

Translation

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Summary of Consolidated Financial Results for the Nine months Ended September 30, 2020 (Based on Japanese GAAP)

November 10, 2020

Company name: Oporun 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 Senior Managing Executive
 Inquiries: Officer General Manager of Management Toshinori Takahashi TEL 03-6635-9487
 Department and Corporate Planning Office
 Scheduled date of submission of quarterly report: November 10, 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 Results for the Third Quarter of Fiscal Year Ending December 2020 (January 1, 2020 to September 30, 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	%
Nine months ended September 30, 2020	24,648	(27.0)	5,551	(36.9)	5,650	(38.2)	4,246	(43.2)
Nine months ended September 30, 2019	33,750	(11.3)	8,801	(15.5)	9,148	(16.2)	7,469	(6.1)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2020	99.50		96.22	
Nine months ended September 30, 2019	178.28		169.84	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of September 30, 2020	52,567		36,521		69.4	
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	–	0.00			
Year ending December 31, 2020 (Forecast)			–	50.00	50.00

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	37,000	(13.6)	9,400	(13.6)	9,700	(12.1)	7,100	(22.0)	166.64

4. Notes

(1) Changes in significant subsidiaries during the nine months ended September 30, 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 September 30, 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 September 30, 2020	1,492,076 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)

As of September 30, 2020	42,676,090 shares	Six months ended June 30, 2019	41,898,962 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2019	As of September 30, 2020
Assets		
Current assets		
Cash and deposits	26,969,840	21,888,706
Notes and accounts receivable- trade	4,252,961	4,068,929
Work in process	11,103,107	12,237,414
Raw materials and supplies	4,070,363	3,591,112
Other	1,148,282	1,149,283
Allowance for doubtful accounts	△350,710	△306,714
Total current assets	47,193,845	42,628,732
Non-current assets		
Property, plant and equipmen	2,763,710	3,223,036
Intangible fixed assets		
Goodwill	-	775,038
Other	65,516	72,017
Total intangible assets	65,516	847,056
Investments and other assets		
Investment securities	795,174	374,000
Investments in capital	4,825,976	4,497,787
Deferred tax assets	605,295	760,750
Other	259,618	236,412
Total investments and other assets	6,486,065	5,868,950
Total non-current assets	9,315,292	9,939,043
Total assets	56,509,137	52,567,775
Liabilities		
Current liabilities		
Notes and accounts payable- trade	2,735,267	1,407,175
Short-term borrowings	401,691	400,490
Current portion of long-term borrowings	86,864	66,000
Lease obligations	21,588	20,329
Income taxes payable	545,000	338,925
Advances received	13,988,698	10,692,295
Provision for bonuses	318,218	521,314
Provision for product warranties	501,817	416,490
Other	1,226,510	1,064,683
Total current liabilities	19,825,656	14,927,704
Non-current liabilities		
Long-term borrowings	120,000	70,500
Lease obligations	45,155	29,135
Deferred tax liabilities	1,078,794	588,600
Retirement benefit liability	147,514	152,378
Other	472,759	277,817
Total long-term liabilities	1,864,222	1,118,431
Total liabilities	21,689,879	16,046,135

(Thousands of yen)

	As of December 31, 2019	As of September 30, 2020
Net assets		
Shareholders' equity		
Share capital	400,000	400,000
Capital surplus	9,513,800	9,762,818
Retained earnings	25,801,100	27,501,361
Treasury stock	△128,263	△98,232
Total shareholders' equity	35,586,637	37,565,948
Accumulated other comprehensive income		
Foreign currency translation adjustment	△767,379	△1,063,130
Total accumulated other comprehensive income	△767,379	△1,063,130
Non-controlling shareholders' equity	-	18,821
Total net assets	34,819,258	36,521,639
Total liabilities and net assets	56,509,137	52,567,775

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, 2019	Nine months ended September 30, 2020
Net sales	33,750,975	24,648,083
Cost of sales	19,905,743	14,824,776
Gross profit	13,845,231	9,823,307
Selling, general and administrative expenses	5,043,353	4,271,392
Operating profit	8,801,878	5,551,914
Non-operating income		
Interest income	43,886	36,057
Rental income	80,957	57,601
Foreign exchange gains	314,861	34,619
Subsidy income	5,767	89,526
Other	8,895	21,972
Total non-operating income	454,368	239,776
Non-operating expenses		
Interest expense	7,236	3,584
Share of loss of entities accounted for using equity method	99,026	107,971
Donations	-	15,831
Other	1,456	14,107
Total non-operating expenses	107,719	141,493
Ordinary profit	9,148,528	5,650,196
Extraordinary income		
Gain on sales of fixed assets	-	2,380
Gain on change in equity	355,100	-
Gain on step acquisitions	-	66,719
Total extraordinary income	355,100	69,100
Extraordinary losses		
Loss on retirement of non-current assets	-	1,130
Total extraordinary loss	-	1,130
Profit before income taxes	9,503,628	5,718,165
Income taxes	2,034,073	1,471,996
Profit	7,469,555	4,246,169
Loss attributable to non-controlling interests	△371	-
Profit attributable to owners of parent	7,469,926	4,246,169

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2019	Nine months ended September 30, 2020
Profit	7,469,555	4,246,169
Other comprehensive income		
Valuation difference on available-for-sale securities	984	-
Foreign currency translation adjustments	△964,003	△135,742
Share of other comprehensive income of entities accounted for using equity method	△9,794	△160,008
Total other comprehensive income	△972,814	△295,751
Comprehensive income	6,496,741	3,950,418
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,496,634	3,950,418
Comprehensive income attributable to non-controlling interests	107	-