

Translation

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Summary of Consolidated Financial Results for the Three Months Ended March 31, 2018 (Based on Japanese GAAP)

May 11, 2018

Company name: Optorun Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 6235 URL <http://www.optorun.co.jp/>
 Representative: President Ihei Hayashi
 Inquiries: CFO, Director Senior Managing Officer Toshinori Takahashi TEL 049-239-3381
 Scheduled date to file Quarterly Securities Report: May 11, 2018
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended March 31, 2018 (from January 1, 2018 to March 31, 2018)

(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, 2018	10,710	–	3,263	–	3,426	–	2,381	–
Three months ended March 31, 2017	–	–	–	–	–	–	–	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2018	57.97	54.10
Three months ended March 31, 2017	–	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2018	50,777	23,253	45.8
As of December 31, 2017	56,425	22,606	40.0

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, 2017	–	0.00	–	40.00	40.00
Year ending December 31, 2018	–	–	–	–	–
Year ending December 31, 2018 (Forecast)	–	0.00	–	42.00	42.00

3. Forecast of consolidated financial results for the year ending December 31, 2018 (from January 1, 2018 to December 31, 2018)

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	43,800	31.2	8,100	10.5	8,200	15.6	5,700	18.4	139.34

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2018
 (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
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of March 31, 2018	44,358,000 shares	As of December 31, 2017	44,358,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2018	3,132,000 shares	As of December 31, 2017	3,450,000 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2018	41,081,333 shares	Three months ended March 31, 2017	– shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	19,893,800	5,184,708
Notes and accounts receivable - trade	3,380,450	3,569,063
Securities	–	3,186,371
Work in process	20,228,921	24,544,422
Raw materials and supplies	4,878,864	6,763,941
Deferred tax assets	963,357	1,170,396
Other	3,091,683	2,218,685
Allowance for doubtful accounts	(181,290)	(223,781)
Total current assets	52,255,788	46,413,808
Non-current assets		
Property, plant and equipment	2,862,834	2,830,434
Intangible assets	81,102	73,558
Investments and other assets		
Investment securities	215,829	195,598
Investments in capital	725,374	952,902
Deferred tax assets	36,945	42,172
Other	247,854	269,145
Total investments and other assets	1,226,004	1,459,819
Total non-current assets	4,169,940	4,363,811
Total assets	56,425,729	50,777,620
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,303,432	6,985,722
Short-term loans payable	8,970,637	5,164,244
Current portion of long-term loans payable	209,742	190,992
Lease obligations	13,031	12,720
Income taxes payable	1,757,632	1,189,833
Advances received	11,327,160	10,546,187
Provision for bonuses	435,049	205,971
Provision for directors' bonuses	164,924	–
Provision for product warranties	68,558	76,118
Other	1,788,161	1,150,855
Total current liabilities	32,038,328	25,522,646
Non-current liabilities		
Long-term loans payable	397,856	350,108
Lease obligations	35,000	32,053
Deferred tax liabilities	977,848	1,245,849
Provision for directors' retirement benefits	235,337	240,744
Net defined benefit liability	125,119	123,148
Other	9,475	9,125
Total non-current liabilities	1,780,637	2,001,028
Total liabilities	33,818,966	27,523,675

(Thousands of yen)

	As of December 31, 2017	As of March 31, 2018
Net assets		
Shareholders' equity		
Capital stock	400,000	400,000
Capital surplus	9,052,807	9,130,486
Retained earnings	12,871,295	13,616,517
Treasury shares	(226,755)	(205,854)
Total shareholders' equity	22,097,346	22,941,148
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,451	4,197
Deferred gains or losses on hedges	(86,078)	–
Foreign currency translation adjustment	580,148	299,615
Total accumulated other comprehensive income	499,521	303,812
Non-controlling interests	9,895	8,983
Total net assets	22,606,763	23,253,944
Total liabilities and net assets	56,425,729	50,777,620

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

Consolidated statements of income (cumulative)

	(Thousands of yen)
	Three months ended
	March 31, 2018
Net sales	10,710,689
Cost of sales	5,713,293
Gross profit	4,997,396
Selling, general and administrative expenses	1,733,653
Operating profit	3,263,742
Non-operating income	
Interest income	14,275
Rent income	27,550
Foreign exchange gains	145,567
Other	4,832
Total non-operating income	192,225
Non-operating expenses	
Interest expenses	10,692
Share of loss of entities accounted for using equity method	16,056
Other	2,697
Total non-operating expenses	29,446
Ordinary profit	3,426,522
Profit before income taxes	3,426,522
Income taxes	1,045,305
Profit	2,381,216
Loss attributable to non-controlling interests	(326)
Profit attributable to owners of parent	2,381,542

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2018
Profit	2,381,216
Other comprehensive income	
Valuation difference on available-for-sale securities	(1,253)
Deferred gains or losses on hedges	86,078
Foreign currency translation adjustment	(265,882)
Share of other comprehensive income of entities accounted for using equity method	(14,650)
Total other comprehensive income	(195,708)
Comprehensive income	2,185,507
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	2,186,419
Comprehensive income attributable to non-controlling interests	(912)