

Message from the CFO



Teiji Teramoto
Representative Director and
Senior Executive Vice President

Fostering a corporate culture where every individual can fully demonstrate their capabilities

Improving the Financial Foundation and Effective Investment

Under the Medium-Term Business Plan 2025, we have adopted the basic policy of steering toward growth and breaking free from the downward trend. Our goals are to restore performance to pre-COVID-19 levels achieved in fiscal year 2019 and to advance initiatives that will lead to creating future businesses for fiscal year 2026 and beyond. As part of our financial and investment strategy, we are working to improve our financial foundation while executing investments aimed at further business expansion, based on maintaining a BBB (triple B flat) credit rating.

Review of Fiscal Year 2024 Performance

In fiscal year 2024, net sales totaled 452.5 billion yen and operating income was 18.6 billion yen. Net sales increased for the third consecutive year, surpassing 450.0 billion yen for the first time in five years. Operating income absorbed one-off negative factors and remained at the same level as the previous fiscal year. Excluding these one-off factors, underlying business profit increased, demonstrating improved profitability. Both return on equity (ROE) and the shareholders' equity ratio achieved the targets set under the Medium-Term Business Plan 2025 ahead of schedule, indicating a steady recovery in profitability and financial soundness.

As part of the Company-wide cultural transformation, we undertook a major review of our sales structure in fiscal year 2024, establishing an integrated framework that enables closer collaboration between the Sales & Promotion and Business divisions. In the past, OKI's organizational structure tended to be vertically segmented, making cross-organizational collaboration difficult—even in areas such as working capital management, which require cooperation across divisions. To address this, we strengthened collaboration between the Sales & Promotion and Business divisions by aligning them around the same markets and operational targets. This led to a growing sense of unity and mindset change across the organization, improved business operations and resource utilization, and, ultimately, stronger overall organizational performance.

Message from the CFO

Actions in Fiscal Year 2025

Initiatives toward Achieving a P/B Ratio of 1 or Higher

Fiscal year 2025 marks a return to normal business conditions following the completion of large-scale demand seen in previous fiscal years. It will be a year that truly tests OKI's capabilities. Over the two years since the start of the current Medium-Term Business Plan, I have seen a significant strengthening in each business division's commitment and execution toward their respective businesses. In particular, the awareness of profitability and determination to achieve targets have risen across the entire organization. Building on this positive momentum, we are working together as one Company to achieve the goals of the Medium-Term Business Plan 2025.

Profit attributable to owners of parent for fiscal year 2024 reached 12.5 billion yen, exceeding expectations, and is projected to increase to 14.0 billion yen in fiscal year 2025. Based on this performance, we implemented a 15 yen dividend increase in fiscal year 2024 and plan to raise dividends by an additional 5 yen this fiscal year.

To achieve and sustain a price-to-book (P/B) ratio of 1 or higher, it is essential not only to meet numerical targets but also to foster a corporate culture that values keeping promises and to transform our business structure into one capable of generating stable profits. With the entire Company united under the banner of "Building a Brand-New OKI," we will continue striving for sustainable growth and the establishment of firm trust in the market.

Toward the Full-Scale Implementation of ROIC Management

We began trial implementation of ROIC in fiscal year 2024 and started discussions on business strategies that take ROIC into account within each business division. During fiscal year 2024, we also selected ROIC management as the theme for an off-site meeting with outside directors, where all executive officers gathered to conduct in-depth discussions. Together, we reviewed the drivers and key performance indicators (KPIs) that make up each business's ROIC tree and formulated improvement measures. Through this process, we created opportunities to share the policies and action plans of each business division, which had a mutually positive impact. As a result, management staff across divisions have come to understand the significance of ROIC and are now able to outline concrete pathways for its full-scale implementation. At the same time, specific challenges—such as the treatment of shared assets—have also emerged in advancing full-scale ROIC implementation. In fiscal year 2025, while addressing these challenges, we will prepare for the full-scale start of ROIC management and, during the next management plan period beginning in the following fiscal year, accelerate the transformation of our business portfolio based on business evaluations using ROIC.

Cash Allocation

Under the current Medium-Term Business Plan, our main sources of cash inflow are the steady generation of operating cash flow and the reduction of cross shareholdings.

To generate operating cash flow, it is essential not only to improve profitability but also to strengthen Company-wide working capital management. In this regard, strengthened collaboration between the Sales & Promotion and Business divisions has already produced tangible results. As for cross shareholdings, excluding shares acquired in connection with our participation in ETRIA CO., LTD.—responsible for printer development and manufacturing—we aim to reduce the ratio of such shareholdings to 20% or less of net assets by the end of fiscal year 2025. In fiscal year 2024, we sold eight stock holdings, bringing the total number of holdings down to 57 and reducing the ratio to 24%, steadily approaching our target.

On the cash outflow side, we are prioritizing strategic investments for growth—such as through the use of co-creation funds—while ensuring disciplined allocation of funds. Growth investments are projected to total approximately 18.0 billion yen over the three years of the plan, with active investments in growth areas such as the Public Solutions business.

By continuously managing operations with a strong focus on maximizing capital efficiency through measures such as the use of ROIC, we will work to strengthen both business growth and our financial foundation, while maintaining stable and sustainable shareholder returns.

Looking Ahead

OKI now stands at a historic turning point

As we enter the final year of the Medium-Term Business Plan 2025, our priority is to firmly achieve the performance targets set for this fiscal year and deliver a third consecutive year of dividend increases, thereby further strengthening the market's trust in OKI.

What is required of us now is to clearly define the direction of OKI's value creation under our corporate philosophy and action principles, and to communicate that direction as a growth story that links sustainability with financial goals. The key to "Building a Brand-New OKI" lies in our connections—with customers, partners, and among our employees and organizations. Even within OKI, I am convinced that as individuals and teams connect more organically across vertical, horizontal, and diagonal lines, new ideas and added value will emerge. When each individual unleashes their abilities and brings forward new ideas and innovations—combining them with OKI's technologies—previously unseen opportunities will come into view. By maximizing dialogue with stakeholders inside and outside the Company and sharing insights across organizational boundaries, we will continue to generate new value together.

As Chief Financial Officer, I will focus on fostering a corporate culture that enables every individual to fully demonstrate their capabilities by further strengthening connections beyond divisions/departments and positions—vertically, horizontally, and diagonally throughout the organization. By combining OKI's technologies and expertise and taking on the challenge of creating unprecedented new value, we will move forward together as one toward the "Second Stage of Steering toward Growth."