

## 2nd Quarter FY2016 Consolidated Financial Results

August 4, 2016

(Amounts are rounded down to the nearest million yen)

### 1. Consolidated Results for 2nd quarter FY2016 (January 1, 2016 through June 30, 2016)

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

	Net Sales		Operating income		Ordinary income		Profit (loss) attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
2Q FY2016	30,499	(13.4)	1,377	(50.2)	1,486	(47.3)	934	(65.1)
2Q FY2015	35,235	7.5	2,764	7.8	2,819	6.9	2,678	47.1

(Note) Comprehensive income: 2Q FY2016: (3,267) million yen (-%) / 2Q FY2015: 2,804 million yen (314.5%)

	Quarterly net income per share –Basic	Quarterly net income per share –Diluted
	Yen	Yen
2Q FY2016	36.04	-
2Q FY2015	100.40	-

(2) Consolidated financial position

	Total assets	Total net assets	Ratio of net assets
	Million yen	Million yen	%
2Q FY2016	59,455	44,827	75.4
FY2015	66,035	49,001	74.2

(Reference) Shareholders' equity: 2Q FY2016: 44,827 million yen / FY2015: 49,001 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
FY2015	-	25.00	-	35.00	60.00
FY2016	-	25.00	-	-	-
FY2016 (forecast)	-	-	-	30.00	55.00

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

(Note) Year-end dividends for 2015 include commemorative dividends of 5 yen for the company's 65th anniversary

### 3. Forecast of consolidated results for FY2016 (January 1, 2016 through December 31, 2016)

(% of change from FY2015)

	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
FY2016	64,000	(11.0)	3,000	(34.1)	3,100	(39.7)	1,780	(56.0)	68.67

(Note) Revision of forecast for this period: Yes

**Consolidated financial statements**

## (1) Consolidated balance sheets

(Amount: millions of yen)

	FY2015 (As of December 31, 2015)	2nd quarter FY2016 (As of June 30, 2016)
<b>Assets</b>		
Current assets		
Cash and deposits	14,192	15,083
Notes and accounts receivable - trade	15,804	12,667
Finished goods	8,170	6,811
Work in process	3,209	2,820
Raw materials and supplies	1,495	1,010
Deferred tax assets	656	595
Other	1,422	1,441
Allowance for doubtful accounts	(31)	(31)
Total current assets	44,920	40,399
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,529	12,764
Accumulated depreciation	(6,754)	(6,694)
Buildings and structures, net	6,774	6,069
Machinery, equipment and vehicles	20,050	18,235
Accumulated depreciation	(13,726)	(12,715)
Machinery, equipment and vehicles, net	6,324	5,519
Tools, furniture and fixtures	18,806	18,072
Accumulated depreciation	(16,464)	(16,067)
Tools, furniture and fixtures, net	2,342	2,004
Land	1,057	1,026
Other	711	1,021
Total property, plant and equipment	17,209	15,643
Intangible assets	804	736
Investments and other assets		
Investment securities	2,330	1,753
Deferred tax assets	435	577
Other	406	430
Allowance for doubtful accounts	(72)	(83)
Total investments and other assets	3,100	2,676
Total non-current assets	21,114	19,056
Total assets	66,035	59,455

(Amount: millions of yen)

	FY2015 (As of December 31, 2015)	2nd quarter FY2016 (As of June 30, 2016)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	5,285	3,630
Short-term loans payable	3,154	3,251
Accrued expenses	3,757	3,617
Income taxes payable	603	366
Other	1,793	1,099
<b>Total current liabilities</b>	<b>14,594</b>	<b>11,965</b>
<b>Non-current liabilities</b>		
Long-term loans payable	881	1,056
Net defined benefit liability	1,495	1,548
Other	62	57
<b>Total non-current liabilities</b>	<b>2,439</b>	<b>2,662</b>
<b>Total liabilities</b>	<b>17,033</b>	<b>14,628</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	6,923	6,923
Capital surplus	7,432	7,432
Retained earnings	30,187	30,214
Treasury shares	(53)	(53)
<b>Total shareholders' equity</b>	<b>44,489</b>	<b>44,516</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	445	122
Foreign currency translation adjustment	4,260	358
Remeasurements of defined benefit plans	(194)	(169)
<b>Total accumulated other comprehensive income</b>	<b>4,512</b>	<b>311</b>
<b>Total net assets</b>	<b>49,001</b>	<b>44,827</b>
<b>Total liabilities and net assets</b>	<b>66,035</b>	<b>59,455</b>

## (2) Consolidated Statements of income

(Amount: millions of yen)

	2nd quarter FY2015 (January 1, 2015 through June 30, 2015)	2nd quarter FY2016 (January 1, 2016 through June 30, 2016)
Net sales	35,235	30,499
Cost of sales	23,821	20,760
Gross profit	11,413	9,738
Selling, general and administrative expenses	8,648	8,361
Operating income	2,764	1,377
Non-operating income		
Interest income	14	16
Rent income	30	22
Foreign exchange income	-	38
Subsidy income	63	32
Other	83	94
Total non-operating income	191	204
Non-operating expenses		
Interest expenses	23	19
Foreign exchange losses	20	-
Loss on retirement of non-current assets	42	65
Loss on abandonment of inventories	38	0
Other	12	9
Total non-operating expenses	136	95
Ordinary income	2,819	1,486
Extraordinary income		
Insurance income	99	-
Gain on bargain purchase	653	-
Total extraordinary income	753	-
Extraordinary losses		
Loss on valuation of investment securities	-	77
Total extraordinary losses	-	77
Income before income taxes and minority interests	3,572	1,409
Income taxes	894	474
Profit	2,678	934
Profit attributable to owners of parent	2,678	934

(3) Consolidated Statements of Comprehensive Income

(Amount: millions of yen)

	2nd quarter FY2015 (January 1, 2015 through June 30, 2015)	2nd quarter FY2016 (January 1, 2016 through June 30, 2016)
Profit	2,678	934
Other comprehensive income		
Valuation difference on available-for-sale securities	41	(323)
Foreign currency translation adjustment	69	(3,902)
Remeasurements of defined benefit plans, net of tax	15	24
Total other comprehensive income	126	(4,201)
Comprehensive income	2,804	(3,267)

**(Segment Information)**

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

2nd quarter FY2015 (January 1, 2015 through June 30, 2015)

(Amount: millions of yen)

	Photographic Products	Optical Components	Commercial/ Industrial use optics	Total	Adjustment (Note 2)	Consolidated
Net sales :						
(1) Sales to external customers	26,666	2,249	6,319	35,235	-	35,235
(2) Intersegment sales	-	-	-	-	-	-
Total	26,666	2,249	6,319	35,235	-	35,235
Operating income	3,059	111	752	3,924	(1,159)	2,764

(Note)

1. Segment profit is adjusted to operating profit of consolidated statements of income.
2. Adjustment of segment profit totaled (1,159) 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 FY2016 (January 1, 2016 through June 30, 2016)

(Amount: millions of yen)

	Photographic Products	Optical Components	Commercial/ Industrial use optics	Total	Adjustment (Note 2)	Consolidated
Net sales :						
(1) Sales to external customers	24,069	1,009	5,419	30,499	-	30,499
(2) Intersegment sales	-	-	-	-	-	-
Total	24,069	1,009	5,419	30,499	-	30,499
Operating income (loss)	2,117	9	459	2,586	(1,209)	1,377

(Note)

1. Segment profit is adjusted to operating profit of consolidated statements of income.
2. Adjustment of segment profit totaled (1,209) million yen is due to unallocated operating expenses consisted principally of expenses related to general affairs, accounting and other departments of the Company.