

# Financial Results for 1H FY2024

November 7, 2024

**Oki Electric Industry Co., Ltd.**

## 1. Financial Results for 1H FY2024

- Consolidated revenue and profit recorded significant YOY growth, extending gains from Q1.
- Overall progress is basically on track to achieve the annual performance targets.

## 2. Full-Year Forecast for FY2024

- Segment-level performance forecasts have been revised to reflect the current business environment and performance trends.
- The consolidated forecast remains unchanged from the initial forecast.

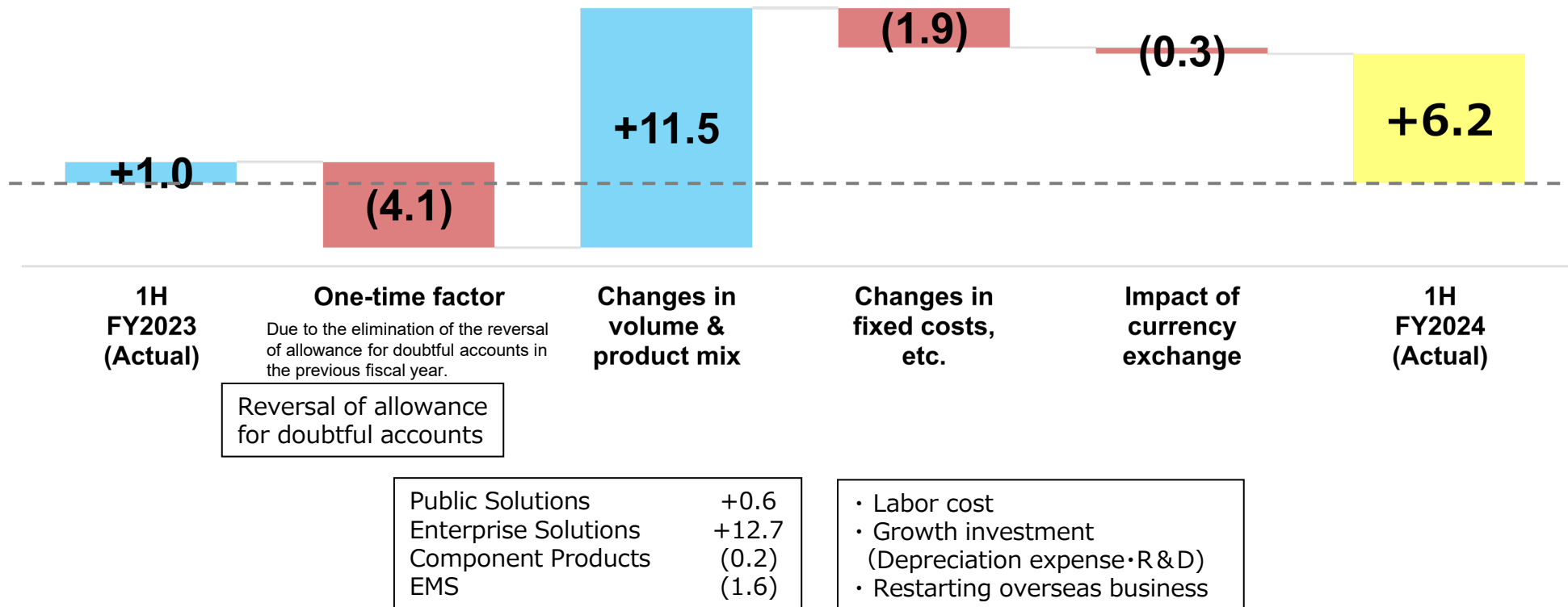
- Net sales and operating income posted significant YOY growth, continuing the trend from Q1.

(Billion yen)	1H FY2024 (Actual)	1H FY2023 (Actual)	Variance
Net sales	197.7	174.9	+22.8
Operating income	6.2	1.0	+5.2
Ordinary income	4.5	0.5	+4.0
Profit attributable to owners of parent	2.4	0.3	+2.1
USD average exchange rate (Yen)	152.6	141.0	+11.6
EUR average exchange rate (Yen)	165.9	153.4	+12.5

# Reasons for Changes in Operating Income/Loss

- Operating income posted a significant increase, driven by the sustained robust performance of large-scale projects in Enterprise Solutions from 2H FY2023 and the elimination of the impact of increased material costs from 1H FY2023.

(Billion yen)

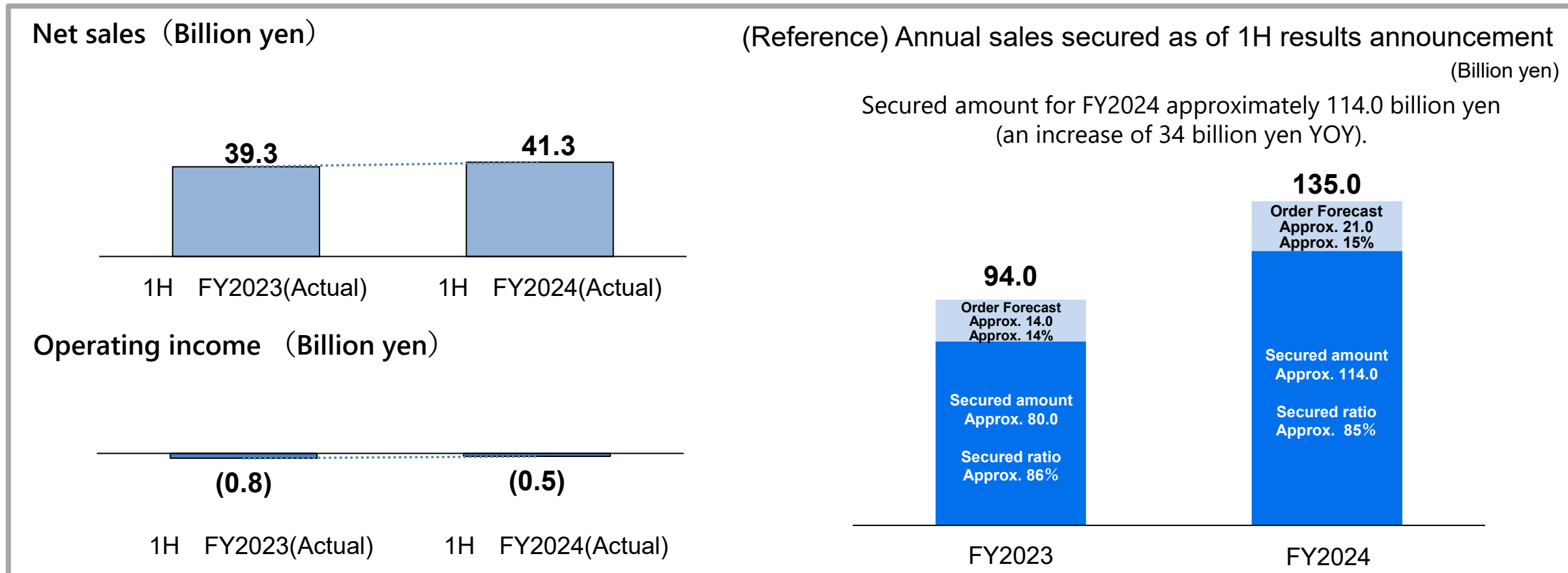


# Segment Information (Net Sales / Operating Income)

(Billion yen)		1H FY2024 (Actual)	1H FY2023 (Actual)	Variance
Public Solutions	Net sales	41.3	39.3	+2.0
	Operating income	(0.5)	(0.8)	+0.3
Enterprise Solutions	Net sales	87.1	63.9	+23.2
	Operating income	11.3	3.9	+7.4
Component Products	Net sales	36.7	34.9	+1.8
	Operating income	0.9	0.5	+0.4
EMS	Net sales	32.4	36.5	(4.1)
	Operating income	(1.0)	0.9	(1.9)
Others	Net sales	0.2	0.2	0.0
	Operating income	(0.8)	(0.4)	(0.4)
Corporate & Eliminations	Operating income	(3.7)	(2.9)	(0.8)
<b>Total</b>	<b>Net sales</b>	<b>197.7</b>	<b>174.9</b>	<b>+22.8</b>
	<b>Operating income</b>	<b>6.2</b>	<b>1.0</b>	<b>+5.2</b>

## Public Solutions

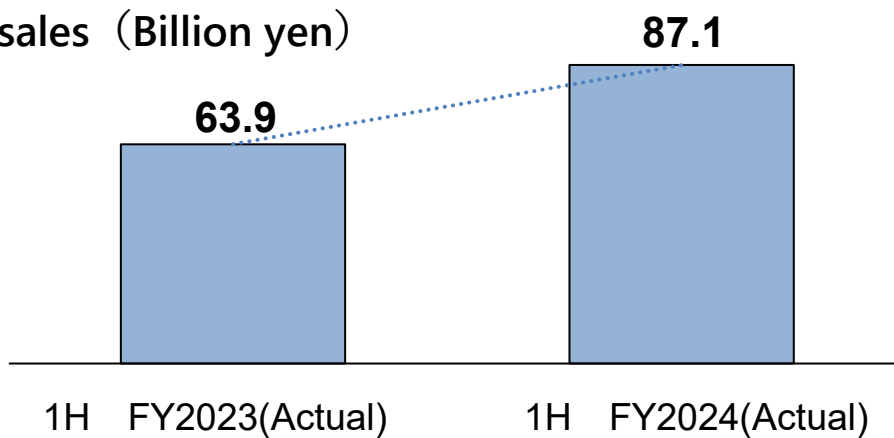
- Net sales grew on increases in road and defense, and operating income improved. 1H ended largely as planned.
- Approximately 85% of the forecasted annual sales have already been secured in terms of orders received.



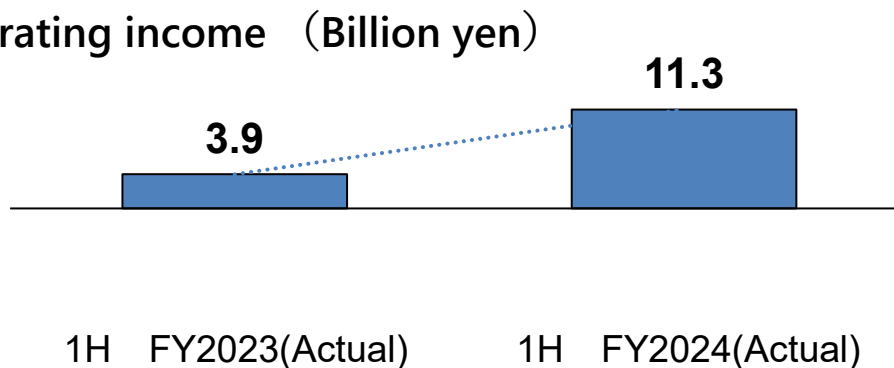
## Enterprise Solutions

- Net sales and operating income increased significantly due to the continuation of large-scale projects from 2H FY2023 and the elimination of the impact of increased material costs from 1H FY2023.

Net sales (Billion yen)



Operating income (Billion yen)



(Reference) Net sales and Operating Income Breakdown Comparison (Billion yen)

(Net sales)	FY23	FY24	Variance
Hardware/Software	41.0	62.2	+21.2
Construction & Maintenance	22.9	24.9	+2.0
<b>Total</b>	<b>63.9</b>	<b>87.1</b>	<b>+23.2</b>

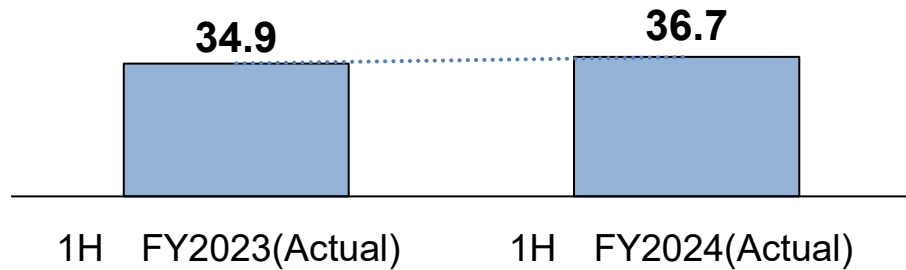
(Operating income)	FY23	FY24	Variance
Hardware/Software	(3.6)	7.4	+11.0
Construction & Maintenance	3.4	3.9	+0.5
One-time revenue	4.1	-	(4.1)
<b>Total</b>	<b>3.9</b>	<b>11.3</b>	<b>+7.4</b>

## Component Products

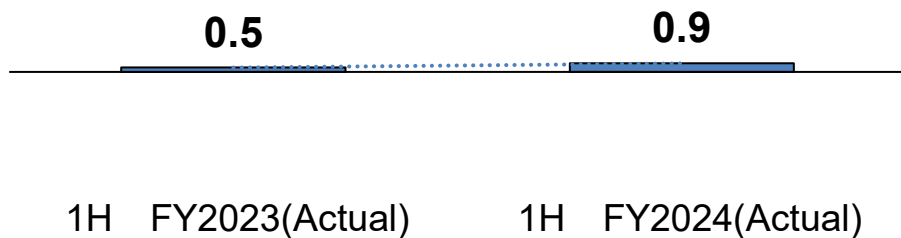
- Net sales increased due to growth in OEM sales and foreign exchange rate effects.

Operating income increased as a result of cost-cutting measures and other factors.

Net sales (Billion yen)



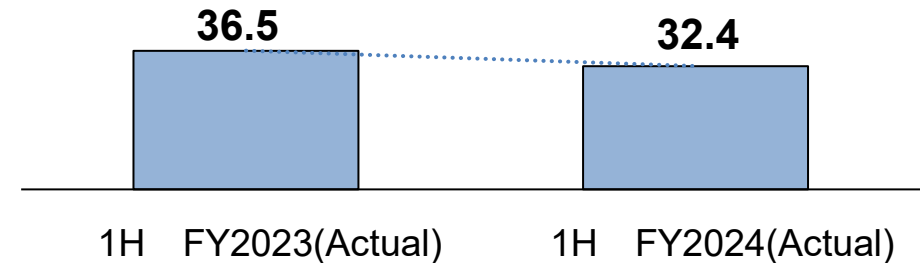
Operating income (Billion yen)



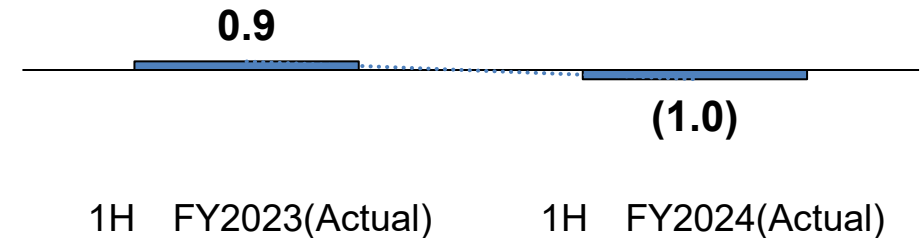
## EMS

- Net sales declined due to the persistent demand downturn in the semiconductor and FA and robot markets since 2H FY2023, with operating income also adversely impacted.

Net sales (Billion yen)



Operating income (Billion yen)

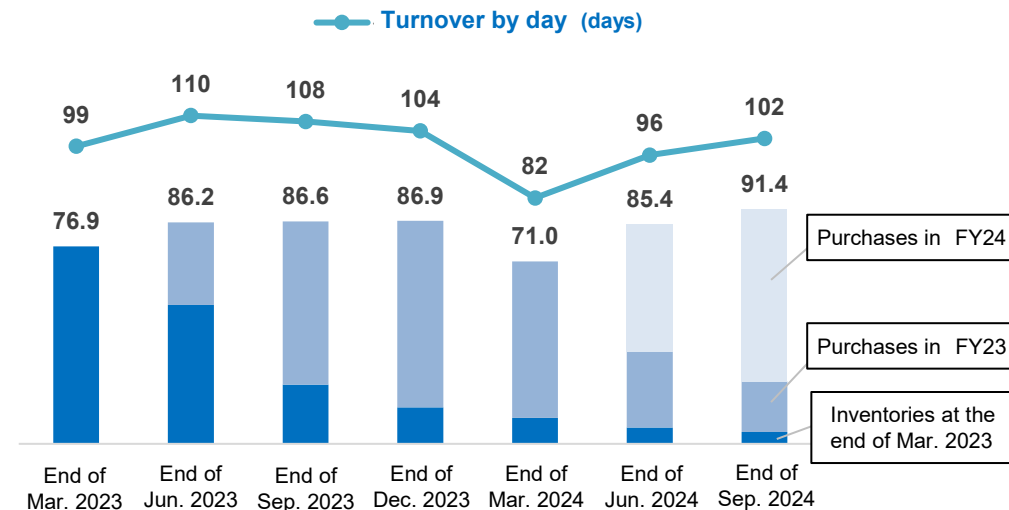




- Inventories at end-FY2023 showed a steady decline.
- The shareholders' equity ratio was approximately the same as at end-FY2023.

(Billion yen)	Sep. 2024	Mar. 2024	Variance
Current assets	229.2	239.7	(10.5)
Fixed assets	185.7	183.7	+2.0
<b>Assets</b>	<b>414.9</b>	<b>423.4</b>	<b>(8.5)</b>
Current liabilities	192.8	188.4	+4.4
Fixed liabilities	83.0	93.7	(10.7)
<b>Liabilities</b>	<b>275.8</b>	<b>282.1</b>	<b>(6.3)</b>
Shareholders' equity	139.0	141.2	(2.2)
Others	0.1	0.1	+0.0
<b>Net assets</b>	<b>139.1</b>	<b>141.3</b>	<b>(2.2)</b>
<b>Total liabilities and net assets</b>	<b>414.9</b>	<b>423.4</b>	<b>(8.5)</b>
Shareholders' equity ratio (%)	33.5	33.3	+0.2
D/E ratio (times)	0.7	0.8	(0.1)

Inventories / Turnover by days



- Operating cash flow increased due to improved profits.
- Reduction of debt due to improved free cash flow.

(Billion yen)	1H FY2024 (Actual)	1H FY2023 (Actual)	Variance
I Cash flows from operating activities	15.4	(1.0)	+16.4
II Cash flows from investing activities	(8.3)	(10.2)	+1.9
Free cash flows ( I + II )	7.1	(11.2)	+18.3
III Cash flows from financing activities	(10.1)	1.1	(11.2)

Purchases of PP&E and intangible assets	7.5	9.7	(2.2)
Depreciation	7.2	6.6	+0.6

(Billion yen)	Sep. 2024	Mar. 2024	Variance
Cash and cash equivalents	30.9	34.4	(3.5)

- Based on the current business environment and performance trends, performance forecasts for Enterprise Solutions have been revised upward, while those for EMS have been revised downward. (The consolidated total remains unchanged from the initial forecast.)

(Billion yen)		FY2024 (Revised)	FY2024 (Previous)	Variance	FY2023 (Actual)	Variance
Public Solutions	Net sales	135.0	135.0	±0.0	94.0	+41.0
	Operating income	10.5	10.5	±0.0	4.4	+6.1
Enterprise Solutions	Net sales	178.0	170.0	+8.0	180.1	(2.1)
	Operating income	15.0	12.5	+2.5	22.0	(7.0)
Component Products	Net sales	75.0	75.0	±0.0	73.4	+1.6
	Operating income	1.5	1.5	±0.0	0.6	+0.9
EMS	Net sales	72.0	80.0	(8.0)	73.9	(1.9)
	Operating income	1.0	2.5	(1.5)	1.1	(0.1)
Others	Net sales	0.0	0.0	±0.0	0.4	(0.4)
	Operating income	(1.8)	(1.8)	±0.0	(1.1)	(0.7)
Corporate & Eliminations	Operating income	(10.2)	(9.2)	(1.0)	(8.3)	(1.9)
<b>Total</b>	<b>Net sales</b>	460.0	460.0	±0.0	421.9	+38.1
	<b>Operating income</b>	16.0	16.0	±0.0	18.7	(2.7)
	<b>Ordinary income</b>	14.5	14.5	±0.0	18.3	(3.8)
	<b>Profit attributable to owners of parent</b>	9.5	9.5	±0.0	25.6	(16.1)
Dividend per share (yen)	30	30	±0	30	±0	

Exchange rate assumptions  
USD : ¥148.1  
EUR : ¥162.6

# (Reference) Quarterly Results

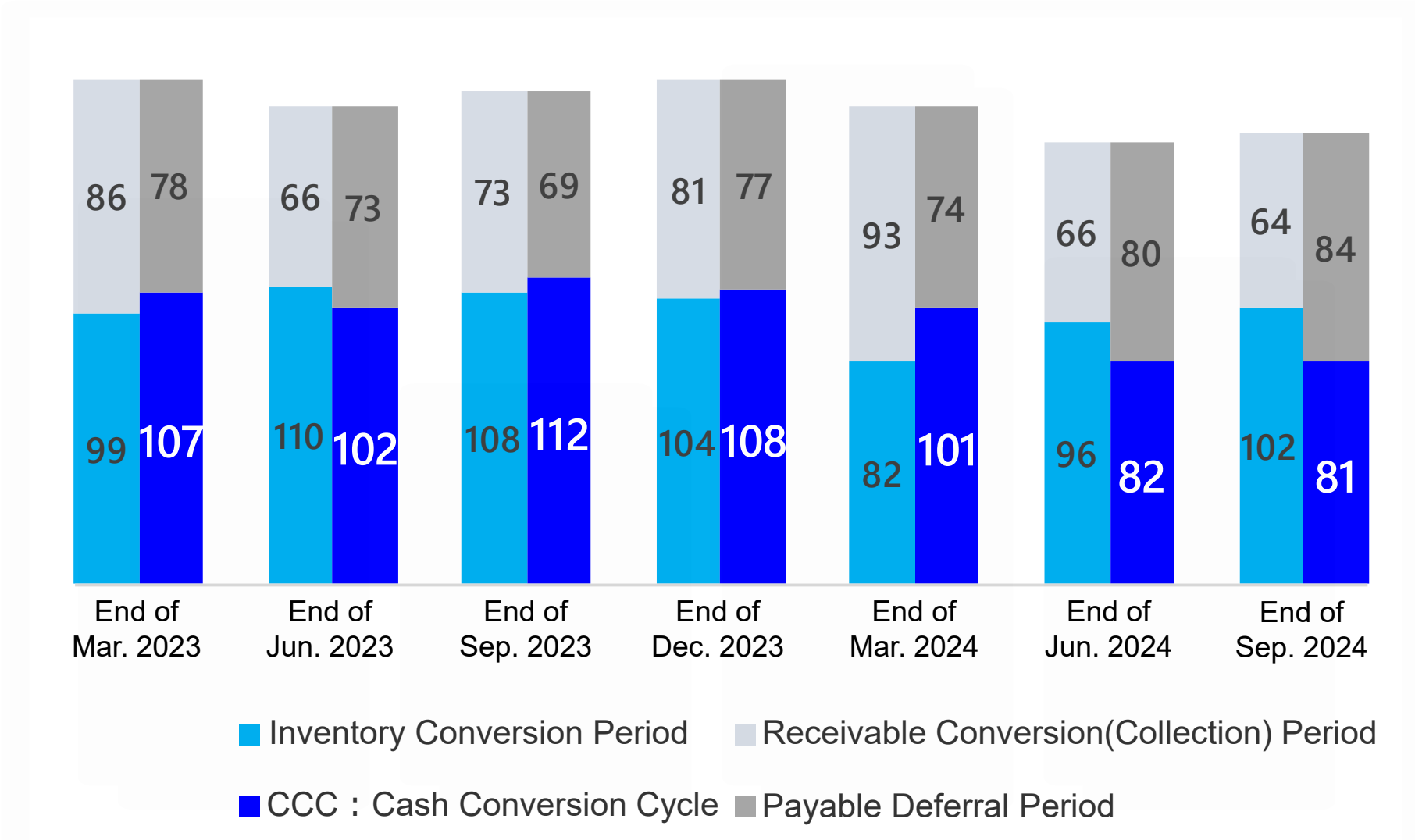
(Billion yen)		FY2023					FY2024		
		Q1	Q2	Q3	Q4	FY	Q1	Q2	1H
Public Solutions	Net sales	19.3	20.0	24.5	30.1	94.0	19.1	22.2	41.3
	Operating income	(0.1)	(0.7)	1.4	3.9	4.4	(1.3)	0.7	(0.5)
Enterprise Solutions	Net sales	27.4	36.5	51.5	64.7	180.1	45.2	41.9	87.1
	Operating income	1.9	2.0	6.6	11.4	22.0	7.8	3.5	11.3
Component Products	Net sales	17.0	17.9	18.5	20.0	73.4	17.9	18.7	36.7
	Operating income	(0.8)	1.3	(0.8)	0.9	0.6	(0.1)	1.1	0.9
EMS	Net sales	17.7	18.8	17.1	20.3	73.9	15.6	16.8	32.4
	Operating income	0.6	0.3	(0.1)	0.3	1.1	(0.6)	(0.4)	(1.0)
Others	Net sales	0.1	0.1	0.1	0.1	0.4	0.1	0.1	0.2
	Operating income	(0.1)	(0.3)	(0.3)	(0.4)	(1.1)	(0.4)	(0.3)	(0.8)
Corporate & Eliminations	Operating income	(1.4)	(1.5)	(2.2)	(3.2)	(8.3)	(1.6)	(2.2)	(3.7)
Total	<b>Net sales</b>	<b>81.5</b>	<b>93.3</b>	<b>111.8</b>	<b>135.3</b>	<b>421.9</b>	<b>97.9</b>	<b>99.7</b>	<b>197.7</b>
	<b>Operating income</b>	<b>0.0</b>	<b>1.0</b>	<b>4.8</b>	<b>12.9</b>	<b>18.7</b>	<b>3.9</b>	<b>2.3</b>	<b>6.2</b>

# (Reference) Major Products and Services

<b>Public Solutions</b>	<ul style="list-style-type: none"><li>• Roads (ETC, VICS), air traffic control, disaster prevention, firefighting</li><li>• Business systems for central government offices, government statistics systems</li><li>• Defense systems (underwater acoustics, information)</li><li>• Aviation equipment</li><li>• Infrastructure monitoring</li><li>• Carrier networks, video distribution, 5G/local 5G</li></ul>
<b>Enterprise Solutions</b>	<ul style="list-style-type: none"><li>• ATMs, cash handling equipment</li><li>• Bank branch terminals, ticket reservations issuing terminals, check-in terminals</li><li>• ATM monitoring/operation services</li><li>• Bank branch systems, system to centralized back office operations</li><li>• Railway ticket issuance systems, airport check-in systems</li><li>• Manufacturing systems (ERP, IoT)</li><li>• Construction and Maintenance Services</li></ul>
<b>Component Products</b>	<ul style="list-style-type: none"><li>• AI edge computers, sensors, IoT networks</li><li>• PBXs, business phones, contact centers</li><li>• Cloud services</li><li>• LED printers</li></ul>
<b>EMS</b>	<ul style="list-style-type: none"><li>• Consigned designing and manufacturing services</li><li>• Printed circuit boards</li></ul>

# (Reference) Major Working Capital: Changes in the number of days held

unit : days



- The projections and plans in this material are based on information currently available to OKI as of the date of publication and certain assumptions judged as rational, therefore actual results are subject to change depending upon the changes of business environments and other conditions.
- Indication method of amounts in hundred millions (yen) are as follow:  
Amounts in each item are rounded to the nearest hundred million yen.  
Variances are calculated in the hundred millions.