



# Optorun Co., Ltd

## Consolidated Financial Results for 1Q FY12/2026

### Consolidated Summary for 1Q FY12/2026 and Guidance for FY12/2026

May 13, 2026

## Forward-looking statements

### ❑ Measures “Aimed at Implementing Management Practices That Take Capital Costs and Stock Prices into Account”

As part of our policy to “implement management that takes into account the cost of capital and stock prices,” we have established the following targets in our medium-term management plan: “a net profit margin attributable to owners of the parent of 15% or more,” “ROE (return on equity) of 10% or more,” and “a consolidated dividend payout ratio of 30% or more.” Regarding cash allocation, we plan to enhance shareholder value through stable dividends and flexible share buybacks. With a view to sustainable growth, we plan to strategically implement research and development, capital investment, business alliances, and M&A.

Our company was founded in August 1999 as a manufacturer of optical thin-film deposition equipment. Starting with vapor deposition systems for DWDM optical components in the optical communications sector, we have expanded our business to include optical thin-film deposition equipment such as vapor deposition and sputtering systems for smartphones, automobiles, and optical communications. Starting in 2026, as part of our “Second Founding,” we plan to expand our business scope to become a comprehensive optical thin-film deposition company by establishing our thin-film deposition product business. We also plan to evolve into an optoelectronics convergence company, taking into account the future launch of a silicon photonics business.

### ❑ Outlook for the Future and Response to TOPIX Reforms

This document contains “forward-looking statements.” These statements include, but are not limited to, anticipated growth and trends in our business and markets, industry outlook and demand factors, our investment and growth strategies, the development of new products and technologies, and our current and future business outlook. Actual results may differ materially from these forecasts and plans due to various changes in external and internal factors; however, we are under no obligation to update or revise these statements.

Additionally, the Japan Exchange Group (JPX) announced a new reform plan for the Tokyo Stock Price Index (TOPIX) in September 2024 and plans to gradually reduce the number of constituent stocks by July 2028. The selection criteria require that, under the continuity criteria, a company must simultaneously meet an annual turnover ratio of 0.14 or higher and rank within the top 97 in terms of cumulative ratio of market capitalization of floating shares. We are taking steps to ensure we meet these selection criteria.

### ❑ Regarding Exchange Rate Risk, Mutual Tariffs, and Rising Prices of Semiconductors and Crude Oil

Export sales of our flagship manufacturing equipment are highly dependent on the U.S. dollar (approximately 70%), making them susceptible to fluctuations in the U.S. dollar exchange rate. Production costs are heavily reliant on manufacturing in Greater China (with key facilities including our headquarters in Tsurugashima, Saitama Prefecture, and our Shanghai plant in China), making them susceptible to fluctuations in the Chinese yuan. Our exchange rate assumptions for financial forecasts are based on historical data, with the aim of mitigating the impact of exchange rate fluctuations.

Although we rely heavily on the Greater China region for exports, our end-users are spread globally, with a focus on the U.S. market. In response to the impact of reciprocal tariffs, we plan to expand our production and development infrastructure by establishing bases in India, Japan, Vietnam, and the Greater China region. The exchange rate assumptions for FY12/26 are ¥148/USD and ¥22/CNY. The sensitivity of operating profit (annualized) is ¥-150mn for a ¥1 appreciation of the yen against the dollar and ¥+100mn for a 0.1-yen appreciation of the yen against the yuan. While the direct impact of rising semiconductor and crude oil prices is minor, we are closely monitoring their indirect effects.

# Consolidated Summary for 1Q FY12/2026 and Guidance for FY12/2026

## Results and Forecasts

Figure 1: Orders, Business Performance, and Per-Share and Financial Indicators

FY	Orders		Sales		Operating profits		Ordinary income		Net profits		EPS	PER	DPS	PBR	Price	OP margin	ROE
	¥mn	YoY%	¥mn	YoY%	¥mn	YoY%	¥mn	YoY%	¥mn	YoY%	¥	times	¥	times	¥	%	%
Full-year																	
FY' 12/2017	52,527	252.5	33,386	124.0	7,327	207.9	7,095	249.5	4,815	228.3	134.6	21.3	40.00	5.18	2,860	21.9	29.0
FY' 12/2018	39,820	-24.2	44,763	34.1	10,690	45.9	10,993	54.9	7,746	60.9	187.6	9.0	55.00	2.48	1,680	23.9	30.6
FY' 12/2019	36,062	-9.4	42,822	-4.3	10,879	1.8	11,031	0.3	9,102	17.5	216.7	13.9	60.00	3.67	3,015	25.4	29.0
FY' 12/2020	28,606	-20.7	37,491	-12.4	8,628	-20.7	8,610	-21.9	6,797	-25.3	159.1	13.3	50.00	2.29	2,109	23.0	18.3
FY' 12/2021	35,435	23.9	30,892	-17.6	7,025	-18.6	7,901	-8.2	6,330	-6.9	146.8	16.2	50.00	2.23	2,376	22.7	14.8
FY' 12/2022	41,553	17.3	34,304	11.0	7,449	6.0	8,763	10.9	6,890	8.8	159.0	14.1	50.00	1.87	2,242	21.7	14.0
FY' 12/2023	20,316	-51.1	36,807	7.3	9,752	30.9	6,051	-30.9	4,632	-32.8	106.1	15.4	50.00	1.27	1,631	26.5	8.5
FY' 12/2024	28,841	42.0	32,406	-12.0	6,570	-32.6	8,191	35.4	6,351.4	37.1	145.3	13.0	52.00	1.35	1,888	20.3	11.0
FY' 12/2025	41,210	42.9	33,861	4.5	3,335	-49.2	3,203	-60.9	2,959.7	-53.4	74.4	25.7	54.00	1.33	1,910	9.8	5.1
FY' 12/2026 CF	38,200	-7.3	38,200	12.8	6,200	85.9	7,400	131.1	5,600	89.2	140.8	34.2	56.00	-	4,820	16.2	-
Half-year																	
1H FY' 12/23	12,413	-46.6	20,925	54.9	6,662	102.3	4,264	-4.6	3,471	18.9	79.7	15.2	0.00	1.91	2,423	31.8	13.1
2H FY' 12/23	7,904	-56.8	15,882	-23.6	3,089	-25.7	1,788	-58.4	1,161	-70.8	26.6	30.7	50.00	1.27	1,631	19.5	4.3
1H FY' 12/24	14,920	20.2	16,678	-20.3	3,942	-40.8	4,417	3.6	3,173	-8.6	72.4	13.9	26.00	1.45	2,020	23.6	10.9
2H FY' 12/24	13,922	76.1	15,728	-1.0	2,628	-14.9	3,774	111.1	3,178	173.7	72.7	13.0	26.00	1.35	1,888	16.7	11.1
1H FY' 12/25	17,493	17.2	13,850	-17.0	1,108	-71.9	1,112	-74.8	1,106	-65.2	27.0	30.2	27.00	1.24	1,633	8.0	3.9
2H FY' 12/25	23,717	70.4	20,011	27.2	2,227	-15.3	2,090	-44.6	1,854	-41.7	47.4	20.2	27.00	1.33	1,910	11.1	6.7
Quarter																	
1Q FY' 12/24	9,552	10.9	11,298	24.7	3,965	51.7	4,325	138.3	3,284	134.1	75.0	6.9	0.00	1.54	2,068	35.1	23.7
2Q FY' 12/24	5,368	41.2	5,380	-54.6	-23	-	92	-96.2	-110	-	-2.5	-	26.00	1.45	2,020	-0.4	-0.8
3Q FY' 12/24	6,232	103.0	8,511	6.3	2,377	24.8	2,549	137.9	2,267	261.1	51.5	8.6	0.00	1.32	1,778	27.9	15.6
4Q FY' 12/24	7,690	59.1	7,217	-8.3	251	-78.8	1,225	71.0	911	70.9	21.2	22.3	26.00	1.35	1,888	3.5	6.3
1Q FY' 12/25	8,645	-9.5	7,905	-30.0	756	-80.9	740	-82.9	809	-75.4	19.3	19.7	0.00	1.13	1,526	9.6	5.6
2Q FY' 12/25	8,848	64.8	5,945	10.5	352	-	372	303.4	296	-	7.7	53.0	27.00	1.24	1,633	5.9	2.1
3Q FY' 12/25	10,453	67.7	9,860	15.8	1,727	-27.3	1,475	-42.1	959	-57.7	24.1	17.3	0.00	1.23	1,664	17.5	6.8
4Q FY' 12/25	13,264	72.5	10,151	40.7	499	98.7	615	-49.8	895	-1.7	22.5	21.2	27.00	1.33	1,910	4.9	6.2
1Q FY' 12/26	14,820	71.4	6,969	-11.8	511	-32.3	287	-61.3	-83	-	-2.1	-	0.00	1.27	2,572	7.3	-0.5

Note: Accounting follows Japanese standards; figures are rounded to the nearest million yen; "Previous Forecast" refers to the prior plan, "Current Forecast" to the current plan; order intake for FY12/22 and later is based on actual figures, while FY12/21 and earlier excludes currency effects; stock price in FY12/26 column is the closing price on Feb. 12; FY12/25 exchange rate (period average) was ¥149.63/USD, ¥20.81/CNY. FY12/26 assumptions: ¥148/USD, ¥22/CNY. Operating profit sensitivity (annualized): ¥1.5 billion decrease per ¥1/USD appreciation, ¥1 billion increase per ¥0.1/CNY appreciation.

### □ Adjusted orders for 1Q FY12/26, and 2Q guidance

Adjusted orders (ex-forex) for 1Q FY12/26 reached ¥14.8 bn, +71% YoY (+12% QoQ), driven by growth in AI smartphones and optical communications-related products. This exceeded internal projections by more than ¥4.0bn, and the order backlog improved to ¥39.9bn, +66% YoY (+27% QoQ). 2Q FY12/26, we anticipate orders of approximately ¥10bn, as smartphone-related and optical communications-related segments are expected to continue performing well.

The breakdown for 1Q shows mixed results: smartphone-related orders rose 263% YoY to ¥6.9bn; optical components increased 183% YoY to ¥5.3bn due to growth in optical communications; semiconductor-optical integration and electronic devices rose 12% YoY to ¥0.9bn; and EV/connected car orders fell 83% YoY to ¥0.6bn. In 1Q FY12/26, orders for optical communications-related products reached a level comparable to the full-year orders for FY12/25 driven by increased inquiries from optical transceiver-related companies.

### □ Consolidated financial results for 1Q FY12/26

For 1Q FY12/26, sales decreased 12% YoY to ¥7.0bn, OP decreased 32% to ¥511mn, RP decreased 61% to ¥287mn, and the net loss attributable to owners of the parent company was ¥83mn. The reasons for the loss include: (1) While equipment acceptance is generally proceeding as expected, the higher-than-anticipated volume of shipments is resulting in a negative impact of several hundred million yen on internal profit from equipment that has not yet been accepted; (2) the recording of a ¥200mn yen loss on equity method investments due to factors such as the current-period loss at Zhejiang Crystal-Run Opto-Electronics Technology (Crystal-Run Opto-Electronics, 49% stake); and (3) a ¥290mn increase in income taxes-deferred due to tax effects on internal profits.

Although equity in earnings of affiliates offset the loss from Crystal-Run Opto-Electronics with the profit from AI MECHATEC (17.58% stake), an overall loss was recorded. Although Crystal-Run Opto-Electronics reported a net loss for 1Q FY12/26, its revenue, gross margin, operating profit, and net profit all improved compared to the initial plan. The company's performance is expected to turn profitable starting in the third quarter of the same fiscal year as its product business gains traction, and equity in earnings from investments is projected for the full year.

### □ Changes in Investments and Other Assets and Net Assets as of the end 1Q FY12/2026

Investments and other assets increased from ¥15.8bn at the end of 4Q FY12/25 to ¥42.7bn at the end of 1Q FY12/26. The breakdown shows that investment securities increased from ¥4.2 bn at the end of 4Q to ¥33.2bn at the end of 1Q, while equity investments decreased from ¥9.1bn to ¥6.9bn. The impact of market valuation has become apparent following the March 25 listing of SeeYA Technology (3.5% stake), a strategic investee, on China's STAR Market. Net assets increased from ¥57.6bn at the end of 4Q to ¥80.6bn at the end of 1Q (primarily due to valuation gains on other securities).

SeeYA Technology is the leading manufacturer of micro-OLEDs for AR/VR devices. The impact of this company on our balance sheet is as follows: investment capital of ¥2.0 bn at the end of 4Q and investment securities of ¥28.7bn at the end of 1Q. The company's stock price (closing price) was 22.68 yuan per share at the time of its IPO, 35.7 yuan per share at the end of 1Q, and 46.99 yuan per share on May 8. The lock-up period for the company's shares is one year following the listing. AI MECHATEC, in which we invested in February 2025, was recorded as investment securities at ¥3.3bn as of the end of 1Q and is valued at cost based on our capital and business alliance.

## Orders and Performance Results and Guidance

Figure 2: Orders Received, Business Performance (in millions of yen, yen, %)

accounting period	12/2017	12/2018	12/2019	12/2020	12/2021	12/2022	12/2023	12/2024	12/2025	12/2026	12/2024				12/2025				2026/12	
											CE	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Orders received	52,527	39,821	36,062	28,606	35,435	43,124	24,080	32,345	40,989			11,136	7,301	4,192	9,716	7,700	8,106	10,956	14,226	15,560
Orders received (Real)							20,316	28,841	41,210			9,552	5,368	6,232	7,690	8,645	8,848	10,453	13,264	14,820
Order backlog	44,170	39,228	32,468	23,583	28,126	36,947	24,219	24,159	31,286			24,058	25,979	21,659	24,159	23,954	26,114	27,211	31,286	39,878
Net sales	33,386	44,763	42,822	37,491	30,892	34,304	36,807	32,406	33,861	38,200		11,298	5,380	8,511	7,217	7,905	5,945	9,860	10,151	6,969
Gross profit	14,154	17,436	17,697	14,682	13,390	14,948	18,454	14,499	11,440			5,917	2,168	4,094	2,319	2,613	1,947	3,793	3,088	2,337
R&D	2,467	3,103	3,173	3,151	3,065	3,410	4,329	3,397	3,802	3,900		908	1,029	657	803	921	863	947	1,071	584
Operating profit	7,327	10,690	10,879	8,628	7,025	7,449	9,752	6,570	3,335	6,200		3,965	-23	2,377	251	756	352	1,727	499	511
Non-operating income	140	495	299	261	980	1,339	386	1,996	584			462	331	633	1,491	366	178	-16	56	148
Non-operating expenses	372	192	147	280	104	25	4,086	376	716			102	216	462	518	381	158	236	-59	372
Ordinary income	7,095	10,993	11,031	8,610	7,901	8,763	6,051	8,191	3,203	7,400		4,325	92	2,549	1,225	740	372	1,475	615	287
Income before income taxes	7,127	10,748	11,488	8,678	8,773	9,405	5,998	8,185	4,221			4,321	92	2,547	1,225	739	368	1,474	1,640	280
Income taxes	2,309	3,001	2,386	1,874	2,440	2,512	1,325	1,807	1,375			1,030	165	251	361	-33	108	526	774	381
Net income	4,815	7,746	9,102	6,797	6,330	6,890	4,632	6,351	2,960	5,600		3,284	-110	2,267	911	809	296	959	895	-83
EPS	134.6	187.6	216.7	159.1	146.8	159.0	106.1	145.3	73.30	140.77		75.0	-2.6	51.5	21.5	19.3	7.7	24.1	22.2	-2.1
DPS	40.0	55.0	60.0	50.0	50.0	50.0	50.0	52.0	54.00	56.00		0.0	26.0	0.0	26.0	0.0	27.0	0.0	27.0	0.0
BPS	552.4	677.2	821.1	919.0	1,066.0	1,199.1	1,285.3	1,403.3	1,439.5			1,343.9	1,388.5	1,347.0	1,403.3	1,345.6	1,321.5	1,348.0	1,439.5	2,019.0
EX rate at end of term, ¥/\$	113.2	111.0	109.6	103.5	115.0	132.7	141.83	158.18	156.6	148.0		151.41	161.07	142.73	158.18	149.52	144.81	148.88	156.56	159.88
EX rate average, ¥/\$	112.6	110.6	109.0	106.8	109.9	131.6	137.97	148.12	149.6	148.0		144.77	147.31	149.45	151.87	152.55	148.40	147.46	154.08	158.68
Gross profit margin	42.4	39.0	41.3	39.2	43.3	43.6	50.1	44.7	33.8			52.4	40.3	48.1	32.1	33.1	32.7	38.5	30.4	33.5
R&D as % of Net sales	7.4	6.9	7.4	8.4	9.9	9.9	11.8	10.5	11.2	10.2		8.0	19.1	7.7	11.1	11.6	14.5	9.6	10.6	8.4
Operating profit margin	21.9	23.9	25.4	23.0	22.7	21.7	26.5	20.3	9.8	16.2		35.1	-0.4	27.9	3.5	9.6	5.9	17.5	4.9	7.3
Ordinary income margin	21.3	24.6	25.8	23.0	25.6	25.5	16.4	25.3	9.5	19.4		38.3	1.7	29.9	17.0	9.4	6.3	15.0	6.1	4.1
Income taxes	32.4	27.9	20.8	21.6	27.8	26.7	22.1	22.1	32.6			23.8	179.3	9.9	29.5	-4.4	29.4	35.7	47.2	136.0
Net income margin	14.4	17.3	21.3	18.1	20.5	20.1	12.6	19.6	8.7	14.7		29.1	-2.1	26.6	12.6	10.2	5.0	9.7	8.8	-1.2
ROE(Return on equity)	29.0	30.6	29.0	18.3	14.8	14.0	8.5	11.0	5.1			23.7	-0.8	15.6	6.3	5.6	2.1	6.8	6.2	-0.5
DOE(Dividend on equity)	1.5	5.8	6.5	6.4	4.7	4.1	3.9	5.7	3.8											

Note: Figures are rounded to the nearest million yen; net income per share represents the amount attributable to parent company shareholders; the "Year-on-Year % Change" column for profit margins indicates year-on-year increase or decrease; DOE is calculated as Total Annual Dividends ÷ Shareholders' Equity × 100 or Dividend Payout Ratio × ROE; ROE is net income attributable to parent company shareholders ÷ average shareholders' equity × 100. Inventory turnover days are based on cost of sales. The corporate tax rate tends to fluctuate due to the impact of subsidies on R&D expenses.

## Balance Sheets and Statements of Cash Flows

Figure 3: Summary of Balance Sheets and Statements of Cash Flows (in millions of yen)

item	accounting period										12/2024				12/2025				12/2026
	12/2017	12/2018	12/2019	12/2020	12/2021	12/2022	12/2023	12/2024	12/2025		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
<b>Assets</b>																			
Cash and deposits	19,894	15,741	26,970	22,723	32,274	34,923	33,054	32,531	31,442	33,329	32,193	30,967	32,531	29,571	27,784	30,211	31,442	35,676	
Notes and accounts receivable-trade	3,199	6,417	3,902	9,426	5,627	7,423	4,882	4,355	5,283	3,206	4,353	4,518	4,355	3,540	4,116	4,518	5,283	4,747	
Inventories	25,108	24,487	15,173	11,147	12,855	20,430	17,989	15,763	17,194	16,213	18,670	16,804	15,763	14,687	15,413	15,250	17,194	20,699	
Raw materials and supplies	4,879	4,339	4,070	3,850	5,804	10,460	8,790	6,449	4,651	9,365	8,363	7,212	6,449	8,437	4,311	4,115	4,651	4,091	
Goods in process	20,229	20,148	11,103	7,297	7,051	9,970	9,199	9,314	12,543	6,848	10,306	9,591	9,314	6,249	11,102	11,136	12,543	16,607	
Current assets	52,256	48,142	47,194	44,572	53,145	65,401	57,632	54,572	56,776	55,184	57,372	54,410	54,572	49,143	48,826	51,499	56,776	62,794	
Tangible fixed assets	2,863	2,843	2,764	3,194	4,527	8,835	11,407	14,152	13,512	11,874	13,450	13,300	14,152	13,273	13,127	13,019	13,512	13,663	
Intangible fixed assets	81	66	66	822	677	541	424	210	34	381	339	259	210	148	94	39	34	33	
Investments and other assets	1,226	4,593	6,486	5,740	6,326	8,139	9,029	12,505	15,824	9,521	10,322	9,321	12,505	15,113	15,034	15,216	15,824	42,713	
Fixed assets	4,170	7,502	9,315	9,755	11,529	17,515	20,859	26,868	29,371	21,775	24,111	22,879	26,868	28,535	28,255	28,274	29,371	56,409	
Total assets	56,426	55,644	56,509	54,327	64,675	82,916	78,491	81,440	86,146	76,959	81,482	77,289	81,440	77,677	77,081	79,773	86,146	119,202	
<b>Liabilities</b>																			
Notes and accounts payable-trade	7,303	1,653	2,735	1,703	3,246	4,785	1,284	1,083	4,239	2,326	1,848	1,657	1,083	1,793	2,238	2,343	4,239	3,525	
Short-term interest-bearing debt	9,193	757	510	489	472	414	406	414	410	403	402	402	414	414	413	412	410	407	
Contract liabilities	11,327	20,109	13,989	8,922	9,831	19,060	14,743	9,731	11,494	9,441	10,841	9,308	9,731	9,288	11,981	12,859	11,494	18,134	
Current liabilities	32,038	25,923	19,826	13,655	17,057	28,400	19,097	14,766	19,882	14,812	16,895	14,630	14,766	13,753	16,948	18,158	19,882	25,555	
Deferred tax liabilities	978	1,251	1,079	642	1,181	1,929	2,021	2,625	3,266	2,174	2,385	2,239	2,625	2,450	2,544	2,769	3,266	7,452	
Long-term interest-bearing debt	433	234	165	81	16	5	8	4,649	4,995	8	6	5	4,649	4,463	4,414	4,616	4,995	5,217	
Fixed liabilities	1,781	1,659	1,864	1,157	1,535	2,357	2,478	7,672	8,658	2,637	2,777	2,637	7,672	7,338	7,392	7,804	8,658	13,087	
Net assets	22,607	28,063	34,819	39,515	46,084	52,159	56,916	59,002	57,607	59,510	61,810	60,022	59,002	56,586	52,741	53,811	57,607	80,560	
Shareholders' equity	22,597	28,052	34,819	39,488	46,070	52,141	56,316	58,689	57,381	58,881	61,114	59,339	58,689	56,363	52,571	53,624	57,381	80,319	
<b>Cash flow s</b>																			
Pre-tax profit	7,127	10,748	11,488	8,678	8,773	9,405	5,998	8,185	4,221	-	4,413	-	3,772	-	1,107	-	3,114	-	
Depreciation expense	258	252	250	282	484	698	991	1,221	1,201	-	475	-	746	-	628	-	574	-	
Cash flow s from operating activities	4,696	9,572	16,233	-535	10,686	8,561	3,180	5,050	8,529	-	1,353	-	3,697	-	5,336	-	3,193	-	
Expenditure	-1,821	-381	-150	-760	-940	-4,380	-3,116	-3,115	-989	-	-1,505	-	-1,610	-	-361	-	-629	-	
Cash flow s from investing activities	-2,768	-2,964	-2,432	-1,048	376	-4,396	-3,599	-7,701	257	-	-1,618	-	-6,083	-	-2,288	-	2,544	-	
Free cash flow	1,928	6,608	13,801	-1,583	11,061	4,165	-419	-2,651	8,786	-	-265	-	-2,386	-	3,048	-	5,738	-	
Repurchase of treasury stock	0.0	0.0	-0.1	-0.2	-0.2	-0.1	-0.1	-4,794	-4,188	-	0	-	-4,794	-	-4,188	-	-0.2	-	
Dividend payments	-333	-1,633	-2,279	-2,543	-2,145	-2,164	-2,174	-3,334	-2,163	-	-2,190	-	-1,144	-	-1,086	-	-1,077	-	
Financial Cash Flow s	12,447	-10,054	-2,359	-2,467	-2,735	-2,173	-2,207	-3,807	-5,384	-	-2,168	-	-1,638	-	-5,174	-	-210	-	

Note: Figures are rounded to the nearest million yen. Notes receivable and accounts receivable are net of allowance for doubtful accounts. Interest-bearing debt is the sum of borrowings and lease obligations. Contract liabilities were previously reported as advance receipts. Contract liabilities refer to amounts received from customers in advance or consideration received before providing services. Treasury stock purchases were ¥4.8 billion (average purchase price per share: ¥1,890) for FY12/25 and ¥4.2 billion (¥1,658) for FY12/25.

## Key points

### □ Financial Guidance and Risk Factors for FY12/26

Although progress in 1Q 12/26 lagged behind the initial plan, we will maintain our plan based on exchange rates of ¥148/USD and ¥22CNY, as order intake has exceeded expectations. The plan projects net sales of ¥38.2bn (+13% YoY), OP of ¥6.2bn (+86% YoY), RP of ¥7.4bn (+131% YoY), and net income attributable to owners of the parent of ¥5.6bn (+89% YoY). While the lead time for film deposition equipment is approximately nine months, the risk factor is a shortage of key components.

In 1Q 12/26, the company recorded orders received of ¥14.8bn on a real basis and ¥15.6bn on a nominal basis with net sales of ¥7.0bn. As a result, the order backlog stands at ¥39.9bn, the highest level since 3Q FY12/22 (¥49.2bn). Although the utilization rate at our Shanghai plant is increasing, order intake has exceeded expectations, resulting in a longer inventory turnover period at the end of the first quarter compared to the end of the fourth quarter of the previous fiscal year. To handle the higher-than-expected order volume, we plan to strengthen customer support beyond previous levels and enhance the procurement of key components.

### □ Trends in the AI Smartphone Business Segment and Sub-segments

In the AI smartphone business segment, despite concerns over reduced production and sluggish sales due to rising prices of memory components such as DRAM, order intake for 1Q FY12/26 increased 263% YoY to ¥6.9bn, and revenue rose 117% YoY to ¥3.1bn. While the initial full-year plan projected orders to remain flat year-over-year at approximately ¥14bn, the first-quarter progress rate reached about 50% of the full-year target. Therefore, we plan to revise the forecast based on progress in the second quarter and beyond.

The AI smartphone business segment is categorized into camera modules, displays, and casings. Looking at the composition of orders by camera modules, while they accounted for just under 50% of the full-year total for FY12/23, this figure rose to 85% for FY12/25 and has climbed to just under 90% in 1Q FY12/26. Going forward, if demand for foldable smartphones and tablets increases in the next generation, this proportion is expected to decline.

### □ Growth and Market Size of the Optical Communications Business Segment

In 1Q FY12/26, orders received in the optical communications business segment accounted for over 60% of the optical components division, increasing approximately threefold compared to the previous quarter and reaching a level roughly equivalent to the full-year figure for FY12/25. Sales also accounted for over 60% of the optical components division, growing by approximately 50% compared to the previous quarter. While the initial full-year plan projected orders of approximately ¥5bn, a 40% increase YoY, 1Q progress rate reached over 60% of the full-year target, making it highly likely that the full-year figure will exceed expectations.

Due to increased capital investment by U.S. hyper-scalers, forecasts for the optical interconnect market presented at the “OFC 2026” optical communications technology exhibition held in March 2026 project that by 2030, the optical transceiver market will reach \$50bn (previous forecast: \$25bn), with optical-electronic integration—specifically CPO (Co-Packaged Optics)—revised upward to \$15bn (previous: \$5bn) and OCS (Optical Circuit Switches) to \$4bn (previous: \$2bn). The leading optical transceiver company’s revenue for 1Q 2026 grew 2.9 times year-over-year and 47% quarter-over-quarter..

## Details of Orders Received and Sales by Business Domain

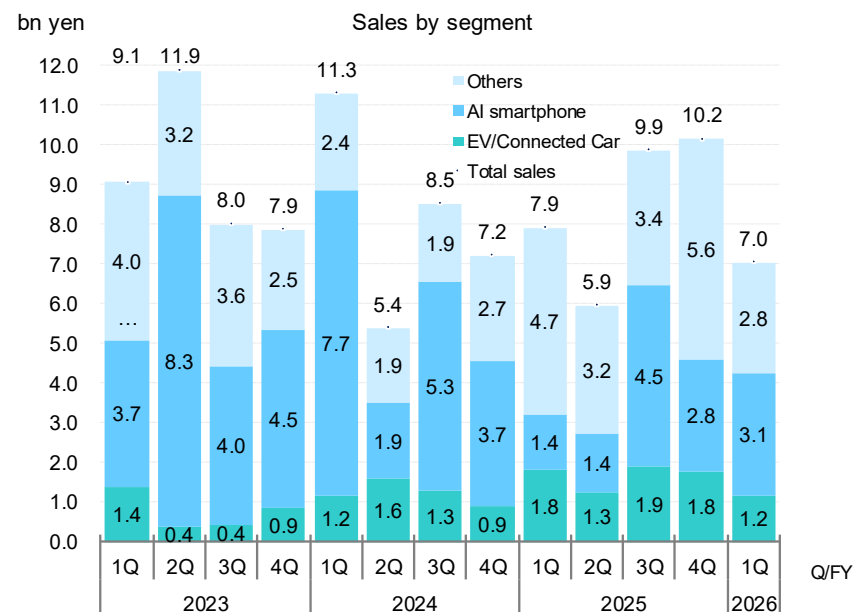
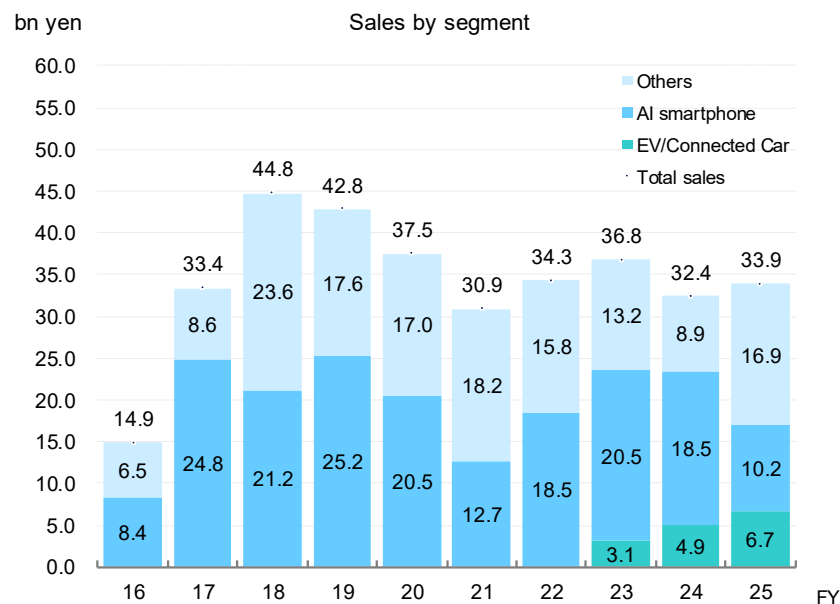
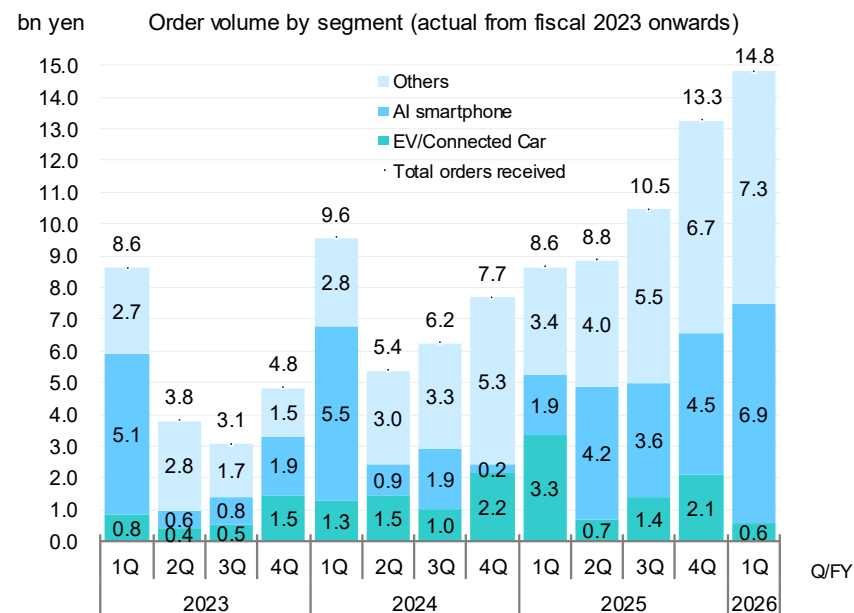
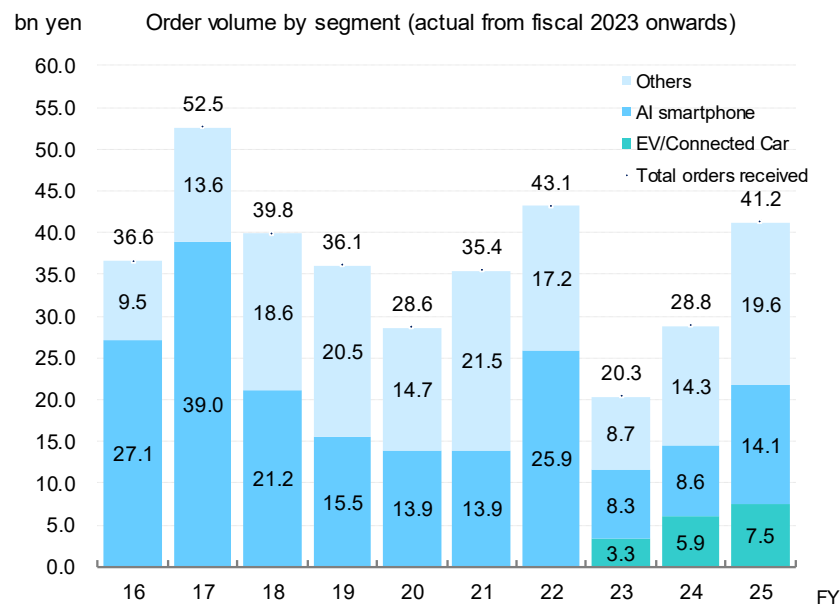
Figure 4: Orders received and sales by business domain (Unit: millions of yen, yen/dollar, %)

Items	FY/Q	12/2023	12/2024	12/2025	12/2023				12/2024				12/2025				2026/12		
					1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	QoQ%	YoY%
<b>Orders</b>																			
Optics		15,973	22,753	33,624	7,386	2,214	2,415	3,958	7,952	3,783	5,056	5,962	7,094	7,626	7,909	10,995	12,716	15.6	79.3
AI smartphones		8,305	8,558	14,126	5,053	550	845	1,857	5,487	944	1,896	231	1,906	4,164	3,582	4,474	6,920	54.7	263.1
EV/connected car		3,274	5,939	7,514	846	421	544	1,463	1,299	1,452	1,022	2,166	3,337	685	1,410	2,082	562	-73.0	-83.2
Optical components		4,393	8,256	11,985	1,486	1,243	1,026	638	1,165	1,386	2,139	3,566	1,851	2,778	2,917	4,439	5,234	17.9	182.8
Semi. optical fusion and devices		1,826	2,785	4,758	455	948	52	371	615	141	950	1,079	838	366	1,835	1,718	935	-45.6	11.5
Parts and services, others		2,518	3,304	2,828	770	641	602	505	985	1,444	225	649	713	855	710	550	1,169	112.4	64.0
Sub total orders		20,316	29,234	41,210	8,610	3,802	3,069	4,835	9,552	5,368	6,232	7,690	8,645	8,848	10,453	13,264	14,820	11.7	71.4
Forex Impact		3,764	3,504	-221	953	2,283	1,229	-701	1,584	1,933	-2,040	2,026	-945	-742	503	963	741	-23.0	-
Total orders		24,080	32,345	40,989	9,563	6,085	4,298	4,134	11,136	7,301	4,192	9,716	7,700	8,106	10,956	14,226	15,560	9.4	102.1
ALD equip. ratio(%)		7%	9%	2%	6%	0%	7%	16%	24%	4%	0%	3%	0%	5%	2%	2%	1%	-1%	1%
New model ratio(%)		23%	38%	42%	11%	29%	22%	39%	40%	28%	31%	51%	49%	46%	30%	43%	10%	-33%	-39%
Orders backlog		24,219	24,159	31,286	37,447	31,670	27,960	24,219	24,058	25,979	21,659	24,159	23,954	26,114	27,211	31,286	39,878	27.5	66.5
<b>Sales</b>																			
Optics		31,116	28,523	26,271	7,148	10,694	6,056	7,218	10,243	4,272	7,781	6,227	5,455	4,741	8,487	7,588	6,272	-17.3	15.0
AI smartphones		20,489	18,549	10,226	3,690	8,317	3,996	4,486	7,686	1,916	5,289	3,658	1,427	1,445	4,544	2,810	3,094	10.1	116.9
EV/connected car		3,069	4,917	6,740	1,392	391	431	854	1,174	1,582	1,273	889	1,793	1,263	1,908	1,776	1,156	-34.9	-35.5
Optical components		7,558	5,056	9,306	2,066	1,986	1,629	1,877	1,383	774	1,219	1,681	2,235	2,033	2,035	3,002	2,023	-32.6	-9.5
Semi. optical fusion and devices		3,300	1,261	3,829	1,260	536	1,354	151	233	554	63	411	811	708	618	1,692	285	-83.2	-64.9
Parts and services, others		2,391	2,622	3,761	655	632	599	505	822	554	667	578	1,639	496	754	871	498	-42.8	-69.6
Total sales		36,807	32,406	33,861	9,063	11,862	8,009	7,874	11,298	5,380	8,511	7,217	7,905	5,945	9,860	10,151	6,969	-31.3	-11.8
ALD equip. ratio(%)		34%	29%	3%	22%	47%	42%	20%	30%	19%	26%	36%	0%	3%	5%	2%	0%	-	-
New model ratio(%)		44%	42%	43%	37%	53%	52%	32%	36%	32%	41%	59%	28%	37%	53%	48%	14%	-34%	-14%
Gross profit		18,454	14,499	11,440	4,578	5,954	4,317	3,605	5,917	2,168	4,094	2,319	2,613	1,947	3,793	3,088	2,337	-24.3	-10.6
Gross profit margin(%)		50.1%	44.7%	33.8%	50.5%	50.2%	53.9%	45.8%	52.4%	40.3%	48.1%	32.1%	33.1%	32.7%	38.5%	30.4%	33.5%	3.1%	0.5%
Operating profit		9,752	6,570	3,335	2,614	4,049	1,905	1,184	3,965	-23	2,377	251	756	352	1,727	499	511	2.4	-32.3
Operating profit margin(%)		26.5%	20.3%	9.8%	28.8%	34.1%	23.8%	15.0%	35.1%	-0.4%	27.9%	3.5%	9.6%	5.9%	17.5%	4.9%	7.3%	2.4%	-2.2%
<b>Forex rate</b>																			
Yen/USD(Order Adjustment Rate)		141.83	158.18	156.56	133.53	144.99	149.58	141.83	151.41	161.07	142.73	158.18	149.52	144.81	148.88	156.56	159.88	-3.32	-10.36
Yen/USD(Sales Recognition Rate)		137.97	148.12	149.61	134.75	134.24	140.93	141.95	144.77	147.31	149.45	151.87	152.55	148.40	147.46	154.08	158.68	-4.60	-6.13

Note: Order composition ratio, ALD ratio, and new model ratio exclude currency effects. Columns for currency, profit margin, and ratio show quarter-on-quarter and year-on-year changes. AI smartphones primarily relate to smartphone-related products. EV/Connected Cars are automotive-related, Optical Components are optical communications, Semiconductor-Optics Convergence/Electronic Devices have high contribution to AR-related applications, and the combined composition ratio of Deposition Equipment and Sputtering Equipment accounted for 93% of orders and 87% of sales in FY12/25.

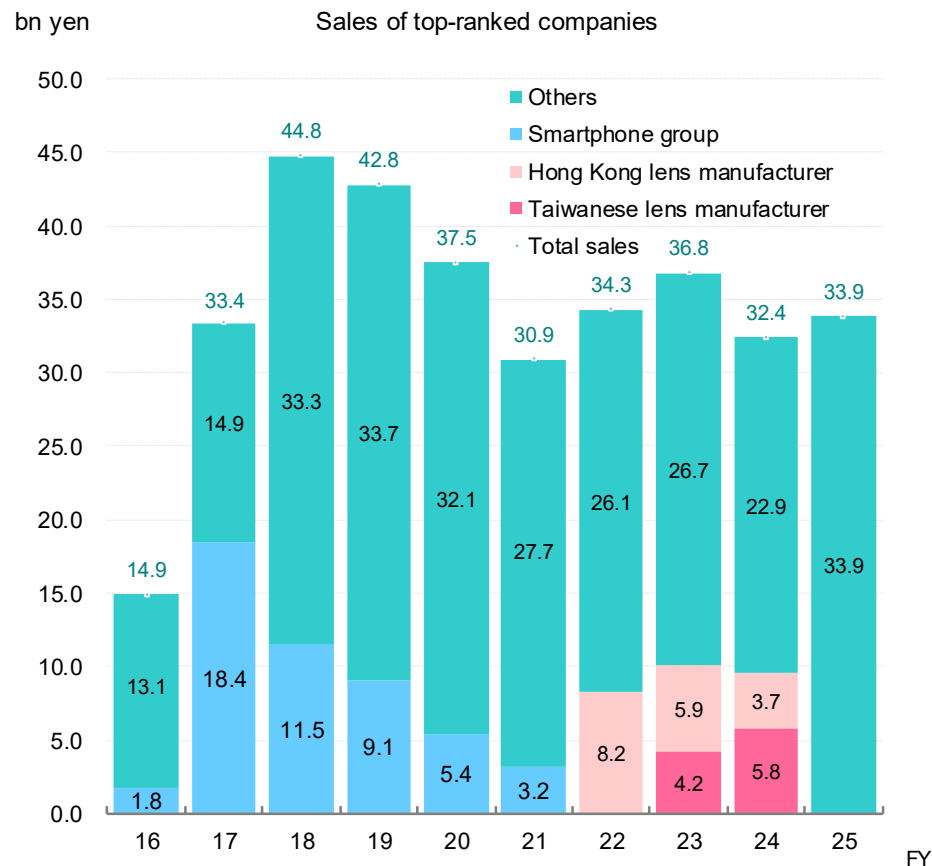
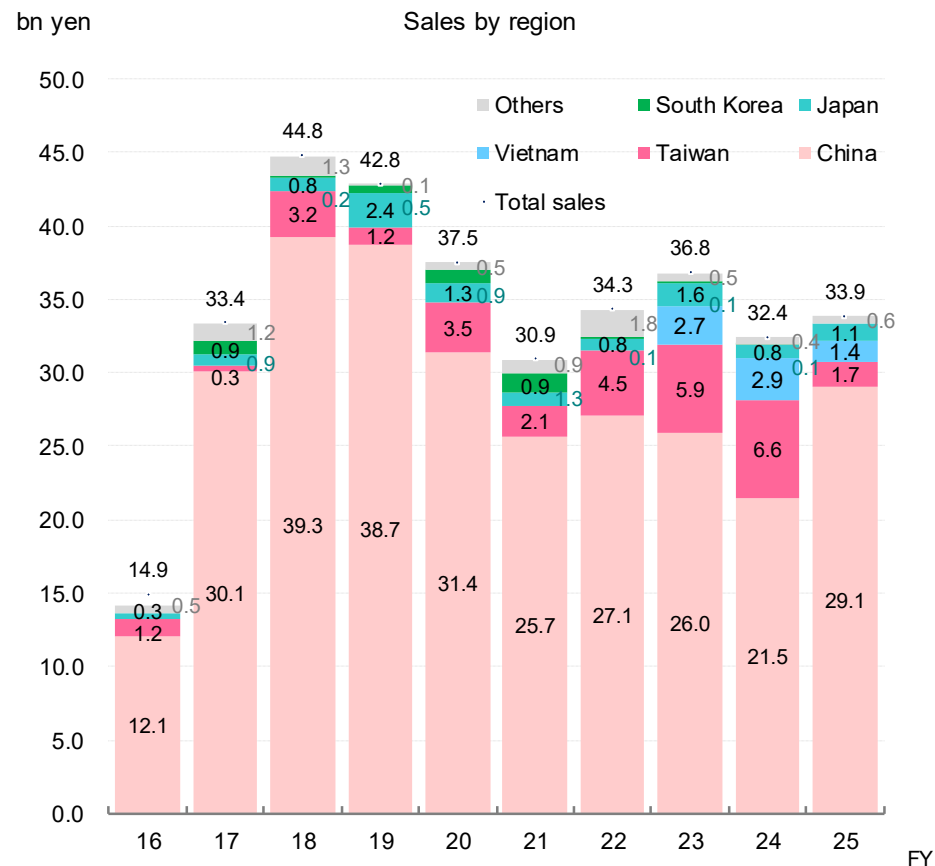
# Orders received in 1Q FY12/26 increased QoQ for the seventh consecutive quarter.

Figure 5: Orders received and sales by segment



## Launched a customer support (CS) business in India

Figure 6: Sales by region and sales of top-ranked companies



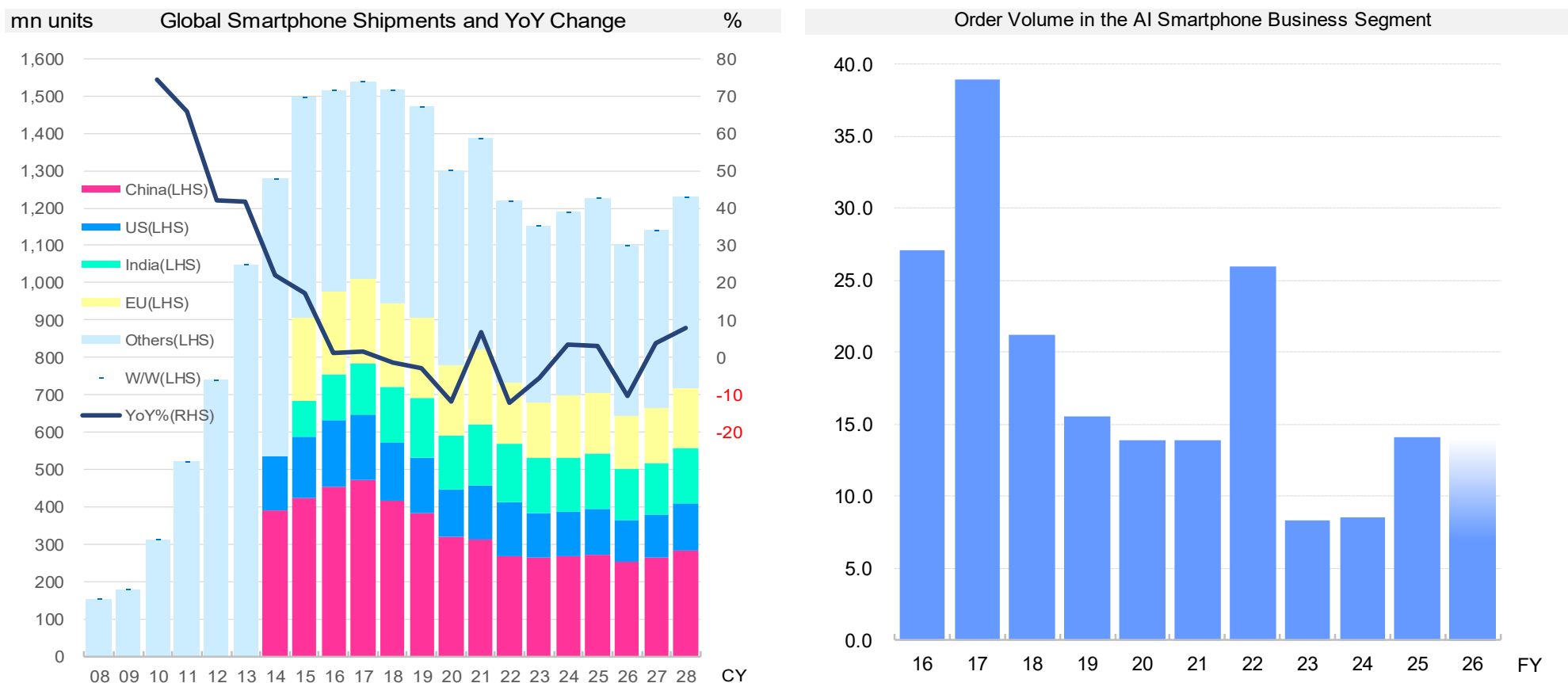
Note: “Top revenue contributors” refers to those accounting for 10% or more of total revenue. The “Optical” segment of revenue, classified by business area, includes AI smartphones (primarily camera modules for smartphones), EVs/connected cars (for automotive camera modules), and optical components (lenses for mirrorless cameras and optical components for optical communications). The “Semiconductor-Optics Convergence” segment includes optoelectronics, image sensors, and spatial computing, while the “Electronic Devices” segment includes products for green energy, communication devices, and MEMS devices. “Parts Services and Others” primarily consists of consumables and modifications.

While smartphone companies are strengthening their supply chains in Vietnam in response to the impact of reciprocal tariffs, they are also beginning to ramp up production in India. Given the growing demand driven by the world’s largest population, smartphone companies are expected to expand their production capabilities in India. With India’s per capita GDP projected to exceed \$3,000 by 2026, purchasing power for smartphones is rising, and sales of high-value-added smartphone models continue to perform well. In response to these changes in the smartphone supply chain, we plan to expand the regions where we sell our film deposition equipment.

# Smartphone production of budget models drops, high-value models differentiate



Figure 7: Global Smartphone Sales Volume , and Our Smartphone-Related Business Order Volume

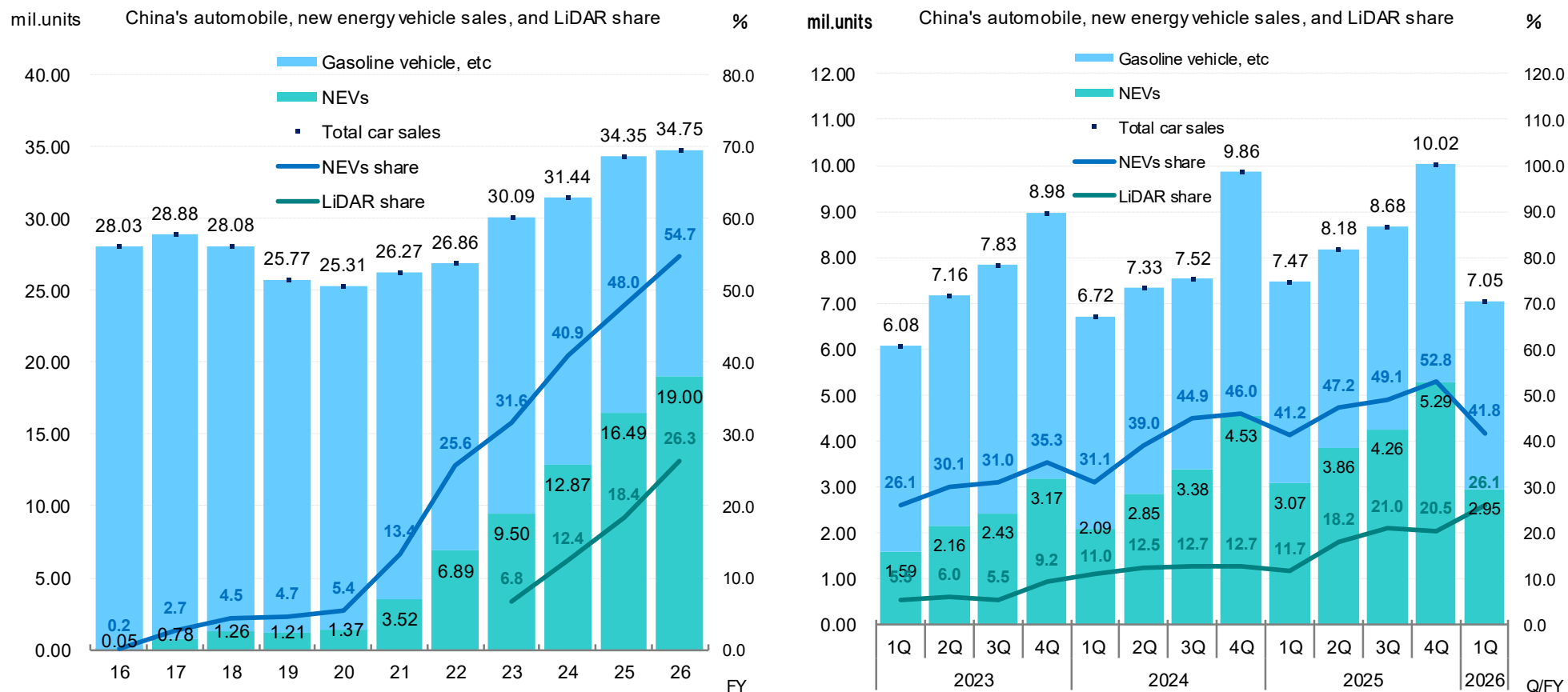


Our forecast for global smartphone shipments in 2026 was 1.12bn units, an 8.7% increase YoY. Although the first quarter saw a 4.8% YoY decline, we are revising our full-year forecast downward to 1.1bn units, a 10.3% YoY decrease, due to rising manufacturing costs caused by higher memory prices. However, smartphone manufacturers are performing well by capturing higher value-added revenue through enhanced AI capabilities. Order intake for AI smartphones was strong in 1Q FY12/26, reaching ¥6.9bn, a 263% YoY increase. While the initial full-year plan projected order intake of approximately 14bn yen, on par with the previous year, we plan to revise this forecast based on progress starting in the second quarter.

While the smartphone market is reaching maturity in terms of unit sales, the demand for higher value-added products is growing due to the advancement of AI capabilities. Through Zhejiang Cristal-Run Opto-Electronics Technology (Cristal-Run Opto-Electronics), a joint venture with Zhejiang Crystal-Optech(Crystal-Optech), we have launched a product business utilizing optical thin-film deposition equipment. Crystal-Run Opto-Electronics holds a 51% stake in Crystal-Optech, while we hold 49%. Crystal-Optech recorded a net loss for FY12/25 due to upfront R&D investments. For FY12/26, we plan to achieve sales of ¥15bn and return to profitability through the mass production of products..

## The share of 8MP-class CIS camera configurations is set to rise

Figure 8: China Market Automobile, New Energy Vehicle Sales Volume, and LiDAR Share, and Our Automotive-Related Order Volume



Note: New energy vehicles include battery electric vehicles (EV, BEV), fuel cell electric vehicles (FCEV, FCV), and plug-in hybrid vehicles (PHEV, PHV). LiDAR (Light Detection and Ranging) is a technology that emits laser light and uses the reflected light to measure the distance to and shape of objects. The LiDAR penetration rate represents the number of LiDAR units shipped for Advanced Driver Assistance Systems (ADAS) as a percentage of total NEV sales. Our company provides film deposition equipment for CMOS image sensors (CIS) used in ADAS applications.

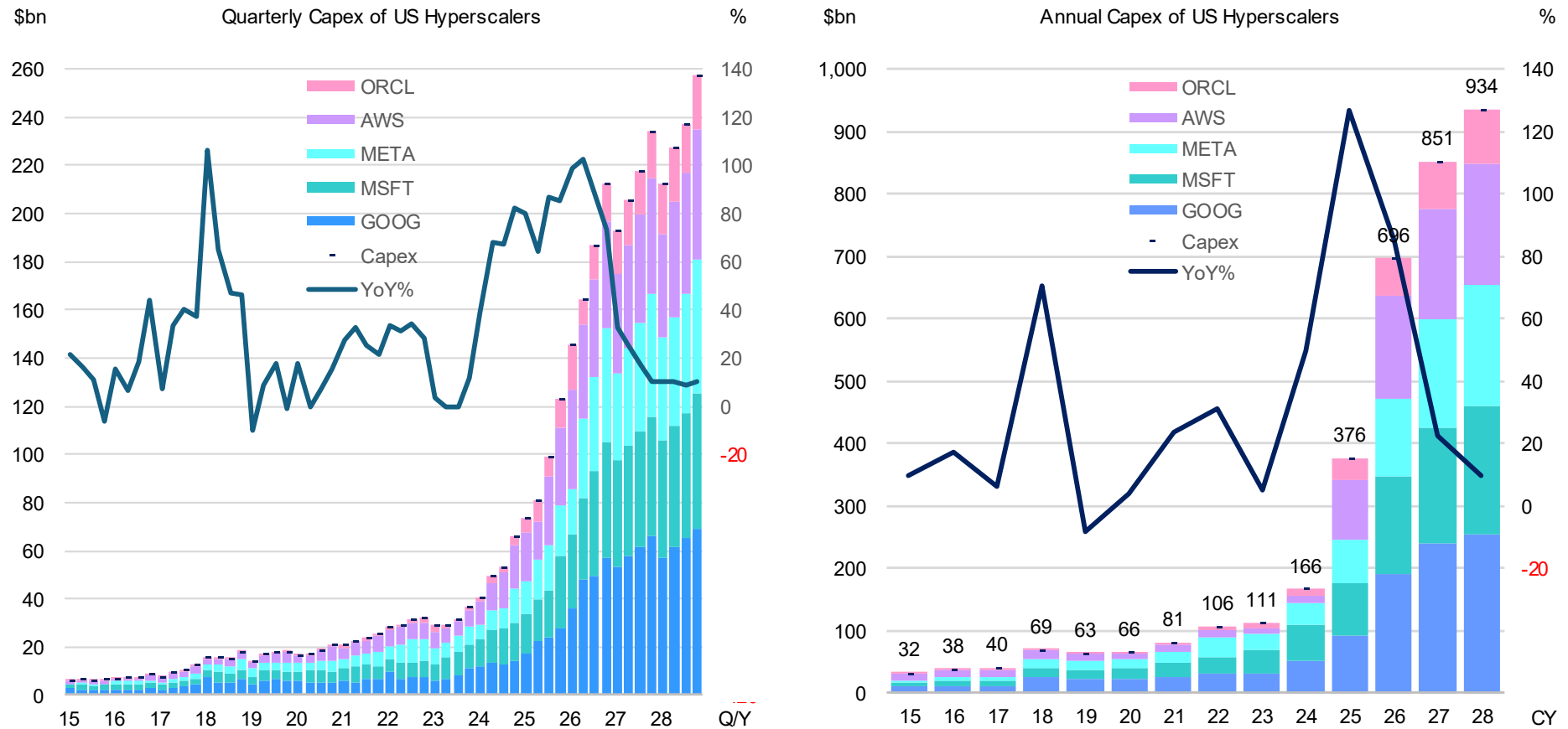
Source: Compiled by our company based on data from the China Association of Automobile Manufacturers and LiDAR companies

Due to the slowdown in Chinese automobile sales, orders for our automotive-related business remained sluggish in Q1 of the fiscal year ending December 2026, falling 83% year-on-year to approximately 600 million yen. In our initial full-year plan, we had projected full-year orders to be on par with the previous year at around 7 billion yen, assuming a recovery in automobile sales in the second half of the year; however, progress in Q1 has been slow, and the situation remains challenging. However, if the adoption rate of LiDAR for ADAS increases to improve sensor performance, the number of 8–12MP-class CIS units installed is expected to rise, potentially creating more business opportunities for us. We forecast that the share of configurations with 8 or more cameras will rise from 10% in 2025 to 20% in 2026.

# Optical comm. orders have increased due to expanded capex by US hyper-scalers



Figure 9: Capital Expenditures of U.S. Hyper-scalers and Our Optical Communications Business Order



The combined capital expenditures of the five major U.S. hyper-scalers (market average) were previously forecast to reach \$587.1bn in 2026, a 56% YoY increase; however, this figure has been revised upward to \$696.3bn, an 85% increase. For 2027, the forecast is \$851.2 billion, a 22% increase. The combined revenue of the five major optical interface companies is estimated to double year-over-year to \$6.3bn in 1Q 2026, with full-year revenue expected to reach \$32.1bn (+95% YoY) and \$48.5bn in 2027 (+51% YoY), indicating strong growth prospects.

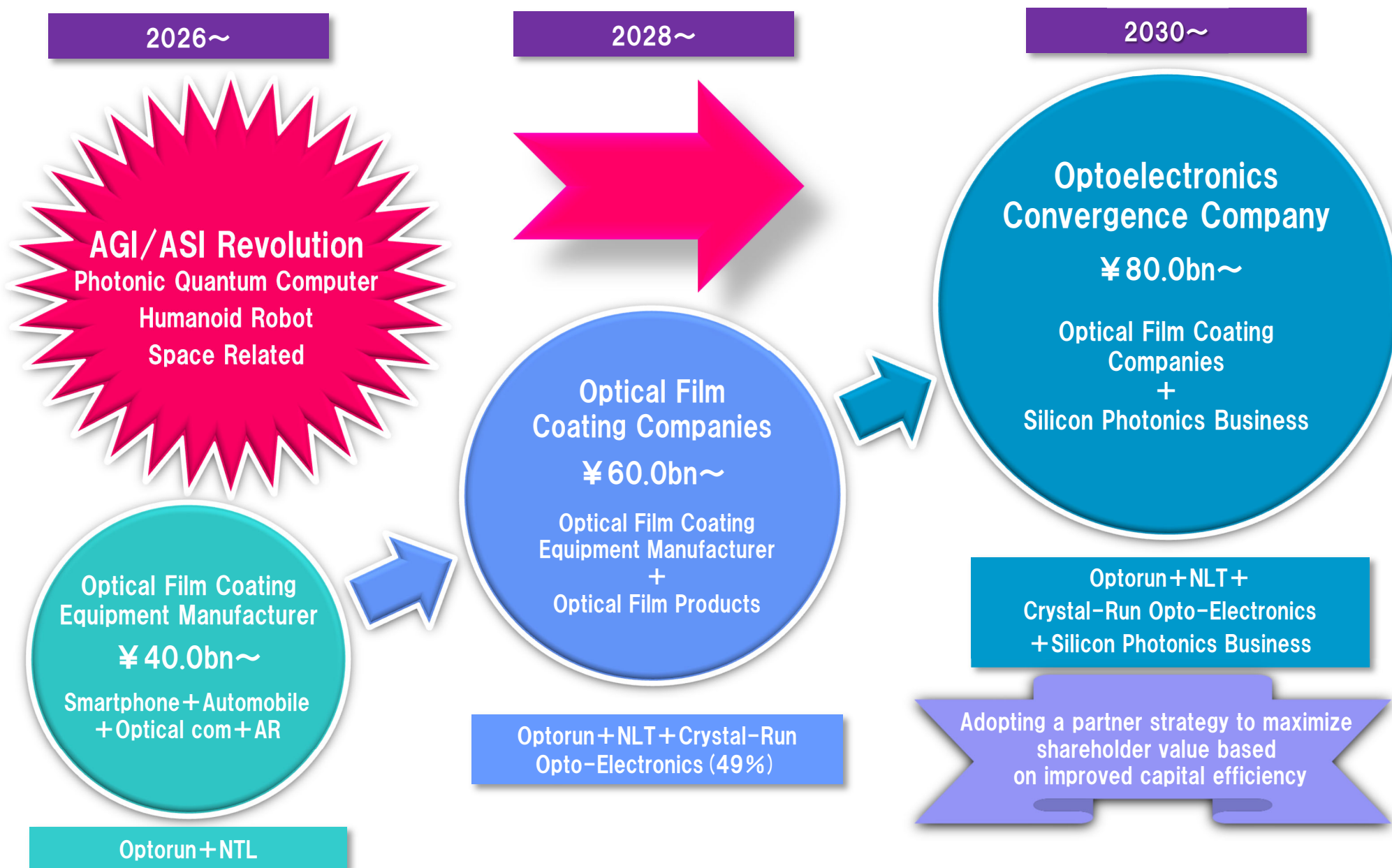
In the optical communications business segment, orders received in 1Q FY12/26 accounted for over 60% of the optical components division, increasing approximately threefold from the previous quarter and reaching roughly the full-year level of FY12/25. Sales also accounted for over 60% of the optical components division, expanding by approximately 50% from the previous quarter. Initial full-year forecasts projected orders of approximately ¥5bn, +40% YoY; however, with 1Q progress reaching over 60% of the full-year target, the likelihood of exceeding these projections has increased.

# Second Founding Initiative Launched, New Mid-Term Management Goals formulated

# Formulating New Mid-Term Management Goals: Evolving from an Optical Thin Film Deposition Equipment Company to an Optoelectronics Convergence Company



Figure 10: Otorun Group's New Mid-Term Management Targets

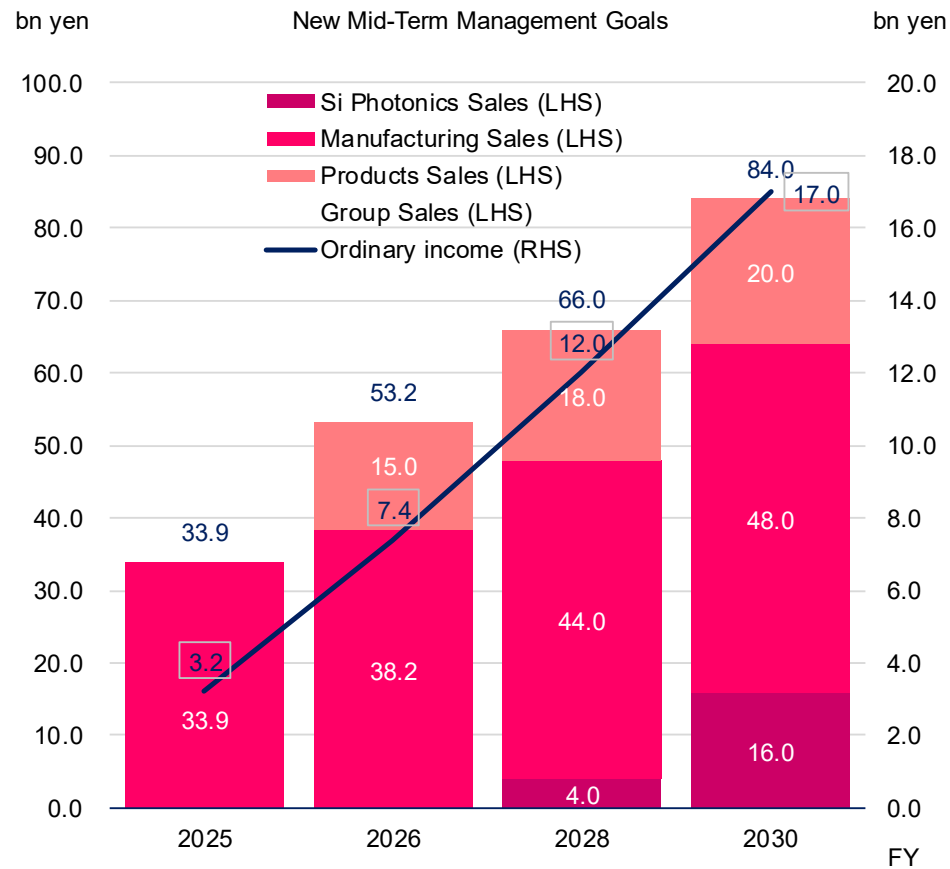


Note: Pie chart represents group business scale; NLT stands for Nano-lithotics; AGI stands for Artificial General Intelligence; ASI stands for Artificial Superintelligence

# Second Founding Initiative Launched, New Mid-Term Management Goals Formulated, Ultimately Aiming to Become an Optoelectronics Convergence Company



Figure 11: Optorun's Mid-Term Management Goals



There are signs that industrial structures are undergoing a transformation in anticipation of the realization of AGI (Artificial General Intelligence) and ASI (Artificial Superintelligence). US Hyper-scalers are accelerating their investments in AI data centers (DCs) to keep pace with the rapid growth of the AI industry. While our company's founding business was vapor deposition equipment for DWDM optical components in the optical communications sector, over the past 20 years we have expanded our optical thin-film manufacturing equipment business in tandem with the growth of the smartphone market. The AI revolution began with the release of ChatGPT 3.5 in November 2022, and the AI industry continues to grow alongside the expansion of hyper-scalers' investments in AI and data centers.

Our optical communications business is centered on optical thin-film deposition equipment used to manufacture optical components for programmable optical transceivers. While CWDM and LWDM are the mainstream technologies within AI and data centers, demand for DWDM is also rising due to increasing bandwidth requirements. As demand for optical interconnects evolves toward NPO (Near-Packaged Optics), CPO (Co-Packaged Optics), and Optical I/O, we plan to promptly launch a silicon photonics business and shift toward becoming an opto-electronic convergence company. We anticipate that orders for our optical communications-related business for FY12/26 will reach approximately ¥5bn, a 40% increase YoY.

# The new mid-term management target is to achieve a net profit margin attributable to parent company shareholders of 15% or higher

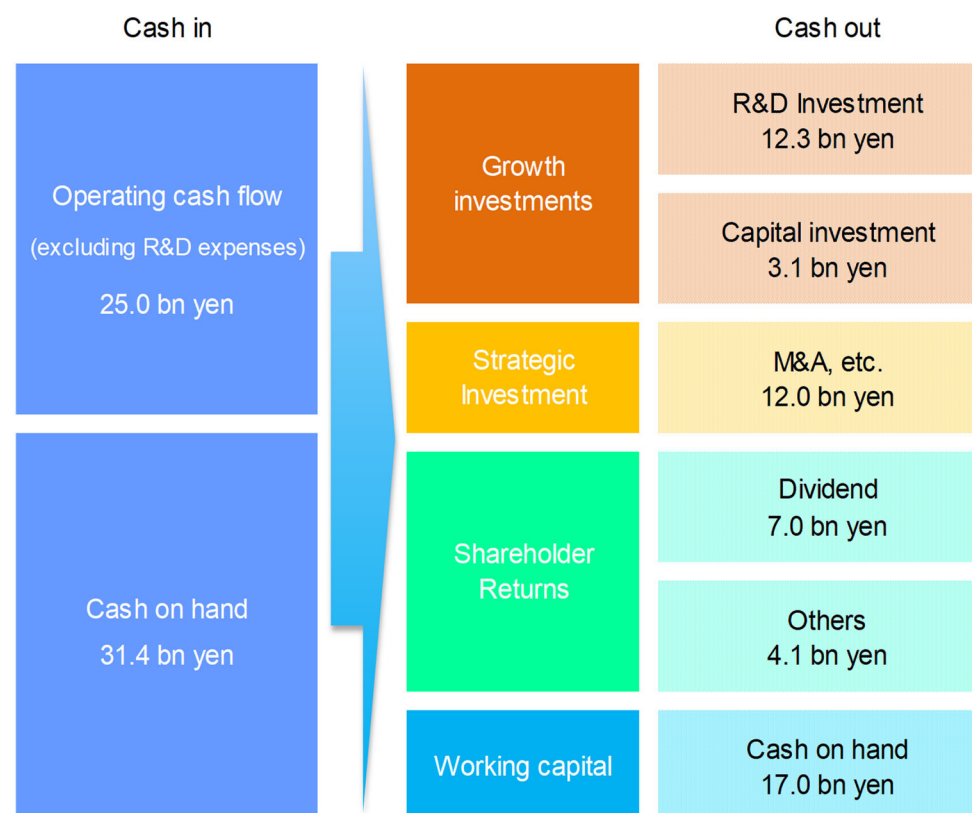


Figure 12: Optorun's New Mid-Term Management Targets and Cash Allocation (FY2025–2027)

New Mid-Term Management Targets (Unit: ¥100 million, %)

FY year -end	12/2026	12/2028	12/2030
Group Sales 【A】+【B】	532	660	840
【Products】【A】	150	180	200
Consolidated Sales 【B】	382	480	640
【Manufacturing equip.】	382	440	480
【Silicon photonics】	-	40	160
Operating profit	62 (16.2)	100 (20.8)	140 (21.9)
Non-operating income and expenses	12	20	30
Ordinary income	74 (19.4)	120 (25.0)	170 (26.6)
Net income attributable to owners of the parent	56 (14.7)	88 (18.3)	120 (18.8)
Dividend payout ratio	30% or more		
ROE	10% or more		

Cash Allocation (FY2025–2027)



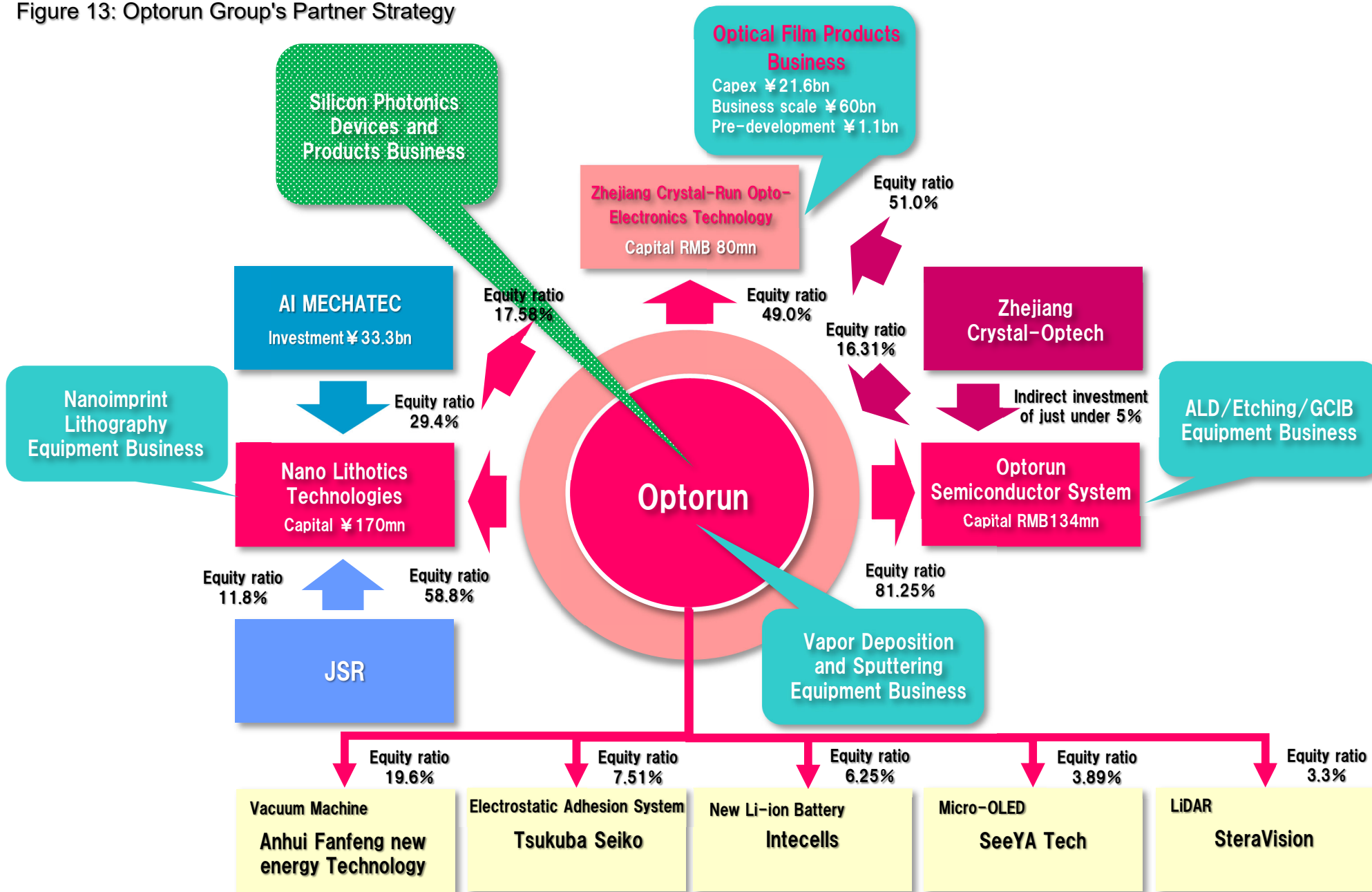
Our mid-term management targets through 2025 were an operating profit margin of 20% or higher, a return on equity (ROE) of 10% or higher, and a consolidated dividend payout ratio of 30% or higher. Starting in 2026, based on collaboration with strategic technology partners and improvements in capital efficiency, we have revised our new mid-term management targets to “net profit margin attributable to parent company shareholders of 15% or more,” “ROE of 10% or more,” and “consolidated dividend payout ratio of 30% or more.”

Regarding shareholder returns, we anticipate an annual dividend per share of 52 yen for FY 12/24 (+¥2 YoY), ¥54 for FY12/25 (+¥2), and 56 yen for FY12/26 (+ ¥2). We repurchased approximately ¥4.8bn worth of treasury stock in the fiscal year ending December 2024 and approximately ¥4.1bn in FY12/25. The total return ratio (dividends + treasury stock repurchases) has exceeded 100% for the past two consecutive years.

# Commercializing product businesses utilizing optical thin-film equipment at Crystal-Run Opto



Figure 13: Oporun Group's Partner Strategy



# Optical Thin Film Device and Mechanism

Figure 14: Optical Thin Film Device and Mechanism

Evaporation Equipment	Sputtering equipment	ALD (Atomic Layer Deposition) system
<p>Reaction gas</p> <p>Vacuum chamber</p> <p>substrate</p> <p>Vapor Deposited Particles</p> <p>Evaporation Source</p> <p>electron beam</p> <p>electron gun</p> <p>crucible</p> <p>exhaust</p>	<p>Inert gas (Ar)</p> <p>Vacuum chamber</p> <p>substrate</p> <p>Ar plasma</p> <p>Sputter Particles</p> <p>target</p> <p>Ar+ ion</p> <p>exhaust</p>	<p>Reaction gas</p> <p>precursor</p> <p>Vacuum chamber</p> <p>plasma</p> <p>substrate</p> <p>heating mechanism</p> <p>exhaust</p>
<p>A device that forms a thin film by heating evaporation materials in a vacuum, causing them to evaporate or sublime and adhere to the substrate surface. It is similar to heating materials in a bathtub by vacuum.</p>	<p>A device that forms a thin film by bombarding the thin film material with gas molecules instead of heat in vacuum evaporation. A familiar example of sputtering is an old fluorescent lamp with black edges.</p>	<p>Equipment for forming flat and dense thin films by controlling film thickness at the atomic layer level. It is capable of uniformly depositing films on everything from flat substrates to three-dimensional structures with high aspect ratios (aspect ratio).</p>

# Company History, Product Development, Application Demand and Performance

Figure 15: Company History, Product Development, Application Demand and Performance (Sales and Operating Margin)

