# GROWTH STRATEGY
(BUSINESS CREATION)

OKI's value proposition is safety and convenience in a social infrastructure. With this in mind, the entire company is committed to creating growth businesses by deploying OKI's strengths in such areas as digital technology (IoT/AI) to resolve the social issues listed in the SDGs.

Initiatives for Creating Growth Businesses

OKI is already engaged in co-creation activities with more than 60 customers and partners in six focal areas of digital transformation: "Transport," "Finance and Retail," "Construction/Infrastructure and Disaster Prevention," "Manufacturing," "Medical Care," and "Marine and Acoustics."

Going forward, we will step up deployment of AI to reinforce our edge technology and draw on our abundant track record in our quest to help resolve social issues and realize an advanced IoT society.

Efforts to realize an advanced IoT society
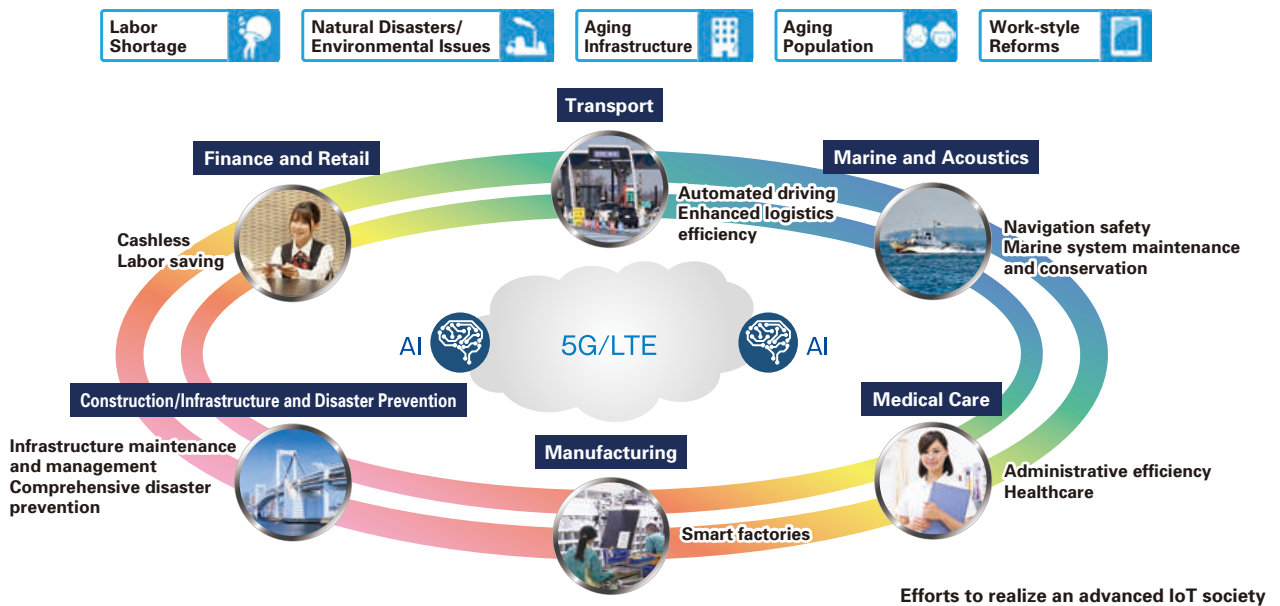
1 Finance and Retail

Targets 9.3 and 8.2 of the SDGs call for diversification of payment options through cashless solutions, as well as labor savings. To address these social issues, OKI aims to provide safe and convenient payment options and services to a wide range of users.

Specifically, we will deploy AI and robotic process automation (RPA) to automate business processes, while utilizing cash handling technology, cultivated in our Mechatronics Systems business, and AI to create multifunctional self-service terminals. We will also use individual data to develop new cash and service point systems and deploy edge behavior data and channels to achieve more advanced marketing solutions.

2 Transport

Targets 3.6 and 11.2 of the SDGs entail reducing traffic accidents and eliminating traffic congestion, as well as securing

efficient transport for the elderly. To address these social issues, we aim to realize "infrastructure-cooperative ITS services" using our strengths in probe data processing and V2X networks.

Specifically, we will help create new services in the logistics and payment fields, centered on our ITS service, LocoMobi™2.0. We will also create new infrastructure-cooperative ITS services by the combination of 5G and automated driving, as well as the automated driving support from infrastructure side.

3 Disaster Prevention

Targets 11.5, 11.b, and 13.1 of the SDGs call for prevention and mitigation of natural disasters, which are occurring frequently in recent years. To address these social issues, OKI aims to create sustainable cities that are resilient to disasters.

For example, we will use our strengths in track record of introducing disaster prevention systems to develop com-

plete self-help and mutual-assistance services. We will also leverage our DPS Core™ disaster prevention information system to support public assistance management.

④ Manufacturing

Target 8.2 of the SDGs entails maintaining and strengthening onsite capabilities and using digital technologies to enhance productivity. To address these social issues, OKI will leverage its track record and know-how, gained in-house, to provide site visualization solutions and realize "smart factories."

For example, we will capitalize and pass on our onsite skills and creativity. We will also continue maintaining and strengthening our onsite capabilities, support IT and OT collaboration, use digital data to improve productivity, and develop services that deliver added value.

⑤ Marine and Acoustics

Targets 14.1, 14.2, and 14.b of the SDGs pertain to ensuring marine safety and conserving marine environments. To address these social issues, OKI aims to provide a "marine data infrastructure utilization service" utilizing its underwater acoustic sensing technologies and optical fiber sensing technologies, cultivated over many years of track record.

For example, we will use optical fiber sensing technologies to improve ship navigation safety while deploying underwater acoustic sensing technologies to provide solutions of coastal security, coastal crime prevention, and others. We will also link data attained through these solutions with weather and oceanographic information to provide the aforementioned marine data infrastructure utilization service.

President Kamagami gives a lecture on key priorities at the FY2018 OKI Premium Fair

New Medium- to Long-term Priorities

The Innovation Promotion Division, which is part of the Corporate Infrastructure Group, spearheads innovation throughout the OKI Group. It collaborates with our marketing & sales section and business section to enhance our capabilities in medium- and long-term areas—namely, "Healthcare," "Logistics," "Marine Conservation and Resources," and "Urban Development."

① Healthcare

Target 3.4 of the SDGs calls for the use of medical treatment to reduce youth mortality from non-communicable diseases by a third, as well as promotion of mental health and well-being. To address these social issues, OKI collects and visualizes behavioral data, and utilizes such data to develop "behavioral modification services" aimed at preventing lifestyle diseases.

② Logistics

Targets 11.2 and 9.1 of the SDGs entail achieving full automation of supply chains as outlined in Logistics4.0. To

address this challenge, we will start by eliminating input mistakes in delivery information—an urgent problem arising between two logistics companies—in order streamline office work. We will then expand the service to cover entire supply chains.

③ Marine Conservation and Resources

Targets 14.1 and 14.2 of the SDGs are related to marine conservation. To address the issue of fishery depletion, which correlates highly with deterioration of marine environments, OKI is working with partners to improve the efficiency of fisheries.

④ Urban Development

In response to social issues in smart cities, mentioned in Targets 11.2 and 11.5 of the SDGs, OKI will utilize our strengths in analyzing collected data and sensing from edge devices as well as our initiatives of disaster prevention so far for the benefit of society.

To provide the infrastructure to support the aforementioned activities, OKI has been working on Group-wide "Innovation Management Reforms" to implement innovation management system since fiscal year 2017 (see page 17 for more details).