

OVERVIEW OF OPERATIONS

SOLUTIONS & SERVICES

We seek to become a partner in addressing the issues of our customers by leveraging amassed know-how in business systems to deliver solutions and services.

The solutions & services business provides solutions and services using know-how and technologies amassed through our work in offering business systems to customers in such industries as finance, government agencies, transportation, retail, and manufacturing.

In the solutions business, we provide products that address the various issues and requests of our customers. We contribute to increased efficiency of the branch operations of domestic financial institutions in such areas as bank branch systems and centered-administration systems for financial institutions. In addition, we are working to achieve further development in sales of financial systems in the Chinese market. OKI's other strong points include salary payment systems for government agencies, ticket reservations and issuing systems for the travel and transportation industries, and business systems for the manufacturing sector.

In the services business, we will offer services to meet the customer needs, from possession to usage of devices, favoring management unencumbered by as-

sets. We will proactively develop services provided by "EXaaS", such as cloud computing services that enable shared use of business systems, Life Cycle Management (LCM) services that help manage business terminals such as ATMs, PCs and printers, as well as multifunction printers and smartphones from introduction planning to asset management to operational support, Business Process Outsourcing (BPO) services where some operations are conducted on behalf of our customers, and other services. From now on, we will focus on providing office solutions integrating the cloud services with smartphones, multifunction printers, and other devices to contribute to further enhancing customer office productivity.

In the maintenance business, we have a nationwide network of more than 250 maintenance service facilities. Through this network, we provide top-class, uniform-quality maintenance services to all customers around Japan. Furthermore we are expanding multi-vendor maintenance in new fields, such as medical and energy, among others.



Cloud Computing Service "EXaaS"

"EXaaS" provides cloud computing services alongside BPO services and LCM services, realizing optimum total life cycle management costs.



A Centered-administration Center of Financial Institution with "WAP"

Financial institutions that installed OKI's operation management system Work process Administration Package (WAP) at their centered-administration centers have realized greater visibility across all administrative processes and achieved greater operational efficiencies through flexible personnel allocation.

TELECOM SYSTEMS

We provide network infrastructures, which form the backbone of society, as well as communication systems to enhance our enterprise customers' competitiveness and realize a smart society.

The telecom systems business provides communication systems and services leveraging our technology and know-how to link people or goods to telecom carriers, service providers, companies, and other customers.

The business provides large-scale network infrastructures, such as IP multimedia systems, and GE-PONs*¹ supporting increasingly sophisticated access networks to telecom carriers and service providers. The business also provides home ICT solutions, such as next-generation home gateway products, servers that efficiently deliver high-definition video, OTT*²-enabled equipment, and VoIP applications for smartphones that enable high-quality voice transmission. The telecom business is seeking to broaden its business domain by providing infrastructure to telecom carriers geared to the changing market environment and by developing and offering products enabling a greater range of services over the infrastructure.

For enterprises, we seize business opportunities arising from the increased use of IP networks, and offer competi-

tive products and services in this field. In the domestic IP telephony field, we formed alliances with our partners to strengthen our product appeal and sales capabilities in order to expand our market share. We are also focusing on videoconferencing systems, which have gained attention as a BCP*³ measure.

The telecom systems business provides smart network solutions matched to customer needs while also developing products to help achieve a smart society, including new products utilizing wireless multi-hop network technologies for the 920 MHz frequency band, with the aim of realizing a low-carbon society and building disaster-resilient communities through the use of telecommunications technologies.

*1 GE-PON: Gigabit Ethernet-Passive Optical Network

*2 OTT: Over The Top (General term for the services provided on the broadband network)

*3 BCP: Business Continuity Plan



Wireless 920 MHz frequency band Multi-hop Network System Unit

Easy information gathering and control of remote devices via wireless network enable building energy management systems (BEMS), and monitoring and control of facilities dispersed over a wide range.



SIP-PBX "DISCOVERY neo" for Large Offices

SIP-PBX "DISCOVERY neo" is an energy efficient, eco-friendly system while maintaining the reliability, sturdiness, broad PBX functionality, and high channel capacity of the existing model.

SOCIAL INFRASTRUCTURE SYSTEMS

We offer social infrastructure systems that contribute to public safety and security by meeting the needs of government agencies and local governments.

The social infrastructure systems business provides customized social infrastructure systems for government agencies, local governments, and other entities. We build social infrastructures that offer safety, security, comfort, and convenience by delivering products and services that make use of our advanced and unique technologies in telecom networks, mechatronics, and acoustics.

In the transportation infrastructure field, we provide flight control systems, ETC, VICS*¹, and other ITS*²-related systems with the aim of enhancing convenience and ensuring user safety, security, and comfort. We also offer fee payment systems incorporating ETC technologies for private-sector parking lots, as well as new services, including safety support, and information support services employing vehicle-to-vehicle communication.

For local governments, we provide firefighting navigation systems, digital wireless communication systems for firefighting and emergency use, disaster prevention administrative radio systems for municipalities, and VoIP bulletin systems,

thereby contributing to safety and security in people's lives. Demand for disaster prevention and reduction measures is growing, and an increase in demand is getting into full swing for digital wireless communication systems for firefighting and emergency use as a result of system development, which will be undertaken by firefighting headquarters nationwide accompanying the shift to digital technology in 2016. To local governments, we supply digital wireless communication systems with a level of operability and durability that only OKI can provide, based on our thorough knowledge of operating environments. We are also applying the know-how cultivated in Japan to develop disaster prevention system equipment for use overseas.

In addition, we provide self-defense equipment based on our core expertise in acoustic and info-telecom technologies.

*1 VICS: Vehicle Information and Communication System

*2 ITS: Intelligent Transport System



ETC System for the Shin Tomei Expressway

The ETC System for the Shin Tomei Expressway provides enhanced convenience and operating efficiency with higher visibility of ETC lane signboards and the ability to make an ETC settlement by inserting an ETC card into an onboard reader at the ETC lane even after the vehicle has entered the lane without inserting the card.



Large Vehicle Platooning Using Vehicle-to-vehicle Communications

OKI has developed "high reliability vehicle-to-vehicle communication technology" and recently successfully completed tests for automated heavy truck platooning of four heavy trucks at a gap of four meters as part of the Energy ITS project of NEDO*.

* NEDO: New Energy and Industrial Technology Development Organization.

MECHATRONICS SYSTEMS

Capitalizing on its core strength in mechatronics technologies, OKI offers ATMs and cash handling equipment, as well as ticket reservations and issuing terminals, check-in terminals, and other equipment for financial institutions and the travel and transportation industry.

The mechatronics systems business provides products built around OKI's core mechatronics technologies. The business supplies ATMs and other cash handling equipment and bank branch terminals for the financial industry and boasts the top share of the domestic market for ticket reservations and issuing terminals and automated check-in machines.

OKI is a leader in ATMs, with a leading share in the domestic market. In China, as well, we are solidifying our position as a top vendor of cash recycling ATMs. In Japan, our strategy for the future is to capture ATM replacement demand from financial institutions and retail stores, as well as to actively continue selling of the "ATM-Recycler G7", a cash recycling ATM that can handle banknotes in multiple currencies. In addition to the China market, which we expect to continue steadily growing, we will also accelerate business development in new markets with growth potential, including entering the Russian and Indonesian markets in fiscal year 2012, as well as the Brazilian market as we announced a strategic partnership with Itaútec S.A. in 2013.

In 2012, we introduced the "RG7 Currency Exchanger", the world's first currency exchange machine capable of re-

cycling deposits and withdrawals in multiple currencies from a single unit. The machine enhances efficiency in foreign currency exchange operations for customers such as foreign exchange firms and travel agencies, and improves customer convenience. We are actively developing the "RG7 Currency Exchanger" for use in Japan, where they are already operating at Tokyo International Airport at Haneda and other sites, as well as overseas.

In cash handling equipment, we have a wide lineup of products that includes integrated cash management systems, recycling withdrawal/deposit machines, and coin and banknote change machines. We are deploying these new products tailored to the requirements of our customers in the financial, retail, and other sectors. We have also developed new products for the Chinese market with the aim of expanding the sales in this market, which we have developed with our ATM business.

Using our distinctive strengths, we will strive to become a top global mechatronics manufacturer by offering products that match the needs of customers in Japan and overseas.



"ATM-Recycler G7" at Alfa-Bank in Russia

"ATM-Recycler G7" cash recycling ATMs have been installed at Alfa-Bank, Russia's largest private bank, and PT Bank Central Asia Tbk, the largest private bank in Indonesia.



Currency Exchanger with Multiple-currency Deposit and Withdrawal Recycling Capability

OKI launched "RG7 Currency Exchanger", the world's first currency exchange machine capable of recycling deposits and withdrawals in multiple currencies from a single unit, including the Japanese yen, the U.S. dollar, and the Euro.

PRINTERS

We provide printers and multifunction printers based on the superiority of LED technologies to customers worldwide, contributing to the enhancement of business efficiency.

In the printers business, OKI specializes in business-use machines, deploying its renowned expertise in LED technologies to make color and monochrome LED printers, multifunction printers, and dot-impact printers to customers in 120 countries around the world. In 1981, we developed the world's first printer using LEDs as the light source. Compared with the laser method used by our competitors, these products have advantages in terms of compact design, high speed, and high resolution. They are also capable of printing on long sheets of paper and can handle a diversity of media. Drawing on the high reliability of LED printers, OKI created the COREFIDO Series for the Japanese market—the first in the industry with a free five-year warranty. Further, we have also been able to offer maintenance products free of charge under the COREFIDO2 Series.

Based on the printer business strategy launched in March 2013, OKI will focus on reorganizing the printers business structure to secure profits by entering new business domains, quickly establishing new business field, and strengthening the collaboration with OKI's solution busi-

ness. In the office solutions market, we develop solution proposals featuring the combination of standard application and multifunction printers equipped with Open Platform technology, which we co-developed with TOSHIBA TEC CORPORATION. We will also continue focusing on our MPS* business to address the changing needs of customers from possession to usage. In the professional printing market, we are leveraging our LED features and introducing compact, high-value-added printers with printing capabilities including white and clear toners with the aim of replacing the high-priced single-purpose equipment that has dominated the market. We are also revising our product and sales strategies to maximize profitability in the existing office printer market and are fortifying features of compact high-performance MFPs and mobile printing functions.

OKI is committed to providing highly reliable LED printers to customers around the world in its quest to enhance business efficiency and create comfortable office environments.

* MPS: Managed Print Services



A4 Color Multifunction Printer Co-developed with TOSHIBA TEC CORPORATION, "MC770"

"MC770" A4 color multifunction printer is the first machine developed through our partnership with TOSHIBA TEC CORPORATION. The printer is our first to feature built-in Open Platform technology and enhances our ability to offer optimal solutions.



A4 Color LED Printer with Built-in White Toner, "C711WT"

"C711WT" is the first color LED printer with built-in white toner to be released in the European design market. The printer is suitable for on-demand transfer printing to T-shirts, cloth bags, and other items at small print shops.

EMS

Leveraging the exceptional design and manufacturing technologies of the OKI Group, we develop high-end electronic manufacturing services as the virtual factory of our customers.

The EMS business provides consigned design and manufacturing services covering mechatronics and electronics components underpinned by design and manufacturing technologies and a proven track record amassed over more than 100 years in the info-telecom field. In this business, we offer one-stop EMS solutions, from development to mass production, according to the conceptual and requirement specifications of our customers.

Our EMS business enables us to address diversified requirements for high-end products in every field, characterized by high quality, high reliability, and a wide variety of products in small quantities. OKI is particularly strong in two areas: mechatronics products that require high-precision mechanisms, and products that require large-scale and multiple-layer substrates technology and high-speed signal processing. Based on our extensive experience in printed substrate technologies, we provide complete design, manufacturing and testing of high-resolution, high-precision multilayer substrates, aluminum-based substrates for devices requiring heat dissipation, and flexible connection substrates.

Currently, OKI is providing EMS services in the fields of communications equipment, measuring instruments, industrial instruments, and medical equipment. Going forward, we will expand the scope of our businesses by entering into new fields, such as energy, and by undertaking not only consigned design and manufacturing but also consigned reliability assessments, with the aim of acquiring new customers.

To further strengthen our printed circuit board business for high-end products, in October 2012 we completed the transfer of the printed circuit board business from TANAKA KIKINZOKU KOGYO K.K. and established OKI TANAKA Circuits Co., Ltd. Through this business transfer, OKI seeks to expand integrated consigned production from printed circuit boards through assembly of final products with the aim of achieving top domestic market share in the business of printed circuit boards for high-end products.

OKI aims to provide total *monozukuri* (manufacturing) solutions and to continue being entrusted with consignment production of highly reliable devices for our customers as their own “virtual factory”.



**The New Printed Circuit Board Manufacturer
OKI TANAKA Circuits**

OKI TANAKA Circuits established in October 2012, achieves high quality and reliability in various areas, including large, multilayer boards supplied to the aerospace industry.



**High-end EMS Business Utilizing its Core
“New-type Soldering Equipment” Technology**

OKI uses its advanced design and manufacturing technologies cultivated in the information-communication field to develop leading-edge technologies and provide one-stop EMS solutions for high-quality, high-reliability products.