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To Our Shareholders:

Stock Code:6741

June 3, 2015

The Nippon Signal Co., Ltd.

5-1, Marunouchi, 1-Chome,

Chiyoda-ku, Tokyo

President & CEO

Yohei Furuhata

**Notice of Convocation of the Ordinary General Meeting of
Shareholders for the 132nd Business Term**

Notice is hereby given that the Ordinary General Meeting of Shareholders for the 132nd Business Term of The Nippon Signal Co., Ltd. (hereinafter referred to as 'Company') will be held as described below.

Your attendance at the meeting is cordially requested.

If you are unable to attend the Meeting, you may exercise your voting rights in writing either by returning the Voting Rights Exercise Form by the Internet, or as instructed below. After reviewing the following Reference Documents for General Meeting of Shareholders, please exercise your voting rights by no later than 5:05 p.m. on Tuesday, June 23, 2015 (Japan time).

When votes are registered by both methods, the vote registered via the Internet will be treated as the vote of record.

1. Date and Time : Wednesday, June 24, 2015 at 10:00 a.m. (Japan time)

2. Venue: Hall of Otemachi Sankei Plaza 4th Floor, Tokyo Sankei Building
7-2, Otemachi 1-chome, Chiyoda-ku, Tokyo

3. Agenda for the Meeting:

[Matters for Reporting]

- 1 - Reports on the contents of the Business Report and Consolidated Financial Statements for the 132nd Business Term (from April 1, 2014 to March 31, 2015), and reports on the Auditing Results of Accounting Auditor and Audit & Supervisory Board regarding the Consolidated Financial Statements.
- 2 - Reports on the content of the Financial Statements for the 132nd Business Term (from April 1, 2014 to March 31, 2015).

[Matters for Resolution]

- 1 - Appropriation of Surplus
 - 2 - Partial Amendment to the Articles of Incorporation
 - 3 - Election of one Director
 - 4 - Election of four Audit & Supervisory Board Members
 - 5 - Election of one Alternate Audit & Supervisory Board Member
 - 6 - Grant of Bonuses to Directors
 - 7 - Revision to Amount of Remuneration for Directors
- Upon attending the Meeting, please present the enclosed Voting Form to the receptionist of the Meeting.
 - When you exercise the voting rights through a proxy, such proxy must be only one shareholder who is entitled to attend the general meeting of shareholders. In this case, please submit a written power of attorney and the enclosed Cards for Exercise of Voting Rights to the receptionist of the Meeting.
 - Any changes in the matters described in Reference Documents for General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Financial Statements will be posted on our website (<http://www.signal.co.jp/ir/>).

No.1 - Appropriation of Surplus

The Nippon Signal Group's basic policy regarding earnings distribution is to seek to establish a stable earnings structure and management foundation, and strengthen its financial condition from a long-term perspective. In addition, the Company aims to sustain research and development, manufacturing infrastructure, and human resources development, and provide investors with stable dividends and returns commensurate with performance. We have set a target payout ratio of around 25% on a consolidated basis.

Under this policy, considering the Company's performance which achieved a record high, we would like to increase the year-end dividend by 3 yen from the previous fiscal year, taking it to 14 yen per share, in order to reward shareholders' support and

patronage.

Based on this policy, the Company proposes the following.

1. Matters concerning year-end dividend

(1) Type of dividend:

Cash

(2) Matters concerning allocation of dividend and the total amount:

14.00 yen per one common share of the Company

Total amount of dividend 956,070,220 yen

As we have already paid an interim dividend of 6.00 yen per share, the full-year dividend will be 20.00 yen per share.

(3) Effective date of the dividend from surplus:

June 25, 2015

2. Matters relating to other appropriation of earned surplus Value of increase in items under earned surplus

(1) Value of decrease in items under earned surplus Other reserves:

1,700,000,000 yen

(2) Accumulated earned surplus:

1,700,000,000 yen

No.2 - Partial Amendment to the Articles of Incorporation

1. Reasons for Amendment

(1) The Board of Directors proposes that the name of the Company in English be amended to the common expression.

(2) To create an environment in which the Outside Directors and Outside Audit & Supervisory Board Members to be appointed will be able to fully perform his or her expected role and the Company will be able to continuously secure suitable personnel as its Outside Directors and Outside Audit & Supervisory Board Members, the Company established the Articles that will enable it to enter into an agreement with Outside Directors and Outside Audit & Supervisory Board Members which limit their liabilities to the extent permitted by laws and regulations.

The range of company executives that can enter into a limited liability contract has been changed, as the "Act for Partial Revision of the Companies Act" (2014 Law No. 90) came into force on May 1, 2015.

We intend to amend some of the provisions of Article 27 and Article 36 in the Articles of Incorporation. The Company has obtained the consent of each of the Audit & Supervisory Board Member for the change to Article 27 of the Articles of Incorporation.

2. Substance of Amendment

The substance of the amendment is as follows:

(amended sections underlined)

Current Articles of Incorporation	Proposed Amendment
<p>(Name of the Company) Article 1. The name of the Company shall be Nippon Shingo Kabushikigaisha and it shall be called “<u>The</u> Nippon Signal Company, Limited. in English.</p>	<p>(Name of the Company) Article 1. The name of the Company shall be Nippon Shingo Kabushikigaisha and it shall be called “Nippon Signal Company, Limited. in English.</p>
<p>(Contract of limited liability for <u>Outside</u> Directors) Article 27. Under Article 427-1 of the Companies Act, the Company is permitted to conclude a contract which limits liability with an <u>Outside</u> Director under Article 423-1 of the Act. Provided, however, that amount limit based on this contract is the amount provided for by law.</p>	<p>(Contract of limited liability for Directors) Article 27. Under Article 427-1 of the Companies Act, the Company is permitted to conclude a contract which limits liability with a Director (<u>excludes executive Directors</u>) under Article 423-1 of the Act. Provided, however, that amount limit based on this contract is the amount provided for by law.</p>
<p>(Contract of limited liability for <u>Outside</u> Audit & Supervisory Board Members) Article 36. Under Article 427-1 of the Companies Act, the Company is permitted to conclude a contract which limits liability with an <u>Outside</u> Audit &</p>	<p>(Contract of limited liability for Audit & Supervisory Board Members) Article 36. Under Article 427-1 of the Companies Act, the Company is permitted to conclude a contract which limits liability with an Audit & Supervisory</p>

Supervisory Board Member under Article 423-1 of the Act. Provided, however, that amount limit based on this contract is the amount provided for by law.	Board Member under Article 423-1 of the Act. Provided, however, that amount limit based on this contract is the amount provided for by law.
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No.3 - Election of one Director

To strengthen the supervisory function, the Company has decided to increase the number of Outside Directors by one and requests the election of one Outside Director.

The term of office of the candidate for Outside Director will be until the expiry of the term of office of the other serving Directors under the provision of Article 21-2 of the Articles of Incorporation.

The candidate for Outside Director is as follows:

Name (Date of birth)	Biography, status, and significant concurrent positions	Number of the Company's shares held
Yasuko Matsumoto (September 2, 1953)	<p>April 1978 Registered as Attorney, Joined Yamashita Oshima Law Office</p> <p>April 2000 Part-time Lecturer of Seikei University</p> <p>February 2001 Member of Independent Administrative Institution Evaluation Committee, the Ministry of Economy, Trade and Industry</p> <p>April 2007 Part-time Lecturer of Tokyo University of the Arts (to Present)</p>	0

1. Yasuko Matsumoto has no special interest in the Company.
2. Yasuko Matsumoto is an Outside Director candidate.
3. The Company expects that Yasuko Matsumoto will provide management supervision and advice based on her high level of knowledge and experience as a legal expert and requests her election as the Outside Director.

4. Yasuko Matsumoto meets the conditions of an Independent Officer as defined by Tokyo Stock Exchange, Inc.
5. If Yasuko Matsumoto is elected as an Outside Director, the Company plans to form a limited liability agreement with Yasuko Matsumoto that sets the amount of her liability at the minimum liability amount prescribed in Article 423-1 of the Companies Act.

No.4 - Election of four Audit & Supervisory Board Members

The terms of office of all of the four Audit & Supervisory Board Members will expire at the end of this General Meeting of Shareholders. Accordingly, the Company requests the election of four Audit & Supervisory Board Members, including two new candidates. The Company has obtained the consent of the Audit & Supervisory Board for this proposal.

The candidates for the Audit & Supervisory Board Members are as follows:

No.	Name (Date of birth)	Biography, status, and significant concurrent positions	Number of the Company's shares held
1	Shoji Kawada (May 2, 1951)	<p>April 1975 Joined the Company</p> <p>July 2001 General Manager of Production Control Dept. of Utsunomiya Plant</p> <p>June 2003 Executive Officer</p> <p>June 2008 Senior Executive Officer</p> <p>June 2012 Director</p> <p>June 2013 Corporate Audit & Supervisory Board Member (to present)</p>	40,300
2	Yukio Yoshikawa (May 23, 1947)	<p>April 1973 Joined National Police Agency</p> <p>February 2003 Director of Japan Safe Driving Center</p> <p>March 2007 Full-time Adviser of the Company</p> <p>June 2011 Corporate Audit & Supervisory Board Member (to present)</p>	20,900

3	Tsutomu Tsunashima (September 8, 1956)	<p>April 1979 Joined The Yasuda Trust & Banking Company, Limited</p> <p>April 2010 President of Urban Research Institute, Corp. (to present)</p> <p>June 2011 Corporate Audit & Supervisory Board Member of DYNIC CORPORATION (to present)</p> <p>(Significant concurrent positions) President of Urban Research Institute, Corp.</p>	0
4	Naoko Sato (June 20, 1978)	<p>October 2006 Registered as Attorney, Joined Anderson Mori & Tomotsune LPC</p> <p>March 2011 Registered as Attorney in New York</p> <p>September 2013 Joined Sidley Austin Nishikawa Foreign Law Joint Enterprise (to present)</p> <p>(Significant concurrent positions) Sidley Austin Nishikawa Foreign Law Joint Enterprise as attorney</p>	0

1. None of the candidates for the Audit & Supervisory Board Members have any special interest in the Company.
2. Tsutomu Tsunashima and Naoko Sato are the Outside Audit & Supervisory Board Members candidate.
3. The Company expects Tsutomu Tsunashima to provide supervision and advice utilizing his extensive experience as an executive officer at a trust bank and requests his election as the Outside Audit & Supervisory Board Member.
4. The Company expects Naoko Sato to provide supervision and advice based on her high level of knowledge and experience as a legal expert and requests her election as the Outside Audit & Supervisory Board Member.
5. Tsutomu Tsunashima and Naoko Sato meet the conditions of an Independent Officer as defined by Tokyo Stock Exchange, Inc.
6. If Tsutomu Tsunashima and Naoko Sato are elected as Outside Audit &

Supervisory Board Members, the Company plans to form a limited liability agreement with Tsutomu Tsunashima and Naoko Sato that sets the amount of their liability at the minimum liability amount prescribed in Article 423-1 of the Companies Act.

No.5 - Election of one Alternate Audit & Supervisory Board Member

To ensure that the Company will not lack the number of Audit & Supervisory Board Members stipulated by law, the Company requests the election of one Alternate Audit & Supervisory Board Member.

The Company has obtained the consent of the Audit & Supervisory Board regarding this proposal.

The Alternate Audit & Supervisory Board Member candidate is as follows:

Name (Date of birth)	Biography, status, and significant concurrent positions	Number of the Company's shares held
Michiaki Morita (March 7, 1949)	April 1972 Joined the Bank of Japan September 2005 Adviser of Ueda Yagi Tanshi Co., Ltd. May 2006 President of Ueda Yagi Tanshi Co., Ltd. May 2014 Director and Senior Adviser of Ueda Yagi Tanshi Co., Ltd. (To Present)	1,000

1. Michiaki Morita has no special interest in the Company.
2. Michiaki Morita is an Alternate Outside Audit & Supervisory Board Member candidate.
3. The Company expects Michiaki Morita to provide supervision and advice utilizing his experience as a manager and requests his election as the Alternate Audit & Supervisory Board Member.
4. If Michiaki Morita is elected as an Outside Audit & Supervisory Board Member, the Company plans to form a limited liability agreement with Michiaki Morita that sets the amount of his liability at the minimum liability amount prescribed in Article 423-1 of the Companies Act.

No.6 - Grant of Bonus to Directors

It is proposed that bonus be granted to the seven Directors including one Outside Director as of the end of this term, which totals 127,000,000 yen (2,500,000 yen for one Outside Director) considering the Company's financial performance for this Business Term.

No.7 - Revision to Amount of Remuneration for Directors

It was approved at the Company's Ordinary General Meeting of Shareholders for the 123rd Business Term, held on June 28, 2006, that the amount of remuneration for Directors of the Company shall be a monthly amount of 20 million yen or less, and this has remained the amount of remuneration for Directors up until today.

In addition, at the Company's 131st Ordinary General Meeting of Shareholders, held on June 25, 2014, the number of Directors was changed from seven or less to nine or less.

However, considering the increase in the number of Directors, we propose that the amount of remuneration for Directors be revised to be a monthly amount of 30 million yen or less (which includes 3 million yen or less for Outside Directors).

Although there are presently seven Directors (which includes one Outside Director), if Resolution No.3 is approved, the number of Directors will rise to eight (which will include two Outside Directors).