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For Immediate Release

Company: OPTEX GROUP CO., LTD. (TSE 1st Section: 6914)  
 Representative: Isamu Oguni, President & COO  
 Inquiries: Akira Higashi, Executive Director and CFO  
 Telephone: +81-77-579-8000

## Revised Earnings and Dividends Projections

Based on recent performance trends, OPTEX GROUP CO., LTD. (the Company) announces the following revisions to earnings projections previously announced on February 13, 2017.

### Details

#### 1. Revision of earnings projections

Revised consolidated earnings projection figures for the interim period (cumulative) of the fiscal year ending Dec. 31, 2017 (From Jan. 1 to Jun. 30, 2017)

|  | Net sales               | Operating income       | Ordinary income        | Profit attributable to owners of parent | Net income per share |
|--|-------------------------|------------------------|------------------------|---|----------------------|
| Previous Projection (A)  | (Million yen)<br>17,200 | (Million yen)<br>1,600 | (Million yen)<br>1,650 | (Million yen)<br>1,050                  | (Yen)<br>60.54       |
| Revised Projection (B)   | 18,240                  | 2,450                  | 2,450                  | 1,560                                   | 89.95                |
| Difference (B-A)   | 1,040                   | 850                    | 800                    | 510                                     |                      |
| Difference (%)   | 6.0                     | 53.1                   | 48.5                   | 48.6                                    |                      |
| (Reference) Results for the Prior Fiscal Year Interim Period (FYE December 2016 2nd Quarter YTD) | 13,003                  | 1,497                  | 1,121                  | 713                                     | 43.09                |

Revised consolidated full-year projection figures for the fiscal year ending December 2017

(From Jan. 1 to Dec. 31, 2017)

|   | Net sales               | Operating income       | Ordinary income        | Profit attributable to owners of parent | Net income per share |
|---|-------------------------|------------------------|------------------------|---|----------------------|
| Previous Projection (A)   | (Million yen)<br>35,600 | (Million yen)<br>3,700 | (Million yen)<br>3,800 | (Million yen)<br>2,500                  | (Yen)<br>144.15      |
| Revised Projection (B)  | 36,300                  | 4,200                  | 4,250                  | 2,800                                   | 161.45               |
| Difference (B-A)  | 700                     | 500                    | 450                    | 300                                     |                      |
| Difference (%)  | 2.0                     | 13.5                   | 11.8                   | 12.0                                    |                      |
| (Reference) Results for the Prior Fiscal year (FYE December 2016) | 31,027                  | 3,015                  | 3,086                  | 1,809                                   | 109.33               |

## Reasons for Revision

### (1) Consolidated second quarter cumulative period earnings projection

In regards to net sales, domestic sales in the FA and MVL businesses, primarily smartphone-related, remained at levels exceeding the projection.

Moreover, income is expected to substantially exceed the projection, owing to the increase in net sales and favorable sales of high-profit products.

### (2) Full-year consolidated earnings projection

In regards to net sales, there was an upswing in the consolidated second quarter cumulative period, but taking into account factors such as smartphone-related sales coming full circle and the rebuilding of the China business in the MVL business, we have revised the figures as provided above.

From an earnings perspective, taking into account factors such as a higher cost of sales ratio due to the changes in the product mix in the third quarter and beyond and aggressive investment for future growth, including strengthening of overseas bases, we have revised the figures as provided above.

The Company has revised the assumed exchange rates used as the basis for its earnings projections from the third quarter, from 100 yen to 110 yen for the US dollar, from 130 yen to 135 yen for the GB pound, and from 110 yen to 120 yen for the Euro.

## 2. Revision of dividends projections

|   | Dividends Per Share |                |            |                |                |
|---|---------------------|----------------|------------|----------------|----------------|
|   | End of Q1           | End of Q2      | End of Q3  | End of Period  | Total          |
| Previous Projection<br>(Announced on February 13, 2017) | (Yen)<br>—          | (Yen)<br>20.00 | (Yen)<br>— | (Yen)<br>25.00 | (Yen)<br>45.00 |
| Revised Projection                                      | —                   | 25.00          | —          | 25.00          | 50.00          |
| Current Period Results                                  | —                   |                |            |                |                |
| Prior Period Results<br>(FYE December 2016)             | —                   | 20.00          | —          | 25.00          | 45.00          |

## Reasons for Revision

The Group considers the return of profits to shareholders an important management issue. As such, we aim to enhance capital efficiency, ensure sustainable growth and improve corporate value by appropriately distributing the profits earned from our business activities in shareholder dividends, employee bonuses and internal reserves for growth. In regards to dividends, the target is a consolidated payout ratio of 30% with a policy of continuously distributing profits in line with earnings.

Based on this policy and in light of the above revision to the second quarter (cumulative) consolidated earnings projection, we have revised the interim dividend for the fiscal year ending December 2017 up five yen per share to 25 yen. The annual dividend per share, together with this interim dividend of 25 yen, will be 50 yen.

Note: The projections above are calculated based on information that is currently available. Actual results may differ materially from projections due to various factors that may occur in the future.