

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

## Summary of Consolidated Financial Results for Six Months Ended June 30, 2022 (Based on Japanese GAAP)

August 5, 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 Securities Report: August 5, 2022  
 Scheduled date to commence dividend payments: -  
 Preparation of supplementary material on financial results: Yes  
 Holding of 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	%
Six Months Ended June 30, 2022	13,508	(9.6)	3,292	(4.0)	4,468	14.1	2,919	6.7
Six Months Ended June 30, 2021	14,946	(9.9)	3,431	(6.1)	3,915	(0.9)	2,737	(5.1)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six Months Ended June 30, 2022	67.48	65.99
Six Months Ended June 30, 2021	63.56	61.91

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	74,473	50,336	67.6
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	—	0.00	—	—	—
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 June 30, 2022	44,358,000 shares	As of December 31, 2021	44,358,000 shares
---------------------	-------------------	-------------------------	-------------------

Number of treasury shares at the end of the period

As of June 30, 2022	1,002,692 shares	As of December 31, 2021	1,141,692 shares
---------------------	------------------	-------------------------	------------------

Average number of shares during the period

As of June 30, 2022	43,270,656 shares	As of March 31, 2021	43,043,986 shares
---------------------	-------------------	----------------------	-------------------

**Consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of December 31, 2021	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	32,273,511	35,319,144
Notes and accounts receivable - trade	6,013,382	5,499,674
Work in process	7,050,959	10,675,518
Raw materials and supplies	5,804,136	7,574,962
Other	2,389,818	2,289,247
Allowance for doubtful accounts	(386,509)	(446,691)
Total current assets	53,145,299	60,911,855
Non-current assets		
Property, plant and equipment	4,526,761	5,424,622
Intangible assets		
Goodwill	610,733	578,619
Other	66,361	58,701
Total intangible assets	677,094	637,320
Investments and other assets		
Investment securities	350,000	350,000
Investments in capital	5,237,111	6,337,151
Deferred tax assets	354,334	398,288
Other	384,189	413,799
Total investments and other assets	6,325,635	7,499,239
Total non-current assets	11,529,492	13,561,182
Total assets	64,674,791	74,473,038

(Thousands of yen)

	As of December 31, 2021	As of June 30, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	3,246,321	4,968,500
Short-term loans payable	400,000	400,000
Current portion of long-term loans payable	54,000	21,000
Lease obligations	17,614	13,898
Income taxes payable	1,389,156	927,141
Advances received	9,830,666	—
Contract liabilities	—	13,290,964
Provision for bonuses	296,775	303,747
Provision for product warranties	257,965	190,243
Other	1,564,039	1,924,214
<b>Total current liabilities</b>	<b>17,056,540</b>	<b>22,039,710</b>
<b>Non-current liabilities</b>		
Lease obligations	15,701	8,900
Deferred tax liabilities	1,180,914	1,736,364
Retirement benefit liability	179,987	194,648
Other	157,923	157,002
<b>Total non-current liabilities</b>	<b>1,534,526</b>	<b>2,096,915</b>
<b>Total liabilities</b>	<b>18,591,067</b>	<b>24,136,626</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	400,000	400,000
Capital surplus	9,454,013	9,563,656
Retained earnings	34,235,194	34,994,170
Treasury shares	(75,318)	(66,148)
<b>Total shareholders' equity</b>	<b>44,013,889</b>	<b>44,891,678</b>
<b>Accumulated other comprehensive income</b>		
Foreign currency translation adjustment	2,056,449	5,424,441
<b>Total accumulated other comprehensive income</b>	<b>2,056,449</b>	<b>5,424,441</b>
<b>Non-controlling interests</b>	<b>13,385</b>	<b>20,292</b>
<b>Total net assets</b>	<b>46,083,724</b>	<b>50,336,412</b>
<b>Total liabilities and net assets</b>	<b>64,674,791</b>	<b>74,473,038</b>

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

(Thousands of yen)

	Six Months Ended June 30,2021	Six Months Ended June 30,2022
Net sales	14,946,955	13,508,497
Cost of sales	8,189,866	7,345,048
Gross profit	6,757,088	6,163,449
Selling, general and administrative expenses	3,326,016	2,870,899
Operating profit	3,431,071	3,292,549
Non-operating income		
Interest income	8,896	42,511
Rent income	14,619	11,773
Foreign exchange gains	—	48,653
Share of profit of entities accounted for using equity method	489,666	1,070,286
Subsidy income	14,684	1,897
Other	15,088	3,791
Total non-operating income	542,955	1,178,913
Non-operating expenses		
Interest expenses	3,239	2,957
Share of loss of entities accounted for using equity method	55,097	—
Other	73	17
Total non-operating expenses	58,410	2,974
Ordinary profit	3,915,617	4,468,488
Extraordinary income		
Gain on sales of non-current assets	9,000	75
Total extraordinary income	9,000	75
Extraordinary losses		
Loss on retirement of non-current assets	52,329	1,617
Loss on closedown	—	43,351
Total extraordinary losses	52,329	44,969
Profit before income taxes	3,872,288	4,423,595
Income taxes - current	1,131,221	1,498,568
Profit	2,741,067	2,925,026
Profit (loss) attributable to non-controlling interests	3,359	5,234
Profit attributable to owners of parent	2,737,707	2,919,791

## Consolidated statements of comprehensive income

(Thousands of yen)

	Six Months Ended June 30, 2021	Six Months Ended June 30, 2022
Profit	2,741,067	2,925,026
Other comprehensive income		
Foreign currency translation adjustment	1,224,611	2,903,206
Share of other comprehensive income of entities accounted for using equity method	273,612	466,457
Total other comprehensive income	1,498,223	3,369,663
Comprehensive income	4,239,290	6,294,690
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,234,510	6,287,783
Comprehensive income attributable to non-controlling interests	4,780	6,906

## Consolidated statements of cash flows

(Thousands of yen)

	Six months ended June 30, 2021	Six months ended June 30, 2022
Cash flows from operating activities		
Profit before income taxes	3,872,288	4,423,595
Depreciation	163,220	222,446
Amortization of goodwill	81,044	83,852
Increase (decrease) in allowance for doubtful accounts	(44,731)	60,181
Increase (decrease) in provision for bonuses	2,799	(19,889)
Increase (decrease) in provision for product warranties	(168,983)	(67,722)
Increase (decrease) in retirement benefit liability	12,792	14,660
Loss (gain) on sales of non-current assets	(9,000)	(75)
Loss on retirement of non-current assets	52,329	1,617
Interest income	(8,896)	(42,511)
Interest expenses	3,239	2,957
Foreign exchange losses (gains)	(439,019)	(795,770)
Share of loss (profit) of entities accounted for using equity method	55,097	(48,653)
Decrease (increase) in notes and accounts receivable - trade	5,761,026	1,304,832
Decrease (increase) in inventories	(444,7589)	(4,016,024)
Increase (decrease) in notes and accounts payable - trade	880,054	375,144
Increase (decrease) in advances received	1,419,016	—
Increase (decrease) in contract liabilities	—	3,249,445
Decrease (increase) in consumption taxes refund receivable	123,792	444,098
Other, net	(240,291)	83,861
Subtotal	11,071,020	5,276,047
Interest income received	8,896	42,511
Interest expenses paid	(3,239)	(2,957)
Income taxes paid	(331,700)	(1,419,609)
Net cash provided by (used in) operating activities	10,744,977	3,895,992
Cash flows from investing activities		
Purchase of property, plant and equipment	(414,0389)	(549,200)
Proceeds from sales of property, plant and equipment	9,000	76
Purchase of intangible assets	(3,846)	(6,815)
Payments for investments in capital	(12,000)	(12,000)
Payment of security deposit	(19,943)	—
Net cash provided by (used in) investing activities	(440,829)	(567,939)

(Thousands of yen)

	Six months ended June 30, 2021	Six months ended June 30, 2022
Cash flows from financing activities		
Repayments of long-term loans payable	(33,000)	(33,000)
Repayments of lease obligations	(11,158)	(10,761)
Proceeds from exercise of share options	37,200	29,760
Cash dividends paid	(2,143,600)	(2,161,306)
Net cash provided by (used in) financing activities	(2,150,558)	(2,175,308)
Effect of exchange rate change on cash and cash equivalents	651,696	1,892,888
Net increase (decrease) in cash and cash equivalents	8,805,286	3,045,632
Cash and cash equivalents at beginning of period	22,722,838	32,273,511
Cash and cash equivalents at end of period	31,528,124	35,319,144