



## Part.I For the nine months ended December 31, 2000

### **1. Financial Highlights for the Nine Months (unaudited)**

HOYA CORPORATION and Consolidated Subsidiaries

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#### **1.Performance for the nine months ended Dec. 31, 2000 and 1999**

( Figures less than a million yen are omitted.)

	Millions of Yen		variance (%)
	Nine months ended Dec. 31,		
	2000	1999	
<b>(1)Results of Operations</b>			
Net sales	¥176,224	¥149,896	( 17.6 )
Operating income	33,961	25,762	( 31.8 )
Ordinary income	35,808	26,083	( 37.3 )
Net income	21,496	15,464	( 39.0 )
Net income per share(Yen)	¥185.11	¥133.17	

Notes : No changes have been made in accounting policy.

	Millions of Yen		
	As of Dec. 31,	As of March 31,	As of Dec. 31,
	2000	2000	1999
<b>(2)Financial Position</b>			
Total assets	¥269,951	¥239,341	¥229,376
Shareholders' equity	193,377	175,145	168,942
Shareholders' equity ratio	71.6%	73.2%	73.7%
Shareholders' equity per share (Yen)	¥1,665.25	¥1,508.28	¥1,454.88

	Millions of Yen	
	Nine months ended Dec. 31,	
	2000	1999
<b>(3)Conditions of Cash Flow</b>		
Net cash provided by operating activities	¥24,682	¥17,645
Net cash used in investing activities	-33,284	-12,878
Net cash provided by (used in) financing activities	4,415	-5,794
Cash and cash equivalents, end of period	¥48,024	¥41,196

	Year ending/ended March 31,		variance (%)
	2001	2000	
<b>2. Earnings Forecasts (Year ending March 31, 2001)</b>			
Net sales	¥236,000	¥201,110	( 17.3 )
Operating income	45,500	34,688	( 31.2 )
Ordinary income	47,800	35,484	( 34.7 )
Net income	¥20,000	¥20,715	( -3.5 )
Ref:Expected net income per share (Yen)	¥172.23	¥178.39	¥-6.16

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## 2. Business Overview

### (1) General Overview

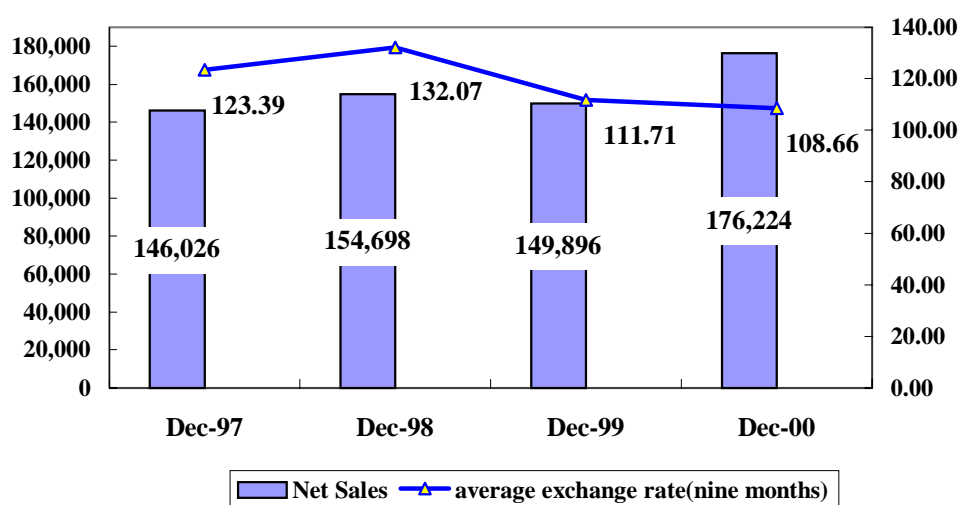
<u>Millions of Yen</u>	
<u>Results of Operations</u>	<u>Nine months ended Dec. 31, 2000</u>
Net sales	¥176,224
Operating income	33,961
Ordinary income	35,808
Net income	¥21,496
Net income per share(Yen)	¥185.11
<u>Financial Position</u>	<u>As of Dec. 31, 2000</u>
Total assets	¥269,951
Shareholders' equity	¥193,377
Shareholders' equity ratio	71.6%

In the term under review (the "Nine Months" ended in December 2000), there were signs of a moderate recovery in the Japanese economy over the first six months, centered on the manufacturing sector and driven by investments related to information technologies; in the third quarter, however, an unclear business outlook prevailed in Japan amid the damping down of business sentiment in the United States and Europe while stock prices in Japan were in decline. Personal consumption remained sluggish and the consumption goods sector remained stagnant.

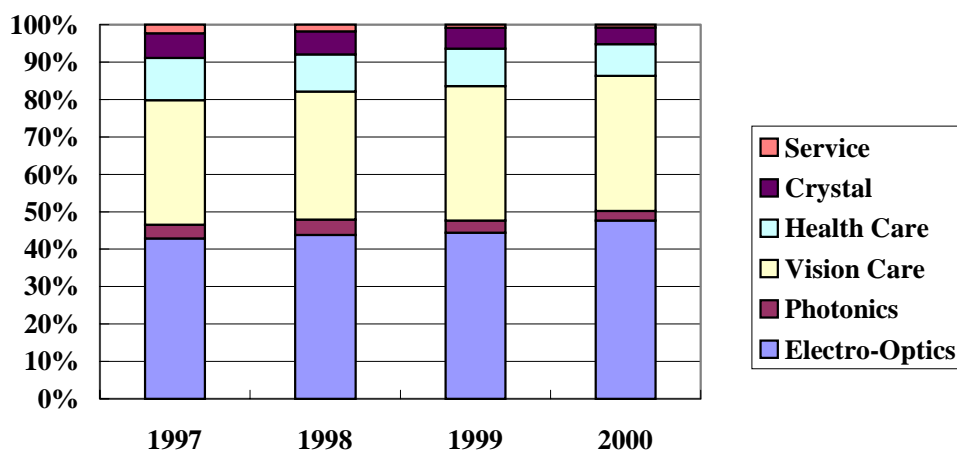
Overseas, business trends in the United States and Europe, which had been relatively active in the first six months, slowed down substantially in the third quarter as the business results of high-tech and financial segments decelerated rapidly, with the additional effects of rising oil prices and a weakening euro. Affected by these trends, business in Asia also slowed down.

Total company sales for the term under review (the "Nine Months") increased 17.6% on a year-on-year basis as sales of Electro-Optics and Vision Care, which constitute a major part of the total consolidated sales, increased solidly in spite of the decrease in sales in Europe in Japanese yen terms due to the aforementioned weakening of the euro.

Net Sales (Million Yen) and Average Exchange Rate (¥/US\$)  
- Transition of Nine months ended Dec.31

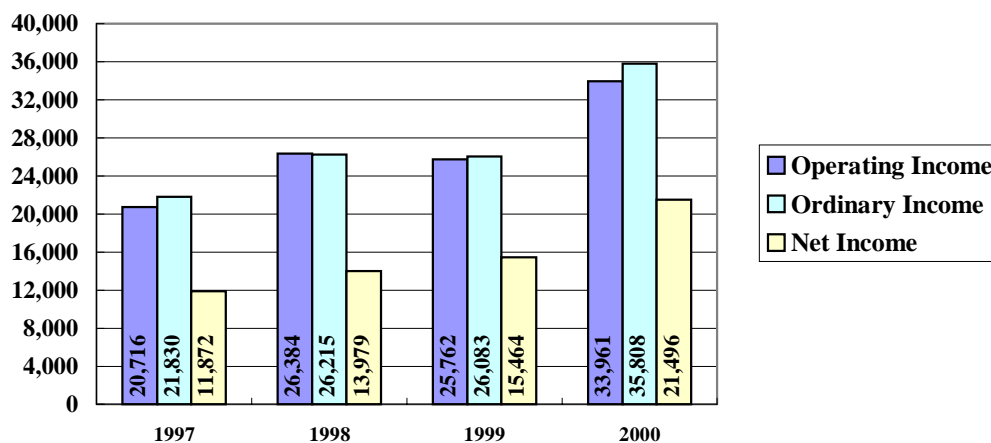


Ratio of Net Sales by Business Segment - Nine months



As sales of high-function and high value-added products remained solid in the third quarter, operating income, ordinary income and net income increased 31.8%, 37.3% and 39.0% on a year-on-year basis respectively, each recording historical nine-month period results. The EPS was ¥185.11, an increase of ¥51.94 on the same period last year.

Profits (¥ Million) - Nine Months ended Dec.31



Ref:

Conditions of Cash Flow

Millions of Yen

Nine months ended Dec. 31, 2000

Net cash provided by operating activities	¥24,682
Net cash used in investing activities	-33,284
Net cash provided by (used in) financing activities	4,415
Cash and cash equivalents, end of period	¥48,024

## (2) Segment Overview

### 1) Information Technology

#### Electro-Optics

Sales of mask blanks for manufacturing semiconductors increased favorably as demand in Asia, especially Taiwan, was remarkably strong and orders for high-function products increased. In the third quarter in particular, demand for phase-shift mask blanks grew favorably.

Sales of photomasks for LSIs increased to meet growing demand, while sales of photomasks for semiconductors increased, too, as the sales for a newly acquired division of Oki Electric Industry Co., Ltd. were added.

Sales of glass disks for HDDs (Hard Disk Drives) increased thanks to the favorable sales of newly shipped 3.5-inch memory disks even though turnover for 2.5-inch disks decreased due to a fall in unit price despite an increase in the number of disks sold.

Sales of optical lenses and glasses increased thanks to favorable sales of aspheric and polished lenses for digital still and video cameras and of optical glass materials.

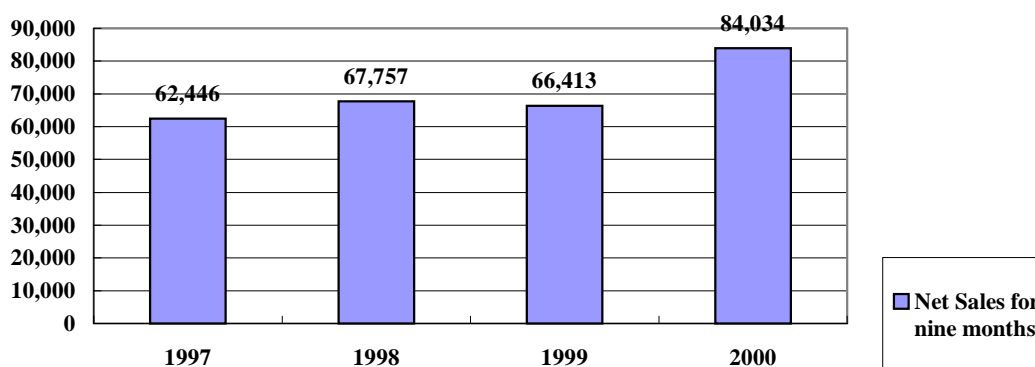
In terms of WDM-related products, multi-layered filters manufactured in the United States sold well.

#### Photonics

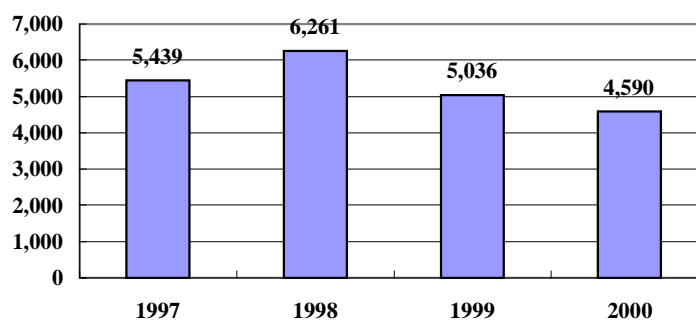
This segment covers laser-related equipment for industrial, medical and scientific applications.

In the third quarter, sales of laser-related equipment for industrial purposes increased reflecting favorable condition of the semi-conductor market. However, total sales decreased due to intensified competition in the market for scientific equipment and delays in production of some laser-related equipment for dental treatment, the sales network of which was reviewed.

Net sales of Electro-Optics (Million Yen) for nine months ended Dec.31



Net sales of Photonics (Million Yen) for nine months ended Dec.31



## 2) Eye Care

### Vision Care

Sales of lenses for eyeglasses increased in the domestic market in spite of difficult market conditions due to sluggish personal consumption, as the company expanded sales of high value-added products including highly refractive lenses and progressive lenses through on-line networking with customers.

Overseas, sales in Asia, especially Korea, were favorable. In the United States, sales increased substantially thanks to the additional sales of the HOYA OPTICAL LABORATORIES, INC. (formerly ORI, "HOLA" hereunder) group, which the company acquired in April 2000. In Europe, sales of the new laboratories (custom-made lens processing plants) yielded in this term and of the Buchmann group acquired in 1999 contributed to total sales. During the nine-month term under review, sales increased in all areas in spite of the effects of currency fluctuations, especially those of the weakening euro in Europe.

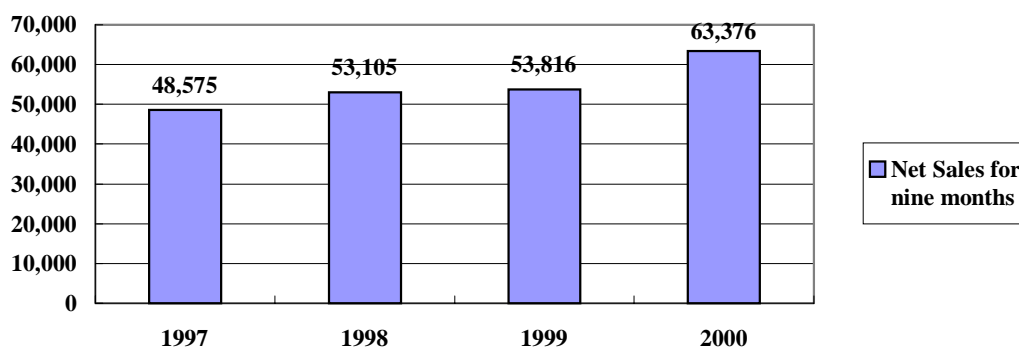
The company is focusing on establishing more laboratories for area-based marketing. During the term under review, the company opened a new laboratory in the Kyushu area, its fifth in Japan.

### Health Care

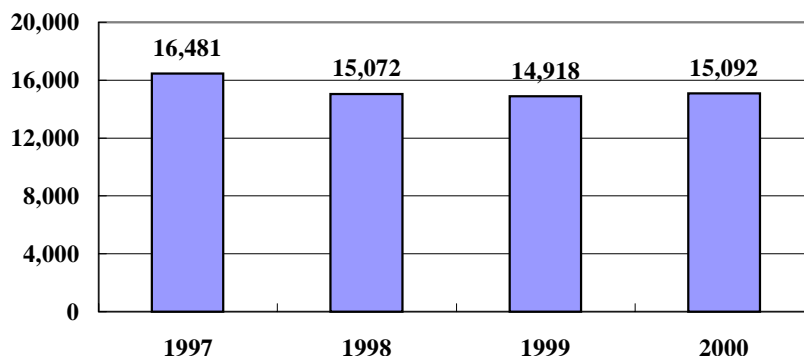
In the contact lens sector, while disposable contact lenses increased in popularity and their unit price continued to fall, sales remained almost static with just a slight increase as the company launched high value-added products including bi-focal contact lenses and actively opened new retail shops.

Overall sales of hearing aids decreased even though sales of digital high-performance models increased. Sales of intraocular lenses increased thanks to improved marketing efficiency by concentrating on customers.

Net sales of Vision Care (Million Yen) for nine months ended Dec.31



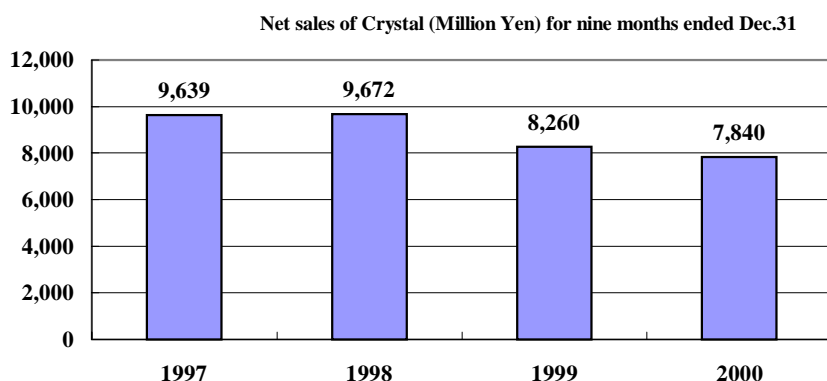
Net sales of Health Care (Million Yen) for nine months ended Dec.31



### 3) Lifestyle Refinement

#### Crystal

While there were some signs of reviving corporate demand on the back of a very modest business recovery, general crystal sales decreased as sluggish personal consumption persisted.



### 3. Forecasts for the Year Ending March 31, 2001

In the information technology sector, future market trends for semiconductors and electronic devices are becoming more and more uncertain across the world - including Asia - due to the damping down of business trends in the United States and Europe.

Furthermore, the fourth quarter is the season to start inventory adjustments for semi-conductors and electronic devices. The company, however, expects that it will be able to maintain a favorable business in the fourth quarter and to secure annual results that will exceed those of the previous term as the demand for high-function products is expected to be solid.

In the eye care sector, sales of the HOLA (formerly ORI) acquired in April 2000 are added in this term. The company focuses on marketing high value-added products to existing customers through its newly established laboratories around the world including the one in Kyushu, Japan. The company, therefore, forecasts an increase in sales in spite of such negative factors as the downturn in business trends in the overseas market.

#### ★ Special note for extra-ordinary losses related to the organization of HOLA into HOYA's US branches

In order to penetrate HOYA brand and to enhance competitiveness of Vision Care products into the US market and to perform more rapid management, HOYA CORPORATION will reorganize HOLA and other twelve companies of its group into HOYA's US branches on the end of February 2001.

Due to the reorganization, approx. ¥15 billion will be amortized at once and appropriated into the extra-ordinary loss in the fourth quarter. This amount will be affected by market trend of eyeglasses industry in the US and currency exchange rates, etc.

<u>Earnings Forecasts (Year ending March 31, 2001)</u>	<u>Year ending/ended Mar. 31,</u>		variance (%)
	2001	2000	
Net sales	¥236,000	¥201,110 (	17.3 )
Operating income	45,500	34,688 (	31.2 )
Ordinary income	47,800	35,484 (	34.7 )
Net income	¥20,000	¥20,715 (	-3.5 )
Ref:Expected net income per share (Yen)	¥172.23	¥178.39	¥-6.16

## 4. Consolidated Balance Sheets (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries	Millions of Yen			
	Dec. 31,2000	Mar. 31, 2000	Variance(%)	Dec. 31,1999
<b>ASSETS</b>				
Current assets	¥146,038	¥137,263	6.4	¥130,293
Cash and deposits	48,024	51,654		31,196
Notes and accounts receivable - trades	53,573	45,636		48,335
Inventories	36,026	32,822		33,087
Deferred taxes	2,668	2,796		2,913
Other current assets	6,609	5,218		15,572
Allowance for doubtful receivables	-864	-866		-811
Fixed assets	123,351	101,638	21.4	98,313
Tangible fixed assets	82,230	77,725	5.8	75,204
Buildings and structures	25,261	24,918		25,125
Machinery and vehicles	36,686	33,865		31,499
Lands	8,977	8,966		8,853
Other tangible fixed assets	11,305	9,974		9,725
Intangible fixed assets	18,993	4,127	360.2	4,309
Investments and other assets	22,127	19,785	11.8	18,799
Investment securities	11,700	9,860		9,463
Long-term deferred taxes	4,746	4,239		3,919
Other investments and other assets	8,577	8,335		7,960
Allowance for doubtful receivables	-2,896	-2,650		-2,544
Deferred charges	561	439	27.8	769
<b>Total Assets</b>	<b>269,951</b>	<b>239,341</b>	<b>12.8</b>	<b>229,376</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
Current liabilities	65,642	52,426	25.2	47,857
Notes and accounts payable - trades	25,357	20,492		20,679
Short-term loan payable	13,213	3,408		3,540
Income tax payable	5,983	6,164		3,090
Accrued bonus	1,990	3,919		2,046
Other current liabilities	19,098	18,440		18,500
Long-term liabilities	10,326	11,174	-7.6	12,012
Long-term loan payable	291	275		291
Employees retirement benefits	8,377	8,452		8,528
Directors retirement benefits	325	1,054		1,036
Deferred tax liabilities	—	—		321
Other long-term liabilities	1,332	1,392		1,833
<b>Total Liabilities</b>	<b>75,969</b>	<b>63,601</b>	<b>19.4</b>	<b>59,870</b>
Minority interest	604	594	1.7	564
Common stock	6,264	6,264	—	6,264
Additional paid-in capital	15,898	15,898	—	15,898
Retained earnings	184,817	168,106	9.9	162,848
Evaluation difference of investments securitis	-807	—	—	—
Foreign currency statement translation adjustments	-12,796	-15,105	—	-16,046
Treasury stock, at cost	0	-18	—	-22
<b>Total Shareholders' Equity</b>	<b>193,377</b>	<b>175,145</b>	<b>10.4</b>	<b>168,942</b>
<b>Total</b>	<b>¥269,951</b>	<b>¥239,341</b>	<b>12.8</b>	<b>¥229,376</b>
notes:		Millions of Yen		
Accumulated depreciation	¥126,656	¥117,951		¥115,852
Sales of trade notes receivable for trust	10,864	8,406		7,726
Guarantees of borrowings and lease obligations for customers	¥306	¥436		¥482
Number of shares of treasury stock	52	1,868		3,129

## 5. Consolidated Statements of Income (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries

(Nine months ended Dec. 31, 2000 and 1999)	Millions of Yen			
	Nine months ended Dec. 31,			Year ended
	2000	1999	Variance(%)	Mar.31, 2000
Net sales	¥176,224	¥149,896	17.6	¥201,110
Cost of sales	100,411	86,124	16.6	115,338
Gross profit	75,812	63,771	18.9	85,771
Selling, general and administrative expenses	41,851	38,009	10.1	51,083
Operating income	33,961	25,762	31.8	34,688
Non-operating income	3,705	3,192	16.1	4,354
Interest income	391	271		371
Equity in earnings of associated companies	1,681	1,025		1,333
Others	1,631	1,895		2,649
Non-operating expenses	1,857	2,871	-35.3	3,558
Interest expense	652	580		724
Foreign exchange losses	—	1,387		1,184
Others	1,204	903		1,649
Ordinary income	35,808	26,083	37.3	35,484
Extra-ordinary income	204	493	-58.6	530
Gain on sales of property, plant and equipment	179	232		251
Others	25	261		278
Extra-ordinary losses	1,411	1,338	5.5	2,522
Loss on disposal of property, plant and equipment	760	230		570
Share in premium for pension funds	—	537		717
Others	650	570		1,234
Income before income taxes and other items	34,602	25,238	37.1	33,491
Income taxes - Current	12,479	9,538	30.8	13,033
Income taxes - Deferred	559	171	-	-365
Minority interests in net income	66	63	4.8	108
Net income	¥21,496	¥15,464	39.0	¥20,715
Net income per share(Yen)	¥185.11	¥133.17	¥51.94	¥178.39

Notes:

1. Influences of Exchange Currency ("2000 A" is the actual value of this period. "2000 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)

	2000 A	2000 B	influences
Net sales	¥176,224	¥179,646	¥-3,422
Operating income	33,961	34,804	-843
Ordinary income	35,808	36,564	-756
Net income	¥21,496	¥22,051	¥-555

2. Average rates of major foreign currencies:
- |            | Nine months ended Dec. 31, |         |             | Year ended   |
|------------|----------------------------|---------|-------------|--------------|
|            | 2000                       | 1999    | Variance(%) | Mar.31, 2000 |
| US\$       | ¥108.66                    | ¥111.71 | 2.7%        | ¥110.70      |
| Euro       | ¥98.00                     | ¥116.61 | 16.0%       | ¥113.56      |
| Thail Baht | ¥2.63                      | ¥2.94   | 10.5%       | ¥2.92        |

3. Special note for extra-ordinary losses related to the organization of HOLA into HOYA's US branches

HOYA CORPORATION will reorganize HOLA and other twelve companies of its group into HOYA's US branches on the end of February 2001. Please refer to page 6 for the influences to the income of the year ending March 31, 2001.

## Special Notes for Income Taxes

1. The tax effects of significant temporary differences which resulted in deferred tax assets and liabilities are as follows:

	Millions of Yen		
	As of		
	Dec.31, 2000	Mar.31, 2000	Dec.31, 1999
<b>Current:</b>			
Deferred tax assets:			
Inventories - intercompany unrealized profits	¥1,083	¥713	¥861
Accrued bonuses to employees	427	617	348
Accrued enterprise taxes	482	606	693
Other	1,021	858	1,010
<b>Total</b>	<b>3,014</b>	<b>2,796</b>	<b>2,913</b>
Deferred tax liabilities:			
Prepaid pension expenses	-345	—	—
<b>Total</b>	<b>-345</b>	<b>—</b>	<b>—</b>
<b>Net deferred tax assets</b>	<b>¥2,668</b>	<b>¥2,796</b>	<b>¥2,913</b>
<b>Non-current:</b>			
Deferred tax assets:			
Accrued retirement benefits	¥2,416	¥2,518	¥2,945
Allowance for doubtful receivables	679	596	527
Devaluation losses on property, plant and equipment and other assets	633	609	570
Depreciation	638	658	419
Other	1,608	1,235	875
<b>Total</b>	<b>5,975</b>	<b>5,618</b>	<b>5,338</b>
Offset to deferred tax liabilities	-1,229	-1,378	-1,418
<b>Net deferred tax assets</b>	<b>¥4,746</b>	<b>¥4,239</b>	<b>¥3,919</b>
Deferred tax liabilities:			
Reserves for special depreciation and other	¥-1,056	¥-1,206	¥-1,246
Other	-171	-171	-493
<b>Total</b>	<b>-1,229</b>	<b>-1,378</b>	<b>-1,740</b>
Offset to deferred tax assets	¥1,229	¥1,378	1,418
<b>Net deferred tax liabilities</b>	<b>—</b>	<b>—</b>	<b>¥321</b>

2. A reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statement of income as follows:

	Nine months ended Dec.31,		Year ended
	2000	1999	Mar.31,2000
Normal effective statutory tax rate	41.7 %	41.7 %	41.7 %
Lower income tax rates applicable to income in certain foreign countries	-5.2	-2.5	-3.0
Expences not permanently deductible for income tax purposes	0.5	0.6	0.6
Per capita portion	0.2	0.3	0.3
Non-taxable dividend income	-2.8	-6.1	-4.6
Intercompany cash dividend	2.7	5.8	4.4
Other - net	0.6	-1.3	-1.6
<b>Actual effective tax rate</b>	<b>37.7</b>	<b>38.5</b>	<b>37.8</b>

## Special Notes for Pension and Retirement Benefit Plan

### 1 . Applied Pension and Retirement Benefit Plan

#### Unfunded Retirement Benefit Plan and Defined Benefit Pension Plan

### 2 . Projected Benefit Obligation

(1) Projected Benefit Obligation	<u>Millions of Yen</u>
Projected benefit obligation	¥53,918
Plan assets	<u>49,777</u>
Unreserved projected benefit obligation	4,141
Unamortized transition gain	3,008
Prepaid pension cost	<u>1,227</u>
Employees' retirement benefits	<u><u>¥8,377</u></u>
(2) Pension Cost	
Service cost	¥1,354
Interest cost	1,357
Expected return on plan assets	1,925
Amortization of transition gain	<u>157</u>
Pension cost	<u><u>¥627</u></u>
(3) Basis of Calculation for Projected Benefit Obligation	
1. Discount rate	3.5 %
2. Expected return on plan assets	5.5 %
3. Method of allocation of estimated pension cost	Straight line method
4. Amortized period of unamortized transition gain	15 years

## 6. Consolidated Statements of Retained Earnings

HOYA CORPORATION and Consolidated Subsidiaries

(Unaudited)

Items	Millions of Yen		
	<u>Nine months ended Dec. 31,</u>		variance
	2000	1999	
Balance at the beginning of the period	¥168,106	¥144,910	¥23,196
Adjustment of retained earnings for the adoption of deferred tax accounting method	-	6,711	-6,711
Appropriations	4,785	4,237	548
1. Cash dividends	4,528	3,716	812
2. Bonuses to directors	248	290	-42
3. Transfer of retained earnings of the merged subsidiary to additional paid-in capital	7	230	-223
Net income	21,496	15,464	¥6,032
Balance at the end of the period	¥184,817	¥162,848	¥21,969

## 7. Consolidated Statements of Cash Flows (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries

( Figures less than a million yen are omitted.)

(Nine months ended Dec. 31, 2000 and 1999)	<u>Millions of Yen</u>		
	<u>Nine months ended Dec.31,</u>	<u>1999</u>	<u>variance</u>
<u>2000</u>			
<b>OPERATING ACTIVITIES:</b>			
Net Income	21,496	15,464	6,032
Adjustments for:			
Depreciation and amortization	12,802	12,664	138
Provision for (Reversal of) accrued retirement benefits	-398	-25	-373
Provision for (Reversal of) reserve for periodic repairs	63	-22	85
Equity in earnings of associated companies	-1,681	-1,025	-656
Minority interest in net income	66	63	3
Foreign exchange loss (gain)	-318	-579	261
Bonus to directors	-250	-292	42
Devaluation losses on non-current marketable securities	485	30	455
Gain on sales of property, plant and equipment and investment securities	-188	-656	468
Loss on disposal of property, plant and equipment and investment securities	760	230	530
Other	203	—	203
<i>Changes in assets and liabilities:</i>			
Increase in notes and accounts receivable	-5,231	-1,834	-3,397
Increase in inventories	-2,043	-4,850	2,807
(Increase) Decrease in other current assets	-2,072	785	-2,857
Increase in notes and accounts payable	3,600	1,302	2,298
Decrease in income taxes payable	-411	-3,682	3,271
(Decrease) Increase in other current liabilities	-2,201	73	-2,274
Total adjustment			
Net cash provided by operating activities	24,682	17,645	7,037
<b>INVESTING ACTIVITIES:</b>			
Decrease in marketable securities	0	179	-179
Payment for purchases of property, plant and equipment	-14,220	-10,243	-3,977
Proceeds from sales of property, plant and equipment	521	—	521
Payments for purchases of subsidiaries net of cash acquired	-16,409	-1,899	-14,510
Increase in investments and other assets	-4,408	-1,396	-3,012
Decrease in investments and other assets	1,232	482	750
Net cash used in investing activities	-33,284	-12,878	-20,406
<b>FINANCING ACTIVITIES:</b>			
Net increase in short-term borrowings	8,870	-2,008	10,878
Proceeds from long-term bank loans	302	—	302
Repayment of long term bank loans	-193	—	-193
Proceeds from sales of treasury stock	360	—	360
Payments for purchases of treasury stock	-345	—	-345
Dividends paid	-4,578	-3,786	-792
Net cash used in financing activities	4,415	-5,794	10,209
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-4,186	-1,028	-3,158
Effect of Exchange Rate Changes on Cash and Cash Equivalents	519	-1,282	1,801
Cash and cash equivalents of newly consolidated subsidiaries, beginning of year	36	—	36
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	51,654	43,507	8,147
CASH AND CASH EQUIVALENTS, END OF YEAR	48,024	41,196	6,828

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

1. Number of consolidated subsidiaries : 59 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 CORPORATION, HOYA CRYSTAL CORPORATION,  
HOYA OPTICS CORPORATION, HOYA SERVICE CORPORATION)
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 Dec. 31, 2000	as of Sep. 30, 2000	variance	as of Dec. 31, 1999 and Mar.31, 2000
Consolidated subsidiaries	59 (do 6, os53)	59 (do 6, os53)	- (do -, os -)	46 (do 5, os41)
Nonconsolidated subsidiaries	2 (do 2, os -)	2 (do 2, os -)	- (do -, os -)	2 (do 2, os -)
Affiliates	8 (do 6, os 2)	8 (do 6, os 2)	- (do-, os-)	9 (do 7, os 2)
Total	69	69	-	57

(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
    - 1) In comparison to the end of September 30, 2000..... number of company unchanged in total
      - 1 company increased due to the acquisition:
        - MIDWEST OPTICAL LABORATORIES, INC. (USA)
      - 1 company decreased due to the merger:
        - HOYA LENS, INC. (USA)

(This company was merged into HOYA LENS OF AMERICA, INC.)
    - 2) In comparison to the end of March 31, 2000.....13 companies increased in total  
In addition to the above increase mentioned 1), 13 companies increased.
      - 1 company increased due to the consolidation:
        - HOYA CRYSTAL SHOP CORPORATION (Japan)
      - 11 companies increased due to the acquisition:
        - HOYA OPTICAL LABORATORIES, INC. (USA, hereunder)
        - ORG OPERATING COMPANY
        - 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.
      - 2 companies increased due to the establishment:
        - 3-D OPTICAL, INC.
        - CB SALT LAKE, INC.
      - 1 company decreased due to the merger:
        - ORG OPERATING COMPANY

(This company was merged into HOYA OPTICAL LABORATORIES, INC.)
  - b. Application of the equity method : No change
2. Changes in accounting policy :  
None

## 9. Segment Information (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries

### (1) Operations in Different Industries

(Figures less than a million Yen are omitted.)

For the nine months ended December 31, 2000

	Millions of Yen							Elimi. or corp.*	Consolidated
	Electro-Optics	Photo-nics	Vision Care	Health Care	Crystal	Service	Total		
Net sales:									
To outside customers	¥84,034	¥4,590	¥63,376	¥15,092	¥7,840	¥1,289	¥176,224	—	¥176,224
Intersegment	436	—	20	1,148	31	2,250	3,888	(¥3,888)	—
Total	84,471	4,590	63,396	16,241	7,872	3,539	180,112	(3,888)	176,224
Operating expenses	58,687	5,153	55,349	14,340	7,491	3,418	144,439	(2,176)	142,263
Operating income	¥25,783	¥-563	¥8,047	¥1,901	¥381	¥121	¥35,672	(¥1,711)	¥33,961
Operating income ratio	30.5%	-12.3%	12.7%	11.7%	4.8%	3.4%	19.8%	—	19.3%
Assets	¥108,918	¥4,814	¥90,337	¥12,633	¥10,382	¥4,935	¥232,021	¥37,929	¥269,951
Depreciation	7,554	196	4,163	350	401	44	12,711	91	12,802
Capital Expenditures	¥11,184	¥60	¥20,044	¥663	¥528	¥34	¥32,515	¥149	¥32,664

\*Elimi. or corp. : Eliminations or corporate

For the nine months ended December 31, 1999

	Millions of Yen							Elimi. or corp.*	Consolidated
	Electro-Optics	Photo-nics	Vision Care	Health Care	Crystal	Service	Total		
Net sales:									
To outside customers	¥66,413	¥5,036	¥53,816	¥14,918	¥8,260	¥1,451	¥149,896	—	¥149,896
Intersegment	357	2	19	1,101	16	2,671	4,169	(¥4,169)	—
Total	66,771	5,038	53,835	16,019	8,276	4,123	154,065	(4,169)	149,896
Operating expenses	50,324	5,308	44,821	14,167	7,439	4,047	126,107	(1,973)	124,134
Operating income	¥16,447	¥-269	¥9,014	¥1,852	¥836	¥75	¥27,957	(¥2,195)	¥25,762
Operating income ratio	24.6%	-5.3%	16.7%	11.6%	10.1%	1.8%	18.1%	—	17.2%
Assets	¥92,811	¥4,650	¥68,796	¥11,736	¥10,410	¥6,224	¥194,630	¥34,746	¥229,376
Depreciation	7,301	85	3,409	349	454	92	11,692	221	11,913
Capital Expenditures	¥7,037	¥54	¥3,563	¥91	¥382	¥21	¥11,150	¥134	¥11,285

\*Elimi. or corp. : Eliminations or corporate

Ref:

Differences between the nine months of this year and the same period last year

	Millions of Yen							Elimi. or corp.*	Consolidated
	Electro-Optics	Photo-nics	Vision Care	Health Care	Crystal	Service	Total		
Net sales:									
To outside customers	¥17,621	¥-446	¥9,560	¥174	¥-420	¥-162	¥26,328	—	¥26,328
Variance(%)	26.5%	-8.9%	17.8%	1.2%	-5.1%	-11.2%	17.6%	—	17.6%
Intersegment	¥79	¥-2	¥1	¥47	¥15	¥-421	¥-281	¥281	—
Total	17,700	-448	9,561	222	-404	-584	26,047	281	26,328
Operating expenses	8,363	-155	10,528	173	52	-629	18,332	(203)	18,129
Operating income	¥9,336	¥-294	¥-967	¥49	¥-455	¥46	¥7,715	¥484	¥8,199
Variance(%)	56.8%	109.3%	-10.7%	2.6%	-54.4%	61.3%	27.6%	—	31.8%
Assets	¥16,107	¥164	¥21,541	¥897	¥-28	¥-1,289	¥37,391	¥3,183	¥40,575
Depreciation	253	111	754	1	-53	-48	1,019	-130	889
Capital Expenditures	¥4,147	¥6	¥16,481	¥572	¥146	¥13	¥21,365	¥15	¥21,379

\*Elimi. or corp. : Eliminations or corporate

Notes:

1. The Business Categories and Industries are as follows:

Business Category	Industries	Products and Services
Information Technology	Electro-Optics	Photomasks and Maskblanks for semiconductors, Masks and Color-filters 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 nine months or three months ended Dec. 31, 2000 and 1999 are as follows:

	<u>2000</u>	<u>1999</u>
nine months	¥1,791 million	¥2,258 million
three months	¥448 million	¥415 million

3. Corporate assets mainly consist of cash, time deposits, marketable securities, investments securities and administrative assets of the Company and the overseas regional holding companies in the two geographic areas. Corporate assets as of Dec. 31, 2000 and 1999 are as follows:

	<u>2000</u>	<u>1999</u>
	¥44,104 million	¥42,204 million

## (2) Geographic Segments

(Figures less than a million Yen are omitted.)

For the nine months ended December 31, 2000

	Millions of Yen						Consolidated
	Japan	North America	Europe	Asia	Total	Elimi. or corp.	
Net sales:							
To outside customers	¥126,405	¥25,627	¥17,671	¥6,520	¥176,224	—	¥176,224
Intersegment	13,687	392	595	29,626	44,301	(¥44,301)	—
Total	140,093	26,019	18,266	36,146	220,526	(44,301)	176,224
Operating expenses	112,667	25,857	16,283	30,779	185,586	(43,323)	142,263
Operating income	¥27,426	¥162	¥1,983	¥5,366	¥34,939	(¥978)	¥33,961
Operating income ratio	19.6%	0.6%	10.9%	14.8%	15.8%	—	19.3%
Assets	¥141,848	¥35,501	¥25,405	¥47,236	¥249,992	¥19,958	¥269,951

For the nine months ended December 31, 1999

	Millions of Yen						Consolidated
	Japan	North America	Europe	Asia	Total	Elimi. or corp.	
Net sales:							
To outside customers	¥110,573	¥16,447	¥16,804	¥6,070	¥149,896	—	¥149,896
Intersegment	13,170	164	503	21,360	35,199	(¥35,199)	—
Total	123,743	16,611	17,308	27,431	185,096	(35,199)	149,896
Operating expenses	102,290	16,393	14,699	24,098	157,482	(33,347)	124,134
Operating income	¥21,453	¥218	¥2,609	¥3,332	¥27,614	(¥1,851)	¥25,762
Operating income ratio	17.3%	1.3%	15.1%	12.1%	14.9%	—	17.2%
Assets	¥129,848	¥15,456	¥22,508	¥37,523	¥205,336	¥24,040	¥229,376

Ref:

Differences between the nine months of this year and the same period last year

	Millions of Yen						Consolidated
	Japan	North America	Europe	Asia	Total	Elimi. or corp.	
Net sales:							
To outside customers	¥15,832	¥9,180	¥867	¥450	¥26,328	—	¥26,328
Variance(%)	14.3%	55.8%	5.2%	7.4%	17.6%	—	17.6%
Intersegment	¥517	¥228	¥92	¥8,266	¥9,102	¥9,102	—
Total	16,350	9,408	958	8,715	35,430	-9,102	26,328
Operating expenses	10,377	9,464	1,584	6,681	28,104	-9,976	18,129
Operating income	¥5,973	¥-56	¥-626	¥2,034	¥7,325	¥873	¥8,199
Variance(%)	27.8%	-25.7%	-24.0%	61.0%	26.5%	—	31.8%
Assets	¥12,000	¥20,045	¥2,897	¥9,713	¥44,656	¥-4,082	¥40,575

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 nine months ended Dec. 31, 2000 and 1999 are as follows:
 

2000	¥1,666 million	1999	¥2,137 million
------	----------------	------	----------------
- Corporate assets mainly consist of cash, time deposits, marketable securities, investments securities and administrative assets of the Company and the overseas regional holding companies in the two geographic areas. Corporate assets as of Dec. 31, 2000 and 1999 are as follows:
 

2000	¥41,302 million	1999	¥39,596 million
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### (3) Sales to Foreign Customers

(Figures less than a million Yen are omitted.)

<u>For the nine months ended December 31, 2000</u>					
	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	¥26,559	¥25,261	¥20,838	¥39	¥72,699
Consolidated Sales (B)					¥176,224
Overseas Sales ratio A/B	15.1%	14.4%	11.8%	0.0%	41.3%
Regional Sales ratio	36.5%	34.7%	28.7%	0.1%	100.0%

<u>For the nine months ended December 31, 1999</u>					
	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	¥16,256	¥20,457	¥17,143	¥28	¥53,885
Consolidated Sales (B)					¥149,896
Overseas Sales ratio A/B	10.8%	13.7%	11.4%	0.0%	35.9%
Regional Sales ratio	30.2%	38.0%	31.8%	0.0%	100.0%

**Ref:**

Differences between the nine months of this year and the same period last year

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	¥10,303	¥4,804	¥3,695	¥11	¥18,814
Consolidated Sales (B)					¥26,328
Overseas Sales ratio A/B	63.4%	23.5%	21.6%	39.3%	34.9%

**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.

## 10. Composition of Net Sales by Business Category

HOYA CORPORATION and Consolidated Subsidiaries

(Nine months ended Dec. 31, 2000 and 1999)

Business Category Company	Millions of yen (%) [%]					
	Nine months ended Dec. 31,		Variance		Year ended March 31,	
	2000	1999	Amount	%	2000	
<b>Electro-Optics</b>						
Domestic	¥46,073 ( 54.8 )	¥38,559 ( 58.1 )	¥7,514	19.5	¥51,357 ( 57.0 )	
Overseas	37,961 ( 45.2 )	27,854 ( 41.9 )	10,107	36.3	38,817 ( 43.0 )	
total	84,034 [ 47.7 ]	66,413 [ 44.3 ]	17,621	26.5	90,174 [ 44.8 ]	
<b>Photonics</b>						
Domestic	2,753 ( 60.0 )	2,908 ( 57.7 )	-155	-5.3	4,162 ( 57.4 )	
Overseas	1,837 ( 40.0 )	2,127 ( 42.3 )	-290	-13.6	3,084 ( 42.6 )	
total	4,590 [ 2.6 ]	5,036 [ 3.4 ]	-446	-8.9	7,247 [ 3.6 ]	
<b>Information Technology</b>						
Domestic	48,826 ( 55.1 )	41,468 ( 58.0 )	7,358	17.7	55,519 ( 57.0 )	
Overseas	39,798 ( 44.9 )	29,981 ( 42.0 )	9,817	32.7	41,902 ( 43.0 )	
total	88,625 [ 50.3 ]	71,449 [ 47.7 ]	17,176	24.0	97,421 [ 48.4 ]	
<b>Vision Care</b>						
Domestic	31,256 ( 49.3 )	30,748 ( 57.1 )	508	1.7	40,423 ( 56.3 )	
Overseas	32,120 ( 50.7 )	23,067 ( 42.9 )	9,053	39.2	31,329 ( 43.7 )	
total	63,376 [ 36.0 ]	53,816 [ 35.9 ]	9,560	17.8	71,753 [ 35.7 ]	
<b>Health Care</b>						
Domestic	15,016 ( 99.5 )	14,841 ( 99.5 )	175	1.2	19,423 ( 99.4 )	
Overseas	75 ( 0.5 )	77 ( 0.5 )	-2	-2.6	117 ( 0.6 )	
total	15,092 [ 8.6 ]	14,918 [ 10.0 ]	174	1.2	19,541 [ 9.7 ]	
<b>Eye Care</b>						
Domestic	46,273 ( 59.0 )	45,590 ( 66.3 )	683	1.5	59,846 ( 65.6 )	
Overseas	32,196 ( 41.0 )	23,144 ( 33.7 )	9,052	39.1	31,447 ( 34.4 )	
total	78,469 [ 44.5 ]	68,735 [ 45.9 ]	9,734	14.2	91,294 [ 45.4 ]	
<b>Crystal</b>						
Domestic	7,136 ( 91.0 )	7,501 ( 90.8 )	-365	-4.9	9,599 ( 91.3 )	
Overseas	704 ( 9.0 )	758 ( 9.2 )	-54	-7.1	916 ( 8.7 )	
total	7,840 [ 4.4 ]	8,260 [ 5.5 ]	-420	-5.1	10,516 [ 5.2 ]	
<b>Service</b>						
Domestic	1,289 ( 100.0 )	1,451 ( 100.0 )	-162	-11.2	1,877 ( 100.0 )	
Overseas	- ( - )	- ( - )	-	-	0 ( - )	
total	1,289 [ 0.7 ]	1,451 [ 1.0 ]	-162	-11.2	1,877 [ 0.9 ]	
<b>Lifestyle Refinement</b>						
Domestic	8,425 ( 92.3 )	8,952 ( 92.2 )	-527	-5.9	11,476 ( 92.6 )	
Overseas	704 ( 7.7 )	758 ( 7.8 )	-54	-7.1	917 ( 7.4 )	
total	9,129 [ 5.2 ]	9,711 [ 6.5 ]	-582	-6.0	12,393 [ 6.2 ]	
<b>Total Net Sales</b>						
Domestic	¥103,524 ( 58.7 )	¥96,011 ( 64.1 )	¥7,513	7.8	¥126,843 ( 63.1 )	
Overseas	72,699 ( 41.3 )	53,885 ( 35.9 )	18,814	34.9	74,267 ( 36.9 )	
Total	¥176,224 [ 100.0 ]	¥149,896 [ 100.0 ]	¥26,328	17.6	¥201,110 [ 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.