

Translation

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Summary of Consolidated Financial Results for Three Months Ended March 31, 2021 (Based on Japanese GAAP)

May 11, 2021

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
 Director and Executive Officer
 Inquiries: General Manager of Corporate Management Mitsuo Yamada TEL 03-6635-9487
 Dept.
 Scheduled date to file Securities Report: May 11, 2021
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated Results for Three Months Ended March 31, 2021 (January 1, 2021 to March 31, 2021)

(1) Consolidated operating results

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, 2021 | 6,880 | 0.6 | 1,672 | 3.5 | 2,170 | 19.5 | 1,453 | 0.5 |
| Three months ended March 31, 2020 | 6,837 | △51.1 | 1,615 | △60.9 | 1,816 | △55.8 | 1,445 | △59.9 |

| | Earnings per share | Diluted earnings per share |
|-----------------------------------|--------------------|----------------------------|
| | Yen | Yen |
| Three months ended March 31, 2021 | 33.76 | 32.88 |
| Three months ended March 31, 2020 | 33.99 | 32.77 |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|-------------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of March 31, 2021 | 57,991 | 39,993 | 68.9 |
| As of December 31, 2020 | 54,327 | 39,515 | 72.7 |

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, 2020 | - | 0.00 | - | 50.00 | 50.00 |
| Year ended December 31, 2021 | - | | | | |
| Year ending December 31, 2021 (Forecast) | | 0.00 | - | 50.00 | 50.00 |

3. Forecast of consolidated financial results for the year ending December 31, 2021 (from January 1, 2021 to December 31, 2021)

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 | 38,100 | 1.6 | 9,000 | 4.3 | 9,000 | 4.5 | 7,000 | 3.0 | 162.90 |

4. Notes

(1) Changes in significant subsidiaries during the year ended December 31, 2021

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

| | | | |
|----------------------|-------------------|-------------------------|-------------------|
| As of March 31, 2021 | 44,358,000 shares | As of December 31, 2020 | 44,358,000 shares |
|----------------------|-------------------|-------------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|----------------------|------------------|-------------------------|------------------|
| As of March 31, 2021 | 1,302,947 shares | As of December 31, 2020 | 1,386,947 shares |
|----------------------|------------------|-------------------------|------------------|

Average number of shares during the period

| | | | |
|-----------------------------------|-------------------|-----------------------------------|-------------------|
| Three months ended March 31, 2021 | 43,043,986 shares | Three months ended March 31, 2020 | 42,540,500 shares |
|-----------------------------------|-------------------|-----------------------------------|-------------------|

Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

| | As of December 31, 2020 | As of March 31, 2021 |
|---------------------------------------|-------------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 22,722,838 | 26,427,833 |
| Notes and accounts receivable - trade | 9,769,664 | 9,015,003 |
| Work in process | 7,297,242 | 7,631,589 |
| Raw materials and supplies | 3,850,246 | 3,778,927 |
| Other | 1,275,525 | 1,199,176 |
| Allowance for doubtful accounts | △343,692 | △358,336 |
| Total current assets | 44,571,825 | 47,694,195 |
| Non-current assets | | |
| Property, plant and equipment | 3,193,917 | 3,440,348 |
| Intangible assets | | |
| Goodwill | 752,494 | 728,893 |
| Other | 69,340 | 66,009 |
| Total intangible assets | 821,835 | 794,903 |
| Investments and other assets | | |
| Investment securities | 350,000 | 350,000 |
| Investments in capital | 4,749,314 | 5,146,318 |
| Deferred tax assets | 412,501 | 333,304 |
| Other | 227,905 | 232,419 |
| Total investments and other assets | 5,739,721 | 6,062,042 |
| Total non-current assets | 9,755,474 | 10,297,294 |
| Total assets | 54,327,299 | 57,991,489 |

(Thousands of yen)

| | As of December 31, 2020 | As of March 31, 2021 |
|--|-------------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 1,702,784 | 3,306,108 |
| Short-term loans payable | 401,675 | 401,155 |
| Current portion of long-term loans payable | 66,000 | 66,000 |
| Lease obligations | 21,565 | 21,290 |
| Income taxes payable | 355,785 | 522,777 |
| Advances received | 8,921,891 | 10,506,441 |
| Provision for bonuses | 310,830 | 173,602 |
| Provision for product warranties | 421,152 | 260,383 |
| Other | 1,453,008 | 1,615,887 |
| Total current liabilities | 13,654,694 | 16,873,647 |
| Non-current liabilities | | |
| Long-term loans payable | 54,000 | 37,500 |
| Lease obligations | 27,195 | 21,426 |
| Deferred tax liabilities | 641,885 | 737,771 |
| Retirement benefit liability | 156,835 | 161,848 |
| Other | 277,277 | 166,223 |
| Total non-current liabilities | 1,157,193 | 1,124,770 |
| Total liabilities | 14,811,888 | 17,998,418 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 400,000 | 400,000 |
| Capital surplus | 9,819,208 | 9,839,718 |
| Retained earnings | 30,053,492 | 29,358,165 |
| Treasury shares | △91,311 | △85,781 |
| Total shareholders' equity | 40,181,389 | 39,512,102 |
| Accumulated other comprehensive income | | |
| Foreign currency translation adjustment | △692,903 | 446,299 |
| Total accumulated other comprehensive income | △692,903 | 446,299 |
| Non-controlling interests | 26,925 | 34,669 |
| Total net assets | 39,515,411 | 39,993,071 |
| Total liabilities and net assets | 54,327,299 | 57,991,489 |

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

| | Three months ended March 31, 2020 | Three months ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| Net sales | 6,837,505 | 6,880,021 |
| Cost of sales | 3,953,767 | 3,694,090 |
| Gross profit | 2,883,737 | 3,185,931 |
| Selling, general and administrative expenses | 1,268,722 | 1,513,634 |
| Operating profit | 1,615,014 | 1,672,296 |
| Non-operating income | | |
| Interest income | 20,953 | 4,961 |
| Rent income | 28,369 | 10,036 |
| Foreign exchange gains | 123,447 | 515,471 |
| Subsidy income | 67,255 | 14,252 |
| Other | 8,131 | 12,010 |
| Total non-operating income | 248,157 | 556,732 |
| Non-operating expenses | | |
| Interest expenses | 45 | 141 |
| Share of loss of entities accounted for using equity method | 16,181 | 58,291 |
| Contribution | 16,057 | — |
| Other | 14,144 | 38 |
| Total non-operating expenses | 46,429 | 58,471 |
| Ordinary profit | 1,816,741 | 2,170,557 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | — | 51,376 |
| Total extraordinary losses | — | 51,376 |
| Profit before income taxes | 1,816,741 | 2,119,181 |
| Income taxes - current | 370,814 | 658,925 |
| Profit | 1,445,927 | 1,460,256 |
| Profit (loss) attributable to non-controlling interests | — | 7,030 |
| Profit attributable to owners of parent | 1,445,927 | 1,453,225 |

Consolidated statements of comprehensive income

(Thousands of yen)

| | Three months ended March 31, 2020 | Three months ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| Profit | 1,445,927 | 1,460,256 |
| Other comprehensive income | | |
| Foreign currency translation adjustment | △414,608 | 920,006 |
| Share of other comprehensive income of entities accounted for using equity method | △221,329 | 219,910 |
| Total other comprehensive income | △635,938 | 1,139,916 |
| Comprehensive income | 809,989 | 2,600,172 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 809,989 | 2,592,428 |
| Comprehensive income attributable to non-controlling interests | — | 7,744 |