Translation

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Summary of Consolidated Financial Results for the Three Months Ended March 31, 2020 (Based on Japanese GAAP)

May 11, 2020

Company name: Optorun Co., Ltd.

Stock exchange listing: Tokyo

Stock code: 6235 URL http://www.optorun.co.jp/

Representative: Representative Director and President/CEO Ihei Hayashi

Inquiries: Director and Senior Managing Executive Toshinori Takahashi TEL 03-6635-9487

Officer General Manager of Management Department and Corporate Planning Office

Scheduled date to file Quarterly Securities Report: May 11, 2020

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 financial results for the three months ended March 31, 2020 (from January 1, 2020 to March 31, 2020)

(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	%
Three months ended March 31, 2020	6,837	(51.1)	1,615	(60.9)	1,816	(55.8)	1,445	(59.9)
Three months ended March 31, 2019	13,975	30.5	4,126	26.4	4,110	20.0	3,605	51.4

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2020	33.99	32.77
Three months ended March 31, 2019	86.62	82.23

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2020	53,227	33,161	62.3
As of December 31, 2019	56,509	34,819	61.6

2. Cash dividends

		Annual dividends per share						
	1st quarter-end	1st quarter-end 2nd quarter-end 3rd quarter-end Fiscal year-end Total						
	Yen	Yen	Yen	Yen	Yen			
Year ended December 31, 2019	-	0.00	-	60.00	60.00			
Year ending December 31, 2020	=							
Year ending December 31, 2020 (Forecast)		0.00	_	60.00	60.00			

 $3.\ Forecast\ of\ consolidated\ financial\ results\ for\ the\ year\ ending\ December\ 31,\ 2020\ (from\ January\ 1,\ 2020\ to\ December\ 31,\ 2020)$

Percentages indicate year-on-year changes

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	Net sales		Operating pr	ofit	Ordinary pro	ofit	Profit attributa owners of pa		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	46,200	7.9	12,000	10.3	12,000	8.8	9,200	1.1	216.94

4. Notes

(1) Changes in significant subsidiaries during the three months ended March 31, 2020 (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 No Changes in accounting policies due to other reasons: Changes in accounting estimates: No No

Restatement of prior period financial statements:

(4) Number of issued shares (common shares)

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

Total number of issued shares at the end of	the period (merading treas	oury snares)			
As of March 31, 2020	44,358,000 shares As of December 31, 2019		44,358,000 shares		
Number of treasury shares at the end of the	period				
As of March 31, 2020	1,708,076 shares As of December 31, 2019		1,950,731 shares		
Average number of shares during the period (cumulative from the beginning of the fiscal year)					
Three months ended March 31, 2020	42,540,500 shares	Three months ended March 31, 2019	41,621,436 shares		

Quarterly consolidated financial statements Consolidated balance sheets

Total current assets 47,193,845 44,093,724 Non-current assets 2,763,710 2,958,500 Intangible assets 65,516 80,258 Investments and other assets 795,174 755,907 Investments in capital 4,825,976 4,529,055 Deferred tax assets 605,295 554,545 Other 259,618 255,831 Total investments and other assets 6,486,065 6,095,339 Total non-current assets 9,315,292 9,134,097 Total assets 56,509,137 53,227,821 Liabilities 2 7,735,267 3,333,871 Notes and accounts payable - trade 2,735,267 3,333,871 Short-term borrowings 401,691 401,391 Current portion of long-term borrowings 86,864 66,000 Lease obligations 21,588 21,116 Income taxes payable 545,000 245,710 Advances received 13,988,698 12,386,791 Provision for bonuses 318,218 20,707 Provision for product wa			(Thousands of yen)
Current assets 26,969,840 24,609,815 Cash and deposits 26,969,840 3,075,074 Work in process 11,103,107 11,037,175 Raw materials and supplies 4,070,363 4,696,302 Other 1,148,282 1,004,165 Allowance for doubtful accounts (350,710) (328,809) Total current assets 47,193,845 44,093,724 Non-current assets 47,193,845 44,093,724 Non-current assets 65,516 80,258 Investments and equipment 2,763,710 2,958,500 Intangible assets 65,516 80,258 Investments and other assets 795,174 755,907 Investments in capital 4,825,976 4,529,055 Deferred tax assets 605,295 554,545 Other 259,618 255,831 Total investments and other assets 6,486,065 6,095,339 Total conscurrent assets 9,315,292 9,134,097 Total assets 56,509,137 53,227,821 Liabilities 2		As of December 31, 2019	As of March 31, 2020
Cash and deposits 26,969,840 24,609,815 Notes and accounts receivable - trade 4,252,961 3,075,074 Work in process 11,103,107 11,037,175 Raw materials and supplies 4,070,363 4,696,302 Other 1,148,282 1,004,165 Allowance for doubtful accounts (350,710) (328,809) Total current assets 47,193,845 44,093,724 Non-current assets 47,193,845 44,093,724 Non-current assets 65,516 80,258 Investments and other assets 65,516 80,258 Investments and other assets 795,174 755,907 Investments in capital 4,825,976 4,529,055 Deferred tax assets 605,295 554,545 Other 259,618 255,831 Total investments and other assets 6,486,065 6,095,339 Total assets 56,509,137 53,227,821 Liabilities Current liabilities 318,284 466,000 Lease obligations 21,588 21,116 66,000 <t< td=""><td>Assets</td><td></td><td></td></t<>	Assets		
Notes and accounts receivable - trade 4,252,961 3,075,074 Work in process 11,103,107 11,637,175 Raw materials and supplies 4,070,363 4,696,302 Other 1,148,282 1,0004,165 Allowance for doubtful accounts 350,710 328,809 Total current assets 47,193,845 44,093,724 Non-current assets 47,193,845 44,093,724 Non-current assets 2,763,710 2,958,500 Intangible assets 65,516 80,258 Investments and other assets 795,174 755,907 Investments in capital 4,825,976 4,529,055 Deferred tax assets 605,295 554,545 Other 259,618 255,831 Total investments and other assets 6,486,065 6,095,339 Total non-current assets 9,315,292 9,134,097 Total assets 2,735,267 3,333,871 Short-term borrowings 401,691 401,391 Current portion of long-term borrowings 86,864 66,000 Lease obligations </td <td>Current assets</td> <td></td> <td></td>	Current assets		
Work in process 11,103,107 11,037,175 Raw materials and supplies 4,070,363 4,696,302 Other 1,148,282 1,004,165 Allowance for doubtful accounts (350,710) (328,809) Total current assets 47,193,845 44,093,724 Non-current assets 8 44,093,724 Property, plant and equipment 2,763,710 2,958,500 Intestments and other assets 65,516 80,258 Investments and other assets 795,174 755,907 Investments and content assets 605,295 554,545 Other 259,618 255,831 Total investments and other assets 605,295 554,545 Other 259,618 255,831 Total investments and other assets 9,315,292 9,134,097 Total assets 56,509,137 53,227,821 Liabilities 8 1,292 9,134,097 Total assets 2,735,267 3,333,871 Short-term borrowings 401,691 401,391 Current liabilities	Cash and deposits	26,969,840	24,609,815
Raw materials and supplies 4,070,363 4,696,302 Other 1,148,282 1,004,165 Allowance for doubtful accounts (350,710) (328,809) Total current assets 47,193,845 44,093,724 Non-current assets 2,763,710 2,958,500 Intangible assets 65,516 80,258 Investments and other assets 795,174 755,907 Investments in capital 4,825,976 4,529,055 Deferred tax assets 605,295 554,545 Other 259,618 255,831 Total investments and other assets 6,486,065 6,095,339 Total non-current assets 9,315,292 9,134,097 Total assets 56,509,137 53,227,821 Liabilities Current biabilities 70 3,333,871 Short-term borrowings 401,691 401,391 Current portion of long-term borrowings 86,864 66,000 Lease obligations 21,588 21,116 Income taxes payable 545,000 245,710 Advances received <td>Notes and accounts receivable - trade</td> <td>4,252,961</td> <td>3,075,074</td>	Notes and accounts receivable - trade	4,252,961	3,075,074
Other 1,148,282 1,004,165 Allowance for doubtful accounts (350,710) (328,809) Total current assets 47,193,845 44,093,724 Non-current assets 2763,710 2,958,500 Intangible assets 65,516 80,258 Investments and other assets 795,174 755,907 Investments in capital 4,825,976 4,529,055 Deferred tax assets 605,295 554,545 Other 259,618 255,831 Total investments and other assets 6,486,065 6,095,339 Total non-current assets 9,315,292 9,134,097 Total assets 56,509,137 53,227,821 Liabilities 20 3,333,871 Current liabilities 2,735,267 3,333,871 Short-term borrowings 401,691 401,391 Current portion of long-term borrowings 86,864 66,000 Lease obligations 21,588 21,116 Income taxes payable 545,000 245,710 Provision for broduct warranties 518,079	Work in process	11,103,107	11,037,175
Allowance for doubtful accounts (350,710) (328,899) Total current assets 47,193,845 44,093,724 Non-current assets 8 2,763,710 2,958,500 Intagible assets 65,516 80,258 Investments and other assets 795,174 755,907 Investment securities 795,174 755,905 Investments in capital 4,825,976 4,529,055 Deferred tax assets 605,295 554,545 Other 259,618 255,831 Total investments and other assets 6,486,065 6,095,339 Total assets 56,509,137 53,227,821 Liabilities 2,735,267 3,333,871 Short-term borrowings 401,691 401,391 Short-term borrowings 40,864 66,000 Lease obligations 21,588 21,116 Income taxes payable 545,000 245,710 Advances received 13,988,698 12,386,791 Provision for broduct warranties 501,817 413,533 Other 1,226,510	Raw materials and supplies	4,070,363	4,696,302
Total current assets 47,193,845 44,093,724 Non-current assets 2,763,710 2,958,500 Property, plant and equipment 2,763,710 2,958,500 Intangible assets 65,516 80,258 Investments and other assets 795,174 755,907 Investments in capital 4,825,976 4,529,055 Deferred tax assets 605,295 554,545 Other 259,618 255,831 Total investments and other assets 6,486,065 6,095,339 Total non-current assets 9,315,292 9,134,097 Total assets 56,509,137 53,227,821 Liabilities 2 703,333,871 Notes and accounts payable - trade 2,735,267 3,333,871 Short-term borrowings 401,691 401,391 Current portion of long-term borrowings 86,864 66,000 Lease obligations 21,588 21,116 Income taxes payable 545,000 245,710 Advances received 13,988,698 12,386,791 Provision for bonuses <	Other	1,148,282	1,004,165
Non-current assets 2,763,710 2,958,500 Intangible assets 65,516 80,258 Investments and other assets 795,174 755,907 Investments in capital 4,825,976 4,529,055 Deferred tax assets 605,295 554,545 Other 259,618 255,831 Total investments and other assets 6,486,065 6,095,339 Total non-current assets 9,315,292 9,134,097 Total assets 56,509,137 53,227,821 Liabilities Current liabilities Variance of the contraction of long-term borrowings 401,691 401,391 Current portion of long-term borrowings 86,864 66,000 Lease obligations 21,588 21,116 Income taxes payable 545,000 245,710 Advances received 13,988,698 12,386,791 Provision for bonuses 318,218 220,707 Provision for product warranties 501,817 413,533 Other 1,226,510 1,270,588 Total current liabilities 19,825,656	Allowance for doubtful accounts	(350,710)	(328,809)
Property, plant and equipment 2,763,710 2,958,500 Intangible assets 65,516 80,258 Investments and other assets 795,174 755,907 Investment securities 795,174 755,907 Investments in capital 4,825,976 4,529,055 Deferred tax assets 605,295 554,545 Other 259,618 255,831 Total investments and other assets 6,486,065 6,095,339 Total non-current assets 9,315,292 9,134,097 Total assets 56,509,137 53,227,821 Liabilities Current liabilities Notes and accounts payable - trade 2,735,267 3,333,871 Short-term borrowings 401,691 401,391 Current portion of long-term borrowings 86,864 66,000 Lease obligations 21,588 21,116 Income taxes payable 545,000 245,710 Advances received 13,988,698 12,386,791 Provision for bonuses 318,218 220,707 Provision for product warranties 501	Total current assets	47,193,845	44,093,724
Intangible assets 65,516 80,258 Investments and other assets 795,174 755,907 Investments in capital 4,825,976 4,529,055 Deferred tax assets 605,925 554,545 Other 259,618 255,831 Total investments and other assets 6,486,065 6,095,339 Total non-current assets 9,315,292 9,134,097 Total assets 56,509,137 53,227,821 Liabilities 200,000 3,333,871 Notes and accounts payable - trade 2,735,267 3,333,871 Short-term borrowings 401,691 401,391 Current portion of long-term borrowings 86,864 66,000 Lease obligations 21,588 21,116 Income taxes payable 545,000 245,710 Advances received 13,988,698 12,386,791 Provision for bonuses 318,218 220,707 Provision for product warranties 501,817 413,533 Other 1,26,510 1,270,588 Total current liabilities 19,825,65	Non-current assets		
Investments and other assets	Property, plant and equipment	2,763,710	2,958,500
Investment securities 795,174 755,907 Investments in capital 4,825,976 4,529,055 Deferred tax assets 605,295 554,545 Other 259,618 255,831 Total investments and other assets 6,486,065 6,095,339 Total assets 9,315,292 9,134,097 Total assets 56,509,137 53,227,821 Liabilities Current liabilities Notes and accounts payable - trade 2,735,267 3,333,871 Short-term borrowings 401,691 401,391 Current portion of long-term borrowings 86,864 66,000 Lease obligations 21,588 21,116 Income taxes payable 545,000 245,710 Advances received 13,988,698 12,386,791 Provision for bonuses 318,218 220,707 Provision for product warranties 501,817 413,533 Other 1,226,510 1,270,588 Total current liabilities 19,825,656 18,359,711 Non-current liabilities 120,000 103	Intangible assets	65,516	80,258
Investments in capital 4,825,976 4,529,055 Deferred tax assets 605,295 554,545 Other 259,618 255,831 Total investments and other assets 6,486,065 6,095,339 Total assets 9,315,292 9,134,097 Total assets 56,509,137 53,227,821 Liabilities Current liabilities Notes and accounts payable - trade 2,735,267 3,333,871 Short-term borrowings 401,691 401,391 Current portion of long-term borrowings 86,864 66,000 Lease obligations 21,588 21,116 Income taxes payable 545,000 245,710 Advances received 13,988,698 12,386,791 Provision for bonuses 318,218 220,707 Provision for product warranties 501,817 413,533 Other 1,226,510 1,270,588 Total current liabilities 19,825,656 18,359,711 Non-current morrowings 120,000 103,500 Lease obligations	Investments and other assets		
Deferred tax assets 605,295 554,545 Other 259,618 255,831 Total investments and other assets 6,486,065 6,095,339 Total non-current assets 9,315,292 9,134,097 Total assets 56,509,137 53,227,821 Liabilities Current liabilities Notes and accounts payable - trade 2,735,267 3,333,871 Short-term borrowings 401,691 401,391 Current portion of long-term borrowings 86,864 66,000 Lease obligations 21,588 21,116 Income taxes payable 545,000 245,710 Advances received 13,988,698 12,386,791 Provision for bonuses 318,218 220,707 Provision for product warranties 501,817 413,533 Other 1,226,510 1,270,588 Total current liabilities 19,825,656 18,359,711 Non-current liabilities 10,000 103,500 Lease obligations 45,155 39,299 Deferred tax liabilities 1,078,794 <td>Investment securities</td> <td>795,174</td> <td>755,907</td>	Investment securities	795,174	755,907
Other 259,618 255,831 Total investments and other assets 6,486,065 6,095,339 Total non-current assets 9,315,292 9,134,097 Total assets 56,509,137 53,227,821 Liabilities Current liabilities Notes and accounts payable - trade 2,735,267 3,333,871 Short-term borrowings 401,691 401,391 Current portion of long-term borrowings 86,864 66,000 Lease obligations 21,588 21,116 Income taxes payable 545,000 245,710 Advances received 13,988,698 12,386,791 Provision for bonuses 318,218 220,707 Provision for product warranties 501,817 413,533 Other 1,226,510 1,270,588 Total current liabilities 19,825,656 18,359,711 Non-current liabilities 19,825,656 18,359,711 Non-current liabilities 1,078,794 1,133,475 Retirement benefit liability 147,514 151,722	Investments in capital	4,825,976	4,529,055
Total investments and other assets 6,486,065 6,095,339 Total non-current assets 9,315,292 9,134,097 Total assets 56,509,137 53,227,821 Liabilities Current liabilities Notes and accounts payable - trade 2,735,267 3,333,871 Short-term borrowings 401,691 401,391 Current portion of long-term borrowings 86,864 66,000 Lease obligations 21,588 21,116 Income taxes payable 545,000 245,710 Advances received 13,988,698 12,386,791 Provision for bonuses 318,218 220,707 Provision for product warranties 501,817 413,533 Other 1,226,510 1,270,588 Total current liabilities 19,825,656 18,359,711 Non-current liabilities 120,000 103,500 Lease obligations 45,155 39,299 Deferred tax liabilities 1,078,794 1,133,475 Retirement benefit liability 147,514 151,722	Deferred tax assets	605,295	554,545
Total non-current assets 9,315,292 9,134,097 Total assets 56,509,137 53,227,821 Liabilities Current liabilities Notes and accounts payable - trade 2,735,267 3,333,871 Short-term borrowings 401,691 401,391 Current portion of long-term borrowings 86,864 66,000 Lease obligations 21,588 21,116 Income taxes payable 545,000 245,710 Advances received 13,988,698 12,386,791 Provision for bonuses 318,218 220,707 Provision for product warranties 501,817 413,533 Other 1,226,510 1,270,588 Total current liabilities 19,825,656 18,359,711 Non-current liabilities 19,825,656 18,359,711 Non-current liabilities 120,000 103,500 Lease obligations 45,155 39,299 Deferred tax liabilities 1,078,794 1,133,475 Retirement benefit liability 147,514 151,722	Other	259,618	255,831
Total assets 56,509,137 53,227,821 Liabilities Current liabilities Notes and accounts payable - trade 2,735,267 3,333,871 Short-term borrowings 401,691 401,391 Current portion of long-term borrowings 86,864 66,000 Lease obligations 21,588 21,116 Income taxes payable 545,000 245,710 Advances received 13,988,698 12,386,791 Provision for bonuses 318,218 220,707 Provision for product warranties 501,817 413,533 Other 1,226,510 1,270,588 Total current liabilities 19,825,656 18,359,711 Non-current liabilities 120,000 103,500 Lease obligations 45,155 39,299 Deferred tax liabilities 1,078,794 1,133,475 Retirement benefit liability 147,514 151,722 Other 472,759 278,998 Total non-current liabilities 1,864,222 1,706,995 <td>Total investments and other assets</td> <td>6,486,065</td> <td>6,095,339</td>	Total investments and other assets	6,486,065	6,095,339
Liabilities Current liabilities Notes and accounts payable - trade 2,735,267 3,333,871 Short-term borrowings 401,691 401,391 Current portion of long-term borrowings 86,864 66,000 Lease obligations 21,588 21,116 Income taxes payable 545,000 245,710 Advances received 13,988,698 12,386,791 Provision for bonuses 318,218 220,707 Provision for product warranties 501,817 413,533 Other 1,226,510 1,270,588 Total current liabilities 19,825,656 18,359,711 Non-current liabilities 120,000 103,500 Lease obligations 45,155 39,299 Deferred tax liabilities 1,078,794 1,133,475 Retirement benefit liability 147,514 151,722 Other 472,759 278,998 Total non-current liabilities 1,864,222 1,706,995	Total non-current assets	9,315,292	9,134,097
Current liabilities 2,735,267 3,333,871 Short-term borrowings 401,691 401,391 Current portion of long-term borrowings 86,864 66,000 Lease obligations 21,588 21,116 Income taxes payable 545,000 245,710 Advances received 13,988,698 12,386,791 Provision for bonuses 318,218 220,707 Provision for product warranties 501,817 413,533 Other 1,226,510 1,270,588 Total current liabilities 19,825,656 18,359,711 Non-current liabilities 120,000 103,500 Lease obligations 45,155 39,299 Deferred tax liabilities 1,078,794 1,133,475 Retirement benefit liability 147,514 151,722 Other 472,759 278,998 Total non-current liabilities 1,864,222 1,706,995	Total assets	56,509,137	53,227,821
Notes and accounts payable - trade 2,735,267 3,333,871 Short-term borrowings 401,691 401,391 Current portion of long-term borrowings 86,864 66,000 Lease obligations 21,588 21,116 Income taxes payable 545,000 245,710 Advances received 13,988,698 12,386,791 Provision for bonuses 318,218 220,707 Provision for product warranties 501,817 413,533 Other 1,226,510 1,270,588 Total current liabilities 19,825,656 18,359,711 Non-current liabilities 120,000 103,500 Lease obligations 45,155 39,299 Deferred tax liabilities 1,078,794 1,133,475 Retirement benefit liability 147,514 151,722 Other 472,759 278,998 Total non-current liabilities 1,864,222 1,706,995	Liabilities		
Short-term borrowings 401,691 401,391 Current portion of long-term borrowings 86,864 66,000 Lease obligations 21,588 21,116 Income taxes payable 545,000 245,710 Advances received 13,988,698 12,386,791 Provision for bonuses 318,218 220,707 Provision for product warranties 501,817 413,533 Other 1,226,510 1,270,588 Total current liabilities 19,825,656 18,359,711 Non-current liabilities 120,000 103,500 Lease obligations 45,155 39,299 Deferred tax liabilities 1,078,794 1,133,475 Retirement benefit liability 147,514 151,722 Other 472,759 278,998 Total non-current liabilities 1,864,222 1,706,995	Current liabilities		
Current portion of long-term borrowings 86,864 66,000 Lease obligations 21,588 21,116 Income taxes payable 545,000 245,710 Advances received 13,988,698 12,386,791 Provision for bonuses 318,218 220,707 Provision for product warranties 501,817 413,533 Other 1,226,510 1,270,588 Total current liabilities 19,825,656 18,359,711 Non-current liabilities 120,000 103,500 Lease obligations 45,155 39,299 Deferred tax liabilities 1,078,794 1,133,475 Retirement benefit liability 147,514 151,722 Other 472,759 278,998 Total non-current liabilities 1,864,222 1,706,995	Notes and accounts payable - trade	2,735,267	3,333,871
Current portion of long-term borrowings 86,864 66,000 Lease obligations 21,588 21,116 Income taxes payable 545,000 245,710 Advances received 13,988,698 12,386,791 Provision for bonuses 318,218 220,707 Provision for product warranties 501,817 413,533 Other 1,226,510 1,270,588 Total current liabilities 19,825,656 18,359,711 Non-current liabilities 120,000 103,500 Lease obligations 45,155 39,299 Deferred tax liabilities 1,078,794 1,133,475 Retirement benefit liability 147,514 151,722 Other 472,759 278,998 Total non-current liabilities 1,864,222 1,706,995		401,691	401,391
Income taxes payable 545,000 245,710 Advances received 13,988,698 12,386,791 Provision for bonuses 318,218 220,707 Provision for product warranties 501,817 413,533 Other 1,226,510 1,270,588 Total current liabilities 19,825,656 18,359,711 Non-current borrowings 120,000 103,500 Lease obligations 45,155 39,299 Deferred tax liabilities 1,078,794 1,133,475 Retirement benefit liability 147,514 151,722 Other 472,759 278,998 Total non-current liabilities 1,864,222 1,706,995	Current portion of long-term borrowings	86,864	66,000
Advances received 13,988,698 12,386,791 Provision for bonuses 318,218 220,707 Provision for product warranties 501,817 413,533 Other 1,226,510 1,270,588 Total current liabilities 19,825,656 18,359,711 Non-current liabilities 120,000 103,500 Lease obligations 45,155 39,299 Deferred tax liabilities 1,078,794 1,133,475 Retirement benefit liability 147,514 151,722 Other 472,759 278,998 Total non-current liabilities 1,864,222 1,706,995	Lease obligations	21,588	21,116
Provision for bonuses 318,218 220,707 Provision for product warranties 501,817 413,533 Other 1,226,510 1,270,588 Total current liabilities 19,825,656 18,359,711 Non-current liabilities 120,000 103,500 Lease obligations 45,155 39,299 Deferred tax liabilities 1,078,794 1,133,475 Retirement benefit liability 147,514 151,722 Other 472,759 278,998 Total non-current liabilities 1,864,222 1,706,995	Income taxes payable	545,000	245,710
Provision for product warranties 501,817 413,533 Other 1,226,510 1,270,588 Total current liabilities 19,825,656 18,359,711 Non-current liabilities 120,000 103,500 Lease obligations 45,155 39,299 Deferred tax liabilities 1,078,794 1,133,475 Retirement benefit liability 147,514 151,722 Other 472,759 278,998 Total non-current liabilities 1,864,222 1,706,995	Advances received	13,988,698	12,386,791
Other 1,226,510 1,270,588 Total current liabilities 19,825,656 18,359,711 Non-current liabilities 120,000 103,500 Lease obligations 45,155 39,299 Deferred tax liabilities 1,078,794 1,133,475 Retirement benefit liability 147,514 151,722 Other 472,759 278,998 Total non-current liabilities 1,864,222 1,706,995	Provision for bonuses	318,218	220,707
Total current liabilities 19,825,656 18,359,711 Non-current liabilities 120,000 103,500 Lease obligations 45,155 39,299 Deferred tax liabilities 1,078,794 1,133,475 Retirement benefit liability 147,514 151,722 Other 472,759 278,998 Total non-current liabilities 1,864,222 1,706,995	Provision for product warranties	501,817	413,533
Non-current liabilities 120,000 103,500 Lease obligations 45,155 39,299 Deferred tax liabilities 1,078,794 1,133,475 Retirement benefit liability 147,514 151,722 Other 472,759 278,998 Total non-current liabilities 1,864,222 1,706,995	Other	1,226,510	1,270,588
Long-term borrowings 120,000 103,500 Lease obligations 45,155 39,299 Deferred tax liabilities 1,078,794 1,133,475 Retirement benefit liability 147,514 151,722 Other 472,759 278,998 Total non-current liabilities 1,864,222 1,706,995	Total current liabilities	19,825,656	18,359,711
Lease obligations 45,155 39,299 Deferred tax liabilities 1,078,794 1,133,475 Retirement benefit liability 147,514 151,722 Other 472,759 278,998 Total non-current liabilities 1,864,222 1,706,995	Non-current liabilities		
Deferred tax liabilities 1,078,794 1,133,475 Retirement benefit liability 147,514 151,722 Other 472,759 278,998 Total non-current liabilities 1,864,222 1,706,995	Long-term borrowings	120,000	103,500
Deferred tax liabilities 1,078,794 1,133,475 Retirement benefit liability 147,514 151,722 Other 472,759 278,998 Total non-current liabilities 1,864,222 1,706,995		45,155	39,299
Retirement benefit liability 147,514 151,722 Other 472,759 278,998 Total non-current liabilities 1,864,222 1,706,995		1,078,794	1,133,475
Other 472,759 278,998 Total non-current liabilities 1,864,222 1,706,995	Retirement benefit liability		
	Other		278,998
	Total non-current liabilities	1,864,222	
	Total liabilities	21,689,879	20,066,706

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	As of December 31, 2019	As of March 31, 2020
Net assets	•	<u> </u>
Shareholders' equity		
Share capital	400,000	400,000
Capital surplus	9,513,800	9,574,293
Retained earnings	25,801,100	24,702,591
Treasury shares	(128,263)	(112,452)
Total shareholders' equity	35,586,637	34,564,432
Accumulated other comprehensive income		
Foreign currency translation adjustment	(767,379)	(1,403,317)
Total accumulated other comprehensive income	(767,379)	(1,403,317)
Total net assets	34,819,258	33,161,114
Total liabilities and net assets	56,509,137	53,227,821

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

Consolidated statements of income (cumulative)

		(Thousands of yen)
	Three months ended	Three months ended
	March 31, 2019	March 31, 2020
Net sales	13,975,669	6,837,505
Cost of sales	8,039,569	3,953,767
Gross profit	5,936,099	2,883,737
Selling, general and administrative expenses	1,809,255	1,268,722
Operating profit	4,126,844	1,615,014
Non-operating income		
Interest income	18,227	20,953
Rental income	27,430	28,369
Foreign exchange gains	48,756	123,447
Subsidy income	1,633	67,255
Other	958	8,131
Total non-operating income	97,005	248,157
Non-operating expenses		
Interest expenses	2,400	45
Share of loss of entities accounted for using equity method	110,832	16,181
Donations	_	16,057
Other	15	14,144
Total non-operating expenses	113,247	46,429
Ordinary profit	4,110,602	1,816,741
Extraordinary income		
Gain on change in equity	355,100	_
Total extraordinary income	355,100	_
Profit before income taxes	4,465,702	1,816,741
Income taxes	860,708	370,814
Profit	3,604,994	1,445,927
Loss attributable to non-controlling interests	(371)	=
Profit attributable to owners of parent	3,605,365	1,445,927
TOTAL ALLED GRADIC TO OWNERS OF PAICIAL	5,005,505	1,443,5

$Consolidated\ statements\ of\ comprehensive\ income\ (cumulative)$

	(Thousands of yen)
Three months ended	Three months ended
March 31, 2019	March 31, 2020
3,604,994	1,445,927
1,055	_
263,320	(414,608)
74,278	(221,329)
338,655	(635,938)
3,943,649	809,989
3,943,541	809,989
107	-
	March 31, 2019 3,604,994 1,055 263,320 74,278 338,655 3,943,649 3,943,541