

Translation

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Summary of Consolidated Financial Results for Three months Ended March 31, 2023 (Based on Japanese GAAP)

May 11, 2023

Company name: Optorun Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 6235 URL <https://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 11, 2023
 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, 2023 (January 1, 2023 to March 31, 2023)

(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, 2023	9,063	77.1	2,613	253.1	1,814	64.4	1,402	133.0
Three months ended March 31, 2022	5,117	(25.6)	740	(55.7)	1,103	(49.1)	602	(58.6)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2023	32.24	31.64
Three months ended March 31, 2022	13.93	13.61

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2023	84,777	51,997	61.3
As of December 31, 2022	82,916	52,158	62.9

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, 2022	—	0.00	—	50.00	50.00
Year ended December 31, 2023	—	—	—	—	—
Year ending December 31, 2023 (Forecast)	—	0.00	—	50.00	50.00

3. Forecast of consolidated financial results for the year ending December 31, 2023

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	35,500	3.5	8,600	15.5	8,600	(1.9)	6,200	(10.0)	142.58

4. Notes

- (1) Changes in significant subsidiaries during the year ended March 31, 2023 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: No
- 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, 2023	44,358,000 shares	As of December 31, 2022	44,358,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	837,174 shares	As of December 31, 2022	873,174 shares
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Average number of shares during the period

As of March 31, 2023	43,510,026 shares	As of March 31, 2022	43,228,441 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	34,922,724	33,925,973
Notes and accounts receivable - trade	7,973,007	7,329,538
Work in process	9,969,933	11,490,557
Raw materials and supplies	10,459,880	11,240,068
Other	2,625,341	2,683,880
Allowance for doubtful accounts	(549,643)	(541,160)
Total current assets	65,401,243	66,128,856
Non-current assets		
Property, plant and equipment	8,835,485	9,571,762
Intangible assets		
Goodwill	485,482	454,606
Other	55,086	61,344
Total intangible assets	540,569	515,951
Investments and other assets		
Investment securities	350,000	350,000
Investments in capital	5,690,765	5,860,012
Deferred tax assets	817,515	1,075,441
Other	1,280,655	1,275,298
Total investments and other assets	8,138,936	8,560,752
Total non-current assets	17,514,991	18,648,466
Total assets	82,916,234	84,777,323

(Thousands of yen)

	As of December 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,785,161	4,672,249
Short-term loans payable	400,000	400,000
Lease obligations	13,713	10,243
Income taxes payable	1,000,039	796,105
Contract liabilities	19,059,974	20,945,943
Provision for bonuses	432,618	185,739
Provision for bonuses for directors	160,700	—
Provision for product warranties	234,216	344,011
Other	2,313,959	2,815,123
Total current liabilities	28,400,382	30,169,417
Non-current liabilities		
Lease obligations	5,180	4,951
Deferred tax liabilities	1,929,179	2,177,006
Retirement benefit liability	204,722	209,998
Asset retirement obligations	61,761	61,961
Other	156,359	156,399
Total non-current liabilities	2,357,204	2,610,318
Total liabilities	30,757,586	32,779,735
Net assets		
Shareholders' equity		
Capital stock	400,000	400,000
Capital surplus	9,646,360	9,655,143
Retained earnings	38,964,201	38,192,797
Treasury shares	(57,646)	(55,269)
Total shareholders' equity	48,952,915	48,192,671
Accumulated other comprehensive income		
Foreign currency translation adjustment	3,187,970	3,788,750
Total accumulated other comprehensive income	3,187,970	3,788,750
Non-controlling interests	17,761	16,164
Total net assets	52,158,647	51,997,587
Total liabilities and net assets	82,916,234	84,777,323

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

(Thousands of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Net sales	5,117,233	9,063,015
Cost of sales	2,991,185	4,485,218
Gross profit	2,126,048	4,577,796
Selling, general and administrative expenses	1,385,907	1,964,099
Operating profit	740,141	2,613,696
Non-operating income		
Interest income	20,385	26,969
Rental income	5,889	13,757
Foreign exchange gains	346,453	—
Subsidy income	1,831	226
Gain on adjustment of account payable	—	58,051
Other	2,483	4,106
Total non-operating income	377,042	103,111
Non-operating expenses		
Interest expenses	101	157
Share of loss of entities accounted for using equity method	13,296	9,813
Foreign exchange losses	—	13,572
Loss on valuation of derivatives	—	869,237
Rental expenses	—	8,592
Other	0	534
Total non-operating expenses	13,398	901,909
Ordinary profit	1,103,785	1,814,898
Extraordinary income		
Gain on sale of non-current assets	62	—
Total extraordinary income	62	—
Extraordinary losses		
Loss on retirement of non-current assets	0	—
Total extraordinary losses	0	—
Profit before income taxes	1,103,848	1,814,898
Income taxes	496,912	414,104
Profit	606,935	1,400,794
Profit attributable to non-controlling interests	4,892	(2,042)
Profit attributable to owners of parent	602,043	1,402,837

Consolidated statements of comprehensive income

(Thousands of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Profit	606,935	1,400,794
Other comprehensive income		
Foreign currency translation adjustment	1,419,014	520,299
Share of other comprehensive income of entities accounted for using equity method	245,699	80,926
Total other comprehensive income	1,664,713	601,226
Comprehensive income	2,271,649	2,002,020
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,265,862	2,003,617
Comprehensive income attributable to non-controlling interests	5,786	(1,596)