(Translation)

This document is an English translation of the notice for the general meeting of shareholders originally written in Japanese. This translation was made for reference purpose only and all warranties, and in particular the accuracy of this translation, are hereby disclaimed.

(Securities Identification Code: 6703)
June 4, 2015

NOTICE OF 91ST ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders,

Oki Electric Industry Co., Ltd. (the "Company") would hereby like to inform you that the 91ST ordinary general meeting of shareholders will be held as follows. We would be grateful if you could attend the meeting.

Those who will not be able to attend the meeting are kindly requested to review "4. Exercise of Voting Rights" on page 2 and exercise their voting rights no later than 5:15 p.m., June 23 (Tuesday), 2015 (JST).

Yours faithfully,

Hideichi Kawasaki,
President, Representative Director
Oki Electric Industry Co., Ltd.
1-7-12 Toranomon, Minato-ku, Tokyo

(Translation)

1. Date and Time: Wednesday, June 24, 2015, from 10:00 a.m.

2. Location: Nikkei Hall, 3F Nikkei Building, 1-3-7 Otemachi, Chiyoda-ku, Tokyo

3. Meeting Agenda

Items to be reported:

1. Business Report, Consolidated Financial Statements and audit results of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the 91st fiscal year (from April 1, 2014 to March 31, 2015)
2. Non-consolidated Financial Statements for the 91st fiscal year (from April 1, 2014 to March 31, 2015)

Items to be resolved:

Agenda 1: Appropriation of Surplus
Agenda 2: Partial Amendment of the Articles of Incorporation
Agenda 3: Election of Three (3) Directors
Agenda 4: Election of One (1) Audit & Supervisory Board Member

4. Exercise of Voting Rights

(1) Attendance at the meeting in person
Please submit the enclosed ballot at the reception desk of the meeting.

(2) Exercise of voting rights via postal mail
Please indicate your approval or disapproval for each of the proposals in the space provided on the ballot and return the ballot to the Company.

(3) Exercise of voting rights via electronic means (Internet)
Please read the appended "Instructions for the Exercise of Voting Rights via the Internet," and indicate your approval or disapproval online via the designated website at http://www.it-soukai.com/. There is no need to mail the ballot if you choose to vote via Internet.

* The Company has provided the Notice of 91st Ordinary General Meeting of Shareholders on its Internet website (http://www.oki.com/). Any amendment to the Company's Reference Documents for the General Meeting of Shareholders, the Business Report, and the Consolidated and Non-consolidated Financial Statements will be announced on the website.

(Translation)

(Attachment)

Business Report

(From April 1, 2014 to March 31, 2015)

1. Status of the OKI Group

(1) Operating progress and results

Looking at the global economy during fiscal 2014, economic recovery continued in the U.S., including increases in private consumption and capital expenditure, and the economies of Europe and emerging countries headed towards a gradual recovery. The Japanese economy remained on a recovery path, with improvement in the employment conditions and corporate earnings.

Under this business environment, OKI Group reported net sales of ¥540.2 billion, a ¥57.1 billion or 11.8% increase year-on-year, due to strong performances in each business segment, including Info-telecom systems business. Operating income was ¥32.4 billion, a ¥5.2 billion increase year-on-year, thanks to increase in sales volume in Info-telecom systems business and Printer business' product mix improvement.

Ordinary income was ¥37.9 billion, a ¥1.2 billion increase year-on-year as increase of operating income offset a decrease in currency exchange gain. Net income was ¥33.1 billion, a ¥5.7 billion increase year-on-year as the expense of business structural reform accrued in the last fiscal year was cleared.

Looking at non-consolidated business performance, net sales were ¥258.3 billion, up ¥19.5 billion (8.2%) from the previous fiscal year. This was due to the increase in net sales of the Info-telecom systems business, mainly for telecom systems, social infrastructure systems and mechatronics systems. Operating income was ¥16.7 billion, an increase of ¥4.1 billion year-on-year.

Ordinary income increased by ¥10.5 billion year-on-year to ¥23.8 billion, due to increases in dividend income received and currency exchange gain. Net income grew ¥12.1 billion year-on-year to ¥24.2 billion.

The Company's top management priorities are to strengthen its financial position and ensure retained earnings in order to continually improve the OKI Group's corporate value, as well as to increase shareholder returns so that shareholders are encouraged to hold its shares over the medium- to long-term. The Company will reinforce its financial condition and management foundations by applying retained earnings to investments in research & development and facilities that are critical to future growth. In addition, the Company will attach the highest importance to maintaining stable profit distributions to shareholders and decide dividends after taking business performance into consideration. Based on this policy, the Company proposes to pay ¥3 per common stock as a dividend from the surplus (year-end dividend) in the current fiscal year.

Net sales by segment are as provided below.

(Translation)

- Net Sales

(Unit: billions of yen)

Segment	FY2013 (reference: previous year)	FY2014 (the year under review)	Increase or decrease	Compared to the previous year (%)
Info-telecom systems	303.6	352.5	48.9	16.1
Printers	124.8	129.3	4.5	3.6
EMS	37.1	40.3	3.2	8.6
Others	17.6	18.1	0.5	2.8
Total	483.1	540.2	57.1	11.8

Note: Figures less than ¥100 million for each item are rounded to the nearest ¥100 million. The amounts of "increase or decrease" are calculated on the basis of figures in units of ¥100 million.

The following provides a summary of each segment.

Info-telecom systems

Net sales to external customers were ¥352.5 billion, up ¥48.9 billion (16.1%) from the previous fiscal year. In the solution & services business, sales of systems for government agencies and corporate customers increased steadily on the whole, although sales of financial systems declined. Sales of telecom systems increased because sales of existing networks for telecom carriers grew due to frontloading of demand, and sales grew steadily for home networks and GE-PON. Sales of social infrastructure systems also increased because of frontloading of demand for digital wireless communication systems for firefighting and strong sales of transportation-related projects. Sales of mechatronics systems rose significantly due to favorable sales of overseas-bound ATMs centered on China, and the effects of consolidation of the subsidiary in Brazil and increased sales of cash-handling equipment in Japan.

Operating income increased by ¥2.5 billion to ¥25.9 billion because favorable results in each business absorbed the effects of consolidation of the subsidiary in Brazil.

Printers

Net sales to external customers were ¥129.3 billion, up ¥4.5 billion (3.6%) from the previous fiscal year. Sales of color LED printers levelled off, although the product mix improved. Sales of monochrome LED printers increased as a result of winning large-scale projects. Sales of dot impact printers were almost on a par with the previous year's level.

Operating income increased by ¥1.6 billion to ¥6.7 billion, due to the improved product mix and the effects of implementation of structural reforms.

Electronics manufacturing services (EMS) and others

Net sales to external customers were ¥40.3 billion, up ¥3.2 billion (8.6%) from the previous fiscal year, in EMS business and ¥18.1 billion, up ¥0.5 billion (2.8%) from the previous fiscal year, in the Others business. Sales of the EMS business increased because penetration of the OKI brand as a high-end EMS led to steady acquisition of new customers. Sales of the Others business segment also increased as sales in the component-related business, including reed switches, remained strong.

Operating income of the EMS business increased ¥0.3 billion to ¥2.0 billion and that of the Others business increased ¥0.7 billion to ¥3.5 billion.

(2) Capital expenditure

Capital expenditures for the fiscal year equaled ¥11.5 billion.

Investment amounts by segment were as follows.

(Unit: billions of yen)

Segment	Amount of capital expenditure	Major investments
Info-telecom systems	6.1	Investments in R&D, development of new products and production activities for financial systems, automation equipment systems, systems related to fire- and disaster-prevention and optical access systems, etc.
Printers	3.1	Investments in R&D, development and production activities relating to business-use printers
EMS	0.7	Investments in electronic manufacturing services for medical, telecommunications and industrial equipment
Others	1.6	
Total	11.5	

(3) Financing

Funds required for the current term were obtained from our own funds and borrowed funds.

Borrowing funds are mainly long-term debt principally from major banks.

(4) Future challenges

In November 2013, the OKI Group announced the Medium-term Business Plan 2016, and established it as its vision to become a high-value added creation group, which contributes to the realization of safe and comfortable society. Its management policy is to make continuous investments by ensuring stable profits, thus achieving sustainable growth, with the management objectives for FY2016, the final year of the Medium-term Business Plan, of net sales of ¥560.0 billion, operating income of ¥34.0 billion, operating profit margin of 6%, shareholders' equity ratio of at least 30%, debt equity ratio of 1.0 or less, and overseas sales ratio of 40%.

To ensure stable profits, the Group will respond to demand for renewing financial, social, and telecom systems, and continue to seize opportunities in China's ATM market as well. In addition, it will generate stable profits through structural reforms of the Printer business, following on from those in fiscal year 2013, and by making each business more efficient.

To achieve sustainable growth, the Group will carry out various measures in the future under three main pillars: "expanding business in global markets," "supporting customers' "asset-free" management" and "entering the field of next-generation social infrastructure." It aims to tap new ATM markets including Brazil, to expand products with the rollout of cash handling equipment and maintenance services, and promote the global development of high-value added printers for the copier and professional services market. Besides, it will support customers' "asset-free" management, such as by strengthening cloud services, Life Cycle Management (LCM) services, etc. Furthermore, by leveraging its strengths in sensing and network technology, it will focus on disaster prevention, disaster mitigation, and measures for aging social infrastructure, etc. to make inroads into the field of next-generation social infrastructure. It will also carry out a production/design revolution and reduce procurement costs, shrink working capital, strengthen research & development, and enhance human resources, such as by shifting human resources to growth fields, recruiting global human resources, and encouraging women to play active roles, in order to achieve the objectives above in FY2016.

(Translation)

(5) Trends in assets and profit/loss

Trends in assets and profit/loss for the fiscal year under review and the past three years are as follows.

	88th year (FY2011)		89th year (FY2012)		90th year (FY2013)		91st year (the year under review, FY2014)	
Sales	428.1	billion yen	455.8	billion yen	483.1	billion yen	540.2	billion yen
Net income	8,000	million yen	13,599	million yen	27,359	million yen	33,091	million yen
Net income per share	9.14	yen	17.24	yen	36.21	yen	40.03	yen
Total assets	374.8	billion yen	349.3	billion yen	412.5	billion yen	439.4	billion yen
Net assets	67.5	billion yen	56.6	billion yen	91.9	billion yen	121.4	billion yen
Net assets per share	49.36	yen	34.40	yen	79.32	yen	137.74	yen

Notes:

1. Net income per share is computed based on the average number of shares of common stock during the year (weighted average). Net assets per share are computed based on the number of shares of common stock outstanding at the year-end. These figures exclude treasury stocks.
2. Business performances after amendments were made to past financial results based on the Financial Instrument and Exchange Act are as follows.

	88th year (FY2011)	
Sales	423.5	billion yen
Net income	1,555	million yen
Net income per share	0.32	yen
Total assets	368.1	billion yen
Net assets	41.3	billion yen
Net assets per share	13.42	yen

(Translation)

(6) Status of major subsidiaries

(i) Status of major subsidiaries

Name	Capital	Company's voting right ratio (%)	Major business
Oki Data Corporation	29,000 million yen	100	Manufacturing and sales of printers
Oki Customer Adtech Co., Ltd.	1,800 million yen	100	Maintenance, construction and sales of information processing equipment and telecommunications equipment
OKI Software Co., Ltd.	400 million yen	100	Development and operation of telecommunications system software
Oki Wintech Co., Ltd.	2,001 million yen	100	Design and construction of electronic works and electronic telecommunications works
Oki Data Americas, Inc.	10 million U.S. dollars	100*	Sales of printers
Oki Data Manufacturing (Thailand) Co., Ltd.	420 million baht	100*	Manufacturing of printers
Oki Europe Ltd.	33 million pound sterling	100*	Sales of printers
OKI Brasil Indústria e Comércio de Produtos e Tecnologia em Automação S.A.	251 million real	70	Design, development, manufacture, and sales and maintenance of automation equipment
Oki Electric Industry (Shenzhen) Co., Ltd.	66 million Renminbi	100*	Manufacturing of information processing equipment and printers
OKI Banking Systems (Shenzhen) Co., Ltd.	33 million Renminbi	100	Sales of information processing equipment

Note: Figures marked with an asterisk (*) indicate the ratio of voting rights held by subsidiaries of the Company.

(ii) Major partners

- Major technical partners:
  International Business Machines Corporation (US)
  Canon Inc.
- Major business partners:
  Hewlett-Packard Company (US)
  Cisco Systems G.K.

(7) Major businesses

The OKI Group offers as its core businesses info-telecom systems/equipment, and printers as well as related solutions, services and EMS.

Major business items include the following.

Segment	Business items
Info-telecom systems	Financial systems, automation equipment systems (ATM, cash handling equipment, ticket reservations and issuing terminals, etc.), systems for government agencies (aviation, transportation, disaster prevention, firefighting, various info-telecom systems, etc.), telecom carrier systems (switching, transmission, optical access, etc.), IP telecommunication systems (PBX, call center, videoconferencing, etc.), various information systems (travel, logistics, manufacturing, etc.), and IT services for the said business items (cloud computing service, system integration, support, maintenance, etc.), etc.
Printers	Color LED printers, monochrome LED printers, dot impact printers, multi-purpose printers, etc.
EMS	Designing & manufacturing services, printed circuit boards, etc.

(Translation)

(8) Major offices

Our major offices are as follows.

Name	Classification	Location
Oki Electric Industry Co., Ltd.	Head office	Minato-ku, Tokyo
	Branch offices	Hokkaido region (Sapporo, Hokkaido), Tohoku region (Sendai, Miyagi), Chubu region (Nagoya, Aichi), Kansai region (Osaka, Osaka), Chugoku region (Hiroshima, Hiroshima), Shikoku region (Takamatsu, Kagawa), and Kyushu region (Fukuoka, Fukuoka)
	Business offices	Minato-ku (Tokyo), Warabi (Saitama), Honjo (Saitama), Takasaki (Gunma), Tomioka (Gunma) and Numazu (Shizuoka)
	Research institutes	Warabi (Saitama), Osaka (Osaka) and Takasaki (Gunma)
Oki Data Corporation	Head office	Minato-ku, Tokyo
Oki Customer Adtech Co., Ltd.	Head office	Koto-ku, Tokyo
OKI Software Co., Ltd.	Head office	Warabi, Saitama
Oki Wintech Co., Ltd.	Head office	Shinagawa-ku, Tokyo
Oki Data Americas, Inc.	Head office	New Jersey, U.S.A.
Oki Data Manufacturing (Thailand) Co., Ltd.	Head office	Ayutthaya, Thailand
Oki Europe Ltd.	Head office	Surrey, UK
OKI Brasil Indústria e Comércio de Produtos e Tecnologia em Automação S.A.	Head office	Sao Paulo, Brazil
Oki Electric Industry (Shenzhen) Co., Ltd.	Head office	Guangdong, China
OKI Banking System (Shenzhen) Co., Ltd.	Head office	Guangdong, China

(Translation)

(9) Employees

(i) Employees of the OKI Group

Segment	Number of employees
Info-telecom systems	12,405
Printers	4,963
EMS	1,284
Others	1,632
Company-wide (shared)	369
Total	20,653

(ii) Employees of Oki Electric Industry

Number of employees	Average age	Average years of service
3,881 (increased by 93 from the end of the previous year)	43.0	20.5

(10) Major creditors

Major creditors of the OKI Group are as follows:

Creditor	Loan balance
	Billion yen
Mizuho Bank, Ltd.	28.8
Sumitomo Mitsui Banking Corporation	18.2
Mizuho Trust & Banking Co., Ltd.	6.0
The Norinchukin Bank	3.7
Aozora Bank, Ltd.	3.4

(11) Other significant events of the OKI Group

On November 18, 2014, the Company underwent an on-site inspection by the Japan Fair Trade Commission on suspicion of violating the Antimonopoly Act with respect to “products or services related to digitization of wireless communication systems for firefighting and emergency use.” The Company will give its full cooperation in the inspection by the Commission.

(Translation)

2. Shareholders' Equity

(1) Number of shares authorized to be issued by the Company: 2,400,000 thousand shares

Total number of classified shares authorized to be issued

Common Stock:	2,400,000 thousand shares
Class A Preferred Stock:	30,000 shares

(2) Number of outstanding shares:

Common Stock:	872,176 thousand shares (including 3,432 thousand shares of treasury stock)
Class A Preferred Stock:	0 shares

(3) Number of shareholders:

Common Stock:	84,926
Class A Preferred Stock:	0

Notes:

1. The number of outstanding shares of common stock increased by 140,738 thousand shares from the end of the previous fiscal year due to factors such as conversion of all the shares of Class A Preferred Stock into shares of Common Stock.
2. Shares of Class A Preferred Stock were acquired by the Company as treasury stock upon request for purchase from their holders, all of which were retired on March 27, 2015. As a result, there are no outstanding shares of Class A Preferred Stock as of the end of the current fiscal year.

(4) Major shareholders (Top 10)

Name of shareholder	Number of shares held (thousand shares)	Percentage of shares held (%)
Japan Trustee Services Bank, Ltd. (trust account)	28,383	3.27
The Master Trust Bank of Japan, Ltd. (trust account)	27,002	3.11
MSCO CUSTOMER SECURITIES	24,799	2.85
CHASE MANHATTAN BANK GTS CLIENTS ACCOUNT ESCROW	22,011	2.53
Oki Denki Group Employees' Shareholdings Committee	17,303	1.99
MSIP CLIENT SECURITIES	16,689	1.92
NTT DATA Corporation	14,634	1.68
Mizuho Bank LTD.	14,196	1.63
Hulic Co., Ltd.	14,076	1.62
Meiji Yasuda Life Insurance Company	14,000	1.61

Note: The percentages of shares held are calculated after deducting treasury stock (3,432 thousand shares).

(Translation)

3. Equity Warrants

(1) Equity warrants granted to the Company's officers as consideration for their performance of duties

(i) Number of equity warrants

117

(ii) Type and number of shares subject to equity warrants

117,000 shares of the Company's common stock (1,000 shares per equity warrant)

(iii) Status of equity warrants held by the Company's officers

Issued Number	Exercise period	Directors (excluding outside Directors)	
		Number of equity warrants	Number of holders
No. 4 equity warrant (406 yen) (Issued on July 20, 2005)	July 1, 2007 to June 28, 2015	34	2
No. 5 equity warrant (277 yen) (Issued on July 28, 2006)	July 1, 2008 to June 28, 2016	26	2
No. 6 equity warrant (277 yen) (Issued on July 28, 2006)	July 1, 2008 to June 28, 2016	-	-
No. 7 equity warrant (248 yen) (Issued on July 27, 2007)	July 1, 2009 to June 25, 2017	57	2
No. 8 equity warrant (248 yen) (Issued on July 27, 2007)	July 1, 2009 to June 25, 2017	-	-

(2) Equity warrants issued to employees in consideration of performance during the fiscal year under review

The Company did not issue equity warrants in the fiscal year under review.

(Translation)

4. Corporate Officers

(1) Names, etc. of Directors and Audit & Supervisory Board Members

Note 1	Position	Name	Status or main duties
X	President, Representative Director	Hideichi Kawasaki	Supervision
X	Senior Executive Vice President and Member of the Board, Representative Director	Naoki Sato	Chief Compliance Officer In charge of, IT Solution & Services Business Division, Secretarial Office, Corporate Planning Division, Group Administration Division and General Affairs Division
X	Executive Vice President and Member of the Board	Hisao Suzuki	Chief Financial Officer In charge of Enterprise Systems Marketing & Sales Division, Partner Business Marketing & Sales Division, Accounting & Control Division, Public Relations Division and Audit Office
X	Executive Vice President and Member of the Board	Takao Hiramoto	In charge of Printer Business Division President, Oki Data Corporation
X	Senior Vice President and Member of the Board	Toshinao Takeuchi	Chief Information Officer In charge of Public Systems Business Division, Marketing & Sales Division, Financial Systems Marketing & Sales Division, Government & Public Systems Marketing & Sales Division and Next Social Infrastructure Business Planning Taskforce
X	Senior Vice President and Member of the Board	Shinya Kamagami	Chief Technology Officer In charge of Systems Hardware Business Division, Human Resources Division and Engineering Support Center
	Director	Takuma Ishiyama	
Standing Audit & Supervisory Board Member		Shuichi Kawano	
Standing Audit & Supervisory Board Member		Tsutomu Tai	
Audit & Supervisory Board Member		Kuninori Hamaguchi	
Audit & Supervisory Board Member		Kaoru Yoshida	

Notes:

1. X indicates executive officer.
2. Director Takuma Ishiyama is an Outside Director.
3. Audit & Supervisory Board Members Kuninori Hamaguchi and Kaoru Yoshida are Outside Audit & Supervisory Board Members.
4. Director Takuma Ishiyama, Audit & Supervisory Board Members Kuninori Hamaguchi and Kaoru Yoshida are independent officers based on the terms of the Tokyo Stock Exchange.
5. Audit & Supervisory Board Member Tsutomu Tai has many years of experience working in the Company's accounting divisions, and has extensive knowledge of finance and accounting.
6. Executive officers as of March 31, 2015 are as follows (excluding those who concurrently serve as Directors).

(Translation)

Position	Name	Principal duty
Senior Vice President	Hidetoshi Saigo	In charge of Telecom Systems Business Division, Carriers Systems Marketing & Sales Division, Government & External Relations Division and Corporate Research & Development Center
Senior Vice President	Kouichirou Shimizu	In charge of Electronics Manufacturing Services Business Division and Procurement Center
Executive Officer	Toshiya Hatakeyama	Manager, Accounting & Control Division
Executive Officer	Kenichi Tamura	Assistant Manager, Telecom Systems Business Division
Executive Officer	Yoshiyuki Nakano	President and Representative Director, OKI Brasil Indústria e Comércio de Produtos e Tecnologia em Automação S.A.
Executive Officer	Seiji Mouri	Manager, Systems Hardware Business Division
Executive Officer	Makoto Nagaiwa	Manager, Government & Public Systems Marketing & Sales Division
Executive Officer	Shinya Andou	In charge of Overseas Marketing & Sales Division
Executive Officer	Toru Hatano	Manager, IT Solution & Services Business Division
Executive Officer	Shinya Takahashi	Manager, Corporate Planning Division
Executive Officer	Tetsuya Izaki	In charge of Information Planning Division

(2) Compensation paid to Directors and Audit & Supervisory Board Members

Title	Number of persons	Amount of payment
Directors	7	¥279 million
Audit & Supervisory Board Members	4	¥60 million
Total	11	¥339 million

Note: The amounts of compensation approved by the 82nd Ordinary General Meeting of Shareholders held on June 29, 2006 are within ¥600 million per year for Directors and ¥100 million per year for Audit & Supervisory Board Members. The amount of compensation for Directors excludes employee wages for Directors who are also employees.

(Translation)

(3) Outside Directors and Audit & Supervisory Board Members

(i) Major activities in the fiscal year under review

(a) Attendance at meetings of the Board of Directors and the Audit & Supervisory Board

	Board of Directors meeting (number of meetings in parenthesis)		Audit & Supervisory Board meeting (number of meetings in parenthesis)	
	Attendance frequency	Attendance rate	Attendance frequency	Attendance rate
Takuma Ishiyama, Director	9 (11)	81.8%	-	-
Kuninori Hamaguchi, Audit & Supervisory Board Member	11 (11)	100%	16 (16)	100%
Kaoru Yoshida, Audit & Supervisory Board Member	11 (11)	100%	16 (16)	100%

(b) Major activities

a. Takuma Ishiyama, Director

Making objective statements mainly as a specialist in corporate law, he provided advice and made proposals for the appropriateness and properness of decision making by the Board of Directors. He also served as an advisor to the Risk Management Committee and contributes to strengthening compliance by providing a good example to managerial personnel through his leadership.

b. Kuninori Hamaguchi, Audit & Supervisory Board Member

With regard to deliberations of the Board of Directors, he determined the correctness of Directors' managerial decisions. Using his many years of extensive experience and knowledge as a director at other companies, he made efforts to formulate the Company's appropriate audit opinions by making proper statements and carrying out, when necessary, adequate activities concerning performances of the Audit & Supervisory Board.

c. Kaoru Yoshida, Audit & Supervisory Board Member

With regard to deliberations of the Board of Directors, he determined the correctness of Directors' managerial decisions. Using his many years of extensive experience and knowledge as a director at other companies, he made efforts to formulate the Company's appropriate audit opinions by making proper statements and carrying out, when necessary, adequate activities concerning performances of the Audit & Supervisory Board.

(ii) Outline of Liability Limitation Agreements

The Company concluded agreements to limit liabilities with outside officers (Director Takuma Ishiyama, and Audit & Supervisory Board Members Kuninori Hamaguchi and Kaoru Yoshida) under the provisions of Article 427 of the Companies Act. The outline of the agreements is as follows:

- In cases where outside officers are liable for any damages arising from their negligence to the Company, they shall compensate for such damages only to the extent of the minimum liabilities as stipulated in Article 427, Paragraph 1 of the Companies Act.

- The above limitation of liability shall be applied only when the relevant outside officers have executed their duties that caused the liabilities in good faith and without gross negligence.

(iii) Total amount of compensation, etc.
¥24 million (for the three individuals)

(Translation)

5. Status of Accounting Auditor

(1) Name: Ernst & Young ShinNihon LLC

(2) Compensation, etc.

	Amount of payment
1. Compensation, to be paid to the accounting auditor for the fiscal year under review	138 million yen
2. Total sum of cash and profits on other assets that the Company and its subsidiaries should pay to the accounting auditor	217 million yen

Notes:

1. The Company does not distinguish between auditor compensation regarding (i) auditing in accordance with the Companies Act, and (ii) auditing in accordance with the Financial Instruments and Exchange Act. The total of these amounts is recorded above.
2. Among major subsidiaries, Oki Data Americas, Inc., Oki Data Manufacturing (Thailand) Co., Ltd., Oki Europe Ltd., OKI Brasil Indústria e Comércio de Produtos e Tecnologia em Automação S.A., Oki Electric Industry (Shenzhen) Co., Ltd. and OKI Banking Systems (Shenzhen) Co., Ltd. have undergone statutory audits by accounting auditors other than the accounting auditor of the Company.

(3) Content of non-auditing services

The Company has also hired the accounting auditor for “advisory services on the transition, etc. to International Financial Reporting Standards,” which is a service other than the audits specified in Article 2, Paragraph 1 of the Certified Public Accountants Act, and pays the auditor compensation for that service.

(4) Policy regarding decision to dismiss or not reappoint the accounting auditor

The Audit & Supervisory Board, in principle, will determine the detail of the proposal to be submitted to the general meeting of shareholders regarding dismissal or non-reappointment of the accounting auditor if it is deemed unlikely that the accounting auditor will be able to perform audits properly. In addition, if the accounting auditor falls under provisions of the items in Paragraph 1, Article 340 of the Companies Act, the Audit & Supervisory Board will dismiss the accounting auditor upon the consent of all the Audit & Supervisory Board Members.

(Translation)

6. Policies and procedures of the Company

(1) Procedures to ensure that Directors and employees comply with applicable laws, regulations and the Articles of Incorporation in conducting their business

(i) As the foundation for ensuring compliance, the Company has established the "OKI Group Charter of Corporate Conduct" and "OKI Group Code of Conduct." In addition, officers take the initiative in compliance activities in conformance with the "Compliance Commitment."

(ii) The Company has established a Compliance Committee chaired by the Chief Compliance Officer to decide on and examine basic policies regarding compliance programs.

(iii) In accordance with the basic policies formulated by the Compliance Committee, the division responsible for compliance plans, draws up, and promotes specific measures such as education and training for Directors and employees. In education and training, we aim to raise employee awareness about compliance by utilizing means such as e-learning.

(iv) The Company establishes whistle-blowing regulations which ensure reporting to Outside Directors and Audit & Supervisory Board Members and provides a contact point for reporting and consultation, aiming to detect any misconduct at its earliest stages.

(v) The Company stands firmly against antisocial groups that threaten the order and safety of civil society in cooperation with the police and related organizations, and refuses to have any relationship with them as a whole.

(2) Procedures to retain and manage information relating to Directors' conduct of business

The Company retains and stores information relating to the conduct of business by Directors as appropriate in accordance with applicable laws, regulations and internal rules.

(3) Rules concerning risk management and other procedures

(i) The Company has established a Risk Management Committee and promotes measures for appropriately grasping risks that may occur in relation to business activities of the Company and Group companies, and preventing such risks from emerging.

(ii) Pursuant to risk management rules, each section of the Company manages risks that may occur in relation to its main duties. At the same time, the Company has established a supervisory section to deal with risks needing company-wide management. This section assesses risks, draws up policies for risk countermeasures and develops appropriate structures based on such policies.

(iii) If any risk occurs, the Company will set up an emergency countermeasure headquarters to handle the risk.

(4) Procedures to secure efficient business performance by Directors

(i) The Company holds regular meetings of the Board of Directors once a month to decide important matters and supervise the work of Directors.

(ii) The Company holds meetings of the Board of Executive Officers consisting of executive officers etc. to provide for flexible decision making on fundamental and significant matters in managing the business.

(iii) The Company assigns Directors responsibilities and authority pursuant to rules on division of duties and authorities.

(5) Procedures to secure appropriate Group (Company and subsidiaries) operations

(i) To ensure that Group companies run their operations properly, the Company has established the "OKI Group Charter of Corporate Conduct" which sets out the values for the entire Group. In addition, the Company has established the "OKI Group Code of Conduct" as the code of conduct which all officers and employees of Group companies should comply with, and is striving to make the code known to all of them.

(ii) The division responsible for compliance implements various measures for promoting compliance common to the Group through each Group company's compliance officer. The Division also determines, through regular monitoring, the implementation status of such measures by each Group company and reports to the Compliance Committee on the results.

(iii) Group companies establishes whistle-blowing regulations that ensure reporting to their Outside Directors and Audit & Supervisory Board Members, provides a contact point for reporting and consultation, and aims to detect any misconduct at its earliest stages after reporting to the Company.

(iv) The Company, in accordance with Group management rules, determines the status of each Group company's management activities through receiving reports regularly from Group companies and provides necessary advice and guidance including organization designing, rules and regulations, and business plannings.

(v) To secure the reliability of financial reporting, the Company and Group companies establish an internal control system for financial reporting in accordance with related laws and regulations, and strive to maintain and improve that system.

(6) Procedures for employees who assist Audit & Supervisory Board Members; independence of employees from Directors

(i) The Company assigns employees as staff to assist Audit & Supervisory Board Members.

(ii) The Company assigns employees, who are not subject to Directors' instructions and orders, as staff to assist Audit & Supervisory Board Members, and any change in such staffing and personnel evaluation requires the prior consent of the Audit & Supervisory Board.

(7) Procedures for Directors and employees to report to Audit & Supervisory Board Members; procedures for Audit & Supervisory Board Members to receive other reports

(i) If Directors discover anything that may cause significant damage to the Company, they are required to report the matter immediately to the Audit & Supervisory Board Members pursuant to applicable laws and regulations.

(ii) Standing Audit & Supervisory Board Members attend meetings of the Board of Directors and meetings of the Board of Executive Officers in order to understand important decision-making processes and the status of business operations, as well as to inspect important documentation.

(iii) Audit & Supervisory Board Members attend the Risk Management Committee as advisors and receive the necessary reports.

(iv) Audit & Supervisory Board Members receive whistle-blowing reports based on whistle-blowing regulations, and receive reports biannually on the status of operation of the regulations from relevant divisions.

(v) Audit & Supervisory Board Members receive reports on the status of establishing internal control systems and their operations from Directors and employees on a regular basis, and may request Directors and employees to report on matters deemed necessary.

(vi) The Company ensures that a person who made a whistle-blowing report to Audit & Supervisory Board Members will not be treated unfavorably on account of making such report.

(8) Other procedures to secure effective audits by Audit & Supervisory Board Members

(i) In conducting inspections on the Company's operations and assets and performing other audit duties, Audit & Supervisory Board Members shall conduct audits efficiently and effectively in close cooperation with the internal audit section.

(ii) Audit & Supervisory Board Members implement efficient audits by closely cooperating with the accounting auditor. To this end, Audit & Supervisory Board Members hold meetings with the accounting auditor on a regular basis, attend on-site audits by the accounting auditor, and request reports from the accounting auditor on the progress of audits when necessary.

(iii) The Company pays all the expenses necessary for the execution of the duties of Audit & Supervisory Board Members.

Note: indication of amounts

Figures in this business report are indicated as follows.

1. Units of ¥1 million: Figures less than one unit are disregarded.
2. Units of ¥100 million: Figures less than one unit are rounded to the nearest unit.

(Translation)

Consolidated Balance Sheet

(as of March 31, 2015)

(Unit: millions of yen)

Account title	Amount	Account title	Amount
(Assets)		(Liabilities)	
Current assets		Current liabilities	
Cash and deposits	53,632	Notes and accounts payable	79,053
Notes and accounts receivable	137,895	Short-term borrowings	63,329
Finished goods	37,355	Other accrued expenses	36,060
Work in process	22,406	Income taxes payable	5,965
Raw materials and supplies	26,293	Other current liabilities	27,171
Deferred tax assets	9,647	Total current liabilities	211,580
Other current assets	14,339	Long-term liabilities	
Allowance for doubtful receivables	(7,940)	Long-term debt	44,241
Total current assets	293,629	Lease obligations	4,499
		Deferred tax liabilities	19,340
		Provision for Directors' retirement benefits	378
		Liability for retirement benefits	22,817
		Other long-term liabilities	15,084
Non-current assets		Total long-term liabilities	106,362
Property, plant and equipment		Total liabilities	317,943
Buildings and structures	23,069	(Net Assets)	
Machinery, equipment and vehicle	10,648	Shareholders' equity	
Tools, furniture and fixtures	10,211	Capital stock	44,000
Land	12,461	Additional paid-in capital	21,554
Construction in progress	785	Retained earnings	41,989
Total property, plant and equipment	57,176	Treasury stock, at cost	(453)
Intangible assets	10,240	Total shareholders' equity	107,090
Investments and other assets		Accumulated other comprehensive income	
Investments in securities	38,432	Net unrealized holding gain/loss on other securities	8,291
Asset for retirement benefits	30,478	Loss on deferred hedges	(72)
Other investments and other assets	10,221	Translation adjustments	(10,433)
Allowance for doubtful receivables	(820)	Retirement benefits liability adjustments	14,750
Total investments and other assets	78,311	Total accumulated other comprehensive income	12,536
Total non-current assets	145,728	Subscription rights to shares	79
		Minority interests in consolidated subsidiaries	1,708
		Total net assets	121,414
Total assets	439,358	Total liabilities and net assets	439,358

(Translation)

Consolidated Statement of Operations

(From April 1, 2014 to March 31, 2015)

(Unit: millions of yen)

Account title	Amount	
Net sales		540,153
Cost of sales		399,647
Gross profit		140,506
Selling, general and administrative expenses		108,090
Operating income		32,415
Non-operating income		
Interest income	290	
Dividend income	767	
Share of profit of entities accounted for using equity method	652	
Foreign exchange gain, net.	7,035	
Other	1,042	9,787
Non-operating expenses		
Interest expense	2,357	
Commission for syndicate loan	723	
Other	1,194	4,274
Ordinary income		37,928
Extraordinary profit		
Gain on sale of investments in securities	225	225
Extraordinary loss		
Loss on sale and disposition of property, plant and equipment	621	621
Income before income taxes and minority interests		37,532
Income taxes	4,179	
Income taxes for prior periods	3,546	
Income taxes deferred	(2,359)	5,365
Income before minority interests		32,166
Minority interests in losses of consolidated subsidiaries		(924)
Net income		33,091

(Translation)

Consolidated Statement of Changes in Net Assets

(Year ended March 31, 2015)

(Unit: Millions of yen)

	Shareholders' equity				
	Capital stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at April 1, 2014	44,000	21,554	18,382	(432)	83,504
Cumulative effects of changes in accounting policies			(4,522)		(4,522)
Restated balance at April 1, 2014	44,000	21,554	13,860	(432)	78,982
Changes during the term under review					
Dividends from surplus			(4,962)		(4,962)
Net income			33,091		33,091
Purchases of treasury stock				(21)	(21)
Change of scope of consolidation			0		0
Net changes in items other than shareholders' equity during the term under review					
Net changes during the term under review	-	-	28,129	(21)	28,107
Balance at March 31, 2015	44,000	21,554	41,989	(453)	107,090

	Accumulated other comprehensive income					Subscription rights to shares	Minority interests in consolidated subsidiaries	Total net assets
	Net unrealized holding gain/loss on other securities	Loss / Gain on deferred hedges	Translation adjustments	Retirement benefits liability adjustments	Total accumulated other comprehensive income			
Balance at April 1, 2014	4,333	(389)	(10,358)	11,644	5,230	79	3,104	91,918
Cumulative effects from changes in accounting policies								(4,522)
Balance at the beginning of current period after reflecting changes in accounting policies	4,333	(389)	(10,358)	11,644	5,230	79	3,104	87,396
Changes during the term under review								
Dividends from surplus								(4,962)
Net income								33,091
Purchases of treasury stock								(21)
Change of scope of consolidation								0
Net changes in items other than shareholders' equity during the term under review	3,958	317	(75)	3,106	7,305	-	(1,395)	5,910
Net changes during the term under review	3,958	317	(75)	3,106	7,305	-	(1,395)	34,018
Balance at March 31, 2015	8,291	(72)	(10,433)	14,750	12,536	79	1,708	121,414

(Translation)

Notes to Consolidated Financial Statements

Principles for Preparing Consolidated Financial Statements and Notes to Changes in Scope of Consolidation and Scope of Equity Method Application

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 89 companies

Names of major consolidated subsidiaries:

Oki Data Corporation; Oki Customer Adtech Co., Ltd.; Oki Wintech Co., Ltd.; OKI Software Co., Ltd.; Oki Proserve Co., Ltd.; Oki Data Americas, Inc.; Oki Data Manufacturing (Thailand) Co., Ltd.; Oki Europe Ltd.; Oki Electric Industry (Shenzhen) Co., Ltd.; Oki Banking Systems (Shenzhen) Co., Ltd.; and OKI Brasil Indústria e Comércio de Produtos e Tecnologia em Automação S.A.

(2) Names of major non-consolidated subsidiaries:

OKI BR Argentina S.A. and 6 other companies

Reasons for excluding from consolidation:

Total assets, retained earnings, net sales and net income or loss are individually and wholly immaterial and have no significant influence.

(3) Changes in scope of consolidation:

Oki Sensor Device (Shanghai) Co., Ltd. was included within the scope of consolidation as it was newly established; OKI Proserve (Thailand) Co., Ltd. and OKI India Private Limited were included within the scope of consolidation because of an increase in its relative importance of this subsidiary. The following four companies are excluded from the scope of consolidation for the reasons given below:

- Oki Systems (Hong Kong) Pte. Ltd. (due to its liquidation)
- Payment First Corporation (due to its liquidation)
- Oki Information Systems Co., Ltd. (due to its liquidation)
- OKI ACCESS Technologies Co., Ltd. (due to its liquidation)

(Translation)

2. Application of equity method

(1) Number of affiliated companies to which the equity method is applied: 4 companies
Name of major company to which the equity method is applied:
Oki Electric Cable Co., Ltd.

(2) Names of major non-consolidated subsidiaries and affiliated companies to which the equity method is not applied:
Non-consolidated subsidiaries:
Oki BR Argentina S.A. and 6 other companies
Affiliated company: TOWN NETWORK SERVICE Corporation

Reason for not applying the equity method:
The companies individually have little influence and have no significance as a whole on net income or loss and retained earnings.

3. Matters concerning account settlement dates of consolidated subsidiaries

Although the account settlement date of a consolidated subsidiary OKI Brasil Indústria e Comércio de Produtos e Tecnologia em Automação S.A. is December 31 each year, which differs from the consolidated account settlement date, financial statements as of the company's settlement date are used. However, necessary adjustments for consolidated accounting are made to reflect material transactions that occurred between the respective settlement dates.

4. Accounting standards

(1) Valuation standards and methods for significant assets

(i) Negotiable securities

The Company and its domestic consolidated subsidiaries value securities in accordance with how they are held as indicated below. Overseas consolidated subsidiaries apply the lower of cost or fair value.

Other negotiable securities:

Marketable securities:
Stated at fair value based on the market price at the end of the fiscal year
(Any difference between book value and fair value is included in net assets; sales costs are calculated by the moving average method.)

Non-marketable securities:
Stated at cost based on the moving average method

(ii) Inventories

The Company and its domestic consolidated subsidiaries evaluate inventories as follows, and overseas consolidated subsidiaries primarily apply the lower of cost or fair value.

Finished goods:
Principally stated at cost based on the moving average method. (Balance sheet values are measured by the method of devaluing the book price to reflect declines in profitability.)

Work in process:

Principally stated at cost based on the specific identification method. (Balance sheet values are measured by the method of devaluing the book price to reflect declines in profitability.)

Raw materials and supplies:

Principally stated at cost based on the moving average method. (Balance sheet values are measured by the method of devaluing the book price to reflect declines in profitability.)

(iii) Derivatives

Stated at fair value

(2) Depreciation and amortization

(i) Property, plant and equipment (excluding lease assets)

The Company and its domestic consolidated subsidiaries primarily apply the declining-balance method; overseas consolidated subsidiaries primarily apply the straight-line method.

(ii) Intangible assets (excluding lease assets)

The Company and its domestic consolidated subsidiaries apply the straight-line method.

For software sold in the market, amortization is based on the estimated amounts of sales in the estimated number of years for sales (3 years). For software for internal use, the straight-line method, based on the estimated durable years (5 years), is used.

Overseas consolidated subsidiaries primarily apply the straight-line method.

(iii) Lease assets

Lease assets relating to finance lease transactions that do not transfer ownership are depreciated over the lease contract's lifetime by the straight-line method, assuming the residual value is zero.

In addition, out of the finance lease transactions that do not transfer ownership, lease transactions whose lease transaction commencement date was on or prior to March 31, 2008 are accounted for on a basis similar to ordinary rental transactions.

(3) Basis for provision of reserves

(i) Allowance for doubtful receivables

To prepare for any losses of accounts receivable and loans, the Company and its domestic consolidated subsidiaries calculate the amount of potential loss by using the historical loss ratio for non-classified loans/receivables and individual assessment for classified loans/receivables. Overseas consolidated subsidiaries calculate the amount of potential losses by individually assessing the possibility of collection for specific loans/receivables.

(ii) Provision for Directors' retirement benefits

Some consolidated subsidiaries register the necessary amount at the end of the year in accordance with internal rules to prepare for the payment of Directors' retirement allowance.

(4) Basis for provision of income and expense

Basis for provision of income relating to contract work and software development contracts

a. Income from those with certain results in progress before the end of the fiscal year

Percentage-of-completion method (The progress ratio of construction is estimated by the cost proportion method.)

b. Other income

Inspection basis (completed-contract method for some domestic consolidated subsidiaries)

(5) Important hedge accounting methods

(i) Method of hedge accounting

Deferred hedging is applied. Allocation treatment is applied for forward exchange contracts and currency swap contracts eligible for allocation treatment. Special treatment is applied to interest rate swaps that meet requirements for special treatment.

(ii) Means of hedging and coverage

Forward exchange contracts and currency swap contracts are used to hedge fluctuations of exchange rates on credits and debts in foreign currencies. Interest rate swaps are employed to hedge fluctuations of market interest rates on variable-rate short-term borrowings and long-term debt.

(iii) Hedging policy

Derivative transactions are used to hedge fluctuations of market rates on credits and debts.

(iv) Assessment method of the effectiveness of hedges

To determine the effectiveness of hedges, the Company compares the accumulated total of market fluctuations or cash flow fluctuations for the targets of hedging and that of the market fluctuations or the cash flow fluctuations for the means of hedging, during the period from the start of hedging to the assessment. The Company then makes a decision based on the changes of the two.

(6) Amortization of goodwill and amortization period

Goodwill is evenly amortized over its useful life (mainly five years).

(7) Other important matters in preparation of consolidated financial statements

(i) Method of accounting for retirement benefits

a. Attributing expected retirement benefits to a period

When calculating retirement benefit obligations, the Company applies the benefit formula basis to attribute expected retirement benefits to the period until the end of the fiscal year under review.

b. Accounting for actuarial gains and losses, prior service costs, and differences caused by changes in accounting standards

Differences caused by changes in accounting standards are amortized over 15 years except for consolidated subsidiaries that amortize the difference in the first year of application and some overseas consolidated subsidiaries that directly deduct the difference from retained earnings.

Prior service costs are amortized by the straight-line method over a set number of years (11 to 13 years) within the average remaining years of service of employees.

Actuarial gains and losses are amortized by the straight line method over a set number of years (11 to 13 years) within the average remaining years of service of employees at the time of their accrual in each fiscal year. Amortization of such gains and losses is deemed to be effective from the year after the one in which they arise.

(ii) Accounting processing of consumption tax

The tax-exclusion method is used for accounting of consumption tax and local consumption tax.

(iii) Application of consolidated tax payment

The consolidated tax payment is applied.

Changes in Accounting Policies

From the fiscal year under review, the Company has applied the "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012; the "Retirement Benefits Accounting Standard") and the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, March 26, 2015; the "Guidelines for Retirement Benefits") concerning the main clause stipulated in Paragraph 35 of the Retirement Benefits Accounting Standard and that of Paragraph 67 of the Guidelines for Retirement Benefits. Accordingly, the Company has revised its method of calculating retirement benefit obligations and service costs and changed from the point system or the straight-line method to the benefit formula basis in attributing expected benefit to periods. Moreover, the Company has changed the method of determining the discount rate from a rate based on a period that approximates the average remaining years of service of the eligible employees to the use of a single weighted-average discount rate reflecting the expected timing and amount of benefit payments.

In applying the Retirement Benefits Accounting Standard, etc., in accordance with the provisions for transitional treatment specified in paragraph 37 of the Retirement Benefits Accounting Standard, the Company recognized the effect of the changes in the calculation methods of retirement benefit obligations and service costs as an adjustment to retained earnings at the beginning of the fiscal year under review.

As a result, at the beginning of the fiscal year under review, assets for retirement benefits decreased by ¥3,939 million, liability for retirement benefits increased by ¥923 million and retained earnings decreased by ¥4,522 million. There were no material effects on operating income and income before income taxes for the fiscal year ended March 31, 2015.

Meanwhile, net assets per share decreased by ¥4.85.

(Translation)

Notes to Consolidated Balance Sheet

1. Assets pledged as collateral

Buildings and structures	¥310 million
Land	¥138 million
Investments in securities	¥19,148 million
Total	¥19,597 million
Liabilities collateralized by the above assets:	
Short-term borrowings	¥3,595 million
Long-term debt	¥263 million
Total	¥3,859 million

2. Accumulated depreciation on property, plant and equipment ¥153,785 million

3. Liabilities for guarantee

Guarantee for borrowings by employees	¥384 million

(Translation)

Notes to Consolidated Statement of Changes in Net Assets

1. Matters concerning class and total number of shares outstanding as of the end of FY2014
   Common Stock 872,176 thousand shares

2. Matters concerning appropriation of surplus
   (1) Dividends paid

Resolution	Class of shares	Source of dividends	Total dividends (millions of yen)	Dividends per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 25, 2014	Common Stock	Retained earnings	2,184	3.00	March 31, 2014	June 26, 2014
	Class A Preferred Stock		1,004	33,490.00		
Board of Directors Meeting on October 31, 2014	Common Stock	Retained earnings	1,685	2.00	September 30, 2014	December 10, 2014
	Class A Preferred Stock		87	16,525.00		

   (2) Dividends for which the record date falls in the fiscal year under review and the effective date falls in the following fiscal year.

Proposal	Class of shares	Source of dividends	Total dividends (millions of yen)	Dividends per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 24, 2015	Common Stock	Retained earnings	2,606	3.00	March 31, 2015	June 25, 2015

3. Number of shares to be issued upon exercise of equity warrants

Category	Breakdown of equity warrants	Type of shares to be issued upon exercise of equity warrants	Number of shares to be issued upon exercise of equity warrants (shares)
The Company	No. 4 Equity Warrants (issued on July 20, 2005)	Common stock	442,000
	No. 5 Equity Warrants (issued on July 28, 2006)	Common stock	185,000
	No. 6 Equity Warrants (issued on July 28, 2006)	Common stock	157,000
	No. 7 Equity Warrants (issued on July 27, 2007)	Common stock	287,000
	No. 8 Equity Warrants (issued on July 27, 2007)	Common stock	222,000

(Translation)

Notes on Financial Instruments

1. Matters concerning the status of financial instruments

The OKI Group mainly uses short-term deposits and highly safe marketable securities for fund management, and raises its funds primarily through borrowings from financial institutions and issuance of corporate bonds.

The Group strives to mitigate its customers' credit risks associated with notes and accounts receivable, which are operating receivables, by carrying out customer credit investigations in accordance with regulations for the management of accounts receivable of individual companies.

For borrowings, the Group raises short-term funds mainly for working capital and long-term funds for working capital and capital investment. For borrowings exposed to the interest rate risk and foreign currency risk, the Group applies derivative instruments (interest rate swap transactions and currency swap transactions) to hedge its risk.

The Group executes and manages derivative transactions in accordance with OKI Group's policy.

2. Disclosure concerning fair value of financial instruments

As of March 31, 2015 (consolidated balance sheet date), the amount recorded in the consolidated balance sheet, fair value, and the amount of differences are as shown in the table below. Any item whose fair value is deemed extremely difficult to assess is excluded from the table. (See Note 2.)

(Unit: millions of yen)

	Amount recorded in consolidated balance sheet	Fair value	Difference
(1) Cash and deposits	53,632	53,632	-
(2) Notes and accounts receivable	137,895		
Allowance for doubtful receivables (*1)	(7,346)		
	130,549	130,549	-
(3) Investments in securities	28,742	29,803	1,060
(4) Notes and accounts payable	(79,053)	(79,053)	-
(5) Short-term borrowings (*2)	(44,981)	(44,981)	-
(6) Other accrued expenses	(36,060)	(36,060)	-
(7) Long-term debt (*2)	(62,589)	(62,844)	255
(8) Derivative transactions	385	385	-

(*1) Allowance for doubtful receivables specifically provided for notes and accounts receivable is deducted.

(*2) Long-term debt (¥18,348 million) that will be reimbursed within one year are classified as "short-term borrowings" in the consolidated balance sheet.

Notes:

1. Disclosure concerning methods of calculation of fair value of financial instruments, securities and derivative transactions
   (1) Cash and deposits and (2) Notes and accounts receivable
   These items are settled over a short period of time and their fair value is virtually equal to their book value. Hence, their fair value is based on the relevant book value.
   (3) Investments in securities
   The fair value of investments in securities is based on their prices determined at the financial instruments exchanges, and the fair value of bonds is based on the quotations offered by the correspondent financial institution.
   (4) Notes and accounts payable, (5) Short-term borrowings, and (6) Other accrued expenses

These items are settled over a short period of time and their fair value is virtually equal to their book value. Hence, their fair value is based on the relevant book value.

(7) Long-term debt

The fair value of these items is based primarily on the method of calculation whereby the sum of principal and interest is discounted by an assumed interest rate on the assumption that the said sum is freshly borrowed in a similar manner. Some long-term debt with floating interest rates are prescribed to be subject to special accounting treatment applicable to interest rate swaps (see (8) below). Hence, the fair value of a long-term debt is based on the method of calculation whereby the sum of principal and interest, treated in combination with the said interest rate swap, is discounted by a reasonably estimable interest rate on the assumption that the said amount is freshly borrowed in a similar manner.

(8) Derivative transactions

Derivative transactions subject to allocation treatment applicable to currency swaps, and to special accounting treatment applicable to interest rate swaps are treated in combination with long-term debt as hedged items. Hence, their fair value is included in that of long-term debt.

2. Financial instruments whose fair value is considered extremely difficult to assess

Unlisted equity securities (¥9,690 million on the consolidated balance sheet) are not included in (3) Investments in securities because they have no market price and it is deemed extremely difficult to assess their fair values.

Notes to Per-share Information

1. Net assets per share: ¥137.74
2. Net income per share: ¥40.03

(Translation)

Transcript of Accounting Auditors' Report on Consolidated Financial Statements

Independent Auditors' Report

May 21, 2015

To: Board of Directors
Oki Electric Industry Co., Ltd.

Ernst & Young ShinNihon LLC
Yoshimi Kimura,
Engagement Partner, Certified Public Accountant
Akira Sato,
Engagement Partner, Certified Public Accountant
Makoto Usui,
Engagement Partner, Certified Public Accountant
Yukiyasu Yamakawa,
Engagement Partner, Certified Public Accountant

We have audited the consolidated financial statements – the consolidated balance sheets, the consolidated statement of operations, the consolidated statement of changes in shareholders equity and notes to the consolidated financial statements – of Oki Electric Industry Co., Ltd. for the 91st term from April 1, 2014 to March 31, 2015 in accordance with Article 444 Paragraph 4 of the Companies Act.

Responsibility of management for preparing consolidated financial statements
Oki Electric Industry's management is responsible for preparing and presenting fairly these consolidated financial statements in accordance with corporate accounting standards generally accepted in Japan. This includes designing and operating internal control that the management determines necessary to prepare and fairly present these consolidated financial statements that are without material misstatement due to fraud or errors.

Responsibility of auditors
Our responsibility is to express our independent opinion regarding these consolidated financial statements based on audits by Ernst & Young ShinNihon LLC. We conducted our audit in accordance with auditing standards generally accepted in Japan. These auditing standards require that we prepare audit plans and implement audit based on them to obtain reasonable assurance as to whether the consolidated financial statements are without material misstatement.

The audit requires procedures to obtain audit evidence about amounts and disclosure of these consolidated financial statements. The audit procedures are selected and applied based on evaluation of risks about material misstatement of these consolidated financial statements due to fraud or errors. Although the purpose of the audit is not to express our opinion about the effectiveness of internal control, we consider the internal control associated with preparation and fair presentation of these consolidated financial statements, in order to plan appropriate audit procedures in line with actual situations at the time of risk evaluation. Also, our audit includes reviews of accounting policies, and methods that management adopts, and an evaluation of management estimates and the presentation of the consolidated financial statements as a whole.

We believe we have obtained enough and appropriate audit evidence as the basis for our opinion.

Audit opinion
We concluded that the consolidated financial statements fairly present in all aspects Oki Electric Industry's and its subsidiaries' assets and income or loss in accordance with corporate accounting standards generally accepted in Japan.

Conflict of interest
No conflict of interest as defined by the Accounting Law exists between Oki Electric Industry, our firm (Ernst & Young ShinNihon LLC) and the respective engagement partners.

(Translation)

Non-Consolidated Balance Sheet

(as of March 31, 2015)

(Unit: millions of yen)

Account title	Amount		Account title	Amount	
(Assets)			(Liabilities)		
Current assets			Current liabilities		
Cash and deposits		30,487	Notes payable		2,462
Notes receivable		894	Accounts payable, trade		50,066
Accounts receivable, trade		74,829	Short-term borrowings		24,720
Lease investment assets		3,445	Current portion of long-term debt		16,986
Finished goods		4,955	Lease obligations		959
Work in process		15,703	Accounts payable, others		9,749
Raw materials and supplies		5,384	Other accrued expenses		17,263
Prepaid expenses		312	Income taxes payable		403
Short-term loans		44,896	Advances received		1,318
Accounts receivable-other		7,640	Deposits received		3,688
Deferred tax assets		3,186	Provision for loss on construction contracts		65
Other current assets		848	Asset retirement obligations		31
Allowance for doubtful receivables		(43)	Other current liabilities		3
Total current assets		192,540	Total current liabilities		127,720
Non-current assets			Long-term liabilities		
Property, plant and equipment			Long-term debt		43,931
Buildings	38,209		Lease obligations		3,147
Accumulated depreciation	(26,997)	11,212	Deferred tax liabilities		5,873
Structures	2,491		Retirement benefits		11,151
Accumulated depreciation	(2,178)	312	Provision for loss on business of subsidiaries and affiliates		27,644
Machinery and equipment	13,291		Asset retirement obligations		888
Accumulated depreciation	(11,333)	1,957	Long-term accounts payable-other		7,326
Vehicle	65		Total long-term liabilities		99,963
Accumulated depreciation	(53)	12	Total liabilities		227,683
Tools, furniture and fixtures	34,397				
Accumulated depreciation	(28,128)	6,268	(Net Assets)		
Land		8,397	Shareholders' equity		
Construction in progress		36	Capital stock		44,000
Total property, plant and equipment		28,197	Additional paid-in capital		21,553
Intangible assets			Capital reserve		15,000
Right of using facilities		115	Other additional paid-in capital		6,553
Software		6,275	Retained earnings		33,830
Total intangible assets		6,390	Other retained earnings		33,830
			Retained earnings carried forward		33,830
Investments and other assets			Treasury stock, at cost		(440)
Investments in securities		30,380	Total shareholders' equity		98,943
Investments in and advances to subsidiaries and affiliates		68,440			
Contribution		89	Valuation, translation adjustments and others		
Contribution in subsidiaries and affiliates		617	Net unrealized holding gain/loss on other securities		7,301
Long-term loans receivable from subsidiaries and affiliates		3,250	Loss on deferred hedges		(72)
Long-term prepaid expenses		730	Total valuation, translation adjustments and others		7,228
Claims provable in bankruptcy, rehabilitation and other		36			
Lease and guarantee deposits		3,147	Subscription rights to shares		79
Other investments and other assets		305	Total net assets		106,251
Allowance for doubtful receivables		(191)			
Total investments and other assets		106,805			
Total non-current assets		141,393			
Total assets		333,934	Total liabilities and net assets		333,934

(Translation)

Non-Consolidated Statement of Operations

(From April 1, 2014 to March 31, 2015)

(Unit: millions of yen)

Account title	Amount	
Net sales		258,260
Cost of sales		200,750
Gross profit		57,509
Selling, general and administrative expenses		40,784
Operating income		16,725
Non-operating income		
Interest income	717	
Interest income on securities	6	
Dividend income	2,641	
Royalty income from corporate brand	784	
Foreign exchange gain, net	6,014	
Other	561	10,725
Non-operating expenses		
Interest expenses	1,769	
Commission for syndicate loan	723	
Other	1,195	3,688
Ordinary income		23,763
Extraordinary profit		
Gain on sales of shares of subsidiaries and associates	223	
Gain on liquidation of subsidiaries and associates	75	298
Extraordinary loss		
Loss on sale and disposition of property, plant and equipment	479	479
Income before income taxes		23,582
Income taxes	552	
Income taxes deferred	(1,184)	(632)
Net income		24,215

(Translation)

Non-Consolidated Statement of Changes in Net Assets

(Year ended March 31, 2015)

(Unit: millions of yen)

	Shareholders' equity							
		Additional paid-in capital			Retained earnings			
	Capital stock	Capital reserve	Other additional paid-in capital	Total additional paid-in capital	Other retained earnings: Retained earnings carried forward	Total retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at April 1, 2014	44,000	15,000	6,553	21,553	17,475	17,475	(419)	82,609
Cumulative effects of changes in accounting policies					(2,898)	(2,898)		(2,898)
Restated balance at April 1, 2014	44,000	15,000	6,553	21,553	14,577	14,577	(419)	79,711
Changes during the term under review								
Dividends from surplus					(4,962)	(4,962)		(4,962)
Net income					24,215	24,215		24,215
Purchases of treasury stock							(21)	(21)
Net changes in items other than shareholders' equity during the term under review								
Net changes during the term under review	-	-	-	-	19,252	19,252	(21)	19,231
Balance at March 31, 2015	44,000	15,000	6,553	21,553	33,830	33,830	(440)	98,943

	Valuation, translation adjustments and others			Subscription rights to shares	Total net assets
	Net unrealized holding gain/loss on other securities	Loss / Gain on deferred hedges	Total valuation, translation adjustments and others		
Balance at April 1, 2014	3,486	(411)	3,074	79	85,763
Cumulative effects of changes in accounting policies					(2,898)
Restated balance at April 1, 2014	3,486	(411)	3,074	79	82,865
Changes during the term under review					
Dividends from surplus					(4,962)
Net income					24,215
Purchases of treasury stock					(21)
Net changes in items other than shareholders' equity during the term under review	3,815	339	4,154	-	4,154
Net changes during the term under review	3,815	339	4,154	-	23,385
Balance at March 31, 2015	7,301	(72)	7,228	79	106,251

(Translation)

Note to Non-consolidated Financial Statements

Significant Accounting Policies

1. Standards and valuation methods for negotiable securities

Shares of subsidiaries and affiliated companies:
Stated at cost based on the moving average method

Other negotiable securities:

Marketable securities:
Stated at fair value based on the market price at the end of the fiscal year
(The difference between book value and fair value is included in net assets. The sale cost is calculated by using the moving average method.)

Non-marketable securities: Stated at cost based on the moving average method

2. Standards and valuation methods for derivatives

Derivatives: Stated at fair value

3. Standards and valuation methods for inventories

Finished goods: Stated at cost based on the moving average method (Balance sheet values are measured by the method of devaluing the book price to reflect declines in profitability.)

Work in process: Stated at cost based on the specific identification method (Balance sheet values are measured by the method of devaluing the book price to reflect declines in profitability.)

Raw materials and supplies:
Stated at cost based on the moving average method (Balance sheet values are measured by the method of devaluing the book price to reflect declines in profitability.)

4. Depreciation and amortization

Property, plant and equipment (excluding lease assets): Declining-balance method
The straight-line method is applied to buildings, excluding annexed structures, acquired on or after April 1, 1998.

Intangible assets (excluding lease assets)

Software for sale in the market:
Amortization method based on the estimated amounts of sales in the estimated number of years for sales (3 years)

Software for internal use:
Straight-line method based on the estimated durable years (5 years)

Others: Straight-line method

Lease assets

(Lease assets relating to finance lease transactions without transfer of ownership):
They are depreciated over the lease contract’s lifetime by the straight-line

method, assuming the residual value is zero.
In addition, out of the finance lease transactions that do not transfer ownership, lease transactions whose lease transaction commencement date was on or prior to March 31, 2008 are accounted for on a basis similar to ordinary rental transactions.

5. Basis for provision of reserves

Allowance for doubtful receivables

To prepare for any losses on accounts receivable and loans, the Company calculates the amount of potential loss by using the historical loss ratio in the case of non-classified loans/receivables and by individual assessment in the case of classified loans/receivables.

Provision for loss on construction contracts

To prepare for any losses on construction contracts, the estimated amount of losses for the following fiscal years are calculated for some of the orders backlog as of the end of the fiscal year under review, which are likely to incur losses and for which the amounts thereof can be reasonably estimated.

Retirement benefits

To prepare for payment of retirement benefits to employees, the Company records the amount recognized to accrue at the end of the fiscal year based on the estimated values of retirement benefit obligations and pension assets.

Differences for changes in accounting standards are amortized over 15 years.

Prior service cost is amortized by the straight-line method over a certain number of years (13 years) within the average remaining years of service of employees.

The actuarial difference is amortized proportionately using the straight-line method over a certain number of years (13 years) within the average remaining service period of the employees from the fiscal year after the one in which it arises.

Provision for loss on business of subsidiaries and affiliates

To prepare for any losses on business of subsidiaries and affiliates, the estimated amount of loss on business is calculated in consideration of the financial position and operating results of the relevant subsidiaries and affiliates.

6. Hedge accounting methods

(1) Method of hedge accounting
Deferred hedging is applied. Allocation treatment is applied for currency swap contracts eligible for allocation treatment. Special treatment is applied to interest rate swaps that meet the requirements for special treatment.

(2) Means of hedging and hedged item
Currency swap contracts are used to hedge fluctuations of exchange rates on credits and debts in foreign currencies. Interest rate swaps are employed to hedge fluctuations of market interest rates on variable-rate short-term borrowings and long-term debt.

(3) Hedging policy
Derivative instruments are used to hedge fluctuations of market rates on credits and debts.

(4) Assessment method of hedging effectiveness
To determine the effectiveness, the Company compares the accumulated total of the

market fluctuations or the cash flow fluctuations for the hedged item and that of the market fluctuations or the cash flow fluctuations for the means of hedging, during the period from the start of hedging to the assessment. The Company then makes a decision based on the changes of the two.

7. Other important matters in preparation of non-consolidated financial statements

(1) Accounting for retirement benefits

The methods of accounting for unappropriated amounts of differences caused by changes in accounting standards for retirement benefits, unrecognized prior service costs, and unrecognized actuarial gains and losses differ from those in the consolidated financial statements.

(2) Accounting processing of consumption tax

The tax-exclusion approach is applied for accounting of consumption tax and local consumption tax.

(3) Application of consolidated tax payments

Consolidated tax payments are applied.

Changes in Accounting Policies

From the fiscal year under review, the Company has applied the “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26, May 17, 2012; the “Retirement Benefits Accounting Standard”) and the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, March 26, 2015; the “Guidelines for Retirement Benefits”) concerning the main clause stipulated in Paragraph 35 of the Retirement Benefits Accounting Standard and that of Paragraph 67 of the Guidelines for Retirement Benefits. Accordingly, the Company has revised its method of calculating retirement benefit obligations and service costs and changed from the point system or the straight-line method to the benefit formula basis in attributing expected benefit to periods. Moreover, the Company has changed the method of determining the discount rate from a rate based on a period that approximates the average remaining years of service of the eligible employees to the use of a single weighted average discount rate reflecting the expected timing and amount of benefit payments.

In applying the Retirement Benefits Accounting Standard, etc., in accordance with the provisions for transitional treatment specified in paragraph 37 of the Retirement Benefits Accounting Standard, the Company recognized the effect of the changes in the calculation methods of retirement benefit obligations and service costs as an adjustment to retained earnings carried forward at the beginning of the fiscal year under review.

As a result, at the beginning of the fiscal year under review, assets for retirement benefits increased by ¥2,898 million and retained earnings carried forward decreased by ¥2,898 million. There were no material effects on operating income and income before income taxes for the fiscal year ended March 31, 2015.

(Translation)

Notes to Non-consolidated Balance Sheets

1. Assets provided as collateral

Investments in securities	¥19,148 million
Liabilities collateralized by the above assets	
Short-term borrowings	¥3,500 million

2. Guarantee liabilities:

The Company provides guarantees for bank borrowings made by employees, and subsidiaries and affiliates as shown below.

Oki Data Corporation	¥3,273 million
Oki Data Americas, Inc.	¥3,608 million
	($30,000 thousand)
Oki Data Manufacturing (Thailand) Co., Ltd.	¥1,291 million
	(350,000 thousand baht)
Oki Europe Ltd. and its subsidiaries	¥912 million
	(4,847 thousand pounds sterling, 375 thousand euro)
Four other entities:	¥854 million
Total:	¥9,939 million

3. Monetary claims receivable from and payable to subsidiaries and affiliates

Short-term monetary claims receivable from subsidiaries and affiliates:	¥67,314 million
Long-term monetary claims receivable from subsidiaries and affiliates:	¥1,161 million
Short-term monetary claims payable to subsidiaries and affiliates:	¥25,652 million

(Translation)

Notes to Non-consolidated Statement of Operations

Transactions with subsidiaries and affiliates

Sales:	¥44,252 million
Purchases:	¥61,451 million
Non-operating transactions:	¥6,268 million

Notes to Non-consolidated Statement of Changes in Net Assets

Type and number of treasury stock as of the end of the fiscal year

Common stock: 3,432 thousand shares

Notes to Deferred Tax Accounting

Major factors giving rise to deferred tax assets and liabilities

Deferred tax assets	
Nondeductible provision for loss on business of subsidiaries and affiliates	¥8,846 million
Nondeductible retirement benefits	¥7,702 million
Loss carry forwards	¥7,099 million
Nondeductible write-downs of shares of subsidiaries and affiliates	¥5,556 million
Adjustments of losses on transfers among consolidated subsidiaries	¥3,564 million
Nondeductible accounts payable-other due to changes in retirement benefit plans	¥2,882 million
Nondeductible accrued bonuses	¥1,500 million
Nondeductible loss on impairment of fixed assets	¥861 million
Nondeductible write-downs of inventories	¥738 million
Nondeductible bad debts expenses	¥369 million
Others	¥1,792 million
Subtotal deferred tax assets	¥40,913 million
Valuation allowance	¥(36,769) million
Total deferred tax assets	¥4,143 million
Deferred tax liabilities	
Nondeductible unrealized gain on contribution of securities to the pension trust	¥(3,405) million
Net unrealized holding gain/loss on other securities	¥(3,308) million
Others	¥(117) million
Total deferred tax liabilities	¥(6,830) million
Net deferred tax assets	¥(2,687) million

(Translation)

Notes to Leased Fixed Assets

Finance lease transactions that do not transfer ownership whose lease transaction commencement date was on or prior to March 31, 2008 are accounted for on a basis similar to ordinary rental transactions.

1. Amount equivalent to acquisition cost of leased assets as of the end of the term under review ¥28 million
2. Amount equivalent to accumulated depreciation of leased assets as of the end of the term under review ¥20 million
3. Amount equivalent to unexpired lease payment of leased assets as of the end of the term under review ¥8 million

(Translation)

Notes to Related Party Transactions

Subsidiaries, etc.

Attribute	Company name	Location	Capital	Business	Voting right ratio	Relationship with related party	Description of transactions	Transaction amount (mil. yen)	Account item	Ending balance (mil. yen)
Subsidiary	OKI Software Co., Ltd.	Warabi, Saitama Pref.	¥400 million	Development, design, manufacture and maintenance of software, system building services, SI/solution services, consulting outsourcing and sales of information equipment	(Direct) 100%	Production of software on a contract basis, etc., lending of funds	Purchase of services	22,415	Accounts payable, trade	6,512
									Other accrued expenses	572
Subsidiary	Oki Hong Kong, Ltd.	Hong Kong	HK$80,000 thousand	Holdings company, material procurement	(Direct) 100%	Supply products etc., lending of funds, concurrent assumption of office of officer	Sales of products	25,584	Accounts receivable, trade	9,079
							Lending of funds	9,485	Short-term loans receivable	14,432
Subsidiary	Oki Data Corporation	Minato-ku, Tokyo	¥29,000 million	Development, manufacture and sales of printing equipment and related solutions	(Direct) 100%	Purchase of products, lending of funds, concurrent assumption of office of officer	Lending of funds	21,384	Short-term loans receivable	18,500
Subsidiary	Oki Wintech Co., Ltd.	Shinagawa-ku, Tokyo	¥2,001 million	Equipment work, designing, construction and maintenance of telecommunication, firefighting and other facilities	(Direct) 100%	Supply products etc., purchase of services, concurrent assumption of office of officer	Sales of products, etc.	6,172	Accounts receivable, trade	3,486
Subsidiary	Oki Data Americas, Inc.	U.S.A.	US$10,000 thousand	Sales and services of printers and multi-purpose printers	(Indirect) 100%	Guarantee for borrowings	Debt guarantee	3,608	-	-
Subsidiary	OKI Brasil Indústria e Comércio de Produtos e Tecnologia em Automação S.A.	Brazil	BRL251,598 thousand	Design, manufacture, sales and maintenance and services of automation equipment	(Direct) 70%	Supply products etc., lending of funds, concurrent assumption of office of officer	Lending of funds	2,705	Short-term loans receivable	3,456

Notes:

1. The transactions amount excludes consumption tax, while the ending balance includes consumption tax.
2. Conditions of transactions and policy in determining conditions
   (1) The Company determines conditions regarding purchase of services and sales of products based on market prices.
   (2) The Company determines the interest rate for the lending of funds by taking the market rate of interest into consideration. Transaction amount shows the average balance during the fiscal year because the transactions are repetitive.
   (3) The Company provided a debt guarantee for bank borrowings of OKI DATA AMERICAS, INC. and received a guarantee commission of 0.1% p.a.
3. For the loans to one subsidiary, the Company recorded an allowance for doubtful receivables of ¥89 million. In addition, the Company recorded a reversal of allowance for doubtful receivables of ¥76 million and a reversal of appropriated allowance for doubtful receivables of ¥840 million associated with liquidation of subsidiaries.

Notes to Per-share Information

1. Net assets per share: ¥122.21
2. Net income per share: ¥29.26

(Translation)

Transcript of Accounting Auditors' Report

Independent Auditors' Report

May 21, 2015

To: Board of Directors
Oki Electric Industry Co., Ltd.

Ernst & Young ShinNihon LLC
Yoshimi Kimura,
Engagement Partner, Certified Public Accountant
Akira Sato,
Engagement Partner, Certified Public Accountant
Makoto Usui,
Engagement Partner, Certified Public Accountant
Yukiyasu Yamakawa,
Engagement Partner, Certified Public Accountant

We have audited the non-consolidated financial statements – the non-consolidated balance sheets, the non-consolidated statement of operations, the non-consolidated statement of changes in shareholders equity and notes to the non-consolidated financial statements – and its supporting schedules of Oki Electric Industry Co., Ltd. for the 91st term from April 1, 2014 to March 31, 2015 in accordance with Article 436 Paragraph 2 Item 1 of the Companies Act.

Responsibility of management for preparing non-consolidated financial statements and its supporting schedules
Oki Electric Industry's management is responsible for preparing and presenting fairly these non-consolidated financial statements and its supporting schedules in accordance with corporate accounting standards generally accepted in Japan. This includes designing and operating internal control that the management determines necessary to prepare and fairly present these non-consolidated financial statements and its supporting schedules that are without material misstatement due to fraud or errors.

Responsibility of auditors
Our responsibility is to express our independent opinion regarding these non-consolidated financial statements and its supporting schedules based on audits by Ernst & Young ShinNihon LLC. We conducted our audit in accordance with auditing standards generally accepted in Japan. These auditing standards require that we prepare audit plans and implement audit based on them to obtain reasonable assurance as to whether the non-consolidated financial statements and its supporting schedules are without material misstatement.

The audit requires procedures to obtain audit evidence about amounts and disclosure of these non-consolidated financial statements and its supporting schedules. The audit procedures are selected and applied based on evaluation of risks about material misstatement of these non-consolidated financial statements and its supporting schedules due to fraud or errors. Although the purpose of the audit is not to express our opinion about the effectiveness of internal control, we consider the internal control associated with preparation and fair presentation of these non-consolidated financial statements and its supporting schedules, in order to plan appropriate audit procedures in line with actual situations at the time of risk evaluation. Also, our audit includes reviews of accounting policies, and methods that the management adopts, and an evaluation of management estimates and the presentation of the non-consolidated financial statements and its supporting schedules as a whole.

We believe we have obtained enough and appropriate audit evidence as the basis for our opinion.

Audit opinion
We concluded that the non-consolidated financial statements and its supporting schedules fairly present in all aspects Oki Electric Industry's assets and income or loss in accordance with corporate accounting standards generally accepted in Japan.

Conflict of interest
No conflict of interest as defined by the Accounting Law exists between Oki Electric Industry, our firm (Ernst & Young ShinNihon LLC) and the respective engagement partners.

(Translation)

Transcript of Audit & Supervisory Board's Report

Audit & Supervisory Board's Report

We, the Audit & Supervisory Board, have prepared upon consultation this Audit Report based on reports compiled by each Audit & Supervisory Board Member with respect to Directors' performance of their duties during the 91st fiscal year from April 1, 2014 to March 31, 2015, as follows:

1. Auditing methods used by Audit & Supervisory Board Members and the Audit & Supervisory Board, and details of audit

The Audit & Supervisory Board specified an audit policy, compiled audit plans and received reports from each Audit & Supervisory Board Member on the status of implementation and results of audits and also received reports from Directors and accounting auditors on the status of the execution of their duties and asked them for explanations as needed.

Each Audit & Supervisory Board Member, according to the audit standards, policy and plans set up by the Audit & Supervisory Board, has maintained good communications with Directors, the internal audit division and other employees and strived to collect information and improve the audit environment as well as attending meetings of the Board of Directors and other meetings as deemed important, received from Directors and employees reports on the execution of their duties, asked for explanations as necessary, perused the documents whereby the important decisions were made, and examined business and financial conditions at the head office and principal operating offices. In addition, we have periodically received reports from Directors and employees, among others, required explanation when necessary, and made opinions with regard to the status of operations and the systems established thereon (internal control systems) made by the Board of Directors concerning the establishment of systems defined in Article 100, Paragraph 1 and Paragraph 3 of the Regulations for Enforcement of the Companies Act as necessary for ensuring compliance with laws and the Company's Articles of Incorporation in the performance of duties by Directors, described in the Business Report, and for ensuring appropriateness of duties of a joint stock company. Also, we have maintained good communications and exchanged information with Directors, Audit & Supervisory Board Members and others of the subsidiaries of the Company, and received from the subsidiaries reports on their business conditions as needed. Based on the methods mentioned above, we have reviewed the business report for the said fiscal year and their supplementary schedules.

We have also monitored and verified whether the accounting auditors maintained their independence and properly implemented audits, received from the auditors reports on the performance of their duties and asked them for explanations as necessary. The accounting auditors reported to us that "systems for ensuring proper execution of duties" (listed in each item of Article 131 of the Corporate Calculation Regulations) have been established in accordance with the quality control standards concerning audits (Business Accounting Council, October 28, 2005), and asked them for explanations as necessary. Based on the methods mentioned above, we have reviewed financial statements for the said fiscal year (balance sheet, statement of operations, statement of changes in shareholders' equity, and notes to non-consolidated financial statements), their supplementary schedules and consolidated financial statements (consolidated balance sheet, consolidated statement of operations, consolidated statement of changes in shareholders' equity, and notes to consolidated financial statements).

2. Results of Audit

(1) Results of audit of the business report

1) We consider that the business report and its supplementary schedules fairly present the situation of the Company in accordance with relevant laws and regulations and the Company's Articles of Incorporation.

2) With respect to the Directors' performance of their duties, we have found neither undue transactions nor material facts that violate relevant laws and regulations or the Company's Articles of Incorporation.

3) We consider that the details of the resolution made by the Board of Directors concerning internal control procedures are proper. With respect to the details described in the Business Report and the Directors' performance of their internal control duties, we have found no issues to be pointed out. As stated in the Business Report, the Company underwent an on-site inspection by the Japan Fair Trade Commission on suspicion of violating the Antimonopoly Act. As the Audit & Supervisory Board, we will continue to check the OKI Group's overall efforts to thoroughly comply with laws and regulations and to strengthen internal control.

(2) Results of audit of financial statements and their supplementary schedules

We consider that the auditing methods and results of the Company's Accounting Auditors, Ernst & Young ShinNihon LLC, are proper.

(3) Results of audit of consolidated financial statements

We consider that the auditing methods and results of the Company's Accounting Auditors, Ernst & Young ShinNihon LLC, are proper.

May 21, 2015

The Audit & Supervisory Board, Oki Electric Industry Co., Ltd.
Shuichi Kawano, Standing Audit & Supervisory Board Member
Tsutomu Tai, Standing Audit & Supervisory Board Member
Kuninori Hamaguchi, Outside Audit & Supervisory Board Member
Kaoru Yoshida, Outside Audit & Supervisory Board Member

(Translation)

Reference Documents for the General Meeting of Shareholders

Agenda and Reference Matters

Agenda 1: Appropriation of Surplus

The Company has determined to pay the following year-end dividend for the fiscal year under review with the emphasis on continuing stable distribution of profits to shareholders by giving consideration to its business results and business developments, etc. for the period under review.

1. Type of dividend asset

Cash

2. Allocation of dividend assets and total amount of dividends

Common stock of the Company	¥3 per share
Total dividends	¥2,606,231,631

3. Effective date of dividend of surplus

June 25, 2015

(Translation)

Agenda 2: Partial Amendment of the Articles of Incorporation

1. Reasons for the Amendment

(1) To delete the description related to Preferred Shares and Preferred Shareholders' Meeting in line with the retirement of all the Class A Preferred shares.

(2) To shorten Director's term of the office from two years to one year and to clarify management responsibility to respond promptly to the change of the business environment, as well as to set up a supplementary provision stipulating the existing rules on this matter to be applied to Directors who were elected at the 90th Ordinary General Meeting of Shareholder held on June 25, 2014.

(3) Following the enforcement of the "Act for Partial Revision of the Company Act" (Act No. 90, 2014), which allows a company to have a liability limitation agreement with also non-executive officers and Outside Audit & Supervisory Board Members. The Company will make a necessary amendment to support their role fully exhibited. The Company has obtained the consent of all Audit & Supervisory Board Members.

2. Details of the Proposed Changes

The details of the proposed amendments are as follows.

(Underlined portions indicate the proposed changes)

Current Articles of Incorporation	Proposed Amendment
Chapter 1 General Provisions Articles 1 to 5 (provisions omitted)	Chapter 1 General Provisions Articles 1 to 5 (unchanged)
Chapter 2 Shares Article 6 (Total Number of Authorized Shares and Total Number of Authorized Class Shares) The total number of shares authorized to be issued by the Company shall be 2,400,000,000 shares, and the total number of class shares authorized to be issued shall be, for common shares, 2,400,000,000 shares, and, for Class A Preferred Shares, 30,000 shares.	Chapter 2 Shares Article 6 (Total Number of Authorized Shares) The total number of shares authorized to be issued by the Company shall be 2,400,000,000 shares.
Article 7 (provisions omitted)	Article 7 (unchanged)
Article 8 (Number of Shares Constituting One Unit) The number of shares constituting one unit of shares of the Company shall be 1,000 shares for common shares and shall be one share for Class A Preferred Shares.	Article 8 (Number of Shares Constituting One Unit) The number of shares constituting one unit of shares of the Company shall be 1,000 shares.
Articles 9 to 11 (provisions omitted)	Articles 9 to 11 (unchanged)
Chapter 2-2 Preferred Shares Article 11-2 (Preferred Shares) The contents of the Class A Preferred Shares issued by the Company shall be as follows. 1. Class A Preferred Dividend (1) Class A Preferred Dividend	(deleted) (deleted) (deleted)

Current Articles of Incorporation	Proposed Amendment
When distributing dividends of surplus at the end of each fiscal year commencing with the fiscal year beginning April 1, 2011, for the record date provided in Article 35 hereof, the Company shall pay as dividends to shareholders of Class A Preferred Shares ("Class A Preferred Shareholders") recorded or noted in the latest shareholders register for the record date or to registered Class A Preferred Share pledgees on such register ("Registered Class A Preferred Share Pledgees"), prior to making payments to shareholders of common shares ("Common Shareholders") or to registered common share pledgees ("Registered Common Share Pledgees"), for each Class A Preferred Share a dividend in the amount ("Class A Preferred Dividend") calculated by multiplying the Class A Preferred Shares amount to be paid per share by the annual dividend rate ("Class A Preferred Shares Annual Dividend Rate") for the fiscal year to which the record date for the distribution of dividends of surplus belongs, as stipulated in (2) below; provided, however, that if in the relevant fiscal year a Class A Preferred Interim Dividend as provided in Paragraph 10 below is paid to Class A Preferred Shareholders or Registered Class A Preferred Share Pledgees, the amount of such interim dividend shall be deducted. If the total amount of Class A Preferred Dividends exceeds the Distributable Amount (this means the Distributable Amount as defined in Article 461 (2) of the Companies Act and the same shall apply hereinafter), the Company may pay an amount as decided by its board of directors not exceeding the Distributable Amount to Class A Preferred Shareholders or Registered Class A Preferred Share Pledgees prior to making payments to Common Shareholders and Registered Common Share Pledgees. The Company shall not distribute dividends of surplus for the record date which belong to the fiscal year ending March 31, 2011 as dividends for Class A Preferred Shares. (2) Class A Preferred Shares Annual Dividend Rate Class A Preferred Shares Annual Dividend Rate for the fiscal year ending March 31, 2012. Class A Preferred Shares Annual Dividend Rate = Initial Class A Preferred Dividend ÷ the amount to be paid per share for Class A Preferred Shares In the above formula, "Initial Class A Preferred Dividend" means the amount obtained when the amount to be paid per share of the Class A Preferred Shares is multiplied by the rate obtained by adding 3.00% to the 6-month Japanese yen TIBOR, then is further multiplied by 466, which is the actual number of days from the Payment Date (inclusive) through March 31, 2012, and then divided by 365 (to be calculated to the first decimal place and then rounding up to the nearest whole yen). Class A Preferred Shares Annual Dividend Rate for fiscal years beginning on or after April 1, 2012 Class A Preferred Shares Annual Dividend Rate = 6-month Japanese yen TIBOR + 3.00% The Class A Preferred Shares Annual Dividend Rate for fiscal years beginning on or after April 1, 2012 shall be calculated to the fourth decimal place, and rounded off to the third decimal place.	

(Translation)

Current Articles of Incorporation	Proposed Amendment
The "6-month Japanese Yen TIBOR" is the figures announced at 11:00 AM on April 1 (in the event that April 1 is a bank holiday, then the immediately preceding banking business day) of each year (the "Class A Preferred Shares Annual Dividend Rate Determination Date") as the 6-month Tokyo Interbank Offered Rate (Japanese Yen TIBOR) by the Japanese Bankers Association. In the event that the 6-month Japanese Yen TIBOR is not announced on the Class A Preferred Shares Annual Dividend Rate Determination Date, the figures announced by the British Bankers Association as the London Interbank Offered Rate (6-month Euroyen LIBOR (360 day basis) published on Reuters Page 3750 (this means Reuters Page 3750, which displays the British Bankers Association's LIBOR rates for yen deposits) at 11:00 AM London time on the Class A Preferred Shares Annual Dividend Rate Determination Date (in the event that day is a London banking holiday, then the immediately preceding banking business day) or another figure reasonably determined by the Company as equivalent to that number shall be used in lieu of the 6-month Japanese Yen TIBOR. (3) Accumulation Provisions If in any given fiscal year the amount of dividends of surplus distributed to Class A Preferred Shareholders or Registered Class A Preferred Share Pledgees falls below the amount of Class A Preferred Dividends, the shortfall will not be carried over to the following or subsequent fiscal years. (4) Non-Participation Provisions The Company will not distribute dividends of surplus to Class A Preferred Shareholders or Registered Class A Share Pledgees in excess of the Class A Preferred Dividends.	
2. Class A Preferred Interim Dividends When paying interim dividends pursuant to Article 36, the Company will pay an amount up to a maximum of half of the Class A Preferred Dividend per Class A Preferred Share in the fiscal year in which the interim dividend record date falls ("Class A Preferred Interim Dividend") as dividend of surplus to Class A Preferred Shareholders or Registered Class A Preferred Share Pledgees noted or recorded in the latest shareholders register on the Interim Dividend Reference Date prior to making payments to Common Shareholders and Registered Common Share Pledgees noted or recorded in the latest shareholders register on that Interim Dividend Reference Date.	(deleted)
3. Residual Assets (1) When delivering residual assets, the Company will distribute to Class A Preferred Shareholders or Registered Class A Preferred Share Pledgees per Class A Preferred Share an amount equal to the amount to be paid for each Class A Preferred Share prior to distribution of residual assets to Common Shareholders and Registered Common Share Pledgees. (2) Non-Participation Provisions The Company will not deliver residual assets to Registered Class A Preferred Shareholders and Class A Preferred Share Pledgees in addition to those specified in (1) above.	(deleted)
4. Voting Rights Class A Preferred Shareholders will not have voting rights at shareholders meetings.	(deleted)

Current Articles of Incorporation	Proposed Amendment
5. Right to Request Redemption for Cash (1) Right to Request Redemption for Cash Class A Preferred Shareholders may request that the Company deliver money for all or part of their Class A Preferred Shares (“Redemption for Cash Request(s)”) on the last day of each month (in the event such day is a bank holiday, then the immediately preceding banking business day) in the period from April 1, 2016 through March 31, 2024 (“Redemption for Cash Request Date”). If the total amount of the redemption price (as defined in (2) below) in respect to Redemption for Cash Request on a Redemption for Cash Request Date exceeds the lower of the maximum redemption amount (as defined in (3) below) and the Distributable Amount, on such Redemption for Cash Request Date the Company will determine the number of Class A Preferred Shares it will redeem using proportional allocation based on the number of shares for which Redemption for Cash Requests are made. (2) Redemption Price The redemption price per Class A Preferred Share when a Redemption for Cash Request is made shall be an amount equal to the amount to be paid per Class A Preferred Share plus an amount equal to the amount obtained through multiplying the amount of Class A Preferred Dividends of the relevant fiscal year in which Redemption for Cash Request Date falls by the number of days from April 1 (inclusive) to the Redemption for Cash Request Date (inclusive), and then calculated by dividing that amount by 365 (calculated to the first decimal place, and rounded up to the nearest whole yen); provided, however, that the amount of a Class A Preferred Interim Dividend paid in the fiscal year in which the Redemption for Cash Request Date falls shall be deducted from the amount calculated as per the above. (3) Maximum Redemption Amount “Maximum Redemption Amount” shall mean the amount equal to shareholders equity less 20% of total assets, as disclosed by the Company in the full-year earnings report or quarterly earnings report, whichever is latest (“Latest Earnings Report etc.”), prepared in accordance with Rule 404 of the Securities Listing Regulations of the Tokyo Stock Exchange, Inc. (‘Tokyo Stock Exchange”); provided, however, that if the Maximum Redemption Amount is a negative number it shall be zero. “Shareholders equity” shall mean the amount obtained by deducting the amounts related to share options and the item on minority interests from the total amount in the net assets section of the consolidated balance sheet or the quarterly consolidated balance sheet (“Consolidated Balance Sheet etc.”) included in the Latest Earnings Report etc. “Total assets” shall mean the total amount of the assets section of the Consolidated Balance Sheet etc. (4) Adjustments to the Maximum Redemption Amount If subsequent to the day of the Consolidated Balance Sheet etc., the Company takes any actions corresponding to any of the following, such action will be deemed to have been taken on the day of the Consolidated Balance Sheet etc., and the maximum redemption amount will be adjusted.	(deleted)

(Translation)

Current Articles of Incorporation	Proposed Amendment
(i) Dividends of surplus (including passing an interim dividend at a board of directors meeting or resolving at a board of directors meeting to submit a proposal for distribution of dividends of surplus to a general shareholders meeting (provided, however, that, if the dividends of surplus is rejected at the shareholders meeting, such decision by the board of directors on distribution of dividends of surplus shall not be taken into account in the adjustment to the maximum redemption amount made subsequent to the day of that meeting)) (ii) Redemption of the Company's shares (including but not limited to redemptions based on a request for purchase of shares and request for redemption of shares constituting less than one share unit made pursuant to laws and regulations and redemptions of Class A Preferred Shares pursuant to this Section and Section 7 made prior to such Redemption for Cash Request Date) (iii) Business transfer, merger, company split, stock exchange, stock transfer or issuance of shares (including disposal of treasury shares) (iv) In addition to Items (i) through (iii) above, any action under the Companies Act that increases or decreases the amount of assets or net assets on the consolidated balance sheet or the quarterly consolidated balance sheet 6. Right to Request Redemption for Common Shares (1) Particulars of the right to request redemption for common shares Subject to the conditions set forth in Paragraphs (3) through (6) below, at any time during the period stipulated in Paragraph below, a Class A Preferred Shareholder may request that the Company redeem Class A Preferred Shares in whole or in part and in exchange deliver common shares of the Company. (2) Redemption Request Period This refers to the period from April 1, 2014 to March 31, 2024 ("Redemption Request Period"). (3) Property to be delivered in exchange for redemption In its redemption of the Class A Preferred Shares, the Company shall deliver common shares in the number obtained through multiplying the number of Class A Preferred Shares for which the Class A Preferred Shareholder has demanded redemption by the amount to be paid per one Class A Preferred Share, and then dividing that amount by the redemption price stipulated in Paragraphs (4) through (6) below. In a case where there is a fractional share of less than one share in the number of common shares to be delivered in the redemption of Class A Preferred Shares, such fractional share shall be discarded, and no delivery of money as stipulated in Article 167, Paragraph 3 of the Companies Law will be made. (4) Initial Redemption Price	(deleted)

(Translation)

Current Articles of Incorporation	Proposed Amendment
The Initial Redemption Price shall be the higher of (x) the amount obtained through multiplying the average amount of the daily closing prices (including indicative prices) of the Company's common shares on the Tokyo Stock Exchange for the 30 consecutive trading days (excluding the number of days where there was no closing price) starting on the forty-fifth trading day before the first day of the Redemption Request Period by 0.9 (to be calculated to the first decimal place, and then rounded down to the nearest whole number), or (y) 75 Yen (such higher amount, the "Initial Redemption Price"). In the event that in the period between the initial day of the above 30 consecutive trading days (inclusive) until the Decision Date (inclusive; defined in Paragraph (5) below), a redemption price adjustment event as stipulated in Paragraph (6) below arises, the Initial Redemption Price will be adjusted to an amount that the Company's board of directors determines to be appropriate in accordance with Paragraph (6) below. (5) Revision of Redemption Price During the Redemption Request Period, on each March 31 and September 30 ("Decision Date(s)"), the redemption price will be revised to the amount obtained by multiplying the average amount of the daily closing prices (including indicative prices) of the Company's common shares on the Tokyo Stock Exchange for the 30 consecutive trading days (excluding the number of days where there was no closing price) starting on the forty-fifth trading day before the relevant Decision Date by 0.9 (to be calculated to the first decimal place, and then rounded down to the nearest whole number; "Adjusted Redemption Price"); provided, however, that in a case where as a result of such calculation the Adjusted Redemption Price is below the amount equivalent to 50% of the Initial Redemption Price stipulated in Paragraph (4) above ("Minimum Redemption Price"), the Adjusted Redemption Price will be revised to be the Minimum Redemption Price. Further, in a case where the Adjusted Redemption Price is greater than the amount to equivalent to 100% of the Initial Redemption Price stipulated in Paragraph (4) above ("Maximum Redemption Price"), the Adjusted Redemption Price will be revised to be the Maximum Redemption Price. In the event that in the period between the initial day of the above 30 consecutive trading days (inclusive) until the Decision Date (inclusive), a redemption price adjustment event as stipulated in Paragraph (6) below arises, the adjusted redemption price will be adjusted to an amount that the Company's board of directors determines to be appropriate in accordance with Paragraph (6) below. (6) Adjustments to Redemption Price A. After issuance of the Class A Preferred Shares, in any of the cases set forth in Items (i) through (vi) below, the redemption price (including the Initial Redemption Price, Minimum Redemption Price and Maximum Redemption Price) will be adjusted using the formula below ("Redemption Price Adjustment Formula," the adjusted redemption price will be referred to as the "Adjusted Redemption Price"). In the calculation of the Adjusted Redemption Price, calculation will be made to the first decimal place, and the result will be rounded down to the nearest whole number.	

(Translation)

Current Articles of Incorporation	Proposed Amendment
$\text{Adjusted Redemption Price} = \text{Pre-adjustment redemption price} \times \dfrac{\text{No. of outstanding common shares} + \dfrac{\text{Number of delivered common shares} \times \text{Amount to be paid per share}}{\text{Market price per share}}}{\text{No. of outstanding common shares} + \text{No. of delivered common shares}}$ (i) In a case where common shares are to be issued or common shares that are treasury shares are to be disposed of at an amount to be paid below the market price used in the Redemption Price Adjustment Formula (as defined in C below. hereinafter the same) (including cases of gratis allocation, but excluding cases where shares with put options, share options (here and hereinafter in this Paragraph (6), including share options attached to bonds with share options) or other securities enabling demand that the Company deliver common shares (“Shares with Put Option”), or shares subject to call, share options subject to call, or other securities enabling delivery of common shares in the Company in exchange for redemption by the Company (“Shares Subject to Call”) are redeemed or exercised, and common shares are accordingly delivered).The Adjusted Redemption Price will apply starting on the day following the payment date (if there is a payment period, the day following the last day of such payment period; hereinafter the same; in a case of gratis allocation, the day following the effective date thereof); provided, however, that in cases where there is a record date for granting common shareholders of the Company the right to receive allocation of offered shares to, or for making a gratis allocation, the Adjusted Redemption Price will apply on the day following such record date. (ii) Cases of share split It will be deemed that on the record date for share split of common shares, the additional number of common shares resulting from the split (excluding additional common shares that arose in respect to common shares that are Company treasury shares as of the record date) were delivered, and the Redemption Price Adjustment Formula will be applied and the Adjusted Redemption Price will be calculated and will apply starting on the day following such record date.	

(Translation)

Current Articles of Incorporation	Proposed Amendment
(iii) Cases where the Company issues Shares with Put Option allowing demand that the Company deliver common shares at a price below the market price to be used in the Redemption Price Adjustment Formula (defined in D. below; the same applies in this Item (iii), Items (iv) and (v) and C., Item (iv) below) (including cases of gratis allocation) It will be deemed that on the payment date of the relevant Shares with Put Option (on the allocation date in the case of share options, and on the effective date in the case of gratis allocation), or, in a case where there is a record date for granting shareholders the right to receive allocation of Shares with Put Option or for making a gratis allocation, on such record date, all such Shares with Put Option were redeemed or exercised under the initial conditions and common shares thus delivered, and the Redemption Price Adjustment Formula will be applied accordingly, and the Adjusted Redemption Price will be calculated and will apply starting the day following such payment date (the day following the allocation date in the case of share options, and the day following the effective date in the case of gratis allocation) or starting the day following such record date. Notwithstanding the foregoing, in a case where the price has not been determined on a day on which common shares are deemed to have been delivered, and Shares with Put Option for which the price will be decided on a certain subsequent date (“Pricing Date”) are issued, if the decided price is lower than the market price to be used in the Redemption Price Adjustment Formula, it will be deemed that all Shares with Put Option existing on such Pricing Date were redeemed or exercised under the conditions determined on the Pricing Date, and the Redemption Price Adjustment Formula will be applied accordingly, and the Adjusted Redemption Price will be calculated and will apply from the day following such Pricing Date. (iv) Cases where Shares with Put Option issued by the Company with the condition that the price will be revised on or after their issuance date (excluding adjustments to prevent dilution similar to this Section A. or B. below), and the revised price (“Revised Price”) on the day such revisions take place (“Revision Date”) is lower than the market price to be used in the Redemption Price Adjustment Formula. It will be deemed that on the Revision Date, all such Shares with Put Option that are existing were redeemed or exercised at the Revised Price and common shares delivered accordingly, and the Redemption Price Adjustment Formula will be applied accordingly, and the Adjusted Redemption Price will be calculated and will apply starting the day after such Revision Date. In such application of the Redemption Price Adjustment Formula, in response to the cases set forth in (a) through (c) below, the amount obtained through when the redemption price valid on the day prior to the day the Adjusted Redemption Price is to be applied, is multiplied by the percentage stipulated in each relevant case (“Adjustment Coefficient”) shall be deemed the pre-adjustment redemption price. (a) In a case where in regards to the relevant Shares with Put Option, prior to the relevant Revision Date, no adjustment pursuant to Item (iii) above or this Item (iv) has been made.	

(Translation)

Current Articles of Incorporation	Proposed Amendment
The Adjustment Coefficient shall be 1. (b) In a case where in regards to the relevant Shares with Put Option, prior to the relevant Revision Date, an adjustment pursuant to Item (iii) above or this Item (iv) has been made, and in the period between such adjustment and such Revision Date, redemption price revision pursuant to Paragraph (5) above has taken place. The Adjustment Coefficient shall be 1. However, in the calculation of the Minimum Redemption Price, the Adjustment Coefficient shall be the fraction obtained by dividing the Minimum Redemption Price prior to the immediately prior adjustment pursuant to Item (iii) above or this Item (iv) by the Minimum Redemption Price after such adjustment. (c) In a case where in regards to the relevant Shares with Put Option, prior to the relevant Revision Date, an adjustment pursuant to Item (iii) above or this Item (iv) has been made, and in the period between such adjustment and such Revision Date, no redemption price revision pursuant to Paragraph (5) above has taken place The Adjustment Coefficient shall be the fraction obtained by dividing the Minimum Redemption Price prior to the immediately prior adjustment pursuant to Item (iii) above or this Item (iv) by the Minimum Redemption Price after such adjustment. (v) Cases where in exchange for redemption of Shares Subject to Call, common shares are delivered at a price below the market price to be used in the Redemption Price Adjustment Formula. The Adjusted Redemption Price will apply starting the day following the redemption date. However, in a case where in regards to the relevant Shares Subject to Call, redemption price adjustment pursuant to Item (iii) or (iv) above has taken place, provided that the number of fully diluted common shares (defined in E. below) following the delivery of common shares in exchange for redemption exceeds the number of outstanding common shares immediately prior to such redemption, common shares in a number equal to such excess will be deemed to have been delivered, and the Redemption Price Adjustment Formula will be applied accordingly, and the Adjusted Redemption Price will be calculated and, if the number of outstanding common shares immediately prior to redemption is not exceeded, no adjustment will be made pursuant to this Item (v). (vi) Cases of share consolidation Starting from the effective date of the share consolidation, the number by which the number of common shares will decrease because of consolidation (excluding the decrease in the number of common shares that are Company treasury shares on the effective date) will be expressed as a negative number and will be deemed the number of delivered common shares, and the Redemption Price Adjustment Formula will be applied accordingly, and the Adjusted Redemption Price will be calculated and will apply.	

(Translation)

Current Articles of Incorporation	Proposed Amendment
B. In addition to the cases set forth above in A., Items (i) through (vi), in cases where because of merger, company split, stock exchange, stock transfer or similar reason, it becomes necessary to adjust the redemption price (including Initial Redemption Price, Minimum Redemption Price and Maximum Redemption Price), the redemption price will be changed to the redemption price that the board of directors of the Company judges to be appropriate. C. (i) The "market price" to be used in the Redemption Price Adjustment Formula shall be the average of the daily closing prices (including indicative prices) of the Company's common shares on the Tokyo Stock Exchange for the 30 consecutive trading days (excluding the number of days where there was no closing price) starting on the forty-fifth trading day before the day on which the Adjusted Redemption Price is applied. In the calculation of the average price, the price will be calculated to the first decimal place, and then rounded down to the nearest whole number. In cases where in the period between the first day of the above 30 consecutive trading days (inclusive) and the Decision Date (inclusive) an event of redemption price adjustment has arisen, the Adjusted Redemption Price will be adjusted pursuant to this Paragraph (6). (ii) The "pre-adjustment redemption price" to be used in the Redemption Price Adjustment Formula shall be the redemption price effective as of the day prior to the day on which the Adjusted Redemption Price is applied. (iii) The "No. of outstanding common shares" in the Redemption Price Adjustment Formula shall be the number of outstanding common shares of the Company (excluding common shares that are treasury shares) on the record date in a case where there is a record date (not including the number of common shares deemed to have been delivered on such record date pursuant to the above A., Items (i) through (iii)), or on the day one month prior to day on which the Adjusted Redemption Price is applied in a case where there is no record date, plus the number of common shares that have been deemed to be "No. of delivered common shares" pursuant to the above A. and B. prior to adjustment of such redemption price and that have yet to be delivered (but starting from the day on which, with respect to certain Shares etc. with Put Option, adjustment pursuant to A., Item (iv)(b) or (c) was first applied (inclusive of such day), the number of common shares deemed to be the "No. of delivered common shares" pursuant to adjustment pursuant to A., Item (iii) or (iv) applied prior to the most recent adjustment of such Shares etc. with Put Option pursuant to A., Item (iv) (b) or (c)). (iv) The "Amount to be Paid per share" used in the Redemption Price Adjustment Formula shall be, in the case of A., Item (i), the relevant amount to be paid (0 yen in the case of gratis allocation; in the case of payment in-kind, the appropriate evaluation amount); in the case of A., Item (ii) and Item (vi), 0 yen; and in the case of A., Items (iii) through (v), the price (but in the case of Item (iv), the adjusted price).	

(Translation)

Current Articles of Incorporation	Proposed Amendment
D. The term “price” as used above in A., Items (iii) through (v) and C., Item (iii) refers to the amount obtained, through deducting the price of the property other than common shares to be delivered to the holder of such of Shares with Put Option or Shares Subject to Call at the time of their redemption or exercise from the amount paid in at the time of issue of Shares with Put Option or Shares Subject to Call (in the case of share options, the amount including the price of the in-kind contribution made on the exercise thereof), and then divided such amount by the number of common shares delivered at the time of such redemption or exercise. E. The term “number of fully diluted common shares” used in A., Item (v) above shall mean the number of outstanding common shares as of the day on which the Adjusted Redemption Price is applied, less the number of common shares that are included in the No. of outstanding common shares in accordance with A., Item (iii) but have yet to be delivered and that are related to such Shares Subject to Call, plus the number of common shares to be delivered through the redemption of such Shares Subject to Call. F. In a case of A., Items (i) through (iii), where a record date for the relevant act has been stipulated, and such relevant act is subject to the suspensive condition of approval of certain matters at the Company’s general meeting of shareholders to be held on or after such record date, notwithstanding the provisions of A., Items (i) through (iii), the Adjusted Redemption Price will apply starting the day following the day of completion of the shareholders general meeting where such approval was given. G. When the difference between the Adjusted Redemption Price computed using the Redemption Price Adjustment Formula and the pre-adjustment redemption price is less than one yen, the redemption price will not be adjusted; provided, however, that in a case where an event subsequently arises necessitating adjustment of the redemption price using the Redemption Price Adjustment Formula and the redemption price is to be computed, in place of the pre-adjustment redemption price in the Redemption Price Adjustment Formula, the amount obtained when this difference is deducted from the pre-adjustment redemption price will be used. 7. Conditions for Redemption for Cash (1) Conditions for Redemption for Cash At any time from April 1, 2016 through March 31, 2024, on a date to be separately determined (“Compulsory Redemption for Cash Date”) by its board of directors, the Company may deliver money to Class A Preferred Shareholders or Registered Class A Preferred Share Pledgees in an amount not exceeding the Distributable Amount in exchange for redeeming all or part of the Class A Preferred Shares (“Compulsory Redemption for Cash”). The number of Class A Preferred Shares redeemed in a partial redemption will be based on a proportional allocation or other reasonable method as determined by the board of directors of the Company. (1) Conditions for Redemption for Cash	(deleted)

(Translation)

Current Articles of Incorporation	Proposed Amendment
At any time from April 1, 2016 through March 31, 2024, on a date to be separately determined ("Compulsory Redemption for Cash Date") by its board of directors, the Company may deliver money to Class A Preferred Shareholders or Registered Class A Preferred Share Pledgees in an amount not exceeding the Distributable Amount in exchange for redeeming all or part of the Class A Preferred Shares ("Compulsory Redemption for Cash"). The number of Class A Preferred Shares redeemed in a partial redemption will be based on a proportional allocation or other reasonable method as determined by the board of directors of the Company. (2) Redemption Price The redemption price per Class A Preferred Share in the event a Compulsory Redemption for Cash is made shall be an amount equal to 110% of the amount to be paid per Class A Preferred Share plus the amount obtained through multiplying the amount of Class A Preferred Dividends of the relevant fiscal year in which Compulsory Redemption for Cash Date falls by the number of days from April 1 (inclusive) to the Compulsory Redemption for Cash Date (inclusive), and then calculated by dividing that amount by 365 (calculated to the first decimal place, and rounded up to the nearest whole yen); provided, however, that the amount of the Class A Preferred Interim Dividend paid in the fiscal year in which the Compulsory Redemption for Cash Request Date falls shall be deducted from the amount thus calculated. 8. Conditions for Redemption for Common Shares (1) Conditions for redemption for common shares The Company will redeem all Class A Preferred Shares that have not been redeemed by the Company by the last day of the Redemption Request Period on the day following the last day of the Redemption Request Period ("Collective Redemption Date") and, in exchange for such redemption, will deliver common shares. In this case, the Company will redeem such Class A Preferred Shares, and in exchange shall deliver to the relevant Class A Preferred Shareholders common shares in a number obtained by multiplying the number of Class A Preferred Shares a Class A Preferred Shareholder owns by an amount equivalent to the amount to be paid per one such Class A Preferred Share, and then dividing that amount by the price stipulated in Paragraph (2) below ("Collective Redemption Price"). Fractions of less than one share arising in the number of common shares to be delivered in exchange for redemption of the Class A Preferred Share will be handled in accordance with Article 234 of the Companies Law. (2) Collective Redemption Price	(deleted)

(Translation)

Current Articles of Incorporation	Proposed Amendment
The Collective Redemption Price shall be the amount obtained when the average of the daily closing prices (including indicative prices) of the Company's common shares on the Tokyo Stock Exchange for the 30 consecutive trading days (excluding the days where no closing price was computed) starting on the forty-fifth trading day before the Collective Redemption Date is multiplied by 0.9 (to be calculated to the first decimal place, and then rounded down to the nearest whole number); provided, however, that in a case where as a result of such calculation the Collective Redemption Price is below the Minimum Redemption Price, the Collective Redemption Price shall be the Minimum Redemption Price. 9. Restrictions on Transfer The acquisition of Class A Preferred Share by assignment requires the approval of the Company. 10. Consolidation of Shares and Share Splits and Allocation of Offered Shares (1) The Company shall not consolidate or split Class A Preferred Shares. (2) The Company shall not grant Class A Preferred Shareholders the right to receive allocation of offered shares or the right to receive allocation of offered share options (3) The Company shall not make a gratis allocation of shares or a gratis allocation of share options to Class A Preferred Shareholders. 11. Limitation Period for the Preferred Dividends, etc. Article 37 hereof shall be applied to the payment of the Dividend and Interim Dividend of the Class A Preferred Shares.	(deleted) (deleted) (deleted)
Chapter 3 General Shareholder's Meeting Articles 12 to 17 (provisions omitted) Articles 17-2 (Class Meeting of the Class-A Shareholders) Article 16, Paragraph 1 hereof shall be applied a resolution of Preferred Shareholders' Meeting under Article 324 and Paragraph 1 of the Companies Act. 2. Article 16, Paragraph 2 hereof shall be applied a resolution of Preferred Shareholders' Meeting under Article 324 and Paragraph 1 of the Companies Act. 3. Articles 14, 15 and 17 hereof shall be applied to Preferred Shareholders' Meeting. 4. Article 13 shall be applied to Preferred Shareholder's Meeting to be held on the same day with Ordinary General Shareholders' Meeting.	Chapter 3 General Shareholder's Meeting Articles 12 to 17 (unchanged) (deleted)
Chapter 4 Directors and the Board of Directors Articles 18 to 19 (provisions omitted)	Chapter 4 Directors and the Board of Directors Articles 18 to 19 (unchanged)
Article 20 (Tenure of Office of Directors) 1. The tenure of office of Directors shall expire at the close of the Ordinary General Meeting of Shareholders held with respect to the last of the fiscal years that end within two (2) years after they are elected. 2. The tenure of office of any Director elected as a substitute shall expire at the time when the tenure of office of incumbent Directors is scheduled to expire.	Article 20 (Tenure of Office of Directors) 1. The tenure of office of Directors shall expire at the close of the Ordinary General Meeting of Shareholders held with respect to the last of the fiscal years that end within one (1) years after they are elected. 2. The tenure of office of any Director elected as a substitute shall expire at the time when the tenure of office of incumbent Directors is scheduled to expire.

(Translation)

Current Articles of Incorporation	Proposed Amendment
Article 21 to 25 (provisions omitted)	Article 21 to 25 (unchanged)
Article 26 (Exemption of liabilities for outside directors) The Company may conclude with outside directors agreements to limit liabilities for compensation for damages due to any negligence of their duties, in accordance with provision of Paragraph 1, Article 427 of the Companies Act; Provided, however, that the amount of limit for such liabilities for compensation based on such agreements shall be the minimum amount provided for by laws and regulations.	Article 26 (Exemption of liabilities for Directors) The Company may conclude with Directors (excluding executive officer, etc.) agreements to limit liabilities for compensation for damages due to any negligence of their duties, in accordance with provision of Paragraph 1, Article 427 of the Companies Act; Provided, however, that the amount of limit for such liabilities for compensation based on such agreements shall be the minimum amount provided for by laws and regulations.
Chapter 5 Audit & Supervisory Board Members and the Audit & Supervisory Board Articles 27 to 32 (provisions omitted)	Chapter 5 Audit & Supervisory Board Members and the Audit & Supervisory Board Articles 27 to 32 (unchanged)
Article 33 (Exemption of liabilities for Outside Audit & Supervisory Board Members) The Company may conclude with Outside Audit & Supervisory Board Members agreements to limit liabilities for compensation for damages due to any negligence of their duties, in accordance with provision of Paragraph 1, Article 427 of the Companies Act; Provided, however, that the amount of limit for such liabilities for compensation based on such agreements shall be the minimum amount provided for by laws and regulations.	Article 33 (Exemption of liabilities for Audit & Supervisory Board Members) The Company may conclude with Audit & Supervisory Board Members agreements to limit liabilities for compensation for damages due to any negligence of their duties, in accordance with provision of Paragraph 1, Article 427 of the Companies Act; Provided, however, that the amount of limit for such liabilities for compensation based on such agreements shall be the minimum amount provided for by laws and regulations.
Chapter 6 Calculation Article 34 to 37 (provisions omitted)	Chapter 6 Calculation Article 34 to 37 (unchanged)
(Newly established)	Supplementary provision Regardless of the provisions of Article 20, the tenure of office of Directors elected at the 90th Ordinary General Meeting of Shareholders held on June 25, 2014 shall expire at the close of the Ordinary General Meeting of Shareholders to be held in 2016. The supplementary provision shall be deleted after such effective date.

(Translation)

Agenda 3: Election of Three (3) Directors

The tenure of office of Directors Hideichi Kawasaki and Hisao Suzuki will expire at the end of this general meeting of shareholders.

Three candidates for directors are shown as follows.

Candidates for Directors (Three):

Candidate number	Name (Date of birth)	Brief personal profile, position and responsibility in the Company and significant concurrent positions	Number of Oki shares held
1	Hideichi Kawasaki (January 10, 1947)	Apr. 1970 Joined Oki Electric Industry Co., Ltd. Apr. 2001 Executive Officer Apr. 2004 Senior Vice President Jun. 2005 Managing Director Apr. 2009 Senior Executive Vice President and Member of the Board Jun. 2009 President, Representative Director (incumbent)	Common stock 127,000 shares
2	*Toshiya Hatakeyama (July 6, 1957)	Apr. 1980 Joined Oki Electric Industry Co., Ltd. Oct. 2007 Manager, Accounting & Control Division Apr. 2008 Executive Officer Jun. 2009 Outside director, SAXA Holdings, Inc. (incumbent) Jan. 2013 Manager, Group Administration Division Apr. 2015 Senior Vice President (incumbent)	Common stock 29,000 shares
3	Minoru Morio (May 20, 1939)	Apr. 1963 Joined Sony Corporation Jun. 1988 Director, Sony Corporation Jun. 1993 Executive Deputy President, Sony Corporation Jun. 2000 Director and Vice Chairman, Sony Corporation Jun. 2001 Outside Director, Oki Electric Co., Ltd. Jun. 2004 Advisor, Sony Corporation Apr. 2006 Executive Alumnus, Sony Corporation (incumbent) Jun. 2013 Outside Director, the Bank of Yokohama, Ltd. (incumbent) Jun. 2014 Outside Audit & Supervisory Board Member, ZUKEN ELMIC, Inc. (incumbent) (Significant concurrent position) Outside Director, the Bank of Yokohama, Ltd.	Common stock 10,000 shares

Notes:

1. * indicates a new candidate for a Director.
2. Mr. Toshiya Hatakeyama is scheduled to resign from the position of Outside Director of SAXA Holdings, Inc. at the conclusion of the Ordinary General Meeting of Shareholders of SAXA Holdings, Inc. to be held on June 26, 2015. In addition, Mr. Minoru Morio is scheduled to resign from the position of Outside Audit & Supervisory Board Member of ZUKEN ELMIC, Inc. at the conclusion of the Ordinary General Meeting of Shareholders of ZUKEN ELMIC, Inc. to be held on June 24, 2015.
3. Mr. Minoru Morio is a candidate for outside director. He was also an outside director of the Company from June, 2001 to June, 2010.
4. The reason Mr. Minoru Morio is being put forward as a candidate for outside director is as follows:
   He has extensive experience in the electronics industry and excellent personality and insight, and the Company judges that he would be able to provide appropriate advice on the Company's business environment and management issues and that his appointment would strengthen the supervisory function of the Board of Directors to the business execution body.
5. If the appointment of Mr. Minoru Morio is approved, the Company will enter into the liability limitation agreement with him.
   Outline of liability limitation agreements is as follows:
   - In cases where Directors are liable for any damages arising from their negligence to the Company, they shall compensate for such damages only to the extent of the minimum liabilities as stipulated in Article 427, Paragraph 1 of the Companies Act.

- The above limitation of liability shall be applied only when the relevant Directors have executed their duties that caused the liabilities in good faith and without gross negligence.

6. If the appointment of Mr. Minoru Morio is approved, the Company will notify the Tokyo Stock Exchange of his status as an independent officer. This is because net sales to Sony Corporation account for less than 1% of the OKI Group's total net sales and Mr. Minoru Morio meets the criteria for an independent officer based on the terms of the Tokyo Stock Exchange.

(Translation)

Agenda 4: Election of One (1) Audit & Supervisory Board Member

The tenure of office of Audit & Supervisory Board Member Shuichi Kawano will expire at the end of this general meeting of shareholders. A candidate for Audit & Supervisory Board Member is shown as follows.

This agenda has been approved by the Audit & Supervisory Board.

Audit & Supervisory Board Member (One):

Name (Date of birth)	Brief personal profile, position and responsibility in the Company and significant concurrent positions		Number of Oki shares held
*Hisao Suzuki (April 14, 1952)	Apr. 1975	Joined The Fuji Bank, Limited	Common stock 61,800 shares
	May 2000	Manager, First Global Credit Department, The Fuji Bank, Limited	
	Apr. 2002	Manager, Second Credit Department, Mizuho Corporate Bank, Ltd.	
	Jun. 2004	Director, Oki Wintech Co., Ltd.	
	May 2005	Managing Director, Oki Wintech Co., Ltd.	
	Apr. 2008	Executive Officer, Oki Electric Industry Co., Ltd.	
	Apr. 2009	Senior Vice President	
	Apr. 2012	Executive Vice President	
	Jun. 2013	Executive Vice President and Member of the Board	
	Apr. 2015	Director (incumbent)	

Notes:

1. * indicates a new candidate for an Audit & Supervisory Board Member.
2. Mr. Hisao Suzuki has served in positions such as Officer in charge of the Accounting & Control Division and Chief Financial Officer, and has extensive knowledge in finance and accounting.
3. If the appointment of Mr. Hisao Suzuki is approved, the Company will enter into the liability limitation agreement with him, subject to the approval of Agenda 2 “Partial Amendment of the Articles of Incorporation.”
   Outline of liability limitation agreements is as follows:
   - In cases where Audit & Supervisory Board Members are liable for any damages arising from their negligence to the Company, they shall compensate for such damages only to the extent of the minimum liabilities as stipulated in Article 427, Paragraph 1 of the Companies Act.
   - The above limitation of liability shall be applied only when the relevant Audit & Supervisory Board Members have executed their duties that caused the liabilities in good faith and without gross negligence.

(Translation)

Appendix

Instructions for the Exercise of Voting Rights via the Internet

1. **Matters requiring your agreement concerning the exercise of voting rights via the Internet**
   We kindly request your consent to the following regarding exercise of voting rights via the Internet.
   1) Exercise of voting rights via the Internet is only possible by accessing the voting site designated by the Company (http://www.it-soukai.com/) via a PC or a mobile phone. When exercising the voting right using this site, you are requested to log in to the site using your voting rights exercise code and password provided in the right corner of the voting rights exercise form, enclosed with the Notice, then follow the guidance on the screen. To ensure security, you are requested to enter the password when executing the first log-in.
   2) You are requested to complete entries by 5:15 p.m., June 23 (Tuesday), 2015 (JST), which is the deadline for execution. Please exercise your voting rights at your earliest convenience.
   3) If you exercise your voting rights both in writing and via the Internet, we will regard the vote cast via the Internet to be effective.
   4) If you exercise your voting rights more than once, we will regard the last vote you cast via the Internet to be the effective one.
   5) You will bear all connection charges for using the Internet (service provider access fees, communication charges, etc.).

2. **Technical specifications**
   1) Internet environment: an environment, where the Internet can be used, such as conclusion of a contract with an Internet provider, is required.
   2) Browser: Internet Explorer 5.01 SP2 or above
   3) Software
      Adobe Acrobat Reader Ver. 4.0 or later, or Adobe Reader Ver. 6.0 or later
   4) Screen resolution
      800x600 dots (SVGA) or more

3. **Notes on information security**
   Please rest assured that you will be able to use our systems safely as we use cryptographic technology (128-bit SSL) in order to prevent exercise-related information from being falsified or wiretapped.
   The voting rights exercise code and password provided on your voting rights exercise form are an important means of validating you as our shareholder. Please ensure that they are not disclosed to others. The Company's staff will never ask you to disclose your password.

4. **Contact**
   1) For information concerning the operation of personal computers for the electronic exercise of voting rights:
      Internet Help Dial, Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd.
      Tel: 0120-768-524 (toll-free)
      From 9:00 a.m. to 9:00 p.m. excluding Saturdays, Sundays and national holidays
   2) For address changes and other matters other than (1) above:
      Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd.
      Tel. 0120-288-324 (toll-free)
      From 9:00 a.m. to 5:00 p.m. excluding Saturdays, Sundays and national holidays

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