

1st Quarter FY2016 Consolidated Financial Results

April 28, 2016

(Amounts are rounded down to the nearest million yen)

1. Consolidated Results for 1st quarter FY2016 (January 1, 2016 through March 31, 2016)

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

	Net Sales		Operating income		Ordinary income		Profit (loss) attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1Q FY2016	13,806	(17.9)	64	(95.9)	47	(97.1)	(152)	-
1Q FY2015	16,818	19.0	1,581	135.9	1,647	119.9	1,856	306.1

(Note) Comprehensive income: 1Q FY2016: 1,616 million yen (-%) / 1Q FY2015: 1,219 million yen (-%)

	Quarterly net income per share –Basic	Quarterly net income per share –Diluted
	Yen	Yen
1Q FY2016	(5.88)	-
1Q FY2015	67.67	-

(2) Consolidated financial position

	Total assets	Total net assets	Ratio of net assets
	Million yen	Million yen	%
1Q FY2016	60,865	46,478	76.4
FY2015	66,035	49,001	74.2

(Reference) Shareholders' equity: 1Q FY2016: 46,478 million yen / FY2015: 49,001 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
FY2015	-	25.00	-	35.00	60.00
FY2016	-				
FY2016 (forecast)		25.00	-	30.00	55.00

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

(Note) Year-end dividends for 2015 include commemorative dividends of 5 yen for the company's 65th anniversary

3. Forecast of consolidated results for FY2016 (January 1, 2016 through December 31, 2016)

(% of change from FY2015 or 1st half FY2015)

	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
1H FY2016	32,700	(7.2)	1,400	(49.4)	1,400	(50.3)	940	(64.9)	36.26
FY2016	72,000	0.1	5,100	12.0	5,100	(0.8)	3,300	(18.5)	127.31

(Note) Revision of forecast for this period: Yes

Consolidated financial statements

(1) Consolidated balance sheets

(Amount: millions of yen)

	FY2015 (As of December 31, 2015)	1st quarter FY2016 (As of March 31, 2016)
Assets		
Current assets		
Cash and deposits	14,192	13,540
Notes and accounts receivable - trade	15,804	12,058
Finished goods	8,170	8,498
Work in process	3,209	3,057
Raw materials and supplies	1,495	1,294
Deferred tax assets	656	694
Other	1,422	1,443
Allowance for doubtful accounts	(31)	(27)
Total current assets	44,920	40,560
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,529	13,231
Accumulated depreciation	(6,754)	(6,771)
Buildings and structures, net	6,774	6,459
Machinery, equipment and vehicles	20,050	19,404
Accumulated depreciation	(13,726)	(13,288)
Machinery, equipment and vehicles, net	6,324	6,115
Tools, furniture and fixtures	18,806	18,422
Accumulated depreciation	(16,464)	(16,124)
Tools, furniture and fixtures, net	2,342	2,297
Land	1,057	1,045
Other	711	702
Total property, plant and equipment	17,209	16,620
Intangible assets	804	775
Investments and other assets		
Investment securities	2,330	2,016
Deferred tax assets	435	499
Other	406	460
Allowance for doubtful accounts	(72)	(68)
Total investments and other assets	3,100	2,907
Total non-current assets	21,114	20,304
Total assets	66,035	60,865

(Amount: millions of yen)

	FY2015 (As of December 31, 2015)	1st quarter FY2016 (As of March 31, 2016)
Liabilities		
Current liabilities		
Accounts payable - trade	5,285	3,266
Short-term loans payable	3,154	3,154
Accrued expenses	3,757	3,096
Income taxes payable	603	571
Other	1,793	1,486
Total current liabilities	14,594	11,574
Non-current liabilities		
Long-term loans payable	881	1,234
Net defined benefit liability	1,495	1,517
Other	62	60
Total non-current liabilities	2,439	2,812
Total liabilities	17,033	14,387
Net assets		
Shareholders' equity		
Capital stock	6,923	6,923
Capital surplus	7,432	7,432
Retained earnings	30,187	29,127
Treasury shares	(53)	(53)
Total shareholders' equity	44,489	43,429
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	445	246
Foreign currency translation adjustment	4,260	2,987
Remeasurements of defined benefit plans	(194)	(185)
Total accumulated other comprehensive income	4,512	3,048
Total net assets	49,001	46,478
Total liabilities and net assets	66,035	60,865

(2) Consolidated Statements of income

(Amount: millions of yen)

	1st quarter FY2015 (January 1, 2015 through March 31, 2015)	1st quarter FY2016 (January 1, 2016 through March 31, 2016)
Net sales	16,818	13,806
Cost of sales	11,123	9,683
Gross profit	5,694	4,123
Selling, general and administrative expenses	4,113	4,059
Operating income	1,581	64
Non-operating income		
Interest income	6	8
Rent income	5	5
Subsidy income	61	28
Other	30	24
Total non-operating income	103	66
Non-operating expenses		
Interest expenses	11	9
Foreign exchange losses	15	69
Other	9	3
Total non-operating expenses	36	83
Ordinary income	1,647	47
Extraordinary income		
Insurance income	99	-
Gain on bargain purchase	653	-
Total extraordinary income	753	-
Income before income taxes and minority interests	2,401	47
Income taxes	544	199
Profit (loss)	1,856	(152)
Profit (loss) attributable to owners of parent	1,856	(152)

(3) Consolidated Statements of Comprehensive Income

(Amount: millions of yen)

	1st quarter FY2015 (January 1, 2015 through March 31, 2015)	1st quarter FY2016 (January 1, 2016 through March 31, 2016)
Profit (loss)	1,856	(152)
Other comprehensive income		
Valuation difference on available-for-sale securities	13	(199)
Foreign currency translation adjustment	(654)	(1,273)
Remeasurements of defined benefit plans, net of tax	3	8
Total other comprehensive income	(637)	(1,463)
Comprehensive income	1,219	(1,616)

(Segment Information)

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

1st quarter FY2015 (January 1, 2015 through March 31, 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	12,495	1,080	3,241	16,818	-	16,818
(2) Intersegment sales	-	-	-	-	-	-
Total	12,495	1,080	3,241	16,818	-	16,818
Operating income	1,668	89	393	2,151	(570)	1,581

(Note)

1. Segment profit is adjusted to operating profit of consolidated statements of income.
2. Adjustment of segment profit totaled (570) million yen is due to unallocated operating expenses consisted principally of expenses related to general affairs, accounting and other departments of the Company.

1st quarter FY2016 (January 1, 2016 through March 31, 2016)

(Amount: millions of yen)

	Photographic Products	Optical Components	Commercial/ Industrial use optics	Total	Adjustment (Note 2)	Consolidated
Net sales :						
(1) Sales to external customers	10,454	655	2,696	13,806	-	13,806
(2) Intersegment sales	-	-	-	-	-	-
Total	10,454	655	2,696	13,806	-	13,806
Operating income (loss)	500	(18)	191	673	(608)	64

(Note)

1. Segment profit is adjusted to operating profit of consolidated statements of income.
2. Adjustment of segment profit totaled (608) million yen is due to unallocated operating expenses consisted principally of expenses related to general affairs, accounting and other departments of the Company.