

Translation

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Summary of Consolidated Financial Results for the Three Months Ended March 31, 2019 (Based on Japanese GAAP)

May 10, 2019

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 03-6635-9487
 Scheduled date to file Quarterly Securities Report: May 10, 2019
 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 financial results for the three months ended March 31, 2019 (from January 1, 2019 to March 31, 2019)

(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, 2019	13,975	30.5	4,126	26.4	4,110	20.0	3,605	51.4
Three months ended March 31, 2018	10,710	–	3,263	–	3,426	–	2,381	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2019	86.62		82.23	
Three months ended March 31, 2018	57.97		54.10	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2019	53,543	29,786	55.6
As of December 31, 2018	55,644	28,062	50.4

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended December 31, 2018	–	0.00	–	55.00	55.00
Year ending December 31, 2019	–	–	–	–	–
Year ending December 31, 2019 (Forecast)	–	0.00	–	60.00	60.00

3. Forecast of consolidated financial results for the year ending December 31, 2019 (from January 1, 2019 to December 31, 2019)

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	46,000	2.8	11,300	5.7	11,300	2.8	8,400	8.4	202.49

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2019
(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, 2019	44,358,000 shares	As of December 31, 2018	44,358,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2019	2,637,031 shares	As of December 31, 2018	2,874,031 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, 2019	41,621,436 shares	Three months ended March 31, 2018	41,081,333 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	15,740,508	17,664,290
Notes and accounts receivable - trade	6,837,100	8,680,184
Work in process	20,148,171	15,809,052
Raw materials and supplies	4,339,278	2,667,167
Other	1,497,420	886,704
Allowance for doubtful accounts	(420,067)	(399,286)
Total current assets	48,142,411	45,308,112
Non-current assets		
Property, plant and equipment	2,843,130	2,857,856
Intangible assets	65,552	60,651
Investments and other assets		
Investment securities	803,193	722,677
Investments in capital	2,224,446	3,591,585
Deferred tax assets	1,273,191	713,271
Other	292,177	289,707
Total investments and other assets	4,593,008	5,317,242
Total non-current assets	7,501,691	8,235,750
Total assets	55,644,102	53,543,863
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,652,570	1,412,992
Short-term loans payable	553,361	554,315
Current portion of long-term loans payable	190,992	180,608
Lease obligations	12,213	22,026
Income taxes payable	1,143,493	576,567
Advances received	20,108,899	17,212,046
Provision for bonuses	440,585	174,832
Provision for directors' bonuses	104,926	–
Provision for product warranties	649,249	511,333
Other	1,066,249	1,300,173
Total current liabilities	25,922,541	21,944,897
Non-current liabilities		
Long-term loans payable	206,864	169,500
Lease obligations	26,948	61,189
Deferred tax liabilities	1,010,931	898,720
Provision for directors' retirement benefits	257,274	–
Net defined benefit liability	138,453	142,574
Other	18,389	540,205
Total non-current liabilities	1,658,861	1,812,190
Total liabilities	27,581,403	23,757,087

(Thousands of yen)

	As of December 31, 2018	As of March 31, 2019
Net assets		
Shareholders' equity		
Capital stock	400,000	400,000
Capital surplus	9,193,505	9,250,501
Retained earnings	18,980,845	20,304,593
Treasury shares	(188,971)	(173,388)
Total shareholders' equity	28,385,379	29,781,705
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,539	5,595
Foreign currency translation adjustment	(338,123)	(524)
Total accumulated other comprehensive income	(333,584)	5,070
Non-controlling interests	10,903	—
Total net assets	28,062,699	29,786,776
Total liabilities and net assets	55,644,102	53,543,863

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	Three months ended March 31, 2019
Net sales	10,710,689	13,975,669
Cost of sales	5,713,293	8,039,569
Gross profit	4,997,396	5,936,099
Selling, general and administrative expenses	1,733,653	1,809,255
Operating profit	3,263,742	4,126,844
Non-operating income		
Interest income	14,275	18,227
Rent income	27,550	27,430
Foreign exchange gains	145,567	48,756
Other	4,832	2,591
Total non-operating income	192,225	97,005
Non-operating expenses		
Interest expenses	10,692	2,400
Share of loss of entities accounted for using equity method	16,056	110,832
Other	2,697	15
Total non-operating expenses	29,446	113,247
Ordinary profit	3,426,522	4,110,602
Extraordinary income		
Gain on change in equity	–	355,100
Total extraordinary income	–	355,100
Profit before income taxes	3,426,522	4,465,702
Income taxes	1,045,305	860,708
Profit	2,381,216	3,604,994
Loss attributable to non-controlling interests	(326)	(371)
Profit attributable to owners of parent	2,381,542	3,605,365

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2018	Three months ended March 31, 2019
Profit	2,381,216	3,604,994
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,253)	1,055
Deferred gains or losses on hedges	86,078	–
Foreign currency translation adjustment	(265,882)	263,320
Share of other comprehensive income of entities accounted for using equity method	(14,650)	74,278
Total other comprehensive income	(195,708)	338,655
Comprehensive income	2,185,507	3,943,649
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,186,419	3,943,541
Comprehensive income attributable to non-controlling interests	(912)	107