Information Systems

Yutaka Maeda
Company President

System Solutions Company

SSC is developing its solutions business to fulfill its vision of creating value for its customers. These include financial institutions, travel agents, airlines, railways, government and public agencies, and telecommunications companies.

Financial System Solutions Market

We offer delivery channel solutions and backyard solutions for retail banking services. In fiscal 2001, we augmented our delivery channel solution lineup with the next-generation branch terminal GS21, a system incorporating advanced image processing technology. We commercialized the CP21V, a multifunctional kiosk terminal equipped with ATM capabilities and enhanced payment and security functions, and stepped up marketing in this new business area that supplies ATMs to places other than banks, such as convenience stores, train stations and hospitals.

The GS21 is a financial services terminal equipped with an image scanner that enables high-quality images, speediness and readable forms. This smooth image processing enhances the efficiency of bank branch activities.

We established the Japan Business Operations Co., Ltd., which accepts commissions from banks and other companies for ATM monitoring, operation management and other services. In the future, this firm will expand its operations to include ATM-based information services, enabling it to offer total solutions.

The CP21V is a multifunctional information terminal that is equipped to offer a variety of services, such as cash withdrawal and deposit, transfer of funds, payment of utility and facility fees, ticket sales and online shopping.

Public System Solutions Market

The markets for electronic government and ITSs are expected to grow rapidly. In fiscal 2001, we supplied the central government and local municipalities with electronic document management and document exchange systems. We will expand our business by selling these systems to local governments and respond to demand as more reports and applications are filed on computer networks.

In the ITS area, an electric toll collection (ETC) systems service was launched on March 30, 2001. Oki has constructed systems for the Central, Kan-etsu, Joshinetsu and Matsuyama highways, and will subsequently begin services.

Security and e-Business Market

The rapid spread of the Internet has reinforced the need to protect information systems from illegal infiltration by crackers. Accordingly, we have upgraded our security solutions to strengthen Internet security.

In the period under review, in cooperation with SRI International we began sales of EMERALD, a next-generation intrusion detection system capable of responding to unexpected infiltration. We also formed a technology-sharing partnership with Hewlett-Packard Japan, Ltd., to market the HP Virtual Vault, a web server platform with enhanced security. In addition, we joined with Matsushita Communication Industrial Co., Ltd., to develop and market a personal identification system based on iris recognition, for financial institutions and gate control systems.

New e-business products include the OKI MediaServer, a video streaming software package that supports Moving Pictures Experts Group 4 (MPEG4) transmission via broadband Internet, and the Bus Location System, an IT solution for bus businesses that uses global positioning and computer telephony integration (GPCTI) to ascertain vehicle location and mobile telephones to transmit operation management information and emergency reports.

The ETC system is part of Oki's ITS service, enabling automatic toll transactions without the need to stop at the toll gate.

Kazushige Matsui
Company President

Net Business Solutions Company

NBC provides solutions and services to network transaction-related areas through new business developments.

In the mobile and Internet payment field, we jointly established the Payment First Corporation in June 2000. This company offers secure and convenient Internet payment services.

As the master distributor for BEA Systems Inc. in Japan, NBC provides key solutions required for building web-based business sites.

In partnership with SRI International, NBC provides total IT security solutions and services, including security policy and system review, system construction, and security outsourcing.

Yuzou Sakamaki
Company President

Enterprise Solutions Company

ESC provides total enterprise solutions, specializing in software services for mission-critical business systems, such as ERP and SCM, particularly in the manufacturing industry.

Given the favorable market environment for system integration (SI) solutions, evidenced by predictions of approximately 10% annual growth for the next several years, ESC will make full use of its accomplishments and accumulated know-how as a leading partner of Baan Company to expand its product lineup and offer process-oriented business solutions.

Masahiko Kawai
Company President

Oki Data Company

Oki Data is expanding its business on a global scale, concentrating on color LED page printers and impact dot matrix printers. Integration of our research, development, design, manufacturing and marketing processes enables us to supply products to customers in over 120 countries.

Color page printers, sales of which are particularly impressive, are a key focus of Oki Data. In line with our corporate slogan, “Oki Data, Printing Solutions,” we are striving to provide customers with solutions offering true value. The LED full-color page printer has 1,200 dot-per-inch (dpi) resolution and is capable of outputting 21 pages per minute (ppm), making it the world’s fastest printer at the time of its release. This series has been well received by customers and has won several awards.

Oki Data also market a monochrome page printer, a dot impact printer and facsimiles.

The C9000/C7000 series of LED full-color page printers incorporates single pass technology, enabling high-resolution (1,200 dpi/600 dpi) printing at speeds of 21 ppm/12 ppm. An economical, high-quality line, the C9000/C7000 series boasts a million-page product life, attesting to its superior durability, and a moderate operating cost of ¥12.3/¥12.5 per page for color printing with 5% density. The use of “oil-less” toner and the integration of the waste toner box with the toner cartridge reduces maintenance.

The Oki C7000 Digital LED Printer has been awarded many prizes.

Yoshikatsu Shiraishi
Company President

Network Systems Company

NSC offers total solutions to the telecommunications market.

Carrier Networks

With broadband networks becoming the standard, carriers are rapidly refocusing their investments from voice to IP networks. In providing asymmetric digital subscriber lines (ADSLs), IP media integration, high-value-added services and high-speed Internet access services such as fiber-to-the-home (FTTH), they are moving fast to adapt to the broadband era.

To respond to the needs generated by these new carrier services, NSC launched the Carrier-VoIP system in October 2000. This soft-switch architecture-based system enables carriers to offer VoIP and outsourcing services for advanced intranets. The system features carrier-class scalability and reliability and offers a unified multimedia messaging solution for enterprises, combining VoIP services with unified messaging and customer contact center functionality.

In September 2000, NSC opened the Network Competence Center, a facility for integrated functionality and interoperability testing of network systems and services using the latest broadband network equipment, such as wide area networks (WANs), local area networks (LANs), VoIP, multimedia-over IP (MMoIP), optical access equipment, network management systems (NMSs) and operation support systems (OSSs). The Network Competence Center is a step in our efforts to provide customers with products with better security, quality and scalability.

The Carrier-VoIP system is a carrier-class server that converts signaling information from existing public switched telephone networks (PSTNs) into IP, functioning as a signaling gateway between PSTNs and IP networks. The system allows carriers to offer integrated data and voice services with VoIP at the core. The Carrier-VoIP system can accommodate several million users and is designed to be fault-tolerant.

Enterprise Networks

The speed at which information and communications technology (ICT) is spreading throughout the economy is rapidly increasing, as is the pressure to reduce the total cost of ownership (TCO) by switching to advanced IP-based multimedia networks which integrate voice and data.

In response to the needs generated by this trend, NSC launched Office stage™ in September 2000. Office stage™ is a business communications system for small to medium-sized companies that utilizes cutting-edge IP technology to offer IP telephony over the Internet or the enterprise intranet.

Office stage™, a business communications system utilizing the latest IP technology, helps reduce communication costs and conserve space. Cooperating with business applications, it offers a broad variety of features, from CTI such as call center and telephone reservation functions to digital cordless functions.

NSC also added advanced functions to the CTstage® CTI system, including cellular phone and voice recognition capabilities, facilitating customer relationship management (CRM) and customer contact and improving overall business efficiency. The IPstage® family of products, which includes IPstage®, a PBX based on IP that supports extension lines, and the Internet Voice Gateway and Gatekeeper series, was expanded. Through these moves, NSC has established a comprehensive lineup of Internet telephony solutions that can be optimized for any enterprise network.

Video and Other Communications Networks

In November 2000, NSC launched software for video monitoring, video distribution and visual collaboration systems using MPEG4 to offer economical, high-quality video solutions over the Internet. We expect rapidly growing demand for video over the Internet in the future and are preparing to expand our business in this area.

In October 2000, NSC launched M-NetLiaison, a new business assistance system for mobile intranet services. Using Sun Microsystems Corporation's latest Java/Jini technology, M-NetLiaison features advanced functions such as "plug and work" for services over the network and automatic recognition of subscriber terminals.

Electronic Devices

Masayoshi Ino
Company President

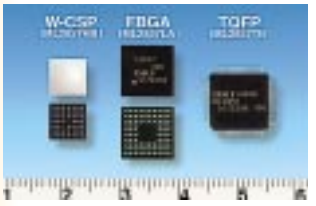
Silicon Solutions Company

SiSC focuses on logic and system LSIs. In line with its role as a solutions company working in digital communications, SiSC is promoting a basic architecture—called silicon platform architecture (SPA)—which it has used to develop the Mobile μ -PLAT®, a power-saving silicon platform for mobile use based on a central processing unit (CPU) licensed from Advanced RISC Machines (ARM) Ltd. SiSC also offers the Mobile μ -PLAT mounted with ML7070-01, the industry's first single-chip mobile data communications processor. Connected to a mobile telephone or personal handy-phone system (PHS) and a laptop computer or information machine such as a personal digital assistant (PDA), this LSI facilitates easy Internet data communication.

A pulse code modulation (PCM) sound LSI, developed in cooperation with Casio Computer Co., Ltd., was marketed to DDI Pocket's "feel H" ("feel edge") telephone. Because it uses the same PCM sound methods used in electronic instruments, this LSI enables extremely high-fidelity music and sound reproduction while also improving the musical expression of the selections.

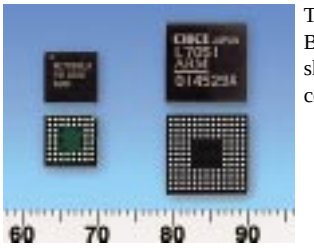
The Bluetooth wireless technology for short-distance networks is expected to facilitate the connection of electronic devices without cables in the near future, and we are currently in the middle of the qualification process for the latest commercial version, 1.1. We will strive to ensure a performance advantage by using silicon-on-insulator (SOI) technology, which enables high speeds and low power consumption.

In fiscal 2001, we endeavored to raise the efficiency of SiSC's operations by collaborating with Hoya Corporation in the area of semiconductor photomasks, and with Grace Semiconductor Manufacturing Corporation.



This LSI circuit for new mobile terminals uses all-sound pulse code modulation (PCM).

The BT-SDK system development kit makes it possible to develop software and hardware for Bluetooth applications.



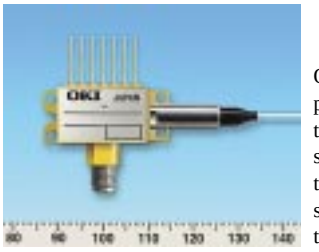
Total solutions products for Bluetooth technology enable short-distance wireless communications.

Tetsuzo Taniguchi
Company President

Optical Components Company

The optical fiber market is expanding rapidly, particularly in the United States. OCC has developed such products as 10 gigabit-per-second (Gb/s) transmitters, gallium arsenide (GaAs) integrated circuit (IC) chipsets for 10 Gb/s transmitter/transceiver modules, 10 Gb/s transponders for optical wavelength multiplex communication monitors, and laser modules for use as fiber-optic service channels. OCC supplies these products primarily to major optical fiber system manufacturers in the United States and Japan. OCC was established in April 2000 and achieved profitability in fiscal 2001, recording a 185.0% increase in sales.

OCC is expanding its business, particularly in optical fiber devices and modules. We will accelerate efforts to develop 40 Gb/s devices for long-haul networks, surface mount technology devices for access networks, and 1.4 μ m range high-power pump lasers, all based on OCC's expertise in GaAs IC and laser diode technologies.



Oki has developed a compact, low power consumption integrated modular semiconductor laser for the next 40 Gb/s high speed optical communication systems.