

July 26, 2010

To Whom It May Concern

Company: OPTEX CO., LTD.
Representative: Toru Kobayashi,
President and Representative Director
(Code No. 6914, First Section, Tokyo Stock Exchange)
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OPTEX Acquires Optic Fiber Intrusion Detection System
Business from U.S. Fiber SenSys, LLC

At a meeting held on July 26, 2010, the board of directors of OPTEX CO., LTD. (“the Company”) resolved to establish a wholly owned subsidiary in the United States. The board further resolved to acquire the business operations of Fiber SenSys, LLC (Oregon, U.S.A.), executing a business transfer agreement. The new subsidiary will take over the business of Fiber SenSys to develop, manufacture and sell optic fiber intrusion detection systems.

Details

1. Reason for the Acquisition

The optic fiber sensor technology of Fiber SenSys, LLC is generally installed along fences, allowing the immediate detection and location of flexion or vibrations that occur when an attempt is made to climb or cut through a fence. This technology is used as a security measure by government and military installations, electric power plants, oil and natural gas facilities, chemical factories and other sensitive installations. The technology has proved itself as top in its class worldwide.

The OPTEX Group develops and sells infrared sensors and remote video surveillance devices, creating a global brand that is particularly successful in the markets of Europe. The Company has acquired the products, technologies and sales channels of Fiber SenSys to expand operations in the North American market, as well as to access markets for high-end security systems sales in countries through channels not yet fully developed. Integrating these businesses will result in greater synergies, contributing to our growth as a provider of total security systems solutions.

2. Overview of New Subsidiary

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|--------------------|---|
| (1) Name | FIBER SENSYS INC. |
| (2) Address | 2925 NW Aloclek Drive, Suite 130, Hillsboro, Oregon 97124, USA |
| (3) Representative | CEO Duane Thompson |
| (4) Business Lines | Development, manufacturing and sales of optic fiber intrusion detection systems |
| (5) Capital | US\$5.3 million |

- (6) Major Shareholders OPTEX CO., LTD. (100%)
- (7) Date Established August 31, 2010 (planned)
- (8) No. of Employees 23 (planned)

3. Overview of Business Transfer

- (1) Business Lines Development, manufacturing and sales of optic fiber intrusion detection systems

(2) Earnings of Business to be Acquired

(Units: US\$1,000)

	FYE December 2007	FYE December 2008	FYE December 2009
Net Sales	10,038	12,578	4,870
Gross Profit	5,212	6,882	2,609
Operating Income	1,271	2,224	(1,716)

(3) Value and Transfer Price of Assets and Liabilities

Not disclosed due to confidentiality.

4. Overview of Company to be Acquired (existing company)

- (1) Name Fiber SenSys, LLC
- (2) Address 2925 NW Aloclek Drive, Suite 130, Hillsboro, Oregon 97124, USA
- (3) Representative President/Director Timothy P. Meyer
- (4) Business Lines Development, manufacturing and sales of optic fiber intrusion detection systems
- (5) Capital US\$4.1 million
- (6) Date Established 1990
- (7) No. of Employees 23
- (8) Relationship with OPTEX CO., LTD. No equity, transactional or personal relationships.
- (9) Most Recent Earnings

(Units: US\$1,000)

	FYE December 2007	FYE December 2008	FYE December 2009
Net Sales	10,038	12,578	4,870
Gross Profit	5,212	6,882	2,609
Operating Income	1,271	2,224	(1,716)

5. Schedule

- July 26, 2010 Board of Directors resolution
- July 30, 2010 Sign business transfer agreement (planned)

August 31, 2010	Establish new company (FIBER SENSYS INC.) (planned)
August 31, 2010	Date of business transfer (planned)

6. Overview of Accounting Treatment

The Company expects to record goodwill as a result of this acquisition; however, the effect of the accounting treatment for goodwill is not expected to have a significant impact on earnings.

7. Future Outlook

The effect of the business acquisition is not expected to have a significant impact on consolidated earnings for the fiscal year ending December 2010.

End