

FY2011 Consolidated Financial Results

February 3, 2012

(Amounts are rounded down to the nearest million yen)

1. Consolidated Results for FY2011 (January 1, 2011 through December 31, 2011)

(1) Consolidated financial results

% of change from previous year

	Net Sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2011	58,507	3.3	5,687	4.2	5,702	4.1	3,804	3.1
FY2010	56,650	13.5	5,456	137.8	5,476	141.9	3,689	474.2

	Net income per share –Basic	Net income per share –Diluted	Ratio of net income to shareholders' equity	Ratio of income before taxes to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
FY2011	138.61	-	10.9	11.2	9.7
FY2010	134.40	-	11.0	11.2	9.6

(2) Consolidated financial position

	Total assets	Total net assets	Ratio of net assets	Net assets per share
	Million yen	Million yen	%	Yen
FY2011	51,898	36,134	69.6	1,316.33
FY2010	50,120	33,996	67.8	1,238.45

(3) Consolidated cash flows

	From operating activities	From investing activities	From financing activities	Cash and cash equivalents at end of year
	Million yen	Million yen	%	Yen
FY2011	8,031	(4,679)	(1,486)	12,773
FY2010	3,562	(3,008)	(890)	10,996

2. Cash dividends

	Cash dividends per share					Total amount of cash dividends (annual)	Dividends payout ratio (consolidated)	Ratio of total amount of dividends to shareholders' equity (consolidated)
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million Yen	%	%
FY2010	-	20.00	-	※ 30.00	50.00	1,372	37.2	4.1
FY2011	-	20.00	-	30.00	50.00	1,372	36.1	3.9
FY2012 (forecast)	-	-	-	-	-		-	

※Including commemorative dividend of ¥5 for the company's 60th anniversary

Cash dividends forecast for FY2012 is undetermined

3. Forecast of consolidated results for FY2012 (January 1, 2012 through December 31, 2012)

(% of change from FY2011 or 1st Half or FY2011)

	Net Sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2012 1st Half	29,000	3.1	2,400	(20.3)	2,200	(29.2)	1,500	(30.5)	54.64
FY2012	65,000	11.1	6,200	9.0	5,900	3.5	4,000	5.1	145.72

Consolidated financial statements

(1) Consolidated balance sheets

(Amount: millions of yen)

	FY2010 (As of December 31, 2010)	FY2011 (As of December 31, 2011)
Assets		
Current assets		
Cash and deposits	10,996	12,773
Notes and accounts receivable-trade	14,588	12,535
Finished goods	4,816	5,424
Work in process	2,300	2,628
Raw materials and supplies	992	953
Deferred tax assets	166	450
Other	737	600
Allowance for doubtful accounts	(58)	(35)
Total current assets	34,541	35,331
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	8,162	8,379
Accumulated depreciation	(4,563)	(4,849)
Buildings and structures, net	3,598	3,529
Machinery, equipment and vehicles	12,861	14,325
Accumulated depreciation	(7,736)	(8,608)
Machinery, equipment and vehicles, net	5,125	5,716
Tools, furniture and fixtures	13,498	14,822
Accumulated depreciation	(11,287)	(12,539)
Tools, furniture and fixtures, net	2,210	2,282
Land	751	987
Other	524	851
Total property, plant and equipment	12,210	13,367
Intangible assets	737	620
Investments and other assets		
Investment securities	1,171	1,320
Deferred tax assets	576	580
Other	932	729
Allowance for doubtful accounts	(48)	(51)
Total investments and other assets	2,632	2,578
Total noncurrent assets	15,579	16,566
Total assets	50,120	51,898

(Amount: millions of yen)

	FY2010 (As of December 31, 2010)	FY2011 (As of December 31, 2011)
Liabilities		
Current liabilities		
Accounts payable-trade	4,769	3,731
Short-term loans payable	5,086	4,493
Income taxes payable	323	995
Provision for directors' bonuses	143	-
Other	2,962	3,316
Total current liabilities	13,284	12,536
Noncurrent liabilities		
Long-term loans payable	1,442	1,836
Provision for retirement benefits	1,127	1,109
Other	269	281
Total noncurrent liabilities	2,839	3,227
Total liabilities	16,124	15,764
Net assets		
Shareholders' equity		
Capital stock	6,923	6,923
Capital surplus	7,440	7,432
Retained earnings	23,788	24,788
Treasury stock	(1,521)	(81)
Total shareholders' equity	36,630	39,063
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	65	(25)
Foreign currency translation adjustment	(2,699)	(2,903)
Total valuation and translation adjustments	(2,634)	(2,928)
Total net assets	33,996	36,134
Total liabilities and net assets	50,120	51,898

(2) Consolidated Statements (comprehensive) income

(Amount: millions of yen)

	FY2010 (January 1, 2010 through December 31, 2010)	FY2011 (January 1, 2011 through December 31, 2011)
Net sales	56,650	58,507
Cost of sales	37,692	38,882
Gross profit	18,958	19,625
Selling, general and administrative expenses		
Advertising expenses	964	1,125
Promotion expenses	647	828
Provision of allowance for doubtful accounts	8	16
Salaries and bonuses	3,045	3,114
Provision for directors' bonuses	143	-
Retirement benefit expenses	96	125
Technical research expenses	3,209	3,241
Other	5,385	5,485
Total selling, general and administrative expenses	13,501	13,937
Operating income	5,456	5,687
Non-operating expenses		
Interest income	19	22
Dividends income	17	29
Foreign exchange gains	25	83
Other	112	102
Total non-operating income	175	238
Non-operating expenses		
Interest expenses	105	125
Loss on retirement of noncurrent assets	43	51
Other	6	47
Total non-operating expenses	155	224
Ordinary income	5,476	5,702
Extraordinary income		
Insurance income	-	79
Reversal of allowance for doubtful accounts	16	21
Total extraordinary income	16	100
Extraordinary loss		
Loss on retirement of noncurrent assets	-	74
License fee for prior periods	-	300
Total extraordinary losses	-	374
Income before income taxes and minority interests	5,492	5,427
Income taxes-current	971	1,855
Refund of income taxes	(38)	(2)
Income taxes-deferred	869	(230)
Total income taxes	1,803	1,622
Income before minority interests	-	3,804
Net income	3,689	3,804

(3) Consolidated statements of comprehensive income

(Amount: millions of yen)

	FY2010 (January 1, 2010 through December 31, 2010)	FY2011 (January 1, 2011 through December 31, 2011)
Income before minority interests	-	3,804
Other comprehensive income		
Valuation difference on available-for-sale securities	-	(90)
Foreign currency translation adjustment	-	(203)
Total other comprehensive income	-	(294)
Comprehensive income	-	3,510
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	-	3,510

(4) Consolidated statements of changes in net assets

(Amount: millions of yen)

	FY2010 (January 1, 2010 through December 31, 2010)	FY2011 (January 1, 2011 through December 31, 2011)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	6,923	6,923
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	6,923	6,923
Capital surplus		
Balance at the end of previous period	7,440	7,440
Changes of items during the period		
Retirement of treasury stock	-	(8)
Total changes of items during the period	-	(8)
Balance at the end of current period	7,440	7,432
Retained earnings		
Balance at the end of previous period	21,334	23,788
Changes of items during the period		
Dividends from surplus	(1,235)	(1,372)
Net income	3,689	3,804
Retirement of treasury stock	-	(1,432)
Total changes of items during the period	2,454	1,000
Balance at the end of current period	23,788	24,788
Treasury stock		
Balance at the end of previous period	(1,521)	(1,521)
Changes of items during the period		
Purchase of treasury stock	(0)	-
Retirement of treasury stock	-	1,440
Total changes of items during the period	(0)	1,440
Balance at the end of current period	(1,521)	(81)
Total shareholders' equity		
Balance at the end of previous period	34,176	36,630
Changes of items during the period		
Dividends from surplus	(1,235)	(1,372)
Net income	3,689	3,804
Purchase of treasury stock	(0)	-
Retirement of treasury stock	-	-
Total changes of items during the period	2,454	2,432
Balance at the end of current period	36,630	39,063

(Amount: millions of yen)

	FY2010 (January 1, 2010 through December 31, 2010)	FY2011 (January 1, 2011 through December 31, 2011)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	77	65
Change of items during the period		
Net changes of items other than shareholders' equity	(12)	(90)
Total changes of items during the period	(12)	(90)
Balance at the end of current period	65	(25)
Foreign currency translation adjustment		
Balance at the end of previous period	(1,324)	(2,699)
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,374)	(203)
Total changes of items during the period	(1,374)	(203)
Balance at the end of current period	(2,699)	(2,903)
Total accumulated other comprehensive income		
Balance at the end of previous period	(1,247)	(2,634)
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,386)	(294)
Total changes of items during the period	(1,386)	(294)
Balance at the end of current period	(2,634)	(2,928)
Total net assets		
Balance at the end of previous period	32,929	33,996
Changes of items during the period		
Dividends from surplus	(1,235)	(1,372)
Net income	3,689	3,804
Purchase of treasury stock	(0)	-
Net changes of items other than shareholders' equity	(1,386)	(294)
Total changes of items during the period	1,067	2,137
Balance at the end of current period	33,996	36,134

(5) Consolidated statements of cash flows

(Amount: millions of yen)

	FY2010 (January 1, 2010 through December 31, 2010)	FY2011 (January 1, 2011 through December 31, 2011)
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	5,492	5,427
Depreciation and amortization	3,292	3,257
Increase (decrease) in provision for directors' bonuses	133	(143)
Increase (decrease) in provision for retirement benefits	(30)	(2)
Interest and dividends income	(37)	(51)
Interest expenses	105	125
Loss on retirement of property, plant and equipment	43	126
Decrease (increase) in notes and accounts receivable-trade	(5,606)	1,858
Decrease (increase) in inventories	(1,682)	(1,025)
Increase (decrease) in notes and accounts payable-trade	1,465	(934)
Other, net	653	595
Subtotal	3,829	9,233
Interest and dividends income received	37	51
Interest expenses paid	(107)	(125)
Income taxes paid	(737)	(1,130)
Income taxes refund	540	2
Net cash provided by (used in) operating activities	3,562	8,031
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(2,899)	(4,130)
Purchase of intangible assets	(95)	(259)
Purchase of investment securities	(1)	(300)
Proceeds from sales of investment securities	0	0
Payments of loans receivable	(3)	(4)
Collection of loans receivable	7	5
Other, net	(17)	9
Net cash provided by (used in) investing activities	(3,008)	(4,679)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	-	(462)
Proceeds from long-term loans payable	1,659	1,570
Repayment of long-term loans payable	(1,314)	(1,218)
Purchase of treasury stock	(0)	-
Cash dividends paid	(1,234)	(1,375)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	(890)	(1,486)
Effect of exchange rate change on cash and cash equivalents	(553)	(88)
Net increase (decrease) in cash and cash equivalents	(890)	1,776
Cash and cash equivalents at beginning of period	11,887	10,996
Cash and cash equivalents at end of period	10,996	12,773

(Segment Information)

Business Segment Information

FY2010 (January 1, 2010 through December 31, 2010)

(Amount: millions of yen)

	Photographic Products	Optical Components	Commercial/Industrial use optics	Total	Eliminations and/or corporate	Consolidated
Net sales :						
(1) Sales to external customers	34,731	14,592	7,327	56,650	-	56,650
(2) Intersegment sales	-	-	-	-	-	-
Total	34,731	14,592	7,327	56,650	-	56,650
Operating income	4,173	2,615	1,084	7,873	(2,416)	5,456
Assets	24,326	9,869	5,926	40,122	9,998	50,120
Depreciation	1,946	780	524	3,251	41	3,292
Capital expenditure	1,813	845	417	3,076	25	3,102

FY2011 (January 1, 2011 through December 31, 2011)

(Amount: millions of yen)

	Photographic Products	Optical Components	Commercial/Industrial use optics	Total	Eliminations and/or corporate	Consolidated
Net sales :						
(1) Sales to external customers	39,703	10,596	8,207	58,507	-	58,507
(2) Intersegment sales	-	-	-	-	-	-
Total	39,703	10,596	8,207	58,507	-	58,507
Operating income	5,907	691	1,404	8,003	(2,315)	5,687
Assets	25,291	8,639	5,661	39,592	12,305	51,898
Depreciation	1,910	776	524	3,211	45	3,257
Capital expenditure	2,772	964	581	4,318	68	4,386

Note: The details of the business segments are as follows.

Business Segment	Main Business
Photographic Products	Interchangeable lenses for SLR camera
Optical Components	Camcorder lenses Digital still camera lenses Cellular phone camera lenses Optical device units, etc
Commercial/Industrial-use Optics	Lenses for CCTV cameras Automotive lenses High-precision molds Test plates