







Company Overview

Optorun Co., Ltd.

September 3, 2023



-  Corporate Profile
-  Optical thin-film technologies
-  Strengths and Growth Strategies
-  Shareholder Returns



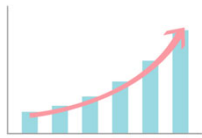
Corporate Profile



Establishment	Founded on August 25, 1999 (24 years ago)
Representative	CEO and Representative Director
Common stock	¥400 million
Head Office	6-1-1 Fujimi, Tsurugashima-shi, Saitama-ken, Japan
R&D Center	10-1 Takeno, Kawagoe-shi, Saitama-ken, Japan
Listing	TSE Prime (Securities Code: 6235)



In August 2023, the head office was relocated to Tsurugashima City, Saitama Prefecture, with the aim of further expanding the business platform.

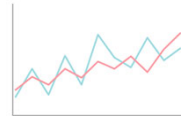


Net sales

Results for FY12/22

¥34.3 bn

Up 11.0% from the previous year



Operating income

Results for FY12/22

¥7.4 bn

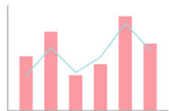
Up 6.0% from the previous year



Total assets

Results for FY12/22

¥82.9 bn



ROE

Results for FY12/22

14.0%



Number of employees

607

As of the end of December 2022

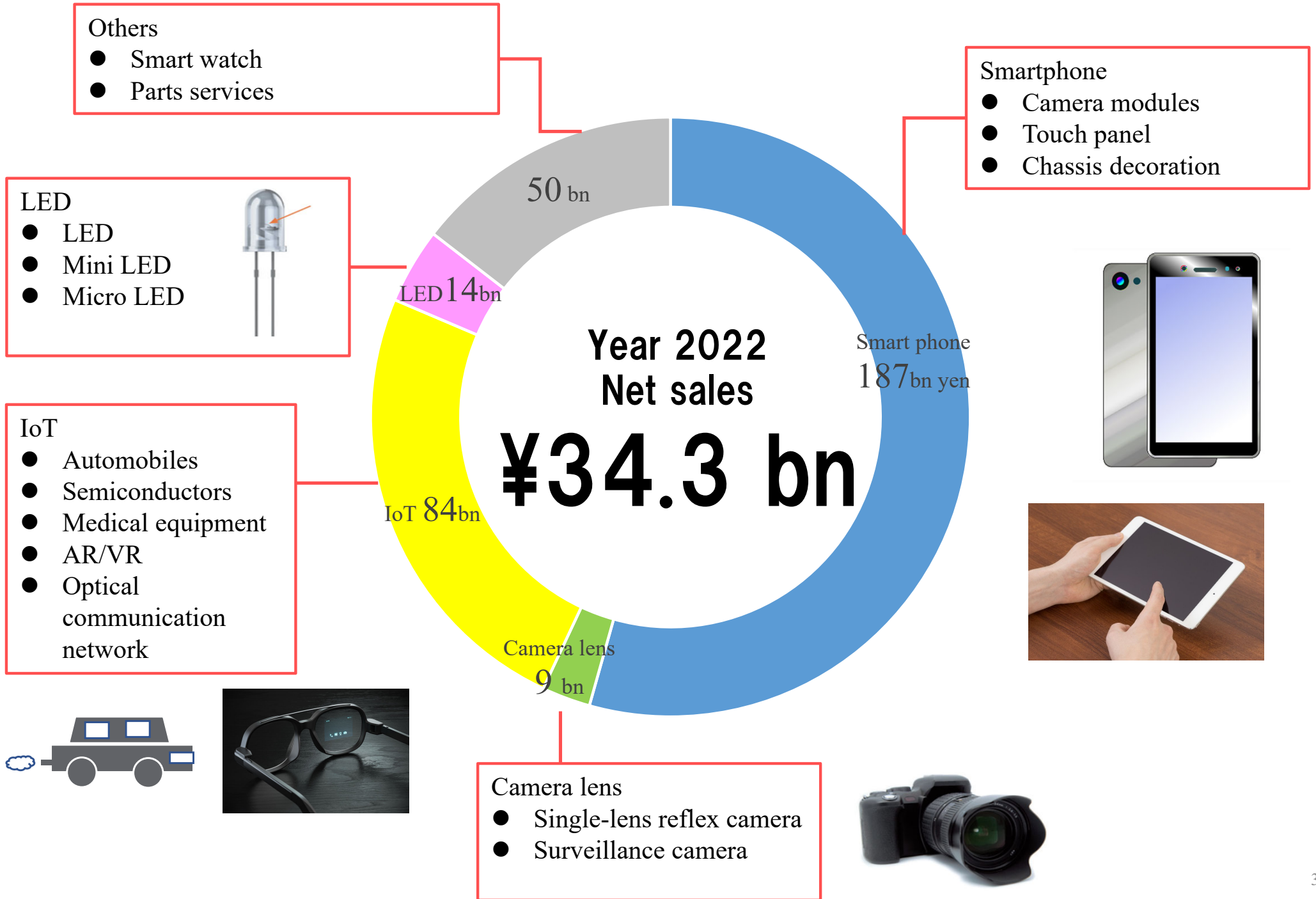


Market capitalization

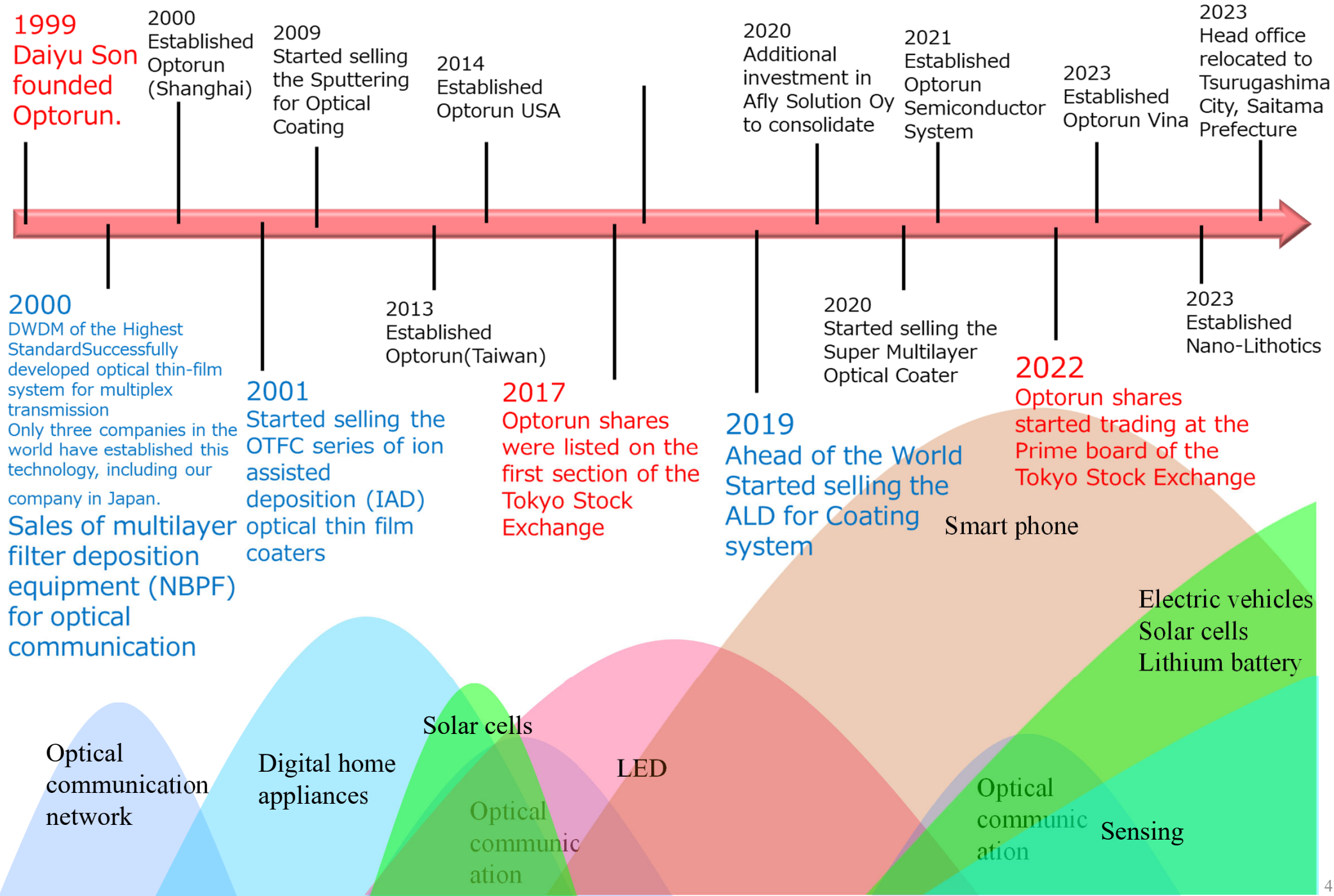
¥81.6 bn

As of August 25, 2023

Revenue breakdown by business segment

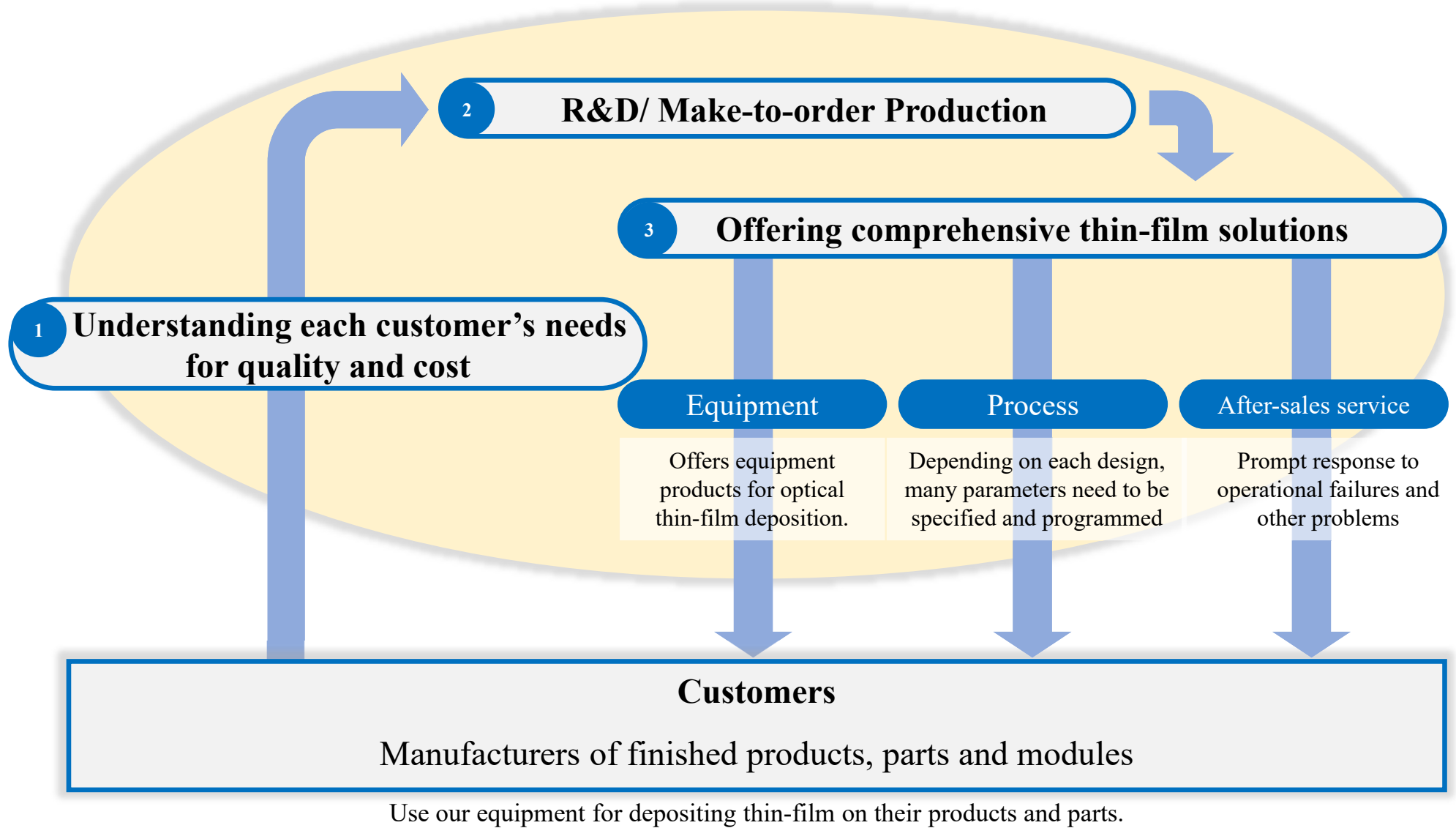


History





Expansion of 8 global bases, mainly in Asia



Providing total solutions of thin-film deposition

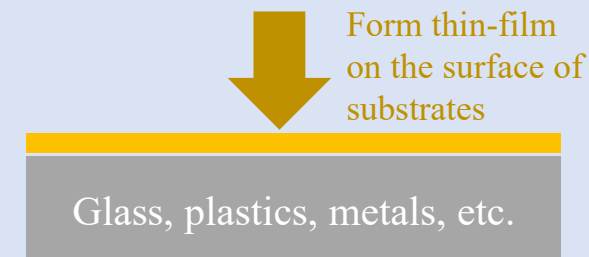


Optical thin-film technologies



What is Optical thin-film?

Technologies for controlling the reflection and transmission of light by skillfully utilizing the properties of light

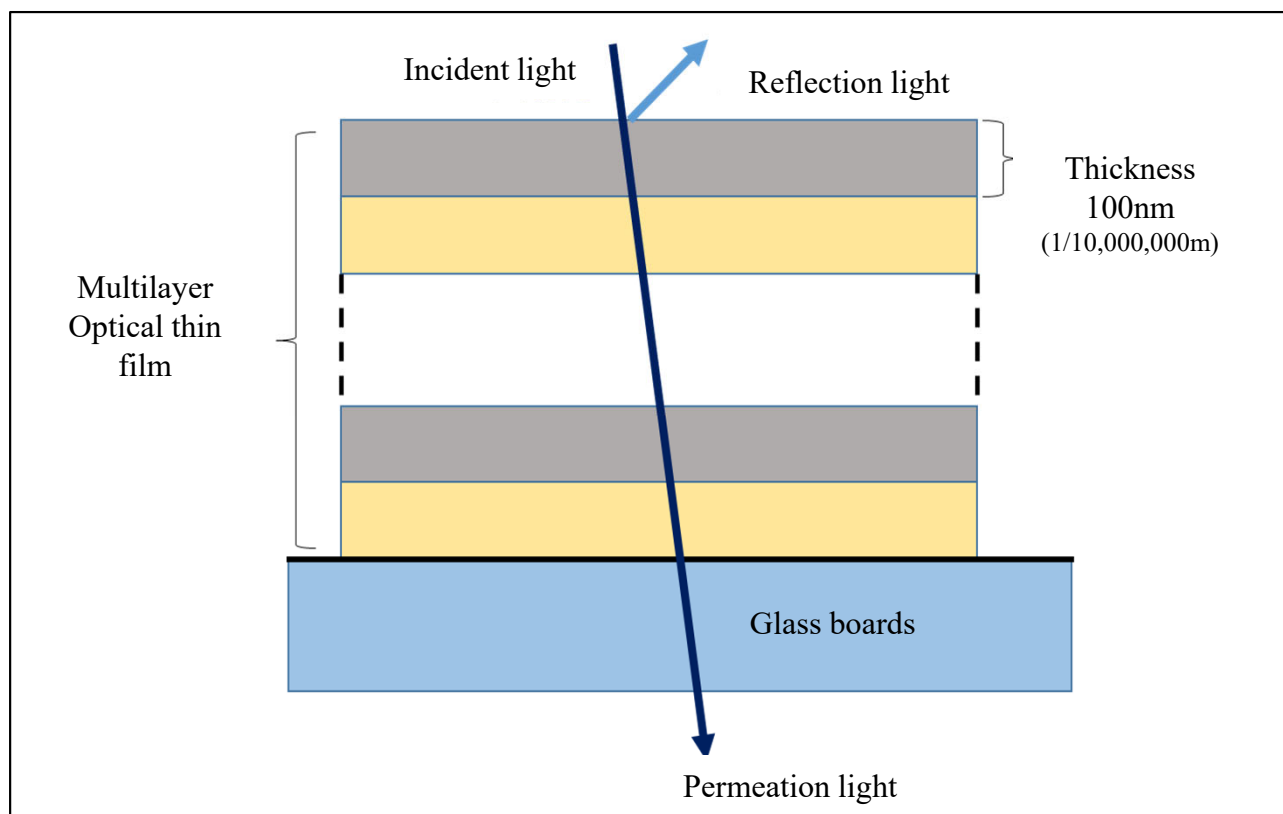


Examples of Optical thin-film

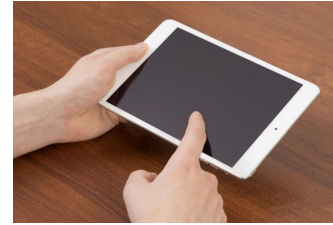
- Anti-reflection film
- Augmented reflection film
- Wavelength selection filter
 - Bandpass filter
 - Infrared cut filter
- Decorative color membrane

Thin film

- Transparent conductive film
- Anti-smudge coating
- Scratch prevention

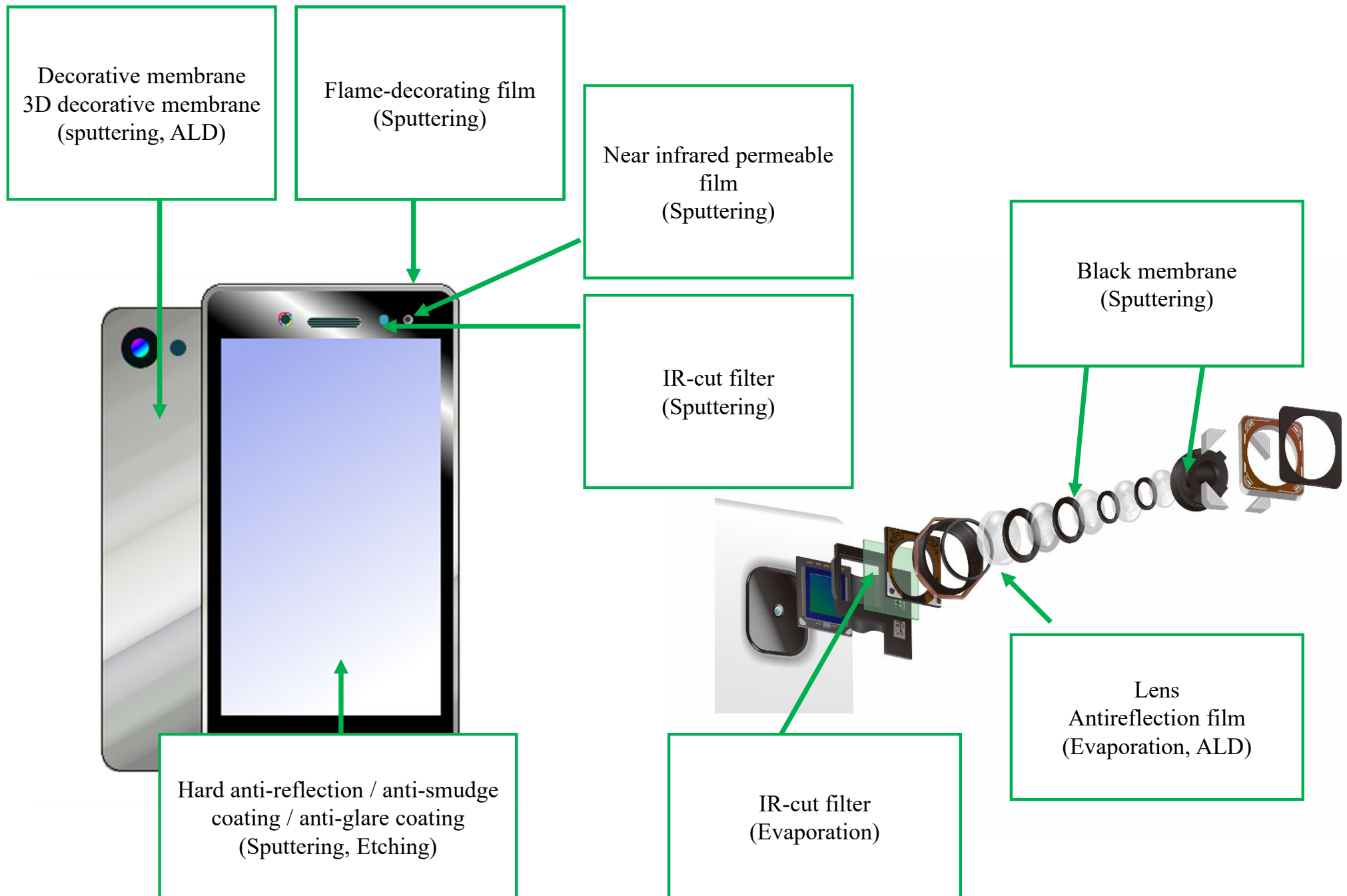


Optical thin-film in daily life

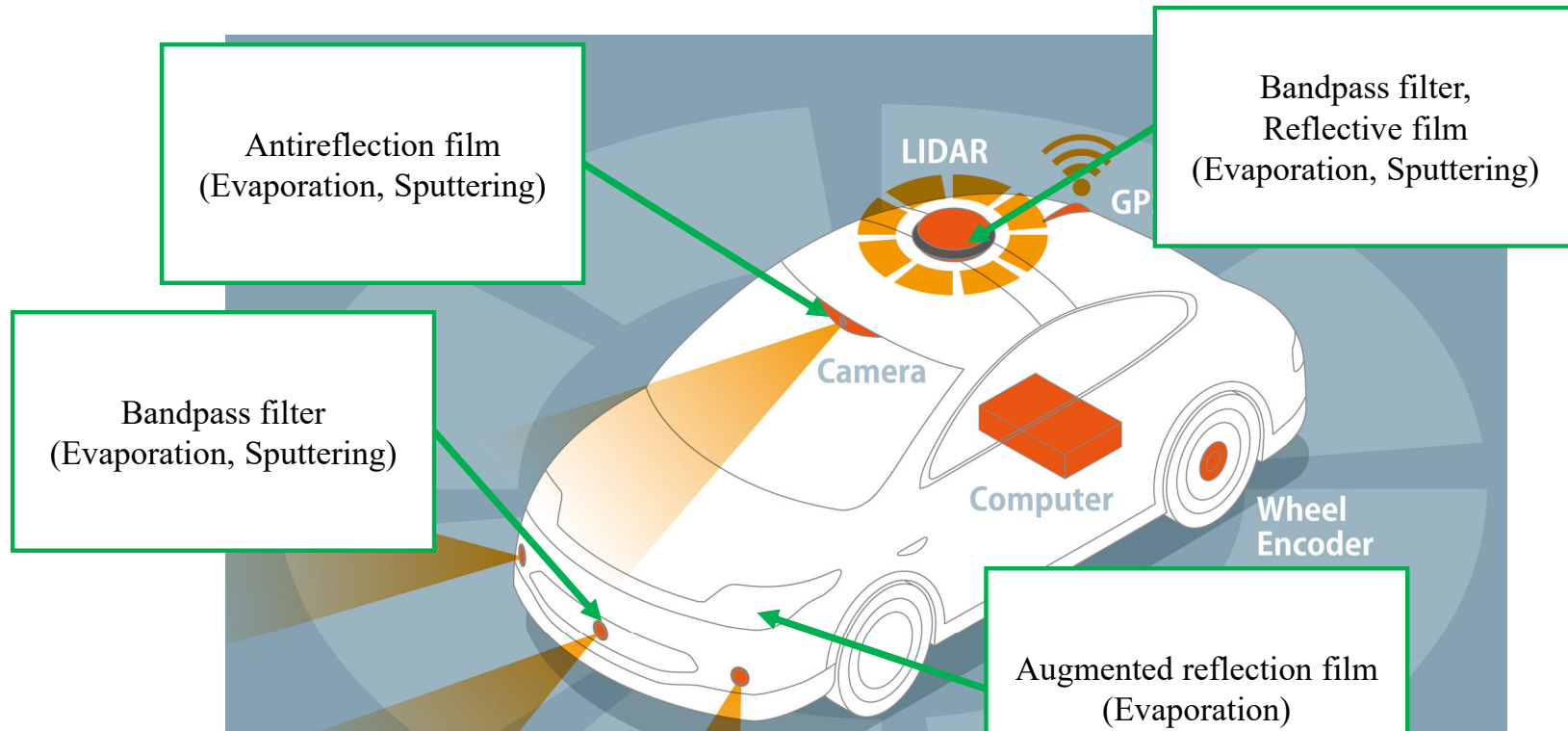


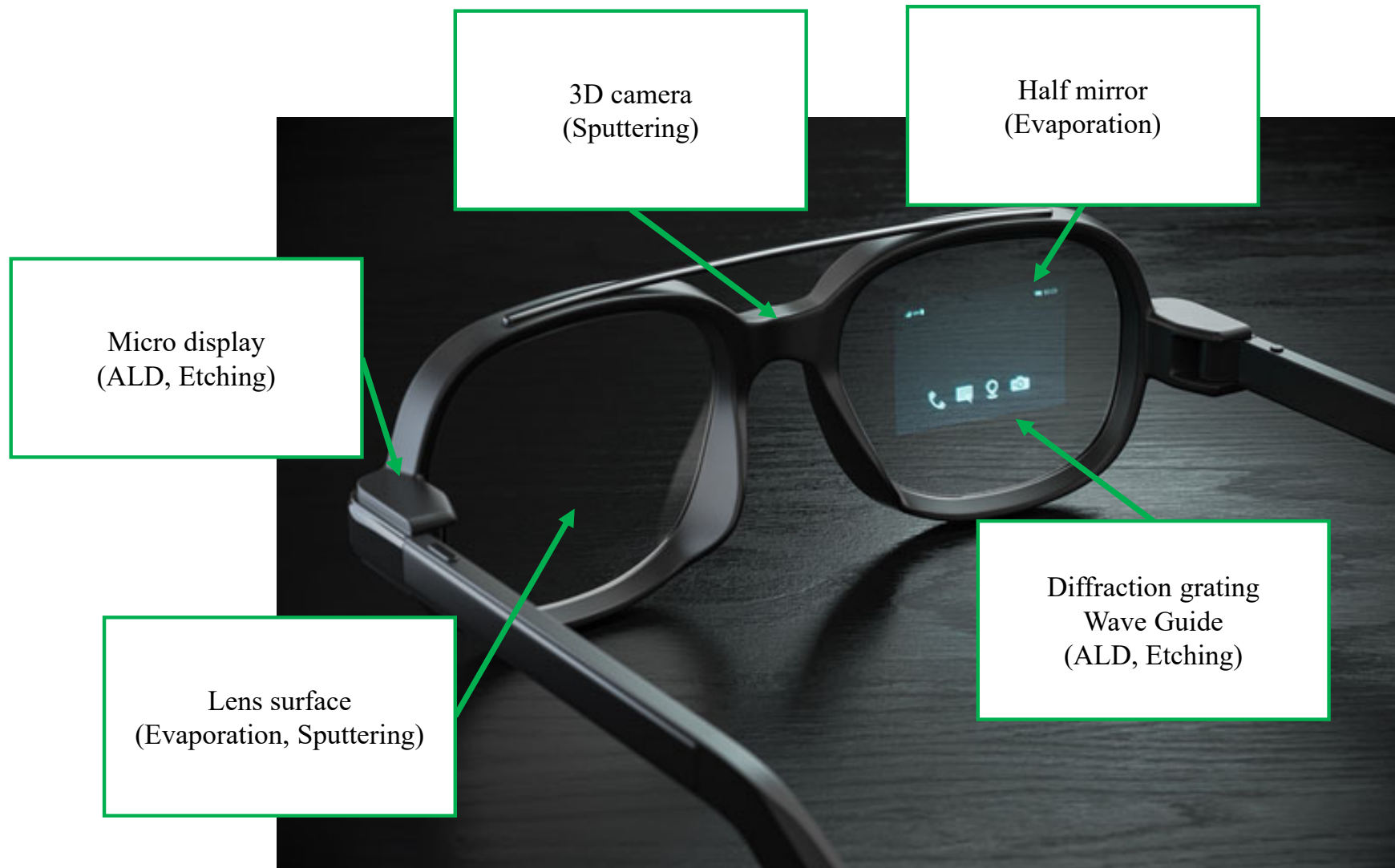
Optical thin-film is invisible but indispensable for everyday items.

Smartphone application

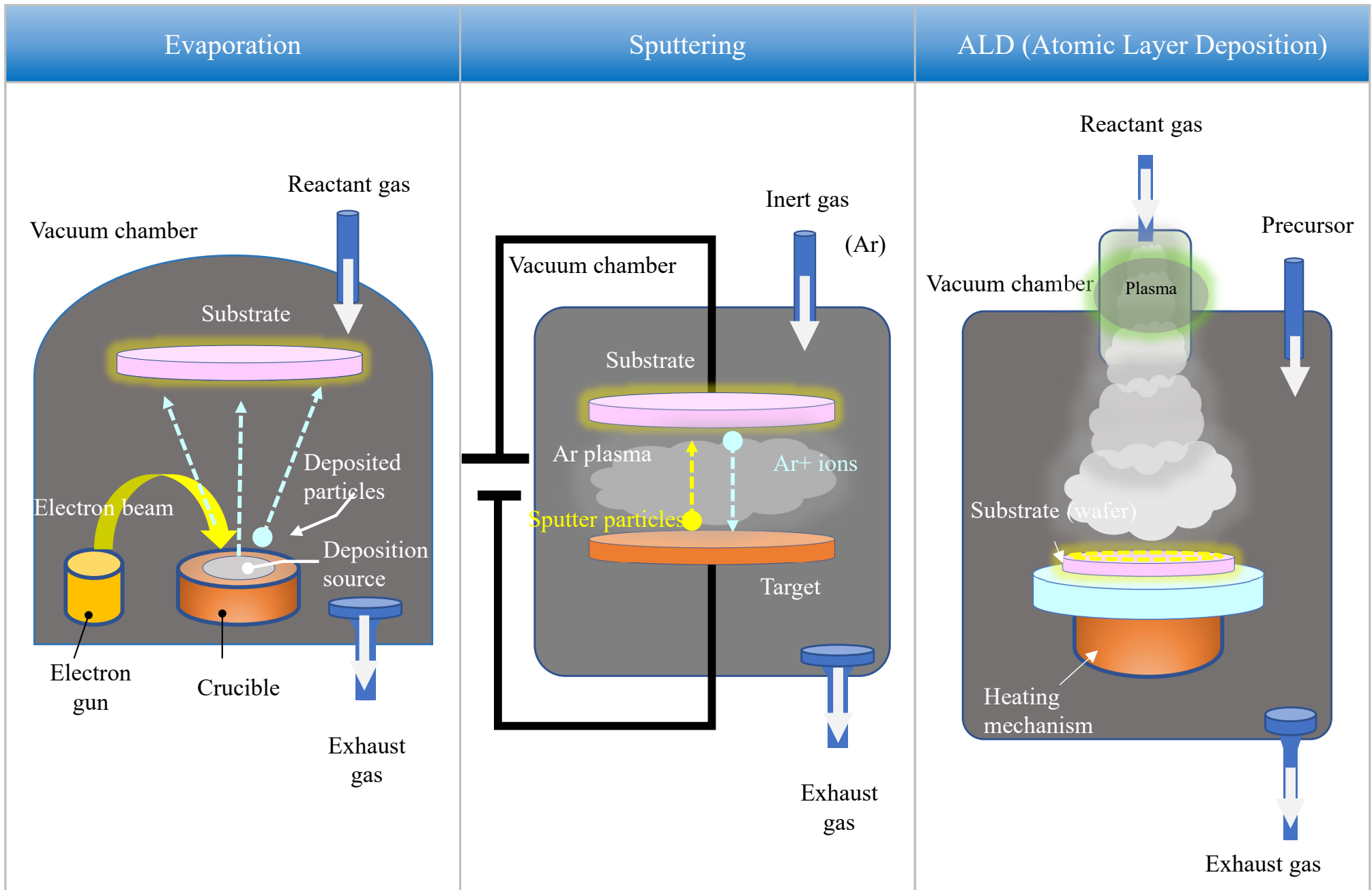


Automobiles application



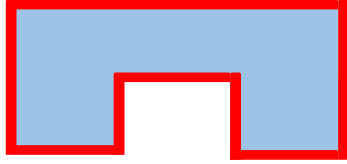
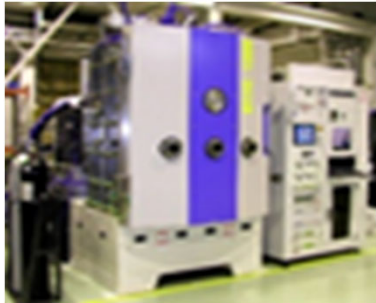






Thin-film deposition methods



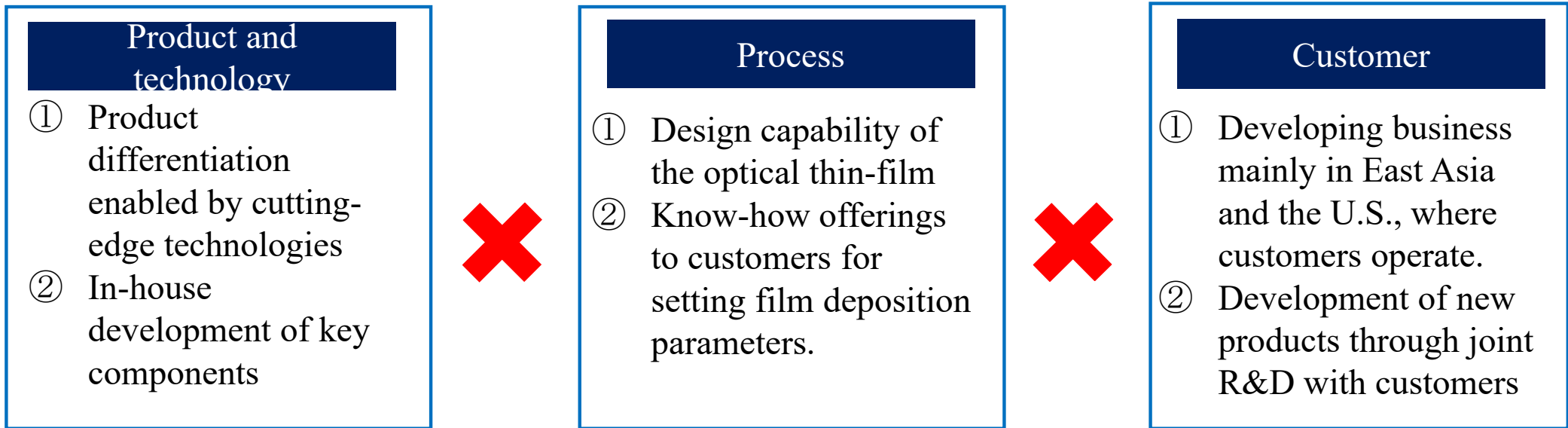
Equipment features

Film deposition method	Ion beam-assisted deposition	Sputtering	ALD
3D deposition (capability to deposit film on multiple dimensions of a complex shaped substrate)	Low Δ 	Low Δ 	High * 
Multi-layer capability	Height 0	High *	Low Δ
Running costs	Low \gg	High Δ	High Δ
Installation costs	Low \gg	High Δ	High Δ
Representative equipment	OTFC 	NSC 	ALDER 



Strengths and Growth Strategies



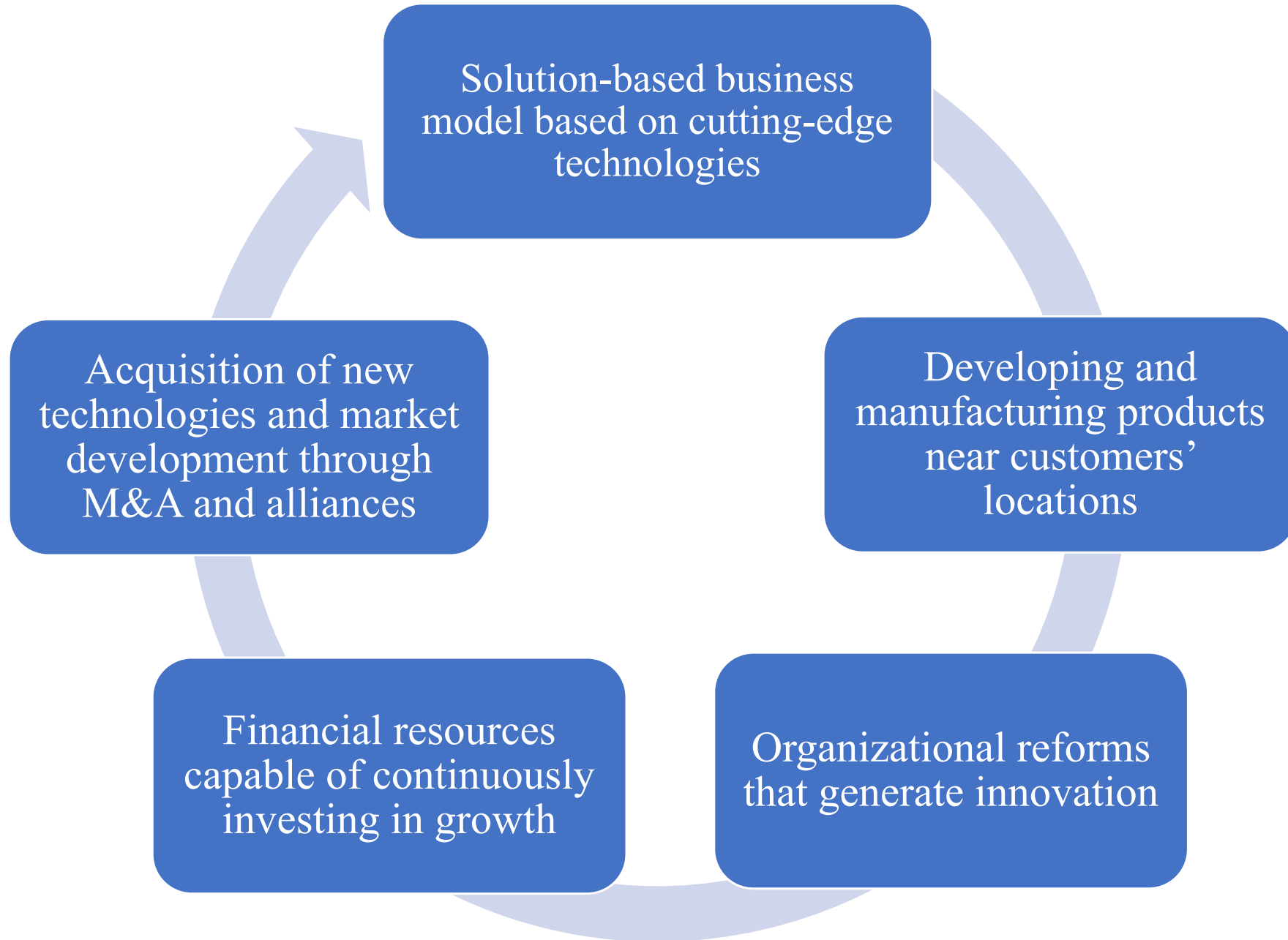


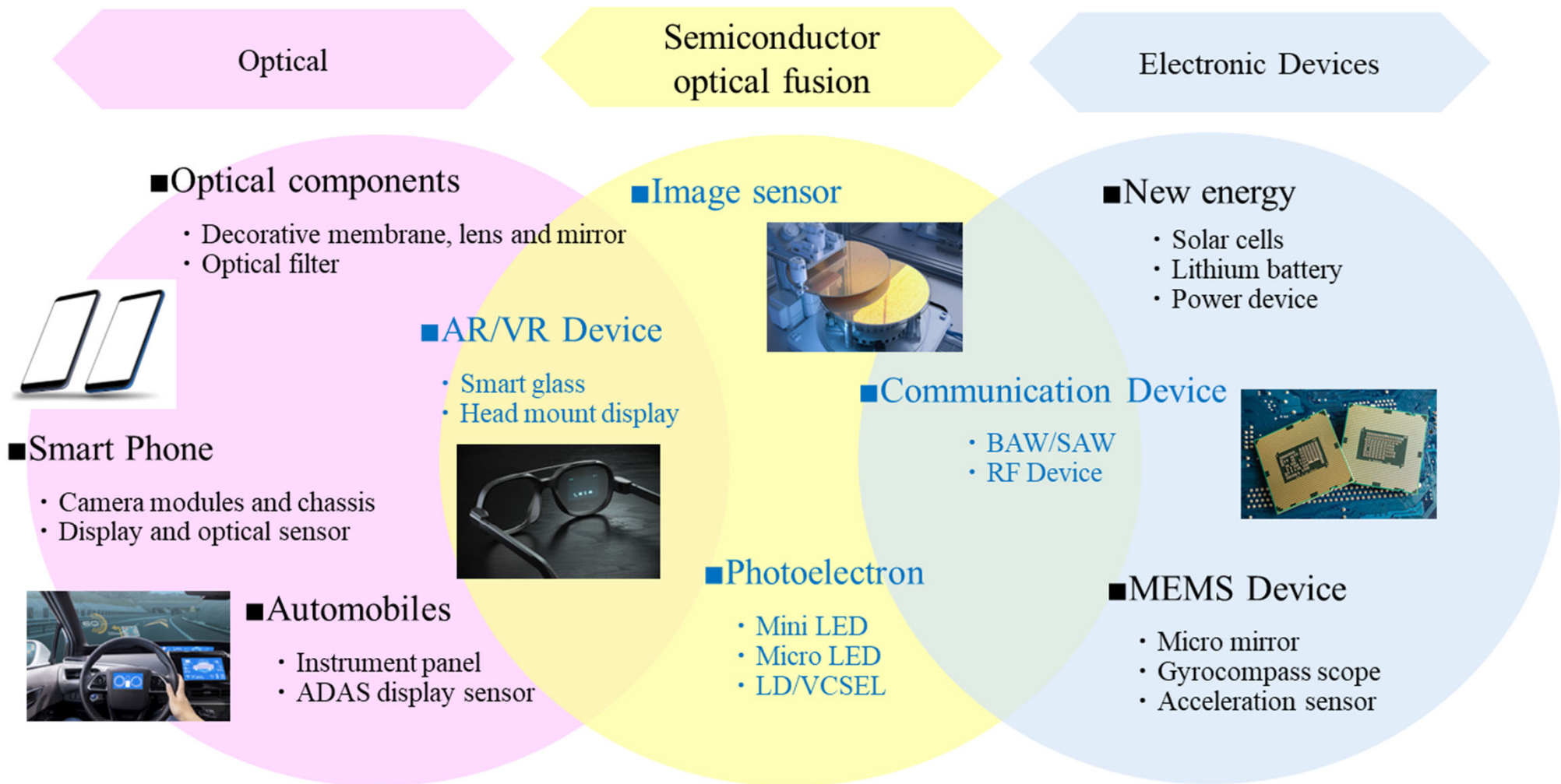
R&D activities on a global scale

Ability to provide solutions based on cutting-edge technologies

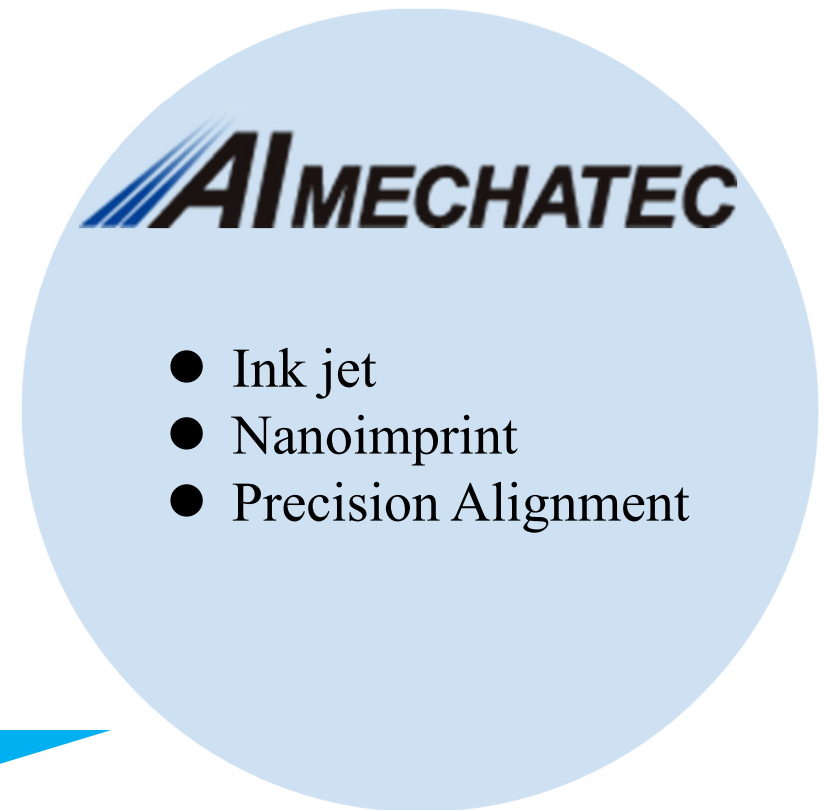
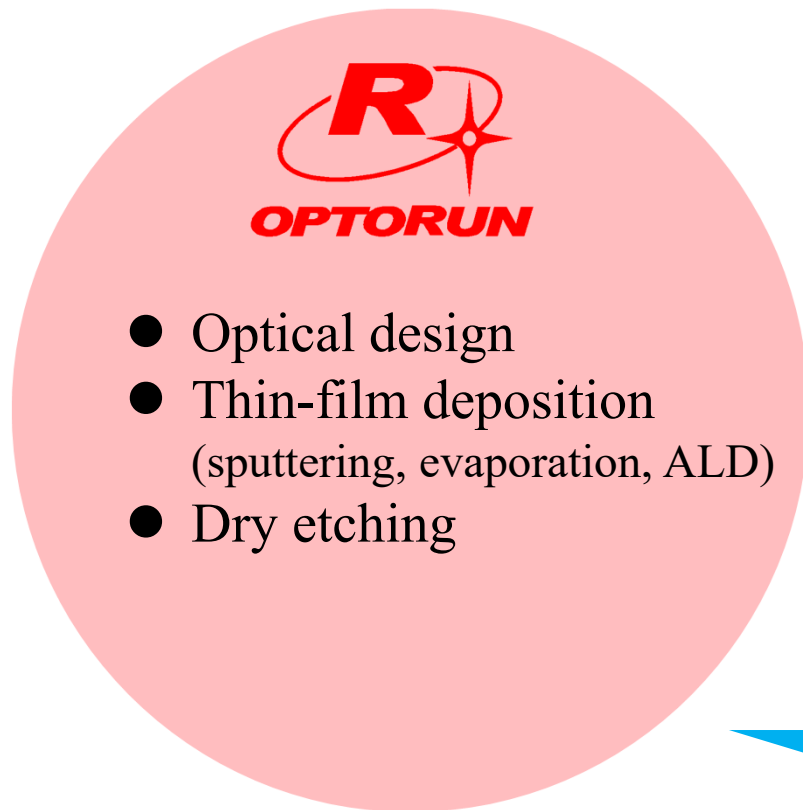
Sustainable creation of new markets

Optorun's Strengths - Corporate Value Enhancement Cycle





“Optical Device” application area will remain as our core domain. We are now expanding our domain into the fields of “Semiconductor Optical Fusion” and further into “Electronic Devices”



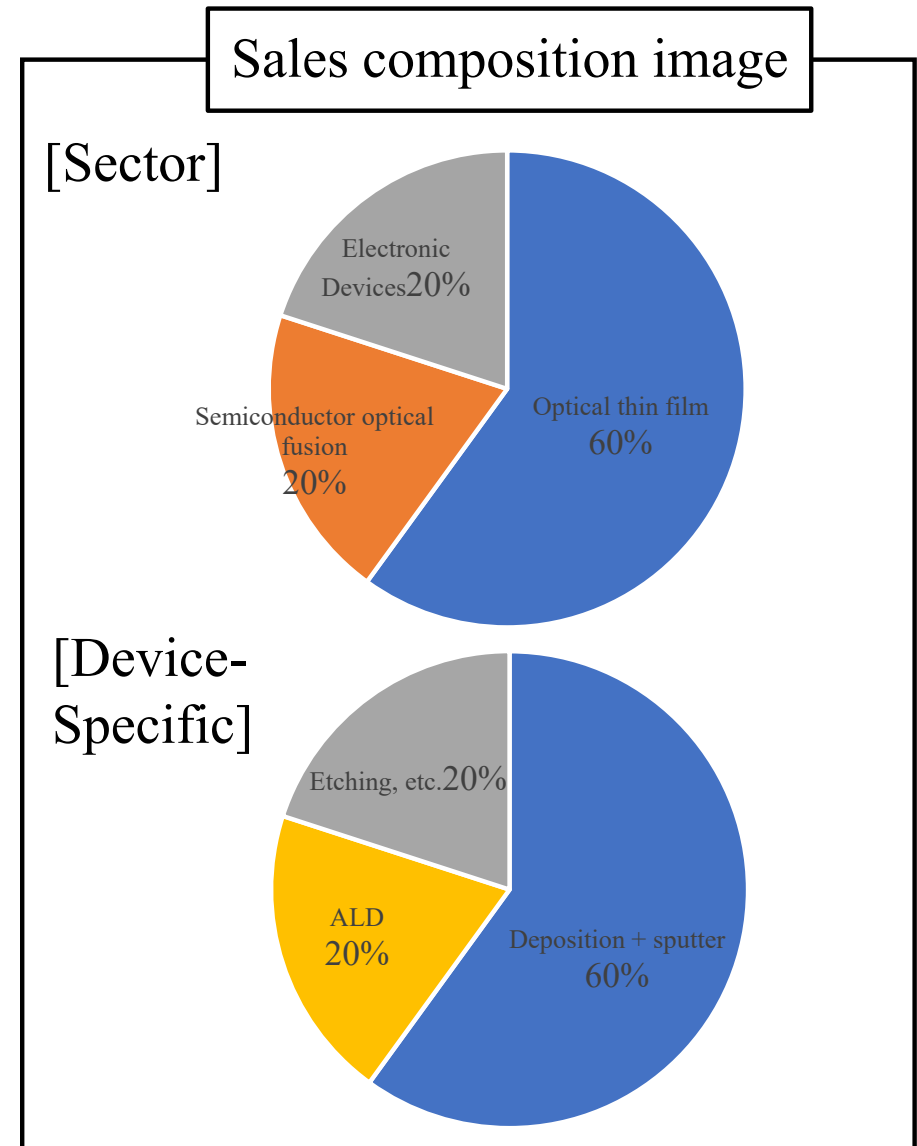
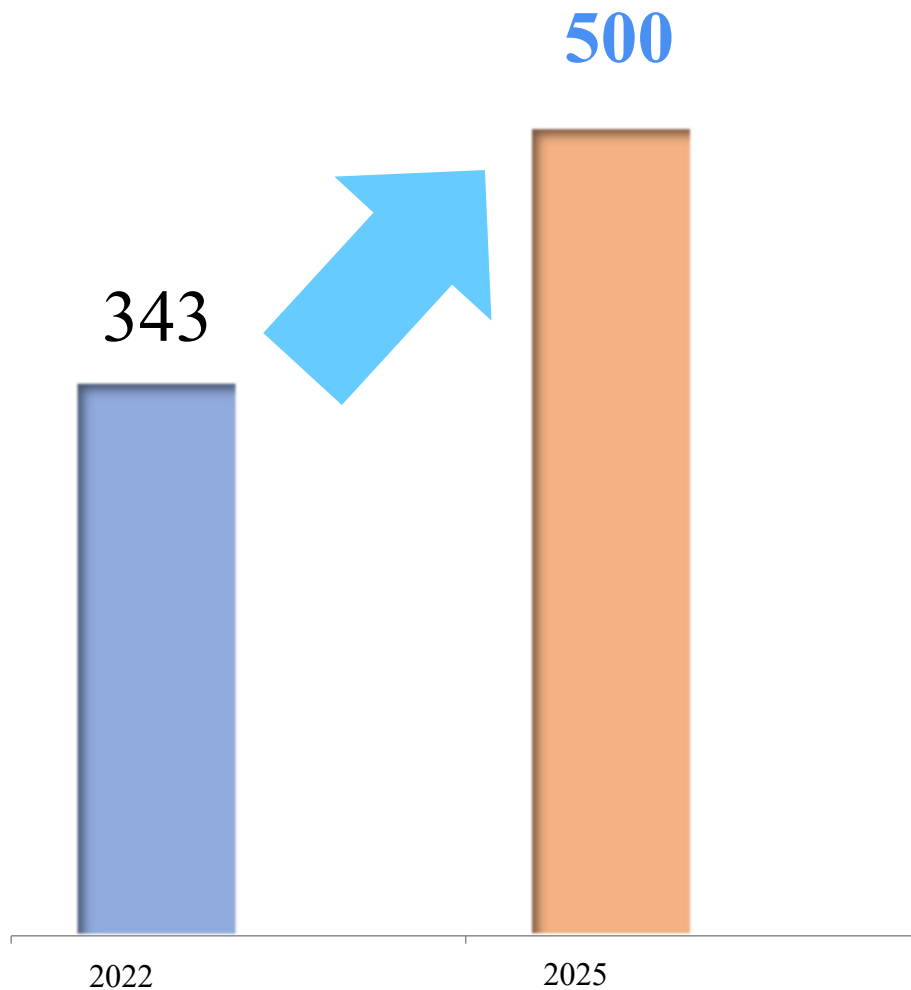
NANO-LITHOTICS
TECHNOLOGIES

Nanolysotics (joint venture) to

lead the market with state-of-the-art surface treatment technology

Growth Strategy - Medium-Term Sales Target

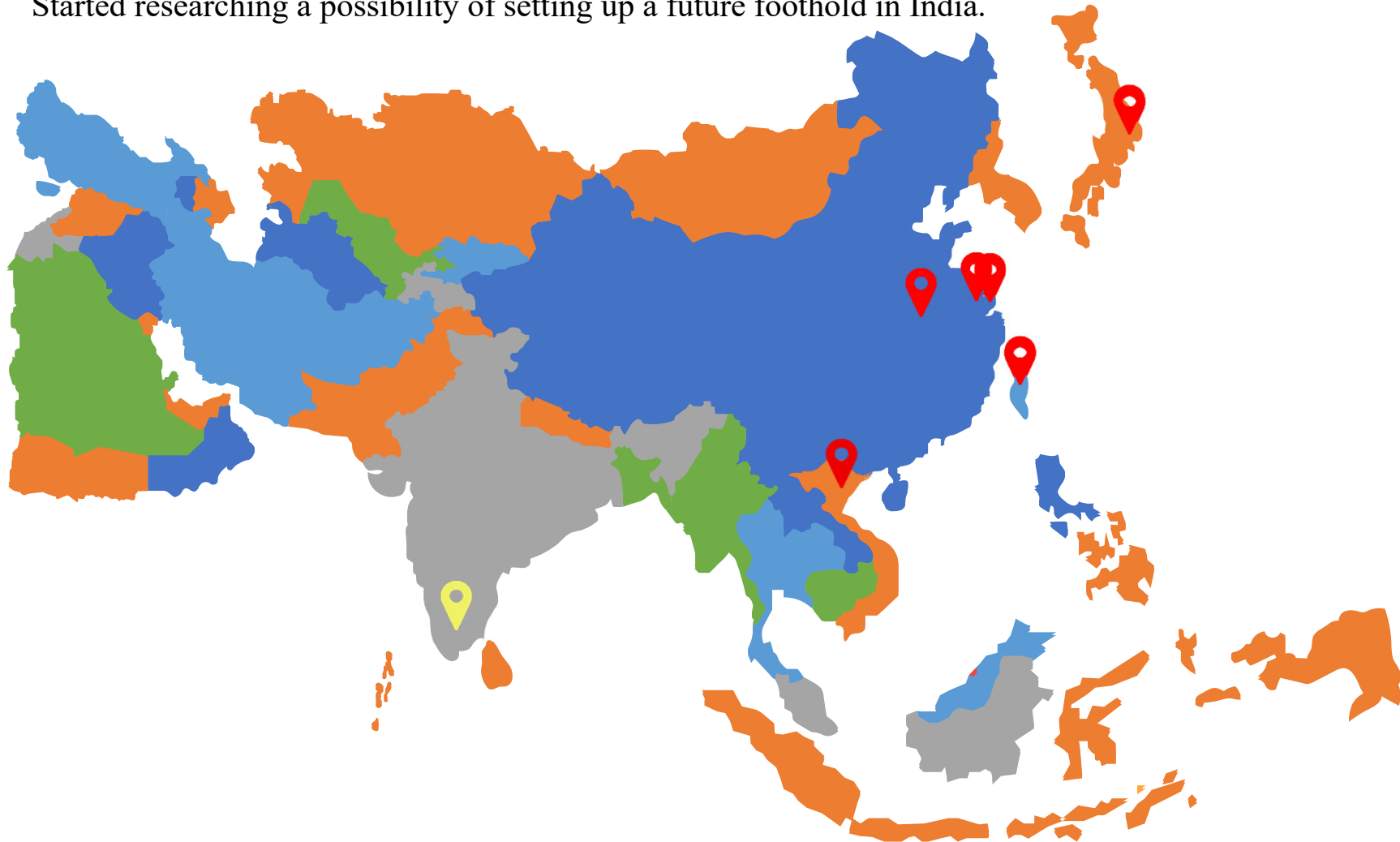
- Target sales of ¥50 bn by 2025
- Semiconductor-Optical Fusion and Electronic Devices will be the two new growth areas that drive Optorun to the next level as a global leader.



In response to future geopolitical risks

Optorun Group is responding to the overall shift in global value chain to reduce geopolitical risks and stabilize future supply chains.

- Local production for local consumption. “Made in China for China”.
- Strengthening the production capabilities for producing high-performance equipment for “semiconductor-optical fusion” application in Japan and Taiwan
- Established Vietnam subsidiary in July 2023 to penetrate Southeast Asian market.
- Started researching a possibility of setting up a future foothold in India.



Environment

Global environmental conservation

- Procurement mindful of environment
- Thorough treatment of industrial wastewater and water conservation
- Thorough exhaust gas treatment and management
- Reduction of waste and promotion of recycling
- Development of products that conserve energy and resources



Governance

Sound management

- Corporate Governance
- Compliance
- Risk Management

<Corresponding SDGs item>



Society

Technological contributions to enrich lifestyles

[Example of film deposition]

- Biometric identification of smartphones, Protection of touch panel and chassis
- Indispensable for optical communication DWDM filter
- Vehicle's instrumental panel
- Improvement of LED brightness and power saving
- Prevention of reflection of AR/VR devices
- Protection of the chassis

Corporate revitalization

- Utilization of human resources regardless of gender or nationality
- Global development of a diverse workforce
- Initiatives to improve employee motivation
- Health and Safety of workforce

Technological contributions that contribute to the health and safety of people

[Example of film deposition]

- Including lens filters in surveillance cameras
- Biometric authentication for security
- For automotive driving technology
- Devices such as sensors
- X-ray equipment
- Research support and contribution of biosensors

<Corresponding SDGs item>



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Aim for a sustainable future



Shareholder Returns



Invest to attain
future growth

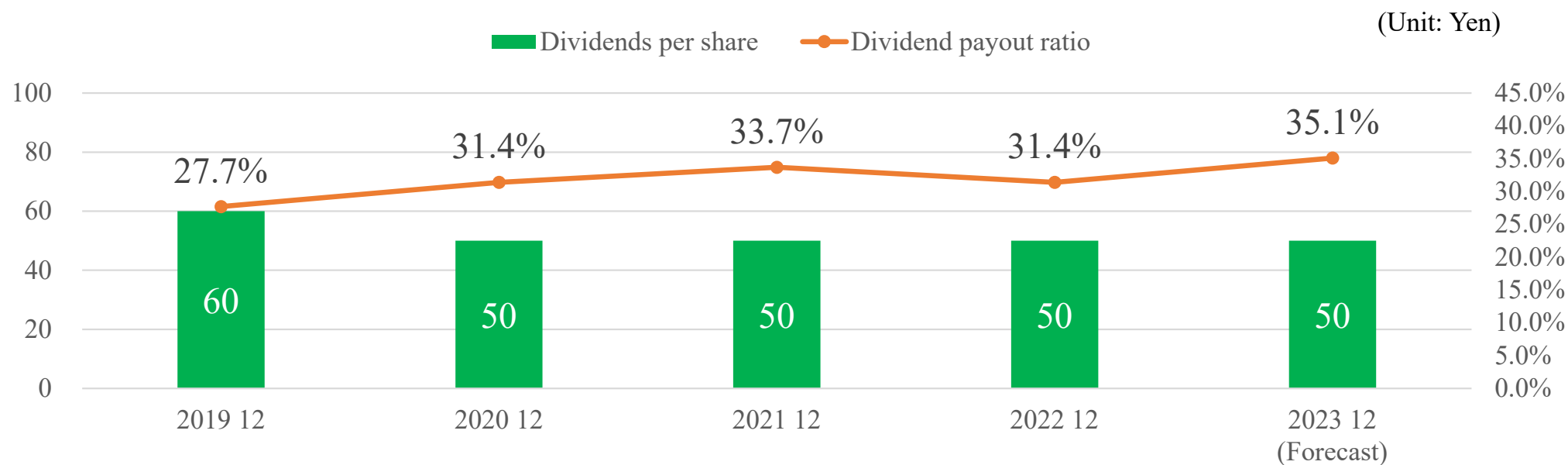
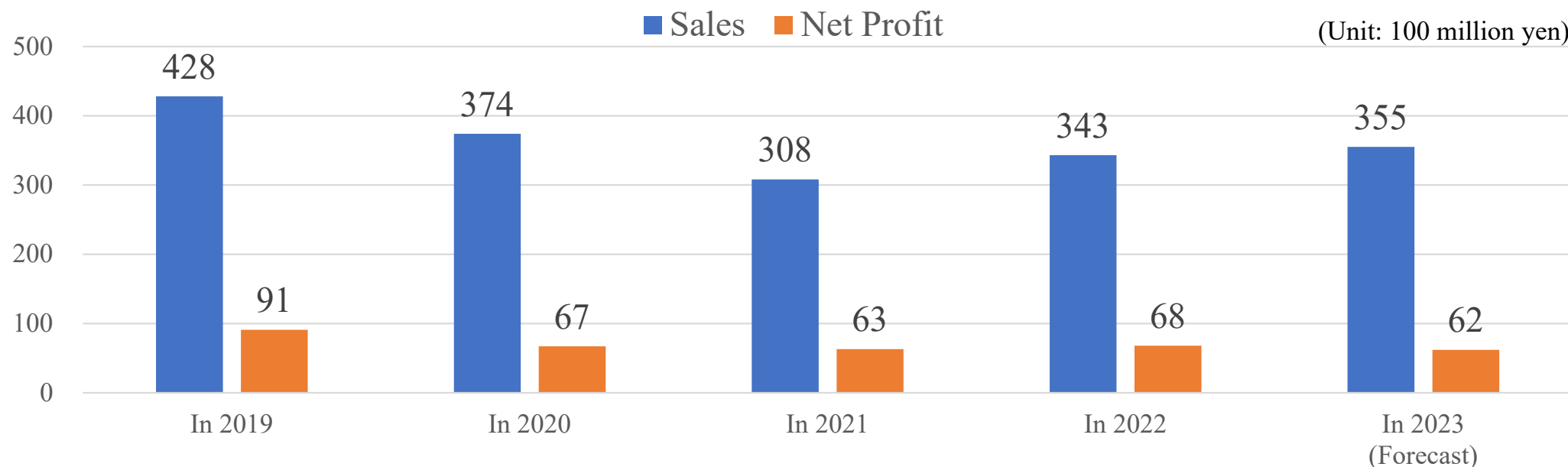
Profit to be directed towards growth opportunities, including R&D/Capex spending on leading-edge technologies, and M&A/Strategic Alliance for business expansion and technology acquisition.

Dividend

Maintain meaningful shareholder return by targeting dividend payout ratio at about 30%.

Investment in future growth will remain the top priority while maintaining stable payout of dividend.

Shareholder Returns



Cash dividends for the year 2023 are forecast to be ¥50 per share. 22

The information contained in this document has been prepared on the basis of generally accepted economic and social conditions as of August 25, 2023, and certain assumptions that we judged reasonable. However, the information contained in this document may be changed without notice due to changes in the business environment.

The materials and information provided in this publication include so-called forward-looking statements. These forward-looking statements are based on current expectations, projections and risky assumptions, and contain uncertainties that may cause results that differ materially from these statements.

These risks and uncertainties include general industry and market conditions, general domestic and international economic conditions such as interest rates and currency fluctuations.

We are not obligated to update or revise the forward-looking information contained in this report even if new information or future events occur.

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