



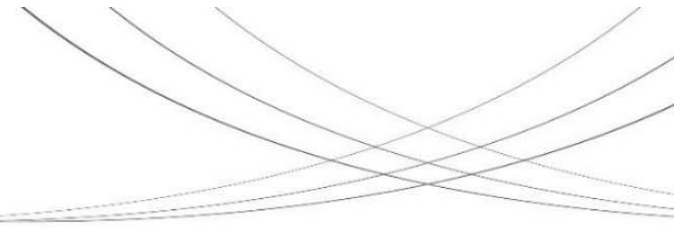
3rd Quarter Results & Financial Position, Ended March 2019

**Koji Furusawa
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Feb. 6, 2019

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3rd Quarter Financial Highlights



Record Results

- Record results were achieved for net sales: Group, Analytical & Measuring Instruments, Medical Systems, and Industrial Machinery Segments
- Record results were achieved for operating income: Group, Analytical & Measuring Instruments, and Industrial Machinery Segments

Improved Segment Operating Margin

- Analytical & Measuring Instruments: Improved 0.3 points (YoY) to 15.4 %
- Industrial Machinery: Improved 0.8 points (YoY) to 9.7 %

Statement of Income

Units: Billions of yen	Q3: Oct.-Dec.		YoY Increase/Decrease		Local Currency Basis
	FY2018	FY2017	Change	% Change	YoY
Net Sales	95.4	91.3	4.1	4%	5%
Gross Profit	39.1	37.0	2.1	6%	7%
Gross Margin	41.0%	40.5%	0.5pt	-	-
Operating Income	10.1	9.7	0.4	5%	6%
Operating Margin	10.6%	10.6%	0.0pt	-	-
Ordinary Income	9.8	10.1	(0.3)	-3%	-
Profit Attributable to Owners of Parent	6.6	6.7	(0.1)	-2%	-
Average USD Rate (Yen)	112.97	113.03	(0.06)	-0.1%	
Average Euro Rate (Yen)	128.83	133.07	(4.24)	-3.2%	

■ Exchange Rate Effect
 Net Sales: -0.4 billion yen
 Operating Income: -0.2 billion yen

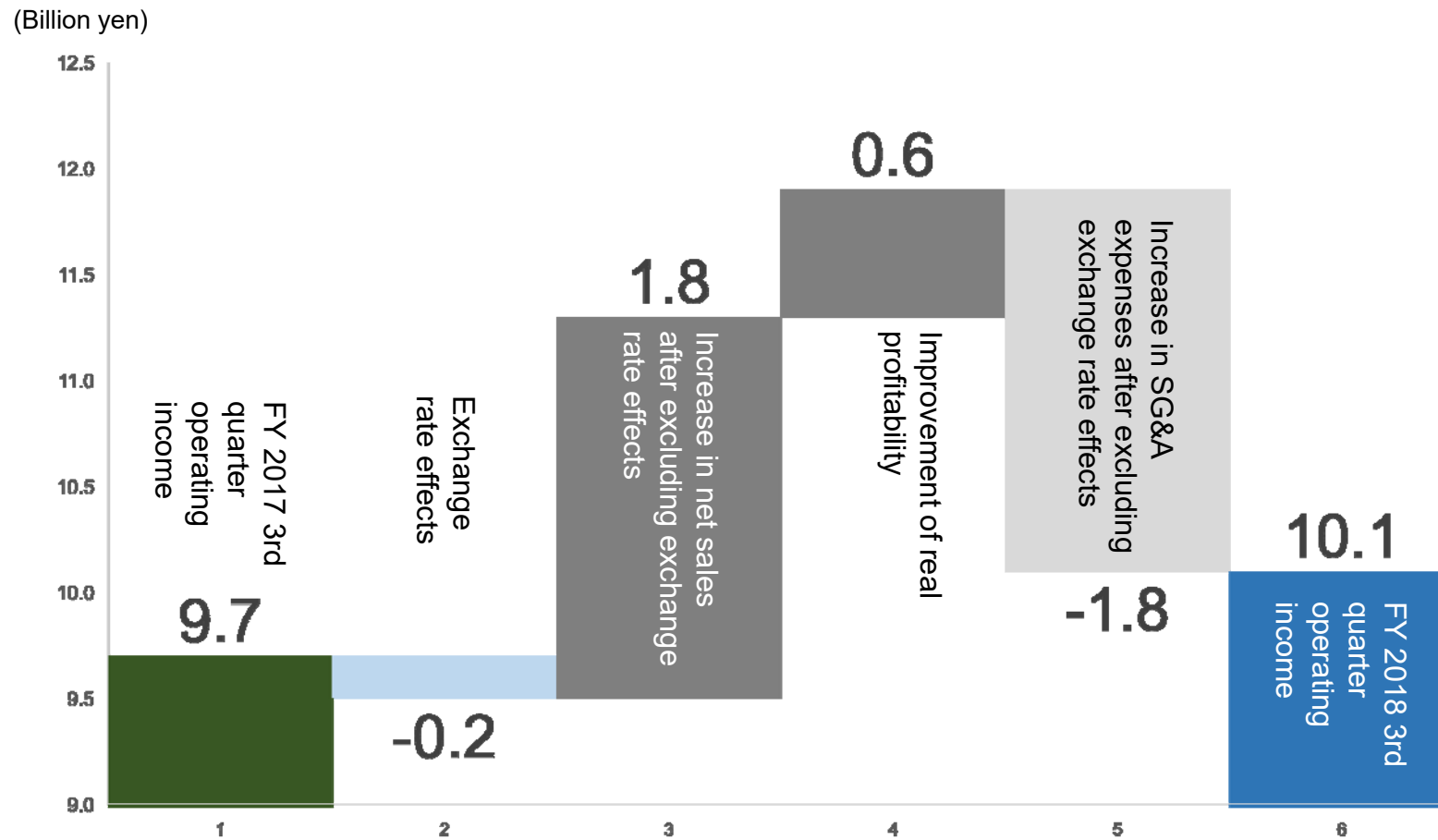
■ R&D Expenses
 3.8 billion yen
 (3.9 billion yen the previous year)

■ Capital Investment
 3.7 billion yen
 (3.5 billion yen the previous year)

■ Depreciation and Amortization
 3.0 billion yen
 (2.7 billion yen the previous year)

Foreign Exchange Sensitivity
 USD: 1.2 billion yen net sales and 0.4 billion yen operating income
 EUR: 0.2 billion yen net sales and 0.07 billion yen operating income

Analysis of Year-on-Year Increase/Decrease in Operating Income (Oct.-Dec.)



Sales and Income by Business Segment

Units: Billions of yen		Q3: Oct.-Dec.		Yen Basis		Local Currency Basis
		FY2018	FY2017	YoY Increase/Decrease		YoY
				Change	% Change	% Change
Analytical & Measuring Instruments	Net Sales	58.2	56.8	1.4	2%	3%
	Operating Income	8.9	8.6	0.4	4%	6%
	Operating Margin	15.4%	15.1%	0.3pt	-	
Medical Systems	Net Sales	16.5	14.9	1.6	11%	11%
	Operating Income	0.2	0.0	0.2	20×	21×
	Operating Margin	1.5%	0.1%	1.4pt	-	
Industrial Machinery	Net Sales	11.3	12.0	(0.7)	-6%	-5%
	Operating Income	1.1	1.1	0.0	3%	5%
	Operating Margin	9.7%	8.9%	0.8pt	-	
Aircraft Equipment	Net Sales	6.9	6.2	0.7	12%	12%
	Operating Income	(0.0)	0.1	(0.1)	-	-
	Operating Margin	-0.5%	1.2%	(1.8pt)	-	-
Other	Net Sales	2.5	1.4	1.1	77%	77%
	Operating Income	0.5	0.4	0.1	39%	39%
	Operating Margin	17.4%	20.3%	(2.9pt)	-	
Adjustments	Operating Income	(0.6)	(0.4)	(0.2)		
Total	Net Sales	95.4	91.3	4.1	4%	5%
	Operating Income	10.1	9.7	0.4	5%	6%
	Operating Margin	10.6%	10.6%	0.0pt	-	

Operating Income

Analytical Instruments:

Ratio of key models and aftermarket business increased

Medical Systems:

Profit increased due to increased sales

Industrial Machinery:

Profitability improved for TMPs and ratio of aftermarket business increased

Aircraft Equipment:

Product mix worsened

Other:

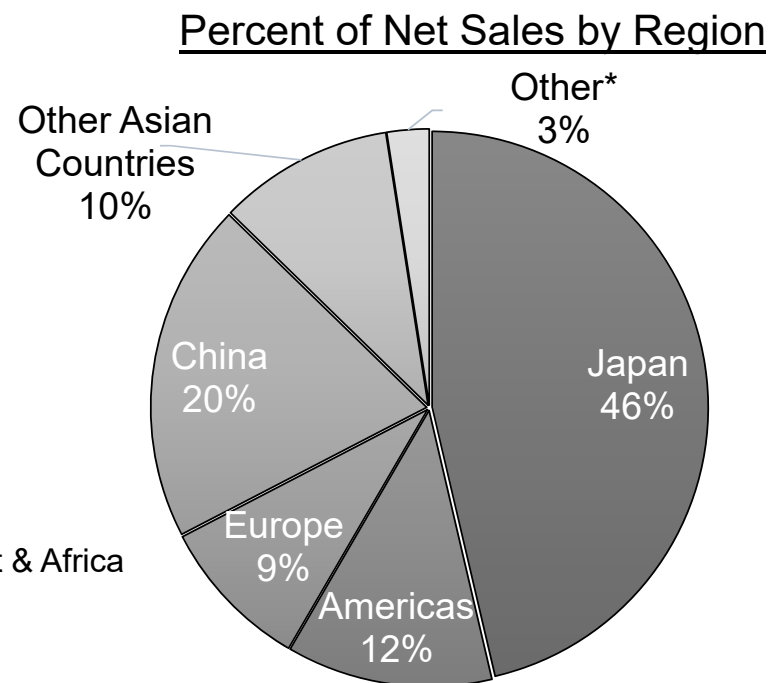
Profit increased due to increased sales

Note: Nets sales refer to external sales
Operating margin calculated by dividing external plus internal sales by operating income

Net Sales by Region

Sales increased in Japan, Europe, and other Asian countries, and decreased in North America, China, and other countries.

Units: Billions of yen	Q3: Oct.-Dec.		Local Currency Basis
	FY2018	FY2017	YoY
Japan	44.2	41.7	6%
Americas	11.5	11.9	-4%
North America	10.2	10.7	-4%
Europe	8.6	7.4	20%
China	19.0	19.2	-1%
Other Asian Countries	9.8	8.4	17%
Other*	2.3	2.6	-7%
Total	95.4	91.3	5%
Sales Outside Japan	51.2	49.5	4%
Overseas Sales Ratio	53.7%	54.3%	



Net sales YoY change values exclude exchange rate effects

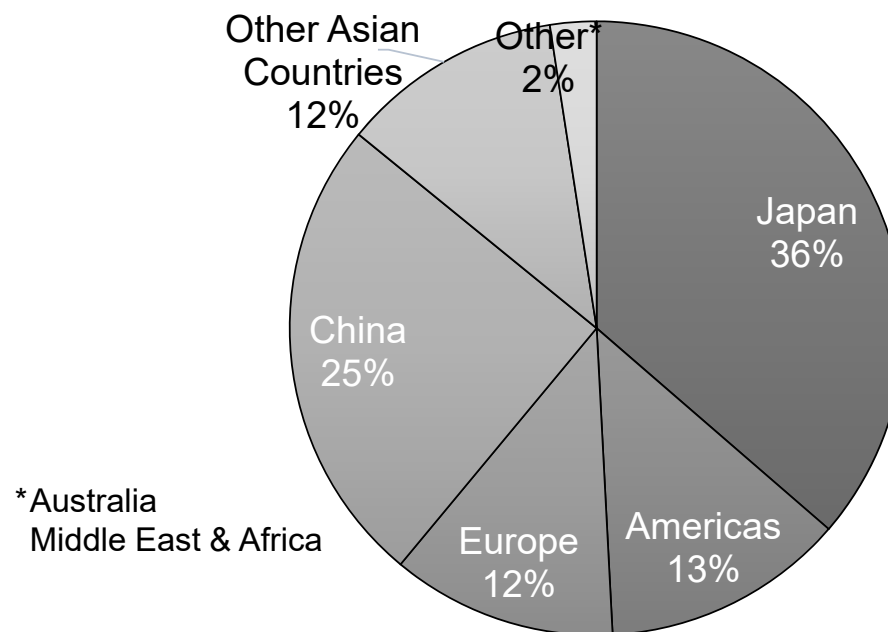
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Analytical & Measuring Instruments Segment

– Net Sales - Part 1

Units: Billions of yen	Q3: Oct.-Dec.		Local Currency Basis
	FY2018	FY2017	YoY
Japan	21.2	22.1	-4%
Americas	7.5	7.0	8%
North America	6.5	6.0	9%
Europe	6.9	5.9	19%
China	14.5	14.1	3%
Other Asian Countries	6.8	6.1	12%
India	2.3	2.2	4%
Other*	1.4	1.7	-17%
Total	58.2	56.8	3%
Sales Outside Japan	37.0	34.8	7%
Overseas Sales Ratio	63.7%	61.2%	

Percent of Net Sales by Region



Net sales YoY change values exclude exchange rate effects

Analytical & Measuring Instruments Segment

– Net Sales - Part 2

■ Year-on-Year Change in Analytical & Measuring Instruments Segment Net Sales (excluding exchange rate effects)

FY2017				FY2018		
Q1	Q2	Q3	Q4	Q1	Q2	Q3
7%	8%	9%	10%	12%	3%	3%

■ Net Sales by Major Regions (excluding exchange rate effects)

Region	FY2018 YoY Change			Overview
	Q1	Q2	Q3	
Japan	15%	-1%	-4%	Testing machine and non-destructive inspection sales were strong in machinery and automotive fields. Some decrease is due to reactionary decline after large facility relocation project in the previous year. Sales weak for key models.
North America	17%	14%	9%	Sales strong for key models.
Europe	12%	7%	19%	Sales strong for key and other models.
China	10%	6%	3%	Sales strong for key models, with government demand recovering. Sales slowing for environmental monitoring systems.
India	5%	-7%	4%	Conditions remained difficult for small-medium pharmaceutical companies, but sales for contract analysis were strong.

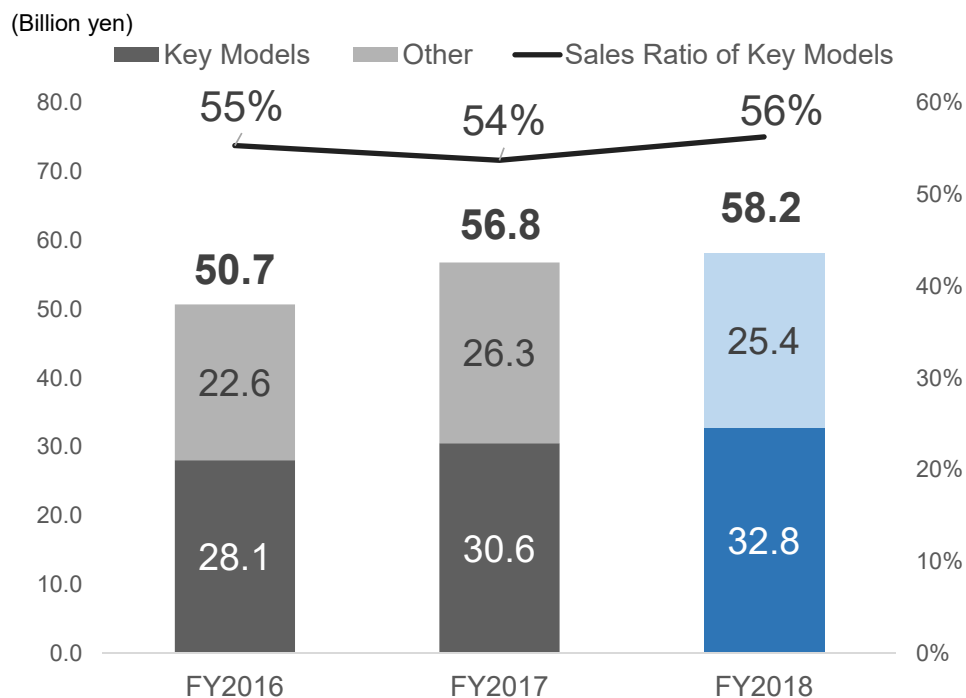
Analytical & Measuring Instruments Segment

– Net Sales by Model

Key models: Sales increased for all three models

Other: Testing machine and non-destructive inspection system sales strong in Japan

■ Net Sales by Model (Oct.-Dec.)



Units: Billions of yen	FY2018	FY2017	YoY Increase/Decrease		Local Currency Basis
			Change	% Change	% Change
Key Models	32.8	30.6	2.2	7%	8%
Other	25.4	26.3	(0.8)	-3%	-3%
Total	58.2	56.8	1.4	2%	3%
Sales Ratio of Key Models	56.3%	53.8%	2.6pt		

■ Year-on-Year Change in Net Sales of Key Models (excluding exchange rate effects)

FY 2017				FY 2018		
Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3
5%	12%	5%	13%	4%	0%	8%

Key models include: Liquid chromatographs (LC)
Mass spectrometers (MS)
Gas chromatographs (GC)

Analytical & Measuring Instruments Segment – Aftermarket Business

Aftermarket (AM) sales ratio increased 3 points (YoY), due to strengthened product line of columns and other consumables.

■ Year-on-Year Change in AM Net Sales and AM Sales Ratio

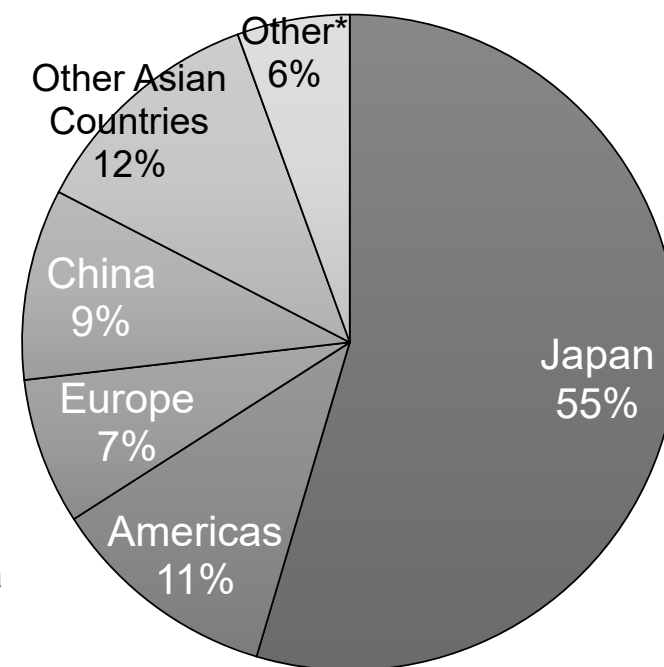
	FY2017				FY2018		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
YoY Change in AM Net Sales	10%	14%	8%	6%	18%	14%	15%
AM Ratio	30%	27%	28%	26%	31%	31%	31%

- Aftermarket includes parts, maintenance, consumables (columns, reagents, etc.), and so on.

Medical Systems Segment – Net Sales - Part 1

Units: Billions of yen	Q3: Oct.-Dec.		Local Currency Basis
	FY2018	FY2017	YoY
Japan	9.0	7.5	19%
Americas	1.9	2.5	-26%
North America	1.5	2.2	-33%
Europe	1.2	1.0	22%
China	1.6	1.6	-5%
Other Asian Countries	2.0	1.4	45%
Other*	0.9	0.8	13%
Total	16.5	14.9	11%
Sales Outside Japan	7.5	7.3	3%
Overseas Sales Ratio	45.4%	49.3%	

Percent of Net Sales by Region



*Australia
Middle East & Africa

Net sales YoY change values exclude exchange rate effects

Medical Systems Segment – Net Sales - Part 2

■ Year-on-Year Change in Medical Systems Segment Net Sales (excluding exchange rate effects)

FY2017				FY2018		
Q1	Q2	Q3	Q4	Q1	Q2	Q3
2%	1%	4%	-2%	8%	6%	11%

■ Year-on-Year Change in Medical Systems Segment Net Sales by Region (excluding exchange rate effects)

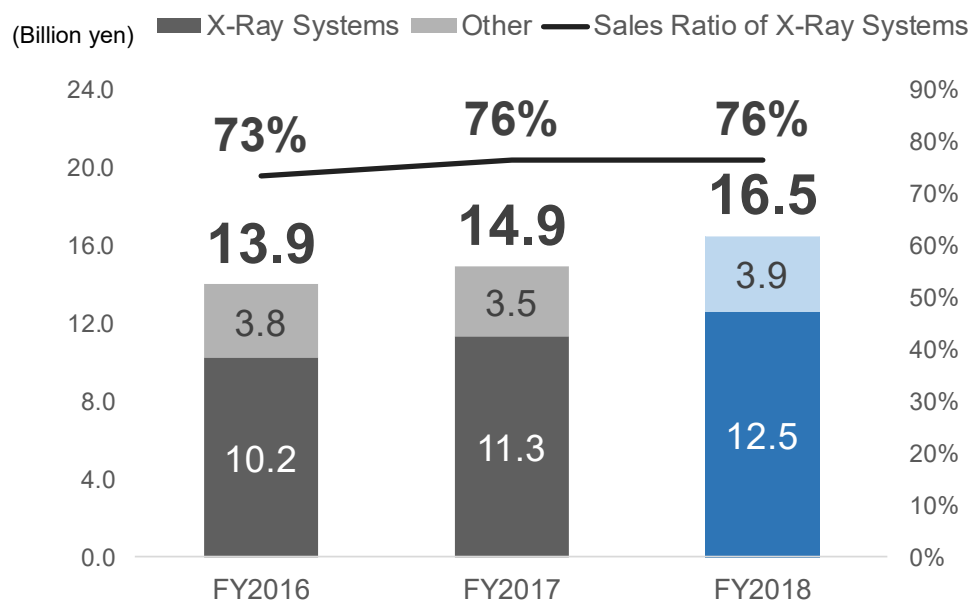
Region	FY2018 YoY Change			Overview
	Q1	Q2	Q3	
Japan	-1%	16%	19%	General radiography system sales to clinics were strong.
North America	17%	-3%	-33%	Sales decreased significantly due to reactionary decline after the special demand for digital models.
Europe	190%	31%	22%	Angiography systems drove sales.
China	1%	-14%	-5%	Sales decreased due to preferential policies for domestic products, growing regional government debt resulting in less capital equipment investment at hospitals, bidding delays, and other factors.
Other Asian countries	11%	-2%	45%	Large projects drove sales.

Medical Systems Segment – Net Sales by Model

X-ray systems: General radiography sales decreased in the U.S., due to special demand the previous year, but strong sales in Japan compensated for the U.S., resulting in significantly increased net sales overall. Angiography and fluoroscopy sales were flat.

Other: Sales increased in Japan, due to large projects for treatment support systems.

Net Sales by Model (Oct.-Dec.)



Units: Billions of yen	FY2018	FY2017	YoY Increase/Decrease		Local Currency Basis
			Change	% Change	% Change
X-Ray Systems	12.5	11.3	1.2	11%	11%
Other	3.9	3.5	0.4	11%	11%
Total	16.5	14.9	1.6	11%	11%
Sales Ratio of X-Ray Systems	76.2%	76.2%	+0.0pt		

- X-ray systems include general radiography, angiography, and X-ray fluoroscopy systems.

Medical Systems Segment – Aftermarket Business

Aftermarket (AM) achieved over 30 % sales ratio.

■ Year-on-Year Change in AM Net Sales and AM Sales Ratio

	FY2017				FY2018		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
YoY Change in AM Net Sales	2%	5%	1%	2%	4%	-2%	5%
AM Ratio	33%	31%	31%	28%	32%	29%	30%

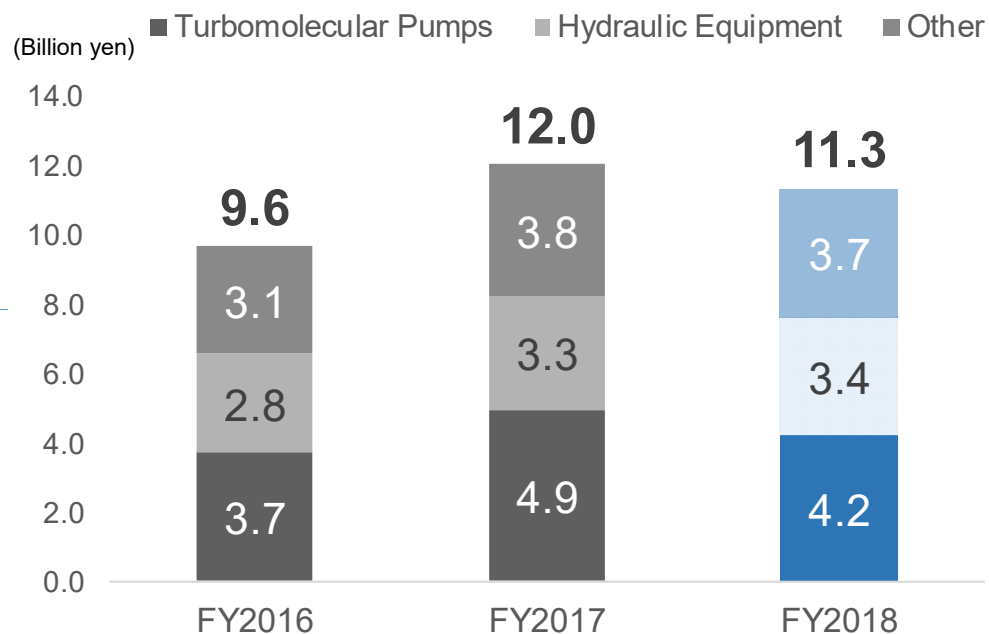
Industrial Machinery Segment

TMP: Sales for semiconductor manufacturing equipment decreased.

Hydraulic equipment: Strong sales due to strong demand.

Other: Industrial furnace sales were strong for carbide and ceramic markets, but glass winder sales decreased in reaction to large projects the previous year.

■ Net Sales by Model (Oct.-Dec.)



Units: Billions of yen	FY2018	FY2017	YoY Increase/Decrease		Local Currency Basis
			Change	% Change	% Change
TMP	4.2	4.9	(0.7)	-15%	-15%
Hydraulic Equipment	3.4	3.3	0.1	3%	4%
Other	3.7	3.8	(0.1)	-1%	-1%
Total	11.3	12.0	(0.7)	-6%	-5%

Industrial Machinery Segment – TMPs

- Sales decreased significantly for semiconductor manufacturing equipment, but were strong for thin-film solar cell coating systems in China.
- The AM sales ratio increased 7 points, due to strengthened service, such as by service location expansion/improvements.

■ Year-on-Year Change in TMP Net Sales (excluding exchange rate effects)

FY2017				FY2018		
Q1	Q2	Q3	Q4	Q1	Q2	Q3
62%	34%	30%	16%	14%	0%	-15%

■ Year-on-Year Change in AM Net Sales and AM Sales Ratio

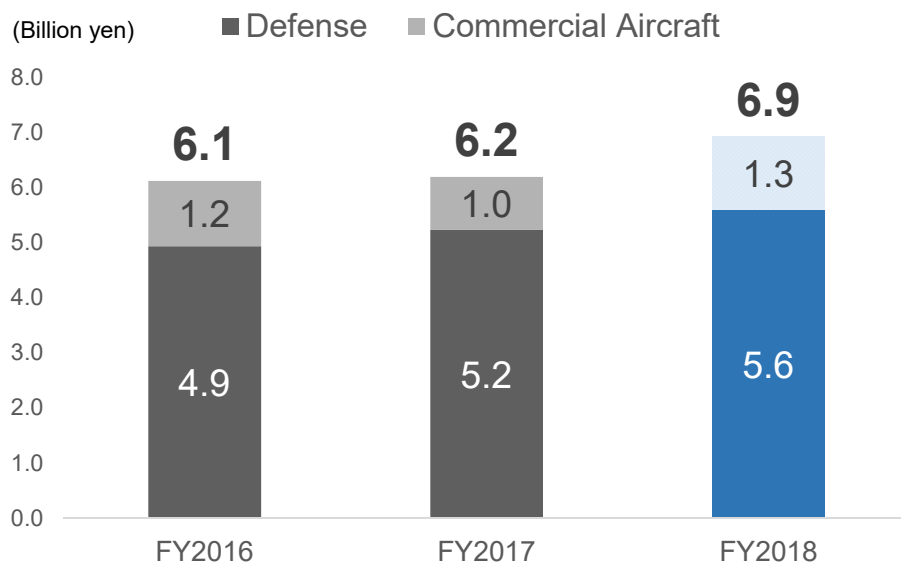
	FY2017				FY2018		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
YoY Change in AM Net Sales	0%	37%	52%	39%	49%	31%	26%
AM Ratio	11%	14%	13%	14%	14%	18%	20%

Aircraft Equipment Segment

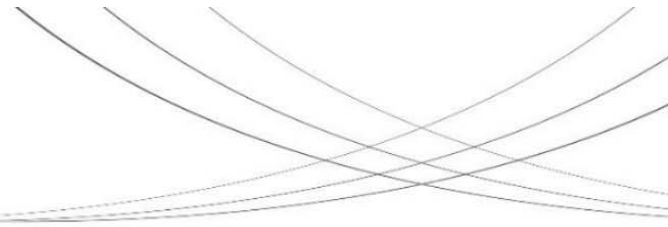
Defense: Selectively focused on certain products, increased parts sales for key products installed on patrol and transport aircrafts

Commercial Aircraft: Sales increased to Boeing and commercial aircraft sales ratio increased by 3.9 points

■ Net Sales by Market (Oct.-Dec.)



Units: Billions of yen	FY2018	FY2017	YoY Increase/Decrease		Local Currency Basis
			Change	% Change	% Change
Defense	5.6	5.2	0.4	7%	7%
Commercial Aircraft	1.3	0.9	0.4	41%	41%
Total	6.9	6.2	0.7	12%	12%
Sales Ratio of Commercial Aircraft Equipment	19.1%	15.2%	3.9pt		



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FY2018 Forecast

Units: Billions of yen	Full-Year		YoY Increase/Decrease		Local Currency Basis
	FY2018	FY2017	Change	% Change	YoY
Net Sales	390.0	376.5	13.5	4%	5%
Operating Income	45.0	42.8	2.2	5%	8%
Operating Margin	11.5%	11.4%	0.2pt	-	-
Ordinary Income	44.0	41.9	2.1	5%	-
Profit Attributable to Owners of Parent	32.0	29.8	2.2	7%	-
Average USD Rate (Yen)	108	110.91	(2.91)	-2.6%	
Average Euro Rate (Yen)	130	129.75	0.25	0.2%	

- R&D Expenses
17.5 billion yen (15.5 billion yen the previous year)
- Capital Investment
23.0 billion yen (17.2 billion yen the previous year)
- Depreciation and Amortization
11.7 billion yen (10.6 billion yen the previous year)

Foreign Exchange Sensitivity

USD: 1.2 billion yen net sales and 0.4 billion yen operating income

EUR: 0.2 billion yen net sales and 0.07 billion yen operating income

FY2018 Forecast by Business Segment

No changes for Analytical & Measuring Instruments and Medical Systems segments.
 Changed for Industrial Machinery, Aircraft Equipment, and other segments.

Units: Billions of yen		Full-Year		Yen Basis		Reference Value Disclosed at Beginning of Year
		FY2018	FY2017	YoY Increase/Decrease		
				Change	% Change	
Analytical & Measuring Instruments	Net Sales	241.0	231.6	9.4	4%	241.0
	Operating Income	38.8	37.0	1.8	5%	38.8
	Operating Margin	16.1%	16.0%	0.1pt	-	16.1%
Medical Systems	Net Sales	69.5	65.9	3.6	5%	69.5
	Operating Income	3.2	2.7	0.5	18%	3.2
	Operating Margin	4.6%	4.1%	0.5pt	-	4.6%
Industrial Machinery	Net Sales	45.2	44.2	1.0	2%	46.5
	Operating Income	4.4	4.1	0.3	8%	4.4
	Operating Margin	9.7%	9.2%	0.5pt	-	9.5%

Units: Billions of yen		Full-Year		Yen Basis		Reference Value Disclosed at Beginning of Year
		FY2018	FY2017	YoY Increase/Decrease		
				Change	% Change	
Aircraft Equipment	Net Sales	26.5	27.6	(1.1)	-4%	26.5
	Operating Income	0.6	0.5	0.1	25%	0.8
	Operating Margin	2.3%	1.7%	0.5pt	-	3.0%
Other	Net Sales	7.8	7.2	0.6	8%	6.5
	Operating Income	1.0	0.9	0.1	12%	0.8
	Operating Margin	12.8%	10.1%	2.7pt	-	12.3%
Adjustments	Operating Income	-3.0	-2.4	(0.6)	-	-3.0
Total	Net Sales	390.0	376.5	13.5	4%	390.0
	Operating Income	45.0	42.8	2.2	5%	45.0
	Operating Margin	11.5%	11.4%	0.2pt	-	11.5%

Business Conditions and Measures

– Analytical & Measuring Instruments

Difficult business conditions in Japan and India.

Profits expanded toward achieving targets in Europe/United States, where sales are strong, and in China, where government demand is recovering.

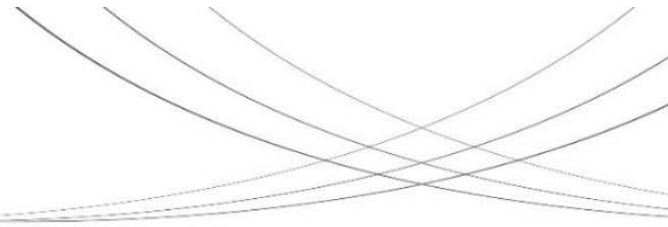
Region	Business Environment	Measures
Japan	<ul style="list-style-type: none"> • Capital investment by private sector companies seems to be slowing. 	<ul style="list-style-type: none"> • Promote and expand sales of popular all-in-one LC system.
North America	<ul style="list-style-type: none"> • Healthcare-related markets remained strong. 	<ul style="list-style-type: none"> • Further strengthen position in healthcare-related markets.
Europe	<ul style="list-style-type: none"> • Clinical, food, and healthcare-related markets continue to expand. 	<ul style="list-style-type: none"> • Focus on pharmaceutical, clinical, food, and healthcare-related markets.
China	<ul style="list-style-type: none"> • Government demand is recovering. • VOC regulations to start July 1, 2019. 	<ul style="list-style-type: none"> • Expand sales for government projects. • Expand sales of VOC analyzers.
India	<ul style="list-style-type: none"> • Capital equipment investment continues to decrease at pharmaceutical companies. 	<ul style="list-style-type: none"> • Develop new markets other than pharmaceuticals.

Business Conditions and Measures – Medical Systems, Industrial Machinery, and Aircraft Equipment

Medical Systems: Difficult business conditions in the U.S. and China. Capital equipment investment slowing in Japan as well.

Industrial Machinery: Difficult business conditions for TMP in its main semiconductor equipment field.

	Business Environment	Measures
Medical Systems	<ul style="list-style-type: none"> • Japan: Capital investment seems to be slowing. 	<ul style="list-style-type: none"> • Japan: Expand sales of X-ray systems and services.
	<ul style="list-style-type: none"> • North America: Investment in equipment seems to be slowing, due to reactionary decline after the special demand the previous year and due to ongoing integration and absorption into hospital 	<ul style="list-style-type: none"> • North America: Strengthen direct sales and build stronger relationships with customers.
	<ul style="list-style-type: none"> • China: Preferential policies for domestic products, bidding delays, and other difficult business conditions continue. 	<ul style="list-style-type: none"> • China: Expand/improve product lines of products manufactured in China and expand sales.
Industrial Machinery	<ul style="list-style-type: none"> • TMP: Business conditions are difficult for semiconductor manufacturing equipment, but sales remain strong for other applications. 	<ul style="list-style-type: none"> • TMP: Continue developing semiconductor manufacturing equipment market and further expand aftermarket sales.
	<ul style="list-style-type: none"> • Hydraulic: Some markets seem to be slowing, but overall sales are strong. 	<ul style="list-style-type: none"> • Hydraulic: Increase market share by developing new customers and markets.
Aircraft Equipment	<ul style="list-style-type: none"> • Defense: Downturn after flat sales. 	<ul style="list-style-type: none"> • Defense: Select and focus on target fields.
	<ul style="list-style-type: none"> • Commercial Aircraft: Competitive environment is severe, but small/medium aircraft markets are expanding. 	<ul style="list-style-type: none"> • Commercial Aircraft: Continue promoting cost reduction and developing new customers, and promote inspection business.



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End Markets – Analytical & Measuring Instruments (Oct.-Dec.)

Pharmaceutical, contract analysis, etc.:

Contract analysis sales are strong globally, pharmaceutical sales are strong in China and Europe.

Materials, machinery, etc.:

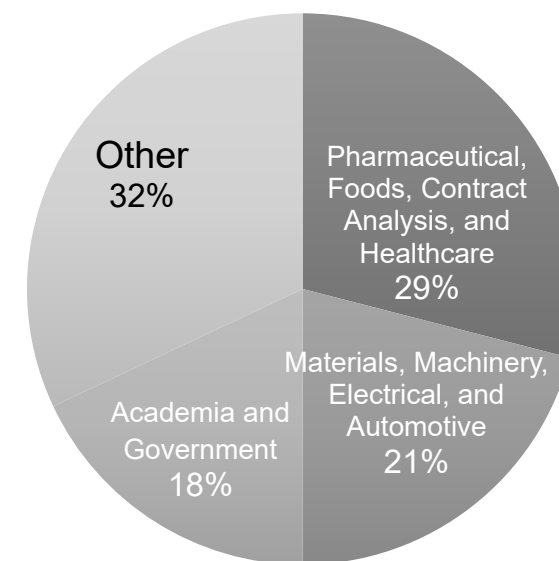
Strong market conditions

Academia and government:

Sluggishness continues in Japan.

	YoY	Remarks
Pharmaceutical, Foods, Contract Analysis, and Healthcare	4%	Contract analysis sales were strong. Healthcare sales were strong in Europe, recovering in China, and increased overall.
Materials, Machinery, Electrical, and Automotive	5%	Sales strong in many fields, such as petrochemical, steel, and machinery.
Academia and Government	-6%	Sales decreased significantly in Japan, which decreased overall sales.
Other	7%	Increased due to expanding scope of peripheral customers using analytical instruments.

Percent of Net Sales



Statement of Income – Apr.-Dec. 9-Month Total

Units: Billions of yen	9 Months: Apr.-Dec.		YoY Increase/Decrease		Local Currency Basis
	FY2018	FY2017	Change	% Change	YoY
Net Sales	278.2	263.3	14.9	6%	6%
Gross Profit	111.3	104.1	7.2	7%	7%
Gross Margin	40.0%	39.5%	0.5pt	-	-
Operating Income	27.6	25.4	2.1	8%	8%
Operating Margin	9.9%	9.7%	0.2pt	-	-
Ordinary Income	28.5	25.7	2.8	11%	-
Profit Attributable to Owners of Parent	19.5	18.0	1.4	8%	-
Average USD Rate (Yen)	111.20	111.77	(0.57)	-0.5%	
Average Euro Rate (Yen)	129.53	128.58	0.96	0.7%	

- R&D Expenses 11.8 billion yen (11.0 billion yen the previous year)
- Capital Investment 14.0 billion yen (10.4 billion yen the previous year)
- Depreciation and Amortization 8.6 billion yen (7.9 billion yen the previous year)

Foreign Exchange Sensitivity
 USD: 1.2 billion yen net sales and 0.4 billion yen operating income
 EUR: 0.2 billion yen net sales and 0.07 billion yen operating income

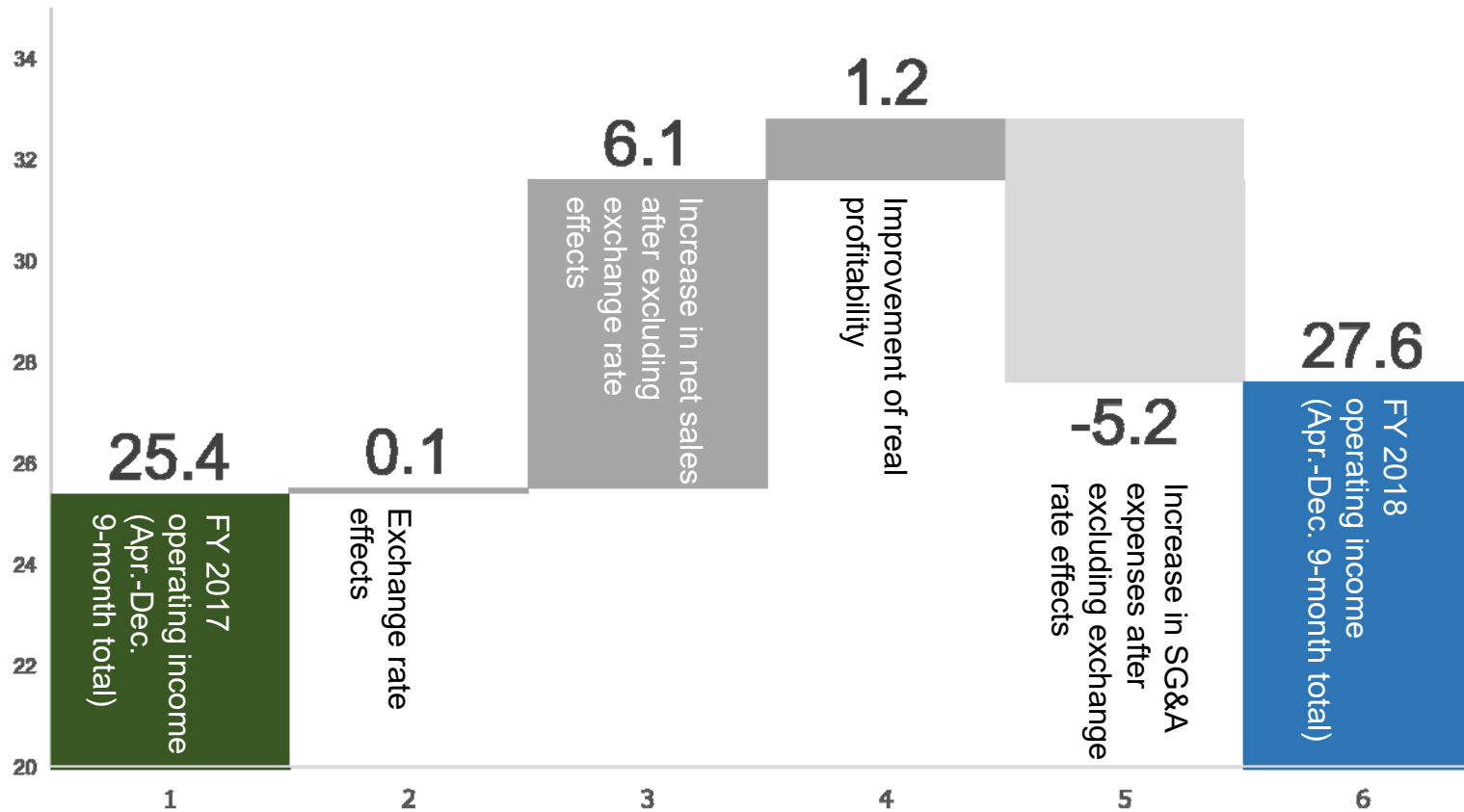
Results by Business Segment

– Apr.-Dec. 9-Month Total

Units: Billions of yen		9 Months: Apr.-Dec.		Yen Basis		Local Currency Basis
		FY2018	FY2017	YoY Increase/Decrease		YoY
				Change	% Change	% Change
Analytical & Measuring Instruments	Net Sales	169.3	160.9	8.4	5.2%	5.5%
	Operating Income	24.5	22.9	1.6	6.9%	6.6%
	Operating Margin	14.5%	14.3%	0.2pt	-	
Medical Systems	Net Sales	49.1	45.5	3.6	7.9%	8.2%
	Operating Income	0.9	0.7	0.3	37.4%	36.8%
	Operating Margin	1.9%	1.5%	0.4pt	-	
Industrial Machinery	Net Sales	34.1	32.5	1.6	5.1%	5.2%
	Operating Income	3.3	2.9	0.4	12.8%	13.9%
	Operating Margin	9.7%	9.1%	0.7pt	-	
Aircraft Equipment	Net Sales	19.3	19.4	(0.0)	-0.1%	0.1%
	Operating Income	(0.27)	(0.15)	(0.1)	-	-
	Operating Margin	-1.4%	-0.8%	(0.6pt)	-	-
Other	Net Sales	6.4	5.1	1.2	23.9%	23.9%
	Operating Income	0.7	0.5	0.2	46.6%	46.6%
	Operating Margin	9.4%	7.8%	1.6pt	-	
Adjustments	Operating Income	(1.7)	(1.4)	(0.3)		
Total	Net Sales	278.2	263.3	14.9	5.7%	5.9%
	Operating Income	27.6	25.4	2.1	8.4%	8.2%
	Operating Margin	9.9%	9.7%	0.2pt	-	

Analysis of Year-on-Year Increase/Decrease in Operating Income – Apr.-Dec. 9-Month Total

(Billion yen)





This document contains forward-looking statements. Forecasts of future business performance that appear in this document are predictions made by the company's management team that are based on information available when these materials were prepared and are subject to risks and uncertainties. Consequently, actual results may differ materially from the forecasts indicated above. Factors that may influence actual business performance include, but are not limited to, economic conditions within and outside Japan, changes in technologies in markets, and fluctuations in exchange rates.