



Summary of F.Y. 2022 Consolidated Financial Results (Jan.1 to Dec.31, 2022)

**OPTEX GROUP CO., LTD.
February 14, 2023**

(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

Financial Results of FY2022

- 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 +36% year on year, due to a 2percentage point decline in SG&A ratio, offsetting an increase in the cost of sales ratio of 1percentage point.

Consolidated Earnings Forecasts of FY2023

- Inquiries are likely to remain strong. The Group will steadily execute its growth strategies in its main businesses.
The Group aims to post net sales of 60.0 billion yen and an operating profit of 7.5 billion yen by promoting sales of highly profitable products.

1. FY2022 Overview of Financial Results

2. Three-Year Management Plan (2023-2025)

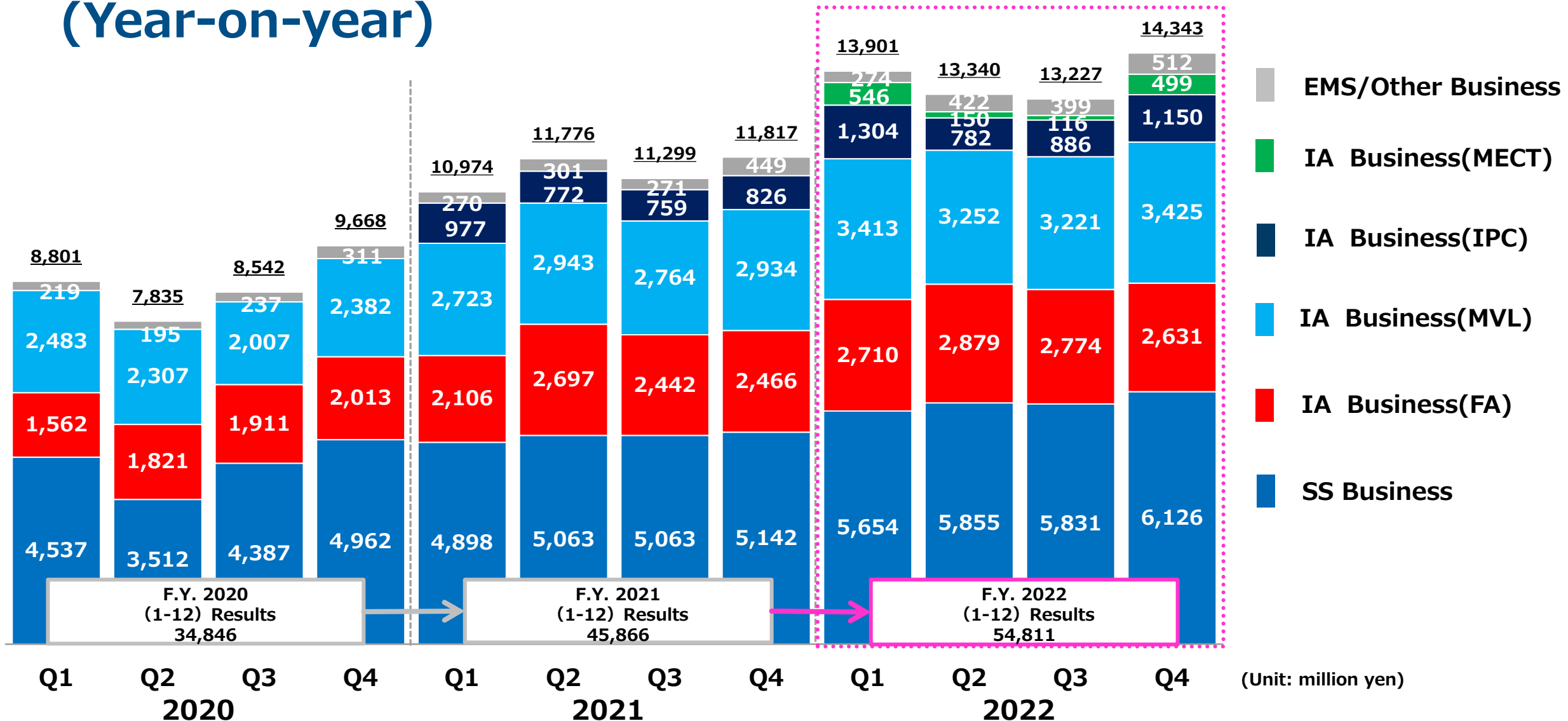
3. TOPIC

Summary of Consolidated Financial Results of FY2022

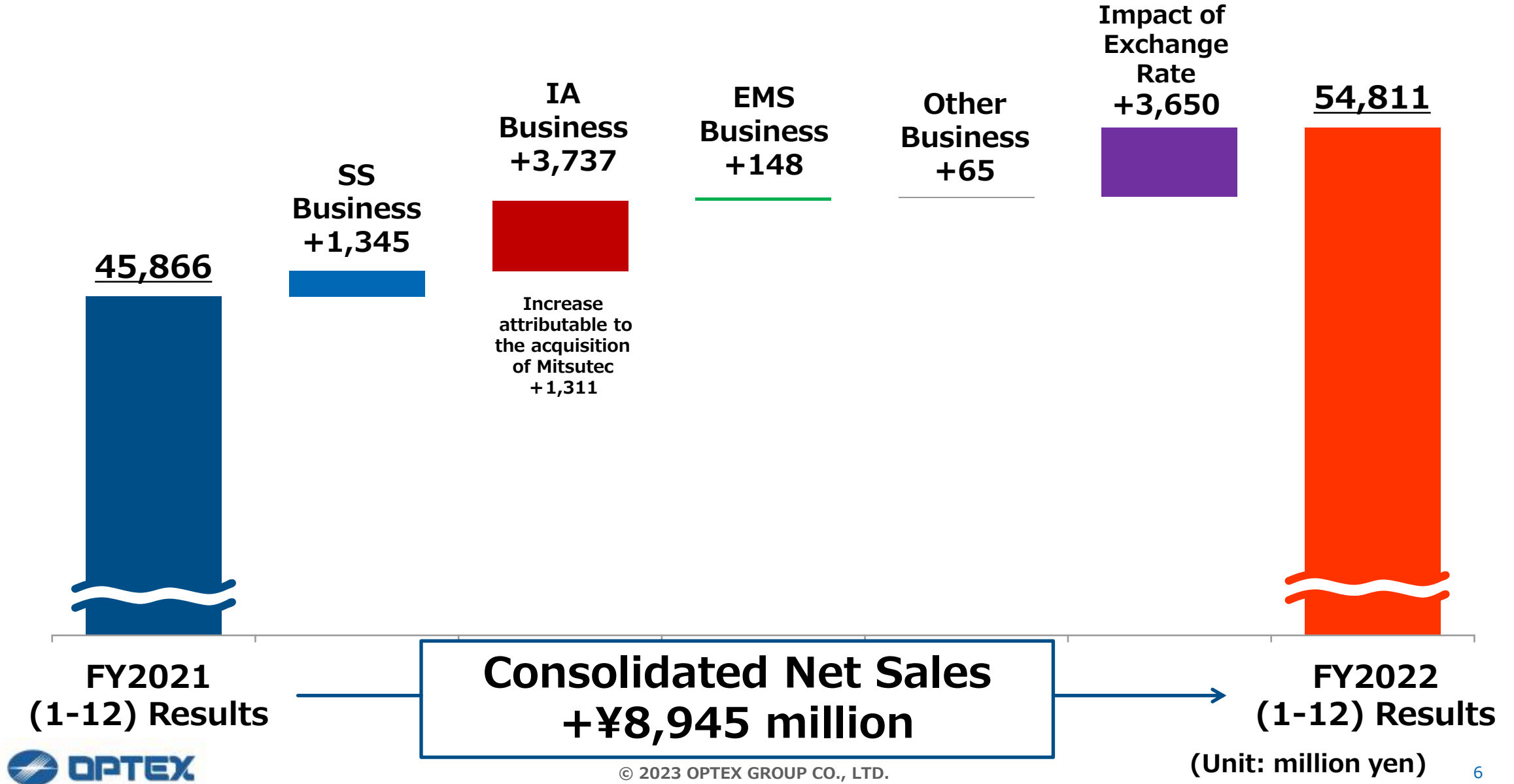
Operating Results (Unit: million yen)	FY2021 (1-12) Results	FY2022 (1-12) Results	Change	Percent Change
Net sales	45,866	54,811	+8,945	+19.5%
Operating income (Operating income Ratio)	4,630 (10.1%)	6,303 (11.5%)	+1,673	+36.1%
Ordinary income	5,130	7,042	+1,912	+37.3%
Profit attributable to owners of parent	3,762	4,752	+990	+26.3%
Net income per share (yen)	104.18	133.73		

Exchange rate (Unit: Yen)	1USD	109.80	131.43
	1EUR	129.89	138.04

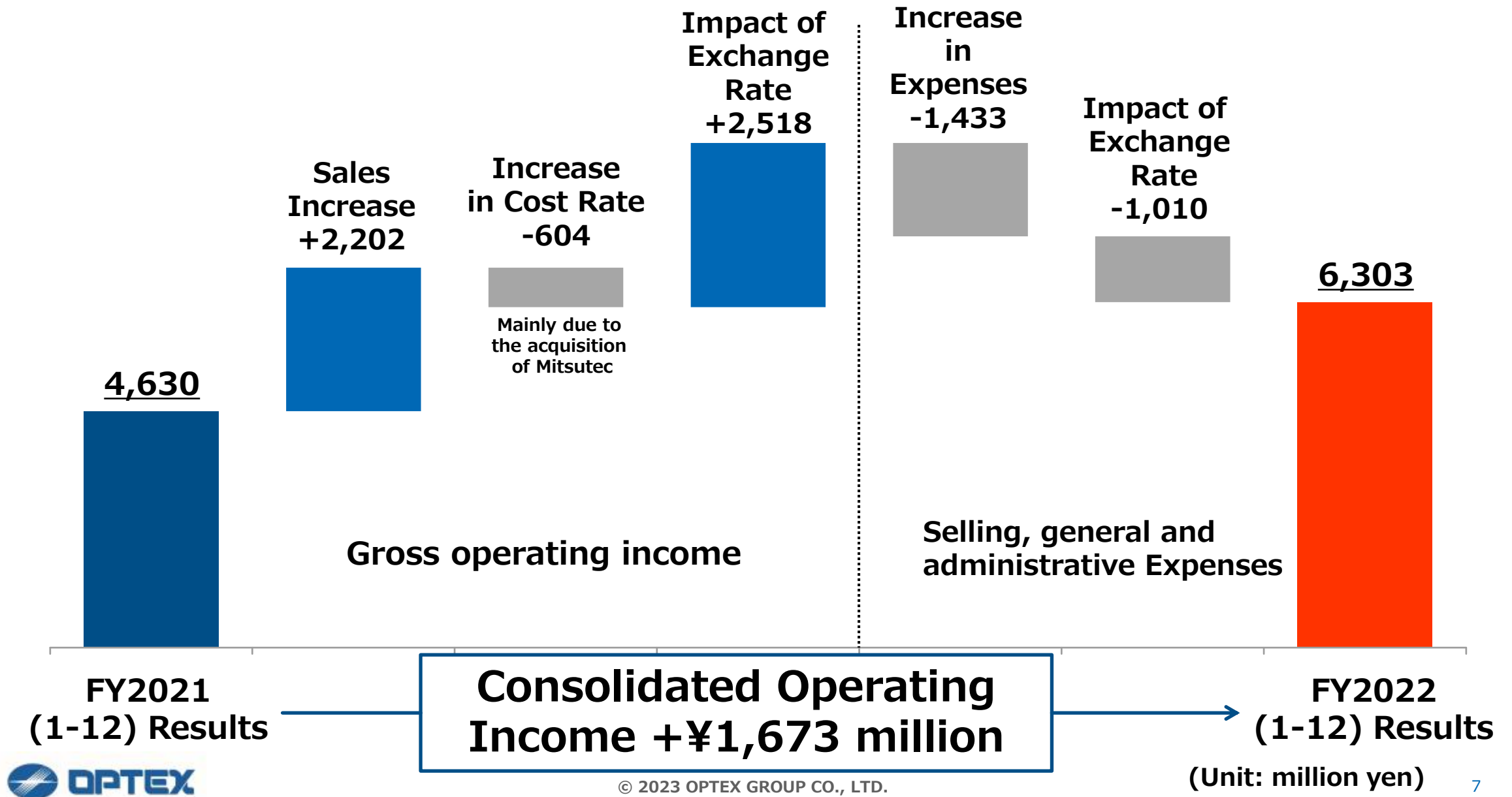
Quarterly performance - Consolidated Net Sales (Year-on-year)



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



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



Comparison of Financial Results of FY2022 between Segments

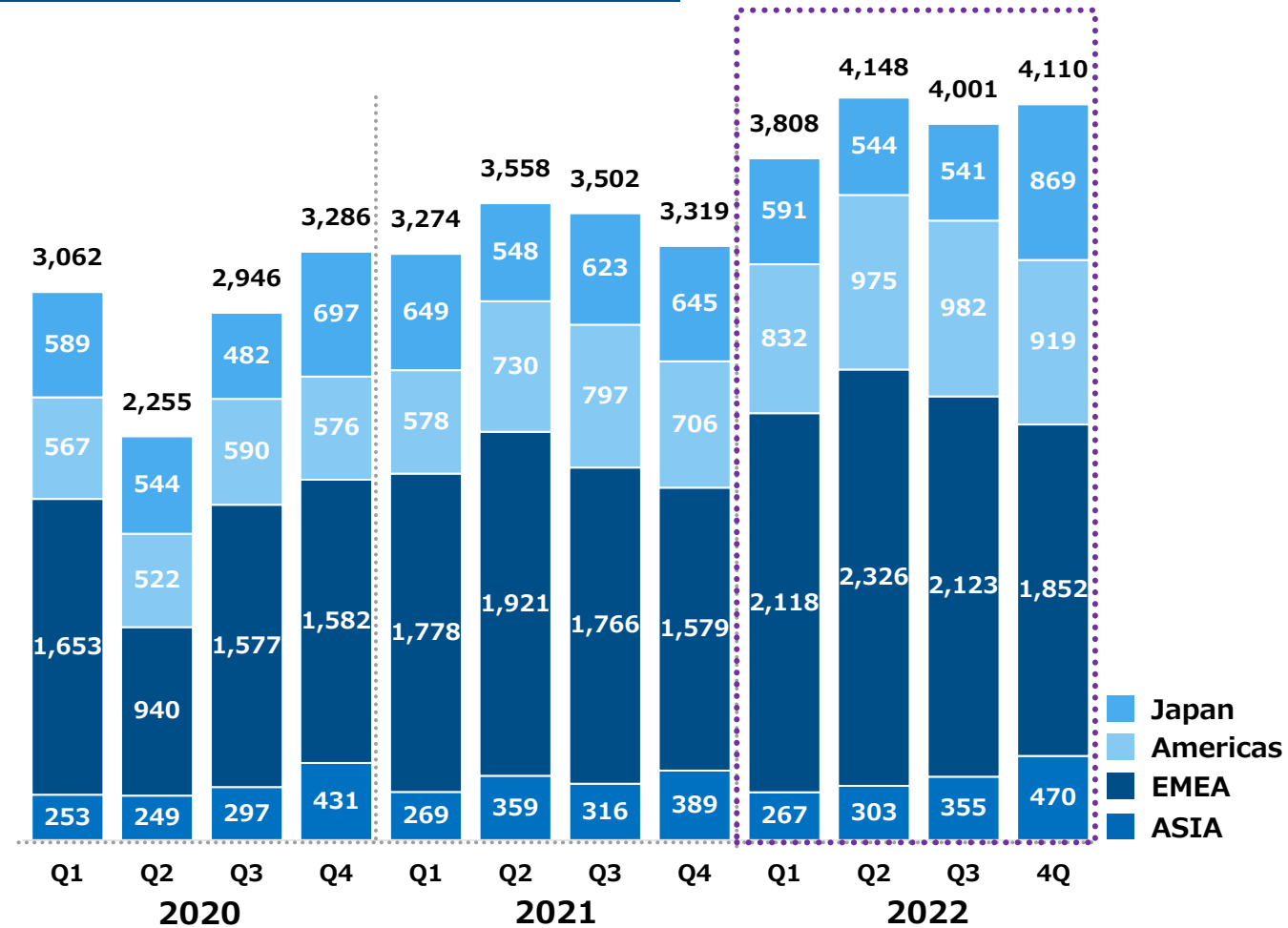
Operating Results (Unit: million yen)	FY2021 (1-12) Results		FY2022 (1-12) Results			
	Net sales	Operating income (Operating income Ratio)	Net sales	Percent Change	Operating income (Operating income Ratio)	Percent Change
SS Business	20,164	2,201 (10.9%)	23,465	+16.4%	2,869 (12.2%)	+30.3%
IA Business	24,409	2,700 (11.1%)	29,738	+21.8%	3,583 (12.0%)	+32.7%
EMS Business	756	310 (41.0%)	1,006	+33.0%	400 (39.8%)	+29.2%

Business by Segment - SS Business(Security Sensors)



Region	FY2022 (1-12) Overview
Japan	<ul style="list-style-type: none"> - Projects for critical large-scale critical facilities increased. - Sales of outdoor intrusion detectors for security companies were firm.
AMERICAS	<ul style="list-style-type: none"> - More projects were secured for data centers under a direct marketing strategy. - Sales of laser scan sensors were strong.
EMEA	<ul style="list-style-type: none"> - Sales of new products to new partners were strong. - More projects were secured for infrastructure facilities under a direct marketing strategy.
Asia and Oceania	<ul style="list-style-type: none"> - Sales of outdoor alarm sensors remained strong in India. - Growth in sales slowed in China and Southeast Asia due to restrictions on activities and delays in product supply caused by component shortages.

Quarterly Sales by Region(Unit: million yen)



FY2021 (1-12) 13,653
→
FY2022 (1-12) 16,067

+ 18%



Sensors for large-scale critical facilities



Camera sensors

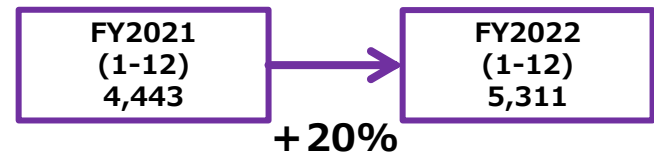
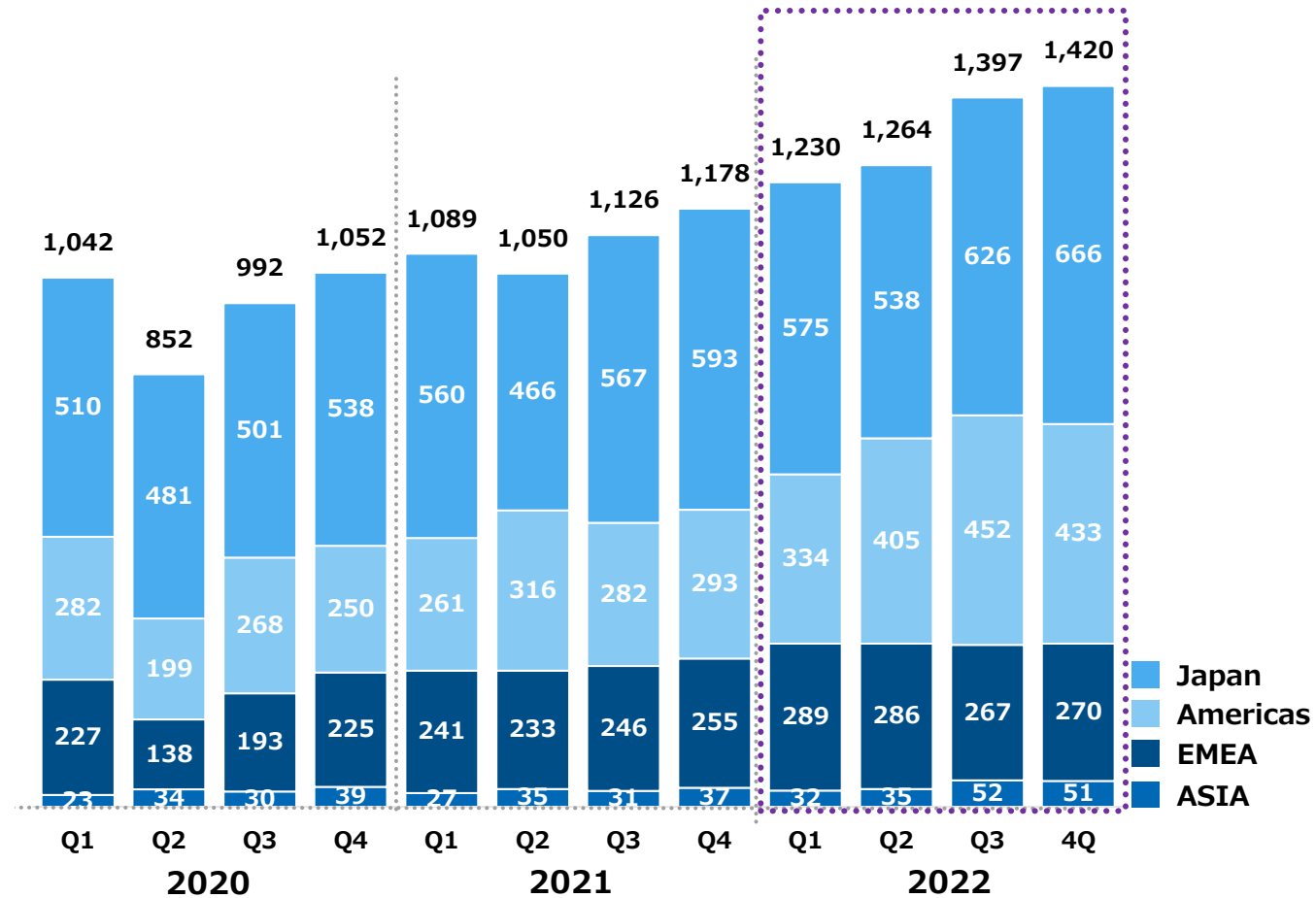


Business by Segment - ss Business(Automatic Door Sensors)



Region	FY2022 (1-12) Overview
Japan	- Inquiries remained strong thanks to large automatic door manufacturers in Japan evaluating the stable product supply capabilities highly.
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)



Push plate

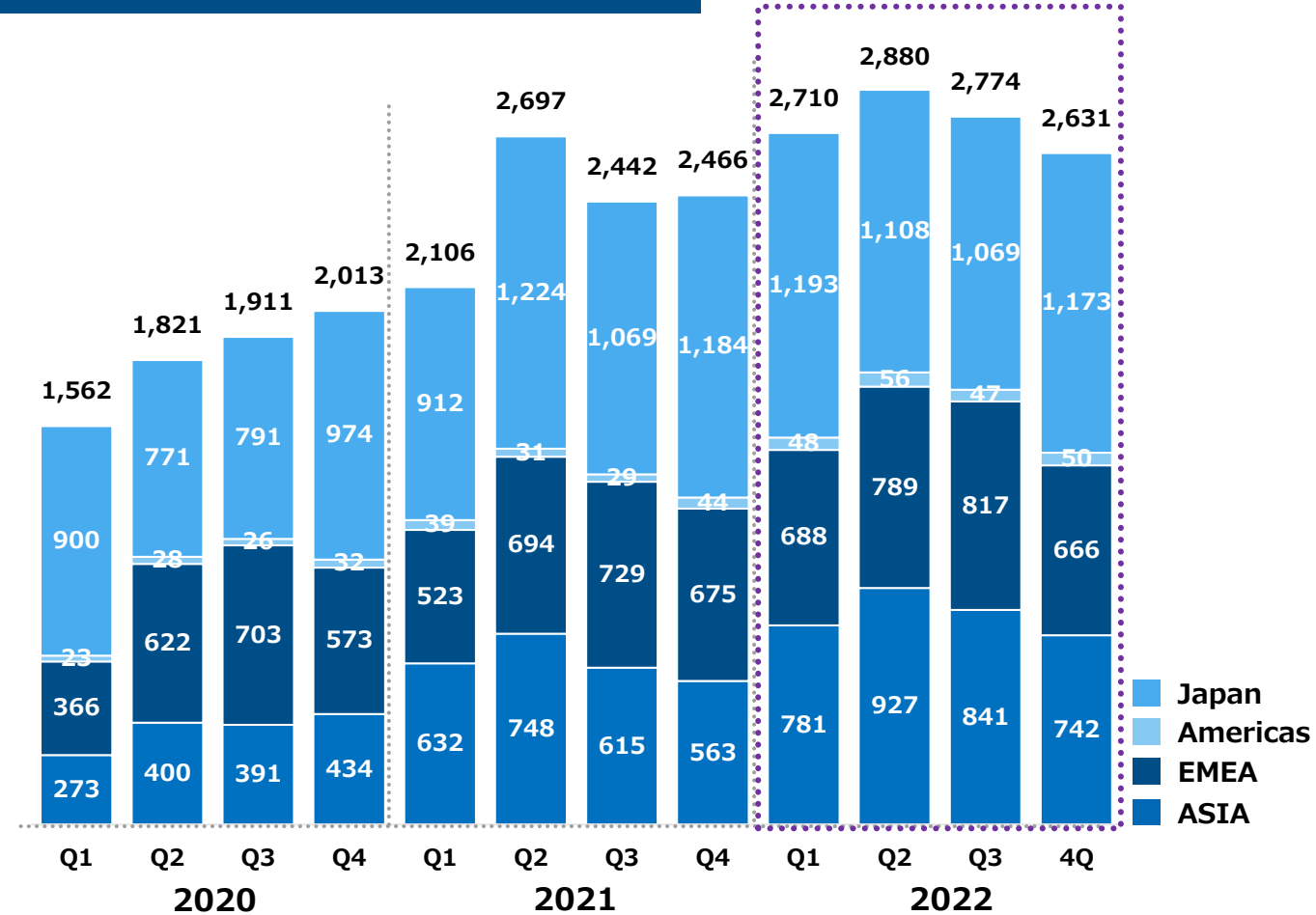


Business by Segment - IA Business(FA)



Region	FY2022 (1-12) 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.

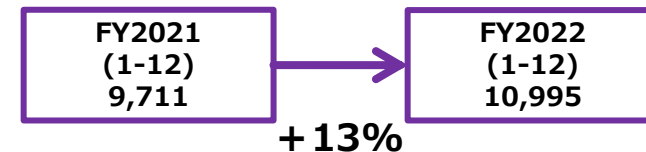
Quarterly Sales by Region(Unit: million yen)



Displacement sensors



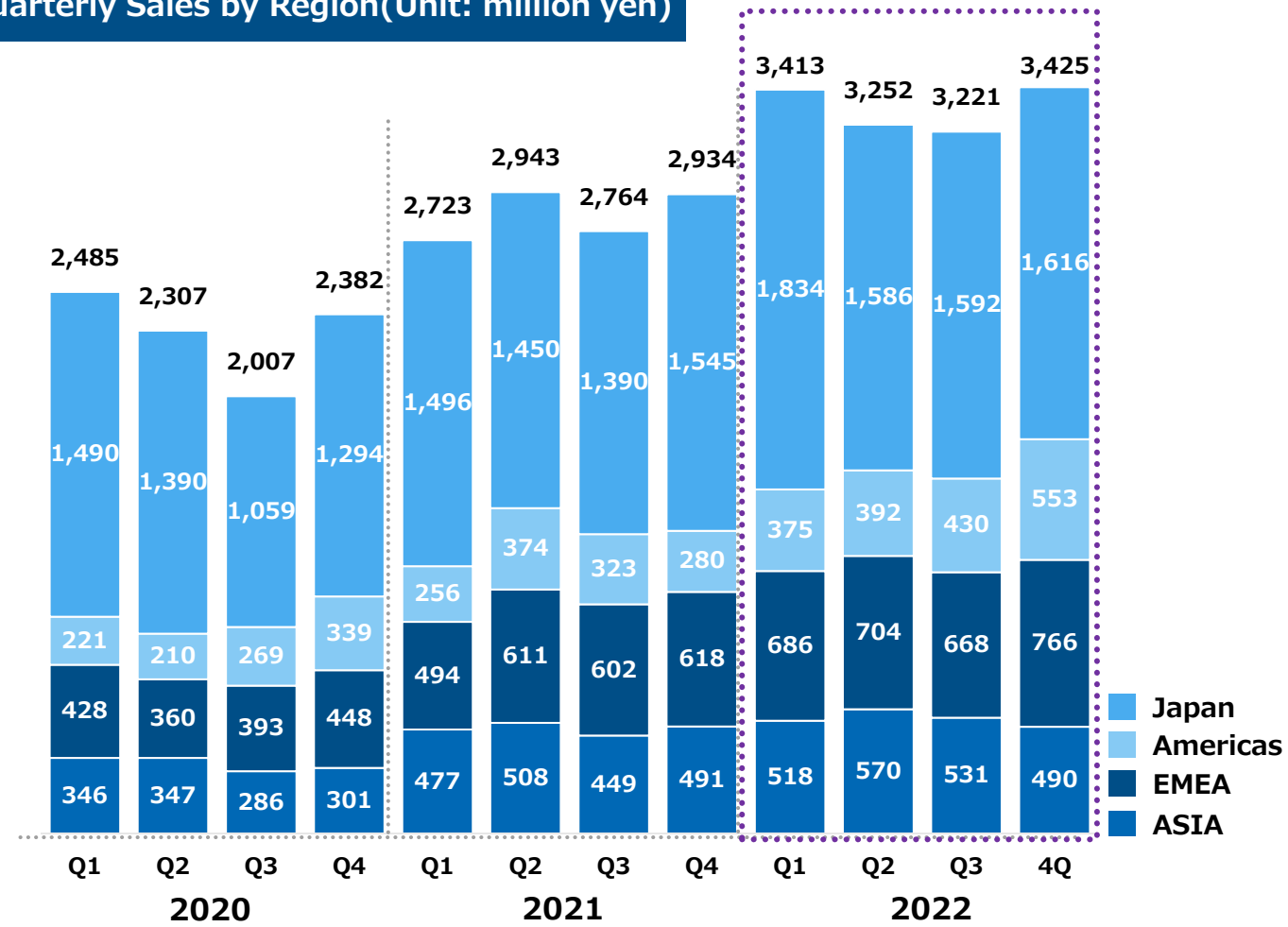
IO-Link master



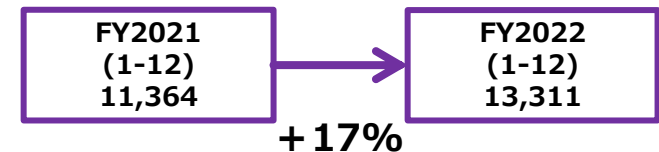
Business by Segment - IA Business(MVL)

Region	FY2022 (1-12) Overview
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.

Quarterly Sales by Region(Unit: million yen)



LED lighting systems for image processing



Business by Segment - IA Business(IPC)

Region	FY2022 (1-12) Overview	Quarterly Sales by Region(Unit: million yen)
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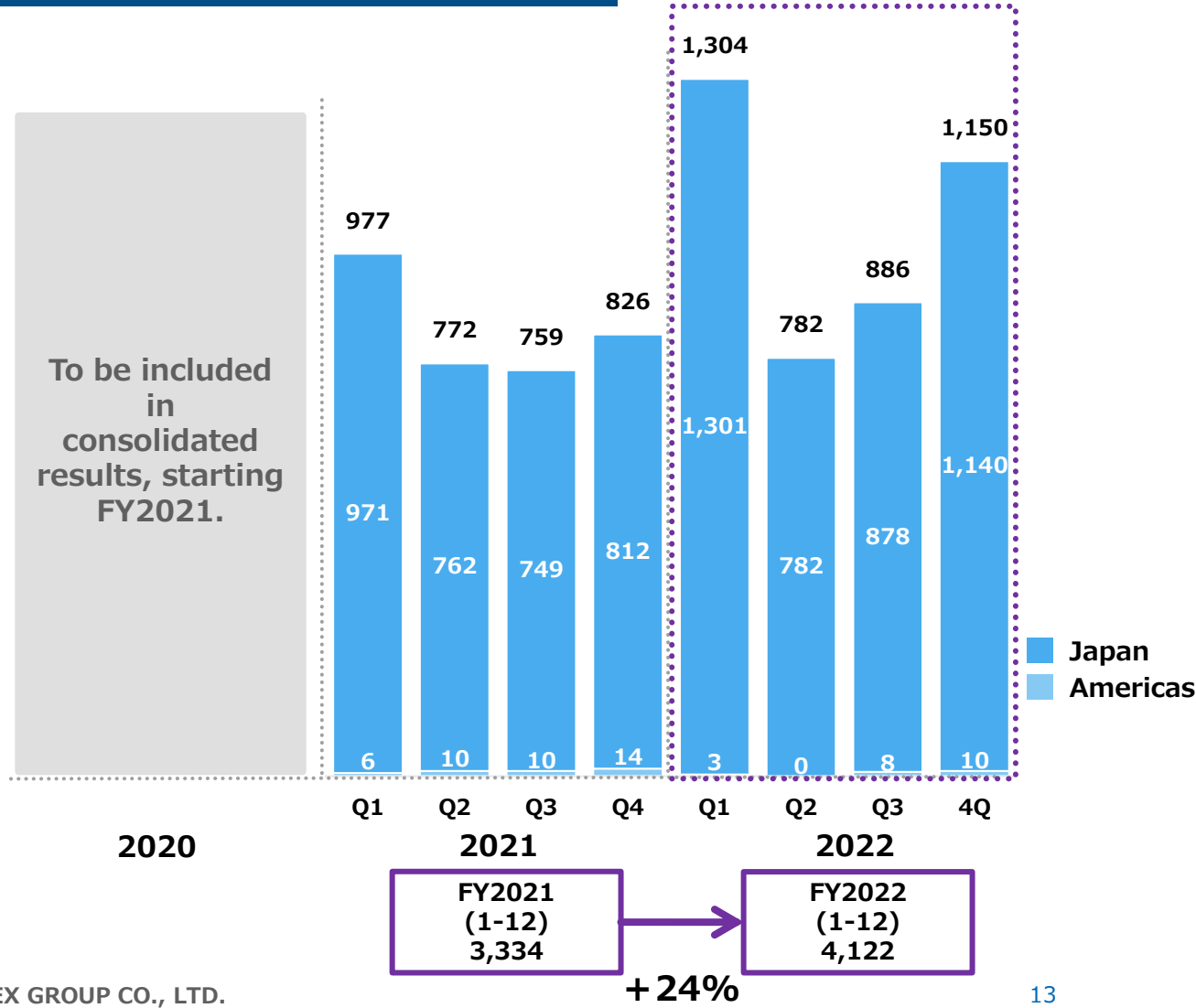
Japan	- Orders increased for industrial PCs for semiconductor manufacturing equipment.
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Industrial PCs



Tracking Cameras

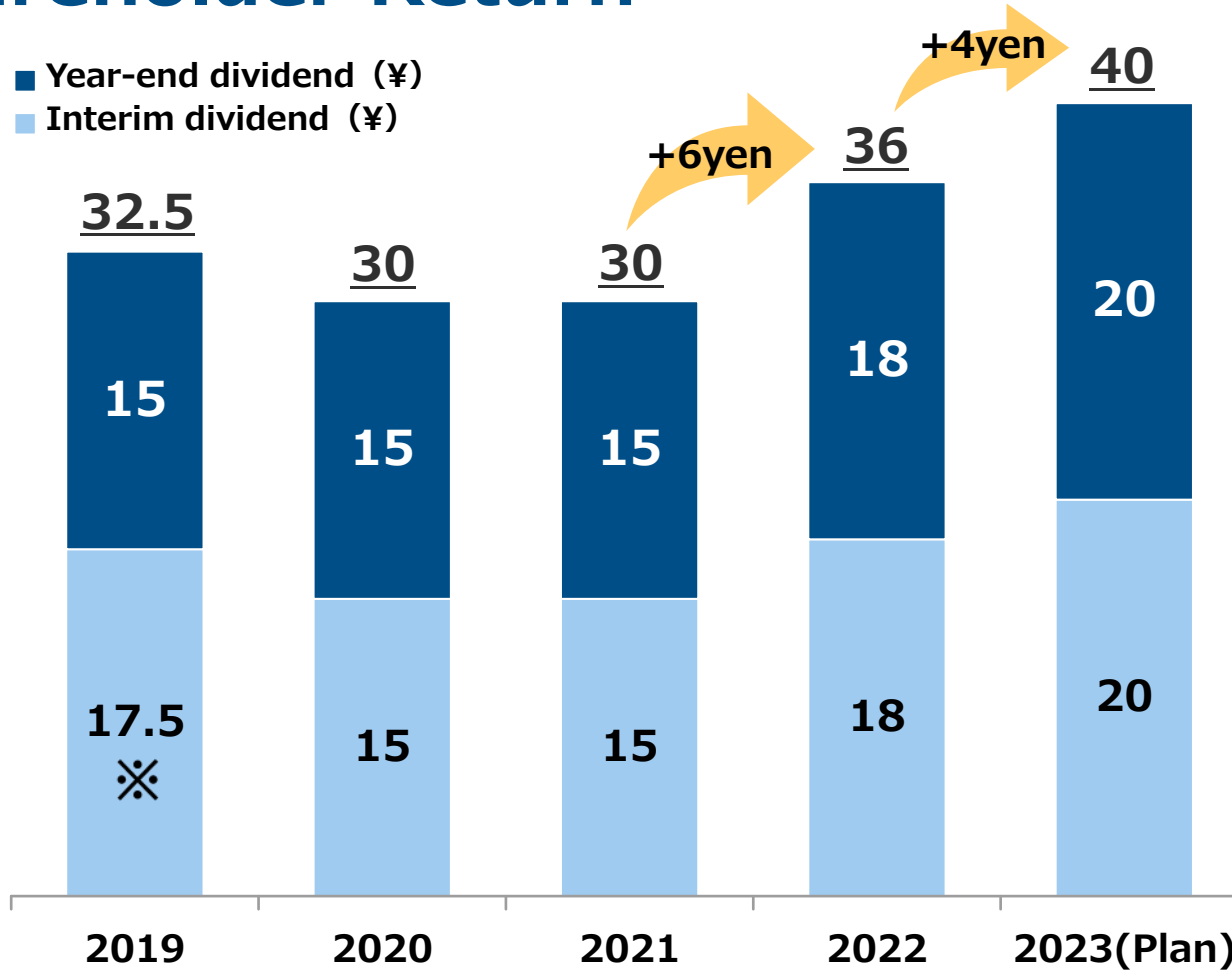


FY2023 Consolidated Earnings Forecasts

(Unit: million yen)		FY2022 Results	FY2023 Forecast	YoY
Net sales		54,811	60,000	+109.5%
Operating income (Operating income Ratio)		6,303 (11.5%)	7,500 (12.5%)	+119.0%
Ordinary income		7,042	7,600	+107.9%
Profit attributable to owners of parent		4,752	5,300	+111.5%
Net income per share (yen)		133.73	149.19	
Exchange rate (Unit: Yen)	1USD	131.43	135.00	
	1EUR	138.04	140.00	

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

Dividend payout ratio	54.1%	77.7%	28.8%	26.9%	26.8%
ROE	6.8%	4.3%	11.2%	12.8%	-

*The amount includes a commemorative dividend of 2.5 yen

1. FY2022 Overview of Financial Results

2. Three-Year Management Plan (2023-2025)

3. TOPIC

2. Three-Year Management Plan (2023-2025)

Growth of Existing Businesses

Offering System Solutions

SS (Security Sensors)



Achievements in 2022

Started to provide new products to partners in Europe.

The number of new corporate customers that introduce systems and the number of registrations increased in North America.

SS (Automatic Door Sensors)



Achievements in 2022

Sales of automatic door remote monitoring service increased, which contributed to raising the customer maintenance contract rate.

OMNICITY is used in diverse ways in large retail facilities, restaurants and other properties.

IA (FA)



Achievements in 2022

Expanded the IO-Link product lineup through active investments in development.

Launched new 8 Series products in response to customer needs.

IA (MVL)



Achievements in 2022

Held Solution EXPO, a large private exhibition in Japan.

Received many inquiries, reflecting the high evaluations received for our ability to make a range of proposals.

2. Three-Year Management Plan (2023-2025)

Growth of Companies Acquired

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

Achievements in 2022

Markets that has been focusing on



Semiconductor manufacturing equipment

Medical equipment

Sales of industrial PCs increased due to an expansion of the investment in semiconductor facilities.

Developed a system for expanding business domains that are not susceptible to external environmental risk.

IA Business MITSUTEC CO., LTD.

Markets that are expected to grow



Hybrid car / Electric car

Achievements in 2022

Expanded investment in secondary battery manufacturing equipment for electric vehicles and won large projects to which products will be shipped continually from FY2023.

Synergy with Companies Acquired

Sanritz Automation (IPC) × OPTEX (SS)

Introduced remote monitoring camera systems for critical domestic facilities.



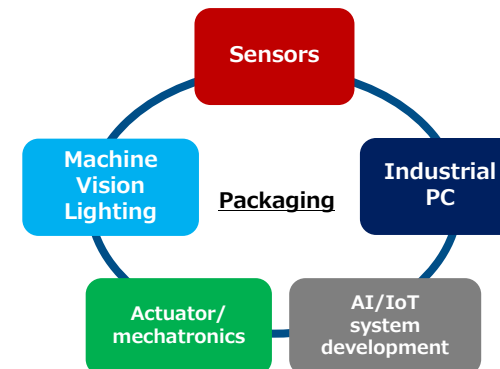
Critical Facilities

Achievements in 2022

Started joint development of a remote image monitoring system with an automatic tracking function using AI.

MITSUTEC (MECT) × OPTEX FA (FA)

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



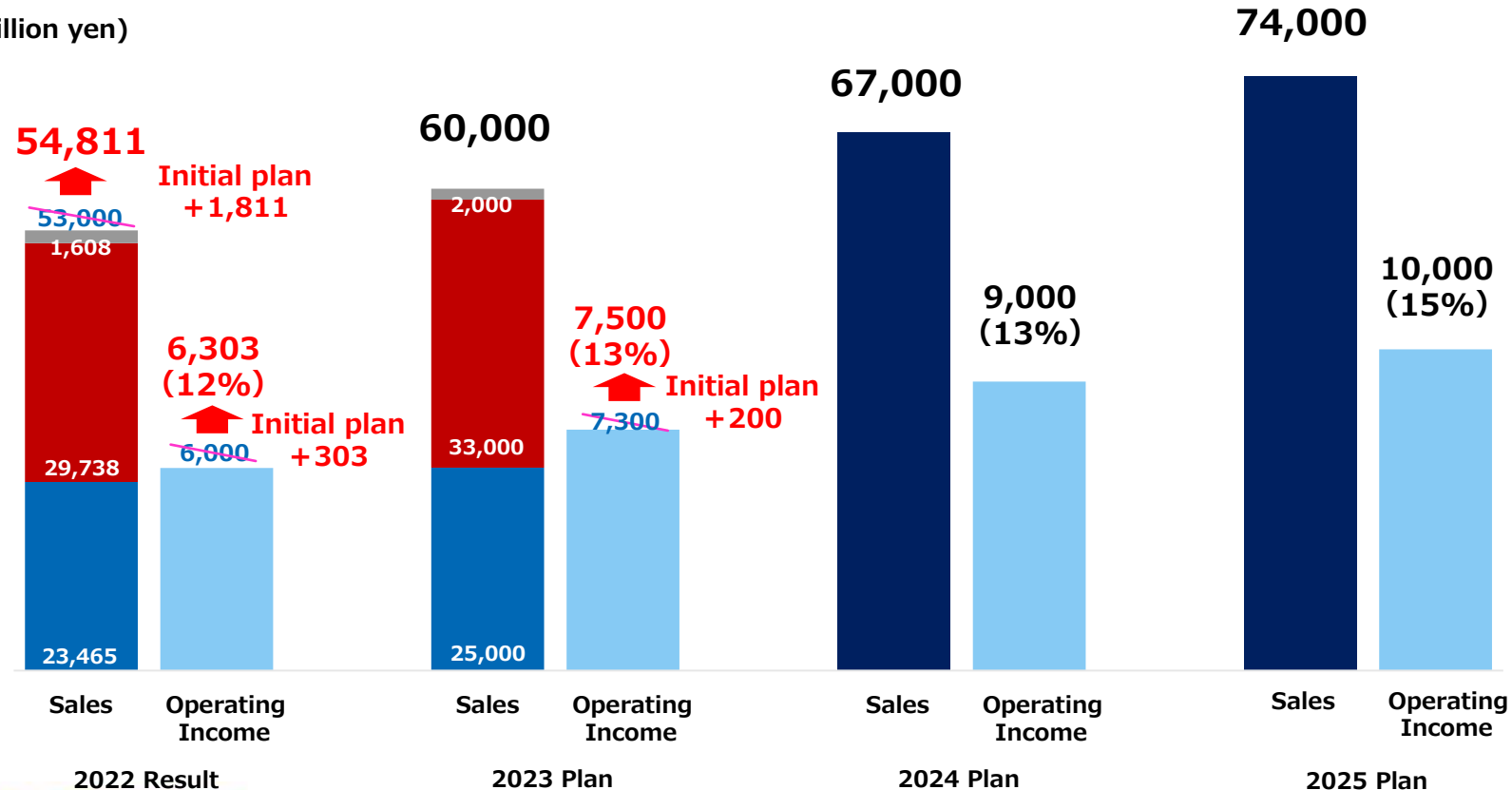
Achievements in 2022

The partnership started for visual inspection solutions using robots. Strengthened the ability to propose products and expanded technical support.

Three-Year Management Plan (2023-2025)

- Both net sales and operating profit exceeded the plan in 2022 due to growth strategies.
- Will continue to promote sales of highly profitable products in 2023 to expand operating profit.
- Goal of recording an operating profit of 10.0 billion in 2025 by further developing each business and accelerating the shift of our focus to the sale of solutions.

(Unit: million yen)



Optex Group's Management Indicator (Target)

Sales growth	10%up
Operating Profit	More than 15%
ROE	More than 10%

Sales

- EMS/Others
- IA Business
- SS Business

Operating Income
(%:Operating income Ratio)

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- 3. TOPIC**

Change of Representative Directors

Implementing a generational change to respond to the drastic change of the business environment and to achieve continued growth and expansion.

Name	New Position	Current Position
Isamu Oguni	OPTEX GROUP CO., LTD. Chairman	OPTEX GROUP CO., LTD. President and CEO
Tatsuya Nakajima	OPTEX GROUP CO., LTD. Representative Director and President OPTEX FA CO., LTD. Representative Director and President (Concurrent post)	OPTEX GROUP CO., LTD. Director OPTEX FA CO., LTD. Representative Director and President (Concurrent post)



Tatsuya Nakajima

They will take office after the 44th ordinary general meeting of shareholders and the Board of Directors meeting to be held in March 2023.

<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	54,811 million JPY
Operating Profit	6,303 million JPY
Fiscal Year-End	December
Stock Code	Tokyo Stock Exchange Prime Market 6914
Consolidated Number of Employees	2,353

(Values: Results for the fiscal year ended December 31, 2022)

**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

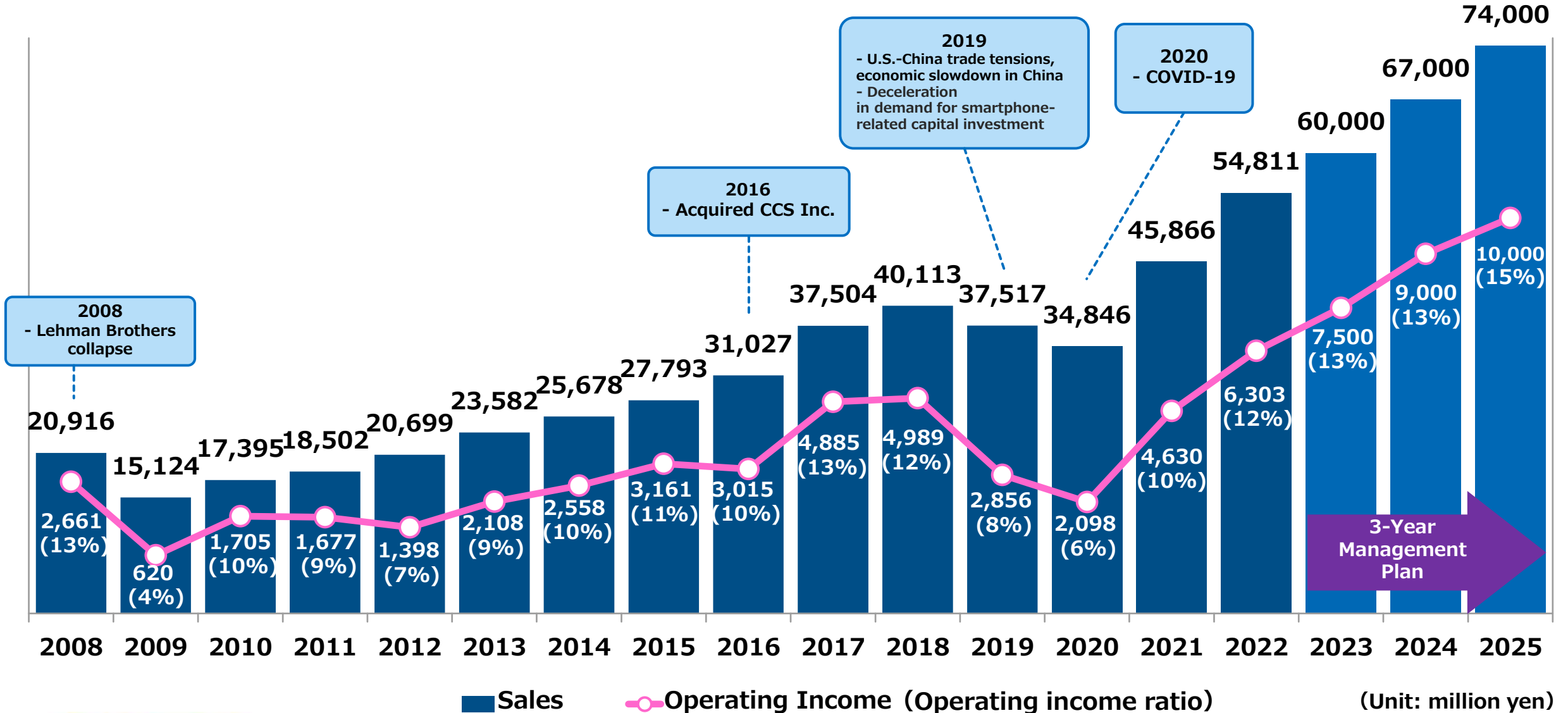
OPTEX

OPTical TEchnology

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



Trends in Consolidated Performance



(Unit: million yen)

Company Overview _ History

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



Founding members



Automatic door sensor



Outdoor security Sensor (1996)



Factory automation sensor developed by Optex FA



China: Home Plant (Dongguan City, Guangzhou)



LED lighting systems for image inspection



Holding Company Structure

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

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

OPTEX CO., LTD.



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

SS Business

OPTEX FA CO., LTD.



Sales & Development of Sensors for Factory Automation

CCS Inc.



Sales, Development & Production of LED Lighting for Image Inspection

Sanritz Automation Co., Ltd.



Development, manufacturing and sales of industrial computers

MITSUTEC CO., LTD.



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

IA Business

OPTEX MFG Co., Ltd.



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

Three Ace Co., Ltd.



Development of various systems, applications, and digital contents

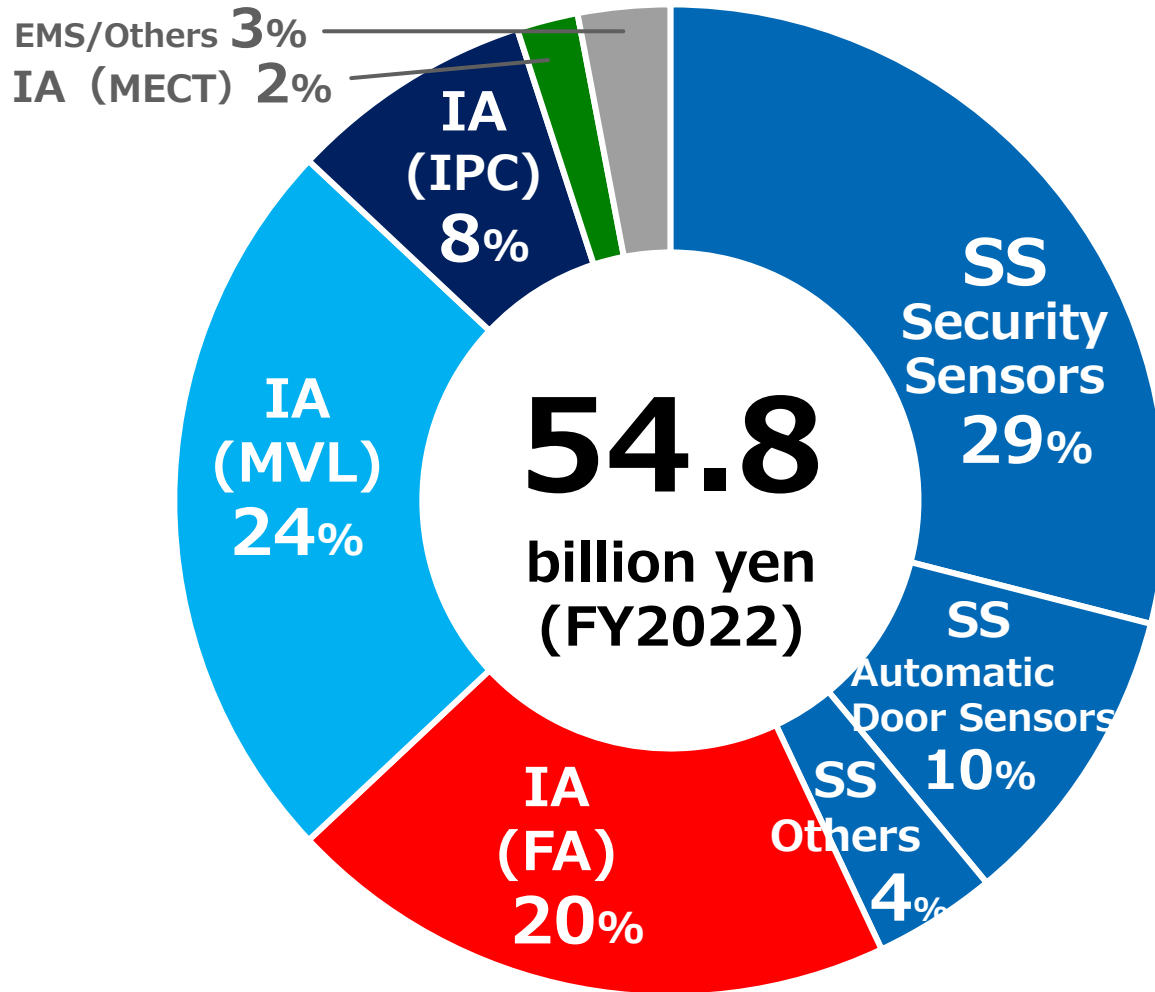
O'PAL OPTEX CO.,LTD.



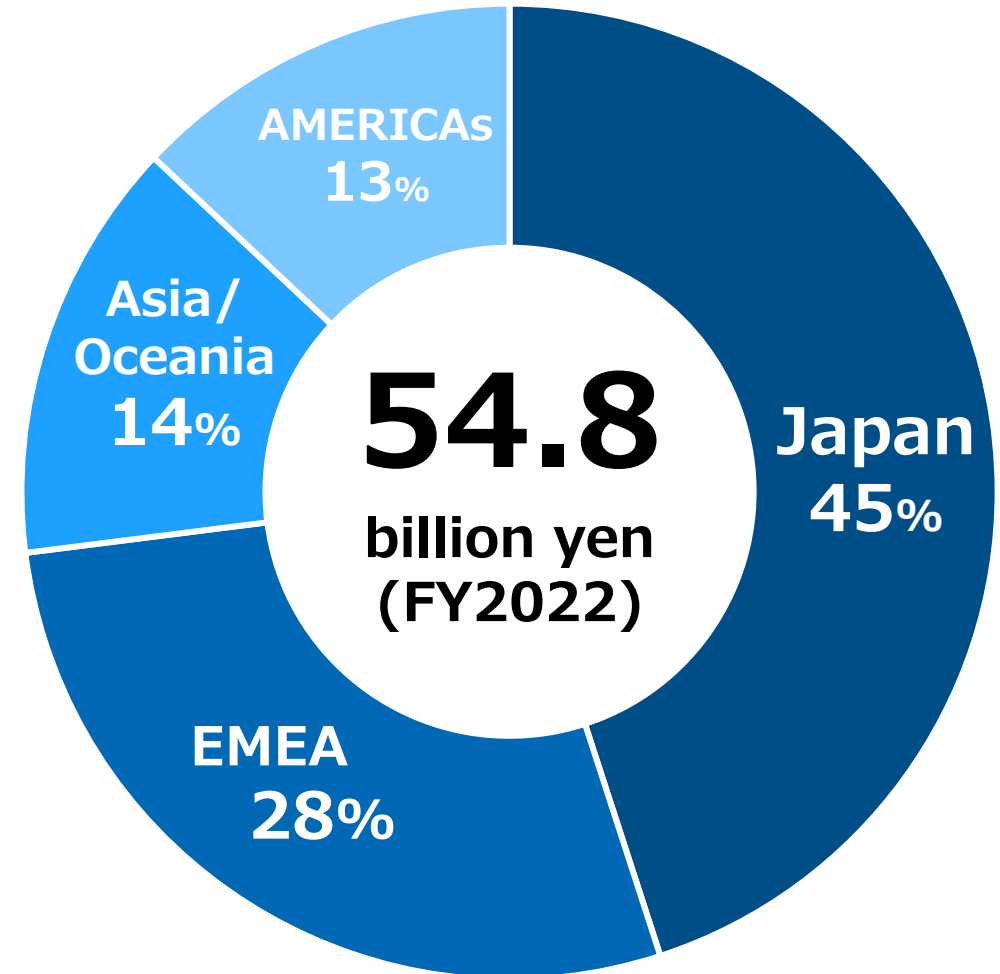
Management of outdoor activities and environmental learning programs

Company Overview _ Data

Sales by Product Category



Sales by Region



Company Overview _ Global Market Share

Global niche No.1

Security sensors

40%

Outdoor Intrusion Detector



Sensor for large-scale critical facilities



Camera sensor

Automatic door sensors

30%

Automatic door sensor



Infrared sensor



Industrial door sensors



Push plate

Machine vision lighting

30%

LED inspection lighting

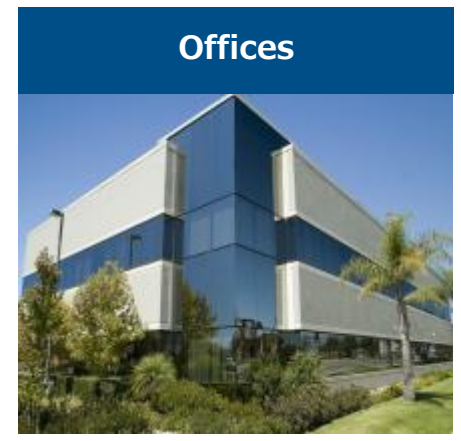
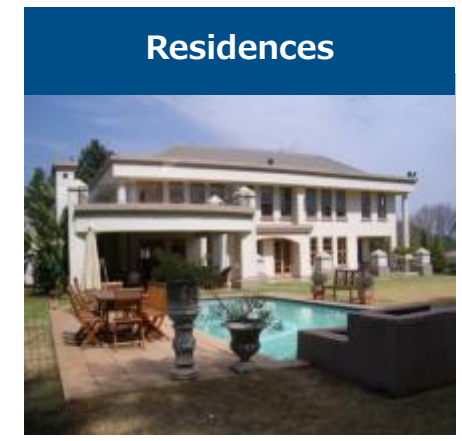
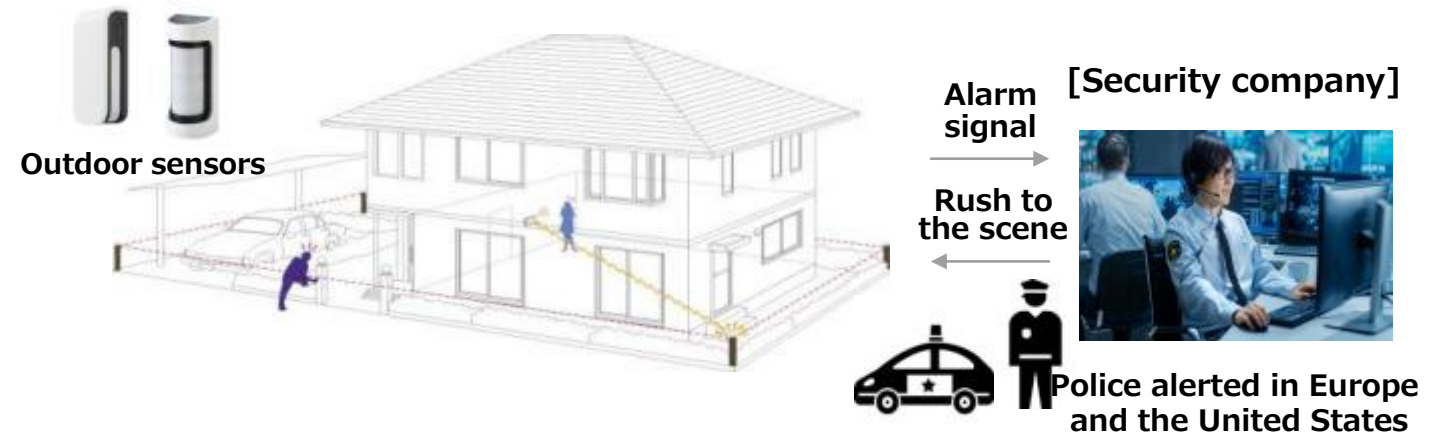


LED lighting systems for image inspection

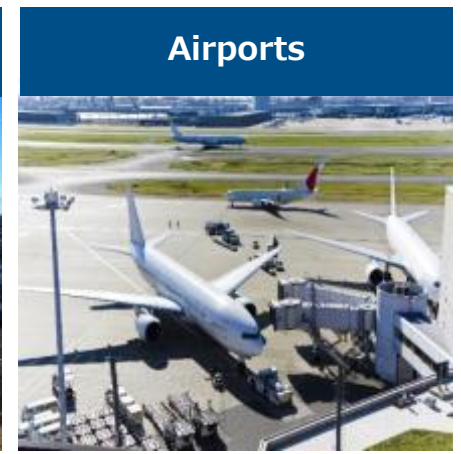
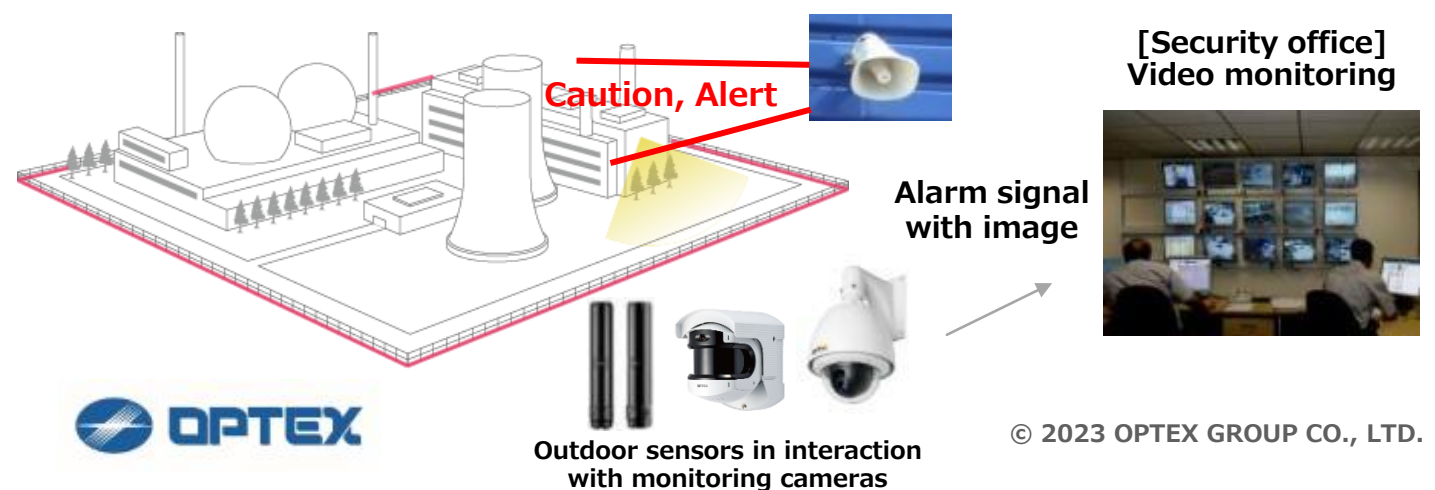
Business Domain _ Security sensors

Largest market share in the world for outdoor intrusion detectors

Residential home · Commercial facilities



Important facilities



Business Domain _ Automatic door sensors

Domestic market share: Over 50%

Overseas market share: Over 20%

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



Mat switch (on the floor)



The world's first Automatic Door Sensor



Infrared sensor (overhead)



Shopping centers



Over 60% share of convenience stores



Hospitals



Shutter doors for factories and warehouses



Ensure the detection of forklifts

Business Domain _ Factory Automation sensors



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

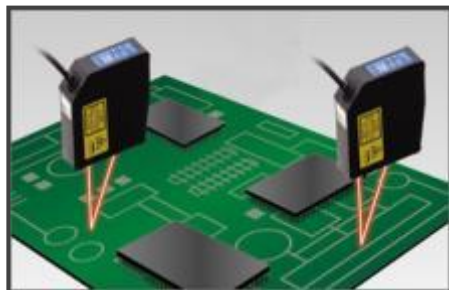
Displacement sensors



Products for the semiconductor and electric and electronic parts industries



Measurement of smartphone frame height

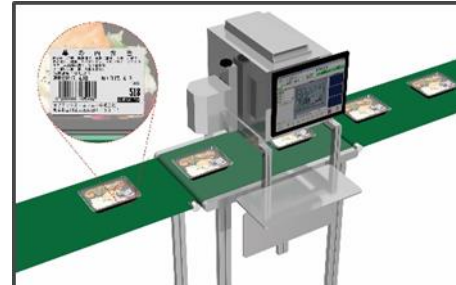


Measurement of substrate tilt/warp

Image sensors



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



Inspection of use-by dates printed on packages



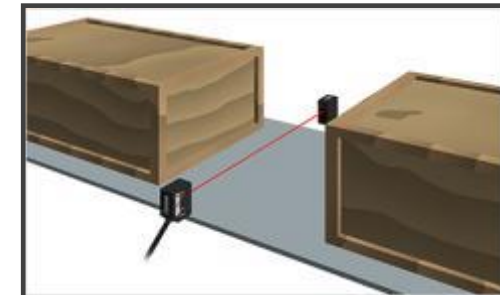
Inspection of use-by dates printed on milk cartons

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Photoelectric sensors



Products for the logistics industry



Detection of passing wooden boxes



Detecting boxes protruding from shelves in automatic warehouses

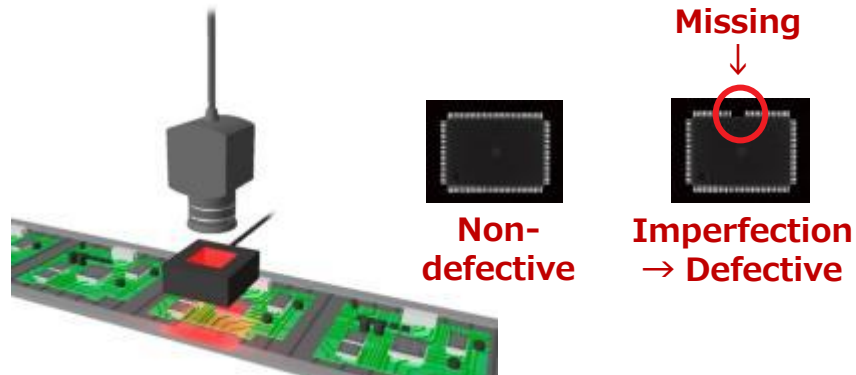
Business Domain _ Machine Vision Lighting

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

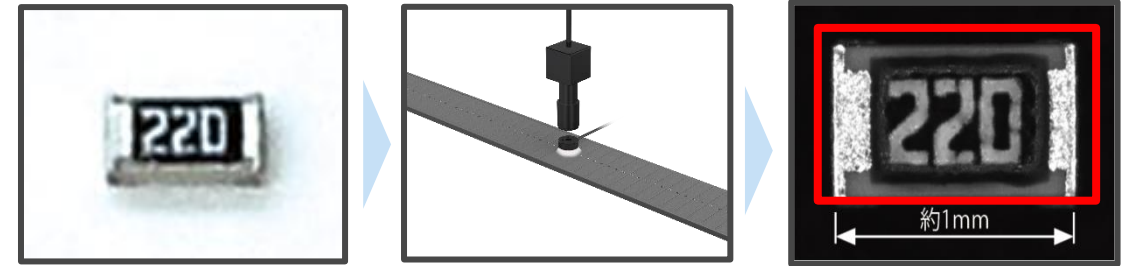
Lighting for image inspections*

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

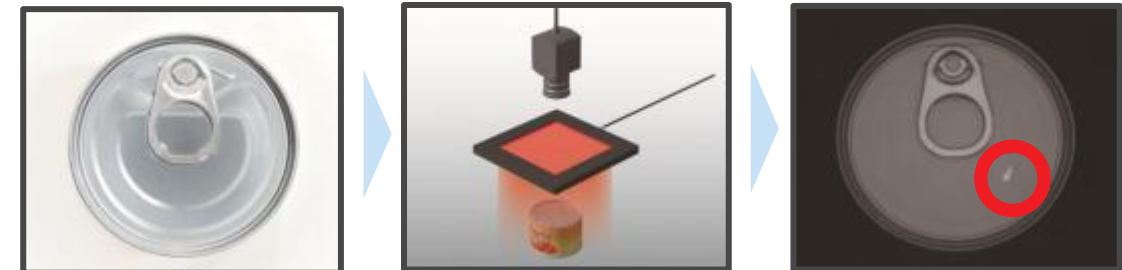
Photos or images of the inspection targets are taken and processed using lighting (and power supplies), lenses, and cameras, and the items are judged to be "good" or "defective".



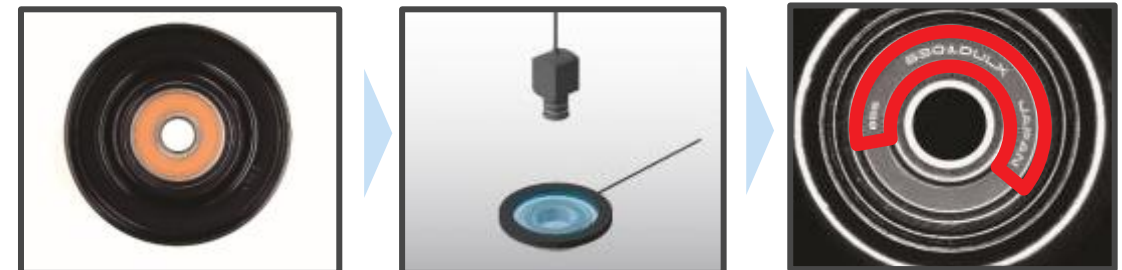
Inspection for defects in parts mounted on a printed circuit board



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



Imperfection imaging (surface of can)



Engraved letter imaging (bearing)

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

Business Domain _Industrial Computers

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

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

Embedded Boards

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



Production and Infrastructure System

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



Advanced Measurement/Control Systems

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



Business Domain _Mechatronics

Automation Systems

Boasting advanced mechatronics technology

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

→ High quality meeting exacting standards



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

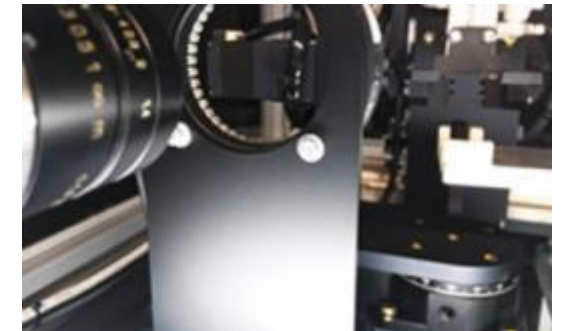
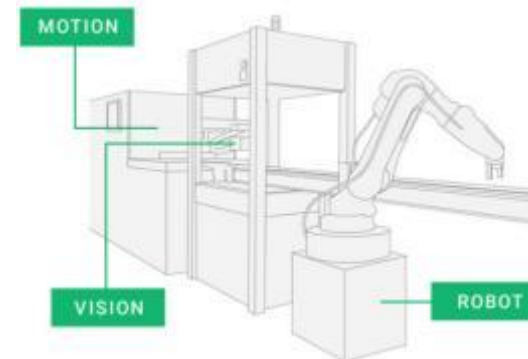
Image Processing Inspection Systems

"Motion technology"
to move things

×

"Vision technology"
to see things

→ Providing optimum solutions



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

ESG's Efforts

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



Environment

Initiatives to tackle environmental issues

[Support for the TCFD Recommendations]
The climate change response team created in 2022 takes the lead in the implementation of steps in accordance with the TCFD framework.

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

Automatic door sensors



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

Machine Vision Lighting



Feedback control that automatically adjusts brightness helps achieve energy conservation.



Social

Initiatives for social issues

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



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



Governance

Corporate governance initiatives

Four of the Directors and members of the Audit & Supervisory Committee, who account for more than one-third of the total (9), are Independent Outside Directors. Experts (lawyers and certified public accountants) are appointed. *After 24th March



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

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