

Financial Results for Q1 FY2026

July 30, 2026

Oki Electric Industry Co., Ltd.

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Financial Results for Q1 FY2026

2

Financial Forecasts for FY2026

1. Financial Results for Q1 FY2026

- Overall performance is progressing steadily toward achieving the full-year forecast, and initiatives for growth are also being steadily advanced.

2. Financial Forecasts for FY2026

- Although some supply chain impacts have emerged, countermeasures are being implemented, and there is no change from the initial forecast.

**1**

Financial Results for Q1 FY2026

1 Summary of Financial Results for Q1 FY2026

OKI

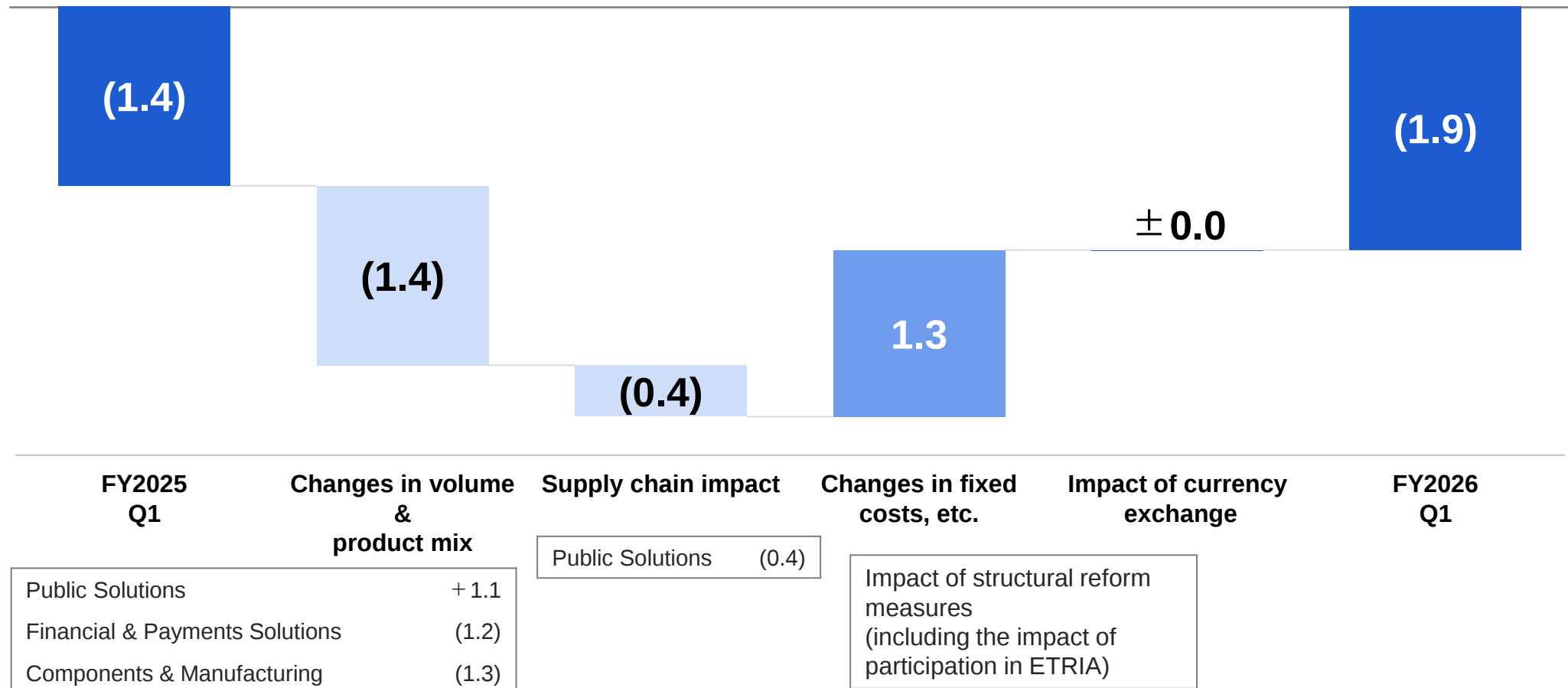
- Net sales and operating profit got off to a start broadly in line with expectations.
- Profit attributable to owners of parent increased significantly year on year, due to gains on sales from the reduction of policy-shareholdings.

(Billion Yen)	FY2025 Q1	FY2026 Q1	YoY Change	
			Amount	Percentage
Net sales	85.1	86.1	+1.0	+1.2%
Operating profit	(1.4)	(1.9)	(0.5)	—
<i>Operating margin</i>	<i>(1.6%)</i>	<i>(2.2%)</i>	<i>(0.6%)</i>	
Ordinary profit	(1.6)	(1.5)	+0.1	—
Profit attributable to owners of parent	(1.6)	2.5	+4.1	—

Exchange Rate	FY2025	FY2026
USD/JPY	144.6	159.5
EUR/JPY	163.8	185.4

- Although profitability in Financial & Payments Solutions deteriorated due to lower volumes and other factors, increased profits in Public Solutions supported the overall performance, and operating profit/loss remained broadly in line with the same period of the previous year.

(Billion Yen)



- Driven by growth in the Defense Systems and Network Infrastructure businesses, net sales and profit increased year on year.
- Performance is progressing steadily toward achieving the full-year targets.

(Billion Yen)	FY2025 1 Q	FY2026 1 Q	YoY Change		FY2025 Results	FY2026 Forecasts	YoY Change	
			Amount	Percentage			Amount	Percentage
Net sales	23.0	28.2	5.2	+22%	146.4	147.0	0.6	+0%
Defense Systems	8.0	10.0	2.0	+25%	51.5	55.5	4.0	+8%
Social Infrastructure Solutions	10.1	9.8	(0.3)	(3%)	66.2	57.5	(8.7)	(13%)
Network Infrastructure	4.9	8.4	3.5	+71%	28.7	34.0	5.3	+18%
Operating profit	0.2	1.1	0.9	+482%	20.3	18.0	(2.3)	(11%)
Operating margin(%)	+0.8%	+3.9%	+3.1%		+13.9%	+12.2%	(1.7%)	

* FY2025 results have been reclassified to reflect the changes in reportable segments effective from FY2026.

- Responding to rising defense demand by expanding production capacity while promoting overseas defense equipment exports.

Q1 Results

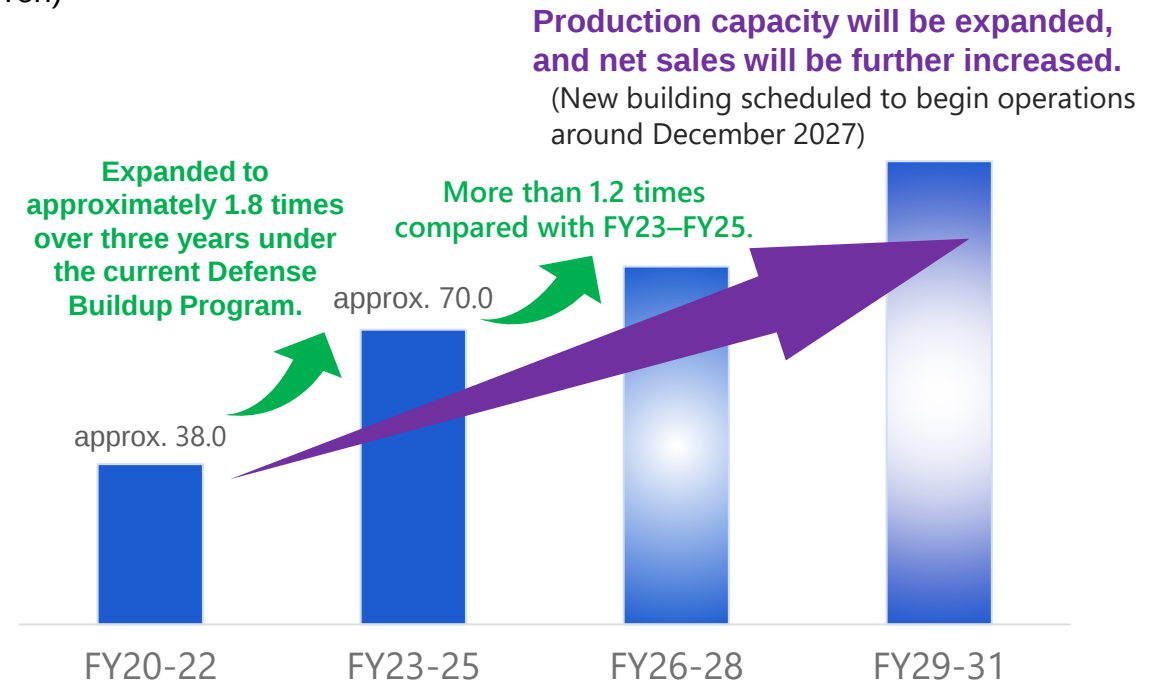
- ▶ OKI secures contract for Australia's new general-purpose frigates
- ▶ Strengthening production capabilities for underwater acoustic sensors and other products in rising demand in the defense and ocean sectors through the construction of a new building at the Numazu Plant.



Upgraded Mogami-class Frigate (Image)
Courtesy of Mitsubishi Heavy Industries, Ltd.

Press Release : [OKI Signs Supply Contract with Mitsubishi Heavy Industries for Towed Passive Sonar for Australia's New General-Purpose Frigates | OKI](#)

Three-year sales trend for underwater acoustics (sonar/sonobuoy-related) (Billion Yen)



- Although there were factors such as lower volumes and a decline in profit margins due to changes in product mix, profitability was secured.
- Initiatives for growth are being promoted through the capture of new market opportunities and cost reduction measures.

(Billion Yen)	FY2025 1 Q	FY2026 1 Q	YoY Change		FY2025 Results	FY2026 Forecasts	YoY Change	
			Amount	Percentage			Amount	Percentage
Net sales	31.5	27.4	(4.1)	(13%)	141.2	147.0	5.8	+4%
Hardware/Solutions	13.3	9.6	(3.7)	(28%)	61.9	64.5	2.6	+4%
Service Business	18.2	17.8	(0.4)	(2%)	79.3	82.5	3.2	+4%
Operating profit	1.6	0.2	(1.4)	(88%)	9.3	11.0	1.7	+18%
Operating margin(%)	+5.1%	+0.7%	(4.3%)		+6.6%	+7.5%	+0.9%	

* FY2025 results have been reclassified to reflect the changes in reportable segments effective from FY2026.

* The impact of the planned establishment of an ATM joint venture with Hitachi, Ltd., scheduled for October 2026, is not included in the FY2026 financial forecast.

- PCBs and cables in the Advanced Components business increased both net sales and profit. Overall, the segment got off to a start as expected.
- Progress toward mass production of CFB is proceeding steadily.

(Billion Yen)	FY2025 1 Q	FY2026 1 Q	YoY Change		FY2025 Results	FY2026 Forecasts	YoY Change	
			Amount	Percentage			Amount	Percentage
Net sales	29.2	29.9	0.7	+2%	129.4	139.0	9.6	+7%
Advanced Components	7.8	10.3	2.5	+32%	33.9	38.0	4.1	+12%
Component Products	15.6	13.7	(1.9)	(12%)	68.1	66.0	(2.1)	(3%)
EMS	5.8	5.9	0.1	+2%	27.4	35.0	7.6	+28%
Operating profit	(0.5)	(0.6)	(0.1)	—	1.9	5.0	3.1	+163%
Operating margin(%)	(1.7%)	(2.0%)	(0.3%)		+1.5%	+3.6%	+2.1%	

* FY2025 results have been reclassified to reflect the changes in reportable segments effective from FY2026.

- As the first year of Management Plan 2031, each segment will focus on key initiatives to steadily advance the shift in management from defense to offense.

Segment	Key FY2026 Initiatives	Progress in Q1
Public Solutions	• Responding to rising defense demand by expanding production capacity. • Promoting overseas defense equipment exports. • Expanding into telecommunications equipment and large-scale private network businesses.	• Won the contract for Australia's new-general purpose frigate program. • Due to the capture of HGW/ONU projects for telecommunications carriers and other factors, Q1 sales in the Network Infrastructure business increased by ¥3.5 billion (+71%) year on year.
Financial & Payments Solutions	• Strengthening ATMs, maintenance and operations, and services as an integrated offering, leveraging the business integration with Hitachi, Ltd.	• Preparing for the establishment of the joint venture on October 1.
Components & Manufacturing	• CFB mass production launch and expansion of products for high-growth markets, including PCBs and cables. • In the printer business, ETRIA integration benefits and expansion of recurring revenue through product lineup enhancement. • Focusing on expanding orders from existing customers and securing orders from new customers.	• Progressing steadily toward mass production of CFB. • PCBs and cables increased revenue by ¥2.5 billion year on year. • Securing new contract manufacturing projects for industrial equipment and taking steps to expand production.

**2**

Financial Forecasts for FY2026

- Implementing various measures in response to rising semiconductor memory prices and increasing instability in the Middle East.

Business Environment		Potential Risks	Our response and impact on performance
Semiconductor Memory and Related Products	Price increases	Higher costs due to rising component prices	By promoting advance procurement and price pass-through measures in response to price trends, we aim to minimize the impact on performance. (The impact on Q1 operating profit was negative ¥0.4 billion.)
	Supply-demand tightening	Delivery delays due to longer procurement lead times	Utilizing alternative products and sourcing from multiple suppliers
Increasing Instability in the Middle East		Delays in the delivery of factory production materials and indirect materials	The impact was limited due to advance procurement of key components and substitute measures.

2 Financial Forecasts for FY2026 by Segment

OKI

(Billion Yen)		FY2025 Results	FY2026 Forecasts	YoY Change	
				Amount	Percentage
Public	Net sales	146.4	147.0	+0.6	+0%
Solutions	Operating profit	20.3	18.0	(2.3)	(11%)
	Operating margin	13.9%	12.2%	(1.7%)	
Enterprise	Net sales	141.2	147.0	+5.8	+4%
Solutions	Operating profit	9.3	11.0	+1.7	+18%
	Operating margin	6.6%	7.5%	+0.9%	
Component & Manufacturing	Net sales	129.4	139.0	+9.6	+7%
	Operating profit	1.9	5.0	+3.1	+163%
	Operating margin	1.5%	3.6%	+2.1%	
Others	Net sales	4.7	7.0	+2.3	+49%
	Operating profit	(1.6)	(1.0)	+0.6	-
Corporate/Eliminations	Operating profit	(10.9)	(11.0)	(0.1)	-
Total	Net sales	421.6	440.0	+18.4	+4%
	Operating profit	18.8	22.0	+3.2	+17%
	Operating margin	4.5%	5.0%	+0.5%	
	Ordinary profit	20.8	22.0	+1.2	+6%
	Profit attributable to owners of parent	21.5	18.0	(3.5)	(16%)
Dividend per share (yen)		65	65	±0	±0%

Exchange Rate	FY2025 Results	FY2026 Forecasts
USD/JPY	150.8	155.0
EUR/JPY	174.8	175.0

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Segment supplementary materials

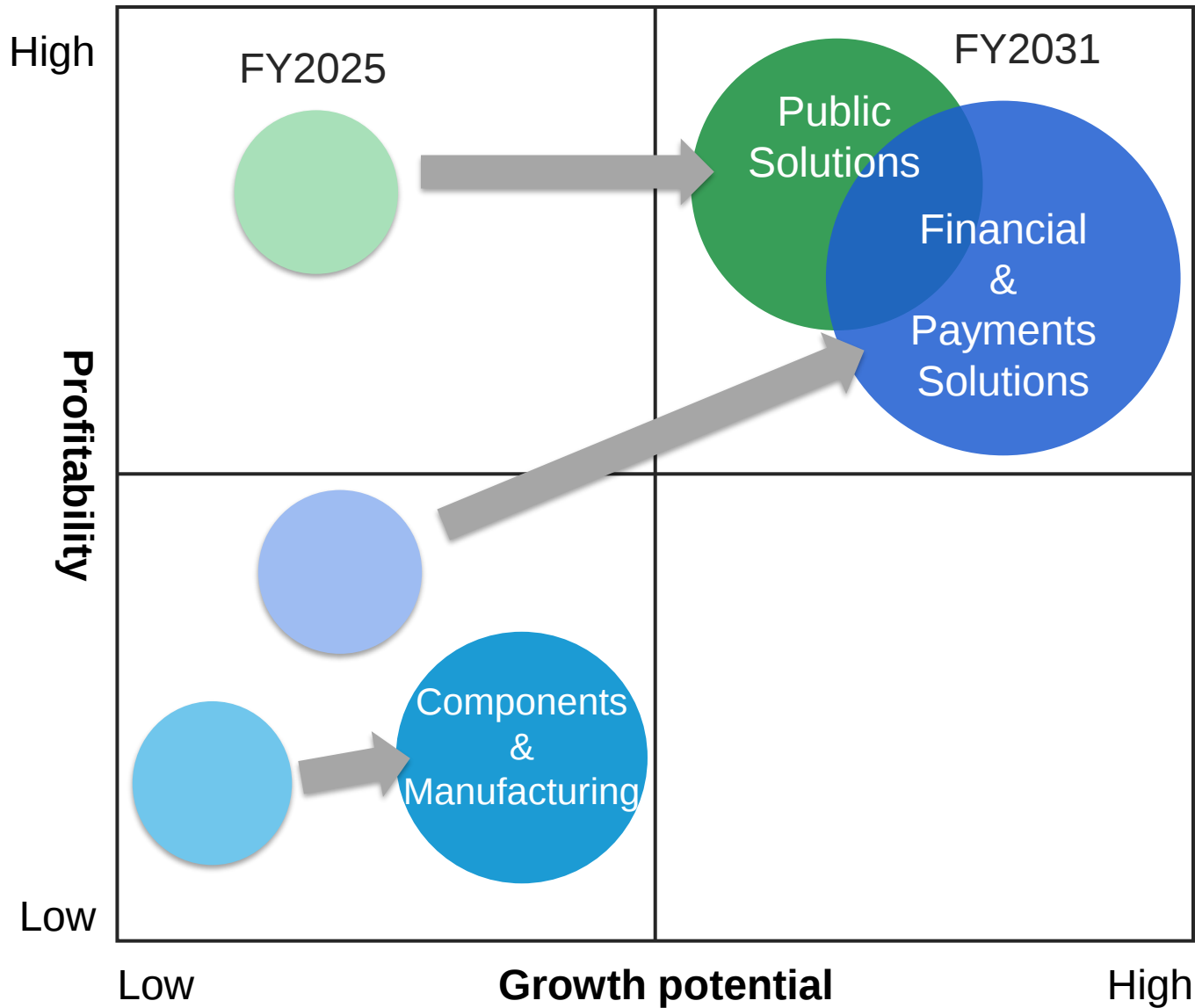
	Business Strategy: Segment Structure
	Disclosure segments from FY2026 (major changes)
	Manufacturing Footprint
	Business Overview and Topics: Advanced Components Business
	Major Products and Services

Supplementary Materials for Q1 FY2026 and Earnings Forecast

	Segment sales and operating profit by quarter
	Public Solutions Secured Orders
	Balance Sheet as of June 30, 2026 / Cash Flows for Q1 FY2026 / Investments for Q1 FY2026
	Financial Forecasts for FY2026 / Reasons for Changes in Operating Profit in FY2026

Supplementary Materials for Prior Years

	Segment sales breakdown by quarter
	KPI Trends by Fiscal Year



Public Solutions Segment

- **Growth in scale**

Achieve growth in sectors aligned with Japanese government policy priorities while maintaining high profitability

Financial & Payments Solutions Segment

- **Growth in scale and profitability**

Achieve growth and improve profitability through the “Layer Master” strategy

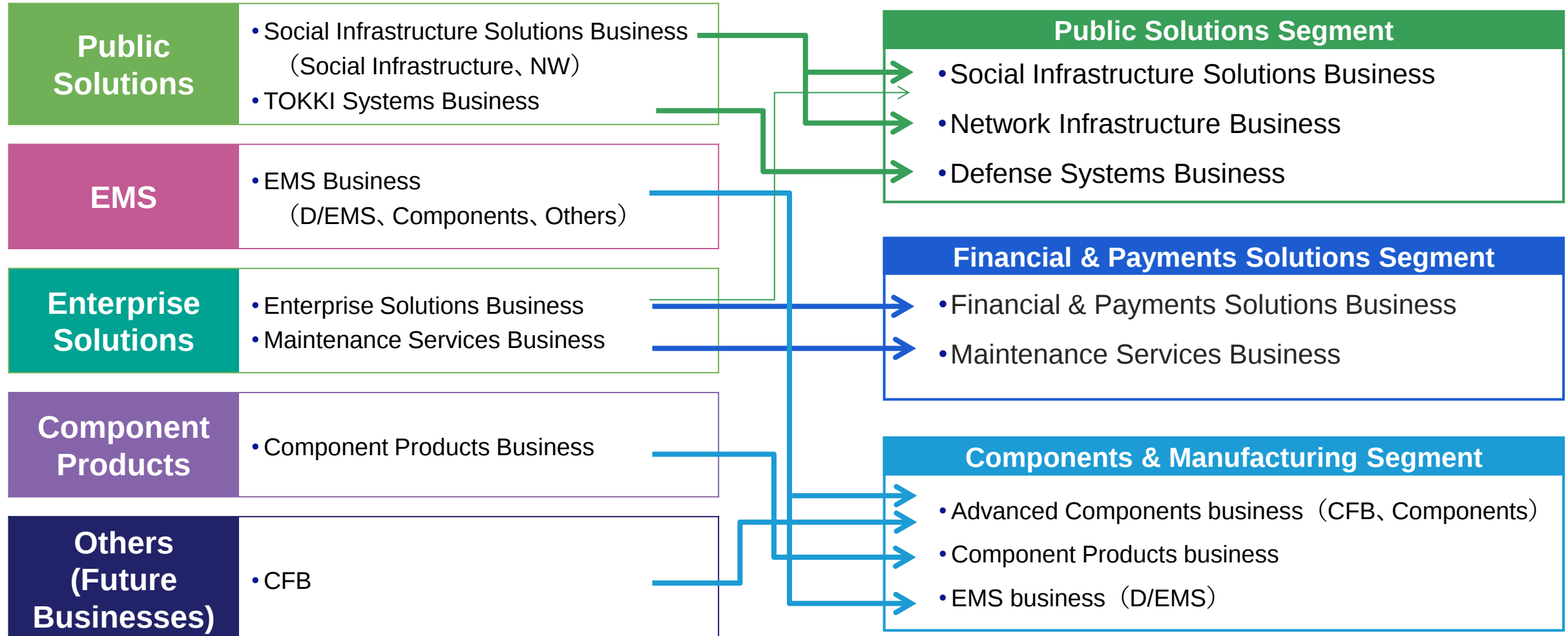
Components & Manufacturing Segment

- **Structural reforms**

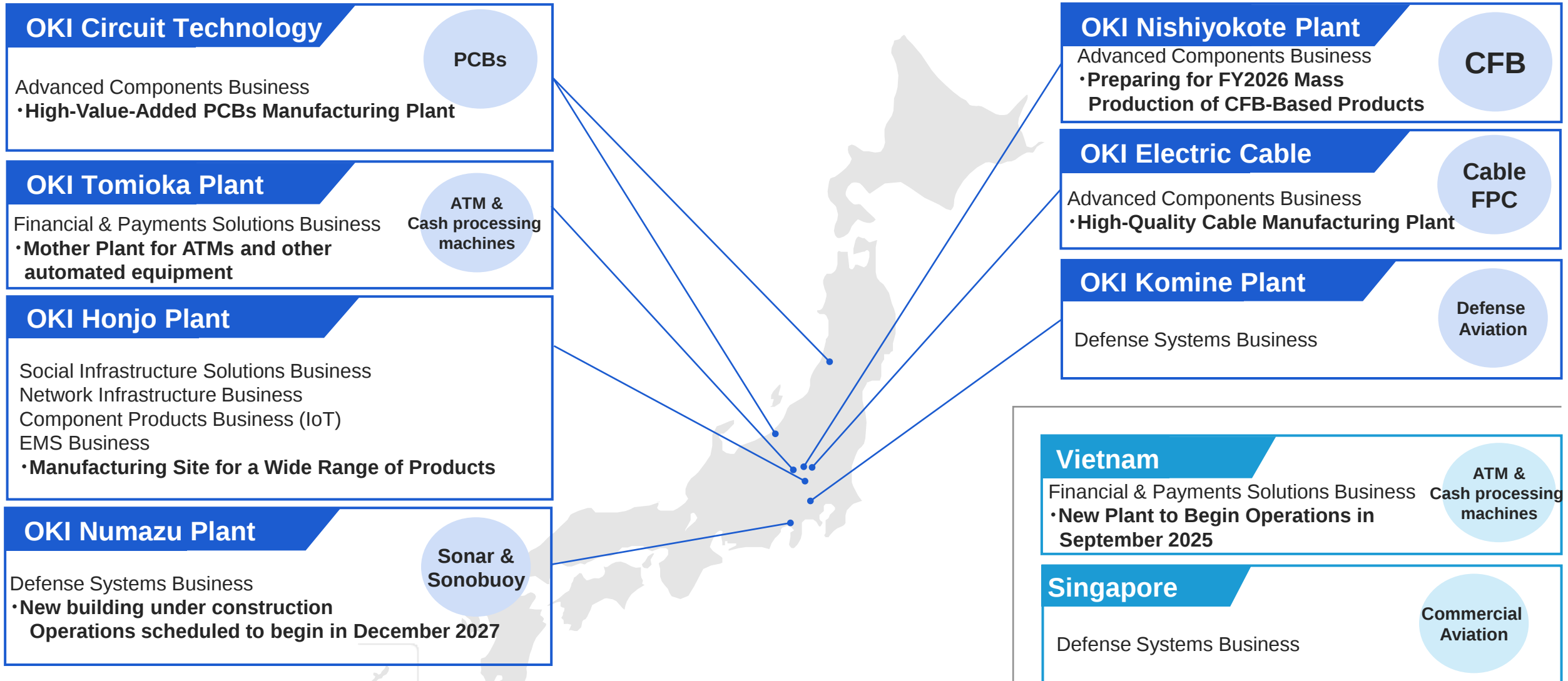
Transition to a business structure centered on the Advanced Components business

Revision of disclosure segments

- Strengthening competitiveness in strategic public and financial markets
- Promoting structural reform in manufacturing and accelerating growth in high-growth markets



Enhancing Manufacturing Capabilities to Support Business Growth



- Taking on high-growth markets through the creation and delivery of high-value-added products and solutions, leveraging advanced technologies such as CFB and high-quality, high-reliability components including printed circuit boards and cables.

Business Overview

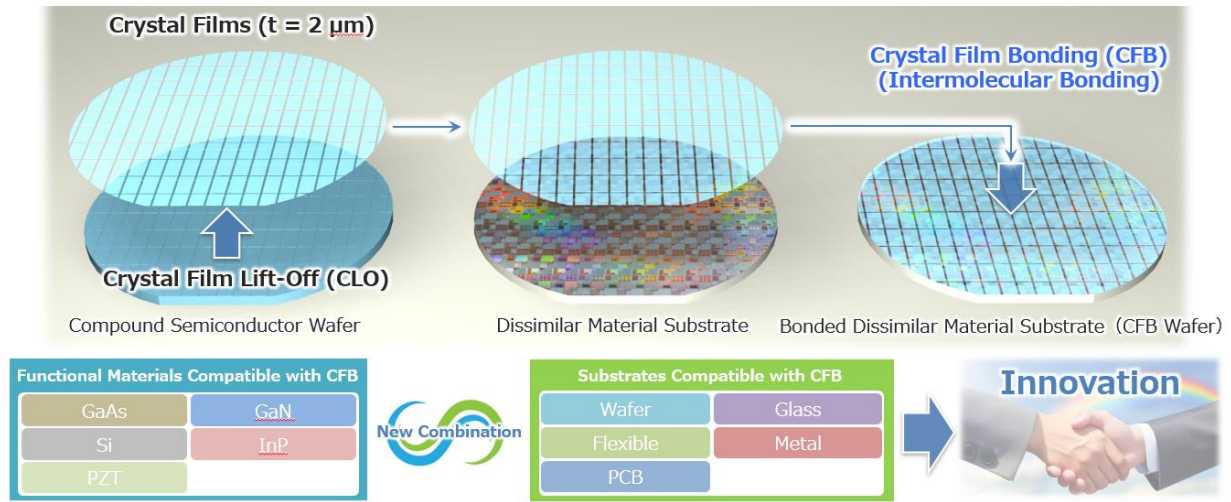
CFB

- Enhancing the value of compound semiconductors through CFB technology
- CFB is OKI's proprietary technology that separates only the functional layer ("Crystal Film") from a compound semiconductor wafer and bonds it to a different substrate
- Enabling diverse material combinations and contributing to the development of next-generation devices

Components

- Printed Circuit Boards (PCBs) :
Providing high-value-added PCBs, including ultra-high multilayer boards, and accelerating expansion into the data center, semiconductor, and aerospace markets.
- Cables :
Providing highly reliable robot cables, FPCs, and other products to enhance our contribution to high-growth fields such as factory automation (FA) equipment and semiconductors.

CFB Technology Overview



Topics

- ▶ [OKI and NTT Innovative Devices Establish Mass Production Technology for High-Power Terahertz Devices by Heterogeneous Material Bonding | OKI](#)
- ▶ [OKI Develops Tiling crystal film bonding \(CFB\) Technology for Heterogeneous Integration of Optical Semiconductors onto 300 mm Silicon Wafers | OKI](#)
- ▶ [OKI Develops 180-Layer 15 mm-Thick PCB Technologies for Next-Generation AI Semiconductor Testing Equipment | OKI](#)
- ▶ [OKI Introduces ORP-SL105 °C Slim High-Flexibility Robot Cable Rated to 105 °C | OKI](#)

Public Solutions**Social Infrastructure Solutions Business**

- Road-related systems (ETC, VICS),
- Aviation-related systems (Air traffic control)
- Firefighting and disaster preparedness systems
- Government systems
- Railway ticket issuance systems, airport check-in systems

Network Infrastructure Business

- Networks from terminal to backbone (CenterStage, 5G routers)

Defense Systems Business

- Defense systems (underwater acoustics, information)
- Aviation equipment

Financial & Payments Solutions**Financial & Payments Solutions Business**

- ATMs, cash handling equipment, Bank branch terminals
- ATM monitoring/operation services
- Bank branch systems, system to centralized back-office operations
- Ticket reservations issuing terminals, check-in terminals

Maintenance Services Business

- Construction and Maintenance Services

Components & Manufacturing**Advanced Components Business**

- CFB
- Printed circuit boards, Cables

EMS Business

- Consigned designing and manufacturing services
- Manufacturing systems (ERP, IoT)

Component Products Business

- LED Printer
- PBXs, business phones, contact centers
- Zero Energy IoT Series

Segment sales and operating profit by quarter

(Billion yen)		FY2025					FY2026	FY2026
		Q1	Q2	Q3	Q4	Total	Q1 Results	Forecasts
Public Solutions	Net sales	23.0	30.4	37.1	55.8	146.4	28.2	147.0
	Operating profit	0.2	2.9	5.5	11.7	20.3	1.1	18.0
	Operating margin	0.8%	9.5%	14.9%	21.0%	13.9%	3.9%	12.2%
Financial & Payments Solutions	Net sales	31.5	32.1	33.8	43.8	141.2	27.4	147.0
	Operating profit	1.6	2.6	2.0	3.0	9.3	0.2	11.0
	Operating margin	5.1%	8.2%	6.0%	6.8%	6.6%	-	7.5%
Components & Manufacturing	Net sales	29.2	30.8	31.0	38.4	129.4	29.9	139.0
	Operating profit	(0.5)	(0.2)	0.2	2.4	1.9	(0.6)	5.0
	Operating margin	-	-	0.6%	6.3%	1.4%	-	3.6%
Others	Net sales	1.4	1.0	0.9	1.4	4.7	0.7	7.0
	Operating profit	(0.2)	(0.3)	(0.3)	(0.8)	(1.6)	0.0	(1.0)
Corporate/Eliminations	Operating profit	(2.4)	(2.5)	(2.6)	(3.5)	(10.9)	(2.6)	(11.0)
Total	Net sales	85.1	94.3	102.8	139.4	421.6	86.1	440.0
	Operating profit	(1.4)	2.6	4.9	12.8	18.8	(1.9)	22.0
	Operating margin	-	2.7%	4.7%	9.2%	4.5%	-	5.0%

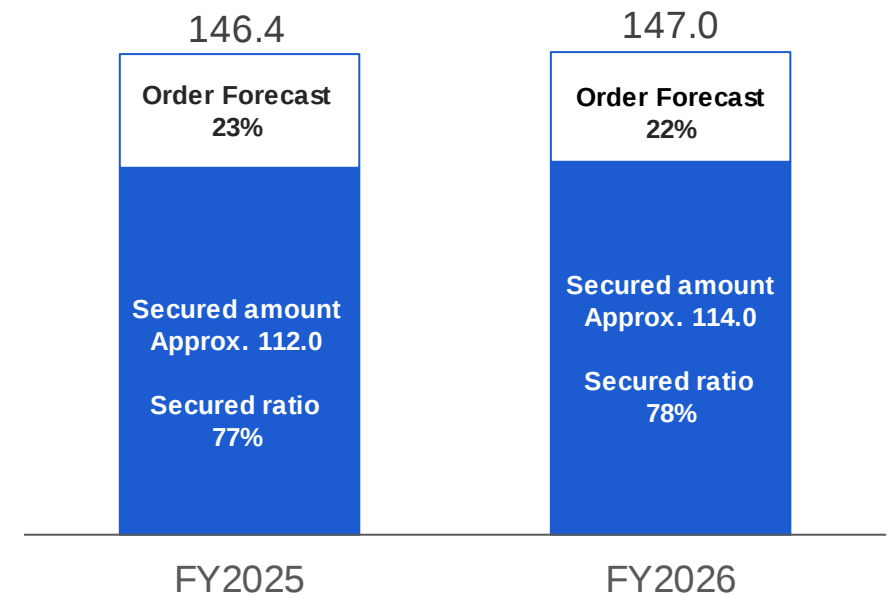
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* The impact of the planned establishment of an ATM joint venture with Hitachi, Ltd., scheduled for October 2026, is not included in the FY2026 financial forecast.

(Billion Yen)	FY2025 Results	FY2026 Forecasts	YoY Change	
			Amount	Percentage
Net sales	146.4	147.0	0.6	+0%
Defense Systems	51.5	55.5	4.0	+8%
Social Infrastructure Solutions	66.2	57.5	(8.7)	(13%)
Network Infrastructure	28.7	34.0	5.3	+18%
Operating profit	20.3	18.0	(2.3)	(11%)
<i>Operating margin(%)</i>	<i>+13.9%</i>	<i>+12.2%</i>	<i>(1.7%)</i>	

Progress toward annual sales target [As of End of July]

(Billion Yen)



(Billion Yen)	End of Mar 2026	End of Mar 2026	Change from Mar
Current Assets	244.6	230.2	(14.4)
Fixed Assets	200.7	184.7	(16.0)
Assets	445.2	414.9	(30.3)
Current Liabilities	171.8	152.9	(18.9)
Fixed Liabilities	93.0	90.1	(2.9)
Liabilities	264.8	243.0	(21.8)
Equity	180.3	171.8	(8.5)
Others	0.1	0.1	±0.0
Net Assets	180.4	171.9	(8.5)
Total liabilities & net assets	445.2	414.9	(30.3)
Equity ratio (%)	40.5	41.4	+0.9
D/E ratio (Times)	0.5	0.5	±0.0

(Billion Yen)	FY2025 Q1 Results	FY2026 Q1 Results	YoY Change
I Cash flows from operating activities	2.1	13.4	+11.3
II Cash flows from investing activities	(5.2)	7.3	+12.5
Free cash flows (I + II)	(3.1)	20.7	+23.8
III Cash flows from financing activities	(2.6)	(12.4)	(9.8)

Purchase of PP&E and intangible assets	4.9	5.9	+1.0
Depreciation	3.8	3.9	+0.1

(Billion Yen)	End of Mar 2026	End of Jun 2026	Variance
Cash and cash equivalents	35.8	44.4	+8.6

Investments (Billion Yen)	FY2025 Q1 Results	FY2026 Q1 Forecasts	YoY Variance
Capital Expenditure	2.3	3.3	+1.0
Depreciation	3.1	3.3	+0.2
R&D	2.1	1.7	△0.4

- The first year of the “Management Plan 2031,” which shifts management from defense to offense
A plan for higher sales and profit, with an operating profit margin of 5% or higher

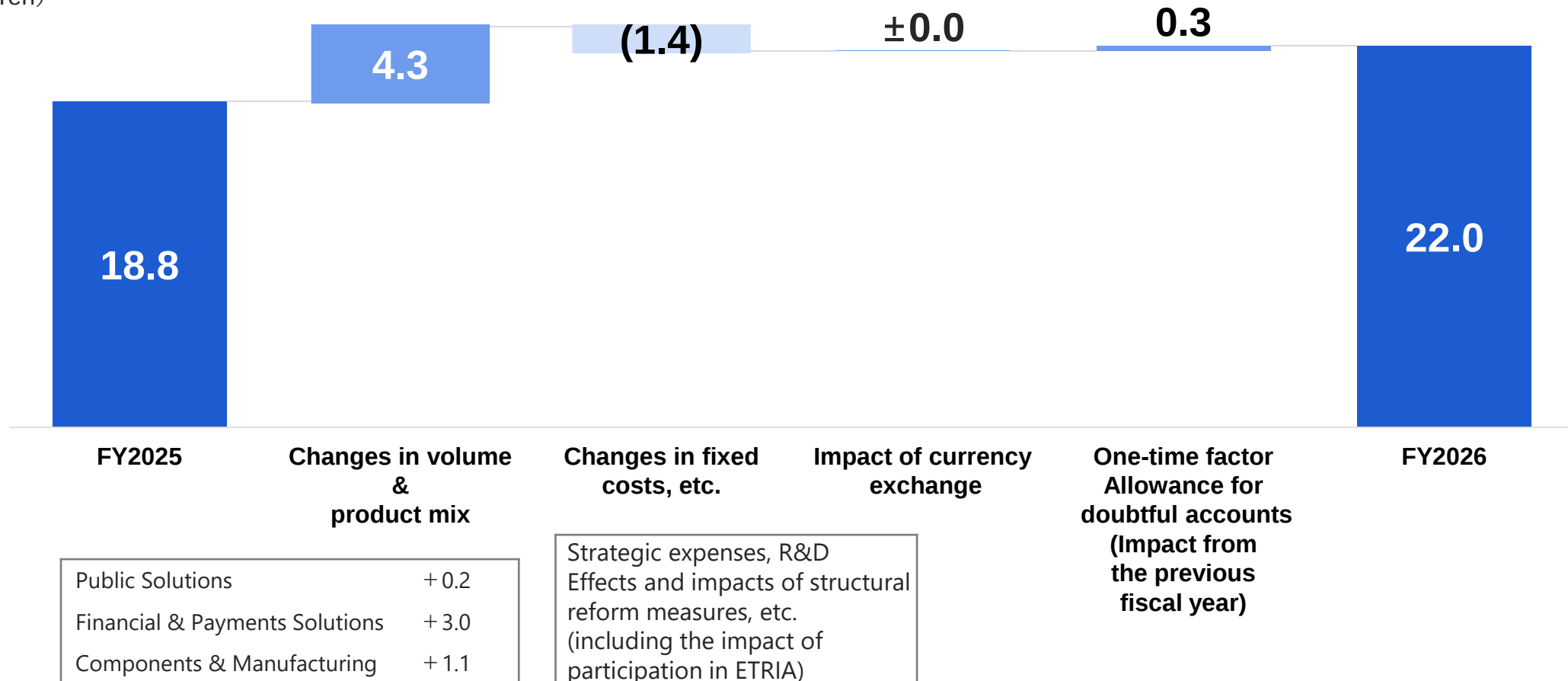
(Billion Yen)	FY2025 Results	FY2026 Forecasts	YoY Change	
			Amount	Percentage
Net sales	421.6	440.0	+18.4	+4%
Operating profit	18.8	22.0	+3.2	+17%
Operating margin	+4.5%	+5.0%	+0.5%	
Ordinary profit	20.8	22.0	+1.2	+6%
Profit attributable to owners of parent	21.5	18.0	(3.5)	(16%)
Profit attributable to owners of parent *	16.4	18.0	+1.6	+10%
ROE (%)	13.2%	10.0%	(3.2%)	
ROE (%) *	10.1%	10.0%	(0.1%)	
Equity ratio (%)	40.5%	40.0%	(0.5%)	
Dividend per share (yen)	65	65	±0%	(±0%)

Exchange Rate	FY2025 Results	FY2026 Forecasts
USD/JPY	150.8	155.0
EUR/JPY	174.8	175.0

* Figures after excluding the one-time factor of extraordinary income associated with participation in ETRIA

- A plan for increased profit, mainly driven by Financial & Payments Solutions and Components & Manufacturing.

(Billion Yen)



(Billion Yen)		FY2023					FY2024					FY2025				
		Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Public Solutions	Net sales	19.9	20.9	25.6	31.3	97.7	20.4	23.7	30.1	62.1	136.2	23.0	30.4	37.1	55.8	146.4
	Defense Systems	6.4	6.7	8.4	10.4	31.9	6.9	8.0	9.7	30.5	55.2	8.0	9.9	13.3	20.3	51.5
	Social Infrastructure Solutions	6.5	8.0	10.6	14.3	39.5	8.1	10.6	13.3	22.7	54.6	10.1	13.7	17.0	25.3	66.2
	Network Infrastructure	6.9	6.2	6.6	6.6	26.3	5.4	5.1	7.1	8.8	26.4	4.9	6.8	6.8	10.2	28.7
Financial & Payments Solutions	Net sales	26.2	35.0	49.8	62.1	173.2	43.2	39.6	43.4	44.4	170.7	31.5	32.1	33.8	43.8	141.2
	Hardware/Solutions	10.3	19.6	29.1	40.3	99.2	26.9	20.5	21.6	24.8	93.8	13.3	13.4	13.6	21.6	61.9
	Service Business	16.0	15.5	20.7	21.8	74.0	16.3	19.0	21.9	19.7	76.9	18.2	18.7	20.2	22.2	79.3
Components & Manufacturing	Net sales	34.5	36.3	35.5	40.5	146.8	33.6	35.6	34.6	37.5	141.3	29.2	30.8	31.0	38.4	129.4
	Advanced Components	7.7	7.4	6.7	6.7	28.5	6.5	7.1	7.0	7.5	28.0	7.8	8.0	8.6	9.5	33.9
	Component Products	17.0	17.9	18.5	20.0	73.4	17.9	18.8	19.1	20.0	75.8	15.6	16.6	15.9	20.0	68.1
	EMS	9.8	11.1	10.3	13.7	44.9	9.2	9.7	8.6	10.0	37.5	5.8	6.2	6.5	8.9	27.4

* FY2023–FY2025 results have been reclassified to reflect the change in reportable segments effective from FY2026.

(Billion Yen)	FY2022 Results	FY2023 Results	FY2024 Results	FY2025 Results	FY2026 Forecasts
Net sales	369.1	421.9	452.5	421.6	440.0
Operating profit	2.4	18.7	18.6	18.8	22.0
Operating margin	0.7%	4.4%	4.1%	4.5%	5.0%
Operating profit *	2.4	14.6	22.5	19.1	22.0
Operating margin *	0.7%	3.5%	5.0%	4.5%	5.0%
Ordinary profit	(0.3)	18.3	16.8	20.8	22.0
Profit attributable to owners of parent	(2.8)	25.6	12.5	21.5	18.0
ROE (%)	(2.7%)	21.4%	8.7%	13.2%	10.0%
Equity ratio (%)	25.4%	33.3%	35.4%	40.5%	40.0%
Dividend per share (yen)	20	30	45	65	65

FY2031 targets (OKI 150th)	
Credit rating	A
Net sales	¥600.0B+
Op. margin	7%+
ROE	10%+
Shareholders' equity ratio	40%+
Dividend payout ratio	35%+

* Operating performance after excluding one-time factor, which was reversing/recording of allowance for doubtful accounts related to accounts receivable from the China ATM project

- ✓ 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.