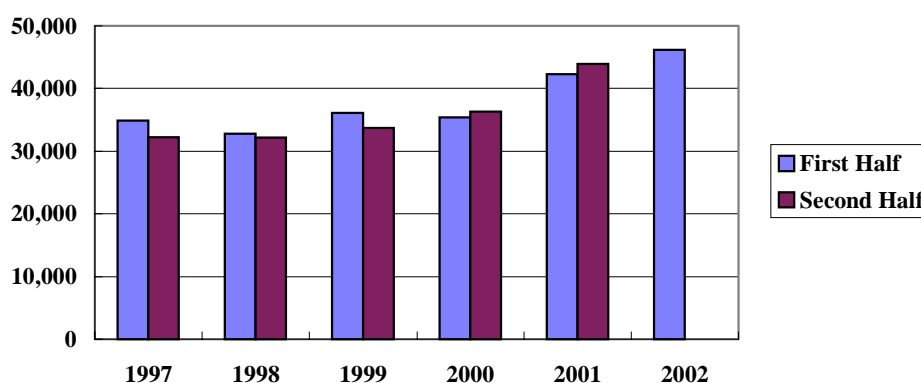
Overseas, sales in Asia and Europe centered on such high value-added products including progressive and highly refractive lenses increased. In the United States, too, sales increased as business grew steadily at those laboratories of the North American Branch of the HOYA Corporation (former "Hoya Optical Laboratories, Inc."). The Company promoted higher value-addition and improvement in the progression ratio of lenses in particular, over all regions and 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

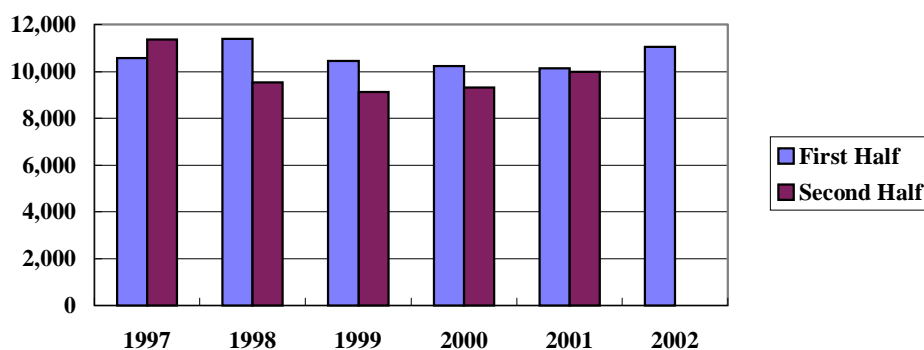
Sales of contact lenses increased on a year-on-year basis thanks to the reinforced sales promotion of highly value-added products including bifocal lenses and of products backed by our "E-System" of lens compensation services as well as to the effects of the Scrapping & Building of retail outlets which had been enacted in the previous fiscal year.

Sales of hearing aids increased on a year-on-year basis thanks to sales promotions and advertising focused on important areas and to a sales promotion centered on high-performance models including hearing aids with digital functions. Sales of intraocular lenses decreased on a year-on-year basis as soft type lenses expanded of which the Company has not yet marketed.

Semiannual Net Sales of Vision Care (Million Yen)



Semiannual Net Sales of Health Care (Million Yen)

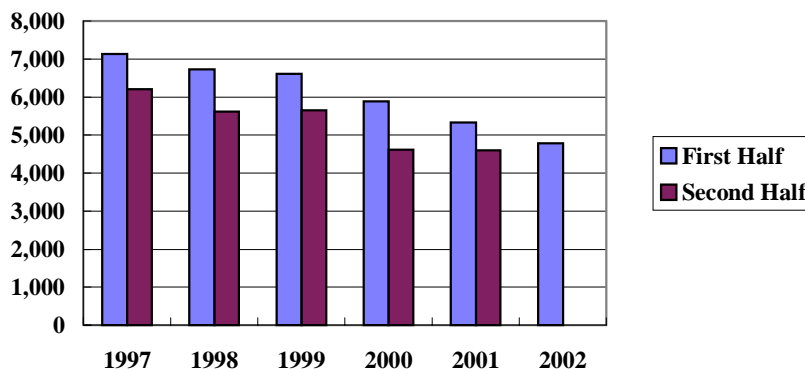


3) Lifestyle Refinement

Crystal

Sales of crystal decreased due to amid sluggish consumer market and shrinking of gift market.

Semiannual Net Sales of Crystal (Million Yen)



(3) Forecasts for the Second Half

(Six months ending March 31, 2002)

General Environment

The sluggish economic conditions around the world centered on IT industries have brought about a tougher situation for the semi-conductor and electronic component sectors, and the related business sectors of the Company are also affected considerably. The recession has intensified day by day, prospects for a recovery have been stretched and no clear outlook can be seen.

The terrorist attacks in the United States in September and a series of unstable situations thereafter cast a pall over markets not just in the United States but across the world, and it may be too optimistic to expect a boost in consumption.

HOYA's case

In the business area of information and telecommunications, we will continue to promote sales centered on high precision products and make efforts to reduce costs though the business environment has deteriorated considerably as was mentioned above.

On the other hand, the business of eye-care products can be expected to grow on a year-on-year basis with the introduction of new highly value-added products and with growth in those overseas companies that had been acquired, notwithstanding the cooled down sentiment of consumers and concern for a trend towards falling prices in the market.

We are promoting more actively the investment and re-structuring of production to win the competition in the next generation, while restricting investment for expanding production capacity.

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.

5. Consolidated Financial Statements (unaudited)

(1) Consolidated Balance Sheets

HOYA CORPORATION and Consolidated Subsidiaries	Millions of Yen			
	Sep.30,2001	Mar.31,2001	Variance	Sep.30,2000
ASSETS				
Current assets	¥156,747	¥154,763	1,984	¥143,479
Cash and deposits	51,125	44,697	6,428	44,722
Notes and accounts receivable - trades	59,344	55,143	4,201	50,853
Marketable securities	-	7,000	-7,000	5,000
Inventories	35,817	36,506	-689	33,668
Deferred taxes	3,712	4,499	-787	3,207
Other current assets	7,713	7,975	-262	6,794
Allowance for doubtful receivables	-967	-1,059	92	-766
Fixed assets	111,062	112,361	-1,299	119,971
Tangible fixed assets	84,863	84,479	384	80,260
Buildings and structures	25,191	25,604	-413	24,809
Machinery and vehicles	37,235	38,041	-806	35,887
Lands	9,238	9,032	206	8,867
Other tangible fixed assets	13,197	11,800	1,397	10,696
Intangible fixed assets	4,012	4,413	-401	17,835
Investments and other assets	22,186	23,468	-1,282	21,876
Investment securities	9,412	9,741	-329	12,232
Long-term deferred taxes	7,778	8,654	-876	4,100
Other investments and other assets	6,674	8,429	-1,755	8,446
Allowance for doubtful receivables	-1,679	-3,357	1,678	-2,903
Deferred charges	506	485	21	559
Total Assets	268,316	267,610	706	264,010
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities	53,633	61,640	-8,007	68,551
Notes and accounts payable - trades	21,615	23,610	-1,995	23,338
Short-term loan payable	3,176	4,630	-1,454	11,326
Income tax payable	6,353	9,679	-3,326	7,922
Accrued bonus	4,160	4,022	138	4,100
Other current liabilities	18,326	19,697	-1,371	21,863
Long-term liabilities	9,672	10,003	-331	10,095
Long-term loan payable	406	424	-18	243
Employees retirement benefits	8,091	8,360	-269	8,464
Directors retirement benefits	201	343	-142	300
Other long-term liabilities	972	875	97	1,086
Total Liabilities	63,306	71,643	-8,337	78,646
Minority interest	646	633	13	577
Common stock	6,264	6,264	-	6,264
Additional paid-in capital	15,898	15,898	-	15,898
Retained earnings	194,550	184,361	10,189	179,334
Evaluation difference of investments securitis	-631	-515	-116	-167
Foreign currency statement translation adjustments	-11,716	-10,675	-1,041	-16,542
Treasury stock, at cost	0	0	0	-1
Total Shareholders' Equity	204,363	195,333	9,030	184,786
Total	¥268,316	¥267,610	706	¥264,010
notes:	Millions of Yen			
Accumulated depreciation	¥133,773	¥128,850		¥121,506
Sales of trade notes receivable for trust	-	10,356		10,377
Guarantees of borrowings and lease obligations for customers	¥300	¥332		¥336
Number of shares of treasury stock	141	30		173

(2) Consolidated Statements of Income

HOYA CORPORATION and Consolidated Subsidiaries

Millions of Yen

(Six months ended Sep. 30, 2001 and 2000)

	Six months ended Sep. 30,		Variance	
	2001	2000	Value	(%)
Net sales	¥118,358	¥115,695	¥2,663	2.3
Cost of sales	67,818	66,019	1,799	2.7
Gross profit	50,539	49,676	863	1.7
Selling, general and administrative expenses	27,692	27,804	-112	-0.4
Operating income	22,847	21,871	976	4.5
Non-operating income	1,668	2,485	-817	-32.9
Interest income	229	236	-7	
Equity in earnings of associated companies	67	1,165	-1,098	
Others	1,371	1,082	289	
Non-operating expenses	1,818	1,243	575	46.3
Interest expense	311	345	-34	
Foreign exchange losses	40	39	1	
Others	1,466	858	608	
Ordinary income	22,697	23,113	-416	-1.8
Extra-ordinary income	273	181	92	50.8
Gain on sales of property, plant and equipment	272	156	116	
Others	0	25	-25	
Extra-ordinary losses	775	1,156	-381	-33.0
Loss on disposal of property, plant and equipment	197	651	-454	
Others	577	504	-504	
Income before income taxes and other items	22,194	22,139	55	0.2
Income taxes - Current	7,071	8,285	-1,214	-14.7
Income taxes - Deferred	1,368	125	1,243	-
Minority interests in net income	95	36	59	163.9
Net income	¥13,660	¥13,691	¥-31	-0.2
Net income per share(Yen)	¥117.63	¥117.90	¥-0.27	

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	¥118,358	¥115,628	¥2,730
Operating income	22,847	22,600	247
Ordinary income	22,697	22,452	245
Net income	¥13,660	¥13,558	¥102

2. Average rates of major foreign currencies	Six months ended Sep. 30,		
	2001	2000	Variance(%)
US\$	¥122.03	¥107.15	-13.9%
Euro	¥107.93	¥98.06	-10.1%
Thail Baht	¥2.71	¥2.67	-1.5%

(3) Consolidated Statements of Retained Earnings

HOYA CORPORATION and Consolidated Subsidiaries

Items	Millions of Yen		
	<u>Six months ended Sep. 30,</u>		Variance
	2001	2000	
Balance at the beginning of the period	¥184,361	¥168,106	¥16,255
Adjustment of retained earnings	205	-	205
Transfer of retained earnings of the merged non-consolidated subsidiary	205	-	205
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	13,660	13,691	-31
Balance at the end of the period	¥194,550	¥179,334	¥15,216

(4) Statements of Cash Flows (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries (Figures less than a million yen are omitted.)

	Millions of Yen		
	<u>Six months ended Sep.30,</u>		
	2001	2000	Variance
OPERATING ACTIVITIES:			
Net Income	¥13,660	¥13,691	¥-31
Adjustments for:			
Depreciation and amortization	9,153	8,318	835
Reversal of accrued retirement benefits	-407	-325	-82
Provision for (Reversal of) reserve for periodic repairs	151	-17	168
Equity in loss earnings of associated companies	-67	-1,165	1,098
Minority interest in net income	95	36	59
Foreign exchange loss	66	254	-188
Bonus to directors	-194	-242	48
Gain on reversal of prior devaluation losses on non-current marketable securities	131	421	-290
Gain on sales of property, plant and equipment and investment securities	-273	-165	-108
Loss on disposal of property, plant and equipment and investment securities	197	651	-454
Other	616	-	616
<i>Changes in assets and liabilities:</i>			
Increase in notes and accounts receivable	-4,324	-3,607	-717
Increase in inventories	564	-819	1,383
Increase in other current assets	-325	-1,975	1,650
Decrease in notes and accounts payable	-1,891	1,965	-3,856
Increase (Decrease) in income taxes payable	-1,499	1,420	-2,919
Increase (Decrease) in other current liabilities	-524	1,746	-2,270
Total adjustment			
Net cash provided by operating activities	15,127	20,190	-5,063
INVESTING ACTIVITIES:			
Payment for purchases of property, plant and equipment	-10,267	-8,997	-1,270
Proceeds from sales of property, plant and equipment	282	136	146
Payment for purchases of investment securities	-462	-2,347	1,885
Proceeds from sales of investment securities	2	2	0
Payment for purchases of ORI Group net of cash acquired	-	-15,895	15,895
Increase in investments and other assets	519	-1,539	2,058
Decrease in investments and other assets	220	994	-774
Net cash used in investing activities	-10,743	-27,646	16,903
FINANCING ACTIVITIES:			
Net decrease in short-term borrowings	-1,381	7,955	-9,336
Proceeds from long-term bank loans	0	3	-3
Repayments of long-term bank loans	-29	-47	18
Proceeds from sales of treasury stock	11	345	-334
Payments for purchase of treasury stock	-12	-331	319
Dividends paid	-3,508	-2,255	-1,253
Net cash used in financing activities	-4,920	5,669	-10,589
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-537	-1,789	1,252
Effect of Exchange Rate Changes on Cash and Cash Equivalents	-290	-182	-108
Cash and cash equivalents of merged non-consolidated subsidiaries, beginning of period	255	-	255
Cash and cash equivalents of newly consolidated subsidiaries, beginning of period	-	36	-36
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	51,697	51,654	43
CASH AND CASH EQUIVALENTS, END OF PERIOD	¥51,125	¥49,722	¥1,403

(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 : 1 company
(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 Sep. 30, 2001	as of Mar. 31, 2001	Variance	as of Sep. 30, 2000
Consolidated subsidiaries	46 (do 6, os 40)	46 (do 6, os 40)	- (do -, os -)	59 (do 6, os 53)
Nonconsolidated subsidiaries	1 (do 1, os -)	2 (do 2, os -)	-1 (do -1, os -)	2 (do 2, os -)
Affiliates	8 (do 6, os 2)	8 (do 6, os 2)	- (do -, os -)	8 (do 6, os 2)
Total Hoya Group	55	56	-1	69

(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
 - a. In comparison to the end of March 31, 2001.....No Change
 - 1 company increased due to the establishment:
HOYA OPTICAL ASIA CO.,LTD. (Hong Kong)
 - 1 company decreased due to the merger:
HOYA LENS FRANCE SA (was merged into BUCHMANN FRANCE SAS and changed its corporate name to HOYA LENS FRANCE SAS)
 - b. In comparison to the end of Sep. 30, 2000.....13 companies decreased in total

In addition to the above mentioned "change a.", there were following changes:

 - 1 company increased due to the establishment:
HOYA PHOTONICS SINGAPORE (Singapore)
 - 1 company increased due to the acquisition:
MIDWEST OPTICAL LABORATORIES, INC.
 - 2 companies decreased due to the merger:
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

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>Six months ended Sep. 30,</u> <u>2001</u>	<u>2000</u>	<u>Year ended</u> <u>Mar.30,2001</u>
Cash and deposits	¥51,125	¥44,722	¥44,697
Marketable securities	-	5,000	7,000
Total	<u>¥51,125</u>	<u>¥49,722</u>	<u>¥51,697</u>

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

Six months ended Sep. 30, 2001

None

Six months ended Sep. 30, 2000

	<u>Millions of Yen</u>
Eleven (11) subsidiaries of ORI 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	<u>16,074</u>
Cash and cash equivalents possessed by these subsidiaries	<u>-179</u>
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 10.3 billion for the six months ended Sep., 2001.

Notes Relating to Tax Effect Accounting

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

	<u>Millions of Yen</u>		
	<u>As of</u>		
	<u>Sep.30, 2001</u>	<u>Mar.31, 2001</u>	<u>Sep.30, 2000</u>
(1) Current deferred tax assets and liabilities			
Deferred tax assets			
Excess deductible amount of depreciation expenses	¥1,272	¥1,264	-
Excess deductible amount of expenses for accrued bonus	1,129	870	867
Inventories - intercompany unrealized profits	838	1,068	¥978
Enterprise tax not deductible	528	737	664
Other deferred tax assets	579	1,173	923
Total amount of deferred tax assets - current	4,348	5,113	3,434
Deferred tax liabilities			
Prepaid pension expenses	-531	-487	-226
Other deferred tax liabilities	-104	-126	-
Total amount of deferred tax liabilities - current	-636	-614	-226
Net amount of deferred tax assets - current	¥3,712	¥4,499	¥3,207
(2) Non-current deferred tax assets and liabilities			
Deferred tax assets			
Excess amount of inclusion in deductible expenses for depreciation	¥3,547	¥4,327	¥552
Excess amount of inclusion in deductible expenses for reserve for employees' retirement benefits	2,542	2,386	2,454
Amount denied of evaluation loss of fixed assets	675	640	644
Excess amount of inclusion in deductible expenses for allowance for doubtful receivables	226	626	655
Other deferred tax assets	2,043	1,863	1,074
Total amount of deferred tax assets - fixed	9,034	9,844	5,380
Deferred tax liabilities			
Reserve for deferred income taxes on fixed assets	-694	-664	-719
Special depreciation reserve	-389	-354	-389
Other deferred tax liabilities	-171	-171	-171
Total amount of deferred tax liabilities - fixed	-1,256	-1,190	-1,280
Net amount of deferred tax assets - fixed	¥7,778	¥8,654	¥4,100

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

	<u>Six months ended Sep. 30,</u>		<u>Year ended</u>
	<u>2001</u>	<u>2000</u>	<u>Mar.31,2001</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	-5.6	-5.7	-12.1
Non-Deductible expenses such as entertainment expenses	0.4	0.6	0.8
Per capita levy of inhabitants tax and others	0.3	0.4	0.4
Non-taxable income such as dividend received	-4.6	-3.4	-3.8
Intercompany cash dividend	4.6	3.4	3.8
Other adjustment	1.2	1.0	-0.5
Effective income tax rate	38.0	38.0	30.3

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

	<u>Millions of Yen</u>		
	<u>As of</u>		
(1) Breakdown of liabilities for employees' retirement benefits	<u>Sep.30, 2001</u>	<u>Mar.31, 2001</u>	<u>Sep.30,2000</u>
Liabilities for employees' retirement benefits	¥55,204	¥54,237	¥53,415
Pension assets	<u>-41,545</u>	<u>-40,107</u>	<u>-48,872</u>
Accrued liabilities for employees' retirement benefits	13,659	14,130	4,542
Unappropriated amount of the difference arising from the change in accounting standards	2,850	2,955	3,061
Unrecognized prior service cost (decrease in liabilities)	1,777	1,858	-
Unrecognized actuarial differences (increase in liabilities)	-11,791	-12,300	-
Prepaid pension expenses	<u>1,595</u>	<u>1,716</u>	<u>861</u>
Reserve for employees' retirement benefits	<u>¥8,091</u>	<u>¥8,360</u>	<u>¥8,464</u>
	<u>Six months ended Sep. 30.</u>	<u>2001</u>	<u>2000</u>
(2) Breakdown of expenses for employees' retirement benefits	<u>2001</u>	<u>2000</u>	<u>Year ended Mar.31,2001</u>
Service cost	¥832	¥903	¥1,798
Interest expenses	939	904	1,809
Expected return of investments	-1,097	-1,283	-2,567
Difference arising from the change in accounting standards	-105	-105	-210
Prior service cost	-81	-	-82
Actuarial differences	<u>508</u>	<u>-</u>	<u>-</u>
sub total	997	419	746
Additional retirement benefits paid to employees	<u>394</u>	<u>83</u>	<u>176</u>
Expenses for employees' retirement benefits	<u>¥1,392</u>	<u>¥502</u>	<u>¥923</u>
(3) Calculation basis of liabilities for employees' retirement benefits			
1. Discount rate	3.5%	3.5%	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	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	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

6. Segment Information (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries

(1) Operations Different Industries

(Figures less than a million Yen are omitted.)

for the six months ended September 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	¥51,980	¥3,549	¥46,218	¥11,050	¥4,779	¥780	¥118,358	-	¥118,358
Intersegment	369	0	13	811	20	1,391	2,605	(¥2,605)	-
Total	52,349	3,549	46,231	11,861	4,800	2,171	120,964	(2,605)	118,358
Operating expenses	37,624	3,744	39,188	10,218	4,681	1,986	97,443	(1,931)	95,511
Operating income	¥14,725	¥-195	¥7,043	¥1,643	¥119	¥185	¥23,521	(¥674)	¥22,847
Operating income ratio	28.1%	-5.5%	15.2%	13.9%	2.5%	8.5%	19.4%	-	19.3%
Assets	¥110,167	¥4,468	¥86,895	¥14,106	¥9,450	¥3,246	¥228,335	¥39,981	¥268,316
Depreciation	5,800	154	2,613	271	236	19	9,096	57	9,153
Capital Expenditures	¥7,297	¥27	¥2,384	¥386	¥176	¥1	¥10,274	¥4	¥10,279

*Elimi. or corp. : Eliminations or corporate

for the six months ended September 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	¥54,191	¥2,908	¥42,260	¥10,129	¥5,340	¥864	¥115,695	-	¥115,695
Intersegment	251	-	14	715	19	1,455	2,455	(¥2,455)	-
Total	54,443	2,908	42,275	10,844	5,359	2,320	118,151	(2,455)	115,695
Operating expenses	38,393	3,220	36,519	9,518	5,115	2,220	94,989	(1,165)	93,824
Operating income	¥16,049	¥-312	¥5,755	¥1,326	¥244	¥99	¥23,162	(¥1,290)	¥21,871
Operating income ratio	29.5%	-10.7%	13.6%	12.2%	4.6%	4.3%	19.6%	-	18.9%
Assets	¥104,194	¥4,588	¥86,965	¥13,045	¥10,154	¥5,472	¥224,420	¥39,589	¥264,010
Depreciation	4,896	128	2,726	226	253	28	8,258	59	8,318
Capital Expenditures	¥8,379	¥54	¥17,533	¥349	¥440	¥31	¥26,788	¥148	¥26,936

*Elimi. or corp. : Eliminations or corporate

Ref:

Differences between the first half of this year and the same period 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	¥-2,211	¥641	¥3,958	¥921	¥-561	¥-84	¥2,663	-	¥2,663
Variance(%)	-4.1%	22.0%	9.4%	9.1%	-10.5%	-9.7%	2.3%	-	2.3%
Intersegment	¥118	¥0	¥-1	¥96	¥1	¥-64	¥150	(¥150)	-
Total	-2,094	641	3,956	1,017	-559	-149	2,813	(150)	2,663
Operating expenses	-769	524	2,669	700	-434	-234	2,454	(766)	1,687
Operating income	¥-1,324	¥117	¥1,288	¥317	¥-125	¥86	¥359	¥616	¥976
Variance(%)	-8.2%	-37.5%	22.4%	23.9%	-51.2%	86.9%	1.5%	-	4.5%
Assets	¥5,973	¥-120	¥-70	¥1,061	¥-704	¥-2,226	¥3,915	¥392	¥4,306
Depreciation	904	26	-113	45	-17	-9	838	-2	835
Capital Expenditures	¥-1,082	¥-27	¥-15,149	¥37	¥-264	¥-30	¥-16,514	¥-144	¥-16,657

*Elimi. or corp. : Eliminations or corporate

(3) Overseas Sales

(Figures less than a million Yen are omitted.)

for the six months ended September 30, 2001

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	¥19,915	¥18,030	¥11,906	¥31	¥49,884
Consolidated Sales (B)					¥118,358
Overseas Sales ratio A/B	16.8%	15.2%	10.1%	0.0%	42.1%
Regional Sales ratio	39.9%	36.1%	23.9%	0.1%	100.0%

for the six months ended September 30, 2000

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	¥17,650	¥16,224	¥13,391	¥22	¥47,288
Consolidated Sales (B)					¥115,695
Overseas Sales ratio A/B	15.3%	14.0%	11.6%	0.0%	40.9%
Regional Sales ratio	37.3%	34.3%	28.3%	0.0%	100.0%

Ref:

Differences between the first half of this year and the same period last year

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	¥2,265	¥1,806	¥-1,485	¥9	¥2,596
Consolidated Sales (B)					¥2,663
Overseas Sales ratio A/B	12.8%	11.1%	-11.1%	40.9%	5.5%

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.

7. Composition of Net Sales by Segment (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries

Business Category Company	Millions of yen [%]				
	Six months ended September 30,		Variance		Year ended March 31,
	2001	2000	Value	(%)	2001
Electro-Optics					
Domestic	¥29,408 (56.6)	¥29,854 (55.1)	¥-446	-1.5	¥61,492 (54.7)
Overseas	22,572 (43.4)	24,336 (44.9)	-1,764	-7.2	50,848 (45.3)
total	51,980 [43.9]	54,191 [46.8]	-2,211	-4.1	112,341 [47.4]
Photonics					
Domestic	1,737 (49.0)	1,740 (59.8)	-3	-0.2	3,880 (59.4)
Overseas	1,811 (51.0)	1,168 (40.2)	643	55.1	2,652 (40.6)
total	3,549 [3.0]	2,908 [2.5]	641	22.0	6,533 [2.8]
Information Technology					
Domestic	31,146 (56.1)	31,595 (55.3)	-449	-1.4	65,373 (55.0)
Overseas	24,383 (43.9)	25,504 (44.7)	-1,121	-4.4	53,501 (45.0)
total	55,529 [46.9]	57,100 [49.4]	-1,571	-2.8	118,875 [50.2]
Vision Care					
Domestic	21,208 (45.9)	21,028 (49.8)	180	0.9	41,083 (47.7)
Overseas	25,010 (54.1)	21,232 (50.2)	3,778	17.8	45,114 (52.3)
total	46,218 [39.1]	42,260 [36.5]	3,958	9.4	86,198 [36.4]
Health Care					
Domestic	10,998 (99.5)	10,070 (99.4)	928	9.2	20,029 (99.5)
Overseas	52 (0.5)	58 (0.6)	-6	-10.3	99 (0.5)
total	11,050 [9.3]	10,129 [8.8]	921	9.1	20,129 [8.5]
Eye Care					
Domestic	32,206 (56.2)	31,099 (59.4)	1,107	3.6	61,113 (57.5)
Overseas	25,062 (43.8)	21,291 (40.6)	3,771	17.7	45,214 (42.5)
total	57,268 [48.4]	52,390 [45.3]	4,878	9.3	106,327 [44.9]
Crystal					
Domestic	4,346 (90.9)	4,847 (90.8)	-501	-10.3	9,067 (91.2)
Overseas	433 (9.1)	492 (9.2)	-59	-12.0	874 (8.8)
total	4,779 [4.0]	5,340 [4.6]	-561	-10.5	9,942 [4.2]
Service					
Domestic	775 (99.4)	864 (100.0)	-89	-10.3	1,657 (100.0)
Overseas	5 (0.6)	- (-)	5	-	- (-)
total	780 [0.7]	864 [0.7]	-84	-9.7	1,657 [0.7]
Lifestyle Refinement					
Domestic	5,121 (92.1)	5,711 (92.1)	-590	-10.3	10,724 (92.5)
Overseas	438 (7.9)	492 (7.9)	-54	-11.0	874 (7.5)
total	5,560 [4.7]	6,205 [5.4]	-645	-10.4	11,599 [4.9]
Total Net Sales					
Domestic	¥68,474 (57.9)	¥68,406 (59.1)	¥68	0.1	¥137,211 (57.9)
Overseas	49,884 (42.1)	47,288 (40.9)	2,596	5.5	99,590 (42.1)
total	¥118,358 [100.0]	¥115,695 [100.0]	¥2,663	2.3	¥236,802 [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.