Q&A Session Summary of Financial Results Briefing for Q2 FY2026

（Meeting Overview）

Date: Thursday, November 5, 2026, 15:00–15:45

Format: Online broadcast from OKI Headquarters

Presenter/Respondent: Teiji Teramoto, Senior Executive Vice President, Representative Director

（Questioner A）

Q1: What is the expected reduction in fixed costs from the Second Career Support Program? How is it reflected in the earnings forecast, and what impact is it expected to have by segment?

A1: Participating employees retired at the end of October. We expect the program to contribute approximately 2.3 billion yen to operating profit over the five months remaining in the current fiscal year. The annualized effect is expected to be approximately 6 billion yen, equivalent to around one percentage point of the operating profit margin. We will secure the talent needed to execute our business strategies while managing the program to realize as much of the personnel cost savings as possible. The savings are expected to extend across all businesses.

Q2: Has there been any change in the plan to cover the special retirement payments associated with the Second Career Support Program through gains from the sale of cross-shareholdings?

A2: No, our approach has not changed. The special retirement payments amount to approximately 10 billion yen, slightly more than initially expected. The extent to which we can reduce cross-shareholdings will depend on future negotiations, but we will take the necessary steps.

Q3: If the impact of higher procurement costs seen in the second quarter continues into the third quarter and beyond, could the full-year impact exceed 3 billion yen, even after taking into account measures such as passing the higher costs on through pricing?

A3: The impact of higher procurement costs in the second quarter was 2.4 billion yen, while countermeasures offset only 600 million yen. For the full year, we expect the impact to be approximately 7 billion yen, and believe we need to offset at least 50% to 60% of it.

Q4: Is it correct to understand that the effects of measures such as passing higher costs on through pricing will increase in the third and fourth quarters, with some time lag?

A4: Yes, that is correct.

Q5: Is the operating profit margin of the ATM joint venture with Hitachi, Ltd. higher than that of OKI’s existing

business?

A5: Our earnings forecast includes the start-up costs for the ATM joint venture with Hitachi, Ltd. The business formerly operated by Hitachi Channel Solutions, Corp had a higher operating profit margin than our existing business. We understand that it maintained a certain level of profitability, particularly in its overseas business. We will analyze the details and work to increase its contribution to earnings and capture synergies from the next fiscal year onward.

Q6: Could you explain the outlook for the expected improvement in the second-half profit margin of the Financial & Payments Solutions Segment, taking into account the impact of the product mix in the first half?

A6: We expect to secure orders for projects in the second half and believe we can recover the shortfall from the first half. We are also bidding on overseas projects and will proceed while closely monitoring order trends.

Q7: Excluding one-time start-up costs, is it reasonable to expect the operating profit margin of the ATM joint venture with Hitachi, Ltd. to be around 10% or higher?

A7: The operating profit margin of the business formerly operated by Hitachi Channel Solutions, Corp was below 10%, but we understand that it was higher than that of our existing business.

Q8: Is the second-half sales outlook for the Defense System Division, which appears to be at around the same level as the previous year, based on production capacity constraints?

A8: We do face production capacity constraints. Orders for this fiscal year have largely been determined, and we prepared our plan on that basis. We have also taken a somewhat conservative approach to our profit assumptions and included costs associated with new development.

（Questioner B）

Q9: Which other businesses offset the impact of supply chain issues that had not been factored into the initial plan?

A9: The impact of supply chain issues was not included in the initial plan and had a negative effect on first-half results. However, overall business performance has been relatively strong. The defense-related business of the Defense System Division contributed, as did the Network Infrastructure Division, which captured demand associated with telecom carriers' network migration.

Q10: How much in one-time costs do you expect to incur in connection with launching the ATM joint venture

with Hitachi, Ltd.?

A10: We expect the costs to amount to approximately 1 billion to 2 billion yen.

Q11: Is it correct to understand that the one-time start-up costs for the ATM joint venture with Hitachi, Ltd. will decrease next fiscal year, leading to a greater contribution to profit?

A11: Costs such as system integration will be incurred from the next fiscal year onward, but we do not expect them to be as high as the one-time start-up costs incurred this fiscal year. The business formerly operated by Hitachi Channel Solutions, Corp is expected to contribute to operating profit throughout the year.

Q12: Are there signs of improvement in the demand environment for financial equipment, such as financial institutions' investment intentions?

A12: Our full-year sales volume forecast for automated equipment has not declined significantly. We have projects, particularly overseas, and expect a certain level of sales volume for the full year. We will continue to closely monitor the domestic market.

Q13: How confident are you that the Public Solutions Segment, including its defense-related business, will achieve its earnings forecast?

A13: We believe the likelihood of achieving the forecast is high. The defense-related business of the Defense System Division and the Network Infrastructure Division are both performing strongly, and we have not revised our full-year earnings forecast.

（Questioner C）

Q14: In light of the planned revision to Japan's Three Security Documents, could you explain your thinking and plans for businesses related to new domains of warfare? Specifically, could OKI's technologies be applied to areas such as unmanned systems and AI?

A14: Underwater acoustic technology is one of our strengths and can be used for underwater exploration, among other applications. We are discussing various potential applications internally and hope to develop a broader vision.

Q15: As shown on page 24 of the briefing materials, approximately how many times higher do you expect sales in the underwater acoustics business to be in FY2031 compared with the current level?

A15: We expect sales in FY2026–FY2028 to be at least 1.2 times the level recorded in the preceding three-year period, FY2023–FY2025. For FY2029–FY2031, we anticipate growth at a similar rate or higher.

（Questioner D）

Q16: Regarding the printer business's re-entry into the multifunction printer market, could you explain sales in Japan and overseas, as well as the outlook for future sales?

A16: As part of our efforts to strengthen our product lineup, we are sourcing products from ETRIA CO., LTD. and began selling A4 multifunction printers overseas this fiscal year. Sales have gotten off to a good start, with first-half unit sales of A4 multifunction printers more than 30% higher year on year. We plan to add more products to the lineup from the next fiscal year onward.

Q17: Is the business model for the multifunction printers being introduced to the market based on generating revenue from toner?

A17: Yes, that is correct.

Q18: With the printing market expected to contract, are you re-entering the multifunction printer market because you expect it to grow?

A18: We expect the printing market to contract over the long term as offices become increasingly paperless. However, multifunction printers offer a range of functions, and we believe there will continue to be business opportunities.

Q19: Could you explain the current state of the ATM business in India and the outlook for overseas sales next fiscal year?

A19: Cash-recycling ATMs have not yet become widespread in India, and we expect further bidding opportunities as older models are replaced. The business formerly operated by Hitachi Channel Solutions, Corp also operates in India, and we will work to strengthen our overseas business. We will disclose our plan for next fiscal year, including the outlook for overseas sales, at an appropriate time after it has been finalized.

Q20: Is the overseas business of the Financial & Payments Solutions Segment profitable?

A20: There is room to improve the profitability of OKI's existing overseas business. Meanwhile, we understand that the business formerly operated by Hitachi Channel Solutions, Corp has maintained a certain level of

profitability as it has expanded overseas.

（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.