

## 2nd Quarter FY2013 Consolidated Financial Results

July 31, 2013

(Amounts are rounded down to the nearest million yen)

### 1. Consolidated Results for 2nd Quarter FY2013 (January 1, 2013 through June 30, 2013)

(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 FY2013 | 31,453      | 3.4 | 2,360            | (18.0) | 2,292           | (19.2) | 1,615       | (22.2) |
| 2Q FY2012 | 30,432      | 8.2 | 2,879            | (4.4)  | 2,836           | (8.8)  | 2,077       | (3.8)  |

(Note) Comprehensive income: 2Q FY2013: 4,047 million yen [78.8%] / 2Q FY2012: 2,262 million yen [(5.3)%]

|           | Quarterly net income per share –Basic | Quarterly net income per share –Diluted |
|-----------|---------------------------------------|---|
|           | Yen                                   | Yen                                     |
| 2Q FY2013 | 58.86                                 | -                                       |
| 2Q FY2012 | 75.68                                 | -                                       |

(2) Consolidated financial position

|           | Total assets | Total net assets | Ratio of net assets |
|-----------|--------------|------------------|---------------------|
|           | Million yen  | Million yen      | %                   |
| 2Q FY2013 | 62,149       | 44,029           | 70.8                |
| FY2012    | 58,058       | 40,805           | 70.3                |

(Reference) Shareholders' equity: 2Q FY2013: 44,029 million yen / FY2012: 40,805 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    |
| FY2012            | -                        | 20.00              | -                  | 30.00    | 50.00  |
| FY2013            | -                        | 20.00              | -                  | -        | -      |
| FY2013 (forecast) | -                        | -                  | -                  | 30.00    | 50.00  |

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

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

(% of change from FY2012)

|        | Net Sales   |      | Operating income |      | Ordinary income |      | Net income  |     | Net income per share |
|--------|-------------|------|------------------|------|-----------------|------|-------------|-----|----------------------|
|        | Million yen | %    | Million yen      | %    | Million yen     | %    | Million yen | %   | Yen                  |
| FY2013 | 73,000      | 13.4 | 6,300            | 14.5 | 6,100           | 13.4 | 4,000       | 2.7 | 145.72               |

(Note) Revision of forecast for this period: None

**Consolidated financial statements**

## (1) Consolidated balance sheets

(Amount: millions of yen)

|   | FY2012<br>(As of December 31, 2012) | 2nd quarter FY2013<br>(As of June 30, 2013) |
|---|-------------------------------------|---|
| <b>Assets</b>                                 |                                     |   |
| <b>Current assets</b>                         |                                     |   |
| Cash and deposits                             | 10,822                              | 13,305                                      |
| Notes and accounts receivable-trade           | 15,509                              | 13,856                                      |
| Finished goods                                | 8,144                               | 7,536                                       |
| Work in process                               | 2,842                               | 3,197                                       |
| Raw materials and supplies                    | 1,376                               | 1,545                                       |
| Deferred tax assets                           | 668                                 | 576   |
| Other   | 899                                 | 1,054                                       |
| Allowance for doubtful accounts               | (52)                                | (53)  |
| <b>Total current assets</b>                   | <b>40,211</b>                       | <b>41,017</b>                               |
| <b>Noncurrent assets</b>                      |                                     |   |
| <b>Property, plant and equipment</b>          |                                     |   |
| <b>Buildings and structures</b>               | <b>8,505</b>                        | <b>10,281</b>                               |
| Accumulated depreciation                      | (5,053)                             | (5,351)                                     |
| <b>Buildings and structures, net</b>          | <b>3,452</b>                        | <b>4,929</b>                                |
| <b>Machinery, equipment and vehicles</b>      | <b>15,808</b>                       | <b>18,175</b>                               |
| Accumulated depreciation                      | (9,813)                             | (11,013)                                    |
| <b>Machinery, equipment and vehicles, net</b> | <b>5,994</b>                        | <b>7,161</b>                                |
| <b>Tools, furniture and fixtures</b>          | <b>16,253</b>                       | <b>16,688</b>                               |
| Accumulated depreciation                      | (13,846)                            | (14,127)                                    |
| <b>Tools, furniture and fixtures, net</b>     | <b>2,407</b>                        | <b>2,560</b>                                |
| <b>Other</b>                                  | <b>2,558</b>                        | <b>2,829</b>                                |
| <b>Total property, plant and equipment</b>    | <b>14,413</b>                       | <b>17,481</b>                               |
| <b>Intangible assets</b>                      | <b>721</b>                          | <b>707</b>                                  |
| <b>Investments and other assets</b>           |                                     |   |
| Investment securities                         | 1,649                               | 1,853                                       |
| Deferred tax assets                           | 529                                 | 530   |
| Other   | 626                                 | 663   |
| Allowance for doubtful accounts               | (93)                                | (105)                                       |
| <b>Total investments and other assets</b>     | <b>2,712</b>                        | <b>2,943</b>                                |
| <b>Total noncurrent assets</b>                | <b>17,846</b>                       | <b>21,131</b>                               |
| <b>Total assets</b>                           | <b>58,058</b>                       | <b>62,149</b>                               |

(Amount: millions of yen)

|   | FY2012<br>(As of December 31, 2012) | 2nd quarter FY2013<br>(As of June 30, 2013) |
|---|-------------------------------------|---|
| <b>Liabilities</b>                                    |                                     |   |
| <b>Current liabilities</b>                            |                                     |   |
| Accounts payable-trade                                | 5,410                               | 4,109                                       |
| Short-term loans payable                              | 3,928                               | 4,911                                       |
| Income taxes payable                                  | 699                                 | 501   |
| Other   | 4,223                               | 4,337                                       |
| <b>Total current liabilities</b>                      | <b>14,262</b>                       | <b>13,860</b>                               |
| <b>Noncurrent liabilities</b>                         |                                     |   |
| Long-term loans payable                               | 1,547                               | 2,674                                       |
| Provision for retirement benefits                     | 1,154                               | 1,292                                       |
| Other   | 288                                 | 292   |
| <b>Total noncurrent liabilities</b>                   | <b>2,990</b>                        | <b>4,259</b>                                |
| <b>Total liabilities</b>                              | <b>17,252</b>                       | <b>18,120</b>                               |
| <b>Net assets</b>                                     |                                     |   |
| <b>Shareholders' equity</b>                           |                                     |   |
| Capital stock   | 6,923                               | 6,923                                       |
| Capital surplus                                       | 7,432                               | 7,432                                       |
| Retained earnings                                     | 27,310                              | 28,102                                      |
| Treasury stock  | (81)                                | (81)  |
| <b>Total shareholders' equity</b>                     | <b>41,584</b>                       | <b>42,376</b>                               |
| <b>Accumulated other comprehensive income</b>         |                                     |   |
| Valuation difference on available-for-sale securities | 94                                  | 218   |
| Foreign currency translation adjustment               | (873)                               | 1,434                                       |
| <b>Total accumulated other comprehensive income</b>   | <b>(778)</b>                        | <b>1,652</b>                                |
| <b>Total net assets</b>                               | <b>40,805</b>                       | <b>44,029</b>                               |
| <b>Total liabilities and net assets</b>               | <b>58,058</b>                       | <b>62,149</b>                               |

(2) Consolidated statements of income

(Amount: millions of yen)

|   | 2nd quarter FY2012<br>(January 1, 2012 through June 30, 2012) | 2nd quarter FY2013<br>(January 1, 2013 through June 30, 2013) |
|---|---|---|
| Net sales   | 30,432  | 31,453  |
| Cost of sales                                     | 20,600  | 21,592  |
| Gross profit                                      | 9,832   | 9,860   |
| Selling, general and administrative expenses      | 6,952   | 7,500   |
| Operating income                                  | 2,879   | 2,360   |
| Non-operating income                              |   |   |
| Interest income                                   | 12  | 8   |
| Dividends income                                  | 24  | 24  |
| Other   | 60  | 60  |
| Total non-operating income                        | 98  | 93  |
| Non-operating expenses                            |   |   |
| Interest expenses                                 | 68  | 44  |
| Foreign exchange losses                           | 53  | 90  |
| Other   | 19  | 26  |
| Total non-operating expenses                      | 141   | 161   |
| Ordinary income                                   | 2,836   | 2,292   |
| Income before income taxes and minority interests | 2,836   | 2,292   |
| Income taxes                                      | 758   | 676   |
| Income before minority interests                  | 2,077   | 1,615   |
| Net income  | 2,077   | 1,615   |

(3) Consolidated statements of comprehensive income

(Amount: millions of yen)

|   | 2nd quarter FY2012<br>(January 1, 2012 through June 30, 2012) | 2nd quarter FY2013<br>(January 1, 2013 through June 30, 2013) |
|---|---|---|
| Income before minority interests                          | 2,077   | 1,615   |
| Other comprehensive income                                |   |   |
| Valuation difference on available-for-sale securities     | 70  | 123   |
| Foreign currency translation adjustment                   | 115   | 2,308   |
| Total other comprehensive income                          | 185   | 2,431   |
| Comprehensive income                                      | 2,262   | 4,047   |
| Comprehensive income attributable to                      |   |   |
| Comprehensive income attributable to owners of the parent | 2,262   | 4,047   |

## (4) Consolidated statements of cash flows

(Amount: millions of yen)

|   | 2nd quarter FY2012<br>(January 1, 2012 through June 30, 2012) | 2nd quarter FY2013<br>(January 1, 2013 through June 30, 2013) |
|---|---|---|
| Net cash provided by (used in) operating activities         |   |   |
| Income before income taxes and minority interests           | 2,836   | 2,292   |
| Depreciation and amortization                               | 1,434   | 1,613   |
| Increase (decrease) in allowance for doubtful accounts      | 0   | (0)   |
| Increase (decrease) in provision for retirement benefits    | 123   | 136   |
| Interest and dividends income                               | (37)  | (32)  |
| Interest expenses   | 68  | 44  |
| Decrease (increase) in notes and accounts receivable-trade  | (2,607)   | 3,011   |
| Decrease (increase) in inventories                          | 604   | 1,217   |
| Increase (decrease) in notes and accounts payable-trade     | 869   | (2,842)   |
| Other, net  | 1,026   | (498)   |
| Subtotal  | 4,319   | 4,941   |
| Interest and dividends income received                      | 37  | 32  |
| Interest expenses paid                                      | (68)  | (42)  |
| Income taxes paid   | (960)   | (771)   |
| Income taxes refund   | 4   | -   |
| Net cash provided by (used in) operating activities         | 3,332   | 4,160   |
| Net cash provided by (used in) investing activities         |   |   |
| Purchase of property, plant and equipment                   | (1,507)   | (3,391)   |
| Purchase of intangible assets                               | (43)  | (50)  |
| Other, net  | (202)   | (72)  |
| Net cash provided by (used in) investing activities         | (1,753)   | (3,514)   |
| Net cash provided by (used in) financing activities         |   |   |
| Net increase (decrease) in short-term loans payable         | (782)   | 485   |
| Proceeds from long-term loans payable                       | 800   | 2,040   |
| Repayment of long-term loans payable                        | (497)   | (620)   |
| Cash dividends paid   | (822)   | (823)   |
| Other, net  | (0)   | (0)   |
| Net cash provided by (used in) financing activities         | (1,304)   | (1,081)   |
| Effect of exchange rate change on cash and cash equivalents | 23  | 755   |
| Net increase (decrease) in cash and cash equivalents        | 299   | 2,482   |
| Cash and cash equivalents at beginning of period            | 12,773  | 10,822  |
| Cash and cash equivalents at end of period                  | 13,072  | 13,305  |

**(Segment Information)**

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

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.

2nd quarter FY2013 (January 1, 2013 through June 30, 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 | 22,380                | 3,833              | 5,239                             | 31,453 | -                             | 31,453       |
| (2) Intersegment sales          | -                     | -                  | -                                 | -      | -                             | -            |
| Total                           | 22,380                | 3,833              | 5,239                             | 31,453 | -                             | 31,453       |
| Operating income                | 1,956                 | 613                | 866                               | 3,436  | (1,075)                       | 2,360        |

(Note)

1. Segment profit is adjusted to operating profit of consolidated statements of income.
2. Adjustment of segment profit totaled (1,075) million yen is due to unallocated operating expenses consisted principally of expenses related to general affairs, accounting and other departments of the Company.