

2nd Quarter FY2012 Consolidated Financial Results

August 2, 2012

(Amounts are rounded down to the nearest million yen)

1. Consolidated Results for 2nd Quarter FY2012 (January 1, 2012 through June 30, 2012)

(1) Consolidated financial results (% of change from previous 2nd quarter)

	Net Sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
2Q FY2012	30,432	8.2	2,879	(4.4)	2,836	(8.8)	2,077	(3.8)
2Q FY2011	28,126	9.9	3,011	28.6	3,108	32.1	2,158	34.0

(Note) Comprehensive income: 2Q FY2012: 2,262 million yen [(5.3)%] / 2Q FY2011: 2,388 million yen (-%)

	Quarterly net income per share –Basic	Quarterly net income per share –Diluted
	Yen	Yen
2Q FY2012	75.68	-
2Q FY2011	78.63	-

(2) Consolidated financial position

	Total assets	Total net assets	Ratio of net assets
	Million yen	Million yen	%
2Q FY2012	54,824	37,573	68.5
FY2011	51,898	36,134	69.6

(Reference) Shareholders' equity: 2Q FY2012: 37,573 million yen / FY2011: 36,134 million yen

2. Cash dividends

	Cash dividends per share				
	End of 1 st quarter	End of 2 nd quarter	End of 3 rd quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2011	-	20.00	-	30.00	50.00
FY2012	-	20.00			
FY2012 (forecast)			-	-	-

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

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)

	Net Sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2012	65,000	11.1	6,200	9.0	5,900	3.5	4,000	5.1	145.72

(Note) Revision of forecast for this period: None

Consolidated financial statements

(1) Consolidated balance sheets

(Amount: millions of yen)

	FY2011 (As of December 31, 2011)	2 nd quarter FY2012 (As of June 30, 2012)
Assets		
Current assets		
Cash and deposits	12,773	13,072
Notes and accounts receivable-trade	12,535	15,120
Finished goods	5,424	4,675
Work in process	2,628	2,689
Raw materials and supplies	953	1,079
Deferred tax assets	450	437
Other	600	886
Allowance for doubtful accounts	(35)	(36)
Total current assets	35,331	37,923
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	8,379	8,434
Accumulated depreciation	(4,849)	(4,972)
Buildings and structures, net	3,529	3,462
Machinery, equipment and vehicles	14,325	14,957
Accumulated depreciation	(8,608)	(9,064)
Machinery, equipment and vehicles, net	5,716	5,893
Tools, furniture and fixtures	14,822	15,107
Accumulated depreciation	(12,539)	(12,994)
Tools, furniture and fixtures, net	2,282	2,112
Other	1,838	2,059
Total property, plant and equipment	13,367	13,528
Intangible assets	620	569
Investments and other assets		
Investment securities	1,320	1,479
Deferred tax assets	580	595
Other	729	779
Allowance for doubtful accounts	(51)	(52)
Total investments and other assets	2,578	2,802
Total noncurrent assets	16,566	16,900
Total assets	51,898	54,824

	(Amount: millions of yen)	
	FY2011 (As of December 31, 2011)	2 nd quarter FY2012 (As of June 30, 2012)
Liabilities		
Current liabilities		
Accounts payable-trade	3,731	4,651
Short-term loans payable	4,493	3,819
Income taxes payable	995	854
Other	3,316	4,338
Total current liabilities	12,536	13,665
Noncurrent liabilities		
Long-term loans payable	1,836	2,064
Provision for retirement benefits	1,109	1,233
Other	281	288
Total noncurrent liabilities	3,227	3,586
Total liabilities	15,764	17,251
Net assets		
Shareholders' equity		
Capital stock	6,923	6,923
Capital surplus	7,432	7,432
Retained earnings	24,788	26,042
Treasury stock	(81)	(81)
Total shareholders' equity	39,063	40,317
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(25)	44
Foreign currency translation adjustment	(2,903)	(2,788)
Total accumulated other comprehensive income	(2,928)	(2,743)
Total net assets	36,134	37,573
Total liabilities and net assets	51,898	54,824

(2) Consolidated Statements of income

(Amount: millions of yen)

	2 nd quarter FY2011 (January 1, 2011 through June 30, 2011)	2 nd quarter FY2012 (January 1, 2012 through June 30, 2012)
Net sales	28,126	30,432
Cost of sales	18,261	20,600
Gross profit	9,865	9,832
Selling, general and administrative expenses	6,854	6,952
Operating income	3,011	2,879
Non-operating income		
Interest income	12	12
Dividends income	23	24
Foreign exchange gains	85	—
Other	45	60
Total non-operating income	167	98
Non-operating expenses		
Interest expenses	61	68
Foreign exchange losses	—	53
Other	8	19
Total non-operating expenses	70	141
Ordinary income	3,108	2,836
Extraordinary income		
Reversal of allowance for doubtful accounts	8	—
Total extraordinary income	8	—
Income before income taxes and minority interests	3,116	2,836
Income taxes	957	758
Income before minority interests	2,158	2,077
Net income	2,158	2,077

(3) Consolidated Statements of Comprehensive Income

	(Amount: millions of yen)	
	2 nd quarter FY2011 (January 1, 2011 through June 30, 2011)	2 nd quarter FY2012 (January 1, 2012 through June 30, 2012)
Income before minority interests	2,158	2,077
Other comprehensive income		
Valuation difference on available-for-sale securities	(39)	70
Foreign currency translation adjustment	269	115
Total other comprehensive income	230	185
Comprehensive income	2,388	2,262
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,388	2,262

(4) Consolidated statements of cash flows

(Amount: millions of yen)

	2 nd quarter FY2011 (January 1, 2011 through June 30, 2011)	2 nd quarter FY2012 (January 1, 2012 through June 30, 2012)
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	3,116	2,836
Depreciation and amortization	1,510	1,434
Increase (decrease) in allowance for doubtful accounts	(4)	0
Increase (decrease) in provision for retirement benefits	89	123
Interest and dividends income	(35)	(37)
Interest expenses	61	68
Decrease (increase) in notes and accounts receivable-trade	1,429	(2,607)
Decrease (increase) in inventories	(494)	604
Increase (decrease) in notes and accounts payable-trade	(17)	869
Other, net	747	1,026
Subtotal	6,403	4,319
Interest and dividends income received	35	37
Interest expenses paid	(61)	(68)
Income taxes paid	(478)	(960)
Income taxes refund	1	4
Net cash provided by (used in) operating activities	5,901	3,332
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(2,106)	(1,507)
Purchase of intangible assets	(111)	(43)
Other, net	(314)	(202)
Net cash provided by (used in) investing activities	(2,532)	(1,753)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(289)	(782)
Proceeds from long-term loans payable	1,570	800
Repayment of long-term loans payable	(669)	(497)
Cash dividends paid	(823)	(822)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	(213)	(1,304)
Effect of exchange rate change on cash and cash equivalents	48	23
Net increase (decrease) in cash and cash equivalents	3,203	299
Cash and cash equivalents at beginning of period	10,996	12,773
Cash and cash equivalents at end of period	14,200	13,072

(Segment Information)

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

2nd quarter FY2011 (January 1, 2011 through June 30, 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	19,323	5,159	3,643	28,126	-	28,126
(2) Intersegment sales	-	-	-	-	-	-
Total	19,323	5,159	3,643	28,126	-	28,126
Operating income	3,288	355	441	4,085	(1,074)	3,011

Note:

1. Segment profit is adjusted to operating profit of consolidated statements of income.
2. Adjustment of segment profit totaled (1,074) million yen is due to unallocated operating expenses consisted principally of expenses related to general affairs, accounting and other departments of the Company.

2nd quarter FY2012 (January 1, 2012 through June 30, 2012)

(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	21,870	4,369	4,193	30,432	-	30,432
(2) Intersegment sales	-	-	-	-	-	-
Total	21,870	4,369	4,193	30,432	-	30,432
Operating income	2,792	444	732	3,968	(1,088)	2,879

Note:

1. Segment profit is adjusted to operating profit of consolidated statements of income.
2. Adjustment of segment profit totaled (1,088) million yen is due to unallocated operating expenses consisted principally of expenses related to general affairs, accounting and other departments of the Company.