

[NOTICE: This document has been translated from the Japanese original for the convenience of non-Japanese shareholders. In the event of any discrepancy between this document and the Japanese original, the original shall prevail.]

Securities Code: 7279
December 30, 2021

To Our
Shareholders

1-12-28, Sakaemachi, Takarazuka-shi, Hyogo
HI-LEX CORPORATION
President and Representative Director **Taro Teraura**

Notice of the 78th Annual Meeting of Shareholders

HI-LEX Corporation cordially invites shareholders to the 78th Annual Meeting of Shareholders as described below.

In order to prevent the spread of COVID-19, we ask shareholders to refrain from coming to the venue of the Annual Meeting of Shareholders to the extent possible. Your voting rights can be exercised in writing (by mail) or via the Internet, etc. Please review the Reference Document for the Annual Meeting of Shareholders shown below and exercise your voting rights in accordance with the “Guide to the Exercise of Voting Rights” on page 2 by the close of the Company’s business hours (5:20 p.m.) on Friday, January 28, 2022 (JST).

1. Date 10:00 a.m., Saturday, January 29, 2022 (Reception opens at 9:00 a.m.)
2. Venue 1st Floor, Banquet Hall Houju, Takarazuka Hotel 1-1-33, Sakaemachi, Takarazuka-shi, Hyogo

Please refer to the “Annual Meeting of Shareholders Venue Map” at the end of this document if you are visiting the venue.

3. Purpose
Items to be reported
 1. Business Report, Consolidated Financial Statements and Audit Results of Consolidated Financial Statements by Accounting Auditors and the Board of Corporate Auditors for the 78th business period (from November 1, 2020 to October 31, 2021)
 2. Non-consolidated Financial Statements for the 78th business period (from November 1, 2020 to October 31, 2021)

Items to be resolved

- Item No. 1: Appropriation of Retained Earnings
- Item No. 2: Election of Five (5) Directors
- Item No. 3: Election of One (1) Corporate Auditor

- ◎ When you attend the meeting, please submit the enclosed voting form to the reception at the venue.
- ◎ If there are any revisions to the Business Report, Consolidated and Non-consolidated Financial Statements, and Reference Document for the Annual Meeting of Shareholders, such revisions will be posted on our website. (URL: <http://www.hi-lex.co.jp/>)
- ◎ Of the documents to be attached to this Convocation Notice pursuant to the provisions of laws and regulations and Article 17 of the Company’s Articles of Incorporation, the Notes to Consolidated and Non-consolidated Financial Statements are posted on the Company’s website (<http://www.hi-lex.co.jp/>) and are not included in the attachments to this Convocation Notice. In addition, Consolidated and Non-consolidated Financial Statements, which were audited by Corporate Auditors in preparing the Audit Report and Accounting Auditor in preparing the Accounting Audit Report, include the matters to be presented as the Notes to Consolidated and Non-consolidated Financial Statements, in addition to the matters stated in the attached documents to this Convocation Notice.

Reference Document for the Annual Meeting of Shareholders

Meeting Agenda and Referential Matters

Item No. 1: Appropriation of Retained Earnings

Regarding the year-end dividend and appropriation of surplus for the fiscal year under review, the Company proposes the following, considering strengthening the management structure and future business development, as well as internal reserves and the consolidated dividend payout ratio.

1. Year-end Dividend

- (1) Matters concerning the allocation of dividend assets to shareholders and the total amount thereof

The Company would like to disburse 17 yen per common share of the Company.

The total amount of dividends 637,789,306 yen

- (2) Effective date on which dividends are disbursed from retained earnings

January 31, 2022

2. Matters concerning appropriation of surplus

- (1) Entries for increased surplus and amount thereof

General reserve 2,000,000,000 yen

- (2) Entries for reduced surplus and amount thereof

Retained earnings brought forward 2,000,000,000 yen

Item No. 2: Election of Five (5) Directors

As the terms of office of all seven (7) Directors will expire at the conclusion of this Annual Meeting of Shareholders, the Company proposes that five (5) Directors be elected.

The candidates for Director are as follows.

Candidate No.	Name (Date of birth)	Brief Profile, position and responsibility at the Company, and important concurrent position	Number of the Company's shares owned
1	<p>Taro Teraura (Born on May 12, 1977)</p> <p style="text-align: center;">Reappointment</p>	<p>September, 2002 Joined the Company January, 2012 Executive Officer of the Company January, 2013 Managing Director of the Company December, 2013 In charge of Chennai, India Business of the Company January, 2018 Senior Managing Director of the Company June, 2018 In charge of Global Sales Department and European Business of the Company January, 2020 President and Representative Director (incumbent) [Important concurrent positions] HI-LEX HUNGARY CABLE SYSTEM MANUFACTURING LLC CEO HI-LEX CZECH, S.R.O. CEO</p>	73,582 shares
<p>[Reason for nomination as a candidate for Director]</p> <p>Mr. Taro Teraura was appointed President and Representative Director of the Company in January 2020. He is expected to make appropriate management judgments and decisions in order for the Group to achieve sustainable growth in the future. This includes making use of his abundant experience and knowledge to make management judgments and decisions in the global development of the business founded on the Company's bases in 16 countries around the world, and boldly taking on challenges in this era of dramatic change in the automobile industry. For this reason, he continues to be a candidate for the position of Director.</p>			

Candidate No.	Name (Date of birth)	Brief Profile, position and responsibility at the Company, and important concurrent position	Number of the Company's shares owned			
2	<p style="text-align: center;">Yasuko Masaki (Born on April 8, 1955)</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">Reappointment</td> <td style="text-align: center;">Outside</td> <td style="text-align: center;">Independent</td> </tr> </table>	Reappointment	Outside	Independent	<p>April, 1982 Registered as a practicing attorney (Kobe Bar Association (current Hyogo-Ken Bar Association)) (incumbent)</p> <p>April, 2004 Professor of the Law School, Kwasei Gakuin University</p> <p>January, 2008 Director of the Company (incumbent)</p> <p>April, 2008 President of Hyogo-Ken Bar Association</p> <p>April, 2011 Manager of Hyogo District Office, Japan Legal Support Center</p> <p>April, 2013 President of Kinki Federation of Bar Associations</p> <p>June, 2014 Non-member Auditor, Consumers Co-operative Kobe (incumbent)</p> <p>March, 2018 Outside Auditor of Noritz Corporation</p> <p>April, 2018 Vice President of Japan Federation of Bar Associations</p> <p>March, 2019 Director (Audit and Supervisory Committee) (Outside) of Noritz Corporation (incumbent)</p>	- shares
Reappointment	Outside	Independent				
<p>[Reason for nomination as a candidate for Outside Director and outline of expected role]</p> <p>Ms. Yasuko Masaki has a wealth of experience and deep insight, having worked as a lawyer for many years and held important positions in several bar associations.</p> <p>As Outside Director of the Company, she has provided useful suggestions as a legal expert by utilizing her abundant experience, and also attended the Nomination and Compensation Committee and actively expressed her opinions as a member of it.</p> <p>She is, based on the above, expected to strengthen the corporate governance of the Company by making proposals on the Company's overall management, and by providing appropriate involvement and advice as independent Outside Director and a member of the Nomination and Compensation Committee, which is a voluntary organization. For this reason, she continues to be a candidate for the position of Outside Director.</p>						

Candidate No.	Name (Date of birth)	Brief Profile, position and responsibility at the Company, and important concurrent position	Number of the Company's shares owned			
3	<p style="text-align: center;">Toru Kato (Born on June 23, 1942)</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">Reappointment</td> <td style="text-align: center;">Outside</td> <td style="text-align: center;">Independent</td> </tr> </table>	Reappointment	Outside	Independent	<p>April, 1969 Assistant Professor of School of Law, Osaka University</p> <p>January, 1993 Doctor of Law (Waseda University) (incumbent)</p> <p>April, 1997 Professor of School of Law and Politics, Kwansei Gakuin University</p> <p>April, 2011 Professor of Graduate School of Law, Nagoya University of Economics Professor Emeritus, Kwansei Gakuin University (incumbent)</p> <p>January, 2012 Director of the Company (incumbent)</p> <p>April, 2016 Professor Emeritus, Nagoya University of Economics (incumbent)</p>	- shares
		Reappointment	Outside	Independent		
<p>[Reason for nomination as a candidate for Outside Director and outline of expected role]</p> <p>Mr. Toru Kato has a wealth of experience and in-depth knowledge as a leading expert in legal research such as corporate laws, having served as a professor at a university and as a director of academic societies.</p> <p>At the Company, as Outside Director, he provided useful suggestions as a legal researcher, and also attended and actively expressed his opinions as a member of the Nomination and Compensation Committee.</p> <p>He is, based on the above, expected to strengthen the corporate governance of the Company by making proposals on the Company's overall management, and by providing appropriate involvement and advice as independent Outside Director and a member of the Nomination and Compensation Committee, which is a voluntary organization. For this reason, he continues to be a candidate for the position of Outside Director.</p>						

Candidate No.	Name (Date of birth)	Brief Profile, position and responsibility at the Company, and important concurrent position	Number of the Company's shares owned			
4	<p>Yoshifumi Akanishi (Born on March 5, 1948)</p> <table border="1"> <tr> <td>Reappointment</td> <td>Outside</td> <td>Independent</td> </tr> </table>	Reappointment	Outside	Independent	<p>April, 1972 Legal Apprentice in the Supreme Court April, 1974 Assistant Judge, Kobe District Court April, 1992 Prosecutor, Litigation Division, Osaka Legal Affairs Bureau April, 1993 Manager of Litigation Division, Osaka Legal Affairs Bureau January, 2007 Presiding Justice of Kobe Family Court October, 2008 Chief Judge, Osaka High Court June, 2013 Registered as a practicing attorney (Osaka Bar Association) (incumbent) September, 2013 Member of the Public Interest Corporation Commission of Osaka Prefecture April, 2014 Professor of Graduate School of Law, Kindai University (incumbent) January, 2017 Director of the Company (incumbent)</p>	- shares
Reappointment	Outside	Independent				
<p>[Reason for nomination as a candidate for Outside Director and outline of expected role] Mr. Yoshifumi Akanishi has acquired, through his long career as a judge, abundant experience and deep insight. As Outside Director of the Company, he has provided useful suggestions based on his knowledge and experience as a legal expert. He is, based on the above, expected to strengthen the corporate governance of the Company by making proposals on the Company's overall management, and by being appropriately involved and giving advice as an independent Outside Director. For this reason, he continues to be a candidate for the position of Outside Director.</p>						

Candidate No.	Name (Date of birth)	Brief Profile, Position and Responsibility at the Company, and Important Concurrent Position	Number of the Company's shares owned			
5	<p>Hiromi Yoshikawa (Born on May 13, 1953)</p> <table border="1"> <tr> <td>Reappointment</td> <td>Outside</td> <td>Independent</td> </tr> </table>	Reappointment	Outside	Independent	<p>April, 1976 Joined Otsuka Pharmaceutical Co., Ltd. July, 2001 Director of Otsuka Pharmaceutical Co., Ltd. July, 2007 Managing Director of Otsuka Pharmaceutical Co., Ltd. April, 2009 Executive Senior Managing Director of Otsuka Pharmaceutical Factory, Inc. March, 2017 Advisor of Otsuka Pharmaceutical Factory, Inc. September, 2017 Director of MNES Inc. November, 2018 COO and Director of MNES Inc. January, 2021 Director of the Company (incumbent) February, 2021 Advisor of CureApp, Inc. May, 2021 Outside Director of CureApp, Inc. (incumbent)</p>	- shares
Reappointment	Outside	Independent				
<p>[Reason for nomination as a candidate for Outside Director and outline of expected role]</p> <p>Mr. Hiromi Yoshikawa has held important positions such as director at several companies, and has a wealth of experience and broad insight as a corporate manager in other industries.</p> <p>As Outside Director, he plays an important role in ensuring the adequacy and appropriateness of management decisions and supervision by the Board of Directors of the Company, and provides useful advice and suggestions based on his extensive experience in the corporate management.</p> <p>He is, based on the above, expected to identify issues and make proposals on the Company's overall management, thereby ensuring the Company's sustainable growth, enhancing corporate value, ensuring sound management, and strengthening corporate governance. For this reason, he continues to be a candidate for the position of Outside Director.</p>						

- Notes:
1. There is no special conflict of interest between the candidates and the Company.
 2. Ms. Yasuko Masaki, Mr. Toru Kato, Mr. Yoshifumi Akanishi and Mr. Hiromi Yoshikawa are four (4) candidates for Outside Director. Their terms in office for Outside Director will be fourteen (14) years for Ms. Yasuko Masaki, ten (10) years for Mr. Toru Kato, five (5) years for Mr. Yoshifumi Akanishi and one (1) year for Mr. Hiromi Yoshikawa at the conclusion of this Annual Meeting of Shareholders.
 3. The Company has entered into an agreement with Ms. Yasuko Masaki, Mr. Toru Kato, Mr. Yoshifumi Akanishi and Mr. Hiromi Yoshikawa to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the same Act, up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the same Act. If the four (4) candidates are elected at this Annual Meeting of Shareholders as proposed, the said agreement limiting liability will be continued.
 4. The Company has designated Ms. Yasuko Masaki, Mr. Toru Kato, Mr. Yoshifumi Akanishi and Mr. Hiromi Yoshikawa as Independent Officer set forth by the Tokyo Stock Exchange and registered them thereto. If these four (4) candidates are elected as proposed, the Company will continue to register them as Independent Officers with the Tokyo Stock Exchange.
 5. The Company has entered into a Directors and Officers Liability Insurance policy with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act, as described in "4. (4) Outline of the coverage of Directors and Officers Liability Insurance policy, etc." on page 20 of the Business Report. If the candidates are elected at this General Meeting of Shareholders as proposed, they will continue to be included as insured persons under the said insurance policy. In addition, the insurance policy is scheduled to be renewed with the same coverage at the next renewal.

[Reference] Composition, expertise and experience of the Board of Directors if Item No. 2 is approved

Based on the expertise and experience of the candidates for Directors, the areas in which the Company particularly expects each Director to perform well are as follows. The following composition of the Board of Directors has been prepared based on the assumption that the item regarding the election of Directors at this Annual Meeting of Shareholders is all approved as originally proposed.

No.	Name	Position in the Company	Outside	Management & Strategy	Manufacturing R&D	Sales Marketing	Overseas Business	Legal Compliance Risk Management	Finance & Accounting	Personnel & Labor HR Development	Management at Another Company	Nomination & Compensation Committee	Gender
1	Taro Teraura	President and Representative Director		•	•	•	•		•	•		•	Male
2	Yasuko Masaki	Director	•					•				•	Female
3	Toru Kato	Director	•					•				•	Male
4	Yoshifumi Akanishi	Director	•					•					Male
5	Hiromi Yoshikawa	Director	•	•	•	•	•		•	•	•		Male

* The above list indicates the areas in which the candidates can particularly demonstrate their expertise based on their experience and other factors, and does not represent all the knowledge that the candidates have.

Item No. 3: Election of One (1) Corporate Auditor

Mr. Hideyuki Yoshitake, Corporate Auditor, will resign at the conclusion of this Annual Meeting of Shareholders. Therefore, the Company proposes the election of one (1) Corporate Auditor to fill his vacancy.

Mr. Takashi Ueda, a candidate for Corporate Auditor, is proposed to be elected as a substitute for Mr. Hideyuki Yoshitake, and his term of office will be two (2) years until the conclusion of the 80th Annual Meeting of Shareholders of the Company to be held around January 2024, when the term of office of Mr. Hideyuki Yoshitake would have expired pursuant to Article 34 of the Articles of Incorporation of the Company.

In addition, with regard to this proposed item, the consent of the Board of Corporate Auditors has been obtained.

The candidate for Corporate Auditor is as follows.

Name (Date of birth)	Brief Profile, Position at the Company, and Important Concurrent Position	Number of the Company's shares owned			
<p>Takashi Ueda (Born on June 5, 1958)</p> <table border="1"> <tr> <td>New Appointment</td> <td>Outside</td> <td>Independent</td> </tr> </table>	New Appointment	Outside	Independent	<p>April, 1981 Joined the Osaka Regional Taxation Bureau July, 2018 Assumed post of District Director of Ukyo Tax Office August, 2019 Registered as a certified tax accountant (incumbent)</p>	- shares
New Appointment	Outside	Independent			
<p>[Reason for nomination as a candidate for Outside Corporate Auditor]</p> <p>As Mr. Takashi Ueda is a certified tax accountant and has considerable knowledge of finance and accounting, including serving as District Director of a Tax Office, the Company judged that he is expected to conduct appropriate audits from a professional perspective and therefore nominated him as a new candidate for Outside Corporate Auditor. He has no past experience of being involved in corporate management other than as Outside Director or Outside Corporate Auditor, but for the reasons stated above, the Company believes that he can appropriately perform his duties as Outside Corporate Auditor.</p>					

- Notes:
1. There is no special conflict of interest between the candidate and the Company.
 2. Mr. Takashi Ueda is a new candidate for Outside Corporate Auditor.
 3. If Mr. Takashi Ueda is elected at this Annual Meeting of Shareholders as proposed, the Company will enter into an agreement with him to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the same Act, up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the same Act.
 4. If Mr. Takashi Ueda is elected at this Annual Meeting of Shareholders as proposed, the Company will designate him as Independent Officer as set forth by the Tokyo Stock Exchange and plans to register him with the said exchange.
 5. The Company has entered into a Directors and Officers Liability Insurance policy with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act, as described in "4. (4) Outline of the coverage of Directors and Officers Liability Insurance policy, etc." on page 20 of the Business Report. If Mr. Takashi Ueda is elected at this Annual Meeting of Shareholders as proposed, he will continue to be included as an insured person under the said insurance policy. In addition, the insurance policy is scheduled to be renewed with the same coverage at the next renewal.