



January 19, 2026

To whom it may concern

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Notice of the Reorganization of the Group (Absorption-Type Demerger and Merger between Consolidated Subsidiaries)

OPTEX GROUP Co., Ltd. (hereinafter referred to as “the Company”) resolved at a meeting of its Board of Directors held today to implement an absorption-type demerger (hereinafter referred to as the “Absorption-type Demerger”), effective on April 1, 2026, whereby the Group’s factory management and operation functions and contract manufacturing service business for electronic devices of the Company’s wholly owned subsidiary OPTEX MFG CO., LTD. (hereinafter referred to as “OPTEX MFG”) to OPTEX CO., LTD. (hereinafter referred to as “OPTEX”), a wholly owned subsidiary of the Company, and an absorption-type merger (hereinafter referred to as “Absorption-type Merger”) with OPTEX MFG as the acquired company and OPTEX FA CO., LTD., a wholly owned subsidiary of the Company (hereinafter referred to as “OPTEX FA”) as the surviving company.

Since this absorption-type demerger and absorption-type merger (hereinafter referred to as the “Group Reorganization”) are a simplified absorption-type demerger and a simplified absorption-type merger with wholly owned subsidiaries of the Company as party companies, some disclosure items and details are omitted from this report.

Details

1. Purpose of the Group Reorganization

Since 2018, the Company has been consolidating duplicated functions such as production management, engineering, and purchasing into OPTEX MFG with the aim of optimizing production functions for the entire Group. OPTEX MFG has led the development of production technology and deployed production innovation activities developed at its own plant in China to its domestic partner plants.

Through these efforts, the Company has determined that maximizing the expertise of each operating company is essential to strengthening its competitiveness going forward, and has decided to strategically shift to “optimization based on business characteristics.”

Based on this policy, the Company will implement an absorption-type demerger and merger among wholly owned subsidiaries to create a new structure that brings together the strengths of each company and accelerates the creation of added value for the entire Group, aiming for sustainable growth and increased corporate value.

2. Main points of the Absorption-type Demerger

(1) Schedule of the Absorption-type Demerger

Date of resolution of the Company’s Board of Directors regarding the absorption-type demerger

January 19, 2026

Date of conclusion of the absorption-type demerger agreement January 20, 2026

Effective date of absorption-type demerger April 1, 2026 (planned)

(2) Method of the Absorption-type Demerger

An absorption-type demerger in which OPTEX MFG will be the splitting company and OPTEX will be the

successor company.

(3) Details of the allocation of assets related to the Absorption-type Demerger

Since the Absorption-type Demerger will take place between wholly owned subsidiaries of the Company, no shares or other money will be allocated.

(4) Handling of share acquisition rights and bonds with share acquisition rights in connection with the

Absorption-type Demerger

No items to report

(5) Increase/decrease in share capital as a result of the Absorption-type Demerger

There will be no increase or decrease in the share capital of each party as a result of the Absorption-type Demerger.

(6) Rights and obligations to be succeeded by the successor company

The successor company will succeed to the assets, liabilities, contracts, and other rights and obligations required for the business to be succeeded to as a result of the Absorption-type Demerger, to the extent specified in the Absorption-type Demerger agreement.

(7) Prospect of fulfillment of debt obligations

With respect to the obligations to be assumed by the successor company in the Absorption-type Demerger, the Company has determined that there will be no problem with the prospects for performance of such obligations after the Absorption-type Demerger takes effect.

(8) Overview of the companies involved

	Splitting company	Successor company
Business name	OPTEX MFG CO., LTD.	OPTEX CO., LTD.
Address	506 Takeda Mukaishiro-cho, Fushimi-ku, Kyoto City	5-8-12 Ogoto, Otsu City, Shiga Prefecture
Name and title of representative	Shinichi Fukui, President/ CEO	Kazuo Ikeda, President/ CEO
Business	Manufacture of various sensors and contract production of electronic devices	Planning, development and sales of various sensors, etc.
Capital	10 million yen	350 million yen
Date of establishment	April 5, 2018	January 1, 2017
Total number of outstanding shares	1,000 shares	35,000 shares
Fiscal year-end	End of December	End of December

(Note) The above summary is as of the end of the immediately preceding fiscal year of each company.

(9) Status after the Absorption-type Demerger

There will be no change in the name, address, title and name of the representative, share capital or fiscal year-end of the successor company after the Absorption-type Demerger.

3. Main points of the Absorption-type Merger

(1) Schedule of the Absorption-type Merger

Resolution of the Company's Board of Directors regarding the absorption-type merger January 19, 2026
Date of the absorption-type merger agreement January 20, 2026
Effective date of absorption-type merger April 1, 2026 (planned)

(2) Method of the Absorption-type Merger

An absorption-type merger in which OPTEX MFG will be the acquired company and OPTEX FA will be the surviving company.

(3) Details of the allocation of assets related to the Absorption-type Merger

Since the Absorption-type Merger will take place between wholly owned subsidiaries of the Company, no shares or other money will be allocated.

(4) Handling of share acquisition rights and bonds with share acquisition rights in connection with the Merger

No items to report

(5) Overview of the companies involved

	Acquired company	Surviving company
Business name	OPTEX MFG CO., LTD.	OPTEX FA CO., LTD.
Address	506 Takeda Mukaishiro-cho, Fushimi-ku, Kyoto City	Kyoto Research Park Building No. 9, 91 Chudoji Awata-cho, Shimogyo-ku, Kyoto City
Name and title of representative	Shinichi Fukui, President /CEO	Tasuku Yuguchi, President /CEO
Business	Manufacture of various sensors and contract production of electronic devices	Planning, development, manufacture and sales of photoelectric sensor-related equipment and devices for factory automation, etc.
Capital	10 million yen	385 million yen
Date of establishment	April 5, 2018	January 7, 2002
Total number of outstanding shares	1,000 shares	5,073,342 shares
Fiscal year-end	End of December	End of December

(Note) The above summary is as of the end of the immediately preceding fiscal year of each company.

(6) Status after the Absorption-type Merger

There will be no change in the name, address, title and name of the representative, share capital or fiscal year-end of the surviving company after the Merger.

4. Future Outlook

This reorganization only involves wholly owned subsidiaries of the Company, and its impact on the Company's business results is negligible.

End.