

(Translation)

This document is an English translation of the notice for the general meeting of shareholders originally written in Japanese. This translation was made for reference purpose only and all warranties, and in particular the accuracy of this translation, are hereby disclaimed.

Securities Identification Code: 6703

Date of sending by postal mail: June 3, 2024

Start date of measures for electronic provision: May 27, 2024

## NOTICE OF 100TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders,

Oki Electric Industry Co., Ltd. (the “Company”) would hereby like to inform you that the 100th ordinary general meeting of shareholders will be held as follows.

When convening this general meeting of shareholders, the Company takes measures for providing in electronic format the information that constitutes the content of reference documents for the shareholders meeting, etc. (items for which measures for providing information in electronic format will be taken). This information is posted on each of the following websites as “Notice of Meeting of Shareholders (May 27, 2024),” so please access either of those websites to confirm the information.

If you are unable to attend the meeting in person, you may exercise your voting rights via the Internet, etc. or in writing. Shareholders are kindly requested to review “Reference Documents for the General Meeting of Shareholders” and exercise their voting rights by no later than 5:15 p.m. on June 20 (Thursday), 2024 (JST).

The Company’s website:

<https://www.oki.com/jp/ir/stock/meeting.html> (in Japanese)

Website for informational materials for the general meeting of shareholders:

<https://d.sokai.jp/6703/teiji/> (in Japanese)

Exercise of voting rights via the Internet, etc.:

Please access the voting site designated by the Company (<https://soukai.mizuho-tb.co.jp/> (in Japanese)), use the “voting right exercise code” and “password” indicated on the enclosed ballot, and follow the instructions on the screen to enter your approval or disapproval of the proposals. When exercising your voting rights via the Internet, etc., please refer to the “Instructions for the Exercise of Voting Rights via the Internet, etc.” below.

Exercise of voting rights in writing (postal mail):

Please indicate your approval or disapproval to each agenda in the space provided on the enclosed ballot and return it to the Company by mail so that it arrives before the deadline shown above.

Yours faithfully,

Takahiro Mori  
*President, Representative Director*  
Oki Electric Industry Co., Ltd.  
1-7-12 Toranomom, Minato-ku, Tokyo

(Translation)

## **Guide to the system for providing informational materials for the general meeting of shareholders in electronic format**

Due to the revision of the Companies Act, since the 99th ordinary general meeting of shareholders of last year, a notice of ordinary general meeting of shareholders has been, in principle, available on the website provided in this Notice of Ordinary General Meeting of Shareholders instead of being mailed in writing. Shareholders who wish to receive the materials of the General Meeting of Shareholders in writing from next year onward are requested to contact the following contact point.

For inquiries regarding the system for providing informational materials for the general meeting of shareholders in electronic format and receipt of the materials of the General Meeting of Shareholders in writing, please contact below.

Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd.

Contact for inquiries regarding web-based materials for the General Meeting of Shareholders

Tel: 0120-524-324 (toll free, only in Japan)

(9:00 a.m. to 5:00 p.m., excluding Saturdays, Sundays, and national holidays)

- 1. Date and Time:** Friday, June 21, 2024, from 10:00 a.m. (Reception will open at 9:30 a.m.)
- 2. Location:** “Providence Hall,” 2F Tokyo Prince Hotel, 3-3-1 Shiba-koen, Minato-ku, Tokyo
- 3. Meeting Agenda**

### ***Items to be reported:***

1. Business Report, Consolidated Financial Statements and audit results of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the 100th fiscal year (from April 1, 2023 to March 31, 2024)
2. Non-consolidated Financial Statements for the 100th fiscal year (from April 1, 2023 to March 31, 2024)

### ***Items to be resolved:***

**Agenda Item 1:** Appropriation of Surplus

**Agenda Item 2:** Election of Eight (8) Directors

**Agenda Item 3:** Election of Two (2) Audit & Supervisory Board Members

## **4. Items to be decided upon convocation**

- (1) Among the items subject to measures for electronic provision, in accordance with the provisions of laws and regulations and Article 15 of the Articles of Incorporation of the Company, the following items are not provided in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents. The Audit & Supervisory Board Members and the Accounting Auditor have audited the documents subject to audit, including the following items.
  - (i) “Major offices,” “Employees,” “Major creditors,” “Other significant events of the OKI Group,” “Shareholders’ Equity,” “Equity Warrants,” “Status of Accounting Auditor” and “Policies and procedures of the Company” in the Business Report
  - (ii) Consolidated Financial Statements
  - (iii) Non-consolidated Financial Statements
  - (iv) Audit Reports (Audit Reports of the Accounting Auditor and the Audit & Supervisory Board, including Consolidated Financial Statements)
- (2) If you exercise your voting rights in duplicate via both the Internet, etc. and the voting rights exercise form, we will regard the vote cast via the Internet, etc. to be effective. If you exercise your voting rights more than once via the Internet, etc., we will regard the last vote you cast to be the effective one.
- (3) If no approval or disapproval is indicated to the respective agendas in the returned voting rights exercise

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form, it will be treated as an approval vote for the Company's proposals.

- © If attending the meeting in person, please submit the enclosed voting rights exercise form to reception.
- © If amendment to the items subject to measures for electronic provision arise, a notice of the amendment and the details of the items before and after the amendment will be posted on each of the websites shown above.

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**Request for the Exercise of Voting Rights**

Exercise of voting rights at the Company's General Meeting of Shareholders is shareholders' important right.

Please refer to the following and exercise your voting rights by either of the following methods.

**In case of not attending the General Meeting of Shareholders**

**To exercise your voting rights via postal mail**

Please indicate your approval or disapproval to each agenda on the enclosed voting rights exercise form, and return the completed form.

Deadline for voting: To be received no later than 5:15 p.m. on June 20 (Thursday), 2024 (JST).

**To exercise your voting rights via the Internet, etc.**

Please refer to the following page for details.

Deadline for voting: To be received no later than 5:15 p.m. on June 20 (Thursday), 2024 (JST).

**In case of attending the General Meeting of Shareholders**

Please submit the enclosed voting rights exercise form to reception.

Date and time of the General Meeting of Shareholders: From 10:00 a.m. on June 21 (Friday), 2024 (JST)

**Treatment of Voting Rights Exercised Multiple Times**

- If you exercise your voting rights in duplicate via both postal mail and the Internet, etc., we will regard the vote cast via the Internet, etc. to be effective.
- If you exercise your voting rights more than once via the Internet, etc., we will regard the last vote you cast to be the effective one.

## Instructions for the Exercise of Voting Rights via the Internet, etc.

How to scan QR code using smartphone “Smart Exercise”	How to enter voting rights exercise code and password
<p>1. To exercise your voting rights via smartphone, you do not need to enter your “voting rights exercise code” and “password.” You can log in by reading the “QR code for login” indicated on the slip of enclosed ballot (right side).</p> <p>* “QR code” is a registered trademark of Denso Wave Incorporated.</p> <p>2. Please input approval or disapproval to each proposal in accordance with the instructions on the screen.</p> <div data-bbox="172 707 742 860" style="border: 1px solid black; padding: 5px;"><p>Exercising voting rights by “Smart Exercise” is available <b>only once</b>. Please follow the instructions on the right for the second and subsequent login.</p></div> <div data-bbox="172 907 742 1059" style="border: 1px solid black; padding: 5px;"><p>You can view major contents of the notice of ordinary general meeting of shareholders via your personal computer or smartphone. <a href="https://p.sokai.jp/6703/">https://p.sokai.jp/6703/</a> (in Japanese)</p></div>	<p>How to use the voting site</p> <p>Voting site: <a href="https://soukai.mizuho-tb.co.jp/">https://soukai.mizuho-tb.co.jp/</a> (in Japanese)</p> <ol style="list-style-type: none"><li>1. Please access the voting site.</li><li>2. Please enter the “voting rights exercise code” printed on the voting rights exercise form.</li><li>3. Please enter the “password” printed on the voting rights exercise form.</li><li>4. Please input approval or disapproval to each proposal in accordance with the instructions on the screen.</li></ol>
<p>If you have any inquiries about the operation of a personal computer, a smartphone or a cellular phone regarding the exercise of voting rights via the Internet, please contact on the right-hand side:</p>	<p>Internet Help Dial, Stock Transfer Agency Department, Mizuho Trust &amp; Banking Co., Ltd. Tel: 0120-768-524 (toll free, only in Japan) (Operating hours: 9:00 a.m. to 9:00 p.m.)</p>

Institutional investors can utilize the electronic voting platform operated by ICJ, Inc.

(Translation)

## To Our Shareholders

### ■■■ Medium-Term Business Plan 2025 - First Year Completed

I would like to take this opportunity to express my sincere gratitude to our shareholders for your continued support. I am pleased to deliver to you this notice of the 100th Ordinary General Meeting of Shareholders.

OKI solves social issues through critical Mono-zukuri (product manufacturing) and Koto-zukuri (creation of solutions and services) as a company “Delivering OK! to your life.”

OKI’s vision for 2031, the 150th anniversary of the company’s founding, is to provide value that leads to the resolution of social issues as a company that does not stop and contributes to the maintenance of social infrastructure in the three fields of contribution: safe and convenient social infrastructure; job satisfaction and productivity enhancement; and protection of the global environment.

In order to realize OKI’s vision, we have started the Medium-Term Business Plan 2025, covering the period from FY2023 through FY2025.

The basic policy of the Medium-Term Business Plan 2025 is to “steer toward growth and break free from the downward trend,” and in the first year in the fiscal year ended March 31, 2024, the OKI Group was able to take a firm first step forward with a significant increase in sales and profit compared to the previous year, with net sales of ¥421.9 billion (a year-on-year improvement of ¥52.8 billion) and operating income of ¥18.7 billion (a year-on-year improvement of ¥16.3 billion). In the fiscal year ending March 31, 2025, the second year of the Medium-Term Business Plan, we will accelerate cultural transformation and style change to further steer the Company toward growth.

Growth business: In Public Solutions, we will steadily secure projects mainly for firefighting, disaster prevention, roads, and TOKKI systems. In EMS, we will leverage production capacity enhancement to respond steadily to market recovery.

Stabilizing business: In Enterprise Solutions, we will continue to ensure the implementation of large-scale projects while promoting a shift to a more resilient management structure for the future. In Component Products, we will promote OEM expansion and rationalization of the development and production systems.

Creating future businesses: We will promote business expansion strategies for the CFB (Crystal Film Bonding) business and promote activities at our global R&D sites as a restart of our overseas business.

Furthermore, we will aim to sustainably increase corporate value and shareholder value by striving to improve financial soundness and capital efficiency through investment execution based on ROIC and strengthening of working capital management.

For 140 years since its founding in 1881, OKI has supported social infrastructure and made people’s lives safer and more convenient. We will continue this path and aim for sustainable growth together with society. I would like to sincerely ask all of our shareholders for your continued support and encouragement.

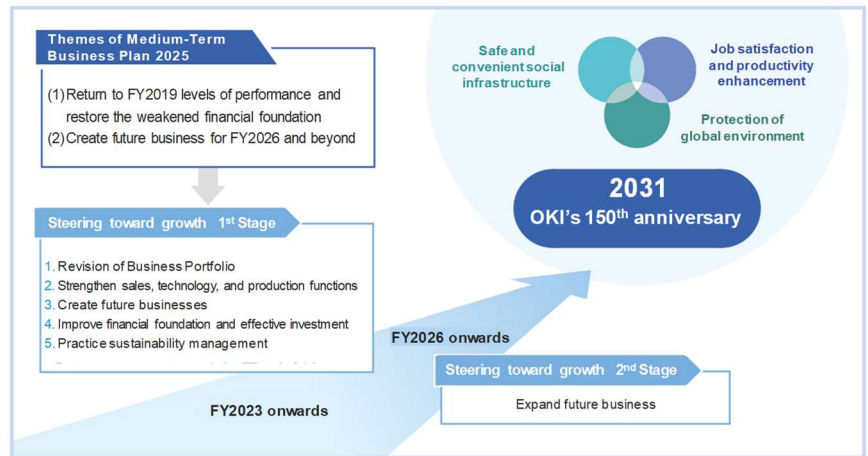
**Takahiro Mori**

*President, Representative Director and Chief Executive Officer*

(Translation)

## ■ ■ ■ Major Initiatives in the First Year of the Medium-Term Business Plan 2025 — 5 Measures in Steering toward Growth 1st Stage —

- 1 Revision of Business Portfolio
- 2 Strengthen sales, technology, and production functions
- 3 Create future businesses
- 4 Improve financial foundation and effective investment
- 5 Practice sustainability management



### Medium-Term Business Plan 2025

<https://www.oki.com/en/ir/corporate/strategy/>

### Revision of Business Portfolio

Following the activities of the first year of the Medium-Term Business Plan, a new organization for marketing and business development has been established to further strengthen the business structure.

- We will maintain our response to existing global business, while strengthening our resources to invigorate new business development, as well as transfer the CFB business to strengthen our global business activities.
- We will centralize new development activities across the organization and strengthen solution business development.

We will continue to emphasize dynamic and expeditious business operations, including subsidiaries, in order to realize structural reform of stabilizing businesses and initiatives for future growth, while steadily securing large-scale projects.

## Create future businesses

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### Innovation initiatives

Formulation of “Innovation Strategy 2025” to create future businesses and transform corporate culture  
Aiming to create businesses worth more than ¥50 billion by 2031 in four new areas

#### Advanced remote operations

##### Real-time collaboration between people and edge devices to realize remote operation solutions between different operations

In line with the actual characteristics of on-site work, OKI has developed “REMOWAY™,” an advanced remote operation platform that combines edge modules (ROMBOX®) with reliable wireless communications to flexibly handle cooperative work between people and edge devices in real time. Our aim is to achieve the integrated management of multi-vendor robots and devices as well as autonomous cooperation between people and robots in various fields (security/facility management, offices, shopping centers, plants (manufacturing), and construction sites), thereby realizing both the increased efficiency of various types of on-site work and business expansion.

#### Healthcare, medical care

##### Sensing and data utilization for realizing social well-being

OKI has developed “Wellbit™,” a behavioral change platform that encourages health-promoting behavior through real-time notifications of messages in line with each person’s behavioral characteristics at appropriate times. Utilizing this technology, OKI has commercialized “Wellbit™Sleep,” a behavioral change service that improves sleep habits. By doing so, we will support healthy sleep for many people and contribute to supporting a Japanese society where people can work vigorously.

#### Logistics

##### Advancing logistics operations with real-time automation and overall supply chain optimization

OKI aims to resolve site-level issues while promoting digital transformation efforts and utilizing real-time AI processing to optimize the overall supply chain. In March of 2023, as a result of the Yume Pro process, we commercialized the delivery plan optimization service “LocoMoses®,” which uses AI to achieve more efficient deliveries in response to “2024 logistics problems.” In addition, in terms of warehouse work, we are focusing on the problem of shipping work grinding to a halt as a result of freight temporarily getting lost, and we are aiming to achieve simple location management by utilizing sensing technology to automatically track the position of freight.

#### CFB

##### Realizing new displays and devices with CFB technology for bonding dissimilar materials

By applying “CFB (Crystal Film Bonding)” —our dissimilar semiconductor material bonding technology, which we cultivated in the LED printer business—we create unique micro-LED displays, we support semiconductor-device-industry combination (More than Moore) with bonding technology, and we thereby contribute to increasing the sophistication of semiconductor devices. OKI does not take on challenges such as the above alone. Instead—by pursuing co-creation with our customers and partners—we use CFB as a catalyst to make new combinations of different materials, industries, and ideas, thereby contributing to the open innovative development of micro-LED displays as well as increased added value for semiconductor devices.



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### **Technology strategy**

### **Providing sustainable, safe and convenient social infrastructure through “Edge Platform”**

The “Edge Platform” technology concept is being steadily strengthened in each business segment under the Medium-Term Business Plan 2025 through “data sharing” and “standardization of components.” By 2031, while incorporating global technological innovation, we aim to contribute to diverse businesses and provide a sustainable, safe, and convenient social infrastructure by accelerating the combination of “components” and “data” that transcend business segments.

### **Innovation and Technology Strategy Meeting Briefing Materials**

<https://www.oki.com/en/ir/data/presen/>

### **Restarting overseas business**

### **Restart company-wide product development and R&D activities for technologies and products from a global perspective**

We will position our overseas sales companies as front-line bases for all of OKI, not only to expand sales of existing products but also to develop company-wide products. What is even more important is R&D activities for technologies and products from a global perspective. As a first step, we will open overseas technology sites to search for the latest technologies and find partners.

### **Strengthen sales, technology, and production functions**

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The OKI Group continues to build a structure that enables the group as a whole to demonstrate its collective strengths. The sales and promotion divisions underwent organizational restructuring to further strengthen integrated operations with business divisions. In the business operations divisions, sales process operations were integrated, and a new organization was established to standardize and streamline business processes. We are also promoting activities across the board to maximize efficiency and optimize QCD (quality, cost, delivery) and supply chains at all plants and facilities. In technology development, in line with our technology strategy, we are continuing research and development of platforms that can be used for various businesses and products that transverse business segments.

### **Improve financial foundation and effective investment**

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We will execute investments for business expansion premised on improving our financial foundation and maintaining our BBB credit rating. We will increase profits by steadily reaping the benefits of rollover and large-scale projects from the previous Medium-Term Business Plan period. We will also normalize working capital, which has become excessive due to supply chain effects, and optimize our held assets by selling policy-held stocks and other measures. We will also return profits to shareholders, reduce interest-bearing debts, and make steady capital investments in a balanced manner, including aggressive capital investments in growth businesses.

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## Practicing sustainability management

The OKI Group will steadily advance its sustainability initiatives through practicing sustainability management of the updated Material Issues (Materiality) in conjunction with the announcement of the Medium-Term Management Plan 2025.

### ■ Environment

#### Revised “OKI Group Environmental Vision 2030/2050” with a view toward 2050

Regarding the greenhouse gas emission reduction targets for FY2030 set forth in “OKI Group Environmental Vision 2030/2050,” our medium- to long-term environmental goals, we obtained SBT certification from the international Science Based Targets Initiative (SBTi) in November 2023 for emissions reduction targets grounded in science for achieving the 1.5°C target of the Paris Agreement. In February 2024, the Board of Directors deliberated and made resolutions on revisions, such as reducing CO<sub>2</sub> emissions not only from our own sites but from the entire value chain to net zero by fiscal 2050.

#### OKI Group Environmental Vision 2030/2050 (Overview)

##### (1) Prevention of global warming SDGs 7 and 13

**FY2030:** 42% CO<sub>2</sub> emissions reduction at OKI sites and 25% CO<sub>2</sub> emissions reduction at suppliers and from the use of products (compared to FY2020)

**FY2050:** Net zero CO<sub>2</sub> emissions at OKI site and the entire value chain  
Net zero power consumption by new products



##### (2) Contribution to achieving SDGs

SDGs 3, 6, 7, 9, 11, 12, 13 and 14

**FY2030:** Through the following activities, 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
- (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.



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## ■ Society

### **Promoting Measures to Encourage Diverse Human Resources to Proactively Take on Challenges**

The OKI Group defines “OKI Well-being” as a state in which “workplaces offering psychological safety,” “mental and physical health,” and “fostering of job satisfaction” are realized, and is working to create an environment and transform its organizational culture in which diverse human resources can proactively take on challenges. Furthermore, in order to improve organizational performance and create new value, in April 2023, for the first time in 20 years, the OKI Group changed the grading system for management positions with the aim of assigning personnel according to their aptitude, and for the first time in eight years, we reviewed compensation levels and raised them by an average of about 8%. Also, we are working to expand diverse learning opportunities to support the growth of every employee. In addition, from the perspective of promoting the use of so-called childcare leave by men, in October 2022, OKI introduced “Baby8 leave,” a system that allows employees to take up to 25 days of paid leave to care for a child within eight weeks after birth during the relevant period. In FY2023, the childcare leave utilization rate for male employees at OKI was 78.6%.



**Character to Promote Childcare Leave by Men**  
Baby8-chan  
Designed by an employee of our special subsidiary OKI WorkWel

**For more information on the OKI Group’s sustainability initiatives, please refer to our website and the OKI Report 2023**

#### **Sustainability**

<https://www.oki.com/en/sustainability/>

#### **OKI Report 2023**

<https://www.oki.com/en/sustainability/report/index.html>

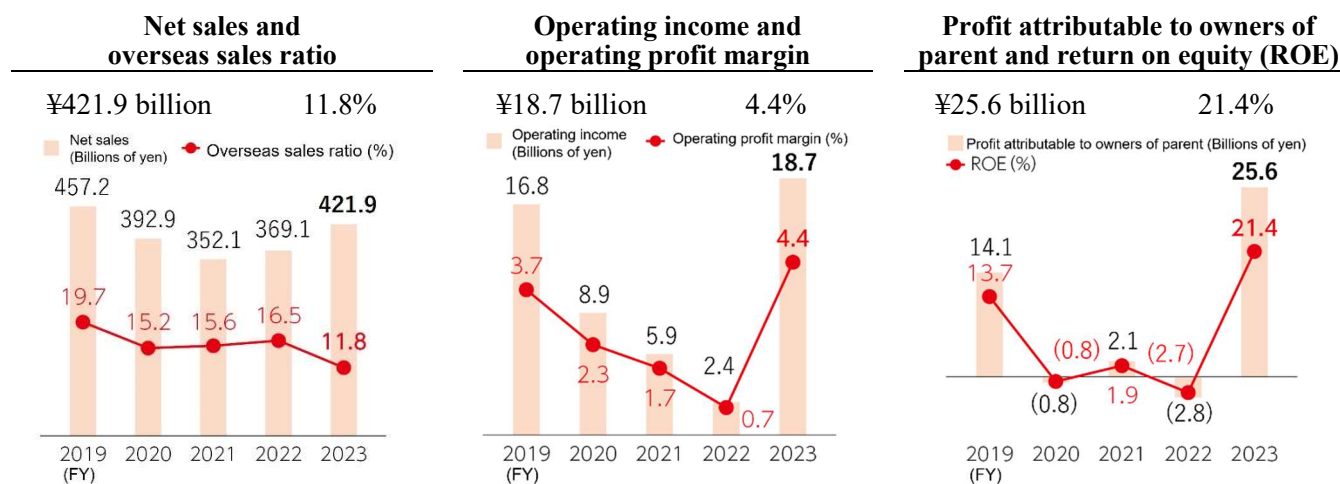
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## Business Results for FY2023 and Future Outlook

In the fiscal year ended March 31, 2024, net sales were ¥421.9 billion (a year-on-year improvement of 14.3% or ¥52.8 billion). The increase was due to a reduction in the impact of the production decline caused by difficulties in procuring parts and materials, and an increase in the volume of large-scale projects in the Enterprise Solutions business. On the profit front, despite an increase in fixed costs due to personnel expenses and growth investments, operating income was ¥18.7 billion (a year-on-year improvement of ¥16.3 billion or 677.8%), due to increased sales and steady implementation of price optimization. Even excluding the one-time gain of ¥4.3 billion from the reversal of allowance for doubtful accounts for ATM claims in China, which was recorded in the first quarter of the fiscal year, profit increased year on year. Ordinary income was ¥18.3 billion (a year-on-year improvement of ¥18.6 billion from the previous year), mainly due to an improvement in foreign exchange gains and losses. Profit attributable to owners of the parent was ¥25.6 billion (a year-on-year improvement of ¥28.4 billion) due to the recording of income taxes-deferred (gain). The earnings forecast for the fiscal year ending March 31, 2025 is as follows: net sales are expected to increase by ¥38.1 billion year-on-year to ¥460 billion, operating income is expected to decrease by ¥2.7 billion to ¥16.0 billion, ordinary income is expected to decrease by ¥3.8 billion to ¥14.5 billion, and profit attributable to owners of parent is expected to decrease by ¥16.1 billion to ¥9.5 billion. We plan to achieve higher net sales and operating income in real terms, excluding one-time factors for the fiscal year under review. In the next fiscal year, we will steadily execute large-scale projects in Public Solutions including firefighting and TOKKI systems, and work to achieve the plan.

<Reference>

### Financial highlights



### Financial Results for FY2023

<https://www.oki.com/en/ir/data/presen/>

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## Reference Documents for the General Meeting of Shareholders

### Agenda Items and Reference Matters

#### Agenda Item 1: Appropriation of Surplus

The Company has given consideration to matters including the business performance of the fiscal year under review, business earnings projections for the next fiscal year (FY2024), the Company's financial position, etc., and it proposes to pay year-end dividends for the fiscal year under review as follows.

**1. Type of dividend asset**

Cash

**2. Allocation of dividend assets and total amount of dividends**

Common stock of the Company	¥30 per share
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Total dividends	¥2,600,263,740
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**3. Effective date of dividend of surplus**

June 24, 2024

**(Reference) Dividend Policy**









The Company regards the return of profits to shareholders as one of its most important management policies.

In terms of dividends, 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, research and development investment, human capital investment) and the level of retained earnings. We will continue to strive to enhance shareholder returns while strengthening our financial base.

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## Agenda Item 2: Election of Eight (8) Directors

The tenure of office of all eight (8) Directors will expire at the conclusion of this general meeting of shareholders. Accordingly, the Company proposes the election of eight (8) Directors, and the candidates are shown as follows. The candidates for Directors have been approved by the Board of Directors after deliberation by the Personnel Affairs and Compensation Advisory Committee.

Candidate number 1	<b>Shinya Kamagami</b>	Re-election Inside		Current position/responsibility in the Company Director and Chairman of the Board	<b>Number of attendance at meetings of the Board of Directors</b>	100% (13 out of 13 times)	<b>Number of years in office</b>	10 years
Candidate number 5	<b>Shigeru Asaba</b>	Re-election Outside Independent		Current position/responsibility in the Company Independent Outside Director	<b>Number of attendance at meetings of the Board of Directors</b>	100% (13 out of 13 times)	<b>Number of years in office</b>	7 years
Candidate number 2	<b>Takahiro Mori</b>	Re-election Inside		Current position/responsibility in the Company President, Representative Director and Chief Executive Officer	<b>Number of attendance at meetings of the Board of Directors</b>	100% (13 out of 13 times)	<b>Number of years in office</b>	2 years
Candidate number 6	<b>Tamotsu Saito</b>	Re-election Outside Independent		Current position/responsibility in the Company Independent Outside Director	<b>Number of attendance at meetings of the Board of Directors</b>	100% (13 out of 13 times)	<b>Number of years in office</b>	6 years
Candidate number 3	<b>Teiji Teramoto</b>	Re-election Inside		Current position/responsibility in the Company Senior Executive Vice President, Representative Director Chief Compliance Officer Chief Financial Officer Chief Human Resource Officer Internal Control Administrator	<b>Number of attendance at meetings of the Board of Directors</b>	100% (10 out of 10 times)	<b>Number of years in office</b>	1 year
Candidate number 7	<b>Izumi Kawashima</b>	Re-election Outside Independent		Current position/responsibility in the Company Independent Outside Director	<b>Number of attendance at meetings of the Board of Directors</b>	100% (13 out of 13 times)	<b>Number of years in office</b>	6 years
Candidate number 4	<b>Yuichiro Katagiri</b>	Newly nominated Inside		Current position/responsibility in the Company Executive Vice President Chief Quality Officer, Chief Environmental Officer Construction Business Executive Officer Head of Cross Industry Business Center President, OKI Software Co., Ltd.	<b>Number of attendance at meetings of the Board of Directors</b>	—% (— out of — times)	<b>Number of years in office</b>	— years
Candidate number 8	<b>Makoto Kigawa</b>	Re-election Outside Independent		Current position/responsibility in the Company Independent Outside Director	<b>Number of attendance at meetings of the Board of Directors</b>	100% (13 out of 13 times)	<b>Number of years in office</b>	5 years

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Candidate number <b>1</b>	<b>Shinya Kamagami</b>	Number of years in office as Director: <p style="text-align: right;">10 years (as of the conclusion of this general meeting of shareholders)</p> Number of attendance at meetings of the Board of Directors (the year under review): <p style="text-align: right;">13 out of 13 times (100%)</p> Number of Oki shares held: <p style="text-align: right;">Common stock: 17,600 shares</p>
 <p>(Born on February 9, 1959) [Re-election]</p> <p><b>Expected knowledge and experience</b></p> <p>Corporate management Marketing Technology &amp; innovation Legal affairs &amp; risk management Manufacture &amp; SCM</p>	<b>Brief personal profile, position and responsibility in the Company and significant concurrent positions</b>	<p>Apr. 1981      Joined Oki Electric Industry Co., Ltd.</p> <p>Apr. 2001      Manager, Hardware Development Department No. 2, Terminal Systems Division, Systems Solution Company</p> <p>Apr. 2005      Head of Systems Hardware Development Division, Systems Hardware Company, Systems Networks Business Group</p> <p>Apr. 2011      Executive Officer</p> <p>Apr. 2012      Senior Vice President</p> <p>Jun. 2014      Senior Vice President and Member of the Board</p> <p>Apr. 2016      President, Representative Director</p> <p>Apr. 2022      Representative Director and Chief Executive Officer</p> <p>Apr. 2023      Director and Chairman of the Board (incumbent)</p>
	<b>Reason for the selection of candidate for Director</b>	Based on his past experience serving in business divisions and headquarters divisions, Mr. Shinya Kamagami has the knowledge and experience to decide important matters and supervise the business execution of Directors and Executive Officers in an appropriate, fair, and efficient manner. Mr. Kamagami assumed the office of Director in June 2014, and had been engaging in management of the Company as President and Representative Director since fiscal 2016, and as Representative Director and Chief Executive Officer in fiscal 2022. He has been providing the management team with support and advice as Director and Chairman of the Board since fiscal 2023. He is nominated as a candidate for Director as it is expected that, as a member of the Board of Directors, he will continue to share information with other Directors and strengthen the decision-making function.

(Translation)

Candidate number <b>2</b>	<b>Takahiro Mori</b>	Number of years in office as Director: <p style="text-align: right;">2 years (as of the conclusion of this general meeting of shareholders)</p> Number of attendance at meetings of the Board of Directors (the year under review): <p style="text-align: right;">13 out of 13 times (100%)</p> Number of Oki shares held: <p style="text-align: right;">Common stock: 7,200 shares</p>																			
 <p>(Born on August 29, 1964) [Re-election]</p> <p><b>Expected knowledge and experience</b></p> <ul style="list-style-type: none"> <li>Corporate management</li> <li>Marketing</li> <li>Technology &amp; innovation</li> <li>Human resources management</li> <li>Legal affairs &amp; risk management</li> </ul>	<p><b>Brief personal profile, position and responsibility in the Company and significant concurrent positions</b></p> <table border="0"> <tr> <td style="vertical-align: top; padding-right: 10px;">Apr. 1988</td> <td>Joined Oki Electric Industry Co., Ltd.</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Nov. 2006</td> <td>General Manager of Partner Business Dept, Domestic Sales Division, Oki Data Corporation</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Oct. 2017</td> <td>Director, Deputy Head of Product Development and Business Division, and Head of Office Printing Department, Oki Data Corporation</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Apr. 2019</td> <td>Managing Executive Officer, Head of Product Development and Business Division, Oki Data Corporation</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Oct. 2019</td> <td>Managing Executive Officer, Head of Product Development and Business Division, and Head of Domestic Sales Division, Oki Data Corporation</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Apr. 2020</td> <td>Representative Director and President, Oki Data Corporation and Executive Officer, Oki Electric Industry Co., Ltd.</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Apr. 2021</td> <td>Executive Officer, Head of Business Collaboration Division, Components &amp; Platforms Business Group, Oki Electric Industry Co., Ltd.</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Apr. 2022</td> <td>President and Chief Operating Officer</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Jun. 2022</td> <td>President, Representative Director and Chief Operating Officer</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">Apr. 2023</td> <td>President, Representative Director and Chief Executive Officer (incumbent)</td> </tr> </table> <p><b>Reason for the selection of candidate for Director</b></p> <p>Mr. Takahiro Mori has knowledge and experience necessary for deciding important matters for the Company and supervising job execution by Directors and Executive Officers in an appropriate, fair and efficient manner, based on his past experience in marketing divisions and the management of a subsidiary, etc. Mr. Mori assumed the office of Executive Officer at the Company and the office of President at Oki Data Corporation in fiscal 2020. He has taken charge of the Company's management as President, Representative Director and Chief Operating Officer since fiscal 2022 and as Chief Executive Officer since fiscal 2023. He is nominated as a candidate for Director as it is expected that, as a member of the Board of Directors, he will continue to share information with other Directors and strengthen the decision-making function.</p>	Apr. 1988	Joined Oki Electric Industry Co., Ltd.	Nov. 2006	General Manager of Partner Business Dept, Domestic Sales Division, Oki Data Corporation	Oct. 2017	Director, Deputy Head of Product Development and Business Division, and Head of Office Printing Department, Oki Data Corporation	Apr. 2019	Managing Executive Officer, Head of Product Development and Business Division, Oki Data Corporation	Oct. 2019	Managing Executive Officer, Head of Product Development and Business Division, and Head of Domestic Sales Division, Oki Data Corporation	Apr. 2020	Representative Director and President, Oki Data Corporation and Executive Officer, Oki Electric Industry Co., Ltd.	Apr. 2021	Executive Officer, Head of Business Collaboration Division, Components & Platforms Business Group, Oki Electric Industry Co., Ltd.	Apr. 2022	President and Chief Operating Officer	Jun. 2022	President, Representative Director and Chief Operating Officer	Apr. 2023	President, Representative Director and Chief Executive Officer (incumbent)
Apr. 1988	Joined Oki Electric Industry Co., Ltd.																				
Nov. 2006	General Manager of Partner Business Dept, Domestic Sales Division, Oki Data Corporation																				
Oct. 2017	Director, Deputy Head of Product Development and Business Division, and Head of Office Printing Department, Oki Data Corporation																				
Apr. 2019	Managing Executive Officer, Head of Product Development and Business Division, Oki Data Corporation																				
Oct. 2019	Managing Executive Officer, Head of Product Development and Business Division, and Head of Domestic Sales Division, Oki Data Corporation																				
Apr. 2020	Representative Director and President, Oki Data Corporation and Executive Officer, Oki Electric Industry Co., Ltd.																				
Apr. 2021	Executive Officer, Head of Business Collaboration Division, Components & Platforms Business Group, Oki Electric Industry Co., Ltd.																				
Apr. 2022	President and Chief Operating Officer																				
Jun. 2022	President, Representative Director and Chief Operating Officer																				
Apr. 2023	President, Representative Director and Chief Executive Officer (incumbent)																				




(Translation)


Candidate number 3	<b>Teiji Teramoto</b>	Number of years in office as Director:  1 year (as of the conclusion of this general meeting of shareholders) Number of attendance at meetings of the Board of Directors (the year under review):  10 out of 10 times (100%) Number of Oki shares held:  Common stock: 5,100 shares																						
 <p>(Born on June 10, 1962) [Re-election]</p> <p><b>Expected knowledge and experience</b> Marketing Global Finance &amp; accounting Legal affairs &amp; risk management</p>	<p><b>Brief personal profile, position and responsibility in the Company and significant concurrent positions</b></p> <table border="1"><tr><td>Apr. 1985</td><td>Joined The Fuji Bank, Ltd.</td></tr><tr><td>Apr. 2013</td><td>Executive Officer, General Manager, Investment Banking Coordination Division, Mizuho Financial Group, Inc. &amp; Mizuho Bank, Ltd.</td></tr><tr><td>Apr. 2014</td><td>Executive Officer, Europe, Middle East and Africa, Mizuho Bank, Ltd.</td></tr><tr><td>Apr. 2015</td><td>Managing Executive Officer, Head of Europe, Middle East and Africa, Mizuho Financial Group, Inc. &amp; Mizuho Bank, Ltd.</td></tr><tr><td>Apr. 2017</td><td>Managing Executive Officer, Mizuho Financial Group, Inc. and Managing Executive Officer, Head of Global Corporate Division, Mizuho Bank, Ltd.</td></tr><tr><td>Apr. 2018</td><td>Senior Managing Executive Officer, Head of the Americas, Mizuho Financial Group, Inc. &amp; Mizuho Bank, Ltd.</td></tr><tr><td>Jul. 2021</td><td>Senior Vice President, Deputy Head of Marketing &amp; Sales Group, and Deputy Head of Components &amp; Platforms Business Group, Oki Electric Industry Co., Ltd.</td></tr><tr><td>Apr. 2022</td><td>Senior Vice President, Head of Marketing &amp; Sales Group, Deputy Head of Components &amp; Platforms Business Group, and Head of Business Collaboration Division</td></tr><tr><td>Apr. 2023</td><td>Executive Vice President</td></tr><tr><td>Jun. 2023</td><td>Executive Vice President and Member of the Board</td></tr><tr><td>Apr. 2024</td><td>Senior Executive Vice President, Representative Director, Chief Compliance Officer, Chief Financial Officer, Chief Human Resource Officer, Internal Control Administrator (incumbent)</td></tr></table> <p><b>Reason for the selection of candidate for Director</b></p> <p>Mr. Teiji Teramoto has abundant experience and broad insight gained as Senior Managing Executive Officer at Mizuho Financial Group, Inc., which the candidate comes from, and is familiar with the global business and governance on which the Company focuses. Moreover, Mr. Teramoto has the knowledge and experience to decide important matters of the Company and supervise the business execution of Directors and Executive Officers in an appropriate, fair, and efficient manner. As a core member of management, since fiscal 2023, he has served as Executive Vice President and Officer in charge of Marketing &amp; Sales and Global Business &amp; Marketing, in June 2023, he assumed the office of Director, and since fiscal 2024, he has served as Senior Executive Vice President and Representative Director. He is nominated as a candidate for Director as it is expected that, as a member of the Board of Directors, he will continue to share information with other Directors and strengthen the decision-making function.</p>		Apr. 1985	Joined The Fuji Bank, Ltd.	Apr. 2013	Executive Officer, General Manager, Investment Banking Coordination Division, Mizuho Financial Group, Inc. & Mizuho Bank, Ltd.	Apr. 2014	Executive Officer, Europe, Middle East and Africa, Mizuho Bank, Ltd.	Apr. 2015	Managing Executive Officer, Head of Europe, Middle East and Africa, Mizuho Financial Group, Inc. & Mizuho Bank, Ltd.	Apr. 2017	Managing Executive Officer, Mizuho Financial Group, Inc. and Managing Executive Officer, Head of Global Corporate Division, Mizuho Bank, Ltd.	Apr. 2018	Senior Managing Executive Officer, Head of the Americas, Mizuho Financial Group, Inc. & Mizuho Bank, Ltd.	Jul. 2021	Senior Vice President, Deputy Head of Marketing & Sales Group, and Deputy Head of Components & Platforms Business Group, Oki Electric Industry Co., Ltd.	Apr. 2022	Senior Vice President, Head of Marketing & Sales Group, Deputy Head of Components & Platforms Business Group, and Head of Business Collaboration Division	Apr. 2023	Executive Vice President	Jun. 2023	Executive Vice President and Member of the Board	Apr. 2024	Senior Executive Vice President, Representative Director, Chief Compliance Officer, Chief Financial Officer, Chief Human Resource Officer, Internal Control Administrator (incumbent)
Apr. 1985	Joined The Fuji Bank, Ltd.																							
Apr. 2013	Executive Officer, General Manager, Investment Banking Coordination Division, Mizuho Financial Group, Inc. & Mizuho Bank, Ltd.																							
Apr. 2014	Executive Officer, Europe, Middle East and Africa, Mizuho Bank, Ltd.																							
Apr. 2015	Managing Executive Officer, Head of Europe, Middle East and Africa, Mizuho Financial Group, Inc. & Mizuho Bank, Ltd.																							
Apr. 2017	Managing Executive Officer, Mizuho Financial Group, Inc. and Managing Executive Officer, Head of Global Corporate Division, Mizuho Bank, Ltd.																							
Apr. 2018	Senior Managing Executive Officer, Head of the Americas, Mizuho Financial Group, Inc. & Mizuho Bank, Ltd.																							
Jul. 2021	Senior Vice President, Deputy Head of Marketing & Sales Group, and Deputy Head of Components & Platforms Business Group, Oki Electric Industry Co., Ltd.																							
Apr. 2022	Senior Vice President, Head of Marketing & Sales Group, Deputy Head of Components & Platforms Business Group, and Head of Business Collaboration Division																							
Apr. 2023	Executive Vice President																							
Jun. 2023	Executive Vice President and Member of the Board																							
Apr. 2024	Senior Executive Vice President, Representative Director, Chief Compliance Officer, Chief Financial Officer, Chief Human Resource Officer, Internal Control Administrator (incumbent)																							

(Translation)

<p>Candidate number 4</p>	<p><b>Yuichiro Katagiri</b></p>	<p>Number of years in office as Director: — (as of the conclusion of this general meeting of shareholders)</p> <p>Number of attendance at meetings of the Board of Directors (the year under review): — out of — times (—%)</p> <p>Number of Oki shares held: Common stock: 5,500 shares</p>																		
<p><b>Brief personal profile, position and responsibility in the Company and significant concurrent positions</b></p>																				
 <p>(Born on August 9, 1961) [Newly nominated]</p> <p><b>Expected knowledge and experience</b> Marketing Technology &amp; innovation Legal affairs &amp; risk management Manufacture &amp; SCM</p>	<table border="1"> <tr> <td data-bbox="451 555 603 589">Apr. 1984</td> <td data-bbox="603 555 1434 589">Joined Oki Electric Industry Co., Ltd.</td> </tr> <tr> <td data-bbox="451 589 603 667">Apr. 2000</td> <td data-bbox="603 589 1434 667">Manager, SE Department, Intelligent Transport Systems Division, Systems Solution Company</td> </tr> <tr> <td data-bbox="451 667 603 779">Apr. 2008</td> <td data-bbox="603 667 1434 779">Senior Manager of Business Promoting Department, Government &amp; Public Solutions Division, System Solutions Company, Information System Business Group, Systems Network Group</td> </tr> <tr> <td data-bbox="451 779 603 857">Apr. 2011</td> <td data-bbox="603 779 1434 857">Senior Manager of Intelligent Transport Systems &amp; Safety Systems Department, Public Systems Business Division</td> </tr> <tr> <td data-bbox="451 857 603 936">Apr. 2015</td> <td data-bbox="603 857 1434 936">Executive Officer, Deputy Head of Public Systems Business Division, Senior Manager of Next Social Infrastructure Business Planning Taskforce</td> </tr> <tr> <td data-bbox="451 936 603 969">Apr. 2020</td> <td data-bbox="603 936 1434 969">Senior Executive Officer, Deputy Head of Solution Systems Business Group</td> </tr> <tr> <td data-bbox="451 969 603 1003">Apr. 2022</td> <td data-bbox="603 969 1434 1003">Senior Vice President, Head of Solution Systems Business Group</td> </tr> <tr> <td data-bbox="451 1003 603 1137">Apr. 2023</td> <td data-bbox="603 1003 1434 1137">Senior Vice President, Chief Quality Officer (incumbent), Chief Environmental Officer (incumbent), Construction Business Executive Officer (incumbent) President, OKI Software Co., Ltd. (incumbent)</td> </tr> <tr> <td data-bbox="451 1137 603 1205">Apr. 2024</td> <td data-bbox="603 1137 1434 1205">Executive Vice President (incumbent), Head of Cross Industry Business Center (incumbent)</td> </tr> </table>		Apr. 1984	Joined Oki Electric Industry Co., Ltd.	Apr. 2000	Manager, SE Department, Intelligent Transport Systems Division, Systems Solution Company	Apr. 2008	Senior Manager of Business Promoting Department, Government & Public Solutions Division, System Solutions Company, Information System Business Group, Systems Network Group	Apr. 2011	Senior Manager of Intelligent Transport Systems & Safety Systems Department, Public Systems Business Division	Apr. 2015	Executive Officer, Deputy Head of Public Systems Business Division, Senior Manager of Next Social Infrastructure Business Planning Taskforce	Apr. 2020	Senior Executive Officer, Deputy Head of Solution Systems Business Group	Apr. 2022	Senior Vice President, Head of Solution Systems Business Group	Apr. 2023	Senior Vice President, Chief Quality Officer (incumbent), Chief Environmental Officer (incumbent), Construction Business Executive Officer (incumbent) President, OKI Software Co., Ltd. (incumbent)	Apr. 2024	Executive Vice President (incumbent), Head of Cross Industry Business Center (incumbent)
Apr. 1984	Joined Oki Electric Industry Co., Ltd.																			
Apr. 2000	Manager, SE Department, Intelligent Transport Systems Division, Systems Solution Company																			
Apr. 2008	Senior Manager of Business Promoting Department, Government & Public Solutions Division, System Solutions Company, Information System Business Group, Systems Network Group																			
Apr. 2011	Senior Manager of Intelligent Transport Systems & Safety Systems Department, Public Systems Business Division																			
Apr. 2015	Executive Officer, Deputy Head of Public Systems Business Division, Senior Manager of Next Social Infrastructure Business Planning Taskforce																			
Apr. 2020	Senior Executive Officer, Deputy Head of Solution Systems Business Group																			
Apr. 2022	Senior Vice President, Head of Solution Systems Business Group																			
Apr. 2023	Senior Vice President, Chief Quality Officer (incumbent), Chief Environmental Officer (incumbent), Construction Business Executive Officer (incumbent) President, OKI Software Co., Ltd. (incumbent)																			
Apr. 2024	Executive Vice President (incumbent), Head of Cross Industry Business Center (incumbent)																			
<p><b>Reason for the selection of candidate for Director</b></p>																				
<p>Based on his past experience serving in social infrastructure and information and communication business divisions, software divisions, and subsidiary management, Mr. Yuichiro Katagiri has the knowledge and experience to decide important matters and supervise the business execution of Directors and Executive Officers in an appropriate, fair, and efficient manner. He has been playing a core role in management by serving as Executive Vice President, Chief Quality Officer, Chief Environmental Officer and Construction Business Executive Officer since fiscal 2024. He is nominated as a candidate for Director as it is expected that, as a member of the Board of Directors, he will share information with other Directors and strengthen the decision-making function.</p>																				

Candidate number <b>5</b>	<b>Shigeru Asaba</b>	Number of years in office as Director: <div style="text-align: right;">7 years</div> (as of the conclusion of this general meeting of shareholders) Number of attendance at meetings of the Board of Directors (the year under review): <div style="text-align: right;">13 out of 13 times (100%)</div> Number of Oki shares held: <div style="text-align: right;">Common stock: 2,400 shares</div>	
 (Born on May 21, 1961) [Re-election] [Outside] [Independent]	<b>Brief personal profile, position and responsibility in the Company and significant concurrent positions</b>		
	Apr. 1992	Associate Professor, Faculty of Economics, Gakushuin University	
	Mar. 1994	Ph.D., Economics, University of Tokyo	
	Apr. 1997	Professor, Faculty of Economics, Gakushuin University	
Apr. 2013	Professor, Graduate School of Commerce, Waseda University		
Apr. 2016	Professor, Waseda Business School (Graduate School of Business and Finance) (incumbent)		
Jun. 2016	Outside Director, Nippon Beet Sugar Manufacturing Co., Ltd. (incumbent)		
Sep. 2016	Dean, Waseda Business School (Graduate School of Business and Finance)		
Jun. 2017	Outside Director, Oki Electric Industry Co., Ltd. (incumbent)		
<b>Reason for the selection of candidate for Outside Director and expected role, etc.</b>			
<p>Mr. Shigeru Asaba is currently a professor of Waseda Business School (Graduate School of Business and Finance). Mr. Asaba has academic expertise in business in general and high ethical standards through his specialist knowledge in the fields of industrial organizations, corporate strategy, competitive strategy, ownership structures, corporate governance and corporate conduct. In addition, he has a high degree of independence from the management team, experience as an outside director of other companies, and serves as the chairman of the Personnel Affairs and Compensation Advisory Committee. Based on the above, and particularly on his academic expertise in all aspects of business, including marketing and innovation, Mr. Asaba is nominated as a candidate for Outside Director as it is expected that he will contribute to the deepening of deliberations on the progress of Medium-Term Business Plan, oversight of the medium- to long-term strategy and development plan of successors, and improvement of risk and crisis response at the Board of Directors meetings. Although he has never had experience of being involved in corporate management other than as an outside officer, the Company determined that he will be able to carry out the duties of Outside Director appropriately for the aforementioned reason.</p>			
<b>Significant concurrent positions and business relationships with the Company</b>			
Entity	Position/ responsibilities at the entity	Category	Business relationship
Nippon Beet Sugar Manufacturing Co., Ltd.	Outside Director	Listed	There are no business relationships between Nippon Beet Sugar Manufacturing Co., Ltd. and OKI Group.
<b>Expected knowledge and experience</b>			
Marketing Technology & innovation Human resources management			

(Translation)

Candidate number <b>6</b>	<b>Tamotsu Saito</b>	Number of years in office as Director:  <div style="text-align: right;">6 years</div> (as of the conclusion of this general meeting of shareholders) Number of attendance at meetings of the Board of Directors (the year under review):  <div style="text-align: right;">13 out of 13 times (100%)</div> Number of Oki shares held:  <div style="text-align: right;">Common stock: 6,700 shares</div>	
 <p>(Born on July 13, 1952) [Re-election] [Outside] [Independent]</p> <p><b>Expected knowledge and experience</b> Corporate management Marketing Technology &amp; innovation Human resources management Global Legal affairs &amp; risk management Manufacture &amp; SCM</p>	<b>Brief personal profile, position and responsibility in the Company and significant concurrent positions</b>		
	Apr. 1975	Joined Ishikawajima-Harima Heavy Industries Co., Ltd.	
	Jun. 2006	Executive Officer, Vice President of Aero-Engine & Space Operations	
	Apr. 2008	Director, Executive Officer, President of Aero-Engine & Space Operations, IHI Corporation	
	Apr. 2011	Executive Vice President	
Apr. 2012	President		
Apr. 2016	Chairman of the Board		
Jun. 2017	Outside Director, JAPAN POST INSURANCE Co., Ltd.		
Jun. 2018	Outside Director, Oki Electric Industry Co., Ltd. (incumbent)		
Apr. 2020	Director, IHI Corporation		
Jun. 2020	Advisor		
Jun. 2021	Outside Director, Furukawa Electric Co., Ltd. (incumbent)		
Jun. 2022	Outside Director, KAJIMA CORPORATION (incumbent)		
Apr. 2023	Chairman, New Energy and Industrial Technology Development Organization (incumbent)		
Apr. 2024	Senior Advisor, IHI Corporation (incumbent)		
<b>Reason for the selection of candidate for Outside Director and expected role, etc.</b>			
As a long-time representative director of IHI Corporation and a business leader not only in the industry but also in Japan, Mr. Tamotsu Saito has a wealth of management experience and high ethical standards in the manufacturing industry. In addition, he has a high degree of independence from the management team, experience as an outside director of other companies, and serves as the member of the Personnel Affairs and Compensation Advisory Committee. Based on the above, and particularly on his manufacturing, development and global management experience, he is nominated as a candidate for Outside Director as it is expected that he will contribute to the deepening of deliberations on the progress of Medium-Term Business Plan, oversight of the medium- to long-term strategy and the development plan of successors, and improvement of risk and crisis response at the Board of Directors meetings.			
<b>Significant concurrent positions and business relationships with the Company</b>			
Entity	Position/ responsibilities at the entity	Category	Business relationship
IHI Corporation	Senior Advisor	Listed	The volume of transactions between IHI Corporation and OKI Group accounts for less than 1% of each company's net sales.
Furukawa Electric Co., Ltd.	Outside Director	Listed	The volume of transactions between Furukawa Electric Co., Ltd. and OKI Group accounts for less than 1% of each company's net sales.
KAJIMA CORPORATION	Outside Director	Listed	The volume of transactions between KAJIMA CORPORATION and OKI Group accounts for less than 1% of each company's net sales.


(Translation)

	New Energy and Industrial Technology Development Organization	Chairman	Other	The volume of transactions between New Energy and Industrial Technology Development Organization and OKI Group accounts for less than 1% of each company's net sales.
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(Translation)

Candidate number <b>7</b>	<b>Izumi Kawashima</b>	Number of years in office as Director: <div style="text-align: right;">6 years</div> (as of the conclusion of this general meeting of shareholders) Number of attendance at meetings of the Board of Directors (the year under review): <div style="text-align: right;">13 out of 13 times (100%)</div> Number of Oki shares held: <div style="text-align: right;">Common stock: 1,300 shares</div>	
 <p>(Born on June 25, 1955)  [Re-election]  [Outside]  [Independent]</p> <p><b>Expected knowledge and experience</b>  Human resources management  Legal affairs &amp; risk management</p>	<b>Brief personal profile, position and responsibility in the Company and significant concurrent positions</b>		
	Mar. 1985	Left Graduate School of Law, Waseda University after completing a doctoral course	
	Apr. 1989	Associate Professor, Faculty of Economics, Gifu Keizai University	
	Apr. 1996	Professor, School of Law, Senshu University	
	Sep. 2004	Professor, Faculty of Social Sciences, Waseda University (incumbent)	
Jun. 2016	Outside Director, Oki Electric Cable Co., Ltd.		
Jun. 2018	Outside Director, Oki Electric Industry Co., Ltd. (incumbent)		
Aug. 2023	Outside Director, TAKARA & COMPANY LTD. (incumbent)		
<b>Reason for the selection of candidate for Outside Director and expected role, etc.</b>			
<p>Ms. Izumi Kawashima is currently a professor of the Faculty of Social Sciences at Waseda University. She specializes in commercial law (mainly the Companies Act) and the Financial Instruments and Exchange Act, and particularly has academic specialist knowledge relating to the Companies Act and corporate governance as well as high ethical standards. In addition, she has a high degree of independence from the management team, and has devoted her energies to the display of the Board of Directors functions as the chairperson of the Company's Board of Directors since June 2021. Ms. Kawashima also has experience as an outside director of other companies, and serves as a member of the Personnel Affairs and Compensation Advisory Committee. Based on the above, and particularly on her knowledge as a legal expert in the Companies Act and the Financial Instruments and Exchange Act, etc., she is nominated as a candidate for Outside Director as it is expected that she will contribute to the deepening of deliberations on the progress of Medium-Term Business Plan, oversight of the medium- to long-term strategy and the development plan of successors, and improvement of risk and crisis response at the Board of Directors meetings. Although she has never had experience of being involved in corporate management other than as an outside officer, the Company determined that she will be able to carry out the duties of Outside Director appropriately for the aforementioned reason.</p>			
<b>Significant concurrent positions and business relationships with the Company</b>			
Entity	Position/ responsibilities at the entity	Category	Business relationship
TAKARA & COMPANY LTD.	Outside Director	Listed	There are no business relationships between TAKARA & COMPANY LTD. and OKI Group.

(Translation)

Candidate number <b>8</b>	<b>Makoto Kigawa</b>	Number of years in office as Director: <div style="text-align: right;">5 years</div> (as of the conclusion of this general meeting of shareholders) Number of attendance at meetings of the Board of Directors (the year under review): <div style="text-align: right;">13 out of 13 times (100%)</div> Number of Oki shares held: <div style="text-align: right;">Common stock: 1,100 shares</div>															
 <p>(Born on December 31, 1949)  [Re-election]  [Outside]  [Independent]</p> <p><b>Expected knowledge and experience</b>  Corporate management  Marketing  Human resources management  Finance &amp; accounting  Legal affairs &amp; risk management  Manufacture &amp; SCM</p>	<b>Brief personal profile, position and responsibility in the Company and significant concurrent positions</b>																
	Apr. 1973      Joined The Fuji Bank, Ltd. Apr. 2004      Managing Director, Mizuho Corporate Bank, Ltd. Mar. 2005      Resigned Mizuho Corporate Bank, Ltd. Nov. 2005      Representative Managing Director, Yamato Holdings, Co., Ltd. Apr. 2011      Representative Director, Executive Officer and President Jun. 2016      Outside Director, Komatsu Ltd. Apr. 2018      Chairperson of the Board of Directors, Yamato Holdings, Co., Ltd. Jun. 2018      Outside Director, Seven Bank, Ltd. (incumbent) Jun. 2019      Outside Director, Oki Electric Industry Co., Ltd. (incumbent), Special Advisor, Yamato Holdings, Co., Ltd. Apr. 2020      Outside Corporate Auditor, The Higo Bank, Ltd. Jun. 2021      Outside Director, The Higo Bank, Ltd. (incumbent) Jun. 2022      External Board Member, ICMG Co., Ltd. (incumbent) Jun. 2023      Associate Director, Yamato Holdings, Co., Ltd.																
	<b>Reason for the selection of candidate for Outside Director and expected role, etc.</b>																
	After serving as an officer at a financial institution, Mr. Makoto Kigawa served as Representative Director of Yamato Holdings Co., Ltd. for more than ten years, and has extensive management experience and high ethical standards, mainly in the logistics industry, including the transformation of business models using ICT. In addition, he has a high degree of independence from the management team, experience as an outside director of other companies, and serves as the member of the Personnel Affairs and Compensation Advisory Committee. Based on the above, and particularly on his supply chain management and risk management experience, he is nominated as a candidate for Outside Director as it is expected that he will contribute to the deepening of deliberations on the progress of Medium-Term Business Plan, oversight of the medium- to long-term strategy and the development plan of successors, and improvement of risk and crisis response at the Board of Directors meetings.																
	<b>Significant concurrent positions and business relationships with the Company</b>																
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Entity</th> <th style="text-align: center;">Position/ responsibilities at the entity</th> <th style="text-align: center;">Category</th> <th style="text-align: center;">Business relationship</th> </tr> </thead> <tbody> <tr> <td>Seven Bank, Ltd.</td> <td>Outside Director</td> <td>Listed</td> <td>There are no business relationships between Seven Bank, Ltd. and OKI Group.</td> </tr> <tr> <td>The Higo Bank, Ltd.</td> <td>Outside Director</td> <td>Unlisted</td> <td>The volume of transactions between The Higo Bank, Ltd. and OKI Group accounts for less than 1% of each company's net sales.</td> </tr> <tr> <td>ICMG Co., Ltd.</td> <td>External Board Member</td> <td>Unlisted</td> <td>There are no business relationships between ICMG Co., Ltd. and OKI Group.</td> </tr> </tbody> </table>		Entity	Position/ responsibilities at the entity	Category	Business relationship	Seven Bank, Ltd.	Outside Director	Listed	There are no business relationships between Seven Bank, Ltd. and OKI Group.	The Higo Bank, Ltd.	Outside Director	Unlisted	The volume of transactions between The Higo Bank, Ltd. and OKI Group accounts for less than 1% of each company's net sales.	ICMG Co., Ltd.	External Board Member	Unlisted	There are no business relationships between ICMG Co., Ltd. and OKI Group.
Entity	Position/ responsibilities at the entity	Category	Business relationship														
Seven Bank, Ltd.	Outside Director	Listed	There are no business relationships between Seven Bank, Ltd. and OKI Group.														
The Higo Bank, Ltd.	Outside Director	Unlisted	The volume of transactions between The Higo Bank, Ltd. and OKI Group accounts for less than 1% of each company's net sales.														
ICMG Co., Ltd.	External Board Member	Unlisted	There are no business relationships between ICMG Co., Ltd. and OKI Group.														

(Translation)

Notes:

1. There is no special conflict of interest between each candidate and the Company.
2. Mr. Shigeru Asaba, Mr. Tamotsu Saito, Ms. Izumi Kawashima, and Mr. Makoto Kigawa are candidates for outside directors.
3. Mr. Tamotsu Saito served as a director of IHI Corporation from April 2008 to June 2020. During the term of office, it was revealed that the inspections of the maintenance of commercial aircraft engines were performed inappropriately. In March 2019, the Ministry of Economy, Trade and Industry ordered that IHI Corporation conduct the necessary repairs in an approved manner pursuant to the Aircraft Manufacturing Industry Act. In April 2019, IHI Corporation received a business improvement order from the Ministry of Land, Infrastructure, Transport and Tourism in accordance with the Civil Aeronautics Law. IHI Corporation announced in April 2024 that there had been manipulation of some test records undertaken during the manufacturing process for products such as diesel engines manufactured by its subsidiaries. IHI Corporation has established a special investigation committee and is working towards determining the cause and formulating measures to prevent recurrence. It came to light that at JAPAN POST INSURANCE Co., Ltd., where Mr. Saito served as an outside director from June 2017 to June 2023, there was a case pertaining to contract transfers, etc. where it is possible to have caused a loss without acting in accordance with customers' wishes. With regard to this case, the aforementioned company received administrative sanctions from the Financial Services Agency on December 27, 2019 based on the Insurance Business Act. However, Mr. Saito fulfilled his duties by continuously making proposals from the viewpoint of legal compliance, and after this case came to light, he made proposals, etc. in order to protect customers and prevent recurrence.
4. Mr. Makoto Kigawa served as a director of Yamato Holdings Co., Ltd. until June 2019. In February 2017, the Yamato Group started to investigate the actual labor hours of employees and found out various problems remained unrecognized, such as no enough breaks for many employees. Because this situation was considered to be serious, the Yamato Group has been promoting work-style reforms, for example, "improve and strictly conduct labor management" and "promote a work-life balance," and implementing various structural reforms. Yamato Home Convenience Co., Ltd., a consolidated subsidiary of Yamato Holdings Co., Ltd., made payment requests in an inappropriate manner in violation of contract provisions when it provided relocation services to employees of its corporate customers. In January 2019, it became subject to an administrative disposition and received a business improvement order from the Ministry of Land, Infrastructure, Transport and Tourism. Yamato Holdings Co., Ltd. has striven to build the necessary structure to prevent Yamato Home Convenience Co., Ltd. from facing similar situations and to strengthen governance in order to enhance the soundness of group management.
5. The Company has entered into a liability limitation agreement with Mr. Shigeru Asaba, Mr. Tamotsu Saito, Ms. Izumi Kawashima, and Mr. Makoto Kigawa. The outline of the agreement is provided in "Company Officers" of the Business Report. If their reappointment is approved, the Company will continue this agreement with them.
6. The Company has entered into a directors and officers liability insurance policy, naming all Directors as insured, and a summary of it is shown in "Company Officers" of the Business Report. The Company plans to continue and renew this policy, and if the appointment of each candidate is approved and they are appointed as Directors, each candidate will be insured under the policy.
7. Mr. Shigeru Asaba, Mr. Tamotsu Saito, Ms. Izumi Kawashima, and Mr. Makoto Kigawa are independent officers based on the terms of the Tokyo Stock Exchange. If their reappointment is approved, they will continue to be independent officers. Please refer to the Company's website for its independence criteria. (<https://www.oki.com/en/ir/corporate/governance/officers.html>)



(Translation)

**(Reference) Skills Matrix for the Board of Directors Following the Approval of Agenda Item 2 (Plan)**

The Company thinks that skills its Board of Directors needs as a whole for performing its roles and fulfilling its responsibilities become satisfied when respective Directors display their abilities by making the most of knowledge and experience expected from them according to the Company's management philosophy, vision and management plans, etc.

The Company expects the display of skills in the following fields in particular.


- “Corporate management,” such as management strategy, business management and business strategy, for increasing the earning power of businesses and strengthening the governance structure
- “Marketing” for promoting the development of eco-systems in collaboration with customers
- “Technology & innovation” for developing new businesses toward the goals of further business development and growth
- “Human resources management” for securing human resources necessary for sustainable growth and cultivating abilities, thereby giving employees job satisfaction and enabling them to display abilities
- “Global” viewpoints for globalizing operations indispensable for securing growth opportunities
- “Finance & accounting” and “Legal affairs & risk management” that act as the basis for making decisions related to management and business activities
- “Manufacture & SCM” that act as important management bases in strengthening manufacturing and enhancing competitiveness comprising the Company's strengths

		Corporate management	Marketing	Technology & innovation	Human resources management	Global	Finance & accounting	Legal affairs & risk management	Manufacture & SCM
Inside	Shinya Kamagami (Male)	●	●	●				●	●
	Takahiro Mori (Male)	●	●	●	●			●	
	Teiji Teramoto (Male)		●		●	●	●	●	
	Yuichiro Katagiri (Male)		●	●				●	●
Outside	Shigeru Asaba (Male)		○	○	○				
	Tamotsu Saito (Male)	○	○	○	○	○		○	○
	Izumi Kawashima (Female)				○			○	
	Makoto Kigawa (Male)	○	○		○		○	○	○

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



Candidate number <b>2</b>	<b>Hiroshi Niinomi</b>	Number of years in office as Audit & Supervisory Board Member: – (as of the conclusion of this general meeting of shareholders) Number of attendance at meetings of the Board of Directors (the year under review): – out of – times (–%) Number of attendance at meetings of the Audit & Supervisory Board (the year under review): – out of – times (–%) Number of Oki shares held: Common stock: 0 shares	
<b>Brief personal profile, position and significant concurrent positions</b>			
 (Born on April 24, 1972) [Newly nominated] [Outside]	Apr. 1998	Registered as attorney with the Tokyo Bar Association Joined Asahi Law Office (currently Nishimura & Asahi, Foreign Law Joint Enterprise)	
	Jun. 2003	Audit & Supervisory Board Member, Dai-Ichi Kangyo Asset Management Co., Ltd. (currently Asset Management One Co., Ltd.)	
	Jan. 2006	Partner, Nishimura & Asahi, Foreign Law Joint Enterprise	
	Jan. 2021	Office Executive Committee Partner (incumbent)	
<b>Reason for the selection of candidate for Outside Audit &amp; Supervisory Board Member</b>			
As an attorney-at-law for many years, Mr. Hiroshi Niinomi has been responsible for many listed companies with respect to corporate law and financial law matters. He is nominated as a candidate for Outside Audit & Supervisory Board Member as it is judged that since he also has the experience of serving as an Audit & Supervisory Board Member for an investment advisory company for a long time, he will be able to utilize his extensive experience, knowledge, and high ethical standards and conduct objective and neutral audits of the Company's management. Although he has never had experience of being involved in corporate management, the Company determined that he will be able to carry out the duties of Outside Audit & Supervisory Board Member appropriately for the aforementioned reason.			
<b>Significant concurrent positions and business relationships with the Company</b>			
Entity	Position/ responsibilities at the entity	Category	Business relationship
Nishimura & Asahi, Foreign Law Joint Enterprise	Office Executive Committee Partner	Other	The volume of transactions between Nishimura & Asahi, Foreign Law Joint Enterprise and OKI Group accounts for less than 1% of each company's net sales.

## Notes:

- There is no special conflict of interest between each candidate and the Company.
- Mr. Yasuyuki Oda and Mr. Hiroshi Niinomi have served in the positions described above and have extensive knowledge in finance, accounting and judicial affairs necessary for auditing of the Company.
- Mr. Yasuyuki Oda served as a Member of the Board, Chairman of Audit & Supervisory Committee of Fujikura Ltd. from June 2017 to June 2021. In August 2018, during his tenure, the company announced that there were incidents of inappropriate practices related to product quality management, such as recording values different from actual measurements in test and inspection documents submitted to customers and not conducting agreed-upon quality inspections with customers. Although Mr. Yasuyuki Oda was not aware of these facts until the incidents were discovered, he has fulfilled his responsibilities by consistently providing recommendations from the perspective of legal compliance and making various recommendations and statements for strengthening internal control to conduct investigations and prevent recurrence.
- If the appointment of Mr. Yasuyuki Oda and Mr. Hiroshi Niinomi is approved, the Company will enter into a liability limitation agreement with them. The outline of this agreement is provided in "Company Officers" of the Business Report.
- The Company has entered into a directors and officers liability insurance policy, naming all Audit & Supervisory Board Members as insured, and a summary of it is shown in "Company Officers" of the Business Report. The Company plans to continue and renew this policy, and if the appointment of each candidate is approved and they are appointed as Audit & Supervisory Board

(Translation)

Members, each candidate will be insured under the policy.

6. If the appointment of Mr. Yasuyuki Oda is approved, he will be an independent officer based on the terms of the Tokyo Stock Exchange.
7. Although Mr. Hiroshi Niinomi does not have any conflicts of interest with general shareholders and meets the requirements for independent officers as stipulated by the Tokyo Stock Exchange, due to the policy of his law firm, he is not designated or notified as an independent officer.

(Translation)

## **Business Report**

(From April 1, 2023 to March 31, 2024)

### **1. Status of the OKI Group**

#### **(1) Operating progress and results**

##### **Business environment**

Although economic activities have normalized with the easing of restrictions related to COVID-19 countermeasures, the situation remains uncertain due to rising prices from soaring resource prices, monetary tightening to curb inflation in various countries, the economic stagnation in China, and increasing geopolitical risks such as the situation in Ukraine and the Middle East.

Against this backdrop, the OKI Group has formulated the new Medium-Term Business Plan 2025 and updated its materiality issues. To clarify the relationship between materiality issues and business, we have set three fields of contribution: safe and convenient social infrastructure, conservation of global environment, and enhancement of job satisfaction and productivity. We are committed to delivering value that contributes to solving social issues centered on these fields of contribution as a company to maintain social infrastructure and contributes to its maintenance.

##### **Operating results for the fiscal year under review**

For the business conditions in the fiscal year, net sales were ¥421.9 billion, a year-on-year increase of 14.3% or ¥52.8 billion. Net sales increased due to an improvement in the impact of production decrease caused by difficulties in procurement of parts and materials and an increase in the number of large projects in the Enterprise Solutions business.

For the profit side, operating income was ¥18.7 billion, a year-on-year increase of ¥16.3 billion, or 677.8%, due to higher sales and steady price optimization, despite higher fixed costs due to personnel expenses and growth investments. Even excluding the one-time gain of ¥4.3 billion from the reversal of allowance for doubtful accounts for ATM receivables from China, which was recorded in the first quarter of the fiscal year, profit increased year on year.

Ordinary income was ¥18.3 billion, a year-on-year improvement of ¥18.6 billion, due mainly to the improvement in the foreign exchange gain or loss.

Profit attributable to owners of parent was ¥25.6 billion, a year-on-year improvement of ¥28.4 billion. This was due mainly to the recording of income taxes deferred (a profit).

Looking at non-consolidated business performance, net sales were ¥286.5 billion, operating loss was ¥5.0 billion, ordinary income was ¥16.8 billion and profit was ¥23.6 billion.

Please refer to the financial results presentation materials posted on our website for more detailed information on financial results for the fiscal year ended March 31, 2024.

<https://www.oki.com/en/ir/data/presen/>

(Translation)

The OKI Group manufactures and sells products, builds systems and provides solutions, and performs construction, maintenance, and other services in the four business segments of Public Solutions, Enterprise Solutions, Component Products, and EMS, as well as Others. The main businesses by business segment are as follows.

These business segments are the same as the segment classifications.

- Major business

Business segments	Major business
Public Solutions business	This segment is mainly engaged in manufacturing and sales of the following products, system building and provision of solutions, and other services. [Road-related systems, aviation-related systems, firefighting and disaster prevention-related systems, systems for public offices, defense-related systems, aircraft equipment, telecommunications equipment for telecommunications carriers, etc.]
Enterprise Solutions business	This segment is mainly engaged in manufacturing and sales of the following products, providing construction, maintenance, and other services. [ATM, cash processors, store terminals, reservation ticket terminals, check-in terminals, currency exchange machines, ATM monitoring and operation services, financial sales branch systems, centralized office systems, reservation ticket systems, construction and maintenance services, etc.]
Component Products business	This segment is mainly engaged in manufacturing and sales of the following products, and other services. [Edge devices (IoT), sensor networks, PBX, business phones, contact centers, cloud services, LED printers, etc.]
EMS business	This segment is mainly engaged in manufacturing and sales of the following products, and other services. [Contract design and production services, printed circuit boards, cables and electrode wires, engineering, etc.]
Others	"Others" includes the service provision.

- Net Sales by Segments

(Unit: Billions of yen)

Segment	FY2022 (reference: previous fiscal year)	FY2023 (Fiscal year under review)	Changes (amount)	Changes (%)
Public Solutions	95.7	94.0	(1.7)	(1.8)
Enterprise Solutions	112.9	180.1	67.2	59.6
Component Products	84.6	73.4	(11.2)	(13.3)
EMS	75.3	73.9	(1.4)	(1.9)
Others	0.5	0.4	(0.1)	(18.6)
Total	369.1	421.9	52.8	14.3

Net sales and operating income from external customers by business segment are as follows.

We have changed the reportable segment classifications starting this fiscal year, and the following comparison with the previous fiscal year is based on the numbers recombined the numbers of previous fiscal year into the new segment classifications.

<Public Solutions business>

Net sales came to ¥94.0 billion, a year-on-year decrease of 1.8% or ¥1.7 billion. Although sales in the focus areas of roads, firefighting, disaster prevention, and TOKKI systems were strong, sales decreased from the previous fiscal year due to a decline in projects for telecommunications carriers. Operating income was ¥4.4 billion, a year-on-year increase of 30.3% or ¥1.0 billion. Overall segment income increased from the previous fiscal year, driven by special machinery.

<Enterprise Solutions business>

Net sales came to ¥180.1 billion, a year-on-year increase of 59.6% or ¥67.2 billion. Net sales increased significantly due to factors including an improvement in the impact of production decrease caused by difficulties in procurement of parts and materials and the increase of large projects. Operating income was ¥22.0 billion, an increase of ¥20.5 billion year-on-year. Profit increased year on year due to an increase in profit from an increase in volume and a one-time gain from a reversal of allowance for doubtful accounts.

<Component Products business>

Net sales were ¥73.4 billion, down ¥11.2 billion or 13.3% year-on-year, and operating income decreased by ¥1.0 billion or 64.6% year-on-year to ¥0.6 billion. In printers, the impact of lower sales due to stagnant demand overseas was significant, resulting in lower overall segment sales and profit compared to the previous fiscal year.

(Translation)

<EMS business>

Net sales came to ¥73.9 billion, a year-on-year decrease of 1.9% or ¥1.4 billion, and operating income came to ¥1.1 billion, a year-on-year decrease of 50.3% or ¥1.2 billion. Both sales and profit decreased from the previous fiscal year due to the impact of lower demand in the factory automation and robotics markets caused by the delayed recovery of the semiconductor market and the slowdown of the Chinese economy.

<Others>

Net sales came to ¥0.4 billion, a year-on-year decrease of 18.6% or ¥0.1 billion, and operating loss came to ¥1.1 billion, a year-on-year decrease of ¥1.5 billion, due to investments essential for growth, including R&D for future business creation.

## (2) Capital expenditure and research and development expenses

Capital expenditures and research and development expenses for the fiscal year under review equaled ¥11.3 billion and ¥12.5 billion, respectively.

Investment by segment were as follows.

(Unit: Billions of yen)

Segment	Amount of capital expenditure (Amount of research and development expenses)	Major capital expenditure
Public Solutions	1.9 (2.4)	Upgrading, etc. of facilities to design/manufacture new products and incidental facilities of plants in the areas of social infrastructure, network systems, and other fields, the defense business (marine and aviation), and the marine business
Enterprise Solutions	3.6 (4.0)	Development of solutions and new automated products and modules to solve social issues such as labor shortages and post-COVID-19 work efficiency improvements and adoption of non-contact/non-personal contact solutions
Component Products	1.4 (2.1)	Investment in the creation of new products in edge areas for business growth and strengthening the competitiveness of existing products, as well as the renewal of facilities to achieve a stable supply of products and services
EMS	3.9 (0.3)	Investments in production facility automation and IT to increase production capacity, upgrade to the latest facilities, solve labor shortages, and improve productivity in order to strengthen comprehensive manufacturing services
Others/Company-wide (shared)	0.5 (3.8)	
Total	11.3 (12.5)	

## (3) Financing

Operating funds and funds for capital expenditures necessary for business activities will be obtained from our own funds, borrowed funds, or other sources.

The Company maintains good business relationships with major partner financial institutions, so recognizes that it will be able to raise operating funds, funds for capital expenditure, etc. necessary for business activities without any problem.

In addition to the cash and cash equivalents at hand that are currently held, the OKI Group has a commitment line to ensure sufficient liquidity.

The OKI Group places emphasis on the financial discipline and exercises discerning control over investments that are necessary for business expansion.

#### **(4) Future challenges**

OKI aims to resolve social issues through critical Mono-zukuri (the spirit and mind-set to innovate, create and improve products) and Koto-zukuri (working together, proactively seeking opportunities that deliver value to customers). OKI's vision for 2031, the 150th anniversary of the company's founding, is to provide value that leads to the resolution of social issues as a company that does not stop and contributes to the maintenance of social infrastructure in the three fields of contribution: safe and convenient social infrastructure; job satisfaction and productivity enhancement; and conservation of the global environment. The Medium-Term Business Plan 2025 was put in place from fiscal 2023 to achieve this vision.

The basic policy in the Medium-Term Business Plan 2025 is to "Steer toward growth and break free from the downward trend" and we were able to steadily take the first step in fiscal 2023, the first fiscal year of the plan, with large increases in both revenue and profits, including net sales of ¥421.9 billion (up ¥52.8 billion year on year) and operating income of ¥18.7 billion (up ¥16.3 billion year on year). We will accelerate cultural reforms and style changes, and further promote steering toward growth in fiscal 2024, the second fiscal year of the plan.

Growth business: In Public Solutions, we steadily secured transactions particularly for firefighting, disaster preparedness, roads, and TOKKI systems. In EMS, we reliably responded to the market recovery leveraging our strengthened production capacity.

Stabilizing business: In Enterprise Solutions, we continued to reliably implement large-scale projects while promoting the conversion to a robust management structure for the future. In Component Products, we expanded OEM and promoted the rationalization of development and production systems.

Future business creation: We promoted the business expansion strategy for the CFB business and promoted activities at global R&D sites for restarting the overseas business.

In addition, by working to improve financial soundness and capital efficiency through the implementation of investments based on an ROIC perspective and stronger working capital management, we aim for continuous improvement of the corporate value and improvement in shareholder's value.

In the 140 years since its founding in 1881, OKI has supported social infrastructure and helped people achieve safer and more convenient lives. Maintaining this history, we will continue to aim for sustained growth together with society.



(Translation)

## (5) Trends in assets and profit/loss

Trends in assets and profit/loss for the fiscal year under review and the past three years are as follows.

	97th year (FY2020)	98th year (FY2021)	99th year (FY2022)	100th year (Fiscal year under review, FY2023)
Net sales	392.9 billion yen	352.1 billion yen	369.1 billion yen	421.9 billion yen
Profit attributable to owners of parent	(819) million yen	2,065 million yen	(2,800) million yen	25,649 million yen
Basic earnings per share	(9.47) yen	23.85 yen	(32.33) yen	295.93 yen
Total assets	371.5 billion yen	369.2 billion yen	390.4 billion yen	423.4 billion yen
Net assets	111.6 billion yen	107.6 billion yen	99.3 billion yen	141.3 billion yen
Net assets per share	1,286.41 yen	1,240.62 yen	1,143.96 yen	1,628.78 yen

Notes:

1. Basic earnings per share is computed based on the average number of shares during the year (weighted average). Net assets per share are computed based on the number of shares outstanding at the year-end. These figures exclude treasury stocks.
2. The accounting policies have been updated for configuration and customization costs in cloud computing agreements in the 98th fiscal year (fiscal 2021); therefore, the associated values in the 97th fiscal year (fiscal 2020) have retrospectively been applied corrections.
3. The Company has applied "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and related implementation guidance from the beginning of the 98th fiscal year (fiscal 2021), and the figures for the 98th fiscal year onward are figures after application of the accounting standard.

## (6) Status of major subsidiaries

### (i) Status of major subsidiaries

Name	Capital	Company's voting right ratio (%)	Major business
OKI Crosstech Co., Ltd.	2,001 million yen	100	Equipment work, designing, construction and maintenance of electricity, telecommunication, firefighting and other facilities, maintenance, operations and technical support for ICT equipment and systems, and sales of related equipment and supplies
OKI Circuit Technology Co., Ltd.	480 million yen	100	Development, design, manufacture and sales of printed circuit boards, electronic equipment and electronic parts
OKI Software Co., Ltd.	400 million yen	100	Development, design, manufacture and maintenance of software and embedded software, system building services, SI/solution services (CTI, CRM, SCM, NMS, etc.), consulting (system solutions, infrastructure construction support systems, network systems, various design support), outsourcing (system operation and management), and sales of information equipment
OKI Nextech Co., Ltd.	400 million yen	100	Development, design, manufacture, sales and maintenance of information and communications devices, industrial electronic devices, medical electronic equipment and other electronic devices as well as electronic parts
Oki Data Manufacturing (Thailand) Co., Ltd.	420 million baht	100	Manufacture of printers and multifunction machines
Oki Europe Ltd.	141 million euro	100	Sales and service of printers and multifunction machines for all of Europe, the Middle East, and Africa

(Translation)

- (ii) Major partners
  - 1) Major technical partners:
    - International Business Machines Corporation (US)
    - Canon Inc.
  - 2) Major business partners:
    - Hewlett-Packard Company (US)
    - Cisco Systems G.K.

**(7) Major offices**

Our major offices are as follows.

Name	Classification	Location
Oki Electric Industry Co., Ltd.	Head office	Minato-ku, Tokyo
	Branch offices	Hokkaido region (Sapporo, Hokkaido), Tohoku region (Sendai, Miyagi), Chubu region (Nagoya, Aichi), Kansai region (Osaka, Osaka), Chugoku region (Hiroshima, Hiroshima), Shikoku region (Takamatsu, Kagawa), and Kyushu region (Fukuoka, Fukuoka)
	Business offices	Minato-ku (Tokyo), Warabi (Saitama), Honjo (Saitama), Takasaki (Gunma), Tomioka (Gunma), Numazu (Shizuoka), and Akiruno (Tokyo)
	Research institutes	Warabi (Saitama) and Osaka (Osaka)
OKI Crosstech Co., Ltd.	Head office	Chuo-ku (Tokyo)
OKI Circuit Technology Co., Ltd.	Head office	Tsuruoka (Yamagata)
OKI Software Co., Ltd.	Head office	Warabi (Saitama)
OKI Nextech Co., Ltd.	Head office	Tokorozawa (Saitama)
Oki Data Manufacturing (Thailand) Co., Ltd.	Head office	Thailand
Oki Europe Ltd.	Head office	UK

**(8) Employees**

(i) Employees by segment

Segment	Number of employees	
	OKI Group	Oki Electric Industry
Public Solutions	3,063	1,580
Enterprise Solutions	4,862	1,204
Component Products	2,947	984
EMS	2,356	162
Others	560	67
Company-wide (shared)	651	651
Total	14,439	4,648

(ii) Employees of Oki Electric Industry

Number of employees	Average age	Average years of service	Average annual wage (yen)
4,648 (decreased by 92 from the end of the previous fiscal year)	44.5	19.6	7,516,713

(Translation)

**(9) Major creditors**

**Major creditors of the OKI Group are as follows:**

(Unit: Billions of yen)

Creditor	Loan balance
Mizuho Bank, Ltd.	32.3
Sumitomo Mitsui Banking Corporation	22.2
Mizuho Trust & Banking Co., Ltd.	7.3
The Norinchukin Bank	4.5
Resona Bank, Limited	3.8

**(10) Corporate governance**

**(i) Basic policy**

Guided by the corporate philosophy of “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,” the OKI Group recognizes sustainable growth and increases corporate value over 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 of “enhancement of management fairness and transparency,” “timely decision-making processes,” and “full compliance and fortification of risk management.”

**(ii) Corporate governance structure**

**(a) Outline of the structure**

As a company with the Audit & Supervisory Board, the Company establishes the Board of Directors and Audit & Supervisory Board and adopts an executive officer system, aiming to promote “timely decision-making processes” by separating business execution and supervision. In addition, the Company also works on the “enhancement of management fairness and transparency” by nominating Outside Directors as well as setting up a voluntary committee concerned with personnel affairs and compensation, so as to ensure effective supervision from an independent and objective standpoint. In addition to audits by the Audit & Supervisory Board and its members, OKI seeks to ensure “full compliance and fortification of risk management,” such as by establishing the Risk Management Committee.

During the fiscal year under review (fiscal 2023), the Company was operated by eight Directors, including four Outside Directors (including one female Director); five Audit & Supervisory Board Members, including three Outside Audit & Supervisory Board Members; and 16 Executive Officers not serving concurrently as Directors. Outside Directors and Outside Audit & Supervisory Board Members are independent officers who are neutral and independent of the management. Furthermore, there is no system to receive consulting and advice, etc., from former representative directors and presidents, etc.

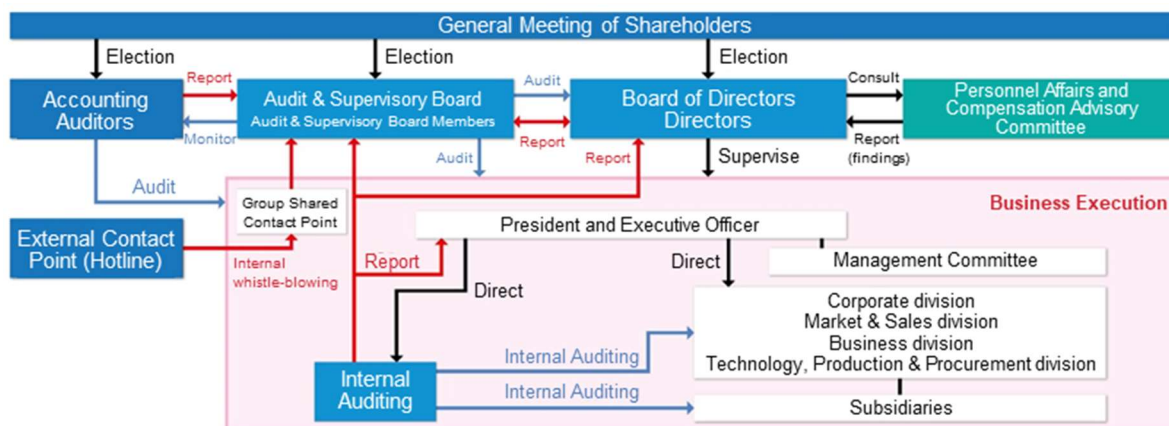
**(b) Reason for selecting the current structure**

The Company judges that it can stably achieve “enhancement of management fairness and transparency,” “timely decision-making processes,” and “full compliance and fortification of risk management” by conducting various measures including (i) enhancing the supervisory function of the Board of Directors by separating business execution and supervision and promoting active involvement of outside directors; (ii) having objective auditing by Audit & Supervisory Board

(Translation)

members who are independent of management and have a strong authority for investigation; and (iii) establishing voluntary Personnel Affairs and Compensation Advisory Committee. The Company will continue to seek sustainable growth and increase corporate value from a medium- to long-term viewpoint while recognizing its responsibility to its stakeholders and complying with the aims of the Corporate Governance Code.

### Corporate Governance Structure



#### (iii) General Meeting of Shareholders

The General Meeting of Shareholders of the Company, a company with the Board of Directors, resolves items set forth in laws and regulations, and the Articles of Incorporation. The Board of Directors is authorized to resolve the following matters in accordance with relevant laws and regulations. It is stipulated that the amount of dividends, other than interim dividends, is determined at general meetings of shareholders.

##### (a) Organization to determine the acquisition of treasury stock

The Articles of Incorporation stipulate that the Company may acquire treasury stock through market transactions, etc. upon a resolution of the Board of Directors pursuant to Article 165, paragraph (2) of the Companies Act to swiftly implement capital policies.

##### (b) Organization to determine interim dividend

The Articles of Incorporation stipulate that the Company may pay interim dividends upon a resolution of the Board of Directors to distribute profits swiftly to shareholders.

##### (c) Requirements for special resolutions of a general meeting of shareholders

The Articles of Incorporation stipulate that, for smooth operations of general meetings of shareholders, special resolutions at a general meeting of shareholders set forth in Article 309, paragraph (2) of the Companies Act are passed by a majority of two-thirds or more of the votes of the shareholders present at the meeting where the shareholders holding one-third or more of votes of the shareholders entitled to vote at such shareholders meeting are present.

#### (iv) Board of Directors

##### (a) Duties, Composition, Operations, etc.

During the fiscal year under review, the Board of Directors consisted of eight Directors, held a meeting once a month in principle as well as special meetings when necessary, decided on significant matters including basic management policy, and supervised business execution based on laws and regulations, and the Articles in Incorporation.

To secure the functions of the Board of Directors, the Company selects candidates for Directors in consideration of diversities, such as expertise, career and gender, based on the skills

matrix in the Reference Documents for the General Meeting of Shareholders, and includes four Independent Outside Directors (including one female Director) to improve the fairness and transparency of management, thinking that the roughly equal numbers of internal Executive Directors and highly independent Outside Directors create an appropriate balance.

The Board of Directors is chaired by a Director who is mutually appointed, but was chaired by an Independent Outside Director during the fiscal year under review.

The Board of Directors held 13 meetings during the fiscal year under review, and these meetings were attended by all Directors every time. The attendance rates of the Outside Directors and Outside Audit & Supervisory Board Members are shown in “Outside Directors and Audit & Supervisory Board Members” of the Business Report. To contribute to in-depth discussions at the Board of Directors meetings, outside officers are given materials and explanations in advance by the secretariat of the Board of Directors, etc.

During the fiscal year under review, the Board of Directors meetings focused on confirming the progress of the Medium-Term Business Plan 2025, and each division in charge reported directly on the current status on a regular basis, based on which the Board of Directors held active discussions. In addition, with a view to enhancing ESG initiatives, the Board of Directors also deliberated on the revision of the environmental vision. Furthermore, complying with the aims of the Corporate Governance Code, the Board of Directors continues to deepen discussions on dialogue with shareholders (SR implementation plan and results), publication of the FY2023 version of the OKI Report, the Integrated Report, board effectiveness evaluations, and management of profits such as ROIC.

(b) Matters concerning Directors

i. Number of Directors

The Articles of Incorporation stipulate that the number of Directors of the Company shall be no more than 15.

ii. Requirements for resolution of election of Directors

The Articles of Incorporation stipulate that resolutions for election of Directors shall be passed by more than half of the votes of the shareholders present at the meeting where the shareholders holding one-third or more of votes of the shareholders entitled to vote at such shareholders meeting are present, and that no cumulative vote is adopted in the election of Directors.

iii. Tenure of office

The Articles of Incorporation stipulate that the tenure of office of Directors shall be set as one year to clarify management responsibility for each fiscal year.

(v) **Personnel Affairs and Compensation Advisory Committee**

The Company has established the Personnel Affairs and Compensation Advisory Committee as a voluntary committee to secure transparency and objectiveness in the decision-making processes concerning appointment and dismissal of Directors and determination of compensation for officers. The Committee holds a meeting as necessary. The Committee is consulted prior to resolutions at a Board of Directors meeting on appointment and dismissal of Directors, Executive Officers, etc. and the structure and level of their compensation, deliberates on these issues from an objective viewpoint, and reports the results to the Board of Directors. In addition, the Committee delivers its opinion on nomination of candidates for Audit & Supervisory Board Members to Audit & Supervisory Board Members. During the fiscal year under review, the Committee consisted of four Outside Directors and a Non-executive Inside Director, and was chaired by an Independent Outside Director by resolution of the Board of Directors. The Committee held 12 meetings in the fiscal year under review, with all members in attendance at each meeting.

During the fiscal year under review, the committee deliberated and reported to the Board of

(Translation)

Directors on such issues as the executive structure for achieving the Medium-Term Business Plan 2025, the revision of the executive compensation system so that it functions sufficiently as an incentive to enhance performance for the continuous enhancement of corporate value, and the long-term issue of development plan of successors (management human resources development).

**(vi) Election and dismissal of company officers**

Upon the nomination of candidates for Directors and Audit & Supervisory Board Members and the appointment of Executive Officers, the Company makes a comprehensive judgment based on their legal eligibility, together with the following requirements.

- Those with excellent personality, insights, high ethical standards, fairness and integrity as well as a high-level awareness of compliance
- Those who can execute their duties towards the realization of the OKI Group's corporate philosophy and continuous improvement of the corporate value
- Those who have had a long term of office
- Audit & Supervisory Board Members who have the necessary knowledge of finance, accounting and legal affairs
- Outside officers who satisfy the independence criteria

A dismissal of a director, Audit & Supervisory Board member, or executive officer is proposed in cases where the said person engages, or is likely to engage, in an act in violation of laws and regulations or the Articles of Incorporation, or where a certain event occurs, which makes it difficult for the said person to fulfill the duties appropriately, and the Personnel Affairs and Compensation Advisory Committee promptly deliberates on such an event, and proposes a dismissal to the Board of Directors.

**(vii) Matters related to stocks owned by the Company (As of March 31, 2024)**

**(a) Policy on cross-shareholdings**

The Company will reduce cross-shareholdings phase by phase as a result of comprehensive consideration of conditions such as the medium- and long-term improvement of the corporate value of the Company and a share certificate-issuing company. The Company aims to achieve a net asset ratio of approximately 20% by the end of FY2025, the final year of the Medium-Term Business Plan 2025.

**(b) Outline of consideration-related cross-shareholdings**

Every year, the Board of Directors validates cross-shareholdings. The decision on the suitability of holding is made for each stock based on a comprehensive consideration of quantitative and qualitative factors.

**(c) Standards for the exercise of voting rights regarding cross-shareholdings**

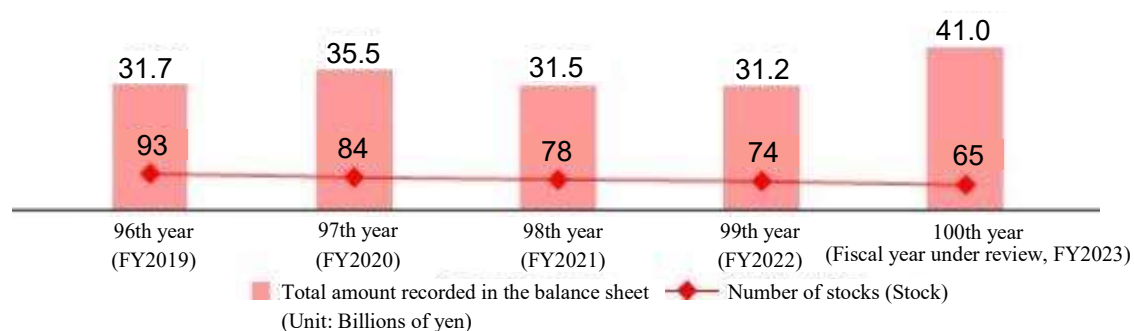
For the exercise of voting rights regarding cross-shareholdings, we classify proposals as follows, establish standards for exercise to make a decision and exercise the rights.

- In case of a proposal to elect an officer, the total number, ratio of independent officers, etc.
- In case of a proposal related to remuneration for officers, performance, asset status, etc.
- In case of a proposal for appropriation of surplus, performance, condition of retained earnings, etc.
- We shall pay extra attention to the deliberation of a proposal for anti-takeover measures, M&A or third-party allocation of shares.

(Translation)

(d) Number of brands of the stocks that the Company owns for purposes other than pure investment and the total amount recorded in the balance sheet

		96th year (FY2019)	97th year (FY2020)	98th year (FY2021)	99th year (FY2022)	100th year (Fiscal year under review, FY2023)
Number of stocks (Stock)	Unlisted stock	66	59	52	50	45
	Stocks other than unlisted stock	27	25	26	24	20
	Total	93	84	78	74	65
Total amount recorded in the balance sheet (Unit: Billions of yen)	Unlisted stock	6.3	6.3	6.2	6.2	6.2
	Stocks other than unlisted stock	25.4	29.2	25.3	25.0	34.9
	Total	31.7	35.5	31.5	31.2	41.0



## (11) Other significant events of the OKI Group

Oki Banking Systems (Shenzhen) Co., Ltd. (hereinafter “OBSZ”), a consolidated subsidiary of the Company in China, has filed a request for arbitration against Shenzhen Yihua Computer Industrial Co., Ltd. (hereinafter “Yihua Industrial”) on October 10, 2015, demanding payment of accounts receivable of RMB1,115,463 thousand (¥23,246 million if converted to Japanese yen based on the exchange rate as of the end of the fiscal year under review) and compensation of damages (hereinafter “Case A”) with the South China International Economic and Trade Arbitration Commission. Further, OBSZ filed litigation to commingle property beyond legal personality with the High People’s Court of Guangdong Province against Shenzhen Yihua Computer Co., Ltd. (“Yihua Computer”), the parent of Yihua Industrial, and others as defendants, claiming that they are jointly and severally responsible for payment of the above claims against Yihua Industrial which had been unpaid, to request protection of property (Case B).

Subsequently, Case A was adjudicated by the South China International Economic and Trade Arbitration Commission on December 16, 2020, and it ruled that Yihua Industrial pay OBSZ the unpaid amount for merchandise of RMB1,096.866 million (¥22,858 million if converted to Japanese yen based on the exchange rate as of the end of the fiscal year under review) as well as interest for arrears, legal costs, and others, and this is being settled by arbitration. Regarding Case B, on December 23, 2021, the High People’s Court of Guangdong Province sentenced Yihua Computer and affiliates to take the collective liability for the payment to be made by Yihua Industrial to OBSZ. In response, Yihua Computer and affiliates lodged an appeal of Case B to the Supreme People’s Court on January 5, 2022, but on June 1, 2023, the Supreme People’s Court upheld the decision of the High People’s Court of Guangdong Province (original court) and dismissed the appeal by Yihua Computer and affiliates. The OKI Group is making every effort to collect the full amount awarded.

(Translation)

## 2. Shareholders' Equity

(1) Number of shares authorized to be issued by the Company:  
240,000,000 shares

(2) Number of outstanding shares:  
87,217,602 shares  
(including 542,144 shares of treasury stock)

(3) Number of shareholders:  
66,517

(4) Major shareholders (Top 10)

Name of shareholder	Number of shares held (shares)	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 percentages of shares held are calculated after deducting treasury stock.



(Translation)

### 3. Equity Warrants

**(1) Equity warrants granted to the Company's officers as consideration for their performance of duties**

(i) Number of equity warrants

626

(ii) Type and number of shares subject to equity warrants

62,600 shares of the Company's common stock (100 shares per equity warrant)

(iii) Status of equity warrants held by the Company's officers

Issued Number (Exercise Price)	Exercise period	Directors (excluding Outside Directors)	
		Number of equity warrants	Number of holders
FY2016 equity warrant (1 yen) (Issued on August 16, 2016)	August 17, 2016 to August 16, 2041	98	2
FY2017 equity warrant (1 yen) (Issued on August 15, 2017)	August 16, 2017 to August 15, 2042	119	2
FY2018 equity warrant (1 yen) (Issued on August 14, 2018)	August 15, 2018 to August 14, 2043	119	2
FY2019 equity warrant (1 yen) (Issued on August 14, 2019)	August 15, 2019 to August 14, 2044	131	2
FY2020 equity warrant (1 yen) (Issued on August 18, 2020)	August 19, 2020 to August 18, 2045	159	3

**(2) Equity warrants issued to employees in consideration of performance during the fiscal year under review**

No notes since no equity warrant was issued in this fiscal year.

(Translation)

#### 4. Company Officers

##### (1) Names, etc. of Directors and Audit & Supervisory Board Members

Note 1	Position	Name	Status or main duties
	Director and Chairman of the Board	Shinya Kamagami	
X	President, Representative Director	Takahiro Mori	Chief Executive Officer
X	Senior Executive Vice President	Masayuki Hoshi	Chief Compliance Officer Chief Financial Officer Chief Human Resource Officer Internal Control Administrator
X	Executive Vice President and Member of the Board	Teiji Teramoto	
	Director	Shigeru Asaba	Outside Director, Nippon Beet Sugar Manufacturing Co., Ltd.
	Director	Tamotsu Saito	Advisor, IHI Corporation Outside Director, Furukawa Electric Co., Ltd. Outside Director, KAJIMA CORPORATION Chairman, New Energy and Industrial Technology Development Organization
	Director	Izumi Kawashima	Outside Director, TAKARA & COMPANY LTD.
	Director	Makoto Kigawa	Associate Director, Yamato Holdings, Co., Ltd. Outside Director, Seven Bank, Ltd. Outside Director, The Higo Bank, Ltd. External Board Member, ICMG Co., Ltd.
	Standing Audit & Supervisory Board Member	Masashi Fuse	
	Standing Audit & Supervisory Board Member	Toshiyuki Yokota	
	Audit & Supervisory Board Member	Hideo Shiwa	External Director (Audit Committee Member), OUTSOURCING Inc.
	Audit & Supervisory Board Member	Ryuichi Makino	Standing Audit & Supervisory Board Member, Synchro Food Co., Ltd.
	Audit & Supervisory Board Member	Yoshihiro Tsuda	Outside Standing Audit & Supervisory Board Member, Tribeck Inc. Outside Audit & Supervisory Board Member, PRONEXUS Inc.

Notes:

1. X indicates Executive Officer.
2. Directors Shigeru Asaba, Tamotsu Saito, Izumi Kawashima, and Makoto Kigawa are Outside Directors.
3. Audit & Supervisory Board Members Hideo Shiwa, Ryuichi Makino, and Yoshihiro Tsuda are Outside Audit & Supervisory Board Members.
4. Directors Shigeru Asaba, Tamotsu Saito, Izumi Kawashima, and Makoto Kigawa and Audit & Supervisory Board Members Hideo Shiwa, Ryuichi Makino, and Yoshihiro Tsuda have been reported as independent officers to Tokyo Stock Exchange.
5. Audit & Supervisory Board Member Masashi Fuse has served in positions such as Officer in charge of the Accounting & Control Division, and has extensive knowledge in finance and accounting.
6. Audit & Supervisory Board Member Hideo Shiwa headed the finance & accounting and planning divisions and presided over a business company and unit of the head office of a manufacturing company, and has extensive knowledge in finance and accounting.
7. Audit & Supervisory Board Members Ryuichi Makino and Yoshihiro Tsuda are certified public accountants, and have extensive knowledge in finance and accounting.
8. Executive officers as of March 31, 2024 are as follows (excluding those who concurrently serve as Directors).

Position	Name	Principal duty
Senior Vice President	Yuichiro Katagiri	Chief Quality Officer, Chief Environmental Officer, Construction Business Executive Officer, in Charge of Special Missions

(Translation)

Position	Name	Principal duty
Senior Vice President	Hiroshi Tomizawa	Head of Enterprise Solutions Division
Senior Executive Officer	Tetsuya Takimoto	Head of Public Office Marketing & Sales Division
Senior Executive Officer	Hiroshi Nishimura	Head of Electronics Manufacturing Services Division
Senior Executive Officer	Yoichi Katou	Head of TOKKI Systems Division
Executive Officer	Shuutarou Ootahara	In Charge of Special Missions
Executive Officer	Yuhiko Fujiwara	Chief Innovation Officer
Executive Officer	Takashi Inoue	Head of Component Products Division
Executive Officer	Toru Hattanda	General Manager of Human Resources & General Affairs Division
Executive Officer	Hajime Inoue	Head of Social Infrastructure Solutions Division
Executive Officer	Takashi Itou	Head of Corporate Planning Division
Executive Officer	Shotaro Nakatsu	Deputy Head of Enterprise Solutions Division
Executive Officer	Akira Ogasawara	Head of Accounting & Control Division
Executive Officer	Nobuya Suzuki	Head of Public Business Promotion Division (Business for Government & Social Infrastructure)
Executive Officer	Masaya Motosugi	Head of Corporate Strategy Division
Executive Officer	Kurato Maeno	Chief Technology Officer and Head of Technology Division

## (2) Outline of liability limitation agreements

The Company concluded agreements to limit liabilities with all Outside Directors and Audit & Supervisory Board Members under the provisions of Article 427, paragraph (1) of the Companies Act. The outline of the agreements is as follows:

- In cases where Outside Directors and Audit & Supervisory Board Members are liable for any damages arising from their negligence to the Company, they shall compensate for such damages only to the extent of the minimum liabilities as stipulated in laws and regulations.
- The above limitation shall be applied only when the relevant Outside Directors and Audit & Supervisory Board Members have executed their duties that caused the liabilities in good faith and without gross negligence.

## (3) Outline of liability insurance agreement for Directors

The Company concluded liability insurance agreements as defined in the provisions of Article 430-3, paragraph (1) of the Companies Act covering Directors, Audit & Supervisory Board Members, Executive Officers, Executive General Managers, and those who concurrently serve as Outside Directors, etc. of the Company; Directors, Executive Officers, Audit & Supervisory Board Members and Corporate Officers of all of the domestic subsidiaries; and Directors, Executive Officers, Audit & Supervisory Board Members, Corporate Officers and employees who hold executive positions at some foreign subsidiaries in the U.S., China, Thailand, etc. as the insured. The Company or a subsidiary bears the full amount of premium including riders, and the insured has no burden to pay the premium. The insurance agreement compensates for damage which may be incurred when the insured has responsibility to execute duties or receives a claim related to the pursuit of responsibility. However, it determines certain reasons for exceptions such as damage that arises due to an act conducted while realizing it breaches laws and regulations. In addition, the insurance agreement defines the scope of deductibles, and the damage up to the deductibles will not be compensated for by the insurance. In this way, by defining the provisions on the reasons for exceptions and deductibles, the Company intends not to impair the adequacy of the duties of Directors, etc.

(Translation)

**(4) Compensation, etc. paid to Directors and Audit & Supervisory Board Members in the fiscal year under review**

(i) Policy on determining the content of individual compensation, etc. for Directors

The Company established the policy on determining the content of individual compensation, etc. for Directors, and a summary is as follows.

• Basic policy

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

• Structure of compensation

The compensation structure is divided into performance-linked compensation and compensation other than performance-linked compensation, and consists of basic compensation, which is a fixed compensation; and annual incentive compensation and medium- to long-term incentive compensation, which are performance-linked compensation. These compensations have been provided as part of efforts to develop an environment for a shift to the management focused on "more aggressive goal setting" and "growth over medium- to long-term" in order to achieve "continuous growth" of the OKI Group. The compensation for outside directors consists only of basic compensation.

	Basic compensation	Annual incentive	Medium- to long-term incentive
Inside Directors (Concurrently serving as Executive Officer)	○	○	○
Outside Directors	○	—	—

As for medium- to long-term incentive compensation, the 99th Ordinary General Meeting of Shareholders held on June 27, 2023, approved a resolution for a performance-linked stock compensation system for Directors, and the Company has adopted a performance-linked stock compensation (performance share units) in which shares will be delivered in proportion to the achievement of the performance of the Medium-Term Business Plan (three years) from FY2023.

(Translation)

- Content of compensation

Content of compensation is as shown in the table below.

Type		Content of compensation
Basic compensation	Fixed compensation	<ul style="list-style-type: none"> <li>• When serving as Executive Officer concurrently, monetary compensation shall be determined and paid monthly while being individually tailored to the position, followed by duties.</li> </ul>
Annual incentive compensation	Performance-linked compensation	<ul style="list-style-type: none"> <li>• Once a year, monetary compensation shall be paid and determined individually with a linkage with the single year's consolidated business performance of the OKI Group and that of the division each Director is responsible for.</li> <li>• The rate of payment is determined within a scope of 0% to 250%, according to linkage with the quantitative assessment by business performance and qualitative assessment by the President or the Personnel Affairs and Compensation Advisory Committee.</li> <li>• It is set that the degree of linkage with business performance is higher for a person in a higher position. The amount of payment is set to 35% to 45% of the basic compensation when the rate of payment is 100%.</li> </ul>
Medium- to long-term incentive compensation		<ul style="list-style-type: none"> <li>• Performance-linked stock compensation (performance share units) is adopted.</li> <li>• The performance share units will be granted for the performance evaluation period of three years, which is the period of the Medium-Term Business Plan, and shares will be delivered after the evaluation period in accordance with the degree of achievement of the Medium-Term Business Plan (however, a portion of the shares to be delivered will be paid in cash).</li> <li>• The rate of payment will be determined within the scope of 0 to 250%, depending on the degree of achievement of the targets.</li> <li>• It is set that the degree of linkage with business performance is higher for a person in a higher position. The amount of payment is set to 15% to 20% of the basic compensation when the rate of payment is 100%.</li> <li>• In the event that the Board of Directors recognizes that a director, etc. has violated laws or regulations, etc. in a material respect, the right to receive delivery of shares will be forfeited (clawback provision)</li> </ul>

- Calculation method for performance-linked compensation

For annual incentive compensation, 80% of the amount to be paid is calculated by multiplying the standard compensation amount set for each position in advance by a performance evaluation factor based on quantitative evaluation, and 20% of the amount to be paid is calculated by qualitative evaluation. The performance indicators used in the quantitative evaluation are those (sales, operating income, and working capital) that have been determined to be appropriate as performance evaluation indicators for achieving the OKI Group's sustainable growth. The quantitative evaluation consists of the OKI Group's consolidated performance-linked portion and the performance-linked portion by the division in charge, and the announced figures (the targets are set based on the following announced figures) and actual results of the performance evaluation indicators for the OKI Group's consolidated performance-linked portion are as follows. Working capital is calculated based on the number of days.

(Translation)

(Unit: Billions of yen)

Performance evaluation indicator	Announced figures	Actual results
Net sales	440.0	421.9
Operating income	11.0	18.7
Working capital	—	114.7

Note: The announced figures are the figures that were announced on May 10, 2023.

Medium- to long-term incentive compensation is based on ROE, which is judged to be an appropriate indicator\* for improving corporate and shareholder's value over the medium and long term and for sharing value with shareholders, as well as on sales and ESG (the CO<sub>2</sub> emissions reduction rate of the Company's sites and the percentage of female executives), which is judged to be an appropriate indicator for placing greater emphasis on medium- to long-term growth and for improving linkage with the Medium-Term Business Plan. The number of shares to be delivered will be calculated by dividing the pre-determined standard compensation amount for each position by the stock price at the beginning of the performance evaluation period, and multiplying this number by a performance evaluation factor. (However, a portion of the shares to be delivered will be converted into cash at the stock price at the time of delivery.) The actual values of the performance evaluation indicators are calculated at the end of the performance evaluation period and therefore are not fixed at the time of reporting.

\* Medium-Term Management Plan 2025 targets (ROE 8%, net sales of ¥450 billion, 21% reduction in CO<sub>2</sub> emissions at the Company's sites, 5% female ratio in executive roles)

• Compensation decision process

As for how to determine the policy on determining individual compensation, etc. for Directors and Executive Officers, in order to secure transparency and objectiveness in the decision-making processes concerning compensation for officers, the Company has established the Personnel Affairs and Compensation Advisory Committee, consisting of four Outside Directors and one Non-executive Internal Director and chaired by an Outside Director. It deliberates, prior to resolutions at a Board of Directors meeting, on the structure and level of compensation for Directors and Executive Officers, and reports the results to the Board of Directors. In addition, the appropriateness of the structure and level of compensation is validated mainly utilizing objective evaluation data from external organizations.

The Personnel Affairs and Compensation Advisory Committee held a total of 12 meetings during the fiscal year under review, discussed the compensation structure for officers in four of these meetings, and reported the results three times.

Since the Board of Directors decided the content of individual compensation, etc. for Directors for the fiscal year under review after confirming the content of the report, it was evaluated that the content of the individual compensation, etc. for Directors for the fiscal year under review complied with the policy above.

(ii) Matters related to the resolution for the compensation, etc. for Directors and Audit & Supervisory Board Members of the ordinary general meeting of shareholders

As for the amount of monetary compensation for Directors, at the 82nd ordinary general meeting of shareholders held on June 29, 2006, it was resolved that the annual amount for Directors

(Translation)

would be ¥600 million or less (not including employee salary for an employee who is serving as Director). The number of Directors at the end of the ordinary general meeting of shareholders was eleven (including one outside director).

Separately from such monetary compensation, the 99th ordinary general meeting of shareholders held on June 27, 2023, resolved that the maximum number of shares for performance-linked stock compensation (performance share units) shall be 362,100 shares for each performance evaluation period, and the maximum amount shall be 362,100 shares multiplied by the stock price at the time of delivery. The number of Directors (excluding Outside Directors) at the end of the ordinary general meetings of shareholders was four (including three eligible Directors).

As for the amount of monetary compensation for Audit & Supervisory Board Members, at the 82nd ordinary general meeting of shareholders held on June 29, 2006, it was resolved that it would be ¥100 million or less per year. The number of Audit & Supervisory Board Members at the end of the ordinary general meeting of shareholders was four.

- (iii) Matters related to the commission of the decision on the content of individual compensation, etc. for Directors

The Company commissions the decision on the specific content of individual remuneration related to annual incentive compensation for Directors based on a resolution for the commission of the Board of Directors as below. As for the part commissioned to a Director who is concurrently serving as President and Executive Officer, the Company has taken measures such as deliberating the validation at the Personnel Affairs and Compensation Advisory Committee to ensure that the Director adequately executes his/her authority.

Applicable Directors	Commissioned person	Content of the commissioned authority	Reason for the commission of the authority
Director concurrently serving as the President and Executive Officer	Members of the Personnel Affairs and Compensation Advisory Committee (Directors Shinya Kamagami, Shigeru Asaba, Tamotsu Saito, Izumi Kawashima, and Makoto Kigawa)	Qualitative evaluation for 20% of annual incentive compensation	To secure transparency of the process and objectivity of evaluation
Executive Director other than the above	Director concurrently serving as the President and Executive Officer (Director Takahiro Mori)		To focus on aggressive goal-setting for each task assigned to the person

(Translation)

(iv) Compensation paid to Directors and Audit & Supervisory Board Members, etc.

Officer Title	Amount of payment	Amount of payment by type of compensation			Number of applicable officers
		Fixed compensation	Performance-linked compensation		
		Basic compensation	Annual incentive	Medium- to long-term incentive	
Directors (excluding Outside Directors)	¥254 million	¥179 million	¥47 million	¥28 million	5
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	¥46 million	¥46 million	–	–	3
Outside officers					
Outside Directors	¥55 million	¥55 million	–	–	4
Outside Audit & Supervisory Board Members	¥27 million	¥27 million	–	–	3

Notes:

1. Medium- to long-term incentive compensation is performance-linked stock compensation (performance share units), the details of which are described in (i) above, and the amount recorded as expenses in the current fiscal year.
2. The numbers of Directors (excluding Outside Directors) and Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members) as of the end of the fiscal year under review are different from the number shown above, and the above numbers include those who retired at the conclusion of the 99th Ordinary General Meeting of Shareholders held on June 27, 2023.



(Translation)

**(5) Outside Directors and Audit & Supervisory Board Members**

(i) Status of material concurrent positions at other organizations, etc. and the Company's relationship with the aforesaid organizations

	Entity	Position/responsibilities at the entity	Category	Business relationship
Shigeru Asaba, Director	Nippon Beet Sugar Manufacturing Co., Ltd.	Outside Director	Listed	There are no business relationships between Nippon Beet Sugar Manufacturing Co., Ltd. and OKI Group.
Tamotsu Saito, Director	IHI Corporation	Advisor	Listed	The volume of transactions between IHI Corporation and OKI Group accounts for less than 1% of each company's net sales.
	Furukawa Electric Co., Ltd.	Outside Director	Listed	The volume of transactions between Furukawa Electric Co., Ltd. and OKI Group accounts for less than 1% of each company's net sales.
	KAJIMA CORPORATION	Outside Director	Listed	The volume of transactions between KAJIMA CORPORATION and OKI Group accounts for less than 1% of each company's net sales.
	New Energy and Industrial Technology Development Organization	Chairman	Other	The volume of transactions between New Energy and Industrial Technology Development Organization and OKI Group accounts for less than 1% of each company's net sales.
Izumi Kawashima, Director	TAKARA & COMPANY LTD.	Outside Director	Listed	There are no business relationships between TAKARA & COMPANY LTD. and OKI Group.
Makoto Kigawa, Director	Yamato Holdings, Co., Ltd.	Associate Director	Listed	There are no business relationships between Yamato Holdings, Co., Ltd. and OKI Group.
	Seven Bank, Ltd.	Outside Director	Listed	There are no business relationships between Seven Bank, Ltd. and OKI Group.
	The Higo Bank, Ltd.	Outside Director	Unlisted	The volume of transactions between The Higo Bank, Ltd. and OKI Group accounts for less than 1% of each company's net sales.
	ICMG Co., Ltd.	External Board Member	Unlisted	There are no business relationships between ICMG Co., Ltd. and OKI Group.
Hideo Shiwa, Audit & Supervisory Board Member	OUTSOURCING Inc.	External Director (Audit Committee Member)	Listed	The volume of transactions between OUTSOURCING Inc. and OKI Group accounts for less than 1% of each company's net sales.
Ryuichi Makino, Audit & Supervisory Board Member	Synchro Food Co., Ltd.	Standing Audit & Supervisory Board Member	Listed	There are no business relationships between Synchro Food Co., Ltd. and OKI Group.
Yoshihiro Tsuda, Audit & Supervisory Board Member	Tribeck Inc.	Outside Standing Audit & Supervisory Board Member	Unlisted	There are no business relationships between Tribeck Inc. and the OKI Group.
	PRONEXUS Inc.	Outside Audit & Supervisory Board Members	Listed	The volume of transactions between PRONEXUS Inc. and OKI Group accounts for less than 1% of each company's net sales.

(Translation)

(ii) Major activities in the fiscal year under review

(a) Attendance at meetings of the Board of Directors, the Audit & Supervisory Board, and the Personnel Affairs and Compensation Advisory Committee

	Board of Directors meeting (number of meetings in parenthesis)		Audit & Supervisory Board meeting (number of meetings in parenthesis)		Personnel Affairs and Compensation Advisory Committee (number of meetings in parenthesis)	
	Attendance frequency	Attendance rate	Attendance frequency	Attendance rate	Attendance frequency	Attendance rate
Shigeru Asaba, Director	13(13)	100%	–	–	12(12)	100%
Tamotsu Saito, Director	13(13)	100%	–	–	12(12)	100%
Izumi Kawashima, Director	13(13)	100%	–	–	12(12)	100%
Makoto Kigawa, Director	13(13)	100%	–	–	12(12)	100%
Hideo Shiwa, Audit & Supervisory Board Member	13(13)	100%	18(18)	100%	–	–
Ryuichi Makino, Audit & Supervisory Board Member	13(13)	100%	18(18)	100%	–	–
Yoshihiro Tsuda, Audit & Supervisory Board Member	13(13)	100%	18(18)	100%	–	–

## (b) Major activities

	Principal comments at the Board of the Directors and summary of the duties executed for the role expected of outside director
Shigeru Asaba, Director	He provided advice and made proposals for the appropriateness and properness of decision making by the Board of Directors. He also contributed to strengthening compliance by providing a good example to managerial personnel through his leadership and enhancing the management fairness and transparency as the Chairperson of the Personnel Affairs and Compensation Advisory Committee. He has contributed to the improvement of the Company's corporate value by fulfilling his expected role, in particular by actively giving advice and making proposals based on his academic expertise in all aspects of business, including marketing and innovation, in order to supervise the progress of the Medium-Term Business Plan and the development plan of successors, and deepen deliberations on risk and crisis response by the Board of Directors.
Tamotsu Saito, Director	He provided advice and made proposals for the appropriateness and properness of decision making by the Board of Directors. He also contributed to strengthening compliance by providing a good example to managerial personnel through his leadership and enhancing the management fairness and transparency as a member of the Personnel Affairs and Compensation Advisory Committee. He has contributed to the improvement of the Company's corporate value by fulfilling his expected role, in particular by actively giving advice and making proposals based on his experience in manufacturing, development, and global management, in order to supervise the progress of the Medium-Term Business Plan and the development plan of successors, and deepen deliberations on risk and crisis response by the Board of Directors.
Izumi Kawashima, Director	She led discussions by the Board of Directors as its chairperson, and provided advice and made proposals for the appropriateness and properness of decision making by the Board of Directors. She also contributed to strengthening compliance by providing a good example to managerial personnel through her leadership and enhancing the management fairness and transparency as a member of the Personnel Affairs and Compensation Advisory Committee. She has contributed to the improvement of the Company's corporate value by fulfilling her expected role, in particular by actively giving advice and making proposals based on her knowledge as a legal expert of the Companies Act, Financial Instruments and Exchange Act, etc. in order to supervise the progress of the Medium-Term Business Plan and the development plan of successors, and deepen deliberations on risk and crisis response by the Board of Directors.
Makoto Kigawa, Director	He provided advice and made proposals for the appropriateness and properness of decision making by the Board of Directors. He also contributed to strengthening compliance by providing a good example to managerial personnel through his leadership and enhancing the management fairness and transparency as a member of the Personnel Affairs and Compensation Advisory Committee. He has contributed to the improvement of the Company's corporate value by fulfilling his expected role, in particular by actively giving advice and making proposals based on his management experience in supply chain management and risk management in order to supervise the progress of the Medium-Term Business Plan and the succession planning, and deepen deliberations on risk and crisis response by the Board of Directors.
Hideo Shiwa, Audit & Supervisory Board Member	He audited the business execution of Directors and leveraged his extensive experience and knowledge as an executive and a Director at a manufacturing company to make statements aimed at achieving sustainable growth and producing medium- to long-term corporate value for the Company.
Ryuichi Makino, Audit & Supervisory Board Member	He audited the business execution of Directors, and leveraged his extensive experience and knowledge concerning accounting audit on companies centered on manufacturers as a certified public accountant to make statements aimed at achieving sustainable growth and establishing high-quality corporate governance systems for the Company.
Yoshihiro Tsuda, Audit & Supervisory Board Member	He audited the business execution of Directors, and leveraged his extensive experience and knowledge concerning accounting audit on companies operating globally as a certified public accountant to make statements aimed at achieving sustainable growth and establishing high-quality corporate governance systems for the Company.

(Translation)

## 5. Status of Accounting Auditor

(1) **Name:** PricewaterhouseCoopers Japan LLC

(2) **Policy and reason for the appointment**

The Company has appointed the accounting auditor with comprehensive consideration by assessing indicators, such as the quality control scheme, independence, auditing scheme, and estimated compensation for auditing services.

(3) **Policy regarding decision to dismiss or not reappoint**

The Audit & Supervisory Board, in principle, will determine the detail of the proposal to be submitted to the general meeting of shareholders regarding dismissal or non-reappointment of the accounting auditor if it is deemed unlikely that the accounting auditor will be able to perform audits properly. In addition, if the accounting auditor falls under provisions of the items in Article 340, paragraph (1) of the Companies Act, the Audit & Supervisory Board will dismiss the accounting auditor upon the consent of all the Audit & Supervisory Board Members.

(4) **Assessment of the audit corporation by Audit & Supervisory Board members and the Audit & Supervisory Board**

The Audit & Supervisory Board members and the Audit & Supervisory Board of the Company assess the audit corporation. The assessment is comprehensive based on indicators, such as the audit corporation's quality control scheme, independence, auditing scheme, group auditing scheme, and estimated compensation for auditing services.

(5) **Contents, etc. of compensation for auditing services**

(i) **Compensation, etc.**

Category	Previous fiscal year		Fiscal year under review	
	Compensation for audit attestation services (millions of yen)	Compensation for non-auditing services (millions of yen)	Compensation for audit attestation services (millions of yen)	Compensation for non-auditing services (millions of yen)
Oki Electric Industry	259	3	296	7
Consolidated subsidiaries	82	–	82	–
Total	341	3	378	7

Notes:

1. PricewaterhouseCoopers Aarata LLC merged with PricewaterhouseCoopers Kyoto on December 1, 2023, and changed its name to PricewaterhouseCoopers Japan LLC.
2. The Company does not distinguish between auditor compensation regarding (i) auditing in accordance with the Companies Act, and (ii) auditing in accordance with the Financial Instruments and Exchange Act. The total of these amounts is recorded above.
3. Among our major subsidiaries, Oki Data Manufacturing (Thailand) Co., Ltd. and Oki Europe Ltd. have undergone statutory audits by accounting auditors other than the accounting auditor of the Company.

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**(ii) Content of non-auditing services**

(Previous fiscal year)

The Company has entrusted the accounting auditor with “procedures for securitization of receivables” and other services, which are services other than the audits specified in Article 2, paragraph (1) of the Certified Public Accountants Act, and pays the auditor compensation for the services.

(Fiscal year under review)

The Company has entrusted the accounting auditor with “procedures for securitization of receivables” and other services, which are services other than the audits specified in Article 2, paragraph (1) of the Certified Public Accountants Act, and pays the auditor compensation for the services.

**(iii) Policy regarding determination of compensation for auditing services**

The Company has no particular rules or regulations regarding decisions on compensation for auditing services to the audit corporation but has determined the compensation after having fully considered the audit plan, etc. of the audit corporation and verified the validity of the time, contents, etc. of the auditing services

**(iv) Reason for the Audit & Supervisory Board to consent to compensation for accounting auditor**

The Audit & Supervisory Board has decided to consent to the compensation to be paid to the accounting auditor proposed by the Board of Directors in accordance with Article 399, paragraph (1) of the Companies Act. This is because it has performed necessary verification as to the appropriateness of matters such as the content of the accounting auditor’s audit plan, the status of performance of duties by the accounting auditor, and the basis for calculating the estimated compensation for the accounting auditor, and has found them appropriate.

## 6. Policies and procedures of the Company

### (1) Procedures to ensure that Directors and employees comply with applicable laws, regulations and the Articles of Incorporation in conducting their business and other systems to ensure appropriate operations

The Company's Board of Directors has adopted a resolution on the Basic Policy for the Establishment of an Internal Control System in accordance with the Companies Act, and confirms the status of establishment and operation of the internal control system at the end of each fiscal year, and reports the results to the Board of Directors. The details of the resolution on the basic policy as of the end of the current fiscal year are as follows.

[Basic Policy for the Establishment of an Internal Control System]

In accordance with the Companies Act and the Regulations for Enforcement of the Companies Act, the Company has established the following basic policy regarding internal control, and will establish, operate, and continuously improve an internal control system based on this basic policy, with the aim of contributing to the sustainable development of society through the voluntary and autonomous achievement of goals and the enhancement of corporate value.

- (i) Procedures to ensure that Directors and employees comply with applicable laws, regulations and the Articles of Incorporation in conducting their business
  - (a) Directors and Executive Officers shall take the initiative in setting an example of the OKI Group Charter of Corporate Conduct and the OKI Group Code of Conduct, which were established to establish corporate ethics in the Company and its subsidiaries (hereinafter "OKI Group") and to ensure compliance with laws, the Articles of Incorporation, and internal regulations by Directors, Executive Officers, and other employees, and shall repeatedly communicate and disseminate the importance of compliance with these codes.
  - (b) The Company has established a Compliance Committee chaired by the Chief Compliance Officer to report, deliberate, and decide on matters related to compliance in the OKI Group.
  - (c) Based on the decisions formulated by the Compliance Committee, the division responsible for compliance plans, draws up, and promotes specific measures such as education and training for Directors, Executive Officers, and employees in order to raise awareness of compliance among all OKI Group personnel.
  - (d) Violations of laws, regulations, the Articles of Incorporation, etc. shall be strictly punished in accordance with disciplinary regulations.
  - (e) The OKI Group's compliance with laws, the Articles of Incorporation, and internal regulations shall be audited by an independent internal audit department under the direct control of the President, and problems shall be pointed out and remedial measures shall be proposed.
  - (f) The Company establishes whistle-blowing regulations which enable reporting to Outside Directors and Audit & Supervisory Board Members and provides a contact point for reporting and consultation, aiming to detect any misconduct at its earliest stages and make improvements.
  - (g) The Company stands firmly against antisocial groups that threaten the order and safety of civil society in cooperation with the police and related organizations, and refuses to have any relationship with them as a whole.
- (ii) Procedures to retain and manage information relating to Directors' conduct of business
  - (a) The Company retains and manages documents and information relating to the conduct of business by Directors as appropriate in accordance with applicable laws, regulations and

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- internal rules.
- (b) With respect to information security, the OKI Group shall clarify its responsibility for information security in accordance with rules for electronic information management and related regulations, and establish a system to continuously implement measures to maintain and improve information security in the OKI Group.
  - (c) The Company shall establish regulations related to personal information protection and trade secret management, and appropriately and safely store and manage personal information and important trade secrets.
  - (d) The Company shall establish rules related to the disclosure of important corporate information, and put in place a system to ensure the appropriate, timely, and fair disclosure of information to be disclosed in accordance with the requirements of laws, regulations, or the rules and regulations of the stock exchange.
- (iii) Rules concerning risk management and other procedures
- (a) For risk management, the Company shall establish a Risk Management Committee chaired by the President and Executive Officer pursuant to risk management rules for appropriately grasping risks that may occur in relation to business activities of the OKI Group and preventing such risks from emerging.
  - (b) Pursuant to risk management rules, each section of the OKI Group manages risks that may occur in relation to its main duties. At the same time, the Company has established a supervisory section to deal with risks needing company-wide management. This section assesses risks, draws up policies for risk countermeasures and develops appropriate structures based on such policies.
  - (c) In the event that the OKI Group recognizes the occurrence or signs of a crisis, etc., it shall promptly report the situation to the Risk Management Committee. The Committee shall give instructions on how to respond, and report particularly important matters to the Directors and Audit & Supervisory Board Members. In the event of a disaster, etc., the Company shall respond by establishing an emergency countermeasure headquarters, taking into consideration the area of occurrence, the scale of the disaster, and other relevant factors.
  - (d) The Board of Directors shall also review the risk management system annually.
- (iv) Procedures to secure efficient business performance by Directors
- (a) The Company holds regular meetings of the Board of Directors once a month in principle to decide important matters including basic management policies and supervise the business execution of Directors.
  - (b) The Company appoints Executive Officers to execute business based on basic management policies determined by the Board of Directors so as to separate the functions of business execution and supervision, and promote timely decision-making processes. In addition, the Company holds meetings of the Management Committee consisting of Executive Officers, etc. to assist the President in making decisions.
  - (c) The Company assigns Directors responsibilities and authority pursuant to rules on division of duties and authorities.
  - (d) The Board of Directors shall determine the OKI Group's Medium-Term Business Plan and annual plan, and supervise the execution thereof.
  - (e) Executive Officers shall efficiently execute their duties in accordance with the OKI Group's Medium-Term Business Plan and annual plan determined by the Board of Directors, and the progress of the annual plan shall be confirmed by the Management Committee and reported to the Board of Directors.

- (v) Procedures to secure appropriate Group (Company and subsidiaries) operations
  - (a) Provide guidance and support to subsidiaries with respect to the procedures to secure appropriate their operations.
  - (b) In order to improve the soundness and efficiency of management within the OKI Group, Directors and Audit & Supervisory Board Members shall be dispatched to each subsidiary as necessary in accordance with the Subsidiaries and Affiliates Management Rules, and an administrative division within the Company shall be designated to receive reports from and discuss important matters concerning the business operations of the subsidiary. In addition, particularly important matters shall be submitted to the Company's Management Committee or the Board of Directors.
  - (c) Each subsidiary establishes whistle-blowing regulations that enable reporting to their Outside Directors and Audit & Supervisory Board Members, provides a contact point for reporting and consultation, and aims to detect any misconduct at its earliest stages and make improvements after reporting to the Company.
  - (d) The Company shall establish various rules and regulations to be complied with by the Group as the Group's common rules, in order to improve the efficiency of each company's decision-making and business operations.
  - (e) The internal audit section of the Company shall audit the appropriateness of the OKI Group's operations and provide verification, advice, etc.
- (vi) System to ensure the reliability of financial reporting
  - (a) In order to secure the reliability of the OKI Group's financial reporting, the Company shall establish, maintain, and improve an internal control system for financial reporting in accordance with the Corporate Calculation Regulations, the Financial Instruments and Exchange Act, and other applicable laws and regulations.
  - (b) Each section of the Company and its subsidiaries shall endeavor to ensure the appropriateness of financial reporting by implementing checks and balances through segregation of duties and daily monitoring in the execution of their own duties.
- (vii) Matters concerning employees assisting Audit & Supervisory Board Members and independence of such employees from Directors
  - (a) The Company assigns employees as staff to assist Audit & Supervisory Board Members.
  - (b) The Company assigns employees, who are not subject to Directors' instructions and orders, as staff to assist Audit & Supervisory Board Members, and any reassignment and evaluation of such employees requires the prior consent of the Audit & Supervisory Board.
- (viii) Procedures for Directors and employees to report to Audit & Supervisory Board Members; procedures for Audit & Supervisory Board Members to receive other reports
  - (a) If any Director or employee, or any Director, Audit & Supervisory Board Member, or employee of a subsidiary discovers any fact that may cause significant damage to the Company, they are required to immediately report it to the Audit & Supervisory Board Members, either directly or through the administrative division, pursuant to applicable laws and regulations.
  - (b) In addition to the Board of Directors meetings, Directors shall ensure that Standing Audit & Supervisory Board Members have opportunities to attend management meetings and have access to important documents such as approval documents so that Audit & Supervisory Board Members can grasp the process of important decision-making and the status of business execution.
  - (c) Directors shall establish a system to enable Audit & Supervisory Board Members to attend and



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receive reports from the Risk Management Committee.

- (d) Directors shall ensure that Audit & Supervisory Board Members receive whistle-blowing reports based on whistle-blowing regulations, and that a system is in place to report to Audit & Supervisory Board Members on the status of internal reporting.
  - (e) Directors shall ensure a system to regularly report to Audit & Supervisory Board Members on the status of establishment and operation of the internal control system and the status of internal audits, and to request reports from Directors and employees on matters deemed necessary by the Audit & Supervisory Board Members.
  - (f) The Company ensures that a person who made a whistle-blowing report to Audit & Supervisory Board Members will not be treated unfavorably on account of making such report.
  - (g) Directors and employees of subsidiaries shall promptly report to the Audit & Supervisory Board Members of subsidiaries on matters for which they are requested to report by the Audit & Supervisory Board Members of subsidiaries, in addition to matters required by laws, regulations, and rules, and shall report to the administrative division in charge of the subsidiaries of the Company.
- (ix) Other procedures to secure effective audits by Audit & Supervisory Board Members
- (a) In conducting inspections on the Company's operations and assets and performing other audit duties, Audit & Supervisory Board Members shall conduct audits efficiently and effectively in close cooperation with the internal audit section.
  - (b) Audit & Supervisory Board Members implement efficient audits by closely cooperating with the accounting auditor. To this end, Audit & Supervisory Board Members hold meetings with the accounting auditor on a regular basis, attend on-site audits by the accounting auditor, and request reports from the accounting auditor on the progress of audits when necessary.
  - (c) The Company pays all the expenses necessary for the execution of the duties of Audit & Supervisory Board Members.
  - (d) When deemed necessary in conducting audits, Audit & Supervisory Board Members may, at the Company's expense, obtain advice on audit work from attorneys, certified public accountants, and other professionals.

## **(2) Overview of Status of Operations**

The following is a summary of the status of operation of the internal control system at the Company. The status of such operation is evaluated at the end of each fiscal year, and the results are reported at a meeting of the Board of Directors.

- (i) Status of procedures relating to compliance
  - (a) As a basis for ensuring compliance, the OKI Group Charter of Corporate Conduct, which clearly states the social responsibilities that the OKI Group must fulfill based on its corporate philosophy, and the OKI Group Code of Conduct, which serves as a code to which all OKI Group officers and employees must conform in order to realize these responsibilities, have been established. In addition, the management team, having re-affirmed the importance of compliance, takes the initiative in compliance activities, and officers of the Company and Group companies are working on compliance activities in conformance with the Compliance Commitment. The Company has established this commitment to reassure shareholders, customers, employees and all other stakeholders within and outside the Company that it strives to foster awareness of compliance and makes a thorough commitment to compliance throughout the OKI Group.

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- (b) The Compliance Committee, chaired by the Chief Compliance Manager, held meetings twice a year, where it summarized activities in the previous fiscal year, formulated education plans, and reviewed the status of implementation of various measures in individual sections.
  - (c) The Company held group training such as training sessions for compliance managers, in which compliance managers and promoters of the OKI Group participated, and training sessions on the Anti-Monopoly Act for officers and employees chiefly in the Market & Sales Section. It also conducted e-learning on personal information protection, information security, internal control and general compliance-related topics for all employees in Japan. The Company also regularly presents case studies on compliance on the intranet and internal publications.
  - (d) The Company clearly has defined that in case of non-compliance, the Company takes disciplinary action in accordance with the workplace regulations, etc., and has the Group Disciplinary Action Committee, which is chaired by the President and Executive Officer, to consider said action.
  - (e) The Company has established a whistle-blower system that allows employees to directly report improper conduct and ensure that all employees are aware of the system to ensure quick discovery and effective correction of improper conduct.
  - (f) The internal audit section conducts operational audits of the OKI Group and evaluates internal controls over financial reporting to ensure the effectiveness and efficiency of operations and the reliability of financial reporting.
- (ii) Status of procedures relating to risk management
- (a) In accordance with the Risk Management Regulations, the OKI Group has established a Risk Management Committee chaired by the President and Chief Executive Officer and advised by the Audit & Supervisory Board Members, to develop measures to prevent risks from materializing and a system to prepare for the occurrence of risks.
  - (b) The OKI Group's risk management system categorizes risks that exist within the Group and defines them as risk areas to cover the entire Group, and the department responsible for the risk area provides support, guidance, and advice, etc. to each department and subsidiary regarding events that occur in the area. In addition, the department responsible for the risk area handles risks that are common to the OKI Group and require focused management in cooperation with the department responsible for the risk area.
  - (c) If any risk materializes, the department in which it arises takes the necessary steps for the risk, and promptly reports the details of the event to the Risk Management Committee according to the OKI Group Emergency Response System. This Committee manages crisis information in a unified manner, determines a response system and manager promptly, giving consideration to the severity and urgency of the said crisis, implements necessary measures, and gives support to the said department.
- (iii) Status of procedures relating to subsidiary management
- (a) The officer in charge of the management administrative division of each subsidiary designated in the Subsidiaries and Affiliates Management Rules manages it with the authority and responsibilities stipulated by the authority regulations, clarifies the mission of the subsidiary under their control, and provides the necessary support and guidance. Appointment and dismissal of chief officers of subsidiaries is determined by the President and Executive Officer of the Company, and appointment and dismissal of other officers is determined by the officers who are in charge of the respective management administrative divisions.
  - (b) The head of the management administrative division provides support, guidance, and periodic monitoring in the formulation and implementation of business policies, conducts corporate performance evaluations, and also monitors the operational status of the general meeting of shareholders and the Board of Directors and the compliance adherence of Directors of

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subsidiaries. In addition, when necessary, a division in charge of a particular business is established to manage that business.

- (c) At the accounting division of each subsidiary, the Company has appointed staff with the necessary knowledge and experience. The Company works to conduct the maintenance and improvement of an internal control system for financial reporting conducted in accordance with related laws and regulations.
  - (d) To prevent losses from violations, misconduct, scandals, or accidents related to any laws, rules or ethics, or loss from failing to appropriately perform risk management, the Company holds regular training seminars for directors and audit & supervisory board members of subsidiaries. Seminar topics include responsibilities and obligations as a subsidiaries' officer, compliance, and internal controls.
- (iv) Status of procedures to ensure appropriateness of audits by Audit & Supervisory Board Members
- (a) One staff member independent from the execution of duties is assigned to assist Audit & Supervisory Board Members in their duties. The Standing Audit & Supervisory Board Members assess important decision-making processes and the status of business operations by attending meetings of the Board of Directors and the Management Committee in addition to reading resolution approval documents.
  - (b) The Audit & Supervisory Board Members have received whistle-blowing reports based on whistle-blowing regulations, and frequently received detailed reports on the status of operation.
  - (c) In addition to receiving reports on the development and operational status of the internal control system at the meetings of the Board of Directors, the Audit & Supervisory Board Members exchange opinions with the President, executive officers, general managers of divisions and representatives of the subsidiaries, confirming the development and operation of the internal control system in the process.
  - (d) The Audit & Supervisory Board Members hold discussions and exchanges of opinion with the Internal Auditing Division by taking part in site visits and meetings to report on the results of audits held by the Internal Auditing Division, and utilize the results of audits in audits by Audit & Supervisory Board Members.
  - (e) The Audit & Supervisory Board Members have maintained close cooperation with the Accounting Auditor including meeting and exchanging opinions with the Accounting Auditor and attending site visits by the Accounting Auditor, to implement effective audits.

Note: indication of amounts

Figures in this business report are indicated as follows.

1. Units of ¥1 million: Figures less than one unit are disregarded.
2. Units of ¥100 million: Figures less than one unit are rounded to the nearest unit.

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## Consolidated Balance Sheet

(as of March 31, 2024)

(Millions of yen)

Account title	Amount	Account title	Amount
(Assets)		(Liabilities)	
Current assets	239,687	Current liabilities	188,369
Cash and deposits	35,044	Notes and accounts payable	64,030
Notes and accounts receivable, and contract assets	114,115	Short-term borrowings	60,012
Lease receivables and lease investment assets	5,866	Income taxes payable	4,349
Finished goods:	17,981	Others	59,976
Work in process:	17,380	Long-term liabilities	93,715
Raw materials and supplies:	35,409	Long-term debt	50,017
Others	13,909	Lease obligations	5,119
Allowance for doubtful receivables	(19)	Deferred tax liabilities	5,072
Non-current assets	183,711	Liability for retirement benefits	27,887
Property, plant and equipment	60,569	Others	5,619
Buildings and structures	24,951	Total liabilities	282,084
Machinery, equipment and vehicles	8,654	(Net Assets)	
Tools, furniture and fixtures	8,845	Shareholders' equity	135,820
Land	15,979	Capital stock	44,000
Construction in progress	2,138	Additional paid-in capital	18,960
Intangible assets	15,924	Retained earnings	73,622
Investments and other assets	107,218	Treasury stock, at cost	(761)
Investments in securities	43,336	Other accumulated comprehensive income	5,353
Asset for retirement benefits	37,234	Net unrealized holding gain/loss on other securities	9,069
Long-term trade receivables	21,791	Loss on deferred hedges	(10)
Others	15,167	Translation adjustments	(7,020)
Allowance for doubtful receivables	(10,313)	Accumulated retirement benefits liability adjustments	3,315
		Subscription rights to shares	73
		Non-controlling interests	65
		Total net assets	141,314
Total assets	423,399	Total liabilities and net assets	423,399

(Translation)

## Consolidated Statement of Operations

(From April 1, 2023 to March 31, 2024)

(Millions of yen)

Account title	Amount	
Net sales		421,854
Cost of sales		316,443
Gross profit		105,411
Selling, general and administrative expenses		86,718
Operating income		18,692
Non-operating income		
Interest income	1,094	
Dividend income	1,401	
Foreign exchange gain	500	
Other	1,571	4,569
Non-operating expenses		
Interest expense	2,289	
Commission for syndicated loan	678	
Other	1,999	4,967
Ordinary income		18,293
Extraordinary profit		
Gain on sale of investments in securities	1,390	1,390
Extraordinary loss		
Loss on sale and disposition of property, plant and equipment	1,481	1,481
Profit before income taxes		18,202
Income taxes	3,562	
Income taxes deferred	(11,014)	(7,452)
Profit		25,654
Profit attributable to non-controlling interests		5
Profit attributable to owners of parent		25,649

(Translation)

## Consolidated Statement of Changes in Net Assets

(From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at April 1, 2023	44,000	18,994	49,705	(841)	111,858
Changes during the term under review					
Dividends from surplus			(1,732)		(1,732)
Profit attributable to owners of parent			25,649		25,649
Purchases of treasury stock				(2)	(2)
Disposition of treasury stock		(33)		81	47
Net changes in items other than shareholders' equity during the term under review					
Net changes during the term under review	–	(33)	23,916	79	23,962
Balance at March 31, 2024	44,000	18,960	73,622	(761)	135,820

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Net unrealized holding gain/loss on other securities	Loss on deferred hedges	Translation adjustments	Accumulated retirement benefits liability adjustments	Total accumulated other comprehensive income			
Balance at April 1, 2023	1,077	(32)	(8,341)	(5,473)	(12,770)	121	69	99,279
Changes during the term under review								
Dividends from surplus								(1,732)
Profit attributable to owners of parent								25,649
Purchases of treasury stock								(2)
Disposition of treasury stock								47
Net changes in items other than shareholders' equity during the term under review	7,991	21	1,321	8,788	18,124	(47)	(3)	18,072
Net changes during the term under review	7,991	21	1,321	8,788	18,124	(47)	(3)	42,035
Balance at March 31, 2024	9,069	(10)	(7,020)	3,315	5,353	73	65	141,314

(Translation)

## Notes to Consolidated Financial Statements

### Notes to Principles for Preparing Consolidated Financial Statements

#### 1. Scope of consolidation

(1) Number of consolidated subsidiaries: 57

Names of major consolidated subsidiaries:

OKI Crosstech Co., Ltd.; OKI Circuit Technology Co., Ltd.; OKI Software Co., Ltd.; OKI Nextech Co., Ltd.; Oki Data Manufacturing (Thailand) Co., Ltd.; Oki Europe Ltd.

(2) Changes in scope of consolidation:

The newly established OKI AVIONICS ASIA PTE. LTD. is included in the consolidated account from this fiscal year. Likewise, BANKING CHANNEL SOLUTIONS LIMITED, which used to be an affiliated company to which the equity method is applied, is included in the consolidated account from this fiscal year since the Company obtained its additional shares. OKI Proassist Co., Ltd. is not included in the consolidated account since it has been absorbed by the consolidated subsidiary Oki Proserve Co., Ltd. Likewise, OKI Electric Cable Wire Harness Co., Ltd. is not included in the consolidated account since it has been absorbed by the consolidated subsidiary Oki Electric Cable Co., Ltd.

#### 2. Application of equity method

(1) The number of affiliated companies to which the equity method is applied: 1

Name of major company, etc. Force Co., Ltd.

(2) Changes in scope of application of equity method BANKING CHANNEL SOLUTIONS LIMITED has been excluded from the scope of equity method because it became a consolidated subsidiary due to the Company obtaining additional shares.

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### 3. Accounting standards

#### (1) Valuation standards and methods for significant assets

##### (i) Negotiable securities

The Company and its domestic consolidated subsidiaries value securities in accordance with how they are held as indicated below.

Other negotiable securities:

Those other than shares without market value:

Stated at fair value (Any difference between book value and fair value is included in net assets; sales costs are calculated by mainly the moving average method.)

Shares without market value:

Mainly stated at cost based on the moving average method

##### (ii) Inventories

The Company and its domestic consolidated subsidiaries value inventories as below. Overseas consolidated subsidiaries primarily apply the lower of cost or fair value.

Products:

Primarily stated at cost based on the moving average method. (Balance sheet values are measured by the method of devaluing the book price to reflect declines in profitability.)

Work in process:

Primarily stated at cost based on the specific identification method. (Balance sheet values are measured by the method of devaluing the book price to reflect declines in profitability.)

Raw materials and supplies:

Primarily stated at cost based on the moving average method. (Balance sheet values are measured by the method of devaluing the book price to reflect declines in profitability.)

##### (iii) Derivatives:

Stated at fair value

#### (2) Depreciation and amortization of important assets

##### (i) Property, plant and equipment (excluding lease assets):

The Company and its domestic consolidated subsidiaries primarily apply the declining-balance method; overseas consolidated subsidiaries primarily apply the straight-line method.

##### (ii) Intangible assets (excluding lease assets)

The Company and its domestic consolidated subsidiaries apply the straight-line method.

For software sold in the market, amortization is based on the estimated amounts of sales in the estimated number of years for sales (3 years). For software for internal use, the straight-line method, based on the estimated durable years (mainly 5 years), is used.

Overseas consolidated subsidiaries primarily apply the straight-line method.

##### (iii) Lease assets

Lease assets relating to finance lease transactions that do not transfer ownership are depreciated over the lease contract's lifetime by the straight-line method, assuming the residual value is zero.

#### (3) Basis for provision of reserves

##### Allowance for doubtful receivables

To prepare for any losses of accounts receivable and loans, the Company and its domestic



(Translation)

consolidated subsidiaries calculate the amount of potential loss by using the historical loss ratio for non-classified loans/receivables and individual assessment for classified loans/receivables. Overseas consolidated subsidiaries calculate the amount of potential loss by individually assessing the possibility of collection for specific loans/receivables.

(4) Basis for provision of income and expense

(i) Sales of products

Revenue from product sales in the Public Solutions business, the Enterprise Solutions business, the Component Products business and the EMS business is recognized when the customer's acceptance inspection is complete if the acceptance inspection is carried out, or when the delivery is made in the case where the acceptance inspection is not carried out, depending on the agreement, etc. with the given customer. This is because the Company deems that the control transfers to the customer and the performance obligation is satisfied at such timing.

Consideration for transactions is received mainly within one year from the satisfaction of the performance obligation and does not include a significant financial component.

(ii) Provision of services

Revenue from provision of services in the Public Solutions business, the Enterprise Solutions business, the Component Products business and the EMS business is recognized accordance to the provision of services. In the case that the provision of services is made over the agreed duration, such as regular maintenance contracts, revenue is recognized based on the elapsed time period because the Company deems that the performance obligation is satisfied corresponding to the elapsed time period.

For contract productions and engineering work of social infrastructure mainly in the Public Solutions business and the Enterprise Solutions business, revenue is recognized based on the progress of the performance obligation, on the assumption that the obligation is satisfied over a certain period. In such a case, the progress is measured by the ratio of the costs incurred by the end of the term to the estimated total costs.

Consideration for transactions is received mainly within one year from the satisfaction of the performance obligation and does not include a significant financial component.

(5) Important hedge accounting methods

(i) Hedge accounting methods

Deferred hedging is applied. Allocation treatment is applied for forward exchange contracts eligible for allocation treatment. Special treatment is applied to interest rate swaps that meet the requirements for special treatment.

(ii) Means of hedging and hedged item

Forward exchange contracts are used to hedge fluctuations of exchange rates on credits and debts in foreign currencies. Interest rate swaps are employed to hedge fluctuations of market interest rates on variable-rate and long-term debt.

(iii) Hedging policy

Derivative instruments are used to hedge fluctuations of market rates on credits and debts.

(iv) Assessment method of the effectiveness of hedges

To determine the effectiveness, the Company compares the accumulated total of the market fluctuations or the cash flow fluctuations for the hedged item and that of the market fluctuations or the cash flow fluctuations for the means of hedging, during the period from the start of hedging to the assessment. The Company then makes a decision based on the changes of the two.

(Translation)

- (6) Amortization of goodwill and amortization period  
Goodwill is evenly amortized over its useful life (mainly five years).
- (7) Other important matters in preparation of consolidated financial statements
- (i) Method of accounting for retirement benefits
- a. Attributing expected retirement benefits to a period  
When calculating retirement benefit obligations, the Company applies the benefit formula basis to attribute expected retirement benefits to the period until the end of the fiscal year under review.
- b. Accounting for actuarial gains and losses, and prior service costs  
Prior service costs are amortized by the straight-line method over a set number of years (9 to 13 years) within the average remaining years of service of employees.  
Actuarial gains and losses are amortized by the straight-line method over a set number of years (9 to 13 years) within the average remaining years of service of employees.
- (ii) Application of group tax sharing system  
The group tax sharing system is applied.

## Notes on Accounting Estimates

### 1. Estimate of recoverability of claims for which litigation is currently pending

- (1) Amount recognized on the consolidated financial statements for the fiscal year
- |                                    |                 |
|------------------------------------|-----------------|
| Long-term trade receivables        | ¥18,094 million |
| Allowance for doubtful receivables | ¥(334) million  |
- (2) Information regarding important accounting estimates for the item identified
- (i) Overview

Oki Banking Systems (Shenzhen) Co., Ltd. (hereinafter “OBSZ”), a consolidated subsidiary of the Company in China, has filed a request for arbitration with the South China International Economic and Trade Arbitration Commission against Shenzhen Yihua Computer Industrial Co., Ltd. (hereinafter “Yihua Industrial”), on October 10, 2015, demanding payment of accounts receivable of RMB1,115.463 million (¥23,246 million if converted to Japanese yen based on the exchange rate as of the end of the fiscal year under review) and compensation of damages (Case A). Further, OBSZ filed litigation to commingle property beyond legal personality with the High People’s Court of Guangdong Province against Shenzhen Yihua Computer Co., Ltd. (“Yihua Computer”), the parent of Yihua Industrial, and others as defendants, claiming that they are jointly and severally responsible for payment of the above claims against Yihua Industrial which had been unpaid, to request protection of property (Case B).

Subsequently, Case A was adjudicated by the South China International Economic and Trade Arbitration Commission on December 16, 2020, and it ruled that Yihua Industrial pay OBSZ the unpaid amount for merchandise of RMB1,096.866 million (¥22,858 million if converted to Japanese yen based on the exchange rate as of the end of the fiscal year under review) as well as interest for arrears, legal costs, and others, and this is being settled by arbitration. Regarding Case B, on December 23, 2021, the High People’s Court of Guangdong Province sentenced Yihua Computer and affiliates to take the collective liability for the payment to be made by Yihua Industrial to OBSZ. In response to this, Yihua Computer and affiliates lodged an appeal regarding Case B to the Supreme People’s Court on January 5, 2022, but the Supreme People’s Court upheld the sentence of the High People’s Court of Guangdong Province (original trial) on June 1, 2023 in a ruling that rejected the appeal of Yihua Computer and affiliates.

Given that it was expected to take a considerable amount of time before Yihua Industrial would

fulfill the arbitration result of Case A, OBSZ had recorded allowance for doubtful receivables. However, considering the abovementioned status of the lawsuits, we are revising future cash flows and the future period of collection in light of outcomes such as the forced execution of assets held by Yihua Computer and affiliates, including real estate that is protected property (hereinafter “protected real estate”) and the fair value of protected real estate. Due to those impacts, a reversal of doubtful receivables of ¥4,277 million was accounted for as a reversal of selling, general and administrative expenses, and interest income of ¥938 million was accounted for as non-operating income during the fiscal year under review.

- (ii) Calculation method for the amount recognized on the consolidated financial statements for the fiscal year and major assumptions to the calculation

By discounting cash flows that are considered recoverable when the outcomes such as the forced execution of assets held by Yihua Computer and affiliates and the fair value of protected real estate are taken into account for a period that is considered to be required for recovery, OBSZ has recorded RMB868.250 million (¥18,094 million if converted to Japanese yen based on the exchange rate as of the end of the fiscal year under review) of long-term trade receivables and estimates that RMB16.042 million (¥334 million if converted to Japanese yen based on the exchange rate as of the end of the fiscal year under review) to be irrecoverable and added this to allowance for doubtful receivables. Note, the fair value measurement of protected real estate, primarily uses the real estate appraisal values obtained from real estate appraisers.

- (iii) Impact on the consolidated financial statements for the next fiscal year

The amount that is estimated to be irrecoverable and the period that is considered to be required for recovery may vary significantly according to the outcomes such as the forced execution of assets held by Yihua Computer and affiliates and the fluctuation in fair value of protected real estate.

## **2. Estimate of total costs used to measure the progress of the performance obligation in the recognition of revenue**

- (1) Amount recognized on the consolidated financial statements for the fiscal year

Among the revenue associated with the performance obligation satisfied over a certain period, revenue recorded based on the progress calculated by the ratio of the incurred costs to the estimated total costs was ¥66,309 million (including revenue for projects completed before the end of the fiscal year). Of which, an amount recognized for the fiscal year in relation to construction projects that were work-in-progress at the end of the fiscal year is ¥35,026 million.

- (2) Information regarding important accounting estimates for the item identified

- (i) Calculation method for the amount recognized on the consolidated financial statements for the fiscal year and major assumptions to the calculation

As for the method of estimating progress towards satisfaction of performance obligations, the degree of progress is calculated at the proportion of actual cost to estimated total costs (input method).

In addition, when estimating total cost, a reliably estimate of the amount is made based on judgment of construction supervisors and the management. For example, we review the execution budget in a timely and appropriate way and it has been developed by collecting sufficient and detailed information relating to changes in the work scope based on customers' requests.

- (ii) Impact on the consolidated financial statements for the next fiscal year

Contract manufacturing and construction for social infrastructure performed by the Group are highly individualized in nature given they are designed based on instructions of customers. Accordingly, changes in work scope at the request of a customer, unexpected defects during the manufacturing process of software, and other factors may result in a considerable increase in work-hours required for manufacturing. On the other hand, cost to be incurred in the future may be reduced as a result of our own efforts.

(Translation)

If the estimated total cost changes due to those impacts and other factors, net sales may change in conjunction with a change in the degree of progress.

### 3. Estimate of recoverability of deferred tax assets

(1) Amount recognized on the consolidated financial statements for the fiscal year

Deferred tax assets: ¥21,547 million

(Of which, those related to the Company's tax sharing group) ¥21,178 million

(2) Information regarding important accounting estimates for the item identified

(i) Calculation method for the amount recognized on the consolidated financial statements for the fiscal year and major assumptions to the calculation

The Group evaluates the recoverability of deferred tax assets by taking into account the possibility of being able to use deductible temporary difference and part of loss carry forwards in the estimation of future taxable income.

With regard to the deferred tax assets of the Company and domestic subsidiaries within the Group that apply the Group tax sharing system (hereinafter "tax sharing group"), the Company has determined corporate classifications based on the "Implementation Guideline on Recoverability of Deferred Tax Assets" (ASBJ Guidance No. 26, October 28, 2022), and records deferred tax assets within the forecast scope of the effects of mitigating the future amount of tax payable based on the estimate of taxable income before adjusting for future temporary differences, etc. within a reasonably estimable period and on the results of scheduling the temporary differences, etc. corresponding to such corporate classification.

When examining the above corporate classifications as of the end of the fiscal year under review, we have judged that such deferred tax assets are recoverable due to rationally founded forecasts of tax income before adjusting for temporary difference for multiple future years despite the fact that material tax losses have arisen in the past at tax sharing group. This is as a result of considering the cause of such material tax losses, the Medium-Term Business Plan, the status of past achievement of Medium-Term Business Plans, as well as the trend in taxable income and tax losses in the past and in the fiscal year under review. Consequently, the tax sharing group recorded 21,178 million yen of deferred tax assets (before offsetting deferred tax liabilities) for the fiscal year under review.

Estimate of taxable income before adjusting for future temporary differences, etc. is based on the next year's business plan and the Medium-Term Business Plan 2025, which enlist projections of future net sales and expenses, etc., based on management strategy taking into account past performance and the current business environment, as major assumptions.

(ii) Impact on the consolidated financial statements for the next fiscal year

The management judges the abovementioned major assumptions reasonable. However, if actual future taxable income differs from the estimate as a result of significant changes in the management environment and other factors, the recoverability of deferred tax assets may be evaluated differently.

### Notes to Consolidated Balance Sheet

1. Assets pledged as collateral for borrowings

Investments in securities ¥8,322 million

Liabilities collateralized by the abovementioned assets:

Short-term borrowings ¥3,500 million

2. Accumulated depreciation on property, plant and equipment

¥167,201 million

(Translation)

3. Liabilities for guarantee

Guarantee for borrowings by employees

¥21 million

**Notes to Consolidated Statement of Changes in Net Assets**

1. Matters concerning class and total number of shares outstanding as of the end of FY2023

Common stock:

87.217 million shares

2. Matters concerning appropriation of surplus

(1) Dividends paid

Resolution	Class of shares	Source of dividends	Total dividends (millions of yen)	Dividends per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 27, 2023	Common stock	Retained earnings	1,732	20.00	March 31, 2023	June 28, 2023

(2) Dividends for which the record date falls in the fiscal year under review and the effective date falls in the following fiscal year.

Proposal	Class of shares	Source of dividends	Total dividends (millions of yen)	Dividends per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 21, 2024	Common stock	Retained earnings	2,600	30.00	March 31, 2024	June 24, 2024

3. Number of shares to be issued upon exercise of stock acquisition rights

Category	Breakdown of stock acquisition rights	Type of shares to be issued upon exercise of stock acquisition rights	Number of shares to be issued upon exercise of stock acquisition rights (shares)
The Company	FY2016 Stock Acquisition Rights (issued on August 16, 2016)	Common stock	12,500
	FY2017 Stock Acquisition Rights (issued on August 15, 2017)	Common stock	17,300
	FY2018 Stock Acquisition Rights (issued on August 14, 2018)	Common stock	17,300
	FY2019 Stock Acquisition Rights (issued on August 14, 2019)	Common stock	18,500
	FY2020 Stock Acquisition Rights (issued on August 18, 2020)	Common stock	24,500

(Translation)

## Notes on Financial Instruments

### 1. Matters concerning the status of financial instruments

#### (1) Policy on financial instruments

The OKI Group mainly uses short-term deposits and highly safe marketable securities for fund management. Also, it raises its funds primarily through borrowings from financial institutions and issuance of corporate bonds. The Group uses derivatives to hedge risk as described below, and does not engage in speculative transactions.

#### (2) Description of financial instruments, related risks, and risk management system

The Group strives to mitigate its customers' credit risks associated with notes and accounts receivable, which are operating receivables, by carrying out customer credit investigations in accordance with regulations for the management of accounts receivable of individual companies.

For borrowings, the Group raises short-term funds mainly for working capital and long-term funds for working capital and capital investment. For borrowings exposed to the interest rate risk, the Group applies derivative instruments (interest rate swap transactions) to hedge its risk.

Derivative transactions consist of forward foreign exchange contracts, which aim to hedge exchange rate fluctuation risks related to foreign currency-denominated receivables and payables, and interest rate swap transactions, which aim to hedge interest rate fluctuation risks related to the payment of borrowings. The assessment of hedge effectiveness for interest rate swap transactions that satisfy the requirements for special treatment is omitted. The Group executes and manages derivative transactions in accordance with the OKI Group's policy.

Financing related liquidity risk is managed by the Finance Department preparing and updating funding plans in a timely manner based on information from each department, and aiming to maintain liquidity on hand.

#### (3) Supplemental explanation regarding the disclosure concerning fair value of financial instruments

The fair value of financial instruments is based on market prices, but if no market prices are available, their fair value reflects the value reasonably calculated. Because fluctuation factors are incorporated into the calculation of the said value, it may change if different prerequisites, etc. are used.

(Translation)

2. Disclosure concerning fair value of financial instruments

As of March 31, 2024 (consolidated balance sheet date), the amount recorded in the consolidated balance sheet, fair value, and the amount of differences are as shown in the table below.

(Unit: Millions of yen)

	Amount recorded in consolidated balance sheet (*1)	Fair value (*1)	Difference
(1) Investments in securities (*3)	35,736	35,748	11
(2) Long-term trade receivables	21,791		
Allowance for doubtful receivables (*4)	(4,024)		
	17,766	19,017	1,251
(3) Long-term debt (*5)	(73,293)	(73,624)	331
(4) Derivative transactions (*6)	(31)	(31)	—

(\*1) Those recorded as liabilities are shown in brackets.

(\*2) Notes are omitted on cash and deposits; notes and accounts receivable, and contract assets; notes and accounts payable; and short-term borrowings, because they are settled within a short period and thus the fair values are close to the book values.

(\*3) Shares without market value (unlisted shares, ¥7,600 million in the consolidated balance sheet) are not included in “(1) Investments in securities.”

(\*4) Allowance for doubtful receivables specifically provided for long-term trade receivables is deducted.

(\*5) Long-term debt that will be reimbursed within one year (¥23,276 million) is classified as “short-term” borrowings in the consolidated balance sheet.

(\*6) Net claims receivable and payable incurred from derivative transactions are shown in net amount, and items whose totals are net liabilities are shown in brackets.

(Translation)

3. Matters concerning components of fair value of financial instruments by appropriate category, etc.

The fair value of financial instruments is categorized into the following three levels, depending on the observability and significance of the inputs used to calculate the fair value.

Level 1: The fair value that is calculated from the market price associated with the asset or liability subject to the calculation of given fair value in the active market, among inputs used to calculate an observable fair value

Level 2: The fair value that is calculated using inputs other than the inputs applicable to Level 1, among inputs used to calculate an observable fair value

Level 3: The fair value that is calculated using inputs that are used for calculation of unobservable fair value

In the case where more than one input is used, among inputs that have a significant impact on the calculation of the fair value, the fair value is categorized into the level with the lowest priority for calculation of the fair value, among the levels to which those inputs belong.

(1) Financial instruments listed in the consolidated balance sheet with their fair value

Category	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Investments in securities				
Other negotiable securities				
Equity Securities	35,730	–	–	35,730
Derivative transactions*	–	(31)	–	(31)

\* Net claims receivable and payable incurred from derivative transactions are shown in net amount, and items whose totals are net liabilities are shown in brackets.

(2) Financial instruments other than those listed in the consolidated balance sheet with their fair value

Category	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Investments in securities				
Other negotiable securities				
Golf club memberships	–	17	–	17
Long-term trade receivables	–	–	19,017	19,017
Long-term debt	–	73,624	–	73,624

(Note) Fair value evaluation technique and inputs for fair value calculation

Investments in securities

Listed shares and golf club memberships are evaluated using the market price. Since listed shares are traded in the active market, the fair value is categorized in Level 1. On the other hand, golf club memberships are traded in the inactive market at the market value of the same asset; therefore, the fair value is categorized in Level 2.

Long-term trade receivables

The fair values of long-term trade receivables are calculated by discounting estimated cash flows, which are considered recoverable from business partners, for a period that is considered to be required for recovery. Based on this, the fair value is categorized in Level 3.

Long-term debt

The fair value of these items is based primarily on the method of calculation whereby the sum of principal and interest is discounted by an assumed interest rate on the assumption that the said sum is freshly borrowed in a similar manner. Some long-term debt with floating interest rates is prescribed to be subject to special accounting treatment applicable to interest rate swaps. Hence, the fair value of a long-term debt is based on the method of calculation whereby the sum of principal



(Translation)

and interest, treated in combination with the said interest rate swap, is discounted by a reasonably estimable interest rate on the assumption that the said amount is freshly borrowed in a similar manner. The fair value of the long-term debt is categorized in Level 2.

#### Derivative transactions

The fair value is calculated based on the price presented by the partner financial institutions, and is categorized in Level 2. Derivative transactions subject to special accounting treatment applicable to interest rate swaps are treated in combination with long-term debt as hedged items. Hence, their fair value is included in that of long-term debt.

(Translation)

## Notes on Revenue Recognition

### 1. Information on disaggregation of revenue from contracts with customers

(Unit: Millions of yen)

	Reportable segment					Other (Note)	Total
	Public Solutions	Enterprise Solutions	Compo- nent Products	EMS	Total		
<Breakdown of net sales>							
Revenue from contracts with customers	93,977	177,401	73,400	73,889	418,669	429	419,098
Other revenue	—	2,742	13	—	2,756	—	2,756
Total net sales	93,977	180,144	73,413	73,889	421,425	429	421,854
<Geographical market>							
Revenue from contracts with customers							
Japan	91,089	170,976	40,916	65,953	368,936	429	369,365
Europe	129	258	18,690	714	19,792	—	19,792
Asia	2,759	6,064	6,836	6,124	21,784	—	21,784
North America	—	—	3,864	1,071	4,935	—	4,935
Others	—	102	3,092	25	3,220	—	3,220
Other revenue							
Japan	—	2,742	13	—	2,756	—	2,756
<Timing of revenue recognition>							
Revenue from contracts with customers							
Revenue recognized at one point	27,267	36,576	66,963	69,685	200,493	62	200,555
Revenue recognized over time	66,710	140,825	6,436	4,204	218,176	367	218,543

(Note) “Other” includes businesses that are not under the reporting segment, such as service provision.

### 2. Information to understand the revenue from contracts with customers

Information forming the basis for understanding revenue is as stated in “Notes to Principles for Preparing Consolidated Financial Statements 3. Accounting standards (4) Basis for provision of income and expense.”

### 3. Information to understand the revenue in this fiscal year and onwards

#### (1) Balances of receivables from contracts with customers, contract assets and contract liabilities

(Unit: Millions of yen)

	As of April 1, 2023	As of March 31, 2024
Receivables from contracts with customers	70,938	79,443
Of which, notes receivable	4,691	3,960
Of which, accounts receivable	66,246	75,482
Contract assets	23,199	34,229
Contract liabilities	7,217	6,116

(Note 1) Contract assets are recognized as right to consideration recorded by recognition of revenue in accordance with the degree of progress mainly on contracted manufacturing and various types of construction work. When the right to consideration becomes unconditional, they are transferred into receivables. Contract liabilities are related mainly to deposits received from customers based on service provision contracts that recognize revenue over a certain period, and are revised upon recognition of revenue.

(Translation)

(Note 2) Among the revenue recognized in this fiscal year, the amount included in the contract liabilities at the beginning of the year was ¥5,167 million. The amount of revenue recognized from the performance obligation that was satisfied (or partly satisfied) in the past period has no significance.

(Note 3) The increase in contract assets is mainly due to progress on contracted manufacturing and various types of construction work.

(Note 4) Contract liabilities are included in “Others” under the current liabilities in the consolidated financial statements.

(2) Trading amount of unsatisfied performance obligation

The Group applies practical expedient to the notes on the trading amount allocated to the unsatisfied performance obligation. Notes are omitted for unsatisfied performance obligation based on the agreements initially expected to last for a year or shorter.

The total trading amount allocated to the unsatisfied performance obligation at the end of this fiscal year and the duration within which the revenue may be recognized are as follows.

(Unit: Millions of yen)

	Fiscal year under review
Within one year	45,999
One year to three years	31,355
Over three years	2,464
Total	79,818

**Notes to Per-share Information**

1. Net assets per share: ¥1,628.78
2. Earnings per share: ¥295.93

## Transcript of Accounting Auditors' Report on Consolidated Financial Statements

### Independent Auditors' Report

May 20, 2024

To: Board of Directors  
Oki Electric Industry Co., Ltd.

PricewaterhouseCoopers Japan LLC  
Tokyo Office  
Tsuyoshi Saito,  
Engagement Partner, Certified Public Accountant  
Takeaki Ishibashi,  
Engagement Partner, Certified Public Accountant  
Tomomi Shinbo,  
Engagement Partner, Certified Public Accountant

#### Audit opinion

We have audited the consolidated financial statements – the consolidated balance sheet, the consolidated statement of operations, the consolidated statement of changes in net assets equity and notes to the consolidated financial statements – of Oki Electric Industry Co., Ltd. for the 100th term from April 1, 2023 to March 31, 2024 in accordance with Article 444 paragraph (4) of the Companies Act.

We concluded that the consolidated financial statements fairly present in all aspects of Oki Electric Industry's and its subsidiaries' assets and income or loss in accordance with corporate accounting standards generally accepted in Japan.

#### Basis for audit opinion

We have conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the "Responsibility of auditors for the audit of the consolidated financial statements" section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

The other information refers to the business report and its supplementary schedules. Management is responsible for preparing and disclosing the other information. In addition, the Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the reporting process for the other information.

The scope of our audit opinion on the consolidated financial statements does not include the content of the other information, and we do not express an opinion regarding the other information.

Our responsibility in auditing the consolidated financial statements is to read through the other information, and in the process of reading it, we examine whether there are material differences between the other information and the consolidated financial statements or the knowledge we have gained in the auditing process, and we also pay attention as to whether there are any indications in the other information of material errors besides such material differences.

If we determine there to be material errors in the other information based on the work we have performed, we are required to report those facts.

There are no matters to report regarding the other information.

Responsibilities of management, Audit & Supervisory Board Members and the Audit & Supervisory Board for preparing consolidated financial statements

Oki Electric Industry's management is responsible for preparing and presenting fairly these consolidated financial statements in accordance with corporate accounting standards generally accepted in Japan. This includes designing and operating internal control that the management determines necessary to prepare and fairly present these consolidated financial statements that are without material misstatement due to fraud or errors.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of a going concern, and in accordance with corporate accounting standards generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

#### Responsibility of auditors for the audit of the consolidated financial statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the consolidated financial statements, obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and the appropriateness of related notes thereto.
- Conclude on the appropriateness of preparing the consolidated financial statements with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and notes to the consolidated financial statements are in accordance with corporate accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We report to the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, any countermeasures we have taken to eliminate obstruction factors, and any safeguards we have applied in order to reduce obstruction factors to an acceptable level.

#### Conflict of interest

We or engagement partners have no interests in the Company and its consolidated subsidiaries, which should be stated in compliance with the Certified Public Accountants Act.

(Translation)

## Non-Consolidated Balance Sheet

(as of March 31, 2024)

(Millions of yen)

Account title (Assets)	Amount		Account title (Liabilities)	Amount	
Current assets			Current liabilities		
Cash and deposits		22,990	Notes payable		2,498
Notes receivable		1,146	Accounts payable, trade		50,358
Accounts receivable, trade		59,697	Short-term borrowings		35,550
Contract assets		25,906	Current portion of long-term debt		23,276
Lease investment assets		5,831	Lease obligations		2,774
Finished goods:		10,308	Accounts payable, others		16,741
Work in process:		11,393	Other accrued expenses		8,351
Raw materials and supplies:		20,427	Income taxes payable		633
Advance payments - trade		249	Contract liabilities		4,097
Prepaid expenses		3,544	Deposits received		27,192
Short-term loans receivable		16,868	Unearned revenue		3
Accounts receivable, others		10,384	Provision for product warranties		1,115
Others		923	Provision for directors' bonuses		160
Allowance for doubtful receivables		(10)	Provision for loss on construction contracts		4,169
Total current assets		189,660	Provision for contingent loss		484
Non-current assets			Valuation reserve for purchase commitments		18
Property, plant and equipment			Provision for loss on the Anti-Monopoly Act		10
Buildings	43,700		Others		95
Accumulated depreciation	30,097	13,603	Total current liabilities		177,533
Structures	2,417		Long-term liabilities		
Accumulated depreciation	1,795	621	Long-term debt		50,017
Machinery and equipment	14,238		Lease obligations		4,183
Accumulated depreciation	12,626	1,612	Deferred tax liabilities		6,028
Vessels	192		Retirement benefits		10,976
Accumulated depreciation	111	81	Provision for product warranties		276
Vehicles	90		Provision for loss on business of subsidiaries and affiliates		543
Accumulated depreciation	83	6	Provision for contingent loss		28
Tools, furniture and fixtures	43,569		Provision for share awards		93
Accumulated depreciation	37,004	6,565	Asset retirement obligations		1,181
Land		8,666	Others		1,206
Construction in progress		594	Total long-term liabilities		74,534
Total property, plant and equipment		31,751	Total liabilities		252,067
Intangible assets			(Net Assets)		
Right of using facilities		32	Shareholders' equity		
Software		14,772	Capital stock		44,000
Total intangible assets		14,805	Additional paid-in capital		21,442
Investments and other assets			Capital reserve		15,000
Investments in securities		41,038	Other additional paid-in capital		6,442
Investments in and advances to subsidiaries and affiliates		31,214	Retained earnings		29,317
Contribution		6	Other retained earnings		29,317
Contribution in subsidiaries and affiliates		1,545	Retained earnings carried forward		29,317
Long-term loans receivable from subsidiaries and affiliates		24,421	Treasury stock, at cost		(754)
Claims provable in bankruptcy, rehabilitation and other		26	Total shareholders' equity		94,006
Long-term prepaid expenses		848	Valuation, translation adjustments and others		
Prepaid pension cost		21,583	Net unrealized holding gain/loss on other securities		8,678
Lease and guarantee deposits		2,646	Loss/gain on deferred hedges		(10)
Others		238	Total valuation, translation adjustments and others		8,668
Allowance for doubtful receivables		(4,970)	Subscription rights to shares		73
Total investments and other assets		118,598	Total net assets		102,748
Total non-current assets		165,155	Total liabilities and net assets		354,816
Total assets		354,816			

(Translation)

## Non-Consolidated Statement of Operations

(From April 1, 2023 to March 31, 2024)

(Millions of yen)

Account title	Amount	
Net sales		286,525
Cost of sales		231,504
Gross profit		55,020
Selling, general and administrative expenses		60,018
Operating loss		(4,997)
Non-operating income		
Interest income	549	
Dividend income	17,569	
Other	2,514	20,632
Non-operating expenses		
Interest expense	2,162	
Commission for syndicated loan	678	
Provision of allowance for doubtful receivables	(4,657)	
Other	638	(1,177)
Ordinary income		16,812
Extraordinary profit		
Gain on sale of investments in securities	1,374	1,374
Extraordinary loss		
Loss on sale and disposition of property, plant and equipment	1,245	
Loss on impairment of fixed assets	1,951	
Nondeductible write-downs of shares of subsidiaries and affiliates	312	3,509
Profit before income taxes		14,677
Income taxes	(2,452)	
Income taxes deferred	(6,474)	(8,927)
Profit		23,604

(Translation)

**Non-Consolidated Statement of Changes in Net Assets**

(From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity							
	Capital stock	Additional paid-in capital			Retained earnings		Treasury stock, at cost	Total shareholders' equity
		Capital reserve	Other Additional paid-in capital	Total additional paid-in capital	Other retained earnings	Total Retained earnings		
					Retained earnings carried forward			
Balance at April 1, 2023	44,000	15,000	6,476	21,476	7,445	7,445	(833)	72,088
Changes during the term under review								
Dividends from surplus					(1,732)	(1,732)		(1,732)
Profit					23,604	23,604		23,604
Purchases of treasury stock							(2)	(2)
Disposition of treasury stock			(33)	(33)			81	47
Net changes in items other than shareholders' equity during the term under review								
Net changes during the term under review	-	-	(33)	(33)	21,872	21,872	79	21,918
Balance at March 31, 2024	44,000	15,000	6,442	21,442	29,317	29,317	(754)	94,006

	Valuation, translation adjustments and others			Subscription rights to shares	Total net assets
	Unrealized holding gain/loss on other securities	Loss/gain on deferred hedges	Total valuation, translation adjustments and others		
Balance at April 1, 2023	807	(32)	775	121	72,985
Changes during the term under review					
Dividends from surplus					(1,732)
Profit					23,604
Purchases of treasury stock					(2)
Disposition of treasury stock					47
Net changes in items other than shareholders' equity during the term under review	7,871	21	7,892	(47)	7,844
Net changes during the term under review	7,871	21	7,892	(47)	29,763
Balance at March 31, 2024	8,678	(10)	8,668	73	102,748



(Translation)

## Notes to Non-consolidated Financial Statements

### Significant Accounting Policies

#### 1. Standards and valuation methods for negotiable securities

Shares of subsidiaries and affiliated companies:

Stated at cost based on the moving average method

Other negotiable securities:

Those other than shares without market value:

Stated at fair value.

(The difference between book value and fair value is included in net assets. The sale cost is calculated by using the moving average method.)

Shares without market value: Stated at cost based on the moving average method

#### 2. Standards and valuation methods for derivatives

Derivatives: Stated at fair value

#### 3. Standards and valuation methods for inventories

Finished goods: Primarily stated at cost based on the moving average method. (Balance sheet values are measured by the method of devaluing the book price to reflect declines in profitability.)

Work in process: Primarily stated at cost based on the specific identification method. (Balance sheet values are measured by the method of devaluing the book price to reflect declines in profitability.)

Raw materials and supplies:

Primarily stated at cost based on the moving average method. (Balance sheet values are measured by the method of devaluing the book price to reflect declines in profitability.)

#### 4. Depreciation and amortization of non-current assets

Property, plant and equipment (excluding lease assets): Declining-balance method

The straight-line method is applied to buildings, excluding annexed structures, acquired on or after April 1, 1998.

Intangible assets (excluding lease assets)

Software for sale in the market:

Amortization method based on the estimated amounts of sales in the estimated number of years for sales (3 years)

Software for internal use:

Straight-line method based on the estimated durable years (mainly 5 years)

Others: Straight-line method

Lease assets

(Lease assets relating to finance lease transactions without transfer of ownership):

They are depreciated over the lease contract's lifetime by the straight-line method, assuming the residual value is zero.

(Translation)

## **5. Basis for provision of reserves**

### Allowance for doubtful receivables

To prepare for any losses on accounts receivable and loans, the Company calculates the amount of potential loss by using the historical loss ratio in the case of non-classified loans/receivables and by individual assessment in the case of classified loans/receivables.

### Provision for product warranties

To prepare for the expenses caused by free repairs that occur after product sales, the Company includes a provision for product warranties based on past performance or individual estimates.

### Provision for directors' bonuses

To prepare for the payment of bonuses to officers (includes Executive Officers, the same applies below), the Company records the amount attributable to the current fiscal year out of the amount of bonuses expected to be paid to officers.

### Provision for loss on construction contracts

To prepare for any losses on construction contracts, the estimated amounts of losses for the following fiscal years are calculated for some of the order backlog as of the end of the fiscal year under review, which are likely to incur losses and for which the amounts thereof can be reasonably estimated.

### Provision for contingent loss

To prepare for losses that may occur in the future, the Company includes a provision for contingency losses rationally calculated based on individual risks, etc.

### Provision for share awards

To prepare for granting stock compensation to officers in accordance with the performance-linked stock compensation plan, the estimated amount of stock benefit obligation as of the end of the fiscal year under review is recorded.

### Valuation reserve for purchase commitments

To prepare for future possible losses, the estimated amount that would be incurred in relation to raw materials for which there is an obligation to pick up for unpurchased items due to a preexisting agreement to purchase products when the sale of such products ends is recorded.

### Provision for loss on the Anti-Monopoly Act

To prepare for any losses relating to the Anti-Monopoly Act, the estimated amount for the current fiscal year end is recorded.

### Retirement benefits

To prepare for payment of retirement benefits to employees, the Company records the amount recognized to accrue at the end of the fiscal year based on the estimated values of retirement benefit obligations and pension assets.

Prior service cost is amortized by the straight-line method over a certain number of years (12 years) within the average remaining years of service of employees.

The actuarial difference is amortized proportionately using the straight-line method over a certain number of years (12 years) within the average remaining service period of the employees from the fiscal year after the one in which it arises.

### Provision for loss on business of subsidiaries and affiliates

In order to prepare for a loss on business of subsidiaries and affiliates, the Company records the amount of expected loss to bear in consideration of the financial position, operating results, etc. of these companies.

(Translation)

## **6. Basis for provision of income and expense**

### **(1) Sales of products**

Revenue from product sales is recognized when the customer's acceptance inspection is complete if the acceptance inspection is carried out, or when the delivery is made in the case where the acceptance inspection is not carried out, depending on the agreement, etc. with the given customer. This is because the Company deems that the control transfers to the customer and the performance obligation is satisfied at such timing. Consideration for transactions is received mainly within one year from the satisfaction of the performance obligation and does not include a significant financial component.

### **(2) Provision of services**

Revenue from provision of services is recognized according to the provision of services. In the case that the provision of services is made over the agreed duration, such as regular maintenance contracts, revenue is recognized based on the elapsed time period because the Company deems that the performance obligation is satisfied corresponding to the elapsed time period.

For contract productions and engineering work of social infrastructure, revenue is recognized based on the progress of the performance obligation, on the assumption that the obligation is satisfied over a certain period. In such a case, the progress is measured by the ratio of the costs incurred by the end of the term to the estimated total costs.

Consideration for transactions is received mainly within one year from the satisfaction of the performance obligation and does not include a significant financial component.

## **7. Hedge accounting methods**

### **(1) Hedge accounting methods**

Deferred hedging is applied. Allocation treatment is applied for forward exchange contracts eligible for allocation treatment. Special treatment is applied to interest rate swaps that meet the requirements for special treatment.

### **(2) Means of hedging and hedged item**

Forward exchange contracts are used to hedge fluctuations of exchange rates on credits and debts in foreign currencies. Interest rate swaps are employed to hedge fluctuations of market interest rates on variable-rate and long-term debt.

### **(3) Hedging policy**

Derivative instruments are used to hedge fluctuations of market rates on credits and debts.

### **(4) Assessment method of hedging effectiveness**

To determine the effectiveness, the Company compares the accumulated total of the market fluctuations or the cash flow fluctuations for the hedged item and that of the market fluctuations or the cash flow fluctuations for the means of hedging, during the period from the start of hedging to the assessment. The Company then makes a decision based on the changes of the two.

## **8. Other important matters in preparation of non-consolidated financial statements**

### **(1) Accounting for retirement benefits**

The methods of accounting for unappropriated amounts of unrecognized prior service costs and unrecognized actuarial gains and losses for retirement benefits differ from those in the consolidated financial statements.

### **(2) Application of group tax sharing system**

The group tax sharing system is applied.

(Translation)

## Notes on Accounting Estimates

### 1. Estimate of recoverability of receivables from consolidated subsidiaries

#### (1) Amount recognized on the non-consolidated financial statements for the fiscal year

Long-term loans receivable from subsidiaries and affiliates	¥24,345 million
Allowance for doubtful receivables	¥(4,912) million

#### (2) Information regarding important accounting estimates for the item identified

##### (i) Overview

The Company provides Oki Hong Kong, Ltd. (hereinafter “OHL”), a consolidated subsidiary which primarily engages in the material procurement and logistics management businesses in China, with loans in the amounts of US\$131 million and RMB216.5 million (¥24,345 million if converted to Japanese yen based on the exchange rate as of the end of the fiscal year under review) as of the end of the fiscal year, and they are included in long-term loans receivable from subsidiaries and affiliates. In addition, OHL has accounts receivable from Oki Electric Industry (Shenzhen) Co., Ltd. (hereinafter “OSZ”), which has accounts receivable from Oki Banking Systems (Shenzhen) Co., Ltd. (hereinafter “OBSZ”).

As described in the “Notes to Consolidated Financial Statements, Notes on Accounting Estimates, 1. Estimate of recoverability of claims for which litigation is currently pending,” accounts receivable from Shenzhen Yihua Computer Industrial Co., Ltd. (hereinafter “Yihua Industrial”) have been outstanding at OBSZ and, as a result, the payment of a similar amount from OBSZ to OSZ, and from OSZ to OHL remains unpaid. In light of such retention status, OHL recorded an allowance for doubtful receivables against accounts receivable from OSZ in conjunction with the accounting process in OBSZ for accounts receivable from Yihua Industrial. This resulted in negative net worth at OHL at the end of the fiscal year, giving rise to a serious issue regarding repayment of the loans provided by the Company.

##### (ii) Calculation method for the amount recognized on the non-consolidated financial statements for the fiscal year and major assumptions to the calculation

The Company classifies the loans to OHL into doubtful accounts and recorded an allowance for doubtful receivables for an estimated amount of loss up to an amount by which OHL’s liabilities exceed its assets from the previous year, as a result of making judgment of OHL’s activities in the material procurement and logistics management businesses, management status, and ability to pay comprehensively. The amount of US\$32.448 million (¥4,912 million if converted to Japanese yen based on the exchange rate as of the end of the fiscal year) was recognized at the end of the fiscal year.

##### (iii) Impact on the non-consolidated financial statements for the next fiscal year

As the amount by which OHL’s liabilities exceed its assets changes in tandem with the accounting process in OBSZ for accounts receivable from Yihua Industrial, the estimated amount of loss may vary significantly subject to the status of the appeal by OBSZ.

### 2. Estimate of total costs used to measure the progress of the performance obligation in the recognition of revenue

#### (1) Amount recognized on the non-consolidated financial statements for the fiscal year

Among the revenue associated with the performance obligation satisfied over a certain period, revenue recorded based on the progress calculated by the ratio of the incurred costs to the estimated total costs was ¥41,533 million (including revenue for projects completed before the end of the fiscal year). Of which, an amount recognized for the fiscal year in relation to construction projects that were work-in-progress at the end of the fiscal year is ¥26,986 million.

(Translation)

(2) Information regarding important accounting estimates for the item identified

The calculation method for the amount in (1) is the same as the one described in the Notes to Consolidated Financial Statements, “Notes on Accounting Estimates 2. Estimate of total costs used to measure the progress of the performance obligation in the recognition of revenue.”

3. Future cash flows estimated based on the determination to recognize the impairment loss

(1) Amount recognized on the non-consolidated financial statements for the fiscal year

Property, plant and equipment	¥31,751 million
Intangible assets	¥12,102 million
Long-term prepaid expenses	¥848 million

(2) Information regarding important accounting estimates for the item identified

(i) Calculation method for the amount recognized on the non-consolidated financial statements for the fiscal year and major assumptions to the calculation

The Company determines whether to recognize the impairment loss of the given asset or asset group, when there is an indication that the asset or asset group may be impaired (hereinafter “indication of impairment”) at the end of a fiscal year. An indication of impairment is recognized when a loss or negative cash flow caused by marketing activities in which the asset or asset group is used is ongoing or likely to be ongoing, or when a significant downturn of the business is identified. Whether to recognize the impairment loss of the asset or asset group with indication of impairment is determined by comparing the total future cash flow before discount obtained from the asset or asset group (including net sales value in future of assets other than main assets) and the book value, and if the former is smaller than the latter, the Company recognizes the impairment loss.

The Company determines that indication of impairment is found company-wide, including common assets. However, impairment loss has not been recognized because the company-wide total future cash flow before discount, which was calculated based on the projected profit and loss in the next fiscal year and onwards, is greater than the book value of the Company’s assets. Major assumptions used to estimate the future cash flow before discount are net sales and expenses in business plans for the next fiscal year, and those in the Medium-Term Business Plan 2025 for the fiscal years subsequent to the next fiscal year. Each of the plans enlists projections of future net sales and expenses, etc., based on management strategy taking into account past performance and the current business environment.

(ii) Impact on the non-consolidated financial statements for the next fiscal year

It is possible that impairment loss may be reported in the next fiscal year if a significant change occurs in the business environment, which necessitates a downward revision of the above assumption, resulting in the company-wide total future cash flow before discount calculated based on the projected future profit and loss becoming smaller than the book value of the Company’s assets.

4. Estimate of recoverability of deferred tax assets

(1) Amount recognized on the non-consolidated financial statements for the fiscal year

Deferred tax assets	¥10,476 million
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(2) Information regarding important accounting estimates for the item identified

The calculation method for the amount in (1) is the same as the one described in the Notes to Consolidated Financial Statements, “Notes on Accounting Estimates, 3. Estimate of recoverability of deferred tax assets.”

(Translation)

### Notes to Non-consolidated Balance Sheet

1. Assets provided as collateral

Investments in securities	¥8,322 million
Liabilities collateralized by the abovementioned assets	
Short-term borrowings	¥3,500 million

2. Guarantee liabilities:

The Company provides guarantees for bank borrowings made by employees, and subsidiaries and affiliates as shown below.

Oki Europe Ltd.	¥2,868 million (GBP15 million)
OKI Circuit Technology Co., Ltd.	¥1,745 million
OKI Crosstech Co., Ltd.	¥905 million
Oki Data Manufacturing (Thailand) Co., Ltd.	¥832 million (\$5.5 million)
OKI INDIA PRIVATE LIMITED	¥798 million (INR438.558 million)
Three other entities:	¥745 million
Total:	¥7,896 million

3. Monetary claims receivable from and payable to subsidiaries and affiliates

Short-term monetary claims receivable from subsidiaries and affiliates:	¥34,770 million
Long-term monetary claims receivable from subsidiaries and affiliates:	¥1,161 million
Short-term monetary claims payable to subsidiaries and affiliates:	¥47,241 million
Long-term monetary claims payable to subsidiaries and affiliates:	¥67 million

### Notes to Non-consolidated Statement of Operations

Transactions with subsidiaries and affiliates

Net sales:	¥34,326 million
Purchases:	¥84,471 million
Non-operating transactions:	¥19,783 million

### Notes to Non-consolidated Statement of Changes in Net Assets

Type and number of treasury stock as of the end of the fiscal year

Common stock:	542 thousand shares
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(Translation)

## Notes to Deferred Tax Accounting

### 1. Major factors giving rise to deferred tax assets and liabilities

Deferred tax assets	
Loss carry forwards	¥12,424 million
Nondeductible write-downs of shares of subsidiaries and affiliates	¥9,605 million
Nondeductible retirement benefits	¥4,816 million
Adjustments of losses on transfers among consolidated subsidiaries	¥3,418 million
Allowance for doubtful receivables	¥1,525 million
Nondeductible accrued bonuses	¥1,412 million
Nondeductible write-downs of inventories	¥1,365 million
Provision for loss on construction contracts	¥1,276 million
Loss on impairment of fixed assets	¥825 million
Balance of trust property with retirement benefits	¥774 million
Others	¥3,635 million
<hr/>	
Subtotal deferred tax assets	¥41,075 million
Valuation allowance	¥(30,598) million
<hr/>	
Total deferred tax assets	¥10,476 million
<hr/>	
Deferred tax liabilities	
Prepaid pension cost	¥(5,597) million
Gain on valuation of investment securities	¥(5,050) million
Net unrealized holding gain/loss on other securities	¥(3,746) million
Nondeductible unrealized gain on contribution of securities to the pension trust	¥(1,866) million
Others	¥(245) million
<hr/>	
Total deferred tax liabilities	¥(16,504) million
<hr/>	
Net deferred tax assets	¥(6,028) million

### 2. Accounting process of corporate tax and local corporate tax or accounting process of tax effect accounting relating thereto

The Company has applied the group tax sharing system, and in accordance with “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (ASBJ PITF No. 42, August 12, 2021), the Company has performed the accounting process of the corporate tax and local corporate tax or the accounting process of the tax effect accounting relating thereto and has disclosed such information.

(Translation)

## Notes to Related Party Transactions

### Subsidiaries, etc.

Attribute	Name of company, etc.	Location	Capital	Business	Voting right ratio	Relationship with related party	Description of transactions	Transaction amount (mil. yen)	Account item	Ending balance (mil. yen)
Subsidiary	OKI Crosstech Co., Ltd.	Chuo-ku, Tokyo	¥2,001 million	Equipment work, designing, construction and maintenance of electrical, telecommunication, firefighting and other facilities, maintenance, operations and technical support for ICT equipment and systems, and sales of related equipment and supplies	(Direct) 100%	Supply products, etc., purchase of services	Borrowings of funds	-	Deposits received	12,053
							Sales of products	10,677	Accounts receivable, trade	3,908
Subsidiary	OKI Circuit Technology Co., Ltd.	Tsuruoka (Yamagata)	¥480 million	Design, manufacture, assembly and sales of printed circuit boards, electronic equipment and electronic parts	(Direct) 100%	Purchase of products and services, lending of funds	Lending of funds	4,120	Short-term loans receivable	4,858
									Long-term loans receivable from subsidiaries and affiliates	76
Subsidiary	OKI Nextech Co., Ltd.	Tokorozawa (Saitama)	¥400 million	Development, design, manufacture, sales and maintenance of information and communications devices, industrial electronic devices, medical electronic equipment and other electronic devices as well as electronic parts	(Direct) 100%	Purchase of products and services, lending of funds	Lending of funds	7,290	Short-term loans receivable	7,738
Subsidiary	Oki Data Manufacturing (Thailand) Co., Ltd.	Thailand	420 million Thai baht	Manufacture of information processing equipment	(Direct) 100%	Purchase of products	Purchase of products	27,860	Accounts payable, trade	5,975
Subsidiary	Oki Hong Kong, Ltd.	Hong Kong	US\$10.292 million	Holdings company, material procurement	(Direct) 100%	Purchase of products Lending of funds	Lending of funds	23,594	Long-term loans receivable from subsidiaries and affiliates	24,345

Notes:

- The transaction amount excludes consumption tax, etc., while the ending balance includes consumption tax, etc.
- Conditions of transactions and policy in determining conditions
  - The Company determines conditions regarding purchase of services and purchase of products based on market prices and conducting negotiation.
  - The Company determines the interest rate for the lending of funds by taking the market rate of interest into consideration. However, for some subsidiaries, the Company determines the said interest rate by taking the financial position of the subsidiaries. Transaction amount shows the average balance during the fiscal year because the transactions are repetitive.
- An allowance for doubtful accounts of ¥4,912 million has been recorded for loans to Oki Hong Kong, Ltd. Furthermore, an allowance for doubtful accounts of ¥4,656 million has been provisioned this fiscal year.

### Notes to Per-share Information

- Net assets per share: ¥1,184.59
- Earnings per share: ¥272.34

### Notes on Revenue Recognition

Notes on the information to understand the revenue from contracts with customers are omitted since the same contents are described in “Notes on Revenue Recognition” in the Notes to Consolidated Financial Statements.



(Translation)

**Explanatory notes on Company to Which Consolidated Dividend Regulations Apply**

The Company will be a company to which consolidated dividend regulations apply after the final day of the fiscal year under review becomes the final day of the final fiscal year.

## Transcript of Accounting Auditors' Report

### Independent Auditors' Report

May 20, 2024

To: Board of Directors  
Oki Electric Industry Co., Ltd.

PricewaterhouseCoopers Japan LLC  
Tokyo Office  
Tsuyoshi Saito,  
Engagement Partner, Certified Public Accountant  
Takeaki Ishibashi,  
Engagement Partner, Certified Public Accountant  
Tomomi Shinbo,  
Engagement Partner, Certified Public Accountant

#### Audit opinion

We have audited the non-consolidated financial statements—the non-consolidated balance sheet, the non-consolidated statement of operations, the non-consolidated statement of changes in net assets and notes to the non-consolidated financial statements—and its supporting schedules (“Financial Statements, etc.”) of Oki Electric Industry Co., Ltd. for the 100th term from April 1, 2023 to March 31, 2024 in accordance with Article 436, paragraph (2), item (i) of the Companies Act.

We concluded that the Financial Statements, etc. fairly present in all aspects of Oki Electric Industry's assets and income or loss in accordance with corporate accounting standards generally accepted in Japan.

#### Basis for audit opinion

We have conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the “Responsibility of auditor for the audit of the Financial Statements, etc.” section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

The other information refers to the business report and its supplementary schedules. Management is responsible for preparing and disclosing the other information. In addition, the Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the reporting process for the other information.

The scope of our audit opinion on the non-consolidated financial statements does not include the content of the other information, and we do not express an opinion regarding the other information.

Our responsibility in auditing the non-consolidated financial statements is to read through the other information, and in the process of reading it, we examine whether there are material differences between the other information and the non-consolidated financial statements or the knowledge we have gained in the auditing process, and we also pay attention as to whether there are any indications in the other information of material errors besides such material differences.

If we determine there to be material errors in the other information based on the work we have performed, we are required to report those facts.

There are no matters to report regarding the other information.

#### Responsibility of management, Audit & Supervisory Board Members and the Audit & Supervisory Board for preparing Financial Statements, etc.

Oki Electric Industry's management is responsible for preparing and presenting fairly the Financial Statements, etc. in accordance with corporate accounting standards generally accepted in Japan. This includes designing and operating internal control that the management determines necessary to prepare and fairly present the Financial Statements, etc. that are without material misstatement due to fraud or errors.

In preparing the Financial Statements, etc., management is responsible for assessing whether it is appropriate to prepare the Financial Statements, etc. with the assumption of a going concern, and in accordance with corporate accounting standards generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

#### Responsibility of auditors for the audit of the Financial Statements, etc.

Our responsibilities are to obtain reasonable assurance about whether the Financial Statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the Financial Statements, etc. based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of the Financial Statements, etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

(Translation)

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the Financial Statements, etc., obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and the appropriateness of related notes thereto.
- Conclude on the appropriateness of preparing the Financial Statements, etc. with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the Financial Statements, etc. or, if the notes to the Financial Statements, etc. on material uncertainty are inadequate, to express a qualified opinion with exceptions on the Financial Statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation of the Financial Statements, etc. and notes thereto are in accordance with corporate accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the Financial Statements, etc., including the related notes thereto, and whether the Financial Statements, etc. fairly present the underlying transactions and accounting events.

We report to the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, any countermeasures we have taken to eliminate obstruction factors, and any safeguards we have applied in order to reduce obstruction factors to an acceptable level.

**Conflict of interest**

We or engagement partners have no interests in the Company, which should be stated in compliance with the Certified Public Accountants Act.

## Transcript of Audit & Supervisory Board's Report

### Audit & Supervisory Board's Report

We, the Audit & Supervisory Board, have prepared upon consultation this Audit Report based on reports compiled by each Audit & Supervisory Board Member with respect to Directors' performance of their duties during the 100th fiscal year from April 1, 2023 to March 31, 2024, as follows:

#### 1. Auditing methods used by Audit & Supervisory Board Members and the Audit & Supervisory Board, and details of audit

- (1) The Audit & Supervisory Board specified an audit policy, compiled audit plans and received reports from each Audit & Supervisory Board Member on the status of implementation and results of audits and also received reports from Directors and accounting auditors on the status of the execution of their duties and asked them for explanations as needed.
- (2) Each Audit & Supervisory Board Member, according to the audit standards, policy and plans set up by the Audit & Supervisory Board, has maintained good communications with Directors, the internal audit division and other employees and strived to collect information and improve the audit environment and conducted an audit by following the methods described below:
  - (a) We attended the meetings of the Board of Directors and other meetings as deemed important, received from Directors and employees reports on the execution of their duties, asked for explanations as necessary, perused the documents whereby the important decisions were made, and examined business and financial conditions at the head office and principal operating offices. With respect to the subsidiaries of the Company, we have maintained good communications and exchanged information with Directors, Audit & Supervisory Board Members and others and received reports on business conditions from the subsidiaries as needed.
  - (b) In addition, we have periodically received reports from Directors and employees, among others, required explanation when necessary, and made opinions with regard to the status of operations and the systems established thereon (internal control systems) made by the Board of Directors concerning the establishment of systems defined in Article 100, paragraph (1) and paragraph (3) of the Regulations for Enforcement of the Companies Act as necessary for ensuring compliance with laws and the Company's Articles of Incorporation in the performance of duties by Directors, described in the Business Report, and for ensuring appropriateness of duties of corporate group consisting of joint stock company and its subsidiaries. With respect to the internal controls over financial reporting, we have received reports on the internal control evaluation and status of the audits from the Directors, etc. and the PricewaterhouseCoopers Japan LLC, and asked them for explanations as necessary.
  - (c) We have monitored and verified whether the accounting auditors maintained their independence and properly implemented audits, received from the auditors reports on the performance of their duties and asked them for explanations as necessary. The accounting auditors reported to us that "systems for ensuring proper execution of duties" (listed in each item of Article 131 of the Corporate Calculation Regulations) have been established in accordance with the quality control standards concerning audits (Business Accounting Council), and asked them for explanations as necessary.

Based on the methods mentioned above, we have reviewed the business report for the said fiscal year and their supplementary schedules, financial statements for the said fiscal year (balance sheet, statement of operations, statement of changes in shareholders' equity, and notes to non-consolidated financial statements), their supplementary schedules and consolidated financial statements (consolidated balance sheet, consolidated statement of operations, consolidated statement of changes in shareholders' equity, and notes to consolidated financial statements).

#### 2. Results of Audit

- (1) Results of audit of the business report
  - (a) We consider that the business report and its supplementary schedules fairly present the situation of the Company in accordance with relevant laws and regulations and the Company's Articles of Incorporation.
  - (b) With respect to the Directors' performance of their duties, we have found neither undue transactions nor material facts that violate relevant laws and regulations or the Company's Articles of Incorporation.
  - (c) We consider that the details of the resolution made by the Board of Directors concerning internal control procedures are proper. With respect to the details described in the Business Report and the Directors' performance of their internal control duties, we have found no issues to be pointed out. Furthermore, regarding internal controls over financial reporting, as of the creation of this audit report, we have received reports from Directors, etc. and PricewaterhouseCoopers Japan LLC to the effect that there are no significant deficiencies that should be disclosed.
- (2) Results of audit of financial statements and their supplementary schedules  
We consider that the auditing methods and results of the Company's Accounting Auditors, PricewaterhouseCoopers Japan LLC, are proper.
- (3) Results of audit of consolidated financial statements  
We consider that the auditing methods and results of the Company's Accounting Auditors, PricewaterhouseCoopers Japan LLC, are proper.

May 21, 2024

The Audit & Supervisory Board, Oki Electric Industry Co., Ltd.  
Masashi Fuse, Standing Audit & Supervisory Board Member  
Toshiyuki Yokota, Standing Audit & Supervisory Board Member  
Hideo Shiwa, Outside Audit & Supervisory Board Member  
Ryuichi Makino, Outside Audit & Supervisory Board Member  
Yoshihiro Tsuda, Outside Audit & Supervisory Board Member