

Summary of Consolidated Financial Results for the Fiscal Year Ended December 31, 2025 (Japanese GAAP)

Company name:	OPTEX Group Co., Ltd.	Stock exchange listing: Tokyo Stock Exchange
Stock code:	6914	URL: https://www.optexgroup.co.jp/en/
Representative:	Tatsuya Nakajima, President	
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Scheduled date for ordinary general meeting of shareholders:	March 27, 2026	
Scheduled date to commence dividend payments:	March 30, 2026	
Scheduled date of submission of securities report:	March 26, 2026	
Preparation of supplementary material on financial results:	Yes	
Holding of financial results briefing:	Yes (for institutional investors and financial analysts)	

(Millions of yen rounded down)

1. Consolidated financial results for the fiscal year ended December 31, 2025 (January 1, 2025 to December 31, 2025)
(1) Consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Dec. 31, 2025	65,878	4.1	8,153	14.5	8,000	3.3	6,595	15.9
Dec. 31, 2024	63,269	12.2	7,121	20.7	7,749	23.8	5,689	23.5

(Note) Comprehensive income: 7,560 million yen (5.5%) for the year ended Dec. 31, 2025

7,168 million yen (23.3%) for the year ended Dec. 31, 2024

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
Dec. 31, 2025	185.16	183.64	12.5	10.7	12.4
Dec. 31, 2024	159.86	158.68	12.2	11.1	11.3

(Reference) Earnings of equity method: As of Dec. 31, 2025: 34 million yen

As of Dec. 31, 2024: 3 million yen

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
Dec. 31, 2025	76,939	56,149	72.4	1,563.93
Dec. 31, 2024	72,850	50,084	68.2	1,395.81

(Reference) Shareholders' equity: As of Dec. 31, 2025: 55,707 million yen

As of Dec. 31, 2024: 49,710 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year-end
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Dec. 31, 2025	9,449	(3,777)	(4,422)	22,884
Dec. 31, 2024	7,696	(867)	(3,827)	21,065

2. Dividends

	Dividends per share					Total dividends (Total)	Dividend payout ratio (Consolidated)	Dividend on equity (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total			
Fiscal year ended Dec. 31, 2024	Yen –	Yen 20.00	Yen –	Yen 20.00	Yen 40.00	Millions of yen 1,424	% 25.0	% 3.0
Fiscal year ended Dec. 31, 2025	–	25.00	–	31.00	56.00	1,994	30.2	3.8
Fiscal year ending Dec. 31, 2026 (Forecast)	–	32.50	–	32.50	65.00		35.1	

(Note) Year-end dividend per share for the fiscal year ended December 31, 2025 has changed from 25 yen to 31 yen. For details, please refer to the "Notice of Difference between Consolidated Earnings Forecast and Actual Results for the Full Year, Dividend of Surplus (Increase) and Change in Dividend Policy" released today (February 13, 2026).

3. Forecast of consolidated financial results for the year ending Dec. 31, 2026 (from Jan. 1 to Dec. 31, 2026)
 (Percentages indicate year-on-year changes.)

	Net Sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
First six-month cumulative period	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	33,200	9.4	3,800	4.2	3,800	19.0	2,700	(10.0)	75.80
	69,000	4.7	8,800	7.9	8,800	10.0	6,600	0.1	185.30

* Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

- (a) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- (b) Changes in accounting policies due to other reasons: None
- (c) Changes in accounting estimates: None
- (d) Restatement: None

(Note) For details, please refer to "3. Consolidated financial statements and significant notes thereto (5) Notes on consolidated financial statements (Notes on changes in accounting policies)" on page 12 of the attached materials.

(3) Number of issued shares (common shares)

(a) Total number of issued shares at the end of the period (including treasury shares)

As of Dec. 31, 2025	37,735,784 shares
As of Dec. 31, 2024	37,735,784 shares

(b) Number of treasury shares at the end of the period

As of Dec. 31, 2025	2,115,195 shares
As of Dec. 31, 2024	2,121,455 shares

(c) Average number of shares outstanding during the period

Fiscal year ended Dec. 31, 2025	35,618,663 shares
Fiscal year ended Dec. 31, 2024	35,592,783 shares

* This summary of financial results is not subject to audit procedures by a public accountant or audit firm.

* Explanations and other special notes concerning the appropriate use of financial results forecasts
 (Notes on forward-looking statements)

The forward-looking statements such as the forecasts of financial results stated in this document are based on the information currently available to the Company and certain assumptions that the Company judges as rational. These statements are not guarantees of future performance. Actual results may differ materially, depending on a range of factors. For conditions regarding the assumptions for results forecasts and notes on the use of results forecasts, etc., please refer to page 3 of the accompanying materials "1. Overview of Operating Results, (4) Future Outlook."

(How to obtain supplementary briefing material on the financial results)

The Company plans to hold a results briefing for institutional investors and analysts on Monday, February 16, 2026. Presentation materials, etc. presented at this briefing session will be posted on the Company's website.

1. Overview of Operating Results, etc.

(1) Overview of Results of Operations for the Fiscal Year under Review

During the consolidated fiscal year under review (January 2025 to December 2025), the global economy experienced a temporary slowdown, a reflection of factors such as the impact of increased tariffs in the United States and policy uncertainty. Nonetheless, demand trends remained generally strong and showed a gradual recovery trend toward the second half of the year.

Under these circumstances, based on its corporate philosophy, "Aim to become a corporate group full of venture spirit," the Group aims to improve profitability and achieve sustainable growth. It has been stepping up efforts this fiscal year with a focus on effectively transitioning to the solution proposal business. In addition, under the Group's basic policy on sustainability, the Group has been working hard to contribute to the sustainable development of society and maximize corporate value by addressing a range of social and environmental issues through its businesses.

In the consolidated fiscal year under review, net sales were 65,878 million yen, up 4.1% year on year, mainly due to steady sales in the SS (Sensing Solution) business, although sales in the IA (Industrial Automation) business, Automation Systems-related business, remained sluggish. As for profits, an increase in gross profit due to higher sales of highly profitable products offset an increase in personnel expenses, resulting in operating profit of 8,153 million yen (up 14.5% year on year), ordinary profit of 8,000 million yen (up 3.3% year on year), and profit attributable to owners of parent of 6,595 million yen (up 15.9% year on year) due to extraordinary income from gain on sales of investment securities.

Operating results by business segment are as follows.

Effective from the fiscal year under review, due to reorganization, etc., the names of the reportable segment categories and the revenue breakdown information within the reportable segments have been changed. The following comparisons with the previous fiscal year have been made based on figures reclassified into the new classification segments. Details are provided in the "Notes to Segment Information" section.

(i) SS (Sensing Solution) Business

In the SS Business, net sales were 31,044 million yen (up 9.4% year on year), and operating profit was 4,888 million yen (up 24.9% year on year), reflecting the success of the solution proposal business and a reduction in the cost ratio resulting from an increase in sales of high-profit products, despite the impact of the tariff policy in the United States.

Net sales for the security sensors were 19,924 million yen (up 9.3% year on year). Domestic sales of solutions for large-scale important facilities remained strong, and overseas sales of solutions for data centers and other large-scale important facilities in the U.S. were also strong, resulting in a year-on-year increase.

Net sales for automatic door sensors were 7,182 million yen (up 3.1% year on year). Overseas, sales of automatic door sensors for Europe remained weak. On the other hand, domestic sales of automatic door sensors remained weak, but sales of remote monitoring solutions and customer counting systems were strong, resulting in a year-on-year increase. In Social and Environmental-related, net sales were 3,937 million yen (up 23.7% year on year) as a result of strong sales of vehicle detection sensor solutions for parking lot management systems in Japan and the U.S. and strong sales of water quality sensor solutions in Japan.

(ii) IA (Industrial Automation) Business

In the IA Business, net sales came to 33,734 million yen (down 0.0% year on year) and operating profit was 3,827 million yen (up 1.7% year on year).

In factory automation-related products, domestic sales to semiconductors and electric/electronic components industries were soft due to the impact of the U.S. tariff policy, but the industry captured recovering demand in the second half of the year. Overseas sales of sensors for automation and labor saving were also firm as customers in Europe completed their inventory adjustments and the market recovered in China, resulting in net sales of 9,001 million yen (up 7.8% year on year).

In the inspection lighting-related business, domestic sales of products for semiconductors and electric/electronic components were sluggish due to the impact of the U.S. tariff policy. Meanwhile, overseas sales to the U.S. and Asia remained strong, resulting in net sales of 14,774 million yen (up 3.6% year on year).

In the industrial PCs-related business, net sales were 4,689 million yen (down 4.8% year on year) due to sluggish sales for semiconductor production equipment, despite strong sales within the Group as a result of synergies with the security sensors business in the SS business.

In the automation systems-related business, net sales were 5,269 million yen (down 15.1% year on year) as a result

of sluggish orders for secondary battery production equipment as capital investment demand for electric vehicles (EV) has run its course.

(iii) EMS (Electronics Manufacturing Service) Business

In the EMS Business, net sales to unaffiliated customers amounted to 996 million yen (down 4.4% year on year), attributable to the sluggish performance of projects for the electronic contract manufacturing service. The Business recorded an operating loss of 32 million yen (operating loss of 120 million yen in the same period of the previous fiscal year), reflecting a decrease in production volume of products within the Group.

(2) Overview of Financial Condition for the Period under Review

(Assets)

Total assets amounted to 76,939 million yen at the end of the fiscal year under review, which was an increase of 4,088 million yen from the end of the previous fiscal year.

Current assets increased 1,462 million yen to total 59,488 million yen. This was mainly attributable to increases of 1,818 million yen in cash and deposits, which were partly offset by a decrease of 259 million yen in advance payments to suppliers and other current assets.

Non-current assets increased 2,625 million yen, to 17,451 million yen. This was mainly due to a 2,075 million yen increase in property, plant and equipment, including land and buildings and structures, resulting from the acquisition of factory land and buildings by a subsidiary, and a 270 million yen increase in investments and other assets, including investment securities, respectively.

(Liabilities)

Total liabilities stood at 20,790 million yen at the end of the fiscal year under review, which was a decrease of 1,976 million yen from the end of the previous fiscal year. This was mainly due to a 367 million yen decrease in current liabilities, including short-term borrowings and current portion of long-term borrowings, and a 1,608 million yen decrease in non-current liabilities, including long-term borrowings.

(Net assets)

Net assets totaled 56,149 million yen at the end of the fiscal year under review, which was an increase of 6,065 million yen from the end of the previous fiscal year. This resulted mainly from an increase of 4,990 million yen in retained earnings and a rise of 996 million yen in other comprehensive income, including foreign currency translation adjustment.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents ("cash") at the end of the fiscal year under review have increased by 1,818 million yen from the end of the previous fiscal year, to total 22,884 million yen.

The status of each of the cash flow segments and contributing factors for the fiscal year under review are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was 9,449 million yen (compared with 7,696 million yen in the same period of the previous fiscal year). Contributing factors included a decrease in cash due to income taxes paid of 2,391 million yen and an increase in cash after securing of 8,861 million yen in profit before income taxes.

(Cash flows from investing activities)

Net cash used in investing activities was 3,777 million yen (compared with net cash of 867 million yen used in such activities in the same period of the previous fiscal year). This was mainly attributable to the decrease in funds from purchase of property, plant and equipment (3,225 million yen), purchase of investments in subsidiaries resulting in change in scope of consolidation (656 million yen), and purchase of intangible assets (545 million yen), despite proceeds from sales and redemption of marketable securities and investment securities (1,014 million yen).

(Cash flows from financing activities)

Net cash used in financing activities came to 4,422 million yen (compared with net cash of 3,827 million yen used in such activities in the same period of the previous fiscal year). This result mainly reflected a decrease in cash caused by repayments of long-term borrowings of 1,841 million yen, dividends paid of 1,601 million yen, and net decrease in short-term borrowings of 1,200 million yen, despite the proceeds of 600 million yen from long-term borrowings.

	Fiscal year ended Dec. 31, 2022	Fiscal year ended Dec. 31, 2023	Fiscal year ended Dec. 31, 2024	Fiscal year ended Dec. 31, 2025
Equity ratio (%)	62.2	65.3	68.2	72.4
Equity ratio based on market value (%)	100.8	94.5	85.6	118.3
Ratio of interest-bearing debt to cash flow (years)	6.5	5.0	1.2	0.7
Interest coverage ratio (times)	30.7	31.4	113.2	120.9

(Notes) Equity ratio: Shareholders' equity / Total assets

Equity ratio based on fair value: Market capitalization / Total assets

Cash flow to interest-bearing debt ratio: Interest-bearing debt/Operating cash flow

Interest coverage ratio: Cash flows from operating activities/Interest expenses paid

*1. Each indicator is calculated based on consolidated financial data.

*2. Market capitalization is the closing stock price at the end of the fiscal year multiplied by the number of shares issued at the end of the period (treasury shares are not included).

*3. Operating cash flow uses net cash provided by operating activities on the consolidated cash flow statements. Interest-bearing debt is all liabilities posted in the consolidated balance sheet for which interest is paid. Interest payments are based on the interest expenses paid shown in the consolidated statements of cash flows.

(4) Future Outlook

The Optex Group forecasts that consolidated net sales for the fiscal year ending December 31, 2026 will be 69,000 million yen (up 4.7% year on year) and on growth in security sensors sales in the SS Business and in sales of inspection lighting-related products in the IA Business among others. In addition, the Optex Group expects increases of 7.9% year on year in operating profit to 8,800 million yen, 10.0% year on year in ordinary profit to 8,800 million yen, and a increase of 0.1% year on year in profit attributable to owners of parent to 6,600 million yen as a result of investment in further growth and continued efforts to improve profitability. These forecasts assume currency exchange rates of 150 yen to the US dollar and 175 yen to the euro.

(5) Dividend Policy and Payments for the Period Under Review and the Next Period

The Optex Group considers that the return of profit to shareholders is one of its most important management tasks. Our policy for dividends for the fiscal year under review is to achieve a consolidated dividend on equity (DOE) of 3.0% or more, with a target consolidated dividend payout ratio of 30%, taking into consideration the strengthening of our financial base in preparation for future business development, based on the distribution of results supported by our earnings situation.

The year-end dividend for the current fiscal year is planned to be 31 yen per share, and including the interim dividend of 25 yen per share paid in September, the annual dividend is expected to be 56 yen per share.

With regard to the year-end dividend for the fiscal year under review, please refer to the "Notice of Difference between Forecast and Actual Consolidated Financial Results for the Full Year and Dividend of Surplus (Increase) and Change in Dividend Policy" released on February 13, 2026.

In addition, the Group will partially change its dividend policy from the next fiscal year in order to further enhance shareholder returns, taking into consideration a comprehensive review of its business performance and business environment.

Specifically, we plan to raise the consolidated dividend payout ratio from 30% target to 35% target and DOE from 3.0% or more to 3.5% or more in our dividend policy.

As a result, the annual dividend for the next fiscal year is projected to be 65 yen per share, an increase of 9 yen from the fiscal year under review (interim dividend of 32.50 yen per share and year-end dividend of 32.50 yen per share).

2. Basic Approach towards Selection of Accounting Standards

The Group will prepare consolidated financial statements based on the Japan GAAP for some time to come, considering a comparison with consolidated financial statements for the previous fiscal year and with financial statements of other companies.

Going forward, taking into consideration the domestic and international circumstances surrounding the Group, it plans to continue to consider adopting international accounting standards from the perspective of improving its corporate value.

Consolidated Financial Statements

Consolidated balance sheets

(Millions of yen)

	As of December 31, 2024	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	21,065	22,884
Notes and accounts receivable - trade	13,884	13,894
Securities	0	-
Merchandise and finished goods	6,622	7,404
Work in process	4,631	4,133
Raw materials and supplies	9,888	9,636
Income taxes refund receivable	166	73
Other	1,872	1,612
Allowance for doubtful accounts	(105)	(151)
Total current assets	58,025	59,488
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,054	9,901
Accumulated depreciation	(4,780)	(4,790)
Buildings and structures, net	4,273	5,111
Machinery, equipment and vehicles	2,013	1,774
Accumulated depreciation	(1,496)	(1,171)
Machinery, equipment and vehicles, net	517	603
Tools, furniture and fixtures	7,879	8,619
Accumulated depreciation	(6,934)	(7,505)
Tools, furniture and fixtures, net	944	1,114
Land	2,559	3,495
Construction in progress	92	212
Right-of-use assets	205	131
Total property, plant and equipment	8,593	10,668
Intangible assets		
Patent right	111	27
Trademark right	182	99
Customer-related intangible assets	187	46
Goodwill	822	1,083
Other	587	913
Total intangible assets	1,890	2,170
Investments and other assets		
Investment securities	1,264	1,567
Long-term loans receivable	25	29
Deferred tax assets	2,397	2,316
Other	710	734
Allowance for doubtful accounts	(55)	(34)
Total investments and other assets	4,341	4,612
Total non-current assets	14,825	17,451
Total assets	72,850	76,939

(Millions of yen)

	As of December 31, 2024	As of December 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,240	3,499
Short-term borrowings	5,000	3,800
Current portion of long-term borrowings	1,795	848
Accounts payable - other	1,526	1,397
Income taxes payable	1,283	1,082
Provision for bonuses	1,027	1,263
Other	3,669	4,043
Total current liabilities	17,543	15,934
Non-current liabilities		
Long-term borrowings	2,099	1,806
Deferred tax liabilities	636	596
Deferred tax liabilities for land revaluation	22	5
Retirement benefit liability	1,577	1,594
Provision for retirement benefits for directors (and other officers)	161	246
Other	726	606
Total non-current liabilities	5,223	4,856
Total liabilities	22,766	20,790
Net assets		
Shareholders' equity		
Share capital	2,798	2,798
Capital surplus	7,564	7,564
Retained earnings	38,652	43,643
Treasury shares	(3,443)	(3,433)
Total shareholders' equity	45,571	50,572
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	81	119
Revaluation reserve for land	(5)	11
Foreign currency translation adjustment	4,077	5,019
Remeasurements of defined benefit plans	(14)	(14)
Total accumulated other comprehensive income	4,138	5,135
Share acquisition rights	351	416
Non-controlling interests	21	24
Total net assets	50,084	56,149
Total liabilities and net assets	72,850	76,939

Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Net sales	63,269	65,878
Cost of sales	31,402	31,587
Gross profit	31,867	34,291
Selling, general and administrative expenses		
Remuneration, salaries and allowances for directors (and other officers)	9,359	10,154
Provision for bonuses	434	469
Retirement benefit expenses	330	363
Provision for retirement benefits for directors (and other officers)	22	38
Provision of allowance for doubtful accounts	57	32
Research and development expenses	3,697	3,760
Other	10,843	11,318
Total selling, general and administrative expenses	24,746	26,137
Operating profit	7,121	8,153
Non-operating income		
Interest income	104	142
Dividend income	16	13
Gain on sale of investment securities	65	-
Foreign exchange gains	409	-
Rental income	27	19
Insurance return	10	7
Share of profit of entities accounted for using equity method	3	34
Subsidy income	20	59
Other	65	53
Total non-operating income	723	329
Non-operating expenses		
Interest expenses	68	80
Foreign exchange losses	-	356
Rental expenses	8	8
Settlement payments	9	-
Other	8	37
Total non-operating expenses	96	482
Ordinary profit	7,749	8,000
Extraordinary income		
Gain on sale of non-current assets	8	4
Gain on sale of investment securities	-	962
Total extraordinary income	8	966
Extraordinary losses		
Loss on sale and retirement of non-current assets	15	6
Loss on sale of investment securities	152	-
Loss on valuation of investment securities	-	100
Total extraordinary losses	168	106
Profit before income taxes	7,588	8,861
Income taxes - current	2,348	2,263
Income taxes - deferred	(454)	(1)
Total income taxes	1,894	2,261
Profit	5,694	6,599
Profit attributable to non-controlling interests	4	4
Profit attributable to owners of parent	5,689	6,595

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Profit	5,694	6,599
Other comprehensive income		
Valuation difference on available-for-sale securities	134	38
Revaluation reserve for land	-	(16)
Foreign currency translation adjustment	1,334	940
Remeasurements of defined benefit plans, net of tax	5	(0)
Total other comprehensive income	1,474	961
Comprehensive income	7,168	7,560
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,162	7,557
Comprehensive income attributable to non- controlling interests	5	2

Consolidated Statements of Changes in Net Assets

Fiscal year ended Dec. 31, 2024 (From Jan. 1 to Dec. 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,798	7,579	34,388	(3,589)	41,177
Changes during period					
Dividends of surplus			(1,422)		(1,422)
Profit attributable to owners of parent			5,689		5,689
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(17)		146	128
Transfer from retained earnings to capital surplus		2	(2)		-
Net changes in items other than shareholders' equity					
Total changes during period	-	(14)	4,264	145	4,394
Balance at end of period	2,798	7,564	38,652	(3,443)	45,571

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	(53)	(5)	2,744	(19)	2,665	412	16	44,271
Changes during period								
Dividends of surplus								(1,422)
Profit attributable to owners of parent								5,689
Purchase of treasury shares								(0)
Disposal of treasury shares								128
Transfer from retained earnings to capital surplus								-
Net changes in items other than shareholders' equity	134	-	1,332	5	1,473	(61)	5	1,417
Total changes during period	134	-	1,332	5	1,473	(61)	5	5,812
Balance at end of period	81	(5)	4,077	(14)	4,138	351	21	50,084

Consolidated Statements of Changes in Net Assets

Fiscal year ended Dec. 31, 2025 (From Jan. 1 to Dec. 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,798	7,564	38,652	(3,443)	45,571
Changes during period					
Dividends of surplus			(1,602)		(1,602)
Profit attributable to owners of parent			6,595		6,595
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(1)		10	8
Transfer from retained earnings to capital surplus		1	(1)		-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	4,990	10	5,000
Balance at end of period	2,798	7,564	43,643	(3,433)	50,572

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	81	(5)	4,077	(14)	4,138	351	21	50,084
Changes during period								
Dividends of surplus								(1,602)
Profit attributable to owners of parent								6,595
Purchase of treasury shares								(0)
Disposal of treasury shares								8
Transfer from retained earnings to capital surplus								-
Net changes in items other than shareholders' equity	38	16	941	(0)	996	64	2	1,064
Total changes during period	38	16	941	(0)	996	64	2	6,065
Balance at end of period	119	11	5,019	(14)	5,135	416	24	56,149

Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Cash flows from operating activities		
Profit before income taxes	7,588	8,861
Depreciation	1,672	1,862
Amortization of goodwill	380	261
Increase (decrease) in retirement benefit liability	48	14
Increase (decrease) in provision for retirement benefits for directors (and other officers)	22	81
Increase (decrease) in allowance for doubtful accounts	60	12
Increase (decrease) in provision for bonuses	205	206
Interest and dividend income	(121)	(156)
Interest expenses	68	80
Foreign exchange losses (gains)	(240)	(47)
Share of loss (profit) of entities accounted for using equity method	(3)	(34)
Subsidy income	(20)	(59)
Loss (gain) on sale and valuation of investment securities	86	(862)
Loss (gain) on investments in investment partnerships	(2)	(0)
Loss (gain) on sale and retirement of non-current assets	7	2
Decrease (increase) in trade receivables	(1,361)	374
Decrease (increase) in inventories	72	231
Increase (decrease) in trade payables	142	147
Other, net	1,013	775
Subtotal	9,619	11,750
Interest and dividends received	121	158
Interest paid	(67)	(78)
Subsidies received	20	10
Income taxes refund (paid)	(1,997)	(2,391)
Net cash provided by (used in) operating activities	7,696	9,449
Cash flows from investing activities		
Proceeds from sale and redemption of securities	449	0
Purchase of investment securities	(1)	(361)
Proceeds from sale and redemption of investment securities	463	1,014
Purchase of property, plant and equipment	(1,606)	(3,225)
Proceeds from sale of property, plant and equipment	9	4
Purchase of intangible assets	(175)	(545)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(656)
Loan advances	(12)	(12)
Proceeds from collection of loans receivable	5	6
Net cash provided by (used in) investing activities	(867)	(3,777)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	78	(1,200)
Proceeds from long-term borrowings	-	600
Repayments of long-term borrowings	(1,831)	(1,841)
Dividends paid	(1,427)	(1,601)
Repayments of lease liabilities	(402)	(379)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(244)	-
Purchase of treasury shares	(0)	(0)
Net cash provided by (used in) financing activities	(3,827)	(4,422)
Effect of exchange rate change on cash and cash	944	570

equivalents		
Net increase (decrease) in cash and cash equivalents	3,945	1,818
Cash and cash equivalents at beginning of period	17,119	21,065
Cash and cash equivalents at end of period	21,065	22,884

(5) Notes on Consolidated Financial Statements

(Notes to changes in accounting policies)

(Application of the Accounting Standard for Current Income Taxes, etc.)

The Company has applied Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard 2022") effective from beginning of the fiscal year under review.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the "Revised Implementation Guidance 2022"). This change in accounting policies has no impact on the consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the 2022 Revised Implementation Guidance 2022 has been applied since the beginning of the fiscal year under review. This change in accounting policy is applied retrospectively, and consolidated financial statements for the previous year are after retrospective application. This change in accounting policies has no impact on the consolidated financial statements for the previous fiscal year.

(Additional information)

(Effect of the change in the tax rate on income taxes)

The Act Amending the Income Tax Act (Act No. 13 of 2025) was passed by the Diet on March 31, 2025, and the Special Defense Corporation Tax will be levied starting from the fiscal year beginning April 1, 2026.

Because of this change, the Company has changed the statutory tax rate used to calculate deferred tax assets and deferred tax liabilities resulting from temporary differences between accounting and tax values, etc. that will become deductible from the consolidated fiscal year beginning January 1, 2027. The tax rate has changed from 30.46% to 31.36%.

This change to the tax rate will have only a minor impact on the consolidated financial statements for the fiscal year under review.

(Notes on going concern assumptions)

No items to report

(Notes on segment information, etc.)

1. Outline of reportable business segments

(1) Overview of reportable segments

The reportable segments of the Optex Group are those units for which separate financial information can be obtained among the constituent units of the Group, which is regularly examined by the Board of Directors in order to determine the allocation of management resources and assess business performance.

The Optex Group operates businesses according to separate categories of products and services and defines the SS Business, the IA Business and the EMS Business as reportable segments.

Major products and services in each reportable segment are presented below.

Business name	Major products and services
SS (Sensing Solution) Business	Development and sales of security-related, automatic door-related, social and environmental-related products, electronic components, etc.
IA (Industrial Automation) Business	Factory automation related, image processing LED lighting related, industrial computers related, automated machinery related
EMS (Electronics Manufacturing Service) Business	Contract manufacturing service of electronic equipment

(Matters regarding the revision of reportable segments)

Effective January 1, 2025, Ltd., all shares of Three Ace Co., Ltd., a consolidated subsidiary of the Company, were transferred to Optex Co., Ltd. As a result, the business, which was previously classified under Other, is included in the SS Business from the fiscal year under review.

Segment information for the previous consolidated fiscal year presented herein has been prepared according to the revised classification.

(2) Methods for calculating sales, profit (loss), assets and other items by reportable segment

Accounting methods for the reported business segments are the same as those used for the preparation of consolidated financial statements.

Segment profit as reported in this section is based on operating profit. Inter-segment sales and transfers between segments are based on market prices.

(3) Reportable segment sales, profit or loss, assets, and other information and revenue breakdown information

Previous fiscal year (January 1, 2024 to December 31, 2024)

(Millions of yen)

	Reportable Segment				Other (Note 1)	Total	Adjustments (Note 2)	Amount recorded in consolidated financial statements (Note 3)
	SS Business	IA Business	EMS Business	Total				
Net Sales								
Security Sensors	18,227	—	—	18,227	—	18,227	—	18,227
Automatic Door Sensors	6,964	—	—	6,964	—	6,964	—	6,964
Social and Environmental	3,182	—	—	3,182	—	3,182	—	3,182
FA-related	—	8,349	—	8,349	—	8,349	—	8,349
Inspection Lighting-related	—	14,266	—	14,266	—	14,266	—	14,266
Industrial PCs-related	—	4,926	—	4,926	—	4,926	—	4,926
Automation Systems-related	—	6,206	—	6,206	—	6,206	—	6,206
Other	—	—	1,042	1,042	103	1,146	—	1,146
Revenue from Contracts with Customers	28,374	33,748	1,042	63,165	103	63,269	—	63,269
Unaffiliated Customers	28,374	33,748	1,042	63,165	103	63,269	—	63,269
Intersegment Transfer	81	94	10,415	10,590	27	10,618	(10,618)	—
Total	28,455	33,843	11,457	73,756	131	73,888	(10,618)	63,269
Segment Profit (Loss)	3,915	3,764	(120)	7,558	12	7,571	(449)	7,121
Segment assets	27,676	37,280	9,819	74,776	109	74,885	(2,034)	72,850
Other items								
Depreciation	441	864	129	1,435	4	1,439	232	1,672
Amortization of goodwill	30	349	—	380	—	380	—	380
Investment in equity method affiliates	—	323	—	323	—	323	—	323
Increase in property, plant and equipment and intangible assets	313	613	825	1,752	0	1,753	118	1,872

(Notes) 1. The “Others” category incorporates operations not included in business segments reported, and includes operation and management of sports clubs and other businesses.

2. Adjustment of (449) million yen for segment profit (loss) includes elimination of inter-segment transactions and unallocated corporate expenses.

The segment profit adjustment of (2,034) million yen includes company-wide assets of 6,948 million yen that are not allocated to each reportable segment and the elimination through offsetting receivables and payables of (8,983) million yen. Company-wide assets include the assets of the submitting company.

The adjustment of depreciation of 232 million yen is depreciation related to Company-wide assets that is not allocated to each reportable segment.

The adjustment for increase in property, plant and equipment and intangible assets of 118 million yen is an amount of corporate assets that is not allocated to any reportable segments.

3. Segment profit (loss) has been adjusted to be consistent with the operating profit reported in the consolidated statements of income.

Fiscal year under review (January 1, 2025 to December 31, 2025)

(Millions of yen)

	Reportable Segment				Other (Note 1)	Total	Adjustments (Note 2)	Amount recorded in consolidated financial statements (Note 3)
	SS Business	IA Business	EMS Business	Total				
Net Sales								
Security Sensors	19,924	—	—	19,924	—	19,924	—	19,924
Automatic Door Sensors	7,182	—	—	7,182	—	7,182	—	7,182
Social and Environmental	3,937	—	—	3,937	—	3,937	—	3,937
FA-related	—	9,001	—	9,001	—	9,001	—	9,001
Inspection Lighting-related	—	14,774	—	14,774	—	14,774	—	14,774
Industrial PCs-related	—	4,689	—	4,689	—	4,689	—	4,689
Automation Systems-related	—	5,269	—	5,269	—	5,269	—	5,269
Other	—	—	996	996	103	1,099	—	1,099
Revenue from Contracts with Customers	31,044	33,734	996	65,775	103	65,878	—	65,878
Unaffiliated Customers	31,044	33,734	996	65,775	103	65,878	—	65,878
Intersegment Transfer	28	774	5,312	6,114	27	6,142	(6,142)	—
Total	31,072	34,509	6,308	71,890	130	72,021	(6,142)	65,878
Segment Profit (Loss)	4,888	3,827	(32)	8,684	12	8,696	(542)	8,153
Segment assets	31,893	40,642	5,276	77,812	119	77,932	(992)	76,939
Other items								
Depreciation	524	937	188	1,650	2	1,653	209	1,862
Amortization of goodwill	29	232	—	261	—	261	—	261
Investment in equity method affiliates	—	357	—	357	—	357	—	357
Increase in property, plant and equipment and intangible assets	841	2,194	839	3,875	1	3,876	(84)	3,792

(Notes) 1. The "Others" category incorporates operations not included in business segments reported, and includes operation and management of sports clubs and other businesses.

2. Adjustment of (542) million yen for segment profit (loss) includes elimination of inter-segment transactions and unallocated corporate expenses.

The segment profit adjustment of (992) million yen includes company-wide assets of 6,841 million yen that are not allocated to each reportable segment and the elimination through offsetting receivables and payables of (7,833) million yen. Company-wide assets include the assets of the submitting company.

The adjustment of depreciation of 209 million yen is depreciation related to Company-wide assets that is not allocated to each reportable segment.

The adjustment for increase in property, plant and equipment and intangible assets of (84) million yen is attributable to the elimination of inter-segment transactions and relates to company-wide assets that are not allocated to each reportable segment.

3. Segment profit (loss) has been adjusted to be consistent with the operating profit reported in the consolidated statements of income.

4. Effective from the fiscal year under review, MVL-related has been changed to Inspection Lighting-related, IPC-related to Industrial PCs-related, and MECT-related to Automation Systems-related from the names of the revenue breakdown information used in the IA Business reporting segment, in order to more appropriately present the nature of the business. In addition, the information on the breakdown of earnings for the previous consolidated fiscal year reflects these changes.

2. Related Information

Previous fiscal year (January 1, 2024 to December 31, 2024)

Net Sales by Region					(Millions of yen)
Japan	Americas		Europe	Asia	Total
	U.S.A.				
30,594	9,133	8,445	16,480	7,060	63,269

(Notes) 1. Areas are categorized based on geographical proximity.

2. The breakdown of major regions in each category is as follows:

- (1) Americas: North America, Central and South America
- (2) Europe: Europe, the Middle East, and Africa
- (3) Asia: Asia and Oceania

3. Overseas net sales refers to sales of the Company and its consolidated subsidiaries in countries or regions outside Japan (excluding internal sales between segments).

Fiscal year under review (January 1, 2025 to December 31, 2025)

Net Sales by Region					(Millions of yen)
Japan	Americas		Europe	Asia	Total
	U.S.A.				
31,246	10,943	10,197	16,152	7,535	65,878

(Notes) 1. Areas are categorized based on geographical proximity.

2. The breakdown of major regions in each category is as follows:

- (1) Americas: North America, Central and South America
- (2) Europe: Europe, the Middle East, and Africa
- (3) Asia: Asia and Oceania

3. Overseas net sales refers to sales of the Company and its consolidated subsidiaries in countries or regions outside Japan (excluding internal sales between segments).

(Notes to per share information)

Previous fiscal year (January 1, 2024 to December 31, 2024)	Fiscal year under review (January 1, 2025 to December 31, 2025)
Net assets per share 1,395.81 yen	Net assets per share 1,563.93 yen
Basic earnings per share 159.86 yen	Basic earnings per share 185.16 yen
Diluted earnings per share 158.68 yen	Diluted earnings per share 183.64 yen

(Notes) 1. Net assets per share was calculated based on the following:

	Previous fiscal year (January 1, 2024 to December 31, 2024)	Fiscal year under review (January 1, 2025 to December 31, 2025)
Total net assets (millions of yen)	50,084	56,149
Amount to be deducted from total net assets (millions of yen)	373	441
(of which non-controlling interests (millions of yen))	(21)	(24)
(of which share acquisition rights (millions of yen))	(351)	(416)
Net assets at the end of period on common shares (millions of yen)	49,710	55,707
Number of shares of common stock at end of year used for calculating net assets per share (thousand shares)	35,614	35,620

2. The following is the basis for calculating earnings per share and diluted earnings per share.

	Previous fiscal year (January 1, 2024 to December 31, 2024)	Fiscal year under review (January 1, 2025 to December 31, 2025)
Basic earnings per share		
Profit attributable to owners of parent (millions of yen)	5,689	6,595
Profit not attributable to common shareholders (millions of yen)	–	–
Profit attributable to owners of parent related to common shares (millions of yen)	5,689	6,595
Average number of common shares outstanding during the period (thousands of shares)	35,592	35,618
Diluted earnings per share		
Profit adjustment amount attributable to owners of parent (millions of yen)	–	–
Increase in the number of common stock (thousand shares)	263	295
(of which share acquisition rights (thousand shares))	(263)	(295)
Descriptions of potentially dilutive common shares that were not included in the computation of diluted earnings per share because of their anti-dilutive effect	–	–

(Note to significant events after the reporting period)

No items to report

4. Other

Results of sales

(Millions of yen)

Reportable segment name	Previous fiscal year (January 1, 2024 to December 31, 2024)		Fiscal year under review (January 1, 2025 to December 31, 2025)		Percentage Change
	Amount	Share (%)	Amount	Share (%)	
SS Business					
Security Sensors	18,227	28.8	19,924	30.2	1,697
Automatic Door Sensors	6,964	11.0	7,182	10.9	217
Social and Environmental	3,182	5.0	3,937	6.0	755
Subtotal	28,374	44.8	31,044	47.1	2,670
IA Business					
FA-related	8,349	13.2	9,001	13.7	651
Inspection Lighting-related	14,266	22.5	14,774	22.4	507
Industrial PCs-related	4,926	7.8	4,689	7.1	(236)
Automation Systems-related	6,206	9.8	5,269	8.0	(936)
Subtotal	33,748	53.3	33,734	51.2	(14)
EMS Business	1,042	1.7	996	1.5	(45)
Other	103	0.2	103	0.2	(0)
Total	63,269	100.0	65,878	100.0	2,609