

OKI REPORT 2024

For the year ended March 31, 2024



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Value Creation Story

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Editorial Policy

OKI Report 2024 has been created with the aim of deepening the understanding of shareholders, investors, and other stakeholders regarding the OKI Group's efforts aimed at sustainable growth. The report has been edited with the primary focus on clearly communicating the progress of the Medium-Term Business Plan 2025, which started in fiscal year 2023, as well as the goals, initiatives, and accomplishments related to value creation strategies and the value creation foundation. More detailed information is reported on our website, so please see that as well. Please note that in the editing of this report, we referred to the "International Integrated Reporting Framework" of the International Financial Reporting Standards (IFRS) Foundation and "Guidance for Collaborative Value Creation" from the Ministry of Economy, Trade and Industry, among other material.

Targeted Organizations

Ok Electric Industry Co., Ltd. and its domestic and international consolidated Group companies and affiliates.
Note that when the scope differs from the above, this has been individually mentioned.

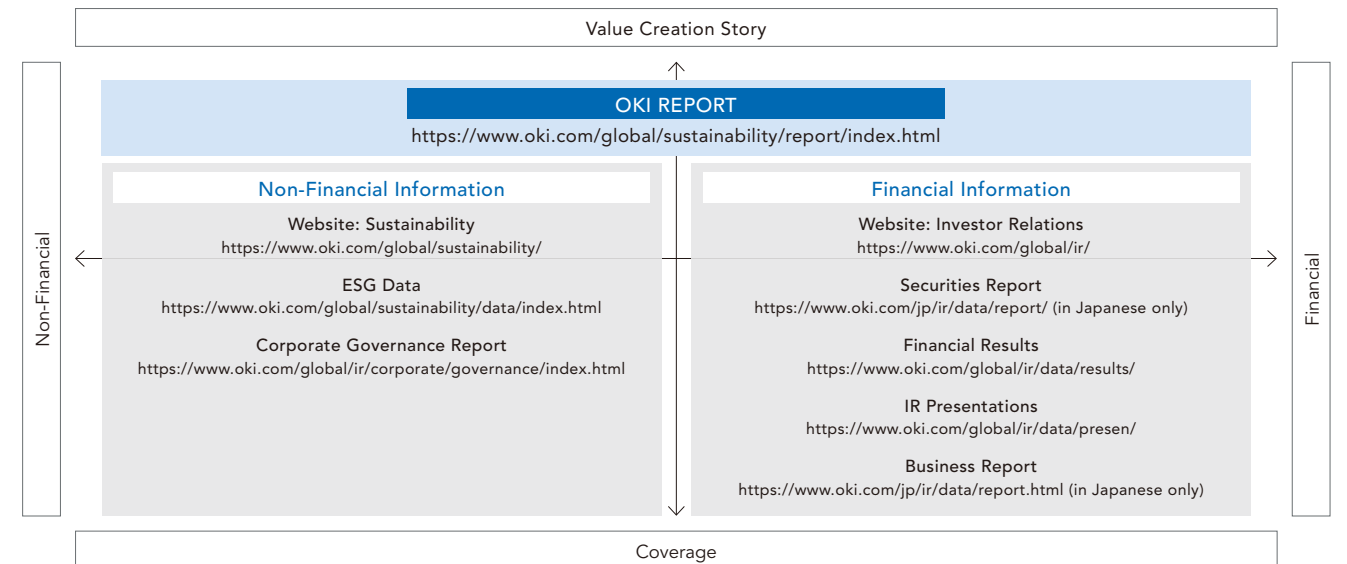
Targeted Period

Fiscal year 2023 (April 1, 2023 to March 31, 2024)
Some portions include information pertaining to April 2024 and after.

Forward-Looking Statements

This report contains forward-looking statements concerning the OKI Group's future plans, financial targets, technologies, products, services and performance. These statements represent assumptions and beliefs based on data and calculation methods currently available to OKI as of the date of publication, and therefore they are not a guarantee of future accuracy. Also, these forward-looking statements, which include our analysis and forecasts, are not a guarantee of future performance or outcomes. These statements involve business risks and uncertainties. Due to various factors, actual results may differ from those discussed in this document.

Information Disclosure System



Note: All company and product names included in this report are trademarks or registered trademarks of each of the companies they represent.

Delivering OK! to your life.

Amid large changes in the business environment, we seek to embed these principles as extensively as we can into our practices with the commitments expressed in the “OKI Group Charter of Corporate Conduct” and the “OKI Group Code of Conduct” as the cornerstones of our corporate activities. We seek to realize our corporate philosophy by striving to embody our vision.

OKI Group Values

Corporate Philosophy

The people of OKI, true to the company’s “enterprising spirit,” are committed to creating superior network solutions and providing excellent information and communications services globally to meet the diversified needs of communities worldwide in the information age.

Vision

The OKI Group helps create a safe and convenient infrastructure for customers and society as a whole through the key Japanese concepts of “Mono-zukuri” and “Koto-zukuri.”*

* Mono-zukuri: manufacturing

* Koto-zukuri: creation of solutions and services

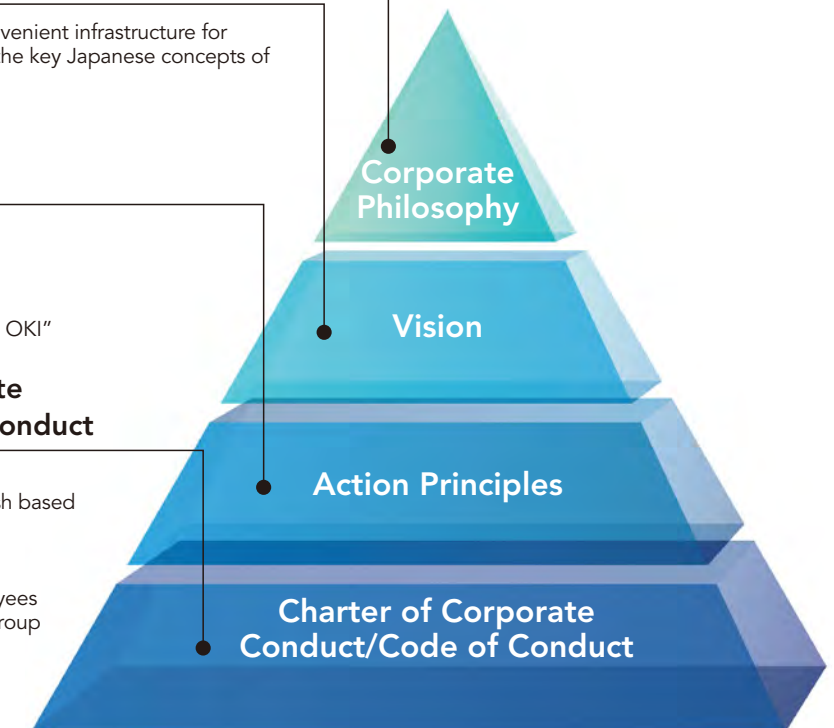
Action Principles

Act with integrity
Challenge and drive change
Perform with speed and agility
Be passionate, and determined to succeed
Proactively encourage excellence as “Team OKI”

OKI Group Charter of Corporate Conduct/OKI Group Code of Conduct

OKI Group Charter of Corporate Conduct
CSR activities OKI Group must accomplish based on its corporate philosophy

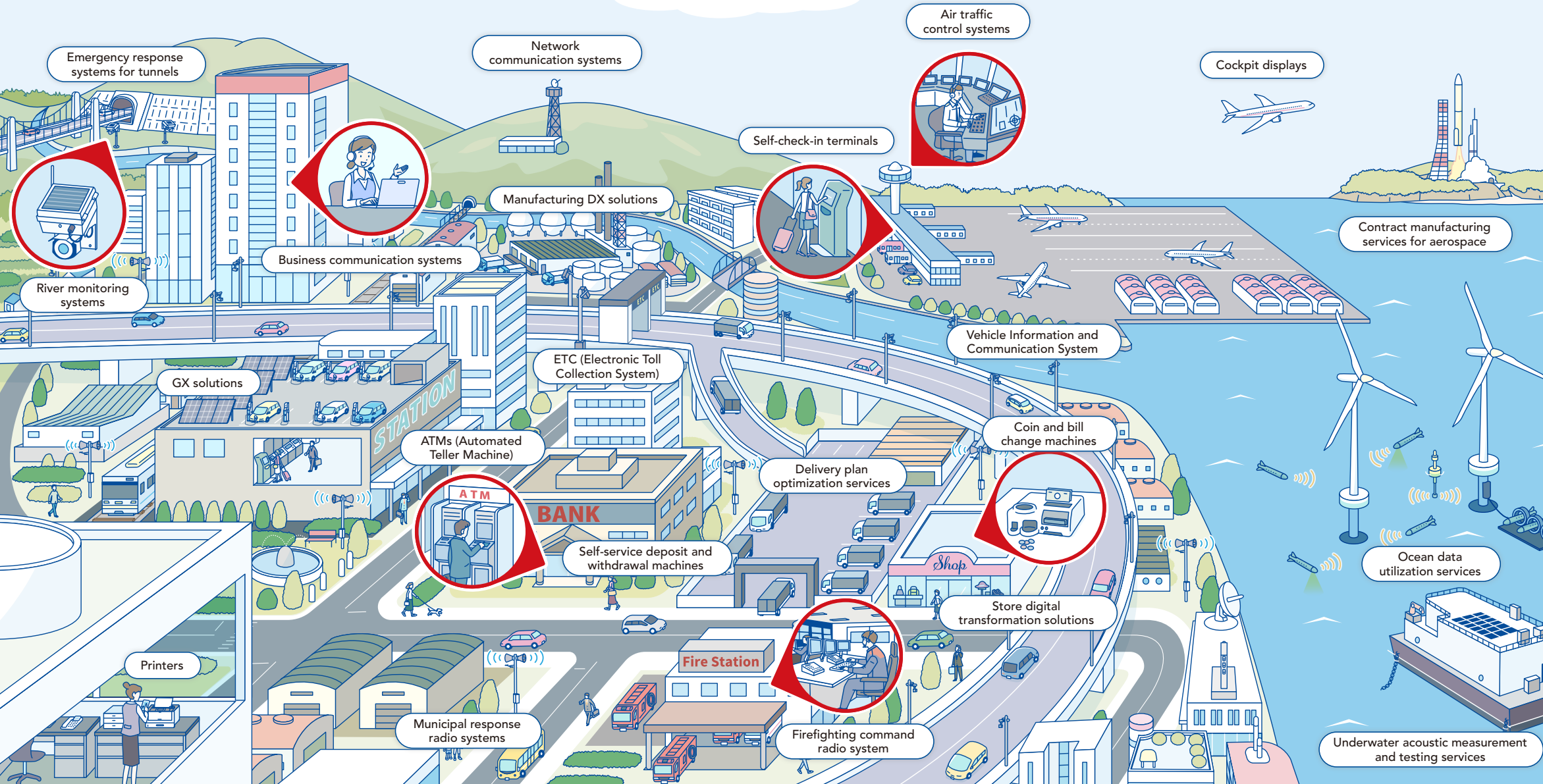
OKI Group Code of Conduct
Codes of conduct executives and employees must conform to in accordance to OKI Group Charter of Corporate Conduct



At a Glance

Delivering OK! to your life.

OKI's products and services, through innovative solutions, play an active role in various places in towns and cities, contributing to a wide range of areas, from improving corporate productivity to ensuring public safety. Additionally, we focus on developing products that are friendly to people and the environment, striving to create a sustainable future. With the key message "Delivering OK! to your life," OKI is committed to using technology to illuminate people's futures and work toward realizing a more prosperous society.



Founded
1881

Founder: Kibataro Okii

Consolidated Net Sales
¥421.9 billion

Fiscal year ended March 31, 2024

Employees
14,439

Group consolidated, as of March 31, 2024
(Non-consolidated: 4,648)

Global Offices and
Countries Sold
19 companies
Around **80 countries**
and regions

As of May 2024
Sales, production, and technology
development locations

Domestic Maintenance
Service Locations
Approx. **180**
locations

About 3,200 personnel, available 24/7,
365 days a year

Message from the CEO

**With an “enterprising spirit,”
we will continue to evolve and
grow as a company supporting
social infrastructure on a
global scale.**



Takahiro Mori

Representative Director
and CEO



As a Company “Delivering OK! to your life.”

OKI traces its origins back to Meikosha, Ltd., Japan’s first telecommunications equipment manufacturer, founded by Kibataro Oki in 1881. Just five years after Alexander Graham Bell invented the telephone in the United States, OKI, with an “enterprising spirit,” successfully developed the first telephone in Japan.

Since its founding, OKI has inherited this “enterprising spirit” and, throughout its 140-year history, has always stayed close to the challenges faced by its customers on the ground, having provided products and services that support mission-critical social infrastructure, which is not allowed to stop. As a Company committed to “Delivering OK! to your life,” OKI’s mission is to improve the foundations of life for all people across the globe. We will continue to evolve into a Company whose presence is indispensable, not only in Japan but in many regions around the world.

The First-Year Targets of the Medium-Term Business Plan 2025 Achieved

The Medium-Term Business Plan 2025, which started in fiscal year 2023, focuses on three fields of contribution: “safe and convenient social infrastructure,” “job satisfaction and productivity enhancement,” and “conservation of global environment.” We are working to realize the social value that we provide in each field of contribution. In the first year, fiscal year 2023, we recorded net sales of 421.9 billion yen and operating income of 18.7 billion yen, achieving significant year-on-year increases in both sales and profit. This marks the first step toward achieving the targets of the Medium-Term Business Plan 2025. This success is largely the result of fulfilling our responsibilities in our existing businesses, and it also indicates improved internal collaboration and a steady increase in business performance over the past fiscal year. By enhancing Company-wide functions that were previously divided by business units from fiscal year 2023, hidden challenges were brought to light, leading to more active discussions across departments. As a result, decision-making from a Company-wide perspective and improvement on business operations are progressing.

Outlook for the Medium-Term Business Plan 2025

Under the Medium-Term Business Plan 2025, we classify our existing businesses into two categories: growth businesses and stabilization businesses.

In our growth business, Public Solutions, we have strengthened our social infrastructure operations in such areas as firefighting, disaster preparedness, and roads since fiscal year 2023. As a result, we are now positioned to anticipate medium-term growth from fiscal year 2024 onward. Additionally, we are accelerating the expansion of our TOKKI Systems, which is the specialized equipment

Message from the CEO

business in defense & ocean, and commercial aviation. In the EMS business, although demands in the semiconductor and factory automation (FA) & robotics markets remain stagnant, we are working to strengthen our production capacity in anticipation of a market recovery. This will serve as a lever to return to a growth trajectory.

In our stabilization businesses, Enterprise Solutions and Component Products, we are focusing on improving operational efficiency by standardizing and creating platforms of product development, as well as promoting collaborations with other companies to stabilize profits. Enterprise Solutions continues to operate its production facilities at full capacity, meeting the needs of large-scale projects. At the same time, we are advancing structural reforms for the future, transitioning to a leaner business structure. In Component Products, we are streamlining our development and production systems in response to market contraction, while also accelerating OEM expansion.

Growth Drivers for the Future

Along with these efforts in our existing businesses, we are accelerating our steering toward growth. As we look ahead to the Company's vision for its 150th anniversary in 2031, we consider the following as our key growth drivers: (1) Global x Innovation, (2) Transformation of Business Portfolio, and (3) Human Capital Investment to support these drivers.

(1) Global x Innovation

OKI has long developed by centering its business model on responding to the demands of its valued customers through technological expertise. However, with the rapid social changes of recent years, the traditional business model is no longer sufficient on its own. At OKI, we have adopted the concept of "full participation innovation," strengthening efforts to generate seeds of innovation that transcend business boundaries.

One example of this is our enhanced focus on the commercialization of crystal film bonding (CFB), a semiconductor bonding technology developed through our LED printer business. This CFB technology is highly unique and has broad applications in the rapidly growing semiconductor field. It has been well received by our co-creation partners, and we are actively investing in this area.

Since fiscal year 2023, we have expanded our "full participation innovation" activities, previously conducted in Japan, to a global scale. Additionally, in April 2024, we established the Global Marketing Center, and in May 2024, opened an R&D base in Silicon Valley. These moves will strengthen the integration of our technological and business activities. Moving forward, we plan to further expand our overseas activity bases, energizing our global open innovation initiatives and progressing to the "Second Stage of Steering toward Growth."

(2) Transformation of Business Portfolio

In the past, our management approach was focused on building up each business individually. In fiscal year 2023, we reassessed our business segments, clarified the positioning of each business, and improved our value chain. Moving forward, we will further shift resources toward business areas with high growth potential across the entire Group. Currently, we manage our businesses by

classifying them into growth businesses and stabilization businesses, but going forward, we will evolve our management by incorporating measures such as return on invested capital (ROIC). This will allow us to implement management that is conscious of cost of capital and stock price.

(3) Human Capital Investment

To support Global x Innovation and Transformation of Business Portfolio, we are committed to recruiting and developing talent, as well as creating an optimal working environment. Our goal is to transform the Company into a "learning organization." In particular, we will provide more opportunities for training and practical experience to our younger and mid-level employees, creating a synergy where both employee growth and Company growth progress in tandem.

We will especially focus on empowering employees who interact with customers on a daily basis, helping them awaken to their mission, unlock their latent potential, and expand their networks both internally and externally. As a result, we aim to foster a culture where proactive, organic dialogue occurs throughout the Company, leading to the creation of new innovations.

Dare to Fail—Transforming into a Corporate Culture that Continuously Creates Value

Since becoming CEO, I have actively continued to visit various workplaces and talk with many employees. I have made an effort to communicate carefully with each individual with my goal to dispel the conservative mindset toward work and encourage each employee to trust in their abilities and approach their work more energetically. While it will take some time to fully embed this mindset across the Company, we are beginning to see signs of change. Moving forward, we will not only continue these conversations but also enhance institutional support to create an environment where more employees feel encouraged to step up, fostering a corporate culture of "dare to fail."

In Conclusion

Over the past two years, OKI has undoubtedly made progress in the right direction. However, this is merely the first step toward our vision. We will continue to push forward with reforms without letting up. I would like to express my sincere gratitude to all our stakeholders for their continued support and ask for your ongoing trust and confidence in the future growth of the OKI Group.

Message from the Senior Executive Vice President

We will steadily implement initiatives toward sustainability management and financial foundation improvement to steer toward growth.



Teiji Teramoto
Representative Director and
Senior Executive Vice President

Steadily Advancing Initiatives for OKI's Future

It has been three years since I joined OKI. After having served as Head of the Marketing & Sales Group, I assumed the role of Senior Executive Vice President in April 2024. Both from the outside world of finance where I was before joining OKI, and from the inside of the Company over the past three years, I am convinced that OKI holds significant potential and room for growth.

To support the CEO, and as the Chief Financial Officer and Chief Human Resources Officer, I am committed to steadily advancing efforts to unlock and realize the Company's latent potential, working toward enhancing corporate value.

I believe that OKI is currently at a major turning point for the future. Under the Medium-Term Business Plan 2025, which started in fiscal year 2023, we have established the basic policy of "steer toward growth and break free from the downward trend," with the entire Group focused on transforming into a more stable, growth-oriented organization capable of steadily accumulating profits.

In the past, OKI often operated within a siloed organizational structure, where cross-departmental collaboration was severely lacking. Recognizing that this was one of the major obstacles to our growth, we implemented Group-wide organizational reform in fiscal year 2023. As the vertical and horizontal threads weave together, the great potential of individual employees and departments will align, strengthening our organizational capabilities. We will continue to promote reforms from a Group-wide perspective moving forward.

Practicing Sustainability Management with a Focus on Transforming Corporate Culture

Sustainability Initiatives

Under the corporate philosophy of an "enterprising spirit," OKI aims to contribute to the creation of a sustainable society while achieving corporate growth as a company dedicated to "Delivering OKI to your life." In drafting the Medium-Term Business Plan 2025, we revisited our material issues and updated them into four areas: "providing products and services that help solve social issues," "reducing environmental impact through business activities," "transforming into a corporate culture that continuously creates value," and "strengthening management foundation to support sustainable growth."

Based on these material issues, we are advancing various environmental, social, and governance (ESG) initiatives, including efforts to meet the climate change targets outlined in the OKI Group Environmental Vision 2030/2050 and promoting measures to enable diverse talent to thrive. In fiscal year 2023, we revised the OKI Group Environmental Vision, obtained SBT certification, and as part of strengthening human capital investment, we revised the employee grading system.

Message from the Senior Executive Vice President

Challenge of Transforming Corporate Culture

The strength of our employees is essential to continuously creating value, and creating an environment that enables them to maximize that strength is crucial. While preserving the customer-focused approach cultivated over our 140-year history, we aim to transform our organizational operations, which have often fallen into the trap of local optimization, into a culture where individual employees and departments can boldly take on new challenges.

To create an environment where diverse employees can work with positivity, enjoyment, and courage to challenge new things, we have been fostering communication through regular discussions and dialogues with many employees. We are committed to building a new OKI, where all employees, regardless of their role, can passionately express their ideas and thoughts, engage in spirited discussions, and move forward together as one united team.

Reflections on Fiscal Year 2023

The Medium-Term Business Plan 2025 sets the management targets of 450 billion yen in net sales, 18 billion yen in operating income, and a 30% shareholders' equity ratio. In fiscal year 2023, thanks to the steady acquisition of large projects and the normalization of production capacity to support them, net sales reached 421.9 billion yen (an increase of 52.8 billion yen year on year), operating income totaled 18.7 billion yen (an increase of 16.3 billion yen year on year), and the shareholders' equity ratio rose by 7.9 percentage points from the end of the previous fiscal year to 33.3%. Even after excluding the 4.3 billion yen one-off reversal of the allowance for doubtful accounts, the Company achieved a profit increase of over 10 billion yen, marking a steady start toward achieving the goals of the Medium-Term Business Plan 2025.

The Medium-Term Business Plan 2025 also sets a target of 8% return on equity (ROE). Excluding one-off gains, ROE for fiscal year 2023 was 9.4%. Although ROE is expected to temporarily decline in fiscal year 2024 due to an increase in equity, we aim to achieve the 2025 target and pursue a long-term ROE of over 10%.

Balanced Cash Allocation Focused on Growth Investment

Growth Investment and ROIC

During the three years of the Medium-Term Business Plan 2025, we have planned approximately 18 billion yen in growth investments. These investments, primarily focused on expanding future sales in Public Solutions and EMS—classified as growth businesses—as well as on new product development and production, were executed as planned in fiscal year 2023.

Moreover, to steer toward growth, it is essential to make proactive investments in research and development and human capital to create future business opportunities. As such, we will continue to execute effective investments.

As for the application of ROIC within the Company, we are currently in the trial phase. However, through our initial studies and trial implementation, we are beginning to see a shift in each business toward a stronger focus on profitability and capital efficiency than before.

Improvement of Asset Efficiency

In fiscal year 2023, we sold nine stock brands from our portfolio of cross shareholdings, reducing the total number of shareholdings to 65. We are comprehensively reviewing the significance of these shareholdings and aim to reduce the ratio of such shares to approximately 20% of net assets by the end of fiscal year 2025, the final year of the Medium-Term Business Plan 2025. The funds obtained from this reduction will be utilized to support future growth and other strategic initiatives.

Shareholder Returns

Regarding shareholder returns, while maintaining the continuity of stable dividends as a basic policy, we will determine the dividend amount by comprehensively considering the cash flow situation based on business performance and investments necessary for future growth (capital investment, R&D investment, and human capital investment) as well as the level of retained earnings. In the Medium-Term Business Plan 2025, we set a target dividend payout ratio of 30% or more.

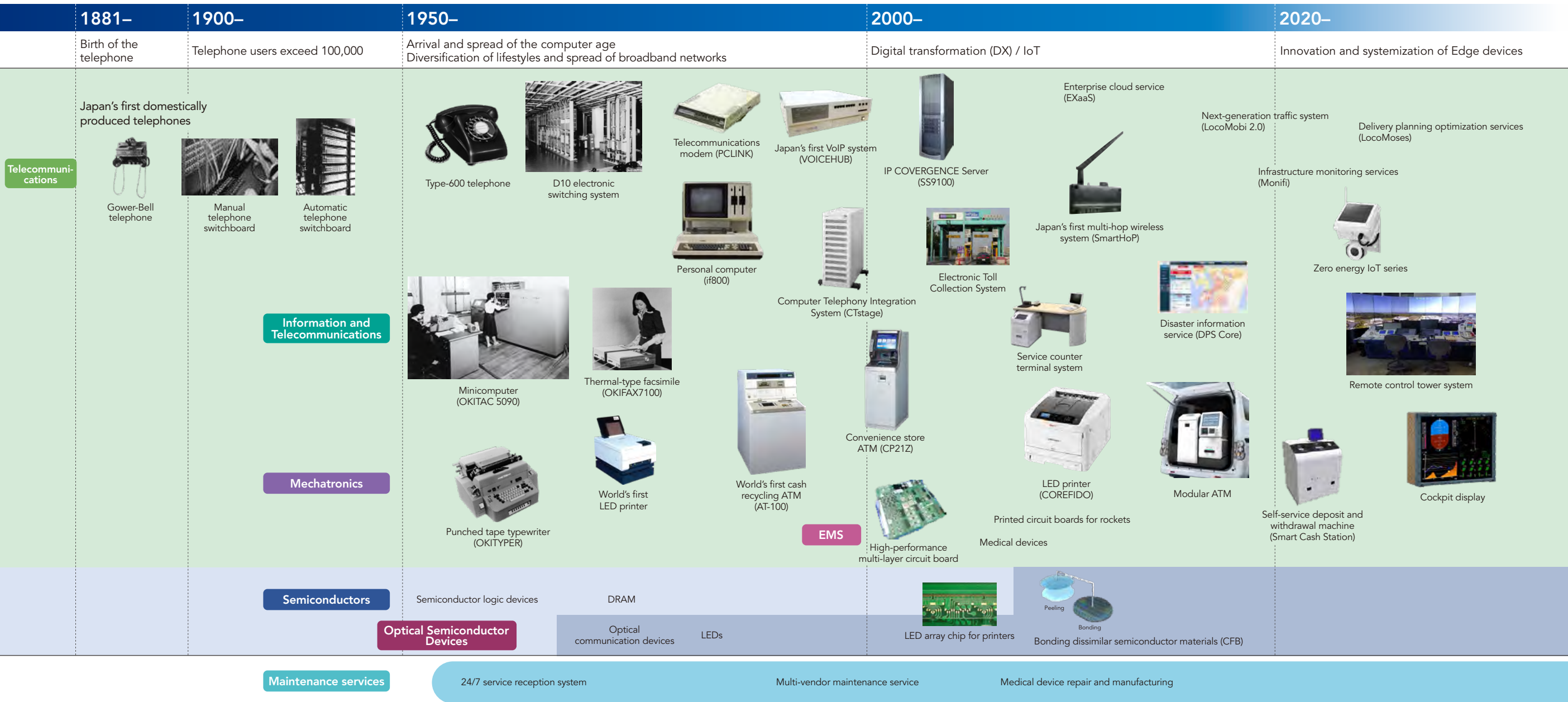
Enhancing Corporate Value and Driving Future Transformation

Currently, our price-to-book (P/B) ratio is below 1, and we aim to raise it above 1 as soon as possible. First, we intend to steadily execute our business plans and generate stable profits to gain market trust. Additionally, to improve future profitability, we will shift resources toward business areas with promising growth prospects across the Group and review our business portfolio using metrics such as ROIC, implementing management that is conscious of cost of capital and stock price.

While leveraging the strengths OKI has built over the years, we will push forward with reforms in each business and fully commit to creating new businesses and a new OKI.

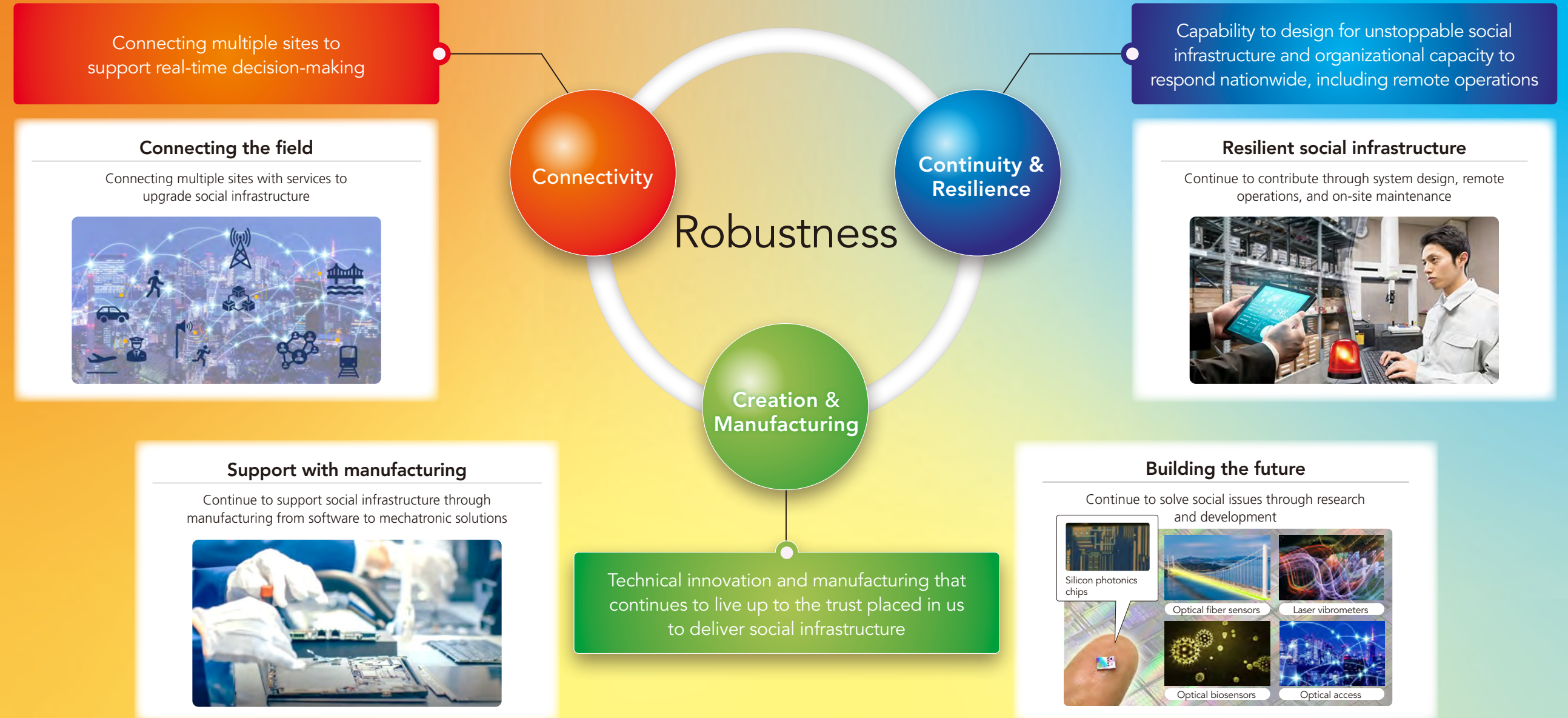
The Path to Value Creation

Since its founding in 1881, OKI has continuously tackled social issues with an “enterprising spirit” that has been passed down through generations. We have developed technologies essential for safe and convenient social infrastructure, providing products and services that swiftly and reliably connect people and information. Moving forward, we will continue to contribute to the realization of a prosperous future for all by creating various forms of value and “Delivering OK! to your life.”



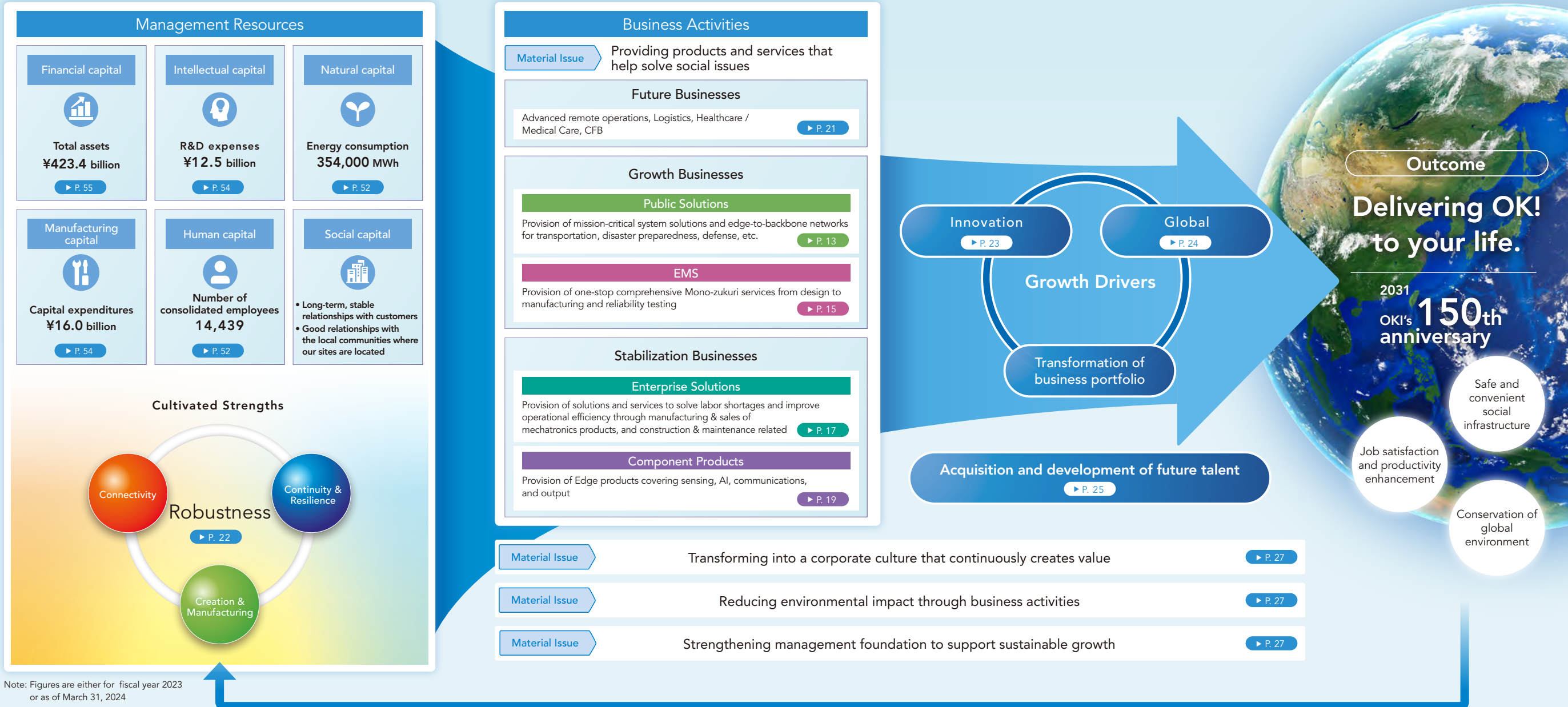
Our Cultivated Strengths

Since our foundation, OKI has supported social infrastructure with advanced products that meet society's needs, and OKI's strength is its "robustness" in providing "innovative and rigorous" solutions that are critical to maintain a secure and simplistic (easy to use) social infrastructure. Based on these strengths, we are working to solve social issues with our "capability to create&manufacture," "capability to connect," and "capability to support the continuity of social infrastructure."



Value Creation Process

Toward the goal of “Delivering OK! to your life,” the OKI Group addresses social issues in the fields of “safe and convent social infrastructure,” “conservation of global environment,” and “job satisfaction and productivity enhancement” by utilizing the strengths that we have cultivated to date, with the aim to realize a sustainable society and enhance our corporate value.



Progress of Medium-Term Business Plan 2025

Under the basic policy of “steer toward growth and break free from the downward trend,” the Medium-Term Business Plan 2025 has management targets of net sales of 450 billion yen, operating income of 18 billion yen, and a shareholders’ equity ratio of 30% for fiscal year 2025, with the aim to “return to fiscal year 2019 levels of performance and restore the weakened financial foundation” and “create future businesses for fiscal year 2026 and beyond.” To meet these targets, after completing the measures set forth under the “First Stage of Steering toward Growth,” we will move toward the “Second Stage of Steering toward Growth” (fiscal year 2026 and beyond), aiming to expand future businesses by 2031, the 150th anniversary of the Company’s founding.

Review of Fiscal Year 2023 and Future Outlook

Financial Overview

▶ P. 6

Net sales in fiscal year 2023 reached 421.9 billion yen, a 14% increase year-on-year, and fiscal year 2024 is expected to surpass the Medium-Term Business Plan 2025 target of 450 billion yen. Operating income also saw a V-shaped recovery, in line with the sales increase. Even when excluding one-off factors, the Company is regaining its underlying profitability, with further improvements in profit levels as the next goal.

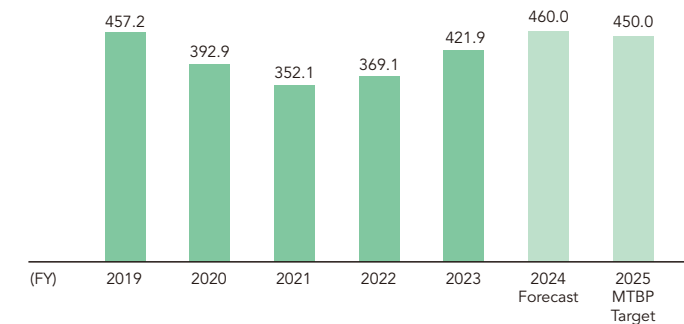
ROE for fiscal year 2023, excluding one-off factors, reached 9.4%. The shareholders’ equity ratio has already achieved the target set in the Medium-Term Business Plan 2025 ahead of schedule. Although ROE is expected to temporarily decline in fiscal year 2024 due to an increase in equity, we are aiming to achieve the fiscal year 2025 target and a long-term ROE of over 10%. From fiscal year 2024 onward, we will continue to strike an optimal balance between strengthening equity, growth investments, and enhanced shareholder returns.

Sustainability

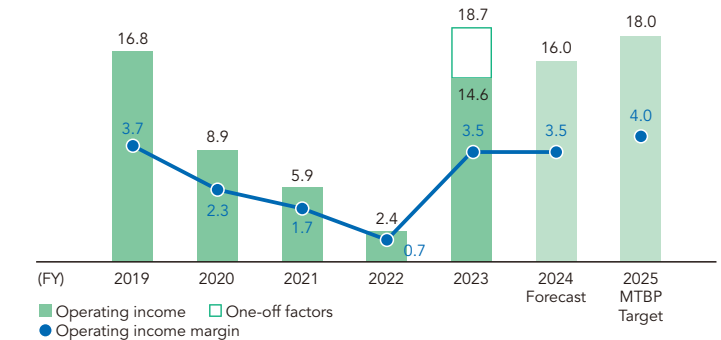
In alignment with the vision for OKI in fiscal year 2031, we updated our material issues alongside the formulation of the Medium-Term Business Plan 2025, while also working to strengthen sustainability management.

In fiscal year 2023, in addition to the initiatives outlined in the material issues progress table ▶ P. 27, we enhanced our sustainability efforts by incorporating ESG metrics into the performance evaluation criteria for executive compensation. On the environmental front, we revised the OKI Group Environmental Vision and obtained SBT certification. Furthermore, in our corporate culture transformation efforts, we revised the employee grading system as part of reinforcing human capital investment. Moving forward, we will continue advancing our current initiatives, including structuring human rights-related activities more systematically.

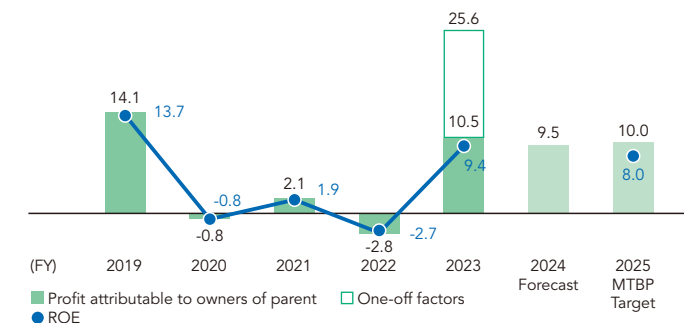
Net Sales (Billions of yen)



Operating Income (Billions of yen)
and Operating Income Margin (%)



Profit Attributable to Owners of Parent (Billions of yen)
and ROE (%)



Shareholders’ Equity (Billions of yen)
and Shareholders’ Equity Ratio (%)



Business Overview

Public Solutions

Business Description

We provide mission-critical solutions that are not allowed to stop to various fields such as roads, aviation, firefighting, and disaster preparedness, governments, telecommunications, and defense. We also provide safety, security and convenience by promoting platforms specialized for customer operations related to social infrastructure with OKI's strengths leveraged.

Main Products and Solutions



Road-related systems
ETC, probe-based traffic information collection/
analysis/prediction, etc.



Aviation-related systems
Air traffic control, etc.



Firefighting and disaster preparedness systems
Firefighting command radio systems, municipal
disaster preparedness radio systems, etc.



Government systems



Networks from terminal to backbone
(CenterStage, 5G routers)



Barge for measurements in the ocean
(SEATEC NEO)
For defense and ocean measurements



Cockpit displays for
commercial aviation

22%

43%

FY2023
Net Sales
¥421.9 billion

18%

17%

EMS

Business Description

Our business mainly consists of EMS/DMS (consigned designing and manufacturing services), components business, and engineering business, and we provide comprehensive manufacturing services covering design, manufacturing and reliability testing for industrial infrastructure, information and communications, medical, aerospace, etc.

Areas of Service Provision



Information and communications equipment



Measurement devices



Industrial equipment



Medical devices



Aerospace and automotive electronic components

Enterprise Solutions

Business Description

We provide secure and convenient solution services through our integrated value chain, which includes the design, development, and installation of mechatronic products, solutions including mechatronic products and networks, as well as everything from installation, construction, and maintenance to fully outsourced recurring ATM operation and monitoring.

Main Products and Solutions

Branch office/Centralized administration systems



Financial institutions
Branch office/Centralized administration systems (ATMs, Smart Cash Station,
branch terminals, cash processing machines, etc.)
Web and mobile applications
Network solutions (video surveillance, network security)

Web and mobile applications



Network solutions



Retail
Cash handling systems
(cash dispensers, coin
dispensers, etc.)



Manufacturing
Projection assembly systems, behavior detection
systems, etc.

Component Products

Business Description

We provide printers that offer space-saving options, communication products that utilize voice, video, and text to enhance business productivity, as well as Edge devices that realize sensor networks by utilizing sensing technologies and AI.

Main Products and Solutions



Business communications
Contact centers, PBX and business phones



Printers
Various monochrome and color printers, compact
ticket and label printers, as well as specialized
high-speed spot color printers, etc.



Edge devices
920MHz band multi-hop wireless systems and Zero
Energy IoT series

Public Solutions

Messages from Head of the Divisions

We aim to grow and contribute to creating a safe, secure, and convenient society by providing solutions that support social infrastructure to government agencies, local governments, infrastructure companies, and others.



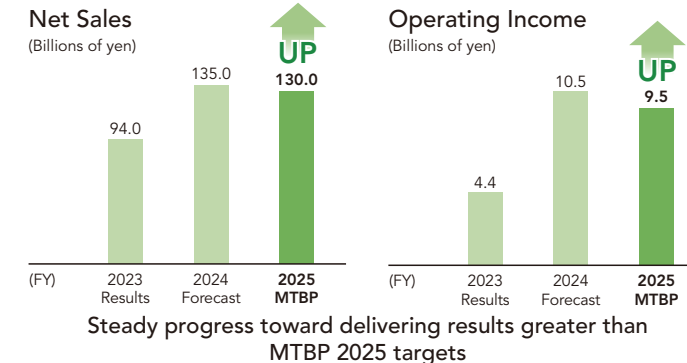
We aim to solve social issues including the increasing severity of disasters and labor shortages by providing solutions such as new firefighting systems, advanced disaster preparedness systems, automated driving, and V2X infrastructure, as well as highly convenient business systems, and to build a safe and secure social infrastructure.

Hajime Inoue
Executive Officer, Head of Social Infrastructure Solutions Division



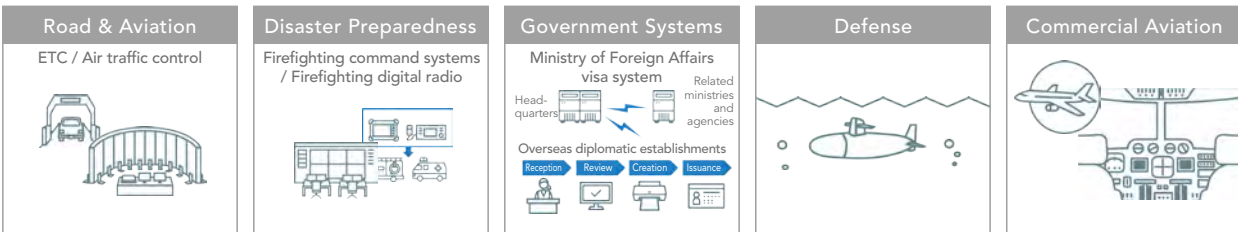
Recently, Japan's defense budget has increased, efforts are being made to strengthen national security, and the importance of environmental conservation is also growing. In these circumstances, we will continue to grow sustainably by providing unique products and solutions, such as underwater acoustic testing services using Japan's only ocean measurement facility, the SEATEC NEO barge.

Yoichi Kato
Senior Executive Officer, Head of TOKKI Systems Division



Business Overview

We provide mission-critical solutions that support society to government agencies, municipalities, and infrastructure companies. These include air traffic control systems, ETC, traffic probe data, firefighting command and radio systems, municipal disaster preparation radio systems, and other disaster preparation solutions. Additionally, we offer business solutions for central government agencies, defense-related systems, networks ranging from edge to backbone, and commercial aircraft displays.



Business Policy

Our business policy is to continually provide valuable solutions that meet the expectations of customers involved in "social infrastructure" and to grow and develop together with them. In the firefighting sector, where major system upgrades are planned, we aim to ensure stable profits by launching new products to expand our market share. Additionally, in the transportation sector, we are laying the groundwork for future growth with initiatives related to automated driving and V2X.

In the steadily growing defense business, we will increase production and strengthen our proposal capabilities to keep pace with the expanding domestic market. For production expansion, we plan to upgrade our barge for measurements in the ocean to enhance the efficiency of ocean measurements and invest in production line equipment. In the growing ocean market, we aim to expand our market presence by applying OKI's core technologies to our expertise in "sound" and to secure new markets. At the same time, we are beginning to participate in national ocean-related projects. To further our global expansion efforts, we have established a base in Singapore, targeting the expansion of overseas sales channels.

Understanding the Business Environment

Opportunities	<ul style="list-style-type: none"> • Increase in domestic defense budgets and the formation of export markets • Growing demand for ocean development and advancements in emerging technologies
Threats	<ul style="list-style-type: none"> • Intensifying price competition due to a decline in product superiority • Heightened interest from foreign manufacturers to enter the market as domestic defense budgets rise • Increasing opportunities for the entry of new technologies and manufacturers, such as AI, that are not aligned with traditional business models

Business Strengths and Possible Issues/Challenges

Strengths	<ul style="list-style-type: none"> • Long-standing customer base, extensive installed base*, as well as robust services, operations, and maintenance capabilities • Expertise in network virtualization technology and optical transmission technology (wavelength and bandwidth control) • Advanced technologies related to underwater acoustics (sensors, signal processing, maritime testing, etc.)
How to address possible issues/challenges	<ul style="list-style-type: none"> • To address resource shortages for production expansion, we are reallocating resources across different businesses and factories, as well as making capital investments • To overcome the lack of distinctive solutions and products, we are developing underwater acoustic communication solutions and products for both defense and commercial sectors

* Installed base: A track record of providing device groups at edge domains, and solutions centered on those device groups

Public Solutions

Medium-Term Business Plan 2025 (First Stage of Steering toward Growth)

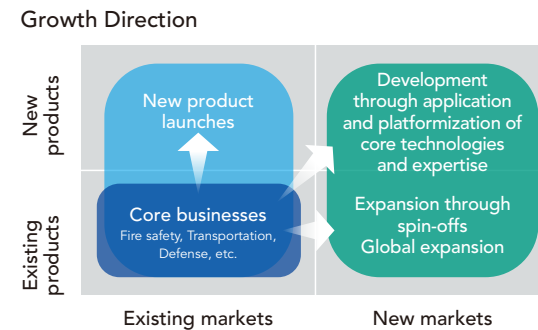
One of the key initiatives of the Medium-Term Business Plan 2025 is the development and launch of differentiated new products, such as firefighting systems, to capture the demand for system upgrades in the firefighting, disaster preparation, and road infrastructure sectors.

The market's upgrade plans have been progressing steadily as expected, and by introducing new products that enhance our strengths, we have been successfully securing upgrade demand in each of these areas.

To enter new areas with platforms specialized in specific markets and operations, we established the Cross Industry Business Center in fiscal year 2024, which integrates business and sales functions. This center is designed to accelerate demonstrations and implementations in collaboration with our partners.

TOKKI Systems Division has expanded our business domain not only to respond to the growth of the domestic defense market but also to the ocean market. As part of this effort, we have joined an ocean-related program. By participating in this program, we will not only leverage OKI's existing technologies and experience but also gain external expertise and new connections, leading to further expansion of our business domains.

In the commercial aviation sector, we are expanding our sales channels and pursuing sustainable growth by revising our portfolio. At the same time, we have established a new base in Singapore, which will serve as a starting point for expanding sales channels overseas.



Vision for 2031 (Beyond the Second Stage of Steering toward Growth)

Social Infrastructure Solutions Division

Toward 2031, leveraging the strength of our installed base, we will promote the resolution of social issues by developing and exploring next-generation products that utilize road traffic information data with a view to automated driving, as well as integrated firefighting and municipal disaster prevention systems. In addition, by utilizing our strong network system integration (SI) capabilities, we aim to expand our domain by entering businesses that own and build large-scale private networks.

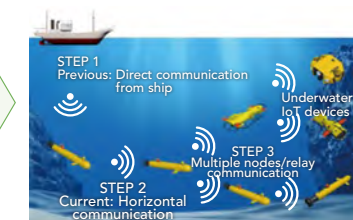
TOKKI Systems Division

We aim to become a key player in the ocean market by developing distinctive products and solutions, such as underwater acoustic communication devices. In the commercial aviation sector, we will expand our sales channels for cockpit displays beyond the European market to include the North American market as well.

Development of New Technologies

In addition to one-to-one communication, we are utilizing one-to-many communication and long-distance communication via multi-hop technology to form extensive underwater networks.

Future Vision of Underwater Wireless Communication Networks



TOPICS Value Creation Material Issue | Conservation of Global Environment

We are actively working to create new business opportunities in the growing ocean sector.

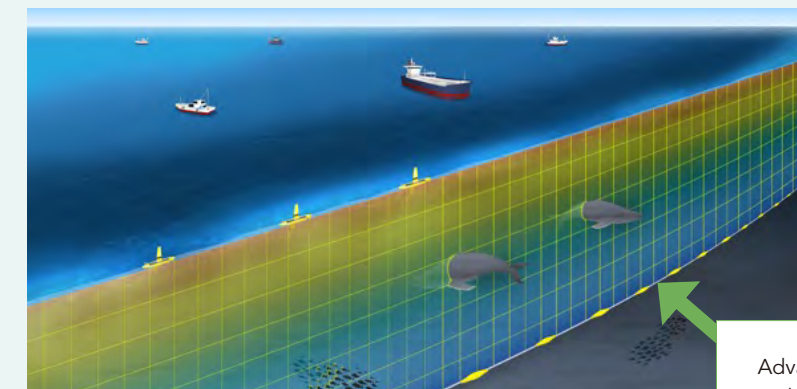
As a first step, we are participating in the Development of the Advanced Sensing Technology for Continuous Observation, Monitoring, and Investigation of the Vertical Profile of the Ocean from Surface to Seafloor Program, led by the Japan Agency for Marine-Earth Science and Technology (JAMSTEC) and promoted by the Japan Science and Technology Agency (JST).

The system being developed through this program will enable

real-time monitoring of objects and sea conditions passing through the vertical profile of the ocean. OKI is contributing to the advancement of this program by developing advanced sensing cables and other related technologies.

By participating in this program, OKI not only contributes to national security and ocean resource monitoring but also gains valuable expertise in ocean technology, laying the groundwork for future business creation in the ocean sector.

For more details, please refer to the Development of Smart Sensing System Project Team on the JAMSTEC website.
<https://www.jamstec.go.jp/smartsensing/j/> (in Japanese only)



By utilizing advanced sensing cables equipped with optical fiber sensors to acquire ocean data, we aim to promote the blue economy through the creation of an ocean database and data analysis using related technologies.

Advanced sensing cables with optical fiber sensors

EMS



Hiroshi Nishimura
Senior Executive Officer
Head of EMS Division

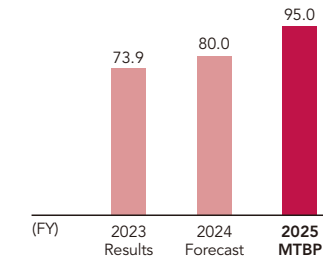
Message from Head of the Division

We will contribute to the realization of a safe and secure society through our “comprehensive Mono-zukuri (manufacturing) service,” which provides one-stop solutions from design to production and engineering.

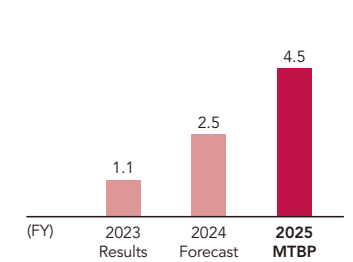
OKI has expanded its business by focusing on such areas as industrial infrastructure, telecommunications, healthcare, and aerospace, with its expertise in “variable-mix variable-volume” production* and manufacturing that requires “fault-free quality.” Moving forward, we aim to further strengthen our business foundation through diversification of our business portfolio and active investment in growth areas, particularly in the components business. By offering coordinated products and services within the EMS Group, we will work toward further business expansion.

* “Variable-mix variable-volume” production refers to a flexible manufacturing system that can adapt to diverse product types and production volumes based on market demand.

Net Sales
(Billions of yen)

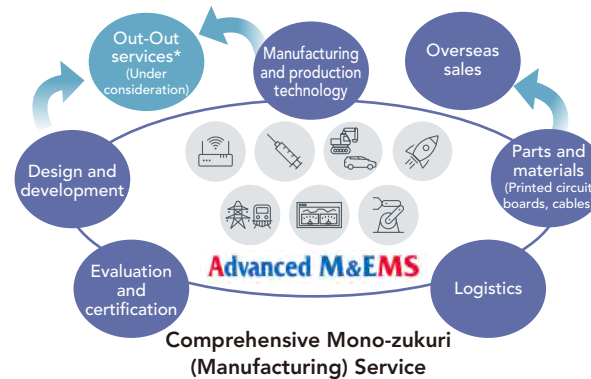


Operating Income
(Billions of yen)



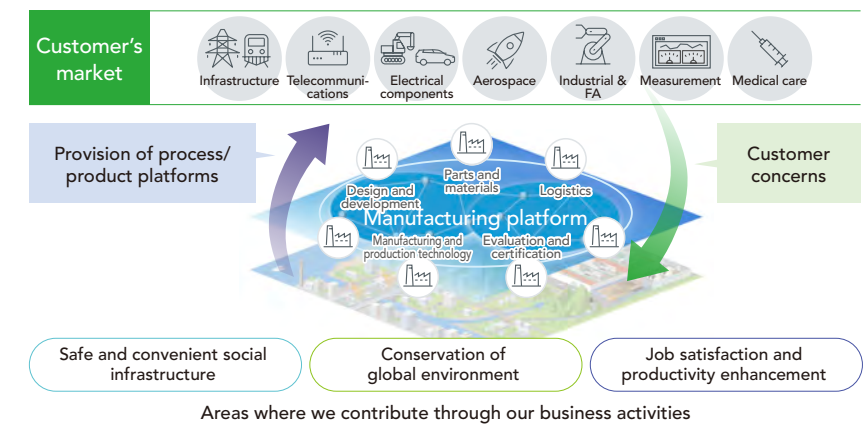
Business Overview

We provide one-stop solutions for Mono-zukuri (manufacturing) that accommodate variable-mix variable-volume, high quality, and high added value. Our business is primarily composed of “EMS/DMS business,” “components business,” and “engineering business.” Through collaboration within the EMS Group, we provide a wide range of services covering every process from upstream to downstream manufacturing, leveraging the technology and expertise OKI has developed over many years of production.



Business Policy

We aim to become a manufacturing platform provider that supports customers in addressing their challenges from a production perspective. By offering design and manufacturing processes filled with accumulated know-how and standardized products as components or modules as platform-based products and services, we will contribute to solving our customers’ social challenges through OKI’s manufacturing expertise.



Understanding the Business Environment	
Opportunities	<ul style="list-style-type: none"> Return to domestic production due to increasing country risk Expansion of domestic EMS utilization due to labor shortages Increased customer demand driven by market trends, such as the recovery of the semiconductor market
Threats	<ul style="list-style-type: none"> Stagnant customer demand related to the uncertainty of the Chinese market Rising material costs due to currency fluctuations and increased labor costs

Business Strengths and Possible Issues/Challenges	
Strengths	<ul style="list-style-type: none"> Provision of high-quality products and services in fields requiring high reliability, such as medical devices, aerospace, and industrial infrastructure Provision of a wide range of one-stop solutions by combining advanced technologies within the EMS Group
How to address possible issues/challenges	<ul style="list-style-type: none"> Mitigating production capacity shortages due to labor shortages Enhancing cost competitiveness

EMS

The EMS business is working on initiatives such as shifting its business model from EMS to DMS, which is a key strategy in the Medium-Term Business Plan 2025, and investing in growth for core businesses with high profitability. These efforts aim to achieve a business scale of 100 billion yen in net sales by fiscal year 2026. Additionally, by leveraging the EMS Group's strength in "advanced Mono-zukuri capabilities," we will accelerate the acquisition of new projects and customers through the provision of new products and services, with the goal of driving further business growth through fiscal year 2031.

Medium-Term Business Plan 2025 (First Stage of Steering toward Growth)

Three Key Initiatives and Progress

1. Business Model Shift from EMS to DMS

Initiative: Expand the DMS sales ratio and aim to acquire new large-scale, high-value-added projects

Progress: The DMS sales ratio increased by 5% year on year, but many projects remain small in scale, highlighting the need for efficiency improvements.

2. Expansion of Core Businesses (Components and Engineering Business)

Initiative: Actively invest in expanding production capacity to keep pace with the growth of the semiconductor, machine tool, and FA robotics markets.

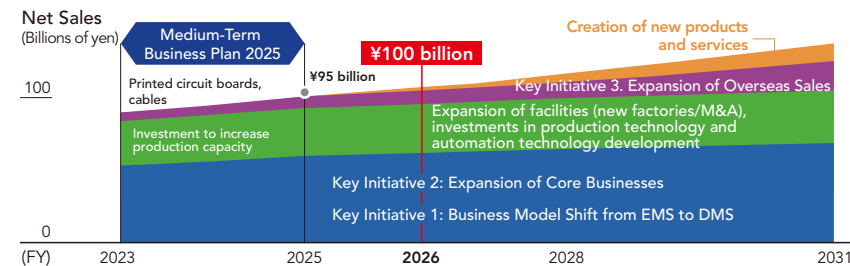
Progress: Growth investments are progressing as planned, but the components business has experienced a decline in sales due to market conditions. The aim is to diversify the business portfolio.

3. Expansion of Overseas Sales

Initiative: Strengthen co-creation relationships with key customers in the components business. In the EMS/DMS business, pursue Out-Out business* opportunities.

Progress: Sales in the components business have stagnated, but inquiries for new projects have increased. Efforts are underway to expand sales by leveraging the OKI Group's sales channels.

* Out-Out business: Service in which customers' products for overseas markets are manufactured on contract at OKI's overseas sites.



Vision for 2031 (Beyond the Second Stage of Steering toward Growth)

Expanding the "Comprehensive Mono-zukuri (Manufacturing) Service" Business

- Continued growth investments in core businesses
- Creation and expansion of new products and services through collaboration within the EMS Group (including overseas sales expansion)

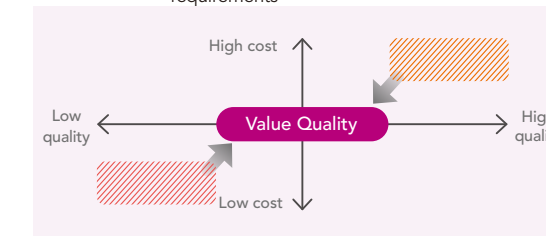
Expanding the Platform Business through Co-Creation with Customers

• Process Platform

Combining Mono-zukuri expertise into a **cohesive process** and offering it to customers



Example For new space industry customers struggling with balancing quality and cost, we provide value-driven quality that meets both requirements

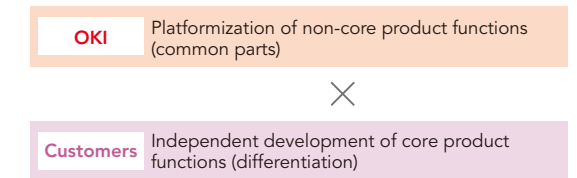


• Product Platform

Streamlining customers' Mono-zukuri through the **provision of standardized products**



Example Provision of OKI's original high-efficiency inverter units in the decarbonization market



TOPICS Value Creation Material Issue | Safe and Convenient Social Infrastructure / Job Satisfaction and Productivity Improvement

As the aging of the population accelerates, the shortage of labor in the medical industry is becoming increasingly severe. In response to this societal challenge, the EMS business aims to contribute to solving customer issues by implementing automation in mechatronic medical devices, commissioned as DMS projects, with the goal of reducing labor needs.

Specifically, OKI will develop a platform based on its long-standing in-device transport technology, image recognition technology, and label printing technology, cultivated over many years through ATM development, enabling advanced sorting methods not achievable with conventional equipment. By automating tasks such as the preparation

of medical instruments, the identification and assessment of tools, and the transportation of instrument media, we aim to improve efficiency while also addressing the issue of human error in the medical field.

Additionally, for the next-generation devices currently under development, mass production is scheduled to begin in fiscal year 2026.

Co-creation of high-value-added products with customers (mechatronic medical devices)

OKI's expertise (sensing, conveyance)



Customer's core technologies (unique functions)

Proposing new value creation



Sensing, conveyance



Aerospace (control) equipment



Semiconductor inspection equipment



Autonomous mobile robot (AMR)

Enterprise Solutions



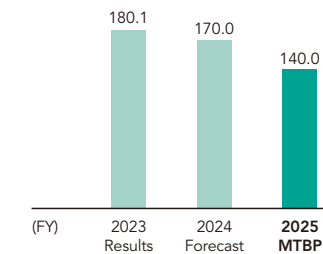
Shotaro Nakatsu
Executive Officer
Head of Enterprise Solutions
Division

Message from Head of the Division

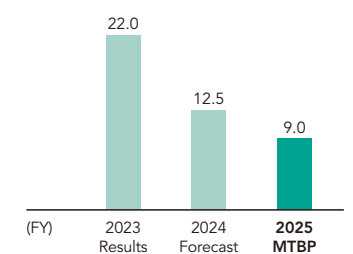
By uniting mechatronics technology, solutions, networks, maintenance, and services, we will provide safe and convenient solutions and services that contribute to resolving labor shortages and improving business efficiency.

Since fiscal year 2023, we have merged the Automation Systems business, solutions business for financial institutions, and network SI business to form the Enterprise Solutions Division. Additionally, we integrated OKI Crosstech, which manages maintenance, operations, and construction for OKI products, into the same segment, establishing a structure that provides a seamless offering from products to services. With this new framework, OKI can offer more comprehensive and efficient solutions to its customers, aiming for both business growth and enhanced customer satisfaction. Furthermore, by strengthening interdepartmental collaboration, we have achieved faster response times and the delivery of high-quality services. Through these efforts, OKI aims to further strengthen its competitiveness in the market and achieve sustainable growth.

Net Sales
(Billions of yen)



Operating Income
(Billions of yen)



Business Overview

In addition to the design, development, and manufacturing of mechatronic products, we offer advanced solutions that include network integration. Furthermore, we have established a comprehensive value chain, from installation, construction, and maintenance to full outsourcing services for ATM operation and monitoring. This allows us to provide solutions that enhance the value of mechatronic products and offer more efficient, reliable monitoring, operation, and maintenance, delivering safe and convenient services to our customers.

Following the strong performance in fiscal year 2023, we also expect to see steady sales and operating income due to large, one-off projects in fiscal year 2024. Although it is anticipated to benefit from already secured projects and the rollout of new products in fiscal year 2025 too, we will transform our business structure in light of future shifts toward cashless and paperless environments.

Business Policy

Taking advantage of large projects, we aim to transition to a leaner, more resilient management structure for future growth and transform our business model from product-focused to service-centered, ensuring business stability. To achieve this transformation, we are advancing three key initiatives in tandem: “shift to recurring business,” “shift to front-office processing,” and “strengthen product competitiveness.” These efforts aim to transition the business into a stable operation beyond fiscal year 2025. Based on OKI’s strong product foundation, we will continue to develop and provide solutions and services that solve social issues.

Strategic Direction

Conservation of global environment



- Reuse of recycled components and environmentally conscious manufacturing
- Reduction of factory CO₂ emissions and paperless solutions

Safe and convenient social infrastructure



- Visualization of field operations and operational monitoring
- Network security and stricter management

Job satisfaction and productivity enhancement



- Address labor shortages through self-service automation and labor-saving solutions
- Business process outsourcing (BPO) for common customer operations

Understanding the Business Environment

Opportunities

- Advancement in automation trends, such as self-checkout systems, driven by the labor shortage resulting from declining birthrates and an aging population
- Increased outsourcing opportunities due to labor shortages and the shift of resources toward core business activities

Threats

- Decreased handling of cash, bankbooks, cash cards, slips, and other paper documents
- Reduction in physical handling tasks in the back offices of stores

Business Strengths and Possible Issues/Challenges

Strengths

- Provision of one-stop solutions for ATM deployment, from planning and support to installation, monitoring, operation, maintenance, and services
- A nationwide service network with service centers covering all of Japan
- Provision of solutions that add value to mechatronic products

How to address possible issues/challenges

- Provide BPO services for customer operations
- Leverage the nationwide service centers and maintenance network to enter the maintenance service sector for new social infrastructure

Enterprise Solutions

Medium-Term Business Plan 2025 (First Stage of Steering toward Growth)

Key Initiatives	Progress
<ol style="list-style-type: none"> Shift to recurring*1 business <ul style="list-style-type: none"> Expand ATM maintenance, operation, monitoring, and network services Leverage the maintenance network developed through ATM maintenance Shift to front-office processing <ul style="list-style-type: none"> Launch products focused on automation and labor-saving (self-service solutions) Strengthen product competitiveness <ul style="list-style-type: none"> Combine technology and AI to achieve automation and advanced capabilities <p>*1 "Recurring" here refers to a business model that combines equipment provision with BPO to offer integrated services.</p>	<ol style="list-style-type: none"> We are working to expand the range of services through demand analysis in ATM-related areas and are leveraging operational assets to expand service businesses in non-financial markets. We are introducing eight new models domestically and internationally, promoting the realization of automation and labor-saving (self-service solutions). By utilizing generative AI and RPA*2, we are improving operational efficiency and productivity while advancing automation in areas such as monitoring and advanced maintenance support, thereby strengthening the competitiveness of our service business. <p>*2 Robotic process automation (RPA) refers to software robots that automate repetitive tasks.</p>

Vision for 2031 (Beyond the Second Stage of Steering Toward Growth)

Steering toward stability and growth 1st Stage		Steering toward stability and growth 2nd Stage	
Initiatives	FY2023–2025	FY2026–2028	FY2029–2031
	<ul style="list-style-type: none">• Expansion of recurring business• Launch of products focused on front-office processing• Ongoing investment to strengthen product competitiveness	<ul style="list-style-type: none">• Apply base modules and service platforms to products and expand business operations	<ul style="list-style-type: none">• Expand and deploy services utilizing base modules and service platforms into new markets

To transform the business structure, we are advancing three key initiatives—Shift to recurring business, Shift to front-office processing, and Strengthen product competitiveness—in an integrated manner, aiming to transition into a stable business model beyond fiscal year 2025.

In shifting to recurring business, we are offering solutions for labor shortages by expanding services for financial institutions and store operations. We will also leverage assets to expand into non-financial markets.

For the shift to front-office processing, we will introduce products that promote automation and labor-saving (self-service solutions) in the retail, manufacturing, aviation, and railway markets. In fiscal year 2024, we plan to launch eight new models domestically and internationally: two domestic ATM models, two coin dispensers, two cash handling machines, one ticketing terminal, and one international ATM model. We will also expand the recurring business by combining products and services.

In terms of strengthening product competitiveness, we will utilize AI technology in ATM services to enhance operations and improve productivity. We will drive efficiency in monitoring and maintenance, promoting the automation of advanced support to boost competitiveness. By standardizing product modules and restructuring the overseas production system, we will work to shorten development cycles, release products quickly, reduce production costs, strengthen price competitiveness, and lower maintenance costs.

Smooth Progression toward the Realization of Each Initiative



TOPICS Value Creation Material Issue | Safe and Convenient Social Infrastructure / Job Satisfaction and Productivity Enhancement

A self-service deposit and withdrawal machine for financial institutions has been introduced to regional banks and is now fully operational. This product integrates with the bank's core system, allowing for easy deposits and withdrawals using a QR code® generated by a tablet where transaction information is pre-entered. By enabling customers to handle their own cash transactions, the machine reduces the workload

at bank counters, minimizes errors, and facilitates quicker transactions. Beyond handling cash transactions, this solution improves customer satisfaction and enhances the efficiency of bank operations. The labor hours saved as a result can be redirected toward more customer-focused tasks, thereby contributing to improved job satisfaction.



Self-service deposit/withdrawal machine for financial institutions

Component Products



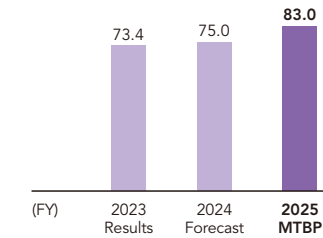
Takashi Inoue
Executive Officer
Head of Component Products
Division

Message from Head of the Division

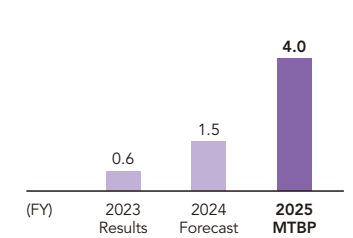
We develop and manufacture OKI products centered on core technologies such as sensing, AI, communication, and output, to sell them widely to domestic and international customers through our globally expanded sales channels.

We provide LED printers known for their durability and space-saving features, products for business communication such as business phones and systems for call centers, and Edge devices that can realize sensor networks by utilizing sensing technologies and AI. Our role is to supply competitive products that strengthen OKI's solutions business for other internal divisions, while also selling extensively to our partners. In particular, we are actively expanding overseas, leveraging our printer sales network to tap into the globally growing infrastructure monitoring market with our Edge devices.

Net Sales
(Billions of yen)



Operating Income
(Billions of yen)



Business Overview

The printer and business communication markets are generally considered mature and are expected to see a slight decline in the future. However, in the printer market, efforts to reduce the burden of development costs across companies are progressing, leading to an increase in opportunities for OKI to leverage its strengths by offering OEM printer engines and engage in joint development. In the area of Edge devices, the global market for carbon neutrality and infrastructure monitoring is expected to expand. Given OKI's strengths in energy-saving, wireless technology, and environmental durability, we anticipate growth in sales moving forward.

Printers



Business communications

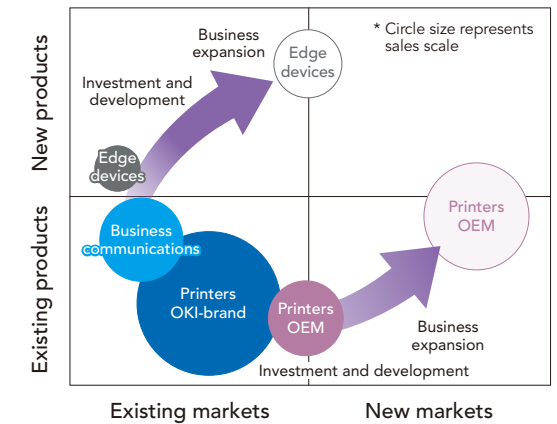


Edge devices



Business Policy

Under the Medium-Term Business Plan 2025, we aim to stabilize profits by promoting structural reforms in our two core business areas (as shown in the diagram on the right: OKI-branded printers and business communications). This includes reviewing product lineups, reallocating personnel, and optimizing development investments. Additionally, we will make proactive investments in key focus areas, fostering growth in the Edge device and printer OEM businesses, with the goal of achieving 100 billion yen in sales and a 7% operating profit margin by fiscal year 2031.



Understanding the Business Environment

Opportunities

- In a mature market expected to shrink (with declining sales), as development investments become burdensome for many companies, there are increasing opportunities in the printer engine OEM business, one of OKI's strengths
- Expanding demand for products that contribute to solving social issues such as infrastructure monitoring for aging infrastructure, increasing severity of natural disasters, and environmental conservation, including carbon-neutral solutions

Threats

- Continued market contraction due to the maturation of the printer and business communication markets
- Rising costs associated with compliance due to stricter regulations in such areas as the environment, security, and human rights

Business Strengths and Possible Issues/Challenges

Strengths

- Track record of collaboration with major partner companies in expanding the printer OEM business
- Assets from a global sales network developed through the printer business
- Technical expertise in LED, durability, and space-saving solutions cultivated through printer development
- Communication technology developed through business phone and wireless terminal development, along with sensor technology utilizing frequency analysis

How to address possible issues/challenges

- Enhancing profitability by continuing structural reforms in the printer and business communication businesses
- Securing new OEM business partners
- Entering new markets, such as environmental conservation and disaster prevention, by developing unique products that leverage strong existing technologies

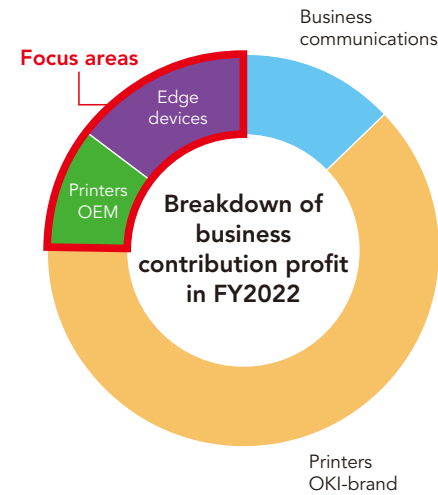
Component Products

Medium-Term Business Plan 2025 (First Stage of Steering toward Growth)

In the printer business, we will continue to expand sales by targeting markets with high printing demand, such as distribution, logistics, and pharmaceuticals. By leveraging OKI's strengths in durability, space-saving design, and simple structure (which makes maintenance easy), we aim to secure a stable market position through the expansion of our OEM offerings and joint development with other companies.

In terms of business communications, we plan to enhance functionalities for environments where communication is crucial, such as field operations and customer interaction points. This will allow us to uncover new needs and expand the use of our solutions, moving beyond the office environments where web conferencing tools are predominantly used.

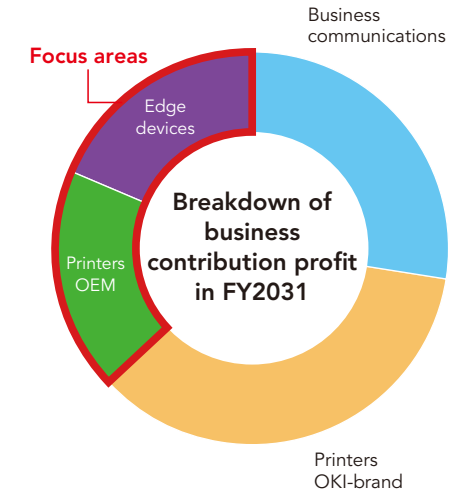
For Edge devices, we will continue to refine our highly valued power-free and energy-saving technologies, which are recognized in the infrastructure market, while strengthening our product lineup. Additionally, we plan to promote overseas expansion by utilizing the global sales network developed through our printer business.



Vision for 2031 (Beyond the Second Stage of Steering toward Growth)

In the shrinking printer and business communication markets, we will enhance profitability by reviewing product lineups and streamlining fixed costs, turning these into stable businesses.

Meanwhile, we will expand investment in Edge devices, which hold strong future potential, and cultivate them into the next core business pillar. Our role will be to create and supply products that contribute to society, such as remote monitoring solutions to ensure the safety of infrastructure—including railways, roads, and power systems—and to protect lives from disasters such as river flooding and landslides. By doing so, we will play a key role in providing solutions that ensure the well-being of society.



TOPICS Value Creation Material Issue | Safe and Convenient Social Infrastructure

The infrastructure monitoring market is expected to grow globally, driven by the increasing frequency of natural disasters, with an anticipated compound annual growth rate (CAGR) of over 10%.

The Zero Energy IoT series, positioned as the flagship product of the Edge device business, provides infrastructure monitoring functions to ensure the safety and security of social infrastructure in the face of aging infrastructure and intensifying natural disasters. These environmentally contributing products offer high power generation efficiency through compact solar panels, combined with energy-saving functions that allow

long-term operation. The product lineup includes accelerometers, water level gauges, and high-sensitivity cameras that provide clear images even at night. These devices are used in monitoring the structural integrity of roads and bridges, as well as flood monitoring for rivers and reservoirs. Domestically, the system is being adopted for remote monitoring of landslides along railway lines and detecting bridge pillar tilts caused by riverbed erosion, contributing to the safe operation of railways. Internationally, monitoring demonstrations will begin in Türkiye and Indonesia in fiscal year 2024.

Edge Devices – Zero Energy IoT Series



Ultrasonic water level gauge



High-sensitivity camera

Example Use Cases

Bridges and rivers



- Dangerous water levels
- Bridge pillar tilts

Slopes and embankments



- Slope displacement
- Landslides

OKI Environmentally Contributing Products: www.oki.com/global/sustainability/eco/product/ecosolu.html

Creating Future Businesses

For sustainable growth, it is crucial to effectively expand new business areas that leverage OKI's strengths. Expanding only within existing business domains has its limits, so it is necessary to take on new challenges and establish a clear path to growth in the global market. Therefore, this path must be driven with strong determination.

At present, our focus in the global market is on advancing the commercialization of CFB*, but we will continue to clearly define areas with future market potential that align with OKI's strengths, aiming to establish a global business pillar by 2031.

* Crystal film bonding (CFB): OKI's unique technology that bonds dissimilar semiconductor materials using only intermolecular forces, dramatically improving the performance of electronic devices

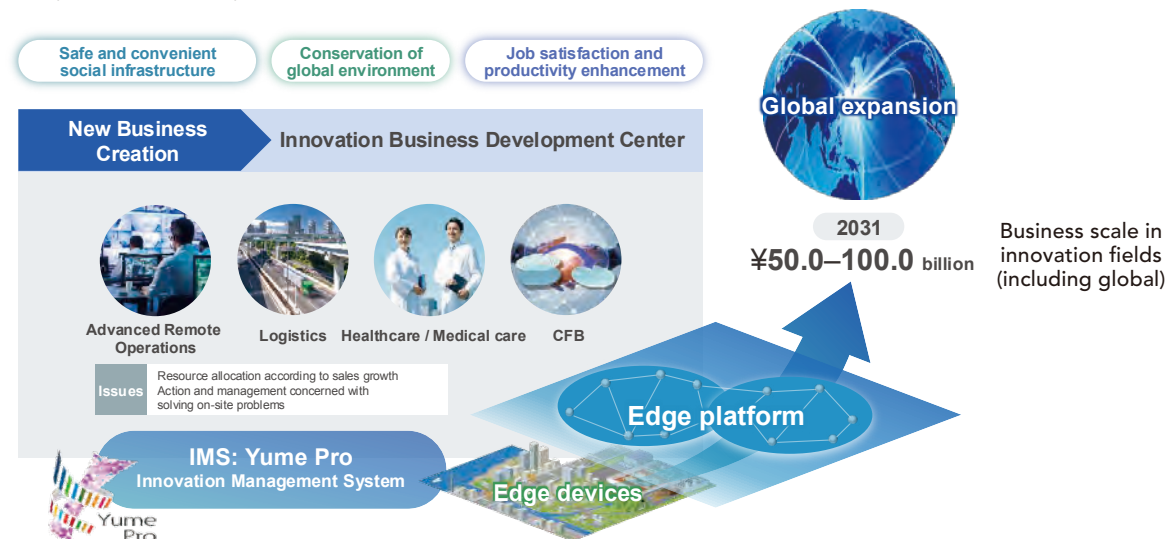
Initiatives for Creating New Businesses

In line with the Medium-Term Business Plan 2025, we announced the Innovation Strategy 2025 in November 2023. We have identified four focus areas for innovation: "Logistics," "Healthcare, Medical Care," "Advanced Remote Operations," and "CFB." From the first year, we have set key performance indicators (KPIs) based on sales and the number of paid proof of concepts (PoCs) within these areas. Although these markets are still immature, they are expected to scale to trillions of yen, and OKI aims to leverage its strength in high-quality networks and real-time interaction through its "Edge platform" to enter these markets through co-creation with various partners.

In the "Logistics" area, we launched the AI-driven delivery planning optimization services "LocoMoses" in May 2023, and the number of users has been steadily increasing.

In the "Healthcare, Medical Care" area, we unveiled the behavioral change platform "Wellbit" in April 2024. Meanwhile, in the "Advanced Remote Operations" area, paid PoCs have already begun with a view toward commercialization. Following the "Yume Pro process," our Innovation Management System (IMS), we are actively engaging with these sectors to refine our value hypotheses. In fiscal year 2024, we aim to verify the value, with a goal of commercializing these innovations by fiscal year 2025.

By the time of OKI's 150th anniversary in 2031, we are targeting the creation of businesses generating over 50 billion yen, while also pursuing global expansion to further increase sales.



As one of the key focus businesses for CFB, we aim to create new businesses by providing materials or technology for power semiconductors, a market expected to expand significantly in the future. In collaboration with Shin-Etsu Chemical Co., Ltd., we are utilizing their QST substrates to lift off only the gallium nitride (GaN) functional layer and bond it onto dissimilar material substrates using CFB, enabling vertical conduction of GaN, which is highly promising for next-generation power semiconductors. Currently, we are building an ecosystem by adding device manufacturers, expanding an 8-inch pilot line at the OKI Nishiyokote Plant, and strengthening our marketing system with global talent. This business is set to begin mass production in fiscal year 2028, with plans for global expansion as a game-changer in the power semiconductor industry and eventually growing into OKI's core business.

Additionally, we are promoting the commercialization of other business areas (logistics, healthcare and medical care, advanced remote operations) by utilizing the Global Innovation Hub.*

* The Global Innovation Hub is a combination of global teams (such as the Global Marketing Center) and innovation teams (such as the Innovation Business Development Center).

Aiming to Become a Game-Changer in the Power Semiconductor Industry



Please refer to our website for details.

Press Release: Formulation of the Innovation Strategy 2025 for the Creation of Future Businesses and Corporate Culture Reform
<https://www.oki.com/jp/press/2023/11/z23057.html> (in Japanese only)

Press Release: Launch of AI-Driven Delivery Planning Optimization Services "LocoMoses"
<https://www.oki.com/jp/press/2023/03/z22083.html> (in Japanese only)

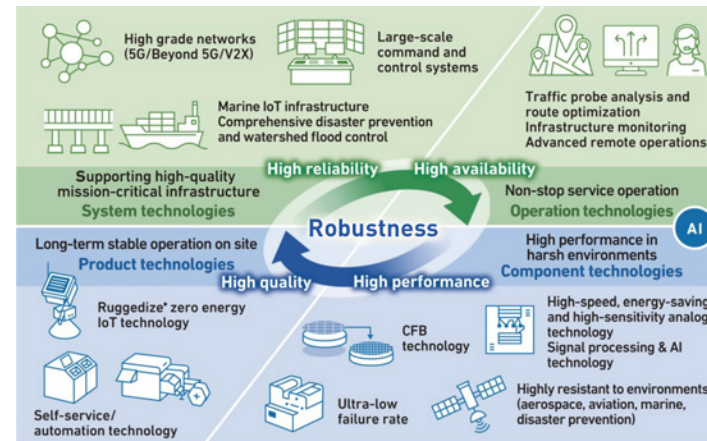
Press Release: Development of the Behavioral Change Platform "Wellbit" to Support Healthy Habits
<https://www.oki.com/jp/press/2024/04/z24006.html> (in Japanese only)

Technology Strategy

OKI's Core Competence: "Robustness"

OKI possesses advanced technologies that ensure the "continuous & resilient" operation of social infrastructures. This core competence, which spans the entire value chain of technology development, we refer to as "robustness."

Not only do we create highly reliable and available products and services, but we also achieve high performance that can withstand various environments through technologies such as AI and signal processing, enabling the sophisticated utilization of the vast amounts of data generated daily. Our technology strategy defines the goal of further enhancing the strengths of the technologies that comprise "robustness."

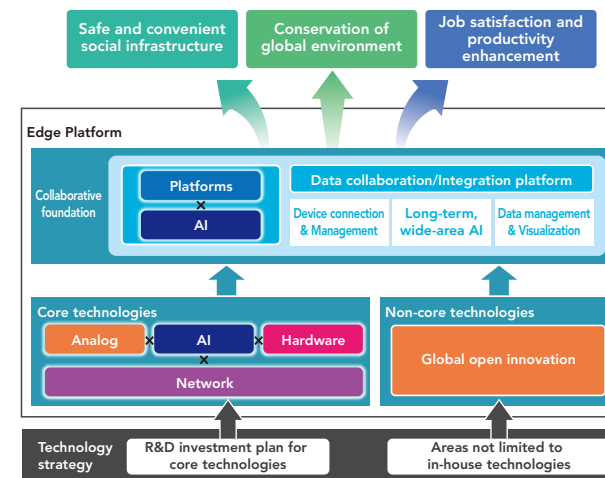


* Ruggedize: Technology that enhances the durability of products or systems, equipping them with qualities such as heat and cold resistance, waterproofing, dustproofing, and shock resistance, making them suitable for challenging environments

Technological Innovation through the Edge Platform

Building on the foundation of "robustness," the Edge platform is a technological concept designed to rapidly contribute to society by advancing core technologies and utilizing data. The "edge" refers to the intersection between the digital space, where various information is exchanged and processed, and the real world in which we live. OKI has developed significant strengths at this edge across various industries. For example, we excel in analog technologies that capture the real world in detail through optics, acoustic waves, and radio waves; hardware technologies that create advanced devices using mechanical and electrical engineering; AI technologies that enable sophisticated utilization of the data collected; and network technologies that connect the real and digital spaces. Additionally, we are developing platform technologies that serve as a collaborative foundation linking all these technologies.

Through the "Edge platform," we aim to improve the reusability of these technologies and enhance development efficiency, while promoting cross-functional data utilization to increase the value of our solutions. By integrating cutting-edge technologies through open innovation, the Edge platform will accelerate the resolution of societal challenges.

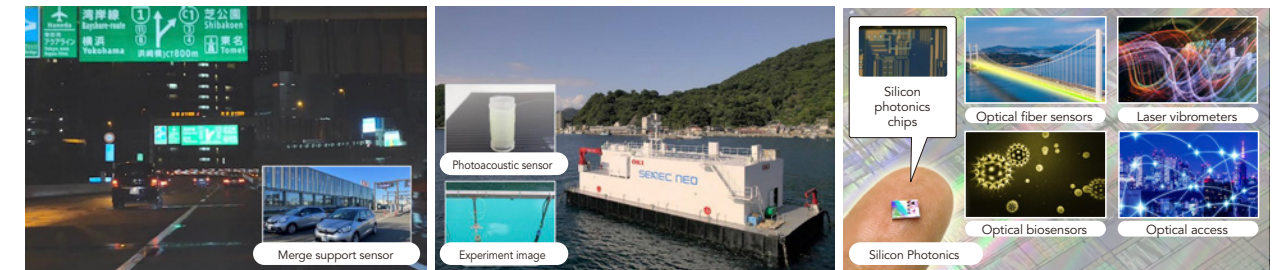


Analog × AI Technologies for Enhancing Social Infrastructure through Optics, Acoustic Waves, and Radio Waves

OKI combines its core "analog" and "AI" technologies to achieve highly accurate and environmentally resilient edge sensing and control systems. For example, radio-ware technology used in ETC systems captures fast-moving vehicles, providing reliable communication regardless of weather conditions. As roadside technology, it will also offer safety and convenience from the infrastructure side for future autonomous driving.

Additionally, the optical technologies developed through fiber-optic communication are being applied to sensors utilizing optical fibers and lasers. In tandem with this, we are working on silicon photonics technology, which transforms complex, large optical circuits into ultra-compact chips at the scale of 1/100,000, promoting broader use in social infrastructure.

Moving forward, we will continue to enhance the value we offer by combining these analog technologies, which generate advanced data on-site, with AI, contributing to the advancement of social infrastructure.



Building a Secure Foundation for AI Utilization

OKI has been involved in AI development for over 30 years, long before the current AI boom. During this time, we have not only advanced AI technology but also placed great importance on how to approach AI, including the risks, as a company responsible for supporting infrastructure. Even with the rapidly growing field of generative AI, we are actively promoting its use for streamlining internal operations and in our business, while taking thorough security measures. We are simultaneously working on establishing a secure platform for AI utilization and providing employee training, ensuring we deliver AI that can be safely integrated into social infrastructure.

OAiCO (OKI AI COmmunity)

Promoting AI and Data Utilization through Community Activities within the OKI Group

- OAiCO Academy
Literacy education for all employees, role-specific training, and practical education
- OAiCO Seminar
Company-wide AI seminars featuring external experts
- OAiCO Workshop
Ideation sessions on generative AI utilization, and hands-on workshops on machine learning and data usage
- OAiCO Platform
Deployment of internal generative AI services, such as ChatGPT

Innovation Strategy

Promoting Full Participation Innovation (Full-Scale Launch of IMS)

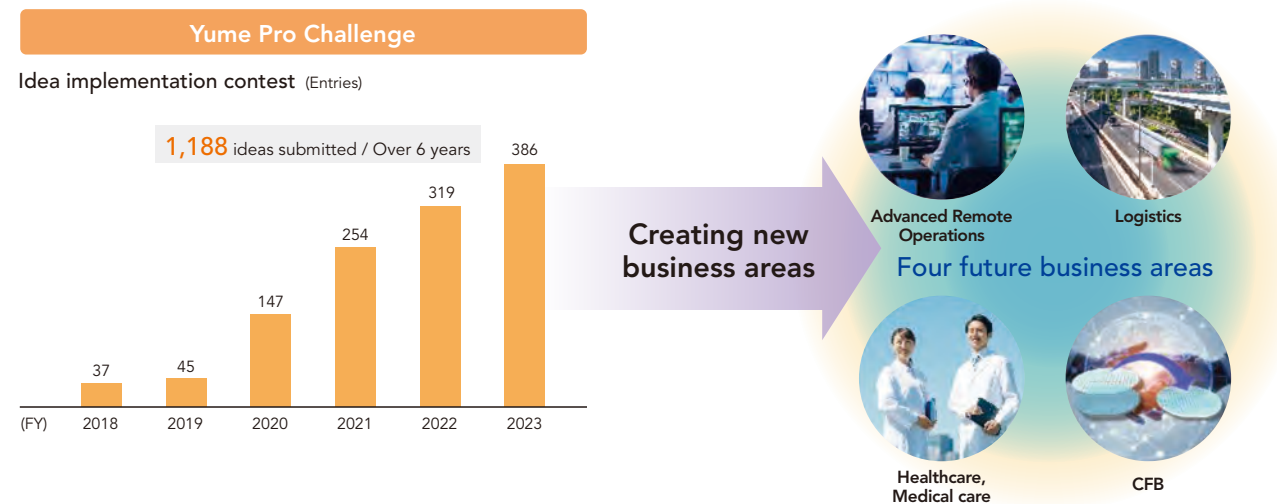
With the strong conviction of OKI's top management to continuously challenge new ideas, believing in "today better than yesterday, and tomorrow better than today," OKI set out to systematically foster innovation, which had previously been sporadic. In fiscal year 2017, we began building the IMS, "Yume Pro." In fiscal year 2020, OKI declared its commitment to "full participation innovation," a hallmark of the organization, fostering a mindset where all employees are involved in innovation. This has led to a broad cultural transformation throughout the Company.

Starting in fiscal year 2023, OKI launched full-scale operation of the IMS across the entire Company, strengthening the system by appointing "Divisional Innovation Managers/Promoters" in all 34 departments. Through regular meetings with the promoters, active exchanges of ideas are held, driving full operation of the IMS forward. A key feature of OKI's "full participation innovation" is that it defines innovation as not only (1) the creation of new businesses and (2) the reform of existing businesses but also (3) operational improvements. The "Yume Pro Challenge" internal idea contest, which measures the level of innovation permeation within the Company, has been held annually since its launch in fiscal year 2018, with the number of applications increasing each year as cultural reform advances. In fiscal year 2023, the contest expanded its scope to include ideas for operational improvements, resulting in 386 applications. While these efforts clearly demonstrate progress in cultural reform, the next step is to ensure that more employees become "swimmers who can reach the finish"—those who can take ideas all the way through to commercialization. The "High-Potential Innovation Talent Development program" has been implemented to nurture such talent. By fully launching the "Acceleration Support Community" with the help of entrepreneurial professionals, OKI is strengthening the practical capabilities required for commercialization. Meanwhile, contest participants with less experience in innovation activities are individually mentored, raising overall levels through improved skills and higher-quality project themes.

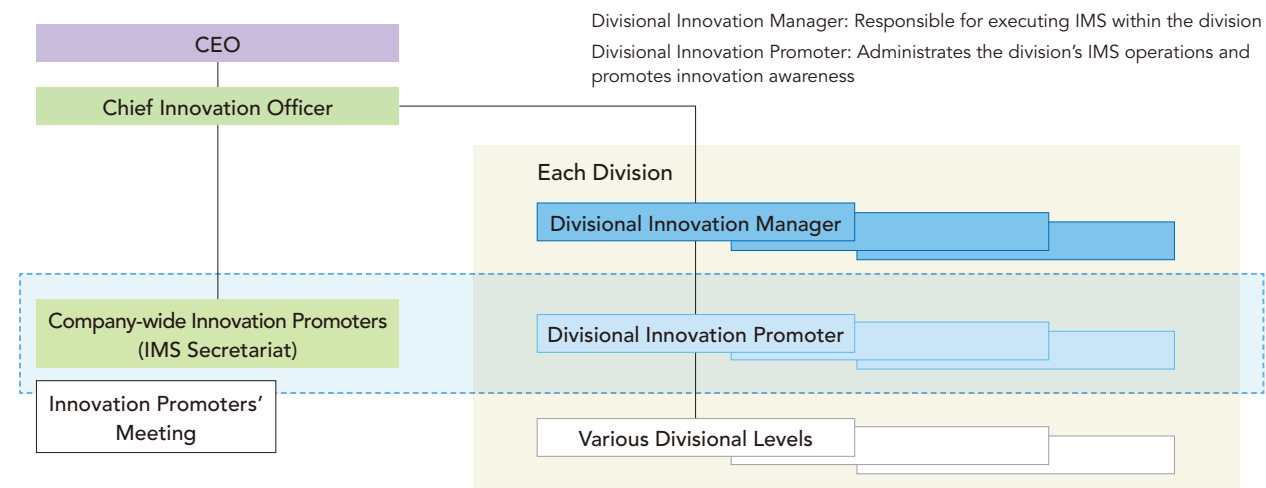
In addition, the "Yume Hub" initiative, aimed at building a core network of innovation talent, welcomed its fifth cohort in fiscal year 2023. These employees learn about the Yume Pro framework while taking action to solve internal challenges and create innovations. With a total of 180 participants to date, they form the backbone of OKI's innovation activities. These efforts are shared across the Company through the "Yume Pro Forum" and are reported to top management for support and practical implementation.

Furthermore, we are promoting "co-creation workshops" in collaboration with customers, applying the Yume Pro framework together. In these workshops, small teams of young and mid-level employees from both companies come together to set themes, apply design thinking, and follow the Yume Pro process, repeatedly identifying challenges and validating hypotheses on-site. The results are presented to the senior management of both companies, and highly evaluated ideas are further considered for realization. Since 2019, we have conducted co-creation workshops with a total of 17 companies, and senior management from participating customers have praised the process, noting that "ideas came about that wouldn't have been possible on our own."

Through these activities, in November 2023, OKI announced the Innovation Strategy 2025, which was backcasted from a 2031 vision. OKI will continue to improve and evolve its innovation framework, ensuring that innovation activities remain at the core of future business creation, with active involvement from top management.



Structure for Innovation Promotion



Please refer to our website for details. Innovation: <https://www.oki.com/global/innovation/> CINO ism: https://www.oki.com/jp/yume_pro/cino/ (in Japanese only)

Examples of activities in focus areas

Logistics: https://www.oki.com/global/yume_pro/about/logistics.html
Healthcare and Medical: https://www.oki.com/global/yume_pro/about/healthcare.html

Advanced Remote Operation: https://www.oki.com/global/yume_pro/about/ai.html
CFB: https://www.oki.com/global/yume_pro/about/cfb.html

Global Strategy

Restarting Overseas Businesses

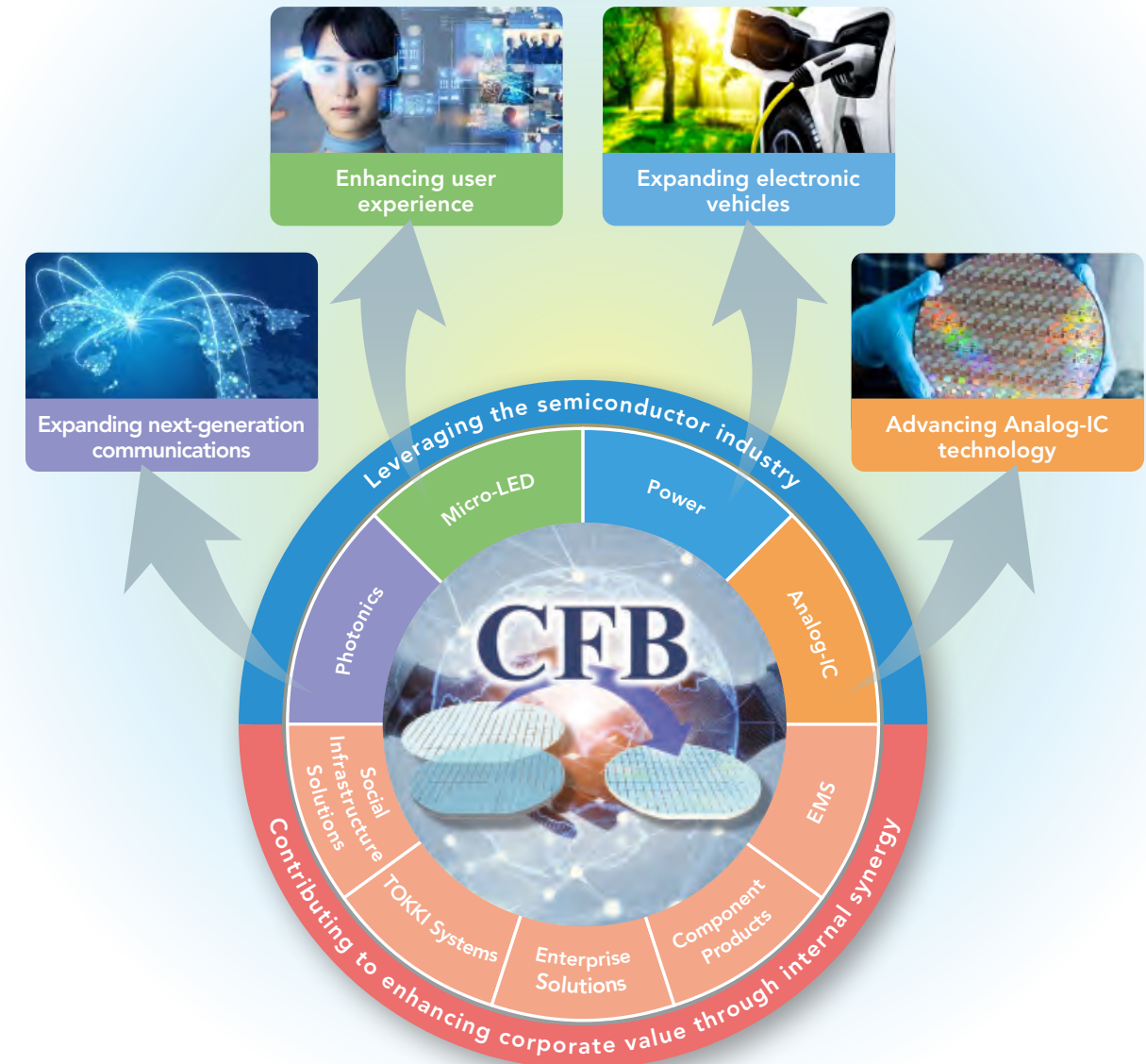
Under the Medium-Term Business Plan 2025, OKI has set the goal of creating future businesses and restarting its overseas businesses. OKI is aiming to achieve 50 billion yen in the new global businesses by 2031 by clearly identifying areas with business potential, beyond those defined in the Innovation Strategy 2025. To drive businesses, OKI will transform its existing overseas locations into frontline bases, instilling “full participation innovation” at each site and establishing a structure where new business initiatives can emerge from overseas as well. To this end, OKI refers to each location as a “Global Innovation Hub (GIH),” emphasizing that it is not only a sales office but a center for innovation. In fiscal year 2024, OKI gathered GIH leaders in Japan to hold “Global Meeting” with all of the executive officers, fostering shared understanding between domestic and overseas teams to push forward business efforts. We will also share the cultural reform mechanisms developed in Japan with the GIHs, accelerating the global implementation not only of “innovation education,” “Yume Pro Challenge,” and “Acceleration Support Community,” but also “Yume Hub,” which builds a network of core innovation employees, “Yume Pro Forum,” which promotes information sharing on innovation activities, and “Innovation Dialogue and the Innovation Future Talk,” which facilitate direct conversations between top management and employees.

On the other hand, there are key technologies necessary for commercialization that we currently lack in-house as we expand our business globally. We are establishing open innovation hubs overseas in order to acquire and develop these technologies. As announced in May 2024, we signed a partnership agreement with Plug and Play, LLC in Silicon Valley to launch global open innovation initiatives focused on exploring startup technologies. We plan to increase the number of hubs in Europe, Asia, and other regions based on this first step, while also sending young employees to these locations.

We aim to incorporate technological innovations from around the world into our Edge platform through this investment in human capital, thereby contributing to the rapid resolution of various societal challenges.

Global Expansion of CFB

CFB is a semiconductor bonding technology for dissimilar materials that OKI developed through its LED printer business. In 2006, OKI successfully became the first in the world to mass-produce an optoelectronic chip that integrated LED and IC functions, with 18 years of mass production history behind this now-mature technology. OKI aims to promote the widespread adoption of CFB to enhance the functionality of semiconductor devices that underpin the accelerating trends of DX and green transformation (GX). While functioning as a bonding technology between dissimilar materials, CFB also plays a catalytic role in the semiconductor industry, which activates open innovation and promotes co-creation of new innovations with partners. OKI is currently focusing on four business areas that are highly compatible with CFB: Photonics, Micro-LED, Power, and Analog-IC. Collaborating with various partners, we are working toward commercialization by fiscal year 2026. Furthermore, we will leverage synergies with other internal business units and contribute to the delivery of high-value-added products and services.



Human Resources Strategy

Strengthening Human Capital Management to Drive Value Creation

The OKI Group regards human resources as one of its most important forms of management capital in its efforts to respond to changes in the social environment and achieve sustainable growth. Under the Medium-Term Business Plan 2025, we set a material issue of “transforming into a corporate culture that continuously creates value,” and one of the key themes under this is to “promote initiatives that enable diverse talent to proactively thrive.” OKI has been advancing diversity and inclusion, supporting talent development, fostering an organizational culture that promotes job satisfaction, and creating a pleasant work environment, so that diverse talent can align their goals with those of the organization and take on challenges and grow.

In fiscal year 2023, we first focused on enhancing the work environment with an emphasis on well-being as the foundation for enabling diverse talent to thrive. This led to improvements in employee satisfaction regarding ease of work and job fulfillment, but we also recognized the need for further efforts to enhance the work environment. Additionally, we have been strengthening initiatives to support the growth of leadership talent for future management as well as those supporting our business strategy related to innovation and globalization.

In formulating our human resources strategy to pursue the business strategy, we will quantitatively assess the gap between our current situation and future goal, identify challenges, and address them in order to strengthen the alignment between our human resources and business strategies. Throughout this process, we aim to foster a mindset of transformation and behavioral change among employees, embedding this within our organizational culture, ultimately driving value creation.

Strengthening alignment between business strategy and human resources strategy	<ul style="list-style-type: none"> ■ Securing and creating growth opportunities for talent to support stabilization businesses, growth businesses, and future businesses <ul style="list-style-type: none"> • Strengthening talent in new areas, new technologies, and global domains • Promoting and providing learning opportunities to motivated and high-performing individuals • Acquiring highly specialized talent aligned with business strategies and promoting collaboration and co-creation with external partners such as venture capital firms
Foundation development (Fostering a transformation mindset)	<ul style="list-style-type: none"> ■ Developing leadership talent to drive transformation ■ Strengthening the environment for “full participation innovation” <ul style="list-style-type: none"> • Establishing a system for developing innovation talent and supporting their growth ■ Developing organizations based on dialogue
Foundation development (Work environment)	<ul style="list-style-type: none"> ■ Creating an environment where diverse talent can proactively thrive (achieving OKI Well-Being) <ul style="list-style-type: none"> • Introducing a grading system for senior employees • Expanding various childcare-related systems (extended leave, support systems for caregivers, etc.)

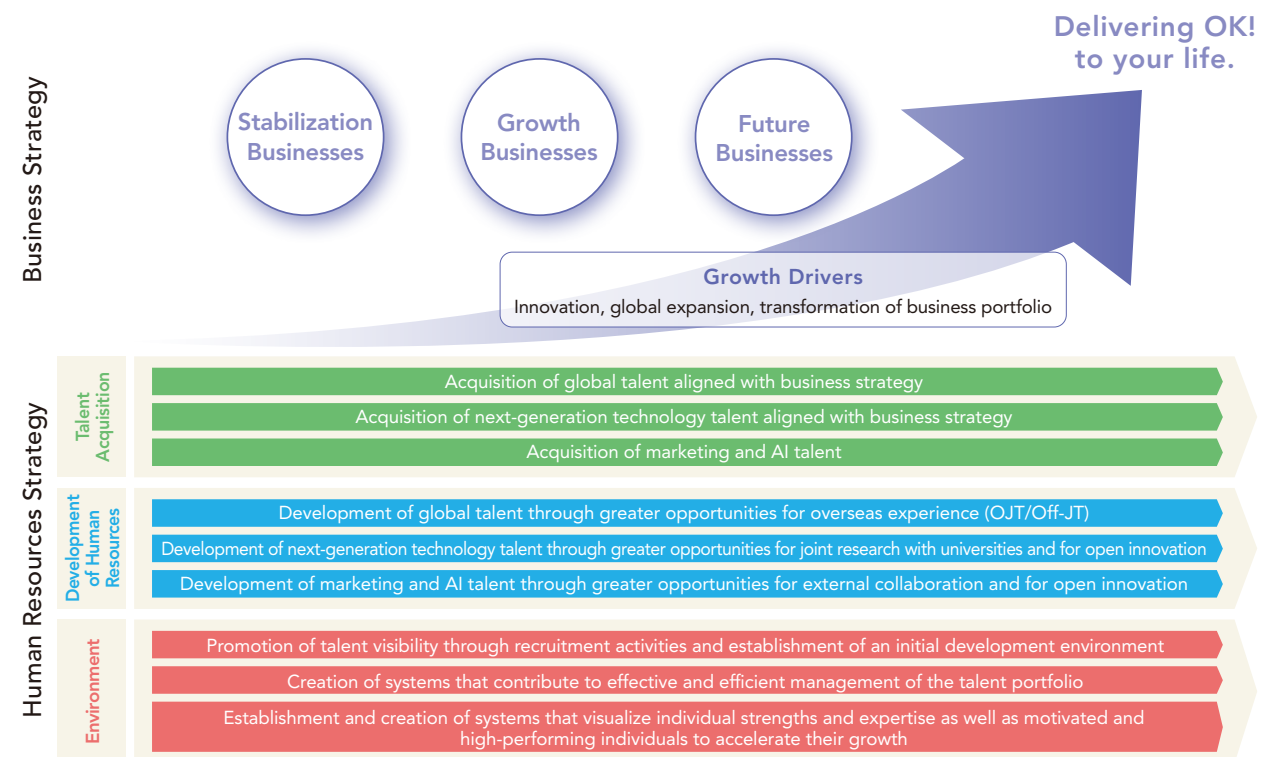
Evolving Human Capital Management—Maximizing Talent Value toward the Ideal Future

To further enhance the alignment between our human resources strategy and business strategy, it is essential to implement initiatives dynamically after formulating a plan for the quality and quantity of the human resources portfolio, taking into account the gaps between the current situation and future goal in response to changes in the business portfolio.

To achieve this, we will clarify the requirements for the talent needed in alignment with the business strategy and ensure we can quickly and accurately assess our workforce. Additionally, we will foster an environment where diverse talent can come together, work autonomously, and work with enthusiasm. By enhancing OKI’s appeal to the talent we seek and further improving employee engagement, we aim to fully promote diversity and inclusion.

With this understanding, we will continue to develop various systems that support human resource management, while also enhancing and implementing initiatives such as acquiring the necessary talent to achieve the business strategy, developing talent to accumulate and cultivate essential experience and skills, supporting employee growth, and fostering a fruitful organizational culture. We will also focus on promoting young talent.

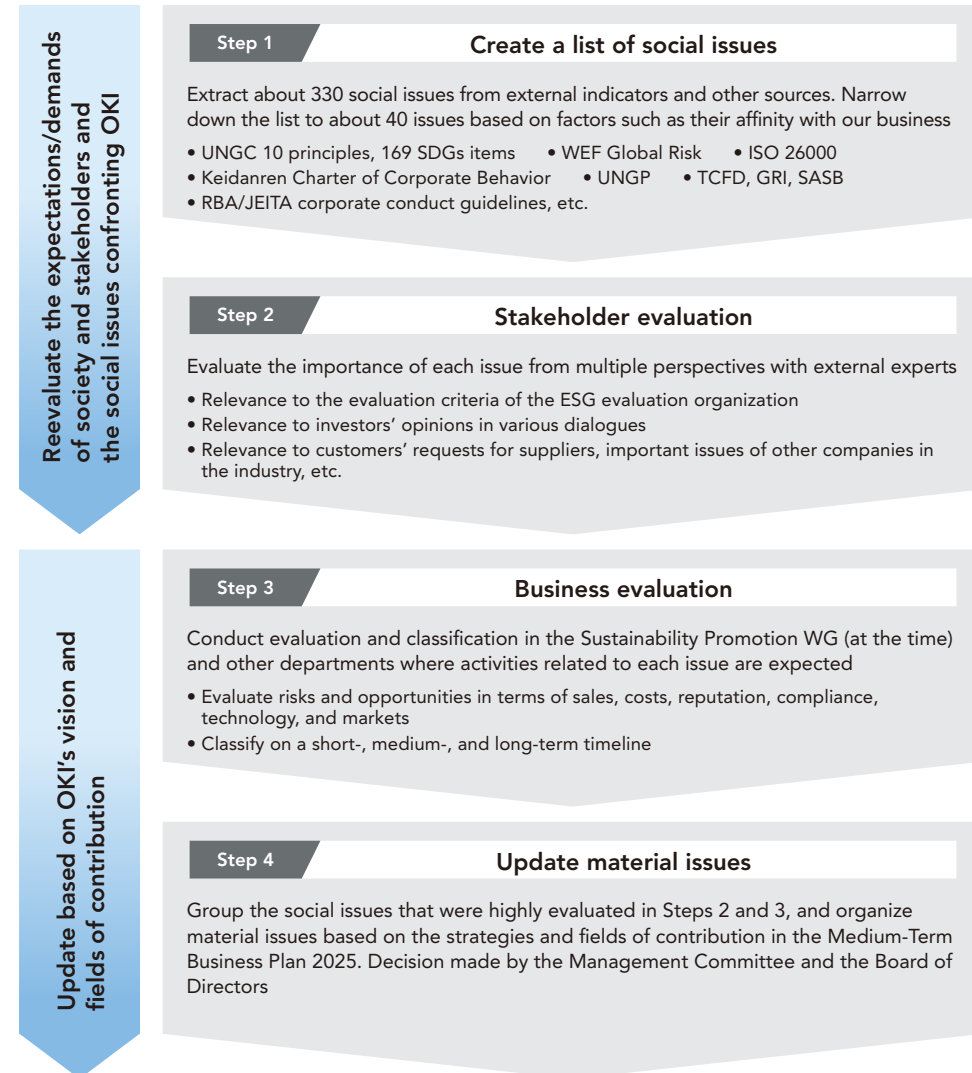
By advancing initiatives that encourage diverse talent to excel, support employees in proactively managing their careers, and maximize organizational performance, we will realize our material issue of “transforming into a corporate culture that continuously creates value.”



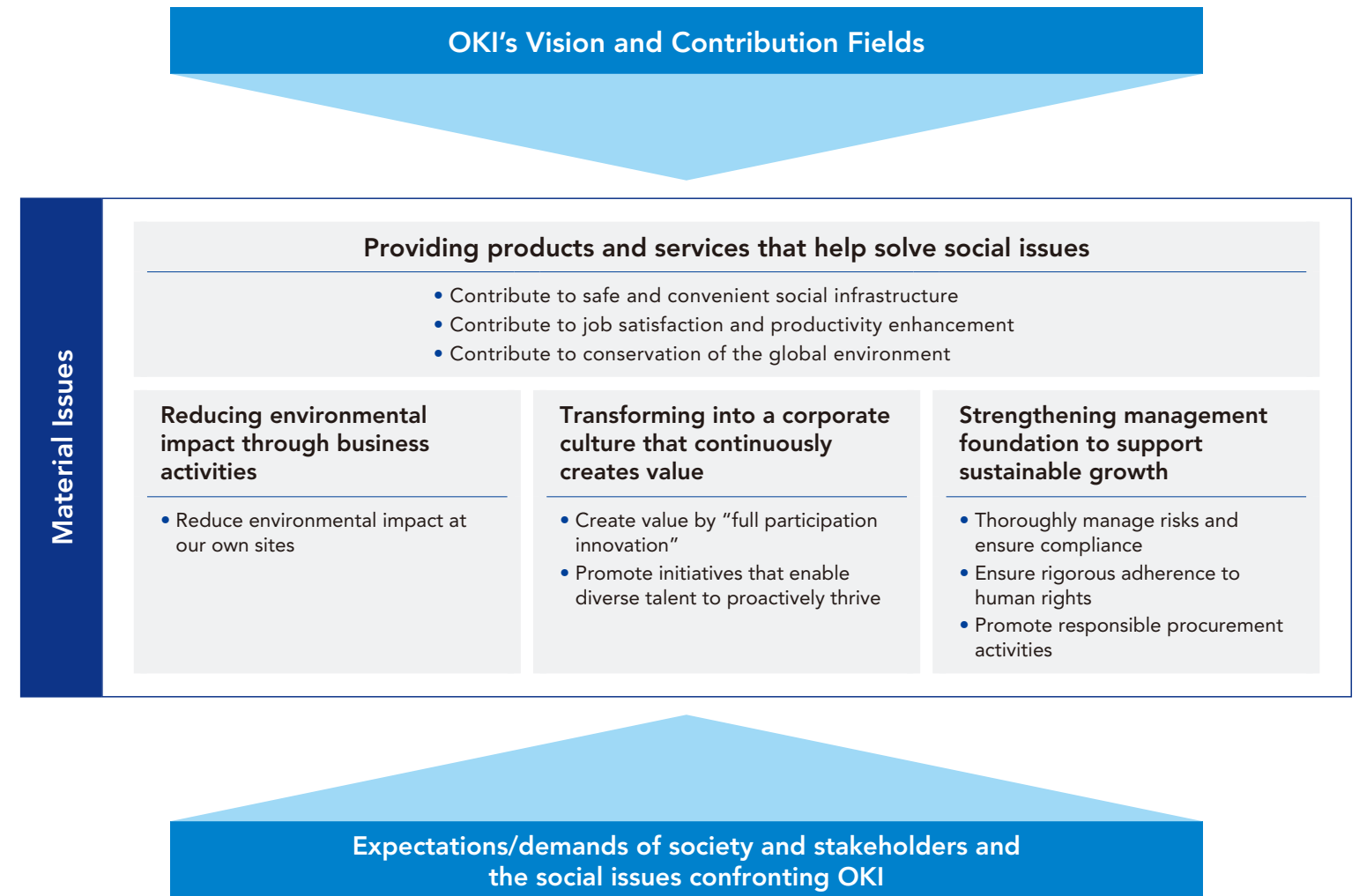
OKI Group's Material Issues

Based on the expectations and demands of society and stakeholders, we reevaluated the social issues surrounding OKI. In conjunction with the formulation of the Medium-Term Business Plan 2025, we updated our material issues and continue to promote related initiatives through our daily business activities.

Material Issues Update Process in Conjunction with the Medium-Term Business Plan 2025



Practicing sustainability management as a company that "Delivering OK! to your life."



Progress on Material Issues

The progress on the material issues updated in fiscal year 2023 is as follows.

Progress on Material Issues and Fiscal Year 2025 Targets

Material Issues	Our Vision	Key Areas of Value Creation	FY2025 Targets	Progress (Key Achievements in FY2023)
Providing products and services that help solve social issues	Based on the “enterprising spirit” enshrined in our corporate philosophy, we will pursue our goal of “Delivering OKI to your life.” In other words, we will solve social issues through the provision of mission-critical products and services that cannot be stopped. This vision remains unchanged for the OKI Group, and we will continue to make relentless efforts toward achieving it.	<ul style="list-style-type: none"> Contribute to safe and convenient social infrastructure Contribute to job satisfaction and productivity enhancement 	<ul style="list-style-type: none"> Develop new products that contribute to ensuring regional disaster relief and safety, and provide customers with related systems or services Strengthen the product lineup that supports automation and labor-saving measures, enabling customers to focus on their core business while improving operational efficiency and addressing labor shortages 	<ul style="list-style-type: none"> Completed the development of new products addressing issues such as the increasing diversity and volume of emergency calls to fire and ambulance services, the simultaneous occurrence of multiple incidents, and large-scale disasters Began delivery of self-service cash deposit and withdrawal machines to improve the efficiency of counter services at banks and local government offices
		<ul style="list-style-type: none"> Contribute to conservation of the global environment 	<ul style="list-style-type: none"> Environmentally contributing product net sales ratio of 35% 	<ul style="list-style-type: none"> Environmentally contributing product net sales ratio of 39%

Material Issues	Our Vision	Key Initiative Themes	FY2025 Targets	Progress (Key Achievements in FY2023)
Reducing environmental impact through business activities	To pass on a better global environment to future generations, we are committed to reducing environmental impact through business activities, based on the environmental policies and vision of the entire Group.	<ul style="list-style-type: none"> Reduce environmental impact at our own sites 	<ul style="list-style-type: none"> 21.0% reduction in CO₂ emissions at business sites (compared to FY2020) Recycling rate of 84% or more for factory waste 	<ul style="list-style-type: none"> 23.7% reduction in CO₂ emissions at business sites (compared to FY2020) Recycling rate of 86% for factory waste
Transforming into a corporate culture that continuously creates value	The creation of new value requires flexible thinking and a willingness to take on challenges in response to changing and diversifying social demands. The foundation for this lies in enhancing human capital, promoting diversity and inclusion, and ensuring well-being. We believe that innovation activities built on this foundation lead to transformation, and we are advancing various initiatives to achieve this vision.	<ul style="list-style-type: none"> Create value by “full participation innovation” Promote initiatives that enable diverse talent to proactively thrive 	<ul style="list-style-type: none"> Over 300 applications annually for the Yume Pro Challenge Female management ratio of 5% or higher (OKI, by April 2026) 70% positive response rate on the “job satisfaction” item in awareness surveys (OKI Group, Japan) Develop innovation talent, global talent, and AI talent 	<ul style="list-style-type: none"> 386 applications for the Yume Pro Challenge Female management ratio of 5.1% (OKI) 53% positive response rate on the “job satisfaction” item in awareness surveys 111 high-potential innovation talent identified, a total of 147 participants in global leader development training, and over 3,500 employees utilizing generative AI
Strengthening management foundation to support sustainable growth	We are committed to practicing risk management, compliance, respect for human rights, and CSR in the supply chain, not only to fulfill our responsibilities as a member of society but also to enhance corporate value and contribute to the realization of sustainable growth in society.	<ul style="list-style-type: none"> Thoroughly manage risks and ensure compliance Ensure rigorous adherence to human rights Promote responsible procurement activities 	<ul style="list-style-type: none"> Ensure that risk management and compliance are firmly established among employees Establish a system in line with the United Nations Global Compact (UNGC), enabling continuous implementation and disclosure of human rights due diligence Expand the CSR procurement promotion program 	<ul style="list-style-type: none"> 100% participation rate in compliance manager training, among other initiatives Conducted various training programs (98.5% participation rate in sustainability education) Conducted a self-assessment survey with 38 suppliers

OKI Group Sustainability

OKI Group Sustainability

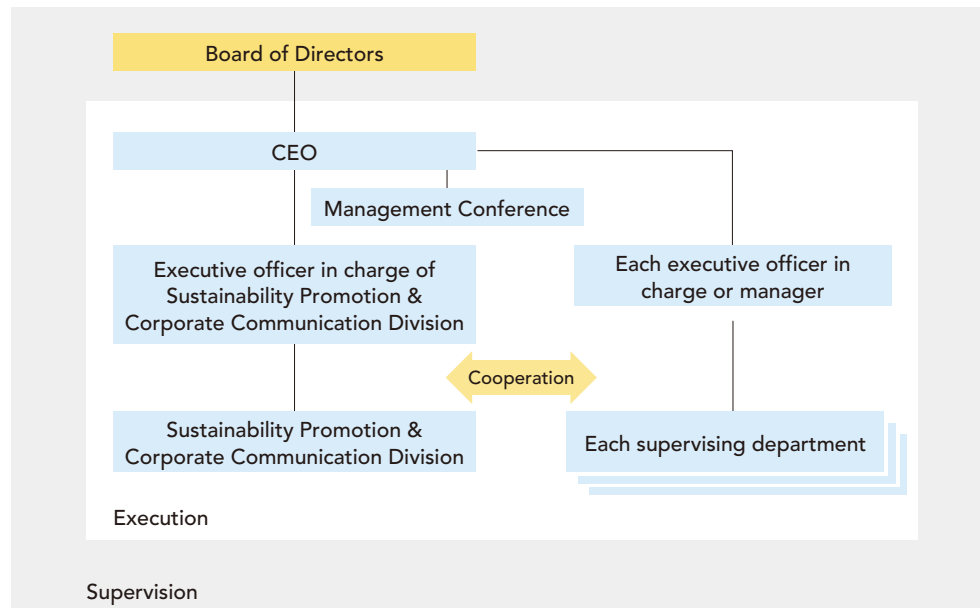
As a company “Delivering OKI to your life.,” the OKI Group, guided by its corporate philosophy of an “enterprising spirit,” contributes to resolving social issues through the key Japanese concepts of Mono-zukuri and Koto-zukuri, while engaging in corporate activities built on integrity that are worthy of the trust of stakeholders.

Sustainability Promotion Structure

In April 2023, the OKI Group established the Sustainability Promotion & Corporate Communication Division and appointed an executive officer in charge to promote initiatives based on identified material issues with the aim of realizing sustainable growth.

The Management Conference makes decisions on important matters related to sustainability. Relevant departments, including the abovementioned dedicated organization, report to the Management Conference on the status of ESG initiatives and issues that embody the material issues. Matters that may significantly impact business are reported to the Board of Directors. In fiscal year 2023, discussions were held on revising the 2050 targets outlined in the OKI Group Environmental Vision 2030/2050.

Sustainability Promotion Structure



Main Initiatives/Organizations in Which OKI Participates

United Nations Global Compact	In May 2010, OKI signed the United Nations Global Compact (UNGC). The OKI Group supports the UNGC's 10 principles concerning the protection of human rights, the eradication of unfair labor practices, environmental measures, and anti-corruption, and will work to contribute to creating a sustainable society.
Science Based Targets Initiative	In November 2023, OKI received certification from the international Science Based Targets initiative (SBTi), for its 2030 greenhouse gas reduction target set under its medium- to long-term environmental goal, the OKI Group Environmental Vision. The SBTi recognized that OKI's target meets the scientifically based standards aligned with the Paris Agreement's goal of limiting global warming to 1.5°C.
TCFD Consortium	In May 2019, OKI announced its support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. We will disclose information in accordance with TCFD recommendations, and will strengthen our efforts to contribute to the realization of a sustainable society brought about by a virtuous cycle of the environment and the economy.
Japan Climate Initiative	In April 2020, OKI joined the Japan Climate Initiative (JCI), a network aiming for the realization of a decarbonized society. We will leverage co-creation with a broad range of partners aiming for decarbonization to strengthen our measures against climate change, and will contribute to the realization of a decarbonized society.
Responsible Minerals Initiative	In August 2023, OKI joined the Responsible Minerals Initiative (RMI), which promotes responsible mineral procurement. As a member of RMI, we will maintain a grasp of the latest international developments and promote responsible mineral procurement initiatives.

Human Resource Management

Basic Approach

The OKI Group regards human resources as its most important management capital and is committed to creating an environment where diverse talent can take on challenges with a positive mindset, as well as supporting employee growth.

In our Medium-Term Business Plan 2025, we have set out to “promote initiatives that enable diverse talent to proactively thrive,” as one of the key themes in line with the material issue and goal of “transforming into a corporate culture that continuously creates value.” To drive strategies such as promoting innovation and restarting global initiatives, and to contribute to value creation, it is essential to foster a culture where employees can proactively take on challenges, realize diversity in talent, and provide opportunities for diverse experiences and learning. We aim to further strengthen the alignment between human resource management and business strategy, while enhancing our efforts and investment in talent through the unified approach of the One Team initiative across the Group.

Structure

The Human Resources & General Affairs Division, one of the corporate divisions, formulates human resources strategies and specific initiatives aligned with business strategy. In collaboration with various business divisions and OKI Group companies, it promotes initiatives such as fostering organizational culture, enhancing diversity, and managing human resources systems.

Vision for Various Initiatives

■ Diversity and Inclusion

We are striving to create a workplace where individuals, regardless of gender or other attributes, with diverse experiences, knowledge, and skills can thrive and achieve well-being. By fostering open and frank discussions that bring together different perspectives and ways of thinking, we are working on initiatives related to diversity and inclusion (D&I) with the aim to drive value creation and personal growth. Our initiatives to enable diverse talent to thrive are promoted based on this approach to D&I.

• Realizing OKI Well-Being

To enhance both the ease of work and job satisfaction for each employee, we define OKI Well-Being as a state in which a psychologically safe workplace, mental and physical health, and fostering of job satisfaction are achieved, working to create an environment where diverse talent can take on challenges with a positive attitude.

• Growth for Each and Every Employee

To support the growth of each and every employee by visualizing their individuality, skills, and career, it is essential to establish an information system that can centrally gather, visualize, and analyze various types of personnel data. With the aim of better understanding the talent portfolio, examining employee development initiatives, and utilizing this information for placement and growth, we are working to further enhance our talent management system.

Initiatives for Material Issues and Results

Material Issue	Key Initiative Theme	Initiatives for FY2023 to FY2025	FY2023 Results
Transforming into a corporate culture that continuously creates value	Promote initiatives that enable diverse talent to proactively thrive	Realizing OKI Well-Being Efforts aimed at achieving organizational development based on dialogue, promoting health management, and realizing the right placement of talent in the right roles	Positive response rate for the “job satisfaction (workplace is positive and work is rewarding)” item in the internal survey for all OKI Group employees in Japan: 53%
		Promoting Women’s Participation and Advancement in the Workplace Continuing to conduct career training for fourth-year employees, selective leadership enhancement training, etc.	OKI’s female management ratio: 5.1%
		Fostering Innovation Talent Establishing a system for selecting and developing talent in line with the innovation talent development plans of each department	High-potential innovation talent: 111 employees
		Fostering Global Talent Developing individuals who can thrive in global business settings through training and placements	Advanced and implemented selective global leadership development training: Cumulative total of 147 participants
		Fostering AI Talent Conducting practical prompt training and ideathons to safely and effectively leverage generative AI	Over 3,500 employees using the internal generative AI platform OKI AI Chat System (as of August 2024)

System of Initiatives

Alignment with Business Strategy	Investment in Human Resources	Fostering an organizational culture where employees can proactively take on challenges ▶P. 30	<ul style="list-style-type: none"> Realizing OKI Well-Being Improving organizational performance through diversified management roles
		Diversifying talent ▶P. 30	<ul style="list-style-type: none"> Promoting women’s participation and advancement in the workplace Mid-career recruitment Side jobs and dual employment Employment of persons with disabilities
		Supporting employee growth ▶P. 31	<ul style="list-style-type: none"> Developing executive talent Strengthening the management skills of managers Developing talent essential for business (innovation talent, global talent, AI talent) Enhancing information system infrastructure
		Creating a safe and secure workplace environment ▶P. 32	<ul style="list-style-type: none"> Support for balancing work and private life Promoting health management Promoting occupational health and safety activities

Human Resource Management

Initiatives for Fostering an Organizational Culture Where Employees Can Proactively Take on Challenges

We are committed to realizing OKI Well-Being by improving both the ease and satisfaction of work for each and every employee. In particular, we are focusing on creating a culture where employees can take on challenges proactively and on enhancing organizational performance.

	Target	FY2023
Positive response rate for the "job satisfaction (workplace is positive and work is rewarding)" item in the internal survey for all OKI Group employees in Japan	70%	53%

■ Organizational Development based on Dialogue

To foster a culture where employees can take on challenges proactively, we are encouraging behavioral change among all employees through organizational development activities conducted by each organizational unit, based on open and transparent dialogue, as well as through cross-organizational initiatives such as collaborative spaces designed for exploration and growth.

Promoting Organizational Development

Planned and collaborative initiatives based on dialogue, aimed at maximizing the potential of individuals and organizations, achieving organizational goals, and enhancing well-being

Department Workshops

Each department takes actions aligned with the organizational development process to work towards achieving their 'desired vision' and drive organizational transformation.

Expansion and Spread of Collaborative Spaces

A place for open, honest, and serious dialogue about questions that don't have immediate answers

Off-site Meetings

Voluntary employees from various departments come together in these collaborative spaces to share concerns, deepen mutual understanding, and work toward transforming the organizational culture.

■ Improving Organizational Performance Through Diversified Management Roles

A new grading system has been introduced for management positions, dividing roles into three categories based on responsibilities. Management roles now consist of: (1) Management positions, where individuals serve as team leaders focused on maximizing organizational performance, (2) Professional positions, which take the lead on key organizational challenges and value creation, and (3) Expert positions, responsible for specialized tasks. This clear definition of roles and responsibilities is aimed at strengthening organizational performance. At the same time, we aim to place the right people in the right roles according to each individual's aptitude and career aspirations, and we also promote younger employees by appointing them based on their ability, suitability, and expertise, regardless of age.

• Managerial Positions and Roles under the New Grading System

Management Position

As line managers, they are responsible for driving organizational performance and developing talent to lead the future.

Professional Position

These leaders take charge of important issues and value creation in the organization and set their own goals to achieve them.

Expert Position

They lead the resolution of organizational issues and perform specialized work and project management.

Creating an Environment for Diverse Human Resources to Proactively Take on Challenges:
<https://www.oki.com/global/sustainability/social/emply/culture.html>

Initiatives for Diversifying Talent

We are striving to create a workplace where individuals, regardless of gender or other attributes, with various experiences, knowledge, and skills can thrive. To achieve this, we are promoting the advancement of women and the recruitment of external talent.

■ Promoting Women's Participation and Advancement in the Workplace

In order to help incrementally motivate female employees from the early stages of their careers, the OKI Group conducts career training for female employees in their fourth year of employment as well as selective leadership strengthening training. OKI aims to increase the female management ratio to at least 5% by April 2026. In the future, we hope to achieve an equal female management ratio in proportion to the number of female employees. We will continue to strengthen our initiatives for policies to encourage female employees to play an active role.

	Target	FY2023*
Female management ratio (OKI)	5% or higher	5.1%

* Results as of April 1, 2024

■ Mid-Career Recruitment

We are actively promoting mid-career recruitment in order to acquire the human resources necessary to execute our business strategies.

	FY2021	FY2022	FY2023
Number of mid-career hires*	46	66	114

* Number of full-time mid-career hires in the OKI Group (Japan)

■ Acceptance of Side Jobs and Dual Employment

To incorporate talent with expertise that we do not have in-house, we introduced a system in fiscal year 2023 to accommodate side jobs and dual employment. This includes accepting highly specialized personnel on a project basis or for short-term employment in strategic areas.

	FY2023
Number of people accepted for side jobs and dual employment (OKI)	6

■ Employment of Persons with Disabilities

OKI is actively engaged in the employment of persons with disabilities, primarily through its special subsidiary, OKI Workwel. Individuals with disabilities play active roles in various workplaces as valuable contributors to value creation.

	FY2023
Employment rate of persons with disabilities*	2.72%

* Aggregate figure for seven special subsidiary companies in Japan

Promotion of Diversity and Inclusion (D&I):
<https://www.oki.com/global/sustainability/social/emply/diversity.html>

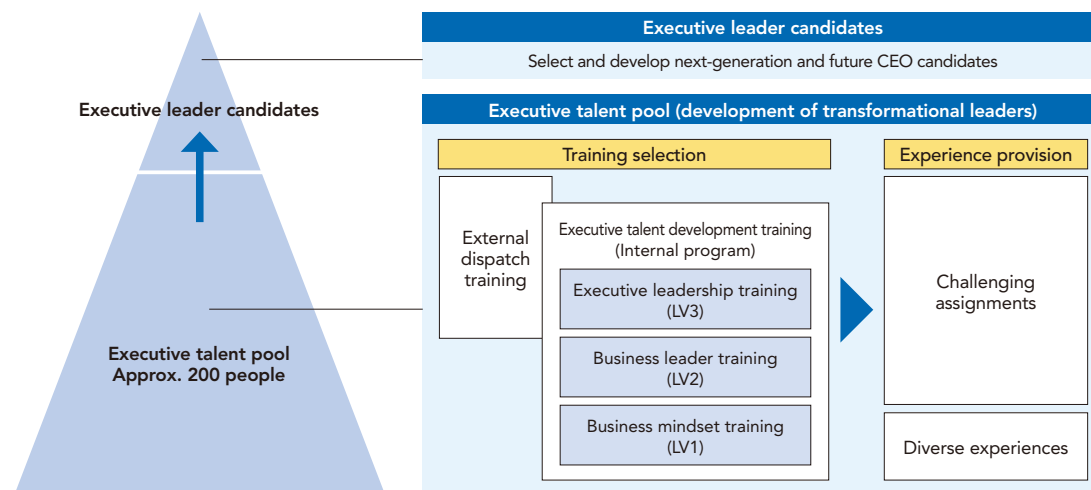
Human Resource Management

Initiatives to Support Employee Growth

To support each employee's independent challenges and growth, we are expanding various learning opportunities such as career design systems, training programs, on-the-job training (OJT), and e-learning. Additionally, we are establishing various talent development frameworks required by our business strategy, shining a spotlight on motivated and hardworking individuals, and focusing on supporting their growth. These employees will be selected for key roles across various situations. Furthermore, we are creating new opportunities for diverse experiences and learning, with a focus on the early development of younger employees.

■ Developing Executive Talent

The development of executive talent involves identifying potential individuals and placing them in an executive talent pool. These individuals are nurtured to become transformational leaders through a combination of internal and external training programs tailored to different levels, as well as through challenging assignments that provide them with valuable experience.



■ Strengthening the Management Skills of Managers

To effectively implement the new management grade system, we have revised the 360-degree feedback (multi-perspective evaluation) process and the manager training programs.

Revision of 360-degree Feedback (Multi-perspective Evaluation)

Starting from fiscal year 2023, we revamped the 360-degree feedback system by tailoring questions based on specific roles. This approach highlights weaknesses that individuals may not notice themselves, encouraging behavioral change.

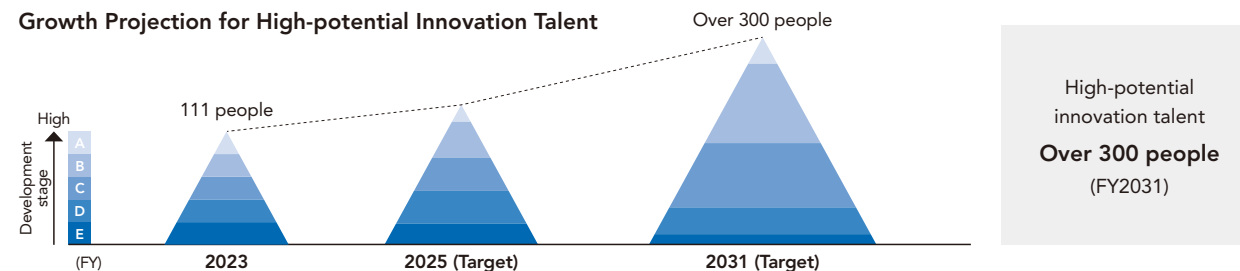
Revamp of Manager Training

To help address the weaknesses identified through 360-degree feedback, we introduced new management and leadership training programs starting in fiscal year 2024.

■ Fostering Innovation Talent

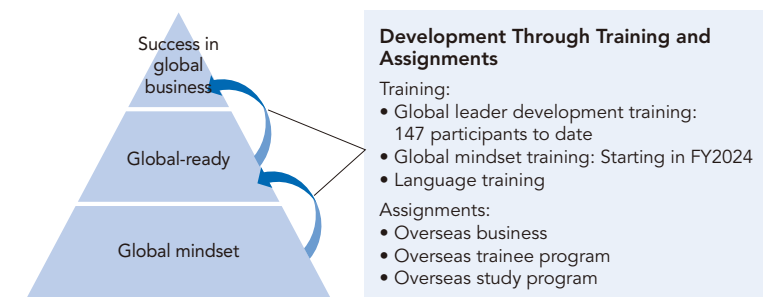
We define individuals capable of driving and accelerating innovation activities as high-potential innovation talent. Based on their innovation skills and experience, we categorize their development into stages from A to E, aiming to increase the number of higher-level talent.

Growth Projection for High-potential Innovation Talent



■ Development of Human Resources to Work Globally

To strengthen the Company's global business efforts as a whole, with all hands on deck, we are working to shift employees' mindset toward global business. We are also aiming to foster talent who can adapt to language, business practices, and cultural differences through training, strategic assignments, and rotations, enabling them to thrive on the global stage.



■ Fostering AI Talent

To enhance the value of solutions through AI utilization, OKI has been developing personnel in each department who can leverage AI. Starting in fiscal year 2023, OKI introduced its internal generative AI platform, the OKI AI Chat System, and began efforts to train employees on utilizing generative AI safely and effectively.

	Sales & Promotion / Business Operation Divisions	SE Division	Development / Production Divisions
Practical	Practical skill development		
	Sales AI training	AI business education	AI technology education
Foundational	Generative AI utilization training		
	AI literacy education		

Employees using
the OKI AI Chat System
Over 3,500 people
(as of August 2024)

Initiatives for Human Resource Development:
<https://www.oki.com/global/sustainability/social/employ/promotion.html>

Human Resource Management

Initiatives for Creating a Safe and Secure Workplace Environment

We are promoting various initiatives to ensure the health and safety of our employees and to enhance programs that support a balance between work and private life, allowing diverse talent to work in a way that is true to themselves in a safe and secure environment.

■ Support for Balancing Work and Private Life

We have established various systems to support a balance between work and private life, while labor union and management members confirm working hours and leave utilization.

• Support for Balancing Work and Childcare

We have established various systems to support employees in balancing work and childcare, ensuring that those with childcare responsibilities can work with peace of mind. In October 2022, we introduced “Baby8 Leave” to encourage the uptake of paternity leave. Our goal is to enable each employee to take childcare leave or time off in a way that suits their individual circumstances. In April 2024, we further expanded our support programs for balancing work and childcare.

Baby8 Leave is a system that allows employees raising children up to the age of two to take up to 40 days (8 weeks) of paid leave.

Baby8-chan
Character to Promote
Childcare Leave by Men



	April 2026 Target	FY2021	FY2022	FY2023
Paternity leave and childcare leave acquisition rate (OKI)	50% or higher	52.9%	81.7%	78.6%

• Key System Enhancements for Fiscal Year 2024

Childcare leave support incentive	Infertility treatment subsidy	Childcare and household assistance subsidy
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■ Creating a Safe Working Environment for Sexual Minorities

We are implementing various initiatives to ensure that LGBTQ individuals can work comfortably and fully utilize their abilities.

Establishment of a consultation desk	Year-round availability of e-learning courses on basic knowledge	Introduction of a partnership system (FY2023)
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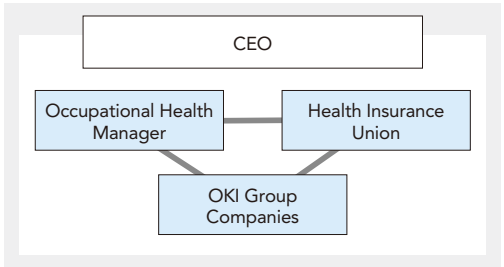
Initiatives for Everyone to Work in Their Own Ways:
<https://www.oki.com/global/sustainability/social/emply/swl.html>

■ Promoting Health Management

Recognizing that ensuring the physical and mental health of its employees is essential for Company management, the OKI Group aims for each and every employee to fully demonstrate their abilities by staying healthy, in both body and mind. Under the OKI Group Health Management Declaration, the Group is united in promoting health management.

In collaboration with industrial health staff and the health insurance union, under the “Collabo Health” framework, the OKI Group analyzes shared data to set key management target indicators from three perspectives: “body,” “mind,” and “awareness.” The Group is dedicated to preventing illness and promoting health for both OKI Group employees and their families.

Health Management Promotion Framework



• Key Health Issues Results (OKI)

Key Health Issues and Indicators	FY2026 Targets	FY2022	FY2023
Body: Obesity prevention and reduction in the number of obese employees – Obesity rate	31.0%	31.3%	30.9%
Mind: Prevention of mental health issues – Stress check participation rate	100.0%	94.6%	93.7%
Awareness: Promotion of health awareness that leads to action – Exercise habit establishment rate*	30.0%	27.1%	27.3%

* Percentage of employees who conduct light-sweating exercise for 30 minutes or more per session, at least two days per week for at least one year

■ Promoting Occupational Health and Safety Activities

The OKI Group positions the creation of a comfortable work environment where employees can work in a safe and healthy manner as an important foundation for its corporate activities. In each region, OKI established Safety and Health Committees comprised of management and labor union members to develop safety and health systems. Management and labor union members work together to systematically advance measures for preventing hazards and health problems and promoting the health of employees.

The Central Safety and Health Committee is held once a year to evaluate and expand the activities of each region. We will continue to promote efforts with the aim of achieving zero workplace accidents.

In 2023, OKI’s incidence rate of occupational accidents*1 was 0.00 (electric machinery/equipment manufacturing industry’s average in Japan: 0.54) and severity rate of occupational accidents*2 was 0.00 (electric machinery/equipment manufacturing industry’s average in Japan: 0.01).

*1 Incidence rate of occupational accidents: Number of casualties due to occupational accidents per million man-hours worked, representing the frequency of occupational accidents.

*2 Severity rate of occupational accidents: Total number of lost workdays per thousand man-hours worked, representing the severity of occupational accidents.

Structure for Occupational Health and Safety Promotion



Initiatives for Health Management, Occupational Health and Safety:
https://www.oki.com/global/sustainability/social/emply/health_safety.html

Respect for Human Rights

Basic Approach

The OKI Group aims to contribute to solving social issues based on the “enterprising spirit” set forth in our corporate philosophy and recognizes that the foundation of all of our activities must be to consider the human rights of each and every person connected to OKI in our operations. As a signatory to the UNGC, OKI respects international human rights norms, including the International Bill of Human Rights and the International Labour Organization (ILO)’s Declaration on Fundamental Principles and Rights at Work. The Group also promotes initiatives in line with the United Nations Guiding Principles on Business and Human Rights (UNGP).

To ensure this approach is understood by all OKI Group executives and employees, as well as suppliers and other stakeholders directly involved in its businesses, products, and services, the OKI Group established the OKI Group Human Rights Policy in fiscal year 2022 in alignment with the UNGP.

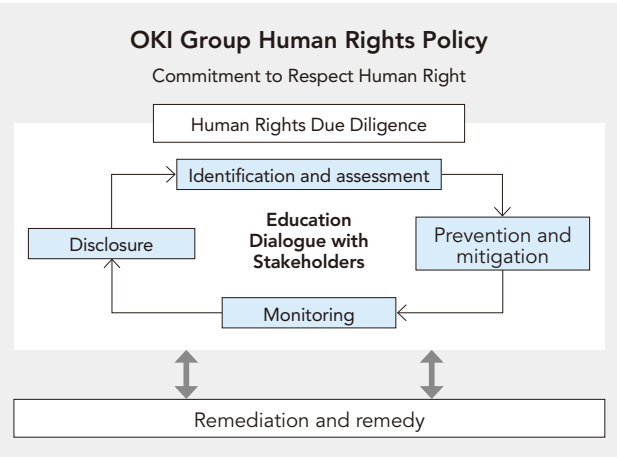
OKI Group Human Rights Policy: <https://www.oki.com/global/sustainability/social/humanrights/>

Structure

As shown in the diagram below, initiatives related to human rights are promoted within the sustainability promotion structure, with specific themes assigned to each area. The OKI Group will continue to establish systems in line with the OKI Group Human Rights Policy and build and implement mechanisms to identify and prevent or mitigate any negative human rights impacts related to our corporate activities.

In terms of remediation and remedy, OKI is currently considering the establishment of a point of contact for rights holders outside the Group.

Structure of the OKI Group Human Rights Policy and Theme-Based Responsible Divisions



Themes	Responsible Divisions
Dissemination of the Human Rights Policy	Sustainability promotion
Human rights due diligence planning and promotion	Sustainability promotion
• Risk management of human rights and labor-related issues within the Group (including human rights and harassment education)	Human resources & general affairs
• Human rights and labor surveys in the supply chain (CSR procurement)	Procurement
• AI ethics (AI governance)	Technology
Internal whistle-blowing system	Risk management
OKI Group critical incidents reporting system	Risk management
Harassment consultation hotline	Human resources & general affairs

Initiatives for Material Issues and Results

Material Issue	Key Initiative Theme	Initiatives for FY2023 to FY2025	FY2023 Results
Strengthening management foundation to support sustainable growth	Ensure rigorous adherence to human rights	<ul style="list-style-type: none"> Establishing systems in line with the UNGP, and efforts toward the continuous operation of human rights due diligence Strengthening AI governance based on domestic and international discussions 	<ul style="list-style-type: none"> Conducted various training programs (98.5% participation rate in sustainability education, see below) Commenced practical training for AI risk assessment

Key Initiatives for Fiscal Year 2023

- Provided sustainability education for all domestic Group employees, continuing from the previous fiscal year (conducted from December 2023 to January 2024, with a participation rate of 98.5%) to promote awareness of the OKI Group Human Rights Policy within the Company.
- Held continuous e-learning programs on the working environment, including human rights and harassment, for domestic Group employees. Harassment topics were integrated into education for employees at all levels of the organization. Explanatory articles on workplace harassment were also published in the Group newsletter.
- Conducted a CSR procurement survey based on the OKI Group Supply-Chain CSR Deployment Guidebook, assessing risks related to human rights, labor, and occupational health and safety within the supply chain (see P. 51)
- Joined the RMI in August 2023 to promote responsible mineral procurement that takes human rights and other considerations into account

Initiatives on AI Ethics (AI Governance)

As the use of AI, particularly generative AI, continues to grow, discussions are taking place worldwide about the social impact and risks of AI, including human rights issues. The OKI Group promotes AI governance based on the OKI Group AI Principles from the perspectives of risk management, quality management, and human resource development.

In terms of quality management, during the proposal and development stages of AI-related products, dedicated members evaluate risks, and operations are implemented to improve AI quality through discussions with customers based on the evaluation results. In fiscal year 2023, to enable members involved in quality assurance across various business divisions to assess AI risks themselves, a hands-on training program based on several AI use cases with experts was added to the existing AI business training. Additionally, to ensure that employees across the Group can safely use generative AI in various operations, a secure, in-house generative AI platform was developed, and, along with guidelines and educational content for safe AI usage, the OKI AI Chat System was launched in November 2023. By expanding the number of proficient users of generative AI to thousands, OKI aims to deepen AI understanding across the Group and foster a proactive mindset for utilizing AI in business.

Three Perspectives of AI Governance



OKI Group AI Principles: <https://www.oki.com/global/rd/principle/>

Environmental Management

Basic Approach

The OKI Group Environmental Policy incorporates our desire to pass on a better global environment to the next generation. This Environmental Policy is the foundation of our environmental management, and we are promoting activities centered on decarbonization, resource recycling, and pollution prevention from a life-cycle perspective with our products and sites. Among them, OKI has identified addressing climate change, which has become increasingly important in recent years, and reducing environmental impact through products. To guide these efforts, we have formulated the OKI Group Environmental Vision 2030/2050 as the medium- to long-term environmental target for the entire Group.

Considering our Environmental Policy and Environmental Vision, as well as the recent demands of our customers and other stakeholders, we have formulated a three-year plan, which is incorporated into our annual activity plan. We have positioned ISO 14001 as a tool to achieve our plans and targets, and have established a management system to implement environmental management throughout the OKI Group.

OKI Group Environmental Policy: <https://www.oki.com/global/sustainability/eco/mng/index.html>

Structure

The OKI Group has obtained integrated certification for the international environmental management system standard ISO 14001 across the entire Group. Including locations that have independently obtained certification, ISO 14001 certification has been achieved at 100% of the 19 production sites both in Japan and overseas, including the major sites in Warabi, Takasaki, and Shibaura.

From fiscal year 2023, a Chief Environmental Officer has been appointed from among the executive officers to strengthen environmental governance, including climate change measures. The Chief Environmental Officer is responsible for drafting Group-wide policies and medium-term plans in the environmental field and is accountable for achieving the overall Group plan.

Environmental Management Structure



OKI Group Environmental Vision 2030/2050 (Overview)

(1) Prevention of Global Warming (SDGs 7/13)

FY2030: 42% CO₂ emissions reduction at OKI sites and 25% CO₂ emissions reduction at suppliers and from the use of products (compared to FY2020)

FY2050: Net-zero CO₂ emissions across the entire value chain, including at OKI sites
Specific goals include net-zero CO₂ emissions at OKI sites and net-zero power consumption for new products

(2) Contribution to Achieving SDGs (SDGs 3/6/7/9/11/12/13/14)

FY2030: Through (i) and (ii) below, contribute to achieving the targeted reductions in environmental impact set out by the 2030 SDGs

(i) Generate innovative products and services and provide solutions conducive to resolving a wide range of environmental issues. Environmentally contributing product net sales ratio of 50% or more.

(ii) Realize innovative technologies for manufacturing and creating things in the value chain, including workplaces.

FY2050: In addition to preventing global warming and adapting to climate change, we will promote innovation in products and services that contribute to solving environmental issues, and support social infrastructure by promoting development and provision.



Environmental Activity Plan for Fiscal Year 2023 to Fiscal Year 2025 (Summary)

The main activities from fiscal year 2023 to 2025 are shown in the table below. We are promoting environmental management with a focus on both business sites and products.

Environmental Themes	Initiatives	Material Issues	Action Plan and Targets by FY2025	FY2023 Targets	FY2023 Results
Entire	Expansion and creation of environmentally contributing products	○	Increase ratio of environmentally contributing product net sales to overall net sales (35%)	32%	39%. Reached FY2025 target ahead of schedule.
Mitigation of climate change*	CO ₂ emissions reduction at OKI sites	○	21.0% reduction (compared to FY2020)	12.6% reduction (compared to FY2020)	Reduced by 23.7%. Target achieved, generally on track.
	CO ₂ emissions at suppliers and from the use of products		12.5% reduction (compared to FY2020)	7.5% reduction (compared to FY2020)	Increased by 4.3%. Due to the resolution of the semiconductor shortage, the production volume of automated machines increased.
Pollution prevention	Appropriate management of chemical substances at factories		Passing on chemical substance use history and enhancement of response procedures	Investigate usage records of chemical substances for three or more cases	2 cases. Generally proceeding as planned.
	Management of chemical substances contained in products		Update of management system functions and improvement of response efficiency	Update functions of the management system	Completed updates to the management system functions. Generally proceeding as planned.
Resource recycling	Reduction of waste from factories	○	Recycling rate of 84% or more	84% or higher	86%. Generally proceeding as planned.
	Recycling of used products		Recycle rate of collected used products of 90% or more	90% or higher	99.6%. No particular issues.
Addressing water risk	Water consumption reduction		Reduction of water consumption by 0.2% (compared to the previous fiscal year)	0.2% reduction (compared to the previous fiscal year)	Reduced by 5.7% (compared to the previous fiscal year). No particular issues.
Conserving biodiversity	Overall initiatives listed above		Contribution to biodiversity conservation through climate change mitigation, pollution prevention, and resource recycling initiatives	Same as FY2025 target	No particular issues.

Note: CO₂ emissions data may be revised due to third-party verification. Please check the website for the fiscal year 2023 data.
<https://www.oki.com/global/sustainability/eco/data/index.html>

Please refer to the website for details. <https://www.oki.com/global/sustainability/eco/mng/vision.html>

Response to Climate Change

Basic Approach

OKI manages climate change efforts by categorizing them into two main areas: mitigation (preventing global warming, energy conservation, and the use of renewable energy) and adaptation (responding to damage caused by extreme weather events, such as typhoons and flooding, which are thought to result from global warming). These efforts are disclosed based on the TCFD* framework, and the Company reviews its initiatives against the environmental management system ISO 14001 and the TCFD.

* Task Force on Climate-related Financial Disclosures (TCFD): A task force that recommends companies to disclose information to investors on their response toward climate change

Governance

We address these issues through the environmental management system structure outlined on the previous page. [▶ P. 34](#)

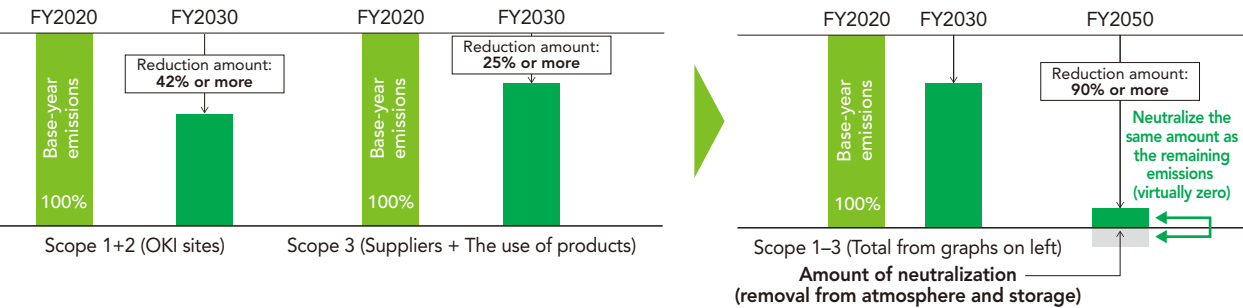
Risk Management

Under the leadership of the Chief Environmental Officer, the department dedicated to environmental initiatives monitors external trends and internal conditions, identifying risks and opportunities. These insights are incorporated into the Medium-Term Business Plan 2025 and annual plans, while the department collaborates with relevant divisions to implement activities that address climate change mitigation and adaptation.

Metrics and Targets

In the OKI Group Environmental Vision 2030/2050 outlined on the previous page, we have set medium- and long-term targets in line with the SBT*.

* Science Based Targets (SBT): Target standard for reducing greenhouse gas emissions in line with the levels required by the Paris Agreement.



Strategy

OKI's climate change strategy is based on two key scenarios, considering both risks and opportunities. In the event of a temperature rise of 3 to 4°C, physical risks such as the intensification of storms and flooding are expected to increase. To address this, OKI is advancing business continuity management and planning (BCM/BCP) measures across its supply chain. At the same time, demand for OKI's products in the area of OKI's expertise, such as disaster preparedness information systems—classified as environmentally contributing products—is expected to grow. Conversely, if society moves toward limiting the global temperature rise to 1.5°C, the demand for decarbonization products will increase. In response, OKI is working to enhance energy efficiency in its hardware products and expand solutions that contribute to decarbonization for its customers and society, further promoting environmentally contributing products.

1.5°C Scenario [Transition Risk] Expected Phenomena: Growing and Widespread Demand for Decarbonization

Risks/ Opportunities	Impact on Future Finances	Time Frame* ¹	Monetary Impact* ²	Initiatives
Risk	• Decreased orders due to failure to meet energy efficiency standards or customer requirements	Medium term	Medium	<ul style="list-style-type: none"> Product: Energy-saving for hardware Supply chain: Strengthening communication with suppliers Sites: Reducing CO₂ emissions through thorough energy-saving measures and the introduction of renewable energy
	• Higher costs stemming from strengthening decarbonization at business sites	Medium term	Small	
Opportunities	• Increased demand for decarbonization and labor-saving solutions	Medium term	Medium	<ul style="list-style-type: none"> Product: Expansion and creation of environmentally contributing products contributing to decarbonization Examples: Development of decarbonization and labor-saving solutions utilizing IoT and AI, expansion of renewable energy-driven hardware products, and strengthening research and development (e.g., AI optimization)
	<ul style="list-style-type: none"> Increased demand for technologies that support the spread of renewable energy Increased demand for renewable energy-powered products 			

4°C Scenario [Physical Risks] Anticipated Events: Increase and Intensification of Extreme Weather Events

Risks/ Opportunities	Impact on Future Finances	Time Frame* ¹	Monetary Impact* ²	Initiatives
Risk	• Sites & suppliers: Damage to plants or suppliers due to disasters	Short term	Large	<ul style="list-style-type: none"> Site: Strengthen climate change BCP/BCM Suppliers: Strengthen procurement BCP
	• Sites: Increased air conditioning costs due to rising temperatures			
Opportunities	• Products: Growing demand for advanced disaster prevention and mitigation solutions	Medium term	Small	• Product: Strengthen business deployment through disaster information systems

*¹ Time frame definitions: Long term means more than 10 years, medium term means 3 to under 10 years, and short term means 1 to under 3 years

*² Monetary impact definitions (in yen): Large means 10 billion yen or more, medium means 1 billion yen to less than 10 billion yen, and small means less than 1 billion yen

Introduction of Renewable Energy and Progress toward Decarbonization Targets

In July 2022, the Honjo Plant, which received Japan's first ZEB* certification, began full-scale operations. In fiscal year 2023, non-fossil certificates were purchased, and in April 2024, solar panels were installed at OKI Nextech's Komoro Plant.

In fiscal year 2023, CO₂ emissions were reduced by 23.7% compared to fiscal year 2020, surpassing the target. Going forward, we will continue enhancing measures to introduce renewable energy, alongside traditional energy-saving initiatives, to further promote decarbonization.



Solar panels at OKI Nextech

* Net Zero Energy Building (ZEB): A building designed to achieve zero net energy consumption by balancing the energy used with renewable energy production while maintaining a comfortable indoor environment. This is achieved through energy creation using renewable energy sources and energy-saving measures such as enhanced insulation and sensors. The energy consumption of production equipment and office automation devices is excluded from ZEB calculations.

Please refer to the website for details. <https://www.oki.com/global/sustainability/eco/mng/rc.html>

Environmentally Contributing Products

Basic Approach

The OKI Group is promoting the integration of environmental and business efforts within the Company to expand and create environmentally contributing products, including those that address climate change.

OKI has set a target for the ratio of sales of environmentally contributing products to net sales of the entire Group at 50% by fiscal year 2030, with an interim target of 35% by fiscal year 2025. In fiscal year 2023, the ratio reached 39% (166.2 billion yen). Major contributors include ATMs, printers, and network equipment.

Environmentally contributing products are defined as products that contribute directly or indirectly to matters such as the reduction of environmental impact and damage, as illustrated in the diagram below. In calculating net sales, we have reviewed definitions in light of external circumstances to improve consistency and comprehensiveness. In fiscal year 2023, unified criteria were established for aggregation.

The certification of environmentally contributing products is handled by the main divisions responsible for product management, which apply for approval. These applications are then reviewed and approved by the Group Environmental Management Officer and the Group’s environmental secretariat based on expert knowledge. Moving forward, the Company aims to expand the range of products that directly address environmental issues, such as the Zero Energy IoT series.

Environmentally Contributing Products Framework

Criteria for Environmentally Contributing Products: They must meet one of the following:

- Contributes to reducing causes of environmental impact or damages from environmental deterioration
- Contributes to mitigating damage from climate change, and allowing society to adapt to climate change
- Streamlines management of environmental impacts

Contribution Area

Decarbonization, resource saving/waste reduction, chemicals management/pollution prevention, etc.

Contribution Method

Direct contribution from the use of the product. Indirect contribution from streamlined operations through the use of the product is also acceptable.

	Direct/Indirect	Product Category	Contribution Details
Direct	Direct contribution from the use of the product	Energy-saving products, building energy management systems	Energy saving
		Disaster information service (DPS Core)	Disaster preparedness and mitigation, including extreme weather events
Indirect	Indirect contribution through means such as results of improved business efficiency in the use of the product	ITS service “LocoMobi 2.0”	Functions for collecting and analyzing road information → Alleviating traffic congestion → Reducing fuel consumption → Promoting decarbonization

OKI Environmentally Contributing Products

OKI Eco Products Hardware Products

OKI Eco Products*

OKI Eco Solutions Solutions & Services

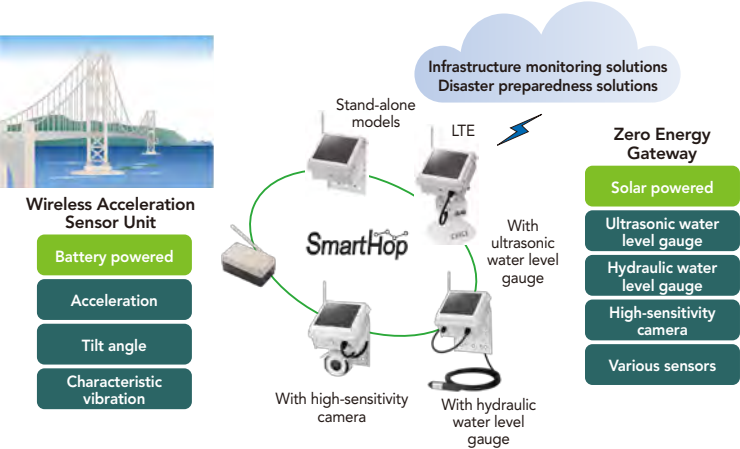
* OKI Eco Products: Hardware products that meet OKI’s own stricter environmental criteria.

Environmentally Contributing Products with Expected Growth

Zero Energy IoT Series

Powered by solar energy, these devices enable remote monitoring through data transmission from water level sensors, high-sensitivity cameras, and more in environments without power sources. Using proprietary wireless technology, data from nearby sensors is collected, stored, and transmitted in bulk, further reducing power consumption for wireless transmission.

These products contribute to addressing environmental challenges by both reducing energy consumption of the products themselves and providing solutions for climate change adaptation.



Research and Development for the Future

The OKI Group’s R&D efforts are all strongly focused on contributing to the environment. Among these efforts, those that have a particularly clear connection to environmental contributions are listed in the table below.

Themes	Direct/Indirect	Outline
Multi-source charge/discharge module	Direct	A multi-source charge/discharge module compatible with solar, thermal, and wind power, supports various power generation sources, contributing to CO ₂ emissions reduction.
Anomaly detection and predictive detection	Indirect	Capable of handling diverse and specific time-series data such as acoustics and vibrations, enabling tailored optimization for each site. This improves the efficiency of infrastructure management and inspection, contributing to CO ₂ emissions reduction.

Please refer to the website for details.
OKI Environmentally Contributing Products: <https://www.oki.com/global/sustainability/eco/product/ecosolu.html>
Zero Energy IoT Series: <https://www.oki.com/global/ZElot/>

Corporate Governance

Basic Approach

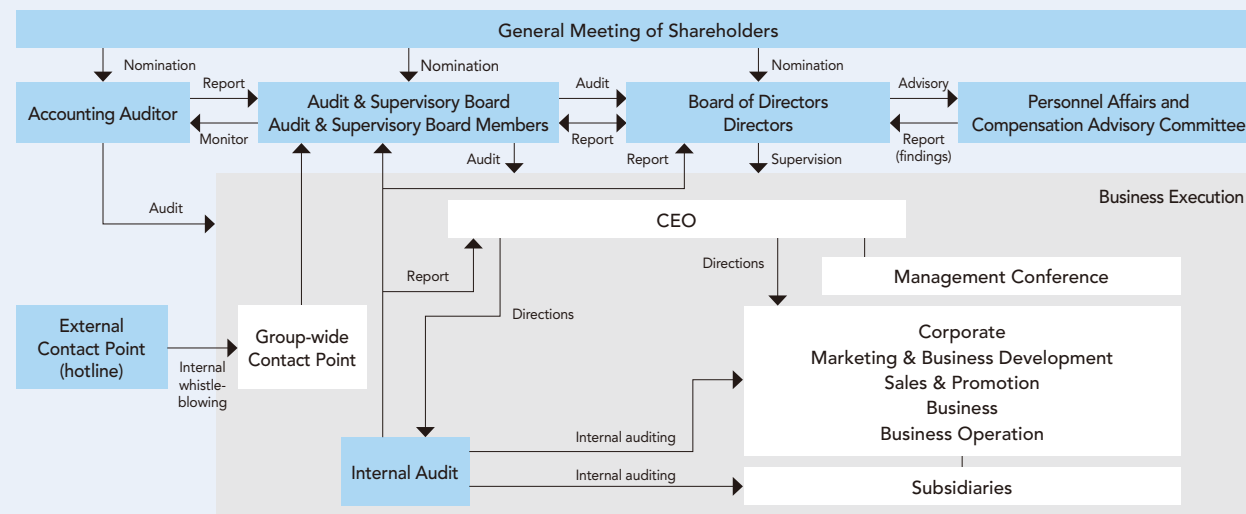
True to the Company's "enterprising spirit," and based on the corporate philosophy of providing excellent information and communications services globally to meet the diversified needs of communities worldwide in the information age, the OKI Group recognizes sustainable growth and increasing corporate value over the medium to long term as its most important management priorities in earning the trust of its various stakeholders. To this end, we are working to enhance corporate governance based on our fundamental policies, including "enhancement of management fairness and transparency," "timely decision-making processes," and "full compliance and fortification of risk management."

Corporate Governance: <https://www.oki.com/global/ir/corporate/governance/index.html>

Corporate Governance Structure

OKI maintains a corporate auditor system, with the Board of Directors and the Audit & Supervisory Board. With an executive officer system in place, it strives to promote timely decision-making processes by separating business execution and oversight. OKI also endeavors to improve the fairness and transparency of management by nominating outside directors to the Board as well as setting up a voluntary committee on nomination, remuneration, etc., so as to ensure effective supervision from an independent and objective standpoint. In addition to audits by Audit & Supervisory Board members and the Audit & Supervisory Board, OKI is making efforts toward full compliance and the fortification of risk management, such as by establishing the Risk Management Committee.

Governance Structure



Board of Directors

Number of meetings in FY2023: 13

The Board of Directors in principle meets once a month, but can call extraordinary meetings when necessary, and is responsible for deciding fundamental management policies and other important matters and overseeing business execution in accordance with laws and regulations and the Articles of Incorporation. To secure the functions of the Board of Directors, OKI selects candidates for directors by considering their diversity, such as expertise, work experience, and gender, based on a skills matrix, and—because OKI believes that it is appropriate to achieve a balance of approximately 50% internal executive directors and 50% outside directors with a high level of independence—four independent outside directors (including one female director) are appointed in order to enhance management fairness and transparency; furthermore, one of the independent outside directors is Chair of the Board of Directors. To clarify management responsibility for each fiscal year, the Articles of Incorporation stipulates that directors are appointed for single-year terms.

Main Deliberations in Fiscal Year 2023

- Progress of Medium-Term Business Plan 2025
- Revision of Environmental Vision
- Board effectiveness evaluation
- SR plan and results
- Profit management, including ROIC

Structure of Board of Directors, Personnel Affairs and Compensation Advisory Committee, and Audit & Supervisory Board

	Name	Position	Board of Directors	Personnel Affairs and Compensation Advisory Committee	Audit & Supervisory Board
Directors	Shinya Kamagami	Senior Director	○	○	
	Takahiro Mori	Representative Director and CEO	○		
	Teiji Teramoto	Representative Director and Senior Executive Vice President	○		
	Yuichiro Katagiri	Executive Vice President, Member of the Board	○		
	Shigeru Asaba	Independent Outside Director	○	◎ Chair	
	Tamotsu Saito	Independent Outside Director	○	○	
	Izumi Kawashima	Independent Outside Director	◎ Chair	○	
	Makoto Kigawa	Independent Outside Director	○	○	
Audit & Supervisory Board Members	Masashi Fuse	Standing Audit & Supervisory Board Member	△		◎ Chair
	Toshiyuki Yokota	Standing Audit & Supervisory Board Member	△		○
	Yoshihiro Tsuda	Independent Outside Audit & Supervisory Board Member	△		○
	Yasuyuki Oda	Independent Outside Audit & Supervisory Board Member	△		○
	Hiroshi Niinomi	Outside Audit & Supervisory Board Member	△		○

○ Member ◎ Board Chair and Committee Chair △ Non-member who holds right and obligation to attend

Corporate Governance

Board Effectiveness Evaluation

Each year, OKI evaluates and analyzes the Board of Directors by recognizing, sharing, and improving the direction that the Board of Directors must aim for and issues related to that undertaking for the purpose of enhancing the Board's effectiveness.

The Board of Directors discussed methods for evaluating effectiveness for fiscal year 2023 and decided that a self-evaluation would be the most suitable approach to ensure the survey and evaluation align with the Company's circumstances. On the other hand, in order to verify the objectivity and validity of the evaluation process, we have determined that it is appropriate to conduct a third-party evaluation once every few years. The next one is scheduled for fiscal year 2024.



Appointment, Dismissal, and Compensation of Directors and Executive Officers

■ Personnel Affairs and Compensation Advisory Committee

Number of meetings in FY2023: 12

OKI has established the Personnel Affairs and Compensation Advisory Committee as a voluntary body to ensure transparency in the decision-making processes and objectivity in judgment regarding appointments and dismissals of directors, as well as the compensation of Board members and executive officers. Meetings are held as appropriate, and before resolutions are passed by the Board of Directors but after the committee receives advice and deliberates from an objective perspective on appointments and dismissals of Board members and executive officers, as well as the structure and level of their compensation, etc., it reports its findings to the Board of Directors. The committee is made up of four outside directors and one non-executive internal director and is currently chaired by an independent outside director.

In fiscal year 2023, the Board of Directors mainly discussed the executive structure for achieving Medium-Term Business Plan 2025, revisions to the executive compensation system to ensure that it functions sufficiently as an incentive to improve business performance and thereby continuously improve corporate value, and the development of a long-term plan for training successors (management personnel).

■ Appointment and Dismissal of Directors and Executive Officers

When nominating and appointing candidates for directors, Audit & Supervisory Board members, and executive officers, OKI will comprehensively consider the following as well as legal eligibility:

- A person who has a noble character with wisdom, a high level of ethics, fairness, honesty, and a law-abiding spirit
- A person who realizes the OKI Group's corporate philosophy and conducts one's duties to enhance corporate value continuously
- One's length of tenure
- Audit & Supervisory Board members must have the necessary financial, accounting, and legal knowledge
- Outside directors must fulfill the OKI Group's criteria for independence

The criteria for submitting a proposal to dismiss a director, Audit & Supervisory Board member, or executive officer takes into consideration the following: the person's act violates or infringes on the law and the Articles of Incorporation; or reason arises that the person is unable to properly perform their duties. Should such an incidence occur it is immediately deliberated on.

Results of Effectiveness Evaluation of the Board of Directors

FY2022 Issues

- Enhancement of monitoring of Medium-Term Business Plan
- Enhancement of discussions on successor development plans
- Strengthening of communication with Board of Directors and business divisions

FY2023 Initiatives

- Progress report on the Medium-Term Business Plan by officers in charge of each business
- Ongoing discussions at Advisory Committee on development of human resources
- Discussion of profit management for appropriate allocation of management resources

FY2023 Issues

- Ongoing and effective monitoring of current Medium-Term Business Plan
- Further discussions on human resource development plan
- Introduction and evaluation of profit management indicators

Policy for FY2024 Initiatives

- Consideration of revisions in response to environmental changes through continuous monitoring of Medium-Term Business Plan 2025
- Flexible review of allocation of human and financial management resources, including key personnel, in line with the above
- Quick identification of risks that could hinder growth strategies and implementation of appropriate decisions to eliminate or avoid them

■ Approach to Skills Matrix

OKI believes that for the Board of Directors to fulfill its roles and responsibilities effectively, each director must apply their knowledge and experience in line with the Company's philosophy, vision, and management plans. This ensures the Board collectively has the necessary skills. The areas in which we are particularly looking for the directors to demonstrate their skills are provided below. Please refer to "Executive Officers" on page 41 for the skills matrices of each director.

Item	Description
Corporate management	Management strategies, business management, business strategies, etc., to improve the profitability of the business and strengthen the governance structure
Marketing	Promoting the creation of an ecosystem through co-creation with customers
Technology & innovation	Creating new businesses for further development and growth of the business
Human resource management	Helping employees feel motivated and empowered to perform at their best by securing and developing the human resources needed for sustainable growth
Global	Global expansion essential for securing growth opportunities
Finance & accounting / Legal affairs & risk management	Basis for decision-making related to management and business activities
Manufacture & SCM	Vital management foundation for enhancing our core strengths of Mono-zukuri and competitiveness

■ Successor Selection and Development

The selection and training plans for successor candidates for the position of president are prepared in collaboration with the incumbent president and the Personnel Affairs and Compensation Advisory Committee, taking into account our corporate philosophy and business environment and based on thorough discussions of the selection criteria and the job requirements. Specific candidates are selected objectively through a multifaceted evaluation according to a selection criteria and selection process. The Board of Directors consults the Personnel Affairs and Compensation Advisory Committee, which then deliberates and reports to the Board of Directors for a resolution before making a decision.

In terms of training, we select potential management candidates from within the Company. After management has gauged the talent pool, we provide training for management personnel and evaluate them by assigning and appointing them to key positions, such as a head of a division or as president of a subsidiary, to gain experience. In addition, we actively utilize occasions of reporting on Medium-Term Business Plan strategies and progress as opportunities for outside directors to evaluate management candidates' credentials and abilities.

Corporate Governance

Compensation for Board Members and Executive Officers

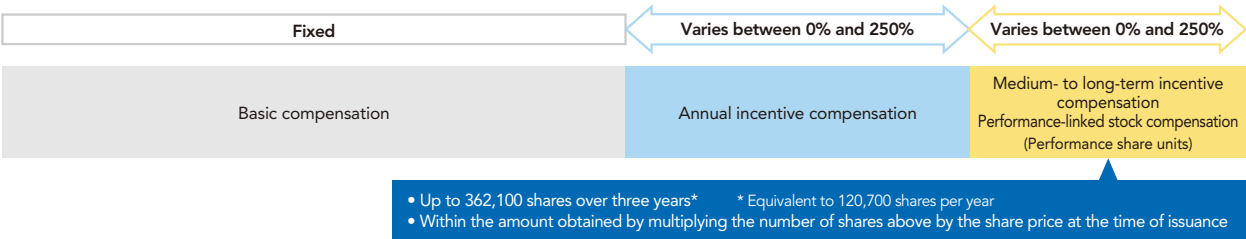
■ Basic Approach to Compensation for Board Members and Executive Officers

OKI's basic policy on compensation for directors and executive officers is to serve as incentives for performance improvement with the aim of continuous enhancement of corporate value and enforcement of corporate competitiveness while being compensation structure that can attract excellent human resources.

For further details regarding the type and content of compensation for Board members and executive officers, as well as the total value of compensation paid, please refer to our website.
<https://www.oki.com/global/ir/corporate/governance/officers.html>

■ Composition of Director Compensation

The compensation system is a part of efforts to develop an environment for a shift to management which focuses on more aggressive target setting and medium- to long-term growth for achieving sustainable growth. As for medium- to long-term incentive compensation, at the 99th Ordinary General Meeting of Shareholders on June 27, 2023, a resolution was passed to introduce a performance-linked stock compensation plan for directors. Starting from fiscal year 2023, the Company adopted a performance-linked stock compensation plan (performance share units), where shares are awarded based on the achievement level of the targets set in the three-year Medium-Term Business Plan. Compensation for outside directors consists only of basic compensation.



Types of Compensation		Description
Basic compensation	Fixed compensation	• For those serving concurrently as executive officers, compensation is determined primarily based on their executive rank and position, with payments allocated individually and distributed in monthly installments.
Annual incentive compensation		• Annual payment amounts are determined individually, linked to the OKI Group's consolidated performance and the performance of the respective department, and paid once per year. • Payout rate is determined within a range of 0% to 250% based on quantitative performance evaluation and qualitative evaluation by the president or members of the Personnel Affairs and Compensation Advisory Committee. • Set to increase performance linkage for higher executive ranks, with the amount at a 100% payout rate set between 35% and 45% of basic compensation.
Medium- to long-term incentive compensation	Performance-linked compensation	• Adopted performance-linked stock compensation (performance share units). • Performance evaluation period is set to the three-year duration of the Medium-Term Business Plan, with shares awarded after the period ends based on performance achievements (with a portion of the awarded shares paid in cash). • Payout rate is determined within a range of 0% to 250% based on the level of target achievement. • Set to increase performance linkage for higher executive ranks, with the amount at a 100% payout rate set between 15% and 20% of basic compensation. • If the Board of Directors determines that a director or other officer has committed a serious legal or regulatory violation, the right to receive shares will be forfeited (clawback clause).

■ Method for Calculating Performance-Linked Compensation

Annual incentive compensation is calculated with 80% based on a quantitative evaluation, multiplying the standard compensation amount, which is predetermined according to rank, by a performance-based coefficient, and 20% based on a qualitative evaluation. The performance evaluation indicators for the quantitative evaluation are net sales, operating income, and working capital, which have been deemed appropriate for assessing progress toward sustainable growth for the OKI Group. The quantitative evaluation consists of two components: one tied to the OKI Group's consolidated performance and the other to the performance of the relevant department.

We have adopted ROE as a performance evaluation indicator for medium- to long-term incentive compensation, recognizing it as a key measure for enhancing corporate and shareholder value while aligning interests with shareholders. We also adopted net sales and ESG indicators, including the reduction rate of CO₂ emissions at our facilities and the ratio of female executives, determining that they are appropriate for strengthening the link to the Medium-Term Business Plan to further emphasize medium- to long-term growth. The calculation method involves determining the number of shares to be granted by dividing the predetermined standard compensation amount for each rank by the share price at the start of the performance evaluation period, then multiplying the result by a performance evaluation-based coefficient. However, a portion of the granted shares will be converted into cash, based on the share price at the time of grant, and paid out accordingly.

■ Process for Determining Compensation

As for the method of determining the policy related to individual compensation for directors and executive officers, we have established the Personnel Affairs and Compensation Advisory Committee to ensure transparency and objectivity in the process of determining compensation for directors and executive officers. The committee is composed of four outside directors and one non-executive internal director, with an outside director serving as the chair. It reviews the system, levels, and other such details of compensation for directors and executive officers and submits its recommendations to the Board of Directors before the Board makes its final decision. As part of this process, we verify the appropriateness by utilizing objective evaluation data from external organizations.

Total Compensation, etc., of Directors and Audit & Supervisory Board Members

Officer classification	Total amount of compensation (Millions of yen)	Total amount of compensation by type (Millions of yen)			Number of eligible directors (Persons)
		Fixed compensation	Performance-linked compensation		
		Basic compensation	Annual incentive compensation	Medium- to long-term incentive compensation	
Directors (excluding outside directors)	254	179	47	28	5
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	46	46	—	—	3
Outside officers					
Outside directors	55	55	—	—	4
Outside Audit & Supervisory Board members	27	27	—	—	3

Notes: 1. The amount of medium- to long-term incentive compensation is the amount recognized as an expense in fiscal year 2023.
2. The reason for the difference in the number of directors (excluding outside directors) and Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members) at the end of fiscal year 2023 is that it includes officers who ended their term at the conclusion of the 99th Ordinary General Meeting of Shareholders on June 27, 2023.

Corporate Governance

Audit & Supervisory Board

Number of meetings in FY2023: 18

The Audit & Supervisory Board comprises five Audit & Supervisory Board members, three of which are outside Audit & Supervisory Board members with a high level of independence. Based on audit policies, methods, etc., decided at Audit & Supervisory Board meetings, Audit & Supervisory Board members attend Board of Directors' meetings and other important meetings, verify the content of reports received from directors, etc., and conduct investigations into matters concerning the Company's operations, financial status, etc. Collaborating closely with outside directors, the Internal Auditing Division, and the accounting auditor, Audit & Supervisory Board members audit the performance of duties by directors. In addition, the Company has assigned staff to support the auditors in their duties, operating independently and not subject to the directors' instructions.

For further details, please refer to Governance Structure on our website.
<https://www.oki.com/global/ir/corporate/governance/structure.html>

Executive Officer System

OKI appoints executive officers to implement operations in accordance with management policies determined by the Board of Directors so as to separate the functions of business execution and oversight of management and promote timely decision-making processes. Moreover, to assist the president in making decisions, the Company has established the Management Conference.

Internal Auditing

OKI has established the Corporate Administration Division, which is tasked with internal auditing and is directly connected to the president. The division's internal auditing personnel are comprised of 23 members, including two certified internal auditors and one certified fraud examiner, and, in accordance with internal audit regulations, conducts internal audits for the purpose of accurately perceiving the actual state of compliance risk management across businesses and functions in the Company's various divisions and subsidiaries, along with identifying and preventing mistakes and errors as well as corruption in the operation of internal control systems, thereby supporting operational improvements.

Internal Control

In compliance with Japan's Companies Act, OKI has adopted the Basic Policy on the Establishment of an Internal Control System at a Board of Directors' meeting, with the details of the resolution and its implementation status disclosed to the public. This basic policy aims to enhance corporate value and establish an effective internal control system that ensures legal compliance and the appropriateness and efficiency of business operations. In addition, to ensure the reliability of financial reporting and comply with the internal reporting system under the Financial Instruments and Exchange Act, we conducted internal control evaluations at OKI and major Group subsidiaries both in Japan and overseas. The evaluation results are compiled into an internal control report, submitted to the Prime Minister in June 2024 and disclosed publicly.

To strengthen the governance system of our subsidiaries, we provide guidance and support to each subsidiary in accordance with the Management Regulations for Associated Companies.

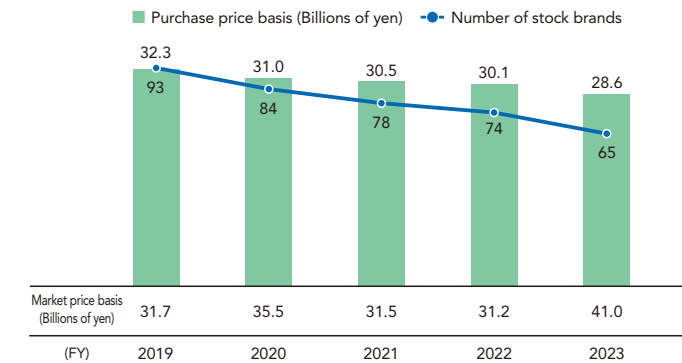
Cross Shareholdings

OKI will reduce the number of cross shareholdings in stages, verifying medium- to long-term corporate value enhancement of the Company and share-issuing company and other circumstances comprehensively. Note that by fiscal year 2025, which is the final year covered by Medium-Term Business Plan 2025, we are aiming to achieve a net asset ratio of approximately 20%. The Board of Directors reviews the Company's cross shareholdings annually. We make a decision on whether to keep each stock based on a comprehensive consideration of both quantitative and qualitative factors.

In exercising our voting rights for our cross shareholdings, we categorize bills as follows, make judgments and exercise our voting rights based on exercising criteria.





- In the case of appointing executives, we consider total number, ratio of independent directors, etc.
- In the case of executive compensation, we look at business performance, status of assets, etc.
- In the case of the appropriation of surplus, we consider business performance, retained earnings, etc.
- Special consideration will be given to anti-takeover measures, M&A, and third-party share allocation.

Cross Shareholdings



Corporate Governance

Management — Directors — (As of June 21, 2024)





				
	Shinya Kamagami	Takahiro Mori	Teiji Teramoto	Yuichiro Katagiri
Position	Senior Director	Representative Director and CEO	Representative Director and Senior Executive Vice President	Executive Vice President, Member of the Board
Career Summary	<div>Apr. 1981 Joined the Company</div> <div>Apr. 2001 Manager, Hardware Development Department No. 2, Terminal Systems Division, Systems Solutions Company</div> <div>Apr. 2005 General Manager of Systems Hardware Development Division, Systems Hardware Company, Systems Networks Business Group</div> <div>Apr. 2011 Executive Officer</div> <div>Apr. 2012 Senior Vice President</div> <div>Jun. 2014 Senior Vice President and Member of the Board</div> <div>Apr. 2016 President, Representative Director</div> <div>Apr. 2022 Representative Director and CEO</div> <div>Apr. 2023 Senior Director (current)</div>	<div>Apr. 1988 Joined the Company</div> <div>Nov. 2006 General Manager of Partner Business Dept, Domestic Sales Division, Oki Data Corporation</div> <div>Oct. 2017 Director, Deputy Head of Product Development and Business Division, and Head of Office Printing Department, Oki Data Corporation</div> <div>Apr. 2019 Managing Executive Officer, Head of Product Development and Business Division, Oki Data Corporation</div> <div>Oct. 2019 Managing Executive Officer, Head of Product Development and Business Division, and Head of Domestic Sales Division, Oki Data Corporation</div> <div>Apr. 2020 Representative Director and President, Oki Data Corporation and Executive Officer of the Company</div> <div>Apr. 2021 Executive Officer of the Company and Head of Business Collaboration Division, Components & Platforms Business Group</div> <div>Apr. 2022 COO</div> <div>Jun. 2022 Representative Director and COO</div> <div>Apr. 2023 Representative Director and CEO (current)</div>	<div>Apr. 1985 Joined Fuji Bank, Ltd.</div> <div>Apr. 2013 Executive Officer, General Manager, Investment Banking Coordination Division, Mizuho Financial Group, Inc. & Mizuho Bank, Ltd.</div> <div>Apr. 2014 Executive Officer, Europe, Middle East and Africa, Mizuho Bank, Ltd.</div> <div>Apr. 2015 Managing Executive Office, Head of Europe, Middle East and Africa, Mizuho Financial Group, Inc. & Mizuho Bank, Ltd.</div> <div>Apr. 2017 Managing Executive Officer, Mizuho Financial Group, Inc., Managing Executive Officer, Head of Global Corporate Division, Mizuho Bank, Ltd.</div> <div>Apr. 2018 Senior Managing Executive Officer, Head of the Americas, Mizuho Financial Group, Inc. & Mizuho Bank, Ltd.</div> <div>Jul. 2021 Senior Vice President of the Company, Deputy Head of Marketing & Sales Group, Deputy Head of Components & Platforms Business Group</div> <div>Apr. 2023 Executive Vice President</div> <div>Jun. 2023 Executive Vice President, Member of the Board</div> <div>Apr. 2024 Senior Executive Vice President, Representative Director, Chief Compliance Officer, Chief Financial Officer, Chief Human Resources Officer, Internal Control Administrator (current)</div>	<div>Apr. 1984 Joined the Company</div> <div>Apr. 2000 Manager, SE Department, Intelligent Transport Systems Division, Systems Solutions Company</div> <div>Apr. 2008 Senior Manager of Business Promoting Department, Government & Public Solutions Division, Systems Solutions Company, Information Systems Business Group, Systems Network Group</div> <div>Apr. 2011 Senior Manager of Intelligent Transport Systems & Safety Systems Department, Public Systems Business Division</div> <div>Apr. 2015 Executive Officer, Deputy Head of Public Systems Business Division, Senior Manager of Next Social Infrastructure Business Planning Taskforce</div> <div>Apr. 2020 Senior Executive Officer, Deputy Head of Solution Systems Business Group</div> <div>Apr. 2022 Senior Vice President, Head of Solution Systems Business Group</div> <div>Apr. 2023 Senior Vice President, Chief Quality Officer (current), Chief Environmental Officer (current), Construction Business Executive Officer (current), and President of OKI Software Co., Ltd. (current)</div> <div>Apr. 2024 Executive Vice President (current) and Head of Cross Industry Business Center (current)</div> <div>Jun. 2024 Director (current)</div>
Term of Service	10 years	2 years	1 year	—
Number of Shares Held	17,600 ordinary shares	7,200 ordinary shares	5,100 ordinary shares	5,500 ordinary shares

Skills Matrix				
Corporate Management	●	●		
Marketing	●	●	●	●
Technology & Innovation	●	●		●
Human Resource Management		●	●	
Global			●	
Finance & Accounting			●	
Legal Affairs & Risk Management	●	●	●	●
Manufacture & SCM	●			●

Note: The above list does not represent all knowledge and experience respective individuals have.
● : Required skills for directors that have been acquired as a result of business execution experience at the OKI Group (up to five skills)
○ : Outside experience and specialist knowledge the Company expects in particular

Corporate Governance

Management — Directors — (As of June 21, 2024)

				
	Shigeru Asaba	Tamotsu Saito	Izumi Kawashima	Makoto Kigawa
Position	Director Outside Independent	Director Outside Independent	Director Outside Independent	Director Outside Independent
Career Summary	<p>Apr. 1992 Associate Professor, Faculty of Economics, Gakushuin University</p> <p>Mar. 1994 Received Ph.D., Economics (University of Tokyo)</p> <p>Apr. 1997 Professor, Faculty of Economics, Gakushuin University</p> <p>Apr. 2013 Professor, Graduate School of Commerce, Waseda University</p> <p>Apr. 2016 Professor, Graduate School of Business and Finance, Waseda University (current)</p> <p>Jun. 2016 Outside Director, Nippon Beet Sugar Manufacturing Co., Ltd. (current)</p> <p>Sep. 2016 Dean, Graduate School of Business and Finance, Waseda University</p> <p>Jun. 2017 Outside Director of the Company (current)</p>	<p>Apr. 1975 Joined Ishikawajima-Harima Heavy Industries Co., Ltd. (currently IHI Corporation)</p> <p>Jun. 2006 Executive Officer, Vice President of Aero-Engine & Space Operations, Ishikawajima-Harima Heavy Industries Co., Ltd.</p> <p>Apr. 2008 Director, Executive Officer, President of Aero-Engine & Space Operations, IHI Corporation</p> <p>Apr. 2011 Executive Vice President, IHI Corporation</p> <p>Apr. 2012 President, Chief Executive Officer, IHI Corporation</p> <p>Apr. 2016 Chairman of the Board, IHI Corporation</p> <p>Jun. 2017 Outside Director, JAPAN POST INSURANCE Co., Ltd.</p> <p>Jun. 2018 Outside Director of the Company (current)</p> <p>Apr. 2020 Director of IHI Corporation</p> <p>Jun. 2020 Advisor of IHI Corporation</p> <p>Jun. 2021 Outside Director of Furukawa Electric Co., Ltd. (current)</p> <p>Jun. 2022 Outside Director, KAJIMA CORPORATION (current)</p> <p>Apr. 2023 Chairman, New Energy and Industrial Technology Development Organization (current)</p> <p>Apr. 2024 Senior Advisor of IHI Corporation (current)</p>	<p>Mar. 1985 Completed Ph. D program without dissertation, Graduate School of Law, Waseda University</p> <p>Apr. 1989 Assistant Professor, Faculty of Economics, Gifu Keizai University</p> <p>Apr. 1996 Professor, Faculty of Law, Senshu University</p> <p>Sep. 2004 Professor, Faculty of Social Sciences, Waseda University (current)</p> <p>Jun. 2016 Outside Director, Oki Electric Cable Co., Ltd.</p> <p>Jun. 2018 Outside Director of the Company (current)</p> <p>Aug. 2023 Outside Director of TAKARA & COMPANY LTD. (current)</p>	<p>Apr. 1973 Joined the Fuji Bank, Ltd.</p> <p>Apr. 2004 Managing Director of Mizuho Corporate Bank, Ltd.</p> <p>Mar. 2005 Resigned from Mizuho Corporate Bank, Ltd.</p> <p>Nov. 2005 Senior Representative Director of Yamato Holdings Co., Ltd.</p> <p>Apr. 2011 Representative Director, President and Executive Officer of Yamato Holdings Co., Ltd.</p> <p>Jun. 2016 Outside Director of Komatsu Ltd.</p> <p>Apr. 2018 Chairperson of the Board of Directors of Yamato Holdings Co., Ltd.</p> <p>Jun. 2018 Outside Director of Seven Bank, Ltd. (current)</p> <p>Jun. 2019 Outside Director of the Company (current) and Special Advisor of Yamato Holdings Co., Ltd.</p> <p>Apr. 2020 Outside Audit & Supervisory Board Member, The Higo Bank, Ltd.</p> <p>Jun. 2021 Outside Director of The Higo Bank, Ltd. (current)</p> <p>Jun. 2022 External Board Member, ICMG Co., Ltd. (current)</p> <p>Jun. 2023 Associate Director of Yamato Holdings Co., Ltd.</p>
Term of Service	7 years	6 years	6 years	5 years
Number of Shares Held	2,400 ordinary shares	6,700 ordinary shares	1,300 ordinary shares	1,100 ordinary shares

Skills Matrix

Corporate Management		○		○
Marketing	○	○		○
Technology & Innovation	○	○		
Human Resource Management	○	○	○	○
Global		○		
Finance & Accounting				○
Legal Affairs & Risk Management		○	○	○
Manufacture & SCM		○		○

Note: The above list does not represent all knowledge and experience respective individuals have.

● : Required skills for directors that have been acquired as a result of business execution experience at the OKI Group (up to five skills)

○ : Outside experience and specialist knowledge the Company expects in particular

Corporate Governance

Management — Audit & Supervisory Board Members — (As of June 21, 2024)

					
	Masashi Fuse	Toshiyuki Yokota	Yoshihiro Tsuda	Yasuyuki Oda	Hiroshi Niinomi
Position	Standing Audit & Supervisory Board Member	Standing Audit & Supervisory Board Member	Audit & Supervisory Board Member Outside Independent	Audit & Supervisory Board Member Outside Independent	Audit & Supervisory Board Member Outside
Career Summary	<p>Apr. 1984 Joined the Company</p> <p>Jun. 1994 Oki America Inc.</p> <p>Apr. 2015 Head of Accounting & Control Division of the Company</p> <p>Jun. 2015 Outside Director of SAXA Holdings, Inc.</p> <p>Apr. 2016 Executive Officer of the Company</p> <p>Apr. 2018 Senior Executive Officer, Head of Corporate Management Group</p> <p>Apr. 2019 Head of Legal Affairs & Intellectual Property Division</p> <p>Jun. 2019 Senior Executive Officer and Member of the Board</p> <p>Apr. 2020 Senior Vice President and Member of the Board, Head of Corporate Group, Internal Control Administrator</p> <p>Apr. 2022 Chief Information Officer</p> <p>Apr. 2023 Director and Associate Director</p> <p>Jun. 2023 Audit & Supervisory Board Member (current)</p>	<p>Jul. 2008 Director for The Small and Medium Enterprise Agency of Ministry of Economy, Trade and Industry</p> <p>Jul. 2009 Senior Manager for general affairs of Japan Oil, Gas and Metals National Corporation</p> <p>Jul. 2010 Commissioner for Global ICT Strategy Bureau of Ministry of Internal Affairs and Communications</p> <p>Aug. 2012 Director-General for Policy Coordination, the Ministry of Economy, Trade and Industry</p> <p>Jul. 2013 Director-General for The Small and Medium Enterprise Agency of Ministry of Economy, Trade and Industry</p> <p>Jul. 2014 President of JETRO New York</p> <p>Nov. 2016 Advisor of the Company</p> <p>Apr. 2017 Associate Director</p> <p>Apr. 2018 Executive Officer of the Company</p> <p>Jun. 2019 Outside Director of JECC corporation</p> <p>Apr. 2021 Advisor of the Company</p> <p>Jun. 2021 Audit & Supervisory Board Member (current)</p> <p>Apr. 2023 Specially Appointed Professor, Asia University Faculty of International Relations (current)</p>	<p>Mar. 1985 Joined Tohatsu Awoki & Co. (currently Deloitte Touche Tohmatsu LLC)</p> <p>Mar. 1988 Registered as Certified Public Accountant</p> <p>Jul. 1993 Detroit Office, Deloitte & Touche (US)</p> <p>Jun. 1998 Appointed as Employee (currently Partner) of Deloitte Touche Tohmatsu</p> <p>Sep. 2002 London Office, Deloitte & Touche (UK)</p> <p>Jun. 2007 Representative Partner of Deloitte Touche Tohmatsu</p> <p>Jul. 2019 Resigned from Deloitte Touche Tohmatsu LLC</p> <p>Aug. 2019 Representative of Yoshihiro Tsuda CPA Office (current)</p> <p>Sep. 2019 Audit & Supervisory Board Member of Oki Data Corporation</p> <p>Feb. 2020 Standing Audit & Supervisory Board Member of Tribeck Strategies Inc. (currently Tribeck Inc.) (current)</p> <p>Jun. 2021 Outside Audit & Supervisory Board Member of PRONEXUS Inc. (current), Outside Audit & Supervisory Board Member of the Company (current)</p>	<p>Apr. 1980 Joined Fujikura Electric Wire Corporation (currently Fujikura Ltd.)</p> <p>May 2006 GM of Finance & Accounting Div., Fujikura Ltd.</p> <p>Apr. 2009 GM of Corporate Planning Div., Fujikura Ltd.</p> <p>Apr. 2013 Executive Officer, GM of Corporate Planning Div., Fujikura Ltd.</p> <p>Jan. 2015 Executive Officer of Fujikura Ltd. and Managing Director of Fujikura Europe Ltd.</p> <p>Jun. 2016 Corporate Auditor of Fujikura Ltd.</p> <p>Jun. 2017 Member of the Board, Chairman of the Audit & Supervisory Committee of Fujikura Ltd.</p> <p>Jun. 2023 President, The Social Welfare Corporation, Fujikura Gakuen (current)</p> <p>Jun. 2024 Outside Audit & Supervisory Board Member of the Company (current)</p>	<p>Apr. 1998 Registered as Attorney with the Tokyo Bar Association</p> <p>Joined Asahi Law Offices (currently Nishimura & Asahi, Foreign Law Joint Enterprise)</p> <p>Jun. 2003 Audit & Supervisory Board Member of Dai-ichi Kangyo Asset Management Co., Ltd. (currently Asset Management One Co., Ltd.)</p> <p>Jan. 2006 Partner at Nishimura & Asahi, Foreign Law Joint Enterprise</p> <p>Jan. 2021 Office Executive Committee Partner of Nishimura & Asahi, Foreign Law Joint Enterprise</p> <p>Jun. 2024 Outside Audit & Supervisory Board Member of the Company (current)</p>
Term of Service	1 year	3 years	3 years	—	—
Number of Shares Held	20,300 ordinary shares	9,500 ordinary shares	—	—	—

Management — Executive Officers — (As of June 21, 2024)

Takahiro Mori	CEO (Chief Executive Officer) Responsible for Corporate Secretariat and Corporate Administration Division	Yuhiko Fujiwara	Executive Officer Chief Innovation Officer, Chief Digital Officer, and Head of Innovation Business Development Center	Nobuya Suzuki	Executive Officer Construction Business Executive Officer (Assistant), Responsible for Business Promotion Strategy Division, Carrier Network Business Promotion Division, Public Business Promotion Division (Business for Government & Social Infrastructure), Enterprise Business Promotion Division, Industry Business Promotion Division
Teiji Teramoto	Senior Executive Vice President Assistant to the President, Chief Compliance Officer, Chief Financial Officer, and Chief Human Resources Officer, Internal Control Administrator, Responsible for Global Marketing Center, Risk Management Division, Secretarial Division, and Legal & Intellectual Property Division	Takashi Inoue	Executive Officer Head of Component Products Division	Masaya Motosugi	Executive Officer Deputy Head of TOKKI Systems Division
Yuichiro Katagiri	Executive Vice President Assistant to the President, Chief Quality Officer, Chief Environmental Officer, Chief Construction Business Executive Officer, Head of Cross Industry Business Center, and Responsible for System Center	Hajime Inoue	Executive Officer Construction Business Executive Officer (Assistant), Head of Social Infrastructure Solutions Division	Kurato Maeno	Executive Officer Chief Technology Officer and Head of Technology Division
Hiroshi Nishimura	Senior Executive Officer Head of Electronics Manufacturing Services Division	Takashi Itou	Executive Officer Responsible for Corporate Planning Division, Sustainability Promotion & Corporate Communication Division, Business Service Center	Kei Kato	Executive Officer Head of Global Marketing Center
Yoichi Kato	Senior Executive Officer Head of TOKKI Systems Division	Shotaro Nakatsu	Executive Officer Construction Business Executive Officer (Assistant), Head of Enterprise Solutions Division	Hiroe Nakanishi	Executive Officer Head of Human Resources & General Affairs Division
		Akira Ogasawara	Executive Officer Assistant to Chief Financial Officer and Head of Accounting & Control Division		

Corporate Governance

Roundtable Discussion among Outside Directors



Tamotsu Saito
Outside Director

Izumi Kawashima
Outside Director

Makoto Kigawa
Outside Director

Shigeru Asaba
Outside Director

Allocation of Management Resources to Implement Growth Strategies

Since Medium-Term Business Plan 2025 was announced, the Board of Directors has been engaged in discussions on monitoring of the plan and allocation of management resources to implement future growth strategies. In this roundtable discussion, we invited four outside directors to share their perspectives on introducing ROIC for optimal management resource allocation, investing in human capital, and fostering innovation, including their assessments and the issues encountered.

ROIC as a Means of Implementing Growth Strategies

Asaba The steady implementation of the necessary investments to promote growth strategies is essential for the Company to achieve sustainable growth. At the Board of Directors, we are monitoring the status of implementation of those investments, focusing on R&D and human capital investments in particular.

Saito We have been paying attention to ROIC since fiscal year 2024, and I believe that a mindset of improving return on investment is gradually taking root.

On the other hand, one of the issues we are facing is the reorganization and consolidation of subsidiaries. Progress is being made, but there is still much left to do, so I feel we need to review the situation. Each subsidiary has its own administrative department, and we see this as inefficient. This is precisely why consolidation of these functions under the One Factory concept is needed. Up until now, each subsidiary has been using different systems, but we believe unifying them will help integrate the subsidiaries and significantly boost efficiency.

Kawashima From the standpoint of optimal resource allocation, the One Factory concept is extremely effective. Currently, there are many factories in Japan, but I also feel that reorganization is not progressing very smoothly. There is room for improvement, and functional reorganization and integration are necessary. In line with this, I also think that the Company needs to enhance the mobility of human resources.

Kigawa Using ROIC as a common metric, instead of evaluating by business, helps to clarify the positioning of each business. This approach represents a significant advance in streamlining and optimizing the business portfolio for the future. However, introducing the ROIC concept in businesses that are central to growth strategies can make securing investment more challenging. For that reason, it is essential to carefully assess financial tolerance and provide a clear roadmap detailing how and when returns will be generated.

Saito As Mr. Kigawa points out, ROIC may not be suitable for growth businesses that are targets of active investments. However, it is effective when considering downsizing or withdrawing from low-profitability businesses.

Asaba The ROIC perspective is crucial for all employees to fully be aware of investment efficiency. There will likely be times when the Company needs to consider withdrawing from existing mature businesses. However, we do not base downsizing or withdrawal decisions solely on ROIC. It is crucial to carefully reflect on the lessons learned from the businesses and the assets, such as technologies and customers, accumulated. It is also very important to discuss how the experience can be leveraged in growth businesses.

Kigawa We have now entered a phase where we are putting together specific growth strategies. At this stage, it is important to create a story that excites stakeholders. Things have been somewhat sluggish, but I am confident that they will improve moving forward.

Kawashima The Board of Directors is overseeing the Company through progress reports on the three-year business plan, and we are about to begin discussions on the next Medium-Term Business Plan. I hope to start early and further deepen the discussion on growth strategies, incorporating the perspectives everyone has shared.

Roundtable Discussion among Outside Directors

Human Capital Investment for Growth Strategies and New Business Creation

Saito The Personnel Affairs and Compensation Advisory Committee is discussing the overall development of human resources, including management personnel. We are also developing plans to concentrate human capital allocation in growth areas. The current challenge the Company faces is the lack of individuals with knowledge and experience across the areas of production, technology, and sales & promotion. However, by rotating personnel, I expect that it will gradually be able to develop human resources who are familiar with all aspects of the business.

Kigawa After clarifying the future strategy, it will be essential to develop a vision for human capital management that is unique to OKI and take the necessary steps to bring it to life. First, we ensure a clear understanding of the overall human resources portfolio and, with a sense of urgency, discuss whether it aligns with the strategy and how to address any gaps if there is a shortage of human resources needing development.

Human capital management can vary significantly depending on whether the primary focus is on the company or the employees. When employees have a strong desire to do or achieve something, they will naturally grow. To create this momentum, it is essential to reform the personnel system, boost employee motivation, and invest in human capital. I will be keeping a close eye on the progress in this regard.

Asaba Investing in human capital is very important. For specialist positions such as systems engineers, it would be ideal for the business divisions to proactively communicate their personnel needs for realizing growth strategies to management. However, such feedback is currently infrequent.

We have been discussing the types and number of personnel needed, focusing on whether investments and allocations for development personnel are appropriate and if there are enough engineers to support new projects as they arise. I believe that when introducing talent management in the future, it will be essential to foster healthy top-down and bottom-up discussions.

Kawashima Having only recently begun efforts to visualize human capital, a system was introduced in fiscal year 2023 to comprehensively manage personnel-related information, along with technical and other skill data that had previously been handled by individual business divisions. Once the database is fully up and running, I expect the Company to be

able to identify the location and skills of its human resources and allocate them effectively, all while keeping a broad view of the organization.

Asaba To advance overseas strategies, it is essential to establish a global database and leverage it effectively. The Company has human resources in international roles based in Japan, as well as those working in local subsidiaries overseas. I hope the Company will integrate these efforts to build a strong global human resources portfolio.

Kigawa Reforming the personnel system will require the introduction of a hybrid approach that weaves together the entire organization, rather than relying solely on the two extremes of job-based and membership-based systems. The first step toward achieving OKI's unique approach to human capital management is to integrate a horizontal framework across the vertical evaluations of each business, promoting greater mobility of human resources. I believe that by establishing a system to genuinely understand each employee's aspirations and encouraging them to take on new challenges without fear of failure, the Company can boost motivation and raise the level of human resources within the organization.

Each employee approaches their work with a positive mindset and is able to share their personal dreams. In particular, young employees are increasingly finding opportunities to express their curiosity and interest in various situations, and I hope they continue to approach their work with the same enthusiasm.



Evaluation and Expectations for Innovation Initiatives

Saito I agree with a hybrid approach. From the perspective of what makes OKI unique, I believe that to realize the key message of the corporate philosophy—Delivering OKI to your life—it would be beneficial to promote Group-based innovation that fosters the generation of new ideas. At first, I questioned whether all-hands innovation was feasible, but employee awareness has grown, and a culture of innovation has firmly taken root. The steady year-over-year increase in proposals in the annual business idea contest gives me confidence that this approach is proving effective.

Asaba The number of proposals is increasing, but we are still far from monetizing them or turning them into new business opportunities. Therefore, it is crucial to develop human resources who can properly evaluate these proposals. For example, at a certain global food manufacturer, although there were many proposals,



Roundtable Discussion among Outside Directors

there were not enough training opportunities for employees to become evaluators, so initially the president was the only one conducting the evaluations. It took about five years to develop the evaluators, after which the process began to run more smoothly. Examples like this will be a good reference for the Company.

When it comes to specific projects, crystal film bonding (CFB) looks particularly promising to me in terms of the hopes and dreams it could bring about. To create new businesses, it is also essential to utilize and analyze the IP landscape* based on technological trends.

Saito I agree. The Company should put a little more emphasis on the IP landscape. Manufacturing know-how is also a part of intellectual property, so it is a proprietary strength that should not be disclosed. I believe applying this not only to a single finished good but also using it in other areas and developing strategies by mapping out a landscape would lead to interesting developments.

Kigawa CFB has a broad range of applications and holds significant potential to become a core business. The Company needs to map out an IP landscape, consider how to integrate it into a larger growth strategy, identify the areas to protect, and then decide when to accelerate and when to expand.

Kawashima When I attend the exhibitions the Company hosts, the employees provide me with detailed explanations, and there are many interesting products and services on display. However, when it comes to actual commercialization, I feel that a level of planning is required that includes determining whether there is a competitive edge over other companies.

Kigawa Up until now, the company has been fortunate to have good customers and has grown by meeting their needs. However, it is crucial that it takes this a step further and develops a true growth strategy. Marketing is key in that regard. I believe it will be difficult for the Company to move forward unless it analyzes its competitors, identifies new monetizable areas that align with its customers' true needs, and concentrates its management resources, including human capital, in those areas.

Saito The fact that the planning does not go as far as monetization is definitely an issue. I believe the Sales & Promotion Department should be more deeply involved and carry out comprehensive competitive and market analyses.

Kigawa I believe the era of drawing up growth strategies exclusively within one's own company is over. When monetizing new technologies, we are in an era where it's essential to consider the right business partners to collaborate with and develop a partnership strategy from a global perspective. I hope the Company will take a dynamic approach to mapping this out.

Saito By extending the existing business and taking the initiative to perform on-site work at customer sites and fully understand their needs, the Company can offer solutions that address their challenges. This, in turn, can spark innovation.

Kawashima The Company's employees are reliable and diligent, with a strong sense of responsibility for getting their work done. Until now, the Company has focused on responding to customer requests, but now it needs to shift its mindset.

Saito When looking at various companies, some are better suited for a seeds-based approach. OKI's strength lies in taking on and completing tasks in response to customer requests, but it's also important to take the initiative in coming up with proposals. I look forward to further exploring which approach is better for the Company.

Kigawa It's a great step for top management to strengthen communication with the front lines and truly listen to their feedback. Additionally, by communicating the president's ideas through face-to-face meetings and the intranet, and then letting the employees see him back those ideas with actions, his attitude will become clear to employees, which I believe will give them a sense of reassurance. The president's commitment to leading change sends a clear message to employees about the importance of making significant changes.

Message to Stakeholders

Asaba The Company's key message is "Delivering OK! to your life." It has declared its commitment to balancing economic value and social value. The Board of Directors is also committed to fulfilling this declaration.

Saito Although the implementation of human capital management and the ROIC perspective is still in its early stages, the Company's performance is recovering. I want to assure the Company's stakeholders that there's much to look forward to in the future.

Kawashima With business performance recovering, the Company is now able to invest more in the future. We will also enhance our information sharing to help stakeholders better understand the Company's approach.

Kigawa I've been serving as an outside director of the Company since 2019, and under President Mori's leadership, the direction has clearly shifted, and we're starting to gain real momentum. We will continue to accelerate the pace of change, so I look forward to sharing an exciting future for OKI with you.

* Intellectual Property (IP) landscape: Developing an IP strategy by utilizing IP information analysis.



Risk Management / Compliance

Basic Approach

The OKI Group recognizes that gaining the trust of all stakeholders is the foundation for improving corporate value. We aim to contribute to the realization of comfortable and prosperous lives for people worldwide through the development of sound and sincere corporate activities rooted in social decency while adhering to all relevant laws and regulations. In the Medium-Term Business Plan 2025, we have identified “thoroughly manage risks and ensure compliance” as a key initiative under the material issue theme of “strengthening management foundation to support sustainable growth,” and we are actively working to enhance Group-wide controls.

Initiatives for Material Issues and Results

Material Issue	Key Initiative Theme	Initiatives for FY2023 to FY2025	FY2023 Results
Strengthening management foundation to support sustainable growth	Thoroughly manage risks and ensure compliance	<ul style="list-style-type: none"> Enhance the risk management structure Enhance the compliance promotion structure 	100% participation rate in compliance manager training Refer to the main text for additional information

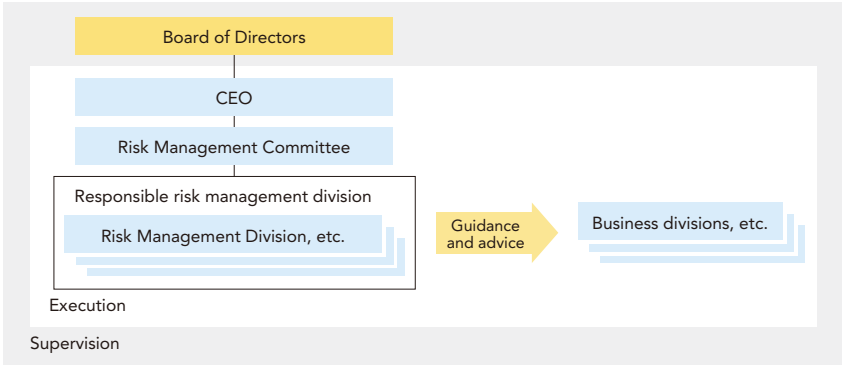
Structure

OKI has established the Risk Management Committee to discuss basic policies and key measures related to Group-wide risk management and compliance along with the policy for addressing realized risks. We are working to build and implement an effective risk management structure. The structure allows the CEO, who serves as the chair of the Risk Management Committee, to quickly identify both apparent and latent risks that could impact corporate management for timely and appropriate instruction and management decisions.

In the OKI Group, each division identifies, analyzes, and assesses its own risks, controlling them within its business activities, including operations and sales. For Group-wide risks, a responsible risk management division is selected primarily from among the corporate divisions, and the division identifies these risks, formulates control measures, and monitors them. This division also provides guidance and advice on risk management to OKI and the OKI Group companies.

Additionally, the Corporate Administration Division reviews the OKI Group’s risk management and compliance promotion structures, offering advice, recommendations, and corrective recommendation to management as necessary.

Risk Management/Compliance Promotion Structures

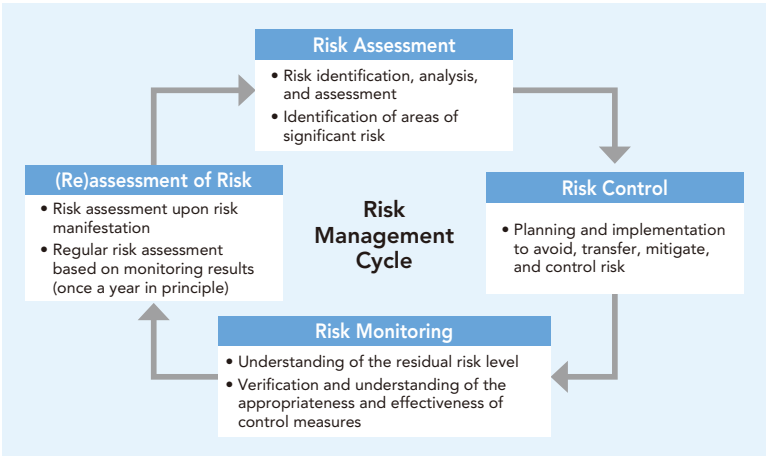


Risk Management Initiatives

Group-wide risks are identified, analyzed, and assessed by the division responsible for the relevant risk. This process helps pinpoint the location, characteristics, and magnitude of risks along with areas where significant risks reside and it is necessary to develop a structure.

The identified risks are managed by the responsible division, which develops specific control measures to avoid, transfer, mitigate, or control the risks. The division also continuously monitors the appropriateness and effectiveness of the measures. The results of monitoring and any newly emerging risks are assessed by the responsible division and incorporated into the periodic review of risk management measures (conducted once a year in principle).

We have also established the OKI Group Critical Incidents Reporting System for reporting to the Risk Management Committee when risks emerge or when there is concern that they may arise. This system enables early identification of potential issues and ensures quick risk mitigation and resolution.



Major Risks That Could Have a Significant Impact on the OKI Group’s Business or Finances

① Risks related to global political and economic trends	⑧ Risks related to procurement
② Risks related to country risk	⑨ Risks related to major patent-related contracts and technological support contracts
③ Risks related to exchange rates	⑩ Quality risks
④ Risks related to fluctuations in financial markets and interest rates	⑪ Risks related to mergers and acquisitions (M&As) and alliances
⑤ Risks related to laws and regulations	⑫ Risks related to environmental protection
⑥ Risks related to market trends, products, and services in specific businesses	⑬ Risks related to internal systems
⑦ Risks associated with innovation and technological development	⑭ Risks related to human resources

For details on risks, please refer to Business and Other Risks on our website.
<https://www.oki.com/global/ir/corporate/risk.html>

Risk Management / Compliance

Initiatives to Promote Compliance

The OKI Group has adopted the OKI Compliance Commitment at its Board of Directors' meeting and established the OKI Group Charter of Corporate Conduct and the OKI Group Code of Conduct to ensure compliance. Officers and employees of OKI and each Group company are working to raise awareness of compliance and ensure strict adherence.

In addition, to ensure the early detection and rectification of improper activities, we have established whistle-blowing and consultation contact points (including in-house, Group-wide, and external contact points) across all Group companies. The whistle-blowing system is operated based on whistle-blowing regulations, which stipulate provisions such as anonymous reporting, protection of whistle-blowers, and confidentiality obligations. In fiscal year 2023, 25 reports and consultations were received at the OKI Group in Japan.

OKI Compliance Commitment: <https://www.oki.com/global/sustainability/mng/cpcommit.html>
OKI Group Charter of Corporate Conduct / OKI Group Code of Conduct:
<https://www.oki.com/global/sustainability/mng/code.html>

Ongoing Compliance Training

In Japan, the OKI Group holds regular training sessions for compliance managers and promoters at each division and subsidiary, provides training specific to various job levels, and conducts compliance-related e-learning for all Group employees.

We also have tools in place to foster and raise awareness, including regular reporting of compliance case studies via our intranet and internal newsletters as well as compliance awareness surveys.

Furthermore, we provide a unified e-learning compliance training program for employees of overseas Group companies.

Main Compliance Training Programs (for the OKI Group in Japan) in FY2023

Training Overview	Subject Employees	Attendance Rate
Compliance manager training • Compliance lessons learned from critical incidents • Information security (Video distribution: October to November 2023)	Domestic Group managers/promoters	100% (approx. 370 persons)
Anti-Monopoly Act training (Video distribution: December 2023 to March 2024)	Domestic Group employees of related divisions	98.40% (approx. 4,100 persons)
Personal information protection and information security e-learning (regularly or as needed) (Simultaneous training: August to October 2023)	All domestic Group employees	99.40%
Workplace compliance e-learning (regularly or as needed) (Simultaneous training: December 2023 to February 2024)	All domestic Group employees	99.80%

Ensuring Fair Business Transactions

The OKI Group is committed to complying with laws and regulations and engaging in fair and open competition in all business activities and relationships across the regions where it operates.

■ Approaches to Anti-Corruption

The OKI Group has established the OKI Group Anti-Corruption and Anti-Bribery Policy as an internal regulation to prevent the risks of offering or receiving bribes and other forms of corruption, both domestically and internationally. In line with the 10th principle of the UNGC on anti-corruption, we have established management rules for recording gifts and entertainment under the policy and are promoting activities to enhance the effectiveness of anti-corruption initiatives through regular monitoring of management performance in an effort to improve both social and corporate sustainability and transparency. In fiscal year 2023, there were no violations of anti-corruption laws in any country or region within the OKI Group.

■ Ensuring Thorough Compliance with Anti-Monopoly Laws

The OKI Group has established basic rules for compliance with competition laws, outlining the fundamental principles for conducting business properly and in accordance with the competition laws and regulations in each country and region where OKI and OKI Group subsidiaries operate. In addition, we have introduced and are operating a system to record interactions with competitors, and conduct annual Anti-Monopoly Act training sessions, primarily for the Sales & Promotion divisions. In fiscal year 2023, there were no violations of anti-monopoly laws within the OKI Group.

Emergency and Disaster Response

The OKI Group has established Safety Countermeasure Committees at its sites and subsidiaries in order to “protect people’s lives,” “prevent secondary accidents,” “contribute to local communities and foster good relationships with them,” and to ensure the “continuity of business operations” in the event of disasters. We have established the Business Continuity Management (BCM) Development Guidelines and conduct regular reviews of the BCM / BCP in each division to ensure the continuity of business operations in preparation for unforeseen events.

For details, please refer to Risk Management / Compliance on our website.
<https://www.oki.com/global/sustainability/governance/compl/index.html>

Information Security

Basic Approach

As the OKI Group is building a robust IT infrastructure to support its business growth, we are working to strengthen information security from the perspective of minimizing management risks based on the policy below.

OKI Group Information Security Basic Policy: <https://www.oki.com/global/sustainability/governance/security/policy/>
OKI Group Privacy Policy: <https://www.oki.com/global/privacy/>

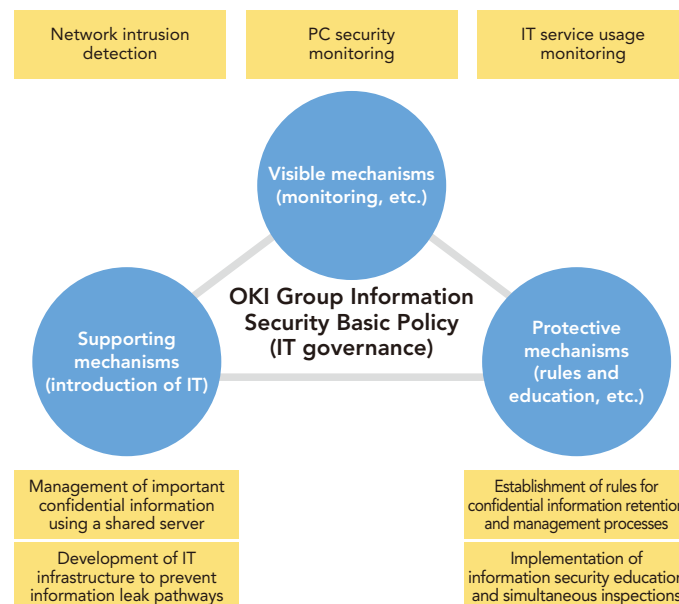
Information Security Initiatives

The OKI Group is building an IT infrastructure to support business growth. One of the ways we are working to minimize management risks is by enhancing information security. We have identified electronic information leaks and cyberattacks as risks common to the Group, as outlined by the Risk Management Committee. We clearly demonstrate that information security measures are one of the top priority areas for management as we are advancing initiatives.

In line with the OKI Group Information Security Basic Policy, we have created related regulations and operational rules. We also defined confidential information to include both customer data entrusted to us and internally processed data. Based on this definition, we are establishing rules, detailed procedures, and guidelines that cover the entire life cycle of this data—from acquisition and creation to disposal.

In accordance with the Information Security Basic Policy, we are also promoting a wide range of visibility, support, and protection measures. Furthermore, we established OKI-CSIRT* as a specialized security incident response organization tasked with strengthening our ability to prevent and respond to incidents utilizing the framework of Information Security Management System (ISMS; ISO 27001).

To enhance the reliability of system development and provision of related services, the OKI Group has obtained ISMS certification for its internal information system development and operation divisions, as well as its system design and development divisions. We are continuously working to expand ISMS certification across our Group in Japan. In fiscal year 2023, following organizational changes at OKI, we integrated ISMS certification for our sales; business; and development, production, and procurement divisions to enhance information security. As a technical



* CSIRT: Computer Security Incident Response Team

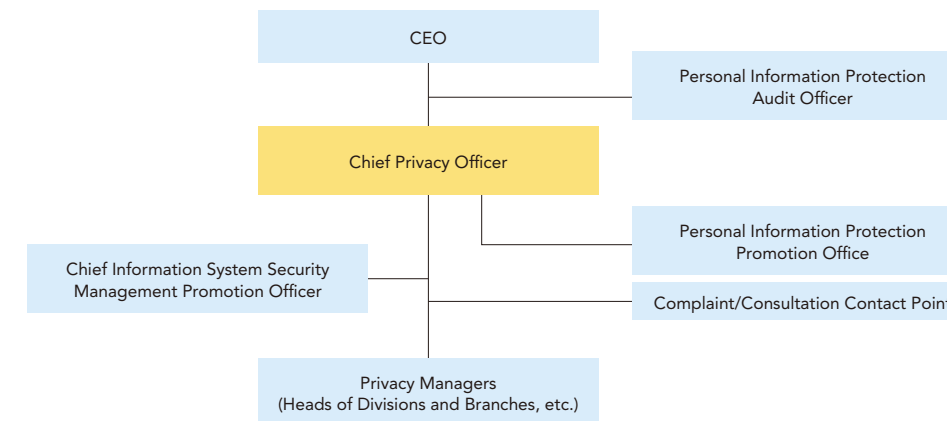
measure, we have reinforced our measures against unauthorized access by such means as incorporating multi-factor authentication into our internal authentication system.

Personal Information Protection Initiatives

The OKI Group is committed to thoroughly protecting personal information in line with its Privacy Policy. OKI is taking measures based on regulations related to personal information protection in Europe, Asia, and other overseas business regions. The website of each Group company has a cookie banner that complies with applicable regional and national privacy protection legislation and cookie regulations.

As of June 2024, eight companies within the OKI Group have been certified to use the PrivacyMark, implementing appropriate measures to protect personal information in accordance with JIS Q 15001, the Personal Information Protection Management System (PMS)—Requirements. Each year, companies granted the PrivacyMark review the personal information management records of each division, along with the list of subcontracting companies, and assess these companies. In addition, internal audits of the PMS are conducted in each division, with ongoing efforts to maintain and improve the system. These activities are subject to on-site audits by the PrivacyMark assessment organization every two years to evaluate the status of the PMS and related efforts, and they have been deemed appropriate.

Personal Information Protection Structure



For details, please refer to Information Security on our website.
<https://www.oki.com/global/sustainability/governance/security/index.html>

Quality Management

Basic Approach

Each company within the OKI Group, along with its executives and employees, strives to embody the OKI Group Quality Philosophy, which serves as the foundation of the OKI Group's quality activities, while keeping in mind the OKI Group Charter of Corporate Conduct and the OKI Group Code of Conduct. In contrast to our enduring Quality Philosophy, the OKI Group Quality Policies have been established to pinpoint timely focus areas, ensuring that quality assurance activities are consistently aligned.

OKI Group Quality Philosophy / Product Safety Basic Policy:
<https://www.oki.com/global/sustainability/social/quality/index.html>

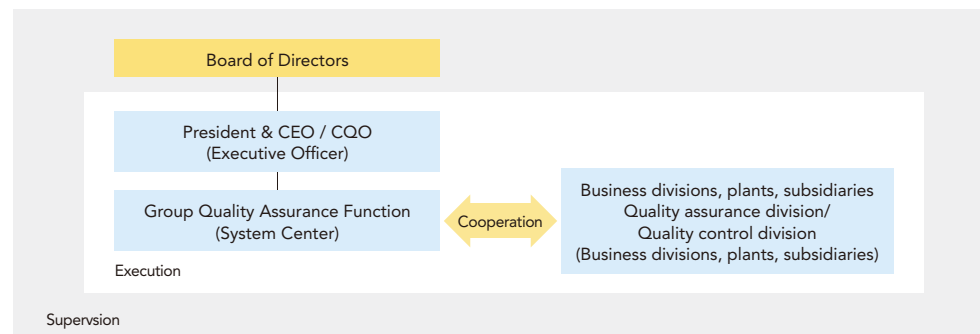


Structure

Product quality assurance in the OKI Group is achieved through the activities of all divisions and employees involved in the product life cycle. Under the leadership of the Chief Quality Officer (CQO), the Group Quality Assurance Function plans and promotes common quality activities, such as quality compliance initiatives and measures to enhance communication between quality divisions across the Group. The quality divisions of business divisions, plants, and subsidiaries implement measures to maintain and improve the quality of products in each business field. These sections and divisions also collaborate with one another to drive Group-wide initiatives.

In line with organizational changes in fiscal year 2023, OKI has integrated the previously separate Quality Management Systems (QMS) built within each business division, with the aim to standardize business processes, improve operational efficiency, and enhance overall organizational performance.

Quality Management Structure



Key Initiatives

① Enhancing QMS Effectiveness (Integration of Management Systems and Organizational Structure)

The previously separate QMS established for each business division were integrated in September 2023.

Objective	To establish a unified QMS structure and align the management system with the Company's organizational structure
Effect	Improved effectiveness of the QMS, ensuring and enhancing product quality, and a reduction in the number of external audits from five times per year to once a year

② Promoting Quality Compliance (Preventing Quality Fraud)

Various activities are continuously carried out based on the quality compliance promotion plan.

Key initiatives include on-site investigations conducted by internal third-party departments, quality compliance inspections where departments plan and implement self-improvements to enhance internal oversight, and quality compliance education for all employees.

Objective	To prevent quality fraud through quality compliance promotion activities
Effect	Achieved zero cases of quality fraud across the entire Group

③ Quality Communication

During Quality Month (November), we hold quality dialogues led by the CEO, CQO, and quality divisions.

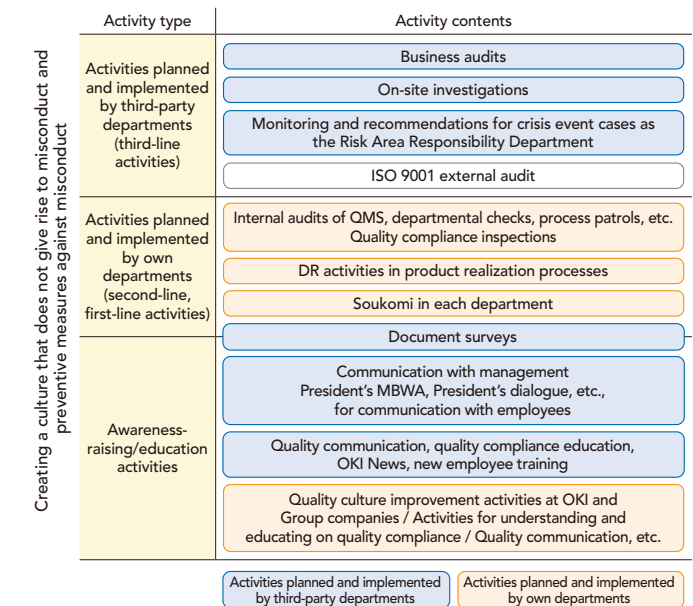
Objective	To create opportunities for quality-related communication during Quality Month by facilitating open exchanges with top management and quality divisions, aiming to enhance two-way communication (internally referred to as "Soukomi") and build a human network
Effect	Through open discussions, participants gain a better understanding of the management's thoughts and commitment to quality. Additionally, it promotes the sharing of initiatives among quality divisions and encourages cross-divisional communication.

④ Maintaining and Improving the Quality of Products and Services in Each Business Area

In business divisions, plants, and subsidiaries, continuous improvement efforts are applied across all processes—from design and development to manufacturing and maintenance—to ensure the consistent maintenance and enhancement of product quality, always striving to meet customer satisfaction.

Please refer to the website for details. <https://www.oki.com/global/sustainability/social/quality/index.html>

Quality Compliance Promotion Activities System Diagram



Supply Chain Initiatives

Basic Approach

To support the Mono-zukuri infrastructure, the OKI Group aims to strengthen collaboration between plants and optimize efficiency and QCD* through Group-wide production and procurement activities. In procurement activities, the Group recognizes that the cooperation of its suppliers is essential for sustainable corporate activities that meet the expectations of stakeholders. Accordingly, it strives to build trust-based relationships, promoting stable material procurement, and advancing CSR initiatives throughout the supply chain.

* QCD: Quality, Cost, and Delivery

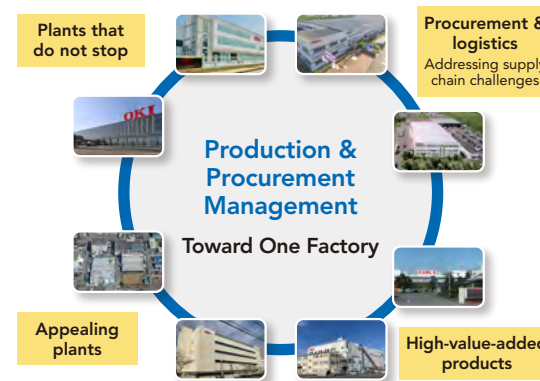
OKI Group Procurement Policies: <https://www.oki.com/global/sustainability/social/procure/policy.html>
 OKI Group Supply-Chain CSR Deployment Guidebook:
https://www.oki.com/global/sustainability/social/procure/pdf/csrguide_202106.pdf
 Declaration of Partnership Building: <https://www.biz-partnership.jp/declaration/68-05-22-tokyo.pdf> (in Japanese only)

Structure

In April 2023, OKI established the Production & Procurement Management Division to integrate all of the Company's production sites and procurement divisions. This initiative is part of the Virtual One Factory concept, which aims to organically connect each production site and enhance the Group's overall Mono-zukuri strength through improved cost competitiveness and maximization of added value.

The Production & Procurement Management Division oversees each production site and takes a cross-functional approach to execution, enhancing cooperation between plants and promoting smart plants based on the following key concepts: plants that do not stop, appealing plants, and high-value-added products.

The procurement and logistics divisions under the Production & Procurement Management Division work closely with each plant and businesses to address supply chain challenges from a Group-wide perspective.



From Virtual One Factory to One Factory

The Virtual One Factory concept aims to strengthen collaboration between multiple factories by sharing different factory operations, merging them as if they were a single entity. In fiscal year 2023, infrastructure preparations (such as standardizing development environments previously optimized by each business, consolidating production technologies, and promoting human exchange) and fostering a sense of unity were advanced toward realizing this concept. Additionally, the active sharing of production innovation examples aimed at creating appealing plants increased. From April 2024, it will no longer be virtual, as the initiative evolves into One Factory, further honing the OKI Group's Mono-zukuri strengths.

Initiatives for Material Issues and Results

Material Issue	Key Initiative Theme	Initiatives for FY2023 to FY2025	FY2023 Result
Strengthening management foundation to support sustainable growth	Promote responsible procurement activities	Continuous implementation of CSR procurement promotion program	Conducted a self-assessment survey with 38 suppliers

Initiatives for Ensuring Stable Procurement of Materials

In light of increasing risks such as global material shortages triggered by the intensification of natural disasters, pandemics, and conflicts, ensuring the stable supply of materials has become a critical issue in supply chain management. OKI has positioned procurement risk as one of the common risks that must be managed across the Group and is strengthening its efforts in this area. As part of its procurement BCP, OKI has developed procedural manuals to be applied in the event of a disaster, regularly surveys the locations of suppliers' manufacturing sites, and continuously improves communication methods for emergencies.

Additionally, through regular meetings between procurement divisions, including subsidiaries, OKI promptly shares information on the supply status of materials from suppliers. We also provide access to inventory across the Group, searching for products in stock in the market, placing orders early to meet extended lead times, and using alternative products.

CSR Procurement Initiatives

To assess risks related to human rights, labor, occupational health and safety, and the environment within the supply chain, OKI conducts a CSR procurement promotion program based on the OKI Group Supply-Chain CSR Deployment Guidebook*¹. As part of a three-year plan starting in fiscal year 2021, OKI conducted a self-assessment survey targeting approximately 300*² suppliers, out of the roughly 2,000 suppliers accounting for 90% of the transaction value, selected based on transaction details and the location of their facilities. OKI provided feedback to suppliers with low overall scores or particularly low scores in specific areas, engaging in communication to understand the situation and support corrective actions*³. In fiscal year 2023, OKI reviewed the target companies and conducted the survey with 38 companies, finding no concerns with any of the suppliers. Going forward, OKI will continue to enhance CSR procurement by reviewing the survey items and target range as needed.

*¹ In accordance with the Responsible Business Conduct Guidelines by the Japan Electronics and Information Technology Industries Association (JEITA).

*² At the start of the survey. Due to supplier consolidation and other factors, there were 206 suppliers as of fiscal year 2023.

*³ Examples of feedback items: environment, fair trade and ethics, information security, business continuity planning, and management systems.

CSR Procurement Survey Results (cumulative)

FY	2021	2022	2023
Number of companies surveyed	61	168	206
Response rate	84%	73%	77%
Number of companies provided with feedback	5	6	6

For details on our CSR procurement initiatives and responsible minerals procurement, please refer to our website.
<https://www.oki.com/global/sustainability/social/procure/sc.html>

ESG Data

Environmental

	FY2020	FY2021	FY2022	FY2023
Greenhouse gas (GHG) emissions*1 *2				
Scope 1 (t-CO ₂)	9,750	9,730	8,500	8,100
Scope 2 (t-CO ₂)	68,700	65,900	62,400	51,800
Scope 1+2 (t-CO ₂)	78,500	75,600	70,900	59,900
Greenhouse gas emission basic unit (Scope 1+2) (t-CO ₂ /million yen)	0.200	0.215	0.192	0.142
Scope 3 (t-CO ₂)	1,450,000	1,410,000	1,360,000	1,510,000
Energy consumption*3				
Total (MWh)	444,000	440,000	414,000	354,000
Amount of introduced renewable energy*3 (MWh)	65	86	6,650	36,700
Waste				
Total amount of waste*4 (t)	12,800	16,400	13,700	12,400
Recycling rate*5 (%)	81	86	85	86
Water used				
Total amount used (m ³)	1,729,000	1,724,000	1,692,000	1,596,000
Total amount of wastewater (m ³)	1,571,000	1,547,000	1,516,000	1,492,000
Amount of chemical substances used*6				
Amount used (t)	552	517	477	359
Quantity of emissions (atmosphere/water system) (t)	9	9	6	9
Amount transferred (waste/product/sewage) (t)	42	46	36	28

*1 Calculated according to the Greenhouse Gas Protocol Initiative classifications.

*2 We undergo third-party verification annually, and the data may be subject to revision based on this process. Please check the website below for the most up-to-date data reflecting the third-party verification conducted for fiscal year 2024. (The above data has been revised, including past figures, based on the findings from the third-party verification conducted in fiscal year 2023.)
<https://www.oki.com/global/sustainability/eco/data/index.html>

*3 The total amount of electricity generated by equipment of OKI's facilities plus the total amount of renewable energy certificates purchased, such as Non-Fossil Certificates and J-Credits.

*4 Only routine waste from sites included; excludes waste resulting from large-scale construction, relocation, etc.

*5 Recycling rate = Recycling amount / Total amount of waste (including the valuable sale amount)
(To properly evaluate Company initiatives as indicated by target values, waste resulting from construction and relocation are excluded regardless of size.)

*6 Handling volume of major chemical substances related to the PRTR Law (Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof).

Social

	FY2020	FY2021	FY2022	FY2023
Number of employees (numbers in parentheses are for OKI alone)				
Male	15,639 (4,395)	14,850 (4,760)	14,452 (4,740)	14,439 (4,648)
Female	12,054 (3,819)	11,400 (4,117)	11,123 (4,077)	10,860 (3,959)
	3,585 (576)	3,450 (643)	3,329 (663)	3,579 (689)
Number of temporary workers				
Male	2,444 (461)	2,598 (416)	2,740 (563)	3,016 (708)
Female	1,456 (284)	1,604 (289)	1,711 (411)	1,900 (542)
	988 (177)	994 (127)	1,029 (152)	1,116 (166)
Number of employees by region				
Japan	15,639	14,850	14,452	14,439
Asia and others	12,271	11,992	12,086	11,568
Americas	2,926	2,600	2,150	2,671
Europe	120	46	40	36
	322	212	176	164
Management gender ratio (numbers in parentheses are for OKI alone)*5 *6 (%)				
Male	94.7 (96.7)	94.9 (96.4)	94.3 (96.1)	93.6 (94.9)
Female	5.3 (3.3)	5.1 (3.6)	5.7 (3.9)	6.4 (5.1)
Average length of service*1 (years)				
Male	19.5	19.9	19.9	19.6
Female	19.9	20.6	20.7	20.4
	16.2	15.4	15.1	15.0
Average monthly hours of overtime*1 (hours/month)				
	24.93	27.40	26.15	27.56
Gender pay gap*1 *6 (%)				
All workers	–	–	70.0	71.0
Of which, regular employees	–	–	73.2	73.3
Of which, non-regular employees	–	–	67.2	62.5
Paid leave usage rate*1 (%)				
	54.1	59.8	62.2	67.6
Percentage of workers taking childcare leave*1 *4 (%)				
Male	56.7	63.8	82.9	79.3
Female	50.6	52.9	81.7	78.6
	100.0	116.7	87.5	81.8
Employment rate of persons with disabilities*2 (%)				
	2.45	2.44	2.60	2.72
Number of hires (new graduates)*3				
Male	266	259	240	287
Female	206	196	175	217
	60	63	65	70
Number of hires (mid-career)*3				
Male	36	46	66	114
Female	29	41	50	88
	7	5	16	26
Rate of employee turnover*3 (%) (numbers in parentheses are for OKI alone)				
	1.4 (1.3)	1.8 (1.6)	2.4 (2.3)	2.5 (2.6)
Rate of voluntary employee turnover*3 (%) (numbers in parentheses are for OKI alone)				
	1.2 (1.1)	1.6 (1.5)	2.2 (2.2)	2.3 (2.2)
Average annual hours of education and training per employee*1 (hours)				
	15.6	17.0	23.2	20.3
Average annual education and training expenses per employee*1 (yen)				
	64,314	60,644	68,551	76,660
Health checkup participation rate*1 (%)				
	100.0	100.0	100.0	100.0
Incidence rates of occupational accidents*1 *7				
	0.00	0.09	0.00	0.00
Severity rate of occupational accidents*1 *8				
	0.00	0.00	0.00	0.00

*1 OKI alone

*2 Aggregate figures for seven special subsidiary companies in Japan

*3 Domestic consolidated subsidiaries

*4 This figure is calculated based on the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991), in accordance with Article 71-4, Item 2 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labour No. 25 of 1991), covering the percentage of workers taking childcare leave and leave for childcare purposes.

*5 The figures presented reflect the results as of the end of each fiscal year. However, for OKI's single-year results in fiscal year 2023, the figures for the female management ratio are based on the target set at the start of the fiscal year under the General Employer Action Plan in accordance with the Act on the Promotion of Women's Active Engagement in Professional Life. Therefore, the figures as of the beginning of fiscal year 2024 are shown.

*6 Calculated in accordance with the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).

*7 Number of casualties due to occupational accidents per million man-hours worked, representing the frequency of occupational accidents.

*8 Total number of lost workdays per thousand man-hours worked, representing the severity of occupational accidents.

ESG Data

Governance

Number of Directors and Audit & Supervisory Board Members	June 2021	June 2022	June 2023	June 2024
Number of directors	9	9	8	8
Number of outside directors	4	4	4	4
(Number of outside directors designated as independent officers)	4	4	4	4
Number of female directors	1	1	1	1
Number of outside directors with business management experience	2	2	2	2
Number of Audit & Supervisory Board members	5	5	5	5
Number of outside Audit & Supervisory Board members	3	3	3	3
(Number of outside Audit & Supervisory Board members designated as independent officers)	3	3	3	2
Number of female Audit & Supervisory Board members	0	0	0	0

Board of Directors' Attendance Rate (%)	FY2020	FY2021	FY2022	FY2023
Overall attendance rate by directors	100	100	98.2	100
Overall attendance rate by Audit & Supervisory Board members	97.5	100	100	100

Total Compensation, etc., of Directors and Audit & Supervisory Board Members	FY2020 (no. of applicable executives)	FY2021 (no. of applicable executives)	FY2022 (no. of applicable executives)	FY2023 (no. of applicable executives)
Directors excluding outside directors (millions of yen)	265 (5)	234 (6)	238 (6)	254 (5)
Audit & Supervisory Board members excluding outside Audit & Supervisory Board members (millions of yen)	46 (2)	46 (3)	46 (2)	46 (3)
Outside directors (millions of yen)	46 (4)	53 (4)	55 (4)	55 (4)
Outside Audit & Supervisory Board members (millions of yen)	17 (4)	24 (3)	27 (3)	27 (3)

* Total compensation, etc., includes compensation, etc., of directors and Audit & Supervisory Board members who retired at the close of each fiscal year's Ordinary General Meeting of Shareholders.

Cross Shareholdings	FY2020	FY2021	FY2022	FY2023
Number of stock brands	84	78	74	65
Total value recorded on balance sheet (billions of yen)	35.5	31.5	31.2	41.0

Compliance and Fair Corporate Activities	FY2020	FY2021	FY2022	FY2023
Number of incidents related to bribery and corruption	0	0	0	0
Number of cases consulted to consultation and reporting contacts*1	41	23	42	25
Participation rate of compliance manager training*2 (%)	100	100	100	100
Participation rate of workplace compliance training*3 (%)	100	99.9	99.9	99.8
Corporate donations, lobbying activities, etc., expenditures*4 (millions of yen)	0	0	0	0

*1 Domestic OKI Group
*2 Domestic OKI Group managers and promoters
*3 All domestic OKI Group employees
*4 OKI alone

External Evaluations

ESG Indexes in Which OKI Is Included



FTSE Blossom
Japan Index



FTSE Blossom
Japan Sector
Relative Index



2024 CONSTITUENT MSCI NIHONKABU
ESG SELECT LEADERS INDEX

Morningstar Japan
ex-REIT Gender
Diversity Tilt Index

Notes: 1. FTSE Russell confirms that OKI has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Index and the FTSE Blossom Japan Sector Relative Index. Created by the global index and data provider FTSE Russell, the FTSE Blossom Japan Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE Blossom Japan Index and the FTSE Blossom Japan Sector Relative Index are used by a wide variety of market participants to create and assess responsible investment funds and other products.
<https://www.lseg.com/en/ftse-russell/indices/blossom-japan>
2. The inclusion of OKI in any MSCI index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of OKI by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.

Evaluations by External Organizations



CDP Climate
Change A-
(OKI)



Eruboshi Certification
(OKI, OKI Crosstech)



Sports Yell
Company
(OKI)



Resilience
Certification for
contribution to
national resilience
(OKI)



Health & Productivity
Management
Outstanding
Organization
(OKI, OKI Crosstech)



Platinum Kurumin Certification
(OKI, OKI Circuit Technology)
Kurumin Certification
(OKI Software, OKI Crosstech)

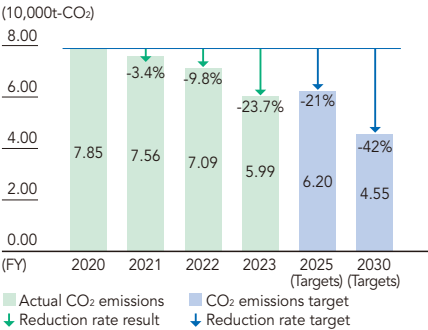
Financial and Non-Financial Highlights

	(FY)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net sales		483.1	540.2	490.3	451.6	438.0	441.5	457.2	392.9	352.1	369.1	421.9
Overseas sales ratio (%)		30.2	36.7	33.5	29.1	26.8	22.6	19.7	15.2	15.6	16.5	11.8
Operating income		27.2	32.4	18.6	2.5	7.7	17.5	16.8	8.9	5.9	2.4	18.7
Profit (loss) attributable to owners of parent		27.4	33.1	6.6	4.7	5.9	8.4	14.1	(0.8)	2.1	(2.8)	25.6
Capital expenditures (tangible/intangible)* ¹		10.2	11.5	11.7	14.2	10.3	14.2	19.2	16.3	22.3	18.7	16.0
Depreciation (tangible/intangible)* ¹		10.8	10.8	11.2	13.6	12.2	11.6	11.9	11.8	11.5	11.3	13.2
R&D expenses		13.0	13.8	13.3	10.3	8.4	10.7	10.6	11.2	11.5	9.6	12.5
Cash flows from operating activities		31.9	41.0	(3.6)	42.0	15.6	6.4	32.5	17.4	5.9	(3.1)	24.7
Cash flows from investing activities		(14.0)	(18.6)	(13.8)	7.6	(10.5)	(12.1)	(3.0)	(13.8)	(17.6)	(17.6)	(14.3)
Free cash flow		17.9	22.4	(17.3)	49.6	5.1	(5.7)	29.5	3.6	(11.7)	(20.7)	10.4
Cash flows from financing activities		(4.3)	(20.7)	11.1	(44.0)	(11.5)	(13.0)	(9.2)	(8.9)	1.7	23.3	(15.7)
At Year-End												
Total assets		412.5	439.4	411.8	360.7	371.8	365.5	372.5	371.5	369.2	390.4	423.4
Interest-bearing debt (including lease obligations)		126.5	114.3	130.3	96.7	93.6	93.4	97.7	94.8	100.8	128.6	118.4
Shareholders' equity		88.7	119.6	106.7	96.9	100.2	99.9	106.2	111.4	107.4	99.1	141.2
Financial Indicators												
Operating income margin (%)		5.6	6.0	3.8	0.6	1.8	4.0	3.7	2.3	1.7	0.7	4.4
Net D/E ratio		0.9	0.5	0.8	0.5	0.5	0.7	0.5	0.5	0.6	0.9	0.6
ROE (%)		37.8	31.8	5.8	4.6	6.0	8.4	13.7	(0.8)	1.9	(2.7)	21.4
Shareholders' equity ratio (%)		21.5	27.2	25.9	26.9	26.9	27.3	28.5	30.0	29.1	25.4	33.3
Per Share Indicators* ²												
Net income (loss) (yen)		36.21	40.03	76.10	54.03	67.86	97.16	162.80	(9.47)	23.85	(32.33)	295.93
Dividend (yen)		3	5	50	50	50	50	50	20	30	20	30

*1 Capital expenditures and depreciation up to fiscal year 2015 are for tangible assets only.

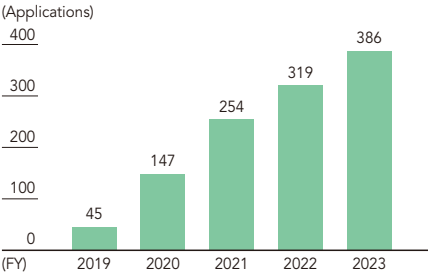
*2 With October 1, 2016 as the effective date, we implemented a reverse stock split at a ratio of 1 share for every 10 shares of common stock. Accordingly, the per share indicators above are calculated assuming that the reverse stock split was carried out at the beginning of fiscal year 2015.

CO₂ Emissions and Reduction Rate from OKI Sites (Compared to FY2020)



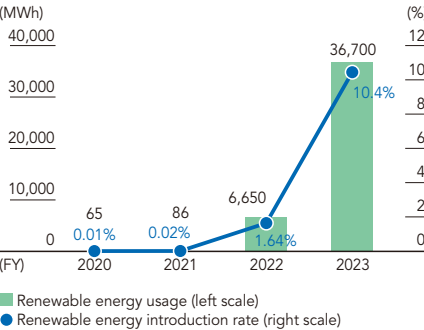
Based on the OKI Group Environmental Vision in accordance with the SBT (Science Based Targets for greenhouse gas reduction consistent with the Paris Agreement), we have set a target of 42% CO₂ reduction (compared to fiscal year 2020) from our sites in fiscal year 2030 and net zero emissions in 2050, and are promoting initiatives from a medium-to long-term perspective.

Number of Applications for the Yume Pro Challenge



In order to realize “full participation innovation,” OKI is developing talent through innovation training for all job categories and building an innovation management system. There is an increasingly high number of applications each year for the Yume Pro Challenge, our business idea contest for sustainably creating new businesses, and some cases of commercialization have begun to emerge.

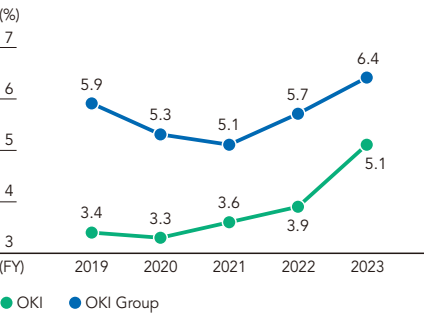
Renewable Energy Usage and Introduction Rate*



To achieve the SBT 1.5°C target, we have been promoting thorough energy conservation as well as the introduction of renewable energy. We have been strengthening our introduction of renewable energy since fiscal year 2022, installing solar panels on our own facilities, as well as purchasing Non-Fossil Certificates and other renewable energy certificates.

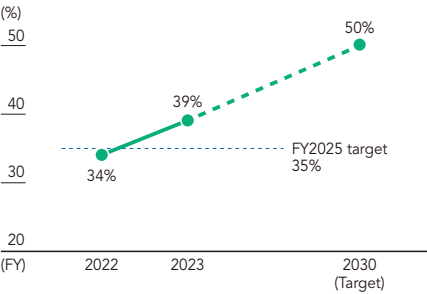
* Total amount of electricity generated for equipment at our facilities and purchased renewable energy certificates, such as Non-Fossil Certificates that are applied to the amount of energy used, and percentage of total energy usage.

Female Management Ratio



OKI's target is to increase the female management ratio to at least 5% (OKI) by April 2026. In the future, we aim to achieve an equal ratio of female managers proportional to female employees, and will strengthen our initiatives to encourage female employees to play an active role.

Environmentally Contributing Product Net Sales Ratio



We aim to create and expand environmentally contributing products, including products that address climate change, and are strengthening our environmental initiatives through our core business, including revising our definitions in light of the external situation. Our target is to have net sales of environmentally contributing products account for 50% of total Group net sales by fiscal year 2030.

Positive Response Rate on the Job Satisfaction Item in Employee Awareness Surveys



Our target is to increase the positive response rate for items related to job satisfaction in the employee awareness survey to 70% (Domestic OKI Group) by fiscal year 2025. We are implementing a variety of initiatives aimed at improving the ease of work and job satisfaction for each and every employee.

Consolidated Balance Sheets [Unaudited]

Ok Electric Industry Co., Ltd. and consolidated subsidiaries
As of March 31, 2024

	Millions of yen		Thousands of U.S. dollars
ASSETS	2024	2023	2024
Current assets:			
Cash and deposits	¥ 35,044	¥ 37,746	\$ 232,079
Notes and accounts receivable, and contract assets	114,115	94,598	755,728
Lease receivables and investments in leases	5,866	7,619	38,847
Finished goods	17,981	20,224	119,079
Work in process	17,380	21,135	115,099
Raw materials and supplies	35,409	35,076	234,496
Other, net	13,909	13,847	92,112
Allowance for doubtful receivables	(19)	(57)	(125)
Total current assets	239,687	230,191	1,587,331
Non-current assets:			
Property, plant and equipment:			
Buildings and structures	24,951	25,179	165,238
Machinery, equipment and vehicles	8,654	8,546	57,311
Tools, furniture and fixtures	8,845	7,099	58,576
Land	15,979	15,929	105,821
Construction in progress	2,138	4,204	14,158
Total property, plant and equipment	60,569	60,959	401,119
Intangible assets	15,924	16,349	105,456
Investments and other assets:			
Investments in securities	43,336	34,115	286,993
Asset for retirement benefits	37,234	27,192	246,582
Long-term trade receivables	21,791	24,941	144,311
Other, net	15,167	14,453	100,443
Allowance for doubtful receivables	(10,313)	(17,777)	(68,298)
Total investments and other assets	107,218	82,925	710,052
Total non-current assets	183,711	160,234	1,216,629
Total assets	¥423,399	¥390,425	\$2,803,966

Note: For convenience, figures in U.S. dollars are converted at the approximate exchange rate of 1 U.S. dollar = 151 yen as of March 31, 2024.

	Millions of yen		Thousands of U.S. dollars
LIABILITIES	2024	2023	2024
Current liabilities:			
Notes and accounts payable	¥ 64,030	¥ 60,653	\$ 424,039
Short-term borrowings	60,012	86,714	397,430
Income taxes payable	4,349	2,040	28,801
Other current liabilities	59,976	55,843	397,192
Total current liabilities	188,369	205,252	1,247,476
Long-term liabilities:			
Long-term borrowings	50,017	31,268	331,238
Lease obligations	5,119	6,905	33,900
Deferred tax liabilities	5,072	11,111	33,589
Liability for retirement benefits	27,887	30,906	184,682
Other current liabilities	5,619	5,703	37,211
Total long-term liabilities	93,715	85,894	620,629
Total liabilities	282,084	291,146	1,868,105
NET ASSETS			
Shareholders' equity:			
Capital stock	44,000	44,000	291,390
Additional paid-in capital	18,960	18,994	125,562
Retained earnings	73,622	49,705	487,562
Treasury stock, at cost	(761)	(841)	(5,039)
Total shareholders' equity	135,820	111,858	899,470
Accumulated other comprehensive income:			
Net unrealized holding gain (loss) on other securities	9,069	1,077	60,059
Loss on deferred hedges	(10)	(32)	(66)
Translation adjustments	(7,020)	(8,341)	(46,490)
Retirement benefits liability adjustments	3,315	(5,473)	21,953
Total accumulated other comprehensive income	5,353	(12,770)	35,450
Subscription rights to shares	73	121	483
Non-controlling interests	65	69	430
Total net assets	141,314	99,279	935,854
Total liabilities and net assets	¥423,399	¥390,425	\$2,803,966

Consolidated Statements of Income [Unaudited]

Oki Electric Industry Co., Ltd. and consolidated subsidiaries
Year ended March 31, 2024

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Net sales	¥421,854	¥369,096	\$2,793,735
Cost of sales	316,443	282,903	2,095,649
Gross profit	105,411	86,192	698,086
Selling, general and administrative expenses	86,718	83,789	574,291
Operating income	18,692	2,403	123,788
Non-operating income			
Interest income	1,094	147	7,245
Dividend income	1,401	1,243	9,278
Foreign exchange gain	500	–	3,311
Gain on sale of investments in securities	–	343	–
Other	1,571	1,501	10,403
Total non-operating income	4,569	3,236	30,258
Non-operating expenses			
Interest expenses	2,289	1,853	15,158
Foreign exchange losses	–	1,318	–
Commission for syndicated loans	678	183	4,490
Other	1,999	2,613	13,238
Total non-operating expenses	4,967	5,968	32,894
Ordinary income (loss)	18,293	(328)	121,145
Extraordinary income			
Gain on sale of investments in securities	1,390	–	9,205
Total extraordinary income	1,390	–	9,205
Extraordinary loss			
Loss on sale and disposition of fixed assets	1,481	–	9,807
Total extraordinary loss	1,481	–	9,807
Profit (loss) before income taxes	18,202	(328)	120,543
Income taxes			
Current	3,562	2,239	23,589
Deferred	(11,014)	216	(72,940)
Total income taxes	(7,452)	2,456	(49,350)
Profit (loss)	25,654	(2,784)	169,894
Profit attributable to non-controlling interests	5	16	33
Profit (loss) attributable to owners of parent	¥ 25,649	¥ (2,800)	\$ 169,860

Consolidated Statements of Comprehensive Income [Unaudited]

Oki Electric Industry Co., Ltd. and consolidated subsidiaries
Year ended March 31, 2024

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Profit (loss)	¥25,654	¥(2,784)	\$169,894
Other comprehensive income			
Net unrealized holding gain (loss) on other securities	7,988	46	52,900
Gain (loss) on deferred hedges	21	(54)	139
Translation adjustments	1,325	731	8,774
Retirement benefits liability adjustments	8,788	(3,685)	58,198
Share of other comprehensive income of entities accounted for using equity method	3	–	19
Total other comprehensive income	18,128	(2,962)	120,052
Comprehensive income	¥43,783	¥(5,746)	\$289,953
Comprehensive income attributable to:			
Owners of the parent	¥43,773	¥(5,766)	\$289,887
Non-controlling interests	¥10	¥20	\$66

Consolidated Statements of Changes in Net Assets [Unaudited]

Okii Electric Industry Co., Ltd. and consolidated subsidiaries
Year ended March 31, 2024

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Capital stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gain (loss) on other securities	Gain (loss) on deferred hedges	Translation adjustments	Retirement benefits liability adjustments	Total accumulated other comprehensive income			
Balance at March 31, 2022	¥44,000	¥19,006	¥55,103	¥(869)	¥117,241	¥1,030	¥22	¥(9,069)	¥(1,788)	¥(9,804)	¥138	¥60	¥107,635
Dividends from surplus			(2,597)		(2,597)								(2,597)
Loss attributable to owners of parent			(2,800)		(2,800)								(2,800)
Purchases of treasury stock				(0)	(0)								(0)
Disposition of treasury stock		(11)		28	16								16
Net changes in items other than shareholders' equity during the term						46	(54)	727	(3,685)	(2,966)	(16)	9	(2,973)
Net changes during the term	—	(11)	(5,398)	27	(5,382)	46	(54)	727	(3,685)	(2,966)	(16)	9	(8,356)
Balance at March 31, 2023	44,000	18,994	49,705	(841)	111,858	1,077	(32)	(8,341)	(5,473)	(12,770)	121	69	99,279
Dividends from surplus			(1,732)		(1,732)								(1,732)
Profit attributable to owners of parent			25,649		25,649								25,649
Purchases of treasury stock				(2)	(2)								(2)
Disposition of treasury stock		(33)		81	47								47
Net changes in items other than shareholders' equity during the term						7,991	21	1,321	8,788	18,124	(47)	(3)	18,072
Net changes during the term	—	(33)	23,916	79	23,962	7,991	21	1,321	8,788	18,124	(47)	(3)	42,035
Balance at March 31, 2024	¥44,000	¥18,960	¥73,622	¥(761)	¥135,820	¥9,069	¥(10)	¥(7,020)	¥3,315	¥5,353	¥73	¥65	¥141,314

(Thousands of U.S. dollars)

	Shareholders' equity					Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Capital stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gain (loss) on other securities	Gain (loss) on deferred hedges	Translation adjustments	Retirement benefits liability adjustments	Total accumulated other comprehensive income			
Balance at March 31, 2023	\$291,390	\$125,788	\$329,172	\$(5,569)	\$740,781	\$7,132	\$(211)	\$(55,238)	\$(36,245)	\$(84,569)	\$801	\$456	\$657,476
Dividends from surplus			(11,470)		(11,470)								(11,470)
Profit attributable to owners of parent			169,860		169,860								169,860
Purchases of treasury stock				(0)	(0)								(0)
Disposition of treasury stock		(218)		536	311								311
Net changes in items other than shareholders' equity during the term						52,920	139	8,748	58,198	120,026	(311)	(19)	119,682
Net changes during the term	—	(218)	158,384	523	158,688	52,920	139	8,748	58,198	120,026	(311)	(19)	278,377
Balance at March 31, 2024	\$291,390	\$125,562	\$487,562	\$(5,039)	\$899,470	\$60,059	\$(66)	\$(46,490)	\$21,953	\$35,450	\$483	\$430	\$935,854

Consolidated Statements of Cash Flows [Unaudited]

Ok Electric Industry Co., Ltd. and consolidated subsidiaries
Year ended March 31, 2024

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Cash flows from operating activities:			
Profit (loss) before income taxes	¥18,202	¥(328)	\$120,543
Depreciation	14,201	12,322	94,046
Increase (decrease) in provisions	(7,681)	(342)	(50,867)
Interest and dividend income	(2,496)	(1,391)	(16,529)
Interest expenses	2,289	1,853	15,158
Loss (gain) on sale of investment securities	(1,389)	(341)	(9,198)
Loss (gain) on disposal of non-current assets	1,413	420	9,357
Decrease (increase) in trade receivables	(12,379)	4,519	(81,980)
Decrease (increase) in inventories	8,439	(16,215)	55,887
Increase (decrease) in trade payables	(3,779)	610	(25,026)
Other, net	8,403	790	55,649
Subtotal	25,223	1,898	167,039
Interest and dividends received	1,556	1,391	10,304
Interest paid	(2,220)	(1,848)	(14,701)
Income taxes paid or refunded	162	(4,589)	1,072
Net cash provided by (used in) operating activities	24,721	(3,148)	163,715
Cash flows from investing activities:			
Purchase of property, plant and equipment	(12,195)	(10,497)	(80,761)
Purchase of intangible assets	(4,788)	(6,036)	(31,708)
Proceeds from sale of investment securities	2,928	887	19,390
Payments for acquisition of businesses	–	(1,500)	–
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	1,199	–	7,940
Purchase of long-term prepaid expenses	(1,004)	(1,378)	(6,649)
Other payments	(663)	(302)	(4,390)
Other proceeds	189	1,203	1,251
Net cash provided by (used in) investing activities	(14,335)	(17,623)	(94,933)

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Cash flows from financing activities:			
Net increase (decrease) in short-term borrowings	(32,249)	44,108	(213,569)
Proceeds from long-term borrowings	44,250	6,850	293,046
Repayments of long-term borrowings	(21,645)	(21,050)	(143,344)
Dividends paid	(1,726)	(2,587)	(11,430)
Repayments of lease liabilities	(4,403)	(4,062)	(29,158)
Other, net	65	16	430
Net cash provided by (used in) financing activities	(15,709)	23,275	(104,033)
Effect of exchange rate change on cash and cash equivalents	2,246	1,617	14,874
Net increase (decrease) in cash and cash equivalents	(3,076)	4,119	(20,370)
Cash and cash equivalents at beginning of period	37,498	33,379	248,331
Cash and cash equivalents at end of period	¥34,422	¥37,498	\$227,960

Shareholder Information

Number of Shares (As of March 31, 2024)

Authorized: 240,000,000
 Issued: 87,217,602
 (Including 542,144 treasury stock)

Administrative Agent for the Company's Shareholder Register

Mizuho Trust & Banking Co., Ltd.

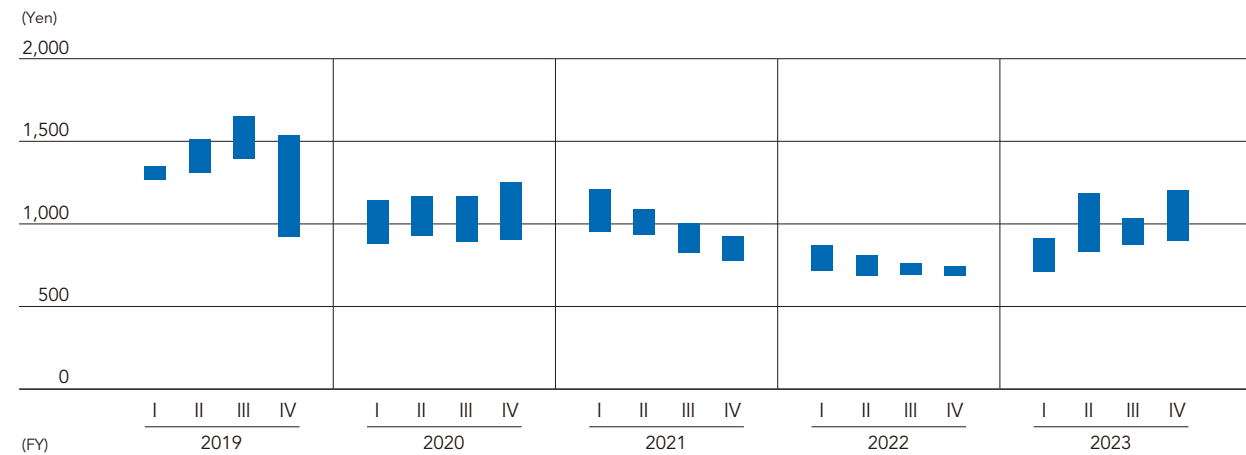
Number of Shareholders (As of March 31, 2024)

66,517

Stock Exchange Listing

Prime Market of the Tokyo Stock Exchange
 Securities Code: 6703

Common Stock Price Range on the Tokyo Stock Exchange

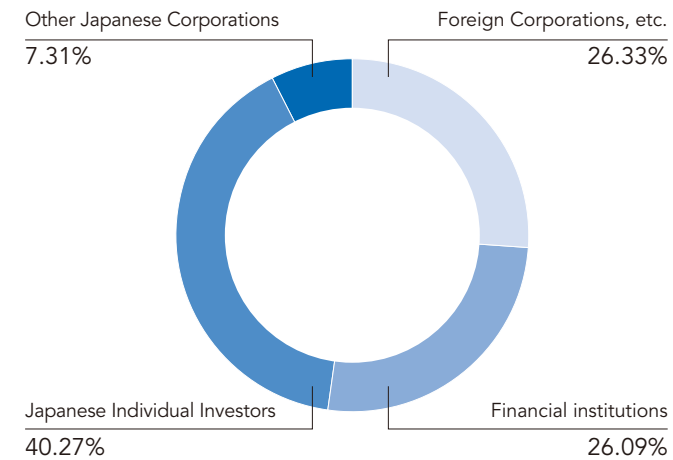


Major Shareholders (As of March 31, 2024)

Major Shareholders (Top 10)	Number of Shares Held	Percentage of Shares Held
The Master Trust Bank of Japan, Ltd. (trust account)	11,944,800	13.78
Custody Bank of Japan, Ltd. (trust account)	4,024,200	4.64
Oki Denki Group Employees' Shareholdings Committee	2,171,861	2.51
BNYM AS AGT/CLTS 10 PERCENT	1,968,900	2.27
Mizuho Bank, Ltd.	1,419,648	1.64
Meiji Yasuda Life Insurance Company	1,400,097	1.62
Custody Bank of Japan, Ltd. (trust account 4)	1,318,200	1.52
DFA INTL SMALL CAP VALUE PORTFOLIO	1,204,986	1.39
JUNIPER	1,188,700	1.37
JP MORGAN CHASE BANK 385781	1,163,683	1.34

Note: The percentage of shares held is calculated after excluding 542,144 shares of treasury stock.

Distribution of Shareholders (As of March 31, 2024)



Company Information

Profile (As of April 1, 2024)

Company Name	Ok Electric Industry Co., Ltd.
Founded	1881
Company Established	November 1, 1949
Capital Stock	44,000 million yen
Employees	14,439 (Consolidated) 4,648 (Non-consolidated) <small>(As of March 31, 2024)</small>
Representative Director and CEO	Takahiro Mori
Head Office	1-7-12 Toranomon, Minato-ku, Tokyo 105-8460, Japan
Tel.	+81-3-3501-3111
URL	https://www.oki.com/

Contact for Further Information

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