

Progress of Medium-Term Business Plan 2025

Under the basic policy of “steer toward growth and break free from the downward trend,” the Medium-Term Business Plan 2025 has management targets of net sales of 450 billion yen, operating income of 18 billion yen, and a shareholders’ equity ratio of 30% for fiscal year 2025, with the aim to “return to fiscal year 2019 levels of performance and restore the weakened financial foundation” and “create future businesses for fiscal year 2026 and beyond.” To meet these targets, after completing the measures set forth under the “First Stage of Steering toward Growth,” we will move toward the “Second Stage of Steering toward Growth” (fiscal year 2026 and beyond), aiming to expand future businesses by 2031, the 150th anniversary of the Company’s founding.

Review of Fiscal Year 2023 and Future Outlook

Financial Overview ▶ P. 6

Net sales in fiscal year 2023 reached 421.9 billion yen, a 14% increase year-on-year, and fiscal year 2024 is expected to surpass the Medium-Term Business Plan 2025 target of 450 billion yen. Operating income also saw a V-shaped recovery, in line with the sales increase. Even when excluding one-off factors, the Company is regaining its underlying profitability, with further improvements in profit levels as the next goal.

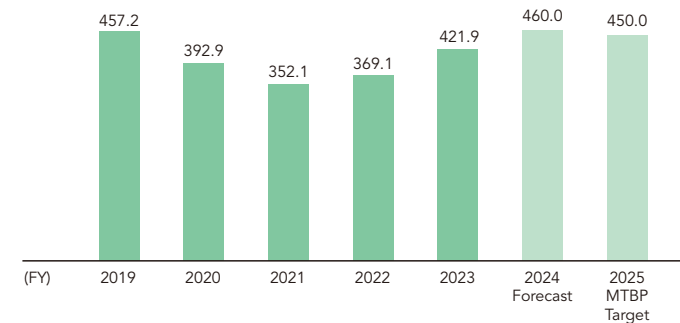
ROE for fiscal year 2023, excluding one-off factors, reached 9.4%. The shareholders’ equity ratio has already achieved the target set in the Medium-Term Business Plan 2025 ahead of schedule. Although ROE is expected to temporarily decline in fiscal year 2024 due to an increase in equity, we are aiming to achieve the fiscal year 2025 target and a long-term ROE of over 10%. From fiscal year 2024 onward, we will continue to strike an optimal balance between strengthening equity, growth investments, and enhanced shareholder returns.

Sustainability

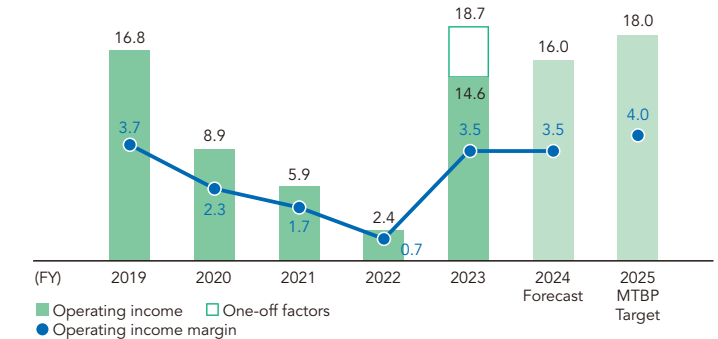
In alignment with the vision for OKI in fiscal year 2031, we updated our material issues alongside the formulation of the Medium-Term Business Plan 2025, while also working to strengthen sustainability management.

In fiscal year 2023, in addition to the initiatives outlined in the material issues progress table ▶ P. 27, we enhanced our sustainability efforts by incorporating ESG metrics into the performance evaluation criteria for executive compensation. On the environmental front, we revised the OKI Group Environmental Vision and obtained SBT certification. Furthermore, in our corporate culture transformation efforts, we revised the employee grading system as part of reinforcing human capital investment. Moving forward, we will continue advancing our current initiatives, including structuring human rights-related activities more systematically.

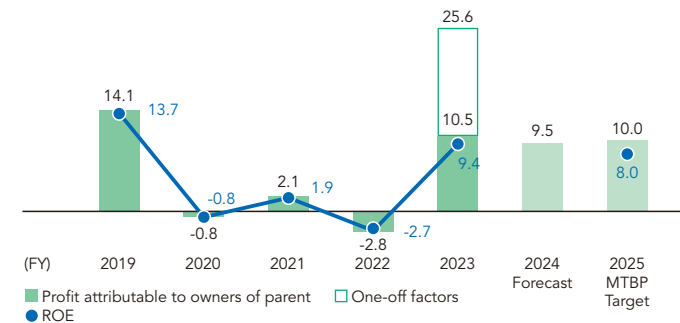
Net Sales (Billions of yen)



Operating Income (Billions of yen) and Operating Income Margin (%)



Profit Attributable to Owners of Parent (Billions of yen) and ROE (%)



Shareholders’ Equity (Billions of yen) and Shareholders’ Equity Ratio (%)

