

**OKI Group  
Business Strategy Meeting  
Public Solutions  
Segment**

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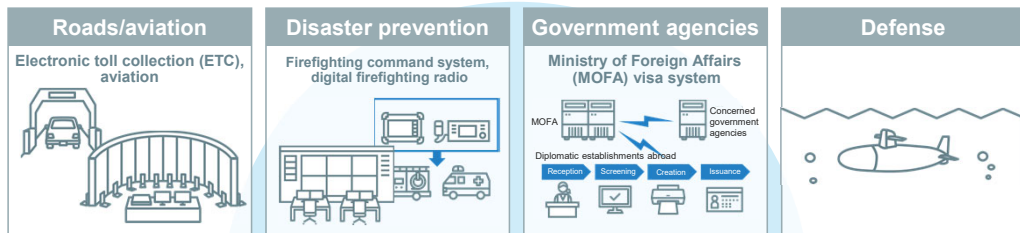
01 Segment Overview

02 Vision for the Future

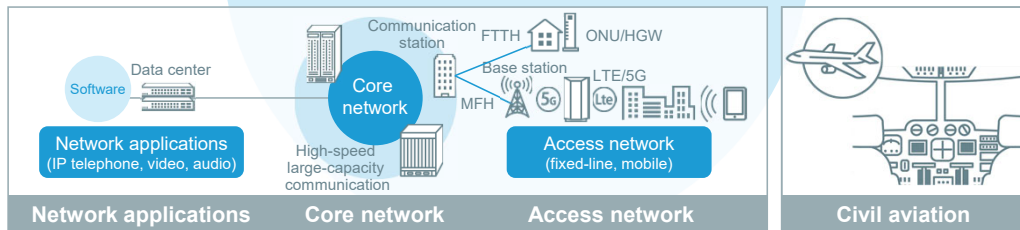
03 Medium-Term Business Plan 2025: Targets

04 Key Initiatives / Enter New Fields through Business-Specific Platforms / Prepare for Global Expansion / Investment

We provide solutions for mission-critical systems in fields such as transportation, disaster prevention, and defense, and networks ranging from edge to backbone networks



We provide safety, security, and convenience through a combination of communication infrastructure and social infrastructure solutions, and thereby contribute to society



- I will provide a brief overview of our Public Solutions segment.
- In the transportation field, we provide electronic toll collection (ETC) systems, fare systems, probes, and other road systems that collect, analyze, and predict road traffic data, and aviation systems for air traffic control. In the disaster prevention field, we provide firefighting command systems and firefighting radio, municipal disaster prevention wireless communication systems, and disaster prevention information systems. In the public sector, we provide business systems for government agencies. We also offer networks ranging from edge to backbone networks, with such operations being largely geared toward telecom carriers. Finally, we provide cockpit displays for both defense systems and civilian aviation.
- The solutions we handle are mission-critical, and our vision is to contribute to society by providing safety, security, and convenience.

Continue to provide valuable solutions that meet the expectations of customers involved in “social infrastructure” in both our core businesses and new fields, and grow and develop alongside our customers

### Business environment

- Improved external environment
- Core businesses moving out of changeover period
- Expanding social infrastructure market

### Envisioned direction

#### Safe and convenient social infrastructure

- Improve mission-critical infrastructure and ensure stable operation



#### Conservation of global environment

- Reduce CO<sub>2</sub> emissions by enabling smooth traffic flow
- Protect marine life by monitoring ocean noise

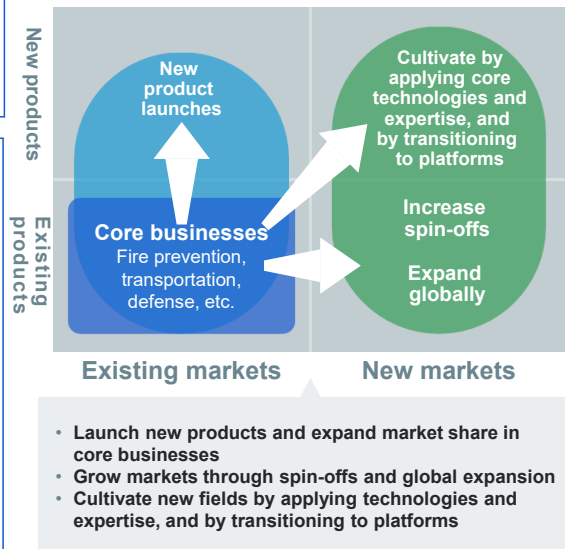


#### Job satisfaction and productivity enhancement

- Improve efficiency of public services and address labor shortages



### Direction of growth



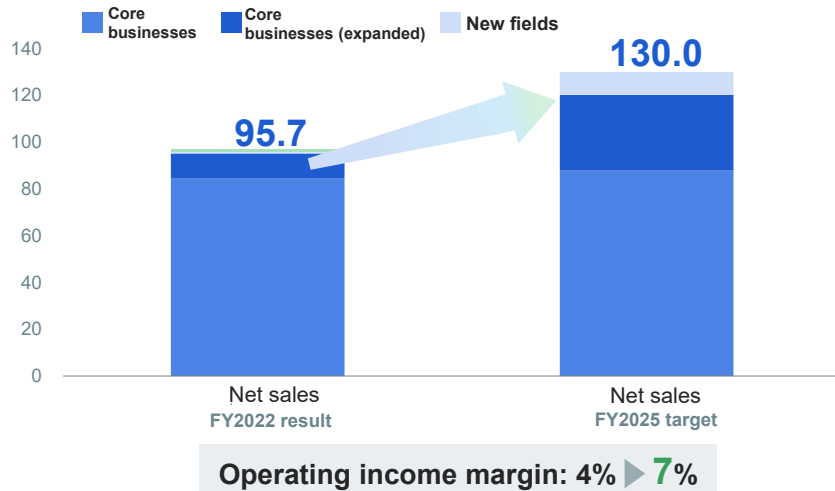
- Next, I will go over our vision for the future.
- We will continue to provide valuable solutions that meet the expectations of our customers involved in social infrastructure, both in our core businesses and new fields, and aim to grow and develop our businesses together with our customers.
- As for our views on the business environment, we expect external factors such as the COVID-19 pandemic and supply chain disruptions to improve, and we have confirmed that renewal and replacement projects for our core businesses are planned through 2031, as investment restraint is easing. In addition, we consider expanded investment in green infrastructure and digitalization in the social infrastructure market as tailwinds.
- In terms of our approach to material issues, we will strive to engage with and contribute to the material issues we have defined based on the key message of the company, which is “delivering OK! to your life.”
- To maintain safe and convenient social infrastructure, we will help support the development and stable operation of mission-critical infrastructure.
- To conserve the global environment, we will contribute to the preservation of the global environment through data utilization and application. For example, we will reduce CO<sub>2</sub> emissions from traffic congestion by enabling smooth traffic flow, and we will protect marine life by monitoring ocean noise.
- To enhance job satisfaction and productivity, we will provide highly

convenient solutions, and thereby help to improve workplace efficiency and address labor shortages.

- With this in mind, we have outlined the direction of envisioned growth for the segment in the following four quadrants.
- We will expand our core fields by launching new products with the aim of expanding fields and enhancing differentiation.
- We will enter other markets by spinning off core products, and venture into new markets by pursuing global expansion. For example, we are considering repurposing fiber-optic sensors that use government defense technologies for civilian use.
- We will cultivate new businesses by leveraging our wireless technology, sensing technology, data analysis, prediction technology, and expertise in business-specific platforms.
- In this way, we will seek to repeat the cycle of expanding our core fields to solidify our foundations, and entering into new fields.
- We also believe that reinforcing our foundations will help us sustain stable earnings, as this will lead to more demand for changes, capacity expansion, and maintenance.

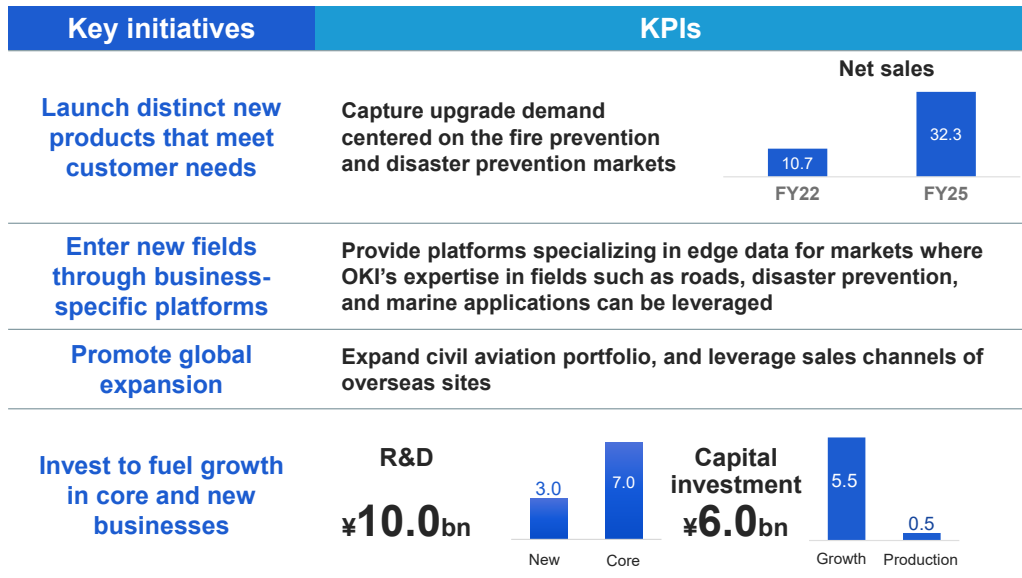
2025	Net sales	Operating income	Operating income margin
	¥130.0bn	¥9.5bn	7%

- Forecast top-line growth in FY25 supported by a recovery in the external environment and the acquisition of upgrade projects in the fire prevention and disaster prevention markets
- Increase operating income by growing the top line and improving productivity, and actively invest to achieve vision for the future



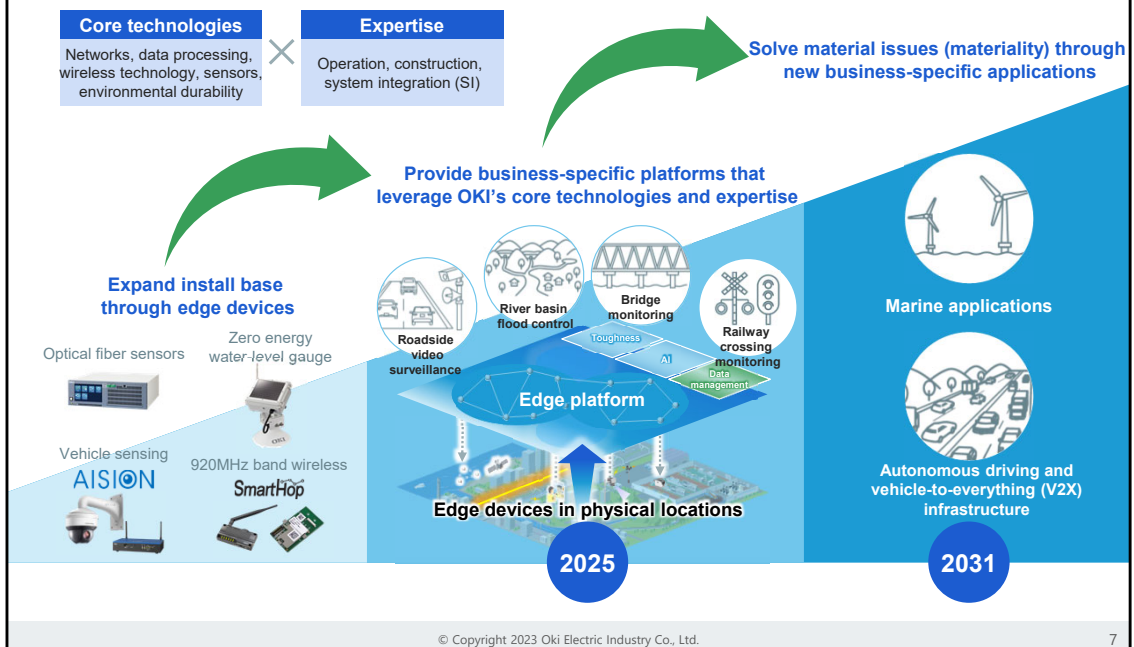
- Next, I will discuss our targets for the Medium-Term Business Plan 2025.
- We aim to achieve net sales of ¥130.0 billion and operating income of ¥9.5 billion, with an operating income margin of 7%.
- We expect our top line to increase supported by a recovery in the external environment, and the acquisition of renewal projects in the fire prevention, disaster prevention, and road markets, as I mentioned earlier. We also see our operating income rising in absolute terms on the back of improved productivity, and look for a higher operating income margin.
- We intend to actively invest the resulting profits to help realize our vision for the future.
- The dark blue part of the graph shows event sales obtained through renewal projects, and the top of the graph illustrates the launch of new fields.
- We target an operating income margin of 7%, marking a recovery from the 4% recorded under challenging conditions in FY2022.

Push ahead with the realization of the Medium-Term Business Plan 2025 targets and vision for the future through expansion of core businesses, product strengthening, global expansion, and investment



- To expand our core businesses and achieve our vision for the future, we have identified four key initiatives.
- Firstly, we will secure sales for renewal events by introducing new, differentiated, and enhanced products tailored to customer needs, thereby steadily capturing renewal demand for our core businesses.
- In firefighting command systems, we are developing products that strengthen the usability of support systems, including measures to balance extremely heavy loads, and case aggregation and reporting functions.
- Secondly, we will enter and expand new fields by using and applying data of business-specific platforms to roll out solutions that provide effective information. I will come back to this later.
- Thirdly, we will expand our portfolio in the civil aviation market, and develop overseas sales channels to expand globally.
- Fourthly, we will make active investments that are necessary to expand our core businesses and achieve our vision for the future.
- These four key initiatives will be the focus of our activities going forward.

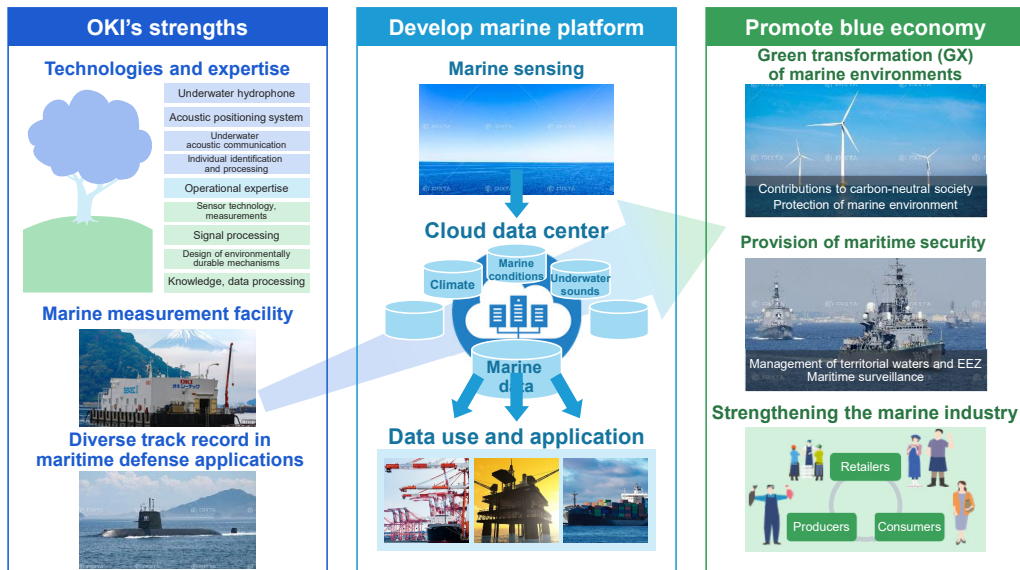
Provide business-specific platforms that combine OKI's strengths in edge devices, operational expertise, and core technologies



- I will now explain our business-specific platforms in slightly more detail.
- We have carried out numerous proof-of-concept tests for a long time in fields such as river basin flood control and infrastructure monitoring for railway lines and road bridges, leveraging our strengths in sensing edge devices, data analysis, and AI-based prediction. We have confirmed demand among our customers, and have also verified the feasibility of such technologies.
- We will expand our operations by developing platforms that will collect and utilize larger amounts of data for each business field. This will involve gathering data, processing it into useful information through analysis and data utilization, and supplying the data. We believe that, by building platforms, we can move beyond the provision of one-time solutions, and also realize a business model that offers services.
- At present, we are analyzing road traffic information and utilizing related data, but as we move closer to the widespread adoption of autonomous driving, we believe there will be an increase in the types and amounts of data required in fields such as driving control and traffic flow management to avoid congestions, alongside a need for real-time data. Building on OKI's strengths, we will leverage our expertise in "traffic data-based congestion prediction" and "dedicated short-range communications technology such as electronic toll collection (ETC) and intelligent transport system spots" that are already used in real-world settings, to conduct operations with a focus on vehicle-to-everything (V2X) infrastructure.

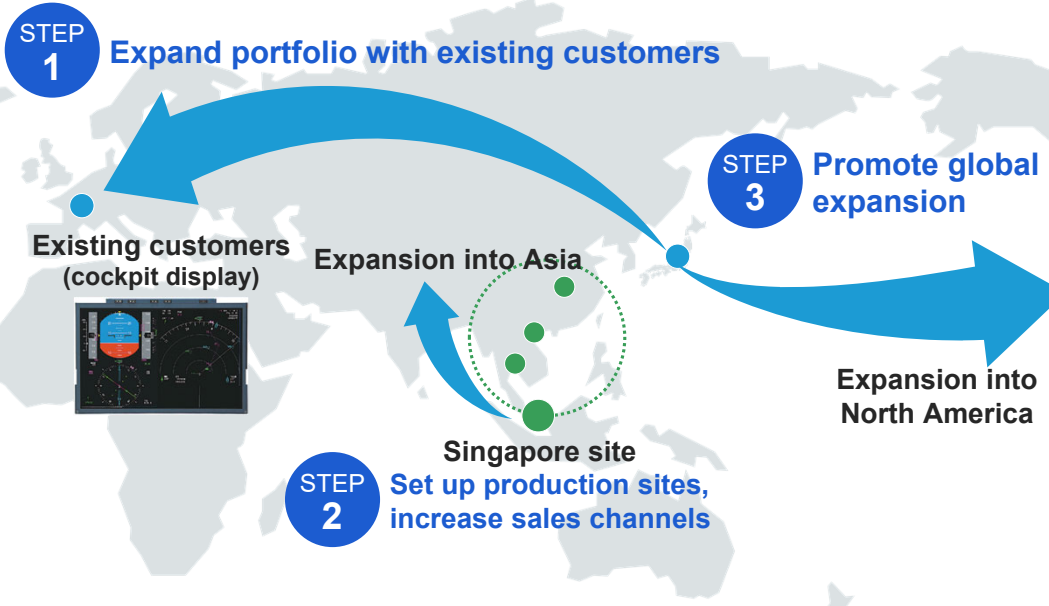


Develop a marine platform that leverages OKI's strengths to facilitate everything from marine data gathering to data provision; Strive to promote the blue economy



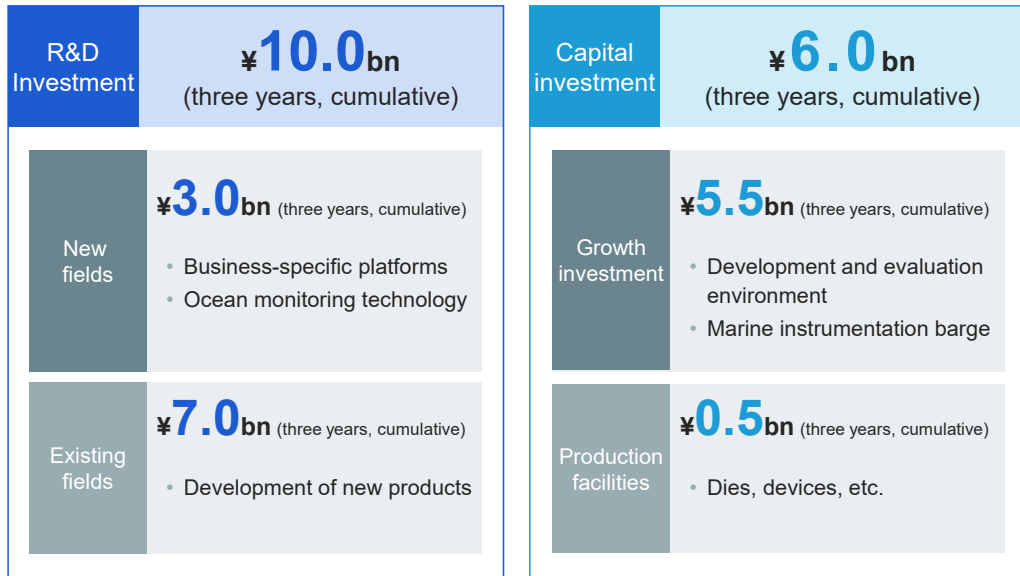
- I will now provide some information on our marine platform, another new field that takes advantage of OKI's unique strengths.
- We will continue to develop marine businesses in the new field by drawing on our strengths derived from proven technology and expertise in underwater acoustics, environmental sensing, analysis, underwater acoustic communication, and environmental ruggedization, as well as by leveraging the environmental advantages gained from our fixed marine instrumentation barge, the only underwater acoustic measurement facility of its kind in Japan.
- We will collect, process, and analyze marine sensing data, and visualize the ocean through the operation of a platform that utilizes and applies such data. In this way, we will work to promote the blue economy through efforts such as encouraging the green transformation of marine environments, contributing to maritime security, and strengthening the marine industry.

Expand portfolio with existing customers in the civil aviation business,  
and leverage sales channels of overseas sites



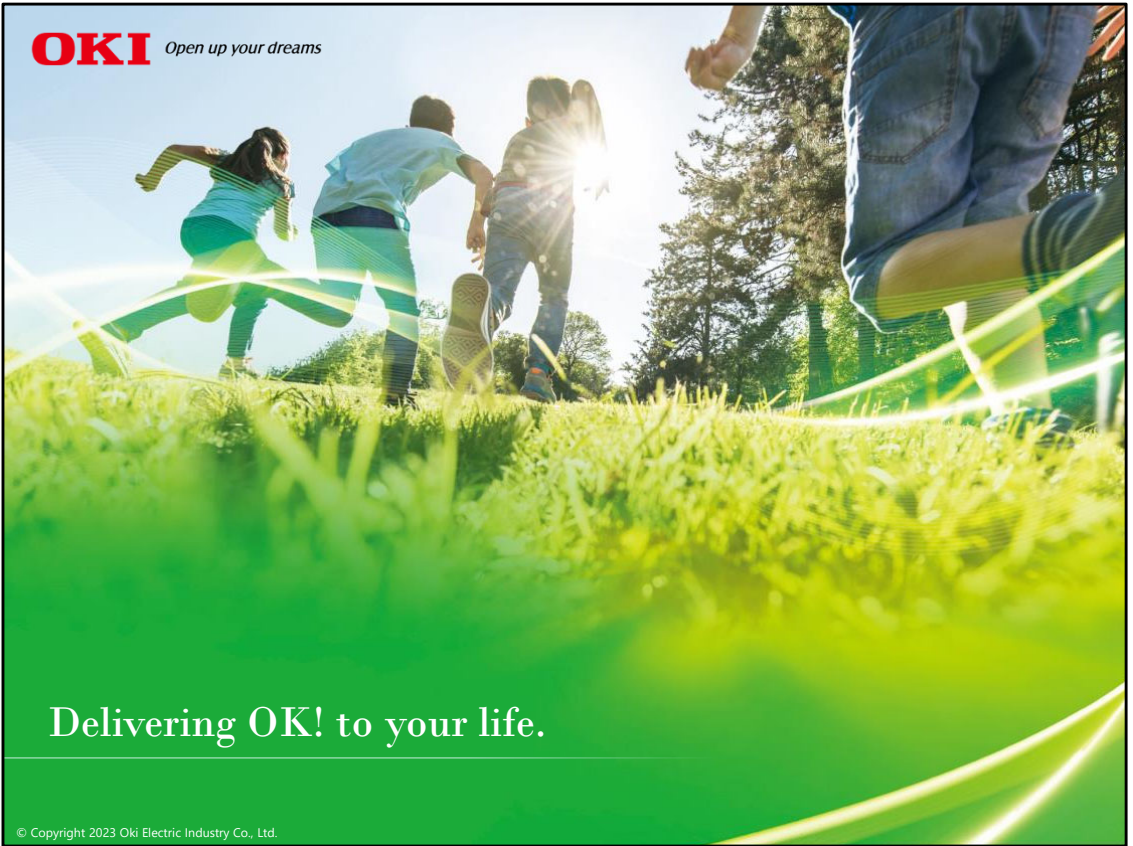
- Next, I will review our efforts to advance activities related to global expansion.
- At present, we supply cockpit display modules that provide excellent visibility to customers in the civil aviation business. We will expand into fields other than cockpit displays by leveraging OKI's core technologies.
- In addition, we plan to establish a production site in Singapore, which has a strong reputation as a global business hub, and utilize it as an overseas sales channel to promote expansion into Asia. Our longer-term plan is to expand globally into North America and other regions.

## Actively invest in expansion of core and new businesses



- Finally, we come to investment. We believe it is important to actively invest in order to advance our strategy for core businesses and new fields.
- In new fields, we plan to invest ¥3.0 billion in R&D centered on the development of business-specific platforms, including for marine operations, and ocean monitoring technologies. In our core fields, we plan to invest ¥7.0 billion in the development of differentiated and enhanced solutions.
- For facilities, we plan to invest ¥5.5 billion in the development and evaluation environment for core and new field businesses and in upgrades for a marine instrumentation barge. We also aim to invest ¥0.5 billion in production facilities.
- We intend to systematically proceed with development to ensure that we can create solutions in a timely manner.

**OKI** *Open up your dreams*



Delivering OK! to your life.

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