

# **OKI Group Management plan 2031**

**May 13, 2026**

**Oki Electric Industry Co., Ltd.**

**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**

# 1. Review of Medium-term Business Plan 2025

## 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

### Steering toward growth 1<sup>st</sup> Stage

#### 1. 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.

#### 2. Strengthen sales, technology, and production functions

- Established global R&D hubs
- Strengthened overseas ATM<sup>\*2</sup> production (Vietnam, India)

#### 3. Create future businesses

- Obtained ISO 56001/56002 certification
- Bringing CFB<sup>\*3</sup> technology to the semiconductor market

#### 4. Improve financial foundation and effective investment

- Net sales and operating profit recovered to FY2019 levels; shareholder's equity ratio and ROE improved

#### 5. Practice sustainability management

- Achieved environmental targets
- Achieved the target ratio of women in management

(Billions of yen)		FY2022 Results	FY2025 MTBP <sup>*1</sup>	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 <sup>*1</sup> )	-3%	8%	9%	13% (10%)
Shareholder returns	Dividend payout ratio	-	30% or more	31%	26%

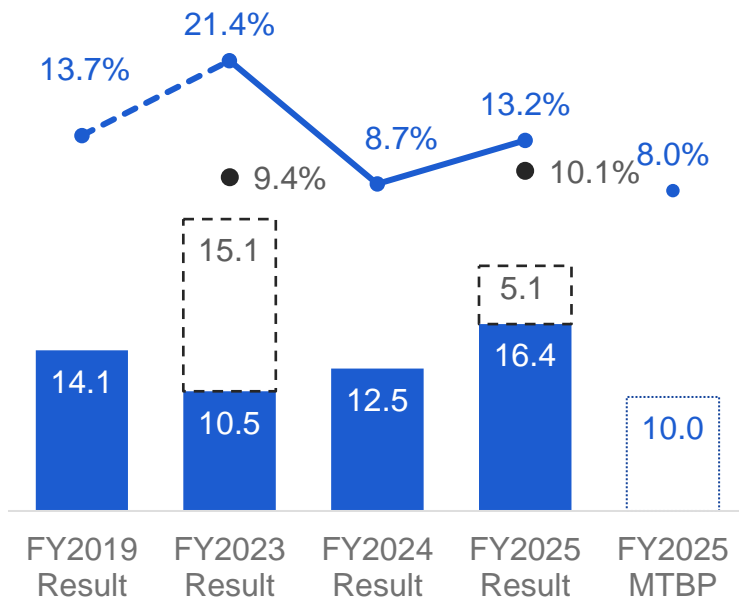
\*1 Excluding extraordinary gains from ETRIA's participation

\*2 ATM: Automatic teller machine

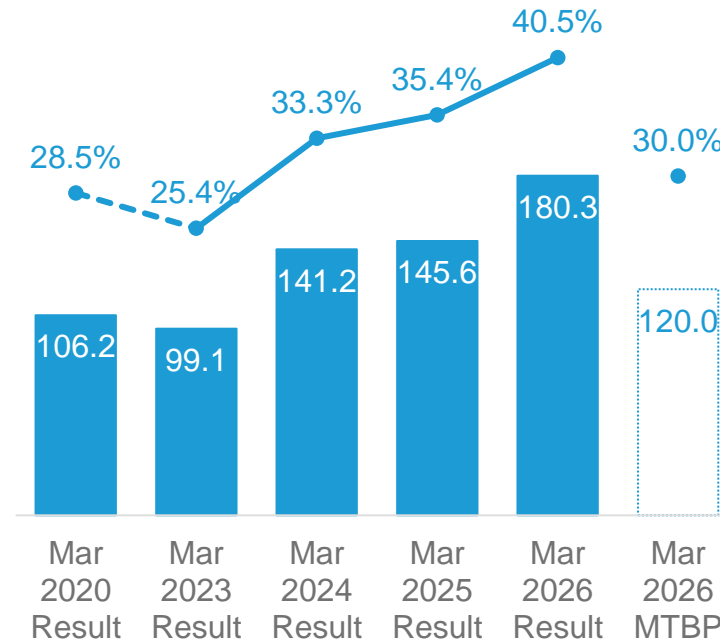
\*3 CFB:Crystal film bonding

### Profit attributable to owners of parent & ROE

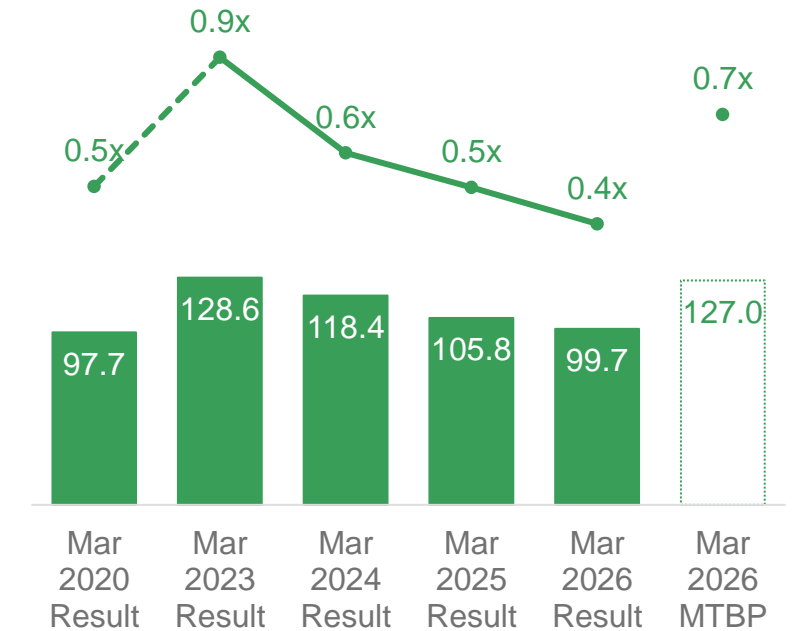
(Billions of Yen)



### Equity capital & equity ratio



### Interest-bearing debt & net D/E ratio



■ Profit attributable to owners of parent    ● ROE  
 - - - one-time factor    ROE: Excl. one-time factor

■ Equity capital    ● Equity ratio

■ Interest-bearing debt    ● Net D/E ratio

MTBP: Medium-term business plan

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



## 2. Management Plan 2031

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.”



### OKI's New Commitment

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



## Shifting Management from Defense to Offense

Steering toward growth 1<sup>st</sup> 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 2<sup>nd</sup> 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%+

## Strengthening OKI's unique intellectual capital to create social value

**Purpose**

**Shaping Next for Society**

### Strengthening Intellectual Capital

Social and relationship capital*		Deepening long-standing trust with social infrastructure operators, financial institutions, and government agencies to help lead safety and security initiatives	
Organizational capital	Process	Customer value design process based on Innovation Management System	Management System Reform
	Digital / Technology / Knowledge	An edge platform that accumulates practical expertise and applies it to problem solving	
		Physical-to-digital conversion technologies	Unique core component technologies
Manufactured capital*1		End-to-end Mono-zukuri*2 capability for mission-critical reliability (hardware/software: design, manufacture, maintain)	
Human capital		Customer-site professionals	
		Talent to design strategy with ownership	

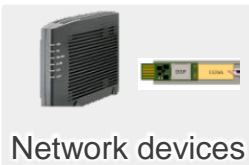
\* 1 Natural capital included within social & relationship capital and manufactured capital.

\*2 Mono-zukuri : manufacturing

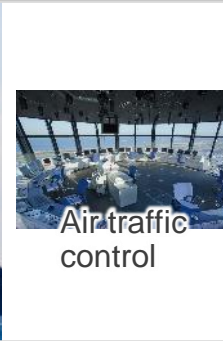
## Business Concept

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

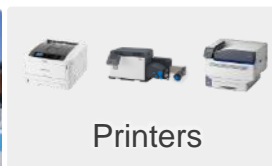
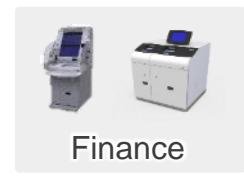
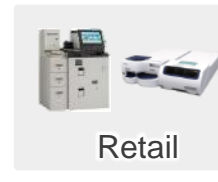
## Information and Communications



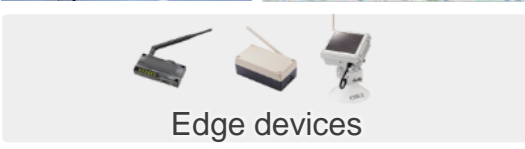
## AI &amp; Semiconductors / Aerospace



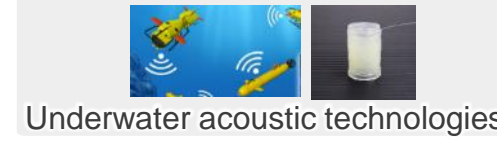
## OKI's Unique Perspective



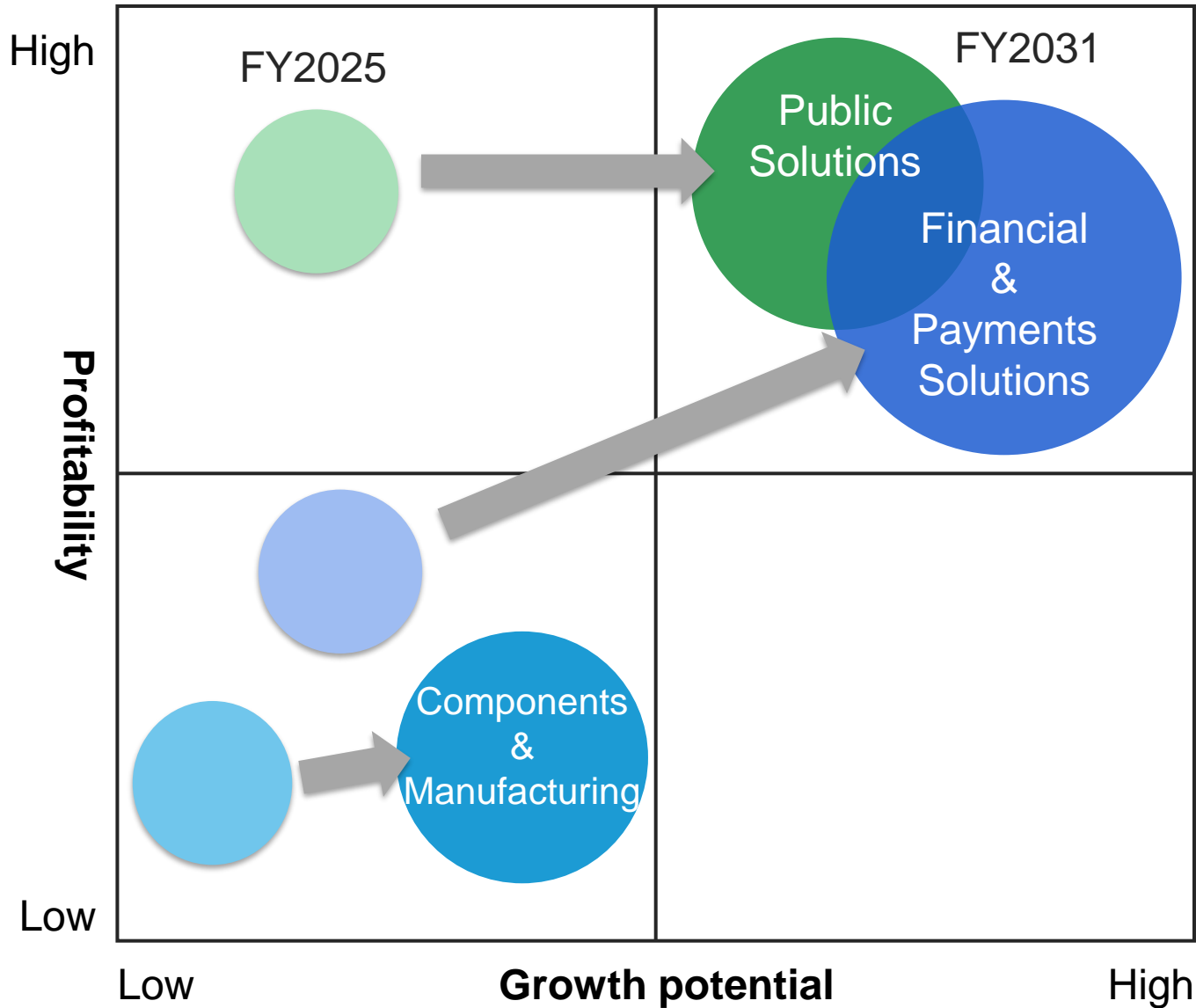
## Disaster preparation and national land resilience



## Defense / Ocean



## 2-1. Business Strategy



### Public Solutions Segment

- **Growth in scale**

Achieve growth in sectors aligned with Japanese government policy priorities while maintaining high profitability

### Financial & Payments Solutions Segment

- **Growth in scale and profitability**

Achieve growth and improve profitability through the “Layer Master” strategy

### Components & Manufacturing Segment

- **Structural reforms**

Transition to a business structure centered on the Advanced Components business

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

**Defense / Ocean**

### Defense Systems Business

- ▶ Responding to rising defense demand by expanding production capacity
- ▶ Promoting overseas defense equipment exports

**Disaster Prevention / National Resilience**

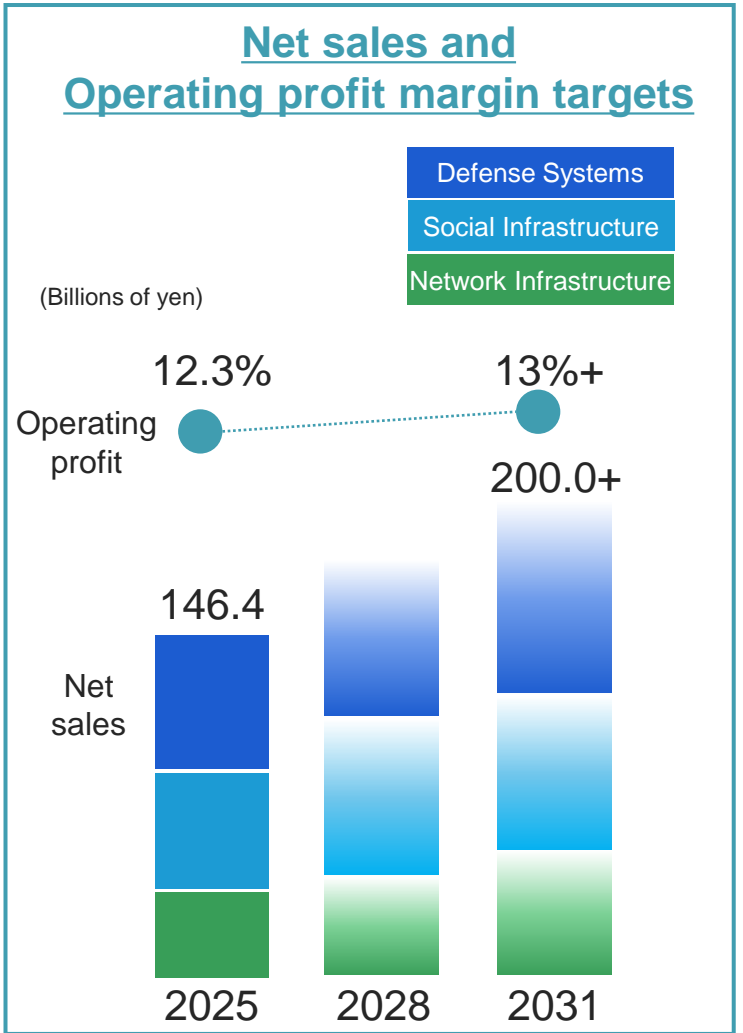
### Social Infrastructure Solutions Business

- ▶ Enhancing preparedness in firefighting, disaster prevention, and road traffic infrastructure
- ▶ Expanding private-sector business in areas such as roads, railways, and aviation

**Information and Communications**

### Network Infrastructure Business

- ▶ Strengthening capabilities for next-generation network transitions, including 6G and APNs\*
- ▶ Expanding into telecommunications equipment and large-scale private network businesses



\* APNs: All-photonics networks

## 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

- (1) Continued demand for cash infrastructure
- (2) Growing need for more efficient operations
- (3) Declining competition

#### Global market

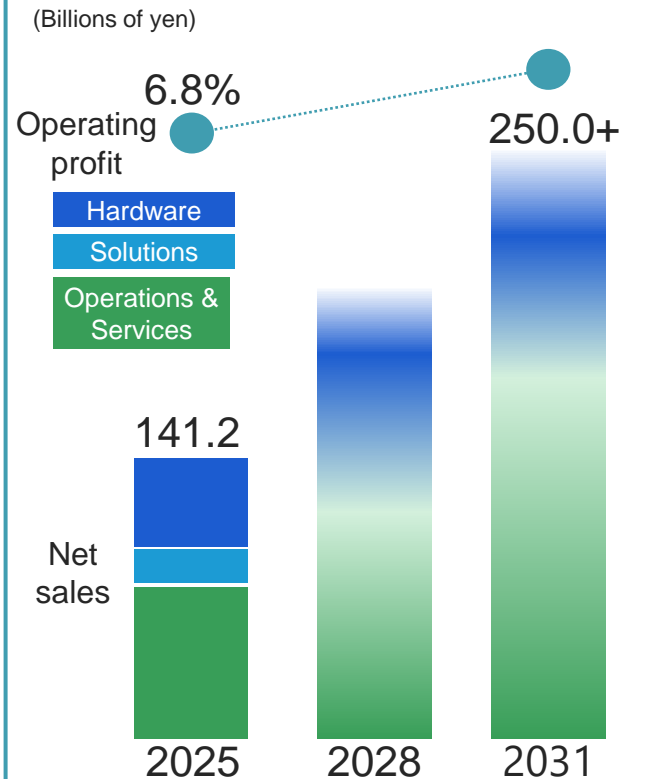
- (1) Growth potential for cash-recycling ATMs in India and other Asian markets
- (2) Expansion of domestic service operations in local markets

### Alliances

Hitachi: Establishment of an ATM joint venture (scheduled for October 2026)

Fujitsu: Supply of automation equipment

### Net sales and operating profit margin targets

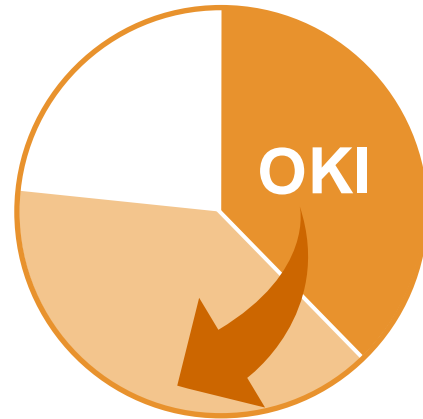


## Hardware Business (Engine Share)

Bank ATM  
Market Share in Japan



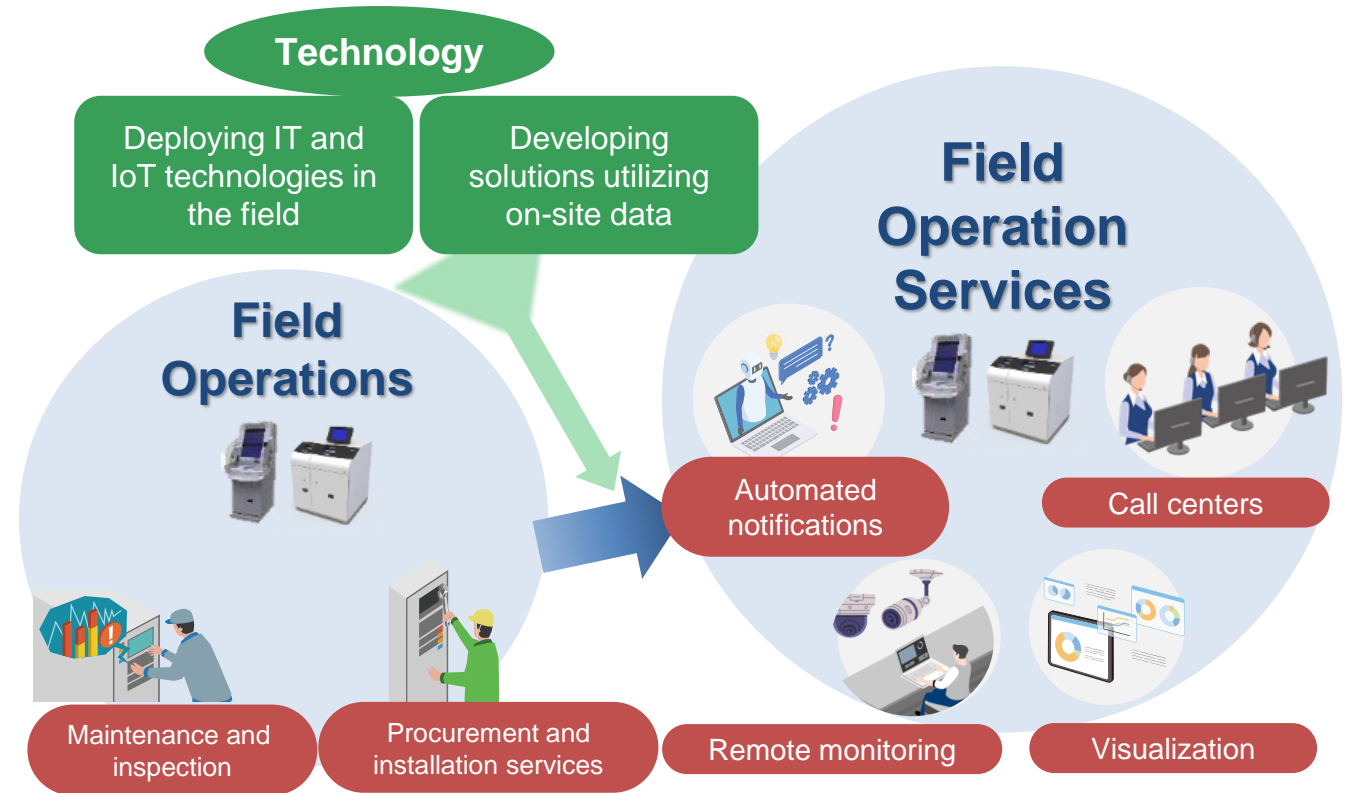
Recycling ATM  
Market Share in India



- 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)



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

Semiconductors / AI / Aerospace

### Advanced Components (ADC) business

Transforming into a high-growth business

- ▶ Entering the optoelectronic integration market (CFB, silicon photonics, optical fiber components)
- ▶ Entering the GaN power semiconductor market through joint development with Shin-Etsu Chemical
- ▶ Expanding the supply of high-value-added printed circuit boards (PCBs) for the aerospace market (AI servers, semiconductor testers)

OKI's Unique Perspective

### Component Products (CPS) business

Continuing structural reforms

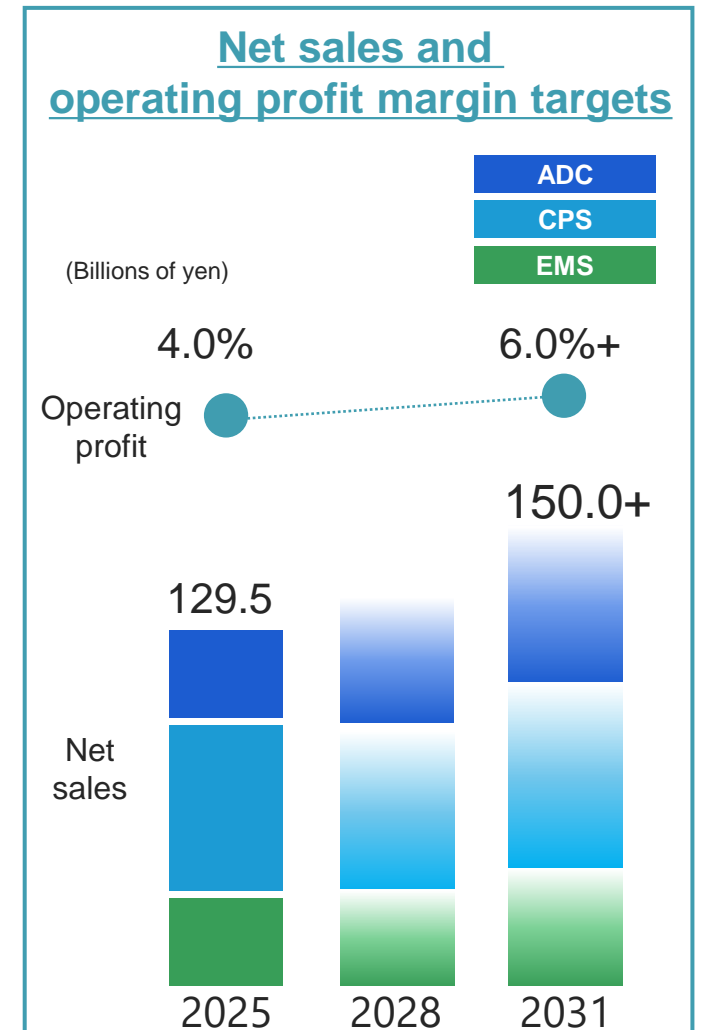
- ▶ Printers: Expanding recurring revenue through broader product offerings leveraging synergies from the ETRIA integration
- ▶ Business communications: Reviewing the business structure, including collaboration with other companies

---

### Electronics Manufacturing Services (EMS) business

Reviewing the business structure

- ▶ Establishing a management structure focused on pure-play EMS operations (OTC<sup>\*1</sup>/OEC<sup>\*2</sup> operations to be transferred to the ADC business)
- ▶ Strategic focus on major existing customers



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

## 2-2. Strengthening the Management Foundation

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

### Human Capital Investment (2.5x)

#### Expanding opportunities for learning and hands-on experience

Fostering talent who take initiative and keep acting



Global Challenge "MiraIntern"

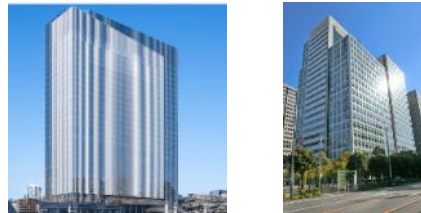
#### Transforming mindsets

Developing "Future-Makers" who understand our vision and strategy

#### Enhancing the working environment

Creating work environments that encourage challenge-taking and maximize employee potential

Image Courtesy of JR East



New Office Opening: TAKANAWA GATEWAY CITY THE LINKPILLAR 2 (FY2028)

New Office Opening: Shinagawa Seaside Park Tower (FY2027)

#### Enhancing employee benefits

### Management System Reform (¥38B)

#### Thorough business process optimization

Labor saving + Shift to Higher value-added work

#### Faster decision-making

Management information  
↓  
Shorter decision-making lead time

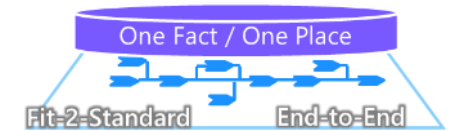
#### Security + Availability

OKI's foundation for mission-critical social infrastructure

#### SAP Business Suite

Operation slated to commence in FY2028

#### Management DX (CX)



#### Utilization of AI agents



Zero trust global communications

Management talent pool:  
300 employees (2031)

Challenge-action  
implementation rates:  
50% (2031)

Productivity improvement:  
40%+ (2031)

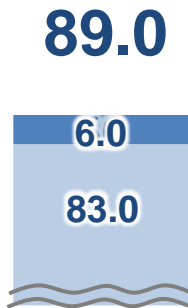
## 2-3. Financial Strategy

## Investing to realize our intellectual capital and business strategy

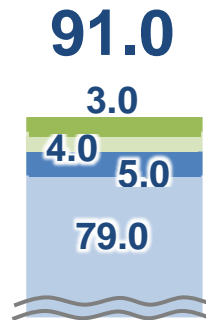
(Billions of yen)

### Past Medium-Term Business Plans

#### MTBP 2022

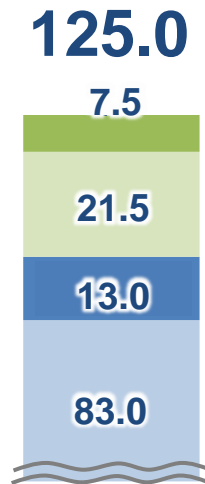


#### MTBP 2025

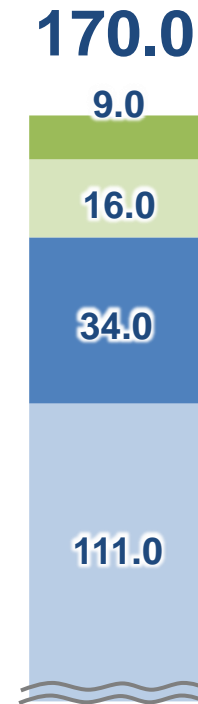


### Management Plan 2031

#### First 3 years



#### Last 3 years



#### ■ Human Capital Investment

- Establishment of a new engagement center
- Development of next-generation leaders and key personnel

#### ■ Management System Reform Investment

- Implementation and utilization of SAP Business Suite
- Renewal of IT infrastructure

#### ■ High-Growth Markets Investment

- Investment in silicon photonics technology development
- Expansion of production capacity (high-value-added components, including CFB)

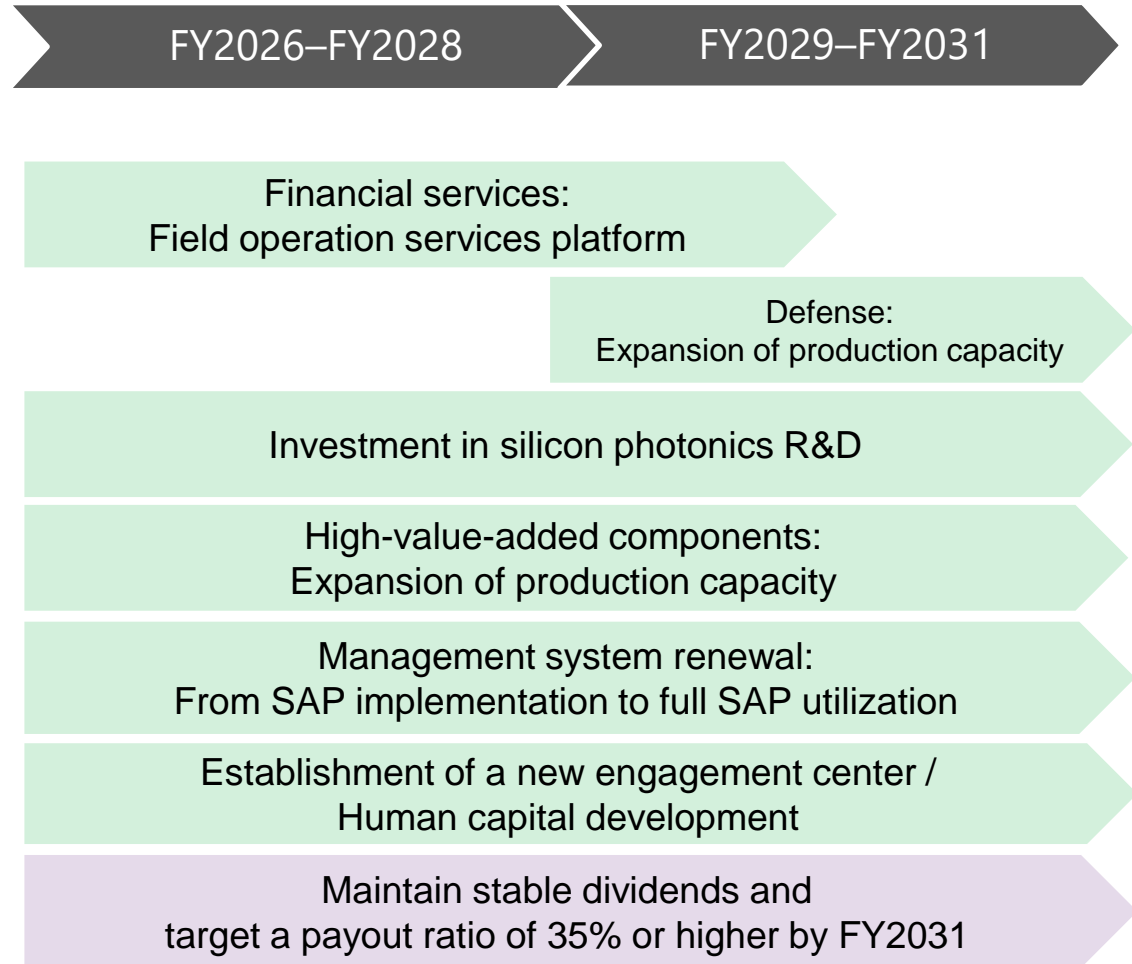
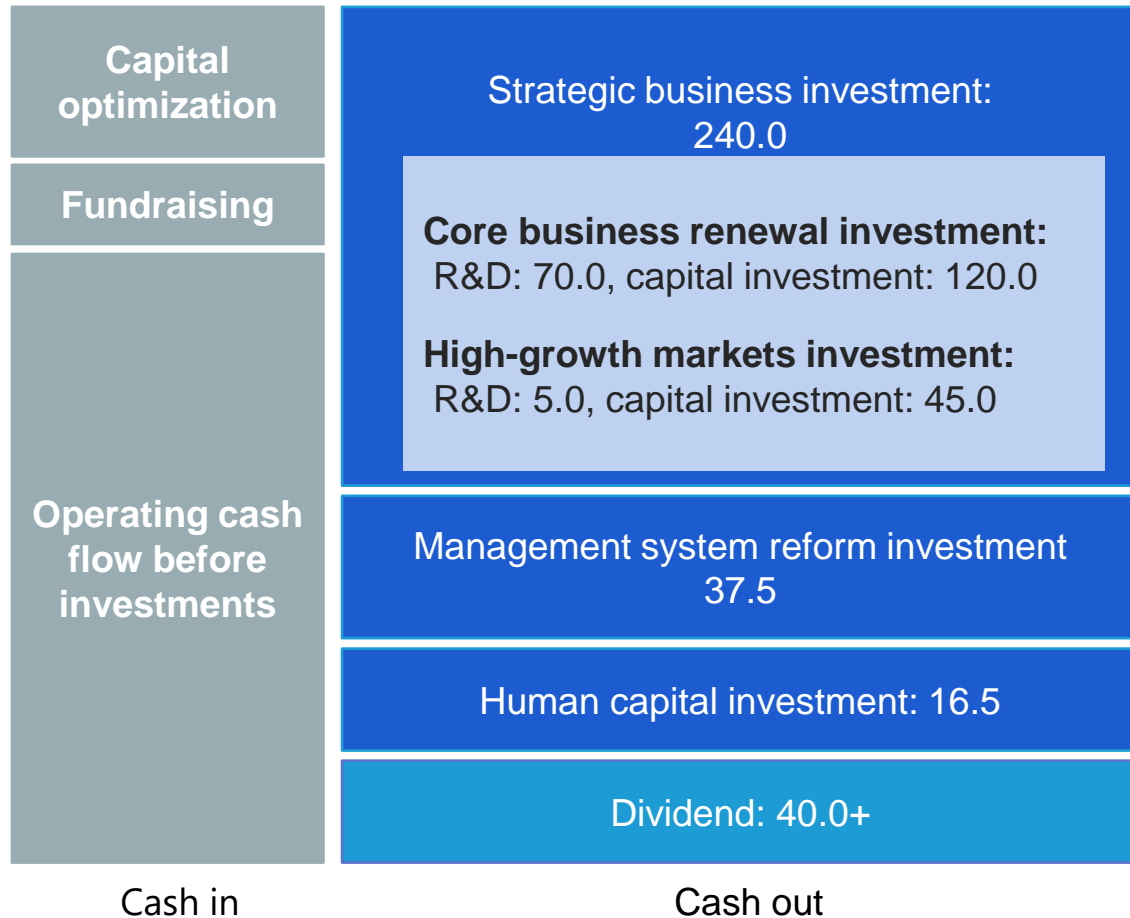
#### ■ Core Business Renewal Investment

- Infrastructure development for field operation services in financial services
- Production capacity expansion for the defense business
- Investment in the development of edge platforms

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)



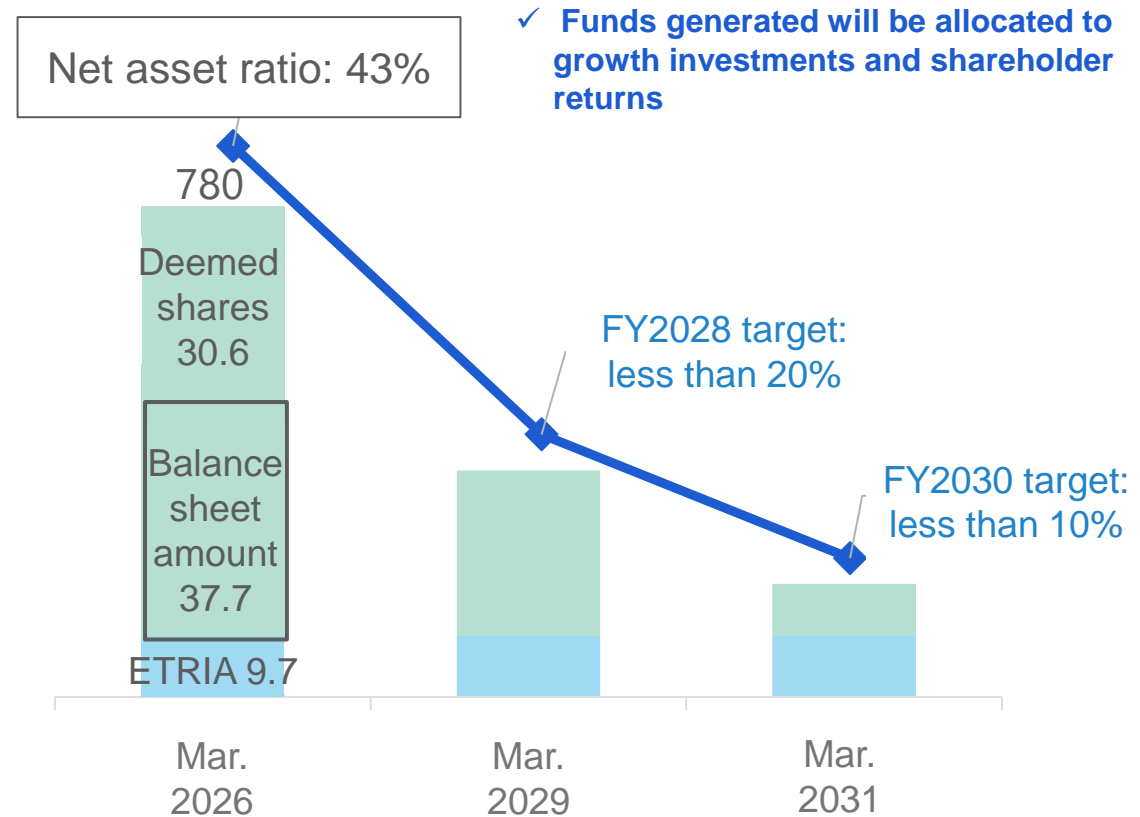
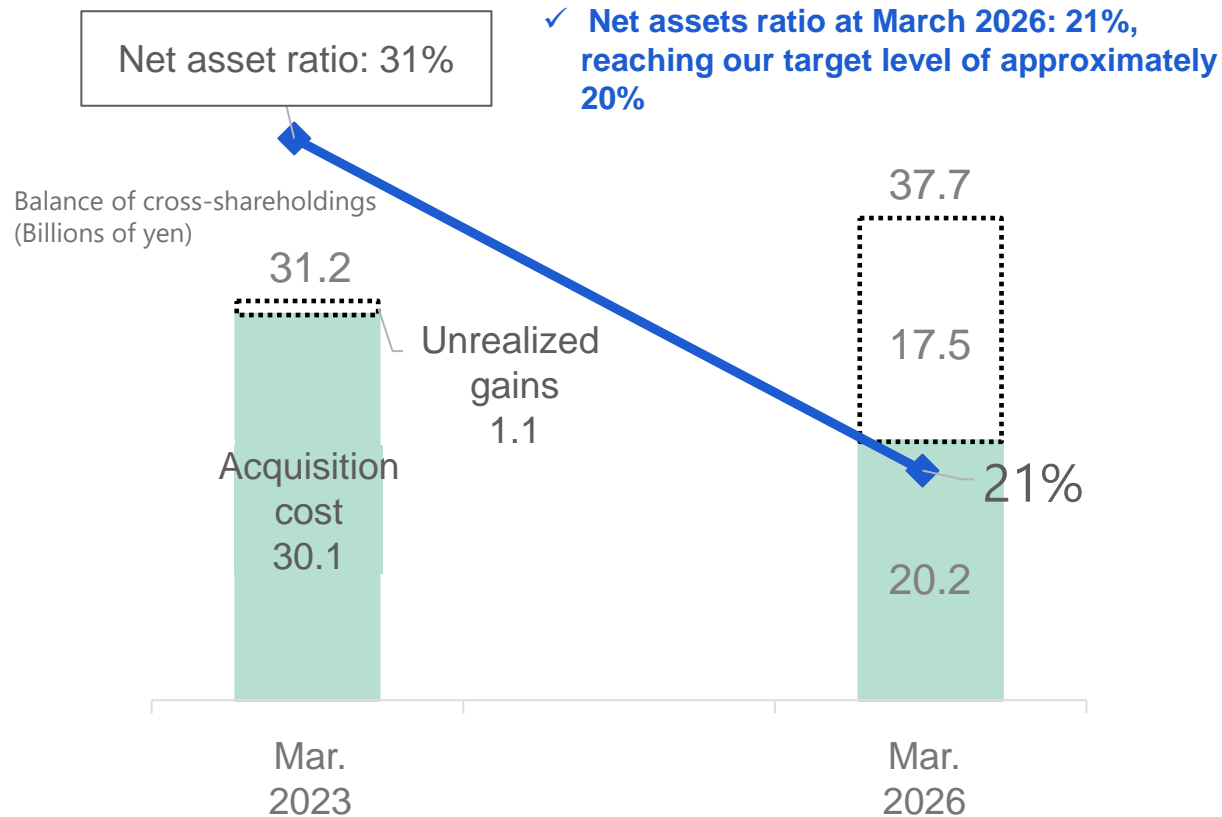
## Early achievement of a net asset ratio below 10%

### 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.)



---

From OKI Electric Industry to **OKI**

# 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**








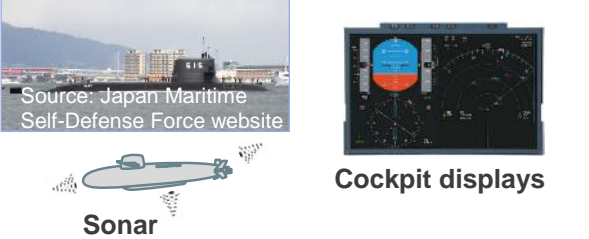

- Create opportunities for learning and practical application
- Develop future management leaders and management personnel
- Build an organization where diverse talent can thrive

**Strengthening governance to support sustainable growth**

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

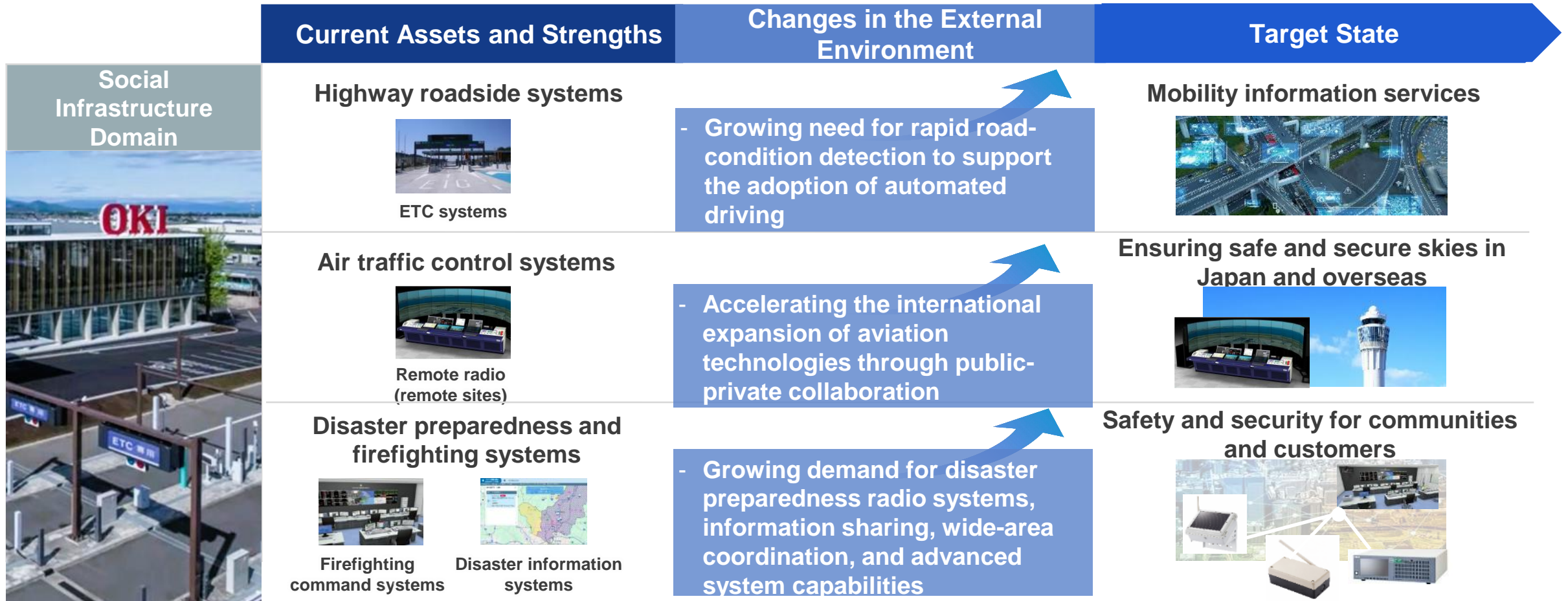
Expectations/demands of society and stakeholders and the social issues confronting OKI

Focusing on customer frontlines where OKI can leverage its strengths

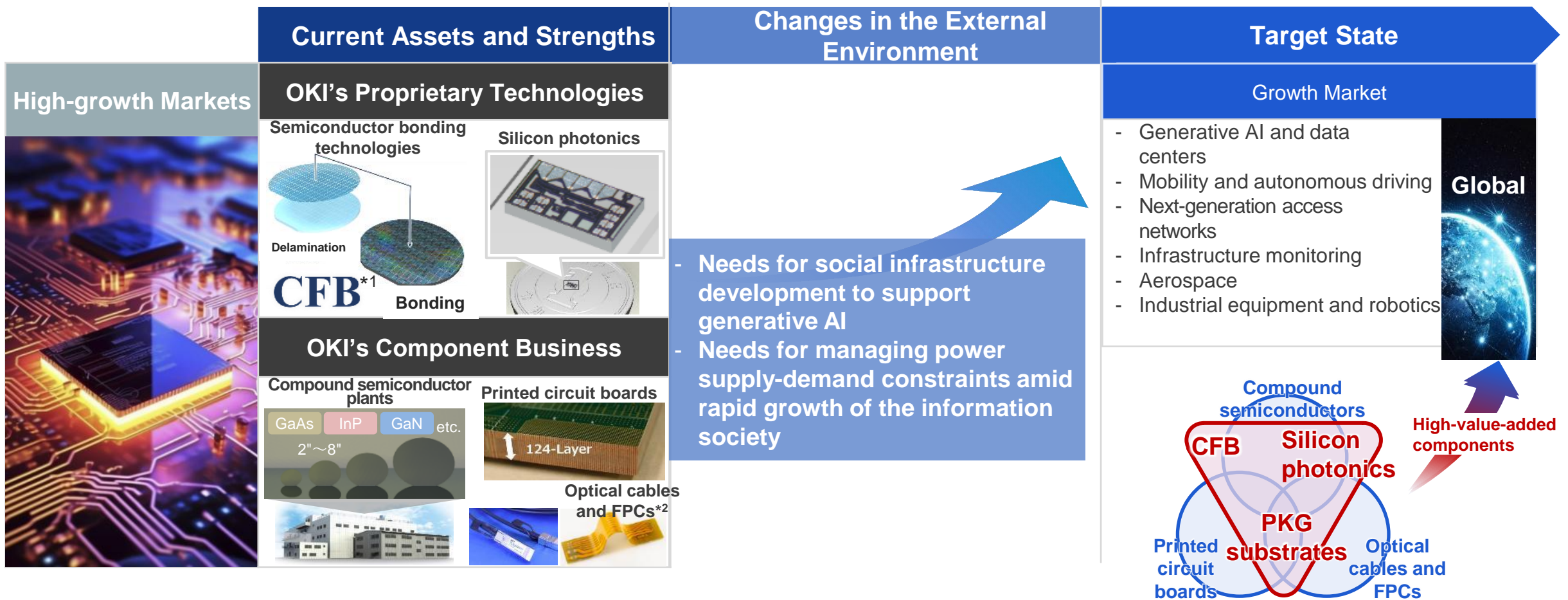
	Current Assets and Strengths	Changes in the External Environment	Target State
<p><b>Financial &amp; Payments Domain</b></p> 	<p>Financial terminals and nationwide maintenance network</p>  <p>ATMs      Service network      SmartCashStation</p>	<ul style="list-style-type: none"> <li>- Customers concentrating resources on their core businesses</li> <li>- Growing demand for outsourced operations</li> </ul>	<p>Next-generation branch operations</p> 
<p><b>Network Infrastructure Domain</b></p> 	<p>Network terminals, voice communications, large-scale network systems</p>  <p>GE-PON (optical access terminal)      Large-scale IP telephony systems</p>	<p>Deployment and adoption of next-generation networks (6G, IOWN®, etc.)</p>	<p>Enhancing network operations through carrier-grade <i>monozukuri</i> and SI capabilities</p> 
<p><b>Defense Domain</b></p> 	<p>Source: Japan Maritime Self-Defense Force website</p>  <p>Sonar      Cockpit displays</p>	<p>Growing government defense spending</p>	<p>Meeting domestic and global demand for defense equipment through technology development and expanded production capacity</p> 

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

# Focusing on customer frontlines where OKI can leverage its strengths



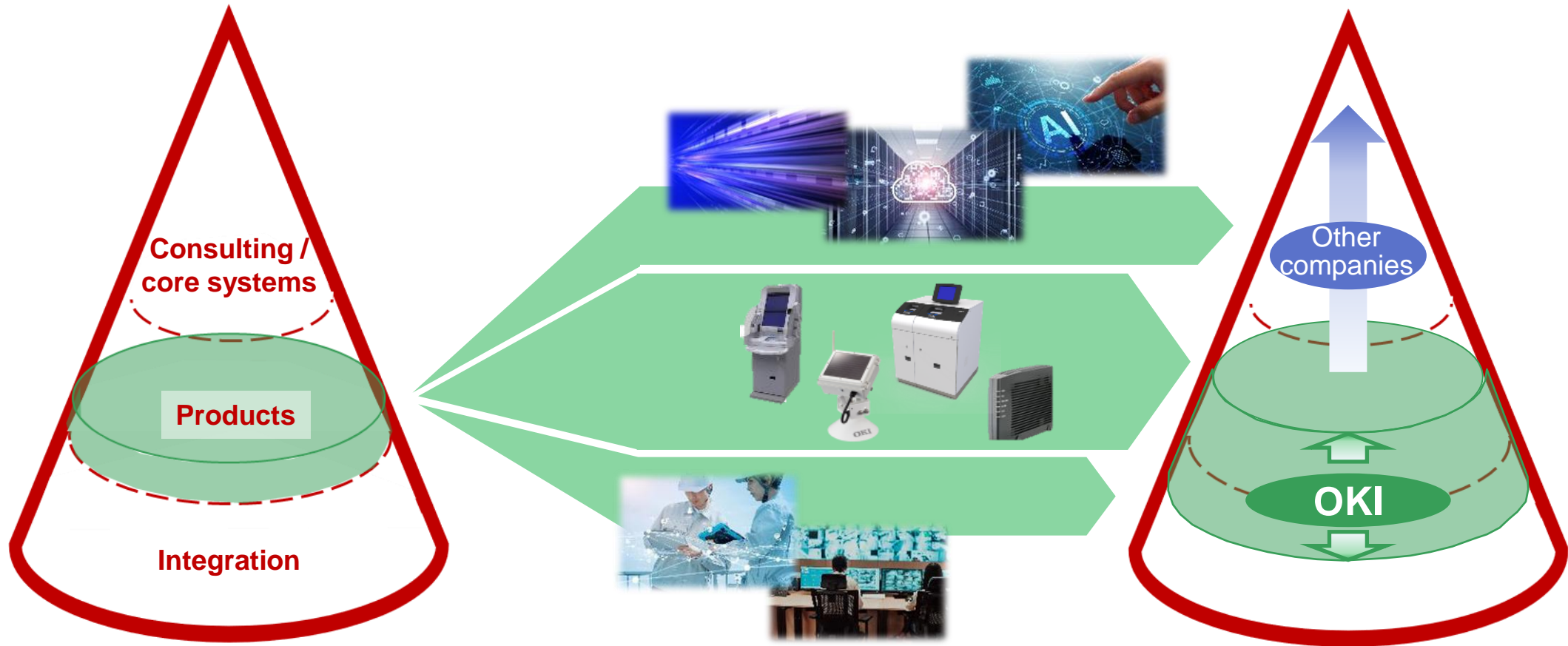
Creating new value with a unique core component



\*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.