

1st Quarter FY2018 Consolidated Financial Results

April 27, 2018

(Amounts are rounded down to the nearest million yen)

1. Consolidated Results for 1st quarter FY2018 (January 1, 2018 through March 31, 2018)

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

	Net Sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1Q FY2018	12,447	8.3	652	172.6	415	57.9	303	72.9
1Q FY2017	11,495	(16.7)	239	273.7	263	456.0	175	-

(Note) Comprehensive income: 1Q FY2018: (519) million yen (-%) / 1Q FY2017: (562) million yen (-%)

	Quarterly net income per share –Basic	Quarterly net income per share –Diluted
	Yen	Yen
1Q FY2018	11.69	-
1Q FY2017	6.76	-

(2) Consolidated financial position

	Total assets	Total net assets	Ratio of net assets
	Million yen	Million yen	%
1Q FY2018	60,919	48,745	80.0
FY2017	63,868	49,940	78.2

(Reference) Shareholders' equity: 1Q FY2018: 48,745 million yen / FY2017: 49,940 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
FY2017	-	25.00	-	25.00	50.00
FY2018	-				
FY2018 (forecast)		25.00	-	25.00	50.00

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

3. Forecast of consolidated results for FY2018 (January 1, 2018 through December 31, 2018)

(% of change from FY2017 or 1st half FY2017)

	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
FY2018 1st Half	27,800	3.3	1,300	10.4	1,300	13.7	940	3.1	36.26
FY2018	63,000	4.1	4,800	13.0	4,800	17.1	3,360	18.4	129.63

(Note) Revision of forecast for this period: None

Consolidated financial statements

(1) Consolidated balance sheets

(Amount: Million yen)

	FY2017 (As of December 31, 2017)	1st quarter FY2018 (As of March 31, 2018)
Assets		
Current assets		
Cash and deposits	19,431	20,267
Notes and accounts receivable - trade	14,061	10,167
Finished goods	6,392	6,857
Work in process	3,098	3,362
Raw materials and supplies	982	1,063
Deferred tax assets	360	335
Other	1,093	1,180
Allowance for doubtful accounts	(28)	(33)
Total current assets	45,392	43,200
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,295	13,101
Accumulated depreciation	(7,513)	(7,547)
Buildings and structures, net	5,781	5,553
Machinery, equipment and vehicles	19,385	19,063
Accumulated depreciation	(14,403)	(14,343)
Machinery, equipment and vehicles, net	4,982	4,719
Tools, furniture and fixtures	20,186	20,651
Accumulated depreciation	(18,188)	(18,384)
Tools, furniture and fixtures, net	1,998	2,267
Land	961	950
Other	894	456
Total property, plant and equipment	14,618	13,947
Intangible assets	704	662
Investments and other assets		
Investment securities	2,811	2,662
Deferred tax assets	115	221
Other	267	263
Allowance for doubtful accounts	(40)	(38)
Total investments and other assets	3,153	3,109
Total non-current assets	18,476	17,718
Total assets	63,868	60,919

(Amount: Million yen)

	FY2017 (As of December 31, 2017)	1st quarter FY2018 (As of March 31, 2018)
Liabilities		
Current liabilities		
Accounts payable - trade	3,675	2,703
Short-term loans payable	2,676	2,553
Accrued expenses	3,109	2,582
Income taxes payable	629	69
Other	1,839	1,975
Total current liabilities	11,931	9,883
Non-current liabilities		
Long-term loans payable	468	620
Net defined benefit liability	1,298	1,450
Other	230	220
Total non-current liabilities	1,996	2,290
Total liabilities	13,928	12,174
Net assets		
Shareholders' equity		
Capital stock	6,923	6,923
Capital surplus	7,432	7,404
Retained earnings	31,527	31,182
Treasury shares	(53)	(53)
Total shareholders' equity	45,829	45,456
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	846	748
Foreign currency translation adjustment	3,214	2,590
Remeasurements of defined benefit plans	49	(49)
Total accumulated other comprehensive income	4,110	3,288
Total net assets	49,940	48,745
Total liabilities and net assets	63,868	60,919

(2) Consolidated Statements of income

(Amount: Million yen)

	1st quarter FY2017 (January 1, 2017 through March 31, 2017)	1st quarter FY2018 (January 1, 2018 through March 31, 2018)
Net sales	11,495	12,447
Cost of sales	7,448	8,150
Gross profit	4,047	4,296
Selling, general and administrative expenses	3,808	3,644
Operating income	239	652
Non-operating income		
Interest income	10	15
Rent income	4	2
Subsidy income	34	36
Other	23	26
Total non-operating income	72	81
Non-operating expenses		
Interest expenses	11	10
Foreign exchange losses	33	301
Other	3	6
Total non-operating expenses	48	318
Ordinary income	263	415
Profit before income taxes	263	415
Income taxes	88	112
Profit	175	303
Profit attributable to owners of parent	175	303

(3) Consolidated Statements of Comprehensive Income

(Amount: Million yen)

	1st quarter FY2017 (January 1, 2017 through March 31, 2017)	1st quarter FY2018 (January 1, 2018 through March 31, 2018)
Profit	175	303
Other comprehensive income		
Valuation difference on available-for-sale securities	19	(98)
Foreign currency translation adjustment	(763)	(623)
Remeasurements of defined benefit plans, net of tax	7	(99)
Total other comprehensive income	(737)	(822)
Comprehensive income	(562)	(519)

(Segment Information)

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

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

(Amount: Million 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.

1st quarter FY2018 (January 1, 2018 through March 31, 2018)

(Amount: Million yen)

	Photographic Products	Optical Components	Commercial/ Industrial use optics	Total	Adjustment (Note 2)	Consolidated
Net sales :						
(1) Sales to external customers	9,134	461	2,851	12,447	-	12,447
(2) Intersegment sales	-	-	-	-	-	-
Total	9,134	461	2,851	12,447	-	12,447
Operating income (loss)	1,168	(44)	104	1,228	(575)	652

(Note)

1. Segment profit is adjusted to operating profit of consolidated statements of income.
2. Adjustment of segment profit totaled (575) million yen is due to unallocated operating expenses consisted principally of expenses related to general affairs, accounting and other departments of the Company.