

3rd Quarter FY2014 Consolidated Financial Results

October 31, 2014

(Amounts are rounded down to the nearest million yen)

1. Consolidated Results for 3rd quarter FY2014 (January 1, 2014 September 30, 2014)

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

	Net Sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
3Q FY2014	51,120	5.1	4,348	12.4	4,415	15.7	2,740	9.1
3Q FY2013	48,632	4.7	3,870	(9.4)	3,816	(10.5)	2,512	(19.3)

(Note) Comprehensive income: 3Q FY2014: 3,218 million yen [(35.57)%] / 3Q FY2013: 4,995 million yen [63.9%]

	Quarterly net income per share –Basic	Quarterly net income per share –Diluted
	Yen	Yen
3Q FY2014	99.84	-
3Q FY2013	91.53	-

(2) Consolidated financial position

	Total assets	Total net assets	Ratio of net assets
	Million yen	Million yen	%
3Q FY2014	67,461	48,934	72.5
FY2013	64,704	47,087	72.8

(Reference) Shareholders' equity: 3Q FY2014: 48,934 million yen / FY2013: 47,087 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	Yen	Yen	Yen	Yen
FY2013	-	20.00	-	30.00	50.00
FY2014	-	20.00	-		
FY2014 (forecast)				30.00	50.00

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

3. Forecast of consolidated results for FY2014 (January 1, 2014 through December 31, 2014)

(% of change from FY2013)

	Net Sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2014	71,000	3.7	5,800	10.8	5,600	7.8	3,900	22.0	142.07

(Note) Revision of forecast for this period: None

Consolidated financial statements

(1) Consolidated balance sheets

(Amount: millions of yen)

	FY2013 (As of December 31, 2013)	3rd quarter FY2014 (As of September 30, 2014)
Assets		
Current assets		
Cash and deposits	14,297	16,983
Notes and accounts receivable-trade	14,898	15,214
Finished goods	6,485	6,504
Work in process	3,022	3,358
Raw materials and supplies	1,547	1,737
Deferred tax assets	528	577
Other	1,027	1,071
Allowance for doubtful accounts	(50)	(44)
Total current assets	41,758	45,403
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,778	13,009
Accumulated depreciation	(5,640)	(6,079)
Buildings and structures, net	7,137	6,930
Machinery, equipment and vehicles	19,363	19,455
Accumulated depreciation	(12,048)	(12,506)
Machinery, equipment and vehicles, net	7,314	6,949
Tools, furniture and fixtures	17,181	17,190
Accumulated depreciation	(14,444)	(14,832)
Tools, furniture and fixtures, net	2,736	2,357
Other	1,853	1,880
Total property, plant and equipment	19,042	18,117
Intangible assets	771	808
Investments and other assets		
Investment securities	2,138	2,265
Deferred tax assets	476	467
Other	614	505
Allowance for doubtful accounts	(97)	(106)
Total investments and other assets	3,131	3,132
Total non-current assets	22,945	22,058
Total assets	64,704	67,461

(Amount: millions of yen)

	FY2013 (As of December 31, 2013)	3rd quarter FY2014 (As of September 30, 2014)
Liabilities		
Current liabilities		
Accounts payable-trade	5,051	6,099
Short-term loans payable	3,634	3,515
Income taxes payable	512	713
Other	4,945	4,732
Total current liabilities	14,144	15,060
Non-current liabilities		
Long-term loans payable	2,080	1,999
Provision for retirement benefits	1,201	1,276
Other	190	191
Total non-current liabilities	3,471	3,467
Total liabilities	17,616	18,527
Net assets		
Shareholders' equity		
Capital stock	6,923	6,923
Capital surplus	7,432	7,432
Retained earnings	29,135	30,503
Treasury stock	(81)	(81)
Total shareholders' equity	43,409	44,777
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	370	390
Foreign currency translation adjustment	3,308	3,765
Total accumulated other comprehensive income	3,678	4,156
Total net assets	47,087	48,934
Total liabilities and net assets	64,704	67,461

(2) Consolidated Statements of income

(Amount: millions of yen)

	3rd quarter FY2013 (January 1, 2013 through September 30, 2013)	3rd quarter FY2014 (January 1, 2014 through September 30, 2014)
Net sales	48,632	51,120
Cost of sales	33,334	34,733
Gross profit	15,298	16,387
Selling, general and administrative expenses	11,427	12,038
Operating income	3,870	4,348
Non-operating income		
Interest income	14	39
Foreign exchange gains	-	39
Other	130	160
Total non-operating income	144	239
Non-operating expenses		
Interest expenses	68	50
Foreign exchange losses	90	-
Loss on retirement of non-current assets	24	106
Other	14	16
Total non-operating expenses	198	172
Ordinary income	3,816	4,415
Income before income taxes and minority interests	3,816	4,415
Income taxes	1,303	1,675
Income before minority interests	2,512	2,740
Net income	2,512	2,740

(3) Consolidated Statements of Comprehensive Income

(Amount: millions of yen)

	3rd quarter FY2013 (January 1, 2013 through September 30, 2013)	3rd quarter FY2014 (January 1, 2014 through September 30, 2014)
Income before minority interests	2,512	2,740
Other comprehensive income		
Valuation difference on available-for-sale securities	160	20
Foreign currency translation adjustment	2,322	457
Total other comprehensive income	2,483	478
Comprehensive income	4,995	3,218
Comprehensive income attributable to owners of the parent	4,995	3,218

(Segment Information)

Information on net sales and income (loss) by reportable segment

3rd quarter FY2013 (January 1, 2013 through September 30, 2013)

(Amount: millions of yen)

	Photographic Products	Optical Components	Commercial/ Industrial use optics	Total	Adjustment (Note 2)	Consolidated
Net sales :						
(1) Sales to external customers	34,286	5,672	8,673	48,632	-	48,632
(2) Intersegment sales	-	-	-	-	-	-
Total	34,286	5,672	8,673	48,632	-	48,632
Operating income	3,208	796	1,619	5,625	(1,754)	3,870

Notes : 1. Segment profit is adjusted to operating profit of consolidated statements of income.

2. Adjustment of segment profit totaled (1,754) 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 FY2014 (January 1, 2014 through September 30, 2014)

(Amount: millions of yen)

	Photographic Products	Optical Components	Commercial/ Industrial use optics	Total	Adjustment (Note 2)	Consolidated
Net sales :						
(1) Sales to external customers	36,675	5,326	9,119	51,120	-	51,120
(2) Intersegment sales	-	-	-	-	-	-
Total	36,675	5,326	9,119	51,120	-	51,120
Operating income	4,073	479	1,616	6,169	(1,821)	4,348

Notes : 1. Segment profit is adjusted to operating profit of consolidated statements of income.

2. Adjustment of segment profit totaled (1,821) million yen is due to unallocated operating expenses consisted principally of expenses related to general affairs, accounting and other departments of the Company.