

## Q&A of the FY2022 Financial Results and Medium-term Business Plan 2025 Briefing

Q : What's reason the plan for FY 23 Enterprise Solutions business to increase revenues and profits significantly?

In relation to this, we would like to confirm the FY2022 results of ATM shipments and FY 23 plans.

A : The projects that were shifted from the FY2022, when production was not possible due to supply chain impact, and large projects, including renewals, will be the major drivers of the increase in sales and profits. ATM shipments are as follows:

|                 |                      |              |
|-----------------|----------------------|--------------|
| FY2022 results  | For domestic banks : | 1,680 units  |
|                 | For distribution :   | 2,900 units  |
|                 | Overseas:            | 2,500 units  |
|                 | Total:               | 7,080 units  |
| FY2023 forecast | For domestic banks : | 7,800 units  |
|                 | For distribution :   | 7,900 units  |
|                 | Overseas:            | 3,600 units  |
|                 | Total:               | 19,300 units |

Q : Enterprise Solutions business plans to have lower sales and operating income in the FY2025 than in the FY2023. I think this is because large deals such as renewals have run their course, but do you think it's important to make the company profitable without having to rely on large deals such as renewals?

A : Since ATM hardware alone could not grow, we reorganized to review the value chain, including subsidiaries. During the previous mid-term plan, we should have worked on the service and maintenance business more quickly and achieved results, but we have been pressed to deal with the effects of the COVID-19 and supply chain, and progress has been somewhat slow. In this mid-term plan, we will create a structure that does not rely solely on hardware, and we will stabilize the business while including a shift to the recurring business and rationalization measures.

Q : I think Public Solutions business have traditionally been relatively stable and profitable, but I feel that profitability has declined recently. To what extent should we expect businesses that were once firmly profitable, such as disaster prevention wireless and communications infrastructure, to return in the current fiscal year?

A : Challenging not only conventional deals but also new areas is essential. Based on the lessons learned from the past, such as the lack of speed and coordination due to the complex organizational

structure, we will try to avoid the cost of failure and increase profit margins by reforming the organizational structure to make it easier to tackle new areas. We also assume that demand for large-scale projects such as disaster prevention and defense-related projects will increase between 2024 and 2026. With a sense of speed in response to such demand, we will restore conventional profit margins by firmly capturing such demand.

Q : What is your current perception of the current shortfall in the ROE target of 8%?

A : I think one of the reasons why we are not making a fair profit is because of our operations. We will achieve our goals by changing the mix of businesses through organizational changes and by streamlining and clarifying the businesses in which we invest more. Second, it is obvious that the hardware business alone will be less profitable, so the second theme will be how to manage the recurring business. The long-term idea is to increase profitability not only by selling hardware, but also by developing it into the service business while using data from the so-called edge domain wisely.

Q : How do you anticipate external factors such as supply chain impacts in the FY2023?

A : The supply chain impact measures for FY2022 are definitely working and we are ready to go through the FY2023 plan.

Q : Regarding the restart of overseas operations, I would like to know if there are any specific regions or products to focus on.

A : Most recently, we plan to increase the volume of activities in the parts business such as the cockpit display business and EMS more flexibly than in the past by utilizing our overseas bases. The main region is Asia.

Q : The research and development investment is said to be 35 billion yen in total for 3 years, and I would like to know the details, such as the priority areas for investment.

A : The newly established Technology Division will carry out research and development in accordance with the business strategies of each division while playing a cross-company role. For example, we will narrow down our focus areas and invest more than ever in strengthening edge technology.

Note: The forward-looking statements in this document are made based on information currently available to OKI and certain assumptions considered reasonable as of the date of this material. Therefore, actual results may differ from its projections upon the changes of business environments and other conditions.

In addition, for convenience only, some additions and revisions were made.