(This document is an English translation of a statement written originally in Japanese. If there are any discrepancies between this document and the original Japanese document, the Japanese original shall prevail. Also, the revisions announced on November 10, 2017 are reflected in this document.)

October 31, 2017

To Whom It May Concern

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Notice Regarding Commencement of Tender Offer for Oki Electric Cable Co., Ltd. (Securities Code 5815)

Oki Electric Industry Co., Ltd. (below, the "Company "or the "Offeror") approved a resolution to acquire through a Tender Offer (below, the "Tender Offer") in accordance with the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; below, the "Act") the common shares (below, the "Target's shares") of Oki Electric Cable Co., Ltd. (Securities Code 5815; listed in the First Section of the Tokyo Stock Exchange Inc.'s (below, "Tokyo Stock Exchange")) market (below the "Target")) at a Meeting of the Board of Directors held on October 31, 2017. Details are described below.

1. Purpose of the Tender Offer, etc.

(1) Overview of the Tender Offer

The Company currently directly owns 1,307,540 shares of the Target's shares listed on the First Section of the Tokyo Stock Exchange (36.21% ownership stake (note 1)) and also indirectly owns 38,407 shares of the Target's shares (1.06% ownership stake (note 2)) through the Company's wholly owned subsidiaries Oki Wintech Co., Ltd. (below, "Oki Wintech") and OKI Proserve Co., Ltd. (below, "OKI Proserve") and treats the Target as an equity-method affiliate.

The Company passed a resolution to implement the Tender Offer aimed at making the Target a wholly owned subsidiary at a Meeting of the Board of Directors held on October 31, 2017.

(Note 1) The "ownership stake" represents the ratio to the 3,610,549 shares calculated by deducting 288,538 shares, which represents 288,438 shares in treasury share volume as of September 30, 2017 plus 100 shares (*) and reflect the effect of the reverse share split on October 1, 2017 listed in the Target's Quarterly Financial Results, from the 3,899,087 total outstanding shares as of September 30, 2017 reflecting the Target's 10-to-1 reverse share split taking effect on October 1, 2017 listed in the Target's Consolidated Financial Results for First Half of the Fiscal Year Ending March 31, 2018 (J-GAAP) announced on October 31, 2017 by the Target (below, the "Target's Quarterly Financial Results"). The calculation rounds numbers at the third decimal place. The same format applies to other ownership stakes mentioned below.

(*) The Target explains that besides the above-mentioned treasury shares (288,438 shares), the shareholder register indicates the presence of 1,000 shares in the Target's name (100 shares after the reverse share split on October 1, 2017). The number of treasury shares owned by the Target is listed as 288,538 shares in the Tender Offer. The same amount applies below to the number of treasury shares owned by the Target reflecting the reverse share split on October 1, 2017.

(Note 2) The number of Target shares owned by the Company's wholly owned subsidiaries are Oki Wintech at

26,600 shares (ownership stake: 0.74%) and OKI Proserve at 11,807 shares (ownership stake: 0.33%). The Company has not reached an agreement or other arrangement regarding the response to the Tender Offer with Oki Wintech or OKI Proserve.

In the Tender Offer, the Company sets a minimum planned purchase volume of 1,170,800 shares (ownership stake: 32.43%) as specified in “7. Setting minimum planned purchase volume” under “(3) Measures to ensure the fairness of the Tender Offer such as measures to support the fairness of the Tender Offer price and measures to avoid conflicts of interest.” This share volume exceeds the number of Target shares corresponding to a “majority of minority.” The Company shall not purchase any of the offered share certificates, etc., if the total number of share certificates, etc., offered in the Tender Offer (below, “offered share certificates, etc.”) is less than 1,170,800 shares. Meanwhile, the Company does not set an upper limit to the planned purchased volume in the Tender Offer and therefore shall purchase all offered share certificates, etc., in a case in which the total number of offered share certificates, etc., exceeds the minimum planned purchase volume (1,170,800 shares).

Additionally, if it was not possible to purchase all of the Target’s shares (though excluding treasury shares owned by the Target) in the Tender Offer even though the Tender Offer succeeds, after the Tender Offer finishes, the Company shall request the Target to implement a procedure to enable the Company to acquire all of the Target’s shares (though excluding treasury shares owned by the Target) and make the Target a wholly owned subsidiary (below, “the procedure for conversion to a wholly owned subsidiary and the transaction as reference to the process including the Tender Offer”), as explained in (4) Reorganization and other policies after the Tender Offer (items related to a two-stage acquisition).

According to the “ Notice on Approving and Recommending Offers to the Tender Offer for the Company’s shares by Oki Electric Industry Co., Ltd.” issued on October 31, 2017 by the Target (below, the Target’s press release), the Target passed a resolution at a meeting of the Board of Directors on October 31, 2017 that expresses approval of the Tender Offer and advises the Target’s shareholders to offer their shares in the Tender Offer.

The above-mentioned Target’s Board of Directors’ resolution was passed by the method explained in “5. Approval from all directors without interests in the Target and no dissenting opinions from auditors” under “(3) Measures to ensure the fairness of the Tender Offer such as measures to support the fairness of the Tender Offer price and measures to avoid conflicts of interest.”

(2) Background, purpose and decision-making process of decision to conduct the Tender Offer and management policy after implementation of the Tender Offer

The Company listed shares on the First Section of the Tokyo Stock Exchange in November 1951 and its main business activities are production and sales of telecommunications equipment, information processing equipment, and software, system construction and solution provision related to these products, installation and maintenance, and other services. As of October 1, 2017, the Company’s Group consists of the Company, 90 consolidated subsidiaries, and four equity-method affiliates. The Company was the first in Japan to manufacture a telephone in January 1881. Since its founding, the Company has developed and supplied products that contribute to advancement of an information society with an “enterprising spirit” over more than 135 years. On May 26, 2017, the Company’s Group formulated and announced a three-year plan that lasts through fiscal 2019 (March 2020) (Mid-term Business Plan 2019.” The plan puts primary emphasis on “reinforcing earning capacity” in order to realize a “company that can secure stable profitability” and promote establishment of a base to achieve sustainable growth and evolution.

The Company’s Group mainly operates four businesses – (1) ICT: Production and sales, system construction and solution provision, installation and maintenance, and other related services for traffic infrastructure systems, disaster prevention systems, defense-related systems, telecommunications equipment for telecom carriers, bank branch systems, ticket reservations and issuing systems, contact centers, and other products, (2) Mechatronics systems: Production and sales and other services for ATMs, cash handling equipment, bank branch terminals, ticket reservations and issuing terminals, check-in terminals, and currency exchanger machines, (3) Printers: Production and sales and other services for color and monochrome LED printers, color and monochrome LED multifunction printers, wide-format inkjet printers, and other products, and (4) EMS (note 2): Design and production consignment services and production and sales and other services for printed circuit board (note 1) and other products. Based on those four businesses as major pillars, it also promotes co-creation (note 3) with partner companies and aggressively expands business by applying new knowhow and technologies through utilization of open innovation.

(Note 1) Printed circuit board: Board printed with electronic circuit interconnections on the front and interior of an insulating panel.

(Note 2) EMS: Electronics manufacturing service; this service covers consignment manufacturing of electronic equipment.

(Note 3) Co-creation: Sharing the same goal with the customer and jointly narrowing, confirming, and realizing ideas.

In segment business strategies, the ICT business aims to create new businesses with IoT (note 4) as drivers of change and also seeks to realize "IoT OKI" (policy targeting growth with IoT business as a main source of growth) through co-creation and business-specific applications that utilize strengths of combining sensing, networks, and data processing technologies. The Mechatronics Systems business aims to expand sales by releasing strategic products with excellent cost competitiveness and enhancing the product line-up for the domestic retail market. The Printers business pursues a niche strategy with focus on the industry printing market for medical, retails, and design fields utilizing advanced functionality and high quality. The EMS business is promoting development of new areas and aggressive utilization of M&A deals with emphasis on the domestic high-end market with a goal of expanding business scale from 43.2 billion yen in fiscal 2016 to 100 billion yen in the future.

(Note 4) IoT (Internet of Things): This is a framework based on connecting a wide range of things to the cloud and servers over the Internet and achieving mutual control by exchanging information.

While the Target is currently an equity-method affiliate of the Company, it was founded as a wholly owned subsidiary through a spin off as an independent entity of the Company's electric cable manufacturing division in 1936 and the Company directly owns Target shares corresponding to a 36.21% stake. The Target is achieving steady growth in its businesses along with advances in telecommunications and currently operates mainly in the following business areas – (1) the electric wire and cable business that develops, designs, manufactures, and sells appliance wires, wire harnesses, and flexible substrates (note 5), (2) the EDM wire business that develops, designs, manufactures, and sells electrode wire for use in wire electrical discharge machining (EDM), and (3) real estate leasing business for leasing real estate to third parties. Since the Target listed shares on the Second Section of the Tokyo Stock Exchange in October 1963 (it moved the shares to the First Section of the Tokyo Stock Exchange in September 1990), it has collaborated with the Company's Group on brand value sharing and other areas as mutually autonomous listed companies.

(Note 5) Flexible substrate: This is a printed circuit substrate with a bendable structure that utilizes a thin insulator (plastic film).

The Target's Group (currently the Target and the Target's five subsidiaries) extended the term of the Reborn120 mid-term business plan that had been scheduled to end in fiscal 2016 by one year as it strives to become a top supplier in niche markets with global scale for electric wires, flexible substrates, and EDM wire and is aiming to reach 12 billion yen in sales through further improvement in capabilities to create new products and enhancement of overseas initiatives.

The Target's main business measures by segment in fiscal 2017 are focus on the FA (note 6) market and medical equipment market that offer prospects of sustaining growth amid trends of automation and robotization as well as enhanced R&D, new products releases, accelerated sales in China, the US, and Europe, and further improvement in quality and productivity in order to expand sales and improve profitability in the electric wire and cable business. Also, the Target seeks to expand sales in Japan through timely response to customer requirements and raise in-house share at overseas customers by supplying high-quality products in the EDM wire business.

(Note 6) FA (Factory Automation): This refers to automation of production processes at factories.

A major economic trend in Japan's manufacturing industry is decline in the number of workers in the industry due to aging and shrinkage of the population. In fact, the Annual Labor Force Survey for 2016 released by the Statistics Bureau of the Ministry of Internal Affairs and Communications reported a steady decline in Japan's manufacturing industry employees that resulted in a 10.5% drop from 11.63 million people in 2006 to 10.41 million people in 2016. Manufacturing percentages of gross domestic product and the employed population are likely to trend lower, and a growing number of companies will be specializing in product development and design capabilities and sales capabilities amid difficulties securing people to work at domestic plants and implementing capital investments. Companies are likely to increasingly pursue horizontal division of activities by placing external orders at various stages of product development and manufacturing in order to commercialize products and a fabless model without a manufacturing division. This change should result in growing EMS demand that specializes in manufacturing. Against this backdrop, the Company is seeking to improve the sophistication of its EMS business and increasingly shift business from OEM (note 7) to ODM (note 8) that involves integrated production from the design stage, including parts procurement. Meanwhile, although the Target's electric wire business for FA and robots is relatively upbeat, it faces issues in pursuit of growth through further business expansion, new market development, and overseas initiatives.

(Note 7) OEM (Original Equipment Manufacturing): This refers to manufacturing of products sold under the brand of the counterpart that requests the manufacturing.

(Note 8) ODM (Original Design Manufacturing): This refers to handling from design through manufacturing of products sold under the brand of the counterpart that requests the manufacturing.

Given these conditions, the Company reached a conclusion that it is necessary to promptly establish a management framework for dynamic business decisions by sharing business strategies of the Company and the Target through further strengthening of the capital relationship between the Company and the Target on the basis that a need exists to bolster the overall capabilities of the Company's Group via integrated management, including mutual utilization of the business resources of the Company and the Target, in order to improve the profitability of the Company's Group members, including the Target.

The Company thus started a full-fledged review of acquiring the Target as a wholly owned subsidiary in late July 2017 and initiated contact with the Target in mid-August 2017, and the two companies have held multiple discussions since late September 2017. After these activities, the Company reached a conclusion in mid-October 2017 that the Company's acquisition of the Target as a wholly owned subsidiary could strengthen and enhance the Target's corporate value and strengthen the earnings base of the entire Group by accelerating business strategy decisions and utilizing human resources within the Company's Group. The Company also envisions the following specific effects from acquisition of the Target as a wholly owned subsidiary. Furthermore, these effects become achievable by implementing business strategies that make maximum utilization of the business resources of the two companies by fully integrating capital ties between the Company and the Target and also by making dynamic business decisions and conducting management from a long-term perspective that is not affected by short-term earnings as a result of having just the Company as a shareholder in the Target. The opportunities are possible as a result of the Target becoming a wholly owned subsidiary of the Company.

1. Sales expansion and business cultivation via mutual utilization of similar customer segments at the two companies

   The Company's EMS business possesses strengths in measuring instrument and medical fields and is aiming for full-fledged entry in aerospace and electrical components areas as new markets. The Target, meanwhile, has a presence in FA and robot and medical markets. Segments at the two companies are both mainly related to medical and precision equipment and consist of almost the same business areas, but they do not have much overlap in individual customers and sales expansion activities leveraging mutual customer bases should be possible. Medical and aerospace fields require a variety of products in variable quantities with high quality, and domestic production is likely to continue, including in the electrical components field. As high-end markets that demand high reliability, they can leverage Made in Japan characteristics of excellent designs, high quality, and reliable service. Furthermore, the Group is capable of realizing "integrated manufacturing service" with a broad scope through integrated provision of designs, printed circuit boards, mounting, assembly, and staging (confirmation of operation and display in a system that mirrors the actual usage environment), which are strengths of EMS business. The Target urgently needs to cultivate wire harness business, flexible substrate business, optical cable business, and other areas as business pillars besides appliance wire. It should be possible to expand business by carefully assessing each of these areas from the design stage via collaboration with the

Company's EMS business.

2. Enhancement of added value by bolstering collaboration with existing technologies and services

Strong technology correlation exists between printed circuit boards manufactured by the Company's manufacturing subsidiary in the EMS business and the Target's flexible substrates, and reinforcement of collaboration should improve mutual added value in sales, production, and product planning, enhance access to customers (increase proposal opportunities), including in aerospace and electrical components areas, and facilitate diversification of the sales strategy. The Target should be capable of expanding its customer base by leveraging the reliability evaluation and measuring services company from the Company's Group.

3. Development of new fields by combining elemental technologies

Through combinations of the Company's optical sensor technology and the Target's optical cable technology, the Company's IoT technology and the Target's robot cables (note 9), the Company should be capable of obtaining core devices for realization of the IoT OKI vision for its ICT business and expanding developing resources to achieve "smart sensing" with advanced sensing technology that recognizes people, things, and other aspects from images and other data, in addition to basic information such as temperature and humidity. The Target should also benefit substantially from cooperation between the two companies in R&D, product planning, and sales.

(Note 9) Robot cables: These are cables with excellent moving durability mainly developed for wiring in the movable portions and related areas in robots and industrial machinery.

4. Cost savings enabled by interaction among production sites and sharing manufacturing technology and knowhow and conversion to smart factories

The Company's EMS business has production sites in Honjo, Joetsu, Tsuruoka, and Nagano, and the Target has production sites in Isesaki and Okaya. These locations can support personnel interaction and cooperation between the two companies taking advantage of their closeness in Northern Kanto and Joetsu areas. Related sharing of production technology and procurement knowhow should enable savings in production and procurement costs. In particular, the Target is likely to realize smart factory conversion (note 10) by applying the Company's IoT technologies that enhance productivity.

(Note 10) Smart factory conversion: This refers to dramatic improvements in productivity by connecting plant equipment and facilities over the network at automated plants.

5. Resource utilization through group management

The Company should be capable of maximizing use of mutual resources in recruitment, education, planned and structured M&A, and business strategy sharing by utilizing its management division and human resources with skills in electric technologies (electric design) and plant management in personnel interaction with the Target. Additionally, implementation of CMS (note 11) should optimize management costs via efficient fund utilization and bolster group overall capabilities and profitability.

(Note 11) CMS (Cash Management System): This is a system for unified management of funds at group companies.

In light of the discussions and reviews described above, the Company decided to implement the Tender Offer with the aim of acquiring the Target as a wholly owned subsidiary at a meeting of the Board of Directors on October 31, 2017.

According to the Target's press release, the Target took the various measures specified in "(3) Measures to ensure the fairness of the Tender Offer such as measures to support the fairness of the Tender Offer price and measures to avoid conflicts of interest" listed below, after receiving the proposal for acquisition as a wholly owned subsidiary from the Company in mid-August 2017, as mentioned above. The Target subsequently conducted a careful review of the various terms related to the Transaction from mid-August 2017, when it received the proposal from the Company, through late October from the standpoint of enhancing corporate value, taking into account the content of the share value estimate statement obtained from financial adviser SMBC Nikko Securities Inc. (below, "SMBC Nikko Securities") as a third-party calculation entity that is independent from the Target and the Company and legal advice from legal adviser Mori Hamada and Matsumoto and respecting to the greatest possible extent the content of the recommendations (below, the "Recommendations") from the third-party committee established as a consultative body to the Target's Board of Directors for the purpose of reviewing the Transaction proposal (refer to "3. Establishment of a third-party committee that is independent from the Target and acquisition of recommendations" from "(3) Measures to ensure the fairness of the Tender Offer such as measures to support the fairness of the Tender Offer price and measures to avoid conflicts of interest" listed below for details on member composition and other detailed consultative items, etc.).

Following the review, the Target reached the conclusion that becoming a wholly owned subsidiary of the Company through the Transaction is necessary in order to strengthen the Target's business foundation and make investments to improve its growth and is the best choice for the prospect of further improvement in the Target's corporate value.

The Target subsequently concluded that the Transaction provides a reasonable opportunity for selling shares to the Target's shareholders because the 3,650 yen price per share being offered as the purchase price for one of the Target's shares in the Tender Offer (below, the "Tender Offer Price") exceeds the highest calculated results based on the market share price method from the share value calculation results for the Target's shares presented in the Target's share value estimate statement obtained from SMBC Nikko Securities, is within the range of the calculation results based on the similar listed company comparison method and discounted cash flow method (below, the "DCF method"), and adds premiums of 4.89% (rounded at the third decimal place; same below for premium rate calculations) to the 3,480 yen closing price of the Target's shares on the Tokyo Stock Exchange on October 30, 2017, the business day prior to the announcement of the Tender Offer, 13.21% to the 3,224 yen simple average of closing prices for the month through October 30, 2017 (rounded at the third decimal place; same below for simple average of closing prices calculations), 13.57% to the 3,214 yen simple average of closing prices for the three months through October 30, 2017, and 28.66% to the 2,837 yen simple average of closing prices for the six months through October 30, 2017 and in light of other terms related to the Transaction, and it passed a resolution at a meeting of the Board of Directors on October 31, 2017 to express approval of the Tender Offer and to recommend to the Target's shareholders to offer their shares in the Tender Offer.

Regarding the process used by the Target to make the decision, please refer to "5. Approval from all directors without interests in the Target and no dissenting opinions from auditors" under "(3) Measures to ensure the fairness of the Tender Offer such as measures to support the fairness of the Tender Offer price and measures to avoid conflicts of interest" listed below.

The Company intends to make decisions about the Target's business strategy after implementing the Transaction in light of future discussions between the Company and the Target. After implementing the Transaction, the Company wants to deploy technology capabilities, such as smart conversion of plants using its IoT technology, and efficiency management knowhow, including resource utilization via Group management, and conduct business in a manner that sufficiently leverages the Target's business management characteristics and strengths, thereby giving further reinforcement to the Target's business.

While the Target currently has one representative director, two directors (including one director who jointly serves as a representative director at the Company's wholly owned subsidiary OKI Proserve), and one auditor who came from the Company and one auditor who is also an employee of the Company, the Company has not made any decisions about the composition of directors and other management aspects of the Target after implementing the Transaction at this point and intends to fundamentally respect the Target's current management operations. It wants to review ideal operations for realization of synergies between the Company and the Target and promptly proceed to action.

(3) Measures to ensure the fairness of the Tender Offer such as measures to support the fairness of the Tender Offer price and measures to avoid conflicts of interest

The Target is not a subsidiary of the Company at this point, and the Tender Offer does not qualify as a Tender Offer by a Controlling Shareholder. Nevertheless, the Company and the Target are taking the following measures from the standpoint of ensuring the fairness of the Tender Offer and avoiding conflicts of interest, considering the Company's direct ownership of 1,307,540 shares (36.21% stake) and indirect ownership of 38,407 shares (1.06% stake) through its wholly owned subsidiaries Oki Wintech and OKI Proserve in the Target and treatment of the Target as an equity-method affiliate and the presence of one representative director, two directors, and two auditors originally from the Company at the Target. The Company bases the description of measures implemented by the Target below on the explanation from the Target.

1. Acquisition of a share value estimate statement from a third-party calculation entity that is autonomous by the Company

The Company requested financial advisor Mizuho Securities Co., Ltd. (below, "Mizuho Securities") to prepare an estimate of the Target's share value as a third-party calculation entity that is independent from the Company and the Target in order to make a decision on the Tender Offer Price. It received the share value estimate statement (below, the "share value estimate statement") on October 30, 2017. Please refer below for details in "1 Calculation basis" and "2 Calculation background" under "(5) Calculation basis for the Tender Offer Price, etc." in "2. Overview of the Tender Offer, etc." listed below.

2. Acquisition of a share value estimate statement from a third-party calculation entity that is autonomous by the Target

According to the Target's press release, the Target requested financial advisor SMBC Nikko Securities to prepare an estimate of the Target's share value as a third-party calculation entity that is independent from the Target and the Company, in order to eliminate arbitrariness in its decision-making process related to the Tender Offer presented by the Company and ensure the fairness of the Tender Offer price, and acquired a share value estimate statement. SMBC Nikko Securities is not a related party of the Target or the Company and does not have any important interests related to the Transaction, including the Tender Offer.

Based on the request from the Target, SMBC Nikko Securities prepared a share value estimate of the Target's shares taking into account various information, including disclosure from the Target regarding the current state of the business and future business plan as well as a related explanation. The Target has not obtained an opinion on the fairness of the Tender Offer Price (fairness opinion) from SMBC Nikko Securities.

SMBC Nikko Securities prepared value estimates of the Target's shares using the market price method because the Target's shares are listed on the First Section of the Tokyo Stock Exchange and have a market share price, the similar listed firm comparison method because the existence of multiple listed companies with businesses relatively similar to the Target facilitates estimation of the share value by comparison with the similar firms, and the DCF method in order to reflect a core value assessment based on future business activities. The ranges of value per one of the Target's shares calculated by these methods are shown below.

Market share price method: 2,837 yen to 3,224 yen
Similar listed firm comparison method: 3,424 yen to 3,849 yen
DCF method: 3,506 yen to 4,748 yen

The market share price method presents a range of 2,837 yen to 3,224 yen in share value per one of the Target's shares based on simple averages of closing prices for the Target's shares trading on the First Section of the Tokyo Stock Exchange with October 30, 2017 as the standard date for the most recent month of 3,224 yen, the most recent three months of 3,214 yen, and the most recent six months of 2,837 yen.

The similar listed firm comparison method presents a range of 3,424 yen to 3,849 yen in share value per one of the Target's shares based on comparison with market share prices and profitability and other financial indicators of listed companies operating businesses that are relatively similar to the Target.

The DCF method presents a range of 3,506 yen to 4,748 yen in share value per one of the Target's shares based on analysis of the Target's corporate value and share price value with free cash flow likely to be generated from 1Q FY3/18 by the Target, using the business plan from FY3/18 to FY3/21 prepared by the Target, converted to present value at a certain discount rage. The business plan prepared by the Target that SMBC utilized for the DCF method analysis does not envision a steep increase or decline in profits. Additionally, the subject financial forecasts do not factor in anticipated synergy effects from implementing the Transaction because of the difficulty of making estimates at this point.

3. Establishment of a third-party committee independent from the Target and acquisition of recommendations

According to the Target's press release, the Target established a third-party committee on September 27, 2017 that consists of three members – Izumi Kawashima (Target's outside director and independent officer), Shinichiro Tanaka (Target's outside auditor and independent officer), and Mitsuhiro Kyushima (Certified Public Accountant; Yamada Business Consulting Co., Ltd.) - who do not have conflicts of interest with the Target or the Company in order to eliminate arbitrariness in its decision related to the Tender Offer presented by the Company and ensure the fairness, transparency, and objectivity of the Target's decision-making process (members on the third-party committee have not changed since the establishment). The Target's Board of Directors passed a resolution to ask the third-party committee to provide opinions on the following points (below, the consultative items) – (1) whether the purpose of the Transaction is legitimate and rational, (2) whether the procedure related to the Transaction is fair, (3) whether the terms of the Transaction (including the Tender Offer Price for the subject Tender Offer) are fair and reasonable, and (4) whether the Transaction runs contrary to the interests of the Target's minority shareholders based on (1) and (2) and provision of an opinion to the Target's Board of Directors.

The third-party committee held five meetings during September 27, 2017 through October 30, 2017 at which it discussed and reviewed the consultative items. Specifically, the third-party committee collected and reviewed various review materials submitted by the Target and the Company and other necessary information, materials, and other items and received an explanation from and conducted Q&A with the Target's representative director and president regarding an overview of the Transaction including the Tender Offer, the background to the Transaction, the significance and purpose of the Transaction, the Target's situation, the Target's business plan, and background and review process related to the Target's decision. Additionally, the third-party committee received explanations from and conducted Q&A with the Company and SMBC Nikko Securities, the Company's financial adviser, regarding an overview of the Transaction including the Tender Offer, the background to the Transaction, the significance and purpose of the Transaction, business policy after the Transaction, and various terms of the Transaction. The third-party committee also received an explanation from and conducted Q&A with SMBC Nikko Securities regarding the share price assessment for the Target's share price and received reports from SMBC Nikko Securities and Mori Hamada & Matsumoto about the content of negotiations related to the various terms of the Transaction, including the Tender Offer Price, with the Company in light of discussions with the Target in the third-party committee. Following these procedures and careful discussion of the consultative items, the third-party committee submitted a recommendation report with unanimous agreement by members to the Target's Board of Directors on October 31, 2017 explaining that (1) the Transaction's purpose is fair and reasonable, (2) procedures related to the Transaction are fair, (3) the Transaction's terms (including the Tender Offer Price, are fair and appropriate, and (4) the Transaction is not unfair to the Target's minority shareholders on the basis of (a) an absence of unreasonable points in explanations from the Target and the Company about improvement of the Target's corporate value and the prospect of the Transaction improving the Target's corporate value through accelerated resolution of issues facing the Target and the reasonableness of the assertion that it will become possible to implement measures listed in points 1 to 5 under "(2) Background, purpose and decision-making process of decision to conduct the Tender Offer and management policy after implementation of the Tender Offer" as a result of the Company taking the Target private at this timing, (b) the Tender Offer Price not being an unreasonable level taking into account the Tender Offer Price being reasonable in light of the results in the Target's share price estimate statement prepared by SMBC Nikko Securities, an independent third-party calculation entity, absence of unreasonableness in the premium to the market price in the Tender Offer Price in light of market price trends for the Target's shares and premiums in recent transaction cases similar to the Transaction, and the Tender Offer Price being the result of a meaningful compromise realized through frank negotiations between the Target and the Company with effective involvement by the third-party committee and a price obtained through negotiations by independent parties, and (c) consideration given to the interests of the Target's minority shareholders taking into account reasonable efforts to eliminate arbitrariness in the Target's decision-making process, such as establishment of a third-party committee, removal of directors with conflicts of interests from the decision-making process for the Transaction, and selection of independent advisers, the prospect of prompt implementation of the share transfer request and share reverse split (defined in "(4) Reorganization and other policies after the Tender Offer (items related to the two-stage acquisition)" and calculation of the monetary value transferred at that time by applying the number of the Target's shares held by shareholders to the Tender Offer Price, and suitable and fair procedures in the Tender Offer terms, such as the period for acquiring shares in the Tender Offer (below, the "Tender Offer Period") and the minimum number of purchase shares.

4. Advice from an external law firm to the Target

According to the Target's press release, the Target selected Mori Hamada & Matsumoto, which is independent from the Company and Target, as a legal adviser and is receiving legal advice from this law firm related to the decision-making method and process used by the Board of Directors, including various procedures for the Tender Offer and other aspects of the Transaction.

5. Approval from all directors without interests in the Target and no dissenting opinions from auditors

According to the Target's press release, regarding the Company's proposal to acquire the Target as a wholly owned subsidiary, the Target conducted a careful review of the various terms related to the Transaction from mid-August 2017, when it received the proposal from the Company, through late October from the standpoint of enhancing corporate value, taking into account the content of the share value estimate statement obtained from financial adviser SMBC Nikko Securities as a third-party calculation entity that is independent from the Target and the Company and legal advice from legal adviser Mori Hamada and Matsumoto and respecting to the greatest possible extent the content of the recommendations from the third-party committee established as a consultative body to the Target's Board of Directors for the purpose of reviewing the Transaction proposal.

The Target sees healthy demand for automation and robotization to address labor decline in the domestic FA market as well as vibrant automation demand in China and continuation of upbeat demand in the US and Europe in overseas markets. Furthermore, applications of industrial robots, which were traditionally utilized in manufacturing industries, are becoming more diverse, including use on medical and food product lines and deployment in terminal processing tasks as collaborative robots. Furthermore, the medical market is likely to expand further due to advances in medical technology, aging in developed countries, and population growth in emerging countries.

Given this environment, the Target is pursuing measures aimed at realizing sustainable growth, such as further development of new customers and markets and technology development to meet requests from FA and industrial equipment markets in the electric wire business, change from the past product-centric sales expansion strategy to a comprehensive proposal-type sales expansion strategy and promotion of lower production costs by enhancing engineering capabilities to support design of products with fewer parts and materials and shorter processing time in the wire harness business, and raising market share at existing customers through reinforcement of the product line-up and utilization of proposal capabilities that address customer needs and entry into aerospace, wearables, and other new markets in the flexible substrates business. In production, meanwhile, it needs to expand production capacity further in order to accommodate demand from not only existing customers but also orders from new customers that it aims to increase. Additionally, the Target recognizes the necessity of securing human resources, such as engineers and workers, and pursuing smart conversion of production by promotion of IoT usage. Considerable investments are required to resolve these issues.

With this situation, the Target believes that becoming a wholly owned subsidiary of the Company will enable it to expand sales channels through cross-selling to customers that are not overlapping between the Company and the Target, reinforce the product line-up, secure engineers and workers through supply of human resources from the Company's Group, and further strengthen production capabilities via smart conversion of plants utilizing IoT technology. Additionally, after holding multiple discussions with the Company from late September 2017, the Target determined in mid-October 2017 that it could arrange recruitment and education of highly experienced human resources vital to its future growth, obtain knowhow for business initiatives in overseas markets, and receive advice from the Company regarding the Target's M&A strategy.

As explained above, the Target reached the conclusion in mid-October 2017 that becoming a wholly owned subsidiary of the Company through the Transaction is necessary in order to implement measures to accelerate solutions for the above-mentioned issues that it faces as well as strengthen the Target's business foundation and make investments to improve its growth and is the best choice for the prospect of further improvement in the Target's corporate value.

Furthermore, the Target carefully assessed the Tender Offer Price after receiving the Company's letter of intent in early October, 2017 through late October in light of actual cases of premiums applied to past price decisions for purchases in Tender Offers for stock certificates, etc., parties other than the issuer, the third-party committee's opinion, the content of the share value calculation for the Target's shares obtained from financial adviser SMBC Nikko Securities, and advice from legal adviser Mori Hamada & Matsumoto and held multiple negotiations regarding the Tender Offer Price with the Company from early October, 2017 through late October.

The Target concluded as a result of these efforts that the Transaction provides a reasonable opportunity for selling shares to the Target's shareholders because the 3,650 yen price per share agreed as the Tender Offer Price exceeds the highest calculated results based on the market share price method from the share value calculation results for the Target's shares presented in the Target's share value estimate statement obtained from SMBC Nikko Securities, is within the range of the calculation results based on the similar listed company comparison method and discounted cash flow method and adds premiums of 4.89% to the 3,480 yen closing price of the Target's shares on the Tokyo Stock Exchange on October 30, 2017, the business day prior to the announcement of the Tender Offer, 13.21% to the 3,224 yen simple average of closing prices for the month through October 30, 2017, 13.57% to the 3,214 yen simple average of closing prices for the three months through October 30, 2017, and 28.66% to the 2,837 yen simple average of closing prices for the six months through October 30, 2017 and in light of other terms related to the Transaction, and it passed a resolution unanimously by all of the directors who participated in the review and resolution (besides Yoshikazu Matsuoka) at a meeting of the Board of Directors on October 31, 2017 to express approval of the Tender Offer and to recommend to the Target's shareholders to offer their shares in the Tender Offer.

Additionally, one of the Target's three external auditors (excluding the two auditors with interests) participated in the review at the above-mentioned meeting by the Target's Board of Directors and stated an opinion of no dissension to passage of the above-mentioned resolution by the Target's Board of Directors.

Yoshikazu Matsuoka, who serves as an external director at the Target, did not participate in the review and resolution regarding the Transaction, including the Tender Offer, from the standpoint of improving the fairness, transparency, and objectivity of decision making by the Target's Board of Directors related to the Transaction, including the Tender Offer, and avoiding conflicts of interest because of his joint role as representative director and president of one of the Company's subsidiaries. He also did not participate in the Transaction's discussions and negotiations on the Target's side.

Furthermore, the Target's external auditors Toshio Kobayashi, who is also a director at one of the Company's subsidiaries, and Toru Hattanda, who is also an employee of the Company, did not participate in the review regarding the Transaction, including the Tender Offer, from the standpoint of improving the fairness, transparency, and objectivity of decision making by the Target's Board of Directors related to the Transaction, including the Tender Offer, and avoiding conflicts of interest.

6. Measures to secure Tender Offer opportunities from other Offerors

The Company adopted 32 business days as the Tender Offer Period versus the shortest allowable period defined by law of 20 business days. By setting a relatively long Tender Offer Period, the Company gives the Target's shareholders an opportunity to make suitable decisions regarding acceptance of the Tender Offer and also provides an opportunity for others besides the Company to make a competing Tender Offer and thereby contributes to the fairness of the Tender Offer Price.

Additionally, the Company has not made any agreements with the Target that prohibit contact by the Target with competing acquisition proposers or restrict contact by competing acquisition proposers with the Target. Along with the above-mentioned Tender Offer Period length, the Company provides an opportunity for competing Tender Offers and thereby contributes to the fairness of the Tender Offer.

7. Setting minimum planned purchase volume

In the Tender Offer, the Company sets a minimum planned purchase volume of 1,170,800 shares (ownership stake: 32.43%). The Company shall not purchase any of the offered share certificates, etc., if the total number of share certificates, etc., offered in the Tender Offer is less than the minimum (1,170,800 shares). Meanwhile, the Company does not set an upper limit to the planned purchase volume in the Tender Offer and therefore shall purchase all offered share certificates, etc., in a case in which the total number of offered share certificates, etc., exceeds the minimum planned purchase volume (1,170,800 shares). The minimum planned purchase volume (1,170,800 shares) is determined based on a majority of the shares (1,132,302 shares; this is the majority of the Target's shares owned by parties without interests related to the Company and hence represents the "majority of minority" in the Target's shares) out of the number of shares (2,264,602 shares), obtained by reducing (i) the 3,899,087 total outstanding shares as of September 30, 2017 reflecting the Target's 10-to-1 reverse share split taking effect on October 1, 2017 listed in the Target's Quarterly Financial Results by (ii) 288,538 shares, which represent 288,438 shares in treasury share volume as of September 30, 2017 plus 100 shares and reflect the effect of the reverse share split on October 1, 2017 listed in the Target's Quarterly Financial Results announced on October 31, 2017 by the Target, and (iii) 38,407 shares owned by the Company's wholly owned subsidiaries Oki Wintech and OKI Proserve and the 1,307,540 shares owned by the Company, plus the 38,407 shares owned by the Company's wholly owned subsidiaries Oki Wintech and OKI Proserve. The resulting amount (1,170,709 shares) is adjusted upward to the nearest single unit (100 shares) multiple. With this approach, the Company places emphasis on the sentiment of the Target's minority shareholders and takes a stance of not conducting the Transaction, including the Tender Offer, if it is unable to obtain the agreement of a majority of shareholders other than the Company's interested parties.

(4) Reorganization and other policies after the Tender Offer (items related to a two-stage acquisition)

The Company plans to acquire the Target as a wholly owned subsidiary as specified in "(1) Overview of the Tender Offer" (above) and intends to acquire all of the Target's shares (though excluding treasury shares owned by the Target) through the method explained below after finalization of the Tender Offer if it cannot acquire all of the Target's shares via the Tender Offer.

Specifically, if the total number of voting rights owned by the Company after finalization of the Tender Offer amounts to more than 90% of the Target's total shareholder voting rights and the Company thereby becomes a special dominant shareholder as stipulated in Article 179, Item 1 of the Companies Act (Act No. 86 of 2005, as amended; below, "Companies Act"), the Company plans to request that all of the Target's shareholders (besides the Company and the Target) sell all of the Target's shares they own (below, the "Share Sale Request") promptly after completing settlement of the Tender Offer according to the stipulation of 2-2-4-2 of the Companies Act.

In the Share Sale Request, the Company plans to pay the same amount as the Tender Offer Price to the Target's shareholders (besides the Company and the Target) as payment per one of the Target's shares. For this scenario, the Company shall notify the Target of its intention and request the Target's approval of the Share Sale Request in accordance with Article 179-3, Item 1 of the Companies Act. If the Target approves the Share Sale Request with a resolution by the Board of Directors, the Company shall acquire all of the Target's shares owned by the Target's shareholders who did not accept the Tender Offer (besides the Company and the Target) on the acquisition day specified in the Share Sale Request without requiring individual approval of the Target's shareholders in accordance with procedures stipulated by related laws. The Company plans to pay compensation per one of the Target's shares owned by the subject shareholders at the same amount as the Tender Offer Price.

The Target's shareholders who did not accept the Tender Offer shall be allowed to request a decision on the transaction price for the Target's shares they own from a court in accordance with stipulations in Article 179-8 in the Companies Act and other related laws that offer protection to the rights of minority shareholders related to the Share Sale Request. The court shall make a final decision on the transaction price for this type of filing.

Separately, if the total number of voting rights owned by the Company after finalization of the Tender Offer is less than 90% of the Target's total shareholder voting rights, the Company plans to ask the Target promptly after completing settlement of the Tender Offer to hold a provisional shareholders' general assembly (below, "provisional shareholders' general assembly") with resolution proposals for a reverse split of the Target's shares (below, the "share reverse split") and a change in the articles of incorporation to eliminate the share volume unit premised on the share reverse split taking effect. The Company intends to vote in favor of the subject resolution proposal at the provisional shareholders' general assembly.

If the share reverse split proposal is approved by the provisional shareholders' general assembly, the Target's shareholders shall own the number of shares determined by the share reverse split ratio approved at the provisional shareholders' general assembly on the day that the share reverse split takes effect. When the number of shares becomes a fraction (less than one share) due to the share reverse split, the Target's shareholders shall receive monetary compensation from selling the Target's shares corresponding to the subject total fraction (the subject fraction is removed in the case of having less than one share in the total number; below, the same treatment for processing subject fractions) to the Target or the Company in accordance with procedures stipulated by Article 235 of the Companies Act and related laws. Regarding the selling price for the Target's shares corresponding to the subject total fraction, the Company shall calculate a price that puts the monetary value paid to the Target's shareholders who did not accept the Tender Offer (besides the Company and the Target) at the same amount as that obtained by applying the Tender Offer Price to the number of Target shares held by the subject shareholders and request that the Target file for discretionary sale approval from a court.

While the ratio for the share reverse split is undecided at this point, the Company plans to set it at a level that converts the number of Target shares owned by the Target's shareholders who did not accept the Tender Offer (besides the Company and the Target) to less than one share so that the Company becomes the owner of all of the Target's shares (besides treasury shares owned by the Target).

In the case of a share reverse split and reduction in share volume to less than a fraction due to the share reverse split, the Target's shareholders shall be allowed to ask the Target to purchase all of the fraction that is less than one share owned by the shareholder at a fair price or request a decision on the transaction price for the Target's shares they own from a court in accordance with stipulations in Articles 182-4 and 182-5 of the Companies Act and other related laws that offer protection to the rights of minority shareholders related to the share reverse split. The Company plans to allow for this type of filing by the Target's shareholders who disagree with the share reverse split because it intends to conduct a share reverse split that reduces the number of Target shares owned by the Target's shareholders who did not accept the Tender Offer (besides the Company and the Target) to less than one share as explained above. The court shall make a final decision on the acquisition price for this type of filing.

It might take some time to implement the procedures described above or the Company might switch to a different method with roughly the same effect depending on revisions to related laws, the state of interpretation of related laws by authorities, and the Company's ownership percentage of share certificates, etc., and the ownership situation for Target shares by the Target's shareholders (besides the Company) after the Tender Offer.

However, even in this case, the Company intends to adopt a method that ultimately makes a monetary payment to the Target's shareholders who did not accept the Tender Offer (besides the Company and the Target), and the value of the payment made to the subject shareholders in this case shall be calculated to be equal to applying the Tender Offer Price to the number of Target shares held by the subject shareholders. The Target plans to promptly disclose the specific procedure, implementation timing, and other details in the above case once they have been decided.

The Tender Offer shall not solicit approval from the Target's shareholders at the provisional shareholders' general assembly. Additionally, the Target's shareholders should confirm with tax specialists on their own regarding the tax handling of acceptance of the Tender Offer or other above-mentioned procedures.

(5) Delisting outlook and reasons

The Target's shares are listed on the First Section of the Tokyo Stock Exchange at this point. However, the

Company has not set an upper limit for planned purchase volume in the Tender Offer, and depending on the results of the Tender Offer, there is a possibility of the Target's shares being delisted via designated procedures in accordance with Tokyo Stock Exchange's delisting standards. Also, even if the subject standards are not triggered at the point of finalizing the Tender Offer, the Company plans to implement procedures to acquire the Target as a wholly owned subsidiary after finalization of the Tender Offer as explained in "(4) Reorganization and other policies after the Tender Offer (items related to a two-stage acquisition)" (above), and this shall result in the Target's shares being delisted via designated procedures in accordance with Tokyo Stock Exchange's delisting standards. It will not be possible to trade the Target's shares on the First Section of the Tokyo Stock Exchange after the delisting.

2. Overview of the Tender Offer, etc.

(1) Overview of the Target

(1)	Name	Oki Electric Cable Co., Ltd.	
(2)	Address	2-12-8 Shimokodanaka, Nakahara-ku, Kawasaki, Kanagawa-ken	
(3)	Representative's title and name	Representative Director & President: Masasuke Kishi	
(4)	Business content	Electric wire/cable and EDM wire production and sales; real estate leasing	
(5)	Capital	4,304,793,000 yen (as of March 31, 2017)	
(6)	Date established	July 16, 1936	
(7)	Major shareholders and ownership stakes (as of March 31, 2017) (Note)	Oki Electric Co., Ltd.	33.53%
		Meiji Yasuda Life Insurance Company	5.35%
		Oki Electric Cable Business Association	3.92%
		Mizuho Bank Co., Ltd.	1.47%
		Japan Trustee Services Bank, Ltd. (trust)	1.39%
		Sompo Japan Nipponkoa Insurance Inc.	1.28%
		The Master Trust Bank of Japan , Ltd. (trust)	1.06%
		Japan Trustee Services Bank, Ltd. (trust 5)	1.04%
		Japan Trustee Services Bank, Ltd. (trust 1)	0.86%
		Oki Electric Cable Employee Stock Ownership Plan	0.85%
(8)	Relationships with listed companies	Capital relationship	The Company directly owns 1,307,540 Target shares (36.21% stake) and indirectly owns 38,407 Target shares (1.06% stake) through its wholly owned subsidiaries Oki Wintech and OKI Proserve and treats the Target as an equity-method affiliate. The Target owns 375,605 common shares in the Company that correspond to 0.43% of the Company's outstanding shares, including shares for a retirement benefits trust.
		Human relationships	One representative director of a Company subsidiary is also an outside director of the Target; one Company employee and one Company subsidiary director are also outside auditors at the Target.
		Business relationships	The Company's Group and the Target have product procurement and sales transactions.
		Related party situation	The Target is an equity-method affiliate of the Company and a related party.

(Note) "(7) Major shareholders and ownership stakes (as of March 31, 2017)" prepared using "Major shareholder situation" from the 115th Period Negotiable Securities Report submitted to the Target on June 22, 2017.

(2) Types of stock certificates, etc., covered by the Tender Offer, etc.
Common shares

(3) Schedule, etc.

1. Schedule

Board of Directors' meeting	October 31, 2017 (Tuesday)
Notice of the start of the Tender Offer	November 1, 2017 (Wednesday) Conducted electronic disclosure and communicated this news to Nikkei (Electronic disclosure address; http://disclosure.edinet-fsa.go.jp/)
Submission date for the Tender Offer notification	November 1, 2017 (Wednesday)

2. Tender Offer, etc., period in the initial notification
November 1, 2017 (Wednesday) to December 18, 2017 (Monday) (32 business days)

3. Possibility of an extension at the Target's request
No applicable items

(4) Tender Offer, etc., price
Common shares 3,650 yen per share

(5) Calculation basis for the Tender Offer, etc., price

1. Calculation basis

The Company asked financial adviser Mizuho Securities, as a third-party calculation entity independent from the Company and the Target, to calculate the Target's share value as part of deciding the Tender Offer Price. Mizuho Securities calculated the Target's share value using the market share price standard method and DCF method, and the Company obtained a share value calculation statement related to the Target's share value on October 30, 2017. The Company has not acquired an opinion regarding the fairness of the Tender Offer Price (fairness opinion) from Mizuho Securities.

Share value ranges per Target share calculated via the above methods are shown below.

Market share price standard method: 2,837 yen to 3,480 yen

DCF method: 3,298 yen to 3,875 yen

The market share price standard method determines a share value range per Target share of 2,837 yen to 3,480 yen utilizing October 30, 2017 as the standard day and taking into account the 3,480 yen closing price for the Target share in the First Section of the Tokyo Stock Exchange on the standard day, the 3,281 yen simple average of closing prices for the week prior to the standard day, the 3,224 yen simple average of closing prices for the month prior to the standard day, the 3,214 yen simple average of closing prices for the three months prior to the standard day (note), and the 2,837 yen simple average of closing prices for the six months prior to the standard day (note).

(Note)The Target conducted a 10-to-1 reverse split of its shares with October 1, 2017 as the effective day. Calculation of the prior three-month and prior six-month simple averages of closing prices apply a multiple of 10 to closing prices prior to the reverse split that took effect on October 1, 2017. The same applies to calculations of prior three-month and prior six-month simple averages of closing prices mentioned below.

The DCF method obtains a range of share value per target share of 3,298 yen to 3,875 yen based on an assessment of the Target's share value by discounting estimated future cash flow creation by the Target to present value using a certain discount rate. The cash flow view reflects the Target's future earnings outlook from fiscal 2017 in light of the business plan submitted by the Target (covering four years from fiscal 2017 to fiscal 2020) along with recent earnings trends, document-level Q&A with the target, general information, and other aspects. The Target's business plan utilized as a basis for the above-mentioned DCF method calculation does not include any business fiscal years with projections of steep profit increases or declines versus the previous fiscal year.

The Company ultimately decided to set the Tender Offer price at 3,650 yen on October 31, 2017 taking into account calculation results for the Target's share value obtained from Mizuho Securities, results from the Company's due diligence review of the Target for the acquisition, actual cases of premiums applied to tender offers by parties other than the issuer, movements by the Target's share price in the six months to the standard day and recent activity, results from multiple discussions and negotiations with the Target, the prospect of gaining approval of the Tender Offer from the Target's Board of Directors, and the outlook for acceptance of the Tender Offer.

The 3,650 yen Tender Offer Price adds premiums of 4.89% to the 3,480 yen closing price of the Target's shares on the First Section of the Tokyo Stock Exchange on October 30, 2017, the business day prior to announcement of the Tender Offer, 13.21% to the 3,224 yen simple average of closing prices for the month through the same day, 13.57% to the 3,214 yen simple average of closing prices for the three months through the same day, 2017, and 28.66% to the 2,837 yen simple average of closing prices for the six months through the same day.

2. Calculation background

(Background to the decision regarding the Tender Offer Price)

The Company started a full-fledged review of an acquisition of the Target as a wholly owned subsidiary in late July 2017, it contacted the Target in mid-August 2017, and the two companies held multiple discussions from late September. Following these activities, the Company concluded in mid-October that acquisition of the Target as a wholly owned subsidiary could enhance the Target's corporate value and strengthen the Group's overall earnings foundation by accelerating decisions on business strategy and utilizing human resources within the Group.

After the above-mentioned discussions and negotiations, the Company adopted a resolution to implement the Tender Offer with the aim of acquiring the Target as a wholly owned subsidiary and decided the Tender Offer Price in the following manner at a meeting of the Board of Directors held on October 31, 2017.

(i) Name of the third party that provided an opinion for the calculation

The Company referenced as a share value statement submitted by Mizuho Securities, a third-party calculation entity independent from the Company and the Target, in its decision on the Tender Offer Price. The Company has not obtained an opinion on the fairness of the Tender Offer Price from Mizuho Securities (fairness opinion).

(ii) Overview of the subject opinion

Mizuho Securities calculated the Target's share value using the market share price standard method and DCF method. Ranges of share value per Target share utilizing these methods are shown below.

Market share price standard method: 2,837 yen to 3,480 yen

DCF method: 3,298 yen to 3,875 yen

(iii) Background to reaching the Tender Offer Price in light of the subject opinion.

The Company ultimately decided to set the Tender Offer price at 3,650 yen on October 31, 2017 taking into account calculation results for the Target's share value obtained from Mizuho Securities, results from the Company's due diligence review of the target for the acquisition, actual cases of premiums applied to tender offers by parties other than the issuer, movements by the Target's share price in the six months to the standard day and recent activity, results from multiple discussions and negotiations with the Target, the prospect of gaining approval of the Tender Offer from the Target's Board of Directors, and the outlook for acceptance of the Tender Offer.

3. Relationship with the calculating entity

Mizuho Securities, the Company's financial adviser (calculating entity), is not a related party of the Company and does not have important interests related to the Tender Offer.

(6) Planned share certificates, etc.. purchase volume

Planned purchase volume	Minimum purchase volume	Maximum purchase volume
2,303,009(shares)	1,170,800(shares)	—(shares)

(Note 1)The Company shall not purchase any of the offered share certificates, etc., if the total number of share certificates, etc., offered is less than 1,170,800 shares. Meanwhile, the Company shall purchase all offered share certificates, etc., in a case in which the total number of offered share certificates, etc., exceeds the minimum planned purchase volume (1,170,800 shares).

(Note 2)The Tender Offer does not set an upper limit in the number on the planned purchase volume so the Company listed the maximum number of the Target's shares that can be purchased in the Tender Offer (2,303,009 shares) as the planned purchase volume. The 2,303,009 shares equals the amount obtained by deducting 288,538 shares, which covers the 288,438 treasury shares as of September 30, 2017 adjusted for the reverse split on October 1, 2017 cited in the Target's Quarterly Financial Results plus 100 shares, and the 1,307,540 shares owned by the Company from the 3,899,087 total outstanding shares as of September 30, 2017 adjusted for the reverse split on October 1, 2017 cited in the Target's Quarterly Financial Results.

(Note 3)The Company does not plan to acquire treasury shares owned by the Target in the Tender Offer.

(Note 4)The Tender Offer also covers shares that are less than a unit. If a shareholder exercises the right to request the purchase of shares less than a unit in accordance with the Companies Act, the Target may acquire its own shares during the Tender Offer period as specified by the legal procedure.

(7) Change in the share certificate, etc., ownership stake via the Tender Offer

Number of voting rights related to the Tender Offeror's share certificates, etc., prior to the Tender Offer, etc.	13,075	(Share certificates, etc., ownership stake prior to the Tender Offer 36.21%)
Number of voting rights related to the special party's share certificates, etc., prior to the Tender Offer, etc.	446	(Share certificates, etc,, ownership stake prior to the Tender Offer1.24%)
Number of voting rights related to the Tender Offeror's share certificates, etc., after the Tender Offer, etc.	36,105	(Share certificates, etc., ownership stake after the Tender Offer 100.00%)
Number of voting rights related to the special party's share certificates, etc., after the Tender Offer, etc.	0	(Share certificates, etc., ownership stake after the Tender Offer 0.00%)
Target's total number of shareholder voting rights	35,935	

(Note 1) The "Number of voting rights related to the special party's share certificates, etc., prior to the Tender Offer, etc." indicates the number of voting right related to share certificates, etc., owned by special parties (however, it excludes treasury shares owned by the Target and shares owned by special parties excluding from special parties by Article 3, Item 2, 1 of the Cabinet Office Ordinance (1990 Ministry of Finance Ordinance No.38, as amended; below, "Cabinet Office Ordinance") related to disclosure of a Tender Offer for share certificates, etc., by a party other than the issuer in the calculation of share certificates, etc., ownership stake in Companies Act Article 27-2, Item 1 points). The Tender Offer also covers share certificates, etc., owned by special parties (though excludes treasury shares owned by the Target), and this results in "zero" as "Number of voting rights related to the special party's share certificates, etc., after the Tender Offer, etc."

(Note 2) The "Target's total number of shareholder voting rights" is equal to the total number of shareholder voting rights (this uses 1,000 shares as a single unit) as of March 31, 2017 listed in the 116th period 1Q report submitted by the Target on August 10, 2017. However, the Tender Offer also covers shares below a single unit (though excluding treasury shares below a single unit owned by the Target). Calculation of "Share certificates, etc., ownership stake prior to the Tender Offer" and "Share certificates, etc., ownership stake after the Tender Offer" utilize 3,610,549 shares as the amount obtained by deducting 288,538 shares, which covers the 288,438 treasury shares as of September 30, 2017 adjusted for the reverse split on October 1, 2017 cited in the Target's Quarterly Financial Results plus 100 shares, from the 3,899,087 total outstanding shares as of September 30, 2017 adjusted for the reverse split on October 1, 2017 cited in the Target's Quarterly Financial Results. The 36,105 voting rights corresponding to this share volume (based on 100 shares as a single unit) serve as the denominator.

(Note 3) "Share certificates, etc., ownership stake prior to the Tender Offer" and "Share certificates, etc., ownership stake after the Tender Offer" are rounded to place under the third decimal point.

(8) Purchase cost 8,405,982,850 yen

(Note) The "purchase cost" reflects the value obtained by multiplying the Tender Offer Price (3,650 yen) by the planned purchase volume in the Tender Offer (2,303,009 shares).

(9) Settlement method

1. Name and main branch address of the securities firm, bank, or other financial entity handling Tender Offer settlements

Mizuho Securities Co., Ltd. 1-5-1 Otemachi, Chiyoda-ku, Tokyo

2. Starting date for settlements

December 25, 2017 (Monday)

3. Settlement method

Notices of the share purchases from the Tender Offer shall be sent without delay by mail after completion of the Tender Offer period to the address of shareholders who accepted the Tender Offer (below, "accepting shareholders") (standing agents in the case of foreign shareholders). Purchases shall be conducted in cash. Purchase funds for the share certificates, etc., being purchased shall be paid without delay after the starting date for settlements in accordance with instructions from the accepting shareholders (standing agents in the case of foreign shareholders) via a wire transfer to the location specified by the accepting shareholders (standing agents in the case of foreign shareholders) or the account of the accepting shareholders who accepted the Tender Offer agent's offer.

4. Method of returning share certificates, etc.

If accepting share certificates, etc., are not purchased due to terms specified in "1. Presence and content of terms listed in points under the Companies Act Article 27-13, Item 4" or "2. Presence and content of revoking, etc., of the Tender Offer and method of disclosing the revocation, etc." under "(10) Other Tender Offer terms and methods," the Tender Offer agent shall promptly return share certificates, etc., that require redemption to the state from prior to the acceptance from the next business day after the final day of the Tender Offer period (day of the revocation, etc., in the case of revoking, etc., of the Tender Offer).

(10) Other Tender Offer terms and methods

1. Presence and content of terms listed in points under the Companies Act, Article 27-13, Item 4

The Company shall not purchase any of the accepting share certificates, etc., if the total number of accepting share certificates, etc., is less than the minimum planned purchase share volume (1,170,800 shares). If the total number of accepting share certificates, etc., exceeds the minimum planned purchase share volume (1,170,800 shares), the Company shall purchase all accepting share certificates, etc.

2. Presence and content of revoking, etc., of the Tender Offer and method of disclosing the revocation, etc.

The Tender Offer shall be revoked, etc., in the case of satisfying any of the following items specified in the

Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended; below, the Order) Article 14-1, Item 1 (a), (i), (l), or (r), Article 14-1 Item 3 (a), (h), or (j), Article 14-1 Item 4, or Article 14-2 Item 3 or Item 6. "Facts equivalent to those set forth in sub-item (a) to sub-item (i)" in Article 14-1 Item 3 (j) refer to cases of discovering falsifications of important items or omissions of important items that should have been presented by the Target in legally required disclosure documents submitted previously.

Additionally, the Tender Offer might be revoked, etc., in the case of not receiving "permits, etc." from the Order Article 14-1 Item 4 by the day prior to the final day of the Tender Offer period (including in the case of an extension) because of the following situations related to the Tender Offeror's advance notification to the Fair Trade Commission stipulated in Article 10-2 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947, as amended) – (1) the Tender Offeror received advance notification from the Fair Trade Commission of a removal measures order with content that directs elimination of all or a portion of the Target's shares, the transfer or a portion of the Target's businesses, or similar actions, (2) the period for measures covered by the advance notification of a removal measures order based on the Act has not finished, or (3) the Tender Offer received an emergency suspension order from a court as a party potentially violating items presented in Article 10-1 of the Act.

The Offeror shall issue an electronic notice and also publish the news in Nikkei in the case of revocation, etc.

However, if it is difficult to provide the disclosure by the final day of the Tender Offer period, the Offeror shall give disclosure using the method specified in Article 20 of the Cabinet Office Ordinance and immediately issue a notice.

3. Presence of conditions for lowering the Tender Offer Price, content, and method of disclosure

According to Article 27-6 Item 1, Point 1 of the Act, if the Target engages in actions stipulated in Article 13-1 of the Order during the Tender Offer period, the Company may lower the Tender Offer Price based on Article 19 Item 1 of the Cabinet Office Ordinance.

The Offeror shall issue an electronic notice and also publish the news in Nikkei in the case of lowering the Tender Offer Price. However, if it is difficult to provide the disclosure by the final day of the Tender Offer period, the Offeror shall give disclosure using the method specified in Article 20 of the Cabinet Office Ordinance and immediately issue a notice. When the Tender Offer Price is lowered, accepting share certificates, etc., from prior to the subject notice shall also be purchased at the lowered Tender Offer Price.

4. Items regarding contract cancellation rights for accepting shareholders, etc.

Accepting shareholders may cancel contracts related to the Tender Offer at any time during the Tender Offer period. To cancel the contract, please send a document indicating cancellation of the contract related to the Tender Offer (below, "cancellation document") along with the reception ticket for the Tender Offer acceptance application to the headquarters or branch offices nationwide of the Tender Offer agent who handled the acceptance by 15:00 on the final day of the Tender Offer period. The contract cancellation shall be effective at the point when the cancellation document is given to or arrives at the Tender Offer agent. Therefore, in sending a cancellation document, please note that the contract cannot be cancelled unless it arrives at the Tender Offer agent by 15:00 on the final day of the Tender Offer period.

The Tender Offeror may not request damages compensation or a penalty from the accepting shareholder in the case of cancellation of the contract by an accepting shareholder. Additionally, the Tender Offeror shall pay costs related to the return of the accepted share certificates, etc. In the case of a cancellation, the accepted share certificates, etc., shall be promptly returned after completion of procedures related to the subject cancellation request by the method specified in "4. Method of returning share certificates, etc." under "(9) Settlement method."

5. Method of disclosure for a change in the Tender Offer terms, etc.

The Tender Offeror may change the Tender Offer terms, etc., during the Tender Offer period other than in cases prohibited by Article 27-6 Item 1 of the Act and Article 13 of the Order. The Offeror shall issue an electronic notice and also publish the news in Nikkei in the case of lowering the Tender Offer Price. However, if it is difficult to provide the disclosure by the final day of the Tender Offer period, the Offeror shall give disclosure using the method specified in Article 20 of the Cabinet Office Ordinance and immediately issue a notice. When the Tender Offer terms are changed, accepting share certificates, etc., from prior to the subject notice shall also be purchased at the revised Tender Offer terms.

6. Method of disclosure for submission of a revision notice

When a revision notice is submitted to the Kanto Finance Bureau (besides in cases stipulated in footnotes of Article 27-8, Item 11 of the Act), points from the revision notice related to content from the Tender Offer start notification shall be disclosed by the method stipulated in Article 20 of the Cabinet Office Ordinance. The Tender Offer explanatory documents shall be immediately revised. Also, the revised version of the Tender Offer explanatory documents shall be sent to accepting shareholders who already received the Tender Offer explanatory documents. In the case of minor revisions, however, the Offeror may notify the revision by preparing a document stating the reason for revisions, revised items, and content after the revisions and giving this document to accepting shareholders.

7. Method of disclosing the results of the Tender Offer

Results of the Tender Offer shall be disclosed on the day after the final day of the Tender Offer Period using the method specified in Article 9-4 and Article 30-2 of the Cabinet Office Ordinance.

8. Other points

The Tender Offer is not directly or indirectly taking place in the US or directed at the US. It also does not use US mail or other state or international commerce methods or means (including facsimiles, e-mails, Internet communications, telex, or telephones; though not limited to these ones) and is not taking place through US stock exchange facilities. It is not possible to accept the Tender Offer by the above-mentioned methods or means, the above-mentioned facilities, or from the US.

Furthermore, the Tender Offer notification and other related Tender Offer documents for the Tender Offer is not being sent or distributed by mail or other methods in the US, to the US, or from the US, and this type of delivery or distribution is not allowed. The Offeror may not permit acceptances of the Tender Offer that directly or indirectly violate these restrictions.

The Offeror might request that the accepting shareholder, etc. (standing agent in the case of foreign shareholders) provide the following statement or guarantee to the Tender Offer agent in regards to acceptance of the Tender Offer.

The accepting shareholder, etc., is not located in the use at the point of accepting the offer or sending the application to accept the Tender Offer. Any information related to the Tender Offer (including copies) shall not be directly or indirectly be received or sent in the US, to the US, or from the US. Transfers of the Tender Offer or signed Tender Offer acceptance application is not directly or indirectly using US mail or other state or international commerce methods or means (including facsimiles, e-mails, Internet communications, telex, or telephones; though not limited to these ones) and or taking place through US stock exchange facilities. The party is not acting as an agent, consignee, or mandated person on behalf of someone else without discretionary power (excluding cases in which the subject other person is receiving all instructions related to the Tender Offer from outside of the US).

(11) Notified Tender Offer starting date

November 1, 2017 (Wednesday)

(12) Tender Offer agent

Mizuho Securities Co., Ltd. 1-5-1 Otemachi, Chiyoda-ku, Tokyo

3. Policies after the Tender Offer and outlook

For details on policies after the Tender Offer, please refer to "(2) Background, purpose and decision-making process of decision to conduct the Tender Offer and management policy after implementation of the Tender Offer," "(4) Reorganization and other policies after the Tender Offer (items related to a two-stage acquisition)," and "(5) Delisting outlook and reasons" under "1. Purpose of the Tender Offer, etc." covered above.

4. Others

(1) Presence and content of agreements between the Offeror and Target or Target's directors

According to the Target's press release, the Target passed a resolution stating its consent to the Tender Offer and recommendation to shareholders to accept the Tender Offer at a meeting of the Board of Directors on October 31, 2017.

For details, please refer to the Target's press release and "5. Approval from all directors without interests at the Target and no dissenting opinions from auditors" in "(3) Measures to ensure the fairness of the Tender Offer such as measures to support the fairness of the Tender Offer price and measures to avoid conflicts of interest under "1. Purpose of the Tender Offer, etc." covered above.

(2) Other information required by investors to make decisions whether to accept the Tender Offer

1. Disclosure of the "Consolidated Financial Results for First Half of the Fiscal Year Ending March 31, 2018 (J-GAAP)"

On October 31, 2017, the Target released the "Consolidated Financial Results for First Half of the Fiscal Year Ending March 31, 2018 (J-GAAP)" at the Tokyo Stock Exchange. Below is a review of the Target's 2Q Fiscal 2017 Abbreviated Statement based on the subject disclosure. Content in the subject disclosure has not undergone a quarterly review by an auditing firm in light of provisions in Article 193-2, Item 1 of the Act. Additionally, the review of disclosure content shown below is just a portion of the Target's disclosure, and the Company is not in a position to independently assess its accuracy or authenticity and has not conducted a review. Please refer to the subject disclosure content for details.

(i) Income situation (consolidated)

Accounting period	Fiscal 2017 (2Q consolidated cumulative period)
Sales	6,326,632,000 yen
Sales production costs	4,639,094,000 yen
Sales expenses and general administrative expenses	1,141,654,000 yen
Non-operating income	17,148,000 yen
Non-operating expenses	1,517,000 yen
Quarterly net profit attributable to parent shareholders	414,537,000 yen

(ii) Situation per share (consolidated)

Accounting period	Fiscal 2017 2Q consolidated cumulative period)
Quarterly net profit per share	114.81 yen
Dividend per share	5.50 yen

2. Disclosure of "notification related to revision of the fiscal 2017 dividend target"

The Target disclosed a "notification related to revision of the fiscal 2017 dividend target" on October 31, 2017. According to the disclosure, the Target passed a resolution to not pay a period-end dividend for fiscal 2017 assuming successful completion of the Tender Offer at the meeting of the Board of Directors on October 31, 2017. Please refer to the content of the subject disclosure for details.