



Presentation Material for the First Quarter of FY2024 (Jan.1 to Mar.31, 2024)

OPTEX GROUP CO., LTD.

May 10, 2024

(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.

Business Segment

Starting from the first three months of the fiscal year under review, “Other” in the SS Business is reclassified as “Social and Environment-related”.

SS Business (SS : Sensing Solution)	Security Sensor segment	Security sensors
	Automatic Door Sensor segment	Automatic door sensors
	Social & Environment segment	Vehicle detection sensors Water Quality Measurements
IA Business (IA : Industrial Automation)	FA segment (FA : Factory Automation)	Factory Automation sensors
	MVL segment (MVL : Machine Vision Lighting)	Machine Vision Lighting
	IPC segment (IPC : Industrial PC)	Industrial PC
	MECT segment (MECT : Mechatronics)	Automation Systems
EMS Business (EMS: Electronics Manufacturing Service)		
Other Business (Development of software/ Management of Outdoor Activity)		

1. Q1 FY2024 Overview of Financial Results

2. FY2024 Consolidated Earnings Forecasts

3. TOPIC

Key Points of Q1 FY2024 Financial Results

Consolidated net sales were +12% year on year

-SS Business: In Japan, sales to main customers were steadily. Outside Japan, sales remained steady despite the impact of inflation.

-IA Business: Sales of FA-related products were low due to inventory adjustments in Europe and the impact of weak capital investment demand in China. In MVL-related products, sales of products for semiconductors and electronic components were sluggish in Japan. In MECT-related products, deliveries of secondary battery manufacturing equipment made good progress.

Consolidated operating profit was +0.2% year on year

There were an increase in the percentage of sales for MECT-related products, the cost ratio of which is relatively high, and a decline in sales percentage of MVL-related products, the cost ratio of which is low, in the IA Business. Reflecting these factors, the cost of sales ratio increased 2.7 points. SG&A expenses increased due to the impact of foreign exchange rates.

Summary of Q1 FY2024 Consolidated Financial Result

<u>Operating Results</u> (Unit: million yen)		Q1(1-3) FY2023 Results	Q1(1-3) FY2024 Results	Change	Percent Change
Net sales		13,822	15,464	+1,642	+11.9%
Operating income (Operating income Ratio)		1,751 (12.7%)	1,755 (11.4%)	+4	+0.2%
Ordinary income		1,753	1,981	+228	+13.0%
Profit attributable to owners of parent		1,182	1,301	+119	+10.1%
Net income per share (yen)		33.29	36.65		
Exchange rate (Unit: Yen)	1USD	132.34	148.61		
	1EUR	142.10	161.31		

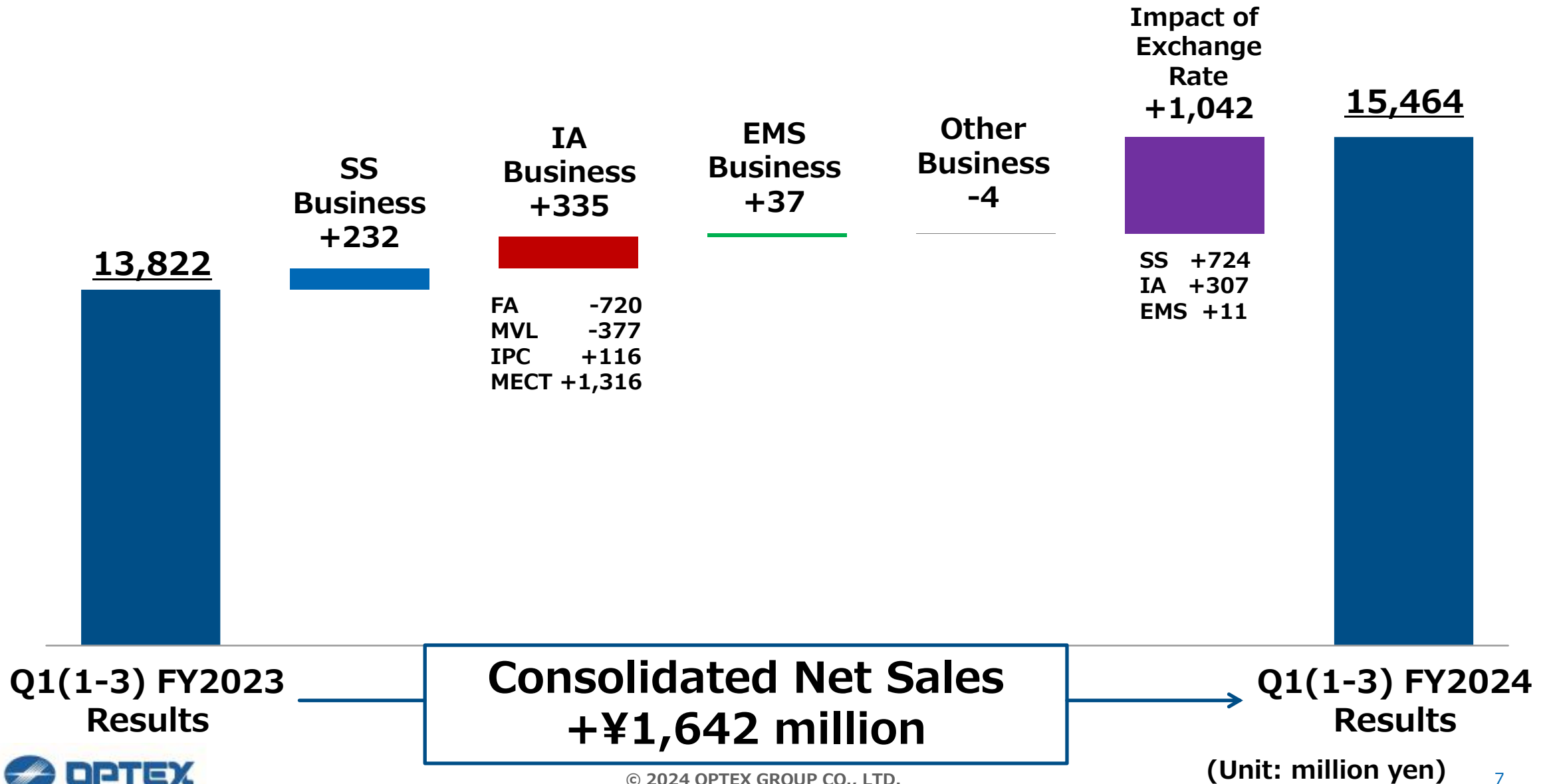
Comparison of Q1 FY2024 Consolidated Financial Result between Segments

(Unit:million yen)	Q1(1-3) FY2023 Results		Q1(1-3) FY2024 Results			
	Net sales	Operating income (Operating income Ratio)	Net sales	Percent Change	Operating income (Operating income Ratio)	Percent Change
SS Business	6,119	694 (11.3%)	7,075	+15.6%	1,165 (16.5%)	+67.9%
IA Business	7,448	955 (12.8%)	8,089	+8.6%	729 (9.0%)	-23.7%
EMS Business	128	239	175	+37.1%	-169	—

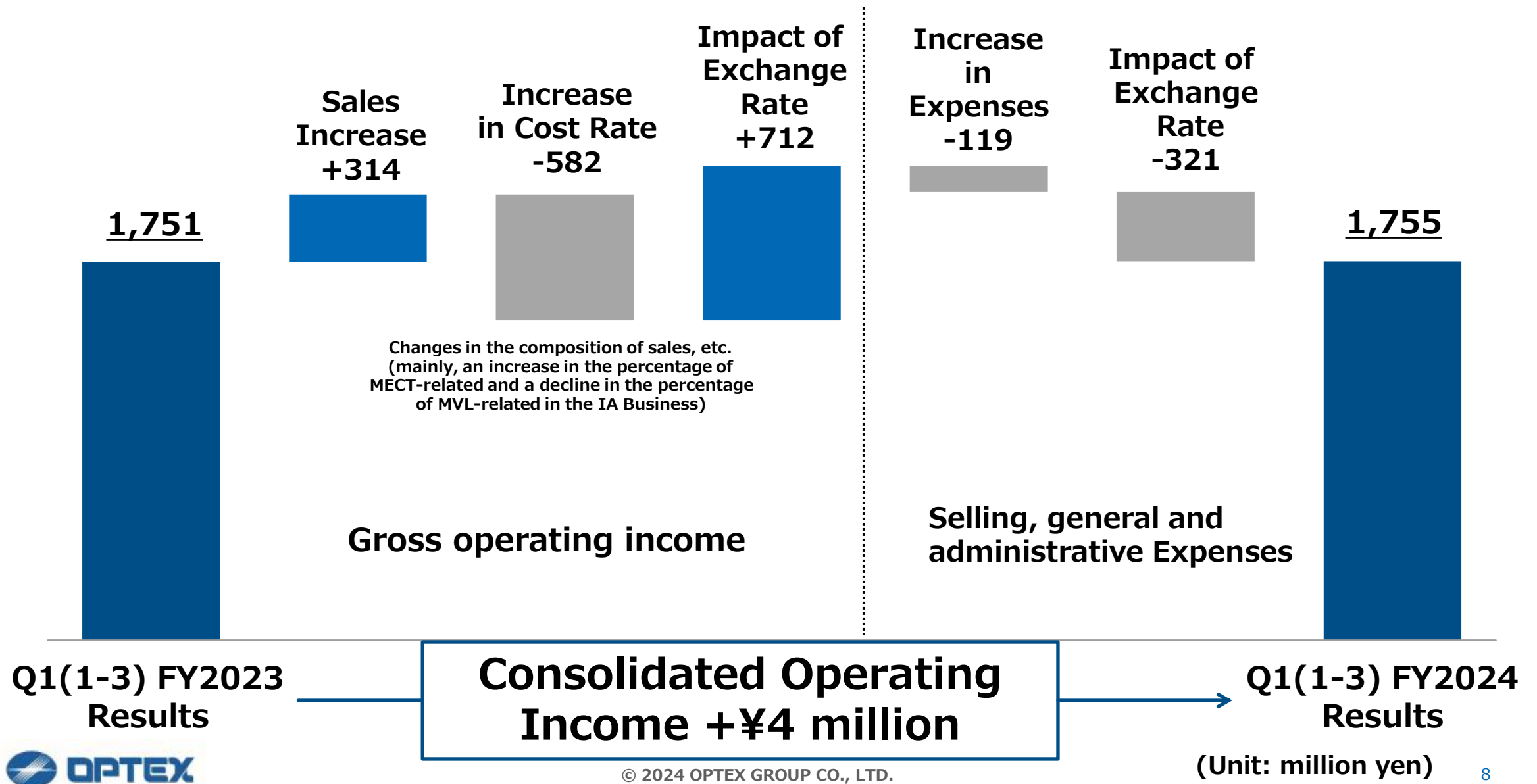
* Net sales by segment represents the figure excluding sales from inter-segment transactions.

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

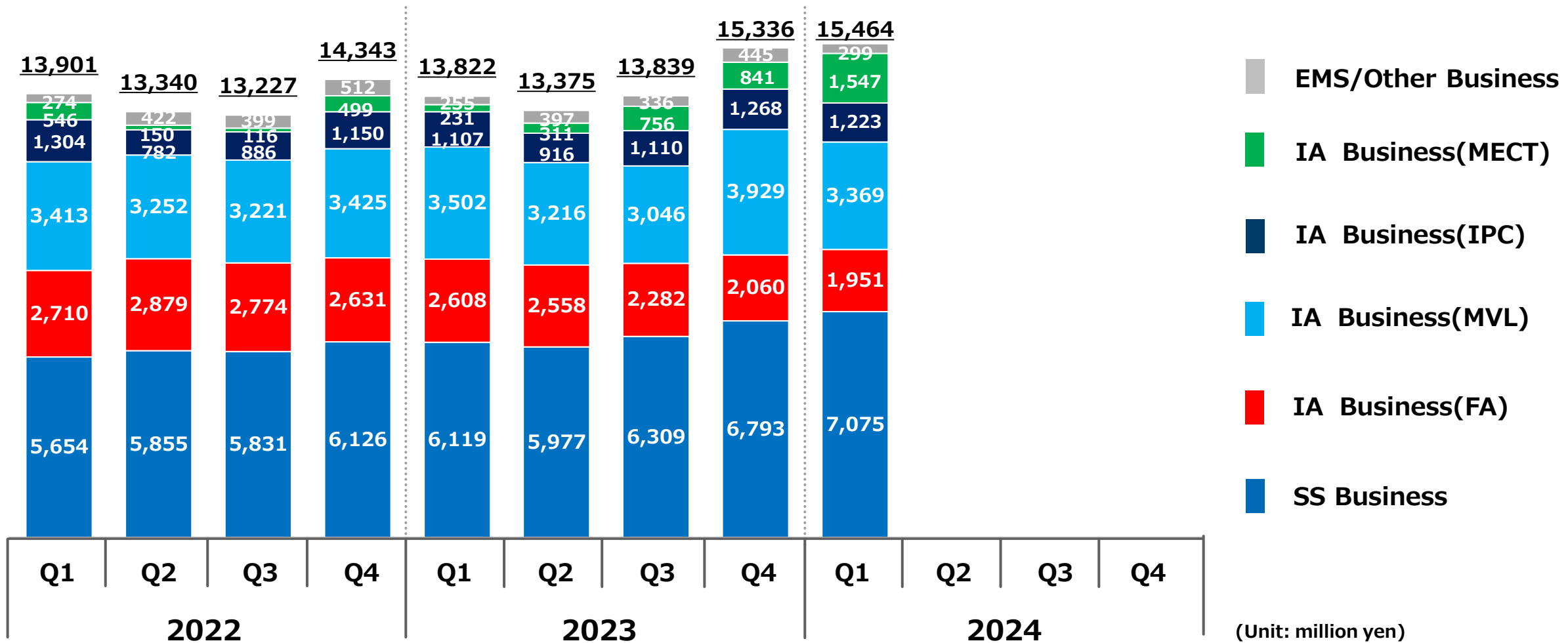
Factors of change in Net Sales (Year- on-year)



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	Q1(1-3) FY2024 Overview
Japan	- The number of projects for the large-scale facilities increased as a result of sales capacities bolstered by the direct marketing strategy.
AMERICAs	- Sales of laser scan sensor for data centers were strong.
EMEA	- The number of projects for the large-scale facilities increased as a result of sales capacities bolstered by the direct marketing strategy. - Sales of sensors for home use remained steady due to the progress in the development of new sales channels.
Asia and Oceania	- Sales of outdoor alarm sensors for China were sluggish.



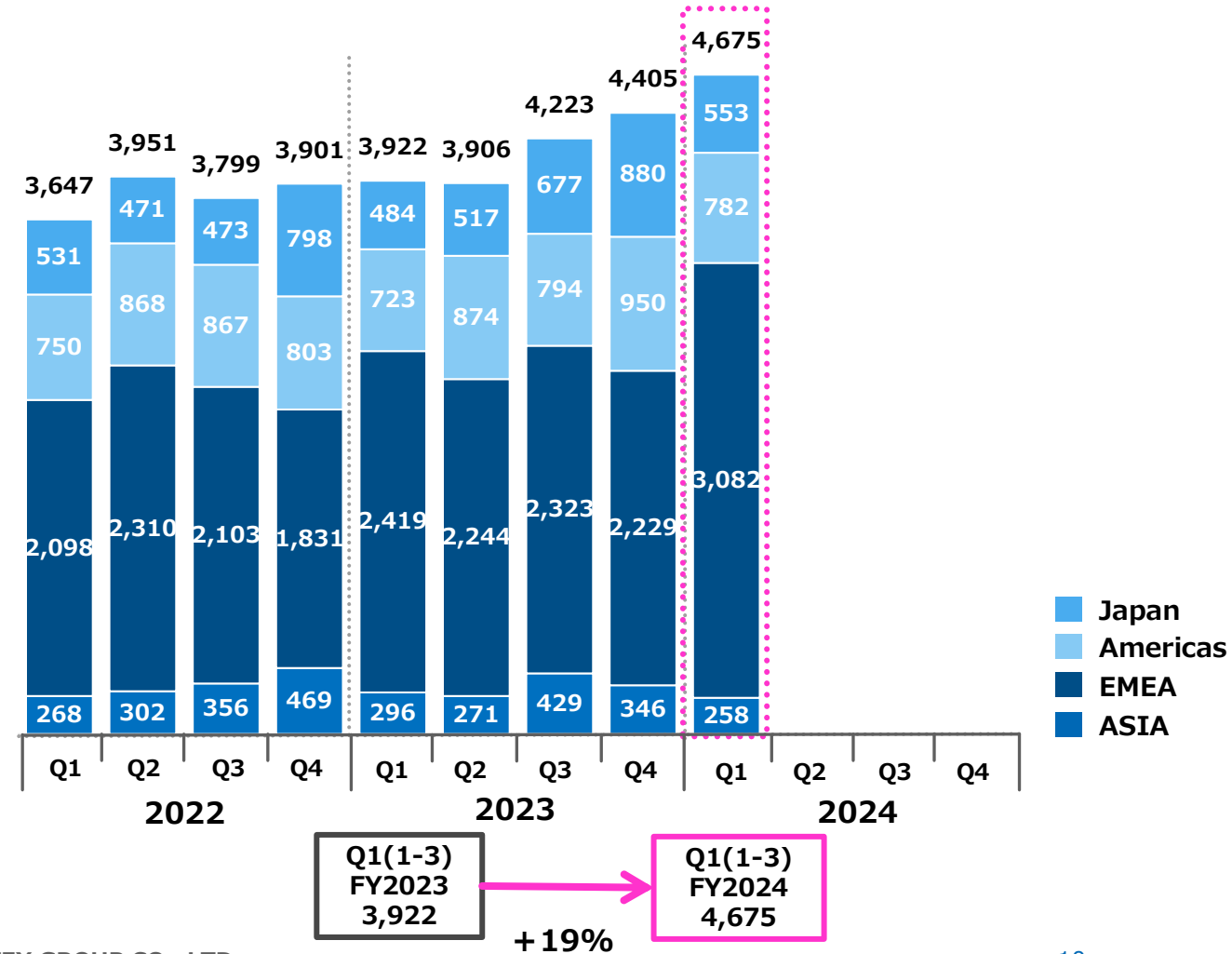
Sensors for large-scale critical facilities



Camera sensors

Quarterly Sales by Region(Unit: million yen)

The figures for FY2022 and FY2023 reflect reclassification arising from segment changes implemented in the SS Business.



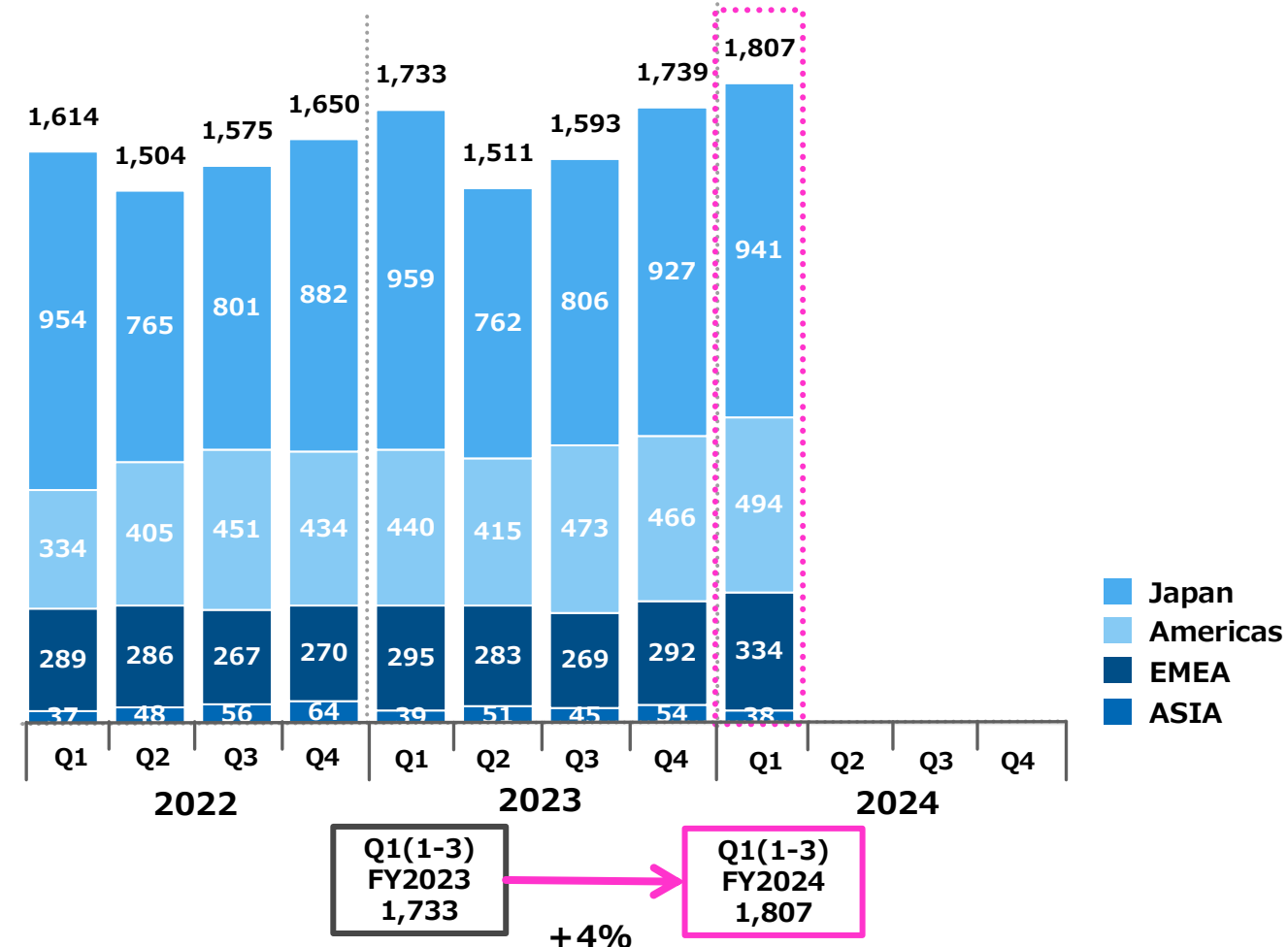
Business by Segment - SS Business(Automatic Door Sensors)



Region	Q1(1-3) FY2024 Overview
Japan	- Sales of automatic door sensors and industrial door sensors were slow.
AMERICAs	- Sales of both automatic door sensors and industrial door sensors remained at the year-ago level. - New products for major automatic door manufacturers were conducive to strong sales.
EMEA	- Sales for major automatic door manufacturers remained at the year-ago level. - A new base was established in Germany to enhance sales systems.

Quarterly Sales by Region(Unit: million yen)

The figures for FY2022 and FY2023 reflect reclassification arising from segment changes implemented in the SS Business.



Automatic door sensors



Push plate



Industrial door sensors



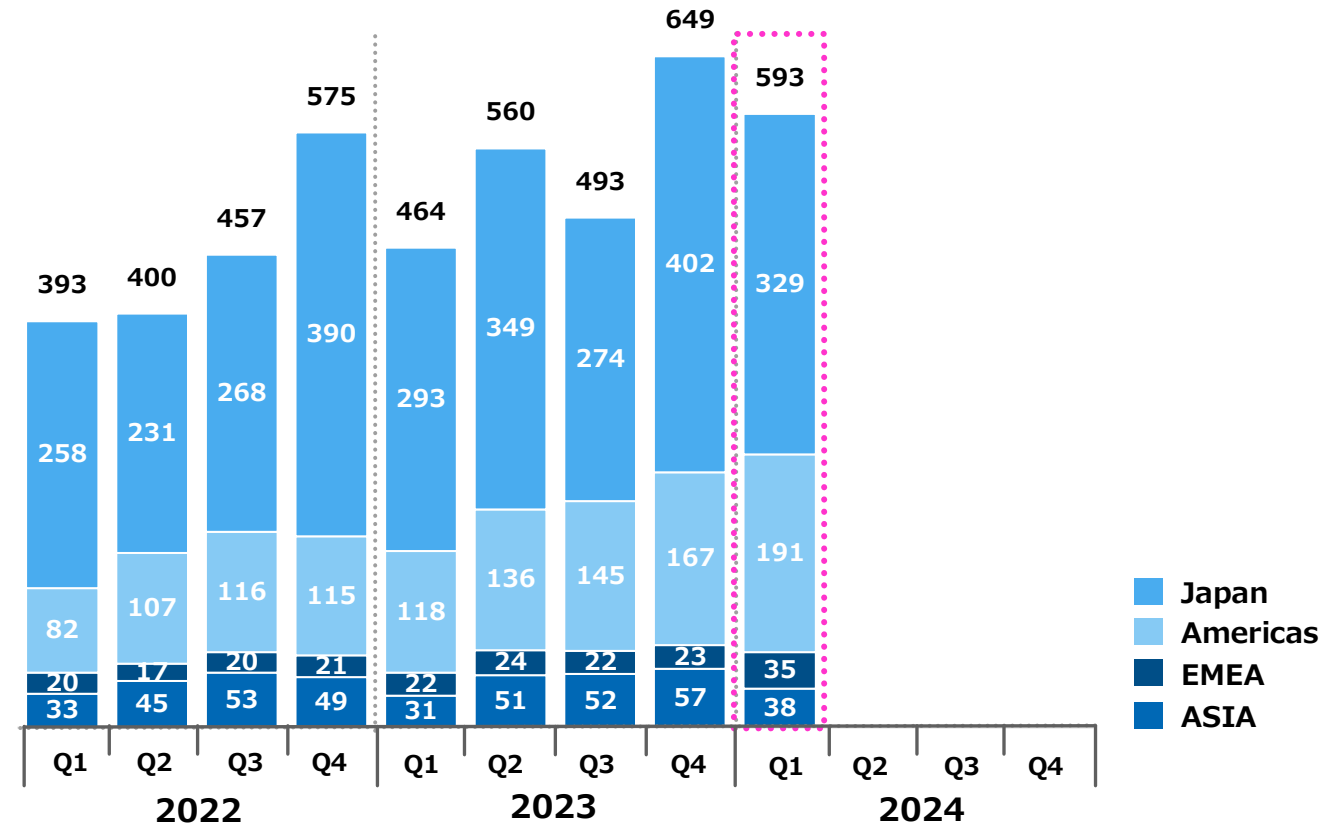
Business by Segment - ss Business(Social & Environment)



Region	Q1(1-3) FY2024 Overview
Japan	<ul style="list-style-type: none"> - Sales remained steady for parking lot vacancy management systems (vehicle detection sensors and full/vacant displaying systems). - Sales were solid for the management service of water quality measurements.
AMERICAs	<ul style="list-style-type: none"> - Sales of vehicle detection sensors remained steady given use for opening and closing of parking lot gates.

Quarterly Sales by Region(Unit: million yen)

The figures for FY2022 and FY2023 reflect reclassification arising from segment changes implemented in the SS Business.



Vehicle detection sensors



Water quality measurements

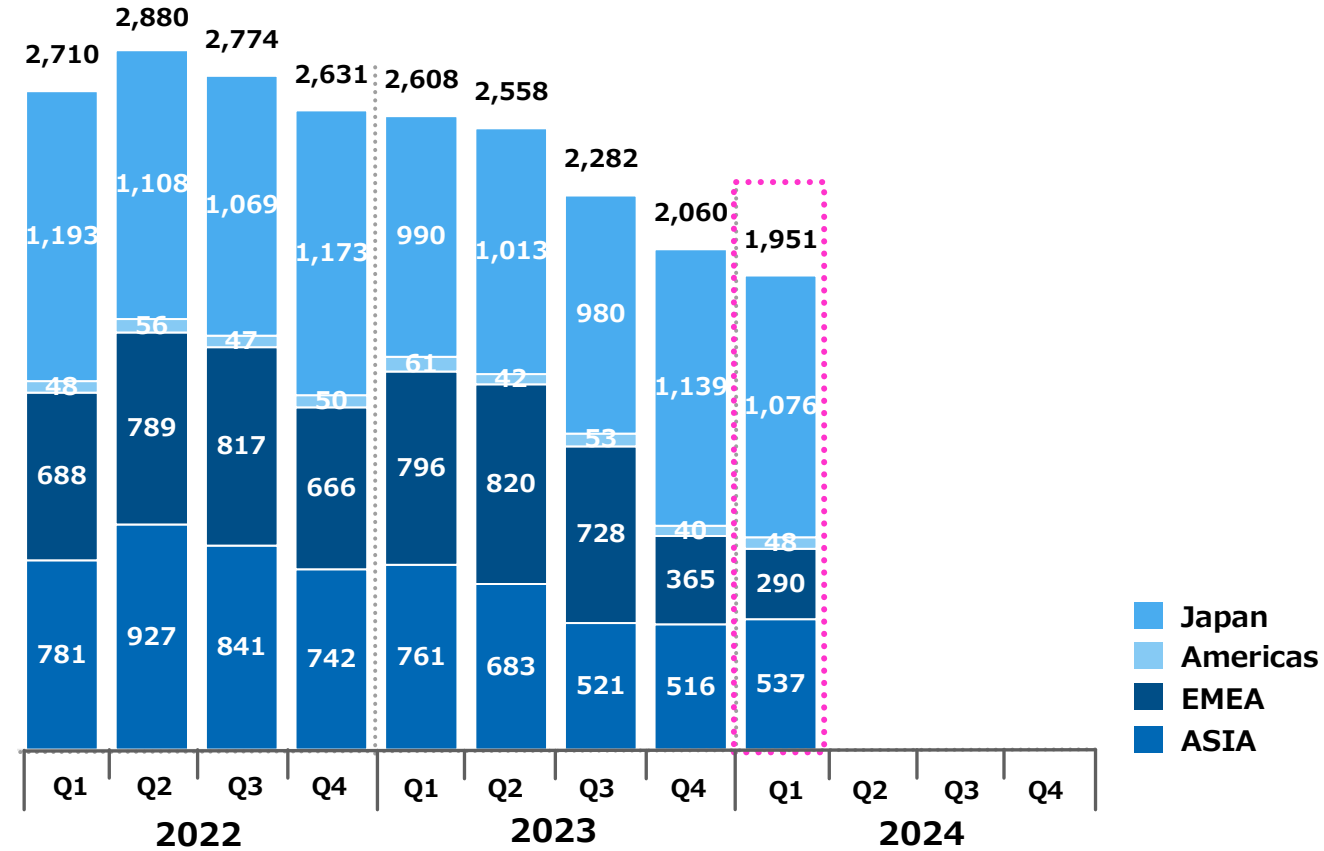


Business by Segment - IA Business(FA)



Region	Q1(1-3) FY2024 Overview
Japan	- Sales for semiconductor-related applications remained solid with customers starting to lift inventory adjustment measures.
EMEA	- Sales of general-purpose and displacement sensors remained stagnant with main customers continuing to undertake inventory adjustments in response to the impact of restrained capital investment.
Asia and Oceania	- Sales of displacement sensors were sluggish due to the impact of weak demand for capital investment in China.

Quarterly Sales by Region(Unit: million yen)



Displacement sensors



IO-Link master



Business by Segment - IA Business(MVL)

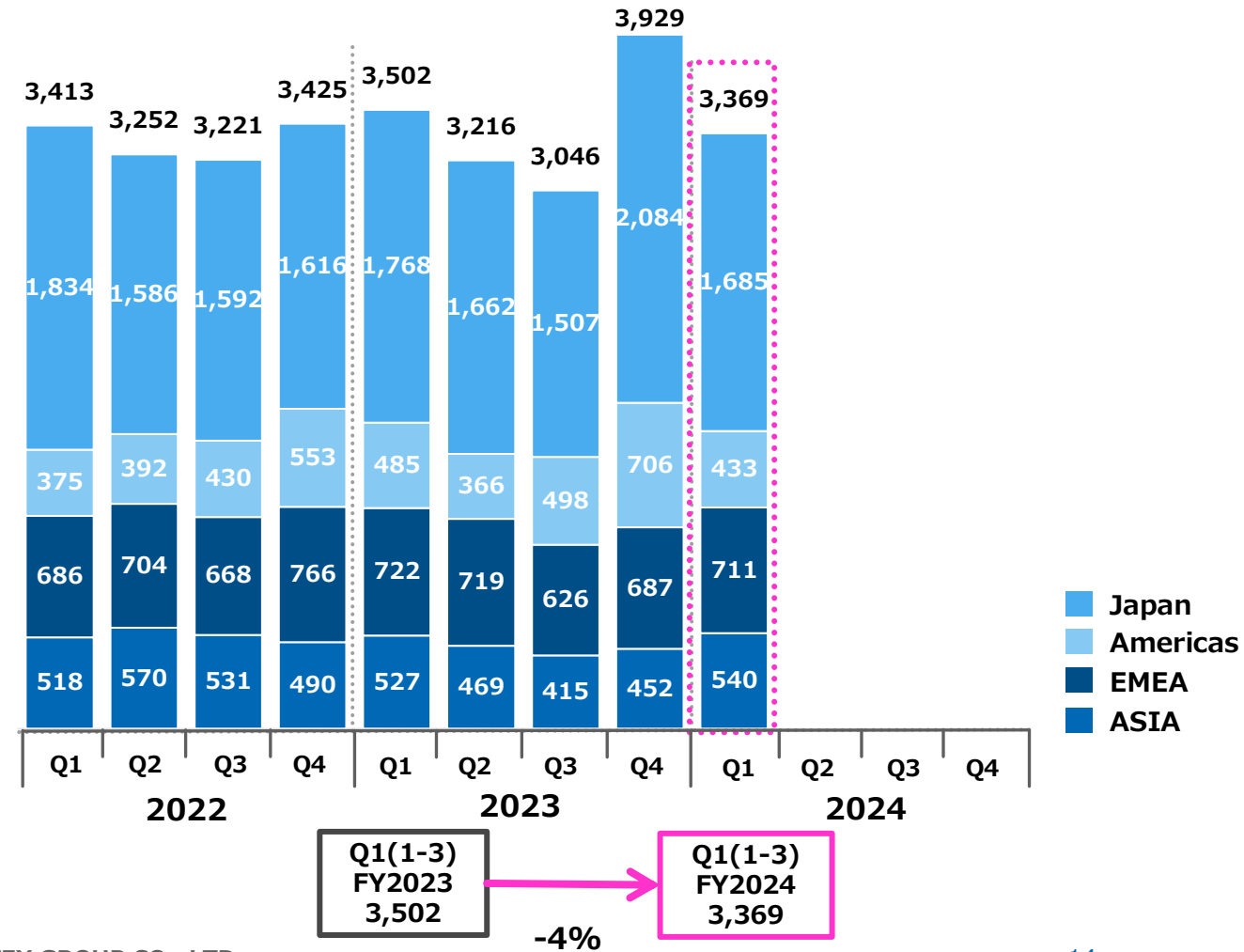
Region	Q1(1-3) FY2024 Overview
Japan	- Sales for EV-related applications were solid, while sales for semiconductors and other electronic parts remained weak.
AMERICAS	- In products handled by the French subsidiary, sales for the logistics industry remained firm.
EMEA	- In products handled by the French subsidiary, sales for the logistics industry remained firm.
Asia and Oceania	- Sales for semiconductor-related were sluggish in China.



LED lighting systems for image processing



Quarterly Sales by Region(Unit: million yen)



Business by Segment - IA Business(IPC)

Region	Q1(1-3) FY2024 Overview
Japan	- Sales for semiconductor manufacturing equipment and medical devices were buoyant.

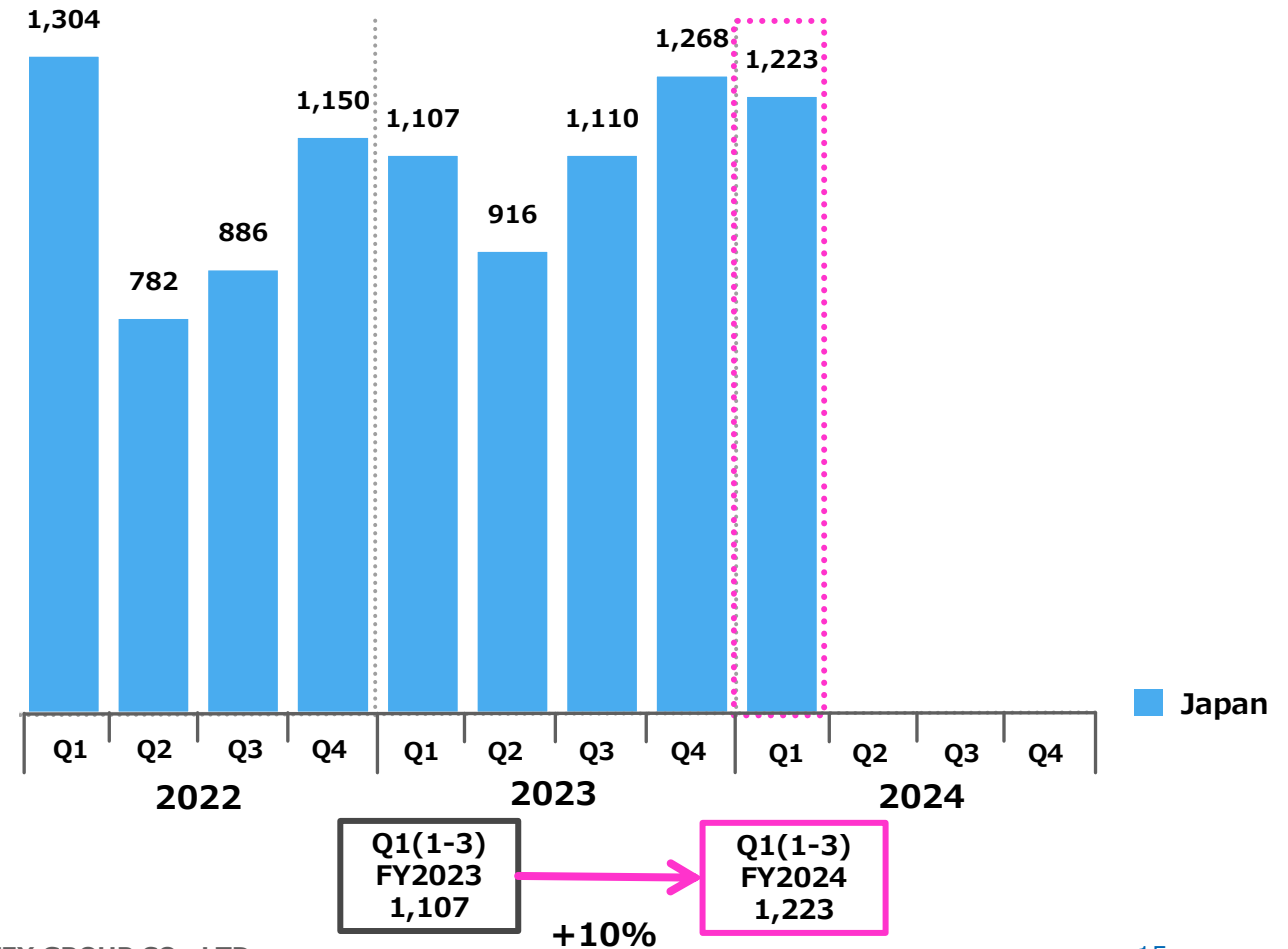
Quarterly Sales by Region(Unit: million yen)



Industrial PCs



Tracking Cameras



Business by Segment - IA Business(MECT)



Region	Q1(1-3) FY2024 Overview
Japan	- Deliveries of secondary battery manufacturing equipment made good progress.

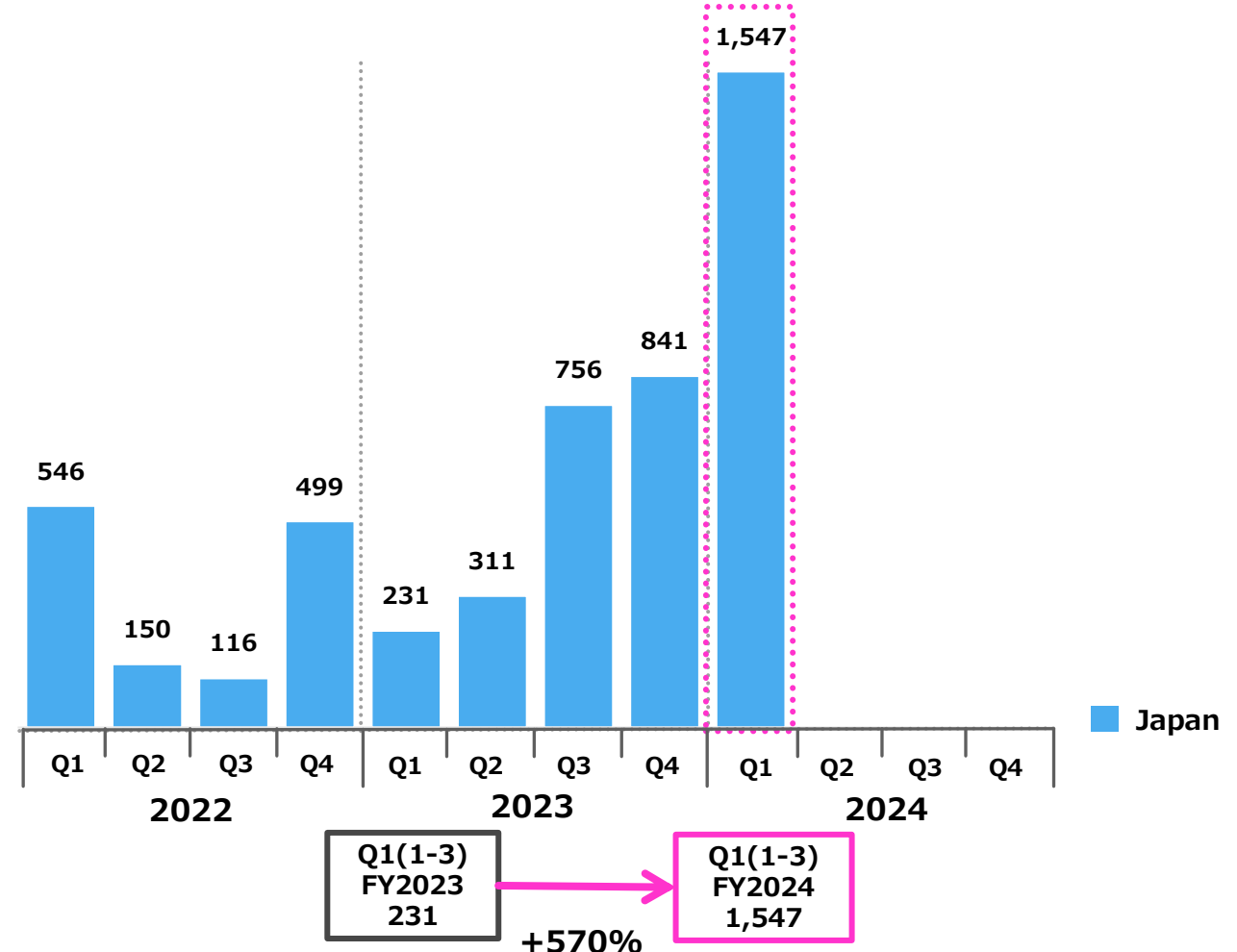
Quarterly Sales by Region(Unit: million yen)



Manufacturing equipment of secondary batteries for electric vehicles and hybrid vehicles



Image processing inspection systems



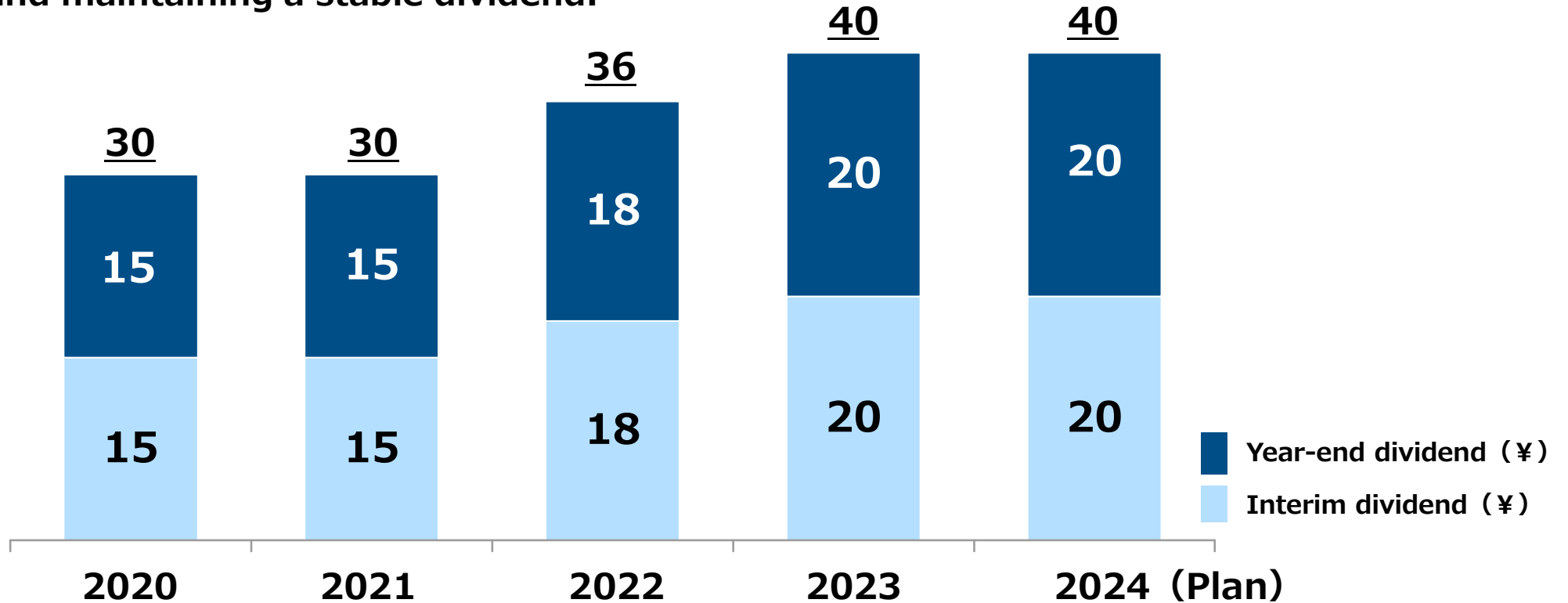
1. Q1 FY2024 Overview of Financial Results
- 2. FY2024 Consolidated Earnings Forecasts**
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FY2024 Consolidated Earnings Forecasts

(Unit: million yen)		FY2023 Results	FY2024 Forecast	YoY
Net sales		56,372	61,000	+8.2%
Operating income (Operating income Ratio)		5,899 (10.5%)	6,600 (10.8%)	+11.9%
Ordinary income		6,258	6,600	+5.5%
Profit attributable to owners of parent		4,608	5,000	+8.5%
Net income per share (yen)		129.73	140.74	
Exchange rate (Unit: Yen)	1USD	140.56	140.00	
	1EUR	152.00	150.00	

Shareholder Return

Implement shareholder returns with an eye to achieving a dividend payout ratio of approximately 30% while simultaneously taking into account the balance between reinforcing the management fundamentals and maintaining a stable dividend.



Dividend payout ratio	77.7%	28.8%	26.9%	30.8%	28.4%
ROE	4.3%	11.2%	12.8%	11.1%	-

Acquisition of treasury shares

1.0 billion yen © 2024 OPTEX GROUP CO., LTD.
630,000 shares

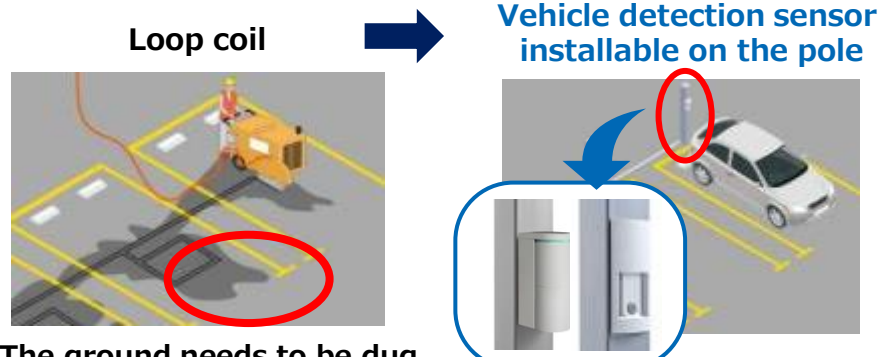
1. Q1 FY2024 Overview of Financial Results
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- 3. TOPIC**

SS Business - Social and Environment-related

Vehicle Detection Sensors

Comfort is created in parking lots and traffic infrastructure through vehicle detection sensors with low environmental loads.

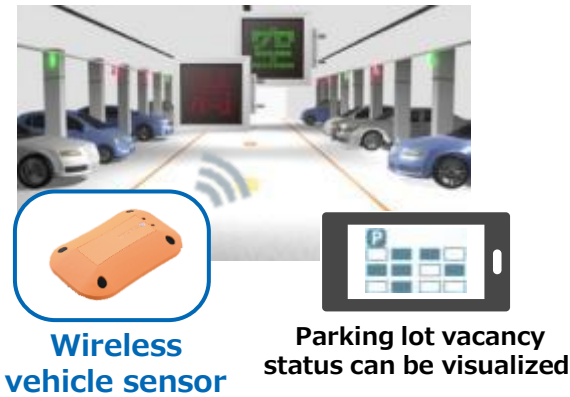
[Management of parking vehicles]
Eliminate the need of coil burial work.



The ground needs to be dug to bury coils.
Coils are not reusable.

Construction and maintenance can be undertaken easily.
Sensors can be installed on other poles and reused easily.

[Parking lot vacancy management]
Facilitate direction to vacant parking lots.



Water Quality Measurements

Efficiency in water quality inspections and preventive measures is improved through the automation of a range of processes including water quality measurement and data management.



<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	56,372 million JPY
Operating Profit	5,899 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, 2023)

**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

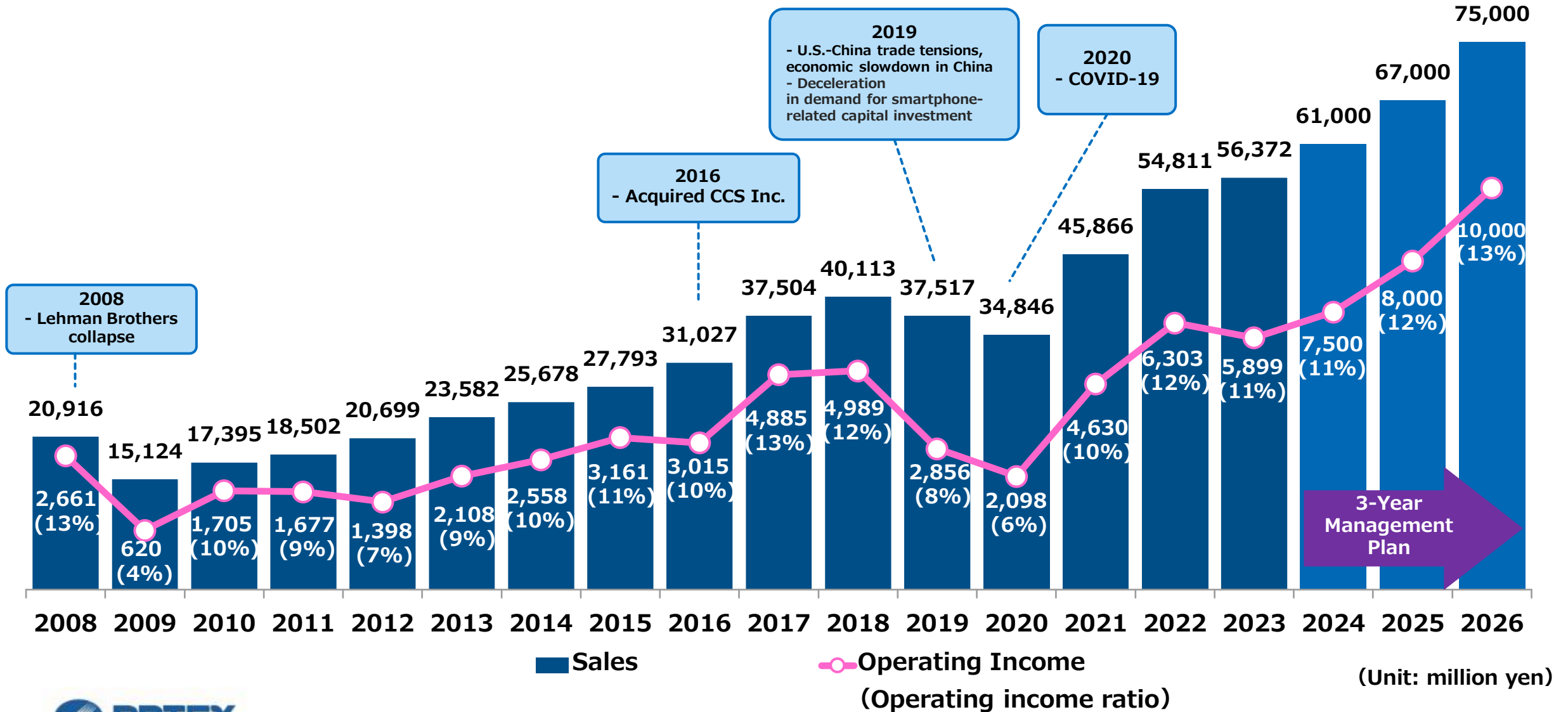
OPTEX

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/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

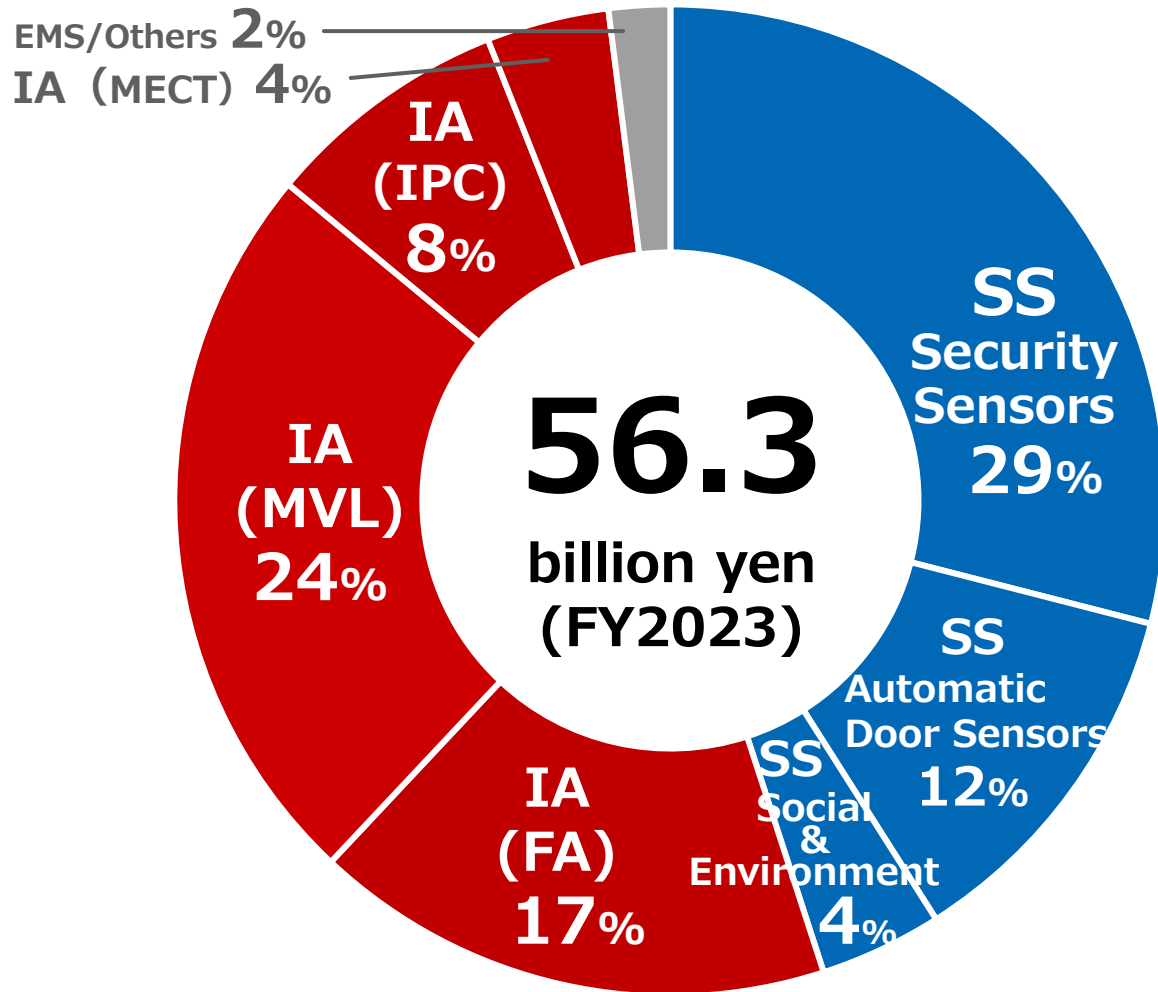
O'PAL OPTEX CO.,LTD.



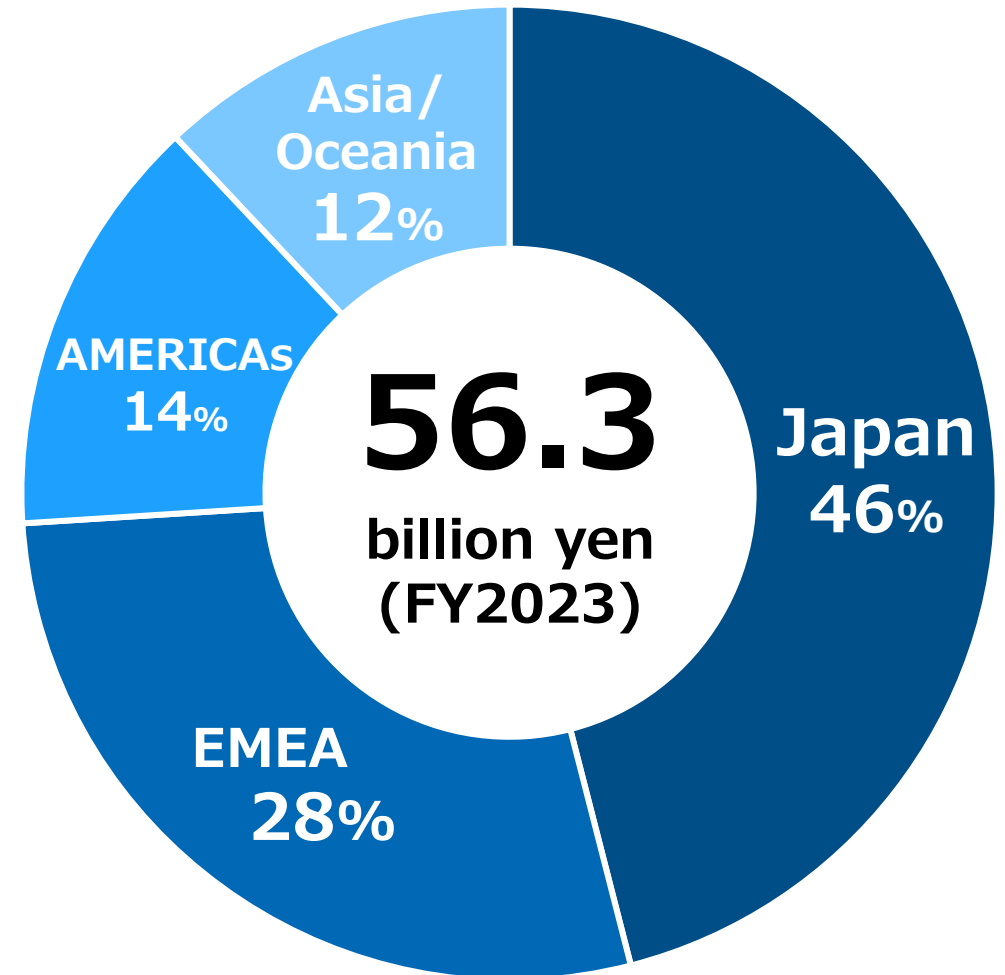
Management of outdoor activities and environmental learning programs

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



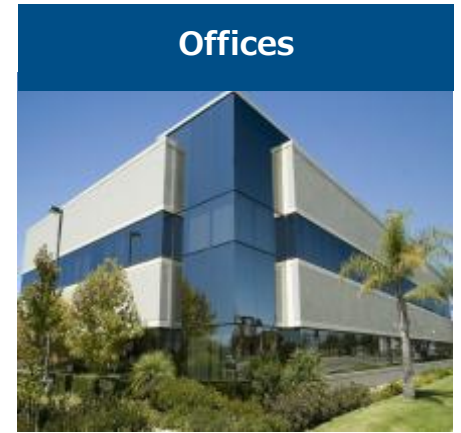
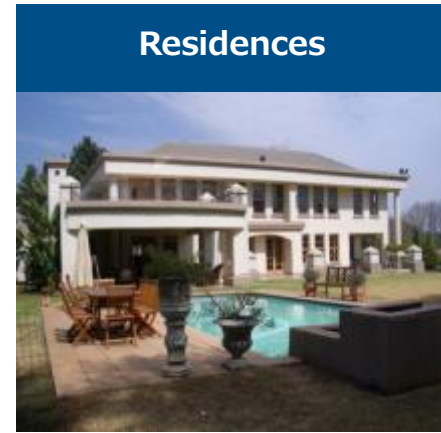
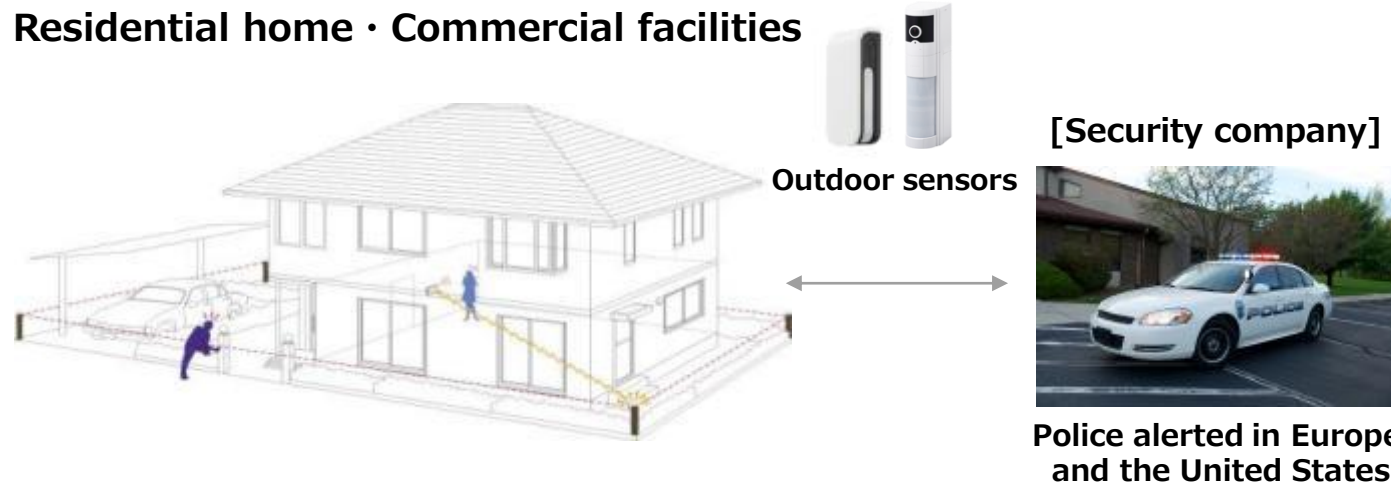
LED lighting systems for image inspection

SS Business – Security sensors-related

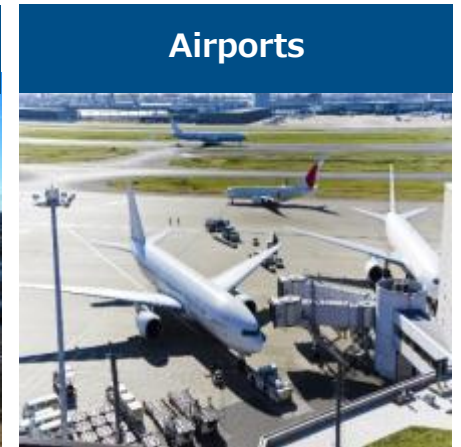


Largest market share in the world for outdoor intrusion detectors

Residential home · Commercial facilities



Important facilities



SS Business – Automatic door sensors-related



Domestic market share: Over 50%

Overseas market share: Over 20%

1980 Developed the world's first far-infrared automatic door sensor



Mat switch (on the floor)



The world's first Automatic Door Sensor

Contribution to CO2 reductions is achieved through the reduction of energy loss in air conditioning.



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



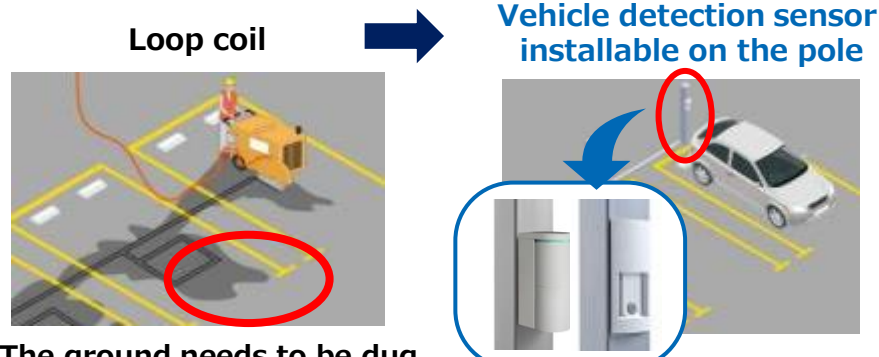
Ensure the detection of forklifts

SS Business – Social and Environment-related

Vehicle Detection Sensors

Comfort is created in parking lots and traffic infrastructure through vehicle detection sensors with low environmental loads.

[Management of parking vehicles]
Eliminate the need of coil burial work.



The ground needs to be dug to bury coils. Coils are not reusable.

Construction and maintenance can be undertaken easily. Sensors can be installed on other poles and reused easily.

[Parking lot vacancy management]
Facilitate direction to vacant parking lots



Water Quality Measurements

Efficiency in water quality inspections and preventive measures is improved through the automation of a range of processes including water quality measurement and data management.



IA Business – FA(Factory Automation)-related



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

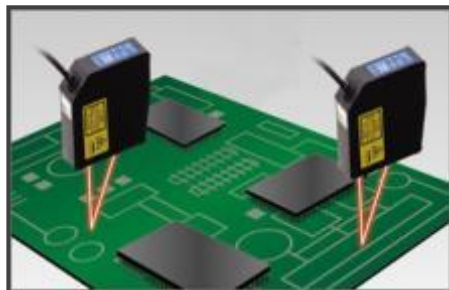
Displacement sensors



Products for the semiconductor and electric and electronic parts industries



Measurement of smartphone frame height

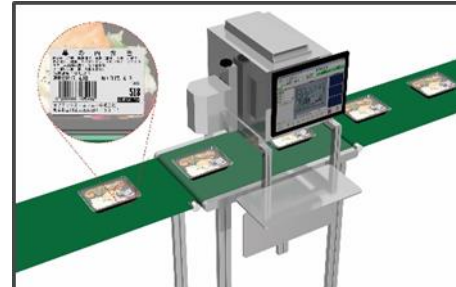


Measurement of substrate tilt/warp

Image sensors



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



Inspection of use-by dates printed on packages



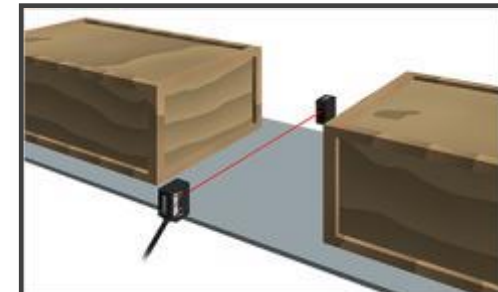
Inspection of use-by dates printed on milk cartons

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Photoelectric sensors



Products for the logistics industry



Detection of passing wooden boxes



Detecting boxes protruding from shelves in automatic warehouses

IA Business – MVL(Machine Vision Lighting)-related

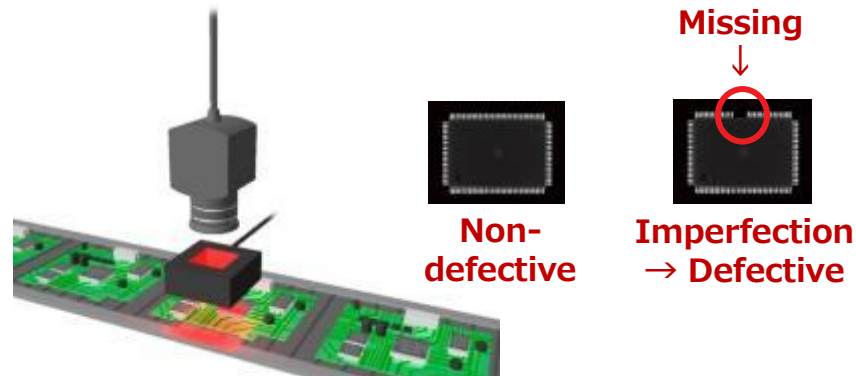


CCS produces **lighting for image inspection** using LED since 1993.

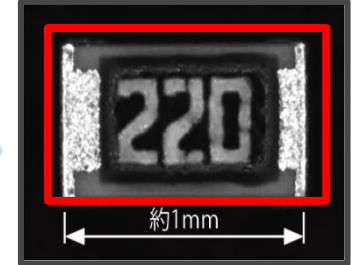
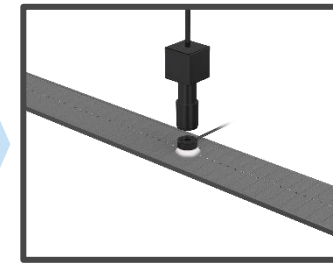
Lighting for image inspections*

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

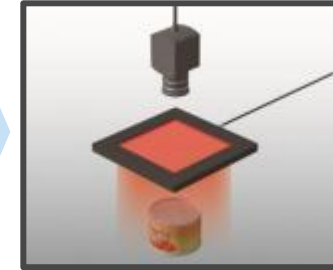
Photos or images of the inspection targets are taken and processed using lighting (and power supplies), lenses, and cameras, and the items are judged to be "good" or "defective".



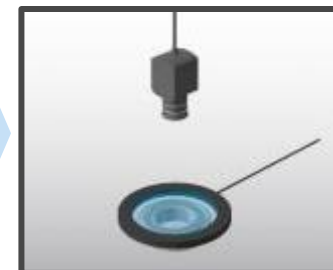
Inspection for defects in parts mounted on a printed circuit board



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.

IA Business – IPC(Industrial PC)-related

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



IA Business – MECT(Mechatronics)-related

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.

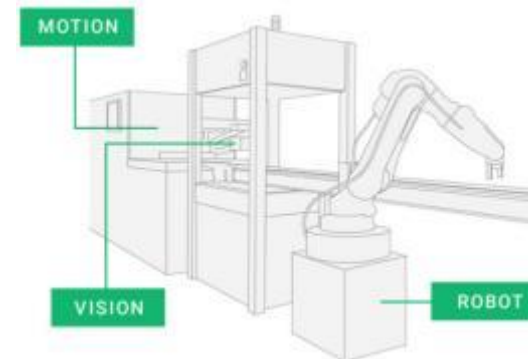
Image Processing Inspection Systems

"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 Company established a long-term goal of “Reducing CO2 emissions by no less than 30% by 2030 compared to the level of FY2019,” and has been pursuing measures according to the TCFD framework with a focus on the climate change response project.

[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 one-half of the total (8), are Independent Outside Directors.

Experts (certified public accountants and lawyers) are appointed.

*The number of the Directors and members of the Audit & Supervisory Committee is as of March 27, 2024.



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/>