

## 2nd Quarter FY2014 Consolidated Financial Results

August 4, 2014

(Amounts are rounded down to the nearest million yen)

### 1. Consolidated Results for 2nd quarter FY2014 (January 1, 2014 through June 30, 2014)

(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 FY2014	32,770	4.2	2,565	8.7	2,638	15.1	1,820	12.7
2Q FY2013	31,453	3.4	2,360	(18.0)	2,292	(19.2)	1,615	(22.2)

(Note) Comprehensive income: 2Q FY2014: 676 million yen [(83.3)%] / 2Q FY2013: 4,047 million yen [78.8%]

	Quarterly net income per share –Basic	Quarterly net income per share –Diluted
	Yen	Yen
2Q FY2014	66.33	-
2Q FY2013	58.86	-

(2) Consolidated financial position

	Total assets	Total net assets	Ratio of net assets
	Million yen	Million yen	%
2Q FY2014	63,880	46,941	73.5
FY2013	64,704	47,087	72.8

(Reference) Shareholders' equity: 2Q FY2014: 46,941 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	2nd quarter FY2014
	(As of December 31, 2013)	(As of June 30, 2014)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	14,297	16,947
Notes and accounts receivable-trade	14,898	14,163
Finished goods	6,485	5,042
Work in process	3,022	3,241
Raw materials and supplies	1,547	1,442
Deferred tax assets	528	427
Other	1,027	1,048
Allowance for doubtful accounts	(50)	(45)
<b>Total current assets</b>	41,758	42,267
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	12,778	12,653
Accumulated depreciation	(5,640)	(5,825)
Buildings and structures, net	7,137	6,827
Machinery, equipment and vehicles	19,363	18,817
Accumulated depreciation	(12,048)	(12,073)
Machinery, equipment and vehicles, net	7,314	6,743
Tools, furniture and fixtures	17,181	16,799
Accumulated depreciation	(14,444)	(14,330)
Tools, furniture and fixtures, net	2,736	2,469
Other	1,853	1,696
<b>Total property, plant and equipment</b>	19,042	17,737
Intangible assets	771	760
<b>Investments and other assets</b>		
Investment securities	2,138	2,226
Deferred tax assets	476	491
Other	614	496
Allowance for doubtful accounts	(97)	(99)
<b>Total investments and other assets</b>	3,131	3,115
<b>Total non-current assets</b>	22,945	21,613
<b>Total assets</b>	64,704	63,880

	(Amount: millions of yen)	
	FY2013	2nd quarter FY2014
	(As of December 31, 2013)	(As of June 30, 2014)
Liabilities		
Current liabilities		
Accounts payable-trade	5,051	4,482
Short-term loans payable	3,634	3,584
Income taxes payable	512	532
Other	4,945	4,653
Total current liabilities	14,144	13,252
Non-current liabilities		
Long-term loans payable	2,080	2,252
Provision for retirement benefits	1,201	1,245
Other	190	188
Total non-current liabilities	3,471	3,686
Total liabilities	17,616	16,939
Net assets		
Shareholders' equity		
Capital stock	6,923	6,923
Capital surplus	7,432	7,432
Retained earnings	29,135	30,132
Treasury stock	(81)	(81)
Total shareholders' equity	43,409	44,406
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	370	370
Foreign currency translation adjustment	3,308	2,163
Total accumulated other comprehensive income	3,678	2,534
Total net assets	47,087	46,941
Total liabilities and net assets	64,704	63,880

(2) Consolidated Statements of income

(Amount: millions of yen)

	2nd quarter FY2013 (January 1, 2013 through June 30, 2013)	2nd quarter FY2014 (January 1, 2014 through June 30, 2014)
Net sales	31,453	32,770
Cost of sales	21,592	22,444
Gross profit	9,860	10,326
Selling, general and administrative expenses	7,500	7,761
Operating income	2,360	2,565
Non-operating income		
Interest income	8	27
Dividends income	24	29
Foreign exchange gains	-	33
Other	60	103
Total non-operating income	93	194
Non-operating expenses		
Interest expenses	44	34
Foreign exchange losses	90	-
Loss on retirement of non-current assets	16	72
Other	10	13
Total non-operating expenses	161	120
Ordinary income	2,292	2,638
Income before income taxes and minority interests	2,292	2,638
Income taxes	676	817
Income before minority interests	1,615	1,820
Net income	1,615	1,820

(3) Consolidated Statements of Comprehensive Income

(Amount: millions of yen)

	2nd quarter FY2013 (January 1, 2013 through June 30, 2013)	2nd quarter FY2014 (January 1, 2014 through June 30, 2014)
Income before minority interests	1,615	1,820
Other comprehensive income		
Valuation difference on available-for-sale securities	123	0
Foreign currency translation adjustment	2,308	(1,144)
Total other comprehensive income	2,431	(1,144)
Comprehensive income	4,047	676
Comprehensive income attributable to owners of the parent	4,047	676

## (4) Consolidated statements of cash flows

(Amount: millions of yen)

	2nd quarter FY2013 (January 1, 2013 through June 30, 2013)	2nd quarter FY2014 (January 1, 2014 through June 30, 2014)
Cash flows from operating activities		
Income before income taxes and minority interests	2,292	2,638
Depreciation and amortization	1,613	1,812
Increase (decrease) in provision for retirement benefits	136	45
Interest and dividends income	(32)	(56)
Interest expenses	44	34
Decrease (increase) in notes and accounts receivable-trade	3,011	206
Decrease (increase) in inventories	1,217	1,002
Increase (decrease) in notes and accounts payable-trade	(2,842)	(69)
Other, net	(499)	47
Subtotal	4,941	5,661
Interest and dividends income received	32	56
Interest expenses paid	(42)	(34)
Income taxes paid	(771)	(755)
Net cash provided by (used in) operating activities	4,160	4,927
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,391)	(1,155)
Purchase of intangible assets	(50)	(112)
Other, net	(72)	(32)
Net cash provided by (used in) investing activities	(3,514)	(1,300)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	485	(103)
Proceeds from long-term loans payable	2,040	1,000
Repayment of long-term loans payable	(620)	(747)
Cash dividends paid	(823)	(823)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	1,081	(675)
Effect of exchange rate change on cash and cash equivalents	755	(302)
Net increase (decrease) in cash and cash equivalents	2,482	2,650
Cash and cash equivalents at beginning of period	10,822	14,297
Cash and cash equivalents at end of period	13,305	16,947

**(Segment Information)**

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

2nd quarter FY2013 (January 1, 2013 through June 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	22,380	3,833	5,239	31,453	-	31,453
(2)Intersegment sales	-	-	-	-	-	-
Total	22,380	3,833	5,239	31,453	-	31,453
Operating income	1,956	613	866	3,436	(1,075)	2,360

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

2. Adjustment of segment profit totaled (1,075) 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 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.