

Quarterly Report

1st Quarter : 3 months ended June 30, 2015

Consolidated (HOYA CORPORATION and Consolidated Subsidiaries)

Part .1

1st Quarter : from April 1 to June 30, 2015 <IFRS>

1. Quarterly Consolidated Financial Highlights : p.1
2. Results of Operations : p.2
3. Quarterly Consolidated Financial Statements
 - (1) Quarterly Consolidated Statement of Financial Position : p.4
 - (2) Quarterly Consolidated Statement of Cash Flows : p.6
 - (3) Quarterly Consolidated Statement of Comprehensive Income : p.7
 - (4) Segment Information : p.8
4. Projected Results for the First Half : p. 11
5. Supplementary data for 1st Quarter : p. 12

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, 2014 and 2015 (All operations *Notes)

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

	Three months ended		Variance (%)
	Jun. 30,2014	Jun. 30,2015	
(1)Revenue and Profit before tax			
Revenue	113,071	126,238	11.6
Profit before tax	22,443	30,901	37.7
Ratio of profit before tax(%)	19.8%	24.5%	
Profit for the quarter	17,962	23,650	31.7
Ratio of profit for the quarter(%)	15.9%	18.7%	
Profit attributable to owners of the Company	17,798	23,344	31.2
Ratio of profit attributable to owners of the Company(%)	15.7%	18.5%	
Basic earnings per share (yen)	41.36	55.33	
Diluted earnings per share (yen)	41.26	55.17	

	As of	
	Mar. 31,2015	Jun. 30,2015
(2)Financial Position		
Total assets	733,732	711,034
Total equity	596,095	572,549
Equity attributable to owners of the Company	590,014	565,839
Ratio of assets attributable to owners of the Company	80.4%	79.6%
Assets attributable to owners of the Company per share (yen)	1,391.77	1,360.54

	Three months ended	
	Jun. 30,2014	Jun. 30,2015
(3) Conditions of Cash Flows		
Net cash generated from operating activities	17,798	32,368
Net cash used in investing activities	-11,455	-3,112
Free cash flow	6,343	29,256
Net cash provided by (used in) financing activities	-43,731	-57,760
Cash and cash equivalents at end of period	289,393	326,902

2.Projected Results for the First Half (Six months ending September 30, 2015) for All Operations

	Six months ended/ending		Variance (%)
	Sep.30,2014	Sep.30,2015	
Revenue	234,314	250,000	6.7
Profit before tax	56,700	57,000	0.5
Profit for the term	45,285	44,500	-1.7
Profit attributable to owners of the Company	44,948	44,000	-2.1
Profit for the term per share (Yen)	105.30	105.16	-0.14

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

During the first quarter of the consolidated fiscal year under review (the three months from April 1, 2015 through June 30, 2015), global economic conditions remained unstable. The employment situation in the United States continued to improve along with expansion in the U.S. economy. However, performance in the economies of the European region was mixed, as causes for concern persisted, including the issues related to Greece. In the emerging countries, including China, economies were on a decelerating trend.

In Japan, corporate performance recovered and private capital investment improved along with the government's economic policies and additional monetary easing measures as well as the positive impact of depreciation of the yen against major currencies.

Amid these conditions, in the Information Technology segment of the HOYA Group, demand for semiconductor- and liquid crystal-related products especially for telecommunications devices including smartphones and memories was favorable, and drove sales expansion in this segment. On the other hand, in the PC market, demand in the previous year, which was due to the replacement of Windows XP units, ran its course. In addition, in part because of encroachments into the market by smartphones, tablet PCs, and other devices, sales in volume terms of glass disks (substrates) for hard disk drives (HDDs), principally for use in notebook PCs, decreased, and sales volumes were below their levels of the same quarter of the previous year. Among imaging-related products, in view of the shrinkage of the market for digital cameras, we are working to develop applications other than digital cameras, and sales overall held firm.

In the Life Care segment, sales in the eyeglass lens business expanded, mainly due to expansion in overseas markets. The contact lens retail business reported a major increase in the fiscal year under review compared with the first quarter of the previous year, when sales were significantly affected by a reactionary decline in demand following the increase in Japan's consumption tax. In the medical related products businesses, sales of medical endoscopes weakened, but, in part because of the ongoing recovery sales in the intraocular lenses for cataract surgery business, overall sales in the medical related products business were generally strong. In addition, along with the positive impact of the depreciation of the yen, segment sales rose year on year.

As a result, the Group sales for the first quarter under review totaled 126,238 million yen, increasing by 11.6% from the same period the previous year.

Pre-tax profit for the quarter was 30,901 million yen, while profit for the quarter was 23,650 million yen, which represented year-on-year gains of 37.7% and 31.7%, respectively. Factors accounting for the increases in profits were the improvement in profitability of the Information Technology segment and the impact of the decline in the value of the yen, which resulted in the reporting of foreign exchange gains.

The profit before tax ratio stood at 24.5%, up 4.7 points from 19.8% the same period the previous year.

All numbers and the rates of increase and decline are based on all continuing operations. There were no discontinued operations during the first quarter under review as well as for the same period the previous year.

2) Segment Overview

Performance per reportable segment is as follows. (Sales for each segment are for external customers.)

Information Technology

<Electronics related products>

Among semiconductor-related products, both advanced products and middle- and low-end products mainly for smartphones performed robustly both in volume and unit price terms. Also, in part because of the decline in the value of the yen, sales in this business increased year on year.

In the liquid crystal-related products business, demand for small and medium-sized high-precision, high-resolution masks for smartphones, tablet PCs, and other devices remained strong, while demand for large masks for 4K and large-screen televisions was also robust. Accordingly, sales in this business expanded year on year.

In the glass disk (substrates) for HDDs business, the surge in PC replacement demand following the cutoff of support for Windows XP last year has run its course. In addition, this year there has been some impact from production adjustments in the HDD industry prior to the scheduled launching of Windows 10 in fall 2015. Accordingly, sales in volume terms in this business decreased year on year; however, sales in yen terms rose year on year because of the decline in the value of the yen.

<Imaging related products>

The digital camera market, including compact digital cameras and cameras with interchangeable lenses, is continuing to shrink because of stagnation in sales accompanying the encroachment of smartphones into the market and slower growth in China due to deceleration in economic growth. Amid these conditions, as a consequence of our efforts to expand sales of products for new applications, including offering interchangeable lenses for the post-sales market, surveillance cameras, and action cameras, sales of imaging-related products rose year on year.

Sales for the Information Technology segment increased by 8.3% from the same period the previous year to 45,512 million yen. Segment-based profits (profit before tax for the quarter) stood at 16,237 million yen, an increase of 26.1% compared with the same period the previous year.

Life Care

<Health care related products>

In the eyeglass lenses business, sales are on a declining trend accompanying the shrinkage in the Japanese market due to such factors as the decline in the population and the impact of the increase in the consumption tax. However, in overseas markets, policies of developing new customers and entering new markets have been successful, and sales volume has increased. In addition, sales of Seiko Optical Products, which became a consolidated subsidiary at the end of March 2014, are increasing steadily, and, because of the positive impact of the decline in the value of the yen, sales in this business showed a major increase over the same period last year.

In the contact lenses business, sales of specialty retailer Eyecity rose as a result of the opening of additional shops and strengthening of promotion activities at existing stores. Although sales were adversely impacted by the decline in demand accompanying the increase in Japan's consumption tax in the same period of the previous year, sales have recovered steadily since then, and, for the quarter under review, were up by a substantial margin year on year.

<Medical related products>

In the medical endoscopes business, sales in certain of the major countries in Europe expanded, but, in part because of a decline in demand caused by the spread of fiscal stringency policies in Europe as a whole and the effects of the deterioration in the political situation in the Middle East and Russia, sales in Europe as a whole decreased year on year. In the North American market, shipments declined year on year because of cutbacks in medical expenditures, intensified competition, and delays of new product launches. On the other hand, sales in Asia and Oceania, mainly in China, expanded, and, as a result, sales for this business rose compared with the same quarter of the previous year. In Japan also, sales were strong and expanded year on year. Overall, despite the positive effect of the depreciation of the yen, sales were down year on year.

In the intraocular lenses for cataract surgery (IOL) business, HOYA conducted a recall on its own initiative in Japan in 2013, and then resumed regular marketing of these lenses in August 2014. As a consequence, sales are recovering gradually, and, during the quarter under review, sales were substantially above the same quarter a year ago.

Sales for the Life Care segment increased 13.3% from the same period the previous year to total 79,830 million yen. Segment profits (profit before tax for the quarter) stood at 14,502 million yen, posting an increase of 24.4% from the same period the previous year.

Other

The Other businesses segment mainly consists of information system services offered to the HOYA Group and outside customers as well as new business development. Revenues from this segment stood at 894 million yen, which is equal to an increase in revenue of 47.2% from the same period the previous year. The segment profit totaled 126 million yen, a decrease of 1.9% compared with the same period the previous year.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Statement of Financial Position

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

	As of Mar. 31, 2015		As of Jun. 30, 2015		Variance		As of Jun. 30, 2014	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
ASSETS								
NON-CURRENT ASSETS								
Property, plant and equipment-net	128,191		126,013		-2,179		124,796	
Goodwill	9,970		10,348		378		10,997	
Intangible assets	19,661		19,140		-521		22,673	
Investments in associates	186		204		19		185	
Long-term financial assets	7,037		7,325		288		17,366	
Other non-current assets	3,020		3,039		19		2,526	
Deferred tax assets	12,102		10,556		-1,546		11,829	
Total non-current assets	180,166	24.6	176,624	24.8	-3,542	-2.0	190,371	28.8
CURRENT ASSETS								
Inventories	68,925		71,999		3,074		63,494	
Trade and other receivables	99,198		98,482		-716		92,176	
Other short-term financial assets	20,071		18,659		-1,412		8,866	
Income tax receivables	312		351		39		1,285	
Other current assets	16,241		17,447		1,207		14,413	
Cash and cash equivalents	348,819		326,902		-21,917		289,393	
Sub total	553,566		533,840		-19,726		469,626	
Assets held for sale	—		570		570		—	
Total current assets	553,566	75.4	534,410	75.2	-19,156	-3.5	469,626	71.2
Total assets	733,732	100.0	711,034	100.0	-22,698	-3.1	659,997	100.0

(Millions of Yen)

	As of Mar. 31, 2015		As of Jun. 30, 2015		Variance		As of Jun. 30, 2014	
	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	-5,932		-44,312		-38,380		-32,670	
Other capital reserves	-3,736		-3,833		-97		-3,108	
Retained earnings	547,162		551,430		4,268		514,597	
Accumulated other comprehensive income/(loss)	30,357		40,392		10,035		3,489	
Equity attributable to owners of the Company	590,014		565,839		-24,175		504,470	
Non-controlling interests	6,081		6,710		629		6,168	
Total equity	596,095	81.2	572,549	80.5	-23,545	-3.9	510,639	77.4
LIABILITIES								
NON-CURRENT LIABILITIES								
Interest-bearing long-term debt	35,528		35,493		-35		35,746	
Other long-term financial liabilities	667		3,501		2,834		—	
Retirement benefits liabilities	2,098		2,151		53		1,534	
Provisions	2,262		2,393		131		2,058	
Other non-current liabilities	1,010		1,017		6		2,148	
Deferred tax liabilities	2,205		2,682		477		3,065	
Total non-current liabilities	43,770	6.0	47,236	6.6	3,466	7.9	44,551	6.8
CURRENT LIABILITIES								
Interest-bearing short-term debt	2,033		2,049		16		27,379	
Trade and other payables	41,247		42,063		817		38,365	
Other short-term financial liabilities	2,896		812		-2,084		205	
Income tax payables	10,913		8,734		-2,179		3,994	
Provisions	1,063		1,194		131		947	
Other current liabilities	35,716		36,396		680		33,917	
Total current liabilities	93,867	12.8	91,249	12.8	-2,619	-2.8	104,807	15.9
Total liabilities	137,637	18.8	138,485	19.5	848	0.6	149,358	22.6
Total equity and liabilities	733,732	100.0	711,034	100.0	-22,698	-3.1	659,997	100.0

(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. 31,2015
	Jun. 30,2014	Jun. 30,2015		
Cash flows from operating activities				
Profit before tax	22,443	30,901	8,458	25,309
Depreciation and amortization	8,304	8,865	561	8,911
Impairment losses	—	485	485	286
Finance income	-360	-424	-63	-1,203
Finance costs	313	206	-107	318
Share of (profits)/loss of associates	12	1	-10	3
(Gain)/loss on sales of property, plant and equipment	-145	-32	112	-90
Loss on disposal of property, plant and equipment	3	65	61	128
Foreign exchange (gain)/loss	571	-1,243	-1,814	-1,010
Others	-748	55	803	4,722
Net cash generated from operating activities (Before adjustment of movements in working capital)	30,393	38,879	8,486	37,374
Movements in working capital				
Decrease/(increase) in inventories	-1,556	-2,474	-917	1,604
Decrease/(increase) in trade and other receivables	2,720	2,678	-42	2,436
Increase/(decrease) in trade and other payables	-1,411	-328	1,083	264
Increase/(decrease) in retirement benefits liabilities and provisions	-216	229	444	-255
Sub total	29,929	38,984	9,054	41,423
Interests received	340	449	108	303
Dividends received	37	7	-30	0
Interests paid	-30	-29	1	-328
Income taxes paid	-12,478	-7,071	5,407	-2,577
Income taxes refunded	—	29	29	31
Net cash generated from operating activities	17,798	32,368	14,570	38,852
Cash flows from investing activities				
Withdrawals of time deposit	3,503	2,139	-1,365	1,995
Payments for time deposit	-2,136	-553	1,583	-2,050
Proceeds from sales of property, plant and equipment	29	58	29	1,730
Payments for acquisition of property, plant and equipment	-4,048	-4,334	-285	-6,476
Proceeds from sales of investment	—	101	101	1,920
Payments for acquisition of investment	-58	-17	41	—
Payments for acquisition of subsidiaries	—	—	—	-281
Payments to non-controlling interests upon merger	-1	-1	-0	—
Payments for business transfer	—	—	—	-1,855
Proceeds from sales of subsidiary	—	0	0	—
Payments for loan to affiliates	-8,500	—	8,500	—
Other proceeds	153	63	-91	364
Other payments	-397	-568	-171	-482
Net cash used in investing activities	-11,455	-3,112	8,342	-5,135
Cash flows from financing activities				
Dividends paid to owners of the Company	-19,449	-19,082	368	18
Increase (decrease) in short-term debt	-0	0	0	-1
Repayments of long-term borrowings	-82	-69	13	-78
Payments for redemption of bonds	-43	-11	33	-20
Proceeds from disposal of treasury shares	0	—	-0	—
Payments for purchase of treasury shares	-24,741	-39,281	-14,539	-2
Proceeds from exercise of stock options	586	683	97	759
Net cash used in financing activities	-43,731	-57,760	-14,029	676
Net increase/(decrease) in cash and cash equivalents	-37,388	-28,504	8,884	34,393
Cash and cash equivalents at the beginning of the term	331,094	348,819	17,726	327,232
Effects of exchange rate changes on the balance of cash and cash equivalents in foreign currencies	-4,313	6,586	10,900	-12,805
Cash and cash equivalents at the end of the term	289,393	326,902	37,509	348,819

(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, 2014		Jun. 30, 2015				Mar. 31, 2015	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
All operations								
Revenue:								
Sales	113,071	100.0	126,238	100.0	13,166	11.6	127,440	100.0
Finance income	360	0.3	424	0.3	63	17.5	1,203	0.9
Other income	844	0.7	459	0.4	-385	-45.6	1,188	0.9
Total Revenue	114,276	101.1	127,121	100.7	12,845	11.2	129,831	101.9
Expenses:								
Changes in inventories of goods, products and work in progress	-2,795	-2.5	-2,517	-2.0	277	-9.9	1,637	1.3
Raw materials and consumables used	22,681	20.1	24,416	19.3	1,735	7.6	23,358	18.3
Employee benefits expense	27,895	24.7	29,251	23.2	1,356	4.9	29,925	23.5
Depreciation and amortization	8,304	7.3	8,865	7.0	561	6.8	8,911	7.0
Subcontracting cost	1,783	1.6	1,800	1.4	17	0.9	1,600	1.3
Advertising and promotion expense	3,078	2.7	3,318	2.6	240	7.8	2,899	2.3
Commission expense	5,502	4.9	6,666	5.3	1,164	21.2	6,364	5.0
Impairment losses	—	—	485	0.4	485	—	286	0.2
Finance costs	313	0.3	206	0.2	-107	-34.2	318	0.2
Share of loss of associates	12	0.0	1	0.0	-10	-87.7	3	0.0
Foreign exchange (gain)/loss	470	0.4	-2,043	-1.6	-2,513	-534.2	595	0.5
Other expenses	24,589	21.7	25,771	20.4	1,182	4.8	28,627	22.5
Total Expenses	91,832	81.2	96,220	76.2	4,387	4.8	104,522	82.0
Profit before tax	22,443	19.8	30,901	24.5	8,458	37.7	25,309	19.9
Income tax expense	4,481	4.0	7,251	5.7	2,769	61.8	6,795	5.3
Profit for the quarter from all operations	17,962	15.9	23,650	18.7	5,688	31.7	18,513	14.5
Other comprehensive income:								
Items that will not be reclassified subsequently to profit or loss								
Remeasurements of the net defined benefit liability(asset)	—	—	—	—	—	—	-206	—
Income tax relating to components of other comprehensive income	—	—	—	—	—	—	39	—
Total Items that will not be reclassified subsequently to profit or loss	—	—	—	—	—	—	-167	—
Items that may be reclassified subsequently to profit or loss								
Net gain on revaluation of available-for-sale financial assets	-27	—	-5	—	22	-83.0	-609	—
Exchange differences on translation of foreign operations	-6,418	—	10,440	—	16,858	-262.7	-17,720	—
Share of other comprehensive income of associates	-8	—	3	—	10	-135.1	6	—
Income tax relating to components of other comprehensive income	-16	—	-80	—	-63	392.5	-393	—
Total Items that may be reclassified subsequently to profit or loss	-6,469	—	10,358	—	16,827	-260.1	-18,715	—
Total other comprehensive income/(loss)	-6,469	—	10,358	—	16,827	-260.1	-18,882	—
Total comprehensive income for the quarter	11,493	—	34,008	—	22,515	195.9	-369	—
Profit attributable to :								
Owners of the Company	17,798	15.7	23,344	18.5	5,546	31.2	18,953	14.9
Non-controlling interests	164	0.1	306	0.2	142	86.5	-440	-0.3
Total	17,962	15.9	23,650	18.7	5,688	31.7	18,513	14.5
Total comprehensive income/(loss) attributable to :								
Owners of the Company	11,437	—	33,379	—	21,942	191.8	699	—
Non-controlling interests	56	—	629	—	574	1,027.4	-1,067	—
Total	11,493	—	34,008	—	22,515	195.9	-369	—
Basic earnings/(loss) per share (yen)								
Continuing operations	41.36	—	55.33	—	13.97	—	44.72	—
Discontinued operations	—	—	—	—	—	—	—	—
Basic earnings per share (yen)	41.36	—	55.33	—	13.97	—	44.72	—
Diluted earnings/(loss) per share (yen)								
Continuing operations	41.26	—	55.17	—	13.91	—	44.58	—
Discontinued operations	—	—	—	—	—	—	—	—
Diluted earnings per share (yen)	41.26	—	55.17	—	13.91	—	44.58	—

Notes:

- Effect of exchange rate change on net sales and incomes ("2015 A" is the actual value of this period. "2015 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)

	2015 B	2015 A	Influences	Real change	(%)
Sales	119,074	126,238	7,164	6,003	5.3%
Profit before tax	28,533	30,901	2,368	6,090	27.1%
Profit for the quarter	21,498	23,650	2,152	3,536	19.7%

For the three months ended					
	Jun. 30, 2014	Jun. 30, 2015	Variance(%)	Mar. 31, 2015	
2. Average rates of major foreign currencies					
US\$	Yen 101.88	121.73	-19.5%	119.23	
Euro	Yen 139.46	135.04	3.2%	132.62	
Thai Baht	Yen 3.14	3.64	-15.9%	3.67	

(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 "information technology" and "life and culture" 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 Information Technology business, the Life Care business and the Others business, which are consistent with the above business domains.

In the Information Technology business, the Group has developed an extensive range of products following the digitalization of information and the emergence of the internet. The Group produces and sells a broad array of I/O (Input/Output Device) related products 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.

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 in accordance with the Pharmaceutical Affairs Act in Japan and other regulations, and sophisticated technologies and highly reliable quality control systems represent the critical elements for operating this business.

The Others 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
Information Technology	Electronics related products	Photomasks and Maskblanks for semiconductors, Masks and Devices for liquid-crystal displays (LCDs) Glass disks for hard disk drives (HDDs), etc.
	Imaging related products	Optical lenses, Optical glasses, Digital camera modules, Optical Devices, Laser equipment, etc.
Life Care	Health care related products	Eyeglass lenses, Contact lenses, etc.
	Medical related products	Endoscopes, Medical accessories, Intraocular lenses, Artificial bone, Metallic implants for orthopedics, etc.
Other		Design of information systems, etc.

1. Segment revenues and results

(Millions of Yen)

For the three months ended June 30, 2014	Information Technology	Life Care	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	42,025	70,433	607	113,065	6	113,071
Inter-segment	56	-0	431	487	-487	—
Total	42,082	70,432	1,038	113,552	-481	113,071
Segment profit before tax	12,873	11,659	129	24,661	-2,217	22,443
Segment profit before tax ratio	30.6%	16.6%	12.4%	21.7%	—	19.8%
Ref: Profit from ordinary operating activities	13,413	11,564	124	25,101	-1,588	23,513
% of revenue	31.9%	16.4%	11.9%	22.1%	—	20.8%

For the three months ended June 30, 2015	Information Technology	Life Care	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	45,512	79,830	894	126,236	2	126,238
Inter-segment	214	—	408	621	-621	—
Total	45,726	79,830	1,302	126,857	-619	126,238
Segment profit before tax	16,237	14,502	126	30,865	36	30,901
Segment profit before tax ratio	35.5%	18.2%	9.7%	24.3%	—	24.5%
Profit from ordinary operating activities	16,043	14,397	122	30,562	-1,282	29,280
% of revenue	35.1%	18.0%	9.4%	24.1%	—	23.2%

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

	Information Technology	Life Care	Other	Total	Adjustments	All operations
Variance						
Revenue from external customers	3,487	9,397	287	13,171	-5	13,166
Variance	8.3%	13.3%	47.2%	11.6%	—	11.6%
Inter-segment	157	0	-24	134	-134	—
Total	3,644	9,397	263	13,305	-138	13,166
Segment profit before tax	3,364	2,843	-2	6,204	2,253	8,458
Variance	26.1%	24.4%	-1.9%	25.2%	—	37.7%
Profit from ordinary operating activities	2,630	2,833	-2	5,461	306	5,767
Variance	19.6%	24.5%	-1.3%	21.8%	-19.3%	24.5%

Note: Effect of Exchange Rate Change on Net Sales and Incomes ("2015 A" is the actual value of this period. "2015 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)

	2015B	2015A	Influences	Real change	(%)
Information Technology					
Revenue from external customers	40,834	45,512	4,679	-1,192	-2.8%
Segment profit before tax ratio	14,630	16,237	1,607	1,757	13.7%
Life Care					
Revenue from external customers	77,364	79,830	2,465	6,932	9.8%
Segment profit before tax ratio	13,714	14,502	788	2,055	17.6%

Ref : Results of the previous quarter are as follows:

For the three months ended Mar.31, 2015	Information Technology	Life Care	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	45,378	81,057	996	127,432	8	127,440
Inter-segment	95	0	457	552	-552	—
Total	45,473	81,057	1,453	127,984	-544	127,440
Segment profit before tax	12,333	13,302	248	25,883	-575	25,309
Segment profit before tax ratio	27.1%	16.4%	17.1%	20.2%	—	19.9%
Profit from ordinary operating activities	14,038	15,900	225	30,163	-1,918	28,245
% of revenue	30.9%	19.6%	15.5%	23.6%	—	22.2%

Note: Profit from ordinary operating activities is operating profit before finance income/costs, share of profit(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 Mar. 31,2015	
	Jun. 30,2014		Jun. 30,2015					
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
Revenue from all operations								
Information Technology	42,025	37.2	45,512	36.1	3,487	8.3	45,378	35.6
Electronics related products	30,820	[73.3]	33,526	[73.7]	2,706	8.8	34,167	[75.3]
Imaging related products	11,206	[26.7]	11,986	[26.3]	781	7.0	11,211	[24.7]
Life Care	70,433	62.3	79,830	63.2	9,397	13.3	81,057	63.6
Health care related products	51,880	[73.7]	59,879	[75.0]	7,999	15.4	60,227	[74.3]
Medical related products	18,552	[26.3]	19,951	[25.0]	1,399	7.5	20,830	[25.7]
Other	607	0.5	894	0.7	287	47.2	996	0.8
Corporate (including R&D)	6	0.0	2	0.0	-5	-72.7	8	0.0
Total revenue from all operations	113,071	100.0	126,238	100.0	13,166	11.6	127,440	100.0

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

Notes 2. Effect of Exchange Rate Change on Net Sales and Incomes ("2015 A" is the actual value of this period. "2015 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)

	2015B	2015A	Influences	Real change	(%)
Information Technology	40,834	45,512	4,679	-1,192	-2.8%
Electronics related products	29,816	33,526	3,710	-1,004	-3.3%
Imaging related products	11,017	11,986	969	-188	-1.7%
Life Care	77,364	79,830	2,465	6,932	9.8%
Health care related products	58,556	59,879	1,323	6,676	12.9%
Medical related products	18,808	19,951	1,143	256	1.4%

3. Information about geographical areas

Revenue from external customers

(Millions of Yen)

		For the three months ended				Variance		For the three months ended	
		Jun. 30,2014		Jun. 30,2015				Mar. 31,2015	
		Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
Revenue from all operations									
Total revenue from all operations		113,071	100.0	126,238	100.0	13,166	11.6	127,440	100.0
Japan		33,384	29.5	37,875	30.0	4,490	13.5	37,612	29.5
Americas		16,137	14.3	18,469	14.6	2,332	14.5	20,013	15.7
Europe		25,169	22.3	26,587	21.1	1,418	5.6	25,986	20.4
Asia/Oceania		37,192	32.9	41,935	33.2	4,743	12.8	41,388	32.5
Others		1,189	1.1	1,371	1.1	182	15.3	2,442	1.9

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

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

(Six months ending Sep. 30, 2014)

	<u>Millions of Yen</u>		
	<u>Six months ended/ending</u>		variance
	Sep.30,2014	Sep.30,2015	(%)
Revenue	234,314	250,000	6.7
Profit before tax	56,700	57,000	0.5
Profit for the term	45,285	44,500	-1.7
Profit attributable to owners of the Company	44,948	44,000	-2.1
Basic earnings per share (Yen)	105.30	105.16	-0.14

Ref: for the 2nd quarter

1. Year-on-year comparison

	<u>Millions of Yen</u>		
	<u>Three months ended/ending</u>		variance
	Sep.30,2014	Sep.30,2015	(%)
Revenue	121,242	123,762	2.1
Profit before tax	34,256	26,099	-23.8
Profit for the term	27,323	20,850	-23.7
Profit attributable to owners of the Company	27,150	20,656	-23.9
Basic earnings per share (Yen)	64.12	49.83	-14.29

2. Quarter-on-quarter comparison

	<u>Millions of Yen</u>		
	<u>Three months ended/ending</u>		variance
	June 30,2015	Sep.30,2015	(%)
Revenue	126,238	123,762	-2.0
Profit before tax	30,901	26,099	-15.5
Profit for the term	23,650	20,850	-11.8
Profit attributable to owners of the Company	23,344	20,656	-11.5
Basic earnings per share (Yen)	55.33	49.83	-5.50

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.

<Reference>

Supplementary data for 1st Quarter: from April 1 to June 30, 2015

The breakdown of changes in revenue and profit before tax

(Millions of Yen)

	FY14-1Q	FY15-1Q	Variance	Foreign exchange	Adjustment	Others
Revenue	113,071	126,238	13,166	7,164		6,003
Information Technology	42,025	45,512	3,487	4,679		-1,192
Electronics related products	30,820	33,526	2,706	3,710		-1,004
Imaging related products	11,206	11,986	781	969		-188
Life Care	70,433	79,830	9,397	2,465		6,932
Health care related products	51,880	59,879	7,999	1,323		6,676
Medical related products	18,552	19,951	1,399	1,143		256
Profit before tax	22,443	30,901	8,458	2,368	① 2,691	3,399
Information Technology	12,873	16,237	3,364	1,607	② 733	1,024
Life Care	11,659	14,502	2,843	788	③ 10	2,044
Other, adjustment (Corporate)	-2,089	162	2,251	-27	④ 1,947	330

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

	All operations		
	FY14-1Q	FY15-1Q	Variance
Profit before tax	22,443	30,901	8,458
Adjustments	-1,070	1,621	① 2,691
Finance income	360	424	63
Finance costs	-313	-206	107
Share of loss of associates	-12	-1	10
Foreign exchange (gain)/loss	-470	2,043	2,513
Impairment losses		-485	-485
Others	-635	-152	483
Profit from ordinary operating activities	23,513	29,280	5,767

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

	Information Technology			Life Care			Other, adjustment (Corporate)		
	FY14-1Q	FY15-1Q	Variance	FY14-1Q	FY15-1Q	Variance	FY14-1Q	FY15-1Q	Variance
Profit before tax	12,873	16,237	3,364	11,659	14,502	2,843	-2,089	162	2,251
Adjustments	-540	193	② 733	95	105	③ 10	-625	1,323	④ 1,947
Finance income	91	113	22	70	86	16	199	224	25
Finance costs	-69	-86	-16	-83	-68	15	-161	-52	109
Share of loss of associates	-0	-0	-0	-5	-1	4	-7	0	7
Foreign exchange (gain)/loss	-210	379	589	63	628	565	-323	1,036	1,359
Impairment losses					-485	-485			
Others	-352	-213	138	49	-54	-104	-333	115	448
Profit from ordinary operating activities	13,413	16,043	2,631	11,564	14,397	2,833	-1,464	-1,160	304