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Stock code: 6914
March 3, 2017

To our shareholders,

Isamu Oguni, President and COO
OPTEX GROUP Company, Limited
4-7-5, Nionohama, Otsu-shi, Shiga
(Head office: 5-8-12, Ogoto, Otsu-shi, Shiga)

Notice of the 38th Ordinary General Meeting of Shareholders

You are cordially invited to attend the 38th Ordinary General Meeting of Shareholders of OPTEX GROUP Company, Limited (the "Company"), which will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights in writing. Please examine the attached Reference Documents for the General Meeting of Shareholders, and return the enclosed Voting Card indicating your approval or disapproval of proposals so that your vote is received by 6:00 p.m. on Friday, March 24, 2017 (JST).

- 1. Date and Time:** Saturday, March 25, 2017, at 10:00 a.m.
- 2. Place:** 5-8-12, Ogoto, Otsu-shi, Shiga
Fourth floor hall, Head office building, OPTEX GROUP Company, Limited

3. Purposes:

Matters to be reported:

1. Reports on the Business Report and the Consolidated Financial Statements for the 38th fiscal year (from January 1, 2016 to December 31, 2016), and the results of audit on the Consolidated Financial Statements by Financial Auditor and Audit and Supervisory Committee
2. Reports on the Non-consolidated Financial Statements for the 38th fiscal year (from January 1, 2016 to December 31, 2016)

Matters to be resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Five (5) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal 3:** Election of One (1) Director Who Is an Audit and Supervisory Committee Member
- Proposal 4:** Determination of Remuneration Amounts for Granting Restricted Shares to Directors (Excluding Directors and Outside Directors Who Are Audit and Supervisory Committee Members) and Other Terms Thereof

- You are kindly requested to present the enclosed Voting Card to the receptionist when you attend the meeting in person.
- If any amendments are made to the Business Report, Consolidated Financial Statements or Non-consolidated Financial Statements, or Reference Documents for the General Meeting of Shareholders, such amendments will be posted on the Company website (<http://www.optex.co.jp/group/>). The amendments in these documents will be available in Japanese only.

Reference Documents for the General Meeting of Shareholders

Proposal 1: Appropriation of Surplus

Considering the return of profits to shareholders to be one of its most important management tasks, the Company pursues a basic policy of taking into account strengthening the financial foundation needed for future business development and striving to maintain stable dividend payouts based on corporate earnings.

Regarding the year-end dividend for the 38th fiscal year, in consideration of the business performance during the fiscal year under review, future business development and other factors, we propose to pay ¥25 per share as described below.

Year-end dividends

(1) Type of dividend property

Cash

(2) Allotment of dividend property and total amount thereof

Dividend per common stock of the Company: ¥25 Total amount: ¥413,950,400

(3) Effective date of the dividend of surplus

March 27, 2017

Proposal 2: Election of Five (5) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all five (5) Directors (excluding Directors who are Audit and Supervisory Committee Members, the same shall apply hereinafter in this proposal) will expire at the conclusion of this General Meeting of Shareholders.

Accordingly, the Company requests the election of five (5) Directors.

The Board of Directors selected candidates for Directors upon receiving a report from the Nomination Advisory Committee. Also, the Audit and Supervisory Committee has stated its opinion that all of the candidates for Directors are appropriate.

The candidates for Directors are as follows:

No.	Name (Date of birth)	Career summary and position and areas of responsibility Fin the Company (significant positions concurrently held at other organizations)	Number of the Company's shares held
1	Toru Kobayashi (Jan. 10, 1948)	May 1979 Established OPTEX Company, Limited Assumed office as President and Representative Director, OPTEX Company, Limited	974,975 shares
		Jan. 2002 President and CEO, OPTEX Company, Limited Jan. 2012 Chairman, President and CEO, OPTEX Company, Limited Jan. 2017 Chairman and CEO, OPTEX GROUP Company, Limited (current position)	
<p>Significant concurrent positions No items to report.</p> <p>Reason for election The Company requests the reelection of Toru Kobayashi as Director because he is the founder of the Company, has the foresight and knowledge of an engineer including the first commercialization in the world of automatic door sensors that utilize infrared, and has led the Group as the Representative Director since the founding of the Company. The Company considers that he is a talented individual who is appropriate for the position of Director and that his election will continue to improve the Group's corporate value.</p> <p>Special interest between the candidate and the Company There is no special interest between Toru Kobayashi and the Company.</p>			
2	Isamu Oguni (May 17, 1952)	Mar. 1981 Joined OPTEX Company, Limited Feb. 1988 Director, OPTEX Company, Limited	1,020 shares
		Jan. 2002 CEO, OPTEX FA CO., LTD. with the establishment of OPTEX FA CO., LTD. (current position) Oct. 2016 Director, CCS Inc. (current position) Jan. 2017 President and COO, OPTEX GROUP Company, Limited (current position)	
<p>Significant concurrent positions CEO, OPTEX FA CO., LTD.</p> <p>Reason for election The Company requests the reelection of Isamu Oguni as Director because he has abundant experience and a track record in corporate management such as serving as Director of the Company for over 13 years and CEO of OPTEX FA CO., LTD., which was a listed company up to last year, for over 14 years. The Company considers that he is a talented individual who is appropriate for the position of Director and that his election will continue to improve the Group's corporate value.</p> <p>Special interest between the candidate and the Company There is no special interest between Isamu Oguni and the Company.</p>			

No.	Name (Date of birth)	Career summary and position and areas of responsibility Fin the Company (significant positions concurrently held at other organizations)	Number of the Company's shares held
3	Akira Higashi (Jun. 10, 1961)	Apr. 1984 Joined OPTEX Company, Limited Jan. 2003 Head, President's Office, OPTEX Company, Limited Jan. 2004 Executive Officer, General Manager, Corporate Planning Division, OPTEX Company, Limited Jan. 2005 Executive Officer, General Manager, Administration Division, OPTEX Company, Limited Mar. 2012 Director and Executive Officer, General Manager, Administration Division, OPTEX Company, Limited Jan. 2014 Director and Executive Officer, General Manager, Administrative Headquarters and General Manager, Administration Division, OPTEX Company, Limited Jan. 2017 Executive Director and CFO, OPTEX GROUP Company, Limited (current position)	9,330 shares
<p>Significant concurrent positions No items to report.</p> <p>Reason for election Akira Higashi has a major role in the management of the Group as a Director of the Company and has served for many years in charge of the Corporate Planning and Administration Divisions. The Company requests the reelection of Akira Higashi as Director because he has abundant experience and a track record in corporate management, and the Company considers that he is a talented individual who is appropriate for the position of Director and that his election will continue to improve the Group's corporate value.</p> <p>Special interest between the candidate and the Company There is no special interest between Akira Higashi and the Company.</p>			
4	Toru Kamimura (Apr. 9, 1960)	Nov. 2006 Joined OPTEX Company, Limited Jan. 2007 Executive Officer, General Manager, Technology Development Division, OPTEX Company, Limited Jan. 2011 Executive Officer, General Manager, SEC Business Division, OPTEX Company, Limited Mar. 2012 Director and Executive Officer, General Manager, SEC Business Division, OPTEX Company, Limited Jan. 2013 Director and Executive Officer, General Manager, SEC Business Division and General Manager, ESI Business Division, OPTEX Company, Limited Jan. 2014 Director and Executive Officer, General Manager, Corporate Business Strategy Headquarters and Manager, NSS Business Division, OPTEX Company, Limited Apr. 2014 Director and Executive Officer, General Manager, Corporate Business Strategy Headquarters, OPTEX Company, Limited Jan. 2017 Director, OPTEX GROUP Company, Limited (current position) President, OPTEX Company, Limited (current position)	4,400 shares
<p>Significant concurrent positions President, OPTEX Company, Limited</p> <p>Reason for election The Company requests the reelection of Toru Kamimura as Director because he has served as General Manager in both the Company's Development Division and Sales Division, and has abundant experience and a track record as a Director, and the Company considers that he is a talented individual who is appropriate for the position of Director and that his election will continue to improve the Group's corporate value.</p> <p>Special interest between the candidate and the Company There is no special interest between Toru Kamimura and the Company.</p>			

No.	Name (Date of birth)	Career summary and position and areas of responsibility Fin the Company (significant positions concurrently held at other organizations)	Number of the Company's shares held
5	Hiroyuki Onishi (Aug. 8, 1965)	<p>Apr. 1990 Joined Nikko Securities Co., Ltd. Seconded to Nikko Research Center, Inc.</p> <p>Feb. 1997 Seconded to Nikko Investor Relations Co., Ltd.</p> <p>Aug. 1999 Joined Oracle Corporation Japan</p> <p>Jan. 2002 Joined E-System Corporation</p> <p>Mar. 2006 Director, E-System Corporation</p> <p>Mar. 2008 Joined Sanko Soflan Co., Ltd. (currently Sanko Soflan Holdings Co., Ltd.)</p> <p>Nov. 2009 Joined GMO AD Partners Inc.</p> <p>May 2011 Joined CCS Inc.</p> <p>Jun. 2011 Manager, Management Strategy Group, CCS Inc.</p> <p>Aug. 2011 Executive Officer (<i>Shikkoyaku</i>) in charge of Corporate Planning Division and Manager, Management Strategy Group, CCS Inc.</p> <p>Feb. 2012 Executive Officer (<i>Shikkoyaku</i>) in charge of Corporate Planning Division and New Business Division, CCS Inc.</p> <p>Nov. 2013 Managing Executive Officer (<i>Shikkoyakuin</i>) in charge of Domestic Sales Division and Management Strategy Office, CCS Inc.</p> <p>Oct. 2015 Director and Managing Executive Officer (<i>Shikkoyaku</i>) in charge of Domestic Sales Division and Management Strategy Office, CCS Inc.</p> <p>Apr. 2016 Director and Managing Executive Officer (<i>Shikkoyaku</i>) in charge of Domestic Sales Division, Corporate Planning Division, Management Strategy Office, and Management Support Department, CCS Inc.</p> <p>Aug. 2016 Managing Director in charge of Domestic Sales Division, Corporate Planning Division, Management Strategy Office, and Management Support Department, CCS Inc.</p> <p>Oct. 2016 President, CCS Inc. (current position)</p> <p>Jan. 2017 Director, OPTEX GROUP Company, Limited (current position)</p>	0 shares
<p>Significant concurrent positions President, CCS Inc.</p> <p>Reason for election The Company requests the reelection of Hiroyuki Onishi as Director because he has abundant experience and a track record serving as Executive Officer (<i>Shikkoyaku</i>) and Director in charge of the Corporate Planning Division, Management Strategy Office, and Sales Division of CCS Inc., and the Company considers that he is a talented individual who is appropriate for the position of Director and that his election will continue to improve the Group's corporate value.</p> <p>Special interest between the candidate and the Company OPTEX FA CO., LTD., a wholly-owned subsidiary of the Company, concluded a comprehensive business alliance agreement with CCS Inc., where candidate Hiroyuki Onishi serves as President.</p>			

Note: The "Number of the Company's shares held" shown for each candidate is the number of shares held as of December 31, 2016, and does not reflect the number of shares allotted through the share exchange with OPTEX FA CO., LTD., which went into effect January 1, 2017.

Proposal 3: Election of One (1) Director Who Is an Audit and Supervisory Committee Member

Under current circumstances, where changes are occurring in management structure such as a generational transition in management, the Company requests the election of one (1) Director who is an Audit and Supervisory Committee Member, increasing the number of Directors who are Audit and Supervisory Committee Members by one, to strengthen and enhance the audit structure.

If this proposal is approved and adopted, the number of Directors who are Audit and Supervisory Committee Members will be four (4).

The Board of Directors selected the candidate for Director who is an Audit and Supervisory Committee Member upon receiving a report from the Nomination Advisory Committee. In addition, Audit and Supervisory Committee has consented to this proposal.

The candidate for Director who is an Audit and Supervisory Committee Member is as follows:

Name (Date of birth)	Career summary and position and areas of responsibility in the Company (significant positions concurrently held at other organizations)	Number of the Company's shares held
Hiromu Miza (Aug. 13, 1947)	Apr. 1970 Joined SANYO Electric Co., Ltd. Jun. 1998 Managing Director, SANYO Electric Medica Systems Co., Ltd. Oct. 2001 Managing Director, SANYO Electric Biomedical Co., Ltd. Sep. 2004 Joined Sanyo Human Network Co., Ltd. Mar. 2005 Standing Auditor, OPTEX FA CO., LTD. (current position) Aug. 2016 Outside Director who is an Audit and Supervisory Committee Member, CCS Inc. (current position)	0 shares
Significant concurrent positions Outside Director who is an Audit and Supervisory Committee Member, CCS Inc.		
Reason for election The Company requests the election of Hiromu Miza as Outside Director who is an Audit and Supervisory Committee Member because he has experience serving in charge of the business management divisions of a leading electronics manufacturer and its associates, as well as broad insights and abundant knowledge and experience. In addition, he has a track record of serving for over 11 years as an Audit & Supervisory Board Member (Full-time) of OPTEX FA CO., LTD., a subsidiary of the Company, and the Company considers that he will contribute to further enhancement of the management structure of the Company. If his election is approved, the Company will register him as an independent officer as specified by the Tokyo Stock Exchange.		
Limited liability agreement with the candidate for Outside Director If the election of Hiromu Miza is approved, the Company, pursuant to the provision of Article 427, paragraph (1) of the Companies Act, will enter into an agreement with Hiromu Miza to limit liability. Damages and the limit of the liability based on such agreements shall be the minimum amount stipulated in laws and regulations.		
Special interest between the candidate and the Company There is no special interest between Hiromu Miza and the Company.		

- Notes: 1. Hiromu Miza is a new candidate for Outside Director.
2. The "Number of the Company's shares held" shown for the candidate is the number of shares held as of December 31, 2016, and does not reflect the number of shares allotted through the share exchange with OPTEX FA CO., LTD., which went into effect January 1, 2017.

Proposal 4: Determination of Remuneration Amounts for Granting Restricted Shares to Directors (Excluding Directors and Outside Directors Who Are Audit and Supervisory Committee Members) and Other Terms Thereof

At the Extraordinary General Meeting of Shareholders held on June 7, 2016, shareholders approved the remuneration amount for Directors (excluding Directors who are Audit and Supervisory Committee Members) of the Company to be set at a total of ¥300,000 thousand or less per year (providing that this amount includes directors' bonuses but excludes salary paid to a Director for his service in a concurrent employee role).

Now, the Company requests an approval for payment of remuneration for granting the restricted shares to Directors of the Company (excluding Directors and Outside Directors who are Audit and Supervisory Committee Members, hereinafter the "Target Directors") within the scope of remuneration given above, with the aim of giving incentives to the Target Directors for sustainable growth in our corporate value and making the Target Directors further share value with our shareholders.

The remuneration to be paid to the Target Directors for granting the restricted shares shall be monetary claim, and its total amount shall be ¥25,000 thousand or less per year, the level of amount deemed as reasonable in light of the aforementioned objective. Also, specific granting periods and allocation of the remuneration to each Director shall be deliberated by the Remuneration Advisory Committee and the final decision shall be made by the Board of Directors, giving due respect to the opinion of the Remuneration Advisory Committee.

The Company currently has five (5) Target Directors, and if the Proposal 2 is approved and adopted, the number of Target Directors will remain unchanged at five (5).

In addition, the Target Directors shall pay all of the monetary remuneration claims to be provided in accordance with resolution of the Board of Directors of the Company in the form of property contributed in kind, and shall have the common stock of the Company be issued or disposed of. The total number of the common stock of the Company to be issued or disposed of thereby shall be 10,000 shares or less per year, and the amount to be paid per share shall be determined based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately before each resolution by the Board of Directors (if no trades are made on such date, the closing price of the closest preceding trading day). For the issuance or disposal of the common stock of the Company, an agreement on allotment of the restricted shares that includes the following provisions (hereinafter the "Allotment Agreement") shall be entered into between the Company and each Target Director. (Hereinafter common stock of the Company allotted under the Allotment Agreement referred to as "Allotted Shares.")

(1) Restricted Period

The Target Director may not transfer, offer as security, or otherwise dispose of the Allotted Shares for the period of three years that starts from the day of Allotted Shares paid as determined in advance by the Board of Directors of the Company (hereinafter the "Restricted Period").

(2) Reasons for acquisition of Allotted Shares by rights without contribution

- 1) If the Target Director resigns from the position of the Director of either the Company or a subsidiary of the Company (excluding in case of resignation due to decease and term expiration of office, or when a justifiable reason is acknowledged by the Board of Directors) by the expiry date of the Restricted Period, the Company shall acquire all of Allotted Shares by rights without contribution.
- 2) If the "performance conditions established in advance by the Board of Directors of the Company" are not met by the expiry date of the Restricted Period determined in advance by the Board of Directors of the Company, the Company shall acquire all of Allotted Shares by rights without contribution.
- 3) Other reasons for acquisition of Allotted Shares by rights without contribution are based on decisions made by the Board of Directors of the Company and are in accordance with what is specified in the Allotment Agreement.

(3) Treatment during reorganization, etc.

If the effective date of a merger in which the Company will be the absorbed company, a share exchange or share transfer in which the Company will be the wholly-owned subsidiary, or other organizational restructuring, etc., is during the Restricted Period, the Company shall acquire all of Allotted Shares by rights without contribution on the business day before said effective date.

(4) Other matters

Other matters regarding the Allotment Agreement shall be determined by the Board of Directors of the Company.

(Reference)

If approval is granted at this General Meeting of Shareholders to implement this system, the Company will also implement this system for the Directors of the Company's subsidiaries, with the same details as shown above.