



Year 2022 2nd Quarter Results

Optorun Co., Ltd.

August 5, 2022



01

FY2022 Q2 Results

02

Topics

Results for the 2nd Quarter of FY 2022



1. 1st Half 2022 Highlight

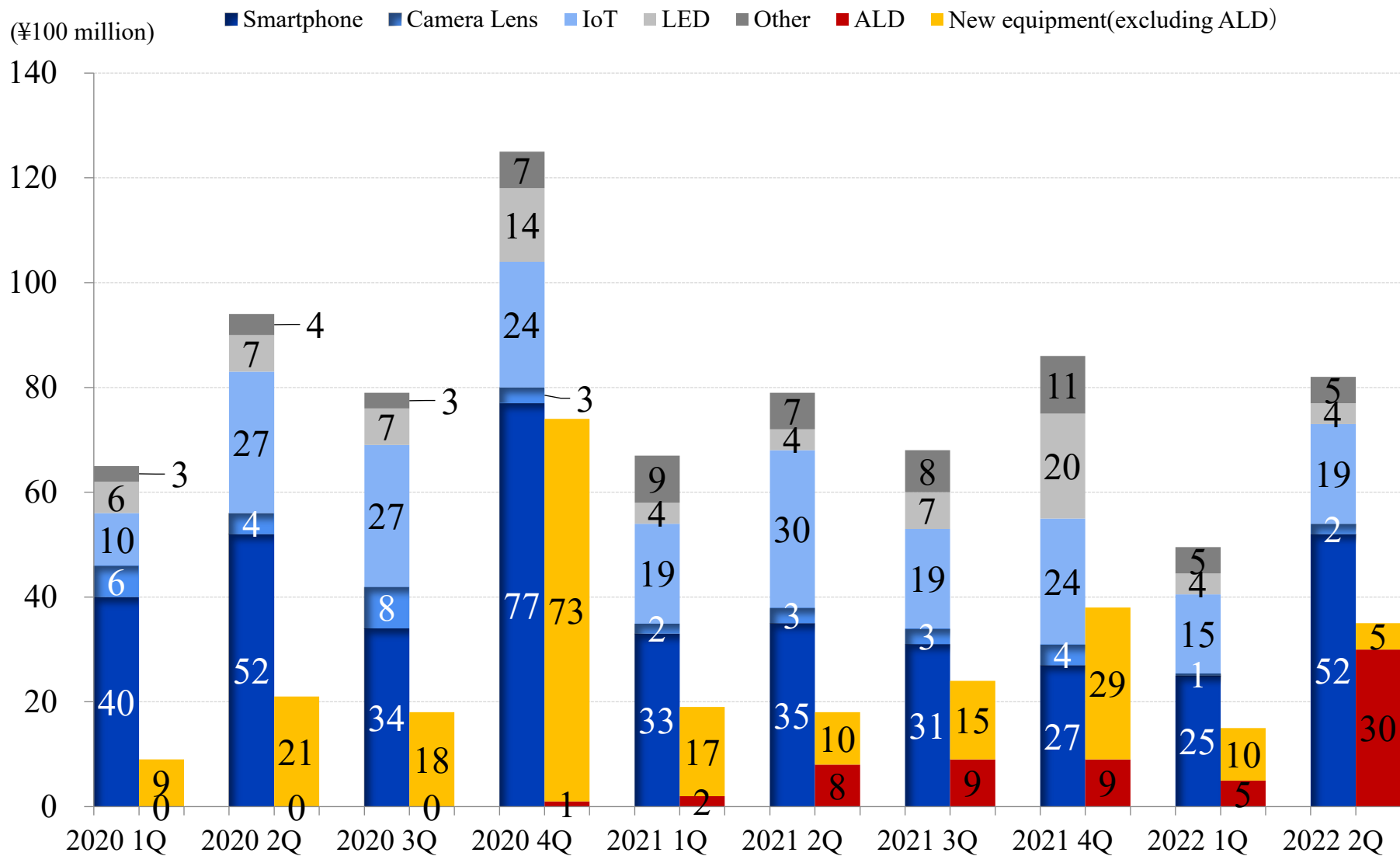
- The 2nd quarter saw another high level of orders following a strong 1st quarter (total of JPY27 bn for the 1st half). Our focus of R&D activities on semiconductor optical fusion and 3D technology areas are producing results in the fields of camera modules, automobiles, and semiconductors.
- Net sales fell 9% y-o-y to JPY13.5 bn. The Covid-related lockdown of China's major cities was primarily responsible for the decline. We are accelerating local production and stepping up support of our customers' acceptance inspection activities following the lockdown.
- Operating income was JPY3.2 bn (24.4% profit ratio). Sales of new-type equipment including ALD lifted overall gross margin level. Ordinary income was JPY4.4 bn due to foreign exchange gains.
- Subsidiary dedicated for the ALD business acquired land in Baoshan district of Shanghai as part of its progress toward full-scale operation.

2. Performance Summary

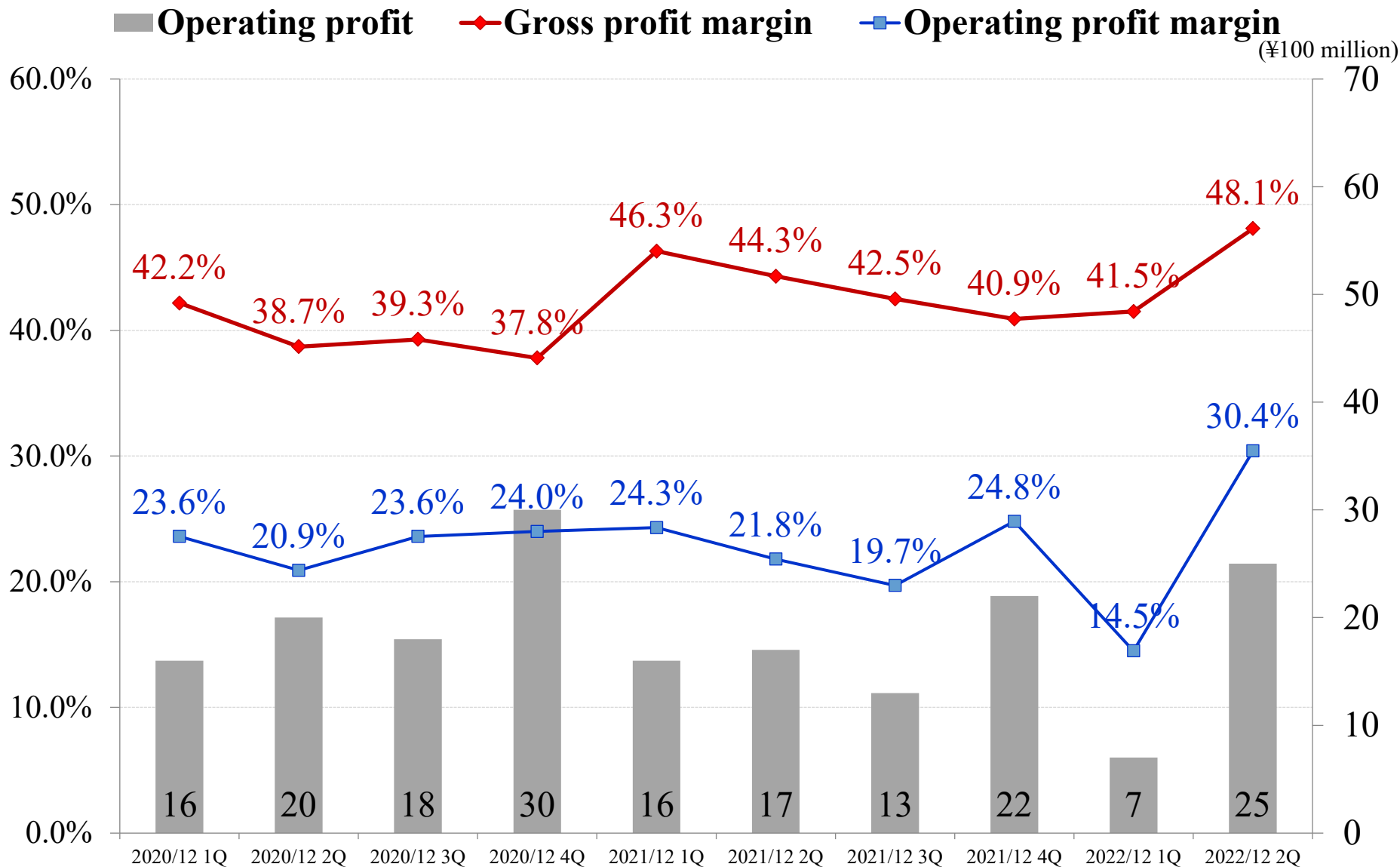
[Unit: 100 million yen]	1stH 2021	1stH 2022	Year-on-year change
Net sales	149	135	△9.6%
Gross profit	67	61	△8.8%
	(45.2%)	(45.6%)	—
Operating profit	34	32	△4.0%
	(23.0%)	(24.4%)	—
Ordinary profit	39	44	14.1%
	(26.2%)	(33.1%)	—
Net profit	27	29	6.7%
	(18.3%)	(21.6%)	—
R&D expenses	17	13	△24.0%
	(11.9%)	(10.0%)	—
CAPEX	4	6	43.1%
Orders received	165	270	63.6%
Order backlog	251	416	65.6%

(NOTE) Figures in parentheses represent the percentage of sales.

3. Breakdown of Net Sales (quarterly)



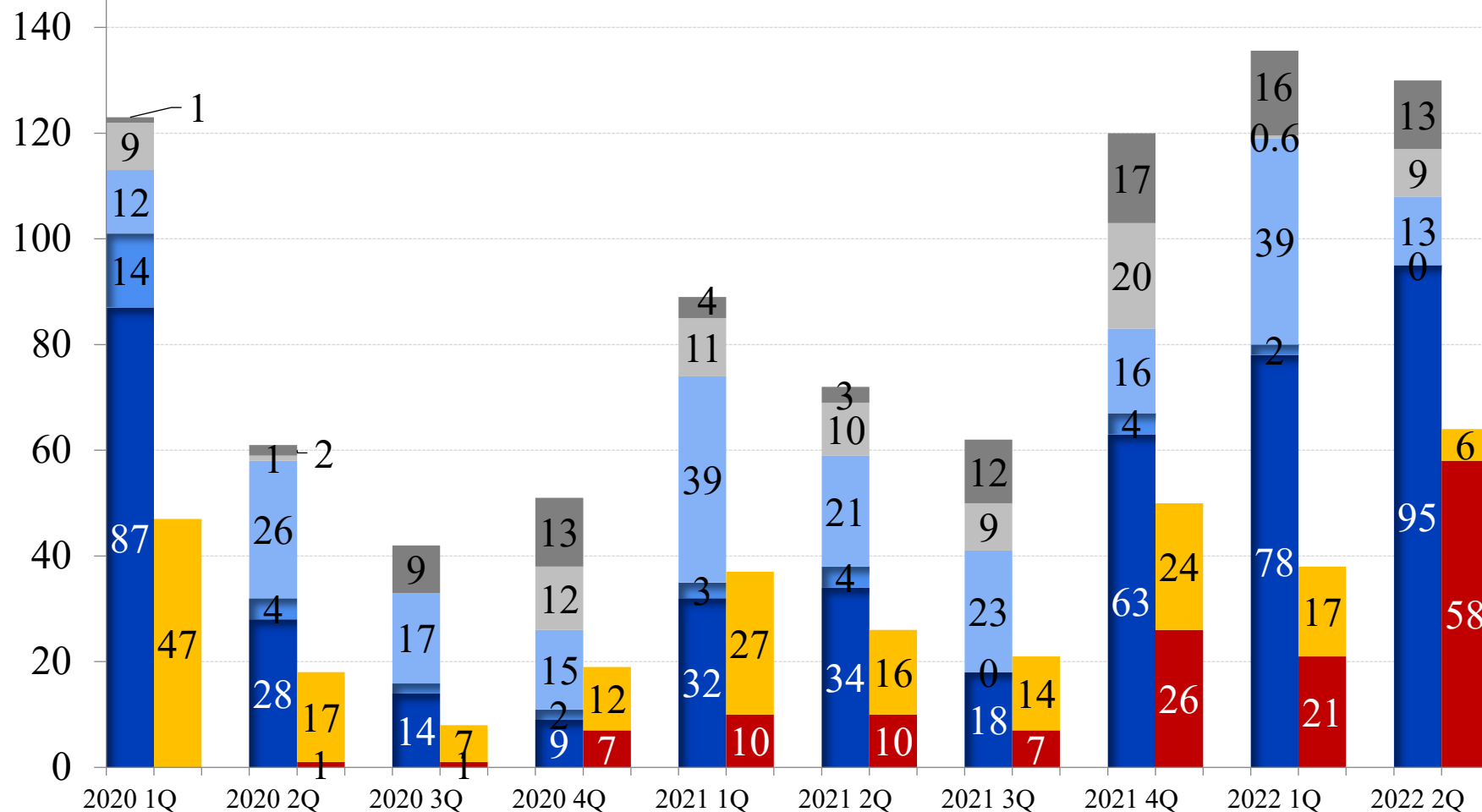
4. Gross profit and Operating profit (quarterly)



5. Orders received (quarterly)

Smartphone Camera Lens IoT LED Other ALD New equipment(excluding ALD)

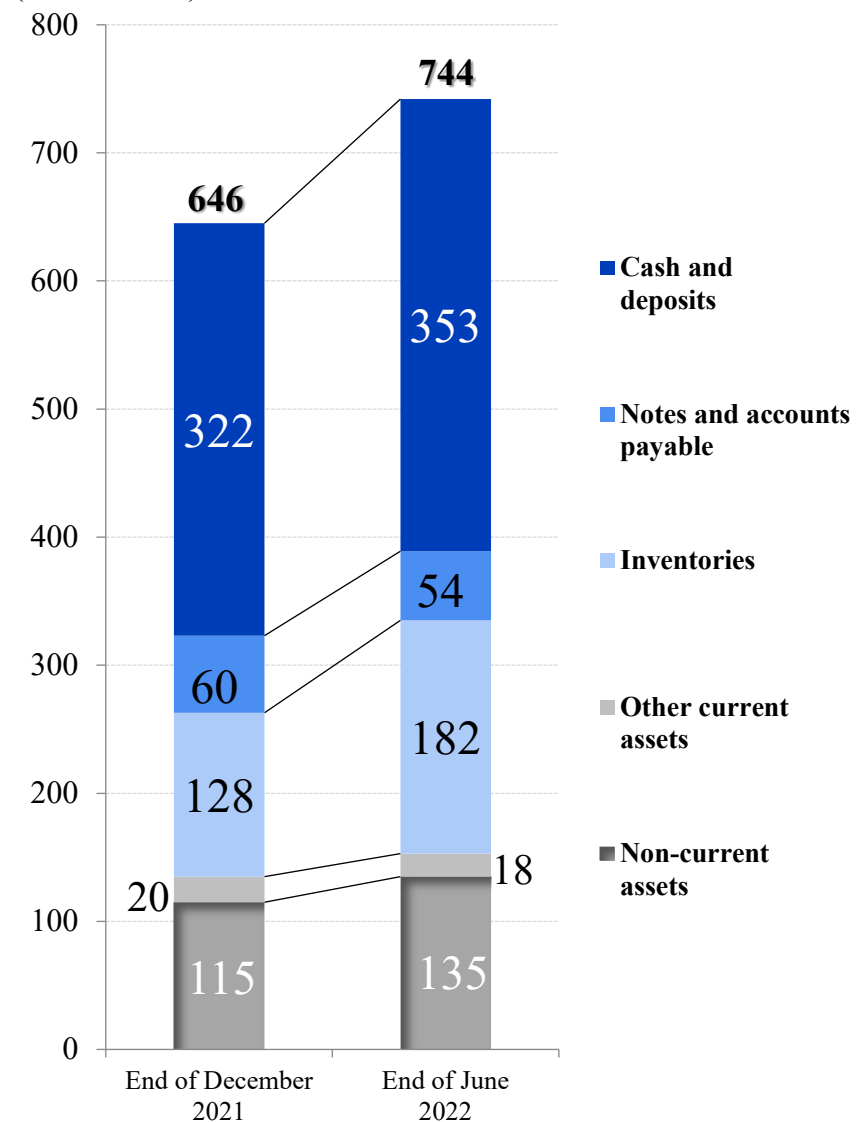
(¥100 million)



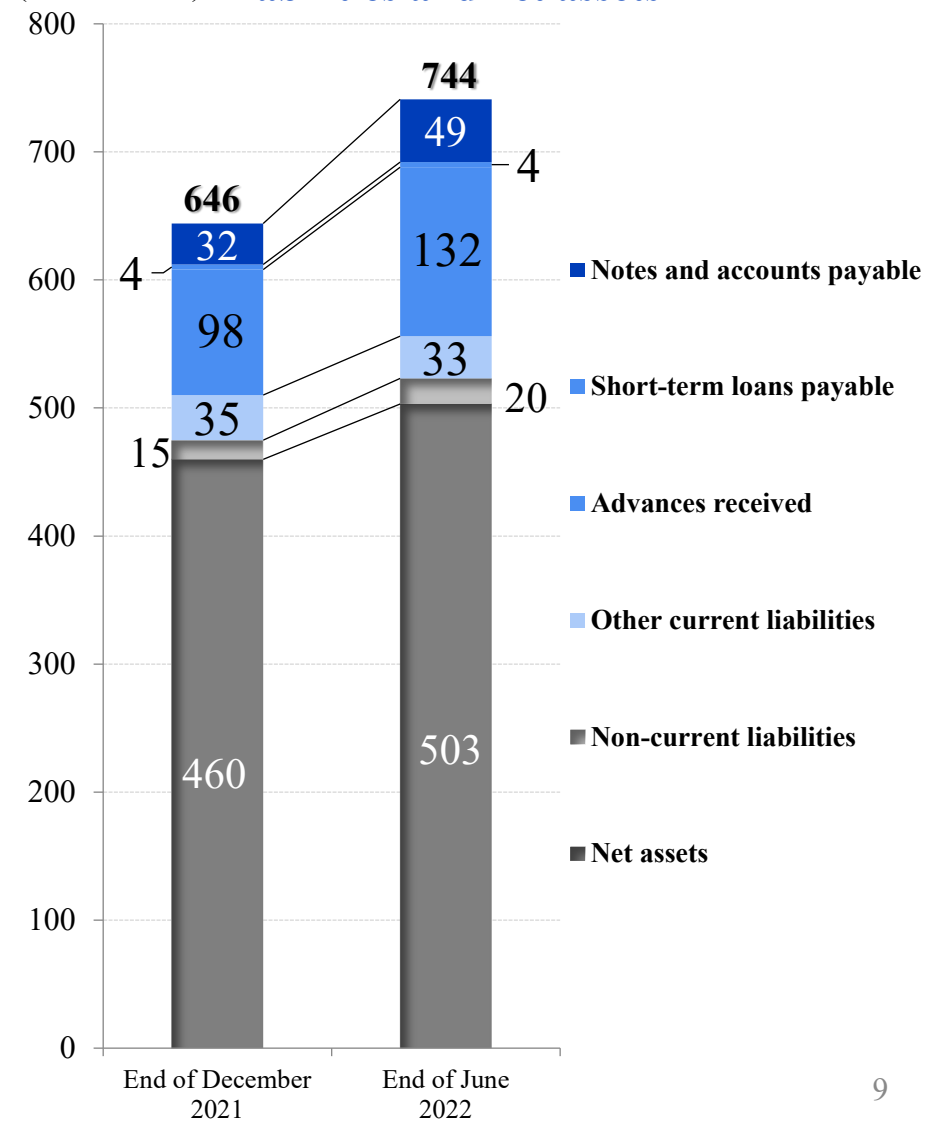
6. Consolidated Balance Sheet

(¥100 million)

Assets



(¥100 million) **Liabilities and net assets**



7. Cash flows

(¥100 million)




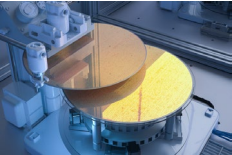
	1stH in FY12/21	1stH in FY12/22		Main reason
	Amount	Amount	changes	
CF from sales activities	107	38	△68	Due to an increase in inventories
CF from investment activities	△4	△5	△1	Purchase of tangible fixed assets
CF from financial activities	△21	△21	0	For the payment of dividends
Of cash and cash equivalents Translation adjustments	6	18	12	
Net increase (decrease) in cash and cash equivalents	88	30	△57	
Cash and cash equivalents at beginning of year	227	322	95	
Period-end balance of cash and cash equivalents	315	353	37	

2. Topics

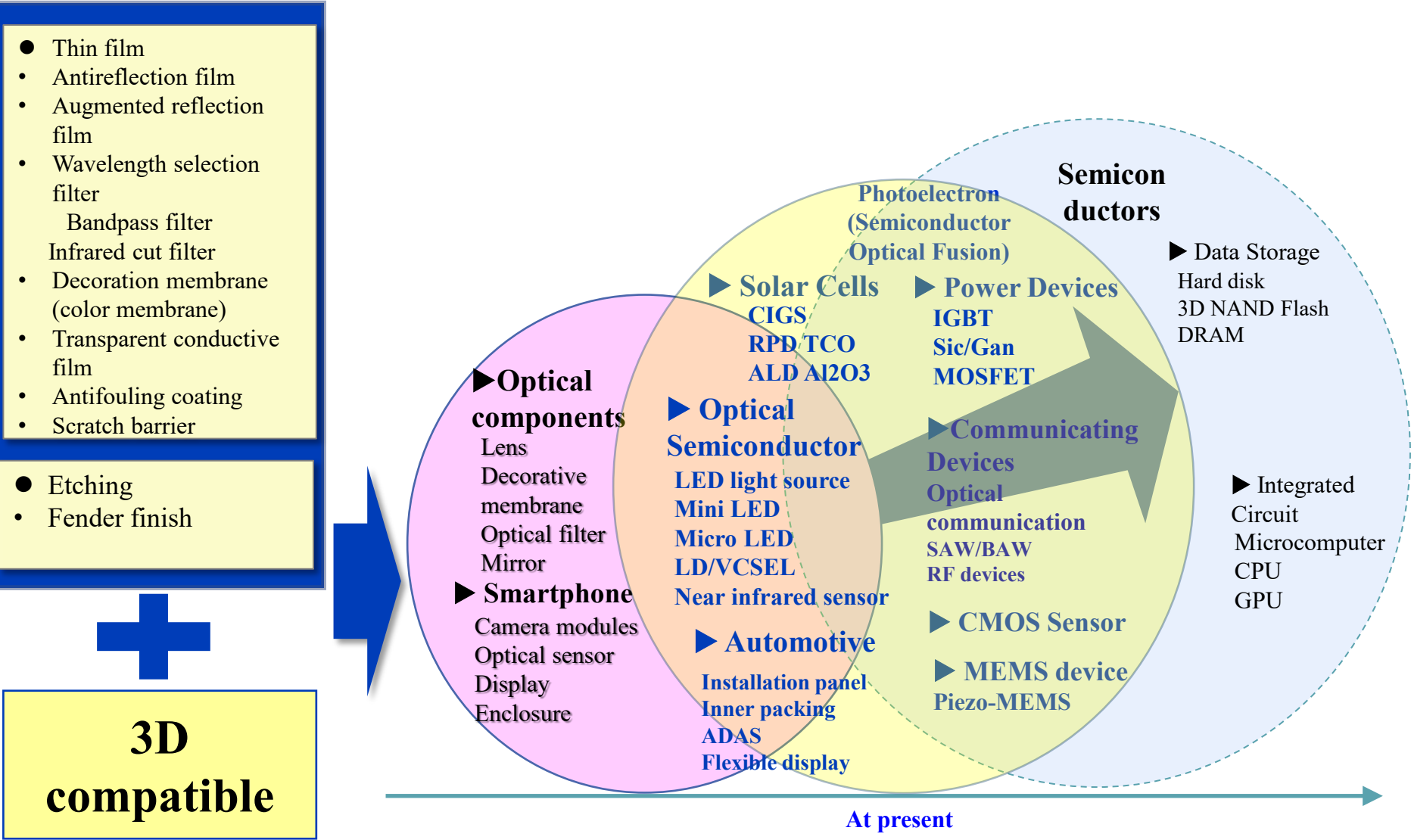


8. Trends in orders received

- Demand is expanding for highend smartphone cameras, automotive applications, AR/VR, and semiconductors, which require advanced 3D and semiconductor optical fusion technologies.

	Smart phone	<ul style="list-style-type: none"> ● Demand for larger camera modules is expected.
	Automotive	<ul style="list-style-type: none"> ● Automotive cameras, heads-up displays, sensors, etc.
	AR/VR	<ul style="list-style-type: none"> ● Diversification of applications, such as the use in games and manufacturing sites, has progressed.
	Semiconductor Optical fusion	<ul style="list-style-type: none"> ● Demand is surging for film deposition on wafers in the semiconductor backend process, especially in sensing area.

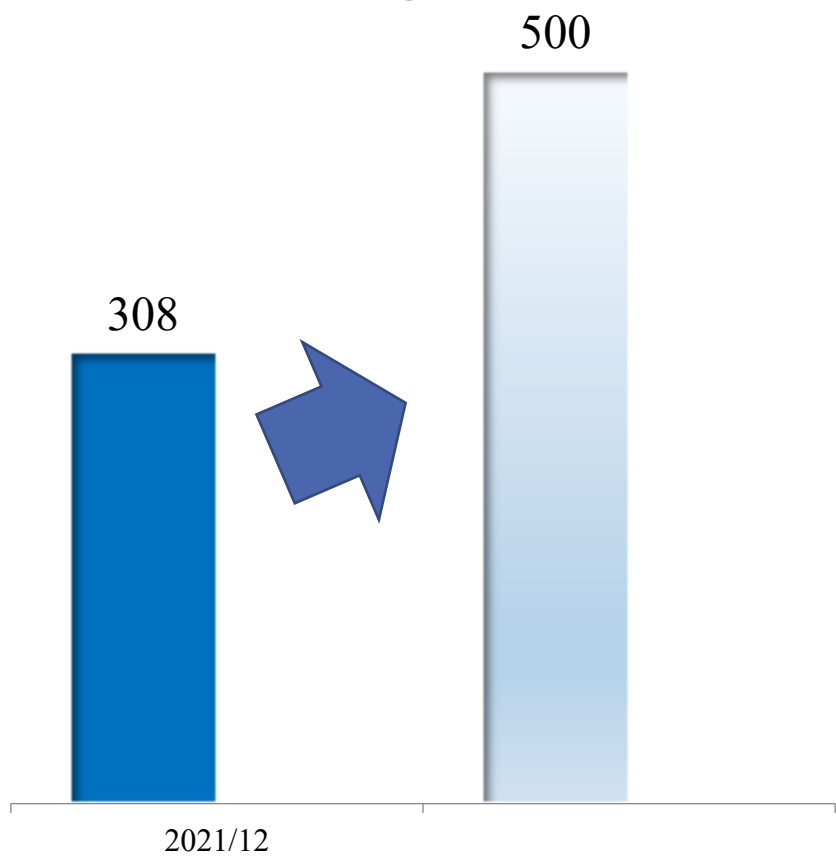
9. Roadmap (3D + Semiconductor Optical Fusion)



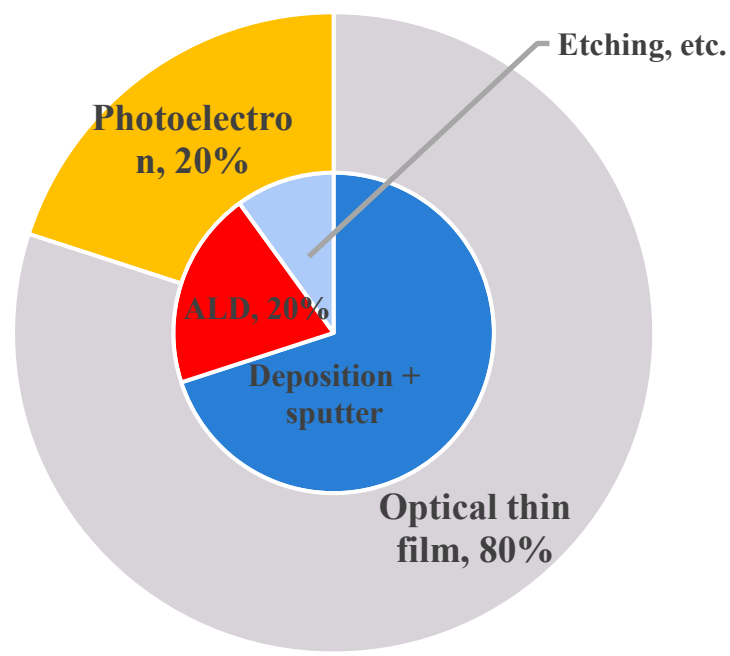
10. Medium-term sales image

- The Company will maintain the top market share in the fields of smartphones, IoT and LEDs.
- In addition, new demand for optoelectronics (compound semiconductors, RF filters, power devices, etc.) will be captured for further growth.

Mid-term sales image [Unit: JPY100 mn]



Sales composition image



11. ALD business

1. Application areas

- Likely to expand to AR/VR and semiconductor wafer-level optics from the current lenses and displays application.

[Smartphones (lenses)]



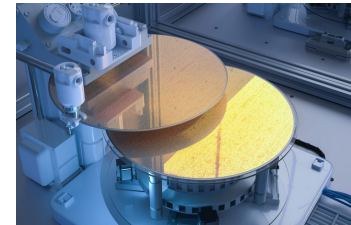
[Display (Mini LED)]



[AR/VR]



[Wafer Level Optics]



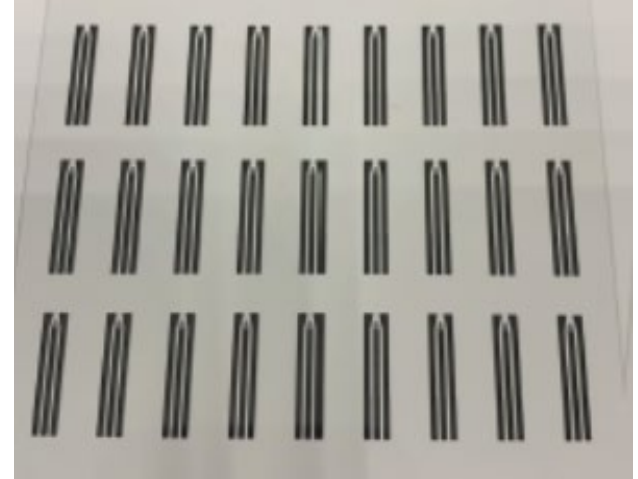
2. Land acquisition by ALD business Subsidiary

- ALD business has grown into our core business.
- Acquired land for plant to enable the subsidiary to quickly grasp the needs of the Chinese market.



12. Biosensor business

- Our customer obtained CFDA certification for their blood glucose and uric acid biosensor products using sensors (electrodes) based on our deposition technology.
- As a result, the needs for our biosensor product are expected to increase.
- The biosensor business is scheduled to move from the R&D stage to the business stage.



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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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