

Financial Statements 2001 (Year ended March 31, 2001)



1. Annual Financial Highlights (unaudited)

April 20, 2001

HOYA CORPORATION and Consolidated Subsidiaries

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Performance for the years ended March 31, 2001 and 2000

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

(1)Results of Operations	Years ended March 31,		Variance (%)
	2001	2000	
Net sales	¥236,802	¥201,110	17.7
Operating income	45,127	34,688	30.1
Ordinary income	48,184	35,484	35.8
Net income	21,860	20,715	5.5
Net income per share(Yen)	¥188.25	¥178.39	
ROE	11.8%	12.1%	
Ordinary income / total assets	19.0%	15.0%	
Ordinary income / net sales	20.3%	17.6%	

Notes : No changes have been made in accounting policy.

(2)Dividends	Years ended March 31,	
	2001	2000
Annual cash dividends per share (Yen)	¥50.00	¥35.00

(3)Financial Position	As of March 31,	
	2001	2000
Total assets	¥267,610	¥239,341
Shareholders' equity	195,333	175,145
Shareholders' equity ratio	73.0%	73.2%
Shareholders' equity per share (Yen)	¥1,682.10	¥1,508.28

(4)Conditions of Cash Flow	Years ended March 31,	
	2001	2000
Net cash provided by operating activities	¥42,737	¥34,963
Net cash used in investing activities	-39,465	-19,895
Net cash provided by (used in) financing activities	-4,563	-5,899
Cash and cash equivalents, end of period	¥51,697	¥51,654

Ref:Performance of HOYA CORPORATION for the years ended March 31, 2001 and 2000

	2001	2000	Variance(%)
Net sales	¥151,166	¥126,719	19.3
Operating income	29,852	19,492	53.2
Ordinary income	35,945	25,122	43.1
Net income	12,283	15,851	-22.5
Net income per share(Yen)	¥105.78	¥136.50	
Total assets	217,967	205,373	
Shareholders' equity	¥162,102	¥155,066	

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2.Global Group Management

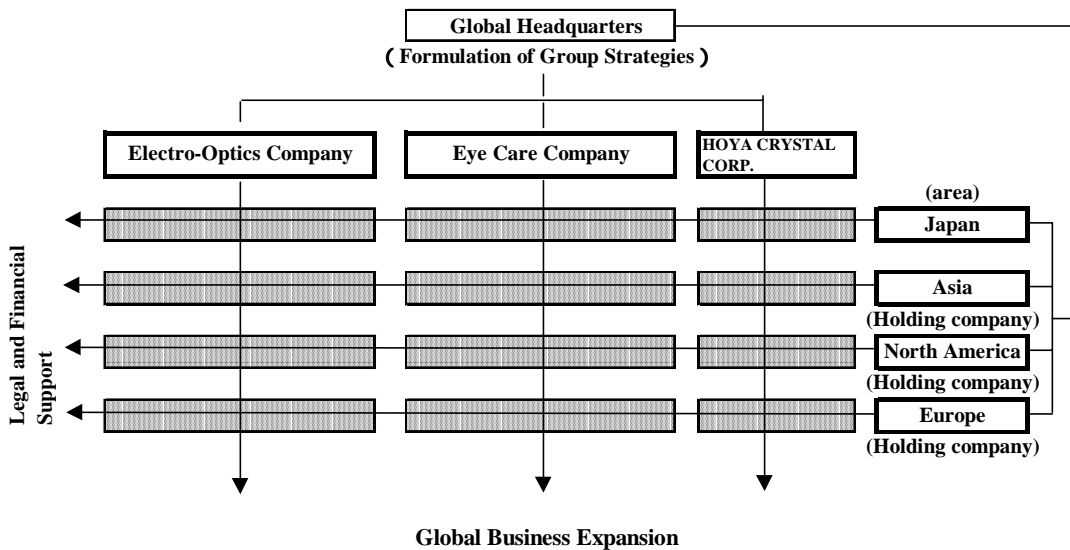
The HOYA Group consists of the HOYA CORPORATION (the "Company"), 46 consolidated subsidiaries (6 subsidiaries in Japan and 40 overseas), two unconsolidated subsidiaries (in Japan) and eight affiliates. The HOYA Group is engaged in manufacturing, sales and businesses related to Electro-Optics, Photonics, Vision Care, Health Care and Crystal products. Of the eight affiliates, four (2 in Japan and 2 overseas) are accounted for using the equity method.

Our products are manufactured by the Company itself and by other companies in the Group both in Japan and abroad. In Japan, most of our products are distributed directly to retailers, specialty stores, assemblers, etc. Some products are exported to various countries abroad through our overseas Group companies.

The HOYA Group is managed on a consolidated basis under an "internal company system." Global Headquarters at the HOYA CORPORATION formulate management strategies, which are enacted on a global basis by the two internal Electro-Optics and Eye Care companies and by HOYA CRYSTAL CORPORATION in line with their respective business responsibilities.

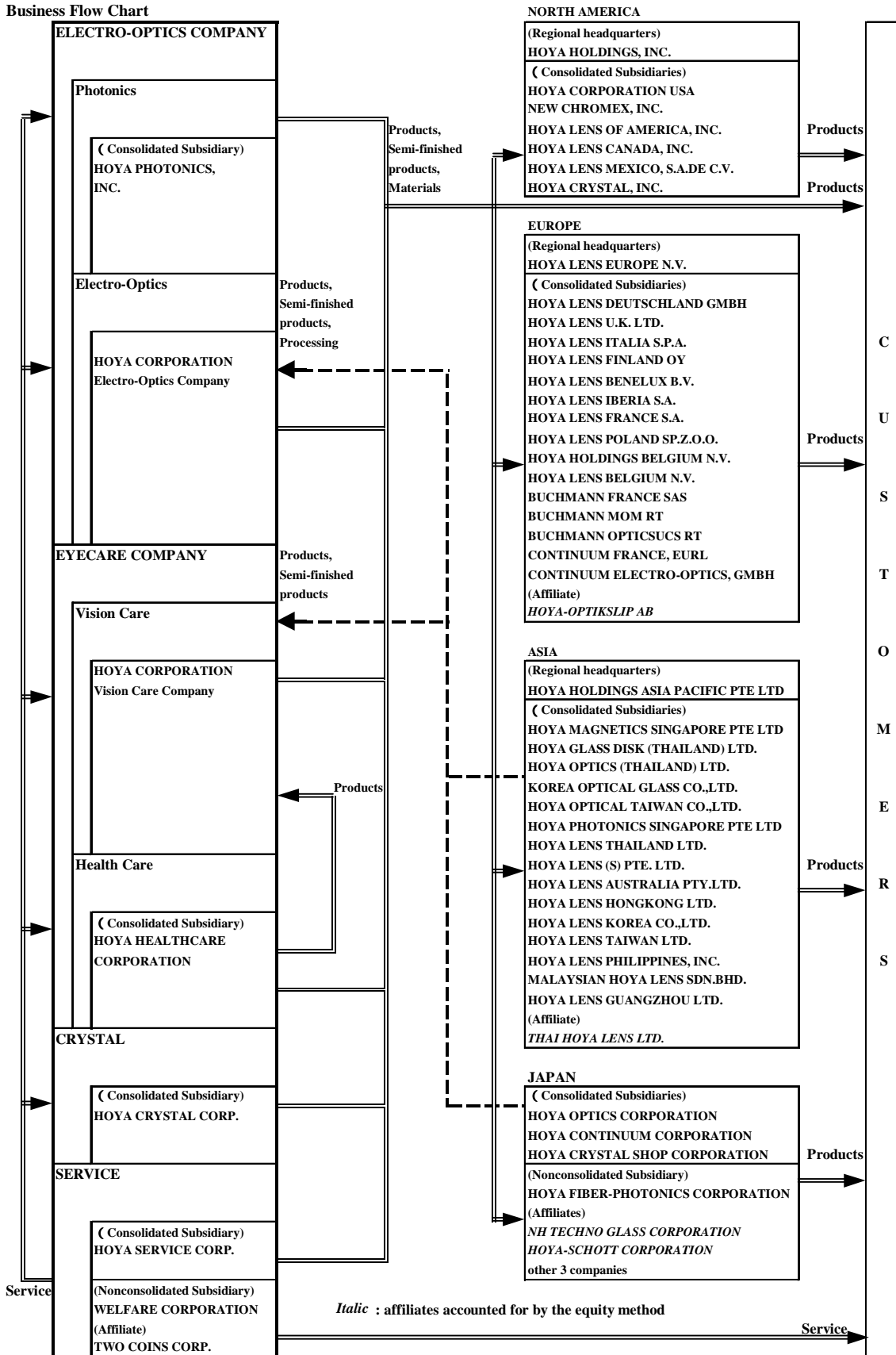
By area, regional holding companies in North America, Europe and Asia are in charge of reinforcing relationships with the countries and areas in their respective regions, financial management on a regional basis, legal support and internal audits, thereby supporting the promotion of business activities.

Global Group Management System



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, Electronic glass, Optical communication related devices, etc.	HOYA CORP. Electro-Optics Company 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 CORPORATION
Health 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 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 regardless of age or sex 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 so as to achieve an equal ratio of overseas sales to domestic sales of 1:1 by March 2002.

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 regardless of race.

4. Business Overview

(1) General Overview

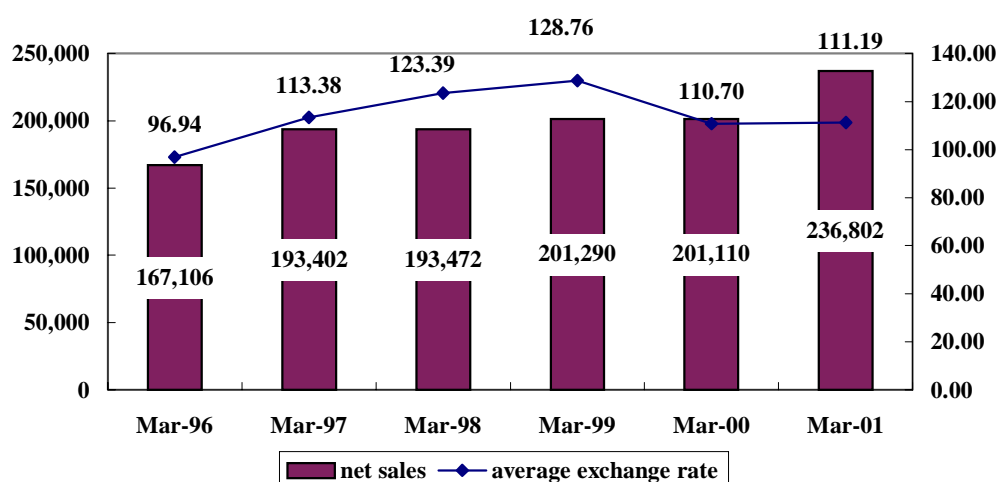
		<u>Millions of Yen</u>
<u>Results of Operations</u>		<u>Year ended Mar. 31, 2001</u>
Net sales		¥236,802
Operating income		45,127
Ordinary income		48,184
Net income		¥21,860
Net income per share(Yen)		¥188.25
<u>Financial Position</u>		<u>As of Mar. 31, 2001</u>
Total assets		¥267,610
Shareholders' equity		¥195,333
Shareholders' equity ratio		73.0%

In the fiscal year under review, there were signs of a moderate recovery in the Japanese economy over the first half, centered on the manufacturing sector and driven by investments related to information technologies. By 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 fell. Personal consumption remained sluggish and sales of consumables stagnated.

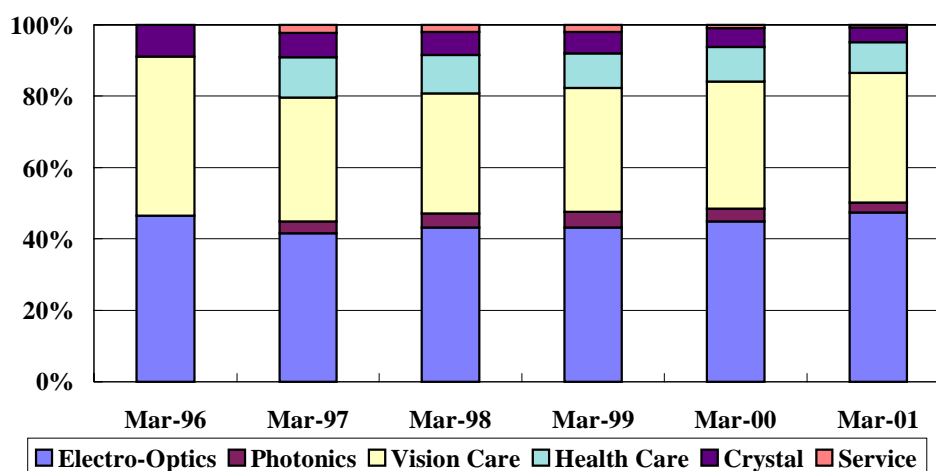
Overseas, business trends in the United States and Europe, which had been relatively active in the first half, slowed down substantially in the third quarter as the business results of high-tech and financial segments decelerated rapidly, with the additional effects of rising oil prices and a weakening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

In this business environment, the consolidated sales of the HOYA Group for the year under review increased 17.7% on a year-on-year basis. Sales of the Electro-Optics division increased favorably thanks to healthy demand for high precision products in line with the development of new technology, and sales of Vision Care also increased thanks to the sound competitiveness of the products, an advanced marketing system backed by information technologies, and the effects of the acquisition of subsidiaries in Europe and the United States. On the other hand, personal consumption in Japan remained weak and sales of the Crystal division decreased, while sales of the Healthcare division increased slightly.

Net Sales(Million Yen) and Average Exchange Rate (Yen/US\$)



Ratio of Net Sales by Business Segment

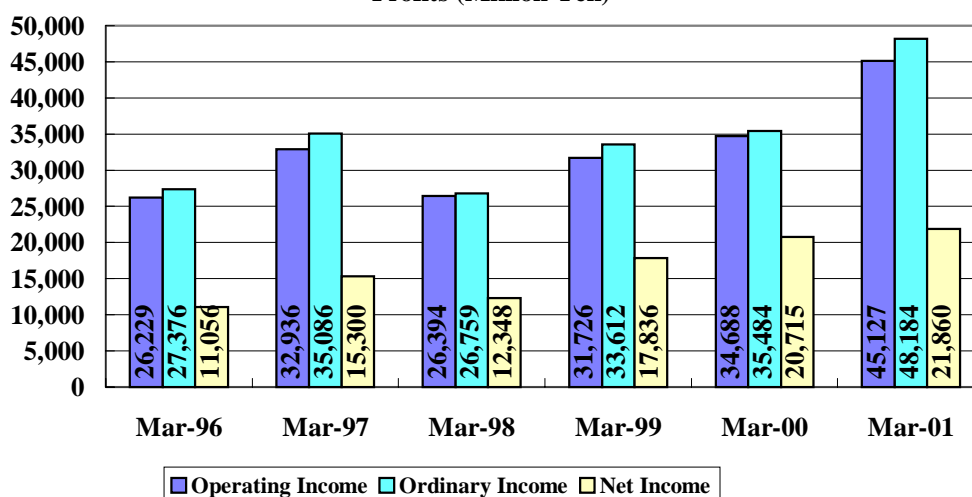


Thanks to the solid sales of high-function and high value-added products through the year under review, operating income, ordinary income and net income increased 30.1%, 35.8% and 5.5% on a year-on-year basis respectively, each recording historical annual results. The growth ratio of net income was lower than that of the other two incomes as the Company amortized Yen 15 billion incurred by the reorganization of the 13 companies in the business group of HOYA OPTICAL LABORATORIES, INC. ("HOLA" hereafter), a US subsidiary manufacturing lenses for eyeglasses, into branches of HOYA CORPORATION.

The EPS was Yen 188.24, an increase of Yen 9.85 on the last year.

Annual cash dividends per share was Yen 50.00, an increase of Yen 15.00 on the last year.

Profits (Million Yen)



Ref:

Conditions of Cash Flow

Millions of Yen
Year ended Mar. 31, 2001

Net cash provided by operating activities	¥42,737
Net cash used in investing activities	-39,465
Net cash provided by (used in) financing activities	-4,563
Cash and cash equivalents, end of period	¥51,697

(2) Segment Overview

1) Information Technology

Electro-Optics

With regard to mask blanks for manufacturing semiconductors, demand in overseas markets for high-precision products expanded rapidly, particularly for phase-shift mask blanks, and the development of next-generation technologies was activated. The HOYA Group responded quickly to such demands and sales increased favorably.

Sales of photomasks for manufacturing semiconductors increased in spite of the downturn in the semiconductor market due to the damping down of business sentiment in the United States and Europe in the latter half of the fiscal year under review, thanks to increased demand for masks following increasing development of technologies and of minute masks, and also thanks to the additional sales of the Mask Division of Oki Electric Industry Co., Ltd., which the HOYA Group had acquired in July 2000.

Sales of photomasks for LCDs were also favorable as HOYA responded to the substantial increase in demand by actively installing more production devices.

With regard to glass disks for HDDs (Hard Disk Drives), though the physical volume increased in accordance with the amount of HDDs shipped, the monetary value of the shipments grew relatively moderately due to the fall in unit price. Thanks to the favorable sales of 3-inch and 3.5-inch memory disks that have been produced substantially since the latter half of the previous fiscal year, sales of glass disks for HDDs increased as a whole.

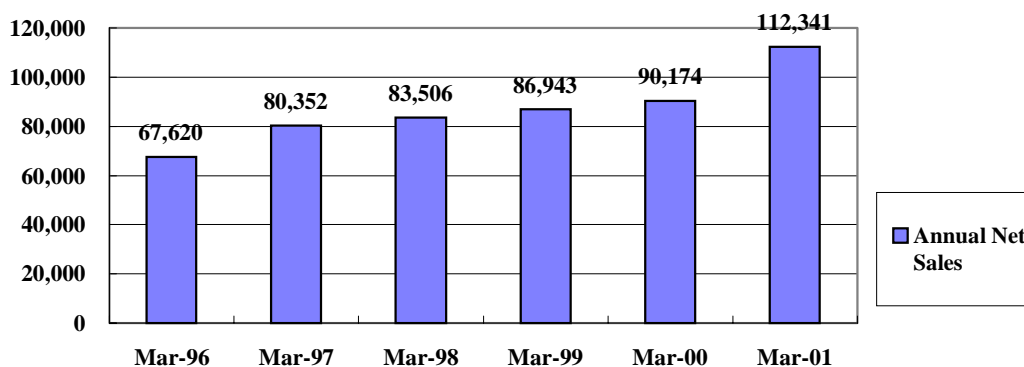
Sales of optical lenses and glasses increased thanks to favorable sales of aspheric mould lenses and polished lenses and of optical glass materials, as the market expanded substantially owing to better than expected growth in the market for digital still and video cameras.

In terms of WDM-related products, multi-layered filters manufactured in the United States sold well in the first half of the year while downturned in the fourth quarter.

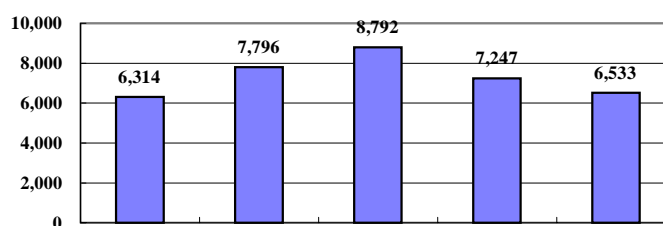
Photonics

Sales of laser-related equipment decreased as a whole, due to intensified competition in the market for scientific use, delays in production of some laser-related equipment for dental treatment, and reviews of the sales network thereof, while sales of laser-related equipment for industrial purposes increased reflecting the favorable condition of the semi-conductor market in the first half of the fiscal year under review.

Annual Net sales of Electro-Optics (Million Yen)



Annual Net sales of Photonics (Million Yen)



2) Eye Care

Vision Care

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

Overseas, sales in Asia, especially in the Republic of Korea, were favorable. In the United States, sales increased substantially thanks to the additional sales of the business group of HOYA OPTICAL LABORATORIES, INC. (formerly ORI, "HOLA" hereafter), which the company acquired in April 2000. In Europe, the newly set up laboratories across the region started to produce solid yields and the Buchmann Group, too, contributed to sales. Although this sector was most affected by currency fluctuations, especially by fluctuation of the Euro in Europe, in the fiscal year under review, sales increased in all regions.

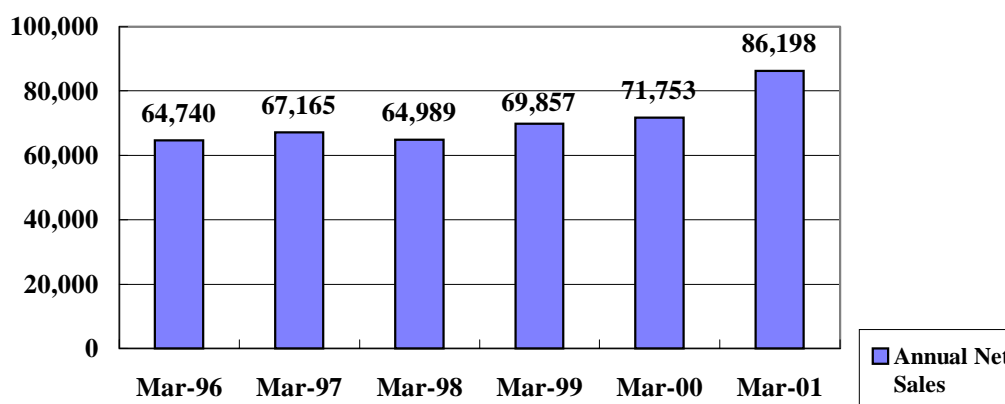
The company is focusing on establishing more laboratories (custom-made eyeglass lens processing plants) for area-based marketing. During the fiscal year under review, a new laboratory in France and another in the Kvushu area, the fifth in Japan, began operations.

Health Care

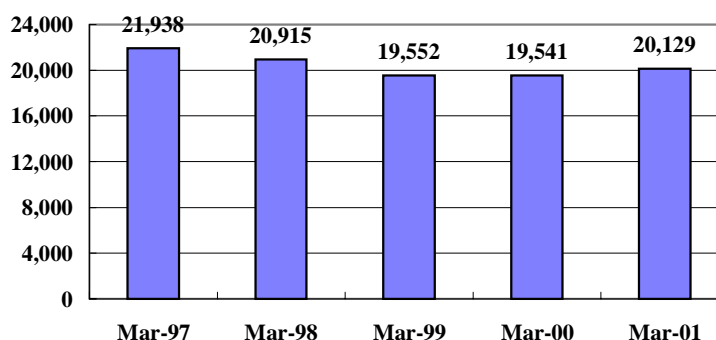
With regard to contact lenses, while disposable contact lenses increased in popularity and their unit price continued to fall, sales increased as HOYA reinforced sales of high value-added products including toric lenses (for astigmatic eyes) and bi-focal contact lenses and actively moved or opened new retail outlets to cope with changes in trading area locations.

Sales of hearing aids as a whole decreased slightly, while the sales share of state-of-the-art digital high-performance models increased. Sales of intraocular lenses increased thanks to the sales of lenses for ophthalmic operation of vitreous (HHV) and to the actively organized seminars with customers.

Annual Net sales of Vision Care (Million Yen)



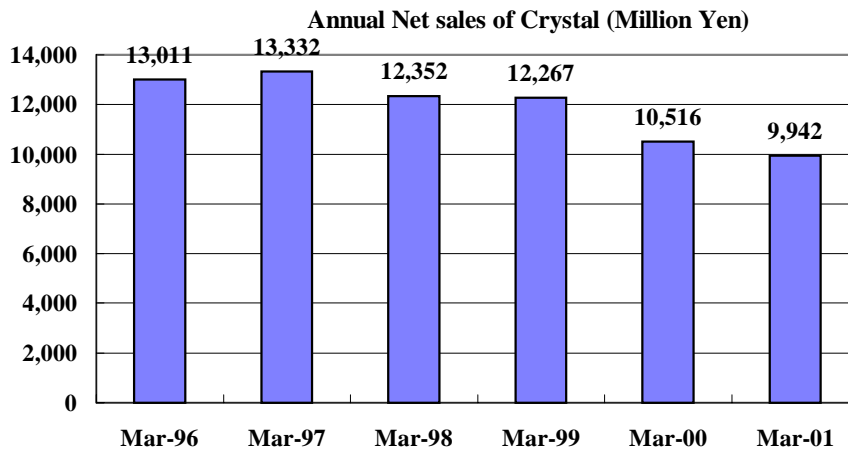
Annual Net sales of Health Care (Million Yen)



3) Lifestyle Refinement

Crystal

With regard to crystal, while there were some signs of reviving corporate demand backed by business recovery in the first half of the fiscal year under review, sluggish personal consumption persisted and the market stagnated as some department stores who were our important customers closed their operations; sales of crystal at HOYA decreased consequently from those of the previous fiscal year.



(3) Business Plans for the Year Ending March 31, 2002

In fiscal 2001, business conditions in Japan and Asia are likely to deteriorate sharply amid the damping down of business trends in the United States and Europe that had set off in the latter half of the fiscal year under review; affected by the trends, adjustments in plant and equipment investment and cuts in personnel are likely to remain in the next fiscal year across the world.

Falling stock prices and decreased income are expected to deteriorate already depressed personal consumption and the outlook for the stagnating business sentiment across the world is gloomy. With regard to those markets that relate to HOYA's business, a decrease in orders and curbs on plant and equipment investment are likely to remain in the markets for semiconductors and LCDs. The market for personal computers and digital cameras that had been thriving seem to have turned into phases of inventory adjustment. The domestic market for consumables remains difficult.

1) Setting out the Medium-term Management Plan

Under these circumstances, the HOYA Group sets out its Medium-term Management Plan for the next fiscal year focusing on reconstruction of the business portfolios and pursues maximization of corporate value once again.

More concretely, we will reinforce those businesses in which we have top market shares and have technological competitiveness furthermore, and will create new business in such growth areas as optical telecommunications, medical treatment, etc.

2) Subjects of the Company

For the Electro-Optics Company, an important issue is to guarantee stable supply of products that we have top market shares in to our customers. More specifically, those are mainly high-precision mask blanks for manufacturing semiconductors, photomasks for LCDs, aspheric lenses for digital cameras. We will meet customers' needs by efficiently operating the equipment that has been reinforced in the fiscal year under review and that under construction and will be in operation during the next fiscal year.

For the Eye Care Company, important issues are the reconstruction of business in Europe, including of Buchmann in Belgium and to massive entry into the US market by capitalizing on the laboratories (custom-made eyeglass lens processing plants) of the HOLA Group in the US which were turned into branches of HOYA Corporation in February 2001. At the same time, we will efficiently capitalize on those laboratories in Japan and abroad that have been newly set up or reinforced and strive to expand our strategy of area-based marketing of high value-added products.

In terms of contact lenses, the company will engaged in opening and relocation of retail outlets according to trends of consumption.

With respect to plant and equipment investment, we will make it our primary task to realize efficient and materially yielding operations for the production equipment that has been reinforced up to the fiscal year under review. In the next fiscal year, we will selectively invest in the equipment to catch up with progress of technology.

3) Promoting New Business Categories

In the Fiber Optics business domain, development of optical telecommunications devices destined for WDM (Wavelength Division Multiplexing) use is on the way. In long-term perspective, we will thoroughly differentiate ourselves by capitalizing on the technologies that we have accumulated over the years and will solidly enter into what is expected to be a highly profitable business.

In the Health Care business, we will solidly push our business, not just that of selling products, but combining sales of products with higher-order medical treatment by ophthalmologists. In particular, we plan to develop the business of intraocular lenses (IOLs) into the second business pillar of the Health Care Division by developing its technologies, investing in marketing and expanding into markets overseas.

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5. Consolidated Balance Sheets (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries

Millions of Yen

	As of Mar.31,		Variance	
	2001	2000	Value	(%)
ASSETS				
Current assets	¥154,763	¥137,263	¥17,500	12.7
Cash and deposits	44,697	51,654	-6,957	
Notes and accounts receivable - trades	55,143	45,636	9,507	
Marketable securities	7,000	-	7,000	
Inventories	36,506	32,822	3,684	
Deferred taxes	4,499	2,796	1,703	
Other current assets	7,975	5,218	2,757	
Allowance for doubtful receivables	-1,059	-866	-193	
Fixed assets	112,361	101,638	10,723	10.6
Tangible fixed assets	84,479	77,725	6,754	8.7
Buildings and structures	25,604	24,918	686	
Machinery and vehicles	38,041	33,865	4,176	
Lands	9,032	8,966	66	
Other tangible fixed assets	11,800	9,974	1,826	
Intangible fixed assets	4,413	4,127	286	6.9
Investments and other assets	23,468	19,785	3,683	18.6
Investment securities	9,741	9,860	-119	
Long-term deferred taxes	8,654	4,239	4,415	
Other investments and other assets	8,429	8,335	94	
Allowance for doubtful receivables	-3,357	-2,650	-707	
Deferred charges	485	439	46	10.5
Total Assets	267,610	239,341	28,269	11.8
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities	61,640	52,426	9,214	17.6
Notes and accounts payable - trades	23,610	20,492	3,118	
Short-term loan payable	4,630	3,408	1,222	
Income tax payable	9,679	6,164	3,515	
Accrued bonus	4,022	3,919	103	
Other current liabilities	19,697	18,440	1,257	
Long-term liabilities	10,003	11,174	-1,171	-10.5
Long-term loan payable	424	275	149	
Employees retirement benefits	8,360	8,452	-92	
Directors retirement benefits	343	1,054	-711	
Other long-term liabilities	875	1,392	-517	
Total Liabilities	71,643	63,601	8,042	12.6
Minority interest	633	594	39	6.6
Common stock	6,264	6,264	0	-
Additional paid-in capital	15,898	15,898	0	-
Retained earnings	184,361	168,106	16,255	9.7
Evaluation difference of investments securitization	-515	-	-515	-
Foreign currency statement translation adjustments	-10,675	-15,105	4,430	-29.3
Treasury stock, at cost	0	-18	18	-
Total Shareholders' Equity	195,333	175,145	20,188	11.5
Total	¥267,610	¥239,341	28,269	11.8
notes:		<u>Millions of Yen</u>		
Accumulated depreciation	¥128,850	¥117,951		
Sales of trade notes receivable for trust	10,356	8,406		
Guarantees of borrowings and lease obligations for customers	¥332	¥436		
Number of shares of treasury stock	30	1,868		

6. Consolidated Statements of Income (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries

	Millions of Yen			
	Years ended Mar. 31,		Variance	
	2001	2000	Value	(%)
Net sales	¥236,802	¥201,110	¥35,692	17.7
Cost of sales	135,318	115,338	19,980	17.3
Gross profit	101,483	85,771	15,712	18.3
Selling, general and administrative expenses	56,355	51,083	5,272	10.3
Operating income	45,127	34,688	10,439	30.1
Non-operating income	5,810	4,354	1,456	33.4
Interest income	557	371	186	
Foreign exchange gains	680	-	680	
Equity in earnings of associated companies	1,864	1,333	531	
Others	2,707	2,649	58	
Non-operating expenses	2,753	3,558	-805	-22.6
Interest expense	926	724	202	
Foreign exchange losses	-	1,184	-1,184	
Others	1,827	1,649	178	
Ordinary income	48,184	35,484	12,700	35.8
Extra-ordinary income	411	530	-119	-22.5
Gain on sales of property, plant and equipment	268	251	17	
Others	142	278	-136	
Extra-ordinary losses	17,087	2,522	14,565	577.5
Amortization of goodwill	14,347	-	14,347	
Loss on disposal of property, plant and equipment	986	570	416	
Share in premium for pension funds	-	717	-717	
Others	1,754	1,234	520	
Income before income taxes and other items	31,507	33,491	-1,984	-5.9
Income taxes - Current	14,720	13,033	1,687	12.9
Income taxes - Deferred	-5,169	-365	-4,804	-
Minority interests in net income	97	108	-11	-10.2
Net income	¥21,860	¥20,715	¥1,145	5.5
Net income per share(Yen)	¥188.25	¥178.39	¥9.86	5.5

Notes:

- 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	¥236,802	¥239,407	¥-2,605
Gross Profit	101,483	103,250	-1,767
Operating income	45,127	46,007	-880
Ordinary income	48,184	48,985	-801
Net income	¥21,860	¥22,446	¥-586

- Average rates of major foreign currencies:

	Years ended Mar. 31,		Variance(%)
	2001	2000	
US\$	¥111.19	¥110.70	-0.4%
Euro	¥100.47	¥113.56	11.5%
Thail Baht	¥2.65	¥2.92	9.2%

- Special note for extra-ordinary losses related to the organization of HOLA into HOYA's US branches
HOYA CORPORATION reorganized HOLA and other twelve companies of its group into HOYA's US branches on March 1, 2001.
Due to the reorganization, approx. Yen 14,347 million was amortized at once and appropriated into the extra-ordinary loss in the fourth quarter.

Special Notes for Income Taxes

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

	<u>Millions of Yen</u>	
	<u>As of Mar. 31,</u>	
	<u>2001</u>	<u>2000</u>
Current:		
Deferred tax assets:		
Depreciation	¥1,264	-
Inventories - intercompany unrealized profits	1,068	¥713
Accrued bonuses to employees	870	617
Accrued enterprise taxes	737	606
Other	1,173	858
Total	<u>5,113</u>	<u>2,796</u>
Deferred tax liabilities:		
Prepaid pension expenses	-487	-
Other	-126	-
Total	<u>-614</u>	<u>-</u>
Net deferred tax assets	<u>¥4,499</u>	<u>¥2,796</u>
Non-current:		
Deferred tax assets:		
Depreciation	4,327	658
Accrued retirement benefits	2,386	2,518
Devaluation losses on property, plant and equipment and other assets	640	609
Allowance for doubtful receivables	626	596
Other	1,863	1,235
Total	<u>9,844</u>	<u>5,618</u>
Deferred tax liabilities:		
Reserves for special depreciation and other	¥-1,018	¥-1,206
Other	-171	-171
Total	<u>-1,190</u>	<u>-1,378</u>
Net deferred tax assets	<u>¥8,654</u>	<u>¥4,239</u>

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:

	<u>Years ended Mar.31,</u>	
	<u>2001</u>	<u>2000</u>
Normal effective statutory tax rate	41.7 %	41.7 %
Lower income tax rates applicable to income in certain foreign countries	-12.1	-3.0
Expences not permanently deductible for income tax purposes	0.8	0.6
Per capita portion	0.4	0.3
Non-taxable dividend income	-3.8	-4.6
Intercompany cash dividend	3.8	4.4
Other - net	-0.5	-1.6
Actual effective tax rate	<u>30.3</u>	<u>37.8</u>

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	¥54,237
Plan assets	<u>40,107</u>
Unreserved projected benefit obligation	14,130
Unamortized transition gain	2,955
Unrecognized decrease of benefit	1,858
Unrecognized increase of benefit	12,300
Prepaid pension cost	<u>1,716</u>
Employees' retirement benefits	<u>¥8,360</u>
(2) Pension Cost	
Service cost	¥1,798
Interest cost	1,809
Expected return on plan assets	2,567
Amortization of transition gain and other	<u>292</u>
Pension cost	<u>¥746</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

7. Consolidated Statements of Retained Earnings

HOYA CORPORATION and Consolidated Subsidiaries

(Unaudited)

Items	Millions of Yen		
	<u>Years ended Mar. 31,</u>		Variance
	2001	2000	
Balance at the beginning of the period	¥168,106	¥144,910	¥23,196
Adjustment of retained earnings	-	6,718	-6,718
for the adoption of deferred tax accounting method	-	6,718	-6,718
Appropriations	5,605	4,237	1,368
1. Cash dividends	4,528	3,716	812
2. Bonuses to directors	248	290	-42
3. Transfer of retained earnings of the subsidiary reorganized to branch	820	-	820
4. Transfer of retained earnings of the merged subsidiary to additional paid-in capital	7	230	-223
Net income	21,860	20,715	¥1,145
Balance at the end of the period	¥184,361	¥168,106	¥16,255

8. Consolidated Statements of Cash Flows (unaudited)

HOYA CORPORATION and Consolidated Subsidiaries

(Figures less than a million yen are omitted.)

	<u>Millions of Yen</u>		
	<u>Years ended Mar.31,</u>		Variance
	2001	2000	
OPERATING ACTIVITIES:			
Net Income	¥21,860	¥20,715	¥1,145
Adjustments for:			
Depreciation and amortization	17,790	17,233	557
Amortization of Goodwill	14,347	-	14,347
Provision for (Reversal of) accrued retirement benefits	-797	-79	-718
Provision for (Reversal of) reserve for periodic repairs	-59	-260	201
Equity in earnings of associated companies	-1,864	-1,333	-531
Minority interest in net income	97	108	-11
Foreign exchange loss (gain)	-752	-480	-272
Bonus to directors	-250	-292	42
Devaluation losses on non-current marketable securities	1,214	398	816
Gain on sales of property, plant and equipment and investment securities	-394	-681	287
Loss on disposal of property, plant and equipment and investment securities	1,353	570	783
Other	359	-	359
<i>Changes in assets and liabilities:</i>			
Increase in notes and accounts receivable	-5,540	-1,077	-4,463
Increase in inventories	-1,749	-5,035	3,286
(Increase) Decrease in other current assets	-47	2,833	-2,880
Increase in notes and accounts payable	1,544	1,157	387
Decrease in income taxes payable	-3,870	-1,102	-2,768
(Decrease) Increase in other current liabilities	-501	2,289	-2,790
Total adjustment			
Net cash provided by operating activities	42,737	34,963	7,774
INVESTING ACTIVITIES:			
Decrease in marketable securities	0	174	-174
Payment for purchases of property, plant and equipment	-21,588	-16,227	-5,361
Proceeds from sales of property, plant and equipment	695	-	695
Payments for purchases of subsidiaries net of cash acquired	-16,409	0	-16,409
Increase in investments and other assets	-5,380	-3,843	-1,537
Decrease in investments and other assets	3,218	0	3,218
Net cash used in investing activities	-39,465	-19,895	-19,570
FINANCING ACTIVITIES:			
Net increase in short-term borrowings	-82	-2,106	2,024
Proceeds from long-term bank loans	307	-	307
Repayment of long term bank loans	-221	-	-221
Proceeds from sales of treasury stock	363	-	363
Payments for purchases of treasury stock	-348	-	-348
Dividends paid	-4,581	-3,784	-797
Other	0	-8	8
Net cash used in financing activities	-4,563	-5,899	1,336
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-1,292	9,168	-10,460
Effect of Exchange Rate Changes on Cash and Cash Equivalents	1,298	-1,021	2,319
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	¥51,697	¥51,654	¥43

Special Notes for Consolidated Statements of Cash Flows

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

	<u>Millions of Yen</u>	
	<u>Years ended March 31,</u>	
	<u>2001</u>	<u>2000</u>
Cash and deposits	¥44,697	¥51,654
Marketable securities	7,000	-
Total	<u>¥51,697</u>	<u>¥51,654</u>

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

Year ended March 31, 2001

	<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>

MIDWEST OPTICAL LABORATORIES, INC. (as of October 31, 2000)

Current assets	¥184
Goodwill	486
Fixed assets	48
Current liabilities	-73
Long-term liabilities	-68
Value for acquisition of shares of this subsidiary	577
Cash and cash equivalents possessed by this subsidiary	-64
Balance : Payments for purchases of this subsidiary net of cash acquired	<u>¥513</u>

Year ended March 31, 2000

Five (5) subsidiaries of BUCHMANN group (as of September 1, 1999)

Current assets	¥4,556
Fixed assets	1,952
Current liabilities	-4,076
Long-term liabilities	-532
sub total	<u>1,899</u>
Payments for acquisition of shares of these subsidiaries	2,015
Cash and cash equivalents possessed by these subsidiaries	-115
Balance : Payments for purchases of these subsidiaries net of cash acquired	<u>¥1,899</u>

3. Details of Asstets and Liabilities of the Newly Consolidated Subsidiary

HOYA CRYSTAL SHOP CORPORATION (as of April 1, 2000)

Current assets	¥174
Fixed assets	277
Total assets	<u>451</u>
Current liabilities	-368
Long-term liabilities	-55
Total liabilities	<u>¥-423</u>

9. 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 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 Mar. 31, 2001	as of Mar. 31, 2000	variance
Consolidated subsidiaries	46 (do 6, os40)	46 (do 5, os41)	- (do+1, os -1)
Nonconsolidated subsidiaries	2 (do 2, os -)	2 (do 2, os -)	- (do -, os -)
Affiliates	8 (do 6, os 2)	9 (do 7, os 2)	-1 (do-1, os-)
Total Hoya Group	56	57	-1

(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, 2000.....No change in number of companies in total

1 company increased due to the consolidation:

HOYA CRYSTAL SHOP CORPORATION (Japan)

3 companies increased due to the establishment:

HOYA ORI, INC. (USA)

(changed its corporate name to HOYA OPTICAL LABORATORIES, INC.) (USA)

3-D OPTICAL, INC. (USA)

CB SALT LAKE, INC. (USA)

HOYA PHOTONICS SINGAPORE (Singapore)

12 companies increased due to the acquisition:

ORG OPERATING COMPANY (USA, hereunder)

(was merged into HOYA OPTICAL LABORATORIES, INC.)

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 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

13 companies marked by # in the above

b. Application of the equity method : No change

2. Changes in accounting policy :

None

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 Devices for liquid-crystal displays (LCDs), Glass disks for hard disk drives (HDDs), Optical Communication, Optical lenses, optical glasses, electronic glasses, etc.
	Photonics	Lazer equipments for industrial, research & laboratory, and medical purposes, etc.
Eye Care	Vision Care	Eyeglass lenses, eyeglass frames, ophthalmic equipments, etc.
	Health Care	Contact lenses, intraocular lenses, hearing aids, etc.
Lifestyle Refinement	Crystal	Crystal glass products
	Service	Design of information systems, placement of temporary staff, etc.

2. Corporate operating expenses mainly consist of the administration expenses of the headquarters of the Company and the overseas regional holding companies in the two geographic areas, which are not allocated to each industry segment. Corporate operating expenses for the years or three months ended Mar. 31, 2001 and 2000 are as follows:

	<u>2001</u>	<u>2000</u>
year	¥2,328 million	¥2,888 million
three months	¥537 million	¥630 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 Mar. 31, 2001 and 2000 are as follows:

	<u>2001</u>	<u>2000</u>
	¥47,210 million	¥49,867 million

(2) Geographic Segments

(Figures less than a million Yen are omitted.)

Annual : for the year ended March 31, 2001

	Millions of Yen						Consolidated
	Japan	North America	Europe	Asia	Total	Eliminations or corporate	
Net sales:							
To outside customers	¥168,855	¥34,209	¥24,944	¥8,792	¥236,802	-	¥236,802
Intersegment	17,927	547	893	39,236	58,605	(¥58,605)	-
Total	186,783	34,757	25,837	48,028	295,407	(58,605)	236,802
Operating expenses	150,990	34,294	22,811	41,130	249,227	(57,553)	191,674
Operating income	¥35,793	¥462	¥3,025	¥6,898	¥46,179	(¥1,052)	¥45,127
Operating income ratio	19.2%	1.3%	11.7%	14.4%	15.6%	-	19.1%
Assets	¥139,320	¥21,072	¥26,999	¥48,143	¥235,536	¥32,074	¥267,610

Annual : for the year ended March 31, 2000

	Millions of Yen						Consolidated
	Japan	North America	Europe	Asia	Total	Eliminations or corporate	
Net sales:							
To outside customers	¥147,553	¥22,371	¥23,108	¥8,076	¥201,110	-	¥201,110
Intersegment	18,122	204	625	29,966	48,919	(¥48,919)	-
Total	165,675	22,575	23,734	38,043	250,029	(48,919)	201,110
Operating expenses	138,464	21,970	20,139	33,518	214,094	(47,672)	166,421
Operating income	¥27,210	¥604	¥3,595	¥4,524	¥35,935	(¥1,246)	¥34,688
Operating income ratio	16.4%	2.7%	15.1%	11.9%	14.4%	-	17.2%
Assets	¥127,774	¥15,255	¥23,101	¥39,187	¥205,319	¥34,021	¥239,341

Ref:

Differences between the years ended Mar.31, 2001 and 2000

	Millions of Yen						Consolidated
	Japan	North America	Europe	Asia	Total	Elimi. or corp.	
Net sales:							
To outside customers	¥21,302	¥11,838	¥1,836	¥716	¥35,692	-	¥35,692
Variance(%)	14.4%	52.9%	7.9%	8.9%	17.7%	-	17.7%
Intersegment	¥-195	¥343	¥268	¥9,270	¥9,686	¥-9,686	-
Total	21,108	12,182	2,103	9,985	45,378	-9,686	35,692
Operating expenses	12,526	12,324	2,672	7,612	35,133	-9,881	25,253
Operating income	¥8,583	¥-142	¥-570	¥2,374	¥10,244	¥194	¥10,439
Variance(%)	31.5%	-23.5%	-15.9%	52.5%	28.5%	-	30.1%
Assets	¥11,546	¥5,817	¥3,898	¥8,956	¥30,217	¥-1,947	¥28,269

Notes:

- 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 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 years ended Mar. 31, 2001 and 2000 are as follows:

2001	¥2,149 million	2000	¥2,715 million
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- Corporate assets mainly consist of cash, time deposits, marketable securities, investments securities and administrative assets of the Company and the overseas regional holding companies in the two geographic areas. Corporate assets as of Mar. 31, 2001 and 2000 are as follows:

2001	¥44,663 million	2000	¥47,698 million
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(3) Sales to Foreign Customers

(Figures less than a million Yen are omitted.)

Annual : for the year ended Mar. 31, 2001

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	¥36,184	¥35,870	¥27,491	¥44	¥99,590
Consolidated Sales (B)					¥236,802
Overseas Sales ratio A/B	15.3%	15.2%	11.6%	0.0%	42.1%
Regional Sales ratio	36.3%	36.0%	27.6%	0.1%	100.0%

Annual : for the year ended Mar. 31, 2000

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	¥22,099	¥27,841	¥24,256	¥69	¥74,267
Consolidated Sales (B)					¥201,110
Overseas Sales ratio A/B	11.0%	13.8%	12.1%	0.0%	36.9%
Regional Sales ratio	29.8%	37.5%	32.7%	0.1%	100.0%

Ref:

Differences between the years ended Mar.31, 2001 and 2000

	Millions of Yen				
	North America	Europe	Asia	Other	Total
Overseas Sales (A)	¥14,085	¥8,029	¥3,235	¥-25	¥25,323
Consolidated Sales (B)					¥35,692
Variance of Overseas Sales	63.7%	28.8%	13.3%	-36.2%	34.1%

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.

11. Composition of Net Sales by Business Category

HOYA CORPORATION and Consolidated Subsidiaries

Annual : Years ended March 31, 2001 and 2000

Business Category Company	Years ended March 31,		Variance	
	2001	2000	Value	%
Millions of Yen [%]				
Electro-Optics				
Domestic	¥61,492 (54.7)	¥51,357 (57.0)	¥10,135	19.7
Overseas	50,848 (45.3)	38,817 (43.0)	12,031	31.0
total	112,341 [47.4]	90,174 [44.8]	22,167	24.6
Photonics				
Domestic	3,880 (59.4)	4,162 (57.4)	-282	-6.8
Overseas	2,652 (40.6)	3,084 (42.6)	-432	-14.0
total	6,533 [2.8]	7,247 [3.6]	-714	-9.9
Information Technology				
Domestic	65,373 (55.0)	55,519 (57.0)	9,854	17.7
Overseas	53,501 (45.0)	41,902 (43.0)	11,599	27.7
total	118,875 [50.2]	97,421 [48.4]	21,454	22.0
Vision Care				
Domestic	41,083 (47.7)	40,423 (56.3)	660	1.6
Overseas	45,114 (52.3)	31,329 (43.7)	13,785	44.0
total	86,198 [36.4]	71,753 [35.7]	14,445	20.1
Health Care				
Domestic	20,029 (99.5)	19,423 (99.4)	606	3.1
Overseas	99 (0.5)	117 (0.6)	-18	-15.4
total	20,129 [8.5]	19,541 [9.7]	588	3.0
Eye Care				
Domestic	61,113 (57.5)	59,846 (65.6)	1,267	2.1
Overseas	45,214 (42.5)	31,447 (34.4)	13,767	43.8
total	106,327 [44.9]	91,294 [45.4]	15,033	16.5
Crystal				
Domestic	9,067 (91.2)	9,599 (91.3)	-532	-5.5
Overseas	874 (8.8)	916 (8.7)	-42	-4.6
total	9,942 [4.2]	10,516 [5.2]	-574	-5.5
Service				
Domestic	1,657 (100.0)	1,877 (100.0)	-220	-11.7
Overseas	- (-)	0 (0.0)	0	0.0
total	1,657 [0.7]	1,877 [0.9]	-220	-11.7
Lifestyle Refinement				
Domestic	10,724 (92.5)	11,476 (92.6)	-752	-6.6
Overseas	874 (7.5)	917 (7.4)	-43	-4.7
total	11,599 [4.9]	12,393 [6.2]	-794	-6.4
Total Net Sales				
Domestic	¥137,211 (57.9)	¥126,843 (63.1)	¥10,368	8.2
Overseas	99,590 (42.1)	74,267 (36.9)	25,323	34.1
Total	¥236,802 [100.0]	¥201,110 [100.0]	¥35,692	17.7

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.

12.Changes in Directors of HOYA CORPORATION

(As of June 26, 2001)

(1) Change in Representative Directors

No change

(2) Change in the Other Directors

1. Candidate for New Director

Outside Director	Yuzaburo Mogi	Presently President of Kikkoman Corporation
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Re: Subject to be selected at the 63rd Ordinary General Meeting of Shareholders on June 26, 2001.

2. Retiring Director

Executive Managing Director	Takao sato
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3. Promoted Director

None

4. Candidates for New Auditors

Corporate Auditor	Takashi Kato	Presently Manager of Personnel and Administration, Electro-Optics Company
Corporate Auditor	Yasuo Ozawa	Presently Manager of Accounting Group, Financial Department

Re: Subject to be selected at the 63rd Ordinary General Meeting of Shareholders on June 26, 2001.

5. Retiring Auditors

Standing Corporate Auditor	Toru Ishii
Corporate Auditor	Tsutomu Onogi

(3) Date of Newly Appointment

June 26, 2001