

OKI

OKI Group Management plan 2031

May 13, 2026

Oki Electric Industry Co., Ltd.

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- I would like to explain our management plan.
I already presented an outline of this plan on March 5, so I will omit the parts I covered previously and focus on the updated sections.

1 Review of Medium-Term Business Plan 2025

2 Management plan 2031

2-1 Business Strategy

2-2 Strengthening the Management Foundation

2-3 Financial Strategy

- These are the main areas I will cover. I will go through each of these points, in order.

1. Review of Medium-term Business Plan 2025

- First, let us look back at the previous medium-term business plan.

Achieved the Medium-Term Business Plan 2025 management targets in FY2024

Themes of Medium-Term Business Plan 2025

- (1) Return to FY2019 levels of performance and restore the weakened financial foundation
 (2) Create future businesses for FY2026 and beyond

		(Billions of yen)			
		FY2022 Results	FY2025 MTBP*1	FY2024 Results	FY2025 Results
Growth potential	Net sales	369.1	450.0	452.5	421.6
	Operating profit	2.4	18.0	18.6	18.8
	Net profit	-2.8	10.0	12.5	21.5
Profitability	Operating margin	1%	4%	4%	4.5%
Financial soundness	Shareholder's equity ratio	25%	30%	35%	40.5%
Capital efficiency	ROE (Excl. one-time factor*1)	-3%	8%	9%	13% (10%)
Shareholder returns	Dividend payout ratio	-	30% or more	31%	26%

Steering toward growth 1st Stage

- Revision of Business Portfolio**
 - Participated in the ETRIA Co., Ltd. joint venture
 - Transferred the small motor business
 - Signed a strategic partnership agreement with FPT Japan Holdings Co., Ltd.
- Strengthen sales, technology, and production functions**
 - Established global R&D hubs
 - Strengthened overseas ATM^{*2} production (Vietnam, India)
- Create future businesses**
 - Obtained ISO 56001/56002 certification
 - Bringing CFB^{*3} technology to the semiconductor market
- Improve financial foundation and effective investment**
 - Net sales and operating profit recovered to FY2019 levels; shareholder's equity ratio and ROE improved
- Practice sustainability management**
 - Achieved environmental targets
 - Achieved the target ratio of women in management

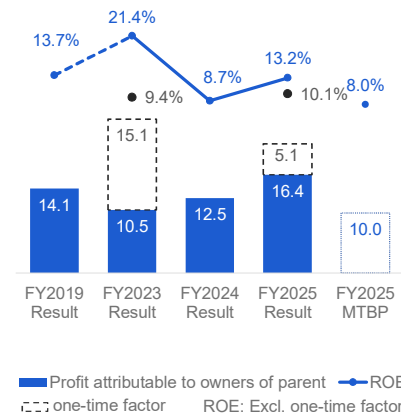
*1 Excluding extraordinary gains from ETRIA's participation *2 ATM: Automatic teller machine

*3 CFB:Crystal film bonding

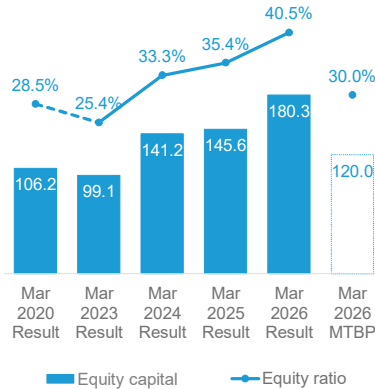
- Over the past three years, we have steadily implemented urgent measures and recovered from the net loss recorded in fiscal 2022, restoring profitability.
- With net sales at the ¥400 billion level, our operating profit margin improved to 4–5%, and our underlying ROE, excluding one-time factors, reached a stable level of around 10%.

Profit attributable to owners of parent & ROE

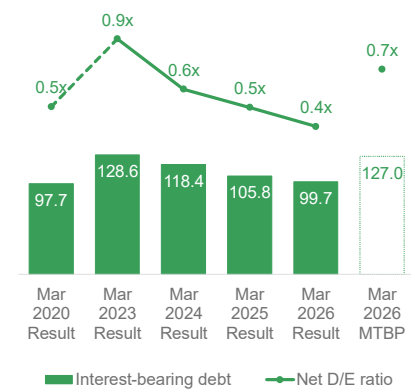
(Billions of Yen)



Equity capital & equity ratio



Interest-bearing debt & net D/E ratio



MTBP: Medium-term business plan

- Our performance against the management targets was as follows.
- We significantly exceeded our targets for all three metrics: ROE, equity ratio, and interest-bearing debt.

1

Share Price

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Share price **4.8X** (vs. Mar. 2023)/ PBR: **1.94X** (as of May 12, 2026)

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- Our stock price has risen approximately fivefold over the past three years, from 718 yen to the closing price as of May 12. Our PBR also improved significantly, increasing from 0.63 times to 1.9 times.

2. Management Plan 2031

- Based on these results, Management Plan 2031 is intended to drive further growth and take the company to the next stage. Since the first half overlaps with the outline I presented in March, today I will focus on the key points.

2 Introduction: OKI Group's Journey

OKI

Founded in 1881, OKI has tackled social challenges with an “enterprising spirit”

1881

Keeping Critical Infrastructure Running



Founder: Kibataro Oki

Founded as Japan's first telecommunications equipment manufacturer

Founder's words:
“Lead the Way.”



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- Since our founding in 1881, beginning with the development of Japan's first domestically produced telephone, we have continued to support vital social infrastructure that must never be interrupted.
- We have provided mission-critical products and services across a wide range of fields, including telecommunications and information processing, transportation, disaster prevention, and defense.
- As we approach our 150th anniversary in 2031, we stand at a major turning point. We will evolve from an order-driven company that responds faithfully to customer requirements into a future-oriented company that helps shape the future together with society.
- This new business plan is intended to drive that transformation. During the first three years, we will address the key challenges necessary to achieve this transformation, and in the following three years, we will translate those efforts into tangible results.

OKI's New Commitment

Purpose	Shaping Next for Society
Vision	Becoming <i>Future-Makers</i> : Powered by People and Technology
Value	Integrity and Beyond, Together
OKI Spirit	Lead the Way



➤ In conjunction with this new business plan, we have redefined our corporate philosophy framework. Returning to the founder's original vision, we have simplified it so that all employees can easily understand and embrace it.

- **Purpose: Shaping Next for Society**
- **Vision: Becoming *Future-Makers*: Powered by People and Technology**
- **Value: Integrity and Beyond, Together**
- **OKI Spirit: Leading the Way**

With this new PVV + OKI Spirit as our foundation, we will focus on creating social value, strengthening our unique capabilities, and supporting employee growth, thereby achieving sustainable growth through a virtuous cycle.

Shifting Management from Defense to Offense

Steering toward growth 1st STAGE

Themes:

- (1) Return to FY2019 levels of performance and restore the weakened financial foundation
- (2) Create new businesses for FY2026 and beyond

	FY2022 Results	FY2025 Results
Credit rating	BBB	
Net sales	¥369.1B	¥421.6B
Op. margin	1%	4.5%
ROE	-3%	10%*
Shareholders' equity ratio	25%	40.5%
Dividend payout ratio	---	26%

*Excl. one-time factor

Steering toward growth 2nd STAGE

Themes:

Implement intellectual capital management (Philosophy x Strategy x Execution)

- (1) Value Creation Model
- (2) Business Strategy
- (3) Management System Reform
- (4) Human Capital Investment

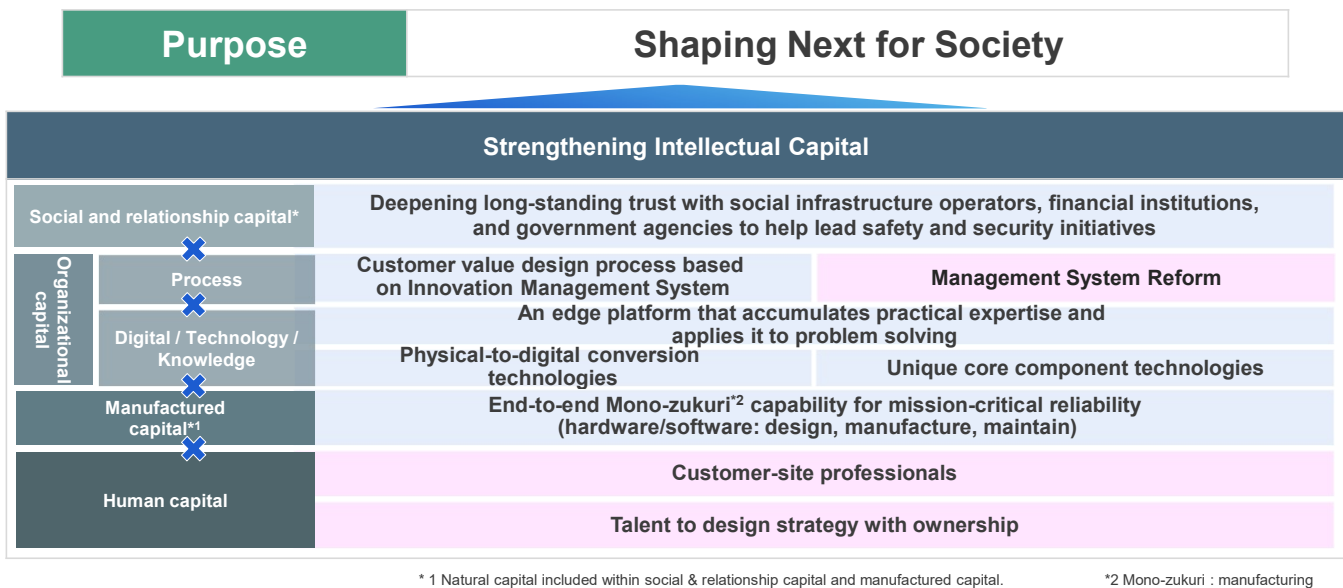
FY2031 targets (OKI 150th)

Credit rating	A
Net sales	¥600.0B+
Op. margin	7%+
ROE	10%+
Shareholders' equity ratio	40%+
Dividend payout ratio	35%+

- These are the key targets of our new business plan.
- We aim to achieve net sales of over 600 billion yen, an operating profit margin of over 7%, and ROE of over 10%, while also attaining an A credit rating.
- Our strategy centers on intellectual capital management and the following four initiatives:
 1. Building a value creation model
 2. Restructuring our business strategy around that model
 3. Reforming the management system to support this model and strategy
 4. Investing in human capital to support these initiatives

I will discuss each of these four initiatives in more detail shortly.

Strengthening OKI's unique intellectual capital to create social value



- This slide illustrates our value creation model.
- This framework underpins the entire new business plan and illustrates how we create value.
- By strengthening each element of our unique intellectual capital and integrating them organically, we aim to achieve sustainable growth in corporate value.

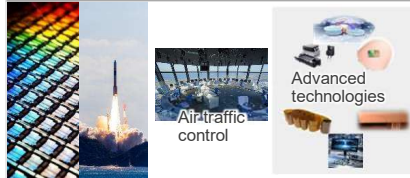
Business Concept

1. Innovation in Core Businesses
2. Taking on High-Growth Markets

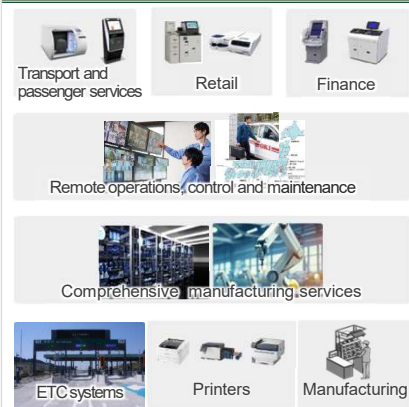
Information and Communications



AI & Semiconductors / Aerospace



OKI's Unique Perspective



Disaster preparation and national land resilience



Defense / Ocean



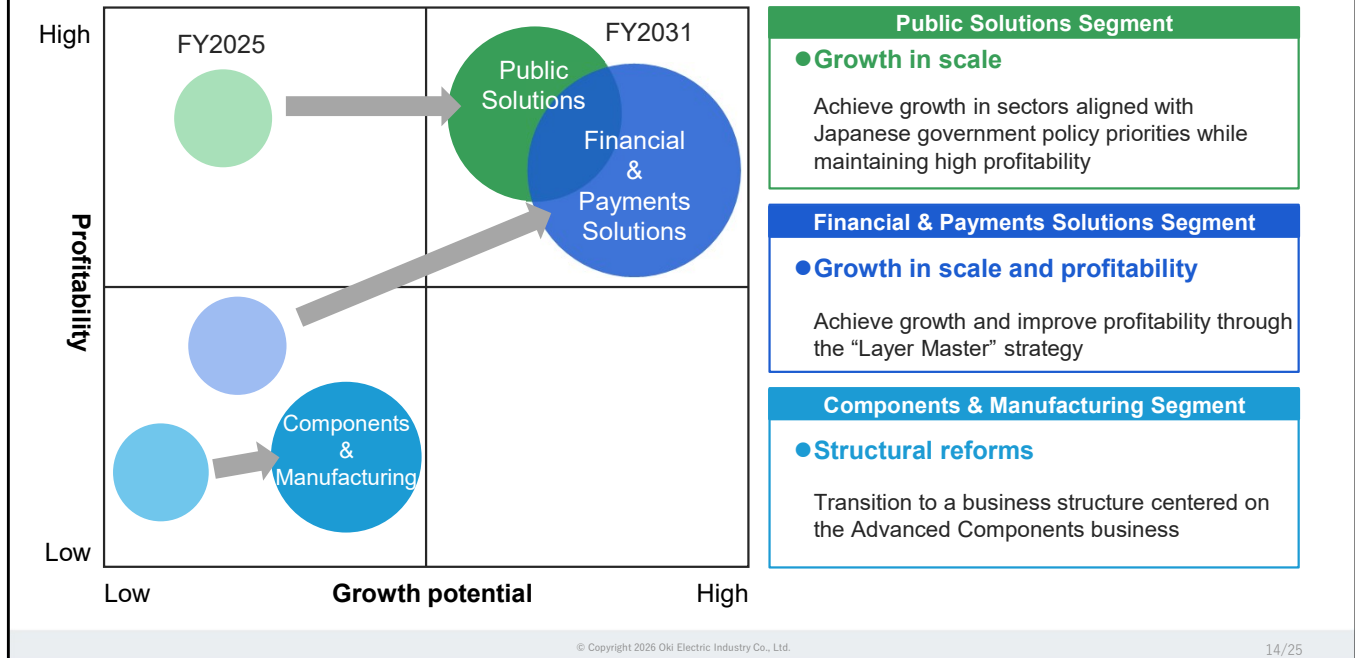
- Turning to our business strategy, we will drive innovation in our core businesses and accelerate efforts to expand into high-growth markets, based on the priority investment areas recently identified in the Japanese government's growth strategy as well as OKI's own unique strengths.
- As the next four pages were already covered in the outline presentation in March, I will move through them briefly here and then focus on the details of our business strategy.

2-1. Business Strategy

➤ I will now move on to our business strategy.

2-1 Business Strategy: Segment Structure

OKI



- This slide outlines our business segment structure. As mentioned earlier, under the new business plan we have reorganized our operations into three business segments:
 1. Public Solutions
 2. Financial & Payments Solutions
 3. Components & Manufacturing
- This reorganization reflects the strategy and characteristics of each business while also targeting segment sales of approximately 200 billion yen for each segment.
- First, the Public Solutions segment will aim to expand its scale while maintaining high profitability in the fields of defense, firefighting and disaster prevention, transportation, and information and communications.
- Second, the Financial & Payments Solutions segment will leverage hardware assets such as ATMs to establish a "Layer Master" position that supports and evolves cash infrastructure, thereby enhancing both growth and profitability.
- Third, the Components & Manufacturing (C&M) segment represents our newly established Advanced Components business. It will expand into high-growth markets such as AI and semiconductors and evolve into a key growth driver supporting the next stage of OKI's growth.

Strengthening our focus on sectors aligned with the government's growth strategy



* APNs: All-photonic networks

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- The Public Solutions segment consists of three businesses: Defense, Social Infrastructure, and Network Infrastructure. Through this segment, we aim to achieve net sales of more than 200 billion and an operating profit margin above 13% in FY2031.
- In Defense, we will steadily expand production capacity to meet growing defense demand while also strengthening our overseas defense equipment business, thereby achieving long-term growth. We have already begun capacity expansion investments at our development and production base in Numazu.
- We are also actively participating in Australia's next-generation frigate program and the next-generation fighter program jointly led by Japan, the UK, and Italy.
- In Social Infrastructure, we will strengthen our ability to respond to public-sector demand while also expanding into private-sector transportation and passenger service businesses.
- In Network Infrastructure, we will capitalize on the transition to next-generation networks by expanding our telecommunications equipment and large-scale private network businesses.

Leveraging the establishment of a joint venture to evolve into a “Layer Master”
that integrates ATM operations, maintenance, and services

Market environment

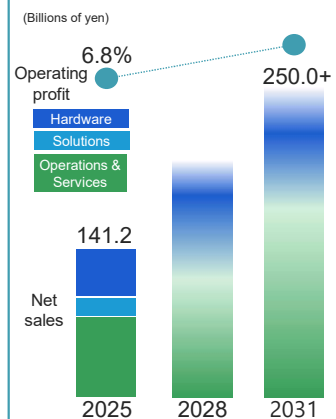
▶ Significant opportunities for business expansion

Domestic market	<ul style="list-style-type: none"> (1) Continued demand for cash infrastructure (2) Growing need for more efficient operations (3) Declining competition
Global market	<ul style="list-style-type: none"> (1) Growth potential for cash-recycling ATMs in India and other Asian markets (2) Expansion of domestic service operations in local markets

Alliances

Hitachi: Establishment of an ATM joint venture (scheduled for October 2026)
Fujitsu: Supply of automation equipment

Net sales and operating profit margin targets



- Next, I will discuss the Financial & Payments Solutions segment.
- We view this segment as our company’s largest growth opportunity and intend to continue expanding it. By FY2031, we aim to achieve net sales of more than ¥250 billion while improving our operating profit margin. Specific targets will be announced once the joint venture with Hitachi has been formally established.
- Although cashless payments are advancing globally, adoption in our target markets has not progressed rapidly. Despite the declining number of ATMs in Japan, demand in emerging markets continues to provide significant business opportunities.
- While this market may appear modest at first glance, we are strengthening strategic alliances — including the establishment of a joint venture with Hitachi and the supply of automation equipment to Fujitsu — to become a core player in maintaining and advancing cash infrastructure.
- As I believe many of you may be particularly interested in this area, let me briefly elaborate.

Hardware Business (Engine Share)

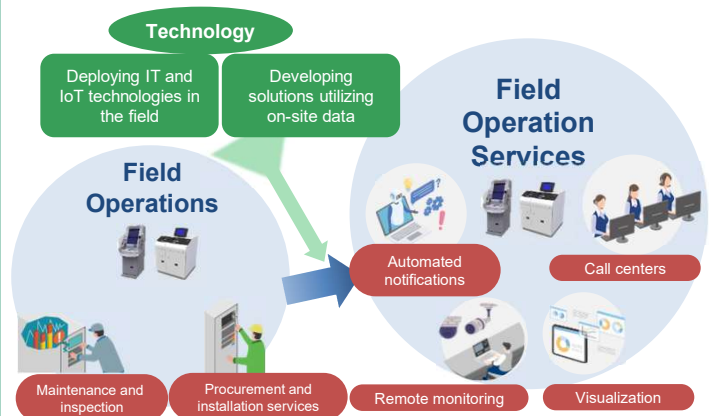
Bank ATM Market Share in Japan Recycling ATM Market Share in India



- Advancing product development
- Improving production efficiency
- Strengthening global business operations

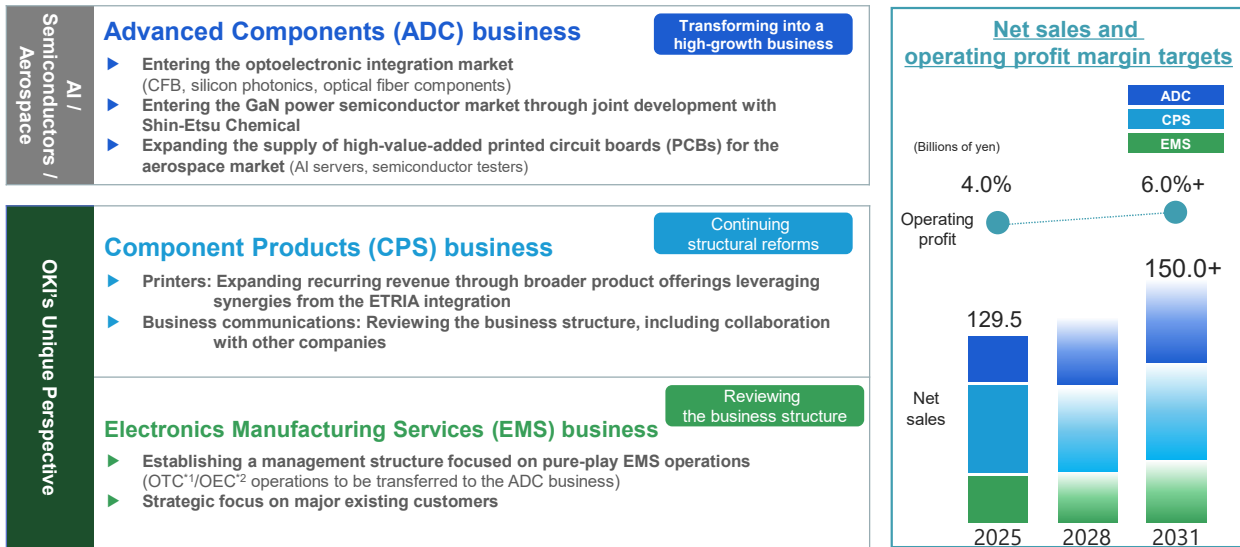
Field Operation Services

Expanding from maintenance and call center operations to comprehensive outsourcing services (designing future customer touchpoints and enhancing operational efficiency)



- First, let me discuss the hardware business.
- Through this alliance, we expect to significantly increase our market share. In Japan, while our brand presence and sales channels will remain unchanged, our engine share is expected to expand significantly. We also aim to become the leading player in India's recycling ATM market, one of our key strategic markets.
- Leveraging this increased scale, the new joint venture will enable us to:
 - accelerate product development
 - improve manufacturing efficiency
 - strengthen our global business capabilities
 thereby achieving profitable growth.
- In addition, in field operation services, we will expand from a business centered on maintenance and call centers to a comprehensive outsourcing business. By leveraging our technologies and expertise, we will develop more advanced approaches to managing customer touchpoints and operations in next-generation retail and other environments.
- Through these initiatives, we aim to establish a "Layer Master" position capable of consistently supporting cash infrastructure from hardware through operational services. In doing so, we will fulfill our social responsibilities while achieving sustainable business growth.

Driving breakout growth in the ADC business and structural reform in the CPS and EMS businesses



*1 OKI Circuit Technology Co., Ltd. *2 Oki Electric Cable Co., Ltd.

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- Next, I will discuss the Components & Manufacturing segment.
- In this segment, we aim to achieve net sales of more than 150 billion yen and an operating profit margin above 6% in FY2031, driven by two pillars: growth in the ADC (Advanced Components) business and structural transformation in the CPS and EMS businesses.
- In the ADC business, we will leverage our strengths in technologies such as CFB, silicon photonics, and optical fiber to accelerate commercialization in the optoelectronic convergence and GaN power semiconductor markets.
- In addition, we will strengthen our high-value-added printed circuit board business for AI servers and semiconductor testers and develop it into a key growth business.
- By 2031, we aim to achieve full commercialization in each of these fields and continue investing for the next stage of growth.

2-2. Strengthening the Management Foundation

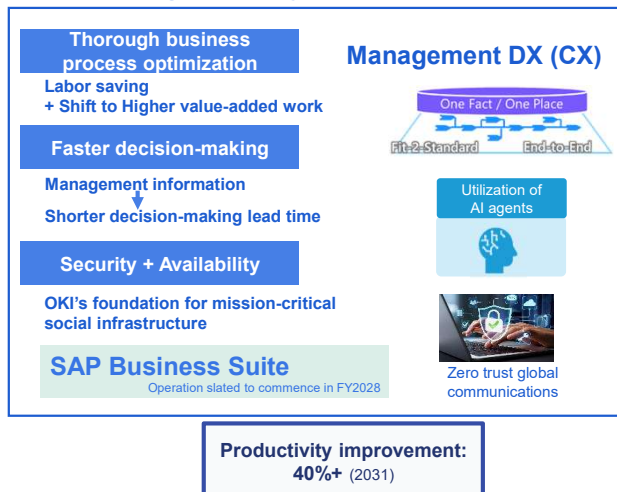
- Next, I will discuss how we plan to strengthen our management foundation.

Building the foundation for transformation: Empowering employees to become "Future-Makers"

Human Capital Investment (2.5x)



Management System Reform (¥38B)



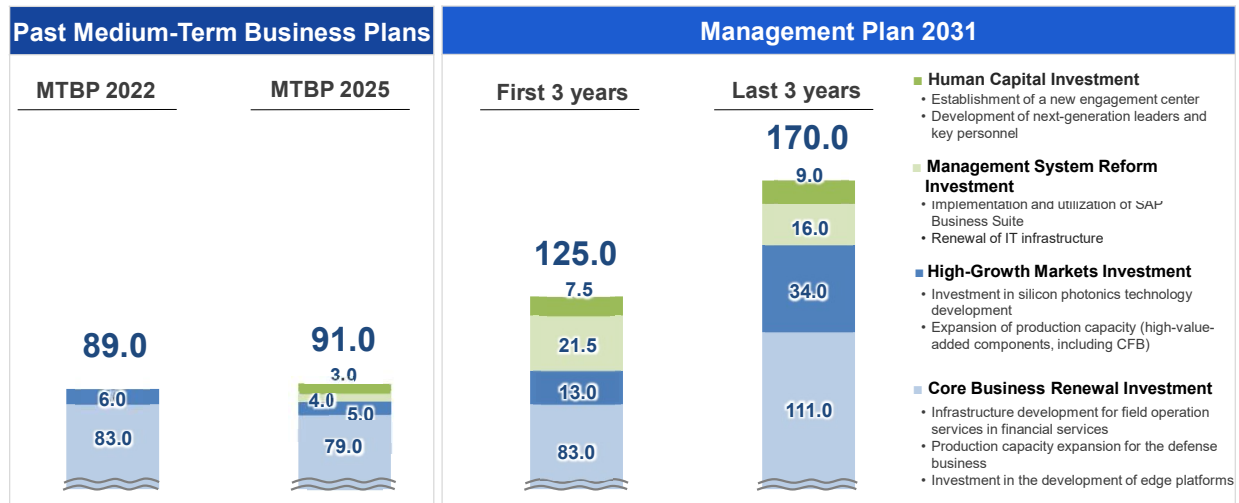
- Next, I will explain how we plan to strengthen our management foundation. To support execution of the management plan, we will invest in the people who will drive this transformation while also implementing management system reform aimed at improving productivity.
- In human capital investment, we plan to invest 17 billion yen over six years, representing 2.5 times the previous level. We will identify and develop the next generation of management leaders while building a culture that encourages employees to actively take on new challenges under the "Future-Makers" vision.
- Through comprehensive initiatives — including expanded learning opportunities, hands-on experience, improved workplace environments, and enhanced employee benefits — we aim to maximize the potential of our people. Our KPI targets are to develop a pool of 300 next-generation management leaders and achieve a challenge-action implementation rate of 50% or higher.
- For management system reform, we will invest 38 billion yen over six years to accelerate management DX initiatives.
- During the first three years, we will establish a new management platform based on SAP. Over the following three years, we will achieve:
 - More sophisticated management and faster decision-making
 - Improved productivity through AI-enabled business process transformation
- Our KPI target is to achieve productivity in indirect operations of 40% or more.

2-3. Financial Strategy

Finally, I will discuss our financial strategy.

Investing to realize our intellectual capital and business strategy

(Billions of yen)



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- This slide provides an overview of the investment plan under Management Plan 2031.
- To execute our intellectual capital and business strategies, we will increase investment to approximately 1.5 to 2 times the previous level.
- Investment in high-growth markets increases significantly in the latter three years because, once the Advanced Components business is firmly established, we plan to undertake large-scale capital investments.
- Please note that these figures do not include any future M&A-related investments.

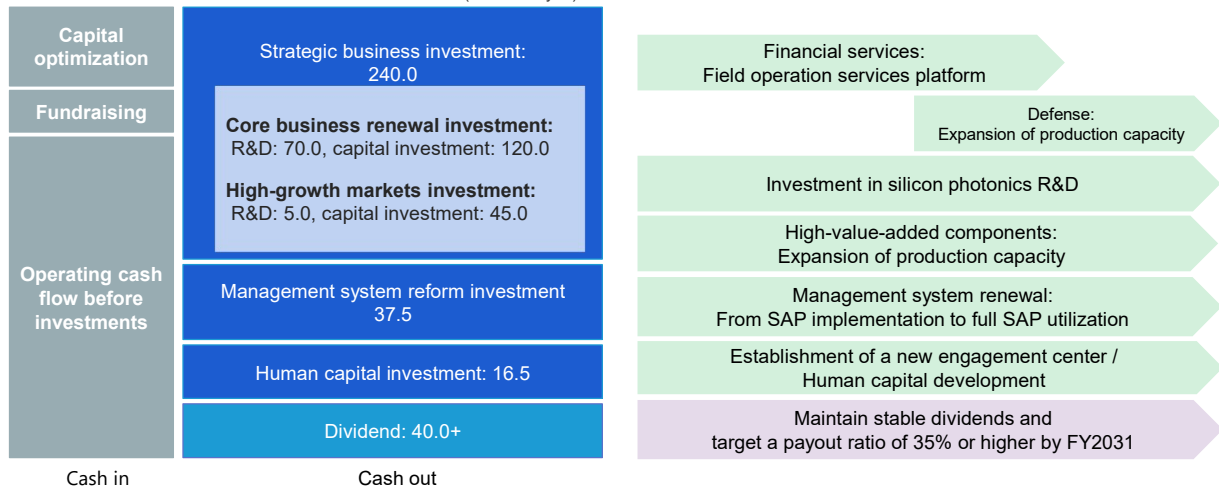
2-3 Cash Allocation

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Generate funds through operating cash flow and capital optimization to actively invest in strengthening intellectual capital and executing our business strategy

FY2026–FY2031 Cash Allocation

(Billions of yen)



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- This slide outlines our cash allocation plan for executing the six-year investment strategy.
- We will generate funds through operating cash flow and capital optimization, including reductions in strategically held shares, and allocate those funds to our business strategy, management system reform, and human capital investment initiatives.
- With respect to shareholder returns, we will maintain stable dividends while targeting a dividend payout ratio of 35% or higher by FY2031.

Early achievement of a net asset ratio below 10%

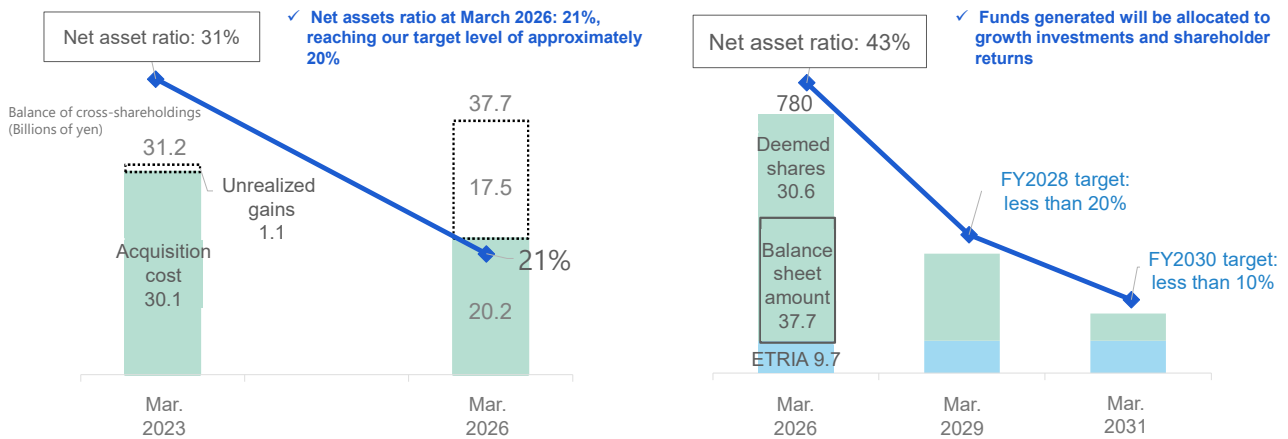
Medium-Term Business Plan 2025

(Net asset ratio excludes deemed shareholdings and ETRIA shares.)



Management Plan 2031

(Net asset ratio excludes deemed shareholdings and ETRIA shares.)



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- Next, I would like to discuss our strategically held shares.
- Under Medium-Term Business Plan 2025, although we continued reducing cross-shareholdings, rising stock prices led to an increase in their overall market value. Going forward, our basic policy will be to reduce strategically held shares to zero except in exceptional circumstances.
- Under Management Plan 2031, we aim to reduce these holdings to below 10% of net assets by the end of FY2030 at the latest.

From OKI Electric Industry to **OKI**

- This concludes my presentation of Management Plan 2031.
- Finally, we will change our company name from “Oki Electric Industry” to “OKI.” We believe this is the right timing, as it marks the first step toward a new era for OKI. Subject to shareholder approval, the change is scheduled to take effect next April.
- Thank you very much for your attention.

Appendix

OKI's Vision and Contribution Fields

Material Issues

Creating value by keeping critical infrastructure operations running

- Implementing critical infrastructure that keeps operations running
- Contributing to productivity improvements by providing field-driven value
- Delivering value to new domains by leveraging accumulated expertise

Reducing environmental impact through business activities

- Reduce environmental impact at our own sites
- Contribute to the environment through products and services

Transforming into a corporate culture that continuously creates value










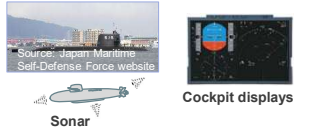


- Create opportunities for learning and practical application
- Develop future management leaders and management personnel
- Build an organization where diverse talent can thrive

Strengthening governance to support sustainable growth

- Thoroughly manage risks and ensure compliance
- Ensure rigorous adherence to human rights
- Promote responsible procurement initiatives

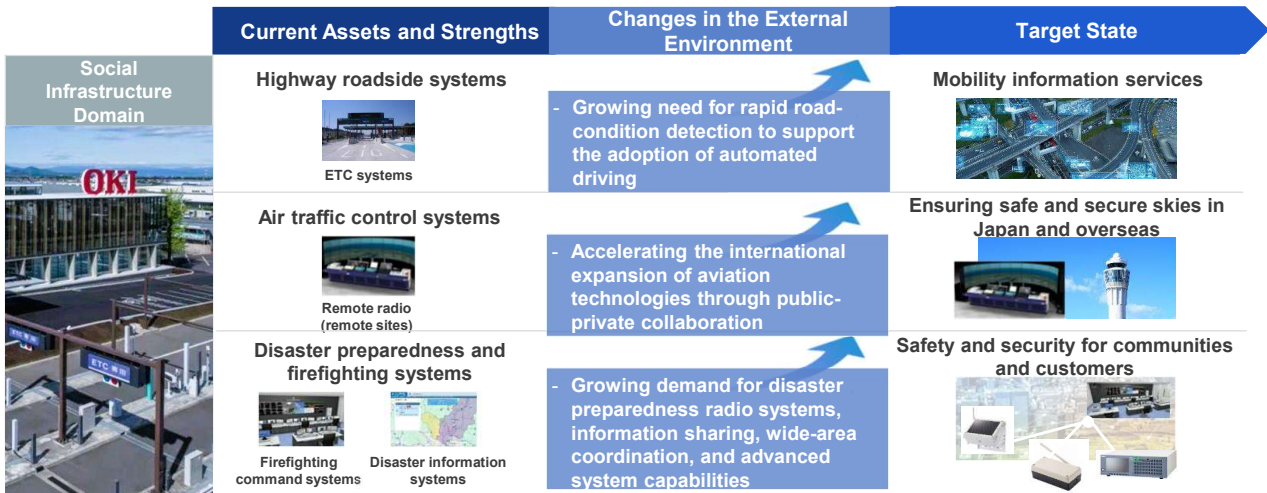
Expectations/demands of society and stakeholders and the social issues confronting OKI

Focusing on customer frontlines where OKI can leverage its strengths

	Current Assets and Strengths	Changes in the External Environment	Target State
Financial & Payments Domain 	Financial terminals and nationwide maintenance network 	 - Customers concentrating resources on their core businesses - Growing demand for outsourced operations	Next-generation branch operations 
Network Infrastructure Domain 	Network terminals, voice communications, large-scale network systems 	 Deployment and adoption of next-generation networks (6G, IOWN®, etc.)	Enhancing network operations through carrier-grade <i>monozukuri</i> and SI capabilities 
Defense Domain 		 Growing government defense spending	Meeting domestic and global demand for defense equipment through technology development and expanded production capacity 

"IOWN®" is a trademark or registered trademark of NTT Corporation.

Focusing on customer frontlines where OKI can leverage its strengths



Creating new value with a unique core component



*1 CFB: Crystal film bonding (CFB)

*2 FPCs: Flexible printed circuits

Aiming to become the "Layer Master" at the frontlines



Term	Description
Intellectual capital management	Intellectual Capital Management is a strategic management model that visualizes and leverages a company's unique intellectual capital; this includes human talent, technology, organizational processes, and customer networks, to achieve sustainable growth and enhance corporate value.
Value Creation Model	A structural framework that illustrates the process of transforming diverse capital inputs into tangible outcomes and social impacts through unique business activities and strategies.
Intellectual capital	Defined as broad-based capital other than financial capital, broadly aligned with the six-capital framework advocated by the IIRC. It consists of four elements: human capital, manufactured capital, organizational capital, and relationship capital.
Future-Makers	Individuals, organizations, and the company, as well as the mindset, that work together with customers and co-creation partners to create new value.
GE-PON	Abbreviation for Gigabit Ethernet Passive Optical Network; a technology that uses optical fiber to share high-speed data communications among multiple users.
Remote Radio	A device that provides airport video and operational information to operators located remotely.
CFB	Abbreviation for "Crystal Film Bonding"; heterogeneous material bonding technology that lifts off the functional layer of a semiconductor device as a thin film and bonds it to a different material substrate using intermolecular forces.

Term	Description
Silicon photonics	A technology that forms optical circuits on a silicon substrate to generate, modulate, transmit, split, multiplex/combinate, and detect signals using light.
SAP Business Suite	A comprehensive service delivery model to realize SAP's vision of the Intelligent Enterprise.
Zero Trust global communications	A global ERP secured by a Zero Trust network architecture.
Global Challenge	Program providing opportunities for early-career employees to apply for open positions at OKI Group's global locations. Following application, selected employees are assigned to international roles, fostering a global mindset from an early stage in their careers.
"MiraIntern"	Cross-boundary learning program that gives employees opportunities to look outside the Company and experience real-world situations of problem-solving. By gaining diverse insights and skills outside their current roles, participants leverage these experiences for personal and professional growth.
Future Making Workshops	Platform to foster a sense of ownership of corporate and department visions. Participants envision a future based on their personal will and build empathy through dialogue. Starting with management, leaders share their individual vision—"how we want to be"—to drive a company-wide mindset change and create added value through stronger organizational connections.
Future Making Canvas	Framework for visualizing and sharing individual visions aligned with corporate and department goals. By documenting personal will and the actions needed to realize it, the canvas encourages proactive behavioral change and enhances mutual understanding.

- 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.