

Quarterly Report

2nd Quarter : 3 months ended September 30, 2016
Interim (1st Half) : 6 months ended September 30, 2016

Consolidated (HOYA CORPORATION and Consolidated Subsidiaries)

Part .1

2nd Quarter : from July 1 to September 30, 2016 <IFRS>

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Part .2

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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 September 30, 2015 and 2016 (All operations *Notes)

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

	Three months ended		Variance (%)
	Sep. 30, 2015	Sep. 30, 2016	
(1)Revenue and Profit before tax			
Revenue	130,165	114,865	-11.8
Profit before tax	33,858	31,637	-6.6
Ratio of profit before tax(%)	26.0%	27.5%	
Profit for the quarter	27,140	24,819	-8.6
Ratio of profit for the quarter(%)	20.9%	21.6%	
Profit attributable to owners of the Company	27,037	24,854	-8.1
Ratio of profit attributable to owners of the Company(%)	20.8%	21.6%	
Basic earnings per share (yen)	65.15	63.42	
Diluted earnings per share (yen)	64.96	63.31	

	As of	
	Jun. 30, 2016	Sep. 30, 2016
(2)Financial Position		
Total assets	582,578	577,787
Total equity	455,158	445,745
Equity attributable to owners of the Company	450,969	441,665
Ratio of assets attributable to owners of the Company	77.4%	76.4%
Assets attributable to owners of the Company per share (yen)	1,140.37	1,138.87

	Three months ended	
	Sep. 30, 2015	Sep. 30, 2016
(3) Conditions of Cash Flows		
Net cash generated from operating activities	34,436	29,568
Net cash used in investing activities	-1,588	-25
Free cash flow	32,848	29,543
Net cash provided by (used in) financing activities	-4,952	-29,975
Cash and cash equivalents at end of period	347,151	249,985

2.Dividends per Share

	Year ended	
	Mar.31,2016	Mar.31,2017
Interim (Yen)	30.00	30.00
Year-end (Yen)	45.00	N/A
Annual (Yen)	75.00	N/A

3.Other

	Three months ended	
	Sep. 30, 2015	Sep. 30, 2016
Capital expenditure	4,318	5,742
R&D expenses	5,071	5,261

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 second quarter of the consolidated fiscal year under review (the three months from July 1, 2016, through September 30, 2016), conditions in the Japanese economy were characterized by the appearance of signs of improvement in economic activity. In the United States also, the economy was relatively firm, supported by consumer spending, but in Europe, the decision of the United Kingdom to depart from the European Union brought greater uncertainty to economic conditions. In China, deceleration in the economy became more apparent against a background of structural resistance, including high debt levels. As a consequence, conditions in the world economy as a whole remained complex and difficult to forecast.

Amid these conditions, within the HOYA Group's Information Technology segment, sales of the mask blanks for semiconductors business declined slightly due to the appreciation of the yen. Sales of photomasks for semiconductors and photomasks for LCDs decreased because of the drop in production capacity owing to the decision to close the Kumamoto Plant following the Kumamoto earthquakes. Although the unit volume of glass substrates for hard disk drives (HDDs) began to rise, sales of imaging-related products decreased because of a decline in demand and the appreciation of the yen. As a result, sales of the IT segment as a whole decreased compared with the same quarter of the previous fiscal year.

In the Life Care segment, sales of contact lenses and intraocular lenses held firm. Sales of eyeglass lenses increased on a local currency basis, mainly in the Americas; however, overall sales in this business decreased in yen terms because of the effects of the appreciation of the yen. Sales of endoscopes also expanded on a local currency basis in the Americas, Europe, and Asia, but decreased in yen terms due to the appreciation of the yen. As a result, sales of the Life Care segment as a whole declined compared with the same quarter of the previous fiscal year.

As a consequence of these developments, revenue of the HOYA Group in the second quarter decreased 11.8% year on year, to 114,865 million yen. In terms of profit, during the quarter, HOYA reported gains from the sales of securities, and profit before tax for the quarter amounted to 31,637 million yen, while profit for the quarter was 24,819 million yen, which were 6.6% and 8.6% lower, respectively, than in the same quarter of the previous year.

The profit before tax ratio for the quarter was 27.5%, which was 1.5 percentage points higher than in the same period of the previous year.

Note that all numbers and the rates of increase and decline are based on all continuing operations. There were no discontinued operations during the second quarter under review and none for the same period of 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>

The final products for HOYA electronics-related products are PC and tablet computers, and the markets for these items are continuing to decrease in size. Even in the smartphone market, growth rates are showing signs of slowing. In HOYA's mask blanks for semiconductor business, HOYA is capturing demand for masks for use in R&D for developing cutting-edge products, and this is resulting increases in sales. However, as a result of the negative impact of the appreciation of the yen, sales for the quarter showed a slight decline from the same period of the previous year. Sales of photomasks for semiconductors decreased year on year because of the decline in production capacity in this business due to the decision to close the Kumamoto Plant following the Kumamoto earthquakes that occurred in April 2016.

In the photomasks for LCDs business, sales for the quarter declined from the same period of the previous year. This was due to the passing of peak demand for R&D-related demand linked to the development of high precision, high resolution masks for small to medium-sized smartphone display panels and R&D-related demand linked to large masks for the development of 4K TV panels and larger screen sizes. An additional factor accounting for the decline was the decrease in production capacity following the decision to close the Kumamoto Plant.

In the glass substrates for hard disk drives (HDDs) use business, HOYA's sales in volume terms increased, despite continued shrinkage in the HDD market and in the PC market, along with the encroachment of solid state devices (SSDs) into the market. However, the appreciation of the yen had a major impact on this business, and sales fell year on year.

<Imaging related products>

The market for digital cameras, including compact digital cameras, is continuing to shrink. Amid these business conditions, HOYA is working to expand sales of products for new applications, including surveillance cameras and car-mounted cameras, but these efforts to increase sales were not sufficient to make up for the decline in products for digital cameras. In addition, as a result of the adverse impact of the appreciation of the yen, sales in this business in the second quarter declined year on year.

As a consequence, revenues of the Information Technology segment decreased 19.6% year on year, to 38,276 million yen. Segment profit decreased 35.0%, to 12,884 million yen, reflecting in part the absence of gains from the sale of fixed assets reported in the same quarter of the previous year.

Life Care

<Health care related products>

The eyeglass lenses business in the Japanese market has been strongly affected by more-intense competition among retail stores, and growth in HOYA's sales has been restrained. In overseas markets, sales through both independent, small and medium-sized retailers and through large-scale retail chains have been robust in local currency terms. However, the impact of the appreciation of the yen has been substantial, and overall sales in the eyeglass lenses business in yen terms decreased.

In the contact lenses business, HOYA is continuing to open new specialized Eyecity stores and step up its promotional activities at existing stores. Sales for the second quarter expanded year on year.

<Medical related products>

Sales of endoscopes for medical use on a local currency basis by region expanded in Europe and Asia because of the contribution of the introduction of new products and strengthening of HOYA's marketing capabilities. In the Americas, HOYA made further progress in improving its product lineup and sales rose slightly, but the impact of the appreciation of the yen was substantial, and overall sales decreased compared with the same quarter of the previous year.

Sales of intraocular lenses for treatment of cataracts in the Japanese market, where new products were introduced last fiscal year, continued to be favorable. In addition, in overseas markets also, direct sales and sales through dealers continued to be firm and expanded substantially over the same period of the previous year.

As a consequence of these trends, revenues of the Life Care segment decreased 7.3% year on year, to 75,601 million yen. Segment profit amounted to 14,237 million yen, a decline of 3.4% year on year.

Other

The Other business segment consists mainly of information system services offered to the HOYA Group and outside customers as well as new business development. Revenues of this segment stood at 987 million yen, an increase of 0.9% year on year. Segment profit totaled 248 million yen, an increase of 10.0% year on year.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Statement of Financial Position

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

	As of Jun. 30, 2016		As of Sep. 30, 2016		Variance		As of Sep. 30, 2015	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
ASSETS								
NON-CURRENT ASSETS								
Property, plant and equipment-net	99,288		97,764		-1,523		117,302	
Goodwill	9,113		8,946		-167		8,885	
Intangible assets	14,718		14,023		-694		16,802	
Investments in associates	171		171		0		187	
Long-term financial assets	15,574		16,466		892		7,461	
Other non-current assets	2,792		2,608		-184		4,242	
Deferred tax assets	9,822		10,303		480		11,576	
Total non-current assets	151,477	26.0	150,282	26.0	-1,196	-0.8	166,454	23.2
CURRENT ASSETS								
Inventories	63,899		64,241		341		68,995	
Trade and other receivables	85,424		86,296		872		98,391	
Other short-term financial assets	8,448		8,494		45		18,466	
Income tax receivables	707		481		-226		365	
Other current assets	17,337		18,009		671		16,638	
Cash and cash equivalents	255,284		249,985		-5,300		347,151	
Sub total	431,100		427,505		-3,595		550,006	
Assets held for sale	—		—		—		1,448	
Total current assets	431,100	74.0	427,505	74.0	-3,595	-0.8	551,455	76.8
Total assets	582,578	100.0	577,787	100.0	-4,791	-0.8	717,909	100.0

(Millions of Yen)

	As of Jun. 30, 2016		As of Sep. 30, 2016		Variance		As of Sep. 30, 2015	
	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	-39,464		-38,986		478		-5,938	
Other capital reserves	-5,040		-4,982		58		-4,114	
Retained earnings	510,774		505,267		-5,507		535,638	
Accumulated other comprehensive income/(loss)	-37,463		-41,797		-4,334		21,332	
Equity attributable to owners of the Company	450,969		441,665		-9,304		569,082	
Non-controlling interests	4,189		4,080		-108		6,566	
Total equity	455,158	78.1	445,745	77.1	-9,413	-2.1	575,647	80.2
LIABILITIES								
NON-CURRENT LIABILITIES								
Interest-bearing long-term debt	35,418		441		-34,976		35,513	
Other long-term financial liabilities	2,841		2,730		-112		3,499	
Retirement benefits liabilities	1,780		1,829		48		1,942	
Provisions	2,308		2,294		-14		2,384	
Other non-current liabilities	701		761		60		899	
Deferred tax liabilities	1,674		1,597		-77		2,186	
Total non-current liabilities	44,723	7.7	9,652	1.7	-35,071	-78.4	46,423	6.5
CURRENT LIABILITIES								
Interest-bearing short-term debt	1,885		36,856		34,970		2,088	
Trade and other payables	38,913		38,363		-550		40,925	
Other short-term financial liabilities	1,249		330		-920		821	
Income tax payables	5,085		9,380		4,296		13,089	
Provisions	1,221		1,204		-18		1,141	
Other current liabilities	34,343		36,257		1,914		37,773	
Total current liabilities	82,697	14.2	122,390	21.2	39,693	48.0	95,838	13.3
Total liabilities	127,420	21.9	132,042	22.9	4,622	3.6	142,261	19.8
Total equity and liabilities	582,578	100.0	577,787	100.0	-4,791	-0.8	717,909	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 Jun. 30,2016
	Sep. 30,2015	Sep. 30,2016		
Cash flows from operating activities				
Profit before tax	33,858	31,637	-2,221	22,274
Depreciation and amortization	8,658	7,171	-1,487	7,517
Impairment losses	148	18	-130	72
Finance income	-408	-6,590	-6,182	-470
Finance costs	261	251	-9	270
Share of (profits)/loss of associates	-0	-4	-4	-3
(Gain)/loss on sales of property, plant and equipment	-85	-33	51	-68
Loss on disposal of property, plant and equipment	66	68	2	30
Foreign exchange (gain)/loss	1,516	1,209	-307	2,699
Others	-2,753	1,133	3,886	-1,420
Net cash generated from operating activities (Before adjustment of movements in working capital)	41,260	34,860	-6,401	30,901
Movements in working capital				
Decrease/(increase) in inventories	-140	-976	-836	-2,476
Decrease/(increase) in trade and other receivables	-2,277	-1,667	610	1,654
Increase/(decrease) in trade and other payables	-548	64	612	-679
Increase/(decrease) in retirement benefits liabilities and provisions	-110	50	160	125
Sub total	38,186	32,331	-5,855	29,525
Interests received	383	430	47	430
Dividends received	1	1	0	7
Interests paid	-385	-378	7	-80
Income taxes paid	-3,865	-2,846	1,019	-11,952
Income taxes refunded	116	29	-86	76
Net cash generated from operating activities	34,436	29,568	-4,867	18,006
Cash flows from investing activities				
Withdrawals of time deposit	4,459	292	-4,166	5,569
Payments for time deposit	-5,143	-18	5,125	-3,867
Proceeds from sales of property, plant and equipment	102	78	-25	169
Payments for acquisition of property, plant and equipment	-3,744	-5,851	-2,107	-3,924
Proceeds from sales of investment	16	5,804	5,788	—
Payments for acquisition of investment	-374	—	374	—
Payments to non-controlling interests upon merger	—	-2	-2	—
Other proceeds	3,567	186	-3,381	137
Other payments	-472	-514	-42	-339
Net cash used in investing activities	-1,588	-25	1,563	-2,257
Cash flows from financing activities				
Dividends paid to owners of the Company	25	43	18	-17,852
Dividends paid to non-controlling interests	-98	—	98	—
Increase (decrease) in short-term debt	50	-1	-51	-1
Repayments of long-term borrowings	-61	-60	1	-64
Payments for redemption of bonds	—	—	—	-11
Proceeds from disposal of treasury shares	—	0	0	—
Payments for purchase of treasury shares	-5,767	-30,016	-24,249	-4,989
Proceeds from exercise of stock options	899	59	-840	64
Payments for purchase of non-controlling interests	—	—	—	-301
Net cash used in financing activities	-4,952	-29,975	-25,022	-23,153
Net increase/(decrease) in cash and cash equivalents	27,896	-431	-28,327	-7,403
Cash and cash equivalents at the beginning of the term	326,902	255,284	-71,618	286,292
Effects of exchange rate changes on the balance of cash and cash equivalents in foreign currencies	-7,647	-4,868	2,778	-23,605
Cash and cash equivalents at the end of the term	347,151	249,985	-97,166	255,284

(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	
	Sep. 30, 2015		Sep. 30, 2016				Jun. 30, 2016	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
All operations								
Revenue:								
Sales	130,165	100.0	114,865	100.0	-15,301	-11.8	115,165	100.0
Finance income	408	0.3	6,590	5.7	6,182	1,515.2	470	0.4
Share of profit of associates	0	0.0	4	0.0	4	4,640.1	3	0.0
Other income	4,387	3.4	327	0.3	-4,059	-92.5	667	0.6
Total Revenue	134,960	103.7	121,786	106.0	-13,174	-9.8	116,304	101.0
Expenses:								
Changes in inventories of goods, products and work in progress	-1,166	-0.9	-136	-0.1	1,030	-88.3	-982	-0.9
Raw materials and consumables used	24,355	18.7	17,472	15.2	-6,882	-28.3	18,611	16.2
Employee benefits expense	29,837	22.9	27,273	23.7	-2,564	-8.6	28,374	24.6
Depreciation and amortization	8,658	6.7	7,171	6.2	-1,487	-17.2	7,517	6.5
Subcontracting cost	1,696	1.3	1,243	1.1	-453	-26.7	1,283	1.1
Advertising and promotion expense	3,559	2.7	3,130	2.7	-429	-12.1	3,235	2.8
Commission expense	7,256	5.6	6,924	6.0	-332	-4.6	6,783	5.9
Impairment losses	148	0.1	18	0.0	-130	-87.9	72	0.1
Finance costs	261	0.2	251	0.2	-9	-3.6	270	0.2
Foreign exchange (gain)/loss	1,121	0.9	1,505	1.3	384	34.3	3,394	2.9
Other expenses	25,379	19.5	25,298	22.0	-81	-0.3	25,473	22.1
Total expense	101,102	77.7	90,149	78.5	-10,953	-10.8	94,030	81.6
Profit before tax	33,858	26.0	31,637	27.5	-2,221	-6.6	22,274	19.3
Income tax expense	6,718	5.2	6,818	5.9	100	1.5	4,296	3.7
Profit for the term from all operations	27,140	20.9	24,819	21.6	-2,321	-8.6	17,978	15.6
Other comprehensive income:								
Items that will not be reclassified subsequently to profit or loss								
Remeasurements of the net defined benefit liability(asset)	15		13		-2	-14.8	-35	
Income tax relating to components of other comprehensive income	—		—		—	—	-39	
Total Items that will not be reclassified subsequently to profit or loss	15		13		-2	—	-74	
Items that may be reclassified subsequently to profit or loss								
Net gain on revaluation of available-for-sale financial assets	0		-3		-3	-1,342.3	-9	
Exchange differences on translation of foreign operations	-19,191		-4,401		14,790	-77.1	-37,932	
Share of other comprehensive income of associates	-17		-4		14	-78.7	-14	
Income tax relating to components of other comprehensive income	0		1		1	324.5	-0	
Total Items that may be reclassified subsequently to profit or loss	-19,208		-4,407		14,801	-77.1	-37,955	
Total other comprehensive income/(loss)	-19,193		-4,394		14,799	-77.1	-38,029	
Total comprehensive income for the quarter	7,947		20,425		12,478	157.0	-20,051	
Profit attributable to :								
Owners of the Company	27,037	20.8	24,854	21.6	-2,182	-8.1	17,908	15.5
Non-controlling interests	103	0.1	-36	0.0	-139	—	70	0.1
Total	27,140	20.9	24,819	21.6	-2,321	-8.6	17,978	15.6
Total comprehensive income/(loss) attributable to :								
Owners of the Company	7,992		20,533		12,541	156.9	-19,532	
Non-controlling interests	-46		-108		-63	138.4	-519	
Total	7,947		20,425		12,478	157.0	-20,051	
Basic earnings/(loss) per share (yen)								
Continuing operations	65.15		63.42		-1.73		45.28	
Discontinued operations	—		—		—		—	
Basic earnings per share (yen)	65.15		63.42		-1.73		45.28	
Diluted earnings/(loss) per share (yen)								
Continuing operations	64.96		63.31		-1.65		45.20	
Discontinued operations	—		—		—		—	
Diluted earnings per share (yen)	64.96		63.31		-1.65		45.20	

Notes:

1. Effect of Exchange Rate Change on Net Sales and Incomes ("2016 A" is the actual value of this period. "2016 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)

	2016 B	2016 A	Influences	Real change	(%)
Sales	127,844	114,865	-12,979	-2,322	-1.8%
Profit before tax	34,246	31,637	-2,609	388	1.1%
Profit for the quarter	27,035	24,819	-2,216	-105	-0.4%

For the three months ended			
	Sep. 30, 2015	Sep. 30, 2016	Variance(%)
2. Average rates of major foreign currencies			
US\$	Yen 121.73	102.91	15.5%
Euro	Yen 135.59	114.66	15.4%
Thai Baht	Yen 3.40	2.96	12.9%

(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 Other 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.

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
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, 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 Sep. 30, 2015	Information Technology	Life Care	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	47,616	81,570	978	130,165	1	130,165
Inter-segment	210	—	425	635	-635	—
Total	47,826	81,570	1,404	130,800	-635	130,165
Segment profit before tax	19,819	14,739	226	34,784	-926	33,858
Segment profit before tax ratio	41.4%	18.1%	16.1%	26.6%	—	26.0%
Ref: Profit from ordinary operating activities	16,973	15,355	218	32,545	-1,057	31,488
% of revenue	35.5%	18.8%	15.5%	24.9%	—	24.2%

For the three months ended Sep. 30, 2016	Information Technology	Life Care	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	38,276	75,601	987	114,864	0	114,865
Inter-segment	247	—	467	714	-714	—
Total	38,523	75,601	1,454	115,578	-713	114,865
Segment profit before tax	12,884	14,237	248	27,369	4,268	31,637
Segment profit before tax ratio	33.4%	18.8%	17.1%	23.7%	—	27.5%
Ref: Profit from ordinary operating activities	13,495	14,901	233	28,628	-942	27,686
% of revenue	35.0%	19.7%	16.0%	24.8%	—	24.1%

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	-9,340	-5,969	9	-15,300	-0	-15,301
Variance	-19.6%	-7.3%	0.9%	-11.8%	—	-11.8%
Inter-segment	37	—	41	78	-78	—
Total	-9,303	-5,969	50	-15,222	-79	-15,301
Segment profit before tax	-6,935	-503	23	-7,415	5,194	-2,221
Variance	-35.0%	-3.4%	10.0%	-21.3%	—	-6.6%
Profit from ordinary operating activities	-3,477	-455	15	-3,917	114	-3,802
Variance	-20.5%	-3.0%	6.9%	-12.0%	-10.8%	-12.1%

Note: Effect of Exchange Rate Change on Net Sales and Incomes ("2016 A" is the actual value of this period. "2016 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)

	2016B	2016A	Influences	Real change	(%)
Information Technology					
Revenue from external customers	42,847	38,276	-4,571	-4,769	-10.0%
Segment profit before tax	14,244	12,884	-1,359	-5,576	-28.1%
Life Care					
Revenue from external customers	83,981	75,601	-8,380	2,411	3.0%
Segment profit before tax	15,504	14,237	-1,267	765	5.2%

Ref : Results of the previous quarter are as follows:

For the three months ended June 30, 2016	Information Technology	Life Care	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	37,819	76,380	965	115,164	1	115,165
Inter-segment	173	—	437	611	-611	—
Total	37,992	76,380	1,402	115,774	-610	115,165
Segment profit before tax	11,200	14,247	170	25,617	-3,343	22,274
Segment profit before tax ratio	29.5%	18.7%	12.2%	22.1%	—	19.3%
Ref: Profit from ordinary operating activities	13,493	14,599	164	28,256	-1,316	26,940
% of revenue	35.5%	19.1%	11.7%	24.4%	—	23.4%

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	
	Sep. 30,2015		Sep. 30,2016				Jun. 30,2016	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)

Revenue from all operations

Information Technology	47,616	36.6	38,276	33.3	-9,340	-19.6	37,819	32.8
Electronics related products	34,549	[72.6]	29,181	[76.2]	-5,368	-15.5	29,560	[78.2]
Imaging related products	13,068	[27.4]	9,096	[23.8]	-3,972	-30.4	8,259	[21.8]
Life Care	81,570	62.7	75,601	65.8	-5,969	-7.3	76,380	66.3
Health care related products	61,487	[75.4]	56,861	[75.2]	-4,626	-7.5	57,312	[75.0]
Medical related products	20,083	[24.6]	18,741	[24.8]	-1,343	-6.7	19,068	[25.0]
Other	978	0.8	987	0.9	9	0.9	965	0.8
Corporate (including R&D)	1	0.0	0	0.0	-0	-54.2	1	0.0
Total revenue from all operations	130,165	100.0	114,865	100.0	-15,301	-11.8	115,165	100.0

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

Notes 2. Effect of Exchange Rate Change on Net Sales and Incomes ("2016 A" is the actual value of this period. "2016 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)

	2016B	2016A	Influences	Real change	(%)
Information Technology	42,847	38,276	-4,571	-4,769	-10.0%
Electronics related products	32,691	29,181	-3,511	-1,857	-5.4%
Imaging related products	10,156	9,096	-1,060	-2,912	-22.3%
Life Care	83,981	75,601	-8,380	2,411	3.0%
Health care related products	62,504	56,861	-5,644	1,017	1.7%
Medical related products	21,477	18,741	-2,737	1,394	6.9%

3. Information about geographical areas

Revenue from external customers

(Millions of Yen)

	For the three months ended				Variance		For the three months ended	
	Sep. 30,2015		Sep. 30,2016				Jun. 30,2016	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)

Revenue from all operations

Total revenue from all operations	130,165	100.0	114,865	100.0	-15,301	-11.8	115,165	100.0
Japan	39,655	30.5	37,917	33.0	-1,738	-4.4	36,939	32.1
Americas	19,006	14.6	17,229	15.0	-1,777	-9.4	17,303	15.0
Europe	25,261	19.4	21,737	18.9	-3,524	-13.9	24,145	21.0
Asia/Oceania	44,579	34.2	36,625	31.9	-7,954	-17.8	35,440	30.8
Others	1,664	1.3	1,357	1.2	-307	-18.5	1,339	1.2

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

<Reference>

Supplementary data for 2nd Quarter: from July 1 to September 30, 2016

The breakdown of changes in revenue and profit before tax

(Millions of Yen)

	FY15-2Q	FY16-2Q	Variance	Foreign exchange	Adjustment	Others
Revenue	130,165	114,865	-15,301	-12,979		-2,322
Information Technology	47,616	38,276	-9,340	-4,571		-4,769
Electronics related products	34,549	29,181	-5,368	-3,511		-1,857
Imaging related products	13,068	9,096	-3,972	-1,060		-2,912
Life Care	81,570	75,601	-5,969	-8,380		2,411
Health care related products	61,487	56,861	-4,626	-5,644		1,017
Medical related products	20,083	18,741	-1,343	-2,737		1,394
Profit before tax	33,858	31,637	-2,221	-2,609	① 1,582	-1,194
Information Technology	19,819	12,884	-6,935	-1,359	② -3,458	-2,118
Life Care	14,739	14,237	-503	-1,267	③ -48	813
Other, adjustment (Corporate)	-701	4,516	5,217	18	④ 5,088	111

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

	All operations		
	FY15-2Q	FY16-2Q	Variance
Profit before tax	33,858	31,637	-2,221
Adjustments	2,369	3,951	① 1,582
Finance income	408	6,590	6,182
Finance costs	-261	-251	9
Share of loss of associates	0	4	4
Foreign exchange (gain)/loss	-1,121	-1,505	-384
Impairment losses	-148	-18	130
Gain on sale of assets	3,483	36	-3,447
Others	8	-904	-912
Profit from ordinary operating activities	31,488	27,686	-3,802

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

	Information Technology			Life Care			Other, adjustment (Corporate)		
	FY15-2Q	FY16-2Q	Variance	FY15-2Q	FY16-2Q	Variance	FY15-2Q	FY16-2Q	Variance
Profit before tax	19,819	12,884	-6,935	14,739	14,237	-503	-701	4,516	5,217
Adjustments	2,847	-611	② -3,458	-616	-664	③ -48	139	5,226	④ 5,088
Finance income	93	65	-28	69	79	10	245	6,446	6,201
Finance costs	-82	-44	38	-116	-111	6	-63	-97	-34
Share of loss of associates	-0	0	0	0	4	4	-	0	0
Foreign exchange (gain)/loss	-118	-308	-190	-241	-74	167	-762	-1,123	-361
Impairment losses	-	-	-	-148	-18	130	-	-	-
Gain on sale of assets	3,227	6	-3,221	14	5	-10	242	26	-217
Others	-273	-331	-57	-194	-548	-354	476	-25	-501
Profit from ordinary operating activities	16,973	13,495	-3,477	15,355	14,901	-455	-839	-710	129

1. Interim Consolidated Financial Highlights

HOYA CORPORATION and Consolidated Subsidiaries

1. Performance for the six months ended September 30, 2015 and 2016 (All operations *Notes)

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

	Six months ended		Variance
	Sep. 30,2015	Sep. 30,2016	(%)
(1)Revenue and Profit before tax			
Revenue	256,403	230,030	-10.3
Profit before tax	64,759	53,911	-16.8
Ratio of profit before tax(%)	25.3%	23.4%	
Profit for the term	50,790	42,797	-15.7
Ratio of profit for the term(%)	19.8%	18.6%	
Profit attributable to owners of the Company	50,381	42,762	-15.1
Ratio of profit attributable to owners of the Company(%)	19.6%	18.6%	
Basic earnings per share (yen)	120.40	108.62	
Diluted earnings per share (yen)	120.05	108.42	
(2)Financial Position	As of		
	Mar.31,2016	Sep. 30,2016	
Total assets	639,007	577,787	
Total equity	498,174	445,745	
Equity attributable to owners of the Company	493,265	441,665	
Ratio of assets attributable to owners of the Company	77.2%	76.4%	
Assets attributable to owners of the Company per share (yen)	1,243.69	1,138.87	
(3) Conditions of Cash Flows	Six months ended		
	Sep. 30,2015	Sep. 30,2016	
Net cash generated from operating activities	66,804	47,575	
Net cash used in investing activities	-4,700	-2,282	
Free cash flow	62,104	45,293	
Net cash provided by (used in) financing activities	-62,712	-53,128	
Cash and cash equivalents at end of period	347,151	249,985	

2.Dividends per Share

	Year ended	
	Mar.31,2016	Mar.31,2017
Interim (Yen)	30.00	30.00
Year-end (Yen)	45.00	N/A
Annual (Yen)	75.00	N/A

3.Other

	Six months ended	
	Sep. 30,2015	Sep. 30,2016
Capital expenditure	9,619	9,567
R&D expenses	10,287	10,360

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. Interim Consolidated Financial Statements

(1) Interim Consolidated Statement of Financial Position

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

	As of Mar. 31, 2016		As of Sep. 30, 2016		Variance		As of Sep. 30, 2015	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
ASSETS								
NON-CURRENT ASSETS								
Property, plant and equipment-net	108,751		97,764		-10,987		117,302	
Goodwill	9,502		8,946		-556		8,885	
Intangible assets	16,317		14,023		-2,293		16,802	
Investments in associates	182		171		-11		187	
Long-term financial assets	15,820		16,466		646		7,461	
Other non-current assets	3,283		2,608		-675		4,242	
Deferred tax assets	11,231		10,303		-928		11,576	
Total non-current assets	165,086	25.8	150,282	26.0	-14,804	-9.0	166,454	23.2
CURRENT ASSETS								
Inventories	66,408		64,241		-2,167		68,995	
Trade and other receivables	92,887		86,296		-6,590		98,391	
Other short-term financial assets	10,984		8,494		-2,490		18,466	
Income tax receivables	587		481		-106		365	
Other current assets	16,764		18,009		1,245		16,638	
Cash and cash equivalents	286,292		249,985		-36,307		347,151	
Sub total	473,922		427,505		-46,417		550,006	
Assets held for sale	—		—		—		1,448	
Total current assets	473,922	74.2	427,505	74.0	-46,417	-9.8	551,455	76.8
Total assets	639,007	100.0	577,787	100.0	-61,221	-9.6	717,909	100.0

(Millions of Yen)

	As of Mar. 31, 2016		As of Sep. 30, 2016		Variance		As of Sep. 30, 2015	
	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	-34,633		-38,986		-4,353		-5,938	
Other capital reserves	-4,956		-4,982		-26		-4,114	
Retained earnings	510,787		505,267		-5,520		535,638	
Accumulated other comprehensive income/(loss)	-96		-41,797		-41,701		21,332	
Equity attributable to owners of the Company	493,265		441,665		-51,600		569,082	
Non-controlling interests	4,909		4,080		-829		6,566	
Total equity	498,174	78.0	445,745	77.1	-52,429	-10.5	575,647	80.2
LIABILITIES								
NON-CURRENT LIABILITIES								
Interest-bearing long-term debt	35,404		441		-34,963		35,513	
Other long-term financial liabilities	3,110		2,730		-381		3,499	
Retirement benefits liabilities	1,859		1,829		-30		1,942	
Provisions	2,335		2,294		-41		2,384	
Other non-current liabilities	808		761		-47		899	
Deferred tax liabilities	1,902		1,597		-305		2,186	
Total non-current liabilities	45,419	7.1	9,652	1.7	-35,767	-78.7	46,423	6.5
CURRENT LIABILITIES								
Interest-bearing short-term debt	1,924		36,856		34,932		2,088	
Trade and other payables	41,407		38,363		-3,044		40,925	
Other short-term financial liabilities	311		330		19		821	
Income tax payables	13,243		9,380		-3,862		13,089	
Provisions	1,284		1,204		-80		1,141	
Other current liabilities	37,247		36,257		-990		37,773	
Total current liabilities	95,415	14.9	122,390	21.2	26,975	28.3	95,838	13.3
Total liabilities	140,834	22.0	132,042	22.9	-8,792	-6.2	142,261	19.8
Total equity and liabilities	639,007	100.0	577,787	100.0	-61,221	-9.6	717,909	100.0

(2) Interim Consolidated Statement of Cash Flows

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

	For the six months ended		Variance	The year ended Mar 31, 2016
	Sep. 30, 2015	Sep. 30, 2016		
Cash flows from operating activities				
Profit before tax	64,759	53,911	-10,848	119,099
Depreciation and amortization	17,523	14,688	-2,835	33,524
Impairment losses	633	90	-543	981
Finance income	-832	-7,060	-6,229	-1,721
Finance costs	467	521	55	976
Share of (profits)/loss of associates	1	-7	-8	-3
(Gain)/loss on sales of property, plant and equipment	-117	-101	16	-842
Loss on disposal of property, plant and equipment	131	98	-33	400
Foreign exchange (gain)/loss	272	3,908	3,635	2,946
Others	-2,698	-287	2,411	-2,040
Net cash generated from operating activities (Before adjustment of movements in working capital)	80,139	65,761	-14,378	153,319
Movements in working capital				
Decrease/(increase) in inventories	-2,613	-3,452	-839	-2,758
Decrease/(increase) in trade and other receivables	401	-13	-414	2,741
Increase/(decrease) in trade and other payables	-876	-615	261	355
Increase/(decrease) in retirement benefits liabilities and provisions	119	175	56	267
Sub total	77,170	61,856	-15,313	153,924
Interests received	832	860	28	1,699
Dividends received	8	8	0	8
Interests paid	-414	-458	-44	-878
Income taxes paid	-10,936	-14,797	-3,861	-23,206
Income taxes refunded	145	106	-39	342
Net cash generated from operating activities	66,804	47,575	-19,229	131,889
Cash flows from investing activities				
Withdrawals of time deposit	6,597	5,861	-736	11,909
Payments for time deposit	-5,696	-3,886	1,810	-12,115
Proceeds from sales of property, plant and equipment	161	247	86	2,746
Payments for acquisition of property, plant and equipment	-8,077	-9,775	-1,698	-18,184
Proceeds from sales of investment	117	5,804	5,687	128
Payments for acquisition of investment	-391	—	391	-391
Proceeds from sales of subsidiary	—	—	—	0
Payments for acquisition of subsidiaries	-1	—	1	-1,792
Payments to non-controlling interests upon merger	—	-2	-2	-2
Payments for business transfer	0	—	-0	-111
Other proceeds	3,630	323	-3,307	4,903
Other payments	-1,040	-853	186	-2,254
Net cash used in investing activities	-4,700	-2,282	2,418	-15,161
Cash flows from financing activities				
Dividends paid to owners of the Company	-19,057	-17,809	1,249	-31,496
Dividends paid to non-controlling interests	-98	—	98	-625
Increase (decrease) in short-term debt	50	-2	-52	-94
Repayments of long-term borrowings	-130	-124	6	-279
Payments for redemption of bonds	-11	-11	0	-21
Proceeds from disposal of treasury shares	—	0	0	0
Payments for purchase of treasury shares	-45,048	-35,005	10,042	-130,151
Proceeds from exercise of stock options	1,582	124	-1,458	1,980
Payments for purchase of non-controlling interests	—	-301	-301	-832
Net cash used in financing activities	-62,712	-53,128	9,585	-161,519
Net increase/(decrease) in cash and cash equivalents	-608	-7,835	-7,226	-44,791
Cash and cash equivalents at the beginning of the term	348,819	286,292	-62,527	348,819
Effects of exchange rate changes on the balance of cash and cash equivalents in foreign currencies	-1,060	-28,473	-27,413	-17,737
Cash and cash equivalents at the end of the term	347,151	249,985	-97,166	286,292

(3) Interim Consolidated Statement of Comprehensive Income

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

	For the six months ended				Variance		The year ended	
	Sep. 30, 2015		Sep. 30, 2016				Mar 31, 2016	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
All operations								
Revenue:								
Sales	256,403	100.0	230,030	100.0	-26,374	-10.3	505,714	100.0
Finance income	832	0.3	7,060	3.1	6,229	749.1	1,721	0.3
Share of profit of associates	—	—	7	0.0	7	—	3	0.0
Other income	4,846	1.9	994	0.4	-3,852	-79.5	7,747	1.5
Total Revenue	262,080	102.2	238,090	103.5	-23,990	-9.2	515,186	101.9
Expenses:								
Changes in inventories of goods, products and work in progress	-3,684	-1.4	-1,118	-0.5	2,566	-69.6	-4,108	-0.8
Raw materials and consumables used	48,771	19.0	36,083	15.7	-12,688	-26.0	94,136	18.6
Employee benefits expense	59,087	23.0	55,647	24.2	-3,441	-5.8	118,222	23.4
Depreciation and amortization	17,523	6.8	14,688	6.4	-2,835	-16.2	33,524	6.6
Subcontracting cost	3,497	1.4	2,526	1.1	-971	-27.8	5,808	1.1
Advertising and promotion expense	6,877	2.7	6,365	2.8	-512	-7.4	13,077	2.6
Commission expense	13,921	5.4	13,706	6.0	-215	-1.5	27,132	5.4
Impairment losses	633	0.2	90	0.0	-543	-85.8	981	0.2
Finance costs	467	0.2	521	0.2	55	11.7	976	0.2
Share of loss of associates	1	0.0	—	—	-1	—	—	—
Foreign exchange (gain)/loss	-921	-0.4	4,899	2.1	5,821	—	2,567	0.5
Other expenses	51,149	19.9	50,771	22.1	-378	-0.7	103,773	20.5
Total Expenses	197,321	77.0	184,179	80.1	-13,143	-6.7	396,086	78.3
Profit before tax	64,759	25.3	53,911	23.4	-10,848	-16.8	119,099	23.6
Income tax expense	13,969	5.4	11,115	4.8	-2,854	-20.4	25,782	5.1
Profit for the term from all operations	50,790	19.8	42,797	18.6	-7,993	-15.7	93,317	18.5
Other comprehensive income:								
Items that will not be reclassified subsequently to profit or loss								
Remeasurements of the net defined benefit liability(asset)	15		-22		-37	—	152	
Income tax relating to components of other comprehensive income	—		-39		-39	—	11	
Total Items that will not be reclassified subsequently to profit or loss	15		-61		-76	—	163	
Items that may be reclassified subsequently to profit or loss								
Net gain on revaluation of available-for-sale financial assets	-4		-12		-8	180.0	-20	
Exchange differences on translation of foreign operations	-8,752		-42,333		-33,582	383.7	-30,558	
Share of other comprehensive income of associates	-15		-17		-3	17.3	-24	
Income tax relating to components of other comprehensive income	-79		0		80	—	-68	
Total Items that may be reclassified subsequently to profit or loss	-8,850		-42,363		-33,512	378.7	-30,670	
Total other comprehensive income/(loss)	-8,835		-42,423		-33,588	380.2	-30,507	
Total comprehensive income for the quarter	41,955		374		-41,582	-99.1	62,810	
Profit attributable to :								
Owners of the Company	50,381	19.6	42,762	18.6	-7,618	-15.1	93,175	18.4
Non-controlling interests	409	0.2	34	0.0	-375	-91.6	142	0.0
Total	50,790	19.8	42,797	18.6	-7,993	-15.7	93,317	18.5
Total comprehensive income/(loss) attributable to :								
Owners of the Company	41,372		1,001		-40,371	-97.6	62,885	
Non-controlling interests	584		-627		-1,211	—	-75	
Total	41,955		374		-41,582	-99.1	62,810	
Basic earnings/(loss) per share (yen)								
Continuing operations	120.40		108.62		-11.78		225.45	
Discontinued operations	—		—		—		—	
Basic earnings per share (yen)	120.40		108.62		-11.78		225.45	
Diluted earnings/(loss) per share (yen)								
Continuing operations	120.05		108.42		-11.63		224.85	
Discontinued operations	—		—		—		—	
Diluted earnings per share (yen)	120.05		108.42		-11.63		224.85	

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	253,124	230,030	-23,094	-3,279	-1.3%
Profit before tax	58,759	53,911	-4,848	-6,000	-9.3%
Profit for the term	46,993	42,797	-4,197	-3,797	-7.5%

- Average rates of major foreign currencies

	For the six months ended		
	Sep. 30, 2015	Sep. 30, 2016	Variance(%)
US\$	Yen 121.73	105.39	13.4%
Euro	Yen 135.32	117.69	13.0%
Thai Baht	Yen 3.52	3.01	14.5%

(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 Other 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.

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
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, 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 six months ended Sep. 30, 2015	Information Technology	Life Care	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	93,129	161,400	1,872	256,401	2	256,403
Inter-segment	424	—	833	1,257	-1,257	—
Total	93,552	161,400	2,705	257,657	-1,254	256,403
Segment profit before tax	36,056	29,241	352	65,649	-890	64,759
Segment profit before tax ratio	38.5%	18.1%	13.0%	25.5%	—	25.3%
Ref: Profit from ordinary operating activities	33,016	29,752	339	63,107	-2,339	60,768
% of revenue	35.3%	18.4%	12.5%	24.5%	—	23.7%

For the six months ended Sep. 30, 2016	Information Technology	Life Care	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	76,095	151,981	1,952	230,028	1	230,030
Inter-segment	420	—	904	1,324	-1,324	—
Total	76,515	151,981	2,856	231,352	-1,323	230,030
Segment profit before tax	24,084	28,484	419	52,986	925	53,911
Segment profit before tax ratio	31.5%	18.7%	14.7%	22.9%	—	23.4%
Profit from ordinary operating activities	26,988	29,499	396	56,884	-2,258	54,626
% of revenue	35.3%	19.4%	13.9%	24.6%	—	23.7%

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	-17,034	-9,419	80	-26,372	-1	-26,374
Variance	-18.3%	-5.8%	4.3%	-10.3%	—	-10.3%
Inter-segment	-4	—	71	68	-68	—
Total	-17,037	-9,419	151	-26,305	-69	-26,374
Segment profit before tax	-11,972	-757	67	-12,663	1,815	-10,848
Variance	-33.2%	-2.6%	19.0%	-19.3%	—	-16.8%
Profit from ordinary operating activities	-6,028	-253	57	-6,223	81	-6,142
Variance	-18.3%	-0.9%	16.8%	-9.9%	-3.5%	-10.1%

Note: Effect of Exchange Rate Change on Net Sales and Incomes ("2016 A" is the actual value of this period. "2016 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)

	2016B	2016A	Influences	Real change	(%)
Information Technology					
Revenue from external customers	83,952	76,095	-7,857	-9,177	-9.9%
Segment profit before tax ratio	26,436	24,084	-2,352	-9,620	-26.7%
Life Care					
Revenue from external customers	167,162	151,981	-15,181	5,762	3.6%
Segment profit before tax ratio	31,007	28,484	-2,523	1,766	6.0%

2. Revenue from major products and services

Revenue from external customers

(Millions of Yen)

Revenue from external customers				(millions of Yen)					
	For the six months ended				Variance		The year ended Mar 31, 2016		
	Sep. 30, 2015		Sep. 30, 2016						
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)	

Revenue from all operations

Information Technology	93,129	36.3	76,095	33.1	-17,034	-18.3	178,749	35.3
Electronics related products	68,075	[73.1]	58,741	[77.2]	-9,334	-13.7	132,861	[74.3]
Imaging related products	25,054	[26.9]	17,354	[22.8]	-7,700	-30.7	45,887	[25.7]
Life Care	161,400	62.9	151,981	66.1	-9,419	-5.8	322,673	63.8
Health care related products	121,366	[75.2]	114,172	[75.1]	-7,193	-5.9	241,296	[74.8]
Medical related products	40,034	[24.8]	37,809	[24.9]	-2,225	-5.6	81,378	[25.2]
Other	1,872	0.7	1,952	0.8	80	4.3	4,289	0.8
Corporate (including R&D)	2	0.0	1	0.0	-1	-46.8	4	0.0
Total revenue from all operations	256,403	100.0	230,030	100.0	-26,374	-10.3	505,714	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	83,952	76,095	-7,857	-9,177	-9.9%
Electronics related products	64,858	58,741	-6,118	-3,216	-4.7%
Imaging related products	19,094	17,354	-1,739	-5,960	-23.8%
Life Care	167,162	151,981	-15,181	5,762	3.6%
Health care related products	124,648	114,172	-10,476	3,282	2.7%
Medical related products	42,514	37,809	-4,705	2,480	6.2%

3. Information about geographical areas

Revenue from external customers

(Millions of Yen)

Revenue from external customers						(millions of Yen)			
	For the six months ended				Variance		The year ended Mar 31, 2016		
	Sep. 30, 2015		Sep. 30, 2016						
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)	

Revenue from all operations

Total revenue from all operations	256,403	100.0	230,030	100.0	-26,374	-10.3	505,714	100.0
Japan	77,529	30.2	74,855	32.5	-2,674	-3.4	154,334	30.5
Americas	37,476	14.6	34,531	15.0	-2,944	-7.9	74,629	14.8
Europe	51,849	20.2	45,882	19.9	-5,966	-11.5	104,691	20.7
Asia/Oceania	86,514	33.7	72,065	31.3	-14,449	-16.7	165,733	32.8
Others	3,035	1.2	2,696	1.2	-340	-11.2	6,328	1.3

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

<Reference>

Supplementary data for Interim Period : from April 1 to September 30, 2016

The breakdown of changes in revenue and profit before tax

(Millions of Yen)

	FY15-1H	FY16-1H	Variance	Foreign exchange	Adjustment	Others
Revenue	256,403	230,030	-26,374	-23,094		-3,279
Information Technology	93,129	76,095	-17,034	-7,857		-9,177
Electronics related products	68,075	58,741	-9,334	-6,118		-3,216
Imaging related products	25,054	17,354	-7,700	-1,739		-5,960
Life Care	161,400	151,981	-9,419	-15,181		5,762
Health care related products	121,366	114,172	-7,193	-10,476		3,282
Medical related products	40,034	37,809	-2,225	-4,705		2,480
Profit before tax	64,759	53,911	-10,848	-4,848	① -4,705	-1,295
Information Technology	36,056	24,084	-11,972	-2,352	② -5,945	-3,675
Life Care	29,241	28,484	-757	-2,523	③ -505	2,270
Other, adjustment (Corporate)	-539	1,343	1,882	27	④ 1,744	110

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

	All operations		
	FY15-1H	FY16-1H	Variance
Profit before tax	64,759	53,911	-10,848
Adjustments	3,991	-714	① -4,705
Finance income	832	7,060	6,229
Finance costs	-467	-521	-55
Share of loss of associates	-1	7	8
Foreign exchange (gain)/loss	921	-4,899	-5,821
Impairment losses	-633	-90	543
Gain on sales of assets	3,518	106	-3,412
Others	-179	-2,377	-2,198
Profit from ordinary operating activities	60,768	54,626	-6,142

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

	Information Technology			Life Care			Other, adjustment (Corporate)		
	FY15-1H	FY16-1H	Variance	FY15-1H	FY16-1H	Variance	FY15-1H	FY16-1H	Variance
Profit before tax	36,056	24,084	-11,972	29,241	28,484	-757	-539	1,343	1,882
Adjustments	3,040	-2,905	② -5,945	-510	-1,015	③ -505	1,461	3,205	④ 1,744
Finance income	207	139	-67	156	196	41	469	6,725	6,255
Finance costs	-168	-116	51	-184	-233	-49	-115	-171	-57
Share of loss of associates	-0	1	1	-1	6	7	-	0	0
Foreign exchange (gain)/loss	261	-1,253	-1,515	387	-161	-548	274	-3,485	-3,758
Impairment losses	-	-	-	-633	-90	543	-	-	-
Gain on sales of assets	3,234	49	-3,185	41	17	-24	242	40	-203
Others	-495	-1,724	-1,230	-275	-750	-475	591	97	-493
Profit from ordinary operating activities	33,016	26,988	-6,028	29,752	29,499	-253	-2,000	-1,862	138