

Growth Strategy for Components & Platforms

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Oki Electric Industry Co., Ltd.

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Towards

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Taking a product-centric approach to the delivery of components and platforms

**We will deliver and develop components*1 to help solve social issues.
We will provide services through platforms based on our strength in manufacturing.**

◆ Business opportunities

- Response to issues such as labor shortages and infectious diseases
- Growing importance of hardware connecting people and systems

◆ Expanding priority domains that leverage Oki's strengths

- Devices and services that offer unmanned, contactless, and non-face-to-face solutions
- Delivery of comprehensive manufacturing services
- Utilization of the installed base (including operation services)

◆ Global partner strategy

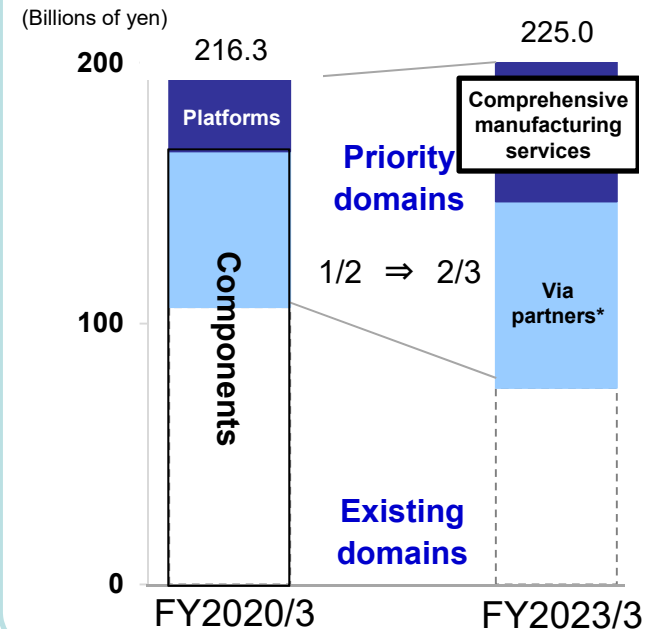
- Shift from in-house sales to global partnerships

◆ Strengthening the ability to meet diverse customer needs

- Technological integration, enhancement of R&D structure (700 engineers)

FY2023/3 targets

- **Net sales: ¥225.0 billion**
- **Operating income: ¥8.5 billion**

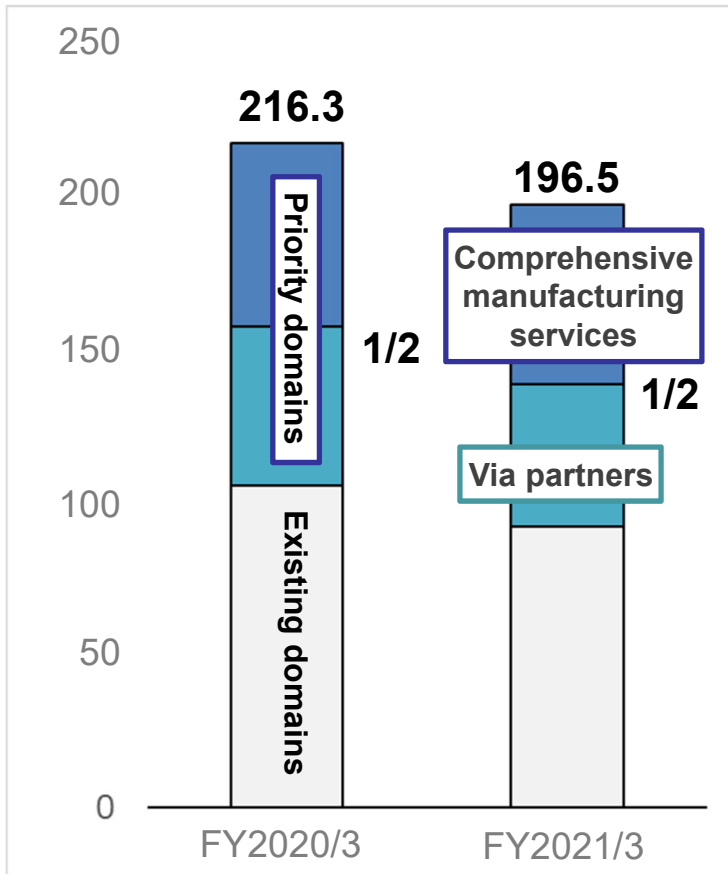


*1 Terminals, modules

*2 Including operation services

A one-year delay in our KPI to transform the business model

KPI: Transform the business model
(Billions of yen)



We had expected the Japanese market to recover in the second half. However,

- ◆ Growth failed to materialize in priority domains. (decrease of approx. ¥6.0 billion).
 - ◇ Comprehensive manufacturing services
 - Demand recovery among key customers was delayed.
 - ◇ Via partners
 - Demand from the distribution and retail sectors was lower than expected.

- ◆ Structural reforms (structural enhancements) progressed according to plan.
 - Streamlining of overseas sales companies, renovation of production bases
 - Integration of subsidiaries, shifting of resource to growth fields

2. Growth Strategy for Components & Platforms

Our Understanding of the Operating Environment

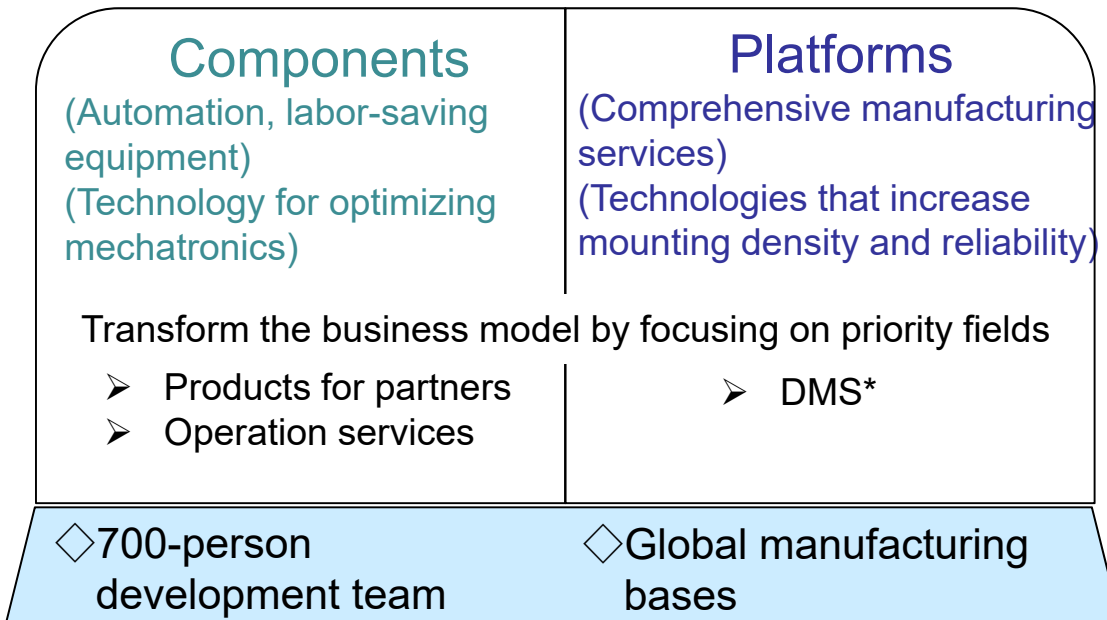
A shift in emphasis from physical items to experiences, moving away from hardware

Concentration of management resources, BPO strategy

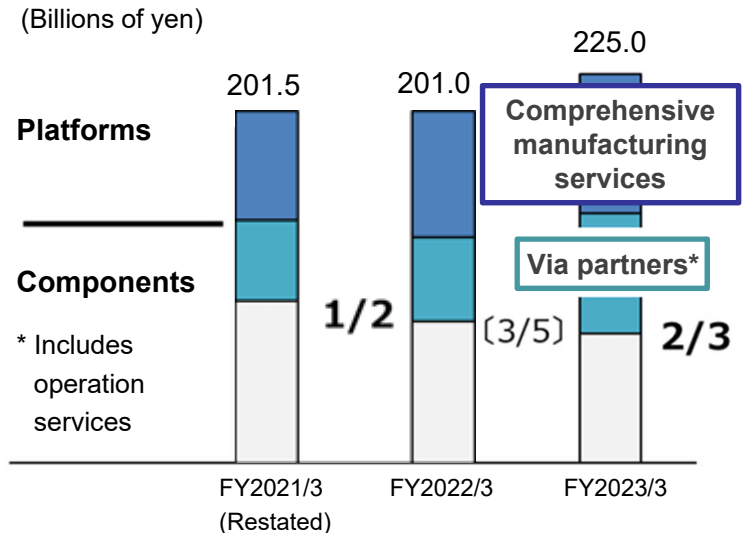
Positioning of hardware as the point of intersection between society and people

Our “keywords of growth:” Play a backstage role in our mission of “delivering OK! to your life.*”

*This key message refers to our goal of helping to resolve social issues and realize a sustainable society.



KPI: Transform the business model



*DMS : Design & Manufacturing Service

3. Initiatives Related to Components

Background to the Need for Automation and Labor Savings

Labor shortage

Work style reform

Non-contact /Non-face-to-face

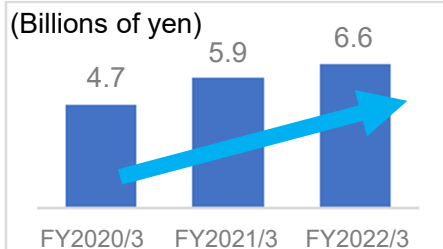
Growth measures

- Resolve customer issues from the fields of finance to distribution, retail and new areas (medical)
- Expand operation services that leverage the installed base

Products for partners

- Provide core modules (roll out globally)
- Enhance the product lineup (expand sales of winning products)
- Resolve issues in new fields (other than cash and paper)

R&D investment



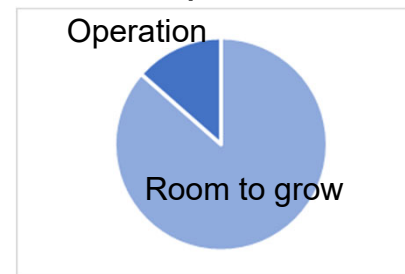
Concentrate investment in product development

(Gradually roll out from 2H of FY2022/3)

Operation services

- Shift away from a business model of selling physical items
- Develop ATM operational expertise for other sectors

Service operation ratio



Develop expertise

For financial institutions

↓
For other sectors (distribution, transport, etc.)

4. Initiatives Related to Platforms (Comprehensive Manufacturing Services) 6/7

Customer Issues

Achieve high levels of precision and quality

Concentrate management resources on core processes

Reduce fixed costs

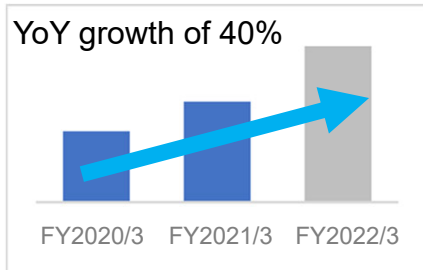
Growth measures

- Expand the order-receiving process: Manufacturing → design, manufacturing, and maintenance services
- Expand order targets: mounting boards → units → entire devices

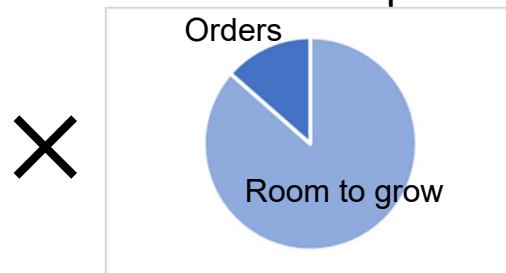
DMS business environment

New business inquiries are robust (social infrastructure, industry).
The key is to increase the number of orders.

New business inquiries



Percentage of orders from new business inquiries

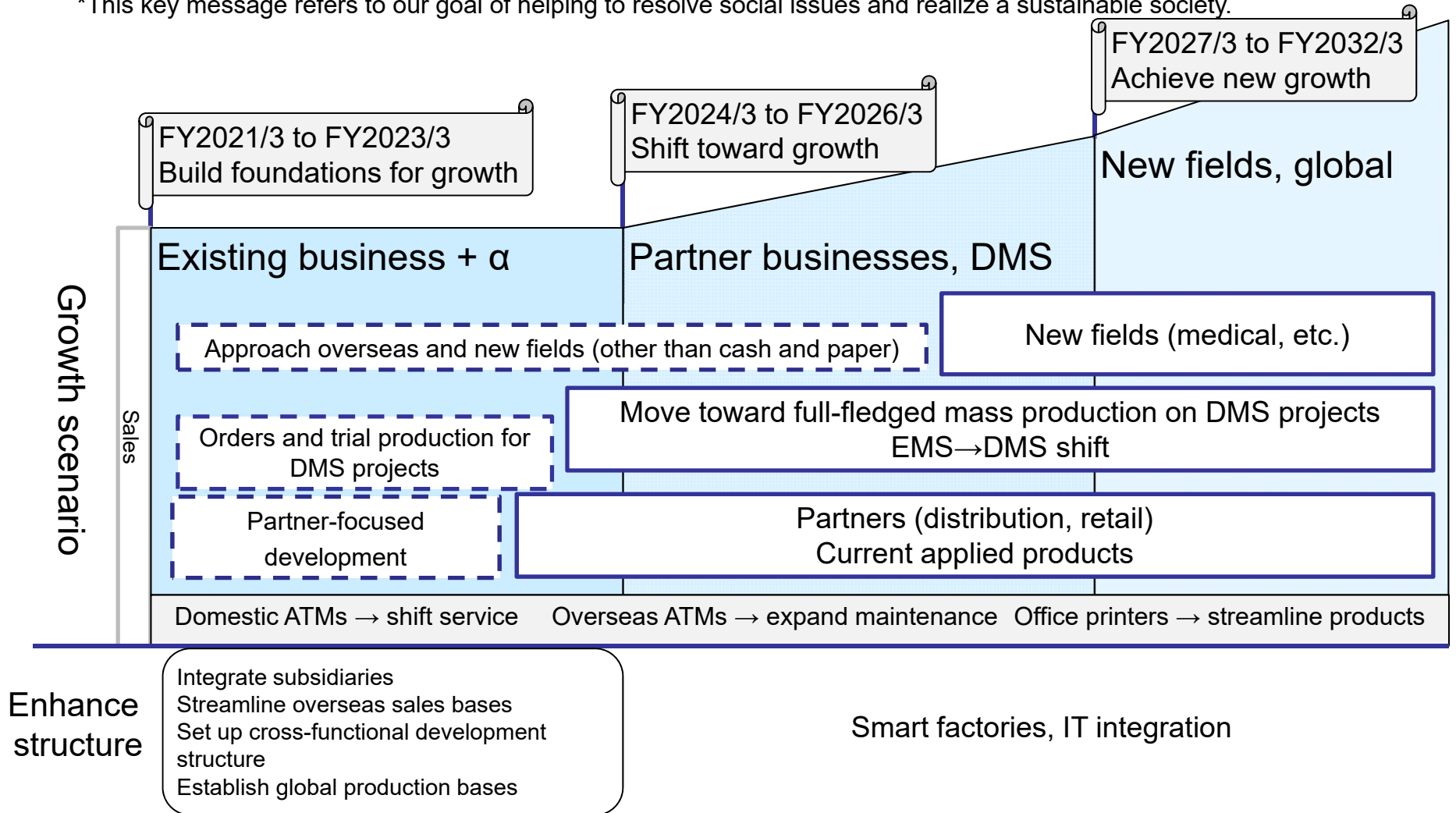


- Negotiating capabilities: Increase the number of SEs
- Development team: Leverage 700-person team
- Production system: Step up facility investment

5. Growth Scenario for Components & Platforms

Our “keywords of growth:” Play a backstage role in our mission of “delivering OK! to your life.*”

*This key message refers to our goal of helping to resolve social issues and realize a sustainable society.



Delivering OK! to your life.

Key message indicating OKI Group' initiatives to realize its vision

The OKI Group helps create a safe and convenient infrastructure for customers and society as a whole through the key Japanese concepts of “Mono-zukuri” and “Koto-zukuri” and seeks for sustainable growth together with society

