

Translation

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Summary of Consolidated Financial Results for Three months ended March 31, 2022 (Based on Japanese GAAP)

May 12, 2022

Company name: Optorun Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 6235 URL <http://www.optorun.co.jp>
 Representative: Representative Director and President/CEO Bin Fan
 Director and Executive Officer
 Inquiries: General Manager of Corporate Management Mitsuo Yamada TEL 03-6635-9487
 Dept.
 Scheduled date to file Quarterly Securities Report: May 12, 2022
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated Results for Year Ended December 31, 2022 (January 1, 2022 to December 31, 2022)

(1) Consolidated operating results

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	%
Three months ended March 31, 2022	5,117	(25.6)	740	(55.7)	1,103	(49.1)	602	(58.6)
Three months ended March 31, 2021	6,880	0.6	1,672	3.5	2,170	19.5	1,453	0.5

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2022	13.93	13.61
Three months ended March 31, 2021	33.76	32.88

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2022	68,745	46,213	67.2
As of December 31, 2021	64,674	46,083	71.2

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2021	—	0.00	—	50.00	50.00
Year ended December 31, 2022	—	—	—	—	—
Year ending December 31, 2022 (Forecast)	—	0.00	—	42.00	42.00

3. Forecast of consolidated financial results for the year ending December 31, 2022

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	31,900	3.3	6,500	(7.5)	6,300	(20.3)	4,600	(27.3)	106.44

4. Notes

- (1) Changes in significant subsidiaries during the year ended December 31, 2022 No
- (2) 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: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of March 31, 2022	44,358,000 shares	As of December 31, 2021	44,358,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	1,081,692 shares	As of December 31, 2021	1,141,692 shares
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Average number of shares during the period

As of March 31, 2022	43,228,441 shares	As of March 31, 2021	43,043,986 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	32,273,511	32,046,066
Notes and accounts receivable - trade	6,013,382	5,599,259
Work in process	7,050,959	8,331,915
Raw materials and supplies	5,804,136	8,564,407
Other	2,389,818	1,705,236
Allowance for doubtful accounts	(386,509)	(340,787)
Total current assets	53,145,299	55,906,097
Non-current assets		
Property, plant and equipment	4,526,761	5,206,141
Intangible assets		
Goodwill	610,733	597,053
Other	66,361	62,704
Total intangible assets	677,094	659,758
Investments and other assets		
Investment securities	350,000	350,000
Investments in capital	5,237,111	5,777,857
Deferred tax assets	354,334	434,707
Other	384,189	410,457
Total investments and other assets	6,325,635	6,973,022
Total non-current assets	11,529,492	12,838,922
Total assets	64,674,791	68,745,019

(Thousands of yen)

	As of December 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,246,321	4,153,649
Short-term loans payable	400,000	400,000
Current portion of long-term loans payable	54,000	37,500
Lease obligations	17,614	14,212
Income taxes payable	1,389,156	289,248
Advances received	9,830,666	—
Contract liabilities	—	13,873,060
Provision for bonuses	296,775	148,393
Provision for product warranties	257,965	188,360
Other	1,564,039	1,588,781
Total current liabilities	17,056,540	20,693,206
Non-current liabilities		
Lease obligations	15,701	12,649
Deferred tax liabilities	1,180,914	1,483,702
Retirement benefit liability	179,987	184,939
Other	157,923	157,386
Total non-current liabilities	1,534,526	1,838,677
Total liabilities	18,591,067	22,531,884
Net assets		
Shareholders' equity		
Capital stock	400,000	400,000
Capital surplus	9,454,013	9,468,655
Retained earnings	34,235,194	32,676,421
Treasury shares	(75,318)	(71,359)
Total shareholders' equity	44,013,889	42,473,717
Accumulated other comprehensive income		
Foreign currency translation adjustment	2,056,449	3,720,245
Total accumulated other comprehensive income	2,056,449	3,720,245
Non-controlling interests	13,385	19,172
Total net assets	46,083,724	46,213,135
Total liabilities and net assets	64,674,791	68,745,019

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Three months ended March 31, 2021	Three months ended March 31, 2022
Net sales	6,880,021	5,117,233
Cost of sales	3,694,090	2,991,185
Gross profit	3,185,931	2,126,048
Selling, general and administrative expenses	1,513,634	1,385,907
Operating profit	1,672,296	740,141
Non-operating income		
Interest income	4,961	20,385
Rent income	10,036	5,889
Foreign exchange gains	515,471	346,453
Subsidy income	14,252	1,831
Other	12,010	2,483
Total non-operating income	556,732	377,042
Non-operating expenses		
Interest expenses	141	101
Share of loss of entities accounted for using equity method	58,291	13,296
Other	38	0
Total non-operating expenses	58,471	13,398
Ordinary profit	2,170,557	1,103,785
Extraordinary income		
Gain on sales of non-current assets	—	62
Total extraordinary income	—	62
Extraordinary losses		
Loss on retirement of non-current assets	51,376	0
Total extraordinary losses	51,376	0
Profit before income taxes	2,119,181	1,103,848
Income taxes - current	658,925	496,912
Profit	1,460,256	606,935
Profit (loss) attributable to non-controlling interests	7,030	4,892
Profit attributable to owners of parent	1,453,225	602,043

Consolidated statements of comprehensive income

(Thousands of yen)

	Three months ended March 31, 2021	Three months ended March 31, 2022
Profit	1,460,256	606,935
Other comprehensive income		
Foreign currency translation adjustment	920,006	1,419,014
Share of other comprehensive income of entities accounted for using equity method	219,910	245,699
Total other comprehensive income	1,139,916	1,664,713
Comprehensive income	2,600,172	2,271,649
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,592,428	2,265,862
Comprehensive income attributable to non-controlling interests	7,744	5,786