

Q&A Session Summary of Financial Results Briefing for Q2 FY2025

(Meeting Overview)

- Date: Thursday, November 6, 2025; 16:00–16:45 JST
- Format: Online webcast from OKI Head Office
- Presenter/Respondent: Teiji Teramoto, Representative Director and Senior Executive Vice President

(Questioner A)

- Q1: With respect to the upward revision of the full-year forecast about profit attributable to owners of parent by ¥2.0 billion, what is the breakdown between the sale of cross-shareholdings and the impact of structural reforms? Also, could you explain the details of the structural reforms?
- A1: Both initiatives are still underway, so the breakdown at the end of the fiscal year may change depending on future progress. In terms of actual extraordinary income/losses recorded in H1 FY2025, the impact from the sale of cross-shareholdings is currently bigger. As the sale of cross-shareholdings depends on the negotiation with the companies we are investing, the total amount could potentially become larger than our current outlook as we continue with further reductions. Regarding the details of structural reforms, we would like to refrain from disclosing them at present, but they include the reorganization of production location among other factors —this is not limited to the current fiscal year.
- Q2: Could you provide more details about the inventory adjustment and development delays at EMS customers that were mentioned?
- A2: This relates to D/EMS business. Among customers in semiconductor and medical care sectors, inventory adjustments have yet to make progress, and some development projects have experienced delays due to customer-specific circumstances.
- Q3: As for the reason for maintaining the full-year operating income forecast, reference was made to changes in product mix. Could you elaborate?
- A3: The segment whose full-year forecast was revised this time was EMS. While sales have been revised downward, I explained that operating income will remain unchanged due to an improved product mix. The downward revision of sales is mainly due to the D/EMS business. On the other hand, we are seeing an increase in new orders for AI semiconductors and aerospace-related printed circuit boards, as well as a recovery in demand for cables for FA robots, leading to favorable performance in our components business. If we compare profitability, the components business has a higher profit margin than D/EMS, therefore currently, we believe that our initial forecast for operating income is achievable.

(Questioner B)

- Q4: This may be the case to multiple segments, but could you discuss your initiatives for entering the V2X market in mobility field?
- A4: Various initiatives are underway, centering on the division promoting innovation; however, there are currently no projects that will make a significant contribution to financial results this fiscal year or next. We

would like to provide further details as part of our next management plan.

- Q5: How do you see the prospects for the humanoid robot market, which is expected to grow in the future?
- A5: We do not manufacture robots ourselves, but the cables handled in components business of EMS are contributing to FA robot market. Additionally, we produce high multilayer printed circuit boards for testers as manufacturing equipment for AI semiconductors and aim to continue meeting market needs in the future.
- Q6: What are your views regarding the space and defense industries, which are attracting increased attention following the inauguration of Japan's new administration?
- A6: We also view this as a growth area and are currently supplying printed circuit boards that meet the specifications required for space equipment. As for the defense sector, we believe our technologies can contribute to initiatives such as unmanned and labor-saving equipment cited in Japan's policies to strengthen national defense. In addition, we hope to contribute through our underwater acoustics technologies, particularly with regards to the overseas transfer of defense equipment.
- Q7: Concerning the next management plan, is there anything you can share at this stage about the basic policy, concepts, or direction?
- A7: We believe we will be able to present the framework within this fiscal year. Under our key message "Delivering OK! to your life," our commitment to supporting social infrastructure will remain unchanged. While we aim to further strengthen our core businesses, we are also discussing internally how to leverage our cultivated technologies to grow new businesses in areas we have not previously engaged.

(Questioner C)

- Q8: Public Solutions turned profitable in H1 FY2025. What were the main drivers of this strong performance?
- A8: In our Social Infrastructure Solutions business, fields such as firefighting and disaster preparedness and roads—and especially firefighting-related projects—made significant contributions. Large-scale renewals of firefighting command systems have provided a major boost.
- Q9: In TOKKI Systems business, it was mentioned that production capacity will be increased. Could you provide details?
- A9: We have started constructing a new building at Numazu Plant, which is scheduled to be operational in 2027. Production capacity will increase by approximately 1.5 times compared to FY2024.
- Q10: Regarding Enterprise Solutions, considering media reports on the consolidation of convenience store ATMs in Japan and OKI's hardware provision after the withdrawal of Fujitsu from ATM manufacturing, do you expect revenue growth in the next fiscal year or later? Also, could you comment on your ATM market share?
- A10: The decrease in revenue this fiscal year is due to the absence of large-scale projects. However, our core business is increasing in profitability. For users to whom we supply hardware such as ATMs, we aim to expand our contribution into fields such as maintenance and monitoring services, further enhancing profits. While we refrain from disclosing our exact share of active ATMs in Japan, we believe it is around 40–50%.

- Q11: Concerning EMS, for which the full-year net sales forecast has been revised downward, do you expect a strong likelihood of achieving the operating income target? Also, can we assume that the ¥10.0 billion downward revision of net sales is deferred to the next fiscal year?
- A11: We are making every effort to achieve the full-year operating income target by implementing measures considering both variable and fixed costs. Components business of EMS is performing steadily, and its profitability has improved compared to last fiscal year. Regarding ¥10.0 billion sales downward revision, we would prefer not to comment on the potential impact on the next fiscal year, as this also depends on customer-related factors.

(Questioner D)

- Q12: In TOKKI Systems business, net sales increased in H1 FY2025. Could you clarify the value of orders received during this period?
- A12: Although we would like to refrain from disclosing specific figures, we have secured orders enough to guarantee sales scale for this fiscal year.

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.