

Financial Results for the Fiscal Year ended March 31, 2013

May 9, 2013

Oki Electric Industry Co., Ltd.

- 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.
- The projections and plans in this material are subject to change depending upon the changes of business environments and other conditions.

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Overall condition of the Group

■ Net sales increased in all segments.

Operating income also increased offsetting the decline in Printer segment.

[YoY comparison]

- Net sales increased by 32.3 B yen. (Impact of currency exchange:+2.8 B yen)
- Operating income increased by 1.5 B yen. (Impact of currency exchange:-0.8 B yen)

(Billion yen)	FY end Mar. 2013		FY end Mar. 2012		Previous projections (2/13)	
	Net sales	Operating income (loss)	Net sales	Operating income (loss)	Net sales	Operating income (loss)
Info-telecom	293.0	23.8	267.2	18.7	289.5	21.5
Printers	111.4	(8.8)	107.4	(4.3)	111.0	(9.5)
EMS	32.7	1.6	31.3	1.5	33.0	1.5
Others	18.7	3.0	17.6	2.5	18.5	3.0
Eliminates & Corp.	—	(6.1)	—	(6.4)	—	(6.5)
Total	455.8	13.5	423.5	12.0	452.0	10.0

Segment Information: Info-telecom Systems

■ Impact of currency exchange

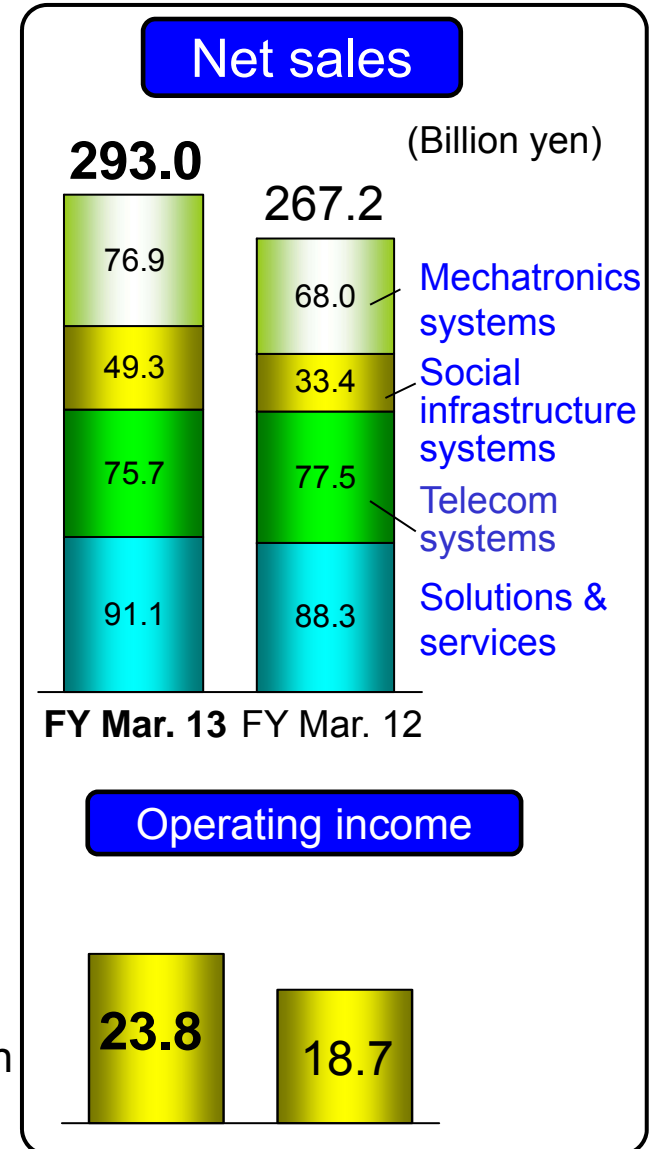
- Net sales increased by 2.0 B yen. Operating income increased by 0.4 B yen.

■ Net sales increased by 23.8 B yen excluding the impact of currency exchange

- Solutions & services:
Sales to the public sectors and the enterprise market were steady.
- Telecom systems:
Sales of core network increased. Sales of enterprises, maintenance and construction were also steady. Overall sales decreased due to the impact of decelerated demand for optical access, etc.
- Social infrastructure systems:
Disaster prevention projects increased due to the full-scale development of fire prevention digital wireless communication systems and restoration demand.
- Mechatronics systems:
Steady sales of ATMs for China continues due to expanded deployment area. Sales of cash handling equipment are also steady.

■ Operating income increased by 4.7 B yen excluding the impact of currency exchange.

Operating income increased due to impact of improvement in marginal profit caused by increase in volume, and reducing variable costs, etc.



Segment Information: Printers

Impact of currency exchange

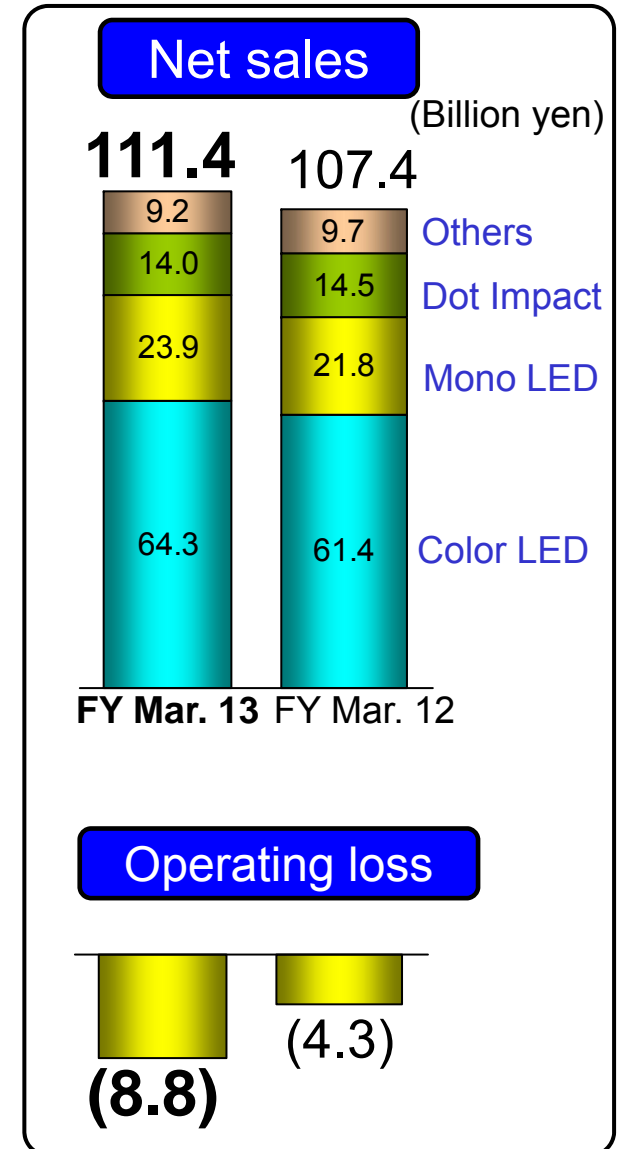
- Net sales increased by 0.8 B yen. Operating loss increased by 1.2 B yen.

Net sales increased by 3.2 B yen excluding the impact of currency exchange.

- Color and mono LED printers:
Unit sales increased due to aggressive sales investment and enhanced product lineups though market environment has further deteriorated.
- Dot Impact Printers:
Sales amount decreased due to the price decline of hardware, though unit sales rose.

Operating loss increased by 3.3 B yen excluding the impact of currency exchange.

Operating loss worsened due to the impact of increase in fixed costs, such as sales investments and transportation costs in addition to price decline, though unit sales rose.



Segment Information: EMS, Others

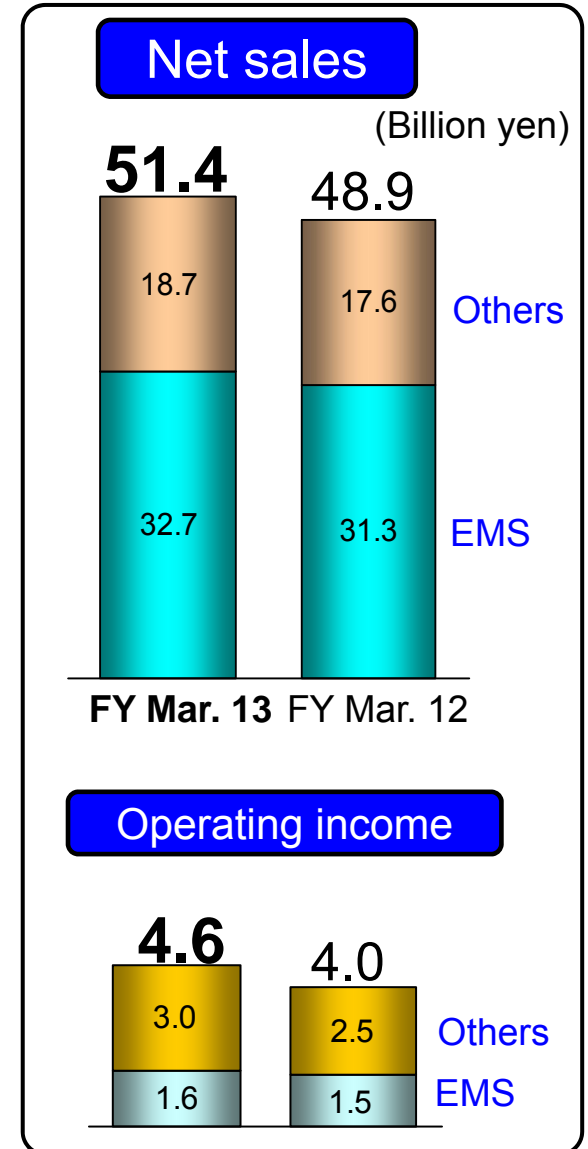
■ Net sales

➤ EMS, Others:

Sales of high-end type EMS were steady. Overall sales increased due to new consolidation of OKI Tanaka Circuits etc., though demand for semiconductor related equipment decreased.

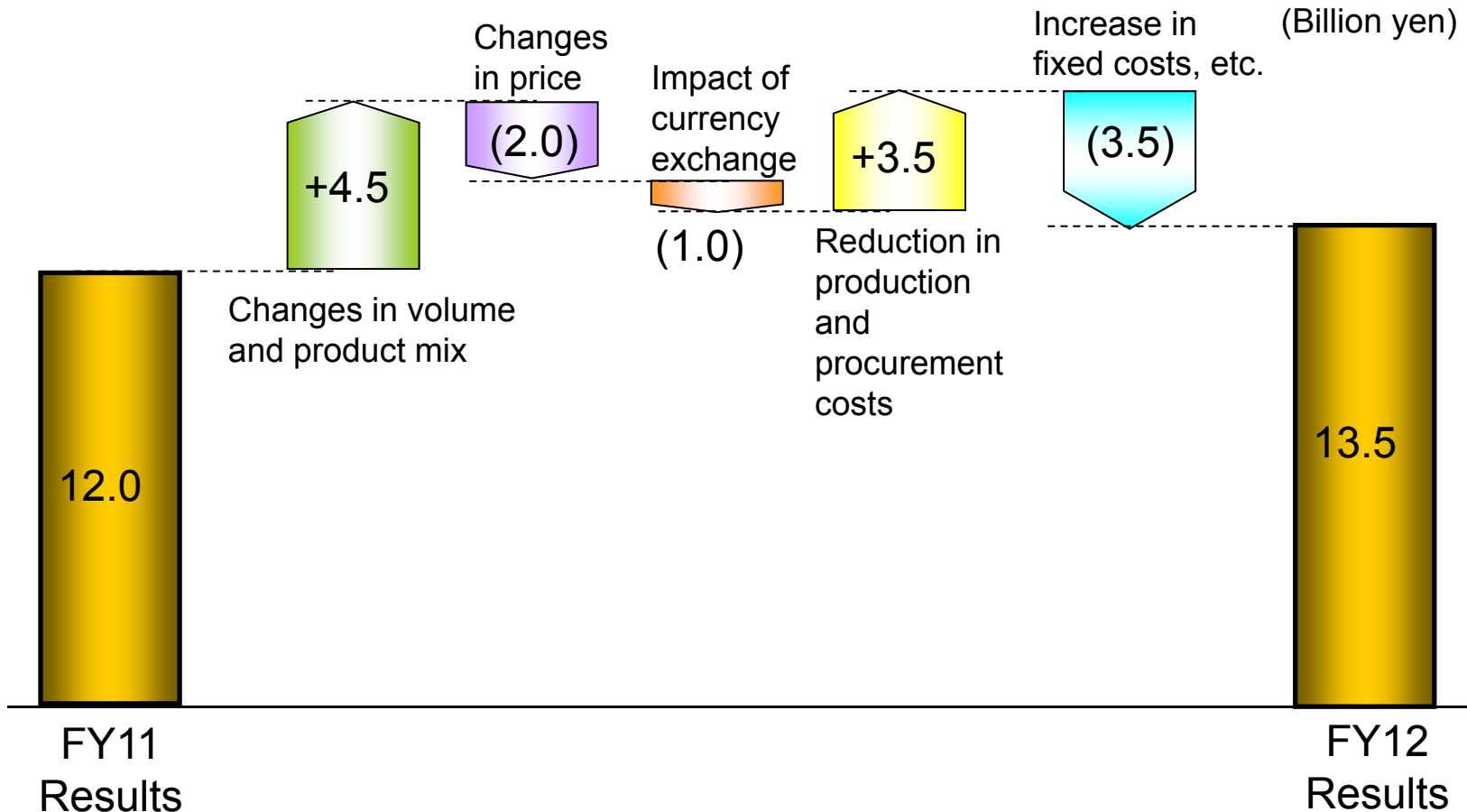
■ Operating income

Operating income increased, since marginal profit improved due to rise in volume, etc.



Changing Factors of Operating Income

■ Operating income increased by 1.5 B yen year-on-year as volume rose and variable costs reduced which offset the impact of price decline, currency exchange, and increase in fixed costs, etc.



Profit and Loss

[Y on Y comparison]

(Billion yen)	FY Mar. 2013	FY Mar. 2012
Net Sales	455.8	423.5
Cost of Sales	337.4	316.9
SG&A	104.9	94.6
Operating income	13.5	12.0
Other income & expenses	6.8	(2.9)
Recurring income	20.3	9.1
Extraordinary loss	(1.7)	(3.5)
Income before income taxes	18.6	5.6
Net income	13.6	1.6

- SG&A increased caused by the impact of allowance for doubtful accounts in Spain and aggressive R&D investments mainly in Info-telecom segment, etc.

- Other income and expenses improved due to exchange gain(-0.1 B yen →8.8 B yen) and decline in interest expense, etc.

- Extraordinary income and loss improved.
 - Loss on liquidation of subsidiaries (OSIB)(0.0 B yen → -4.0 yen)
 - Loss on natural disasters caused by the flood in Thailand (-1.3 B yen →0.0 B yen)
 - Gain on sale of fixed assets (0.0 B yen→2.8 B yen)
 - Loss/gain on revaluation of investments in securities(-0.5 B yen→0.5 B yen)

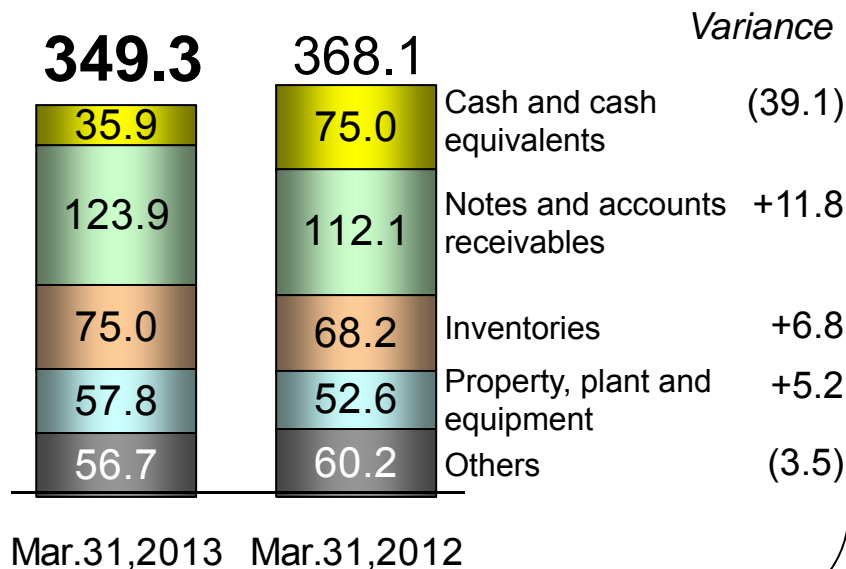
[Ref.]	Closing exchange rate		Average exchange rate	
	End of Mar. FY 2013	End of Mar. FY 2012	FY Mar. 2013	FY Mar. 2012
USD	94.0	82.1	83.1	79.1
EUR	120.7	109.7	107.2	109.0

Balance Sheet

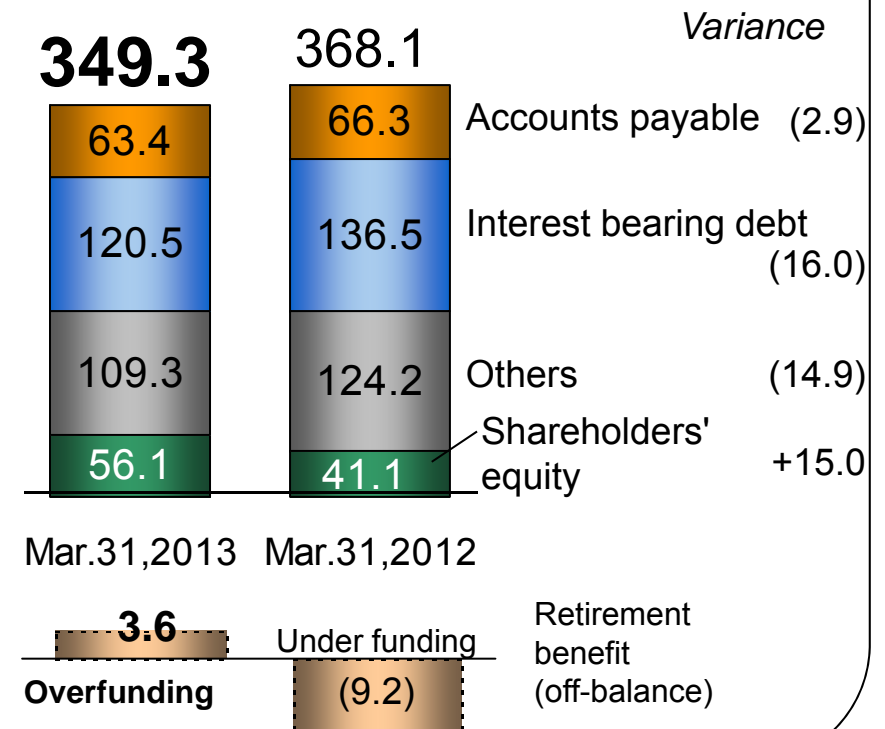
- Total assets decreased by 18.8 B yen.
- Shareholders' equity ratio improved from 11.2% to 16.1% by accumulating net income.
- Net D/E ratio: 1.5 times

(billion yen)

[Assets]



[Liabilities and shareholders' equity]



Cash Flows

- Cash outflow from operating activities was 11.6 B yen due to increase in working capital and cancellation of factoring in Spain etc.,.

(Billion yen)	FY end. March 2013	FY end. March 2012
I Cash flows from operating activities	(11.6)	22.8
Net income before income taxes	18.6	5.6
Depreciation & amortization	13.0	12.7
Changes in working capital	(15.8)	15.4
Others	(27.4)	(10.9)
II Cash flows from investing activities	(9.2)	(9.4)
Purchase of property, plants & equipment	(11.9)	(8.8)
Others	2.7	(0.6)
Free cash flows (I + II)	(20.8)	13.4
III Cash flows from financing activities	(21.1)	(17.5)
Net cash flows (I + II + III)	(41.9)	(4.1)

Free cash flows and net cash flows are the total of each item which are rounded to the nearest hundred million yen.

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Policy for FY ending March 2014

[Final year of Mid-term Business Plan]

**Achieve 22.0 B yen operating income target
and aim for resumption of dividend**

- Ensure stable profits of fundamental businesses
- Accelerate overseas deployment
- Implement revamping Printer business structure

[Management targets for FY2013]

Net sales: 460.0 B yen
Operating income: 22.0 B yen
Net income: 11.5 B yen

Summary of segment information

[Full year comparison]

- Net sales is expected to increase by 4.2 B yen to 460.0 B yen.
- Operating income is expected to increase by 8.5 B yen to 22.0 B yen.

[Currency exchange rate]

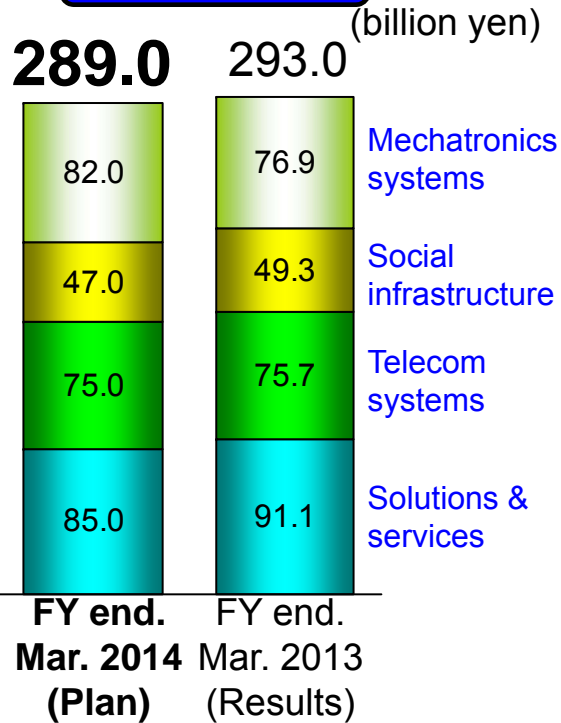
	FY13	FY12
USD	85.0	83.1
Euro	115.0	107.2

(billion yen)		FY end. Mar.2014 (Plan)		FY end. Mar. 2013 (Results)	
		Full year	1 st half	Full year	1 st half
Info-telecom	Net sales	289.0	114.0	293.0	116.2
	Operating income	20.5	3.0	23.8	4.6
Printers	Net sales	115.0	55.0	111.4	53.8
	Operating income	4.0	0.0	(8.8)	(7.2)
EMS	Net sales	39.0	17.5	32.7	14.8
	Operating income	2.0	0.5	1.6	0.5
Others	Net sales	17.0	8.0	18.7	8.8
	Operating income	2.0	1.0	3.0	1.4
Corporate & Eliminations	Operating income	(6.5)	(3.0)	(6.1)	(3.2)
Total	Net sales	460.0	194.5	455.8	193.6
	Operating income	22.0	1.5	13.5	(4.0)

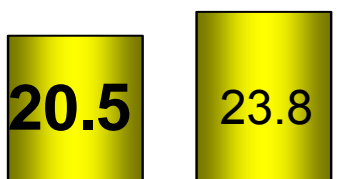
Segment information

[Info-telecom]

Net sales

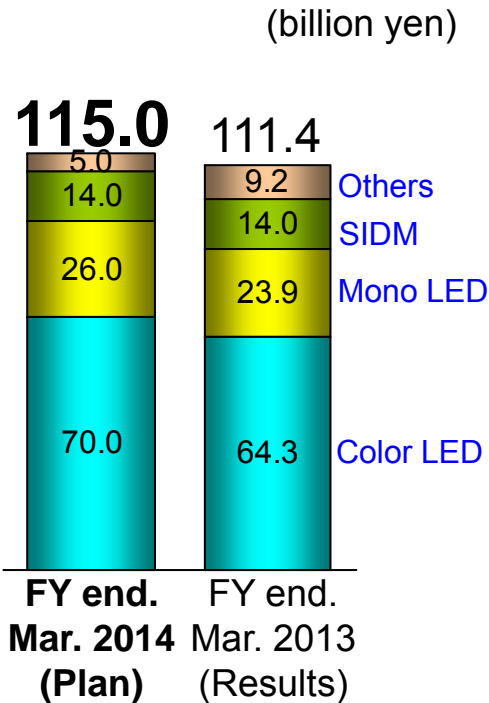


Operating income

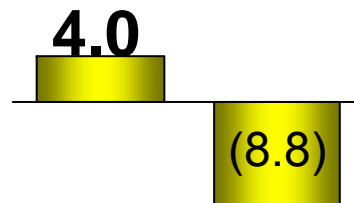


[Printers]

Net sales

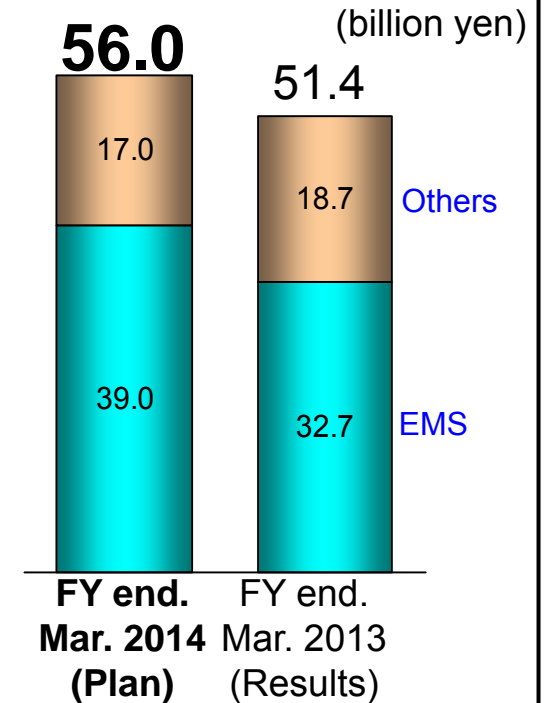


Operating income

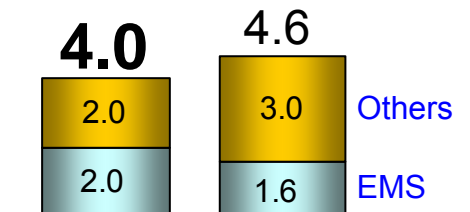


[EMS, others]

Net sales

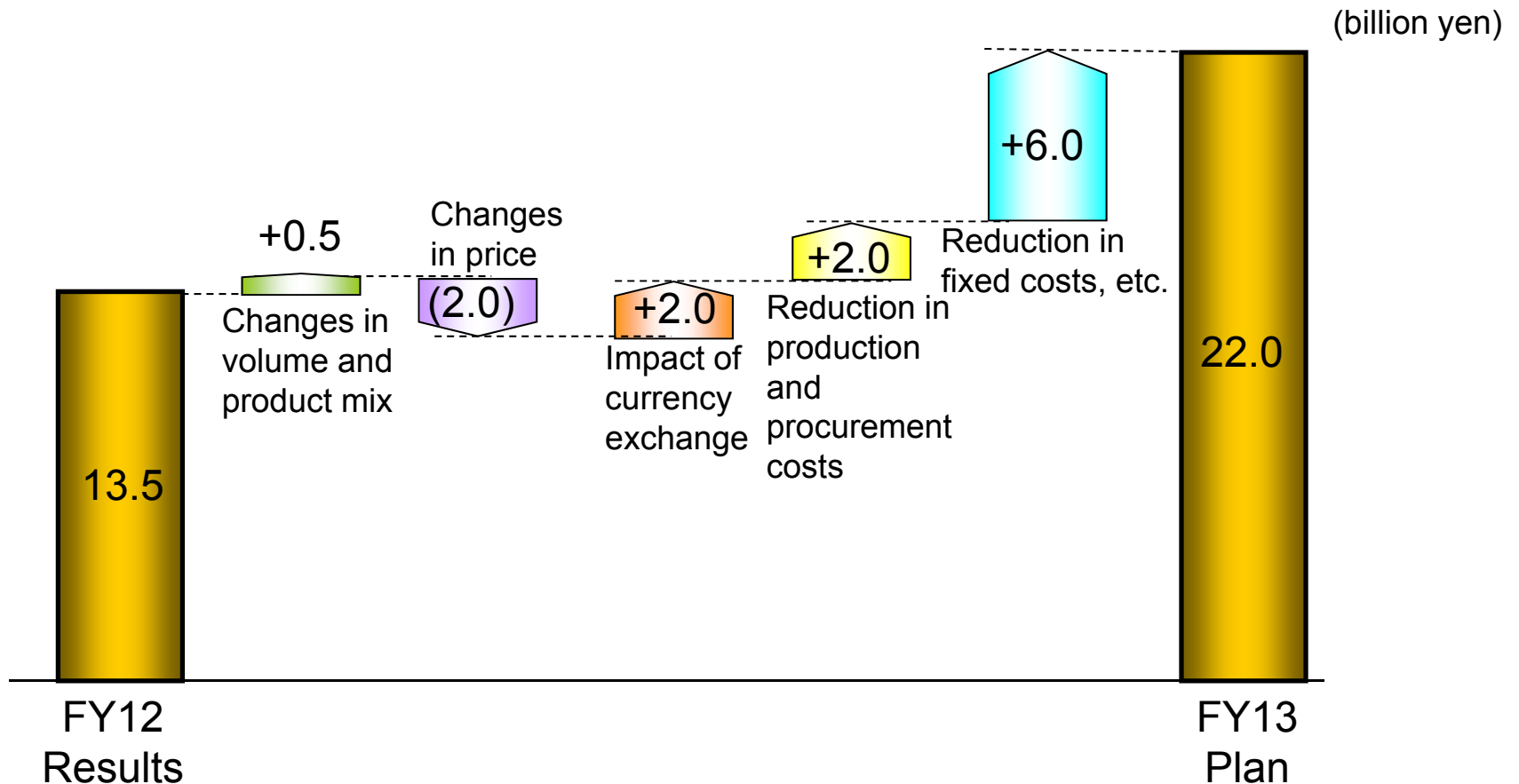


Operating income



Changing factors of operating income

Operating income is expected to increase by 8.5 B yen year-on-year due to the reduction in fixed costs caused by revamping Printer business structure in addition to reduction in variable costs and the impact of currency exchange.



Profit and loss projections

- Recurring income is expected to decrease, not anticipating the impact of currency exchange in other income.
- Net income is expected to decline due to recording expenses for enhancing management base of Printer business, etc.

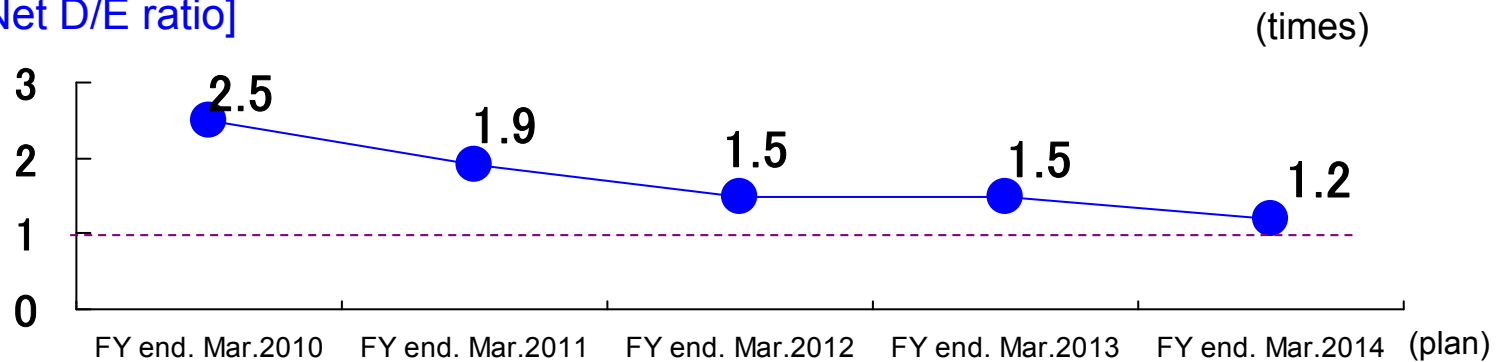
(billion yen)	FY end. Mar. 2014 (Plan)		FY end. Mar.2013 (Results)	
	Full year	1st half	Full year	1st half
Net sales	460.0	194.5	455.8	193.6
Operating income	22.0	1.5	13.5	(4.0)
Recurring income	19.0	(0.5)	20.3	(6.1)
Net income	11.5	(2.5)	13.6	(6.7)

Cash flow projections

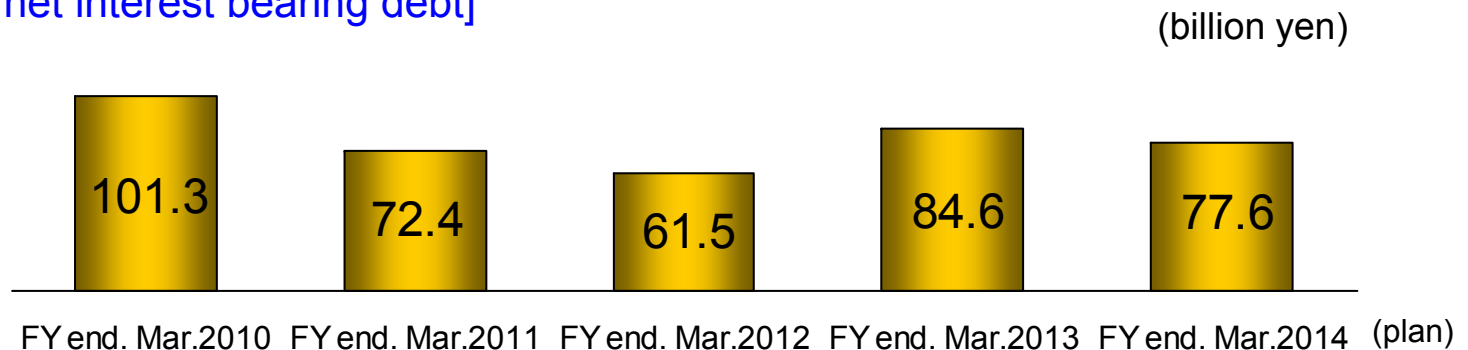
- Both cash flows and NET D/E ratio are expected to improve.

(billion yen)	FY end Mar. 2014 (Plan)	FY end Mar. 2013 (Results)
I Cash flows from operating activities	25.0	(11.6)
II Cash flows from investing activities	(15.0)	(9.2)
Free cash flows (I + II)	10.0	(20.8)

[Trend of Net D/E ratio]



[Balance of net interest bearing debt]



Capital expenditure and R&D expenses projections

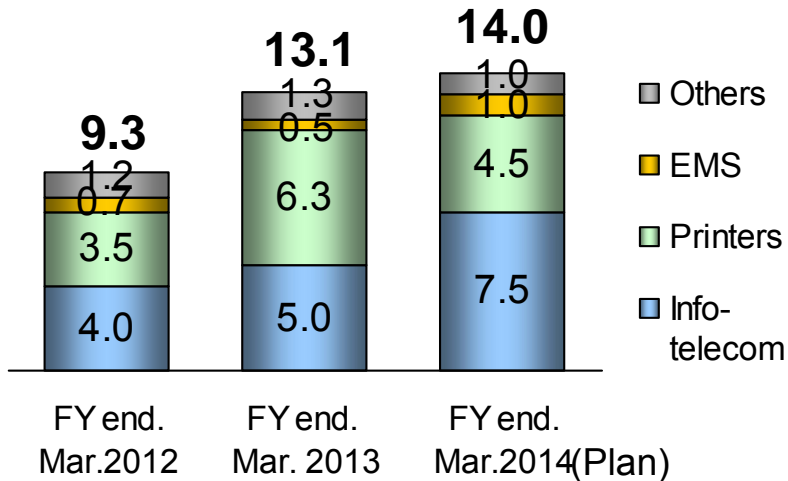
- Strengthen competitiveness through investment depending on business deployment of focusing businesses

Property, Plant & Equip.

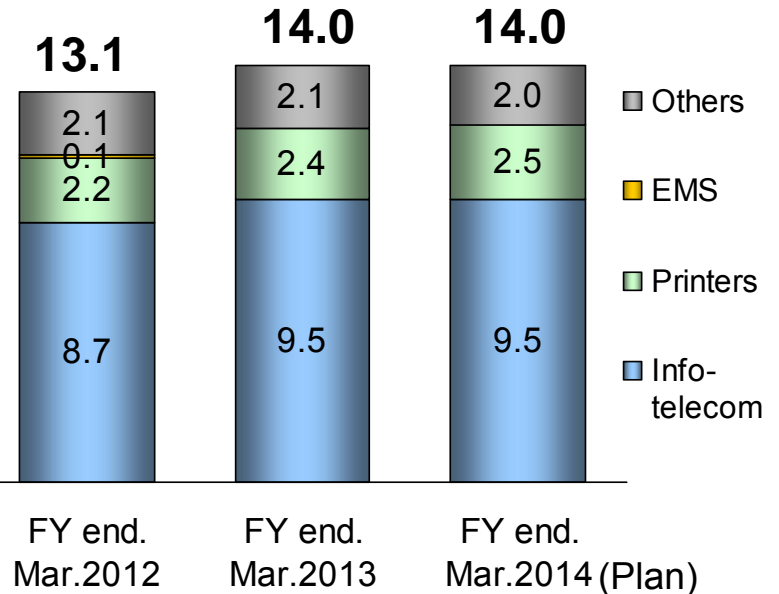
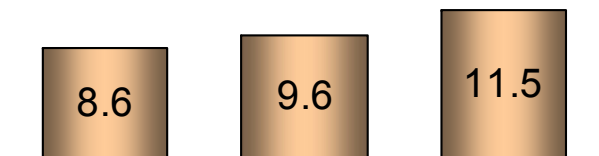
(billion yen)

R&D Expenses

[Capital Expenditure]



[Depreciation]





Open up your dreams