

OKI Corporate Strategies

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Hideichi Kawasaki
President

Oki Electric Industry Co., Ltd.

▪ The projections and plans in this material are subject to change depending upon the changes of business environments and other conditions.

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Biography

- 1947 Born in Tokyo
- 1970 Joined Oki Electric Industry Co., Ltd.
- 1990 Senior Manager, Marketing & Sales Department-3,
Financial Systems Sales Division
- 1992 General Manager, Secretarial Office
- 1999 General Manager, NTT Sales Division
- 2001 Vice President, Network Systems Company
Executive Officer, Oki Electric Industry Co., Ltd.
- 2005 General Manager, Marketing Promotion Division
Managing Director, Oki Electric Industry Co., Ltd.
- 2008 General Manager, Financial Business Division
Managing Director, Oki Electric Industry Co., Ltd.
- 2009 President, Oki Electric Industry Co., Ltd.

1. Recognition of the current situation

■ Achieved certain results by implementing initiatives to revamp its business structure.

- Improved business profitability by selecting and concentrating businesses.
- By transferring the semiconductor business, established a structure to concentrate on stable earnings businesses, mainly Info-Telecom and Printer businesses.
- Fulfilled measures to optimize fixed costs.

FY end. March 2009: Despite the rapid worsening of business circumstances, achieved a surplus in operating income

■ Still working on establishing a business structure that generates earnings stably and continuously.

[Issues to work on]

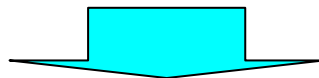
- Focus on total optimization
- Accelerate selection and concentration businesses
- Invest in focusing business domains
- Create new businesses
- Strengthen balance sheet

2. Corporate strategies

- OKI provides products and services to contribute to the development of the information society.
Joint efforts by sales and marketing, technology development, production, and maintenance
- OKI aims to become a company that makes steady growth by generating profit stably.

<OKI's approach>

1. Shift to a consolidated group management
2. Enhance “monozukuri” (manufacturing)
3. Strengthen service business
4. Create new businesses based on unique technologies



Target operating income ratio: 5%

2-1. Shift to a consolidated group management

Shift to a consolidated group management to maximize entire group's performance

Shift to a consolidated group management centered on business segments

- Shift from an optimization in each division or affiliated company to emphasize on total optimization for in each business segment.

Revamp structure for business operation

- Shift to a structure, in which a small corporate division drives the whole OKI Group
- Change the sales structure
- Consolidate group's procurement functions
- Consolidate EMS businesses

2-2. Enhance monozukuri (manufacturing)

Deploy strong businesses with unique products; based on world's leading mechatronics technologies and the 128 years of experience in info-telecom technology

Strengthen technology and product development skills

- Reorganize development structure for electronics, mechatronics, software, and manufacturing technology, etc.
- Self-manufacture core technologies within the group to offer differentiating products

Reorganize manufacturing sites

- Reorganize manufacturing sites to maximize profit in business segments

2-3. Enhance service business

In addition to flow-type business, increase the ratio of stock-type business and expand fixed income with fees

Strengthen capabilities to develop services

Rebuild group's offering structure

Rebuild structure to offer one-stop services at each phase of the product life cycle from planning, construction, maintenance, through to operations.

Consolidate technology divisions to offer services

Enhance basic platform, middleware, and operating and management technologies

Reorganize data center and network infrastructure

Reorganize data center and network infrastructure based on cloud computing

2-4. Create new businesses based on unique technologies

To become a sustainable growing company that is vital to society, proactively create following new businesses with unique technologies:

Environment and energy-saving-related businesses

- Control systems of chemical substances contained in products and comply to EU's chemical regulations
- Power conditioner that can stably convert fluctuating photovoltaic into electric power

Businesses utilizing OKI's unique technologies

- Business related to display devices leveraging strengths in LED technology
- Business that supports car safety and reliability, leveraging strengths in wireless communications technology cultivated through ETC
- Business related to medical, nursing-care, and healthcare based on mechatronics (robotic) technology and sensor technology

3. Strategies for main businesses

■ Financial business domain

- As one of the world's leading manufacturer of cash recycling ATMs:
In addition to the Chinese market, actively deploy products to the European and Latin American markets through alliance with global vendors and the launch of next-generation ATMs, etc.
- In the domestic market:
Enhance the top vendor position by continuously providing new solutions born from strong customer base to existing customers
- To new customers:
Through alliance with host vendors, deploy various unique systems utilizing application know-how
- In addition to existing flow-type business, enhance product lineup matching diversified customers' needs by stock-type business like LCM (Life Cycle Management) services

3. Strategies of main businesses

■ Telecom business domain

- Telecom carrier business:
Focus on areas of OKI's strengths and that support existing services
 - ▶ Focus on network infrastructure equipment for existing services, software, and optical access equipment (GE-PON)
 - ▶ Invest in technologies that ensure future business opportunities in migration of existing service infrastructures

- Enterprise network business:
Reexamine development and sales structure and aim to expand market share
 - ▶ Promote alliance with domestic vendors for the core IP-PBX business
 - ▶ Further expand sales of strong products that are compatible to broadband; CTstage, Visual Nexus (a multi location videoconference system enabling high-quality video and sound), and Media Server, etc.
 - ▶ Leveraging group operation, expand the offering of one-stop solution business to provide system planning, designing, maintenance through to operation.

3. Strategies of main businesses

■ Information systems business domain

- Expand businesses that contribute to society by upgrading mission critical systems that are already part of the social infrastructure.
 - ▶ Road control system
ETC, Next generation road traffic system, etc.
 - ▶ Air traffic control system
 - ▶ Safe and reliable systems for municipalities
Firefighting navigation system, disaster prevention wireless system, VoIP bulletin system, etc.
 - ▶ Emergency medical support system
 - ▶ Defence related systems related to self defense
- Expand market share by improving convenience and expanding service functions for its reservation and ticketing system and check-in system, which are currently used in airports and train stations. In addition, enhance and expand the lineup of cash handling equipment for the retail industry.

3. Strategies of main businesses

■ Printer business domain

- Narrow down focusing markets and aim for growth larger than market growth ratio
 - ▶ Focus on SMB (small and medium size businesses), which is the largest market and on the professional market where OKI can leverage its unique LEDs
- Products and sales strategies
 - ▶ Enhance product lineup by expanding mono and multifunctional printers
 - ▶ Provide unique MPS (managed print service) matching the SMB market
- European market: Enhance marketing, increase sales investment and expand market share
- Americas: Set focusing areas and reestablish sales strategy
- Japanese market: Active investment, improve brand awareness and aim for a 10% market share
 - ▶ Launch new COREFIDO brand products (five-year-free-of-charge warranty)
 - ▶ Deploy aggressive promotion to vitalize sales channels

4. CSR and Environmental Activities

- OKI fulfills social responsibility guided by the corporate philosophy

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 communication services globally to meet the diversified needs of communities worldwide in the information age.

- Contribute to the society through products and services
- Establish structure for global management and CSR promotion
- Work on preventing global warming and management of chemical substances aimed to improve global environment
- Promote CSR activities providing stakeholders with piece of mind

5. At the end

Based on the aforementioned basic directions, OKI aims to become a company to generate stable profit and achieve steady growth.

By the end of the year, OKI will formulate its mid-term business plan for the FY ending March 31, 2011 and beyond.



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