

# Quarterly Report

1st Quarter : 3 months ended June 30, 2019

Consolidated (HOYA CORPORATION and Consolidated Subsidiaries)

**Part .1**

**1st Quarter : from April 1 to June 30, 2019 <IFRS>**

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

**Notes:**

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

## HOYA CORPORATION

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

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

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

## 1. Quarterly Consolidated Financial Highlights

HOYA CORPORATION and Consolidated Subsidiaries

### 1. Performance for the three months ended June 30, 2018 and 2019 (All operations \*Notes)

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

	Three months ended		Variance
	Jun. 30, 2018	Jun. 30, 2019	(%)
(1)Revenue and Profit before tax			
Revenue	138,891	140,819	1.4
Profit before tax	35,220	37,045	5.2
Ratio of profit before tax(%)	25.4%	26.3%	
Profit for the quarter	28,490	30,148	5.8
Ratio of profit for the quarter(%)	20.5%	21.4%	
Profit attributable to owners of the Company	28,506	30,045	5.4
Ratio of profit attributable to owners of the Company(%)	20.5%	21.3%	
Basic earnings per share (yen)	75.11	79.22	
Diluted earnings per share (yen)	74.96	79.07	

	As of	
	Mar. 31, 2019	Jun. 30, 2019
(2)Financial Position		
Total assets	763,915	763,222
Total equity	627,707	611,330
Equity attributable to owners of the Company	623,155	606,808
Ratio of assets attributable to owners of the Company	81.6%	79.5%
Assets attributable to owners of the Company per share (yen)	1,640.02	1,607.04

	Three months ended	
	Jun. 30, 2018	Jun. 30, 2019
(3) Conditions of Cash Flows		
Net cash generated from operating activities	25,781	35,440
Net cash used in investing activities	-32,169	-10,882
Free cash flow	-6,387	24,559
Net cash provided by (used in ) financing activities	-16,938	-37,747
Cash and cash equivalents at end of period	226,208	273,831

### 2. Projected Results for the First Half (Six months ending September 30, 2019) for All Operations

	Six months ended/ending		Variance
	Sep. 30, 2018	Sep. 30, 2019	(%)
Revenue	280,909	284,000	1.1
Profit before tax	73,625	74,000	0.5
Profit for the term	59,720	60,000	0.5
Profit attributable to owners of the Company	59,838	60,000	0.3
Profit for the term per share (Yen)	157.64	158.64	—

### 3. Other

	Three months ended	
	Jun. 30, 2018	Jun. 30, 2019
Capital expenditure	6,228	11,140
R&D expenses	6,650	6,355

#### Notes:

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

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

## 2. Results of Operations

### 1) General Overview

HOYA Group ("the Company") sales for the first quarter of the consolidated fiscal year under review (April 1 through June 30, 2019) amounted to 140,819 million yen, an increase of 1.4% compared to the same period in the prior fiscal year.

Quarterly profit before tax amounted to 37,045 million yen with 30,148 million yen in profit, representing year-on-year increases of 5.2% and 5.8%, respectively.

Profit before tax ratio was 26.3%, representing a year-on-year increase of 0.9 points.

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

Sales of eyeglass lenses in health care related products in the Life Care segment decreased slightly year on year, while contact lens sales increased. Sales of medical-use endoscopes in our medical-related products domain decreased slightly, while sales of intraocular lenses for cataract rose significantly. The combined performance of these products drove the Company's Life Care segment sales higher year on year.

The Information Technology segment reported significantly higher sales of electronics-related semiconductor mask blanks. Sales of photomasks for LCDs and semiconductors were level year on year, while sales of glass substrates for hard disk drives were lower. Imaging-related product sales fell year on year. As a result, the Company was able to maintain Information Technology segment sales level with the same period in the prior fiscal year.

### 2) Segment Overview

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

#### Life Care

##### <Health care related products>

Sales of eyeglass lenses in Japan decreased year on year. In overseas markets, sales of high-value-added products drove growth in Europe leading to overall segment growth on a local currency basis. On a yen basis, however, sales decreased slightly due to the impact of foreign currency translation.

Contact lens sales rose year on year, mainly due to customer expansion efforts at existing Eyecity stores, increased sales of added-value products, and new store openings.

##### Medical-Related Products

Sales of medical-use endoscopes were strong overseas, mainly due to the impact of new products introduced during fiscal 2018. However, results were slightly lower on a yen basis due to the impact of foreign currency translation.

##### <Medical related products>

Sales of intraocular lenses for cataracts in Japan were solid. Overseas, contributions of our highly competitive Vivinex product and the impact of acquisitions combined for significant sales growth year on year.

As a result, sales for the Life Care segment grew 2.7% year on year, reaching 93,772 million yen. Segment profit decreased 0.7% year on year to 17,292 million yen.

## Information Technology

### <Electronics related products>

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

While a sluggish market for external photomask shop resulted in lower sales of photomasks for semiconductors year on year, sales of photomasks for LCDs rose, mainly due to our efforts in the Chinese market, which is experience ongoing growth. Accordingly, sales of photomasks for LCDs and semiconductors were level with the same period in the prior fiscal year.

Sales of 2.5-inch glass substrates for hard disk drives, which account for the majority of substrate sales, decreased year on year, as notebook PCs and mission-critical servers shift from hard disk drives to solid state drives (SSDs). At the same time, sales revenues of 3.5-inch products grew significantly, adopted for nearline use in data centers, which are the end users of these products. This increase, however, was not sufficient to compensate for the decline in 2.5-inch product sales. As a result, sales were lower year on year for glass substrates as a whole.

### <Imaging related products>

Smartphones and other factors continue to erode the digital camera market, driving our sales lower.

As a result, Information Technology segment sales revenues declined 1.3% year on year to 45,976 million yen. Segment profit rose 7.5% to 20,480 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 1,071 million yen, an increase of 4.8% year on year. Segment profit fell 16.4% to 60 million yen.

### 3. Quarterly Consolidated Financial Statements

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

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

	As of Mar. 31, 2019		As of Jun. 30, 2019		Variance		As of Jun. 30, 2018	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
<b>ASSETS</b>								
NON-CURRENT ASSETS								
Property, plant and equipment-net	111,077		135,952		24,875		105,543	
Goodwill	42,843		41,622		-1,221		32,916	
Intangible assets	44,308		43,161		-1,146		36,307	
Investments in associates	349		1,350		1,001		1,462	
Long-term financial assets	44,103		43,749		-354		42,662	
Other non-current assets	2,960		680		-2,280		2,329	
Deferred tax assets	10,162		9,892		-270		9,241	
Total non-current assets	255,802	33.5	276,406	36.2	20,604	8.1	230,461	34.8
CURRENT ASSETS								
Inventories	78,973		81,738		2,766		72,875	
Trade and other receivables	110,847		105,869		-4,977		108,872	
Other short-term financial assets	3,131		2,614		-517		4,895	
Income tax receivables	820		1,025		205		923	
Other current assets	20,946		21,738		792		17,901	
Cash and cash equivalents	293,397		273,831		-19,566		226,208	
Total current assets	508,113	66.5	486,816	63.8	-21,297	-4.2	431,674	65.2
Total assets	763,915	100.0	763,222	100.0	-693	-0.1	662,134	100.0

(Millions of Yen)

	As of Mar. 31, 2019		As of Jun. 30, 2019		Variance		As of Jun. 30, 2018	
	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	-8,319		-26,910		-18,591		-10,635	
Other capital reserves	-7,434		-7,550		-116		-6,702	
Retained earnings	617,459		631,009		13,549		541,240	
Accumulated other comprehensive income/(loss)	-713		-11,904		-11,190		-3,219	
Equity attributable to owners of the Company	623,155	81.6	606,808	79.5	-16,348	-2.6	542,847	82.0
Non-controlling interests	4,552		4,523		-29		4,449	
<b>Total equity</b>	<b>627,707</b>	<b>82.2</b>	<b>611,330</b>	<b>80.1</b>	<b>-16,377</b>	<b>-2.6</b>	<b>547,296</b>	<b>82.7</b>
<b>LIABILITIES</b>								
<b>NON-CURRENT LIABILITIES</b>								
Interest-bearing long-term debt	904		16,004		15,100		473	
Other long-term financial liabilities	10,936		5,466		-5,470		6,939	
Retirement benefits liabilities	2,770		2,986		216		2,227	
Provisions	2,607		2,609		2		2,437	
Other non-current liabilities	2,303		1,452		-850		972	
Deferred tax liabilities	4,917		4,911		-6		2,749	
<b>Total non-current liabilities</b>	<b>24,436</b>	<b>3.2</b>	<b>33,428</b>	<b>4.4</b>	<b>8,992</b>	<b>36.8</b>	<b>15,796</b>	<b>2.4</b>
<b>CURRENT LIABILITIES</b>								
Interest-bearing short-term debt	1,934		7,344		5,410		1,876	
Trade and other payables	54,887		55,882		994		46,736	
Other short-term financial liabilities	646		2,931		2,286		703	
Income tax payables	8,872		9,549		677		6,719	
Provisions	1,261		1,284		22		1,286	
Other current liabilities	44,171		41,473		-2,698		41,722	
<b>Total current liabilities</b>	<b>111,772</b>	<b>14.6</b>	<b>118,463</b>	<b>15.5</b>	<b>6,691</b>	<b>6.0</b>	<b>99,042</b>	<b>15.0</b>
<b>Total liabilities</b>	<b>136,208</b>	<b>17.8</b>	<b>151,891</b>	<b>19.9</b>	<b>15,683</b>	<b>11.5</b>	<b>114,838</b>	<b>17.3</b>
<b>Total equity and liabilities</b>	<b>763,915</b>	<b>100.0</b>	<b>763,222</b>	<b>100.0</b>	<b>-693</b>	<b>-0.1</b>	<b>662,134</b>	<b>100.0</b>
Total number of issued shares in thousand	379,968		377,593		-2,375		379,559	
Equity attributable to owner of the Company per share	1,640.02 Yen		1,607.04 Yen		-32.98 Yen		1,430.21 Yen	

## (2)Quarterly Consolidated Statement of Cash Flows

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

	For the three months ended		Variance	Three months ended Mar. 31, 2019
	Jun. 30, 2018	Jun. 30, 2019		
Cash flows from operating activities				
Profit before tax	35,220	37,045	1,825	31,357
Depreciation and amortization	6,845	8,383	1,538	6,749
Impairment losses	—	—	—	1,094
Finance income	-482	-977	-495	-727
Finance costs	82	163	81	133
Share of (profits)/loss of associates	-1	378	379	1,102
(Gain)/loss on sales of property, plant and equipment	-81	-46	35	-145
Loss on disposal of property, plant and equipment	71	22	-49	51
Gain on business transfer	-3	—	3	—
Foreign exchange (gain)/loss	-137	1,222	1,359	-235
Others	-2,648	-3,222	-575	6,060
Net cash generated from operating activities (Before adjustment of movements in working capital)	38,866	42,967	4,101	45,438
Movements in working capital				
Decrease/(increase) in inventories	-1,591	-4,479	-2,887	450
Decrease/(increase) in trade and other receivables	-1,620	2,773	4,393	941
Increase/(decrease) in trade and other payables	-61	-444	-383	2,047
Increase/(decrease) in retirement benefits liabilities and provisions	101	299	197	22
Sub total	35,696	41,117	5,421	48,899
Interests received	361	878	516	588
Dividends received	8	12	-5	-4
Interests paid	-5	-168	-163	-247
Income taxes paid	-10,631	-6,398	4,233	-2,776
Income taxes refunded	353	—	-353	149
Net cash generated from operating activities	25,781	35,440	9,659	46,609
Cash flows from investing activities				
Withdrawals of time deposit	4,299	803	-3,496	573
Payments for time deposit	-4,254	-633	3,622	-1,001
Proceeds from sales of property, plant and equipment	907	93	-814	357
Payments for acquisition of property, plant and equipment	-5,733	-10,671	-4,939	-6,742
Proceeds from sales of investment	—	899	899	5
Payments for acquisition of investment	-27,000	-364	26,636	-556
Payments for purchase of subsidiary	-56	-455	-398	-18,473
Proceeds from business transfer	4	—	-4	—
Payments for business transfer	-89	-87	3	—
Other proceeds	123	50	-73	108
Other payments	-368	-517	-149	-573
Net cash used in investing activities	-32,169	-10,882	21,287	-26,302
Cash flows from financing activities				
Dividends paid to owners of the Company	-17,012	-17,034	-22	-22
Dividends paid to non-controlling interests	—	—	—	-1
Repayments of long-term borrowings	-64	-92	-28	-71
Payments for lease liabilities	—	-1,865	-1,865	—
Payments for redemption of bonds	-14	—	14	—
Payments for purchase of treasury shares	-1	-19,108	-19,108	-1
Proceeds from exercise of stock options	152	353	201	258
Net cash used in financing activities	-16,938	-37,747	-20,808	163
Net increase/(decrease) in cash and cash equivalents	-23,326	-13,188	10,137	20,470
Cash and cash equivalents at the beginning of the term	245,835	293,397	47,562	272,290
Effects of exchange rate changes on the balance of cash and cash equivalents in foreign currencies	3,698	-6,378	-10,076	637
Cash and cash equivalents at the end of the term	226,208	273,831	47,623	293,397

### (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, 2019	
	Jun. 30, 2018		Jun. 30, 2019					
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
<b>All operations</b>								
<b>Revenue:</b>								
Sales	138,891	100.0	140,819	100.0	1,928	1.4	141,476	100.0
Finance income	482	0.3	977	0.7	495	102.9	727	0.5
Share of profit of associates	1	0.0	—	—	-1	—	—	—
Other income	504	0.4	600	0.4	96	19.1	1,378	1.0
<b>Total Revenue</b>	<b>139,878</b>	<b>100.7</b>	<b>142,396</b>	<b>101.1</b>	<b>2,518</b>	<b>1.8</b>	<b>143,581</b>	<b>101.5</b>
<b>Expenses:</b>								
Changes in inventories of goods, products and work in progress	-461	-0.3	-2,998	-2.1	-2,537	550.4	811	0.6
Raw materials and consumables used	22,238	16.0	22,660	16.1	422	1.9	20,202	14.3
Employee benefits expense	32,561	23.4	33,473	23.8	912	2.8	33,531	23.7
Depreciation and amortization	6,845	4.9	8,383	6.0	1,538	22.5	6,749	4.8
Subcontracting cost	1,299	0.9	1,293	0.9	-6	-0.4	1,319	0.9
Advertising and promotion expense	3,207	2.3	3,416	2.4	209	6.5	3,288	2.3
Commission expense	8,367	6.0	8,160	5.8	-207	-2.5	8,547	6.0
Impairment losses	—	—	—	—	—	—	1,094	0.8
Finance costs	82	0.1	163	0.1	81	98.2	133	0.1
Share of loss of associates	—	—	378	0.3	378	—	1,102	0.8
Foreign exchange (gain)/loss	454	0.3	1,844	1.3	1,390	306.3	366	0.3
Other expenses	30,065	21.6	28,580	20.3	-1,485	-4.9	35,082	24.8
<b>Total expense</b>	<b>104,658</b>	<b>75.4</b>	<b>105,351</b>	<b>74.8</b>	<b>693</b>	<b>0.7</b>	<b>112,224</b>	<b>79.3</b>
Profit before tax	35,220	25.4	37,045	26.3	1,825	5.2	31,357	22.2
Income tax expense	6,730	4.8	6,897	4.9	166	2.5	2,147	1.5
<b>Profit for the term from all operations</b>	<b>28,490</b>	<b>20.5</b>	<b>30,148</b>	<b>21.4</b>	<b>1,659</b>	<b>5.8</b>	<b>29,209</b>	<b>20.6</b>
<b>Other comprehensive income:</b>								
Items that will not be reclassified subsequently to profit or loss								
Assets measured at fair value through other comprehensive income	34		-98		-132	—	398	
Remeasurements of the net defined benefit liability(asset)	-4		1		5	—	-300	
Income tax relating to components of other comprehensive income	-12		21		33	—	-16	
<b>Total items that will not be reclassified subsequently to profit or loss</b>	<b>18</b>		<b>-76</b>		<b>-94</b>	<b>—</b>	<b>82</b>	
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translation of foreign operations	5,104		-11,165		-16,269	-318.8	1,234	
Share of other comprehensive income of associates	-15		-11		4	-25.5	2	
Income tax relating to components of other comprehensive income	-109		-0		109	-99.9	250	
<b>Total items that may be reclassified subsequently to profit or loss</b>	<b>4,980</b>		<b>-11,176</b>		<b>-16,156</b>	<b>-324.4</b>	<b>1,486</b>	
<b>Total other comprehensive income/(loss)</b>	<b>4,998</b>		<b>-11,252</b>		<b>-16,250</b>	<b>-325.1</b>	<b>1,568</b>	
<b>Total comprehensive income for the quarter</b>	<b>33,488</b>		<b>18,896</b>		<b>-14,591</b>	<b>-43.6</b>	<b>30,777</b>	
<b>Profit attributable to :</b>								
Owners of the Company	28,506		30,045		1,540	5.4	29,103	20.6
Non-controlling interests	-16		103		119	—	107	0.1
<b>Total</b>	<b>28,490</b>		<b>30,148</b>		<b>1,659</b>	<b>5.8</b>	<b>29,209</b>	<b>20.6</b>
<b>Total comprehensive income/(loss) attributable to :</b>								
Owners of the Company	33,523		18,925		-14,598	-43.5	30,720	
Non-controlling interests	-35		-29		6	—	57	
<b>Total</b>	<b>33,488</b>		<b>18,896</b>		<b>-14,591</b>	<b>-43.6</b>	<b>30,777</b>	<b>0.0</b>
<b>Basic earnings/(loss) per share (yen)</b>								
Continuing operations	75.11		79.22		4.11		76.60	
Discontinued operations	—		—		—		—	
<b>Basic earnings per share (yen)</b>	<b>75.11</b>		<b>79.22</b>		<b>4.11</b>	<b>¥</b>	<b>76.60</b>	<b>¥</b>
<b>Diluted earnings/(loss) per share (yen)</b>								
Continuing operations	74.96		79.07		4.11		76.47	
Discontinued operations	—		—		—		—	
<b>Diluted earnings per share (yen)</b>	<b>74.96</b>		<b>79.07</b>		<b>4.11</b>	<b>¥</b>	<b>76.47</b>	<b>¥</b>

Notes:

- Effect of Exchange Rate Change on Net Sales and Incomes ("2019A" is the actual value of this period. "2019B" is the nominal value of this period which temporarily exchanged by the currency rate of the same period last year. unit : millions of Yen)

	2019B	2019A	Influences	Real change	(%)
Sales	142,979	140,819	-2,160	4,088	2.9%
Profit before tax	37,170	37,045	-125	1,950	5.5%
Profit for the quarter	30,198	30,148	-50	1,709	6.0%

		For the three months ended		
		Jun. 30, 2018	Jun. 30, 2019	Variance(%)
2. Average rates of major foreign currencies	Yen	109.53	109.67	-0.1%
US\$	Yen	129.01	122.87	4.8%
Euro	Yen	3.39	3.47	-2.4%
Thai Baht				



## (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, 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 Jun. 30, 2018	Life Care	Information Technology	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	91,302	46,567	1,022	138,891	—	138,891
Inter-segment	1	33	352	386	-386	—
<b>Total</b>	<b>91,302</b>	<b>46,601</b>	<b>1,375</b>	<b>139,278</b>	<b>-386</b>	<b>138,891</b>
Segment profit before tax	17,409	19,047	72	36,529	-1,308	35,220
Segment profit before tax ratio	19.1%	40.9%	5.2%	26.2%	—	25.4%
Ref: Profit from ordinary operating activities	17,840	18,784	33	36,658	-1,335	35,323
% of revenue	19.5%	40.3%	2.4%	26.3%	—	25.4%

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

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	2,470	-591	49	1,928	—	1,928
Variance	2.7%	-1.3%	4.8%	1.4%	—	1.4%
Inter-segment	-0	-21	-125	-146	146	—
<b>Total</b>	<b>2,470</b>	<b>-612</b>	<b>-76</b>	<b>1,782</b>	<b>146</b>	<b>1,928</b>
Segment profit before tax	-117	1,433	-12	1,304	521	1,825
Variance	-0.7%	7.5%	-16.4%	3.6%	—	5.2%
Profit from ordinary operating activities	340	2,367	21	2,729	398	3,127
Variance	1.9%	12.6%	64.7%	7.4%	-29.8%	8.9%

Note: Effect of Exchange Rate Change on Net Sales and Incomes ("2019 A" is the actual value of this period. "2019 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)

	2019B	2019A	Influences	Real change	(%)
<b>Life Care</b>					
Revenue from external customers	95,752	93,772	-1,981	4,451	4.9%
Profit from ordinary operating activities	18,202	18,181	-21	361	2.0%
Segment profit before tax	17,317	17,292	-25	-92	-0.5%
<b>Information Technology</b>					
Revenue from external customers	46,135	45,976	-159	-432	-0.9%
Profit from ordinary operating activities	21,223	21,151	-72	2,439	13.0%
Segment profit before tax	20,558	20,480	-79	1,511	7.9%

Ref : Results of the previous quarter are as follows:

For the three months ended Mar. 31, 2019	Life Care	Information Technology	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	96,297	43,730	1,448	141,476	—	141,476
Inter-segment	1	45	431	476	-476	—
<b>Total</b>	<b>96,298</b>	<b>43,775</b>	<b>1,879</b>	<b>141,952</b>	<b>-476</b>	<b>141,476</b>
Segment profit before tax	15,782	18,366	326	34,474	-3,118	31,357
Segment profit before tax ratio	16.4%	42.0%	17.3%	24.3%	—	22.2%
Ref: Profit from ordinary operating activities	18,109	18,312	313	36,734	-1,684	35,050
% of revenue	18.8%	41.8%	16.7%	25.9%	—	24.8%

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	
						Jun. 30, 2018				Jun. 30, 2019	
						Amount	(%)	Amount	(%)	Amount	(%)

### Revenue from all operations

Life Care	91,302	65.7	93,772	66.6	2,470	2.7	96,297	68.1
Health care related products	69,630	[ 76.3 ]	70,448	[ 75.1 ]	817	1.2	72,049	[ 74.8 ]
Medical related products	21,671	[ 23.7 ]	23,324	[ 24.9 ]	1,652	7.6	24,249	[ 25.2 ]
Information Technology	46,567	33.5	45,976	32.6	-591	-1.3	43,730	30.9
Electronics related products	35,431	[ 76.1 ]	37,008	[ 80.5 ]	1,577	4.4	34,840	[ 79.7 ]
Imaging related products	11,136	[ 23.9 ]	8,969	[ 19.5 ]	-2,168	-19.5	8,890	[ 20.3 ]
Other	1,022	0.7	1,071	0.8	49	4.8	1,448	1.0
Corporate (including R&D)	-	-	-	-	-	-	-	-
<b>Total revenue from all operations</b>	<b>138,891</b>	<b>100.0</b>	<b>140,819</b>	<b>100.0</b>	<b>1,928</b>	<b>1.4</b>	<b>141,476</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 ("2019 A" is the actual value of this period. "2019 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)

	2019B	2019A	Influences	Real change	(%)
Life Care	95,753	93,772	-1,981	4,451	4.9%
Health care related products	71,900	70,448	-1,452	2,269	3.3%
Medical related products	23,853	23,324	-529	2,181	10.1%
Information Technology	46,135	45,976	-159	-432	-0.9%
Electronics related products	37,042	37,008	-34	1,611	4.5%
Imaging related products	9,094	8,969	-125	-2,043	-18.3%

## 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, 2019		
	Jun. 30, 2018		Jun. 30, 2019						
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)	

### Revenue from all operations

Total revenue from all operations	138,891	100.0	140,819	100.0	1,928	1.4	141,476	100.0
Japan	39,891	28.7	40,919	29.1	1,028	2.6	40,733	28.8
Americas	24,077	17.3	25,129	17.8	1,052	4.4	26,225	18.5
Europe	26,842	19.3	27,082	19.2	240	0.9	28,233	20.0
Asia/Oceania	46,343	33.4	45,032	32.0	-1,312	-2.8	44,080	31.2
Others	1,738	1.3	2,658	1.9	920	52.9	2,205	1.6

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

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

(Six months ending Sep. 30, 2019)

	<u>Millions of Yen</u>		
	<u>Six months ended/ending</u>		variance
	Sep.30,2018	<b>Sep.30,2019</b>	(%)
Revenue	280,909	284,000	1.1
Profit before tax	73,625	74,000	0.5
Profit for the term	59,720	60,000	0.5
Profit attributable to owners of the Company	59,838	60,000	0.3
Basic earnings per share (Yen)	157.64	158.64	1.00

Ref: for the 2nd quarter

### 1. Year-on-year comparison

	<u>Millions of Yen</u>		
	<u>Three months ended/ending</u>		variance
	Sep.30,2018	<b>Sep.30,2019</b>	(%)
Revenue	142,018	143,181	0.8
Profit before tax	38,405	36,955	-3.8
Profit for the term	31,231	29,852	-4.4
Profit attributable to owners of the Company	31,333	29,955	-4.4
Basic earnings per share (Yen)	82.53	79.42	-3.11

### 2. Quarter-on-quarter comparison

	<u>Millions of Yen</u>		
	<u>Three months ended/ending</u>		variance
	June 30,2019	<b>Sep.30,2019</b>	(%)
Revenue	140,819	143,181	1.7
Profit before tax	37,045	36,955	-0.2
Profit for the term	30,148	29,852	-1.0
Profit attributable to owners of the Company	30,045	29,955	-0.3
Basic earnings per share (Yen)	79.22	79.42	0.20

Notes:

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

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

<Reference>

**Supplementary data for 1st Quarter: from April 1 to June 30, 2019**

The breakdown of changes in revenue and profit before tax

(Millions of Yen)

	FY18-1Q	FY19-1Q	Variance	Foreign exchange	Others
Revenue	138,891	140,819	1,928	-2,160	4,088
Life Care	91,302	93,772	2,470	-1,981	4,451
Health care related products	69,630	70,448	817	-1,452	2,269
Medical related products	21,671	23,324	1,652	-529	2,181
Information Technology	46,567	45,976	-591	-159	-432
Electronics related products	35,431	37,008	1,577	-34	1,611
Imaging related products	11,136	8,969	-2,168	-125	-2,043
Profit from ordinary operating activities	35,323	38,450	3,127	-87	3,214
Life Care	17,840	18,181	340	-21	361
Information Technology	18,784	21,151	2,367	-72	2,439
Other, adjustment (Corporate)	-1,302	-882	420	7	413
Profit before tax	35,220	37,045	1,825	-125	1,950
Life Care	17,409	17,292	-117	-25	-92
Information Technology	19,047	20,480	1,433	-79	1,511
Other, adjustment (Corporate)	-1,237	-727	510	-21	531

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

	All operations		
	FY18-1Q	FY19-1Q	Variance
Profit before tax	35,220	37,045	1,825
Adjustments	-103	-1,405	-1,302
Finance income	482	977	495
Finance costs	-82	-163	-81
Share of loss of associates	1	-378	-379
Foreign exchange (gain)/loss	-454	-1,844	-1,390
Others	-49	2	52
Profit from ordinary operating activities	35,323	38,450	3,127

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

	Life Care			Information Technology			Other, adjustment (Corporate)		
	FY18-1Q	FY19-1Q	Variance	FY18-1Q	FY19-1Q	Variance	FY18-1Q	FY19-1Q	Variance
Profit before tax	17,409	17,292	-117	19,047	20,480	1,433	-1,237	-727	510
Adjustments	-431	-888	-457	263	-671	-934	65	155	90
Finance income	116	187	71	134	230	96	232	560	328
Finance costs	-315	-340	-25	-75	-125	-50	308	302	-5
Share of loss of associates	7	19	12	3	9	6	-9	-406	-397
Foreign exchange (gain)/loss	-188	-835	-647	195	-705	-900	-461	-303	158
Others	-52	81	132	6	-80	-86	-4	2	6
Profit from ordinary operating activities	17,840	18,181	340	18,784	21,151	2,367	-1,302	-882	420