OPTEX.CO., LTD.

Consolidated Second Quarter of F.Y. 2013 Presentation (Jan.1 to Jun.30, 2013)
1. 2013 2nd Quarter Consolidated Financial Report

2. Progress of Business Strategy
   (1) Expansion of core businesses
       Security sensors, Automatic door sensors,
       Factory Automation Business
   (2) Development of new applications
       Security Lighting Business,
       Energy Conservation & Lighting Control Business
   (3) Development of newly emerging markets
   (4) Current term earnings forecast
   (5) Topics

3. Medium-Term Action Plan And Earnings Forecast
1. 2013 2nd Quarter Consolidated Financial Report
Summary of first half: Net Sales

(Unit: Million yen)

- **RAYTEC**
  - The factor of change in net sales (year-to-year comparison)
    - +9% (+945 million yen)
  - Security Sensors
    - +17% (+807 million yen)
  - Automatic Door Sensors
    - +5% (+84 million yen)
  - Factory Automation Business
    - +2% (+52 million yen)
  - Contract Manufacturing Service
    - ▲20% (▲100 million yen)
  - Others
    - +15% (+102 million yen)

※GIKEN Trastem
Summary of first half: Operating Income

(Unit: Million yen)

- Operating Income
- Ordinary Income
- Net Income

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q</td>
<td>478</td>
<td>305</td>
<td>450</td>
</tr>
<tr>
<td>2Q</td>
<td>533</td>
<td>278</td>
<td>530</td>
</tr>
<tr>
<td>3Q</td>
<td>507</td>
<td>309</td>
<td>479</td>
</tr>
<tr>
<td>4Q</td>
<td>479</td>
<td>258</td>
<td>579</td>
</tr>
<tr>
<td>1Q</td>
<td>141</td>
<td>178</td>
<td>272</td>
</tr>
<tr>
<td>2Q</td>
<td>378</td>
<td>297</td>
<td>384</td>
</tr>
<tr>
<td>3Q</td>
<td>44</td>
<td>244</td>
<td>485</td>
</tr>
<tr>
<td>4Q</td>
<td>563</td>
<td>359</td>
<td>638</td>
</tr>
<tr>
<td>1Q</td>
<td>544</td>
<td>368</td>
<td>664</td>
</tr>
<tr>
<td>2Q</td>
<td>597</td>
<td>450</td>
<td>530</td>
</tr>
</tbody>
</table>

Selling, general and administrative expenses:

- Others
- R&D investment

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q</td>
<td>1,576</td>
<td>1,566</td>
<td>1,945</td>
</tr>
<tr>
<td>2Q</td>
<td>1,510</td>
<td>1,611</td>
<td>1,952</td>
</tr>
<tr>
<td>3Q</td>
<td>1,611</td>
<td>1,770</td>
<td>1,510</td>
</tr>
<tr>
<td>4Q</td>
<td>1,824</td>
<td>1,824</td>
<td>1,952</td>
</tr>
<tr>
<td>1Q</td>
<td>436</td>
<td>421</td>
<td>482</td>
</tr>
<tr>
<td>2Q</td>
<td>414</td>
<td>417</td>
<td>401</td>
</tr>
<tr>
<td>3Q</td>
<td>436</td>
<td>421</td>
<td>426</td>
</tr>
</tbody>
</table>
Summary of first half: Factors of change in Operating Income

(Unit: Million yen)

Gross operating income

- Factor 1: COS% Change +268
- Factor 2: Impact of exchange rate +607

Selling and administrative Expenses

- Factor 3: Personnel cost increase -96
- Factor 4: Expense increase -64
- Factor 5: R&D investment decrease +45
- Factor 6: Impact of exchange rate -301

2012 2Q: 535

2013 2Q: 994
Summary of first half: Free Cash Flows

(Unit: Million yen)

CF Operating Activities: Cash increase by securing quarterly net income before taxes and other adjustments (¥1.276 billion).

CF from Investing Activities: Net outlays from purchase/sales of securities, investment securities and property, plant and equipment accompanying funds management.
Net Sales, Actual : 5,694 million yen (year-on-year change) +17% • +807 million yen  
( Overseas +13% • +504 million yen / Japan +33% • +303 million yen )

Overseas : Sales of outdoor warning sensors, in which OPTEX holds a high worldwide share, remained robust to Europe.  
Japan : Sales of outdoor warning sensors for large-scale critical facilities posted steady progress.
Net Sales, Actual: 1,815 million yen (year-on-year change) +5% • +84 million yen
(Overseas +18% • +125 million yen / Japan ▲4% • ▲41 million yen)

Overseas: Sales in North America remained strong, while those in Europe leveled off.
Japan: Market conditions gradually rebounded, with reconstruction demand anticipated from here on.
Net Sales, Actual: 2,167 million yen (year-on-year change) +2% • +52 million yen
(Overseas ▲6% • ▲88 million yen / Japan +20% • +140 million yen)

Overseas: Demand growth was sluggish, impacted by the financial worries in Europe and the effects of limits on capital investment in China linked to the economic downturn in that nation.
Japan: Increased sales of general-purpose photoelectric sensors to the logistics industry.
## Impact of exchange rate

### 1. Assumed exchange rate

<table>
<thead>
<tr>
<th></th>
<th>2012 first half Average rate</th>
<th>2013 first half Average rate</th>
<th>Rate of change</th>
<th>2013 Beginning of the year Plan rate</th>
<th>2013 Second half Plan rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td>80</td>
<td>96</td>
<td>20%</td>
<td>90</td>
<td>95</td>
</tr>
<tr>
<td>GBP</td>
<td>126</td>
<td>147</td>
<td>17%</td>
<td>145</td>
<td>145</td>
</tr>
<tr>
<td>EURO</td>
<td>103</td>
<td>126</td>
<td>21%</td>
<td>120</td>
<td>125</td>
</tr>
</tbody>
</table>

### 2. Impact on our full-year performance by a-yen appreciation

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>Net Sales</th>
<th>Operating Income</th>
<th>2013</th>
<th>Net Sales</th>
<th>Operating Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td>▲44</td>
<td>+26</td>
<td></td>
<td>USD</td>
<td>+49</td>
<td>▲13</td>
</tr>
<tr>
<td>GBP</td>
<td>▲21</td>
<td>▲8</td>
<td></td>
<td>GBP</td>
<td>+21</td>
<td>+5</td>
</tr>
<tr>
<td>EURO</td>
<td>▲17</td>
<td>▲13</td>
<td></td>
<td>EURO</td>
<td>+27</td>
<td>+23</td>
</tr>
</tbody>
</table>

(Effect from appreciation of the yen) (Effect from depreciation of the yen)
Projection of second half

Net sales projected to increase by 16% (¥1.744 billion), operating income by 31% (¥312 million) and net income by 19% (¥136 million) over the first half.
2. Progress of Business Strategy
Matrix of the business development

【Development of newly emerging markets】
- Latin America
- ASEAN, India
- Russia, China

【Entry into new business fields】
- Electric railway and public transport-related etc.

【Expansion of core businesses】
- Continuous introduction of new products
- Development for large-scale outdoor facilities
- Expansion of share with leading customers

【Development of new applications】
- Security lighting business
- Entry/exit control business
- Energy conservation, lighting control business
## Progress of Business Strategy

<table>
<thead>
<tr>
<th>Business Strategy</th>
<th>Progress</th>
<th>Comment</th>
</tr>
</thead>
</table>
| 1. Expansion of core businesses                 | □        | (1) Ongoing new product launches yearly  
(2) Continued orders for large-scale critical facilities from last year  
(3) Steady expansion of OEM transaction with major automatic door manufacturers in the United States and Europe. |
| 2. Development of new applications              | □        | (1) Steady expansion of RAYTEC security lighting business  
(2) Gradual expansion of energy saving and lighting control business |
| 3. Development of newly emerging markets        | △        | Sales companies established in Russia (2011) and India and Brazil (December 2012), marketing activities being advanced at present |
| 4. Entry into new business fields               | △        | Studies underway                                                                                                                                 |


（1）Expansion of core businesses
### Ongoing New Product Launches

Strengthen lineup through rollout of new products and seek added value.

<table>
<thead>
<tr>
<th>Year</th>
<th>For Emerging Markets</th>
<th>For Major Automatic Door Manufacturers in Europe and the U.S</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>Sensing security</td>
<td>For large-scale, critical facilities</td>
</tr>
<tr>
<td></td>
<td>General purpose low-price indoor sensors</td>
<td>Security camera auxiliary floodlight projectors</td>
</tr>
<tr>
<td></td>
<td>Wireless sensor systems for Southeast Asia</td>
<td>Outdoor sensors for large-scale facilities</td>
</tr>
<tr>
<td>2013</td>
<td>Sensing automatic doors</td>
<td>Battery operated outdoor sensors</td>
</tr>
<tr>
<td></td>
<td>Low-cost microwave sensors</td>
<td>Hybrid sensors for sliding doors</td>
</tr>
<tr>
<td></td>
<td>Design touch switches</td>
<td>People counting system</td>
</tr>
<tr>
<td></td>
<td>High-performance swing door sensors</td>
<td>Sensing innovation</td>
</tr>
</tbody>
</table>

**General Purpose Zone**

- Low-cost microwave sensors
- Design touch switches

**High-value-added differentiated submarkets**

- General purpose low-price indoor sensors
- Wireless sensor systems for Southeast Asia
- High-performance indoor sensors

**For Major Automatic Door Manufacturers in Europe and the U.S**

- High-performance swing door sensors
- Swing door sensors
- High-value-added differentiated submarkets
Security Sensors

- Our outdoor security sensors have been adopted for large-scale, critical facilities in countries around the world. With various product variations available, our product/technical capabilities have earned a superb reputation for highly reliable, accurate coverage of large areas.

![Mega-solar power plants (United States)](image)

![Data center (United States)](image)

![Water treatment plant facility (UK)](image)

![Nuclear power plant (Japan)](image)

- Surveillance of areas around critical facilities
- Remote surveillance center
- Indoor surveillance
- Gate surveillance
- Internal site surveillance
- Critical area perimeter surveillance
- Fence surveillance
- Fence approach surveillance
- Fence scaling surveillance
- Window surveillance
- Large area rooftop surveillance
- Remote surveillance center
- Surveillance of areas around critical facilities
• Expand overseas orders for large-scale critical facilities
• Expand sales of general-purpose indoor sensors utilizing merits of weaker yen
• Continue to land orders for large-scale critical facilities in Japan (Nuclear power, mega-solar power plants, etc.)
• Expand transactions with major security companies
Automatic Door Sensors

Share by region

Europe  12%
Japan    60%
North America  16%

Swing door sensors
Hybrid sensors for sliding doors
Swing door sensors
• Expand OEM transactions with major North American automatic door manufacturers

• Expand OEM transactions with major European automatic door manufacturers

• Expand domestic sales in conjunction with reconstruction demand

• Expand sales in conjunction with recovery in the shutter industry market (Domestic share 80%)
Factory Automation Business

**Reasons for High Quality**

- Technical collaboration with SICK GmbH
- Core technologies developed in-house
- Solid quality control system in force

**Reasons for Low Price**

- Pursuit of appropriate operating income
- Fabless business management
- Benefits of large-volume supply
### Factory Automation Business “Important measure “

#### 1. Expand Domestic Business
- **Measure**: Collaborate with Mitsubishi Electric, expand LED business
- **Measure**: Pioneer new logistics and energy device markets

#### 2. Forge New Demand in Emerging Nations
- **Measure**: Market development in China and Brazil
- **Measure**: Expanded sales of application equipment

#### 3. Promote Production Innovation
- **Measure**: Restructure production plants, reform logistics, cut costs
- **Measure**: Strive for China +1

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Get “Growth Course” on track from next fiscal year (2014)
（2）Development of new applications
Security Lighting Business "RAYTEC"

Pinpoint detection of intruders with long-distance optical fiber sensors, enhance imaging precision with light.
Faint lighting with minimum brightness when no users are present. Lighting control provides ability to instantly brighten to 100% capacity when people or vehicles enter.

Immediate solution to concerns over safety and security when thinning out lights to conserve power.
● Introduction of sensor-linked lighting control systems in commercial facilities and large-size business sites. Pilot use at over 50 companies (major franchises, restaurants, supermarkets, etc.) ⇒ Steady moves toward permanent adoption.
● Installation at 830 sites nationwide to address mercury lamp replacement demand in major existing fee parking lots in Japan. For new parking lots, scheduled adoption of lighting control systems integrated with gate opening/closing mechanisms.
(3) Development of newly emerging markets
Emerging Markets

Brazil

- Established subsidiary in Sao Paulo in December 2012
  - Our goal is to capture the Brazilian market, enhance our sales network and expand our security business in Latin America.
  - Strengthen customer-based marketing. Approach local logistics, resources and transportation-related firms.
  - Create new business opportunities based not only on security but on synergy among group businesses.

India

- Established a joint venture firm near Delhi in December 2012
  - Shift from security guards to electronic security. Seize initiative in the rapidly developing security market, and market sensor-based solutions.
  - Develop new products that meet India’s unique culture and customs and create new business opportunities.
4. Current term earnings forecast
## Current term earnings forecast

<table>
<thead>
<tr>
<th>Security sensors</th>
<th>12,135</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automatic door sensors</td>
<td>3,953</td>
</tr>
<tr>
<td>Factory Automations</td>
<td>4,674</td>
</tr>
<tr>
<td>Others</td>
<td>3,238</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>24,000</strong></td>
</tr>
</tbody>
</table>

### Net Sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (Unit: Million yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>15,173</td>
</tr>
<tr>
<td>2004</td>
<td>17,138</td>
</tr>
<tr>
<td>2005</td>
<td>19,013</td>
</tr>
<tr>
<td>2006</td>
<td>20,295</td>
</tr>
<tr>
<td>2007</td>
<td>22,167</td>
</tr>
<tr>
<td>2008</td>
<td>20,916</td>
</tr>
<tr>
<td>2009</td>
<td>15,124</td>
</tr>
<tr>
<td>2010</td>
<td>17,395</td>
</tr>
<tr>
<td>2011</td>
<td>18,502</td>
</tr>
<tr>
<td>2012</td>
<td>20,699</td>
</tr>
<tr>
<td>2013</td>
<td>24,000</td>
</tr>
</tbody>
</table>

### Ordinary Income

<table>
<thead>
<tr>
<th>Year</th>
<th>Income (Unit: Million yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>2,216</td>
</tr>
<tr>
<td>2004</td>
<td>2,322</td>
</tr>
<tr>
<td>2005</td>
<td>2,776</td>
</tr>
<tr>
<td>2006</td>
<td>3,922</td>
</tr>
<tr>
<td>2007</td>
<td>4,076</td>
</tr>
<tr>
<td>2008</td>
<td>2,489</td>
</tr>
<tr>
<td>2009</td>
<td>735</td>
</tr>
<tr>
<td>2010</td>
<td>1,761</td>
</tr>
<tr>
<td>2011</td>
<td>1,830</td>
</tr>
<tr>
<td>2012</td>
<td>1,680</td>
</tr>
<tr>
<td>2013</td>
<td>5,000</td>
</tr>
</tbody>
</table>
（5）Topics New products
Integration of conventionally separated sensor and LED lights! Linkage with sensors modulates “all-night lights” left on throughout the nighttime hours to “just the right intensity.”

* Released in June, orders already above 1,000-unit level!

LC-3300 Series
Sales Launch of “Non-Contact Radiation Temperature Sensor for Optimum Device Integration”

Integrated type non-contact (radiation) temperature sensor for use in manufacturing systems and production lines!

- World’s smallest class sensor head
- Heat resistance up to 180° C at sensor head unit
- Compliance with IP69K (industry’s highest level for waterproofing performance)

Optimum for embedding in equipment
Global leader in environmental resistance performance
World’s smallest head

CS Series
4. Medium-Term Action Plan And Earnings Forecast
Medium-Term Action Plan

• Innovate a global organization structure to facilitate Group-wide expansion of product lineups handled, maximizing OPTEX Group synergy!
### Medium-Term Earnings Forecast

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>20,699</td>
<td>24,000</td>
<td>32,500</td>
</tr>
<tr>
<td><strong>Ordinary income</strong></td>
<td>1,680</td>
<td>2,600</td>
<td>4,600</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>825</td>
<td>1,600</td>
<td>2,800</td>
</tr>
<tr>
<td><strong>ROE</strong></td>
<td>4.7%</td>
<td>8.3%</td>
<td>At least 10%</td>
</tr>
<tr>
<td><strong>EPS (Yen)</strong></td>
<td>49.9</td>
<td>96.7</td>
<td>169.2</td>
</tr>
</tbody>
</table>

(Unit: Million yen)
*The data utilized in this presentation was based upon our assumption and estimated information.

The actual business results might be different from the numbers we have shown you here because of various factors.