



Summary of F.Y. 2020 Consolidated Financial Results (Jan.1 to Dec.31, 2020)

**OPTEX GROUP CO., LTD.
February 12, 2021**

(Tokyo Stock Exchange Market 1st Section:#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.

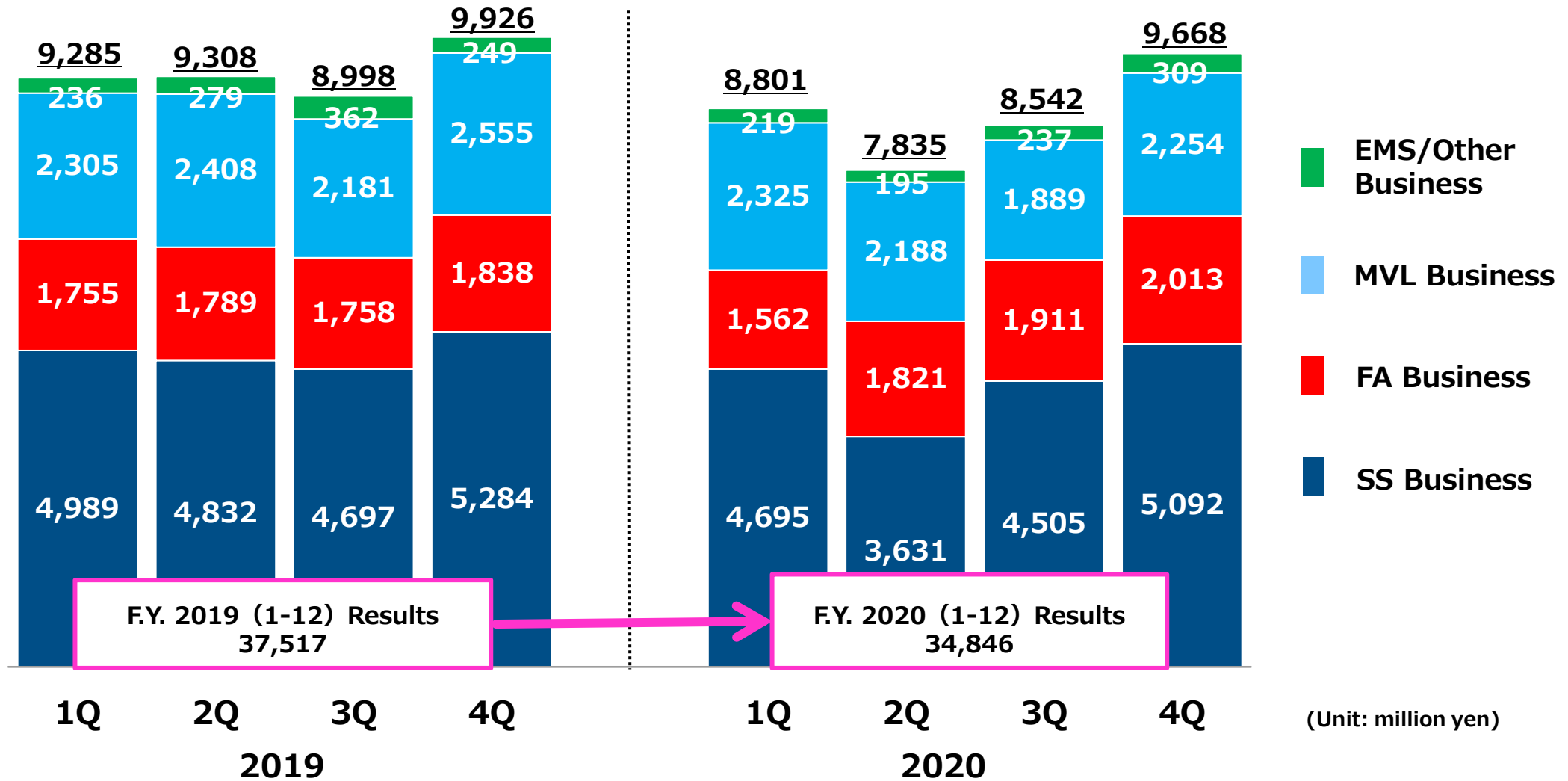
Key Points of Financial Results of F.Y. 2020

- **Net sales were -7% year on year, reflecting sluggish growth due to restraints on economic activities amid the COVID-19 pandemic.**
- **Operating income was -27% year on year due to a decline in gross profit, despite cost-cutting initiatives and other measures.**

Summary of Consolidated Financial Results of F.Y. 2020

| Operating Results (Unit: million yen) | | F.Y.2019 (1-12) Results | F.Y.2020 (1-12) Results | Change | Percent Change |
|--|-------------|--|--|---------------|-----------------------|
| Net sales | | 37,517 | 34,846 | -2,671 | -7.1% |
| Operating income (Operating income Ratio) | | 2,856 (7.6%) | 2,098 (6.0%) | -758 | -26.5% |
| Ordinary income | | 2,876 | 2,176 | -700 | -24.3% |
| Profit attributable to owners of parent | | 2,197 | 1,395 | -802 | -36.5% |
| Net income per share (yen) | | 60.02 | 38.59 | | |
| Exchange rate (Unit: Yen) | 1USD | 109.05 | 106.82 | | |
| | 1EUR | 122.07 | 121.81 | | |

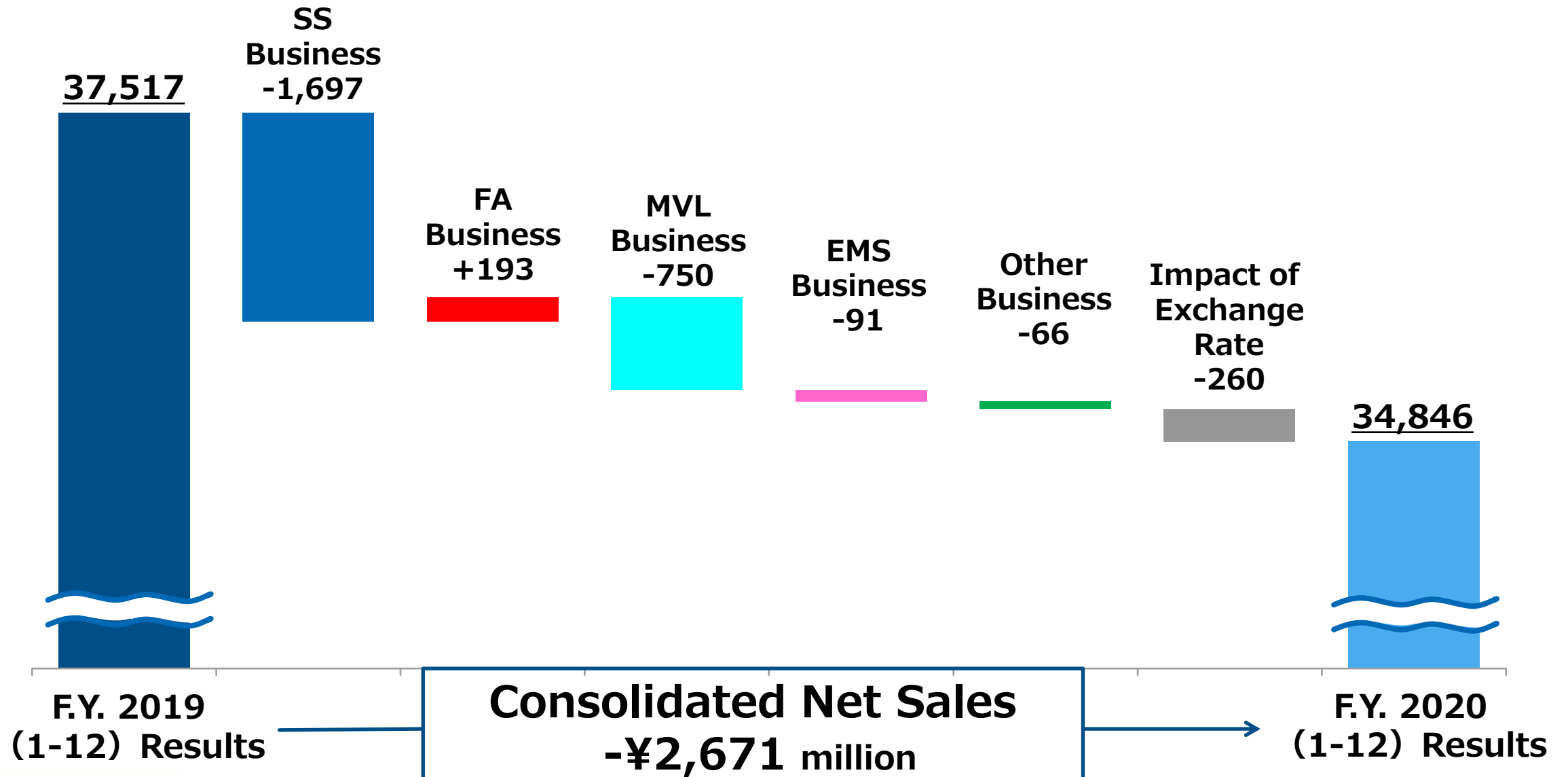
Quarterly performance - Consolidated Net Sales (Year- on-year)



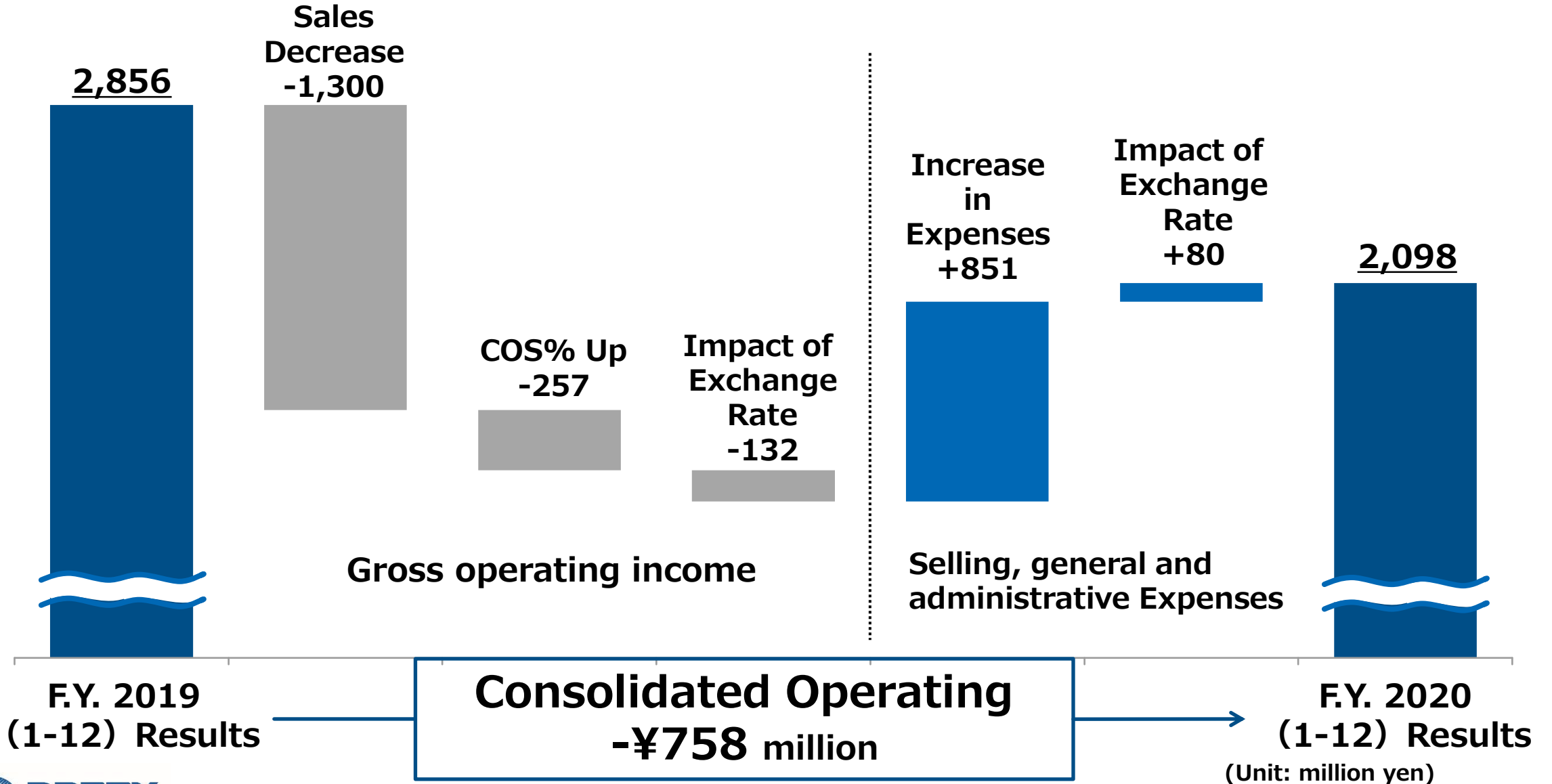
Comparison of Financial Results of F.Y. 2020 between Segments

| Operating Results (Unit: million yen) | F.Y. 2019 (1-12) Results | | F.Y. 2020 (1-12) Results | | | |
|--|--------------------------|--|--------------------------|----------------|--|----------------|
| | Net sales | Operating income (Operating income Ratio) | Net sales | Percent Change | Operating income (Operating income Ratio) | Percent Change |
| SS Business | 19,802 | 1,731 (8.7%) | 17,923 | -9.5% | 1,275 (7.1%) | -26.3% |
| FA Business | 7,140 | 596 (8.4%) | 7,307 | 2.3% | 684 (9.3%) | 14.7% |
| MVL Business | 9,449 | 532 (5.6%) | 8,656 | -8.4% | 162 (1.9%) | -69.5% |
| EMS Business | 570 | 76 | 471 | -17.3% | 47 | -38.2% |

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



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



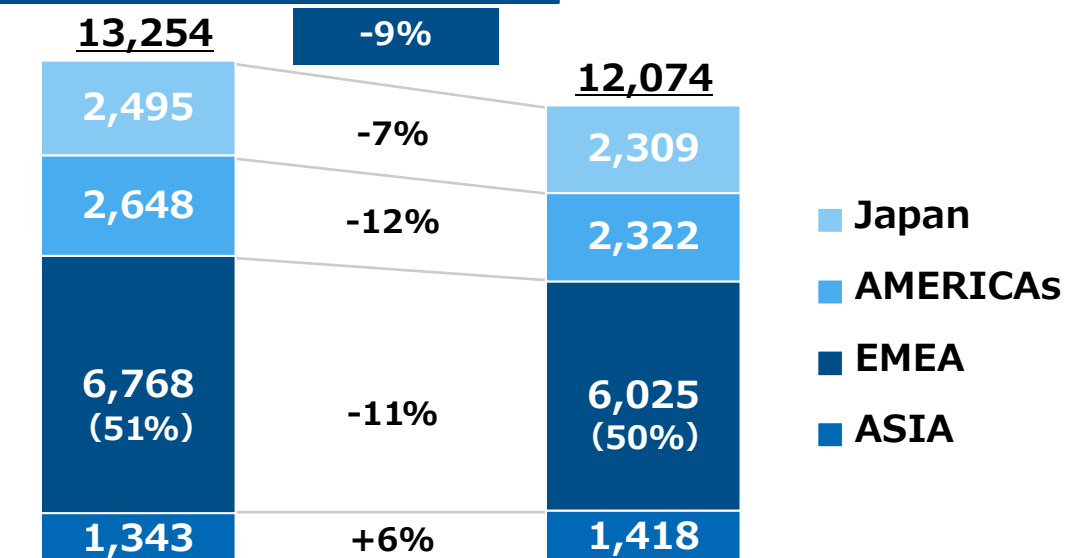
Business by Segment - SS Business(Security Sensors)

| Region | F.Y. 2020 (1-12) Results |
|------------------|---|
| Japan | Sales decreased due to sluggish sales of outdoor intrusion detectors for security companies and for large-scale critical facilities. |
| AMERICAs | Sales fell due to postponements of projects for large-scale critical facilities because of restrictions on sales and installation amid the COVID-19 pandemic. |
| EMEA | Sales declined due to sluggish sales of outdoor intrusion detectors for large-scale critical facilities, commercial facilities and general home use in all countries except South Africa due to restrictions on sales and installation. |
| Asia and Oceania | Sales increased because orders for large-scale critical facilities were received in China and South Korea in the fourth quarter. |

Sales by Region / Figures in parentheses () are the percentage of total sales



Camera sensors



(Unit: million yen)

Business by Segment - SS Business(Automatic Door Sensors)

| Region | F.Y. 2020 (1-12) Results |
|----------|---|
| Japan | Sales declined because investments related to stores, which is the main market, continued to be curbed. |
| AMERICAs | Sales fell because sales and installation for major OEM customers were restricted in North America. |
| EMEA | Sales decreased because sales and installation for major OEM customers were restricted in Europe. |

Sales by Region / Figures in parentheses () are the percentage of total sales



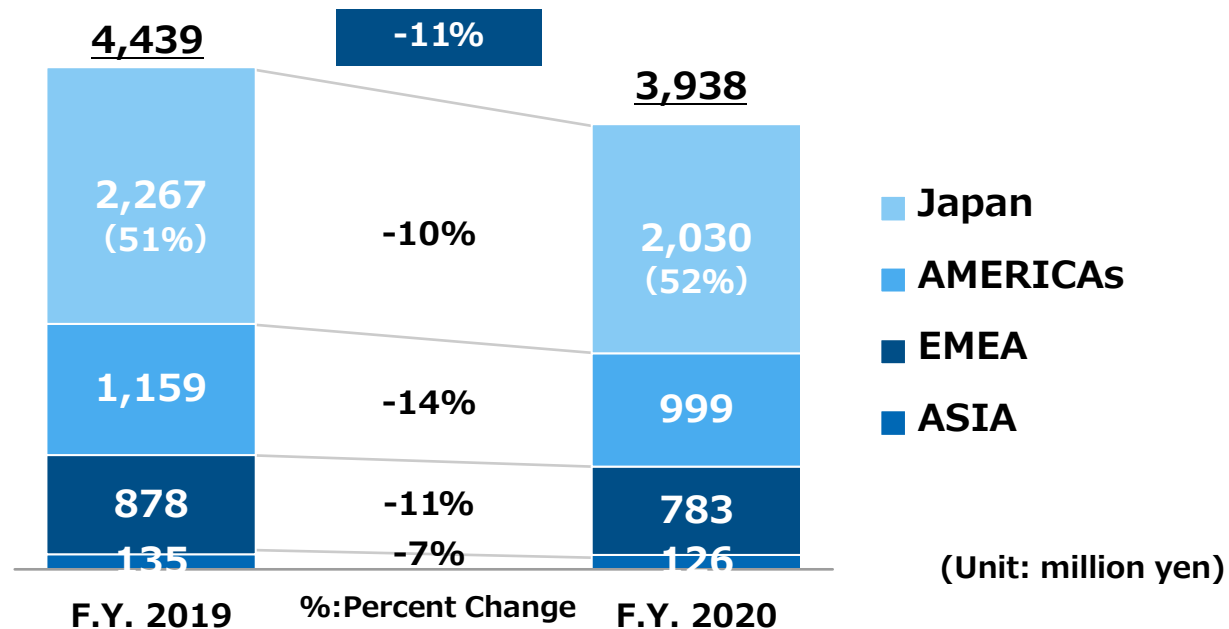
Automatic door sensors



Clean Switch



Touchless plate sticker for door sensors



Business by Segment - Factory Automation Business

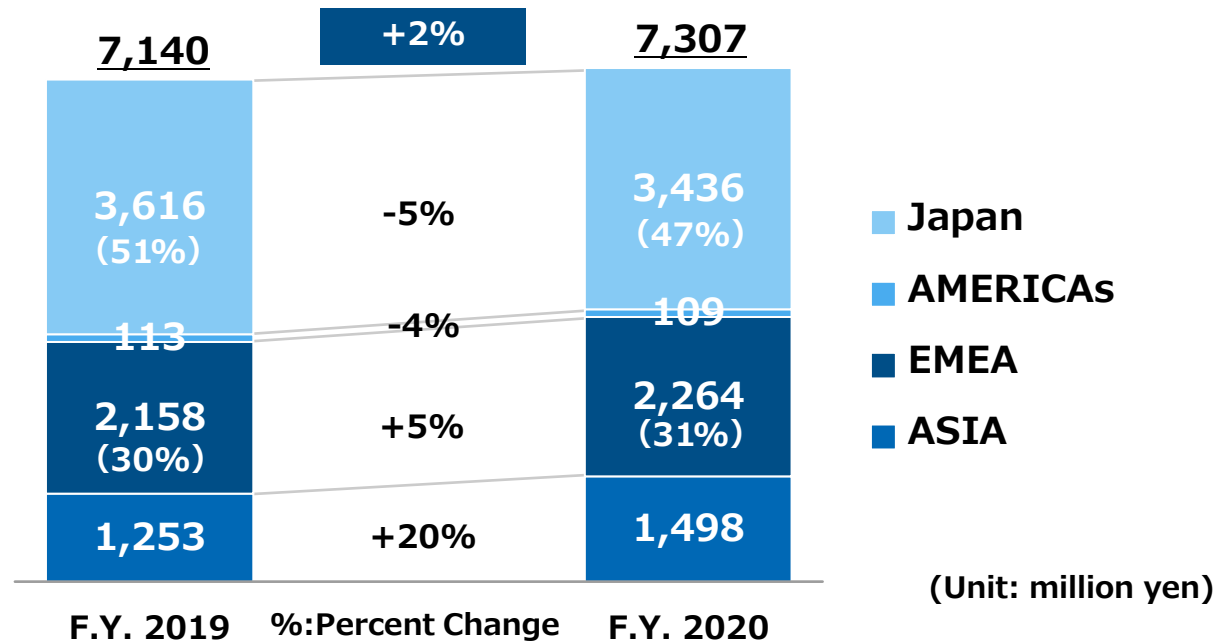


| Region | F.Y. 2020 (1-12) Results |
|------------------|--|
| Japan | Sales decreased due to sluggish capital expenditures in the automobile-related industries, although sales of image sensors were firm in the food industry. |
| EMEA | Sales rose, reflecting a sharp recovery in sales to OEM customers in Germany. |
| Asia and Oceania | Sales rose significantly due to strong sales of displacement sensors, among other products, as capital investment increased in China. |

Sales by Region / Figures in parentheses () are the percentage of total sales



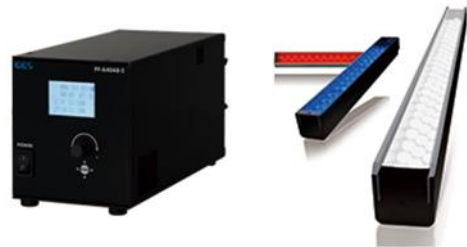
Displacement sensors



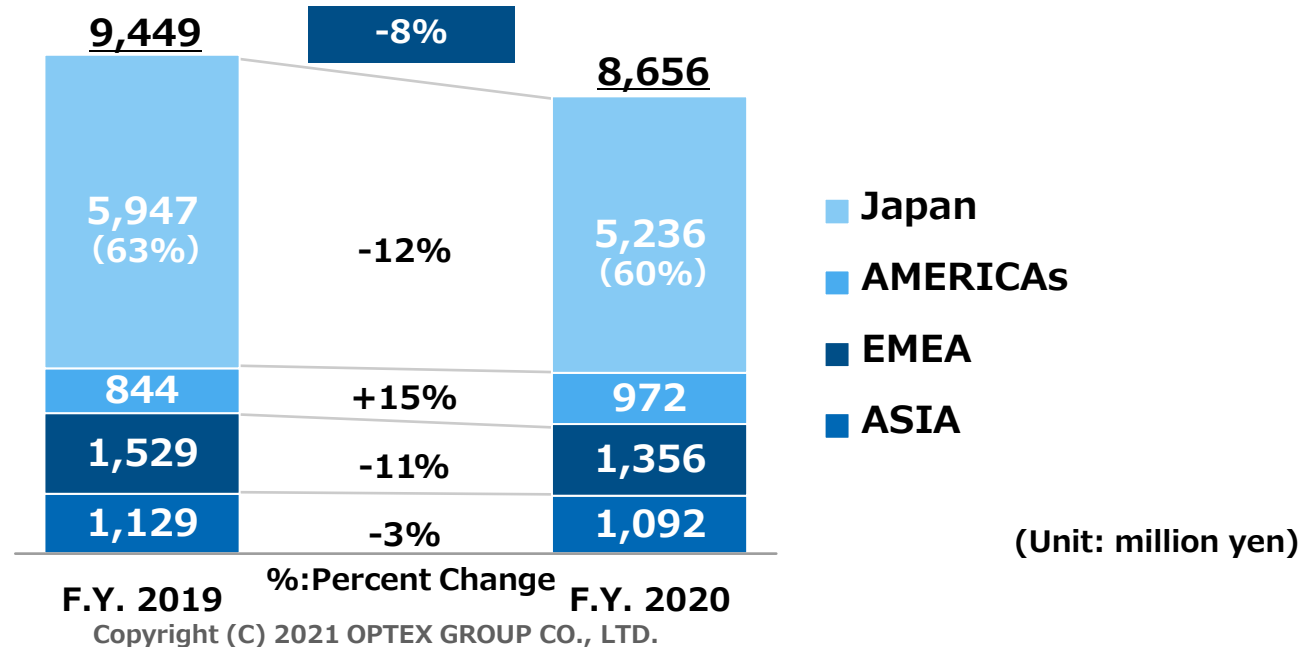
Business by Segment - Machine Vision Lighting (MVL) Business

| Region | F.Y. 2020 (1-12) Results |
|------------------|--|
| Japan | Sales fell because sales activities remained restricted in the second quarter and beyond, despite an increase in inquiries related to 5G investment. |
| AMERICAs | Sales rose, reflecting steady sales to the medical industry in North America. |
| EMEA | Sales declined because sales activities were restricted due to the impact of lockdowns. |
| Asia and Oceania | Sales decreased because sales activities were restricted in most markets except China where sales continued to recover. |

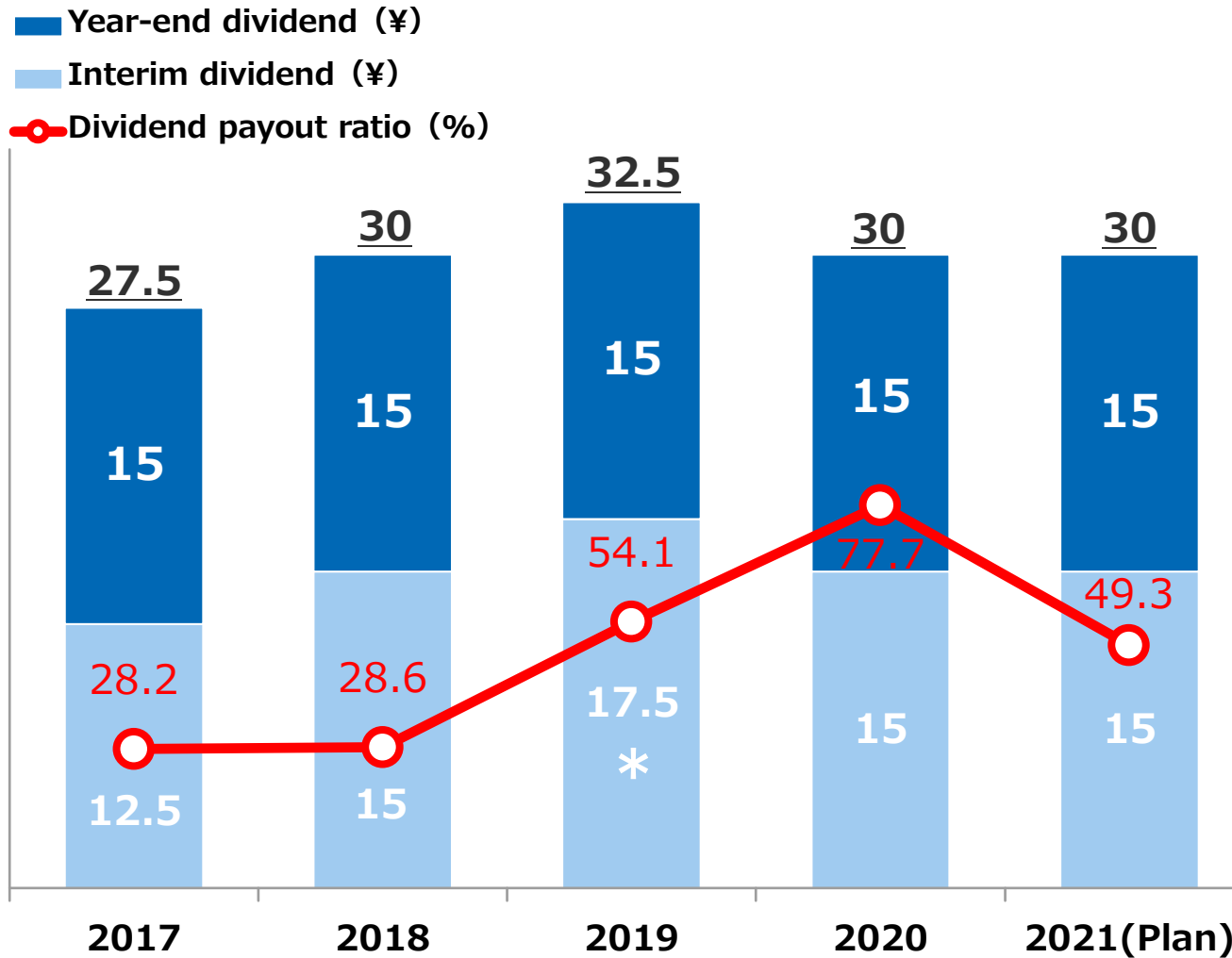
Sales by Region / Figures in parentheses () are the percentage of total sales



LED lighting systems for image inspection



Revisions to the F.Y. 2020 Dividend Projection



Acquisition of treasury shares

| | 2018 | 2019 |
|---------------|-----------------|-----------------|
| Amount | 1.5 billion yen | 1.0 billion yen |
| No. of shares | 700,000 shares | 670,000 shares |

*The amount includes a commemorative dividend of 2.5 yen

| ROE | 2017 | 2018 | 2019 | 2020 | 2021(Plan) |
|-----|-------|-------|------|------|------------|
| | 12.6% | 12.3% | 6.8% | 4.3% | - |

We aim to become a corporate group full of Venture Spirit !

Mid-term Plans

In fiscal year 2022, we aim to achieve an operating income margin of 10% or more as a consolidated Group,
Continue to reduce fixed costs and improve earnings per employee,
Strengthen consolidated sales growth 10%, and re-challenge consolidated sales of 50 billion yen in fiscal 2023!!

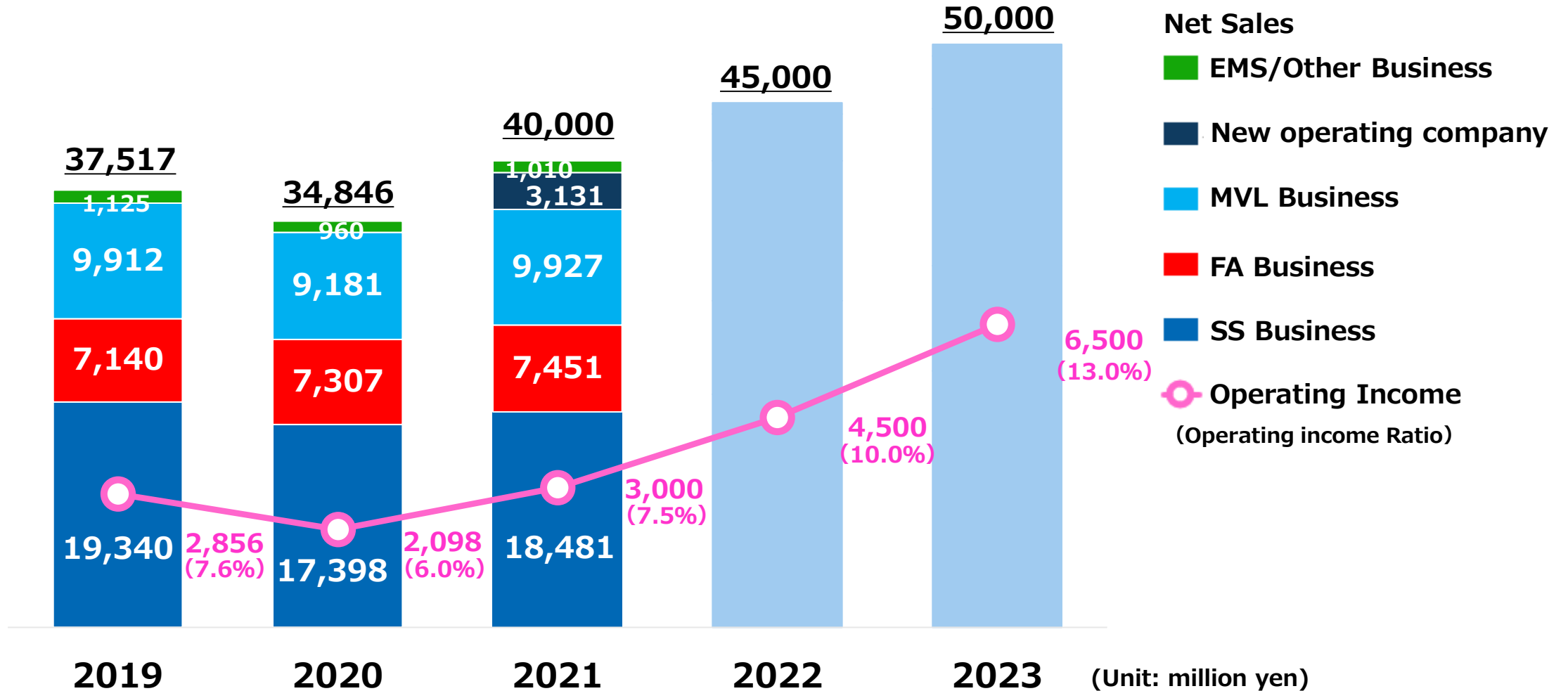
Group's management policy

By strengthening the functions of the Group's head office, we will curb the increase in indirect costs for the Group as a whole.

We will put the company back on a course for growth by expanding existing business and promoting new business.



Aiming to achieve 10% annual growth in consolidated net sales and improve the operating income ratio over the next three years.



Note) The results of FY2020 were reclassified to reflect the reorganization through which Gardasoft Vision Limited(UK), a consolidated subsidiary, has been included in the MVL Business instead of the SS Business (Security Sensors).

Measures for accomplishing the medium-term management plan

- (i) Create business synergies through M&A**
- (ii) Strengthen sales capabilities in Europe**
- (iii) Facilitate the shift of the business model from selling products to selling services**

(i) Create business synergies through M&A

SANRITZ

| | |
|------------------------------|--|
| Name | Sanritz Automation Co., Ltd. |
| Location | Machida City, Tokyo |
| Date of establishment | March 13, 1971 |
| Representative | Kazuya Suzuki, President |
| Sales | ¥3,700million(FY ended August 31, 2020) |
| Operating Profit | ¥300million(FY ended August 31, 2020) |



System solutions



Embedded boards

Business **Development, manufacturing and sales of industrial computers and systems**

Strengths **Provision of products that are highly reliable in terms of environmental durability, noise insulation and other factors, for different industrial equipment and systems. Capable of continuously providing long-term support and maintenance services.**

(i) Create business synergies through M&A

Promote sales of services (sales of systems) in social infrastructure projects, a business area in which Sanritz demonstrates its strength.

(i) Traffic control



(ii) Management of parking facilities



(iii) Management of railway safety



New business opportunities are expected to be created by combining the strengths of the two companies.

Optex Co., Ltd. established a new company in the Netherlands

Further promote the growth strategy of selling services instead of products in Europe.

Name : Optex Security B.V.

Location : The Hague, Netherlands

Start of Operation : January 1, 2021

Representative : Masaya Kida, Managing Director

Number of Staff : 8

Purpose : Popularization and sales expansion of the Visual Verification Solutions.



Enhancement of customer-oriented sales activities and technical support, and optimization of the logistics network

Features of visual verification solutions

In case of an intrusion

(i) Detection of an intruder with a camera-equipped sensor.



(ii) Transmission of video images



(iii) Request that police be dispatched



Action taken immediately

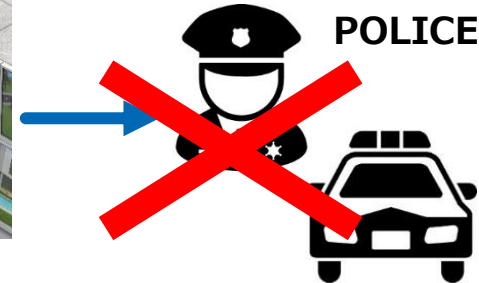
(iv) Police officers rush to the site.

In case of an accidental intrusion by a contractor or employee

(i) Detection of an intruder with a camera-equipped sensor.



(ii) Transmission of video images

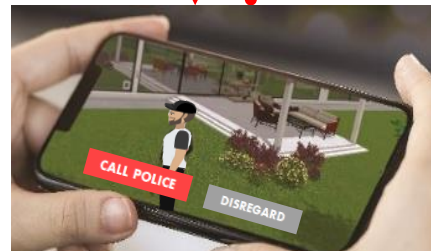


Unnecessary dispatch prevented

(iii) Sending video via email

(v) Response

(iv) Decide to request the dispatch of police or not by touching a button.



Personnel in charge of general affairs

(ii) Strengthen sales capabilities in Europe - MVL Business

CCS Inc. established a new company in the Netherlands.

Supervise the Group's companies operating in Europe and facilitate growth in the region.

Name : CCS Europe Holding B.V. (CCSEH)

Location : Hilversum, Netherlands

Establishment : January 1, 2021

Representative : Hiroshi Matsubara, CEO of CCSEH

Number of Staff : 4

**Purpose : Supervision of the Group's companies operating in Europe and facilitation of their more effective collaboration.
Maximization of competitive power.**



Building Exterior

(ii) Strengthen sales capabilities in Europe - MVL Business

Strengthen collaboration between the group companies in Europe and accelerate the provision of total solutions.

CCS Europe Holding(Netherlands)
Control and supervision of operations in Europe

CCS Europe(Belgium)
Subsidiary in charge of sales to agents

EFFILUX(France and Germany)
Production and direct sales of LED lighting equipment for image inspection

Gardasoft Vision(UK)
Production and direct sales of controllers for LED lighting equipment for image inspection

Increase sales in Europe to 4.0 billion yen by 2025 (target).

Optex Co., Ltd.'s shift from selling products to selling services

Commencement of the operation of OMNICITY, which is the first sharing service in the industry utilizing automatic door sensors (Feb. 2021~)

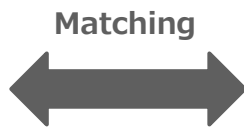
Information is transmitted to passersby's smartphones from an automatic door sensor equipped with a beacon.

(Example: Supermarket)

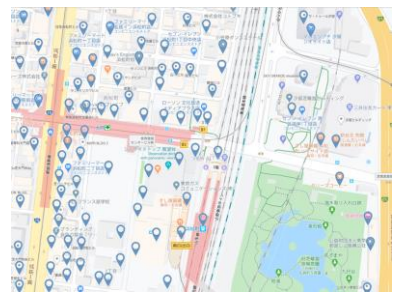


A customer comes to the store. >>> Receives transmitted coupons. >>> Takes advantage of discounts and makes purchases.

Store owners



Companies wishing to provide information at store entrances



- Provision of platforms for identifying places where users are able to use services
- Creating proposals for effective utilization

Improve the efficiency of store operations by facilitating digital transformation.

<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 | 34,846 million JPY |
| Operating Profit | 2,098 million JPY |
| Fiscal Year-End | December |
| Stock Code | Tokyo Stock Exchange 6914 |
| Consolidated Number of Employees | 2,171 |

**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

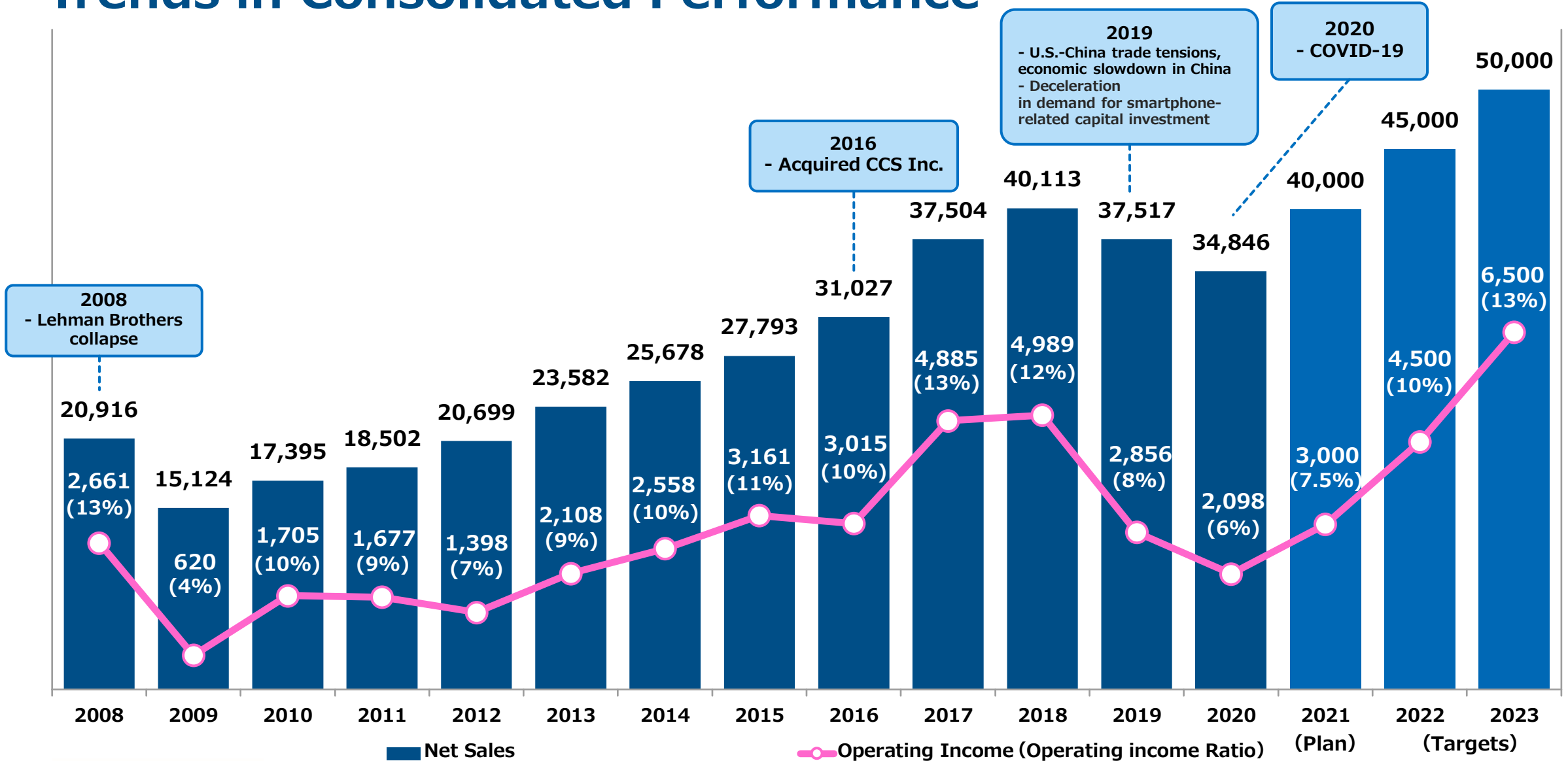
OPTical TEchnology

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

(Values: Results for the fiscal year ended December 31, 2020)



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
Transited to a new organizational structure
with OPTEX GROUP CO., LTD. as a holding company
- 2018** Acquired 100% ownership of CCS Inc.
- 2020** Acquired Sanritz Automation Co, Ltd.



Founding members



Automatic door sensor



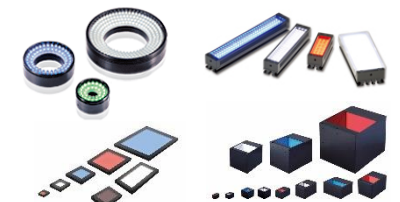
Outdoor security Sensor (1996)



Factory automation sensor developed by Optex FA



China: Home Plant (Dongguan City, Guangzhou)



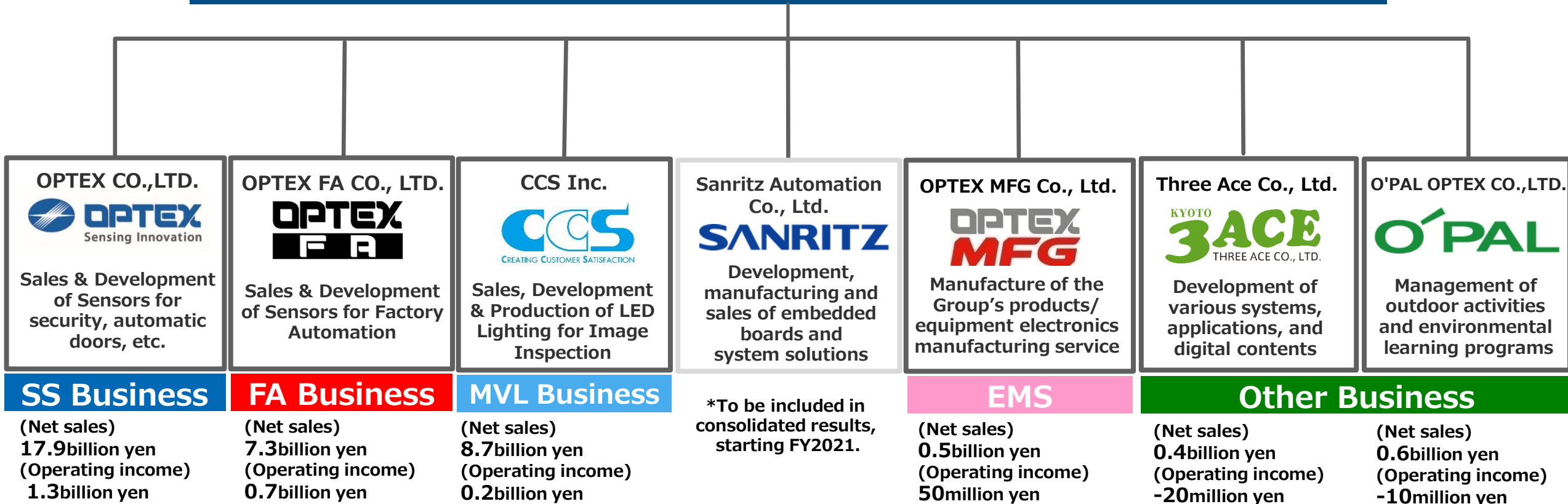
LED lighting systems for image inspection 27



Company Overview _ Holding Company Structure

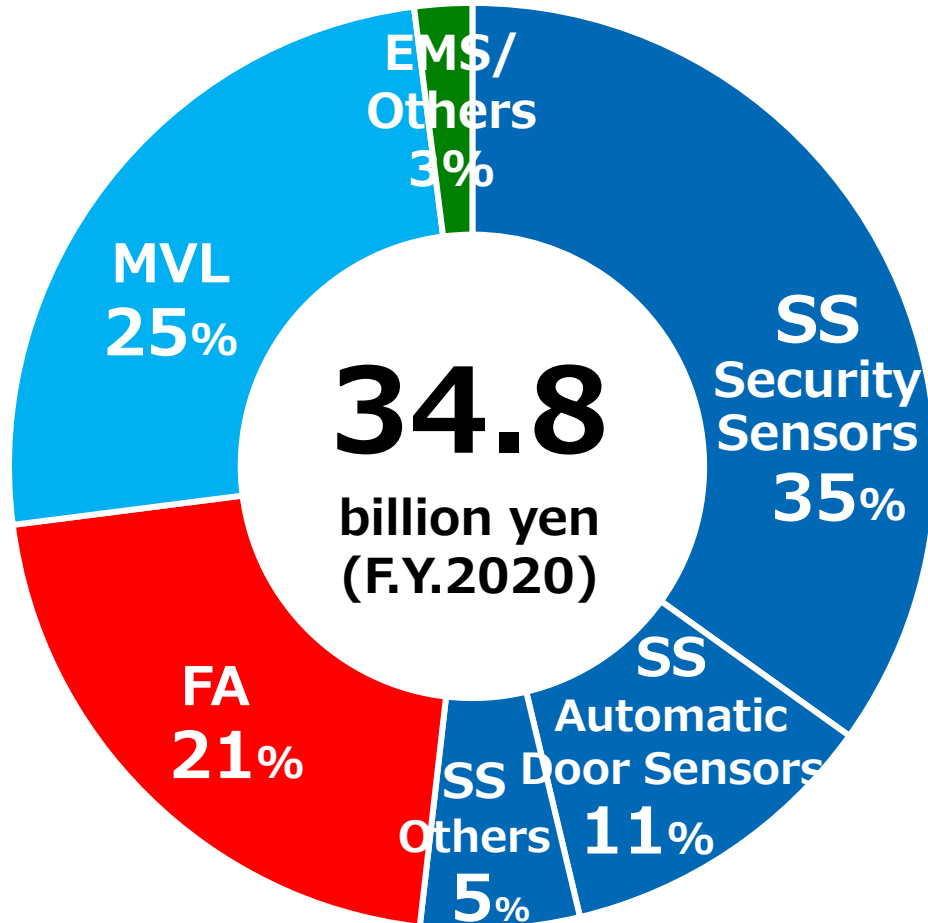
Holding Company **OPTEX GROUP CO., LTD**

(Tokyo Stock Exchange Market 1st Section : #6914)

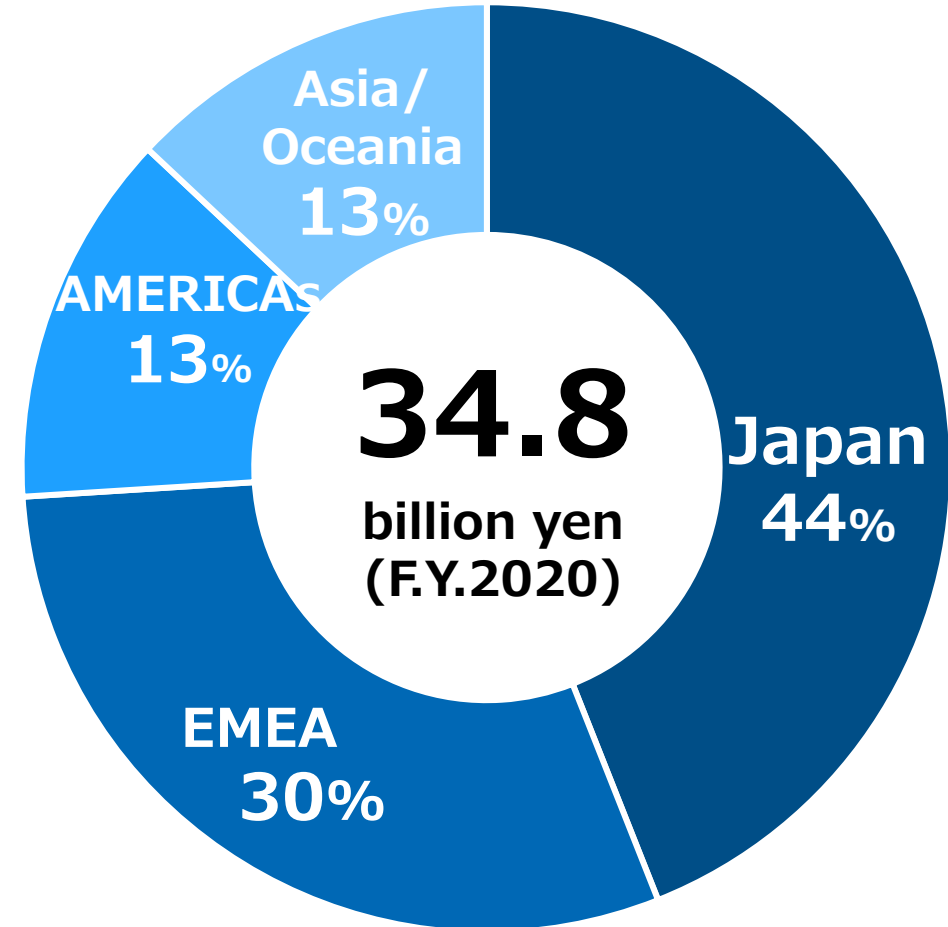


Company Overview _ Data

Sales by Product Category



Sales by Region



EMEA : Europe, the Middle East, Africa
AMERICAS: North, Central and South America

Company Overview _ Global Market Share

Global niche No.1

Security sensors

40%

Intrusion detector for outdoor



Sensor for large-scale critical facilities



Camera sensor

Automatic door sensors

30%

Automatic door sensor



Infrared sensor



Clean Switch



Push plate

Machine vision lighting

30%

LED lighting for inspection



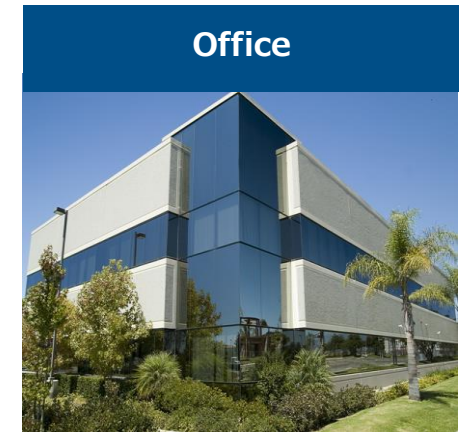
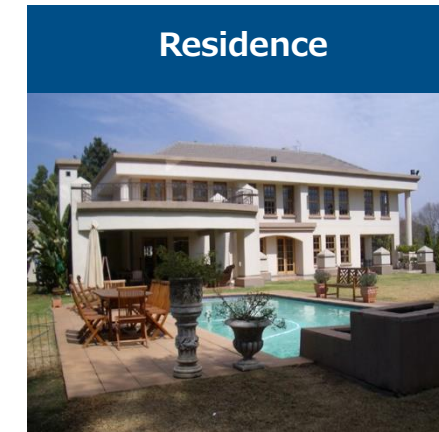
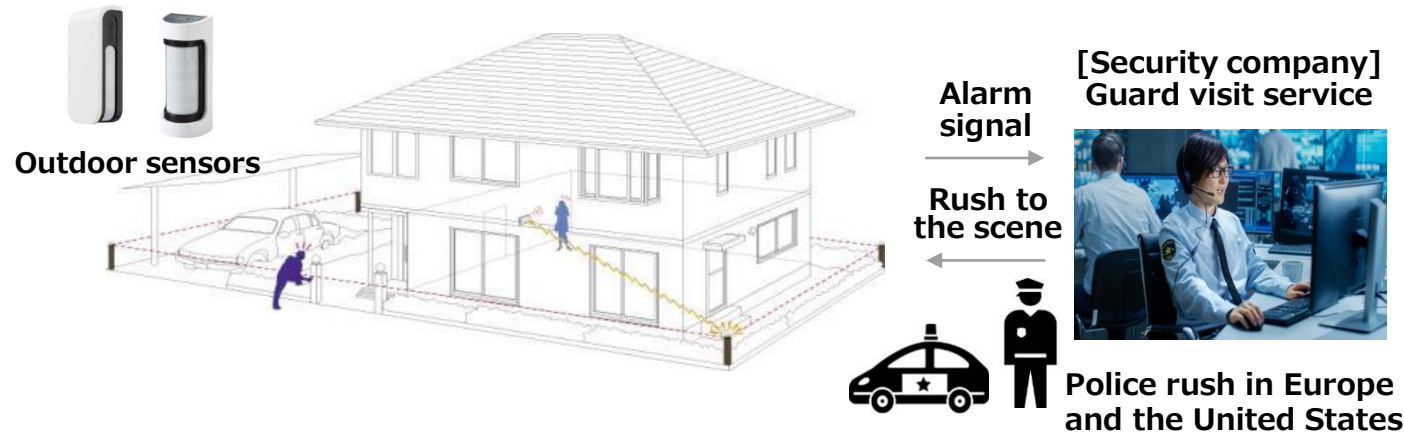
LED lighting systems for image inspection



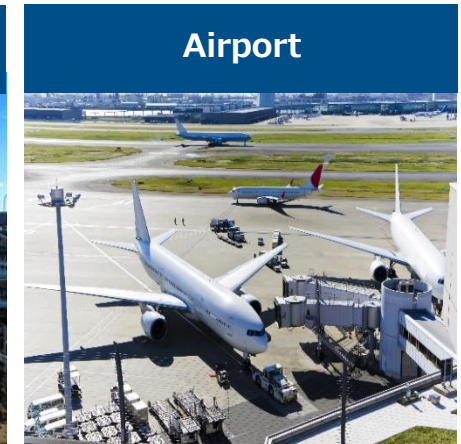
Business Domain _ Security sensors

Largest market share in the world for intrusion detectors for outdoor use

Residential home · Commercial facilities



Important facilities



Business Domain _ Automatic door sensors

Domestic market Share: Over 50%

Overseas market Share: Over 20%

Jun. 2020

Automatic door sensors selected for the New Global Niche Top Companies Selection 100 by the Ministry of Economy, Trade and Industry.

In 1980, we applied the far-infrared ray, 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 center

Over 60% share of the convenience stores

Shinkansen ("bullet train") automatic doors

Shutters 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

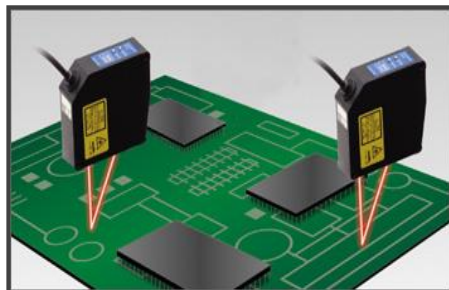
Displacement sensors



Products for the semiconductor and electric and electronic parts industries



Measurement of smartphone frame height

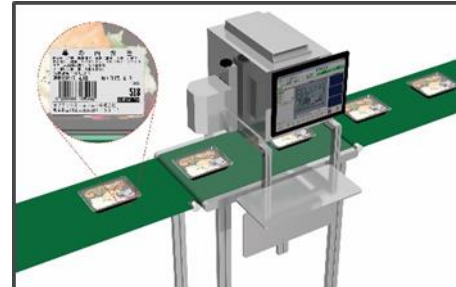


Measurement of substrate tilt/warp

Image sensors



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



Inspection of use-by dates printed on packages

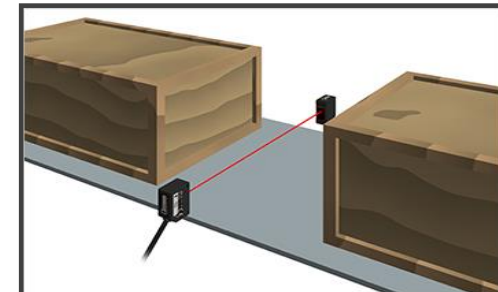


Inspection of use-by dates printed on milk cartons

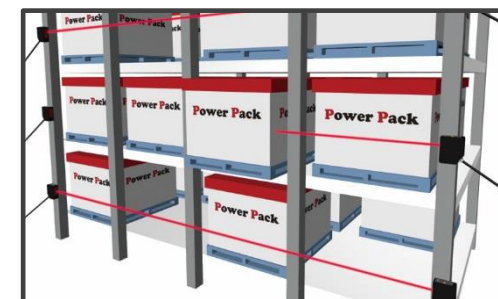
Photoelectric sensors



Products for the logistics industry



Detection of passing wooden boxes



Detecting boxes protruding from shelves in automatic warehouses

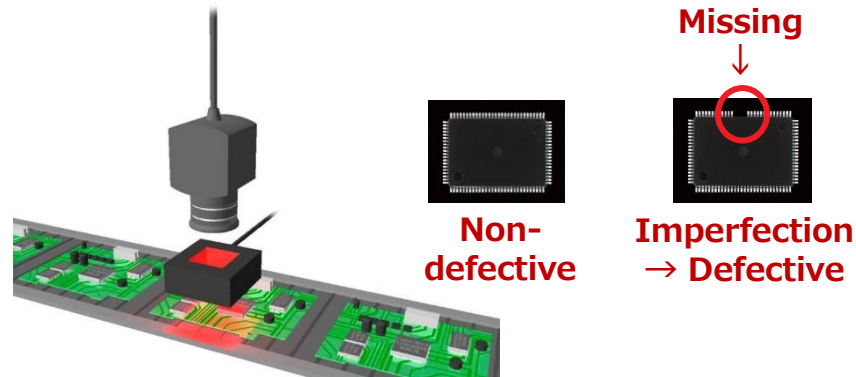
Business Domain _ Machine Vision Lighting

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

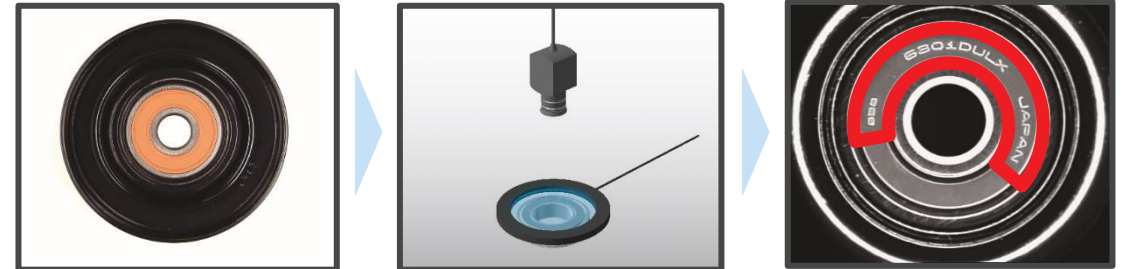
Lighting for image inspections *

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

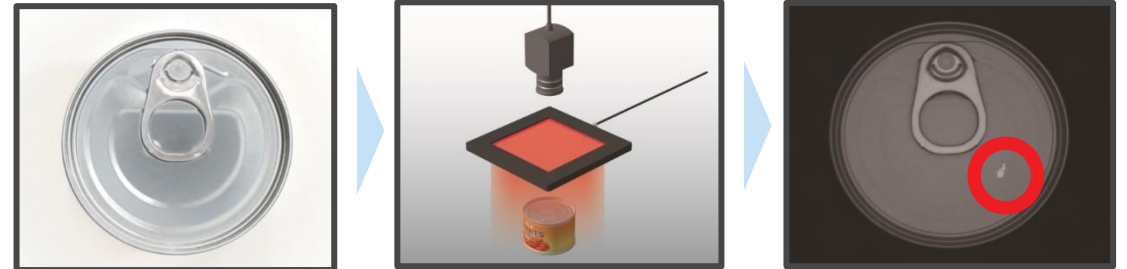
Photos or images of the inspection targets are taken and processed using lighting (and power supplies), lenses, and cameras, and the items are judged to be "good" or "defective".



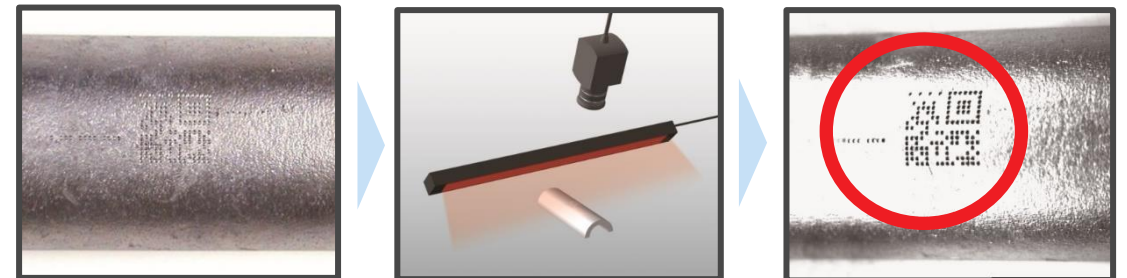
Inspection for defects in parts mounted on a printed circuit board



Bearing raised character imaging



Can surface dirt imaging



Metal surface QR code imaging

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

ESG's Efforts

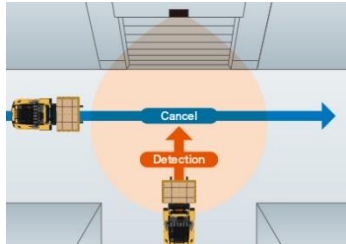
We have been making efforts to improve our corporate value by responding positively to ESG tasks.



Environment

Products and services helping resolve environment issues

Sensors for shutters that help reduce energy consumption at factories and warehouses. They do not react to anything passing in front of them, but to anything coming towards them. This prevents unnecessary opening and closing operations and improves air conditioning efficiency.



Simplified water quality measurement system using IoT



Social

Relationships with local communities

Implementing the Lake Biwa Outdoor Education Program, a social contribution program that takes advantage of the environment where the head office is located, as part of CSR activities.



Canoeing



Researching fish of foreign origins



Observing plankton



Governance

Corporate governance

Four of the Directors and members of the Audit & Supervisory Committee, who account for more than one-third of the total (11), are Independent Outside Directors. Experts (lawyers and certified public accountants) are appointed.

Appointed a female Outside Director for the first time at Annual General Meeting of Shareholders held in March 2020.



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