

Message from the Senior Executive Vice President

We will steadily implement initiatives toward sustainability management and financial foundation improvement to steer toward growth.



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Representative Director and
Senior Executive Vice President

Steadily Advancing Initiatives for OKI's Future

It has been three years since I joined OKI. After having served as Head of the Marketing & Sales Group, I assumed the role of Senior Executive Vice President in April 2024. Both from the outside world of finance where I was before joining OKI, and from the inside of the Company over the past three years, I am convinced that OKI holds significant potential and room for growth.

To support the CEO, and as the Chief Financial Officer and Chief Human Resources Officer, I am committed to steadily advancing efforts to unlock and realize the Company's latent potential, working toward enhancing corporate value.

I believe that OKI is currently at a major turning point for the future. Under the Medium-Term Business Plan 2025, which started in fiscal year 2023, we have established the basic policy of "steer toward growth and break free from the downward trend," with the entire Group focused on transforming into a more stable, growth-oriented organization capable of steadily accumulating profits.

In the past, OKI often operated within a siloed organizational structure, where cross-departmental collaboration was severely lacking. Recognizing that this was one of the major obstacles to our growth, we implemented Group-wide organizational reform in fiscal year 2023. As the vertical and horizontal threads weave together, the great potential of individual employees and departments will align, strengthening our organizational capabilities. We will continue to promote reforms from a Group-wide perspective moving forward.

Practicing Sustainability Management with a Focus on Transforming Corporate Culture

Sustainability Initiatives

Under the corporate philosophy of an "enterprising spirit," OKI aims to contribute to the creation of a sustainable society while achieving corporate growth as a company dedicated to "Delivering OKI to your life." In drafting the Medium-Term Business Plan 2025, we revisited our material issues and updated them into four areas: "providing products and services that help solve social issues," "reducing environmental impact through business activities," "transforming into a corporate culture that continuously creates value," and "strengthening management foundation to support sustainable growth."

Based on these material issues, we are advancing various environmental, social, and governance (ESG) initiatives, including efforts to meet the climate change targets outlined in the OKI Group Environmental Vision 2030/2050 and promoting measures to enable diverse talent to thrive. In fiscal year 2023, we revised the OKI Group Environmental Vision, obtained SBT certification, and as part of strengthening human capital investment, we revised the employee grading system.

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Challenge of Transforming Corporate Culture

The strength of our employees is essential to continuously creating value, and creating an environment that enables them to maximize that strength is crucial. While preserving the customer-focused approach cultivated over our 140-year history, we aim to transform our organizational operations, which have often fallen into the trap of local optimization, into a culture where individual employees and departments can boldly take on new challenges.

To create an environment where diverse employees can work with positivity, enjoyment, and courage to challenge new things, we have been fostering communication through regular discussions and dialogues with many employees. We are committed to building a new OKI, where all employees, regardless of their role, can passionately express their ideas and thoughts, engage in spirited discussions, and move forward together as one united team.

Reflections on Fiscal Year 2023

The Medium-Term Business Plan 2025 sets the management targets of 450 billion yen in net sales, 18 billion yen in operating income, and a 30% shareholders' equity ratio. In fiscal year 2023, thanks to the steady acquisition of large projects and the normalization of production capacity to support them, net sales reached 421.9 billion yen (an increase of 52.8 billion yen year on year), operating income totaled 18.7 billion yen (an increase of 16.3 billion yen year on year), and the shareholders' equity ratio rose by 7.9 percentage points from the end of the previous fiscal year to 33.3%. Even after excluding the 4.3 billion yen one-off reversal of the allowance for doubtful accounts, the Company achieved a profit increase of over 10 billion yen, marking a steady start toward achieving the goals of the Medium-Term Business Plan 2025.

The Medium-Term Business Plan 2025 also sets a target of 8% return on equity (ROE). Excluding one-off gains, ROE for fiscal year 2023 was 9.4%. Although ROE is expected to temporarily decline in fiscal year 2024 due to an increase in equity, we aim to achieve the 2025 target and pursue a long-term ROE of over 10%.

Balanced Cash Allocation Focused on Growth Investment

Growth Investment and ROIC

During the three years of the Medium-Term Business Plan 2025, we have planned approximately 18 billion yen in growth investments. These investments, primarily focused on expanding future sales in Public Solutions and EMS—classified as growth businesses—as well as on new product development and production, were executed as planned in fiscal year 2023.

Moreover, to steer toward growth, it is essential to make proactive investments in research and development and human capital to create future business opportunities. As such, we will continue to execute effective investments.

As for the application of ROIC within the Company, we are currently in the trial phase. However, through our initial studies and trial implementation, we are beginning to see a shift in each business toward a stronger focus on profitability and capital efficiency than before.

Improvement of Asset Efficiency

In fiscal year 2023, we sold nine stock brands from our portfolio of cross shareholdings, reducing the total number of shareholdings to 65. We are comprehensively reviewing the significance of these shareholdings and aim to reduce the ratio of such shares to approximately 20% of net assets by the end of fiscal year 2025, the final year of the Medium-Term Business Plan 2025. The funds obtained from this reduction will be utilized to support future growth and other strategic initiatives.

Shareholder Returns

Regarding shareholder returns, while maintaining the continuity of stable dividends as a basic policy, we will determine the dividend amount by comprehensively considering the cash flow situation based on business performance and investments necessary for future growth (capital investment, R&D investment, and human capital investment) as well as the level of retained earnings. In the Medium-Term Business Plan 2025, we set a target dividend payout ratio of 30% or more.

Enhancing Corporate Value and Driving Future Transformation

Currently, our price-to-book (P/B) ratio is below 1, and we aim to raise it above 1 as soon as possible. First, we intend to steadily execute our business plans and generate stable profits to gain market trust. Additionally, to improve future profitability, we will shift resources toward business areas with promising growth prospects across the Group and review our business portfolio using metrics such as ROIC, implementing management that is conscious of cost of capital and stock price.

While leveraging the strengths OKI has built over the years, we will push forward with reforms in each business and fully commit to creating new businesses and a new OKI.