Q&A for the FY2026 First Quarter Financial Results Briefing

（Meeting Overview）

Date　: Thursday, July 30, 2026, 16:00–16:45
Format: Online broadcast from OKI Headquarters
Presenter/Respondent: Teiji Teramoto, Senior Executive Vice President, Representative Director

（Questioner A）

Q1: Regarding the results for the first quarter, you said overall performance was in line with the initial plan. Could you please evaluate the results by segment, including both positive and negative points?

A1: Overall, performance is within the range of the initial plan, and we got off to a nearly expected start. In Public Solutions, the Social Infrastructure Solutions Division saw a reactionary decline in firefighting projects, but the Defense System Division and Network Infrastructure Division performed well in both sales and profit. In Components & Manufacturing, printed circuit boards and cables in the newly established Advanced Components Division are progressing steadily. On the other hand, printers in the Component Products Division are slightly below plan due to the impact of structural reforms in Europe and a decline in consumables sales. In Financial & Payments Solutions, sales declined due to the reaction from a large ATM project in the same period last year, but this has not reached the point where we need to revise the full-year forecast.

Q2: Regarding the decline in sales and profit in Financial & Payments Solutions, is it correct to understand that the reactionary decline from the large ATM project in the same period last year was as planned?

A2: Yes, that is correct. This is the reaction from recording sales for certain ATM projects and cash handling equipment projects in the first quarter of the previous fiscal year, so it was an expected impact that had already been anticipated from the beginning of the fiscal year.

Q3: The impact on operating profit in the first quarter from supply chain issues is shown as minus 400 million yen. How does this compare with the initial plan?

A3: We did not initially incorporate specific figures in detail, but we recognize the minus 400 million yen impact as slightly larger than expected. However, we are already implementing countermeasures, and for the full year we want to firmly address how much of the expected minus 2 billion yen to minus 3 billion yen impact we can offset. We do not intend to revise the full-year earnings forecast.

Q4: Please explain the specific measures being taken to address the approximately minus 2 billion yen to minus

3 billion yen impact on operating profit caused by supply chain issues.

A4: The most significant measure is appropriate pricing adjustments. In addition, we will continue introducing substitute parts where applicable.

Q5: Are negotiations for appropriate pricing adjustments progressing smoothly? Please tell us about customer acceptance.

A5: It depends on each customer's circumstances, so it is difficult to generalize. For certain products, there are environments where customers are more likely to understand. On the other hand, there are also customers where negotiations are not progressing easily. However, customers do understand the rise in memory prices and delivery delays, and we will continue negotiations patiently.

Q6: Which segment will be most affected by the approximately minus 2 billion yen to minus 3 billion yen impact on operating profit caused by supply chain issues?

A6: Memory is used broadly, but the segment most affected is Public Solutions.

Q7: Defense System Division sales in the first quarter were up 25% year on year and are performing well. Is this progress ahead of the full-year outlook?

A7: Since many orders were received in the previous fiscal year and the year before that, this was already visible to some extent from the beginning of the fiscal year. Even so, overall, we recognize that performance is trending slightly stronger than expected.

Q8: Regarding the order for the new general-purpose frigate project in Australia, could you tell us when it is expected to begin contributing to earnings?

A8: Because this relates to contract terms, I cannot say clearly, but the contract was awarded for 3 of the total 11 vessels. Please understand that actual deliveries will be several years from now.

（Questioner B）

Q10: Of the full-year plan for increased sales and profit in Financial & Payments Solutions, how much impact is included from the maintenance contract work received from Fujitsu?

A10: What will contribute to this fiscal year's performance is not the ATM equipment itself, but the maintenance service portion. I will refrain from giving a specific amount, but please understand that this represents an increase in sales on the order of several billion yen per year.

Q11: Compared with the maintenance contract work received from Fujitsu, how large is the impact of establishing the ATM joint venture with Hitachi, Ltd.?

A11: In terms of sales scale, the establishment of the ATM joint venture with Hitachi, Ltd. will have a considerably larger impact.

Q12: Does the initial full-year net profit forecast include gains from the sale of cross shareholdings? If so, is the initial net profit forecast based on that inclusion despite structural reform costs? Please clarify.

A12: The initial earnings forecast already incorporates gains from the sale of cross shareholdings and structural reform costs. In the first quarter alone, we have already recorded approximately 5.1 billion yen in gains from sales, and we plan to proceed with business structure reforms as scheduled, including those already underway.

（Questioner C）

Q13: Regarding the sales outlook for the Defense System Division from FY2026 onward, as shown on page 8 of the briefing materials, could you explain the assumptions behind it? The next defense buildup plan from FY2028 onward is expected to be announced in the future, but are you using projects currently visible to your company as assumptions?

A13: This outlook is built up based on the current environment. We expect production demand to increase as defense buildup plans are further strengthened. At the same time, we also have production capacity constraints, so as explained, we plan to build and begin operating a new production building in the Numazu area around December 2027. Depending on circumstances, we may need to further expand production capacity, but this has not been incorporated into the sales outlook for FY2026 and beyond shown on page 8 of the briefing materials.

Q14: What is the operating profit level for the Component Products Division in the first quarter?

A14: Looking only at the first quarter, operating profit and loss is in the red. For the full year, we expect operating profit of around 1 billion yen to 2 billion yen.

Q15: I understand that the Component Products Division has been advancing structural reforms mainly in Europe since last year. How is the situation this fiscal year?

A15: Structural reforms centered on Europe are also progressing this fiscal year in line with the plan. Meanwhile, demand for printer consumables has been weaker than expected, so we are implementing measures to reverse that trend. Thanks in part to the effects of participating in ETRIA, which was integrated last year, we are also expanding our new product lineup.

（Note）

Forecasts, outlooks, and similar statements in this document are based on information available at the time and on certain assumptions judged to be reasonable. Accordingly, actual results may differ due to various factors. The content has been edited in part for ease of understanding, while remaining faithful to the actual exchange.