

PRESS RELEASE

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OKI to Spin-off its Semiconductor Business to Establish New Company

TOKYO, May 28, 2008 – Oki Electric Industry Co., Ltd. (TSE: 6703) announced that at its meeting today, the Board of Directors approved the spin-off of its semiconductor business through a company split to establish a new company, OKI Semiconductor Co., Ltd., effective Oct. 1, 2008.

“As announced in October 2007, OKI is currently implementing measures to revamp the business structure to ensure stable profit and achieve our mid-term business plan,” said Katsumasa Shinozuka, President and CEO at OKI. “We are spinning-off our semiconductor business to conduct a more flexible business operation, to establish an efficient and agile management structure that corresponds to the rapidly changing semiconductor market, and to clarify the profit responsibility as a business.”

The new company, OKI Semiconductor, will aim to increase sales with business pillars such as logic LSIs and system LSIs that leverage OKI’s advantages of low power consumption, high-voltage processing, digital/analog mixed processing and small-size packaging technologies. The company will inherit OKI’s strengths in system memories as seen in P2ROM and foundry business based on differentiating technologies such as high voltage processing, and it will also offer new products with OKI’s unique process technologies including Silicon-on-Insulator (SOI) and Wafer-level Chip-size Packaging (W-CSP). As part of the spin-off, all semiconductor-related OKI subsidiaries, such as Miyazaki OKI and Miyagi OKI, will become OKI Semiconductor’s subsidiaries.

OKI plans to transfer part of the new company's shares to Rohm Co., Ltd. to aim for a synergy effect by complementing each other with OKI Semiconductor's technologies.

About OKI Semiconductor Co., Ltd. (Effective October 1, 2008)

Address: 550-1 Higashi Asakawa Cho, Hachioji, Tokyo, Japan
Date of foundation: October 1, 2008
Capital: 20 billion yen (100% by OKI Electric Industry)
Representative: Hironori Kitabayashi, President and Representative Director
Employees: Approx. 6,000 personnel (consolidated base)
Sales target: 155.0 billion yen (consolidated base in FY ending March 2011)
Operation: Develop, manufacture, sell, import and export semiconductors and electronic devices

About Oki Electric Industry Co., Ltd.

Founded in 1881, Oki Electric Industry Co., Ltd. is Japan's first telecommunications manufacturer, with its headquarters in Tokyo, Japan. OKI provides top-quality products, technologies and solutions to its customers through its info-telecom system business, semiconductor business and printer business. All three businesses function as a collective force to create exciting new products and technologies that satisfy a spectrum of customer needs in various markets. Visit OKI's global web site at <http://www.oki.com/>.

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