



Presentation Material for the Nine Months Ended September 30, 2024

OPTEX GROUP CO., LTD.

November 7, 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.

1. Q3 FY2024 Overview of Financial Results

2. FY2024 Consolidated Earnings Forecasts

3. Topics

Key Points of Q3 FY2024 Financial Results

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

MVL : Machine Vision Lighting
IPC : Industrial PC
MECT : Mechatronics

Net sales were +14% year on year due to the steadily performances of main businesses and the positive effect of exchange rates.

-SS Business: In security sensors, sales of solutions to critical facilities in Japan and abroad were strong. In social and environment, vehicle detection sensors achieved brisk sales in Japan and in the United States.

-IA Business: In FA-related products, sales were weak due to continued inventory adjustments in Europe and to a slowdown in capital investment demand in China. In MVL-related products, while EV-related products remained firm, growth of products for semiconductors and electronic components slowed. In MECT-related products, secondary battery manufacturing equipment was delivered as planned.

With cost increases more than offset by an increase in gross profit, operating income was +36% year on year.

The cost of sales ratio rose 1.0 percentage point due chiefly to a hike in the sales share of MECT-related products in the IA Business, with a relatively high cost ratio. Meanwhile, the ratio of SG&A expenses fell 2.8 percentage points, mainly following sales growth in mainstay businesses.

Summary of Q3 FY2024 Consolidated Financial Result

Operating Results (Unit: million yen)		Q3(1-9) FY2023 Results	Q3(1-9) FY2024 Results	Change	Percent Change
Net sales		41,036	46,952	+5,916	+14.4%
Operating income (Operating income Ratio)		4,019 (9.8%)	5,457 (11.6%)	+1,438	+35.8%
Ordinary income		4,453	5,427	+974	+21.9%
Profit attributable to owners of parent		3,400	3,917	+517	+15.2%
Net income per share (yen)		95.73	110.08		
Exchange rate (Unit: Yen)	1USD	138.11	151.29		
	1EUR	149.62	164.40		

Comparison of Q3 FY2024 Consolidated Financial Result between Segments

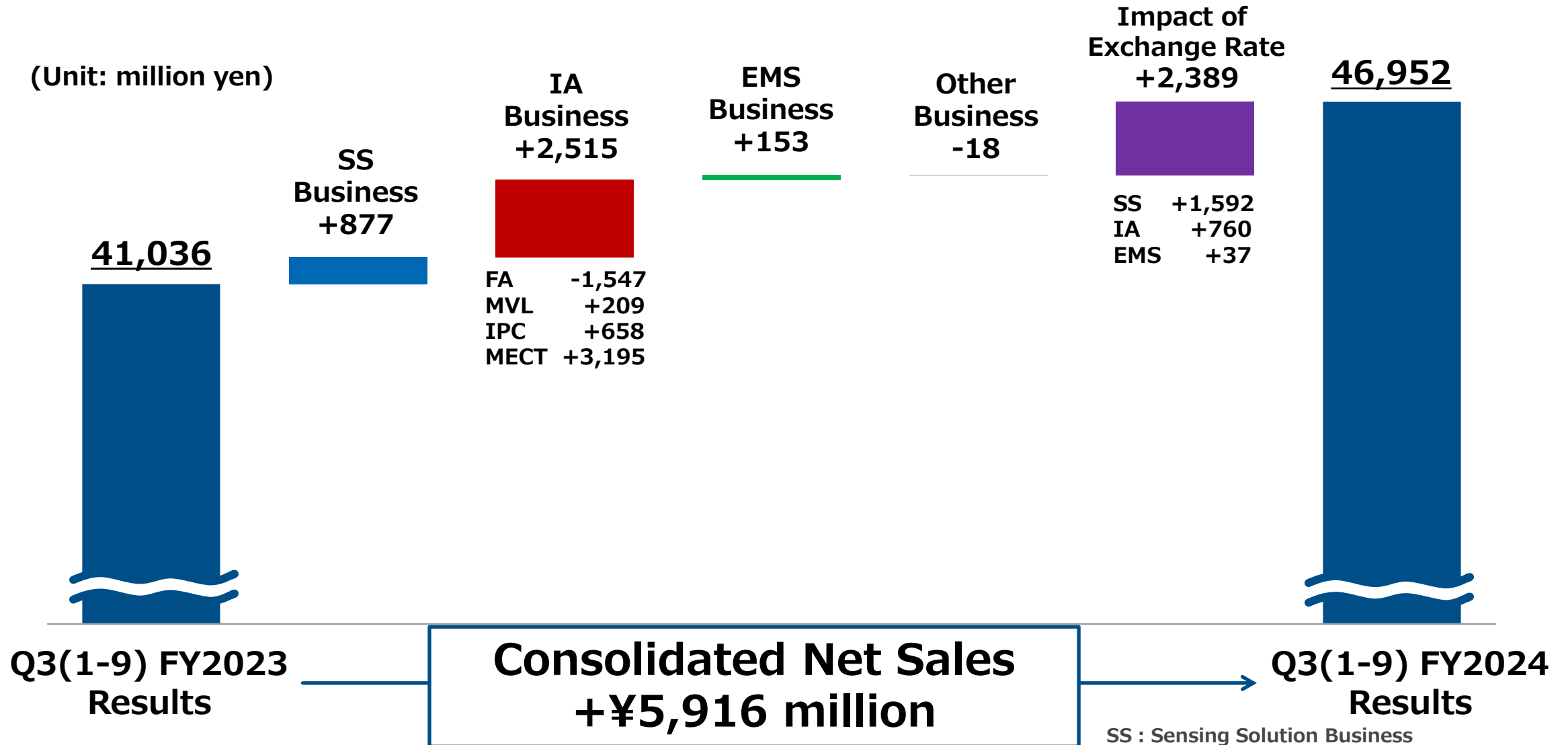
(Unit: million yen)	Q3(1-9) FY2023 Results		Q3(1-9) FY2024 Results			
	Net sales	Operating income (Operating income Ratio)	Net sales	Percent Change	Operating income (Operating income Ratio)	Percent Change
SS Business (SS: Sensing Solution)	18,405	2,182 (11.9%)	20,873	+13.4%	3,229 (15.5%)	+48.0%
IA Business (IA: Industrial Automation)	21,642	1,987 (9.2%)	24,918	+15.1%	2,588 (10.4%)	+30.2%
EMS Business	558	272	748	+33.9%	-199	—

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

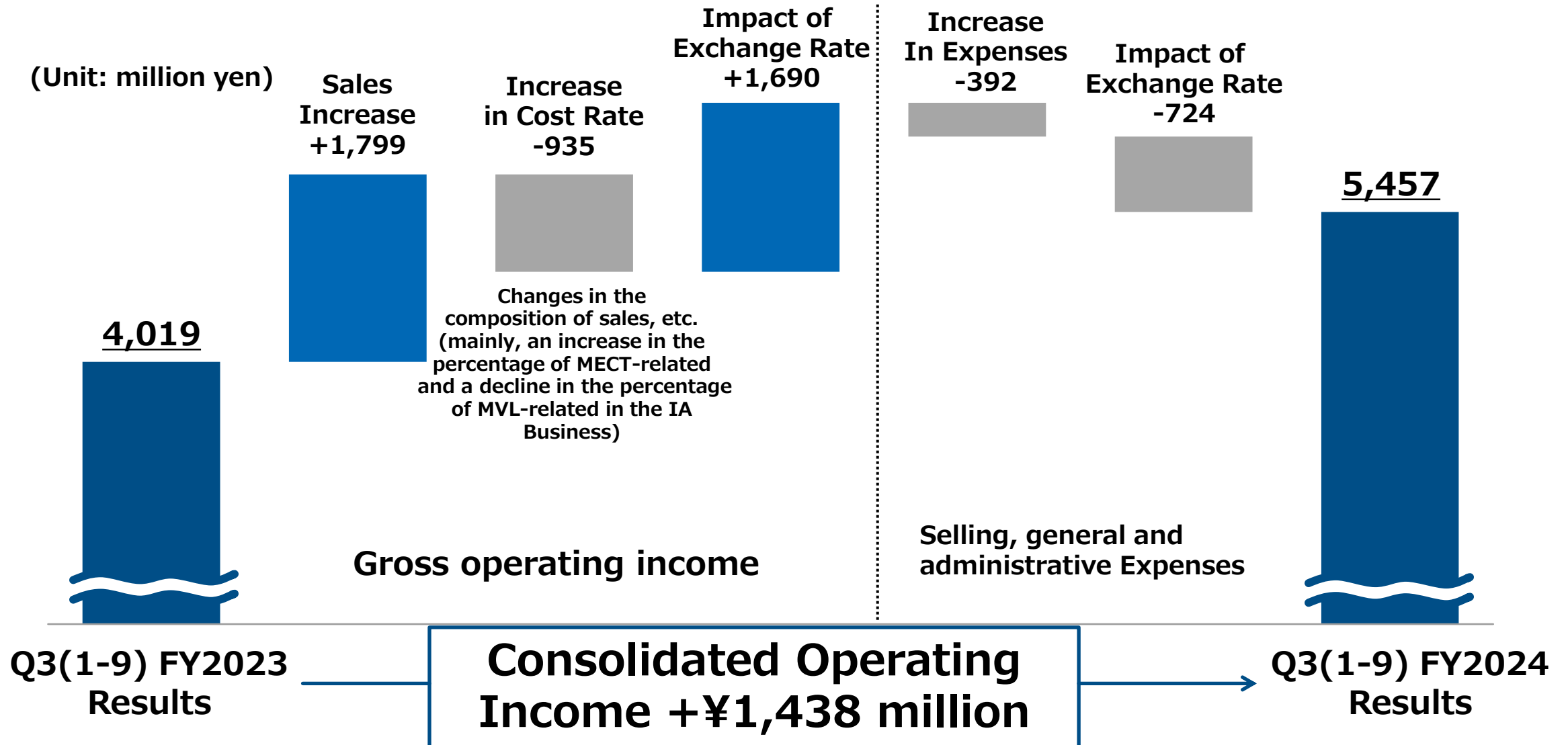
* Operating income by segment represents the figure including operating income from inter-segment transactions.

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

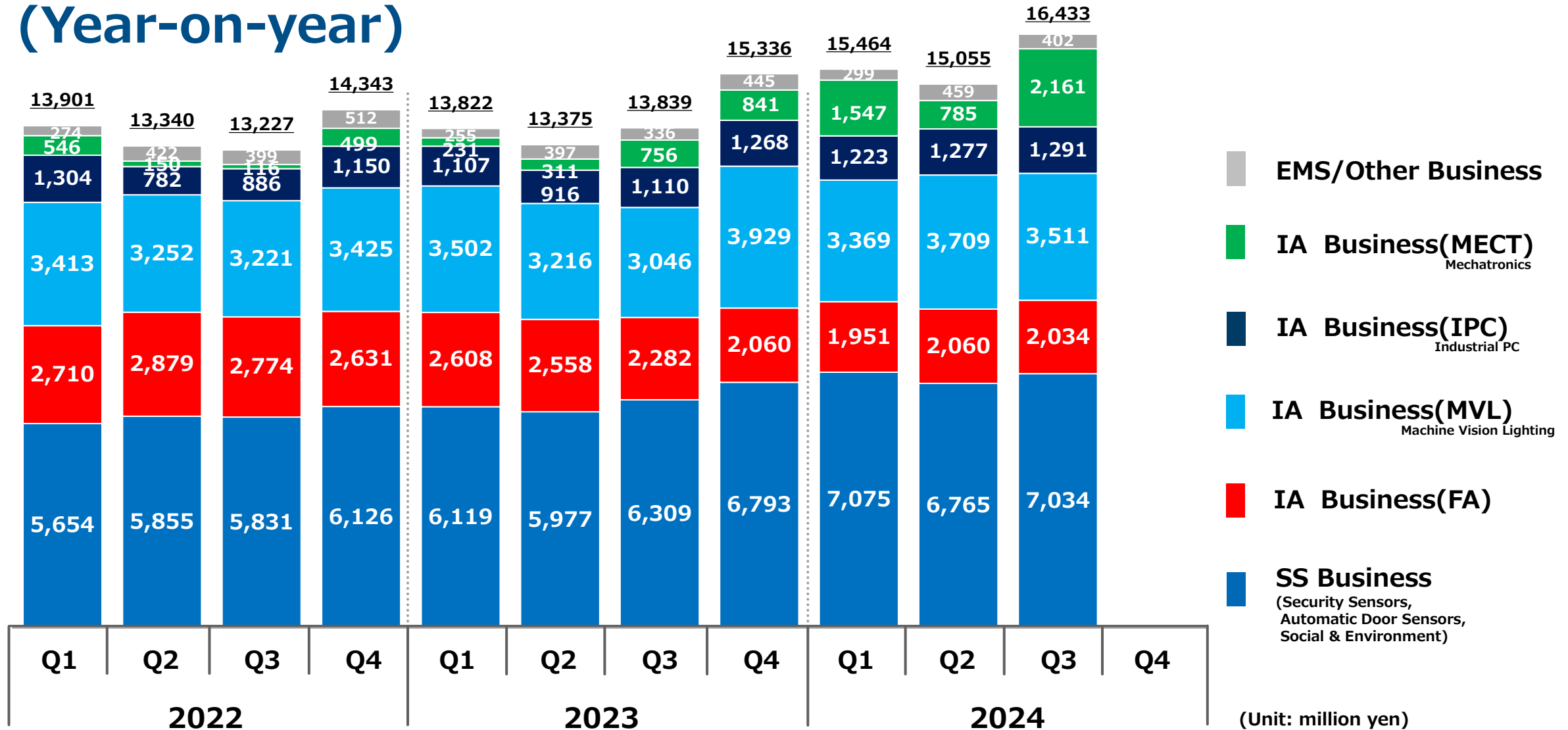
(Unit: million yen)



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	Q3(1-9) FY2024 Overview
Japan	<ul style="list-style-type: none"> - Sales of solutions for large-scale critical facilities were strong. - Sales to security companies were sluggish.
AMERICAS	<ul style="list-style-type: none"> - Sales of laser scan sensor for data centers were strong.
EMEA	<ul style="list-style-type: none"> - Sales of solutions for large-scale critical facilities increased as a result of implementation of the direct marketing strategy. - Sales of camera sensors remained steady.
Asia and Oceania	<ul style="list-style-type: none"> - Solid sales of outdoor alarm sensors and solutions for critical facilities were attained in Taiwan, Thailand and India.



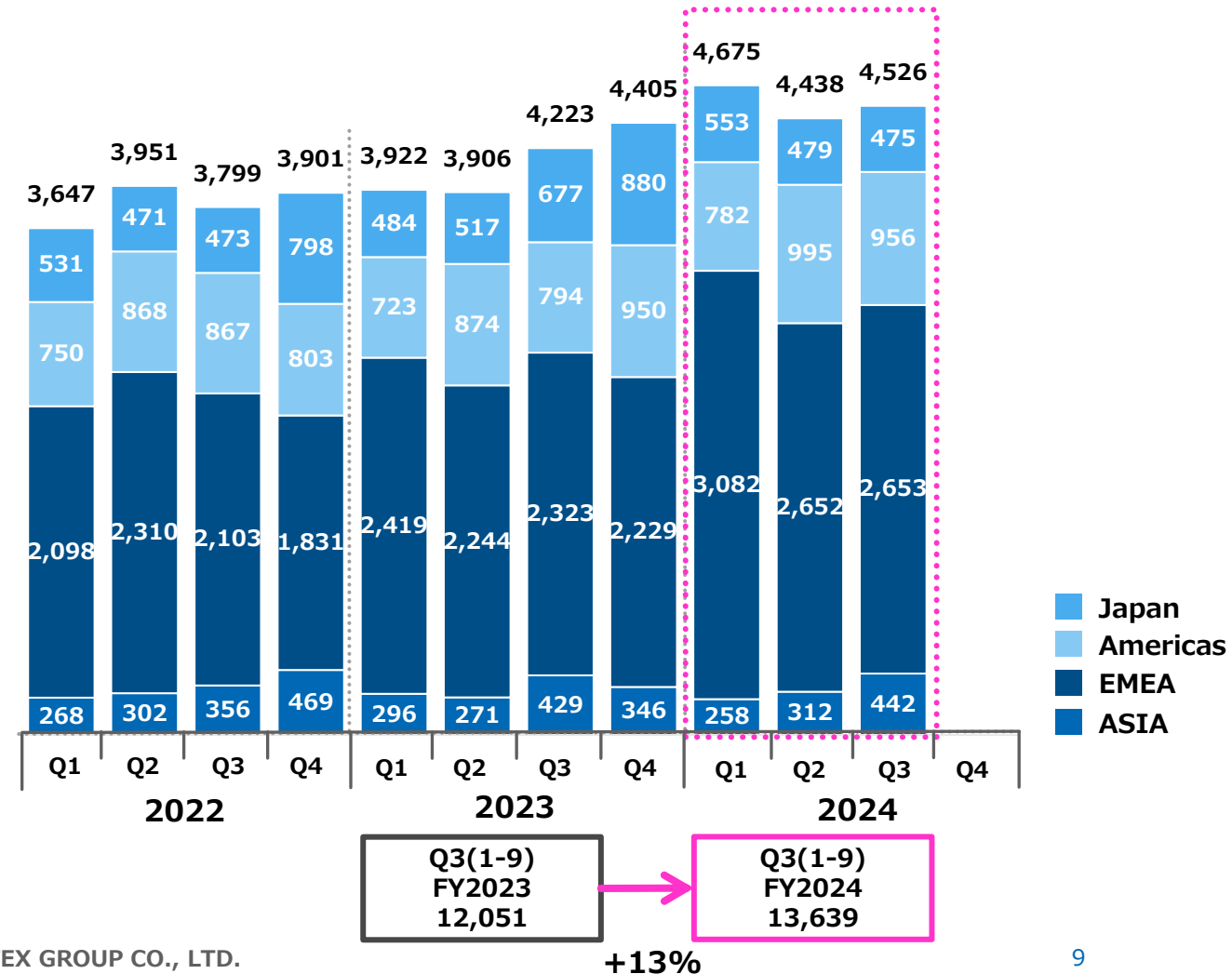
Sensors for large-scale critical facilities



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.



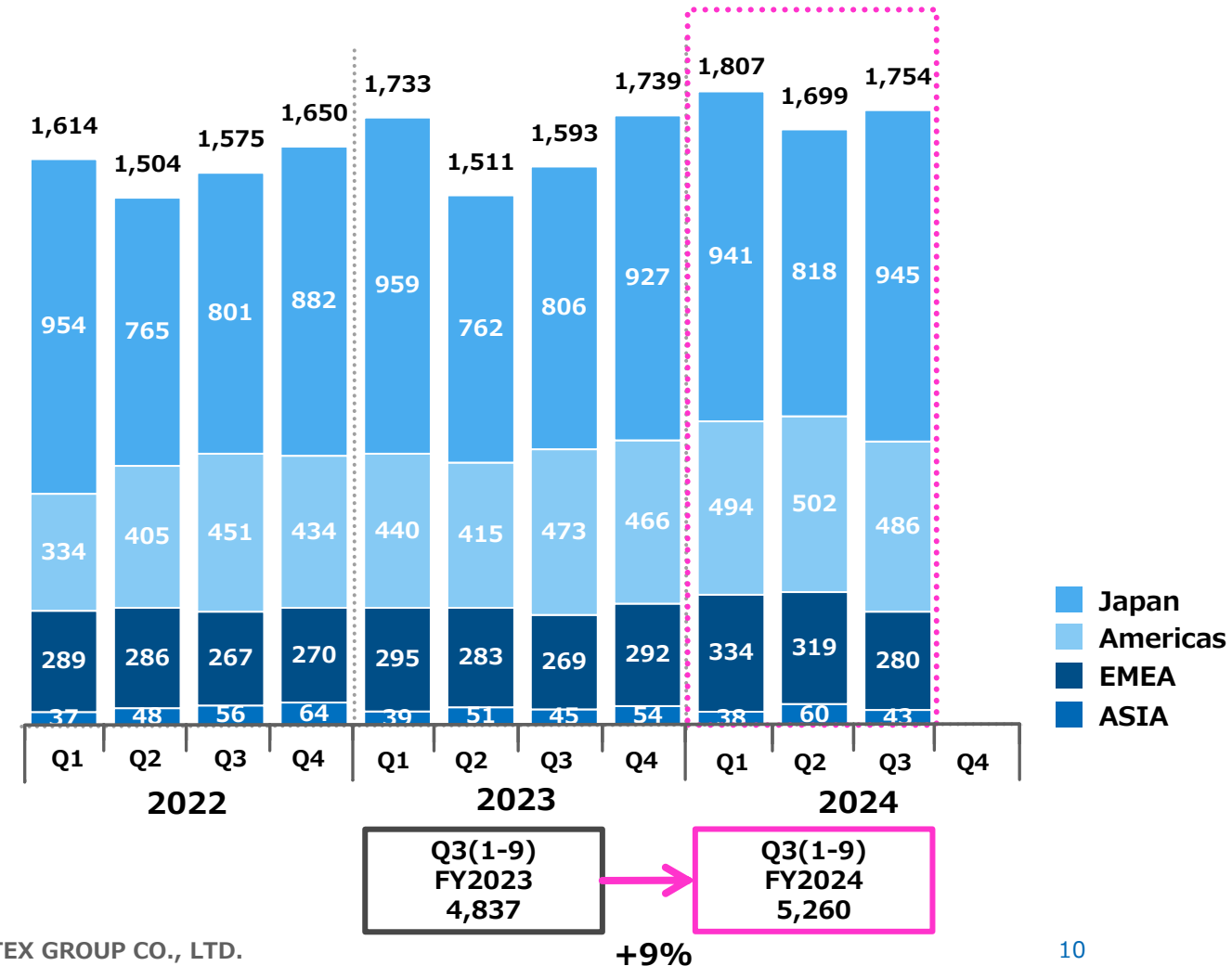
Business by Segment - SS Business(Automatic Door Sensors)



Region	Q3(1-9) FY2024 Overview
Japan	<ul style="list-style-type: none"> - Sales of automatic door sensors remained at the year-ago level. - Sales of people counting systems were strong.
AMERICAS	<ul style="list-style-type: none"> - Sales of both automatic door sensors and industrial door sensors remained firm.
EMEA	<ul style="list-style-type: none"> - Sales for major automatic door manufacturers remained at the year-ago level.

Quarterly Sales by Region(Unit: million yen)

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



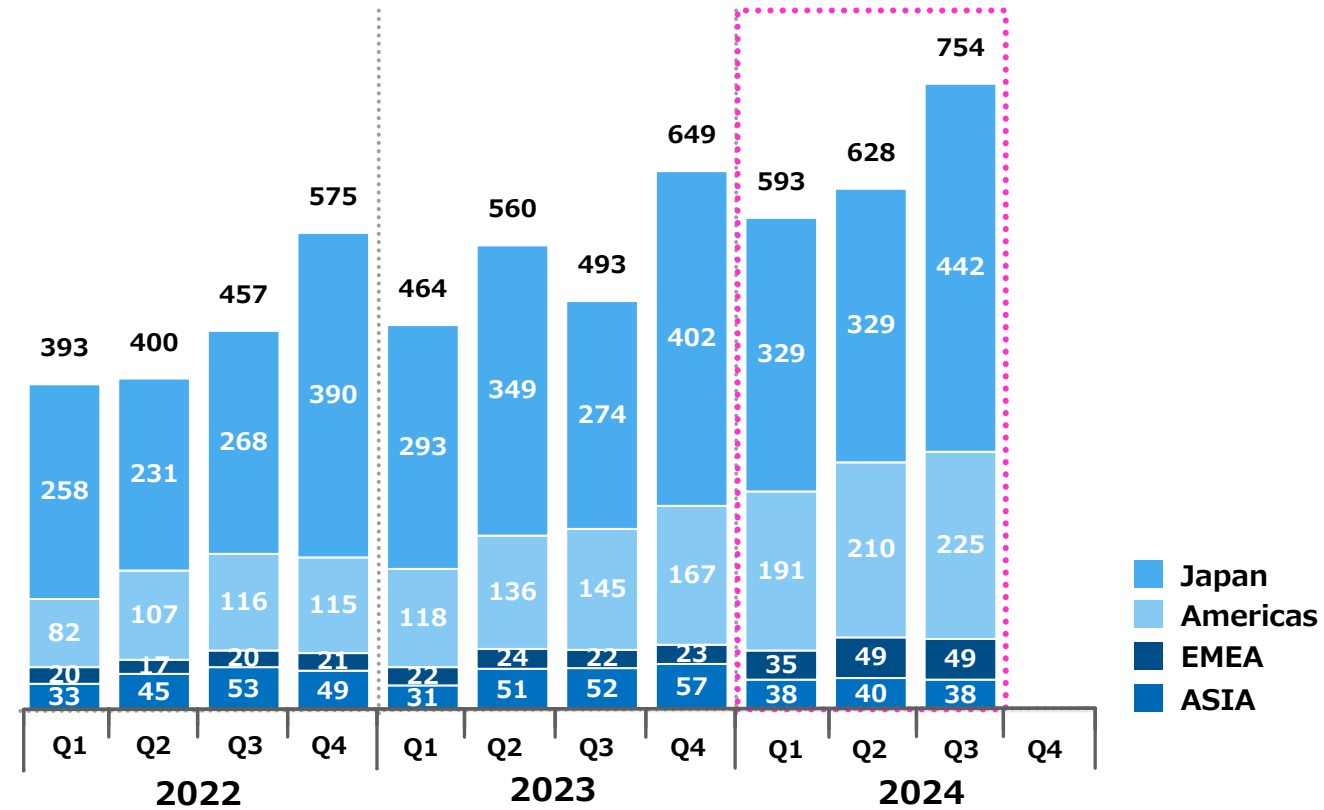
Business by Segment - SS Business(Social & Environment)



Region	Q3(1-9) FY2024 Overview
Japan	<ul style="list-style-type: none"> - Sales of vehicle detection sensors were buoyant for parking lot. - Sales were strong 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

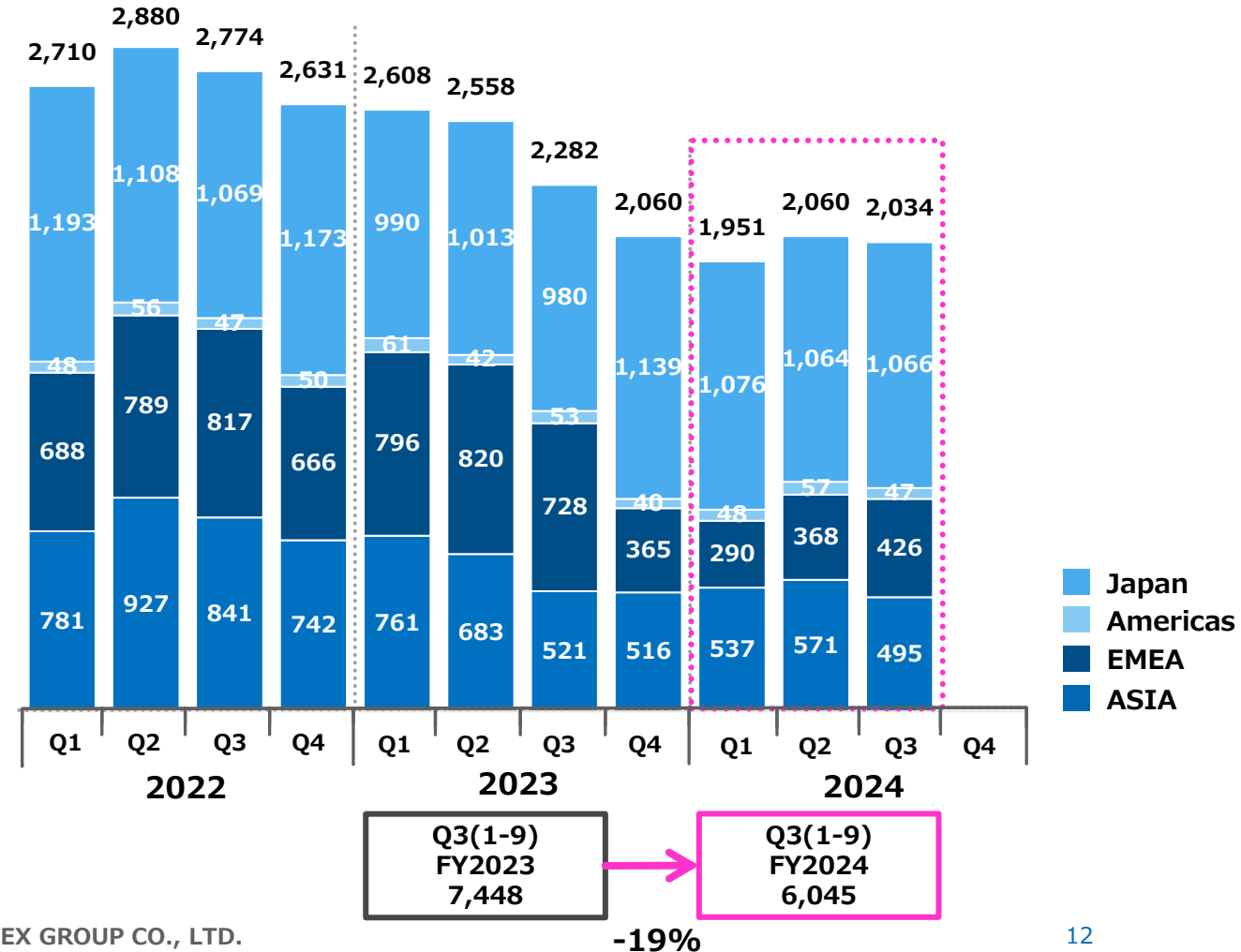


Business by Segment - IA Business(FA)



Region	Q3(1-9) FY2024 Overview
Japan	- Sales for semiconductors and other electronic parts remained solid.
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



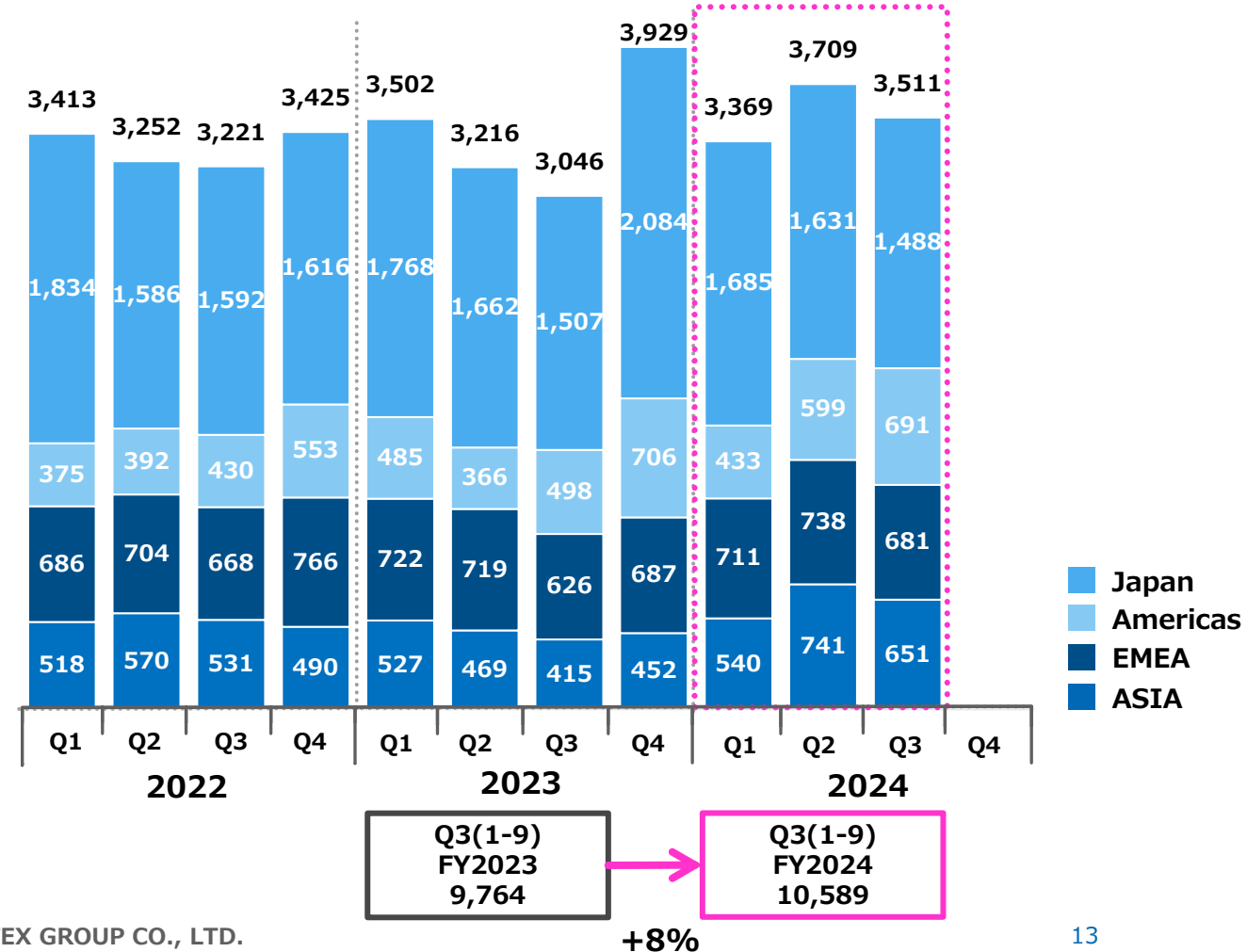
Business by Segment - IA Business(MVL)

Machine Vision Lighting



Region	Q3(1-9) FY2024 Overview
Japan	- Sales for the EV-related industry were solid, but sales for semiconductors and other electronic parts remained weak.
AMERICAs	- Sales increased due to solid sales of products for the logistics industry and the positive effect of exchange rates, more than offsetting sluggish sales of products for semiconductors and electronic products.
EMEA	- Sales increased due to the performance of the French subsidiary becoming increasingly solid, as well as the positive effect of exchange rates, offsetting sluggish sales of products for semiconductors and electronic products.
Asia and Oceania	- Sales of new products for semiconductors remained firm in Asia.

Quarterly Sales by Region(Unit: million yen)



LED lighting systems for image processing



Business by Segment - IA Business(IPC)

Industrial PC

Region	Q3(1-9) FY2024 Overview
Japan	- Sales of products centering on semiconductor manufacturing equipment were brisk.

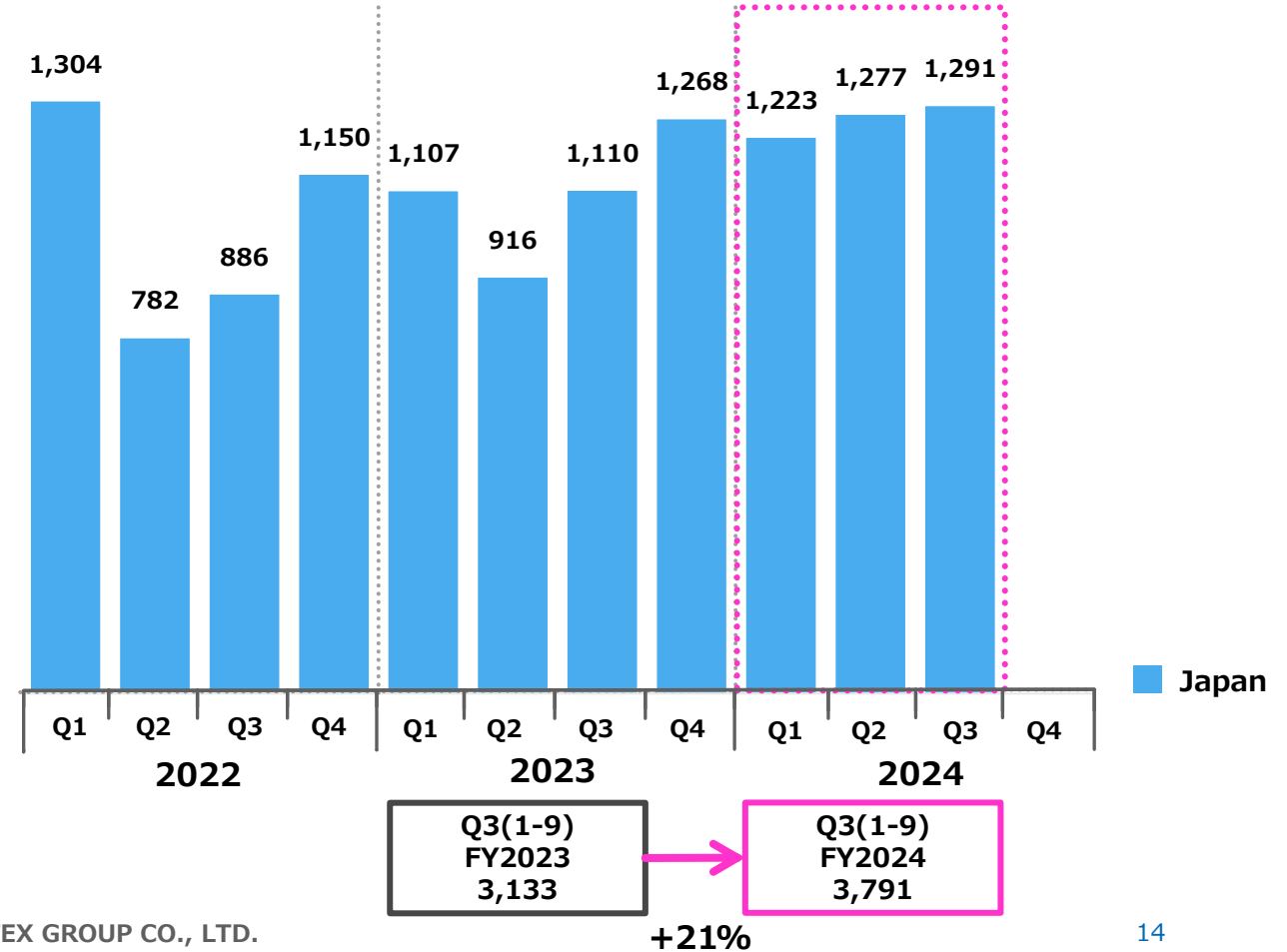
Quarterly Sales by Region(Unit: million yen)



Industrial PCs



Tracking Cameras



Business by Segment - IA Business(MECT)

Mechatronics



Region	Q3(1-9) FY2024 Overview
Japan	- Deliveries of secondary battery manufacturing equipment made good progress.

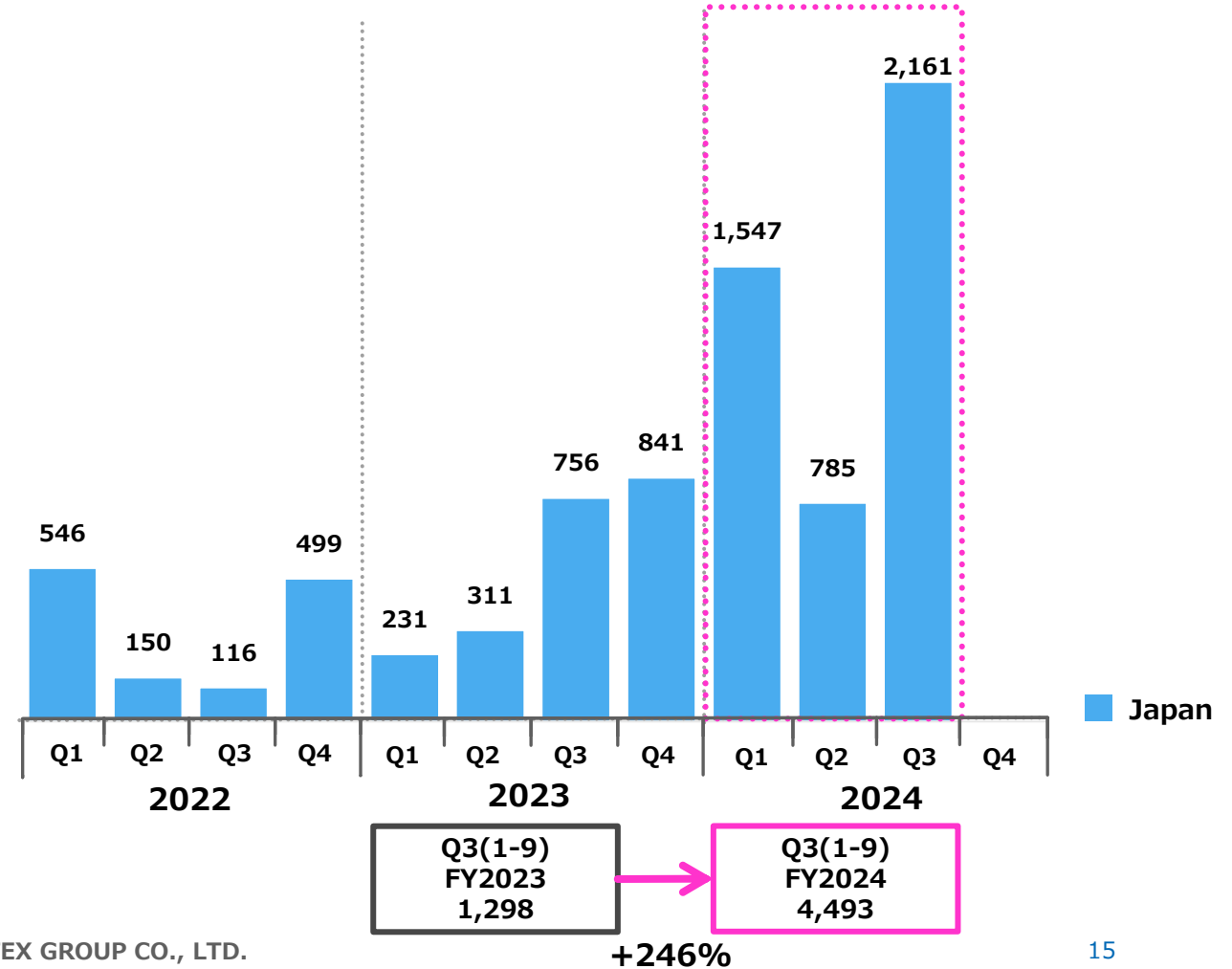
Quarterly Sales by Region(Unit: million yen)



Manufacturing equipment of secondary batteries for electric vehicles and hybrid vehicles



Image processing inspection systems



1. Q3 FY2024 Overview of Financial Results
- 2. FY2024 Consolidated Earnings Forecasts**
3. Topics

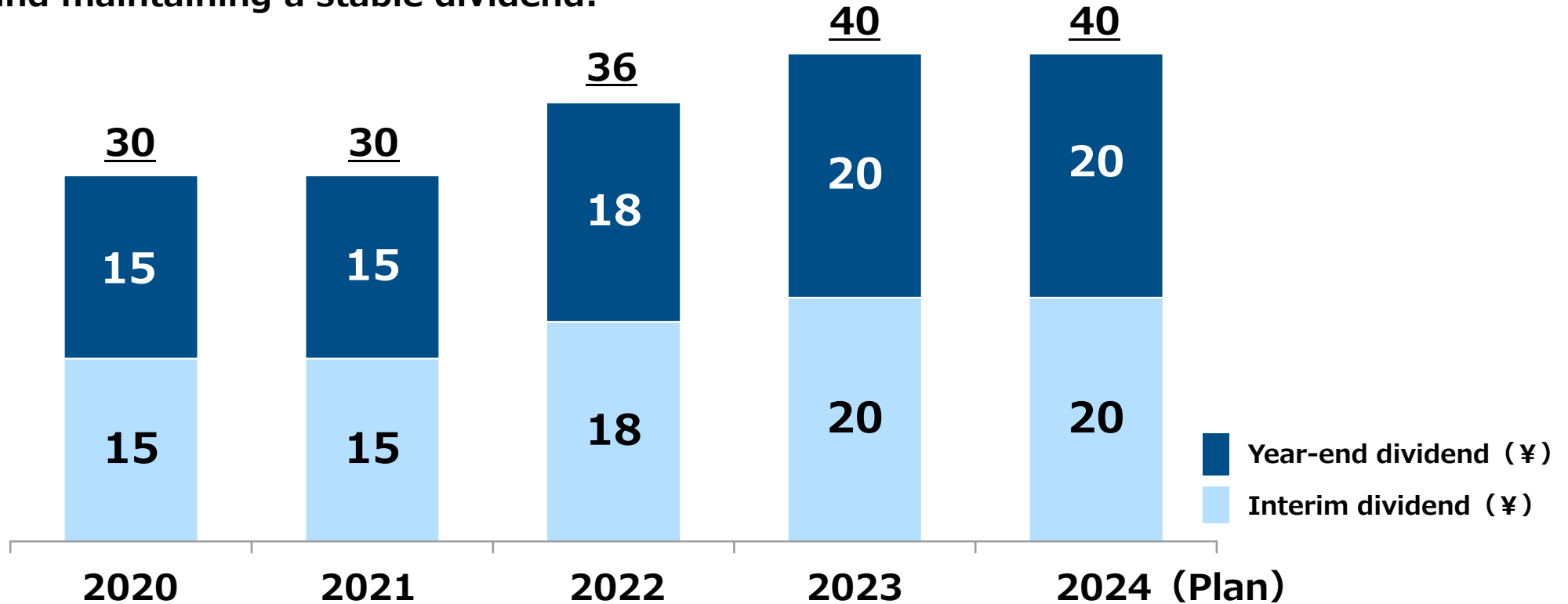
FY2024 Consolidated Earnings Forecasts

Full-year forecasts remain unchanged from the initial plan.

(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	140.51	
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%	28.5%
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. Q3 FY2024 Overview of Financial Results
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- 3. Topics**

Topics

IA Business FA-related

Release of Contactless Thermometer Compatible With IO-Link

Industry First

Equipped with a ring laser pointer to facilitate positioning at the time of measurement

High performance

Support for measurement of sharp, high-speed changes in temperature
High precision measurement that meets stringent requirements

IO-Link

Advancing DX in manufacturing operations such as predictive maintenance and shortening of duration for maintenance work



Heating duration control in the tire curing process

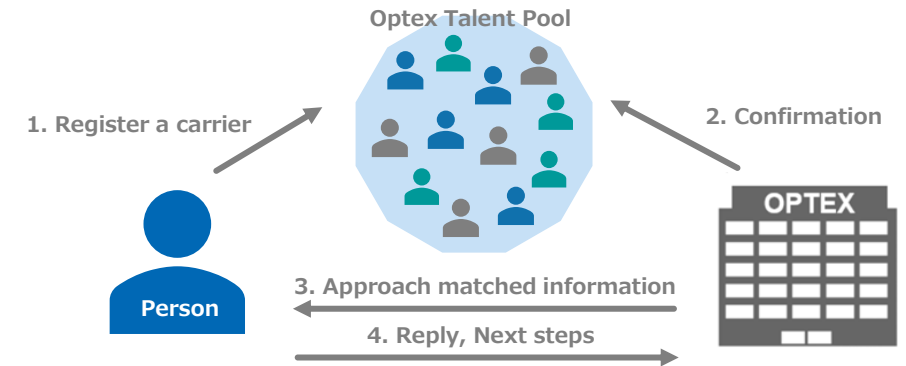


Evaluation of solar panel bonding

SS Business(Optex Co., Ltd.)

Introduced an Original Mid-career Recruitment Program

Strengthening ties with retired personnel, those who declined informal job offers and those seeking outsourcing contracts to make active use of them for mid-career recruitments and outsourcing



- Registering those wishing to be registered on a dedicated personnel information database
- Providing job offers to them if there is any job opening or project that meets their conditions
- Offering information regularly to the registrants

Reducing mismatches and securing competent personnel

<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	2,136 *Excluding temporary employees

**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

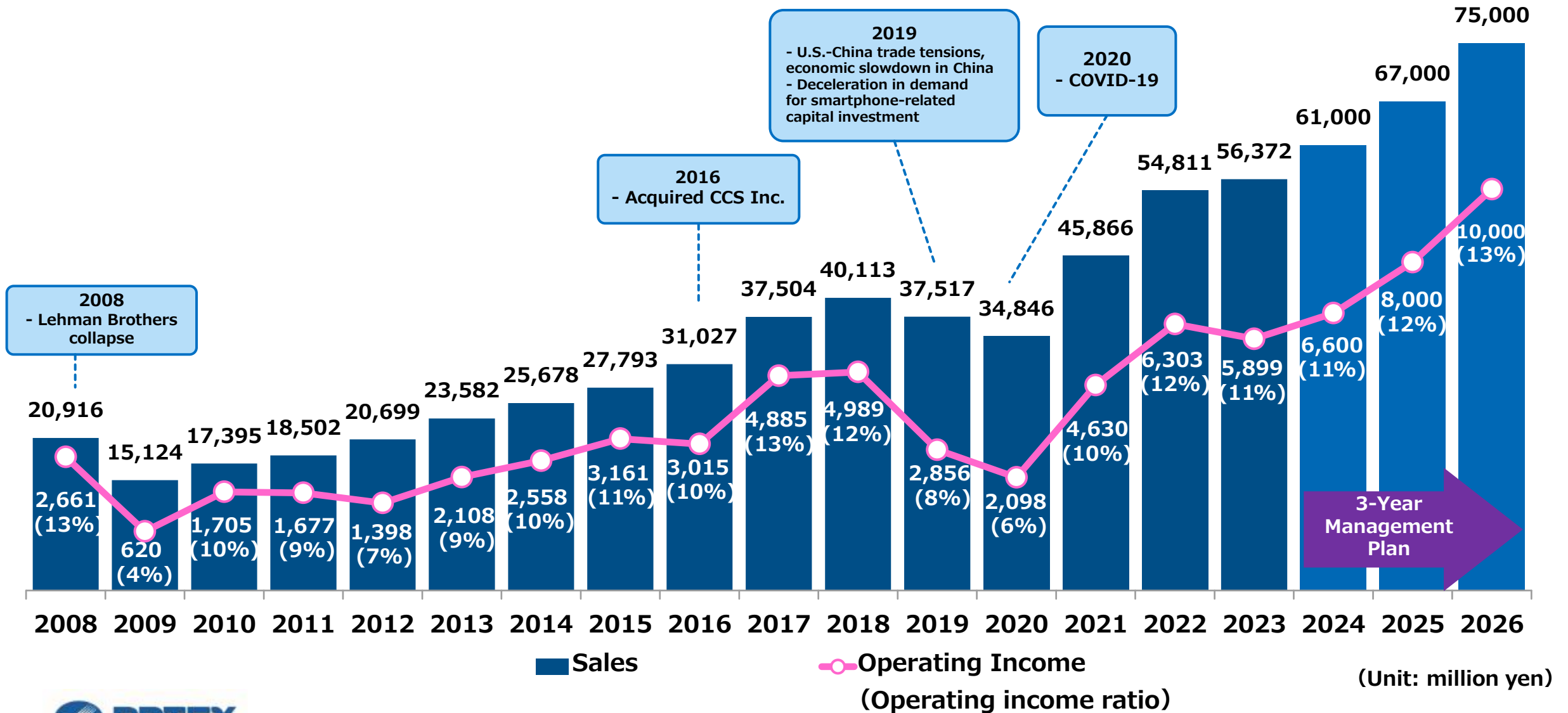
OPTical TEchnology

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

Values: Results for the fiscal year ended December 31, 2023



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

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

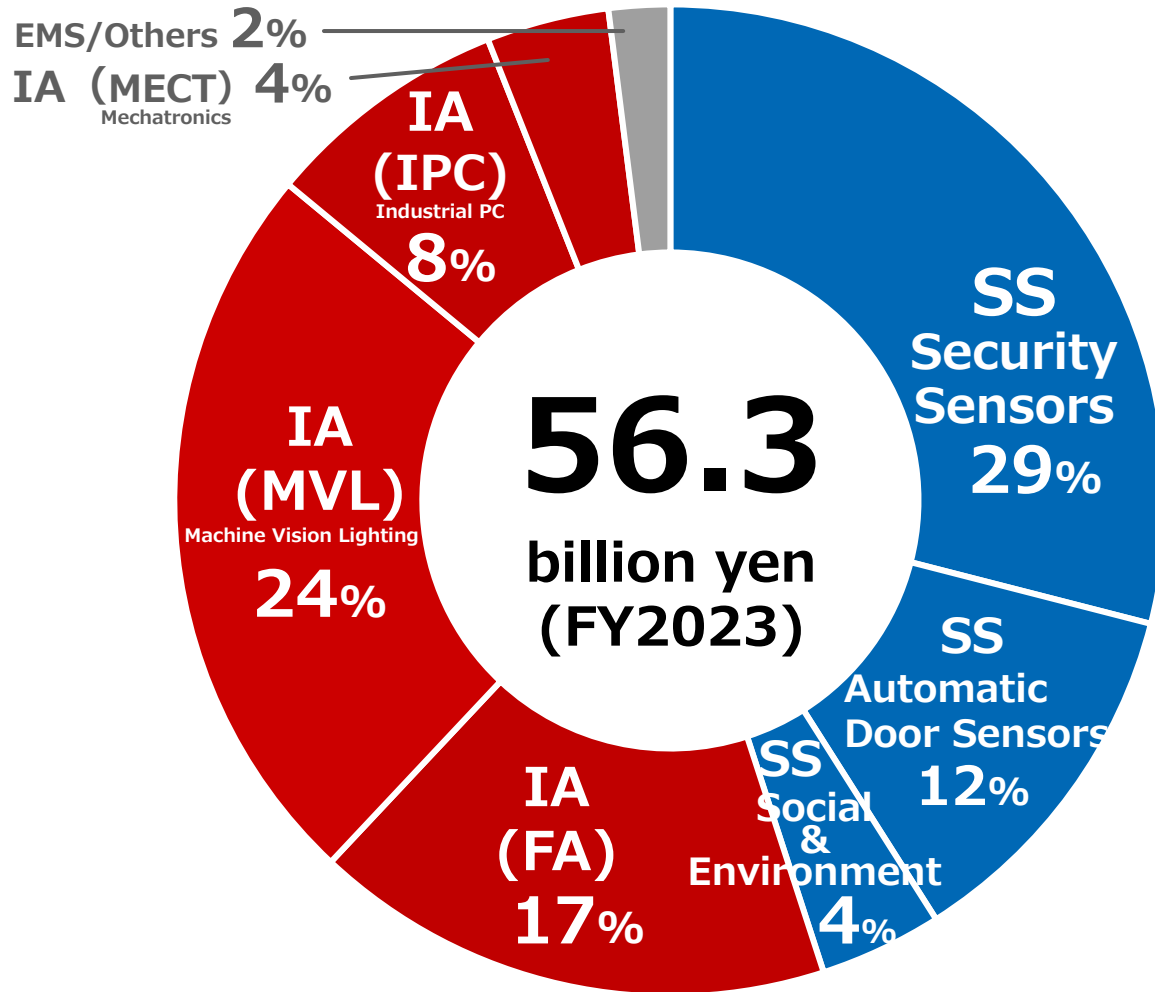
O'PAL OPTEX CO.,LTD.



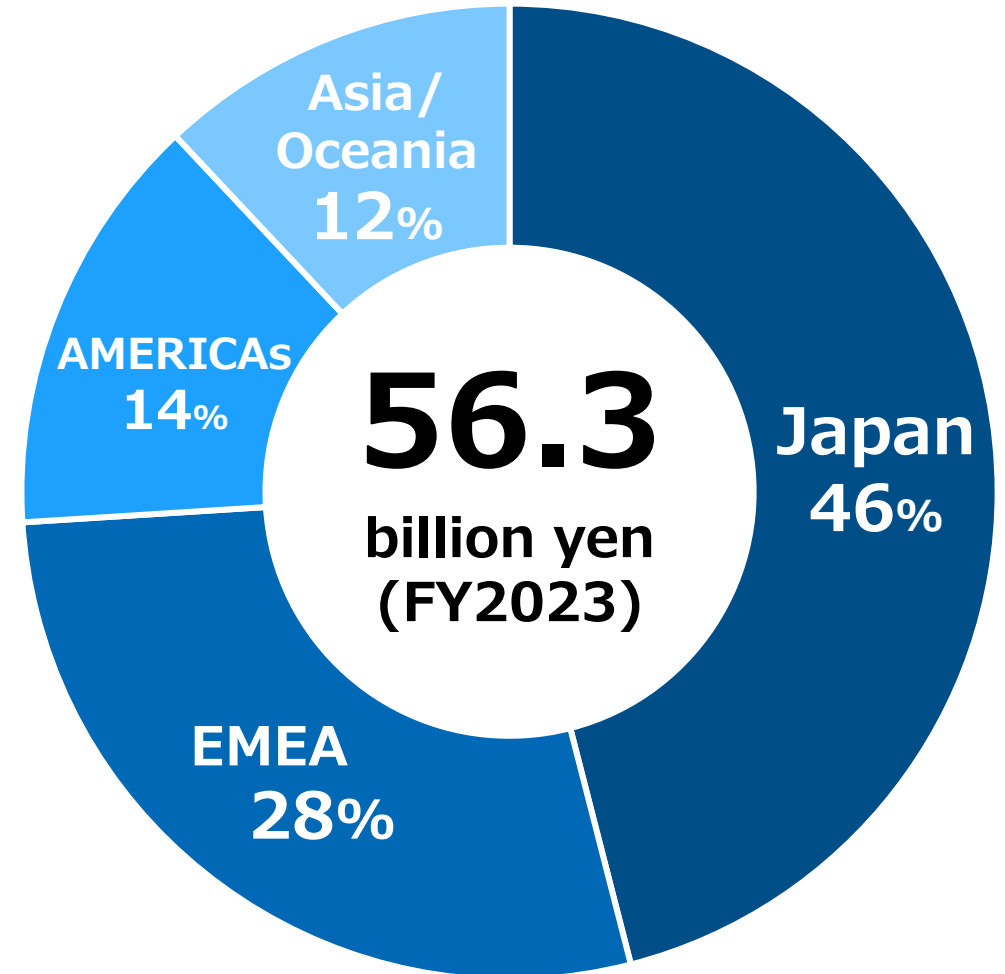
Management of outdoor activities and environmental learning programs

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

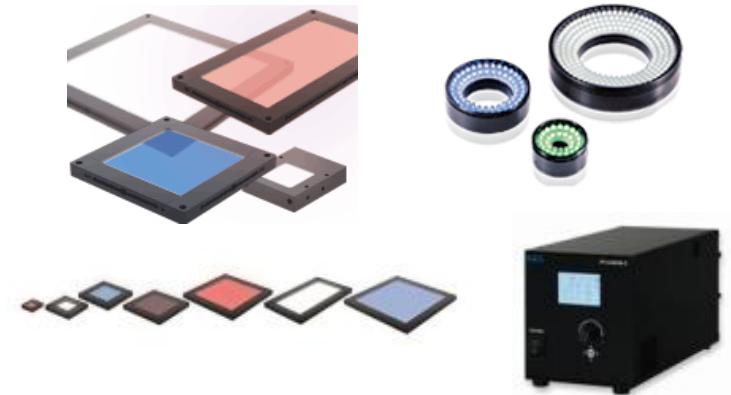


Push plate

Machine vision lighting

30%

LED inspection lighting



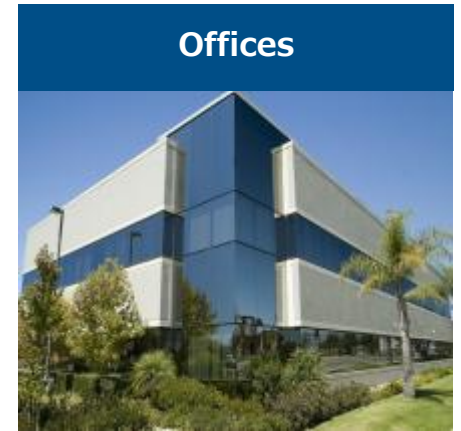
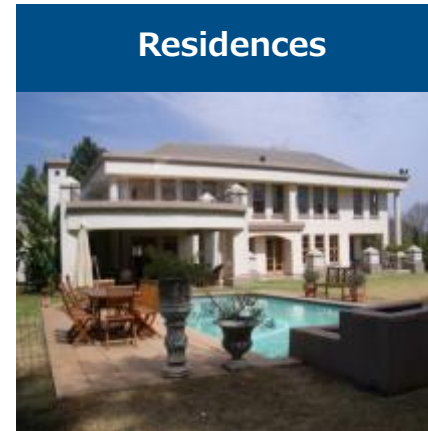
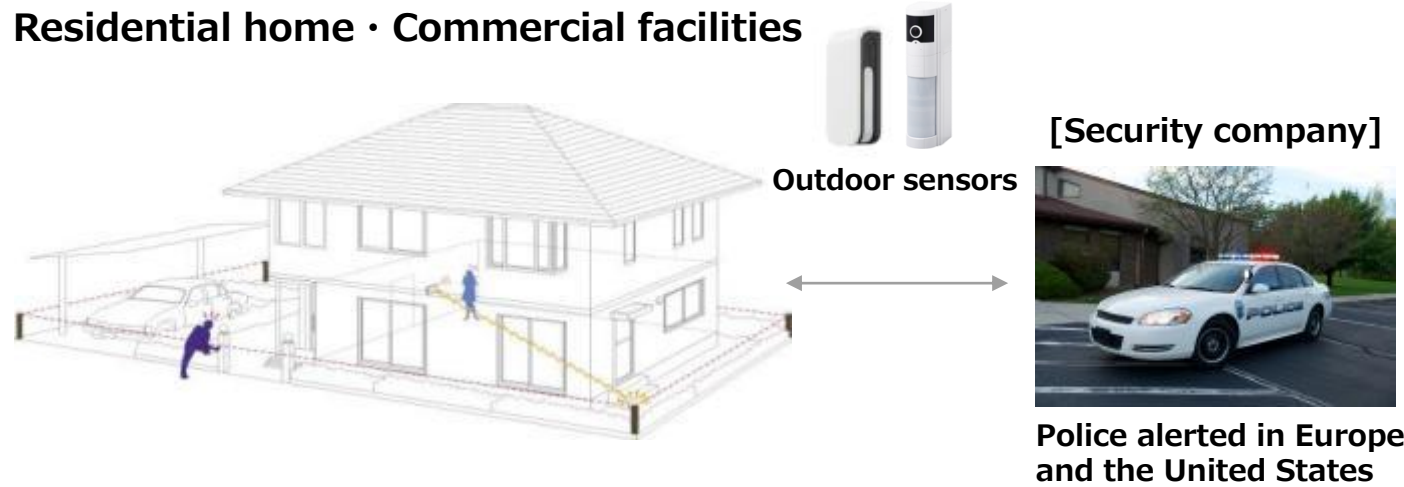
LED lighting systems for image inspection

SS Business – Security sensors-related

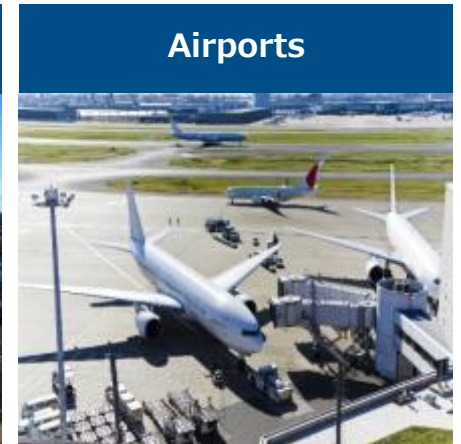


Largest market share in the world for outdoor intrusion detectors

Residential home · Commercial facilities



Large-scale critical 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.



Shopping centers



Over 60% share of convenience stores



Hospitals



Shutter doors for factories and warehouses



Ensure the detection of forklifts

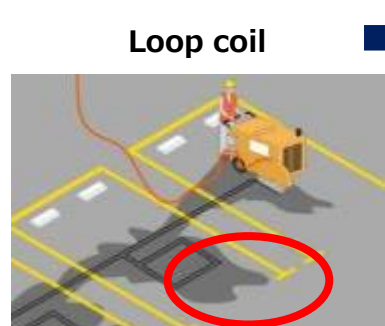


SS Business – Social and Environment-related

Vehicle Detection Sensors

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

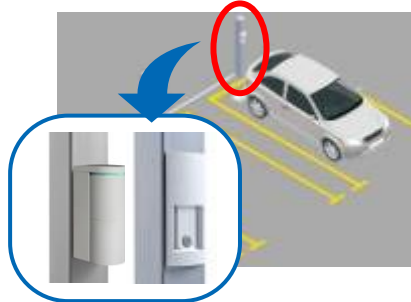
[Management of parking vehicles]
Eliminate the need of coil burial work.



Loop coil

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

Vehicle detection sensor installable on the pole



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

[Gate operation]

Automatic gate operation applications for residences, business sites and others



Requiring no burying work to facilitate installation and maintenance



Commercial facilities / Public facilities



Coin-paid 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.



Sensors



Gateway



Data management service



Water treatment plants / Factories



Culture farms

IA Business – FA(Factory Automation)-related



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

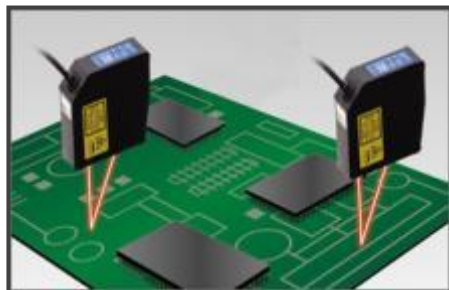
Displacement sensors



Products for the semiconductor and electric and electronic parts industries



Measurement of smartphone frame height

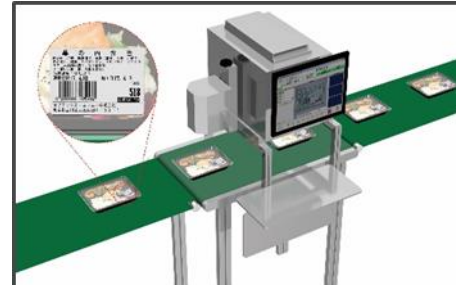


Measurement of substrate tilt/warp

Image sensors



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



Inspection of use-by dates printed on packages



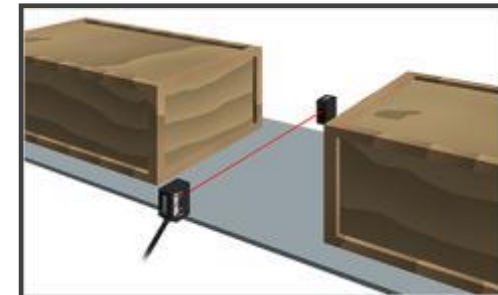
Inspection of use-by dates printed on milk cartons

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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

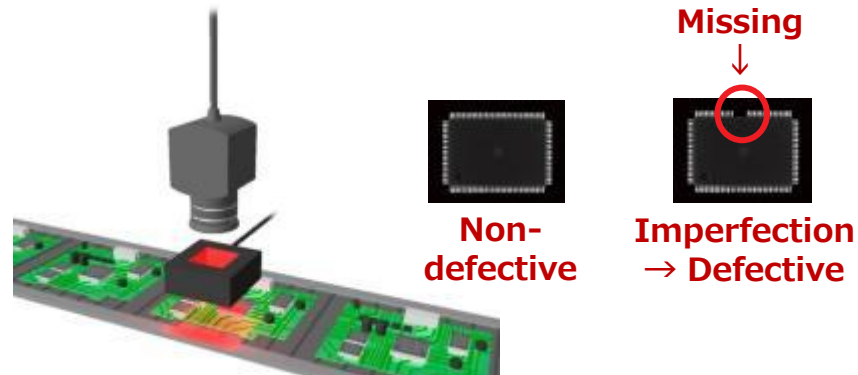


CCS produces **lighting for image inspection** using LED since 1993.

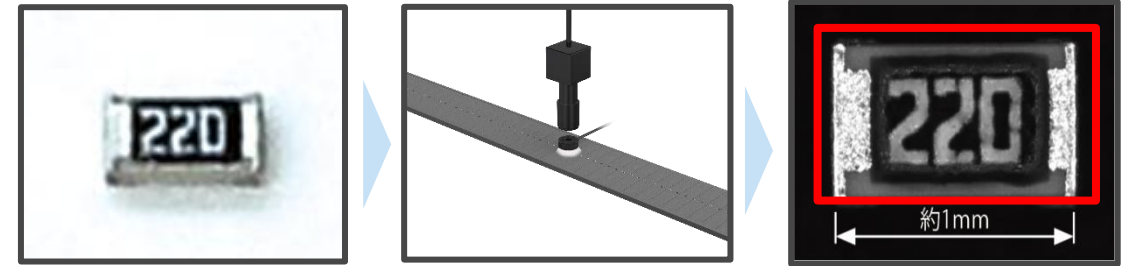
Lighting for image inspections*

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

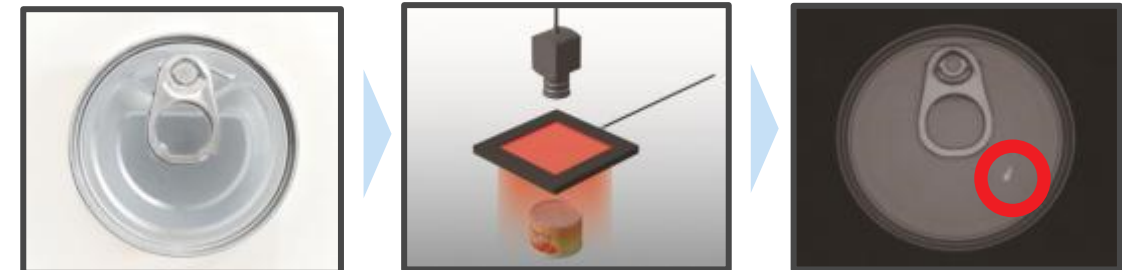
Photos or images of the inspection targets are taken and processed using lighting (and power supplies), lenses, and cameras, and the items are judged to be "good" or "defective".



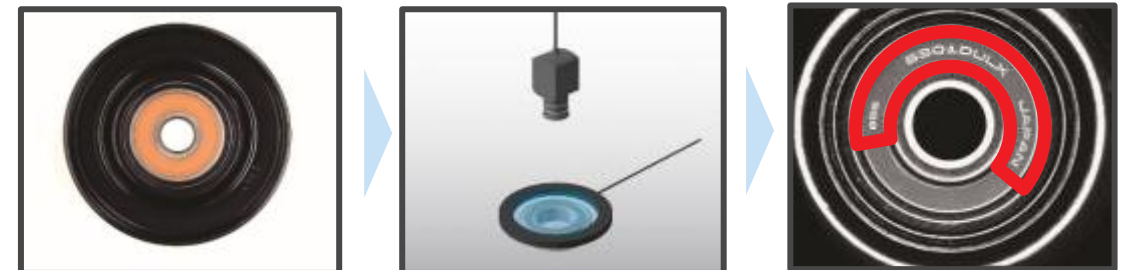
Inspection for defects in parts mounted on a printed circuit board



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.

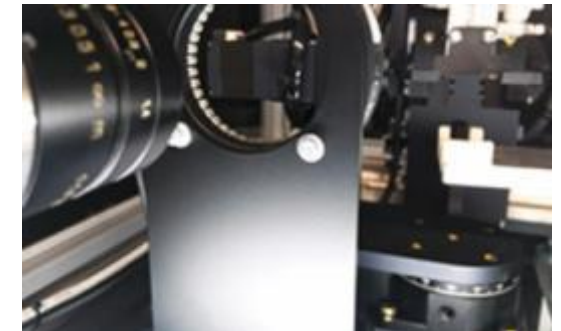
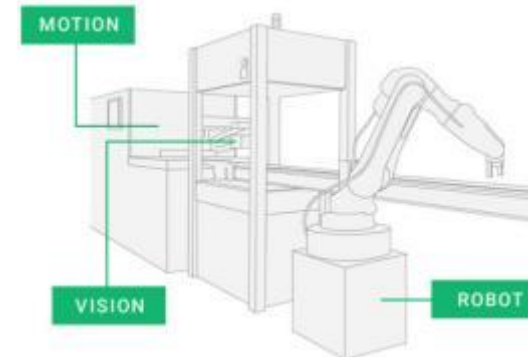
Image Processing Inspection Systems

"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/>