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# Business Strategy Meeting

## Printers Business

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May 31, 2018

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# Business Summary

Offer the most suitable printing solutions to global customer needs

**Office**

Industry Vertical

**Industry**

**Company & Government**

Medical & Distribution

Manufacturing & Distribution

**Design & Printing**

Design & Construction

**Office Documents**

Medical images, EHR\*

**Packages, POP, T-shirts**

**Signboards, Wallpaper, Cloth**

**Design drawings**

LED Color MFPs

LED Color Printers

A3 LED Characteristic Printer

Wide-format Inkjet Color Printers

A1, A0 LED MFPs



LED Monochrome Printers



64-inch Wide



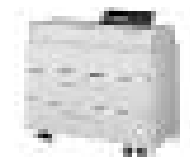
A1, A0 LED Printers

**Duplicate slips**

Dot Impact Printers



54-inch Wide

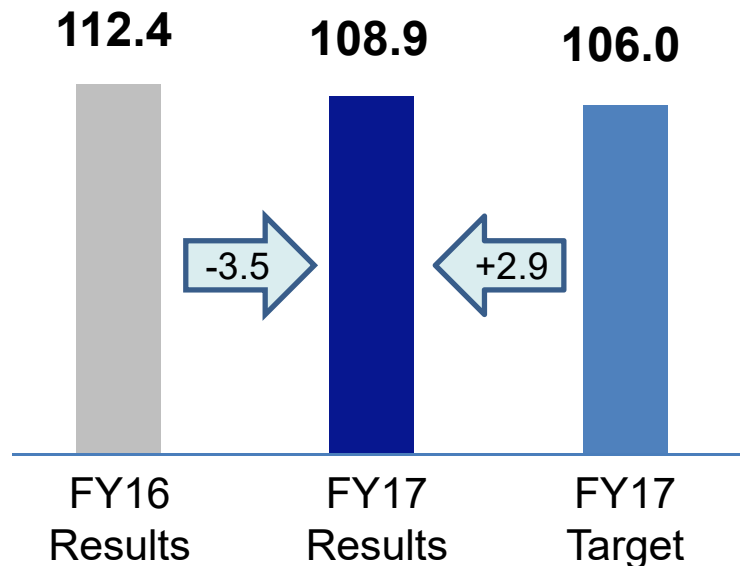


\*EHR: Electronic Health Record

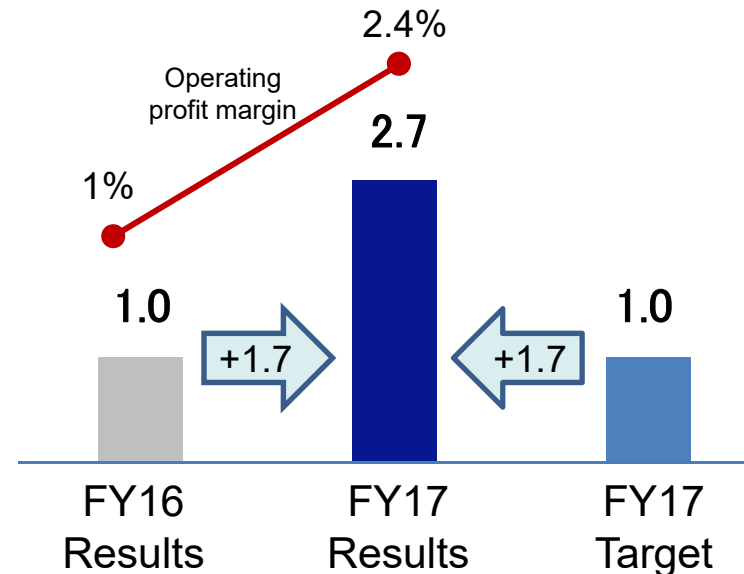
# Review of FY2017

1. Market conditions: Following major contractions in FY2016, the trend toward market contraction slowed in FY2017. Buoyed by exchange rates, most competitors in the industry saw earnings increased YoY.
2. Results and issues: While sales at competitors recover, ours continues to decline. Our new business expansion through the acquisition of a wide-format printer business has been delayed. However, through structural reforms and cost savings, we secured improved profits.

■ Net Sales (Billion yen)



■ Operating Income (Billion yen)



# Review of FY2017 (Progress of Measures)

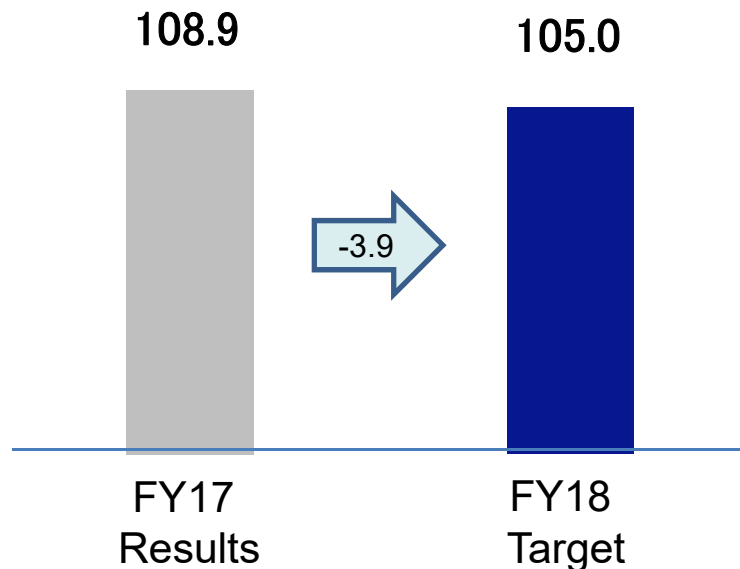
Business Strategies by Segment		
Business	Positions in Mid-term Business Plan 2019	Keywords
ICT	Secure stable profitability Create new businesses	Next generation infrastructures, IoT
Mechatronics Systems	Get back on a growth path	Emerging countries, Retail market, Strategic products
Printers	Secure stable profitability by strategic transformation	Niche market, LED, Streamlined management
EMS	The points along the way to turn EMS into 100.0 B yen business	New market domains, M&A

Keywords	Description of measures
Niche markets (particular markets)	<p>Successful cases targeting the medical and distribution markets increased. The next challenge will be horizontal deployment on a global basis.</p> <ul style="list-style-type: none"> <li>Europe and the US: Expanded in the distribution industry (apparel chains, drug chains, supermarkets)</li> <li>Domestic: Expanded in the medical market (for use in EHR and medical imaging)</li> </ul>
LED	Now developing products to serve as game changers based on our strengths in LEDs
Streamlined management	<p>Achieved fixed cost savings through structural reforms to achieve increased earnings, even as revenues decline</p> <ul style="list-style-type: none"> <li>Sales companies:                             <ul style="list-style-type: none"> <li>Americas: Reduced back-office staff</li> <li>Europe: Consolidated and closed regional sales companies</li> <li>Asia: Reduced back-office staff at Chinese sales companies</li> </ul> </li> <li>Production: Transferred production of A3 monochrome LED printers</li> <li>Headquarters: Now implementing efficiency improvements in back-office operations</li> </ul>

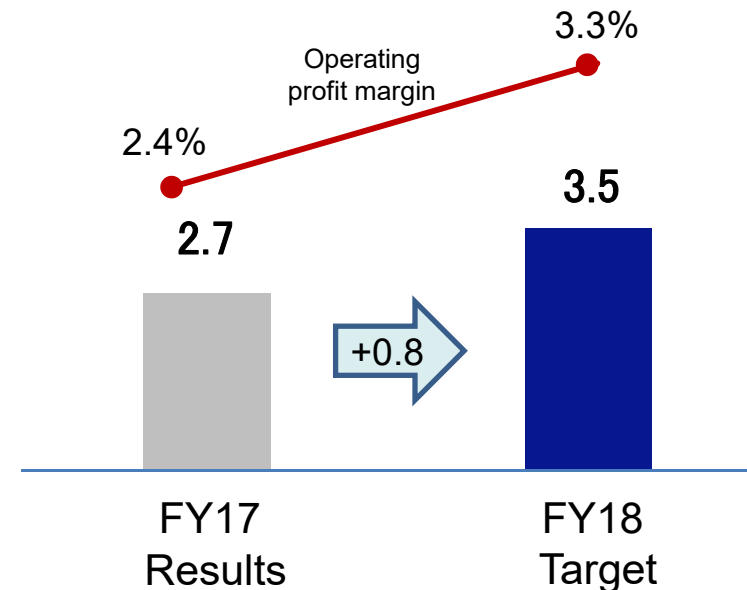
## FY2018 Plans (Basic Concepts, Positioning in Mid-term Business Plan)

In addition to completing a structure capable of generating profits even on net sales of 100.0 billion yen, we will accelerate resource enhancements from the office to industry vertical to increase revenues and earnings in FY2019 (with sales bottoming out in FY2018).

■ Net Sales (Billion yen)



■ Operating Income (Billion yen)



# FY2018 Measures

■ Measures to increase marginal profit: Expand the industry domain

In the industry vertical and special-purpose printer domains, which have high earning power:

1. New product development: Adjusted products from general use and products for specific use
2. Develop and strengthen the global sales structure
  - Establish a specialized business division to deploy successful regional cases globally
  - Enhance the Global Engineering Center to address customization needs

## Office printing

Improving product and sales efficiency

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Cooperation/OEM expansion

## Industrial printing

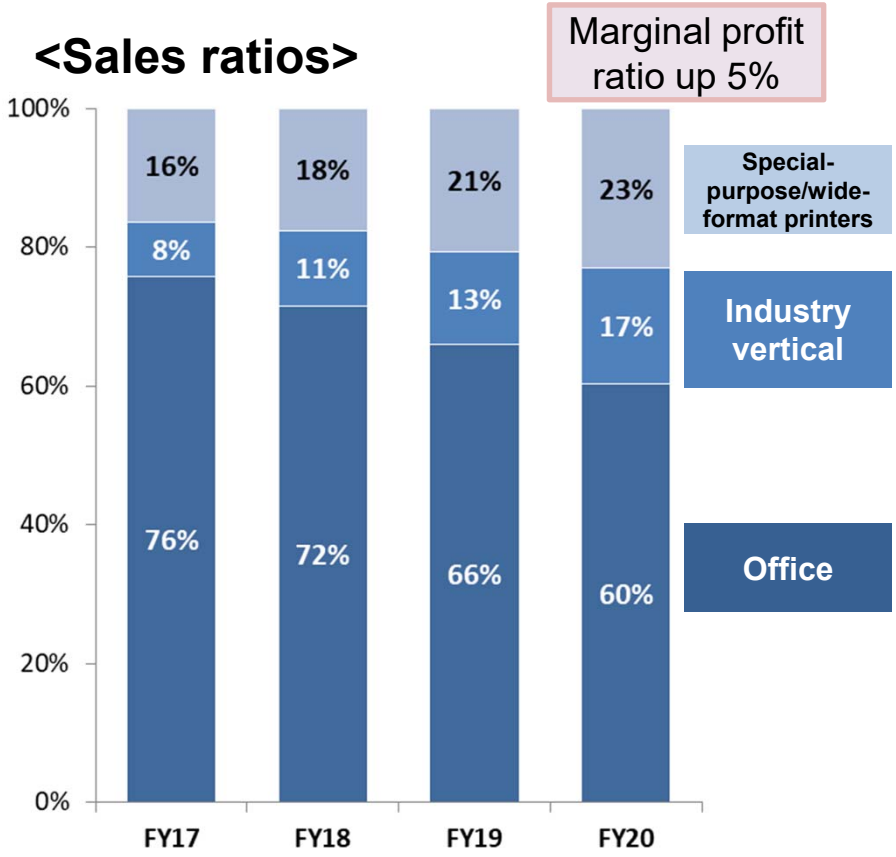
Application development

General-purpose LED printers and MFPs (industry vertical)

Dedicated LED printers (special-purpose printer)

Wide-format printers

# FY2018 Measures



## [Special-purpose/wide-format printers]

Unique products capable of succeeding in niche markets  
**A business that generates profits from sales of main units only**

- New label printers**
- New ticket printers**
- New T-shirt printers**

## [Industry vertical]

New general-purpose NIP products differentiated from the competition

**Business with high returns on supplies**

Opportunities already secured in which growth can be expected

(Distribution)

- The world's leading apparel chains (2.0 billion yen/deal)
- US nationwide drug chains (2.5 billion yen/deal)
- Supermarkets operating in Europe and the US (1.5 billion yen/deal)

(Medical)

- Japan: HER printers (1.0 billion yen/year)
- Overseas: DICOM printers (1.5 billion yen/year)

## [Office]

Model concentration and OEM expansion

Notes:  
 Previous explanation: The industry vertical was included in the office domain.  
 This explanation: Treating the industry vertical separately from the office domain and as included in the industry domain through partial redefinition

**New A3 color SFP**

# FY2018 New Products

- Scheduled for introduction as appropriate from the second half
  - Unique new products that take advantage of our strengths in LED printing
  - Targeting the industry and industry-vertical domains

## ① Label printers



Warning labels



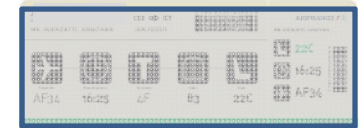
Identifying labels



## ② Ticket printers ID badges



Tickets



## ③ T-shirt printers



## ④ A3 color printers



Waterproof paper



Prescription pouches



Longer product lifespan  
Improved environmental performance





*Open up your dreams*

< Cautionary statements >

\*The forward-looking statements in this material are based on business environments as of the date of publication, therefore the actual results may differ from those forecasts due to changes in business environments.