Q&A of the Financial Results Briefing for FY2022 Q1

Q: How does the Q1 operating income and supply chain impact compare to the original plan?

A: The supply chain impact was 3.2 billion yen in the first quarter, compared with an estimated 12 billion yen per year. For the year as a whole, the situation of procurement is not far from expectations, but the situation is unstable due to variations in parts. Operating profit landed as expected.

Q: I would like to ask about the progress of price optimization. Can we expect to see price optimization in the Solution Systems business?

A: The entire company is working together to get prices right, but our results in the first quarter were mostly in the Component and Platform business. The Solution Systems business is expected to build up toward the second half of the fiscal year, although results have not yet been achieved due to confusion in the procurement of components in the projects carried over from the previous fiscal year.

Q: The results for the first quarter of the Solution Systems Business Public Solutions business are negative compared to the previous quarter, but will they grow? Also, regarding price optimization, is it possible to negotiate price increases for customers related to Public Solutions?

A: Public Solutions, as in previous years, plan for the second half. The feasibility of the plan depends on the success or failure of the bid, but it is hard to say at this point. Also, the possibility of price negotiations depends on the customer and the nature of the deal, but the environment has changed significantly. However, it can be difficult when it comes to bidding projects.

Q: I would like to confirm the specific situation regarding the shortage of components such as semiconductors.

A: There are variations in the supply of semiconductors and other components, especially those from overseas. In addition, delivery delays have occurred for semi-finished products such as servers.

Q: Do you expect Component & Platform's strong performance for FA/semiconductor manufacturing equipment to continue?

A: Sales for FA/semiconductor manufacturing equipment are expected to remain strong.

Q: What exactly was a penalty of about ▲290 million yen recorded as a non-operating expense in the financial report?

A: Reversal of allowance due to statute of limitations in relation to the antitrust violations that caused the inconvenience.

Q: Could you disclose the status of orders, such as backlog, on a quarterly basis? I would also like to check the current order status compared to the previous year.

A: We will consider disclosing the status of orders. Of the 20 billion yen worth of projects carried over from the previous fiscal year, some were reaped in the first quarter, while others were in stock and waiting to be shipped. In terms of backlog, the expected carryover from the previous fiscal year and the build-up as a conventional operation are in line with expectations.

Q: Page 4 We would like to confirm the sales amount corresponding to the production/sales impact caused by the supply chain and the estimated annual amount of price optimization.

A: Sales in relation to production/sales impact due to supply chain impact is about 6 billion yen. The breakdown is roughly half-and-half between the two segments. Annual estimates of price optimization are under close scrutiny.

Q: We would like to confirm the first quarter results for domestic and overseas ATM shipments in the Automation Systems business.

A: For domestic banks ：420 units in Q1, expected 480 units in 1H
   For distribution ：730 units in Q1, expected 1,100 units in 1H
   Overseas   ：450 units in Q1, expected 1,800 units in 1H

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.