

OKI Group
Business Strategy Meeting
Enterprise Solutions
Segment

Hiroshi Tomizawa

Senior Vice President

Head of Enterprise Solutions Division

June 1, 2023

01 Segment Overview

02 Envisioned Direction for Enterprise Solutions Business

03 Business Policy and Targets

04 Key Initiatives / Shift to Recurring Business / Front Shift—Self-Service and Labor-Saving Solutions / Strengthen Product Competitiveness

05 Investment

We provide safe and convenient solutions and services that help address labor shortages and improve operational efficiency through the integration of mechatronics technology, solutions, networks, and maintenance services.



Finance



Railway



Retail



Aviation



Manufacturing



Medical care

Addressing labor shortages

Improving operational efficiency

Mechatronics
technology



Solutions

Networks



Providing maintenance,
monitoring, and operation
through nationwide service network

Transition from focus on products to recurring business

Develop and provide solutions and services underpinned by products that solve social issues

Business opportunities (changes in environment)

- Address labor shortages and promote the horizontal specialization of labor
- Expand front-shift business processing through digital solutions such as cashless payments

Envisioned direction



Conservation of global environment

- Reuse recycled components, undertake environmentally-friendly Mono-zukuri
- Reduce plant CO₂ emissions, promote paperless solutions



Safe and convenient social infrastructure

- Visualize on-site operations, monitor operations
- Tighten network security and administration



Job satisfaction and productivity enhancement

- Address labor shortages through self-service and labor-saving solutions
- Provide BPO services for common customer operations

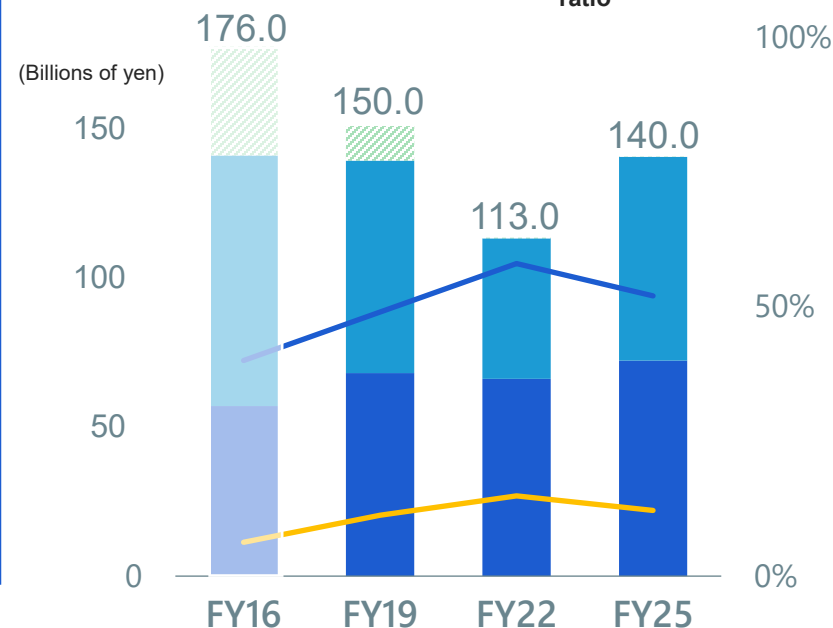
FY2025 target

Net sales ratio

Service businesses: **50% or more**

External sales composition

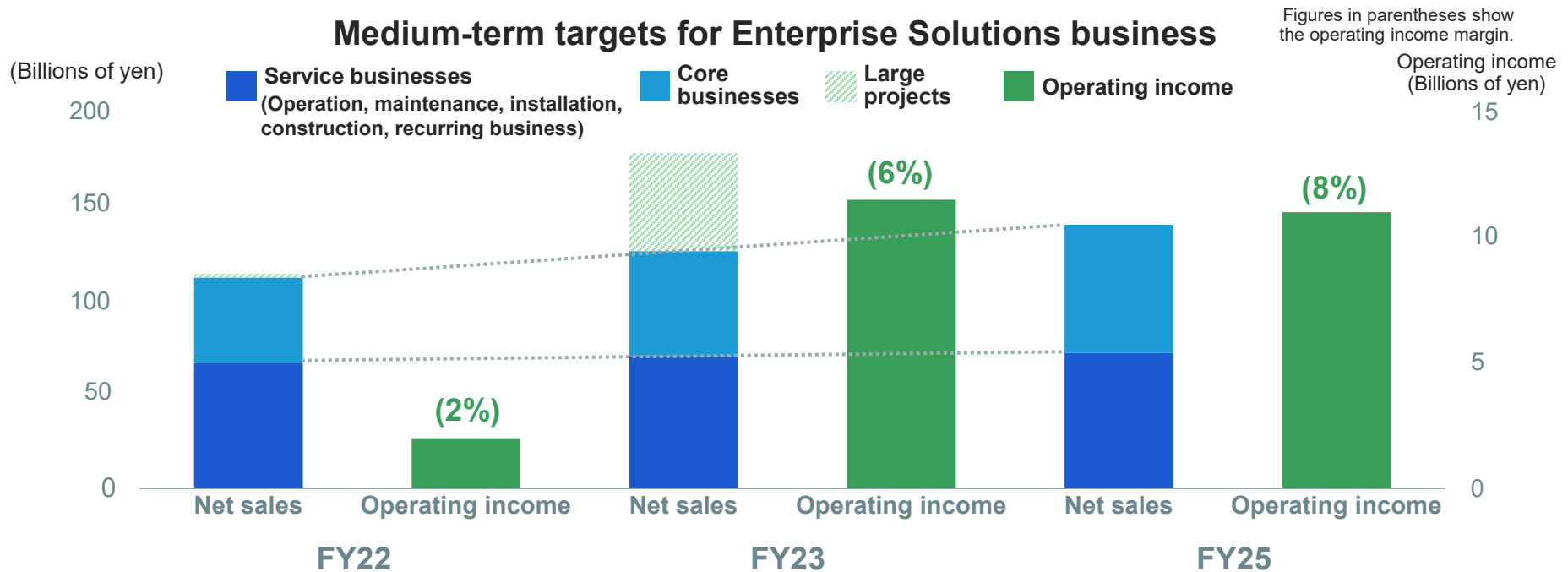
■ Service businesses
 ■ Core businesses
 ▨ China, Brazil
— Service business sales ratio
— Recurring business sales ratio



Business policy: Coinciding with large projects, transition to a resilient management structure to drive future growth

	Net sales	Operating income	Operating income margin
FY25 targets	¥ 140.0 bn	¥ 11.0 bn	8%
KPI	Service businesses generating 50% or more		
Key initiatives	(1) Shift to recurring business	(2) Shift to front-office processing	(3) Strengthen product competitiveness

Medium-term targets for Enterprise Solutions business

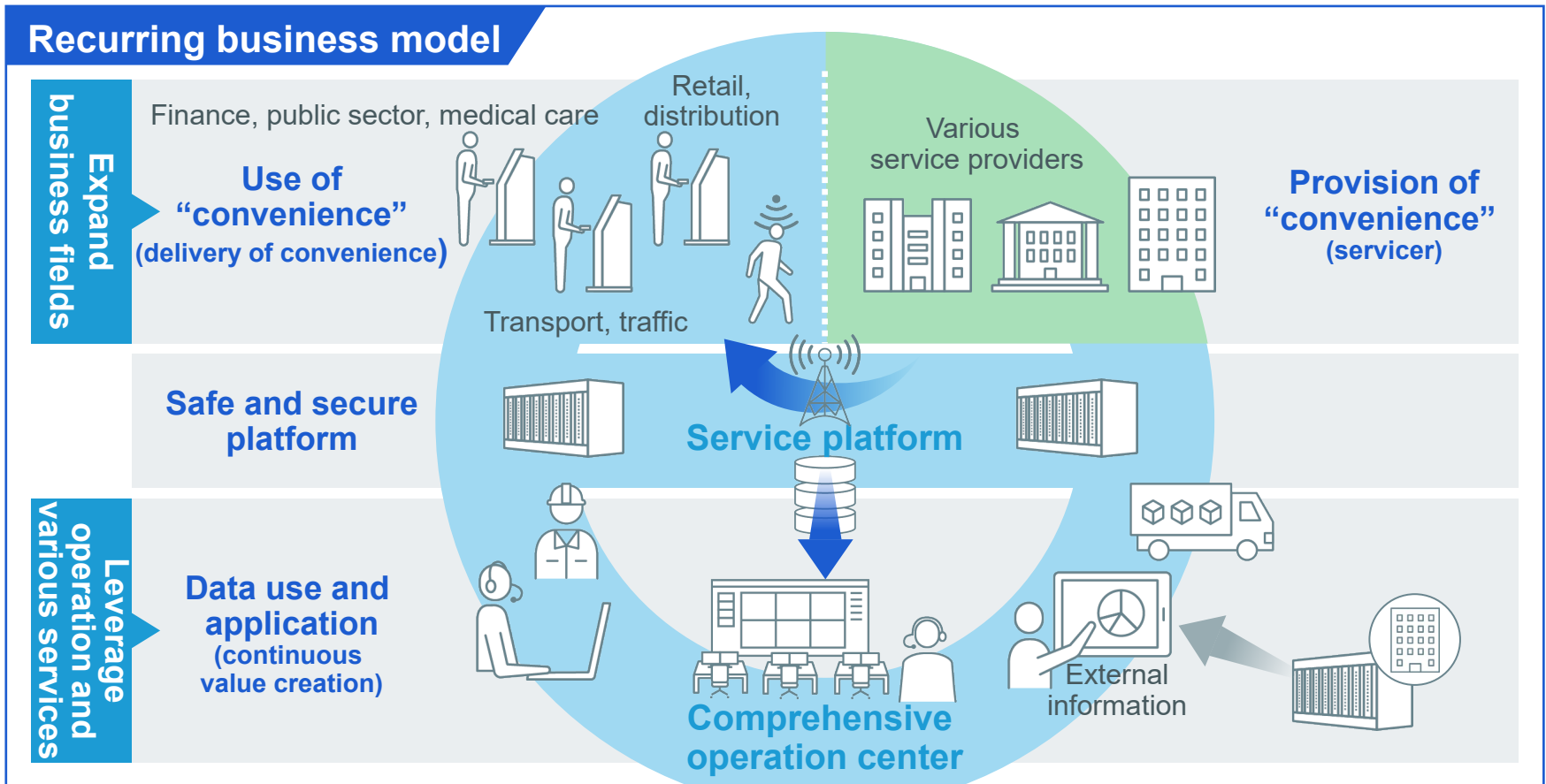


Expand business fields by adding new delivery methods and expanding operations, leveraging the install base



Expand recurring business model cultivated through ATM operations to strengthen businesses

Recurring business model



Strengthen and provide products to support self-service and labor-saving solutions in the future,
and do the same for physical processing modules;

Provide products to customers in their desired forms through direct sales and partners

Provide products adapted to changes in the market environment

Rising adoption of digital solutions
(cash, passbooks, various cards)

Labor shortages

Decrease in back-office physical processing load

Adoption of labor-saving solutions in stores

Increase in front-office physical processing load

Optimization Foreign labor

Strengthen lineup of self-service and labor-saving products
Step up provision of modules that can be integrated into existing systems to partners

Develop optimal methods to deliver products to customers

Direct sales

- Target existing and other users with whom a close relationship has been developed
- Provide products and solutions that strengthen front-office physical processing



Partners

- Target new domestic markets and overseas markets
- Provide modules that are easy to integrate



Target markets

Finance

Retail

Travel

Medical care

Overseas

Shorten development cycle (ensure timely product releases) and reduce costs (enhance price competitiveness) by working to standardize hardware and software modules, starting from individual product development

Steering toward
growth
1st Stage

Steering toward growth
2nd Stage

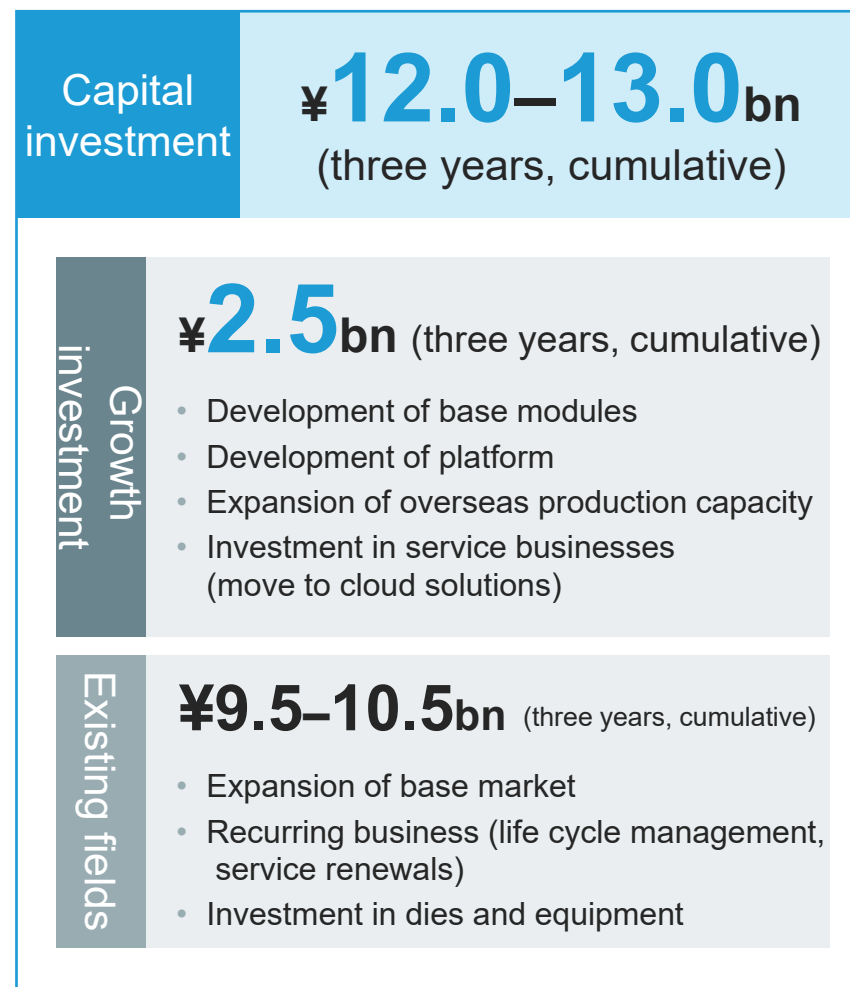
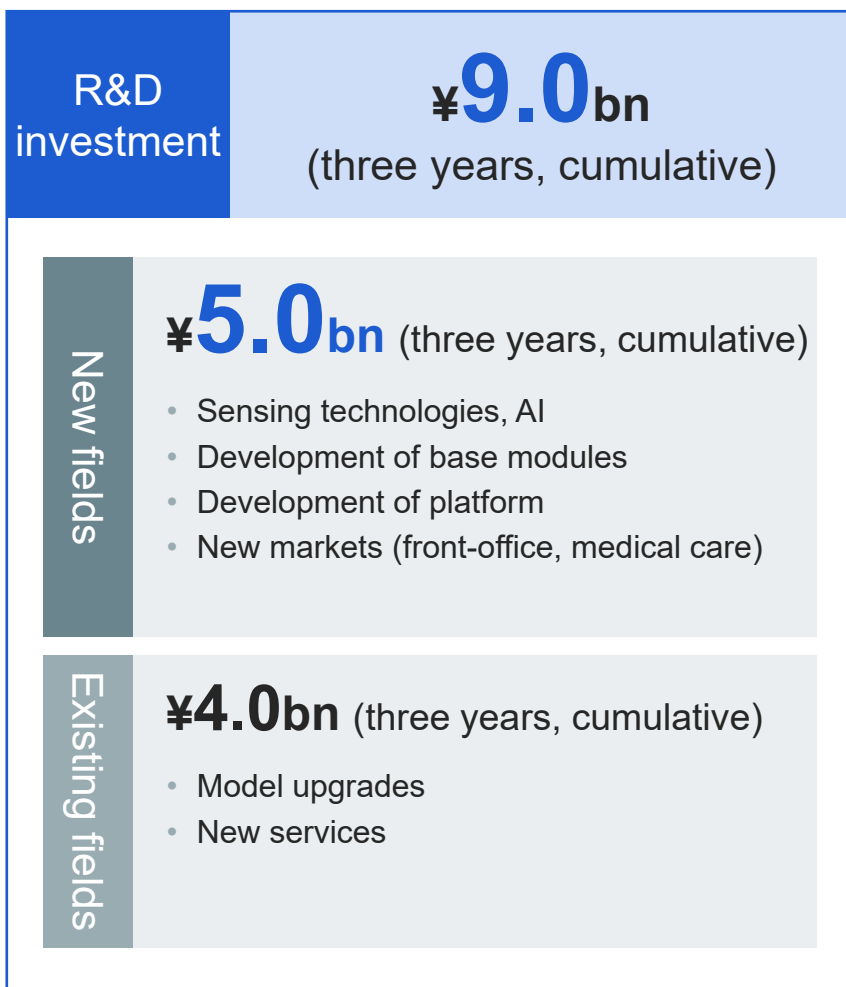
	FY2023–25	FY2026–28	FY2029–31
Measures	<ul style="list-style-type: none"> Standardize base technologies Develop elemental technologies Develop base modules Develop service platform 	<ul style="list-style-type: none"> Deploy products that use base modules Operate businesses that take advantage of service platform 	<ul style="list-style-type: none"> Achieve efficient development through base modules and service platform Deploy and expand services

* Base module: A module that is designed to support module standardization. By combining base modules, products tailored to the needs of customers can be developed in a short period of time.

Service platform: A platform technology that facilitates the integration of servicer applications.

Recurring business model: A business model that offers a combination of equipment provision and BPO. Under such a business model, services are offered continuously by providing value in the form of operation, construction, installation, or maintenance.

R&D investment: Double investment in new fields, and strengthen product competitiveness
Capital investment: Continue investment in recurring business and efficiency improvements



OKI *Open up your dreams*

Delivering OK! to your life.