

Quarterly Report

1st Quarter : 3 months ended June 30, 2023

Consolidated (HOYA CORPORATION and Consolidated Subsidiaries)

Part .1

1st Quarter : from April 1 to June 30, 2023 <IFRS>

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Notes:

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

HOYA CORPORATION

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

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

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



Part.1

July 31st, 2023

1. Quarterly Consolidated Financial Highlights

HOYA CORPORATION and Consolidated Subsidiaries

1. Performance for the three months ended June 30, 2022 and 2023 (All operations *Notes)

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

	Three months ended		Variance (%)
	Jun. 30, 2022	Jun. 30, 2023	
(1)Revenue and Profit before tax			
Revenue	180,179	182,288	1.2
Profit before tax	61,518	51,166	-16.8
Ratio of profit before tax(%)	34.1%	28.1%	
Profit for the quarter	48,401	38,395	-20.7
Ratio of profit for the quarter(%)	26.9%	21.1%	
Profit attributable to owners of the Company	48,358	38,215	-21.0
Ratio of profit attributable to owners of the Company(%)	26.8%	21.0%	
Basic earnings per share (yen)	132.83	108.07	
Diluted earnings per share (yen)	132.73	108.01	

	As of	
	Mar. 31, 2023	Jun. 30, 2023
(2)Financial Position		
Total assets	1,028,326	1,094,924
Total equity	814,604	865,603
Equity attributable to owners of the Company	818,321	868,117
Ratio of assets attributable to owners of the Company	79.6%	79.3%
Assets attributable to owners of the Company per share (yen)	2,311.72	2,454.94

	Three months ended	
	Jun. 30, 2022	Jun. 30, 2023
(3) Conditions of Cash Flows		
Net cash generated from operating activities	47,364	55,396
Net cash used in investing activities	-7,454	-1,456
Free cash flow	39,910	53,939
Net cash provided by (used in) financing activities	-71,248	-31,088
Cash and cash equivalents at end of period	420,166	455,470

2. Projected Results for the First Half (Six months ending September 30, 2023) for All Operations

	Six months ended/ending		Variance (%)
	Sep. 30,2022	Sep. 30,2023	
Revenue	364,291	365,000	0.2
Profit before tax	123,338	105,000	-14.9
Profit for the term	95,718	80,500	-15.9
Profit attributable to owners of the Company	95,459	80,500	-15.7
Profit for the term per share (Yen)	263.80	227.64	—

3. Other

	Three months ended	
	Jun. 30, 2022	Jun. 30, 2023
Capital expenditure	7,937	9,183
R&D expenses	7,078	7,810

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 Operation

1) Qualitative Information on Quarterly Financial Results

Our operating results for the first quarter of the consolidated fiscal year under review (three months from April 1 to June 30, 2023) are as follows. The Information Technology Business was sluggish, but the Life Care Business was performing well, and as a result, revenue was maintained at the same level as the previous year.

(Millions of yen)	Three months ended		Variance
	June 30, 2022	June 30, 2023	
Revenue	180,179	182,288	1.2%
Profit before tax	61,518	51,166	-16.8%
Profit for the quarter	48,401	38,395	-20.7%
Ratio of profit for the quarter	34.1%	28.1%	-6.0pt

As there were no discontinued operations in both the first quarter and the same period of the consolidated fiscal year, all figures and rates of change display are solely from continuing operations.

Results by reportable segment are as follows. (Revenue for each segment is from external customers.)

① Life Care Business

(Millions of yen)	Three months ended		Variance
	June 30, 2022	June 30, 2023	
Revenue	110,820	127,425	15.0%
Segment profit before tax	25,022	30,479	21.8%

<Healthcare-Related Products>

Overall sales of eyeglass lenses increased substantially due to strong overseas sales as a result of an increase in sales of high value-added products, an increase in sales to chain stores in the United States, and an increase in sales in China where sales were weak due to lockdown in the same period of the previous fiscal year. Sales of contact lenses increased due to sales promotion activities and strong sales of private brand products (hoyaONE) and online services.

<Medical-Related Products>

Sales of medical endoscopes increased substantially, reflecting solid sales in Europe and a reaction to the previous fiscal year's lockdown in China. Sales of intraocular lenses for cataracts substantially, mainly due to continued strong sales in Europe and Japan, and an increase in sales in China following the previous fiscal year's lockdown. In other medical-related products, sales increased substantially due to continued strong customer demand for chromatography media used in pharmaceuticals and other applications, as well as strong sales of metal implants.

② Information Technology Business

(Millions of yen)	Three months ended		Variance
	June 30, 2022	June 30, 2023	
Revenue	68,260	53,738	-21.3%
Segment profit before tax	35,599	20,938	-41.2%

<Electronics-Related Products>

Sales of mask blanks for semiconductors declined due to the impact of inventory cutbacks, despite ongoing activities for active R&D and start of mass production in advanced products, including those for EUV (Extreme Ultraviolet). Sales of photomasks for FPD increased as a result of ongoing activities to develop new products. Sales of HDD substrates decreased due to erosion of HDD by SSD for 2.5-inch products. Sales of 3.5-inch products also declined due to factors such as cutbacks in investment by end-customers, data centers against the backdrop of the deteriorating macro economy, resulting to division-wide sales decline.

<Imaging Products>

Sales of lenses for cameras decreased compared with the same period of the previous fiscal year, when there was a reactionary increase.

③ Others

(Millions of yen)	Three months ended		Variance
	June 30, 2022	June 30, 2023	
Revenue	1,099	1,125	2.4%
Segment profit before tax	176	102	-42.2%

The Others segment consists primarily of voice synthetic software and information system services.

2) Reasons for the difference from the previous consolidated cumulative second quarter

(Millions of yen)	Six months ended/ending		Variance
	September 30, 2022	September 30, 2023	
Revenue	364,291	365,000	0.2%
Profit before tax	123,338	105,000	-14.9%
Profit for the term	95,718	80,500	-15.9%

<Revenue>

In the Information Technology Business, sales are expected to decrease due to the impact of inventory adjustments in electronics-related products. However, as sales in the Life Care Business are expected to increase due to factors such as favorable sales of high-value-added products and the development of new customers, the Group as a whole expects revenue to remain at the same level as the same period of the previous fiscal year.

< Profit before tax, Profit for the quarter >

In the consolidated cumulative second quarter, profit before tax is forecast to decrease by ¥18,338 million (14.9%) and quarterly income is forecast to decrease by ¥15,218 million (15.9%), due to a decline in the ratio of revenue from the relatively profitable Information Technology Business to the overall Group and an impairment loss recorded in the first quarter of this fiscal year.

3) Subsequent events

Resolution on Share Repurchase

On July 31, 2023, a resolution was made by the Company's board of directors for share repurchase based on Article 39 of Articles of Incorporation pursuant to Article 459.1 of the Companies Act of Japan as outlined below.

<Reason for Share Repurchase>

The Company decided to acquire its own shares with the aim of shareholders' benefit, improving capital efficiency and ensuring a flexible capital policy.

<Outline>

- | | |
|---|---|
| (1) Class of share to be repurchased | Common stock issued by the Company |
| (2) Total number of shares to be repurchased
(1.02% of total shares outstanding, excluding treasury stock) | 3.6 million shares (maximum) |
| (3) Total amount to be paid for repurchase | 50 billion yen (maximum) |
| (4) Period of share repurchase | August 1, 2023 through October 20, 2023 |
| (5) Method of repurchase | Purchase on the Tokyo Stock Exchange based on discretionary investment contract |
| (6) Others | Purchased stocks are planned to be cancelled with the aim of shareholders' benefit. |

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Statement of Financial Position

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

	As of Mar. 31, 2023		As of Jun. 30, 2023		Variance		As of Jun. 30, 2022	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
ASSETS								
NON-CURRENT ASSETS								
Property, plant and equipment-net	178,648		177,572		-1,077		175,999	
Goodwill	46,818		50,493		3,675		44,823	
Intangible assets	35,732		36,832		1,100		37,462	
Investments in associates	971		1,111		140		991	
Long-term financial assets	45,303		45,847		544		52,994	
Other non-current assets	747		665		-81		675	
Deferred tax assets	9,953		10,945		992		10,008	
Total non-current assets	318,171	30.9	323,465	29.5	5,294	1.7	322,952	31.5
CURRENT ASSETS								
Inventories	105,150		115,033		9,883		101,745	
Trade and other receivables	143,194		139,390		-3,804		136,817	
Other short-term financial assets	20,379		21,290		911		8,727	
Income tax receivables	3,798		5,417		1,619		3,073	
Other current assets	30,622		33,522		2,900		29,668	
Cash and cash equivalents	405,888		455,470		49,582		420,166	
Sub total	709,031		770,123		61,092		700,196	
Assets held for sale	1,124		1,337		212		668	
Total current assets	710,155	69.1	771,460	70.5	61,304	8.6	700,864	68.5
Total assets	1,028,326	100.0	1,094,924	100.0	66,598	6.5	1,023,816	100.0

(Millions of Yen)

	As of Mar. 31, 2023		As of Jun. 30, 2023		Variance		As of Jun. 30, 2022	
	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	-41,374		-6,548		34,826		-54,656	
Other capital reserves	-12,800		-13,233		-433		-12,322	
Retained earnings	752,999		728,058		-24,941		769,158	
Accumulated other comprehensive income/(loss)	97,334		137,677		40,343		105,807	
Equity attributable to owners of the Company	818,321	79.6	868,117	79.3	49,796	6.1	830,151	81.1
Non-controlling interests	-3,717		-2,514		1,203		-13,740	
Total equity	814,604	79.2	865,603	79.1	50,999	6.3	816,410	79.7
LIABILITIES								
NON-CURRENT LIABILITIES								
Interest-bearing long-term debt	15,997		16,879		882		14,465	
Other long-term financial liabilities	21,523		23,352		1,829		26,555	
Retirement benefits liabilities	4,028		4,367		339		4,131	
Provisions	3,153		3,287		134		2,783	
Other non-current liabilities	2,820		3,619		799		2,353	
Deferred tax liabilities	10,102		11,453		1,350		13,274	
Total non-current liabilities	57,623	5.6	62,957	5.7	5,334	9.3	63,561	6.2
CURRENT LIABILITIES								
Interest-bearing short-term debt	8,585		8,781		196		7,565	
Trade and other payables	64,621		69,896		5,275		63,063	
Other short-term financial liabilities	264		203		-61		720	
Income tax payables	21,546		16,882		-4,664		15,361	
Provisions	1,558		1,687		130		1,648	
Other current liabilities	59,394		68,752		9,359		55,488	
Sub total	155,967		166,201		10,234		143,845	
Liabilities held for sale	132		163		32		—	
Total current liabilities	156,099	15.2	166,365	15.2	10,266	6.6	143,845	14.0
Total liabilities	213,722	20.8	229,321	20.9	15,599	7.3	207,406	20.3
Total equity and liabilities	1,028,326	100.0	1,094,924	100.0	66,598	6.5	1,023,816	100.0
Total number of issued shares in thousand	353,988		353,620		-368		361,644	
Equity attributable to owner of the Company per share	2,311.72 Yen		2,454.94 Yen		143.22 Yen		2,295.49 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, 2023
	Jun. 30, 2022	Jun. 30, 2023		
Cash flows from operating activities				
Profit before tax	61,518	51,166	-10,352	53,997
Depreciation and amortization	11,957	12,481	524	12,777
Impairment losses	—	7,940	7,940	524
Finance income	-801	-3,344	-2,542	-2,890
Finance costs	451	511	60	544
Share of (profits)/loss of associates	-21	-55	-34	-38
(Gain)/loss on sales of property, plant and equipment	-13	-40	-27	-86
Loss on disposal of property, plant and equipment	17	24	7	67
Foreign exchange (gain)/loss	-4,447	-5,944	-1,497	488
Others	-2,245	-1,625	619	-1,287
Net cash generated from operating activities (Before adjustment of movements in working capital)	66,417	61,116	-5,301	64,095
Movements in working capital				
Decrease/(increase) in inventories	-3,802	-3,688	114	2,965
Decrease/(increase) in trade and other receivables	3,265	11,047	7,782	-17,806
Increase/(decrease) in trade and other payables	491	3,353	2,862	313
Increase/(decrease) in retirement benefits liabilities and provisions	255	133	-122	-404
Sub total	66,626	71,960	5,334	49,163
Interests received	418	2,833	2,415	2,498
Dividends received	8	9	1	53
Interests paid	-99	-141	-42	-275
Income taxes paid	-19,832	-19,528	304	-3,684
Income taxes refunded	243	263	20	142
Net cash generated from operating activities	47,364	55,396	8,032	47,897
Cash flows from investing activities				
Withdrawals of time deposit	6	280	273	3,940
Payments for time deposit	0	-591	-590	-331
Proceeds from sales of property, plant and equipment	1,328	52	-1,276	295
Payments for acquisition of property, plant and equipment	-7,431	-7,216	215	-7,264
Proceeds from government grant	—	2,843	2,843	—
Proceeds from sales of investment	85	—	-85	—
Payments for acquisition of investment	—	—	—	-107
Proceeds from sales of subsidiary	—	—	—	-340
Advances received from sales of subsidiary	—	3,353	3,353	—
Payments for purchase of subsidiary	-676	—	676	-207
Payments for business transfer	-590	-57	534	—
Other proceeds	28	128	100	65
Other payments	-203	-249	-46	-944
Net cash used in investing activities	-7,454	-1,456	5,998	-4,894
Cash flows from financing activities				
Dividends paid to owners of the Company	-23,657	-22,941	716	-15
Dividends paid to non-controlling interests	—	—	—	-121
Increase (decrease) in short-term debt	—	—	—	-100
Repayments of long-term borrowings	-6	-148	-142	-151
Payments for lease liabilities	-2,127	-2,213	-86	-2,006
Proceeds from disposal of treasury shares	1	—	-1	—
Payments for purchase of treasury shares	-45,954	-6,042	39,911	-33,963
Proceeds from exercise of stock options	495	257	-238	64
Repayments to non-controlling interests	—	—	—	-208
Net cash used in financing activities	-71,248	-31,088	40,161	-36,500
Net increase/(decrease) in cash and cash equivalents	-31,338	22,852	54,190	6,504
Cash and cash equivalents at the beginning of the term	419,404	405,888	-13,517	394,313
Effects of exchange rate changes on the balance of cash and cash equivalents in foreign currencies	32,100	26,730	-5,370	5,071
Cash and cash equivalents at the end of the term	420,166	455,470	35,304	405,888

(3) Quarterly Consolidated Statement of Comprehensive Income

(HOYA Corporation and its subsidiaries)

(Millions of Yen)

	For the three months ended				Variance		For the three months ended	
	Jun. 30, 2022		Jun. 30, 2023		Amount	(%)	Mar. 31, 2023	
	Amount	(%)	Amount	(%)			Amount	(%)
All operations								
Revenue:								
Sales	180,179	100.0	182,288	100.0	2,109	1.2	185,766	100.0
Finance income	801	0.4	3,344	1.8	2,542	317.3	2,890	1.6
Share of profit of associates	21	0.0	55	0.0	34	159.9	38	0.0
Other income	353	0.2	3,915	2.1	3,562	1,009.0	1,349	0.7
Total Revenue	181,354	100.7	189,601	104.0	8,247	4.5	190,043	102.3
Expenses:								
Changes in inventories of goods, products and work in progress	-844	-0.5	-1,424	-0.8	-580	—	2,009	1.1
Raw materials and consumables used	26,760	14.9	25,998	14.3	-762	-2.8	26,175	14.1
Employee benefits expense	39,521	21.9	44,296	24.3	4,775	12.1	40,825	22.0
Depreciation and amortization	11,957	6.6	12,481	6.8	524	4.4	12,777	6.9
Subcontracting cost	1,125	0.6	1,206	0.7	81	7.2	1,139	0.6
Advertising and promotion expense	4,087	2.3	4,398	2.4	311	7.6	4,036	2.2
Commission expense	10,251	5.7	11,796	6.5	1,544	15.1	11,640	6.3
Impairment losses	—	—	7,940	4.4	7,940	—	524	0.3
Finance costs	451	0.3	511	0.3	60	13.3	—	—
Share of loss of associates	—	—	—	—	—	—	840	0.5
Foreign exchange (gain)/loss	-6,808	-3.8	-6,704	-3.7	104	-1.5	—	—
Other expenses	33,336	18.5	37,937	20.8	4,601	13.8	35,537	19.1
Total expense	119,836	66.5	138,435	75.9	18,599	15.5	136,046	73.2
Profit before tax	61,518	34.1	51,166	28.1	-10,352	-16.8	53,997	29.1
Income tax expense	13,117	7.3	12,772	7.0	-345	-2.6	11,465	6.2
Profit for the term from all operations	48,401	26.9	38,395	21.1	-10,007	-20.7	42,532	22.9
Other comprehensive income:								
Items that will not be reclassified subsequently to profit or loss								
Assets measured at fair value through other comprehensive income	18		180		162		-5,371	
Remeasurements of the net defined benefit liability(asset)	56		—		-56		96	
Income tax relating to components of other comprehensive income	-20		-22		-2		1,617	
Total Items that will not be reclassified subsequently to profit or loss	55		158		103		-3,658	
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translation of foreign operations	48,051		41,106		-6,945		8,995	
Share of other comprehensive income of associates	36		86		50		19	
Income tax relating to components of other comprehensive income	-30		17		46		11	
Total Items that may be reclassified subsequently to profit or loss	48,058		41,209		-6,849		9,025	
Total other comprehensive income	48,113		41,367		-6,746		5,366	
Total comprehensive income for the quarter	96,514		79,761		-16,753		47,899	
Profit attributable to :								
Owners of the Company	48,358	26.8	38,215	21.0	-10,142	-21.0	42,553	22.9
Non-controlling interests	44	0.0	179	0.1	136	310.1	-20	0.0
Total	48,401	26.9	38,395	21.1	-10,007	-20.7	42,532	22.9
Total comprehensive income attributable to :								
Owners of the Company	95,459		78,559		-16,901	-17.7	47,536	
Non-controlling interests	1,055		1,203		148	14.0	363	
Total	96,514		79,761		-16,753	-17.4	47,899	
Basic earnings per share (yen)	132.83		108.07		-24.76		119.66	
Diluted earnings per share (yen)	132.73		108.01		-24.72		119.60	

Notes:

1. Effect of Exchange Rate Change on Net Sales and Incomes ("2023A" is the actual value of this period. "2023B" is the nominal value of this period which temporarily exchanged by the currency rate of the same period last year. unit : millions of Yen)

	2023B	2023A	Influences	Real change	(%)
Sales	176,098	182,288	6,190	-4,081	-2.3%
Profit before tax	49,235	51,166	1,931	-12,283	-20.0%
Profit for the quarter	36,811	38,395	1,584	-11,591	-23.9%

2. Average rates of major foreign currencies

		For the three months ended		
		Jun. 30, 2022	Jun. 30, 2023	Variance(%)
US\$	Yen	131.25	139.63	-6.4%
Euro	Yen	138.75	151.89	-9.5%
Thai Baht	Yen	3.78	4.01	-6.1%

(4) Segment Information

<Overview of major products and services of reportable segments>

Reportable segments are components of the Group for which separate financial information is obtained and examined on a regular basis by the board of directors and the chief operating decision maker to determine the allocation of management resources and evaluate the business performance.

In accordance with its management philosophy, the Group has categorised “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: Life Care business, 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 routinely in health maintenance fields, and medical related products including medical equipment and medical supplies used in medical treatment. Some unique features of this business segment are that approvals and permits are required from relevant authorities in each country and that advanced technological strength and reliable quality control systems are the key requirement.

In the Information Technology business, the Group produces and sells essential items for digital devices. Included are electronics related products that are indispensable for today's digital information and communication technology, and imaging related products that are necessary to capture images as digital data based on optical technologies.

Other business includes the business that provides mainly speech synthesis software and information system services.

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	Medical endoscopes, Medical accessories, Automated endoscope reprocessors (AERs), Intraocular lenses, Ophthalmic medical equipment, Artificial bone, Metallic implants for orthopedics, Chromatography media, etc.
Information Technology	Electronics related products	Photomasks and Maskblanks for semiconductors, Photomasks for FPD, Glass disks for hard disk drives (HDDs)
	Imaging related products	Optical lenses, Optical glass material, Laser equipment, Light source, etc.
Other		Speech synthesis software, Design of information systems, etc.

1. Segment revenues and results

(Millions of Yen)

For the three months ended Jun. 30, 2022	Life Care	Information Technology	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	110,820	68,260	1,099	180,179	—	180,179
Inter-segment	1	10	4	15	-15	—
Total	110,821	68,270	1,103	180,194	-15	180,179
Segment profit before tax	25,022	35,599	176	60,797	721	61,518
Segment profit before tax ratio	22.6%	52.2%	16.0%	33.7%	—	34.1%
Ref: Profit from ordinary operating activities	21,627	33,541	163	55,331	-1,136	54,195
% of revenue	19.5%	49.1%	14.8%	30.7%	—	30.1%

For the three months ended Jun. 30, 2023	Life Care	Information Technology	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	127,425	53,738	1,125	182,288	—	182,288
Inter-segment	1	129	8	137	-137	—
Total	127,426	53,866	1,133	182,425	-137	182,288
Segment profit before tax	30,479	20,938	102	51,519	-353	51,166
Segment profit before tax ratio	23.9%	39.0%	9.0%	28.2%	—	28.1%
Ref: Profit from ordinary operating activities	25,281	23,721	105	49,106	-1,332	47,774
% of revenue	19.8%	44.0%	9.2%	26.9%	—	26.2%

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

	Life Care	Information Technology	Other	Total	Adjustments	All operations
Variance						
Revenue from external customers	16,605	-14,522	26	2,109	—	2,109
Variance	15.0%	-21.3%	2.4%	1.2%	—	1.2%
Inter-segment	0	119	3	122	-122	—
Total	16,605	-14,404	30	2,231	-122	2,109
Segment profit before tax	5,457	-14,660	-74	-9,277	-1,074	-10,352
Variance	21.8%	-41.2%	-42.2%	-15.3%	—	-16.8%
Profit from ordinary operating activities	3,654	-9,820	-59	-6,225	-196	-6,421
Variance	16.9%	-29.3%	-35.9%	-11.3%	17.2%	-11.8%

Note:Effect of Exchange Rate Change on Net Sales and Incomes ("2023 A" is the actual value of this period. "2023 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)

	2023B	2023A	Influences	Real change	(%)
Life Care					
Revenue from external customers	122,603	127,425	4,822	11,783	10.6%
Profit from ordinary operating activities	24,383	25,281	898	2,756	12.7%
Segment profit before tax	29,032	30,479	1,447	4,010	16.0%
Information Technology					
Revenue from external customers	52,412	53,738	1,326	-15,848	-23.2%
Profit from ordinary operating activities	23,231	23,721	490	-10,310	-30.7%
Segment profit before tax	20,381	20,938	557	-15,217	-42.7%

Ref : Results of the previous quarter are as follows:

For the three months ended Mar. 31, 2023	Life Care	Information Technology	Other	Total	Adjustments	All operations
Revenue						
Revenue from external customers	124,966	59,607	1,193	185,766	—	185,766
Inter-segment	1	84	4	89	-89	—
Total	124,967	59,691	1,197	185,855	-89	185,766
Segment profit before tax	24,466	28,785	220	53,471	526	53,997
Segment profit before tax ratio	19.6%	48.2%	18.4%	28.8%	—	29.1%
Ref: Profit from ordinary operating activities	26,528	28,181	238	54,946	-1,533	53,413
% of revenue	21.2%	47.2%	19.9%	29.6%	—	28.8%

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)

	For the three months ended				Variance		For the three months ended Mar. 31, 2023	
	Jun. 30, 2022		Jun. 30, 2023					
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
Revenue from all operations								
Life Care	110,820	61.5	127,425	69.9	16,605	15.0	124,966	67.3
Health care related products	82,720	[74.6]	94,928	[74.5]	12,208	14.8	92,555	[74.1]
Medical related products	28,100	[25.4]	32,497	[25.5]	4,397	15.6	32,411	[25.9]
Information Technology	68,260	37.9	53,738	29.5	-14,522	-21.3	59,607	32.1
Electronics related products	58,300	[85.4]	44,950	[83.6]	-13,350	-22.9	51,435	[86.3]
Imaging related products	9,960	[14.6]	8,788	[16.4]	-1,173	-11.8	8,172	[13.7]
Other	1,099	0.6	1,125	0.6	26	2.4	1,193	0.6
Total revenue from all operations	180,179	100.0	182,288	100.0	2,109	1.2	185,768	100.0

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

Notes 2. Effect of Exchange Rate Change on Net Sales and Incomes ("2023 A" is the actual value of this period. "2023 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)

	2023B	2023A	Influences	Real change	(%)
Life Care	122,603	127,425	4,822	11,783	10.6%
Health care related products	91,636	94,928	3,292	8,916	10.8%
Medical related products	30,967	32,497	1,530	2,867	10.2%
Information Technology	52,412	53,738	1,326	-15,848	-23.2%
Electronics related products	43,753	44,950	1,197	-14,547	-25.0%
Imaging related products	8,659	8,788	128	-1,301	-13.1%

3. Information about geographical areas

Revenue from external customers

(Millions of Yen)

	For the three months ended				Variance		For the three months ended Mar. 31, 2023	
	Jun. 30, 2022		Jun. 30, 2023					
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
Revenue from all operations								
Total revenue from all operations	180,179	100.0	182,288	100.0	2,109	1.2	185,768	100.0
Japan	42,920	23.8	42,841	23.5	-80	-0.2	42,384	22.8
Americas	30,139	16.7	33,904	18.6	3,765	12.5	35,312	19.0
Europe	34,677	19.2	38,563	21.2	3,886	11.2	37,475	20.2
Asia/Oceania	70,019	38.9	63,958	35.1	-6,060	-8.7	67,587	36.4
Others	2,424	1.3	3,022	1.7	598	24.7	3,010	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, 2023)

	Millions of Yen		variance (%)
	Six months ended/ending		
	Sep.30,2022	Sep.30,2023	
Revenue	364,291	365,000	0.2
Profit before tax	123,338	105,000	-14.9
Profit for the term	95,718	80,500	-15.9
Profit attributable to owners of the Company	95,459	80,500	-15.7
Basic earnings per share (Yen)	263.80	227.64	-36.16

Ref: for the 2nd quarter

1. Year-on-year comparison

	Millions of Yen		variance (%)
	Three months ended/ending		
	Sep.30,2022	Sep.30,2023	
Revenue	184,112	182,712	-0.8
Profit before tax	61,820	53,834	-12.9
Profit for the term	47,316	42,105	-11.0
Profit attributable to owners of the Company	47,101	42,285	-10.2
Basic earnings per share (Yen)	130.95	119.57	-11.38

2. Quarter-on-quarter comparison

	Millions of Yen		variance (%)
	Three months ended/ending		
	June 30,2023	Sep.30,2023	
Revenue	182,288	182,712	0.2
Profit before tax	51,166	53,834	5.2
Profit for the term	38,395	42,105	9.7
Profit attributable to owners of the Company	38,215	42,285	10.6
Basic earnings per share (Yen)	108.07	119.57	11.50

Notes:

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

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

<Reference>

Supplementary data for 1st Quarter: from April 1 to June 30, 2023

The breakdown of changes in revenue and profit before tax

(Millions of Yen)

	FY22-1Q	FY23-1Q	Variance	Breakdown	
				Foreign exchange	Others
Revenue	180,179	182,288	2,109	6,190	-4,081
Life Care	110,820	127,425	16,605	4,822	11,783
Health care related products	82,720	94,928	12,208	3,292	8,916
Medical related products	28,100	32,497	4,397	1,530	2,867
Information Technology	68,260	53,738	-14,522	1,326	-15,848
Electronics related products	58,300	44,950	-13,350	1,197	-14,547
Imaging related products	9,960	8,788	-1,173	128	-1,301
Profit from ordinary operating activities	54,195	47,774	-6,421	1,336	-7,757
Life Care	21,627	25,281	3,654	898	2,756
Information Technology	33,541	23,721	-9,820	490	-10,310
Other, adjustment (Corporate)	-973	-1,227	-255	-52	-203
Profit before tax	61,518	51,166	-10,352	1,931	-12,283
Life Care	25,022	30,479	5,457	1,447	4,010
Information Technology	35,599	20,938	-14,660	557	-15,217
Other, adjustment (Corporate)	898	-251	-1,149	-73	-1,076

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

	All operations		
	FY22-1Q	FY23-1Q	Variance
Profit before tax	61,518	51,166	-10,352
Adjustments	7,323	3,392	-3,931
Finance income	801	3,344	2,542
Finance costs	-451	-511	-60
Share of gain/loss of associates	21	55	34
Foreign exchange (gain)/loss	6,808	6,704	-104
Impairment losses	-	-7,940	-7,940
Others	144	1,741	1,597
Profit from ordinary operating activities	54,195	47,774	-6,421

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

	Life Care			Information Technology			Other, adjustment (Corporate)		
	FY22-1Q	FY23-1Q	Variance	FY22-1Q	FY23-1Q	Variance	FY22-1Q	FY23-1Q	Variance
Profit before tax	25,022	30,479	5,457	35,599	20,938	-14,660	898	-251	-1,149
Adjustments	3,395	5,198	1,803	2,058	-2,782	-4,840	1,870	976	-894
Finance income	189	1,328	1,139	190	682	491	422	1,334	912
Finance costs	-281	-684	-403	-111	-355	-244	-59	527	586
Share of gain/loss of associates	52	45	-7	1	9	8	-32	-	32
Foreign exchange (gain)/loss	3,377	4,090	713	1,915	2,061	146	1,516	553	-964
Impairment losses	-	-	-	-	-7,940	-7,940	-	-	-
Others	58	419	361	62	2,760	2,698	23	-1,439	-1,461
Profit from ordinary operating activities	21,627	25,281	3,654	33,541	23,721	-9,820	-973	-1,227	-255