

# Quarterly Report

4th Quarter : 3 months ended March 31, 2018

Annual : Fiscal year ended March 31, 2018

Consolidated (HOYA CORPORATION and Consolidated Subsidiaries)

## Part .1

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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 March 31, 2017 and 2018 (All operations \*Notes)

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

	Three months ended		Variance
	Mar. 31, 2017	Mar. 31, 2018	(%)
(1)Revenue and Profit before tax			
Revenue	126,304	135,923	7.6
Profit before tax	24,409	26,150	7.1
Ratio of profit before tax(%)	19.3%	19.2%	
Profit for the quarter	18,975	19,535	3.0
Ratio of profit for the quarter(%)	15.0%	14.4%	
Profit attributable to owners of the Company	18,923	19,372	2.4
Ratio of profit attributable to owners of the Company(%)	15.0%	14.3%	
Basic earnings per share (yen)	48.77	51.01	
Diluted earnings per share (yen)	48.65	50.90	

	As of	
	Dec. 31, 2017	Mar. 31, 2018
(2)Financial Position		
Total assets	655,990	650,645
Total equity	540,020	530,677
Equity attributable to owners of the Company	535,505	526,193
Ratio of assets attributable to owners of the Company	81.6%	80.9%
Assets attributable to owners of the Company per share (yen)	1,404.96	1,386.49

	Three months ended	
	Mar. 31, 2017	Mar. 31, 2018
(3) Conditions of Cash Flows		
Net cash generated from operating activities	36,900	39,483
Net cash used in investing activities	-6,281	-3,385
Free cash flow	30,619	36,098
Net cash provided by (used in ) financing activities	299	-9,669
Cash and cash equivalents at end of period	296,851	245,835

### 2.Dividends per Share

	Year ended	
	Mar.31,2017	Mar.31,2018
Interim (Yen)	30.00	30.00
Year-end (Yen)	45.00	45.00
Annual (Yen)	75.00	75.00

### 3.Other

	Three months ended	
	Mar. 31, 2017	Mar. 31, 2018
Capital expenditure	5,605	5,155
R&D expenses	5,700	5,907

#### 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

The overall global economy was strong during the fourth quarter of the consolidated fiscal year under review (January 1 through March 31, 2018). The economy of the United States continued to experience a steady recovery, while the economy of Europe grew at a moderate pace. The Chinese economy demonstrated stability throughout the period. The Japanese economy continued to experience a gradual recovery.

Given this environment, sales of eyeglass lenses and contact lenses in health care related products in the Life Care segment rose year on year, as did sales of intraocular lenses for cataracts. The combined performance of these products drove HOYA Group ("the Company") Life Care segment sales higher for the period.

The Information Technology segment reported higher sales of electronics-related semiconductor mask blanks and LCD photomasks. At the same time, sales of glass substrates for hard disk drives fell year on year. Imaging related product sales rose compared to the same period in the prior fiscal year. As a result, the Information Technology segment as a whole reported higher revenues year on year.

As a result, sales for the consolidated fourth quarter increased 7.6% year on year, reaching 135,923 million yen.

Despite recording 5,615 million yen in impairment losses on fixed assets, profit growth stemming from higher revenues, productivity improvements, expense reductions, and other measures resulted in quarterly profit before tax of 26,150 million yen and profit of 19,535 million yen, year-on-year increases of 7.1% and 3.0%, respectively. Profit before tax ratio was 19.2%, essentially level with the 19.3% result recorded for the same period in the prior fiscal year.

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

### 2) Segment Overview

The following discusses results by reportable segment. Segment sales are sales to external customers.

#### Life Care

##### <Health care related products>

In Japan, eyeglass lens sales fell in response to ongoing contraction in the retail market. Overseas sales grew year on year. We captured a greater share of the market growth in Asia, while our own steady same store growth in the Americas, combined with our acquisition of Performance Optics, LLC, resulted in a significant jump in sales in that region.

New store openings of our Eyecity contact lens specialty stores, as well as new customer expansion efforts at existing stores, resulted in higher year-on-year sales for contact lenses.

<Medical related products>

Despite tough competition for medical-use endoscopes in the US and Europe, a stronger sales push in Asia led to solid sales in that region. Favorable exchange rates between the yen and the euro also contributed to overall growth in medical-use endoscope sales.

Sales of intraocular lenses for cataracts, introduced in Japan in fiscal 2015, continued to perform well in the Japanese market. Overseas, direct sales and sales through agents were strong, outpacing performance for the same period in the prior fiscal year.

As a result, sales for the Life Care segment grew 9.7% year on year, reaching 91,884 million yen. Segment profit fell 11.7% to 10,902 million yen, reflecting 5,591 million yen in impairment losses related to fixed assets. These impairment losses were offset in part by higher revenues, productivity improvements, expense reductions, and other Company efforts.

Information Technology

<Electronics related products>

The smartphone market has slowed, while the market for end products using HOYA components, such as PCs and tablets, continues to be saturated. However, sales of mask blanks for semiconductors grew year on year. This growth was mainly due to our capturing active research and development demand for cutting-edge products.

Photomasks for LCDs recorded higher year on year sales, driven by recovery in overseas research and development demand, as well as our own progress in the growing Chinese market.

Sales of glass substrates for hard disk drives fell compared to the same period in the prior fiscal year. Last year, NAND (Not AND) flash memory supplies were in short supply, resulting in strong demand for hard disk drives. NAND supplies improved this quarter, meaning hard disk drive demand returned to normal levels overall.

<Imaging related products>

Sales of imaging related products grew overall. Contraction of the market for digital cameras, the end product using our products in this field, has softened. However, expanded sales of products for surveillance cameras and other new applications contributed to overall growth.

As a result, sales for the Information Technology segment as a whole rose 2.6% year on year, reaching 42,648 million yen. Segment profit rose 15.7% year on year to 15,707 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 1,391 million yen, an increase of 42.0% year on year. Segment profit rose 43.5% to 364 million yen.

### 3. Quarterly Consolidated Financial Statements

#### (1) Quarterly Consolidated Statement of Financial Position

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

	As of Dec. 31, 2017		As of Mar. 31, 2018		Variance		As of Mar. 31, 2017	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
<b>ASSETS</b>								
<b>NON-CURRENT ASSETS</b>								
Property, plant and equipment-net	110,541		105,493		-5,048		103,729	
Goodwill	40,152		31,892		-8,260		14,590	
Intangible assets	39,546		36,863		-2,683		26,412	
Investments in associates	1,494		1,476		-18		196	
Long-term financial assets	15,205		15,595		390		7,357	
Other non-current assets	2,503		2,302		-201		2,578	
Deferred tax assets	10,097		10,834		737		9,399	
Total non-current assets	219,537	33.5	204,455	31.4	-15,082	-6.9	164,263	24.9
<b>CURRENT ASSETS</b>								
Inventories	74,817		71,341		-3,476		65,501	
Trade and other receivables	110,240		107,632		-2,608		98,315	
Other short-term financial assets	6,035		4,955		-1,080		17,788	
Income tax receivables	349		1,228		879		389	
Other current assets	16,426		15,198		-1,228		16,477	
Cash and cash equivalents	228,586		245,835		17,249		296,851	
Total current assets	436,453	66.5	446,190	68.6	9,737	2.2	495,321	75.1
Total assets	655,990	100.0	650,645	100.0	-5,345	-0.8	659,583	100.0

(Millions of Yen)

	As of Dec. 31, 2017		As of Mar. 31, 2018		Variance		As of Mar. 31, 2017	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
<b>EQUITY AND LIABILITIES</b>								
<b>EQUITY</b>								
Share capital	6,264		6,264		—		6,264	
Capital reserves	15,899		15,899		—		15,899	
Treasury shares	-25,854		-10,886		14,968		-6,816	
Other capital reserves	-6,542		-6,660		-118		-5,345	
Retained earnings	534,680		529,818		-4,862		506,367	
Accumulated other comprehensive income/(loss)	11,058		-8,242		-19,300		-5,482	
Equity attributable to owners of the Company	535,505	81.6	526,193	80.9	-9,312	-1.7	510,887	77.5
Non-controlling interests	4,515		4,484		-31		4,518	
<b>Total equity</b>	<b>540,020</b>	<b>82.3</b>	<b>530,677</b>	<b>81.6</b>	<b>-9,343</b>	<b>-1.7</b>	<b>515,405</b>	<b>78.1</b>
<b>LIABILITIES</b>								
<b>NON-CURRENT LIABILITIES</b>								
Interest-bearing long-term debt	501		451		-50		504	
Other long-term financial liabilities	6,936		6,983		47		4,843	
Retirement benefits liabilities	2,283		2,127		-156		2,001	
Provisions	2,434		2,398		-36		2,419	
Other non-current liabilities	1,024		956		-68		813	
Deferred tax liabilities	3,461		2,774		-687		2,857	
<b>Total non-current liabilities</b>	<b>16,639</b>	<b>2.5</b>	<b>15,690</b>	<b>2.4</b>	<b>-949</b>	<b>-5.7</b>	<b>13,438</b>	<b>2.0</b>
<b>CURRENT LIABILITIES</b>								
Interest-bearing short-term debt	1,933		1,901		-32		36,913	
Trade and other payables	44,503		46,555		2,052		41,371	
Other short-term financial liabilities	444		643		199		652	
Income tax payables	8,527		12,355		3,828		11,649	
Provisions	1,369		1,280		-89		1,333	
Other current liabilities	42,555		41,542		-1,013		38,822	
<b>Total current liabilities</b>	<b>99,331</b>	<b>15.1</b>	<b>104,277</b>	<b>16.0</b>	<b>4,946</b>	<b>5.0</b>	<b>130,740</b>	<b>19.8</b>
<b>Total liabilities</b>	<b>115,970</b>	<b>17.7</b>	<b>119,967</b>	<b>18.4</b>	<b>3,997</b>	<b>3.4</b>	<b>144,178</b>	<b>21.9</b>
<b>Total equity and liabilities</b>	<b>655,990</b>	<b>100.0</b>	<b>650,645</b>	<b>100.0</b>	<b>-5,345</b>	<b>-0.8</b>	<b>659,583</b>	<b>100.0</b>
Total number of issued shares in thousand	381,153		379,514		-1,639		388,094	
Equity attributable to owner of the Company per share	1,404.96 Yen		1,386.49 Yen		-18.47 Yen		1,316.40 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 Dec. 31, 2017
	Mar. 31, 2017	Mar. 31, 2018		
Cash flows from operating activities				
Profit before tax	24,409	26,150	1,741	34,683
Depreciation and amortization	7,846	7,234	-611	7,080
Impairment losses	244	5,615	5,371	136
Finance income	-480	-413	67	-350
Finance costs	344	68	-276	181
Share of (profits)/loss of associates	-6	4	9	28
(Gain)/loss on sales of property, plant and equipment	-280	-277	3	-128
Loss on disposal of property, plant and equipment	108	351	243	26
Foreign exchange (gain)/loss	544	-319	-862	-824
Others	1,964	2,486	522	1,083
Net cash generated from operating activities (Before adjustment of movements in working capital)	34,693	40,900	6,207	41,914
Movements in working capital				
Decrease/(increase) in inventories	3,873	850	-3,023	168
Decrease/(increase) in trade and other receivables	904	-1,451	-2,355	-1,151
Increase/(decrease) in trade and other payables	-1	3,005	3,006	-14
Increase/(decrease) in retirement benefits liabilities and provisions	-150	14	164	-190
Sub total	39,320	43,318	3,998	40,727
Interests received	563	311	-252	422
Dividends received	0	-0	-0	0
Interests paid	-368	-19	349	-23
Income taxes paid	-2,982	-4,313	-1,331	-9,654
Income taxes refunded	367	186	-181	49
Net cash generated from operating activities	36,900	39,483	2,583	31,521
Cash flows from investing activities				
Withdrawals of time deposit	998	1,366	367	4,644
Payments for time deposit	-996	-612	384	-828
Proceeds from sales of property, plant and equipment	352	128	-225	279
Payments for acquisition of property, plant and equipment	-6,193	-4,690	1,503	-3,607
Proceeds from sales of investment	13	959	946	—
Payments for purchase of subsidiary	—	78	78	-129
Proceeds from sales of subsidiary	—	5	5	—
Payments for business transfer	-4	—	4	—
Other proceeds	147	111	-37	332
Other payments	-599	-729	-130	-437
Net cash used in investing activities	-6,281	-3,385	2,895	254
Cash flows from financing activities				
Dividends paid to owners of the Company	17	-26	-43	-11,536
Increase (decrease) in short-term debt	-1	—	1	—
Repayments of long-term borrowings	-69	-133	-64	-66
Payments for redemption of bonds	—	—	—	-11
Proceeds from disposal of treasury shares	0	—	-0	—
Payments for purchase of treasury shares	-1	-9,696	-9,695	-26,244
Proceeds from exercise of stock options	353	141	-212	1,167
Proceeds from share issuance to non-controlling shareholders	—	45	45	—
Net cash used in financing activities	299	-9,669	-9,968	-36,690
Net increase/(decrease) in cash and cash equivalents	30,919	26,429	-4,489	-4,915
Cash and cash equivalents at the beginning of the term	273,176	228,586	-44,590	231,570
Effects of exchange rate changes on the balance of cash and cash equivalents in foreign currencies	-7,244	-9,180	-1,936	1,931
Cash and cash equivalents at the end of the term	296,851	245,835	-51,016	228,586

### (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	
	Mar. 31, 2017		Mar. 31, 2018				Dec. 31, 2017	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
<b>All operations</b>								
<b>Revenue:</b>								
Sales	126,304	100.0	135,923	100.0	9,619	7.6	136,759	100.0
Finance income	480	0.4	413	0.3	-67	-14.0	350	0.3
Share of profit of associates	6	0.0	—	—	-6	—	—	—
Other income	746	0.6	747	0.5	1	0.1	2,259	1.7
<b>Total Revenue</b>	<b>127,536</b>	<b>101.0</b>	<b>137,083</b>	<b>100.9</b>	<b>9,547</b>	<b>7.5</b>	<b>139,368</b>	<b>101.9</b>
<b>Expenses:</b>								
Changes in inventories of goods, products and work in progress	3,398	2.7	1,305	1.0	-2,093	-61.6	-607	-0.4
Raw materials and consumables used	19,060	15.1	20,638	15.2	1,578	8.3	21,817	16.0
Employee benefits expense	30,545	24.2	32,644	24.0	2,099	6.9	33,211	24.3
Depreciation and amortization	7,846	6.2	7,234	5.3	-612	-7.8	7,080	5.2
Subcontracting cost	1,021	0.8	1,239	0.9	218	21.3	1,307	1.0
Advertising and promotion expense	3,300	2.6	2,420	1.8	-880	-26.7	3,577	2.6
Commission expense	7,774	6.2	8,294	6.1	520	6.7	8,048	5.9
Impairment losses	244	0.2	5,615	4.1	5,371	2,201.3	136	0.1
Finance costs	344	0.3	68	0.0	-276	-80.4	181	0.1
Share of loss of associates	—	—	4	0.0	4	—	28	0.0
Foreign exchange (gain)/loss	1,266	1.0	948	0.7	-318	-25.1	-265	-0.2
Other expenses	28,329	22.4	30,525	22.5	2,196	7.8	30,173	22.1
<b>Total expense</b>	<b>103,127</b>	<b>81.6</b>	<b>110,933</b>	<b>81.6</b>	<b>7,806</b>	<b>7.6</b>	<b>104,685</b>	<b>76.5</b>
Profit before tax	24,409	19.3	26,150	19.2	1,741	7.1	34,683	25.4
Income tax expense	5,434	4.3	6,615	4.9	1,181	21.7	6,956	5.1
<b>Profit for the term from all operations</b>	<b>18,975</b>	<b>15.0</b>	<b>19,535</b>	<b>14.4</b>	<b>560</b>	<b>3.0</b>	<b>27,727</b>	<b>20.3</b>
<b>Other comprehensive income:</b>								
Items that will not be reclassified subsequently to profit or loss								
Remeasurements of the net defined benefit liability(asset)	-259		110		369	—	-21	
Income tax relating to components of other comprehensive income	34		10		-24	-70.3	—	
<b>Total Items that will not be reclassified subsequently to profit or loss</b>	<b>-225</b>		<b>120</b>		<b>345</b>	<b>—</b>	<b>-21</b>	
Items that may be reclassified subsequently to profit or loss								
Net gain on revaluation of available-for-sale financial assets	272		252		-20	-7.2	74	
Exchange differences on translation of foreign operations	-9,648		-19,674		-10,026	103.9	4,297	
Share of other comprehensive income of associates	-4		-14		-10	2,201.3	1	
Income tax relating to components of other comprehensive income	-82		-103		-21	25.2	11	
<b>Total Items that may be reclassified subsequently to profit or loss</b>	<b>-9,463</b>		<b>-19,539</b>		<b>-10,076</b>	<b>106.5</b>	<b>4,383</b>	
<b>Total other comprehensive income/(loss)</b>	<b>-9,687</b>		<b>-19,419</b>		<b>-9,732</b>	<b>100.5</b>	<b>4,362</b>	
<b>Total comprehensive income for the quarter</b>	<b>9,288</b>		<b>116</b>		<b>-9,172</b>	<b>-98.8</b>	<b>32,089</b>	
<b>Profit attributable to :</b>								
Owners of the Company	18,923	15.0	19,372	14.3	449	2.4	27,837	20.4
Non-controlling interests	52	0.0	163	0.1	111	213.8	-110	-0.1
<b>Total</b>	<b>18,975</b>	<b>15.0</b>	<b>19,535</b>	<b>14.4</b>	<b>560</b>	<b>3.0</b>	<b>27,727</b>	<b>20.3</b>
<b>Total comprehensive income/(loss) attributable to :</b>								
Owners of the Company	9,389		192		-9,197	-98.0	32,075	
Non-controlling interests	-102		-76		26	-25.3	14	
<b>Total</b>	<b>9,288</b>		<b>116</b>		<b>-9,172</b>	<b>-98.8</b>	<b>32,089</b>	
<b>Basic earnings/(loss) per share (yen)</b>								
Continuing operations	48.77		51.01		2.24		72.44	
Discontinued operations	—		—		—		—	
<b>Basic earnings per share (yen)</b>	<b>48.77</b>		<b>51.01</b>		<b>2.24</b>		<b>72.44</b>	
<b>Diluted earnings/(loss) per share (yen)</b>								
Continuing operations	48.65		50.90		2.25		72.29	
Discontinued operations	—		—		—		—	
<b>Diluted earnings per share (yen)</b>	<b>48.65</b>		<b>50.90</b>		<b>2.25</b>		<b>72.29</b>	

Notes:

- Effect of Exchange Rate Change on Net Sales and Incomes ("2017 A" is the actual value of this period. "2017 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)

	2017 B	2017 A	Influences	Real change	(%)
Sales	135,363	135,923	560	9,059	7.2%
Profit before tax	26,094	26,150	56	1,685	6.9%
Profit for the quarter	19,436	19,535	99	461	2.4%

		For the three months ended		Variance(%)
		Mar. 31, 2017	Mar. 31, 2018	
2. Average rates of major foreign currencies				
US\$	Yen	112.85	107.47	4.8%
Euro	Yen	120.17	132.29	-10.1%
Thai Baht	Yen	3.24	3.43	-5.9%



## (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 "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 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.

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.

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, Intraocular lenses, Artificial bone, Metallic implants for orthopedics, etc.
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.
Other		Design of information systems, Speech synthesis software, etc.

## 1. Segment revenues and results

(Millions of Yen)

For the three months ended Mar. 31, 2017	Life Care	Information Technology	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	83,752	41,572	980	126,304	0	126,304
Inter-segment	0	80	482	562	-562	—
<b>Total</b>	<b>83,752</b>	<b>41,652</b>	<b>1,462</b>	<b>126,867</b>	<b>-562</b>	<b>126,304</b>
Segment profit before tax	12,348	13,579	254	26,181	-1,772	24,409
Segment profit before tax ratio	14.7%	32.6%	17.4%	20.6%	—	19.3%
Ref: Profit from ordinary operating activities	13,184	14,944	254	28,382	-1,472	26,910
% of revenue	15.7%	35.9%	17.4%	22.4%	—	21.3%

For the three months ended Mar. 31, 2018	Life Care	Information Technology	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	91,884	42,648	1,391	135,923	-0	135,923
Inter-segment	1	89	438	527	-527	—
<b>Total</b>	<b>91,884</b>	<b>42,736</b>	<b>1,829</b>	<b>136,450</b>	<b>-527</b>	<b>135,923</b>
Segment profit before tax	10,902	15,707	364	26,973	-824	26,150
Segment profit before tax ratio	11.9%	36.8%	19.9%	19.8%	—	19.2%
Ref: Profit from ordinary operating activities	18,110	16,117	360	34,588	-1,546	33,042
% of revenue	19.7%	37.7%	19.7%	25.3%	—	24.3%

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
<b>Variance</b>						
Revenue from external customers	8,131	1,076	412	9,619	-0	9,619
Variance	9.7%	2.6%	42.0%	7.6%	—	7.6%
Inter-segment	1	8	-44	-35	35	—
<b>Total</b>	<b>8,132</b>	<b>1,084</b>	<b>367</b>	<b>9,584</b>	<b>35</b>	<b>9,619</b>
Segment profit before tax	-1,446	2,128	110	792	949	1,741
Variance	-11.7%	15.7%	43.5%	3.0%	—	7.1%
Profit from ordinary operating activities	4,927	1,174	106	6,206	-74	6,132
Variance	37.4%	7.9%	41.8%	21.9%	5.0%	22.8%

Note: Effect of Exchange Rate Change on Net Sales and Incomes ("2017 A" is the actual value of this period. "2017 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)

	2017B	2017A	Influences	Real change	(%)
<b>Life Care</b>					
Revenue from external customers	90,268	91,884	1,616	6,516	7.8%
Profit from ordinary operating activities	17,763	18,110	348	4,579	34.7%
Segment profit before tax	10,472	10,902	430	-1,876	-15.2%
<b>Information Technology</b>					
Revenue from external customers	43,700	42,648	-1,053	2,128	5.1%
Profit from ordinary operating activities	16,425	16,117	-308	1,481	9.9%
Segment profit before tax	16,010	15,707	-302	2,431	17.9%

Ref : Results of the previous quarter are as follows:

For the three months ended Dec. 31, 2017	Life Care	Information Technology	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	90,113	45,466	1,180	136,759	—	136,759
Inter-segment	1	69	428	497	-497	—
<b>Total</b>	<b>90,113</b>	<b>45,535</b>	<b>1,608</b>	<b>137,256</b>	<b>-497</b>	<b>136,759</b>
Segment profit before tax	16,963	18,183	313	35,459	-776	34,683
Segment profit before tax ratio	18.8%	39.9%	19.5%	25.8%	—	25.4%
Ref: Profit from ordinary operating activities	16,073	18,173	202	34,448	-1,252	33,196
% of revenue	17.8%	39.9%	12.6%	25.1%	—	24.3%

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)

Revenue from external customers						(millions of Yen)					
						For the three months ended		Variance		For the three months ended	
						Mar. 31, 2017				Mar. 31, 2018	
						Amount	(%)	Amount	(%)	Amount	(%)

### Revenue from all operations

Life Care	83,752	66.3	91,884	67.6	8,131	9.7	90,113	65.9
Health care related products	62,387	[ 74.5 ]	69,144	[ 75.3 ]	6,757	10.8	67,328	[ 74.7 ]
Medical related products	21,365	[ 25.5 ]	22,739	[ 24.7 ]	1,374	6.4	22,785	[ 25.3 ]
Information Technology	41,572	32.9	42,648	31.4	1,076	2.6	45,466	33.2
Electronics related products	32,477	[ 78.1 ]	31,861	[ 74.7 ]	-616	-1.9	34,291	[ 75.4 ]
Imaging related products	9,095	[ 21.9 ]	10,787	[ 25.3 ]	1,692	18.6	11,176	[ 24.6 ]
Other	980	0.8	1,391	1.0	412	42.0	1,180	0.9
Corporate (including R&D)	0	0.0	-0	-0.0	-0	—	0	—
<b>Total revenue from all operations</b>	<b>126,304</b>	<b>100.0</b>	<b>135,923</b>	<b>100.0</b>	<b>9,619</b>	<b>7.6</b>	<b>136,759</b>	<b>100.0</b>

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

Notes 2. Effect of Exchange Rate Change on Net Sales and Incomes ("2017 A" is the actual value of this period. "2017 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)

	2017B	2017A	Influences	Real change	(%)
Life Care	90,268	91,884	1,616	6,516	7.8%
Health care related products	68,125	69,144	1,019	5,738	9.2%
Medical related products	22,143	22,739	597	777	3.6%
Information Technology	43,700	42,648	-1,053	2,128	5.1%
Electronics related products	32,830	31,861	-969	353	1.1%
Imaging related products	10,870	10,787	-83	1,775	19.5%

## 3. Information about geographical areas

Revenue from external customers

(Millions of Yen)

Revenue from external customers							(millions of Yen)	
	For the three months ended				Variance		For the three months ended	
	Mar. 31, 2017		Mar. 31, 2018				Dec. 31, 2017	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)

### Revenue from all operations

Total revenue from all operations	126,304	100.0	135,923	100.0	9,619	7.6	136,759	100.0
Japan	38,313	30.3	38,880	28.6	567	1.5	38,846	28.4
Americas	21,606	17.1	23,791	17.5	2,185	10.1	23,151	16.9
Europe	25,484	20.2	28,476	20.9	2,992	11.7	28,160	20.6
Asia/Oceania	39,050	30.9	42,657	31.4	3,607	9.2	45,019	32.9
Others	1,851	1.5	2,120	1.6	269	14.5	1,583	1.2

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

<Reference>

**Supplementary data for 4th Quarter: from January 1 to March 31, 2018**

The breakdown of changes in revenue and profit before tax

(Millions of Yen)

	FY16-4Q	FY17-4Q	Variance	Foreign exchange	Others
Revenue	126,304	135,923	9,619	560	9,059
Life Care	83,752	91,884	8,131	1,616	6,516
Health care related products	62,387	69,144	6,757	1,019	5,738
Medical related products	21,365	22,739	1,374	597	777
Information Technology	41,572	42,648	1,076	-1,053	2,128
Electronics related products	32,477	31,861	-616	-969	353
Imaging related products	9,095	10,787	1,692	-83	1,775
Profit from ordinary operating activities	26,910	33,042	6,132	34	6,098
Life Care	13,184	18,110	4,927	348	4,579
Information Technology	14,944	16,117	1,174	-308	1,481
Other, adjustment (Corporate)	-1,218	-1,186	32	-6	38
Profit before tax	24,409	26,150	1,741	56	1,685
Life Care	12,348	10,902	-1,446	430	-1,876
Information Technology	13,579	15,707	2,128	-302	2,431
Other, adjustment (Corporate)	-1,519	-460	1,059	-71	1,130

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

	All operations		
	FY16-4Q	FY17-4Q	Variance
Profit before tax	24,409	26,150	1,741
Adjustments	-2,501	-6,892	-4,391
Finance income	480	413	-67
Finance costs	-344	-68	276
Share of loss of associates	6	-4	-9
Foreign exchange (gain)/loss	-1,266	-948	318
Impairment losses	-244	-5,615	-5,371
Others	-1,132	-671	462
Profit from ordinary operating activities	26,910	33,042	6,132

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

	Life Care			Information Technology			Other, adjustment (Corporate)		
	FY16-4Q	FY17-4Q	Variance	FY16-4Q	FY17-4Q	Variance	FY16-4Q	FY17-4Q	Variance
Profit before tax	12,348	10,902	-1,446	13,579	15,707	2,128	-1,519	-460	1,059
Adjustments	-836	-7,208	-6,373	-1,365	-410	955	-301	726	1,027
Finance income	87	66	-21	81	86	5	312	261	-51
Finance costs	-216	-223	-7	-53	-69	-16	-75	224	299
Share of loss of associates	6	4	-1	-0	-0	-0	-	-8	-8
Foreign exchange (gain)/loss	-168	-709	-541	-519	-498	22	-579	258	837
Impairment losses	-	-5,591	-5,591	-244	-24	220	-	-0	0
Others	-545	-756	-211	-629	94	723	42	-9	-51
Profit from ordinary operating activities	13,184	18,110	4,927	14,944	16,117	1,174	-1,218	-1,186	32

## 1. Consolidated Financial Highlights

HOYA CORPORATION and Consolidated Subsidiaries

### 1. Performance for the year ended March 31, 2017 and 2018 (All operations \*Notes)

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

	Year ended		Variance
	Mar. 31,2017	Mar. 31,2018	(%)
(1)Revenue and Profit before tax			
Revenue	478,927	535,612	11.8
Profit before tax	110,795	124,248	12.1
Ratio of profit before tax(%)	23.1%	23.2%	
Profit for the term	86,852	99,222	14.2
Ratio of profit for the term(%)	18.1%	18.5%	
Profit attributable to owners of the Company	86,740	99,494	14.7
Ratio of profit attributable to owners of the Company(%)	18.1%	18.6%	
Basic earnings per share (yen)	221.93	258.46	
Diluted earnings per share (yen)	221.49	257.88	

	As of	
	Mar.31,2017	Mar. 31,2018
(2)Financial Position		
Total assets	659,583	650,645
Total equity	515,405	530,677
Equity attributable to owners of the Company	510,887	526,193
Ratio of assets attributable to owners of the Company	77.5%	80.9%
Assets attributable to owners of the Company per share (yen)	1,316.40	1,386.49

	Year ended	
	Mar. 31,2017	Mar. 31,2018
(3) Conditions of Cash Flows		
Net cash generated from operating activities	107,662	135,499
Net cash used in investing activities	-27,507	-68,533
Free cash flow	80,155	66,966
Net cash provided by (used in) financing activities	-64,289	-117,333
Cash and cash equivalents at end of period	296,851	245,835

### 2.Dividends per Share

	Year ended	
	Mar.31,2017	Mar.31,2018
Interim (Yen)	30.00	30.00
Year-end (Yen)	45.00	45.00
Annual (Yen)	75.00	75.00

### 3.Other

	Year ended	
	Mar. 31,2017	Mar. 31,2018
Capital expenditure	22,863	19,289
R&D expenses	21,826	23,290

#### 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.Consolidated Financial Statements

### (1) Consolidated Statement of Financial Position

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

	As of Mar. 31, 2017		As of Mar. 31, 2018		Variance	
	Amount	(%)	Amount	(%)	Amount	(%)
<b>ASSETS</b>						
NON-CURRENT ASSETS						
Property, plant and equipment-net	103,729		105,493		1,764	
Goodwill	14,590		31,892		17,302	
Intangible assets	26,412		36,863		10,451	
Investments in associates	196		1,476		1,279	
Long-term financial assets	7,357		15,595		8,238	
Other non-current assets	2,578		2,302		-276	
Deferred tax assets	9,399		10,834		1,434	
Total non-current assets	164,263	24.9	204,455	31.4	40,192	24.5
CURRENT ASSETS						
Inventories	65,501		71,341		5,840	
Trade and other receivables	98,315		107,632		9,317	
Other short-term financial assets	17,788		4,955		-12,833	
Income tax receivables	389		1,228		839	
Other current assets	16,477		15,198		-1,279	
Cash and cash equivalents	296,851		245,835		-51,016	
Total current assets	495,321	75.1	446,190	68.6	-49,131	-9.9
Total assets	659,583	100.0	650,645	100.0	-8,939	-1.4

(Millions of Yen)

	As of Mar. 31, 2017		As of Mar. 31, 2018		Variance	
	Amount	(%)	Amount	(%)	Amount	(%)
<b>EQUITY AND LIABILITIES</b>						
<b>EQUITY</b>						
Share capital	6,264		6,264		—	
Capital reserves	15,899		15,899		—	
Treasury shares	-6,816		-10,886		-4,070	
Other capital reserves	-5,345		-6,660		-1,315	
Retained earnings	506,367		529,818		23,451	
Accumulated other comprehensive income/(loss)	-5,482		-8,242		-2,760	
Equity attributable to owners of the Company	510,887	77.5	526,193	80.9	15,306	3.0
Non-controlling interests	4,518		4,484		-34	
<b>Total equity</b>	<b>515,405</b>	<b>78.1</b>	<b>530,677</b>	<b>81.6</b>	<b>15,272</b>	<b>3.0</b>
<b>LIABILITIES</b>						
<b>NON-CURRENT LIABILITIES</b>						
Interest-bearing long-term debt	504		451		-53	
Other long-term financial liabilities	4,843		6,983		2,140	
Retirement benefits liabilities	2,001		2,127		126	
Provisions	2,419		2,398		-20	
Other non-current liabilities	813		956		143	
Deferred tax liabilities	2,857		2,774		-83	
<b>Total non-current liabilities</b>	<b>13,438</b>	<b>2.0</b>	<b>15,690</b>	<b>2.4</b>	<b>2,252</b>	<b>16.8</b>
<b>CURRENT LIABILITIES</b>						
Interest-bearing short-term debt	36,913		1,901		-35,012	
Trade and other payables	41,371		46,555		5,184	
Other short-term financial liabilities	652		643		-9	
Income tax payables	11,649		12,355		706	
Provisions	1,333		1,280		-53	
Other current liabilities	38,822		41,542		2,720	
<b>Total current liabilities</b>	<b>130,740</b>	<b>19.8</b>	<b>104,277</b>	<b>16.0</b>	<b>-26,463</b>	<b>-20.2</b>
<b>Total liabilities</b>	<b>144,178</b>	<b>21.9</b>	<b>119,967</b>	<b>18.4</b>	<b>-24,211</b>	<b>-16.8</b>
<b>Total equity and liabilities</b>	<b>659,583</b>	<b>100.0</b>	<b>650,645</b>	<b>100.0</b>	<b>-8,939</b>	<b>-1.4</b>
Total number of issued shares in thousand	388,094		379,514		-8,579	
Equity attributable to owner of the Company per share	1,316.40 Yen		1,386.49 Yen		70.09 Yen	

## (2) Consolidated Statement of Cash Flows

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

	For the year ended		Variance
	Mar. 31,2017	Mar. 31,2018	
Cash flows from operating activities			
Profit before tax	110,795	124,248	13,453
Depreciation and amortization	29,777	28,711	-1,065
Impairment losses	334	5,798	5,464
Finance income	-8,022	-1,562	6,461
Finance costs	1,130	771	-358
Share of (profits)/loss of associates	-16	44	60
(Gain)/loss on sales of property, plant and equipment	-720	-438	282
Loss on disposal of property, plant and equipment	226	432	206
Foreign exchange (gain)/loss	1,269	-1,447	-2,716
Others	3,589	4,631	1,043
Net cash generated from operating activities (Before adjustment of movements in working capital)	138,360	161,189	22,829
Movements in working capital			
Decrease/(increase) in inventories	729	1,763	1,034
Decrease/(increase) in trade and other receivables	-5,528	-6,562	-1,035
Increase/(decrease) in trade and other payables	-859	4,052	4,912
Increase/(decrease) in retirement benefits liabilities and provisions	16	-234	-249
Sub total	132,718	160,209	27,491
Interests received	1,813	1,499	-315
Dividends received	50	8	-42
Interests paid	-858	-456	402
Income taxes paid	-26,614	-26,425	189
Income taxes refunded	553	664	111
Net cash generated from operating activities	107,662	135,499	27,837
Cash flows from investing activities			
Withdrawals of time deposit	10,149	11,025	875
Payments for time deposit	-8,898	-6,186	2,713
Proceeds from sales of property, plant and equipment	1,060	559	-502
Payments for acquisition of property, plant and equipment	-21,528	-17,974	3,554
Proceeds from sales of investment	5,818	959	-4,858
Payments for acquisition of investment	—	-1,333	-1,333
Proceeds from sales of subsidiary	—	5	5
Payments for acquisition of subsidiaries	-6,360	-54,018	-47,658
Payments to non-controlling interests upon merger	-19	-2	17
Payments for business transfer	-6,193	-251	5,942
Other proceeds	597	759	161
Other payments	-2,134	-2,076	58
Net cash used in investing activities	-27,507	-68,533	-41,026
Cash flows from financing activities			
Dividends paid to owners of the Company	-29,447	-29,042	406
Dividends paid to non-controlling interests	—	-34	-34
Increase (decrease) in short-term debt	-4	—	4
Repayments of long-term borrowings	-258	-339	-82
Payments for redemption of bonds	-21	-35,021	-35,000
Proceeds from disposal of treasury shares	0	—	-0
Payments for purchase of treasury shares	-35,007	-55,034	-20,027
Proceeds from exercise of stock options	749	2,240	1,492
Proceeds from share issuance to non-controlling shareholders	—	45	45
Payments for purchase of non-controlling interests	-301	-148	153
Net cash used in financing activities	-64,289	-117,333	-53,044
Net increase/(decrease) in cash and cash equivalents	15,866	-50,367	-66,233
Cash and cash equivalents at the beginning of the term	286,292	296,851	10,559
Effects of exchange rate changes on the balance of cash and cash equivalents in foreign currencies	-5,307	-649	4,659
Cash and cash equivalents at the end of the term	296,851	245,835	-51,016



### (3) Consolidated Statement of Comprehensive Income

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

	For the year ended				Variance	
	Mar. 31, 2017		Mar. 31, 2018			
	Amount	(%)	Amount	(%)	Amount	(%)
<b>All operations</b>						
<b>Revenue:</b>						
Sales	478,927	100.0	535,612	100.0	56,685	11.8
Finance income	8,022	1.7	1,562	0.3	-6,461	-80.5
Share of profit of associates	16	0.0	—	—	-16	—
Other income	2,764	0.6	3,999	0.7	1,235	44.7
<b>Total Revenue</b>	<b>489,729</b>	<b>102.3</b>	<b>541,173</b>	<b>101.0</b>	<b>51,443</b>	<b>10.5</b>
<b>Expenses:</b>						
Changes in inventories of goods, products and work in progress	3,132	0.7	534	0.1	-2,598	-82.9
Raw materials and consumables used	74,304	15.5	83,924	15.7	9,620	12.9
Employee benefits expense	114,504	23.9	127,820	23.9	13,316	11.6
Depreciation and amortization	29,777	6.2	28,711	5.4	-1,065	-3.6
Subcontracting cost	4,783	1.0	4,919	0.9	136	2.9
Advertising and promotion expense	12,912	2.7	13,085	2.4	173	1.3
Commission expense	28,523	6.0	32,506	6.1	3,983	14.0
Impairment losses	334	0.1	5,798	1.1	5,464	1,635.5
Finance costs	1,130	0.2	771	0.1	-358	-31.7
Share of loss of associates	—	—	44	0.0	44	—
Foreign exchange (gain)/loss	2,389	0.5	268	0.0	-2,122	-88.8
Other expenses	107,147	22.4	118,543	22.1	11,395	10.6
<b>Total Expenses</b>	<b>378,935</b>	<b>79.1</b>	<b>416,925</b>	<b>77.8</b>	<b>37,990</b>	<b>10.0</b>
Profit before tax	110,795	23.1	124,248	23.2	13,453	12.1
Income tax expense	23,943	5.0	25,026	4.7	1,083	4.5
<b>Profit for the term from all operations</b>	<b>86,852</b>	<b>18.1</b>	<b>99,222</b>	<b>18.5</b>	<b>12,370</b>	<b>14.2</b>
<b>Other comprehensive income:</b>						
Items that will not be reclassified subsequently to profit or loss						
Remeasurements of the net defined benefit liability(asset)	-281		88		369	—
Income tax relating to components of other comprehensive income	-4		10		14	—
<b>Total Items that will not be reclassified subsequently to profit or loss</b>	<b>-285</b>		<b>98</b>		<b>384</b>	<b>—</b>
Items that may be reclassified subsequently to profit or loss						
Net gain on revaluation of available-for-sale financial assets	180		423		243	135.0
Exchange differences on translation of foreign operations	-5,808		-2,712		3,096	-53.3
Share of other comprehensive income of associates	-1		-9		-8	632.8
Income tax relating to components of other comprehensive income	-58		-112		-54	93.3
<b>Total Items that may be reclassified subsequently to profit or loss</b>	<b>-5,687</b>		<b>-2,410</b>		<b>3,277</b>	<b>-57.6</b>
<b>Total other comprehensive income/(loss)</b>	<b>-5,972</b>		<b>-2,312</b>		<b>3,660</b>	<b>-61.3</b>
<b>Total comprehensive income for the quarter</b>	<b>80,879</b>		<b>96,910</b>		<b>16,031</b>	<b>19.8</b>
<b>Profit attributable to :</b>						
Owners of the Company	86,740	18.1	99,494	18.6	12,754	14.7
Non-controlling interests	112	0.0	-272	-0.1	-384	—
<b>Total</b>	<b>86,852</b>	<b>18.1</b>	<b>99,222</b>	<b>18.5</b>	<b>12,370</b>	<b>14.2</b>
<b>Total comprehensive income/(loss) attributable to :</b>						
Owners of the Company	81,069		96,833		15,764	19.4
Non-controlling interests	-189		77		267	—
<b>Total</b>	<b>80,879</b>		<b>96,910</b>		<b>16,031</b>	<b>19.8</b>
<b>Basic earnings/(loss) per share (yen)</b>						
Continuing operations	221.93		258.46		36.53	
Discontinued operations	—		—		—	
<b>Basic earnings per share (yen)</b>	<b>221.93</b>		<b>258.46</b>		<b>36.53</b>	
<b>Diluted earnings/(loss) per share (yen)</b>						
Continuing operations	221.49		257.88		36.39	
Discontinued operations	—		—		—	
<b>Diluted earnings per share (yen)</b>	<b>221.49</b>		<b>257.88</b>		<b>36.39</b>	

Notes:

- Effect of exchange rate change on net sales and incomes ("2017 A" is the actual value of this period. "2017 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)

	2017 B	2017 A	Influences	Real change	(%)
Sales	520,906	535,612	14,706	41,978	8.8%
Profit before tax	120,939	124,248	3,309	10,144	9.2%
Profit for the term	96,226	99,222	2,996	9,374	10.8%

- Average rates of major foreign currencies

		For the year ended		Variance(%)
		Mar. 31, 2017	Mar. 31, 2018	
US\$	Yen	108.72	110.70	-1.8%
Euro	Yen	118.68	130.25	-9.7%
Thai Baht	Yen	3.10	3.36	-8.4%

## (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 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.

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.

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, Intraocular lenses, Artificial bone, Metallic implants for orthopedics, etc.
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.
Other		Design of information systems, Speech synthesis software, etc.

## 1. Segment revenues and results

(Millions of Yen)

For the year ended Mar. 31, 2017	Life Care	Information Technology	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	314,442	160,617	3,866	478,925	3	478,927
Inter-segment	0	609	1,860	2,469	-2,469	—
<b>Total</b>	<b>314,442</b>	<b>161,226</b>	<b>5,726</b>	<b>481,394</b>	<b>-2,466</b>	<b>478,927</b>
Segment profit before tax	54,718	54,507	902	110,128	667	110,795
Segment profit before tax ratio	17.4%	33.8%	15.8%	22.9%	—	23.1%
Ref: Profit from ordinary operating activities	56,755	57,460	892	115,107	-5,363	109,744
% of revenue	18.0%	35.6%	15.6%	23.9%	—	22.9%

For the year ended Mar. 31, 2018	Life Care	Information Technology	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	352,872	178,480	4,260	535,612	—	535,612
Inter-segment	3	256	1,679	1,938	-1,938	—
<b>Total</b>	<b>352,876</b>	<b>178,736</b>	<b>5,939</b>	<b>537,550</b>	<b>-1,938</b>	<b>535,612</b>
Segment profit before tax	56,448	69,982	864	127,294	-3,046	124,248
Segment profit before tax ratio	16.0%	39.2%	14.5%	23.7%	—	23.2%
Profit from ordinary operating activities	63,640	70,094	760	134,495	-5,010	129,485
% of revenue	18.0%	39.2%	12.8%	25.0%	—	24.2%

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

	Life Care	Information Technology	Other	Total	Adjustments	All operations
<b>Variance</b>						
Revenue from external customers	38,431	17,863	394	56,688	-3	56,685
Variance	12.2%	11.1%	10.2%	11.8%	—	11.8%
Inter-segment	3	-353	-181	-531	531	—
<b>Total</b>	<b>38,434</b>	<b>17,510</b>	<b>213</b>	<b>56,157</b>	<b>528</b>	<b>56,685</b>
Segment profit before tax	1,730	15,475	-38	17,166	-3,713	13,453
Variance	3.2%	28.4%	-4.2%	15.6%	—	12.1%
Profit from ordinary operating activities	6,886	12,634	-132	19,388	353	19,741
Variance	12.1%	22.0%	-14.8%	16.8%	-6.6%	18.0%

Note: Effect of Exchange Rate Change on Net Sales and Incomes ("2017 A" is the actual value of this period. "2017 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)

	2017B	2017A	Influences	Real change	(%)
Information Technology					
Revenue from external customers	340,919	352,872	11,953	26,478	8.4%
Profit from ordinary operating activities	61,444	63,640	2,197	4,689	8.3%
Segment profit before tax ratio	54,200	56,448	2,249	-519	-0.9%
Life Care					
Revenue from external customers	175,760	178,480	2,720	15,143	9.4%
Profit from ordinary operating activities	68,915	70,094	1,179	11,455	19.9%
Segment profit before tax ratio	68,761	69,982	1,221	14,253	26.1%

## 2. Revenue from major products and services

Revenue from external customers

(Millions of Yen)

	For the year ended				Variance	
	Mar. 31,2017		Mar. 31,2018			
	Amount	(%)	Amount	(%)	Amount	(%)

### Revenue from all operations

Life Care	314,442	65.7	352,872	65.9	38,431	12.2
Health care related products	234,622	[ 74.6 ]	265,645	[ 75.3 ]	31,023	13.2
Medical related products	79,819	[ 25.4 ]	87,228	[ 24.7 ]	7,408	9.3
Information Technology	160,617	33.5	178,480	33.3	17,863	11.1
Electronics related products	124,247	[ 77.4 ]	134,878	[ 75.6 ]	10,631	8.6
Imaging related products	36,370	[ 22.6 ]	43,602	[ 24.4 ]	7,232	19.9
Other	3,866	0.8	4,260	0.8	394	10.2
Corporate (including R&D)	3	0.0	0	—	-3	-100.0
<b>Total revenue from all operations</b>	<b>478,927</b>	<b>100.0</b>	<b>535,612</b>	<b>100.0</b>	<b>56,685</b>	<b>11.8</b>

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

Notes 2. Effect of Exchange Rate Change on Net Sales and Incomes ("2017 A" is the actual value of this period. "2017B" is the nominal value of this period which temporarily exchanged by the currency rate of the same period last year. unit : millions of Yen)

	2017B	2017A	Influences	Real change	(%)
Life Care	340,919	352,872	11,953	26,478	8.4%
Health care related products	257,381	265,645	8,264	22,759	9.7%
Medical related products	83,538	87,228	3,690	3,719	4.7%
Information Technology	175,760	178,480	2,720	15,143	9.4%
Electronics related products	132,924	134,878	1,954	8,677	7.0%
Imaging related products	42,836	43,602	766	6,466	17.8%

## 3. Information about geographical areas

Revenue from external customers

	For the year ended				Variance	
	Mar. 31, 2017		Mar. 31, 2018			
	Amount	(%)	Amount	(%)	Amount	(%)

### Revenue from all operations

Total revenue from all operations	478,927	100.0	535,612	100.0	56,685	11.8
Japan	151,316	31.6	156,164	29.2	4,848	3.2
Americas	74,015	15.5	89,764	16.8	15,749	21.3
Europe	95,993	20.0	107,843	20.1	11,850	12.3
Asia/Oceania	151,466	31.6	174,860	32.6	23,394	15.4
Others	6,137	1.3	6,981	1.3	844	13.7

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

<Reference>

**Supplementary data for the Full Year : from April 1, 2017 to March 31, 2018**

The breakdown of changes in revenue and profit before tax

(Millions of Yen)

	FY2016	FY2017	Variance	Foreign exchange	Others
Revenue	478,927	535,612	56,685	14,706	41,978
Life Care	314,442	352,872	38,431	11,953	26,478
Health care related products	234,622	265,645	31,023	8,264	22,759
Medical related products	79,819	87,228	7,408	3,690	3,719
Information Technology	160,617	178,480	17,863	2,720	15,143
Electronics related products	124,247	134,878	10,631	1,954	8,677
Imaging related products	36,370	43,602	7,232	766	6,466
Profit from ordinary operating activities	109,744	129,485	19,741	3,350	16,390
Life Care	56,755	63,640	6,886	2,197	4,689
Information Technology	57,460	70,094	12,634	1,179	11,455
Other, adjustment (Corporate)	-4,470	-4,250	221	-25	246
Profit before tax	110,795	124,248	13,453	3,309	10,144
Life Care	54,718	56,448	1,730	2,249	-519
Information Technology	54,507	69,982	15,475	1,221	14,253
Other, adjustment (Corporate)	1,569	-2,183	-3,751	-161	-3,591

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

	All operations		
	FY2016	FY2017	Variance
Profit before tax	110,795	124,248	13,453
Adjustments	1,051	-5,237	-6,287
Finance income	8,022	1,562	-6,461
Finance costs	-1,130	-771	358
Share of loss of associates	16	-44	-60
Foreign exchange (gain)/loss	-2,389	-268	2,122
Impairment losses	-334	-5,798	-5,464
Others	-3,135	83	3,218
Profit from ordinary operating activities	109,744	129,485	19,741

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

	Life Care			Information Technology			Other, adjustment (Corporate)		
	FY2016	FY2017	Variance	FY2016	FY2017	Variance	FY2016	FY2017	Variance
Profit before tax	54,718	56,448	1,730	54,507	69,982	15,475	1,569	-2,183	-3,751
Adjustments	-2,036	-7,192	-5,156	-2,952	-112	2,841	6,039	2,067	-3,972
Finance income	374	274	-100	336	360	24	7,313	928	-6,385
Finance costs	-589	-849	-260	-221	-270	-49	-319	348	667
Share of loss of associates	13	22	8	2	-2	-4	-	-64	-64
Foreign exchange (gain)/loss	-424	-526	-102	-861	-235	626	-1,104	493	1,597
Impairment losses	-90	-5,638	-5,548	-244	-160	84	-	-	-
Others	-1,320	-475	845	-1,963	195	2,159	149	363	214
Profit from ordinary operating activities	56,755	63,640	6,886	57,460	70,094	12,634	-4,470	-4,250	221