

Financial Results for FY2024

May 8, 2025

Oki Electric Industry Co., Ltd.

- FY2024 Results & FY2025 Forecasts
- Business Overview by Segment
- Progress of Medium-Term Business Plan 2025

Overview

[FY2024 Results]

Net sales increased for three consecutive fiscal years, recovering to 450 billion yen level for the first time in five fiscal years.

Operating income was 18.6 billion yen, profit attributable to owners of parent was 12.5 billion yen, and ROE was 8.7%.

Equity ratio reached 35% range, and Financial Foundation steadily recovered.

[FY2025 Forecasts]

All management figures are expected to achieve the targets of Medium-Term Business Plan.

Equity ratio is projected to reach 37% range, with further improvement in Financial Foundation.

Shareholders Return

[Dividend payout ratio: over 30%]

FY2024 year-end dividend: 45 yen per share (an increase of 15 yen compared to the previous fiscal year/forecast)

FY2025 year-end dividend: 50 yen per share (three consecutive fiscal years of dividend increase)

First, I would like to briefly outline the summary of our financial results for FY2024 as well as our forecasts for FY2025.

For FY2024, Enterprise Solutions, Public Solutions, and Component Products all performed steadily.

Their strong performance offset the negative impact from weak demand in EMS, resulting in positive overall results.

Net sales increased for three consecutive fiscal years, exceeding JPY 450 billion for the first time in five years.

Operating income maintained the previous fiscal year's level, successfully absorbing temporary negative factors.

Excluding One-time factors, our substantial business profit increased, demonstrating further improvement in our earning potential.

Both ROE and Equity ratio have surpassed the targets set in Medium-Term Business Plan, indicating a steady recovery in both profitability indicators and Financial Foundations.

For the FY2025 forecasts, all major management indicators are expected to exceed the targets of our current Medium-Term Business Plan.

While demand from large-scale projects is expected to stabilize, and the business environment is projected to be more challenging compared to the previous two fiscal years, our business earning power has strengthened, enabling us to maintain the current level of performance.

Considering these circumstances, regarding shareholders returns, we have decided to increase our annual dividend per share to 45 yen for FY2024, up from our previous forecast of 30 yen, and set a forecast of 50 yen per share for FY2025.

Summary of Financial Results

(Billion Yen)	FY2022 Results	FY2023 Results	FY2024 Results	YoY		Feb 6, 2025 Forecasts	Change to Forecasts	
				Variance	Ratio		Variance	Ratio
Net Sales	369.1	421.9	452.5	+30.6	+7%	453.0	(0.5)	(0%)
Operating Income	2.4	18.7	18.6	(0.1)	(1%)	16.0	+2.6	+16%
<i>Operating Income Ratio</i>	0.7%	4.4%	4.1%	(0.3%)		3.5%	+0.6%	
<i>Operating Income *</i>	2.4	14.6	22.5	+7.9	+54%	19.2	+3.3	+17%
<i>Operating Income Ratio *</i>	0.7%	3.5%	5.0%	+1.5%		4.2%	+0.8%	
Ordinary Profit	(0.3)	18.3	16.8	(1.5)	(8%)	14.5	+2.3	+16%
Profit attributable to owners of parent	(2.8)	25.6	12.5	(13.1)	(51%)	9.5	+3.0	+31%
ROE (%)	(2.7%)	21.4%	8.7%	(12.7%)				
Equity Ratio (%)	25.4%	33.3%	35.4%	+2.1%				
Dividend per share (yen)	20	30	45	+15	+50%			

Exchange Rate	FY2023	FY2024
USD/JPY	144.6	152.6
EUR/JPY	156.8	163.7

* Operating Income (ratio) excluding One-time factor mentioned in next slide for a reference

Page 4 shows the financial figures.

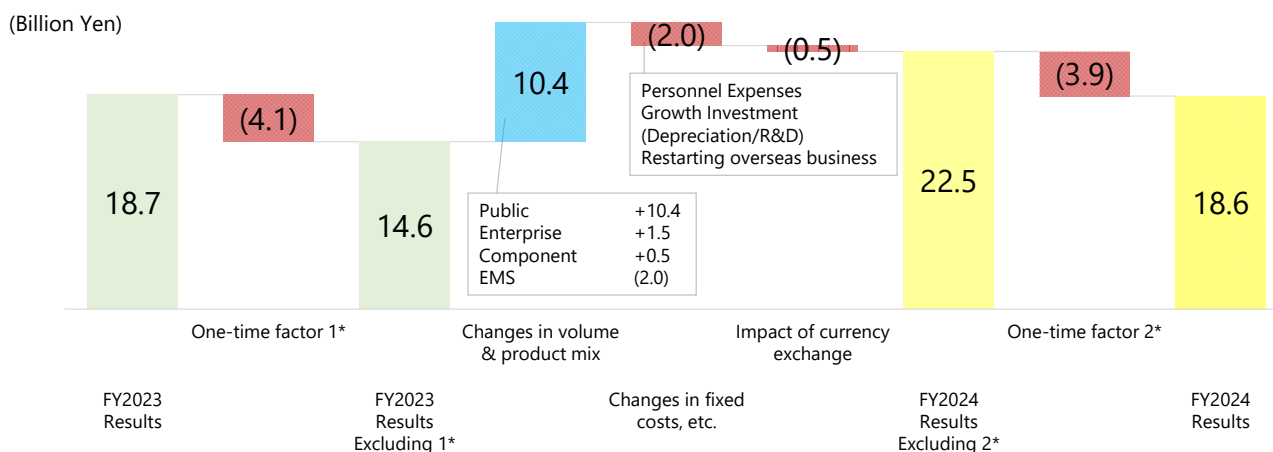
For FY2024, net sales were JPY 452.5 billion, operating income was JPY 18.6 billion, ordinary profit was JPY 16.8 billion and profit attributable to owners of parent was JPY 12.5 billion. ROE was 8.7%, and the equity ratio was 35.4%.

These results exceeded our previous forecasts in terms of profits.

Please note that profit attributable to owners of parent decreased compared to the previous fiscal year, mainly because 11.0 billion yen of corporate tax adjustment etc. was recorded in FY2023.

Reasons for Changes in Operating Income/Loss

- Excluding one-off factors, substantial business profit increased significantly (FY23: 14.6 billion yen → FY24: 22.5 billion yen) → On a substantial basis, operating income ratio around 5% was achieved even after increases in fixed costs such as personnel expenses.
- Public Solutions, Enterprise Solutions, and Component Products segments remained strong and offset negative impact of EMS.
- Receivable collectability reviewed of China ATM project, recording an allowance for doubtful accounts.



Page 5 shows the reasons for changes in operating income for FY2024.

Excluding One-time factors from both FY2023 and FY2024, actual operating income increased by approximately JPY 8 billion.

Business earning power improved, and even after accounting for a JPY 2 billion increase in fixed costs, including higher personnel expenses and growth investments, actual operating income reached JPY 22.5 billion, with an operating income ratio of around 5%.

The One-time factors in both years relate to changes in allowance for doubtful accounts associated with trade receivables from China ATM project.

Since filing a lawsuit in 2015, we have been pursuing litigation to recover these receivables. Based on the final court decision in June 2023 and taking into consideration that we are holding real estate preserved, we reviewed the collectability and reversed JPY 4.1 billion from the allowance for doubtful accounts in FY2023.

We went on collection procedures and conducted the auction of the preserved real estate in 2024. However, due to the rapid deterioration in the Chinese real estate market, the auction went under our expectation.

As a result, we reviewed our collection scenario and newly recorded a JPY 3.9 billion allowance for doubtful accounts.

This concludes the results for FY2024.

Summary of Financial Forecasts

(Billion Yen)	FY2024 Results	FY2025 Forecasts	YoY	
			Variance	Ratio
Net Sales	452.5	450.0	(2.5)	(1%)
Operating Income	18.6	19.0	+0.4	+2%
<i>Operating Income Ratio</i>	4.1%	4.2%	+0.1%	
Ordinary Profit	16.8	17.0	+0.2	+1%
Profit attributable to owners of parent	12.5	14.0	+1.5	+12%
ROE (%)	8.7%	9.4%	+0.7%	
Equity Ratio (%)	35.4%	37.0%	+1.6%	
Dividend per share (yen)	45	50	+5	+11%

Exchange Rate	FY2024	FY2025
USD/JPY	152.6	150.0
EUR/JPY	163.7	155.0

Next, page 6 shows the full-year forecasts for FY2025.

Net sales are forecasted at JPY 450 billion, operating income at JPY 19 billion, ordinary profit at JPY 17 billion, and profit attributable to owners of parent at JPY 14 billion, with ROE projected at 9.4%.

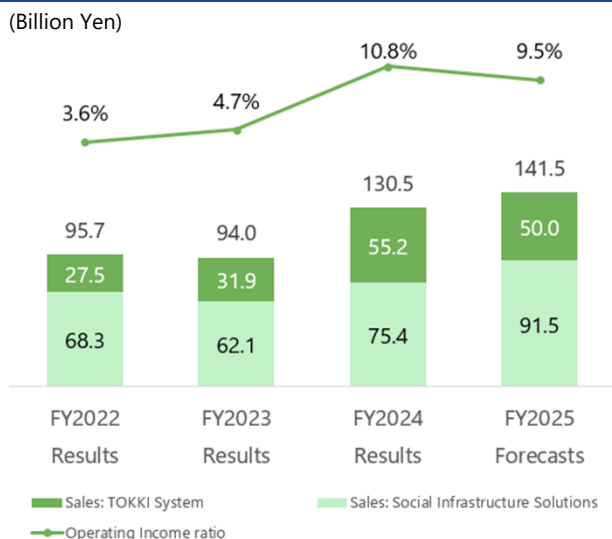
While large-scale demands are expected to subside, making this fiscal year more challenging compared to the past two years, we expect to achieve a performance at a comparable level. The annual dividend is planned to be increased from 45 yen to 50 yen per share.

- FY2024 Results & FY2025 Forecasts
- Business Overview by Segment
- Progress of Medium-Term Business Plan 2025

Next, I would like to briefly touch on the overviews of the four segments.

By Segment: Public Solutions

- FY2024: Both Social Infrastructure Solutions and TOKKI Systems saw growth (1.4x increase in sales, 2x operating income ratio)
- FY2025: The market environment remains robust. We aim for continued stable earnings and further expansion.



[Social Infrastructure Solutions]

- Continue to strengthen our response to firefighting, disaster preparedness, and roads markets
- Expand products for carriers into private network markets

[TOKKI System]

- Further efforts to meet increasing demand for national defense capability enhancement
- Strengthen technology development, production capacity, and overseas sales expansion

(Billion Yen)	FY2022 Results	FY2023 Results	FY2024 Results	FY2025 Forecasts
Sales: Total	95.7	94.0	130.5	141.5
Operating Income	3.4	4.4	14.1	13.5

The first segment is Public Solutions.

In FY2024, both net sales and operating income increased significantly.

By focusing on areas such as firefighting, disaster preparedness, roads, and defense, we achieved 1.4 times increase in sales and doubled the operating income ratio to around 10%.

We believe there will continue to be ample market opportunities from FY2025 onward and expect medium- to long-term growth.

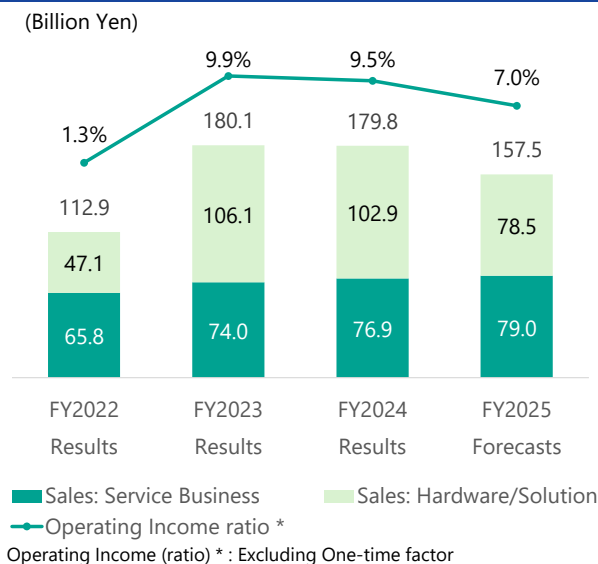
In Social Infrastructure Solutions, we will continue to strengthen our response to firefighting, disaster preparedness, and roads markets, while also enhancing products for network carriers and electric power.

For TOKKI System, we will strengthen our response in line with expanding improvement demand for defense capabilities.

Specifically, we will drive medium- to long-term growth by increasing production capacity through technology development and new plant construction, as well as by stepping up overseas business expansion.

By Segment: Enterprise Solutions

- FY2024: Thanks to large-scale projects such as new JPY notes from the previous year, both sales and profits remained at high levels, and Services Business was also steady
- FY2025: Although the demands stated above will subside, we aim to stabilize both scale and profitability by capturing continued demands and market opportunities, as well as through cost reduction measures



- System renewals and new demand in domestic financial institutions market
- Business expansion in Indian and Asian markets
- Cost reduction through launching a new factory in Vietnam and increased production

(Billion Yen)	FY2022 Results	FY2023 Results	FY2024 Results	FY2025 Forecasts
Sales: Total	112.9	180.1	179.8	157.5
Operating Income	1.5	22.0	13.1	11.0
Operating Income *	1.5	17.9	17.0	11.0
Service Business ratio	58.3%	41.1%	42.8%	50.2%

The second segment is Enterprise Solutions.

From the second half of FY2023 through the first half of FY2024, large-scale projects such as new JPY notes significantly boosted both net sales and operating income. At the same time, Services Business also grew steadily.

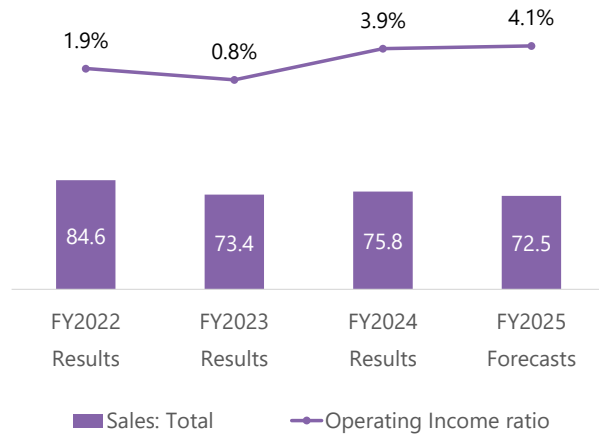
In FY2025, with the completion of those special demand projects, the business will return to normal levels.

However, we expect to maintain approximately JPY 150 billion in net sales and an operating income ratio of around 7%, driven by increased market share in the domestic financial institutions sector, business expansion in Asian markets, and cost reductions through shifting some production from Japan to Vietnam.

By Segment: Component Products

- FY2024: Operating income improved YoY through profit-focused management
- FY2025: Aiming for stable medium- to long-term profitability by leveraging the participation of ETRIA Corporation in printer development and production functions

(Billion Yen)



- Integration of printer development and production functions into ETRIA Corporation in October
 - Enhancing product competitiveness by utilizing LED print head technology at ETRIA Corporation
 - Expanding cost reduction capabilities through parts standardization and ETRIA Corporation's buying power
 - Efficiently strengthening the product lineup (re-launching MFP lineup)

(Billion Yen)	FY2022 Results	FY2023 Results	FY2024 Results	FY2025 Forecasts
Sales: Total	84.6	73.4	75.8	72.5
Operating Income	1.6	0.6	2.9	3.0

The third segment is Component Products.

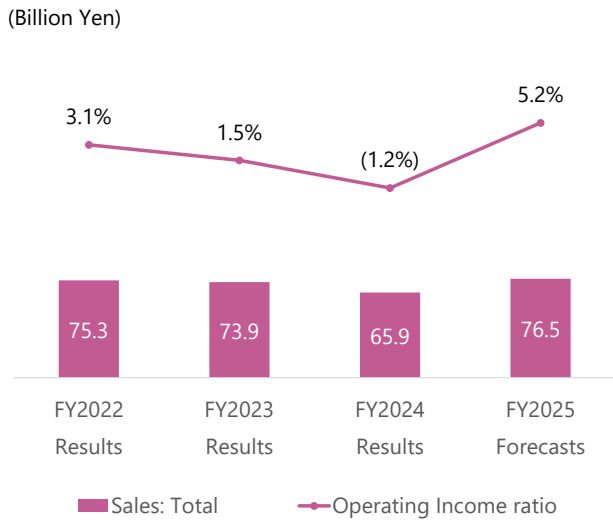
In FY2024, we improved profitability by adopting a management approach focused on profit. At the same time, we have been launching structural reforms, including participation in printer business with ETRIA.

In FY2025, we will maintain a similar level of performance as FY2024 and proceed with integrating our development and production functions into ETRIA.

Through this framework, we aim to achieve more effective product development and cost reductions, thereby increasing profits over the medium to long term.

By Segment: EMS

- FY2024: Due to the prolonged recession in Semiconductor and FA/Robotics market, sales and operating income both declined for the second consecutive year
- FY2025: Focused on restoring profitability and re-examining strategies for the next Medium-Term Business Plan



- Acquiring new demand of reshoring production arising from country risks and other factors
 - Expansion and enhancement of "Comprehensive Manufacturing Service" offerings
 - Capture demand for printed circuit boards for booming AI semiconductors and for space and defense applications
- Optimization of production locations and investments

(Billion Yen)	FY2022 Results	FY2023 Results	FY2024 Results	FY2025 Forecasts
Sales: Total	75.3	73.9	65.9	76.5
Operating Income	2.3	1.1	(0.8)	4.0

The fourth segment is EMS.

In FY2024, prolonged stagnation in Semiconductor and FA/Robotics markets led to a significant decline in components business, such as cables and printed circuit boards, resulting in a tough situation with decreases in both net sales and operating income for two consecutive fiscal years.

For FY2025, we are not expecting a major market recovery and will instead focus on steady management.

To move away from reliance on market environments, we will proactively pursue new customer acquisition.

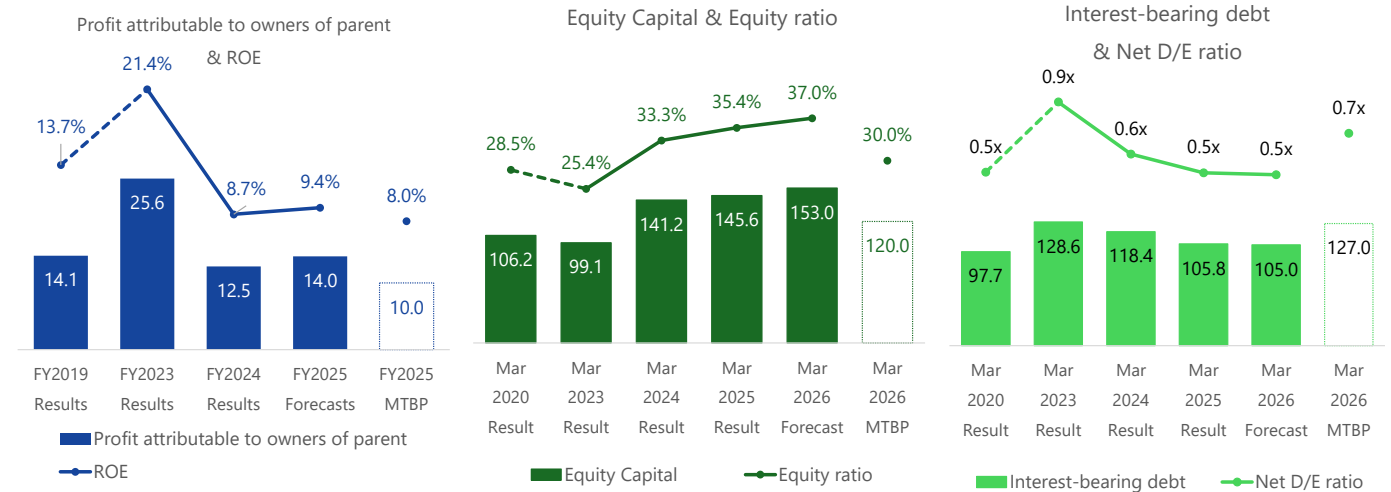
In addition, we will work to optimize production locations and investments to improve profitability.

- FY2024 Results & FY2025 Forecasts
- Business Overview by Segment
- Progress of Medium-Term Business Plan 2025

Finally, I would like to explain the progress of our Medium-Term Business Plan.

Management Targets of Medium-Term Business Plan

- Sales and Profit: Steadily recovering to FY2019 level, progressing toward the targets
- ROE: Exceeded the 8% target, progressing toward long-term target of 10%
- Interest-bearing debt & Equity: Achieved the target ahead of schedule, and Financial Foundation steadily recovered



MTBP: Medium-Term Business Plan

Page 13 covers Management Targets.

Both net sales and operating income are making steady progress toward achieving the targets of the Medium-Term Business Plan and have recovered to the favorable levels seen in FY2019.

Profit attributable to owners of parent stands at JPY 14 billion, against the Medium-Term Business Plan target of JPY 10 billion.

ROE is 9.4%, exceeding the target of 8%.

Equity ratio is 37%, above the target of 30%.

Net D/E ratio is 0.5 times, which is better compared to the target of 0.7 times.

All these metrics have surpassed the Medium-Term Business Plan targets ahead of schedule, and Financial Foundation is steadily improving.

Growth Businesses	Public Solutions	<ul style="list-style-type: none"> Steady progress as a Growth Business, supported by favorable conditions in defense sector on top
	EMS	<ul style="list-style-type: none"> Focus on restoring profitability in FY25, with a strategic review in the next Medium-Term Business Plan
Stabilizing Businesses	Enterprise Solutions	<ul style="list-style-type: none"> Complete stabilizing profits in FY25, then shift away from stabilizing stage in the next Medium-Term Business Plan
	Component Products	<ul style="list-style-type: none"> With participation in ETRIA, a clear path has been set for structural reforms.
Creating Future Businesses	<ul style="list-style-type: none"> Complete preparations in FY25 for CFB mass production of photonics and power semiconductors in FY26 Accelerate collaboration with startups to solve social issues in the Global South region. 	

→ Specifying “Steering toward Growth 2nd Stage” in the next Medium-Term Business Plan

Page 14 is a summary of our current business status related to Medium-Term Business Plan.

Public Solutions remains strong, benefitting from favorable conditions in defense, and we aim for medium- to long-term growth as a core business.

For EMS, we will focus on profit recovery in FY2025 and will re-examine our medium- to long-term strategies.

Enterprise Solutions has been achieving business-stabilizing, so we will continue seeking further opportunities for growth.

Component Products will work to realize the benefits of joining ETRIA and aim for stable profitability over medium term.

As for future businesses, we will steadily promote the commercialization of CFB technology and business development in Asia and work to bring these to monetizing in the next Medium-Term Business Plan.

We are also preparing to announce the next Medium-Term Business Plan within this fiscal year.

This concludes my presentation.

Thank you for your attention.

(Reference) FY2024 Results by Segment

(Billion Yen)		FY2023 Results	FY2024 Results	YoY		Feb 6, 2025 Forecasts	Change to Forecasts	
				Variance	Ratio		Variance	Ratio
Public Solutions	Net Sales	94.0	130.5	+36.5	+39%	132.0	(1.5)	(1%)
	Operating Income	4.4	14.1	+9.7	+220%	11.0	+3.1	+28%
	Operating Income Ratio	4.7%	10.8%	+6.1%		8.3%	+2.5%	
Enterprise Solutions	Net Sales	180.1	179.8	(0.3)	(0%)	178.0	+1.8	+1%
	Operating Income	22.0	13.1	(8.9)	(40%)	15.0	(1.9)	(13%)
	Operating Income Ratio	12.2%	7.3%	(4.9%)		8.4%	(1.1%)	
Component Products	Net Sales	73.4	75.8	+2.4	+3%	76.0	(0.2)	(0%)
	Operating Income	0.6	2.9	+2.3	+383%	2.0	+0.9	+45%
	Operating Income Ratio	0.8%	3.8%	+3.0%		2.6%	+1.2%	
EMS	Net Sales	73.9	65.9	(8.0)	(11%)	67.0	(1.1)	(2%)
	Operating Income	1.1	(0.8)	(1.9)	(173%)	0.0	(0.8)	±0%
	Operating Income Ratio	1.5%	(1.2%)	(2.7%)		(0.0%)	(1.2%)	
Others	Net Sales	0.4	0.4	±0.0	±0%	0.0	+0.4	±0%
	Operating Income	(1.1)	(1.5)	(0.4)	+36%	(1.8)	+0.3	(17%)
Corporate/Eliminations	Operating Income	(8.3)	(9.2)	(0.9)	0	(10.2)	+1.0	(10%)
Total	Net Sales	421.9	452.5	+30.6	+7%	453.0	(0.5)	(0%)
	Operating Income	18.7	18.6	(0.1)	(1%)	16.0	+2.6	+16%
	Operating Income Ratio	4.4%	4.1%	(0.3%)		3.5%	+0.6%	

(Reference) FY2025 Forecasts by Segment

(Billion Yen)		FY2024 Results	FY2025 Forecasts	YoY	
				Variance	Ratio
Public Solutions	Net Sales	130.5	141.5	+11.0	+8%
	Operating Income	14.1	13.5	(0.6)	(4%)
	Operating Income Ratio	10.8%	9.5%	(1.3%)	
Enterprise Solutions	Net Sales	179.8	157.5	(22.3)	(12%)
	Operating Income	13.1	11.0	(2.1)	(16%)
	Operating Income Ratio	7.3%	7.0%	(0.3%)	
Component Products	Net Sales	75.8	72.5	(3.3)	(4%)
	Operating Income	2.9	3.0	+0.1	+2%
	Operating Income Ratio	3.9%	4.1%	+0.2%	
EMS	Net Sales	65.9	76.5	+10.6	+16%
	Operating Income	(0.8)	4.0	+4.8	-
	Operating Income Ratio	(1.2%)	5.2%	+6.4%	
Others	Net Sales	0.4	2.0	+1.6	+345%
	Operating Income	(1.5)	(1.5)	(0.0)	-
Corporate/Eliminations	Operating Income	(9.2)	(11.0)	(1.8)	-
Total	Net Sales	452.5	450.0	(2.5)	(1%)
	Operating Income	18.6	19.0	+0.4	+2%
	Operating Income Ratio	4.1%	4.2%	+0.1%	
	Ordinary Income	16.8	17.0	+0.2	+1%
	Profit attributable to owners of parent	12.5	14.0	+1.5	+12%

Exchange Rate	FY2024	FY2025
USD/JPY	152.6	150.0
EUR/JPY	163.7	155.0

(Reference) Enterprise Solutions Sub-Segment in Old Format Open up your dreams

(Billion Yen)

A) Old Format

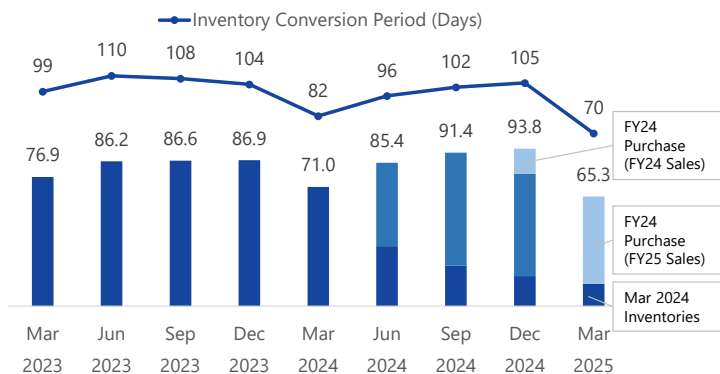
(Billion Yen)	FY2022 Results	FY2023 Results	FY2024 Results
Sales: Hardware/Solution	63.7	125.8	124.3
Sales: Service Business	49.2	54.4	55.5
Sales: Total	112.9	180.2	179.8
Operating Income: Hardware/Solution	(4.9)	7.1	7.9
Operating Income: Service Business	6.4	10.8	9.1
Operating Income: One-time factor	-	4.1	(3.9)
Operating Income: Total	1.5	22.0	13.1

B) New Format

(Billion Yen)	FY2022 Results	FY2023 Results	FY2024 Results
Sales: Hardware/Solution	47.1	106.1	102.9
Sales: Service Business	65.8	74.0	76.9
Sales: Total	112.9	180.1	179.8

(Reference) FY2024 Balance Sheet

(Billion Yen)	End of Mar 2024	End of Mar 2025	Variance
Current Assets	239.7	231.9	(7.8)
Fixed Assets	183.7	179.1	(4.6)
Assets	423.4	411.0	(12.4)
Current Liabilities	188.4	167.0	(21.4)
Fixed Liabilities	93.7	98.2	+4.5
Liabilities	282.1	265.2	(16.9)
Equity	141.2	145.6	+4.4
Others	0.1	0.1	+0.0
Net Assets	141.3	145.7	+4.4
Total liabilities & net assets	423.4	411.0	(12.4)
Equity ratio (%)	33.3	35.4	+2.1
D/E ratio (Times)	0.8	0.7	(0.1)



(Reference) FY2024 Cash Flow

(Billion Yen)	FY2023 Results	FY2024 Results	YoY Variance
I Cash flows from operating activities	24.7	39.3	+14.6
II Cash flows from investing activities	(14.3)	(19.6)	(5.3)
Free cash flows (I + II)	10.4	19.7	+9.3
III Cash flows from financing activities	(15.7)	(17.9)	(2.2)

Purchase of PP&E and intangible assets	17.0	16.8	(0.2)
Depreciation	14.2	15.0	+0.8

(Billion Yen)	End of Mar 2024	End of Mar 2025	Variance
Cash and cash equivalents	34.4	36.2	+1.8

(Reference) FY2025 Investments & FCF

Investments (Billion Yen)	FY2024 Results	FY2025 Forecasts	YoY Variance
Capital Expenditure	18.5	22.0	+3.5
Depreciation	13.2	16.0	+2.8
R&D	11.0	10.0	(1.0)

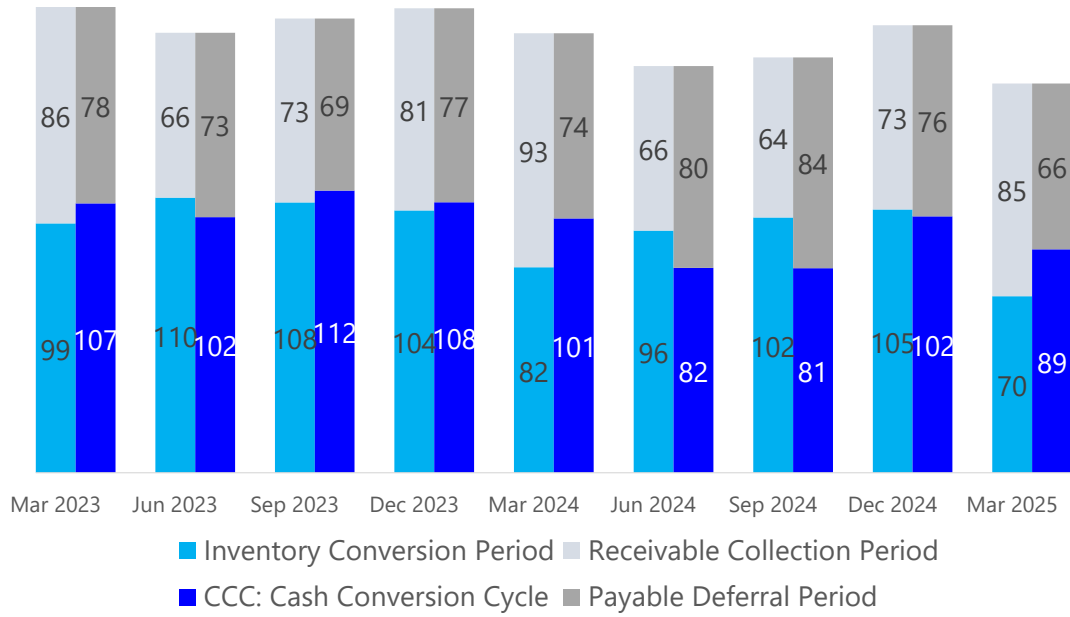
Cash Flows (Billion Yen)	FY2024 Results	FY2025 Forecasts	YoY Variance
I Cash flows from operating activities	39.3	28.0	(11.3)
II Cash flows from investing activities	(19.6)	(21.0)	(1.4)
Free cash flows (I + II)	19.7	7.0	(12.7)

(Reference) Quarterly Results by Segment

(Billion Yen)		FY2023					FY2024				
		Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Public	Net Sales	19.3	20.0	24.5	30.1	94.0	19.1	22.2	29.0	60.2	130.5
Solutions	Operating Income	(0.1)	(0.7)	1.4	3.9	4.4	(1.3)	0.7	3.2	11.4	14.1
Enterprise	Net Sales	27.4	36.5	51.5	64.7	180.1	45.2	41.9	45.4	47.4	179.8
Solutions	Operating Income	1.9	2.0	6.6	11.4	22.0	7.8	3.5	0.5	1.4	13.1
Component	Net Sales	17.0	17.9	18.5	20.0	73.4	17.9	18.7	19.2	19.9	75.8
Products	Operating Income	(0.8)	1.3	(0.8)	0.9	0.6	(0.1)	1.1	1.2	0.8	2.9
EMS	Net Sales	17.7	18.8	17.1	20.3	73.9	15.6	16.8	15.7	17.8	65.9
	Operating Income	0.6	0.3	(0.1)	0.3	1.1	(0.6)	(0.4)	(0.6)	0.8	(0.8)
Others	Net Sales	0.1	0.1	0.1	0.1	0.4	0.1	0.1	0.1	0.2	0.4
	Operating Income	(0.1)	(0.3)	(0.3)	(0.4)	(1.1)	(0.4)	(0.3)	(0.2)	(0.4)	(1.5)
Corporate/Eliminations	Operating Income	(1.4)	(1.5)	(2.2)	(3.2)	(8.3)	(1.6)	(2.2)	(2.6)	(2.9)	(9.2)
Total	Net Sales	81.5	93.3	111.8	135.3	421.9	97.9	99.7	109.3	145.5	452.5
	Operating Income	0.0	1.0	4.8	12.9	18.7	3.9	2.3	1.5	11.0	18.6

(Reference) Cash Conversion Cycle History

(Days)



(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•

- ✓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.