

## 2nd Quarter FY2015 Consolidated Financial Results

August 4, 2015

(Amounts are rounded down to the nearest million yen)

### 1. Consolidated Results for 2nd quarter FY2015 (January 1, 2015 through June 30, 2015)

(1) Consolidated financial results (% of change from previous 2nd quarter)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
2Q FY2015	35,235	7.5	2,764	7.8	2,819	6.9	2,678	47.1
2Q FY2014	32,770	4.2	2,565	8.7	2,638	15.1	1,820	12.7

(Note) Comprehensive income: 2Q FY2015: 2,804 million yen [314.5%] / 2Q FY2014: 676 million yen [(83.3)%]

	Quarterly net income per share –Basic	Quarterly net income per share –Diluted
	Yen	Yen
2Q FY2015	100.40	-
2Q FY2014	66.33	-

(2) Consolidated financial position

	Total assets	Total net assets	Ratio of net assets
	Million yen	Million yen	%
2Q FY2015	67,408	50,004	74.2
FY2014	69,906	51,995	74.4

(Reference) Shareholders' equity: 2Q FY2015: 50,004 million yen / FY2014: 51,995 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
FY2014	-	20.00	-	30.00	50.00
FY2015	-	25.00	-	-	-
FY2015 (forecast)	-	-	-	30.00	55.00

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

### 3. Forecast of consolidated results for FY2015 (January 1, 2015 through December 31, 2015)

(% of change from FY2014)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2015	78,500	6.6	6,600	8.6	6,400	3.2	4,850	26.1	184.45

(Note) Revision of forecast for this period: None

## Consolidated financial statements

### (1) Consolidated balance sheets

(Amount: millions of yen)

	FY2014 (As of December 31, 2014)	2nd quarter FY2015 (As of June 30, 2015)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	15,915	17,875
Notes and accounts receivable - trade	18,653	13,962
Finished goods	5,989	6,644
Work in process	2,888	3,123
Raw materials and supplies	1,658	1,493
Deferred tax assets	481	471
Other	1,412	1,311
Allowance for doubtful accounts	(44)	(47)
<b>Total current assets</b>	<b>46,955</b>	<b>44,834</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	13,513	13,584
Accumulated depreciation	(6,396)	(6,696)
Buildings and structures, net	7,117	6,888
Machinery, equipment and vehicles	20,821	20,922
Accumulated depreciation	(13,441)	(13,941)
Machinery, equipment and vehicles, net	7,380	6,980
Tools, furniture and fixtures	17,764	18,745
Accumulated depreciation	(15,394)	(15,900)
Tools, furniture and fixtures, net	2,369	2,845
Other	1,947	1,771
<b>Total property, plant and equipment</b>	<b>18,814</b>	<b>18,485</b>
Intangible assets	866	837
Investments and other assets		
Investment securities	2,394	2,422
Deferred tax assets	474	470
Other	517	476
Allowance for doubtful accounts	(116)	(117)
<b>Total investments and other assets</b>	<b>3,269</b>	<b>3,251</b>
<b>Total non-current assets</b>	<b>22,950</b>	<b>22,574</b>
<b>Total assets</b>	<b>69,906</b>	<b>67,408</b>

(Amount: millions of yen)

	FY2014 (As of December 31, 2014)	2nd quarter FY2015 (As of June 30, 2015)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	5,855	4,954
Short-term loans payable	2,327	3,335
Income taxes payable	918	741
Other	5,501	5,518
<b>Total current liabilities</b>	<b>14,602</b>	<b>14,550</b>
<b>Non-current liabilities</b>		
Long-term loans payable	1,771	1,229
Net defined benefit liability	1,342	1,419
Other	194	203
<b>Total non-current liabilities</b>	<b>3,308</b>	<b>2,852</b>
<b>Total liabilities</b>	<b>17,911</b>	<b>17,403</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	6,923	6,923
Capital surplus	7,432	7,432
Retained earnings	31,609	29,464
Treasury shares	(81)	(53)
<b>Total shareholders' equity</b>	<b>45,883</b>	<b>43,766</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	466	507
Foreign currency translation adjustment	5,797	5,867
Remeasurements of defined benefit plans	(152)	(136)
<b>Total accumulated other comprehensive income</b>	<b>6,111</b>	<b>6,237</b>
<b>Total net assets</b>	<b>51,995</b>	<b>50,004</b>
<b>Total liabilities and net assets</b>	<b>69,906</b>	<b>67,408</b>

## (2) Consolidated statements of income

(Amount: millions of yen)

	2nd quarter FY2014 (January 1, 2014 through June 30, 2014)	2nd quarter FY2015 (January 1, 2015 through June 30, 2015)
Net sales	32,770	35,235
Cost of sales	22,444	23,821
Gross profit	10,326	11,413
Selling, general and administrative expenses	7,761	8,648
Operating income	2,565	2,764
Non-operating income		
Interest income	27	14
Dividend income	29	30
Foreign exchange gains	33	-
Subsidy income	31	63
Other	72	83
Total non-operating income	194	191
Non-operating expenses		
Interest expenses	34	23
Foreign exchange losses	-	20
Loss on retirement of non-current assets	72	42
Loss on abandonment of inventories	0	38
Other	13	12
Total non-operating expenses	120	136
Ordinary income	2,638	2,819
Extraordinary income		
Insurance income	-	99
Gain on bargain purchase	-	653
Total extraordinary income	-	753
Income before income taxes and minority interests	2,638	3,572
Income taxes	817	894
Income before minority interests	1,820	2,678
Net income	1,820	2,678

(3) Consolidated statements of comprehensive income

(Amount: millions of yen)

	2nd quarter FY2014 (January 1, 2014 through June 30, 2014)	2nd quarter FY2015 (January 1, 2015 through June 30, 2015)
Income before minority interests	1,820	2,678
Other comprehensive income		
Valuation difference on available-for-sale securities	0	41
Foreign currency translation adjustment	(1,144)	69
Remeasurements of defined benefit plans, net of tax	-	15
Total other comprehensive income	(1,144)	126
Comprehensive income	676	2,804
Comprehensive income attributable to owners of parent	676	2,804

(4) Consolidated statements of cash flows

(Amount: millions of yen)

	2nd quarter FY2014 (January 1, 2014 through June 30, 2014)	2nd quarter FY2015 (January 1, 2015 through June 30, 2015)
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	2,638	3,572
Depreciation	1,812	1,609
Increase (decrease) in provision for retirement benefits	45	-
Increase (decrease) in net defined benefit liability	-	110
Interest and dividend income	(56)	(45)
Interest expenses	34	23
Loss on retirement of property, plant and equipment	72	42
Insurance income	-	(99)
Gain on bargain purchase	-	(653)
Decrease (increase) in notes and accounts receivable - trade	206	4,607
Decrease (increase) in inventories	1,002	(734)
Increase (decrease) in notes and accounts payable - trade	(69)	(927)
Other, net	(25)	247
Subtotal	5,661	7,752
Interest and dividend income received	56	45
Interest expenses paid	(34)	(24)
Proceeds from insurance income	-	99
Income taxes paid	(755)	(1,065)
Net cash provided by (used in) operating activities	4,927	6,807
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,155)	(1,141)
Purchase of intangible assets	(112)	(101)
Other, net	(32)	(11)
Net cash provided by (used in) investing activities	(1,300)	(1,255)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(103)	1,147
Proceeds from long-term loans payable	1,000	-
Repayments of long-term loans payable	(747)	(682)
Purchase of treasury shares	-	(3,692)
Cash dividends paid	(823)	(822)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	(675)	(4,051)
Effect of exchange rate change on cash and cash equivalents	(302)	64
Net increase (decrease) in cash and cash equivalents	2,650	1,564
Cash and cash equivalents at beginning of period	14,297	15,915
Increase (decrease) in cash and cash equivalents resulting from merger of subsidiaries	-	394
Cash and cash equivalents at end of period	16,947	17,875

**(Segment Information)**

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

2nd quarter FY2014 (January 1, 2014 through June 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	23,090	3,518	6,161	32,770	-	32,770
(2)Intersegment sales	-	-	-	-	-	-
Total	23,090	3,518	6,161	32,770	-	32,770
Operating income	2,311	260	1,147	3,719	(1,153)	2,565

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

2. Adjustment of segment profit totaled (1,153) million yen is due to unallocated operating expenses consisted principally of expenses related to general affairs, accounting and other departments of the Company.

2nd quarter FY2015 (January 1, 2015 through June 30, 2015)

(Amount: millions of yen)

	Photographic Products	Optical Components	Commercial/ Industrial use optics	Total	Adjustment (Note 2)	Consolidated
Net sales :						
(1)Sales to external customers	26,666	2,249	6,319	35,235	-	35,235
(2)Intersegment sales	-	-	-	-	-	-
Total	26,666	2,249	6,319	35,235	-	35,235
Operating income	3,059	111	752	3,924	(1,159)	2,764

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

2. Adjustment of segment profit totaled (1,159) million yen is due to unallocated operating expenses consisted principally of expenses related to general affairs, accounting and other departments of the Company.