

OKI Group Business Strategy Meeting Component Products Segment

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Investment

“Delivering OK! to your life.” through sensing, AI, communication, and output devices, and components tailored to the needs of our customers and society

Social trends

Ongoing automation and DX

Aging infrastructure, labor shortages

Environmental focus

Conservation of resources, reductions in CO₂ emissions

Directions

Printers

Own-brand Business
OEM business



Product groups

IoT

Business communication
Edge device

Global market expansion

Create new Edge device by fusing core technologies of printers and IoT devices. Roll out such devices globally by leveraging printer business assets.

Net sales level

¥**100.0**bn

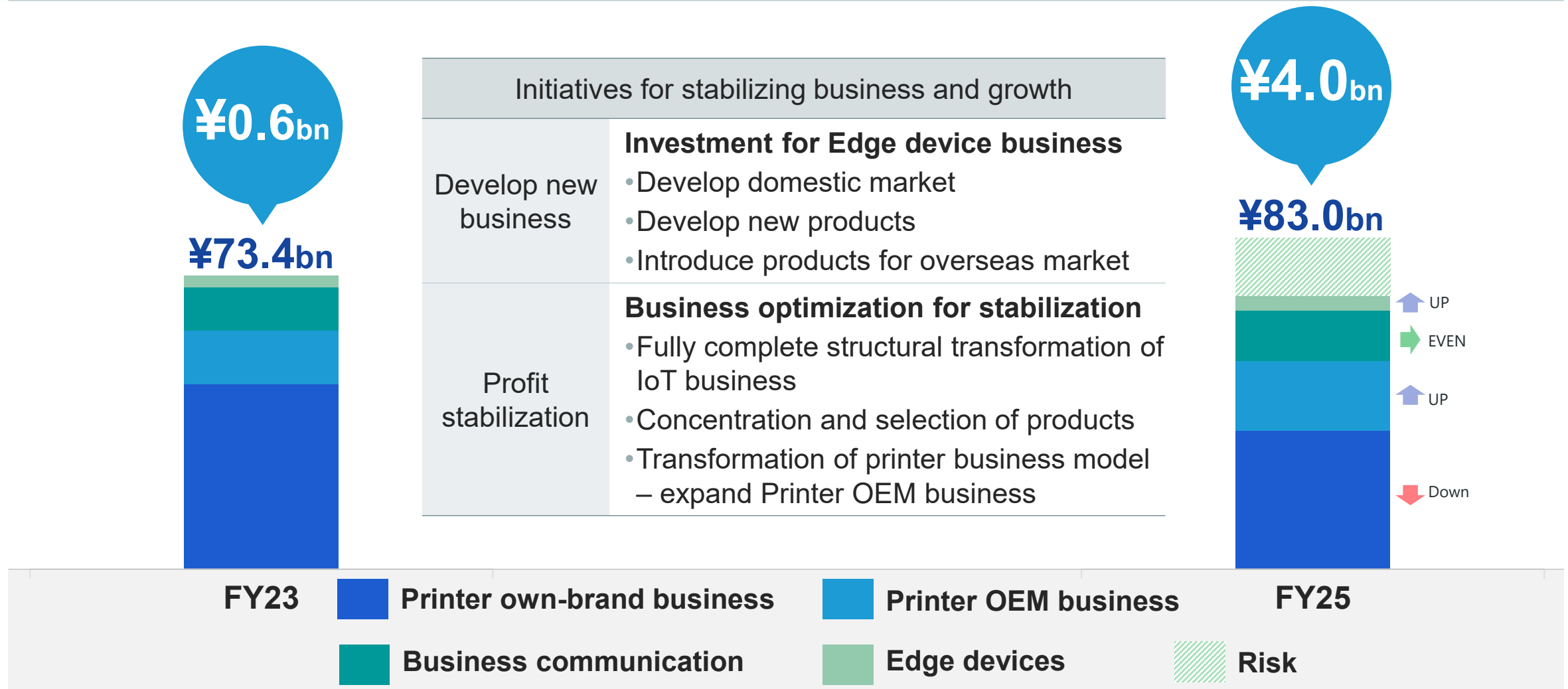
Overseas

50%

Operating income

7%

Risks on sales are increasing due to sharper-than-expected slowdown on printer market.
We try to stabilize business for securing our operating income target and accelerate developing new business for future growth.



03 Medium- to Long-Term Strategy: No Changes to Our Basic Strategy

Printers : Aiming to stabilize operating income through business model transformation with expanding Printer OEM business.

IoT : Maximizing operating income on PBX and developing Edge device business.

Develop new business

Develop the Edge device business

Enter the carbon-neutral and infrastructure monitoring markets

- Promote alliances in Japan and overseas
- Apply domestic case to overseas rollout
- Withdraw from non-focus areas



Business structural transformation

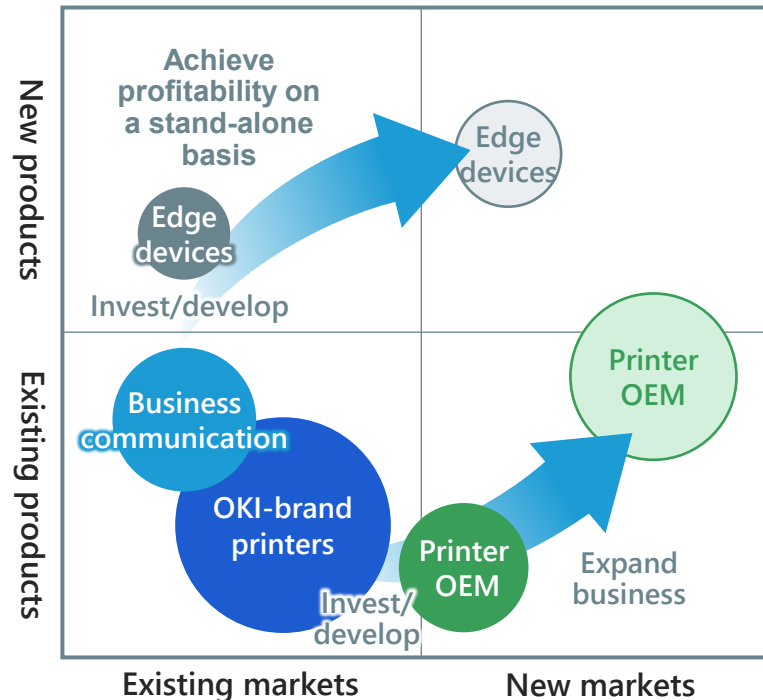
Strengthen profitability in the business communication business

Improve profitability through transformation

- Strengthen sales power through consolidation of business and sales teams
- Maintain share in the PBX market
- Fully complete structural transformation



IoT × Printers Effective utilization of assets



Business model transformation

Expand the Printer OEM business

Develop Printer OEM demand that leverages our strengths

- Toughness, space-saving, simple architecture
- Embed in kiosks and production-line equipment
- Develop business for specialty printing use



Strengthen profitability of own-brand printer business

Improve profitability through business optimization

- Further develop the high-PV market
- Strengthen the COREFIDO service
- Fully complete structural transformation

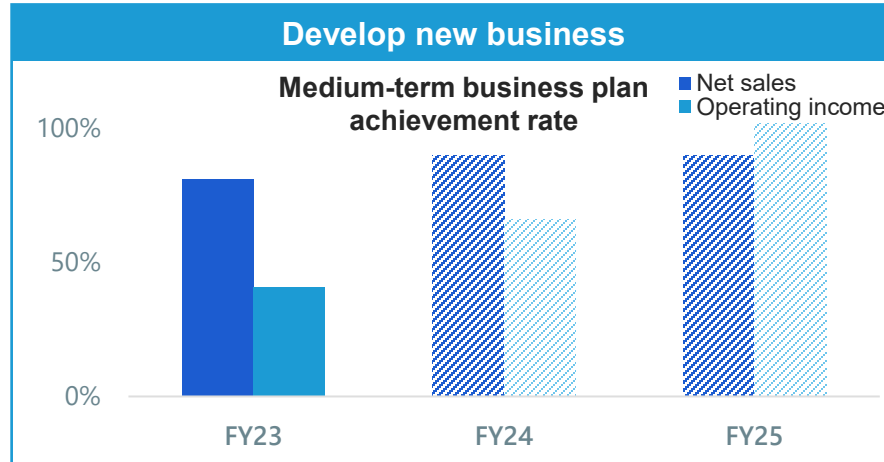


Domestic and overseas regulations
(security, energy-saving, environment, and materials)

Geopolitical risks (China, Russia, etc.)

Sluggish overseas printer sales

We aim to strengthen profitability through developing Edge device and Printer OEM business, which are expected to grow, amid a sharper-than-expected market slowdown

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Putting up a good fight

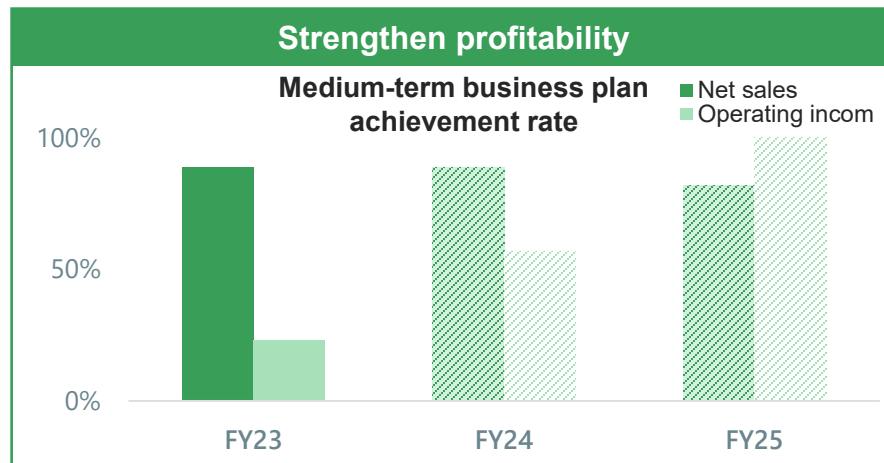


PBX : Stabilizing business through structural transformation although market slowdown

Edge device : Staying on track

- Product supply normalized as the problem regarding materials procurement was resolved
- FY25: Finish streamlining loss-making businesses
- FY24: Beginning Edge device demonstrations overseas

Printer



Facing difficulties

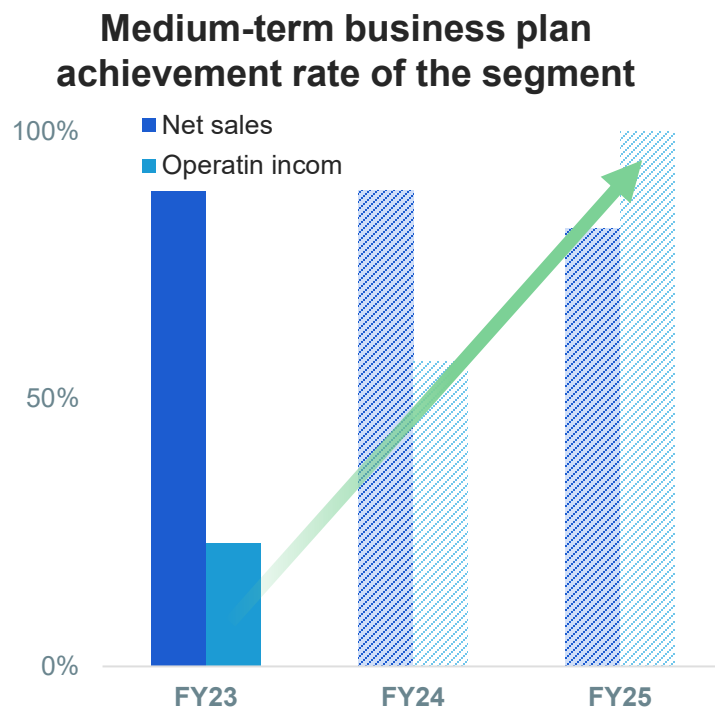


Net sales : Declining due to slowdown on consumables overseas sales

Printer OEM customers expansion : Staying on track



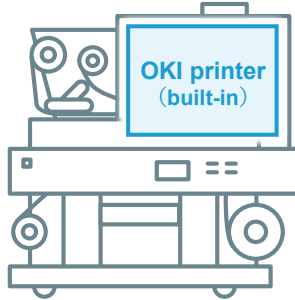
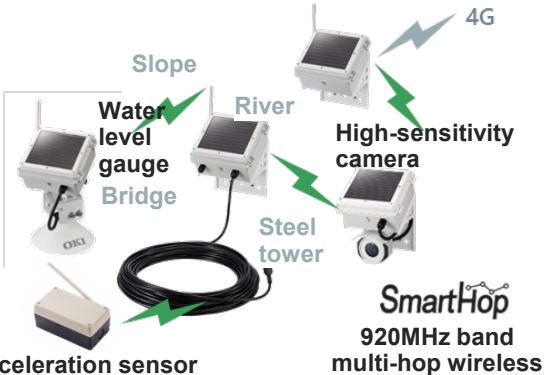
- Address regulations and introduce new products that showcase our strengths (through FY25)
- Improve profitability through expansion on Printer OEM business and business optimization (through FY25)
- Strengthen sales resource for domestic high-PV users

As whole CPS business, although sales would decline due to slowdown on printer market,
We will aim to achieve our operating income target through business model transformation on
Printer business and development on Edge device business



Challenges and initiatives toward achieving Medium-Term Business Plan 2025 targets		
Themes	Challenges	Initiatives
1. Business optimization	<ol style="list-style-type: none"> Fully discontinue unprofitable products (through FY25) Optimize fixed expenses and investment (through FY25) 	<ol style="list-style-type: none"> As planned. FY24: 80% Additional measure. FY24: 30% completed
2. Addressing printer-industry trends	<ol style="list-style-type: none"> Expand Printer OEM business 	<ol style="list-style-type: none"> New adoptions: 100% Sales : one-year behind the plan (accelerate negotiation)
3. Addressing regulations of each country	<ol style="list-style-type: none"> Forge alliances with other companies Roll out Edge device overseas 	<ol style="list-style-type: none"> Considering alliances As planned. Rollout to two countries scheduled for FY24

Our initiatives in growth areas progressed steadily.
 We increased Printer OEM sales (from FY24) and started overseas demonstrations of Edge device (from FY24).

	Development of new overseas customers		Printer engine
Printer OEM	<p>■ Europe : for small and medium-size printing companies</p>  <p>Embedded into systems</p>	<p>■ US : for retailers</p>  <p>Borderless printing</p>	<p>■ for printing equipment manufacturer</p>  <ul style="list-style-type: none"> • Storable in small equipment • Easy to maintain • Stable quality
Edge devices	Overseas rollout of the ZE-IoT series		
			
	<p>■ Confirmation of overseas demand and product feedback on VOC</p> <p>■ Development of overseas products that meet the strict laws and regulations in Europe</p> <div data-bbox="1309 1015 2153 1296"> <p>(Adoption 1) METI Infrastructure FS project Aiming to contribute to and develop business in the ASEAN region by providing Japanese infrastructure maintenance technology to a Southeast Asian railroad company</p> <p>(Adoption 2) JICA (Turkey-Syria earthquake relief project) International cooperation and support project to strengthen the disaster prevention capability of the Turkish national railways by providing advanced Japanese railway disaster prevention technology</p> </div>		

We plan to continue the required investment into growth areas based on solid assessments while reducing our capital investment into the management foundation and existing fields to the minimum amount necessary.

R&D investment (three-year total)	Approx. ¥ 6.5 bn <small>+¥0.1bn vs. plan</small>
New fields	¥ 2.0 bn → ¥ 2.1 bn <ul style="list-style-type: none"> Develop edge devices Develop new models
Existing fields	¥ 4.4 bn → ¥ 4.4 bn <ul style="list-style-type: none"> Address environmental regulations (increase) Improve functions Address EOL, etc.

Capital investment (three-year total)	Approx. ¥ 6.8 bn <small>-¥2.2bn vs. plan</small>
Growth investment	¥ 2.6 bn → ¥ 2.9 bn <ul style="list-style-type: none"> Develop new models Cloud infrastructure Edge device production facility
Strengthening Management foundation	¥ 1.9 bn → ¥ 0.8 bn <ul style="list-style-type: none"> Renew systems Improve production line efficiency
Existing fields	¥ 4.5 bn → ¥ 3.1 bn <ul style="list-style-type: none"> Renew dies and production facilities Renew factory buildings



Open up your dreams

Expand Edge device business through direct/indirect sales and Printer OEM business;
Contribute to solving social issues through components in the
sensing, AI, communication, and output devices

Job satisfaction and
productivity enhancement

Business communication

Reform work styles and customer contact points
by leveraging telephony functions

DISCOVERY neo

PBX, business phone system

Com@WILL



Contact center



CTstage 7DX



CTstage Cloud



Printers

Transform printing at offices and in businesses
with a focus on toughness and speed

A4 Mono

A4 Color

A3 Mono

A3 Color



Small ticket/
label printer



Label printer



Special-color,
high-speed printer

Safe and convenient
social infrastructure

Conservation of global
environment

AISON

Wrong-way-driver
detection



Supporting safety
through the application of AI

Edge devices

ZEGW



Environmentally-friendly remote monitoring
to track social infrastructure



SmartHop



Sensor network that can be
connected easily and efficiently