

3rd Quarter FY2020 Consolidated Financial Results

October 30, 2020

(Amounts are rounded down to the nearest million yen)

1. Consolidated Results for 3rd quarter FY2020 (January 1, 2020 through September 30, 2020)

(1) Consolidated financial results (% of change from previous 3rd quarter)

	Net Sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
3Q FY2020	33,568	(25.5)	1,794	(59.5)	2,120	(56.5)	1,479	(59.9)
3Q FY2019	45,053	2.6	4,426	37.3	4,878	35.2	3,687	31.6

(Note) Comprehensive income: 3Q FY2020: 995 million yen [(64.0)%] / 3Q FY2019: 2,764 million yen [31.2%]

	Quarterly net income per share –Basic		Quarterly net income per share –Diluted	
	Yen		Yen	
3Q FY2020	65.89		-	
3Q FY2019	143.29		-	

(2) Consolidated financial position

	Total assets		Total net assets		Ratio of net assets	
	Million yen		Million yen		%	
3Q FY2020	57,570		45,043		78.2	
FY2019	69,297		54,539		78.7	

(Reference) Shareholders' equity: 3Q FY2020: 45,043 million yen / FY2019: 54,539 million yen

2. Cash dividends

	Cash dividends per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Annual
	Yen				
FY2019	-	25.00	-	43.00	68.00
FY2020	-	25.00	-		
FY2020 (forecast)			-	-	-

(Note) Revision of cash dividend forecast for this period: None

(Note) The dividend forecasts for the Fiscal Year 2020 have not been determined at this moment.

3. Forecast of consolidated results for FY2020 (January 1, 2020 through December 31, 2020)

(% of change from FY2018)

	Net Sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2020	50,000	(21.0)	2,800	(59.9)	3,100	(58.1)	2,220	(58.4)	100.69

(Note) Revision of forecast for this period: None

Consolidated financial statements

(1) Consolidated balance sheets

(Amount: Million yen)

	FY2019 (As of December 31, 2019)	3rd quarter FY2020 (As of September 30, 2020)
<b>Assets</b>		
Current assets		
Cash and deposits	28,384	19,955
Notes and accounts receivable - trade	12,907	9,688
Finished goods	5,658	5,062
Work in process	2,496	2,950
Raw materials and supplies	1,233	1,471
Other	1,011	1,099
Allowance for doubtful accounts	(28)	(24)
Total current assets	51,662	40,203
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,159	13,365
Accumulated depreciation	(8,257)	(8,499)
Buildings and structures, net	4,902	4,866
Machinery, equipment and vehicles	18,625	19,044
Accumulated depreciation	(14,590)	(15,097)
Machinery, equipment and vehicles, net	4,035	3,946
Tools, furniture and fixtures	21,541	22,058
Accumulated depreciation	(19,212)	(19,504)
Tools, furniture and fixtures, net	2,328	2,553
Land	1,165	1,160
Other	1,073	1,022
Total property, plant and equipment	13,505	13,549
Intangible assets	698	669
Investments and other assets		
Investment securities	2,864	2,588
Deferred tax assets	321	383
Other	314	239
Allowance for doubtful accounts	(68)	(63)
Total investments and other assets	3,431	3,147
Total non-current assets	17,634	17,366
Total assets	69,297	57,570

(Amount: Million yen)

	FY2019 (As of December 31, 2019)	3rd quarter FY2020 (As of September 30, 2020)
Liabilities		
Current liabilities		
Accounts payable - trade	3,660	2,946
Short-term loans payable	2,418	2,507
Accrued expenses	2,857	1,922
Income taxes payable	1,019	143
Other	2,343	2,287
Total current liabilities	12,299	9,806
Non-current liabilities		
Long-term loans payable	225	347
Provision for share benefits	195	225
Net defined benefit liability	1,365	1,487
Other	672	661
Total non-current liabilities	2,458	2,720
Total liabilities	14,758	12,527
Net assets		
Shareholders' equity		
Capital stock	6,923	6,923
Capital surplus	7,432	7,432
Retained earnings	38,336	38,176
Treasury shares	(483)	(9,334)
Total shareholders' equity	52,208	43,196
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	920	729
Deferred gains or losses on hedges	(1)	-
Foreign currency translation adjustment	1,399	1,105
Remeasurements of defined benefit plans	11	11
Total accumulated other comprehensive income	2,330	1,846
Total net assets	54,539	45,043
Total liabilities and net assets	69,297	57,570

## (2) Consolidated Statements of income

(Amount: Million yen)

	3rd quarter FY2019 (January 1, 2019 through September 30, 2019)	3rd quarter FY2020 (January 1, 2020 through September 30, 2020)
Net sales	45,053	33,568
Cost of sales	28,088	20,932
Gross profit	16,964	12,636
Selling, general and administrative expenses	12,538	10,841
Operating income	4,426	1,794
Non-operating income		
Interest income	70	30
Dividend income	29	24
Foreign exchange income	87	—
Subsidy income	176	127
Subsidies for employment adjustment	—	221
Other	175	153
Total non-operating income	539	558
Non-operating expenses		
Interest expenses	32	26
Foreign exchange losses	—	158
Loss on retirement of non-current assets	13	23
Loss on abandonment of inventories	13	—
Other	27	22
Total non-operating expenses	86	231
Ordinary income	4,878	2,120
Profit before income taxes	4,878	2,120
Income taxes	1,191	641
Profit	3,687	1,479
Profit attributable to owners of parent	3,687	1,479

(3) Consolidated Statements of Comprehensive Income

(Amount: Million yen)

	3rd quarter FY2019 (January 1, 2019 through September 30, 2019)	3rd quarter FY2020 (January 1, 2020 through September 30, 2020)
Profit	3,687	1,479
Other comprehensive income		
Valuation difference on available-for-sale securities	102	(191)
Deferred gains or losses on hedges	—	1
Foreign currency translation adjustment	(1,054)	(294)
Remeasurements of defined benefit plans, net of tax	29	(0)
Total other comprehensive income	(922)	(484)
Comprehensive income	2,764	995
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,764	995

## (Segment Information)

Information on net sales and income by reportable segment

3rd quarter FY2019 (January 1, 2019 through September 30, 2019)

(Amount: Million yen)

	Photographic Products	Optical Components	Commercial/ Industrial use optics	Total	Adjustment (Note 2)	Consolidated
Net sales :						
(1) Sales to external customers	32,358	1,834	10,860	45,053	-	45,053
(2) Intersegment sales	-	-	-	-	-	-
Total	32,358	1,834	10,860	45,053	-	45,053
Operating income	5,745	46	748	6,540	(2,114)	4,426

(Note)

1. Segment profit is adjusted to operating profit of consolidated statements of income.
2. Adjustment of segment profit totaled (2,114) million yen is due to unallocated operating expenses consisted principally of expenses related to general affairs, accounting and other departments of the Company.

3rd quarter FY2020 (January 1, 2020 through September 30, 2020)

(Amount: Million yen)

	Photographic Products	Optical Components	Commercial/ Industrial use optics	Total	Adjustment (Note 2)	Consolidated
Net sales :						
(1) Sales to external customers	22,639	1,033	9,895	33,568	-	33,568
(2) Intersegment sales	-	-	-	-	-	-
Total	22,639	1,033	9,895	33,568	-	33,568
Operating income (loss)	3,156	(68)	737	3,824	(2,030)	1,794

(Note)

1. Segment profit (loss) is adjusted to operating profit of consolidated statements of income.
2. Adjustment of segment profit (loss) totaled (2,030) million yen is due to unallocated Amortization of goodwill (220) million yen and operating expenses (1,809) million yen consisted principally of expenses related to general affairs, accounting and other departments of the Company.