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Securities Code: 8154

June 10, 2019

To all of our shareholders

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

Notice of the 51st Ordinary General Meeting of Shareholders

We hereby inform you of the 51st ordinary general meeting of shareholders of KAGA ELECTRONICS CO., LTD. (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 through either of the following methods. Please read the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by no later than 5:30 p.m. on June 26, 2019 (Wednesday) (Japan Time), the day before the day on which the general meeting will be held.

[Exercising voting rights in writing]

Please express your approval or disapproval of the proposals in the enclosed Exercise Voting Rights Form and return the form to us to arrive by the aforementioned deadline.

[Exercising voting rights via the Internet, etc.]

After reviewing the “Instructions on Exercise of Voting Rights via the Internet, etc.” (available in Japanese only), please access the Company’s designated voting website (<https://evote.tr.mufg.jp/>), follow the instructions on the screen, and enter your approval or disapproval of the proposals by the aforementioned deadline.

1. Date and Time 10:00 a.m. on June 27, 2019 (Thursday) (Japan Time)

2. Place Akihabara Business Center 5F, AP Akihabara
1-1 Akihabara, Taito-ku, Tokyo

3. Agenda of the Meeting

Matters to be reported

1. The Business Report and Consolidated Financial Statements for the 51st fiscal year (from April 1, 2018 to March 31, 2019), 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 51st fiscal year (from April 1, 2018 to March 31, 2019)

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

If you attend the meeting in person, please present the enclosed Exercise Voting Rights Form at the reception on arrival at the meeting. Of the documents that the Company needs to provide along with this notice, Notes to the Consolidated Financial Statements and Notes to the Non-consolidated Financial Statements are posted on the Company’s website on the Internet (<https://www.taxan.co.jp>) in accordance with laws and regulations and the provision in Article 16 of the Company’s Articles of Incorporation. Therefore, they are not included in this Notice of the Ordinary General Meeting of Shareholders.

These matters are included in the Consolidated Financial Statements and Non-consolidated Financial Statements audited at the time that the Auditor prepared the Audit Report and the Accounting Auditor prepared the Accounting Audit Report.

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 (<https://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 51st 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

To be paid in cash.

(2) Allotment of dividend property and the total amount

The Company proposes a regular dividend of 40 yen per share of common stock of the Company plus a special dividend of 5 yen, for a total dividend payout of 45 yen per share. Note that the total amount of the dividends in this case will be 1,235,223,945 yen.

As a result, combined with the interim dividend of 35 yen per share already paid, the annual dividend payout will be 80 yen per share and the total amount of the annual dividends will be 2,195,435,750 yen.

(3) Effective date of distribution of surplus

It is planned to be June 28, 2019.

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

1. Reason for the Amendments

To prepare for future business development, provisions will be added to the business purposes set forth in Article 2 of the current Articles of Incorporation to enable the company to engage in the sale of aircraft, such as helicopters and drones, and in all related business. Other provisions shall also be added to Article 2 in order to coordinate the language.

2. Details of the Amendments

The details of the amendments are as follows:

Underlined text indicates changes

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">Chapter 1. General Provisions</p> <p>Article 2. Purpose The purpose of the Company shall be to engage in the following businesses.</p> <p>1. Sale and import/export of the following goods (products, semi-finished products, parts, and accessories) (1) - (6) [Omitted] (7) Electronic toys, musical instruments, sporting goods, automobiles, bicycles and other vehicles, ships, precious metal products; (8) [Omitted]</p> <p>2-3. [Omitted]</p> <p>4. Land transportation business, maritime transportation business, air transportation business, and brokering for those businesses.</p> <p>5-28. [Omitted]</p>	<p style="text-align: center;">Chapter 1. General Provisions</p> <p>Article 2. Purpose The purpose of the Company shall be to engage in the following businesses.</p> <p>1. Sale and import/export of the following goods (products, semi-finished products, parts, and accessories) (1) - (6) [No change] (7) Electronic toys, musical instruments, sporting goods, automobiles, bicycles and other vehicles, ships, <u>aircraft, unmanned aircraft</u>, precious metal products; (8) [No change]</p> <p>2-3. [No change]</p> <p>4. Land transportation business, maritime transportation business, air transportation business, <u>aircraft use business, unmanned aircraft use business, aircraft maintenance business, heliport installation business</u>, and brokering for those businesses.</p> <p>5-28. [No change]</p>

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

We propose that ten (10) directors be elected as the terms of office of all ten (10) current directors will expire at the conclusion of this general meeting.

Candidates for director are as follows.

Candidate No.	Name	Position and responsibilities in the Company		Candidate attributes	Attendance at Board of Directors meetings
1	Isao Tsukamoto	Founder & CEO	-	Reelection	15/16 (93.8%)
2	Ryoichi Kado	President & COO	-	Reelection	16/16 (100%)
3	Shinsuke Takahashi	Senior Managing Director	-	Reelection	16/16 (100%)
4	Shintaro Kakei	Senior Managing Director	-	Reelection	16/16 (100%)
5	Eiji Kawamura	Managing Director	Head of Administration Headquarters	Reelection	16/16 (100%)
6	Motonori Toshinari	Director	Manager of EMS Business Division	Reelection	16/16 (100%)
7	Mitsuhiro Nohara	Director	Division Manager of Electronics Business Division	Reelection	16/16 (100%)
8	Susumu Miyoshi	Outside Director	-	Reelection Outside Independent	16/16 (100%)
9	Akira Tamura	Outside Director	-	Reelection Outside Independent	16/16 (100%)
10	Noritomo Hashimoto	-	-	New election Outside Independent	-

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities in the Company		Number of the Company's shares held
1	Isao Tsukamoto (September 1, 1943) <u>Reelection</u>	Sept. 1968	Established Kaga Electronics Co., Ltd. President & CEO	733,645
		Apr. 2007	Founder & CEO (to present)	
[Reasons for proposing the candidate for director] Isao Tsukamoto is the founder of the Company and served as President & CEO until 2007. Since then as Founder & CEO, he has used his extensive knowledge and human network, which goes beyond the industry, to give direction to management group-wide. Based on our judgment that his wealth of knowledge and professional abilities related to management will continue to be indispensable for the Group management and improvement of corporate value, we have made him a candidate for director.				
2	Ryoichi Kado (December 1, 1957) <u>Reelection</u>	Mar. 1980	Joined Kaga Electronics Co., Ltd.	47,172
		Apr. 1991	Division Manager of Sales Department No. 3, Sales Headquarters	
Apr. 1992	Division Manager of Amusement Products Sales Department, Sales Headquarters			
Apr. 1995	Division Manager of East Japan Sales Department, High Tech Business Division			
June 1995	Director			
Apr. 2002	Managing Director			
Apr. 2005	Senior Managing Director, General Manager of Specific Industry Business Headquarters			
Apr. 2011	Senior Managing Director, Head of Entertainment Business Unit			
Apr. 2012	Vice President, Head of Components Business Unit			
Apr. 2014	President & COO (to present)			
[Reasons for proposing the candidate for director] Since joining the Company, Ryoichi Kado has been involved in the major businesses of the Company and possesses leadership based on his extensive knowledge and results. Since being elected President & COO in 2014, he has contributed to improvement of corporate value by giving direction to Group management. Based on our judgment that his broad-ranging experience and capabilities are indispensable to promotion of the Medium-term Management Plan and central to the Group's management, we have made him a candidate for director.				
3	Shinsuke Takahashi (March 7, 1957) <u>Reelection</u>	Mar. 1980	Joined Kaga Electronics Co., Ltd.	29,230
		Apr. 1991	Division Manager of Specific Industry Sales Department	
June 1995	Director			
Apr. 2002	Managing Director			
Apr. 2005	Senior Managing Director			
Apr. 2011	Senior Managing Director, Head of Information Business Unit			
Apr. 2012	Senior Managing Director, Head of Entertainment Business Unit			
Apr. 2015	Senior Managing Director (to present)			
[Reasons for proposing the candidate for director] Shinsuke Takahashi's merits and experience, including establishing a revenue base for the specific industry business, which is one of the Company's main businesses, are indispensable to the Company. He also has management experience, having served as president of a consolidated subsidiary, and possesses broad-ranging knowledge and strong leadership skills, so we have made him a candidate for director to improve corporate value.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares held
4	Shintaro Kakei (November 9, 1956) <u>Reelection</u>	<p>Apr. 1993 Joined Kaga Electronics Co., Ltd.</p> <p>Apr. 1994 Manager of Asia Project Office, Sales Headquarters No. 2</p> <p>Apr. 1997 Division Manager of Overseas Sales Department, Sales Headquarters</p> <p>May 2000 Division Manager of Overseas Business Division, Electronics Business Headquarters</p> <p>June 2000 Director</p> <p>Apr. 2005 Managing Director</p> <p>Apr. 2011 Managing Director, Head of Manufacturing Business Unit</p> <p>Apr. 2014 Senior Managing Director, Head of Manufacturing Business Unit</p> <p>Apr. 2015 Senior Managing Director, Head of Corporate Planning Department</p> <p>Oct. 2015 Senior Managing Director (to present)</p>	23,500
<p>[Reasons for proposing the candidate for director]</p> <p>Since joining the Company, Shintaro Kakei has been involved in the overseas and EMS businesses and possesses a solid track record and broad-ranging knowledge, having established a revenue base for those businesses. His business development results overseas and rich experience improve the corporate value, so we have made him a candidate for director.</p>			
5	Eiji Kawamura (August 14, 1955) <u>Reelection</u>	<p>Mar. 1979 Joined Kaga Electronics Co., Ltd.</p> <p>Dec. 1985 President of Taxan (U.K.) Ltd.</p> <p>Apr. 1993 Division Manager of Overseas Sales Department, Sales Headquarters No. 2</p> <p>May 2003 President of Kaga Solution Network Co., Ltd.</p> <p>Apr. 2005 Executive Officer, Head of Accounting Division and Head of Information Systems Department</p> <p>Apr. 2012 Executive Officer, Head of Administration Headquarters</p> <p>June 2012 Director, Head of Administration Headquarters and Head of Accounting Division</p> <p>Apr. 2015 Director, Head of Administration Headquarters</p> <p>June 2015 Managing Director, Head of Administration Headquarters (to present)</p>	33,306
<p>[Reasons for proposing the candidate for director]</p> <p>Eiji Kawamura possesses broad-ranging knowledge and insights concerning the Group's operations, having been involved in Sales and Administration since joining the Company and served as president of consolidated subsidiaries in Japan and overseas, making him suited to strengthen business administration and corporate governance, so we have made him a candidate for director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares held
6	Motonori Toshinari (June 25, 1959) <u>Reelection</u>	<p>Mar. 1982 Joined Kaga Electronics Co., Ltd.</p> <p>Apr. 1992 President & COO of Kaga (H.K.) Electronics Limited</p> <p>Apr. 1998 President of Taxan USA Corp</p> <p>Apr. 2004 Division Manager of Overseas Sales Division, Overseas Business Division, Electronics Business Headquarters</p> <p>Apr. 2010 President & COO of Kaga (H.K.) Electronics Limited</p> <p>Jan. 2012 Executive Officer, Manager of EMS Business Division and President & COO of Kaga (H.K.) Electronics Limited</p> <p>Apr. 2015 Executive Officer, Manager of EMS Business Division</p> <p>June 2015 Director, Manager of EMS Business Division (to present)</p>	15,421
<p>[Reasons for proposing the candidate for director]</p> <p>Since joining the Company, Motonori Toshinari has been involved in the electronic component business and has contributed to overseas business expansion by launching the subsidiary in Hong Kong, which served as the base for setting up operations in China. He later served as president of overseas subsidiaries and has been involved in overseas business activities for many years. We have made him a candidate for director because his rich experience and broad-ranging knowledge are useful to the Company's overseas expansion.</p>			
7	Mitsuhiro Nohara (March 4, 1959) <u>Reelection</u>	<p>Mar. 1982 Joined Kaga Electronics Co., Ltd.</p> <p>Apr. 1997 Division Manager of Domestic Sales Department No. 1, Sales Headquarters</p> <p>Apr. 2002 Executive Vice President and Director of Kaga (H.K.) Electronics Limited</p> <p>Apr. 2003 President & CEO of Kaga (Shanghai) Electronics Co., Ltd.</p> <p>Jan. 2004 President of Kaga Electronics (USA) Inc.</p> <p>Apr. 2010 Deputy Division Manager of Special Sales Department, Electronics Business Division</p> <p>Apr. 2011 Division Manager of Electronics Business Division, Components Business Unit</p> <p>Apr. 2012 Executive Officer, Division Manager of Electronics Business Division, Components Business Unit, and Division Manager of Special Sales Department</p> <p>Apr. 2015 Executive Officer, Division Manager of Electronics Business Division</p> <p>June 2015 Director, Division Manager of Electronics Business Division (to present)</p>	20,000
<p>[Reasons for proposing the candidate for director]</p> <p>Mitsuhiro Nohara has been involved in the electronic component business for many years since joining the Company and possesses broad-ranging experience and knowledge, having launched overseas subsidiaries and served as president of overseas subsidiaries, and we have made him a candidate for director because he is valuable to the expansion of the Company's electronic component business.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares held
8	<p style="text-align: center;">Susumu Miyoshi (September 20, 1940)</p> <p style="text-align: center;"><u>Reelection</u> <u>Outside</u> <u>Independent</u></p>	<p>Apr. 1963 Joined Toyota Motor Co., Ltd. (currently Toyota Motor Corporation)</p> <p>Sept. 1994 Director</p> <p>June 2001 Executive Vice President and Representative Director</p> <p>June 2002 Consultant</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 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. (currently Maxell Holdings, Ltd.) (to present)</p> <p>June 2015 Director of the Company (to present)</p> <p>Significant positions concurrently held Executive Advisor to Maxell Holdings, Ltd.</p>	2,100
<p>[Reasons for proposing the candidate for outside director] Susumu Miyoshi has served as Executive Vice President at Toyota Motor Corporation, and we believe that the reflection of his rich experience and broad-ranging knowledge as a member of management at Toyota and various other companies in the Company's management from an independent standpoint will strengthen the function of our Board of Directors, so we have made him a candidate for outside director. He is currently an outside director of the Company, and his tenure as outside director will come to four (4) years at the conclusion of this meeting.</p>			
9	<p style="text-align: center;">Akira Tamura (July 23, 1946)</p> <p style="text-align: center;"><u>Reelection</u> <u>Outside</u> <u>Independent</u></p>	<p>Apr. 1970 Joined the Bank of Japan</p> <p>June 1978 Deputy Director of the International Finance Bureau, Ministry of Finance (dispatched)</p> <p>Jan. 1998 Director of Information Systems Department, Bank of Japan</p> <p>Apr. 1998 Director of Information System Services Department</p> <p>June 2001 Managing Director at Sohgo Security Services Co., Ltd. (ALSOK)</p> <p>Apr. 2008 Representative Director and Senior Executive Officer</p> <p>July 2011 Advisor to Okigin Economic Research Institute (to present)</p> <p>Apr. 2012 Advisor to Niigata Sohgo Security Services Co., Ltd. (ALSOK) (to present)</p> <p>June 2015 Director of the Company (to present)</p> <p>Significant positions concurrently held Advisor to Okigin Economic Research Institute Advisor to Niigata Sohgo Security Services Co., Ltd. (ALSOK)</p>	2,100
<p>[Reasons for proposing the candidate for outside director] Akira Tamura has served as Director and Senior Managing Executive Officer at Sohgo Security Services Co., Ltd., and we believe that the reflection of his rich experience as a member of corporate management and his deep knowledge cultivated at the Bank of Japan and several other companies in the Company's management from an independent standpoint will strengthen the function of our Board of Directors, so we have made him a candidate for outside director. He is currently an outside director of the Company, and his tenure as outside director will come to four (4) years at the conclusion of this meeting.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares held
10	Noritomo Hashimoto (July 30, 1954) New candidate Outside Independent	<p>Apr. 1977 Joined Mitsubishi Electric Corporation</p> <p>Apr. 2009 Executive Officer in charge of General Affairs, Human Resources and Public Relations</p> <p>June 2009 Director, Chairman of the Nomination Committee, Chairman of the Compensation Committee, Executive Officer, and in charge of General Affairs, Human Resources and Public Relations</p> <p>Apr. 2012 Director, Chairman of the Nomination Committee, Chairman of the Compensation Committee, Senior Vice President, and in charge of Corporate Strategic Planning and Operations of Associated Companies</p> <p>June 2012 Director, Member of the Nomination Committee, Senior Vice President, and in charge of Corporate Strategic Planning and Operations of Associated Companies</p> <p>Apr. 2016 Director</p> <p>July 2016 Advisor (to present)</p> <p>Significant positions concurrently held Advisor to Mitsubishi Electric Corporation</p>	-
<p>[Reasons for proposing the candidate for outside director]</p> <p>Noritomo Hashimoto has served as Director at Mitsubishi Electric Corporation, and we believe that the reflection of his rich experience serving as the Chairman of the Nomination and Compensation Committees as an Executive Officer as well as being in charge of departments such as General Affairs, Human Resources and Corporate Strategic Planning, and his broad-ranging knowledge in the Company's management from an independent standpoint will strengthen the function of our Board of Directors, so we have made him a candidate for outside director.</p>			

- (Notes)
- No conflict of interest exists between any of the candidates and the Company.
 - Susumu Miyoshi, Akira Tamura, and Noritomo Hashimoto are candidates for outside directors.
 - The Company has entered into contracts with Susumu Miyoshi and Akira Tamura 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. If their reelection is approved, the Company plans to renew the aforementioned contracts with them. If the election of Noritomo Hashimoto is approved, the Company plans to enter into a limited liability agreement under the same terms with him.
 - Susumu Miyoshi and Akira Tamura satisfy the requirements for independent officers based on the provisions of the Tokyo Stock Exchange; so the Company has registered them as independent officers. If their reelection is approved, the Company plans for their appointment as independent officers to continue. Noritomo Hashimoto satisfies the requirements for an independent officer based on the provisions of the Tokyo Stock Exchange; so the Company plans to register him as an independent officer.
 - Noritomo Hashimoto is scheduled to retire from the position of the Advisor to Mitsubishi Electric Corporation on June 30, 2019.

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

The terms of office of auditors Kazunori Kameda and Takahiro Ishii will expire at the conclusion of this general meeting. Therefore, the Company proposes that two (2) auditors be elected.

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

Candidates for auditor are as follows.

Candidate No.	Name (Date of birth)	Career summary and position in the Company		Number of the Company's shares held
1	Kazunori Kameda (January 29, 1962) <u>Reelection</u>	Apr. 1985	Joined The Tokai Bank, Ltd. (currently MUFG Bank, Ltd.)	1,300
		Apr. 2005	Temporarily transferred to Mitsubishi UFJ Securities Co., Ltd. (currently Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.), Division Manager of Corporate Sales Support Division	
		Apr. 2010	Manager of Tsu Branch Office, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.)	
		May 2012	Manager of Tsu Branch	
		Apr. 2015	Joined the Company, Advisor	
		June 2015	Full-time Auditor (to present)	
[Reasons for proposing the candidate for auditor] Kazunori Kameda possesses insights concerning fiscal accounting from his many years of experience in financial institutions, broad-ranging knowledge, etc., and appropriately executes audits for the overall Company Group from a multifaceted point of view gained from his abundant expert perspectives. For these reasons, we have judged him to be suited for the position of auditor and have made him a candidate for auditor.				
2	Takahiro Ishii (December 8, 1955) <u>Reelection</u>	Apr. 1978	Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.)	1,400
		Oct. 1994	Deputy Manager of Singapore Branch	
		Oct. 2002	Manager of Senzokucho-Higashi Branch, Mizuho Bank, Ltd.	
		Apr. 2015	Joined the Company, Advisor	
		June 2015	Full-time Auditor (to present)	
[Reasons for proposing the candidate for auditor] Takahiro Ishii possesses insights concerning fiscal accounting from his many years of experience in financial institutions, broad-ranging knowledge, etc., and appropriately executes audits for the overall management in order to preserve the fiscal health of the company. For these reasons, we have judged him to be suited for the position of auditor and have made him a candidate for auditor.				

(Note) No conflict of interest exists between any of the candidates and the Company.