



Summary of Consolidated Financial Results for the First Quarter of F.Y. 2021 (Jan.1 to Mar.31, 2021)

OPTEX GROUP CO., LTD.

May 10, 2021

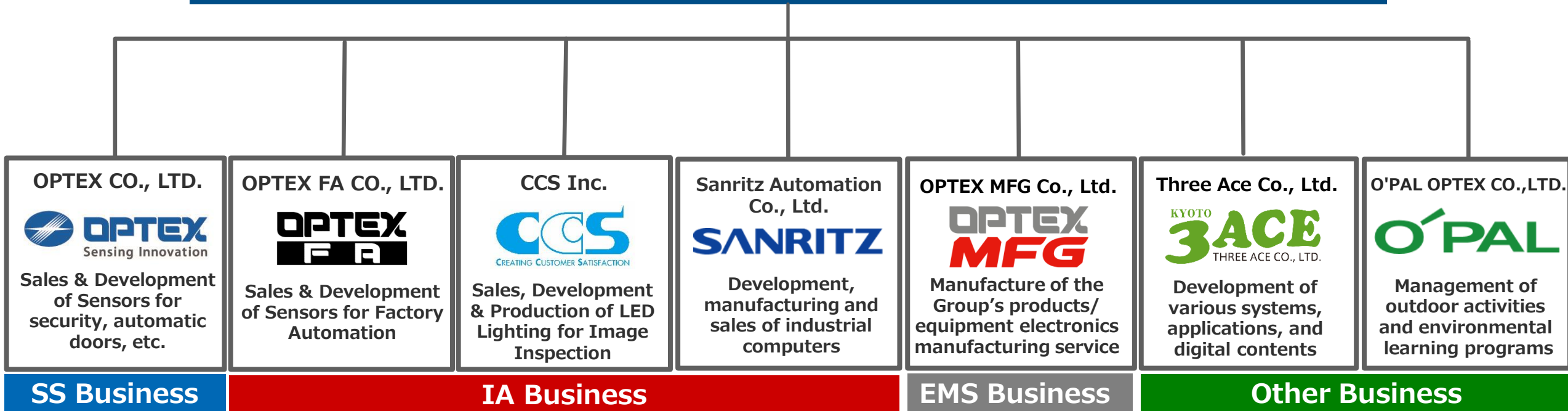
(Tokyo Stock Exchange Market 1st Section:#6914)

<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.

Holding Company Structure

Holding Company **OPTEX GROUP CO., LTD**
 (Tokyo Stock Exchange Market 1st Section : #6914)



*Sanritz Automation:
 To be included in consolidated results, starting FY2021.

Revision to Main Business Segments

F.Y. 2020

SS Business (SS : Sensing Solution)	Security Sensor segment
	Automatic Door Sensor segment
	Other (Water Quality Measurement Solutions, Customer Traffic Counting System)

FA Business (FA : Factory Automation)

MVL Business (MVL : Machine Vision Lighting)

EMS Business (EMS: Electronics Manufacturing Service)

Other Business (Development of software/ Management of Outdoor Activity)

F.Y. 2021

SS Business (SS : Sensing Solution)	Security Sensor segment
	Automatic Door Sensor segment
	Other (Water Quality Measurement Solutions, Customer Traffic Counting System)

IA Business (IA : Industrial Automation)

FA segment (FA : Factory Automation)

MVL segment (MVL : Machine Vision Lighting)

IPC segment (IPC : Industrial PC)

EMS Business (EMS: Electronics Manufacturing Service)

Other Business (Development of software/ Management of Outdoor Activity)



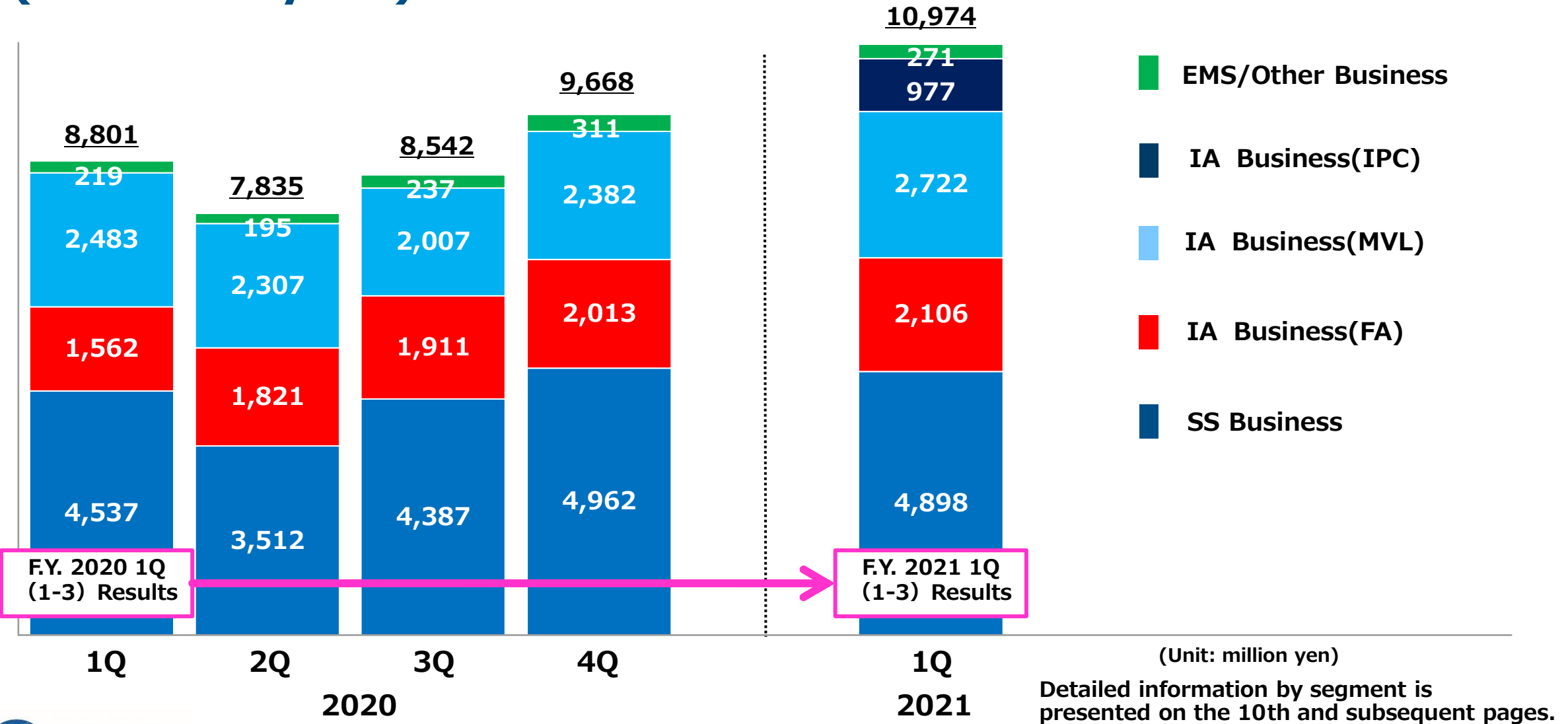
Key Points of Financial Results from 1Q of F.Y. 2021

- **Net sales were +25% year on year, reflecting growth in existing businesses and effects from the consolidation of a new operating company (Sanritz Automation Co., Ltd.).**
- **Operating income was +139% year on year because a rise in gross profit significantly exceeded an increase in selling, general and administrative expenses.**

Summary of Consolidated Financial Results for the First Quarter of F.Y. 2021

<u>Operating Results</u> (Unit: million yen)		F.Y.2019 1Q (1-3) Results	F.Y.2020 1Q (1-3) Results	Change	Percent Change
Net sales		8,801	10,974	+2,173	24.7%
Operating income (Operating income Ratio)		555 (6.3%)	1,326 (12.1%)	+771	139.0%
Ordinary income		604	1,582	+978	161.8%
Profit attributable to owners of parent		356	1,057	+701	197.0%
Net income per share (yen)		9.85	29.24		
Exchange rate (Unit: Yen)	1USD	108.92	105.90		
	1EUR	120.11	127.69		

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

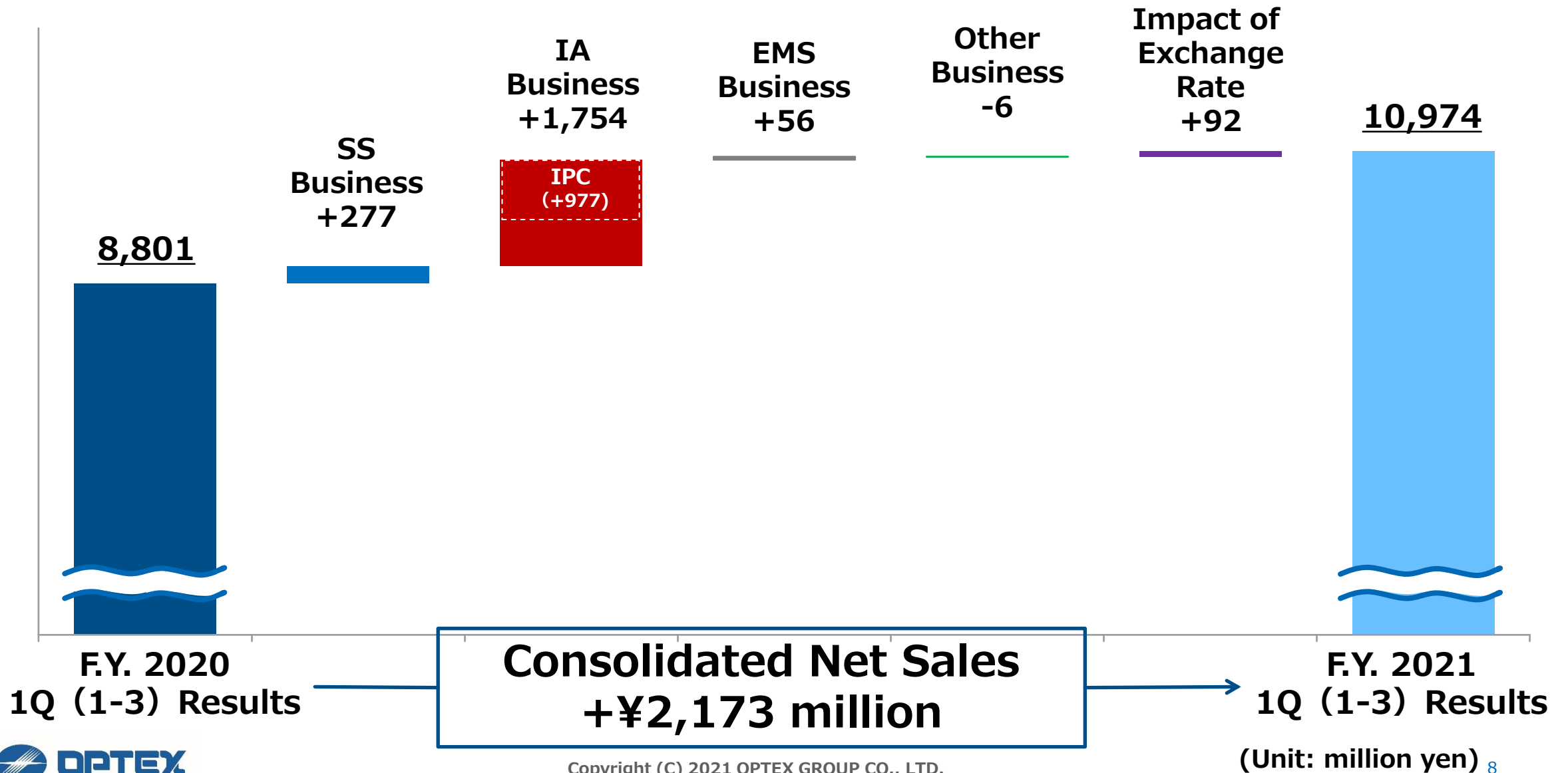


Comparison of Financial Results for the First Quarter of F.Y. 2021 between Segments

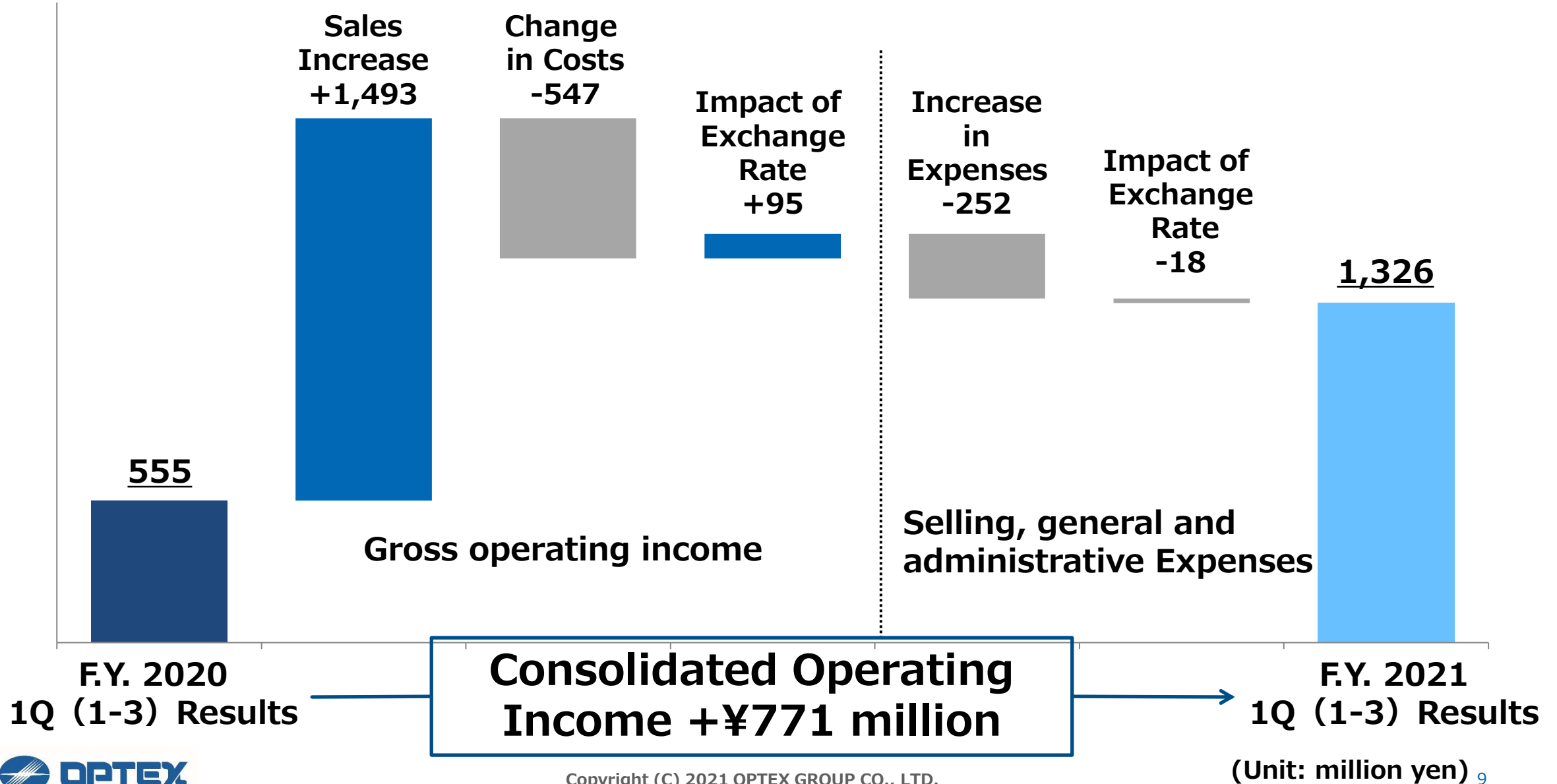
Operating Results (Unit: million yen)	F.Y. 2020 1Q (1-3) Results		F.Y. 2021 1Q (1-3) Results			
	Net sales	Operating income (Operating income Ratio)	Net sales	Percent Change	Operating income (Operating income Ratio)	Percent Change
SS Business	4,537	370 (8.2%)	4,898	8.0%	696 (14.2%)	87.9%
IA Business *	4,046	337 (8.3%)	5,806	43.5%	735 (12.7%)	118.3%
EMS Business	98	-57	156	59.4%	22	-

*With respect to the IA business, IPC segment results are included in consolidated results, starting from FY2021.

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



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



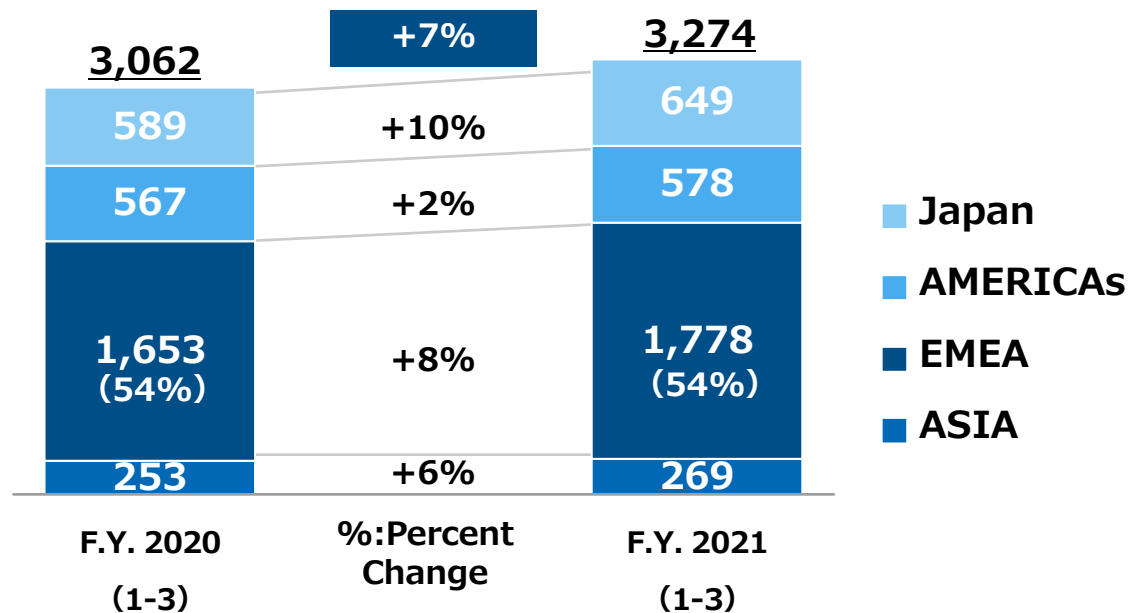
Business by Segment - SS Business(Security Sensors)

Region	F.Y. 2021 1Q (1-3) Results
Japan	Sales increased, reflecting steady sales of outdoor intrusion detectors for security companies and large-scale critical facilities.
AMERICAs	Sales rose, reflecting solid sales of outdoor intrusion detectors for large-scale critical facilities, which offset sluggish sales for general housing units and offices.
EMEA	Sales climbed, reflecting steady sales of detectors for large-scale critical facilities recorded at sales subsidiaries in Europe and outdoor intrusion detectors for general housing units in Southern Europe.
Asia and Oceania	Sales increased due to solid sales of intrusion detectors in India and South East Asia.

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



Camera sensors for general home use



Business by Segment - SS Business(Automatic Door Sensors)

Region	F.Y. 2021 1Q (1-3) Results
Japan	Sales increased, driven by steady sales to automatic door dealers on the back of firm demand from stores handling daily necessities.
AMERICAs	Sales declined given slow sales to major North American automatic door manufacturers associated with the impact of logistics issues and parts shortages.
EMEA	Sales rose due to solid sales to major European automatic door manufacturers.

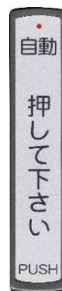
Sales by Region / Figures in parentheses () are the percentage of total sales



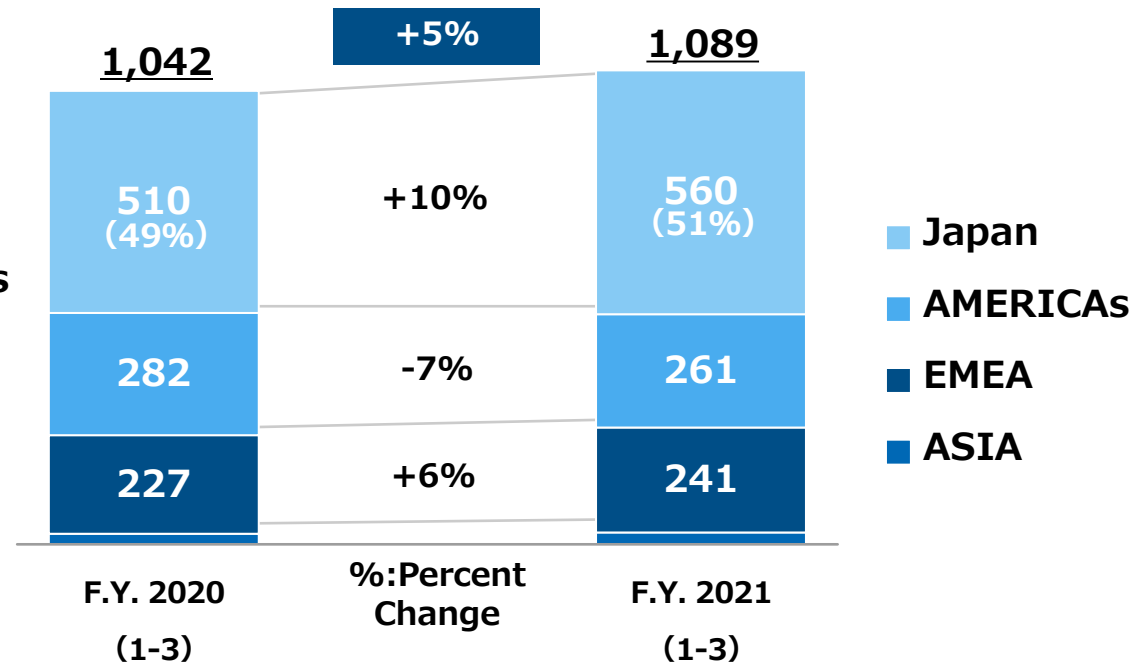
Automatic door sensors



Clean Switch



Push plate



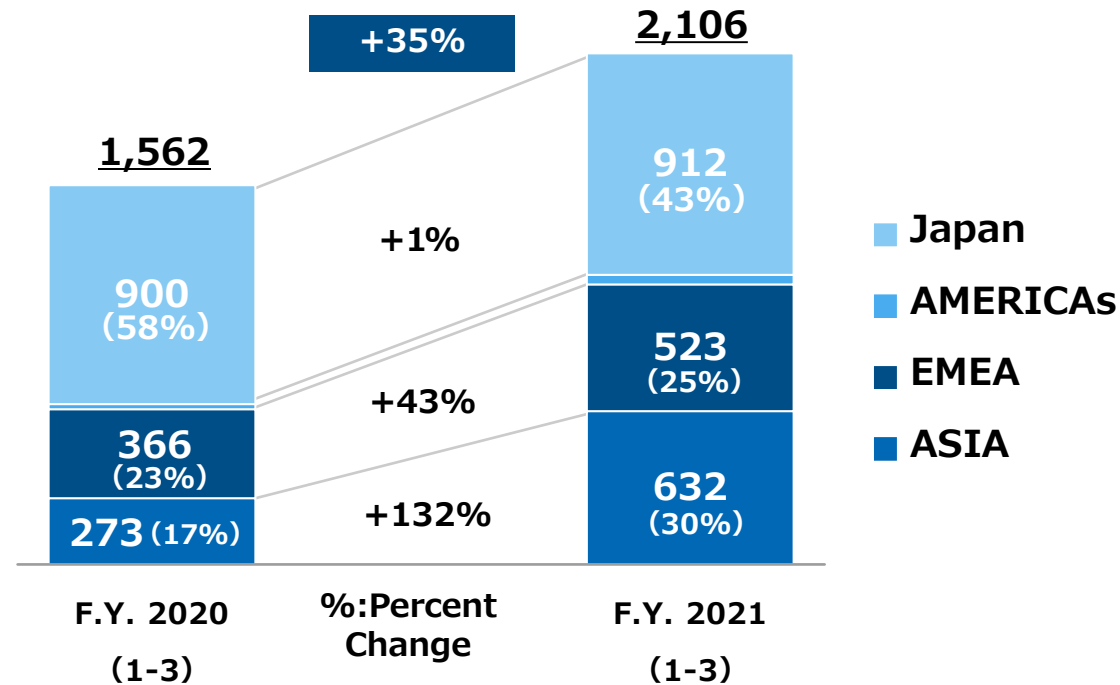
Business by Segment - IA Business(FA)

Region	F.Y. 2021 1Q (1-3) Results
Japan	Sales increased slightly, reflecting solid sales related to capital investment in electric devices, electronics and semiconductors, despite sluggish sales to the food industry.
EMEA	Sales rose significantly on solid demand for displacement sensors for electronic parts.
Asia and Oceania	Sales increased substantially, mainly reflecting steady sales of displacement sensors on the back of strong capital investment demand in China.

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



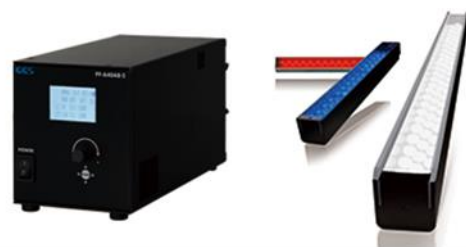
Displacement sensors



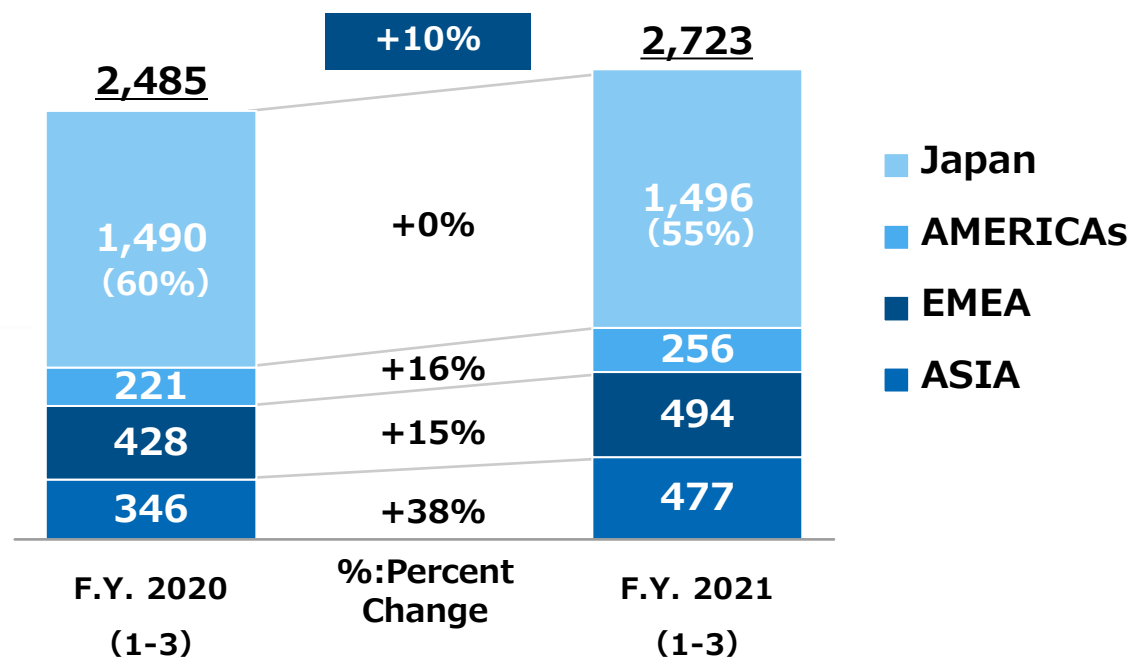
Business by Segment - IA Business(MVL)

Region	F.Y. 2021 1Q (1-3) Results
Japan	Sales increased slightly, reflecting steady sales related to capital investment in electric devices, electronics and semiconductors, despite sluggish sales to the automobile industry.
AMERICAS	Sales increased due to ongoing projects for the medical industry and orders related to capital investment in semiconductors in North America.
EMEA	Sales increased, reflecting the recovery of economic activity in Europe and higher sales recorded by the French local subsidiary through the expansion of products into the United States.
Asia and Oceania	Sales climbed significantly on a rise in sales related to capital investment in semiconductors in China.

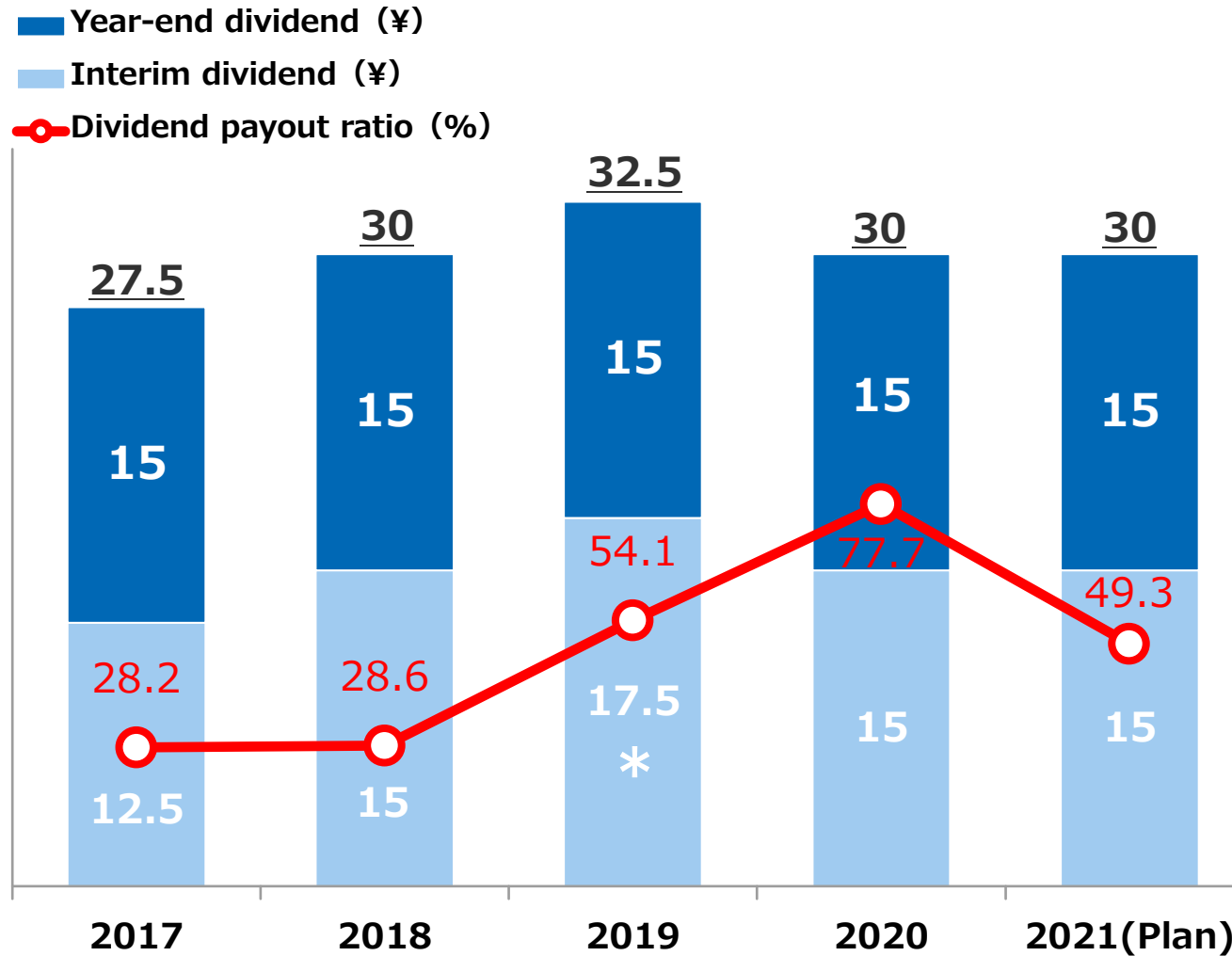
Sales by Region / Figures in parentheses () are the percentage of total sales



LED lighting systems for image processing



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!!

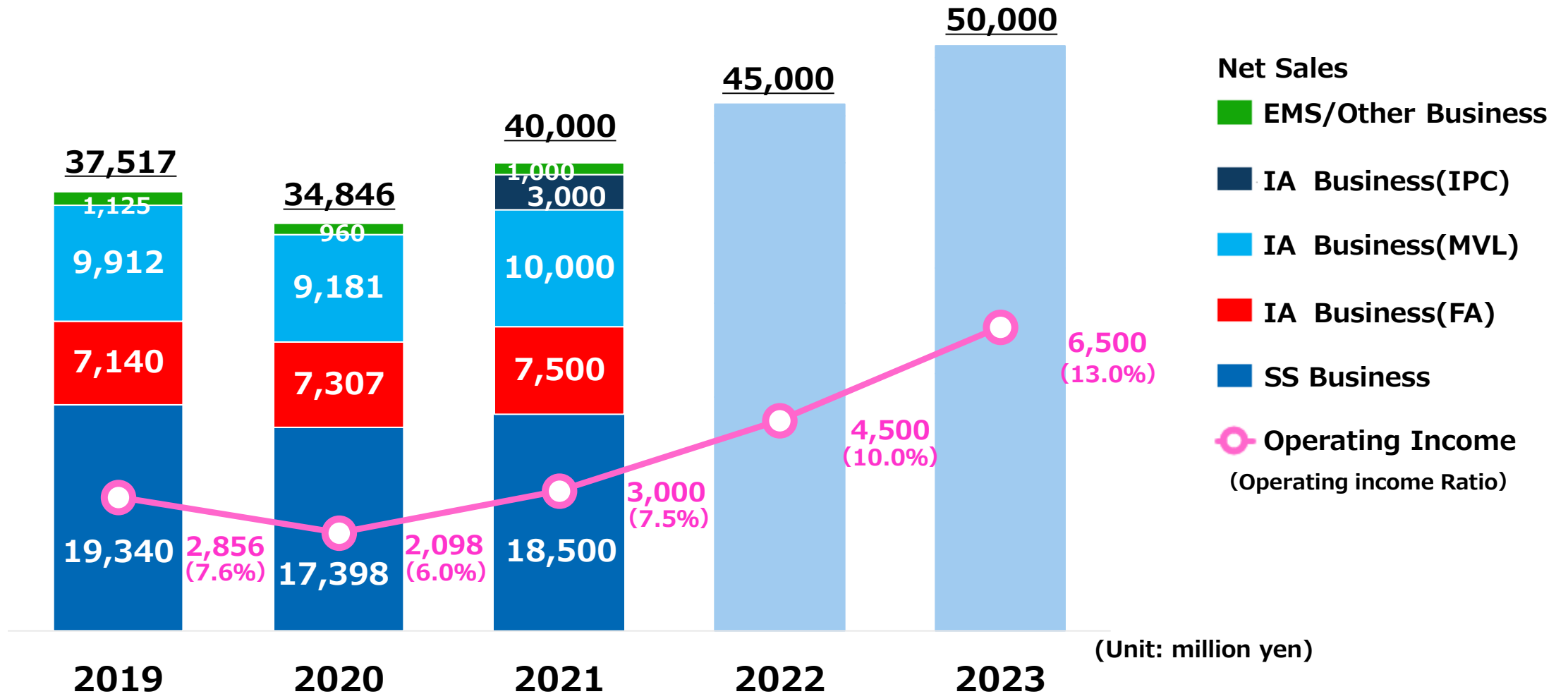
Group's management policy

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.



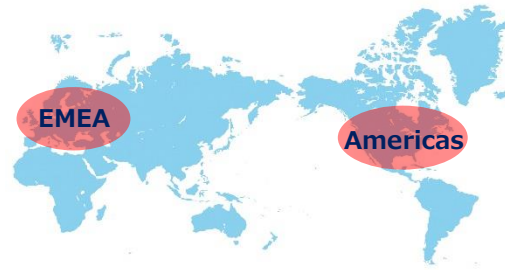
Medium-term Management Plan(Announced Feb. 2021)



Measures for accomplishing the medium-term management plan_ From sales of products to sales of solutions and services

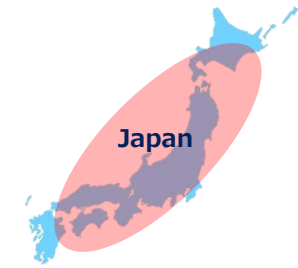
Security Sensor segment

Promotion of the Visual Verification Solution to increase market share in Europe and the United States.



Automatic Door Sensor segment

Expansion of the data service business by leveraging the high market share, or 50%, of the business in Japan.



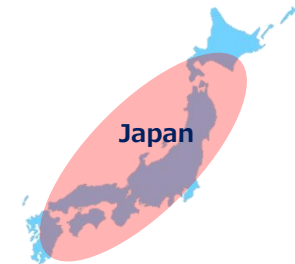
FA segment

Acceleration of collaboration with SICK AG, the world's No. 1 sensor manufacturer.



MVL segment

Expansion into the external inspection business by utilizing AI and robots



Sales of products

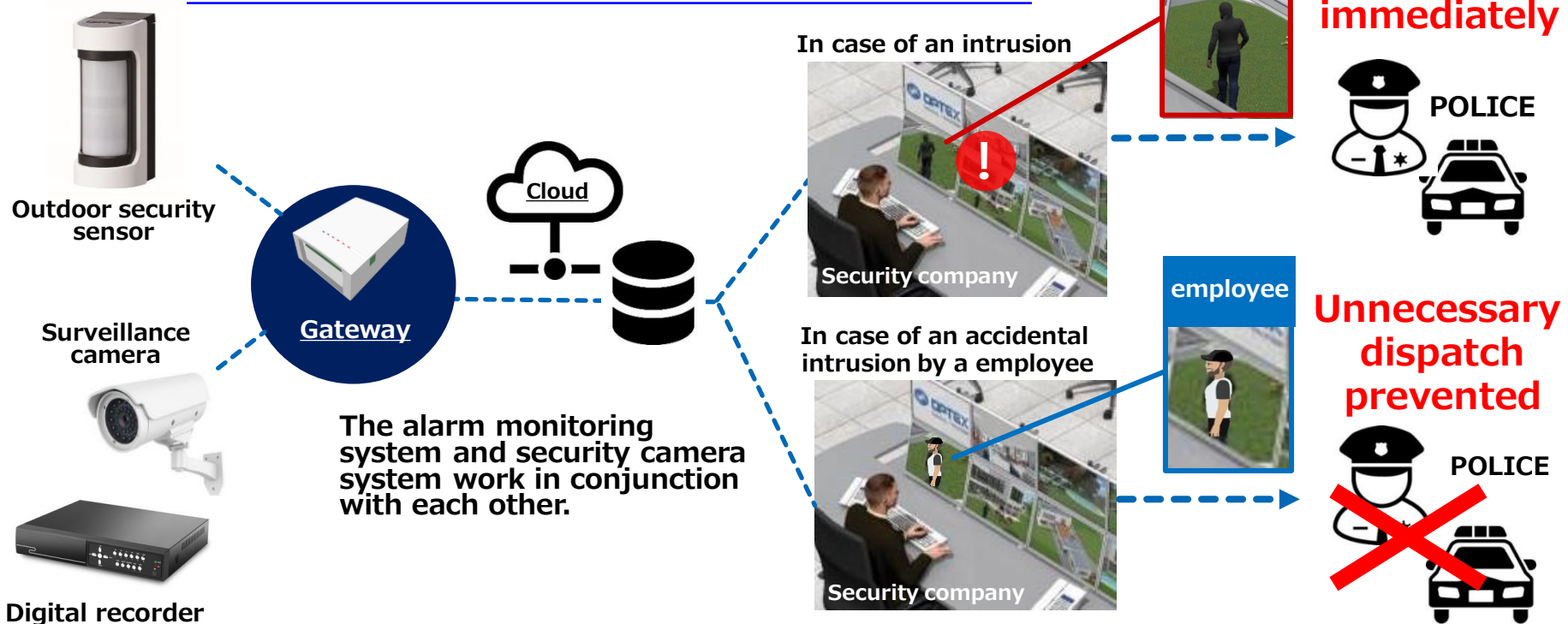


Outdoor security sensors

Sales of solutions and services

Visual verification solution

Unnecessary police dispatches due to false alarms can be reduced



Expanding the outdoor sensor market by leveraging collaboration with existing camera systems.

Sales of products



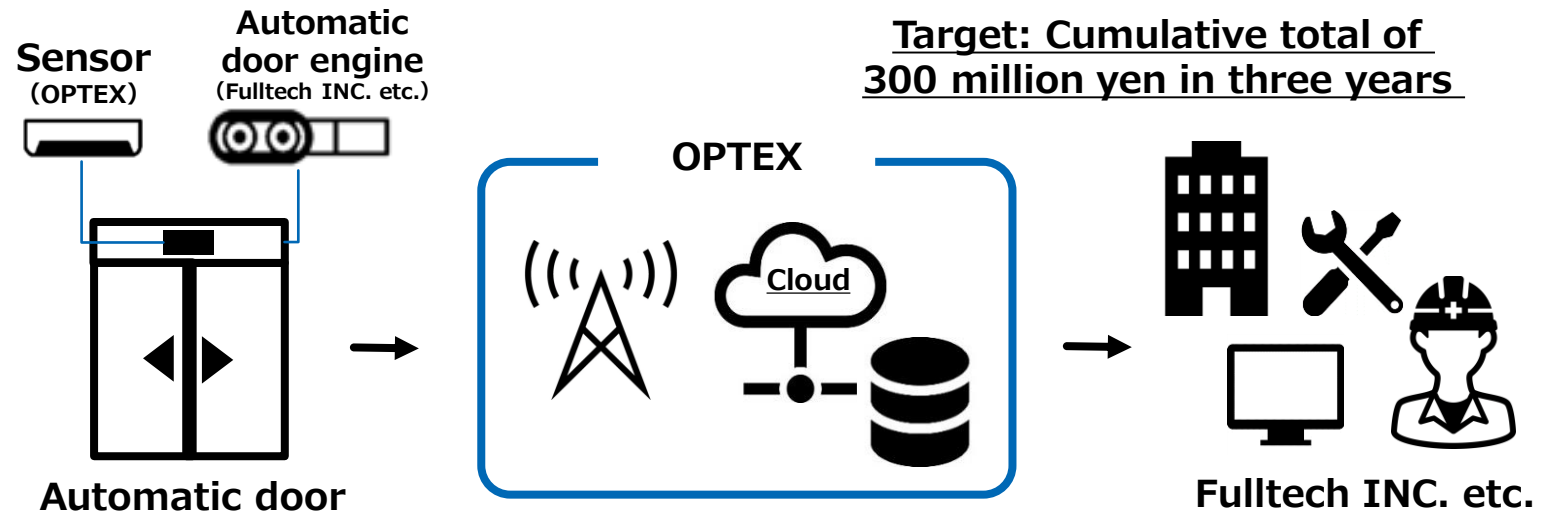
Automatic door sensors

Sales of solutions and services

Automatic door data platform

Identifying conditions at the site in real time

- Predictive maintenance of equipment
- Efficient maintenance support e.g. Identifying connection equipment's failures and conditions. Obtaining information on the door opening/closing count.



Remote monitoring using data obtained from automatic door sensors

Sales of products



Automatic door sensors

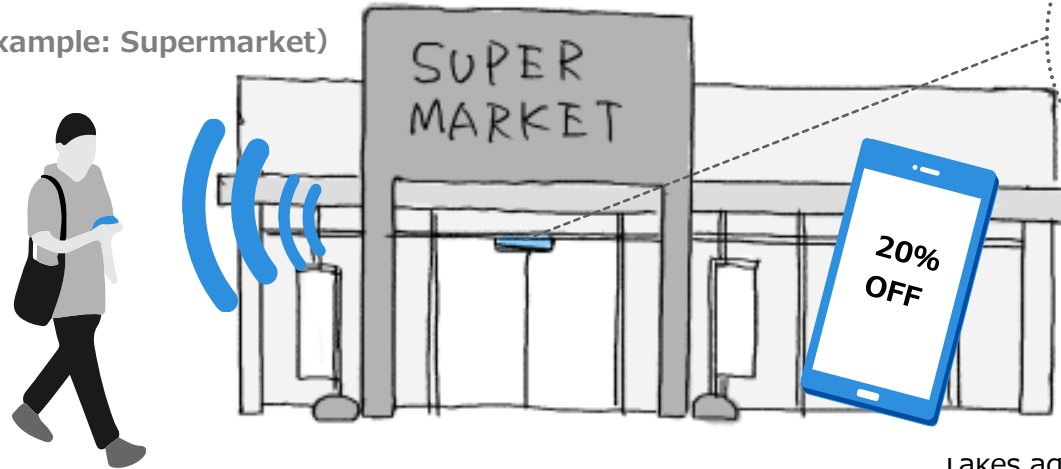
Sales of solutions and services Sharing service OMNICITY

Improve the efficiency of store operations and sales promotion

1,000,000 entrances at commercial facilities and stores in Japan

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.

Expanding business by effectively utilizing information on the location of automatic door sensors.

Sales of products



Factory automation sensors



Sales of solutions and services Strengthening the product lineup of IO-Link

Enables remote monitoring and predictive maintenance

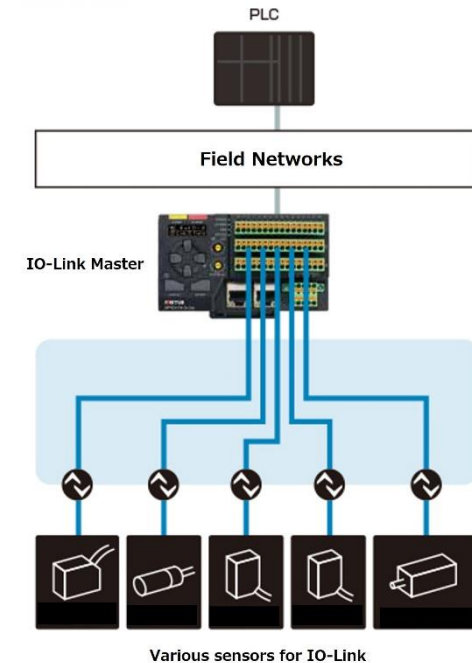
Releasing Industry 4.0-ready IO-Link sensors

IO-Link

A communication technology for interactive communication between the sensor and the high-order control system for the exchange of different data

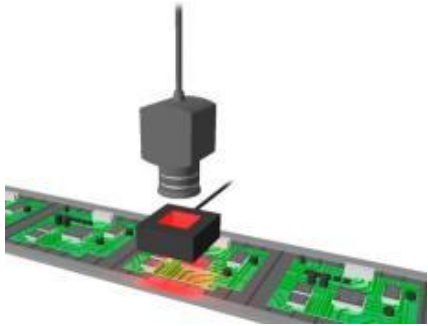


Collaboration with SICK AG



IA Business(MVL) — Expansion into the external inspection business by utilizing AI and robots

Sales of products

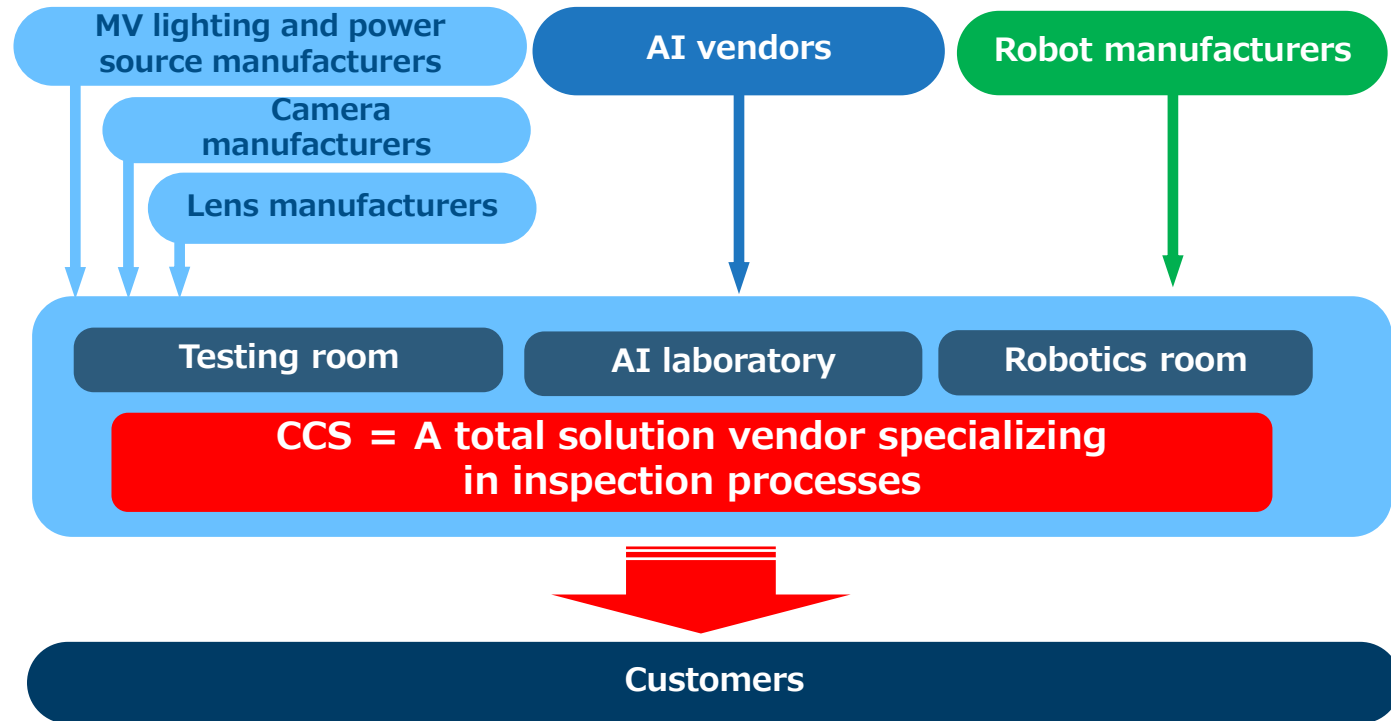


LED Lighting systems for image inspection

Sales of solutions and services

Offering a total solution by leveraging through the combined use of AI and robots.

Providing customers with viewing capabilities



<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

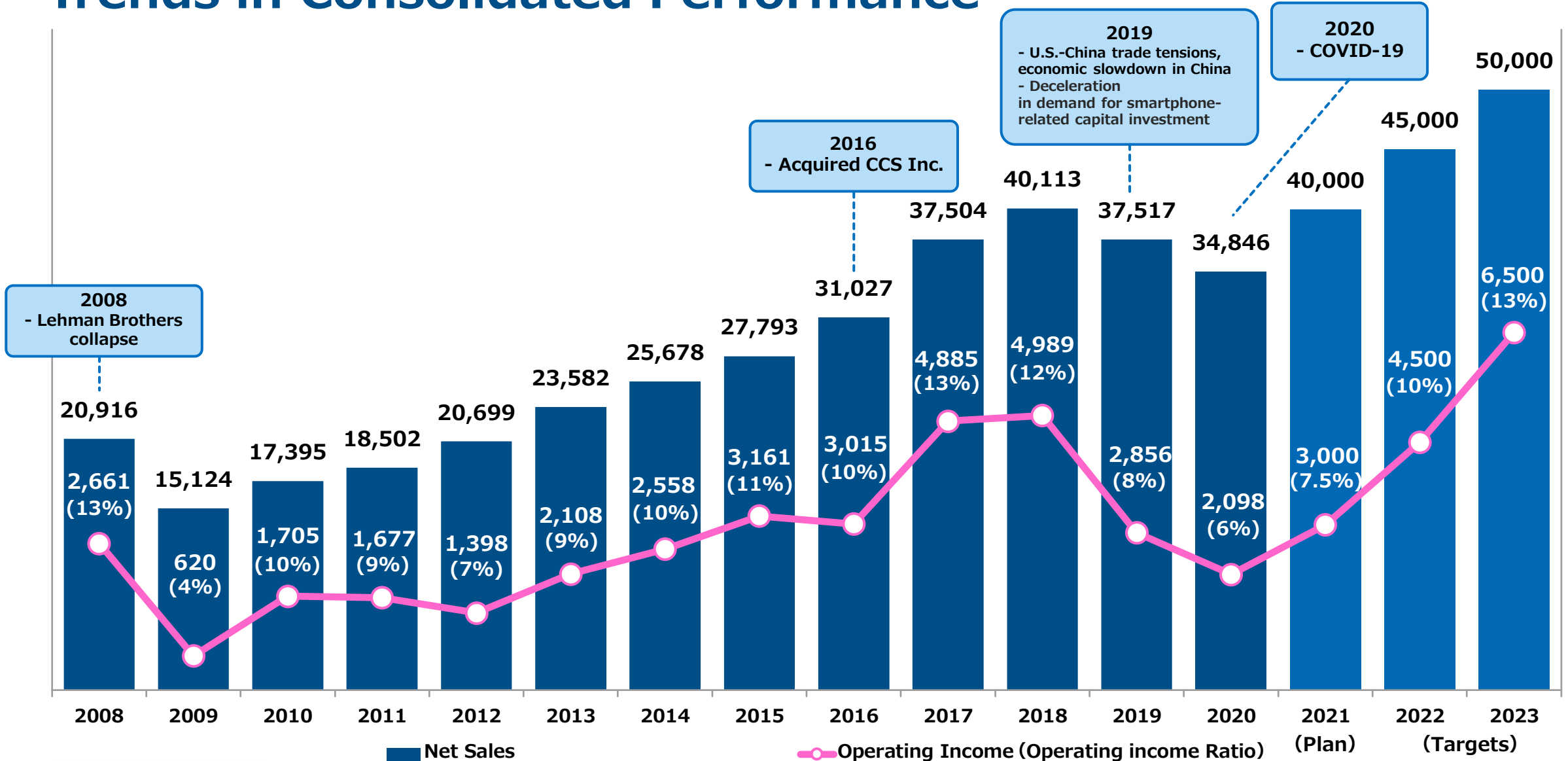
OPTical TEchnology

**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)

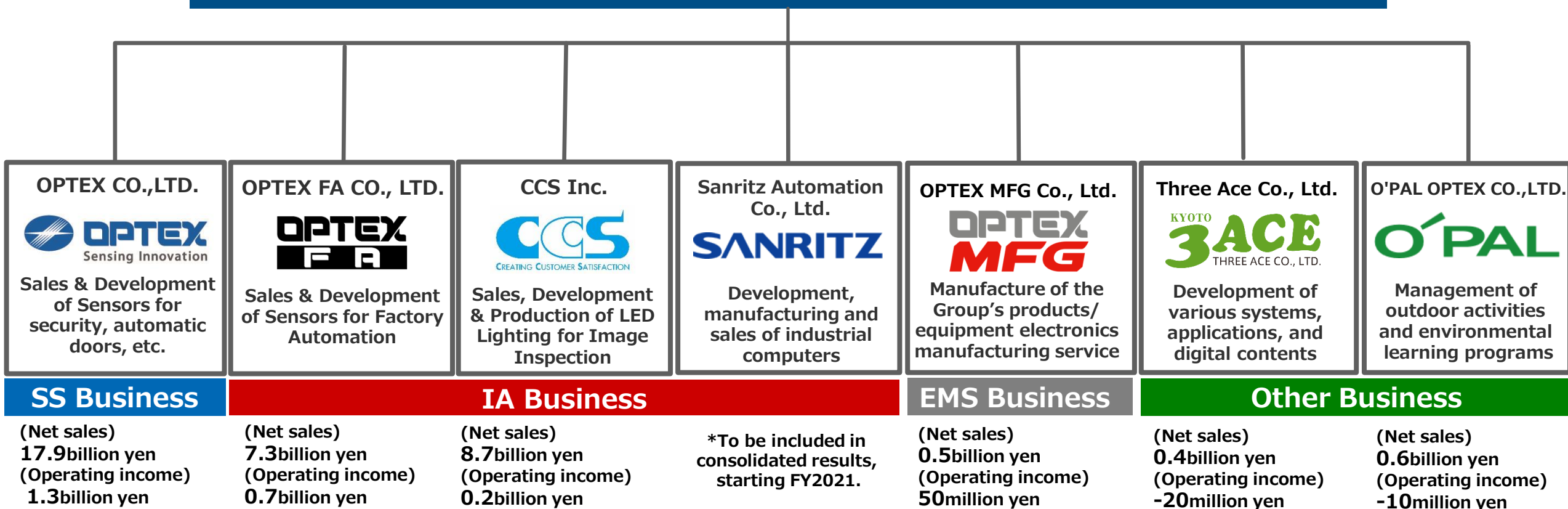


LED lighting systems for image inspection 27

Holding Company Structure

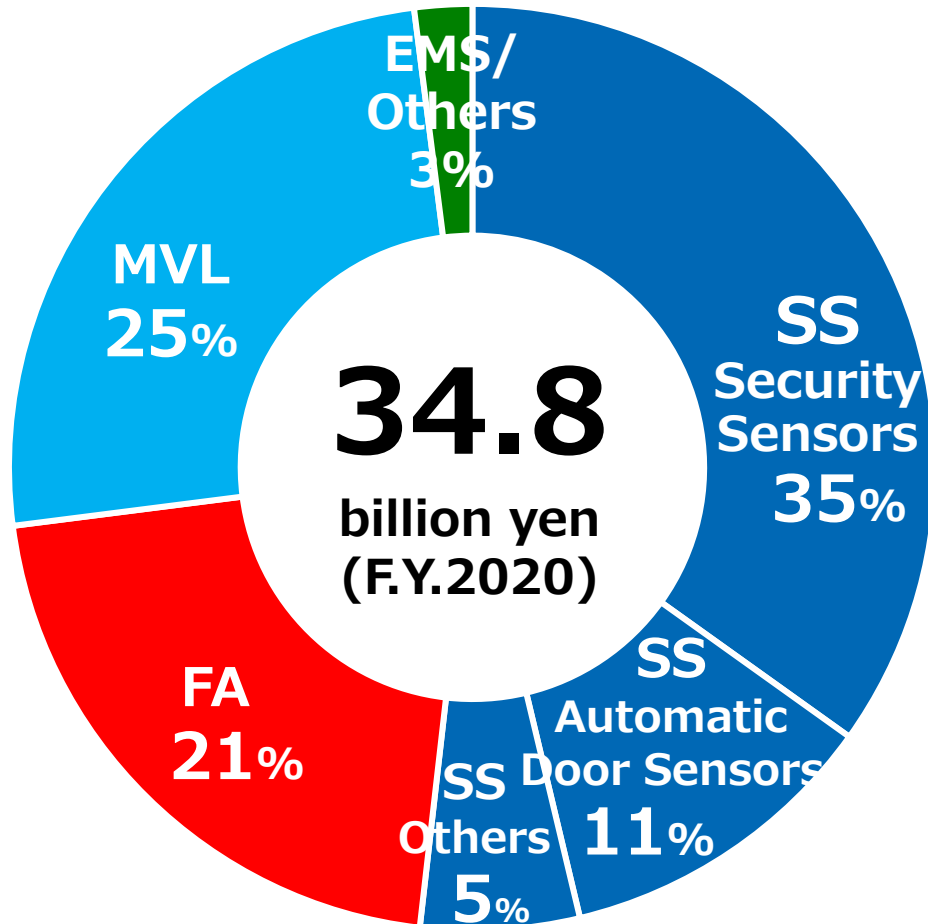
Holding Company **OPTEX GROUP CO., LTD**

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

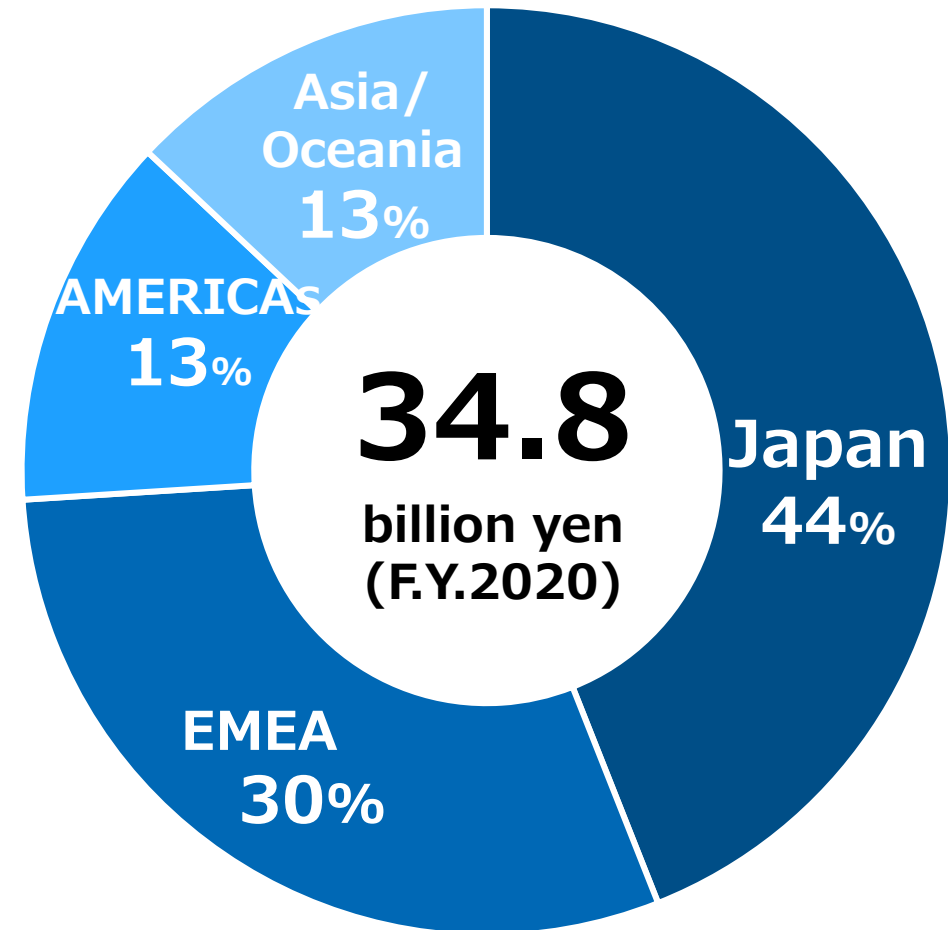


Company Overview _ Data

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

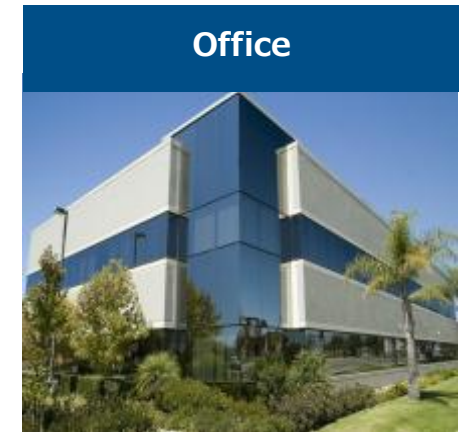
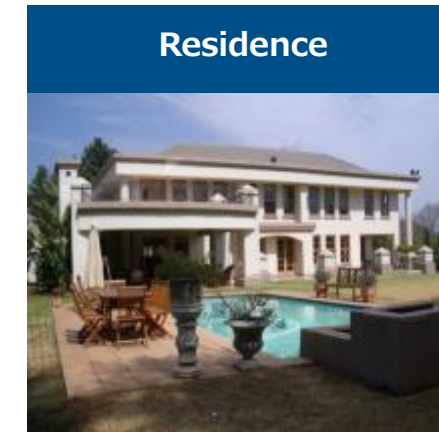
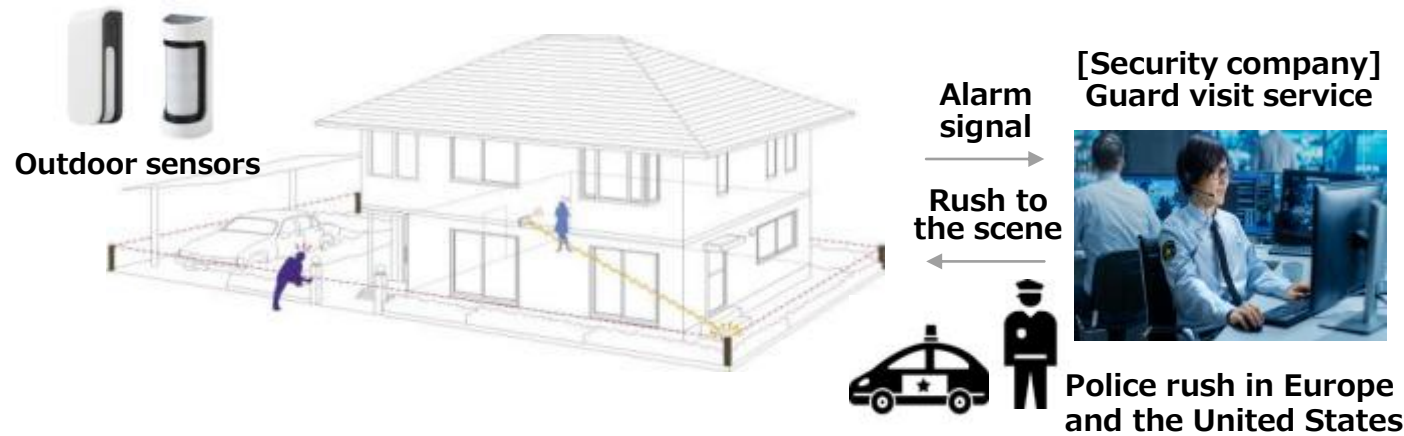


LED lighting systems for image inspection

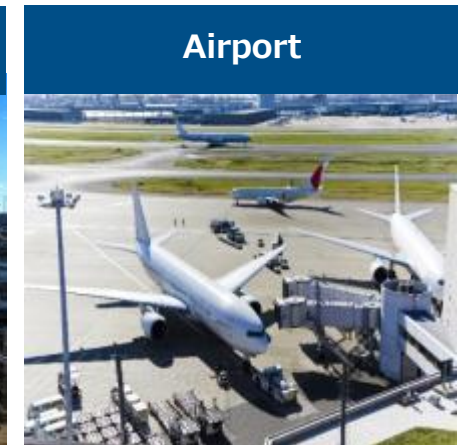
Business Domain _ Security sensors

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

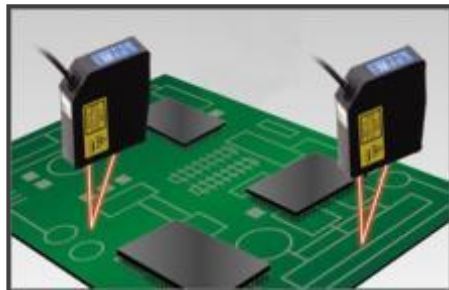
Displacement sensors



Products for the semiconductor and electric and electronic parts industries



Measurement of smartphone frame height

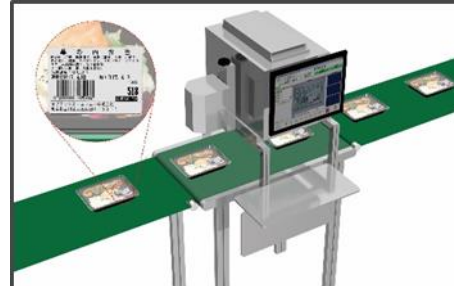


Measurement of substrate tilt/warp

Image sensors



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



Inspection of use-by dates printed on packages

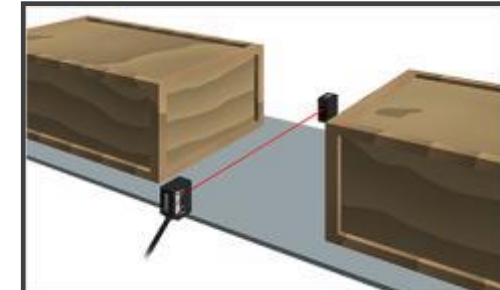


Inspection of use-by dates printed on milk cartons
Copyright (C) 2021 OPTEX GROUP CO., LTD.

Photoelectric sensors



Products for the logistics industry



Detection of passing wooden boxes



Detecting boxes protruding from shelves in automatic warehouses

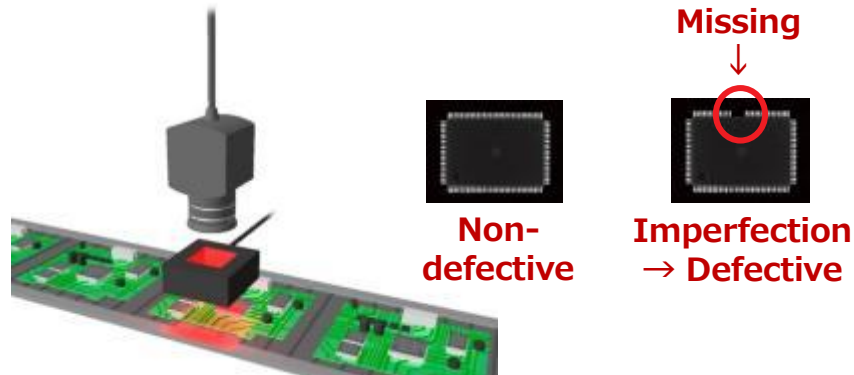
Business Domain _ Machine Vision Lighting

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

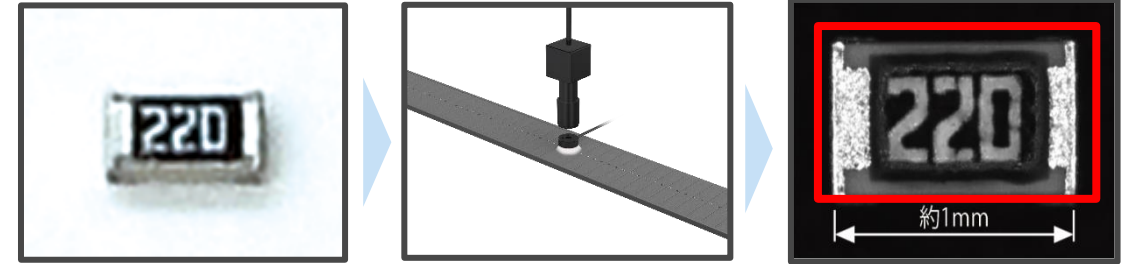
Lighting for image inspections *

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

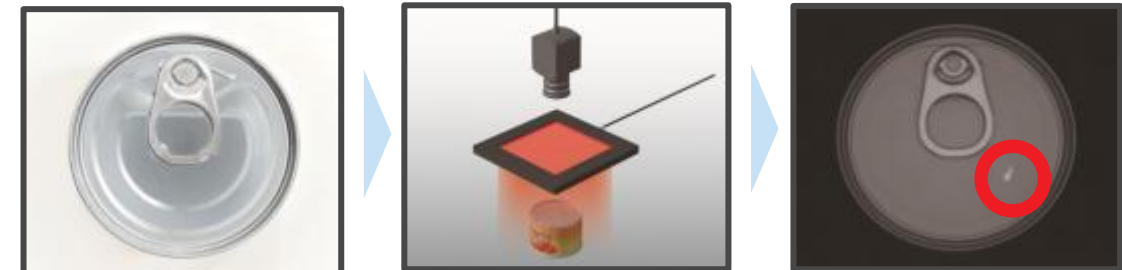
Photos or images of the inspection targets are taken and processed using lighting (and power supplies), lenses, and cameras, and the items are judged to be "good" or "defective".



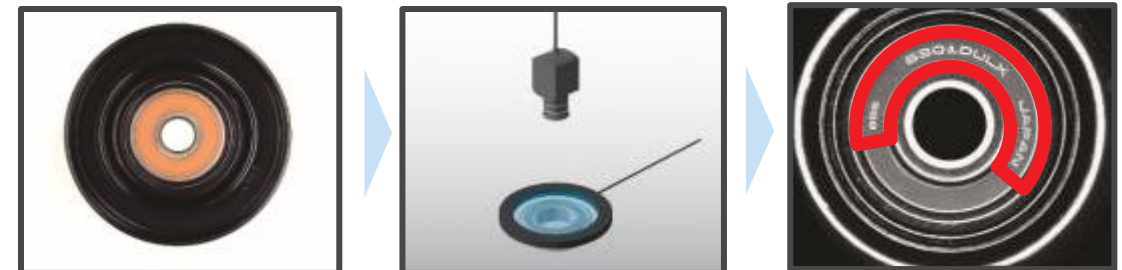
Inspection for defects in parts mounted on a printed circuit board



Small chip parts (about 1mm) character/shape imaging



Can surface dirt imaging



Bearing raised character imaging

*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.

Highlighting long-term technical support services based on a wealth of expertise on the development of hardware and software as a competitive edge

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



ESG's Efforts

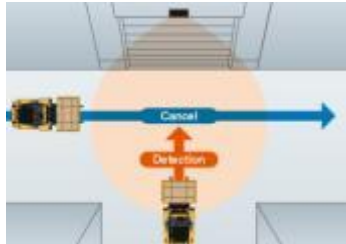
We have been making efforts to improve our corporate value by responding positively to ESG tasks. We have published ESG report([Click here](#)).



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.