

1st Quarter FY2014 Consolidated Financial Results

April 30, 2014

(Amounts are rounded down to the nearest million yen)

1. Consolidated Results for 1st quarter FY2014 (January 1, 2014 through March 31, 2014)

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

	Net Sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1Q FY2014	14,132	6.9	670	(16.2)	749	(1.3)	457	(12.4)
1Q FY2013	13,216	7.6	800	(3.7)	759	(7.0)	521	(7.5)

(Note) Comprehensive income: 1Q FY2014: (342) million yen (-%) / 1Q FY2013: 1,765 million yen (9.8%)

	Quarterly net income per share –Basic	Quarterly net income per share –Diluted
	Yen	Yen
1Q FY2014	16.65	-
1Q FY2013	19.00	-

(2) Consolidated financial position

	Total assets	Total net assets	Ratio of net assets
	Million yen	Million yen	%
1Q FY2014	61,415	45,921	74.8
FY2013	64,704	47,087	72.8

(Reference) Shareholders' equity: 1Q FY2014: 45,921 million yen / FY2013: 47,087 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
FY2013	-	20.00	-	30.00	50.00
FY2014	-				
FY2014 (forecast)		20.00	-	30.00	50.00

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

3. Forecast of consolidated results for FY2014 (January 1, 2014 through December 31, 2014)

(% of change from FY2013 or 1st half FY2013)

	Net Sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
1H FY2014	32,500	3.3	2,400	1.7	2,300	0.3	1,650	2.1	60.11
FY2014	71,000	3.7	5,800	10.8	5,600	7.8	3,900	22.0	142.07

(Note) Revision of forecast for this period: None

Consolidated financial statements

(1) Consolidated balance sheets

(Amount: millions of yen)

	FY2013 (As of December 31, 2013)	1st quarter FY2014 (As of March 31, 2014)
Assets		
Current assets		
Cash and deposits	14,297	14,586
Notes and accounts receivable-trade	14,898	12,304
Finished goods	6,485	6,119
Work in process	3,022	3,570
Raw materials and supplies	1,547	1,373
Deferred tax assets	528	406
Other	1,027	850
Allowance for doubtful accounts	(50)	(47)
Total current assets	41,758	39,164
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	12,778	12,656
Accumulated depreciation	(5,640)	(5,737)
Buildings and structures, net	7,137	6,918
Machinery, equipment and vehicles	19,363	18,816
Accumulated depreciation	(12,048)	(12,066)
Machinery, equipment and vehicles, net	7,314	6,750
Tools, furniture and fixtures	17,181	16,936
Accumulated depreciation	(14,444)	(14,107)
Tools, furniture and fixtures, net	2,736	2,829
Other	1,853	1,841
Total property, plant and equipment	19,042	18,340
Intangible assets	771	772
Investments and other assets		
Investment securities	2,138	2,125
Deferred tax assets	476	541
Other	614	572
Allowance for doubtful accounts	(97)	(100)
Total investments and other assets	3,131	3,139
Total noncurrent assets	22,945	22,251
Total assets	64,704	61,415

	(Amount: millions of yen)	
	FY2013	1st quarter FY2014
	(As of December 31, 2013)	(As of March 31, 2014)
Liabilities		
Current liabilities		
Accounts payable-trade	5,051	4,009
Short-term loans payable	3,634	3,707
Income taxes payable	512	190
Other	4,945	3,717
Total current liabilities	14,144	11,624
Noncurrent liabilities		
Long-term loans payable	2,080	2,440
Provision for retirement benefits	1,201	1,238
Other	190	190
Total noncurrent liabilities	3,471	3,869
Total liabilities	17,616	15,494
Net assets		
Shareholders' equity		
Capital stock	6,923	6,923
Capital surplus	7,432	7,432
Retained earnings	29,135	28,769
Treasury stock	(81)	(81)
Total shareholders' equity	43,409	43,043
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	370	305
Foreign currency translation adjustment	3,308	2,573
Total accumulated other comprehensive income	3,678	2,878
Total net assets	47,087	45,921
Total liabilities and net assets	64,704	61,415

(2) Consolidated Statements of income

(Amount: millions of yen)

	1st quarter FY2013 (January 1, 2013 through March 31, 2013)	1st quarter FY2014 (January 1, 2014 through March 31, 2014)
Net sales	13,216	14,132
Cost of sales	8,991	9,850
Gross profit	4,225	4,281
Selling, general and administrative expenses	3,425	3,611
Operating income	800	670
Non-operating income		
Interest income	3	11
Rent income	6	6
Foreign exchange gains	-	28
Subsidy income	-	29
Other	13	40
Total non-operating income	23	117
Non-operating expenses		
Interest expenses	18	16
Foreign exchange losses	39	-
Other	6	21
Total non-operating expenses	64	37
Ordinary income	759	749
Income before income taxes and minority interests	759	749
Income taxes	237	292
Income before minority interests	521	457
Net income	521	457

(3) Consolidated Statements of Comprehensive Income

	(Amount: millions of yen)	
	1st quarter FY2013 (January 1, 2013 through March 31, 2013)	1st quarter FY2014 (January 1, 2014 through March 31, 2014)
Income before minority interests	521	457
Other comprehensive income		
Valuation difference on available-for-sale securities	82	(65)
Foreign currency translation adjustment	1,161	(734)
Total other comprehensive income	1,243	(799)
Comprehensive income	1,765	(342)
Comprehensive income attributable to owners of the parent	1,765	(342)

(Segment Information)

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

1st quarter FY2013 (January 1, 2013 through March 31, 2013)

(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	8,890	1,883	2,441	13,216	-	13,216
(2) Intersegment sales	-	-	-	-	-	-
Total	8,890	1,883	2,441	13,216	-	13,216
Operating income	612	379	361	1,352	(552)	800

(Note)

1. Segment profit is adjusted to operating profit of consolidated statements of income.
2. Adjustment of segment profit totaled (552) million yen is due to unallocated operating expenses consisted principally of expenses related to general affairs, accounting and other departments of the Company.

1st quarter FY2014 (January 1, 2014 through March 31, 2014)

(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	9,387	1,590	3,154	14,132	-	14,132
(2) Intersegment sales	-	-	-	-	-	-
Total	9,387	1,590	3,154	14,132	-	14,132
Operating income	619	23	668	1,311	(641)	670

(Note)

1. Segment profit is adjusted to operating profit of consolidated statements of income.
2. Adjustment of segment profit totaled (641) million yen is due to unallocated operating expenses consisted principally of expenses related to general affairs, accounting and other departments of the Company.