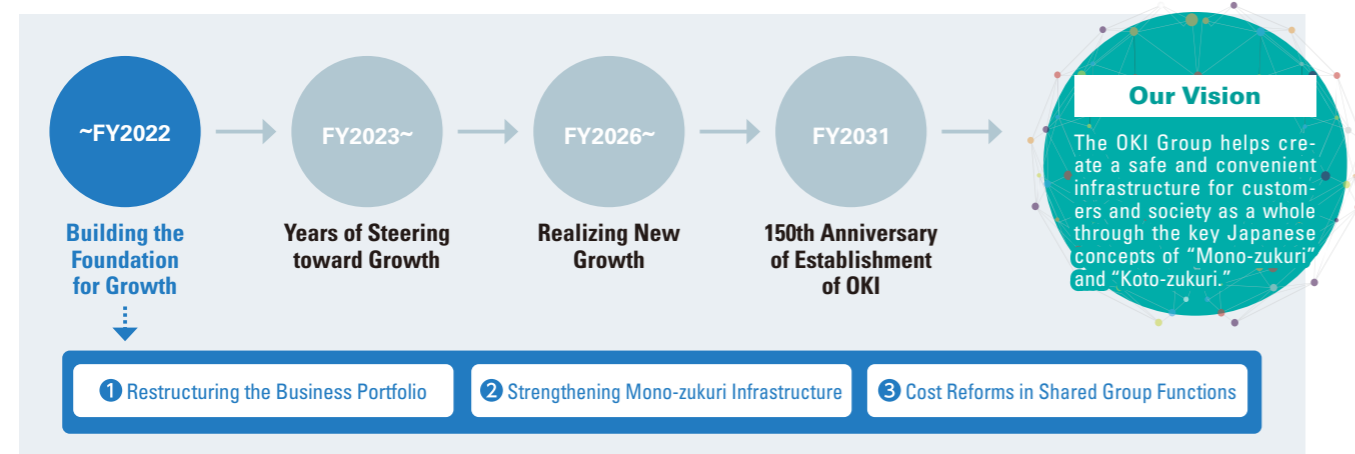


PROGRESS OF MEDIUM-TERM BUSINESS PLAN 2022 AND THE WAY FORWARD

The OKI Group has taken initiatives based on its Medium-Term Business Plan 2022 (fiscal years 2020 to 2022) with its key message of “Delivering OK! to your life.” OKI is promoting structural reforms centered on the hardware business as the foundation to achieve sustainable growth through social issue resolution. OKI also aims to solve social issues and grow through cooperation and co-creation with customers and partners while utilizing our strengths in AI Edge technology and Mono-zukuri.

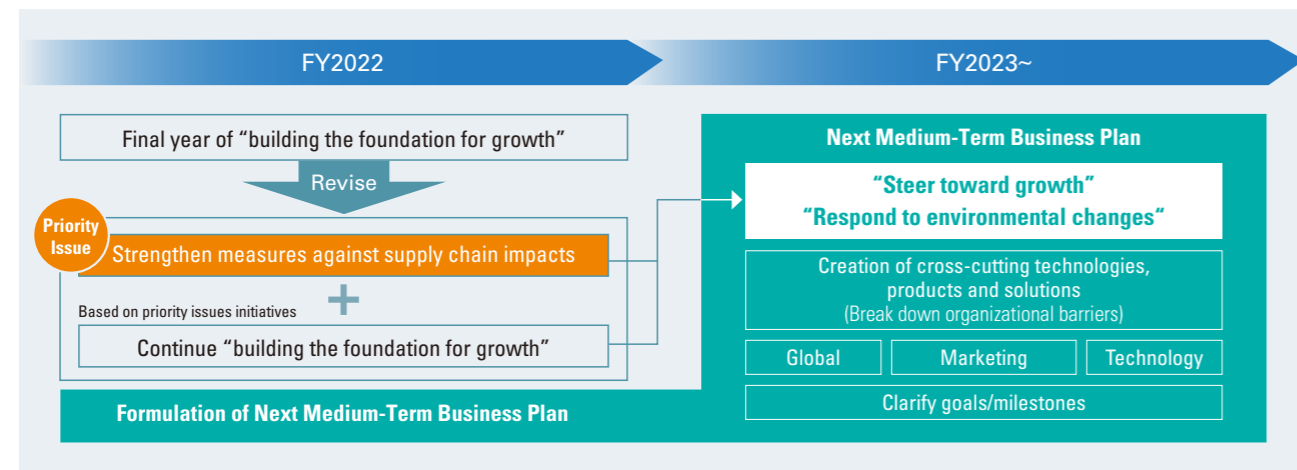
Positioning of Medium-Term Business Plan 2022

In the Medium-Term Business Plan 2022, OKI positions the three years until fiscal year 2022 as a phase for “building the foundation for future growth.” With the aim of steering toward growth from fiscal year 2023, realizing new growth from fiscal year 2026, and then achieving growth in the lead up to the 150th anniversary of the Company in 2031, we have implemented structural reforms while steadily building the foundation for realizing sustainable growth through resolving issues in society.



Policy for FY2022 and Approach for the Next Medium-Term Business Plan

Notwithstanding the foregoing, the outlook remains uncertain amid the prolonged impact of COVID-19, which has caused serious disruptions in the supply chain, including shortages of semiconductors and other materials and soaring prices of raw materials, as well as heightened geopolitical risks. These changes in the business environment rendered a significant impact on fiscal year 2022, the final year of OKI’s Medium-Term Business Plan 2022, which, as a single-year plan, aimed to continue “building the foundation for growth,” while giving priority to “strengthening measures against supply chain impacts.” In addition, ahead of the next Medium-Term Business Plan, OKI is working to formulate specific strategies and initiatives by the end of fiscal year 2022 for the creation of cross-cutting technologies, products and solutions as initiatives for “steer toward growth” and “respond to environmental changes.”



Status of Medium-Term Business Plan 2022

Structural Reforms Aimed at Growth

To build a foundation for growth as stated in this Medium-Term Business Plan, OKI is reviewing and strengthening the earnings structure through three pillars: (1) Restructuring the Business Portfolio, (2) Strengthening Mono-zukuri Infrastructure, and (3) Cost Reforms in Shared Group Functions. We are executing each initiative to optimize personnel and sites in line with our strategy and improve the efficiency of shared functions, and are proceeding with structural reforms according to plans except for procurement costs.

| | |
|---|---|
| 1 Restructuring the Business Portfolio Further acceleration of shifting resources to strategic fields | [Major Past Initiatives] <ul style="list-style-type: none"> Built development structure with 700 people through integration of hardware businesses (Mechatronics Systems, Printers, EMS) Narrowed down printer models Reduced overseas sales sites: Terminated printer hardware sales in North America and reduced overseas sales company personnel by 50% (target 60% reduction by FY2022) HQ integration of printer business subsidiary, design/development structure integration, marketing & sales section integration |
| 2 Strengthening Mono-zukuri Infrastructure Timely and consistently providing products customers want Realizing customer value improvement and cost reduction | [Major Past Initiatives] <ul style="list-style-type: none"> Concentrated resources on product development in focal areas Terminated sales and production of ATMs in China and transferred these functions to factories in Japan (devices for Japanese market) and Vietnam (devices for global market) Terminated production of printers and multifunction printers in China and transferred resources to Thailand factory Integrated two subsidiaries in order to strengthen existing domains in the Design & Manufacturing Services (DMS) business and promote entry into new fields Integrated two printed circuit board (PCB) business subsidiaries to aim for the top share in the Japanese high-value-added PCB market, which is maintaining growth Completed construction and started full-scale operation of a smart factory to realize the first Net Zero Energy Building (ZEB) production facility in Japan |
| 3 Cost Reforms in Shared Group Functions Procurement costs ¥10.0 billion reduction Labor costs and business expenses ¥4.0 billion reduction (Both 3-year accumulated total) | [Major Past Initiatives] <ul style="list-style-type: none"> Procurement costs were reduced ¥3.1 billion in FY2020 and ¥3.7 billion in FY2021 due to efforts to integrate procurement divisions in the Group and through concentrated purchasing and development purchasing; however, net reduction was ¥0.3 billion due to the effects of rises in material prices equivalent to ¥3.4 billion Labor costs and business expenses were reduced ¥2.2 billion in terms of the FY2020 and FY2021 accumulated total, mainly through transferring/outsourcing the logistics business, concentrating and reorganizing offices in Shibaura and Toranomon districts, and expanding operations ranges of shared Group companies |

Growth Strategy

In the Solution Systems business, OKI is strengthening efforts to provide digital transformation (DX) solutions that solve issues that society and customers face. Sales in the DX domain are growing. In the Components & Platforms business, OKI is making progress in development in products for partners. While opportunities for business talks for DMS projects are increasing and there are positive signs including acquiring such orders, this has not yet led to higher sales in core fields.

| | Policy/Initiatives and Status | Past Progress and Future Policy | |
|-----------------------------------|--|---|-----|
| Solution Systems | Use AI Edge to help customers achieve DX | <ul style="list-style-type: none"> Expansion of sales in DX domain Acquiring stable revenue through horizontal deployment of DX solutions and achieving growth Creating new solutions through co-creation with partners and expanding business | P29 |
| Components & Platforms | Promote partner strategy and strengthen comprehensive Mono-zukuri services | <ul style="list-style-type: none"> Business model shift in progress Currently steadily providing modules to global partners Plans to launch new products for partners in FY2022 | P31 |

Growth Investment

In fiscal years 2020 to 2021, growth investment experienced some setbacks due to the impacts of COVID-19 and supply chain effects. Nevertheless, the transition of OKI’s factories to smart factories, among other initiatives, generally proceeded as planned. OKI will continue to strengthen its management infrastructure to build the foundation for future growth, while promoting investments in the DX domain and core fields which will lead to future earnings.

| | 3-year Targets | FY2020-FY2021 Results | FY2022 Plan | Details |
|----------------------|--------------------------------|-----------------------|---------------|---|
| Capital expenditures | ¥70.0 billion to ¥80.0 billion | ¥38.6 billion | ¥25.0 billion | Strengthening of Mono-zukuri infrastructure, transition to smart factories, IT consolidation |
| R&D | ¥40.0 billion | ¥22.7 billion | ¥12.0 billion | Development of new DX solutions/components, investments related to AI Edge, research of cutting-edge technology |