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Stock Code: 8154
June 9, 2015

To all of our shareholders

20 Kandamatsunagacho, Chiyoda-ku, Tokyo, Japan
KAGA ELECTRONICS CO., LTD.
President & COO Ryoichi Kado

Notice of the 47th Ordinary General Meeting of Shareholders

Dear Shareholders:

Thank you very much for your continuing support for the Company.

We hereby inform you of the 47th ordinary general meeting of shareholders of the Company to be held as follows and your attendance is most sincerely requested.

If you are unable to attend the general meeting, you can exercise your voting rights in writing; so please read the attached Reference Documents for the General Meeting of Shareholders, express your approval or disapproval of the proposals in the enclosed Exercise Voting Rights Form, and return it to us by no later than 5:30 p.m. on June 25, 2015 (Thursday), the day before the day on which the general meeting will be held.

Details

1. **Time and date** 10:00 a.m. on June 26, 2015 (Friday)
 2. **Place** 1-1 Akihabara, Taito-ku, Tokyo
Akihabara Business Center 5F, AP Akihabara
 3. **Agenda of the meeting**
 1. The Business Report and Consolidated Financial Statements for the 47th fiscal year (from April 1, 2014 to March 31, 2015), and results of the Audit Reports by the Accounting Auditor and the Board of Auditors of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the 47th fiscal year (from April 1, 2014 to March 31, 2015)
- Matters to be reported**
- Matters to be resolved**
- | | |
|-----------------------|--|
| Proposal No. 1 | Distribution of Surplus |
| Proposal No. 2 | Partial Amendments to the Articles of Incorporation |
| Proposal No. 3 | Election of Ten (10) Directors |
| Proposal No. 4 | Election of Two (2) Auditors |
| Proposal No. 5 | Election of One (1) Substitute Auditor |
| Proposal No. 6 | Payment of Retirement Benefits to the Retiring Directors and Retiring Auditors |
| Proposal No. 7 | Revision to Remuneration for Directors |

If you are attending please present the enclosed Exercise Voting Rights Form at the reception on arrival at the meeting.

In the event of any changes to the Reference Documents for the General Meeting of Shareholders or the Business Report, Non-Consolidated Financial Statements and Consolidated Financial Statements, they will be posted on the Company's website on the Internet (<http://www.taxan.co.jp>).

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Distribution of Surplus

The Company intends to distribute the surplus as follows.

Matters related to year-end dividends

We propose a year-end dividend for the 47th fiscal year as follows, taking into account the Company's business results in the fiscal year under review and business development, etc. going forward.

- (1) Type of dividend property

It shall be money.

- (2) Allotment of dividend property and the total amount

The Company proposes a regular dividend of 15 yen per share of common stock of the Company plus a special dividend of 10 yen, for a total dividend payout of 25 yen per share.

Note that the total amount of the dividends in this case would be 706,401,950 yen.

- (3) Effective date of distribution of surplus

It is planned to be June 29, 2015.

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the Amendments

- (1) The Company proposes to newly establish Article 29 (Liability exemptions for directors) and Article 39 (Liability exemptions for auditors) as in the amendment proposal, as provisions to the effect that the Company may exempt the liability of Directors and Auditors, within the scope stipulated by laws and regulations, through a resolution of the Board of Directors so that the Directors and Auditors can fully play the roles expected of them, and to the effect that the Company may enter into contracts with the Directors (excluding those who are Executive Directors, etc.) and Auditors to limit their liability in order to secure appropriate human resources as Directors and Auditors so that the Directors and Auditors can fully play the roles expected of them.

Note that all of the Auditors have given their acknowledgment of the new establishment of Article 29 (Liability exemptions for directors).

- (2) As a result of the new establishment of the above clauses, we have also adjusted the numbering of the articles.

2. Details of the proposed amendments

The details of the proposed amendments are as follows:

(Underlined parts of the English text are amended.)

| Current Articles of Incorporation | Proposed Amendments |
|--|--|
| <p>(New)</p> <p>Article <u>29</u> to Article <u>37</u> (clauses omitted)</p> | <p><u>(Liability exemptions for directors)</u> <u>Article 29: Under the provisions of the Companies Act, Article 426, Paragraph 1, the Company may exempt the liability for damages caused by neglect of duties of directors (including persons who were directors), within the limit specified by laws and regulations, through a resolution of the Board of Directors.</u> <u>2. Under the provisions of the Companies Act, Article 427, Paragraph 1, the Company may enter into contracts with directors (excluding those who are Executive Directors, etc.) to limit the liability for damages caused by neglect of duties. However, the maximum amount of the liability under the said contract shall be the amount stipulated by laws and regulations.</u></p> |
| <p>(New)</p> <p>Article <u>38</u> to Article <u>43</u> (clauses omitted)</p> | <p>Article <u>30</u> to Article <u>38</u> (Unchanged) <u>(Liability exemptions for auditors)</u> <u>Article 39: Under the provisions of the Companies Act, Article 426, Paragraph 1, the Company may exempt the liability for damages caused by neglect of duties of auditors (including persons who were auditors), within the limit specified by laws and regulations, through a resolution of the Board of Directors.</u> <u>2. Under the provisions of the Companies Act, Article 427, Paragraph 1, the Company may enter into contracts with auditors to limit the liability for damages caused by neglect of duties. However, the maximum amount of the liability under the said contract shall be the amount stipulated by laws and regulations.</u></p> |
| <p>Article <u>38</u> to Article <u>43</u> (clauses omitted)</p> | <p>Article <u>40</u> to Article <u>45</u> (Unchanged)</p> |

Proposal No. 3: Election of Ten (10) Directors

The terms of office of all eight (8) current directors will expire at the conclusion of this general meeting. We also formally seek approval to increase the number of directors by two in order to strengthen our management structure. Accordingly, we propose that ten (10) Directors be elected.

Candidates for the directors are as follows:

| No. | Name (Date of birth) | Career summary, position and responsibilities in the Company (Significant positions concurrently held) | Number of the Company's shares held |
|-----|---------------------------------------|---|---|
| 1 | Isao Tsukamoto (September 1, 1943) | September 1968 Established Kaga Electronics Co., Ltd. President & COO April 2007 Founder & CEO (current position) | 785,445 |
| 2 | Ryoichi Kado (December 1, 1957) | March 1980 Joined Kaga Electronics Co., Ltd. June 1995 Director April 2002 Managing Director April 2005 Senior Managing Director, General Manager of Specific Industry Business Headquarters April 2011 Senior Managing Director, Head of Entertainment Business Unit April 2012 Vice President, Head of Components Business Unit April 2014 President & COO, Head of Components Business Unit April 2014 President & COO (current position) | 30,772 |
| 3 | Shinsuke Takahashi (March 7, 1957) | March 1980 Joined Kaga Electronics Co., Ltd. June 1995 Director April 2002 Managing Director April 2005 Senior Managing Director April 2011 Senior Managing Director, Head of Information Business Unit April 2012 Senior Managing Director, Head of Entertainment Business Unit April 2015 Senior Managing Director (current position) | 24,830 |
| 4 | Yukio Takashi (May 4, 1953) | March 1977 Joined Kaga Electronics Co., Ltd. June 1996 Director June 2004 Managing Director April 2005 Senior Managing Director April 2011 Senior Managing Director, Head of Components Business Unit April 2012 Senior Managing Director, Head of Promotion Business Unit April 2015 Senior Managing Director (current position) | 20,955 |

| No. | Name (Date of birth) | Career summary, position and responsibilities in the Company (Significant positions concurrently held) | Number of the Company's shares held |
|-----|--|--|---|
| 5 | Shintaro Kakei (November 9, 1956) | <p>April 1993 Joined Kaga Electronics Co., Ltd.</p> <p>June 2000 Director</p> <p>April 2005 Managing Director</p> <p>April 2011 Managing Director, Head of Manufacturing Business Unit</p> <p>April 2014 Senior Managing Director, Head of Manufacturing Business Unit</p> <p>April 2015 Senior Managing Director and Head of Corporate Planning Department (current position)</p> | 18,900 |
| 6 | Eiji Kawamura (August 14, 1955) | <p>March 1979 Joined Kaga Electronics Co., Ltd.</p> <p>April 2005 Executive Officer, Head of Accounting Division and Head of Information Systems Department</p> <p>April 2012 Executive Officer, Head of Administration Headquarters</p> <p>June 2012 Director, Head of Administration Headquarters and Head of Accounting Division</p> <p>April 2015 Director, Head of Administration Headquarters (current position)</p> | 20,506 |
| 7 | Motonori Toshinari (June 25, 1959) [New candidate] | <p>March 1982 Joined Kaga Electronics Co., Ltd.</p> <p>April 1992 President & COO of Kaga (H.K.) Electronics Limited</p> <p>April 1998 President of Taxan USA Corp</p> <p>April 2004 Division Manager of Overseas Sales Division, Overseas Business Division and Electronics Business Headquarters</p> <p>April 2010 President & COO of Kaga (H.K.) Electronics Limited</p> <p>January 2012 Executive Officer, President & COO of Kaga (H.K.) Electronics Limited and Manager of EMS Business Division</p> <p>April 2015 Executive Officer, Manager of EMS Business Division (current position)</p> | 12,100 |

| No. | Name (Date of birth) | Career summary, position and responsibilities in the Company (Significant positions concurrently held) | Number of the Company's shares held |
|-----|---|--|---|
| 8 | Mitsuhiro Nohara (March 4, 1959) [New candidate] | <p>March 1982 Joined Kaga Electronics Co., Ltd.</p> <p>April 1997 Division Manager of Domestic Sales Department No. 1, Sales Headquarters</p> <p>April 2002 Executive Vice President and Director of Kaga (H.K.) Electronics Limited</p> <p>April 2003 President of Kaga (Shanghai) Electronics Co., Ltd.</p> <p>January 2004 President of Kaga Electronics (USA) Inc.</p> <p>April 2010 Deputy Division Manager of Special Sales Department, Electronics Business Division</p> <p>April 2011 Division Manager of Electronics Business Division, Components Business Unit</p> <p>April 2012 Executive Officer, Division Manager of Electronics Business Division, Components Business Unit, and Division Manager of Special Sales Department</p> <p>April 2015 Executive Officer, Division Manager of the Electronics Business Division (current position)</p> | 17,728 |
| 9 | Susumu Miyoshi (September 20, 1940) [New candidate] | <p>April 1963 Joined Toyota Motor Co., Ltd. (currently Toyota Motor Corporation)</p> <p>September 1994 Director at the above company</p> <p>June 2001 Executive Vice President and Representative Director at the above company</p> <p>June 2002 Consultant at the above company</p> <p>June 2002 President & COO of Osaka Toyopet Co., Ltd. (currently Osaka Toyota Motor Co., Ltd.)</p> <p>June 2005 Advisor to Toyota Motor Corporation (current position) Chairman of Osaka Toyopet Co., Ltd.</p> <p>June 2008 Advisor to Osaka Toyota Motor Co., Ltd.</p> <p>June 2009 Executive Advisor to Hitachi Maxell, Ltd. (current position)</p> | 1,000 |

| No. | Name (Date of birth) | Career summary, position and responsibilities in the Company (Significant positions concurrently held) | Number of the Company's shares held |
|-----|--|--|---|
| 10 | Akira Tamura (July 23, 1946) [New candidate] | <p>April 1970 Joined the Bank of Japan</p> <p>June 1978 Deputy Director of the International Finance Bureau, Ministry of Finance (dispatched)</p> <p>January 1998 Director of Information Systems Department, Bank of Japan</p> <p>April 1998 Director of Information System Services Department at the above bank</p> <p>June 2001 Managing Director at Sohgo Security Services Co., Ltd. (ALSOK)</p> <p>April 2008 Representative Director and Senior Executive Officer at the above company</p> <p>June 2011 Auditor (part-time) at The Resolution and Collection Corporation (current position)</p> <p>July 2011 Advisor to Okigin Economic Research Institute (current position)</p> <p>April 2012 Advisor to Niigata Sohgo Security Services Co., Ltd. (ALSOK) (current position)</p> | 1,000 |

- (Notes)
- No conflict of interest exists between any of the candidates and the Company.
 - Susumu Miyoshi and Akira Tamura are candidates for Outside Directors.
 - Reasons for proposing the candidates for Outside Directors
The Company proposes the election of Susumu Miyoshi and Akira Tamura as Outside Directors because it believes that they can strengthen the functions of the Board of Directors by reflecting their abundant experience and wide-ranging knowledge as business managers in the management of the Company from an independent position.
 - If Susumu Miyoshi and Akira Tamura are elected, then, on the condition that *Proposal No. 2: Partial Amendments to the Articles of Incorporation* is approved and adopted as originally proposed, the Company plans to enter into contracts with both of them based on the provisions of the Companies Act, Article 427, Paragraph 1 to limit their liability for damages under Article 423, Paragraph 1 of the said Act to within the minimum liability amount stipulated in Article 425, Paragraph 1 of the said Act.
 - Susumu Miyoshi and Akira Tamura satisfy the requirements for Independent Officers based on the provisions of the Tokyo Stock Exchange; so the Company plans to register them as Independent Officers.
 - The Company has entered into an advisory contract with Susumu Miyoshi dating from August 2010 and an advisory contract with Akira Tamura dating from July 2011, but they plan to terminate their respective contracts upon taking up their positions as Directors.

Proposal No. 4: Election of Two (2) Auditors

We propose that two (2) Auditors be elected as the terms of office of auditors Masahiro Ishikawa and Kikuo Sumino will expire at the conclusion of this general meeting.

The Board of Auditors has given its acknowledgment of this proposal.

Candidates for the auditors are as follows.

| No. | Name (Date of birth) | Career summary, position in the Company (significant positions concurrently held) | Number of the Company's shares held |
|-----|--|---|---|
| 1 | Kazunori Kameda (January 29, 1962) [New candidate] | April 1985 Joined The Tokai Bank, Ltd. (currently The Bank of Tokyo-Mitsubishi UFJ, Ltd.) April 2005 Temporarily transferred to Mitsubishi UFJ Securities Co., Ltd. (currently Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.), Division Manager of Corporate Sales Support Division April 2010 Manager of Tsu Branch Office, The Bank of Tokyo-Mitsubishi UFJ, Ltd. May 2012 Manager of Tsu Branch of the above bank April 2015 Joined Kaga Electronics Co., Ltd. as Advisor (current position) | - |
| 2 | Takahiro Ishii (December 8, 1955) [New candidate] | April 1978 Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.) October 1994 Deputy Manager of Singapore Branch, Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. October 2002 Manager of Senzokucho-Higashi Branch, Mizuho Bank, Ltd. April 2015 Joined Kaga Electronics Co., Ltd. as Advisor (current position) | - |

(Notes) 1. No conflict of interest exists between either of the candidates and the Company.

2. Kazunori Kameda and Takahiro Ishii plan to retire from the Company upon taking up their positions as auditors.

Proposal No. 5: Election of One (1) Substitute Auditor

The Company proposes that One (1) Substitute Auditor be elected to prepare for a case where the number of Auditors falls below the number stipulated by laws and regulations.

The effectiveness of the election under this proposal may be cancelled based on resolution of the Board of Directors, provided such cancellation is done prior to the assumption of office and with the acknowledgment of the Board of Auditors.

Furthermore, the Board of Auditors has given acknowledgment of this proposal.

The candidate for substitute auditor is as follows.

| Name (Date of birth) | Career summary, position, and significant positions concurrently held | Number of the Company's shares held |
|--------------------------------------|---|-------------------------------------|
| Isamu Yonekawa (October 22, 1952) | April 1980 Admitted to the bar April 1986 Established and became a partner in Sase and Yonekawa Law Offices (currently Alpha Partners Law Offices) | - |

- (Notes)
1. No conflict of interest exists between the candidate and the Company.
 2. Substitute auditor candidate Isamu Yonekawa is proposed to be elected as a substitute for the outside auditors.
 3. Substitute auditor candidate Isamu Yonekawa satisfies the requirements for an outside auditor.
 4. Reasons for proposing the candidate for substitute outside auditor
 The Company proposes the election of Isamu Yonekawa as substitute outside auditor so that he can utilize the legal knowledge he has cultivated over many years as a lawyer in the auditing system of the Company if he is appointed to the position of auditor.
 5. Reasons that the Company judges that Isamu Yonekawa will be able to perform his duties appropriately as an outside auditor
 Isamu Yonekawa has no experience of being directly involved in business management but as a lawyer he is well-versed in corporate law, and he possesses sufficient knowledge to control business management; therefore the Company judges that he will be able to perform his duties appropriately as an outside auditor.
 6. If Isamu Yonekawa is appointed to the position of auditor, then, on the condition that *Proposal No. 2: Partial Amendments to the Articles of Incorporation* is approved and adopted as originally proposed, the Company plans to enter into a contract with him based on the provisions of the Companies Act, Article 427, Paragraph 1 to limit his liability for damages under Article 423, Paragraph 1 of the said Act to within the minimum liability amount stipulated in Article 425, Paragraph 1 of the said Act.

Proposal No. 6: Payment of Retirement Benefits to the Retiring Directors and Retiring Auditors

The Company proposes the payment of retirement benefits to Tomohisa Tsukamoto and Waichiro Shimoyama, who will retire from their director positions due to the expiration of their terms of office at the conclusion of this general meeting, and Masahiro Ishikawa and Kikuo Sumino, who will retire from their auditor positions due to the expiration of their terms of office at the conclusion of this general meeting, to reward them for their service while in office, with the payments to be within the scope of the appropriate amounts in accordance with certain standards in the Company, with the specific amounts, the timing of the payments, the method of payment, etc. to be at the discretion of the Board of Directors with respect to the retiring directors and at the discretion of consultation among the auditors with respect to the retiring auditors.

The career summaries of the retiring directors and retiring auditors are as follows.

| Name | Career summary | |
|--------------------|----------------|--|
| Tomohisa Tsukamoto | June 1991 | Director |
| | May 2000 | Managing Director |
| | April 2002 | Senior Managing Director |
| | June 2004 | Executive Vice President and Director |
| | April 2005 | Executive Vice President and Representative Director |
| | April 2007 | President & COO |
| | April 2014 | Executive Director |
| | June 2014 | Executive Vice Chairman (current position) |
| Waichiro Shimoyama | June 1989 | Director |
| | June 2003 | Managing Director |
| | April 2005 | Senior Managing Director (current position) |
| Masahiro Ishikawa | June 2007 | Standing Corporate Auditor (current position) |
| Kikuo Sumino | June 2010 | Standing Corporate Auditor (current position) |

Proposal No. 7: Revision of the Amount of Compensation for Directors

In the 38th ordinary general meeting of shareholders held on June 29, 2006, a resolution was passed to limit the amount of compensation for the directors of the Company to no more than 500 million yen per year and this resolution has remained in force to the present day, but taking into account various factors including the subsequent changes in economic conditions, etc., the Company proposes that the amount of compensation for directors be revised to no more than 700 million yen per year (including no more than 50 million yen for the outside directors). Furthermore, the Company proposes that the salary paid for being an employee who concurrently serves as a director is not included in the amount of compensation for the director, as has been done previously.

Note that currently there are eight directors but if Proposal No. 3 is approved and adopted as originally proposed, the number of directors will increase to ten (including two outside directors).