

Please note that the following is an unofficial English translation of Japanese Notice of Convocation of the 144th Ordinary General Meeting of Shareholders of Kyosan Electric Manufacturing Co., Ltd. Kyosan provides this translation for your reference purposes only and without any warranty as to its accuracy or otherwise. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

(Code No. 6742)

June 3, 2009

To Our Shareholders:

Tsutomu Nishikawa
President and Representative Director
Kyosan Electric Manufacturing Co., Ltd.
2-29-1 Heian-cho, Tsurumi-ku, Yokohama

Notice of Convocation of the 144th Ordinary General Meeting of Shareholders

You are cordially invited to attend the 144th Ordinary General Meeting of Shareholders of Kyosan Electric Manufacturing Co., Ltd. (“Kyosan” or the “Company”), to be held as follows.

If you are unable to attend the meeting, you may otherwise exercise your voting rights in writing. Please read the attached Reference Documents for the Ordinary General Meeting of Shareholders provided below, and indicate your approval or disapproval of the respective proposals, and return the enclosed Voting Rights Exercise Form by 5:00 p.m. Thursday, June 25, 2009.

- 1. Date and Time:** 10:00 a.m. Friday, June 26, 2009
- 2. Place:** Conference Room, New Stage Yokohama,
1-1-32 Shin Urashima-cho, Kanagawa-ku, Yokohama
- 3. Purposes of the Meeting:**
- Matters to be Reported:**
1. Business Report, Consolidated Financial Statements for the 144th Term (from April 1, 2008 to March 31, 2009) and Reports of Audit of the Consolidated Financial Statements by the Accounting Auditors and Board of Statutory Auditors
 2. Report on the Financial Statements for the 144th Term (from April 1, 2008 to March 31, 2009)
- Matters to be Resolved:**
- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Partial Amendments to the Articles of Incorporation
- Proposal No. 3:** Election of 9 Directors
- Proposal No. 4:** Election of 1 Statutory Auditor
- Proposal No. 5:** Election of 1 Substitute Statutory Auditor

* If you are attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.

* Any amendments to the Reference Documents for the Ordinary General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Financial Statements will be posted on Kyosan’s website (<http://www.kyosan.co.jp>).

[Translation for Reference Purposes Only]

Existing Articles	Proposed Amendments
<p>Article 8 <u>Number of Shares Constituting One Unit of Stock and Non-Issuance of Share Certificates representing Shares Less Than One Unit of Stock</u></p> <p>1. The number of shares constituting one unit of stock shall be one thousand (1,000).</p> <p>2. <u>Notwithstanding the preceding article, the Company shall not issue share certificates representing shares constituting less than one unit of stock; provided, however, that this provision shall not apply to the matters otherwise provided for in the Share Handling Regulations.</u></p>	<p>Article 7 <u>Number of Shares Constituting One Unit of Stock</u></p> <p>The number of shares constituting one unit of stock shall be one thousand (1,000). (Deleted)</p>
<p>Article 9 <u>Rights with Respect to Shares Constituting Less Than One Unit</u></p> <p>A shareholder <u>(including a beneficial shareholder; hereinafter the same interpretation shall apply)</u> may not exercise rights with respect to shares constituting less than one unit other than those specified in the following sections:</p> <p>(1) Right specified in each item of Article 189, Paragraph 2 of the Companies Act;</p> <p>(2) Right to make requests to the Company provided for in Article 166, Paragraph 1 of the Companies Act; and</p> <p>(3) Right to receive share subscription or to receive allotment of stock acquisition rights in accordance with the number of shares held by the shareholder.</p>	<p>Article 8 <u>Rights with Respect to Shares Constituting Less Than One Unit</u></p> <p>A shareholder may not exercise rights with respect to shares constituting less than one unit other than those specified in the following sections:</p> <p>(1) Right specified in each item of Article 189, Paragraph 2 of the Companies Act;</p> <p>(2) Right to make requests to the Company provided for in Article 166, Paragraph 1 of the Companies Act;</p> <p>(3) Right to receive share subscription or to receive allotment of stock acquisition rights in accordance with the number of shares held by the shareholder; and</p> <p><u>(4) Right to make a request to the Company provided for in the following article.</u></p>
<p>(New)</p>	<p><u>Article 9 Request for Sale of Shares Constituting Less Than One Unit</u></p> <p><u>A shareholder holding shares constituting less than one unit, in accordance with the provisions of the Share Handling Regulations, may request the Company to sell to him/her such amount of shares which will, when added together with the shares constituting less than one unit, constitute one unit of stock.</u></p>
<p>Article 10 <u>Transfer Agent</u></p> <p>1. The Company shall appoint a transfer agent.</p> <p>2. The transfer agent and its business office shall be designated by resolution of the Board of Directors of the Company and public notice thereof shall be issued by the Company.</p> <p>3. Preparation and retention of the register of shareholders <u>(including the register of beneficial shareholders; hereinafter the same interpretation shall apply)</u>, the ledger of stock acquisition rights and the register of lost share certificates of the Company, as well as any other business with respect to the register of shareholders, the ledger of stock acquisition rights and the register of lost share certificates of the Company, shall be entrusted to the transfer agent and shall not be handled by the Company.</p>	<p>Article 10 <u>Transfer Agent</u></p> <p>1. The Company shall appoint a transfer agent.</p> <p>2. The transfer agent and its business office shall be designated by resolution of the Board of Directors of the Company and public notice thereof shall be issued by the Company.</p> <p>3. Preparation and retention of the register of shareholders and the ledger of stock acquisition rights of the Company, as well as any other business with respect to the register of shareholders and the ledger of stock acquisition rights of the Company, shall be entrusted to the transfer agent and shall not be handled by the Company.</p>

[Translation for Reference Purposes Only]

Existing Articles	Proposed Amendments
<p>Addendum</p> <p><u>Notwithstanding the provisions of Article 21 of the Articles of Incorporation, the term of directors elected by the Ordinary General Meeting of Shareholders convened on June 29, 2006 shall be until the conclusion of the Ordinary General Meeting of Shareholders scheduled to be convened in 2008.</u></p> <p><u>This addendum shall be deleted after the expiration date.</u></p>	<p>Addendum</p> <p><u>Article 1. Preparation and retention of the register of lost share certificates of the Company, as well as any other business with respect to the register of lost share certificates of the Company, shall be entrusted to the transfer agent and shall not be handled by the Company.</u></p> <p><u>Article 2. This article and the preceding article shall remain in effect until January 5, 2010, and shall be deleted on January 6, 2010.</u></p>

Proposal No. 3: Election of 9 Directors

The terms of office of all Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the Company proposes to elect 9 Directors as shown below.

Candidates for the Directors (9)

No.	Name (Date of Birth)	Positions and Assignments in the Company	Biography and Representative Positions in Other Companies	Number of the Company's Shares Held
1	Tsutomu Nishikawa (November 1, 1945)	Representative Director, President and CEO	<p>April 1968 October 1992 October 1994 June 1995 October 1996 June 1999 June 2000 June 2002 June 2004</p> <p>Joined Kyosan General Manager, General Affairs Dept., Kyosan General Manager, Secretary Office, Kyosan Director, General Manager, General Affairs Dept., Kyosan General Manager, Corporate Planning Dept., Kyosan Managing Director, Kyosan Representative Director and Senior Managing Director, Kyosan President and Representative Director, Kyosan President and CEO, Kyosan (to the present)</p>	158,000 shares

[Translation for Reference Purposes Only]

No.	Name (Date of Birth)	Positions and Assignments in the Company	Biography and Representative Positions in Other Companies		Number of the Company's Shares Held
2	Sadatsuna Watanabe (January 19, 1947)	Director, Senior Executive Officer, General Manager, Business Headquarters and General Manager, Power Converter Division, Business Headquarters, Assigned to be in charge of Planning Center Dept., Business Headquarters and Technical Quality Management Center	April 1969 October 1995 June 1998 June 2004 April 2005 April 2006 April 2009	Joined Kyosan General Manager, 4th Signal System Engineering Dept., Kyosan Director, Kyosan Deputy General Manager, Railway Signal Division, Kyosan Executive Officer, Kyosan General Manager, Railway Signal Division, Kyosan Senior Executive Officer, General Manager, Business Headquarters, Kyosan General Manager, Power Converter Division, Kyosan (to the present)	86,000 shares
3	Kazuo Hinata (November 9, 1946)	Director, Executive Officer, General Manager, Railway Signal Division, Business Headquarters and General Manager, Cost Management Dept., Railway Signal Division, Business Headquarters, Assigned to be in charge of Development Center, Business Headquarters and Purchasing Dept., Business Headquarters	April 1969 May 1992 May 1998 June 1998 June 2004 April 2006 (Representative positions in other companies)	Joined Kyosan General Manager, 3rd Signal System Engineering Dept., Kyosan General Manager, 1st Signal System Engineering Dept., Kyosan Director, Kyosan Deputy General Manager, Railway Signal Division, Kyosan Executive Officer, Kyosan General Manager, Railway Signal Division, Kyosan (to the present) President and Representative Director, Kyosan Metal Industry Co., Ltd.	74,000 shares

[Translation for Reference Purposes Only]

No.	Name (Date of Birth)	Positions and Assignments in the Company	Biography and Representative Positions in Other Companies		Number of the Company's Shares Held
4	Tutomu Tokodai (January 21, 1951)	Director, Executive Officer, Deputy General Manager, Planning and Control Headquarters Assigned to be in charge of OA System Center	August 1974 April 2003 April 2005 April 2006 June 2006 April 2009	Joined Kyosan General Manager, Power Converter Manufacturing Control Dept., Kyosan Deputy General Manager, Power Converter Division, Kyosan Officer, Kyosan General Manager, Power Converter Division, Kyosan Director, Kyosan Executive Officer, Kyosan Deputy General Manager, Planning and Control Headquarters, Kyosan (to the present)	37,000 shares
5	Shigenobu Nishida (September 12, 1947)	Director, Officer, General Manager, Traffic Control Systems Division, Business Headquarters, Assigned to be in charge of Industrial Engineering Dept., Business Headquarters	April 1969 June 1996 April 2000 June 2001 June 2004 April 2006 June 2006 (Representative positions in other companies)	Joined Kyosan General Manager, 2nd Signal System Engineering Dept., Kyosan General Manager, Signal System Planning Dept., Kyosan General Manager, Signal System Project Control Dept., Kyosan Officer, Kyosan Deputy General Manager, Railway Signal Division, Kyosan General Manager, Traffic Control Systems Division, Kyosan Director, Kyosan (to the present) President and Representative Director, Kyosan Seiki Co., Ltd.	52,000 shares

[Translation for Reference Purposes Only]

No.	Name (Date of Birth)	Positions and Assignments in the Company	Biography and Representative Positions in Other Companies	Number of the Company's Shares Held
6	Hisazumi Toho (February 27, 1956)	Director, Officer, General Manager, General Planning Division	<p>March 2000 Vice General Manager, Finance and Investment Planning Dept., and General Manager, Investment Risk Management Dept., Nippon Life Insurance Company</p> <p>March 2003 General Manager, Second Financial Dept., Nippon Life Insurance Company</p> <p>March 2006 General Manager, First Financial Dept., Headquarter of Nippon Life Insurance Company</p> <p>March 2007 General Manager, First Financial Dept., Headquarter, and General Manager, Kyushu Financial Dept., Nippon Life Insurance Company</p> <p>April 2008 Joined Kyosan</p> <p>June 2008 Director, Kyosan</p> <p>July 2008 Officer, Kyosan</p> <p>General Manager, General Planning Division, Kyosan (to the present)</p>	21,000 shares

[Translation for Reference Purposes Only]

No.	Name (Date of Birth)	Positions and Assignments in the Company	Biography and Representative Positions in Other Companies	Number of the Company's Shares Held
7	Takashi Yoshikawa (November 20, 1954)	Advisor	<p>July 2002 General Manager, Audit Dept., The Bank of Yokohama, Ltd.</p> <p>June 2003 General Manager, Credit Dept., The Bank of Yokohama, Ltd.</p> <p>June 2005 Executive Officer, General Manager, Sagami-hara-Ekimae Branch, and General Manager, Sales Headquarters, North Prefectural Block, The Bank of Yokohama, Ltd.</p> <p>April 2007 Executive Officer, General Manager, Kawasaki Branch, and General Manager, Sales Headquarters, Kawasaki/Keihin Block, The Bank of Yokohama, Ltd.</p> <p>June 2008 Director and Executive Officer, The Bank of Yokohama, Ltd.</p> <p>April 2009 Director, The Bank of Yokohama, Ltd. (to the present)</p> <p>May 2009 Joined Kyosan Advisor (to the present)</p>	10,000 shares

[Translation for Reference Purposes Only]

No.	Name (Date of Birth)	Positions and Assignments in the Company	Biography and Representative Positions in Other Companies	Number of the Company's Shares Held
8	Fumihide Esaka (April 17, 1963)	Director	<p>July 1989 Joined Andersen Consulting Manager, Andersen Consulting</p> <p>September 1995 Joined International Rectifier Corporation In charge of Director Asia Customer Service Dept., International Rectifier Corporation</p> <p>July 1998 President and Representative Director, IR Far East Co., Ltd. (current International Rectifier Japan Co., Ltd.)</p> <p>June 2000 Director, Nihon Inter Electronics Corporation (to the present)</p> <p>June 2006 Director, Kyosan</p> <p>November 2007 Senior Managing Executive Officer, Nihon Inter Electronics Corporation (to the present)</p>	0 shares
9	Katsuhiko Fujimoto (July 30, 1944)	Director	<p>March 1968 Joined Hiroshi Fujii CPA Office</p> <p>July 1969 Joined Chiyoda Audit Corporation</p> <p>April 1974 Officer (Partner), Chiyoda Auditing firm (later renamed to Chuo Shinko Audit Corporation)</p> <p>March 1989 Representative Officer, Chuo Shinko Audit Corporation (later renamed to MISUZU Audit Corporation)</p> <p>September 2006 Resigned MISUZU Audit Corporation</p> <p>June 2008 Director, Kyosan</p> <p>August 2008 Opened Katsuhiko Fujimoto CPA Office (to the present)</p>	0 shares

(Notes)

1. The candidate for Director, Fumihide Esaka is a Director and Senior Managing Executive Officer in Nihon Inter Electronics Corporation. Nihon Inter Electronics Corporation is an affiliate of Kyosan and has business relationship with Kyosan. Other candidates have no specific interest with Kyosan.
2. Both Fumihide Esaka and Katsuhiko Fujimoto are candidates for Outside Director.
Fumihide Esaka is recommended for the position of Outside Director because he has given appropriate

[Translation for Reference Purposes Only]

opinions from international and objective point of view as an incumbent Outside Director and is considered to play continuously a suitable role in making decisions of the Board of Directors in the future.

The term of his office will have been 3 years at the conclusion of this General Meeting of Shareholders since he became Outside Director of Kyosan.

Katsuhiko Fujimoto is recommended for the position of Outside Director because he is expected to improve transparency of the Board of Directors and to strengthen the supervisory function with his professional knowledge as a certified public accountant for a long time and experiences as a representative partner in an auditing corporation. Katsuhiko Fujimoto does not have any direct experience in corporate management, but is considered to be suitable for the position of Outside Director from the reason stated above.

The term of his office will have been 1 year at the conclusion of this General Meeting of Shareholders since he became Outside Director of Kyosan.

3. The candidate for Director, Takashi Yoshikawa, is a Director of The Bank of Yokohama, Ltd. and slated to retire from office at the conclusion of the general meeting of shareholders to be held by the bank in June 2009.

Proposal No. 4: Election of 1 Statutory Auditor

Full-time Corporate Auditor, Yasumasa Inaba, will retire from office due to resignation at the conclusion of this Ordinary General Meeting of Shareholders, and it is proposed to elect 1 Statutory Auditor as shown below for substitution.

The consent of the Board of Statutory Auditors has been obtained for the submission of this proposal.

Candidate for the Board of Auditor

Name (Date of Birth)	Positions and Assignments in the Company	Biography and Representative Positions in Other Companies	Number of the Company's Shares Held
Hirokazu Watanabe (May 13, 1946)	Director, Assigned to be in charge of Internal Auditing Dept.	April 1969 Joined Kyosan April 1995 General Manager, Signal System Information and Management Engineering Dept., Kyosan July 2003 General Manager, Purchasing Dept., Kyosan April 2005 General Manager, Internal Auditing Dept., Kyosan April 2006 Officer, Kyosan General Manager, Business Planning Dept., Kyosan Assigned to be in charge of Internal Auditing Dept., Kyosan (to the present) June 2006 Director, General Manager, General Planning Division, Kyosan July 2008 Assistant to General Manager of Planning and Control Headquarters, Kyosan	37,000 shares

[Translation for Reference Purposes Only]

(Notes)

1. The candidate for Statutory Auditor, Hirokazu Watanabe, has no specific interest with Kyosan.
2. As Hirokazu Watanabe will be elected to substitute Yasumasa Inaba, the term of office of Hirokazu Watanabe expires when the term of office of the retired Statutory Auditor is scheduled to expire in conformity with the Articles of Incorporation of the Company.

Proposal No. 5: Election of 1 Substitute Statutory Auditor

It is proposed to elect 1 Substitute Statutory Auditor to serve in the event that the number of Statutory Auditors falls below the statutory requirement.

The preliminary election of the Substitute Statutory Auditor shall remain in force until the convention of the next Ordinary General Meeting of Shareholders.

The consent of the Board of Statutory Auditors has been obtained for the submission of this proposal.

The following candidate is proposed as Substitute Statutory Auditor.

Name (Date of Birth)	Positions and Assignments in the Company	Biography and Representative Positions in Other Companies	Number of the Company's Shares Held
Miki Kitajima (September 9, 1976)		October 2001 Passed bar exam October 2003 Registered as a lawyer (Yokohama Bar Association) (to the present)	0 shares

(Notes)

1. The candidate for Substitute Statutory Auditor, Miki Kitajima, has no specific interest with Kyosan.
2. Miki Kitajima satisfies all requirements for Outside Statutory Auditor.
The reason for electing Miki Kitajima is to utilize her professional insights and experiences as a lawyer for the auditing systems of Kyosan.
Miki Kitajima does not have any direct experience in corporate management, but is considered to be suitable for the position of Outside Statutory Auditor in light of her experiences and insights as a lawyer.