

Corporate Governance

Oki Electric Industry Co., Ltd.

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Oki Electric Industry Co., Ltd.

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Stock code: 6703 <https://www.oki.com/>

The corporate governance of Oki Electric Industry Co., Ltd. (the “Company” or “OKI”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Basic Information

1. Basic Views

To earn the trust of its various stakeholders, the OKI Group recognizes ensuring sustainable growth and increasing corporate value over the medium to long term as its most important management priorities. To this end, we are working to enhance corporate governance based on our fundamental policies, including “enhancement of management fairness and transparency,” “timely decision-making processes,” and “full compliance and fortification of risk management.”

Reasons for Non-Compliance with Principles of Japan’s Corporate Governance Code

This corporate governance report is based on the code revised in June 2021 (including principles for the prime market that will become effective from April 2022).

[Principle 1-4: Cross-Shareholdings]

(1) Policy on cross-shareholdings

The Company is gradually reducing its cross-shareholdings, taking into overall consideration such factors as enhancing the medium- to long-term corporate value of the Company and the share-issuing companies.

(2) Details on verifying cross-shareholdings

The Board of Directors reviews cross-shareholdings each year. The Company considers quantitative and qualitative factors when determining the suitability of its holdings of each stock.

(3) Standards for the exercise of voting rights on cross-shareholdings

In exercising its voting rights on cross-shareholdings, the Company categorizes agenda items as follows. We make decisions and exercise voting rights based on exercise criteria.

- When appointing executives, the Company considers such factors as the total number of executives and the ratio of Independent Directors.
- For executive compensation, the Company looks at such factors as business performance and the status of assets.
- For the appropriation of surpluses, the Company considers such factors as business performance and retained earnings.
- The Company gives special consideration to proposals related to anti-takeover measures, M&A, and third-party share allocations.

[Principle 2-4 (1) Ensuring Diversity in Appointment of Core Personnel]

(1) Approach to Ensuring Diversity

The OKI Group promotes diversity and inclusion (D&I) with the aim of creating a workplace where all employees can work and make the most of their abilities, based on its policy of promoting human resource measures aimed at sustainable growth, such as fostering innovation and improving employee engagement.

The OKI Group's D & I strategy is to strengthen human resources. This management strategy aims to foster innovation, increase motivation, and achieve sustainable growth of the organization by respecting the diversity of employees and leveraging their value. In order to foster a corporate culture that respects differences in gender, age, disability, sexual orientation and gender identity (SOGI), nationality, and personal life, and that enables diverse human resources to work with a sense of fulfillment and to demonstrate their full potential, we are working to build systems that take into account internal enrichment activities and diversity, realize flexible work styles that increase efficiency, and develop systems to evaluate and appoint individuals.

<Concept, targets and status of promotion of women to managerial positions>

Aiming to support women so they can grow and develop their careers in ways that allow them to demonstrate their full potential, OKI has drawn up an action plan to promote women’s participation and advancement in the workplace. We

have set the following action plan targets to be achieved by April 2023: (1) reduce the number of overtime hours for full-time employees so that it is equal to or lower than the monthly average for fiscal year 2019 (24 hours); and (2) increase the ratio of female managers to 5%.

The ratio of female managers in fiscal year 2021 was 3.61% for OKI and 5.13% for the OKI Group. We continue to provide training to cultivate female leaders on a selective basis to raise female employees' awareness about becoming managers. We are also engaged in workplace training for appointing female employees as managers.

<Appointment of foreigners and mid-career employees to managerial positions>

OKI employs people of all nationalities who are capable of working globally. For mid-career hires, we are also promoting the hiring of personnel who promote IT/AI and innovation, as well as those who will be responsible for future management. In order to promote these human resources to management positions and diversify our core human resources, we will continue to discuss more specific policies and targets.

(2) Content and Status of Implementation of the Human Resources Development Policy and the Internal Environment Development Policy for Ensuring Diversity

The OKI Group regards human resources as one of the most important management resources for sustainable development in response to changes in the social environment. By implementing actions based on five action guidelines ("Act with integrity," "Challenge and drive change," "Perform with speed and agility," "Be passionate, and determined to succeed," and "Proactively encourage excellence as 'Team OKI,") the OKI Group aims to foster "autonomous employees" who can respond flexibly according to their roles and generate results while involving others.

In addition, we are promoting diversity and inclusion initiatives to realize "a workplace where all employees thrive at work and demonstrate their full potential." To enable everyone to balance work and childcare/caregiving, OKI maintains a host of systems to support balancing work with childcare/caregiving, including the flextime system, the teleworking system, systems to provide special work conditions for people caring for children and nursing the elderly, as well as a Special Leave for Particular Purposes system, which can be used to nurse family members, to attend children's school events, and so forth.

For further details, please refer to OKI Report 2022. (<https://www.oki.com/en/ir/finance/library/ar2022.html>)

[Supplementary Principle 3-1 (3) Sustainability Initiatives]

(1) Sustainability Initiatives

The OKI Group, as described in its corporate philosophy, underpinned by "enterprising spirit," has long aimed to contribute to people around the world through its core business, namely the provision of products and services that can serve the development of the information age. What underlies the Group's CSR initiatives is our commitment to the pursuit and fulfillment of this idea.

Based on this recognition, we enacted the "OKI Group Charter of Corporate Conduct" to ensure the Group as a whole fulfills its social responsibilities precisely in ways that comport with the Group's corporate philosophy. In addition, in accordance with the Charter, OKI set up the "OKI Group Code of Conduct," to be followed by all OKI executives and employees. This Code of Conduct has been adopted across all Group companies and incorporated into OKI's educational programs in order to be made well known and compulsory. The Charter and the Code are regarded as the basis for OKI Group Values that all Group executives and employees hold in esteem in their pursuit of increasing corporate value.

In order to maintain this stance over the long term and "Delivering OK! to your life." as "a corporate group that helps create a safe and convenient infrastructure for customers and society as a whole through the key Japanese concepts of Monozukuri and Koto-zukuri," which is our vision, we specified the materiality in our Medium-Term Business Plan 2022 from the twin perspectives of creating social value and strengthening management infrastructure. Our environmental, social, and governance (ESG) initiatives, which embody this materiality, were summarized in the OKI Report 2022 (<https://www.oki.com/en/ir/finance/library/ar2022.html>) for fiscal year 2021.

In fiscal year 2020, OKI established the "Sustainability Promotion Working Group (WG)" as a promotional structure in order to strengthen sustainability initiatives based on materiality. The WG is chaired by the President, and comprises the heads of related corporate sections, the Business

Group, and the Marketing & Sales Group. In order to encourage all Group employees to take personal responsibility for sustainability, in fiscal year 2020 the WG hosted a variety of events, including seminars given by outside lecturers, and dialogues on the theme of ESG led by the President and the heads of all of OKI's divisions. OKI will continue to accurately disclose the progress of initiatives, and, based on this, to advance dialogue with stakeholders, provide feedback for activities, and so forth.

(2) Investments in Human Capital and Intellectual Property

Based on the policies of Medium-Term Business Plan 2022, we are building a personnel system that will lead to the further revitalization of manufacturing sites toward the realization of sustainable growth. Furthermore, to realize the AI edge strategy, we are enhancing AI education in the Company and working to develop AI personnel with practical skills. We will continue to actively invest in human capital. With regard to intellectual property, the Company has formulated a Medium-Term Intellectual Property Plan to build a business portfolio in growth/focus areas and reduce intellectual property risks in existing businesses. Appropriate management is carried out through setting targets such as for the number of patent applications. As mentioned above, we will continue to invest more actively in non-financial assets.

(3) Disclosure Based on TCFD or Equivalent Framework

In the OKI Group too, we have set ourselves the target of reducing life-cycle CO2 emissions by 40% in 2030 compared to fiscal year 2013 and achieving net-zero CO2 emissions from energy used at all plants and business sites by fiscal year 2050. To work towards these goals we have set in motion the Medium-Term Environmental Plan 2022. The main measures called for in the plan are promoting businesses that contribute to the achievement of the SDGs, taking steps towards decarbonization, and bolstering supply chain management. We are also constructing a framework through which we can distribute information to stakeholders about the processes and results of the aforementioned measures, but which also helps us achieve sustainable growth. In particular, we are working to develop products that help resolve environmental problems, lending our resources to the creation of a circular economy, reducing CO2 at our business sites, and stepping up our efforts to make the transition to renewable energy. OKI announced its support for the TCFD in May 2019 from a perspective of a positive economic and environmental cycle. Along with systemically managing climate-related risks, opportunities, and countermeasures for them, OKI aims to enhance information disclosure about these efforts. For further details, please refer to OKI Report 2022. (<https://www.oki.com/en/ir/finance/library/ar2022.html>)

[Principle 5-2: Establishing and Disclosing Business Strategies and Business Plans]

The Company's capital policy is to invest for sustainable growth, to maintain a sound financial structure that allows for such risks, and to provide stable and continuous returns to shareholders.

In the "Medium-Term Business Plan 2022" up to FY2022, we have set targets for profitability, stability, and capital efficiency, and are implementing various measures such as structural reforms and growth strategies. Based on the progress made, the Company will continue to consider about reviewing of its business portfolio and allocation of management resources.

[Disclosure Based on the Principles of Japan's Corporate Governance Code]

Details of the items disclosed in accordance with the principles of Japan's Corporate Governance Code are as follows.

[Principle 1-7: Related Party Transactions]

The Board of Directors supervises transactions involving conflicts of interests between the Company and Directors in accordance with the rules of the Board of Directors, and Audit & Supervisory Board members conduct audits in accordance with the auditing standards.

The Company does not have any major shareholder who owns 10% or more of its shares.

[Principle 2-6: Roles as Asset Owners of Corporate Pension Funds]

The OKI Corporate Pension Fund manages funds for corporate pensions of the Company and its domestic group companies.

Each year, the Investment Management Committee drafts investment targets, asset allocations, and investment consignees, which are decided by the Board of Trustees. Members of both the Investment Management Committee and the Board of Trustees include employee representatives as well as people with expertise in the finance and human resources departments, appointed by the Company. Committee members and clerical staff improve their expertise by receiving advice from pension management consultants.

Important matters related to the operation of the Fund have been resolved at the Board of Representatives in accordance with the Fund's Articles of Incorporation, and conflicts of interest that may arise between our company and beneficiaries are also managed appropriately.

The Company entrusts the specific selection of fund investments to multiple investment institutions, monitoring the status of investment at quarterly management reporting meetings.

[Principle 3-1: Full Disclosure]

(i) Company objectives (management philosophy, etc.), management strategies, and management plans

1) The Company discloses its objectives (management philosophy, etc.) and corporate philosophy on the Company website.

<https://www.oki.com/en/profile/spirit/>

2) As for management strategies, and management plans, in October 2020 we formulated the Medium-Term Business Plan 2022, which ends in fiscal year 2022.

Details are disclosed on the company website.

<https://www.oki.com/en/ir/corporate/strategy/>

(ii) Basic views and guidelines on corporate governance based on each of the principles of the code

These are described in "I.1. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Basic Information" in this report.

(iii) Board policies and procedures in determining the remuneration of senior management and Directors

These are described in "II.1. [Director Remuneration]" in this report.

(iv) Board policies and procedures in the appointment/dismissal of senior management and the nomination of candidates for Directors and Audit & Supervisory Board Members

To ensure transparency in the process of nominating candidates for Directors, Audit & Supervisory Board members, and executive officers, the Company consults with the Personnel and Compensation Advisory

Committee, a voluntary committee. After receiving the committee's response, the Board of Directors and the Audit & Supervisory Board decide on candidates. The committee consists of all four outside directors (one of whom is a woman), and the chairman is elected from among the outside directors.

In the nomination and appointment of candidates for Directors, Audit & Supervisory Board Members and executive officers, the Company considers the following matters in addition to meeting legal requirements.

- Nobility of character, wisdom, a high level of ethics, fairness, honesty, and a law-abiding spirit
- The ability to conduct duties in a manner that will help realize the OKI Group's corporate philosophy and enhance corporate value sustainably
- Length of tenure
- Audit & Supervisory Board members must have the necessary financial, accounting, and legal knowledge.
- Outside officers who satisfy the Company's independence criteria

The criteria for submitting a proposal to dismiss a Director, an Audit & Supervisory Board Member, or an executive officer take into consideration the following: where the person's act violates or infringes on the law and the Articles of Incorporation; whether the person has become unable to properly perform his/her duties. Such proposals are immediately deliberated by the Personnel Affairs and Compensation Advisory Committee, which then submits its proposal to the Board of Directors.

- (v) Explanation of individual appointments, dismissals and nominations when the Board of Directors appoints and dismisses senior management and nominates candidates for Directors and Audit & Supervisory Board Members based on (iv) above

Reasons for appointment and dismissal as well as brief backgrounds and responsibilities are described in reference documents for the General Meeting of Shareholders, business reports, corporate governance reports, financial reports, and other documents.

[Principle 4-1(1): Scope and Overview of Delegation to Management]

The Company has stipulated in the rules of the Board of Directors that important matters, such as laws and regulations, matters stipulated in the Articles of Incorporation, and basic management policies are to be discussed by the Board of Directors. The details of matters to be decided by the Board of Directors are decided by the Representative Director, who also serves as President and Executive Officer, after deliberation by the Management Committee or approval procedures. Executive officers carry out their duties in accordance with basic management policies determined by the Board of Directors.

[Principle 4-9: Independence Standards and Qualifications for Independent Directors]

This information is described in "II.1. [Independent Officers]" in this report.

[Principle 4 -10 (1) Utilization of Voluntary Committees]

OKI has adopted a corporate structure with an Audit & Supervisory Board. As the Board of Directors requires both decision-making and supervisory functions, we believe that the balance between internal and executive directors and independent outside directors should be roughly evenly balanced. As of the end of June 2022, the Board of Directors consisted of four independent outside directors out of a total of nine directors, and the chairperson of the Board of Directors is a female independent outside director. The Personnel Affairs and Compensation Advisory Committee has been established as a voluntary committee to ensure transparency in the process of appointing and dismissing directors and determining compensation for directors. Prior to the resolution of the Board of Directors, the Committee receives inquiries on the appointment and dismissal of Directors, Executive Officers, etc., as well as the remuneration system and level, etc., and reports to the Board of Directors after deliberating from an objective viewpoint. The Board of Directors shall consist of non-executive directors selected by resolution of the Board of Directors, the majority of which shall be independent outside directors, and the Chairperson of the Committee shall be elected by the members from among others, as stipulated in the regulations of the Personnel Affairs and Compensation Advisory Committee. As of the end of June 2022, there were four members, all of whom are outside directors (including one woman).

Deliberations in fiscal 2021 have been mainly on skill matrix of the Board of Directors, the system implementation with Chief Executive Officer (CEO) and Chief Operating Officer (COO), and appointment criteria and assessment process of the President and COO, and nomination of the new President and COO.

Proposals to the Personnel Affairs and Compensation Advisory Committee

- (1) Proposed General Meeting of Shareholders on the Appointment and Dismissal of Directors and Corporate Auditors
- (2) Compensation system, payment policy, and level of directors
- (3) Basic Policy and Standards for the Appointment and Dismissal of Officers
- (4) Matters required by the Committee concerning the appointment, dismissal and remuneration of officers
- (5) Matters concerning the development plan for the successor to the president

[Principle 4-11 (1): Views on the Balance, Diversity and Size of Knowledge, Experience and Capabilities of the Board of Directors as a Whole]

OKI maintains a corporate auditor system, with the Board of Directors and the Audit & Supervisory Board. With an executive officer system in place, it strives to promote timely decision making processes by separating business execution and oversight. In order to carry out the above, the Board of Directors is required to have both decision-making and

supervisory functions. In consideration of the balance between internal and executive directors and independent outside directors, as of the end of June 2022, the Company has elected 4 independent outside directors out of 9 directors. (In order to further improve the independence and objectivity of the Board of Directors, Ms. Izumi Kawashima, Independent Outside Director, serves as Chairman of the Board of Directors.)

Our approach to the Board of Directors as a whole is structured in a way that balances knowledge, experience, and ability, and balances diversity, including gender, international exposure, work experience, and age, with an appropriate size. The Articles of Incorporation of the Company stipulate that the Company shall have no more than 15 Directors to enable prompt decision-making and achieve an appropriate number of Directors. The Board of Directors has appointed five people who have sufficient knowledge, experience, and ability in areas necessary for the creation of social value, such as marketing, technology and innovation, manufacturing and SCM, and areas necessary for the strengthening of management foundations, such as human resources, finance and accounting, legal and risk management, as internal and executive directors. In addition, the Company appoints two people with experience in corporate management and two people with relevant knowledge and experience as independent outside directors in the expectation that they will provide appropriate supervision and advice based on their experience and expertise in each field. The Board of Directors is attended by five corporate auditors with experience in business execution (two internal and full-time Audit & Supervisory Board members and one independent external Audit & Supervisory Board member) and Audit & Supervisory Board members who are certified public accountants (two independent external corporate auditors).

As of June 29, 2022, the skill matrix for Directors elected at the 98th Annual General Meeting of Shareholders is as described in the Notice of Convocation of the 98th Annual General Meeting of Shareholders.

(<https://www.oki.com/en/ir/corporate/governance/structure.html#co01>)

[Principle 4 -11 (2) Concurrent Positions of Directors and Audit & Supervisory Board Members]

Significant concurrent positions of Directors and Audit & Supervisory Board Members (including candidates) are disclosed in the reference documents for the General Meeting of Shareholders and business reports in the “Notice of Convocation of the General Meeting of Shareholders,” as well as in security reports.

- Notice of Convocation of General Meeting of Shareholders: <https://www.oki.com/en/ir/stock/meeting.html>
- Security Report (Japanese only): <https://www.oki.com/jp/ir/data/report/>

The status of Outside Directors and Outside Audit & Supervisory Board Members is also described in “II.1. [Related to Directors]” and “[Related to Audit & Supervisory Board Members]” in this report.

[Principle 4-11 (3) Evaluation of the Effectiveness of the Board of Directors]

The Company conducts evaluations and analyses to improve the effectiveness of the Board of Directors by recognizing, sharing, and improving the directions that the Board of Directors should take and the issues related to that direction.

[Method for Evaluating the Effectiveness of the Board of Directors]

The Board of Directors discussed methods for evaluating the effectiveness of the plan in FY2021.

- (1) We judged that self-evaluation is appropriate for conducting research and evaluation in line with our company's circumstances. Meanwhile, we decided to abstain from a third-party evaluation aimed at verifying the objectivity and validity of the evaluation process in FY2021 because an evaluation of this type was performed in FY2020, and we have determined that conducting these evaluations once every few years is sufficient and appropriate.
- (2) As in FY2020, the assessment was performed in three stages: a questionnaire, individual hearings, and deliberations conducted by the Board of Directors. This applied to all Directors and Audit & Supervisory Board members. The Secretariat of the Board of Directors served as the secretariat.
- (3) The questionnaire was the same used in FY2020. It was based on "Corporate Governance Code" and related materials.

[Results of Evaluation of the Effectiveness of the Board of Directors]

As a result of the FY2021 evaluation, we realized that the effectiveness of our company's Board of Directors has improved in some respects but also acknowledged that further improvement is needed. Overall, the Board's level of efficacy was roughly even with that observed in FY2020.

The details are as follows:

- In managing the progress of the Medium-Term Management Plan 2022, the managers of each business and sales division reported directly to the Board of Directors and held Q&A session aimed at clarifying actual circumstances. On the other hand, explanations regarding quantitative monitoring based on KPIs varied in terms of their respective levels, so further improvements will be implemented in the future.
- The Personnel and Remuneration Advisory Committee, which consists of Outside Directors, held discussions on the "Plan to Nurture Successors to the President and Other Executives." Our president has changed, but moving forward, we will continue to discuss the formulation of a plan for developing our next crop of management personnel and their successors as well.
- Amid the COVID-19 pandemic, no significant improvements were made in terms of creating opportunities for providing on-site information to outside directors. We will increase visits to business sites by devising infection prevention measures, thereby facilitating communication between outside directors and business execution sites.

OKI will strive to continuously improve the effectiveness of the Board of Directors with the goal of increasing corporate value.

[Principle 4-14 (2): Training for Directors and Audit & Supervisory Board Members]

The Company provides opportunities for Directors and Audit & Supervisory Board Members to participate in seminars and training conducted by external specialized agencies necessary to fulfill their roles and responsibilities. Based on this policy, necessary support is provided such as holding seminars by experts and utilizing training by external organizations. Training is also provided for newly appointed officers. When outside officers are appointed, explanations are given to them to deepen their understanding of the OKI Group's business activities, and visits are also made to business sites and factories.

Full-time Audit & Supervisory Board Members are also provided with opportunities to participate in seminars held by external organizations such as the Japan Audit & Supervisory Board Members Association.

[Principle 5-1: Policy for Constructive Dialogue with Shareholders]

Based on the recognition that constructive dialogue with shareholders and other stakeholders and the appropriate use of market feedback in management and business activities leads to greater management efficiency and greater corporate value, OKI has established the following systems and initiatives to promote constructive dialogue with shareholders.

- (i) The Company appoints senior management in charge of IR and supervises them so that constructive dialogue can be realized.
- (ii) A dedicated IR department (IR Division) is established within Corporate Communication Division of the Company to support dialogue. This department works in a coordinated fashion to share information with related departments, including the Accounting Department, Corporate Planning Department, and business divisions. In addition, each division reports important occurrences to the person responsible for handling information, and based on this information, related divisions cooperate with each other to conduct mutual checks. A system has been established to promote cooperation among divisions, such as in the area of disclosure.
- (iii) The president and the chief financial officer take the lead in engaging in dialogue with shareholders, and the IR Division and the Corporate Secretariat, which are dedicated departments, support this dialogue. Specifically, we hold various meetings, including management briefings and quarterly financial results briefings, and hold individual meetings with major shareholders, providing opportunities for direct dialogue with shareholders and other stakeholders to a reasonable extent.
- (iv) Opinions of institutional investors, etc., obtained through IR/SR activities are periodically fed back to senior management at Board of Directors meetings.
- (v) We will ensure that senior management and employees are thoroughly informed of the strict management of insider information in accordance with the Rules for Prevention of Insider Trading to prevent insider information leaks. In addition, the Company has established the Disclosure Policy, which relates to the establishment of systems and measures to promote constructive dialogue with shareholders. (<https://www.oki.com/en/ir/corporate/disclosure.html>)

2. Capital Structure

Foreign Shareholding Ratio	20% to less than 30%
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[Major Shareholders]

UPDATED

Name or Company Name	Number of Shares Held	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	13,664,600	15.78
Custody Bank of Japan, Ltd. (trust account)	3,193,900	3.69
OkI Denki Group Employees' Shareholdings Committee	2,175,461	2.51
Custody Bank of Japan, Ltd. (trust account 4)	1,788,700	2.07
Mizuho Bank, Ltd.	1,419,648	1.64
Meiji Yasuda Life Insurance Company	1,400,097	1.62
State Street Bank West Client-Treaty 505234	1,224,193	1.41
JP Morgan Chase Bank 385781	1,104,383	1.27
DFA INTL SMALL CAP VALUE PORTFOLIO	1,085,753	1.25
JUNIPER	1,051,900	1.21

Controlling Shareholder (excluding Parent Company)	—
Existence of Parent Company	None

Major shareholders are listed based on the shareholders' register as of September 30, 2022.

The Report of Possession of Large Volume (Change Report), which was opened for public inspection on November 20, 2020, stated that Mizuho Bank, Ltd. and its joint holders owned a total of 4,846,648 shares (holding ratio of 5.56 %) as of November 13, 2020. However, as the Company unable to confirm the actual number of shares held as of September 30, 2022, OKI has not included them in the above status of major shareholders.

The Report of Possession of Large Volume (Change Report), which was opened for public inspection on October 6, 2022, stated that Sumitomo Mitsui Trust Asset Management Co., Ltd. and its joint holders owned a total of 7,533,800 shares (holding ratio of 8.64 %) as of September 30, 2022. However, as the Company is unable to confirm the actual number of shares held as of September 30, 2022, OKI has not included them in the above status of major shareholders.

3. Corporate Attributes

Listed Exchange and Market Section	Tokyo Stock Exchange, prime market
Fiscal Year-End	March
Industry	Electrical equipment
Number of Employees (Consolidated) at End of Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	¥100 billion to less than ¥1 trillion
Number of Consolidated Subsidiaries at the End of the Previous Fiscal Year	From 50 to less than 100

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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5. Other Special Circumstances That May Have a Material Impact on Corporate Governance

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II. Business Management Organization and Other Corporate Governance Systems Related to Decision-Making, Execution of Business, and Management Supervision

1. Organizational Composition and Operation

Organizational Form	Company with an Audit & Supervisory Board
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[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	15
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Outside Director
Number of Directors	9
Appointment of Outside Directors	Appointed
Number of Outside Directors	4
Number of Independent Directors Designated from among Outside Directors	4

Outside Directors' Relationships with the Company (1)

Name	Attributes	Relationship with the Company (*)											
		a	b	c	d	e	f	g	h	i	j	k	
Shigeru Asaba	Academic												
Tamotsu Saito	From another company								△				
Izumi Kawashima	Academic												
Makoto Kigawa	From another company					△			△				

Categories of "Relationship with the Company"

“○” indicates a category into which the Director presently falls or has recently fallen. “△” indicates a category into which the Director has fallen in the past. “●” indicates a category into which a close relative of the Director presently falls or has recently fallen. “▲” indicates a category into which a close relative of the Director has fallen in the past.

- a Executive of the Company or its subsidiary
- b Non-executive Director or executive of a parent company of the Company
- c Executive of a fellow subsidiary company of the Company
- d A party whose major client or supplier is the Company or an executive thereof
- e Major client or supplier of the Company or an executive thereof
- f Consultant, accountant, or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a Director
- g Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
- h Executive of a client or supplier company of the Company (which does not correspond to d, e, or f) (the Director himself/herself only)
- i Executive of a company to which Outside Directors are mutually appointed (the Director himself/herself only)
- j Executive of a company or organization that receives a donation from the Company (the Director himself/herself)
- k Other

Outside Directors' Relationships with the Company (2)

Name	Designated as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Shigeru Asaba	Yes	<p>Mr. Shigeru Asaba is a professor of the Graduate School of Business and Finance of Waseda University, and an Outside Director of Nippon Beet Sugar Manufacturing Co., Ltd.</p> <p>The above company has no business relationship with OKI.</p>	<p>Mr. Shigeru Asaba is currently a professor of Waseda Business School (Graduate School of Business and Finance). Mr. Asaba has academic expertise in business in general and high ethical standards through his specialist knowledge in the fields of industrial organizations, corporate strategy, competitive strategy, ownership structures, corporate governance and corporate conduct. In addition, he has a high degree of independence from the management team, experience as an outside director of other companies, and serves as the chairman of the Personnel Affairs and Compensation Advisory Committee. Based on the above, Mr. Asaba has been nominated as a candidate for Outside Director based on the expectation that he will contribute to deeper deliberations regarding our next medium-term management plan at Board of Directors meetings, particularly through his academic expertise concerning all aspects of business, including marketing and innovation. 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.</p> <p>The Company believes that he is sufficiently independent and has no risk of conflicts of interest with general shareholders.</p>
Tamotsu Saito	Yes	<p>Mr. Tamotsu Saito concurrently serves as Advisor of IHI Corporation, Outside Director of JAPAN POST INSURANCE Co., Ltd. and Outside Director of Furukawa Electric Co., Ltd. He will also assume the office of Outside Director of KAJIMA CORPORATION in June 2022. 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.</p>	<p>As a long-time representative director of IHI Corporation and a business leader not only in the industry but also in Japan, Mr. Tamotsu Saito has a wealth of management experience and high ethical standards in the manufacturing industry. In addition, he has a high degree of independence from the management team, experience as an outside director of other companies, and serves as the member of the Personnel Affairs and Compensation Advisory Committee. Based on the above, Mr. Saito has been nominated as a candidate for Outside Director based on the expectation that he will contribute to deeper deliberations regarding our next medium-term management plan at Board of Directors meetings, particularly through his experience related to manufacturing, development and global management.</p> <p>The Company believes that he is sufficiently independent and has no risk of conflicts of interest with general shareholders.</p>

Izumi Kawashima	Yes	<p>Ms. Izumi Kawashima is a professor on the Faculty of Social Sciences at Waseda University.</p>	<p>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. In addition, she has a high degree of independence from the management team, and has devoted her energies to the display of the Board of Directors functions as the chairperson of the Company's Board of Directors since June 2021. Ms. Kawashima also has experience as an outside director of other companies, and serves as a member of the Personnel Affairs and Compensation Advisory Committee. Based on the above, Ms. Kawashima has been nominated as a candidate for Outside Director based on the expectation that she will contribute to deeper deliberations regarding our next medium-term management plan at Board of Directors meetings, particularly through her legal expertise concerning regulations such as the Companies Act and the Financial Instruments and Exchange Act. 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.</p> <p>The Company believes that she is sufficiently independent and has no risk of conflicts of interest with general shareholders.</p>
Makoto Kigawa	Yes	<p>Mr. Makoto Kigawa has served as Managing Executive Officer and Managing Director of Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.) from April 2002 to March 2005. Mizuho Bank, Ltd. is a major lender of the Company with borrowings of 25.3 billion yen in fiscal 2021. In addition, he concurrently serves as Outside Director of Komatsu Ltd. and Outside Director, The Higo 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. Mr. Kigawa also serves as Special Adviser of Yamato Holdings, Co., Ltd. and Outside Director of Seven Bank, Ltd. Additionally, he was appointed Outside Director of ICMG Co., Ltd. in June 2022. However, no business relationship exists between these three companies and the OKI Group.</p>	<p>After serving as an officer at a financial institution, Mr. Makoto Kigawa served as Representative Director of Yamato Holdings Co., Ltd. for more than ten years, and has extensive management experience and high ethical standards, mainly in the logistics industry, including the transformation of business models using ICT. In addition, he has a high degree of independence from the management team, experience as an outside director of other companies, and serves as the member of the Personnel Affairs and Compensation Advisory Committee. Based on the above, Mr. Kigawa has been nominated as a candidate for Outside Director based on the expectation that he will contribute to deeper deliberations regarding our next medium-term management plan at Board of Directors meetings, particularly through his experience related to supply chain and risk management.</p> <p>The Company believes that he is sufficiently independent and has no risk of conflicts of interest with general shareholders.</p>

Voluntary Establishment of Committee(s) Corresponding to the Nomination Committee or Remuneration Committee	Established
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Committee's Name, Composition, and Attributes of Chairperson

	Committee's Name	Total Committee Members	Full-time Members	Internal Directors	Outside Directors	Outside Experts	Other	Chairperson
Committee Corresponding to Nomination Committee	Personnel Affairs and Compensation Advisory Committee	4	0	0	4	0	0	Outside Directors
Committee Corresponding to Remuneration Committee	Personnel Affairs and Compensation Advisory Committee	4	0	0	4	0	0	Outside Directors

Supplementary Explanation

OKI has established the Personnel Affairs and Compensation Advisory Committee as a voluntary body to ensure transparency and objective judgment in the decision-making processes for appointing board members and executive officers and determining their remuneration.

[Audit & Supervisory Board Members]

Establishment of Audit & Supervisory Board	Established
Maximum Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation	5
Number of Audit & Supervisory Board Members	5

Cooperation among Audit & Supervisory Board Members, Accounting Auditors, and the Internal Audit Department

Audit & Supervisory Board members attend meetings of the Board of Directors and other important meetings based on auditing policies and methods determined by the Audit & Supervisory Board, verify the content of reports received from Directors and others, and investigate the status of the Company's operations and assets. Audit & Supervisory Board members audit the execution of duties by Directors in close cooperation with Outside Directors, the Internal Auditing Division, and accounting auditors.

Appointment of Outside Audit & Supervisory Board Members	Appointed
Number of Outside Audit & Supervisory Board Members	3
Number of Independent Officers Designated from among Outside Audit & Supervisory Board Members	3

Relationship with the Company (1)

Name	Attributes	Relationship with the Company (*)													
		a	b	c	d	e	f	g	h	i	j	k	l	m	
Hideo Shiwa	From another company												△		
Ryuichi Makino	Certified Public Accountant								△						
Yoshihiro Tsuda	Certified Public Accountant							△							

Categories of “Relationship with the Company”

“○” indicates a category into which the member presently falls or has recently fallen. “△” indicates a category into which the member has fallen in the past. “●” indicates a category into which a close relative of the member presently falls or has recently fallen. “▲” indicates a category into which a close relative of the member has fallen in the past.

- a Executive of the Company or its subsidiary
- b Non-executive Director or accounting advisor of the Company or its subsidiary
- c Non-executive Director or executive of a parent company of the Company
- d Audit & Supervisory Board member of a parent company of the Company
- e Executive of a fellow subsidiary company of the Company
- f A party whose major client or supplier is the Company or an executive thereof
- g Major client or supplier of the Company or an executive thereof
- h Consultant, accountant, or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as an Audit & Supervisory Board member
- i Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
- j Executive of a client or supplier company of the Company (which does not correspond to f, g, or h) (the Audit & Supervisory Board member himself/herself only)
- k Executive of a company to which Outside Directors are mutually appointed (the Audit & Supervisory Board Member himself/herself only)
- l Executive of a company or organization that receives a donation from the Company (the Audit & Supervisory Board member himself/herself)
- m Other

Relationship with the Company (2)

Name	Designated as Independent Officer	Supplementary Explanation of Relationship	Reasons for appointment
Hideo Shiwa	Yes	Mr. Hideo Shiwa has served as Executive Officer of Fujikura Ltd. from April 2007 to March 2018 (concurrently serving as Director from June 2014 to June 2016). In addition, he is an Outside Director (Audit and Supervisory Committee Member) of Outsourcing Co., Ltd. Transaction amounts between OKI and the above-mentioned business partners are less than 1% of each party’s sales.	Mr. Hideo Shiwa has 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 Officer and completing overseas assignments. The Company has appointed him as an Audit & Supervisory Board Member based on its judgement that he can conduct appropriate audits of its management by making use of his extensive experience, global insight, and high ethical standards. Based on his background described above, he has considerable financial, accounting and legal knowledge required for the Company’s audits. The Company believes that he is sufficiently independent and has no risk of conflicts of interest with general shareholders.

Ryuichi Makino	Yes	<p>Mr. Ryuichi Makino was a certified public accountant at KPMG AZSA LLC from April 1980 to June 2019. He also serves as Outside Audit & Supervisory Board Member of Synchro Food Co., Ltd., and head of Ryuichi Makino CPA Office. Transaction amounts between OKI and the above-mentioned business partners are less than 1% of each party's sales.</p>	<p>As a certified public accountant, Mr. Ryuichi Makino has been engaged in accounting audit of manufactures and other businesses in a wide range of industries for many years. He also has extensive knowledge in internal control. The Company has appointed him as an Audit & Supervisory Board Member based on its judgement that he can conduct audits of its management in an objective, neutral manner by making use of his extensive experience, insight, and high ethical standards. Based on his background described above, he has considerable financial, accounting and legal knowledge required for the Company's audits. Although he has never been involved in corporate management, the Company has determined that he is able to carry out the duties of Outside Audit & Supervisory Board Member appropriately for the aforementioned reason.</p> <p>The Company believes that he is sufficiently independent and has no risk of conflicts of interest with general shareholders.</p>
Yoshihiro Tsuda	Yes	<p>Mr. Yoshihiro Tsuda serves as Outside Audit & Supervisory Board Member of PRONEXUS Inc. The volume of transactions between that company and the Company accounts for less than 1% of the OKI Group's net sales and accounts for less than 1% of that company's net sales. Although he serves as Outside Standing Audit & Supervisory Board Member of Tribeck Inc., there are no business relationships between the company and the OKI Group.</p>	<p>As a certified public accountant, Mr. Yoshihiro Tsuda has been involved in global accounting audits in various industries for many years. The Company has judged that he can conduct objective and neutral audits of the Company's management from a global perspective by utilizing his wealth of experience, knowledge and high ethical standards, and has therefore been appointed him as an Audit & Supervisory Board Member. Although he has no experience of being involved in the management of a company in the past, the Company believes that he will be able to appropriately execute his duties as Outside Audit & Supervisory Board Member for the reasons mentioned above.</p> <p>The Company believes that he is sufficiently independent and has no risk of conflicts of interest with general shareholders.</p>

[Independent Officers]

Number of Independent Officers	7
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Matters relating to Independent Officers

Independence Standards for Appointment of Outside Directors

The Company appoints Outside Directors and Outside Audit & Supervisory Board Members based on the following criteria.

- (1) Not an executive*¹ of the OKI Group
 - (2) Not a party whose major client (sales to the OKI Group exceed 2% of total sales of the relevant party's group) is the OKI Group, or an executive thereof
 - (3) Not a party whose major client (sales to the relevant party's group exceed 2% of total sales of the OKI Group) is the OKI Group, or an executive thereof
 - (4) Not a major shareholder of the Company (those who directly or indirectly hold 10% or more of total voting rights) or an executive thereof
 - (5) Not a party whose major shareholder is the OKI Group or an executive thereof
 - (6) Not a consultant, accounting professional such as certified public accountant, or legal professional such as lawyers who receives a large amount of money (over ¥10 million per year) or other assets (over ¥10 million per year) from the OKI Group besides officer compensation. (In the event that the accounting professional or legal professional is an organization such as a corporation or association, people who belong to such organizations are included.)
 - (7) Does not belong to an auditing firm that conducts the Company's statutory audit
 - (8) A person who has not fallen under (1) to (7) above in the past 10 years.
 - (9) A person is not a relative within the second degree of kinship to any the following people.
 - a. People listed in (2) to (7) above (limited to important executives*² for "executives" in (2) to (5), (2) for "people belonging to associations" in (6), important executives and people whose associations have professional qualifications such as certified public accountants or lawyers in the case of accounting or legal expert associations such as audit firms or legal firms, and people who have professional qualifications such as certified public accountants and certified public accountants for "people belonging to audit firms" in (7).
 - b. An important executive of the OKI Group
 - c. A person falling under category b above in the past 10 years
- *1 "Executive" refers to a person who performs the business such as a Director (excluding Outside Directors), executive officer, employee, etc.
- *2 "Important executive" refers to a person who performs important business such as a Director (excluding Outside Directors), an executive officer, or a department head.

We have provided notice that outside officers who qualify as independent officers are Independent Officers.

In addition to the above policies, the Company has appointed Outside Directors and Outside Audit & Supervisory Board Members based on the fact that their experience and knowledge in their respective fields of expertise are useful for the Company today.

[Incentives]

Implementation of Measures to Provide Incentives to Directors	Performance-based pay, stock options
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Supplementary Explanation

Please refer to "Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods" in "Director Remuneration" below.

Recipients of Stock Options	Internal Directors and others
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Supplementary Explanation

Since FY2016, the Company has introduced stock-based compensation-type stock options as medium-to long-term incentive compensation.

Details are disclosed on the Company website.

<https://www.oki.com/en/ir/corporate/governance/officers.html#co04>

[Director Remuneration]

Disclosure of Individual Directors' Remuneration	No individual disclosure
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Supplementary Explanation

In FY2021 (the fiscal year ended March 2022), the total amount of compensation paid to Directors was ¥287 million, and the total amount of compensation paid to Audit & Supervisory Board Members was ¥70 million.

Policy on Determining Remuneration Amounts and Calculation Methods	Established
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Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

The Company has established a policy for determining the details of compensation for individual Directors. The outline of the policy is as follows. The Company's basic policy is that the remuneration of directors and executive officers functions as an incentive to improve business performance in order to continuously improve corporate value and enhance corporate competitiveness, and that it is a remuneration system that can secure excellent human resources.

Details are disclosed on the Company website.

<https://www.oki.com/en/ir/corporate/governance/officers.html#co04>

[Support System for Outside Directors / Outside Audit & Supervisory Board Members]

Support System for Outside Directors

Departments in charge: Secretariat of the Board of Directors, Secretarial Division

Person in charge: Yes

Information communication system: The Company has established a system in which the information required for the execution of duties by Outside Directors is communicated through the staff member in charge. The Company provides materials and explanations prior to Board of Directors' meetings.

Support System for Outside Audit & Supervisory Board Members

Departments in charge: Dedicated staff to support Audit & Supervisory Board Members

Staff: Yes

Information communication system: Members of staff who are not subject to the instructions or orders of Directors are appointed to assist Outside Audit & Supervisory Board Members in their duties. The Company provides materials and explanations prior to Board of Directors' meetings.

[Status of People Retired from Such Positions as Representative Director and President]

Advisors Who Previously Served in Such Positions as Representative Director and President

Name	Title / Position	Role/ Activity	Working Conditions (Full-Time/Part-Time, Paid/Unpaid, etc.)	Date of Retirement from President, etc.	Term of Office
—	—	—	—	—	—

Total number of advisors who Previously Served in Such Positions as Representative Director and President	—
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Others

The Company has abolished the system whereby people who previously served in such positions as Representative Director and President were appointed as advisors.

2. Matters Related to the Functions of Business Execution, Auditing and Supervision, Nomination, and Determination of Remuneration (Overview of the Current Corporate Governance System)

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, the positions of Chief Executive Officer (CEO) and Chief Operating Officer (COO) have been established since April 2022. The new system is designed to further reinforce the

management force and speed up the decision-making process, where the CEO has the ultimate responsibility for the management strategies of the whole Group and the COO is responsible for the execution of the operations. The Company also 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.

(1) Board of Directors

In principle, the Board of Directors meets once a month, with extraordinary meetings also held if necessary, to make decisions on basic management policies and other important matters and to supervise the execution of business in accordance with laws and regulations and the Articles of Incorporation. In order to secure the functions of the Board of Directors, the Company considers diversity in areas of specialization, work experience, and gender when selecting candidates for Directors, and has appointed four highly independent Outside Directors (including one female Director) in an effort to improve the fairness and transparency of management. In addition, in order to further clarify the management responsibility for each business year, the Articles of Incorporation provide that the term of office shall be one year.

(2) Audit & Supervisory Board

The Audit & Supervisory Board consists of five Audit & Supervisory Board members, three of whom are highly independent outside Audit & Supervisory Board members. Audit & Supervisory Board members attend meetings of the Board of Directors and other important meetings based on audit policies and methods determined by the Audit & Supervisory Board, verify the content of reports received from Directors and others, and investigate the status of the Company’s operations and assets, etc. Collaborating closely with Outside Directors, the Internal Auditing Division, accounting auditors, and Audit & Supervisory Board members audit the performance of duties by Directors. Members of staff who are not subject to the instructions and orders of Directors are appointed to assist Outside Audit & Supervisory Board Members in their duties.

(3) Executive Officer System

The Company appoints executive officers to implement operations in accordance with management policies determined by the Board of Directors to separate the functions of business execution and oversight of management and promote timely decision-making. The Company has also established the Management Conference to help the president make decisions.

(4) Utilization of Voluntary Committees

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.

(5) Accounting Audit

The Company has selected PricewaterhouseCoopers Aarata LLC as its accounting auditor. To improve the transparency and correctness of the accounting process, the Company undergoes regular audits and seeks advice as needed. Three certified public accountants, all of whom belong to PricewaterhouseCoopers Aarata LLC, currently audit the Company: Kensuke Yoshida, Takeaki Ishibashi, and Yoshihiro Shiribiki. In addition, audits are assisted by 13 certified public accountants and 43 others who belong to PricewaterhouseCoopers Aarata LLC (FY2021). Years of consecutive audits have been omitted, as all members have been involved in auditing the Company for less than seven years. PricewaterhouseCoopers Aarata LLC has voluntarily taken measures to prevent its executive staff from being involved in its accounting audits for a period exceeding a certain period.

(6) Internal Auditing



The Company has established the Global Internal Auditing Division as an internal auditing division that reports directly to the president. The Global Internal Auditing Division consists of 20 members, including one certified internal auditor and one certified fraud examiner. In accordance with the internal audit rules, the Global Internal Auditing Division conducts internal audits to properly understand the actual status of compliance risk management and overall operations at the Company's business units and subsidiaries, detect and prevent compliance improprieties in the execution of internal controls, and support improvement of operations.

(7) Summary of Limited Liability Contracts

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.

(8) Outline of liability insurance agreement for Directors

The Company concluded liability insurance agreements as defined in the provisions of Article 430-3, paragraph (1) of the Companies Act covering Directors, Audit & Supervisory Board Members and Executive Officers of the Company, Directors, Executive Officers, Audit & Supervisory Board Members and Corporate Officers of all of the domestic subsidiaries, and Directors, Executive Officers, Audit & Supervisory Board Members, Corporate Officers and employees who hold executive positions at some foreign subsidiaries in the U.S., China, Thailand, etc. as the insured.

3. Reasons for Adopting the Current Corporate Governance System

The Company has adopted the current system based on its judgment that the system facilitates the “improvement of fairness and transparency in management,” “acceleration of decision-making processes,” and “thorough compliance and strengthening of risk management” by separating business execution and supervision, strengthening supervisory functions through the active involvement of multiple Outside Directors, and conducting objective audits by Audit & Supervisory Board members who are independent from management, as well as by establishing voluntary committees. In keeping with the purposes of the Corporate Governance Code and the Company’s responsibilities to stakeholders, the Company continuously strives to achieve sustainable growth and increase corporate value over the medium to long term.

III Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Invigorate General Shareholder Meetings and Smooth the Exercise of Voting Rights

	Supplementary Explanation
Early Notification of General Shareholder Meeting	<p>As a general rule, the convocation notice for the Ordinary General Meeting of Shareholders is sent approximately three weeks prior to the date of the meeting.</p> <p>In addition, prior to the dispatch of the convocation notice, in principle, it is posted at an early stage on the Tokyo Stock Exchange website and the Company website approximately four weeks prior to the date of the convocation.</p> <p>(The Notice of Convocation of the 98th Ordinary General Meeting of Shareholders (held on June 29, 2022) was posted on the Company's website on Tuesday, May 31, 2022 and sent out on Monday, June 6, 2022)</p>
Allowing Electronic or Magnetic Exercise of Voting Rights	<p>The Company has implemented this system since June 2002. From June 2019, it became possible to exercise voting rights through smartphones.</p>
Participation in Electronic Voting Platform and Other Efforts to Enhance the Voting Environment for Institutional Investors	<p>The Company participates in the voting platform for institutional investors operated by Investor Communications Japan Inc. (ICJ, Inc.).</p>
Providing Convocation Notices (Summaries) in English	<p>The Company prepares English versions of its convocation notices, which are disclosed on its website.</p>
Others	<p>Convocation notices are disclosed on its website.</p>

2. IR Activities

	Supplementary Explanation	Presentation by Representative
Preparation and Publication of Disclosure Policy	<p>The disclosure policy is disclosed on the Company website. https://www.oki.com/en/ir/corporate/disclosure.html</p>	
Regular Briefings for Analysts and Institutional Investors	<p>Briefings on quarterly financial results and medium-term business plans are held as necessary and explained by the representative or the chief financial officer.</p>	Provided
Posting of IR Materials on Website	<p>IR-related materials are posted on the Company’s website in the “Investor Relations” section so that they can be viewed by all investors.</p>	
Establishment of Department / Manager in Charge of IR	<p>The Investor Relations Department is under the Corporate Communication Division.</p>	
Others	<p>We provide an IR e-mail distribution service to notify registered e-mail address of the Company IR information such as the latest timely disclosure.</p>	

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
<p>Stipulation of Internal Rules for Respecting the Position of Stakeholders</p>	<p>With regard to appropriate cooperation with stakeholders, respect for their interests, and sound business ethics, the OKI Group Charter of Corporate Conduct, established in October 2005, clearly states the basic stance that “Earning the trust of all stakeholders is the foundation for improving corporate value,” expressing the OKI Group’s values. In addition, the OKI Group Code of Conduct (established in August 2007, revised in December 2012) sets forth a code of conduct in which specific actions to be taken by all directors and employees of the OKI Group in order to fulfill each item of the Charter are expressed in universal terms that can be applied globally. In October 2012, we established the Compliance Declaration, which clearly states that management takes the lead in ensuring compliance in order to respond to the trust of stakeholders.</p>
<p>Implementation of Environmental Activities, CSR Activities, etc.</p>	<p>OKI announced its Materiality in its Medium-Term Business Plan 2022 in order to address ESG management as a company "Delivering OK! to your life." As for our environmental activities, we strengthened the OKI Group's medium- to long-term environmental vision, "OKI Environmental Challenge 2030/2050," by announcing that we will substantially reduce energy-derived CO2 emissions from all sites, including factories, to 0 in 2050. We are promoting the reduction of CO2 emissions from our business activities, including the realization of zero energy buildings (ZEB) at our plants. At the same time, in terms of products and services, we will create products that contribute to the reduction of CO2 emissions and disaster prevention in the face of increasingly serious climate change, and increase sales of environmentally conscious products. We are also working to strengthen information disclosure in line with the TCFD framework to address the risks and opportunities associated with climate change.</p> <p>With respect to CSR activities, based on the OKI Group Charter of Corporate Conduct and the OKI Group Code of Conduct, we are engaged in various activities to earn the trust of stakeholders in each division of the company.</p> <p>Activities related to work-life balance and diversity inclusion are disclosed annually in the OKI Report and are also disclosed on our website.</p>
<p>Development of Policies on the Provision of Information to Stakeholders</p>	<p>The OKI Group’s Charter of Corporate Conduct emphasizes “good communication” and sets forth a basic policy: “The OKI Group engages with society through a variety of interactions, and discloses Company information in an appropriate and fair manner.” In addition, the OKI Group Code of Conduct, established in August 2007, stipulates the basic policy as a code of conduct for each executive and employee to follow.</p>

Others

Realizing Flexible Work Styles that Increase Productivity and Efficiency

The OKI Group is taking initiatives to enable diverse human resources to demonstrate their full potential, and in anticipation of lifestyle changes during and after the COVID-19 pandemic. Namely, the OKI Group is reviewing its systems and promoting the digital transformation of work styles in order to derive maximum value out of time and dramatically improve work life quality. To accelerate this movement, we launched the Smart Work-Life Project in August 2020 and are promoting the following initiatives.

For details, please refer to OKI Report 2022 (<https://www.oki.com/en/ir/finance/library/ar2022.html>) or our company website.

(<https://www.oki.com/en/sustainability/csreact/emply/swl.html>)

- Greater Flexibility in Work Location and Hours
- Office Reorganization and Rearrangement

Initiatives for Health Management

The OKI Group considers it important for management to ensure that each and every employee can work healthily, both mentally and physically, while finding job satisfaction. Thus, we are taking steps to prevent diseases and promote mental healthcare and the health of employees and their families. The OKI Group has identified priority health issues to be addressed from the three perspectives of “body,” “mind,” and “awareness,” and is carrying out measures under a collaborative health system in which Group companies, including occupational health staff, and the health insurance associations work together. Affiliated companies that are members of the Oki Electric Industry Health Insurance Association are working to strengthen self-care by establishing a health portal site for individuals and holding “Health Challenge Campaign” events every year, among other initiatives. To prevent mental health problems, OKI is also focusing its efforts on conducting stress checks to help employees know their own state of stress. In fiscal year 2021, the implementation ratio of stress checks was 94.3%.

In March 2022, following on from 2021, OKI was certified as a “2022 Health and Productivity Management Outstanding Organization” in the large enterprise category as a company that takes proactive initiatives for health promotion.

IV Matters Related to the Internal Control System

1. Basic Views on the Internal Control System and Progress in the System's Development

In accordance with the Companies Act and the Ordinance for Enforcement of the Companies Act, our company has established a basic policy on internal control in order to contribute to the sustainable development of society through the enhancement of corporate value and facilitate voluntary and autonomous achievement of our goals. The Company has developed, and is implementing, an internal control system in keeping with this basic policy and strives to make continuous improvements to this system.

1. Structure to ensure that the execution of duties by Directors and hired experts is in keeping with corporate law and the Articles of Incorporation

- (1) Directors and executive officers shall spearhead efforts aimed at establishing corporate ethics at both the Company and its subsidiaries (referred to below as the "OKI Group") and conduct themselves in accordance with the OKI Group Charter of Corporate Conduct and the OKI Group Code of Conduct, which were formulated to ensure that all directors, executive officers, and other hired experts comply with laws, ordinances, the Company's Articles of Incorporation, and its internal rules and regulations. At the same time, directors and executive officers shall repeatedly communicate the importance of this compliance to facilitate full awareness among all members of the OKI Group.
- (2) The Compliance Committee, chaired by the compliance officer, shall be established to report, deliberate and decide upon matters related to compliance in the OKI Group.
- (3) In order to raise awareness among all members of the OKI Group regarding compliance with decisions reached by the Compliance Committee, the division responsible for compliance-related matters plans and implements relevant and concrete measures such as education and training for directors, executive officers and employees.
- (4) Violations of laws and regulations, articles of incorporation, etc. shall be dealt with strictly in accordance with disciplinary provisions.
- (5) An independent internal audit division under the direct control of the president audits the status of compliance with laws and regulations, the articles of incorporation, internal rules, etc. in the OKI Group. Through these audits, the division identifies issues, proposes improvement measures, and conducts other relevant activities.
- (6) In order to promptly detect and correct misconduct, the Company has established internal reporting rules along with mechanisms for reporting to Outside Directors and Audit & Supervisory Board Members and has set up contacts point for reporting and consultation.
- (7) In cooperation with the police and other related organizations, we will take a resolute stance against antisocial forces that threaten the order and safety of civil society, and we will seek to cut off all relations with these forces.

2. System relating to storage and management of information in regard to the execution of duties of Directors

- (1) Documents and information related to the execution of duties by Directors shall be appropriately stored and managed in accordance with laws, regulations and internal rules.
- (2) With regard to information security, in accordance with the Electronic Information Management Rules and related regulations, the OKI Group shall delineate systems associated with responsibility for information security and establish a framework for the continuous implementation of measures aimed at maintaining and improving information security in the OKI Group.
- (3) The OKI Group shall establish rules related to the protection of personal information and the management of trade secrets, and store and manage personal information and important trade secrets appropriately and safely.
- (4) The Company shall develop rules related to the disclosure of important information and shall establish a system for the appropriate, timely and fair disclosure of information that must be communicated in accordance with requirements stipulated by laws, regulations, stock exchange rules, etc.

3. Regulations and other systems related to managing the risk of losses

- (1) To facilitate risk management, the Risk Management Committee, chaired by the President and CEO, shall be established in accordance with Risk Management Rules to accurately ascertain risks associated with the business activities of the OKI Group and promote measures aimed at preventing their materialization.
- (2) In accordance with these Risk Management Rules, all divisions of the OKI Group shall manage risks that may arise in relation to the business operations for which these divisions are responsible. For risks that require company-wide management, a supervisory department shall be established, and this department shall determine a response policy after evaluating the risks, and establish appropriate systems based on this policy.
- (3) When a member of the OKI Group becomes aware of a crisis or an impending crisis, he or she shall promptly report the situation to the Secretariat of the Risk Management Committee. The Secretariat shall provide guidance concerning actions to be taken and report particularly critical matters to directors and Audit & Supervisory Board members. In the event of a disaster, the Company will respond through a variety of potential measures (establishment of an emergency response headquarters, etc.) while considering factors such as the area in which the disaster occurred and the scale of the disaster.
- (4) The Board of Directors shall also review the risk management system each year.

4. System for ensuring the efficiency of execution of duties by Directors

- (1) The Board of Directors meets once a month, in principle, to decide on important matters such as basic management policies and to review the status of business execution performed by Directors.
- (2) By appointing executive officers who execute business in accordance with basic management policies determined by the Board of Directors, the Company will maintain separation between business execution and supervision and accelerate the decision-making process. In addition, the Company will organize a Management Committee composed of Executive Officers, etc. to assist the President and CEO in the decision-making process.
- (3) Responsibilities and authorities related to the execution of business operations shall be defined in the Rules of Division of Duties and Rules of Authority.
- (4) The Board of Directors shall make decisions regarding the OKI Group's medium-term management plan and annual plan and supervise the status of their execution.
- (5) Executive officers shall execute their duties efficiently and in accordance with the OKI Group's medium-term management plan and annual plan, as established by the Board of Directors. The progress of the annual plan shall be confirmed by the Management Committee and reported to the Board of Directors.

5. System for ensuring the appropriateness of operations of the corporate group consisting of the Company and its subsidiaries

- (1) The Company shall provide guidance and support for the development of systems designed to ensure the appropriateness of operations at subsidiaries.
- (2) In order to improve the soundness and efficiency of management in the OKI Group, directors and corporate auditors shall be dispatched to subsidiaries as necessary in accordance with the management rules of affiliated companies, and a division responsible for the management of subsidiaries shall be established within the OKI Group. The division responsible for management of subsidiaries shall receive reports from these subsidiaries on important matters related to their business operations and hold relevant discussions. Matters of special importance shall be referred to the Management Committee or the Board of Directors.
- (3) Each subsidiary shall establish internal reporting rules as well as mechanisms for making reports to its Outside Directors and Audit & Supervisory Board Members. In addition, all subsidiaries shall establish contact points for reporting and consultation, and shall strive to promptly detect misconduct and correct this misconduct after reporting it to the Company.
- (4) The OKI Group shall aim to improve the efficiency of decision-making and operations performed by each group company by establishing common rules for the entire Group.
- (5) The Internal Audit Division of our company shall audit the appropriateness of the OKI Group's business operations while conducting proper verification procedures, providing advice, etc.

6. System for ensuring the reliability of financial reporting

- (1) In order to ensure the reliability the OKI Group's financial reporting, the internal control system for financial reporting shall be established, maintained and improved in accordance with Corporate Accounting Regulations, the Financial Instruments and Exchange Act and other applicable laws and regulations.
- (2) As they execute their respective operations, all divisions and subsidiaries of our company shall ensure appropriate financial reporting by implementing checks and balances based on separation of duties and daily monitoring.

7. Matters concerning employees who are responsible for assisting Audit & Supervisory Board members and the independence of these employees from the influence of Directors

- (1) Staff shall be appointed to assist Audit & Supervisory Board members in their duties.
- (2) In order to ensure the independence and the effectiveness of instructions, staff assigned to Audit & Supervisory Board members shall be employees who are not subject to instructions and orders of Directors, and the prior consent of the Audit & Supervisory Board shall be obtained for personnel transfers and personnel evaluations.

8. System for reporting by Directors and employees to Audit & Supervisory Board Members, and other systems for reporting to Audit & Supervisory Board Members

- (1) If any director or employee, or any director, Audit & Supervisory Board member, or employee of a subsidiary, discovers a situation that may cause significant damage to the Company, in accordance with laws and ordinances, he or she shall immediately report all relevant information to an Audit & Supervisory Board member either directly or through the responsible principal body.
- (2) Directors shall provide opportunities for full-time Audit & Supervisory Board Members to attend both Board of Directors' and Management Committee meetings to ensure that these members can understand processes applied when making important decisions and circumstances related to the execution of business operations. In addition, directors shall develop a system that enables the viewing of requests for managerial decisions and other important documents.
- (3) Directors shall establish a system under which Audit & Supervisory Board members attend meetings of, and receive reports from, the Risk Management Committee.
- (4) Directors shall ensure that Audit & Supervisory Board members receive internal reports in accordance with the Company's Internal Reporting Regulations and provide a system through which Audit & Supervisory Board members can be informed of current circumstances related to internal reporting.
- (5) Directors shall establish a system under which Audit & Supervisory Board members receive periodic reports from

directors and employees regarding circumstances related to the establishment and implementation of internal control systems and the statuses of internal audits. Additionally, directors shall provide a system that allows Audit & Supervisory Board members to request reports from directors and employees regarding matters they deem necessary.

- (6) No individual who has made a report to a corporate auditor shall be treated disadvantageously on account of this report.
- (7) Directors and employees of subsidiaries shall promptly report to corresponding corporate auditors on matters for which reports are required by laws and regulations and matters regarding which reports were requested by these same auditors. Furthermore, these directors and employees shall provide additional reports to the headquarters responsible for subsidiaries of our company.

9. Other systems to ensure effective audits by Audit & Supervisory Board members

- (1) When investigating the status of the Company's operations and assets and performing other auditing duties, Audit & Supervisory Board Members shall maintain close coordination with the Internal Audit Division and ensure that these auditing duties are being performed efficiently and effectively.
- (2) Audit & Supervisory Board Members shall maintain close cooperation with accounting auditors and ensure efficient audits through a variety of means, including regular meetings with accounting auditors, attendance of on-site audits performed by accounting auditors and as necessary, requests for reports from accounting auditors regarding the progress of audits.
- (3) The Company shall pay the expenses necessary for the execution of duties performed by Audit & Supervisory Board Members.
- (4) Audit & Supervisory Board Members may, if necessary, receive advice on audit services from entities such as attorneys and certified public accountants at the expense of the Company.

2. Basic Views on Eliminating Anti-Social Forces and Status of Related Measures

The Company opposes anti-social forces that threaten the order and safety of civil society and cooperates with relevant organizations such as the police and taking a resolute organization-wide stance to proscribe any relations with anti-social forces.

(Status of Measures to Eliminate Anti-Social Forces)

- 1. "The Basic Policy for Establishing an Internal Control System under the Companies Act," the "OKI Group Code of Conduct," and the "Regulations Concerning Response to Antisocial Forces" clearly state that the Company will take a firm stance against antisocial forces and eliminate any and all relationships with such forces.
- 2. Human Resources & General Affairs Division of Corporate Group is designated as the Response Control Department, and a person responsible for preventing unauthorized requests is set up at each office and business site.
- 3. The Company also works closely with the National Police Agency, the Metropolitan Police Department, and organizations related to the elimination of anti-social forces (such as the Federation of Metropolitan Police Department Special Violence Prevention Countermeasures, the Prefectural Center for the Promotion of Violence Campaign, etc.)
- 4. The Company strives to accumulate internal and industry experience, collects information from police and other related organizations, and maintains a database of information on anti-social forces to help prevent damage.
- 5. Training and education are provided by people in charge of preventing inappropriate requests in each region and workplace.

V Others

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not adopted
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Supplementary Explanation

2. Other Matters Concerning the Corporate Governance System

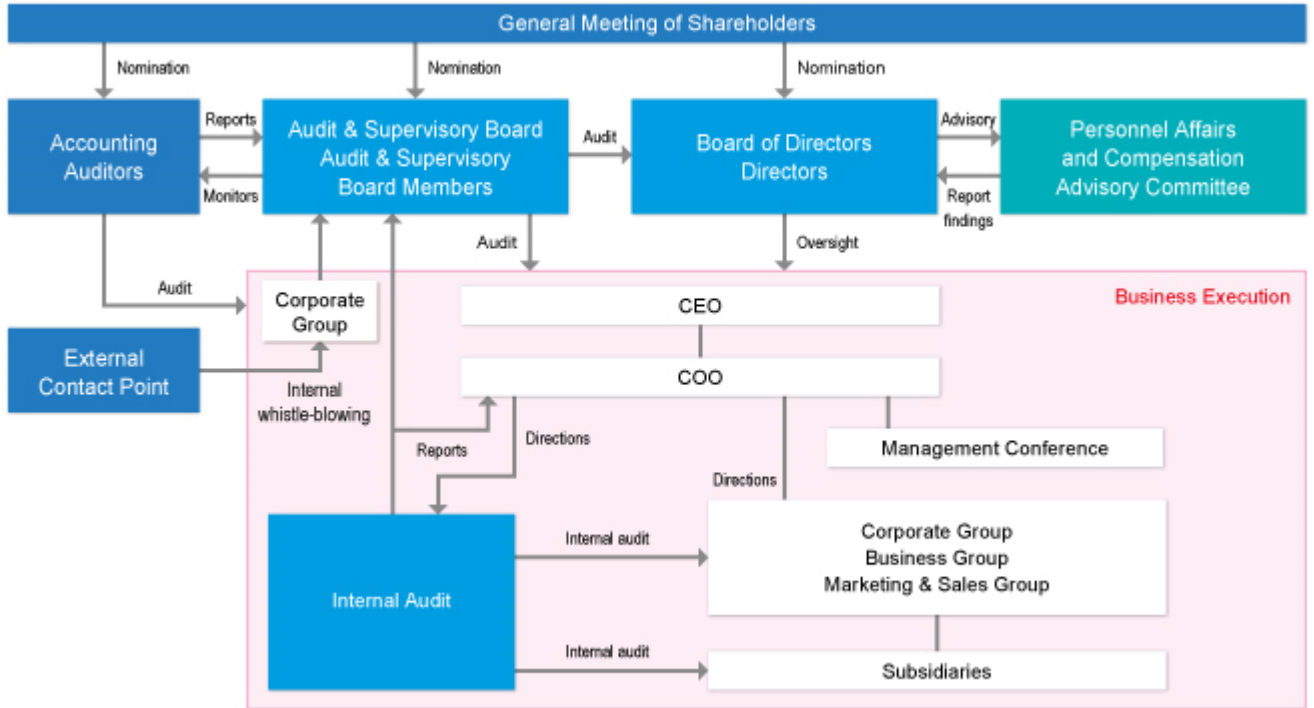
(Outline of the Timely Disclosure System)

- 1. At OKI, matters decided by the Board of Directors and the Management Committee are communicated to the person responsible for information handling by means of minutes and other methods. Occurrences affecting the Company are

also reported to the person responsible for information handling from each department. The Company performs mutual checks on such information by coordinating between related departments and considers disclosure.

2. In principle, information is disclosed to parties related to capital markets including shareholders, investors by a predetermined person responsible for disclosure.

Corporate Governance Structure



Timely Disclosure System (Account Settlement)

