Translation

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Summary of Consolidated Financial Results for Six Months Ended June 30, 2022 (Based on Japanese GAAP)

August 5, 2022

2company name: Optorun Co., Ltd.

Stock exchange listing: Tokyo

Stock code: 6235 URL http://www.optorun.co.jp

Representative: Representative Director and President/CEO Bin Fan

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, 2022

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 Year Ended December 31, 2022 (January 1, 2022 to December 31, 2022)

(1) Consolidated operating results

Percentages indicate year-on-year changes

| | Net sales | | Operating | profit | Ordinary | profit | Profit attribution owners of | |
|-------------------------------|-------------|--------|-------------|--------|-------------|--------|------------------------------|-------|
| | Millions of | % | Millions of | % | Millions of | % | Millions of | % |
| Si M41 E 4 4 L 20 2022 | yen | (0, () | yen | (4.0) | yen | 1 / 1 | yen | 67 |
| Six Months Ended June 30,2022 | 13,508 | (9.6) | 3,292 | (4.0) | 4,468 | 14.1 | 2,919 | 6.7 |
| Six Months Ended June 30,2021 | 14,946 | (9.9) | 3,431 | (6.1) | 3,915 | (0.9) | 2,737 | (5.1) |

| | Earnings per share | Diluted earnings per share |
|-------------------------------|--------------------|----------------------------|
| | Yen | Yen |
| Six Months Ended June 30,2022 | 67.48 | 65.99 |
| Six Months Ended June 30,2021 | 63.56 | 61.91 |

(2) Consolidated financial position

| (-) I | | | |
|-------------------------|-----------------|-----------------|--------------|
| | Total assets | Net assets | Equity ratio |
| | Millions of yen | Millions of yen | % |
| As of June 30, 2022 | 74,473 | 50,336 | 67.6 |
| As of December 31, 2021 | 64,674 | 46,083 | 71.2 |

2. Cash dividends

| | | Annual dividends per share | | | | | | |
|--|-----------------|---|-----|-------|-------|--|--|--|
| | 1st quarter-end | 1st quarter-end 2nd quarter-end 3rd quarter-end Fiscal year-end Total | | | | | | |
| | Yen | Yen | Yen | Yen | Yen | | | |
| Year ended December 31, 2021 | _ | 0.00 | _ | 50.00 | 50.00 | | | |
| Year ended December 31, 2022 | _ | 0.00 | | | | | | |
| Year ending December 31, 2022 (Forecast) | | 0.00 | _ | 42.00 | 42.00 | | | |

3. Forecast of consolidated financial results for the year ending December 31, 2022

Percentages indicate year-on-year changes

| | Net sales | | Ales Operating profit Ordinary profit Profit attribute owners of pa | | Operating profit | | | Earnings per share | |
|-----------|-----------------|-----|---|-------|------------------|--------|-----------------|--------------------|-------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yei |
| Full year | 31,900 | 3.3 | 6,500 | (7.5) | 6,300 | (20.3) | 4,600 | (27.3) | 106.4 |

4. Notes

(1) Changes in significant subsidiaries during the year ended December 31, 2022

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:

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, 2022 | 44,358,000 shares | As of December 31, 2021 | 44,358,000 shares |
|--|-------------------|-------------------------|-------------------|
| Number of treasury shares at the en | d of the period | | |
| As of June 30, 2022 | 1,002,692 shares | As of December 31, 2021 | 1,141,692 shares |
| Average number of shares during the period | | | |
| As of June 30, 2022 | 43,270,656 shares | As of March 31, 2021 | 43,043,986 shares |

Consolidated financial statements Consolidated balance sheets

| Notes and accounts receivable - trade 6,013,382 5,499,674 Work in process 7,050,959 10,675,518 Raw materials and supplies 5,804,136 7,574,962 Other 2,389,818 2,289,247 Allowance for doubtful accounts (386,509) (446,697) Total current assets 53,145,299 60,911,852 Non-current assets 9 60,911,852 Property, plant and equipment 4,526,761 5,424,622 Intangible assets 60,361 58,702 Other 66,361 58,702 Total intangible assets 677,094 637,320 Investments and other assets 350,000 350,000 Investments in capital 5,237,111 6,337,152 Deferred tax assets 354,334 398,286 Other 384,189 413,799 Total investments and other assets 6,325,635 7,499,235 | | | (Thousands of yen) |
|---|---------------------------------------|-------------------------|---------------------|
| Current assets 32,273,511 35,319,14* Notes and accounts receivable - trade 6,013,382 5,499,67* Work in process 7,050,959 10,675,518* Raw materials and supplies 5,804,136 7,574,96* Other 2,389,818 2,289,24* Allowance for doubtful accounts (386,509) (446,69*) Total current assets 53,145,299 60,911,85* Non-current assets 700,000 5,424,62* Intangible assets 60,361 5,870* Other 66,361 58,70* Total intangible assets 677,094 637,320* Investments and other assets 350,000 350,000 Investments in capital 5,237,111 6,337,15* Deferred tax assets 354,334 398,281* Other 384,189 413,799* Total investments and other assets 6,325,635 7,499,23* | | As of December 31, 2021 | As of June 30, 2022 |
| Cash and deposits 32,273,511 35,319,144 Notes and accounts receivable - trade 6,013,382 5,499,674 Work in process 7,050,959 10,675,518 Raw materials and supplies 5,804,136 7,574,962 Other 2,389,818 2,289,244 Allowance for doubtful accounts (386,509) (446,69) Total current assets 53,145,299 60,911,852 Non-current assets 700,000 5,424,622 Intangible assets 610,733 578,619 Other 66,361 58,701 Total intangible assets 677,094 637,320 Investments and other assets 350,000 350,000 Investments in capital 5,237,111 6,337,15 Deferred tax assets 354,334 398,281 Other 384,189 413,799 Total investments and other assets 6,325,635 7,499,235 | Assets | | |
| Notes and accounts receivable - trade 6,013,382 5,499,674 Work in process 7,050,959 10,675,518 Raw materials and supplies 5,804,136 7,574,966 Other 2,389,818 2,289,247 Allowance for doubtful accounts (386,509) (446,697) Total current assets 53,145,299 60,911,855 Non-current assets 8 8 Property, plant and equipment 4,526,761 5,424,622 Intangible assets 66,361 58,703 Other 66,361 58,703 Total intangible assets 677,094 637,320 Investments and other assets 350,000 350,000 Investments in capital 5,237,111 6,337,15 Deferred tax assets 354,334 398,286 Other 384,189 413,799 Total investments and other assets 6,325,635 7,499,236 | Current assets | | |
| Work in process 7,050,959 10,675,518 Raw materials and supplies 5,804,136 7,574,962 Other 2,389,818 2,289,247 Allowance for doubtful accounts (386,509) (446,697) Total current assets 53,145,299 60,911,852 Non-current assets Property, plant and equipment 4,526,761 5,424,622 Intangible assets 60,361 58,702 Other 66,361 58,702 Total intangible assets 677,094 637,320 Investments and other assets 350,000 350,000 Investments in capital 5,237,111 6,337,152 Deferred tax assets 354,334 398,288 Other 384,189 413,799 Total investments and other assets 6,325,635 7,499,236 | Cash and deposits | 32,273,511 | 35,319,144 |
| Raw materials and supplies 5,804,136 7,574,962 Other 2,389,818 2,289,247 Allowance for doubtful accounts (386,509) (446,69) Total current assets 53,145,299 60,911,852 Non-current assets Property, plant and equipment 4,526,761 5,424,622 Intangible assets Goodwill 610,733 578,619 Other 66,361 58,701 Total intangible assets 677,094 637,320 Investments and other assets 350,000 350,000 Investments in capital 5,237,111 6,337,15 Deferred tax assets 354,334 398,286 Other 384,189 413,799 Total investments and other assets 6,325,635 7,499,239 | Notes and accounts receivable - trade | 6,013,382 | 5,499,674 |
| Other 2,389,818 2,289,24* Allowance for doubtful accounts (386,509) (446,69*) Total current assets 53,145,299 60,911,85* Non-current assets 8 8 Property, plant and equipment 4,526,761 5,424,62* Intangible assets 600dwill 610,733 578,61* Other 66,361 58,70* Total intangible assets 677,094 637,320* Investments and other assets 350,000 350,000 Investments in capital 5,237,111 6,337,15* Deferred tax assets 354,334 398,288* Other 384,189 413,799* Total investments and other assets 6,325,635 7,499,239* | Work in process | 7,050,959 | 10,675,518 |
| Allowance for doubtful accounts (386,509) (446,69) Total current assets 53,145,299 60,911,85 Non-current assets 700,000 70,000 70,000 Intangible assets 66,361 58,70 Other 66,361 58,70 Total intangible assets 677,094 637,32 Investments and other assets 350,000 350,000 Investments in capital 5,237,111 6,337,15 Deferred tax assets 354,334 398,285 Other 384,189 413,799 Total investments and other assets 6,325,635 7,499,239 | Raw materials and supplies | 5,804,136 | 7,574,962 |
| Total current assets 53,145,299 60,911,855 Non-current assets 4,526,761 5,424,622 Intangible assets 600dwill 610,733 578,619 Other 66,361 58,701 Total intangible assets 677,094 637,320 Investments and other assets 350,000 350,000 Investments in capital 5,237,111 6,337,151 Deferred tax assets 354,334 398,288 Other 384,189 413,799 Total investments and other assets 6,325,635 7,499,239 | Other | 2,389,818 | 2,289,247 |
| Non-current assets 4,526,761 5,424,622 Intangible assets 600dwill 610,733 578,619 Other 66,361 58,702 Total intangible assets 677,094 637,320 Investments and other assets 350,000 350,000 Investments in capital 5,237,111 6,337,152 Deferred tax assets 354,334 398,288 Other 384,189 413,799 Total investments and other assets 6,325,635 7,499,239 | Allowance for doubtful accounts | (386,509) | (446,691) |
| Property, plant and equipment 4,526,761 5,424,622 Intangible assets 600dwill 610,733 578,619 Other 66,361 58,709 Total intangible assets 677,094 637,320 Investments and other assets 350,000 350,000 Investments in capital 5,237,111 6,337,151 Deferred tax assets 354,334 398,288 Other 384,189 413,799 Total investments and other assets 6,325,635 7,499,239 | Total current assets | 53,145,299 | 60,911,855 |
| Intangible assets 610,733 578,619 Other 66,361 58,701 Total intangible assets 677,094 637,320 Investments and other assets 350,000 350,000 Investments in capital 5,237,111 6,337,151 Deferred tax assets 354,334 398,288 Other 384,189 413,799 Total investments and other assets 6,325,635 7,499,239 | Non-current assets | | |
| Goodwill 610,733 578,619 Other 66,361 58,709 Total intangible assets 677,094 637,320 Investments and other assets 350,000 350,000 Investments in capital 5,237,111 6,337,151 Deferred tax assets 354,334 398,288 Other 384,189 413,799 Total investments and other assets 6,325,635 7,499,239 | Property, plant and equipment | 4,526,761 | 5,424,622 |
| Other 66,361 58,702 Total intangible assets 677,094 637,320 Investments and other assets 350,000 350,000 Investments in capital 5,237,111 6,337,15 Deferred tax assets 354,334 398,288 Other 384,189 413,799 Total investments and other assets 6,325,635 7,499,239 | Intangible assets | | |
| Total intangible assets 677,094 637,320 Investments and other assets 350,000 350,000 Investments in capital 5,237,111 6,337,15 Deferred tax assets 354,334 398,280 Other 384,189 413,790 Total investments and other assets 6,325,635 7,499,239 | Goodwill | 610,733 | 578,619 |
| Investments and other assets 350,000 350,000 Investment securities 350,000 350,000 Investments in capital 5,237,111 6,337,15 Deferred tax assets 354,334 398,288 Other 384,189 413,799 Total investments and other assets 6,325,635 7,499,239 | Other | 66,361 | 58,701 |
| Investment securities 350,000 350,000 Investments in capital 5,237,111 6,337,151 Deferred tax assets 354,334 398,288 Other 384,189 413,799 Total investments and other assets 6,325,635 7,499,239 | Total intangible assets | 677,094 | 637,320 |
| Investments in capital 5,237,111 6,337,157 Deferred tax assets 354,334 398,288 Other 384,189 413,799 Total investments and other assets 6,325,635 7,499,239 | Investments and other assets | | |
| Deferred tax assets 354,334 398,288 Other 384,189 413,799 Total investments and other assets 6,325,635 7,499,239 | Investment securities | 350,000 | 350,000 |
| Other 384,189 413,799 Total investments and other assets 6,325,635 7,499,239 | Investments in capital | 5,237,111 | 6,337,151 |
| Total investments and other assets 6,325,635 7,499,239 | Deferred tax assets | 354,334 | 398,288 |
| | Other | 384,189 | 413,799 |
| Total non-current assets 11,529,492 13,561,182 | Total investments and other assets | 6,325,635 | 7,499,239 |
| | Total non-current assets | 11,529,492 | 13,561,182 |
| Total assets 64,674,791 74,473,038 | Total assets | 64,674,791 | 74,473,038 |

(Thousands of yen)

| As of December 31, 2021 As of June 30, 2022 | | As of Documber 21, 2021 | As of Ives 20, 2022 |
|--|---|---------------------------------------|---------------------------------------|
| Notes and accounts payable - trade 3,246,321 4,968,500 | T 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 | As of December 31, 2021 | As of June 30, 2022 |
| Notes and accounts payable - trade 3,246,321 4,968,500 Short-term loans payable 400,000 400,000 Current portion of long-term loans payable 54,000 21,000 Lease obligations 17,614 13,898 Income taxes payable 1,389,156 927,141 Advances received 9,830,666 - Contract liabilities - 13,290,964 Provision for bonuses 296,775 303,747 Provision for product warranties 257,965 190,243 Other 1,564,039 1,924,214 Total current liabilities 17,056,540 22,039,710 Non-current liabilities 15,701 8,900 Deferred tax liabilities 1,180,914 1,736,364 Retirement benefit liability 179,987 194,648 Other 157,901 2,096,915 Total non-current liabilities 1,534,526 2,096,915 Total sibilities 1,534,526 2,096,915 Total labilities 1,534,526 2,096,915 Total labilities 9,454 | | | |
| Short-term loans payable 400,000 400,000 Current portion of long-term loans payable 54,000 21,000 Lease obligations 17,614 13,898 Income taxes payable 1,389,156 927,141 Advances received 9,830,666 - Contract liabilities - 13,290,964 Provision for bonuses 296,775 303,747 Provision for product warranties 257,965 190,243 Other 1,564,039 1,924,214 Total current liabilities 17,056,540 22,039,710 Non-current liabilities 15,701 8,900 Deferred tax liabilities 1,180,914 1,736,364 Retirement benefit liability 179,987 194,648 Other 157,923 15,701 Total non-current liabilities 1,534,526 2,096,915 Total liabilities 1,534,526 2,096,915 Total stack 400,000 400,000 Capital stock 400,000 400,000 Capital stock 400,000 400,000 </td <td></td> <td></td> <td></td> | | | |
| Current portion of long-term loans payable 54,000 21,000 Lease obligations 17,614 13,898 Income taxes payable 1,389,156 927,141 Advances received 9,830,666 — Contract liabilities — 13,290,964 Provision for bonues 296,775 303,747 Provision for product warranties 257,965 190,243 Other 1,564,039 1,924,214 Total current liabilities 17,056,540 22,039,710 Non-current liabilities 15,701 8,900 Deferred tax liabilities 1,180,914 1,736,364 Retirement benefit liability 179,987 194,648 Other 157,923 157,002 Total inbilities 1,534,526 2,096,915 Total liabilities 1,534,526 2,096,915 Total surplus 9,454,013 9,563,656 Retained earnings 34,235,194 34,994,170 Treasury shares (75,318) (66,148) Total shareholders' equity 44,013,889 44,891, | * * | | |
| Lease obligations 17,614 13,898 Income taxes payable 1,389,156 927,141 Advances received 9,830,666 — Contract liabilities — 13,290,964 Provision for bonuses 296,775 303,747 Provision for product warranties 257,965 190,243 Other 1,564,039 1,924,214 Total current liabilities 17,056,540 22,039,710 Non-current liabilities 15,701 8,900 Deferred tax liabilities 1,180,914 1,736,364 Retirement benefit liability 179,987 194,648 Other 157,923 157,002 Total non-current liabilities 1,534,526 2,096,915 Total labilities 18,591,067 24,136,626 Net assets Shareholders' equity 400,000 400,000 Capital stock 400,000 400,000 400,000 Capital stock 400,000 400,000 400,000 Capital stock 400,000 400,000 400,000 <td< td=""><td>* *</td><td>· · · · · · · · · · · · · · · · · · ·</td><td></td></td<> | * * | · · · · · · · · · · · · · · · · · · · | |
| Income taxes payable 1,389,156 927,141 Advances received 9,830,666 — Contract liabilities — 13,290,964 Provision for bonuses 296,775 303,747 Provision for product warranties 257,965 190,243 Other 1,564,039 1,924,214 Total current liabilities 17,056,540 22,039,710 Non-current liabilities 15,701 8,900 Deferred tax liabilities 1,180,914 1,736,364 Retirement benefit liability 179,987 194,648 Other 15,7923 157,002 Total non-current liabilities 1,534,526 2,096,915 Total iabilities 1,534,526 2,096,915 Total stock 400,000 400,000 Capital stock 400,000 400,000 Capital sturplus 9,454,013 9,563,656 Retained earnings 34,235,194 34,994,170 Treasury shares (75,318) (66,148) Total shareholders' equity 44,013,889 44,891,678 </td <td></td> <td>· ·</td> <td></td> | | · · | |
| Advances received 9,830,666 — Contract liabilities — 13,290,964 Provision for bonuses 296,775 303,747 Provision for product warranties 257,965 190,243 Other 1,564,039 1,924,214 Total current liabilities 17,056,540 22,039,710 Non-current liabilities 8,900 Lease obligations 15,701 8,900 Deferred tax liabilities 1,180,914 1,736,364 Retirement benefit liability 179,987 194,648 Other 157,923 157,002 Total non-current liabilities 1,534,526 2,096,915 Total liabilities 1,534,526 2,096,915 Total liabilities 1,534,526 2,096,915 Total stock 400,000 400,000 Capital stock 400,000 400,000 Capital sturplus 9,454,013 9,563,656 Retained earnings 34,235,194 34,994,170 Treasury shares (75,318) (66,148) Total shareholder | _ | | |
| Contract liabilities – 13,290,964 Provision for bonuses 296,775 303,747 Provision for product warranties 257,965 190,243 Other 1,564,039 1,924,214 Total current liabilities 17,056,540 22,039,710 Non-current liabilities 15,701 8,900 Deferred tax liabilities 1,180,914 1,736,364 Retirement benefit liability 179,987 194,648 Other 157,923 157,002 Total non-current liabilities 1,534,526 2,096,915 Total liabilities 1,534,526 2,096,915 Total liabilities 1,534,526 2,096,915 Total stock 400,000 400,000 Capital stock 400,000 400,000 Capital storplus 9,454,013 9,563,656 Retained earnings 34,235,194 34,994,170 Treasury shares (75,318) (66,148) Total shareholders' equity 44,013,889 44,891,678 Accumulated other comprehensive income 2,056,449 | * * | | 927,141 |
| Provision for bonuses 296,775 303,747 Provision for product warranties 257,965 190,243 Other 1,564,039 1,924,214 Total current liabilities 17,056,540 22,039,710 Non-current liabilities 15,701 8,900 Deferred tax liabilities 1,180,914 1,736,364 Retirement benefit liability 179,987 194,648 Other 157,923 157,002 Total non-current liabilities 1,534,526 2,096,915 Total liabilities 18,591,067 24,136,626 Net assets Shareholders' equity 400,000 400,000 Capital stock 400,000 400,000 400,000 Capital surplus 9,454,013 9,563,656 Retained earnings 34,235,194 34,994,170 Treasury shares (75,318) (66,148) Total shareholders' equity 44,013,889 44,891,678 Accumulated other comprehensive income 2,056,449 5,424,441 Total accumulated other comprehensive income 2,056,449 5,424, | Advances received | 9,830,666 | _ |
| Provision for product warranties 257,965 190,243 Other 1,564,039 1,924,214 Total current liabilities 17,056,540 22,039,710 Non-current liabilities 15,701 8,900 Deferred tax liabilities 1,180,914 1,736,364 Retirement benefit liability 179,987 194,648 Other 157,923 157,002 Total non-current liabilities 1,534,526 2,096,915 Total liabilities 18,591,067 24,136,626 Net assets Shareholders' equity 400,000 400,000 Capital surplus 9,454,013 9,563,656 Retained earnings 34,235,194 34,994,170 Treasury shares (75,318) (66,148) Total shareholders' equity 44,013,889 44,891,678 Accumulated other comprehensive income 2,056,449 5,424,441 Total accumulated other comprehensive income 2,056,449 5,424,441 Non-controlling interests 13,385 20,292 Total net assets 46,083,724 50,336,412 < | Contract liabilities | - | 13,290,964 |
| Other 1,564,039 1,924,214 Total current liabilities 17,056,540 22,039,710 Non-current liabilities 15,701 8,900 Deferred tax liabilities 1,180,914 1,736,364 Retirement benefit liability 179,987 194,648 Other 157,923 157,002 Total non-current liabilities 1,534,526 2,096,915 Total liabilities 18,591,067 24,136,626 Net assets Shareholders' equity 400,000 400,000 Capital stock 400,000 400,000 Capital surplus 9,454,013 9,563,656 Retained earnings 34,235,194 34,994,170 Treasury shares (75,318) (66,148) Total shareholders' equity 44,013,889 44,891,678 Accumulated other comprehensive income 2,056,449 5,424,441 Total accumulated other comprehensive income 2,056,449 5,424,441 Non-controlling interests 13,385 20,292 Total net assets 46,083,724 50,336,412 < | | · · · · · · · · · · · · · · · · · · · | · · · · · · · · · · · · · · · · · · · |
| Total current liabilities 17,056,540 22,039,710 Non-current liabilities 15,701 8,900 Deferred tax liabilities 1,180,914 1,736,364 Retirement benefit liability 179,987 194,648 Other 157,923 157,002 Total non-current liabilities 1,534,526 2,096,915 Total liabilities 18,591,067 24,136,626 Net assets Shareholders' equity 400,000 400,000 Capital stock 400,000 400,000 Capital surplus 9,454,013 9,563,656 Retained earnings 34,235,194 34,994,170 Treasury shares (75,318) (66,148) Total shareholders' equity 44,013,889 44,891,678 Accumulated other comprehensive income 2,056,449 5,424,441 Total accumulated other comprehensive income 2,056,449 5,424,441 Non-controlling interests 13,385 20,292 Total net assets 46,083,724 50,336,412 | Provision for product warranties | 257,965 | 190,243 |
| Non-current liabilities 15,701 8,900 Deferred tax liabilities 1,180,914 1,736,364 Retirement benefit liability 179,987 194,648 Other 157,923 157,002 Total non-current liabilities 1,534,526 2,096,915 Total liabilities 18,591,067 24,136,626 Net assets Shareholders' equity 2 Capital stock 400,000 400,000 Capital surplus 9,454,013 9,563,656 Retained earnings 34,235,194 34,994,170 Treasury shares (75,318) (66,148) Total shareholders' equity 44,013,889 44,891,678 Accumulated other comprehensive income 2,056,449 5,424,441 Total accumulated other comprehensive income 2,056,449 5,424,441 Non-controlling interests 13,385 20,292 Total net assets 46,083,724 50,336,412 | Other | 1,564,039 | 1,924,214 |
| Lease obligations 15,701 8,900 Deferred tax liabilities 1,180,914 1,736,364 Retirement benefit liability 179,987 194,648 Other 157,923 157,002 Total non-current liabilities 1,534,526 2,096,915 Total liabilities 18,591,067 24,136,626 Net assets Shareholders' equity Capital stock 400,000 400,000 Capital surplus 9,454,013 9,563,656 Retained earnings 34,235,194 34,994,170 Treasury shares (75,318) (66,148) Total shareholders' equity 44,013,889 44,891,678 Accumulated other comprehensive income 2,056,449 5,424,441 Total accumulated other comprehensive income 2,056,449 5,424,441 Non-controlling interests 13,385 20,292 Total net assets 46,083,724 50,336,412 | Total current liabilities | 17,056,540 | 22,039,710 |
| Deferred tax liabilities 1,180,914 1,736,364 Retirement benefit liability 179,987 194,648 Other 157,923 157,002 Total non-current liabilities 1,534,526 2,096,915 Total liabilities 18,591,067 24,136,626 Net assets Shareholders' equity 400,000 400,000 Capital stock 400,000 400,000 400,000 Capital surplus 9,454,013 9,563,656 Retained earnings 34,235,194 34,994,170 Treasury shares (75,318) (66,148) Total shareholders' equity 44,013,889 44,891,678 Accumulated other comprehensive income 2,056,449 5,424,441 Total accumulated other comprehensive income 2,056,449 5,424,441 Non-controlling interests 13,385 20,292 Total net assets 46,083,724 50,336,412 | Non-current liabilities | | |
| Retirement benefit liability 179,987 194,648 Other 157,923 157,002 Total non-current liabilities 1,534,526 2,096,915 Total liabilities 18,591,067 24,136,626 Net assets Shareholders' equity 400,000 400,000 Capital stock 400,000 400,000 400,000 Capital surplus 9,454,013 9,563,656 Retained earnings 34,235,194 34,994,170 Treasury shares (75,318) (66,148) Total shareholders' equity 44,013,889 44,891,678 Accumulated other comprehensive income 2,056,449 5,424,441 Total accumulated other comprehensive income 2,056,449 5,424,441 Non-controlling interests 13,385 20,292 Total net assets 46,083,724 50,336,412 | Lease obligations | 15,701 | 8,900 |
| Other 157,923 157,002 Total non-current liabilities 1,534,526 2,096,915 Total liabilities 18,591,067 24,136,626 Net assets Shareholders' equity Capital stock 400,000 400,000 Capital surplus 9,454,013 9,563,656 Retained earnings 34,235,194 34,994,170 Treasury shares (75,318) (66,148) Total shareholders' equity 44,013,889 44,891,678 Accumulated other comprehensive income 2,056,449 5,424,441 Total accumulated other comprehensive income 2,056,449 5,424,441 Non-controlling interests 13,385 20,292 Total net assets 46,083,724 50,336,412 | Deferred tax liabilities | 1,180,914 | 1,736,364 |
| Total non-current liabilities 1,534,526 2,096,915 Total liabilities 18,591,067 24,136,626 Net assets Shareholders' equity Capital stock 400,000 400,000 Capital surplus 9,454,013 9,563,656 Retained earnings 34,235,194 34,994,170 Treasury shares (75,318) (66,148) Total shareholders' equity 44,013,889 44,891,678 Accumulated other comprehensive income 2,056,449 5,424,441 Total accumulated other comprehensive income 2,056,449 5,424,441 Non-controlling interests 13,385 20,292 Total net assets 46,083,724 50,336,412 | Retirement benefit liability | 179,987 | 194,648 |
| Total liabilities 18,591,067 24,136,626 Net assets Shareholders' equity 400,000 400,000 Capital stock 400,000 400,000 Capital surplus 9,454,013 9,563,656 Retained earnings 34,235,194 34,994,170 Treasury shares (75,318) (66,148) Total shareholders' equity 44,013,889 44,891,678 Accumulated other comprehensive income 2,056,449 5,424,441 Total accumulated other comprehensive income 2,056,449 5,424,441 Non-controlling interests 13,385 20,292 Total net assets 46,083,724 50,336,412 | Other | 157,923 | 157,002 |
| Net assets Shareholders' equity Capital stock 400,000 400,000 Capital surplus 9,454,013 9,563,656 Retained earnings 34,235,194 34,994,170 Treasury shares (75,318) (66,148) Total shareholders' equity 44,013,889 44,891,678 Accumulated other comprehensive income 2,056,449 5,424,441 Total accumulated other comprehensive income 2,056,449 5,424,441 Non-controlling interests 13,385 20,292 Total net assets 46,083,724 50,336,412 | Total non-current liabilities | 1,534,526 | 2,096,915 |
| Shareholders' equity 400,000 400,000 Capital stock 9,454,013 9,563,656 Retained earnings 34,235,194 34,994,170 Treasury shares (75,318) (66,148) Total shareholders' equity 44,013,889 44,891,678 Accumulated other comprehensive income 2,056,449 5,424,441 Total accumulated other comprehensive income 2,056,449 5,424,441 Non-controlling interests 13,385 20,292 Total net assets 46,083,724 50,336,412 | Total liabilities | 18,591,067 | 24,136,626 |
| Capital stock 400,000 400,000 Capital surplus 9,454,013 9,563,656 Retained earnings 34,235,194 34,994,170 Treasury shares (75,318) (66,148) Total shareholders' equity 44,013,889 44,891,678 Accumulated other comprehensive income 2,056,449 5,424,441 Total accumulated other comprehensive income 2,056,449 5,424,441 Non-controlling interests 13,385 20,292 Total net assets 46,083,724 50,336,412 | Net assets | | |
| Capital stock 400,000 400,000 Capital surplus 9,454,013 9,563,656 Retained earnings 34,235,194 34,994,170 Treasury shares (75,318) (66,148) Total shareholders' equity 44,013,889 44,891,678 Accumulated other comprehensive income 2,056,449 5,424,441 Total accumulated other comprehensive income 2,056,449 5,424,441 Non-controlling interests 13,385 20,292 Total net assets 46,083,724 50,336,412 | Shareholders' equity | | |
| Retained earnings 34,235,194 34,994,170 Treasury shares (75,318) (66,148) Total shareholders' equity 44,013,889 44,891,678 Accumulated other comprehensive income 2,056,449 5,424,441 Total accumulated other comprehensive income 2,056,449 5,424,441 Non-controlling interests 13,385 20,292 Total net assets 46,083,724 50,336,412 | Capital stock | 400,000 | 400,000 |
| Retained earnings 34,235,194 34,994,170 Treasury shares (75,318) (66,148) Total shareholders' equity 44,013,889 44,891,678 Accumulated other comprehensive income 2,056,449 5,424,441 Total accumulated other comprehensive income 2,056,449 5,424,441 Non-controlling interests 13,385 20,292 Total net assets 46,083,724 50,336,412 | Capital surplus | 9,454,013 | 9,563,656 |
| Treasury shares (75,318) (66,148) Total shareholders' equity 44,013,889 44,891,678 Accumulated other comprehensive income 2,056,449 5,424,441 Total accumulated other comprehensive income 2,056,449 5,424,441 Non-controlling interests 13,385 20,292 Total net assets 46,083,724 50,336,412 | | 34,235,194 | 34,994,170 |
| Total shareholders' equity 44,013,889 44,891,678 Accumulated other comprehensive income 2,056,449 5,424,441 Total accumulated other comprehensive income 2,056,449 5,424,441 Non-controlling interests 13,385 20,292 Total net assets 46,083,724 50,336,412 | Treasury shares | (75,318) | (66,148) |
| Accumulated other comprehensive income 2,056,449 5,424,441 Total accumulated other comprehensive income 2,056,449 5,424,441 Non-controlling interests 13,385 20,292 Total net assets 46,083,724 50,336,412 | Total shareholders' equity | | |
| Total accumulated other comprehensive income 2,056,449 5,424,441 Non-controlling interests 13,385 20,292 Total net assets 46,083,724 50,336,412 | | | |
| Total accumulated other comprehensive income 2,056,449 5,424,441 Non-controlling interests 13,385 20,292 Total net assets 46,083,724 50,336,412 | Foreign currency translation adjustment | 2,056,449 | 5,424,441 |
| Non-controlling interests 13,385 20,292 Total net assets 46,083,724 50,336,412 | | 2,056,449 | 5,424,441 |
| Total net assets 46,083,724 50,336,412 | | | |
| | - | | |
| | | | |

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

| | Six Months Ended June 30,2021 | (Thousands of yen) Six Months Ended June 30,2022 |
|---|-------------------------------|--|
| Net sales | 14,946,955 | 13,508,497 |
| Cost of sales | 8,189,866 | 7,345,048 |
| Gross profit | 6,757,088 | 6,163,449 |
| Selling, general and administrative expenses | 3,326,016 | 2,870,899 |
| Operating profit | 3,431,071 | 3,292,549 |
| Non-operating income | 5, 151,071 | 2,2,2,0.1, |
| Interest income | 8,896 | 42,511 |
| Rent income | 14,619 | 11,773 |
| Foreign exchange gains | _ | 48,653 |
| Share of profit of entities accounted for using equity method | 489,666 | 1,070,286 |
| Subsidy income | 14,684 | 1,897 |
| Other | 15,088 | 3,791 |
| Total non-operating income | 542,955 | 1,178,913 |
| Non-operating expenses | | |
| Interest expenses | 3,239 | 2,957 |
| Share of loss of entities accounted for using equity | 55,097 | _ |
| method | | |
| Other | 73 | 17 |
| Total non-operating expenses | 58,410 | 2,974 |
| Ordinary profit | 3,915,617 | 4,468,488 |
| Extraordinary income | | |
| Gain on sales of non-current assets | 9,000 | 75 |
| Total extraordinary income | 9,000 | 75 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 52,329 | 1,617 |
| Loss on closedown | | 43,351 |
| Total extraordinary losses | 52,329 | 44,969 |
| Profit before income taxes | 3,872,288 | 4,423,595 |
| Income taxes - current | 1,131,221 | 1,498,568 |
| Profit | 2,741,067 | 2,925,026 |
| Profit (loss) attributable to non-controlling interests | 3,359 | 5,234 |
| Profit attributable to owners of parent | 2,737,707 | 2,919,791 |

Consolidated statements of comprehensive income

| r | | (Thousands of yen) |
|---|---------------------------|---------------------------|
| | Six Months Ended June 30, | Six Months Ended June 30, |
| | 2021 | 2022 |
| Profit | 2,741,067 | 2,925,026 |
| Other comprehensive income | | |
| Foreign currency translation adjustment | 1,224,611 | 2,903,206 |
| Share of other comprehensive income of entities | 273,612 | 466,457 |
| accounted for using equity method | | |
| Total other comprehensive income | 1,498,223 | 3,369,663 |
| Comprehensive income | 4,239,290 | 6,294,690 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 4,234,510 | 6,287,783 |
| Comprehensive income attributable to non-controlling | 4,780 | 6,906 |
| interests | | |

Consolidated statements of cash flows

| | | (Thousands of yen) |
|---|------------------|--------------------|
| | Six months ended | Six months ended |
| | June 30, 2021 | June 30, 2022 |
| Cash flows from operating activities | | |
| Profit before income taxes | 3,872,288 | 4,423,595 |
| Depreciation | 163,220 | 222,446 |
| Amortization of goodwill | 81,044 | 83,852 |
| Increase (decrease) in allowance for doubtful accounts | (44,731) | 60,181 |
| Increase (decrease) in provision for bonuses | 2,799 | (19,889) |
| Increase (decrease) in provision for product warranties | (168,983) | (67,722) |
| Increase (decrease) in retirement benefit liability | 12,792 | 14,660 |
| Loss (gain) on sales of non-current assets | (9,000) | (75) |
| Loss on retirement of non-current assets | 52,329 | 1,617 |
| Interest income | (8,896) | (42,511) |
| Interest expenses | 3,239 | 2,957 |
| Foreign exchange losses (gains) | (439,019) | (795,770) |
| Share of loss (profit) of entities accounted for using | 55,097 | (48,653) |
| equity method | | |
| Decrease (increase) in notes and accounts receivable - | 5,761,026 | 1,304,832 |
| trade | | |
| Decrease (increase) in inventories | (444,7589 | (4,016,024) |
| Increase (decrease) in notes and accounts payable - trade | 880,054 | 375,144 |
| Increase (decrease) in advances received | 1,419,016 | _ |
| Increase (decrease) in contract liabilities | _ | 3,249,445 |
| Decrease (increase) in consumption taxes refund | 123,792 | 444,098 |
| receivable | | |
| Other, net | (240,291) | 83,861 |
| Subtotal | 11,071,020 | 5,276,047 |
| Interest income received | 8,896 | 42,511 |
| Interest expenses paid | (3,239) | (2,957) |
| Income taxes paid | (331,700) | (1,419,609) |
| Net cash provided by (used in) operating activities | 10,744,977 | 3,895,992 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (414,0389 | (549,200) |
| Proceeds from sales of property, plant and equipment | 9,000 | 76 |
| Purchase of intangible assets | (3,846) | (6,815) |
| Payments for investments in capital | (12,000) | (12,000) |
| Payment of security deposit | (19,943) | _ |
| Net cash provided by (used in) investing activities | (440,829) | (567,939) |

| - | Thousands | ofi | (an) |
|---|------------|-----|------|
| • | Tilousanus | OI | |

| | | () |
|--|-----------------------------------|-----------------------------------|
| | Six months ended June 30, 2021 | Six months ended June 30, 2022 |
| | | |
| Cash flows from financing activities | | |
| Repayments of long-term loans payable | (33,000) | (33,000) |
| Repayments of lease obligations | (11,158) | (10,761) |
| Proceeds from exercise of share options | 37,200 | 29,760 |
| Cash dividends paid | (2,143,600) | (2,161,306) |
| Net cash provided by (used in) financing activities | (2,150,558) | (2,175,308) |
| Effect of exchange rate change on cash and cash | 651,696 | 1,892,888 |
| equivalents | | |
| Net increase (decrease) in cash and cash equivalents | 8,805,286 | 3,045,632 |
| Cash and cash equivalents at beginning of period | 22,722,838 | 32,273,511 |
| Cash and cash equivalents at end of period | 31,528,124 | 35,319,144 |