

Financial Results for Q1 FY2024

August 8, 2024

Oki Electric Industry Co., Ltd.

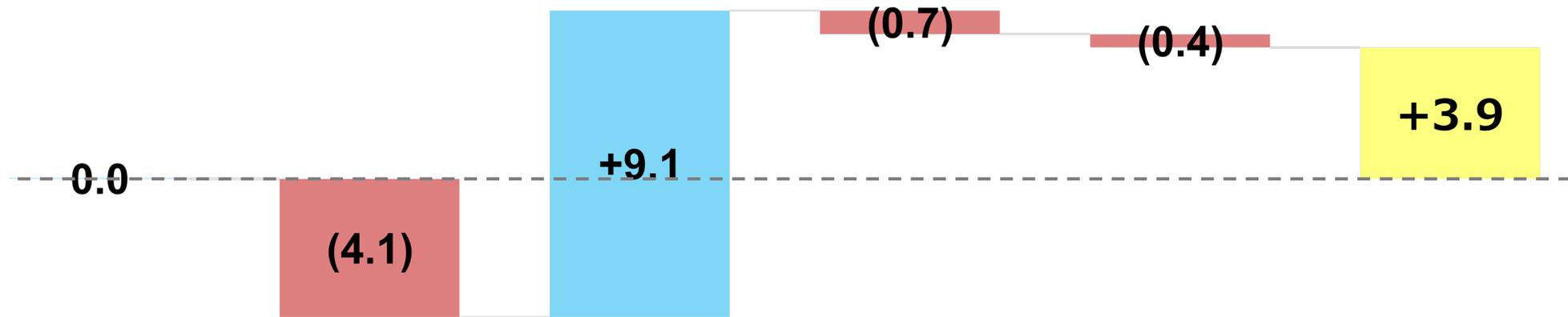
- Net sales and Operating income increased significantly YOY.
- Overall, the start has been roughly in line with the plan.

(Billion yen)	Q1 FY2024 (Actual)	Q1 FY2023 (Actual)	Variance
Net sales	97.9	81.5	+16.4
Operating income (loss)	3.9	0.0	+3.9
Ordinary income (loss)	3.9	(0.3)	+4.2
Profit (loss) attributable to owners of parent	1.8	(0.2)	+2.0
USD average exchange rate (Yen)	155.9	137.4	+18.5
EUR average exchange rate (Yen)	167.9	149.5	+18.4

Reasons for Changes in Operating Income/Loss

- Operating income increased significantly due to the continued robust performance of large-scale projects in Enterprise Solutions from the second half of the previous fiscal year and the elimination of the impact of increased material costs in the same period of the previous fiscal year.

(Billion yen)



Q1
FY2023
(Actual)

One-time factor

Reversal of allowance
for doubtful accounts

**Changes in
volume &
product mix**

Public Solutions	(0.6)
Enterprise Solutions	+11.0
Component Products	(0.3)
EMS	(1.0)

**Changes in
fixed costs,
etc.**

- Labor cost
- Growth investment
(Depreciation expense•R&D)
- Restarting overseas business

**Impact of
currency
exchange**

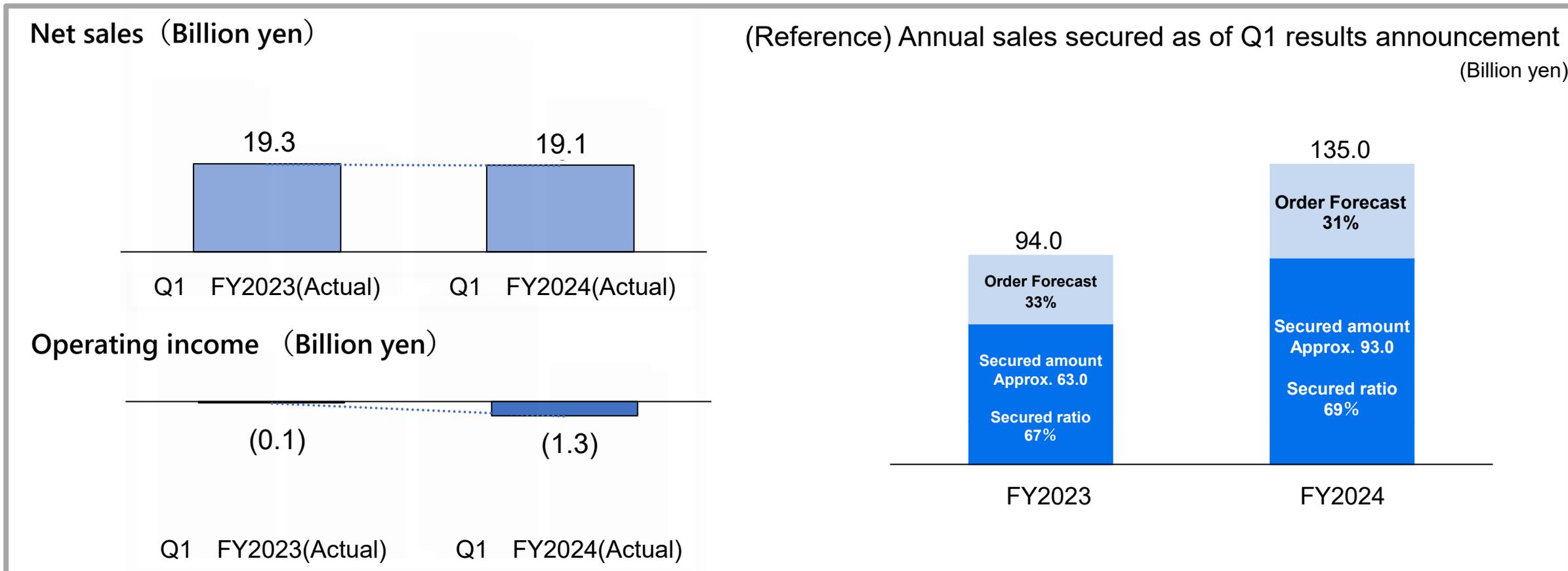
Q1
FY2024
(Actual)

Segment Information (Net Sales / Operating Income)

(Billion yen)		Q1 FY2024 (Actual)	Q1 FY2023 (Actual)	Variance
Public Solutions	Net sales	19.1	19.3	(0.2)
	Operating income	(1.3)	(0.1)	(1.2)
Enterprise Solutions	Net sales	45.2	27.4	+17.8
	Operating income	7.8	1.9	+5.9
Component Products	Net sales	17.9	17.0	+0.9
	Operating income	(0.1)	(0.8)	+0.7
EMS	Net sales	15.6	17.7	(2.1)
	Operating income	(0.6)	0.6	(1.2)
Others	Net sales	0.1	0.1	0.0
	Operating income	(0.4)	(0.1)	(0.3)
Corporate & Eliminations	Operating income	(1.6)	(1.4)	(0.2)
Total	Net sales	97.9	81.5	+16.4
	Operating income	3.9	0.0	+3.9

Public Solutions

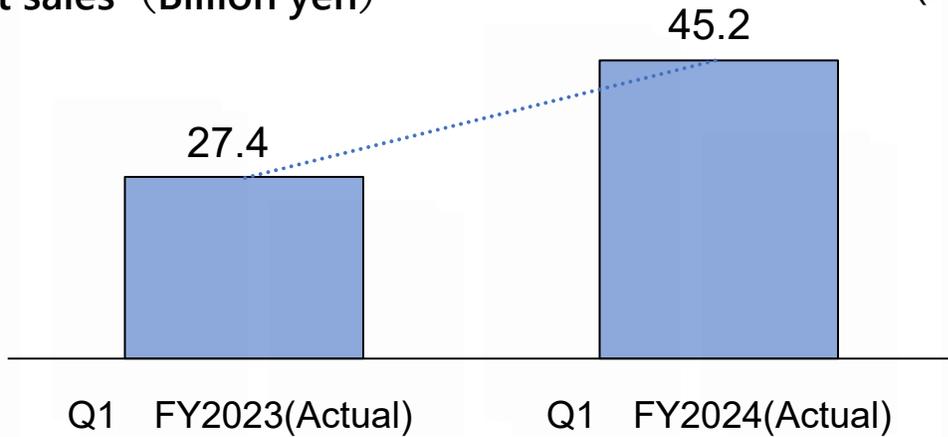
- Net sales were roughly flat YOY, and while operating income was slightly lower from the previous year due to differences in product mix, the start was as planned.
- Orders received during the fiscal year are growing steadily.



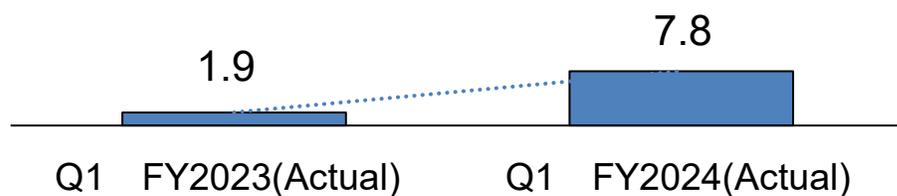
Enterprise Solutions

- Net sales and operating income increased significantly due to the continuation of large-scale projects from the second half of the previous fiscal year and the elimination of the impact of increased material costs in the same period.

Net sales (Billion yen)



Operating income (Billion yen)



(Reference) Net sales and Operating Income Breakdown Comparison (Billion yen)

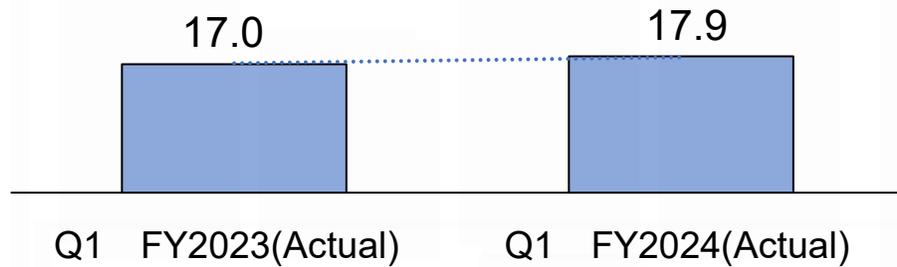
(Net sales)	FY23	FY24	Variance
Hardware/Software	16.4	29.9	+13.5
Construction & Maintenance	11.0	15.3	+4.3
Total	27.4	45.2	+17.8

(Operating income)	FY23	FY24	Variance
Hardware/Software	(3.6)	5.9	+9.5
Construction & Maintenance	1.4	1.9	+0.5
One-time revenue	4.1	-	(4.1)
Total	1.9	7.8	+5.9

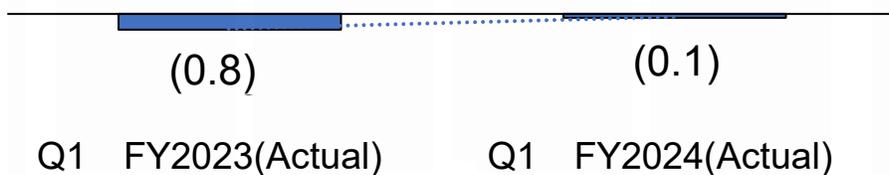
Component Products

- Net sales increased due to the impact of foreign exchange rates, although overseas printer demand remained severe. Operating income improved due to cost reduction efforts and other factors.

Net sales (Billion yen)



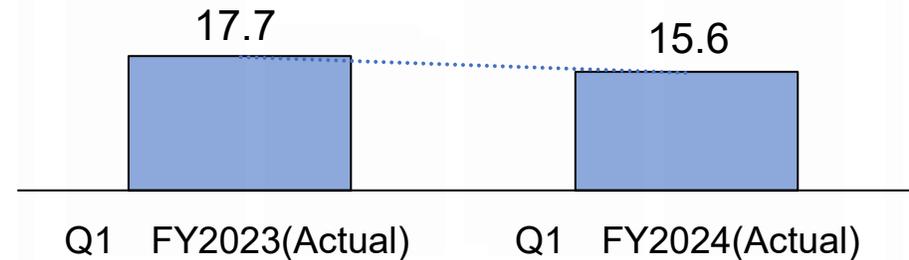
Operating income (Billion yen)



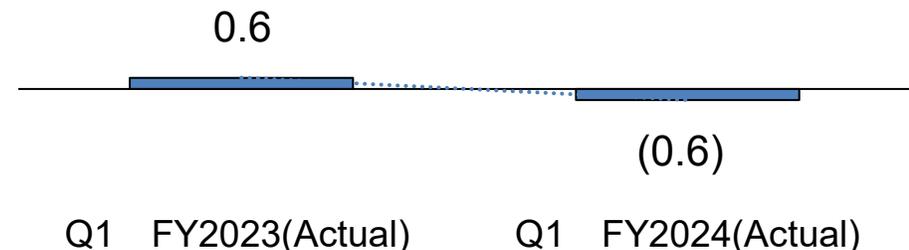
EMS

- Net sales decreased due to the ongoing decline in demand in the semiconductor market and the FA and robot markets since the second half of the previous year, and operating income also deteriorated.

Net sales (Billion yen)



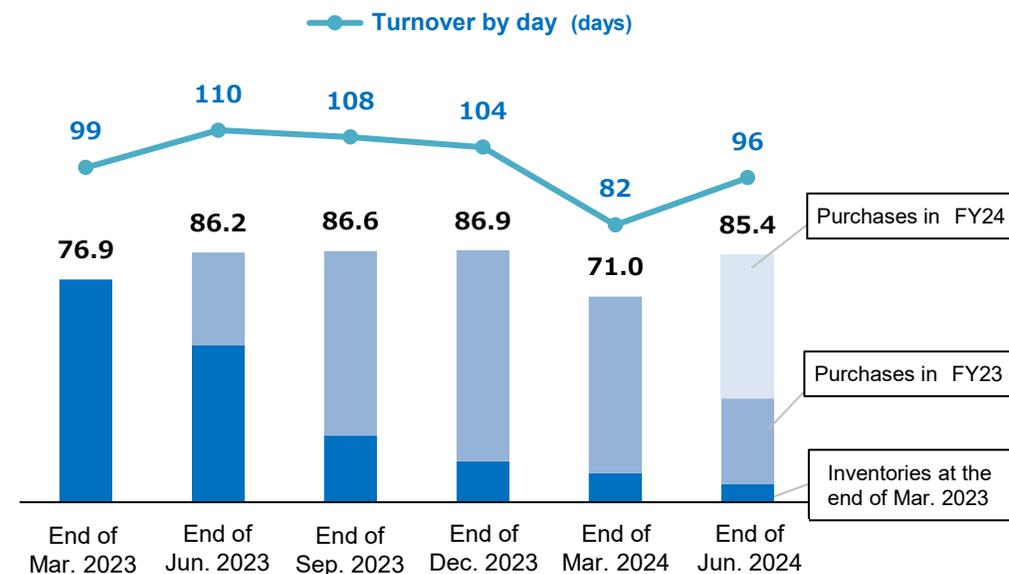
Operating income (Billion yen)



- Inventories at the end of the previous fiscal year showed a steady decline.
- Shareholders' equity ratio was approximately the same as at the end of the previous fiscal year.

(Billion yen)	Jun. 2024	Mar. 2024	Variance
Current assets	233.7	239.7	(6.0)
Fixed assets	185.3	183.7	+1.6
Assets	419.0	423.4	(4.4)
Current liabilities	185.1	188.4	(3.3)
Fixed liabilities	93.9	93.7	+0.2
Liabilities	279.1	282.1	(3.0)
Shareholders' equity	139.8	141.2	(1.4)
Others	0.1	0.1	+0.0
Net assets	139.9	141.3	(1.4)
Total liabilities and net assets	419.0	423.4	(4.4)
Shareholders' equity ratio (%)	33.4	33.3	+0.1
D/E ratio (times)	0.7	0.8	(0.1)

Inventories / Turnover by days



- Operating cash flow increased due to improved profits.
- Reduction of debt due to improved free cash flow.

(Billion yen)	Q1 FY2024 (Actual)	Q1 FY2023 (Actual)	Variance
I Cash flows from operating activities	14.3	2.2	+12.1
II Cash flows from investing activities	(4.4)	(5.9)	+1.5
Free cash flows (I + II)	9.9	(3.7)	+13.6
III Cash flows from financing activities	(10.4)	(3.8)	(6.6)
Cash and cash equivalents	34.8	30.8	+4.0
Purchases of PP&E and intangible assets	4.3	5.7	(1.4)
Depreciation	3.3	3.2	+0.1

- Initial forecasts left unchanged.

(Billion yen)		FY2024 (Forecasts)	FY2023 (Actual)	Variance
Public Solutions	Net sales	135.0	94.0	+41.0
	Operating income	10.5	4.4	+6.1
Enterprise Solutions	Net sales	170.0	180.1	(10.1)
	Operating income	12.5	22.0	(9.5)
Component Products	Net sales	75.0	73.4	+1.6
	Operating income	1.5	0.6	+0.9
EMS	Net sales	80.0	73.9	+6.1
	Operating income	2.5	1.1	+1.4
Others	Net sales	0.0	0.4	(0.4)
	Operating income	(1.8)	(1.1)	(0.7)
Corporate & Eliminations	Operating income	(9.2)	(8.3)	(0.9)
Total	Net sales	460.0	421.9	+38.1
	Operating income	16.0	18.7	(2.7)
	Ordinary income	14.5	18.3	(3.8)
	Profit attributable to owners of parent	9.5	25.6	(16.1)
Dividend per share (yen)		30	30	±0

Exchange rate assumptions
USD : ¥140
EUR : ¥150

(Reference) Quarterly Results

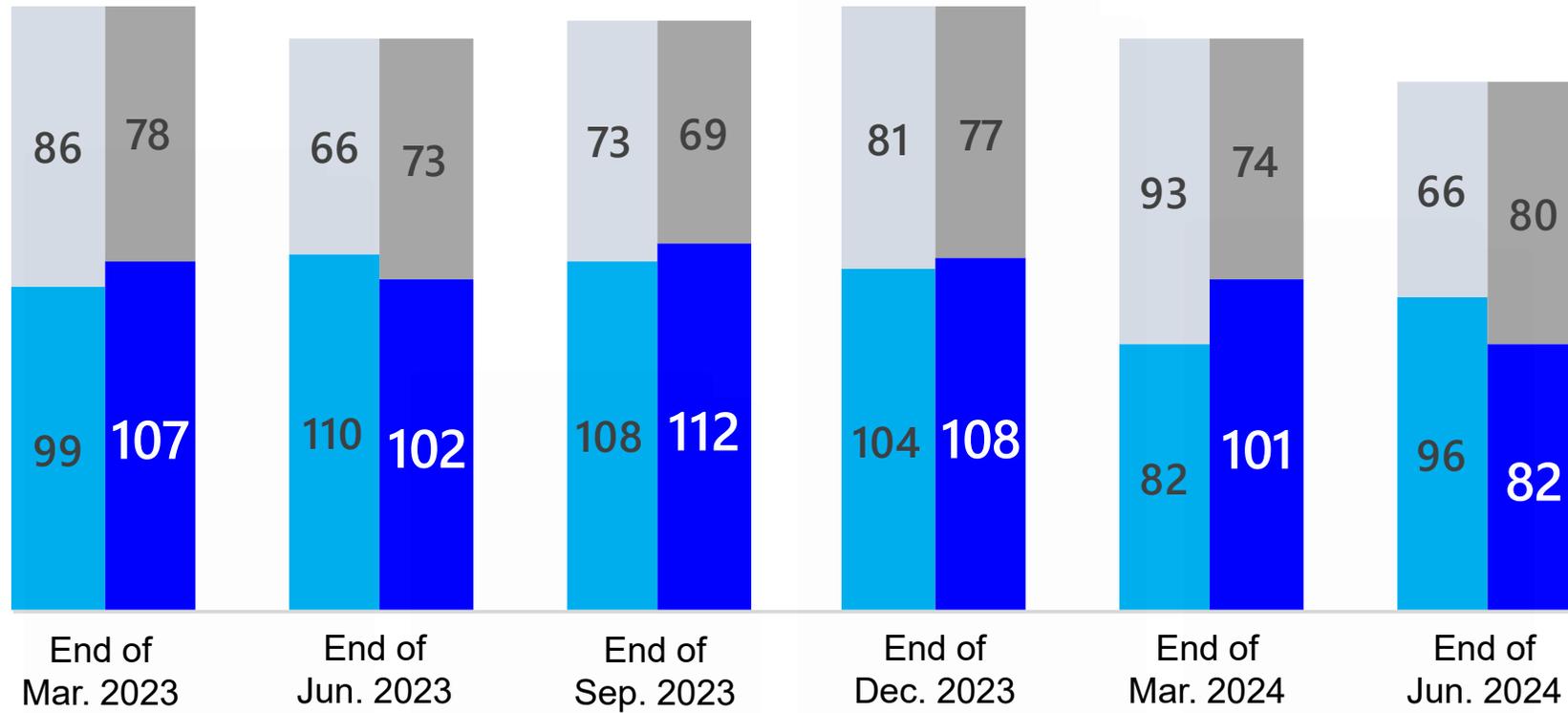
(Billion yen)		FY2023					FY2024
		Q1	Q2	Q3	Q4	FY	Q1
Public Solutions	Net sales	19.3	20.0	24.5	30.1	94.0	19.1
	Operating income	(0.1)	(0.7)	1.4	3.9	4.4	(1.3)
Enterprise Solutions	Net sales	27.4	36.5	51.5	64.7	180.1	45.2
	Operating income	1.9	2.0	6.6	11.4	22.0	7.8
Component Products	Net sales	17.0	17.9	18.5	20.0	73.4	17.9
	Operating income	(0.8)	1.3	(0.8)	0.9	0.6	(0.1)
EMS	Net sales	17.7	18.8	17.1	20.3	73.9	15.6
	Operating income	0.6	0.3	(0.1)	0.3	1.1	(0.6)
Others	Net sales	0.1	0.1	0.1	0.1	0.4	0.1
	Operating income	(0.1)	(0.3)	(0.3)	(0.4)	(1.1)	(0.4)
Corporate & Eliminations	Operating income	(1.4)	(1.5)	(2.2)	(3.2)	(8.3)	(1.6)
Total	Net sales	81.5	93.3	111.8	135.3	421.9	97.9
	Operating income	0.0	1.0	4.8	12.9	18.7	3.9

(Reference) Major Products and Services

Public Solutions	<ul style="list-style-type: none">• Roads (ETC, VICS), air traffic control, disaster prevention, firefighting• Business systems for central government offices, government statistics systems• Defense systems (underwater acoustics, information)• Aviation equipment• Infrastructure monitoring• Carrier networks, video distribution, 5G/local 5G
Enterprise Solutions	<ul style="list-style-type: none">• ATMs, cash handling equipment• Bank branch terminals, ticket reservations issuing terminals, check-in terminals• ATM monitoring/operation services• Bank branch systems, system to centralized back office operations• Railway ticket issuance systems, airport check-in systems• Manufacturing systems (ERP, IoT)• Construction and Maintenance Services
Component Products	<ul style="list-style-type: none">• AI edge computers, sensors, IoT networks• PBXs, business phones, contact centers• Cloud services• LED printers
EMS	<ul style="list-style-type: none">• Consigned designing and manufacturing services• Printed circuit boards

(Reference) Major Working Capital: Changes in the number of days held

unit : days



■ Inventory Conversion Period
 ■ CCC: Cash Conversion Cycle
 ■ Receivable Conversion(Collection) Period
 ■ Payable Deferral Period

- 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.