

February 14, 2025

Consolidated Financial Results for the Fiscal Year Ended December 31, 2024 (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
 Contact: Hideki Yamawaki, General Manager of Accounting Finance Tel. +81-77-527-9861
 Scheduled date for ordinary general meeting of shareholders: March 28, 2025
 Scheduled date to commence dividend payments: March 31, 2025
 Scheduled date of submission of securities report: March 28, 2025
 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, 2024 (January 1, 2024 to December 31, 2024)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

Fiscal year ended	Net Sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Dec. 31, 2024	63,269	12.2	7,121	20.7	7,749	23.8	5,689	23.5
Dec. 31, 2023	56,372	2.8	5,899	(6.4)	6,258	(11.1)	4,608	(3.0)

(Note) Comprehensive income: 7,172 million yen (23.3%) for the year ended Dec. 31, 2024
 5,815 million yen (6.2%) for the year ended Dec. 31, 2023

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Dec. 31, 2024	159.86	158.68	12.2	11.1	11.3
Dec. 31, 2023	129.73	128.68	11.1	9.6	10.5

(Reference) Earnings of equity method: As of Dec. 31, 2024: 3 million yen
 As of Dec. 31, 2023: 38 million yen

(2) Consolidated financial position

As of	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Dec. 31, 2024	72,850	50,084	68.2	1,395.81
Dec. 31, 2023	67,127	44,271	65.3	1,234.15

(Reference) Shareholders' equity: As of Dec. 31, 2024: 49,710 million yen
 As of Dec. 31, 2023: 43,842 million yen

(3) Consolidated cash flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year-end
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Dec. 31, 2024	7,696	(867)	(3,827)	21,065
Dec. 31, 2023	2,113	(782)	(2,259)	17,119

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, 2023	Yen –	Yen 20.00	Yen –	Yen 20.00	Yen 40.00	Millions of yen 1,420	% 30.8	% 3.4
Fiscal year ended Dec. 31, 2024	–	20.00	–	20.00	40.00	1,424	25.0	3.0
Fiscal year ending Dec. 31, 2025 (Forecast)	–	22.50	–	22.50	45.00		27.1	

3. Forecast of consolidated financial results for the year ending Dec. 31, 2025 (from Jan. 1 to Dec. 31, 2025)

(Percentages indicate year-on-year changes.)

	Net Sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First six-month cumulative period	30,200	(1.0)	3,150	0.3	3,150	(13.0)	2,900	14.7	81.48
Full year	66,000	4.3	7,400	3.9	7,400	(4.5)	5,900	3.7	165.76

* 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: None

(b) Changes in accounting policies due to other reasons: None

(c) Changes in accounting estimates: None

(d) Restatement: None

(3) Number of issued shares (common shares)

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

Fiscal year ended Dec. 31, 2024 37,735,784 shares

Fiscal year ended Dec. 31, 2023 37,735,784 shares

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

Fiscal year ended Dec. 31, 2024 2,121,455 shares

Fiscal year ended Dec. 31, 2023 2,211,094 shares

(c) Average number of shares outstanding during the period

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

Fiscal year ended Dec. 31, 2023 35,524,855 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

- Earnings forecasts are made based on information available at the time of publication of this material. Actual results may differ significantly from the forecasts owing to various factors. Please refer to page 3, "1. Overview of Operating Results, etc. (4) Future Outlook" for matters related to the consolidated performance forecasts described in this document.

- Supplementary financial materials will be posted on the Company's website within one week of the announcement of the financial results.

1. Overview of Operating Results, etc.

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

During the fiscal year under review (January to December 2024), the global economy remained uncertain due to soaring raw material and resource prices, continued high interest rate policies in the United States and Europe, and a sluggish Chinese economy.

Under these circumstances, based on its corporate philosophy, “aiming to become a corporate group full of venture spirit,” the Group has established a management policy of strengthening coordination among the business companies of the Group through the enhancement of headquarters functions and accelerating profit growth through the reduction of indirect costs on a Group-wide basis.

The Group is in the process of effectively facilitating a “shift to the solution proposal business,” a priority measure for the current year, with a view toward driving and enhancing the growth and profitability of each 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 environmental and social issues through its businesses. During the consolidated fiscal year under review, net sales increased 12.2% year on year, to 63,269 million yen, mainly reflecting the strong performances of the SS Business and MECT-related products in the IA Business, as well as the impact of foreign exchange rates. On the profitability side, although the cost ratio increased due partly to the change in the sales composition ratio, and personal expenses increased due to the impact of foreign exchange rates and other factors, the increase in gross profit offset these factors. As a result, operating profit increased 20.7% year on year, to 7,121 million yen, ordinary profit rose 23.8% year on year, to 7,749 million yen, and profit attributable to owners of parent increased 23.5% year on year, to 5,689 million yen.

Operating results by business segment are as follows.

Starting from the fiscal year under review, the classification method for the breakdown of earnings in the reportable segment has changed so that, for example, in the SS Business, the social and environmental-related, which had been included in the Security Sensors and Other previously, is presented as Social and Environmental-related due to its rising significance from business volume perspectives. The following comparisons with the same period of the previous fiscal year have been made based on figures reclassified into the revised classification segments.

(i) SS (Sensing Solution) Business

In the SS Business, net sales stood at 27,905 million yen (up 10.7% year on year), while operating profit was 3,887 million yen (up 22.0% year on year), chiefly reflecting a decrease in the cost ratio due to increased sales of highly profitable products.

Net sales for the security sensors were 18,227 million yen (up 10.8% year on year). In Japan, sales to important large-scale facilities remained strong, but sales to security companies were sluggish. Overseas, sales of outdoor sensors and solutions for data centers and other large-scale important facilities in Europe and the United States remained steady, despite the impact of inflation and other factors, resulting in year-on-year growth.

Net sales for automatic door sensors were 6,964 million yen (up 5.9% year on year). In Japan, sales of automatic door sensors and customer counting systems remained strong. Net sales exceeded the year-ago results due to the impact of foreign exchange rates, with overseas sales remaining at a year-ago level.

Net sales for social and environmental-related products came to 2,713 million yen (up 25.3% year on year), reflecting strong sales of vehicle detection sensors in Japan and the United States.

(ii) IA (Industrial Automation) Business

In the IA Business, net sales came to 33,748 million yen (up 13.5% year on year) and operating profit was 3,764 million yen (up 22.8% year on year).

Net sales for FA-related products amounted to 8,349 million yen (down 12.2% year on year), despite steady sales of products for semiconductor-related applications in Japan, but was impacted by weak sales overseas due to customers’ inventory adjustments in Europe and weak capital investment demand in China.

Net sales for MVL-related products were 14,266 million yen (up 4.2% year on year) as a result of steady overseas sales of products for the United States and Asia, despite sluggish domestic sales of products for semiconductors and for electric and electronic components.

Net sales for IPC-related products amounted to 4,926 million yen (up 11.9% year on year), following steady sales of products mainly for semiconductor manufacturing equipment.

Net sales for MECT-related products came to 6,206 million yen (up 190.2% year on year), reflecting good progress in deliveries of secondary battery manufacturing equipment.

(iii) EMS (Electronics Manufacturing Service) Business

In the EMS Business, net sales to unaffiliated customers amounted to 1,042 million yen (up 23.1% year on year), attributable to the steady performance of projects for the electronic contract manufacturing service. The Business recorded an operating loss of 120 million yen (operating profit of 114 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 72,850 million yen at the end of the fiscal year under review, which was an increase of 5,723 million yen from the end of the previous fiscal year.

Current assets increased 5,389 million yen to total 58,025 million yen. This resulted chiefly from increases in cash and deposits of 3,945 million yen and notes and accounts receivable - trade of 1,772 million yen due to an increase in net sales, partly offset by a decrease in securities of 505 million yen.

Non-current assets increased 334 million yen, to 14,825 million yen. This increase was primarily attributable to an increase of 785 million yen in tangible assets such as buildings and structures, which more than offset a decrease of 486 million yen in amortization of intangible assets such as customer-related assets.

(Liabilities)

Total liabilities stood at 22,766 million yen at the end of the fiscal year under review, which was a decrease of 88 million yen from the end of the previous fiscal year. This was mainly due to a decrease of 1,921 million yen in non-current liabilities such as long-term borrowings, despite an increase of 1,833 million yen in other current liabilities such as advances received and current liabilities such as notes and accounts payable-trade.

(Net assets)

Net assets totaled 50,084 million yen at the end of the fiscal year under review, which was an increase of 5,812 million yen from the end of the previous fiscal year. This resulted mainly from an increase of 4,264 million yen in retained earnings and a rise of 1,473 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 3,945 million yen from the end of the previous fiscal year, to total 21,065 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 7,696 million yen (compared with 2,113 million yen in the same period of the previous fiscal year). Contributing factors included a decrease in cash due to an increase in trade receivables of 1,361 million yen, income taxes paid of 1,997 million yen and an increase in cash after securing of 7,588 million yen in profit before income taxes.

(Cash flows from investing activities)

Net cash used in investing activities was 867 million yen (compared with net cash of 782 million yen used in such activities in the same period of the previous year). This was caused chiefly by an increase in cash due to proceeds from sales and redemption of securities and investment securities of 913 million yen and a decrease in cash due to purchase of property, plant and equipment of 1,606 million yen and purchase of intangible assets of 175 million yen.

(Cash flows from financing activities)

Net cash used in financing activities came to 3,827 million yen (compared with net cash of 2,259 million yen used in such activities in the same period of the previous fiscal year). This was mainly due to a decrease in cash resulting from dividend payments (1,427 million yen) and repayments of long-term borrowings (1,831 million yen).

	Fiscal year ended Dec. 31, 2021	Fiscal year ended Dec. 31, 2022	Fiscal year ended Dec. 31, 2023	Fiscal year ended Dec. 31, 2024
Equity ratio (%)	60.7	62.2	65.3	68.2
Equity ratio based on market value (%)	101.0	100.8	94.5	85.6
Ratio of interest-bearing debt to cash flow (years)	3.5	6.5	5.0	1.2
Interest coverage ratio (times)	96.0	30.7	31.4	113.2

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

Equity ratio based on market cap: Market capitalization/Total assets

Ratio of interest-bearing debt to cash flows: Interest-bearing debt/Operating cash flows

Interest coverage ratio: Operating cash flows/Interest expenses

*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, 2025 will be 66,000 million yen (up 4.3% year on year). and on growth in security sensors and automatic door-related sales in the SS Business and in sales of FA-related products in the IA Business among others. In addition, the Optex Group expects an increase of 3.9% year on year in operating profit to 7,400 million yen, and decrease of 4.5% year on year in ordinary profit to 7,400 million yen, and increase of 3.7% year on year in profit attributable to owners of parent to 5,900 million yen as a result of investment in further growth and continued efforts to improve profitability. These forecasts assume currency exchange rates of 145 yen to the US dollar and 155 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. Based on the policy of distributing profit backed by corporate earnings, the Optex Group determines the amounts of dividend payments by comprehensively examining the balance between strengthening the financial foundation needed for future growth and stable and sustainable profit distribution.

The Optex Group plans to pay a year-end dividend for the fiscal year under review of 20 yen per share, and combined with an interim dividend of 20 yen per share paid in September 2024, the annual dividend will be 40 yen per share.

The dividend policy has so far been to target a consolidated dividend payout ratio of 30%. However, to achieve more stable and continuous dividends to its shareholders, the Company has introduced a new indicator, DOE (dividend on equity) and will aim to achieve a DOE of 3% or more, with a consolidated dividend payout ratio of 30% as its target.

In addition, the Company will flexibly consider purchasing treasury shares as part of returning profits to shareholders, taking into account its financial situation, etc.

As for the next fiscal year, the Optex Group plans to pay an annual dividend of 45 yen per share (22.5 yen per share as an interim dividend and 22.5 yen per share as a fiscal year-end dividend) based on the above policy of the stable and sustainable return of profit to its shareholders.

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, 2023	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	17,119	21,065
Notes and accounts receivable - trade	12,112	13,884
Securities	505	0
Merchandise and finished goods	6,807	6,622
Work in process	3,709	4,631
Raw materials and supplies	10,338	9,888
Income taxes refund receivable	240	166
Other	1,868	1,872
Allowance for doubtful accounts	△66	△105
Total current assets	52,635	58,025
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,720	9,054
Accumulated depreciation	△4,252	△4,780
Buildings and structures, net	3,468	4,273
Machinery, equipment and vehicles	1,822	2,013
Accumulated depreciation	△1,418	△1,496
Machinery, equipment and vehicles, net	404	517
Tools, furniture and fixtures	7,580	7,879
Accumulated depreciation	△6,636	△6,934
Tools, furniture and fixtures, net	943	944
Land	2,529	2,559
Construction in progress	212	92
Right-of-use assets	249	205
Total property, plant and equipment	7,807	8,593
Intangible assets		
Patent right	194	111
Trademark right	257	182
Customer-related intangible assets	332	187
Goodwill	946	822
Other	646	587
Total intangible assets	2,377	1,890
Investments and other assets		
Investment securities	1,621	1,264
Long-term loans receivable	20	25
Deferred tax assets	2,022	2,397
Other	674	710
Allowance for doubtful accounts	△31	△55
Total investments and other assets	4,306	4,341
Total non-current assets	14,491	14,825
Total assets	67,127	72,850

(Millions of yen)

As of December 31, 2023

As of December 31, 2024

	As of December 31, 2023	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,792	3,240
Short-term borrowings	4,921	5,000
Current portion of long-term borrowings	1,792	1,795
Accounts payable - other	1,718	1,526
Income taxes payable	1,002	1,283
Provision for bonuses	812	1,027
Other	2,670	3,669
Total current liabilities	15,710	17,543
Non-current liabilities		
Long-term borrowings	3,931	2,099
Deferred tax liabilities	639	636
Deferred tax liabilities for land revaluation	22	22
Retirement benefit liability	1,528	1,577
Provision for retirement benefits for directors (and other officers)	139	161
Other	884	726
Total non-current liabilities	7,145	5,223
Total liabilities	22,855	22,766
Net assets		
Shareholders' equity		
Share capital	2,798	2,798
Capital surplus	7,579	7,564
Retained earnings	34,388	38,652
Treasury shares	△3,589	△3,443
Total shareholders' equity	41,177	45,571
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	△53	81
Revaluation reserve for land	△5	△5
Foreign currency translation adjustment	2,744	4,077
Remeasurements of defined benefit plans	△19	△14
Total accumulated other comprehensive income	2,665	4,138
Share acquisition rights	412	351
Non-controlling interests	16	21
Total net assets	44,271	50,084
Total liabilities and net assets	67,127	72,850

Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Net sales	56,372	63,269
Cost of sales	27,597	31,402
Gross profit	28,775	31,867
Selling, general and administrative expenses		
Remuneration, salaries and allowances for directors (and other officers)	8,514	9,359
Provision for bonuses	468	434
Retirement benefit expenses	320	330
Provision for retirement benefits for directors (and other officers)	26	22
Provision of allowance for doubtful accounts	8	57
Research and development expenses	3,385	3,697
Other	10,153	10,843
Total selling, general and administrative expenses	22,876	24,746
Operating profit	5,899	7,121
Non-operating income		
Interest income	104	104
Dividend income	21	16
Gain on sale of investment securities	57	65
Foreign exchange gains	-	409
Rental income	33	27
Insurance return	5	10
Share of profit of entities accounted for using equity method	38	3
Subsidy income	35	20
Other	177	65
Total non-operating income	473	723
Non-operating expenses		
Interest expenses	65	68
Foreign exchange losses	21	-
Rental expenses	9	8
Settlement payments	-	9
Other	18	8
Total non-operating expenses	114	96
Ordinary profit	6,258	7,749
Extraordinary income		
Gain on sale of non-current assets	17	8
Reversal of allowance for doubtful accounts	329	-
Total extraordinary income	346	8
Extraordinary losses		
Loss on sale and retirement of non-current assets	9	15
Loss on sale of investment securities	-	152
Total extraordinary losses	9	168
Profit before income taxes	6,596	7,588
Income taxes - current	1,918	2,348
Income taxes - deferred	67	△454
Total income taxes	1,985	1,894
Profit	4,610	5,694
Profit attributable to non-controlling interests	1	4
Profit attributable to owners of parent	4,608	5,689

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Profit	4,610	5,694
Other comprehensive income		
Valuation difference on available-for-sale securities	48	134
Foreign currency translation adjustment	1,153	1,334
Remeasurements of defined benefit plans, net of tax	3	9
Total other comprehensive income	1,205	1,478
Comprehensive income	5,815	7,172
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,813	7,166
Comprehensive income attributable to non-controlling interests	2	5

Consolidated Statements of Changes in Net Assets

Fiscal year ended Dec. 31, 2023 (From Jan. 1 to Dec. 31, 2023)

(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	31,130	△3,588	37,919
Changes during period					
Dividends of surplus			△1,349		△1,349
Profit attributable to owners of parent			4,608		4,608
Purchase of treasury shares				△0	△0
Disposal of treasury shares		0		0	0
Transfer from retained earnings to capital surplus					-
Net changes in items other than shareholders' equity					
Total changes during period	-	0	3,258	△0	3,258
Balance at end of period	2,798	7,579	34,388	△3,589	41,177

	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	△102	△5	1,592	△23	1,461	341	13	39,735
Changes during period								
Dividends of surplus								△1,349
Profit attributable to owners of parent								4,608
Purchase of treasury shares								△0
Disposal of treasury shares								0
Transfer from retained earnings to capital surplus								-
Net changes in items other than shareholders' equity	48	-	1,152	3	1,204	70	2	1,277
Total changes during period	48	-	1,152	3	1,204	70	2	4,535
Balance at end of period	△53	△5	2,744	△19	2,665	412	16	44,271

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 Cash Flows

(Millions of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Cash flows from operating activities		
Profit before income taxes	6,596	7,588
Depreciation	1,712	1,672
Amortization of goodwill	303	380
Increase (decrease) in retirement benefit liability	90	48
Increase (decrease) in provision for retirement benefits for directors (and other officers)	△0	22
Increase (decrease) in allowance for doubtful accounts	△401	60
Increase (decrease) in provision for bonuses	△311	205
Interest and dividend income	△125	△121
Interest expenses	65	68
Foreign exchange losses (gains)	△126	△240
Share of loss (profit) of entities accounted for using equity method	△38	△3
Subsidy income	△35	△20
Loss (gain) on sale of investment securities	△57	86
Loss (gain) on investments in investment partnerships	△21	△2
Loss (gain) on sale and retirement of non-current assets	△8	7
Decrease (increase) in trade receivables	524	△1,361
Decrease (increase) in inventories	△4,289	72
Increase (decrease) in trade payables	△650	142
Decrease (increase) in distressed receivables	398	-
Other, net	710	1,013
Subtotal	4,333	9,619
Interest and dividends received	126	121
Interest paid	△67	△67
Subsidies received	35	20
Income taxes refund (paid)	△2,314	△1,997
Net cash provided by (used in) operating activities	2,113	7,696
Cash flows from investing activities		
Purchase of securities	△139	-
Proceeds from sale and redemption of securities	416	449
Purchase of investment securities	△1	△1
Proceeds from sale and redemption of investment securities	270	463
Purchase of property, plant and equipment	△1,155	△1,606
Proceeds from sale of property, plant and equipment	24	9
Purchase of intangible assets	△181	△175
Purchase of shares of subsidiaries resulting in change in scope of consolidation	△21	-
Loan advances	△4	△12
Proceeds from collection of loans receivable	9	5
Net cash provided by (used in) investing activities	△782	△867
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	△4,005	78
Proceeds from long-term borrowings	4,800	-
Repayments of long-term borrowings	△1,145	△1,831
Dividends paid	△1,346	△1,427
Repayments of lease liabilities	△371	△402
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	△189	△244
Purchase of treasury shares	△0	△0
Net cash provided by (used in) financing activities	△2,259	△3,827

Effect of exchange rate change on cash and cash equivalents	761	944
Net increase (decrease) in cash and cash equivalents	△167	3,945
Cash and cash equivalents at beginning of period	17,287	17,119
Cash and cash equivalents at end of period	17,119	21,065

(5) Notes on Consolidated Financial Statements

(Notes on going concern assumptions)

No items to report

(Segment information)

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 marketing of security sensors, automatic door sensors, social and environmental-related, customer traffic counting systems and electronic components
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

(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, 2023 to December 31, 2023)

(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	16,455	–	–	16,455	–	16,455	–	16,455
Automatic Door Sensors	6,576	–	–	6,576	–	6,576	–	6,576
Social & Environmental	2,165	–	–	2,165	–	2,165	–	2,165
FA-related	–	9,508	–	9,508	–	9,508	–	9,508
MVL-related	–	13,693	–	13,693	–	13,693	–	13,693
IPC-related	–	4,401	–	4,401	–	4,401	–	4,401
MECT-related	–	2,138	–	2,138	–	2,138	–	2,138
Other	–	–	846	846	586	1,433	–	1,433
Revenue from Contracts with Customers	25,197	29,741	846	55,786	586	56,372	–	56,372
Unaffiliated Customers	25,197	29,741	846	55,786	586	56,372	–	56,372
Intersegment Transfer	113	27	12,124	12,265	83	12,348	(12,348)	–
Total	25,310	29,768	12,971	68,051	669	68,721	(12,348)	56,372
Segment Profit	3,186	3,064	114	6,365	24	6,390	(491)	5,899
Segment assets	23,522	33,789	9,025	66,337	571	66,908	218	67,127
Other items								
Depreciation	466	860	122	1,450	5	1,456	256	1,712
Amortization of goodwill	9	274	–	284	19	303	–	303
Investment in equity method affiliates	–	389	–	389	–	389	–	389
Increase in property, plant and equipment and intangible assets	425	654	109	1,190	3	1,193	104	1,297

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

2. The adjustment of (491) million yen for segment profit includes elimination of inter-segment transactions and unallocated corporate expenses.

The segment profit adjustment of 218 million yen includes company-wide assets of 8,175 million yen that are not allocated to each reportable segment and the elimination through offsetting receivables and payables of (7,956) million yen. Company-wide assets include the assets of the submitting company.

The adjustment of depreciation of 256 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 104 million yen is an amount of corporate assets that is not allocated to any reportable segments.

3. Adjustments are made to reconcile segment profit to operating profit presented in the consolidated statements of income.

Fiscal year under review (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 & Environmental	2,713	–	–	2,713	–	2,713	–	2,713
FA-related	–	8,349	–	8,349	–	8,349	–	8,349
MVL-related	–	14,266	–	14,266	–	14,266	–	14,266
IPC-related	–	4,926	–	4,926	–	4,926	–	4,926
MECT-related	–	6,206	–	6,206	–	6,206	–	6,206
Other	–	–	1,042	1,042	572	1,615	–	1,615
Revenue from Contracts with Customers	27,905	33,748	1,042	62,696	572	63,269	–	63,269
Unaffiliated Customers	27,905	33,748	1,042	62,696	572	63,269	–	63,269
Intersegment Transfer	73	94	10,415	10,583	89	10,673	(10,673)	–
Total	27,979	33,843	11,457	73,280	662	73,942	(10,673)	63,269
Segment Profit (Loss)	3,887	3,764	(120)	7,530	39	7,570	(448)	7,121
Segment assets	27,247	37,280	9,819	74,348	548	74,896	(2,045)	72,850
Other items								
Depreciation	439	864	129	1,433	6	1,439	232	1,672
Amortization of goodwill	11	349	–	361	19	380	–	380
Investment in equity method affiliates	–	323	–	323	–	323	–	323
Increase in property, plant and equipment and intangible assets	307	613	825	1,747	6	1,753	118	1,872

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

2. The adjustment of (448) million yen for segment profit includes elimination of inter-segment transactions and unallocated corporate expenses.

The segment profit adjustment of (2,045) 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 (8,994) 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. Adjustments are made to reconcile segment profit to operating profit presented in the consolidated statements of income.

4. Starting from the fiscal year under review, the classification method for the breakdown of earnings in the reportable segment has changed. For example, in the SS Business, social and environmental-related, which had been included in the Security Sensors and Other previously, is presented as Social and Environmental-related due to its increased significance in terms of business volumes.

The information on the breakdown of earnings for the previous consolidated fiscal year presented herein has been prepared according to the revised classification.

2. Outline of reportable business segments

Previous fiscal year (January 1, 2023 to December 31, 2023)

Net Sales by Region

(Millions of yen)

Japan	Americas		Europe	Asia	Total
		U.S.A.			
25,926	7,967	7,022	15,908	6,570	56,372

(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, 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).

(Per-share information)

Previous fiscal year (January 1, 2023 to December 31, 2023)		Fiscal year under review (January 1, 2024 to December 31, 2024)	
Net assets per share	1,234.15 yen	Net assets per share	1,395.81 yen
Basic earnings per share	129.73 yen	Basic earnings per share	159.86 yen
Diluted earnings per share	128.68 yen	Diluted earnings per share	158.68 yen

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

	Previous fiscal year (January 1, 2023 to December 31, 2023)	Fiscal year under review (January 1, 2024 to December 31, 2024)
Total net assets (million yen)	44,271	50,084
Amount deducted from the total net assets (million yen)	428	373
(of which non-controlling interests (million yen))	(16)	(21)
(of which share acquisition rights (million yen))	(412)	(351)
Net assets at the end of the period attributable to common shares (million yen)	43,842	49,710
Number of shares of common stock at end of year used for calculating net assets per share (thousand shares)	35,524	35,614

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

	Previous fiscal year (January 1, 2023 to December 31, 2023)	Fiscal year under review (January 1, 2024 to December 31, 2024)
Basic earnings per share		
Profit attributable to owners of parent (million yen)	4,608	5,689
Profit not attributable to common shareholders (million yen)	–	–
Profit attributable to owners of parent related to common shares (million yen)	4,608	5,689
Average number of common shares outstanding during the period (thousands of shares)	35,524	35,592
Diluted earnings per share		
Adjustment of profit attributable to owners of parent (million yen)	–	–
Increase in the number of common stock (thousand shares)	288	263
(of which share acquisition rights (thousand shares))	(288)	(263)
Descriptions of potentially dilutive common shares that were not included in the computation of diluted earnings per share because of their anti-dilutive effect	–	–

(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, 2023 to December 31, 2023)		Fiscal year under review (January 1, 2024 to December 31, 2024)		Percentage Change
	Amount	Share (%)	Amount	Share (%)	Amount
SS Business					
Security Sensors	16,455	29.2	18,227	28.8	1,771
Automatic Door Sensors	6,576	11.7	6,964	11.0	388
Social & Environmental	2,165	3.8	2,713	4.3	547
Subtotal	25,197	44.7	27,905	44.1	2,707
IA Business					
FA-related	9,508	16.9	8,349	13.2	(1,158)
MVL-related	13,693	24.3	14,266	22.5	573
IPC-related	4,401	7.8	4,926	7.8	524
MECT-related	2,138	3.8	6,206	9.8	4,067
Subtotal	29,741	52.8	33,748	53.3	4,007
EMS Business	846	1.5	1,042	1.7	195
Other	586	1.0	572	0.9	(13)
Total	56,372	100.0	63,269	100.0	6,896