



Summary of F.Y. 2023 Consolidated Financial Results (Jan.1 to Dec.31, 2023)

**OPTEX GROUP CO., LTD.
February 14, 2024**

(Tokyo Stock Exchange Prime Market:#6914)

<Disclaimer>

The forward-looking statements, including OPTEX CO., LTD.'s operating results, strategies, and business plans, contained in these materials are based on judgments and assumptions posited on information available at the time of the presentation. There is a possibility actual operating results will differ materially from the projections described herein as a result of uncertainties contained within these judgments and assumptions, and changes in the Company's management of its businesses or changes in domestic and overseas business conditions in the future.

- 1. FY2023 Overview of Financial Results**
2. FY2024 Consolidated Earnings Forecasts
3. Three-Year Management Plan (2024-2026)
4. New Management Team

Key Points of the Announcement

Financial Results of FY2023

Consolidated net sales were 56.3 billion yen, or +3% year on year, surpassing the previous record high.

- **SS Business:** In Japan, sales to main customers expanded steadily. Outside Japan, sales were firm despite the impact of inflation.
- **IA Business:** In MVL-related products, sales for semiconductors and electronic parts and those for EV-related products expanded steadily. In FA-related products, sales remained low due to the continuing impact of restrained capital investment in China, among other factors.

Consolidated operating profit was 5.9 billion yen, or -6% year on year.

- The SG&A ratio increased one point due to active sales efforts, stepped up sales promotion, the impact of foreign exchange, and price increases in both Japan and overseas, among other factors.

Consolidated Earnings Forecasts of FY2024

The Company aims to achieve consolidated net sales of 61.0 billion yen and operating profit of 6.6 billion yen, surpassing the previous record highs.

- It will steadily pursue growth strategies in both the SS and IA businesses, with an eye toward a full-scale market recovery.

Summary of Consolidated Financial Results of FY2023

<u>Operating Results</u> (Unit: million yen)	FY2022 Results	FY2023 Results	Change	Percent Change
Net sales	54,811	56,372	+1,561	+2.8%
Operating income (Operating income Ratio)	6,303 (11.5%)	5,899 (10.5%)	-404	-6.4%
Ordinary income	7,042	6,258	-784	-11.1%
Profit attributable to owners of parent	4,752	4,608	-144	-3.0%
Net income per share (yen)	133.79	129.73		

Exchange rate (Unit: Yen)	1USD	131.43	140.56
	1EUR	138.04	152.00

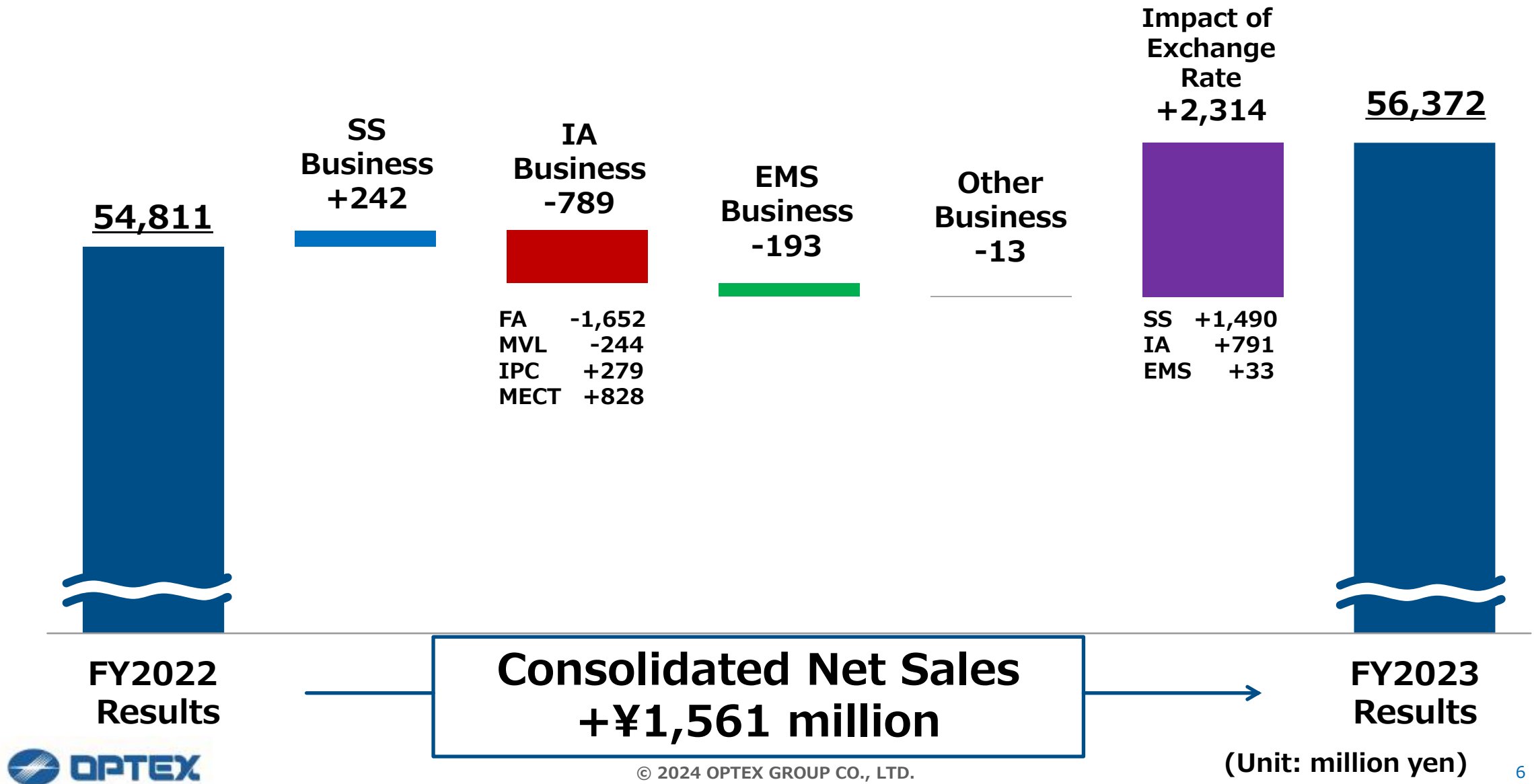
Comparison of Financial Results of FY2023 between Segments

(Unit:million yen)	FY2022 Results		FY2023 Results			
	Net sales	Operating income (Operating income Ratio)	Net sales	Percent Change	Operating income (Operating income Ratio)	Percent Change
SS Business	23,465	2,869 (12.2%)	25,197	+7.4%	3,186 (12.6%)	+11.1%
IA Business	29,738	3,583 (12.0%)	29,741	+0%	3,064 (10.3%)	-14.5%
EMS Business	1,006	400	846	-15.9%	114	-71.3%

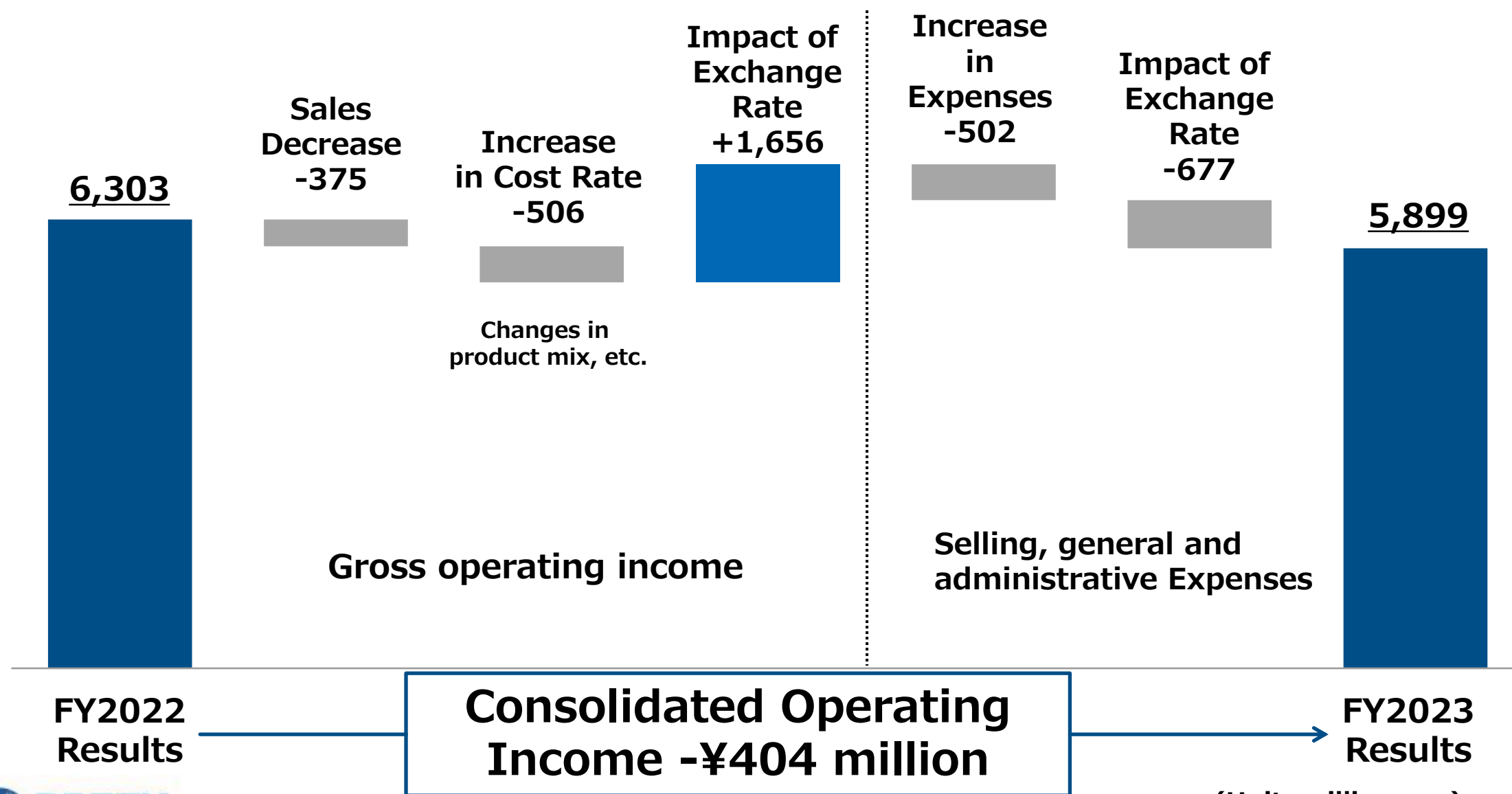
* Net sales by segment represents the figure excluding sales from inter-segment transactions.

* Operating income by segment represents the figure including operating income from inter-segment transactions.

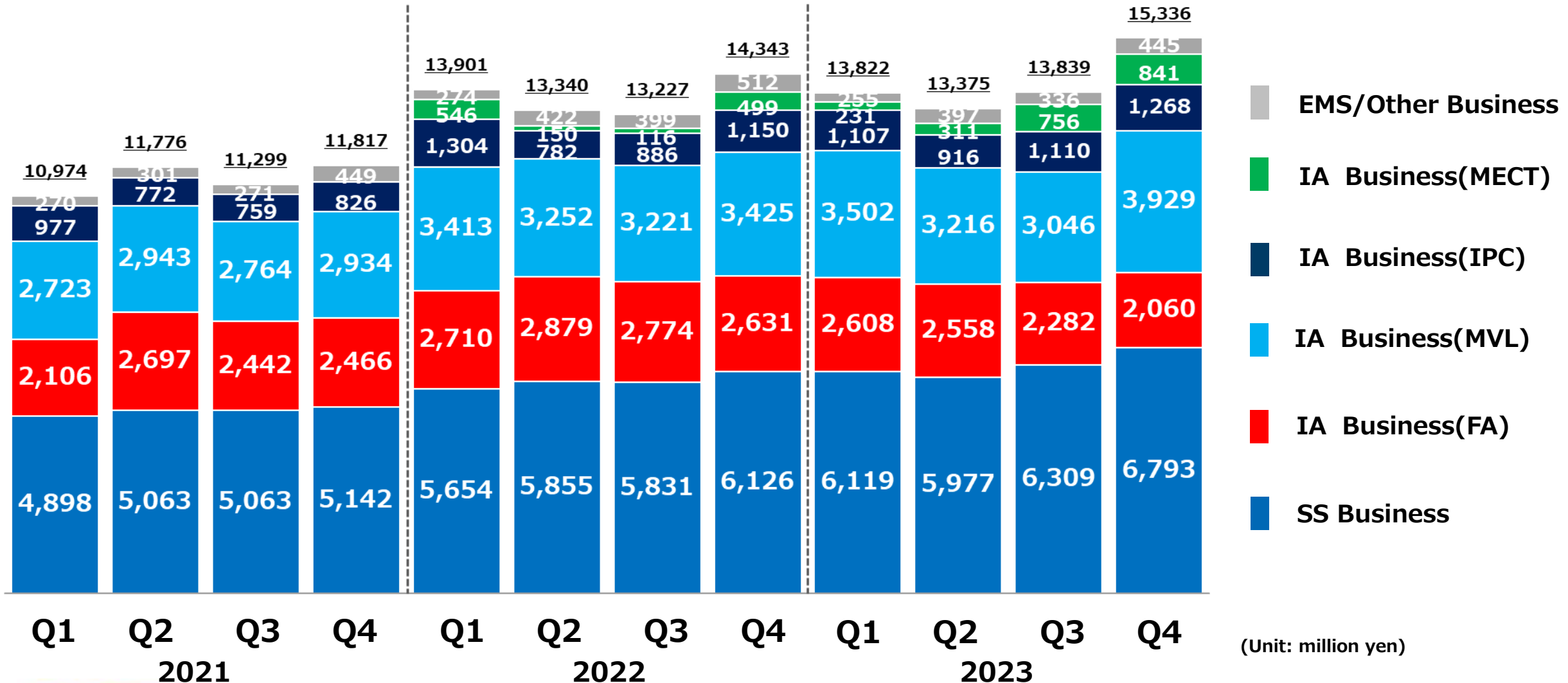
Factors of change in Net Sales (Year- on-year)



Factors of change in Operating Income (Year- on-year)



Quarterly performance - Consolidated Net Sales (Year-on-year)



(Unit: million yen)

Business by Segment - SS Business(Security Sensors)



Region	FY2023 Overview
Japan	- Sales to security companies and key large-scale facilities grew as a result of sales capacities bolstered by the direct marketing strategy.
AMERICAs	- Inquiries and orders from existing and new customers increased as a result of sales foundations bolstered by direct marketing strategies.
EMEA	- Sales of laser scan sensor for infrastructure facilities were strong. - Sales of cameras with sensors steadily expanded for home and business use.
Asia and Oceania	- Sales of outdoor alarm sensors remained strong in Thailand and India.

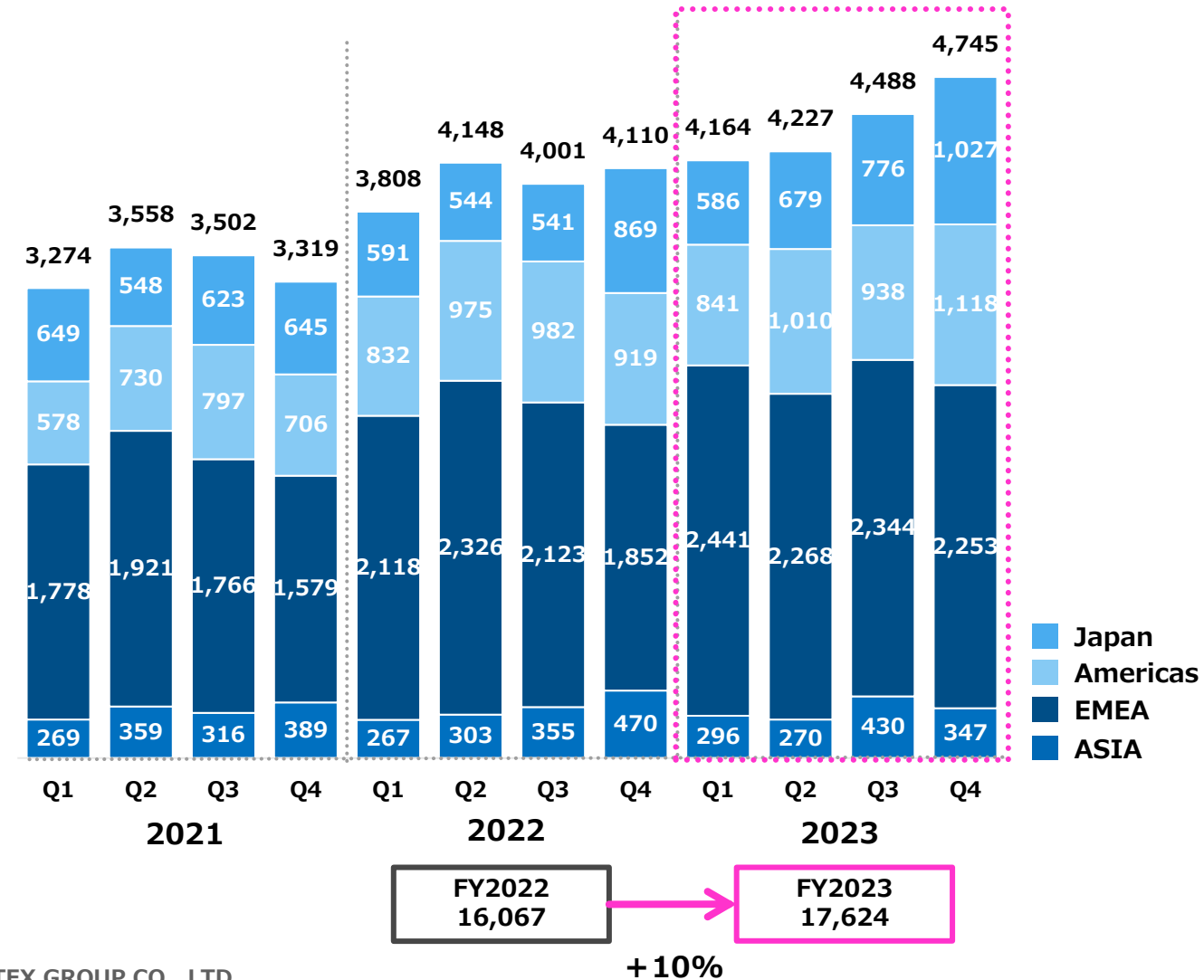


Sensors for large-scale critical facilities



Camera sensors

Quarterly Sales by Region(Unit: million yen)

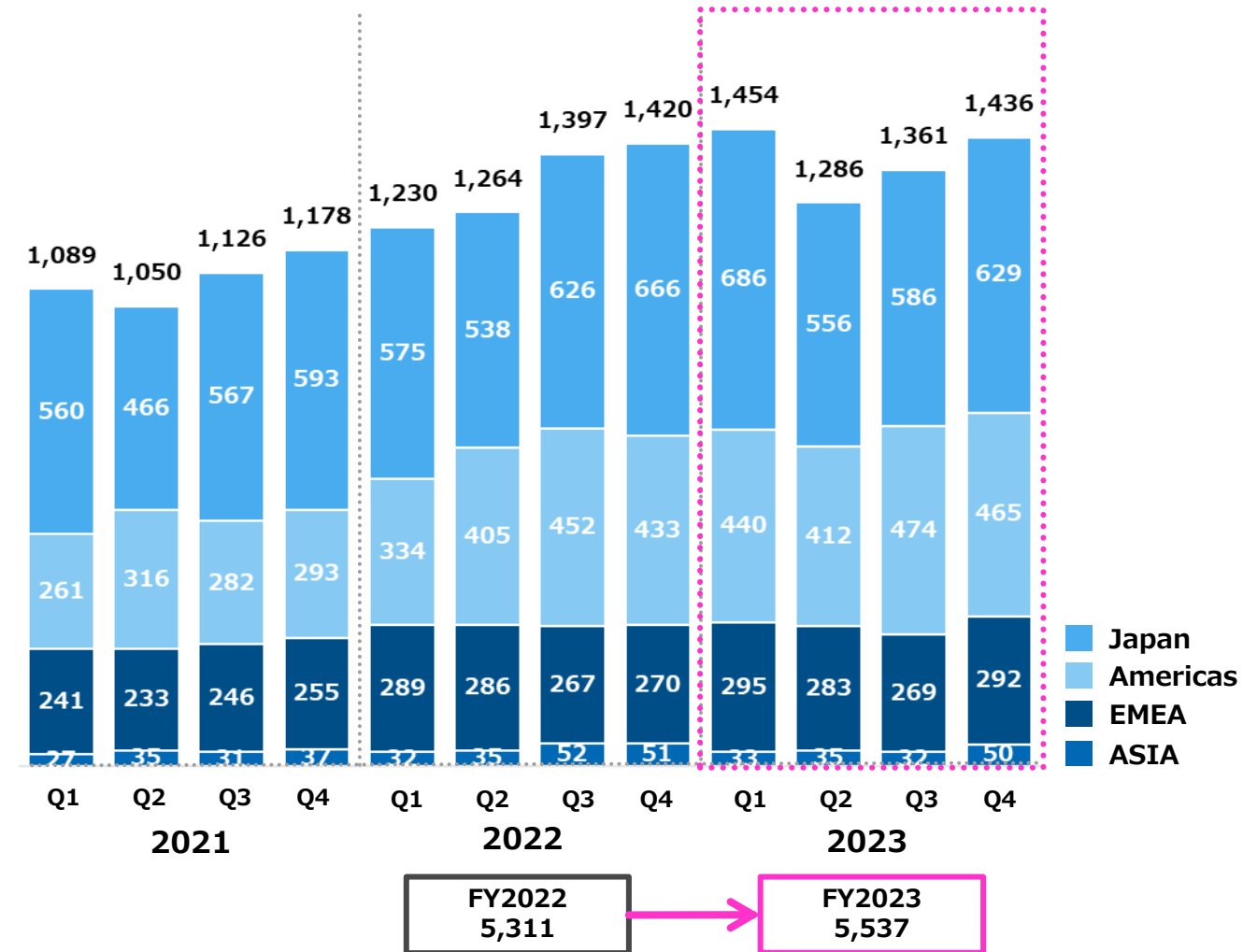


Business by Segment - ss Business(Automatic Door Sensors)



Region	FY2023 Overview
Japan	- Sales of both automatic door sensors and industrial door sensors remained firm.
AMERICAS	- Sales of both automatic door sensors and industrial door sensors remained firm. -New products for major automatic door manufacturers were conducive to strong sales.
EMEA	- Demand shrank with customers' inventory adjustments amid a deterioration in business confidence.

Quarterly Sales by Region(Unit: million yen)



Automatic door sensors



Push plate



Industrial door sensors

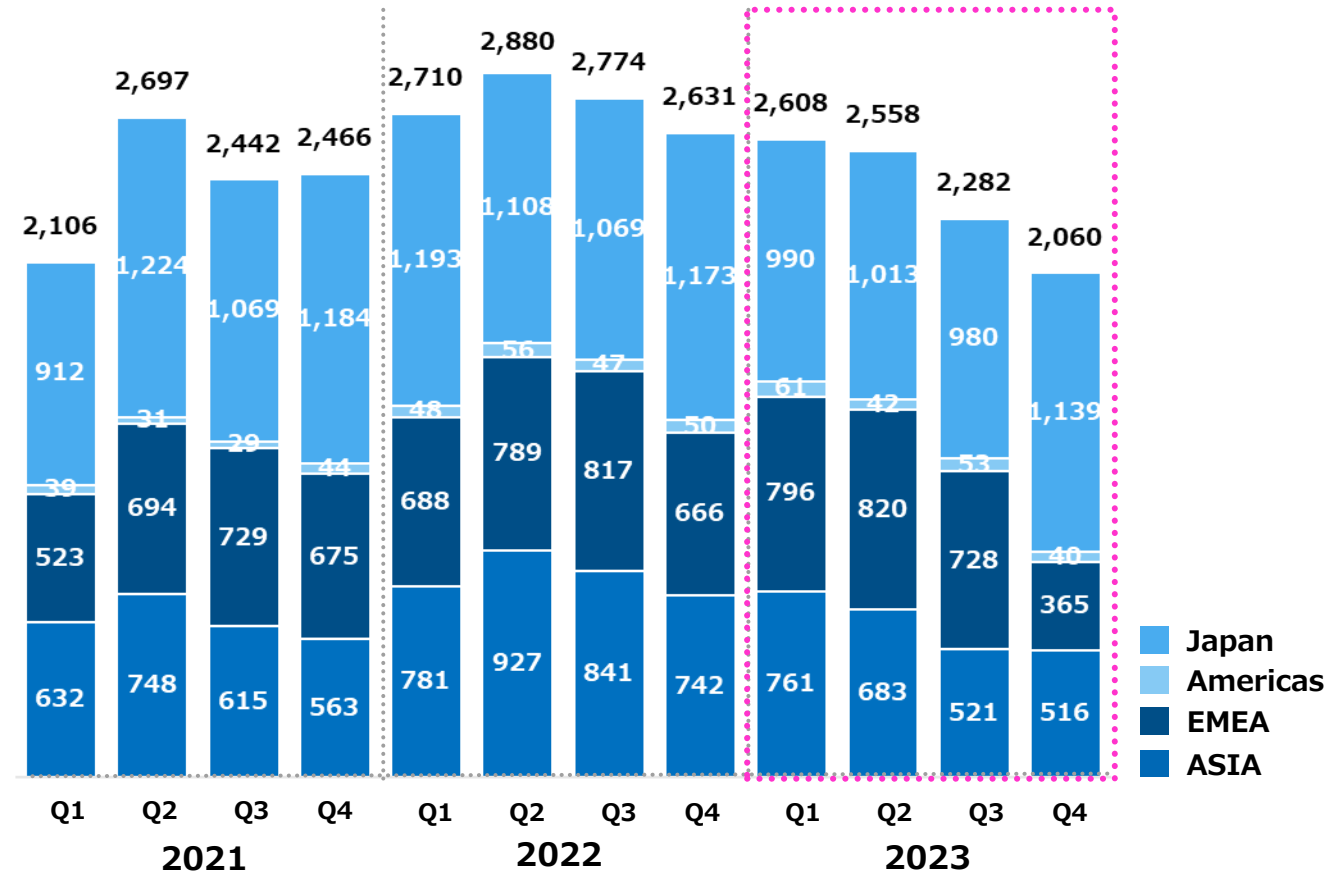


Business by Segment - IA Business(FA)



Region	FY2023 Overview
Japan	- Sales of products for investment in electric devices, electronics, and semiconductors increased.
EMEA	- Main customers undertook inventory adjustments in response to the impact of restrained capital investment, which resulted in sluggish sales of general-purpose and displacement sensors.
Asia and Oceania	- Sales of displacement sensors rose in China supported by capital investment demand in semiconductors, electronic parts, secondary batteries, etc.

Quarterly Sales by Region(Unit: million yen)



FY2022 10,995 → FY2023 9,508

-14%



Displacement sensors



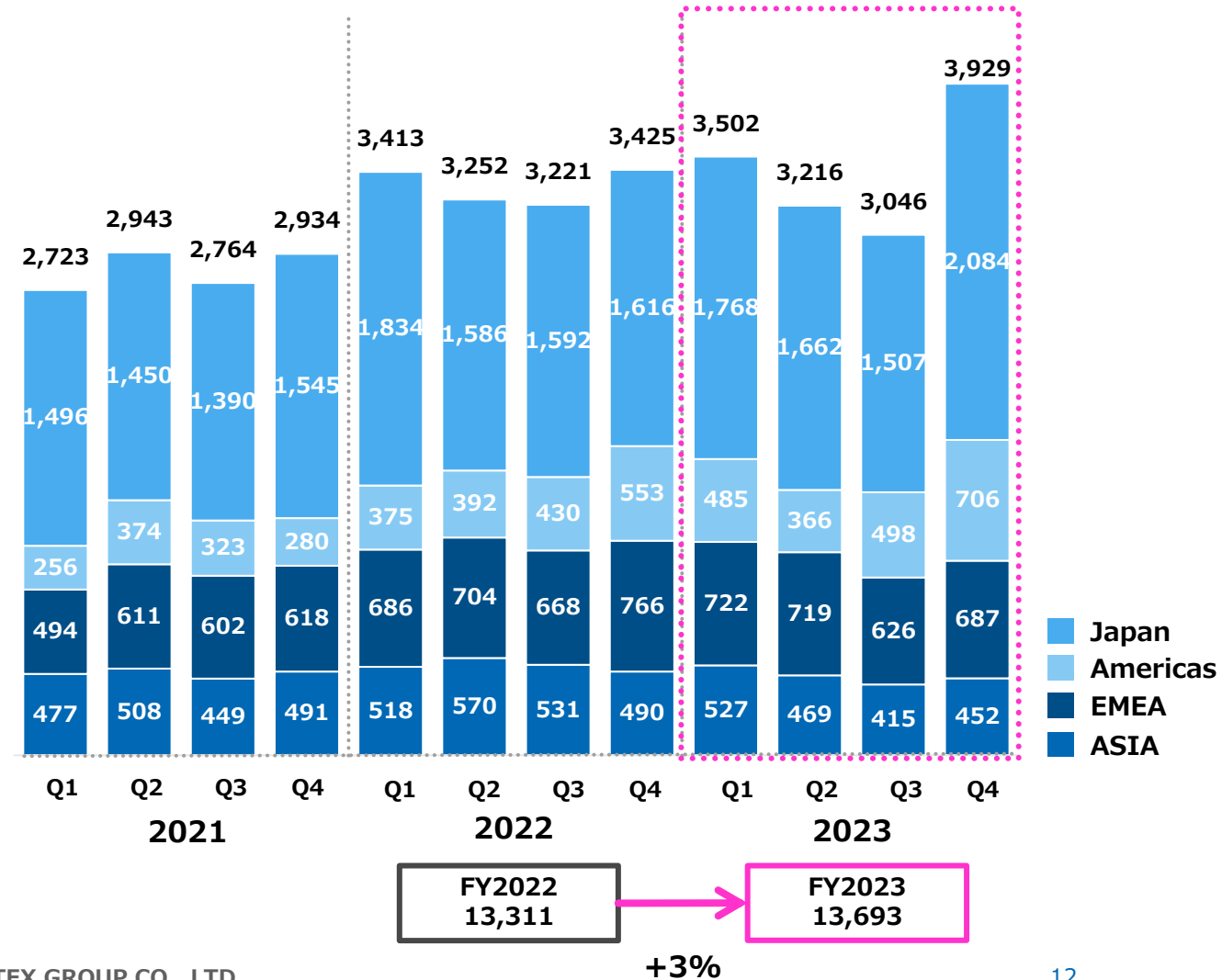
IO-Link master



Business by Segment - IA Business(MVL)

Region	FY2023 Overview
Japan	<ul style="list-style-type: none"> - Sales for semiconductors and electronic parts, as well as those for EV-related products, remained steady given a recovery in demand for capital investment on the part of customers. - Inquiries and orders for new projects increased as a result of proactively holding private exhibitions.
AMERICAS	- In products handled by the French subsidiary, sales for the logistics industry and those for EV-related products expanded steadily.
EMEA	- The market share of the French subsidiary's products for the logistics industry in Europe increased.
Asia and Oceania	- Sales of products for semiconductor-related investment in China remained strong.

Quarterly Sales by Region(Unit: million yen)



LED lighting systems for image processing

Business by Segment - IA Business(IPC)

Region	FY2023 Overview
Japan	- Products for semiconductor manufacturing equipment generated positive sales.

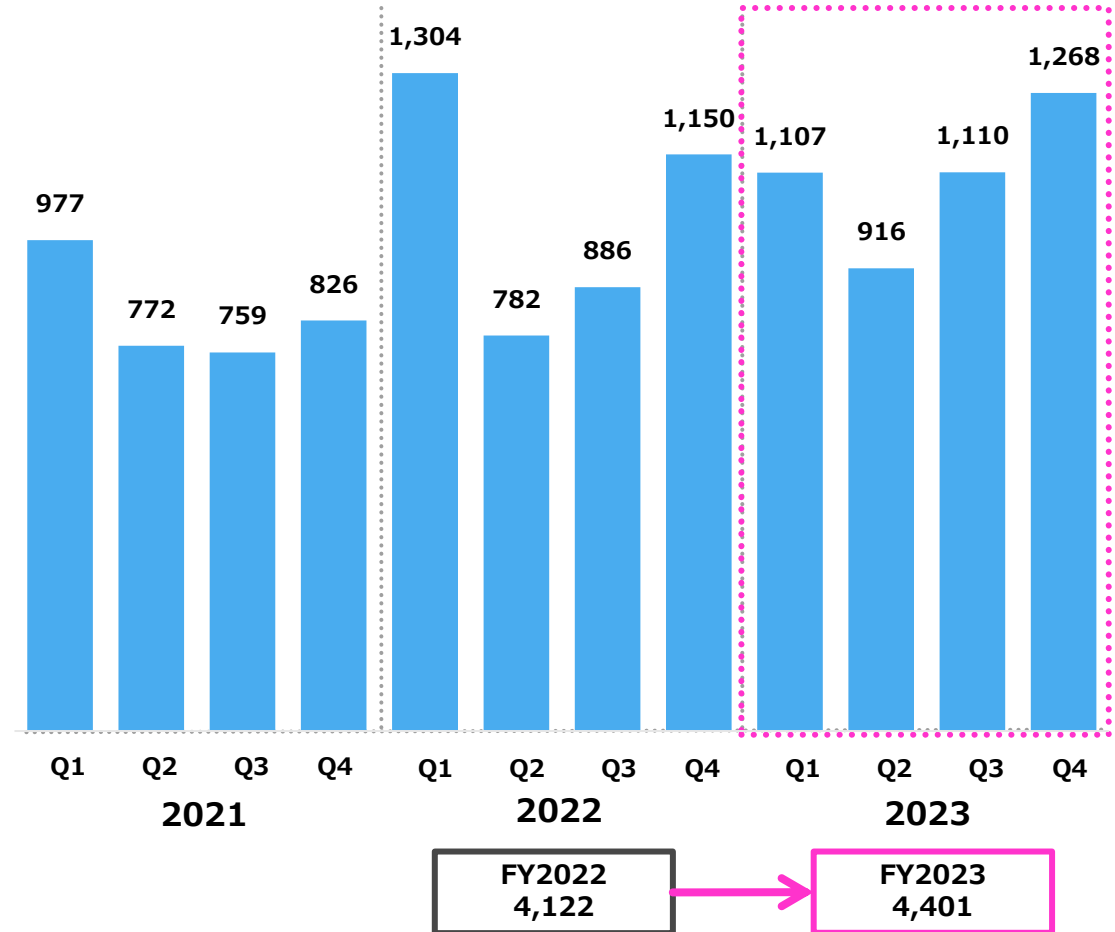
Quarterly Sales by Region(Unit: million yen)



Industrial PCs



Tracking Cameras



Business by Segment - IA Business(MECT)



Region	FY2023 Overview
Japan	- Deliveries of secondary battery manufacturing equipment made good progress.

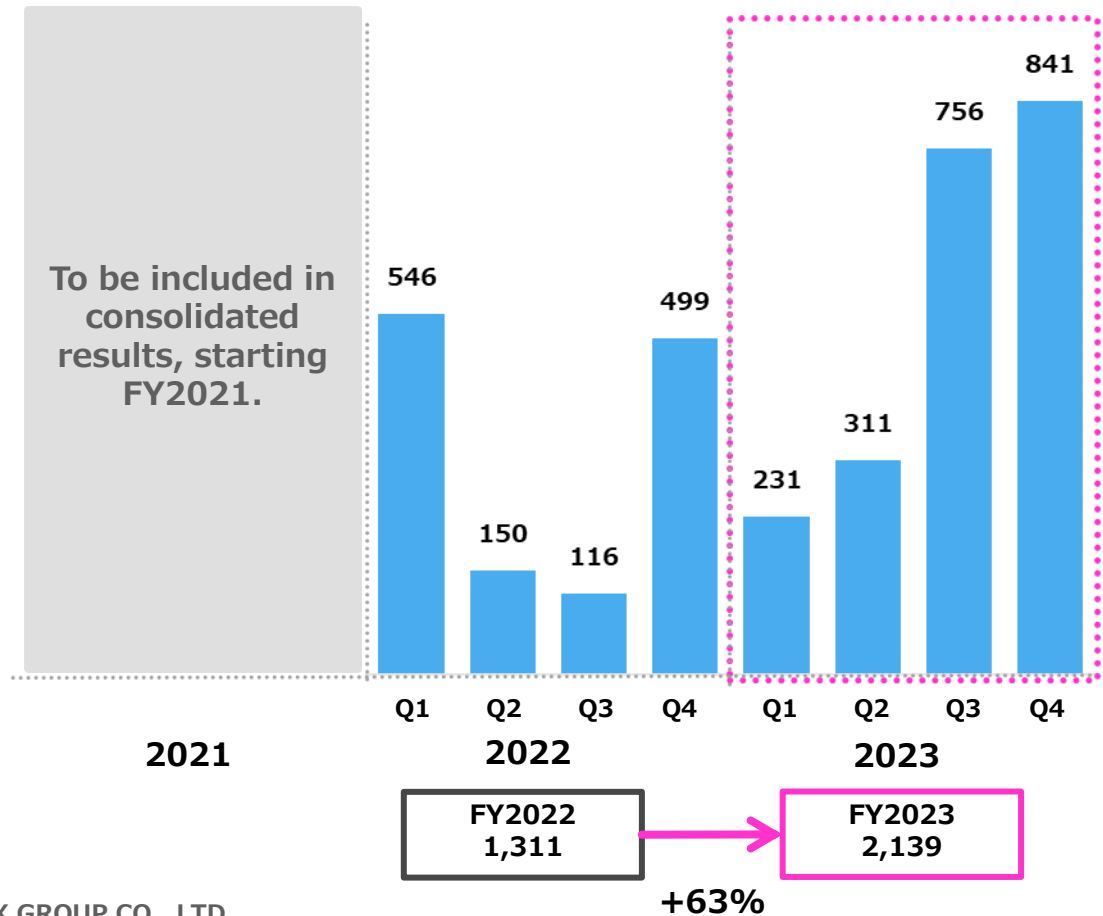
Quarterly Sales by Region(Unit: million yen)



Manufacturing equipment of secondary batteries for electric vehicles and hybrid vehicles



Image processing inspection systems



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4. New Management Team

FY2024 Assessment of the Business Environment

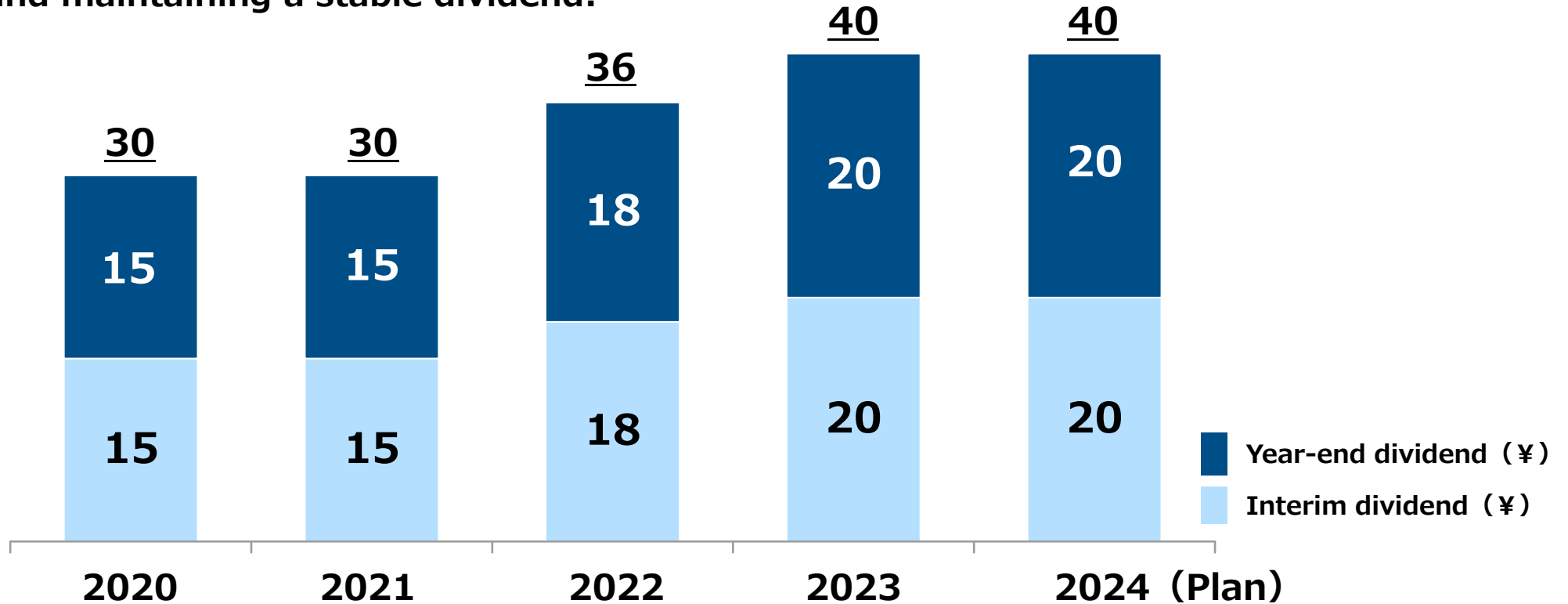
SS Business	Security Sensors	<p>With inflation and high interest rates subsiding, investment restraints and inventory adjustments are not expected to spread any further in Europe or the United States. Efforts should be made to tap into demand growing against the backdrop of the labor-saving of security systems and progress in IOT.</p>
	Automatic Door Sensors	<p>With inflation and high interest rates subsiding, investment restraints and inventory adjustments are not expected to spread any further in Europe. Sales are expected to remain solid in Japan and the United States against the backdrop of growing demand for security responses and environmentally contributing products.</p>
IA Business	FA	<p>Investment restraints and inventory adjustments are not expected to spread any further in Japan or Europe. With inventories continuing to be in an adjustment phase, sales in China are expected to recover moderately. Efforts should be focused on the cultivation of latent demand for automation and labor-saving.</p>
	MVL	<p>Sales of solutions are expected to grow both in Japan and overseas against the backdrop of progress in the miniaturization of semiconductors and electronic components and the increasing complexity of inspection processes.</p>
	IPC	<p>The semiconductor manufacturing equipment market is expected to recover from its sluggish condition, while sales of industrial PCs are expected to remain firm.</p>
	MECT	<p>Demand for secondary battery manufacturing equipment is expected to increase against the background of the increased availability of EV/BEV and sales are likely to remain firm.</p>

FY2024 Consolidated Earnings Forecasts

(Unit: million yen)		FY2023 Results	FY2024 Forecast	YoY
Net sales		56,372	61,000	+8.2%
Operating income (Operating income Ratio)		5,899 (10.5%)	6,600 (10.8%)	+11.9%
Ordinary income		6,258	6,600	+5.5%
Profit attributable to owners of parent		4,608	5,000	+8.5%
Net income per share (yen)		129.73	140.75	
Exchange rate (Unit: Yen)	1USD	140.56	140.00	
	1EUR	152.00	150.00	

Shareholder Return

Implement shareholder returns with an eye to achieving a dividend payout ratio of approximately 30% while simultaneously taking into account the balance between reinforcing the management fundamentals and maintaining a stable dividend.



Dividend payout ratio	77.7%	28.8%	26.9%	30.8%	28.4%
ROE	4.3%	11.2%	12.8%	11.1%	-

Acquisition of treasury shares

1.0 billion yen © 2024 OPTEx GROUP CO., LTD.
630,000 shares

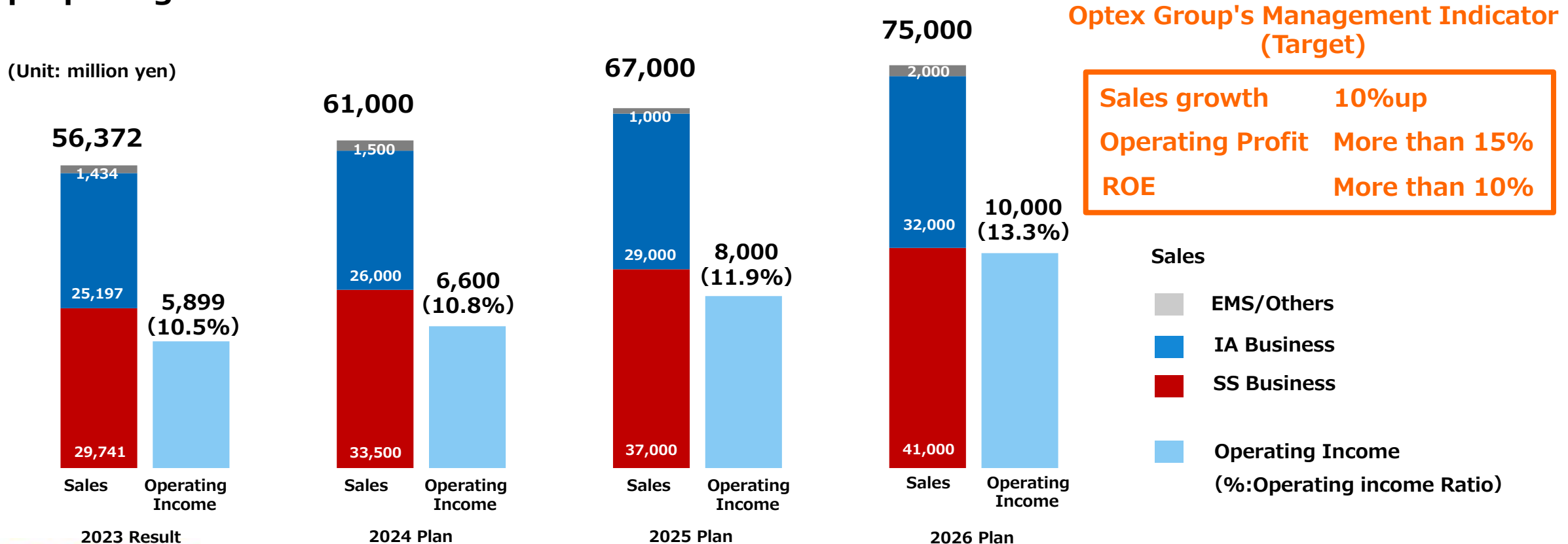
1. FY2023 Overview of Financial Results
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- 3. Three-Year Management Plan (2024-2026)**
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Three-Year Management Plan (2024-2026)

-Both net sales and operating profit fell short of the revised projections in 2023 due to a temporary slowdown in the IA business.

-Aim to further reinforce sales of highly profitable products in 2024 to expand operating profit.

-Aim to improve the operating profit ratio by accelerating a shift to a business that is focused on proposing solutions.



Strategies to Facilitate the Growth of Mainstay Businesses

SS Business (Security Sensors)



Actively invest in products for image confirmation solutions and those for offices / facilities.

Facilitate both existing market cultivation and new market development through direct marketing.

SS Business (Automatic Door Sensors)



Increase market share in Europe and the United States through product enhancements and active investment.

Market development through remote monitoring services and OMNICITY.

IA Business (FA)



Promote direct consulting / marketing and increase the number of customers.

Offer solutions centering IO-Link master.

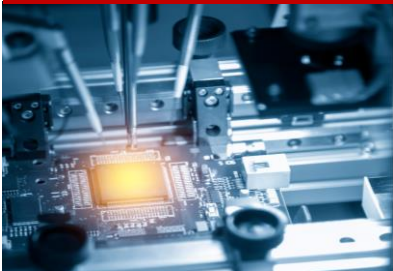
IA Business (MVL)



Evolve into a Comprehensive Solution Vendor.

Provide solutions that offer visibility and capability to the world.

IA Business (IPC)



Establish a system to reliably provide industrial PCs for semiconductor manufacturing equipment.

Develop new businesses such as the provision of surveillance systems and wireless visualization systems.

IA Business (MECT)



Establish stable systems to reliably supply secondary battery manufacturing equipment.

Develop new businesses such as visual inspection solutions.

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New Management Team

The Company seeks to realize its long-term vision under the leadership of the next-generation management team, with a view toward achieving the sustainable enhancement of corporate value.



President
Tatsuya Nakajima



Vice President
Toru Kamimura



[New] Director & CFO
Koki Yamana



Director
(outside/independent)
Kazuhiro Yoshida



Director
(outside/independent)
Shoko Negishi



[New] Director (Chairman
of Audit and Supervisory
Committee/Full-time)
Masaya Okuno



Director (outside/
independent)
Minoru Kida



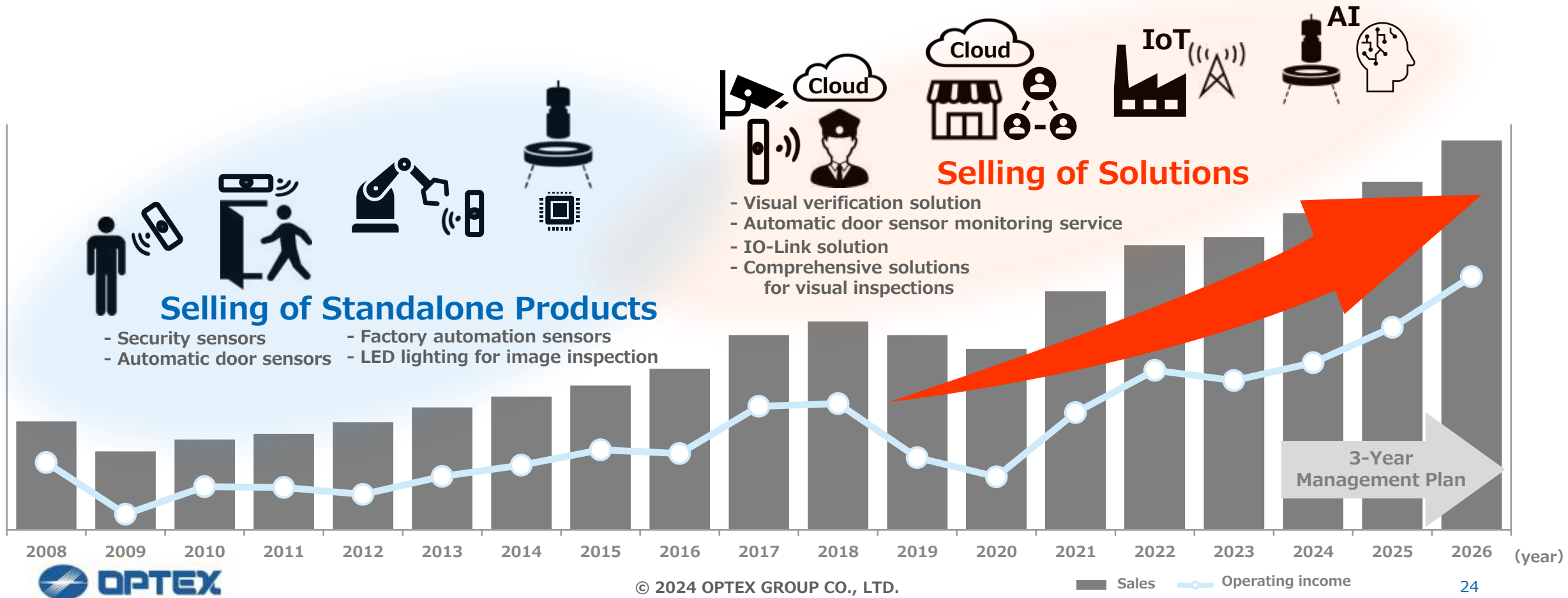
[New] Director (outside/
independent)
Keiko Iijima

*** Scheduled to take office on March 27, 2024**



Conceptual Image of Growth

Speed up the shift to selling solutions
matched with changes in the needs of markets and customers



<https://www.optexgroup.co.jp/en/>

Company Overview

Company Overview

Company Name	OPTEX GROUP CO., LTD.
Location	Shiga Otsu, Japan
Established	May 25, 1979
Capital	2,798 million JPY
Sales	56,372 million JPY
Operating Profit	5,899 million JPY
Fiscal Year-End	December
Stock Code	Tokyo Stock Exchange Prime Market 6914
Consolidated Number of Employees	2,353

(Values: Results for the fiscal year ended December 31, 2023)

**The OPTEX Group
is an integrated
manufacturer of sensors.**
To see things what eyes cannot see,
that is our business !

Meaning of the company name

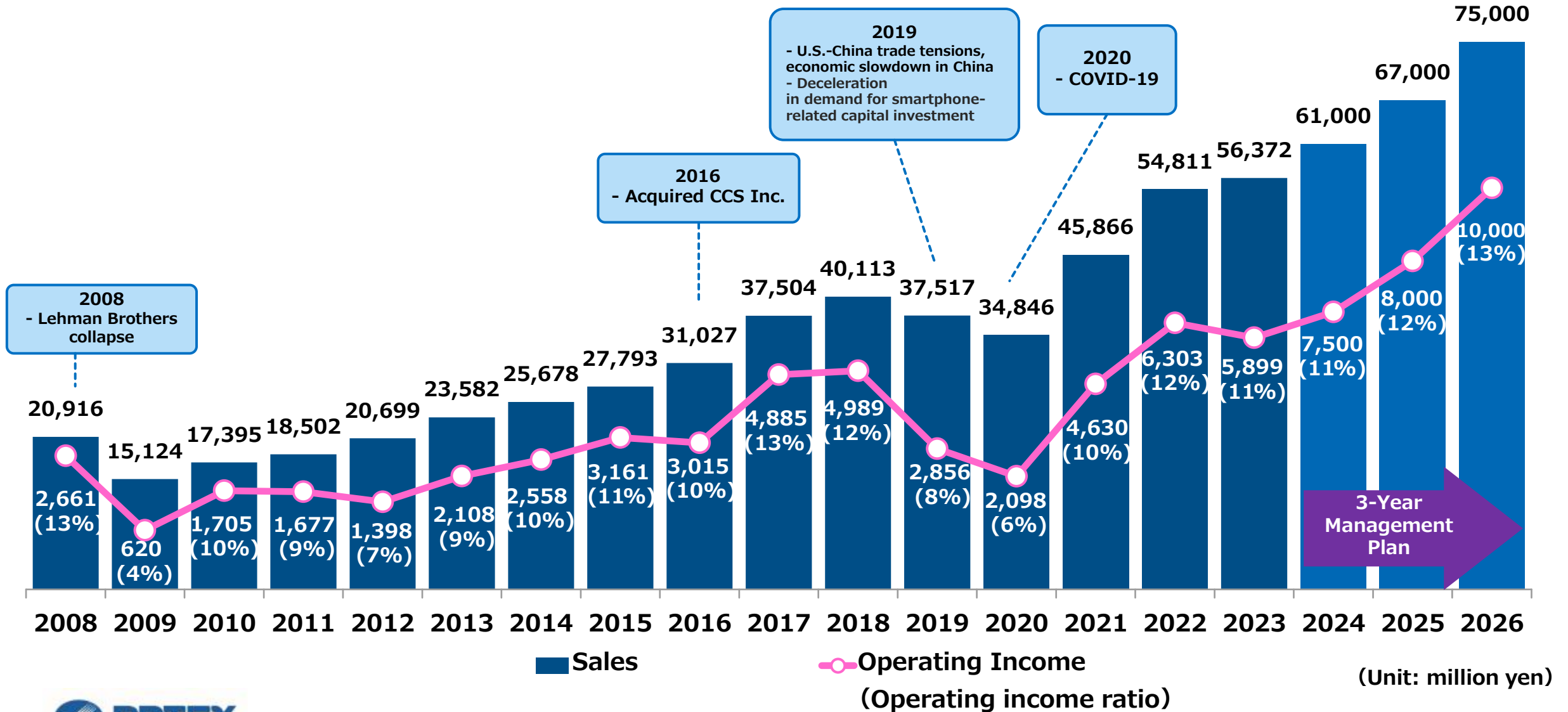
OPTEX

OPTical TEchnology

X (a Greek letter) as
the symbol of *the unknown*
and *the future*



Trends in Consolidated Performance



Company Overview _ History

- 1979** Established OPTEX CO., LTD.
- 1980** Developed the world's first Automatic Door Sensors with far-infrared
- 1985** Founded a subsidiary in California, U.S.A.
- 1991** Made the company's stock public.
- 1996** Developed Outdoor Crime Prevention Sensors
- 2001** Listed on the second section of the Tokyo Stock Exchange
- 2002** Established OPTEX FA CO., LTD. as photoelectric sensor division.
- 2003** Listed on the First Section of the Tokyo Stock Exchange
- 2005** Established a factory in China
- 2016** Acquired 63.5% shares of CCS Inc.
- 2017** Acquired 100% ownership of OPTEX FA
Transitioned to a new organizational structure with OPTEX GROUP CO., LTD. as holding company
- 2020** Acquired Sanritz Automation Co., Ltd.
- 2021** Acquired MITSUTEC CO., LTD.



Founding members



Automatic door sensor



Outdoor security Sensor (1996)



Factory automation sensor developed by Optex FA



China: Home Plant (Dongguan City, Guangzhou)



LED lighting systems for image inspection



Holding Company Structure

SS Business: Sensing Solution Business
 IA Business: Industrial Automation Business

Holding Company **OPTEX GROUP CO., LTD**
 (Tokyo Stock Exchange Prime Market : #6914)

OPTEX CO., LTD.



Sales & Development of Sensors for security, automatic doors, etc.

SS Business

OPTEX FA CO., LTD.



Sales & Development of Sensors for Factory Automation

CCS Inc.



Sales, Development & Production of LED Lighting for Image Inspection

Sanritz Automation Co., Ltd.



Development, manufacturing and sales of industrial computers

MITSUTEC CO., LTD.



Development/manufacturing of automation systems and image processing inspection systems, etc.

IA Business

OPTEX MFG Co., Ltd.



Manufacture of the Group's products/equipment electronics manufacturing service

Three Ace Co., Ltd.



Development of various systems, applications, and digital contents

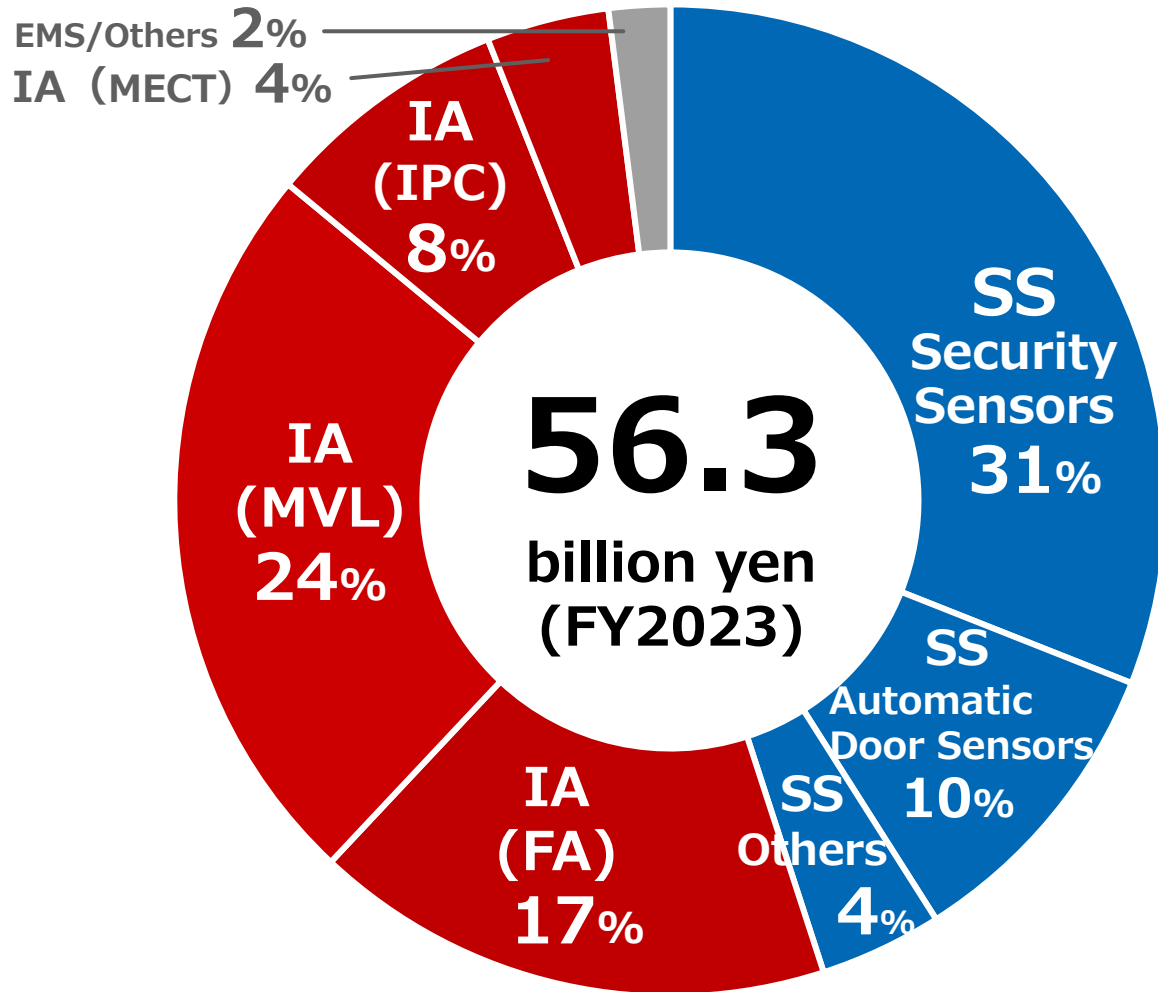
O'PAL OPTEX CO.,LTD.



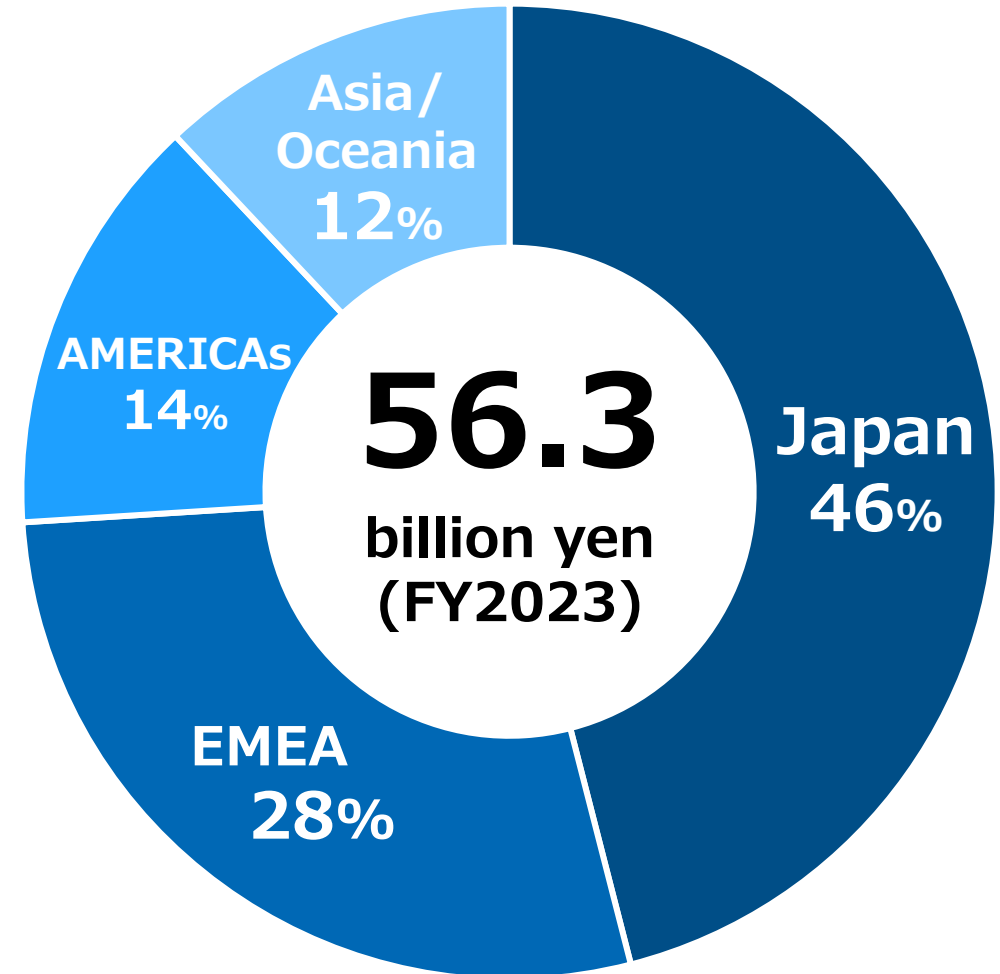
Management of outdoor activities and environmental learning programs

Company Overview _ Data

Sales by Product Category



Sales by Region



Company Overview _ Global Market Share

Global niche No.1

Security sensors

40%

Outdoor Intrusion Detector



Sensor for large-scale critical facilities



Camera sensor

Automatic door sensors

30%

Automatic door sensor



Infrared sensor



Industrial door sensors

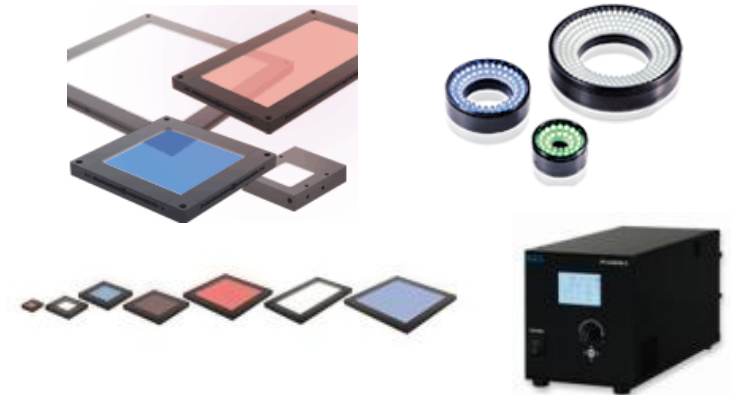


Push plate

Machine vision lighting

30%

LED inspection lighting



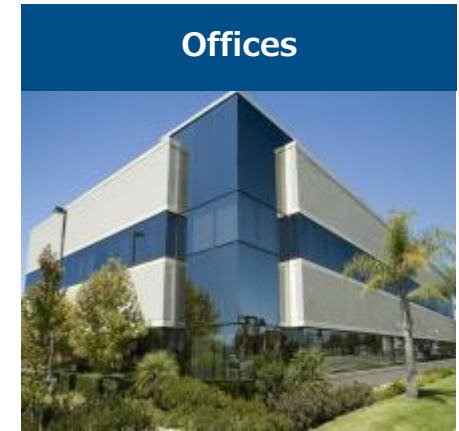
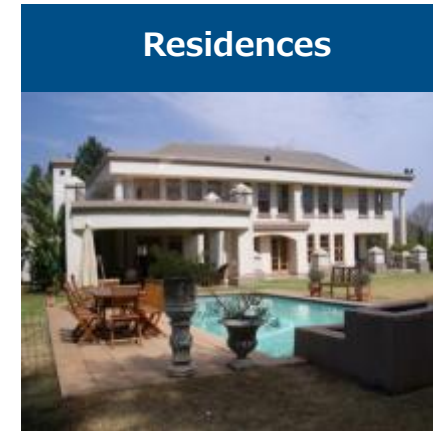
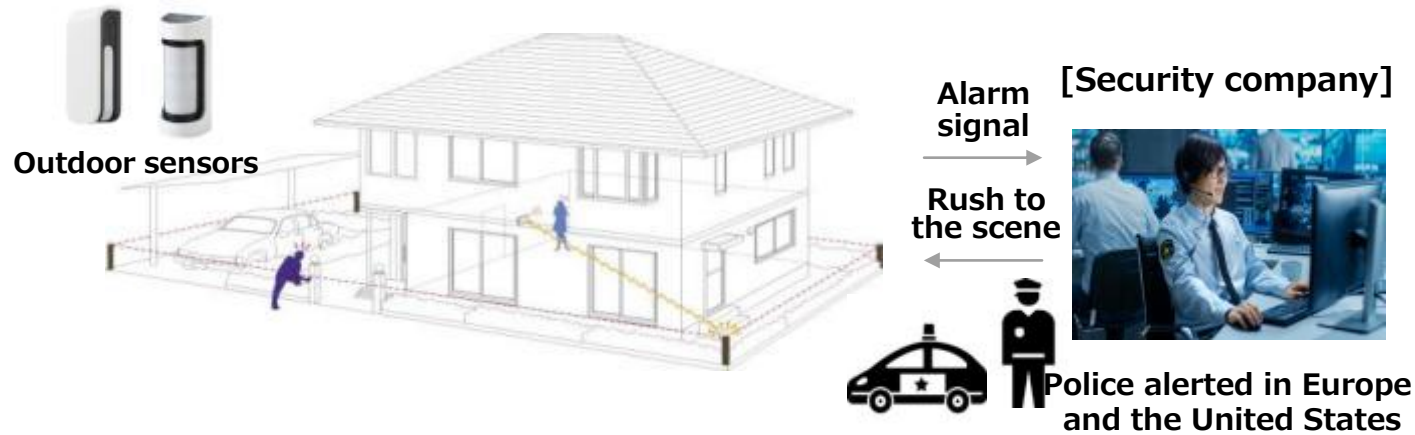
LED lighting systems for image inspection

Business Domain _ Security sensors

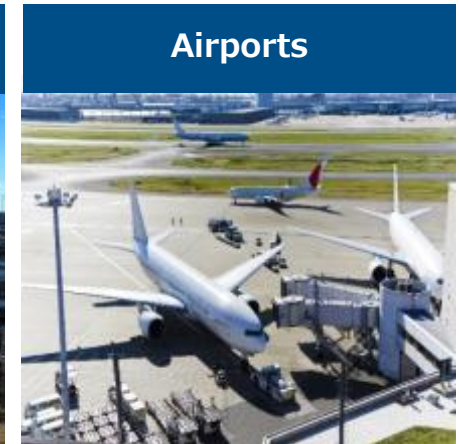


Largest market share in the world for outdoor intrusion detectors

Residential home · Commercial facilities



Important facilities



Business Domain _ Automatic door sensors

Domestic market share: Over 50%

Overseas market share: Over 20%

In 1980, we applied **far-infrared rays**, until then mainly used for military purposes, to automatic door sensors.



Mat switch (on the floor)



The world's first Automatic Door Sensor



Infrared sensor (overhead)



Shopping centers



Over 60% share of convenience stores



Hospitals



Shutter doors for factories and warehouses



Ensure the detection of forklifts

Business Domain _ Factory Automation sensors



Provision of **sensors for factory automation** which help automate factory production processes and save labor

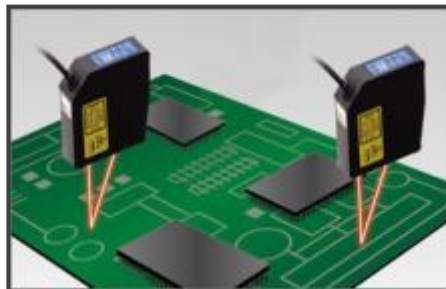
Displacement sensors



Products for the semiconductor and electric and electronic parts industries



Measurement of smartphone frame height



Measurement of substrate tilt/warp

Image sensors



Products for the three-item industries (food, pharmaceutical and cosmetic items)



Inspection of use-by dates printed on packages



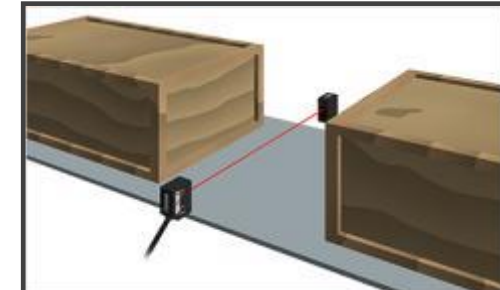
Inspection of use-by dates printed on milk cartons

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Photoelectric sensors



Products for the logistics industry



Detection of passing wooden boxes



Detecting boxes protruding from shelves in automatic warehouses

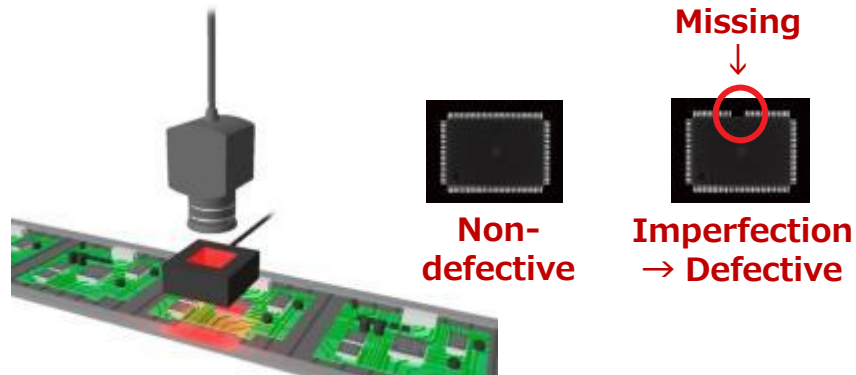
Business Domain _ Machine Vision Lighting

CCS produces **lighting for image inspection** using LED since 1993.

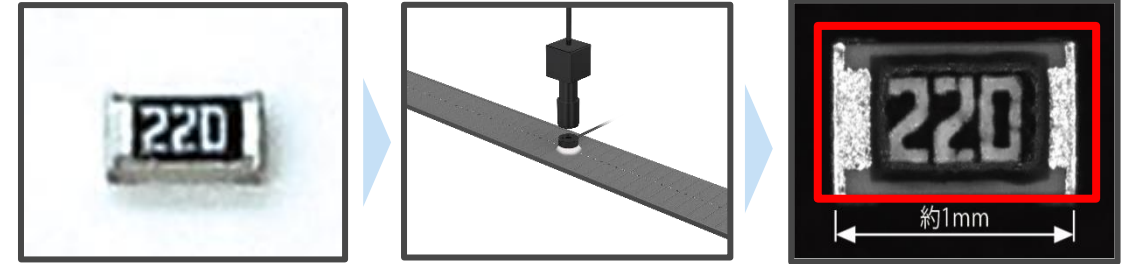
Lighting for image inspections*

When producing something at a plant, each stage of work **requires an "inspection" process.**

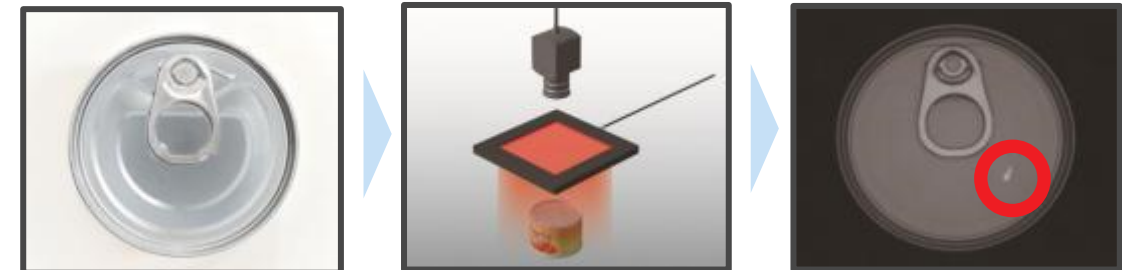
Photos or images of the inspection targets are taken and processed using lighting (and power supplies), lenses, and cameras, and the items are judged to be "good" or "defective".



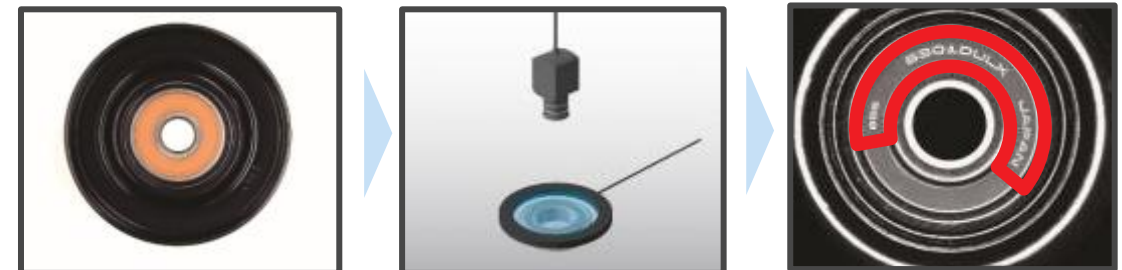
Inspection for defects in parts mounted on a printed circuit board



Letter/shape imaging (Small chip parts; about 1mm)



Imperfection imaging (surface of can)



Engraved letter imaging (bearing)

*Lighting for image inspection is also called Machine Vision (MV) lighting.

Business Domain _Industrial Computers

Provision of products that are highly reliable in terms of environmental durability, noise insulation, and other factors.

Our competitive edge is that we highlight long-term technical support services based on a wealth of expertise on the development of hardware and software

Embedded Boards

Provision of computer platforms for equipment used for semiconductor manufacturing, medical services and communications



Production and Infrastructure System

Provision of systems that solve issues related to production frontlines and social infrastructure



Advanced Measurement/Control Systems

Provision of advanced system products, such as robots, for measurement and control operations



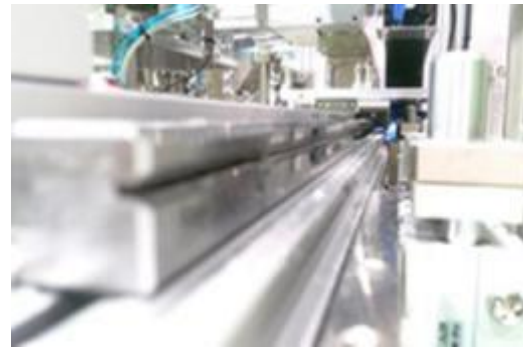
Business Domain _Mechatronics

Automation Systems

Boasting advanced mechatronics technology

- ✓ High-speed/high-precision filling technology
- ✓ High-speed material handling technology, etc.

→ High quality meeting exacting standards



Since its foundation, MITSUTEC has been manufacturing automation systems such as secondary battery manufacturing lines.

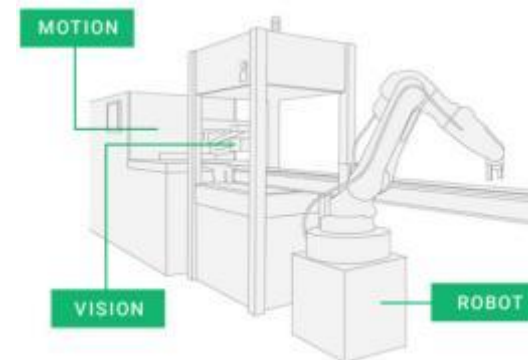
Image Processing Inspection Systems

"Motion technology"
to move things

×

"Vision technology"
to see things

→ Providing optimum solutions



MITSUTEC builds an image processing inspection system that offers solutions to customer issues by combining cameras, LED lightings and measuring instruments, etc.

ESG's Efforts

We are proactively addressing ESG issues to enhance our corporate value.
See our ESG report [here](#).



Environment

Initiatives to tackle environmental issues

[Support for the TCFD Recommendations]
The Company established a long-term goal of “Reducing CO2 emissions by no less than 30% by 2030 compared to the level of FY2019,” and has been pursuing measures according to the TCFD framework with a focus on the climate change response project.

[Contribution to the Reduction of CO2] Emissions through Products and Solutions and promote environmentally friendly products and solutions.

Automatic door sensors



Improve air conditioning efficiency by preventing the unnecessary opening and closing of doors.

Machine Vision Lighting



Feedback control that automatically adjusts brightness helps achieve energy conservation.



Social

Initiatives for social issues

Aiming to become the No. 1 self-realization company, the Company supports the growth of its employees, cultivates human resources to help them demonstrate their abilities, and improves the work environment.



OPTEX CO., LTD. and OPTEX FA CO., LTD. are recognized as companies committed to good health and productivity management and are certified as Health and Productivity Management Organizations in recognition of their efforts to increase health awareness, improve lifestyles and strengthen mental health measures.



Governance

Corporate governance initiatives

Four of the Directors and members of the Audit & Supervisory Committee, who account for more than one-third of the total (9), are Independent Outside Directors. Experts (lawyers and certified public accountants) are appointed.

*The number of the Directors and members of the Audit & Supervisory Committee is as of February 14, 2024.



Improving strategy quality by making decisions through active discussions held by the board of directors to further improve our corporate value.

<https://www.optexgroup.co.jp/en/>