

# Financial Results for Q1 FY2025

August 6, 2025

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

- Q1 FY2025 Results
- Business Segment Overview
- FY2025 Annual Forecasts
- Topics

### 1. Q1 FY2025 Results

- Although consolidated net sales and operating income/loss decreased year on year, the overall performance has been progressing generally in line with the plan toward achieving the full-year targets.

### 2. FY2025 Annual Forecasts

- There is no change from the initial forecasts.

First, here are the key points of today's presentation.

For FY2025, as anticipated in Medium-Term Business Plan, the large-scale projects such as those related to new JPY notes, which were carried out up to FY2024, have come to an end, backing to normal as a business state.

Performance in Q1 has progressed generally in line with our plan and is on track toward achieving our annual targets.

Regarding annual forecasts, there are no changes from the initial figures, considering the current business environment and recent performance trends.

## Summary of Financial Results for Q1 FY2025

- Net sales stayed at a certain level despite a decrease YOY due to absence of large-scale projects.
- Operating Income/Loss started off almost as expected.

(Billion Yen)	FY2022 Q1	FY2023 Q1	FY2024 Q1	FY2025 Q1	YoY	
					Variance	Ratio
Net Sales	78.1	81.5	97.9	85.1	(12.8)	(13%)
Operating Income	(3.0)	★ (4.1)	3.9	(1.4)	(5.3)	(136%)
<i>Operating Income Ratio</i>	<i>(3.8%)</i>	<i>(5.0%)</i>	<i>4.0%</i>	<i>(1.6%)</i>	<i>(5.6%)</i>	
Ordinary Profit	(3.1)	(0.3)	3.9	(1.6)	(5.5)	(141%)
Profit attributable to owners of parent	(3.2)	(0.2)	1.8	(1.6)	(3.4)	(189%)

\*Operating Income/Loss after excluding One-time factor, which was a reversal of allowance for doubtful accounts related to accounts receivable from the China ATM project

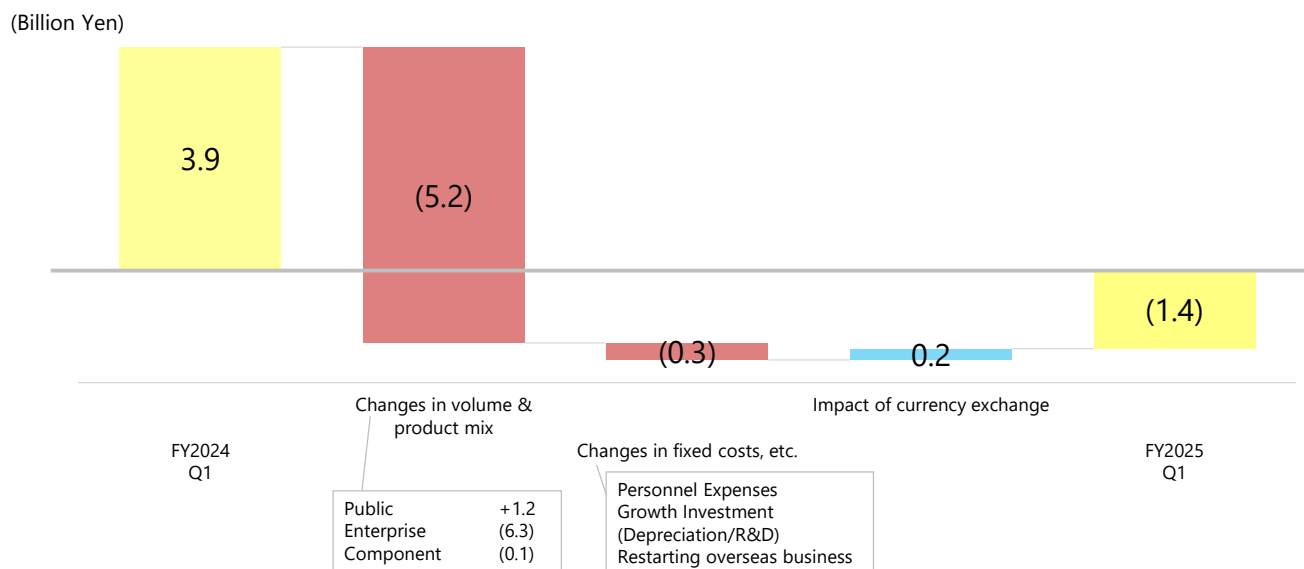
Exchange Rate	FY2024	FY2025
USD/JPY	155.9	144.6
EUR/JPY	167.9	163.8

For Q1 FY2025, net sales were JPY 85.1 billion, operating loss was JPY 1.4 billion, ordinary loss was JPY 1.6 billion, and loss attributable to owners of parent was JPY 1.6 billion.

Although sales decreased year-on-year due to the absence of large-scale projects such as those related to new JPY notes, net sales remained at a certain level. Operating losses and below were generally in line with our expectations.

## Reasons for Changes in Operating Income/Loss

- Enterprise Solutions saw a significant decline in profit due to absence of large-scale projects, while Public Solutions increased sales resulted in improved profitability.



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Next, I will explain the reasons for the changes in operating income/loss for Q1. Changes in volume & product mix had a negative impact of 5.2 billion yen. While Enterprise Solutions saw a significant decrease in profit due to the absence of large-scale projects such as those related to new JPY notes, Public Solutions, which continues to focus on achieving its high annual targets this fiscal year as well, improved its profit thanks to higher sales.

Fixed costs, etc. increased by 0.3 billion yen, mainly due to growth investments and costs associated with establishing overseas R&D bases.

Foreign exchange rates had a positive impact of 0.2 billion yen overall, primarily affecting USD procurement in Public Solutions and Enterprise Solutions.

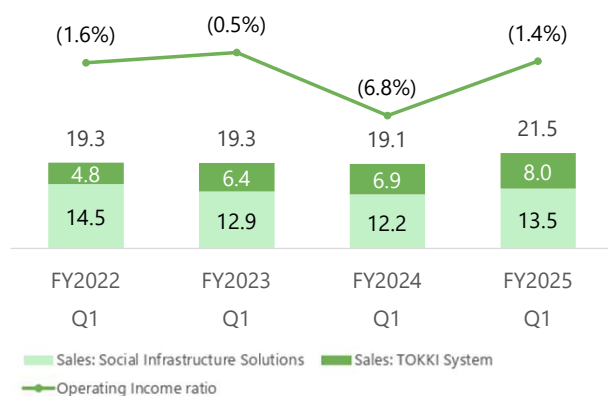
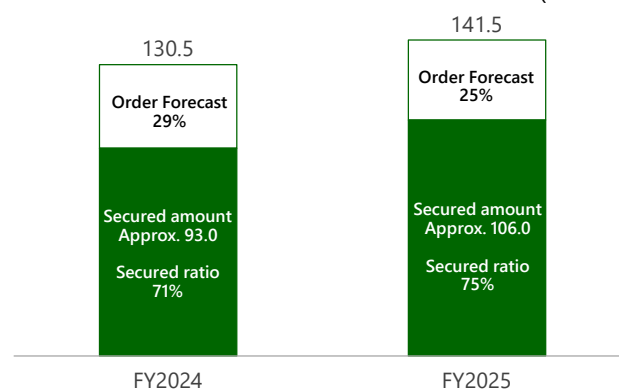
This concludes the explanation of the reasons affecting operating income.

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Next, I will explain net sales and operating income/loss by business segment.

- Both Social Infrastructure Solutions and TOKKI Systems increased sales and improved operating profit/loss.
- Market conditions stay favorable, and we are making steady progress toward securing annual sales targets.

(Billion Yen)

(Reference) Status of Secured Annual Sales [As of End of July]  
(Billion Yen)

(Billion Yen)	FY2022 Q1	FY2023 Q1	FY2024 Q1	FY2025	
				Q1	Full-Year
Sales: Total	19.3	19.3	19.1	21.5	141.5
Operating Income	(0.3)	(0.1)	(1.3)	(0.3)	13.5

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First, let me explain Public Solutions.

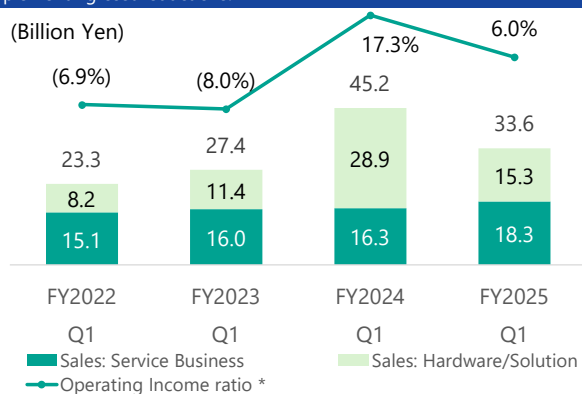
Net sales increased by JPY 2.4 billion year-on-year to JPY 21.5 billion. Although operating loss was JPY 0.3 billion, this represented a JPY 1.0 billion improvement compared to the previous fiscal year, marking a solid start toward achieving our annual targets.

The market environment, particularly in firefighting, disaster preparedness, roads, and defense, remains robust. We continue to focus on achieving high annual targets again this fiscal year.

As shown in the graph on the right, our progress in securing annual net sales is generally smooth, with sales at levels comparable to or above those of the previous fiscal year.

## Enterprise Solutions

- Despite a decrease in sales and profits due to absence of large-scale projects, we achieved an operating income ratio of 6%.
- We are working to stabilize earnings by capturing new market opportunities and implementing cost reductions.

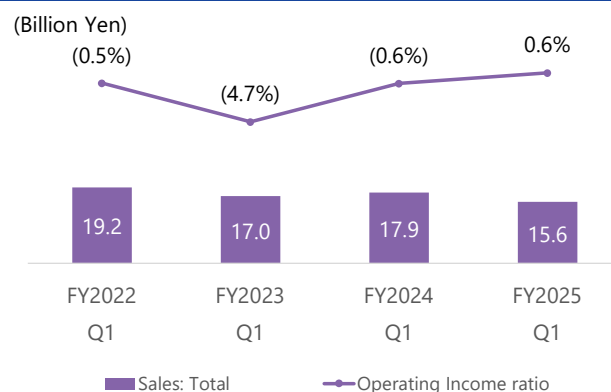


(Billion Yen)	FY2022	FY2023	FY2024	FY2025	
	Q1	Q1	Q1	Q1	Full-Year
Sales: Total	23.3	27.4	45.2	33.6	157.5
Operating Income *	(1.6)	*(2.2)	7.8	2.0	11.0

\*Operating Income/Loss after excluding One-time factor, which was a reversal of allowance for doubtful accounts related to accounts receivable from the China ATM project

## Component Products

- Profit-focused management led to improved operating income.
- Participation of ETRIA Corporation is being steadily progressed.



(Billion Yen)	FY2022	FY2023	FY2024	FY2025	
	Q1	Q1	Q1	Q1	Full-Year
Sales: Total	19.2	17.0	17.9	15.6	72.5
Operating Income	(0.1)	(0.8)	(0.1)	0.1	3.0

Next is the Enterprise Solutions Business.

Net sales decreased by JPY 11.6 billion year-on-year to JPY 33.6 billion. Operating income also decreased by JPY 5.8 billion year-on-year to 2.0 billion yen.

Large-scale projects such as those related to new JPY notes, which were a focus in the previous fiscal year, have now been completed and the business has returned to its normal state.

However, by promoting cost reduction measures, we have maintained an operating income ratio of 6%.

We are working to stabilize earnings by increasing our market share in the domestic financial institution market, expanding our business in the Asian markets, and achieving cost reductions through the transfer of production from Japan to Vietnam.

Moving on to Component Products.

Net sales decreased by JPY 2.3 billion year-on-year to 15.6 billion yen. By continuing profit-focused management, including ongoing reviews of fixed costs, operating income improved by JPY 0.2 billion year-on-year to JPY 0.1 billion.

Preparations are progressing smoothly for participation, effective October 1, in ETRIA, a joint venture in development and production with Ricoh and Toshiba Tec. Within this framework, we aim for effective product development and cost reduction, striving for stable earnings over the medium to long term.

- While there was a timing delay in D/EMS business sales, signs of demand recovery have been seen in Components business, resulting in a start almost in line with expectations.
- We are implementing measures to restore profitability, such as capturing new demands associated with the shift to domestic production.

(Billion Yen)



16.2

17.7

15.6

14.3

FY2022

FY2023

FY2024

FY2025

Q1

Q1

Q1

Q1

■ Sales: Total

—●— Operating Income ratio

- D/EMS business

We are accelerating proposals for our “comprehensive Mono-zukuri (manufacturing) service”, although there was a timing delay in customers.

- Components business

- ✓ Semiconductor market

Inquiries for printed circuit boards stay strong for both AI semiconductor and aerospace sector.

- ✓ FA robotics market

For cables, inventory adjustments at major customers have been completed, and there are signs of full-scale recovery in demand.

- Continuously Monitoring signs of full-scale recovery in related markets

## (Reference) From Press Releases 2025

- Apr 25: “OKI Develops 124-Layer PCB Technology for Next-Generation AI Semiconductor Testing Equipment”
- Jul 7: “OKI Launches Small-Lot Custom Long FPCs for the New Space Industry”

(Billion Yen)	FY2022 Q1	FY2023 Q1	FY2024 Q1	FY2025	
				Q1	Full-Year
Sales: Total	16.2	17.7	15.6	14.3	76.5
Operating Income	0.1	0.6	(0.6)	(0.5)	4.0

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Finally, let me explain EMS.

Net sales decreased by JPY 1.3 billion year-on-year to JPY 14.3 billion, while operating loss improved by JPY 0.1 billion to minus JPY 0.5 billion.

Although there was a timing delay in sales in D/EMS business, there are signs of recovery in demand in Components business. Overall, the segment has started off largely as expected.

Let me explain the current situation in more detail: In D/EMS business, proposals for our “comprehensive Mono-zukuri (manufacturing) service”, are being accelerated, among which some projects have already been moved to mass production phase, while there have also been some delays in development or inventory adjustments at certain customers. In Components business, regarding printed circuit boards, we are seeing strong inquiries from AI semiconductor and aerospace sectors, as you can see our press release of 124-layer PCB technology development for next-generation AI semiconductor testing equipment. Regarding cables for FA and robotics markets, inventory adjustments at our major customers seem to have been finished, and orders are beginning to show signs of recovery.

We are not expecting major market recovery and instead focusing on steady business management this fiscal year. Continuously monitoring signs of demand recovery by each client and market, and working hard to capture new projects, we will carry out measures to restore profitability, aiming to achieve our annual performance targets.

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Next, let me explain the forecasts for FY2025 full-year.

## Summary of Financial Forecasts

■ No changes from the forecasts announced in May 2025

(Billion Yen)	FY2022 Results	FY2023 Results	FY2024 Results	FY2025 Forecasts	YoY		May 8, 2025 Forecasts	Change to Forecasts	
					Variance	Ratio		Variance	Ratio
Net Sales	369.1	421.9	452.5	450.0	(2.5)	(1%)	450.0	±0.0	±0%
Operating Income	2.4	18.7	18.6	19.0	+0.4	+2%	19.0	±0.0	±0%
<i>Operating Income Ratio</i>	<i>0.7%</i>	<i>4.4%</i>	<i>4.1%</i>	<i>4.2%</i>	<i>+0.1%</i>		<i>4.2%</i>	<i>±0.0%</i>	
Ordinary Profit	(0.3)	18.3	16.8	17.0	+0.2	+1%	17.0	±0.0	±0%
Profit attributable to owners of parent	(2.8)	25.6	12.5	14.0	+1.5	+12%	14.0	±0.0	±0%
ROE (%)	(2.7%)	21.4%	8.7%	9.4%	+0.7%		9.4%	±0.0%	
Equity Ratio (%)	25.4%	33.3%	35.4%	37.0%	+1.6%		37.0%	±0.0%	
Dividend per share (yen)	20	30	45	50	+5	+11%	50	±0	±0%

There are no changes of annual forecasts for FY2025 from the initial ones. Although the large-scale projects that contributed back to previous fiscal years' results come to an end, each business's profitability is steadily improving, and we will continue to work toward achieving the full-year performance targets announced at the beginning of this fiscal year.

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Finally, I would like to introduce some key topics since the beginning of this fiscal year. These topics are closely linked to the creation of future businesses.



**OKI Invests in ICMG Co-Creation Fund II Limited Partnership**



**OKI Establishes OKI Berlin Lab R&D Center in Berlin, Germany**



**OKI Receives Corporate Partner Award for the First Time at Plug and Play Silicon Valley June Summit 2025**



**OKI Becomes First Japanese Company to Acquire ISO 56001 International Standard for Innovation Management Systems**

First, in April, as part of our initiatives to generate new businesses, we joined the newly established "Co-Creation Fund" by ICMG Group. By investing in startups in India and other regions, we will vigorously promote co-creation activities.

In June, to further enhance our technological capabilities, we established a new R&D center in Berlin, Germany. Here, we aim to advance one of our core technologies, photonics, to a world-leading level, and pursue social implementation both in Japan and overseas.

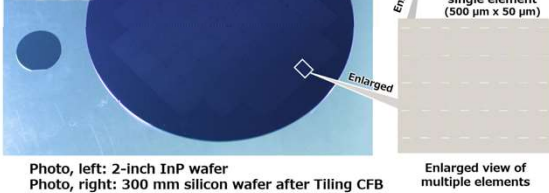
Our Silicon Valley base, which was established last year, received the "Corporate Partner Award" at the "Silicon Valley June Summit" organized by one of the world's leading innovation platforms in June. We were highly recognized for our rapid establishment of networks and opportunities for co-creation with startups.

In July, we became the first company in Japan to obtain international certification for the Innovation Management System (IMS) standard, "ISO 56001." Notably, among manufacturing companies, we were also the first in the world to be certified by the British Standards Institution (BSI). Going forward, we will accelerate co-creation with global customers and partner companies by using "ISO 56001" as a common language.

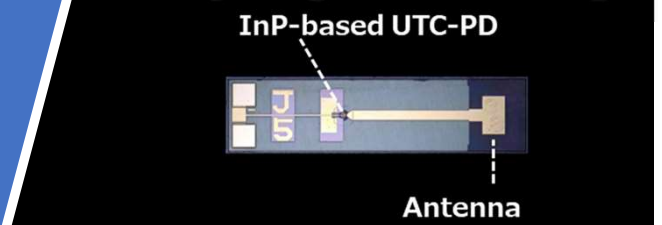
**OKI Receives 2025 Semiconductor of the Year Award for Excellence for the First Time**



**OKI Develops Tiling crystal film bonding (CFB) Technology for Heterogeneous Integration of Optical Semiconductors onto 300 mm Silicon Wafers**



**OKI and NTT Innovative Devices Establish Mass Production Technology for High-Power Terahertz Devices by Heterogeneous Material Bonding**



**OKI Develops 124-Layer PCB Technology for Next-Generation AI Semiconductor Testing Equipment**



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Regarding semiconductors, our jointly developed technology that combines OKI's unique CFB technology for heterogeneous material bonding with the analog IC technology of Nisshinbo Micro Devices was awarded the "Semiconductor of the Year 2025" Excellent Award in the Semiconductor Devices category.

Furthermore, utilizing our CFB technology, we have been making progress in establishing mass production technologies for high-power terahertz devices in collaboration with NTT Innovative Devices, as well as in developing tiling technology to integrate optical semiconductor devices onto 300 mm silicon wafers.

In addition, as one of the promising growth areas, we have been actively developing PCB technology, including the successful development of "124-layer PCB technology for inspection equipment used in next-generation AI semiconductors."

Under our current Medium-Term Business Plan, OKI is committed to "creating future businesses," "Restarting Overseas Business," and "Enhancing Technological Development Capabilities." We will continue to pursue various initiatives toward the creation of a "Brand New OKI."

## Supplementary

## (Reference) Balance Sheet as of June 30, 2025

(Billion Yen)	End of Mar 2025	End of Jun 2025	Variance
Current Assets	231.9	215.8	(16.1)
Fixed Assets	179.1	178.1	(1.0)
Assets	411.0	393.9	(17.1)
Current Liabilities	167.0	156.5	(10.5)
Fixed Liabilities	98.2	96.9	(1.3)
Liabilities	265.2	253.4	(11.8)
Equity	145.6	140.4	(5.2)
Others	0.1	0.1	±0.0
Net Assets	145.7	140.5	(5.2)
Total liabilities & net assets	411.0	393.9	(17.1)
Equity ratio (%)	35.4	35.6	+0.2
D/E ratio (Times)	0.7	0.7	±0.0

## (Reference) Cash Flow Results for Q1 FY2025

(Billion Yen)	FY2024 Q1	FY2025 Q1	Variance
I Cash flows from operating activities	14.3	2.1	(12.2)
II Cash flows from investing activities	(4.4)	(5.2)	(0.8)
Free cash flows ( I + II )	9.9	(3.1)	(13.0)
III Cash flows from financing activities	(10.4)	(2.6)	+7.8

Purchase of PP&E and intangible assets	4.3	4.9	+0.6
Depreciation	3.3	3.8	+0.5

(Billion Yen)	End of Mar 2025	End of Jun 2025	Variance
Cash and cash equivalents	36.2	30.4	(5.8)

## (Reference) Financial Results by Segment for Q1 FY2025

(Billion Yen)		FY2022 Q1	FY2023 Q1	FY2024 Q1	FY2025 Q1	YoY	
						Variance	Ratio
Public Solutions	Net Sales	19.3	19.3	19.1	21.5	+2.4	+13%
	Operating Income	(0.3)	(0.1)	(1.3)	(0.3)	+1.0	(77%)
	Operating Income Ratio	(1.6%)	(0.5%)	(6.8%)	(1.4%)	+5.4%	
Enterprise Solutions	Net Sales	23.3	27.4	45.2	33.6	(11.6)	(26%)
	Operating Income	(1.6)	1.9	7.8	2.0	(5.8)	(74%)
	Operating Income Ratio	(6.9%)	6.9%	17.3%	6.0%	(11.3%)	
Component Products	Net Sales	19.2	17.0	17.9	15.6	(2.3)	(13%)
	Operating Income	(0.1)	(0.8)	(0.1)	0.1	+0.2	(200%)
	Operating Income Ratio	(0.5%)	(4.7%)	(0.6%)	0.6%	+1.2%	
EMS	Net Sales	16.2	17.7	15.6	14.3	(1.3)	(8%)
	Operating Income	0.1	0.6	(0.6)	(0.5)	+0.1	(17%)
	Operating Income Ratio	0.6%	3.4%	(3.8%)	(3.5%)	+0.3%	
Others	Net Sales	0.1	0.1	0.1	0.1	±0.0	±0%
	Operating Income	0.1	(0.1)	(0.4)	(0.4)	±0.0	(±0%)
Corporate/Eliminations	Operating Income	(1.2)	(1.4)	(1.6)	(2.3)	(0.7)	(±0.0%)
Total	Net Sales	78.1	81.5	97.9	85.1	(12.8)	(13%)
	Operating Income	(3.0)	0.0	3.9	(1.4)	(5.3)	(136%)
	Operating Income Ratio	(3.8%)	0.0%	4.0%	(1.6%)	(5.6%)	
	Ordinary Income	(3.1)	(0.3)	3.9	(1.6)	(5.5)	(141%)
	Profit attributable to owners of parent	(3.2)	(0.2)	1.8	(1.6)	(3.4)	(189%)

## (Reference) Financial Forecasts by Segment for FY2025

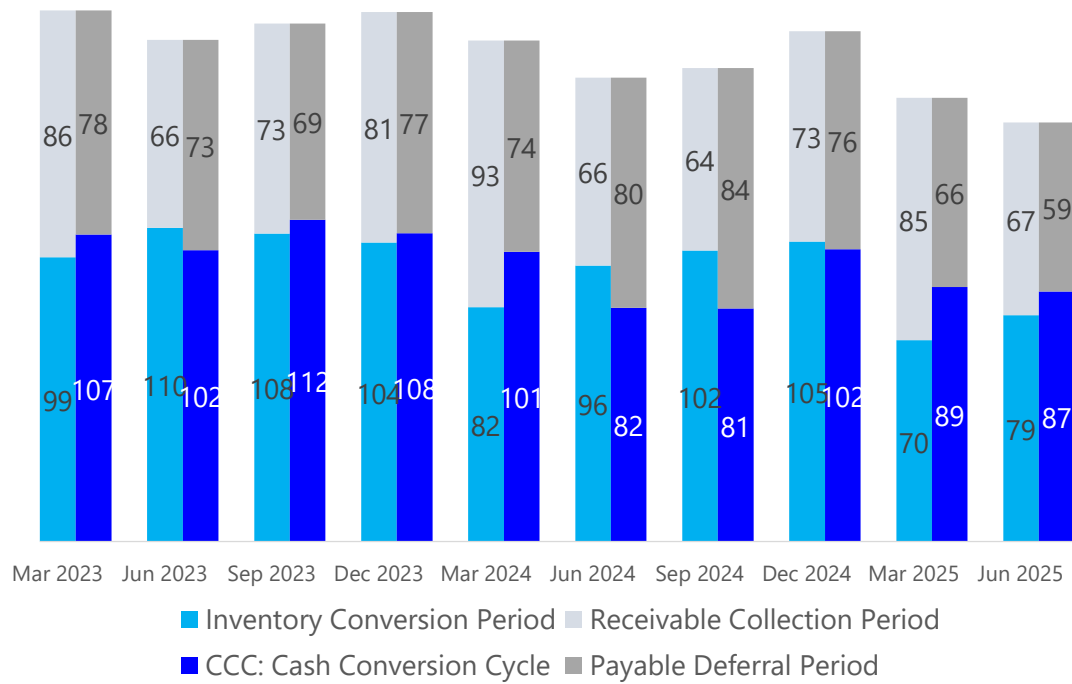
(Billion Yen)		FY2022 Results	FY2023 Results	FY2024 Results	FY2025 Forecasts	YoY		May 8, 2025 Forecasts	Change to Forecasts	
						Variance	Ratio		Variance	Ratio
Public Solutions	Net Sales	95.7	94.0	130.5	141.5	+11.0	+8%	141.5	(±0.0)	±0%
	Operating Income	3.4	4.4	14.1	13.5	(0.6)	(4%)	13.5	(±0.0)	±0%
	Operating Income Ratio	3.6%	4.7%	10.8%	9.5%	(1.3%)		9.5%	±0.0%	
Enterprise Solutions	Net Sales	112.9	180.1	179.8	157.5	(22.3)	(12%)	157.5	(±0.0)	±0%
	Operating Income	1.5	22.0	13.1	11.0	(2.1)	(16%)	11.0	(±0.0)	±0%
	Operating Income Ratio	1.3%	12.2%	7.3%	7.0%	(0.3%)		7.0%	±0.0%	
Component Products	Net Sales	84.6	73.4	75.8	72.5	(3.3)	(4%)	72.5	(±0.0)	±0%
	Operating Income	1.6	0.6	2.9	3.0	+0.1	+2%	3.0	(±0.0)	±0%
	Operating Income Ratio	1.9%	0.8%	3.9%	4.1%	+0.2%		4.1%	±0.0%	
EMS	Net Sales	75.3	73.9	65.9	76.5	+10.6	+16%	76.5	(±0.0)	±0%
	Operating Income	2.3	1.1	(0.8)	4.0	+4.8	-	4.0	(±0.0)	±0%
	Operating Income Ratio	3.1%	1.5%	(1.2%)	5.2%	+6.4%		5.2%	±0.0%	
Others	Net Sales	0.5	0.4	0.4	2.0	+1.6	+345%	2.0	(±0.0)	±0%
	Operating Income	0.4	(1.1)	(1.5)	(1.5)	±0.0	-	(1.5)	(±0.0)	±0%
Corporate/Eliminations	Operating Income	(6.8)	(8.3)	(9.2)	(11.0)	(1.8)	-	(11.0)	(±0.0)	±0%
Total	Net Sales	369.1	421.9	452.5	450.0	(2.5)	(1%)	450.0	(±0.0)	±0%
	Operating Income	2.4	18.7	18.6	19.0	+0.4	+2%	19.0	(±0.0)	±0%
	Operating Income Ratio	0.7%	4.4%	4.1%	4.2%	+0.1%		4.2%	±0.0%	
	Ordinary Income	(0.3)	18.3	16.8	17.0	+0.2	+1%	17.0	(±0.0)	±0%
	Profit attributable to owners of parent	(2.8)	25.6	12.5	14.0	+1.5	+12%	14.0	(±0.0)	±0%

## (Reference) Quarterly Historical Results by Segment

(Billion Yen)		FY2023					FY2024					FY2025
		Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1
Public	Net Sales	19.3	20.0	24.5	30.1	94.0	19.1	22.2	29.0	60.2	130.5	21.5
Solutions	Operating Income	(0.1)	(0.7)	1.4	3.9	4.4	(1.3)	0.7	3.2	11.4	14.1	(0.3)
Enterprise	Net Sales	27.4	36.5	51.5	64.7	180.1	45.2	41.9	45.4	47.4	179.8	33.6
Solutions	Operating Income	1.9	2.0	6.6	11.4	22.0	7.8	3.5	0.5	1.4	13.1	2.0
Component	Net Sales	17.0	17.9	18.5	20.0	73.4	17.9	18.7	19.2	19.9	75.8	15.6
Products	Operating Income	(0.8)	1.3	(0.8)	0.9	0.6	(0.1)	1.1	1.2	0.8	2.9	0.1
EMS	Net Sales	17.7	18.8	17.1	20.3	73.9	15.6	16.8	15.7	17.8	65.9	14.3
	Operating Income	0.6	0.3	(0.1)	0.3	1.1	(0.6)	(0.4)	(0.6)	0.8	(0.8)	(0.5)
Others	Net Sales	0.1	0.1	0.1	0.1	0.4	0.1	0.1	0.1	0.2	0.4	0.1
	Operating Income	(0.1)	(0.3)	(0.3)	(0.4)	(1.1)	(0.4)	(0.3)	(0.2)	(0.4)	(1.5)	(0.4)
Corporate/Eliminations	Operating Income	(1.4)	(1.5)	(2.2)	(3.2)	(8.3)	(1.6)	(2.2)	(2.6)	(2.9)	(9.2)	(2.3)
<b>Total</b>	<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>109.3</b>	<b>145.5</b>	<b>452.5</b>	<b>85.1</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>1.5</b>	<b>11.0</b>	<b>18.6</b>	<b>(1.4)</b>

## (Reference) Cash Conversion Cycle History

(Days)



## (Reference) Major Products and Services

Public Solutions	<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>
Enterprise Solutions	<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>
Component Products	<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>
EMS	<ul style="list-style-type: none"><li>• Consigned designing and manufacturing services</li><li>• Printed circuit boards</li><li>•</li></ul>

- ✓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.