

OVERVIEW OF OPERATIONS

SOLUTIONS & SERVICES

We deliver solutions and services addressing various issues of our customers by leveraging our amassed know-how in business systems.

The solutions & services business provides solutions and services leveraging 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.

The solutions business enables higher level performance and more efficiency by integrating systems from the store front to the back office via integrated CRM*¹ solutions. Moreover, we maximize customer experience and satisfaction through the integration of the customer data streams companies hold and the other various information. Our bank branch systems and centered-administrative systems for financial institutions contribute to the streamlining of their sales branch operations. In addition, we also excel in personnel and salary payment systems for government agencies, ticket reservation and issuing systems for the travel and transportation industries, and business systems for the manufacturing sector.

In the services business, we offer system integration, IT infrastructure and administrative services necessary for system construction and operation through a managed cloud. We are developing services provided by "EXaaS", such as LCM*² services that help manage business terminals such as ATMs from introduction planning to asset management to operational support, BPO*³ services where some operations are conducted on behalf of our customers, and other services.

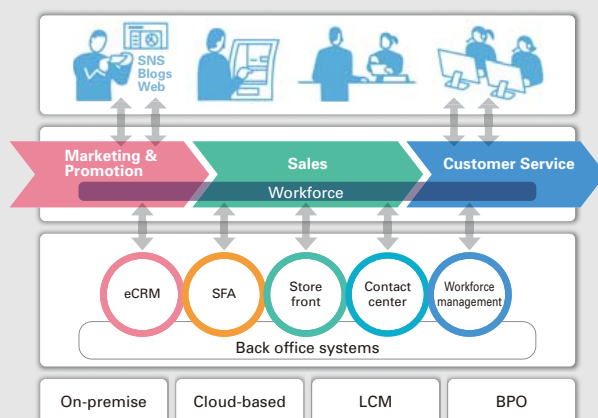
In the maintenance business, we fully use one of the industry's broadest service networks across the country in providing high- and uniform-quality maintenance services to all customers around Japan. Furthermore, we are expanding multi-vendor maintenance in new fields, such as medical and energy, among others.

*1 CRM: Customer Relationship Management

*2 LCM: Life Cycle Management

*3 BPO: Business Process Outsourcing

Maximizing Customer Lifetime Value via OKI-proposed Integrated CRM Solutions



Through the provision of integrated CRM solutions that combine BPO services, LCM services, and dedicated terminals like ATMs or bank branch systems, etc., areas where we excel, we are enabling the maximization of customer lifetime value.

Established Kansai ATM Service Center



We established Kansai ATM Service Center to bolster our ATM LCM service in western Japan. In addition to ATM monitoring systems, the new center also facilitates business continuity planning (BCP) through duplication of operational support functions in both eastern and western Japan.

TELECOM SYSTEMS

We provide telecom infrastructures, which form the backbone of society, as well as communication systems that improve corporate operational efficiency.

The telecom systems business provides communication systems and services to link people and goods.

For telecom infrastructure, OKI provides large-scale network infrastructure, such as IP multimedia systems, and GE-PONs*¹ supporting increasingly sophisticated access networks. The business also provides home ICT solutions, including next-generation home gateway products, and VoIP applications for smartphones that enable high-quality voice transmission. It is focused on systems addressing virtualization, telecom infrastructure migration to enable service diversification, and upgrading of networks.

For enterprises, we offer competitive products and services in the IP networks field. We are working to expand sales with new products for our call center systems, where we are the domestic market share leader, and for IP-PBXs

we developed with our alliance partners. We are also focusing on videoconferencing systems, which have gained attention as a BCP measure.

The 920MHz band wireless multi-hop network technologies is expected to meet a diverse array of needs such as applications in the IoT*² market, which is expanding rapidly, and the social infrastructure market. OKI develops products using such technologies in a timely manner and supplies smart network solutions matched to customer needs.

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

*2 IoT: Internet of Things

"CTstage 6Mi®", Multi-style Contact Center System



The architecture of the "CTstage" series, the domestic market leader in IP contact center systems, has been revamped, enabling high reliability without dependence on scale, realizing high operating efficiency and robust continuity, and allowing adopters to preserve their uniqueness.

Launched Coordinator Types for 920MHz Band Wireless Telecom Modules



To go along with router types, which have conventionally performed the multi-hop relay function, we have launched coordinator types with wireless master-slave unit functions that aggregate for the purpose of connecting wireless multi-hop networks to online clouds, upper-layer data aggregation devices.

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 the safety, security, and comfort of those depending on these systems. We also are developing and offering new services including the Customer welcoming System incorporated DSRC*³ as well as safety 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 community bulletin systems. OKI supplies systems with plenty of

operability and durability that match the needs of local governments. The call center providing maintenance support services for these social infrastructure systems is a one-stop call center that operates 24 hours a day, 365 days a year with an extensive menu of services and engineers constantly available for consultation. It contributes to the reliable operation of social systems that support the safety and people's peace of mind.

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

We plan to ramp up our entry into next-generation social infrastructure fields, such as disaster prevention and mitigation as well as measures to address aging social infrastructure, using our strength in technologies, including sensor networks. Moreover, we aim to expand our businesses in new fields like ITS using probe data.

*1 VICS: Vehicle Information and Communication System

*2 ITS: Intelligent Transport System

*3 DSRC: Dedicated Short Range Communication

Tap-sound Inspection Device Improves the Efficiency in Tunnel Inspections



OKI has developed a tap-sound inspection device that can easily inspect for deformations in tunnels, such as spalling and detaching, using sound processing technologies, without reliance on veteran skilled labor.

Developed River Monitoring System Using Wireless Network



Our river monitoring system, which uses 920MHz band wireless multi-hop network technology, is fed various sensor data such as water levels and precipitation amounts from gauges set up at observations points along rivers via wireless transmission, enabling monitoring centers to collect data in real time and confirm changing river conditions.

MECHATRONICS SYSTEMS

Capitalizing on its core strength in mechatronics technologies, OKI offers ATMs and cash handling equipment etc. for financial institutions and the travel and transportation industry.

The mechatronics systems business provides products built around OKI's core mechatronics technologies. We supply ATMs, cash-handling equipment, bank branch terminals for the financial industry, as well as automated check-in machines and ticket reservation and issuing terminals for the travel and transportation industries.

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 overseas markets. In addition to the China market, which we expect to continue steadily growing, we made a full-fledged entry into Brazil where we established OKI Brasil in January 2014. Building on our foothold from deliveries of cash recycling ATMs in Brazil, we plan to expand into markets in Central and South America in the future. Striving to expand our share of markets we have already entered such as Russia, Indonesia, Malaysia, India, we are strengthening

our operations overseas and accelerating the development of new markets where we see further growth prospects.

The "RG7 Currency Exchanger", a currency exchange machine capable of recycling deposits and withdrawals in multiple currencies from a single unit, helps enhance efficiency in foreign currency exchange operations for customers such as foreign exchange firms and travel agencies, and improve customer convenience. The "RG7 Currency Exchanger" is in use at Japan's Narita International Airport and Tokyo International Airport, Haneda, and we are working to extend adoption further.

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 products tailored to the requirements of our customers in the financial, retail, and other sectors. With the development of new products for the Chinese market as well as inquiries from prospective customers in Brazil, we expect this business to grow.

We will strive to become a top global mechatronics manufacturer by offering products that match the needs of customers in Japan and overseas.

New Space-saving ATM "CP21Z"



OKI has developed a new space-saving ATM that offers a maximum 50% improvement in banknote handling capacity versus conventional models, much improved apparatus reliability, and shorter transaction times due to faster banknote conveyance speeds. Adoption of the "CP21Z" makes it possible to promote usage by enhancing customer convenience and reduce operational costs thanks to improved operating and cash operating efficiencies.

Improving Production Lines at OKI Brasil



OKI Brasil, established in January 2014, is taking various steps to improve its earnings power such as making more parts internally, standardizing them, and improving the way production lines are put together by harnessing parent company know-how.

PRINTERS

We provide printers and multifunction printers based on the superiority of LED technologies to customers worldwide, contributing to the cost streamlining and 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 100 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, easy maintenance, 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 has further advanced the maintenance performance of the COREFIDO and in July 2015, it launched a new service, COREFIDO3, for the domestic market, with the A3 color LED multifunction printer as the first product available under the service. OKI will continue to further step up its offerings for the office solutions market.

The turnaround of the printer business to focus on securing profits through the rollout of high-value-added products in growth areas is progressing. In the office solutions market, based on this strategy, we develop solution proposals featuring the combination of standard application and multifunction printers equipped with Open Platform technology. In addition, fusing OKI Group technologies, we provide solutions combining voice and paper by linkage with business phone system from new A3 color LED multifunction printer. In the professional printing market, in addition to the rollout of high-value-added, compact printers that can print using white and clear toners, we will introduce a label printer that harnesses LED scalability with an eye on developing solutions for the design, retail, and health care markets.

OKI is enabling cost reductions and operational efficiencies by supplying our customers around the world with solutions that leverage the highly reliability of LED printers.

New A3 Color LED Multifunction Printer "MC883dnwv"



The A3 LED multifunction printer "MC883dnwv" for the office solutions market supports cost reductions and operational efficiencies strongly in office environments. Along with much improved basic functionality versus conventional models, the "MC883dnwv" sharply reduces unnecessary costs and wasted time thanks to advances in maintenance performance, and, moreover, it enables linking up with business phone systems, etc.

Production of Some Printers for Domestic Market Moved to Fukushima



Production of some models, which had been produced in China mainly for the Japanese market, has been transferred back to a plant in Fukushima City, a move that resulted in productivity gains and better quality thanks to efforts to improve production processes in ways that prioritized quality improvements.

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.

Currently, OKI is providing services in the markets for

communications equipment, measuring instruments, industrial instruments, and medical equipment. We aim to expand our operations by entering and expanding in the energy field and the aviation and space equipment market.

As a follow-up move to the founding of OKI Circuit Technology to strengthen our printed circuit board (PCB) business for high-end products as well as of OKI IDS, which consigns design and development, we acquired Yokogawa Electric Corporation's Ome factory. This addition bolstered production capacity at OKI Printed Circuits. It also expands the Group's PCB business and further reinforces its integrated production structure that extends from its strength in PCB to final product assembly.

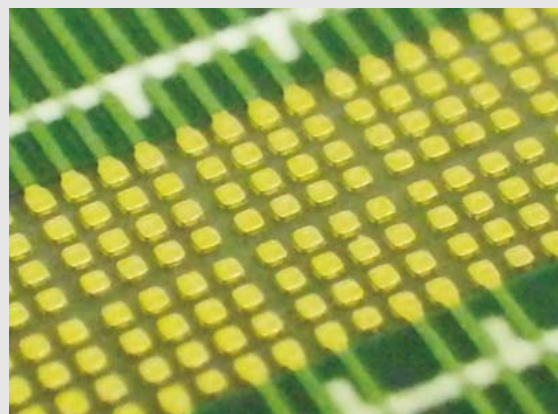
OKI aims to provide total monozukuri (manufacturing) solutions and to continue being entrusted with consignment production of highly reliable devices for our customers as their own "virtual factory".

Obtained Printed Circuit Board Production and Mounting Plant



OKI acquired Yokogawa Electric Corporation's PCB production and mounting facility in Ome City, Tokyo. With this move, OKI boosts its PCB capacity by 20% and receives as a consignment the entire PCB production and mounting work Yokogawa Electric had carried out in Japan.

World-first Mass Production of 0.35mm-pitch, 1,000-pin, 30-layer PCB for Semiconductor Use



OKI Printed Circuits achieved a world-first breakthrough with mass-production technology for multilayer PCB to support 1,000-pin LSIs with a pin pitch of 0.35mm, harnessing its proprietary FiTT method, which fills a shortcoming in existing technologies, that draws on high-precision lamination and high-precision drilling technologies.