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| (Note) This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. |
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Stock code: 6914  
March 3, 2022

To our shareholders,

Isamu Oguni, President and CEO  
**OPTEX GROUP Company, Limited**  
4-7-5, Nionohama, Otsu-shi, Shiga

## Notice of the 43rd Ordinary General Meeting of Shareholders

You are cordially invited to attend the 43rd Ordinary General Meeting of Shareholders of OPTEX GROUP Company, Limited (the “Company”), which will be held as described below.

From the perspective of preventing the spread of the novel coronavirus disease (COVID-19), we strongly recommend that you reconsider any plans to attend the meeting in person and exercise your voting rights beforehand either via the Internet or in writing. Please study the Reference Documents for the General Meeting of Shareholders below and exercise your voting rights by 5:30 p.m. on Thursday, March 24, 2022 (JST).

1. **Date and Time:** Friday, March 25, 2022, at 10:00 a.m.
2. **Place:** Genji Ballroom (3rd floor), Hotel Granvia Kyoto  
Shiokoji-sagaru, Karasuma-dori, Shimogyo-ku, Kyoto-shi  
(Located in the JR Kyoto Station Building)
3. **Purposes:**
  - Matters to be reported:**
    1. Reports on the Business Report and the Consolidated Financial Statements for the 43rd fiscal year (from January 1, 2021 to December 31, 2021), 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 43rd fiscal year (from January 1, 2021 to December 31, 2021)
  - Matters to be resolved:**
    - Proposal 1:** Appropriation of Surplus
    - Proposal 2:** Partial Amendments to the Articles of Incorporation
    - Proposal 3:** Election of Eight (8) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
    - Proposal 4:** Election of Two (2) Director Who Is an Audit and Supervisory Committee Member

- You are kindly requested to present the enclosed Voting Card to the receptionist when you attend the meeting in person. For the purpose of saving resources, please be sure to bring this notice with you.
- 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 (<https://www.optexgroup.co.jp>). 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 43rd fiscal year, in consideration of the business performance during the fiscal year under review, future business development and other factors, we propose to pay ¥15 per share as described below. Together with the interim dividend of ¥15 per share, the annual dividend will be ¥30 per share.

#### Year-end dividends

##### (1) Type of dividend property

Cash

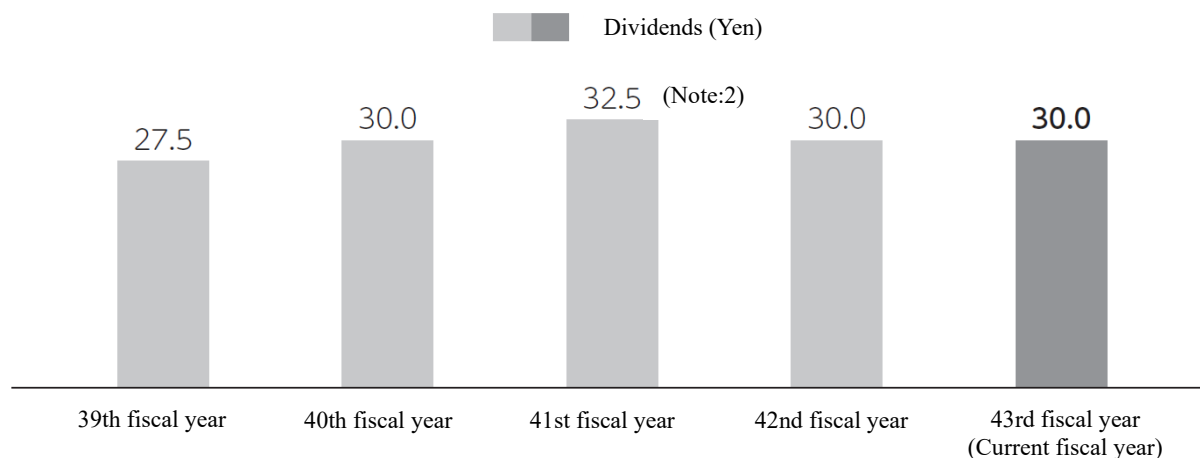
##### (2) Allotment of dividend property and total amount thereof

Dividend per common stock of the Company: ¥15      Total amount: ¥532,816,500

##### (3) Effective date of the dividend of surplus

March 28, 2022

#### (Reference) Trends in annual dividend per share



- Notes: 1. The Company conducted a two-for-one share split on April 1, 2018.  
The amount shown for the annual dividend per share for the 39th fiscal year has been converted taking into account the share split.
2. The dividend for the 41st fiscal year of ¥32.5 includes a commemorative dividend of ¥2.5 to celebrate the 40th anniversary of the Company's founding.

**Proposal 2:** Partial Amendments to the Articles of Incorporation

1. Reasons for the Proposal

Since the revised provisions provided for in a proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation in preparation for the introduction of the system for providing informational materials for the general meeting of shareholders in electronic format.

- (1) Article 16, paragraph (1) in “Proposed Amendments” below will stipulate that the Company shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.
- (2) Article 16, paragraph (2) in “Proposed Amendments” below will establish the provision to limit the scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents.
- (3) Since the provisions for Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc. (Article 16 of the current Articles of Incorporation) will no longer be required, they will be deleted.
- (4) Accompanying the aforementioned new establishment and deletion, a supplementary provision regarding the effective date, etc. will be established.

2. Details of the Amendments

Details of the amendments are as follows:

(Underlined portions indicate amendments.)

| Current Articles of Incorporation  | Proposed Amendments   |
|--|---|
| <u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u><br><br><u>Article 16 When the Company convenes a general meeting of shareholders, if it discloses information that is to be stated or presented in the reference documents for the general meeting of shareholders, business report, financial statements and consolidated financial statements through the Internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</u><br><br><Newly established> | <Deleted><br><br><u>(Measures for Providing Information in Electronic Format, Etc.)</u><br><u>Article 16</u><br><u>1. When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u> |

| Current Articles of Incorporation | Proposed Amendments  |
|-----------------------------------|--|
| <Newly established>               | <p data-bbox="805 241 1393 465">2. <u>Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p> <p data-bbox="805 501 1062 528"><u>Supplementary Provisions</u></p> <p data-bbox="805 562 1393 891">1. <u>The deletion of Article 16 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation and the new establishment of the proposed revision of Article 16 (Measures for Providing Information in Electronic Format, Etc.) shall be effective from the date of enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (September 1, 2022, hereinafter referred to as the “Date of Enforcement”).</u></p> <p data-bbox="805 925 1393 1115">2. <u>Notwithstanding the provision of the preceding paragraph, Article 16 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation shall remain effective regarding any general meeting of shareholders held on a date within six months from the Date of Enforcement.</u></p> <p data-bbox="805 1149 1393 1283">3. <u>These Supplementary Provisions shall be deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</u></p> |

**Proposal 3:** Election of Eight (8) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all Eight (8) 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 eight (8) 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:



**(Reference) Candidates for Directors**

| No. | Name  | Gender   | Current position and areas of responsibility in the Company | Attendance at meetings of Board of Directors during the 43rd fiscal year |
|-----|---|----------|---|--|
| 1   | Isamu Oguni<br><b>Reelection</b> (69 years old)                                     | [Male]   | President and CEO   | 13/13  |
| 2   | Hiroyuki Onishi<br><b>Reelection</b> (56 years old)                                 | [Male]   | Director and CFO  | 13/13  |
| 3   | Toru Kobayashi<br><b>Reelection</b> (74 years old)                                  | [Male]   | Director and Senior Corporate Adviser                       | 13/13  |
| 4   | Toru Kamimura<br><b>Reelection</b> (61 years old)                                   | [Male]   | Director  | 13/13  |
| 5   | Tatsuya Nakajima<br><b>Reelection</b> (55 years old)                                | [Male]   | Director  | 13/13  |
| 6   | Akira Higashi<br><b>Reelection</b> (60 years old)                                   | [Male]   | Director  | 13/13  |
| 7   | Kazuhiro Yoshida<br><b>Reelection<br/>Outside<br/>Independent</b><br>(61 years old) | [Male]   | Outside Director<br>Independent officer                     | 13/13  |
| 8   | Nanako Aono<br><b>Reelection<br/>Outside<br/>Independent</b><br>(60 years old)      | [Female] | Outside Director<br>Independent officer                     | 13/13  |


Note: The “Attendance at meetings of Board of Directors during the 43rd fiscal year” excludes five written resolutions.


| No.   | Name<br>(Date of birth)   | Career summary and position and areas of responsibility<br>in the Company  | Number of<br>the Company's<br>shares held |
|---|---|--|---|
| 1   |  <p><b>Reelection</b></p> <p>Isamu Oguni<br/>(May 17, 1952)</p> <p>Attendance at meetings of<br/>Board of Directors:<br/>13/13</p>       | <p>Mar. 1981 Joined OPTEX Company, Limited</p> <p>Feb. 1988 Director, OPTEX Company, Limited</p> <p>Jan. 2002 President, OPTEX FA CO., LTD. with the establishment of OPTEX FA CO., LTD.</p> <p>Oct. 2016 Director, CCS Inc.</p> <p>Jan. 2017 President and COO, OPTEX GROUP Company, Limited</p> <p>Mar. 2019 President and CEO, OPTEX GROUP Company, Limited (current position)</p>  | 119,592 shares                            |
| <p><b>Significant concurrent positions</b><br/>No items to report.</p> <p><b>Reason for election</b><br/>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 17 years and President of OPTEX FA CO., LTD., which was a listed company up to 2016, for over 15 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><b>Special interest between the candidate and the Company</b><br/>There is no special interest between Isamu Oguni and the Company.</p>   |   |  |   |
| 2   |  <p><b>Reelection</b></p> <p>Hiroyuki Onishi<br/>(Aug. 8, 1965)</p> <p>Attendance at meetings of<br/>Board of Directors:<br/>13/13</p> | <p>May 2011 Joined 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>Oct. 2015 Director and Managing Executive Officer (<i>Shikkoyaku</i>) in charge of Domestic Sales Division and Management Strategy Office, 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</p> <p>Mar. 2021 Director and CFO, OPTEX GROUP Company, Limited (current position)</p> | 16,440 shares                             |
| <p><b>Significant concurrent positions</b><br/>President, CCS Inc.</p> <p><b>Reason for election</b><br/>The Company requests the reelection of Hiroyuki Onishi as Director because he was engaged in corporate management at a group company of a leading Japanese securities firm and other companies for over 21 years since 1990, and has abundant experience and a track record in corporate management such as 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. 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><b>Special interest between the candidate and the Company</b><br/>There is no special interest between Hiroyuki Onishi and the Company.</p> |   |  |   |

| No.   | Name<br>(Date of birth)   | Career summary and position and areas of responsibility<br>in the Company   | Number of<br>the Company's<br>shares held |
|---|---|---|---|
| 3   |  <p><b>Reelection</b></p> <p>Toru Kobayashi<br/>(Jan. 10, 1948)</p> <p>Attendance at meetings of<br/>Board of Directors:<br/>13/13</p> | <p>May 1979 Established OPTEX Company, Limited<br/>Assumed office as President and Representative<br/>Director, OPTEX Company, Limited</p> <p>Jan. 2002 President and CEO, OPTEX Company, Limited</p> <p>Jan. 2012 Chairman, President and CEO, OPTEX Company,<br/>Limited</p> <p>Jan. 2017 Chairman and CEO, OPTEX GROUP Company,<br/>Limited</p> <p>Mar. 2019 Director and Senior Corporate Adviser, OPTEX<br/>GROUP Company, Limited (current position)</p>  | 1,194,190<br>shares                       |
| <p><b>Significant concurrent positions</b><br/>No items to report.</p> <p><b>Reason for election</b><br/>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><b>Special interest between the candidate and the Company</b><br/>There is no special interest between Toru Kobayashi and the Company.</p>                      |   |   |   |
| 4   |  <p><b>Reelection</b></p> <p>Toru Kamimura<br/>(Apr. 9, 1960)</p> <p>Attendance at meetings of<br/>Board of Directors:<br/>13/13</p> | <p>Nov. 2006 Joined OPTEX Company, Limited</p> <p>Jan. 2007 Executive Officer, General Manager, Technology<br/>Development Division, OPTEX Company, Limited</p> <p>Jan. 2011 Executive Officer, General Manager, SEC Business<br/>Division, OPTEX Company, Limited</p> <p>Mar. 2012 Director and Executive Officer, General Manager,<br/>SEC Business Division, OPTEX Company, Limited</p> <p>Jan. 2014 Director and Executive Officer, General Manager,<br/>Corporate Business Strategy Headquarters and<br/>Manager, NSS Business Division, OPTEX Company,<br/>Limited</p> <p>Jan. 2017 Director, OPTEX GROUP Company, Limited (current<br/>position)</p> <p>President, OPTEX Company, Limited (current<br/>position)</p> | 18,392 shares                             |
| <p><b>Significant concurrent positions</b><br/>President, OPTEX Company, Limited</p> <p><b>Reason for election</b><br/>The Company requests the reelection of Toru Kamimura as Director because he developed a track record as a technical expert at a major Japanese electronics manufacturer for over 22 years since 1983, has served as General Manager in both the Company's Development Division and Sales Division, and has abundant experience and a track record as Director. 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><b>Special interest between the candidate and the Company</b><br/>There is no special interest between Toru Kamimura and the Company.</p> |   |   |   |

| No.   | Name<br>(Date of birth)   | Career summary and position and areas of responsibility<br>in the Company  | Number of<br>the Company's<br>shares held |
|---|---|--|---|
| 5   |  <p><b>Reelection</b></p> <p>Tatsuya Nakajima<br/>(Oct. 11, 1966)</p> <p>Attendance at meetings of<br/>Board of Directors:<br/>13/13</p> | <p>Apr. 2016 Joined OPTEX FA CO., LTD.</p> <p>Jul. 2016 General Manager, Sensor Sales Division, OPTEX FA CO., LTD.</p> <p>Jan. 2017 Director, OPTEX FA CO., LTD.</p> <p>Mar. 2017 Executive Director, OPTEX FA CO., LTD.</p> <p>Mar. 2018 President, OPTEX FA CO., LTD. (current position)<br/>Director, OPTEX GROUP Company, Limited (current position)</p>   | 7,628 shares                              |
| <p><b>Significant concurrent positions</b><br/>President, OPTEX FA CO., LTD.</p> <p><b>Reason for election</b><br/>The Company requests the reelection of Tatsuya Nakajima as Director because he has abundant experience and a track record of serving for over 27 years since 1989 in leading companies in the factory automation sensor industry in Japan and overseas. 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><b>Special interest between the candidate and the Company</b><br/>There is no special interest between Tatsuya Nakajima and the Company.</p>   |   |  |   |
| 6   |  <p><b>Reelection</b></p> <p>Akira Higashi<br/>(Jun. 10, 1961)</p> <p>Attendance at meetings of<br/>Board of Directors:<br/>13/13</p>  | <p>Apr. 1984 Joined OPTEX Company, Limited</p> <p>Jan. 2003 Head, President's Office, OPTEX Company, Limited</p> <p>Jan. 2004 Executive Officer, General Manager, Corporate Planning Division, OPTEX Company, Limited</p> <p>Jan. 2005 Executive Officer, General Manager, Administration Division, OPTEX Company, Limited</p> <p>Mar. 2012 Director and Executive Officer, General Manager, Administration Division, OPTEX Company, Limited</p> <p>Jan. 2014 Director and Executive Officer, General Manager, Administrative Headquarters and General Manager, Administration Division, OPTEX Company, Limited</p> <p>Jan. 2017 Executive Director and CFO, OPTEX GROUP Company, Limited</p> <p>Mar. 2021 Director, OPTEX GROUP Company, Limited (current position)</p> <p>Nov. 2021 President, MITSUTEC CO., LTD. (current position)</p> | 28,360 shares                             |
| <p><b>Significant concurrent positions</b><br/>President, MITSUTEC CO., LTD.</p> <p><b>Reason for election</b><br/>Akira Higashi has a major role in the management of the Group as 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. 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><b>Special interest between the candidate and the Company</b><br/>There is no special interest between Akira Higashi and the Company.</p> |   |  |   |



| No.   | Name<br>(Date of birth)   | Career summary and position and areas of responsibility<br>in the Company   | Number of<br>the Company's<br>shares held |
|---|---|---|---|
| 7   |  <p><b>Reelection<br/>Outside<br/>Independent</b></p> <p>Kazuhiro Yoshida<br/>(Jun. 8, 1960)</p> <p>Attendance at meetings of<br/>Board of Directors:<br/><br/>13/13</p> | <p>Apr. 1983 Joined SANYO Electric Co., Ltd.</p> <p>Apr. 1990 Assigned to New York, SANYO North America Corporation</p> <p>Oct. 2004 Director, SANYO EPSON IMAGING DEVICES CORPORATION</p> <p>Apr. 2007 General Manager, General Affairs and Human Resources Division, SANYO Electric Co., Ltd.</p> <p>Apr. 2008 Executive Officer, SANYO Electric Co., Ltd. Vice President, SANYO Semiconductor Co., Ltd.</p> <p>Sep. 2010 Executive Officer, Deputy General Manager, Corporate Planning Division, SANYO Electric Co., Ltd.</p> <p>Feb. 2011 Executive Officer, Vice Company Manager, Mobile Energy Company, SANYO Electric Co., Ltd.</p> <p>Apr. 2012 Vice President, In Charge of Solar Business, Energy Company, Panasonic Corporation, and Executive Officer, General Manager, Solar Business Unit, Energy Company, SANYO Electric Co., Ltd.</p> <p>Apr. 2016 General Manager, Solar Systems Business Unit, Energy Systems Business Division, Eco Solutions Company, Panasonic Corporation</p> <p>Apr. 2018 Executive, In charge of Energy Technology, Engineering Division, Eco Solutions Company, Panasonic Corporation</p> <p>Mar. 2020 Outside Director, OPTEX GROUP Company, Limited (current position)</p> | 700 shares                                |
| <p><b>Significant concurrent positions</b><br/>No items to report.</p> <p><b>Reason for election and overview of expected roles</b><br/>The Company requests the reelection of Kazuhiro Yoshida as Outside Director because he has abundant experience and broad insights, having long served at major Japanese electronics manufacturers as a technical expert, General Manager, etc. in both General Affairs and Human Resources Division and Corporate Planning Division, an executive officer and Director of an affiliated 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. Kazuhiro Yoshida is currently Outside Director of the Company, and at the conclusion of this meeting, he will have served two years as Outside Director of the Company.</p> <p><b>Special interest between the candidate and the Company</b><br/>There is no special interest between Kazuhiro Yoshida and the Company.</p> |   |   |   |

| No.   | Name<br>(Date of birth)   | Career summary and position and areas of responsibility<br>in the Company   | Number of<br>the Company's<br>shares held |
|---|---|---|---|
| 8   |  <p><b>Reelection<br/>Outside<br/>Independent</b></p> <p>Nanako Aono<br/>(Jan. 15, 1962)</p> <p>Attendance at meetings of<br/>Board of Directors:<br/><br/>13/13</p> | <p>Apr. 1984 Joined The Nikko Securities Co., Ltd. (currently, SMBC Nikko Securities Inc.)</p> <p>Nov. 1995 Joined ChuoAoyama Audit Corporation</p> <p>Jul. 2002 Joined BUSICOM. (currently, OAG BUSICOM.)</p> <p>Mar. 2005 Director, BUSICOM.</p> <p>Jun. 2008 Outside Audit &amp; Supervisory Board Member, DUSKIN CO., LTD.</p> <p>May 2010 Representative Director and President, GEN Co., Ltd. (current position)</p> <p>Jun. 2017 Outside Corporate Auditor, MISUMI Group Inc. (current position)</p> <p>Jun. 2019 Outside Corporate Auditor, Nippon Paper Industries Co., Ltd. (current position)</p> <p>Mar. 2020 Outside Director, OPTEX GROUP Company, Limited (current position)</p> <p>Mar. 2021 Outside Corporate Auditor, MEIKO NETWORK JAPAN., LTD. (current position)</p> | 2,500 shares                              |
| <p><b>Significant concurrent positions</b><br/>Representative Director and President, GEN Co., Ltd.<br/>Outside Corporate Auditor, MISUMI Group Inc.<br/>Outside Corporate Auditor, Nippon Paper Industries Co., Ltd.<br/>Outside Corporate Auditor, MEIKO NETWORK JAPAN., LTD.</p> <p><b>Reason for election and overview of expected roles</b><br/>The Company requests the reelection of Nanako Aono as Outside Director because she has long served as a certified public accountant and as Audit &amp; Supervisory Board member of listed companies. The Company considers that she is a talented individual who is appropriate for the position of Director and that her election will contribute to further enhancement of the Group's corporate governance and continue to improve the Group's corporate value by providing sound advice based on her abundant business experience and broad insights.<br/>Nanako Aono is currently Outside Director of the Company, and at the conclusion of this meeting, she will have served two years as Outside Director of the Company.</p> <p><b>Special interest between the candidate and the Company</b><br/>There is no special interest between Nanako Aono and the Company.</p> |   |   |   |

- Notes: 1. Kazuhiro Yoshida and Nanako Aono are candidates for Outside Directors.
2. Kazuhiro Yoshida and Nanako Aono satisfy the requirements for independent officers as stipulated by the Tokyo Stock Exchange, Inc. and the independence criteria established by the Company. If their reelection is approved, the Company will register them again as independent officers as stipulated by the Tokyo Stock Exchange, Inc. Consequently, the number of the Company's independent officers will continue to be four (4), including Minoru Kida, who is currently Outside Director who is an Audit and Supervisory Committee Member, and Yasushi Sakemi, who will assume office as Outside Director who is an Audit and Supervisory Committee Member if Proposal 4 is approved as proposed.
3. The Company has, pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, entered into agreements with all Directors (excluding Directors that execute business, etc.) to limit liability for damages under Article 423, paragraph (1) of the Companies Act. The limit of the liability based on such agreements shall be the minimum amount stipulated in laws and regulations. If the reelection of Kazuhiro Yoshida and Nanako Aono is approved, the Company will continue the same agreement with them.

4. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company in order to secure excellent personnel and prevent irresolution in the officers' execution of duties. All the candidates for Directors put forward in this proposal are candidates for reelection and already insured persons in the insurance policy. They will continue to be insured persons after they assume office. For the overview of this insurance policy, please refer to the "Overview of the directors and officers liability insurance policy" on page 16.

**Proposal 4:** Election of Two (2) Directors Who Are Audit and Supervisory Committee Members

The terms of office of Two (2) Directors who are Audit and Supervisory Committee Members, Yukio Kuroda, and Yasushi Sakemi, will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company requests the election of two (2) Directors who are Audit and Supervisory Committee Members.

If this proposal is approved and adopted, the number of Directors who are Audit and Supervisory Committee Members will continue to be three (3).


The Board of Directors selected the candidates for Directors who are Audit and Supervisory Committee Members upon receiving a report from the Nomination Advisory Committee. In addition, Audit and Supervisory Committee has consented to this proposal.


The candidates for Directors who are Audit and Supervisory Committee Members are as follows:

**(Reference) Candidates for Directors**

| No. | Name  | Gender | Current position and areas of responsibility in the Company                              | Attendance at meetings of Board of Directors and Audit and Supervisory Committee during the 43rd fiscal year |
|-----|---|--------|--|--|
| 1   | Yukio Kuroda<br><b>Reelection</b><br>(66 years old)                       | [Male] | Director who is an Audit and Supervisory Committee Member (Full-time)                    | Meetings of Board of Directors: 13/13<br>Meetings of Audit and Supervisory Committee: 14/14                  |
| 2   | Yasushi Sakemi<br><b>Reelection Outside Independent</b><br>(63 years old) | [Male] | Outside Director who is an Audit and Supervisory Committee Member<br>Independent Officer | Meetings of Board of Directors: 13/13<br>Meetings of Audit and Supervisory Committee: 14/14                  |

Note: The "Attendance at meetings of Board of Directors during the 43rd fiscal year" excludes five written resolutions.

| No.   | Name<br>(Date of birth)   | Career summary and position and areas of responsibility<br>in the Company  | Number of<br>the Company's<br>shares held |
|---|---|--|---|
| 1   |  <p><b>Reelection</b></p> <p>Yukio Kuroda<br/>(Dec. 13, 1955)</p> <p>Attendance at meetings of<br/>Board of Directors:<br/>13/13</p> <p>Attendance at meetings of<br/>Audit and Supervisory<br/>Committee:<br/>14/14</p> | <p>Dec. 1989 Joined OPTEX Company, Limited</p> <p>Sep. 1993 Seconded to OPTEX MORSE INC. (currently<br/>OPTEX INCORPORATED)</p> <p>Jan. 2003 Internal Audit Office, OPTEX Company, Limited</p> <p>Apr. 2004 Head, Internal Audit Office, OPTEX Company,<br/>Limited</p> <p>Jan. 2008 Head, Group Internal Audit Office, OPTEX Company,<br/>Limited</p> <p>Mar. 2015 Standing Auditor, OPTEX Company, Limited</p> <p>Jun. 2016 Director who is an Audit and Supervisory Committee<br/>Member (Full-time), OPTEX Company, Limited<br/>(current position)</p> <p>Jul. 2018 Company Auditor, CCS Inc. (current position)</p> | 2,820 shares                              |
| <p><b>Significant concurrent positions</b><br/>No items to report.</p> <p><b>Reason for election</b><br/>The Company requests the reelection of Yukio Kuroda as Director who is an Audit and Supervisory Committee Member because of his experience and track record serving multiple positions including serving for more than ten years as the Head of the Company's Internal Audit Office, as a Standing Auditor since 2015, and as a full-time Director who is an Audit and Supervisory Committee Member following the transition to a company with Audit and Supervisory Committee in 2016. The Company considers that he is a talented individual who is appropriate for the position of Director who is an Audit and Supervisory Committee Member.</p> <p><b>Special interest between the candidate and the Company</b><br/>There is no special interest between Yukio Kuroda and the Company.</p> |   |  |   |

| No.  | Name<br>(Date of birth)   | Career summary and position and areas of responsibility<br>in the Company  | Number of<br>the Company's<br>shares held |
|--|---|--|---|
| 2  |  <p><b>Reelection<br/>Outside<br/>Independent</b></p> <p>Yasushi Sakemi<br/>(Dec. 24, 1958)</p> <p>Attendance at meetings of<br/>Board of Directors:<br/>13/13</p> <p>Attendance at meetings of<br/>Audit and Supervisory<br/>Committee:<br/>14/14</p> | <p>Apr. 1991 Registered as an attorney at law</p> <p>Apr. 1993 Joined Tetsuro Sakemi Law Office (currently Sakemi Law Office)</p> <p>Jun. 2004 Outside Auditor, SHOFU INC. (current position)</p> <p>Oct. 2009 Outside Director, CCS Inc.</p> <p>Aug. 2016 Outside Director (Audit and Supervisory Committee Member), CCS Inc.</p> <p>Jul. 2018 Company Auditor, CCS Inc. (current position)</p> <p>Mar. 2019 Director, OPTEX GROUP Company, Limited</p> <p>Mar. 2020 Outside Director who is an Audit and Supervisory Committee Member, OPTEX GROUP Company, Limited (current position)</p> | 8,620 shares                              |
| <p><b>Significant concurrent positions</b><br/>Head, Sakemi Law Office<br/>Outside Auditor, SHOFU INC.</p> <p><b>Reason for election and overview of expected roles</b><br/>The Company requests the election of Yasushi Sakemi as Outside Director who is an Audit and Supervisory Committee Member because he has long served as an attorney. The Company considers that he will contribute to further enhancement of the audit structure of the Group by providing sound advice based on his abundant business experience and broad insights as well as his advanced legal knowledge.<br/>Yasushi Sakemi has never in the past been involved in the management of a company except as an outside officer. However, the Company judges he will appropriately fulfill his duties as Outside Director based on the above reasons. Yasushi Sakemi is currently Outside Director who is an Audit and Supervisory Committee Member of the Company, and at the conclusion of this meeting, he will have served two years as Outside Director who is an Audit and Supervisory Committee Member.</p> <p><b>Special interest between the candidate and the Company</b><br/>There is no special interest between Yasushi Sakemi and the Company.</p> |   |  |   |

- Notes: 1. Yasushi Sakemi is a candidate for Outside Director who is an Audit and Supervisory Committee Member.
2. Yasushi Sakemi currently serves as a non-executive officer of the Company's subsidiaries (Audit and Supervisory Committee Member).
3. Yasushi Sakemi satisfies the requirements for an independent officer as stipulated by the Tokyo Stock Exchange, Inc. and the independence criteria established by the Company. If his reelection is approved, the Company will register him again as an independent officer as stipulated by the Tokyo Stock Exchange, Inc.  
Consequently, the number of the Company's independent officers will continue to be four (4), including, Minoru Kida, who is currently Outside Director who is an Audit and Supervisory Committee Member, and Kazuhiro Yoshida and Nanako Aono, who will assume office as Outside Director if Proposal 3 is approved as proposed.
4. The Company has, pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, entered into agreements with all Directors who are Audit and Supervisory Committee Members to limit liability for damages under Article 423, paragraph (1) of the Companies Act. The limit of the liability based on such agreements shall be the minimum amount stipulated in laws and regulations. If the reelection of Yukio Kuroda and Yasushi Sakemi is approved, the Company will continue the same agreement with them.

5. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company in order to secure excellent personnel and prevent irresolution in the officers' execution of duties. All the candidates for Directors who are Audit and Supervisory Committee Member put forward in this proposal are candidates for reelection and already insured persons in the insurance policy. They will continue to be insured persons after they assume office. For the overview of this insurance policy, please refer to the "Overview of the directors and officers liability insurance policy" on page 16.

**(Reference 1)**

**Table of experience and knowledge held by Directors of the Company and Directors who are Audit and Supervisory Committee Members (after the conclusion of the 43rd Ordinary General Meeting of Shareholders)**

|   | Name             | Corporate management/Management strategy | International experience | Audit/Internal control | Technology/Research and development | Sales/Marketing | Finance/Accounting   | Legal affairs/Risk management |
|---|------------------|--|--------------------------|------------------------|-------------------------------------|-----------------|--|-------------------------------|
| Directors   | Isamu Oguni      | ●  | ●                        |                        |                                     | ●               | ●  | ●                             |
|   | Hiroyuki Onishi  | ●  |                          |                        |                                     | ●               | ●  | ●                             |
|   | Toru Kobayashi   | ●  | ●                        |                        | ●                                   | ●               | ●  |                               |
|   | Toru Kamimura    | ●  |                          |                        | ●                                   | ●               |  |                               |
|   | Tatsuya Nakajima | ●  | ●                        |                        |                                     | ●               |  |                               |
|   | Akira Higashi    | ●  |                          |                        | ●                                   | ●               | ●  | ●                             |
|   | Kazuhiro Yoshida | ●  | ●                        |                        | ●                                   | ●               |  |                               |
|   | Nanako Aono      | ●  |                          | ●                      |                                     |                 | ●<br>(Certified public accountant)                                     | ●                             |
| Directors who are Audit and Supervisory Committee Members | Yukio Kuroda     |  | ●                        | ●                      |                                     |                 | ●  | ●                             |
|   | Yasushi Sakemi   |  |                          | ●                      |                                     |                 |  | ●<br>(Attorney at law)        |
|   | Minoru Kida      |  | ●                        | ●                      |                                     |                 | ●<br>(Certified public tax accountant and certified public accountant) | ●                             |

\* The above table does not represent all of the experience and knowledge possessed by each Director.

**(Reference 2)**

**Independence standards for the purpose of appointing Outside Directors**

The Company stipulates the following as its independence standards for the purpose of appointing Outside Directors and determines that an Outside Director is independent if he or she does not fall under any of the following categories. Upon appointment, the Company determines individually that he or she can perform his or her duties as an Outside Director from a standpoint independent of the Company, based on the absence of any relationship affecting the Company's decision making and the absence of any special interest in the Company, etc.

The Company judges independent officers to be independent when they are persons who do not fall under any of the Independence Standards set forth below 1. to 9.

1. Executing person of the Company and its affiliated company
2. Person whose principal trading partner is the Company (Note 1) or said person's executing person (Note 2)
3. The Company's principal trading partner (Note 3) or said trading partner's executing person
4. Consultant, professional accountant or legal professional who receives a large amount of money (Note 4) or other assets from the Company besides executive compensation (in the case where person receiving said assets is a corporate body, association or other organizations, this shall mean consultant, professional accountant or legal professional who belongs to said corporate body or other organizations)
5. Large shareholder of the Company (Note 5), or in the case where said large shareholder is a corporate body, etc., said shareholder's executing person
6. Person who receives a large amount of donation from the Company (Note 6) or said person's executing person
7. Person who belongs to an audit corporation and acts as accounting auditor of the Company
8. Person who fell under any of 1 through 7 above at any time during the past three years
9. Spouses or relatives within the second degree of kinship of any person who falls under any of 1 through 7 above

(Note 1) "Person whose principal trading partner is the Company" shall mean a person who received from the Company payment of an amount equivalent to no less than 2% of the person's consolidated net sales in the immediately preceding business year.

(Note 2) "Executing person" shall mean director, executive officer, employee who executes business operations, executive director and other persons equivalent thereto, of a corporate body or other organizations.

(Note 3) "The Company's principal trading partner" shall mean a person who paid the Company an amount equivalent to no less than 2% of the Company's consolidated net sales in the immediately preceding business year.

(Note 4) "Large amount of money" shall mean a total of no less than ¥10 million per year calculated as the average of the past three years in the case of an individual person, and an amount equivalent to no less than 2% of total revenue in the immediately preceding business year calculated as the average of the past three years in the case of corporate body, etc.

(Note 5) "Large shareholder" shall mean a person who directly or indirectly holds no less than 10% of total voting rights.

(Note 6) "Large amount of donation" shall mean a total of no less than ¥10 million per year calculated as the average of the past three years.

**(Reference 3)**

**Overview of the directors and officers liability insurance policy**

The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company, and renews the insurance policy every year. The insurance policy covers the legally mandated amount of indemnification and court costs arising from an insured person's assumption of liability incurred in the course of the performance of duties of insured persons and the receipt of claims pertaining to the pursuit of such liability.

However, there are certain reasons for coverage exclusion, such as an insured person's performance of an illegal act with full knowledge of its illegality is not covered, and measures have been put into place to ensure that the proper performance of duties of insured persons is not impaired.

The insured persons in the insurance policy are all of the Directors, corporate auditors and employees in management positions of the Company and its subsidiaries, and the full amount of the insurance premiums for the insurance policy is borne by the Company.