



3rd Quarter 2022 Earning Presentation

Optorun Co., Ltd.

November 11, 2022



I

FY2022 3rd Quarter Results

II

Revised Fiscal 2022 Forecast

III

Topics



I

FY2022 3rd Quarter Results

Q1-Q3 results (key points)

【Orders received】

- ¥45.8 billion (up 100.2%): a record high since listing.
- ALD equipment has grown into a major pillar of our business.
- Orders for smartphone application remained high following the strong 2Q, especially for high-end smartphones with high resolution/definition cameras.
- Strong demand for automobiles and LEDs application in relation to semiconductor-optical fusion technologies.

【Sales】

- Production recovery from the April Shanghai pandemic lockdown and accelerated on-site acceptance inspection pushed up sales.
- ALD equipment is serving high-end technology needs for smartphone cameras.
- Strong performance in both new and conventional type equipment

【Operating Income】

- New type equipment contributed to overall high profitability.
- SG&A costs transitioning lower than originally planned.

【Net Income】

- Strong dollar and gains from J/V dissolution contributed to net income.

Financial Highlights



(Unit: 100 million yen)

	Year ended December 2021 Q3	Year ended December 2022 Q3	YoY change
Net Sales	220	247	12.7%
Gross profit	97	109	12.2%
	(44.3%)	(44.1%)	-
Operating income	48	62	29.5%
	(21.9%)	(25.2%)	-
Ordinary income	53	77	43.8%
	(24.5%)	(31.2%)	-
Net Profit	45	58	29.5%
	(20.6%)	(23.6%)	-
R&D expenses	25	21	△16.0%
	(11.8%)	(8.8%)	-
CAPEX	8	51	523.5%
Orders received	229	458	100.2%
Order Backlog	244	492	100.9%

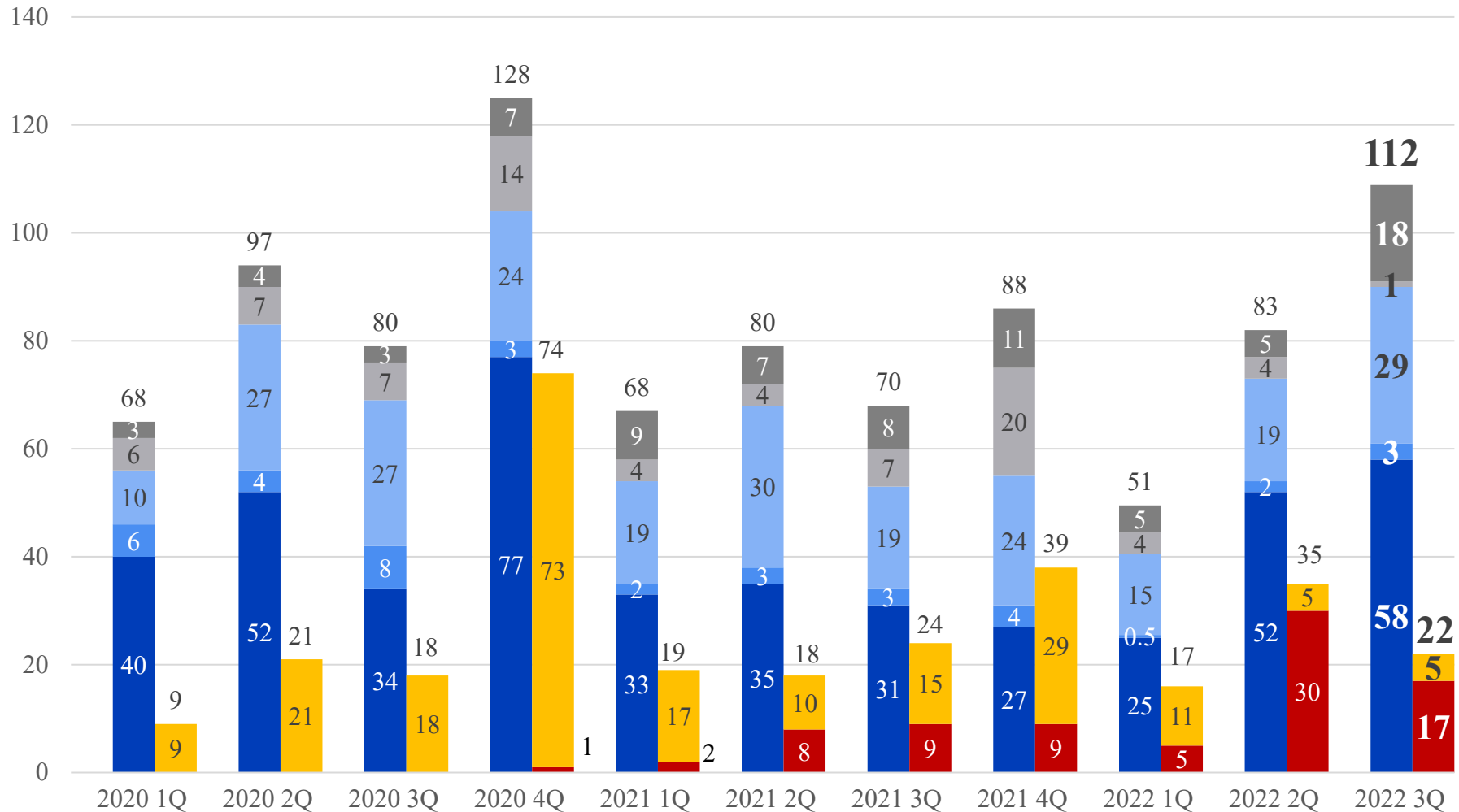
(NOTE) % in parentheses represents the percentage of sales

Quarterly Sales by Segment



(Unit: 100 million yen)

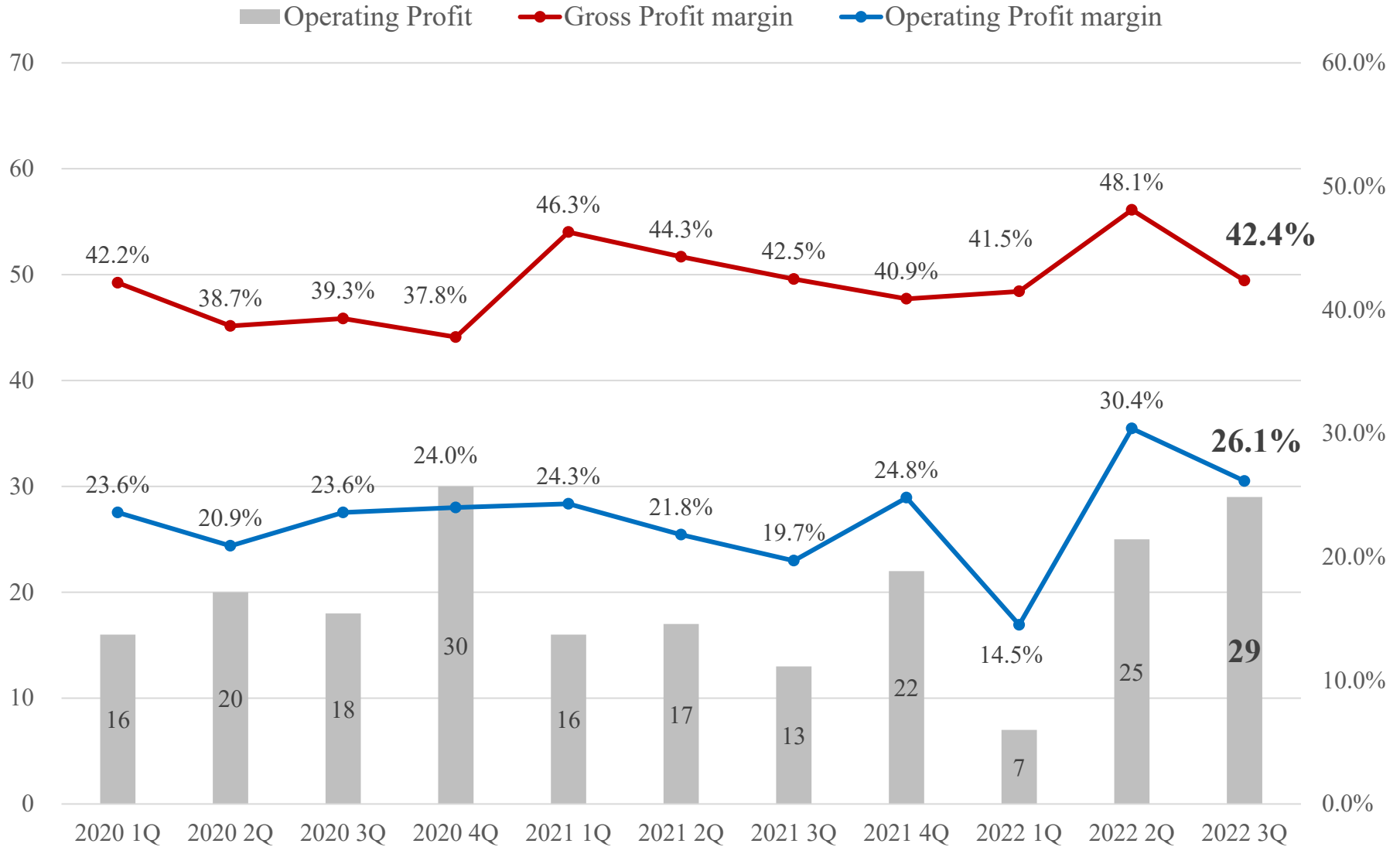
Smart phone Camera lens IoT LED Other ALD New equipment(excluding ALD)



Quarterly Profitability



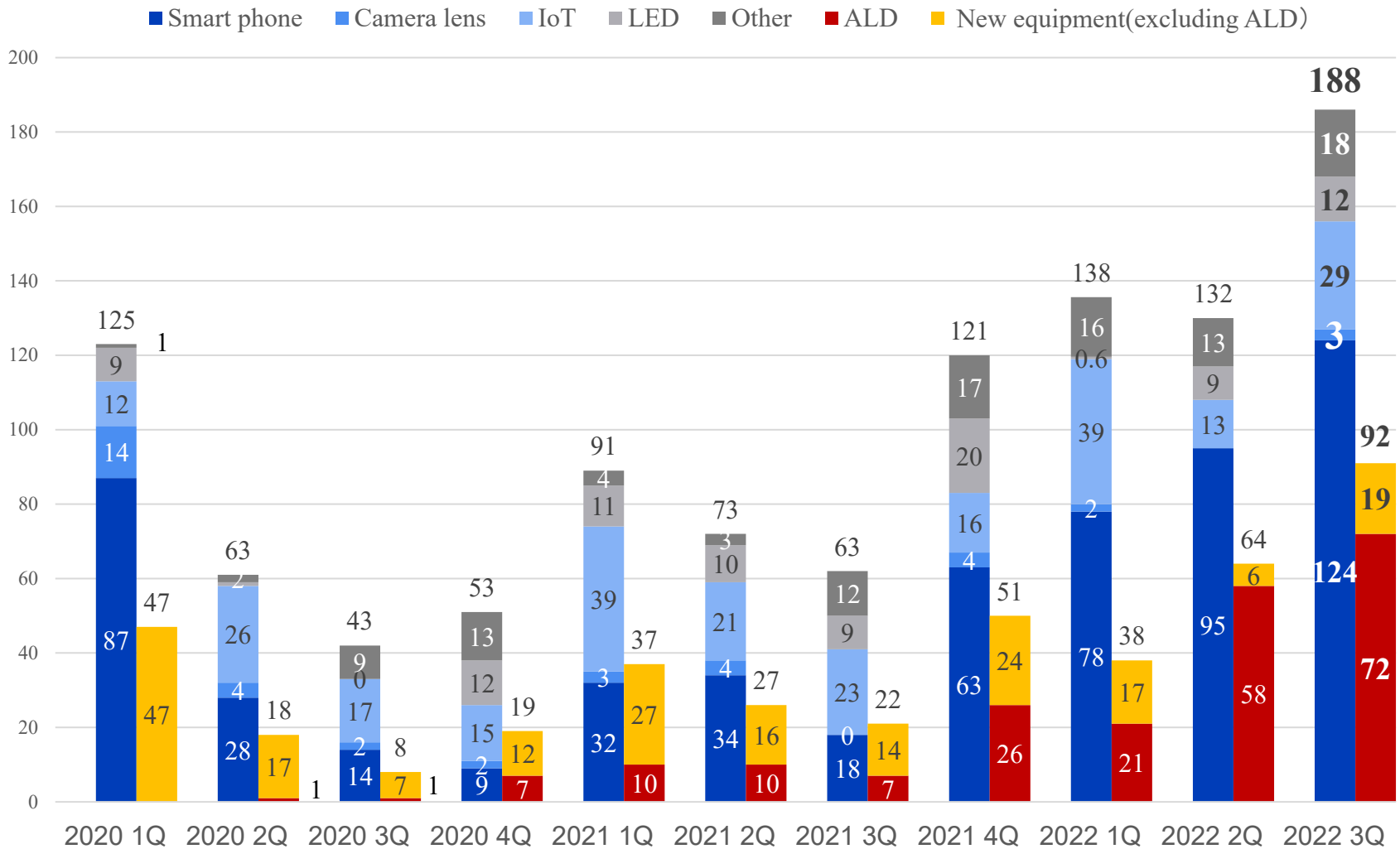
(Unit: 100 million yen)



Quarterly Orders Received by Segment

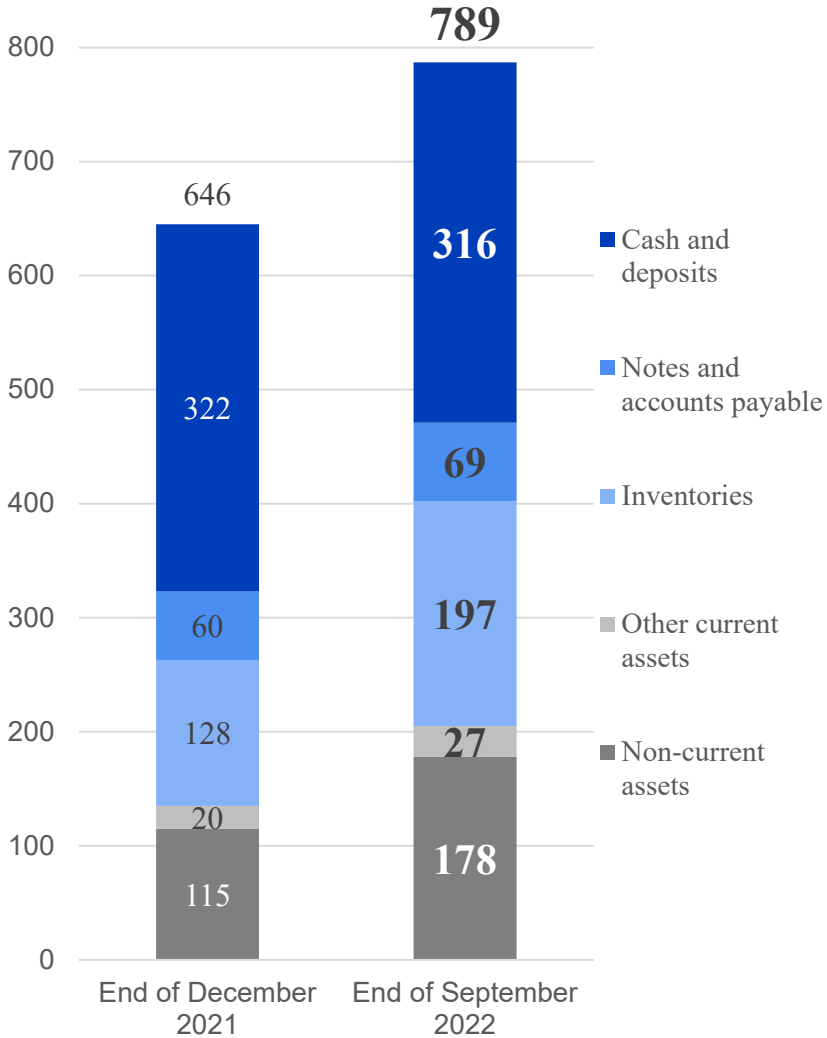


(Unit: 100 million yen)



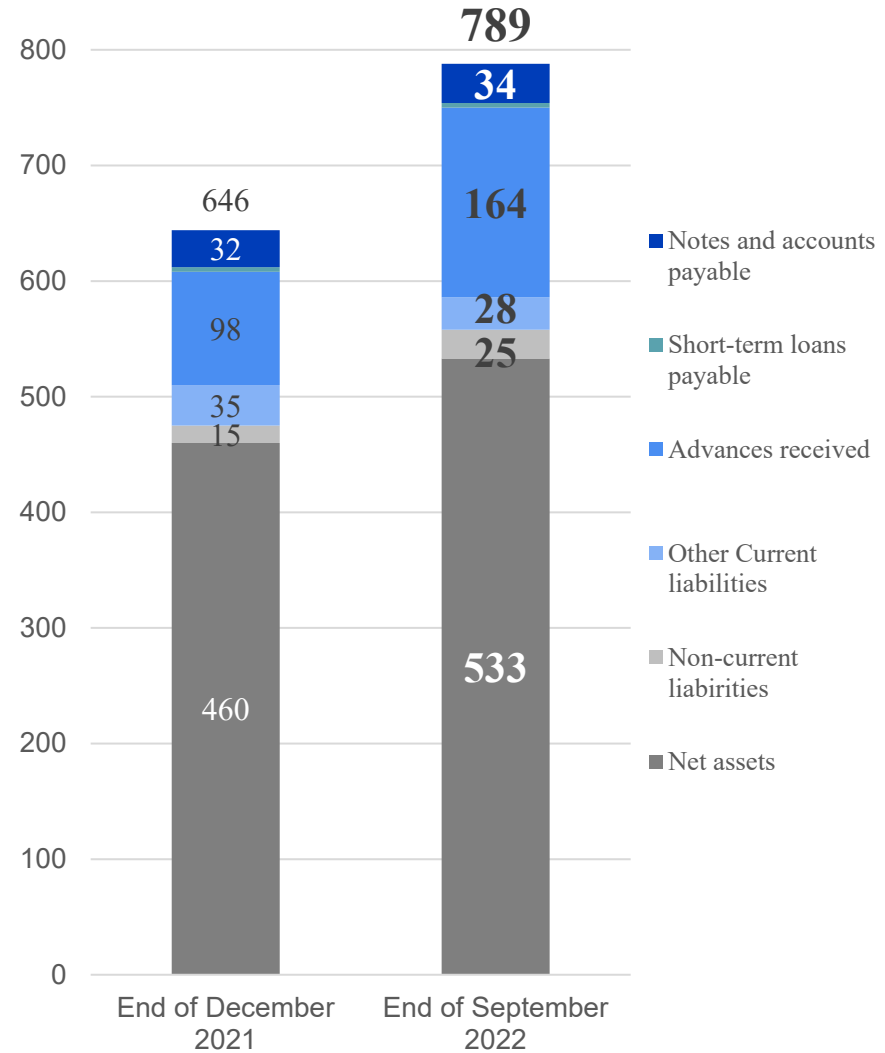
Consolidated Balance Sheets

Assets



Liabilities and net assets

(Unit: 100 million yen)





II

Revised FY2022 Forecast

Revised 2022 Forecast



(Unit: 100 million yen)

	Year ended December 2022 Forecast last time	Year ended December 2022 Forecast this time	change
Net sales	319	322	0.9%
Operating income	65	75	15.4%
(Operating Profit Ratio)	(20.4%)	(23.3%)	-
Ordinary income	63	90	42.9%
Net income	46	67	45.7%
Dividend forecast (yen)	42	50	-

[Forecast Exchange Rate]

USD/JPY	110.00	138.00
CNY/JPY	18.20	20.50

【Business Environment】

- Higher uncertainty and volatility in overall business and economic environment.
- High-end smartphones continue to drive strong demand.
- Demand expected to grow for automotive application including EV.

【Sales】

- Capability to capture customers' demand for advanced film deposition as the world leader of semiconductor optical fusion thin-film deposition technology has resulted in increased orders received and sales of ALD and other equipment for high-end smartphones.
- Uncertainty around the impact of intermittent lockdowns in Chinese cities remains.

【Operating Income】

- Sales of new type equipment are in line with original annual forecasts.

【Current Net Income】

- Foreign exchange gains and extraordinary gains realized up to the 3rd quarter are reflected in the forecast.

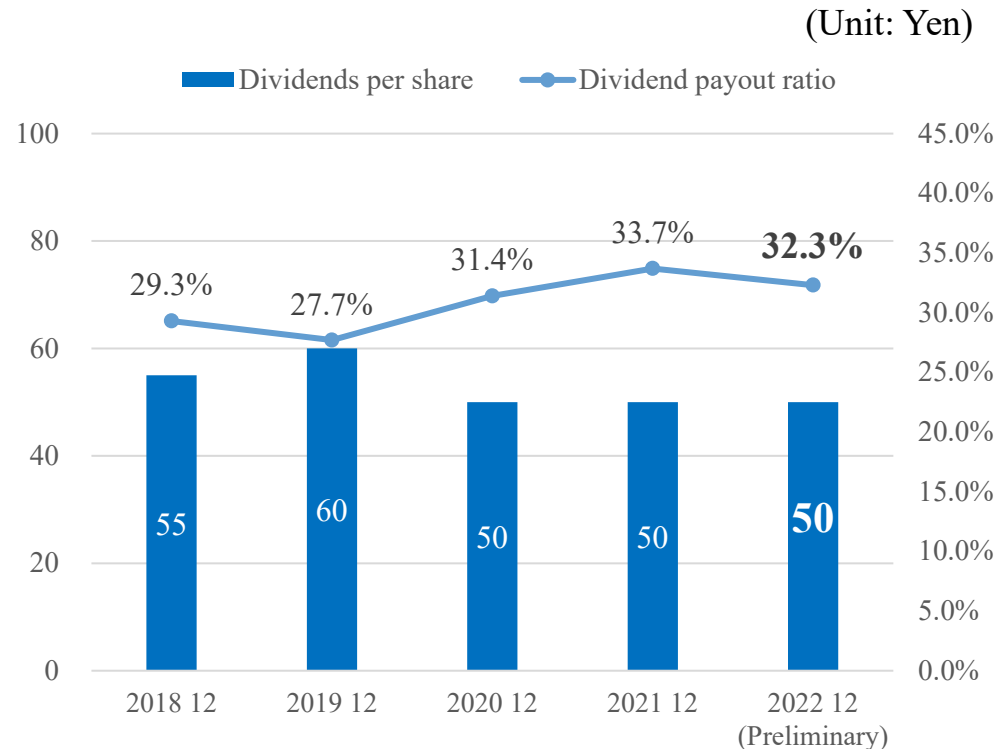
Dividend forecast

- Revise dividend forecast upward to JPY50 per share according to the revised earnings forecast and Optorun's dividend policy.

Dividend Policy

To return profits to shareholders while securing the necessary internal reserves for R&D investment, strengthening production system, and developing new business.

We aim to realize a stable constant dividend payout by targeting dividend payout ratio at around 30%.





III

Topics

Expansion of business platform

1. Strengthening ALD operation

- ALD business has grown into one of our core product lines.
- Further expansion expected in fields such as IoT and semiconductor optical fusion.



Strengthening production and R&D functions

(1) Optorun Semiconductor System Corporation

- Plant construction is underway.
- Scheduled to commence operations in the second half of 2023

(2) Afly solution oy (Finland)

- New R&D facility to be set up around spring 2023.



Expansion of business platform (Cont.)

2. New R&D center in Japan for stronger and broader R&D capabilities.

- Responding to diversifying R&D themes.
- Used for production of some high-performance equipment.
- Scheduled to open around summer 2023.



<New R&D center (Tsurugashima City, Saitama Prefecture)>

3. Expansion into Vietnam

- Planning to establish a foothold in Vietnam in early 2023 to serve customers better and diversify geopolitical risks.

The information contained in this document has been prepared on the basis of generally accepted economic and social conditions as of November 10, 2022, 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.

[Contact]

E-mail: ir-info@optorun.co.jp TEL: 03-6635-9487