(Translation)

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2016 [J-GAAP]

May 10, 2016

Listed Company Name: Oki Electric Industry Co., Ltd.
Securities Code: 6703 URL: http://www.oki.com/
Stock Exchange Listing: Tokyo Stock Exchange
Representative: Shinya Kamagami, President, Representative Director
Contact: Atsushi Yamauchi, General Manager, Investor Relations TEL: +81-3-3501-3836
Date of Ordinary General Meeting of Shareholders (Scheduled): June 24, 2016
Commencement of Dividend Payment (Scheduled): June 27, 2016
Filing of Securities Report (Scheduled): June 24, 2016
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, 2016 (April 1, 2015 to March 31, 2016)

(1) Consolidated Operating Results (Percentage figures indicate year-on-year change)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2016	490,314	-9.2	18,594	-42.6	11,366	-70.0	6,609	-80.0
March 31, 2015	540,153	11.8	32,415	19.2	37,928	3.5	33,091	20.9

(Note) Comprehensive income: Fiscal year ended March 31, 2016: ¥(10,271) million (—%)
Fiscal year ended March 31, 2015: ¥39,462 million (75.8%)

	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, 2016	7.61	—	5.8	2.7	3.8
March 31, 2015	40.03	38.13	31.8	8.9	6.0

(Reference) Share of profit (loss) of entities accounted for using equity method:
Fiscal year ended March 31, 2016: ¥423 million
Fiscal year ended March 31, 2015: ¥652 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, 2016	411,776	107,384	25.9	122.91
As of March 31, 2015	439,358	121,414	27.2	137.74

(Reference) Shareholders' equity: As of March 31, 2016: ¥106,733 million
As of March 31, 2015: ¥119,626 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, 2016	(3,573)	(13,762)	11,138	46,322
March 31, 2015	40,999	(18,583)	(20,724)	53,598

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, 2015	—	2.00	—	3.00	5.00	4,292	12.5	4.6
March 31, 2016	—	2.00	—	3.00	5.00	4,343	65.7	3.8
Fiscal year ending March 31, 2017 (Projection)	—	2.00	—	3.00	5.00		36.2	

3. Consolidated Results Projection for the Fiscal Year Ending March 31, 2017 (April 1, 2016 to March 31, 2017)

(Percentage figures indicate year-on-year change)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First six months	210,000	-5.8	0	-100.0	(500)	—	0	-100.0	0.00
Full year	500,000	2.0	20,000	7.6	18,000	58.4	12,000	81.6	13.82

* 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, 2016: 872,176,028 shares
As of March 31, 2015: 872,176,028 shares

2) Number of treasury shares at the end of the period
As of March 31, 2016: 3,782,833 shares
As of March 31, 2015: 3,705,236 shares

3) Average number of shares during the period
Fiscal Year ended March 31, 2016: 868,429,147 shares
Fiscal Year ended March 31, 2015: 824,389,928 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 45 of the Attachment.

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2016 (April 1, 2015 to March 31, 2016)

(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, 2016	226,936	-12.1	9,853	-41.1	11,214	-52.8	6,448	-73.4
March 31, 2015	258,260	8.2	16,725	32.5	23,763	79.2	24,215	100.8

	Net income per share-basic	Net income per share-diluted
	Yen	Yen
Fiscal year ended		
March 31, 2016	7.42	—
March 31, 2015	29.26	27.89

(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, 2016	322,288	104,997	32.6	120.78
As of March 31, 2015	333,934	106,251	31.8	122.21

(Reference) Shareholders' equity: As of March 31, 2016: ¥104,918 million
As of March 31, 2015: ¥106,171 million

<u>Implementation status for auditing procedures</u>

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

<u>Explanation regarding appropriate use of results projection and other special notes</u>

(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, 2017" of "1. Analysis of Operating Results and Financial Position, (1) Analysis of Operating Results" on page 3 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 10, 2016 (Tuesday). 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.

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, 2015 to March 31, 2016)

During the fiscal year under review, in the global economy, the economy in the United States was on a recovery track as seen in the improved employment condition and increased consumer spending, while the economies in Europe also moved towards a moderate recovery. The Japanese economy continued to recover mildly overall, supported by improvements in employment conditions and corporate earnings, despite some effects of economic slowdown in emerging countries such as China and drop in the crude oil price.

In this business environment, the OKI Group recorded net sales of ¥490.3 billion (a year-on-year decrease of 9.2% or ¥49.9 billion), owing to a decrease in sales volume in the Info-telecom Systems business and Printers business. Operating income was ¥18.6 billion (a year-on-year decrease of ¥13.8 billion), due to factors such as a decrease in sales volume and the effect of exchange rate change in the Printers business.

Ordinary income came to ¥11.4 billion (a year-on-year decrease of ¥26.5 billion), due to recording foreign exchange losses in this fiscal year despite posting foreign exchange gains in non-operating income in the previous fiscal year. Profit attributable to owners of parent decreased by ¥26.5 billion year on year to ¥6.6 billion.

(Billion yen)	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2015	Year-on-year change rate
Net sales	490.3	540.2	-9.2%
Operating income	18.6	32.4	-42.6%
Ordinary income	11.4	37.9	-70.0%
Profit attributable to owners of parent	6.6	33.1	-80.0%

Net sales and operating income to external customers by business were as follows.

<Info-telecom Systems>

Net sales came to ¥304.8 billion (a year-on-year decrease of 13.5% or ¥47.7 billion). In Solutions & Services, sales increased as the business was generally firm thanks to winning new orders from enterprises. Telecom Systems' sales decreased because the investments related to existing network systems by telecom carriers came to an end and sales of them was ended in the first quarter. In Social Infrastructure Systems, sales decreased owing to the digitizing demand for firefighting wireless system which peaked out in the last fiscal year, while the demands for flight control systems and disaster prevention systems for municipalities were firm. In Mechatronics Systems, despite the robust sales of cash handling equipment in Japan, sales decreased due to a fall in the sales of ATMs to overseas caused by ongoing suspension of shipments to our sales partner in China, and continued restraint on capital investment of the clients in Brazil due to the local economic slowdown.

Operating income came to ¥16.5 billion (a year-on-year decrease of ¥9.4 billion) due to the decreased sales volume, which offset our efforts in fixed cost reduction, etc.

(Billion yen)	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2015	Year-on-year change rate
Solutions & Services	84.6	83.9	0.7%
Telecom Systems	68.5	88.9	-23.0%
Social Infrastructure Systems	46.1	58.9	-21.8%
Mechatronics Systems	105.7	120.7	-12.4%
Total net sales	304.8	352.5	-13.5%
Of which, sales in Japan	246.4	266.2	-7.4%
sales in overseas	58.4	86.3	-32.3%
Operating income	16.5	25.9	-36.2%

<Printers>

Net sales amounted to ¥124.6 billion (a year-on-year decrease of 3.6% or ¥4.7 billion). In LED printers, sales were generally firm for high value added strategic products including color MFPs, our main focus, partially due to strengthening the sales support system. On the other hand, unit sales of existing products, mainly color SFPs for office use, decreased due to the impact of the shrinking market and our decision to maintain the price level amid the intensifying price competition in the market. From the late second quarter, however, we selectively revised the price of products, whereby the falling sales volume stopped. On October 1, 2015, we acquired wide format printer business from Seiko Instruments Inc.

Operating income amounted to ¥1.4 billion (a year-on-year decrease of ¥5.3 billion) due to a decline in sales volume and the effects of foreign exchange rates.

(Billion yen)	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2015	Year-on-year change rate
Color LED printers	72.2	78.8	-8.4%
Monochrome LED printers	31.4	33.0	-4.8%
Dot impact printers	12.5	14.0	-10.7%
Others	8.5	3.5	142.9%
Total sales	124.6	129.3	-3.6%
Of which, sales in Japan	28.4	26.1	9.1%
sales in overseas	96.2	103.2	-6.8%
Operating income	1.4	6.7	-78.8%

<EMS>

Net sales came to ¥42.4 billion (a year-on-year increase of 5.1% or ¥2.1 billion) particularly due to the solid sales of circuit board business owing to the effect of the acquisition of Ome Factory of Yokogawa Manufacturing Corporation from Yokogawa Electric Corporation on April 1, 2015.

Operating income increased to ¥2.3 billion (a year-on-year increase of ¥0.3 billion).

(Billion yen)	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2015	Year-on-year change rate
Net sales	42.4	40.3	5.1%
Operating income	2.3	2.0	12.7%

<Others>

Net sales came to ¥18.5 billion (a year-on-year increase of 2.2% or ¥0.4 billion) and Operating income increased to ¥4.2 billion (a year-on-year increase of ¥0.7 billion) thanks to the continued steady performance by reed switches and other components.

(Billion yen)	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2015	Year-on-year change rate
Net sales	18.5	18.1	2.2%
Operating income	4.2	3.5	20.7%

2) Outlook for the fiscal year ending March 31, 2017

In the fiscal year ending March 31, 2017, while the economies in the Unites States and Europe are expected to remain on a moderate recovery trend and the Japanese economy is also expected to continue toward recovery, there are concerns for the downturn risks in the global economy due to the economic slowdown in China and other emerging countries.

As the business outlook for the OKI Group for the fiscal year ending March 31, 2017, we project a ¥9.7 billion year-on-year increase in net sales to ¥500.0 billion, a ¥1.4 billion increase in operating income to ¥20.0 billion, a ¥6.6 billion increase in ordinary income to ¥18.0 billion and a ¥5.4 billion increase in profit attributable to owners of parent to ¥12.0 billion. Currency translation differences are not factored in for the non-operating income and expenses.

The ICT business is forecast to be steady mainly in the traffic infrastructure-related systems including flight control and road traffic. For solution-related business, improvements in project mix are expected.

In the Mechatronics Systems business, solid performance of cash handling equipment is projected in the domestic market. The volume of ATMs to overseas is forecast to decrease due to the fall in sales to our partner in China in the previous fiscal year. Also in China, there was a reactionary decline from the OKI brand products in the previous term. In Brazil, the shipment of large-scale projects to begin will contribute to the business performance. For overseas ATM business, we continue to pursue mid- to long-term growth.

In Printers business, as a result of strengthening the sales channel support system in the United States and Europe, sales of strategic products is gradually growing to improve the product mix. Going forward, we aim to expand sales in the professional markets through exploring the markets of certain industries such as medical and design, deepening our strategy focused on "niche and high-value-added," as well as benefitting the sales synergy with wide format printer business.

The EMS business has been growing field since its founding. We will work for its further growth in the next fiscal year.

In Other businesses, steady performance will continue in the components-related business of our subsidiaries.

The exchange rates used in the consolidated results projection are ¥110.0 to the U.S. dollar and ¥125.0 to the euro.

(Billion yen)	Fiscal year ending March 31, 2017	Fiscal year ended March 31, 2016	Year-on-year change rate
Net sales	500.0	490.3	2.0%
Operating income	20.0	18.6	7.6%
Ordinary income	18.0	11.4	58.4%
Profit attributable to owners of parent	12.0	6.6	81.6%

(Billion yen)		Fiscal year ending March 31, 2017	Fiscal year ended March 31, 2016	Year-on-year change rate
ICT	Net sales	188.0	191.2	-1.7%
	Operating income	13.5	11.6	16.1%
Mechatronics Systems	Net sales	112.0	113.7	-1.5%
	Operating income	5.5	6.0	-8.6%
Printers	Net sales	133.0	124.6	6.7%
	Operating income	2.5	1.4	75.3%
EMS	Net sales	48.0	42.4	13.3%
	Operating income	2.5	2.3	9.5%
Others	Net sales	19.0	18.5	2.9%
	Operating income	3.5	4.2	-16.4%
Elimination/corporate	Operating income	(7.5)	(6.9)	―
Total	Net sales	500.0	490.3	2.0%
	Operating income	20.0	18.6	7.6%

* In line with the revision in segmentation, the figures for the fiscal year ended March 31, 2016 have been restated.

(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 decreased by ¥27.6 billion from the end of the previous fiscal year to ¥411.8 billion. Meanwhile, shareholders' equity decreased by ¥12.9 billion from the end of the previous fiscal year to ¥106.7 billion mainly due to the decrease of ¥15.3 billion in accumulated other comprehensive income and distribution of ordinary dividends of ¥4.3 billion, despite the recording of profit attributable to owners of parent of ¥6.6 billion. As a result, shareholders' equity ratio stood at 25.9%.

With respect to major decreases in assets, there were decreases of ¥5.8 billion in cash and deposits, ¥6.6 billion in inventories, ¥5.8 billion in investment securities, and ¥3.2 billion in net defined benefit asset.

Total liabilities decreased by ¥13.5 billion. The major decrease was ¥13.6 billion in notes and accounts payable – trade. Loans payable increased by ¥14.5 billion from ¥107.6 billion at the end of the previous year to ¥122.1 billion.

Net cash used in operating activities amounted to ¥3.6 billion (¥41.0 billion of cash inflow for the previous fiscal year), due mainly to deterioration in income before income taxes and minority interests and working capital.

Net cash used in investing activities amounted to ¥13.8 billion (¥18.6 billion of cash outflow 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 outflow of ¥17.4 billion (net inflow of ¥22.4 billion for the previous fiscal year).

Net cash provided by financing activities amounted to ¥11.1 billion (¥20.7 billion of cash outflow for the previous fiscal year), due mainly to increase of loans payable.

As a result, cash and cash equivalents at the end of the fiscal year under review decreased from ¥53.6 billion at the end of the previous fiscal year to ¥46.3 billion.

2) Cash flow-related indicators

	As of March 31, 2012	As of March 31, 2013	As of March 31, 2014	As of March 31, 2015	As of March 31, 2016
Shareholders' equity ratio (%)	11.2	16.1	21.5	27.2	25.9
Shareholders' equity ratio on a market value basis (%)	24.8	24.4	39.0	49.2	33.5
Ratio of interest-bearing debt to cash flows	5.2	7.6	6.6	6.7	8.1
Interest coverage ratio	5.1	3.6	5.0	5.1	5.7

(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, 2016 and the Fiscal Year Ending March 31, 2017

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.

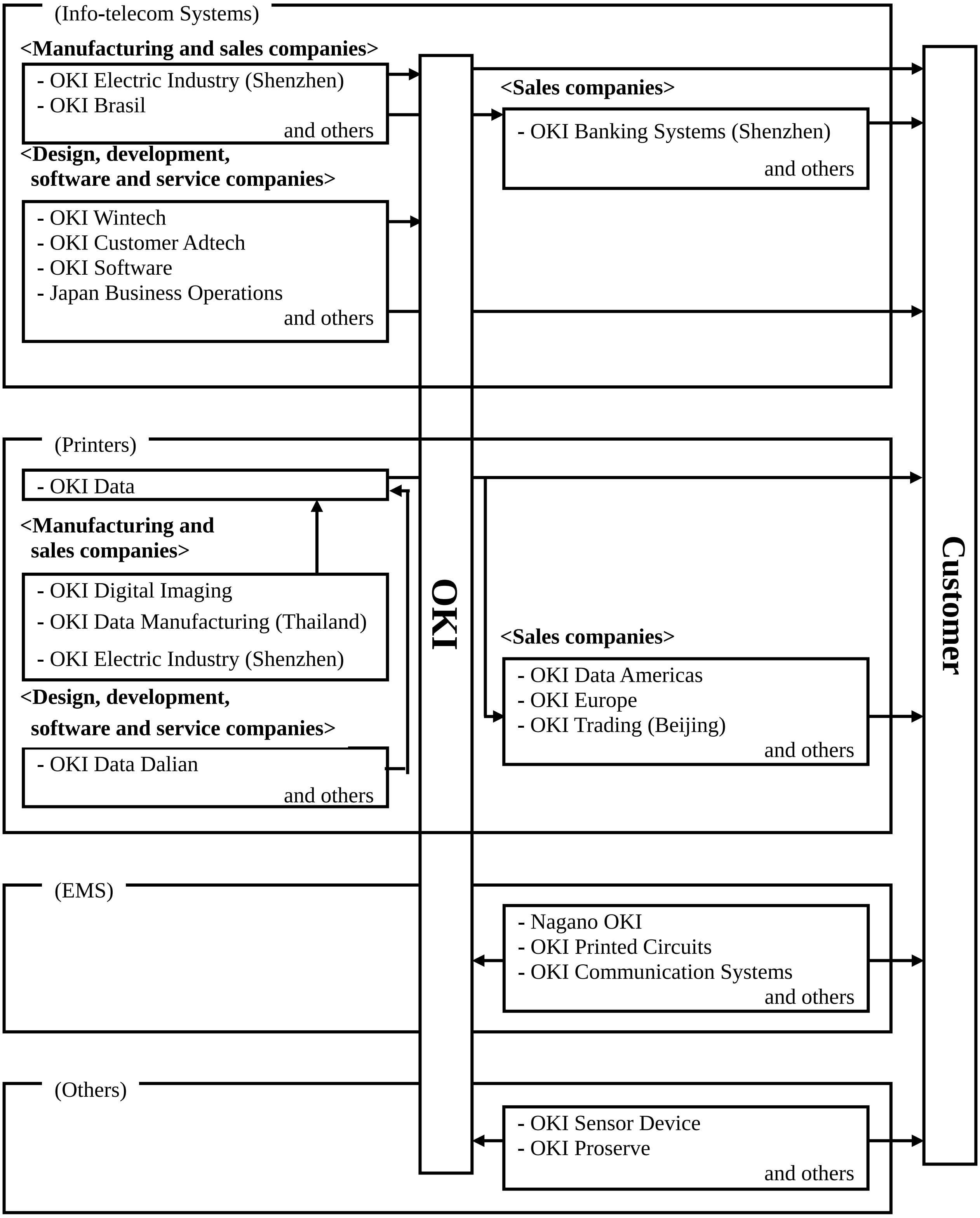
17) Deferred tax assets
The OKI Group provides appropriate amounts of retained losses carried forward and other temporary differences for deferred tax assets. In the event that the OKI Group derecognizes deferred tax assets as it is unable to eliminate such retained losses carried forward and other temporary 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." As a result of steadily working with an aim to attain sustainable growth through continued investment by securing stable profits, the Group achieved such results as improvements in operating profit margin in the ICT, the principal segment, shareholders' equity ratio and debt to equity ratio. However, various changes in the business environment including the economic slowdown in emerging countries, growing risk of currency fluctuation and intensified competition have forced us to revise the business targets for the fiscal year ending March 31, 2017, the last fiscal year of the plan.

To achieve sustainable growth by responding to these changes in the business environment, we will strive to expand profits through strengthening again the business foundation and further solidifying stable and profitable businesses centered on the Japanese market. As a measure to foster new growth drivers, we will create new growing businesses in the ICT field through integrating solution, telecommunication and social infrastructure system businesses. As to the Mechatronics Systems business, we will intensify its overseas development as a separate operating segment. For Printers business, we continue the ongoing shift to the high-end market to raise profitability. In addition, for EMS business, we work to maintain the current growth through steadily exploring the domestic demand while continuously implementing M&As. Then, building upon these efforts, we will draw up a next mid-term business plan which will start in the fiscal year ending March 31, 2018.

In addition to implementing the structural reforms to support these measures, we steadily continue activities to enhance human resources by transferring personnel to growing segments, recruiting global human resources and 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, 2015 (As of March 31, 2015)	Fiscal year ended March 31, 2016 (As of March 31, 2016)
Assets		
Current assets		
Cash and deposits	53,632	47,829
Notes and accounts receivable - trade	137,895	135,910
Lease investment assets	3,494	4,904
Finished goods	37,355	36,599
Work in process	22,406	19,496
Raw materials and supplies	26,293	23,373
Deferred tax assets	9,647	6,750
Other	10,845	11,079
Allowance for doubtful accounts	(7,940)	(8,314)
Total current assets	293,629	277,630
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,069	23,565
Machinery, equipment and vehicles, net	10,648	9,142
Tools, furniture and fixtures, net	10,211	10,326
Land	12,461	13,079
Construction in progress	785	576
Total property, plant and equipment	* 57,176	* 56,691
Intangible assets	10,240	9,637
Investments and other assets		
Investment securities	38,432	32,604
Net defined benefit asset	30,478	27,286
Other	10,221	8,743
Allowance for doubtful accounts	(820)	(818)
Total investments and other assets	78,311	67,816
Total non-current assets	145,728	134,145
Total assets	439,358	411,776
Liabilities		
Current liabilities		
Notes and accounts payable - trade	79,053	65,477
Short-term loans payable	63,329	72,692
Accrued expenses	36,060	33,265
Other	33,137	27,726
Total current liabilities	211,580	199,162

	Fiscal year ended March 31, 2015 (As of March 31, 2015)	Fiscal year ended March 31, 2016 (As of March 31, 2016)
Non-current liabilities		
Long-term loans payable	44,241	49,391
Lease obligations	4,499	5,727
Deferred tax liabilities	19,340	13,742
Provision for directors' retirement benefits	378	462
Net defined benefit liability	22,817	24,841
Other	15,084	11,061
Total non-current liabilities	106,362	105,228
Total liabilities	317,943	304,391
Net assets		
Shareholders' equity		
Capital stock	44,000	44,000
Capital surplus	21,554	21,673
Retained earnings	41,989	44,255
Treasury shares	(453)	(468)
Total shareholders' equity	107,090	109,460
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,291	4,642
Deferred gains or losses on hedges	(72)	(562)
Foreign currency translation adjustment	(10,433)	(12,835)
Remeasurements of defined benefit plans	14,750	6,028
Total accumulated other comprehensive income	12,536	(2,726)
Subscription rights to shares	79	79
Non-controlling interests	1,708	572
Total net assets	121,414	107,384
Total liabilities and net assets	439,358	411,776

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(Million yen)

	Fiscal year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)	Fiscal year ended March 31, 2016 (From April 1, 2015 to March 31, 2016)
Net sales	540,153	490,314
Cost of sales	*2 399,647	*2 361,250
Gross profit	140,506	129,064
Selling, general and administrative expenses	*1, *2 108,090	*1, *2 110,469
Operating income	32,415	18,594
Non-operating income		
Interest income	290	309
Dividend income	767	871
Share of profit of entities accounted for using equity method	652	423
Foreign exchange gains	7,035	—
Dividend income of insurance	270	335
Miscellaneous income	772	674
Total non-operating income	9,787	2,613
Non-operating expenses		
Interest expenses	2,357	1,990
Foreign exchange losses	—	6,374
Litigation expenses	223	376
Miscellaneous expenses	1,694	1,099
Total non-operating expenses	4,274	9,841
Ordinary income	37,928	11,366
Extraordinary income		
Gain on sales of non-current assets	—	198
Gain on sales of investment securities	225	1,935
Total extraordinary income	225	2,134

(Million yen)

	Fiscal year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)	Fiscal year ended March 31, 2016 (From April 1, 2015 to March 31, 2016)
Extraordinary losses		
Loss on disposal of non-current assets	621	503
Impairment loss	—	*3 1,059
Provision for environmental measures	—	*4 247
Total extraordinary losses	621	1,811
Income before income taxes and minority interests	37,532	11,689
Income taxes - current	7,725	1,916
Income taxes - deferred	(2,359)	4,495
Total income taxes	5,365	6,412
Net income	32,166	5,277
Loss attributable to non-controlling interests	(924)	(1,332)
Profit attributable to owners of parent	33,091	6,609

(Consolidated Statements of Comprehensive Income)

(Million yen)

	Fiscal year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)	Fiscal year ended March 31, 2016 (From April 1, 2015 to March 31, 2016)
Net income	32,166	5,277
Other comprehensive income		
Valuation difference on available-for-sale securities	3,930	(3,627)
Deferred gains or losses on hedges	317	(489)
Foreign currency translation adjustment	(82)	(2,688)
Remeasurements of defined benefit plans, net of tax	3,148	(8,899)
Share of other comprehensive income of entities accounted for using equity method	(17)	155
Total other comprehensive income	* 7,295	* (15,548)
Comprehensive income	39,462	(10,271)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	40,395	(8,653)
Comprehensive income attributable to non-controlling interests	(932)	(1,617)

(3) Consolidated Statements of Changes in Equity
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)
Profit attributable to owners of parent			33,091		33,091
Purchase of treasury shares				(21)	(21)
Change of scope of consolidation			0		0
Capital increase of consolidated subsidiaries					—
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	Non-controlling 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)
Profit attributable to owners of parent								33,091
Purchase of treasury shares								(21)
Change of scope of consolidation								0
Capital increase of consolidated subsidiaries								—
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

Fiscal year ended March 31, 2016 (From April 1, 2015 to March 31, 2016)

(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	41,989	(453)	107,090
Cumulative effects of changes in accounting policies					—
Restated balance	44,000	21,554	41,989	(453)	107,090
Changes of items during period					
Dividends of surplus			(4,343)		(4,343)
Profit attributable to owners of parent			6,609		6,609
Purchase of treasury shares				(14)	(14)
Change of scope of consolidation					—
Capital increase of consolidated subsidiaries		118			118
Net changes of items other than shareholders' equity					
Total changes of items during period	—	118	2,265	(14)	2,369
Balance at end of current period	44,000	21,673	44,255	(468)	109,460

(Million yen)

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	8,291	(72)	(10,433)	14,750	12,536	79	1,708	121,414
Cumulative effects of changes in accounting policies								—
Restated balance	8,291	(72)	(10,433)	14,750	12,536	79	1,708	121,414
Changes of items during period								
Dividends of surplus								(4,343)
Profit attributable to owners of parent								6,609
Purchase of treasury shares								(14)
Change of scope of consolidation								—
Capital increase of consolidated subsidiaries								118
Net changes of items other than shareholders' equity	(3,649)	(489)	(2,402)	(8,722)	(15,262)	—	(1,136)	(16,399)
Total changes of items during period	(3,649)	(489)	(2,402)	(8,722)	(15,262)	—	(1,136)	(14,030)
Balance at end of current period	4,642	(562)	(12,835)	6,028	(2,726)	79	572	107,384

(4) Consolidated Statements of Cash Flows

(Million yen)

	Fiscal year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)	Fiscal year ended March 31, 2016 (From April 1, 2015 to March 31, 2016)
Cash flows from operating activities		
Income before income taxes and minority interests	37,532	11,689
Depreciation	14,464	14,382
Impairment loss	9	1,059
Increase (decrease) in provision	(1,945)	466
Interest and dividend income	(1,057)	(1,180)
Interest expenses	2,357	1,990
Share of (profit) loss of entities accounted for using equity method	(652)	(423)
Loss (gain) on sales of investment securities	(224)	(1,928)
Loss (gain) on disposal of non-current assets	590	305
Decrease (increase) in notes and accounts receivable – trade	8,693	(8,743)
Decrease (increase) in inventories	3,905	3,539
Increase (decrease) in notes and accounts payable – trade	(8,906)	(4,784)
Increase (decrease) in accrued expenses	356	(2,079)
Other, net	(7,251)	(10,269)
Subtotal	47,871	4,024
Interest and dividend income received	1,047	1,278
Interest expenses paid	(2,423)	(1,938)
Income taxes paid	(5,495)	(6,938)
Net cash provided by (used in) operating activities	40,999	(3,573)
Cash flows from investing activities		
Purchase of property, plant and equipment	(10,598)	(11,598)
Purchase of intangible assets	(3,931)	(2,630)
Proceeds from sales of investment securities	319	2,680
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,717)	—
Payments for transfer of business	—	(1,973)
Other payments	(2,084)	(1,457)
Other proceeds	428	1,216
Net cash provided by (used in) investing activities	(18,583)	(13,762)

(Million yen)

	Fiscal year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)	Fiscal year ended March 31, 2016 (From April 1, 2015 to March 31, 2016)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(12,442)	6,622
Proceeds from long-term loans payable	48,460	28,537
Repayments of long-term loans payable	(49,637)	(19,249)
Proceeds from sales and leasebacks	927	1,428
Repayments of lease obligations	(3,084)	(2,470)
Cash dividends paid	(4,917)	(4,314)
Other, net	(28)	585
Net cash provided by (used in) financing activities	(20,724)	11,138
Effect of exchange rate change on cash and cash equivalents	997	(1,079)
Net increase (decrease) in cash and cash equivalents	2,688	(7,276)
Cash and cash equivalents at beginning of period	50,866	53,598
Increase in cash and cash equivalents from newly consolidated subsidiary	44	—
Cash and cash equivalents at end of period	*53,598	*46,322

(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 company is included in the scope of consolidation from the current fiscal year: OKI Data Infotech Corporation, which became a subsidiary due to the acquisition of its shares.

OF Networks Co., Ltd. is extinguished from the scope of consolidation due to a merger with the Company.

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. Accounting policy

(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 and past service cost

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 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 Company has adopted the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013; the “Business Combinations Accounting Standard”), the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013; the “Consolidated Financial Statements Accounting Standard”), and the “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013; the “Business Divestitures Accounting Standard”) and others. Accordingly, the Company has adopted the methods to record the differences arising from a change in the Company’s equity interest in its subsidiaries over which the Company continues to have control as capital surplus, and to record acquisition-related costs as expenses for the fiscal year in which such costs are incurred. Furthermore, for business combinations conducted at and after the beginning of the fiscal year ended March 31, 2016, a review on the allocation of acquisition costs upon finalization of provisional accounting treatments shall be reflected in the consolidated financial statements for the financial period in which the date of the relevant business combination falls. In addition, the Company has changed the presentation of net income and other related items, and the presentation of “minority interests” to “non-controlling interests.” In order to reflect these changes in presentation, the consolidated financial statements for the fiscal year ended March 31, 2015 have been reclassified.

Effective from the fiscal year ended March 31, 2016, the Company has changed the presentation of some items in the consolidated statements of cash flows. Cash flows associated with the changes in ownership interests in subsidiaries that do not result in change in scope of consolidation are recorded under “Cash flows from financing activities,” and cash flows associated with expenses related to the purchase of shares of subsidiaries resulting in change in scope of consolidation or expenses arising from the changes in ownership interests in subsidiaries that do not result in change in scope of consolidation are stated under “Cash flows from operating activities.”

The Business Combinations Accounting Standard and others were in accordance with transitional treatments set forth in Paragraph 58-2 (4) of the Business Combinations Accounting Standard, Paragraph 44-5 (4) of the Consolidated Financial Statements Accounting Standard, and Paragraph 57-4 (4) of the Business Divestitures Accounting Standard, and the Company has adopted the accounting standards prospectively from the beginning of the fiscal year ended March 31, 2016.

The impact of the adoption of the accounting standards on the consolidated financial statements is immaterial.

(Changes in Presentation)

(Consolidated Balance Sheets)

"Lease investment assets," which was included in "Other" under "Current assets" 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 ¥14,339 million stated under "Current assets" on the consolidated balance sheets for the previous fiscal year has been reclassified into "Lease investment assets" of ¥3,494 million and "Other" of ¥10,845 million.

"Income taxes payable" under "Current liabilities," which was separately stated for the previous fiscal year, is included in "Other" 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, "Income taxes payable" of ¥5,965 million stated under "Current liabilities" on the consolidated balance sheets for the previous fiscal year has been reclassified into "Other."

(Consolidated Statements of Income)

"Dividend income of insurance," which was included in "Miscellaneous income" under "Non-operating income" 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, "Miscellaneous income" of ¥1,042 million stated under "Non-operating income" on the consolidated statements of income for the previous fiscal year has been reclassified into "Dividend income of insurance" of ¥270 million and "Miscellaneous income" of ¥772 million.

"Litigation expenses," which was included in "Miscellaneous expenses" under "Non-operating expenses" 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, "Miscellaneous expenses" of ¥1,194 million stated under "Non-operating expenses" on the consolidated statements of income for the previous fiscal year has been reclassified into "Litigation expenses" of ¥223 million and "Miscellaneous expenses" of ¥971 million.

"Commission for syndicate loan" 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, “Commission for syndicate loan” of ¥723 million stated under “Non-operating expenses” on the consolidated statements of income for the previous fiscal year has been reclassified into “Miscellaneous expenses.”

“Income taxes for prior periods,” which was separately stated for the previous fiscal year, is included in “Income taxes – current” 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, “Income taxes for prior periods” of ¥3,546 million stated on the consolidated statements of income for the previous fiscal year has been reclassified into “Income taxes – current.”

(Consolidated Statements of Cash Flows)

“Impairment loss” and “Share of (profit) loss of entities accounted for using equity method,” which were included in “Other, net” under “Cash flows from operating activities” for the previous fiscal year, are separately stated from the current fiscal year due to their 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, net” of ¥(7,894) million stated under “Cash flows from operating activities” on the consolidated statements of cash flows for the previous fiscal year has been reclassified into “Impairment loss” of ¥9 million, “Share of (profit) loss of entities accounted for using equity method” of ¥(652) million and “Other, net” of ¥(7,251) million.

(Consolidated Balance Sheets)

* Accumulated depreciation of property, plant and equipment

(Million yen)

Previous fiscal year (As of March 31, 2015)	Current fiscal year (As of March 31, 2016)
153,785	155,885

(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, 2014 to March 31, 2015)	Current fiscal year (From April 1, 2015 to March 31, 2016)
Salaries and wages	33,760	35,104
Commission paid	10,525	11,485
Research and development expenses	13,755	13,317

*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, 2014 to March 31, 2015)	Current fiscal year (From April 1, 2015 to March 31, 2016)
13,755	13,317

*3 Impairment loss

An impairment loss was recorded for the following asset group during the fiscal year ended March 31, 2016.

1. Outline of the asset or asset group recognized impairment loss

Location	Use	Category	Impairment loss (Million yen)
Brazil	Business assets	Buildings and structures; machinery, equipment and vehicles; tools, furniture and fixtures; construction in progress; and intangible assets	1,032

2. Background to recognition of impairment loss

   Associated with the economic downturn in Brazil, we reviewed the earnings plan of OKI BRASIL INDÚSTRIA E COMÉRCIO DE PRODUTOS E TECNOLOGIA EM AUTOMAÇÃO S.A., our consolidated subsidiary. As a result, the book values were reduced to the recoverable amounts, and the amount of the reduction was recorded as impairment loss under extraordinary losses, since it is considered unlikely to earn profits as initially projected.

3. Breakdown of impairment loss

	(Million yen)
Buildings and structures	12
Machinery, equipment and vehicles	634
Tools, furniture and fixtures	115
Construction in progress	21
Intangible assets	248
Total	1,032

4. Method of asset grouping

The Group conducts grouping operating assets principally by business segment, and leased assets and idle assets, which are deemed to generate independent cash flow, on an individual asset basis.

5. Calculation method of recoverable amounts

The recoverable amounts are calculated by estimating the value in use, and applying a discount rate of 15.7% to future cash flow.

*4 Provision for environmental measures

To provide for losses associated with environmental measures, an estimated amount to be incurred in the future has been recorded in the current fiscal year.

(Consolidated Statements of Comprehensive Income)

* Reclassification adjustment and tax effect related to other comprehensive income

(Million yen)

	Previous fiscal year (From April 1, 2014 to March 31, 2015)	Current fiscal year (From April 1, 2015 to March 31, 2016)
Valuation difference on available-for-sale securities:		
Amount arising during the period	5,327	(3,518)
Reclassification adjustment	(1)	(1,877)
Amount before income tax effect	5,326	(5,396)
Income tax effect	(1,396)	1,768
Valuation difference on available-for-sale securities	3,930	(3,627)
Deferred gains or losses on hedges:		
Amount arising during the period	2	(562)
Reclassification adjustment	303	72
Amount before income tax effect	305	(489)
Income tax effect	12	(0)
Deferred gains or losses on hedges	317	(489)
Foreign currency translation adjustment:		
Amount arising during the period	(82)	(2,688)
Foreign currency translation adjustment	(82)	(2,688)
Remeasurements of defined benefit plans:		
Amount arising during the period	661	(10,077)
Reclassification adjustment	539	(3,178)
Amount before income tax effect	1,200	(13,255)
Income tax effect	1,947	4,355
Remeasurements of defined benefit plans, net of tax	3,148	(8,899)
Share of other comprehensive income of entities accounted for using equity method:		
Amount arising during the period	(59)	86
Reclassification adjustment	42	69
Share of other comprehensive income of entities accounted for using equity method	(17)	155
Total other comprehensive income	7,295	(15,548)

(Consolidated Statements of Changes in Equity)

Previous 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

(Notes)

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

(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 24, 2015	Common stock	2,606	Retained earnings	3.00	March 31, 2015	June 25, 2015

Current fiscal year (from April 1, 2015 to March 31, 2016)

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	872,176	—	—	872,176
Total	872,176	—	—	872,176
Treasury shares				
Common stock (Note)	3,705	77	—	3,782
Total	3,705	77	—	3,782

(Note) The increase in common stock under treasury shares (77 thousand shares) is attributed to the purchase of fractional shares (68 thousand shares) and treasury shares held by entities accounted for using equity method (the Company's shares) attributable to the Company (8 thousand 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 24, 2015	Common stock	2,606	Retained earnings	3.00	March 31, 2015	June 25, 2015
Board of Directors' Meeting held on November 5, 2015	Common stock	1,737	Retained earnings	2.00	September 30, 2015	December 7, 2015

(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, 2016	Common stock	2,606	Retained earnings	3.00	March 31, 2016	June 27, 2016

(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, 2014 to March 31, 2015)	Current fiscal year (From April 1, 2015 to March 31, 2016)
Cash and deposits	53,632	47,829
Time deposits with original maturities of more than 3 months	(33)	(17)
Deposits with withdrawal restrictions	—	(1,490)
Cash and cash equivalents	53,598	46,322

(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, 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

Current fiscal year (as of March 31, 2016)

(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	18,065	10,930	7,135
	Subtotal	18,065	10,930	7,135
Available-for-sale securities whose amount recorded in consolidated balance sheets does not exceed their acquisition cost	Stocks	1,440	1,965	(525)
	Other	5	5	—
	Subtotal	1,445	1,970	(525)
Total		19,511	12,900	6,610

4. Available-for-sale securities sold

Previous 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

Current fiscal year (from April 1, 2015 to March 31, 2016)

(Million yen)

Type	Amount of proceeds	Total gain on sales	Total loss on sales
Stocks	2,620	1,882	1
Total	2,620	1,882	1

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

During the previous 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, 2014 to March 31, 2015)	Current fiscal year (From April 1, 2015 to March 31, 2016)
Retirement benefit obligations at the beginning of the period	108,713	112,442
Cumulative effects of changes in accounting policies	4,862	—
Restated balance	113,575	112,442
Service cost	3,006	2,868
Interest cost on retirement benefit obligation	1,012	1,341
Actuarial gain or loss arising during the period	106	9
Payments of retirement benefits	(6,971)	(6,766)
Past service cost	1,700	—
Other	12	(357)
Retirement benefit obligations at the end of the period	112,442	109,538

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

(Million yen)

	Previous fiscal year (From April 1, 2014 to March 31, 2015)	Current fiscal year (From April 1, 2015 to March 31, 2016)
Pension assets at the beginning of the period	115,995	120,103
Expected return on pension assets	2,878	2,986
Actuarial gain or loss arising during the period	2,293	(10,061)
Employer contribution	4,720	4,757
Payments of retirement benefits	(5,785)	(5,801)
Pension assets at the end of the period	120,103	111,983

(Note) Pension assets included ¥48,044 million of the employees' retirement benefits trust in the previous fiscal year, and ¥38,983 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, 2015)	Current fiscal year (As of March 31, 2016)
Retirement benefit obligations in saving-type plan	98,239	94,864
Pension assets	(120,103)	(111,983)
	(21,863)	(17,119)
Retirement benefit obligations in non-saving-type plan	14,203	14,673
Net liability/asset stated on consolidated balance sheets	(7,660)	(2,445)
Net defined benefit liability	22,817	24,841
Net defined benefit asset	(30,478)	(27,286)
Net liability/asset stated on consolidated balance sheets	(7,660)	(2,445)

(4) Retirement benefit expenses and their breakdown

(Million yen)

	Previous fiscal year (From April 1, 2014 to March 31, 2015)	Current fiscal year (From April 1, 2015 to March 31, 2016)
Service cost	3,006	2,868
Interest cost on retirement benefit obligation	1,012	1,341
Expected return on pension assets	(2,878)	(2,986)
Amortization of actuarial gain or loss	21	(1,727)
Amortization of prior service cost	(1,514)	(1,450)
Amortization of net retirement benefit obligation at transition	2,111	—
Other	406	142
Retirement benefit expenses related to defined benefit plan	2,165	(1,811)

(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, 2014 to March 31, 2015)	Current fiscal year (From April 1, 2015 to March 31, 2016)
Past service cost	(3,518)	(1,450)
Actuarial gain or loss	2,598	(11,805)
Net retirement benefit obligation at transition	2,120	—
Total	1,200	(13,255)

(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, 2015)	Current fiscal year (As of March 31, 2016)
Unrecognized past service cost	(4,642)	(3,192)
Unrecognized actuarial gain or loss	(23,435)	(11,630)
Total	(28,078)	(14,822)

(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, 2015)	Current fiscal year (As of March 31, 2016)
Bonds	38%	42%
Stocks	45%	38%
Others	17%	20%
Total	100%	100%

(Note) The employees' retirement benefits trust accounted for 36% of total pension assets in the previous fiscal year and 31% 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, 2014 to March 31, 2015)	Current fiscal year (From April 1, 2015 to March 31, 2016)
Discount rate	0.9%	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 ¥2,130 million in the previous fiscal year and ¥2,140 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, 2015)	Current fiscal year (As of March 31, 2016)
Deferred tax assets		
Retained losses carried forward	15,538	14,515
Net defined benefit liability	15,180	12,836
Accrued bonuses	4,637	4,301
Accounts payable from change of retirement benefit plan	5,075	3,455
Loss on valuation of inventories	2,805	2,519
Excess allowance for doubtful accounts and bad debts expenses	3,126	2,261
Loss on valuation of investment securities	1,920	1,857
Impairment loss	1,303	1,739
Elimination of intersegment income among consolidated subsidiaries	1,637	1,649
Other	5,561	6,187
Deferred tax assets (Subtotal)	56,787	51,324
Valuation allowance	(42,111)	(41,435)
Total deferred tax assets	14,676	9,889
Deferred tax liabilities		
Net defined benefit asset	(13,381)	(9,219)
Gain on contribution of securities to retirement benefit trust	(3,405)	(3,298)
Valuation difference on available-for-sale securities	(3,758)	(1,989)
Other	(1,420)	(1,074)
Total deferred tax liabilities	(21,965)	(15,582)
Net deferred tax assets (liabilities)	(7,289)	(5,693)

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, 2015)	Current fiscal year (As of March 31, 2016)
Statutory tax rate	36.0%	33.0%
(Adjustment)		
Dividends and other income not counted for tax purposes	(0.7)	(2.0)
Entertainment and other expenses not counted for tax purposes	2.3	7.2
Increase and decrease in valuation allowance related to deferred tax assets	(58.1)	9.2
Inhabitant tax on per capita basis	0.8	2.4
Reduction of deferred tax assets at year end due to change in tax rate	1.0	2.2
Other	33.0	2.9
The effective tax rate after application of tax effect accounting	14.3	54.9

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

Following the enactment of the "Act for Partial Amendment of the Income Tax Act, etc." (Act No. 15, 2016) and the "Act for the Partial Amendment of the Local Tax Act, etc." (Act No. 13, 2016) at the Diet on March 29, 2016, the income tax rate for the fiscal year starting on and after April 1, 2016 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 32.0% to 31.0% for temporary differences expected to be reversed in the fiscal year starting on April 1, 2016.

As a result of this change in the tax rate, net amount of deferred tax assets (after deduction of deferred tax liabilities) decreased by ¥10 million. In addition, income taxes – deferred increased by ¥259 million, valuation difference on available-for-sale securities increased by ¥71 million and remeasurements of defined benefit plans increased by ¥176 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, 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

Current fiscal year (from April 1, 2015 to March 31, 2016)

(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	304,841	124,647	42,354	471,843	18,471	490,314	—	490,314
Intersegment net sales or transfers	4,016	5,580	308	9,905	24,183	34,089	(34,089)	—
Total	308,858	130,228	42,662	481,748	42,655	524,403	(34,089)	490,314
Segment income (loss)	16,533	1,426	2,284	20,243	4,185	24,429	(5,834)	18,594
Segment assets	208,595	71,652	31,649	311,897	26,439	338,337	73,438	411,776
Other items								
Depreciation	6,461	4,120	1,048	11,630	1,115	12,746	1,243	13,989
Amortization of goodwill	211	—	—	211	—	211	—	211
Investments in entities accounted for using equity method	2,102	—	—	2,102	30	2,133	3,381	5,515
Increase in property, plant and equipment and intangible assets	7,902	3,355	1,010	12,267	1,556	13,824	1,133	14,957

(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	298	246
Corporate expenses*	(5,923)	(5,908)
Adjustment to non-current assets	(93)	(172)
Total	(5,719)	(5,834)

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

(Million yen)

Segment income or loss	Previous fiscal year	Current fiscal year
Elimination of intersegment transactions	(120,527)	(125,320)
Corporate expenses*	209,779	200,287
Adjustment to non-current assets	(1,357)	(1,528)
Total	87,895	73,438

* 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	1,340	1,432
Adjustment to non-current assets	(147)	(188)
Total	1,192	1,243

(Million yen)

Investments in entities accounted for using equity method	Previous fiscal year	Current fiscal year
Corporate investments	3,230	3,381

(Million yen)

Increase in property, plant and equipment and intangible assets	Previous fiscal year	Current fiscal year
Corporate assets	1,458	1,516
Adjustment to non-current assets	(302)	(382)
Total	1,155	1,133

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

[Related information]

Previous 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

Current fiscal year (from April 1, 2015 to March 31, 2016)

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	84,569	68,494	46,087	105,690	124,647	42,354	18,471	490,314

2. Information by geographic areas

(1) Net sales

(Million yen)

Japan	North America	Latin America	Europe	China	Others	Total
326,036	20,022	25,456	53,101	50,700	14,999	490,314

(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
50,256	4,187	2,247	56,691

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

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

Not applicable

Current fiscal year (from April 1, 2015 to March 31, 2016)

(Million yen)

	Info-telecom Systems	Printers	EMS	Others	Corporate/ elimination	Total
Impairment loss	1,044	9	—	6	—	1,059

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

Previous 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

Current fiscal year (from April 1, 2015 to March 31, 2016)

(Million yen)

	Info-telecom Systems	Printers	EMS	Others	Corporate/ elimination	Total
Goodwill at end of fiscal year	46	—	—	—	—	46

(Per Share Information)

	Previous fiscal year (From April 1, 2014 to March 31, 2015)	Current fiscal year (From April 1, 2015 to March 31, 2016)
Net assets per share	¥137.74	¥122.91
Net income per share	¥40.03	¥7.61
Net income per share-diluted	¥38.13	Not recorded as there were no latent shares with a dilution effect.

(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, 2014 to March 31, 2015)	Current fiscal year (From April 1, 2015 to March 31, 2016)
Net income per share		
Profit attributable to owners of parent (Million yen)	33,091	6,609
Net income not attributable to common shareholders (Million yen)	87	—
[Dividends on Class A preferred stock included in the above]	[87]	[—]
Profit attributable to owners of parent related to common stock (Million yen)	33,003	6,609
Weighted average number of shares of common stock during the period (Thousand shares)	824,389	868,429
Net income per share-diluted		
Adjustment to profit attributable to owners of parent (Million yen)	87	—

[Dividends on Class A preferred stock included in the above]	[87]	[—]
Increase of common stock (Thousand shares)	43,523	—
[Class A preferred stock included in the above]	[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 (3 classes)	Subscription rights to shares (2 classes)

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

	Previous fiscal year (As of March 31, 2015)	Current fiscal year (As of March 31, 2016)
Total net assets (Million yen)	121,414	107,384
Amount deducted from the total net assets (Million yen)	1,788	651
[Subscription rights to shares included in the above]	[79]	[79]
[Non-controlling interests included in the above]	[1,708]	[572]
Amount of net assets related to common stock at end of period (Million yen)	119,626	106,733
Number of common shares used to calculate net assets per share at end of period (Thousand shares)	868,470	868,393

(Significant Subsequent Event)

Not applicable

6. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Million yen)

	Fiscal year ended March 31, 2015 (As of March 31, 2015)	Fiscal year ended March 31, 2016 (As of March 31, 2016)
Assets		
Current assets		
Cash and deposits	30,487	24,855
Notes receivable – trade	894	911
Accounts receivable – trade	74,829	63,112
Lease investment assets	3,445	4,859
Finished goods	4,955	5,466
Work in process	15,703	13,726
Raw materials and supplies	5,384	6,165
Prepaid expenses	312	361
Short-term loans receivable	44,896	59,954
Accounts receivable – other	7,640	6,162
Deferred tax assets	3,186	2,297
Other	848	969
Allowance for doubtful accounts	(43)	(23)
Total current assets	192,540	188,819
Non-current assets		
Property, plant and equipment		
Buildings	38,209	38,281
Accumulated depreciation	(26,997)	(27,277)
Building, net	11,212	11,004
Structures	2,491	2,514
Accumulated depreciation	(2,178)	(2,192)
Structures, net	312	321
Machinery and equipment	13,291	13,641
Accumulated depreciation	(11,333)	(11,490)
Machinery and equipment, net	1,957	2,150
Vehicles	65	70
Accumulated depreciation	(53)	(52)
Vehicles, net	12	18
Tools, furniture and fixtures	34,397	35,725
Accumulated depreciation	(28,128)	(29,338)
Tools, furniture and fixtures, net	6,268	6,386
Land	8,397	8,397
Construction in progress	36	481
Total property, plant and equipment	28,197	28,760

(Million yen)

	Fiscal year ended March 31, 2015 (As of March 31, 2015)	Fiscal year ended March 31, 2016 (As of March 31, 2016)
Intangible assets		
Goodwill	—	13
Right of using facilities	115	114
Software	6,275	5,503
Total intangible assets	6,390	5,631
Investments and other assets		
Investment securities	30,380	24,781
Shares of subsidiaries and associates	68,440	66,643
Investments in capital	89	88
Investments in capital of subsidiaries and associates	617	617
Long-term loans receivable from subsidiaries and associates	3,250	3,114
Long-term prepaid expenses	730	556
Claims provable in bankruptcy, claims provable in rehabilitation and other	36	45
Lease and guarantee deposits	3,147	3,183
Other	305	283
Allowance for doubtful accounts	(191)	(236)
Total investments and other assets	106,805	99,076
Total non-current assets	141,393	133,468
Total assets	333,934	322,288

	Fiscal year ended March 31, 2015 (As of March 31, 2015)	Fiscal year ended March 31, 2016 (As of March 31, 2016)
Liabilities		
Current liabilities		
Notes payable – trade	2,462	1,800
Accounts payable – trade	50,066	37,962
Short-term loans payable	24,720	32,976
Current portion of long-term loans payable	16,986	21,054
Lease obligations	959	1,181
Accounts payable – other	9,749	8,730
Accrued expenses	17,263	16,199
Income taxes payable	403	162
Advances received	1,318	1,020
Deposits received	3,688	4,393
Asset retirement obligations	31	—
Provision for directors' bonuses	—	44
Provision for loss on construction contracts	65	—
Provision for environmental measures	—	299
Other	3	115
Total current liabilities	127,720	125,940
Non-current liabilities		
Long-term loans payable	43,931	44,754
Lease obligations	3,147	4,530
Long-term accounts payable – other	7,326	4,929
Deferred tax liabilities	5,873	4,315
Provision for retirement benefits	11,151	4,579
Provision for loss on business of subsidiaries and associates	27,644	27,341
Asset retirement obligations	888	830
Other	—	68
Total non-current liabilities	99,963	91,350
Total liabilities	227,683	217,290

	Fiscal year ended March 31, 2015 (As of March 31, 2015)	Fiscal year ended March 31, 2016 (As of March 31, 2016)
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	33,830	35,935
Total retained earnings	33,830	35,935
Treasury shares	(440)	(454)
Total shareholders’ equity	98,943	101,034
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	7,301	3,884
Deferred gains or losses on hedges	(72)	—
Total valuation and translation adjustments	7,228	3,884
Subscription rights to shares	79	79
Total net asset	106,251	104,997
Total liabilities and net assets	333,934	322,288

(2) Non-consolidated Statements of Income

(Million yen)

	Fiscal year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)	Fiscal year ended March 31, 2016 (From April 1, 2015 to March 31, 2016)
Net sales	258,260	226,936
Cost of sales	200,750	176,153
Gross profit	57,509	50,782
Selling, general and administrative expenses	40,784	40,928
Operating income	16,725	9,853
Non-operating income		
Interest income	717	1,378
Interest on securities	6	3
Dividend income	2,641	3,972
Royalty income from corporate brand	784	761
Foreign exchange gains	6,014	—
Miscellaneous income	561	530
Total non-operating income	10,725	6,645
Non-operating expenses		
Interest expenses	1,769	1,441
Foreign exchange losses	—	3,130
Compensation expenses	28	265
Miscellaneous expenses	1,890	446
Total non-operating expenses	3,688	5,284
Ordinary income	23,763	11,214
Extraordinary income		
Gain on sales of investment securities	—	1,933
Gain on sales of shares of subsidiaries and associates	223	—
Gain on extinguishment of tie-in shares	—	217
Gain on liquidation of subsidiaries and associates	75	—
Total extraordinary income	298	2,151

(Million yen)

	Fiscal year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)	Fiscal year ended March 31, 2016 (From April 1, 2015 to March 31, 2016)
Extraordinary losses		
Loss on disposal of non-current assets	479	294
Loss on valuation of shares of subsidiaries and associates	—	6,525
Provision for environmental measures	—	247
Total extraordinary losses	479	7,067
Income before income taxes	23,582	6,298
Income taxes - current	552	(1,166)
Income taxes - deferred	(1,184)	1,015
Total income taxes	(632)	(150)
Net income	24,215	6,448

(3) Non-consolidated Statements of Changes in Equity

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

(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	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			Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
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

Fiscal year ended March 31, 2016 (From April 1, 2015 to March 31, 2016)

(Million yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings: Retained earnings brought forward	Total retained earnings		
Balance at beginning of current period	44,000	15,000	6,553	21,553	33,830	33,830	(440)	98,943
Cumulative effects of changes in accounting policies					—			—
Restated balance	44,000	15,000	6,553	21,553	33,830	33,830	(440)	98,943
Changes of items during period								
Dividends of surplus					(4,343)	(4,343)		(4,343)
Net income					6,448	6,448		6,448
Purchase of treasury shares							(14)	(14)
Net changes of items other than shareholders' equity								
Total changes of items during period	—	—	—	—	2,105	2,105	(14)	2,090
Balance at end of current period	44,000	15,000	6,553	21,553	35,935	35,935	(454)	101,034

(Million yen)

	Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at beginning of current period	7,301	(72)	7,228	79	106,251
Cumulative effects of changes in accounting policies					—
Restated balance	7,301	(72)	7,228	79	106,251
Changes of items during period					
Dividends of surplus					(4,343)
Net income					6,448
Purchase of treasury shares					(14)
Net changes of items other than shareholders' equity	(3,416)	72	(3,344)	—	(3,344)
Total changes of items during period	(3,416)	72	(3,344)	—	(1,253)
Balance at end of current period	3,884	—	3,884	79	104,997

(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, 2016," 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, 2016	Fiscal year ending March 31, 2017 (Projection)	
			YoY change (%)
Net sales	490.3	500.0	2.0
Operating income	18.6	20.0	7.6
Ordinary income	11.4	18.0	58.4
Profit attributable to owners of parent	6.6	12.0	81.6

Net sales by segment (to external customers)

	Fiscal year ended March 31, 2016	Fiscal year ending March 31, 2017 (Projection)	
			YoY change (%)
ICT	191.2	188.0	-1.7
Mechatronics Systems	113.7	112.0	-1.5
Printers	124.6	133.0	6.7
EMS	42.4	48.0	13.3
Others	18.5	19.0	2.9
Total	490.3	500.0	2.0

Operating income (loss) by segment

	Fiscal year ended March 31, 2016	Fiscal year ending March 31, 2017 (Projection)	
			YoY change (%)
ICT	11.6	13.5	16.1
Mechatronics Systems	6.0	5.5	-8.6
Printers	1.4	2.5	75.3
EMS	2.3	2.5	9.5
Others	4.2	3.5	-16.4
Adjustment	(6.9)	(7.5)	—
Total	18.6	20.0	7.6

Consolidated cash flows

(Billion yen; amounts less than hundred million yen are rounded)

	Fiscal year ended March 31, 2016	Fiscal year ending March 31, 2017 (Projection)	
			YoY change (%)
Net cash provided by (used in) operating activities	(3.6)	25.0	—
Net cash provided by (used in) investing activities	(13.8)	(15.0)	—
Net cash provided by (used in) financing activities	11.1	—	—
Effect of exchange rate change on cash and cash equivalents	(1.1)	—	—
Net increase (decrease) in cash and cash equivalents	(7.3)	—	—
Cash and cash equivalents at end of period	46.3	—	—

Capital investment by segment

	Fiscal year ended March 31, 2016	Fiscal year ending March 31, 2017 (Projection)	
			YoY change (%)
ICT	2.2	3.5	62.5
Mechatronics Systems	4.1	2.0	-50.8
Printers	2.7	3.0	11.9
EMS	0.9	1.0	5.9
Others and common	1.8	2.0	10.0
Total	11.7	11.5	-1.4
Depreciation (of property, plant and equipment)	11.2	12.0	7.5

Research and development investment by segment

(Billion yen; amounts less than hundred million yen are rounded)

	Fiscal year ended March 31, 2016	Fiscal year ending March 31, 2017 (Projection)	
			YoY change (%)
ICT	3.9	5.0	29.5
Mechatronics Systems	5.0	4.0	-20.4
Printers	2.4	2.0	-17.0
EMS	0.0	0.0	-100.0
Others and common	2.0	2.0	0.1
Total	13.3	13.0	-2.4

Exchange rates (in yen)

		Fiscal year ended March 31, 2016	Fiscal year ending March 31, 2017 (Projection)
Average rate during period	USD	120	110
	EUR	133	125

Number of employees at the end of the period

	Fiscal year ended March 31, 2016
Non-consolidated	3,914
Domestic total	12,048
Overseas total	8,142
Total	20,190