

FY2021 Consolidated Financial Results

February 9, 2022

(Amounts are rounded down to the nearest million yen)

1. Consolidated Results for FY2021 (January 1, 2021 through December 31, 2021)

 (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	%
FY2021	57,539	18.9	7,408	107.2	7,531	100.8	5,173	164.2
FY2020	48,375	(23.6)	3,575	(48.8)	3,750	(49.3)	1,958	(63.3)

(Note) Comprehensive income: FY2021: 7,810 million yen [351.5%] / FY2020: 1,729 million yen [(67.0)%]

	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	%	%	%
FY2021	248.14	-	10.5	12.0	12.9
FY2020	88.83	-	3.9	5.9	7.4

(Reference) Share of profit of entities accounted for using equity method: FY2021: -million yen / FY2020: -million yen

(2) Consolidated financial position

	Total assets	Total net assets	Ratio of net assets	Net assets per share
	Million yen	Million yen	%	Yen
FY2021	67,065	52,536	78.3	2,519.93
FY2020	58,190	45,777	78.7	2,195.71

(Reference) Shareholders' equity: FY2021: 52,536 million yen / FY2020: 45,777 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
FY2021	8,660	(3,780)	(1,250)	25,832
FY2020	7,554	(12,334)	(2,112)	21,417

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	%	%
FY2020	-	25.00	-	25.00	50.00	1,051	56.3	2.3
FY2021	-	25.00	-	57.00	82.00	1,730	33.0	3.5
FY2022 (forecast)	-	25.00	-	57.00	82.00		32.8	

3. Forecast of consolidated results for FY2022 (January 1, 2022 through December 31, 2022)

(% of change from FY2021 or 1st Half FY2021)

	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
FY2022 1st Half	27,600	-	2,900	-	2,900	-	2,030	-	97.37
FY2022	61,000	-	7,600	-	7,600	-	5,210	-	249.90

(Note) Since the Company has applied the "Accounting Standard for Revenue Recognition", etc., from the beginning of the FY2022, the above forecasts are based on the amounts after the application of the said accounting standard, etc., and the rate of changes of net sales are not shown.

Consolidated financial statements

(1) Consolidated balance sheets

(Amount: Million yen)

	FY2020 (As of December 31, 2020)	FY2021 (As of December 31, 2021)
Assets		
Current assets		
Cash and deposits	21,417	25,797
Notes and accounts receivable - trade	10,318	10,505
Finished goods	5,088	5,610
Work in process	2,234	3,757
Raw materials and supplies	1,280	1,865
Other	1,154	1,094
Allowance for doubtful accounts	(23)	(33)
Total current assets	41,470	48,597
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,360	13,847
Accumulated depreciation	(8,633)	(9,362)
Buildings and structures, net	4,727	4,484
Machinery, equipment and vehicles	19,244	21,128
Accumulated depreciation	(15,234)	(16,973)
Machinery, equipment and vehicles, net	4,009	4,155
Tools, furniture and fixtures	21,543	22,229
Accumulated depreciation	(19,162)	(20,055)
Tools, furniture and fixtures, net	2,380	2,174
Land	1,153	1,170
Construction in progress	874	737
Total property, plant and equipment	13,145	12,721
Intangible assets	644	494
Investments and other assets		
Investment securities	2,442	4,848
Deferred tax assets	312	270
Other	237	159
Allowance for doubtful accounts	(62)	(26)
Total investments and other assets	2,929	5,252
Total non-current assets	16,719	18,467
Total assets	58,190	67,065

(Amount: Million yen)

	FY2020 (As of December 31, 2020)	FY2021 (As of December 31, 2021)
Liabilities		
Current liabilities		
Accounts payable - trade	2,894	3,439
Short-term borrowings	1,908	1,933
Accrued expenses	2,435	2,812
Income taxes payable	237	1,805
Other	2,721	2,459
Total current liabilities	10,198	12,450
Non-current liabilities		
Long-term borrowings	291	94
Deferred tax liabilities	351	540
Provision for share benefits	259	372
Retirement benefit liability	1,078	821
Other	233	249
Total non-current liabilities	2,214	2,078
Total liabilities	12,412	14,528
Net assets		
Shareholders' equity		
Share capital	6,923	6,923
Capital surplus	7,432	7,537
Retained earnings	38,655	41,055
Treasury shares	(9,334)	(7,718)
Total shareholders' equity	43,675	47,797
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	627	1,124
Foreign currency translation adjustment	1,350	3,342
Remeasurements of defined benefit plans	123	272
Total accumulated other comprehensive income	2,102	4,739
Total net assets	45,777	52,536
Total liabilities and net assets	58,190	67,065

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

(Amount: Million yen)

	FY2020 (January 1, 2020 through December 31, 2020)	FY2021 (January 1, 2021 through December 31, 2021)
Net sales	48,375	57,539
Cost of sales	30,004	34,332
Gross profit	18,370	23,207
Selling, general and administrative expenses		
Advertising expenses	466	538
Promotion expenses	398	492
Provision of allowance for doubtful accounts	(5)	8
Salaries and bonuses	3,971	4,277
Retirement benefit expenses	141	121
Share-based remuneration expenses	92	113
Technical research expenses	4,687	5,028
Amortization of goodwill	220	-
Other	4,821	5,217
Total selling, general and administrative expenses	14,794	15,798
Operating profit	3,575	7,408
Non-operating income		
Interest income	35	26
Dividend income	48	48
Rental income	14	14
Subsidy income	300	110
Subsidies for employment adjustment	246	-
Other	192	201
Total non-operating income	836	401
Non-operating expenses		
Interest expenses	33	18
Foreign exchange losses	365	92
Loss on retirement of non-current assets	230	67
Other	32	100
Total non-operating expenses	662	278
Ordinary profit	3,750	7,531
Extraordinary losses		
Impairment loss	19	112
Extra retirement payments	844	-
Total extraordinary losses	864	112
Profit before income taxes	2,885	7,418
Income taxes - current	908	2,196
Income taxes - deferred	18	49
Total income taxes	927	2,245
Profit	1,958	5,173
Profit attributable to owners of parent	1,958	5,173

(Consolidated statements of comprehensive income)

(Amount: Million yen)

	FY2020 (January 1, 2020 through December 31, 2020)	FY2021 (January 1, 2021 through December 31, 2021)
Profit	1,958	5,173
Other comprehensive income		
Valuation difference on available-for-sale securities	(292)	496
Deferred gains or losses on hedges	1	-
Foreign currency translation adjustment	(49)	1,991
Remeasurements of defined benefit plans, net of tax	111	149
Total other comprehensive income	(228)	2,637
Comprehensive income	1,729	7,810
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,729	7,810

(3) Consolidated statements of changes in net assets

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

(Amount: Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,923	7,432	38,336	(483)	52,208
Changes 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 in items other than shareholders' equity					
Total changes during period	-	-	318	(8,851)	(8,532)
Balance at end of 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 period	920	(1)	1,399	11	2,330	54,539
Changes 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 in items other than shareholders' equity	(292)	1	(49)	111	(228)	(228)
Total changes during period	(292)	1	(49)	111	(228)	(8,761)
Balance at end of period	627	-	1,350	123	2,102	45,777

FY2021 (January 1, 2021 through December 31, 2021)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,923	7,432	38,655	(9,334)	43,675
Changes during period					
Dividends of surplus			(1,051)		(1,051)
Profit attributable to owners of parent			5,173		5,173
Purchase of treasury shares				(317)	(317)
Disposal of treasury shares		105		211	316
Cancellation of treasury shares			(1,722)	1,722	-
Net changes in items other than shareholders' equity					-
Total changes during period	-	105	2,399	1,616	4,121
Balance at end of period	6,923	7,537	41,055	(7,718)	47,797

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	627	1,350	123	2,102	45,777
Changes during period					
Dividends of surplus					(1,051)
Profit attributable to owners of parent					5,173
Purchase of treasury shares					(317)
Disposal of treasury shares					316
Cancellation of treasury shares					-
Net changes in items other than shareholders' equity	496	1,991	149	2,637	2,637
Total changes during period	496	1,991	149	2,637	6,758
Balance at end of period	1,124	3,342	272	4,739	52,536

(4) Consolidated statements of cash flows

(Amount: Million yen)

	FY2020 (January 1, 2020 through December 31, 2020)	FY2021 (January 1, 2021 through December 31, 2021)
Cash flows from operating activities		
Profit before income taxes	2,885	7,418
Depreciation	2,803	3,024
Impairment loss	19	112
Amortization of goodwill	220	-
Increase (decrease) in retirement benefit liability	(284)	(315)
Increase (decrease) in provision for share-based remuneration	63	113
Interest and dividend income	(84)	(75)
Interest expenses	33	18
Subsidy income	(300)	(110)
Subsidies for employment adjustment	(246)	-
Loss on retirement of property, plant and equipment	230	67
Decrease (increase) in trade receivables	2,366	1,694
Decrease (increase) in inventories	695	(2,028)
Increase (decrease) in trade payables	(304)	(618)
Increase (decrease) in accrued expenses	(426)	316
Other, net	1,178	(10)
Subtotal	8,851	9,609
Interest and dividends received	85	76
Interest paid	(32)	(19)
Subsidies received	300	110
Proceeds from subsidies for employment adjustment	243	3
Income taxes paid	(1,894)	(728)
Income taxes refund	-	454
Extra retirement payments	-	(844)
Net cash provided by (used in) operating activities	7,554	8,660
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,928)	(1,978)
Purchase of intangible assets	(88)	(43)
Purchase of investment securities	(1)	(2,042)
Proceeds from sale of investment securities	0	261
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(9,383)	-
Other, net	67	22
Net cash provided by (used in) investing activities	(12,334)	(3,780)

(Amount: Million yen)

	FY2020 (January 1, 2020 through December 31, 2020)	FY2021 (January 1, 2021 through December 31, 2021)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(511)	50
Proceeds from long-term borrowings	302	-
Repayments of long-term borrowings	(241)	(253)
Purchase of treasury shares	(0)	(292)
Proceeds from sale of treasury shares	-	316
Dividends paid	(1,639)	(1,050)
Other, net	(22)	(21)
Net cash provided by (used in) financing activities	(2,112)	(1,250)
Effect of exchange rate change on cash and cash equivalents	(74)	786
Net increase (decrease) in cash and cash equivalents	(6,967)	4,415
Cash and cash equivalents at beginning of period	28,384	21,417
Cash and cash equivalents at end of period	21,417	25,832

(Segment Information)

Business Segment Information

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

(Amount: Million yen)

	Photographic Products	Surveillance & FA Lenses	Mobility & Healthcare Products, Others	Total	Adjustment (Note 1)	Consolidated (Note 2)
Net sales :						
(1) Sales to external customers	33,569	9,069	5,735	48,375	-	48,375
(2) Intersegment sales	-	-	-	-	-	-
Total	33,569	9,069	5,735	48,375	-	48,375
Operating income	5,320	577	359	6,257	(2,681)	3,575
Assets	30,266	8,548	3,732	42,546	15,644	58,190
Depreciation	2,139	362	241	2,743	59	2,803
Amortization of goodwill	-	-	-	-	220	220
Extraordinary losses (Impairment loss)	16 (16)	1 (1)	1 (1)	19 (19)	0 (0)	19 (19)
Increase in tangible and intangible fixed assets	2,017	487	223	2,728	6	2,734

Note:

- (1) Adjustment of segment profit 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 is adjusted to operating profit of consolidated statements of income.

FY2021 (January 1, 2021 through December 31, 2021)

(Amount: Million yen)

	Photographic Products	Surveillance & FA Lenses	Mobility & Healthcare Products, Others	Total	Adjustment (Note 1)	Consolidated (Note 2)
Net sales :						
(1) Sales to external customers	41,999	9,360	6,178	57,539	-	57,539
(2) Intersegment sales	-	-	-	-	-	-
Total	41,999	9,360	6,178	57,539	-	57,539
Operating income	8,555	478	812	9,846	(2,437)	7,408
Assets	30,920	8,103	4,279	43,303	23,762	67,065
Depreciation	2,310	424	236	2,971	52	3,024
Extraordinary losses (Impairment loss)	62 (62)	19 (19)	11 (11)	92 (92)	19 (19)	112 (112)
Increase in tangible and intangible fixed assets	1,517	157	162	1,837	52	1,890

Note:

- (1) Adjustment of segment profit totaled (2,437) 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.