

Public Solutions

Messages from Head of the Divisions

We aim to grow and contribute to creating a safe, secure, and convenient society by providing solutions that support social infrastructure to government agencies, local governments, infrastructure companies, and others.



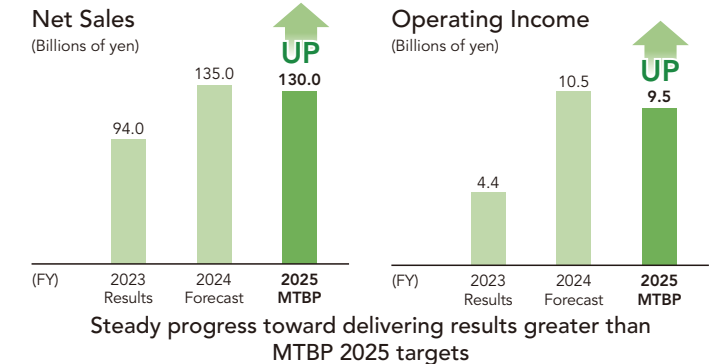
We aim to solve social issues including the increasing severity of disasters and labor shortages by providing solutions such as new firefighting systems, advanced disaster preparedness systems, automated driving, and V2X infrastructure, as well as highly convenient business systems, and to build a safe and secure social infrastructure.

Hajime Inoue
Executive Officer, Head of Social Infrastructure Solutions Division



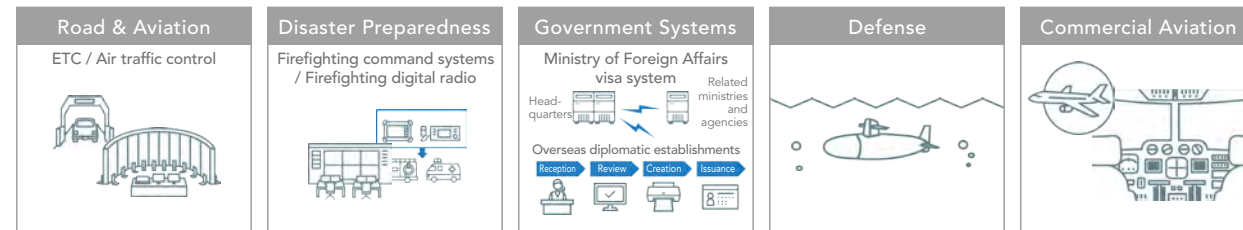
Recently, Japan's defense budget has increased, efforts are being made to strengthen national security, and the importance of environmental conservation is also growing. In these circumstances, we will continue to grow sustainably by providing unique products and solutions, such as underwater acoustic testing services using Japan's only ocean measurement facility, the SEATEC NEO barge.

Yoichi Kato
Senior Executive Officer, Head of TOKKI Systems Division



Business Overview

We provide mission-critical solutions that support society to government agencies, municipalities, and infrastructure companies. These include air traffic control systems, ETC, traffic probe data, firefighting command and radio systems, municipal disaster preparation radio systems, and other disaster preparation solutions. Additionally, we offer business solutions for central government agencies, defense-related systems, networks ranging from edge to backbone, and commercial aircraft displays.



Business Policy

Our business policy is to continually provide valuable solutions that meet the expectations of customers involved in "social infrastructure" and to grow and develop together with them. In the firefighting sector, where major system upgrades are planned, we aim to ensure stable profits by launching new products to expand our market share. Additionally, in the transportation sector, we are laying the groundwork for future growth with initiatives related to automated driving and V2X.

In the steadily growing defense business, we will increase production and strengthen our proposal capabilities to keep pace with the expanding domestic market. For production expansion, we plan to upgrade our barge for measurements in the ocean to enhance the efficiency of ocean measurements and invest in production line equipment. In the growing ocean market, we aim to expand our market presence by applying OKI's core technologies to our expertise in "sound" and to secure new markets. At the same time, we are beginning to participate in national ocean-related projects. To further our global expansion efforts, we have established a base in Singapore, targeting the expansion of overseas sales channels.

Understanding the Business Environment

Opportunities

- Increase in domestic defense budgets and the formation of export markets
- Growing demand for ocean development and advancements in emerging technologies

Threats

- Intensifying price competition due to a decline in product superiority
- Heightened interest from foreign manufacturers to enter the market as domestic defense budgets rise
- Increasing opportunities for the entry of new technologies and manufacturers, such as AI, that are not aligned with traditional business models

Business Strengths and Possible Issues/Challenges

Strengths

- Long-standing customer base, extensive installed base*, as well as robust services, operations, and maintenance capabilities
- Expertise in network virtualization technology and optical transmission technology (wavelength and bandwidth control)
- Advanced technologies related to underwater acoustics (sensors, signal processing, maritime testing, etc.)

How to address possible issues/challenges

- To address resource shortages for production expansion, we are reallocating resources across different businesses and factories, as well as making capital investments
- To overcome the lack of distinctive solutions and products, we are developing underwater acoustic communication solutions and products for both defense and commercial sectors

* Installed base: A track record of providing device groups at edge domains, and solutions centered on those device groups

Public Solutions

Medium-Term Business Plan 2025 (First Stage of Steering toward Growth)

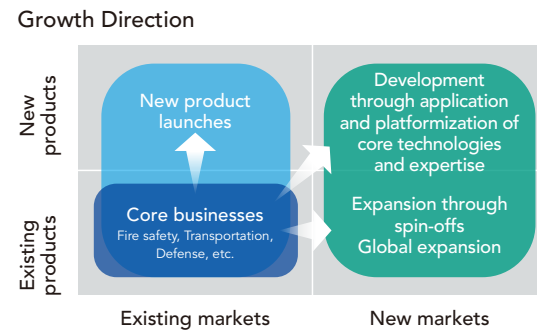
One of the key initiatives of the Medium-Term Business Plan 2025 is the development and launch of differentiated new products, such as firefighting systems, to capture the demand for system upgrades in the firefighting, disaster preparation, and road infrastructure sectors.

The market's upgrade plans have been progressing steadily as expected, and by introducing new products that enhance our strengths, we have been successfully securing upgrade demand in each of these areas.

To enter new areas with platforms specialized in specific markets and operations, we established the Cross Industry Business Center in fiscal year 2024, which integrates business and sales functions. This center is designed to accelerate demonstrations and implementations in collaboration with our partners.

TOKKI Systems Division has expanded our business domain not only to respond to the growth of the domestic defense market but also to the ocean market. As part of this effort, we have joined an ocean-related program. By participating in this program, we will not only leverage OKI's existing technologies and experience but also gain external expertise and new connections, leading to further expansion of our business domains.

In the commercial aviation sector, we are expanding our sales channels and pursuing sustainable growth by revising our portfolio. At the same time, we have established a new base in Singapore, which will serve as a starting point for expanding sales channels overseas.



Vision for 2031 (Beyond the Second Stage of Steering toward Growth)

Social Infrastructure Solutions Division

Toward 2031, leveraging the strength of our installed base, we will promote the resolution of social issues by developing and exploring next-generation products that utilize road traffic information data with a view to automated driving, as well as integrated firefighting and municipal disaster prevention systems. In addition, by utilizing our strong network system integration (SI) capabilities, we aim to expand our domain by entering businesses that own and build large-scale private networks.

TOKKI Systems Division

We aim to become a key player in the ocean market by developing distinctive products and solutions, such as underwater acoustic communication devices. In the commercial aviation sector, we will expand our sales channels for cockpit displays beyond the European market to include the North American market as well.

Development of New Technologies

In addition to one-to-one communication, we are utilizing one-to-many communication and long-distance communication via multi-hop technology to form extensive underwater networks.

Future Vision of Underwater Wireless Communication Networks



TOPICS Value Creation Material Issue | Conservation of Global Environment

We are actively working to create new business opportunities in the growing ocean sector.

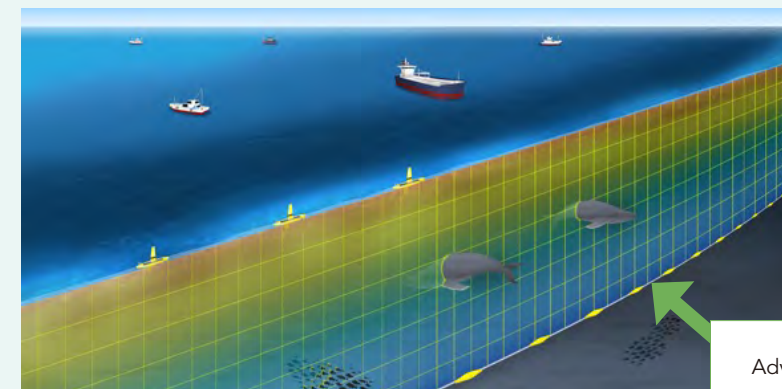
As a first step, we are participating in the Development of the Advanced Sensing Technology for Continuous Observation, Monitoring, and Investigation of the Vertical Profile of the Ocean from Surface to Seafloor Program, led by the Japan Agency for Marine-Earth Science and Technology (JAMSTEC) and promoted by the Japan Science and Technology Agency (JST).

The system being developed through this program will enable

real-time monitoring of objects and sea conditions passing through the vertical profile of the ocean. OKI is contributing to the advancement of this program by developing advanced sensing cables and other related technologies.

By participating in this program, OKI not only contributes to national security and ocean resource monitoring but also gains valuable expertise in ocean technology, laying the groundwork for future business creation in the ocean sector.

For more details, please refer to the Development of Smart Sensing System Project Team on the JAMSTEC website. <https://www.jamstec.go.jp/smartsensing/j/> (in Japanese only)



By utilizing advanced sensing cables equipped with optical fiber sensors to acquire ocean data, we aim to promote the blue economy through the creation of an ocean database and data analysis using related technologies.

Advanced sensing cables with optical fiber sensors