

Public Solutions

Messages from Heads of the Division

We aim to grow and contribute to the realization of a safe, secure, and convenient society by providing solutions that support social infrastructure.



With the goal of “delivering safety, security, and convenience to people through innovation in social infrastructure solutions, thereby realizing a prosperous and sustainable society,” we aim to be a business partner that deeply understands our customers’ operations and provides safe and secure social infrastructure together with them.

Hiroshi Tanabe

Executive Officer, Head of Social Infrastructure Solutions Division

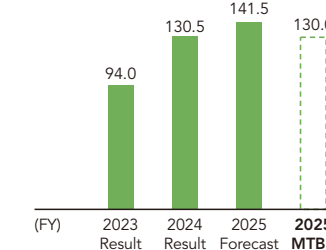


As a business that plays a role in Japan’s national security, we will respond to the increase in the domestic defense budget by strengthening our development and production systems, while at the same time realizing “Delivering OK! to your life.” in tandem with business growth.

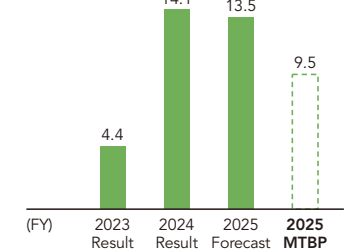
Masaya Motosugi

Executive Officer, Head of TOKKI Systems Division

Net Sales
(Billions of yen)

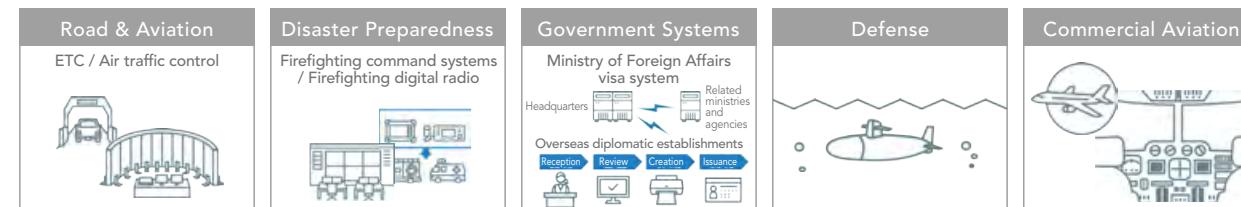


Operating Income
(Billions of yen)



Business Overview

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



Business Policy

Social Infrastructure Solutions Division

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. We aim to secure earnings by successfully completing large-scale projects across various fields, particularly in firefighting, where major system upgrades are underway. At the same time, we will strengthen our framework for planning and developing new products to drive future business growth.

TOKKI Systems Division

We view opportunities such as the increase in the defense budget and the overseas transfer of defense equipment as growth drivers and will continue to make strategic investments. Focusing on advancing underwater acoustics and Ruggedize* technologies—the sources of our value creation—we will expand production capacity, strengthen domestic maintenance systems, and promote overseas expansion, while also pursuing new value creation in the civilian ocean market by leveraging our technological assets.

* Ruggedize: Technology that enhances the durability of products or systems, equipping them with qualities such as heat and cold resistance, waterproofing, dustproofing, and shock resistance, making them suitable for challenging environments

Understanding the Business Environment

Opportunities

- Investment opportunities in major system upgrades in the firefighting market and new services in the road market
- 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 underwater acoustics technologies (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
- To overcome the lack of distinctive solutions and products, we are developing underwater acoustic communication solutions and products for both the 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

Progress of the Medium-Term Business Plan 2025 and Future Outlook

■ Social Infrastructure Solutions Division

One of the key initiatives of the Medium-Term Business Plan 2025 is the development and launch of differentiated new products, in areas such as firefighting systems, to capture the demand for system upgrades. The market's upgrade plans have progressed steadily as expected, and in fiscal years 2023 and 2024 we consistently secured upgrade demand in the firefighting, disaster preparedness, and road infrastructure sectors. In addition, through proposals and discussions with customers, we have advanced the development of functions and services tailored to on-site needs, steadily progressing toward growth.

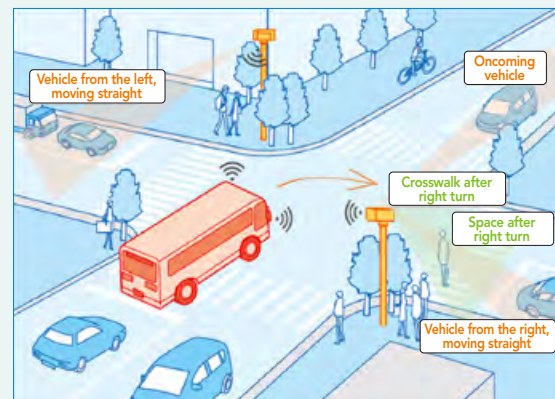
Looking ahead, we are leveraging the strength of our installed base to examine and develop next-generation products that pursue greater convenience. In the firefighting and disaster preparedness field, we will seek growth by strengthening the provision of systems and services that contribute to community disaster safety. In the road infrastructure sector, we are continuing activities aimed at the utilization of road traffic information data with a view to autonomous driving, including participation in proof-of-concept testing. Furthermore, we are making steady progress in entering the large-scale private network domain, and will continue to promote expansion in this area.

TOPICS Value Creation Material Issue | Safe and Convenient Social Infrastructure

In recent years, many regional cities in Japan have experienced service reductions and discontinuations of local bus routes due to a shortage of bus drivers, making mobility difficult for residents and affecting daily life and local economies. As a solution to these challenges, expectations are growing for the practical use of autonomous driving, and demonstration experiments are underway nationwide.

OKI is participating in autonomous driving demonstration projects led by the Ministry of Internal Affairs and Communications and others, using road-vehicle cooperative system technologies with roadside sensors that detect road conditions and transmit information to vehicles to support the safe operation of autonomous buses.

Going forward, we will continue to leverage insights gained from these demonstrations to develop advanced solutions tailored to local needs and promote the social implementation of autonomous driving.



Supporting vehicle operations at intersections through road-vehicle cooperative systems

■ TOKKI Systems Division

Under the Medium-Term Business Plan 2025, Japan's domestic defense market has been steadily growing, and we have been advancing various initiatives in line with that growth. As a result, in fiscal year 2024 we achieved record-high net sales. With sales expected to remain at high levels in fiscal year 2025 and beyond, we will increase the number of engineers and promote the strengthening of production capacity and improvement of quality. In the commercial aviation sector, we will also continue to promote sustainable business operations by providing cockpit displays for small- and medium-sized aircraft.

In overseas defense markets, we are expanding sales channels for defense equipment such as underwater acoustic sensors and instruments for next-generation fighter aircraft. At the same time, by strengthening collaboration with overseas manufacturers, we are working to enhance the performance of defense equipment and drive further growth in the defense business.

TOPICS Value Creation Material Issue | Safe and Convenient Social Infrastructure

To respond to the medium- to long-term growth of Japan's domestic defense market, we plan to begin operations at a new building at the Numazu Plant in 2027. This will enable us to meet increasing demand for higher production volumes of defense products.

Going forward, we will continue developing underwater acoustics products, while strengthening the capabilities and technologies that give us an advantage in the underwater domain and contributing to areas such as ocean resource exploration. Through these initiatives, we aim to pursue business growth in both the global defense and ocean markets.



Rendering of the new building at the Numazu Plant