

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2019 (Based on Japanese GAAP)

November 8, 2019

Company name: Optorun Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 6235 URL <http://www.optorun.co.jp/>
 Representative: Representative Director and President Ihei Hayashi
 Inquiries: CFO, Director and Senior Managing Officer Toshinori Takahashi TEL 03-6635-9487
 Scheduled date to file Quarterly Securities Report: November 8, 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 nine months ended September 30, 2019 (from January 1, 2019 to September 30, 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	%
Nine months ended September 30, 2019	33,750	(11.3)	8,801	(15.5)	9,148	(16.2)	7,469	(6.1)
Nine months ended September 30, 2018	38,040	78.6	10,416	89.7	10,913	95.1	7,952	117.6

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2019	178.28	169.84
Nine months ended September 30, 2018	192.80	180.65

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2019	57,181	32,577	57.0
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	Yen	Yen	Yen	Yen
Year ended December 31, 2018	–	0.00	–	55.00	55.00
Year ending December 31, 2019	–	0.00	–		
Year ending December 31, 2019 (Forecast)				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 nine months ended September 30, 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 September 30, 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 September 30, 2019	2,140,031 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)

Nine months ended September 30, 2019	41,898,962 shares	Nine months ended September 30, 2018	41,250,659 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2018	As of September 30, 2019
Assets		
Current assets		
Cash and deposits	15,740,508	28,181,119
Notes and accounts receivable - trade	6,837,100	4,302,324
Work in process	20,148,171	12,758,057
Raw materials and supplies	4,339,278	3,489,733
Other	1,497,420	995,240
Allowance for doubtful accounts	(420,067)	(364,133)
Total current assets	48,142,411	49,362,341
Non-current assets		
Property, plant and equipment	2,843,130	2,677,034
Intangible assets	65,552	58,055
Investments and other assets		
Investment securities	803,193	670,392
Investments in capital	2,224,446	3,549,593
Deferred tax assets	1,273,191	603,693
Other	292,177	260,844
Total investments and other assets	4,593,008	5,084,523
Total non-current assets	7,501,691	7,819,614
Total assets	55,644,102	57,181,955
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,652,570	3,428,605
Short-term loans payable	553,361	397,610
Current portion of long-term loans payable	190,992	107,696
Lease obligations	12,213	22,061
Income taxes payable	1,143,493	457,392
Advances received	20,108,899	16,611,116
Provision for bonuses	440,585	489,814
Provision for directors' bonuses	104,926	–
Provision for product warranties	649,249	550,968
Other	1,066,249	912,350
Total current liabilities	25,922,541	22,977,615
Non-current liabilities		
Long-term loans payable	206,864	136,500
Lease obligations	26,948	49,464
Deferred tax liabilities	1,010,931	821,093
Provision for directors' retirement benefits	257,274	–
Net defined benefit liability	138,453	146,950
Other	18,389	472,943
Total non-current liabilities	1,658,861	1,626,952
Total liabilities	27,581,403	24,604,567

	(Thousands of yen)	
	As of December 31, 2018	As of September 30, 2019
Net assets		
Shareholders' equity		
Capital stock	400,000	400,000
Capital surplus	9,193,505	9,455,342
Retained earnings	18,980,845	24,169,154
Treasury shares	(188,971)	(140,710)
Total shareholders' equity	28,385,379	33,883,786
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,539	5,524
Foreign currency translation adjustment	(338,123)	(1,311,922)
Total accumulated other comprehensive income	(333,584)	(1,306,398)
Non-controlling interests	10,903	—
Total net assets	28,062,699	32,577,388
Total liabilities and net assets	55,644,102	57,181,955

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2018	Nine months ended September 30, 2019
Net sales	38,040,219	33,750,975
Cost of sales	22,433,344	19,905,743
Gross profit	15,606,875	13,845,231
Selling, general and administrative expenses	5,190,302	5,043,353
Operating profit	10,416,573	8,801,878
Non-operating income		
Interest income	32,617	43,886
Rent income	83,646	80,957
Foreign exchange gains	497,484	314,861
Other	46,491	14,663
Total non-operating income	660,240	454,368
Non-operating expenses		
Interest expenses	26,856	7,236
Share of loss of entities accounted for using equity method	135,910	99,026
Other	211	1,456
Total non-operating expenses	162,978	107,719
Ordinary profit	10,913,835	9,148,528
Extraordinary income		
Gain on change in equity	–	355,100
Total extraordinary income	–	355,100
Profit before income taxes	10,913,835	9,503,628
Income taxes	2,961,947	2,034,073
Profit	7,951,888	7,469,555
Loss attributable to non-controlling interests	(1,085)	(371)
Profit attributable to owners of parent	7,952,973	7,469,926

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2018	Nine months ended September 30, 2019
Profit	7,951,888	7,469,555
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,326)	984
Deferred gains or losses on hedges	86,078	—
Foreign currency translation adjustment	(588,855)	(964,003)
Share of other comprehensive income of entities accounted for using equity method	(23,167)	(9,794)
Total other comprehensive income	(527,270)	(972,814)
Comprehensive income	7,424,617	6,496,741
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,425,699	6,496,634
Comprehensive income attributable to non-controlling interests	(1,082)	107