May 13, 2026

Company name:	Oki Electric Industry Co., Ltd.
Representative:	Takahiro Mori Representative Director and CEO
Securities code:	6703 (Prime Market, TSE)
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Notice Concerning the Formulation of "OKI Group New Management Plan 2031"

OKI hereby announces the formulation of its New Management Plan 2031, as described in the attached document.

OKI Group
New Management Plan 2031

May 13, 2026

Oki Electric Industry Co., Ltd.

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Agenda

1 Review of the Medium-Term Business Plan 2025

2 New Management Plan 2031

2-1 Business Strategy

2-2 Strengthening Management Foundation

2-3 Financial Strategy

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1. Review of the Medium-term Business Plan 2025

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Review of the 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

(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*2)	-3%	8%	9%	13% (10%)
Shareholder returns	Dividend payout ratio	-	30% or more	31%	26%

Steering toward growth 1st 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*3 production (Vietnam, India)

3. Create future businesses
- Obtained ISO 56001/56002 certification
- Bringing CFB*4 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

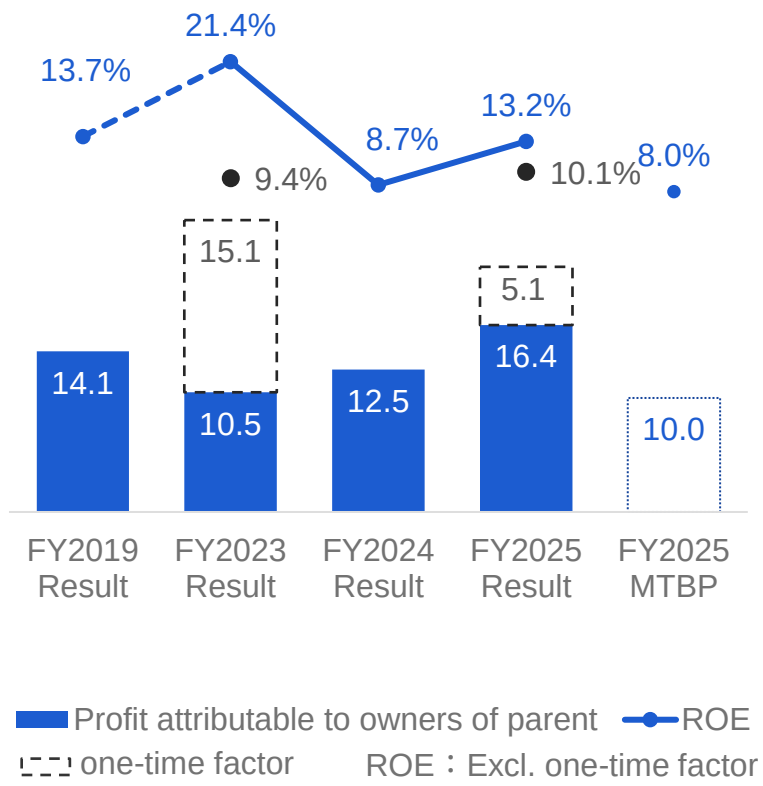
*1 MTBP: Medium-Term Business Plan *2 Excl. Special Gains from ETRIA's Participation *3 ATM: Automatic Teller Machine *4 CFB:Crystal Film Bonding technology

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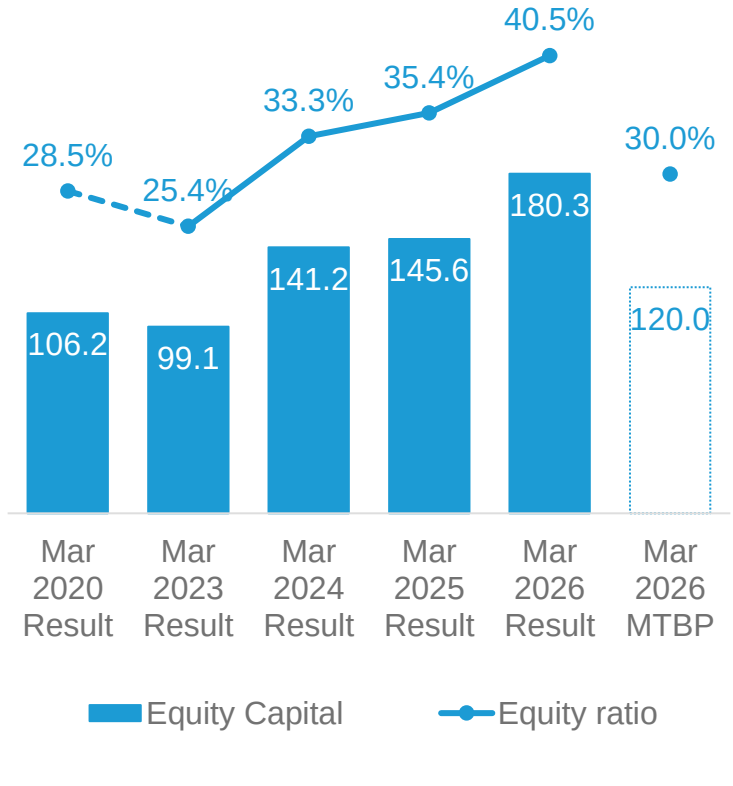
Management Objectives

Profit attributable to owners of parent & ROE

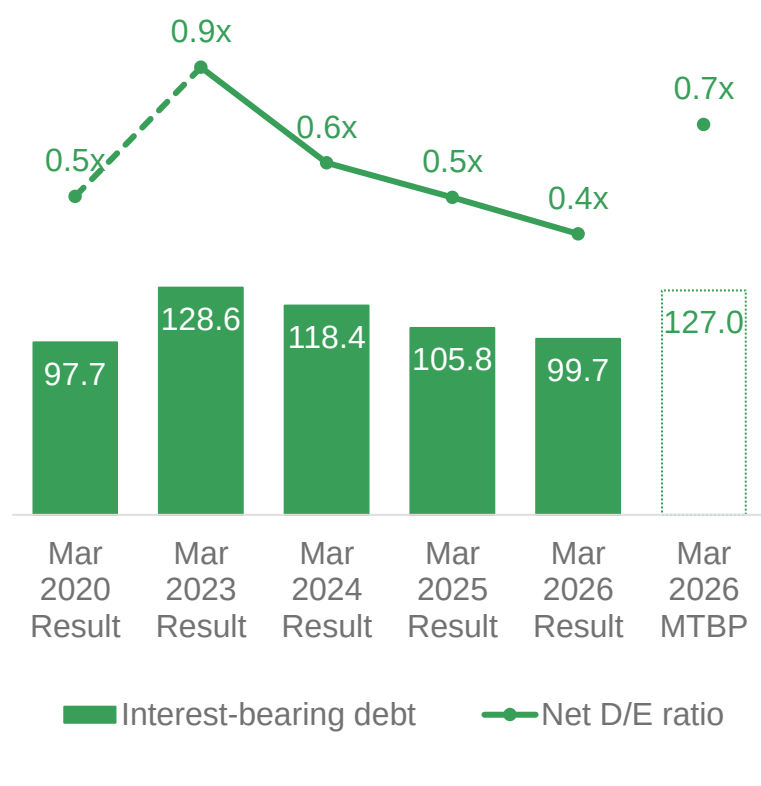
(Billion Yen)



Equity Capital & Equity ratio



Interest-bearing debt & Net D/E ratio



MTBP: Medium-Term Business Plan

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Stock Price Trends

Share Price 4.8x (vs. Mar. 2023)/ PBR: 1.94x (as of May 12, 2026)



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2. New Management Plan 2031

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Introduction: OKI Group's Journey

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."



Microphonic amplifier



Manual / Automatic telephone switchboard



Type-600 telephone



D10 electronic switching system



Telecommunications modem (PCLINK)



Japan's first VoIP System (VOICEHUB)



IP COVERGENCE Server (SS9100)



Japan's first multi-hop wireless system (SmartHop)



Zero Energy IoT series



Minicomputer (OKITAC 5090)



Thermal-type facsimile (OKIFAX7100)



Personal computer (if800)



Computer Telephony Integration System(CTstage)



ETC



Disaster information service (DPS Core)



Remote control tower system



Punched tape typewriter (OKITYPER)



World's first cash recycling ATM (AT-100)



Convenience store ATM(CP21Z)



Service counter terminal system



Modular ATM



Self-service deposit and withdrawal machine (SmartCashStation)



World's first LED printer



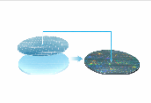
High-performance multilayer printed circuit board



LED array chip for printers



LED printer (COREFIDO)



Bounding dissimilar semiconductor materials（CFB）

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Corporate Philosophy: Purpose / Vision / Value

OKI's New Commitment

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

OKI Spirit	**Lead the Way**



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New Management Plan 2031: Basic Policy

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%*
Shareholder's 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%+
Shareholder's equity ratio	40%+
Dividend payout ratio	35%+

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(1) Value Creation Model

Strengthening OKI's unique intellectual capital and create social value

Purpose: Shaping Next for Society

Strengthening Intellectual Capital

Social & Relationship capital*3		Deepening long-standing trust with social infrastructure operators, financial institutions, and central government—leading safety and security	
Organizational capital	Process	Customer value design process based on Innovation Management System	Management System Reform
	Digital / Technology / Knowledge	An edge platform that accumulates practical know-how and applies it to problem solving	
		Physical-to-digital conversion technology	Unique core component technologies
Manufactured capital *3		End-to-end Mono-zukuri*1 capability for mission-critical reliability (HW/SW*2: design, manufacture, maintain)	
Human capital		Customer-site professionals	
		Talent to design strategy with ownership	

*1 Mono-zukuri : manufacturing *2 HW/SW : Hardware/Software *3 Natural capital included within social & relationship capital and manufactured capital.

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(2) Business Strategy: Business Domain

OKI

Business Concept

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

Information and Communications





Network Devices



Business Communications



AI & Semiconductors / Aerospace





Air Traffic Control



Advanced Technologies



OKI's Unique Perspective



Transport and Passenger services



Retail



Finance





Remote Operations, Control, and Maintenance





Comprehensive Manufacturing Services



ETC system



Printers



Manufacturing

Disaster preparation and national land resilience





Firefighting command systems



Disaster preparedness information systems



Edge Devices

Defense / Ocean







Sonar



Cockpit Displays





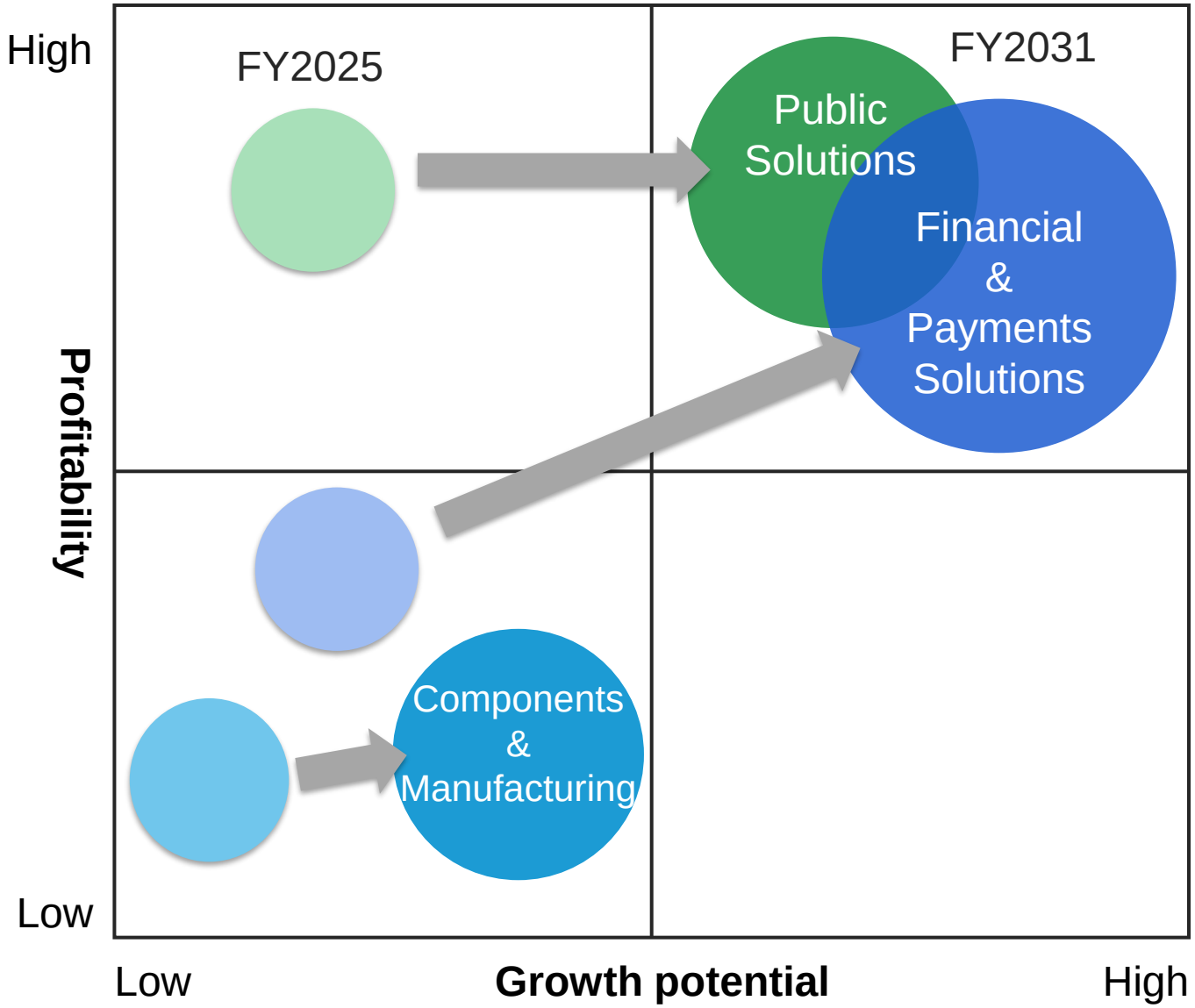
Underwater Acoustic Technologies

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2-1. Business Strategy

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Business Strategy: Segment Structure



Public Solutions Segment

●Growth in Scale

Grow in alignment with Japanese government growth sectors while maintaining high profitability

Financial & Payments Solutions Segment

●Growth in Scale ＆Profitability

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

Components & Manufacturing Segment

●Structural Reforms

Shift to a business structure driven by the Advanced Components business

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Business Strategy: Public Solutions Segment

Strengthening Focus on Government Growth Strategy Sectors

Defense / Ocean

Defense Systems Business

- ▶Responding to rising defense demand
  (expanding production capacity)
- ▶Pursuing overseas equipment transfers

Disaster Prevention / National Resilience

Social Infrastructure Solutions Business

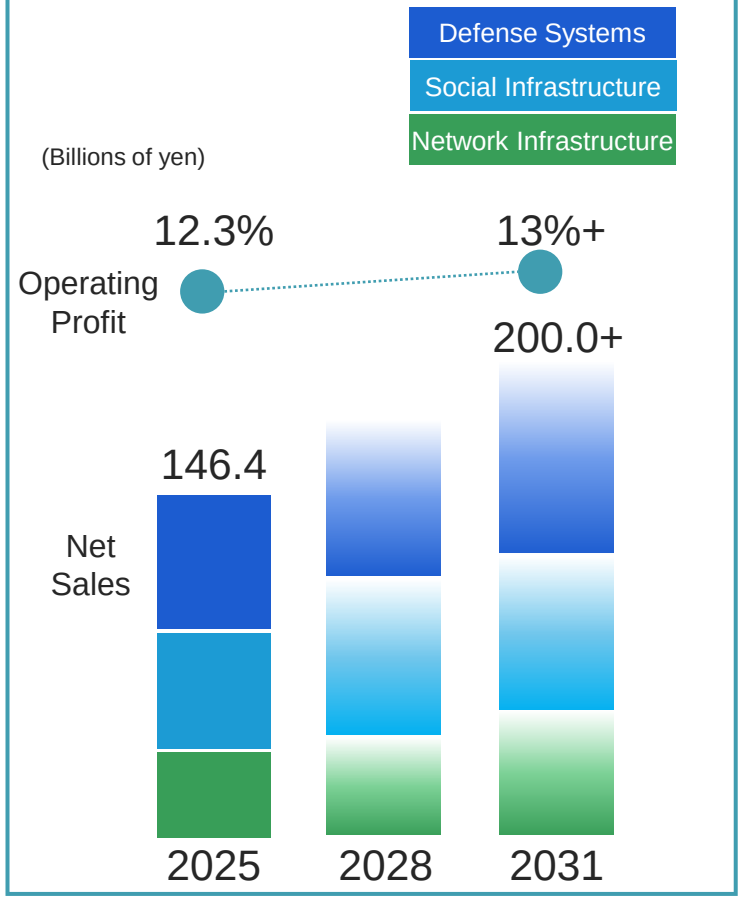
- ▶Strengthening Readiness for Fire, Disaster Prevention, and Road Traffic Issues
- ▶Expanding private-sector business, including roads, railways, and aviation

Information and Communications

Network Infrastructure Business

- ▶ Strengthening Readiness for Next-Generation Network Transitions, Including 6G/APL
- ▶ Expansion into Telecommunications Equipment and Large-Scale Private Network Businesses

Net Sales and Operating Profit Margin targets



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Business Strategy: Financial & Payments Solutions Segment

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

Market environment ▶Favorable opportunity for business expansion

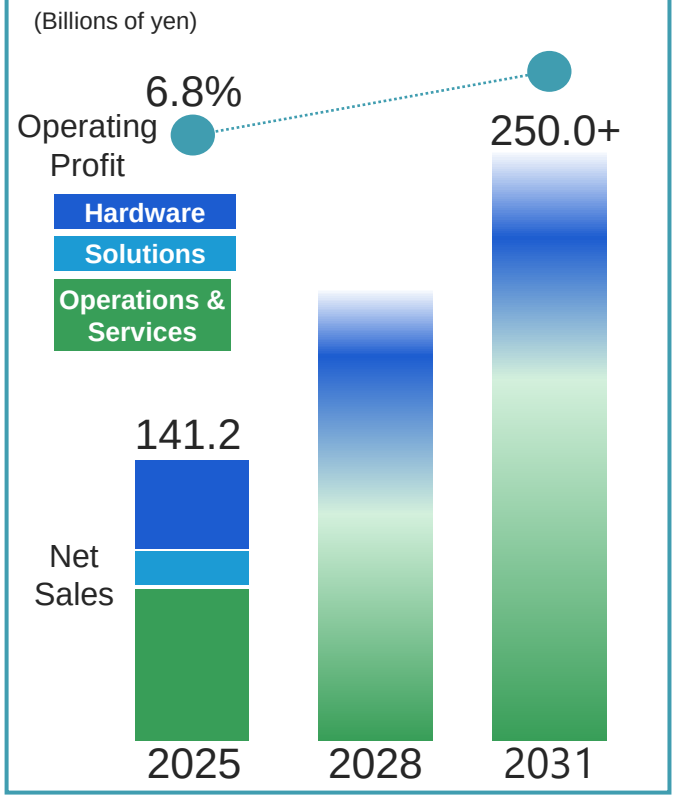
Domestic market
(1) Sustaining cash infrastructure
(2) Need for more efficient operations
(3) Declining competition

Global market
(1) Growth potential for cash-recycling ATMs in India and other Asian markets
(2) Expanding Domestic Service Business Locally

Alliances

Hitachi: Establishment of ATM joint venture (scheduled for October 2026)
Fujitsu: Supply of Automation Equipment

Net Sales and Operating Profit Margintargets



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Business Strategy: Financial & Payments Solutions Segment

Hardware (Engine Share)

Domestic Bank ATM Market Share



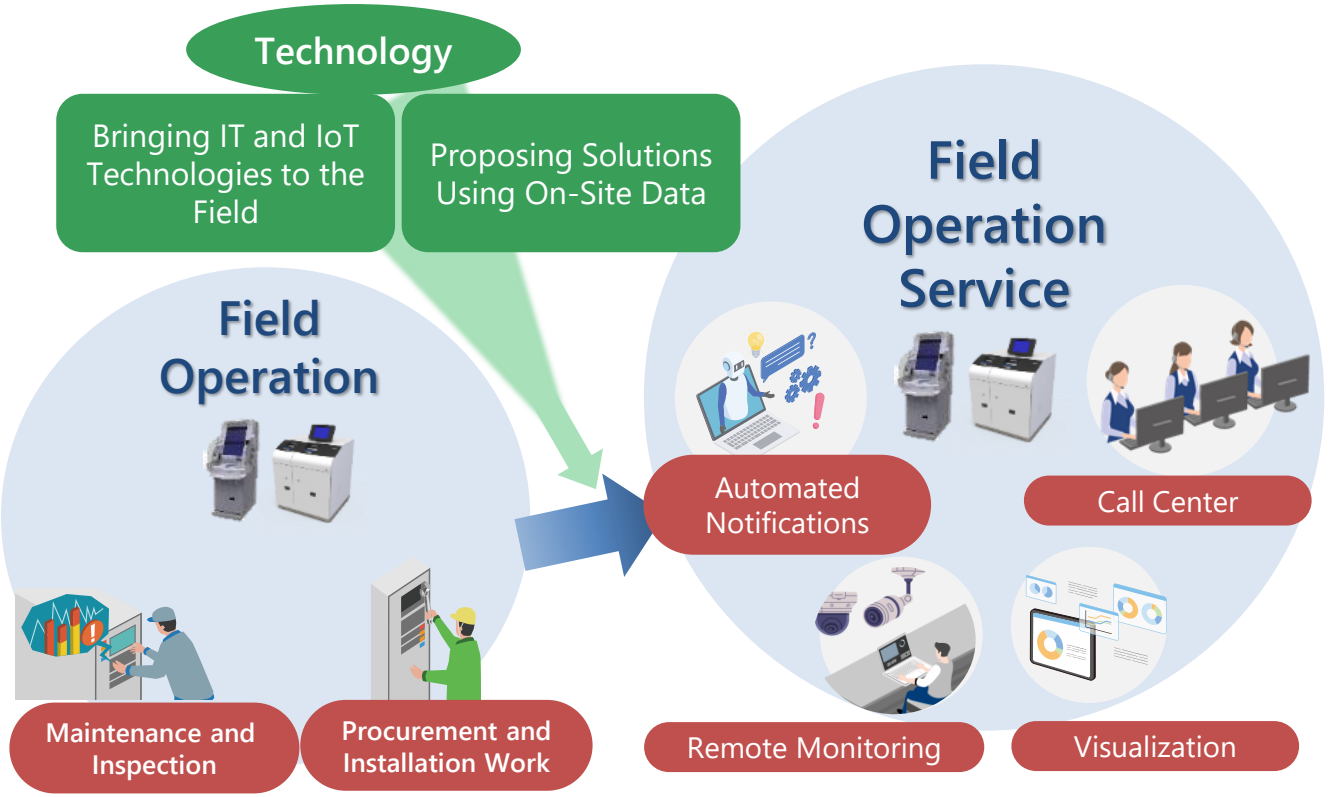
Recycling ATM Market Share in India



- **Advancement of Product Development**
- **Improvement in Production Efficiency**
- **Strengthening of Global Business Operations**

Field Operation Service

Expanding from Maintenance and Call Center Operations to Full Outsourcing
(Designing Future Customer Touchpoints and Enhancing Operations)



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Business Strategy: Components & Manufacturing Segment

Breakout growth in the ADC business and structural reform of the CPS and EMS businesses

AI / Semiconductors / Aerospace

Advanced Components (ADC) business

Developing 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

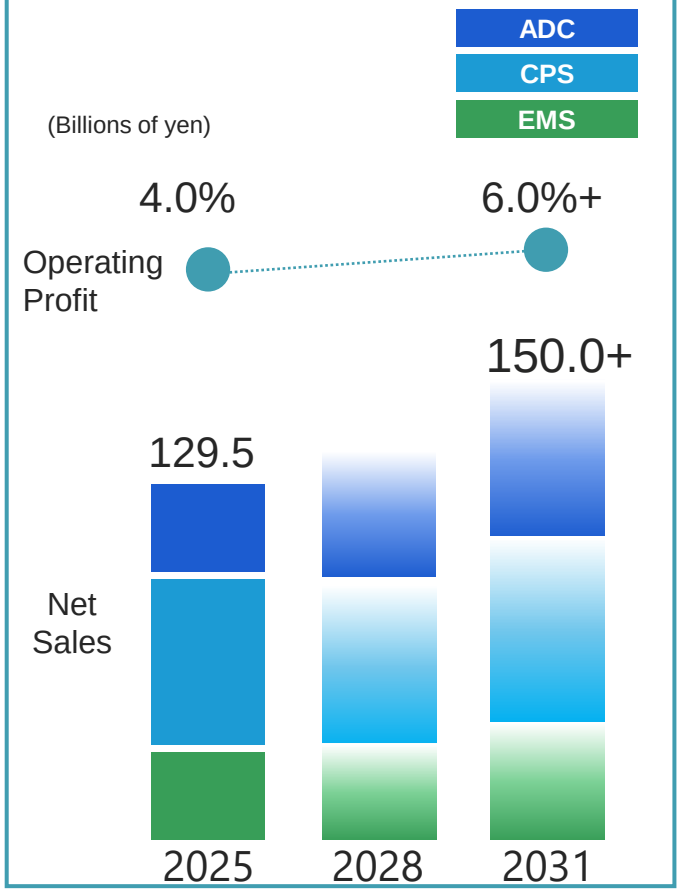
- **Printers: Expanding recurring revenue through broader product offerings driven by synergies from the ETRIA integration**
- **Business communications: Reviewing the business structure, including collaboration with other companies**

Electronics Manufacturing Services (EMS) business

Reviewing the business structure

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

Net sales and Operating Profit Margin targets



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

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2-2. Strengthening Management Foundation

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Human Capital Strategy and Management System Reforms

Foundation for Transformation: Guiding Employees to Become "*Future Makers*"

Human Capital Investment (2.5x)

Expand opportunities for learning and practice

Fostering Talent Who Take Initiative and Keep Acting



Global Challenge



"MiraIntern"

Mindset Transformation

Developing Future Makers Who Understand Our Vision and Strategy

Work Environment

Stimulating Office Accelerating Challenges and Maximizing Employees' 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

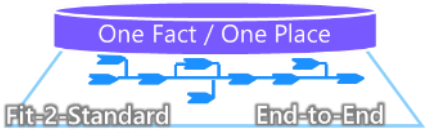
Security + Availability

OKI's foundation for mission-critical social infrastructure

SAP Business Suite

Planned to Start Operation 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)

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2-3. Financial Strategy

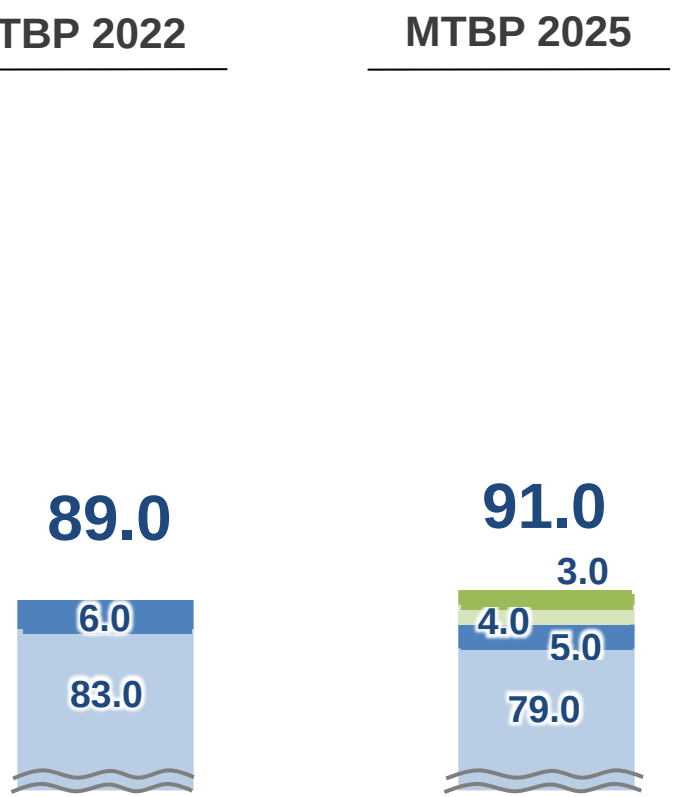
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Financial Strategy: Investment Strategy

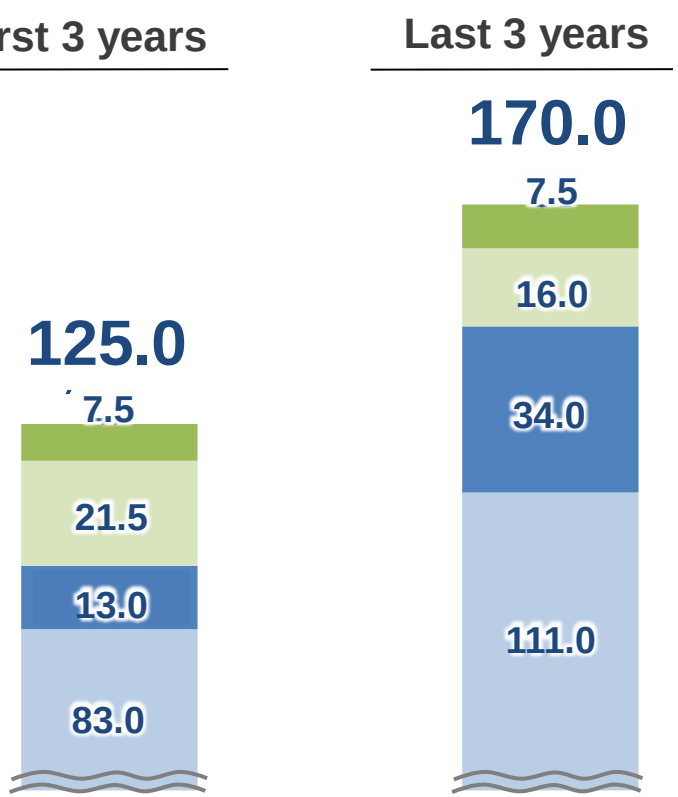
Toward realizing our intellectual capital and business strategy

(Billions of yen)

Past Medium-Term Business Plans



New Management Plan 2031



Human Capital Investment

- Launch of a New Engagement Center
- Cultivation of Next-Generation Leaders and Key Personnel

Investment in Management System Reforms

- Implementation and Utilization of SAP Business Suite
- IT Infrastructure Renewal

Investment in High-Growth Markets

- Investment in Silicon Photonics Technology Development
- Enhancement of Supply Capacity (High value-added components, including CFB)

Investment in Core Businesses Innovation

- Field Operation Service Infrastructure for Financial Services
- Supply Capacity Expansion for Defense Business
- Edge Platform Development Investment

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Cash Allocation

Generate Funds Through Operating Cash Flow and Capital Optimization
Actively Invest to Strengthen Intellectual Capital and Achieve Business Strategy

FY26-FY31 Cash Allocation

(Billions of yen)

Cash In

- **Capital Optimization**
- **Fundraising**
- **Operating Cash Flow Before Investments**

Cash Out

- Strategic Business Investment: 240.0
  - **Core Business Renewal Investment:** R&D: 70.0, Capital Investment: 120.0
  - **High-Growth Markets Investment:** R&D: 5.0, Capital Investment: 45.0
- Management System Reform Investment 37.5
- Human Capital Investment: 16.5
- Dividend: 40.0+

FY26～FY28	FY29～FY31
Financial Services: Field Operation Service Platform	
	Defense: Enhancement of Supply Capacity
Silicon Photonics R&D Investment	
High Value-Added Components: Enhancement of Supply Capacity	
Management System Renewal: From SAP Implementation to SAP Utilization	
Launch of a New Engagement Center / Human Capital Development	
Maintain Stable Dividends and Aim for a Payout Ratio of 35% or Higher in FY31	

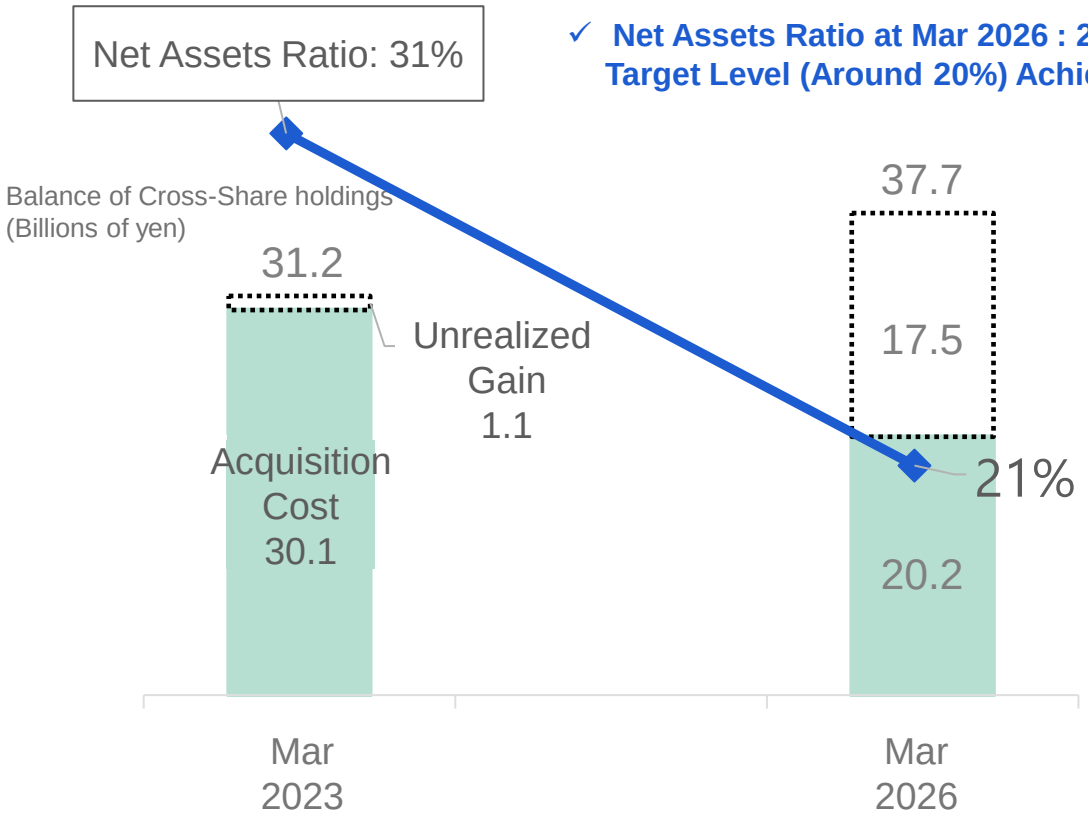
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Policy for Reducing Cross-Shareholdings

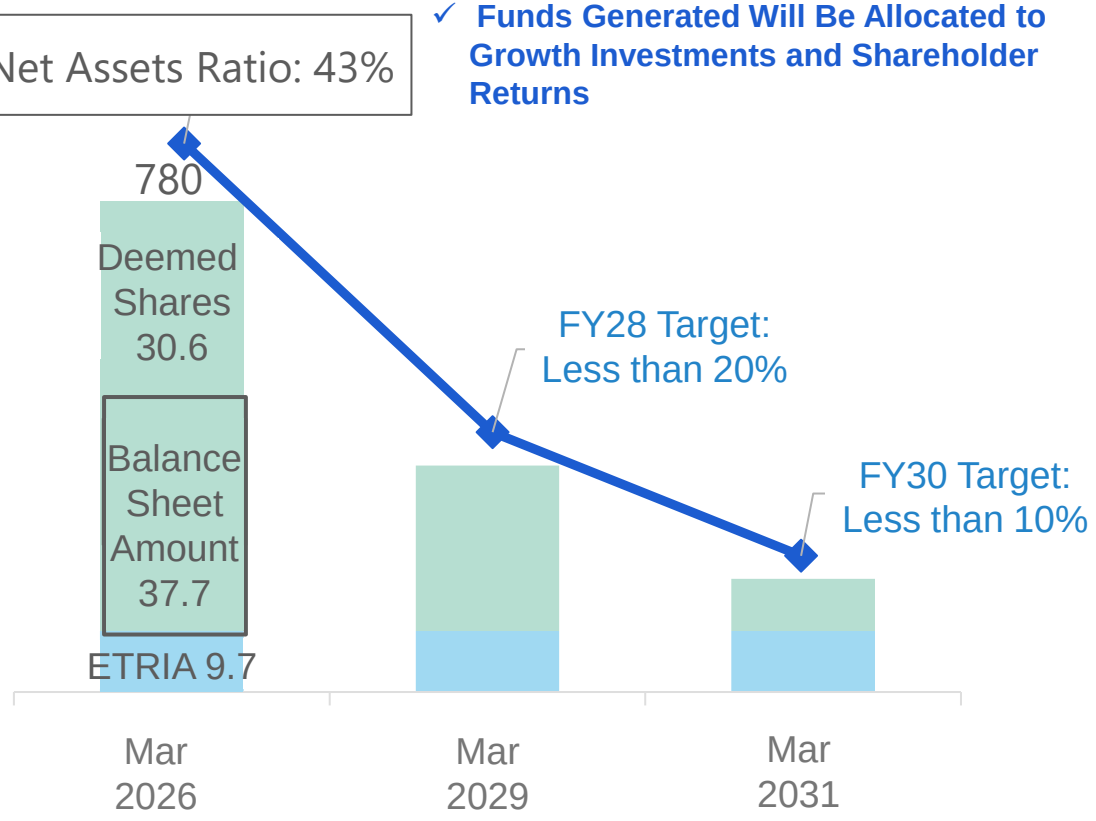
Early Achievement of Net Assets Ratio Below 10%

Medium-Term Business Plan 2025
(Net Assets Ratio: Excluding Deemed Shareholdings and ETRIA Shares)

New Management Plan 2031
(Net Assets Ratio: Including Deemed Shareholdings and Etruria Shares)



✓ **Net Assets Ratio at Mar 2026 : 21%**
Target Level (Around 20%) Achieved



✓ **Funds Generated Will Be Allocated to Growth Investments and Shareholder Returns**

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From OKI Electric Industry to OKI

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Appendix

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Business Strategy: Public Solutions Segment

Defense Systems Business



▶Responding to rising defense demand (expanding production capacity)

(1) Construction of new building in Numazu
(2) Further site expansion under consideration

▶Pursuing overseas equipment transfers

(1) Sonar systems for Australian frigates
(2) Display and control circuit boards for next-generation fighter aircraft (Japan-UK-Italy)

Social Infrastructure Solutions Business



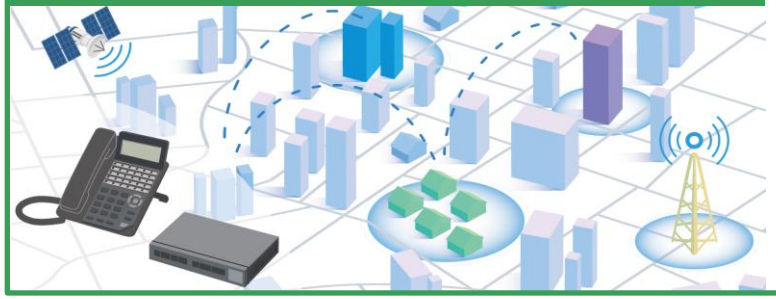
▶ Enhanced Response Capabilities for Fire Safety, Disaster Prevention, and Traffic Issues

Increase in Qualified Personnel including Site Managers, Lead Engineers, and SEs

▶ Expansion of Private-Sector Applications across Road, Rail, and Aviation

Resource Allocation to Establish Private-Sector Mobility Service Businesses

Network Infrastructure Business



▶ Enhanced Readiness for the Transition to Next-Generation Networks (6G/APN)

(1) Commercialization of silicon photonics technologies
(2) Advancement of access network–related products

▶ Expansion of Communications Equipment and Large-Scale Private Network Businesses

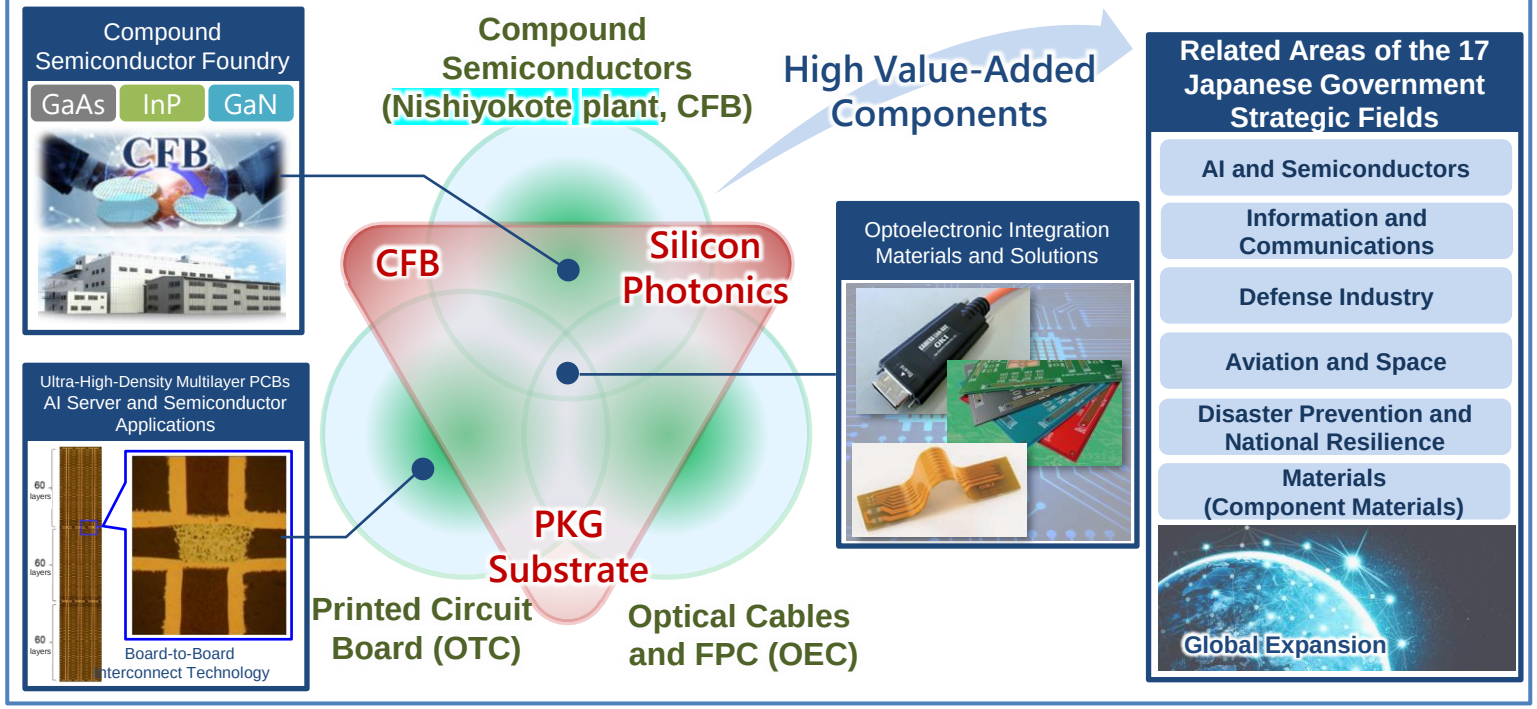
(1) Expanded access equipment lineup and enhanced supply capabilities
(2) Growth through one-stop lifecycle services for large-scale private networks

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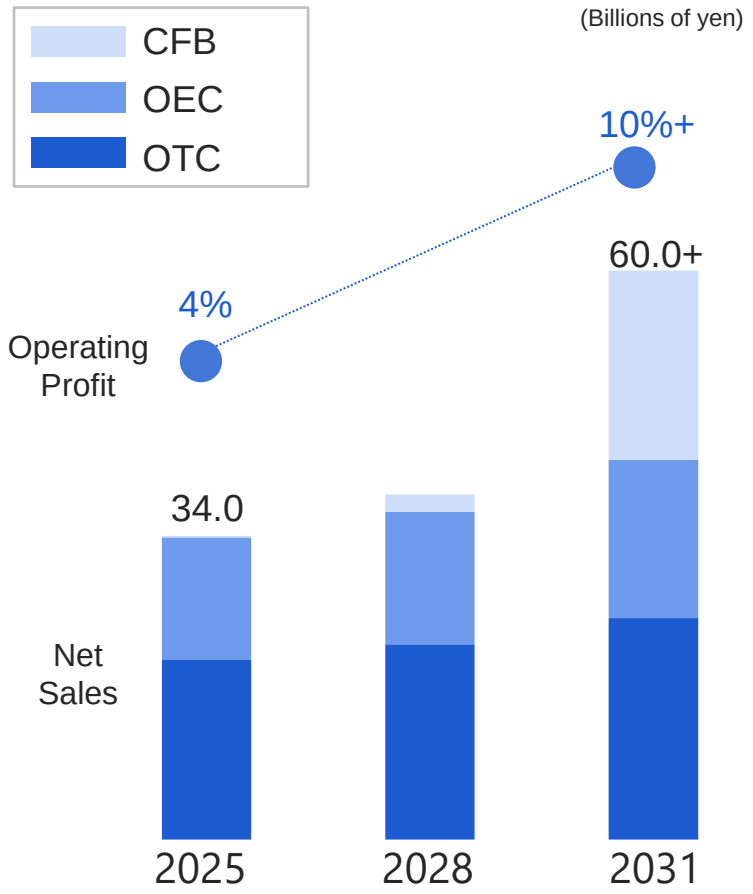
Business Strategy: Advanced Components Business

Integrated operations of the CFB, substrate, and cable businesses
High-margin growth driven by technology-oriented components

- Business Expansion by Growing Core Businesses and Leveraging Synergies with Advanced Components
- Enhancing Product and Solution Value Through Active Participation in Growth Markets
- Agile Business Development Through Open Innovative Activities



Net sales and Operating Profit Margin targets



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Glossary

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.

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Glossary

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.

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Notice

- 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.

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