

FY2012 Consolidated Financial Results

February 5, 2013

(Amounts are rounded down to the nearest million yen)

1. Consolidated Results for FY2012 (January 1, 2012 through December 31, 2012)

(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	%
FY2012	64,353	10.0	5,503	(3.2)	5,377	(5.7)	3,894	2.3
FY2011	58,507	3.3	5,687	4.2	5,702	4.1	3,804	3.1

	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	%	%	%
FY2012	141.86	-	10.1	9.8	8.6
FY2011	138.61	-	10.9	11.2	9.7

(2) Consolidated financial position

	Total assets	Total net assets	Ratio of net assets	Net assets per share
	Million yen	Million yen	%	Yen
FY2012	58,058	40,805	70.3	1,486.52
FY2011	51,898	36,134	69.6	1,316.33

(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
FY2012	3,736	(3,824)	(2,363)	10,822
FY2011	8,031	(4,679)	(1,486)	12,773

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	%	%
FY2011	-	20.00	-	30.00	50.00	1,372	36.1	3.9
FY2012	-	20.00	-	30.00	50.00	1,372	35.2	3.6
FY2013 (forecast)	-	20.00	-	30.00	50.00		34.3	

Cash dividends forecast for FY2013 is undetermined

3. Forecast of consolidated results for FY2013 (January 1, 2013 through December 31, 2013)

(% of change from FY2012 or 1st Half or FY2012)

	Net Sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2013 1st Half	32,500	6.8	2,500	(13.2)	2,400	(15.4)	1,600	(23.0)	58.29
FY2013	73,000	13.4	6,300	14.5	6,100	13.4	4,000	2.7	145.72

Consolidated financial statements

(1) Consolidated balance sheets

(Amount: millions of yen)

	FY2011 (As of December 31, 2011)	FY2012 (As of December 31, 2012)
Assets		
Current assets		
Cash and deposits	12,773	10,822
Notes and accounts receivable-trade	12,535	15,509
Finished goods	5,424	8,144
Work in process	2,628	2,842
Raw materials and supplies	953	1,376
Deferred tax assets	450	668
Other	600	899
Allowance for doubtful accounts	(35)	(52)
Total current assets	35,331	40,211
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	8,379	8,505
Accumulated depreciation	(4,849)	(5,053)
Buildings and structures, net	3,529	3,452
Machinery, equipment and vehicles	14,325	15,808
Accumulated depreciation	(8,608)	(9,813)
Machinery, equipment and vehicles, net	5,716	5,994
Tools, furniture and fixtures	14,822	16,253
Accumulated depreciation	(12,539)	(13,846)
Tools, furniture and fixtures, net	2,282	2,407
Land	987	1,004
Construction in progress	851	1,554
Total property, plant and equipment	13,367	14,413
Intangible assets	620	721
Investments and other assets		
Investment securities	1,320	1,649
Deferred tax assets	580	529
Other	729	626
Allowance for doubtful accounts	(51)	(93)
Total investments and other assets	2,578	2,712
Total noncurrent assets	16,566	17,846
Total assets	51,898	58,058

(Amount: millions of yen)

	FY2011 (As of December 31, 2011)	FY2012 (As of December 31, 2012)
Liabilities		
Current liabilities		
Accounts payable-trade	3,731	5,410
Short-term loans payable	4,493	3,928
Income taxes payable	995	699
Other	3,316	4,223
Total current liabilities	12,536	14,262
Noncurrent liabilities		
Long-term loans payable	1,836	1,547
Provision for retirement benefits	1,109	1,154
Other	281	288
Total noncurrent liabilities	3,227	2,990
Total liabilities	15,764	17,252
Net assets		
Shareholders' equity		
Capital stock	6,923	6,923
Capital surplus	7,432	7,432
Retained earnings	24,788	27,310
Treasury stock	(81)	(81)
Total shareholders' equity	39,063	41,584
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(25)	94
Foreign currency translation adjustment	(2,903)	(873)
Total accumulated other comprehensive income	(2,928)	(778)
Total net assets	36,134	40,805
Total liabilities and net assets	51,898	58,058

(2) Consolidated statements of (comprehensive) income

(Amount: millions of yen)

	FY2011 (January 1, 2011 through December 31, 2011)	FY2012 (January 1, 2012 through December 31, 2012)
Net sales	58,507	64,353
Cost of sales	38,882	43,807
Gross profit	19,625	20,545
Selling, general and administrative expenses		
Advertising expenses	1,125	1,455
Promotion expenses	828	994
Provision of allowance for doubtful accounts	16	43
Salaries and bonuses	3,114	3,476
Retirement benefit expenses	125	143
Technical research expenses	3,241	3,349
Other	5,485	5,580
Total selling, general and administrative expenses	13,937	15,042
Operating income	5,687	5,503
Non-operating income		
Interest income	22	26
Dividends income	29	32
Foreign exchange gains	83	-
Rent income	-	32
Other	102	109
Total non-operating income	238	201
Non-operating expenses		
Interest expenses	125	108
Foreign exchange losses	-	113
Loss on retirement of noncurrent assets	51	80
Other	47	23
Total non-operating expenses	224	326
Ordinary income	5,702	5,377
Extraordinary income		
Insurance income	79	-
Reversal of allowance for doubtful accounts	21	-
Total extraordinary income	100	-
Extraordinary loss		
Loss on retirement of noncurrent assets	74	54
License fee for prior periods	300	-
Total extraordinary losses	374	54
Income before income taxes and minority interests	5,427	5,322
Income taxes-current	1,855	1,651
Refund of income taxes	(2)	-
Income taxes-deferred	(230)	(222)
Total income taxes	1,622	1,428
Income before minority interests	3,804	3,894
Net income	3,804	3,894

(3) Consolidated statements of comprehensive income

(Amount: millions of yen)

	FY2011 (January 1, 2011 through December 31, 2011)	FY2012 (January 1, 2012 through December 31, 2012)
Income before minority interests	3,804	3,894
Other comprehensive income		
Valuation difference on available-for-sale securities	(90)	120
Foreign currency translation adjustment	(203)	2,029
Total other comprehensive income	(294)	2,150
Comprehensive income	3,510	6,044
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	3,510	6,044

(4) Consolidated statements of changes in net assets

(Amount: millions of yen)

	FY2011 (January 1, 2011 through December 31, 2011)	FY2012 (January 1, 2012 through December 31, 2012)
Shareholders' equity		
Capital stock		
Balance at the beginning of current 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 beginning of current period	7,440	7,432
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	7,432	7,432
Retained earnings		
Balance at the beginning of current period	23,788	24,788
Changes of items during the period		
Dividends from surplus	(1,372)	(1,372)
Net income	3,804	3,894
Retirement of treasury stock	(1,432)	-
Total changes of items during the period	1,000	2,521
Balance at the end of current period	24,788	27,310
Treasury stock		
Balance at the beginning of current period	(1,521)	(81)
Changes of items during the period		
Purchase of treasury stock	-	(0)
Retirement of treasury stock	1,440	-
Total changes of items during the period	1,440	(0)
Balance at the end of current period	(81)	(81)
Total shareholders' equity		
Balance at the beginning of current period	36,630	39,063
Changes of items during the period		
Dividends from surplus	(1,372)	(1,372)
Net income	3,804	3,894
Purchase of treasury stock	-	(0)
Retirement of treasury stock	-	-
Total changes of items during the period	2,432	2,521
Balance at the end of current period	39,063	41,584

(Amount: millions of yen)

	FY2011 (January 1, 2011 through December 31, 2011)	FY2012 (January 1, 2012 through December 31, 2012)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	65	(25)
Changes of items during the period		
Net changes of items other than shareholders' equity	(90)	120
Total changes of items during the period	(90)	120
Balance at the end of current period	(25)	94
Foreign currency translation adjustment		
Balance at the beginning of current period	(2,699)	(2,903)
Changes of items during the period		
Net changes of items other than shareholders' equity	(203)	2,029
Total changes of items during the period	(203)	2,029
Balance at the end of current period	(2,903)	(873)
Total accumulated other comprehensive income		
Balance at the beginning of current period	(2,634)	(2,928)
Changes of items during the period		
Net changes of items other than shareholders' equity	(294)	2,150
Total changes of items during the period	(294)	2,150
Balance at the end of current period	(2,928)	(778)
Total net assets		
Balance at the beginning of current period	33,996	36,134
Changes of items during the period		
Dividends from surplus	(1,372)	(1,372)
Net income	3,804	3,894
Purchase of treasury stock	-	(0)
Retirement of treasury stock	-	-
Net changes of items other than shareholders' equity	(294)	2,150
Total changes of items during the period	2,137	4,671
Balance at the end of current period	36,134	40,805

(5) Consolidated statements of cash flows

(Amount: millions of yen)

	FY2011 (January 1, 2011 through December 31, 2011)	FY2012 (January 1, 2012 through December 31, 2012)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	5,427	5,322
Depreciation and amortization	3,257	3,182
Increase (decrease) in provision for directors' bonuses	(143)	-
Increase (decrease) in provision for retirement benefits	(2)	44
Interest and dividends income	(51)	(58)
Interest expenses	125	108
Loss on retirement of property, plant and equipment	126	135
Decrease (increase) in notes and accounts receivable-trade	1,858	(1,908)
Decrease (increase) in inventories	(1,025)	(2,488)
Increase (decrease) in notes and accounts payable-trade	(934)	452
Other, net	595	1,147
Subtotal	9,233	5,937
Interest and dividends income received	51	58
Interest expenses paid	(125)	(111)
Income taxes paid	(1,128)	(2,148)
Net cash provided by (used in) operating activities	8,031	3,736
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(4,130)	(3,384)
Purchase of intangible assets	(259)	(262)
Purchase of investment securities	(300)	(132)
Proceeds from sales of investment securities	0	-
Payments of loans receivable	(4)	(9)
Collection of loans receivable	5	8
Other, net	9	(43)
Net cash provided by (used in) investing activities	(4,679)	(3,824)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(462)	(742)
Proceeds from long-term loans payable	1,570	800
Repayment of long-term loans payable	(1,218)	(1,048)
Cash dividends paid	(1,375)	(1,372)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	(1,486)	(2,363)
Effect of exchange rate change on cash and cash equivalents	(88)	501
Net increase (decrease) in cash and cash equivalents	1,776	(1,950)
Cash and cash equivalents at beginning of period	10,996	12,773
Cash and cash equivalents at end of period	12,773	10,822

(Segment Information)

Business Segment Information

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:

- (1) Adjustment of segment profit totaled (2,315) million yen is due to unallocated operating expenses consisted principally of expenses related to general affairs, accounting and other departments of the Company.
(2) Adjustment to segment assets includes corporate level assets, which consist principally of surplus investment funds (cash and deposits), long-term investment funds (such as marketable securities), and non-segment specific.
- Segment profit is adjusted to operating profit of consolidated statements of income.

FY2012 (January 1, 2012 through December 31, 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	46,920	8,275	9,157	64,353	-	64,353
(2) Intersegment sales	-	-	-	-	-	-
Total	46,920	8,275	9,157	64,353	-	64,353
Operating income	5,958	452	1,595	8,006	(2,503)	5,503
Assets	33,469	6,992	6,960	47,423	10,635	58,058
Depreciation	2,187	468	452	3,109	73	3,182
Capital expenditure	1,949	329	537	2,815	840	3,656

Note:

- (1) Adjustment of segment profit totaled (2,503) million yen is due to unallocated operating expenses consisted principally of expenses related to general affairs, accounting and other departments of the Company.
(2) Adjustment to segment assets includes corporate level assets, which consist principally of surplus investment funds (cash and deposits), long-term investment funds (such as marketable securities), and non-segment specific.
- Segment profit is adjusted to operating profit of consolidated statements of income.