

Quarterly Report

1st Quarter : 3 months ended June 30, 2020

Consolidated (HOYA CORPORATION and Consolidated Subsidiaries)

Part .1

1st Quarter : from April 1 to June 30, 2020 <IFRS>

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Notes:

1. HOYA's fiscal year (FY) : from April 1 to March 31 of the following year.
2. These financial statements are excerpt translation of Japanese "Kessan Tanshin" and have been prepared for the references only of foreign investors.

HOYA CORPORATION

This report is provided solely for the information of professional analysts who are expected to make their own evaluation of the company. This report contains forward-looking statements that are based on management's assumptions and beliefs in light of the information currently available to it and therefore you should not place undue reliance on them.

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

We accept no liability whatsoever for any direct or consequential loss arising from any use of this report.

1. Quarterly Consolidated Financial Highlights

HOYA CORPORATION and Consolidated Subsidiaries

1. Performance for the three months ended June 30, 2019 and 2020 (All operations *Notes)

(The yen amounts shown therein are rounded off to the nearest million.)

	Three months ended		Variance (%)
	Jun. 30, 2019	Jun. 30, 2020	
(1)Revenue and Profit before tax			
Revenue	140,819	109,327	-22.4
Profit before tax	37,045	31,942	-13.8
Ratio of profit before tax(%)	26.3%	29.2%	
Profit for the quarter	30,148	25,629	-15.0
Ratio of profit for the quarter(%)	21.4%	23.4%	
Profit attributable to owners of the Company	30,045	25,884	-13.9
Ratio of profit attributable to owners of the Company(%)	21.3%	23.7%	
Basic earnings per share (yen)	79.22	69.06	
Diluted earnings per share (yen)	79.07	68.95	

	As of	
	Mar. 31, 2020	Jun. 30, 2020
(2)Financial Position		
Total assets	811,008	787,606
Total equity	629,265	637,183
Equity attributable to owners of the Company	645,042	653,078
Ratio of assets attributable to owners of the Company	79.5%	82.9%
Assets attributable to owners of the Company per share (yen)	1,720.11	1,742.64

	Three months ended	
	Jun. 30, 2019	Jun. 30, 2020
(3) Conditions of Cash Flows		
Net cash generated from operating activities	35,440	10,779
Net cash used in investing activities	-10,882	-6,492
Free cash flow	24,559	4,287
Net cash provided by (used in) financing activities	-37,747	-19,836
Cash and cash equivalents at end of period	273,831	301,513

2. Projected Results for the First Half (Six months ending September 30, 2020) for All Operations

	Six months ended/ending		Variance (%)
	Sep. 30, 2019	Sep. 30, 2020	
Revenue	294,948	245,000	-16.9
Profit before tax	81,266	67,000	-17.6
Profit for the term	65,181	53,500	-17.9
Profit attributable to owners of the Company	64,911	53,500	-17.6
Profit for the term per share (Yen)	171.64	142.75	—

3. Other

	Three months ended	
	Jun. 30, 2019	Jun. 30, 2020
Capital expenditure	11,140	7,999
R&D expenses	6,355	4,840

Notes:

"All operations" means here that the figures are including not only "Continuing operations" but also "Discontinued operations".

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

2. Results of Operations

1) General Overview

HOYA Group ("the Company") sales for the first quarter of the consolidated fiscal year under review (April 1 through June 30, 2020) amounted to 109,327 million yen, a decrease of 22.4% compared to the same period in the prior fiscal year.

Quarterly profit before tax amounted to 31,942 million yen with 25,629 million yen in profit, representing year-on-year decreases of 13.8% and 15.0%, respectively.

Profit before tax ratio was 29.2%, representing a year-on-year increase of 2.9 points.

Disclosed figures and change ratios are for businesses with continuing operations. There were no discontinued businesses in the first quarter or in the same quarter of the previous year.

Sales of eyeglass lenses and contact lenses in health care-related products in the Life Care segment decreased year on year. Sales of medical-use endoscopes and intraocular lenses for cataracts in our medical-related products domain decreased. As a whole, the Company's Life Care segment sales were lower.

The Information Technology segment reported significantly higher sales of electronics-related semiconductor mask blanks, higher sales of photomasks for LCDs and higher sales of glass substrates for hard disk drives. Meanwhile, imaging-related products sales were lower year on year. As a result, the Information Technology segment as a whole reported firm performance.

2) Segment Overview

The following discusses results by reportable segment. (Segment sales represent sales to external customers.)

Life Care

<Health care related products>

Sales of eyeglass lenses were impacted significantly, mainly due to government policies in Japan and around the world restricting economic activities to limit the spread of COVID-19. Other factors included temporary closures among our eyeglass retailer customers and restrictions on non-essential travel outside the home. While policy differences remain among countries, deregulation has led to a gradual recovery in demand, and our sales have likewise experienced a trend toward recovery. However, quarterly sales were lower year on year.

Contact lens sales in Japan were significantly impacted by temporary closures of our Eyecity specialty stores and shorter operating hours, all in response to the government's declaration of emergency. Although sales declined year on year, performance began recovering after the cancellation of the state of emergency.

<Medical related products>

Sales of medical-use endoscopes decreased year on year as the impact of the spread of COVID-19 resulted in limitations on economic activities in countries around the world, which also had a negative impact on our sales activities.

Sales of intraocular lens products for cataracts were significantly impacted by a decrease in cataract surgeries in Japan and overseas due to the spread of COVID-19. As surgeries resumed, we saw a trend toward recovery in sales, however, quarterly sales were lower year on year.

As a result, sales for the Life Care segment decreased 34.0% year on year to 61,908 million yen. Segment profit decreased 40.3% to 10,319 million yen.

Information Technology

<Electronics related products>

Sales of mask blanks for semiconductors grew significantly year on year. This growth was mainly due to active research and development for cutting-edge products, including products for EUV (extreme ultraviolet), and our capturing demand for mass-production launches.

Sales of photomasks for LCDs rose as we captured OLED-related (organic light-emitting diode) demand in the growing Chinese market.

Sales of 2.5-inch glass substrates for hard disk drives decreased year on year due to the ongoing shift from hard disk drives to solid state drives (SSDs) and supply chain disruptions caused by the spread of COVID-19. 3.5-inch products, expected to grow significantly in the future, experienced major sales growth due to strong ongoing demand for nearline use among data centers, the end customers for the devices. As a result, overall sales for glass substrates were higher year on year.

<Imaging related products>

Smartphones continued to erode the compact digital camera and interchangeable lens markets. Additionally, decreases on operating capacity at customer production facilities due to the impact of the spread of COVID-19, restrictions on non-essential travel, temporary retail store closures and other factors had a negative impact on demand for camera products and sales. Due to these factors, sales of our lenses for cameras declined, driving overall sales lower.

As a result, Information Technology segment sales revenues rose 0.6%, reaching 46,233 million yen. Segment profit rose 5.8% to 21,677 million yen.

Other

The HOYA Group Other business segment consists of new businesses and businesses offering information systems services. The Other segment reported sales of 1,185 million yen, an increase of 10.7% year on year. Segment profit rose significantly year on year to 192 million yen.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Statement of Financial Position

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

	As of Mar. 31, 2020		As of Jun. 30, 2020		Variance		As of Jun. 30, 2019	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
ASSETS								
NON-CURRENT ASSETS								
Property, plant and equipment-net	152,302		153,148		846		135,952	
Goodwill	42,082		41,803		-279		41,622	
Intangible assets	39,796		38,524		-1,271		43,161	
Investments in associates	1,007		723		-284		1,350	
Long-term financial assets	45,975		46,641		666		43,749	
Other non-current assets	685		658		-28		680	
Deferred tax assets	7,990		6,825		-1,165		9,892	
Total non-current assets	289,836	35.7	288,322	36.6	-1,514	-0.5	276,406	36.2
CURRENT ASSETS								
Inventories	78,130		79,711		1,581		81,738	
Trade and other receivables	103,339		96,250		-7,090		105,869	
Other short-term financial assets	1,303		1,234		-69		2,614	
Income tax receivables	510		813		303		1,025	
Other current assets	19,907		19,764		-143		21,738	
Cash and cash equivalents	317,982		301,513		-16,468		273,831	
Total current assets	521,171	64.3	499,284	63.4	-21,887	-4.2	486,816	63.8
Total assets	811,008	100.0	787,606	100.0	-23,401	-2.9	763,222	100.0

(Millions of Yen)

	As of Mar. 31, 2020		As of Jun. 30, 2020		Variance		As of Jun. 30, 2019	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
EQUITY AND LIABILITIES								
EQUITY								
Share capital	6,264		6,264		—		6,264	
Capital reserves	15,899		15,899		—		15,899	
Treasury shares	-27,963		-9,400		18,564		-26,910	
Other capital reserves	-8,428		-8,518		-90		-7,550	
Retained earnings	676,058		664,282		-11,776		631,009	
Accumulated other comprehensive income/(loss)	-16,788		-15,449		1,339		-11,904	
Equity attributable to owners of the Company	645,042	79.5	653,078	82.9	8,036	1.2	606,808	79.5
Non-controlling interests	-15,777		-15,895		-118		4,523	
Total equity	629,265	77.6	637,183	80.9	7,918	1.3	611,330	80.1
LIABILITIES								
NON-CURRENT LIABILITIES								
Interest-bearing long-term debt	14,472		14,517		46		16,004	
Other long-term financial liabilities	23,923		23,048		-875		5,466	
Retirement benefits liabilities	3,203		3,333		130		2,986	
Provisions	2,539		2,520		-19		2,609	
Other non-current liabilities	1,363		1,436		73		1,452	
Deferred tax liabilities	3,851		4,632		781		4,911	
Total non-current liabilities	49,350	6.1	49,486	6.3	136	0.3	33,428	4.4
CURRENT LIABILITIES								
Interest-bearing short-term debt	7,494		7,648		154		7,344	
Trade and other payables	62,895		47,260		-15,635		55,882	
Other short-term financial liabilities	2,824		2,865		42		2,931	
Income tax payables	17,765		6,937		-10,828		9,549	
Provisions	1,234		1,149		-85		1,284	
Other current liabilities	40,181		35,077		-5,104		41,473	
Total current liabilities	132,393	16.3	100,937	12.8	-31,455	-23.8	118,463	15.5
Total liabilities	181,743	22.4	150,423	19.1	-31,320	-17.2	151,891	19.9
Total equity and liabilities	811,008	100.0	787,606	100.0	-23,401	-2.9	763,222	100.0
Total number of issued shares in thousand	375,000		374,764		-236		377,593	
Equity attributable to owner of the Company per share	1,720.11 Yen		1,742.64 Yen		22.53 Yen		1,607.04 Yen	

(2)Quarterly Consolidated Statement of Cash Flows

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

	For the three months ended		Variance	Three months ended Mar. 31, 2020
	Jun. 30, 2019	Jun. 30, 2020		
Cash flows from operating activities				
Profit before tax	37,045	31,942	-5,104	27,679
Depreciation and amortization	8,383	8,431	48	8,902
Impairment losses	—	—	—	300
Finance income	-977	-546	431	-827
Finance costs	163	257	94	215
Share of (profits)/loss of associates	378	136	-242	230
(Gain)/loss on sales of property, plant and equipment	-46	-21	25	-127
Loss on disposal of property, plant and equipment	22	2	-20	116
Foreign exchange (gain)/loss	1,222	1,522	300	-1,690
Others	-3,222	-8,358	-5,136	-1,889
Net cash generated from operating activities (Before adjustment of movements in working capital)	42,967	33,366	-9,602	32,909
Movements in working capital				
Decrease/(increase) in inventories	-4,479	-1,172	3,306	618
Decrease/(increase) in trade and other receivables	2,773	5,974	3,201	8,229
Increase/(decrease) in trade and other payables	-444	-12,033	-11,589	4,473
Increase/(decrease) in retirement benefits liabilities and provisions	299	-68	-366	-8
Sub total	41,117	26,066	-15,050	46,221
Interests received	878	588	-289	750
Dividends received	12	7	-5	—
Interests paid	-168	-128	40	-115
Income taxes paid	-6,398	-15,753	-9,355	-3,711
Income taxes refunded	—	—	—	29
Net cash generated from operating activities	35,440	10,779	-24,661	43,175
Cash flows from investing activities				
Withdrawals of time deposit	803	16	-786	345
Payments for time deposit	-633	-5	628	-427
Proceeds from sales of property, plant and equipment	93	907	814	61
Payments for acquisition of property, plant and equipment	-10,671	-7,132	3,540	-12,410
Proceeds from sales of investment	899	—	-899	—
Payments for acquisition of investment	-364	—	364	-414
Payments for purchase of subsidiary	-455	-130	325	—
Payments for business transfer	-87	—	87	-372
Other proceeds	50	99	48	59
Other payments	-517	-247	270	-568
Net cash used in investing activities	-10,882	-6,492	4,389	-13,725
Cash flows from financing activities				
Dividends paid to owners of the Company	-17,034	-16,803	231	-18
Increase (decrease) in short-term debt	—	300	300	—
Proceeds from long-term borrowings	—	738	738	—
Repayments of long-term borrowings	-92	-5	88	-20
Payments for lease liabilities	-1,865	-1,728	137	-1,650
Payments for purchase of treasury shares	-19,108	-2,425	16,683	-10,994
Proceeds from exercise of stock options	353	89	-265	132
Proceeds from share issuance to non-controlling shareholders	—	—	—	187
Net cash used in financing activities	-37,747	-19,836	17,911	-12,363
Net increase/(decrease) in cash and cash equivalents	-13,188	-15,549	-2,360	17,086
Cash and cash equivalents at the beginning of the term	293,397	317,982	24,584	304,397
Effects of exchange rate changes on the balance of cash and cash equivalents in foreign currencies	-6,378	-920	5,458	-3,502
Cash and cash equivalents at the end of the term	273,831	301,513	27,682	317,982

(3) Quarterly Consolidated Statement of Comprehensive Income

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

	For the three months ended				Variance		For the three months ended	
	Jun. 30, 2019		Jun. 30, 2020		Amount	(%)	Amount	(%)
	Amount	(%)	Amount	(%)				
All operations								
Revenue:								
Sales	140,819	100.0	109,327	100.0	-31,492	-22.4	135,116	100.0
Finance income	977	0.7	546	0.5	-431	-44.1	827	0.6
Other income	600	0.4	3,850	3.5	3,250	541.8	616	0.5
Total Revenue	142,396	101.1	113,723	104.0	-28,673	-20.1	136,559	101.1
Expenses:								
Changes in inventories of goods, products and work in progress	-2,998	-2.1	380	0.3	3,379	—	1,302	1.0
Raw materials and consumables used	22,660	16.1	16,076	14.7	-6,584	-29.1	22,532	16.7
Employee benefits expense	33,473	23.8	23,088	21.1	-10,385	-31.0	33,400	24.7
Depreciation and amortization	8,383	6.0	8,431	7.7	48	0.6	8,902	6.6
Subcontracting cost	1,293	0.9	1,107	1.0	-186	-14.4	1,126	0.8
Advertising and promotion expense	3,416	2.4	1,477	1.4	-1,938	-56.8	2,585	1.9
Commission expense	8,160	5.8	6,743	6.2	-1,417	-17.4	8,690	6.4
Impairment losses	—	—	—	—	—	—	300	0.2
Finance costs	163	0.1	257	0.2	94	58.0	215	0.2
Share of loss of associates	378	0.3	136	0.1	-242	-64.0	230	0.2
Foreign exchange (gain)/loss	1,844	1.3	1,957	1.8	113	6.1	-1,175	-0.9
Other expenses	28,580	20.3	22,129	20.2	-6,452	-22.6	30,773	22.8
Total expense	105,351	74.8	81,782	74.8	-23,569	-22.4	108,880	80.6
Profit before tax	37,045	26.3	31,942	29.2	-5,104	-13.8	27,679	20.5
Income tax expense	6,897	4.9	6,313	5.8	-584	-8.5	7,940	5.9
Profit for the term from all operations	30,148	21.4	25,629	23.4	-4,520	-15.0	19,739	14.6
Other comprehensive income:								
Items that will not be reclassified subsequently to profit or loss								
Assets measured at fair value through other comprehensive income	-98		646		743		992	
Remeasurements of the net defined benefit liability(asset)	1		2		1		-39	
Income tax relating to components of other comprehensive income	21		-197		-218		-223	
Total items that will not be reclassified subsequently to profit or loss	-76		450		527		730	
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translation of foreign operations	-11,165		1,172		12,337		-12,972	
Share of other comprehensive income of associates	-11		-148		-137		88	
Income tax relating to components of other comprehensive income	-0		2		2		-94	
Total items that may be reclassified subsequently to profit or loss	-11,176		1,027		12,203		-12,978	
Total other comprehensive income/(loss)	-11,252		1,477		12,729		-12,248	
Total comprehensive income for the quarter	18,896		27,106		8,210		7,491	
Profit attributable to :								
Owners of the Company	30,045	21.3	25,884	23.7	-4,162	-13.9	19,952	14.8
Non-controlling interests	103	0.1	-255	-0.2	-358	—	-213	-0.2
Total	30,148	21.4	25,629	23.4	-4,520	-15.0	19,739	14.6
Total comprehensive income/(loss) attributable to :								
Owners of the Company	18,925		27,224		8,299	43.9	7,818	
Non-controlling interests	-29		-118		-89	308.9	-327	
Total	18,896		27,106		8,210	43.4	7,491	
Basic earnings/(loss) per share (yen)								
Continuing operations	79.22		69.06		-10.16		53.07	
Discontinued operations	—		—		—		—	
Basic earnings per share (yen)	79.22		69.06		-10.16		53.07	
Diluted earnings/(loss) per share (yen)								
Continuing operations	79.07		68.95		-10.12		52.97	
Discontinued operations	—		—		—		—	
Diluted earnings per share (yen)	79.07		68.95		-10.12		52.97	

Notes:

- Effect of Exchange Rate Change on Net Sales and Incomes ("2020A" is the actual value of this period. "2020B" is the nominal value of this period which temporarily exchanged by the currency rate of the same period last year. unit : millions of Yen)

	2020B	2020A	Influences	Real change	(%)
Sales	111,679	109,327	-2,352	-29,140	-20.7%
Profit before tax	32,226	31,942	-284	-4,819	-13.0%
Profit for the quarter	25,858	25,629	-229	-4,290	-14.2%

		For the three months ended		Variance(%)
		Jun. 30, 2019	Jun. 30, 2020	
2. Average rates of major foreign currencies	Yen	109.67	107.38	2.1%
	Euro	122.87	118.74	3.4%
	Thai Baht	3.47	3.39	2.3%

(4) Segment Information

<Overview of major products and services of reportable segments>

The reportable segments are constituent units of the Group for which separate financial information is obtained and examined on a regular basis by the Board of Directors, the chief operation decision maker, to determine the allocation of management resources and evaluate the business performance.

In accordance with its management philosophy, the Group has categorized "life and culture" and "information technology" as its business domains. To achieve sustainable growth in corporate value in these business domains, the Group has been making decisions on the allocation of management resources and monitoring the operating results.

As a result, the Group consists of three reportable business segments: the Life Care business, the Information Technology business and Other business, which are consistent with the above business domains.

In the Life Care business, the Group produces and sells health care related products that are used in the healthcare and medical sectors and medical related products, including medical equipment and medical materials that are used in medical treatments. In operating this business, it is typically required to obtain approvals and permissions of the relevant authorities in Japan and other countries, and sophisticated technologies and highly reliable quality control systems represent the critical elements for operating this business.

In the Information Technology business, the Group produces and sells parts and components indispensable for digital devices in the information and communication sector, including electronics related products that are essential for the modern digital information and communication technologies, and imaging related products that are necessary to import pictures and video images as digital information based on optical technologies.

Other business mainly includes the business that provides information system services and new businesses.

The main products and services for each "reportable segment" described above are as follows:

Reportable Segment		Major Products and Services
Life Care	Health care related products	Eyeglass lenses, Contact lenses, etc.
	Medical related products	Endoscopes, Medical accessories, Automated endoscope reprocessors, Intraocular lenses, Ophthalmic medical devices, Artificial bone, Metallic implants for orthopedics, etc.
Information Technology	Electronics related products	Photomasks and Maskblanks for semiconductors, Photomasks and Devices for liquid-crystal displays (LCDs) Glass disks for hard disk drives (HDDs), etc.
	Imaging related products	Optical lenses, Optical glasses, Laser equipment, Light source, etc.
Other		Design of information systems, Speech synthesis software, etc.

1. Segment revenues and results

(Millions of Yen)

For the three months ended Jun. 30, 2019	Life Care	Information Technology	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	93,772	45,976	1,071	140,819	—	140,819
Inter-segment	1	12	227	240	-240	—
Total	93,772	45,989	1,299	141,060	-240	140,819
Segment profit before tax	17,292	20,480	60	37,832	-787	37,045
Segment profit before tax ratio	18.4%	44.5%	4.6%	26.8%	—	26.3%
Ref: Profit from ordinary operating activities	18,181	21,151	55	39,386	-936	38,450
% of revenue	19.4%	46.0%	4.2%	27.9%	—	27.3%

For the three months ended Jun. 30, 2020	Life Care	Information Technology	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	61,908	46,233	1,185	109,327	—	109,327
Inter-segment	1	9	219	229	-229	—
Total	61,909	46,242	1,404	109,556	-229	109,327
Segment profit before tax	10,319	21,677	192	32,188	-247	31,942
Segment profit before tax ratio	16.7%	46.9%	13.7%	29.4%	—	29.2%
Ref: Profit from ordinary operating activities	9,255	22,452	201	31,907	-634	31,273
% of revenue	14.9%	48.6%	14.3%	29.1%	—	28.6%

Ref : Difference between the results of the quarter under review and the same period the previous year is as follows:

	Life Care	Information Technology	Other	Total	Adjustments	All operations
Variance						
Revenue from external customers	-31,863	257	114	-31,492	—	-31,492
Variance	-34.0%	0.6%	10.7%	-22.4%	—	-22.4%
Inter-segment	0	-3	-9	-12	12	—
Total	-31,863	254	106	-31,504	12	-31,492
Segment profit before tax	-6,973	1,197	132	-5,644	540	-5,104
Variance	-40.3%	5.8%	219.5%	-14.9%	—	-13.8%
Profit from ordinary operating activities	-8,926	1,301	146	-7,479	302	-7,177
Variance	-49.1%	6.1%	266.8%	-19.0%	-32.3%	-18.7%

Note: Effect of Exchange Rate Change on Net Sales and Incomes ("2020 A" is the actual value of this period. "2020 B" is the nominal value of this period which temporarily exchanged by the currency rate of the same period the previous year. unit : millions of Yen)

	2020B	2020A	Influences	Real change	(%)
Life Care					
Revenue from external customers	63,602	61,908	-1,694	-30,170	-32.2%
Profit from ordinary operating activities	9,349	9,255	-95	-8,831	-48.6%
Segment profit before tax	10,267	10,319	52	-7,025	-40.6%
Information Technology					
Revenue from external customers	46,873	46,233	-640	897	2.0%
Profit from ordinary operating activities	22,726	22,452	-274	1,575	7.4%
Segment profit before tax	21,933	21,677	-256	1,454	7.1%

Ref : Results of the previous quarter are as follows:

For the three months ended Mar. 31, 2020	Life Care	Information Technology	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	88,383	45,658	1,076	135,116	—	135,116
Inter-segment	1	1	353	354	-354	—
Total	88,383	45,659	1,429	135,471	-354	135,116
Segment profit before tax	8,965	19,862	-235	28,592	-913	27,679
Segment profit before tax ratio	10.1%	43.5%	-16.4%	21.1%	—	20.5%
Ref: Profit from ordinary operating activities	14,418	19,543	-236	33,724	-1,160	32,564
% of revenue	16.3%	42.8%	-16.5%	24.9%	—	24.1%

Note: Profit from ordinary operating activities is operating profit before finance income/costs, share of profits(loss) of associates, foreign exchange gain/loss and other temporary gain/loss.

2. Revenue from major products and services

Revenue from external customers

(Millions of Yen)

	For the three months ended				Variance		For the three months ended	
	Jun. 30, 2019		Jun. 30, 2020				Mar. 31, 2020	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)

Revenue from all operations

Life Care	93,772	66.6	61,908	56.6	-31,863	-34.0	88,383	65.4
Health care related products	70,448	[75.1]	43,903	[70.9]	-26,545	-37.7	64,508	[73.0]
Medical related products	23,324	[24.9]	18,006	[29.1]	-5,318	-22.8	23,874	[27.0]
Information Technology	45,976	32.6	46,233	42.3	257	0.6	45,658	33.8
Electronics related products	37,008	[80.5]	40,250	[87.1]	3,242	8.8	38,730	[84.8]
Imaging related products	8,969	[19.5]	5,983	[12.9]	-2,985	-33.3	6,928	[15.2]
Other	1,071	0.8	1,185	1.1	114	10.7	1,076	0.8
Corporate (including R&D)	-	-	-	-	-	-	-	-
Total revenue from all operations	140,819	100.0	109,327	100.0	-31,492	-22.4	135,116	100.0

Notes 1. Figures in [] are percentages of each segment.

Notes 2. Effect of Exchange Rate Change on Net Sales and Incomes ("2020 A" is the actual value of this period. "2020 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)

	2020B	2020A	Influences	Real change	(%)
Life Care	63,602	61,908	-1,694	-30,170	-32.2%
Health care related products	45,104	43,903	-1,202	-25,343	-36.0%
Medical related products	18,498	18,006	-492	-4,826	-20.7%
Information Technology	46,873	46,233	-640	897	2.0%
Electronics related products	40,754	40,250	-504	3,746	10.1%
Imaging related products	6,120	5,983	-136	-2,849	-31.8%

3. Information about geographical areas

Revenue from external customers

(Millions of Yen)

	For the three months ended				Variance		For the three months ended	
	Jun. 30, 2019		Jun. 30, 2020				Mar. 31, 2020	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)

Revenue from all operations

Total revenue from all operations	140,819	100.0	109,327	100.0	-31,492	-22.4	135,116	100.0
Japan	40,919	29.1	30,765	28.1	-10,153	-24.8	37,023	27.4
Americas	25,129	17.8	12,829	11.7	-12,301	-48.9	24,121	17.9
Europe	27,082	19.2	18,935	17.3	-8,147	-30.1	25,843	19.1
Asia/Oceania	45,032	32.0	45,613	41.7	582	1.3	46,058	34.1
Others	2,658	1.9	1,185	1.1	-1,473	-55.4	2,071	1.5

Note: Geographical areas are based on the location of customers.

4. Projected Results for the First Half (All Operations)

(Six months ending Sep. 30, 2020)

Millions of Yen			
Six months ended/ending			
	Sep.30,2019	Sep.30,2020	variance (%)
Revenue	294,948	245,000	-16.9
Profit before tax	81,266	67,000	-17.6
Profit for the term	65,181	53,500	-17.9
Profit attributable to owners of the Company	64,911	53,500	-17.6
Basic earnings per share (Yen)	171.64	142.75	-28.89

Ref: for the 2nd quarter

1. Year-on-year comparison

Millions of Yen			
Three months ended/ending			
	Sep.30,2019	Sep.30,2020	variance (%)
Revenue	154,129	135,673	-12.0
Profit before tax	44,221	35,058	-20.7
Profit for the term	35,032	27,871	-20.4
Profit attributable to owners of the Company	34,866	27,616	-20.8
Basic earnings per share (Yen)	92.45	73.69	-18.76

2. Quarter-on-quarter comparison

Millions of Yen			
Three months ended/ending			
	June 30,2020	Sep.30,2020	variance (%)
Revenue	109,327	135,673	24.1
Profit before tax	31,942	35,058	9.8
Profit for the term	25,629	27,871	8.7
Profit attributable to owners of the Company	25,884	27,616	6.7
Basic earnings per share (Yen)	69.06	73.69	4.63

Notes:

To calculate expected profit for the term per share, expected profit for the term is divided by expected average number of shares through the term.

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 which contain impact of Novel Coronavirus .

<Reference>

Supplementary data for 1st Quarter: from April 1 to June 30, 2020

The breakdown of changes in revenue and profit before tax

(Millions of Yen)

	FY19-1Q	FY20-1Q	Variance	Foreign exchange	Others
Revenue	140,819	109,327	-31,492	-2,352	-29,140
Life Care	93,772	61,908	-31,863	-1,694	-30,170
Health care related products	70,448	43,903	-26,545	-1,202	-25,343
Medical related products	23,324	18,006	-5,318	-492	-4,826
Information Technology	45,976	46,233	257	-640	897
Electronics related products	37,008	40,250	3,242	-504	3,746
Imaging related products	8,969	5,983	-2,985	-136	-2,849
Profit from ordinary operating activities	38,450	31,273	-7,177	-362	-6,815
Life Care	18,181	9,255	-8,926	-95	-8,831
Information Technology	21,151	22,452	1,301	-274	1,575
Other, adjustment (Corporate)	-882	-433	448	7	442
Profit before tax	37,045	31,942	-5,104	-284	-4,819
Life Care	17,292	10,319	-6,973	52	-7,025
Information Technology	20,480	21,677	1,197	-256	1,454
Other, adjustment (Corporate)	-727	-55	672	-80	752

<All operations ~ Adjustments to "Profit from ordinary operating activities">

	All operations		
	FY19-1Q	FY20-1Q	Variance
Profit before tax	37,045	31,942	-5,104
Adjustments	-1,405	669	2,073
Finance income	977	546	-431
Finance costs	-163	-257	-94
Share of loss of associates	-378	-136	242
Foreign exchange (gain)/loss	-1,844	-1,957	-113
Others	2	2,473	2,470
Profit from ordinary operating activities	38,450	31,273	-7,177

<Segment ~ Adjustments to "Profit from ordinary operating activities">

	Life Care			Information Technology			Other, adjustment (Corporate)		
	FY19-1Q	FY20-1Q	Variance	FY19-1Q	FY20-1Q	Variance	FY19-1Q	FY20-1Q	Variance
Profit before tax	17,292	10,319	-6,973	20,480	21,677	1,197	-727	-55	672
Adjustments	-888	1,065	1,953	-671	-775	-104	155	379	224
Finance income	189	109	-79	230	181	-49	559	255	-303
Finance costs	-340	-364	-24	-125	-76	50	302	183	-120
Share of loss of associates	19	4	-15	9	3	-6	-406	-143	263
Foreign exchange (gain)/loss	-835	-1,207	-372	-705	-799	-94	-303	49	352
Others	79	2,522	2,443	-80	-85	-5	3	35	32
Profit from ordinary operating activities	18,181	9,255	-8,926	21,151	22,452	1,301	-882	-433	448