

**Summary Translation of Q&A for the First Quarter  
of Fiscal Year ending March 31, 2018**

Q. You have recorded business structure improvement expenses of 1.2 billion yen for the Printers business. Regarding this, please describe its contents you have done.

A. As we described at the business strategy meeting for the Mid-term Business Plan 2019, our Printers business is just about to shift its business strategy drastically in this fiscal year, from providing full range of product portfolio to focusing on distinctive fields and products where we can conquer, such as industry printing markets and wide-format printers as well as leveraging proprietary LED technology. Along with the business transformation, the streamline of business structure, such as review and reallocation of business resources and reformation of overseas subsidiaries, is necessary. The 1.2 billion yen of such expenses consists of cost including recruitment and special retirement expenses in Europe, America, as well as in some part of China. Its progress is steady.

Q. Regarding the changing factors of operating income, the changes in volume and product mix are 3.0 billion yen in negative. How is the breakdown by segments?

A. The breakdown of 3.0 billion yen is mainly for ICT, Mechatronics Systems and Printers businesses. In terms of changing in product mix, ICT and Mechatronics Systems businesses comprise the majority of the factor.

Q. In your explanation, the performance of EMS business progressed compared to the last fiscal year with the sales recovery of a major customer. Other than this, on customer basis, which business is improving?

A. It's not like some business is especially improving. Overall business is progressing. We receive strong inquiries on our EMS; the business is overall well doing.

Q. What is the worsened product mix in ICT business?

A. ICT business consists of combination of extremely wide range of businesses. It is difficult to describe in specific numbers. In the previous fiscal year, we had a combination of one-time big projects with high profitability and we didn't have it this

fiscal year.

Q. ICT business seems like a segment which cannot be expected to be profitable in the first half year. In your plan, operating income of 1.3 billion yen is expected to be generated in the second quarter. How is the degree of this accuracy?

A. Looking at the orders on hand, the progress is reasonably steady.

Q. In your explanation, the real down of operating income compared to the previous first quarter was 3.6 billion yen. Should I assume that the impact of two factors, consolidating results of the subsidiary in Brazil for two quarters and the negative repercussion of domestic cash handling equipment, is roughly 1.0 billion yen?

A. The impact of 1.0 billion yen comprises the impact of unification of the fiscal period of the subsidiary in Brazil and the impact of the subsidiary sold in the previous fiscal year.

Q. How many ATM units were sold in China in Mechatronics Systems business? What is its breakdown in terms of OKI branded and OEM supply?

A. 500 ATM units were sold in China in this first quarter when 1,000 were sold in the previous first quarter. Moreover, the annual result for the previous fiscal year was 10,000 units. Our target for this fiscal year is 7,000 units. We are not disclosing the numbers by brand. There is not a big change on the sales progress from our original plan. The condition in urban areas is completely different from it in rural areas. In urban areas, the spread of ATMs is in saturation, thus, the demand is in difficult situation. However, we received some inquiries in rural areas. Moreover, the demand for cash handling equipment is active with the strong demand for deposit. Therefore, we consider there is no big change in the target number from our original business plan.

Note. The forward-looking statements in this document are made based on information currently available to OKI and certain assumptions considered reasonable as of the date of this material. Therefore, actual results may differ from its projections upon the changes of business environments and other conditions.

In addition, for convenience only, some additions and revisions were made.