(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 11, 2020

NOTICE OF 96TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders,

Oki Electric Industry Co., Ltd. (the "Company") would hereby like to inform you that the 96TH ordinary general meeting of shareholders will be held as follows.

To prevent the spread of novel coronavirus disease (COVID-19), shareholders are kindly requested to exercise their voting rights in writing or via the Internet, etc. for this general meeting of shareholders, and refrain from attending the meeting in person. On the meeting day, we will ensure appropriate social distancing between seats and this will significantly reduce the number of seats available, compared to the previous years. Accordingly, even if you come to the venue, you may not be able to enter. We would appreciate your understanding in advance.

Shareholders are kindly requested to review "Reference Documents for the General Meeting of Shareholders" provided hereunder and exercise their voting rights by no later than 5:15 p.m. on June 25 (Thursday), 2020 (JST).

Yours faithfully,

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

(Translation)

1. Date and Time: Friday, June 26, 2020, from 10:00 a.m. (Reception will open at 9:30 a.m.)

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

The date and time, and location are subject to change due to the situation regarding the COVID-19 outbreak. Any change that occurs will be announced on our website (https://www.oki.com/jp/). Should you intend to attend the meeting, please check the website in advance.

3. Meeting Agenda

Items to be reported:

1. Business Report, Consolidated Financial Statements and audit results of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the 96th fiscal year (from April 1, 2019 to March 31, 2020)
2. Non-consolidated Financial Statements for the 96th fiscal year (from April 1, 2019 to March 31, 2020)

Items to be resolved:

Agenda Item 1: Appropriation of Surplus
Agenda Item 2: Election of Nine (9) Directors
Agenda Item 3: Election of Two (2) Audit & Supervisory Board Members

Instructions for the Exercise of Voting Rights

Exercise of voting rights via postal mail:
Please indicate your approval or disapproval in the space provided on the ballot and return the ballot to the Company no later than 5:15 p.m., June 25 (Thursday), 2020 (JST).

Exercise of voting rights via the Internet, etc.:
Please read "Instructions for the Exercise of Voting Rights via the Internet, etc." on page 3, and indicate your approval or disapproval no later than 5:15 p.m., June 25 (Thursday), 2020 (JST).

Exercise of voting rights via attending the meeting:
Please bring and always wear a face mask. Present the enclosed ballot at the reception desk of the meeting.

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* If you exercise your voting rights both in writing and via the Internet, etc., we will regard the vote cast via the Internet, etc. to be effective.
* If you exercise your voting rights more than once via the Internet, etc., we will regard the last vote you cast to be the effective one.
* The Company has provided the Notice of 96th Ordinary General Meeting of Shareholders on its Internet website (https://www.oki.com/jp/). 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)

Instructions for the Exercise of Voting Rights via the Internet

How to scan QR code "Smart Exercise"	**How to enter voting rights exercise code and password**
You can simply login to the voting site without entering your voting rights exercise code and password. 1. Please scan the QR code provided at the bottom right of the voting rights exercise form. * "QR code" is a registered trademark of Denso Wave Incorporated. 2. Please input approval or disapproval to each proposal in accordance with the instructions on the screen. Exercising voting rights by "Smart Exercise" is available **only once**. If you need to change your votes after excising your voting rights, please log in the voting site for a personal computer by using your "voting rights exercise code" and "password" provided on the voting rights exercise form and exercise your voting rights again. * If you rescan the QR code, you can access the Exercise of Voting Rights Website for a personal computer.	Voting site: https://soukai.mizuho-tb.co.jp/ 1. Please access the voting site. 2. Please enter the "voting rights exercise code" printed on the voting rights exercise form. 3. Please enter the "password" printed on the voting rights exercise form. 4. Please input approval or disapproval to each proposal in accordance with the instructions on the screen.
If you have any inquiries about the operation of a personal computer, a smartphone or a cellular phone regarding the exercise of voting rights via the Internet, please contact on the right-hand side:	Internet Help Dial, Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd. Tel: 0120-768-524 (toll free, only in Japan) (Operating hours: 9:00 a.m. to 9:00 p.m. excluding Saturdays, Sundays and national holidays)

Institutional investors can utilize the electronic voting platform operated by ICJ, Inc.

(Translation)

Reference Documents for the General Meeting of Shareholders

Agenda Items and Reference Matters

Agenda Item 1: Appropriation of Surplus

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

The Company's policy of return of profits to shareholders is described on pages 18 to 19.

1. Type of dividend asset

Cash

2. Allocation of dividend assets and total amount of dividends

Common stock of the Company	¥50 per share
Total dividends	¥4,326,350,950

3. Effective date of dividend of surplus

June 29, 2020

(Translation)

Agenda Item 2: Election of Nine (9) Directors

The tenure of office of all nine Directors will expire at the conclusion of this general meeting of shareholders. Accordingly, the Company proposes the election of nine Directors, and the candidates are shown as follows. The candidates for Directors have been approved by the Board of Directors after deliberation by the Personnel Affairs and Compensation Advisory Committee, consisting of five members including four outside officers.

Candidate number	Name		Current position/ responsibility in the Company	Number of attendance at meetings of the Board of Directors	Number of years in office
1	Hideichi Kawasaki	Re-election Inside	Chairman of the Board	100% (14 out of 14 times)	15
2	Shinya Kamagami	Re-election Inside	President, Representative Director Supervision	100% (14 out of 14 times)	6
3	Masayuki Hoshi	Re-election Inside	Senior Executive Vice President, Representative Director Chief Compliance Officer Chief Financial Officer Chief Information Officer	100% (14 out of 14 times)	4
4	Masashi Tsuboi	Re-election Inside	Executive Vice President and Member of the Board Head of Solution Systems Business Group	100% (10 out of 10 times)	1
5	Masashi Fuse	Re-election Inside	Senior Vice President and Member of the Board Head of Corporate Group Internal Control Administrator	100% (10 out of 10 times)	1
6	Shigeru Asaba	Re-election Outside Independent	Outside Director	100% (14 out of 14 times)	3
7	Tamotsu Saito	Re-election Outside Independent	Outside Director	100% (14 out of 14 times)	2
8	Izumi Kawashima (female)	Re-election Outside Independent	Outside Director	100% (14 out of 14 times)	2
9	Makoto Kigawa	Re-election Outside Independent	Outside Director	90% (9 out of 10 times)	1

(Translation)

Candidate number	Name (Date of birth)	Brief personal profile, position and responsibility in the Company and significant concurrent positions
[Re-election] 1	Hideichi Kawasaki (January 10, 1947) Number of years in office as Director: 15 years (as of the conclusion of this general meeting of shareholders) Number of attendance at meetings of the Board of Directors (the year under review): 14 out of 14 times (100%) Number of Oki shares held: Common stock 17,900 shares	Apr. 1970 Joined Oki Electric Industry Co., Ltd. Apr. 2001 Executive Officer Apr. 2004 Senior Vice President Jun. 2005 Managing Director Apr. 2009 Senior Executive Vice President, Representative Director Jun. 2009 President, Representative Director Apr. 2016 Chairman of the Board, Representative Director Jun. 2018 Chairman of the Board (incumbent) (Significant concurrent positions) He will assume the office of Outside Director of Japan Petroleum Exploration Co., Ltd. in June 2020. **Reason for the selection of candidate for Director** Based on his past experience as President and Representative Director, Mr. Hideichi Kawasaki has the knowledge and experience to decide important matters and supervise the business execution of Directors and Executive Officers in an appropriate, fair, and efficient manner. Mr. Kawasaki assumed the office of Director in June 2005, and has been assisting and advising the management team as Chairman of the Board since fiscal 2016. He has been nominated as a candidate for Director because it is expected that, as a member of the board and the Chairman, he will continue to enhance information sharing among directors and strengthen the Board of Director's decision-making functions.
[Re-election] 2	Shinya Kamagami (February 9, 1959) Number of years in office as Director: 6 years (as of the conclusion of this general meeting of shareholders) Number of attendance at meetings of the Board of Directors (the year under review): 14 out of 14 times (100%) Number of Oki shares held: Common stock 11,900 shares	Apr. 1981 Joined Oki Electric Industry Co., Ltd. Apr. 2001 Manager, Hardware Development Department No. 2, Terminal Systems Division, Systems Solution Company Apr. 2005 Head of Systems Hardware Development Division, Systems Hardware Company, Systems Networks Business Group Apr. 2011 Executive Officer Apr. 2012 Senior Vice President Jun. 2014 Senior Vice President and Member of the Board Apr. 2016 President, Representative Director (incumbent) **Reason for the selection of candidate for Director** Based on his past experience serving in business divisions and headquarters divisions, Mr. Shinya Kamagami has the knowledge and experience to decide important matters and supervise the business execution of Directors and Executive Officers in an appropriate, fair, and efficient manner. Mr. Kamagami assumed the office of Director in June 2014, and has been engaging in management of OKI Group as President and Representative Director since fiscal 2016. He has been nominated as a candidate for Director because it is expected that, as a member of the board, he will continue to enhance information sharing among directors and strengthen the Board of Director's decision-making functions.

(Translation)

<table>
<tr><th>Candidate number</th><th>Name
(Date of birth)</th><th>Brief personal profile, position and responsibility in the Company and significant concurrent positions</th></tr>
<tr><td rowspan="2">[Re-election]
3</td><td rowspan="2">Masayuki Hoshi
(March 9, 1960)

Number of years in office as Director:
4 years
(as of the conclusion of this general meeting of shareholders)

Number of attendance at meetings of the Board of Directors
(the year under review):
14 out of 14 times
(100%)

Number of Oki shares held:
Common stock
4,500 shares</td><td>Apr. 1982 Joined The Fuji Bank, Limited
Apr. 2007 General Manager of Global Trade Finance Division, Mizuho Corporate Bank, Ltd.
Apr. 2009 Executive Officer, General Manager of Corporate Banking Division No.17
Apr. 2011 Managing Executive Officer, Head of Global Transaction Banking Unit
Jun. 2014 Managing Executive Officer, Mizuho Financial Group, Inc.
May 2015 Senior Vice President, Oki Electric Industry Co., Ltd.
Apr. 2016 Chief Risk Management Officer
Head of Corporate Planning Group
Jun. 2016 Senior Vice President and Member of the Board
Apr. 2017 Executive Vice President and Member of the Board
Chief Financial Officer (incumbent)
Jun. 2018 Chief Compliance Officer (incumbent)
Apr. 2019 Senior Executive Vice President, Representative Director (incumbent)
Chief Information Officer (incumbent)</td></tr>
<tr><td>Reason for the selection of candidate for Director
Mr. Masayuki Hoshi has abundant experience gained as Managing Executive Officer at Mizuho Financial Group, which the candidate comes from, and has a deep understanding of governance and perspective related to the global business on which the Company focuses. He also has the knowledge and experience to decide important matters and supervise the business execution of Directors and Executive Officers in an appropriate, fair, and efficient manner. Mr. Hoshi assumed the office of Director in June 2016, and has been playing core role in management by concurrently serving as Senior Executive Vice President, Representative Director since fiscal 2019. He has been nominated as a candidate for Director because it is expected that, as a member of the board, he will enhance information sharing among directors and strengthen the Board of Director’s decision-making functions.</td></tr>
</table>

(Translation)

<table>
<tr><th>Candidate number</th><th>Name
(Date of birth)</th><th>Brief personal profile, position and responsibility in the Company and significant concurrent positions</th></tr>
<tr><td rowspan="2">[Re-election]
4</td><td rowspan="2">Masashi Tsuboi
(May 16, 1960)

Number of years in office as Director:
1 year
(as of the conclusion of this general meeting of shareholders)

Number of attendance at meetings of the Board of Directors
(the year under review):
10 out of 10 times
(100%)

Number of Oki shares held:
Common stock
5,600 shares</td><td>Apr. 1983 Joined Oki Electric Industry Co., Ltd.
Apr. 2002 President, Multimedia Messaging Company
Apr. 2011 Manager, Corporate Network Systems Division, Telecom Systems Group
Apr. 2014 Manager, Information Systems Division, Solution & Services Group
Apr. 2015 Executive Officer
Apr. 2016 Deputy Head of ICT Business Group
Apr. 2017 Senior Vice President, Head of ICT Business Group
Jun. 2019 Senior Vice President and Member of the Board
Apr. 2020 Executive Vice President and Member of the Board (incumbent)
Head of Solution Systems Business Group (incumbent)</td></tr>
<tr><td>Reason for the selection of candidate for Director
Based on his past experience serving in business divisions, Mr. Masashi Tsuboi has the knowledge and experience to decide important matters and supervise the business execution of Directors and Executive Officers in an appropriate, fair, and efficient manner. Mr. Tsuboi assumed the office of Director in June 2019, and has been engaging in core businesses of the Company as Executive Vice President and Head of Solution Systems Business Group since fiscal 2020. He has been nominated as a candidate for Director because it is expected that he will enhance information sharing among directors and strengthen the Board of Director’s decision-making functions.</td></tr>
<tr><td rowspan="2">[Re-election]
5</td><td rowspan="2">Masashi Fuse
(February 23, 1961)

Number of years in office as Director:
1 year
(as of the conclusion of this general meeting of shareholders)

Number of attendance at meetings of the Board of Directors
(the year under review):
10 out of 10 times
(100%)

Number of Oki shares held:
Common stock
2,700 shares</td><td>Apr. 1984 Joined Oki Electric Industry Co., Ltd.
Jun. 1994 Oki America Inc.
Apr. 2015 Head of Accounting & Control Division, Oki Electric Industry Co., Ltd.
Jun. 2015 Outside Director, SAXA Holdings, Inc.
Apr. 2016 Executive Officer, Oki Electric Industry Co., Ltd.
Apr. 2018 Senior Executive Officer
Head of Corporate Management Group
Jun. 2019 Senior Executive Officer and Member of the Board
Apr. 2020 Senior Vice President and Member of the Board (incumbent)
Head of Corporate Group (incumbent)
Internal Control Administrator (incumbent)</td></tr>
<tr><td>Reason for the selection of candidate for Director
Based on his past experience serving in headquarters divisions, accounting & control division, and overseas offices, Mr. Masashi Fuse has the knowledge and experience to decide important matters and supervise the business execution of Directors and Executive Officers in an appropriate, fair, and efficient manner. Mr. Fuse assumed the office of Director in June 2019, and has been playing a core role in corporate management as Senior Vice President and Head of Corporate Group since fiscal 2020. He has been nominated as a candidate for Director because it is expected that he will enhance information sharing among directors and strengthen the Board of Director’s decision-making functions.</td></tr>
</table>

(Translation)

<table>
<tr><th>Candidate number</th><th>Name
(Date of birth)</th><th>Brief personal profile, position and responsibility in the Company and significant concurrent positions</th></tr>
<tr><td rowspan="2">[Outside]
[Independent]
[Re-election]
6</td><td rowspan="2">Shigeru Asaba
(May 21, 1961)

Number of years in office as Director:
3 years
(as of the conclusion of this general meeting of shareholders)

Number of attendance at meetings of the Board of Directors
(the year under review):
14 out of 14 times
(100%)

Number of Oki shares held:
Common stock
0 shares</td><td>Apr. 1992 Associate Professor, Faculty of Economics, Gakushuin University
Mar. 1994 Ph.D., Economics, University of Tokyo
Apr. 1997 Professor, Faculty of Economics, Gakushuin University
Apr. 2013 Professor, Graduate School of Commerce, Waseda University
Apr. 2016 Professor, Waseda Business School (Graduate School of Business and Finance)
Jun. 2016 Outside Director, Nippon Beet Sugar Manufacturing Co., Ltd. (incumbent)
Sep. 2016 Dean, Waseda Business School (Graduate School of Business and Finance) (incumbent)
Jun. 2017 Outside Director, Oki Electric Industry Co., Ltd. (incumbent)
(Significant concurrent positions)
Outside Director, Nippon Beet Sugar Manufacturing Co., Ltd.
*The volume of transactions between the above company and the Company accounts for less than 1% of each company’s net sales.</td></tr>
<tr><td>Reason for the selection of candidate for Outside Director
Mr. Shigeru Asaba is currently the Dean of Waseda Business School (Graduate School of Business and Finance) and has academic expertise in business in general though his specialist knowledge in the fields of industrial organizations, corporate strategy, competitive strategy, ownership structures and strategies, and family-run businesses as well as high ethical standards. He also has experience as Outside Director at Nippon Beet Sugar Manufacturing Co., Ltd. from June 2016. He has been nominated as a candidate for Outside Director as the Company judges that he is able to provide appropriate supervision over the business management and the Company is able to rely on his appropriate opinions and advice. Although he has never had experience of being involved in corporate management other than as an outside officer, the Company determined that he will be able to carry out the duties of Outside Director appropriately for the aforementioned reason.</td></tr>
</table>

(Translation)

<table>
<tr><th>Candidate number</th><th>Name
(Date of birth)</th><th>Brief personal profile, position and responsibility in the Company and significant concurrent positions</th></tr>
<tr><td rowspan="2">[Outside]
[Independent]
[Re-election]
7</td><td rowspan="2">Tamotsu Saito
(July 13, 1952)

Number of years in office as Director:
2 years
(as of the conclusion of this general meeting of shareholders)

Number of attendance at meetings of the Board of Directors
(the year under review):
14 out of 14 times
(100%)

Number of Oki shares held:
Common stock
1,400 shares</td><td>Apr. 1975 Joined Ishikawajima-Harima Heavy Industries Co., Ltd.
Jun. 2006 Executive Officer, Vice President of Aero-Engine & Space Operations
Apr. 2008 Director, Executive Officer, President of Aero-Engine & Space Operations, IHI Corporation
Apr. 2011 Executive Vice President
Apr. 2012 President
Apr. 2016 Chairman of the Board
Jun. 2017 Outside Director, JAPAN POST INSURANCE Co., Ltd. (incumbent)
Jun. 2018 Outside Director, Oki Electric Industry Co., Ltd. (incumbent)
Apr. 2020 Director, IHI Corporation (incumbent)
(Significant concurrent positions)
Director, IHI Corporation
Outside Director, JAPAN POST INSURANCE Co., Ltd.
*The volume of transactions between the above companies and the Company accounts for less than 1% of each company’s net sales.
He will retire as Director of IHI Corporation in June 2020.</td></tr>
<tr><td>Reason for the selection of candidate for Outside Director
Mr. Tamotsu Saito served as a representative director of IHI Corporation for many years. He has extensive management experience and high ethical standards as a business leader, not just in the industry but for the whole of Japan, and the Company judges that he is able to provide appropriate supervision over the business management at the Company. He has been nominated as a candidate for Outside Director as the Company judges that it is able to rely on his appropriate opinions and advice from both a business management perspective and a compliance perspective, and judges that he is a suitable candidate for Outside Director.</td></tr>
</table>

(Translation)

<table>
<tr><th>Candidate number</th><th>Name
(Date of birth)</th><th>Brief personal profile, position and responsibility in the Company and significant concurrent positions</th></tr>
<tr><td rowspan="2">[Outside]
[Independent]
[Re-election]
8</td><td rowspan="2">Izumi Kawashima
(June 25, 1955)

Number of years in office as Director:
2 years
(as of the conclusion of this general meeting of shareholders)

Number of attendance at meetings of the Board of Directors
(the year under review):
14 out of 14 times
(100%)

Number of Oki shares held:
Common stock
200 shares</td><td>Mar. 1985 Left Graduate School of Law, Waseda University after completing a doctoral course
Apr. 1989 Associate Professor, Faculty of Economics, Gifu Keizai University
Apr. 1996 Professor, School of Law, Senshu University
Sep. 2004 Professor, Faculty of Social Sciences, Waseda University (incumbent)
Jun. 2016 Outside Director, Oki Electric Cable Co., Ltd.
Jun. 2018 Outside Director, Oki Electric Industry Co., Ltd. (incumbent)</td></tr>
<tr><td>Reason for the selection of candidate for Outside Director
Ms. Izumi Kawashima is currently a professor of the Faculty of Social Sciences at Waseda University. She specializes in commercial law (mainly the Companies Act) and the Financial Instruments and Exchange Act, and particularly has academic specialist knowledge relating to the Companies Act and corporate governance as well as high ethical standards. She also has experience as Outside Director of Oki Electric Cable Co., Ltd., which was a listed company, from June 2016. She has been nominated as a candidate for Outside Director as the Company judges that she is able to provide appropriate supervision over the business management and the Company is able to rely on her appropriate opinions and advice. Although she has never had experience of being involved in corporate management other than as an outside officer, the Company determined that she will be able to carry out the duties of Outside Director appropriately for the aforementioned reason.</td></tr>
</table>

(Translation)

Candidate number	Name (Date of birth)	Brief personal profile, position and responsibility in the Company and significant concurrent positions
[Outside] [Independent] [Re-election] 9	Makoto Kigawa (December 31, 1949) Number of years in office as Director: 1 year (as of the conclusion of this general meeting of shareholders) Number of attendance at meetings of the Board of Directors (the year under review): 9 out of 10 times (90%) Number of Oki shares held: Common stock 100 shares	Apr. 1973 Joined the Fuji Bank, Ltd. Apr. 2004 Managing Director, Mizuho Corporate Bank, Ltd. Mar. 2005 Resigned Mizuho Corporate Bank, Ltd. Apr. 2005 Joined Yamato Transport Co., Ltd. Jun. 2005 Managing Director Apr. 2011 Representative Director, Executive Officer and President, Yamato Holdings Co., Ltd. Apr. 2016 Outside Director, Komatsu Ltd. (incumbent) Apr. 2018 Chairperson of the Board of Directors, Yamato Holdings, Co., Ltd. Jun. 2018 Outside Director, Seven Bank, Ltd. (incumbent) Jun. 2019 Outside Director, Oki Electric Industry Co., Ltd. (incumbent) Retired as Director, Yamato Holdings Co., Ltd. Apr. 2020 Outside Corporate Auditor, The Higo Bank, Ltd. (incumbent) (Significant concurrent positions) Outside Director, Komatsu Ltd. Outside Director, Seven Bank, Ltd. Outside Corporate Auditor, The Higo Bank, Ltd. *The volume of transactions between the above companies and the Company accounts for less than 1% of each company's net sales. **Reason for the selection of candidate for Outside Director** Mr. Makoto Kigawa served as Representative Director of Yamato Holdings Co., Ltd. for many years, after serving in the financial institution as an executive, and has extensive management experience and high ethical standards. The Company judges that he is able to provide appropriate supervision over the business management at the Company. He has been nominated as a candidate for Outside Director as the Company judges that it is able to rely on his appropriate opinions and advice from both a business management perspective and a compliance perspective, and judges that he is a suitable candidate for Outside Director.

Notes:

1. There is no special conflict of interest between each candidate and the Company.
2. Mr. Shigeru Asaba, Mr. Tamotsu Saito, Ms. Izumi Kawashima, and Mr. Makoto Kigawa are candidates for outside directors.
3. When Mr. Tamotsu Saito was a director of IHI Corporation, it was revealed that the maintenance of commercial aircraft engines was performed inappropriately. In March 2019, pursuant to the Aircraft Manufacturing Industry Act, the Ministry of Economy, Trade and Industry ordered that IHI Corporation conduct the necessary repairs in an approved manner. In April 2019, IHI Corporation received a business improvement order from the Ministry of Land, Infrastructure, Transport and Tourism in accordance with the Civil Aeronautics Law.
   It came to light that at JAPAN POST INSURANCE Co., Ltd., where Mr. Tamotsu Saito has been an outside director since June 2017, there was a case pertaining to contract transfers, etc. where it is possible to have caused a loss without acting in accordance with customers' wishes. With regard to this case, the aforementioned company received administrative sanctions from the Financial Services Agency on December 27, 2019 based on the Insurance Business Act. However, Mr. Saito fulfilled his duties by continuously making proposals from the viewpoint of legal compliance, and after this case came to light, he made proposals, etc. in order to protect customers and prevent recurrence.
4. Mr. Makoto Kigawa served as a director of Yamato Holdings Co., Ltd. until June 2019. In February 2017, the Yamato Group started to investigate the actual labor hours of employees and found out various problems remained

unrecognized, such as no enough breaks for many employees. Because this situation was considered to be serious, the Yamato Group has been promoting work-style reforms, for example, “improve and strictly conduct labor management” and “promote a work-life balance,” and implementing various structural reforms.
Yamato Home Convenience Co., Ltd., a consolidated subsidiary of Yamato Holdings Co., Ltd., made payment requests in an inappropriate manner in violation of contract provisions when it provided relocation services to employees of its corporate customers. In January 2019, it became subject to an administrative disposition and received a business improvement order from the Ministry of Land, Infrastructure, Transport and Tourism. Yamato Holdings Co., Ltd. has striven to build the necessary structure to prevent Yamato Home Convenience Co., Ltd. from facing similar situations and to strengthen governance in order to enhance the soundness of group management.

5. The Company has entered into a liability limitation agreement with Mr. Shigeru Asaba, Mr. Tamotsu Saito, Ms. Izumi Kawashima, and Mr. Makoto Kigawa. The outline of the agreement is provided on page 28 in the Business Report. If their reappointment is approved, the Company will continue this agreement with them.
6. Mr. Shigeru Asaba, Mr. Tamotsu Saito, Ms. Izumi Kawashima, and Mr. Makoto Kigawa are independent officers based on the terms of the Tokyo Stock Exchange. If their reappointment is approved, they will continue to be independent officers.

(Translation)

Agenda Item 3: Election of Two (2) Audit & Supervisory Board Members

The tenure of office of Audit & Supervisory Board Members Kuninori Hamaguchi and Yoichi Nitta will expire at the end of this general meeting of shareholders. Accordingly, the Company proposes the election of two Audit & Supervisory Board Members, and the candidates are shown as follows.

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

<table>
<tr><th>Candidate number</th><th>Name
(Date of birth)</th><th>Brief personal profile, position in the Company
and significant concurrent positions</th></tr>
<tr><td rowspan="2">[Outside]
[Independent]
[Newly-nominated]
1</td><td rowspan="2">Hideo Shiwa
(October 21, 1954)

Number of years in office as Audit & Supervisory Board Member:
–
(as of the conclusion of this general meeting of shareholders)

Number of attendance at meetings of the Board of Directors (the year under review):
–

Number of attendance at meetings of the Audit & Supervisory Board (the year under review):
–

Number of Oki shares held:
Common stock
0 shares</td><td>Apr. 1978 Joined Fujikura Electric Wire Corporation (currently Fujikura Ltd.)
Apr. 2004 General Manager of Finance & Accounting Division, Fujikura Ltd.
Apr. 2007 Executive Officer, General Manager of Electronics & Automotive Product Planning Division
Apr. 2011 Managing Executive Officer, Deputy Chief of Electronics Business Segment
Jun. 2014 Director, Managing Executive Officer, Chief of Real Estate Business Company, Deputy Chief of Corporate Staff Unit
Apr. 2016 Director, Senior Managing Executive Officer
President, Fujikura (China) Co., Ltd.
Apr. 2018 Full-time Advisor, Fujikura Ltd.
Mar. 2020 External Director (Audit and Supervisory Committee Member), OUTSOURCING Inc. (incumbent)
(Significant concurrent positions)
External Director (Audit and Supervisory Committee Member), OUTSOURCING Inc.
*The volume of transactions between the above company or Fujikura Ltd. and the Company accounts for less than 1% of each company’s net sales.</td></tr>
<tr><td>Reason for the selection of candidate for Outside Audit & Supervisory Board Member
Mr. Hideo Shiwa headed the finance & accounting and planning divisions and presided over a business company and unit of the head office of a manufacturing company before serving as Director and Senior Managing Executive Office and completing overseas assignments. He has been nominated as a candidate for Outside Audit & Supervisory Board Member because it is expected that he will perform appropriate auditing on the Company’s management by utilizing his extensive experience, global knowledge and high level of ethical standards.</td></tr>
</table>

(Translation)

Candidate number	Name (Date of birth)	Brief personal profile, position in the Company and significant concurrent positions
[Outside] [Independent] [Newly-nominated] 2	Ryuichi Makino (September 6, 1957) Number of years in office as Audit & Supervisory Board Member: – (as of the conclusion of this general meeting of shareholders) Number of attendance at meetings of the Board of Directors (the year under review): – Number of attendance at meetings of the Audit & Supervisory Board (the year under review): – Number of Oki shares held: Common stock 0 shares	Apr. 1980 Joined Asahi & Co. (currently KPMG AZSA LLC) Feb. 1983 Registered as Certified Public Accountant Jun. 2006 Representative Partner, KPMG AZSA LLC Jul. 2018 Assumed the office of Member of Compliance Committee Jun. 2019 Retired from KPMG AZSA LLC Jul. 2019 Head of Ryuichi Makino CPA Office (incumbent) (Significant concurrent positions) Head of Ryuichi Makino CPA Office He will assume the office of Outside Audit & Supervisory Board Member of Synchro Food Co., Ltd. in June 2020. *The volume of transactions between the above companies and the Company accounts for less than 1% of each company's net sales. **Reason for the selection of candidate for Outside Audit & Supervisory Board Member** As a certified public accountant, Mr. Ryuichi Makino has been engaged in accounting audit of manufacturers and other businesses in a wide range of industries for many years. He also has extensive knowledge in internal control. He has been nominated as a candidate for Outside Audit & Supervisory Board Member as the Company judges that he will be able to perform auditing on the Company's management in an objective, neutral manner by utilizing his extensive experience, knowledge and high level of ethical standards. Although he has never had experience of being involved in corporate management, the Company determined that he will be able to carry out the duties of Outside Audit & Supervisory Board Member appropriately for the aforementioned reason.

Notes:

1. There is no special conflict of interest between each candidate and the Company.
2. Mr. Hideo Shiwa and Mr. Ryuichi Makino have served in the positions described above and have extensive knowledge in finance, accounting, and judicial affairs necessary for auditing of the Company.
3. If the appointment of Mr. Hideo Shiwa and Mr. Ryuichi Makino is approved, the Company will enter into a liability limitation agreement with them. The outline of this agreement is provided on page 28 in the Business Report.
4. If the appointment of Mr. Hideo Shiwa and Mr. Ryuichi Makino is approved, they will be independent officer based on the terms of the Tokyo Stock Exchange.

(Translation)

(Reference) Table of Members of Board of Directors, Personnel Affairs and Compensation Advisory Committee, and Audit & Supervisory Board

If Agenda Items 2 and 3 are approved, the Board of Directors and Audit & Supervisory Board will appoint and select the following persons at their meeting to be held after the conclusion of this general meeting of shareholders, and the structure comprising these personnel will engage in management of the OKI Group.

	Name	Board of Directors	Personnel Affairs and Compensation Advisory Committee	Audit & Supervisory Board	Position
Director	Hideichi Kawasaki	◎ Chairperson	○		Chairman of the Board
	Shinya Kamagami	○			President, Representative Director
	Masayuki Hoshi	○			Senior Executive Vice President, Representative Director
	Masashi Tsuboi	○			Executive Vice President and Member of the Board
	Masashi Fuse	○			Senior Vice President and Member of the Board
	Shigeru Asaba	○	◎ Chairperson		Independent Outside Director
	Tamotsu Saito	○	○		Independent Outside Director
	Izumi Kawashima	○	○		Independent Outside Director
	Makoto Kigawa	○	○		Independent Outside Director
Audit & Supervisory Board Member	Sei Yano	△		◎ Chairperson	Standing Audit & Supervisory Board Member
	Toshiya Hatakeyama	△		○	Standing Audit & Supervisory Board Member
	Hideo Shiwa	△		○	Independent Outside Audit & Supervisory Board Member
	Ryuichi Makino	△		○	Independent Outside Audit & Supervisory Board Member

○ Member
◎ Chairperson
△ Persons who are members and have a right and obligation to attend relevant meetings

(Translation)

(Reference) The Company's stance towards independence of Outside Directors and Outside Audit & Supervisory Board Members

The Company elects Outside Directors and Outside Audit & Supervisory Board Members based on the following policies

1) Persons who are not business executers*1 of the OKI Group
2) Parties for whom the OKI Group is not a major business partner (parties whose sales to OKI Group exceeds 2% of the total sales of the parties' group) or business executers thereof
3) Parties who are not major businesses partners of the OKI Group (parties to whom OKI Group' sales exceeds 2% of the total sales of the OKI Group) or business executers thereof
4) Parties who are not major shareholders of the Company (parties who holds 10% or more of the total voting rights directly or indirectly) or business executers thereof
5) Persons who are not business executers of parties of whom the OKI Group is a major shareholder
6) Persons who are not consultants, accounting specialist such as certified public accountants, or legal experts such as attorney-at-law receiving significant amount of money (more than ¥10 million annually) or other property (property worth more than ¥10 million annually), except for compensation paid to Directors and Audit & Supervisory Board Members, from the OKI Group (or if the entity receiving such property is an organization including corporation and association, persons belonging to the organization)
7) Persons who do not belong to the accounting firm conducting statutory audits of the Company
8) Persons who have not fallen under any of items 1) through 7) in the past 10 years
9) Persons who are not relatives within two degrees of kinship of the following persons
   a. Persons who fall under any of the above 2) through 7) (however, for the "business executers" in 2) through 5), this applies only to principal business executers*2, for the "persons belonging to the organization" in 6), this applies only to principal business executers thereof or persons with professional certificates or license such as certified public accountants and attorney-at-law if the relevant organization is an audit firm or law firm, and for "persons who belong to the accounting firm" in 7), this applies only to principal business executers thereof or persons with professional certificates or license such as certified public accountants.)
   b. Principal business executers of the OKI Group
   c. Persons who have fallen under the above b in the past 10 years

*1 "Business executers" refer to persons who perform business execution such as Directors (excluding Outside Directors), Executive Officers, employees, etc.

*2 "Principal business executers" refer to persons who perform important business execution such as Directors (excluding Outside Directors), Executive Officers, General Managers, etc.

In addition to these policies, the Company elects Outside Directors and Outside Audit & Supervisory Board Members, on the ground of each candidate's experience and knowledge in respective professional fields being beneficial to the Company at present.

(Translation)

(Attachment)

Business Report

(From April 1, 2019 to March 31, 2020)

1. Status of the OKI Group

(1) Operating progress and results

Economic situation

The digital transformation in society is accelerating, and business environment in OKI continues to change dramatically. On the other hand, these changes are also creating new business opportunities.

In this business environment, OKI has developed its business based on the highly reliable manufacturing technologies that are a strength of the Group. Also, using an installed base and customer base OKI has built up over its history of more than 130 years as the source for creating corporate value, OKI has been working to integrate network, sensing, data processing and analysis technologies to match new needs and expand its business.

Operating results for the fiscal year under review

For the business conditions in the fiscal year under review, the ICT business showed strong progress, and the net sales were ¥457.2 billion, a ¥15.7 billion or 3.6% increase year-on-year. In terms of profits, it was steady partly due to the effects of business structure reforms implemented in the previous fiscal year besides the increased sales. However, besides the forex impact, toward the end of the fiscal year, the COVID-19 spread world-widely, and caused a decline in operation at our Shenzhen-plant. As a result, operating income was ¥16.8 billion, a decrease of ¥0.7 billion year-on-year, and ordinary income was ¥13.8 billion, a decrease of ¥1.7 billion year-on-year.

Profit attributable to owners of parent was ¥14.1 billion, an increase of ¥5.7 billion year-on-year. A gain on sale of property, plant and equipment of ¥4.8 billion along with the reviewing the offices and etc., and a gain on sale of investments in securities of ¥4.7 billion, resulting from reducing cross-shareholdings were recorded for extraordinary profit, while the business structure improvement expenses of ¥2.4 billion related to mainly the business transfer of the Brazilian subsidiary were recorded for the extraordinary loss.

Starting from this fiscal year, the application scope of using the percentage-of-completion method was expanded mainly in the ICT business, resulting in an increase in net sales of ¥10.5 billion, and decreases in operating income of ¥0.1 billion and ordinary income of ¥0.1 billion.

Looking at non-consolidated business performance, net sales were ¥249.2 billion, up ¥33.2 billion (15.4%) from the previous fiscal year. Operating income was ¥4.2 billion, up ¥1.7 billion year-on-year. Ordinary income increased by ¥4.8 billion year-on-year to ¥14.2 billion. Profit was ¥16.9 billion, a ¥8.4 billion up year-on-year.

Return of profit to shareholders

OKI's top management priorities are to strengthen its financial position and ensure retained earnings in order to continually improve the OKI Group's corporate value, as well as to increase shareholder returns so that shareholders are encouraged to hold its shares over the medium- to

long-term. OKI will reinforce its management foundations by applying retained earnings to investments in research & development and facilities that are critical to future growth. In addition, OKI will attach the highest importance to maintaining stable profit distributions to shareholders and decide dividends after taking business performance into consideration. Based on this policy, OKI proposes to pay ¥50 per common stock as a dividend from the surplus (year-end dividend) in the current fiscal year.

The following provides a summary of each segment.

- Net Sales by Segments

(Unit: Billions of yen)

Segment	FY2018 (reference: previous fiscal year)	FY2019 (Fiscal year under review)	Changes (amount)	Changes (%)
ICT	184.3	229.1	44.8	24.3
Mechatronics Systems	82.7	70.7	(12.0)	(14.5)
Printers	102.6	92.3	(10.3)	(10.0)
EMS	66.2	59.8	(6.4)	(9.7)
Others	5.6	5.4	(0.2)	(4.9)
Total	441.5	457.2	15.7	3.6

Notes:
1. Figures less than ¥100 million for each item are rounded to the nearest ¥100 million. The amounts of "changes (amount)" are calculated on the basis of figures in units of ¥100 million. Accordingly, in some cases the sum of individual figures presented for each item may not equal the respective "total" stated.
2. Regarding EMS and Others, the figures for fiscal 2018 are modified to reflect the latest classification.

ICT

Business overview	Business providing solutions, products and services supporting social infrastructure based on distinctive technologies
Main products and services	• Traffic infrastructure-related systems (flight control systems, ITS-related systems) • Disaster-related systems (firefighting-related systems, disaster prevention administrative radio systems for municipalities) • Self-defense-related systems • Communications equipment for telecom carriers • Bank branch systems and centered-administration systems for financial institutions • Ticket reservations and issuing systems • IP-PBX / business telephones and contact centers • 920MHz band wireless multi-hop communication systems • Maintenance and construction services

Net sales came to ¥229.1 billion (a year-on-year increase of 24.3% or ¥44.8 billion). In this fiscal year, in addition to the impact of sales standards and a large-scale project for building networks for telecom carriers, there were also many needs related to social infrastructure, which led to a significant increase.

Operating income came to ¥20.8 billion, a year-on-year increase of ¥6.1 billion due to steady growth in net sales.

(Translation)

Mechatronics Systems

Business overview	Business offering products and services based on our core mechatronics technology such as ATMs and cash handling equipment
Main products and services	• ATMs • Cash handling equipment • Bank branch terminals • Ticket reservations and issuing terminals • Check-in terminals • ATM monitoring and operations services

Net sales came to ¥70.7 billion (a year-on-year decrease of 14.5% or ¥12.0 billion). Besides the completion of a large-scale project for cash handling equipment in the previous fiscal year, the suspension of operations at the Shenzhen Plant, our main plant, due to the COVID-19, net sales decreased.

Operating loss was ¥0.3 billion, a deterioration of ¥0.4 billion year-on-year. Although the decrease in sales was offset by the effects of business restructuring in the previous fiscal year, a decrease in plant operations affected production and sales.

Printers

Business overview	Business harnessing our LED technologies to offer printers that match customer needs for markets ranging from offices to industrial printing
Main products and services	• Color LED and monochrome LED printers • Color LED and monochrome LED multi-function printers (MFPs) • Color LED Label Printers • Dot-impact printers • Wide format inkjet printers • Wide format multi-function printers

Net sales came to ¥92.3 billion (a year-on-year decrease of 10.0% or ¥10.3 billion). Other than the decrease in sales of office-use printers in the European market, the yen appreciation also had negative impact on revenue.

Operating income was ¥2.8 billion (a year-on-year decrease of ¥2.9 billion) due to a decline in sales and the impact of yen appreciation against the Euro.

Electronics manufacturing services (EMS) and others

Business overview	Business offering consigned design & manufacturing services based on our extensive record in social infrastructure equipment
Main products and services	• Consigned design & manufacturing services for communications equipment, industrial instruments, measuring instruments, and medical equipment • Consigned design & manufacturing services for broadcasting, electricity, and traffic-related • Cables, flexible printed circuits (FPC), and customized power supplies • Reliability testing and environmental conservation-related services

Net sales of the EMS business were ¥59.8 billion (a year-on-year decrease of 9.7% or ¥6.4 billion) due to a decrease in sales to FA-related products and semiconductor-related customers and a delay in material procurement. Operating income was ¥2.1 billion (a year-on-year decrease of ¥1.6 billion).

Net sales of the others business segment came to ¥5.4 billion (a year-on-year decrease of 4.9% or ¥0.2 billion) and operating income came to ¥0.4 billion (a year-on-year decrease of ¥0.5 billion).

(2) Capital expenditure and research and development expenses

Capital expenditures and research and development expenses for the fiscal year under review equaled ¥14.9 billion and ¥10.6 billion, respectively.

Investment by segment were as follows.

(Unit: Billions of yen)

Segment	Amount of capital expenditure (Amount of research and development expenses)		Major capital expenditure
ICT	3.6	(3.4)	Upgrading, etc. of facilities to design/manufacture new products and incidental facilities of plants in business areas (e.g. social infrastructure, IoT, finance, and network systems)
Mechatronics Systems	3.4	(1.2)	Capital expenditures on evaluation equipment, molds, etc. for developing new products related to automation equipment
Printers	4.7	(3.5)	Strategic investments on molds, etc. used to manufacture new products utilizing characteristics of the LED method, and upgrading, etc. of aged manufacturing facilities
EMS	2.9	(0.3)	Capital expenditures on energy saving, aiming to strengthen capacity and improve productivity
Others	0.2	(2.2)	
Total	* 14.9	(10.6)	

* The figure includes the expenditure of ¥4.0 billion on acquisition of lease assets due to application of IFRS 16 by overseas subsidiaries other than those in the U.S.

(3) Financing

Operating funds and funds for capital expenditures necessary for business activities will be obtained from our own funds, borrowed funds, or other sources. Among these, operating funds are raised through short-term and long-term borrowings. In addition, long-term funds for production facilities, etc. are raised through long-term borrowings. Long-term funds are raised chiefly on fixed interest rates in the forms of separate borrowings from financial and other institutions and syndicated loans.

Some short-term borrowings were refinanced with long-term borrowings for more stable financing during the fiscal year under review. The Company adopted a domestic cash management system, whereby the Company will integrate cash in hand of consolidated subsidiaries into the Company itself to improve the cash efficiency and reduce borrowings.

The Company maintains good business relationships with major partner financial institutions, so recognizes that it will be able to raise necessary operating and investment funds with no problem.

The OKI Group places emphasis on the financial discipline and intends to use free cash flow generated through business activities as basic financial resources and efficiently raise the necessary funds.

(Translation)

(4) Future challenges

Guided by our corporate philosophy of "The people of OKI, true to the company's "enterprising spirit," are committed to creating superior network solutions and providing excellent information and communications services globally to meet the diversified needs of communities worldwide in the information age," the OKI Group aims to resolve social issues through critical Mono-zukuri (the spirit and mind-set to innovate, create and improve products) and Koto-zukuri (working together, proactively seeking opportunities that deliver value to customers)." The OKI Group also hopes to contribute to the achievement of the important guideline of the "Sustainable Development Goals (SDGs)" that were adopted at the September 2015 "United Nations Sustainable Development Summit" through our business activities. We shall set our goals on various management issues in order of priority and incorporate them into the Company's operations.

The market and economic environments surrounding the OKI Group are currently changing dramatically. Globally, such changes include uncertainty including economic fluctuations and conflicts, environmental problems, a spate of natural calamities, and technology innovation including 5G and artificial intelligent. In Japan, noticeable changes are labor shortage, a declining birth rate and a rapidly aging population, and ageing infrastructure. On top of these, the novel coronavirus is likely to cause a paradigm shift, which marks heightened nationalism, changes in individuals' behavior, and growing demand for contactless services.

It is true that these changes in the settings are seen as a threat to some businesses, but we believe that they also create new needs and bring new business opportunities. For example, a rise in remote work could increase the risk of declining demand for printing services at the office but, at the same time, further increase demand for higher speed and larger capacity of network infrastructure. There is also a demand for the contactless service, which is positioned as one of the equipment and services that companies have been working to develop for automation and manpower saving. As a result, the digital transformation, a megatrend of nowadays, is likely to be accelerated.

In these circumstances, one of our top priorities is to further advance reorganization of our business portfolio currently in progress. More precisely, in the solution business, we will expand our business in growing domains such as the AI Edge Strategy by harnessing the OKI Group's strengths of device installations in edge regions, where we have been involved in the telecommunications infrastructure business tailoring to the needs of our customers for many years. In the hardware business, developing automated and manpower-saving equipment matching the new needs is key. To this end, we will narrow down existing product-lineups, reallocate development resources, and rebuild the organizational structure itself.

The OKI Group is strong in manufacturing technology (Mono-zukuri) in the real world and network technology that enables to link to cloud services in real time. Based on these technological capabilities, we have the install base of terminals and services supporting our excellent customer base and social infrastructure of various kinds as sources of our corporate value. We will continue to offer solutions to social issues with manufacturing technology (Mono-zukuri) for edge terminals tailored for the customer needs chiefly in the field of social infrastructure on one hand and, on the other, with network technology (Koto-zukuri) for

solutions and services that link the real world to the cloud in real time.

(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.

	93rd year (FY2016)	94th year (FY2017)	95th year (FY2018)	96th year (Fiscal year under review, FY2019)
Sales	451.6 billion yen	438.0 billion yen	441.5 billion yen	457.2 billion yen
Profit attributable to owners of parent	4,691 million yen	5,891 million yen	8,405 million yen	14,086 million yen
Basic earnings per share	54.03 yen	67.86 yen	97.16 yen	162.80 yen
Total assets	360.7 billion yen	366.5 billion yen	365.5 billion yen	372.5 billion yen
Net assets	97.2 billion yen	102.1 billion yen	100.2 billion yen	106.4 billion yen
Net assets per share	1,115.68 yen	1,154.03 yen	1,155.28 yen	1,227.42 yen

Notes:

1. Basic earnings 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 outstanding at the year-end. These figures exclude treasury stocks.
2. The Company consolidated ten shares of common stock into one share of common stock as of October 1, 2016. Basic earnings per share and net assets per share are calculated assuming that the shares were consolidated at the beginning of the 93rd fiscal year ended March 31, 2017.
3. The Company has adopted Partial Amendments to Accounting Standard for Tax Effect Accounting, etc. (ASBJ Statement No. 28, February 16, 2018) since the fiscal year ended March 31, 2019, and made changes to classifications (i.e. classified deferred tax assets into investments and other assets and deferred tax liabilities into long-term liabilities). Amounts for fiscal 2017 are those reflecting the reclassification.

(Translation)

(6) Status of major subsidiaries

(i) Status of major subsidiaries

Name	Capital	Company's voting right ratio (%)	Major business
OKI Crosstech Co., Ltd.	2,001 million yen	100	Maintenance, construction and sales of information processing equipment and telecommunications equipment Design and construction of electronic works and electronic telecommunications works
OKI Software Co., Ltd.	400 million yen	100	Development and operation of telecommunications system software
Oki Data Corporation	19,000 million yen	100	Manufacturing and sales of printers
Oki Proserve Co., Ltd.	321 million yen	100	Facility business, human support business, ad communication business, and logistics business
Oki Data Americas, Inc.	10 million U.S. dollars	100*	Sales of printers, etc.
Oki Data Manufacturing (Thailand) Co., Ltd.	420 million baht	100*	Manufacturing of printers, etc.
Oki Electric Industry (Shenzhen) Co., Ltd.	8 million U.S. dollars	100*	Manufacturing of information processing equipment and printers
Oki Europe Ltd.	141 million euro	100*	Sales of printers, etc.

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

(ii) Major partners

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

(Translation)

(7) Major offices

Our major offices are as follows.

Name	Classification	Location
Oki Electric Industry Co., Ltd.	Head office	Minato-ku, Tokyo
	Branch offices	Hokkaido region (Sapporo, Hokkaido), Tohoku region (Sendai, Miyagi), Chubu region (Nagoya, Aichi), Kansai region (Osaka, Osaka), Chugoku region (Hiroshima, Hiroshima), Shikoku region (Takamatsu, Kagawa), and Kyushu region (Fukuoka, Fukuoka)
	Business offices	Minato-ku (Tokyo), Warabi (Saitama), Honjo (Saitama), Takasaki (Gunma), Tomioka (Gunma) and Numazu (Shizuoka)
	Research institutes	Warabi (Saitama), Osaka (Osaka) and Takasaki (Gunma)
OKI Crosstech Co., Ltd.	Head office	Chuo-ku, Tokyo
OKI Software Co., Ltd.	Head office	Warabi, Saitama
Oki Data Corporation	Head office	Minato-ku, Tokyo
Oki Proserve Co., Ltd.	Head office	Minato-ku, Tokyo
Oki Data Americas, Inc.	Head office	US
Oki Data Manufacturing (Thailand) Co., Ltd.	Head office	Thailand
Oki Electric Industry (Shenzhen) Co., Ltd.	Head office	China
Oki Europe Ltd.	Head office	UK

(8) Employees

(i) Employees by segment

Segment	Number of employees	
	OKI Group	Oki Electric Industry
ICT	7,033	2,578
Mechatronics Systems	3,277	1,023
Printers	3,931	–
EMS	2,112	121
Others	917	–
Company-wide (shared)	481	481
Total	17,751	4,203

(ii) Employees of Oki Electric Industry

Number of employees	Average age	Average years of service	Average annual wage (yen)
4,203 (increased by 126 from the end of the previous fiscal year)	44.1	20.0	7,159,732

(Translation)

(9) Major creditors

Major creditors of the OKI Group are as follows:

(Unit: Billions of yen)

Creditor	Loan balance
Mizuho Bank, Ltd.	21.3
Sumitomo Mitsui Banking Corporation	17.0
Mizuho Trust & Banking Co., Ltd.	3.9
The Norinchukin Bank	2.9
The Hyakugo Bank, Ltd.	2.6

(10) Corporate governance

(i) **Basic policy**

Guided by the corporate philosophy of "The people of OKI, true to the company's "enterprising spirit," are committed to creating superior network solutions and providing excellent information and communications services globally to meet the diversified needs of communities worldwide in the information age," the OKI Group recognizes sustainable growth and increases corporate value over medium- to long-term as its most important management priorities in earning the trust of its various stakeholders. To this end, we are working to enhance corporate governance based on our fundamental policies of "enhancement of management fairness and transparency," "timely decision-making processes," and "full compliance and fortification of risk management."

(ii) **Corporate governance structure**

(a) Outline of the structure

As a company with the Audit & Supervisory Board, the Company establishes the Board of Directors and Audit & Supervisory Board and adopts an executive officer system, aiming to promote "timely decision-making processes" by separating business execution and supervision. In addition, it works on the "enhancement of management fairness and transparency" by nominating outside directors as well as setting up a voluntary committee concerned with personnel affairs and compensation, so as to ensure effective supervision from an independent and objective standpoint. In addition to audits by the Audit & Supervisory Board and its members, OKI seeks to ensure "full compliance and fortification of risk management," such as by establishing the Risk Management Committee, which includes outside directors.

During the fiscal year under review, as stated on page 33, the Company was operated by nine Directors, including four Outside Directors (including one female Director); four Audit & Supervisory Board Members, including two Outside Audit & Supervisory Board Members; and 14 Executive Officers, including four Executive Officers with Titles (including one female Executive Officer). All the Outside Directors and Outside Audit & Supervisory Board Members are independent officers who are neutral and independent of the management. Furthermore, there is no system

to receive consulting and advice, etc., from former representative directors and presidents, etc.

(b) Reason for selecting the current structure

The Company judges that it can stably achieve "enhancement of management fairness and transparency," "timely decision-making processes," and "full compliance and fortification of risk management" by conducting various measures including (i) enhancing the supervisory function of the Board of Directors by separating business execution and supervision and promoting active involvement of outside directors; (ii) having objective auditing by Audit & Supervisory Board members who are independent of management and have a strong authority for investigation; and (iii) establishing voluntary Personnel Affairs and Compensation Advisory Committee. The Company will continue to seek sustainable growth and increase corporate value from a medium- to long-term viewpoint while recognizing its responsibility to its stakeholders and complying with the aims of the Corporate Governance Code.

(iii) **General Meeting of Shareholders**

The General Meeting of Shareholders of the Company, a company with the Board of Directors, resolves items set forth in laws and regulations, and the Articles of Incorporation. The Board of Directors is authorized to resolve the following matters in accordance with relevant laws and regulations. It is stipulated that the amount of dividends, other than interim dividends, is determined at general meetings of shareholders.

(a) Organization to determine the acquisition of treasury stock

The Articles of Incorporation stipulate that the Company may acquire treasury stock through market transactions, etc. upon a resolution of the Board of Directors pursuant to Article 165, paragraph (2) of the Companies Act to swiftly implement capital policies.

(b) Organization to determine interim dividend

The Articles of Incorporation stipulate that the Company may pay interim dividends upon a resolution of the Board of Directors to distribute profits swiftly to shareholders.

(c) Requirements for special resolutions of a general meeting of shareholders

The Articles of Incorporation stipulate that, for smooth operations of general meetings of shareholders, special resolutions at a general meeting of shareholders set forth in Article 309, paragraph (2) of the Companies Act are passed by a majority of two-thirds or more of the votes of the shareholders present at the meeting where the shareholders holding one-third or more of votes of the shareholders entitled to vote at such shareholders meeting are present.

(iv) **Board of Directors**

(a) Duties, Composition, Operations, etc.

During the fiscal year under review, the Board of Directors consisted of nine

Directors, held a meeting once a month in principle as well as special meetings when necessary, decided on significant matters including basic management policy, and supervised business execution based on laws and regulations, and the Articles in Incorporation.

To secure the functions of the Board of Directors, the Company selects candidates for Directors in consideration of diversities such as expertise, career and gender, and includes four highly independent Outside Directors (including one female Director) to improve the fairness and transparency of management.

The Board of Directors is chaired by a Director who is mutually appointed, but was chaired by a non-executive Chairman during the fiscal year under review.

The Board of Directors held a total of 14 meetings including special meetings during the fiscal year under review, and the attendance rates of the Outside Directors and Outside Audit & Supervisory Board Members are shown on page 37. To contribute to in-depth discussions at the Board of Directors meetings, outside officers are given materials and explanations in advance by the secretariat of the Board of Directors, etc.

(b) Matters concerning Directors

i. Number of Directors

The Articles of Incorporation stipulate that the number of Directors of the Company shall be no more than 15.

ii. Requirements for resolution of election of Directors

The Articles of Incorporation stipulate that resolutions for election of Directors shall be passed by more than half of the votes of the shareholders present at the meeting where the shareholders holding one-third or more of votes of the shareholders entitled to vote at such shareholders meeting are present, and that no cumulative vote is adopted in the election of Directors.

iii. Tenure of office

The Articles of Incorporation stipulate that the tenure of office of Directors shall be set as one year to clarify management responsibility for each fiscal year.

(c) Outline of liability limitation agreements

The Company concluded agreements to limit liabilities with all Outside Directors and Audit & Supervisory Board Members under the provisions of Article 427, paragraph (1) of the Companies Act. The outline of the agreements is as follows:

- In cases where Outside Directors and Audit & Supervisory Board Members are liable for any damages arising from their negligence to the Company, they shall compensate for such damages only to the extent of the minimum liabilities as stipulated in laws and regulations.
- The above limitation of liability shall be applied only when the relevant Outside Directors and Audit & Supervisory Board Members have executed their duties that caused the liabilities in good faith and without gross negligence.

(Translation)

(v) **Voluntary committee**

The Company has established the Personnel Affairs and Compensation Advisory Committee as a voluntary committee to secure transparency and objectiveness in the decision-making processes concerning appointment and dismissal of Directors and determination of compensation for officers. The Committee is consulted prior to resolutions at a Board of Directors meeting on appointment and dismissal of Directors, Executive Officers, etc. and the structure and level of their compensation, deliberates on these issues from an objective viewpoint, and reports the results to the Board of Directors. In addition, the Committee delivers its opinion on nomination of candidates for Audit & Supervisory Board Members to Audit & Supervisory Board Members. The Committee consists of five members; that is, all the four Outside Directors and the non-executive Chairman. The Chairperson of the Committee is appointed through a resolution at a meeting of the Board of Directors and the post was held by an Outside Director in the fiscal year under review. The Committee held 13 meetings in the fiscal year under review.

(vi) **Election and dismissal of company officers**

Upon the nomination of candidates for Directors and Audit & Supervisory Board Members and appointment of Executive Officers, the Company takes into consideration that the candidate satisfies the following requirements, as well as legal eligibility.

- Those with excellent personality, insights, high ethical standards, fairness and integrity as well as a high-level awareness of compliance
- Those who can execute their duties towards the realization of the OKI Group's corporate philosophy and continuous improvement of the corporate value
- Those who have had a long term of office
- Audit and Supervisory Board Members who have the necessary knowledge of finance, accounting and legal affairs
- Outside officers who satisfy the independence criteria (See page 17)

A dismissal of a director, Audit & Supervisory Board member, or executive officer is proposed in cases where the said person engages, or is likely to engage, in an act in violation of laws and regulations or the Articles of Incorporation, or where a certain event occurs, which makes it difficult for the said person to fulfill the duties appropriately, and the Personnel Affairs and Compensation Advisory Committee is promptly consulted and deliberates on such an event, and reports the results and proposes a dismissal to the Board of Directors.

(Translation)

(11) Other significant events of the OKI Group

Oki Banking Systems (Shenzhen) Co., Ltd., a subsidiary of the Company, filed a request for arbitration against Shenzhen Yihua Computer Industrial Co., Ltd. in October 2015, demanding payment of RMB1,115,463 thousand (approx. ¥17.1 billion if converted to Japanese yen based on the exchange rate as of the end of the fiscal year under review) which includes the proceeds from sale of ATM. The arbitration proceeding is currently under review by the South China International Economic and Trade Arbitration Commission. Although the Company has recorded a provision of allowance for doubtful receivables regarding this case, there is no change in the Company's policy of collecting the total amount of receivables.

(Translation)

2. Shareholders' Equity

(1) Number of shares authorized to be issued by the Company:

240,000,000 shares

(2) Number of outstanding shares:

87,217,602 shares
(including 690,583 shares of treasury stock)

(3) Number of shareholders:

66,981

(4) Major shareholders (Top 10)

Name of shareholder	Number of shares held (shares)	Percentage of shares held (%)
The Master Trust Bank of Japan, Ltd. (trust account)	7,460,100	8.62
Japan Trustee Services Bank, Ltd. (trust account)	5,984,600	6.92
Japan Trustee Services Bank, Ltd. (trust account 9)	2,070,800	2.39
Oki Denki Group Employees' Shareholdings Committee	1,959,361	2.26
Japan Trustee Services Bank, Ltd. (trust account 5)	1,658,700	1.92
JP Morgan Chase Bank 385151	1,610,732	1.86
Mizuho Bank, LTD.	1,419,648	1.64
Hulic Co., Ltd.	1,407,659	1.63
Meiji Yasuda Life Insurance Company	1,400,097	1.62
Trust & Custody Services Bank, Ltd. (securities investment trust account)	1,333,000	1.54

Note: The percentages of shares held are calculated after deducting treasury stock.

(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
714

(ii) Type and number of shares subject to equity warrants
71,400 shares of the Company's common stock (100 shares per equity warrant)

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

Issued Number (Exercise Price)	Exercise period	Directors (excluding outside Directors)	
		Number of equity warrants	Number of holders
FY2016 equity warrant (1 yen) (Issued on August 16, 2016)	August 17, 2016 to August 16, 2041	152	4
FY2017 equity warrant (1 yen) (Issued on August 15, 2017)	August 16, 2017 to August 15, 2042	180	4
FY2018 equity warrant (1 yen) (Issued on August 14, 2018)	August 15, 2018 to August 14, 2043	185	4
FY2019 equity warrant (1 yen) (Issued on August 14, 2019)	August 15, 2019 to August 14, 2044	197	4

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

Issued Number	Exercise period	Directors (excluding outside Directors)	
		Number of equity warrants	Number of holders
FY2019 equity warrant (1 yen) (Issued on August 14, 2019)	August 15, 2019 to August 14, 2044	419	14

(Translation)

4. Company Officers

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

Note 1	Position	Name	Status or main duties
	Director and Chairman of the Board	Hideichi Kawasaki	Chairman of the Board
X	President, Representative Director	Shinya Kamagami	Supervision
X	Senior Executive Vice President, Representative Director	Masayuki Hoshi	Chief Financial Officer Chief Compliance Officer Chief Information Officer Head of Corporate Planning Group
X	Senior Vice President and Member of the Board	Masashi Tsuboi	Head of ICT Business Group
X	Senior Executive Officer and Member of the Board	Masashi Fuse	Head of Corporate Management Group
	Director	Shigeru Asaba	Outside Director, Nippon Beet Sugar Manufacturing Co., Ltd.
	Director	Tamotsu Saito	Chairman of the Board, IHI Corporation Outside Director, JAPAN POST INSURANCE Co., Ltd.
	Director	Izumi Kawashima	
	Director	Makoto Kigawa	Outside Director, Komatsu Ltd. Outside Director, Seven Bank, Ltd.
Standing Audit & Supervisory Board Member		Sei Yano	
Standing Audit & Supervisory Board Member		Toshiya Hatakeyama	
Audit & Supervisory Board Member		Kuninori Hamaguchi	
Audit & Supervisory Board Member		Yoichi Nitta	

Notes:
1. X indicates Executive Officer.
2. Directors Shigeru Asaba, Tamotsu Saito, Izumi Kawashima, and Makoto Kigawa are Outside Directors.
3. Audit & Supervisory Board Members Kuninori Hamaguchi and Yoichi Nitta are Outside Audit & Supervisory Board Members.
4. Directors Shigeru Asaba, Tamotsu Saito, Izumi Kawashima, and Makoto Kigawa and Audit & Supervisory Board Members Kuninori Hamaguchi and Yoichi Nitta have been reported as independent officers to Tokyo Stock Exchange.
5. Audit & Supervisory Board Member Toshiya Hatakeyama has served in positions such as Officer in charge of the Accounting & Control Division and Chief Financial Officer, and has extensive knowledge in finance and accounting.
6. Executive officers as of March 31, 2020 are as follows (excluding those who concurrently serve as Directors).

(Translation)

Position	Name	Principal duty
Executive Vice President	Masasuke Kishi	Head of Electronics Manufacturing Services Business Group
Senior Vice President	Kenichi Tamura	Head of Mechatronics Systems Business Division
Senior Vice President	Toru Hatano	In charge of Printers Business Division (President, Oki Data Corporation)
Senior Vice President	Toru Miyazawa	Head of Marketing & Sales Group
Senior Executive Officer	Masatoshi Saito	Deputy Head of Mechatronics Systems Business Division and Head of Automation Systems Division
Executive Officer	Yuichiro Katagiri	Deputy Head of ICT Business Group and Head of IoT Application Promotion Division
Executive Officer	Hiroshi Tsuchiya	Internal Control Administrator and Head of Risk Management Division
Executive Officer	Yuka Miyagawa	Head of Marketing & Sales Division-2, Marketing & Sales Group
Executive Officer	Hiroshi Tomizawa	Deputy Head of Mechatronics Systems Business Group
Executive Officer	Toshiyuki Yokota	Chief Quality Officer, Chief Innovation Officer, Head of Corporate Infrastructure Group and Head of Government & External Relations Division
Executive Officer	Hajime Maruo	Head of Corporate Planning Division, Corporate Planning Group
Executive Officer	Masahito Nozue	Deputy Head of Electronics Manufacturing Services Business Group and Head of Planning & Management Division
Executive Officer	Shinichi Tanaka	Deputy Head of ICT Business Group and Head of Financial & Enterprise Solutions Division
Executive Officer	Keizou Ikeda	Head of Planning & Management Division and Global Mechatronics Systems Division, Mechatronics Systems Business Division

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

(i) Policy on determining remuneration, etc.

As described on page 29, in order to secure transparency and objectiveness in the decision-making processes concerning compensation for officers, the Company has established the Personnel Affairs and Compensation Advisory Committee, which deliberates, prior to resolutions at a Board of Directors meeting, on the structure and level of compensation for directors and executive officers, and reports the results to the Board of Directors. In addition, the appropriateness of the structure and level of compensation is validated mainly utilizing objective evaluation data from external organizations. The Personnel Affairs and Compensation Advisory Committee held a total of 13 meetings during the fiscal year under review, discussed the compensation structure for officers in five meetings, and reported the results three times (concerning annual incentive compensation, medium- to long-term incentive compensation, and revisions to the structure).

OKI's basic policy on compensation for directors and executive officers is to serve as incentives for the performance improvement with the aim of the continuous enhancement of the corporate value and enforcement of the corporate competitiveness while being the compensation structure that can attract excellent human resources.

(Translation)

The compensation structure is divided into performance-linked compensation and compensation other than performance-linked compensation, and consists of basic compensation, annual incentive compensation linked to the performance of each fiscal year, and compensation-type stock option as medium- to long-term incentive compensation as shown in the table below. These compensations have been provided as part of efforts to develop an environment for a shift to the management focused on "more aggressive goal setting" and "growth over medium- to long-term" in order to achieve "continuous growth" of the OKI Group. The compensation for outside directors consists only of basic compensation.

The amounts of compensation approved by the 82nd Ordinary General Meeting of Shareholders held on June 29, 2006 are within ¥600 million (which do not include employee wages for Directors who are also employees) per year for Directors. The amounts of compensation related to compensation-type stock option, approved by the 92nd Ordinary General Meeting of Shareholders held on June 24, 2016, are within ¥100 million per year for Directors other than Outside Directors, separately from the above compensation.

Type	Content of compensation
Basic compensation	When serving as Executive Officer concurrently, monetary compensation shall be paid, determined individually tailored to position, followed by duties.
Annual incentive compensation	Monetary compensation shall be paid, determined individually with a linkage with the past year's consolidated business performance of the OKI Group and that of the division each Director is responsible for. The target amounts related to performance-linked compensation for the fiscal year under review were ¥450 billion for net sales, ¥18.5 billion for operating income, and ¥98.5 billion for working capital. In the actual results, ¥457.2 billion was recorded for net sales, ¥16.8 billion for operating income, and ¥95.6 billion for working capital. The rate of payments is determined within the scope of 0% to 200%, according to a linkage with business performance and the President's qualitative assessment. The amount of payments is 35% of the basic compensation in case that the rate of payments is 100%.
Medium- to long-term incentive compensation	Stock option for stock-linked compensation shall be granted, around 13% of basic compensation amount, in the view of value sharing with shareholders and the enhancement of corporate value as well as shareholders' value over the medium- to long-term.

In response to the deliberations and reports of the Personnel Affairs and Compensation Advisory Committee in December 2019, the Board of Directors revised the medium- to long-term incentive compensation to link the performance at a meeting

held in March 2020. The revision will become effective in FY2021.

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

Title	Amount of payment	Amount of payment by type of compensation			Number of applicable officers
		Fixed compensation		Performance-linked compensation	
		Basic compensation	Annual incentive	Medium- to long-term incentive	
Directors (excluding Outside Directors)	¥262 million	¥196 million	¥47 million	¥18 million	5
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	¥46 million	¥46 million	—	—	3
Outside officers Outside Directors Outside Audit & Supervisory Board Members	 ¥40 million ¥14 million	 ¥40 million ¥14 million	 — —	 — —	 5 2

Note: The number of Outside Directors as of the end of the fiscal year under review is different from the number shown above, because the above number includes the Outside Directors and Audit & Supervisory Board Members who retired at the conclusion of the 95th Ordinary General Meeting of Shareholders held on June 21, 2019.

(3) Outside Directors and Audit & Supervisory Board Members

(i) Status of material concurrent positions at other organizations, etc. and the Company's relationship with the aforesaid organizations

Director Shigeru Asaba serves as an Outside Director of Nippon Beet Sugar Manufacturing Co., Ltd. There are no business relationships between Nippon Beet Sugar Manufacturing Co., Ltd. and the Company.

Director Tamotsu Saito concurrently serves as Chairman of the Board of IHI Corporation and Outside Director of JAPAN POST INSURANCE Co., Ltd. The volume of transactions between the companies and the Company accounts for less than 1% of the OKI Group's net sales and accounts for less than 1% of each company's net sales.

Director Makoto Kigawa concurrently serves as Outside Director of Komatsu Ltd. and Outside Director of Seven Bank, Ltd. The volume of transactions between the companies and the Company accounts for less than 1% of the OKI Group's net sales and accounts for less than 1% of each company's net sales.

(Translation)

(ii) Major activities in the fiscal year under review

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

	Board of Directors meeting (number of meetings in parenthesis)		Audit & Supervisory Board meeting (number of meetings in parenthesis)	
	Attendance frequency	Attendance rate	Attendance frequency	Attendance rate
Shigeru Asaba, Director	14 (14)	100%	–	–
Tamotsu Saito, Director	14 (14)	100%	–	–
Izumi Kawashima, Director	14 (14)	100%	–	–
Makoto Kigawa, Director	9 (10)	90%	–	–
Kuninori Hamaguchi, Audit & Supervisory Board Member	14 (14)	100%	19 (19)	100%
Yoichi Nitta, Audit & Supervisory Board Member	14 (14)	100%	19 (19)	100%

Note: The number of meetings for Director Makoto Kigawa represents the number of meetings held since he took office in June 2019.

(Translation)

(b) Major activities

	Principal comments
Shigeru Asaba, Director	Making statements from the dual perspectives of industry and academia in his position as a professor of a university business school, he provided advice and made proposals for the appropriateness and properness of decision making by the Board of Directors. He also contributed to strengthening compliance by providing a good example to managerial personnel through his leadership and enhancing the management fairness and transparency as a member of the Personnel Affairs and Compensation Advisory Committee.
Tamotsu Saito, Director	Making statements from a viewpoint nurtured through abundant experience as one of business leaders in Japan, he provided advice and made proposals for the appropriateness and properness of decision making by the Board of Directors. He also contributed to strengthening compliance by providing a good example to managerial personnel through his leadership and enhancing the management fairness and transparency as a member of the Personnel Affairs and Compensation Advisory Committee.
Izumi Kawashima, Director	Making statements on the background of academic expertise in the Commercial Code and the Financial Instruments and Exchange Act as a professor of a university, she provided advice and made proposals for the appropriateness and properness of decision making by the Board of Directors. She also contributed to strengthening compliance by providing a good example to managerial personnel through her leadership and enhancing the management fairness and transparency as a member of the Personnel Affairs and Compensation Advisory Committee.
Makoto Kigawa, Director	Making statements from a viewpoint nurtured through abundant experience in corporate management, he provided advice and made proposals for the appropriateness and properness of decision making by the Board of Directors. He also contributed to strengthening compliance by providing a good example to managerial personnel through his leadership and enhancing the management fairness and transparency as a member of the Personnel Affairs and Compensation Advisory Committee.
Kuninori Hamaguchi, Audit & Supervisory Board Member	He audited the business execution of Directors and leveraged his extensive experience and knowledge as an executive and a Director at manufacturing companies to make statements aimed at achieving sustainable growth and producing medium- to long-term corporate value for the Company.
Yoichi Nitta, Audit & Supervisory Board Member	He audited the business execution of Directors and leveraged his extensive experience and knowledge as an executive and a Director at financial institutions to make statements aimed at achieving sustainable growth and establishing high-quality corporate governance systems for the Company.

(Translation)

5. Status of Accounting Auditor

(1) Name: PricewaterhouseCoopers Aarata LLC

(2) Policy and reason for the appointment

The Company has appointed the accounting auditor with comprehensive consideration by assessing indicators, such as the quality control scheme, independence, auditing scheme, and estimated compensation for auditing services.

(3) Policy regarding decision to dismiss or not reappoint

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

(4) Assessment of the audit corporation by Audit & Supervisory Board members and the Audit & Supervisory Board

The Audit & Supervisory Board members and the Audit & Supervisory Board of the Company assess the audit corporation. The assessment is comprehensive based on indicators, such as the audit corporation's quality control scheme, independence, auditing scheme, group auditing scheme, and estimated compensation for auditing services.

(5) Contents, etc. of compensation for auditing services

(i) Compensation, etc.

Category	Previous fiscal year		Fiscal year under review	
	Compensation for audit attestation services (millions of yen)	Compensation for non-auditing services (millions of yen)	Compensation for audit attestation services (millions of yen)	Compensation for non-auditing services (millions of yen)
Oki Electric Industry	161	48	159	43
Consolidated subsidiaries	79	–	86	–
Total	240	48	245	43

Notes:

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

(Translation)

(ii) Content of non-auditing services

(Previous fiscal year)

The Company has entrusted the accounting auditor with “advisory services relating to the new revenue recognition standard” and other services, which are services other than the audits specified in Article 2, paragraph (1) of the Certified Public Accountants Act, and pays the auditor compensation for the services.

(Fiscal year under review)

The Company has entrusted the accounting auditor with “advisory services relating to the new revenue recognition standard” and other services, which are services other than the audits specified in Article 2, paragraph (1) of the Certified Public Accountants Act, and pays the auditor compensation for the services.

(iii) Policy regarding determination of compensation for auditing services

The Company has no particular rules or regulations regarding decisions on compensation for auditing services to the audit corporation but has determined the compensation after having fully considered the audit plan, etc. of the audit corporation and verified the validity of the time, contents, etc. of the auditing services

(iv) Reason for the Audit & Supervisory Board to consent to compensation for accounting auditor

The Audit & Supervisory Board has decided to consent to the compensation to be paid to the accounting auditor proposed by the Board of Directors in accordance with Article 399, paragraph (1) of the Companies Act. This is because it has performed necessary verification as to the appropriateness of matters such as the content of the accounting auditor’s audit plan, the status of performance of duties by the accounting auditor, and the basis for calculating the estimated compensation for the accounting auditor, and has found them appropriate.

(Translation)

6. Policies and procedures of the Company

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

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

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

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

(c) 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.

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

(e) 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.

(ii) 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.

(iii) Rules concerning risk management and other procedures

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

(b) 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.

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

(Translation)

(iv) Procedures to secure efficient business performance by Directors

(a) The Company holds regular meetings of the Board of Directors once a month in principle to decide important matters including basic management policies and supervise the business execution of Directors.

(b) The Company appoints Executive Officers to execute business based on basic management policies determined by the Board of Directors so as to separate the functions of business execution and supervision, and promote timely decision-making processes. In addition, the Company holds meetings of the Management Committee consisting of Executive Officers, etc. to assist the President in making decisions.

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

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

(a) To ensure that the Company and subsidiaries 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 should comply with, and is striving to make the code known to all of them.

(b) The division responsible for compliance implements various measures for promoting compliance common to the Group through each subsidiary'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.

(c) Each subsidiary establishes whistle-blowing regulations that enable reporting to their Outside Directors and Audit & Supervisory Board Members, provides a contact point for reporting and consultation, and aims to detect any misconduct at its earliest stages and make improvements after reporting to the Company.

(d) The Company, in accordance with Subsidiaries and Affiliates Management Rules, determines the status of each subsidiary's management activities through receiving reports regularly from each subsidiary and provides necessary advice and guidance including organization designing, rules and regulations, and business plannings.

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

(vi) Procedures for employees who assist Audit & Supervisory Board Members

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

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

Audit & Supervisory Board.

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

(a) If Directors discover anything that may cause significant damage to the Company, they are required to report the matter immediately to the Audit & Supervisory Board Members pursuant to applicable laws and regulations.
(b) Standing Audit & Supervisory Board Members attend meetings of the Management Committee and meetings of the Board of Directors in order to understand important decision-making processes and the status of business operations, as well as to inspect important documentation.
(c) Audit & Supervisory Board Members attend the Risk Management Committee as advisors and receive necessary reports.
(d) Audit & Supervisory Board Members receive whistle-blowing reports based on whistle-blowing regulations, and receive reports biannually on the status of operation of the regulations from relevant divisions.
(e) Audit & Supervisory Board Members receive reports on the status of establishing internal control systems and their operations from Directors and employees on a regular basis, and may request Directors and employees to report on matters deemed necessary.
(f) The Company ensures that a person who made a whistle-blowing report to Audit & Supervisory Board Members will not be treated unfavorably on account of making such report.

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

(a) In conducting inspections on the Company's operations and assets and performing other audit duties, Audit & Supervisory Board Members shall conduct audits efficiently and effectively in close cooperation with the internal audit section.
(b) Audit & Supervisory Board Members implement efficient audits by closely cooperating with the accounting auditor. To this end, Audit & Supervisory Board Members hold meetings with the accounting auditor on a regular basis, attend on-site audits by the accounting auditor, and request reports from the accounting auditor on the progress of audits when necessary.
(c) The Company pays all the expenses necessary for the execution of the duties of Audit & Supervisory Board Members.

(2) Overview of Status of Operations

(i) Procedures relating to compliance

(a) The Board of Directors has stipulated a basic policy for internal control systems. As for the foundation for ensuring compliance, the Company has established the "OKI Group Charter of Corporate Conduct" which states social responsibility assumed by the OKI Group and "OKI Group Code of Conduct" to be observed by all OKI officers and employees to assume social responsibility. This charter and code are based on the corporate philosophy of "The people of OKI, true to the

company's "enterprising spirit," are committed to creating superior network solutions and providing excellent information and communications services globally to meet the diversified needs of communities worldwide in the information age."

In addition, the management team, having re-affirmed the importance of compliance, takes the initiative in compliance activities, and officers of the Company and Group companies are working on compliance activities in conformance with the "Compliance Commitment." The Company has established this commitment to reassure shareholders, customers, employees and all other stakeholders within and outside the Company that it strives to foster awareness of compliance and makes a thorough commitment to compliance throughout the OKI Group.

(b) The President and Executive Officer once again raised awareness of the importance of compliance to all OKI Group companies at the FY2019 IR meeting for management strategy (held on April 1, 2019).

(c) The Company held group training such as training sessions for compliance managers, in which some 300 compliance managers and promoters of the OKI Group participated, and training sessions on the Anti-Monopoly Act for officers and employees chiefly in Market & Sales Section, and conducted e-learning on personal information protection, information security, internal control and other topics for all employees in Japan. The Company also regularly presents case studies on compliance on the intranet and internal publications.

In the fiscal year under review, the Company started compliance education sessions on an e-learning platform for subsidiaries in China and India.

(d) In the fiscal year under review, the Compliance Committee held meetings four times, where it summarized activities in the previous fiscal year, formulated education plans, and reviewed the status of implementation of various measures in individual sections.

(e) The Company clearly has defined that in case of non-compliance, the Company takes disciplinary action in accordance with the workplace regulations, etc., and has the Group Disciplinary Action Committee, which is chaired by the President and Executive Officer, to consider said action.

(f) The Company has a Group whistle-blower hotline, which provides access to external lawyers, to ensure quick discovery and effective correction of improper conduct, and disseminates information about the whistle-blower system to employees as well.

(ii) Procedures relating to risk management

(a) The Company has established a Risk Management Committee chaired by the President and Executive Officer and advised by the Outside Directors and Audit & Supervisory Board Members, to stipulate fundamental matters relating to measures to prevent risks from emerging, and preparation in case risks arise. In the fiscal year under review, the Risk Management Committee held meetings twice, where it deliberated on basic policies for FY2019, risks to be controlled, policies to prevent risks from emerging, policies on emergency response scenarios, and "risks of

business, etc.," which is required to be disclosed by law.

(b) The Company has established risk management departments, which deal with group-wide risks that are common to the Group, and each of these management departments assist individual departments and subsidiaries to manage their risks, instruct them to take necessary measures, and confirm the status of implementation of these measures.

(c) If any risk materializes, the department in which it arises takes the necessary steps for the risk, and promptly reports the details of the event to the Risk Management Committee according to the OKI Group Emergency Response System. This Committee manages crisis information in a unified manner, determines a response system and manager promptly, giving consideration to the severity and urgency of the said crisis, implements necessary measures, and gives support to the said department.

(iii) Procedures relating to subsidiary management

(a) In the Subsidiaries and Affiliates Management Rules, an administrative division is designated for each subsidiary, and the head of said administrative division manages it with the authority and responsibilities stipulated by the authority regulations. Appointment and dismissal of chief officers of subsidiaries is determined by the President and Executive Officer of the Company, and appointment and dismissal of other officers is determined by the head of the administrative division.

(b) Heads of administrative divisions clearly state the missions of subsidiaries which they supervise, and when developing business plans, they provide support, instruction, and periodic monitoring, and evaluate the performance of officers. Heads of administrative divisions also monitor the operational status of the general meeting of shareholders and the Board of Directors and compliance of Directors of subsidiaries.

(c) At the accounting division of each subsidiary, the Company has appointed staff with the necessary knowledge and experience. The Company works to conduct the maintenance and improvement of an internal control system for financial reporting conducted in accordance with related laws and regulations.

(d) To prevent losses from violations, malconduct, scandals, or accidents related to any laws, rules or ethics, or loss from failing to appropriately perform risk management, the Company holds regular training seminars for directors and audit & supervisory board members of subsidiaries. Seminar topics include responsibilities and obligations as a subsidiaries' officer, compliance, and internal controls.

(iv) Procedures relating to audits by Audit & Supervisory Board Members

(a) The Standing Audit & Supervisory Board Members assess important decision-making processes and the status of business operations by attending meetings of the Board of Directors and the Management Committee in addition to reading resolution approval documents.

(b) The Audit & Supervisory Board Members have received whistle-blowing reports based on whistle-blowing regulations, and received reports biannually on the

status of operation.

(c) In addition to receiving reports on the development and operational status of the internal control system at the meetings of the Board of Directors, the Audit & Supervisory Board Members exchange opinions with the President, executive officers, general managers of divisions and representatives of the subsidiaries, confirming the development and operation of the internal control system in the process.

(d) The Audit & Supervisory Board Members hold discussions and exchanges of opinion with the Internal Auditing Division by taking part in site visits and meetings to report on the results of audits held by the Internal Auditing Division, and utilize the results of audits in audits by Audit & Supervisory Board Members.

(e) The Audit & Supervisory Board Members have maintained close cooperation with the Accounting Auditor including meeting and exchanging opinions with the Accounting Auditor and attending site visits by the Accounting Auditor, to implement effective audits.

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, 2020)

(Unit: Millions of yen)

Account title	Amount	Account title	Amount
(Assets)		(Liabilities)	
Current assets	236,726	Current liabilities	159,940
Cash and deposits	49,227	Notes and accounts payable	61,714
Notes and accounts receivable	111,314	Short-term borrowings	35,415
Lease receivables and lease investment assets	14,150	Lease obligations	4,539
		Other accrued expenses	21,590
Finished goods	15,901	Other current liabilities	36,681
Work in process	14,332	Long-term liabilities	106,090
Raw materials and supplies	21,978	Long-term debt	42,310
Other current assets	10,202	Lease obligations	15,417
Allowance for doubtful receivables	(382)	Deferred tax liabilities	9,784
Non-current assets	135,744	Provision for Directors' retirement benefits	372
Property, plant and equipment	51,428	Liability for retirement benefits	32,129
Buildings and structures	21,357	Other long-term liabilities	6,075
Machinery, equipment and vehicle	9,421	Total liabilities	266,030
Tools, furniture and fixtures	8,719	(Net Assets)	
Land	11,611	Shareholders' equity	122,923
Construction in progress	318	Capital stock	44,000
Intangible assets	11,288	Additional paid-in capital	19,047
Investments and other assets	73,027	Retained earnings	60,847
Investments in securities	34,694	Treasury stock, at cost	(971)
Asset for retirement benefits	20,007	Accumulated other comprehensive income	(16,718)
Long-term trade receivables	20,549	Net unrealized holding gain/loss on other securities	(218)
Other investments and other assets	15,765		
Allowance for doubtful receivables	(17,989)	Loss on deferred hedges	112
		Translation adjustments	(9,029)
		Retirement benefits liability adjustments	(7,583)
		Subscription rights to shares	171
		Non-controlling interests	64
		Total net assets	106,440
Total assets	372,471	Total liabilities and net assets	372,471

(Translation)

Consolidated Statement of Operations

(From April 1, 2019 to March 31, 2020)

(Unit: Millions of yen)

Account title	Amount	
Net sales		457,223
Cost of sales		339,415
Gross profit		117,807
Selling, general and administrative expenses		100,978
Operating income		16,829
Non-operating income		
Interest income	87	
Dividend income	1,430	
Dividend income of insurance	363	
Receipt on litigation	438	
Other	790	3,109
Non-operating expenses		
Interest expense	1,721	
Foreign exchange loss	3,274	
Other	1,138	6,135
Ordinary income		13,804
Extraordinary profit		
Gain on sale of property, plant and equipment	4,842	
Gain on sale of investments in securities	4,682	
Gain on sale of shares of subsidiaries and affiliates	165	
Insurance claim income	617	
Compensation for damage income	202	10,510
Extraordinary loss		
Loss on sale and disposition of property, plant and equipment	560	
Loss on impairment of fixed assets	846	
Loss on sale of shares of subsidiaries and affiliates	192	
Write-downs of investments in unconsolidated subsidiaries and other securities	234	
Loss on disaster	411	
Business structure improvement expenses	2,418	4,663
Profit before income taxes		19,651
Income taxes	4,267	
Income taxes deferred	1,262	5,529
Profit		14,122
Loss attributable to non-controlling interests		35
Profit attributable to owners of parent		14,086

(Translation)

Consolidated Statement of Changes in Net Assets

(From April 1, 2019 to March 31, 2020)

(Unit: Millions of yen)

	Shareholders' equity				
	Capital stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at April 1, 2019	44,000	19,057	51,785	(997)	113,845
Cumulative effects of changes in accounting policies			(698)		(698)
Restated balance	44,000	19,057	51,086	(997)	113,146
Changes during the term under review					
Dividends from surplus			(4,325)		(4,325)
Profit attributable to owners of parent			14,086		14,086
Purchases of treasury stock				(5)	(5)
Disposition of treasury stock		(10)		32	21
Net changes in items other than shareholders' equity during the term under review					
Net changes during the term under review	–	(10)	9,761	26	9,776
Balance at March 31, 2020	44,000	19,047	60,847	(971)	122,923

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Net unrealized holding gain/loss on other securities	Loss / Gain on deferred hedges	Translation adjustments	Retirement benefits liability adjustments	Total accumulated other comprehensive income			
Balance at April 1, 2019	2,816	169	(10,884)	(6,006)	(13,904)	133	126	100,200
Cumulative effects of changes in accounting policies					–			(698)
Restated balance	2,816	169	(10,884)	(6,006)	(13,904)	133	126	99,502
Changes during the term under review								
Dividends from surplus								(4,325)
Profit attributable to owners of parent								14,086
Purchases of treasury stock								(5)
Disposition of treasury stock								21
Net changes in items other than shareholders' equity during the term under review	(3,035)	(56)	1,855	(1,576)	(2,813)	38	(62)	(2,838)
Net changes during the term under review	(3,035)	(56)	1,855	(1,576)	(2,813)	38	(62)	6,938
Balance at March 31, 2020	(218)	112	(9,029)	(7,583)	(16,718)	171	64	106,440

(Translation)

Notes to Consolidated Financial Statements

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

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 73 companies

Names of major consolidated subsidiaries:

OKI Crosstech Co., Ltd.; OKI Software Co., Ltd.; Oki Data Corporation; Oki Proserve Co., Ltd.; Oki Data Americas, Inc.; Oki Data Manufacturing (Thailand) Co., Ltd.; Oki Electric Industry (Shenzhen) Co., Ltd.; Oki Europe Ltd.

(2) Changes in scope of consolidation:

The following companies have been newly established and included in the scope of consolidation from the fiscal year under review: OKI VIET NAM COMPANY LIMITED; OKI DATA EUROPE B.V.; ORIGAMI BRASIL TECNOLOGIA E SERVIÇOS EM AUTOMAÇÃO LTDA.

The following companies have been excluded from the scope of consolidation: Oki Customer Adtech Co., Ltd., which merged with Oki Wintech Co., Ltd., a consolidated subsidiary; TIE Co., Ltd. and Takasaki Precision Products Co., Ltd., which merged with TOMIOKA ELECTRONICS CO., LTD., a consolidated subsidiary; ML Supply Co., Ltd., which merged with OKI Data Manufacturing and Engineering Service Corporation, a consolidated subsidiary; Oki Electric Cable Service Co., Ltd., which merged with Oki Electric Cable Co., Ltd., a consolidated subsidiary; BIOLOGICA SISTEMAS S.A., OKI BR PORTUGAL S.A., and OKI BR PARAGUAY S.A., due to transfer of all shares; OKI DATA SERVICE (AUSTRALIA) PTY. LTD., due to liquidation. In addition, Oki Wintech Co., Ltd. has changed its company name to OKI Crosstech Co., Ltd., and TOMIOKA ELECTRONICS CO., LTD. has changed its company name to OKI TOMIOKA Manufacturing Co., Ltd.

2. Application of equity method

(1) Name of affiliated company to which the equity method is not applied:

BANKING CHANNEL SOLUTIONS LIMITED and other one company

(2) Name of affiliated company to which the equity method is not applied:

TOWN NETWORK SERVICE Corporation

Reason for not applying the equity method:

The company has little influence and have no significance on profit or loss and retained earnings.

(3) Changes in scope of application of the equity method

Marubeni OKI Network Solutions Inc. has been excluded from the scope of application of the equity method due to transfer of all shares.

(Translation)

3. 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 mainly the moving average method.)

Non-marketable securities:

Mainly stated at cost based on the moving average method

(ii) Inventories

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

Finished goods:

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

Work in process:

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

Raw materials and supplies:

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

(iii) Derivatives

Stated at fair value

(2) Depreciation and amortization

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

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

(ii) Intangible assets (excluding lease assets)

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

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

(Translation)

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.

(3) Basis for provision of reserves

(i) Allowance for doubtful receivables

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

(ii) Provision for Directors' retirement benefits

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

(4) Basis for provision of income and expense

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

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

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

b. Other income

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

(5) Important hedge accounting methods

(i) Method of hedge accounting

Deferred hedging is applied. Allocation treatment is applied for forward exchange contracts 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 long-term debt.

(iii) Hedging policy

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

(iv) Assessment method of the effectiveness of hedges

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

(6) Amortization of goodwill and amortization period

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

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

(i) Method of accounting for retirement benefits

a. Attributing expected retirement benefits to a period

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

b. Accounting for actuarial gains and losses, and prior service costs

Prior service costs are amortized by the straight-line method over a set number of years (10 to 13 years) within the average remaining years of service of employees.

Actuarial gains and losses are amortized by the straight line method over a set number of years (10 to 13 years) within the average remaining years of service of employees at the time of their accrual in each fiscal year. Amortization of such gains and losses is deemed to be effective from the year after the one in which they arise.

(ii) Accounting processing of consumption tax

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

(iii) Application of consolidated tax payment

The consolidated tax payment is applied.

(iv) Application of deferred tax accounting for the transition from the consolidated taxation system to the group tax sharing system

As for items regarding the transition to the group tax sharing system introduced in the “Act Partially Amending the Income Tax Act” (Act No. 8 of 2020) and items revised on non-consolidated taxation system in connection with the transition to the group tax sharing system, the Company and consolidated subsidiaries in Japan have not applied the provisions of Paragraph 44 of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, February 16, 2018) as allowed by the provisions of Paragraph 3 of the “Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System” (ASBJ PITF No. 39, March 31, 2020). Accordingly, amounts of deferred tax assets and deferred tax liabilities are determined in accordance with the provisions of the tax law before revision.

(Translation)

Notes on Changes in Accounting Policies

Overseas consolidated subsidiaries, excluding those in the U.S., began applying IFRS 16 Leases effective from the beginning of the fiscal year under review. As a result of applying these accounting standards, property, plant and equipment increased ¥2,285 million, lease obligations under current liabilities increased ¥1,010 million, lease obligations under long-term liabilities increased ¥1,635 million and retained earnings decreased ¥533 million in the consolidated balance sheet for the fiscal year under review.

The impact of this change on profit and loss for the fiscal year under review is immaterial.

Additional Information

1. Request for arbitration by a consolidated subsidiary

Oki Banking Systems (Shenzhen) Co., Ltd., an OKI Group consolidated subsidiary, has filed a request for arbitration against Shenzhen Yihua Computer Industrial Co., Ltd. on October 10, 2015, demanding payment of accounts receivable of RMB1,115,463 thousand (¥17,066 million if converted to Japanese yen based on the exchange rate as of the end of the fiscal year under review) and compensation of damages. Currently, the South China International Economic and Trade Arbitration Commission continues to review the matter.

In consideration of the status of litigation, since the period for collecting the receivables is expected to lengthen, an allowance for doubtful receivables of ¥10,279 million was recorded at the end of the fiscal year under review.

2. Expanded application of the percentage-of-completion method

Previously, the percentage-of-completion method was applied for the work whose outcome from the completed portion was deemed definite and the completed-contract method was applied for other work. In conjunction with the measures to develop and enhance the cost management system, since the fiscal year under review, the percentage-of-completion method has also been applied to some of this other work because it became possible to reliably estimate the work.

As a result, for the fiscal year under review, net sales increased ¥10,487 million, and operating income, ordinary income and profit before income taxes decreased ¥85 million each.

(Translation)

Notes to Consolidated Balance Sheet

1. Assets pledged as collateral for borrowings

Investments in securities	¥7,654 million
Liabilities collateralized by the above assets:	
Short-term borrowings	¥1,000 million

2. Accumulated depreciation on property, plant and equipment ¥158,259 million

3. Liabilities for guarantee

Guarantee for borrowings by employees	¥110 million

4. Contingent liabilities

OKI Brasil Indústria e Comércio de Produtos e Tecnologia em Automação S.A. (hereinafter "OKI Brasil"), a consolidated subsidiary of the Company, received an additional tax assessment notice from the tax authorities of Sao Paulo State on August 20, 2018. According to this notice, OKI Brasil was ordered to pay 90 million BRL as ICMS (tax on distribution of goods and services). However, OKI Brasil refuses to accept this order, and it has filed a lawsuit.

The Company cannot reasonably estimate the probability of the occurrence of a loss or the amount of a loss at present.

(Translation)

Notes to Consolidated Statement of Changes in Net Assets

1. Matters concerning class and total number of shares outstanding as of the end of FY2019
   Common Stock 87,217 thousand shares

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

Resolution	Class of shares	Source of dividends	Total dividends (millions of yen)	Dividends per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 21, 2019	Common Stock	Retained earnings	4,325	50.00	March 31, 2019	June 24, 2019

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

Proposal	Class of shares	Source of dividends	Total dividends (millions of yen)	Dividends per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 26, 2020	Common Stock	Retained earnings	4,326	50.00	March 31, 2020	June 29, 2020

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

Category	Breakdown of equity warrants	Type of shares to be issued upon exercise of equity warrants	Number of shares to be issued upon exercise of equity warrants (shares)
The Company	FY2016 Equity Warrants (issued on August 16, 2016)	Common stock	30,100
	FY2017 Equity Warrants (issued on August 15, 2017)	Common stock	41,000
	FY2018 Equity Warrants (issued on August 14, 2018)	Common stock	51,600
	FY2019 Equity Warrants (issued on August 14, 2019)	Common stock	61,600

(Translation)

Notes on Financial Instruments

1. Matters concerning the status of financial instruments

(1) Policy on 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 uses derivatives to hedge risk as described below, and does not engage in speculative transactions.

(2) Description of financial instruments, related risks, and risk management system

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

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

Derivative transactions consist of forward foreign exchange contracts, which aim to hedge exchange rate fluctuation risks related to foreign currency-denominated receivables and payables, and interest rate swap transactions, which aim to hedge interest rate fluctuation risks related to the payment of borrowings. The assessment of hedge effectiveness for interest rate swap transactions that satisfy the requirements for special treatment is omitted.

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

(3) Supplemental explanation regarding the disclosure concerning fair value of financial instruments

The fair value of financial instruments is based on market prices, but if no market prices are available, their fair value reflects the value reasonably calculated. Because fluctuation factors are incorporated into the calculation of the said value, it may change if different prerequisites, etc. are used.

(Translation)

2. Disclosure concerning fair value of financial instruments

As of March 31, 2020 (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 (*1)	Fair value (*1)	Difference
(1) Cash and deposits	49,227	49,227	–
(2) Notes and accounts receivable	111,314	111,314	–
(3) Investments in securities	26,409	26,417	7
(4) Long-term trade receivables	20,549		
Allowance for doubtful receivables (*2)	(13,289)		
	7,260	7,260	–
(5) Notes and accounts payable	(61,714)	(61,714)	–
(6) Short-term borrowings (*3)	(21,400)	(21,400)	–
(7) Other accrued expenses	(21,590)	(21,590)	–
(8) Long-term debt (*3)	(56,324)	(56,634)	310
(9) Derivative transactions	375	375	–

(*1) Those recorded as liabilities are shown within brackets.
(*2) Allowance for doubtful receivables specifically provided for long-term trade receivables is deducted.
(*3) Long-term debt (¥14,014 million) that will be reimbursed within one year are classified as “short-term” borrowings in the consolidated balance sheet.

Notes:

1. Disclosure concerning methods of calculation of fair value of financial instruments, securities and derivative transactions

(1) Cash and deposits and (2) Notes and accounts receivable

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

(3) Investments in securities

The fair value of investments in securities is based on their prices determined at the financial instruments exchanges, and the fair value of bonds is based on the quotations offered by the correspondent financial institution.

(4) Long-term trade receivables

Fair value of long-term trade receivables is based on the amount after deducting the present estimated doubtful receivables from the book value as estimated doubtful receivables are calculated based on the present value of loans / receivables.

(5) Notes and accounts payable, (6) Short-term borrowings, and (7) Other accrued expenses

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

(8) Long-term debt

The fair value of these items is based primarily on the method of calculation whereby the sum of principal and interest is discounted by an assumed interest rate on the assumption that the said sum is freshly borrowed in a similar manner. Some long-term debt with floating interest rates are prescribed to be subject to special accounting treatment applicable to interest rate swaps (see (9) below). Hence, the fair value of a long-term debt is based on the method of calculation whereby the sum of principal and interest, treated in combination with the said interest rate swap, is discounted by a reasonably estimable interest rate on the assumption that the said amount is freshly borrowed in a similar manner.

(9) Derivative transactions

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

(Translation)

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

Unlisted equity securities (¥8,284 million on the consolidated balance sheet) are not included in (3) Investments in securities because they have no market price and it is deemed extremely difficult to assess their fair values.

Significant Subsequent Event

Business Separation

In June 2019, in order to transfer its financial and retail services businesses to NCR Brasil Ltda. (NCR Brasil), a Brazilian subsidiary of NCR Corporation (NCR), OKI BRASIL INDÚSTRIA E COMÉRCIO DE PRODUTOSE E TECNOLOGIA EM AUTOMAÇÃO S.A. (OKI Brasil), a consolidated subsidiary of the Company, and NCR reached an agreement on a company split of OKI Brasil and transfer of the shares of the newly established company. All shares of the new company were transferred on April 9, 2020.

1. Reason for the share transfer

OKI Brasil has implemented fundamental structural reforms aimed at improving profitability, but the Company has concluded that it will be difficult for OKI Brasil to independently expand its business in the future in order to improve profitability, given changes in the business environment.

In addition, since the previous fiscal year, the Company has been reviewing its strategies for developing its overseas Mechatronics Systems business in order to focus on supplying modules to its partners.

Based on the above, the Company considered further development of OKI Brasil in the future and determined that it would be most appropriate to transfer the business to the NCR Group, which has many years of experience in the field and is expected to generate synergies.

Upon completion of the transaction, the Company will supply NCR Brasil with modules for the Brazilian market.

2 Name of the transferee of the shares

NCR Brasil Ltda.

3. Share transfer date

April 9, 2020

4. Outline of the subsidiary company

Name: ORIGAMI BRASIL TECNOLOGIA E SERVIÇOS EM AUTOMAÇÃO LTDA.

Business: Design, development, manufacture, sale and maintenance of automated machines

5. Number of shares transferred, transfer value, transfer gain/loss and share ratio after transfer

Number of shares transferred: 109,560,331 shares (Share Ratio after Transfer: 0%)

Transfer value: 24 million reals (¥522 million, at the exchange rate as of March 31, 2020)

Transfer gain/loss: (69) million reals (¥(1,458) million, at the exchange rate as of March 31, 2020)

In which, a loss of 52 million reals was recorded as “Business structure improvement expenses” in the consolidated statement of operations for the fiscal year under review.

(Translation)

Notes to Per-share Information

1. Net assets per share: ¥1,227.42
2. Earnings per share: ¥162.80

Other Notes (Notes on Loss on impairment of fixed assets)

The Group posted impairment losses of ¥846 million for the fiscal year under review. Major impairment losses are described below.

Purpose of use	Location	Type of assets	Amount (millions of yen)
Company-owned house	Saitama, Saitama Pref.	Land	730
		Other assets	93

Regarding business assets, the Group basically sets up asset groups based on business segments. However, if certain business assets (e.g. assets to be disposed of) are considered to independently create cash flows, they are grouped by asset.

As the Company decided to sell the company-owned house subject to an impairment loss, its book value was reduced to the recoverable value in the fiscal year under review. The recoverable value of the said asset was measured at net sales value.

Other Notes (Notes on Business Combination)

Transactions, etc. under Common Control

Oki Wintech Co., Ltd. and Oki Customer Adtech Co., Ltd., both of which were consolidated subsidiaries of the Company, resolved to conduct an absorption-type merger at the Board of Directors meetings of the companies held on October 31, 2018, whereby the former would become the surviving entity and the latter the extinguished entity by absorption. The companies signed a merger agreement on the same day.

(1) Outline of transactions

(i) Name and content of business of the company involved in the merger

	Surviving company	Extinguished company
Name of the company	Oki Wintech Co., Ltd.	Oki Customer Adtech Co., Ltd.
Content of business	Engineering work for electrical and energy facilities, sales of ICT systems for businesses, and sales of traffic-relayed systems	Repair, maintenance, engineering work, remote supervision, operations management, manufacturing and sales of information processing, telecommunications, control, measurement, broadcasting, and medical equipment and systems; and development and sales of related software

(Translation)

(ii) Date of business combination
April 1, 2019

(iii) Legal forms of business combination
Absorption-type merger, whereby Oki Wintech Co., Ltd. becomes the surviving entity and Oki Customer Adtech Co., Ltd. becomes the extinguished entity

(iv) Name of the company after combination
OKI Crosstech Co., Ltd. (the company name changed from Oki Wintech Co., Ltd. on April 1, 2019)

(v) Other items regarding outline of transaction
Oki Wintech Co., Ltd. with a long, good track record as an engineering company in the fields of construction and maintenance of voice networks, electrical works, and social infrastructure works has been merged with Oki Customer Adtech Co., Ltd. with an excellent track record in maintenance and operations of high-availability equipment such as ATMs, financial systems and servers. A new company capable of providing strong service solutions has been established, and it will enhance the recurring business platform and ensure sustainable growth of the Group.

(2) Outline of accounting procedures applied
The transaction was accounted for as transactions under common control in accordance with the Accounting Standard for Business Combinations (ASBJ Statement No. 21, January 16, 2019) and the Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, January 16, 2019).

(Translation)

Transcript of Accounting Auditors' Report on Consolidated Financial Statements

Independent Auditors' Report

June 8, 2020

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

PricewaterhouseCoopers Aarata LLC
Tokyo Office
Kensuke Koda,
Engagement Partner, Certified Public Accountant
Hiroyuki Sawayama,
Engagement Partner, Certified Public Accountant
Yoshihiro Shiribiki,
Engagement Partner, Certified Public Accountant

Audit opinion
We have audited the consolidated financial statements – the consolidated balance sheet, the consolidated statement of operations, the consolidated statement of changes in net assets equity and notes to the consolidated financial statements – of Oki Electric Industry Co., Ltd. for the 96th term from April 1, 2019 to March 31, 2020 in accordance with Article 444 paragraph (4) of the Companies Act.
We concluded that the consolidated financial statements fairly present in all aspects of Oki Electric Industry's and its subsidiaries' assets and income or loss in accordance with corporate accounting standards generally accepted in Japan.

Basis for audit opinion
We have conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the "Responsibility of auditors for the audit of the consolidated financial statements" section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management, Audit & Supervisory Board Members and the Audit & Supervisory Board for preparing consolidated financial statements
Oki Electric Industry's management is responsible for preparing and presenting fairly these consolidated financial statements in accordance with corporate accounting standards generally accepted in Japan. This includes designing and operating internal control that the management determines necessary to prepare and fairly present these consolidated financial statements that are without material misstatement due to fraud or errors.
In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of a going concern, and in accordance with corporate accounting standards generally accepted in Japan, for disclosing, as necessary, matters related to going concern.
Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Responsibility of auditors for the audit of the consolidated financial statements
Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these consolidated financial statements.
In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the consolidated financial statements, obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

(Translation)

- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and the appropriateness of related notes thereto.
- Conclude on the appropriateness of preparing the consolidated financial statements with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and notes to the consolidated financial statements are in accordance with corporate accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We report to the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.
We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Conflict of interest
We or engagement partners have no interests in the Company and its consolidated subsidiaries, which should be stated in compliance with the Certified Public Accountants Act.

(Translation)

Non-Consolidated Balance Sheet

(as of March 31, 2020)

(Unit: Millions of yen)

Account title	Amount		Account title	Amount	
(Assets)			(Liabilities)		
Current assets			Current liabilities		
Cash and deposits		33,843	Notes payable		23
Notes receivable		1,972	Electronically recorded obligations - operating		3,048
Accounts receivable, trade		69,128	Accounts payable, trade		41,258
Lease investment assets		14,114	Short-term borrowings		15,193
Finished goods		5,420	Current portion of long-term debt		13,579
Work in process		8,127	Lease obligations		3,464
Raw materials and supplies		8,477	Accounts payable, others		11,373
Advance payments - trade		277	Other accrued expenses		7,235
Prepaid expenses		1,934	Income taxes payable		1,367
Short-term loans		6,600	Advances received		1,618
Accounts receivable-other		5,984	Deposits received		22,189
Other current assets		703	Unearned revenue		2
Allowance for doubtful receivables		(18)	Provision for product warranties		1,499
Total current assets		156,567	Provision for directors' bonuses		149
Non-current assets			Provision for loss on construction contracts		2,822
Property, plant and equipment			Provision for contingent loss		881
Buildings	31,181		Provision for loss on Anti-Monopoly Act		126
Accumulated depreciation	24,118	7,062	Other current liabilities		3
Structures	2,151		Total current liabilities		125,838
Accumulated depreciation	1,711	439	Long-term liabilities		
Machinery and equipment	11,751		Long-term debt		42,310
Accumulated depreciation	10,170	1,580	Lease obligations		13,694
Vessels	192		Deferred tax liabilities		5,152
Accumulated depreciation	16	175	Retirement benefits		7,130
Vehicle	70		Provision for product warranties		141
Accumulated depreciation	63	6	Provision for loss on business of subsidiaries and affiliates		155
Tools, furniture and fixtures	38,041		Provision for loss on Anti-Monopoly Act		292
Accumulated depreciation	31,626	6,415	Asset retirement obligations		1,125
Land		1,074	Other long-term liabilities		958
Construction in progress		155	Total long-term liabilities		70,960
Total property, plant and equipment		16,909	Total liabilities		196,798
Intangible assets			(Net Assets)		
Right of using facilities		110	Shareholders' equity		
Software		7,700	Capital stock		44,000
Total intangible assets		7,811	Additional paid-in capital		21,529
Investments and other assets			Capital reserve		15,000
Investments in securities		31,710	Other additional paid-in capital		6,529
Investments in and advances to subsidiaries and affiliates		55,190	Retained earnings		24,998
Contribution		87	Other retained earnings		24,998
Contribution in subsidiaries and affiliates		501	Retained earnings carried forward		24,998
Long-term loans receivable from subsidiaries and affiliates		22,081	Treasury stock, at cost		(963)
Claims provable in bankruptcy, rehabilitation and other		30	Total shareholders' equity		89,563
Long-term prepaid expenses		542	Valuation, translation adjustments and others		
Prepaid pension cost		7,495	Net unrealized holding gain/loss on other securities		(471)
Lease and guarantee deposits		3,278	Total valuation, translation adjustments and others		(471)
Other investments and other assets		256			
Allowance for doubtful receivables		(16,400)	Subscription rights to shares		171
Total investments and other assets		104,775			
Total non-current assets		129,495	Total net assets		89,264
Total assets		286,063	Total liabilities and net assets		286,063

(Translation)

Non-Consolidated Statement of Operations

(From April 1, 2019 to March 31, 2020)

(Unit: Millions of yen)

Account title	Amount	
Net sales		249,231
Cost of sales		202,020
Gross profit		47,210
Selling, general and administrative expenses		43,007
Operating income		4,202
Non-operating income		
Interest income	626	
Dividend income	10,127	
Other	1,966	12,720
Non-operating expenses		
Interest expense	1,368	
Foreign exchange loss	1,674	
Provision of allowance for doubtful receivables	(1,400)	
Penalty	247	
Other	803	2,694
Ordinary income		14,228
Extraordinary profit		
Gain on sale of investments in securities	4,683	
Gain on sale of shares of subsidiaries and affiliates	193	
Gain on cancellation of lease obligations	64	4,941
Extraordinary loss		
Loss on sale and disposition of property, plant and equipment	288	
Loss on impairment of fixed assets	824	
Loss on sale of investments in securities	37	
Write-downs of investments in unconsolidated subsidiaries and other securities	90	
Provision for loss on business of subsidiaries and affiliates	155	1,395
Profit before income taxes		17,774
Income taxes	828	
Income taxes deferred	55	884
Profit		16,890

(Translation)

Non-Consolidated Statement of Changes in Net Assets

(From April 1, 2019 to March 31, 2020)

(Unit: Millions of yen)

	Shareholders' equity							
	Capital stock	Additional paid-in capital			Retained earnings		Treasury stock, at cost	Total share-holders' equity
		Capital reserve	Other additional paid-in capital	Total additional paid-in capital	Other retained earnings	Total retained earnings		
					Retained earnings carried forward			
Balance at April 1, 2019	44,000	15,000	6,540	21,540	12,433	12,433	(989)	76,983
Changes during the term under review								
Dividends from surplus					(4,325)	(4,325)		(4,325)
Profit					16,890	16,890		16,890
Purchases of treasury stock							(5)	(5)
Disposition of treasury stock			(10)	(10)			32	21
Net changes in items other than shareholders' equity during the term under review								
Net changes during the term under review	–	–	(10)	(10)	12,565	12,565	26	12,580
Balance at March 31, 2020	44,000	15,000	6,529	21,529	24,998	24,998	(963)	89,563

	Valuation, translation adjustments and others			Subscription rights to shares	Total net assets
	Net unrealized holding gain/loss on other securities	Loss / Gain on deferred hedges	Total valuation, translation adjustments and others		
Balance at April 1, 2019	2,605	–	2,605	133	79,722
Changes during the term under review					
Dividends from surplus					(4,325)
Profit					16,890
Purchases of treasury stock					(5)
Disposition of treasury stock					21
Net changes in items other than shareholders' equity during the term under review	(3,076)	–	(3,076)	38	(3,038)
Net changes during the term under review	(3,076)	–	(3,076)	38	9,541
Balance at March 31, 2020	(471)	–	(471)	171	89,264

(Translation)

Notes to Non-consolidated Financial Statements

Significant Accounting Policies

1. Standards and valuation methods for negotiable securities

Shares of subsidiaries and affiliated companies:

Stated at cost based on the moving average method

Other negotiable securities:

Marketable securities:

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

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

2. Standards and valuation methods for derivatives

Derivatives: Stated at fair value

3. Standards and valuation methods for inventories

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

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

Raw materials and supplies:

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

4. Depreciation and amortization

Property, plant and equipment (excluding lease assets): Declining-balance method

The straight-line method is applied to buildings, excluding annexed structures, acquired on or after April 1, 1998.

Intangible assets (excluding lease assets)

Software for sale in the market:

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

Software for internal use:

Straight-line method based on the estimated durable years (mainly 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.

(Translation)

5. Basis for provision of reserves

Allowance for doubtful receivables

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

Provision for product warranties

To prepare for the expenses caused by free repairs that occur after product sales, the Company includes a provision for product warranties based on past performance or individual estimates.

Provision for directors' bonuses

To prepare for the payment of bonuses to officers (includes Executive Officers, the same applies below), the Company records the amount attributable to the current fiscal year out of the amount of bonuses expected to be paid to officers.

Provision for loss on construction contracts

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

Provision for contingent loss

To prepare for losses that may occur in the future, the Company includes a provision for contingency losses rationally calculated based on individual risks, etc.

Provision for loss on Anti-Monopoly Act

To prepare for any losses relating to the Anti-Monopoly Act, the estimated amount for the current fiscal year end is recorded.

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.

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

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

Provision for loss on business of subsidiaries and affiliates

In order to prepare for a loss on business of subsidiaries and affiliates, the Company records the amount of expected loss to bear in consideration of the financial position, operating results, etc. of these companies.

(Translation)

6. Hedge accounting methods

(1) 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 the requirements for special treatment.

(2) Means of hedging and hedged item

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 and long-term debt.

(3) Hedging policy

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

(4) Assessment method of hedging effectiveness

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

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

(1) Accounting for retirement benefits

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

(2) Accounting processing of consumption tax

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

(3) Application of consolidated tax payments

Consolidated tax payments are applied.

(4) Application of deferred tax accounting for the transition from the consolidated taxation system to the group tax sharing system

As for items regarding the transition to the group tax sharing system introduced in the "Act Partially Amending the Income Tax Act" (Act No. 8 of 2020) and items revised on non-consolidated taxation system in connection with the transition to the group tax sharing system, the Company has not applied the provisions of Paragraph 44 of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, February 16, 2018) as allowed by the provisions of Paragraph 3 of the "Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System" (ASBJ PITF No. 39, March 31, 2020). Accordingly, amounts of deferred tax assets and deferred tax liabilities are determined in accordance with the provisions of the tax law before revision.

(Translation)

Notes to Non-consolidated Balance Sheet

1. Assets provided as collateral

Investments in securities	¥7,654 million
Liabilities collateralized by the above assets	
Short-term borrowings	¥1,000 million

2. Guarantee liabilities:

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

Oki HONG KONG LTD.	¥4,000 million
	($4,000 thousand, HK$18,000 thousand, RMB216,500 thousand)
OKI EUROPE LTD.	¥2,694 million
	(GBP18,000 thousand, EUR2,443 thousand)
OKI Brasil Indústria e Comércio de Produtos e Tecnologia em Automação S.A.	¥2,546 million
	(121,557 thousand real)
OKI DATA AMERICAS, INC.	¥1,632 million
	($15,000 thousand)
OKI India Private Limited	¥967 million
	(INR666,987 thousand)
Oki Printed Circuits Co., Ltd.	¥929 million
Oki Data Manufacturing (Thailand) Co., Ltd.	¥598 million
	($5,500 thousand)
Four other entities:	¥1,276 million
Total:	¥14,646 million

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

Short-term monetary claims receivable from subsidiaries and affiliates:	¥17,420 million
Long-term monetary claims receivable from subsidiaries and affiliates:	¥1,161 million
Short-term monetary claims payable to subsidiaries and affiliates:	¥37,060 million
Long-term monetary claims payable to subsidiaries and affiliates:	¥67 million

Notes to Non-consolidated Statement of Operations

Transactions with subsidiaries and affiliates

Sales:	¥20,220 million
Purchases:	¥58,109 million
Non-operating transactions:	¥12,849 million

Notes to Non-consolidated Statement of Changes in Net Assets

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

Common stock:	690 thousand shares

(Translation)

Notes to Deferred Tax Accounting

Major factors giving rise to deferred tax assets and liabilities

Deferred tax assets	
Nondeductible write-downs of shares of subsidiaries and affiliates	¥16,679 million
Allowance for doubtful receivables	¥5,028 million
Nondeductible retirement benefits	¥3,804 million
Adjustments of losses on transfers among consolidated subsidiaries	¥3,411 million
Loss carry forwards	¥1,830 million
Nondeductible accrued bonuses	¥1,171 million
Nondeductible write-downs of inventories	¥935 million
Provision for loss on construction contracts	¥864 million
Balance of trust property with retirement benefits	¥640 million
Loss on impairment of fixed assets	¥602 million
Provision for product warranties	¥502 million
Liability reserve	¥398 million
Bad debts expenses	¥354 million
Asset retirement obligations	¥344 million
Others	¥2,040 million
Subtotal deferred tax assets	¥38,602 million
Valuation allowance	¥(34,562) million
Total deferred tax assets	¥4,039 million
Deferred tax liabilities	
Gain on valuation of investment securities	¥(5,723) million
Nondeductible unrealized gain on contribution of securities to the pension trust	¥(1,957) million
Prepaid pension cost	¥(1,308) million
Others	¥(203) million
Total deferred tax liabilities	¥(9,191) million
Net deferred tax assets	¥(5,152) million

(Translation)

Notes to Related Party Transactions

Subsidiaries, etc.

Attribute	Name of company, etc.	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 Crosstech Co., Ltd.	Chuo-ku, Tokyo	¥2,001 million	Equipment work, designing, construction and maintenance of telecommunication, firefighting and other facilities, maintenance, operations and technical support for ICT equipment and systems, and sales of related equipment and supplies	(Direct) 100%	Supply products etc., purchase of services	Sales of products	9,331	Accounts receivable, trade	2,895
							Purchase of services	21,385	Accounts payable, trade	2,926
							Borrowings of funds	–	Deposits received	7,359
Subsidiary	OKI Software Co., Ltd.	Warabi, Saitama Pref.	¥400 million	Development, design, manufacture and maintenance of software and embedded software, system building services, SI/solution services, consulting, outsourcing and sales of information equipment	(Direct) 100%	Production of software on a contract basis, etc.	Purchase of services	15,294	Accounts payable, trade	4,496
Subsidiary	Oki Data Corporation	Minato-ku, Tokyo	¥19,000 million	Development, manufacture and sales of printer equipment and related other solutions	(Direct) 100%	Purchase of products, etc., concurrent assumption of office	Borrowings of funds	–	Deposits received	6,178
Subsidiary	Oki Printed Circuits Co., Ltd.	Joetsu, Niigata Pref.	¥480 million	Manufacture and sales of printed circuit boards and electronic equipment	(Direct) 100%	Purchase of products and services, lending of funds	Lending of funds	2,377	short-term loans receivable	2,586
									Long-term loans receivable from subsidiaries and affiliate	380
Subsidiary	OKI Brasil Indústria e Comércio de Produtos e Tecnologia em Automação S.A.	Brazil	BRL415,999 thousand	Design, manufacture, sales and maintenance of automation equipment	(Direct) 100%	Supply products etc., lending of funds	Lending of funds	5,585	Long-term loans receivable from subsidiaries and affiliates	5,812
Subsidiary	Oki Hong Kong, Ltd.	Hong Kong	US$10,292 thousand	Holdings company, material procurement	(Direct) 100%	Supply products etc., lending of funds, guarantee for borrowings	Lending of funds	14,857	Long-term loans receivable from subsidiaries and affiliates	15,889
							Debt guarantee	4,000		

Notes:

1. The transactions amount excludes consumption tax, while the ending balance includes consumption tax.
2. Conditions of transactions and policy in determining conditions
   (1) The Company determines conditions regarding purchase of services and sales of products based on market prices and conducting negotiation.
   (2) The Company determines the interest rate for the lending of funds by taking the market rate of interest into consideration. However, for some subsidiaries, the Company determines the said interest rate by taking the financial position of the subsidiaries. Transaction amount shows the average balance during the fiscal year because the transactions are repetitive.
   (3) Guarantee of obligation is performed with bank loans of OKI HONG KONG LTD. and the Company receives an annual premium of 0.1%.
3. An allowance for doubtful accounts of ¥16,333 million has been recorded for loans to two overseas subsidiaries. Furthermore, an allowance for doubtful accounts of ¥(1,400) million has been provisioned this fiscal year.

(Translation)

Notes to Per-share Information

1. Net assets per share: ¥1,029.65
2. Earnings per share: ¥195.20

Explanatory notes on Company to Which Consolidated Dividend Regulations Apply

The Company will be a company to which consolidated dividend regulations apply after the final day of the fiscal year under review becomes the final day of the final fiscal year.

Additional Information

Previously, the percentage-of-completion method was applied for work whose outcome from the completed portion was deemed definite and the completed-contract method was applied for other work. In conjunction with the measures to develop and enhance the cost management system, since the fiscal year under review, the percentage-of-completion method has also been applied to some of this other work because it became possible to reliably estimate the work.

As a result, for the fiscal year under review, net sales increased ¥10,397 million, and operating income, ordinary income and profit before income taxes decreased ¥50 million each.

(Translation)

Transcript of Accounting Auditors' Report

Independent Auditors' Report

June 8, 2020

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

PricewaterhouseCoopers Aarata LLC
Tokyo Office
Kensuke Koda,
Engagement Partner, Certified Public Accountant
Hiroyuki Sawayama,
Engagement Partner, Certified Public Accountant
Yoshihiro Shiribiki,
Engagement Partner, Certified Public Accountant

Audit opinion
We have audited the non-consolidated financial statements—the non-consolidated balance sheet, the non-consolidated statement of operations, the non-consolidated statement of changes in net assets and notes to the non-consolidated financial statements—and its supporting schedules ("Financial Statements, etc.") of Oki Electric Industry Co., Ltd. for the 96th term from April 1, 2019 to March 31, 2020 in accordance with Article 436, paragraph (2), item (i) of the Companies Act.
We concluded that the Financial Statements, etc. fairly present in all aspects of Oki Electric Industry's assets and income or loss in accordance with corporate accounting standards generally accepted in Japan.

Basis for audit opinion
We have conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the "Responsibility of auditor for the audit of the Financial Statements, etc." section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of management, Audit & Supervisory Board Members and the Audit & Supervisory Board for preparing Financial Statements, etc.
Oki Electric Industry's management is responsible for preparing and presenting fairly the Financial Statements, etc. in accordance with corporate accounting standards generally accepted in Japan. This includes designing and operating internal control that the management determines necessary to prepare and fairly present the Financial Statements, etc. that are without material misstatement due to fraud or errors.
In preparing the Financial Statements, etc., management is responsible for assessing whether it is appropriate to prepare the Financial Statements, etc. with the assumption of a going concern, and in accordance with corporate accounting standards generally accepted in Japan, for disclosing, as necessary, matters related to going concern.
Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Responsibility of auditors for the audit of the Financial Statements, etc.
Our responsibilities are to obtain reasonable assurance about whether the Financial Statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the Financial Statements, etc. based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of the Financial Statements, etc.
In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the Financial Statements, etc., obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and the appropriateness of related notes thereto.
- Conclude on the appropriateness of preparing the Financial Statements, etc. with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related

(Translation)

to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the Financial Statements, etc. or, if the notes to the Financial Statements, etc. on material uncertainty are inadequate, to express a qualified opinion with exceptions on the Financial Statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the presentation of the Financial Statements, etc. and notes thereto are in accordance with corporate accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the Financial Statements, etc., including the related notes thereto, and whether the Financial Statements, etc. fairly present the underlying transactions and accounting events.

We report to the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Conflict of interest

We or engagement partners have no interests in the Company, which should be stated in compliance with the Certified Public Accountants Act.

(Translation)

Transcript of Audit & Supervisory Board's Report

Audit & Supervisory Board's Report

We, the Audit & Supervisory Board, have prepared upon consultation this Audit Report based on reports compiled by each Audit & Supervisory Board Member with respect to Directors' performance of their duties during the 96th fiscal year from April 1, 2019 to March 31, 2020, as follows:

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

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

(2) Each Audit & Supervisory Board Member, according to the audit standards, policy and plans set up by the Audit & Supervisory Board, has maintained good communications with Directors, the internal audit division and other employees and strived to collect information and improve the audit environment and conducted an audit by following the methods described below:

(a) We attended the 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. With respect to the subsidiaries of the Company, we have maintained good communications and exchanged information with Directors, Audit & Supervisory Board Members and others and received reports on business conditions from the subsidiaries as needed.

(b) In addition, we have periodically received reports from Directors and employees, among others, required explanation when necessary, and made opinions with regard to the status of operations and the systems established thereon (internal control systems) made by the Board of Directors concerning the establishment of systems defined in Article 100, paragraph (1) and paragraph (3) of the Regulations for Enforcement of the Companies Act as necessary for ensuring compliance with laws and the Company's Articles of Incorporation in the performance of duties by Directors, described in the Business Report, and for ensuring appropriateness of duties of corporate group consisting of joint stock company and its subsidiaries. With respect to the internal controls over financial reporting, we have received reports on the internal control evaluation and status of the audits from the Directors, etc. and the PricewaterhouseCoopers Aarata LLC, and asked them for explanations as necessary.

(c) We have monitored and verified whether the accounting auditors maintained their independence and properly implemented audits, received from the auditors reports on the performance of their duties and asked them for explanations as necessary. The accounting auditors reported to us that "systems for ensuring proper execution of duties" (listed in each item of Article 131 of the Corporate Calculation Regulations) have been established in accordance with the quality control standards concerning audits (Business Accounting Council, October 28, 2005), and asked them for explanations as necessary.

Based on the methods mentioned above, we have reviewed the business report for the said fiscal year and their supplementary schedules, 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

(a) 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.

(b) 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.

(c) We consider that the details of the resolution made by the Board of Directors concerning internal control procedures are proper. With respect to the details described in the Business Report and the Directors' performance of their internal control duties, we have found no issues to be pointed out.

(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, PricewaterhouseCoopers Aarata 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, PricewaterhouseCoopers Aarata LLC, are proper.

June 9, 2020

The Audit & Supervisory Board, Oki Electric Industry Co., Ltd.
Sei Yano, Standing Audit & Supervisory Board Member
Toshiya Hatakeyama, Standing Audit & Supervisory Board Member
Kuninori Hamaguchi, Outside Audit & Supervisory Board Member
Yoichi Nitta, Outside Audit & Supervisory Board Member