

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2018 (Based on Japanese GAAP)

November 8, 2018

Company name: Optorun Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 6235 URL <http://www.optorun.co.jp/>
 Representative: President Ihei Hayashi
 Inquiries: CFO, Director Senior Managing Officer Toshinori Takahashi TEL 03-6635-9487
 Scheduled date to file Quarterly Securities Report: November 8, 2018
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended September 30, 2018 (from January 1, 2018 to September 30, 2018)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended September 30, 2018	38,040	78.6	10,416	89.7	10,913	95.1	7,952	117.6
Nine months ended September 30, 2017	21,298	–	5,492	–	5,593	–	3,655	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2018	192.80		180.65	
Nine months ended September 30, 2017	102.59		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2018	60,841	28,534	46.9
As of December 31, 2017	56,425	22,606	40.0

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended December 31, 2017	–	0.00	–	40.00	40.00
Year ending December 31, 2018	–	0.00	–		
Year ending December 31, 2018 (Forecast)				50.00	50.00

3. Forecast of consolidated financial results for the year ending December 31, 2018 (from January 1, 2018 to December 31, 2018)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	43,800	31.2	10,700	46.0	11,200	57.8	7,200	49.5	174.54

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 2018
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
 - Changes in accounting policies due to other reasons: No
 - Changes in accounting estimates: No
 - Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2018	44,358,000 shares	As of December 31, 2017	44,358,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2018	3,000,000 shares	As of December 31, 2017	3,450,000 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2018	41,250,659 shares	Nine months ended September 30, 2017	35,628,000 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2017	As of September 30, 2018
Assets		
Current assets		
Cash and deposits	19,893,800	18,064,608
Notes and accounts receivable - trade	3,380,450	9,032,668
Work in process	20,228,921	21,869,435
Raw materials and supplies	4,878,864	3,811,292
Deferred tax assets	963,357	1,411,588
Other	3,091,683	1,669,118
Allowance for doubtful accounts	(181,290)	(266,107)
Total current assets	52,255,788	55,592,604
Non-current assets		
Property, plant and equipment	2,862,834	2,930,412
Intangible assets	81,102	76,381
Investments and other assets		
Investment securities	215,829	448,477
Investments in capital	725,374	1,428,588
Deferred tax assets	36,945	88,497
Other	247,854	276,844
Total investments and other assets	1,226,004	2,242,407
Total non-current assets	4,169,940	5,249,202
Total assets	56,425,729	60,841,807
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,303,432	3,402,211
Short-term loans payable	8,970,637	5,166,874
Current portion of long-term loans payable	209,742	190,992
Lease obligations	13,031	12,679
Income taxes payable	1,757,632	1,349,910
Advances received	11,327,160	17,743,486
Provision for bonuses	435,049	678,388
Provision for directors' bonuses	164,924	–
Provision for product warranties	68,558	88,621
Other	1,788,161	1,269,620
Total current liabilities	32,038,328	29,902,785
Non-current liabilities		
Long-term loans payable	397,856	254,612
Lease obligations	35,000	30,037
Deferred tax liabilities	977,848	1,718,014
Provision for directors' retirement benefits	235,337	251,670
Net defined benefit liability	125,119	134,381
Other	9,475	15,742
Total non-current liabilities	1,780,637	2,404,457
Total liabilities	33,818,966	32,307,243

(Thousands of yen)

	As of December 31, 2017	As of September 30, 2018
Net assets		
Shareholders' equity		
Capital stock	400,000	400,000
Capital surplus	9,052,807	9,162,730
Retained earnings	12,871,295	19,187,948
Treasury shares	(226,755)	(197,178)
Total shareholders' equity	22,097,346	28,553,500
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,451	4,124
Deferred gains or losses on hedges	(86,078)	–
Foreign currency translation adjustment	580,148	(31,874)
Total accumulated other comprehensive income	499,521	(27,749)
Non-controlling interests	9,895	8,813
Total net assets	22,606,763	28,534,564
Total liabilities and net assets	56,425,729	60,841,807

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2017	Nine months ended September 30, 2018
Net sales	21,298,170	38,040,219
Cost of sales	12,057,594	22,433,344
Gross profit	9,240,576	15,606,875
Selling, general and administrative expenses	3,748,327	5,190,302
Operating profit	5,492,248	10,416,573
Non-operating income		
Interest income	18,419	32,617
Rent income	54,506	83,646
Foreign exchange gains	106,269	497,484
Other	23,783	46,491
Total non-operating income	202,979	660,240
Non-operating expenses		
Interest expenses	43,250	26,856
Share of loss of entities accounted for using equity method	58,655	135,910
Other	32	211
Total non-operating expenses	101,938	162,978
Ordinary profit	5,593,288	10,913,835
Extraordinary income		
Gain on change in equity	15,755	-
Gain on sales of non-current assets	15,389	-
Total extraordinary income	31,145	-
Profit before income taxes	5,624,434	10,913,835
Income taxes	1,970,350	2,961,947
Profit	3,654,083	7,951,888
Loss attributable to non-controlling interests	(1,066)	(1,085)
Profit attributable to owners of parent	3,655,149	7,952,973

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2017	Nine months ended September 30, 2018
Profit	3,654,083	7,951,888
Other comprehensive income		
Valuation difference on available-for-sale securities	(191)	(1,326)
Deferred gains or losses on hedges	(209,019)	86,078
Foreign currency translation adjustment	121,539	(588,855)
Share of other comprehensive income of entities accounted for using equity method	4,661	(23,167)
Total other comprehensive income	(83,010)	(527,270)
Comprehensive income	3,571,073	7,424,617
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,572,209	7,425,699
Comprehensive income attributable to non-controlling interests	(1,136)	(1,082)