(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 7, 2010

NOTICE OF 86TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders,

Oki Electric Industry Co., Ltd. (the "Company") would hereby like to inform you that the 86th 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 the attached "Reference Documents for the General Meeting of Shareholders" and exercise their voting rights in one of the following ways no later than 5:15 p.m., June 28 (Monday), 2010 (JST).

[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. (There is no need to affix your signature or registered seal.)

[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.

Yours faithfully,

Hideichi Kawasaki,
President, Representative Director
Oki Electric Industry Co., Ltd.
3-16-11 Nishi-shinbashi, Minato-ku, Tokyo

(Translation)

1. Date and Time: Tuesday, June 29, 2010, from 10:00 a.m.

2. Location: Nippon Seinen-kan Hall, 7-1 Kasumigaoka, Shinjuku-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 Account Auditor and the Board of Corporate Auditors for the 86th fiscal year (from April 1, 2009 to March 31, 2010)
2. Non-consolidated Financial Statements for the 86th fiscal year (from April 1, 2009 to March 31, 2010)

Items to be resolved:

Agenda 1: Partial Amendment to the Articles of Incorporation

Agenda 2: Election of Six (6) Directors

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* If you are attending the meeting in person, please submit the enclosed ballot at the reception desk of the meeting.
* The Company has provided the Notice of 86th 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)

Business Report

(From April 1, 2009 to March 31, 2010)

1. Status of the OKI Group

(1) Operating progress and results

In the current fiscal year ended March 2010, the world economy, conditions varying from region to region, showed signs of slow but steady recovery from the worst effects of the downturn which was triggered by the financial crisis which took place in the latter half of 2008. This recovery was promoted by economic stimulus measures implemented by governments worldwide and by improved corporate performance. While we observe recovery in areas such as corporate investment and personal consumption in the domestic market, prospects for a full-fledged recovery will take somewhat longer, given prevailing deflationary trends and further aggravation of unemployment rate.

In this business environment, the OKI Group has been working to revamp its business structure so as to establish the strong management platform capable to generating stable profits. As part of its measures for “acceleration of business selection and concentration,” the Group spun off a semiconductor company in October 2008 and transferred 95% of shares in that company to Rohm Co., Ltd. As a result, sales decreased ¥54.1 billion while operating income rose ¥5.1 billion during the fiscal year under review compared to the previous fiscal year.

As for the business performance excluding the effects of the semiconductor operations, sales were ¥443.9 billion, down ¥47.7 billion (9.7%) compared to the previous fiscal year. This decline was due to several factors, including saturated ATM replacement demand in domestic retail markets as well as large projects for bank branch systems, the impact of the strong yen, and the decline in sales for enterprises and component-related businesses, caused by the weak economy. However, the Group was able to offset the impact of the falling income from declining volumes, price reductions, and the high value of the yen through its efforts in reducing production and procurement costs and optimizing fixed costs. As a result, operating income was ¥14 billion, up ¥8.4 billion from the previous fiscal year.

Ordinary income was ¥8.8 billion, up ¥15 billion compared to the previous fiscal year. Net income was ¥3.6 billion, a significant improvement of ¥48.6 billion compared to the previous fiscal year, when the Group recorded large extraordinary losses caused by revamping its business structure and changing various systems.

Non-consolidated results of the Company were similar to consolidated results. However, sales for the fiscal year under review stood at ¥200.5 billion, down 26.0% or ¥70.6 billion, year-on-year; operating income was ¥3.5 billion, up ¥12 billion; ordinary income was ¥5.1 billion, up ¥13.2 billion; and, net income was ¥2.7 billion, up ¥37.9 billion.

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We deeply regret to say that there will be no payment of dividend to shareholders for the fiscal year under review since it was unable to secure the resources needed for dividend payment.

Net sales by segment are as provided below.

- Net Sales

(Unit: billions of yen)

Segment	FY2008 (reference: previous year)	FY2009 (the year under review)	Increase or decrease	Compared to the previous year (%)
Info-telecom systems	302.3	274.9	(27.4)	(9.1)
Printers	160.7	145.2	(15.5)	(9.7)
Others	28.5	23.8	(4.7)	(16.4)
Sub-total	491.6	443.9	(47.7)	(9.7)
Semiconductors	54.1	-	-	-
Total	545.7	443.9	(101.8)	(18.6)

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

Sales to external customers were ¥274.9 billion, down ¥27.4 billion (9.1%) compared to the previous fiscal year. Total sales of the financial system business decreased from the previous fiscal year due to saturated ATM replacement demand in domestic retail markets as well as large projects for bank branch systems, despite sales growth of ATMs in China. In the communication system business, total sales remained almost unchanged from the previous fiscal year because the Group trimmed unprofitable products based on "acceleration of business selection and concentration" despite an increase in the shipments of GE-PON for telecom carriers. In addition, total sales of the info-telecom system business decreased because business for private corporations was affected by reduced investments mainly by manufacturing industries, despite growing sales to government agencies.

Operating income was ¥14.6 billion, up ¥7.6 billion from the previous fiscal year because decrease in marginal profit from volume decline was offset by reducing production and procurement costs and optimizing fixed costs.

Printers

Sales to external customers totaled ¥145.2 billion, down ¥15.5 billion (9.7%) compared to the previous fiscal year. These included a decrease of ¥9.5 billion due to the appreciation of the yen. With regard to sales by product, sales of business-use color printers (color NIP) decreased from the previous fiscal year due to declining unit prices and tendency to restrain color printing resulting from the sluggish economy, although the unit sales of complex machines (MFP) increased due to the launch of a new model.

Sales of monochrome printers (monochrome NIP) increased from the previous fiscal year because, despite a fall in unit price, the unit sales increased with support from sales promotion activities in Europe, together with the effects of launching new products. Sales of dot impact printers (SIDM) decreased from the previous fiscal year due to an overall contraction of the global market.

Operating income was ¥6.3 billion, down ¥1.5 billion from the previous fiscal year due to the impact of currency exchange, decrease in marginal profit from volume decline and price decline, while the Group made efforts to reduce production and procurement costs and optimize fixed costs.

Other segments

Among the proprietary businesses of subsidiaries, the component-related business remained sluggish due to the effects of the economic downturn that started in the latter half of 2008.

As a result, sales to external customers were ¥23.8 billion, down ¥4.7 billion (16.4%) from the previous fiscal year and operating loss was ¥0.4 billion, up ¥1 billion from the previous fiscal year, because decrease in marginal profit from volume decline was offset by optimizing fixed costs and other efforts.

(2) Capital expenditure

Capital expenditures for the fiscal year equaled ¥8.6 billion.

Investment amounts by segment were as follows.

(Unit: billions of yen)

Segment	Amount of capital expenditure	Major investments
Info-telecom systems	3.5	ATM products and cash management terminals for financial and retail store markets; investments in research, development and production of new products for network service and network infrastructure businesses
Printers	4.2	Investments in R&D, development and production activities relating to business-use printers
Others	0.9	
Total	8.6	

(3) Financing

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

Borrowing funds are mainly long-term borrowings, which are used for the scheduled repayment of long-term borrowings and the redemption of corporate bonds.

(4) Future challenges

The global economy is now on a recovery track from a rapid and severe recession following a financial crisis triggered by the Lehman Shock. However, circumstances such as reduced corporate capital investment, a slowdown of consumer spending, and an unemployment rate remaining at a high level do not promise an optimistic outlook.

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Furthermore, there are also deflationary concerns in Japan. Given these circumstances, in February 2010, the OKI Group announced a medium-term management plan to end in 2012. Its basic concept is to establish a business structure that enables stable profits to be generated without depending on sales expansion even under the severe business environment." The Group will carry out the following measures to achieve sales of ¥500 billion and operating income of ¥18 billion in 2012, the business targets specified in the plan.

○ The Group will maximize profits on a group consolidated basis and will shift its business management from a market base to a product base in conformity with its organizational system to clarify business responsibility. Sales units included among business divisions will be combined to establish the Sales Division and offer OKI products to customers by one-stop solution.

○ Core business processes of Group companies will be incorporated in Oki Electric Industry to strengthen its ability to develop and manufacture products.

○ The Group will combine together group companies by function and horizontally integrate them, aiming to reduce group management costs by 20% and to make common indirect operations more efficient by establishing a shared company. Through these measures, the Group will achieve an appropriate personnel assignment and reduce outsourcing costs and duplication of administration man-hour.

○ The Group will integrate procurement functions and establish the Group Procurement Department to centralize procurement and improve procurement activities at the development stage and strengthen its overseas procurement capability. The Group will aim to reduce the total amount of goods procured by 10% through these measures together with existing measures to reduce procurement costs.

○ The Group will improve productivity by enhancing profitability of software and reorganizing hardware production sites. For software, the Group will consolidate common indirect divisions, operate projects together with Group companies, promote self-manufacturing by making optimum use of resources, reduce outsourced unit price through strict appraisals, and promote standardization of software structures and system designs. Furthermore, the overseas software design system will be reviewed.

For hardware, the Group will review the roles and positions of individual production sites in Japan and overseas, and realign them to shorten TAT through total manufacturing framework within the site, and to reduce logistics costs between production sites. Duplicate functions and facilities of individual sites will be removed to reduce fixed costs.

○ The Group will generate free cash flow (FCF) and improve its financial structure by accumulating stable profits and improving working capital.

(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.

	83rd year (FY2006)	84th year (FY2007)	85th year (FY2008)	86th year

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				(current year, FY2009)
Sales	718.8 billion yen	719.7 billion yen	545.7 billion yen	443.9 billion yen
Net income	(36,446) million yen	567 million yen	(45,011) million yen	3,619 million yen
Net income per share	(56.27) yen	0.83 yen	(65.90) yen	5.30 yen
Total assets	628.4 billion yen	570.8 billion yen	397.0 billion yen	383.6 billion yen
Net assets	116.0 billion yen	101.4 billion yen	58.7 billion yen	64.8 billion yen
Net assets per share	160.13 yen	138.55 yen	75.64 yen	84.61 yen

Notes:

1. Parentheses indicate losses.
2. Net income per share is computed based on the average number of shares during the year (weighted average). Net assets per share are computed based on the number of shares of common stock outstanding during the year. These figures exclude treasury stocks.
3. Assets and sales decreased significantly in the 85th year mainly because sales of the semiconductor business have not been recorded since the third quarter of the 85th year as a result of the transfer of the business.

(6) Status of major subsidiaries

(i) Status of major subsidiaries

Name	Capital	Company's voting right ratio	Major business
Oki Wintech Co., Ltd.	2,001 million yen	53%	Design and electronic works and electronic telecommunications works
Oki Data Corporation	19,000 million yen	100	Manufacturing and sales of printers
Oki Customer Adtech Co., Ltd.	2,050 million yen	100	Maintenance, construction and sales of information processing equipment and telecommunications equipment
Oki Networks Co., Ltd.	490 million yen	100	Marketing in the telecommunications business field and planning, development, and sale of products
Oki Data America, Inc.	10 million U.S. dollars	100*	Sales of printers
Oki Europe Ltd.	33 million pound sterling	100	Sales of printers
Oki Electric Industry (Shenzhen) Co., Ltd.	50 million Renminbi	100*	Manufacturing of information processing equipment and printers

Notes:

1. Figures marked with an asterisk (*) indicate the ratio of voting rights held by subsidiaries of the Company.
2. Oki Supply Center Co., Ltd., a consolidated subsidiary of the Company, ceased to exist with the merger of Oki Customer Adtech Co., Ltd., a consolidated subsidiary of the Company, on July 1, 2009.
3. Oki Wintech Co., Ltd. will become a wholly-owned subsidiary of the Company through a share exchange with the Company on June 1, 2010.

(ii) Major partners

- Major technical partners:
  - Alcatel-Lucent (US)
  - International Business Machines Corporation (US)
  - Canon Inc.
- Major business partners:
  - Hewlett-Packard Company (US)
  - Cisco Systems G.K.
  - ACCESS Co., Ltd.

(Translation)

(7) Major businesses

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

Major business items include the following.

Segment	Business items
Info-telecom systems	Financial systems, automation equipment systems, ITS-related systems, electronic government-related systems, ERP systems, computer network-related equipments, informational network terminal equipments, security systems, IP telephony systems, corporate telecommunications systems, CTI systems, image delivery systems, electronic switching equipment, digital transmission equipment, optical communication equipment, radio communication equipment, broadband access equipment, network service, network operational support service, etc.
Printers	Color printers, monochrome printers, dot impact printers, multi-purpose printers, etc.

(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), and Numazu (Shizuoka)
	Research institutes	Warabi (Saitama), Osaka (Osaka) and Takasaki (Gunma)
Oki Wintech Co., Ltd.	Head office	Shinagawa-ku, Tokyo
Oki Data Corporation	Head office	Minato-ku, Tokyo
Oki Customer Adtech Co., Ltd.	Head office	Koto-ku, Tokyo
Oki Networks Co., Ltd.	Head office	Minato-ku, Tokyo
Oki Data America, Inc.	Head office	New Jersey, USA
Oki Europe Ltd.	Head office	Surrey, UK
Oki Electric Industry (Shenzhen) Co., Ltd.	Head office	Guangdong, China

(Translation)

(9) Employees

(i) Employees of the OKI Group

Segment	Number of employees
Info-telecom systems	9,923
Printers	6,653
Other	1,187
Company-wide (shared)	348
Total	18,111

(ii) Employees of Oki Electric Industry

Number of employees	Average age	Average length of service
3,170 (decreased by 12 from the end of the previous year)	41.3	19.1

(10) Major creditors

Major creditors of the OKI Group are as follows:

Creditor	Loan balance
	Billion yen
Mizuho Corporate Bank, Ltd.	36.3
Sumitomo Mitsui Banking Corporation	26.4
Mizuho Trust & Banking Co., Ltd.	10.9
Development Bank of Japan Inc.	10.6
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	10.5

(11) Other significant events of the OKI Group

There are no relevant items.

(Translation)

2. Shareholders' Equity

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

(2) Number of outstanding shares:
684,256 thousand shares (including 1,785 thousand shares of treasury stock)

(3) Number of shareholders: 107,917

(4) Major shareholders (Top 10):

Name of shareholder	Number of shares held (thousand shares)	Percentage of shares held (%)
Meiji Yasuda Life Insurance Company	34,000	4.98
Japan Trustee Services Bank, Ltd. (trust account)	19,952	2.92
Oki Denki Group Employees' Shareholdings Committee	14,538	2.13
Mizuho Corporate Bank, Ltd.	13,000	1.90
Sompo Japan Insurance Inc.	12,986	1.90
The Master Trust Bank of Japan, Ltd. (trust account)	12,551	1.84
Japan Trustee Services Bank, Ltd. (trust account 4)	10,327	1.51
Dai-ichi Life Insurance Company, Limited	4,690	0.69
Japan Trustee Services Bank, Ltd. (trust account 1)	4,592	0.67
Japan Trustee Services Bank, Ltd. (trust account 6)	4,578	0.67

Notes:

1. The ratios of shares held are calculated after deducting treasury shares (1,785 thousand shares).
2. Dai-Ichi Mutual Life Insurance Company changed its name to The Dai-ichi Life Insurance Company, Limited on April 1, 2010.

(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

872

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

872,000 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)		Corporate Auditors	
		Number of equity warrants	Number of holders	Number of equity warrants	Number of holders
No. 2 equity warrant (384 yen) (Issued on July 18, 2003)	July 1, 2005 to June 26, 2013	200	5	20	1
No. 3 equity warrant (458 yen) (Issued on July 20, 2004)	July 1, 2006 to June 28, 2014	133	6	21	2
No. 4 equity warrant (406 yen) (Issued on July 20, 2005)	July 1, 2007 to June 28, 2015	139	6	19	2
No. 5 equity warrant (277 yen) (Issued on July 28, 2006)	July 1, 2008 to June 28, 2016	89	4	-	-
No. 6 equity warrant (277 yen) (Issued on July 28, 2006)	July 1, 2008 to June 28, 2016	18	2	11	1
No. 7 equity warrant (248 yen) (Issued on July 27, 2007)	July 1, 2009 to June 25, 2017	166	4	23	1
No. 8 equity warrant (248 yen) (Issued on July 27, 2007)	July 1, 2009 to June 25, 2017	33	2	-	-

(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.

(3) Other significant matters concerning equity warrants

The Company resolved to make early redemption of 32nd Unsecured Convertible-Bond-Type-Bonds with Stock Acquisition Rights at the meeting of Board of Directors held on April 28, 2009, and made an early redemption of the outstanding balance of ¥12 billion on June 5, 2009.

(Translation)

4. Corporate Officers

(1) Names, etc. of Directors and Corporate Auditors

Note 1	Position	Name	Status or main duties
	Chairman of the Board	Katsumasa Shinozuka	
X	President, Representative Director	Hideichi Kawasaki	Supervision
X	Senior Executive Vice President and Member of the Board, Representative Director	Naoki Sato	Chief Financial Officer, Chief Compliance Officer In charge of Management Planning Division, Group Administration Division, General Affairs Division, and Human Resources Division.
X	Director and Senior Vice President	Masao Miyashita	In charge of Information Systems Division and Sales & Marketing Administration Division
X	Director and Senior Vice President	Yutaka Asai	Chief Technology Officer In charge of Systems Hardware Business Division and Research & Development Center
	Director	Harushige Sugimoto	President & CEO, Oki Data Corporation
	Director	Minoru Morio	
Standing Corporate Auditor		Keiichi Fukumura	
Standing Corporate Auditor		Yoshikatsu Shiraishi	
Standing Corporate Auditor		Noriyuki Kandori	
Corporate Auditor		Seiji Nishi	

Notes:

1. X indicates executive officer.
2. Director Katsumasa Shinozuka resigned as Representative Director on June 25, 2009 and retained the office as Director.
3. Director Minoru Morio is an outside Director.
4. Corporate Auditors Noriyuki Kandori and Seiji Nishi are Outside Corporate Auditors.
5. Directors and a Corporate Auditor who resigned during the fiscal year under review are as follows:
   - Mr. Keiichi Fukumura, Mr. Masayoshi Matsushita, and Mr. Hironori Kitabayashi resigned as Directors on April 1, 2009. Mr. Keiichi Fukumura was elected and took office as Corporate Auditor at the 85th Ordinary General Meeting of Shareholders held on June 25, 2009.
   - Mr. Takahisa Inagawa resigned as Corporate Auditor at the conclusion of the 85th Ordinary General Meeting of Shareholders held on June 25, 2009.
6. Executive officers as of March 31, 2010 are as follows (excluding those who concurrently serve as Directors).

Position	Name	Principal duty
Senior Vice President	Masasuke Kishi	In charge of Telecom Business Group President of OKI Networks Co., Ltd.
Senior Executive Officer	Kazuhiro Iritani	In charge of Financial Business Group, Public Relations Division
Senior Vice President	Sei Yano	Chief Information Officer Manager, Management Planning Division
Senior Vice President	Hisao Suzuki	In charge of CSR Division, Accounting & Control Division and Audit Office
Executive Officer	Hideto Morizono	In charge of Systems Network Plant
Executive Officer	Hidetoshi Saigo	Manager, Carriers Business Division
Executive Officer	Takao Hiramoto	Manager, System Hardware Business Division
Executive Officer	Shuichi Kawano	Manager, CSR
Executive Officer	Yasunori Shibata	Manager, Financial Systems Business Division
Executive Officer	Toshiya Hatakeyama	Manager, Accounting & Control Division
Executive Officer	Masahiko Morioka	Assistant Manager, Management Planning Division Assistant Manager, Sales & Marketing Administration Division Director, Vice President, Oki Data Corporation
Executive Officer	Kazunari Kobayashi	Manager, Human Resources Division
Executive Officer	Toshinao Takeuchi	Manager, Financial Systems Division
Executive Officer	Yasushi Kiriku	Manager, Enterprise Business Division

(Translation)

(2) Compensation paid to Directors and Corporate Auditors

Title	Number of persons	Amount of payment
Directors	7	¥177 million
Corporate Auditors	5	¥64 million
Total	12	¥241 million

Notes:

1. 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 Corporate Auditors. The amount of compensation for Directors excludes employee wages for Directors who are also employees.
2. The number of Directors and Corporate Auditors as of the end of the fiscal year under review is different because they include those who resigned at the conclusion of the 85th Ordinary General Meeting of Shareholders held on June 25, 2009.

(3) Outside Directors and Corporate Auditors

(i) Major activities in the fiscal year under review

(a) Attendance at meetings of the Board of Directors and Board of Corporate Auditors

	Board of Directors meeting (number of meetings in parenthesis)		Board of Corporate Auditors meeting (number of meetings in parenthesis)	
	Attendance frequency	Attendance rate	Attendance frequency	Attendance rate
Minoru Morio, Director	13 (13)	100%	-	-
Noriyuki Kandori, Corporate Auditor	13 (13)	100%	16 (16)	100%
Seiji Nishi, Corporate Auditor	13 (13)	100%	16 (16)	100%

(b) Major activities

a. Minoru Morio, Director

Making statements mainly based on extensive experience in the electronics industry, he provided advice and proposals for the Board of Directors to secure the soundness and appropriateness of decision-making.

b. Noriyuki Kandori, Corporate Auditor

With regard to deliberations of the Board of Directors, he determined the correctness of Directors' managerial decisions. As Standing Outside Corporate Auditor, he made efforts to formulate appropriate audit opinions for the Company by attending important meetings, inspecting important approval documents, conducting on-site audits of major sections, and cooperating with in-house audit sections.

c. Seiji Nishi, Corporate Auditor

With regard to deliberations of the Board of Directors, he determined the correctness of Directors' managerial decisions. Using extensive experience and knowledge as a Director at other companies over many years, he made efforts to formulate the Company's appropriate audit opinions by making proper statements and implementing, when necessary, adequate activities concerning performances of the Board of Corporate Auditors.

(ii) Total amount of compensation, etc.
¥32 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	120 million yen
2. Total sum of cash and profits on other assets that the Company and its subsidiaries should pay to the accounting auditor	201 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 Law. The total of these amounts is recorded above.
2. Among major subsidiaries, Oki Europe Ltd. and Oki Electric Industry (Shenzhen) Co., Ltd. have undergone statutory audits by accounting auditors other than the accounting auditor of the Company.

(3) Contents of non-audit 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 Law, and pays the auditor compensation for that service.

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

The Board of Corporate Auditors will dismiss the accounting auditor if the auditor falls under provisions of Article 340 of the Companies Act. In addition, if it is deemed unlikely that the accounting auditor will be able to perform audits properly, the Company, upon the consent or request of the Board of Corporate Auditors, the Board of Directors will discuss whether to submit a proposal to the general meeting of shareholders for dismissal or non-reappointment of the accounting auditor.

(Translation)

6. Policies and procedures of the Company

System to ensure that Directors in the conduct of their business comply with applicable laws, regulations and the Articles of Incorporation, as well as other procedures of the Company, in order to assure the appropriateness of the Company's operations

(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."

(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 provides rules on public-interest disclosure 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) 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.

(ii) 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 management meetings, in which executive officers, such as managing directors and other high-ranking officers participate, 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) The Company, in accordance with Group management rules, determines the status of each Group company's management activities and provides advice and guidance.

(iv) 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 Corporate Auditors; independence of employees from Directors

(i) The Company assigns employees, who are not subject to Directors' instructions and orders, as staff to assist Corporate Auditors.

(ii) Any change in such staffing requires the prior consent of the Board of Corporate Auditors.

(7) Procedures for Directors and employees to report to Corporate Auditors; procedures for Corporate Auditors 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 Corporate Auditors pursuant to applicable laws and regulations.

(ii) Standing Corporate Auditors attend meetings of the Board of Directors and management meetings in order to understand important decision-making processes and the status of business operations, as well as to inspect important documentation.

(iii) Directors 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.

(Translation)

(8) Other procedures to secure effective audits by Corporate Auditors

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

(ii) Corporate Auditors implement efficient audits by closely cooperating with the accounting auditor. To this end, Corporate Auditors 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.

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, 2010)

(Unit: millions of yen)

Account title	Amount	Account title	Amount
(Assets)		(Liabilities)	
Current assets		Current liabilities	
Cash and deposits	57,844	Notes and accounts payable	54,930
Notes and accounts receivable	118,324	Short-term borrowings	127,430
Securities	17,314	Other accrued expenses	23,213
Finished goods	21,751	Others	24,191
Work in process	16,436	Total current liabilities	229,765
Raw materials and supplies	24,638	Long-term liabilities	
Deferred tax assets	4,008	Long-term borrowings	45,036
Others	9,387	Retirement benefits	39,655
Allowance for doubtful receivables	(1,588)	Provision for Directors' retirement benefits	620
Total current assets	268,117	Others	3,752
Fixed assets		Total long-term liabilities	89,064
Property, plant and equipment		Total liabilities	318,829
Buildings and structures	23,234	(Net Assets)	
Machinery, equipment and delivery equipment	10,648	Shareholders' equity	
Tool, furniture and fixtures	10,131	Common stock	76,940
Land	12,084	Additional paid-in capital	46,744
Construction in progress	56	Retained earnings	(63,534)
Total property, plant and equipment	56,155	Treasury stock	(408)
Intangible assets	10,060	Total shareholders' equity	59,741
Investments and other assets		Valuation, translation adjustments and others	
Investments in securities	37,369	Net unrealized holding gain on other securities	2,095
Long-term loans	1,964	Loss on deferred hedges	(660)
Others	13,401	Translation adjustments	(3,440)
Allowance for doubtful receivables	(3,427)	Total valuation, translation adjustments and others	(2,005)
Total investments and other assets	49,306	Equity warrants	79
Total fixed assets	115,523	Minority interests in consolidated subsidiaries	6,994
		Total net assets	64,810
Total assets	383,640	Total liabilities and net assets	383,640

(Translation)

Consolidated Statement of Operations

(From April 1, 2009 to March 31, 2010)

(Unit: millions of yen)

Account title	Amount	
Net sales		443,949
Cost of sales		322,560
Gross profit		121,388
Selling, general and administrative expenses		107,431
Operating income		13,957
Non-operating income		
Interest income	232	
Dividend income	877	
Corporate brand royalty income	596	
Other	698	2,403
Non-operating expenses		
Interest expense	4,919	
Foreign exchange loss	1,251	
Other	1,422	7,592
Ordinary income		8,768
Extraordinary profit		
Gain on prior periods adjustment	113	
Gain on sales of property, plant and equipment	10	
Gain on sales of investments in securities	25	
Gain on extinguishment of tie-in shares	26	
Gain on transfer of business	298	474
Extraordinary loss		
Loss on sales and disposition of property, plant and equipment	1,312	
Loss on impairment of fixed assets	702	
Loss on sales of investments in securities	20	
Write-downs of investments in unconsolidated subsidiaries and other securities	987	
Provision of allowance for doubtful receivables	178	
Special retirement payments	689	
Expenses for business restructuring	222	4,113
Income before income taxes, minority interests and equity in earnings of affiliates		5,130
Income taxes	1,859	
Income taxes deferred	(451)	1,407
Minority interests		103
Net income		3,619

(Translation)

Consolidated Statement of Changes in Shareholders' Equity

(From April 1, 2009 to March 31, 2010)

(Unit: Millions of yen)

Shareholders' equity	
Common stock	
Balance as of March 31, 2009	76,940
Changes during the term under review	
Net changes during the term under review	-
Balance as of March 31, 2010	76,940
Additional paid-in capital	
Balance as of March 31, 2009	46,744
Changes during the term under review	
Net changes during the term under review	-
Balance as of March 31, 2010	46,744
Retained earnings	
Balance as of March 31, 2009	(67,153)
Changes during the term under review	
Net income	3,619
Net changes during the term under review	3,619
Balance as of March 31, 2010	(63,534)
Treasury stock	
Balance as of March 31, 2009	(362)
Changes during the term under review	
Purchases of treasury stock	(46)
Net changes during the term under review	(46)
Balance as of March 31, 2010	(408)
Total shareholders' equity	
Balance as of March 31, 2009	56,168
Changes during the term under review	
Net income	3,619
Purchases of treasury stock	(46)
Net changes during the term under review	3,573
Balance as of March 31, 2010	59,741
Valuation, translation adjustments and others	
Net unrealized holding gain on other securities	(593)
Balance as of March 31, 2009	
Changes during the term under review	
Changes in items other than shareholders' equity during the term under review (net)	2,689
Net changes during the term under review	2,689
Balance as of March 31, 2010	2,095

(Translation)

Loss on deferred hedges	
Balance as of March 31, 2009	(467)
Changes during the term under review	
Changes in items other than shareholders' equity during the term under review (net)	(192)
Net changes during the term under review	(192)
Balance as of March 31, 2010	(660)
Translation adjustments	
Balance as of March 31, 2009	(3,450)
Changes during the term under review	
Changes in items other than shareholders' equity during the term under review (net)	10
Net changes during the term under review	10
Balance as of March 31, 2010	(3,440)
Total valuation, translation adjustments and others	
Balance as of March 31, 2009	(4,511)
Changes during the term under review	
Changes in items other than shareholders' equity during the term under review (net)	2,506
Net changes during the term under review	2,506
Balance as of March 31, 2010	(2,005)
Equity warrants	
Balance as of March 31, 2009	79
Changes during the term under review	
Net changes during the term under review	-
Balance as of March 31, 2010	79
Minority interests	
Balance as of March 31, 2009	6,948
Changes during the term under review	
Changes in items other than shareholders' equity during the term under review (net)	46
Net changes during the term under review	46
Balance as of March 31, 2010	6,994
Total Net Assets	
Balance as of March 31, 2009	58,683
Changes during the term under review	
Net income	3,619
Purchases of treasury stock	(46)
Changes in items other than shareholders' equity during the term under review (net)	2,553
Net changes during the term under review	6,126
Balance as of March 31, 2010	64,810

(Translation)

Notes to Consolidated Financial Statements

Principles for Preparing Consolidated Financial Statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 75 companies

Names of major consolidated subsidiaries:

Oki Data Corporation; Oki Customer Adtech Co., Ltd.; Oki Wintech Co., Ltd.; Oki Software Co., Ltd.; Oki Telecommunication Systems Co., Ltd.; Oki Networks Co., Ltd.; Oki Data Americas, Inc.; Oki Data Manufacturing (Thailand) Co., Ltd.; Oki Europe Ltd.; Oki Electric Industry (Shenzhen) Co., Ltd.

(2) Names of major non-consolidated subsidiaries:

Adachi Protechno Co., Ltd. and 23 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 Data Holdings (Australia) Pty. Ltd. and Oki Data Service (Australia) Pty. Ltd. were included within the scope of consolidation as they were newly established; Oki Data (Australia) Pty. Ltd. was included within the scope of consolidation because it became a subsidiary after Oki Data Corporation, a consolidated subsidiary of the Company acquired shares of that company. Furthermore, Oki Supply Center Co., Ltd. was excluded from the scope of consolidation because it was merged with Oki Customer Adtech Co., Ltd., a consolidated subsidiary of the Company; Oki System Mate Co., Ltd. and MKG Imaging Solutions Inc. were excluded from the scope of consolidation because they were liquidated.

2. Application of equity method

(1) Number of affiliated companies to which the equity method is applied: 3

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:

Adachi Protechno Co., Ltd. and 23 other companies

Affiliated companies: Alp Inc. and 8 other companies

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

The account settlement date of the following consolidated subsidiaries is December 31 each year and different from the account settlement date of the consolidated statements. In preparing consolidated financial statements, the financial statements of these subsidiaries as of their account settlement date are used:

Oki Banking Systems (Shenzhen) Co., Ltd.; Oki Electric Industry (Shenzhen) Co., Ltd.; Oki Telecommunications Technology (Changzhou) Co., Ltd.; Oki Software Technology Co., Ltd.; Oki Electric Technology (Kunshan) Co., Ltd.; Oki Data Dalian Co., Ltd.; Oki Trading (Beijing) Co., Ltd.

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 progress:

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.)

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.)

(Translation)

(Change in accounting policies)

Effective the year ended March 31 2010, the raw materials and supplies of the Company and some consolidated subsidiaries was changed from the previous last purchase price method to the moving average method, in order to appropriately reflect the effect etc. of price fluctuations of raw materials on profit and loss and make periodic accounting of profit and loss more reasonable. The effect of this change and net income is insignificant.

(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 (three years). For software for internal use, the straight-line method, based on the estimated durable years (five 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.

(Translation)

(ii) Retirement benefits

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

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 (14 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 (13 to 14 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.

(iii) Provision for Directors' retirement

Some domestic 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 consolidated subsidiaries)

(Changes in accounting policies)

Income relating to contract work and software development contracts had been recorded on an inspection basis (or by completed contract method by some consolidated subsidiaries), except where income had been recorded by the percentage of completion method with respect to construction works of some consolidated subsidiaries, the amount of which was more than ¥200 million and the period of which was more than 24 months. Effective the year ended March 31 2010, the Group adopted the "Accounting Standard for Construction Contracts" (ASBJ Statement No. 15 of December 27, 2007) and "Guidance on Accounting Standard for Construction Contracts" (ASBJ Guideline No. 18 of December 27, 2007). For construction contracts etc. that started from April 1, 2009, in the consolidated fiscal year under review, the percentage-of-completion method (whose ratio is estimated by the cost proportion method) will apply for construction works whose outcome of the construction activity is deemed certain before the year ended March 31, 2010, and for other construction work etc., inspection criteria will apply (or completed contract method for some consolidated subsidiaries).

The effect of this change on net sales and net income is insignificant.

(5) Important hedge accounting methods

(i) Method of hedge accounting

Deferred hedging is applied. Allocation treatment is applied for forward exchange 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 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 borrowings.

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

(i) Accounting processing of consumption tax

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

(ii) Application of consolidated tax payment

The consolidated tax payment is applied.

5. Valuation of assets and liabilities of consolidated subsidiaries

Assets and liabilities of consolidated subsidiaries are evaluated using the fair value.

6. Amortization of goodwill and negative goodwill

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

(Translation)

Notes to Consolidated Balance Sheet

1. Assets pledged as collateral

Buildings and structures	¥535 million
Land	¥138 million
Total	¥673 million
Liabilities collateralized by the above assets:	
Long-term borrowings:	¥670 million

2. Accumulated depreciation on tangible fixed assets ¥161,670 million
3. Liabilities for guarantee
   Guarantee for borrowings by employees ¥1,047 million

Notes to Consolidated Statement of Changes in Shareholders' Equity

1. Type and number of outstanding shares as of the end of the fiscal year
   Common stock: 684,256 thousand shares
2. 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. 2 Equity Warrants (issued on July 18, 2003)	Common stock	815,000
	No. 3 Equity Warrants (issued on July 20, 2004)	Common stock	452,000
	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

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 mainly for capital investment. For borrowings exposed to the interest rate risk, the Group applies derivative instruments (interest rate 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, 2010 (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	57,844	57,844	-
(2) Notes and accounts receivable	118,324	118,324	-
(3) Securities and investments in securities	42,348	40,879	(1,469)
(4) Notes and accounts payable	(54,930)	(54,930)	-
(5) Short-term borrowings (*1)	(66,122)	(66,122)	-
(6) Other accrued expenses	(23,213)	(23,213)	-
(7) Long-term borrowings (*1)	(106,344)	(106,617)	273
(8) Derivative transactions	(864)	(864)	-

(*1) Long-term borrowings (¥61,307 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 equally to their book value. Hence, their fair value is based on the relevant book value.
   (3) Marketable securities and investment securities
   The fair value of equity 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 equally to their book value. Hence, their fair value is based on the relevant book value.
   (7) Long-term borrowings
   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 borrowings 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 borrowing 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 special accounting treatment applicable to interest rate swaps are treated in combination with long-term borrowings as hedged items. Hence their fair value is included in that of long-term borrowings.
2. Financial instruments whose fair value is considered extremely difficult to assess
   Unlisted equity securities (¥12,223 million on the consolidated balance sheet) and investments in a limited liability joint business partnership (¥110 million on the consolidated balance sheet) are not included in (3) Securities and investments in securities because they have no market price and it is deemed extremely difficult to assess their fair values.

Notes to Securities

1. Other securities (as of March 31, 2010)

(Translation)

(Unit: millions of yen)

	Amount recorded in consolidated balance sheet	Acquisition cost	Difference
(Securities whose amounts recorded in consolidated balance sheet exceed their acquisition costs)			
Equity Securities	10,519	2,678	7,841
Bonds	1,624	1,604	19
Other	220	220	0
Subtotal	12,364	4,503	7,860
(Securities whose amounts recorded in consolidated balance sheet are not more than their acquisition costs)			
Equity Securities	9,341	13,508	(4,166)
Bonds	0	0	-
Certificates of deposit	13,000	13,000	-
Other	4,487	4,495	(8)
Subtotal	26,829	31,004	(4,175)
Total	39,193	35,507	3,685

Note:

Unlisted securities (¥10,277 million in the consolidated balance sheet) and investments in a limited liability joint business partnership (¥110 million in the consolidated balance sheet) are not included in “Other securities” in the table above because they have no market price and it is deemed extremely difficult to assess their market values.

2. Other securities sold during the consolidated fiscal year under review (From April 1, 2009 to March 31, 2010)

(Unit: millions of yen)

Type	Sales amount	Total gain on sales	Total loss on sales
Equity Securities	24	12	20

3. Impaired securities

Impairment loss of ¥822 million was applied to securities (other securities) for the year ended March 31, 2010.

In the case of other securities with market values, the amounts for which impairment was necessary were impaired if their market values at the year ended March 31, 2010 under review were remarkably lower than their acquisition costs. In the case of other marketable securities with no market value, the amounts for which impairment loss was necessary were impaired if their real values were remarkably lower than their acquisition costs due to the deteriorated financial positions of companies issuing securities etc. In both cases, impairment was based on a comprehensive judgment on whether values would rise or not.

Notes to Per-share Information

1. Net assets per share: ¥84.61
2. Net income per share: ¥5.30

(Translation)

Additional Information

Shift of consolidated subsidiary to wholly-owned subsidiary through a share exchange

The Company resolved at the Board of Directors meeting held on February 3, 2010 to make the Company a wholly-owning parent company and Oki Wintech Co., Ltd. (hereinafter referred to as “Oki Wintech”) a wholly-owned subsidiary of the Company through a share exchange (hereinafter referred to as “Share Exchange”) , and concluded a share exchange contract with Oki Wintech on the same day.

(1) Purpose of Share Exchange

The Company is currently pursuing reforms within its own business structure and those of its group companies to maximize corporate value as a consolidated group by business segment.

As part of these structural reforms, the Company will make Oki Wintech a wholly-owned subsidiary through the Share Exchange, in order to strengthen group management and increase the agility of its communication business.

<Background>

The private-sector communications market, a key market for the Company that primarily entails supplying PBX devices, is not expected to show substantial growth due to several factors, including increasingly fierce price competition in the market segment of communications devices and the introduction of various new technological developments such as IP and wireless networks and the merger of fixed-line and mobile telephone networks. Therefore, the Company faces the challenge of expanding and strengthening its sales channels to the market for small-to-medium-sized enterprises, in addition to the market for large enterprises which has been an area of strength for the Company. The Company also needs to improve its profitability by transforming its business that focuses on communications equipment to a system that provides comprehensive services consisting of sales, installation, adjustment, maintenance, and operation monitoring of equipment.

On the other hand, Oki Wintech cannot largely expect future business expansion when engaging only in the existing electric equipment business and info-telecom system business focusing on installation and maintenance of telephone exchange equipment. It is inevitable to expand the business into new fields such as the environmental equipment market as typified by solar photovoltaic systems in the case of the electric equipment business and to expand the product lineup including info-telecom combined products and create new products for maintenance services in the case of the info-telecom system business.

After considering various possible responses to such challenges, the Company has concluded that making Oki Wintech a wholly-owned subsidiary will expedite its decision-making, improve the ability to solve problems and perform tasks, and further expand its business and increase profits.

The Company has the ability to develop systems, create service businesses, and respond to customers. Oki Wintech has the ability to handle front-line operations (build and maintain systems) and to offer products and services to small-to-medium-sized enterprises. Closer integration of such abilities will make it possible to provide services to a wider range of customers. The Company will also seek to cultivate even wider markets by providing one-stop service throughout the entire lifetime of its products - from sales of equipment through system building to maintenance and operation - to a wide range of customers from large enterprises to small-to-medium-sized enterprises.

(2) Summary of Share Exchange

(i) Schedule of Share Exchange

February 3, 2010:	Resolution of share exchange at a meeting of Board of Directors (both companies)
February 3, 2010:	Contract on share exchange was concluded (by both companies)
February 4, 2010:	Public notice of record date of extraordinary general meeting of shareholders (Oki Wintech)
February 18, 2010:	Record date of extraordinary general meeting of shareholders (Oki Wintech)
March 30, 2010:	Share exchange was approved at extraordinary general meeting of shareholders (Oki Wintech)
May 26, 2010 (scheduled):	Last date of trade of shares (Oki Wintech)
May 27, 2010 (scheduled):	Date of delisting of shares (Oki Wintech)
June 1, 2010 (scheduled):	Scheduled date of Share Exchange (effective date)

Notes:

1. The Company plans to implement the Share Exchange without obtaining approval at the General Meeting of Shareholders in accordance with “simplified share exchange” procedures pursuant to Article 796, Paragraph 3 of the Companies Act.
2. The scheduled date of the Share Exchange may be changed by the agreement of the Company and Oki Wintech.

(Translation)

(ii) Details of allotment of shares in Share Exchange

Company name	Oki Electric Industry Co., Ltd. (wholly-owning parent company)	Oki Wintech (wholly-owned subsidiary)
Share exchange ratio	1	8.7

Notes:

1. Ratio of share allotment

   The Company will allot and deliver 8.7 common shares of the Company for 1 common share of Oki Wintech. In the Share Exchange, however, no share will be allotted for Oki Wintech's common shares owned by the Company.

2. Number of shares to be delivered in the Share Exchange

   The Company will deliver 48,979,869 common shares for allotment in the Share Exchange. The Company will appropriate treasury shares (common shares) it possesses (1,785,409 shares as of March 31, 2010) and treasury shares (common shares) to be obtained through appraisal remedy of shares less than one unit on or before the effective date of the Share Exchange and will issue new common shares to meet a shortage.

   Oki Wintech will retire treasury shares it possesses by a resolution adopted at a meeting of the Board of Directors to be held on or before the day preceding the effective date of Share Exchange. (The number of treasury shares possessed by Oki Wintech as of March 31, 2010 was 45,930).

   The number of shares to be allotted and delivered by the Company in the Share Exchange may be changed from now due to the retirement etc. of Oki Wintech's treasury shares.

(iii) Calculation method of share exchange ratio

For the ratio of the Share Exchange, the Company and Oki Wintech decided to respectively request third-party institutions that were independent of both companies to calculate the share exchange ratio, in order to make the calculation fair and appropriate. The Company appointed Mizuho Securities Co., Ltd. and Oki Wintech appointed Sumitomo Mitsui Banking Corporation as third-party institutions, respectively. Both companies negotiated in good faith and consulted with each other based on the calculation results and, in the end, agreed that the abovementioned share exchange ratio was appropriate.

(3) Outline of accounting procedure

The Company considers that the Share Exchange is classified as a transaction with minority shareholders under the "Transactions etc. Under Common Control" and is anticipated to generate negative goodwill as a result of the transaction, but its amount is not fixed at present. Although this transaction will occur in the fiscal year ending March 31, 2011, the anticipated negative goodwill will be written off at the time it arises pursuant to the amendments to "Accounting Standard for Business Combinations" (ASBJ Statement No. 21 of December 26, 2008; final amendment).

(4) Outline of the other company in Share Exchange

Trade name: Oki Wintech Co., Ltd.
Location of head office: 1-19-4 Kitashinagawa, Shinagawa-ku, Tokyo
Name of representative: Tadao Murase, President and Representative Director
Amount of stated capital: ¥2,001 million (as of March 31, 2009)
Amount of net assets: ¥14,815 million (consolidated) (as of March 31, 2009)
¥13,909 million (non-consolidated) (as of March 31, 2009)

(Translation)

Amount of total assets:	¥26,622 million (consolidated) (as of March 31, 2009) ¥23,990 million (non-consolidated) (as of March 31, 2009)
Main business:	Design, construction, and maintenance service etc., of info-telecom systems, electrical facilities, and other construction work

(Translation)

Transcript of Account Auditors' Report on Consolidated Financial Statements

Independent Auditors' Report

May 18, 2010

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

Ernst & Young ShinNihon LLC
Masato Tsukahara (seal),
Engagement Partner, Certified Public Accountant
Akira Sato (seal),
Engagement Partner, Certified Public Accountant
Yukiyasu Yamakawa (seal),
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 86th term from April 1, 2009 to March 31, 2010 in accordance with Article 444 Paragraph 4 of the Companies Act. Oki Electric Industry's management is responsible for preparing these consolidated financial statements, and our responsibility is to express our independent opinion regarding these consolidated financial statements.

We conducted our audit in accordance with auditing standards generally accepted in Japan. These auditing standards require that we obtain reasonable assurance as to whether the consolidated financial statements are free of material misstatement. Audits are conducted based on a test basis, and include reviews of accounting policies and methods that management adopts, and evaluation of management estimates and the presentation of the consolidated financial statements as a whole. We believe we have obtained reasonable bases for the expression of our opinion as a result of our audit.

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.

Additional Information
As described in Additional Information, Oki Electric Industry resolved at the Board of Directors meeting held on February 3, 2010 to make the Company a wholly-owning parent company and Oki Wintech Co., Ltd. (hereinafter referred to as "Oki Wintech") a wholly-owned subsidiary company through a share exchange (hereinafter referred to as "Share Exchange") , and concluded a share exchange agreement with Oki Wintech on the same day.

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, 2010)

(Unit: millions of yen)

Account title	Amount		Account title	Amount	
(Assets)			(Liabilities)		
Current assets			Current liabilities		
Cash and deposits		28,485	Notes payable		513
Notes receivable		797	Accounts payable, trade		41,456
Accounts receivable, trade		52,223	Short-term borrowings		35,546
Lease investment assets		590	Current portion of long-term borrowings		49,286
Marketable securities		12,500	Lease obligations		108
Finished goods		4,268	Accounts payable, others		3,959
Work in process		11,746	Other accrued expenses		11,416
Raw materials and supplies		5,977	Advances		1,998
Prepaid expenses		246	Deposits		3,638
Short-term loan		13,401	Other current liabilities		662
Advanced paid		2,912	Total current liabilities		148,585
Accounts receivable, others		8,487	Long-term liabilities		
Deferred tax assets		1,746	Long-term borrowings		39,222
Other current assets		73	Lease obligations		532
Allowance for doubtful receivables		(145)	Deferred tax liabilities		1,378
Total current assets		143,310	Retirement benefits		23,174
			Other long-term liabilities		829
Fixed assets			Total long-term liabilities		65,137
Property, plant and equipment			Total liabilities		213,723
Buildings	35,382		(Net Assets)		
Accumulated depreciation	(25,782)	9,599	Shareholders’ equity		
Structures	2,578		Common stock		76,940
Accumulated depreciation	(2,250)	327	Additional paid-in capital		46,744
Machinery and equipment	15,102		Capital reserve		25,928
Accumulated depreciation	(12,850)	2,251	Other additional paid-in capital		20,816
Vehicle and delivery equipment	84		Retained earnings		(62,509)
Accumulated depreciation	(79)	4	Other retained earnings		(62,509)
Tools, furniture and fixtures	32,700		Retained earnings carried forward		(62,509)
Accumulated depreciation	(27,614)	5,085	Treasury stock		(403)
Land		9,664	Total shareholders’ equity		60,772
Total property, plant and equipment		26,934			
Intangible assets			Valuation, translation adjustments and others		
Goodwill		13	Net unrealized holding gain on other securities		2,092
Facility rights		144	Loss on deferred hedges		(659)
Software		4,118	Total valuation, translation adjustments and others		1,433
Total intangible assets		4,276			
Investments and other assets			Equity warrants		79
Investments in securities		30,864	Total net assets		62,284
Shares of affiliated companies		53,425			
Contribution		96			
Contribution to affiliated companies		1,764			
Long-term loans to employees		0			
Long-term loans to affiliated companies		17,527			
Long-term prepaid expenses		797			
Claims provable in bankruptcy, rehabilitation and other		257			
Lease and guarantee deposits		2,828			
Other investments and other assets		631			
Allowance for doubtful receivables		(6,708)			
Total investments and other assets		101,485			
Total fixed assets		132,697			
Total assets		276,008	Total liabilities and net assets		276,008

(Translation)

Non-Consolidated Statement of Operations

(From April 1, 2009 to March 31, 2010)

(Unit: millions of yen)

Account title	Amount	
Net sales		200,530
Cost of sales		159,755
Gross profit		40,775
Selling, general and administrative expenses		37,237
Operating income		3,537
Non-operating income		
Interest income	435	
Interest income on securities	32	
Dividend income	2,443	
Corporate brand royalty income	2,093	
Other	342	5,347
Non-operating expenses		
Interest expense	2,745	
Other	1,034	3,779
Ordinary income		5,104
Extraordinary profit		
Gain on sales of property, plant and equipment	15	
Gain on sales of investments in securities	12	
Gain on sales of subsidiaries and affiliates' stocks	150	
Gain on transfer of business	299	477
Extraordinary loss		
Loss on sales and disposition of property, plant and equipment	1,045	
Loss on impairment of fixed assets	295	
Loss on sales of investments in securities	20	
Write-downs of investments in securities	815	
Write-downs of investments in shares of subsidiaries and affiliates	272	
Provision of allowance for doubtful receivables	1,517	
Special retirement payments	252	4,218
Net income before taxes		1,362
Income taxes	(988)	
Income taxes deferred	(360)	(1,348)
Net income		2,711

(Translation)

Non-consolidated Statement of Changes in Shareholders' Equity

(From April 1, 2009 to March 31, 2010)

(Unit: millions of yen)

Shareholders' equity	
Common stock	
Balance as of March 31, 2009	76,940
Changes during the term under review	
Net changes during the term under review	-
Balance as of March 31, 2010	76,940
Additional paid-in capital	
Capital reserve	
Balance as of March 31, 2009	25,928
Changes during the term under review	
Net changes during the term under review	-
Balance as of March 31, 2010	25,928
Other additional paid-in capital	
Balance as of March 31, 2009	20,816
Changes during the term under review	
Net changes during the term under review	-
Balance as of March 31, 2010	20,816
Total additional paid-in capital	
Balance as of March 31, 2009	46,744
Changes during the term under review	
Net changes during the term under review	-
Balance as of March 31, 2010	46,744
Retained earnings	
Other retained earnings	
Retained earnings carried forward	
Balance as of March 31, 2009	(65,220)
Changes during the term under review	
Net income	2,711
Net changes during the term under review	2,711
Balance as of March 31, 2010	(62,509)
Total retained earnings	
Balance as of March 31, 2009	(65,220)
Changes during the term under review	
Net income	2,711
Net changes during the term under review	2,711
Balance as of March 31, 2010	(62,509)
Treasury stock	
Balance as of March 31, 2009	(357)
Changes during the term under review	
Purchases of treasury stock	(46)
Net changes during the term under review	(46)
Balance as of March 31, 2010	(403)

(Translation)

Total shareholders' equity	
Balance as of March 31, 2009	58,107
Changes during the term under review	
Net income	2,711
Purchases of treasury stock	(46)
Net changes during the term under review	2,664
Balance as of March 31, 2010	60,772
Valuation, translation adjustments and others	
Net unrealized holding gain on other securities	
Balance as of March 31, 2009	(430)
Changes during the term under review	
(Net) changes other than shareholders' equity during the term under review	2,523
Net changes during the term under review	2,523
Balance as of March 31, 2010	2,092
Loss on Deferred hedges	
Balance as of March 31, 2009	(350)
Changes during the term under review	
(Net) changes other than shareholders' equity during the term under review	(308)
Net changes during the term under review	(308)
Balance as of March 31, 2010	(659)
Total valuation, translation adjustments and others	
Balance as of March 31, 2009	(781)
Changes during the term under review	
(Net) changes other than shareholders' equity during the term under review	2,214
Net changes during the term under review	2,214
Balance as of March 31, 2010	1,433
Equity warrants	
Balance as of March 31, 2009	79
Changes during the term under review	
Net changes during the term under review	-
Balance as of March 31, 2010	79
Total net assets	
Balance as of March 31, 2009	57,405
Changes during the term under review	
Net income	2,711
Purchases of treasury stock	(46)
(Net) changes other than shareholders' equity during the term under review	2,214
Net changes during the term under review	4,879
Balance as of March 31, 2010	62,284

(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.)

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.)

(Changes in accounting policies)

Effective the year ended March 31 2010, the raw material and supplies was changed from the previous last purchase price method to the moving average method, in order to appropriately reflect the effects of price fluctuations of raw materials and supplies on the profit and loss, and make the periodic accounting of profit and loss more reasonable.

The effect of this change on net income is insignificant.

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.

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 (14 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 to 14 years) within the average remaining service period of the employees from the fiscal year after the difference is incurred.

6. Hedge accounting methods

(1) Method of hedge accounting

Deferred hedging is applied. With regard to interest rate swaps that meet the requirements for special treatment, special treatment is applied.

(2) Means of hedging and hedged item

Interest rate swaps are employed to hedge fluctuations of interest rates on short-term borrowings and long-term borrowings.

(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 cumulative 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 processing of consumption tax

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

(2) Application of consolidated tax payments

Consolidated tax payments are applied.

Notes to Non-consolidated Balance Sheets

1. Guarantee liabilities:

The Company provides guarantees for bank borrowings made by employees and affiliated companies as shown below.

Oki Electric Industry (Shenzhen) Co., Ltd.	¥1,154 million
	(84,708 thousand yuan)
Employees (housing loans, etc.)	¥855 million
Nagano Oki Electric Co., Ltd.	¥400 million
Oki (UK) Ltd.	¥241 million
	(1,717 thousand Sterling Pound)
Oki Engineering Co., Ltd.	¥234 million
Two other entities:	¥192 million
Total:	¥3,078 million

2. Monetary claims receivable from and payable to affiliates

Short-term monetary claims receivable from affiliated companies:	¥33,436 million
Long-term monetary claims receivable from affiliated companies:	¥18,694 million
Short-term monetary claims payable to affiliated companies:	¥30,814 million
Long-term monetary claims payable to affiliated companies:	¥18 million

Notes to Non-consolidated Statement of Operations

Transactions with affiliated companies

Sales:	¥22,238 million
Purchases:	¥66,905 million
Non-operating transactions:	¥5,878 million

(Translation)

Notes to Non-consolidated Statement of Changes in Shareholders' Equity

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

Common stock: 1,785 thousand shares

Notes to Deferred Tax Accounting

Major factors giving rise to deferred tax assets and liabilities

Deferred tax assets	
Loss carryforwards	¥22,095 million
Nondeductible retirement benefits	¥12,118 million
Nondeductible doubtful accounts	¥2,748 million
Nondeductible loss on evaluation of affiliates' stocks	¥1,627 million
Nondeductible loss on impairment of fixed assets	¥1,263 million
Nondeductible write-downs of inventories	¥1,005 million
Nondeductible write-downs of investments in securities	¥812 million
Nondeductible accrued bonuses	¥603 million
Others	¥1,716 million
Subtotal deferred tax assets	¥43,991 million
Valuation allowance	¥(40,546) million
Total deferred tax assets	¥3,444 million
Deferred tax liabilities	
Nondeductible unrealized gain on contribution of securities to the pension trust	¥(1,567) million
Net unrealized holding gain on other securities	¥(1,454) million
Others	¥(55) million
Total deferred tax liabilities	¥(3,077) million
Net deferred tax liabilities	¥367 million

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 ¥612 million
2. Amount equivalent to accumulated depreciation of leased assets as of the end of the term under review ¥330 million
3. Amount equivalent to unexpired lease payment of leased assets as of the end of the term under review ¥293 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	Production and sales of software	(Direct) 100%	Production of software on a contract basis, etc. lending of funds, concurrent assumption of office of officer	Purchase of services	13,849	Accounts payable – trade	5,095
									Accrued expenses	330
							Lending of funds	9,580	Short-term loans	2,540
Subsidiary	Oki Networks Co., Ltd.	Minato-ku, Tokyo	¥490 million	Marketing in the field of telecommunications business and planning, development, and sale of products	(Direct) 100%	Purchase of products and services, lending of funds, concurrent assumption of office of officer	Purchase of products and services	9,660	Accounts payable – trade	6,678
							Lending of funds	4,830	Short-term loans	2,670
Subsidiary	Oki Telecommunication Systems Co., Ltd.	Warabi, Saitama Pref.	¥200 million	Development and manufacture of telecommunications software	(Direct) 100%	Production of software on a contract basis, etc. Lending of funds	Lending of funds	4,030	Short-term loans	160
Subsidiary	Oki Customer Adtech Co., Ltd.	Koto-ku, Tokyo	¥2,050 million	Maintenance, construction, monitoring, operation, manufacture and sale of equipment and systems	(Direct) 100%	Purchase of services, lending of funds, concurrent assumption of office of officer	Lending of funds	25,700	-	-
Subsidiary	Oki Network Integration Co., Ltd.	Koto-ku, Tokyo	¥100 million	Network integration service business	(Direct) 80% (Indirect) 20%	Purchase of products and services, lending of funds, concurrent assumption of office of officer	Lending of funds	4,000	Short-term loans	600
Subsidiary	Oki Hong Kong, Ltd.	Hong Kong	60,000thou-sand Hong Kong dollars	Holdings company, material procurement	(Direct) 57% (Indirect) 43%	Supply products etc., lending of funds, concurrent assumption of office of officer	Lending of funds	4,848	Short-term loans	5,075
Subsidiary	Oki Development Co., Ltd.	Shinagawa-ku, Tokyo	¥180 million	Ownership, sale, purchase, lease and brokerage of real estate, contract for construction work, design, construction management and building management	(Direct) 100%	Lease and brokerage of real estate, lending of funds, concurrent assumption of office of officer	Lending of funds	6,585	Long-term loans of subsidiaries & affiliates	2,685
Subsidiary	Oki Communication Systems Co., Ltd.	Tokorozawa, Saitama Pref.	¥300 million	Design, manufacture, development and sale of electronic, information and telecommunications device and related parts	(Direct) 100%	Purchase of products and services, lending of funds	Lending of funds	6,180	Long-term loans of subsidiaries & affiliates	3,200
Subsidiary	Oki Power Tech Co., Ltd.	Fukushima, Fukushima Pref.	¥100 million	Development, design, manufacture and sale of power supply units for electric devices	(Direct) 100%	Purchase of products and services, lending of funds	Lending of funds	3,900	Long-term loans of subsidiaries & affiliates	3,900
Subsidiary	Oki Sensor Device Corporation	Tachikawa, Tokyo	¥200 million	Development, design, manufacture and sale of electric parts	(Direct) 100%	Lending of funds, concurrent assumption of office of officer	Lending of funds	3,823	Long-term loans of subsidiaries & affiliates	975
Subsidiary	Oki Data Corporation	Minato-ku, Tokyo	¥19,000 million	Sales of printers	(Direct) 100%	Purchase of products, concurrent assumption of office of officer	Underwriting of capital increase	4,000	-	-
							consideration for use of the corporate brand	1,111	-	-

(Translation)

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 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.
   (3) The Company determines the amount of consideration for the corporate brand royalty by reference to a general model.
3. Underwriting of capital increase: The Company underwrote a capital increase carried out by Oki Data Corporation, purchasing new shares at ¥50,000 per share.
4. For the loans to nine subsidiaries, the Company recorded a loan loss reserve of ¥6,203 million in total. The Company also recorded a provision for a loan loss reserve of ¥1,475 million in the fiscal year.

Notes to Per-share Information

1. Net assets per share: ¥91.15
2. Net income per share: ¥3.97

Additional Information

Shift of consolidated subsidiary to wholly-owned subsidiary through a share exchange

The Company resolved at the Board of Directors meeting held on February 3, 2010 to make the Company a wholly-owning parent company and Oki Wintech Co., Ltd. (hereinafter referred to as "Oki Wintech") a wholly-owned subsidiary of the Company through a share exchange (hereinafter referred to as "Share Exchange") , and concluded a share exchange contract with Oki Wintech on the same day.

(1) Purpose of Share Exchange

The Company is currently pursuing reforms within its own business structure and those of its group companies to maximize the corporate value of the business segments within the consolidated group.

As part of these structural reforms, the Company will make Oki Wintech a wholly-owned subsidiary through the Share Exchange, in order to strengthen group management and increase the agility of its communication business.

<Background>

The private-sector communications market, a key market for the Company that primarily entails supplying PBX devices, is not expected to show substantial growth due to several factors, including increasingly fierce price competition in the market segment of communications devices and the introduction of various new technological developments such as IP and wireless networks and the merger of fixed-line and mobile telephone networks. Therefore, the Company faces the challenge of expanding and strengthening its sales channels to the market for small-to-medium-sized enterprises, in addition to the market for large enterprises which has been an area of strength for the Company. The Company also needs to improve its profitability by transforming its business that focuses on communications equipment to a system that provides comprehensive services consisting of sales, installation, adjustment, maintenance, and operation monitoring of equipment.

On the other hand, Oki Wintech cannot largely expect future business expansion when engaging only in the existing electric equipment business and info-telecom system business focusing on installation and maintenance of telephone exchange equipment. It is inevitable to expand the business into new fields such as the environmental equipment market as typified by solar photovoltaic systems in the case of the electric equipment business and to expand the product lineup including info-telecom combined products and create new products for maintenance services in the case of the info-telecom system business.

After considering various possible responses to such challenges, the Company has concluded that making Oki Wintech a wholly-owned subsidiary will expedite its decision-making, improve the ability to solve problems and perform tasks, and further expand its business and increase profits.

The Company has the ability to develop systems, create service businesses, and respond to customers. Oki Wintech has the ability to handle front-line operations (build and maintain systems) and to offer products and services to small-to-medium-sized enterprises. Closer integration of such abilities will make it possible to provide services to a wider range of customers. The Company will also seek to cultivate even wider markets by providing one-stop service throughout the entire lifetime of its products - from sales of equipment through system building to maintenance and operation - to a wide range of customers from large enterprises to small-to-medium-sized enterprises.

(2) Summary of Share Exchange

(i) Schedule of Share Exchange

February 3, 2010:	Resolution of share exchange at a meeting of Board of Directors (both companies)
February 3, 2010:	Contract on share exchange was concluded (by both companies)
February 4, 2010:	Public notice of record date of extraordinary general meeting of shareholders (Oki Wintech)
February 18, 2010:	Record date of extraordinary general meeting of shareholders (Oki Wintech)
March 30, 2010:	Share exchange was approved at extraordinary general meeting of shareholders (Oki Wintech)
May 26, 2010 (scheduled):	Last date of trade of shares (Oki Wintech)
May 27, 2010 (scheduled:	Date of delisting of shares (Oki Wintech)
June 1, 2010 (scheduled):	Scheduled date of Share Exchange (effective date)

Notes:

1. The Company plans to implement the Share Exchange without obtaining approval at the General Meeting of Shareholders in accordance with “simplified share exchange” procedures pursuant to Article 796, Paragraph 3 of the Companies Act.
2. The scheduled date of the Share Exchange may be changed by the agreement of the Company and Oki Wintech.

(Translation)

(ii) Details of allotment of shares in Share Exchange

Company name	Oki Electric Industry Co., Ltd. (wholly-owning parent company)	Oki Wintech (wholly-owned subsidiary)
Share exchange ratio	1	8.7

Notes:

1. Ratio of share allotment
   The Company will allot and deliver 8.7 common shares of the Company for 1 common share of Oki Wintech. In the Share Exchange, however, no share will be allotted for Oki Wintech's common shares owned by the Company.
2. Number etc. of shares to be delivered in the Share Exchange
   The Company will deliver 48,979,869 common shares for allotment in the Share Exchange. The Company will appropriate treasury shares (common shares) it possesses (1,785,409 shares as of March 31, 2010) and treasury shares (common shares) to be obtained through appraisal remedy of shares less than one unit on or before the effective date of the Share Exchange and will issue new common shares to meet a shortage.
   Oki Wintech will retire treasury shares it possesses by a resolution adopted at a meeting of the Board of Directors to be held on or before the day preceding the effective date of Share Exchange. (The number of treasury shares possessed by Oki Wintech as of March 31, 2010 was 45,930.)
   The number of shares to be allotted and delivered by the Company in the Share Exchange may be changed from now due to the retirement etc. of Oki Wintech's treasury shares.

(iii) Calculation method of share exchange ratio

For the ratio of the Share Exchange, the Company and Oki Wintech decided to respectively request third-party institutions that were independent of both companies to calculate the share exchange ratio, in order to make the calculation fair and appropriate. The Company appointed Mizuho Securities Co., Ltd. and Oki Wintech appointed Sumitomo Mitsui Banking Corporation as third-party institutions, respectively. Both companies negotiated in good faith and consulted with each other based on the calculation results and, in the end, agreed that the abovementioned share exchange ratio was appropriate.

(3) Outline of accounting procedure

The Company considers that the Share Exchange is classified as a transaction with minority shareholders under the "Transactions etc. Under Common Control" and is anticipated to generate negative goodwill as a result of the transaction, but its amount is not fixed at present. Although this transaction will occur in the fiscal year ending March 31, 2011, the anticipated negative goodwill will be written off at the time it arises pursuant to the amendments to "Accounting Standard for Business Combinations" (ASBJ Statement No. 21 of December 26, 2008; final amendment).

(4) Outline of the other company in Share Exchange

Trade name: Oki Wintech Co., Ltd.
Location of head office: 1-19-4 Kitashinagawa, Shinagawa-ku, Tokyo
Name of representative: Tadao Murase, President and Representative Director
Amount of stated capital: ¥2,001 million (as of March 31, 2009)
Amount of net assets: ¥14,815 million (consolidated) (as of March 31, 2009)
¥13,909 million (non-consolidated) (as of March 31, 2009)

(Translation)

Amount of total assets:	¥26,622 million (consolidated) (as of March 31, 2009) ¥23,990 million (non-consolidated) (as of March 31, 2009)
Main business:	Design, construction, and maintenance service etc., of info-telecom systems, electrical facilities, and other construction work

(Translation)

Transcript of Account Auditors' Report

Independent Auditors' Report

May 18, 2010

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

Ernst & Young ShinNihon LLC

Masato Tsukahara (seal),
Engagement Partner, Certified Public Accountant
Akira Sato (seal),
Engagement Partner, Certified Public Accountant
Yukiyasu Yamakawa (seal),
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 non-consolidated financial statements – and its supporting schedules of Oki Electric Industry Co., Ltd.'s 86th term from April 1, 2009 to March 31, 2010 in accordance with Article 436 Paragraph 2 Item 1 of the Companies Act. The financial statements and supporting schedules are the responsibility of Oki Electric Industry's management. Our responsibility is to express an opinion on the financial statements and supporting schedules based on our audit as independent auditors.

We conducted our audit in accordance with auditing standards generally accepted in Japan. These auditing standards require that we obtain reasonable assurance as to whether these financial statements are free of material misstatement. Audits are conducted based on a test basis, and include reviews of accounting policies and methods that management adopts, and evaluation of management estimates and the presentation of financial statements and supporting schedules as a whole. We believe that we have obtained reasonable bases for the expression of our opinion as a result of our audit.

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

Additional Information
As described in Additional Information, Oki Electric Industry resolved to carry out a share exchange (hereinafter referred to as "Share Exchange") to make Oki Electric Industry a wholly-owning parent company in the Share Exchange and make Oki Wintech Co., Ltd. (hereinafter referred to as "Oki Wintech") a wholly-owned subsidiary company in the Share Exchange at a meeting of the Board of Directors held on February 3, 2010 and concluded a share exchange contract with Oki Wintech on the same day.

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

(Translation)

Transcript of Corporate Auditors' Report

Corporate Auditors' Report

We, the Board of Corporate Auditors, have prepared upon consultation this Audit Report based on reports compiled by each Corporate Auditor with respect to Directors' performance of their duties during the 86th fiscal year from April 1, 2009 to March 31, 2010, as follows:

1. Auditing methods used by Corporate Auditors and the Board of Corporate Auditors, and details of audit

The Board of Corporate Auditors specified an audit policy, compiled audit plans and received reports from each Corporate Auditor 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 Corporate Auditor, according to the audit standards, policy and plans set up by the Board of Corporate Auditors, 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 monitored and verified the details of the resolution 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 and for ensuring appropriateness of duties of a joint stock company. We have also monitored and verified the status of the systems established based on the said resolution (internal control systems). Also, we have maintained good communications and exchanged information with directors, Corporate Auditors 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 financial statements for the said fiscal year and their supplementary schedules.

We have also monitored and verified whether the 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 Directors' performance of their internal control duties regarding, we have found no issues to be pointed out.

(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 20, 2010

The Board of Corporate Auditors, Oki Electric Industry Co., Ltd.
Keiichi Fukumura, Standing Auditor (seal)
Yoshikatsu Shiraishi, Standing Auditor (seal)
Noriyuki Kandori, Outside Standing Auditor (seal)
Seiji Nishi, Outside Auditor (seal)

(Translation)

Reference Documents for the General Meeting of Shareholders

Agenda and Reference Matters

Agenda 1: Partial Amendment to the Articles of Incorporation

1. Reason for proposal

In order for outside directors and outside auditors to excel in the duties expected in these roles, and for the Company to be able to invite outside directors and outside auditors who have a wealth of insight and experience in the future, we propose to establish new provisions thereof in the Articles of Incorporation in accordance with provisions concerning the agreement to limit liabilities of Article 427, the Companies Act.

Each of the Corporate Auditors has already agreed to establish this new provision, Article 26.

2. Details of proposed amendments

Details of the proposed amendments are as follows:

(Underlined portions indicate the parts that are to be changed.)

Current Articles of Incorporation	Proposed Amendment
(Newly established)	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 to 31 (provisions omitted)	Article 27 to 32 (provisions omitted)
(Newly established)	Article 33 (Exemption of liabilities for outside auditors) The Company may conclude with outside auditors 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 32 to 35 (provisions omitted)	Article 34 to 37 (provisions omitted)

(Translation)

Agenda 2: Election of Six (6) Directors

The tenure of office of Directors Katsumasa Shinozuka, Naoki Sato, Masao Miyashita, Yutaka Asai and Harushige Sugimoto will expire at the end of this general meeting of shareholders.

Also, Director Minoru Morio will resign as Director at the end of this general meeting of shareholders.

We accordingly request that you elect six Directors from among the following candidates.

Candidates for Directors (Six):

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	Naoki Sato (October 27, 1948)	Apr. 1972 Joined The Fuji Bank, Limited May. 1999 Senior Manager, Sales Division No.5, Fuji Bank June. 2001 Executive Officer, Senior Manager, Sales Division No.5, Fuji Bank Apr. 2002 Senior Executive Officer, Mizuho Corporate Bank, Ltd. Apr.2004 Managing Executive Officer, Oki Electric Jun. 2004 Senior Vice President Apr. 2007 Executive Vice President Jun. 2008 Director and Vice President Jun. 2009 Senior Executive Vice President and Member of the Board (incumbent)	74,000 shares
2	Masao Miyashita (December 23, 1949)	Apr. 1973 Joined Oki Electric Mar. 1993 Manager, Sales Department No. 1 Government Sales Division Apr. 2004 Executive Officer Apr. 2007 Managing Executive Officer Jun. 2008 Senior Vice President Jun. 2009 Senior Vice President and Member of the Board Apr. 2010 Executive Vice President and Member of the Board (incumbent)	33,000 shares
3	Masasuke Kishi (June 19, 1955)	Apr. 1980 Joined Oki Electric Oct. 1995 Manager, Multimedia System Development Department, Multimedia System Development Center, Information System Business Division Apr. 2006 Executive Officer Apr. 2008 Senior Vice President (incumbent) Apr. 2010 Chief Technology Officer (incumbent) (Significant concurrent position) President, Oki Networks Co., Ltd.	37,000 shares

(Translation)

Candidate number	Name (Date of birth)	Brief personal profile, position and responsibility in the Company and significant concurrent positions	Number of Oki shares held
4	Sei Yano (April 28, 1955)	Apr. 1978 Joined Oki Electric Jul. 1997 Manager, Business Promotion Department, Open System Integration Center, System Business Group Apr. 2007 Executive Officer Apr. 2009 Senior Vice President (incumbent) Jul. 2009 Chief Information Officer (incumbent) Apr. 2010 Manager, Solution & Services Business (incumbent)	22,000 shares
5	Harushige Sugimoto (February 22, 1948)	Apr. 1970 Joined Oki Electric Jun. 1990 General Manager, Technology Department No. 1, Composite Telecommunications Systems Department Electric Telecommunications Business Division Apr. 2000 Executive Officer Apr. 2004 Managing Executive Officer Apr. 2008 Director (incumbent) (Significant concurrent positions) President, Oki Data Corporation	39,000 shares
6	Takuma Ishiyama (February 17, 1947)	Mar. 1975 Obtained scores for doctorate degrees and resigned from Graduate School of Law, Waseda University Jul. 1978 Assistant Professor, Faculty of Law, Aichi Gakuin University Dec. 1985 Obtained doctorate degree Apr. 1986 Professor, Faculty of Law, Dokkyo University Apr. 1991 Professor, School of Commerce, Waseda University May 2003 Registered as lawyer (Dai-ichi Tokyo Bar Association) Apr. 2004 Professor, Law School, Nihon University (incumbent)	0 share

Notes:

1. Mr. Takuma Ishiyama is a candidate for outside director.
2. The reason Mr. Takuma Ishiyama is proposed to be the candidate for outside director is as follows:
   Although he has no experience of being directly engaged in corporate management, he has experience and professional knowledge as a lawyer and law professor, and the Company judged that he would be able to appropriately provide supervision of the Company's corporate management, especially from the objective standpoint as a professional in the Companies Act.
3. In order for the Company to invite competent human resources as outside officers, it proposed partial amendment to the Articles of Incorporation in the Agenda 1, so that the Company would be able to conclude agreements with the outside officers to limit liabilities for compensation for damages to the Company within a certain amount. If the Agenda 1 is approved as proposed, the Company plans to conclude agreements to limit liabilities for compensation for damages with Mr. Takuma Ishiyama. The overview of the contents of the said agreement is as follows:
   - In case he causes any damage to the Company due to any negligence as an outside director, he shall incur responsibility – with the minimum liability amount as stipulated in Paragraph 1, Article 427 of the Companies Act.
   - Liabilities for compensation for damage as above are limited only when there is no significant negligence for any damage caused in executing duties as an outside director, and when he fulfills his responsibilities in good faith.

(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 Internet is only possible by accessing the voting site designated by the Company (please refer to the following URL). It is also possible to access this site with a mobile phone. You will need to enter your voting rights exercise code and password (valid only for purposes of this general meeting) provided in the lower right corner of the voting rights exercise form, enclosed with the Notice.
2) 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.
3) 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.
4) You will bear all connection charges for using the Internet (service provider access fees, communication charges, etc.)

2. Instructions for voting via the Internet

1) Access http://www.it-soukai.com/ or https://daiko.mizuho-tb.co.jp/.
(Please note that the above URLs cannot be accessed from 3:00 a.m. to 5:00 a.m. during the voting period.)
2) Enter the voting rights exercise code and the password and click "log-in."
3) Proceed to vote in accordance with the onscreen instructions.

3. Technical specifications

1) Operating system: Windows operating systems
2) Browser: Internet Explorer 5.5 or above
3) Internet connection: Any service providing Internet access
4) Mobile phones: Services should be available from any of i-mode, EZweb or Yahoo! Keitai (certain models cannot be used.) If you are using a cellular phone with bar-code scanner features we request that you use the QR Code provided in the margin.

4. 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.

5. 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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