## **Consolidated Financial Results**

(Japanese GAAP) FY2017 ended March 2018 **TOPCON CORPORATION** Release Date: April 27, 2018

#### 1. Summary of Business Results for FY2017 ended March 2018 (April 1, 2017 - March 31, 2018)

"%" indicate year-to-year increase (decrease)

(1) Consolidated business results

| (1) Consolidated business results (Rounded down to |             |       |                  |      |                 |      |   | t million yen) |
|--|-------------|-------|------------------|------|-----------------|------|---|----------------|
|  | Net sales   |       | Operating profit |      | Ordinary profit |      | Profit attributable to owners of parent |                |
|  | million yen | %     | million yen      | %    | million yen     | %    | million yen                             | %              |
| FY2017 ended March 2018                            | 145,558     | 13.4  | 12,073           | 26.4 | 10,674          | 40.0 | 6,028                                   | 37.2           |
| FY2016 ended March 2017                            | 128,387     | (1.8) | 9,551            | 8.5  | 7,622           | 3.5  | 4,395                                   | 4.7            |

Note: Comprehensive income

> FY2017 ended March 2018 7,235 million yen (109.1 %) 3,460 million yen (-%) FY2016 ended March 2017

|                         | Basic earnings per share | Diluted earnings per share | Rate of return on equity | Ordinary profit to total assets ratio | Operating profit to net sales ratio |
|-------------------------|--------------------------|----------------------------|--------------------------|---------------------------------------|-------------------------------------|
|                         | yen                      | yen                        | %                        | %                                     | %                                   |
| FY2017 ended March 2018 | 56.87                    | 56.86                      | 9.7                      | 6.7                                   | 8.3                                 |
| FY2016 ended March 2017 | 41.46                    | _                          | 7.4                      | 4.7                                   | 7.4                                 |

Note: Share of profit (loss) of entities accounted for using equity method

FY2017 ended March 2018

(117) million yen

FY2016 ended March 2017

(221) million yen

#### (2) Consolidated financial position

|                         | Total assets | Net assets  | Shareholders' equity ratio | Shareholders' equity per share |  |
|-------------------------|--------------|-------------|----------------------------|--------------------------------|--|
|                         | million yen  | million yen | %                          | %                              |  |
| FY2017 ended March 2018 | 160,751      | 68,336      | 40.5                       | 614.78                         |  |
| FY2016 ended March 2017 | 158,280      | 63,313      | 37.7                       | 563.30                         |  |

Note: Shareholders' equity

FY2017 ended March 2018 65,173 million yen FY2016 ended March 2017 59,716 million yen

#### (3) Consolidated cash flows

|                         | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |  |
|-------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|--|
|                         | million yen                          | million yen                          | million yen                          | million yen                                |  |
| FY2017 ended March 2018 | 14,541                               | (9,053)                              | (7,258)                              | 12,698                                     |  |
| FY2016 ended March 2017 | 18,192                               | (4,954)                              | (13,807)                             | 14,703                                     |  |

### 2. Dividends

|                                     | Dividends per share |                |                |          |       | Dividends paid | Dividends                      | Dividends on             |
|-------------------------------------|---------------------|----------------|----------------|----------|-------|----------------|--------------------------------|--------------------------|
|                                     | end of 1st qtr      | end of 2nd qtr | end of 3rd qtr | year-end | Total | (Annual)       | payout ratio<br>(Consolidated) | equity<br>(Consolidated) |
|                                     | yen                 | yen            | yen            | yen      | yen   | million yen    | %                              | %                        |
| FY2016 ended March 2017             | _                   | 8.00           | _              | 8.00     | 16.00 | 1,696          | 38.6                           | 2.9                      |
| FY2017 ended March 2018             | _                   | 10.00          | _              | 10.00    | 20.00 | 2,120          | 35.2                           | 3.4                      |
| FY2018 ending March 2018 (forecast) | _                   | 12.00          | _              | 12.00    | 24.00 |                | 36.3                           |                          |

### 3. Business Forecasts for FY2018 ending March 2018 (April 1, 2018 - March 31, 2018)

"%" indicate year-to-year increase (decrease)

|            |             |     |                  |      |                 |      | ·                                       | a. 10 y cac. |                             |
|------------|-------------|-----|------------------|------|-----------------|------|---|--------------|-----------------------------|
|            | Net sales   |     | Operating profit |      | Ordinary profit |      | Profit attributable to owners of parent |              | Basic earnings<br>per share |
|            | million yen | %   | million yen      | %    | million yen     | %    | million yen                             | %            | yen                         |
| First half | 70,000      | 2.9 | 5,000            | 9.4  | 4,200           | 2.7  | 2,100                                   | 12.5         | 19.81                       |
| Annual     | 150,000     | 3.1 | 15,000           | 24.2 | 13,000          | 21.8 | 7,000                                   | 16.1         | 66.03                       |

Note:

The forecasts above were prepared on the premise of future forecasts available at the time of the release of this document, such as trends of business, competition environment and currency exchange rates. Due to unforeseen circumstances, however, the actual results may differ from these forecast data.

# Consolidated financial statements

### Consolidated balance sheets

|   | FY2016           | (Unit: million yen)<br>FY2017 |  |
|---|------------------|-------------------------------|--|
|   | ended March 2017 | ended March 2018              |  |
| Assets  |                  |                               |  |
| Current assets  |                  |                               |  |
| Cash and deposits                                     | 15,570           | 14,316                        |  |
| Notes and accounts receivable - trade                 | 41,201           | 44,647                        |  |
| Merchandise and finished goods                        | 19,988           | 19,019                        |  |
| Work in process                                       | 1,930            | 1,863                         |  |
| Raw materials and supplies                            | 10,429           | 10,545                        |  |
| Deferred tax assets Other                             | 5,399<br>6,251   | 5,941<br>6,788                |  |
| Allowance for doubtful accounts                       | (1,680)          | (1,967)                       |  |
| Total current assets                                  | 99,089           | 101,156                       |  |
| Non-current assets                                    |                  | 101,100                       |  |
| Property, plant and equipment                         |                  |                               |  |
| Buildings and structures, net                         | 5,434            | 7,014                         |  |
| Machinery, equipment and vehicles, net                | 2,111            | 2,247                         |  |
| Land  | 2,631            | 2,592                         |  |
| Construction in progress                              | 1,441            | 412                           |  |
| Other, net  | 3,509            | 3,633                         |  |
| Total property, plant and equipment                   | 15,129           | 15,900                        |  |
| Intangible assets                                     |                  |                               |  |
| Goodwill  | 14,553           | 14,771                        |  |
| Software  | 7,630            | 8,627                         |  |
| Other   | 13,850           | 12,064                        |  |
| Total intangible assets                               | 36,035           | 35,464                        |  |
| Investments and other assets Investment securities    | 2 274            | 5.031                         |  |
| Long-term loans receivable                            | 3,371<br>305     | 5,031<br>204                  |  |
| Deferred tax assets                                   | 3,028            | 2,011                         |  |
| Other   | 1,428            | 1,025                         |  |
| Allowance for doubtful accounts                       | (107)            | (43)                          |  |
| Total investments and other assets                    | 8,025            | 8,230                         |  |
| Total non-current assets                              | 59,190           | 59,595                        |  |
| Total assets  | 158,280          | 160,751                       |  |
| Liabilities   | ·                | ·                             |  |
| Current liabilities                                   |                  |                               |  |
| Notes and accounts payable - trade                    | 10,353           | 12,384                        |  |
| Short-term loans payable                              | 16,296           | 17,776                        |  |
| Lease obligations                                     | 687              | 670                           |  |
| Accrued expenses                                      | 6,403            | 7,814                         |  |
| Income taxes payable                                  | 991              | 1,519                         |  |
| Deferred tax liabilities                              | 624              | 25                            |  |
| Provision for product warranties                      | 920              | 1,075                         |  |
| Other   | 5,876            | 6,603                         |  |
| Total current liabilities                             | 42,153           | 47,869                        |  |
| Non-current liabilities                               | 20,000           | 20,000                        |  |
| Bonds payable Long-term loans payable                 | 20,000<br>16,725 | 20,000<br>10,449              |  |
| Lease obligations                                     | 4,901            | 4,390                         |  |
| Deferred tax liabilities                              | 2,807            | 2,920                         |  |
| Provision for directors' retirement benefits          | 43               | 48                            |  |
| Net defined benefit liability                         | 6,743            | 5,883                         |  |
| Other   | 1,591            | 853                           |  |
| Total non-current liabilities                         | 52,813           | 44,545                        |  |
| Total liabilities                                     | 94,966           | 92,415                        |  |
| Net assets  |                  |                               |  |
| Shareholders' equity                                  |                  |                               |  |
| Capital stock   | 16,638           | 16,638                        |  |
| Capital surplus                                       | 20,950           | 20,799                        |  |
| Retained earnings                                     | 29,344           | 33,464                        |  |
| Treasury shares                                       | (2,089)          | (2,090)                       |  |
| Total shareholders' equity                            | 64,844           | 68,811                        |  |
| Accumulated other comprehensive income                |                  |                               |  |
| Valuation difference on available-for-sale securities | 740              | 1,757                         |  |
| Deferred gains or losses on hedges                    | 40               | (7)                           |  |
| Foreign currency translation adjustment               | (3,849)          | (4,158)                       |  |
| Remeasurements of defined benefit plans               | (2,059)          | (1,228)                       |  |
| Total accumulated other comprehensive income          | (5,127)          | (3,637)                       |  |
| Share acquisition rights                              |                  | 29                            |  |
| Non-controlling interests                             | 3,596            | 3,133                         |  |
| Total liabilities and not assets                      | 63,313           | 68,336                        |  |
| Total liabilities and net assets                      | 158,280          | 160,751                       |  |

| Net sales         FY2016 ended March 2017         EY2017 ended March 2018           Cost of sales         128,387         145,558           Cost of sales         62,840         70,574           Gross profit         65,547         74,984           Selling, general and administrative expenses         55,996         62,910           Operating profit         9,551         12,073           Non-operating income         97         136           Interest income         97         136           Dividend income         30         49           Other         208         258           Total non-operating income         897         94           Share of loss of entities accounted for using equity method         221         94           Share of loss of entities accounted for using equity method         221         117           Foreign exchange losses         746         214           Other         397         563           Total non-operating expenses         2,263         1,842           Ordinary profit         7,622         10,674           Extraordinary profit         7,622         10,674           Extraordinary income         2,263         1,842           Gain on stansfer of bu  | Consolidated statements of income |                  | (Unit: million yen) |
|--|-----------------------------------|------------------|---------------------|
| Net sales         128,387         145,585           Cost of sales         62,840         70,574           Gross profit         65,547         74,984           Selling, general and administrative expenses         55,996         62,910           Operating profit         9,551         12,073           Non-operating income         97         136           Interest income         97         136           Dividend income         30         49           Other         208         258           Total non-operating income         897         947           Non-operating expenses         897         947           Interest expenses         897         947           Share of loss of entities accounted for using equity method         221         117           Foreign exchange losses         746         214           Other         397         563           Total non-operating expenses         2,263         1,842           Ordinary profit         7,622         10,674           Extraordinary income         9         2           Extraordinary for business         9         -         91           Gain on transfer of business of subsidiaries and associates         204 <th></th> <th>FY2016</th> <th>FY2017</th>  |                                   | FY2016           | FY2017              |
| Cots of sales         62,840         70,574           Gross profit         65,547         74,894           Selling, general and administrative expenses         55,996         62,910           Operating profit         9,551         12,073           Non-operating income         97         136           Interest income         30         44           Other         208         258           Total non-operating income         305         44           Non-operating expenses         897         947           Share of loss of entities accounted for using equity method         221         117           Foreign exchange losses         897         947           Share of loss of entities accounted for using equity method         221         117           Foreign exchange losses         397         563           Other         397         563           Total non-operating expenses         2,263         1,842           Other         397         563           Total non-operating expenses         9         10,64           Straordinary profit         2,263         1,842           Other         397         563           Gain on transfer of business         9         1 </th <th></th> <th>ended March 2017</th> <th>ended March 2018</th>                             |                                   | ended March 2017 | ended March 2018    |
| Gross profit         65,547         74,984           Selling, general and administrative expenses         55,996         62,910           Operating profit         9,551         12,073           Non-operating income         97         136           Dividend income         30         49           Other         208         258           Total non-operating income         335         444           Non-operating expenses         897         947           Interest expenses         897         947           Share of loss of entities accounted for using equity method         221         117           Foreign exchange losses         746         214           Other         397         663           Total non-operating expenses         2,263         1,842           Ordinary profit         7,622         10,674           Extraordinary income         9         1           Extraordinary income         9         1           Extraordinary income         204         2           Extraordinary income         204         2           Extraordinary income         9         1           Extraordinary income         2         1           Extraordinary  | Net sales                         | 128,387          | 145,558             |
| Selling, general and administrative expenses         55,996         62,910           Operating profit         9,551         12,073           Non-operating income         97         136           Dividend income         30         49           Other         208         258           Total non-operating income         807         94           Non-operating expenses         897         947           Share of loss of entities accounted for using equity method         221         1117           Foreign exchange losses         746         214           Other         397         563           Total non-operating expenses         762         1,82           Ordinary profit         7622         10,62           Extraordinary income         2         1,02           Extraordinary income         2         1           Gain on transfer of business         7         9           Gain on sales of shares of subsidiaries and associates         204         23           Extraordinary income         204         23           Extraordinary income         2         1         1           Extraordinary income         2         1         1           Extraordinary income   | Cost of sales                     | 62,840           | 70,574              |
| Selling, general and administrative expenses         55,996         62,910           Operating profit         9,551         12,073           Non-operating income         97         136           Dividend income         30         49           Other         208         258           Total non-operating income         335         444           Non-operating expenses         897         947           Interest expenses         897         947           Share of loss of entities accounted for using equity method         221         117           Foreign exchange losses         746         214           Other         397         563           Total non-operating expenses         762         1842           Ordinary profit         762         10,672           Extraordinary income         2         1         1           Gain on transfer of business         9         1         2           Gain on sales of shares of subsidiaries and associates         204         23           Extraordinary income         204         23           Extraordinary income         204         23           Extraordinary income         2         1         1           Extraordina   | Gross profit                      | 65,547           | 74,984              |
| Non-operating income         97         136           Dividend income         30         49           Other         208         258           Total non-operating income         335         444           Non-operating expenses         897         947           Interest expenses         897         947           Share of loss of entities accounted for using equity method         221         117           Foreign exchange losses         746         214           Other         397         563           Total non-operating expenses         226         18,02           Ordinary profit         7,622         10,674           Extraordinary income         397         94           Gain on transfer of business         -         141           Gain on step acquisitions         -         141           Gain on step acquisitions         -         91           Total extraordinary income         204         -           Extraordinary losses         -         1,128           Business structure reform expenses         -         1,26           Business structure reform expenses         -         2,68           Office transfer expenses         5         -      <  | ·                                 | 55,996           | 62,910              |
| Interest income         97         136           Dividend income         30         49           Other         208         258           Total non-operating income         335         4448           Non-operating expenses         897         947           Share of loss of entities accounted for using equity method         221         117           Foreign exchange losses         746         214           Other         397         563           Total non-operating expenses         762         1842           Ordinary profit         762         194           Extraordinary income         -         194           Gain on stap acquisitions         -         91           Gain on stap acquisitions         -         194           Gain on stap acquisitions         -         91           Gain on stap acquisitions         -         19           Business   |                                   | 9,551            | 12,073              |
| Dividend income         30         49           Other         208         258           Total non-operating income         335         444           Non-operating expenses         897         947           Interest expenses         897         947           Share of loss of entities accounted for using equity method         221         117           Foreign exchange losses         746         214           Other         397         563           Total non-operating expenses         2,263         1,842           Ordinary profit         7,622         10,674           Extraordinary income         -         101           Gain on stansfer of business         -         141           Gain on sales of shares of subsidiaries and associates         204         -           Gain on sales of shares of subsidiaries and associates         204         -           Total extraordinary income         204         -           Extraordinary losses         -         1,128           Business structure reform expenses         -         2,04           Business structure reform expenses         -         2,04           Loss on valuation of investment securities         -         2,04           O  | Non-operating income              |                  |                     |
| Other         208         258           Total non-operating income         335         444           Non-operating expenses         897         947           Interest expenses         897         947           Share of loss of entities accounted for using equity method         221         117           Foreign exchange losses         746         214           Other         397         563           Total non-operating expenses         2,263         1,842           Ordinary profit         7,622         10,642           Ordinary profit         7,622         10,642           Extraordinary income         2         141           Gain on transfer of business         2         141           Gain on sales of shares of subsidiaries and associates         204         2           Gain on sales of shares of subsidiaries and associates         204         2           Total extraordinary income         2         1,128           Business structure reform expenses         3         1,128           Business structure reform expenses         3         2           Office transfer expenses         116         -           Office transfer expenses         175         1,702           Postil   | Interest income                   | 97               | 136                 |
| Total non-operating income         335         444           Non-operating expenses         897         947           Share of loss of entities accounted for using equity method         221         117           Foreign exchange losses         746         214           Other         397         563           Total non-operating expenses         2,263         1,842           Ordinary profit         7,622         10,674           Extraordinary income         -         141           Gain on transfer of business         -         141           Gain on step acquisitions         -         91           Gain on sales of shares of subsidiaries and associates         204         -           Total extraordinary income         204         -           Extraordinary losses         -         1,128           Business structure reform expenses         -         304           Loss on valuation of investment securities         -         268           Office transfer expenses         59         -           Special retirement expenses         59         -           Total extraordinary losses         175         1,702           Profit before income taxes         7,651         9,205 <t< td=""><td>Dividend income</td><td>30</td><td>49</td></t<>                       | Dividend income                   | 30               | 49                  |
| Non-operating expenses         897         947           Share of loss of entities accounted for using equity method         221         117           Foreign exchange losses         746         214           Other         397         563           Total non-operating expenses         2,263         1,842           Ordinary profit         7,622         10,674           Extraordinary income         -         141           Gain on transfer of business         -         141           Gain on step acquisitions         -         91           Gain on sales of shares of subsidiaries and associates         204         -           Total extraordinary income         204         233           Extraordinary losses         -         1,128           Impairment loss         -         1,128           Business structure reform expenses         -         268           Loss on valuation of investment securities         -         268           Office transfer expenses         59         -           Special retirement expenses         59         -           Total extraordinary losses         175         1,702           Profit before income taxes         7,651         9,205           Income   | Other                             | 208              | 258                 |
| Non-operating expenses         897         947           Share of loss of entities accounted for using equity method         221         117           Foreign exchange losses         746         218           Other         397         563           Total non-operating expenses         2,263         1,842           Ordinary profit         7,622         10,674           Extraordinary income         -         141           Gain on transfer of business         -         141           Gain on sales of shares of subsidiaries and associates         204         -           Gain on sales of shares of subsidiaries and associates         204         -           Total extraordinary income         204         233           Extraordinary losses         -         1,128           Impairment loss         -         1,128           Business structure reform expenses         -         268           Loss on valuation of investment securities         -         268           Office transfer expenses         116         -           Special retirement expenses         59         -           Total extraordinary losses         175         1,702           Profit before income taxes         7,651         9,205 <td>Total non-operating income</td> <td>335</td> <td>444</td> | Total non-operating income        | 335              | 444                 |
| Share of loss of entities accounted for using equity method         221         117           Foreign exchange losses         746         214           Other         397         563           Total non-operating expenses         2,263         1,842           Ordinary profit         7,622         10,674           Extraordinary income         -         141           Gain on transfer of business         -         91           Gain on step acquisitions         -         91           Gain on sales of shares of subsidiaries and associates         204         -           Total extraordinary income         204         -           Extraordinary losses         -         1,128           Impairment loss         -         1,128           Business structure reform expenses         -         304           Loss on valuation of investment securities         -         268           Office transfer expenses         116         -           Special retirement expenses         59         -           Total extraordinary losses         175         1,702           Profit before income taxes         7,651         9,205           Income taxes - current         2,944         4,648           Incom  |                                   |                  |                     |
| Share of loss of entities accounted for using equity method         221         117           Foreign exchange losses         746         214           Other         397         563           Total non-operating expenses         2,263         1,842           Ordinary profit         7,622         10,674           Extraordinary income         -         141           Gain on transfer of business         -         91           Gain on step acquisitions         -         91           Gain on sales of shares of subsidiaries and associates         204         -           Total extraordinary income         204         -           Extraordinary losses         -         1,128           Impairment loss         -         1,128           Business structure reform expenses         -         304           Loss on valuation of investment securities         -         268           Office transfer expenses         116         -           Special retirement expenses         59         -           Total extraordinary losses         175         1,702           Profit before income taxes         7,651         9,205           Income taxes - current         2,944         4,648           Incom  | , , ,                             | 897              | 947                 |
| Foreign exchange losses         746         214           Other         397         563           Total non-operating expenses         2,263         1,842           Ordinary profit         7,622         10,674           Extraordinary income         -         141           Gain on transfer of business         -         141           Gain on step acquisitions         -         91           Gain on sales of shares of subsidiaries and associates         204         -           Total extraordinary income         204         23           Extraordinary losses         -         1,128           Impairment loss         -         1,128           Business structure reform expenses         -         304           Loss on valuation of investment securities         -         268           Office transfer expenses         116         -           Special retirement expenses         59         -           Total extraordinary losses         175         1,702           Profit before income taxes         7,651         9,205           Income taxes - current         2,944         4,648           Income taxes - deferred         174         (1,068)           Total income taxes <td< td=""><td></td><td>221</td><td>117</td></td<>  |                                   | 221              | 117                 |
| Other         397         563           Total non-operating expenses         2,263         1,842           Ordinary profit         7,622         10,674           Extraordinary income         -         141           Gain on transfer of business         -         141           Gain on step acquisitions         -         91           Gain on sales of shares of subsidiaries and associates         204         -           Total extraordinary income         204         233           Extraordinary losses         -         1,128           Business structure reform expenses         -         304           Loss on valuation of investment securities         -         268           Office transfer expenses         116         -           Special retirement expenses         59         -           Total extraordinary losses         7,651         9,205           Total extraordinary losses         7,651         9,205           Total before income taxes         7,651         9,205           Income taxes - current         2,944         4,648           Income taxes - deferred         174         (1,068)           Total income taxes         3,118         3,579           Profit (loss) attri  |                                   | 746              | 214                 |
| Ordinary profit         7,622         10,674           Extraordinary income         —         141           Gain on transfer of business         —         141           Gain on step acquisitions         —         91           Gain on sales of shares of subsidiaries and associates         204         —           Total extraordinary income         204         233           Extraordinary losses         —         1,128           Business structure reform expenses         —         304           Loss on valuation of investment securities         —         268           Office transfer expenses         116         —           Special retirement expenses         59         —           Total extraordinary losses         175         1,702           Profit before income taxes         7,651         9,205           Income taxes - current         2,944         4,648           Income taxes - deferred         174         (1,068)           Total income taxes         3,118         3,579           Profit (loss) attributable to non-controlling interests         138         (402)   |                                   | 397              | 563                 |
| Ordinary profit         7,622         10,674           Extraordinary income         —         141           Gain on transfer of business         —         141           Gain on step acquisitions         —         91           Gain on sales of shares of subsidiaries and associates         204         —           Total extraordinary income         204         233           Extraordinary losses         —         1,128           Impairment loss         —         1,128           Business structure reform expenses         —         304           Loss on valuation of investment securities         —         268           Office transfer expenses         5         —           Special retirement expenses         5         —           Total extraordinary losses         176         1,702           Profit before income taxes         7,651         9,205           Income taxes - current         2,944         4,648           Income taxes - deferred         174         (1,068)           Total income taxes         3,118         3,579           Profit (loss) attributable to non-controlling interests         138         (402)  | Total non-operating expenses      | 2,263            | 1,842               |
| Extraordinary income       141         Gain on transfer of business       -       141         Gain on step acquisitions       -       91         Gain on sales of shares of subsidiaries and associates       204       -         Total extraordinary income       204       233         Extraordinary losses       -       1,128         Impairment loss       -       304         Loss on valuation of investment securities       -       304         Loss on valuation of investment securities       -       268         Office transfer expenses       116       -         Special retirement expenses       59       -         Total extraordinary losses       175       1,702         Profit before income taxes       7,651       9,205         Income taxes - current       2,944       4,648         Income taxes - deferred       174       (1,068)         Total income taxes       3,118       3,579         Profit (loss) attributable to non-controlling interests       138       (402)  |                                   | <u>-</u>         |                     |
| Gain on transfer of business         –         141           Gain on step acquisitions         –         91           Gain on sales of shares of subsidiaries and associates         204         –           Total extraordinary income         204         233           Extraordinary losses         –         1,128           Impairment loss         –         304           Loss on valuation of investment securities         –         304           Loss on valuation of investment securities         –         268           Office transfer expenses         116         –           Special retirement expenses         59         –           Total extraordinary losses         175         1,702           Profit before income taxes         7,651         9,205           Income taxes - current         2,944         4,648           Income taxes - deferred         174         (1,068)           Total income taxes         3,118         3,579           Profit (loss) attributable to non-controlling interests         138         (402)   |                                   |                  | ,                   |
| Gain on sales of shares of subsidiaries and associates         204         —           Total extraordinary income         204         233           Extraordinary losses         —         1,128           Impairment loss         —         304           Business structure reform expenses         —         304           Loss on valuation of investment securities         —         268           Office transfer expenses         116         —           Special retirement expenses         59         —           Total extraordinary losses         175         1,702           Profit before income taxes         7,651         9,205           Income taxes - current         2,944         4,648           Income taxes - deferred         174         (1,068)           Total income taxes         3,118         3,579           Profit         4,533         5,625           Profit (loss) attributable to non-controlling interests         138         (402)  | •                                 | _                | 141                 |
| Total extraordinary income         204         233           Extraordinary losses         -         1,128           Impairment loss         -         304           Business structure reform expenses         -         304           Loss on valuation of investment securities         -         268           Office transfer expenses         116         -           Special retirement expenses         59         -           Total extraordinary losses         175         1,702           Profit before income taxes         7,651         9,205           Income taxes - current         2,944         4,648           Income taxes - deferred         174         (1,068)           Total income taxes         3,118         3,579           Profit         4,533         5,625           Profit (loss) attributable to non-controlling interests         138         (402)   | Gain on step acquisitions         | _                | 91                  |
| Extraordinary losses         —         1,128           Impairment loss         —         1,128           Business structure reform expenses         —         304           Loss on valuation of investment securities         —         268           Office transfer expenses         116         —           Special retirement expenses         59         —           Total extraordinary losses         175         1,702           Profit before income taxes         7,651         9,205           Income taxes - current         2,944         4,648           Income taxes - deferred         174         (1,068)           Total income taxes         3,118         3,579           Profit         4,533         5,625           Profit (loss) attributable to non-controlling interests         138         (402)  | ·                                 | 204              | _                   |
| Extraordinary losses       Impairment loss       —       1,128         Business structure reform expenses       —       304         Loss on valuation of investment securities       —       268         Office transfer expenses       116       —         Special retirement expenses       59       —         Total extraordinary losses       175       1,702         Profit before income taxes       7,651       9,205         Income taxes - current       2,944       4,648         Income taxes - deferred       174       (1,068)         Total income taxes       3,118       3,579         Profit       4,533       5,625         Profit (loss) attributable to non-controlling interests       138       (402)  | Total extraordinary income        | 204              | 233                 |
| Impairment loss         —         1,128           Business structure reform expenses         —         304           Loss on valuation of investment securities         —         268           Office transfer expenses         116         —           Special retirement expenses         59         —           Total extraordinary losses         175         1,702           Profit before income taxes         7,651         9,205           Income taxes - current         2,944         4,648           Income taxes - deferred         174         (1,068)           Total income taxes         3,118         3,579           Profit         4,533         5,625           Profit (loss) attributable to non-controlling interests         138         (402)   | •                                 |                  |                     |
| Business structure reform expenses         -         304           Loss on valuation of investment securities         -         268           Office transfer expenses         116         -           Special retirement expenses         59         -           Total extraordinary losses         175         1,702           Profit before income taxes         7,651         9,205           Income taxes - current         2,944         4,648           Income taxes - deferred         174         (1,068)           Total income taxes         3,118         3,579           Profit (loss) attributable to non-controlling interests         138         (402)  | •                                 | _                | 1,128               |
| Loss on valuation of investment securities         —         268           Office transfer expenses         116         —           Special retirement expenses         59         —           Total extraordinary losses         175         1,702           Profit before income taxes         7,651         9,205           Income taxes - current         2,944         4,648           Income taxes - deferred         174         (1,068)           Total income taxes         3,118         3,579           Profit         4,533         5,625           Profit (loss) attributable to non-controlling interests         138         (402)  | ·                                 | _                | 304                 |
| Special retirement expenses         59         —           Total extraordinary losses         175         1,702           Profit before income taxes         7,651         9,205           Income taxes - current         2,944         4,648           Income taxes - deferred         174         (1,068)           Total income taxes         3,118         3,579           Profit         4,533         5,625           Profit (loss) attributable to non-controlling interests         138         (402)  | ·                                 | _                | 268                 |
| Special retirement expenses         59         —           Total extraordinary losses         175         1,702           Profit before income taxes         7,651         9,205           Income taxes - current         2,944         4,648           Income taxes - deferred         174         (1,068)           Total income taxes         3,118         3,579           Profit         4,533         5,625           Profit (loss) attributable to non-controlling interests         138         (402)  | Office transfer expenses          | 116              | _                   |
| Total extraordinary losses         175         1,702           Profit before income taxes         7,651         9,205           Income taxes - current         2,944         4,648           Income taxes - deferred         174         (1,068)           Total income taxes         3,118         3,579           Profit         4,533         5,625           Profit (loss) attributable to non-controlling interests         138         (402)   | •                                 | 59               | _                   |
| Profit before income taxes         7,651         9,205           Income taxes - current         2,944         4,648           Income taxes - deferred         174         (1,068)           Total income taxes         3,118         3,579           Profit         4,533         5,625           Profit (loss) attributable to non-controlling interests         138         (402)  | ·                                 | 175              | 1,702               |
| Income taxes - current         2,944         4,648           Income taxes - deferred         174         (1,068)           Total income taxes         3,118         3,579           Profit         4,533         5,625           Profit (loss) attributable to non-controlling interests         138         (402)   | •                                 | 7,651            |                     |
| Income taxes - deferred         174         (1,068)           Total income taxes         3,118         3,579           Profit         4,533         5,625           Profit (loss) attributable to non-controlling interests         138         (402)  | Income taxes - current            |                  |                     |
| Total income taxes         3,118         3,579           Profit         4,533         5,625           Profit (loss) attributable to non-controlling interests         138         (402)  | Income taxes - deferred           |                  |                     |
| Profit4,5335,625Profit (loss) attributable to non-controlling interests138(402)  | Total income taxes                | 3,118            |                     |
| Profit (loss) attributable to non-controlling interests  138 (402)   |                                   |                  |                     |
|  |                                   |                  |                     |
|  |                                   |                  | · ,                 |

| Interest and dividend income Interest expenses Loss on retirement of property, plant and equipment Loss (gain) on valuation of investment securities Share of loss (profit) of entities accounted for using equity method Loss (gain) on step acquisitions Loss (gain) on transfer of business Impairment loss Business structure reform expenses Extra retirement payment Office transfer expenses Loss (gain) on sales of shares of subsidiaries and associates Loss (gain) on sales of shares of subsidiaries and associates Decrease (increase) in net defined benefit asset Increase (decrease) in net defined benefit liability Decrease (increase) in notes and accounts receivable - trade Decrease (increase) in inventories Decrease (increase) in inventories Decrease (decrease) in notes and accounts payable - trade Increase (decrease) in notes and accounts payable - trade Increase (decrease) in notes and accounts payable - trade Increase (decrease) in accrued expenses Increase (decrease) in accrued expenses Increase (decrease) in cacrued expenses Increase (decrease) in operating activities 22,2 Interest and dividend income received Interest expenses paid (8) Extra retirement payments Income taxes paid Net cash provided by (used in) operating activities 18,1 Cash flows from investing activities Payments into time deposits Proceeds from withdrawal of time deposits Purchase of property, plant and equipment Proceeds from sales of property, plant and equipment Proceeds from sales of investment securities Purchase of shares of subsidiaries resulting in change in scope of consolidation Proceeds from sales of investment securities Purchase of shares of subsidiaries resulting in change in scope of consolidation Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation  | 51       9,205         60       5,408         51       2,651         41       268         27)       (185)         97       947         33       33         —       268         21       117         —       (91)         —       (141)         —       304         59       —         16       —         04)       —         82       377         45)       (56)         77       (3,563)         62       1,252         54       (584)         91)       1,770         35       1,324         42       (1,000)         21       19,436         78       174         98)       (949)         59)       — |
|--|--|
| Cash flows from operating activities Profit before income taxes Amortization of goodwill Amortization of goodwill Increase (decrease) in allowance for doubtful accounts Interest and dividend income Interest expenses Loss on retirement of property, plant and equipment Loss (gain) on valuation of investment securities Share of loss (profit) of entities accounted for using equity method Loss (gain) on sulaution of investment securities Share of loss (profit) of entities accounted for using equity method Loss (gain) on step acquisitions Loss (gain) on transitions accounts account | 51       9,205         60       5,408         51       2,651         41       268         27)       (185)         97       947         33       33         —       268         21       117         —       (91)         —       (141)         —       304         59       —         16       —         04)       —         82       377         45)       (56)         77       (3,563)         62       1,252         54       (584)         91)       1,770         35       1,324         42       (1,000)         21       19,436         78       174         98)       (949)         59)       — |
| Profit before income taxes  Depreciation A, 6 Aportization of goodwill Increase (decrease) in allowance for doubtful accounts Interest and dividend income Interest expenses Expensed in allowance for doubtful accounts Interest expenses Expensed in a count of property, plant and equipment Loss (gain) on valuation of investment securities Share of loss (profit) of entities accounted for using equity method Loss (gain) on step acquisitions Loss (gain) on transfer of business Impairment loss Business structure reform expenses Extra retirement payment Office transfer expenses Loss (gain) on sales of shares of subsidiaries and associates Coercase (increase) in net defined benefit lability Decrease (increase) in net defined benefit lability Decrease (increase) in inventories Decrease (increase) in inventories Secrease (increase) in inventories Secrease (increase) in notes and accounts payable - trade (1,7 Increase (decrease) in notes and accounts payable - trade (1,7 Increase (decrease) in notes and accounts payable - trade (1,7 Increase (decrease) in notes and accounts payable - trade (1,7 Increase (decrease) in onces and accounts payable - trade (1,7 Increase (decrease) in onces and accounts payable - trade (1,7 Increase (decrease) in onces and accounts payable - trade (1,7 Increase) (decrease) in onces and accounts payable - trade (1,7 Increase) (decrease) in onces and accounts payable - trade (1,7 Increase) (decrease) in onces and accounts payable - trade (1,7 Increase) (decrease) in onces and accounts payable - trade (1,7 Increase) (decrease) in onces and accounts payable - trade (1,7 Increase) (decrease) in onces and accounts payable - trade (1,7 Increase) (decrease) in onces and accounts payable - trade (1,7 Increase) (decrease) in onces and accounts payable - trade (1,7 Increase) (decrease) in onces and accounts payable - trade (1,7 Increase) (decrease) in onces and accounts payable - trade (1,7 Increase) (decrease) in onces and accounts payable - trade (1,7 Increase) (decrease) in onces and accounts payable -  | 60       5,408         51       2,651         41       268         27)       (185)         97       947         33       33         —       268         21       117         —       (91)         —       (141)         —       1,128         —       304         59       —         16       —         04)       —         82       377         45)       (56)         77       (3,563)         62       1,252         54       (584)         91)       1,770         35       1,324         42       (1,000)         21       19,436         78       174         98)       (949)         59)       —  |
| Depreciation 4,6 Amortization of goodwill 2,4 Amortization of goodwill 2,4 Amortization of goodwill 3,4 Increase (decrease) in allowance for doubtful accounts 3,4 Interest and dividend income 3,4 Interest expenses 4,5 Loss on retirement of property, plant and equipment 4,5 Loss (gain) on valuation of investment securities 5 Share of loss (profit) of entities accounted for using equity method 2,5 Loss (gain) on step acquisitions 4,5 Loss (gain) on transfer of business 8 Impairment loss 8 Business structure reform expenses 8 Extra retirement payment 9 Office transfer expenses 1,5 Loss (gain) on sales of shares of subsidiaries and associates 1,5 Decrease (increase) in net defined benefit asset 1,5 Loss (gain) on sales of shares of subsidiaries and associates 1,5 Decrease (increase) in net defined benefit liability 1,5 Decrease (increase) in net defined benefit liability 1,5 Decrease (increase) in inventories 1,5 Decrease (increase) in inventories 1,5 Decrease (increase) in inventories 1,5 Decrease (decrease) in notes and accounts payable - trade 1,7 Increase (decrease) in accrued expenses 1,7 Understand dividend income received 1,7 Interest and provided by (used in) operating activities 1,7 Interest and provided by (used in) operating activities 1,7 Interest provided by (used in) operating activities 1,8 Interest provided by (used in) operating activities 1,8 Interest form withdrawal of time deposits 1,9 Proceeds from withdrawal of time deposits 1,9 Proceeds from sales of property, plant and equipment 1,9 Proceeds from sales of property, plant and equipment 1,9 Purchase of investment securities 1,0 Proceeds from sales of subsidiaries resulting in change in scope of consolidation 1,0 Proceeds from sales of subsidiaries resulting in change in scope of proporty 1,0 Proceeds from sales of subsidiaries resulting in change in scope of consolidation 1,0 Proceeds from sales of shares of subsidiarie | 60       5,408         51       2,651         41       268         27)       (185)         97       947         33       33         —       268         21       117         —       (91)         —       (141)         —       1,128         —       304         59       —         16       —         04)       —         82       377         45)       (56)         77       (3,563)         62       1,252         54       (584)         91)       1,770         35       1,324         42       (1,000)         21       19,436         78       174         98)       (949)         59)       —  |
| Amortization of goodwill Increase (decrease) in allowance for doubtful accounts Interest and dividend income Interest expenses Loss on retirement of property, plant and equipment Loss (gain) on valuation of investment securities Share of loss (profit) of entities accounted for using equity method Loss (gain) on step acquisitions Loss (gain) on transfer of business Impairment loss Business structure reform expenses Extra retirement payment Office transfer expenses Loss (gain) on sales of shares of subsidiaries and associates Decrease (increase) in net defined benefit liability Decrease (increase) in notes and accounts receivable - trade Decrease (increase) in inventories Decrease (increase) in prepaid expenses Increase (decrease) in prepaid expenses Uncrease (decrease) in retos and accounts payable - trade Decrease (increase) in accrued expenses Unterest (decrease) in notes and accounts payable - trade Decrease (decrease) in retos and accounts payable - trade Decrease (decrease) in prepaid expenses Unterest and dividend income received Interest and dividend income received Interest and dividend income received Interest expenses paid (8) Extra retirement payments Increase (payments) Decrease (payments) Decrea | 51       2,651         41       268         27)       (185)         97       947         33       33         —       268         21       117         —       (141)         —       (141)         —       304         59       —         16       —         04)       —         82       377         45)       (56)         77       (3,563)         62       1,252         54       (584)         91)       1,770         35       1,324         42       (1,000)         21       19,436         78       174         98)       (949)         59)       —  |
| Increase (decrease) in allowance for doubtful accounts Interest and dividend income Interest expenses Loss on retirement of property, plant and equipment Loss (gain) on valuation of investment securities Share of loss (profit) of entities accounted for using equity method Loss (gain) on step acquisitions Loss (gain) on transfer of business Impairment loss Business structure reform expenses Extra retirement payment Office transfer expenses Loss (gain) on sales of shares of subsidiaries and associates Loss (gain) on sales of shares of subsidiaries and associates Loss (gain) on sales of shares of subsidiaries and associates Loss (gain) on sales of shares of subsidiaries and associates Loss (gain) on sales of shares of subsidiaries and associates Loss (gain) on sales of shares of subsidiaries and associates Loss (gain) on sales of shares of subsidiaries and associates Loss (gain) on sales of shares of subsidiaries and associates Loss (gain) on sales of shares of subsidiaries and associates Loss (gain) on sales of shares of subsidiaries and associates Loss (gain) on sales of shares of subsidiaries and associates Loss (gain) on sales of shares of subsidiaries and associates Loss (gain) on sales of subsidiaries and accounts receivable - trade  2.5.  2.5.  2.6.  2.7.  2.7.  2.7.  2.8.  2.8.  2.8.  2.9 | 41       268         27)       (185)         97       947         33       33         —       268         21       117         —       (91)         —       (141)         —       304         59       —         16       —         04)       —         82       377         45)       (56)         77       (3,563)         62       1,252         54       (584)         91)       1,770         35       1,324         42       (1,000)         21       19,436         78       174         98)       (949)         59)       —  |
| Interest expenses Loss on retirement of property, plant and equipment Loss (gain) on valuation of investment securities Share of loss (profit) of entities accounted for using equity method Loss (gain) on step acquisitions Loss (gain) on transfer of business Impairment loss Business structure reform expenses Extra retirement payment Office transfer expenses Loss (gain) on sales of shares of subsidiaries and associates  Extra retirement payment Office transfer expenses Loss (gain) on sales of shares of subsidiaries and associates  Extra retirement payment Office transfer expenses Loss (gain) on sales of shares of subsidiaries and associates  Extra retirement payment Office transfer expenses Loss (gain) on sales of shares of subsidiaries and associates  Extra retirement (increase) in net defined benefit liability Decrease (increase) in notes and accounts receivable - trade Decrease (increase) in inventories Decrease (increase) in inventories Decrease (increase) in inventories Decrease (increase) in notes and accounts payable - trade Decrease (decrease) in notes and accounts payable - trade Interest expenses (decrease) in accrued expenses Other, net Subtotal  Extra retirement payments Interest and dividend income received Interest expenses paid  Extra retirement payments Income taxes paid  Extra retirement payments Income taxes paid  Extra retirement payments Income taxes paid  Extra retirement payments  Payments into time deposits Proceeds from withdrawal of time deposits Proceeds from withdrawal of time deposits Proceeds from withdrawal of time deposits Proceeds from sales of property, plant and equipment Proceeds from sales of property, plant and equipment Proceeds from sales of investment securities Purchase of investment securities Purchase of shares of subsidiaries resulting in change in scope of consolidation Proceeds from sales of shares of subsidiaries resulting in change in scope of  | 97       947         33       33         —       268         21       117         —       (141)         —       (141)         —       304         59       —         16       —         04)       —         82       377         45)       (56)         77       (3,563)         62       1,252         54       (584)         91)       1,770         35       1,324         42       (1,000)         21       19,436         78       174         98)       (949)         59)       —  |
| Loss on retirement of property, plant and equipment Loss (gain) on valuation of investment securities Share of loss (profit) of entities accounted for using equity method 2 Loss (gain) on step acquisitions Loss (gain) on transfer of business Impairment loss Business structure reform expenses Extra retirement payment Office transfer expenses Loss (gain) on sales of shares of subsidiaries and associates  Loss (gain) on sales of shares of subsidiaries and associates  Cas (gain) on sales of shares of subsidiaries and associates  Loss (gain) on sales of shares of subsidiaries and associates  Cas (gain) on sales of shares of subsidiaries and associates  Loss (gain) on sales of shares of subsidiaries and associates  Cas (gain) on sales of shares of subsidiaries and associates  Loss (gain) on sales of shares of subsidiaries and associates  Cas (gain) on sales of shares of subsidiaries and associates  (a) Decrease (increase) in net defined benefit liability  Decrease (increase) in notes and accounts receivable - trade  Becrease (increase) in inventories  Decrease (increase) in inventories  Cas (gain) on sales of investment securities  Proceeds from withdrawal of time deposits  Cas (gain) on transfer of business  Cas (gain) on transfer of business  Cas (gain) on transfer of subsidiaries resulting in change in scope of consolidation  Cas (gain) on transfer of business  Cas (gain) on transfer of business  Cas (gain) on transfer of business  Cas (gain) on transfer of subsidiaries resulting in change in scope of consolidation  Cas (gain) on stex expenses  Cas (gain) on transfer of subsidiaries resulting in change in scope of consolidation  Cas (gain) on stex expenses  Cas (gain) on transfer of subsidiaries resulting in change in scope of consolidation  | 33       33         —       268         21       117         —       (141)         —       1,128         —       304         59       —         16       —         04)       —         82       377         45)       (56)         77       (3,563)         62       1,252         54       (584)         91)       1,770         35       1,324         42       (1,000)         21       19,436         78       174         98)       (949)         59)       —   |
| Loss (gain) on valuation of investment securities  Share of loss (profit) of entities accounted for using equity method  Loss (gain) on step acquisitions  Loss (gain) on transfer of business Impairment loss  Business structure reform expenses  Extra retirement payment  Office transfer expenses  Loss (gain) on sales of shares of subsidiaries and associates  Decrease (increase) in net defined benefit asset Increase (decrease) in net defined benefit liability  Decrease (increase) in inventories  Decrease (increase) in inventories  Decrease (increase) in prepaid expenses Increase (decrease) in notes and accounts receivable - trade  Becrease (increase) in prepaid expenses Increase (decrease) in notes and accounts payable - trade  Increase (decrease) in accrued expenses  Other, net  Subtotal  Lotterest and dividend income received Interest expenses paid  Extra retirement payments  Income taxes paid  (8)  Extra retire | —       268         21       117         —       (141)         —       1,128         —       304         59       —         16       —         04)       —         82       377         45)       (56)         77       (3,563)         62       1,252         54       (584)         91)       1,770         35       1,324         42       (1,000)         21       19,436         78       174         98)       (949)         59)       —   |
| Share of loss (profit) of entities accounted for using equity method  Loss (gain) on step acquisitions  Loss (gain) on transfer of business Impairment loss  Business structure reform expenses  Extra retirement payment  Office transfer expenses  Loss (gain) on sales of shares of subsidiaries and associates  Decrease (increase) in net defined benefit asset Increase (decrease) in net defined benefit liability  Decrease (increase) in inventories  Decrease (increase) in inventories  Decrease (increase) in inventories  Decrease (increase) in prepaid expenses Increase (decrease) in notes and accounts receivable - trade  Decrease (increase) in prepaid expenses  Decrease (decrease) in notes and accounts payable - trade  Increase (decrease) in accrued expenses  Other, net  2.5  Subtotal  12.2  Interest and dividend income received Interest expenses paid  (8  Extra retirement payments  Income taxes paid  Net cash provided by (used in) operating activities  Payments into time deposits  Purchase of property, plant and equipment  Proceeds from withdrawal of time deposits  Purchase of intengible assets  (9  Purchase of investment securities  Purchase of investment securities  Purchase of subsidiaries resulting in change in scope of  Proceeds from sales of shares of subsidiaries resulting in change in scope of  | 21       117         —       (91)         —       (141)         —       304         59       —         16       —         04)       —         82       377         45)       (56)         77       (3,563)         62       1,252         54       (584)         91)       1,770         35       1,324         42       (1,000)         21       19,436         78       174         98)       (949)         59)       —  |
| Loss (gain) on step acquisitions Loss (gain) on transfer of business Impairment loss Business structure reform expenses Extra retirement payment Office transfer expenses Loss (gain) on sales of shares of subsidiaries and associates Case (gain) on sales of shares of subsidiaries and associates Loss (gain) on sales of shares of subsidiaries and associates Capecrease (increase) in net defined benefit liability Decrease (increase) in notes and accounts receivable - trade Decrease (increase) in inventories Decrease (increase) in inventories Decrease (increase) in inventories Decrease (decrease) in notes and accounts payable - trade (1,7) Increase (decrease) in accrued expenses Other, net Capecrease (increase) in accrued expenses Other, net Capecrease (increase) in accrued expenses Cape | —       (91)         —       (141)         —       1,128         —       304         59       —         16       —         04)       —         82       377         45)       (56)         77       (3,563)         62       1,252         54       (584)         91)       1,770         35       1,324         42       (1,000)         21       19,436         78       174         98)       (949)         59)       —   |
| Loss (gain) on transfer of business Impairment loss Business structure reform expenses Extra retirement payment Office transfer expenses  Loss (gain) on sales of shares of subsidiaries and associates  Capecrease (increase) in net defined benefit asset Increase (decrease) in net defined benefit liability Decrease (increase) in notes and accounts receivable - trade Decrease (increase) in inventories Decrease (increase) in inventories Decrease (increase) in inventories Decrease (increase) in prepaid expenses Increase (decrease) in notes and accounts payable - trade (1,7) Increase (decrease) in accrued expenses Other, net Subtotal Interest and dividend income received Interest expenses paid (8) Extra retirement payments Income taxes paid (9) Net cash provided by (used in) operating activities ash flows from investing activities Payments into time deposits Proceeds from withdrawal of time deposits Purchase of property, plant and equipment Purchase of intangible assets (9) Purchase of investment securities Purchase of shares of subsidiaries resulting in change in scope of  Proceeds from sales of shares of subsidiaries resulting in change in scope of  | —       (141)         —       1,128         —       304         59       —         16       —         04)       —         82       377         45)       (56)         77       (3,563)         62       1,252         54       (584)         91)       1,770         35       1,324         42       (1,000)         21       19,436         78       174         98)       (949)         59)       —  |
| Impairment loss Business structure reform expenses Extra retirement payment Office transfer expenses Loss (gain) on sales of shares of subsidiaries and associates Decrease (increase) in net defined benefit asset Increase (decrease) in net defined benefit liability Decrease (increase) in notes and accounts receivable - trade Decrease (increase) in inventories Decrease (increase) in prepaid expenses Increase (decrease) in notes and accounts payable - trade Decrease (increase) in notes and accounts payable - trade Decrease (decrease) in accrued expenses Increase (decrease) in accrued expenses Other, net Subtotal 22,2 Interest and dividend income received Interest expenses paid (8 Extra retirement payments Income taxes paid Net cash provided by (used in) operating activities ash flows from investing activities Payments into time deposits Proceeds from withdrawal of time deposits Proceeds from sales of property, plant and equipment Purchase of intangible assets Purchase of investment securities Purchase of subsidiaries resulting in change in scope of Proceeds from sales of subsidiaries resulting in change in scope of  | -     1,128       -     304       59     -       16     -       04)     -       82     377       45)     (56)       77     (3,563)       62     1,252       54     (584)       91)     1,770       35     1,324       42     (1,000)       21     19,436       78     174       98)     (949)       59)     -  |
| Business structure reform expenses Extra retirement payment Office transfer expenses Loss (gain) on sales of shares of subsidiaries and associates Cecase (increase) in net defined benefit asset Increase (decrease) in notes and accounts receivable - trade Decrease (increase) in inventories Decrease (increase) in inventories 3,6 Decrease (increase) in inventories 3,6 Decrease (increase) in prepaid expenses Increase (decrease) in prepaid expenses Increase (decrease) in accrued expenses Other, net Subtotal 22,2 Interest and dividend income received Interest expenses paid Extra retirement payments Income taxes paid Net cash provided by (used in) operating activities ash flows from investing activities Payments into time deposits Proceeds from withdrawal of time deposits Proceeds from sales of property, plant and equipment Purchase of intangible assets Purchase of investment securities Purchase of subsidiaries resulting in change in scope of Proceeds from sales of shares of subsidiaries resulting in change in scope of  | -     304       59     -       16     -       04)     -       82     377       45)     (56)       77     (3,563)       62     1,252       54     (584)       91)     1,770       35     1,324       42     (1,000)       21     19,436       78     174       98)     (949)       59)     -  |
| Extra retirement payment Office transfer expenses Loss (gain) on sales of shares of subsidiaries and associates Capecrease (increase) in net defined benefit asset Increase (decrease) in net defined benefit liability Decrease (increase) in notes and accounts receivable - trade Decrease (increase) in inventories Decrease (increase) in inventories Decrease (increase) in prepaid expenses Increase (decrease) in prepaid expenses Increase (decrease) in notes and accounts payable - trade Increase (decrease) in accrued expenses Other, net Subtotal Interest and dividend income received Interest expenses paid Extra retirement payments Income taxes paid Income taxes paid Income taxes paid Interest expenses paid Income taxes paid Income investing activities Payments into time deposits Proceeds from withdrawal of time deposits Proceeds from sales of property, plant and equipment Purchase of intangible assets Unchase of investment securities Purchase of shares of subsidiaries resulting in change in scope of Proceeds from sales of shares of subsidiaries resulting in change in scope of  | 59       —         16       —         04)       —         82       377         45)       (56)         77       (3,563)         62       1,252         54       (584)         91)       1,770         35       1,324         42       (1,000)         21       19,436         78       174         98)       (949)         59)       —  |
| Office transfer expenses Loss (gain) on sales of shares of subsidiaries and associates Capecrease (increase) in net defined benefit asset Increase (decrease) in net defined benefit liability Decrease (increase) in notes and accounts receivable - trade Decrease (increase) in inventories Decrease (increase) in prepaid expenses Increase (decrease) in prepaid expenses Increase (decrease) in notes and accounts payable - trade Increase (decrease) in accrued expenses Other, net Subtotal Interest and dividend income received Interest expenses paid Extra retirement payments Income taxes paid Net cash provided by (used in) operating activities ash flows from investing activities Payments into time deposits Purchase of property, plant and equipment Purchase of intangible assets Purchase of intangible assets Purchase of investment securities Purchase of shares of subsidiaries resulting in change in scope of Proceeds from sales of shares of subsidiaries resulting in change in scope of   | 16       —         04)       —         82       377         45)       (56)         77       (3,563)         62       1,252         54       (584)         91)       1,770         35       1,324         42       (1,000)         21       19,436         78       174         98)       (949)         59)       —   |
| Loss (gain) on sales of shares of subsidiaries and associates  Decrease (increase) in net defined benefit asset Increase (decrease) in net defined benefit liability Decrease (increase) in notes and accounts receivable - trade Decrease (increase) in inventories 3,6 Decrease (increase) in prepaid expenses Increase (decrease) in prepaid expenses Increase (decrease) in notes and accounts payable - trade Increase (decrease) in accrued expenses Other, net Subtotal 22,2 Interest and dividend income received Interest expenses paid (8 Extra retirement payments Income taxes paid Net cash provided by (used in) operating activities ash flows from investing activities Payments into time deposits Proceeds from withdrawal of time deposits Proceeds from sales of property, plant and equipment Purchase of intangible assets Purchase of investment securities Proceeds from sales of investment securities Purchase of shares of subsidiaries resulting in change in scope of Proceeds from sales of shares of subsidiaries resulting in change in scope of   | 04)     -       82     377       45)     (56)       77     (3,563)       62     1,252       54     (584)       91)     1,770       35     1,324       42     (1,000)       21     19,436       78     174       98)     (949)       59)     -  |
| Decrease (increase) in net defined benefit asset Increase (decrease) in net defined benefit liability Decrease (increase) in notes and accounts receivable - trade Decrease (increase) in inventories 3,6 Decrease (increase) in prepaid expenses Increase (decrease) in prepaid expenses Increase (decrease) in notes and accounts payable - trade Increase (decrease) in accrued expenses Other, net Subtotal | 82 377 45) (56) 77 (3,563) 62 1,252 54 (584) 91) 1,770 35 1,324 42 (1,000) 21 19,436 78 174 98) (949) 59) —  |
| Increase (decrease) in net defined benefit liability Decrease (increase) in notes and accounts receivable - trade  Decrease (increase) in inventories  Decrease (increase) in prepaid expenses Increase (decrease) in notes and accounts payable - trade Increase (decrease) in notes and accounts payable - trade Increase (decrease) in accrued expenses  Other, net Subtotal Subtotal Interest and dividend income received Interest expenses paid Extra retirement payments Income taxes paid Net cash provided by (used in) operating activities ash flows from investing activities Payments into time deposits Proceeds from withdrawal of time deposits Proceeds from sales of property, plant and equipment Proceeds from sales of property, plant and equipment Proceeds from sales of investment securities Purchase of shares of subsidiaries resulting in change in scope of Proceeds from sales of shares of subsidiaries resulting in change in scope of  | 45)     (56)       77     (3,563)       62     1,252       54     (584)       91)     1,770       35     1,324       42     (1,000)       21     19,436       78     174       98)     (949)       59)     -   |
| Decrease (increase) in notes and accounts receivable - trade  Decrease (increase) in inventories  Decrease (increase) in inventories  Decrease (increase) in prepaid expenses  Increase (decrease) in notes and accounts payable - trade  (1,7) Increase (decrease) in accrued expenses  Other, net  Subtotal  Interest and dividend income received  Interest expenses paid  Extra retirement payments  Income taxes paid  Net cash provided by (used in) operating activities  ash flows from investing activities  Payments into time deposits  Proceeds from withdrawal of time deposits  Proceeds from sales of property, plant and equipment  Purchase of intangible assets  Purchase of investment securities  Purchase of shares of subsidiaries resulting in change in scope of  Proceeds from sales of shares of subsidiaries resulting in change in scope of  | 77 (3,563) 62 1,252 54 (584) 91) 1,770 35 1,324 42 (1,000) 21 19,436 78 174 98) (949) 59) —  |
| Decrease (increase) in inventories  Decrease (increase) in prepaid expenses Increase (decrease) in notes and accounts payable - trade Increase (decrease) in accrued expenses Other, net Subtotal 22,2 Interest and dividend income received Interest expenses paid Extra retirement payments Income taxes paid Net cash provided by (used in) operating activities ash flows from investing activities Payments into time deposits Proceeds from withdrawal of time deposits Proceeds from sales of property, plant and equipment Purchase of intangible assets Purchase of investment securities Purchase of shares of subsidiaries resulting in change in scope of Proceeds from sales of shares of subsidiaries resulting in change in scope of  | 62 1,252<br>54 (584)<br>91) 1,770<br>35 1,324<br>42 (1,000)<br>21 19,436<br>78 174<br>98) (949)<br>59) —   |
| Decrease (increase) in prepaid expenses Increase (decrease) in notes and accounts payable - trade Increase (decrease) in accrued expenses Other, net Subtotal Interest and dividend income received Interest expenses paid Extra retirement payments Income taxes paid Net cash provided by (used in) operating activities ash flows from investing activities Payments into time deposits Proceeds from withdrawal of time deposits Proceeds from sales of property, plant and equipment Purchase of intangible assets Purchase of investment securities Purchase of shares of subsidiaries resulting in change in scope of Proceeds from sales of shares of subsidiaries resulting in change in scope of   | 54     (584)       91)     1,770       35     1,324       42     (1,000)       21     19,436       78     174       98)     (949)       59)     -  |
| Increase (decrease) in notes and accounts payable - trade  Other, net  Subtotal  Interest and dividend income received Interest expenses paid  Extra retirement payments Income taxes paid  Net cash provided by (used in) operating activities ash flows from investing activities Payments into time deposits Proceeds from withdrawal of time deposits Proceeds from sales of property, plant and equipment Purchase of intangible assets Purchase of shares of subsidiaries resulting in change in scope of Proceeds from sales of shares of subsidiaries resulting in change in scope of  | 91) 1,770<br>35 1,324<br>42 (1,000)<br>21 19,436<br>78 174<br>98) (949)<br>59) —   |
| Increase (decrease) in accrued expenses  Other, net  Subtotal  Interest and dividend income received Interest expenses paid  Extra retirement payments  Income taxes paid  Net cash provided by (used in) operating activities ash flows from investing activities Payments into time deposits  Proceeds from withdrawal of time deposits  Proceeds from sales of property, plant and equipment  Purchase of intangible assets  Purchase of investment securities  Purchase of shares of subsidiaries resulting in change in scope of  Proceeds from sales of shares of subsidiaries resulting in change in scope of   | 35     1,324       42     (1,000)       21     19,436       78     174       98)     (949)       59)     -   |
| Other, net 2,5 Subtotal 22,2 Interest and dividend income received Interest expenses paid (8 Extra retirement payments (1) Income taxes paid (3,1) Net cash provided by (used in) operating activities ash flows from investing activities Payments into time deposits (6) Proceeds from withdrawal of time deposits (6) Proceeds from sales of property, plant and equipment (3,8) Purchase of intangible assets (9) Purchase of investment securities (1) Proceeds from sales of investment securities (1) Proceeds from sales of subsidiaries resulting in change in scope of consolidation (8) Proceeds from sales of shares of subsidiaries resulting in change in scope of   | 42     (1,000)       21     19,436       78     174       98)     (949)       59)     -  |
| Subtotal Interest and dividend income received Interest expenses paid Extra retirement payments Income taxes paid Net cash provided by (used in) operating activities ash flows from investing activities Payments into time deposits Proceeds from withdrawal of time deposits Purchase of property, plant and equipment Purchase of intengible assets Purchase of investment securities Purchase of investment securities Purchase of shares of subsidiaries resulting in change in scope of Proceeds from sales of shares of subsidiaries resulting in change in scope of   | 21       19,436         78       174         98)       (949)         59)       -   |
| Interest and dividend income received  Interest expenses paid (8  Extra retirement payments (7  Income taxes paid (3,1)  Net cash provided by (used in) operating activities (8)  ash flows from investing activities  Payments into time deposits (8)  Proceeds from withdrawal of time deposits (9)  Purchase of property, plant and equipment (3,8)  Proceeds from sales of property, plant and equipment (9)  Purchase of intangible assets (9)  Purchase of investment securities (1)  Proceeds from sales of subsidiaries resulting in change in scope of  Proceeds from sales of shares of subsidiaries resulting in change in scope of   | 78 174<br>98) (949)<br>59) —   |
| Interest expenses paid  Extra retirement payments  Income taxes paid  Net cash provided by (used in) operating activities  ash flows from investing activities  Payments into time deposits  Proceeds from withdrawal of time deposits  Purchase of property, plant and equipment  Purchase of intangible assets  Purchase of investment securities  Purchase of shares of subsidiaries resulting in change in scope of  Proceeds from sales of shares of subsidiaries resulting in change in scope of   | 98) (949)<br>59) –   |
| Extra retirement payments Income taxes paid (3,1 Net cash provided by (used in) operating activities ash flows from investing activities Payments into time deposits Proceeds from withdrawal of time deposits Purchase of property, plant and equipment Proceeds from sales of property, plant and equipment Purchase of intangible assets Purchase of investment securities Proceeds from sales of investment securities Purchase of shares of subsidiaries resulting in change in scope of Proceeds from sales of shares of subsidiaries resulting in change in scope of  | 59) —  |
| Income taxes paid  Net cash provided by (used in) operating activities  ash flows from investing activities  Payments into time deposits  Proceeds from withdrawal of time deposits  Purchase of property, plant and equipment  Purchase of intangible assets  Purchase of investment securities  Purchase of shares of subsidiaries resulting in change in scope of  Proceeds from sales of shares of subsidiaries resulting in change in scope of  |  |
| Net cash provided by (used in) operating activities  ash flows from investing activities  Payments into time deposits  Proceeds from withdrawal of time deposits  Purchase of property, plant and equipment  Proceeds from sales of property, plant and equipment  Purchase of intangible assets  Purchase of investment securities  Purchase of shares of subsidiaries resulting in change in scope of  Proceeds from sales of shares of subsidiaries resulting in change in scope of   | 49) (4,119)  |
| ash flows from investing activities  Payments into time deposits  Proceeds from withdrawal of time deposits  Purchase of property, plant and equipment  Proceeds from sales of property, plant and equipment  Purchase of intangible assets  Purchase of investment securities  Proceeds from sales of investment securities  Purchase of shares of subsidiaries resulting in change in scope of  Proceeds from sales of shares of subsidiaries resulting in change in scope of  | , , ,  |
| Payments into time deposits Proceeds from withdrawal of time deposits Purchase of property, plant and equipment Proceeds from sales of property, plant and equipment Purchase of intangible assets Purchase of investment securities Proceeds from sales of investment securities Purchase of shares of subsidiaries resulting in change in scope of Proceeds from sales of shares of subsidiaries resulting in change in scope of   | 92 14,541  |
| Proceeds from withdrawal of time deposits  Purchase of property, plant and equipment  Proceeds from sales of property, plant and equipment  Purchase of intangible assets  Purchase of investment securities  Proceeds from sales of investment securities  Purchase of shares of subsidiaries resulting in change in scope of consolidation  Proceeds from sales of shares of subsidiaries resulting in change in scope of  |  |
| Purchase of property, plant and equipment Proceeds from sales of property, plant and equipment Purchase of intangible assets Purchase of investment securities Proceeds from sales of investment securities Purchase of shares of subsidiaries resulting in change in scope of consolidation Proceeds from sales of shares of subsidiaries resulting in change in scope of   | 10) (1,446)  |
| Proceeds from sales of property, plant and equipment  Purchase of intangible assets  Purchase of investment securities  Proceeds from sales of investment securities  Purchase of shares of subsidiaries resulting in change in scope of consolidation  Proceeds from sales of shares of subsidiaries resulting in change in scope of  | 51 630   |
| Purchase of intangible assets  Purchase of investment securities  Proceeds from sales of investment securities  Purchase of shares of subsidiaries resulting in change in scope of consolidation  Proceeds from sales of shares of subsidiaries resulting in change in scope of  | 81) (3,192)  |
| Purchase of investment securities Proceeds from sales of investment securities Purchase of shares of subsidiaries resulting in change in scope of consolidation Proceeds from sales of shares of subsidiaries resulting in change in scope of  | 39 211   |
| Proceeds from sales of investment securities  Purchase of shares of subsidiaries resulting in change in scope of consolidation  Proceeds from sales of shares of subsidiaries resulting in change in scope of  | 11) (1,881)  |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation  Proceeds from sales of shares of subsidiaries resulting in change in scope of  | 18) (375)  |
| Proceeds from sales of shares of subsidiaries resulting in change in scope of  | 0 6  |
|  | 69) (3,032)  |
|  | 29 –   |
| Payments for transfer of business  | <b>–</b> (108)   |
| Proceeds from transfer of business   | - 200  |
| Decrease (increase) in short-term loans receivable   | 82 27  |
| Payments of long-term loans receivable   | 84) (4)  |
| Collection of long-term loans receivable   | 8 10   |
| Other, net (1  | 91) (98)   |
| Net cash provided by (used in) investing activities (4,9)  | 54) (9,053)  |
| ash flows from financing activities  |  |
| Net increase (decrease) in short-term loans payable (9,1   | 45) (1,255)  |
| Proceeds from long-term loans payable  | <b>–</b> 261   |
| Repayments of long-term loans payable (1,6   | 75) (3,460)  |
| Repayments of finance lease obligations (7   | 23) (593)  |
| Purchase of treasury shares  | (0)  |
| Cash dividends paid (2,1   | 20) (1,908)  |
| Dividends paid to non-controlling interests (1   | 41) (75)   |
| Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation  | (0) (224)  |
| Net cash provided by (used in) financing activities (13,8)   | 07) (7,258)  |
|  | ,  |
|  | 37) (234)  |
| ash and cash equivalents at beginning of period 15,4   | · · · · · · · · · · · · · · · · · · ·  |
| crease (decrease) in cash and cash equivalents resulting from change of scope of   | 06) (2,004)  |
| onsolidation   | 06) (2,004)  |
| ash and cash equivalents at end of period 14,7   | 06) (2,004)<br>99 14,703<br>89) —  |

FY2016 ended March 2017 (April 1, 2016 - March 31, 2017)

(unit: million yen) Reportable segment Smart Positioning Eye Care Adjustment Total Sub-Total Infrastructure Other Company **Business Business** Sales Sales to 25,004 56,819 128,387 42,881 3,682 128,387 unaffiliated customers Intercompany sales 8,087 3,782 26 267 12,163 (12,163)or transfer 43,148 140,551 33,091 60,602 3,708 (12,163)128,387 Total Segment Profit 3,939 5,596 10 (2,593)2,598 12,144 9,551 (Operating Profit)

Note: Segment Profit (2,593) on "Elimination & Common" is mainly goodwill amortization expense which is not distributed to each reportable segment.

FY2017 ended March 2018 (April 1, 2017 - March 31, 2018)

(unit: million yen) Reportable segment Smart Positioning Adjustment Total Eye Care Infrastructure Other Sub-Total **Business** Company **Business** Sales Sales to 27,270 69,548 46,249 2,490 145,558 145,558 unaffiliated customers Intercompany sales 2 9,356 5,397 266 15,023 (15,023)or transfer 36,626 46,515 145,558 Total 74,945 2,493 160,582 (15,023)Segment Profit 8,018 5,102 2,038 88 (3,173)12,073 15,247 (Operating Profit)

Note: Segment Profit (3,173) on "Elimination & Common" are mainly goodwill amortization expense and corporate expense (advanced research and development expense), both of which are not distributed to each reportable segment.

### [Related information]

FY2016 ended March 2017 (April 1, 2016 - March 31, 2017)

| 1. Regional information |        |                  |        |       |                   | (uni  | t: million yen) |
|-------------------------|--------|------------------|--------|-------|-------------------|-------|-----------------|
|                         | Japan  | North<br>America | Europe | China | Asia /<br>Oceania | other | Total           |
| Sales                   | 29,450 | 35,843           | 31,186 | 8,094 | 14,243            | 9,569 | 128,387         |

Note: Sales is classified by country or region based on the location of customers.

FY2017 ended March 2018 (April 1, 2017 - March 31, 2018)

| 1. Regional information |        |                  |        |       |                   | (uni   | t: million yen) |
|-------------------------|--------|------------------|--------|-------|-------------------|--------|-----------------|
|                         | Japan  | North<br>America | Europe | China | Asia /<br>Oceania | other  | Total           |
| Sales                   | 30,708 | 43,197           | 35,628 | 7,650 | 17,053            | 11,319 | 145,558         |

Note: Sales is classified by country or region based on the location of customers.