

Note : This is a translation from Japanese of a notice distributed to shareholders. The translation is prepared solely for the convenience of shareholders. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

(Securities Code: 6989)

CONVOCAATION NOTICE FOR THE 87TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

June 7, 2021

Morio Tada
President and Representative Director
HOKURIKU ELECTRIC INDUSTRY CO., LTD.
3158 Shimo-okubo Toyama City
Toyama Pref., Japan

Dear Shareholders:

We would like to inform you that the 87TH Ordinary General Meeting of Shareholders of HOKURIKU ELECTRIC INDUSTRY CO., LTD. (“the Company”) will be held as follows. In the event that you do not attend the meeting, you may exercise your voting rights in writing or via the Internet by 5:00 p.m. on Thursday, June 24, 2021, after you review the attached “Reference Materials for the General Meeting of Shareholders”.

1. Date and Time: June 25, 2021(Friday), 10:00 a.m.
2. Place: 5th floor hall of Toyama Branch, Nomura Securities Co., Ltd.
1-4-3 Tsutsumi-Cho Dori, Toyama City

3. Agenda:

Reporting

1. Business report, Consolidated Financial Statements for the 87TH Fiscal Year(from April 1, 2020 to March 31, 2021), and Audit Reports by the Accounting Auditor and the Audit and Supervisory Committee
2. Non-consolidated Financial Statements for the 87TH Fiscal Year(from April 1, 2020 to March 31, 2021)

Proposals

- No. 1: Election of Four (4) Directors (excluding Directors serving as Audit and Supervisory Committee Members)
- No. 2: Election of Four (4) Directors serving as Audit and Supervisory Committee Members

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The following matters are posted on our website (<https://www.hdk.co.jp/>) on the internet in accordance with the laws and the provisions of Article 13 of our Articles of Corporation, and they are not stated in this Convocation Notice. Therefore, the attached documents of this Convocation Notice are a part of the objects that were audited by the Audit and Supervisory Committee and the Accounting Auditor when preparing the audit report.

1. Notes to Consolidated Financial Statements
2. Notes to Non-consolidated Financial Statements

If any changes have been made to the materials attached to this Convocation Notice or the Reference Materials for the General Meeting of Shareholders, such changes will be posted on our website(<https://www.hdk.co.jp/>).

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Exercise of Voting Rights:

You may exercise your voting rights through either of the methods described below.

Exercise of your voting rights in writing

Please indicate your votes for or against the proposals on the enclosed Voting Rights Exercise Form and return the form by mail so that it will arrive by 5:00 p.m. on Thursday, June 24, 2021.

Exercise of your voting rights via the Internet

Please access the website for exercising voting rights (<https://evote.tr.mufg.jp/>) and enter your votes for or against the proposals by 5:00 p.m. on Thursday, June 24, 2021.

If you exercise your voting rights both in writing and via the Internet, your vote via the Internet will be considered a valid exercise of voting rights. If you exercise your voting rights multiple times via the Internet, or if you exercise your voting rights both via PC and mobile devices, etc., only the most recent vote will be considered a valid exercise of voting rights.

Reference Materials for the General Meeting of Shareholders

Proposals and References

Proposal No.1: Election of Four (4) Directors (excluding Directors serving as Audit and Su12pervisory Committee Members)

The terms of office of all four (4) Directors (excluding Directors serving as Audit and Supervisory Committee Members) will expire at the conclusion of this Ordinary General Meeting of Shareholders. Therefore, it is proposed that four (4) Directors (excluding Directors serving as Audit and Supervisory Committee Members) be elected. With respect to this proposal, the Company has consulted with the Nomination and Remuneration Advisory Committee and obtained its concurrence.

The candidates for Directors (excluding Directors serving as Audit and Supervisory Committee Members) are as follows:

Name of Candidate (Date of birth)	Profile, Positions and Duties at the Company (Significant Concurrent Posts)
No.1 Morio Tada (November 6, 1957) 【Reappointment】 Number of Shares of the company held: 12,000	Apr 1980 Joined the Company Jul 1999 General Manger of Mechanical Parts Manufacturing Dept., Electronic Components Division Jun 2005 Senior General Manager, Components Division Jul 2008 Executive Officer & Senior General Manager, Components Division Jun 2011 Director & Senior General Manager, High Frequency Components Division Jul 2015 Director & Senior General Manager, Sales Division Jun 2017 Executive Managing Director & Senior General Manager, Sales Division Jun 2018 President & Representative Director (present) 【Reason for nomination as a candidate】 After having accumulated a wealth of experience and achievements in Production and Sales sections, Mr. Morio Tada has been serving as President & Representative Director since 2018 and contributing to improve corporate value by strong leadership. He has been nominated as a candidate for Director because the Company expects that he will continue to lead the Company to the further improvement of the corporate value by utilizing his abundant experience and insight.
No.2 Satoshi Tanikawa (August 26, 1958) 【Reappointment】 Number of Shares of the company held: 11,900	Apr 1982 Joined the Company Jul 2002 Senior General Manager, Systems Division Jul 2004 Executive Officer & Senior General Manager, Systems Division Jun 2006 Director & Senior General Manager, Systems Division Aug 2010 Director of the Company and President & Representative Director, HDK Micro Devices Co., Ltd. Jul 2013 Director & Senior General Manager, Advanced Device Development Dept. of the Company Apr 2017 Director & Senior General Manager, Development Division Jun 2018 Executive Managing Director & Senior General Manager, Development Division (present) 【Reason for nomination as a candidate】 Mr. Satoshi Tanikawa has accumulated a wealth of experience and achievements in Production and Development sections and is currently managing the overall Development activities. He has been nominated as a candidate for Director because the Company expects that he will continue to contribute to the further improvement of the corporate value by utilizing his experience and insight.

Name of Candidate (Date of birth)	Profile, Positions and Duties at the Company (Significant Concurrent Posts)
No.3 Ryusho Shimosaka (December 3, 1959) 【Reappointment】 Number of Shares of the company held: 6,300	Apr 1982 Joined The Hokuriku Bank, Ltd. Oct 2012 General Manager of Audit Department of the above bank Jul 2014 Joined the Company, General Manager, Assistant to the President Nov 2014 Senior General Manager, Administration Division Jul 2015 Executive Officer & Senior General Manager, Administration Division Jun 2016 Director & Senior General Manager, Administration Division Jun 2018 Executive Managing Director & Senior General Manager, Administration Division (present) (Significant Concurrent Posts) Representative Director, Hokuriku Kosan Co., Ltd. 【Reason for nomination as a candidate】 Mr. Ryusho Shimosaka has accumulated abundant knowledge and experiences through business executions in the Administration Division and is currently managing the overall Administration activities. He has been nominated as a candidate for Director because the Company expects that he will continue to contribute to the further improvement of the corporate value by utilizing his experience and insight.
No.4 Yasuhiro Takata (September 15, 1959) 【New appointment】 Number of Shares of the company held: 3,233	Apr 1982 Joined the Company Jul 2007 General Manager of Development Dept, Systems Division Mar 2012 General Manager, Module Development and Sales Dept. Jul 2015 General Manager, Quality Assurance Dept. Apr 2016 Managing Director, Hokuden (Malaysia) Sdn. Bhd. Jul 2019 Executive Officer & General Manager, Management Strategy Office (present) 【Reason for nomination as a candidate】 Mr. Yasuhiro Takata has accumulated abundant knowledge and experiences through Manufacturing, Quality Control, Sales and Overseas sections and is currently managing the Management Strategy Office. He has been nominated as a candidate for Director because the Company expects that he will contribute to the further improvement of the corporate value by utilizing his experience and insight.

Note:

1. There are no special interests between any of the above candidates for Director and the Company.
2. The summary of the opinions of the Audit and Supervisory Committee regarding the appointment of Directors is as follows.
 As a result of considering the appointment of directors of the Company, including discussions at the Nomination and Remuneration Advisory Committee, the Audit and Supervisory Committee has judged that it is appropriate to appoint each candidate as a director in terms of the quality, business conditions, effectiveness of the supervisory function for the Board of Directors, and the perspective of improving corporate value regarding each candidate.
3. The Company has entered into a directors and officers (D&O) liability insurance contract, as defined in Article 430-3, paragraph 1 of the Companies Act, with an insurance company under which the Company's Directors are the insured and the damages, litigation expenses, etc. that would otherwise be incurred by the insured party will be covered under the insurance contract. However, the insurance contract will not cover some specific damages, for example, damages arising from acts of the insured party that are committed with an awareness of legal violations. If the candidates take office as Directors, the candidates will be the insured under the insurance contract. The Company intends to renew the aforementioned insurance contract on the same terms and conditions at the next renewal.

Proposal No.2: Election of four (4) Directors serving as Audit and Supervisory Committee Members.

The term of office for all four (4) Directors serving as Audit and Supervisory Committee Members will expire at the conclusion of this Ordinary General Meeting of Shareholders. Therefore, it is proposed that four (4) Directors serving as Audit and Supervisory Committee Members be elected.

With respect to this proposal, the Company has already obtained the consent of the Audit and Supervisory Committee.

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

Name of Candidate (Date of Birth)	Profile, Positions and Duties at the Company (Significant Concurrent Posts)
<p>No.1</p> <p>Susumu Yamashita</p> <p>(May 30,1958)</p> <p>【Reappointment】</p> <p>Number of Shares of the company held : 3,700</p>	<p>Apr 1982 Joined the Company</p> <p>Mar 2009 General Manager, Management Strategy Office</p> <p>Jul 2013 Executive Officer & General Manager, Management Strategy Office</p> <p>Jun 2019 Director serving as Audit and Supervisory Committee Member of the Company (present)</p> <p>【Reason for nomination as a candidate】</p> <p>Mr. Susumu Yamashita has accumulated a wealth of experience and achievements in Sales and Management Strategy Divisions, and has extensive knowledge and insight of our business. He has been nominated as a candidate for Director serving as Audit and Supervisory Committee Member because the Company expects that he will continue to contribute to the further improvement of the audit and supervisory functions and corporate value, utilizing such experience and capabilities.</p>
<p>No.2</p> <p>Masayuki Kitanosono</p> <p>(August 24, 1959)</p> <p>【Reappointment】 【Independent】 【Outside Director】</p> <p>Number of Shares of the company held: 100</p>	<p>Apr 1988 Registered as Attorney-at-law, Joined Matsuo Sogo Law Offices</p> <p>Jun 1997 Outside Auditor of the Company</p> <p>May 2003 Senior Partner, Tokyo Aoi Law Office</p> <p>Nov 2009 Attorney-at-law of Sakuragawa Law Offices (present)</p> <p>Jun 2017 Outside Director serving as Audit and Supervisory Committee Member of the Company (present)</p> <p>【Reason for nomination as a candidate and Overview of an expected role as an Outside Director】</p> <p>Mr. Masayuki Kitanosono has been active as an attorney-at-law and is familiar with corporate matters and the Company's businesses through the past assignments to outside officer of the Company.</p> <p>He will be expected to make advises and supervise on the execution of duties by the Directors from the legal point of view. Also as a member of the Nomination and Remuneration Advisory Committee, he will be involved objectively in the decision of the nomination and remuneration of Directors.</p> <p>Though never having previously engaged in company management in any way other than serving as outside officer, he has been nominated as a candidate for Outside Director serving as an Audit and Supervisory Committee Member because the Company is certain that he will carry out his duties as an Independent Outside Director for these reasons.</p>

Name of Candidate (Date of birth)	Profile, Positions and Duties at the Company (Significant Concurrent Posts)
<p>No.3</p> <p>Satoshi Kikushima</p> <p>(July 27, 1958)</p> <p>【Reappointment】 【Outside Director】</p> <p>Number of Shares of the company held: 900</p>	<p>Apr 1981 Joined The Hokuriku Bank, Ltd.</p> <p>Jun 2010 Head of Branch Division and General Manager of Hokugin Direct Branch</p> <p>Jan 2014 Head of Sales Promotion Division</p> <p>Jun 2014 Standing Auditor</p> <p>Jun 2016 Full-time Corporate Auditor</p> <p>Jun 2017 Director serving as Audit and Supervisory Committee Member, Hokuhoku Financial Group, Inc.</p> <p>Jun 2019 President and Representative Director, Hokuhoku Services Co., Ltd.(present)</p> <p>Jun 2019 Outside Director serving as Audit and Supervisory Committee Member of the Company (present)</p> <p>(Significant Concurrent Posts) President and Representative Director, Hokuhoku Services Co., Ltd.</p> <p>【Reason for nomination as a candidate and Overview of an expected role as an Outside Director】 Mr. Satoshi Kikushima has been and will be expected to make advises and supervise on the execution of duties by the Directors, based on a wealth of experience acquired at financial institution and experience developed as a manager of a business corporation and extensive knowledge. Also as a member of the Nomination and Remuneration Advisory Committee, he will be involved objectively in the decision of the nomination and remuneration of Directors. He has been nominated as a candidate for Outside Director serving as an Audit and Supervisory Committee Member because the Company is certain that he will carry out his duties as an Outside Director for these reasons.</p>
<p>No.4</p> <p>Kazuaki Imura</p> <p>(November 1, 1956)</p> <p>【New appointment】 【Independent】 【Outside Director】</p> <p>Number of Shares of the company held: —</p>	<p>Jul 2016 General Manager, Tax withholding Dept., Kanazawa Regional Taxation Bureau</p> <p>Jul 2017 Retired from Kanazawa Regional Taxation Bureau</p> <p>Aug 2017 Registered as Certified Tax Accountant</p> <p>Aug 2017 Director, Kazuaki Imura Certified Tax Accountant Office (present)</p> <p>Jun 2020 Outside Auditor, Nakamura-Tome Precision Industry Co., Ltd. (present)</p> <p>(Significant Concurrent Posts) Outside Auditor, Nakamura-Tome Precision Industry Co., Ltd.</p> <p>【Reason for nomination as a candidate and Overview of an expected role as an Outside Director】 Mr. Kazuaki Imura is a certified tax accountant with good judgement. He will be expected to make advises and supervise on the execution of duties by the Directors from the tax related professional point of view. Also as a member of the Nomination and Remuneration Advisory Committee, he will be involved objectively in the decision of the nomination and remuneration of Directors. Though never having previously engaged in company management in any way other than serving as outside officer, he has been nominated as a candidate for Outside Director serving as an Audit and Supervisory Committee Member because the Company is certain that he will carry out his duties as an Independent Outside Director for these reasons.</p>

Note:

1. Mr. Kazuaki Imura is a newly elected candidate.
2. There are no special interests between any of above candidates for Director and the Company.
3. Mr. Masayuki Kitanosono, Mr. Satoshi Kikushima and Mr. Kazuaki Imura are candidates for Outside Director.
4. The Company designated Mr. Masayuki Kitanosono as an independent Director as stipulated under the regulation of the Tokyo Stock Exchange and registered him as such at the Exchange. If Mr. Masayuki Kitanosono and Mr. Kazuaki Imura are elected, the Company will designate as independent Directors.
5. Mr. Masayuki Kitanosono is currently an Outside Director of the Company serving as Audit and Supervisory Committee Members and will have held his position for four (4) years by the end of this Ordinary General Meeting of Shareholders. In the past, he was an officer (outside auditor) who did not execute business operations of the Company.
6. In accordance with the provision of Article 427, Paragraph 1, of the Companies Act, the Company has entered into agreements with Mr. Masayuki Kitanosono and Mr. Satoshi Kikushima to limit their liabilities under Article 423, Paragraph 1, of the Companies Act. The maximum liability under these agreements is the minimum liability provided in laws and regulations. If both of them and Mr. Kazuaki Imura are elected as Outside Directors, the Company will continue the aforementioned liability limitation agreements with them.
7. The Company has entered into a directors and officers (D&O) liability insurance contract, as defined in Article 430-3, paragraph 1 of the Companies Act, with an insurance company under which the Company's Directors are the insured and the damages, litigation expenses, etc. that would otherwise be incurred by the insured party will be covered under the insurance contract. However, the insurance contract will not cover some specific damages, for example, damages arising from acts of the insured party that are committed with an awareness of legal violations. If the candidates take office as Directors, the candidates will be the insured under the insurance contract. The Company intends to renew the aforementioned insurance contract on the same terms and conditions at the next renewal.

(Reference)

Composition of the Board of Directors after Election and Skill Matrix

If proposal No.1 and No.2 are approved and passed as proposed, the composition of the Board of Directors will be as follows.

Name and Position	Corporate Management	Insight to Industry Knowledge	Overseas Business Management	Sales & Marketing	Technology, Research & Development	Finance & Accounting	Legal affairs & Risk Management
Morio Tada President and Representative Director	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Satoshi Tanikawa Senior Executive Director		<input type="radio"/>		<input type="radio"/>	<input type="radio"/>		
Ryusho Shimosaka Executive Managing Director						<input type="radio"/>	<input type="radio"/>
Yasuhiro Takata Director		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		
Susumu Yamashita Fulltime Director serving as Audit and Supervisory Committee Member		<input type="radio"/>		<input type="radio"/>		<input type="radio"/>	
Masayuki Kitanosono Outside Director serving as Audit and Supervisory Committee Member							<input type="radio"/>
Satoshi Kikushima Outside Director serving as Audit and Supervisory Committee Member	<input type="radio"/>					<input type="radio"/>	<input type="radio"/>
Kazuaki Imura Outside Director serving as Audit and Supervisory Committee Member						<input type="radio"/>	