

(Translation)

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2024[J-GAAP]

May 9, 2024

Listed Company Name: Oki Electric Industry Co., Ltd.

Securities Code: 6703

Stock Exchange Listing: Tokyo Stock Exchange

URL: <http://www.oki.com/>

Representative: Takahiro Mori, Representative Director and Chief Executive Officer

Contact: Youji Takahashi, General Manager, Investor Relations

TEL: +81-3-5635-8212

Date of Ordinary General Meeting of Shareholders (Scheduled): June 21, 2024

Commencement of Dividend Payment (Scheduled): June 24, 2024

Filing of Securities Report (Scheduled): June 21, 2024

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, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated Operating Results

(Percentage figures indicate year-on-year change)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2024	421,854	14.3	18,692	677.8	18,293	–	25,649	–
March 31, 2023	369,096	4.8	2,403	(59.0)	(328)	–	(2,800)	–

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥43,783 million (–%)
Fiscal year ended March 31, 2023: ¥(5,746) million (–%)

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended					
March 31, 2024	295.93	295.61	21.4	4.5	4.4
March 31, 2023	(32.33)	–	(2.7)	(0.1)	0.7

(Reference) Share of profit (loss) of entities accounted for using equity method:
Fiscal year ended March 31, 2024: ¥156 million
Fiscal year ended March 31, 2023: ¥183 million

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	423,399	141,314	33.3	1,628.78
As of March 31, 2023	390,425	99,279	25.4	1,143.96

(Reference) Shareholders' equity: As of March 31, 2024: ¥141,174 million
As of March 31, 2023: ¥99,088 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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended				
March 31, 2024	24,721	(14,335)	(15,709)	34,422
March 31, 2023	(3,148)	(17,623)	23,275	37,498

2. Dividends

	Dividend per share					Total dividend amount (Annual) Millions of yen	Dividend payout ratio (Consolidated) %	Dividends to net assets (Consolidated) %
	First quarter-end Yen	Second quarter-end Yen	Third quarter-end Yen	Year-end Yen	Total Yen			
Fiscal year ended March 31, 2023	–	0.00	–	20.00	20.00	1,732	–	1.7
March 31, 2024	–	0.00	–	30.00	30.00	2,600	10.1	2.2
Fiscal year ending March 31, 2025 (Forecasts)	–	0.00	–	30.00	30.00		27.4	

3. Consolidated Results Forecasts for the Fiscal Year Ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentage figures indicate year-on-year change)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	460,000	9.0	16,000	(14.4)	14,500	(20.7)	9,500	(63.0)	109.61

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.: None
 - 2) Any changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Restatements: None
- (3) Number of shares issued (common stock)
 - 1) Number of shares issued at the end of the period (including treasury shares)
 - As of March 31, 2024: 87,217,602 shares
 - As of March 31, 2023: 87,217,602 shares
 - 2) Number of treasury shares at the end of the period
 - As of March 31, 2024: 542,144 shares
 - As of March 31, 2023: 598,803 shares
 - 3) Average number of shares during the period
 - Fiscal Year ended March 31, 2024: 86,672,675 shares
 - Fiscal Year ended March 31, 2023: 86,619,410 shares

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Non-consolidated Operating Results

(Percentage figures indicate year-on-year change)

	Net sales		Operating income		Ordinary income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2024	286,525	22.0	(4,997)	–	16,812	–	23,604	–
March 31, 2023	234,884	5.4	(16,885)	–	(8,618)	–	(6,291)	–

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Fiscal year ended				
March 31, 2024	272.34		272.04	
March 31, 2023	(72.63)		–	

(2) Non-consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	354,816	102,748	28.9	1,184.59
As of March 31, 2023	324,482	72,985	22.5	841.20

(Reference) Shareholders' equity: As of March 31, 2024: ¥102,674 million
As of March 31, 2023: ¥72,863 million

Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

Explanation regarding appropriate use of results projection and other special notes

(Warning on forward-looking statements)

The forward-looking statements including the forecasts 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 forecasts and notes on the use of such forecasts, please refer to “Future Outlook” of “1. Overview of Operating Results and Others, (1) Analysis of Operating Results” on page 4 of the Attachment.

(How to obtain supplementary document on financial results)

The Company is scheduled to hold a financial results briefing for institutional investors on May 9, 2024 (Thursday). 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. Overview of Operating Results and Others	2
(1) Analysis of Operating Results	2
(2) Analysis of Financial Position	5
(3) Basic Policy Concerning the Distribution of Profits and the Dividend Distributions for the Fiscal Year Ended March 31, 2024 and the Fiscal Year Ending March 31, 2025	5
2. Basic Approach to the Selection of Accounting Standards.....	5
3. Consolidated Financial Statements.....	6
(1) Consolidated Balance Sheets	6
(2) Consolidated Statements of Income and Comprehensive Income	8
(Consolidated Statements of Income)	8
(Consolidated Statements of Comprehensive Income)	9
(3) Consolidated Statements of Changes in Equity	10
(4) Consolidated Statements of Cash Flows	12
(5) Notes to Consolidated Financial Statements	13
(Notes Relating to Going Concern Assumption).....	13
(Additional Information).....	13
(Segment Information).....	14
(Per Share Information).....	16
(Significant Subsequent Event).....	16

1. Overview of Operating Results and Others

(1) Analysis of Operating Results

1) Results of operations for the fiscal year under review (April 1, 2023 to March 31, 2024)

Due to the relaxation of measures against the COVID-19 pandemic, there has been a normalization of economic activity. However, the future remains uncertain due to rising prices resulting from soaring resource prices, financial tightening aimed at curbing inflation in various countries, the stagnation of the Chinese economy, and the escalation of geopolitical risks, including the situations in Ukraine and the Middle East.

Given this state of affairs, the OKI Group has formulated a new Medium-term Business Plan 2025 and updated its materiality. To further clarify the relationship between our materiality and business, we have established three contribution areas: “safe and convenient social infrastructure,” “job satisfaction and productivity enhancement,” and “conservation of global environment.” As a company that does not stop and contributes to the maintenance of social infrastructure, OKI is committed to providing value that addresses social issues in these contribution areas.

In the fiscal year ended March 31, 2024, net sales were ¥421.9 billion (a year-on-year improvement of 14.3% or ¥52.8 billion). This increase owed to reduction of the impact of the production decline caused by the component shortage and an increase in the volume of large-scale projects in the Enterprise Solutions business.

On the profit front, although there were rises in personnel costs and fixed costs due to growth investments, operating income was ¥18.7 billion (a year-on-year improvement of ¥16.3 billion or 677.8%) due to increased sales and steady implementation of price optimization. Even excluding the one-time gain of ¥4.3 billion from the reversal of allowance for doubtful accounts for ATM claims in China, which was recorded in the first quarter of the fiscal year, profit increased year on year.

Ordinary income was ¥18.3 billion (a year-on-year improvement of ¥18.6 billion).

Profit attributable to owners of parent was ¥25.6 billion (a year-on-year improvement of ¥28.4 billion) due to the recording of income taxes-deferred (gain).

(Billions of yen)	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2023	Year-on-year change rate
Net sales	421.9	369.1	14.3%
Operating income	18.7	2.4	677.8%
Ordinary income	18.3	(0.3)	—
Profit(loss) attributable to owners of parent	25.6	(2.8)	—

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

Please note that from the beginning of the fiscal year ending March 31, 2024, the categorization of the reportable segments has been changed. Figures for the fiscal year ended March 31, 2023 were reorganized under the new segment classification for the previous fiscal year comparisons.

< Public Solutions >

Net sales totaled ¥94.0 billion (a year-on-year decline of ¥1.7 billion or 1.8%). Sales in the focus fields of road, firefighting, disaster prevention, and TOKKI Systems were strong, but a decline in communication carrier projects resulted in a year-on-year drop in sales.

Operating income was ¥4.4 billion (up ¥1.0 billion or 30.3% year-on-year). Overall segment income was up year on year, driven by TOKKI Systems.

(Billions of yen)	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2023	Year-on-year change rate
Net sales	94.0	95.7	(1.8)%
Operating income	4.4	3.4	30.3%

< Enterprise Solutions >

Net sales were ¥180.1 billion (up 59.6% or ¥67.2 billion year-on-year). This increase owed to reduction of the impact of the production decline caused by the component shortage, as well as large-scale projects.

Operating income was ¥22.0 billion (up ¥20.5 billion year-on-year). This increase was due to higher profits owing to increased volume and a one-time gain from the reversal of allowance for doubtful accounts.

(Billions of yen)	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2023	Year-on-year change rate
Net sales	180.1	112.9	59.6%
Operating income (loss)	22.0	1.5	—

< Component Products >

Net sales were ¥73.4 billion (a year-on-year decline of ¥11.2 billion or 13.3%), and operating income was ¥0.6 billion (a year-on-year decline of ¥1.0 billion or 64.6%). In the printer business, the impact of a decline in sales due to sluggish demand overseas was significant, resulting in a year-on-year drop in overall segment net sales and operating income.

(Billions of yen)	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2023	Year-on-year change rate
Net sales	73.4	84.6	(13.3)%
Operating income (loss)	0.6	1.6	(64.6)%

< EMS >

Net sales were ¥73.9 billion (a year-on-year decline of ¥1.4 billion or 1.9%), and operating income was ¥1.1 billion (a year-on-year decline of ¥1.2 billion or 50.3%). Net sales and operating income declined year on year due to the slow recovery of the semiconductor market and a reduction in demand in the market for factory automation and robots due to the slowdown of the Chinese economy.

(Billions of yen)	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2023	Year-on-year change rate
Net sales	73.9	75.3	(1.9)%
Operating income (loss)	1.1	2.3	(50.3)%

<Others>

Net sales were ¥0.4 billion (a year-on-year decrease of ¥0.1 billion or 18.6%), and there was an operating loss of ¥1.1 billion (a year-on-year loss expansion of ¥1.5 billion) due to investments essential for growth, including research and development aimed at creating future businesses.

(Billions of yen)	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2023	Year-on-year change rate
Net sales	0.4	0.5	(18.6)%
Operating income (loss)	(1.1)	0.4	—

2) Future Outlook

The earnings forecast for the fiscal year ending March 31, 2025 is as follows: net sales are expected to increase by ¥38.1 billion year-on-year to ¥460.0 billion, operating income is expected to decrease by ¥2.7 billion to ¥16.0 billion, ordinary income is expected to decrease by ¥3.8 billion to ¥14.5 billion, and profit attributable to owners of parent is expected to decrease by ¥16.1 billion to ¥9.5 billion. We plan to achieve higher net sales and operating income in real terms, excluding one-time factors for the fiscal year under review. In the next fiscal year, we will steadily execute large-scale projects in Public Solutions including firefighting and TOKKI Systems and work to achieve the plan.

The exchange rates used for the consolidated results forecast are ¥140 to the U.S. dollar and ¥150 to the euro.

(Billions of yen)	Fiscal year ending March 31, 2025	Fiscal year ended March 31, 2024	Change
Net sales	460.0	421.9	9.0%
Operating income	16.0	18.7	(14.4)%
Ordinary income	14.5	18.3	(20.7)%
Profit attributable to owners of parent	9.5	25.6	(63.0)%

(Billions of yen)		Fiscal year ending March 31, 2025	Fiscal year ended March 31, 2024	Change
Public Solutions	Net sales	135.0	94.0	43.7%
	Operating income	10.5	4.4	136.3%
Enterprise Solutions	Net sales	170.0	180.1	(5.6)%
	Operating income	12.5	22.0	(43.1)%
Component Products	Net sales	75.0	73.4	2.2%
	Operating income	1.5	0.6	165.1%
EMS	Net sales	80.0	73.9	8.3%
	Operating income	2.5	1.1	123.4%
Others	Net sales	0.0	0.4	—
	Operating income	(1.8)	(1.1)	—
Elimination/corporate	Operating income	(9.2)	(8.3)	—
Total	Net sales	460.0	421.9	9.0%
	Operating income	16.0	18.7	(14.4)%

(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 OKI 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) Assets, liabilities, and net assets at the end of the fiscal year under review

As of March 31, 2024, total assets were ¥423.4 billion, up ¥33.0 billion year on year. Shareholders' equity increased ¥42.1 billion from March 31, 2023 to ¥141.2 billion, mainly due to the recording of ¥25.6 billion in profit attributable to owners of parent and an ¥18.2 billion improvement in accumulated other comprehensive income. As a result, the shareholders' equity ratio was 33.3%.

In terms of assets, notes and accounts receivable-trade, and contract assets rose by ¥19.5 billion.

In terms of liabilities, borrowings primarily fell ¥8.0 billion from ¥118.0 billion as of March 31, 2023 to ¥110.0 billion.

2) Cash flows for the fiscal year under review

Net cash provided through operating activities was ¥24.7 billion (compared with ¥3.1 billion used in the previous fiscal year), mainly due to the recording of pre-tax profit.

Net cash used in investing activities came to ¥14.3 billion (versus ¥17.6 billion in the previous fiscal year), mainly due to purchases of property, plant and equipment.

As a result, free cash flow (operating cash flow plus investing cash flow) amounted to an inflow of ¥10.4 billion (compared with an outflow of ¥20.7 billion in the previous year).

Net cash used in financing activities was ¥15.7 billion (compared with a cash inflow of ¥23.3 billion in the previous fiscal year), mainly due to repayments of borrowings and lease obligations.

Owing to these factors, plus the ¥2.2 billion increase in cash and cash equivalents due to translation adjustments, the balance of cash and cash equivalents as of March 31, 2024 amounted to ¥34.4 billion, down from ¥37.5 billion as of March 31, 2023.

(3) Basic Policy Concerning the Distribution of Profits and the Dividend Distributions for the Fiscal Year Ended March 31, 2024 and the Fiscal Year Ending March 31, 2025

The Company regards returning profits to shareholders as one of its most important management priorities.

The Company determines the dividend amounts based on a basic policy of maintaining stable dividends, while comprehensively taking into consideration its business performance, the cash flow situation based on investments essential for future growth (capital investment, research and development investment, and human capital investment), and the level of internal reserves. We will continue to strive to enhance shareholder returns while strengthening our financial base.

Based on this policy, the Company will distribute dividends of surplus (annual dividends) at ¥30.00 per share for the fiscal year under review.

For the fiscal year ending March 31, 2025, the Company plans to pay a dividend of ¥30.00 per share from surplus as a year-end dividend.

2. 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.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	37,746	35,044
Notes and accounts receivable - trade, and contract assets	94,598	114,115
Lease receivables and investments in leases	7,619	5,866
Finished goods	20,224	17,981
Work in process	21,135	17,380
Raw materials and supplies	35,076	35,409
Other	13,847	13,909
Allowance for doubtful accounts	(57)	(19)
Total current assets	230,191	239,687
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	25,179	24,951
Machinery, equipment and vehicles, net	8,546	8,654
Tools, furniture and fixtures, net	7,099	8,845
Land	15,929	15,979
Construction in progress	4,204	2,138
Total property, plant and equipment	60,959	60,569
Intangible assets	16,349	15,924
Investments and other assets		
Investment securities	34,115	43,336
Retirement benefit asset	27,192	37,234
Long-term operating receivables	24,941	21,791
Other	14,453	15,167
Allowance for doubtful accounts	(17,777)	(10,313)
Total investments and other assets	82,925	107,218
Total non-current assets	160,234	183,711
Total assets	390,425	423,399
Liabilities		
Current liabilities		
Notes and accounts payable - trade	60,653	64,030
Short-term borrowings	86,714	60,012
Income taxes payable	2,040	4,349
Other	55,843	59,976
Total current liabilities	205,252	188,369
Non-current liabilities		
Long-term borrowings	31,268	50,017
Lease liabilities	6,905	5,119
Deferred tax liabilities	11,111	5,072
Retirement benefit liability	30,906	27,887
Other	5,703	5,619
Total non-current liabilities	85,894	93,715
Total liabilities	291,146	282,084

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Net assets		
Shareholders' equity		
Share capital	44,000	44,000
Capital surplus	18,994	18,960
Retained earnings	49,705	73,622
Treasury shares	(841)	(761)
Total shareholders' equity	111,858	135,820
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,077	9,069
Deferred gains or losses on hedges	(32)	(10)
Foreign currency translation adjustment	(8,341)	(7,020)
Remeasurements of defined benefit plans	(5,473)	3,315
Total accumulated other comprehensive income	(12,770)	5,353
Share acquisition rights	121	73
Non-controlling interests	69	65
Total net assets	99,279	141,314
Total liabilities and net assets	390,425	423,399

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

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	369,096	421,854
Cost of sales	282,903	316,443
Gross profit	86,192	105,411
Selling, general and administrative expenses	83,789	86,718
Operating profit	2,403	18,692
Non-operating income		
Interest income	147	1,094
Dividend income	1,243	1,401
Foreign exchange gains	—	500
Gain on sale of investment securities	343	—
Miscellaneous income	1,501	1,571
Total non-operating income	3,236	4,569
Non-operating expenses		
Interest expenses	1,853	2,289
Foreign exchange losses	1,318	—
Commission for syndicated loans	183	678
Miscellaneous expenses	2,613	1,999
Total non-operating expenses	5,968	4,967
Ordinary profit (loss)	(328)	18,293
Extraordinary income		
Gain on sale of investment securities	—	1,390
Total extraordinary income	—	1,390
Extraordinary losses		
Loss on disposal of non-current assets	—	1,481
Total extraordinary losses	—	1,481
Profit (loss) before income taxes	(328)	18,202
Income taxes - current	2,239	3,562
Income taxes - deferred	216	(11,014)
Total income taxes	2,456	(7,452)
Profit (loss)	(2,784)	25,654
Profit attributable to non-controlling interests	16	5
Profit (loss) attributable to owners of parent	(2,800)	25,649

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit (loss)	(2,784)	25,654
Other comprehensive income		
Valuation difference on available-for-sale securities	46	7,988
Deferred gains or losses on hedges	(54)	21
Foreign currency translation adjustment	731	1,325
Remeasurements of defined benefit plans, net of tax	(3,685)	8,788
Share of other comprehensive income of entities accounted for using equity method	—	3
Total other comprehensive income	(2,962)	18,128
Comprehensive income	(5,746)	43,783
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(5,766)	43,773
Comprehensive income attributable to non-controlling interests	20	10

(3) Consolidated Statements of Changes in Equity
 Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	44,000	19,006	55,103	(869)	117,241
Changes during period					
Dividends of surplus			(2,597)		(2,597)
Profit (loss) attributable to owners of parent			(2,800)		(2,800)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(11)		28	16
Net changes in items other than shareholders' equity					
Total changes during period	—	(11)	(5,398)	27	(5,382)
Balance at end of period	44,000	18,994	49,705	(841)	111,858

	Accumulated other comprehensive income					Share acquisition rights	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 period	1,030	22	(9,069)	(1,788)	(9,804)	138	60	107,635
Changes during period								
Dividends of surplus								(2,597)
Profit (loss) attributable to owners of parent								(2,800)
Purchase of treasury shares								(0)
Disposal of treasury shares								16
Net changes in items other than shareholders' equity	46	(54)	727	(3,685)	(2,966)	(16)	9	(2,973)
Total changes during period	46	(54)	727	(3,685)	(2,966)	(16)	9	(8,356)
Balance at end of period	1,077	(32)	(8,341)	(5,473)	(12,770)	121	69	99,279

Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	44,000	18,994	49,705	(841)	111,858
Changes during period					
Dividends of surplus			(1,732)		(1,732)
Profit (loss) attributable to owners of parent			25,649		25,649
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		(33)		81	47
Net changes in items other than shareholders' equity					
Total changes during period	—	(33)	23,916	79	23,962
Balance at end of period	44,000	18,960	73,622	(761)	135,820

	Accumulated other comprehensive income					Share acquisition rights	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 period	1,077	(32)	(8,341)	(5,473)	(12,770)	121	69	99,279
Changes during period								
Dividends of surplus								(1,732)
Profit (loss) attributable to owners of parent								25,649
Purchase of treasury shares								(2)
Disposal of treasury shares								47
Net changes in items other than shareholders' equity	7,991	21	1,321	8,788	18,124	(47)	(3)	18,072
Total changes during period	7,991	21	1,321	8,788	18,124	(47)	(3)	42,035
Balance at end of period	9,069	(10)	(7,020)	3,315	5,353	73	65	141,314

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit (loss) before income taxes	(328)	18,202
Depreciation	12,322	14,201
Increase (decrease) in provisions	(342)	(7,681)
Interest and dividend income	(1,391)	(2,496)
Interest expenses	1,853	2,289
Loss (gain) on sale of investment securities	(341)	(1,389)
Loss (gain) on disposal of non-current assets	420	1,413
Decrease (increase) in trade receivables	4,519	(12,379)
Decrease (increase) in inventories	(16,215)	8,439
Increase (decrease) in trade payables	610	(3,779)
Other, net	790	8,403
Subtotal	1,898	25,223
Interest and dividends received	1,391	1,556
Interest paid	(1,848)	(2,220)
Income taxes refund (paid)	(4,589)	162
Net cash provided by (used in) operating activities	(3,148)	24,721
Cash flows from investing activities		
Purchase of property, plant and equipment	(10,497)	(12,195)
Purchase of intangible assets	(6,036)	(4,788)
Proceeds from sale of investment securities	887	2,928
Payments for acquisition of businesses	(1,500)	—
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	1,199
Purchase of long-term prepaid expenses	(1,378)	(1,004)
Other payments	(302)	(663)
Other proceeds	1,203	189
Net cash provided by (used in) investing activities	(17,623)	(14,335)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	44,108	(32,249)
Proceeds from long-term borrowings	6,850	44,250
Repayments of long-term borrowings	(21,050)	(21,645)
Dividends paid	(2,587)	(1,726)
Repayments of lease liabilities	(4,062)	(4,403)
Other, net	16	65
Net cash provided by (used in) financing activities	23,275	(15,709)
Effect of exchange rate change on cash and cash equivalents	1,617	2,246
Net increase (decrease) in cash and cash equivalents	4,119	(3,076)
Cash and cash equivalents at beginning of period	33,379	37,498
Cash and cash equivalents at end of period	37,498	34,422

(5) Notes to Consolidated Financial Statements

(Notes Relating to Going Concern Assumption)
Not applicable

(Additional Information)

(Consolidated Subsidiary's Arbitration Proceedings)

OKI's consolidated subsidiary in China, OKI Banking Systems (Shenzhen) Co., Ltd. (hereafter, "OBSZ"), filed an arbitration application against Shenzhen Yihua Computer Industrial Co., Ltd. (hereafter, "Yihua Industrial") with the South China International Economic and Trade Arbitration Commission on October 10, 2015. This was in pursuit of an outstanding receivable of RMB1,115,463 thousand (equivalent to JPY23,246 million at the end of the fiscal year ending March 31, 2024) and for damages (referred to as "Case A"). In addition, OBSZ filed a lawsuit against Yihua Industrial's parent company, Shenzhen Yihua Computer Co., Ltd. (hereafter, "Yihua Computer") in the Guangdong Provincial High People's Court. This suit (referred to as "Case B") aimed to hold Yihua Computer jointly and severally liable for the aforementioned debt, alleging that they are effectively the same entity as Yihua Industrial. Along with this, OBSZ applied for asset preservation.

Later, regarding Case A, on December 16, 2020, the South China International Economic and Trade Arbitration Commission ruled that Yihua Industrial should pay OBSZ an unpaid amount of RMB1,096,866 thousand (equivalent to JPY22,858 million at the end of the fiscal year ending March 31, 2024), inclusive of late fees and attorney costs, and this arbitration has been finalized. Furthermore, concerning Case B, on December 23, 2021, the Guangdong Provincial High People's Court ruled that Yihua Computer, among others, shares joint and several liability for the payments owed by Yihua Industrial to OBSZ. Responding to this, Yihua Computer appealed the decision to the Supreme People's Court on January 5, 2022. However, on June 1, 2023, the Supreme People's Court upheld the initial judgment and dismissed the appeal.

Taking into account the developments in these legal proceedings and considering the potential for enforced collection measures against Yinhua Computer, etc., OBSZ has recorded a long-term operating receivable of RMB868,250 thousand (equivalent to JPY18,094 million at the end of the fiscal year ending March 31, 2024). Of this amount, a doubtful accounts provision of RMB16,042 thousand (equivalent to JPY334 million at the end of the fiscal year ending March 31, 2024) has been recognized, based on the assessment that a portion of the receivable might be uncollectible. Due to these events, during the fiscal year ending March 31, 2024, an amount of JPY4,277 million from the doubtful accounts provision has been reversed and treated as a reduction in selling, general and administrative expenses, and interest income of JPY938 million was treated as non-operating income.

(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 has four reportable segments: the Public Solutions Business, the Enterprise Solutions Business, the Component Products Business, and the EMS Business. Each of them plans comprehensive strategies for their main product lines in domestic and overseas markets and is engaged in its business activities.

The Public Solutions Business provides mission-critical system solutions and edge-to-backbone networks for transportation, disaster prevention, defense, etc.

The Enterprise Solutions Business provides solutions and services to solve labor shortages and improve operational efficiency through mechatronics technology, solutions, networks, and maintenance & services.

The Component Products Business provides edge products covering sensing, AI, communications, and output.

The EMS business provides one-stop comprehensive Mono-zukuri services from design to manufacturing and reliability testing.

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

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

Business segment	Major products and services
Public Solutions	Road-related systems, aviation and air traffic control systems, firefighting and disaster prevention related systems, central government work systems, defense systems, aviation equipment, communications equipment for telecom carriers, etc.
Enterprise Solutions	ATMs, cash handling equipment, bank branch terminals, ticket reservations and issuing terminals, check-in terminals, currency exchange machines, ATM monitoring and operations services, bank branch systems, centered-administration systems, ticket reservations and issuing systems, construction and maintenance services, etc.
Component Products	Edge devices (IoT), sensor network, PBX, business telephones, contact centers, cloud services, LED printer, etc.
EMS	Consigned designing and manufacturing services, printed circuit boards, cables and electrode wires, engineering, etc.

(Change in reporting segment classification)

From the fiscal year ending March 31, 2024, in line with our new business structure focused on streamlining the scale of operations, optimizing the value chain, and strengthening business management, we have reorganized into four segments: Public Solutions, Enterprise Solutions, Component Products, and EMS.

Please note that the segment information for the fiscal year ended March 31, 2023 has been disclosed based on the classifications of the reorganized reporting segments.

2. Calculation methods for the amount of net sales, profit and loss by reportable segment

Segment income is calculated on an operating income basis. Intersegment transactions are calculated based on prevailing market rates.

3. Information about amounts of net sales, profit and loss by reportable segment
Previous fiscal year (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded on consolidated statements of income (Note 3)
	Public Solutions	Enterprise Solutions	Component Products	EMS	Total				
Net sales									
Net sales to external Customers	95,745	112,859	84,629	75,334	368,568	527	369,096	—	369,096
Intersegment net sales or transfers	2,556	688	6,421	717	10,384	11,983	22,367	(22,367)	—
Total	98,302	113,548	91,050	76,051	378,953	12,511	391,464	(22,367)	369,096
Segment income (loss)	3,409	1,522	1,597	2,250	8,780	429	9,210	(6,806)	2,403

Current fiscal year (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded on consolidated statements of income (Note 3)
	Public Solutions	Enterprise Solutions	Component Products	EMS	Total				
Net sales									
Net sales to external Customers	93,977	180,144	73,413	73,889	421,425	429	421,854	—	421,854
Intersegment net sales or transfers	4,376	391	6,180	594	11,543	9,522	21,066	(21,066)	—
Total	98,354	180,535	79,594	74,483	432,968	9,952	442,920	(21,066)	421,854
Segment income (loss)	4,443	21,960	565	1,118	28,088	(1,100)	26,988	(8,295)	18,692

- Notes: 1. "Others" consists of businesses not included in the reportable segments, such as provision of services.
2. Details of adjustment are as follows:

(Millions of yen)

Segment income or loss	Previous fiscal year	Current fiscal year
Elimination of intersegment transactions	363	247
Corporate expenses*	(7,063)	(8,474)
Adjustment to non-current assets	(106)	(68)
Total	(6,806)	(8,295)

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

3. Segment income or loss is reconciled with operating income in the consolidated statements of income.

(Per Share Information)

	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Net assets per share	¥1,143.96	¥1,628.78
Basic earnings (losses) per share	¥(32.33)	¥295.93
Diluted earnings per share	–	¥295.61

Notes: 1. Diluted earnings per share for the previous fiscal year is not stated because net loss per share was recorded despite the existence of dilutive shares.

2. The basis for calculation of basic earnings (losses) per share and diluted earnings per share is as follows:

	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Basic earnings (losses) per share		
Profit(loss) attributable to owners of parent (Millions of yen)	(2,800)	25,649
Profit (loss) not attributable to common shareholders (Millions of yen)	–	–
Profit (loss) attributable to owners of parent related to common stock (Millions of yen)	(2,800)	25,649
Weighted average number of shares of common stock during the period (Thousand shares)	86,619	86,672
Diluted earnings per share		
Adjustment to profit attributable to owners of parent (Millions of yen)	–	–
Increase of common stock (Thousand shares)	–	94
Outline of dilutive shares not counted in the calculation of diluted earnings per share due to no dilutive effect	–	–

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

	Previous fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
Total net assets (Millions of yen)	99,279	141,314
Amount deducted from the total net assets (Millions of yen)	191	139
[Subscription rights to shares included in the above]	[121]	[73]
[Non-controlling interests included in the above]	[69]	[65]
Amount of net assets related to common stock at end of period (Millions of yen)	99,088	141,174
Number of common stock used to calculate net assets per share at end of period (Thousand shares)	86,618	86,675

(Significant Subsequent Event)

No applicable