



Summary of F.Y. 2021 Consolidated Financial Results (Jan.1 to Dec.31, 2021)

**OPTEX GROUP CO., LTD.
February 14, 2022
(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. 2021

New record highs in net sales and ordinary income

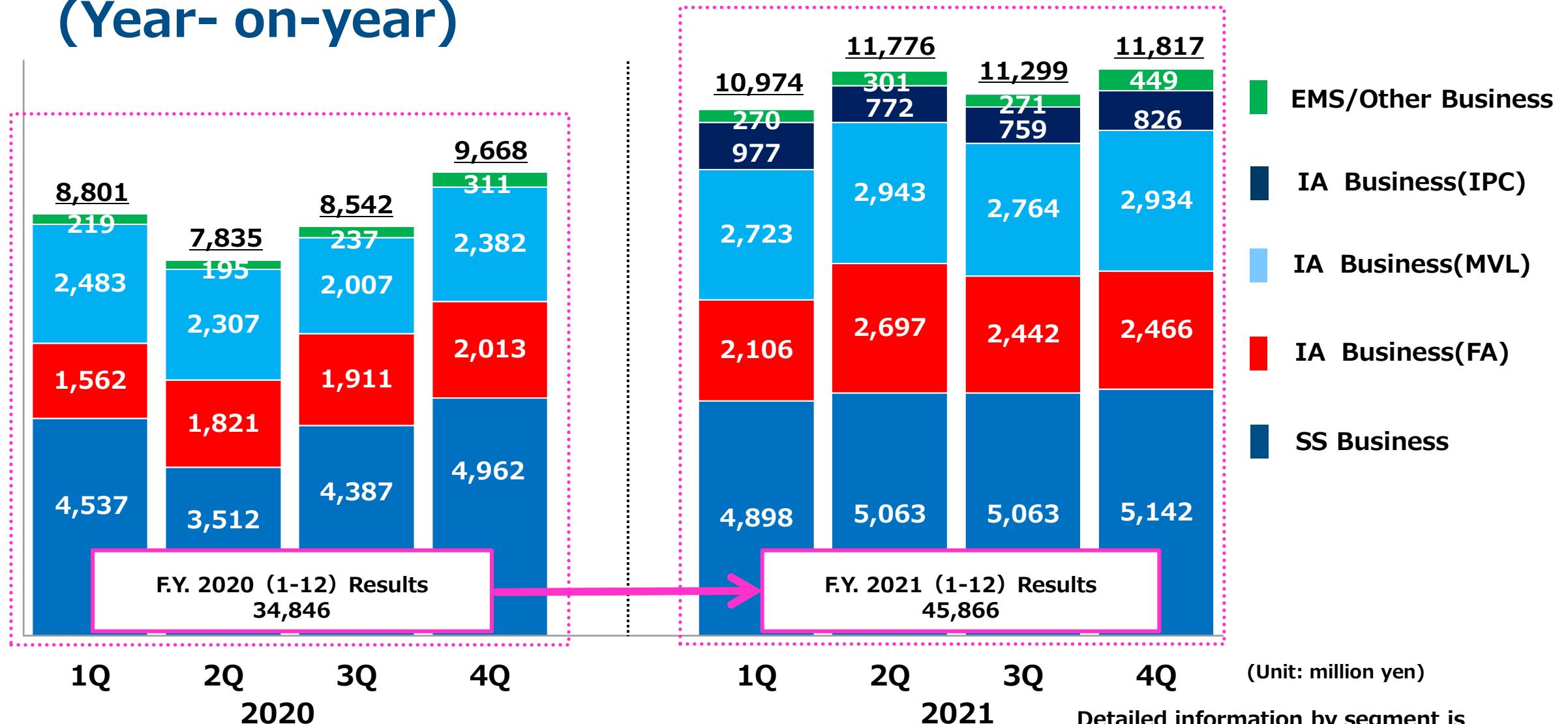
- Net sales were +32% year on year, reflecting growth in existing businesses(+22%) and the effects of the consolidation of a new operating company (Sanritz Automation Co., Ltd.).
- Operating income was +121% year on year, Reflecting a significant decrease in the SG&A ratio, offsetting an increase in the cost of sales ratio of approx. 1 percentage point. Ordinary income jumped +136%, enjoying the foreign exchange effect.

Summary of Consolidated Financial Results of F.Y. 2021

<u>Operating Results</u> (Unit: million yen)	F.Y.2020 (1-12) Results	F.Y.2021 (1-12) Results	Change	Percent Change
Net sales	34,846	45,866	+11,019	+31.6%
Operating income (Operating income Ratio)	2,098 (6.0%)	4,630 (10.1%)	+2,532	+120.7%
Ordinary income	2,176	5,130	+2,954	+135.7%
Profit attributable to owners of parent	1,395	3,762	+2,367	+169.7%
Net income per share (yen)	38.59	104.18		

Exchange rate (Unit: Yen)	1USD	106.82	109.80
	1EUR	121.81	129.89

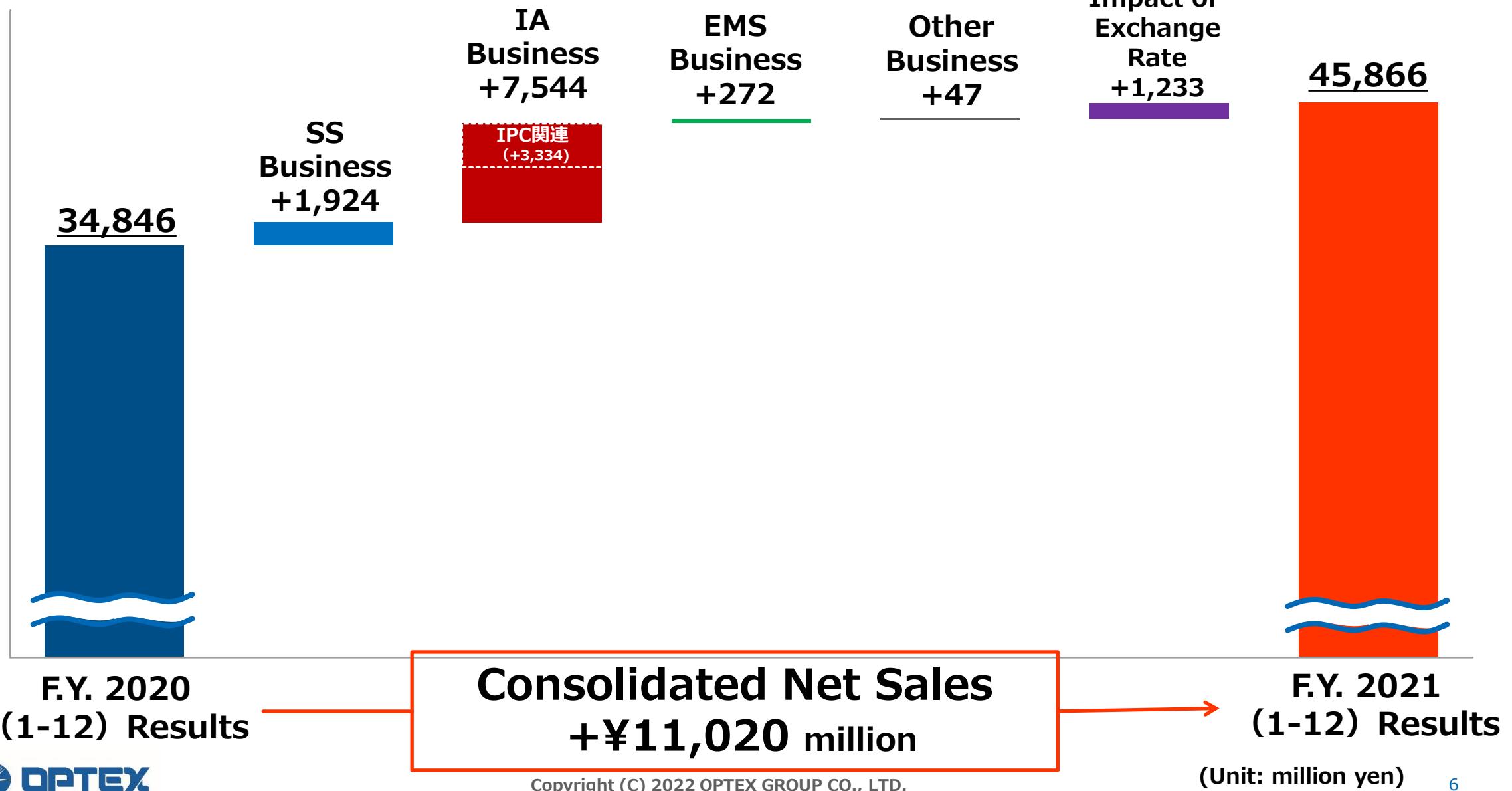
Quarterly performance - Consolidated Net Sales (Year- on-year)



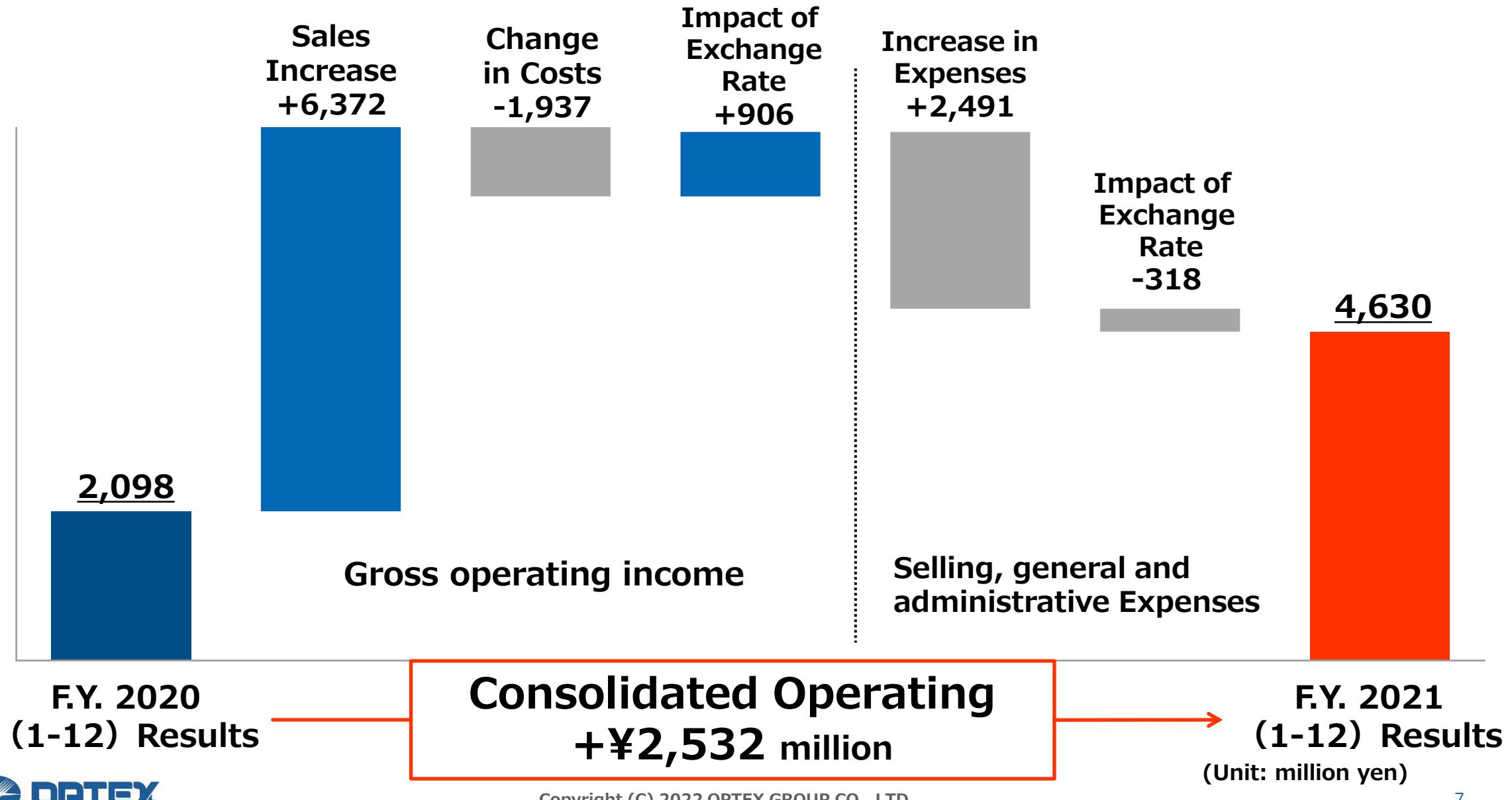
Comparison of Financial Results of F.Y. 2021 between Segments

<u>Operating Results (Unit: million yen)</u>	F.Y. 2020 (1-12) Results		F.Y. 2021 (1-12) Results			
	Net sales	Operating income (Operating income Ratio)	Net sales	Percent Change	Operating income (Operating income Ratio)	Percent Change
SS Business	17,398	1,430 (8.2%)	20,164	+15.9%	2,201 (10.9%)	+53.8%
IA Business*	16,488	1,086 (6.5%)	24,409	+48.0%	2,700 (11.1%)	+148.7%
EMS Business	471	66 (14.0%)	756	+60.5%	310 (41.0%)	+366.8%

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

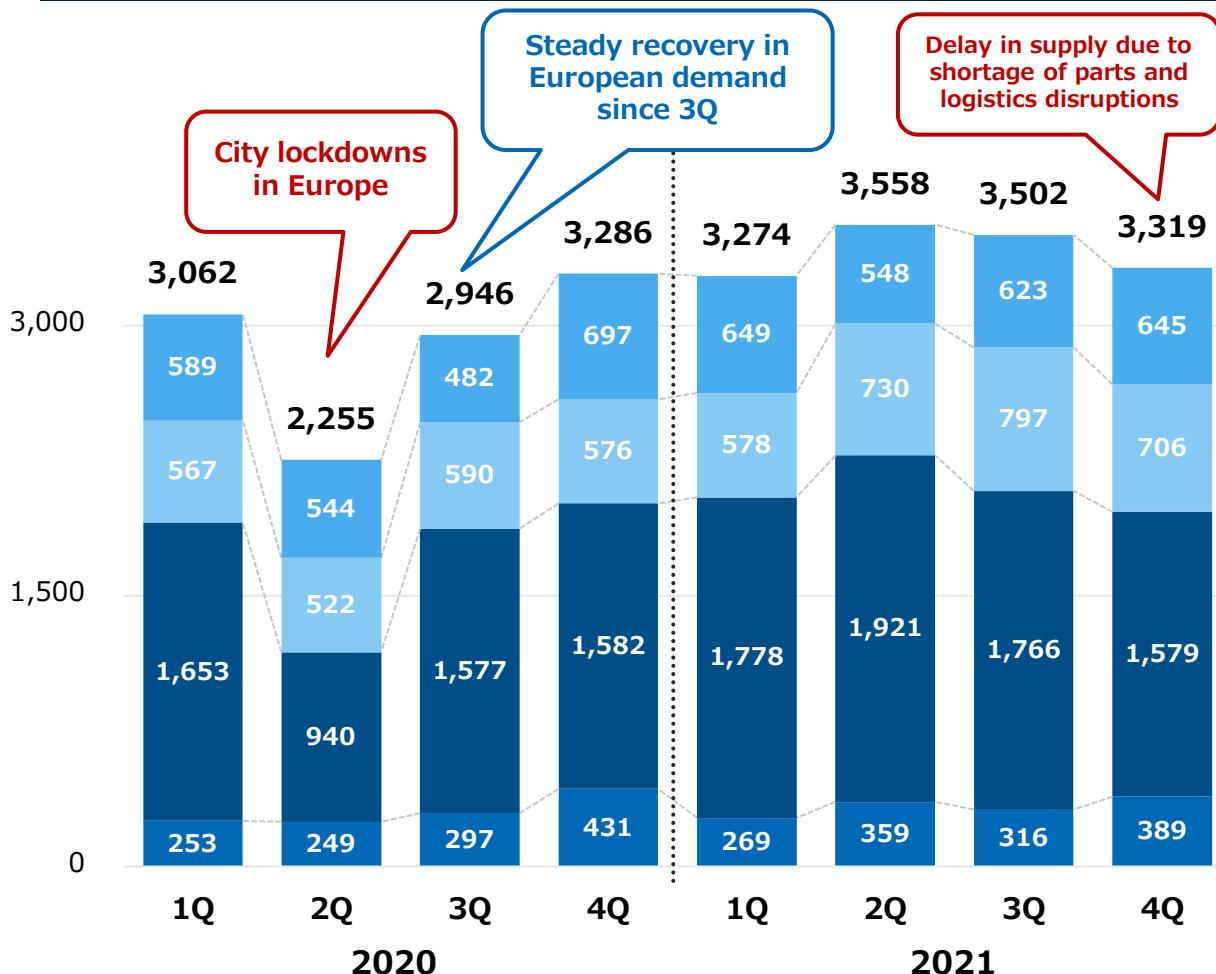


Factors of change in Operating Income (Year- on-year)

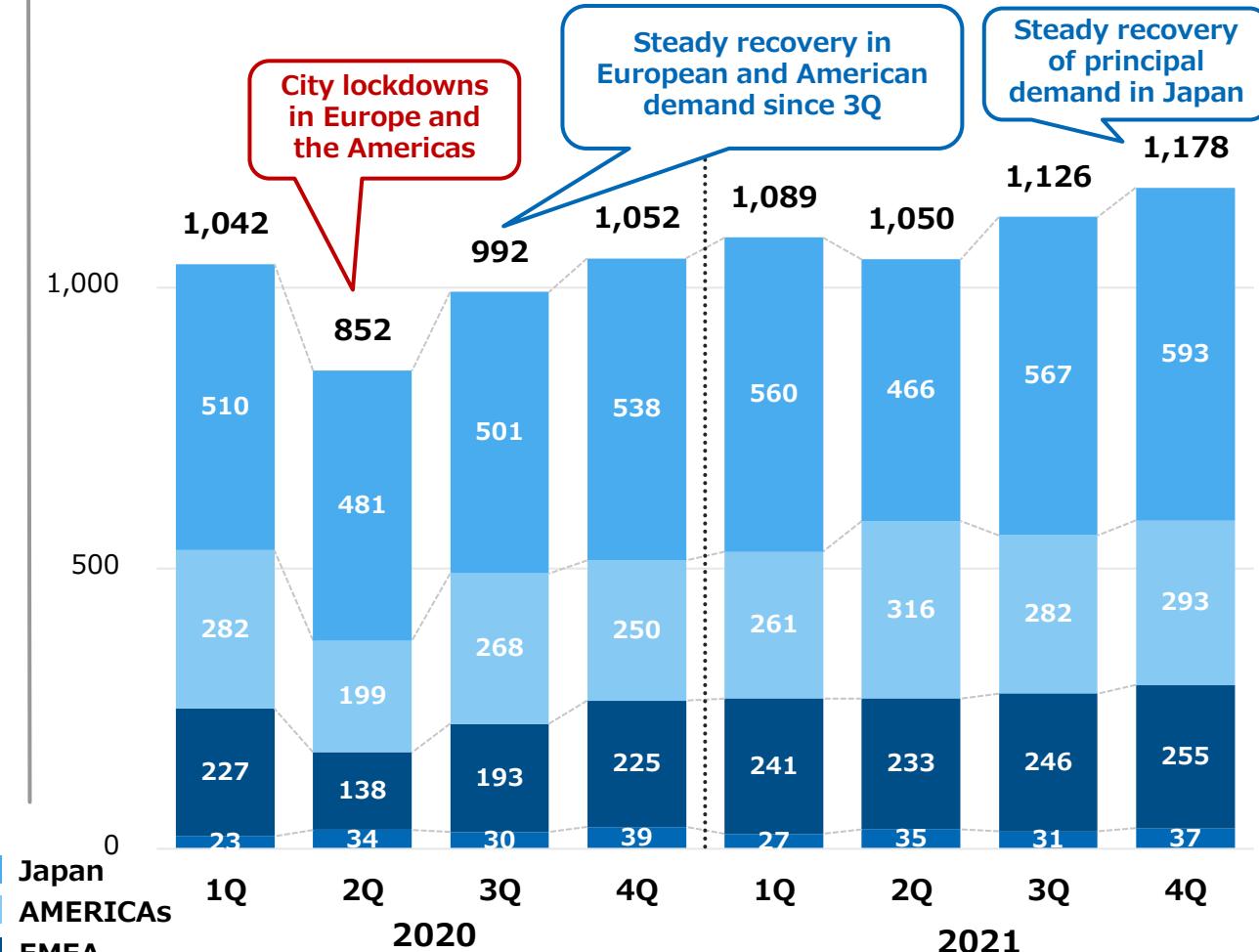


Quarterly Sales Trends by Region (SS Business)

SS Business (Security Sensors)



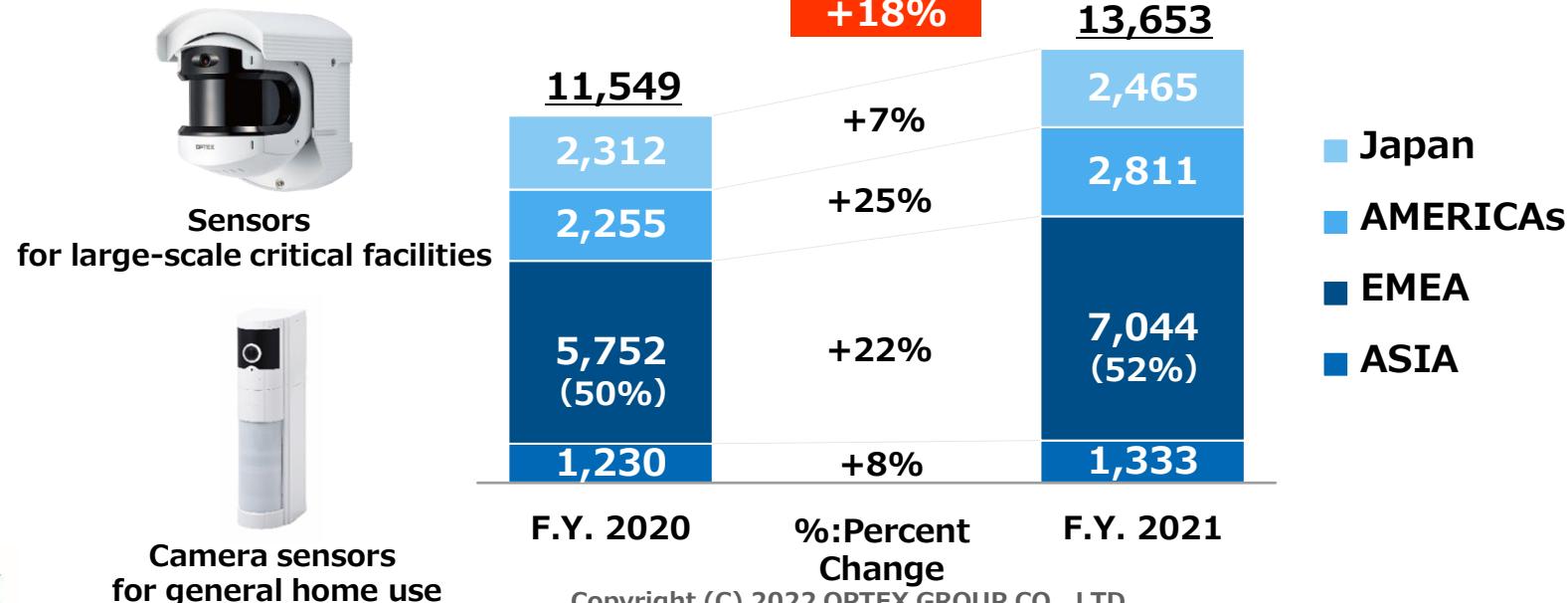
SS Business (Automatic Door Sensors)



Business by Segment - SS Business(Security Sensors)

Region	F.Y. 2021 (1-12) Results
Japan	Sales increased, reflecting steady sales for security companies and large-scale critical facilities.
AMERICAs	Sales rose significantly, reflecting the positive effect of direct marketing targeting offices and large-scale critical facilities and of new products such as laser sensors, offsetting sluggish sales in the fourth quarter due to a shortage of parts and logistics disruptions.
EMEA	Sales increased considerably, reflecting a recovery in the market for general housing units and offices and the positive effect of direct marketing targeted at large-scale critical facilities, despite sluggish sales in the third and fourth quarters due to shortage of parts and logistics disruptions.
Asia and Oceania	Sales increased with steady sales for critical facilities amid a disparity in market recoveries in different countries.

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



Business by Segment - SS Business(Automatic Door Sensors)

Region	F.Y. 2021 (1-12) Results
Japan	Sales increased, driven by a steady market recovery and brisk sales to meet demand for sensors for non-contact applications.
AMERICAs	Sales rose, reflecting market recovery and brisk sales to major automatic door manufacturers based in North America, despite sluggish sales in the third and fourth quarters due to shortage of parts and logistics disruptions.
EMEA	Sales climbed sharply, with buoyant sales to major Europe-based automatic door manufacturers offsetting product supply delays due to a shortage of parts and logistics disruptions.

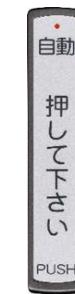
Sales by Region / Figures in parentheses () are the percentage of total sales



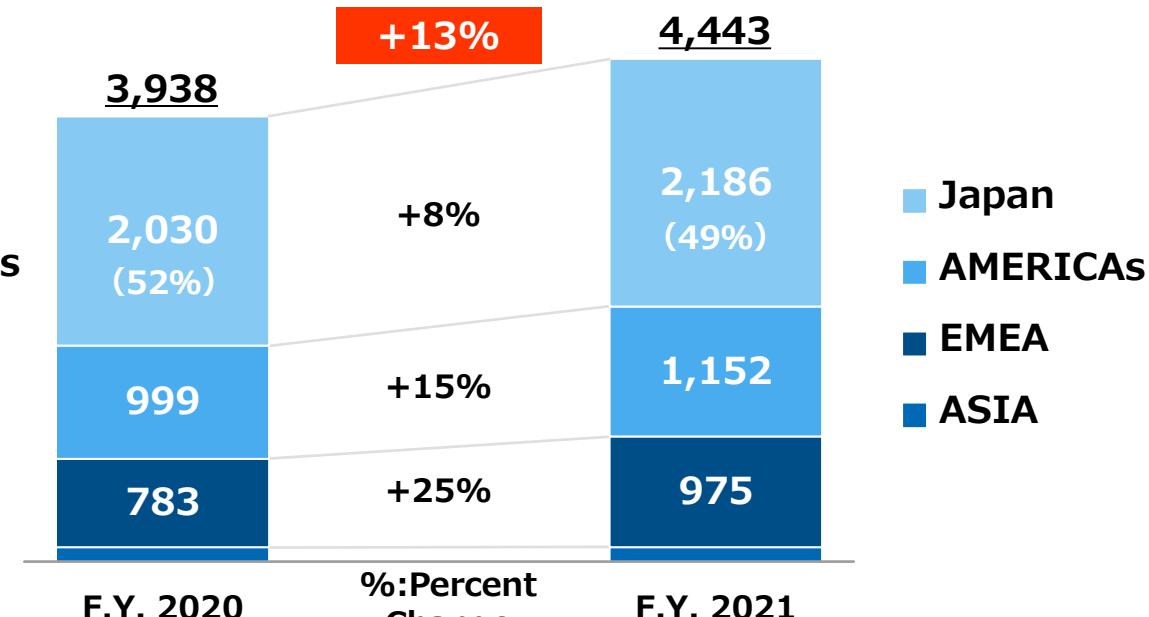
Automatic door sensors



Clean Switch

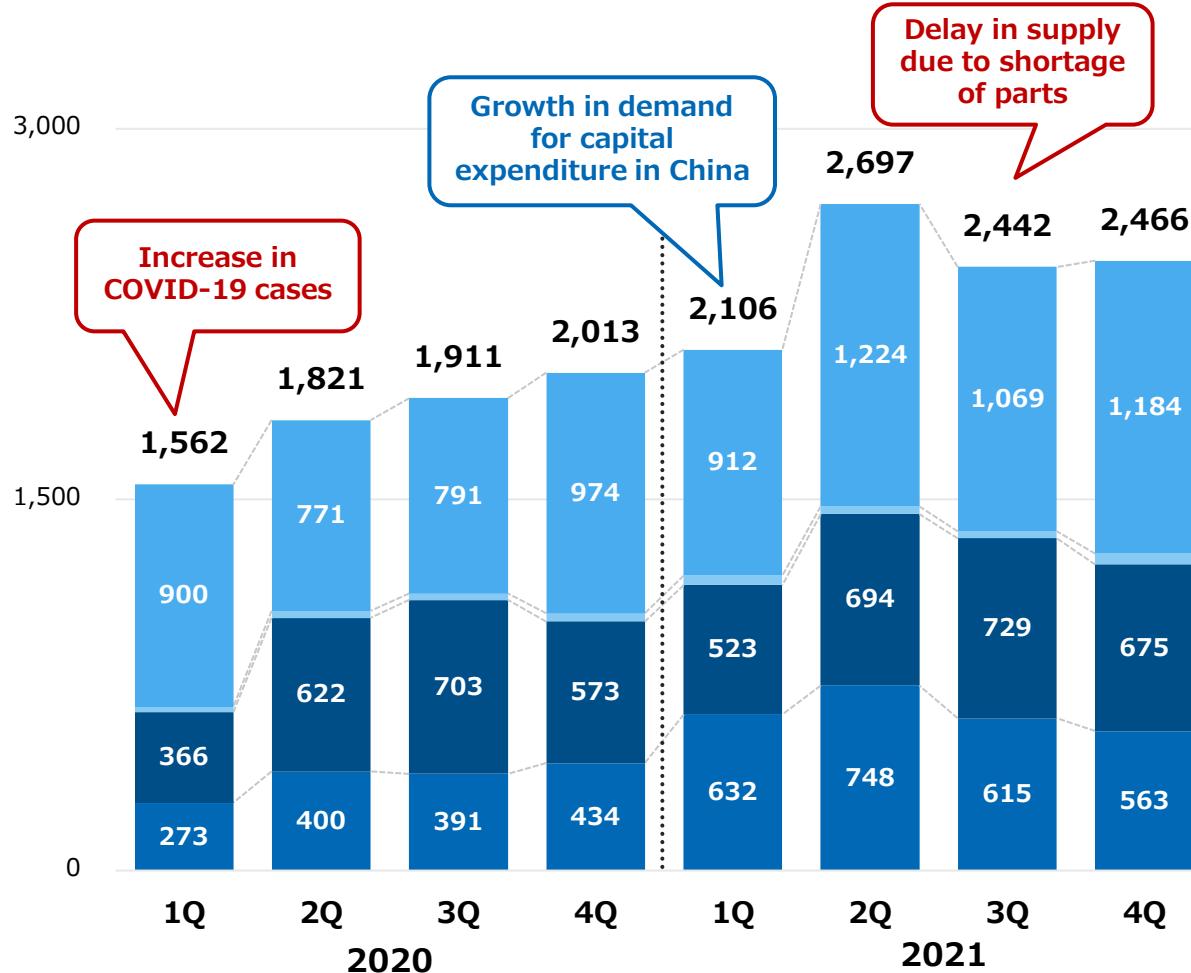


Push plate

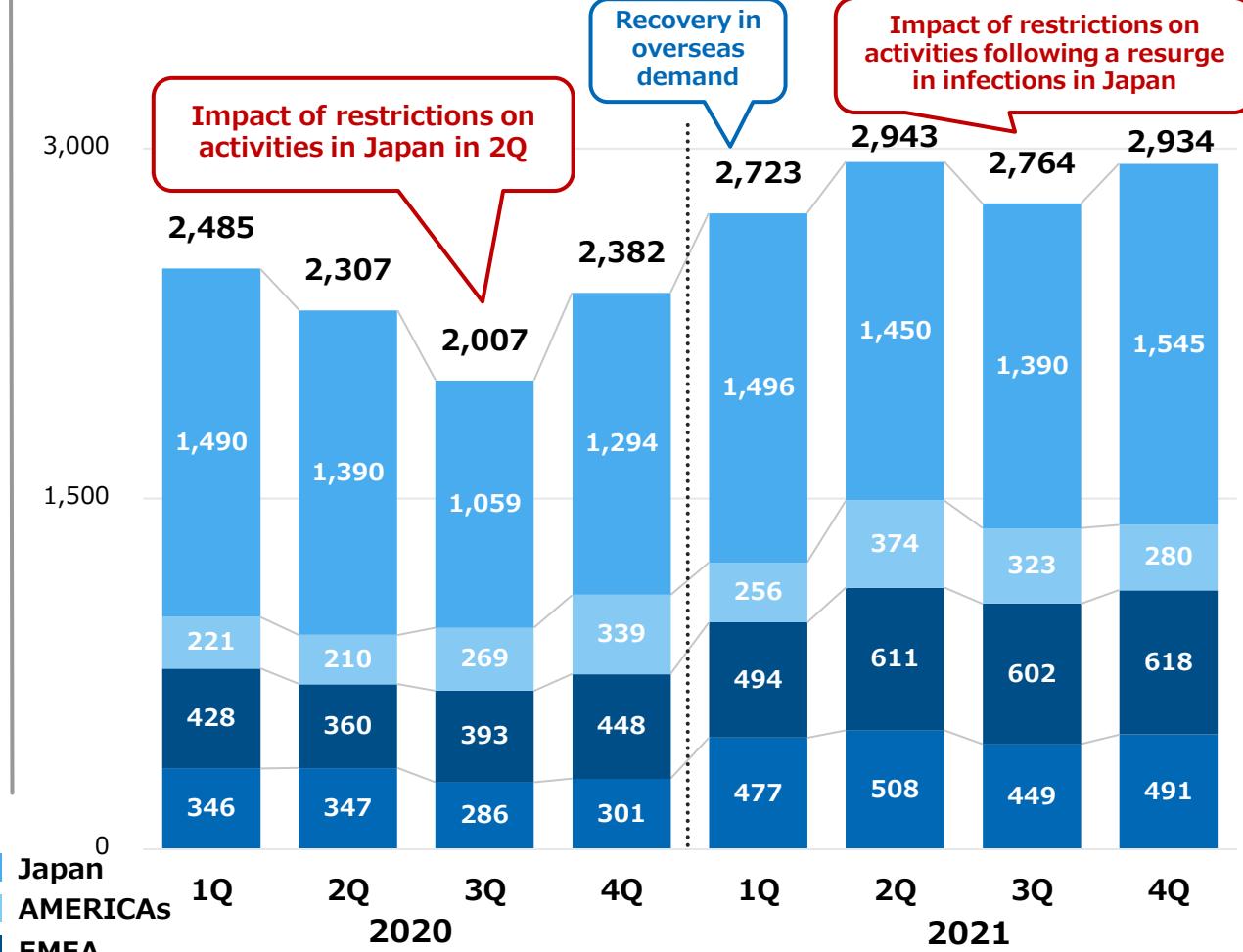


Quarterly Sales Trends by Region (IA Business)

IA Business (FA)



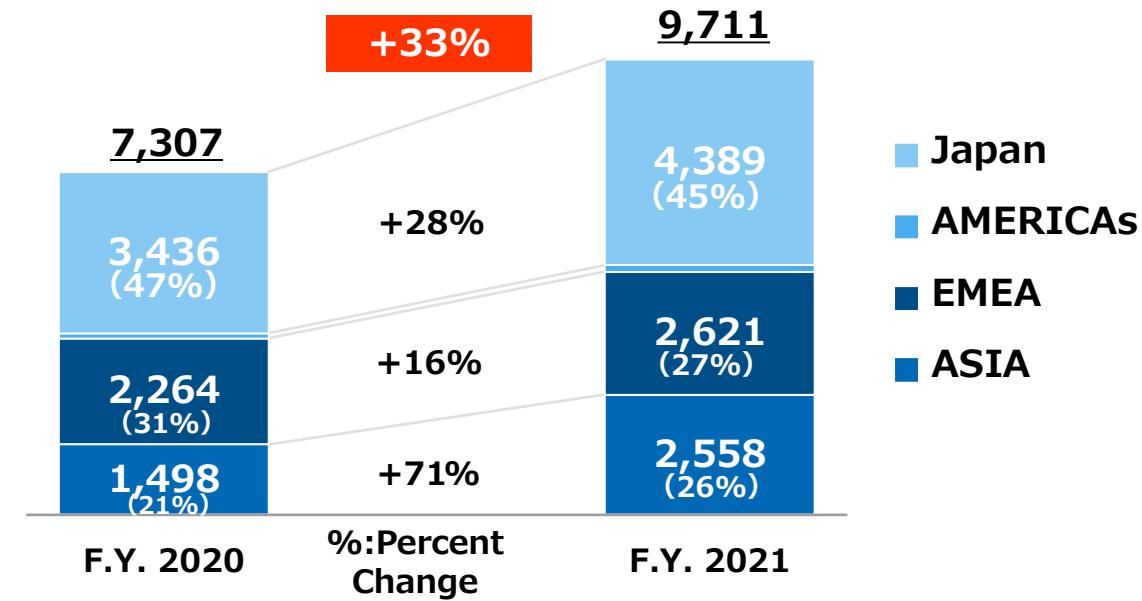
IA Business (MVL)



Business by Segment - IA Business(FA)

Region	F.Y. 2021 (1-12) Results
Japan	Sales increased substantially, reflecting solid sales related to capital investment in electric devices, electronics and semiconductors as well as in the food industry.
EMEA	Sales increased, reflecting steady sales for displacement sensors for electronic parts.
Asia and Oceania	Sales increased substantially, reflecting steady sales of displacement sensors and other products supported by strong demand for capital expenditures in semiconductors, electronic parts, secondary batteries and other areas in China.

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



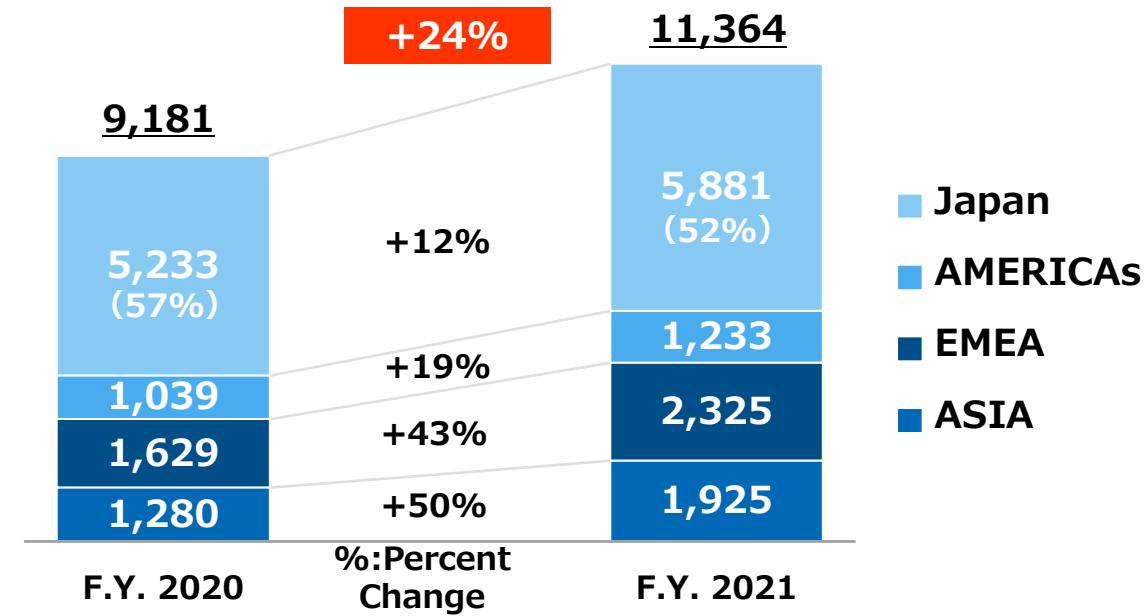
Business by Segment - IA Business(MVL)

Region	F.Y. 2021 (1-12) Results
Japan	Sales increased, 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



F.Y. 2022 Consolidated Earnings Projection

<u>Operating Results</u> (Unit: million yen)	F.Y. 2020 Results	F.Y. 2021 Forecast	Changes	Percent Change
Net sales	45,866	53,000	+7,134	+15.6%
Operating income (Operating income Ratio)	4,631 (10.1%)	6,000 (11.3%)	+1,370	+29.6%
Ordinary income	5,131	6,100	+970	+18.9%
Profit attributable to owners of parent	3,968	4,600	+838	+22.3%
Net income per share (yen)	104.15	126.26		

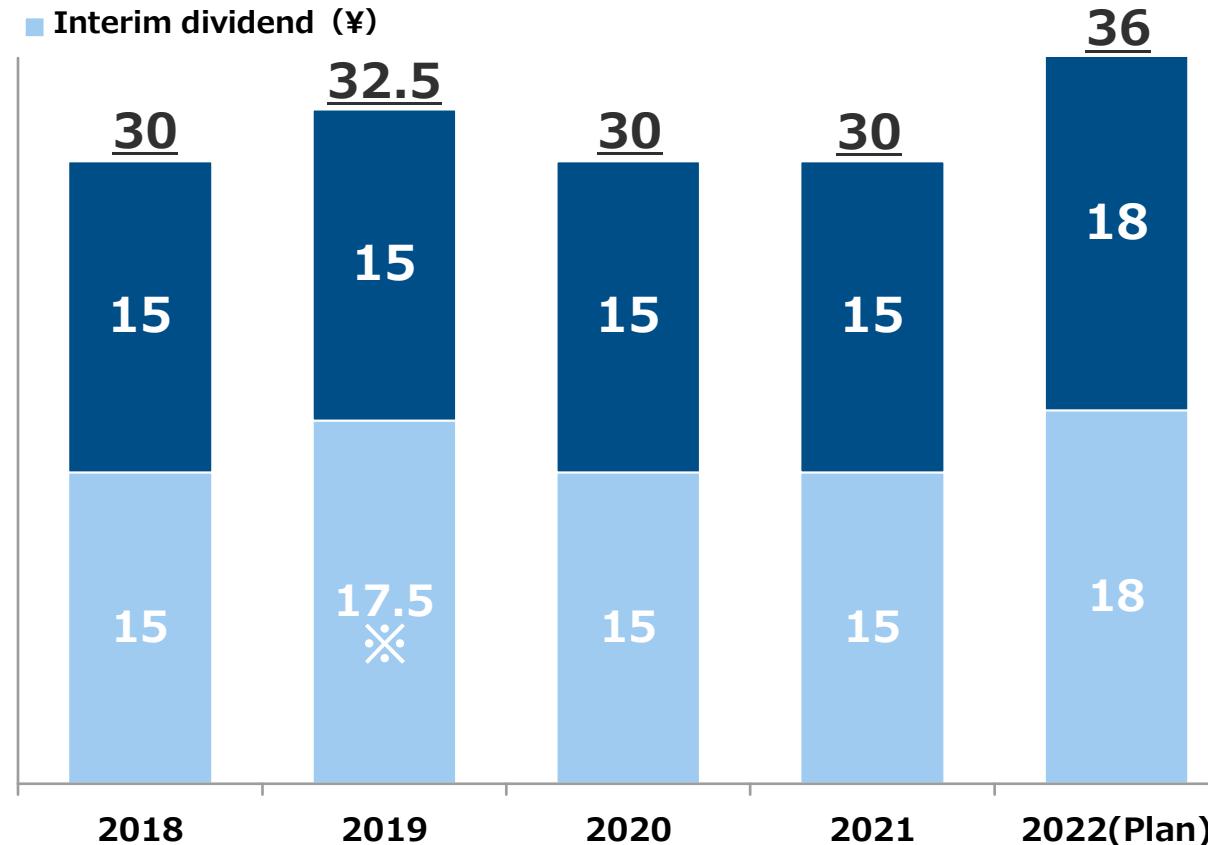


Exchange rate (Unit: Yen)	1USD	109.80	110.00
	1EUR	129.89	130.00

Revisions to the F.Y. 2021 Dividend Projection

■ Year-end dividend (¥)

■ Interim dividend (¥)



Acquisition of treasury shares

	2018	2019	2021
Amount	1.5 billion yen	1.0 billion yen	1.0 billion yen
No. of shares	700,000 shares	670,000 shares	630,000 shares

*The amount includes
a commemorative
dividend of 2.5 yen

Dividend payout ratio	28.6%	54.1%	77.7%	28.8%	28.3%
ROE	12.3%	6.8%	4.3%	11.2%	-

Medium-Term Management Plan

Key Points of Medium-Term Management Plan 2024

Group Philosophy

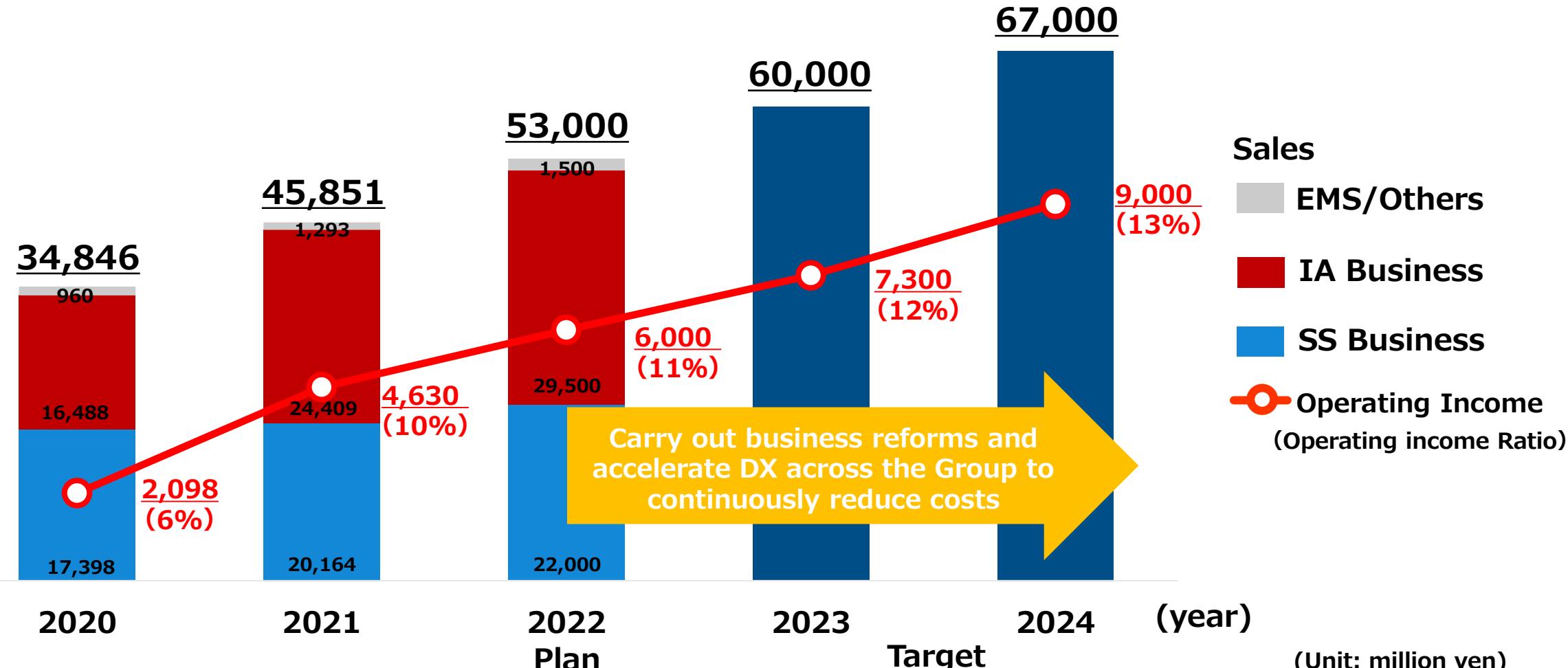
We aim to become a corporate group full of Venture Spirit !

The venture spirit is the ability to create new value, a strong desire for growth and speed, and an attitude to face challenges without giving up.

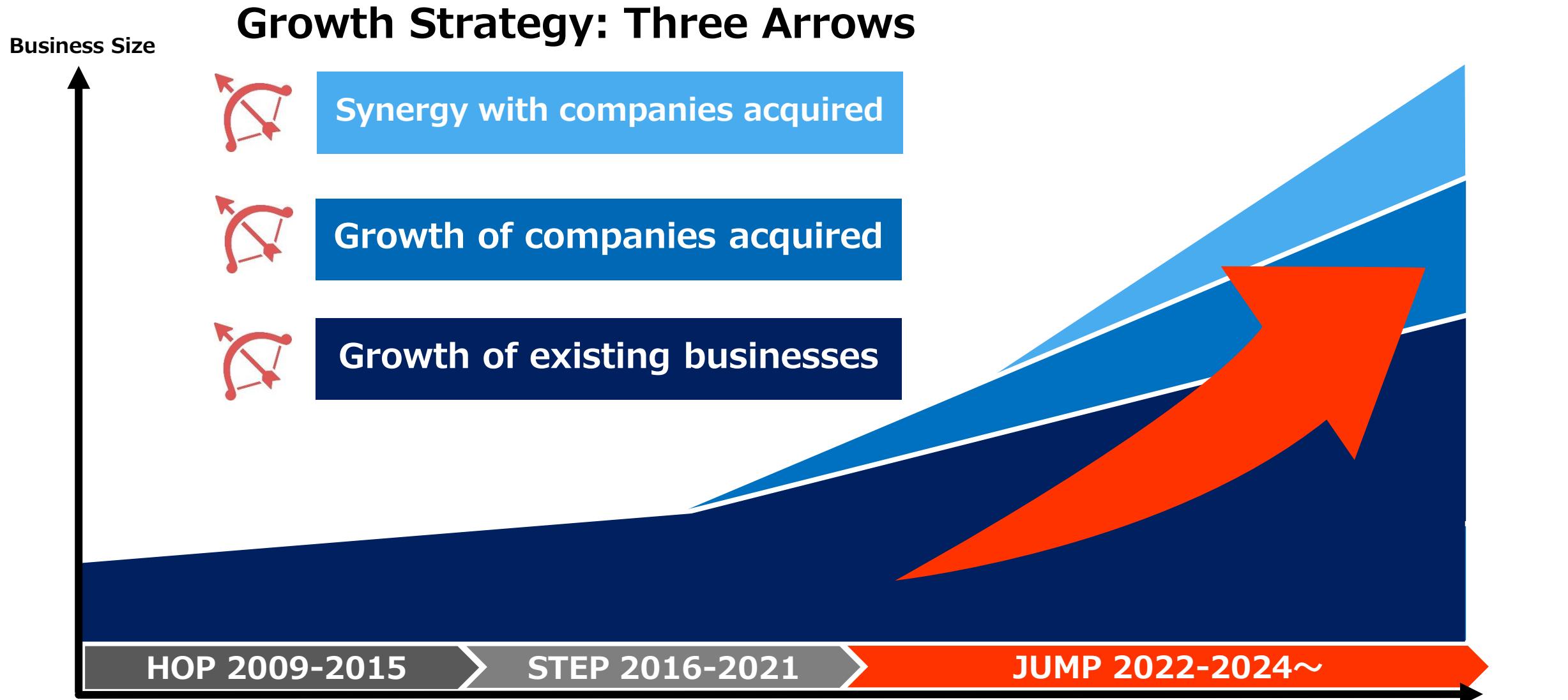
Mid-term Consolidated Management Targets

We are aiming for a consolidated operating profit of over 6 billion yen in 2022, as well as promoting cost efficiency and working toward a consolidated operating profit of 10 billion yen in 2025.

Numerical Targets in Medium-Term Management Plan 2024



Strategies for Accomplishing Medium-Term Management Plan 2024



Growth of Existing Businesses_Offering System Solutions

SS (Security Sensors)



**Sensors X Surveillance camera
Visual Verification Solution**

IA (FA)



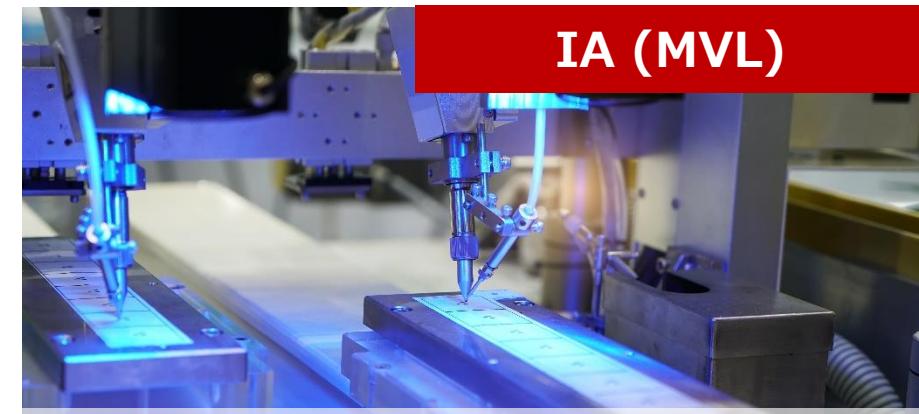
**Predictive maintenance
Helping factories to introduce IoT**

SS (Automatic Door Sensors)



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

IA (MVL)



**Selling lighting, camera, lens and other systems
Utilizing AI and robots**

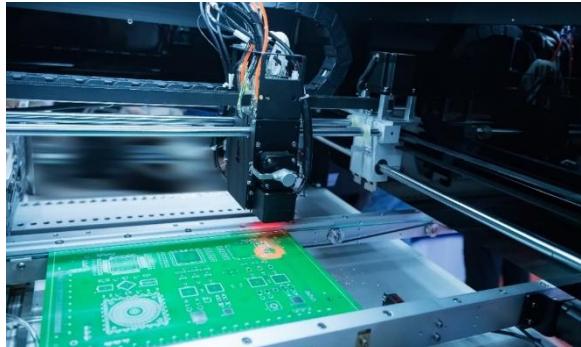
Growth of Companies Acquired

IA Business (IPC) Sanritz Automation Co., Ltd.



Market with promising demand

Semiconductor manufacturing equipment / medical equipment



Sales expansion of embedded boards



Strengths: High quality and reliability

- Highly reliable in terms of environmental durability and noise insulation
- Long-term support and maintenance services

Social

Expansion of semiconductor manufacturing to help accelerate DX



Growth of Companies Acquired

IA Business MITSUTEC CO., LTD.



Market with promising demand

Hybrid car / Electric car



Sales expansion of secondary battery manufacturing equipment



Strengths: Boasting advanced mechatronics technology

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

Environment

Helping accelerate automobile shift to electric vehicles (EVs) and realize a carbon-free society



Synergy with Companies Acquired

SANRITZ



**SS
Business**



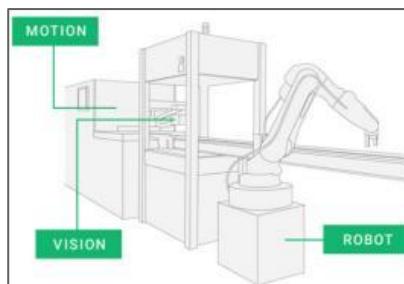
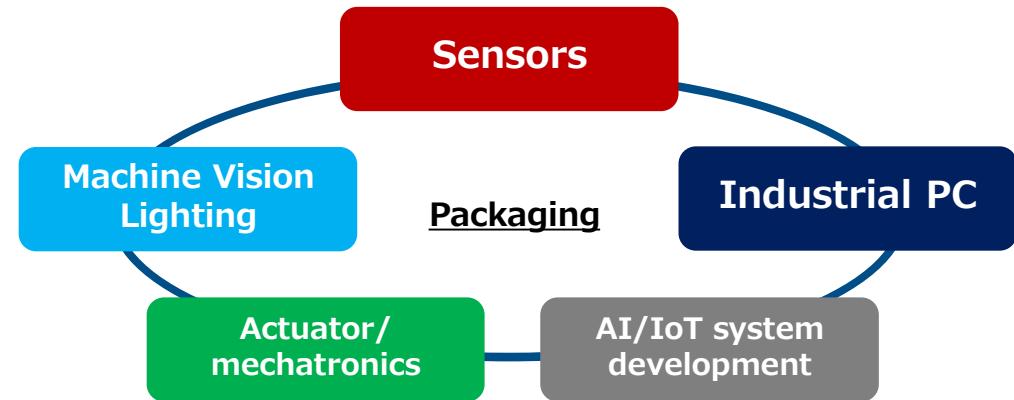
Taking advantage of each respective strengths to push ahead with system sales

mitsu



**IA
Business**

Accelerating sales of services in the IA Business as a total solution vendor



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

Optex Group's Management Indicator

Sales growth
10%up

Operating profit
More than 15%

ROE
More than 10%

<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	45,866 million JPY
Operating Profit	4,631 million JPY
Fiscal Year-End	December
Stock Code	Tokyo Stock Exchange 6914 *Transition to the Prime market from April 4, 2022
Consolidated Number of Employees	2,277

**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

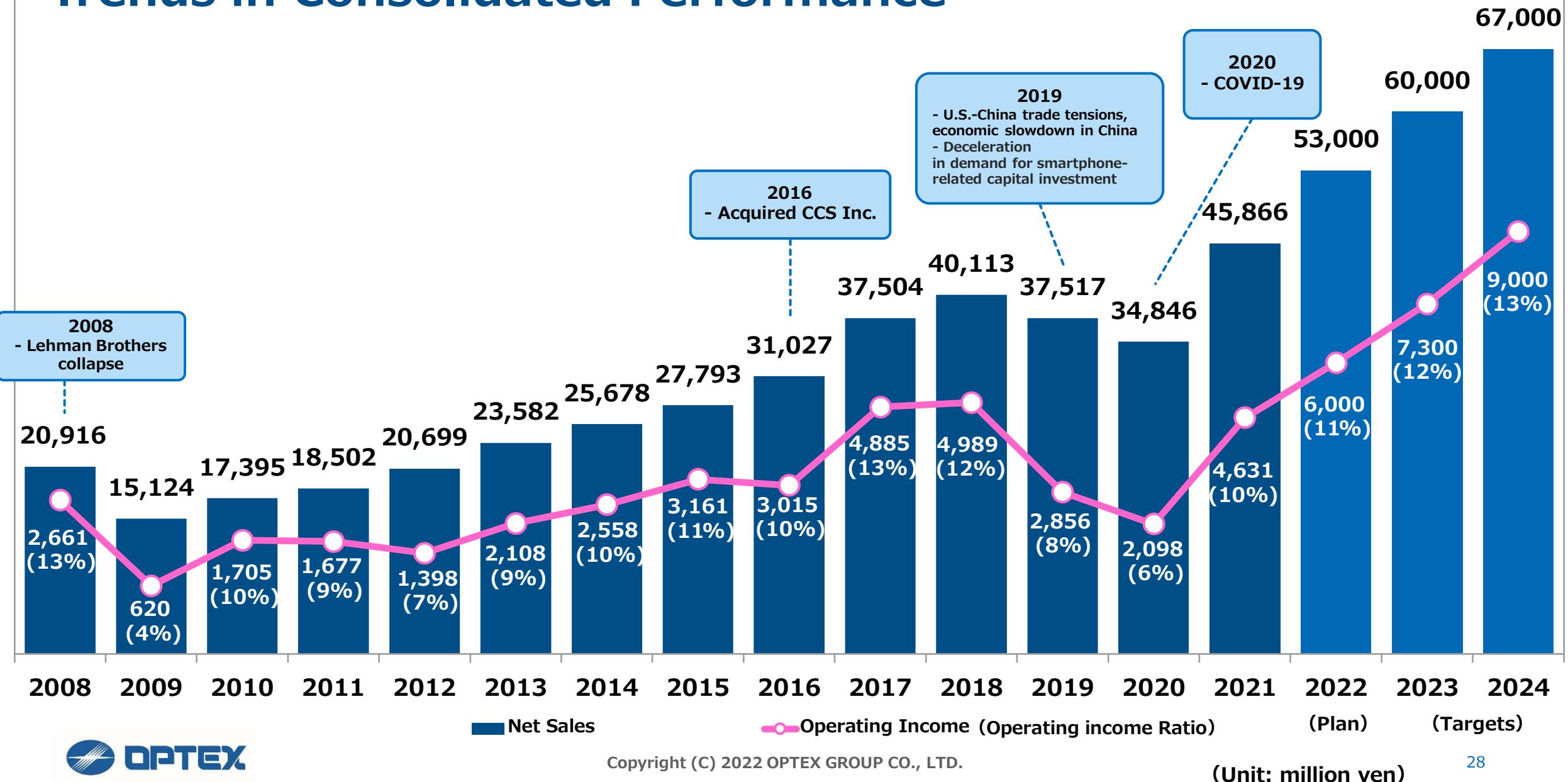
OPtical TEchnology X (a Greek letter) as the symbol of *the unknown* and *the future*

(Values: Results for the fiscal year ended December 31, 2021)



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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 Market 1st Section : #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/manufac-
-turing 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

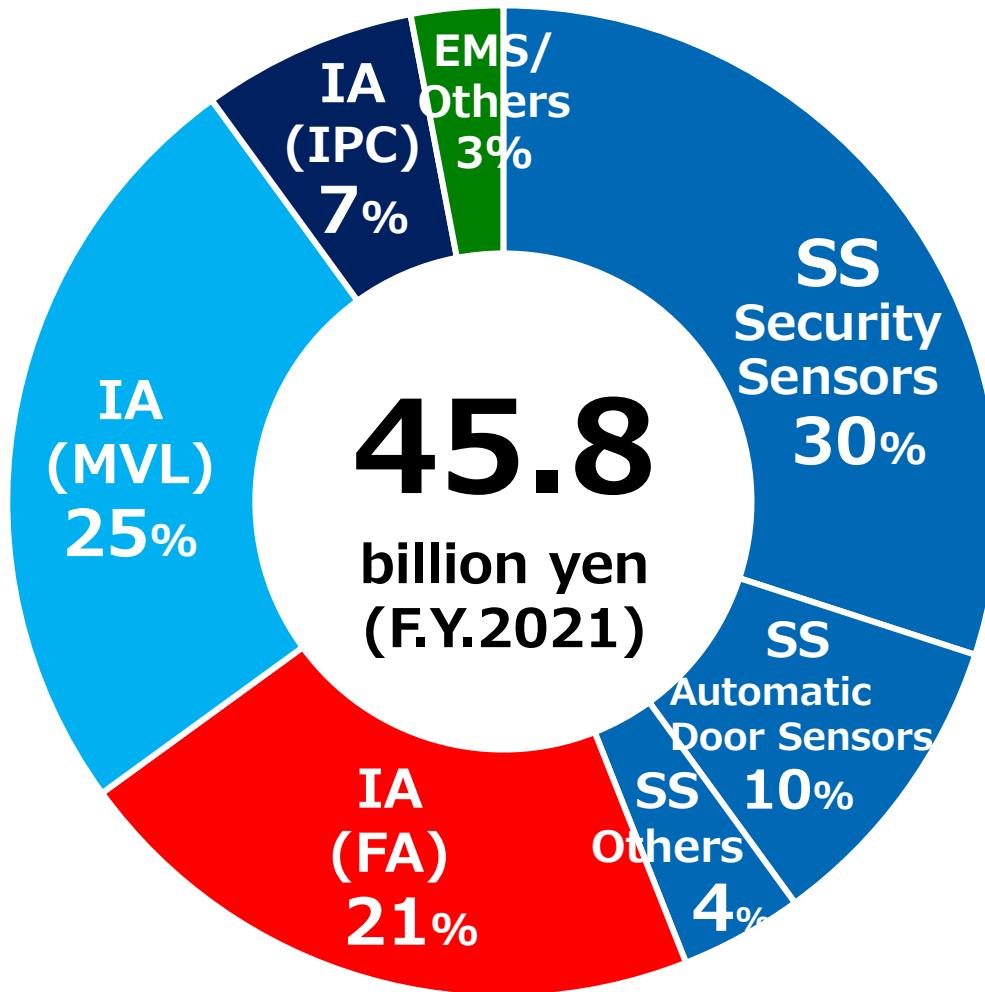
O'PAL OPTEX CO., LTD.



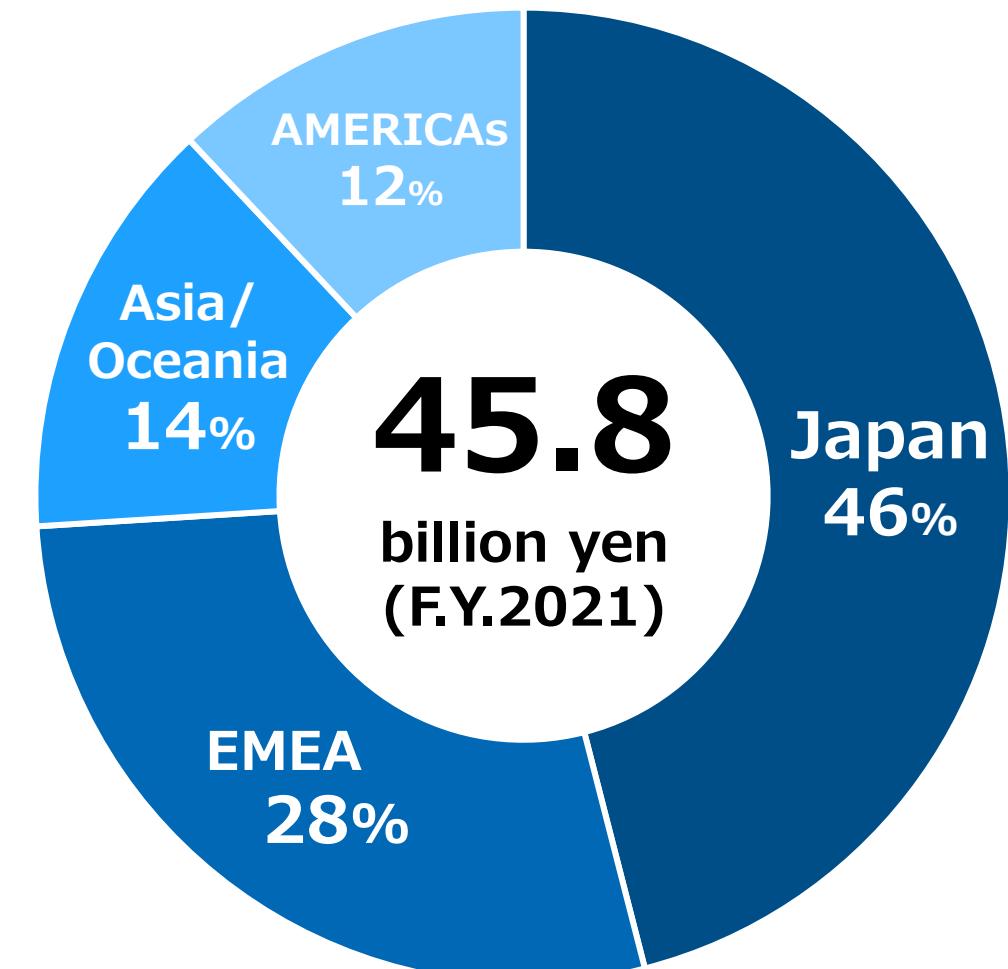
Management of
outdoor activities
and environmental
learning programs

Company Overview _ Data

Sales by Product Category



Sales by Region



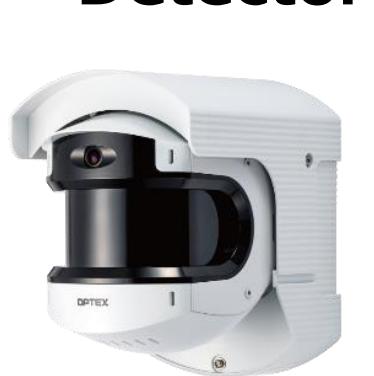
Company Overview _ Global Market Share

Global niche No.1

Security sensors

40%

Outdoor Intrusion
Detector



Sensor for large-scale
critical facilities

Camera sensor



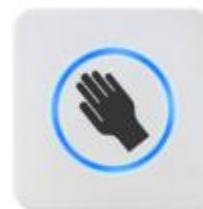
Automatic door sensors

30%

Automatic door
sensor



Infrared sensor



Clean Switch

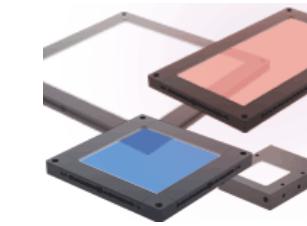


Push plate

Machine vision lighting

30%

LED inspection
lighting



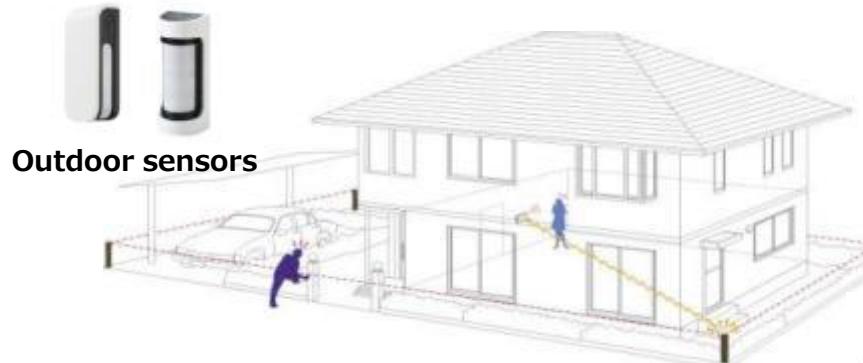
LED lighting systems
for image inspection

Business Domain _ Security sensors



Largest market share in the world for outdoor intrusion detectors

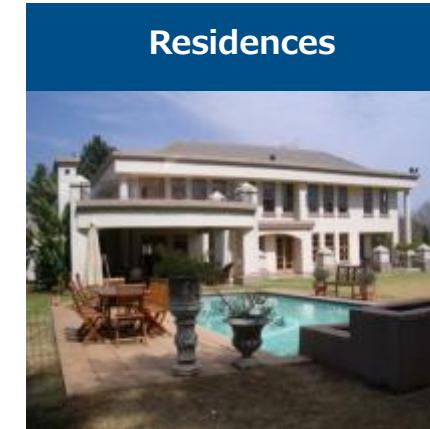
Residential home · Commercial facilities



Outdoor sensors



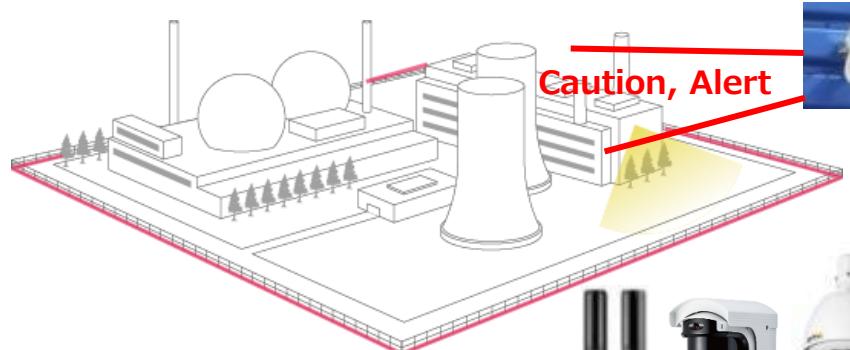
Residences



Offices



Important facilities



Alarm signal with image



[Security office]
Video monitoring

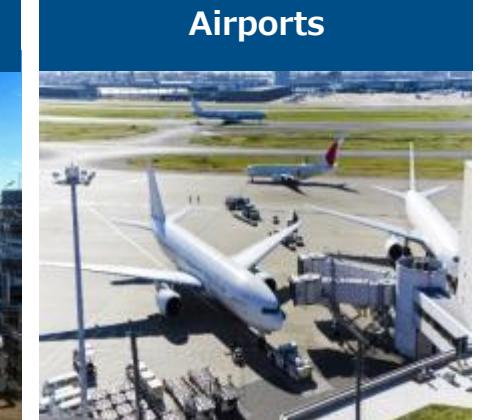


Outdoor sensors in interaction with monitoring cameras

Oil, gas, and other infrastructure facilities



Airports



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

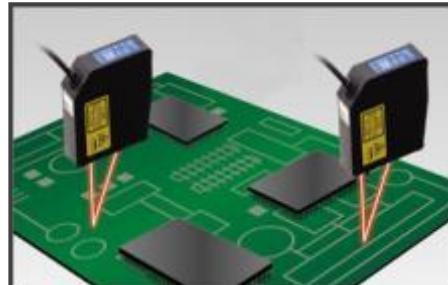
Displacement sensors



Products for the semiconductor and electric and electronic parts industries



Measurement of smartphone frame height

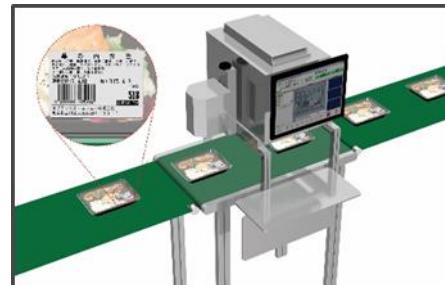


Measurement of substrate tilt/warp

Image sensors



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



Inspection of use-by dates printed on packages

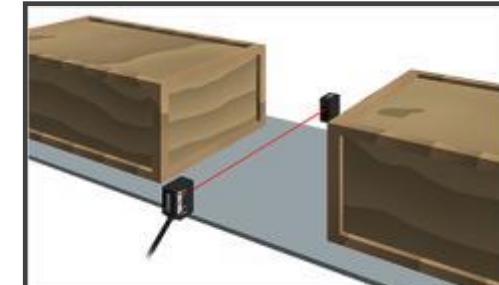


Inspection of use-by dates printed on milk cartons
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Photoelectric sensors



Products for the logistics industry



Detection of passing wooden boxes



Detecting boxes protruding from shelves in automatic warehouses

Business Domain _ Machine Vision Lighting

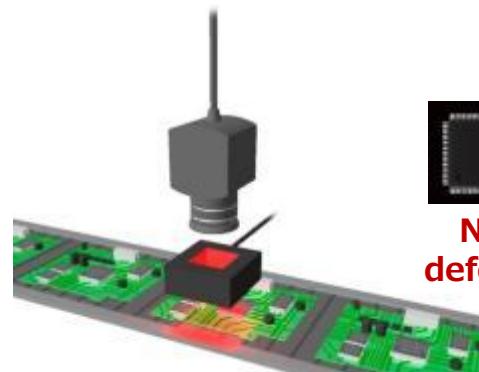


CCS produces **lighting for image inspection** using LED since 1993.

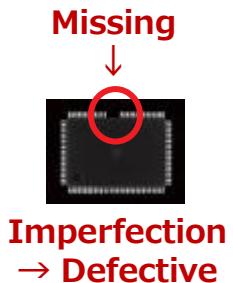
Lighting for image inspections*

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”.



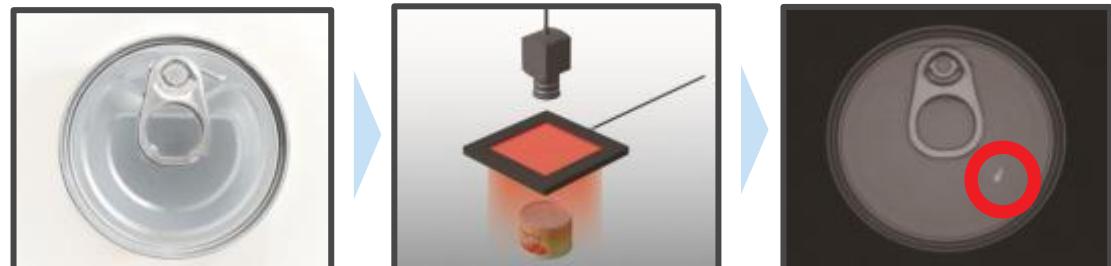
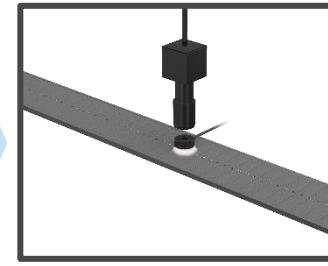
Non-defective



Inspection for defects in parts mounted
on a printed circuit board



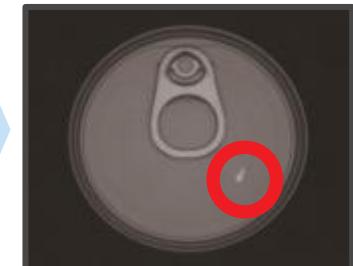
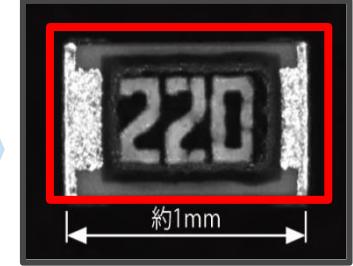
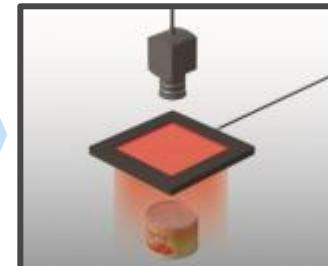
Letter/shape imaging (Small chip parts; about 1mm)



Imperfection imaging (surface of can)



Engraved letter imaging (bearing)



Business Domain _Industrial Computers

SANRITZ

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



ESG's Efforts _ We are proactively addressing ESG issues to enhance our corporate value.

See our ESG report [here](#).

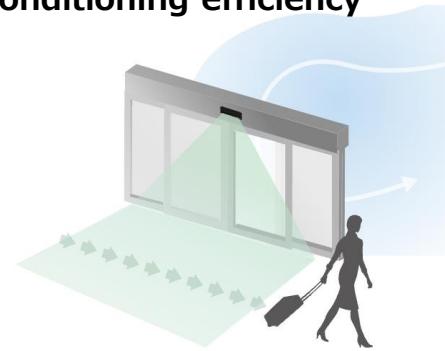


Environment

Products and services to help resolve environment issues

<Automatic Door Sensors>

React to movements towards the sensors, not to movements across them, to prevent unnecessary door operations and improve air conditioning efficiency



Power consumption: Down approx. 30%

<LED Sensor Lighting>

Equipped with a low power consumption sensor that enables the machine or system to operate only when necessary to reduce the overall load on the system



Social

Relationships with local communities

As part of CSR activities, O'PAL hosts many Lake Biwa Learning & Experience programs, social contribution programs that take advantage of the natural environment of the head office location.



Kayaking



Non-native fish species study



Plankton observation



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