

FY2020 Consolidated Financial Results

February 9, 2021

(Amounts are rounded down to the nearest million yen)

1. Consolidated Results for FY2020 (January 1, 2020 through December 31, 2020)

 (1) Consolidated financial results (% of change from previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2020	48,375	(23.6)	3,575	(48.8)	3,750	(49.3)	1,958	(63.3)
FY2019	63,285	2.4	6,982	28.7	7,403	26.0	5,330	23.1

(Note) Comprehensive income: FY2020: 1,729 million yen [(67.0) %] / FY2019: 5,242 million yen [98.8%]

	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	%	%	%
FY2020	88.83	-	3.9	5.9	7.4
FY2019	207.13	-	10.1	11.0	11.0

(Reference) Share of profit of entities accounted for using equity method: FY2020: -million yen / FY2019: -million yen

(2) Consolidated financial position

	Total assets	Total net assets	Ratio of net assets	Net assets per share
	Million yen	Million yen	%	Yen
FY2020	58,190	45,777	78.7	2,195.71
FY2019	69,297	54,539	78.7	2,119.33

(Reference) Shareholders' equity: FY2020: 45,777 million yen / FY2019: 54,539 million yen

(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
FY2020	7,554	(12,334)	(2,112)	21,417
FY2019	10,925	(2,863)	(1,923)	28,384

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	%	%
FY2019	-	25.00	-	43.00	68.00	1,762	32.8	3.3
FY2020	-	25.00	-	25.00	50.00	1,051	56.3	2.3
FY2021 (forecast)	-	25.00	-	25.00	50.00		35.9	

3. Forecast of consolidated results for FY2021 (January 1, 2021 through December 31, 2021)

(% of change from FY2020 or 1st Half FY2020)

	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
FY2021 1st Half	23,700	13.4	1,000	20.7	1,000	(14.1)	700	(17.0)	33.58
FY2021	54,000	11.6	4,400	23.1	4,400	17.3	2,900	48.1	139.10

Consolidated financial statements

(1) Consolidated balance sheets

(Amount: Million yen)

	FY2019 (As of December 31, 2019)	FY2020 (As of December 31, 2020)
Assets		
Current assets		
Cash and deposits	28,384	21,417
Notes and accounts receivable - trade	12,907	10,318
Finished goods	5,658	5,088
Work in process	2,496	2,234
Raw materials and supplies	1,233	1,280
Other	1,011	1,154
Allowance for doubtful accounts	(28)	(23)
Total current assets	51,662	41,470
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,159	13,360
Accumulated depreciation	(8,257)	(8,633)
Buildings and structures, net	4,902	4,727
Machinery, equipment and vehicles	18,625	19,244
Accumulated depreciation	(14,590)	(15,234)
Machinery, equipment and vehicles, net	4,035	4,009
Tools, furniture and fixtures	21,541	21,543
Accumulated depreciation	(19,212)	(19,162)
Tools, furniture and fixtures, net	2,328	2,380
Land	1,165	1,153
Construction in progress	1,073	874
Total property, plant and equipment	13,505	13,145
Intangible assets	698	644
Investments and other assets		
Investment securities	2,864	2,442
Deferred tax assets	321	312
Other	314	237
Allowance for doubtful accounts	(68)	(62)
Total investments and other assets	3,431	2,929
Total non-current assets	17,634	16,719
Total assets	69,297	58,190

(Amount: Million yen)

	FY2019 (As of December 31, 2019)	FY2020 (As of December 31, 2020)
Liabilities		
Current liabilities		
Accounts payable - trade	3,660	2,894
Short-term borrowings	2,418	1,908
Accrued expenses	2,857	2,435
Income taxes payable	1,019	237
Other	2,343	2,721
Total current liabilities	12,299	10,198
Non-current liabilities		
Long-term borrowings	225	291
Deferred tax liabilities	412	351
Provision for share benefits	195	259
Retirement benefit liability	1,365	1,078
Other	260	233
Total non-current liabilities	2,458	2,214
Total liabilities	14,758	12,412
Net assets		
Shareholders' equity		
Share capital	6,923	6,923
Capital surplus	7,432	7,432
Retained earnings	38,336	38,655
Treasury shares	(483)	(9,334)
Total shareholders' equity	52,208	43,675
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	920	627
Deferred gains or losses on hedges	(1)	-
Foreign currency translation adjustment	1,399	1,350
Remeasurements of defined benefit plans	11	123
Total accumulated other comprehensive income	2,330	2,102
Total net assets	54,539	45,777
Total liabilities and net assets	69,297	58,190

(2) Consolidated statements of income and Consolidated statements of comprehensive income
(Consolidated statements of income)

(Amount: Million yen)

	FY2019 (January 1, 2019 through December 31, 2019)	FY2020 (January 1, 2020 through December 31, 2020)
Net sales	63,285	48,375
Cost of sales	39,056	30,004
Gross profit	24,229	18,370
Selling, general and administrative expenses		
Advertising expenses	764	466
Promotion expenses	594	398
Provision of allowance for doubtful accounts	43	(5)
Salaries and bonuses	4,340	3,971
Retirement benefit expenses	147	141
Share-based remuneration expenses	112	92
Technical research expenses	5,248	4,687
Amortization of goodwill	—	220
Other	5,995	4,821
Total selling, general and administrative expenses	17,246	14,794
Operating profit	6,982	3,575
Non-operating income		
Interest income	92	35
Dividend income	60	48
Rental income	12	14
Subsidy income	219	300
Subsidies for employment adjustment	—	246
Other	236	192
Total non-operating income	621	836
Non-operating expenses		
Interest expenses	44	33
Foreign exchange losses	12	365
Loss on retirement of non-current assets	53	230
Other	91	32
Total non-operating expenses	201	662
Ordinary profit	7,403	3,750
Extraordinary losses		
Impairment loss	—	19
Extra retirement payments	—	844
Total extraordinary losses	—	864
Profit before income taxes	7,403	2,885
Income taxes - current	1,815	908
Income taxes - deferred	257	18
Total income taxes	2,072	927
Profit	5,330	1,958
Profit attributable to owners of parent	5,330	1,958

(Consolidated statements of comprehensive income)

(Amount: Million yen)

	FY2019 (January 1, 2019 through December 31, 2019)	FY2020 (January 1, 2020 through December 31, 2020)
Profit	5,330	1,958
Other comprehensive income		
Valuation difference on available-for-sale securities	359	(292)
Deferred gains or losses on hedges	(1)	1
Foreign currency translation adjustment	(525)	(49)
Remeasurements of defined benefit plans, net of tax	79	111
Total other comprehensive income	(87)	(228)
Comprehensive income	5,242	1,729
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,242	1,729

(3) Consolidated statements of changes in net assets

FY2019 (January 1, 2019 through December 31, 2019)

(Amount: Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	6,923	7,432	34,561	(483)	48,433
Changes of items during period					
Dividends of surplus			(1,555)		(1,555)
Profit attributable to owners of parent			5,330		5,330
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	3,775	(0)	3,774
Balance at end of current period	6,923	7,432	38,336	(483)	52,208

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total Accumulated other comprehensive income	
Balance at beginning of current period	561	—	1,924	(67)	2,418	50,852
Changes of items during period						
Dividends of surplus						(1,555)
Profit attributable to owners of parent						5,330
Purchase of treasury shares						(0)
Net changes of items other than shareholders' equity	359	(1)	(525)	79	(87)	(87)
Total changes of items during period	359	(1)	(525)	79	(87)	3,686
Balance at end of current period	920	(1)	1,399	11	2,330	54,539

FY2020 (January 1, 2020 through December 31, 2020)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	6,923	7,432	38,336	(483)	52,208
Changes of items during period					
Dividends of surplus			(1,640)		(1,640)
Profit attributable to owners of parent			1,958		1,958
Purchase of treasury shares				(8,880)	(8,880)
Disposal of treasury shares				28	28
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	318	(8,851)	(8,532)
Balance at end of current period	6,923	7,432	38,655	(9,334)	43,675

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total Accumulated other comprehensive income	
Balance at beginning of current period	920	(1)	1,399	11	2,330	54,539
Changes of items during period						
Dividends of surplus						(1,640)
Profit attributable to owners of parent						1,958
Purchase of treasury shares						(8,880)
Disposal of treasury shares						28
Net changes of items other than shareholders' equity	(292)	1	(49)	111	(228)	(228)
Total changes of items during period	(292)	1	(49)	111	(228)	(8,761)
Balance at end of current period	627	—	1,350	123	2,102	45,777

(4) Consolidated statements of cash flows

(Amount: Million yen)

	FY2019 (January 1, 2019 through December 31, 2019)	FY2020 (January 1, 2020 through December 31, 2020)
Cash flows from operating activities		
Profit before income taxes	7,403	2,885
Depreciation	2,666	2,803
Impairment loss	-	19
Amortization of goodwill	-	220
Increase (decrease) in retirement benefit liability	(31)	(284)
Increase (decrease) in provision for share-based remuneration	112	63
Interest and dividend income	(153)	(84)
Interest expenses	44	33
Settlement received	(47)	-
Subsidy income	(219)	(300)
Subsidies for employment adjustment	-	(246)
Loss on retirement of property, plant and equipment	53	230
Decrease (increase) in trade receivables	184	2,366
Decrease (increase) in inventories	1,278	695
Increase (decrease) in trade payables	8	(304)
Increase (decrease) in accrued expenses	(131)	(426)
Other, net	642	1,178
Subtotal	11,810	8,851
Interest and dividends received	152	85
Interest paid	(44)	(32)
Settlement package received	47	-
Subsidies received	219	300
Proceeds from subsidies for employment adjustment	-	243
Income taxes paid	(1,259)	(1,894)
Net cash provided by (used in) operating activities	10,925	7,554
Cash flows from investing activities		
Proceeds from redemption of securities	300	-
Purchase of property, plant and equipment	(2,580)	(2,928)
Purchase of intangible assets	(222)	(88)
Purchase of investment securities	(317)	(1)
Loan advances	(2)	-
Collection of loans receivable	2	0
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(9,383)
Other, net	(42)	66
Net cash provided by (used in) investing activities	(2,863)	(12,334)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(11)	(511)
Proceeds from long-term borrowings	-	302
Repayments of long-term borrowings	(341)	(241)
Purchase of treasury shares	(0)	(0)
Dividends paid	(1,555)	(1,639)
Other, net	(14)	(22)
Net cash provided by (used in) financing activities	(1,923)	(2,112)
Effect of exchange rate change on cash and cash equivalents	(193)	(74)
Net increase (decrease) in cash and cash equivalents	5,946	(6,967)

Cash and cash equivalents at beginning of period	22,438	28,384
Cash and cash equivalents at end of period	28,384	21,417

(Segment Information)

Business Segment Information

FY2019 (January 1, 2019 through December 31, 2019)

(Amount: Million yen)

	Photographic Products	Optical Components	Commercial/Industrial use optics	Total	Adjustment (Note 1)	Consolidated (Note 2)
Net sales :						
(1) Sales to external customers	46,175	2,739	14,370	63,285	—	63,285
(2) Intersegment sales	—	—	—	—	—	—
Total	46,175	2,739	14,370	63,285	—	63,285
Operating income	8,635	137	994	9,767	(2,784)	6,982
Assets	33,858	2,261	9,855	45,974	23,323	69,297
Depreciation	1,985	195	412	2,594	72	2,666
Increase in tangible and intangible fixed assets	2,465	189	503	3,158	12	3,171

Note:

- (1) Adjustment of segment profit totaled (2,784) 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.

FY2020 (January 1, 2020 through December 31, 2020)

(Amount: Million yen)

	Photographic Products	Optical Components	Commercial/Industrial use optics	Total	Adjustment (Note 1)	Consolidated (Note 2)
Net sales :						
(1) Sales to external customers	33,569	1,406	13,398	48,375	—	48,375
(2) Intersegment sales	—	—	—	—	—	—
Total	33,569	1,406	13,398	48,375	—	48,375
Operating income (loss)	5,320	(82)	1,019	6,257	(2,681)	3,575
Assets	30,266	1,433	10,847	42,546	15,644	58,190
Depreciation	2,139	118	486	2,743	59	2,803
Amortization of goodwill	—	—	—	—	220	220
Extraordinary losses	16	1	1	19	0	19
(Impairment loss)	(16)	(1)	(1)	(19)	(0)	(19)
Increase in tangible and intangible fixed assets	2,017	98	611	2,728	6	2,734

Note:

- (1) Adjustment of segment profit (loss) totaled (2,681) million yen includes amortization of goodwill of (220) million yen ,and (2,461) million yen in company-wide costs that cannot be allocated to any specific reportable segments. Corporate expense 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 (loss) is adjusted to operating profit of consolidated statements of income.