

Translation

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Summary of Consolidated Financial Results for Nine months Ended September 30, 2023 (Based on Japanese GAAP)

November 13, 2023

Company name: Optorun Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 6235 URL <https://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 049-299-8199
 Dept.
 Scheduled date to file Quarterly Securities Report: November 13, 2023
 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 Year Ended December 31, 2023 (January 1, 2023 to September 30, 2023)

(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	%
Nine months ended September 30, 2023	28,933	16.7	8,567	37.2	5,334	(31.1)	4,098	(30.0)
Nine months ended September 30, 2022	24,794	12.7	6,243	29.5	7,747	43.8	5,859	29.5

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2023	94.02	92.29
Nine months ended September 30, 2022	135.32	132.39

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	83,680	57,597	68.0
As of December 31, 2022	82,916	52,158	62.9

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, 2022	—	0.00	—	50.00	50.00
Year ended December 31, 2023	—	0.00	—	—	—
Year ending December 31, 2023 (Forecast)	—	—	—	50.00	50.00

3. Forecast of consolidated financial results for the year ending December 31, 2023

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	35,500	3.5	8,600	15.5	8,600	(1.9)	6,200	(10.0)	142.58

4. Notes

- (1) Changes in significant subsidiaries during the year ended September 30, 2023 Yes
- (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 September 30, 2023	44,358,000 shares	As of December 31, 2022	44,358,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	688,235 shares	As of December 31, 2022	873,174 shares
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Average number of shares during the period

As of September 30, 2023	43,594,151 shares	As of September 30, 2022	43,299,183 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2022	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	34,922,724	33,937,399
Notes and accounts receivable - trade	7,973,007	6,859,301
Work in process	9,969,933	10,840,612
Raw materials and supplies	10,459,880	9,121,030
Other	2,625,341	2,040,658
Allowance for doubtful accounts	(549,643)	(637,289)
Total current assets	65,401,243	62,161,713
Non-current assets		
Property, plant and equipment	8,835,485	11,294,890
Intangible assets		
Goodwill	485,482	394,333
Other	55,086	260,787
Total intangible assets	540,569	655,121
Investments and other assets		
Investment securities	350,000	350,000
Investments in capital	5,690,765	6,299,196
Deferred tax assets	817,515	1,211,326
Other	1,280,655	1,708,148
Total investments and other assets	8,138,936	9,568,670
Total non-current assets	17,514,991	21,518,682
Total assets	82,916,234	83,680,396

(Thousands of yen)

	As of December 31, 2022	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,785,161	1,023,255
Short-term loans payable	400,000	400,000
Lease obligations	13,713	4,151
Income taxes payable	1,000,039	622,697
Contract liabilities	19,059,974	16,381,307
Provision for bonuses	432,618	510,464
Provision for bonuses for directors	160,700	—
Provision for product warranties	234,216	346,083
Other	2,313,959	3,762,855
Total current liabilities	28,400,382	23,050,815
Non-current liabilities		
Lease obligations	5,180	7,334
Deferred tax liabilities	1,929,179	2,585,679
Retirement benefit liability	204,722	224,160
Asset retirement obligations	61,761	62,360
Other	156,359	152,895
Total non-current liabilities	2,357,204	3,032,430
Total liabilities	30,757,586	26,083,246
Net assets		
Shareholders' equity		
Capital stock	400,000	400,000
Capital surplus	9,646,360	9,726,976
Retained earnings	38,964,201	40,888,608
Treasury shares	(57,646)	(45,376)
Total shareholders' equity	48,952,915	50,970,208
Accumulated other comprehensive income		
Foreign currency translation adjustment	3,187,970	5,920,800
Total accumulated other comprehensive income	3,187,970	5,920,800
Non-controlling interests	17,761	706,141
Total net assets	52,158,647	57,597,149
Total liabilities and net assets	82,916,234	83,680,396

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

(Thousands of yen)

	Nine months ended September 30, 2022	Nine months ended September 30, 2023
Net sales	24,794,480	28,933,469
Cost of sales	13,848,786	14,084,889
Gross profit	10,945,694	14,848,580
Selling, general and administrative expenses	4,702,384	6,281,462
Operating profit	6,243,310	8,567,117
Non-operating income		
Interest income	78,466	86,737
Dividend income	3,632	3,255
Rental income	18,264	23,277
Share of profit of entities accounted for using equity method	80,565	—
Foreign exchange gains	1,267,927	—
Subsidy income	53,570	59,051
Gain on adjustment of account payable	—	62,796
Other	6,645	19,982
Total non-operating income	1,509,074	255,101
Non-operating expenses		
Interest expenses	2,859	2,699
Share of loss of entities accounted for using equity method	—	18,166
Foreign exchange losses	—	631,310
Loss on valuation of derivatives	—	2,819,815
Rental expenses	2,411	11,422
Other	17	3,923
Total non-operating expenses	5,288	3,487,336
Ordinary profit	7,747,096	5,334,882
Extraordinary income		
Gain on sale of non-current assets	77	—
Gain on investments in capital	657,811	—
Total extraordinary income	657,888	—
Extraordinary losses		
Loss on retirement of non-current assets	1,652	343
Loss on closedown	44,288	—
Total extraordinary losses	45,941	343
Profit before income taxes	8,359,043	5,334,538
Income taxes	2,475,906	1,161,127
Profit	5,883,136	4,173,411
Profit attributable to non-controlling interests	23,808	74,762
Profit attributable to owners of parent	5,859,328	4,098,648

Consolidated statements of comprehensive income

(Thousands of yen)

	Nine months ended September 30, 2022	Nine months ended September 30, 2023
Profit	5,883,136	4,173,411
Other comprehensive income		
Foreign currency translation adjustment	3,006,661	2,469,661
Share of other comprehensive income of entities accounted for using equity method	414,650	279,536
Total other comprehensive income	3,421,312	2,749,197
Comprehensive income	9,304,448	6,922,609
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,278,208	6,831,478
Comprehensive income attributable to non-controlling interests	26,240	91,130