



*M. Taniguchi*

I took up the posts of President, CEO in June 2023. My appointment comes as we step up from PHASE 1 to PHASE 2 of our current Medium-term Management Plan, which covers the period from the fiscal year ended March 31, 2022, to the fiscal year ending March 31, 2026. I therefore view my mission as building on the foundation laid in PHASE 1 to set the business on a growth trajectory.

A look at the economic environment currently surrounding the Company reveals that the normalization of socioeconomic activities is progressing, reflected in the easing of restrictions put into place due to the novel coronavirus (COVID-19) and the recovery of inbound demand. As such, capital investment demand is beginning to expand in Japan. Meanwhile, the outlook for the global economy remains uncertain due to soaring prices of raw materials including crude oil, natural gas, steel products, and semiconductors; rising transportation costs; and increasing geopolitical risks such as the prolonged situation in Ukraine. Against this backdrop, consolidated net sales for the fiscal year ended March 31, 2023, increased 10.4% year-on-year to 45,123 million yen as we raised the prices of our products in Japan and overseas. On the other hand, operating profit dropped 20.7% to 1,713 million yen due to higher operating expenses as raw material prices and transportation costs climbed.

During PHASE 1 (March 31, 2022, to March 31, 2023) of the current Mid-term Plan, we worked to strengthen our resilience and build a foundation for exploring and creating new value in sound, an area we are eyeing for growth. One example was our launch of the beta version of the YUTTE service, which allows users to easily create announcements just by entering text. We believe that lowering the hurdle for people to make announcements will generate more demand, and that we will be well placed to meet that demand.

This fiscal year sees us embark on PHASE 2, which runs from the fiscal year ending March 31, 2024, to the fiscal year ending March 31, 2026. During this phase, we will accelerate growth by deploying digital technology to create products and services that are useful to society, building on the foundation established in PHASE 1, and we will be looking to hit our performance targets for March 2026: 52.0 billion yen in consolidated net sales, 4.5 billion yen in consolidated operating profit, and an ROIC of 6-7%. I also hope that we will be able to attain a P/B ratio of more than 1.0 as quickly as possible.

We hope that we can continue to count on your understanding and support in the future.

TANIGUCHI Masahiro, TOA President, CEO