

(3) Qualitative Information on the Consolidated Results Forecast

Looking ahead at the global economy from 2Q of the consolidated fiscal year onward, we expect concerns about the impact on business activity of the UK's decision to leave the EU to continue the foreign exchange market tendency toward a strong yen. By region, we expect the US economy to be relatively strong against the backdrop of an improving environment for employment, but overall it seems likely that the trend of deceleration in the global economy will strengthen.

With this upcoming business environment in mind, we have revised our results forecasts for the current consolidated fiscal year as follows. In addition, we have altered the exchange rate assumption underlying these results forecasts for 2Q and beyond by 5 yen against the euro compared to our initial assumption of 120 yen [US\$: ¥105, euro ¥115].

Revision of consolidated financial results forecast for the fiscal year ending March 31, 2017 (April 1, 2016 – March 31, 2017)

| | Revenue | Operating profit | Profit attributable to owners of the company | Basic earnings per share |
|---|-------------------|-------------------|--|--------------------------|
| | [Billions of yen] | [Billions of yen] | [Billions of yen] | [Yen] |
| Forecast previously announced (A) | 1,060.0 | 66.0 | 44.0 | 88.80 |
| Revised forecast (B) | 1,030.0 | 55.0 | 36.0 | 72.65 |
| Increase (decrease) (B - A) | (30.0) | (11.0) | (8.0) | — |
| Rate of change (%) | -2.8 | -16.7 | -18.2 | — |
| (Ref.) Results for the fiscal year ended March 31, 2016 | 1,031.7 | 60.0 | 31.9 | 64.39 |

(Reference) Results forecasts for 3 main segments (April 1, 2016 – March 31, 2017)

| | [Billions of yen] | | | | | |
|--------------------------------|-----------------------------------|------------------|----------------------|------------------|-----------------------------|------------------|
| | Forecast previously announced (A) | | Revised forecast (B) | | Increase (decrease) (B - A) | |
| | Revenue | Operating profit | Revenue | Operating profit | Revenue | Operating profit |
| Business Technologies Business | 830.0 | 68.0 | 810.0 | 62.0 | (20.0) | (6.0) |
| Healthcare Business | 100.0 | 5.0 | 100.0 | 5.0 | — | — |
| Industrial Business | 125.0 | 22.0 | 115.0 | 17.0 | (10.0) | (5.0) |

(Note) "Revenue" refers to revenue from external customers.

*The above operating performance forecasts are based on future-related suppositions, outlooks, and plans at the time this report was released, and as such they involve risks and uncertainties. It should be noted that actual results may differ significantly from these forecasts due to various important factors, such as changes in economic conditions, market trends, and currency exchange rates.

Figures in qualitative information sections given as billions of yen have been rounded off to the nearest hundred million yen.

2. SUMMARY INFORMATION (NOTES)

None.