



# Summary of Consolidated Financial Results for the Third Quarter of FY2022 (Jan.1 to Sep.30, 2022)

**OPTEX GROUP CO., LTD.**

**November 8, 2022**

**(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.

# Key Points of the Announcement

## Q3 FY2022 Overview of Financial Results

- In the SS Business, sales of products for overseas markets remained solid. In the IA business, sales of products for the semiconductor and electronic component industries were strong. In addition, coupled with exchange rate effects, net sales increased by a significant 19% year on year.
- Operating income was +39% year on year, due to a 3percentage point decline in SG&A ratio, offsetting an increase in the cost of sales ratio of approx. 1 percentage point.

## Consolidated Earnings Forecasts

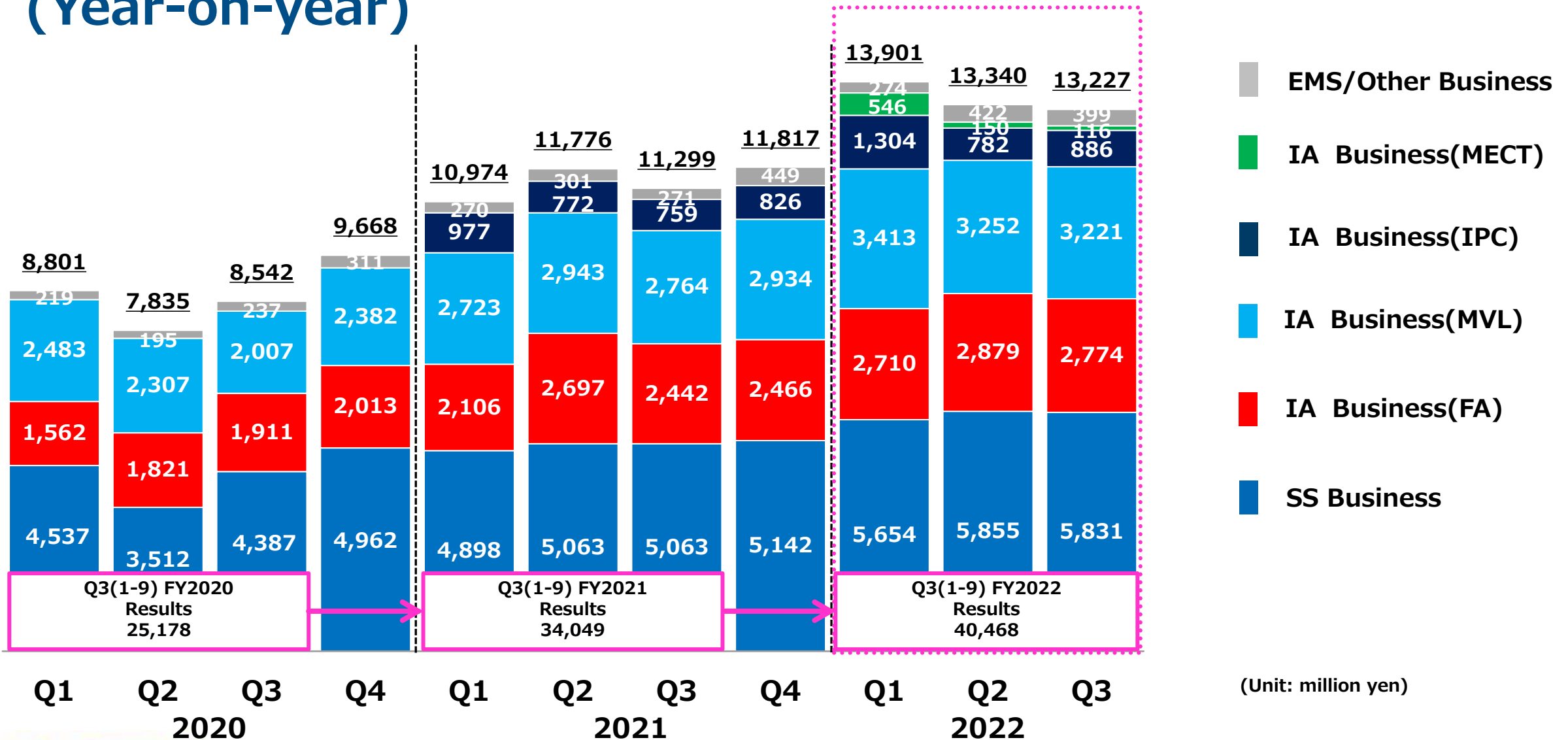
- Despite recent strong inquiries, full-year forecasts remain unchanged from the initial plan due to the continuing tight supply-demand of electronic components and materials.

# Q3 FY2022 Overview of Financial Results

# Summary of Consolidated Financial Results for the Third Quarter of FY2022

| <u>Operating Results</u><br>(Unit: million yen)     |             | Q3(1-9) FY2021<br>Results | Q3(1-9) FY2022<br>Results | Change        | Percent<br>Change |
|---|-------------|---------------------------|---------------------------|---------------|-------------------|
| <b>Net sales</b>                                    |             | <b>34,049</b>             | <b>40,468</b>             | <b>+6,419</b> | <b>+18.9%</b>     |
| <b>Operating income</b><br>(Operating income Ratio) |             | <b>3,816</b><br>(11.2%)   | <b>5,295</b><br>(13.1%)   | <b>+1,479</b> | <b>+38.8%</b>     |
| <b>Ordinary income</b>                              |             | <b>4,191</b>              | <b>6,239</b>              | <b>+2,048</b> | <b>+48.8%</b>     |
| <b>Profit attributable to<br/>owners of parent</b>  |             | <b>2,952</b>              | <b>4,520</b>              | <b>+1,568</b> | <b>+53.1%</b>     |
| <b>Net income per share<br/>(yen)</b>               |             | <b>81.65</b>              | <b>127.26</b>             |               |                   |
| <b>Exchange<br/>rate</b><br>(Unit: Yen)             | <b>1USD</b> | <b>108.50</b>             | <b>128.05</b>             |               |                   |
|   | <b>1EUR</b> | <b>129.83</b>             | <b>135.95</b>             |               |                   |

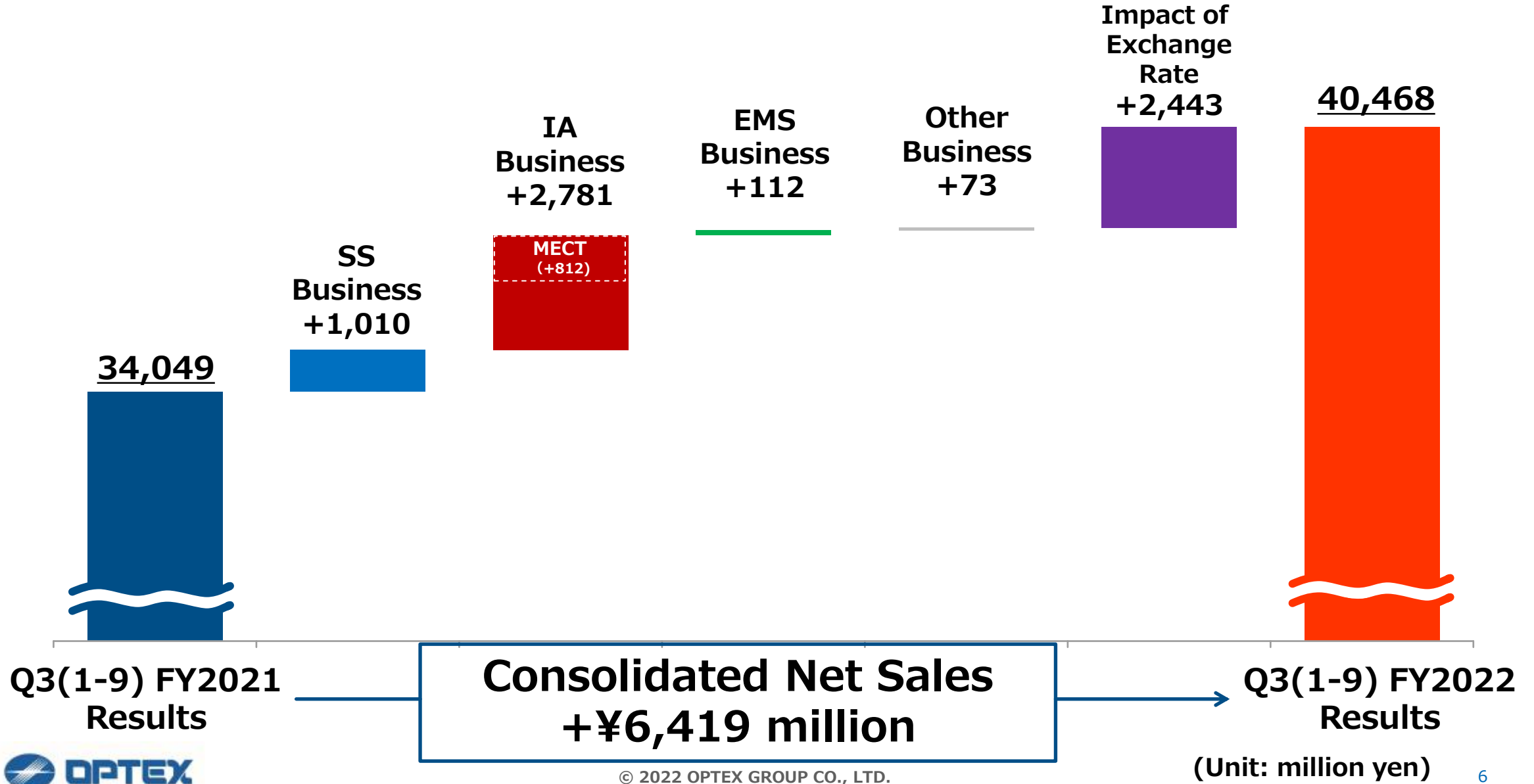
# Quarterly performance - Consolidated Net Sales (Year-on-year)



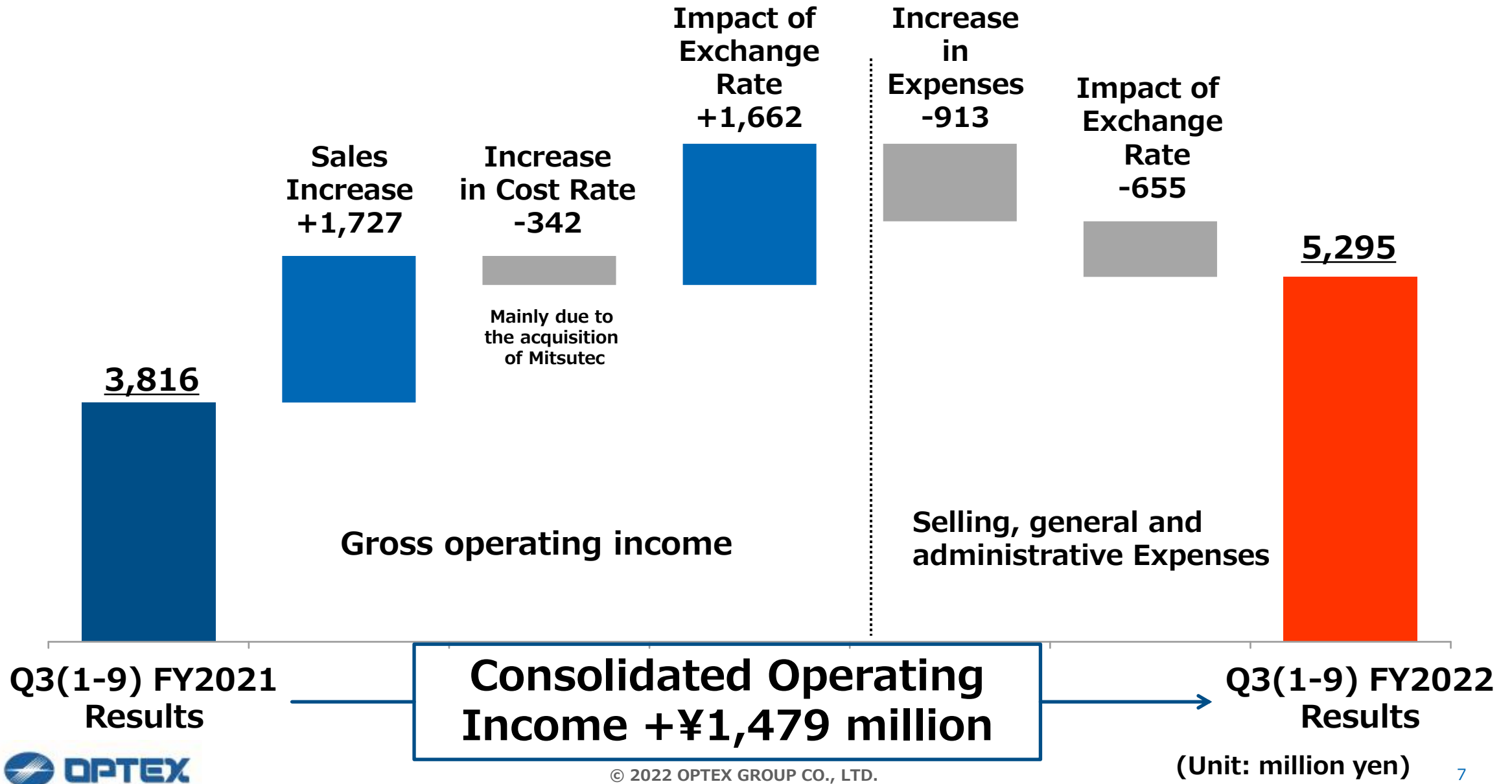
(Unit: million yen)



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



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



# Comparison of Financial Results for the Third Quarter of FY2022 between Segments

| <b>Operating Results</b><br>(Unit: million yen) | Q3(1-9) FY2021 Results |  | Q3(1-9) FY2022 Results |                |  |                |
|---|------------------------|--|------------------------|----------------|--|----------------|
|   | Net sales              | Operating income<br>(Operating income Ratio) | Net sales              | Percent Change | Operating income<br>(Operating income Ratio) | Percent Change |
| <b>SS Business</b>                              | 15,023                 | 1,809<br>(12.0%)                             | 17,339                 | +15.4%         | 2,293<br>(13.2%)                             | +26.7%         |
| <b>IA Business</b>                              | 18,183                 | 2,174<br>(12.0%)                             | 22,034                 | +21.2%         | 3,062<br>(13.9%)                             | +40.9%         |
| <b>EMS Business</b>                             | 477                    | 254<br>(53.2%)                               | 656                    | +37.4%         | 318<br>(48.5%)                               | +25.4%         |

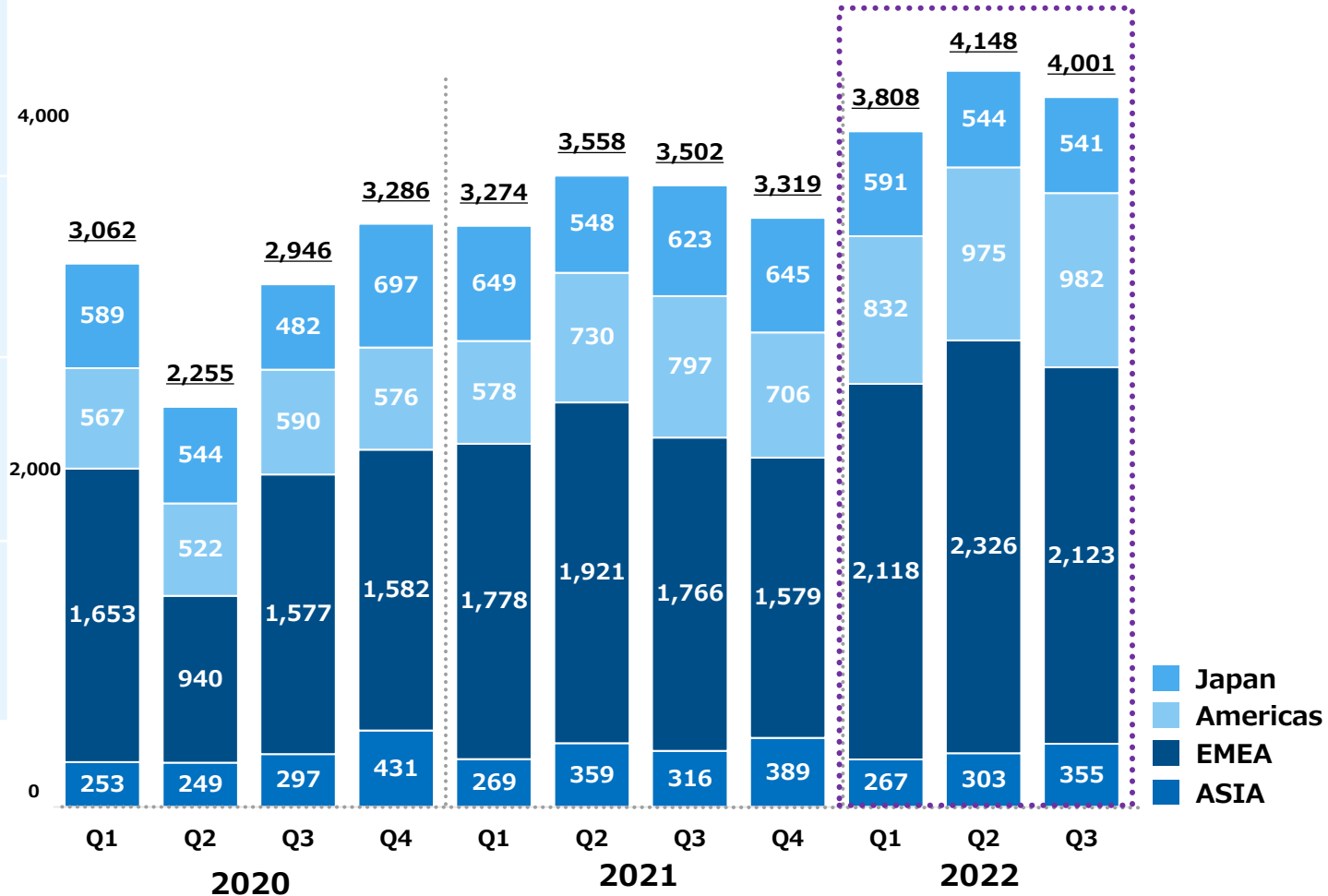


# Business by Segment - SS Business(Security Sensors)



| Region           | Q3(1-9) FY2022 Overview   |
|------------------|---|
| Japan            | <ul style="list-style-type: none"> <li>- Sales of products for large-scale critical facilities remained strong.</li> <li>- Growth in sales of outdoor intrusion detectors slowed due to delays in product supply caused by component shortages.</li> </ul>  |
| AMERICAS         | <ul style="list-style-type: none"> <li>- Sales continued to be strong, given strong demand for large-scale critical facilities such as data centers attributable to the positive effect of direct marketing, offsetting delays in product supply caused by component shortages.</li> </ul>                          |
| EMEA             | <ul style="list-style-type: none"> <li>- Sales continued to be solid, reflecting steady demand for large-scale critical facilities such as infrastructure, offsetting delays in product supply caused by component shortages and a correction phase in demand for housing applications due to inflation.</li> </ul> |
| Asia and Oceania | <ul style="list-style-type: none"> <li>- Sales of outdoor alarm sensors remained strong in India.</li> <li>- Growth in sales slowed in China and Southeast Asia due to restrictions on activities and delays in product supply caused by component shortages.</li> </ul>  |

Quarterly Sales by Region(Unit: million yen)



Sensors for large-scale critical facilities



Camera sensors



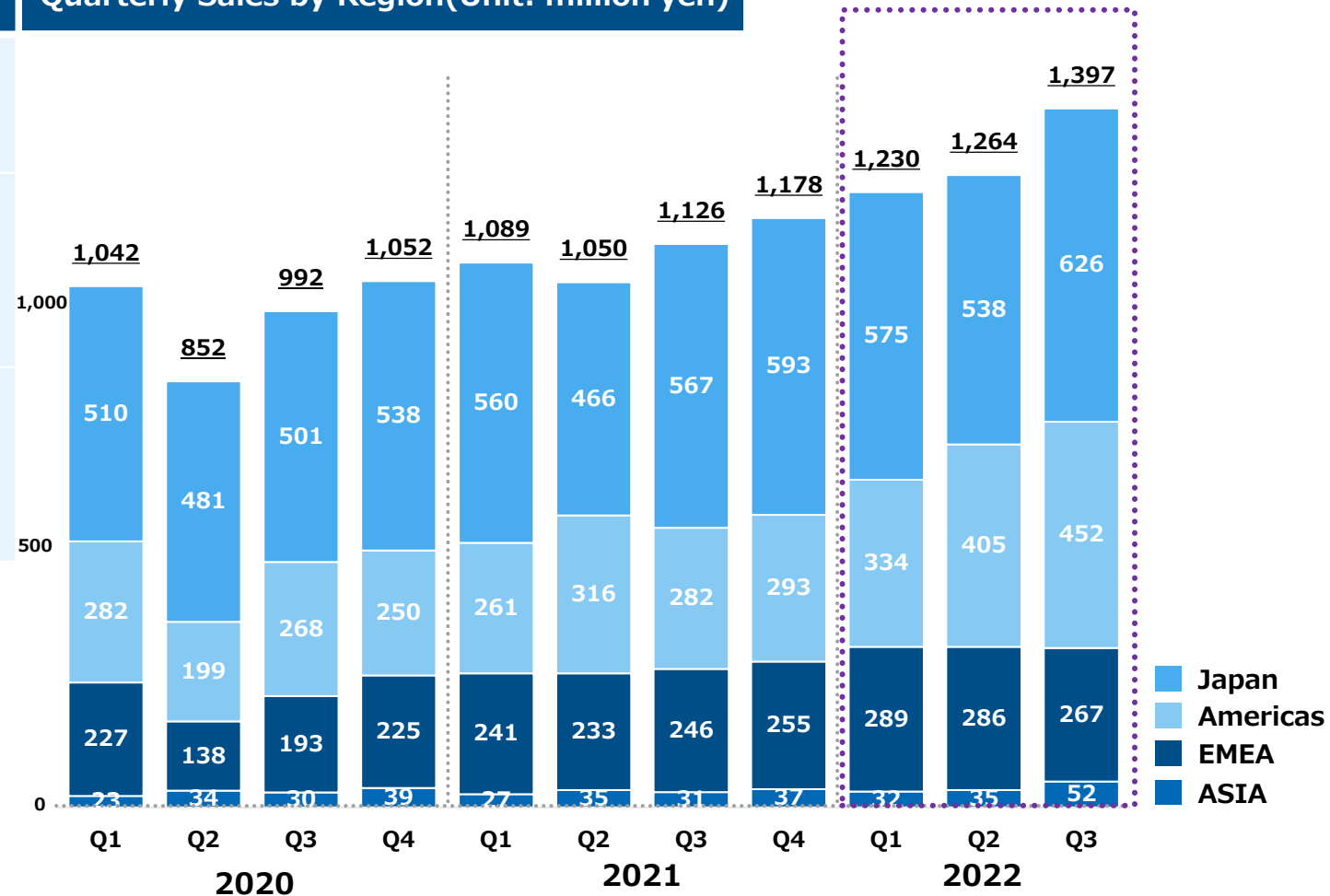
Q3 (1-9) FY2021 10,334 → Q3 (1-9) FY2022 11,957 +16%

# Business by Segment - ss Business(Automatic Door Sensors)



| Region   | Q3(1-9) FY2022 Overview   |
|----------|---|
| Japan    | - Inquiries remained steady thanks to high evaluations of product supply capabilities by major automatic door manufacturers in Japan.   |
| AMERICAS | - Reflected strong construction demand due to high evaluations of product supply capabilities by major automatic door manufacturers in North America, despite delays in product supply caused by component shortages. |
| EMEA     | - Inquiries remained steady thanks to high evaluations of product supply capabilities by major automatic door manufacturers in Europe, despite delays in product supply caused by component shortages.                |

Quarterly Sales by Region(Unit: million yen)



Q3 (1-9) FY2021 3,265 → Q3 (1-9) FY2022 3,891 +19%



Automatic door sensors



Push plate



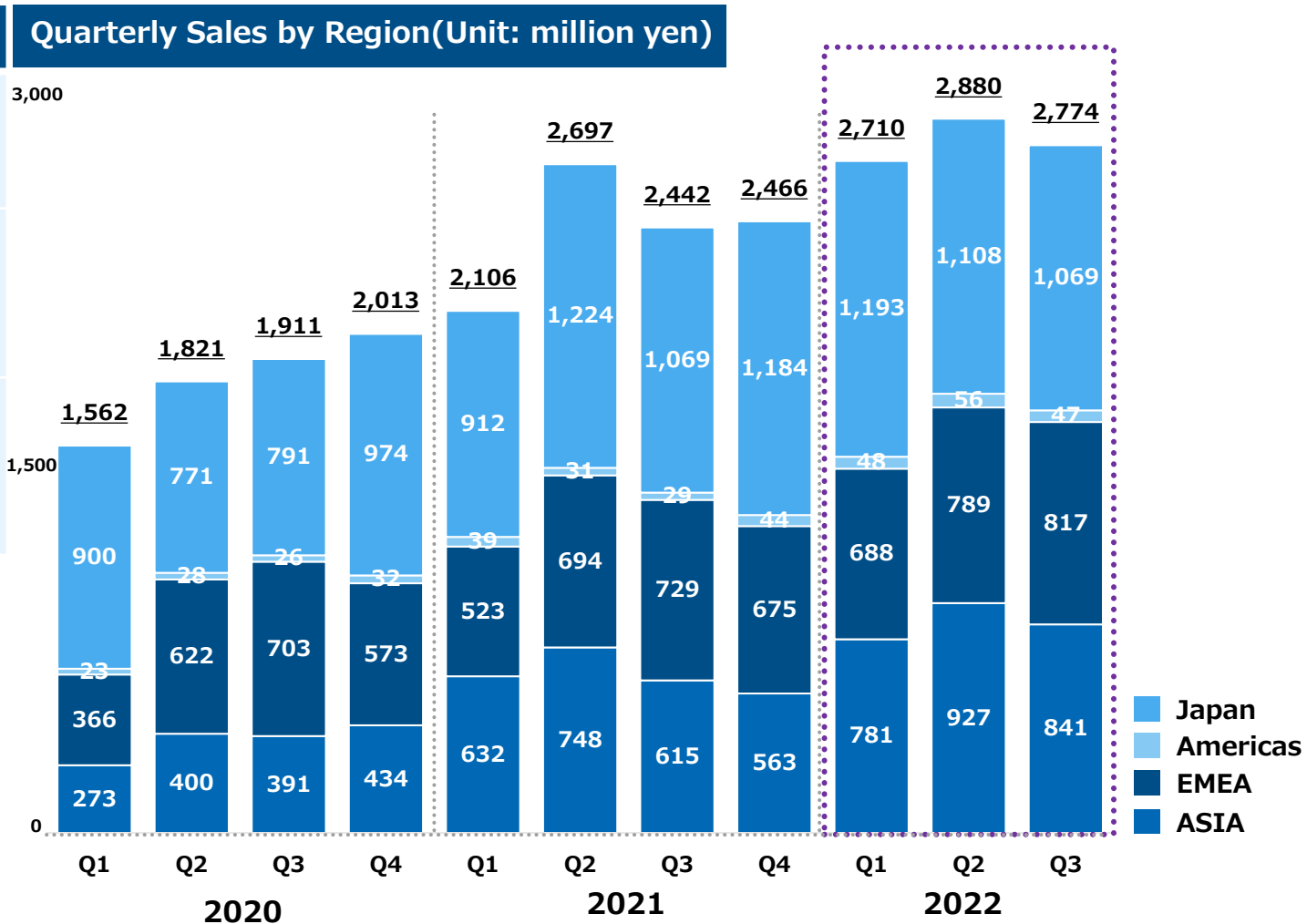
Clean Switch



# Business by Segment - IA Business(FA)



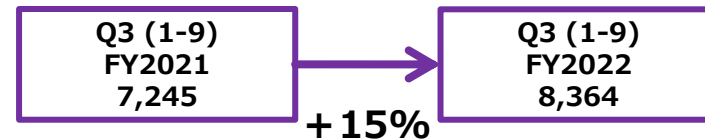
| Region           | Q3(1-9) FY2022 Overview   |
|------------------|---|
| Japan            | - Sales of products for investment in electric devices, electronics, and semiconductors increased.  |
| EMEA             | - Sales of displacement sensors for electronic components increased.  |
| Asia and Oceania | - Sales of displacement sensors rose in China supported by capital investment demand in semiconductors, electronic parts, secondary batteries, etc. |



Displacement sensors



Fiber sensors

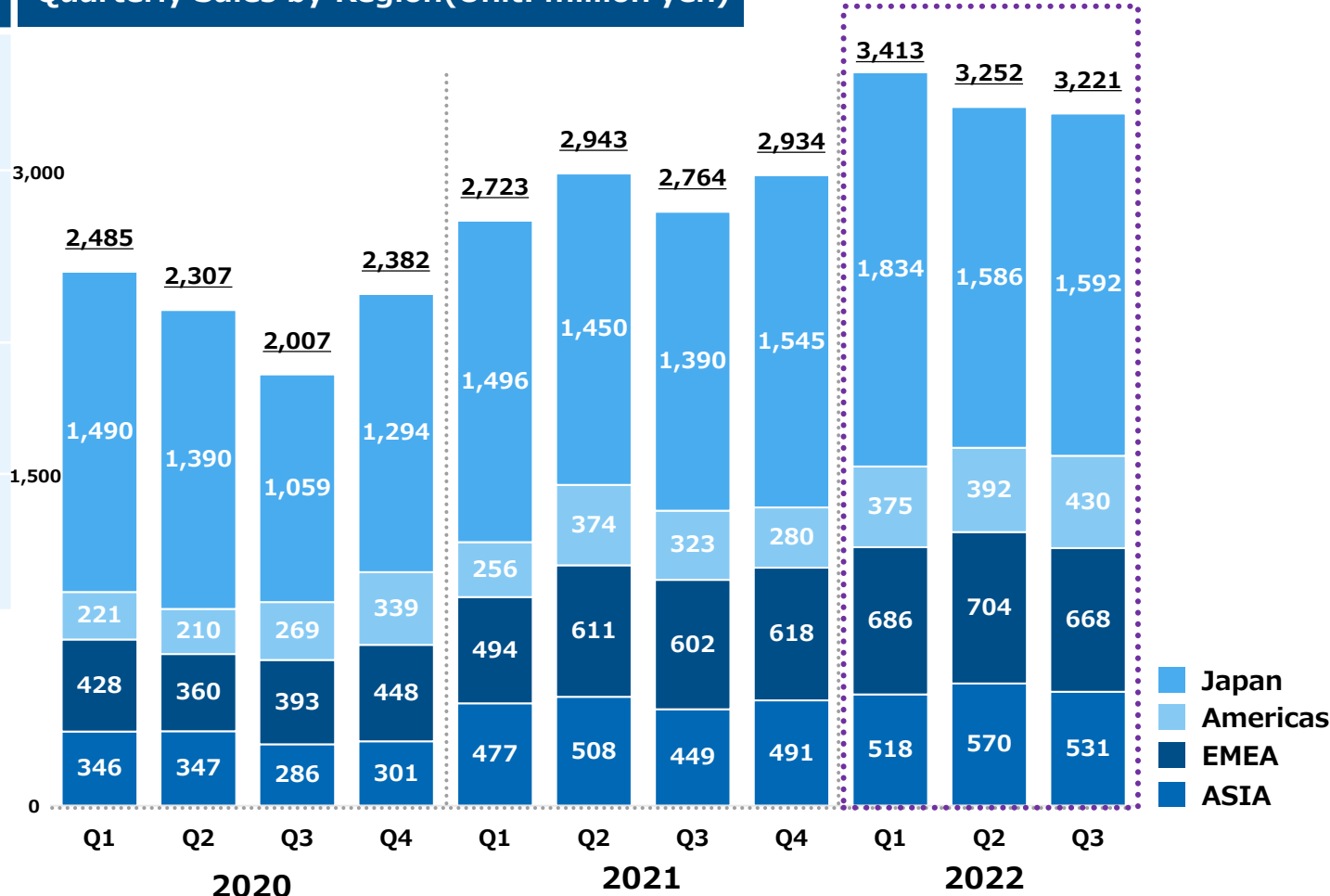


# Business by Segment - IA Business(MVL)

| Region           | Q3(1-9) FY2022 Overview  | Quarterly Sales by Region(Unit: million yen) |
|------------------|--|--|
| Japan            | - Inquiries about products for electric devices, electronics, and semiconductors increased.            |  |
| AMERICAs         | - The market share of the French subsidiary's products for the logistics industry increased.           |  |
| 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.                     |  |



LED lighting systems for image processing



Q3 (1-9) FY2021: 8,430 million yen  
 → +17%  
 Q3 (1-9) FY2022: 9,886 million yen

# Business by Segment - IA Business(IPC)

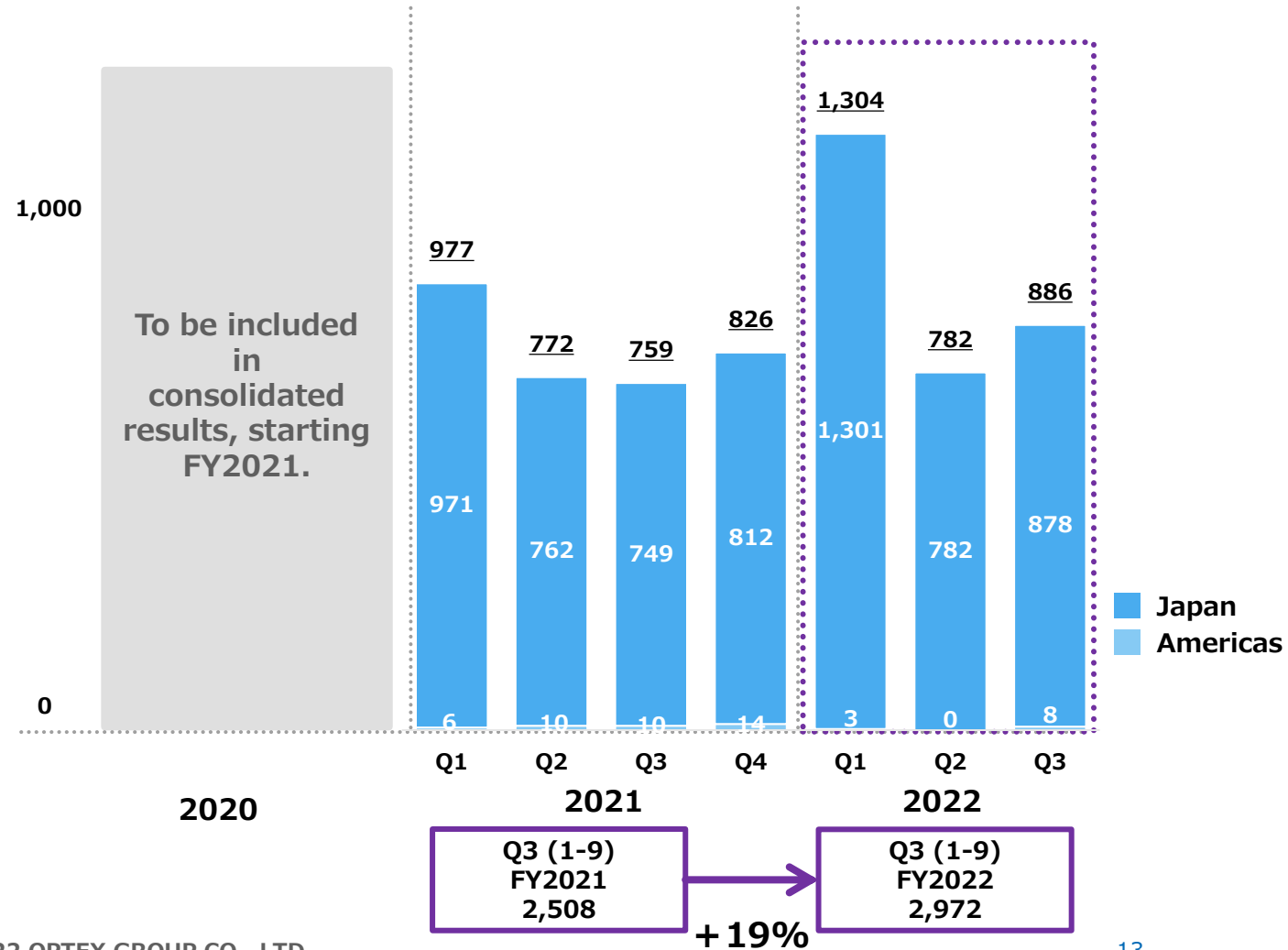
| Region | Q3(1-9) FY2022 Overview  | Quarterly Sales by Region(Unit: million yen) |
|--------|--|--|
| Japan  | - Orders increased for industrial PCs for semiconductor manufacturing equipment. |  |



Industrial PCs



Tracking Cameras



# FY2022 Consolidated Earnings Forecasts

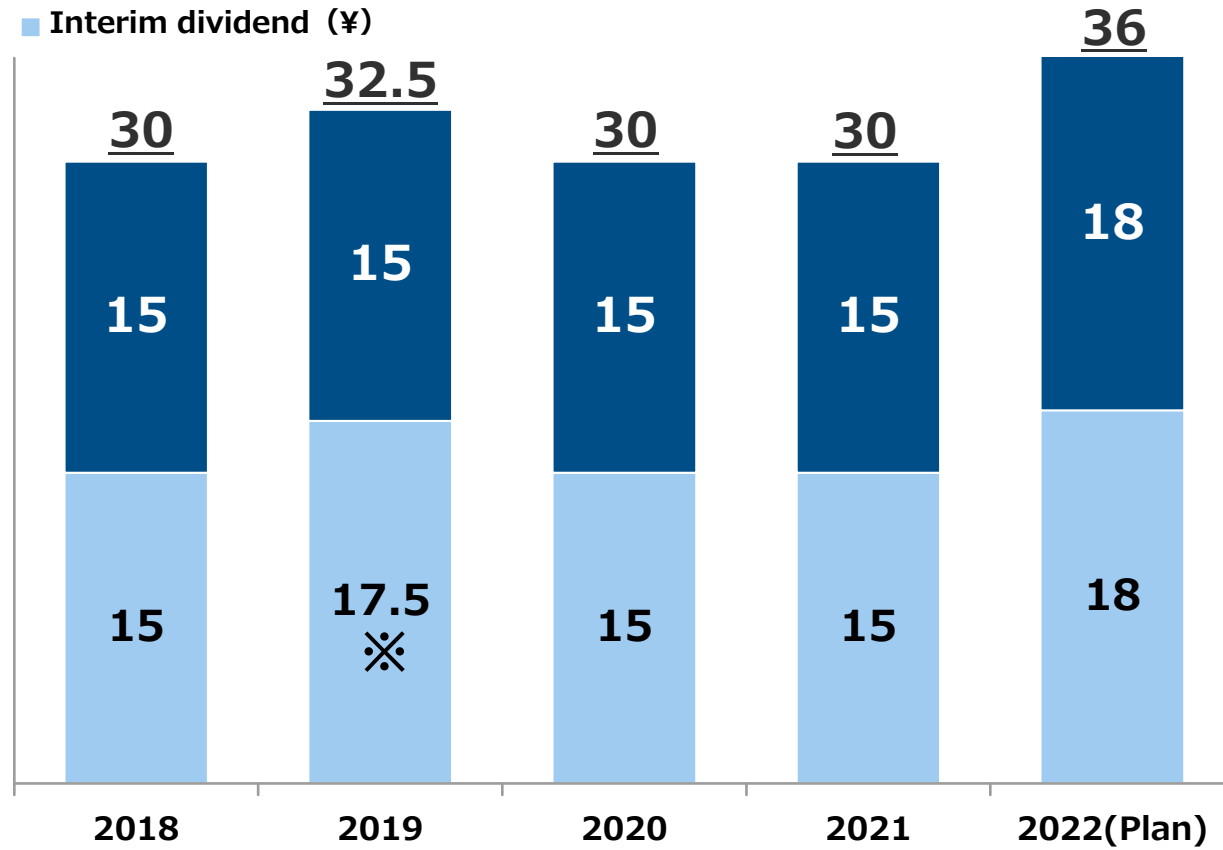
Despite recent strong inquiries, full-year forecasts remain unchanged from the initial plan due to the continuing tight supply-demand of electronic components and materials.

| (Unit: million yen)                          |      | FY2021 Results   | FY2022 Forecast  | YoY    |
|--|------|------------------|------------------|--------|
| Net sales                                    |      | 45,866           | 53,000           | +15.6% |
| Operating income<br>(Operating income Ratio) |      | 4,630<br>(10.1%) | 6,000<br>(11.3%) | +29.6% |
| Ordinary income                              |      | 5,130            | 6,100            | +18.9% |
| Profit attributable to owners of parent      |      | 3,762            | 4,600            | +22.3% |
| Net income per share<br>(yen)                |      | 104.18           | 129.49           |        |
| Exchange rate<br>(Unit: Yen)                 | 1USD | 109.80           | 110.00           |        |
|  | 1EUR | 129.89           | 130.00           |        |

# Shareholder Return

■ 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% | 27.8% |
| ROE                   | 12.3% | 6.8%  | 4.3%  | 11.2% | -     |

## SS Business (Security Sensors)

**Launched FlipX, a Security Sensor that Blends in with Room Decor**



Design that blends in modern interiors



**To be available in stores and home security markets globally, including Europe and North America**



<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                 | 4,630 million JPY                         |
| Fiscal Year-End                  | December                                  |
| Stock Code                       | Tokyo Stock Exchange<br>Prime Market 6914 |
| Consolidated Number of Employees | 2,277                                     |

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

**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

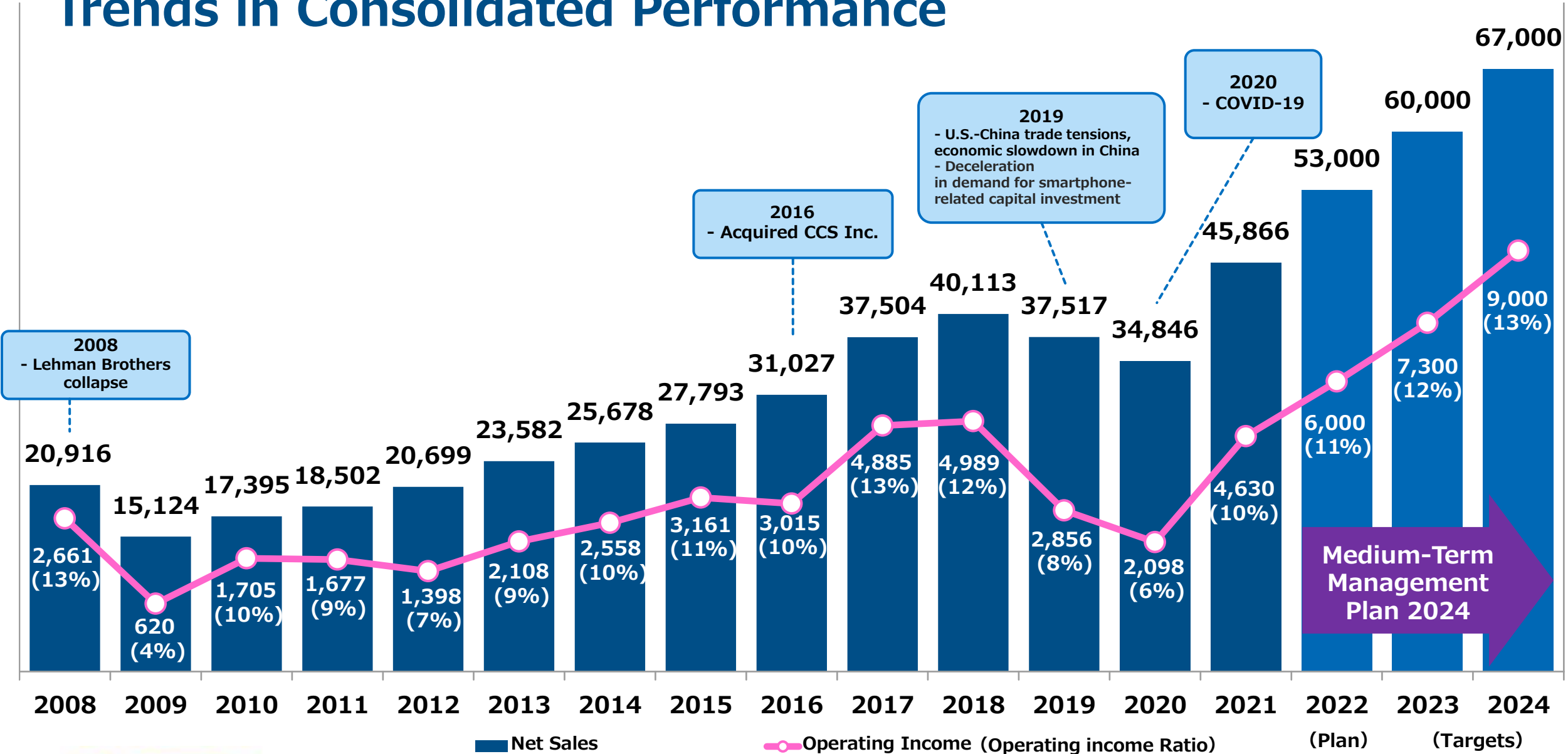
**OPTEX**

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 21



# 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

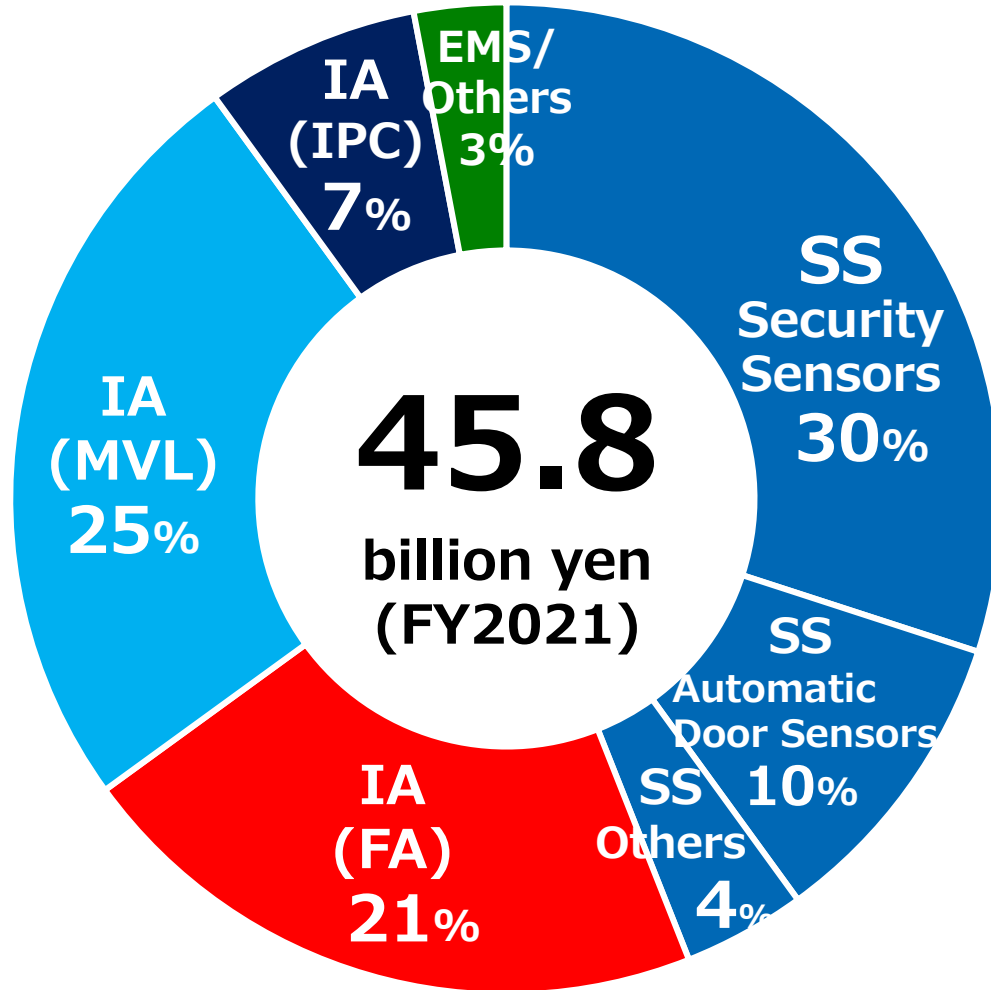
O'PAL OPTEX CO.,LTD.



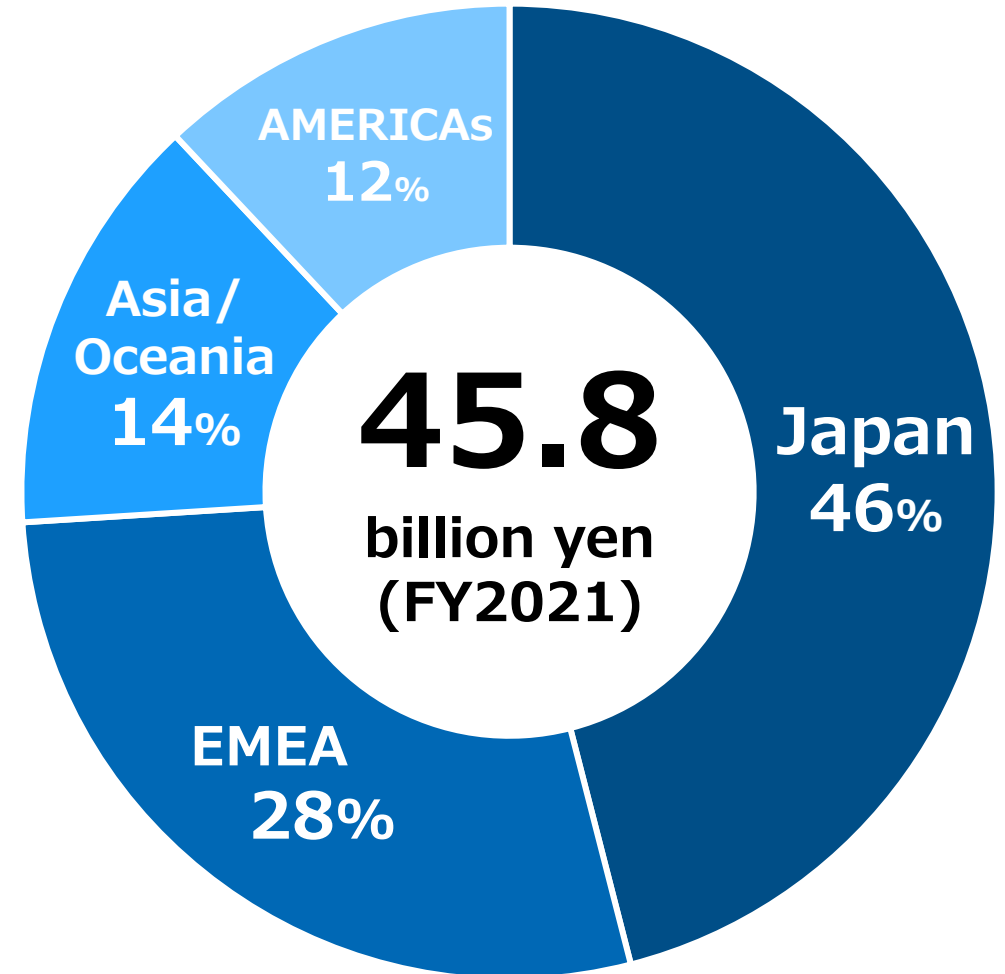
Management of outdoor activities and environmental learning programs

# 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



Clean Switch

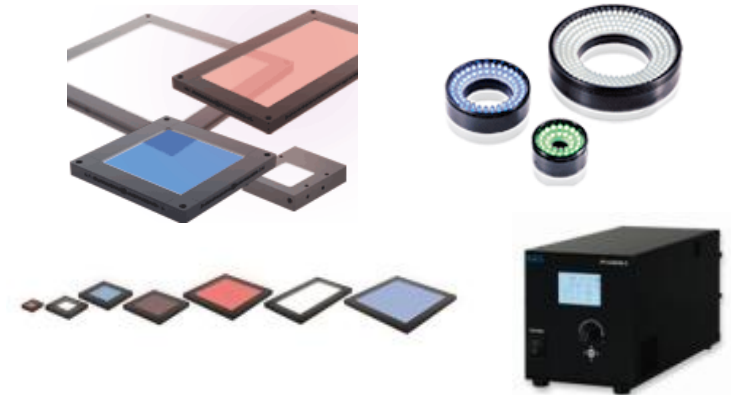


Push plate

Machine vision lighting

**30%**

LED inspection lighting



LED lighting systems for image inspection

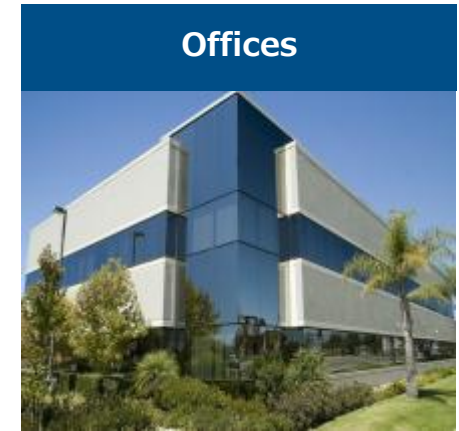
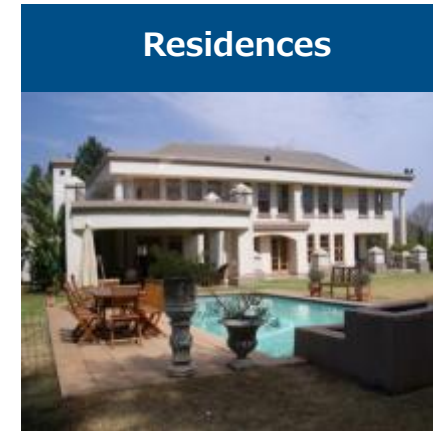
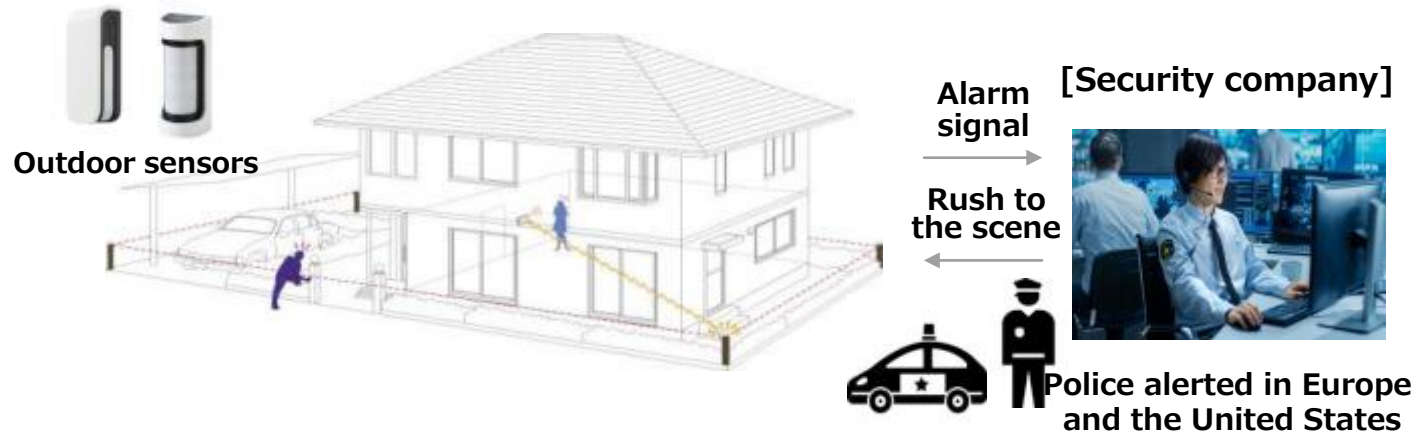


# Business Domain \_ Security sensors

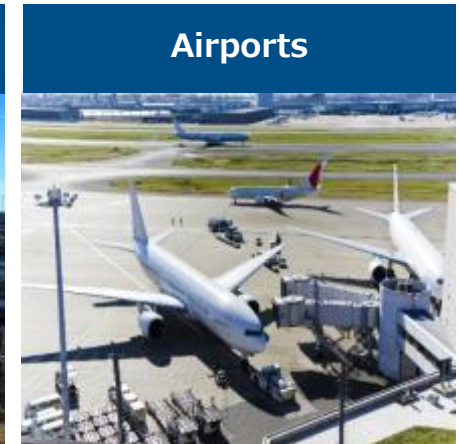


## Largest market share in the world for outdoor intrusion detectors

Residential home · Commercial facilities



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

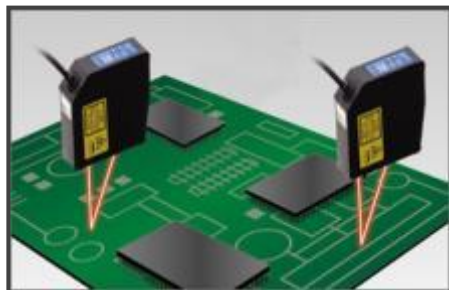
## Displacement sensors



Products for the semiconductor and electric and electronic parts industries



Measurement of smartphone frame height

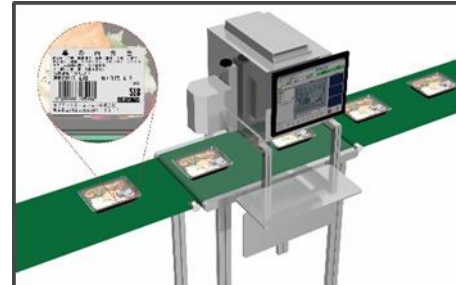


Measurement of substrate tilt/warp

## Image sensors



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



Inspection of use-by dates printed on packages



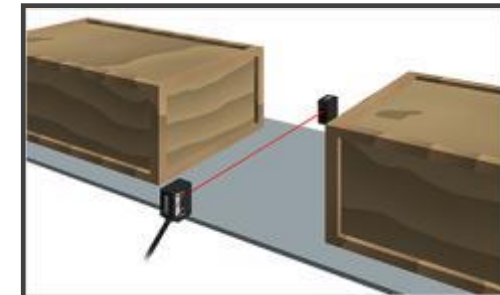
Inspection of use-by dates printed on milk cartons

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## Photoelectric sensors



Products for the logistics industry



Detection of passing wooden boxes



Detecting boxes protruding from shelves in automatic warehouses

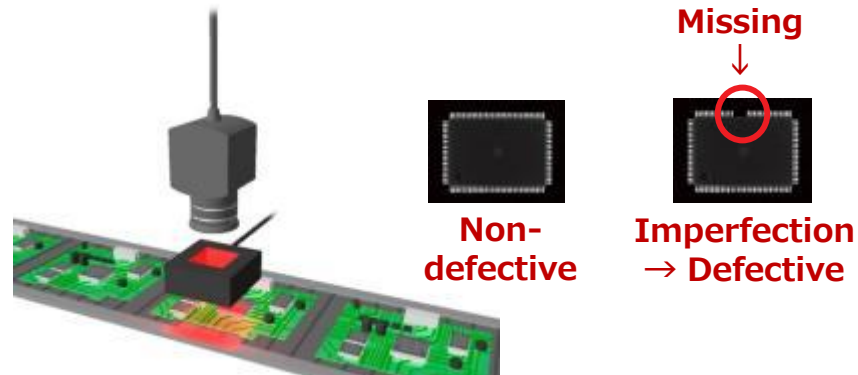
# Business Domain \_ Machine Vision Lighting

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

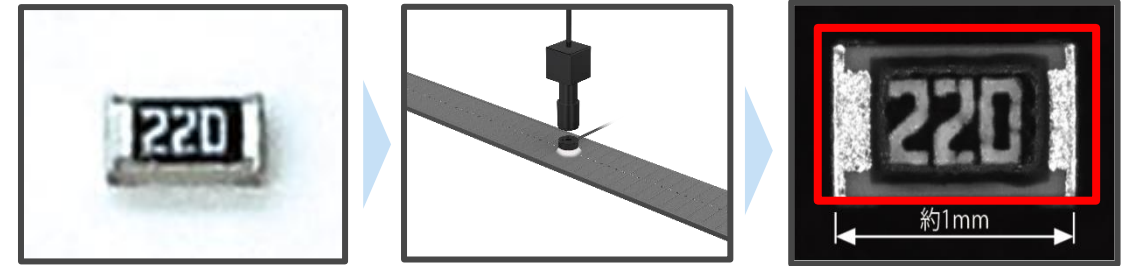
## Lighting for image inspections\*

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

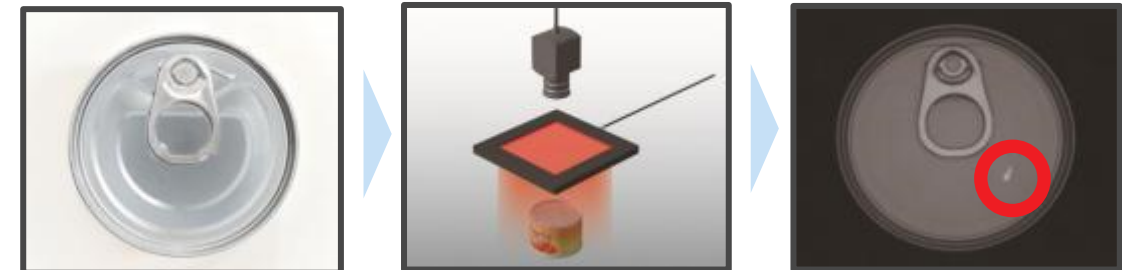
Photos or images of the inspection targets are taken and processed using lighting (and power supplies), lenses, and cameras, and the items are judged to be "good" or "defective".



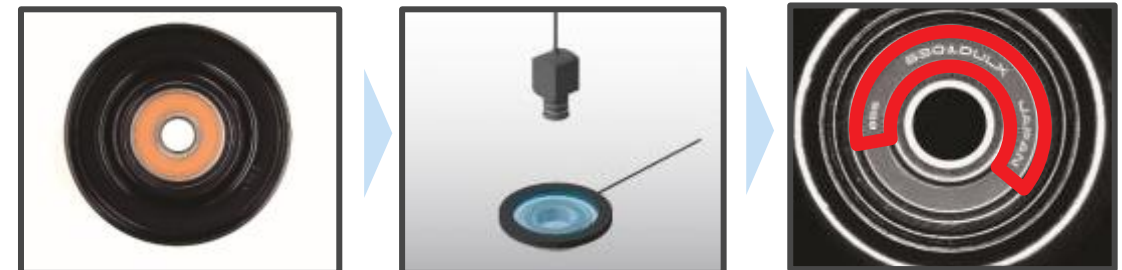
Inspection for defects in parts mounted on a printed circuit board



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.

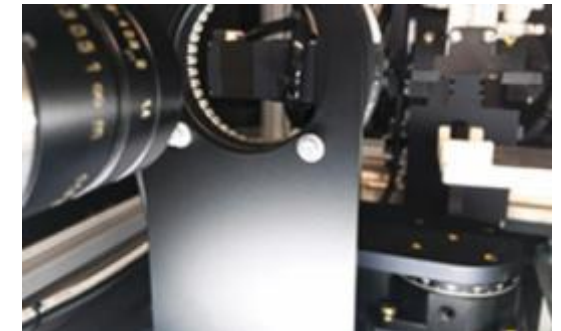
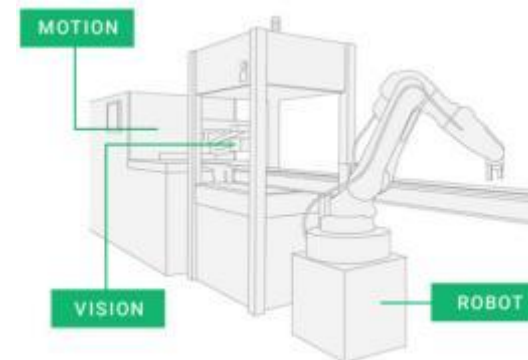
## Image Processing Inspection Systems

"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

### 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



E-smooth Sensor

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

LED × Sensor : Power consumption:  
Down approx.  
90%



## 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.