

Translation

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## Summary of Consolidated Financial Results for Six Months Ended June 30, 2021 (Based on Japanese GAAP)

August 5, 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: August 5, 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 Six Months Ended June 30, 2021 (January 1, 2021 to June 30, 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	%
Six Months Ended June 30, 2021	14,946	(9.9)	3,431	(6.1)	3,915	(0.9)	2,737	(5.1)
Six Months Ended June 30, 2020	16,590	(37.8)	3,652	(50.6)	3,952	(45.6)	2,884	(51.9)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six Months Ended June 30, 2021	63.56	61.91
Six Months Ended June 30, 2020	67.69	65.36

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2021	59,821	41,773	69.8
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	-	0.00	-	-	-
Year ending December 31, 2021 (Forecast)	-	-	-	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 June 30, 2021	44,358,000 shares	As of December 31, 2020	44,358,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2021	1,219,947 shares	As of December 31, 2020	1,386,947 shares
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Average number of shares during the period

Six Months Ended June 30, 2021	43,069,992 shares	Six Months Ended June 30, 2020	42,606,833 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of December 31, 2020	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	22,722,838	31,528,124
Notes and accounts receivable - trade	9,769,664	4,405,925
Work in process	7,297,242	8,631,776
Raw materials and supplies	3,850,246	3,434,525
Other	1,275,525	1,541,363
Allowance for doubtful accounts	(343,692)	(298,961)
Total current assets	44,571,825	49,242,755
Non-current assets		
Property, plant and equipment	3,193,917	3,553,642
Intangible assets		
Goodwill	752,494	697,839
Other	69,340	60,540
Total intangible assets	821,835	758,380
Investments and other assets		
Investment securities	350,000	350,000
Investments in capital	4,749,314	5,289,222
Deferred tax assets	412,501	397,946
Other	227,905	229,569
Total investments and other assets	5,739,721	6,266,738
Total non-current assets	9,755,474	10,578,760
Total assets	54,327,299	59,821,515

(Thousands of yen)

	As of December 31, 2020	As of June 30, 2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	1,702,784	3,003,535
Short-term loans payable	401,675	399,881
Current portion of long-term loans payable	66,000	66,000
Lease obligations	21,565	20,763
Income taxes payable	355,785	959,427
Advances received	8,921,891	10,384,547
Provision for bonuses	310,830	333,311
Provision for product warranties	421,152	252,169
Other	1,453,008	1,418,544
Total current liabilities	13,654,694	16,838,180
Non-current liabilities		
Long-term loans payable	54,000	21,000
Lease obligations	27,195	23,026
Deferred tax liabilities	641,885	837,231
Retirement benefit liability	156,835	169,627
Other	277,277	159,051
Total non-current liabilities	1,157,193	1,209,937
Total liabilities	14,811,888	18,048,117
<b>Net assets</b>		
Shareholders' equity		
Capital stock	400,000	400,000
Capital surplus	9,819,208	9,975,463
Retained earnings	30,053,492	30,642,647
Treasury shares	(91,311)	(80,316)
Total shareholders' equity	40,181,389	40,937,793
Accumulated other comprehensive income		
Foreign currency translation adjustment	(692,903)	803,899
Total accumulated other comprehensive income	(692,903)	803,899
Non-controlling interests	26,925	31,705
Total net assets	39,515,411	41,773,398
Total liabilities and net assets	54,327,299	59,821,515

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

(Thousands of yen)

	Six Months Ended June 30, 2020	Six Months Ended June 30, 2021
Net sales	16,590,440	14,946,955
Cost of sales	9,932,257	8,189,866
Gross profit	6,658,182	6,757,088
Selling, general and administrative expenses	3,005,776	3,326,016
Operating profit	3,652,406	3,431,071
Non-operating income		
Interest income	28,752	8,896
Rent income	42,911	14,619
Foreign exchange gains	211,886	489,666
Subsidy income	83,253	14,684
Other	18,228	15,088
Total non-operating income	385,031	542,955
Non-operating expenses		
Interest expenses	3,595	3,239
Share of loss of entities accounted for using equity method	51,446	55,097
Contribution	15,841	—
Other	14,107	73
Total non-operating expenses	84,989	58,410
Ordinary profit	3,952,448	3,915,617
Extraordinary income		
Gain on sales of non-current assets	-	9,000
Total extraordinary income	-	9,000
Extraordinary losses		
Loss on retirement of non-current assets	1,039	52,329
Total extraordinary losses	1,039	52,329
Profit before income taxes	3,951,408	3,872,288
Income taxes - current	1,067,222	1,131,221
Profit	2,884,185	2,741,067
Profit (loss) attributable to non-controlling interests	-	3,359
Profit attributable to owners of parent	2,884,185	2,737,707

## Consolidated statements of comprehensive income

(Thousands of yen)

	Six Months Ended June 30, 2020	Six Months Ended June 30, 2021
Profit	2,884,185	2,741,067
Other comprehensive income		
Foreign currency translation adjustment	(513,241)	1,224,611
Share of other comprehensive income of entities accounted for using equity method	(234,076)	273,612
Total other comprehensive income	(747,318)	1,498,223
Comprehensive income	2,136,866	4,239,290
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,136,866	4,234,510
Comprehensive income attributable to non-controlling interests	—	4,780

## Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
Cash flows from operating activities		
Profit before income taxes	3,951,408	3,872,288
Depreciation	119,086	163,220
Amortization of goodwill	—	81,044
Increase (decrease) in allowance for doubtful accounts	(2,943)	(44,731)
Increase (decrease) in provision for bonuses	116,727	2,799
Increase (decrease) in provision for product warranties	(94,803)	(168,983)
Increase (decrease) in retirement benefit liability	(4,307)	12,792
Gain on sales of non-current assets	—	(9,000)
Loss on disposal of non-current assets	1,039	52,329
Interest income	(28,7529)	(8,896)
Interest expenses	3,595	3,239
Foreign exchange losses (gains)	76,932	(439,019)
Share of loss (profit) of entities accounted for using equity method	51,446	55,097
Decrease (increase) in notes and accounts receivable - trade	(139,806)	5,761,026
Decrease (increase) in inventories	(2,890,492)	(444,758)
Increase (decrease) in notes and accounts payable - trade	1,575,477	880,054
Increase (decrease) in advances received	(1,130,969)	1,419,016
Decrease (increase) in consumption taxes refund receivable	89,344	123,792
Decrease (increase) in notes and accounts receivable - trade	(449,480)	(240,291)
Subtotal	1,243,500	11,071,020
Interest income received	28,752	8,896
Interest expenses paid	(3,595)	(3,239)
Income taxes paid	(572,811)	(331,700)
Net cash provided by (used in) operating activities	695,846	10,744,977
Cash flows from investing activities		
Purchase of property, plant and equipment	(415,252)	(414,038)
Proceeds from sales of property, plant and equipment	—	9,000
Purchase of intangible assets	(22,724)	(3,846)
Payments for investments in capital	(24,000)	(12,000)
Payment of security deposit	—	(19,943)
Net cash provided by (used in) investing activities	(461,9769)	(440,829)

(Thousands of yen)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
Cash flows from financing activities		
Repayments of long-term loans payable	(53,864)	(33,000)
Purchase of treasury shares	(151)	-
Repayments of lease obligations	(11,882)	(11,158)
Proceeds from exercise of share options	77,805	37,200
Cash dividends paid	(2,541,079)	(2,143,600)
Net cash provided by (used in) financing activities	(2,529,172)	(2,150,558)
Effect of exchange rate change on cash and cash equivalents	(154,400)	651,696
Net increase (decrease) in cash and cash equivalents	(2,449,703)	8,805,286
Cash and cash equivalents at beginning of period	26,969,840	22,722,838
Cash and cash equivalents at end of period	24,520,137	31,528,124