

1st Quarter FY2017 Consolidated Financial Results

April 28, 2017

(Amounts are rounded down to the nearest million yen)

1. Consolidated Results for 1st quarter FY2017 (January 1, 2017 through March 31, 2017)

(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 FY2017	11,495	(16.7)	239	273.7	263	456.0	175	-
1Q FY2016	13,806	(17.9)	64	(95.9)	47	(97.1)	(152)	-

(Note) Comprehensive income: 1Q FY2017: (562) million yen (-%) / 1Q FY2016: (1,616) million yen (-%)

	Quarterly net income per share –Basic		Quarterly net income per share –Diluted	
	Yen		Yen	
1Q FY2017	6.76		-	
1Q FY2016	(5.88)		-	

(2) Consolidated financial position

	Total assets		Total net assets		Ratio of net assets	
	Million yen		Million yen		%	
1Q FY2017	58,843		45,981		78.1	
FY2016	60,910		47,321		77.7	

(Reference) Shareholders' equity: 1Q FY2017: 45,981 million yen / FY2016: 47,321 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				
FY2016	-	25.00	-	30.00	55.00
FY2017	-				
FY2017 (forecast)		25.00	-	25.00	50.00

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

3. Forecast of consolidated results for FY2017 (January 1, 2017 through December 31, 2017)

(% of change from FY2016 or 1st half FY2016)

	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
FY2017 1st Half	28,500	(6.6)	800	(41.9)	800	(46.2)	600	(35.8)	23.15
FY2017	62,500	4.3	3,200	35.5	3,200	12.0	2,240	51.1	86.42

(Note) Revision of forecast for this period: None

Consolidated financial statements

(1) Consolidated balance sheets

(Amount: millions of yen)

	FY2016 (As of December 31, 2016)	1st quarter FY2017 (As of March 31, 2017)
Assets		
Current assets		
Cash and deposits	16,030	15,984
Notes and accounts receivable - trade	13,419	10,364
Finished goods	7,023	7,550
Work in process	2,201	2,736
Raw materials and supplies	875	1,155
Deferred tax assets	442	390
Other	1,630	1,647
Allowance for doubtful accounts	(32)	(29)
Total current assets	41,590	39,800
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,200	13,043
Accumulated depreciation	(7,088)	(7,145)
Buildings and structures, net	6,112	5,898
Machinery, equipment and vehicles	19,195	18,714
Accumulated depreciation	(13,682)	(13,534)
Machinery, equipment and vehicles, net	5,513	5,180
Tools, furniture and fixtures	19,289	19,500
Accumulated depreciation	(17,056)	(17,219)
Tools, furniture and fixtures, net	2,232	2,280
Land	1,012	1,005
Other	668	885
Total property, plant and equipment	15,539	15,250
Intangible assets	787	764
Investments and other assets		
Investment securities	2,303	2,326
Deferred tax assets	340	340
Other	437	446
Allowance for doubtful accounts	(88)	(85)
Total investments and other assets	2,993	3,027
Total non-current assets	19,320	19,042
Total assets	60,910	58,843

(Amount: millions of yen)

	FY2016 (As of December 31, 2016)	1st quarter FY2017 (As of March 31, 2017)
Liabilities		
Current liabilities		
Accounts payable - trade	3,068	3,254
Short-term loans payable	3,327	3,250
Accrued expenses	2,826	2,770
Income taxes payable	371	81
Other	1,794	1,456
Total current liabilities	11,388	10,814
Non-current liabilities		
Long-term loans payable	736	552
Net defined benefit liability	1,403	1,435
Other	60	59
Total non-current liabilities	2,200	2,047
Total liabilities	13,589	12,861
Net assets		
Shareholders' equity		
Capital stock	6,923	6,923
Capital surplus	7,432	7,432
Retained earnings	30,114	29,512
Treasury shares	(53)	(53)
Total shareholders' equity	44,416	43,814
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	498	517
Foreign currency translation adjustment	2,475	1,712
Remeasurements of defined benefit plans	(69)	(62)
Total accumulated other comprehensive income	2,905	2,167
Total net assets	47,321	45,981
Total liabilities and net assets	60,910	58,843

(2) Consolidated Statements of income

(Amount: millions of yen)

	1st quarter FY2016 (January 1, 2016 through March 31, 2016)	1st quarter FY2017 (January 1, 2017 through March 31, 2017)
Net sales	13,806	11,495
Cost of sales	9,683	7,448
Gross profit	4,123	4,047
Selling, general and administrative expenses	4,059	3,808
Operating income	64	239
Non-operating income		
Interest income	8	10
Rent income	5	4
Subsidy income	28	34
Other	24	23
Total non-operating income	66	72
Non-operating expenses		
Interest expenses	9	11
Foreign exchange losses	69	33
Other	3	3
Total non-operating expenses	83	48
Ordinary income	47	263
Profit before income taxes	47	263
Income taxes	199	88
Profit (loss)	(152)	175
Profit (loss) attributable to owners of parent	(152)	175

(3) Consolidated Statements of Comprehensive Income

(Amount: millions of yen)

	1st quarter FY2016 (January 1, 2016 through March 31, 2016)	1st quarter FY2017 (January 1, 2017 through March 31, 2017)
Profit (loss)	(152)	175
Other comprehensive income		
Valuation difference on available-for-sale securities	(199)	19
Foreign currency translation adjustment	(1,273)	(763)
Remeasurements of defined benefit plans, net of tax	8	7
Total other comprehensive income	(1,463)	(737)
Comprehensive income	(1,616)	(562)

(Segment Information)

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

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.

1st quarter FY2017 (January 1, 2017 through March 31, 2017)

(Amount: millions of yen)

	Photographic Products	Optical Components	Commercial/ Industrial use optics	Total	Adjustment (Note 2)	Consolidated
Net sales :						
(1) Sales to external customers	7,875	814	2,805	11,495	-	11,495
(2) Intersegment sales	-	-	-	-	-	-
Total	7,875	814	2,805	11,495	-	11,495
Operating income	344	179	248	772	(533)	239

(Note)

1. Segment profit is adjusted to operating profit of consolidated statements of income.
2. Adjustment of segment profit totaled (533) million yen is due to unallocated operating expenses consisted principally of expenses related to general affairs, accounting and other departments of the Company.