

FY2023 Consolidated Financial Results

February 8, 2024

(Amounts are rounded down to the nearest million yen)

1. Consolidated Results for FY2023 (January 1, 2023 through December 31, 2023)

 (1) Consolidated financial results (% of change from previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2023	71,426	12.6	13,607	23.3	13,972	21.5	10,812	29.5
FY2022	63,445	-	11,038	-	11,496	-	8,350	-

(Note) Comprehensive income: FY2023:12,721 million yen [28.9%] / FY2022: 9,869 million yen [-%]

	Net income per share –Basic	Net income per share –Diluted	Ratio of net income to shareholders' equity	Ratio of income before taxes to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
FY2023	517.12	-	16.5	17.2	19.1
FY2022	400.03	-	14.8	16.1	17.4

(Reference) Share of profit of entities accounted for using equity method: FY2023: -million yen / FY2022: -million yen

(2) Consolidated financial position

	Total assets	Total net assets	Ratio of net assets	Net assets per share
	Million yen	Million yen	%	Yen
FY2023	87,062	70,732	81.2	3,381.57
FY2022	75,556	60,574	80.2	2,899.24

(Reference) Shareholders' equity: FY2023: 70,732million yen / FY2022: 60,574 million yen

(3) Consolidated cash flows

	From operating activities	From investing activities	From financing activities	Cash and cash equivalents at end of year
	Million yen	Million yen	%	Yen
FY2023	10,027	(5,145)	(2,778)	32,640
FY2022	9,232	(3,865)	(2,044)	29,948

2. Cash dividends

	Cash dividends per share					Total amount of cash dividends (annual)	Dividends Payout ratio (consolidated)	Ratio of total amount of dividends to shareholders' equity (consolidated)
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million Yen	%	%
FY2022	-	30.00	-	90.00	120.00	2,536	30.0	4.4
FY2023	-	35.00	-	135.00	170.00	3,594	32.9	5.4
FY2024 (forecast)	-	50.00	-	80.00	-		40.9	

Note1) Year-end dividends for 2022 include commemorative dividends of 5 yen.

Note2) At the board of directors meeting held on February 8, 2024, the Company resolved that each share of common stock will be split into 2 share per share, with an effective date of July 1, 2024. The year-end dividend for the fiscal year ending December 2024(forecast)is the amount after the stock split.

3. Forecast of consolidated results for FY2024 (January 1, 2024 through December 31, 2024)

(% of change from FY2023 or 1st Half FY2023)

	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
FY2024 1st Half	34,300	4.7	6,200	(4.3)	6,200	(10.0)	4,650	(12.7)	222.40
FY2024	75,500	5.7	14,300	5.1	14,300	2.3	10,730	(0.8)	256.49

Note) Net income per share is the amount after taking into account the stock split described in "Cash dividends". If the stock split is not taken into account, net income per share for the full year will be 512.98 yen.

Consolidated financial statements

(1) Consolidated balance sheets

(Amount: Million yen)

	FY2022 (As of December 31, 2022)	FY2023 (As of December 31, 2023)
Assets		
Current assets		
Cash and deposits	29,948	32,640
Notes and accounts receivable - trade	9,279	13,021
Electronically recorded monetary claims - operating	1,848	1,823
Finished goods	7,531	7,993
Work in process	4,023	4,684
Raw materials and supplies	1,443	1,961
Other	1,360	1,730
Allowance for doubtful accounts	(129)	(58)
Total current assets	55,305	63,797
Non-current assets		
Property, plant and equipment		
Buildings and structures	14,638	15,376
Accumulated depreciation	(10,026)	(10,695)
Buildings and structures, net	4,611	4,680
Machinery, equipment and vehicles	22,174	23,120
Accumulated depreciation	(17,998)	(18,753)
Machinery, equipment and vehicles, net	4,176	4,367
Tools, furniture and fixtures	20,796	21,357
Accumulated depreciation	(18,504)	(18,918)
Tools, furniture and fixtures, net	2,291	2,439
Land	1,186	1,204
Construction in progress	1,216	3,006
Total property, plant and equipment	13,482	15,698
Intangible assets	542	1,003
Investments and other assets		
Investment securities	5,533	5,121
Deferred tax assets	426	386
Other	291	1,057
Allowance for doubtful accounts	(26)	(3)
Total investments and other assets	6,225	6,562
Total non-current assets	20,250	23,264
Total assets	75,556	87,062

(Amount: Million yen)

	FY2022 (As of December 31, 2022)	FY2023 (As of December 31, 2023)
Liabilities		
Current liabilities		
Accounts payable - trade	2,233	3,735
Short-term borrowings	1,908	1,779
Accrued expenses	2,825	3,175
Income taxes payable	2,343	1,850
Other	3,376	3,684
Total current liabilities	12,685	14,226
Non-current liabilities		
Long-term borrowings	-	70
Deferred tax liabilities	567	757
Provision for share awards	368	222
Retirement benefit liability	1,033	695
Other	325	357
Total non-current liabilities	2,295	2,102
Total liabilities	14,981	16,329
Net assets		
Shareholders' equity		
Share capital	6,923	6,923
Capital surplus	7,537	7,432
Retained earnings	47,466	52,845
Treasury shares	(7,611)	(4,653)
Total shareholders' equity	54,316	62,547
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,154	1,457
Foreign currency translation adjustment	5,043	6,464
Remeasurements of defined benefit plans	59	262
Total accumulated other comprehensive income	6,258	8,185
Total net assets	60,574	70,732
Total liabilities and net assets	75,556	87,062

(2) Consolidated statements of income and Consolidated statements of comprehensive income
(Consolidated statements of income)

(Amount: Million yen)

	FY2022 (January 1, 2022 through December 31, 2022)	FY2023 (January 1, 2023 through December 31, 2023)
Net sales	63,445	71,426
Cost of sales	35,822	39,768
Gross profit	27,623	31,657
Selling, general and administrative expenses		
Advertising expenses	474	614
Promotion expenses	195	247
Provision of allowance for doubtful accounts	0	22
Salaries and bonuses	4,464	4,636
Retirement benefit expenses	107	133
Share-based payment expenses	103	58
Technical research expenses	5,398	6,169
Other	5,841	6,166
Total selling, general and administrative expenses	16,584	18,049
Operating profit	11,038	13,607
Non-operating income		
Interest income	41	76
Dividend income	86	103
Rental income	15	15
Foreign exchange gains	215	-
Subsidy income	121	114
Reversal of Provision for share awards	-	147
Other	327	270
Total non-operating income	793	728
Non-operating expenses		
Interest expenses	38	66
Foreign exchange losses	-	40
Loss on retirement of non-current assets	130	80
Expenses related to special investigation	-	74
Other	165	100
Total non-operating expenses	334	363
Ordinary profit	11,496	13,972
Profit before income taxes	11,496	13,972
Income taxes - current	3,122	3,098
Income taxes - deferred	23	61
Total income taxes	3,146	3,160
Profit	8,350	10,812
Profit attributable to owners of parent	8,350	10,812

(Consolidated statements of comprehensive income)

(Amount: Million yen)

	FY2022 (January 1, 2022 through December 31, 2022)	FY2023 (January 1, 2023 through December 31, 2023)
Profit	8,350	10,812
Other comprehensive income		
Valuation difference on available-for-sale securities	30	286
Foreign currency translation adjustment	1,701	1,419
Remeasurements of defined benefit plans, net of tax	(212)	203
Total other comprehensive income	1,519	1,909
Comprehensive income	9,869	12,721
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,869	12,721

(3) Consolidated statements of changes in net assets

FY2022 (January 1, 2022 through December 31, 2022)

(Amount: Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,923	7,537	41,055	(7,718)	47,797
Cumulative effects of changes in accounting policies			(99)		(99)
Restated balance	6,923	7,537	40,955	(7,718)	47,697
Changes during period					
Dividends of surplus			(1,839)		(1,839)
Profit attributable to owners of parent			8,350		8,350
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				107	107
Cancellation of treasury shares					
Net changes in items other than shareholders' equity					
Total changes during period	-	-	6,511	106	6,618
Balance at end of period	6,923	7,537	47,466	(7,611)	54,316

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	1,124	3,342	272	4,739	52,536
Cumulative effects of changes in accounting policies					(99)
Restated balance	1,124	3,342	272	4,739	52,436
Changes during period					
Dividends of surplus					(1,839)
Profit attributable to owners of parent					8,350
Purchase of treasury shares					(0)
Disposal of treasury shares					107
Cancellation of treasury shares					-
Net changes in items other than shareholders' equity	30	1,701	(212)	1,519	1,519
Total changes during period	30	1,701	(212)	1,519	8,137
Balance at end of period	1,154	5,043	59	6,258	60,574

FY2023 (January 1, 2023 through December 31, 2023)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,923	7,537	47,466	(7,611)	54,316
Cumulative effects of changes in accounting policies					
Restated balance	6,923	7,537	47,466	(7,611)	54,316
Changes during period					
Dividends of surplus			(2,642)		(2,642)
Profit attributable to owners of parent			10,812		10,812
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		4		57	62
Cancellation of treasury shares		(109)	(2,791)	2,901	-
Net changes in items other than shareholders' equity					
Total changes during period	-	(105)	5,378	2,958	8,231
Balance at end of period	6,923	7,432	52,845	(4,653)	62,547

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	1,154	5,043	59	6,258	60,574
Cumulative effects of changes in accounting policies					-
Restated balance	1,154	5,043	59	6,258	60,574
Changes during period					
Dividends of surplus					(2,642)
Profit attributable to owners of parent					10,812
Purchase of treasury shares					(0)
Disposal of treasury shares					62
Cancellation of treasury shares					-
Net changes in items other than shareholders' equity	303	1,420	203	1,927	1,927
Total changes during period	303	1,420	203	1,927	10,158
Balance at end of period	1,457	6,464	262	8,185	70,732

(4) Consolidated statements of cash flows

(Amount: Million yen)

	FY2022 (January 1, 2022 through December 31, 2022)	FY2023 (January 1, 2023 through December 31, 2023)
Cash flows from operating activities		
Profit before income taxes	11,496	13,972
Depreciation	2,957	2,961
Increase (decrease) in retirement benefit liability	116	(362)
Increase (decrease) in provision for share awards	103	(94)
Interest and dividend income	(128)	(179)
Interest expenses	38	66
Subsidy income	(121)	(114)
Loss on retirement of property, plant and equipment	130	80
Expenses related to special investigation	—	74
Decrease (increase) in trade receivables	526	(2,992)
Decrease (increase) in inventories	(907)	(1,213)
Increase (decrease) in trade payables	(2,384)	1,112
Other, net	(306)	137
Subtotal	11,521	13,447
Interest and dividends received	130	181
Interest paid	(39)	(67)
Subsidies received	121	114
Income taxes paid	(2,552)	(3,651)
Income taxes refund	52	76
Payments for expenses related to special investigation	—	(74)
Net cash provided by (used in) operating activities	9,232	10,027
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,080)	(4,655)
Purchase of intangible assets	(118)	(547)
Purchase of investment securities	(556)	(1)
Other, net	(109)	58
Net cash provided by (used in) investing activities	(3,865)	(5,145)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	88	(94)
Proceeds from long-term borrowings	-	139
Repayments of long-term borrowings	(229)	(108)
Purchase of treasury shares	(0)	(0)
Dividends paid	(1,837)	(2,640)
Other, net	(65)	(74)
Net cash provided by (used in) financing activities	(2,044)	(2,778)
Effect of exchange rate change on cash and cash equivalents	792	589
Net increase (decrease) in cash and cash equivalents	4,116	2,692
Cash and cash equivalents at beginning of period	25,832	29,948
Cash and cash equivalents at end of period	29,948	32,640

(Segment Information)

FY2022 (January 1, 2022 through December 31, 2022)

(Amount: Million yen)

	Reporting segment				Adjustment (Note 1)	Consolidated (Note 2)
	Photographic Products	Surveillance & FA Lenses	Mobility & Healthcare Products, Others	Total		
Net sales:						
Japan	5,909	921	4,695	11,525	-	11,525
North America	7,340	1,412	47	8,800	-	8,800
Europe	7,559	2,576	279	10,415	-	10,415
Asia	23,439	6,229	1,666	31,336	-	31,336
Other	1,271	96	-	1,367	-	1,367
Income from contracts with customers	45,519	11,236	6,689	63,445	-	63,445
Other income	-	-	-	-	-	-
Sales to external customers	45,519	11,236	6,689	63,445	-	63,445
Intersegment sales	-	-	-	-	-	-
Total	45,519	11,236	6,689	63,445	-	63,445
Segment profits	11,158	1,399	1,061	13,618	(2,580)	11,038
Segment assets	31,573	9,298	7,226	48,097	27,458	75,556
Depreciation	2,321	371	209	2,902	55	2,957
Increase in tangible and intangible fixed assets	2,195	536	456	3,188	30	3,218

Note:

- (1) Adjustment of segment profit totaled (2,580) million yen is due to unallocated operating expenses consisted principally of expenses related to general affairs, accounting and other departments of the Company.
(2) Adjustment to segment assets includes corporate level assets, which consist principally of surplus investment funds (cash and deposits), long-term investment funds (such as marketable securities), and non-segment specific.
- Segment profit is adjusted to operating profit of consolidated statements of income.

FY2023 (January 1, 2023 through December 31, 2023)

(Amount: Million yen)

	Reporting segment				Adjustment (Note 1)	Consolidated (Note 2)
	Photographic Products	Surveillance & FA Lenses	Mobility & Healthcare Products, Others	Total		
Net sales:						
Japan	7,941	758	4,337	13,037	-	13,037
North America	6,972	990	914	8,878	-	8,878
Europe	8,257	2,502	365	11,125	-	11,125
Asia	28,307	5,479	2,990	36,778	-	36,778
Other	1,552	54	—	1,607	-	1,607
Income from contracts with customers	53,032	9,786	8,607	71,426	-	71,426
Other income	-	-	-	-	-	-
Sales to external customers	53,032	9,786	8,607	71,426	-	71,426
Intersegment sales	-	-	-	-	-	-
Total	53,032	9,786	8,607	71,426	-	71,426
Segment profits	14,008	716	1,492	16,216	(2,608)	13,607
Segment assets	40,480	8,196	8,048	56,726	30,335	87,062
Depreciation	2,070	489	345	2,905	56	2,961
Increase in tangible and intangible fixed assets	4,029	757	445	5,233	65	5,299

Note:

- (1) Adjustment of segment profit totaled (2,608) million yen is due to unallocated operating expenses consisted principally of expenses related to general affairs, accounting and other departments of the Company.
(2) Adjustment to segment assets includes corporate level assets, which consist principally of surplus investment funds (cash and deposits), long-term investment funds (such as marketable securities), and non-segment specific.
- Segment profit is adjusted to operating profit of consolidated statements of income.