

MESSAGE FROM THE PRESIDENT

“Delivering OK! to your life.”
Our promise directed toward
the future.



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Climate Change, Disaster Prevention and Reduction, and SDGs

Looking back, there were many natural disasters in 2019, such as the North Kyushu Flood, Typhoon Hagibis and so forth; then, in July of 2020, there was concentrated downpour centered on Kumamoto Prefecture, and in August of the same year, many lives were lost due to heat stroke from the most intense heat wave observed on record. Looking at statistical data (2019 White Paper on Small and Medium Enterprises in Japan), we can see that the frequency of natural disasters in Japan is increasing year by year, and the costs of damages are expanding. This indicates that not only are more disasters occurring, they are also increasing in severity. This trend is similar around the world, and I believe it is essentially globally recognized that the cause of this phenomenon is global warming. The social costs brought about by climate change are escalating, and even those of us who are not directly affected by damage will take on an economic burden which will put pressure on our social lifestyles. Accordingly, all of us, without exception, must cope with environmental issues. This is one of the reasons that OKI was so quick to declare its approval for the Task Force on Climate-related Financial Disclosures (TCFD). For each person constituting a member of our

society, it cannot be considered sufficient to simply work toward lightening the environmental burden by reducing the emission of greenhouse gases and other means. There are things that OKI can do as a company to reduce the damage that natural disasters cause to society. OKI has a track record involving disaster prevention administrative radio systems, firefighting radio systems and the like; recently, we have been especially focused on disaster prevention and reduction efforts such as advancing our sensing technologies to provide solutions to sense and predict, at early stages, distortions of structures and the ground, changes in the water level of rivers, and so forth. I believe that doing our utmost to reduce human casualties and economic damage by making proactive efforts is our responsibility as a company.

It is my stance that solving various social issues through business activities in this way is precisely in line with the principle of “Sustainable Development Goals” (SDGs) adopted by the United Nations. OKI is promoting its Innovation Management System “Yume Pro” under which our vision is to help realize the SDGs and it will contribute to sustainable social development through our core business as a responsible company.

Confrontation with COVID-19

On January 23, 2020, a lockdown began in Wuhan, China. In February, just a short time after our surprise at this unprecedented situation of a massive city closing, operations at our Shenzhen plant were suspended, which dramatically impacted both our business activities and our employees’ day-to-day lives. Naturally, this also had an effect on our performance figures. Even now, the virus, which spread throughout the world thereafter, is not projected to settle down, and it is a well-known fact that COVID-19 has cast an expansive shadow over the global economy and social lifestyles. It is speculated that the disease originated in wild animals such as bats, but some scientists insist that the periodic appearance of new infectious diseases such as, looking back, SARS and MARS, and now COVID-19 is due to the natural environment being progressively destroyed, creating more occasions for humans to come into contact with unknown viruses as a result. Assuming this is true, we can take the spread of disease as an issue having the same root cause as environmental problems. Moreover, as long as this issue remains unsolved, even after COVID-19 is no longer a concern, we may well continue to be threatened by new infectious diseases.

In order to promote sustainable corporate activities as a responsible company in this kind of environment, we must first protect the safety of our employees. I believe that we can only engage in sustainable corporate activities when our employees are able to work with peace of mind, and that this will, in turn, lead to the peace of mind of our customers and partners and result in the fulfillment of corporate responsibility through our business. On January 31, the day after the WHO declared a state of emergency, we established the COVID-19 Response Headquarters with the goal of ensuring the safety of our employees and handling their times of infection, setting forth the following three basic policies.

- (1) We will place utmost priority on respect for and the safety of the lives of our customers, partners, Group employees and their families, and the people in local communities.
- (2) We will cooperate with requests from governments and public organizations and continue to provide products and services essential for social activities.
- (3) We will endeavor to continue operating our business while striving to minimize the spread of disease.

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We had already promoted the teleworking system aggressively as a part of work-style reforms, but under the COVID-19 situation, we are aiming to further enhance the system. Aiming for infrastructural strengthening, we have also advanced the improvement of remote environments. In addition, we are moving forward with the installation of satellite offices. The majority of our meetings including Board of Director Meetings are held remotely and operations are proceeding with no negative effect on our corporate activities. Along with accelerating the digital transformation of work styles, I hope for us to realize “smart work life,” which aims to improve productivity by proactively

introducing flexible work styles. Further, I am of the opinion that this will lead to the strategic management of human resources, which are the most necessary asset for corporate sustainability.

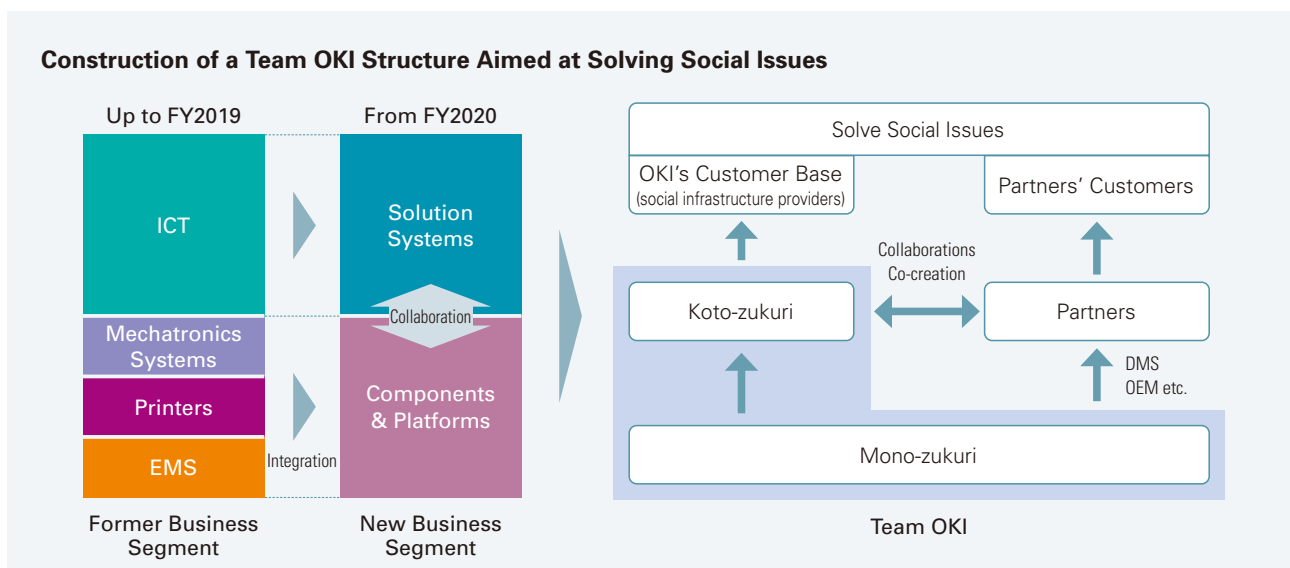
With regard to the situation regarding the emergence of COVID-19 patients within the Company, at the same time as publishing information on our employee-facing intranet, we also release it on our Japanese internet website in an effort to ease the concerns of our stakeholders. OKI will continue to follow these basic policies and conduct flexible corporate operations with a view to sustainable growth.

Awareness of and Issues Concerning Management Environment

It is thought that in the “new normal,” the situation sought by the post-COVID-19 world, the provision of non-contact and non-face-to-face services will become standardized. Since its establishment, OKI has been a company that has supported social infrastructure based on network technologies. In addition, in terms of terminal device development, our strengths lie in technologies for automation, manpower reduction, and so forth. OKI has a track record of broadly installing its terminal devices in every corner of social life, from parts of the transportation sector such as roads, railroads, and airports to financial institutions and convenience stores. OKI’s above-mentioned technologies and track record will be indispensable in many scenes where non-contact and non-face-to-face services will be realized in the new normal. In order to respond to such requests from society, OKI will aggregate its resources and commit itself to the development of solutions and terminal devices that can respond to social needs.

OKI has many possibilities aimed at the future, but our business portfolio to this point has not necessarily made use of those possibilities to the full. For instance, while we possess both network technologies and hardware

development technologies, it cannot necessarily be said that we have many businesses that link the two. We often build solutions using hardware that we have procured from external sources, too. With regard to automated equipment as well, we have a significant leaning toward specific fields such as railroads and finance; thus, our track record for fields such as medical care and distribution, which are currently considered necessary, is limited. In order to solve such issues and maximize our potential, on April 1, 2020, OKI restructured its businesses. We will conduct a bold reallocation of our resources toward necessary fields, and focus investment in vital fields such as AI Edge and IoT. In the medium- to long-term, we will build a new business portfolio in which we demonstrate a synergistic effect where our Solution Systems business and our Components & Platforms business resonate with one another, and make great strides. Furthermore, the Innovation Promotion Center has been established as an organization under the direct supervision of the President, and will develop activities aimed at the future in line with the medium-term innovation plan.



Vision & Action Principles of OKI Group

“Delivering OK! to your life.” In other words, we will contribute to the realization of a sustainable society by resolving social issues that have become manifest. This is our promise directed toward the future.

What will we aim for, and what should we do? Let all of us who work for the OKI Group share our awareness and unify our feelings regarding these points, and let us follow through on this promise. This is a key message composed with such sentiments in mind.

Throughout its history to this point, the OKI Group has, based on its corporate philosophy, supported various social foundations behind the scenes. We should be proud of this. Our basic stance as a company will continue on unchanged in the future as well. Further, in this time, in which society is poised to undergo great change, what is required of the OKI Group and each of its employees are future-oriented contributions to society.

At the OKI Group, five action principles have been indicated for executives and employees. These are “act

Corporate Philosophy

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.

Vision

The OKI Group helps create a safe and convenient infrastructure for customers and society as a whole through the key Japanese concepts of “Mono-zukuri” and “Koto-zukuri.”

Aiming for Sustainable Management

If we wish for a sustainable society, we must create it with our own hands. This is the unavoidable reality of living in this world. We must accept the social issues that have become manifest as our own issues, and earnestly endeavor toward resolving them.

There is a saying that “companies are a public institution to serve society,” and while this is a traditional saying, it indicates the universal form which management should take. Companies exist as a part of society; thus, the responsibility to contribute to society naturally emerges.

I believe that sustainable management means putting the principles as a company into practice without fail, regardless of era, environmental changes, or the like, and no matter what difficulty we face.

For some time, I asked myself, as the leader of the Company, what we could do for society in the midst of this unprecedented paradigm shift. As a result, I came to have a newly strengthened awareness: there are not only “things that OKI can do,” but “things that *only* OKI can do.” Medium-Term Business Plan 2022, explained in the following pages, is the first action plan for attaining those things in concrete form. A strategy called “AI Edge” is a strategy

with integrity,” “challenge and drive change,” “perform with speed and agility,” “be passionate and determined to succeed,” and “proactively encourage excellence as ‘Team OKI.’” These action principles refer to implementing an attitude of engaging in compliance and, as a cohesive team, boldly striving to respond to great environmental changes without being satisfied with the current situation.

Together with their superiors, employees have looked back on whether they have been able to conduct actions consistent with these principles, and the results of these considerations are reflected in individual evaluations. In order to solidify these action principles as part of corporate culture, it is necessary to continue such practices. I believe that when the behavior of each employee changes, the Company will change, enabling us to move toward our vision.

made possible only because of the assets that OKI has built to this point, such as customers and terminals.

In a virtual world in which enormous foreign companies have dominance, highly convenient new services have emerged. However, it is not the case that such services will resolve all of the issues in the real world. For instance, these services are not perfect solutions in critical areas such as those that involve human life, including the areas of health and medical care. How should the virtual world and the real world be connected in order to utilize the benefits of the former in the latter with maximum effectiveness? OKI, with its skill in network technologies, its strength in Mono-zukuri, and further, its strong relationships with customers, is a company in the optimal position to answer this question.

We will adapt to social changes and effectively utilize the resources we have. Moreover, to continue to be an indispensable company, we will change and realize growth together with society. I am confident that this is what is meant by an attitude of sustainable management.

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