(Translation)

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2015 (J-GAAP)

May 8, 2015

Listed Company Name: Oki Electric Industry Co., Ltd.
Securities Code: 6703
Stock Exchange Listing: Tokyo Stock Exchange URL: http://www.oki.com/
Representative: Hideichi Kawasaki, President, Representative Director
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Date of Ordinary General Meeting of Shareholders (Scheduled): June 24, 2015
Commencement of Dividend Payment (Scheduled): June 25, 2015
Filing of Securities Report (Scheduled): June 24, 2015
Supplementary Document on Financial Results: Yes
Financial Results Briefing: Yes (for institutional investors)

(Amounts less than one million yen have been truncated)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(1) Consolidated operating results

(Percentage figures indicate year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2015	540,153	11.8	32,415	19.2	37,928	3.5	33,091	20.9
March 31, 2014	483,112	6.0	27,196	101.8	36,655	80.5	27,359	101.2

(Note) Comprehensive income Fiscal year ended March 31, 2015: ¥39,462 million (75.8%)
Fiscal year ended March 31, 2014: ¥22,442 million (39.9%)

	Net income per share–basic	Net income per share–diluted	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2015	40.03	38.13	31.8	8.9	6.0
March 31, 2014	36.21	26.13	37.8	9.6	5.6

(Reference) Share of profit (loss) of entities accounted for using equity method Fiscal year ended March 31, 2015: ¥652 million
Fiscal year ended March 31, 2014: ¥339 million

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2015	439,358	121,414	27.2	137.74
As of March 31, 2014	412,514	91,918	21.5	79.32

(Reference) Shareholders' equity As of March 31, 2015: ¥119,626 million
As of March 31, 2014: ¥88,735 million

(3) Consolidated cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2015	40,999	(18,583)	(20,724)	53,598
March 31, 2014	31,868	(13,977)	(4,270)	50,866

2. Dividends

	Dividend per share					Total dividend amount (Annual)	Dividend payout ratio (Consolidated)	Dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended								
March 31, 2014	—	0.00	—	3.00	3.00	2,184	8.3	5.3
March 31, 2015	—	2.00	—	3.00	5.00	4,292	12.5	4.6
Fiscal year ending March 31, 2016 (Projection)	—	2.00	—	3.00	5.00		19.7	

(Note) The above "Dividends" are those on common stock. For the dividends on (unlisted) other class stock with different rights from those of common stock issued by the Company, please refer to "(Reference) Dividends on Other Class Stock" on page 3.

3. Consolidated Results Projection for the Fiscal Year Ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

(Percentage figures indicate year-on-year change)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First six months	230,000	0.5	4,000	-39.1	2,500	-73.9	2,000	-80.5	2.30
Full year	545,000	0.9	30,000	-7.5	28,000	-26.2	22,000	-33.5	25.33

Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in the scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates and restatements

1) Changes in accounting policies in accordance with revision of accounting standards, etc.: Yes
2) Any changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: None
4) Restatements: None

(3) Number of outstanding shares (common stock)

1) Number of shares issued at the end of the period (including treasury shares)

As of March 31, 2015	872,176,028 shares
As of March 31, 2014	731,438,670 shares

2) Number of treasury shares at the end of the period

As of March 31, 2015	3,705,236 shares
As of March 31, 2014	3,614,428 shares

3) Average number of shares during the period

Fiscal year ended March 31, 2015	824,389,928 shares
Fiscal year ended March 31, 2014	727,899,294 shares

(Note) For information on the number of shares for the basis for calculating net income per share (consolidated), please refer to "Per Share Information" on page 39 of the Attachment.

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(1) Non-consolidated operating results

(Percentage figures indicate year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2015	258,260	8.2	16,725	32.5	23,763	79.2	24,215	100.8
March 31, 2014	238,786	5.7	12,626	0.9	13,259	-59.6	12,057	-41.9

	Net income per share–basic	Net income per share–diluted
	Yen	Yen
Fiscal year ended		
March 31, 2015	29.26	27.89
March 31, 2014	15.18	11.51

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2015	333,934	106,251	31.8	122.21
As of March 31, 2014	321,099	85,763	26.7	75.10

(Reference) Shareholders' equity As of March 31, 2015: ¥106,171 million
As of March 31, 2014: ¥85,684 million

Implementation status for auditing procedures

The financial statements auditing procedure based on the Financial Instruments and Exchange Act had not been completed as of the release of this document.

Explanation regarding appropriate use of results projection and other special notes

(Warning on forward-looking statements)

The forward-looking statements including the projection for the financial results contained in this document are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable, and actual results may differ from such statements due to a variety of factors. For the conditions assumed for the results projection and notes on the use of such projections, please refer to "Outlook for the fiscal year ending March 31, 2016" of "1. Analysis of Operating Results and Financial Position, (1) Analysis of Operating Results" on page 2 of the Attachment.

(How to obtain supplemental document on financial results)

The Company is scheduled to hold a financial results briefing for institutional investors on May 8, 2015 (Friday). The document on financial results is disclosed on TDNet at the same time as this Summary of Consolidated Financial Results and is also made available on the Company's website on the same day.

(Reference) Dividends on Other Class Stock

The breakdown of dividends per share on other class stock with different rights from those of common stock is as follows:

Class A preferred stock (Base date)	Dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended					
March 31, 2014	—	0.00	—	33,490.00	33,490.00
March 31, 2015	—	16,525.00	—		16,525.00
Fiscal year ending March 31, 2016 (Projection)					

(Note) All Class A preferred stocks were cancelled as of March 27, 2015, pursuant to Article 178 of the Companies Act.

Contents of the Attachment

1. Analysis of Operating Results and Financial Position

(1) Analysis of Operating Results

1) Results of operations for the fiscal year under review (April 1, 2014 to March 31, 2015)

During the fiscal year under review, in the global economy, the economy in the United States continued to recover as consumer spending and capital investments increased, while the economies in Europe and emerging countries also moved towards a moderate recovery. The Japanese economy too continued to recover, supported by improvements in employment conditions and corporate earnings.

In this business environment, the OKI Group recorded net sales of ¥540.2 billion (a year-on-year increase of 11.8% or ¥57.1 billion), owing to steady performance in each segment led by the Info-telecom Systems business. Operating income was ¥32.4 billion (a year-on-year increase of ¥5.2 billion), due to factors such as an increase in sales volume in the Info-telecom Systems business and an improvement in the product mix in the Printers business.

Ordinary income came to ¥37.9 billion (a year-on-year increase of ¥1.2 billion), due to an increase in operating income despite a decrease in foreign exchange gains. Also, net income increased by ¥5.7 billion year on year to ¥33.1 billion, due to factors including the absence of business structure improvement expenses, which were incurred in the previous fiscal year.

The results by business were as follows.

<Info-telecom Systems>

Net sales to external customers came to ¥352.5 billion (a year-on-year increase of 16.1% or ¥48.9 billion). In Solutions & Services, sales were generally firm for systems dedicated to the public sector and corporations, while sales of financial systems declined. Telecom Systems' sales increased thanks to the increased sales of existing networks for telecom carriers on the back of accelerated demand, as well as the steady performance of home networks and GE-PON. In Social Infrastructure Systems, sales increased owing to accelerated demand for digital wireless communication systems for firefighting and the steady performance in traffic-related projects. Furthermore, in Mechatronics Systems, sales increased significantly due to the strong sales of ATMs overseas, mainly in China, as well as the effect of consolidation of our Brazilian subsidiary and increased sales of cash handling equipment in Japan.

Operating income came to ¥25.9 billion (a year-on-year increase of ¥2.5 billion) due to the steady performance in each business, which offset the effect of consolidation of our Brazilian subsidiary.

<Printers>

Net sales to external customers amounted to ¥129.3 billion (a year-on-year increase of 3.6% or ¥4.5 billion). In color LED printers, sales remained the same as the previous fiscal year despite the improvement in the product mix. In monochrome LED printers, sales increased as a result of winning large-scale projects. Sales of dot-impact printers remained more or less the same as the previous fiscal year.

Operating income amounted to ¥6.7 billion (a year-on-year increase of ¥1.6 billion) due to the improvement in the product mix and the effect of structural reforms.

<EMS, Others>

Net sales in EMS to external customers came to ¥40.3 billion (a year-on-year increase of 8.6% or ¥3.2 billion). Net sales in Others amounted to ¥18.1 billion (a year-on-year increase of 2.8% or ¥0.5 billion). In EMS, sales increased as new customer acquisition progressed steadily due to the penetration of the OKI brand as high-end EMS, while in Others, sales increased due to the continued steady performance by reed switches and other components.

Operating income in EMS increased to ¥2.0 billion (a year-on-year increase of ¥0.3 billion), and operating income in Others increased to ¥3.5 billion (a year-on-year increase of ¥0.7 billion).

2) Outlook for the fiscal year ending March 31, 2016

In the fiscal year ending March 31, 2016, while concerns for the decelerating European economy and the sluggish economic growth among the emerging countries will persist, the global economy is expected to remain on a moderate recovery trend, backed by the continuing economic recovery in the United States. The Japanese economy is also expected to continue on its recovery trend thanks to the improvements in consumer spending and corporate capital investments.

The OKI Group recognizes the fiscal year ending March 31, 2016, the interim year of the Mid-term Business Plan 2016, as the year for solidifying its bases towards achieving the targets of the fiscal year ending March 31, 2017, and will continue to engage in activities towards sustained growth.

In the growth areas, while securing its ATM business base in China, the OKI Group will accelerate development in other emerging markets and proactively cultivate the Brazilian market through the launch of TCRs and cash-recycling ATMs. In the Printers business, the Group will launch a sales offensive through the release of new products and the reinforcement of channel support. In Japan, the Group will start full-scale activities for launching the next-generation social infrastructure business and steadily capture solid domestic demand. Furthermore, the Group will make proactive investments to expand sales and production in an effort to accelerate growth.

Based on these measures, we project a ¥4.8 billion year-on-year increase in net sales to ¥545.0 billion. Operating income is expected to decrease by ¥2.4 billion year on year to ¥30.0 billion, due to the effects of foreign exchange. Net income attributable to owners of parent is expected to decrease by ¥11.1 billion to ¥22.0 billion, due to the lack of impact of yen depreciation on non-operating income.

The exchange rates used in the consolidated results projection are ¥120.0 to the U.S. dollar and ¥135.0 to the euro.

For details, please refer to “Financial Results for the Fiscal Year ended March 31, 2015” disclosed today.

(Warning on forward-looking statements)

The forward-looking statements including the projection for the financial results contained in this document are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable, and actual results may differ from such statements due to a variety of factors. Major factors that may affect actual results include market trends, a sharp rise in raw material prices, abrupt currency fluctuations and disasters. It should be noted, however, that factors that may affect actual results are not limited to these items.

(2) Analysis of Financial Position

1) Analysis of assets, liabilities, net assets and cash flows

At the end of the fiscal year under review, total assets increased by ¥26.9 billion from the end of the previous fiscal year to ¥439.4 billion. Meanwhile, shareholders’ equity increased by ¥30.9 billion from the end of the previous fiscal year to ¥119.6 billion mainly due to the recording of net income of ¥33.1 billion and other comprehensive income of ¥7.3 billion, despite the decrease of ¥4.5 billion due to the effects of changes in accounting policies in accordance with the revisions of the “Accounting Standard for Retirement Benefits,” etc., and distribution of ordinary dividends and preferred dividends of ¥5.0 billion. As a result, shareholders’ equity ratio stood at 27.2%.

With respect to major increases and decreases in assets, there were increases of ¥6.7 billion in cash and deposits, ¥4.5 billion in notes and accounts receivable – trade, and ¥5.8 billion in investment securities.

Total liabilities decreased by ¥2.7 billion. Loans payable decreased by ¥11.4 billion from ¥119.0 billion at the end of the previous year to ¥107.6 billion, while notes and accounts payable – trade increased by ¥5.8 billion.

Net cash provided by operating activities amounted to ¥41.0 billion (¥31.9 billion for the previous fiscal year), due mainly to improvements in income before income taxes and minority interests and working capital.

Net cash used in investing activities amounted to ¥18.6 billion (¥14.0 billion for the previous fiscal year), due mainly to purchase of property, plant and equipment.

As a result, free cash flow, which is the sum of cash flows from operating activities and cash flows from investing activities, resulted in a net inflow of ¥22.4 billion (¥17.9 billion for the previous fiscal year).

Net cash used in financing activities amounted to ¥20.7 billion (¥4.3 billion for the previous fiscal year), due mainly to repayments of loans payable and distribution of ordinary dividends and preferred dividends.

As a result, cash and cash equivalents at the end of the fiscal year under review increased from ¥50.9 billion at the end of the previous fiscal year to ¥53.6 billion.

2) Cash flow-related indicators

	As of March 31, 2011	As of March 31, 2012	As of March 31, 2013	As of March 31, 2014	As of March 31, 2015
Shareholders' equity ratio (%)	10.4	11.2	16.1	21.5	27.2
Shareholders' equity ratio on a market value basis (%)	13.1	24.8	24.4	39.0	49.2
Ratio of interest-bearing debt to cash flows	6.1	5.2	7.6	6.6	6.7
Interest coverage ratio	4.4	5.1	3.6	5.0	5.1

(Notes) 1. Formulas

- Shareholders' equity ratio: Shareholders' equity/Total assets
- Shareholders' equity ratio on a market value basis: Total market value of stock/Total assets
- Ratio of interest-bearing debt to cash flows: Interest-bearing debt/Cash flows from operating activities
- Interest coverage ratio: Cash flows from operating activities/Interest expenses

2. Basis of figures used in calculation

- Total market value of stock: Number of shares issued excluding treasury shares
- Cash flows from operating activities: "Cash flows from operating activities" in the consolidated statements of cash flows (average of past 5 years)
- Interest expenses: "Interest expenses paid" in the consolidated statements of cash flows (average of past 5 years)
- Interest-bearing debt: All debt bearing interest recorded in the consolidated balance sheets

(3) Basic Policy Concerning the Distribution of Profits and the Dividend Distributions for the Fiscal Year Ended March 31, 2015 and the Fiscal Year Ending March 31, 2016

The Company recognizes at all times that strengthening its financial structure and securing internal reserves for enhancing the OKI Group's corporate value, as well as striving to increase returns to shareholders who will hold shares over the medium to long term, are management's highest priorities.

Regarding the use of internal reserves, the Company will make investments in research and development and equipment required for future growth with a view to strengthening the corporate structure and management bases. Furthermore, in determining the dividend amounts, the Company will place the most focus on the continuation of a stable return of profits to shareholders and also take financial results into account.

Based on this policy, the Company will distribute dividends of surplus (a year-end dividend) at ¥3.00 per share for the fiscal year under review. The Company will pay an annual dividend of ¥5.00 per share including the interim dividend of ¥2.00 per share.

As for dividends of surplus for the next fiscal year, the Company plans to pay an annual dividend of ¥5.00 per share, comprising an interim dividend of ¥2.00 per share and a year-end dividend of ¥3.00 per share.

(4) Risks Related to Business

The forward-looking statements such as the OKI Group's outlook for the financial results contained in this document are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable, and actual results may differ materially from such statements due to a variety of factors. The following are major factors that may affect the OKI Group's actual financial results.

It should be noted, however, that factors that may affect the OKI Group's financial results are not limited to these items. The OKI Group is aware of the potential impact these risks may have if any were to occur, and it is implementing measures to avoid such occurrence, as well as to minimize the weight of their impact should they occur.

1) Political and economic trends

Demand for the OKI Group's products is subject to political and economic trends in the individual countries and regions in which they are sold. Accordingly, economic slowdowns, the resulting contraction of demand in the OKI Group's principal operating markets including Japan, North America, Europe, Asia and South America and changes in the import-export policy for foreign products may adversely affect the OKI Group's financial results and position.

2) Sudden technological innovation
The OKI Group's principal business segments, Info-telecom Systems and Printers, are subject to rapid technological innovations. Accordingly, the OKI Group strives to preserve its competitive advantage through new technology and new product development. However, the OKI Group's financial results and position may be adversely affected in the event it is unable to keep pace with sudden technological innovations, burdened with obsolete technologies that the OKI Group is currently holding, and unable to deliver products and services that appeal to customers.

3) Market trends
(i) The product and geographical markets in which the OKI Group is operating are subject to persistently severe competition due to such factors as entry by new participants. In an effort to secure competitive advantages, the OKI Group strives to develop new products and reduce costs. However, the OKI Group's financial results and position may be adversely affected in the event that the OKI Group is unable to implement effective measures for product development and cost rationalization and fails to maintain market share or secure profitability sufficiently.
(ii) The financial results of Info-telecom Systems may be adversely affected by a variety of factors including: 1) changes in investment trends by financial institutions due to revisions of financial regulations, poor performance and other factors; 2) changes in investment trends by telecom carriers owing to amendments to telecom regulations, shifts in business strategy and other factors; and 3) a significant decline in public-sector investment due to national and local government policies.
(iii) The printer market, in which the OKI Group is operating, is experiencing intense price competition, particularly in color printers. In an effort to secure a strong market position and profitability, the OKI Group is endeavoring to develop new products and reduce costs. Despite these efforts, continued declines in product prices below levels anticipated may adversely affect the financial results of Printers.

4) Raw materials and component procurement
The OKI Group procures a variety of raw materials and components in support of its production activities. The ability to ensure timely product shipment, avoid delays in product delivery, and minimize opportunity loss is dependent upon a stable supply of raw materials, components, specialized parts and alternative components. The OKI Group's financial results and position may be adversely affected in the event of disruptions to that stable supply from natural disasters and other factors.

The OKI Group is reliant upon the direct or indirect supply of crude oil and raw materials such as metals for its production activities. A sharp rise in the prices of such raw materials may adversely affect the OKI Group's financial results and position.

5) Product defects and delays in delivery
Despite every effort to maintain quality assurance, the OKI Group is unable to eliminate entirely the possibility of product or service defects. In the event of such defects, the OKI Group may be liable for damage incurred by the customers. In addition, any incidence of a defect may impact the OKI Group's reputation, resulting in a drop in demand for the OKI Group's products and services. In either case, the OKI Group's financial results and position may be adversely affected.

While the OKI Group adopts complete and thorough measures to ensure the timely delivery of its products and services, unforeseen incidents in material procurement, production control and design may lead to a delay in delivery. In this case, the OKI Group may become liable for damage incurred by the customers due to delivery delays.

6) Success or failure of strategic alliances
The OKI Group is constructively engaged with other companies in strategic alliances for research and development, manufacturing, sales and other activities. However, there may be instances where the OKI Group is not able to maintain desired cooperation with a strategic partner in business strategy, product and technical development, fund procurement or other activities, or where the alliance does not yield satisfactory results. In such cases, the OKI Group's financial results and position may be adversely affected.

7) Overseas business activities
The OKI Group is engaged in production and sales activities across a variety of countries and regions. Accordingly, it is subject to a number of risks specific to overseas business activities, including country risk and foreign exchange fluctuation risk.

The OKI Group has production sites in Thailand, China and Brazil. The OKI Group's financial results and position may be adversely affected by the occurrence of unforeseen events such as economic downturns, political turmoil and fluctuations in local currency exchange rates in these countries.

To minimize foreign exchange fluctuation risk, the OKI Group enters into forward exchange and currency swap contracts to address fluctuations of the yen against the U.S. dollar and euro. However, the OKI Group cannot guarantee the complete removal of risks, and abrupt fluctuations in foreign exchange rates in particular may adversely affect the OKI Group's financial results and position.

8) Patents and intellectual property

The OKI Group strives to protect its patents and to secure new patents with the aim of differentiating the OKI Group from its competitors. A failure in these objectives may adversely affect the business performance of relevant businesses. The OKI Group also strives to secure the necessary licenses from third parties for the use of their patents required in the development and production of products. There may be possibilities that the OKI Group is unable to secure necessary licenses in the future, or is authorized to use patents or rights under unfavorable terms and conditions. In either case, the OKI Group's financial results and position may be adversely affected.

The OKI Group endeavors to heed intellectual properties held by third parties. It is not, however, in a position to completely guarantee that the OKI Group will not be accused of violation of intellectual property rights held by third parties. The OKI Group's financial results and position may be adversely affected in the event that a suit is instituted against the OKI Group and its lawsuit costs increase as a result, or in the event that the OKI Group is found to have breached such intellectual property rights and incurs damages.

9) Statutory and regulatory compliance

The OKI Group is subject to a variety of government regulations, including business and investment approvals, export restrictions relating to national security and other factors, and other import and export regulations such as customs, in each of the countries and regions in which it is operating. The OKI Group is also subject to laws and regulations relating to commerce, antitrust, patents, taxation, foreign currency controls, the environment and recycling. In the event that the OKI Group is unable to comply with any of the aforementioned laws and regulations, or any unexpected changes occur, the possibility is that its activities would be restricted or suspended. Accordingly, such laws and regulations may adversely affect the OKI Group's financial results and position.

10) Natural and other disasters

The OKI Group conducts periodic inspection of facilities and periodic checking of accident and disaster prevention measures to minimize stoppages of its manufacturing lines. However, there is no guarantee that the OKI Group will be able to completely prevent accidents at its production facilities and the adverse impact of natural and other disasters. Moreover, the impact of the disruption of manufacturing lines due from such factors as earthquakes, wind or flood damage or electric outages, as well as the significant impact of various disasters on economic activities in the countries where the OKI Group is conducting sales activities, may adversely affect the OKI Group's financial results and position.

11) Information management

Although the OKI Group implements defense measures to protect its internal systems against computer viruses and to prevent information leakage, the OKI Group cannot guarantee complete protection from system failure and information leakage caused by human error, new viruses, etc. The OKI Group may incur additional losses if such events occur.

12) Securing and fostering human resources

The ability to secure and foster high-performance human resources is a key factor in ensuring further growth as a company capable of generating stable profits. Accordingly, the OKI Group strives to recruit capable employees at every level, including new graduates and mid-career employees. In an effort to foster high-performance human resources, the OKI Group also conducts on-the-job training, education and a variety of supporting activities. In the event that the OKI Group is unable to secure and foster high-performance human resources, or a number of key employees leave the OKI Group, the OKI Group's future growth may be adversely affected.

13) Interest-rate fluctuations

The OKI Group maintains interest-bearing debt that is subject to the impact of fluctuations in interest rates. The OKI Group utilizes interest-rate swaps and other instruments to manage the risks of the impact. However, a rise in interest rates may lead to an increase in interest charges and may adversely affect the OKI Group's ability to raise working capital due to increased costs of raising capital in the future.

14) Changes to accounting standards
The OKI Group prepares consolidated and non-consolidated financial statements in accordance with corporate accounting standards generally accepted as fair and valid. In the event that the OKI Group changes its accounting policy in association with the establishment or revision of accounting standards, etc., the OKI Group's financial results and position may be adversely affected.

15) Debt recovery
The OKI Group constantly appraises the financial conditions of its customers and estimates and provides an appropriate amount of allowances for bad debts that are expected to accrue after the balance sheet date. However, a sudden deterioration of the financial condition of a customer may adversely affect the OKI Group's financial results and position.

16) Impairment loss on noncurrent assets
In the event that it becomes necessary for the OKI Group to recognize impairment loss on property, plant and equipment, intangible assets, investments and other assets, the OKI Group's financial results and position may be adversely affected.

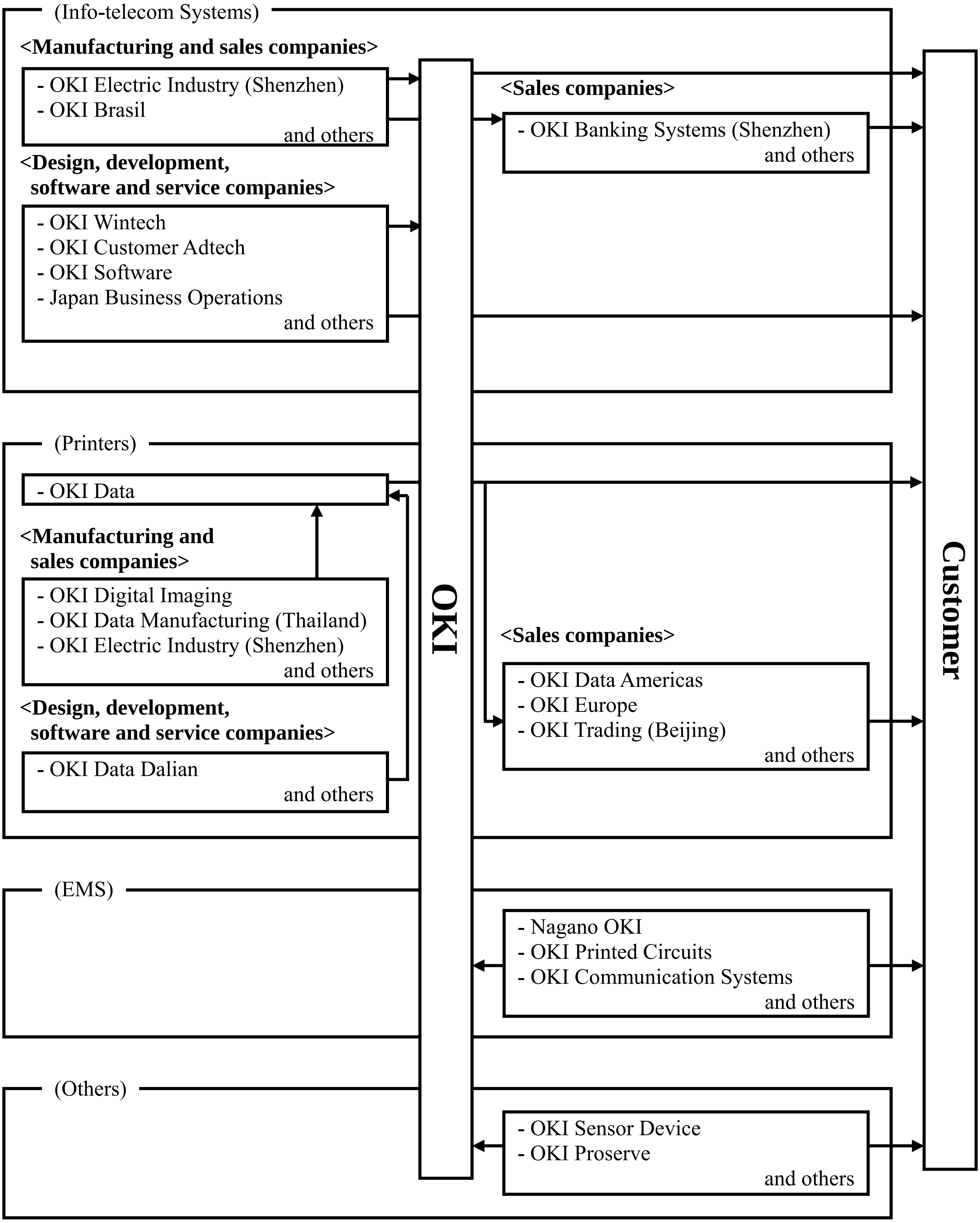
17) Deferred tax assets
The OKI Group provides appropriate amounts of retained losses carried forward and other temporary differences for deferred tax assets. In the event that the OKI Group derecognizes deferred tax assets as it is unable to eliminate such retained losses carried forward and other temporary differences due to the decline in taxable income brought on by future changes in its financial results, the OKI Group's financial results and position may be adversely affected.

18) Retirement benefit obligations
The OKI Group provides appropriate amounts of retirement benefit obligations based on assumptions and preconditions such as a discount rate established using actuarial calculations and on expected long-term rate of return on pension assets. However, such assumptions and preconditions are susceptible to changes in market interest rates and stock market trends, which may cause actual results to differ from such provision and may lead to an increase in retirement benefit obligations. In such a case, the OKI Group's financial results and position may be adversely affected.

19) Stock price fluctuations
The OKI Group holds shares of stocks in listed companies as part of its investment securities portfolio. A fall in stock prices may lead to valuation loss and/or a decrease in valuation difference, which may adversely affect the OKI Group's financial results and position.

2. Corporate Group

In the OKI Group, the general business relationships between OKI (the parent company) and its affiliates are as shown below.



3. Management Policies

(1) Basic Management Policies

Founded in 1881, Meikosha, Ltd. was the forerunner of today's OKI and Japan's first communications equipment manufacturer. Only five years after Alexander Graham Bell invented the first telephone in the United States, Meikosha made an early attempt to domestically manufacture telephones and was successful. This "enterprising spirit" has been passed down and remains in the DNA that runs through the history of the OKI Group. With OKI's corporate philosophy* revolving around this enterprising spirit, the OKI Group adopts the basic policy of meeting the expectations of all its stakeholders, including customers, shareholders and employees, by aiming to become a company that generates stable profits and attains steady growth.

* "The people of OKI, true to the Company's enterprising spirit, are committed to creating superior network solutions and providing outstanding information and communications services globally to meet the diversified needs of communities worldwide in the information age."

(2) The Company's Mid- to Long-term Management Strategy, Management Targets and Issues to Be Addressed

The OKI Group announced "Mid-term Business Plan 2016" in November 2013, with a goal "to become a high value-added creation business group, contributing to the realization of safety and comfort of society." Under this plan, we have set our corporate policy to attain sustainable growth through continued investment by securing stable profits. The business targets for the fiscal year ending March 31, 2017, the last fiscal year of the plan, are net sales of ¥560.0 billion, operating income of ¥34.0 billion, operating profit margin of 6%, shareholders' equity ratio of more than 30%, debt to equity ratio of less than 1 time, and overseas sales ratio of 40%.

To ensure stable profits, in addition to securing renewing demand in financial, social and telecom systems, we will continue to firmly capture opportunities in the Chinese ATM market. Furthermore, we will generate profits stably from the effects of the structural reforms in the Printers business conducted in fiscal year ended March 31, 2014, and optimization of each business segment.

To achieve sustainable growth, we will put forward "business expansion in the global market," "support for customers' 'asset-free management'" and "entering the fields of next-generation social infrastructure" as the three pillars to implement future measures. In addition to the expansion through exploring new ATM markets in Brazil and other regions and expanding the deployment of cash handling equipment and maintenance service, we will advance global deployment of high value-added printers for the copier and professional markets. Furthermore, we will support customers' "asset-free management" through enhancement of cloud computing services and LCM services. Ultimately, we will enter the fields of next-generation social infrastructure by leveraging our strength in sensing and network technologies to address measures for prevention and mitigation of disasters, and aging social infrastructure.

Other measures to achieve the targets of the fiscal year ending March 31, 2017 include manufacturing and engineering reformation, reduction in procurement costs, activities to reduce working capital and strengthening research and development, as well as enhancing human resources by transferring personnel to growing segments, recruiting global human resources, promoting career opportunities for female employees.

4. Basic Approach to the Selection of Accounting Standards

The Oki Group is conducting studies on the differences between the International Financial Reporting Standards (IFRS) and J-GAAP and their potential impact. The Oki Group is moving ahead with deliberations on the future application of IFRS.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million yen)

	Fiscal year ended March 31, 2014 (As of March 31, 2014)	Fiscal year ended March 31, 2015 (As of March 31, 2015)
Assets		
Current assets		
Cash and deposits	46,901	53,632
Notes and accounts receivable – trade	133,383	137,895
Securities	4,000	—
Finished goods	34,203	37,355
Work in process	22,652	22,406
Raw materials and supplies	28,429	26,293
Deferred tax assets	6,503	9,647
Other	11,133	14,339
Allowance for doubtful accounts	(8,684)	(7,940)
Total current assets	278,522	293,629
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	22,471	23,069
Machinery, equipment and vehicles, net	10,808	10,648
Tools, furniture and fixtures, net	10,110	10,211
Land	12,201	12,461
Construction in progress	601	785
Total property, plant and equipment	* 56,193	* 57,176
Intangible assets	9,600	10,240
Investments and other assets		
Investment securities	32,634	38,432
Net defined benefit asset	27,507	30,478
Other	8,882	10,221
Allowance for doubtful accounts	(828)	(820)
Total investments and other assets	68,196	78,311
Total non-current assets	133,991	145,728
Total assets	412,514	439,358
Liabilities		
Current liabilities		
Notes and accounts payable – trade	73,312	79,053
Short-term loans payable	104,478	63,329
Accrued expenses	34,956	36,060
Income taxes payable	2,797	5,965
Other	26,728	27,171
Total current liabilities	242,272	211,580

(Million yen)

	Fiscal year ended March 31, 2014 (As of March 31, 2014)	Fiscal year ended March 31, 2015 (As of March 31, 2015)
Non-current liabilities		
Long-term loans payable	14,526	44,241
Lease obligations	4,912	4,499
Deferred tax liabilities	18,307	19,340
Provision for directors' retirement benefits	368	378
Net defined benefit liability	20,225	22,817
Other	19,982	15,084
Total non-current liabilities	78,322	106,362
Total liabilities	320,595	317,943
Net assets		
Shareholders' equity		
Capital stock	44,000	44,000
Capital surplus	21,554	21,554
Retained earnings	18,382	41,989
Treasury shares	(432)	(453)
Total shareholders' equity	83,504	107,090
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,333	8,291
Deferred gains or losses on hedges	(389)	(72)
Foreign currency translation adjustment	(10,358)	(10,433)
Remeasurements of defined benefit plans	11,644	14,750
Total accumulated other comprehensive income	5,230	12,536
Subscription rights to shares	79	79
Minority interests	3,104	1,708
Total net assets	91,918	121,414
Total liabilities and net assets	412,514	439,358

(2) Consolidated Statements of Income and Comprehensive Income
(Consolidated Statements of Income)

(Million yen)

	Fiscal year ended March 31, 2014 (From April 1, 2013 to March 31, 2014)	Fiscal year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)
Net sales	483,112	540,153
Cost of sales	*2 354,635	*2 399,647
Gross profit	128,477	140,506
Selling, general and administrative expenses	*1, *2 101,281	*1, *2 108,090
Operating income	27,196	32,415
Non-operating income		
Interest income	103	290
Dividend income	796	767
Share of profit of entities accounted for using equity method	339	652
Foreign exchange gains	11,277	7,035
Miscellaneous income	1,350	1,042
Total non-operating income	13,867	9,787
Non-operating expenses		
Interest expenses	2,522	2,357
Commission for syndicate loan	446	723
Miscellaneous expenses	1,439	1,194
Total non-operating expenses	4,409	4,274
Ordinary income	36,655	37,928
Extraordinary income		
Gain on sales of investment securities	553	225
Gain on bargain purchase	102	—
Insurance income	322	—
Gain on transfer of business	123	—
Total extraordinary income	1,102	225

(Million yen)

	Fiscal year ended March 31, 2014 (From April 1, 2013 to March 31, 2014)	Fiscal year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)
Extraordinary losses		
Loss on disposal of non-current assets	659	621
Impairment loss	184	—
Business structure improvement expenses	4,311	—
Loss on liquidation of subsidiaries	841	—
Total extraordinary losses	5,995	621
Income before income taxes and minority interests	31,761	37,532
Income taxes – current	3,820	4,179
Income taxes for prior periods	—	*3 3,546
Income taxes – deferred	394	(2,359)
Total income taxes	4,214	5,365
Income before minority interests	27,546	32,166
Minority interests in income (loss)	187	(924)
Net income	27,359	33,091

(Consolidated Statements of Comprehensive Income)

(Million yen)

	Fiscal year ended March 31, 2014 (From April 1, 2013 to March 31, 2014)	Fiscal year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)
Income before minority interests	27,546	32,166
Other comprehensive income		
Valuation difference on available-for-sale securities	2,099	3,930
Deferred gains or losses on hedges	266	317
Foreign currency translation adjustment	(7,511)	(82)
Remeasurements of defined benefit plans, net of tax	—	3,148
Share of other comprehensive income of entities accounted for using equity method	40	(17)
Total other comprehensive income	* (5,104)	* 7,295
Comprehensive income	22,442	39,462
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	22,237	40,395
Comprehensive income attributable to minority interests	205	(932)

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2014 (From April 1, 2013 to March 31, 2014)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	44,000	21,554	(7,788)	(399)	57,366
Cumulative effects of changes in accounting policies					—
Restated balance	44,000	21,554	(7,788)	(399)	57,366
Changes of items during period					
Dividends of surplus			(1,032)		(1,032)
Net income			27,359		27,359
Purchase of treasury shares				(32)	(32)
Increase by merger			157		157
Change of scope of consolidation			(313)		(313)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	26,171	(32)	26,138
Balance at end of current period	44,000	21,554	18,382	(432)	83,504

(Million yen)

	Accumulated other comprehensive income					Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	2,192	(656)	(2,829)	—	(1,293)	79	473	56,625
Cumulative effects of changes in accounting policies								—
Restated balance	2,192	(656)	(2,829)	—	(1,293)	79	473	56,625
Changes of items during period								
Dividends of surplus								(1,032)
Net income								27,359
Purchase of treasury shares								(32)
Increase by merger								157
Change of scope of consolidation								(313)
Net changes of items other than shareholders' equity	2,140	266	(7,528)	11,644	6,523	—	2,631	9,155
Total changes of items during period	2,140	266	(7,528)	11,644	6,523	—	2,631	35,293
Balance at end of current period	4,333	(389)	(10,358)	11,644	5,230	79	3,104	91,918

Fiscal year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	44,000	21,554	18,382	(432)	83,504
Cumulative effects of changes in accounting policies			(4,522)		(4,522)
Restated balance	44,000	21,554	13,860	(432)	78,982
Changes of items during period					
Dividends of surplus			(4,962)		(4,962)
Net income			33,091		33,091
Purchase of treasury shares				(21)	(21)
Increase by merger					—
Change of scope of consolidation			0		0
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	28,129	(21)	28,107
Balance at end of current period	44,000	21,554	41,989	(453)	107,090

(Million yen)

	Accumulated other comprehensive income					Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	4,333	(389)	(10,358)	11,644	5,230	79	3,104	91,918
Cumulative effects of changes in accounting policies								(4,522)
Restated balance	4,333	(389)	(10,358)	11,644	5,230	79	3,104	87,396
Changes of items during period								
Dividends of surplus								(4,962)
Net income								33,091
Purchase of treasury shares								(21)
Increase by merger								—
Change of scope of consolidation								0
Net changes of items other than shareholders' equity	3,958	317	(75)	3,106	7,305	—	(1,395)	5,910
Total changes of items during period	3,958	317	(75)	3,106	7,305	—	(1,395)	34,018
Balance at end of current period	8,291	(72)	(10,433)	14,750	12,536	79	1,708	121,414

(4) Consolidated Statements of Cash Flows

(Million yen)

	Fiscal year ended March 31, 2014 (From April 1, 2013 to March 31, 2014)	Fiscal year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)
Cash flows from operating activities		
Income before income taxes and minority interests	31,761	37,532
Depreciation	14,249	14,464
Increase (decrease) in provision	(20,352)	(1,945)
Interest and dividend income	(900)	(1,057)
Interest expenses	2,522	2,357
Loss (gain) on sales of investment securities	(553)	(224)
Loss (gain) on disposal of non-current assets	634	590
Decrease (increase) in notes and accounts receivable – trade	5,009	8,693
Decrease (increase) in inventories	(371)	3,905
Increase (decrease) in notes and accounts payable – trade	(3,075)	(8,906)
Increase (decrease) in accrued expenses	586	356
Other, net	3,823	(7,894)
Subtotal	33,333	47,871
Interest and dividend income received	900	1,047
Interest expenses paid	(2,546)	(2,423)
Proceeds from insurance income	1,576	—
Income taxes paid	(1,396)	(5,495)
Net cash provided by (used in) operating activities	31,868	40,999
Cash flows from investing activities		
Proceeds from redemption of securities	500	—
Purchase of property, plant and equipment	(7,771)	(10,598)
Purchase of intangible assets	(3,664)	(3,931)
Proceeds from sales of investment securities	446	319
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,746)	(2,717)
Other payments	(1,815)	(2,084)
Other proceeds	1,073	428
Net cash provided by (used in) investing activities	(13,977)	(18,583)

(Million yen)

	Fiscal year ended March 31, 2014 (From April 1, 2013 to March 31, 2014)	Fiscal year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(2,056)	(12,442)
Proceeds from long-term loans payable	20,440	48,460
Repayments of long-term loans payable	(21,212)	(49,637)
Proceeds from sales and leasebacks	1,969	927
Repayments of lease obligations	(2,338)	(3,084)
Cash dividends paid	(1,032)	(4,917)
Other, net	(41)	(28)
Net cash provided by (used in) financing activities	(4,270)	(20,724)
Effect of exchange rate change on cash and cash equivalents	1,084	997
Net increase (decrease) in cash and cash equivalents	14,703	2,688
Cash and cash equivalents at beginning of period	35,894	50,866
Increase in cash and cash equivalents from newly consolidated subsidiary	32	44
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	235	—
Cash and cash equivalents at end of period	* 50,866	* 53,598

(5) Notes to Consolidated Financial Statements

(Notes Relating to Going Concern Assumption)

Not applicable

(Significant Matters for the Basis of Preparation of Consolidated Financial Statements)

1. Scope of consolidation

Of 96 subsidiaries, 89 companies are consolidated subsidiaries. As for OKI BR ARGENTINA S.A. and 6 other subsidiaries, their total assets, retained earnings, net sales or net income and loss are small and immaterial on an individual and overall basis; thus, they are not included in the scope of consolidation.

The following companies are included in the scope of consolidation from the current fiscal year: Oki Sensor Device (Shanghai) Co., Ltd., which was newly established; and OKI PROSERVE (THAILAND) CO., LTD., and OKI INDIA PRIVATE LIMITED, whose relative significance among subsidiaries has increased.

OKI SYSTEMS (HONG KONG) PTE. LTD., Payment First Corporation, Oki Information Systems Co., Ltd., and OKI ACCESS Technologies Co., Ltd. are extinguished from the scope of consolidation due to liquidation.

2. Application of the equity method

The equity method is applied to investments in 4 companies of 7 non-consolidated subsidiaries and 5 affiliates.

As for OKI BR ARGENTINA S.A., and 6 other non-consolidated subsidiaries as well as TOWN NETWORK SERVICE Corporation, all of which are not accounted for using the equity method, the effects of their net income or loss and retained earnings are minor, and immaterial overall.

3. Fiscal years, etc., of consolidated subsidiaries

The Company's consolidated subsidiary, OKI BRASIL INDÚSTRIA E COMÉRCIO DE PRODUTOS E TECNOLOGIA EM AUTOMAÇÃO S.A. closes accounts on December 31, a different date from the consolidated closing date, and financial statements as of the closing date of the company are used. However, significant transactions that occurred between December 31 and the consolidated closing date are adjusted as required for the consolidation purposes.

4. Standards for accounting treatment

(1) Valuation standards and methods for significant assets

1) Securities

The Company and its domestic consolidated subsidiaries evaluate securities according to holding purposes, as follows. Overseas consolidated subsidiaries use the lower of cost or market value method.

Available-for-sale securities:

Securities with market quotations:

Market value method based on the quoted market price at the fiscal year-end (Any unrealized gains or losses are reported directly as a component of shareholders' equity and the cost of securities sold is calculated using the moving-average method.)

Securities without market quotations:

Cost method using the moving-average method.

2) Inventories

The Company and its domestic consolidated subsidiaries evaluate inventories as follows. Overseas consolidated subsidiaries mainly use the lower of cost or market value method.

Finished goods:

Stated at cost mainly using the moving-average method (Amounts on the balance sheets take into account declines in book values based on reduced profitability.)

Work in process:

Stated at cost mainly using the specific cost method (Amounts on the balance sheets take into account declines in book values based on reduced profitability.)

Raw materials and supplies:

Stated at cost mainly using the moving-average method (Amounts on the balance sheets take into account declines in book values based on reduced profitability.)

3) Derivatives

Stated at market value

(2) Depreciation methods for significant depreciable assets

1) Property, plant and equipment (excluding leased assets)

The Company and its domestic consolidated subsidiaries mainly use the declining-balance method, and overseas consolidated subsidiaries mainly use the straight-line method.

2) Intangible assets (excluding leased assets)

The Company and its domestic consolidated subsidiaries use the straight-line method.

Software for sales in the market is amortized based on the estimated sales volume over the estimated valid sales period (3 years), and software for internal use is amortized using the straight-line method over the estimated available period (5 years).

Overseas consolidated subsidiaries mainly use the straight-line method.

3) Leased assets

Leased assets concerning non-transfer ownership finance lease transactions are depreciated using the straight-line method, defining the lease terms of respective assets as their useful lives, assuming the residual value is zero.

Among leased assets concerning non-transfer ownership finance lease transactions, lease transactions that commenced on or prior to March 31, 2008 are stated using the similar accounting treatment that is applied to regular rental transactions.

(3) Accounting standards for significant allowances and provisions

1) Allowance for doubtful accounts

The Company and its domestic consolidated subsidiaries provide for possible credit losses on notes and accounts receivable – trade and loans receivable. Allowance for ordinary bad debts are computed based on the historical rate of defaults, and the likelihood of recovery is considered on an individual basis for specific debts where recovery is doubtful. Overseas consolidated subsidiaries provide mainly for specific debts in consideration of the likelihood of recovery.

2) Provision for directors' retirement benefits

Some consolidated subsidiaries provide necessary amounts at the year-end for directors' retirement benefits, in accordance with the companies' internal rules.

(4) Accounting methods for retirement benefits

1) Method of attributing expected retirement benefit to periods

In calculation of retirement benefit obligations, the method of attributing the expected retirement benefit to periods before the end of the current fiscal year is on a benefit formula basis.

2) Actuarial gain or loss, past service cost and net retirement benefit obligation at transition

Net retirement benefit obligation at transition is amortized evenly over 15 years, excluding consolidated subsidiaries that amortize collectively in the first fiscal year of application and some overseas consolidated subsidiaries that deduct obligations directly from retained earnings.

Past service cost is amortized using the straight-line method over certain years (11 to 13 years) not exceeding the average remaining service years of employees at the time of occurrence.

Actuarial gain or loss is amortized evenly using the straight-line method over certain years (11 to 13 years) not exceeding the average remaining service years of employees at the time of occurrence, from the fiscal year following the year of occurrence.

(5) Accounting standards for significant revenue and expenses

Accounting standards for revenue from contract works and software development contracts

a) Works/developments with certainty of results recognized in the part in progress by the end of the current fiscal year

Stated using the percentage of completion method (Progress rate for works is estimated using the cost-to-cost method.)

b) Others

Stated on an inspection basis (or by the completed-contract method at some domestic consolidated subsidiaries)

(6) Significant hedge accounting method

1) Hedge accounting method

The deferred hedge accounting is used. Allocation treatment is applied to foreign exchange forward contracts and currency swap transactions that meet specific criteria for such treatment. Special treatment is applied to interest rate swap transactions that meet specific criteria for such treatment.

2) Hedging instruments and hedged items

Foreign exchange forward contracts and currency swap transactions are used to hedge fluctuations in foreign exchange rates for foreign currency-denominated monetary claims and liabilities. Interest rate swap transactions are used to hedge market interest rate fluctuation risks in future for short-term and long-term loans payable at floating interest rates.

3) Hedging policy

Derivatives transactions are used for the purpose of avoiding market fluctuation risks that monetary claims and liabilities are exposed to.

4) Method for evaluating hedging effectiveness
From the time of implementation of hedging through the time of assessment of effectiveness, hedged items and hedging instruments, and respective market fluctuations or changes in cash flows are compared and evaluated based on the amount of changes in both.

(7) Amortization of goodwill and amortization period
Goodwill is amortized evenly over its effective period (mainly 5 years).

(8) Scope of cash and cash equivalents in the consolidated statements of cash flows
Cash and cash equivalents in the consolidated statements of cash flows consist of cash in hand, readily available deposits, and any short-term liquid investments with a maturity not exceeding 3 months at the time of purchase whose value is not subject to significant fluctuation risk.

(9) Other significant matters for the preparation of consolidated financial statements

1) Accounting treatment for consumption taxes, etc.
The tax exclusion method is applied for the accounting treatment for national and local consumption taxes.

2) Application of consolidated taxation system
The consolidated taxation system is applied.

(Changes in Accounting Policies, etc.)

Effective from the fiscal year under review, the provisions stated in the main clause of Paragraph 35 of the "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012; the "Retirement Benefits Accounting Standard") and the provisions stated in the main clause of Paragraph 67 of the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, March 26, 2015; the "Guidance on Retirement Benefits") were applied. Accordingly, the Company has revised the calculation methods for retirement benefit obligations and service cost and changed the method of attributing expected retirement benefits to periods from a point basis or straight-line basis to a benefit formula basis. At the same time, the Company changed its method of determining the discount rate from the method based on the average remaining service years up to the expected date of retirement benefit payments to the method based on a single weighted average discount rate that reflects the estimated timing of retirement benefit payments and the amount of benefit payment for each estimated payment period.

The Retirement Benefits Accounting Standard and Guidance on Retirement Benefits are being applied transitionally as determined in Paragraph 37 of the Retirement Benefits Accounting Standard. As of April 1, 2014, the effects of the change in the calculation methods for retirement benefit obligations and service cost were added to or deducted from retained earnings.

As a result, as of April 1, 2014, net defined benefit asset decreased by ¥3,939 million and net defined benefit liability increased by ¥923 million, while retained earnings decreased by ¥4,522 million. The impact of these changes on the profit or loss for the current fiscal year was minimal.

Net assets per share decreased by ¥4.85.

(Changes in Presentation)

(Consolidated Balance Sheets)

"Income taxes payable," which was included in "Other" under "Current liabilities" for the previous fiscal year, is separately stated from the current fiscal year due to its increasing quantitative materiality. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, "Other" of ¥29,525 million stated under "Current liabilities" on the consolidated balance sheets for the previous fiscal year has been reclassified into "Income taxes payable" of ¥2,797 million and "Other" of ¥26,728 million.

(Consolidated Statements of Income)

"Taxes and dues" under "Non-operating expenses," which was separately stated for the previous fiscal year, is included in "Miscellaneous expenses" for the current fiscal year due to its decreasing quantitative materiality. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, "Taxes and dues" of ¥448 million stated under "Non-operating expenses" on the consolidated statements of income for the previous fiscal year has been reclassified into "Miscellaneous expenses."

(Consolidated Statements of Cash Flows)

"Impairment loss" under "Cash flows from operating activities," which was separately stated for the previous fiscal year, is included in "Other, net" for the current fiscal year due to its decreasing quantitative materiality. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, "Impairment loss" of ¥184 million stated under "Cash flows from operating activities" on the consolidated statements of cash flows for the previous fiscal year has been reclassified into "Other, net."

(Consolidated Balance Sheets)

* Accumulated depreciation of property, plant and equipment

(Million yen)

Previous fiscal year (As of March 31, 2014)	Current fiscal year (As of March 31, 2015)
151,723	153,785

(Consolidated Statements of Income)

*1 The major items and amounts under selling, general and administrative expenses are as follows:

(Million yen)

	Previous fiscal year (From April 1, 2013 to March 31, 2014)	Current fiscal year (From April 1, 2014 to March 31, 2015)
Salaries and wages	29,744	33,760
Retirement benefit expenses	2,249	1,276
Research and development expenses	12,959	13,755

*2 Research and development expenses included in general and administrative expenses are as follows. Research and development expenses are not included in manufacturing costs.

(Million yen)

Previous fiscal year (From April 1, 2013 to March 31, 2014)	Current fiscal year (From April 1, 2014 to March 31, 2015)
12,959	13,755

*3 Income taxes for prior periods

The estimated amount of additional tax has been recorded, as Oki Electric Industry (Shenzhen) Co., Ltd., a consolidated subsidiary, is expected to receive a notice in the current fiscal year for the correction of transfer pricing taxation from the Chinese tax authorities regarding transactions with the Company and its consolidated subsidiaries.

(Consolidated Statements of Comprehensive Income)

* Reclassification adjustment and tax effect related to other comprehensive income

(Million yen)

	Previous fiscal year (From April 1, 2013 to March 31, 2014)	Current fiscal year (From April 1, 2014 to March 31, 2015)
Valuation difference on available-for-sale securities:		
Amount arising during the period	3,645	5,327
Reclassification adjustment	(406)	(1)
Amount before income tax effect	3,239	5,326
Income tax effect	(1,139)	(1,396)
Valuation difference on available-for-sale securities	2,099	3,930
Deferred gains or losses on hedges:		
Amount arising during the period	(45)	2
Reclassification adjustment	286	303
Cost adjustment of assets	29	—
Amount before income tax effect	270	305
Income tax effect	(3)	12
Deferred gains or losses on hedges	266	317
Foreign currency translation adjustment:		
Amount arising during the period	(7,320)	(82)
Reclassification adjustment	(190)	—
Foreign currency translation adjustment	(7,511)	(82)
Remeasurements of defined benefit plans:		
Amount arising during the period	—	661
Reclassification adjustment	—	539
Amount before income tax effect	—	1,200
Income tax effect	—	1,947
Remeasurements of defined benefit plans, net of tax	—	3,148
Share of other comprehensive income of entities accounted for using equity method:		
Amount arising during the period	40	(59)
Reclassification adjustment	—	42
Share of other comprehensive income of entities accounted for using equity method	40	(17)
Total other comprehensive income	(5,104)	7,295

(Consolidated Statements of Changes in Equity)

Previous fiscal year (from April 1, 2013 to March 31, 2014)

1. Type and number of issued shares and treasury shares

	Number of shares at beginning of current fiscal year (Thousand shares)	Number of shares increased during current fiscal year (Thousand shares)	Number of shares decreased during current fiscal year (Thousand shares)	Number of shares at end of current fiscal year (Thousand shares)
Issued shares				
Common stock	731,438	—	—	731,438
Class A preferred stock	30	—	—	30
Total	731,468	—	—	731,468
Treasury shares				
Common stock (Note)	3,465	148	—	3,614
Total	3,465	148	—	3,614

(Note) The increase in common stock under treasury shares (148 thousand shares) is attributed to the purchase of fractional shares.

2. Matters related to subscription rights to shares and treasury subscription rights to shares

Classification	Breakdown of subscription rights to shares	Type of shares underlying subscription rights to shares	Number of shares underlying subscription rights to shares (Shares)				Outstanding shares at end of current fiscal year (Million yen)
			At beginning of current fiscal year	Increase during current fiscal year	Decrease during current fiscal year	At end of current fiscal year	
The Filing Company (Parent company)	Subscription rights to shares as stock options	—					79
Total		—					79

3. Matters related to dividends

(1) Dividends paid

(Resolution)	Class of stock	Total amount of dividends (Million yen)	Dividend resource	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 26, 2013	Class A preferred stock	1,032	Retained earnings	34,410.00	March 31, 2013	June 27, 2013

(2) Dividends whose record date falls in the current fiscal year but whose effective date comes in the following fiscal year

(Resolution)	Class of stock	Total amount of dividends (Million yen)	Dividend resource	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 25, 2014	Common stock	2,184	Retained earnings	3.00	March 31, 2014	June 26, 2014
	Class A preferred stock	1,004		33,490.00		

Current fiscal year (from April 1, 2014 to March 31, 2015)

1. Type and number of issued shares and treasury shares

	Number of shares at beginning of current fiscal year (Thousand shares)	Number of shares increased during current fiscal year (Thousand shares)	Number of shares decreased during current fiscal year (Thousand shares)	Number of shares at end of current fiscal year (Thousand shares)
Issued shares				
Common stock (Note 1)	731,438	140,737	—	872,176
Class A preferred stock (Note 2)	30	—	30	—
Total	731,468	140,737	30	872,176
Treasury shares				
Common stock (Note 3)	3,614	90	—	3,705
Class A preferred stock (Note 4)	—	30	30	—
Total	3,614	120	30	3,705

(Note) 1. The increase in the number of issued shares of common stock (140,737 thousand shares) is attributed to the exercise of put options of Class A preferred stock.

2. The decrease in the number of issued shares of Class A preferred stock (30 thousand shares) is attributed to the cancellation of shares pursuant to Article 178 of the Companies Act.

3. The increase in common stock under treasury shares (90 thousand shares) is attributed to the purchase of fractional shares.

4. The increase in Class A preferred stock under treasure shares (30 thousand shares) is attributed to the exercise of put options and the decrease in Class A preferred stock under treasury shares (30 thousand shares) is attributed to the cancellation of shares pursuant to Article 178 of the Companies Act.

2. Matters related to subscription rights to shares and treasury subscription rights to shares

Classification	Breakdown of subscription rights to shares	Type of shares underlying subscription rights to shares	Number of shares underlying subscription rights to shares (Shares)				Outstanding shares at end of current fiscal year (Million yen)
			At beginning of current fiscal year	Increase during current fiscal year	Decrease during current fiscal year	At end of current fiscal year	
The Filing Company (Parent company)	Subscription rights to shares as stock options	—					79
Total		—					79

3. Matters related to dividends

(1) Dividends paid

(Resolution)	Class of stock	Total amount of dividends (Million yen)	Dividend resource	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 25, 2014	Common stock	2,184	Retained earnings	3.00	March 31, 2014	June 26, 2014
	Class A preferred stock	1,004		33,490.00		
Board of Directors' Meeting held on October 31, 2014	Common stock	1,685	Retained earnings	2.00	September 30, 2014	December 10, 2014
	Class A preferred stock	87		16,525.00		

(2) Dividends whose record date falls in the current fiscal year but whose effective date comes in the following fiscal year

(Matters for deliberation)	Class of stock	Total amount of dividends (Million yen)	Dividend resource	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 24, 2015	Common stock	2,606	Retained earnings	3.00	March 31, 2015	June 25, 2015

(Consolidated Statements of Cash Flows)

* Relationship between the fiscal year-end balance of cash and cash equivalents and the amounts of consolidated balance sheets items

(Million yen)

	Previous fiscal year (From April 1, 2013 to March 31, 2014)	Current fiscal year (From April 1, 2014 to March 31, 2015)
Cash and deposits	46,901	53,632
Time deposits with original maturities of more than 3 months	(34)	(33)
Short-term investments (securities) with maturities of less than 3 months	4,000	—
Cash and cash equivalents	50,866	53,598

(Securities)

1. Securities – trading
   Not applicable

2. Held-to-maturity securities
   Not applicable

3. Available-for-sale securities
   Previous fiscal year (as of March 31, 2014)

(Million yen)

	Type	Amount recorded in consolidated balance sheets	Acquisition cost	Unrealized gain or loss
Available-for-sale securities whose amount recorded in consolidated balance sheets exceeds their acquisition cost	Stocks	18,116	10,932	7,184
	Bonds	7	7	0
	Subtotal	18,124	10,939	7,184
Available-for-sale securities whose amount recorded in consolidated balance sheets does not exceed their acquisition cost	Stocks	1,773	2,280	(506)
	Bonds	3	3	—
	Negotiable certificates of deposit	4,000	4,000	—
	Other	9	9	—
	Subtotal	5,786	6,292	(506)
Total		23,910	17,232	6,677

Current fiscal year (as of March 31, 2015)

(Million yen)

	Type	Amount recorded in consolidated balance sheets	Acquisition cost	Unrealized gain or loss
Available-for-sale securities whose amount recorded in consolidated balance sheets exceeds their acquisition cost	Stocks	24,337	12,085	12,251
	Subtotal	24,337	12,085	12,251
Available-for-sale securities whose amount recorded in consolidated balance sheets does not exceed their acquisition cost	Stocks	1,074	1,322	(248)
	Other	5	5	—
	Subtotal	1,080	1,328	(248)
Total		25,417	13,414	12,003

4. Available-for-sale securities sold

Previous fiscal year (from April 1, 2013 to March 31, 2014)

(Million yen)

Type	Amount of proceeds	Total gain on sales	Total loss on sales
Stocks	409	406	0
Others	7	—	—
Total	416	406	0

Current fiscal year (from April 1, 2014 to March 31, 2015)

(Million yen)

Type	Amount of proceeds	Total gain on sales	Total loss on sales
Stocks	2	1	0
Others	10	0	—
Total	13	1	0

5. Impaired securities that were written down to their fair values

During the previous fiscal year, a loss of ¥0 million was incurred by a write-down of impaired securities (available-for-sale securities).

During the current fiscal year, a loss of ¥5 million was incurred by a write-down of impaired securities (available-for-sale securities).

Securities whose current market price at the fiscal year-end falls considerably lower than the acquisition cost were written down by the amount deemed necessary after comprehensively assessing the likelihood of recovery, etc.

(Retirement Benefits)

1. Overview of retirement benefit plans

To provide for employees' retirement benefits, the Company and its domestic consolidated subsidiaries have saving and non-saving types of benefit plans: a defined benefit plan and a defined contribution plan.

In a saving-type defined benefit pension plan, the Company and its domestic consolidated subsidiaries adopts a cash balance plan, in which cumulative points are saved in each member employee's virtual personal account as a pool for pension or lump-sum retirement payment. The cumulative points are comprised of "pension points," which are given based on each member employee's salary level, and interests based on the yields of Japanese government bonds.

In a lump-sum retirement payment plan (this is a non-saving-type plan in general; one company has a saving-type plan as it set up an employees' retirement benefits trust), lump-sum retirement payments are made based on "achievement points," which are granted according to the results of each member employee's performance, and service years.

Overseas consolidated subsidiaries have a defined benefit pension plan and a defined contribution pension plan to provide for employees' retirement.

The Company implements employees' retirement benefits trust for its defined benefit pension plan and lump-sum retirement payment plan.

In the lump-sum retirement payment plans of some consolidated subsidiaries, net defined benefit liability and retirement benefit expenses are calculated by the simplified method.

The Company and some domestic consolidated subsidiaries participate in a multi-employer pension plan, the OKI Corporate Pension Fund, and the following amounts include the amounts associated with the multi-employer pension plan.

2. Defined benefit plan

(1) Adjustments to retirement benefit obligations between the beginning and end of the period

(Million yen)

	Previous fiscal year (From April 1, 2013 to March 31, 2014)	Current fiscal year (From April 1, 2014 to March 31, 2015)
Retirement benefit obligations at the beginning of the period	111,578	108,713
Cumulative effects of changes in accounting policies	—	4,862
Restated balance	111,578	113,575
Service cost	2,905	3,006
Interest cost on retirement benefit obligation	1,583	1,012
Actuarial gain or loss arising during the period	(154)	106
Payments of retirement benefits	(7,740)	(6,971)
Past service cost	—	1,700
Other	539	12
Retirement benefit obligations at the end of the period	108,713	112,442

(2) Adjustments to pension assets between the beginning and end of the period

(Million yen)

	Previous fiscal year (From April 1, 2013 to March 31, 2014)	Current fiscal year (From April 1, 2014 to March 31, 2015)
Pension assets at the beginning of the period	95,331	115,995
Expected return on pension assets	2,383	2,878
Actuarial gain or loss arising during the period	19,256	2,293
Employer contribution	4,690	4,720
Payments of retirement benefits	(5,670)	(5,785)
Other	5	—
Pension assets at the end of the period	115,995	120,103

(Note) Pension assets included ¥48,414 million of the employees' retirement benefits trust in the previous fiscal year, and ¥48,044 million of the employees' retirement benefits trust in the current fiscal year.

(3) Adjustments between retirement benefit obligations and pension assets at the end of the period and net defined benefit liability and net defined benefit asset stated on consolidated balance sheets

(Million yen)

	Previous fiscal year (As of March 31, 2014)	Current fiscal year (As of March 31, 2015)
Retirement benefit obligations in saving-type plan	95,414	98,239
Pension assets	(115,995)	(120,103)
	(20,581)	(21,863)
Retirement benefit obligations in non-saving-type plan	13,298	14,203
Net liability/asset stated on consolidated balance sheets	(7,282)	(7,660)
Net defined benefit liability	20,225	22,817
Net defined benefit asset	(27,507)	(30,478)
Net liability/asset stated on consolidated balance sheets	(7,282)	(7,660)

(4) Retirement benefit expenses and their breakdown

(Million yen)

	Previous fiscal year (From April 1, 2013 to March 31, 2014)	Current fiscal year (From April 1, 2014 to March 31, 2015)
Service cost	2,905	3,006
Interest cost on retirement benefit obligation	1,583	1,012
Expected return on pension assets	(2,383)	(2,878)
Amortization of actuarial gain or loss	2,588	21
Amortization of prior service cost	(1,604)	(1,514)
Amortization of net retirement benefit obligation at transition	2,121	2,111
Other	3,258	406
Retirement benefit expenses related to defined benefit plan	8,470	2,165

(5) Remeasurements of defined benefit plans, before tax
The breakdown of remeasurements of defined benefit plans (before deduction of tax effects) is as follows:

(Million yen)

	Previous fiscal year (From April 1, 2013 to March 31, 2014)	Current fiscal year (From April 1, 2014 to March 31, 2015)
Past service cost	—	(3,518)
Actuarial gain or loss	—	2,598
Net retirement benefit obligation at transition	—	2,120
Total	—	1,200

(6) Remeasurements of defined benefit plans
The breakdown of remeasurements of defined benefit plans (before deduction of tax effects) is as follows:

(Million yen)

	Previous fiscal year (As of March 31, 2014)	Current fiscal year (As of March 31, 2015)
Unrecognized past service cost	(8,161)	(4,642)
Unrecognized actuarial gain or loss	(20,836)	(23,435)
Unrecognized net retirement benefit obligation at transition	2,120	—
Total	(26,877)	(28,078)

(7) Pension assets

1) Breakdown of major pension assets

The proportion of each category to total pension assets is as follows:

	Previous fiscal year (As of March 31, 2014)	Current fiscal year (As of March 31, 2015)
Bonds	36%	38%
Stocks	49%	45%
Others	15%	17%
Total	100%	100%

(Note) The employees' retirement benefits trust accounted for 42% of total pension asserts in the previous fiscal year and 36% of total pension assets in the current fiscal year.

2) Method of determining long-term expected rate of return on pension assets

A long-term expected rate of return on pension assets is determined as a rate calculated based on the average of actual rates of return for the last 3 years (0 – 2.5%), which is multiplied by a future risk factor if portfolio assets include those of higher fluctuation risks.

(8) Assumptions in actuarial calculation

Major assumptions in actuarial calculation are as follows:

	Previous fiscal year (From April 1, 2013 to March 31, 2014)	Current fiscal year (From April 1, 2014 to March 31, 2015)
Discount rate	1.4%	0.9%
Long-term expected rate of return on pension assets	2.5%	2.5%

3. Defined contribution plan

Contributions required by the defined contribution plans of the Company and its consolidated subsidiaries were ¥2,103 million in the previous fiscal year and ¥2,130 million in the current fiscal year.

(Tax Effect Accounting)

1. Breakdown of major factors that caused deferred tax assets and liabilities

(Million yen)

	Previous fiscal year (As of March 31, 2014)	Current fiscal year (As of March 31, 2015)
Deferred tax assets		
Retained losses carried forward	27,363	15,538
Net defined benefit liability	17,523	15,180
Nondeductible accounts payable from change of retirement benefit plan	7,302	5,075
Nondeductible accrued bonuses	4,591	4,637
Excess allowance for doubtful accounts and nondeductible bad debts expenses	7,543	3,126
Nondeductible loss on valuation of inventories	3,081	2,805
Nondeductible loss on valuation of investment securities	2,159	1,920
Elimination of intersegment income among consolidated subsidiaries	1,525	1,637
Nondeductible impairment loss	1,546	1,303
Other	5,534	5,561
Deferred tax assets (Subtotal)	78,172	56,787
Valuation allowance	(67,262)	(42,111)
Total deferred tax assets	10,909	14,676
Deferred tax liabilities		
Net defined benefit asset	(15,448)	(13,381)
Valuation difference on available-for-sale securities	(2,362)	(3,758)
Nondeductible gain on contribution of securities to retirement benefit trust	(3,830)	(3,405)
Other	(364)	(1,420)
Total deferred tax liabilities	(22,006)	(21,965)
Net deferred tax assets (liabilities)	(11,096)	(7,289)

2. Breakdown of items that caused the difference between the statutory tax rate and the effective tax rate after application of tax effect accounting

	Previous fiscal year (As of March 31, 2014)	Current fiscal year (As of March 31, 2015)
Statutory tax rate	38.0 %	36.0 %
(Adjustment)		
Dividends and other income not counted for tax purposes	(0.5)	(0.7)
Entertainment and other expenses not counted for tax purposes	2.8	2.3
Decrease in valuation allowance related to deferred tax assets	(26.1)	(58.1)
Inhabitant tax on per capita basis	1.0	0.8
Reduction of deferred tax assets at year end due to change in tax rate	2.1	1.0
Income taxes for prior periods	—	9.4
Other	(4.0)	23.6
The effective tax rate after application of tax effect accounting	13.3	14.3

3. Revision to the amounts of deferred tax assets and deferred tax liabilities due to changes in the rate of income taxes

   Following the promulgation of the "Act for Partial Amendment of the Income Tax Act, etc." (Act No. 9, 2015) and the "Act for the Partial Amendment of the Local Tax Act, etc." (Act No. 2, 2015) on March 31, 2015, the income tax rate for the fiscal year starting on and after April 1, 2015 has been lowered. In conjunction with this change, the statutory effective tax rate used in the calculation of deferred tax assets and deferred tax liabilities has been changed from the previous 36.0% to 33.0% for temporary differences expected to be reversed in the fiscal year starting on April 1, 2015, and to 32.0% for those expected to be reversed in the fiscal year starting on April 1, 2016 onward.

   As a result of this change in the tax rate, net amount of deferred tax assets (after deduction of deferred tax liabilities) increased by ¥1,684 million. In addition, income taxes – deferred increased by ¥378 million, valuation difference on available-for-sale securities increased by ¥459 million and remeasurements of defined benefit plans increased by ¥1,603 million.

(Segment Information)

[Segment information]

1. Overview of reportable segments

The reportable segments of the Company are the business units for which the Company is able to obtain respective financial information separately in order for the Board of Directors to conduct periodic review to determine distribution of management resources and evaluate their business results.

The Company mainly conducts "Info-telecom Systems" and "EMS," and the OKI Data Group (Oki Data Corporation and its group companies) conducts "Printers" as an independent management unit; each of them plans comprehensive strategies about their main product lines in domestic and overseas markets and deploys business activities.

Accordingly, the Company has three reportable segments by product lines based on the Company and the OKI Data Group: "Info-telecom Systems," "Printers" and "EMS."

"Info-telecom Systems" provides solutions and services focused on the know-how earned from various business systems for financial, transportation, retail, and manufacturing industries; communication equipment for telecom carriers; video and voice communication systems; systems dedicated to social infrastructure; and mechatronics technology products. "Printers" provides LED technology-featured printers. "EMS" conducts consigned manufacturing business based on the manufacturing technologies developed within the group.

Listed below are the major products and services of each reportable segment:

Business segment	Major products and services
Info-telecom Systems	Financial systems, automation equipment systems (ATMs, cash handling equipment, ticket issuing equipment, etc.), systems dedicated to public sector (aviation and traffic, disaster prevention and firefighting, various info-telecom systems, etc.), systems dedicated to telecom carriers (switching, transmission, optical access, etc.), IP telecommunication systems (PBX, call center, video conference, etc.), various information systems (travel, retail, manufacturing, etc.), and relevant IT services (cloud computing services, system integration, support services, maintenance services, etc.)
Printers	Color LED printers, monochrome LED printers, dot-impact printers, multifunction printers, etc.
EMS	Design and manufacturing services, printed circuit boards, etc.

2. Calculation methods for the amount of net sales, income and loss, assets, liabilities and other items by reportable segment

The methods of accounting treatment for the reported business segments are the same as set forth in "Significant Matters for the Basis of Preparation of Consolidated Financial Statements." Revenues from intersegment transactions and transfers are calculated based on prevailing market rates.

3. Information about amounts of net sales, income and loss, assets, liabilities and other items by reportable segment

Previous fiscal year (from April 1, 2013 to March 31, 2014)

(Million yen)

	Reportable segments				Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated financial statements (Note 3)
	Info-telecom Systems	Printers	EMS	Total				
Net sales								
Net sales to external customers	303,600	124,831	37,111	465,543	17,569	483,112	—	483,112
Intersegment net sales or transfers	4,189	5,048	137	9,376	21,099	30,475	(30,475)	—
Total	307,790	129,879	37,249	474,919	38,669	513,588	(30,475)	483,112
Segment income (loss)	23,416	5,125	1,656	30,198	2,844	33,043	(5,846)	27,196
Segment assets	208,778	75,154	25,125	309,058	25,494	334,553	77,960	412,514
Other items								
Depreciation	5,365	4,771	937	11,074	1,013	12,088	1,116	13,204
Amortization of goodwill	11	0	—	11	—	11	(0)	11
Investments in entities accounted for using equity method	1,653	—	—	1,653	27	1,680	3,018	4,698
Increase in property, plant and equipment and intangible assets	8,049	2,725	800	11,576	784	12,361	1,063	13,424

Current fiscal year (from April 1, 2014 to March 31, 2015)

(Million yen)

	Reportable segments				Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated financial statements (Note 3)
	Info-telecom Systems	Printers	EMS	Total				
Net sales								
Net sales to external customers	352,505	129,271	40,308	522,086	18,067	540,153	—	540,153
Intersegment net sales or transfers	4,472	5,445	387	10,305	22,644	32,949	(32,949)	—
Total	356,978	134,717	40,696	532,391	40,711	573,103	(32,949)	540,153
Segment income (loss)	25,920	6,720	2,027	34,667	3,467	38,134	(5,719)	32,415
Segment assets	223,571	75,272	26,429	325,272	26,190	351,462	87,895	439,358
Other items								
Depreciation	6,254	4,236	935	11,425	993	12,418	1,192	13,611
Amortization of goodwill	71	—	9	81	—	81	—	81
Investments in entities accounted for using equity method	1,903	—	—	1,903	29	1,932	3,230	5,162
Increase in property, plant and equipment and intangible assets	8,825	3,141	738	12,706	1,319	14,025	1,155	15,181

(Notes) 1. “Others” consists of businesses not included in the reportable segments, such as provision of services, and manufacturing and sales of other equipment products.

2. Details of adjustment are as follows:

(Million yen)

Segment income or loss	Previous fiscal year	Current fiscal year
Elimination of intersegment transactions	161	298
Corporate expenses*	(5,978)	(5,923)
Adjustment to non-current assets	(29)	(93)
Total	(5,846)	(5,719)

* Corporate expenses are mainly general and administrative expenses and research and development expenses that are not attributable to the reportable segments.

(Million yen)

Segment assets	Previous fiscal year	Current fiscal year
Elimination of intersegment transactions	(130,374)	(120,527)
Corporate assets*	209,605	209,779
Adjustment to non-current assets	(1,269)	(1,357)
Total	77,960	87,895

* Corporate assets are mainly surplus funds, fund for long-term investment and assets related to the general administration section of the Filing Company.

(Million yen)

Depreciation	Previous fiscal year	Current fiscal year
Depreciation of corporate assets	1,293	1,340
Adjustment to non-current assets	(176)	(147)
Total	1,116	1,192

(Million yen)

Investments in entities accounted for using equity method	Previous fiscal year	Current fiscal year
Corporate investments	3,018	3,230

(Million yen)

Increase in property, plant and equipment and intangible assets	Previous fiscal year	Current fiscal year
Corporate assets	1,273	1,458
Adjustment to non-current assets	(210)	(302)
Total	1,063	1,155

3. Segment income or loss is adjusted with operating income on the consolidated statements of income.

[Related information]

Previous fiscal year (from April 1, 2013 to March 31, 2014)

1. Information about products and services

(Million yen)

	Solutions & Services	Telecom Systems	Social Infrastructure Systems	Mechatronics Systems	Printers	EMS	Others	Total
Net sales to external customers	85,510	79,989	52,566	85,533	124,831	37,111	17,569	483,112

2. Information by geographic areas

(1) Net sales

(Million yen)

Japan	North America	Latin America	Europe	China	Others	Total
337,071	21,968	8,327	53,492	50,626	11,625	483,112

(Note) Net sales are sorted by countries or regions based on the location of customers.

(2) Property, plant and equipment

(Million yen)

Japan	Asia	Others	Total
46,430	6,590	3,172	56,193

Current fiscal year (from April 1, 2014 to March 31, 2015)

1. Information about products and services

(Million yen)

	Solutions & Services	Telecom Systems	Social Infrastructure Systems	Mechatronics Systems	Printers	EMS	Others	Total
Net sales to external customers	83,944	88,937	58,927	120,697	129,271	40,308	18,067	540,153

2. Information by geographic areas

(1) Net sales

(Million yen)

Japan	North America	Latin America	Europe	China	Others	Total
341,653	22,255	34,753	56,672	70,519	14,298	540,153

(Note) Net sales are sorted by countries or regions based on the location of customers.

(2) Property, plant and equipment

(Million yen)

Japan	Asia	Others	Total
47,447	6,220	3,508	57,176

[Information about impairment loss on non-current assets of each reportable segment]

Previous fiscal year (from April 1, 2013 to March 31, 2014)

(Million yen)

	Info-telecom Systems	Printers	EMS	Others	Corporate/ elimination	Total
Impairment loss	163	20	—	—	—	184

Current fiscal year (from April 1, 2014 to March 31, 2015)

Not applicable

[Information about amortization of goodwill and unamortized balance of each reportable segment]

Previous fiscal year (from April 1, 2013 to March 31, 2014)

(Million yen)

	Info-telecom Systems	Printers	EMS	Others	Corporate/ elimination	Total
Goodwill at end of fiscal year	690	—	—	—	—	690

Current fiscal year (from April 1, 2014 to March 31, 2015)

(Million yen)

	Info-telecom Systems	Printers	EMS	Others	Corporate/ elimination	Total
Goodwill at end of fiscal year	283	—	—	—	—	283

(Per Share Information)

	Previous fiscal year (From April 1, 2013 to March 31, 2014)	Current fiscal year (From April 1, 2014 to March 31, 2015)
Net assets per share	¥79.32	¥137.74
Net income per share	¥36.21	¥40.03
Net income per share–diluted	¥26.13	¥38.13

(Note) 1. The basis for calculation of net income per share and net income per share–diluted is as follows:

	Previous fiscal year (From April 1, 2013 to March 31, 2014)	Current fiscal year (From April 1, 2014 to March 31, 2015)
Net income per share		
Net income (Million yen)	27,359	33,091
Net income not attributable to common shareholders (Million yen)	1,004	87
[Dividends on Class A preferred stock included in the above]	[1,004]	[87]
Net income related to common stock (Million yen)	26,354	33,003
Weighted average number of shares of common stock during the period (Thousand shares)	727,899	824,389
Net income per share–diluted		
Adjustment to net income (Million yen)	1,004	87
[Dividends on Class A preferred stock included in the above]	[1,004]	[87]
Increase of common stock (Thousand shares)	319,148	43,523
[Class A preferred stock included in the above]	[319,148]	[43,523]
Outline of dilutive shares not counted in the calculation of net income per share–diluted due to no dilutive effect	Subscription rights to shares (4 classes)	Subscription rights to shares (3 classes)

2. The basis for calculation of net assets per share is as follows:

	Previous fiscal year (As of March 31, 2014)	Current fiscal year (As of March 31, 2015)
Total net assets (Million yen)	91,918	121,414
Amount deducted from the total net assets (Million yen)	34,188	1,788
[Amount paid for Class A preferred stock included in the above]	[30,000]	[—]
[Dividends on Class A preferred stock included in the above]	[1,004]	[—]
[Subscription rights to shares included in the above]	[79]	[79]
[Minority interests included in the above]	[3,104]	[1,708]
Amount of net assets related to common stock at end of period (Million yen)	57,730	119,626
Number of common shares used to calculate net assets per share at end of period (Thousand shares)	727,824	868,470

(Significant Subsequent Event)

Not applicable

6. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Million yen)

	Fiscal year ended March 31, 2014 (As of March 31, 2014)	Fiscal year ended March 31, 2015 (As of March 31, 2015)
Assets		
Current assets		
Cash and deposits	22,755	30,487
Notes receivable – trade	783	894
Accounts receivable – trade	66,703	74,829
Lease investment assets	3,298	3,445
Securities	4,000	—
Finished goods	4,645	4,955
Work in process	14,445	15,703
Raw materials and supplies	6,950	5,384
Prepaid expenses	578	312
Short-term loans receivable	51,866	44,896
Accounts receivable – other	6,959	7,640
Deferred tax assets	2,697	3,186
Other	451	848
Allowance for doubtful accounts	(46)	(43)
Total current assets	186,089	192,540
Non-current assets		
Property, plant and equipment		
Buildings	37,229	38,209
Accumulated depreciation	(26,634)	(26,997)
Buildings, net	10,595	11,212
Structures	2,475	2,491
Accumulated depreciation	(2,165)	(2,178)
Structures, net	309	312
Machinery and equipment	13,872	13,291
Accumulated depreciation	(11,869)	(11,333)
Machinery and equipment, net	2,002	1,957
Vehicles	72	65
Accumulated depreciation	(60)	(53)
Vehicles, net	11	12
Tools, furniture and fixtures	33,381	34,397
Accumulated depreciation	(27,281)	(28,128)
Tools, furniture and fixtures, net	6,100	6,268
Land	8,397	8,397
Construction in progress	179	36
Total property, plant and equipment	27,597	28,197

(Million yen)

	Fiscal year ended March 31, 2014 (As of March 31, 2014)	Fiscal year ended March 31, 2015 (As of March 31, 2015)
Intangible assets		
Right of using facilities	116	115
Software	5,482	6,275
Total intangible assets	5,598	6,390
Investments and other assets		
Investment securities	24,990	30,380
Shares of subsidiaries and associates	68,587	68,440
Investments in capital	89	89
Investments in capital of subsidiaries and associates	617	617
Long-term loans receivable from subsidiaries and associates	4,109	3,250
Long-term prepaid expenses	999	730
Claims provable in bankruptcy, claims provable in rehabilitation and other	33	36
Lease and guarantee deposits	3,164	3,147
Other	328	305
Allowance for doubtful accounts	(1,105)	(191)
Total investments and other assets	101,814	106,805
Total non-current assets	135,010	141,393
Total assets	321,099	333,934

(Million yen)

	Fiscal year ended March 31, 2014 (As of March 31, 2014)	Fiscal year ended March 31, 2015 (As of March 31, 2015)
Liabilities		
Current liabilities		
Notes payable – trade	339	2,462
Accounts payable – trade	45,981	50,066
Short-term loans payable	36,176	24,720
Current portion of long-term loans payable	48,755	16,986
Lease obligations	851	959
Accounts payable – other	11,010	9,749
Accrued expenses	15,383	17,263
Income taxes payable	650	403
Advances received	1,069	1,318
Deposits received	2,591	3,688
Provision for loss on construction contracts	—	65
Asset retirement obligations	11	31
Other	417	3
Total current liabilities	163,238	127,720
Non-current liabilities		
Long-term loans payable	13,027	43,931
Lease obligations	3,082	3,147
Long-term accounts payable – other	9,588	7,326
Deferred tax liabilities	5,164	5,873
Provision for retirement benefits	11,516	11,151
Provision for loss on business of subsidiaries and associates	28,855	27,644
Asset retirement obligations	861	888
Total non-current liabilities	72,097	99,963
Total liabilities	235,336	227,683

(Million yen)

	Fiscal year ended March 31, 2014 (As of March 31, 2014)	Fiscal year ended March 31, 2015 (As of March 31, 2015)
Net assets		
Shareholders' equity		
Capital stock	44,000	44,000
Capital surplus		
Legal capital surplus	15,000	15,000
Other capital surplus	6,553	6,553
Total capital surpluses	21,553	21,553
Retained earnings		
Other retained earnings		
Retained earnings brought forward	17,475	33,830
Total retained earnings	17,475	33,830
Treasury shares	(419)	(440)
Total shareholders' equity	82,609	98,943
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	3,486	7,301
Deferred gains or losses on hedges	(411)	(72)
Total valuation and translation adjustments	3,074	7,228
Subscription rights to shares	79	79
Total net assets	85,763	106,251
Total liabilities and net assets	321,099	333,934

(2) Non-consolidated Statements of Income

(Million yen)

	Fiscal year ended March 31, 2014 (From April 1, 2013 to March 31, 2014)	Fiscal year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)
Net sales	238,786	258,260
Cost of sales	183,624	200,750
Gross profit	55,161	57,509
Selling, general and administrative expenses	42,535	40,784
Operating income	12,626	16,725
Non-operating income		
Interest income	705	717
Interest on securities	6	6
Dividend income	770	2,641
Royalty income from corporate brand	1,353	784
Foreign exchange gains	392	6,014
Miscellaneous income	444	561
Total non-operating income	3,672	10,725
Non-operating expenses		
Interest expenses	1,935	1,769
Commission for syndicate loan	446	723
Miscellaneous expenses	657	1,195
Total non-operating expenses	3,039	3,688
Ordinary income	13,259	23,763
Extraordinary income		
Gain on sales of non-current assets	17	—
Gain on sales of investment securities	406	—
Gain on sales of shares of subsidiaries and associates	—	223
Gain on liquidation of subsidiaries and associates	—	75
Gain on sales of investments in capital of subsidiaries and associates	31	—
Total extraordinary income	456	298

(Million yen)

	Fiscal year ended March 31, 2014 (From April 1, 2013 to March 31, 2014)	Fiscal year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)
Extraordinary losses		
Loss on disposal of non-current assets	423	479
Impairment loss	163	—
Loss on valuation of investment securities	33	—
Loss on valuation of investments in capital of subsidiaries and associates	277	—
Provision for loss on business of subsidiaries and associates	1,143	—
Total extraordinary losses	2,040	479
Income before income taxes	11,675	23,582
Income taxes – current	(513)	552
Income taxes – deferred	130	(1,184)
Total income taxes	(382)	(632)
Net income	12,057	24,215

(3) Non-consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2014 (From April 1, 2013 to March 31, 2014)

(Million yen)

	Shareholders' equity							
		Capital surplus			Retained earnings			
	Capital stock	Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings: Retained earnings brought forward	Total retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	44,000	15,000	6,553	21,553	6,450	6,450	(386)	71,616
Cumulative effects of changes in accounting policies						—		—
Restated balance	44,000	15,000	6,553	21,553	6,450	6,450	(386)	71,616
Changes of items during the period								
Dividends of surplus					(1,032)	(1,032)		(1,032)
Net income					12,057	12,057		12,057
Purchase of treasury shares							(32)	(32)
Net changes of items other than shareholders' equity								
Total changes of items during period	—	—	—	—	11,025	11,025	(32)	10,992
Balance at end of current period	44,000	15,000	6,553	21,553	17,475	17,475	(419)	82,609

(Million yen)

	Valuation and translation adjustments				
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	Subscription rights to shares	Total net assets
Balance at beginning of current period	1,718	(670)	1,048	79	72,744
Cumulative effects of changes in accounting policies					—
Restated balance	1,718	(670)	1,048	79	72,744
Changes of items during period					
Dividends of surplus					(1,032)
Net income					12,057
Purchase of treasury shares					(32)
Net changes of items other than shareholders' equity	1,767	258	2,026	—	2,026
Total changes of items during period	1,767	258	2,026	—	13,019
Balance at end of current period	3,486	(411)	3,074	79	85,763

Fiscal year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)

(Million yen)

	Shareholders' equity							
		Capital surplus			Retained earnings			
					Other retained earnings			
	Capital stock	Legal capital surplus	Other capital surplus	Total capital surplus	Retained earnings brought forward	Total retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	44,000	15,000	6,553	21,553	17,475	17,475	(419)	82,609
Cumulative effects of changes in accounting policies					(2,898)	(2,898)		(2,898)
Restated balance	44,000	15,000	6,553	21,553	14,577	14,577	(419)	79,711
Changes of items during period								
Dividends of surplus					(4,962)	(4,962)		(4,962)
Net income					24,215	24,215		24,215
Purchase of treasury shares							(21)	(21)
Net changes of items other than shareholders' equity								
Total changes of items during period	—	—	—	—	19,252	19,252	(21)	19,231
Balance at end of current period	44,000	15,000	6,553	21,553	33,830	33,830	(440)	98,943

(Million yen)

	Valuation and translation adjustments				
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	Subscription rights to shares	Total net assets
Balance at beginning of current period	3,486	(411)	3,074	79	85,763
Cumulative effects of changes in accounting policies					(2,898)
Restated balance	3,486	(411)	3,074	79	82,865
Changes of items during period					
Dividends of surplus					(4,962)
Net income					24,215
Purchase of treasury shares					(21)
Net changes of items other than shareholders' equity	3,815	339	4,154	—	4,154
Total changes of items during period	3,815	339	4,154	—	23,385
Balance at end of current period	7,301	(72)	7,228	79	106,251

(4) Notes to Non-consolidated Financial Statements

(Notes Relating to Going Concern Assumption)

Not applicable

7. Others

(1) Change in Officers

Not applicable

Any change of officers, if determined subsequent to the release of this Summary of Consolidated Financial Results, will be disclosed as soon as the details are confirmed.

(2) Others

Please also refer to the presentation materials "Financial Results for the Fiscal Year ended March 31, 2015," which is released today.

<Reference Material>
Supplementary Materials

Consolidated P/L (Billion yen; amounts less than hundred million yen are rounded)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015		Fiscal year ending March 31, 2016 (Projection)	
			YoY change (%)		YoY change (%)
Net sales	483.1	540.2	11.8	545.0	0.9
Operating income	27.2	32.4	19.2	30.0	-7.5
Ordinary income	36.7	37.9	3.5	28.0	-26.2
Net income	27.4	33.1	20.9	22.0	-33.5

Net sales by segment (to external customers)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015		Fiscal year ending March 31, 2016 (Projection)	
			YoY change (%)		YoY change (%)
Info-telecom Systems	303.6	352.5	16.1	340.0	-3.5
Printers	124.8	129.3	3.6	140.0	8.3
EMS	37.1	40.3	8.6	46.0	14.1
Others	17.6	18.1	2.8	19.0	5.2
Total	483.1	540.2	11.8	545.0	0.9

Operating income (loss) by segment

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015		Fiscal year ending March 31, 2016 (Projection)	
			YoY change (%)		YoY change (%)
Info-telecom Systems	23.4	25.9	10.7	24.0	-7.4
Printers	5.1	6.7	31.1	7.0	4.2
EMS	1.7	2.0	22.4	2.5	23.3
Others	2.8	3.5	21.9	3.5	1.0
Adjustment	(5.8)	(5.7)	—	(7.0)	—
Total	27.2	32.4	19.2	30.0	-7.5

Consolidated cash flows

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015		Fiscal year ending March 31, 2016 (Projection)	
			YoY change (%)		YoY change (%)
Net cash provided by (used in) operating activities	31.9	41.0	28.7	35.0	-14.6
Net cash provided by (used in) investing activities	(14.0)	(18.6)	—	(20.0)	—
Net cash provided by (used in) financing activities	(4.3)	(20.7)	—	—	—
Effect of exchange rate change on cash and cash equivalents	1.1	1.0	-8.0	—	—
Net increase (decrease) in cash and cash equivalents	14.7	2.7	-81.7	—	—
Cash and cash equivalents at end of period	50.9	53.6	5.4	—	—

Capital investment by segment (Billion yen; amounts less than hundred million yen are rounded)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015		Fiscal year ending March 31, 2016 (Projection)	
			YoY change (%)		YoY change (%)
Info-telecom Systems	5.6	6.1	8.7	7.5	23.1
Printers	2.6	3.1	16.5	4.0	30.5
EMS	0.7	0.7	-3.5	1.0	49.7
Others and common	1.3	1.6	32.2	2.5	52.6
Total	10.2	11.5	12.8	15.0	30.9
Depreciation (of property, plant and equipment)	10.8	10.8	0.5	12.0	11.0

Research and development investment by segment

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015		Fiscal year ending March 31, 2016 (Projection)	
			YoY change (%)		YoY change (%)
Info-telecom Systems	8.9	9.0	1.4	9.0	0.0
Printers	2.0	2.6	31.7	2.5	-5.3
EMS	0.0	0.0	60.0	0.0	-100.0
Others and common	2.1	2.2	0.7	2.0	-3.2
Total	13.0	13.8	6.1	13.5	-1.9

Exchange rates (in yen)

		Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ending March 31, 2016 (Projection)
Average rate during period	USD	100	110	120
	EUR	134	139	135

Number of employees at the end of the period

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Non-consolidated	3,788	3,881
Domestic total	11,738	11,785
Overseas total	9,352	8,868
Total	21,090	20,653