

April 28, 2020

To our shareholders

Company Name: Optorun Co., Ltd.  
Name of Representative: Ihei Hayashi  
Representative Director and  
President/CEO  
(Securities Code: 6235 Tokyo Stock Exchange Section 1)  
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### **Business update related to COVID19 outbreak.**

#### **1. Current response to the COVID 19 outbreak.**

In response to the Japanese government's Declaration of the State of Emergency, our employees in Ikebukuro Tokyo Head Office are currently working from home, and those in the Kawagoe Technology Center, which is the technology development department, are either working from home, or when found absolutely necessary, working at the Center in staggered working hours. We are also carrying out thorough infection prevention measures including daily health condition checks and prohibition of domestic and overseas business trips. No employee has developed symptoms so far.

The overall operation of our two major overseas subsidiaries which play major roles for our production, applied research development, and sales activities, have returned to normal. OPTORUN (SHANGHAI) CO., LTD. (Optorun Shanghai), especially following the lift of lockdown in Wuhan, China, on April 8, has seen all its employees returned, production capacity recovered to its normal level, and except for some imported parts from outside China, parts procurement also getting back to usual. The business activities have also been normalized in OPTORUN TAIWAN CO., LTD. (Optorun Taiwan). As a result of thorough infection prevention measures, no employee has developed symptoms at either of the two subsidiaries at this time.

#### **2. Localization is functioning.**

Our operation has always been thoroughly localized under the leadership of its Japan headquarters; Optorun Shanghai and Optorun Taiwan are run 100% by local employees. During this COVID 19 outbreak, this fully localized operation has allowed us to communicate smoothly with the local government authorities, grasp the exact prospects of employees' return to the workplace in a timely manner, and maintain close communication with parts suppliers, resulting so far in making us capable of effectively addressing the fluid situation. We have also traditionally carried out cross-sectional operation in areas such as development, sales and management administration across Tokyo, Kawagoe, Shanghai, and Taiwan under the supervision of the Japan headquarters. This enabled us to temporarily move the development project to Taiwan from Shanghai in order to prevent delays during this outbreak.

### **3 Widespread use of remote working tools**

In response to the current situation, we are demonstrating enhanced communication capabilities in running our global operations by effectively using remote working tools. We are working to ensure smooth communication flows in Japanese, Chinese, and English languages through remote telecommunication tools between our headquarters in Japan and our subsidiaries/affiliates in Shanghai, Taiwan, and Finland (Afly solution Oy). That includes regular meetings among directors and executive officers that are conducted from home. In addition, we frequently hold meetings using these tools with Japanese and overseas customers for marketing, technology development and equipment delivery, as well as with suppliers for procurement, to avoid direct onsite contacts. We will continue to endeavor using various communication means to minimize the impact of the worldwide Corona outbreak in order to meet customer needs and achieve business results.

### **4 Production / procurement status**

Currently, employees of the Tokyo Head Office and Kawagoe Development Center are mainly working from home, and are in contact with domestic departments and overseas bases through various remote working tools. Our Shanghai and Taiwan are operating normally in terms of production and shipping. In terms of procurement, we are facing no major obstacles in China. Although we've witnessed some impacts on supply chain for our imported parts from outside of China, with our existing inventory in place, we are working closely with our parts vendors to speed up delivery to ensure that procurement will not be hindered. Likewise, Optorun Taiwan's procurement is almost back to normal.

### **5. Market environment**

While we've been witnessing a strong market recovery trend that started from the fourth quarter of 2019 into the beginning of 2020, we are also seeing the market environment staying fluid in the midst of various infection prevention measures taken in each East Asian countries. We will endeavor to keep the potential market needs in check and minimize the impact on our activities in development, production, and marketing. With the rise of 5G and IoT in sight, we will continue to develop capabilities to effectively respond to future market trends and meet customer expectations.

### **6. Announcement date of the 1st Quarter Financial Results for the Year Ending December 31, 2020**

There will be no change to the announcement date scheduled for Monday, May 11, 2020.

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