

3rd Quarter FY2019 Consolidated Financial Results

October 31, 2019

(Amounts are rounded down to the nearest million yen)

1. Consolidated Results for 3rd quarter FY2019 (January 1, 2019 through September 30, 2019)

(1) Consolidated financial results (% of change from previous 3rd quarter)

	Net Sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
3Q FY2019	45,053	2.6	4,426	37.3	4,878	35.2	3,687	31.6
3Q FY2018	43,903	3.5	3,224	29.9	3,609	53.9	2,801	66.4

(Note) Comprehensive income: 3Q FY2019: 2,746 million yen [31.2%] / 3Q FY2018: 2,106 million yen [(9.0%)]

	Quarterly net income per share –Basic	Quarterly net income per share –Diluted
	Yen	Yen
3Q FY2019	143.29	-
3Q FY2018	108.46	-

(2) Consolidated financial position

	Total assets	Total net assets	Ratio of net assets
	Million yen	Million yen	%
3Q FY2019	66,332	52,061	78.5
FY2018	64,704	50,852	78.6

(Reference) Shareholders' equity: 3Q FY2019: 52,061million yen / FY2018: 50,852million 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
FY2018	-	25.00	-	35.00	60.00
FY2019	-	25.00	-		
FY2019 (forecast)			-	35.00	60.00

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

3. Forecast of consolidated results for FY2019 (January 1, 2019 through December 31, 2019)

(% of change from FY2018)

	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
FY2019	63,000	1.9	6,400	18.0	6,700	14.0	4,690	8.3	182.25

(Note) Revision of forecast for this period: Yes

Consolidated financial statements

(1) Consolidated balance sheets

(Amount: Million yen)

	FY2018 (As of December 31, 2018)	3rd quarter FY2019 (As of September 30, 2019)
Assets		
Current assets		
Cash and deposits	22,438	25,525
Notes and accounts receivable - trade	13,407	12,374
Finished goods	6,364	5,938
Work in process	3,461	3,438
Raw materials and supplies	985	1,339
Other	1,168	1,200
Allowance for doubtful accounts	(25)	(32)
Total current assets	47,801	49,783
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,131	12,934
Accumulated depreciation	(7,869)	(8,068)
Buildings and structures, net	5,261	4,865
Machinery, equipment and vehicles	18,555	18,221
Accumulated depreciation	(14,120)	(14,175)
Machinery, equipment and vehicles, net	4,434	4,045
Tools, furniture and fixtures	20,551	21,513
Accumulated depreciation	(18,755)	(19,228)
Tools, furniture and fixtures, net	1,796	2,284
Land	1,155	1,161
Other	625	676
Total property, plant and equipment	13,274	13,034
Intangible assets	632	684
Investments and other assets		
Investment securities	2,336	2,180
Deferred tax assets	422	412
Other	269	307
Allowance for doubtful accounts	(32)	(68)
Total investments and other assets	2,995	2,830
Total non-current assets	16,903	16,549
Total assets	64,704	66,332

(Amount: Million yen)

	FY2018 (As of December 31, 2018)	3rd quarter FY2019 (As of September 30, 2019)
Liabilities		
Current liabilities		
Accounts payable - trade	3,782	4,212
Short-term loans payable	2,531	2,426
Accrued expenses	3,026	2,666
Income taxes payable	551	657
Other	1,661	1,988
Total current liabilities	11,553	11,952
Non-current liabilities		
Long-term loans payable	467	275
Provision for share benefits	83	140
Net defined benefit liability	1,452	1,524
Other	296	378
Total non-current liabilities	2,299	2,319
Total liabilities	13,852	14,271
Net assets		
Shareholders' equity		
Capital stock	6,923	6,923
Capital surplus	7,432	7,432
Retained earnings	34,561	36,693
Treasury shares	(483)	(483)
Total shareholders' equity	48,433	50,565
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	561	664
Foreign currency translation adjustment	1,924	870
Remeasurements of defined benefit plans	(67)	(38)
Total accumulated other comprehensive income	2,418	1,495
Total net assets	50,852	52,061
Total liabilities and net assets	64,704	66,332

(2) Consolidated Statements of income

(Amount: Million yen)

	3rd quarter FY2018 (January 1, 2018 through September 30, 2018)	3rd quarter FY2019 (January 1, 2019 through September 30, 2019)
Net sales	43,903	45,053
Cost of sales	28,755	28,088
Gross profit	15,147	16,964
Selling, general and administrative expenses	11,923	12,538
Operating income	3,224	4,426
Non-operating income		
Interest income	59	70
Dividend income	30	29
Foreign exchange income	209	87
Subsidy income	60	176
Other	104	175
Total non-operating income	465	539
Non-operating expenses		
Interest expenses	32	32
Loss on retirement of non-current assets	26	13
Loss on abandonment of inventories	1	13
Other	19	27
Total non-operating expenses	80	86
Ordinary income	3,609	4,878
Extraordinary income		
Gain on sales of investment securities	85	—
Total extraordinary income	85	—
Income before income taxes and minority interests	3,695	4,878
Income taxes	894	1,191
Profit	2,801	3,687
Profit attributable to owners of parent	2,801	3,687

(3) Consolidated Statements of Comprehensive Income

(Amount: Million yen)

	3rd quarter FY2018 (January 1, 2018 through September 30, 2018)	3rd quarter FY2019 (January 1, 2019 through September 30, 2019)
Profit	2,801	3,687
Other comprehensive income		
Valuation difference on available-for-sale securities	90	102
Foreign currency translation adjustment	(685)	(1,054)
Remeasurements of defined benefit plans, net of tax	(99)	29
Total other comprehensive income	(694)	(922)
Comprehensive income	2,106	2,764
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,106	2,764

(Segment Information)

Information on net sales and income by reportable segment

3rd quarter FY2018 (January 1, 2018 through September 30, 2018)

(Amount: Million yen)

	Photographic Products	Optical Components	Commercial/ Industrial use optics	Total	Adjustment (Note 2)	Consolidated
Net sales :						
(1) Sales to external customers	32,660	2,262	8,981	43,903	-	43,903
(2) Intersegment sales	-	-	-	-	-	-
Total	32,660	2,262	8,981	43,903	-	43,903
Operating income (loss)	4,787	(57)	477	5,207	(1,982)	3,224

(Note)

1. Segment profit (loss) is adjusted to operating profit of consolidated statements of income.
2. Adjustment of segment profit (loss) totaled (1,982) million yen is due to unallocated operating expenses consisted principally of expenses related to general affairs, accounting and other departments of the Company.

3rd quarter FY2019 (January 1, 2019 through September 30, 2019)

(Amount: Million yen)

	Photographic Products	Optical Components	Commercial/ Industrial use optics	Total	Adjustment (Note 2)	Consolidated
Net sales :						
(1) Sales to external customers	32,358	1,834	10,860	45,053	-	45,053
(2) Intersegment sales	-	-	-	-	-	-
Total	32,358	1,834	10,860	45,053	-	45,053
Operating income	5,745	46	748	6,540	(2,114)	4,426

(Note)

1. Segment profit is adjusted to operating profit of consolidated statements of income.
2. Adjustment of segment profit totaled (2,114) million yen is due to unallocated operating expenses consisted principally of expenses related to general affairs, accounting and other departments of the Company.