

**Q&A of the Financial Results Briefing for FY2020/3**

Q: How did COVID -19 affect your results for fiscal 2019 ended March 2020?

A: Sales were down about ¥6.0 billion, and profits were down about ¥2.0 billion. Of these, the impact on the Mechatronics Systems business was the largest. Sales fell by about ¥4.0 billion and profits fell by about ¥1.0 billion. This was because production was delayed due to the shutdown of the Shenzhen Plant and delivery to customers was extended to the next fiscal year.

Q: Please tell me the recent sales trend of the Printers business.

A: There was no significant change from January to March. In the fiscal 2020 ending March 2021, economic activities have been suspended in Europe and the United States due to the effects of the COVID-19 lockdown. We are trying to collect information.

Q: It is said that the performance forecast of fiscal 2020 ending March 2021 has not been decided yet, but please tell me about the potential of the ICT business.

A: Social infrastructure projects are expected to grow steadily. We expect the network carrier business to remain strong.

Moreover, in fiscal 2019 ended March 2020, there were large-scale renewal demand for some government offices, large-scale projects for network carrier, and expansion of application scope of using the percentage-of-completion method, but these projects will disappear in fiscal 2020 ending March 2021.

Q: In Q4 alone, the EMS business has returned to the same level as the previous fiscal year. Has there been any change from the severe trend up to Q3?

A: In Q3, there was a considerable impact due to the delay in the procurement of parts and materials caused by the typhoon. This improved and we were able to make a comeback.

Q: Apart from the impact of COVID -19, what products are decreasing in the Printers business? Also, I would like to know the future improvement measures for the shift to industry printing.

A: The global trend of paperless is expected to continue. We want to move away from office printers for the general public and shift to a business model that focuses on the industrial sector where we can see customers' faces.

Q: As for the future direction, I think it is a trend away from ATMs and printers. I want you to tell me how long it will take to finish it.

A: In the Components & Platforms business, we will focus on cultivating new partners and strengthen product capabilities. In order to keep up with customer needs, the target products are mainly hardware. The development period is at least one year. Revenue contribution is expected to be at least two years.

Q: Is there any business that will be an opportunity for OKI in promoting remote work?

A: We believe that we will be able to demonstrate our strengths in solutions that support unmanned and labor-saving operations. We hope to expand business opportunities in a wide range of industries, including DMS and in the medical field.

Q: What is the cause of the ¥1.0 billion deterioration in Eliminations & Corporate expenses for fiscal 2019 ended March 2020?

A: The increase reflected an increase in personnel costs due to the strengthening of governance and an increase in strategic costs such as commercials.

Q: With respect to the Printers business, OKI's Mid-term Business Plan 2019 called for a shift to industrial printing, which was unsuccessful. Still, it seems the future direction is the same. Please tell me the specific strategies.

A: In fiscal 2020 ending March 2021, and beyond, we will focus on sales of products that take advantage of OKI's strengths. I think the challenge so far is sales and marketing skills to understand the customer's operational know-how. To strengthen these, we will review our sales personnel mainly overseas. We want to shift to sales as system integrators and OEM suppliers.

Q : When will the postponed new medium-term business plan be announced?

A : It depends on the COVID-19's convergence, but we will announce it as soon as it becomes possible. The impact of overseas Printers business is expected to be considerable, and we will closely monitor the situation in Europe and the United States.

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.