

Financial Results for the 3rd Quarter of FY ending March 31, 2010

February 3, 2010

Oki Electric Industry Co., Ltd.

- The projections and plans in this material are subject to change depending upon the changes of business environments and other conditions.
- Indication method of amounts in hundred millions yen are as follow:
Amounts in each item are rounded to the nearest hundred million yen. Variances are calculated in the hundred millions.

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Summary of Segment Information

[YoY comparison; Semiconductors excluded from previous year]

- Net sales decreased by 53.2 B yen
 - Info-Telecom: Sales decreased mainly due to demands from financial business in domestic market had ran its course.
 - Printers: Sales decreased due to the economic downturn. In addition, sales decreased by 9.9 B yen due to the impact of currency exchange.
 - “Others” segment : Components related businesses are still weak due to the impact of the economic downturn.
- Operating income increased by 4.7 B yen

9 months total (Billion yen)	FY end Mar. 2010		FY end Mar. 2009 (Semiconductors excluded)	
	Net sales	Operating income (loss)	Net sales	Operating income (loss)
Info-telecom	167.9	4.2	198.8	(3.0)
Printers	104.6	2.4	121.5	6.2
Others	16.5	(0.8)	21.8	(0.9)
Eliminates & Corp.	—	(4.6)	—	(6.0)
Total	288.9	1.1	342.1	(3.6)

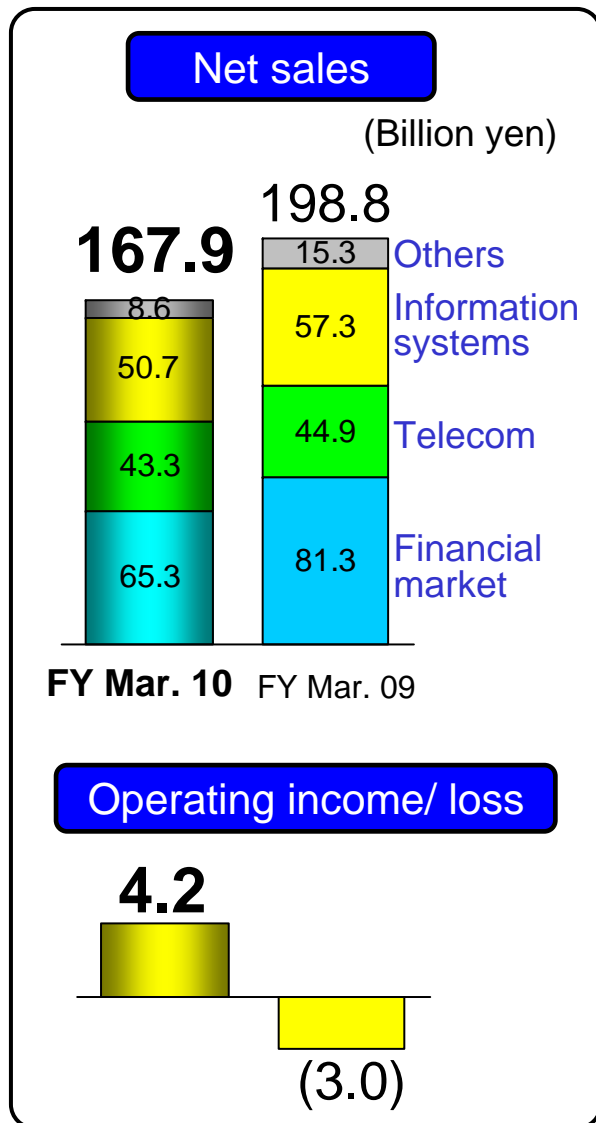
Changing Factors of Operating Income

- Impact of decrease in marginal profit from volume decline, price falls, and the strong yen were offset by reducing production and procurement costs and optimizing fixed costs.

		(billion yen)	Operating income (loss)
	Results of FY ending March 2010		1.1
	Results of previous FY ended March 2009 (excluding semiconductors)		(3.6)
	Variance of operating income		4.7
Changing factors	Changes in volume and product mix		(10.5)
	Price decline		(3.5)
	Impact of currency exchange		(2.0)
	Reduction of procurement and production costs		4.0
	Changes in fixed costs		16.5

Segment Information: Info-telecom Systems

9 months total



■ Net sales decreased by 30.9 B yen

- Financial market:
Sales for ATMs in China increased. Sales from the replacement of ATMs in domestic retail markets and from large projects of bank branch systems decreased since demand had run its course.
- Telecom:
Sales for telecom carriers remained flat ; though GE-PON and existing network products sales increased, low-profit home network products shrunk. Sales for enterprises decreased due to the impact of the economic downturn, etc.
- Information systems:
For enterprises, sales decreased due to the impact of cutting investment , mainly in manufacturing business, etc.

■ Operating income improved by 7.2 B yen

The decline in marginal profit from volume decline is offset by efforts in reducing production and procurement costs, and optimizing fixed costs.

ATM: Automated Teller Machine
GE-PON: Gigabit Ethernet Passive Optical Network

Segment Information: Printers

9 months total

■ Net sales decreased by 16.9 B yen

- Color NIP:
 - Impact of currency exchange; sales decreased by 5.7 B yen
 - Though unit sales increased due to the launch of a new model MFP, overall net sales decreased as a result of tendency to restrain color printing and decline in hardware prices, caused by the economic downturn. (Currency exchange is excluded)

- Mono NIP, SIDM, etc.:
 - Impact of currency exchange; sales decreased by 4,2 B yen
 - Hardware prices declined. As for the rest, sales for Mono NIPs increased through promotion in Europe, in addition to launching new products. Sales for SIDM decreased due to the overall shrinking market. (Currency exchange is excluded)

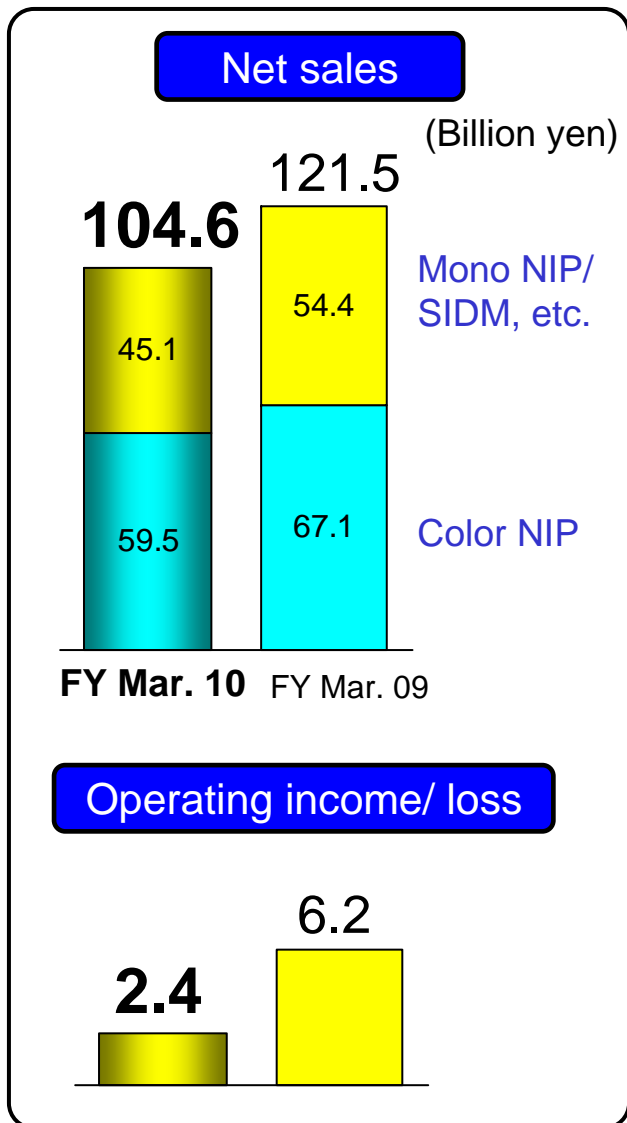
■ Operating income decreased by 3.8 B yen

Operating income decreased by 2.3 B yen due to the impact of currency exchange. Though making efforts to reduce production and procurement costs, and to optimize fixed costs, operating income declined as they could not offset the impact of currency exchange, decrease in marginal profits from decline in volume, and price decline.

NIP: Non-Impact Printer

MFP: Multi Function Printer

SIDM: Serial Impact Dot Matrix



Profit and Loss for the Nine Months

(Billion yen)	9 months FY Mar. 2010	9 months FY Mar. 2009
Net sales	288.9	396.2
<i>Excluding Semiconductors</i>	288.9	342.1
Cost of sales	211.2	300.2
SG&A	76.6	104.7
Operating loss	1.1	(8.7)
<i>Excluding Semiconductors</i>	(1.1)	(3.6)
Other income/ loss	(4.2)	(4.9)
Recurring loss	(3.1)	(13.6)
Extraordinary loss	(2.4)	(27.1)
Income before income taxes	(5.5)	(40.7)
Net loss	(8.7)	(48.1)

[YoY comparison]

- Impact of semiconductor transfer:
Net sales declined by 54.1B yen
Operating loss improved by 5.1B yen
- Other income and expenses improved, mainly due to efforts such as reducing interest expense by cutting interest-bearing debt.
- Extraordinary loss improved substantially; previous year included implementing measures to revamp its business structure and valuation loss caused by the change of inventory valuation standards, etc.

[Reference: Currency exchange rate]

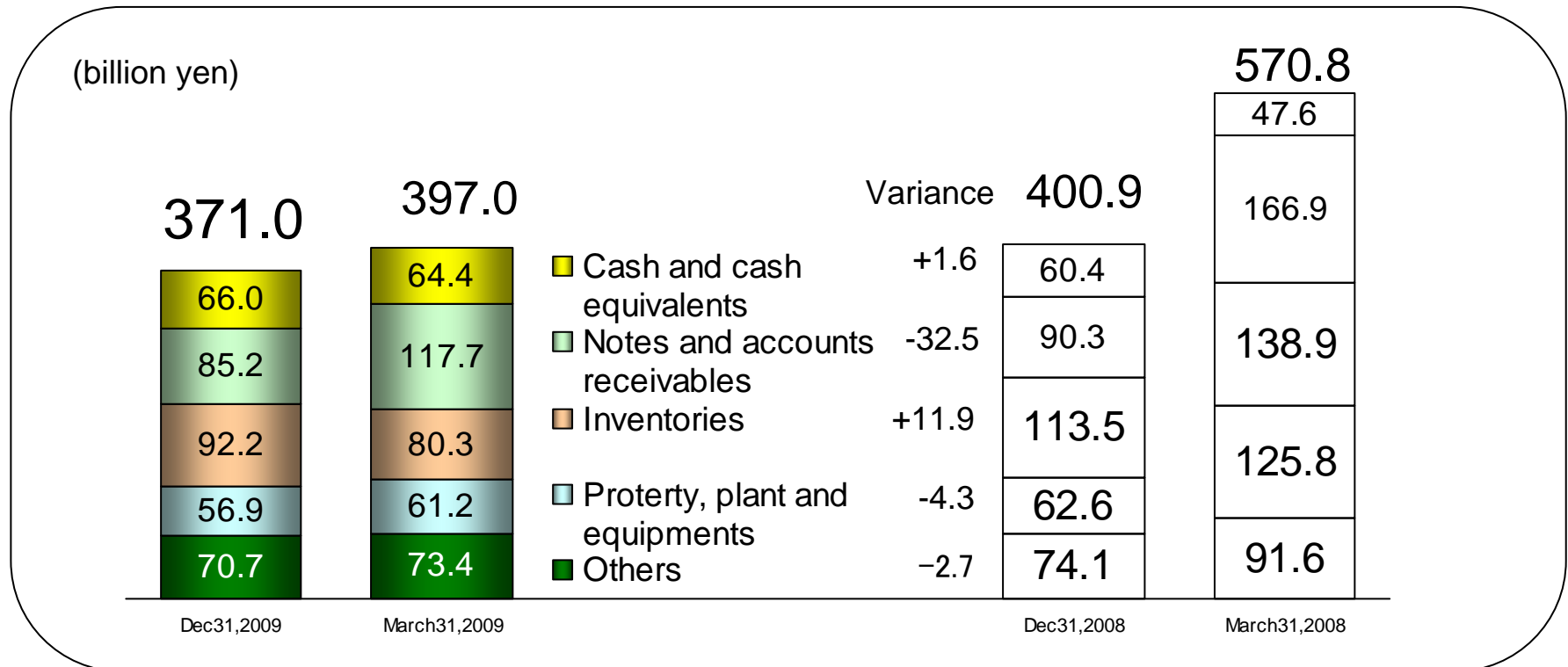
	FY Mar. 2010	FY Mar. 2009
USD	93.6	102.9
Euro	133.0	150.7

* Semiconductor business was spun off and its shares were transferred in October 2008.

SG&A: Selling, General and Administrative expense
YoY: Year-on-year

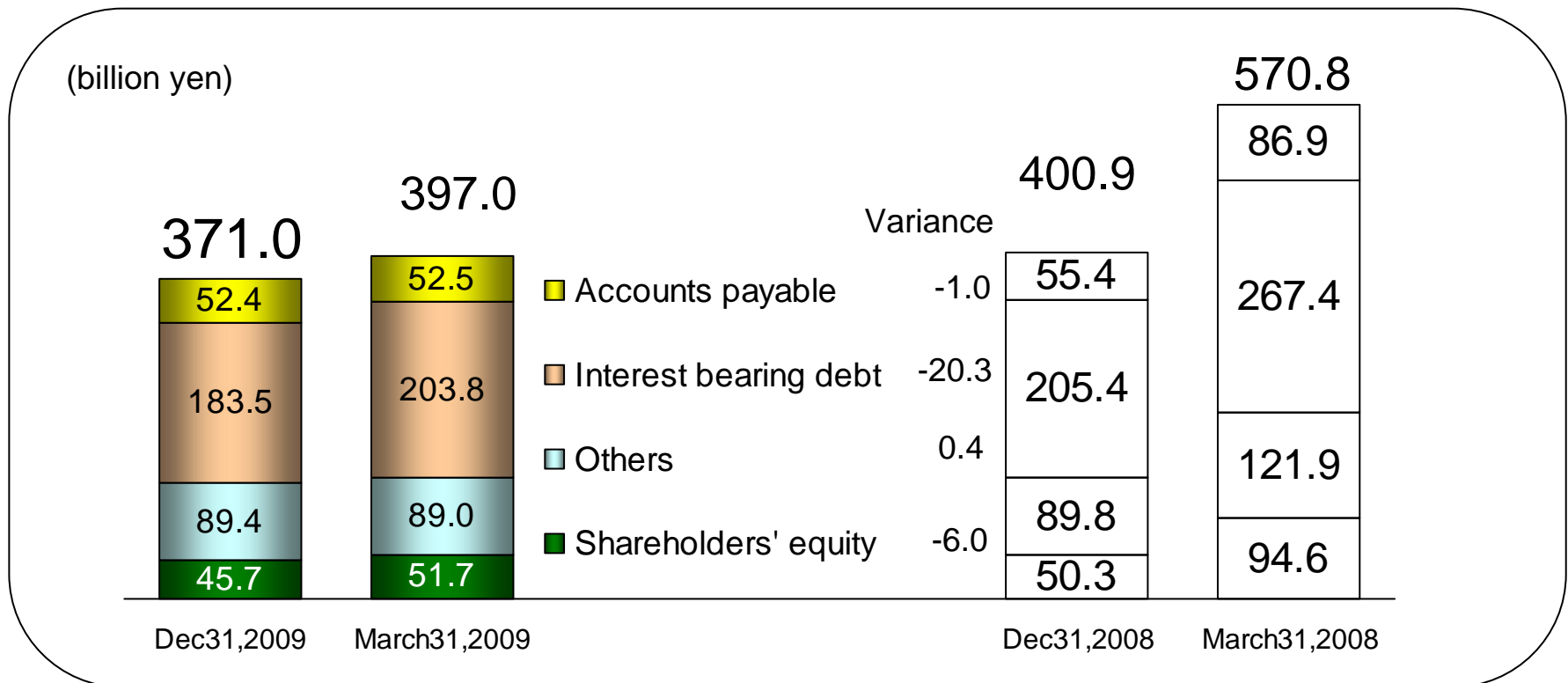
Balance Sheet [Assets]

- Cash and cash equivalents increased as free cash flow increased due to working capital improvement, despite decrease in redemption of corporate bonds.
- Due to the tendency of larger sales in Q4, notes and accounts receivables at March end increased. These receivables are collected in cash, etc., which reduces the portion of receivables at December end. Inventories declined at March end and increased at December end because of the increase in the number of sales items January onward.



Balance Sheet [Liabilities and shareholders' equity]

- Interest bearing debt declined through redemption of corporate bonds, etc.
- Though the valuation adjustments increased due to rise of valuation of owned shares, total shareholders' equity fell from the loss during this quarter.



Cash Flows

- Cash flows from operating activities increased from improved net income and working capital.
- Free cash flows were appropriated for the redemption of corporate bonds.

(billion yen)	9 months FY March end. 2010	9 months FY March end. 2009*	Notes
I. Cash flows from operating activities	32.6	9.2	
Net income before income taxes	(5.5)	(40.7)	
Depreciation & amortization	11.5	21.3	
Changes in working capital	21.5	13.5	
Others	5.1	15.1	
II. Cash flows from investing activities	(8.9)	62.5	
Purchase of property, plants & equipment	(6.0)	(15.2)	* Gain on transfer of semiconductor business shares included
Others	(2.9)	*77.7	
Free cash flows (I+II)	23.7	71.7	
III. Cash flows from financing activities	(21.6)	(58.8)	
Net cash flow (I+II+III)	2.1	12.9	
Cash and cash equivalents at the period end	66.0	60.4	

**Semiconductors segment is included in previous fiscal year