

Translation

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Summary of Consolidated Financial Results for the Three Months Ended March 31, 2020 (Based on Japanese GAAP)

May 11, 2020

Company name: Optorun Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 6235 URL <http://www.optorun.co.jp/>
 Representative: Representative Director and President/CEO Ihei Hayashi
 Inquiries: Director and Senior Managing Executive Toshinori Takahashi TEL 03-6635-9487
 Officer General Manager of Management
 Department and Corporate Planning Office

Scheduled date to file Quarterly Securities Report: May 11, 2020
 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, 2020 (from January 1, 2020 to March 31, 2020)

(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, 2020	6,837	(51.1)	1,615	(60.9)	1,816	(55.8)	1,445	(59.9)
Three months ended March 31, 2019	13,975	30.5	4,126	26.4	4,110	20.0	3,605	51.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2020	33.99		32.77	
Three months ended March 31, 2019	86.62		82.23	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2020	53,227	33,161	62.3
As of December 31, 2019	56,509	34,819	61.6

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, 2019	–	0.00	–	60.00	60.00
Year ending December 31, 2020	–	–	–	–	–
Year ending December 31, 2020 (Forecast)	–	0.00	–	60.00	60.00

3. Forecast of consolidated financial results for the year ending December 31, 2020 (from January 1, 2020 to December 31, 2020)

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	46,200	7.9	12,000	10.3	12,000	8.8	9,200	1.1	216.94

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2020
(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, 2020	44,358,000 shares	As of December 31, 2019	44,358,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2020	1,708,076 shares	As of December 31, 2019	1,950,731 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, 2020	42,540,500 shares	Three months ended March 31, 2019	41,621,436 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	26,969,840	24,609,815
Notes and accounts receivable - trade	4,252,961	3,075,074
Work in process	11,103,107	11,037,175
Raw materials and supplies	4,070,363	4,696,302
Other	1,148,282	1,004,165
Allowance for doubtful accounts	(350,710)	(328,809)
Total current assets	47,193,845	44,093,724
Non-current assets		
Property, plant and equipment	2,763,710	2,958,500
Intangible assets	65,516	80,258
Investments and other assets		
Investment securities	795,174	755,907
Investments in capital	4,825,976	4,529,055
Deferred tax assets	605,295	554,545
Other	259,618	255,831
Total investments and other assets	6,486,065	6,095,339
Total non-current assets	9,315,292	9,134,097
Total assets	56,509,137	53,227,821
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,735,267	3,333,871
Short-term borrowings	401,691	401,391
Current portion of long-term borrowings	86,864	66,000
Lease obligations	21,588	21,116
Income taxes payable	545,000	245,710
Advances received	13,988,698	12,386,791
Provision for bonuses	318,218	220,707
Provision for product warranties	501,817	413,533
Other	1,226,510	1,270,588
Total current liabilities	19,825,656	18,359,711
Non-current liabilities		
Long-term borrowings	120,000	103,500
Lease obligations	45,155	39,299
Deferred tax liabilities	1,078,794	1,133,475
Retirement benefit liability	147,514	151,722
Other	472,759	278,998
Total non-current liabilities	1,864,222	1,706,995
Total liabilities	21,689,879	20,066,706

(Thousands of yen)

	As of December 31, 2019	As of March 31, 2020
Net assets		
Shareholders' equity		
Share capital	400,000	400,000
Capital surplus	9,513,800	9,574,293
Retained earnings	25,801,100	24,702,591
Treasury shares	(128,263)	(112,452)
Total shareholders' equity	35,586,637	34,564,432
Accumulated other comprehensive income		
Foreign currency translation adjustment	(767,379)	(1,403,317)
Total accumulated other comprehensive income	(767,379)	(1,403,317)
Total net assets	34,819,258	33,161,114
Total liabilities and net assets	56,509,137	53,227,821

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, 2019	Three months ended March 31, 2020
Net sales	13,975,669	6,837,505
Cost of sales	8,039,569	3,953,767
Gross profit	5,936,099	2,883,737
Selling, general and administrative expenses	1,809,255	1,268,722
Operating profit	4,126,844	1,615,014
Non-operating income		
Interest income	18,227	20,953
Rental income	27,430	28,369
Foreign exchange gains	48,756	123,447
Subsidy income	1,633	67,255
Other	958	8,131
Total non-operating income	97,005	248,157
Non-operating expenses		
Interest expenses	2,400	45
Share of loss of entities accounted for using equity method	110,832	16,181
Donations	–	16,057
Other	15	14,144
Total non-operating expenses	113,247	46,429
Ordinary profit	4,110,602	1,816,741
Extraordinary income		
Gain on change in equity	355,100	–
Total extraordinary income	355,100	–
Profit before income taxes	4,465,702	1,816,741
Income taxes	860,708	370,814
Profit	3,604,994	1,445,927
Loss attributable to non-controlling interests	(371)	–
Profit attributable to owners of parent	3,605,365	1,445,927

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2019	Three months ended March 31, 2020
Profit	3,604,994	1,445,927
Other comprehensive income		
Valuation difference on available-for-sale securities	1,055	–
Foreign currency translation adjustment	263,320	(414,608)
Share of other comprehensive income of entities accounted for using equity method	74,278	(221,329)
Total other comprehensive income	338,655	(635,938)
Comprehensive income	3,943,649	809,989
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,943,541	809,989
Comprehensive income attributable to non-controlling interests	107	–