



1st Quarter Results Year ending December 2022

Optoran Co., Ltd.

May 13, 2022



01

Q1/FY2022 Results

02

Topics

1. Q1 2022 Results



1. Summary of Q1 Results

- Orders received totaled 13.8 billion yen, the highest level since the Q4 2019, led by smartphones, healthcare, AR/VR, etc. The order backlog increased to 36.8 billion yen.
- Net sales fell 25% year on year to ¥5.1 billion due to restrictions caused by the Covid spread in China and shortage of semiconductors.
- Operating profit margin was 14.5%, down by 9.8% y-o-y, due to sales decline. SG&A expenses were within the budget. Foreign exchange gains (+300mn yen) contributed to recurring profit of 1.1 billion yen.
- R&D activities are in progress in the IoT field, including automotive and AR/VR, in addition to smartphones and LEDs. Also signed acquiring land and buildings for R&D facilities.
- Production in Shanghai partially resumed in the first week of May.

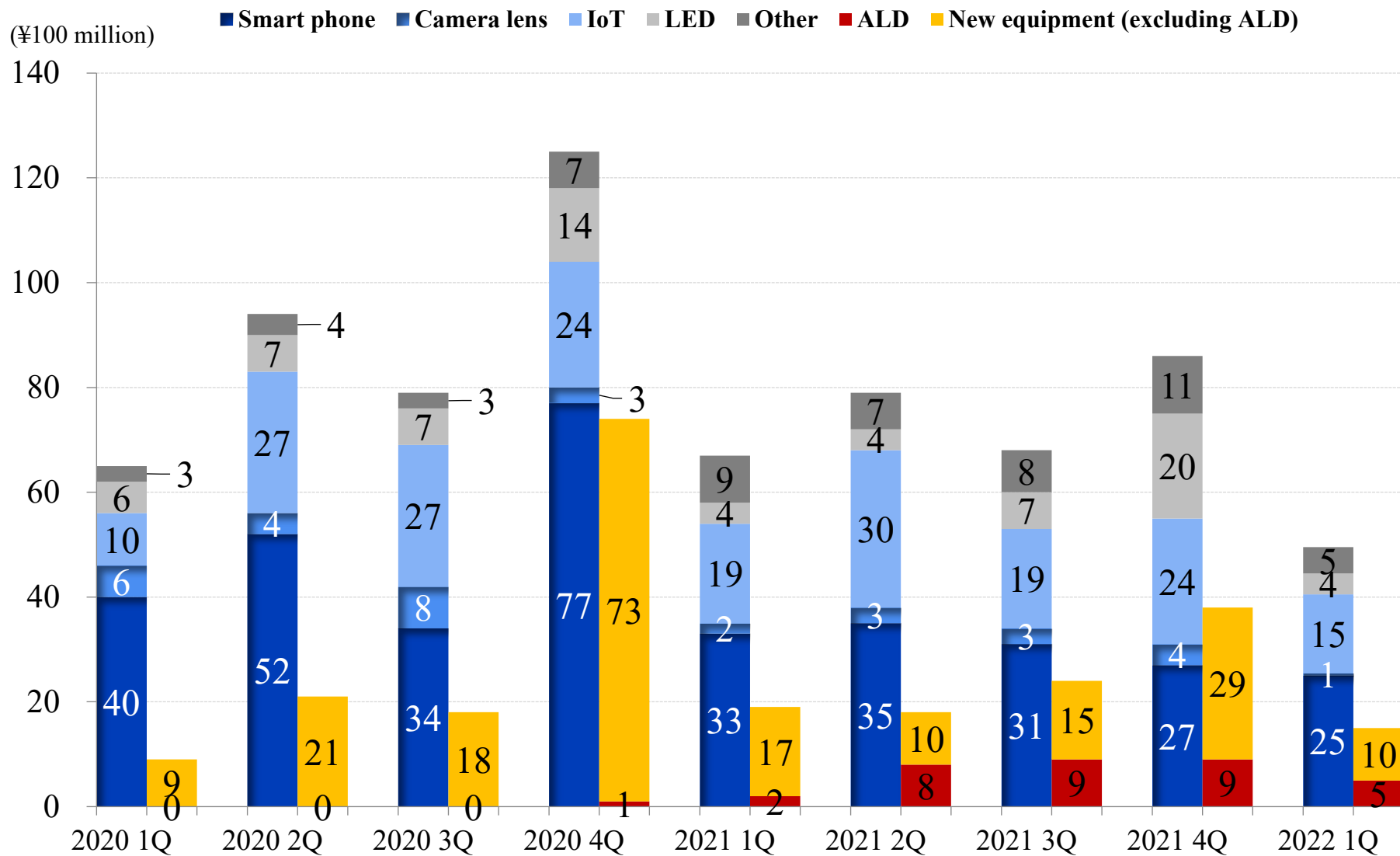
2. Performance Highlights (FY 2022)

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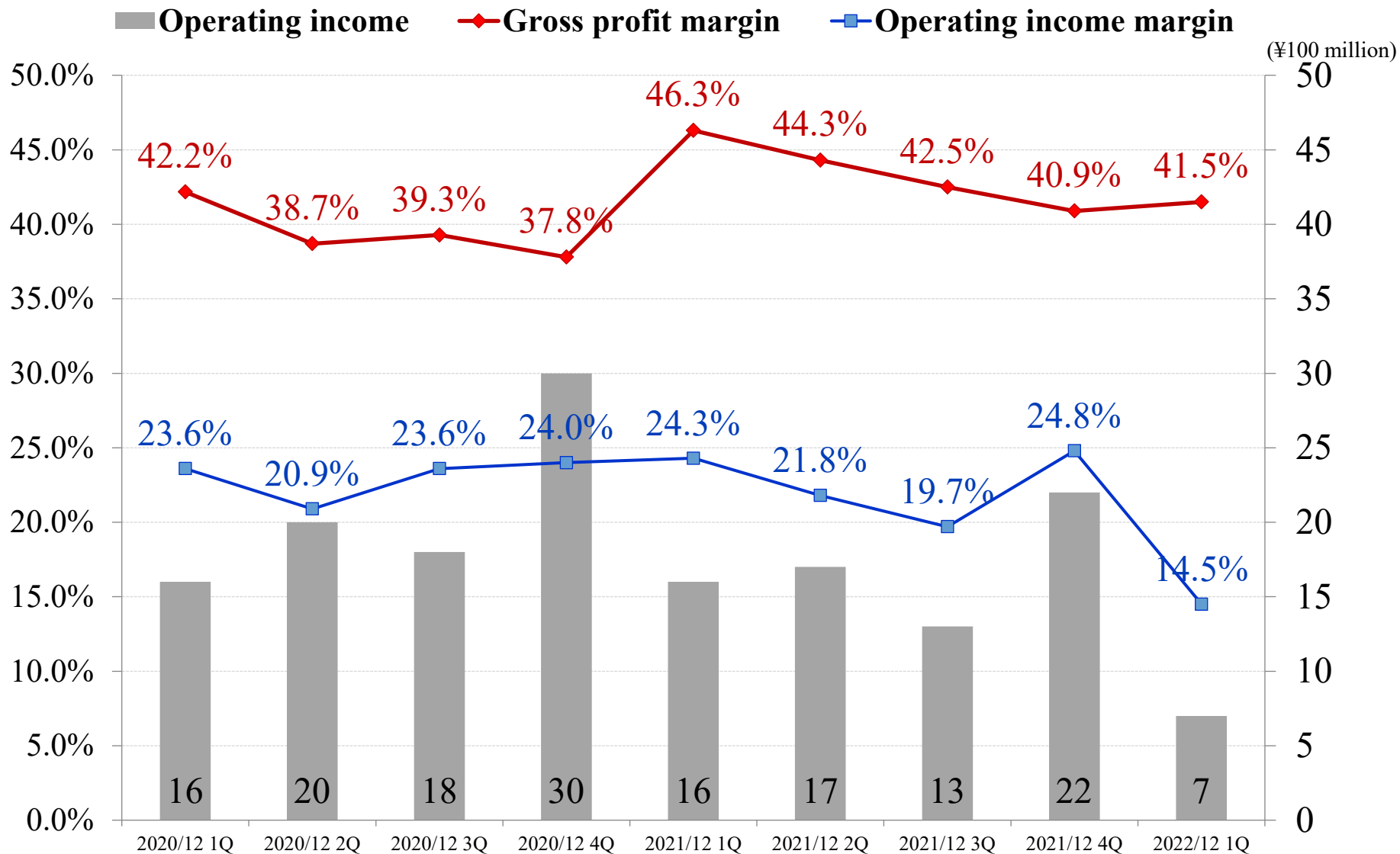


[Unit: 100 million yen]	Year ended December 31, 2021 Q1	Year ended December 2022 Q1	YoY change
Net sales	68	51	△25.6%
Gross profit	31	21	△33.3%
	(46.3%)	(41.5%)	—
Operating profit	16	7	△55.7%
	(24.3%)	(14.5%)	—
Ordinary profit	21	11	△49.1%
	(31.5%)	(21.6%)	—
Net profit	14	6	△58.6%
	(21.1%)	(11.8%)	—
R&D expenses	7	6	△3.9%
	(10.5%)	(13.6%)	—
CAPEX	3	6	93.4%
Orders received	91	138	51.1%
Order backlog	258	368	42.5%

3. Quarterly net sales

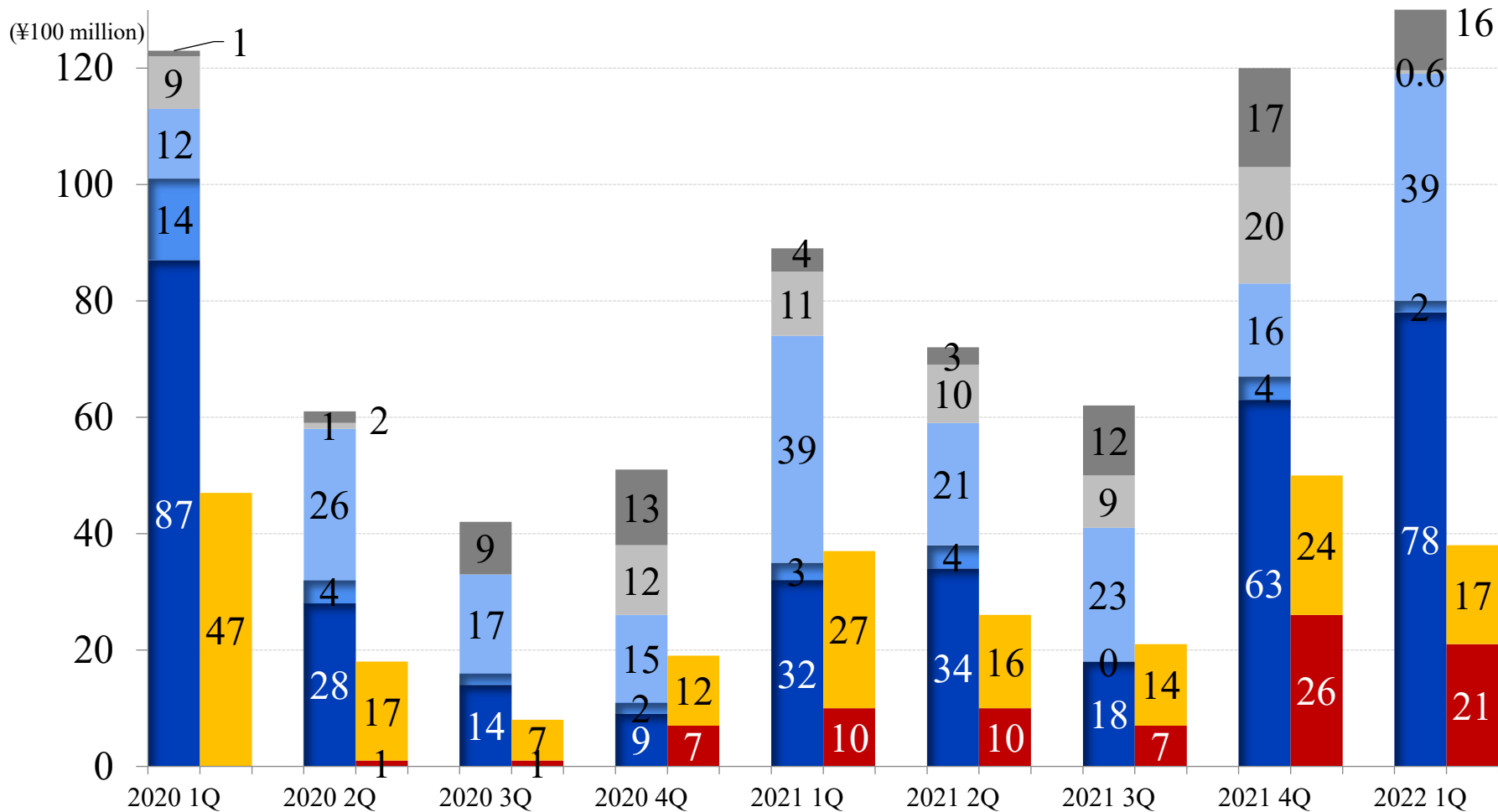


4. Gross profit and operating profit (quarterly)







5. Quarterly orders received

■ Smart phone
 ■ Camera lens
 ■ IoT
 ■ LED
 ■ Other
 ■ ALD
 ■ New equipment (excluding ALD)



6. Trends in orders received

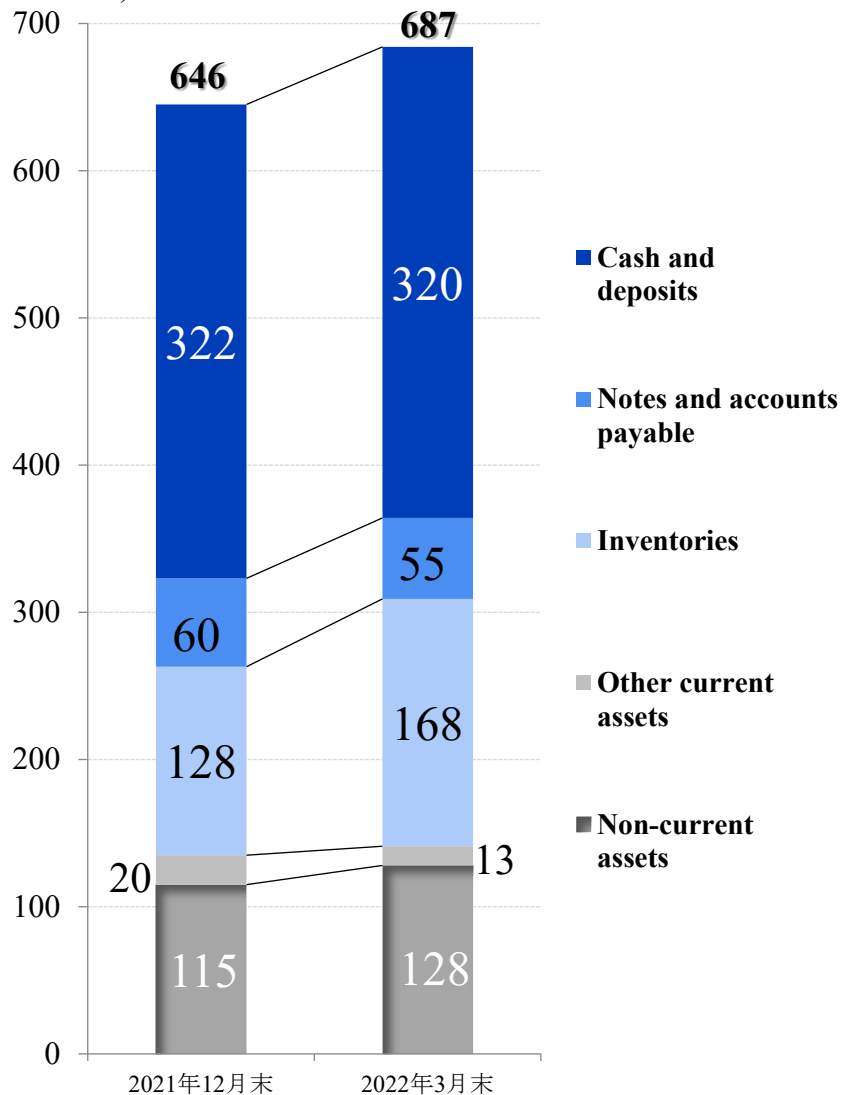
- Growing need for sophisticated smartphone camera technologies.
- The IoT field is now a growth pillar supported by automobile and AR/VR applications.

 <p>Smartphone</p>	<ul style="list-style-type: none"> ● Camera modules contributed to Q1 orders, including large orders from major customers. ● Most of the orders for ALD are for smartphone camera modules.
 <p>Automotive</p>	<ul style="list-style-type: none"> ● Accounts for 40% of IoT orders in Q1. ● Car-mounted cameras, heads-up displays, sensors, etc.
 <p>AR/VR</p>	<ul style="list-style-type: none"> ● Continued growth in orders received. ● Orders for 2022 are expected to double from the previous year.
 <p>Healthcare</p>	<ul style="list-style-type: none"> ● Orders for X-ray scintillators are continuing.

7. Consolidated Balance Sheet (as of March 31, 2022)

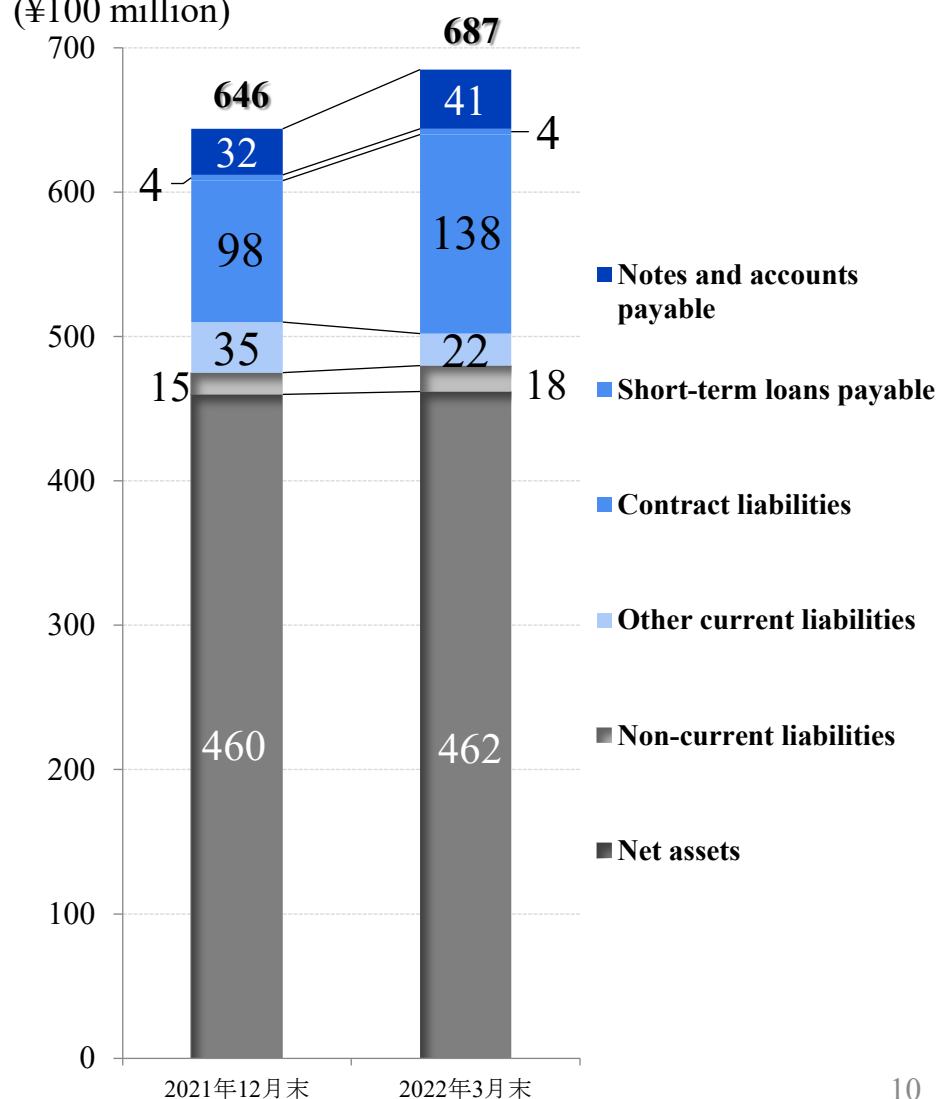
(¥100 million)

Assets



Liabilities and net assets

(¥100 million)



2. Topics



8. Topics

1. Strengthening R&D Capabilities (R&D facility acquisition)

- Decided to acquire land and buildings in Tsurugashima City, Saitama.
- R&D themes are expanding as the fusion of semiconductor and optical technologies progresses in the IoT and sensing fields.
- Also looking at opportunities to produce high-value-added equipment using the newly acquired site.

2. Shanghai lockdown situation

- Production partially resumed in the first week of May following the production suspension caused by Shanghai City lockdown.
- Increasing our capacity utilization to minimize the impact of the lockdown.

3. China Plus One

- Geographically diversifying customers to mitigate risks associated with business concentration in China.
- Measures will be taken to reduce risks, including the possibility of equipment production in Japan and Southeast Asia.

Disclaimer, Precautions, and Contact Information



The information contained in this document has been prepared on the basis of generally accepted economic and social conditions as of May 12, 2022, and certain assumptions that we judged to be reasonable. However, the information contained in this document may be changed without notice due to changes in the business environment.

The materials and information provided in this publication include so-called forward-looking statements. These forward-looking statements are based on current expectations, projections and risky assumptions, and contain uncertainties that may cause results that differ materially from these statements.

These risks and uncertainties include general industry and market conditions, general domestic and international economic conditions such as interest rates and currency fluctuations.

We are not obligated to update or revise the forward-looking information contained in this report even if new information or future events occur.

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