

Notice to Shareholders

1-7, Yukigaya-otsukamachi, Ota-ku, Tokyo 145-8501
ALPS ELECTRIC CO., LTD.
President Masataka Kataoka

Notice of Convocation of The 77th Ordinary General Meeting of Shareholders

Dear Shareholder,

We are pleased to invite you to the 77th General Meeting of Shareholders, to be held at the time and venue described below.

If you are unable to attend the meeting, you are kindly requested to consider the attached “Reference Documents for the General Meeting of Shareholders” and exercise your voting rights in one of the following ways.

[Exercise of voting rights by postal mail]

Please indicate your approval or disapproval for each of the proposals on the enclosed “Voting Rights Exercise Form,” and return the form to us by mail, which must be received no later than 5.00pm on Thursday, June 24, 2010.

[Exercise of voting rights via the Internet]

Please read the “Instructions for the Exercise of Voting Rights via the Internet” (pages 64 to 65, in Japanese only), and exercise your voting rights no later than 5.00pm on Thursday, June 24, 2010.

Yours faithfully,
Masataka Kataoka
President

The 77th Ordinary General Meeting of Shareholders

1. Date and time: Friday, June 25, 2010, at 10:00 a.m.
2. Location: Alps Electric Co., Ltd. Headquarters (Alps Building)
1-7 Yukigaya-otsukamachi, Ota-ku, Tokyo, Japan
(Please refer to the attached map, in Japanese only)

Please note that the location of the venue is different from last year.

3. Purpose of the Meeting:

Matters to be reported:

1. Business Report, Consolidated Financial Statements, Audit Reports of Consolidated Financial Statements by the Account Auditor and the Board of Corporate Auditors for the 77th fiscal year (from April 1, 2009 to March 31, 2010)
2. Financial Statements for the 77th fiscal year (from April 1, 2009 to March 31, 2010)

Matters to be resolved:

Proposal 1	Amendments to the Articles of Incorporation
Proposal 2	Decrease of Unappropriated Retained Earnings and Disposition of Reserve
Proposal 3	Election of Nine Directors
Proposal 4	Election of One Auditor
Proposal 5	Election of One Alternate Auditor

4. Reference to the Exercise of Voting Rights, etc.

(1) Multiple exercise of voting rights:

If voting rights are exercised simultaneously by sending the “Exercise of Voting Rights Form” by mail and via the Internet, the vote received via the Internet shall be deemed the valid vote. If voting rights are exercised more than once, via the Internet, the last vote shall be deemed the valid vote.

(2) Exercise of voting rights by proxy:

If you are unable to attend the General Meeting of Shareholders, you may appoint another shareholder with voting rights to attend as your proxy. However, documents evidencing the right of representation must be submitted.

(3) Notification of Corrections of Information Contained in the Reference Document, Business Reports, Financial Statements or Consolidated Financial Statements:

If it is necessary to correct information contained in the Reference Document, Business Reports, Financial Statements or Consolidated Financial Statements, the information as corrected will be published on the Company’s website at www.alps.com.

Note:

Attendees are asked to present the enclosed Voting Rights Exercise Form at the reception desk on arrival to the meeting.

You are also cordially invited to attend the Shareholders’ Reception to be held in the room next to the venue after the General Meeting of Shareholders is adjourned.

Reference Document for the General Meeting of Shareholders

Agenda and Reference Items

Proposal 1 Amendments to the Articles of Incorporation

1. Reason for Amendments

Along with the implementation of “the Law Partially Amending the Law Concerning Book-Entry Transfer of Corporate Bonds and Other Securities for the Purpose of Streamlining the Settlement of Trades of Stocks, Etc.” on January 5th 2009 (Law No. 88 of 2004; hereinafter, the “Streamlining Settlement Law”), the stocks of the listed companies were altogether transferred to the book-entry transfer system (so-called Electronic Share Certificate System).

In connection with this, it is proposed to make necessary amendments to the Articles of Incorporation such as deletion of no longer required provisions relating to share certificates, beneficial shareholders and list of beneficial shareholders and to change the numbering of the Articles.

As for the provision of Article 8 (Issuance of Share Certificates) regarding the Existing Articles of Incorporation, the Company is deemed to have adopted a resolution to amend the Articles of Incorporation to abolish the provision of the issuance of share certificates with the effective date of January 5, 2009, upon implementation of the “Streamlining Settlement Law” Article 6 Section 1.

The proposal herein is intended to specify that the amendments to the Article 10 (the Existing Article 12) regarding the Share Handling Regulations of the Articles of Incorporation, proposed at the 76th General Meeting of Shareholders, are limited to share handling, and is therefore presented again as a revised proposal.

Previously, we published Alps’ Share Handling Regulations on our homepage in October 2009 in order for shareholders’ to better understand the regulations as well as to implement reform.

2. Amended Items

The proposed amendments are as described below:

(Underlined text indicates areas to be changed.)

Existing Articles of Incorporation	Proposed Amendments
Chapter 2 Shares	Chapter 2 Shares
ARTICLE 6 (Total Number of Shares Authorized to be issued) The total number of shares authorized to be issued by the Company shall be 500 million shares.	ARTICLE 6 (Unchanged)
ARTICLE 7 (Acquisition of Treasury Stock) The Company may acquire treasury stock by trading on the open market etc. in accordance with judgment passed by the Board of Directors that accords to the provisions of Article 165, Paragraph 2, of the Company Law.	ARTICLE 7 (Unchanged)
<u>ARTICLE 8 (Issuance of Share Certificates)</u> <u>The Company shall issue share certificates for shares.</u>	<u>(To be deleted)</u>

<p>ARTICLE 9 (Number of Shares Constituting One Unit and Non-Issuance of Share Certificates of Less than One Unit) The number of shares constituting one unit of shares of the Company shall be one hundred (100).</p> <p><u>2) Irrespective of the provisions of the previous Article, the Company shall not issue any share certificates for odd lot shares. This shall not apply, however, if otherwise prescribed in the Share Handling Regulations.</u></p> <p><u>ARTICLE 10 (Types Of Stock Certificates)</u> <u>The types of stock certificates the Company issues are decided in accordance with the rules and regulations set forth by the Board of Directors.</u></p> <p>ARTICLE 11 (Sale Requests by Odd-lot Shareholders) A Shareholder <u>(may be a beneficial Shareholder; the same shall apply hereinafter)</u> of odd-lot shares may request the Company to sell the Shareholder the number of shares of stock needed to make a share unit (“additional purchase”).</p> <p>2) When the Company receives the request as stipulated in the preceding paragraph, it may refuse the request if it does not have in its possession the requested number of shares.</p> <p>ARTICLE 12 (Share Handling Regulations) <u>Transfer of the Company's stock, the Company's purchase or Shareholder's additional purchase of odd lot shares, procedure for registration of lost stock certificate, acceptance of beneficial Shareholder notice, and handling of other matters concerning stock shall comply with the share handling regulations established by the board of directors.</u></p> <p>ARTICLE 13 (Shareholders’ Register Administrator) The Company shall have a shareholders’ register administrator. 2) The shareholders’ register administrator and its place of business shall be determined by the Board of Directors, and public notice shall be given.</p> <p><u>3) Administration concerning the Company’s Shareholder register (including beneficial Shareholder register; the same shall apply hereafter) the equity warrant register, and lost</u></p>	<p>ARTICLE 8 (Number of Shares Constituting One Unit) The number of shares constituting one unit of shares of the Company shall be one hundred (100).</p> <p><u>(To be deleted)</u></p> <p><u>(To be deleted)</u></p> <p>ARTICLE 9 (Sale Requests by Odd-lot Shareholders) A Shareholder of odd-lot shares may request the Company to sell the Shareholder the number of shares of stock needed to make a share unit (“additional purchase”).</p> <p>2) (Unchanged)</p> <p>ARTICLE 10 (Share Handling Regulations) The Company's purchase or Shareholder's additional purchase of odd lot shares and <u>procedures for handling other matters concerning stock shall comply with the share handling regulations established by the Board of Directors.</u></p> <p>ARTICLE 11 (Shareholders’ Register Administrator) (Unchanged) 2) (Unchanged)</p> <p><u>(To be deleted)</u></p>
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<p><u>stock certificate register, including creation and preparation thereof, shall be entrusted to the shareholders' register administrator, and the Company shall not handle the same.</u></p> <p>ARTICLE <u>14</u> (Reference Date) Shareholders who are listed or recorded in the final Shareholder register as of March 31 of a given year shall be the Shareholders who are eligible to exercise their rights at the Ordinary General Shareholders' meeting pertaining to that business year.</p> <p>2) Aside from the matters set forth in this Articles of Incorporation, as necessary, upon providing advance public notice, we may schedule an additional Record Day.</p> <p>ARTICLE <u>15</u> ~ ARTICLE <u>42</u> (Omitted)</p>	<p>ARTICLE <u>12</u> (Unchanged)</p> <p>2) (Unchanged)</p> <p>ARTICLE <u>13</u> ~ ARTICLE <u>40</u> (Unchanged)</p>
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Proposal 2 Decrease of Unappropriated Retained Earnings and Disposition of Reserve

The unappropriated retained earnings show a loss at the end of the current fiscal year. Along with clearing the deficit we will reduce unappropriated retained earnings and dispose reserve in preparation for future payment of a dividend.

1. Decrease in amount of legal retained earnings

In accordance with the provisions outlined in the Company Law Article 448, Section 1, we will transfer the entire amount of the retained earnings to the unappropriated retained earnings.

(1) Decrease in amount of legal retained earnings: JPY 4,858,147,966

(2) Effective date of decrease in legal retained earnings: June 30, 2010

2. In accordance with the provisions outlined in Company Law Article 452, we will transfer the entire amount of the Research & Development Reserve Fund and Special Reserve to the unappropriated retained earnings.

(1) Decrease in amount of reserve and its category

Research & Development Reserve Fund: JPY 1,400,000,000

Special Reserve: JPY 40,000,000,000

(2) Increase in amount of reserve and its category

Unappropriated Retained Earnings: JPY 41,400,000,000

Proposal 3 Election of Nine Directors

The term of office of the following eight Directors, namely, Messrs. Masataka Kataoka, Nobuhiko Komeya, Toshihiro Kuriyama, Junichi Umehara, Masaru Usui, Shuji Takamura, Yoshitada Amagishi and Takashi Kimoto, will expire at the close of this General Meeting of Shareholders.

With the establishment of Alps Green Devices Co., Ltd. (AGD), Director Yasuhiro Fujii became president of AGD and thus will become a part-time director. For this reason as well as to further strengthen the core components business in the Mechatronics, Materials & Process (MMP) Division, which oversees all production for the Company, we have added one Director to make the total nine. Accordingly, the Board of Directors recommends the nomination of nine Directors.

The candidates for Director are as follows:

Nominee No	Name Date of birth	Brief personal history, title and position in the Company (Representative position held at another company)	No. of Company shares held
1	Masataka Kataoka June 30, 1946	<p>April 1972 Joined the Company March 1981 General Manager, Kakuda Division June 1982 Director June 1985 Managing Director October 1986 Senior Managing Director June 1988 President, Chairman of the Board of Directors (to the present)</p> <p>(Representative position held at another company) Chairman, Alps Electric Korea Co., Ltd Chairman, Alps (China) Co., Ltd</p>	818,500
2	Nobuhiko Komeya Sept 20, 1955	<p>April 1981 Joined the Company March 2000 President, Alps Electric (UK) Limited June 2004 Director October 2004 Senior Manager, Components Products Business July 2006 General Manager, Communication Devices Division June 2007 General Manager, Automotive Products Division April 2009 Production & Material Control Executive, MMP Process Division June 2009 Managing Director (- present) October 2009 Production Preparation Executive, MMP Division January 2010 Quality Management Executive</p>	3,000

3	Toshihiro Kuriyama April 25, 1957	April 1980 April 2004 June 2004 April 2007 January 2009 April 2009 October 2009	Joined the Company General Manager, Magnetic Devices Division Director (-present) General Manager, Business Development Headquarters Engineering Management Executive (- present) General Manager, Engineering Quality Management Executive Component Products Business, MMP Division (- present)	5,300
4	Junichi Umehara March 5, 1957	March 1987 September 2004 June 2006 July 2006 April 2009	Joined the Company Deputy Officer in charge of Legal & Intellectual Property Deputy Officer in charge of Corporate Export & Import Administration Director (- present) Officer in charge of Legal & Intellectual Property Officer in charge of Corporate Export & Import Administration (-present) Deputy General Manager, Administration Headquarters (- present) Deputy General Manager, Engineering Headquarters Officer in charge of Intellectual Property (- present)	3,000
5	Masaru Usui January 10, 1958	April 1981 April 2005 June 2006 July 2006 April 2009	Joined the Company General Manager, Strategic Sales & Marketing Operations Director (- present) Deputy General Manager, Sales & Marketing Headquarters Mechatronic Devices Sales Division, MMP Division Deputy General Manager, Home, Mobile & Industry Division (- present)	10,000
6	Shuji Takamura August 25, 1952	April 1975 March 2004 June 2007 June 2008 April 2009 October 2009	Joined the Company Director & President, Alps Electric Korea Co., Ltd. General Manager, Mechatronic Devices Division (of Alps Electric) Director (- present) Deputy Officer in charge of MMP Division, Component Products Business Production & China Executive, MMP Division (- present)	5,100

7	Yoshitada Amagishi February 11, 1956	April 1980 April 2003 June 2007 June 2008 April 2009	Joined the Company Director & President, Alps Electric (Malaysia) SDN. BHD. General Manager, Peripheral Products Division (of Alps Electric) Director (- present) Deputy General Manager, Automotive Division (-present)	5,700
8	Takashi Kimoto October 1, 1958	April 1981 July 2006 June 2008 April 2009 April 2010	Joined the Company Deputy General Manager, Sales & Marketing Headquarters Director (-present) General Manager, Automotive Division (- present) European and American Business Executive (- present)	7,932
9	Yasuo Sasao* February 10, 1959	April 1983 April 2007 January 2009 April 2009	Joined the Company General Manager, Strategic Sales & Marketing Operations, Sales & Marketing Headquarters Deputy General Manager, Mechatronic Devices Division Deputy Officer in charge of MMP Division, Component Products Business (-present)	6,519

Note:

1. There is no special conflict of interest between any of the above candidates and the Company.
2. The nominee marked with a (*) is a new director candidate.

Proposal 4 Election of One Auditor

The term of office of Auditor Mr. Hiroshi Akiyama will expire at the close of this General Meeting of Shareholders.

The Board of Directors recommends that the following candidate be elected as Auditor.

Prior agreement of the Board of Statutory Auditors has been obtained regarding the submission of this proposal. The candidate for Auditor is as follows:

Name Date of birth	Brief personal history, title and position in the Company (Representative position held at another company)	No. of Company shares held
Hiroshi Akiyama December 3, 1946	April 1984 Registered Attorney at Law October 1985 Joined Yanagida & Nomura law firm January 1988 Partner, Yanagida & Nomura law firm April 2005 Outside Director, People Co., Ltd. (Nomination Committee, Auditing Committee) June 2006 Outside Corporate Auditor, Alps Electric (- present) June 2007 Outside Corporate Auditor, YKK Corporation (- present)	0

Note:

1. There is no special conflict of interest between the above candidates and the Company.
2. Mr. Akiyama is the candidate for Outside Corporate Auditor.
3. While Mr. Akiyama has never been engaged directly in the management of the Company except as an Outside Corporate Auditor, he has a wide range of experience and knowledge as an Attorney at Law and satisfies requirements that his appointment would not result in a conflict of interest with general shareholders. Therefore, we are confident that he will perform his duties of Outside Corporate Auditor appropriately.
4. Mr. Akiyama is currently an Outside Corporate Auditor of the Company and his term of office as such will be four years at the close of this General Meeting.

Proposal 5 Election of One Alternate Auditor

The Board of Directors recommends the election of an Alternate Auditor to assume the office of Auditor in the event the number of corporate auditors falls below that required by laws and ordinances.

Mr. Hikokichi Tokiwa, the candidate for Alternate Auditor, as described in the brief personal history below, has been part of the management of Nippon Chemi-Con Corporation for many years and possesses extensive knowledge of corporate management. If he is elected as an Outside Corporate Auditor, we believe that Mr. Tokiwa will be able to carry out his duties appropriately.

We propose that the validity of his election may be revoked in accordance with the resolution of the Board of Directors, with the consent of the Board of Corporate Auditors, provided that this is done prior to his assumption of office.

Prior agreement of the Board of Auditors has been obtained regarding the submission of this proposal.

The candidate for Alternate Auditor is as follows:

Name Date of birth	Brief personal history, title and position (Representative position held at another company)	No. of Company shares held
Hikokichi Tokiwa January 1, 1935	April 1969 Joined Nippon Chemi-Con Corporation June 1977 Director of Nippon Chemi-Con November 1995 Representative Director and President of Nippon Chemi-Con June 2003 CEO & Chairman of the Board of Directors of Nippon Chemi-Con June 2007 Honorary Adviser of Nippon Chemi-Con (- present)	0

Notes:

1. The above candidate has no conflict of interest with the Company.
2. Mr. Tokiwa, the candidate for Outside Corporate Auditor, satisfies the Tokyo Stock Exchange's requirements that a candidate be an independent official.
3. Mr. Tokiwa is an Honorary Adviser of Nippon Chemi-Con as described above. Though we conduct business with Nippon Chemi-Con for the purchase of raw materials, the transactions amount to less than 1% of our entire procurements, and thus Nippon Chemi-Con is not classified as a major business partner.