



## **Presentation Material for the Second Quarter of FY2023 (Jan.1 to Jun.30, 2023)**

**OPTEX GROUP CO., LTD.**

**August 8, 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.

- 1. Q2 FY2023 Overview of Financial Results**
2. FY2023 Consolidated Earnings Forecasts,  
Shareholder Return
3. Initiatives for the Advancement of  
Growth Strategy

# Key Points of Q2 FY2023 Financial Results

- Net sales dropped 0.2% year on year. In conditions of economic uncertainty, customers in Japan and overseas withhold investments. In the SS Business, large overseas projects were postponed. In the IA Business, semiconductor-related capital investments were restrained and customers adjusted their inventories.
- For the first six months under review, operating profit plunged 25.9% year on year. This reflected a rise in SG&A expenses resulting from active marketing activities and sales promotion.
- In both the SS Business and the IA Business, business model reforms are being steadily carried out with a view to fulfilling the three-year (2023-2025) management plan.

# Summary of Q2 FY2023 Financial Result

(Unit: million yen)		Q2(1-6) FY2022 Results	Q2(1-6) FY2023 Results	Change	Percent Change
Net sales		27,241	27,197	-44	-0.2%
Operating income (Operating income Ratio)		3,590 (13.2%)	2,659 (9.8%)	-931	-25.9%
Ordinary income		4,297	2,931	-1,366	-31.8%
Profit attributable to owners of parent		3,120	1,985	-1,135	-36.4%
Net income per share (yen)		87.85	55.88		
Exchange rate (Unit: Yen)	1USD	122.89	134.85		
	1EUR	134.25	145.79		

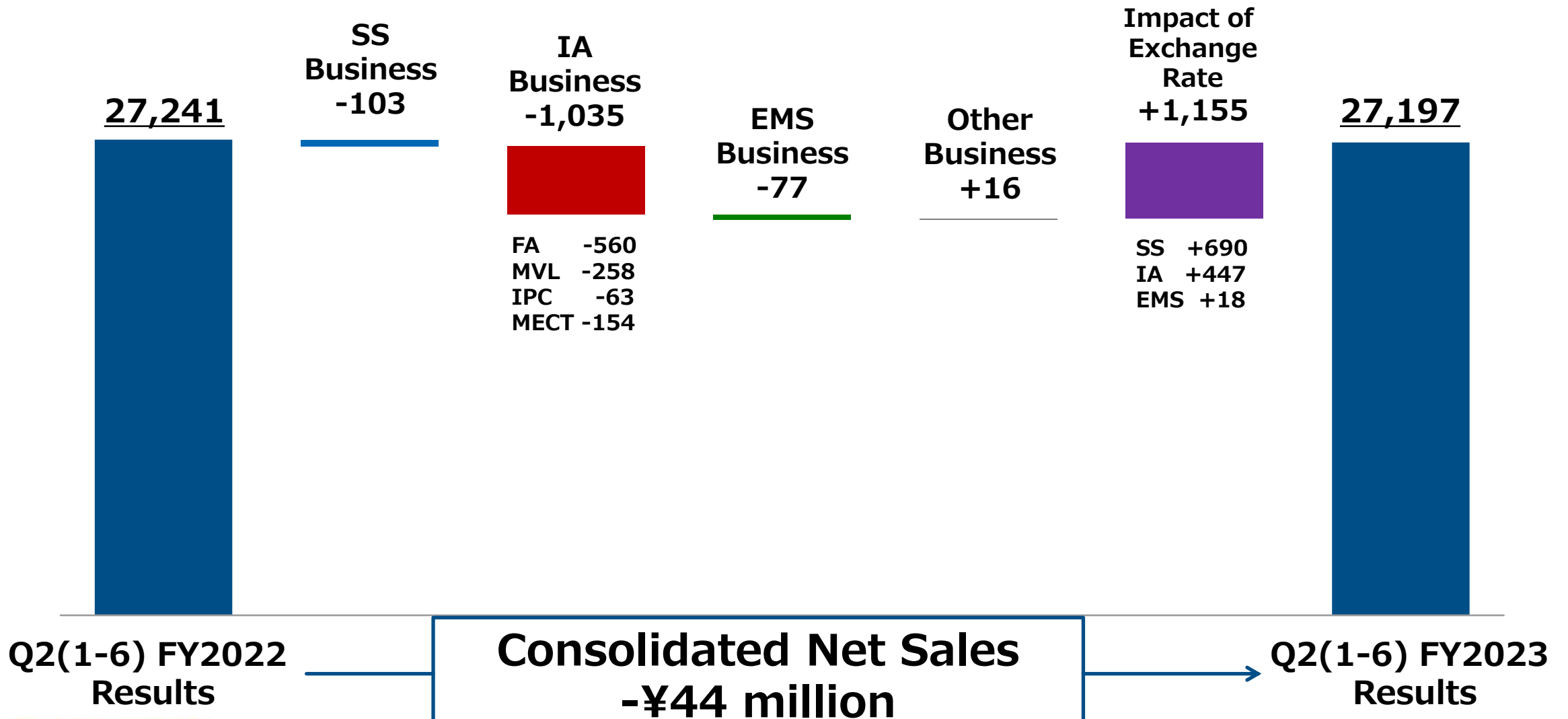
# Comparison of Financial Results of Q2 FY2023 between Segments

(Unit:million yen)	Q2(1-6) FY2022 Results		Q2(1-6) FY2023 Results			
	Net sales	Operating income (Operating income Ratio)	Net sales	Percent Change	Operating income (Operating income Ratio)	Percent Change
SS Business	11,509	1,554 (13.5%)	12,096	+5.1%	1,263 (10.4%)	-18.7%
IA Business	15,036	2,123 (14.1%)	14,448	-3.9%	1,384 (9.6%)	-34.8%
EMS Business	422	111	363	-14.0%	272	+143.3%

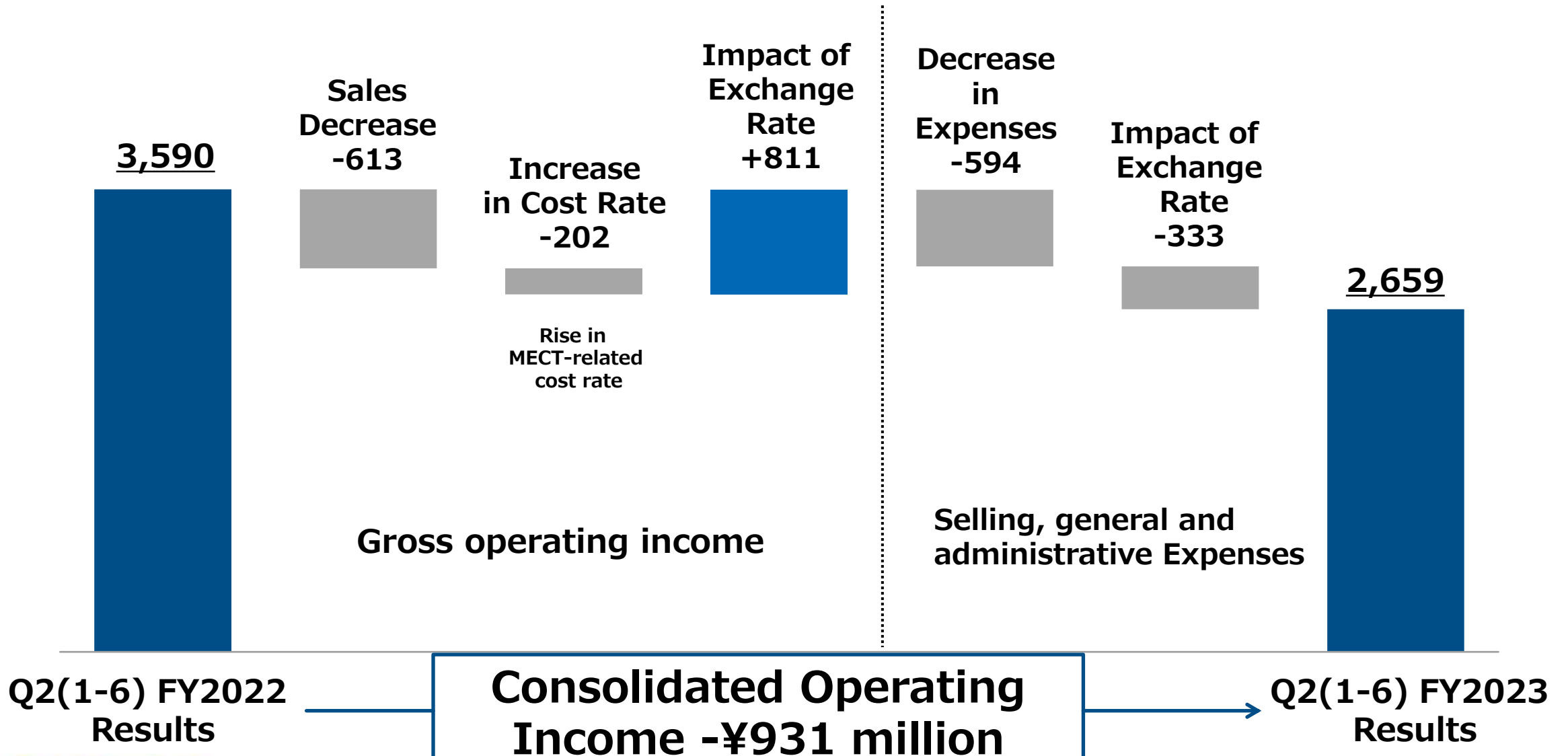
\* Net sales by segment represents the figure excluding sales from inter-segment transactions.

\* Operating income by segment represents the figure including operating income from inter-segment transactions.

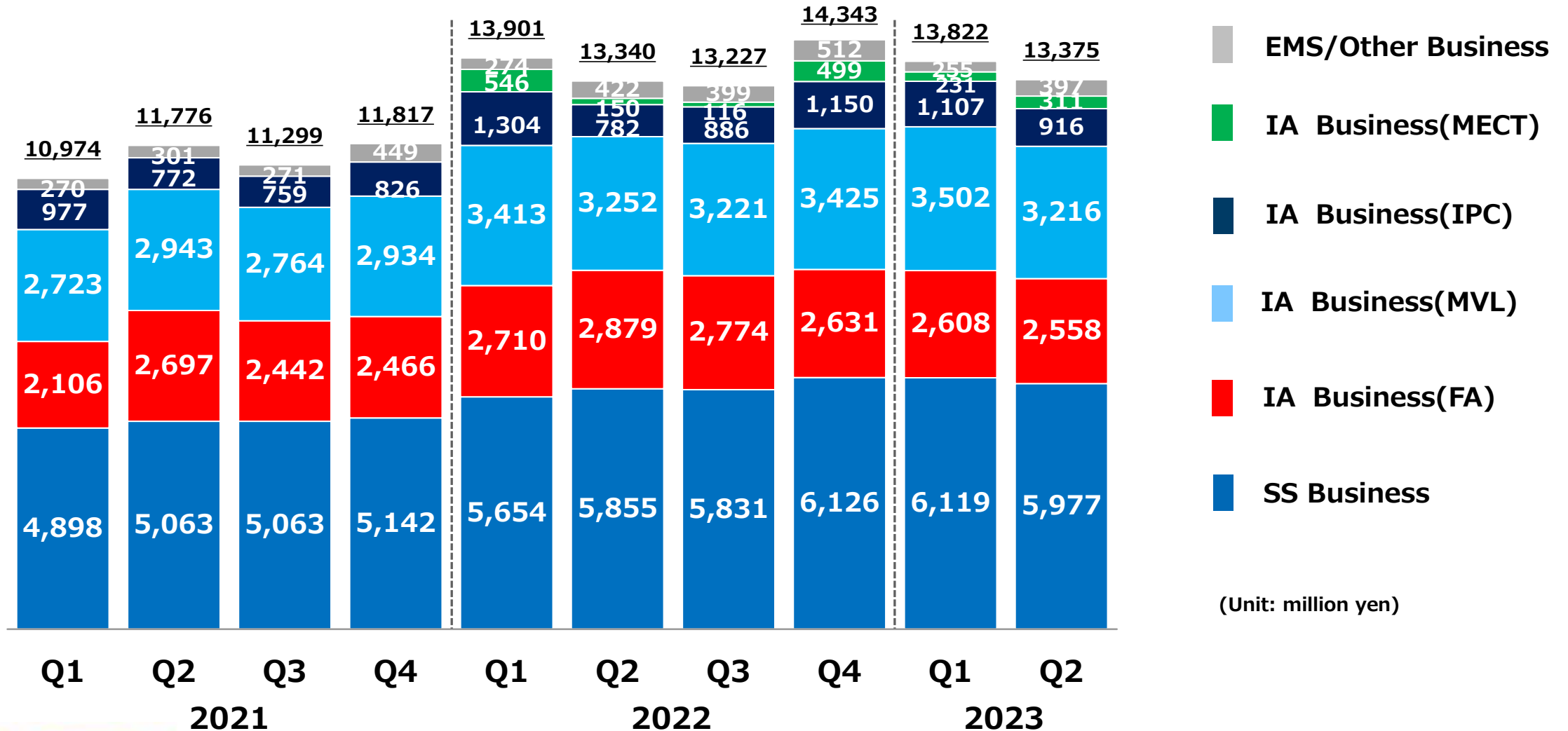
# Factors of change in Net Sales (Year- on-year)



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



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



(Unit: million yen)



# Business by Segment - ss Business(Security Sensors)



Region	Q2(1-6) FY2023 Overview
Japan	<ul style="list-style-type: none"> <li>- Sales of outdoor alarm sensors remained solid.</li> <li>- Brisk inquiries were received from large-scale critical facilities.</li> </ul>
AMERICAs	<ul style="list-style-type: none"> <li>- The direct marketing strategy led to buoyant sales of laser scan sensors for data centers, infrastructure facilities and others.</li> </ul>
EMEA	<ul style="list-style-type: none"> <li>- Sales for home use moved into an adjustment phase due to the impact of inflation.</li> <li>- For commercial use, sales of camera sensors and laser scan sensors remained firm.</li> </ul>
Asia and Oceania	<ul style="list-style-type: none"> <li>- Sales of outdoor alarm sensors remained solid in India and Thailand.</li> <li>- Sales slowed due to a fall in business confidence in China and Southeast Asia.</li> </ul>



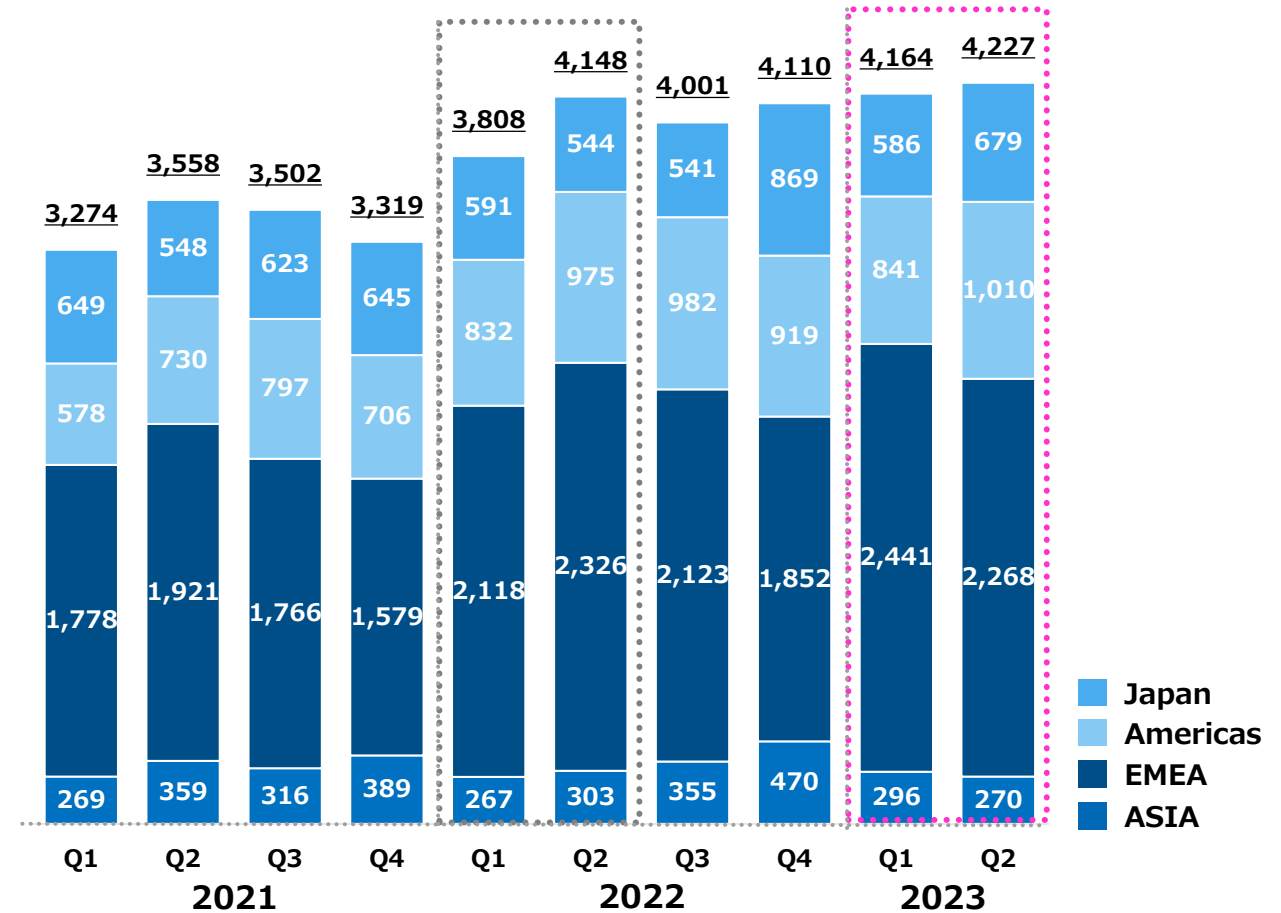
Laser scan sensors  
for large-scale critical facilities



Camera sensors



Quarterly Sales by Region (Unit: million yen)



Q2(1-6)  
FY2022  
7,956

+ 5%

Q2(1-6)  
FY2023  
8,391

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



Region	Q2(1-6) FY2023 Overview
Japan	- Numerous inquiries were received as stable product supply capabilities earned high marks from large automatic door manufacturers in Japan.
AMERICAS	- Sales of both automatic door sensors and industrial door sensors remained firm.
EMEA	- Although inquiries continued to be received from major automatic door manufacturers in Europe, sales will be trending lower due to weaker business confidence.



Automatic door sensors



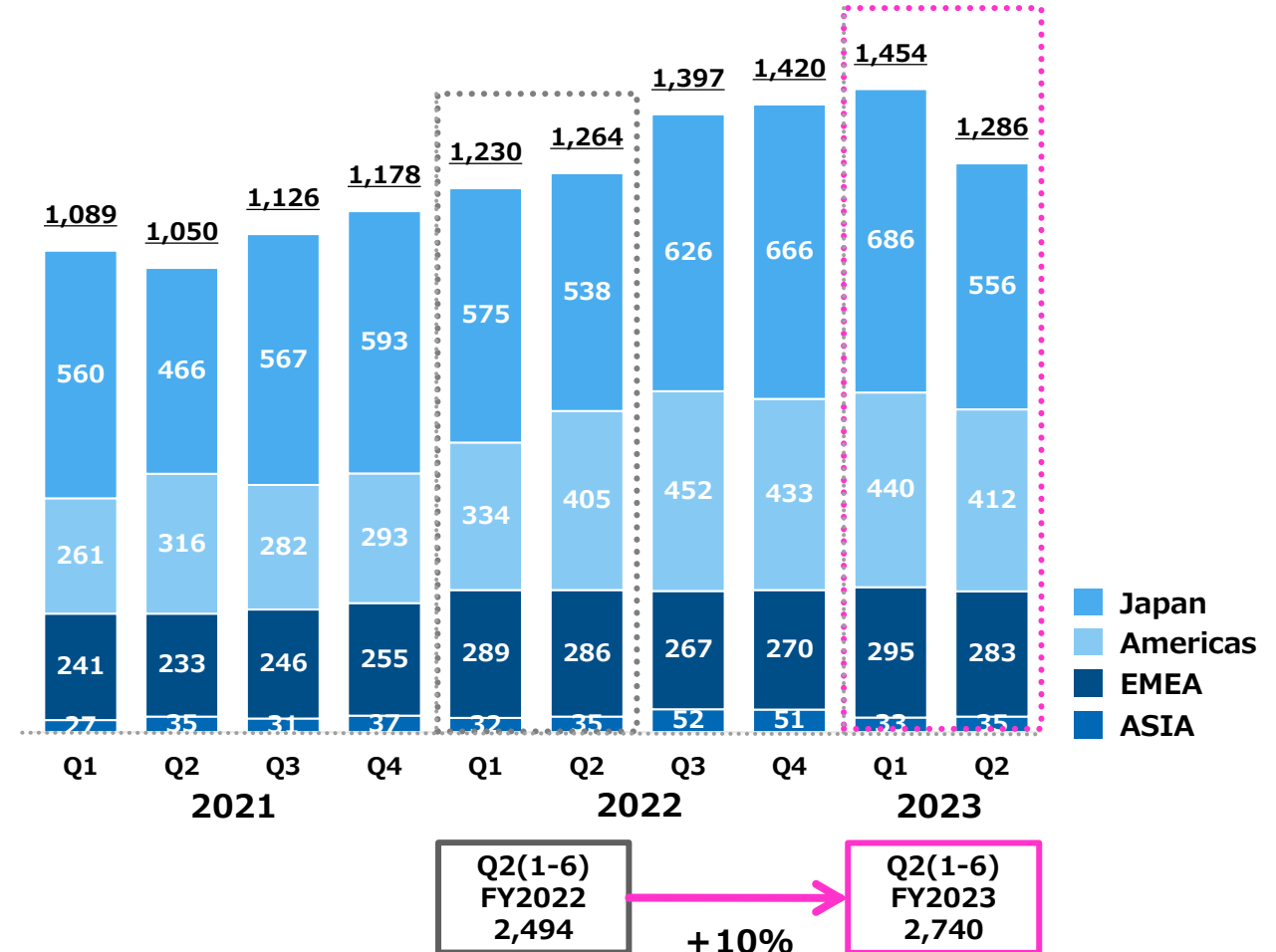
Push plate



Industrial door sensors



Quarterly Sales by Region (Unit: million yen)



# Business by Segment - IA Business(FA)



Region	Q2(1-6) FY2023 Overview
Japan	<ul style="list-style-type: none"> <li>- Inquiries for IO-Link related products expanded steadily.</li> <li>- Sales of products for semiconductors were sluggish due partly to inventory adjustments.</li> </ul>
EMEA	<ul style="list-style-type: none"> <li>- Displacement sensors for electronic components generated positive sales.</li> </ul>
Asia and Oceania	<ul style="list-style-type: none"> <li>- Displacement sensor sales were weak following a slowdown in capital investment in secondary batteries in China.</li> </ul>

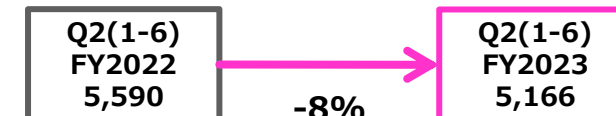
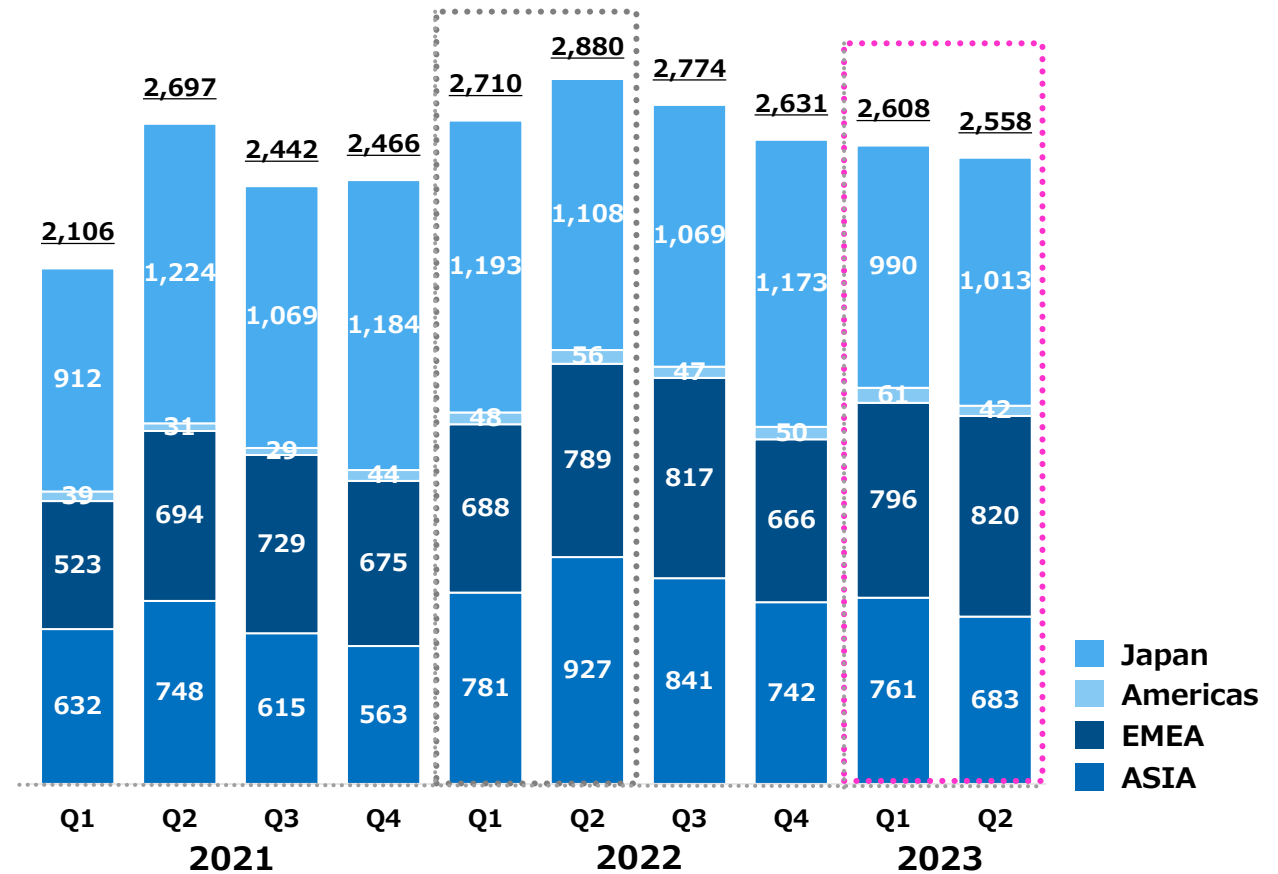


Displacement sensors



IO-Link master

Quarterly Sales by Region (Unit: million yen)



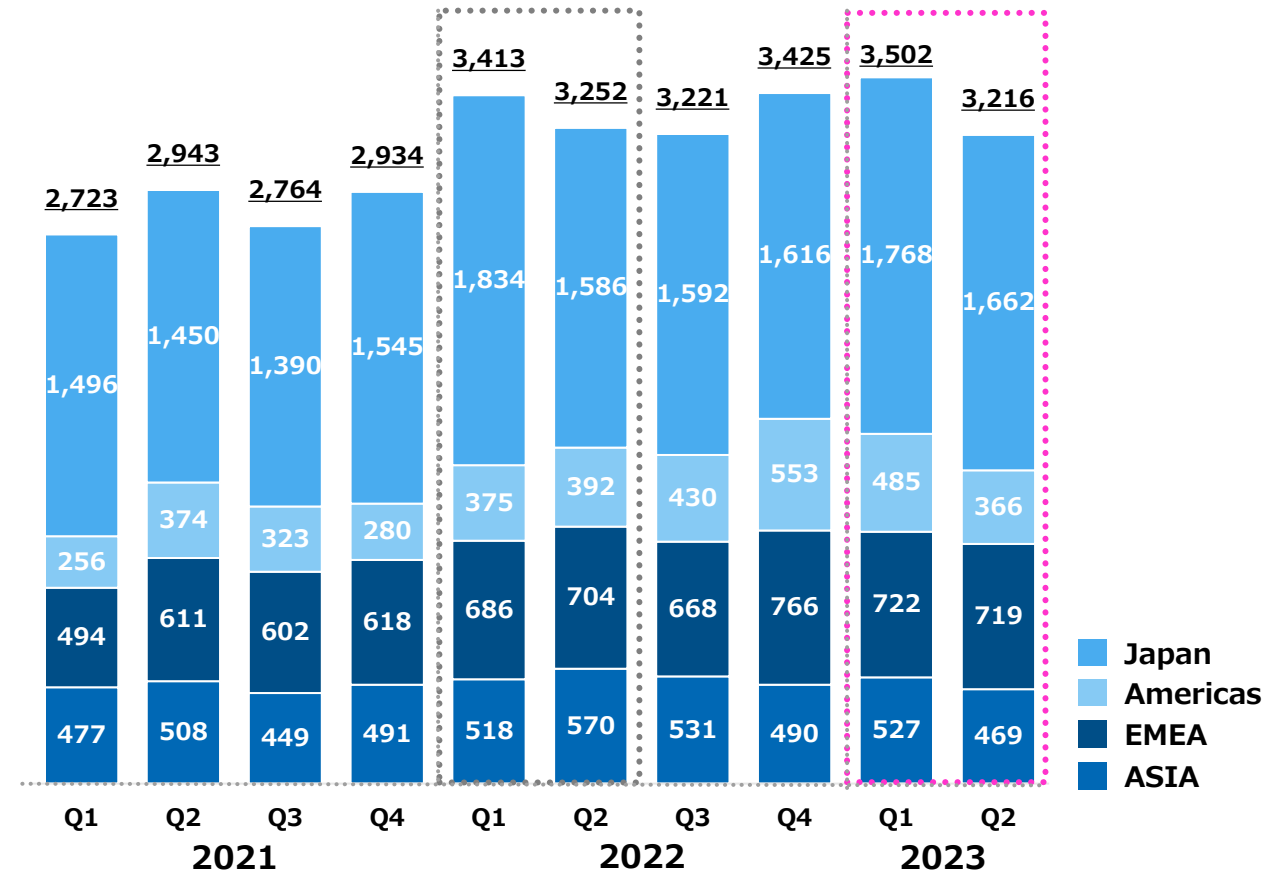
# Business by Segment - IA Business(MVL)

Region	Q2(1-6) FY2023 Overview
Japan	<ul style="list-style-type: none"> <li>- Inquiries for automotive-related applications remained solid.</li> <li>- A private show with a focus on the exhibition of solutions was well received, contributing to the acquisition of projects.</li> </ul>
AMERICAS	- Our French subsidiary won a project for the logistics industry.
EMEA	- Our French subsidiary won a project for the logistics industry.
Asia and Oceania	- Sales of products for semiconductor-related investment in China remained solid.



LED lighting systems for image processing

Quarterly Sales by Region (Unit: million yen)



Q2(1-6) FY2022 6,665 → +1% → Q2(1-6) FY2023 6,718

# Business by Segment - IA Business(IPC)

Region	Q2(1-6) FY2023 Overview
Japan	- Sales slowed due to delays in product supply caused by component shortages etc.

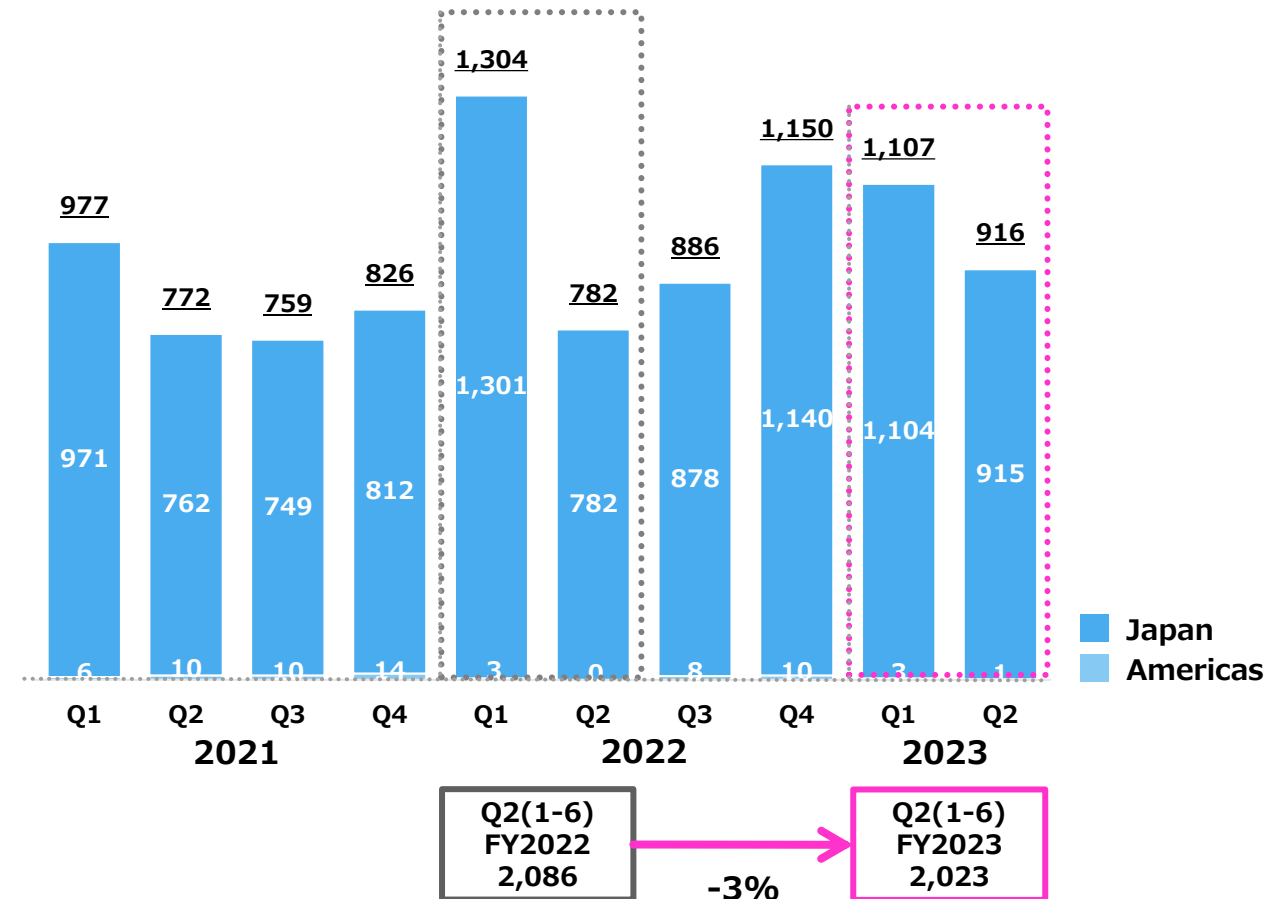


Industrial PCs



Tracking Cameras

Quarterly Sales by Region (Unit: million yen)



# Business by Segment - IA Business(MECT)

Region	Q2(1-6) FY2023 Overview
Japan	- Established a production system for the delivery of large-scale projects for secondary battery manufacturing equipment in Q3 and beyond.

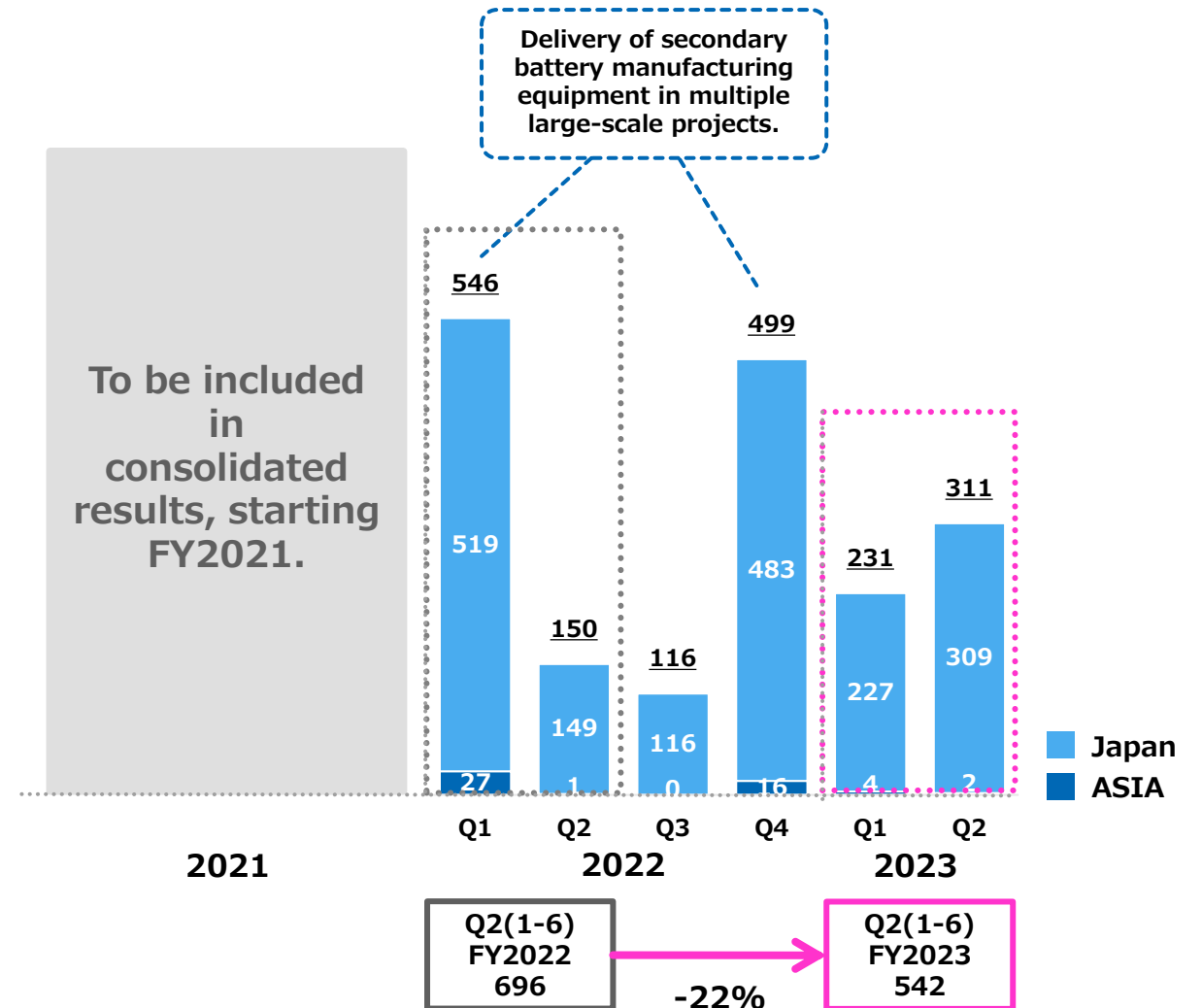


Manufacturing equipment of secondary batteries for electric vehicles and hybrid vehicles



Image processing inspection systems

## Quarterly Sales by Region (Unit: million yen)



1. Q2 FY2023 Overview of Financial Results
- 2. FY2023 Consolidated Earnings Forecasts,  
Shareholder Return**
3. Initiatives for the Advancement of  
Growth Strategy



# FY2023 Consolidated Earnings Forecasts

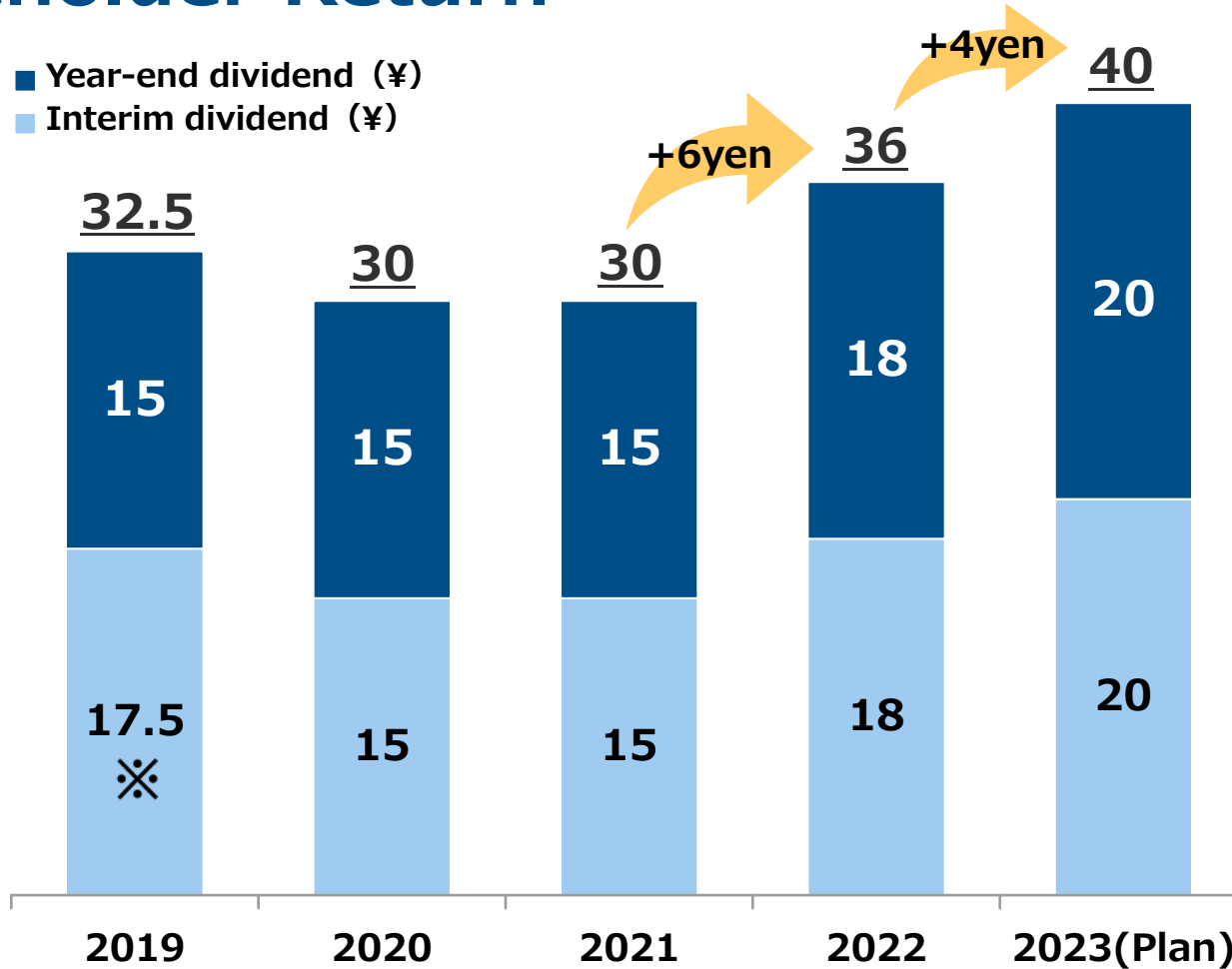
The full-year forecast has been revised downwards, in view of the impact of prolonged inflation outside Japan and the suppression of capital investment in Japan and overseas. (Announced on July 28)

(Unit: million yen)		FY2023 Previous Forecast	FY2023 Revised Forecast (Announced on July 28)	Changes from Previous Forecast	YoY	FY2022 Results
Net sales		60,000	57,000	-5.0%	+4.0%	54,811
Operating income (Operating income Ratio)		7,500 (12.5%)	6,500 (11.4%)	-13.3%	+3.1%	6,303
Ordinary income		7,600	6,900	-9.2%	-2.0%	7,042
Profit attributable to owners of parent		5,300	5,000	-5.7%	+5.2%	4,752
Net income per share (yen)		149.19	140.75	-	-	133.79
Exchange rate (Unit: Yen)	1USD	135.00	134.93			131.43
	1EUR	140.00	142.89			138.04



# Shareholder Return

- Year-end dividend (¥)
- Interim dividend (¥)



## Acquisition of treasury shares

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

Dividend payout ratio	54.1%	77.7%	28.8%	26.9%	28.4%
ROE	6.8%	4.3%	11.2%	12.8%	-

\*The amount includes a commemorative dividend of 2.5 yen

1. Q2 FY2023 Overview of Financial Results
2. FY2023 Consolidated Earnings Forecasts, Shareholder Return
- 3. Initiatives for the Advancement of Growth Strategy**

# Initiatives for the Advancement of Growth Strategy

## Business Model Reforms

**Selling of Standalone Products ▶▶▶ Selling of Solutions**

**SS Business**

**Enhance the Direct Marketing Strategy**

**IA Business  
(FA segment)**

**Advance the “Challenger Strategy”**

**IA Business  
(MVL segment)**

**Evolve into a Comprehensive Solution Vendor**

# Business Model Reforms



SS Business

Enhance the Direct Marketing Strategy

## Business Involving Distributors



### Problems

- Distance from customers and markets
- Delays in response to changes

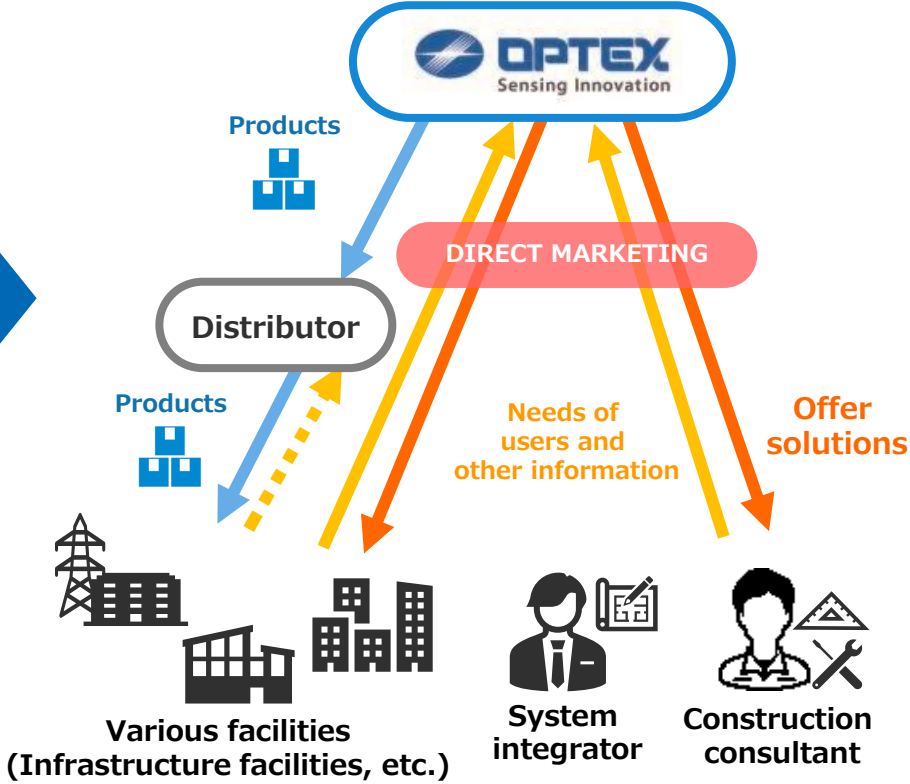
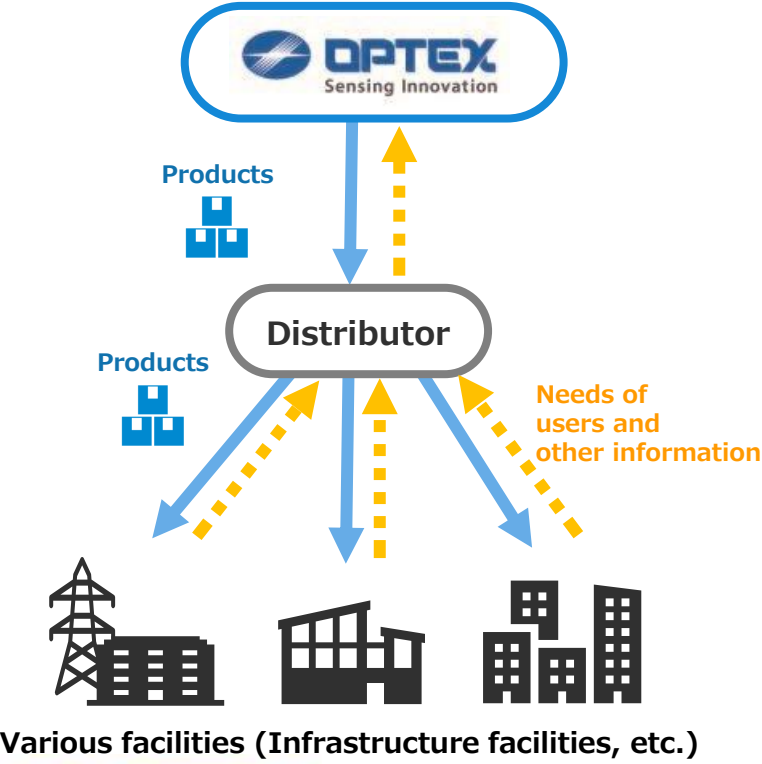


## Direct Marketing

Allow us to accurately understand the needs of customers and markets



Incorporate them into new product development and market cultivation



Camera-equipped laser scan sensor



Sensor camera



Data center market



Industrial door sensors



Automatic door data service

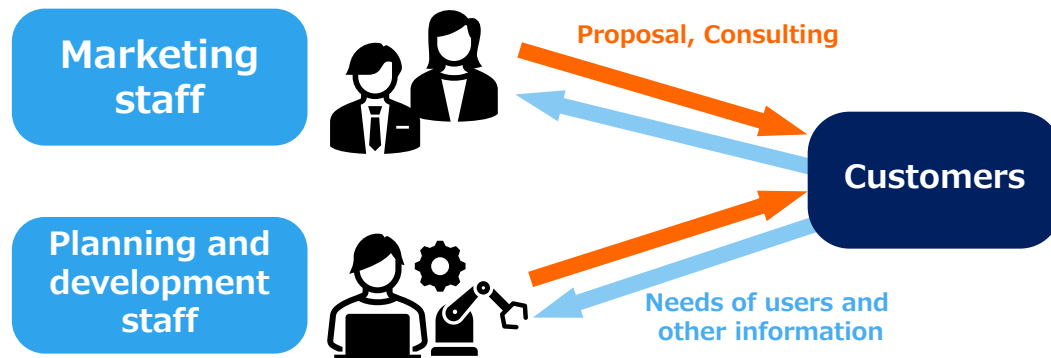


# Business Model Reforms

IA Business (FA segment)

Advance the "Challenger Strategy"

## ► Direct consulting and marketing

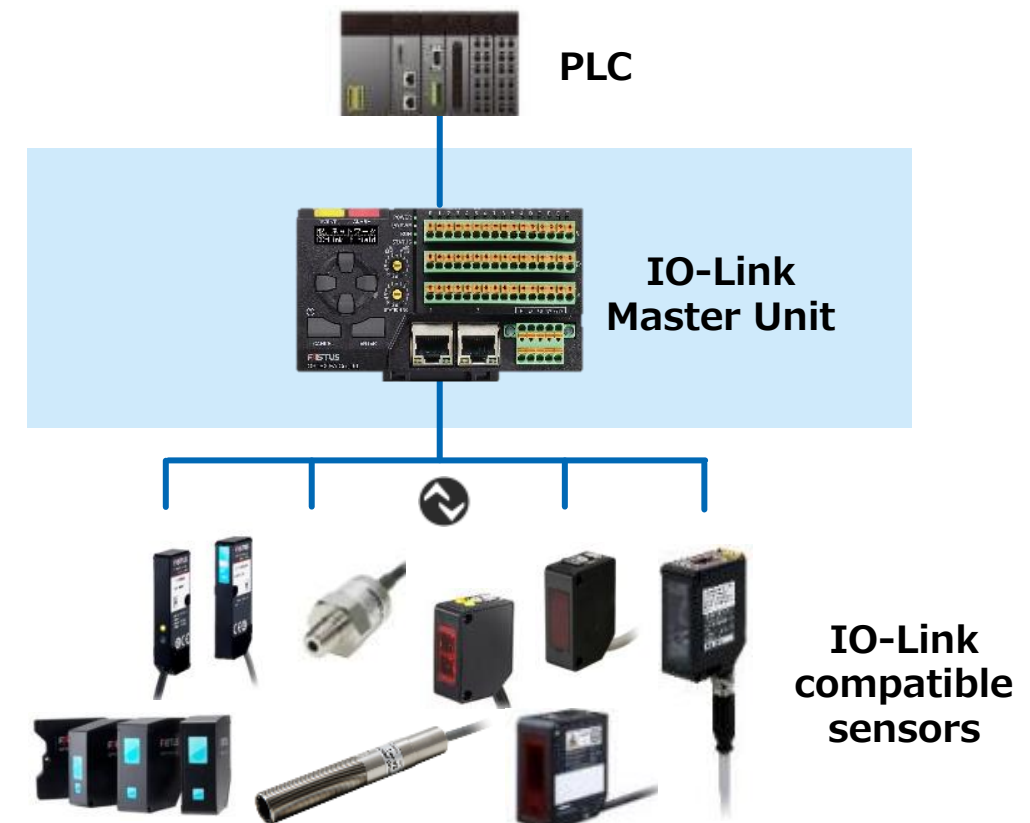


- Not only marketing staff but planning and development staff visit customers.
- Activities focus on customers and applications.

Identify users' needs to incorporate them into product planning.  
Offer genuine consulting services by being close to customers.

## ► Offer solutions centering IO-Link master

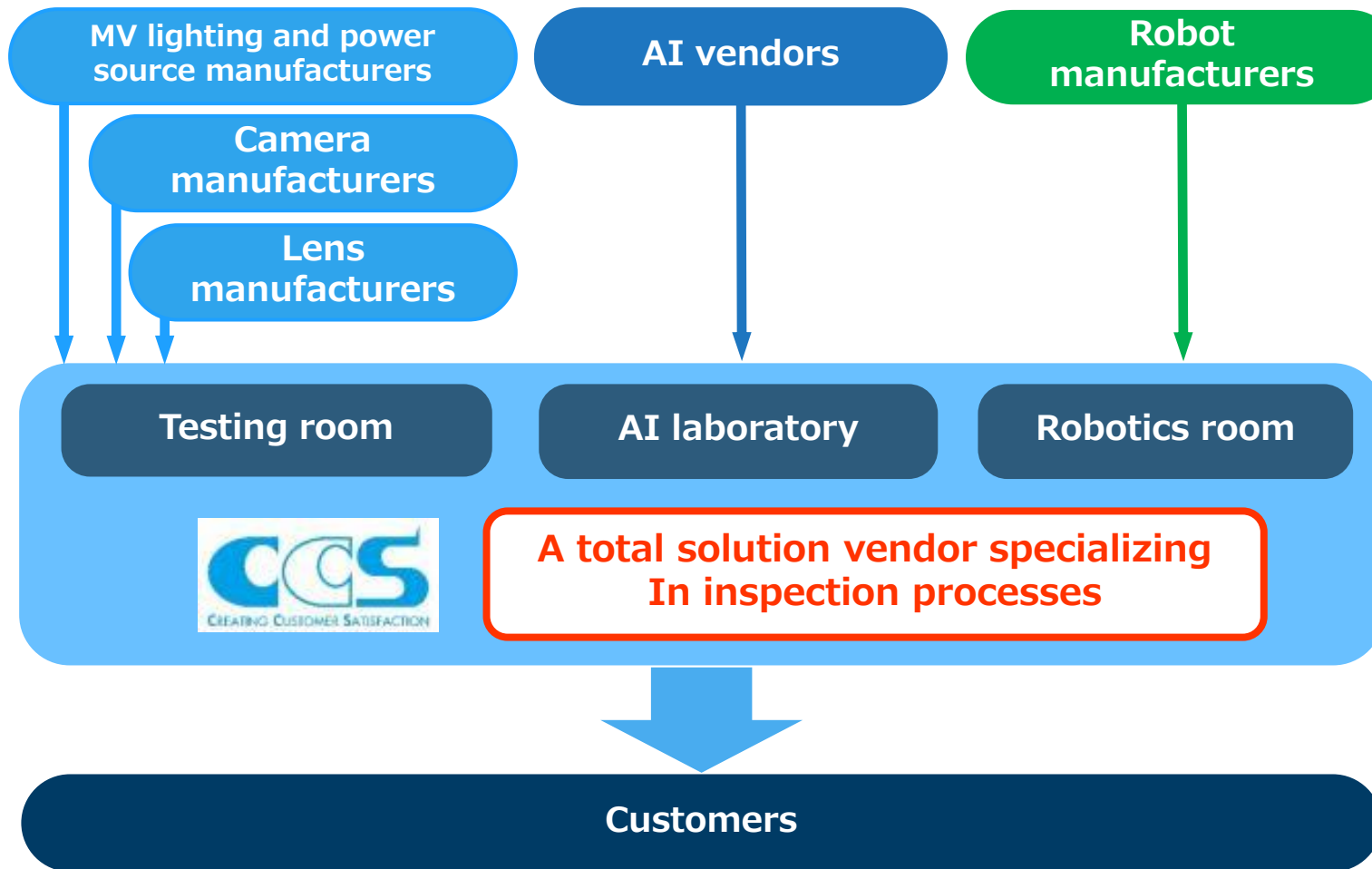
\*IO-Link: A communication technology for interactive communication between sensors and the control system for the exchange of different data



# Business Model Reforms

IA Business (MVL segment)

Evolve into a Comprehensive Solution Vendor

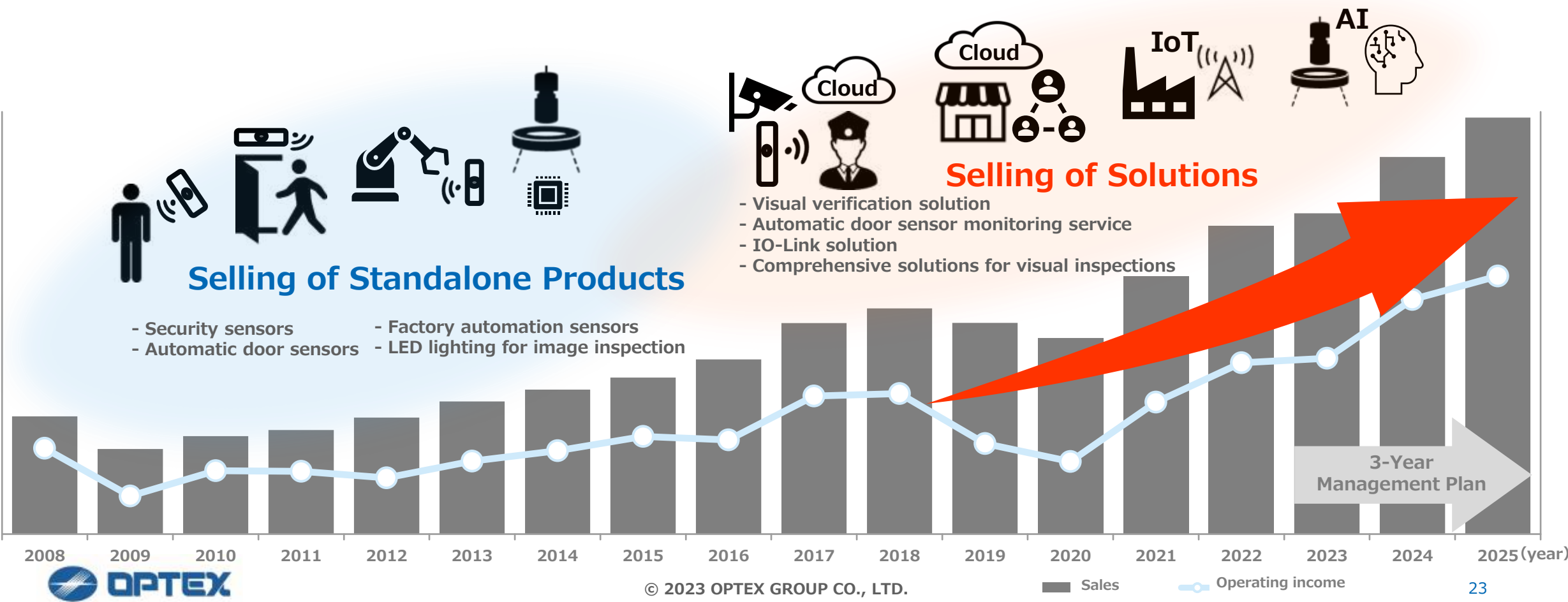


**Organize Private Exhibitions!**

Propose solutions that provide  
**visibility** and **capability**

# Business Model Transition and Trend in Performance

Speed up the shift to selling solutions  
matched with changes in the needs of markets and customers



<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

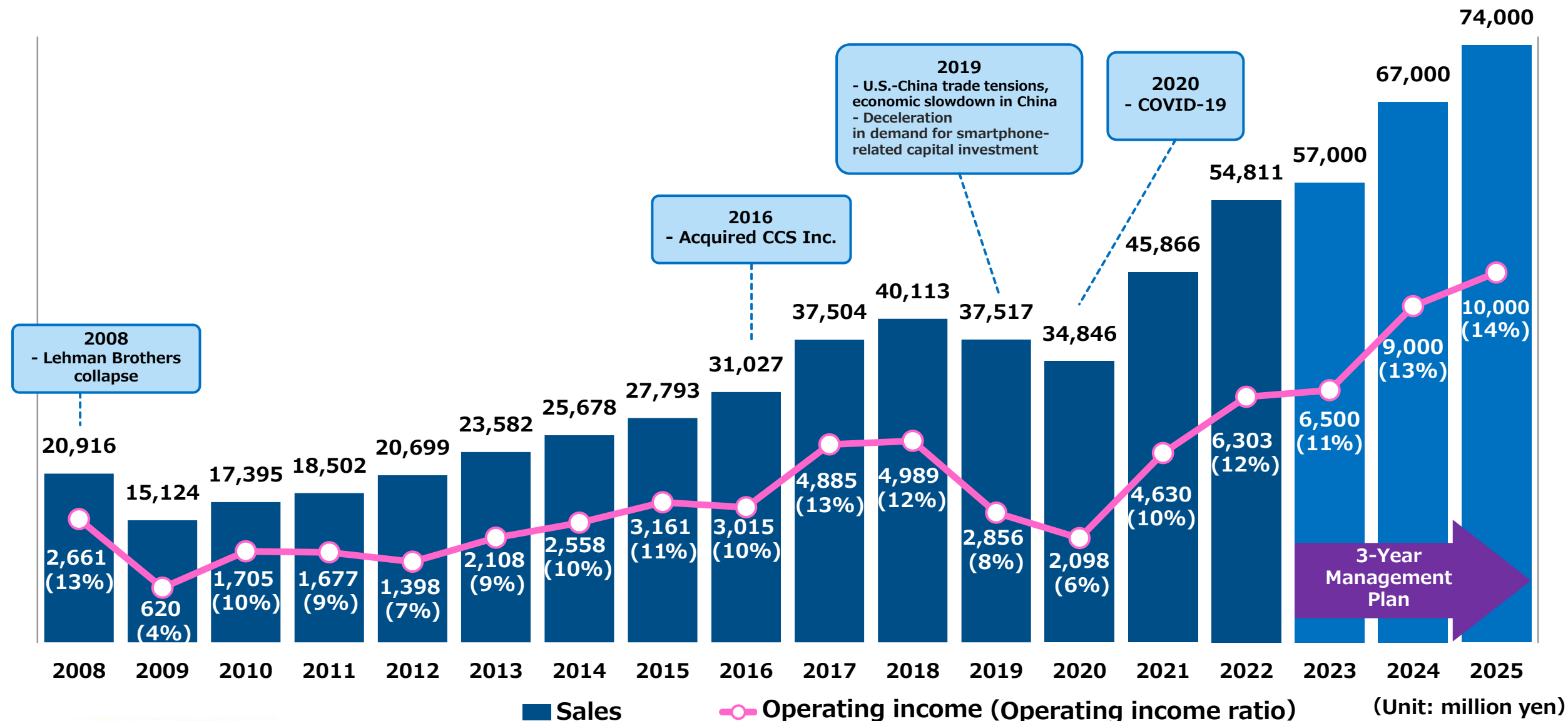
**OPTEX**

Optical Technology

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



# Trends in Consolidated Performance



# 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/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

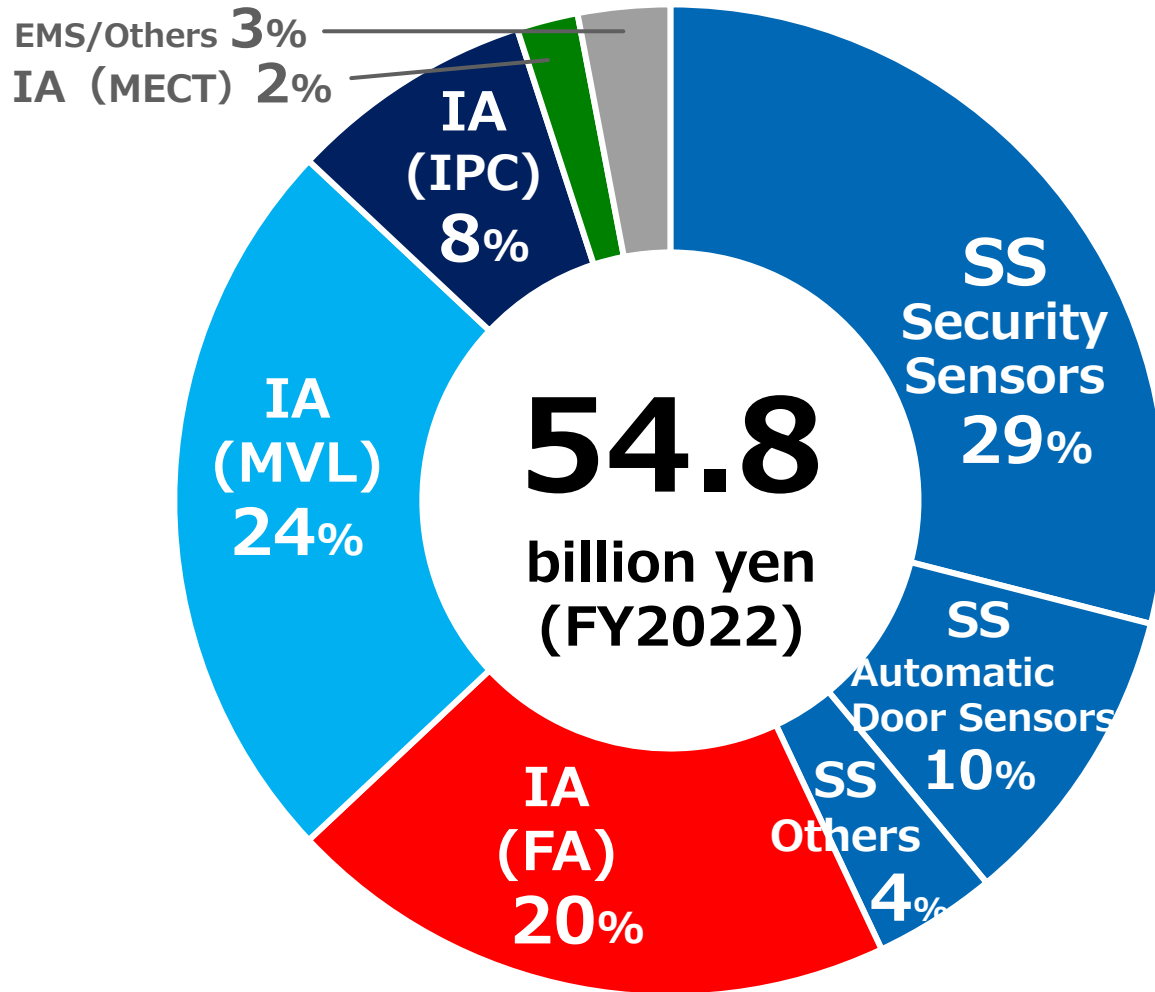
O'PAL OPTEX CO.,LTD.



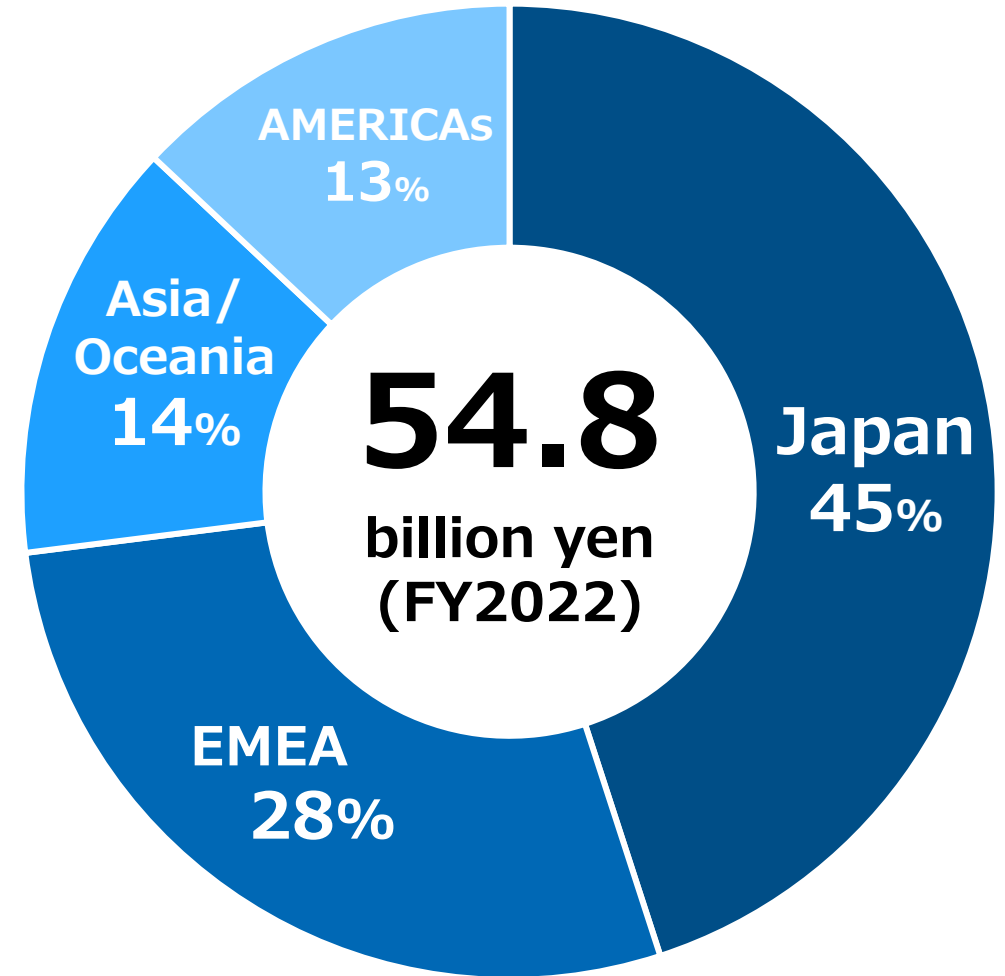
Management of  
outdoor activities  
and environmental  
learning programs

# 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**



Laser scan sensor for large-scale critical facilities



Camera sensor

### Automatic door sensors

---

**30%**

**Automatic door sensor**



Infrared sensor



Industrial door sensors



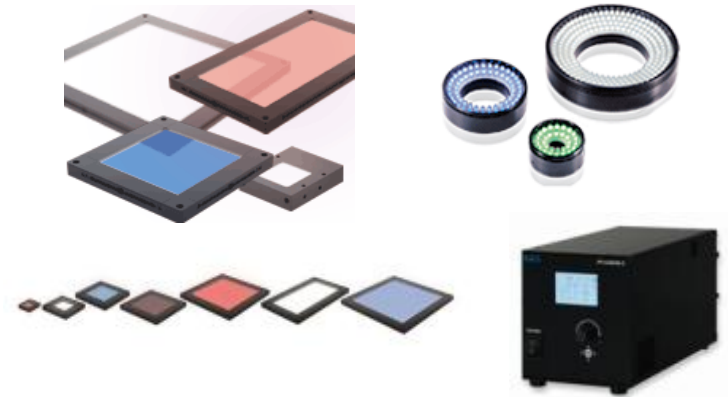
Push plate

### Machine vision lighting

---

**30%**

**LED inspection lighting**



LED lighting systems for image inspection

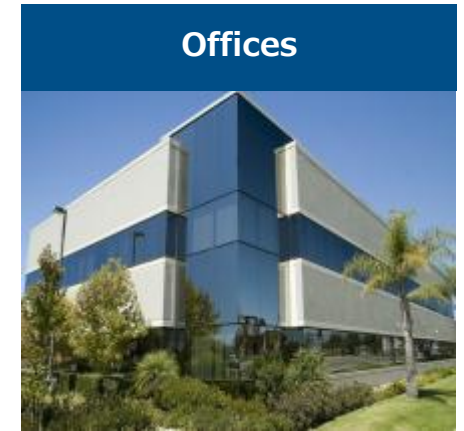
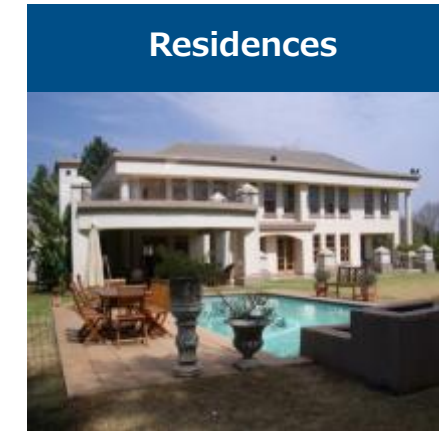
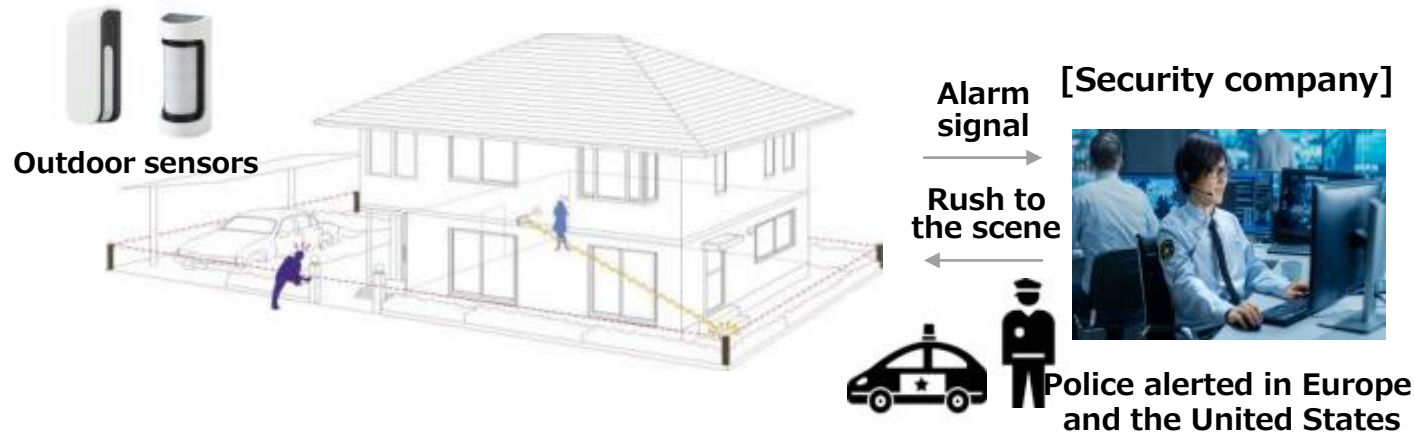


# Business Domain \_ Security sensors

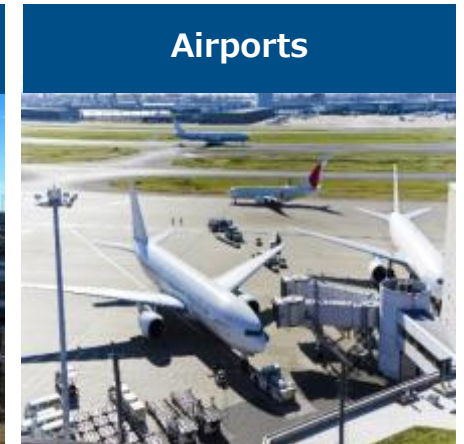


## Largest market share in the world for outdoor intrusion detectors

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)



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

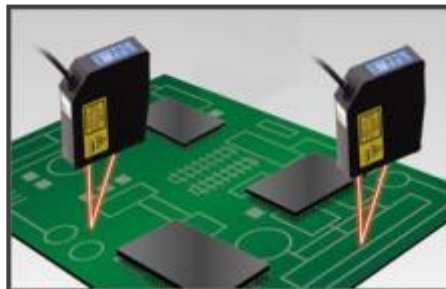
## Displacement sensors



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



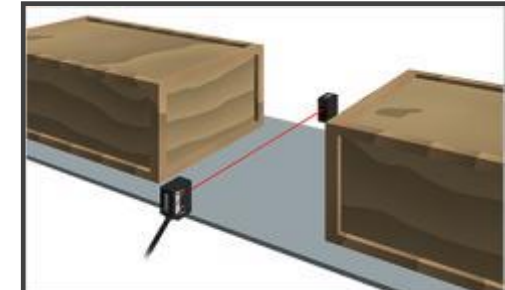
Inspection of use-by dates printed on milk cartons

© 2023 OPTEX GROUP CO., LTD.

## Photoelectric sensors



Products for the logistics industry



Detection of passing wooden boxes



Detecting boxes protruding from shelves in automatic warehouses

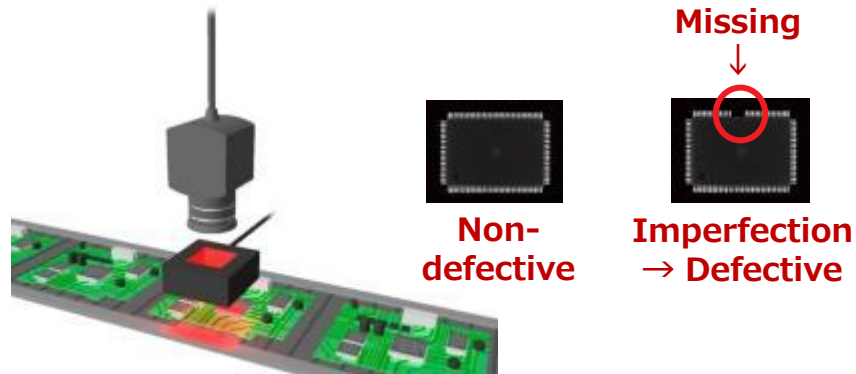
# Business Domain \_ Machine Vision Lighting

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

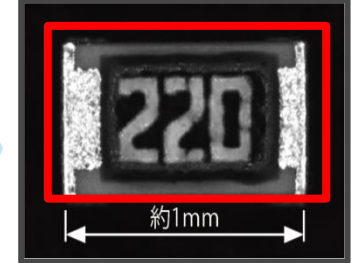
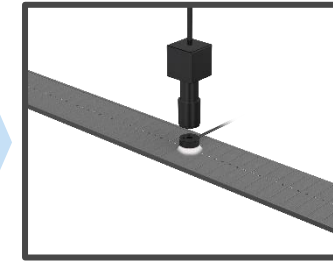
## Lighting for image inspections\*

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

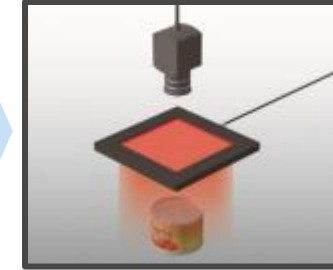
Photos or images of the inspection targets are taken and processed using lighting (and power supplies), lenses, and cameras, and the items are judged to be “good” or “defective”.



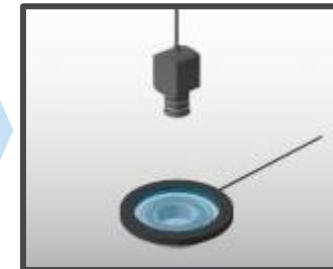
Inspection for defects in parts mounted on a printed circuit board



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

**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



# 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.

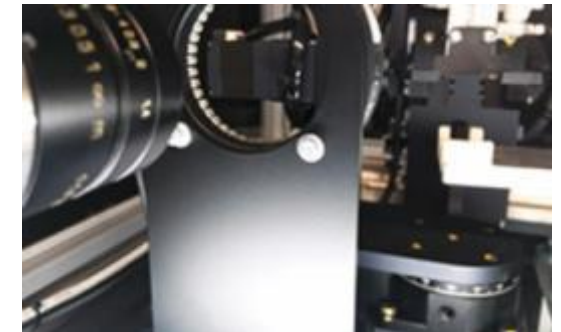
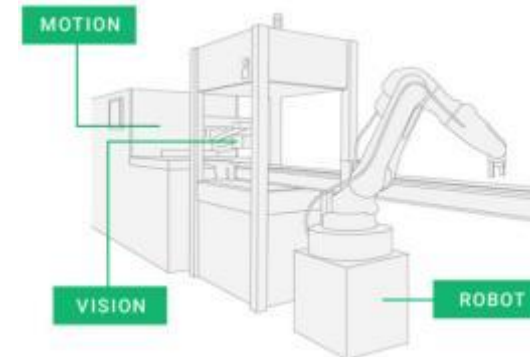
## Image Processing Inspection Systems

"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

The Board of 6 Directors of the Company comprises Directors (5 males and 1 female) (the maximum number thereof is set at 9) who respectively have professional capabilities in corporate management, management supervision, technological development, production, marketing and sales, experience in working abroad, accounting, and other specialty fields, and 3 Directors (3 males) who are members of the Audit & Supervisory Committee (the maximum number thereof is set at 4) and have practical auditing experience, are lawyers, certified public accountants and certified tax accountants, and have excellent insight and knowledge.

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/>