



**ANNUAL REPORT
2015**

(For the year ended March 31, 2015)

PROFILE

Founded in 1881, Meikosha, Ltd. was the forerunner of today's OKI and Japan's first telecommunications equipment manufacturer. Meikosha's success came from the company's "enterprising spirit" to attempt to become the first domestic manufacturer of telephones only five years after Alexander Graham Bell's invention of the telephone in 1876.

Underpinned by this "enterprising spirit," which has been nurtured and passed down throughout the Company's long history, OKI has developed and provided a succession of products that have contributed to the development of today's information society. Always in the vanguard of technology innovation, OKI began selling computers containing Japan's first domestically developed core memories, developed the world's first cash recycling automated teller machine (ATM) that recycles deposited bills as funds for withdrawals, developed LED printers, and introduced the first Voice-over-Internet Protocol (VoIP) system to the Japanese market.

As a company that supports social infrastructural development, OKI will quickly grasp and incorporate the needs of the market into the development of products that satisfy customers, while contributing to the development of an information society. Guided by its brand statement, "Open up your dreams," OKI will diligently strive to achieve the dreams and hopes of stakeholders, to become the preferred global partner of choice and achieve continuous growth.

Open up your dreams

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SOLUTIONS & SERVICES

Business offering solutions and services capitalizing on OKI's exceptional know-how in business systems for financial, public sector, transportation, retail, manufacturing, and other industries.



MECHATRONICS SYSTEMS

Business offering products built on core mechatronics technology, including ATMs and cash handling equipment.



TELECOM SYSTEMS

Business providing communication systems and services to link people and goods.



SOCIAL INFRASTRUCTURE SYSTEMS

Business providing customized systems that serve as the social infrastructure mainly for government agencies and local governments.



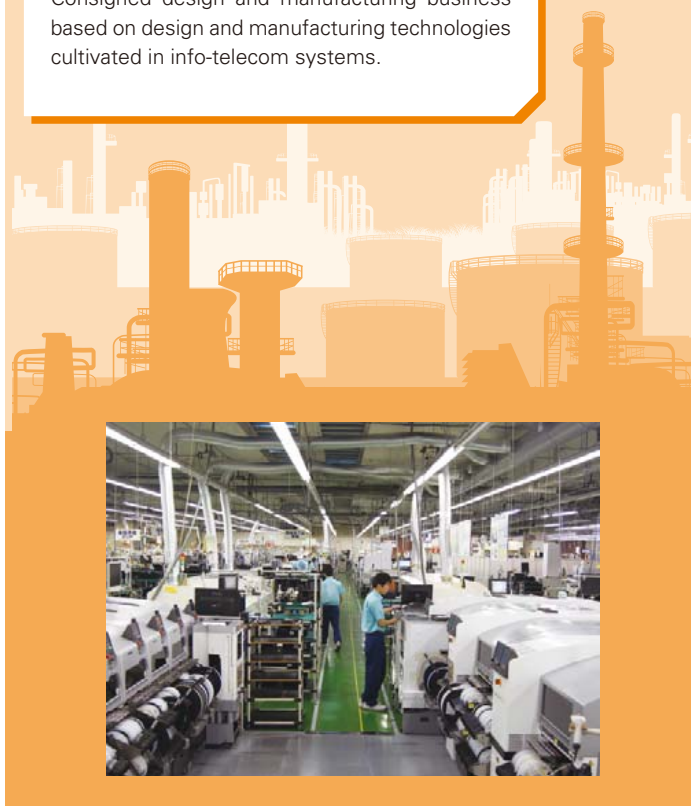
PRINTERS

Business offering printers and multifunction printers leveraged by OKI's unique LED technology.



EMS

Consigned design and manufacturing business based on design and manufacturing technologies cultivated in info-telecom systems.



FINANCIAL HIGHLIGHTS

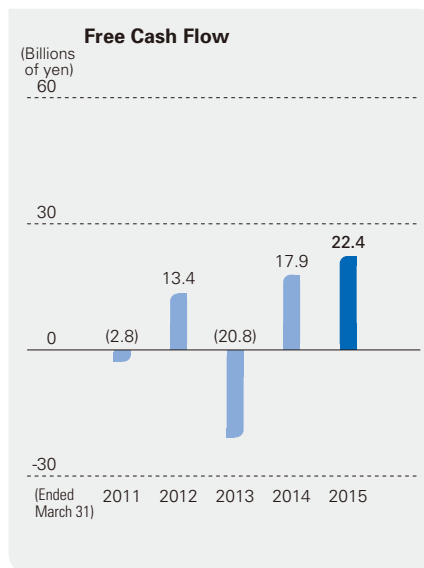
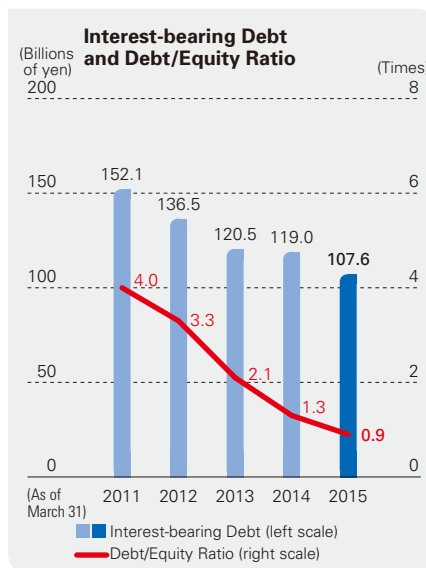
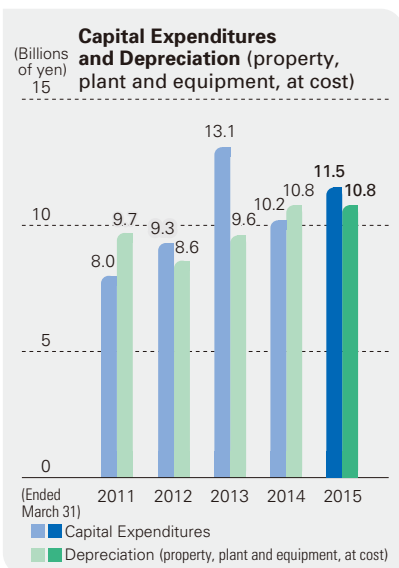
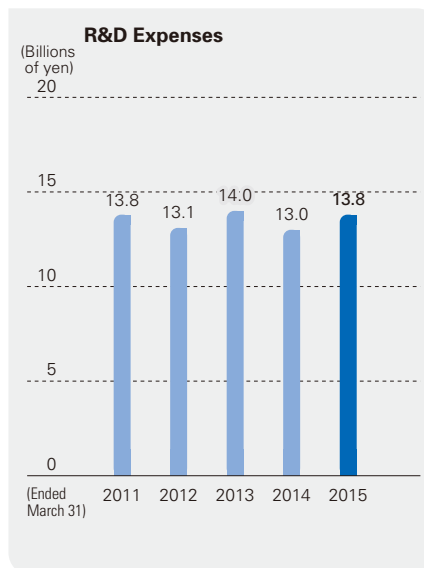
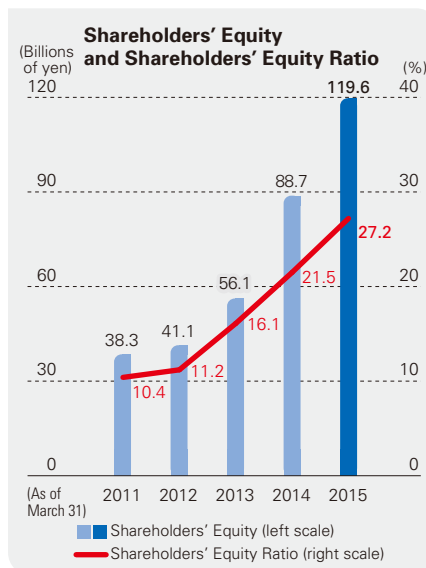
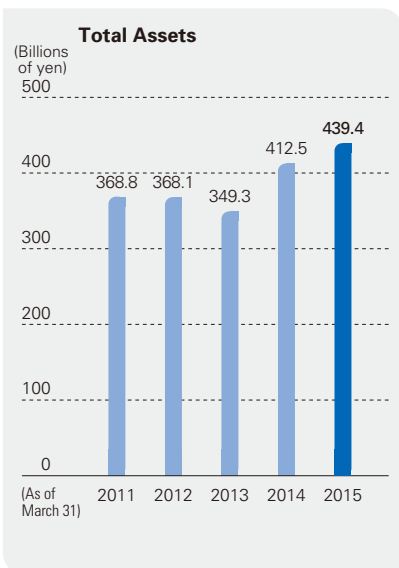
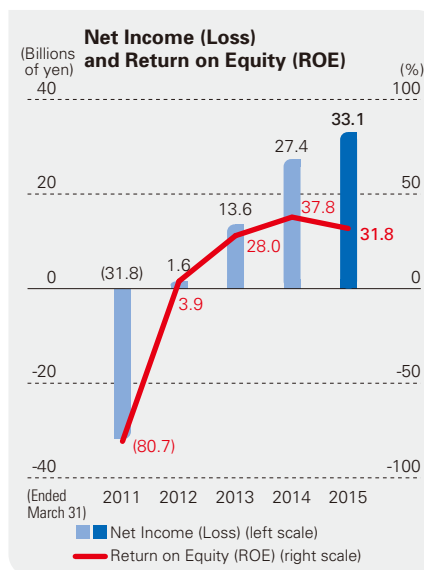
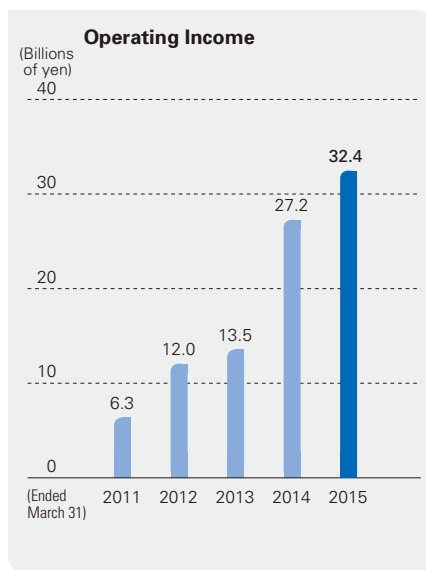
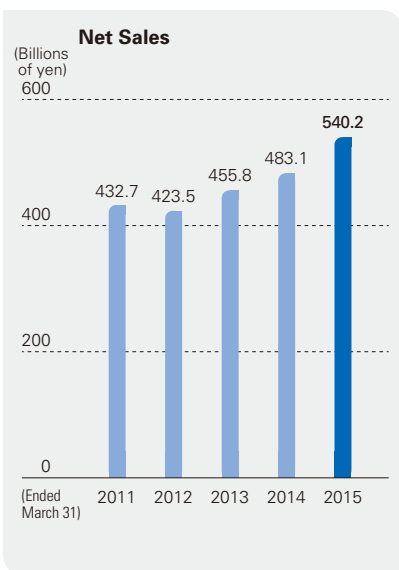
Oki Electric Industry Co., Ltd. and consolidated subsidiaries
Years ended March 31

Ended March 31	Millions of yen					Thousands of U.S. dollars (Note 1)
	2011	2012	2013	2014	2015	2015
For the year						
Net sales	¥ 432,651	¥ 423,480	¥ 455,824	¥ 483,112	¥ 540,153	\$ 4,501,275
Operating income	6,308	11,980	13,475	27,196	32,415	270,125
Net income (loss)	(31,809)	1,555	13,599	27,359	33,091	275,758
Net cash (used in) provided by operating activities	1,588	22,791	(11,619)	31,868	40,999	341,658
Net cash (used in) provided by investing activities	(4,423)	(9,392)	(9,214)	(13,977)	(18,583)	(154,858)
Free cash flow	(2,835)	13,399	(20,833)	17,890	22,415	186,791
At the year end						
Total assets	¥ 368,822	¥ 368,065	¥ 349,322	¥ 412,514	¥ 439,358	\$ 3,661,316
Shareholders' equity	38,308	41,125	56,072	88,735	119,626	996,883
Interest-bearing debt	152,051	136,478	120,524	119,004	107,570	896,416
Ratios						
Return on assets (ROA) (%)	(8.5)	0.4	3.8	7.2	7.8	
Return on equity (ROE) (%)	(80.7)	3.9	28.0	37.8	31.8	
Shareholders' equity (%)	10.4	11.2	16.1	21.5	27.2	
						U.S. dollars (Note 1)
Per share amounts						
Net income (loss)	¥ (44.00)	¥ 0.32	¥ 17.24	¥ 36.21	¥ 40.03	\$ 0.33
Net assets (shareholders' equity, excluding warrants and minority interests in consolidated subsidiaries)	11.37	13.42	34.40	79.32	137.74	1.14
Cash dividends	—	—	—	3.00	5.00	0.04
Other information						
Number of employees	16,697	16,736	17,459	21,090	20,653	

Note 1: The U.S. dollar amounts in this annual report are translated from yen, for convenience only, at ¥120 = U.S. \$1.00, the approximate exchange rate prevailing on March 31, 2015.

Forward-looking Statements

This annual report contains forward-looking statements concerning the OKI Group's future plans, financial targets, technologies, products, services and performance. These forward-looking statements represent assumptions and beliefs based on data and calculation methods currently available to OKI as of the date of publication, and therefore OKI does not guarantee the accuracy of statements are subject to changes attributable to business risks and uncertainties, which may affect OKI's performance and consequently cause actual results to differ from our forecasts.



TO OUR STAKEHOLDERS

We are creating the business foundation for fulfilling the Mid-term Business Plan 2016 and to support sustaining growth in the future.

In fiscal year 2014, the OKI Group increased net sales and operating income in all business segments year on year and turned in a performance that exceeded expectations.

Net sales grew by ¥57.1 billion year on year to ¥540.2 billion on solid performances in all business segments led by the Info-Telecom Systems business. Operating income rose ¥5.2 billion to ¥32.4 billion supported by an increased sales volume in the Info-Telecom Systems business and an improved product mix in the Printers business. Ordinary income increased ¥1.2 billion to ¥37.9 billion despite a decline in foreign exchange gains, and net income rose ¥5.7 billion to ¥33.1 billion, helped in part by the disappearance of expenses arising from the structural reform last fiscal year.

We believe our performance in fiscal year 2014 was an extremely solid first year for the Mid-term Business Plan 2016. Reflecting the strengthening of shareholders' equity as we accumulate profits, we paid per-share dividends of ¥2 at the midterm and ¥3 at the year-end for a total dividend payout of ¥5 per share in fiscal year 2014.

In fiscal year 2015, we will steadily solidify the foundation for achieving the targets of the Mid-term Business Plan 2016. In the ATM business, which is a growing sector for us, we will ensure business base in China while accelerating development in other emerging country markets and also actively developing the ATM market in Brazil. In the Printers business, we will stimulate sales by providing new products and augmenting our sales channel support.

In Japan, we will move toward the full-fledged launch of the next-generation social infrastructure business and seek to steadily capture the firm undertone of domestic demand. We will also seek to accelerate our business growth through active investment aimed at expanding sales and production capacity.

Based on these activities, we project net sales of ¥545.0 billion, representing an increase of ¥4.8 billion year on year, and operating income of ¥30.0 billion, a decline of ¥2.4 billion. We project net income of ¥22.0 billion, a decline of ¥11.1 billion due mainly because we do not expect a weak-yen effect contribution to non-operating income.

Our per-share dividend plan for fiscal year 2015 is to pay an interim dividend of ¥2 and a year-end dividend of ¥3 for an aggregate full-year dividend of ¥5. OKI considers shareholder return as a management priority and will continue striving to return profit to shareholders in a continuous and stable manner.

I look forward to the ongoing support and cooperation of our stakeholders.

July 2015



Hideichi Kawasaki

Hideichi Kawasaki
President
Oki Electric Industry Co., Ltd.

FEATURE

YEAR TWO OF THE MID-TERM BUSINESS PLAN 2016

Fiscal year 2015 will be the second year of the OKI Group's Mid-term Business Plan 2016. During the year, we will solidify the business foundation to achieve the fiscal year 2016 target of ¥34.0 billion in operating income and provide a base for continuing growth in the future.

1

Fiscal year 2014 review Substantially improved financial foundation

OKI posted total net sales of ¥540.2 billion and operating income of ¥32.4 billion in fiscal year 2014 supported by strong results in all business segments, particularly digital wireless communication systems for firefighting and ATMs for the China market. In spite of record-high net income of ¥33.1 billion and dividend payments, shareholders' equity rose to ¥119.6 billion and the shareholders' equity ratio improved to 27.2% due to accumulated retained earnings. In the four years since the start of the previous mid-term business plan, OKI has roughly tripled shareholders' equity and the shareholders' equity ratio while reducing interest-bearing debt by approximately 30%. As a result, during the period we reduced the debt-equity ratio by more than 25% to its current level of 0.9 times, thereby achieving the Mid-term Business Plan 2016 target ahead of the plan.

In addition, the conversion of preferred stocks to common stocks was also completed, providing a qualitative improvement in the solidity and stability of the financial foundation.

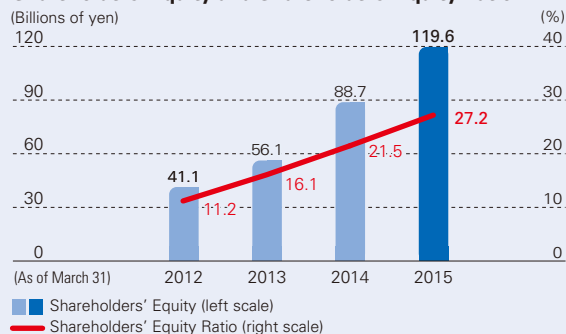
Mid-term Business Plan 2016 Targets

Operating profit margin: **6%** (¥34.0 billion)

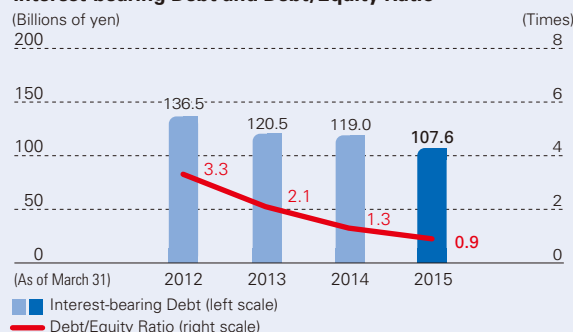
Shareholders' equity ratio: More than **30.0%**

DE ratio: Less than **1.0** times

Shareholders' Equity and Shareholders' Equity Ratio



Interest-bearing Debt and Debt/Equity Ratio



2

Fiscal year 2015 initiatives in the second year of the plan

Mid-term Business Plan 2016 seeks to realize business growth in overseas markets. OKI is already generating tangible results for its highly competitive cash recycling ATMs and LED printers, and will take steps to further accelerate business in fiscal year 2015.

ATMs are becoming increasingly common in China, and we expect the growth in our ATM unit shipments to remain at high levels, though the growth is becoming moderate. We are also implementing various strategies to accelerate ATM penetration in Brazil even as the country confronts severe macroeconomic conditions. In addition to ATMs, banks have also approached OKI about their increasing need for teller cash recyclers (TCRs), which we see as presenting a potentially significant business opportunity.

In LED printers, we will launch new A3 color multifunction printers. We believe there is strong demand for A3 high-end

FY2015 Targets

Net sales: **¥545.0** billion

Operating income: **¥30.0** billion

Net income: **¥22.0** billion

FY2015 Key Initiatives

- Expand sales in the growing areas
- Fully respond the domestic market conditions
- Invest in growth for business expansion

printers in the office solutions market and expect the A3 product line to provide a measurable contribution to our earnings.

In the domestic market, although we anticipate a leveling off of business in the financial, telecommunications, and social systems, we are preparing to take full advantage of emerging business opportunities we are anticipating in other areas, particularly in the social infrastructure systems business including transportation related systems, etc.

In the EMS business, the purchase of the printed circuit board factory and other measures have positioned OKI for steady growth going forward, and we will continue actively investing to expand the business. Through these efforts, we plan to establish a firm footing in fiscal year 2015 for achieving the fiscal year 2016 performance targets.



ATMs shipped out to around China, at the factory in Shenzhen, China.

3 Preparation for future growth

We anticipate ongoing rising demand in Japan related to resolving social issues: aging existing infrastructure, labor shortage, natural disaster, aging society and declining birthrate, and regional revitalization as well as from social infrastructure construction in preparation for the 2020 Olympics and Paralympics.

OKI will continue to apply its strength in info-telecom, sensors, and other technologies to meet future social infrastructure demand for next-generation transport systems, systems to improve tunnel inspection efficiency, wireless networks for river and shoreline monitoring systems, and other systems and advance the Group's business development. We believe our technologies can help provide safety and security to people while also fueling OKI's future business growth by creating a business of providing solutions for reducing costs, insufficient resources, and other challenges.

Overseas, the ATM business earnings have been expanding but we still see significant room to grow the business considering the large number of cash dispensers (CDs) of overseas vendors in use worldwide. The amount of bills in circulation is also increasing in India and Indonesia and other

emerging countries in Asia advancing toward future economic development. We believe this trend along with bank needs to improve operating efficiency and customer service point to ongoing increasing demand for ATMs. We are responding to these conditions by establishing distributor companies, forming tie-ups with reliable partners, and other development measures in emerging countries. In the countries where we are already generating sales results, we are positioning OKI for even stronger business expansion in the future.



A line of Indians wait outside an ATM booth. ATM demand in India is expected to grow.

4 Use of free cash flow and available funds

OKI's solid earnings performance and measures to enhance the usage efficiency of working capital are creating a steady stream of free cash flow. Management will make decisions concerning the use of funds while maintaining a balance between the aims to solidify the financial foundation, invest in growth, and return profit to shareholders. While realizing the mid-term business plan targets to build up

shareholders' equity and reduce interest-bearing debt, we will also actively invest in growth, such as the M&A efforts to enhance the ATM business in Brazil and the M&A in EMS business. The use of funds will also take into account the priorities to maintain a consistent and stable dividend rate depending on the level of earnings.

FEATURE

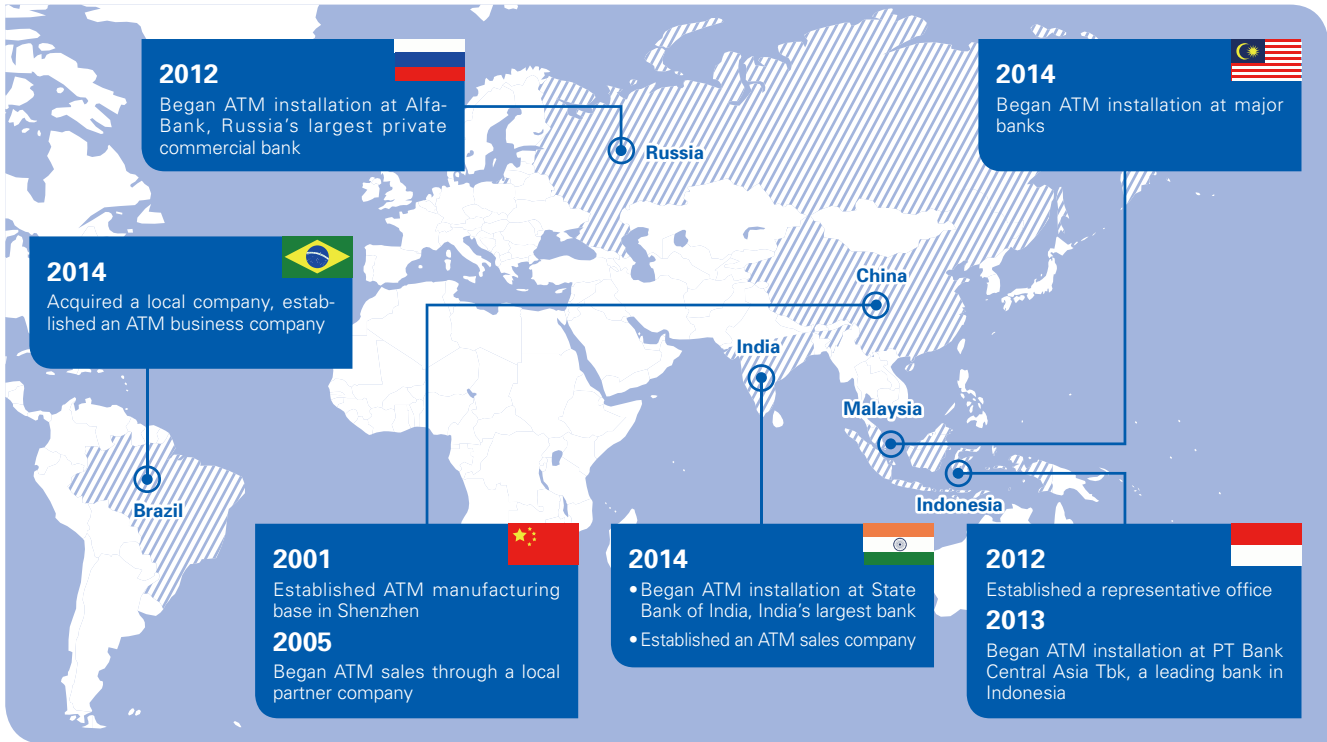
DEVELOP MARKETS IN EMERGING COUNTRIES

Expand the Overseas ATM Business

OKI has recorded exponential growth in its shipments of cash recycling ATMs to China in the past 10 years and demand is currently expanding from coastal areas to the country's inland regions. The ATMs are also drawing increasing demand from other emerging countries, and the Company is leveraging the high quality of the units to aggressively develop overseas business.



Expand the Overseas ATM Business



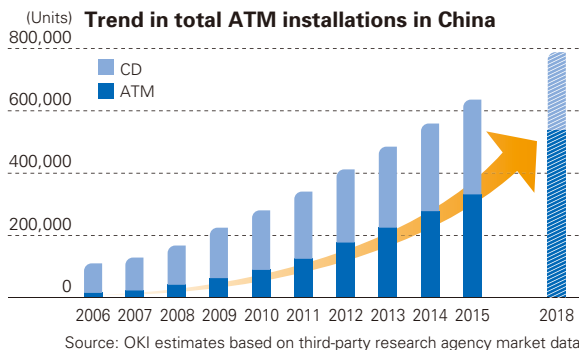
ATMs in Japan are almost all cash recycling ATMs that recycle deposited bills as funds for withdrawals. Overseas, however, cash dispensers (CDs) are still predominant. That was the market environment in 2000 when OKI entered the China market and began replacing the CDs of overseas vendors with cash recycling ATMs. Our success in China comes from the strong reputation our ATMs have earned for the ability to improve operating efficiency at teller counters and enhance customer service, the high utilization rates supported by the high-quality technology that lowers total cost of ownership (TCO), and the high reliability identifying characteristics of low-quality paper currency and counterfeit money.

ATMs with these outstanding characteristics fully match the needs of countries that use large amounts of cash, mainly in emerging countries, and OKI is targeting those countries as it actively seeks to develop new overseas markets for its ATMs. In recent years, we have been expanding sales in the Russia, Indonesia, Malaysia, and India markets and have taken a step to develop the ATM business in Central and South America, including establishing an ATM business company in Brazil. We will continue cultivating existing markets and developing new markets as we seek to expand the ATM business into a global operation.

VOICE

Developing Markets Globally Beginning with China

The vast number of regions and banks around the world mean that customer issues and needs vary widely. Providing ATMs that contribute to improving customer



operations requires more than simply supplying the machines. It is critical that we have a complete understanding of a bank's systems and how the ATMs will be used, and we also must provide full after-sales service. For over 10 years, we have been applying a full hands-on approach to understanding and analyzing each banking site and proposing optimal solutions for the customers in the Chinese market. We are now taking that approach worldwide. "Know the site" will be our fundamental guiding principle when we confront new, unforeseen challenges, and advance the global development of the ATM business.



Shinya Ando
Executive Officer
General Manager of
Overseas Marketing
& Sales Division

AT A GLANCE

BUSINESS UNITS



OUTLINE

Business offering solutions and services capitalizing on OKI's exceptional know-how in business systems for financial, government agencies, transportation, retail, manufacturing, and other industries

Business providing communication systems and services to link people and goods

Business providing customized systems that serve as the social infrastructure mainly for government agencies and local governments

Business offering products built on core mechatronics technology including ATMs and cash handling equipment

Business offering printers leveraged by OKI's unique LED technology

Consigned design and manufacturing business based on design and manufacturing technologies cultivated in info-telecom systems

MAIN PRODUCTS AND SERVICES

- Bank branch systems and centered-administration systems for financial institutions
- Various business systems (personnel and salary systems, ERP systems)
- Ticket reservations and issuing systems
- Cloud computing services
- LCM services
- Business process outsourcing services

- IP multimedia systems/Optical network systems
- Next-generation home gateways
- Video delivery systems
- IP-PBX/Business telephone systems
- Call center systems
- Videoconferencing systems
- 920MHz band wireless multi-hop communication systems

- Flight control systems
- ITS-related systems (ETC, VICS, etc.)
- Disaster prevention administrative radio systems for municipalities
- Firefighting navigation systems
- Digital wireless communication systems for fire-fighting and emergency use
- VoIP bulletin systems
- Self-defense equipment

- ATMs
- Cash handling equipment
- Bank branch terminals
- Ticket reservations and issuing terminals
- Check-in terminals
- Currency exchanger machines

- Color and monochrome LED printers and multi-function printers (MFP)
- Dot-impact printers

- Design and manufacturing of electronic products requiring high-density mounting, high quality, and high-speed detection technology
- Design and manufacturing of mechatronics products requiring high-precision mechanisms

MAIN MEASURES	NET SALES (Billions of yen)	OPERATING INCOME (Billions of yen)
<ul style="list-style-type: none"> Integrate systems from the storefront to the back office and provide development, operation, and maintenance of various information utilizing between systems by integrated CRM solutions Provide total services through operations management with the EXaaS™ managed cloud service Expand market share by creating packages of powerful business solutions, and marketing them to new customers Expand maintenance services for multi-vendor supporting products to the nationwide scale, fully leveraging our maintenance service facilities all-over Japan 	<p>FY2014 (ended March 2015) Results 83.9</p> <p>FY2015 (ending March 2016) Plan 82.0</p>	
<ul style="list-style-type: none"> Provide systems addressing virtualization, systems for telecom system migration to enable service diversification, and upgrading of networks Expand enterprise systems business by forming alliances to strengthen our product lineup and sales and providing one-stop solutions Offer xEMS (energy management systems) and Smart Network solutions for the IoT (Internet of Things) market by leveraging 920MHz band wireless multi-hop network technologies 	<p>FY2014 (ended March 2015) Results 88.9</p> <p>FY2015 (ending March 2016) Plan 75.0</p>	<p>FY2014 (ended March 2015) Results 25.9</p> <p>FY2015 (ending March 2016) Plan 24.0</p>
<ul style="list-style-type: none"> Develop user-friendly systems that are safe, secure, and comfortable using wireless, control systems, and other technologies Provide equipment with excellent operability, to respond to the needs of customers 	<p>FY2014 (ended March 2015) Results 58.9</p> <p>FY2015 (ending March 2016) Plan 46.0</p>	
<ul style="list-style-type: none"> Introduce competitive strategic products designed for the global market and expand ATM sales in China, Russia, Indonesia, Brazil, and other countries Leverage strengths in banknote transportation technology and develop products in Japan and overseas that address customers' needs 	<p>FY2014 (ended March 2015) Results 120.7</p> <p>FY2015 (ending March 2016) Plan 137.0</p>	
<ul style="list-style-type: none"> Enhance profitability by revising product line and sales strategy for the office printer market Intensify efforts in the office solutions market with solutions incorporating applications and MFP strategic products Intensify efforts in the professional printing market with high-value-added printers, which functions include special color features 	<p>FY2014 (ended March 2015) Results 129.3</p> <p>FY2015 (ending March 2016) Plan 140.0</p>	<p>FY2014 (ended March 2015) Results 6.7</p> <p>FY2015 (ending March 2016) Plan 7.0</p>
<ul style="list-style-type: none"> Strengthen alliances among Group companies and establish the framework to meet various needs of customers Focus on high-end-type EMS market where high-level <i>monozukuri</i> (manufacturing) capabilities are required Expand service provision processes beyond production to include design, staging, and other processes 	<p>■ EMS ■ Others</p> <p>FY2014 (ended March 2015) Results 40.3 18.1</p> <p>FY2015 (ending March 2016) Plan 46.0 19.0</p>	<p>■ EMS ■ Others</p> <p>FY2014 (ended March 2015) Results 2.0 3.5</p> <p>FY2015 (ending March 2016) Plan 2.5 3.5</p>

OVERVIEW OF OPERATIONS

SOLUTIONS & SERVICES

We deliver solutions and services addressing various issues of our customers by leveraging our amassed know-how in business systems.

The solutions & services business provides solutions and services leveraging know-how and technologies amassed through our work in offering business systems to customers in such industries as finance, government agencies, transportation, retail, and manufacturing.

The solutions business enables higher level performance and more efficiency by integrating systems from the store front to the back office via integrated CRM*¹ solutions. Moreover, we maximize customer experience and satisfaction through the integration of the customer data streams companies hold and the other various information. Our bank branch systems and centered-administrative systems for financial institutions contribute to the streamlining of their sales branch operations. In addition, we also excel in personnel and salary payment systems for government agencies, ticket reservation and issuing systems for the travel and transportation industries, and business systems for the manufacturing sector.

In the services business, we offer system integration, IT infrastructure and administrative services necessary for system construction and operation through a managed cloud. We are developing services provided by "EXaaS", such as LCM*² services that help manage business terminals such as ATMs from introduction planning to asset management to operational support, BPO*³ services where some operations are conducted on behalf of our customers, and other services.

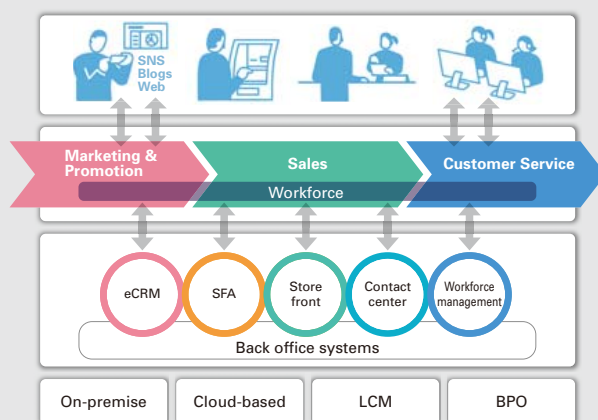
In the maintenance business, we fully use one of the industry's broadest service networks across the country in providing high- and uniform-quality maintenance services to all customers around Japan. Furthermore, we are expanding multi-vendor maintenance in new fields, such as medical and energy, among others.

*1 CRM: Customer Relationship Management

*2 LCM: Life Cycle Management

*3 BPO: Business Process Outsourcing

Maximizing Customer Lifetime Value via OKI-proposed Integrated CRM Solutions



Through the provision of integrated CRM solutions that combine BPO services, LCM services, and dedicated terminals like ATMs or bank branch systems, etc., areas where we excel, we are enabling the maximization of customer lifetime value.

Established Kansai ATM Service Center



We established Kansai ATM Service Center to bolster our ATM LCM service in western Japan. In addition to ATM monitoring systems, the new center also facilitates business continuity planning (BCP) through duplication of operational support functions in both eastern and western Japan.

TELECOM SYSTEMS

We provide telecom infrastructures, which form the backbone of society, as well as communication systems that improve corporate operational efficiency.

The telecom systems business provides communication systems and services to link people and goods.

For telecom infrastructure, OKI provides large-scale network infrastructure, such as IP multimedia systems, and GE-PONs*¹ supporting increasingly sophisticated access networks. The business also provides home ICT solutions, including next-generation home gateway products, and VoIP applications for smartphones that enable high-quality voice transmission. It is focused on systems addressing virtualization, telecom infrastructure migration to enable service diversification, and upgrading of networks.

For enterprises, we offer competitive products and services in the IP networks field. We are working to expand sales with new products for our call center systems, where we are the domestic market share leader, and for IP-PBXs

we developed with our alliance partners. We are also focusing on videoconferencing systems, which have gained attention as a BCP measure.

The 920MHz band wireless multi-hop network technologies is expected to meet a diverse array of needs such as applications in the IoT*² market, which is expanding rapidly, and the social infrastructure market. OKI develops products using such technologies in a timely manner and supplies smart network solutions matched to customer needs.

*1 GE-PON: Gigabit Ethernet-Passive Optical Network

*2 IoT: Internet of Things

"CTstage 6Mi[®]", Multi-style Contact Center System



The architecture of the "CTstage" series, the domestic market leader in IP contact center systems, has been revamped, enabling high reliability without dependence on scale, realizing high operating efficiency and robust continuity, and allowing adopters to preserve their uniqueness.

Launched Coordinator Types for 920MHz Band Wireless Telecom Modules



To go along with router types, which have conventionally performed the multi-hop relay function, we have launched coordinator types with wireless master-slave unit functions that aggregate for the purpose of connecting wireless multi-hop networks to online clouds, upper-layer data aggregation devices.

SOCIAL INFRASTRUCTURE SYSTEMS

We offer social infrastructure systems that contribute to public safety and security by meeting the needs of government agencies and local governments.

The social infrastructure systems business provides customized social infrastructure systems for government agencies, local governments, and other entities. We build social infrastructures that offer safety, security, comfort, and convenience by delivering products and services that make use of our advanced and unique technologies in telecom networks, mechatronics, and acoustics.

In the transportation infrastructure field, we provide flight control systems, ETC, VICS*¹, and other ITS*²-related systems with the aim of enhancing convenience and ensuring the safety, security, and comfort of those depending on these systems. We also are developing and offering new services including the Customer welcoming System incorporated DSRC*³ as well as safety and information support services employing vehicle-to-vehicle communication.

For local governments, we provide firefighting navigation systems, digital wireless communication systems for firefighting and emergency use, disaster prevention administrative radio systems for municipalities, and VoIP community bulletin systems. OKI supplies systems with plenty of

operability and durability that match the needs of local governments. The call center providing maintenance support services for these social infrastructure systems is a one-stop call center that operates 24 hours a day, 365 days a year with an extensive menu of services and engineers constantly available for consultation. It contributes to the reliable operation of social systems that support the safety and people's peace of mind.

In addition, we provide self-defense equipment based on our core expertise in acoustic and info telecom technologies.

We plan to ramp up our entry into next-generation social infrastructure fields, such as disaster prevention and mitigation as well as measures to address aging social infrastructure, using our strength in technologies, including sensor networks. Moreover, we aim to expand our businesses in new fields like ITS using probe data.

*1 VICS: Vehicle Information and Communication System

*2 ITS: Intelligent Transport System

*3 DSRC: Dedicated Short Range Communication

Tap-sound Inspection Device Improves the Efficiency in Tunnel Inspections



OKI has developed a tap-sound inspection device that can easily inspect for deformations in tunnels, such as spalling and detaching, using sound processing technologies, without reliance on veteran skilled labor.

Developed River Monitoring System Using Wireless Network



Our river monitoring system, which uses 920MHz band wireless multi-hop network technology, is fed various sensor data such as water levels and precipitation amounts from gauges set up at observations points along rivers via wireless transmission, enabling monitoring centers to collect data in real time and confirm changing river conditions.

MECHATRONICS SYSTEMS

Capitalizing on its core strength in mechatronics technologies, OKI offers ATMs and cash handling equipment etc. for financial institutions and the travel and transportation industry.

The mechatronics systems business provides products built around OKI's core mechatronics technologies. We supply ATMs, cash-handling equipment, bank branch terminals for the financial industry, as well as automated check-in machines and ticket reservation and issuing terminals for the travel and transportation industries.

OKI is a leader in ATMs, with a leading share in the domestic market. In China, as well, we are solidifying our position as a top vendor of cash recycling ATMs. In Japan, our strategy for the future is to capture ATM replacement demand from financial institutions and retail stores, as well as to actively continue selling of the "ATM-Recycler G7", a cash recycling ATM that can handle banknotes in multiple currencies in overseas markets. In addition to the China market, which we expect to continue steadily growing, we made a full-fledged entry into Brazil where we established OKI Brasil in January 2014. Building on our foothold from deliveries of cash recycling ATMs in Brazil, we plan to expand into markets in Central and South America in the future. Striving to expand our share of markets we have already entered such as Russia, Indonesia, Malaysia, India, we are strengthening

our operations overseas and accelerating the development of new markets where we see further growth prospects.

The "RG7 Currency Exchanger", a currency exchange machine capable of recycling deposits and withdrawals in multiple currencies from a single unit, helps enhance efficiency in foreign currency exchange operations for customers such as foreign exchange firms and travel agencies, and improve customer convenience. The "RG7 Currency Exchanger" is in use at Japan's Narita International Airport and Tokyo International Airport, Haneda, and we are working to extend adoption further.

In cash handling equipment, we have a wide lineup of products that includes integrated cash management systems, recycling withdrawal/deposit machines, and coin and banknote change machines. We are deploying these products tailored to the requirements of our customers in the financial, retail, and other sectors. With the development of new products for the Chinese market as well as inquiries from prospective customers in Brazil, we expect this business to grow.

We will strive to become a top global mechatronics manufacturer by offering products that match the needs of customers in Japan and overseas.

New Space-saving ATM "CP21Z"



OKI has developed a new space-saving ATM that offers a maximum 50% improvement in banknote handling capacity versus conventional models, much improved apparatus reliability, and shorter transaction times due to faster banknote conveyance speeds. Adoption of the "CP21Z" makes it possible to promote usage by enhancing customer convenience and reduce operational costs thanks to improved operating and cash operating efficiencies.

Improving Production Lines at OKI Brasil



OKI Brasil, established in January 2014, is taking various steps to improve its earnings power such as making more parts internally, standardizing them, and improving the way production lines are put together by harnessing parent company know-how.

PRINTERS

We provide printers and multifunction printers based on the superiority of LED technologies to customers worldwide, contributing to the cost streamlining and the enhancement of business efficiency.

In the printers business, OKI specializes in business-use machines, deploying its renowned expertise in LED technologies to make color and monochrome LED printers, multifunction printers, and dot-impact printers to customers in 100 countries around the world. In 1981, we developed the world's first printer using LEDs as the light source. Compared with the laser method used by our competitors, these products have advantages in terms of compact design, high speed, easy maintenance, and high resolution. They are also capable of printing on long sheets of paper and can handle a diversity of media. Drawing on the high reliability of LED printers, OKI has further advanced the maintenance performance of the COREFIDO and in July 2015, it launched a new service, COREFIDO3, for the domestic market, with the A3 color LED multifunction printer as the first product available under the service. OKI will continue to further step up its offerings for the office solutions market.

The turnaround of the printer business to focus on securing profits through the rollout of high-value-added products in growth areas is progressing. In the office solutions market, based on this strategy, we develop solution proposals featuring the combination of standard application and multifunction printers equipped with Open Platform technology. In addition, fusing OKI Group technologies, we provide solutions combining voice and paper by linkage with business phone system from new A3 color LED multifunction printer. In the professional printing market, in addition to the rollout of high-value-added, compact printers that can print using white and clear toners, we will introduce a label printer that harnesses LED scalability with an eye on developing solutions for the design, retail, and health care markets.

OKI is enabling cost reductions and operational efficiencies by supplying our customers around the world with solutions that leverage the highly reliability of LED printers.

New A3 Color LED Multifunction Printer "MC883dnwv"



The A3 LED multifunction printer "MC883dnwv" for the office solutions market supports cost reductions and operational efficiencies strongly in office environments. Along with much improved basic functionality versus conventional models, the "MC883dnwv" sharply reduces unnecessary costs and wasted time thanks to advances in maintenance performance, and, moreover, it enables linking up with business phone systems, etc.

Production of Some Printers for Domestic Market Moved to Fukushima



Production of some models, which had been produced in China mainly for the Japanese market, has been transferred back to a plant in Fukushima City, a move that resulted in productivity gains and better quality thanks to efforts to improve production processes in ways that prioritized quality improvements.

EMS

Leveraging the exceptional design and manufacturing technologies of the OKI Group, we develop high-end electronic manufacturing services as the virtual factory of our customers.

The EMS business provides consigned design and manufacturing services covering mechatronics and electronics components underpinned by design and manufacturing technologies and a proven track record amassed over more than 100 years in the info-telecom field. In this business, we offer one-stop EMS solutions, from development to mass production, according to the conceptual and requirement specifications of our customers.

Our EMS business enables us to address diversified requirements for high-end products in every field, characterized by high quality, high reliability, and a wide variety of products in small quantities. OKI is particularly strong in two areas: mechatronics products that require high-precision mechanisms, and products that require large-scale and multiple-layer substrates technology and high-speed signal processing.

Currently, OKI is providing services in the markets for

communications equipment, measuring instruments, industrial instruments, and medical equipment. We aim to expand our operations by entering and expanding in the energy field and the aviation and space equipment market.

As a follow-up move to the founding of OKI Circuit Technology to strengthen our printed circuit board (PCB) business for high-end products as well as of OKI IDS, which consigns design and development, we acquired Yokogawa Electric Corporation's Ome factory. This addition bolstered production capacity at OKI Printed Circuits. It also expands the Group's PCB business and further reinforces its integrated production structure that extends from its strength in PCB to final product assembly.

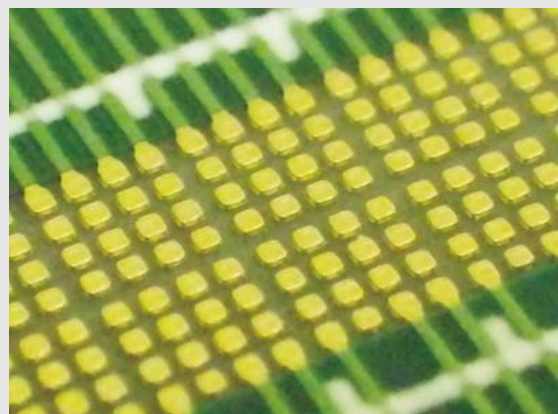
OKI aims to provide total monozukuri (manufacturing) solutions and to continue being entrusted with consignment production of highly reliable devices for our customers as their own "virtual factory".

Obtained Printed Circuit Board Production and Mounting Plant



OKI acquired Yokogawa Electric Corporation's PCB production and mounting facility in Ome City, Tokyo. With this move, OKI boosts its PCB capacity by 20% and receives as a consignment the entire PCB production and mounting work Yokogawa Electric had carried out in Japan.

World-first Mass Production of 0.35mm-pitch, 1,000-pin, 30-layer PCB for Semiconductor Use



OKI Printed Circuits achieved a world-first breakthrough with mass-production technology for multilayer PCB to support 1,000-pin LSIs with a pin pitch of 0.35mm, harnessing its proprietary FiTT method, which fills a shortcoming in existing technologies, that draws on high-precision lamination and high-precision drilling technologies.

RESEARCH AND DEVELOPMENT

Aiming to Improve the Business Value through Development of Advanced Technology

The OKI Group actively develops cutting-edge technologies with the aim of contributing to building “a safe, secure and comfortable society” as an important theme for R&D. We designate the important areas of technology for “a safe, secure and comfortable society” as “sensing,” “smart network,” and “data mining.” We are further advancing the integration of OKI’s traditional strengths of media processing technologies and optical broadband technologies with OKI’s ability to build systems.

Furthermore, we are pouring effort into innovative development that will connect the fruits of research and development with new business value, aiming for the creation of new businesses.

01

Research and Development for OKI’s Safe, Secure and Comfortable Society Vision

The IT foundation for a safe, secure and comfortable society is formed by organically connecting the technologies of “sensing,” “smart network,” and “data mining.” Our efforts in these technological areas include the following:

Sensing

OKI developed new sensing technology aimed at automating hammering tests used in tunnels and other concrete infrastructure. The new technology applies OKI’s signal processing technology to automatically distinguish the degree of deterioration from the subtle difference in the acoustic impact echo signals created when tapping the concrete walls. The technology is step forward in imaging and radio sensing technology that will contribute to the advancement of next-generation infrastructure.

Smart Network

OKI developed the world’s first 920MHz band wireless multi-hop network technology with enhanced power efficiency and capability of accommodating both large- and small-scale systems. This versatility allows various sensors and equipment to be connected to networks regardless of the environment. The technology can potentially be integrated with data mining technology for use in the structural monitoring field.

Data Mining

OKI is developing data mining technology to find and utilize hidden “meaningful information” from among an expansive environment of diversified information and information on people’s activities conveyed via networks after obtained from sensing.

02

Research and Development Leveraging OKI’s Strengths

OKI has strengths traditionally in media processing technologies for audio and video and optical broadband technologies, and is able to compete on a global level in these areas.

Aiming for Audio and Video Technologies that Provide More Comfort

OKI developed the Area Sound Enhancement System with multiple directional microphones positioned surrounding the targeted sound pickup area to capture sound exclusively from that area. The technology makes it possible to capture clear voices in a specified area in conference rooms, offices, and other environments where several people may be talking at the same time. The technology can also have applications for voice recognition in high-noise conditions, such as in cars. OKI is developing technologies, including video coding technology operable even on devices with limited processing capacity, to provide more comfortable sound and video.

Aiming for Further Development of Broadband Networks

In order to realize further improvements in energy conservation, OKI is developing new optical broadband technology for next-generation optical access networks to realize virtual networks with more efficient bandwidth utilization.

03

Development of Basic Technologies for the Future

The accumulation of technologies that we develop will become the foundation that supports OKI’s future businesses. In particular, OKI is researching usability technologies, quantum cryptography technologies, and recognition technologies. Usability technologies are indispensable to terminal equipment that we have many years’ research experiences. Quantum cryptography technologies will enable the realization of indecipherable encoding, when everything in society becomes interconnected and security turns to be more important. Recognition technologies, also, is necessary to replicate human intellectual functions.

TOPICS 1

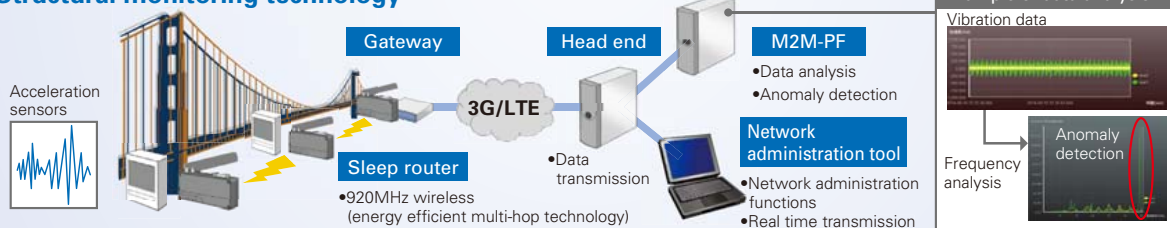
Structural Monitoring System Technology for Aging Social Infrastructure

OKI has developed structural monitoring system technology for use in remote monitoring of bridges, tunnels, and other social infrastructure for which aging is becoming a concern. Systems using sensor technology are in much demand as an inspection method for existing social infrastructure for their inspection accuracy and as manpower shortage solutions to replace the visual inspections or hammering tests usually carried out manually.

OKI has combined its energy efficient wireless multi-hop technology and MEMS sensor technology and created

a system for collecting and analyzing structural vibration data to evaluate the structure's degree of deterioration. The system also reduces connection costs and enables real-time surveillance of multiple sites by applying a transmission method with lightweight and excellence immediacy between the data aggregators (gateways) and the servers used for data analysis (M2M-PF: Machine to Machine platform). Sensors have a wide range of application potential, including in the disaster prevention field for monitoring river, landslide, and other conditions.

Structural monitoring technology



Comment from the Technical Engineer

One feature of structural monitoring systems is that the multiple sensors remain in fixed positions for a long time. We are working to develop power saving and energy harvesting technology to support the long-term use, sensor time synchronization technology to enable high-precision data analysis, and security technology to protect against incorrect connections and data leaks.

TOPICS 2

The "Area Sound Enhancement System" for Sound Pick-up in a Target Area

OKI developed the Area Sound Enhancement System with multiple directional microphones positioned surrounding the targeted sound pickup area to capture sound exclusively from that area. Microphones used in teleconferences between a group at one site and a remote site usually pick up the speaker's voice as well as all of the background noise, creating a constant concern that the discussion could be interrupted by an inability to hear the speaker. Even directional microphones including shotgun microphones and microphone arrays pick up noises in a direction of the target area. The Area Sound Enhancement System positions two microphone arrays with separate directionalities to intersect in the target area. The common sounds components that are picked up are identified as target sound and the other sound components are eliminated as noise. This configuration allows the speaker's voice to be heard clearly even in a noisy environment and enables smooth communications for teleconferencing and other remote communication systems.



Standard microphones

Background voices and noise make it difficult to hear the speaker's voice

OKI Area Sound Enhancement System

The speaker's voice is clearly heard even with background noise

Comment from the Technical Engineer

The Area Sound Enhancement System enables hands-free teleconferencing because it does not produce echo or howling. The system also conducts successive correction of the sound levels in the target area, so the speaker is free to turn and move around as long as he/she remains within the area covered by the microphone arrays, while talking without needing to be concerned about where the microphones are located. This is an example of the research and development we are doing in technologies that enable stress-free and comfortable speech communication.

CORPORATE GOVERNANCE

The OKI Group recognizes sustainable growth and increases corporate value over mid- and long-term as its most important management priorities in earning the trust of its various stakeholders. To this end, we are working to enhance corporate governance based on our fundamental policies, including “enhancement of management fairness and transparency,” “timely decision-making processes,” and “full compliance and fortification of risk management.”

Corporate Governance Structure

OKI maintains a corporate auditor system, with the Board of Directors and an Audit & Supervisory Board. With an executive officer system in place, it strives to promote timely decision-making processes by separating business execution and oversight. It endeavors to improve the fairness and transparency of management by nominating outside directors to the Board as well as setting up a voluntary committee on nomination, remuneration, etc. so as to ensure effective supervision from an independent and objective standpoint. In addition to objective audits by Audit & Supervisory Board members and the Audit & Supervisory Board, OKI seeks to bolster risk management and ensure rigorous compliance via the Risk Management Committee, which includes outside directors.

Board of Directors, Audit & Supervisory Board

The Board of Directors in principle meets once a month but can call extraordinary meetings when necessary, and is responsible for deciding fundamental management policies and other important matters and overseeing business execution. To enhance management fairness and transparency, two of the Board’s eight members are outside directors with a high level of independence. To clarify management responsibility for each fiscal year, shareholders are to vote on a resolution at the June 24, 2015 annual general meeting of shareholders to set tenure at a year for Board nominees approved at that annual meeting and subsequent ones.

The Audit & Supervisory Board comprises four Audit & Supervisory Board members, two of which are outside Audit & Supervisory Board members with a high level of independence. Based on audit policies, methods, etc. decided at Audit & Supervisory Board meetings, Audit & Supervisory Board members attend Board of Directors’ meetings and other important meetings, verify the content of reports received from directors etc., and conduct investigations into matters concerning the Company’s operations, financial status, etc. Collaborating closely with outside directors, the Internal Auditing Division, and the accounting auditors, Audit & Supervisory Board members audit the performance of duties by directors.

Executive Officer System

OKI appoints executive officers to implement operations based on management policies determined by the Board of Directors so as to separate the functions of business execution and oversight of management and promote timely decision-making processes. Moreover, to assist the president in making decisions, the Company has established the Executive Officer Committee.

Utilization of Voluntary Committees

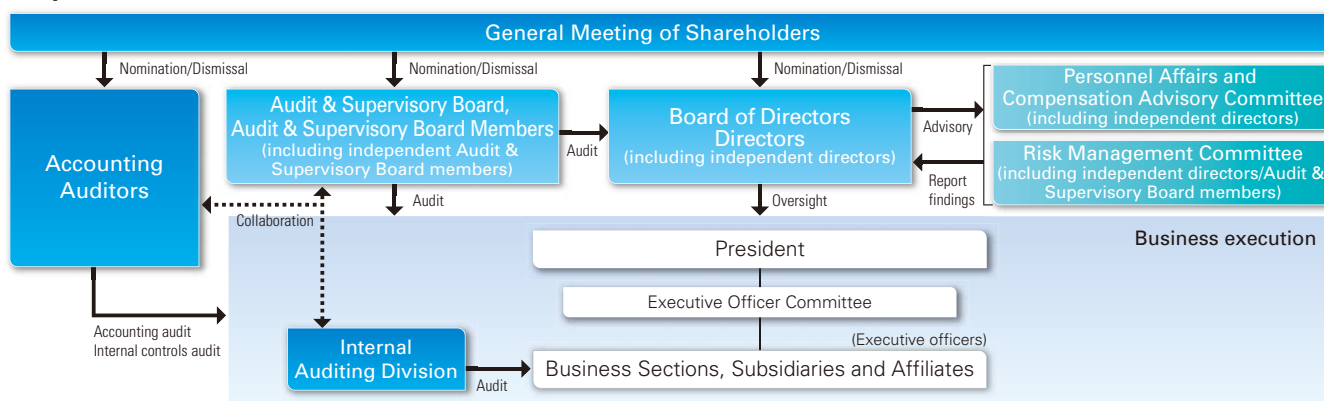
OKI has established the Personnel Affairs and Compensation Advisory Committee as a voluntary committee to secure transparency in the decision-making processes for appointments of board members and executive officers and remuneration for them. Outside directors play the leading role on the committee. After deliberating from an objective perspective on appointments or dismissals of board members and executive officers as well as the structure and level of their compensation etc., the committee reports their findings to the Board of Directors.

Moreover, with the establishment of the Risk Management Committee, where outside directors and Audit & Supervisory Board members attend as advisors, to grasp the risks attendant with business execution and respond to them unerringly, OKI strives to promote rigorous compliance and reinforce risk management.

Internal Controls

In accordance with Japan’s Companies Act and the Ordinance for Enforcement of the Companies Act, the Board of Directors passed a resolution concerning the Basic Policy for the Establishment of an Internal Control System and OKI has been developing a system to secure appropriate business operations. Pursuant to the Financial Instruments and Exchange Act, we also have an internal control reporting system in place, through which we submit internal control reports to the Kanto regional bureau of the Ministry of Finance and disclose assessment results of the effectiveness of our internal controls related to financial reporting.

Corporate Governance Structure



CORPORATE SOCIAL RESPONSIBILITY (CSR)

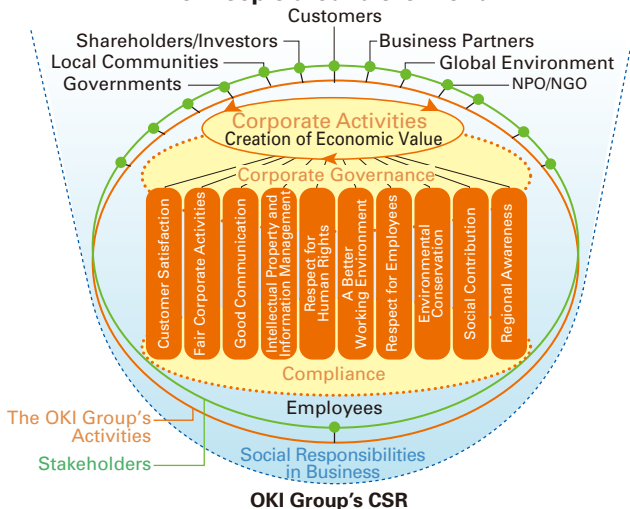
“The people of OKI, true to the company’s enterprising spirit, are committed to creating superior network solutions and providing excellent information and communications services globally to meet the diversified needs of communities worldwide in the information age.” Guided by this philosophy, OKI actively conducts a variety of activities to fulfill its corporate social responsibilities, which include not only complying with laws and regulations but also implementing sound business activities consistent with social norms.

CSR Activities Based on Corporate Philosophy

The OKI Group, as described in its corporate philosophy, aims at contributing to the improvement of the quality of life for people around the world through its core business, namely the provision of products and services that can serve the development of the information age. What underlies the group’s CSR initiatives is our commitment to the pursuit and fulfillment of this idea.

Committed to CSR, OKI established the OKI Group Charter of Corporate Conduct as a statement of values that OKI Group companies need to share, in order to promote Group-wide CSR activities. In addition to this, OKI set up the OKI Group Code of Conduct to be conformed to by all OKI executive officers and employees. This Code of Conduct has been incorporated into OKI’s educational programs. We have also defined seven priority themes to be pursued. The CSR Division, an organization dedicated to CSR-related efforts, takes the initiative in promoting activities under these themes. By assuring that all OKI executive officers and employees observe the Charter and Code and behave accordingly, the OKI Group strives to fulfill its social responsibility in accordance with the corporate philosophy.

Contributing to the Improvement of the Quality of Life for People around the World



OKI Participates in United Nations Global Compact



In May 2010, OKI joined the United Nations Global Compact. The Global Compact is a CSR initiative proposed by then-UN Secretary-General Kofi Annan in 1999 and officially launched in July 2000 at UN Headquarters. The OKI Group supports the Global Compact’s 10 principles in the areas of human rights,

labor, environment, and anti-corruption, and will work to contribute to creating a sustainable society by understanding its social responsibilities properly in the context of its global business operations.

OKI Group Environmental Management

The OKI Group regards environmental initiatives as among the most important elements of its business activities. Under the OKI Group Environmental Policy, based on which we conduct our environmental management, we coordinate and implement environmental management systems across the entire Group, and implement measures guided by the OKI Group Environmental Activity Plan that sets out mid-term and annual targets to reduce the environmental impact of the Group’s operations.

The “OKI Group Environmental Vision 2020” adopted in April 2012 sets a course for the Group’s environmental management based on global environmental issues and with the objective of contributing to realizing a better earth environment. We are stepping up measures related to our business activities and products to achieve targets for 2020 in the four areas of realizing a low-carbon society, pollution prevention, resource recycling, and biodiversity conservation.

For more information, please refer to “CSR” and “Environmental Activity” at the following site:

CSR <http://www.oki.com/en/csr/>
 Environmental activity <http://www.oki.com/en/eco/>

MANAGEMENT

(As of June 24, 2015)



President,
Representative Director
Hideichi Kawasaki

Senior Executive Vice President and Member of the Board,
Representative Director
Naoki Sato

DIRECTORS

Representative Director
Hideichi Kawasaki

Representative Director
Naoki Sato

Director
Takao Hiramoto

Director
Toshinao Takeuchi

Director
Shinya Kamagami

Director
Toshiya Hatakeyama

Director
Takuma Ishiyama*¹

Director
Minoru Morio*¹

AUDIT & SUPERVISORY BOARD MEMBERS

Standing Audit & Supervisory Board Member
Hisao Suzuki

Standing Audit & Supervisory Board Member
Tsutomu Tai

Audit & Supervisory Board Member
Kuninori Hamaguchi*²

Audit & Supervisory Board Member
Kaoru Yoshida*²

EXECUTIVE OFFICERS

President
Hideichi Kawasaki

Senior Executive Vice President
Naoki Sato

Executive Vice President
Takao Hiramoto

Senior Vice President
Toshinao Takeuchi

Senior Vice President
Shinya Kamagami

Senior Vice President
Toshiya Hatakeyama

Senior Vice President
Kenichi Tamura

Senior Vice President
Masayuki Hoshi

Executive Officer
Yoshiyuki Nakano

Executive Officer
Seiji Mouri

Executive Officer
Shinya Ando

Executive Officer
Toru Hatano

Executive Officer
Tetsuya Izaki

Executive Officer
Masaaki Hashimoto

Executive Officer
Hiroshi Endo

Executive Officer
Kiyoshi Yokota

Executive Officer
Katsuhiko Koseki

Executive Officer
Masashi Tsuboi

Executive Officer
Yuichiro Katagiri

*1 Outside Directors

*2 Outside Audit & Supervisory Board Members

FINANCIAL SECTION

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FIVE-YEAR SUMMARY

Oki Electric Industry Co., Ltd. and consolidated subsidiaries
Years ended March 31

	Millions of yen					Thousands of U.S. dollars (Note 1)
	2015	2014	2013	2012*	2011*	2015
For the year:						
Net sales	¥ 540,153	¥ 483,112	¥ 455,824	¥ 423,480	¥ 432,651	\$ 4,501,275
Cost of sales	399,647	354,635	337,406	316,939	318,793	3,330,391
Gross profit	140,506	128,477	118,417	106,541	113,858	1,170,883
Operating income	32,415	27,196	13,475	11,980	6,308	270,125
Other income (expenses), net	5,116	4,564	5,159	(6,386)	(36,430)	42,633
Income (loss) before income taxes and minority interests	37,532	31,761	18,634	5,593	(30,121)	312,766
Net income (loss)	33,091	27,359	13,599	1,555	(31,809)	275,758
Comprehensive income	39,462	22,442	16,040	3,461	(35,991)	328,850
At the year end:						
Total current assets	¥ 293,629	¥ 278,522	¥ 246,994	¥ 273,888	¥ 269,694	\$ 2,446,908
Total investments and long-term receivables	69,228	60,291	28,638	27,031	29,161	576,900
Property, plant and equipment, net	57,176	56,193	57,829	52,592	53,134	476,466
Other assets	19,323	17,506	15,861	14,552	16,830	161,025
Total assets	439,358	412,514	349,322	368,065	368,822	3,661,316
Total current liabilities	211,580	242,272	197,129	214,355	240,783	1,763,166
Total long-term liabilities	106,362	78,322	95,567	112,457	89,179	886,350
Total net assets	121,414	91,918	56,625	41,251	38,859	1,011,783
Capital stock	44,000	44,000	44,000	44,000	44,000	366,666
						U.S. dollars (Note 1)
						Yen
Per share amounts:						
Net income (loss) per share	¥ 40.03	¥ 36.21	¥ 17.24	¥ 0.32	¥ (44.00)	\$ 0.33
Cash dividends per share	5.00	3.00	—	—	—	0.04
Number of shareholders	84,926	85,073	88,516	95,618	102,813	
Number of employees	20,653	21,090	17,459	16,736	16,697	
Ratios (%):						
Return on equity	31.8 %	37.8 %	28.0 %	3.9 %	(80.7) %	
Return on assets	7.8	7.2	3.8	0.4	(8.5)	
Shareholders' equity	27.2	21.5	16.1	11.2	10.4	

*As restated (See Note 2)

Note 1: The U.S. dollar amounts in this annual report are translated from yen, for convenience only, at ¥120 = U.S. \$1.00, the approximate exchange rate prevailing on March 31, 2015.

Note 2: On August 8, 2012, the Company announced that improper accounting had been conducted at an overseas consolidated subsidiary. Based on the investigation reports by outside experts, the Company restated the consolidated financial statements and related notes for 2012 and previous years.

FINANCIAL REVIEW

Annual Report for Oki Electric Industry Co., Ltd. and its Consolidated Subsidiaries

OVERVIEW OF THE FISCAL YEAR ENDED MARCH 31, 2015

NET SALES AND OPERATING INCOME

In the fiscal year under review, the global economy was characterized by ongoing recovery in the United States, including improving private consumption and rising corporate investment, and a gradual move toward recovery in the business conditions in both Europe and emerging countries. The recovery trend also continued in Japan with signs of improvement in employment conditions and corporate earnings.

Amid this business environment, the OKI Group recorded consolidated net sales of ¥540.2 billion, an 11.8% year-on-year increase, due to solid earnings in each segment led by the Info-Telecom Systems segment. Operating income came to ¥32.4 billion, a year-on-year increase of ¥5.2 billion due to increased sales volume in the Info-Telecom Systems segment and the improved product mix in the Printers segment.

SEGMENT INFORMATION

Info-Telecom Systems

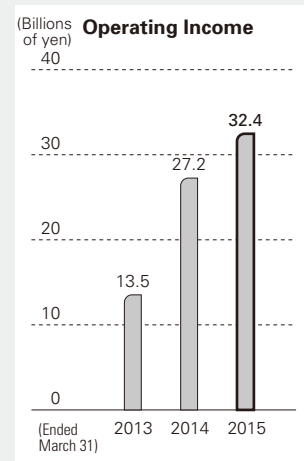
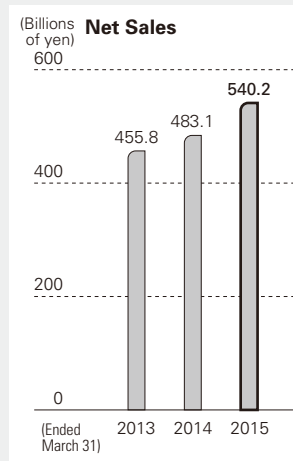
In the Info-Telecom Systems segment, sales increased by 16.1% year on year to ¥352.5 billion. In the solutions & services business, despite a decrease in financial systems, sales were generally firm, supported by generally solid sales in the public and corporate sectors. In the telecom systems business, sales increased due to advance demand for existing networks for telecom carriers and steady performance of home networks and Gigabit Ethernet-Passive Optical Networks (GE-PON). In the social infrastructure systems business, sales grew due to advance demand for digital wireless communication systems for firefighting use and brisk sales for transportation-related projects. In the mechatronics systems business, sales substantially climbed thanks to strong business for ATMs overseas, particularly in China, and the effect of consolidation of the subsidiary in Brazil. Sales were also steady for cash handling equipment in Japan.

Operating income in the Info-Telecom Systems segment rose ¥2.5 billion from the year-ago level to ¥25.9 billion as the steady performance in each business more than offset the effect of consolidation of the Brazil subsidiary.

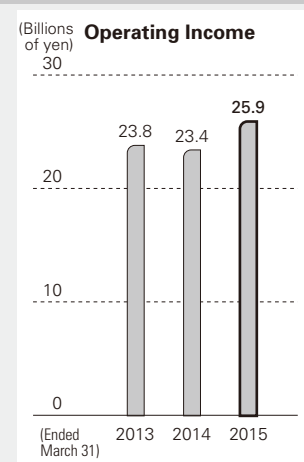
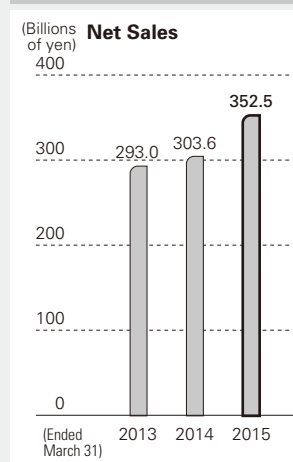
Printers

In the Printers segment, net sales increased by 3.6% year on year to ¥129.3 billion. In Color LED printers, sales remained flat from the previous fiscal year despite improvements in the product mix. In Monochrome LED printer, sales increased from winning large projects. In dot-impact printers, sales remained generally even with the previous fiscal year.

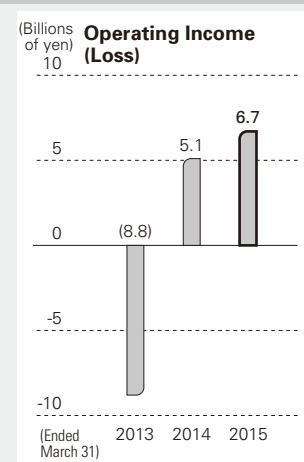
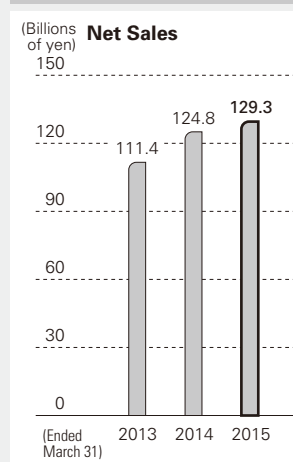
Operating income in the Printers segment totaled ¥6.7 billion, an improvement of ¥1.6 billion year-on-year due to the improved product mix and the effects of the structural reform.



Info-Telecom Systems



Printers



EMS Segment, Others

Sales in the EMS segment rose 8.6% year-on-year to ¥40.3 billion, and sales of Others increased by 2.8% year-on-year to ¥18.1 billion. Sales rose in EMS segment and Others, because the EMS business steadily attracted new customers as OKI brand became further established as high-end EMS, and the Others continued posting solid sales for reed switches and other components.

Operating income in the EMS segment improved ¥300 million year-on-year to ¥2.0 billion, and operating income in Others rose by ¥700 million year-on-year to ¥3.5 billion.

NET INCOME

Net income increased by ¥5.7 billion year-on-year to ¥33.1 billion due to last fiscal year's ¥4.3 billion in business structure improvement expenses not being a factor this fiscal year, while the foreign exchange gain decreased. Against this backdrop, net income per share came to ¥40.03 for the fiscal year ended March 31, 2015.

ASSETS AND LIABILITIES

At the fiscal year-end, total assets were up ¥26.9 billion year-on-year to ¥439.4 billion. Shareholders' equity increased by ¥30.9 billion year on year to ¥119.6 billion, mainly due to the recording of net income of ¥33.1 billion and other comprehensive income of ¥7.3 billion, despite the decrease of ¥4.5 billion due to the effects of changes in accounting policies in accordance with the revisions of the "Accounting Standard for Retirement Benefits," etc., and distribution of ordinary dividends and preferred dividends of ¥5.0 billion. As a result, the shareholders' equity ratio came to 27.2%.

With respect to major increases and decreases in assets, cash and deposits increased by ¥6.7 billion, notes and accounts receivable grew by ¥4.5 billion, and investment securities increased by ¥5.8 billion.

Total liabilities decreased by ¥2.7 billion. Notes and accounts payable increased by ¥5.8 billion, while debt came to ¥107.6 billion, down ¥11.4 billion from ¥119.0 billion at the previous fiscal year-end.

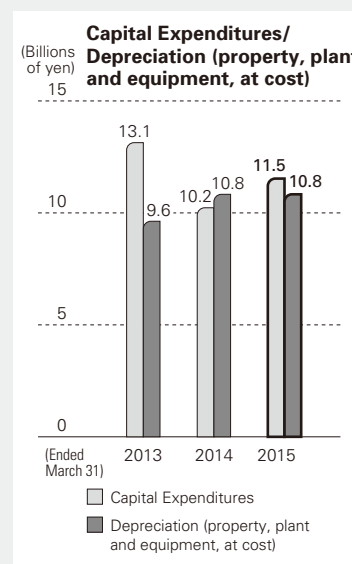
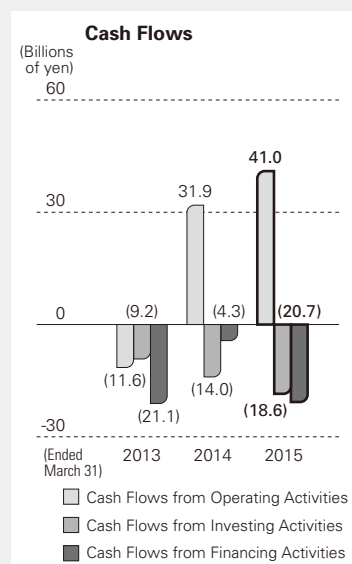
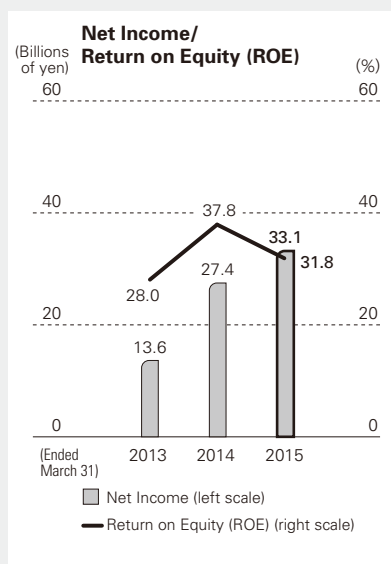
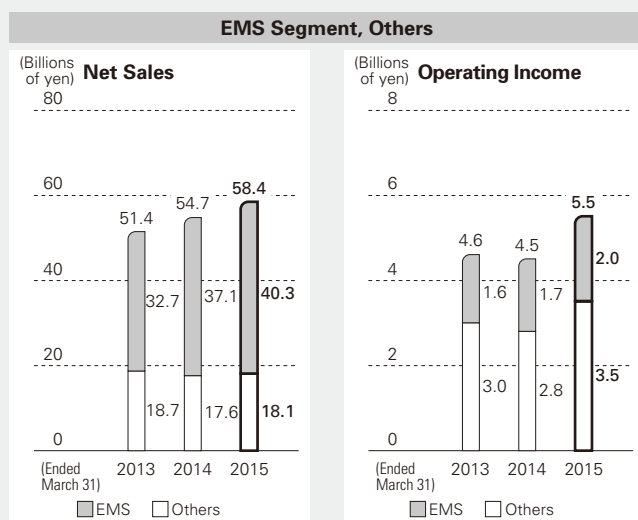
CASH FLOWS

Net cash provided by operating activities amounted to ¥41.0 billion, up ¥9.1 billion from the prior fiscal year. This was mainly due to improvements in income before taxes and minority interests and working capital.

Net cash used in investing activities totaled ¥18.6 billion, up ¥4.6 billion from the previous fiscal year. Main outflows were for purchases of property, plant, and equipment.

As a result, free cash flows, which are the sum of cash from operating activities and investing activities, resulted in a net inflow of ¥22.4 billion, a year-on-year increase of ¥4.5 billion.

Net cash used in financing activities amounted to ¥20.7 billion with loan repayments and the payment of ordinary and preferred



stock dividends, a year-on-year increase in outflows of ¥16.4 billion.

As a result, the balance of cash and cash equivalents at the consolidated fiscal year-end stood at ¥53.6 billion, up from ¥50.9 billion at the prior year-end.

CAPITAL EXPENDITURES, DEPRECIATION, AND RESEARCH AND DEVELOPMENT EXPENSES

Capital expenditures increased by ¥1.3 billion year on year to ¥11.5 billion. This is due to an increase in investments in each business segment. Depreciation remained unchanged at ¥10.8 billion. Centering on the Printers segment, R&D expenses totaled ¥13.8 billion, up ¥800 million year on year.

OUTLOOK FOR FISCAL YEAR ENDING MARCH 31, 2016

In the fiscal year ending March 31, 2016, the global economy is generally moving in a gradual recovery trend with business conditions continuing to improve in the United States while concerns exist of an economic slowdown in Europe and slower economic expansion in emerging countries. Japan's economic recovery is also expected to continue amid signs of improving consumer spending and capital expenditure.

The OKI Group recognizes the fiscal year ending March 31, 2016—the middle year of the Mid-term Business Plan 2016—as the year for solidifying the foundation to meet the fiscal year ending March 31, 2017 targets and continuing to implement initiatives toward generating sustaining growth.

In the growth areas, while securing its ATM business base in China, the OKI Group will accelerate development in other emerging countries and introduce teller cash recyclers and cash recycling ATMs to aggressively develop the market in Brazil. In the Printers business, the Group is actively seeking to boost sales by introducing new products and strengthening the support from the sales channel. In Japan, the Group is taking concrete steps to establish

the next-generation social infrastructure business and seeking to steadily capture the firm domestic demand. We will also conduct aggressive investment aimed at expanding sales and production capacity to accelerate our business growth.

Through these efforts, OKI plans to achieve net sales of ¥545.0 billion, up ¥4.8 billion year on year, operating income of ¥30.0 billion, down ¥2.4 billion caused by the foreign exchange impact, net income attributable to owners of parent of ¥22.0 billion, down ¥11.1 billion as yen weakness is not considered to impact non-operating income.

The above forecasts for the fiscal year ending March 31, 2016, are based on exchange rate assumptions of ¥120 to the U.S. dollar and ¥135 to the euro.

Performance Forecasts for the Fiscal Year Ending March 31, 2016 (Billions of yen unless otherwise stated)

Net Sales	Operating Income	Net income attributable to owners of parent	Net Income per Share (Yen)
¥545.0	¥30.0	¥22.0	¥25.33

BUSINESS AND OTHER RISKS

The forecasts and projected operating results contained in this report are based on information available and assumptions deemed rational at the time of preparation, and thus entail inherent uncertainties. Accordingly, investors are cautioned that actual results may differ materially from those projected as a result of a variety of factors. The following items are business and other risks that the OKI Group considers may significantly influence investors' judgments. The following are also major factors that could possibly affect the Group's actual performance.

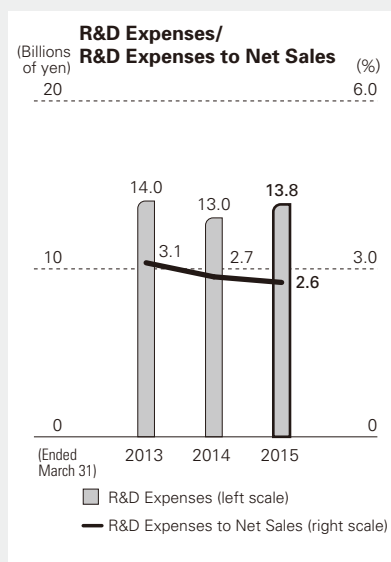
It should be noted, however, that factors that may affect the Group's performance are not limited to these items. The OKI Group is aware of the potential impact these risks may have if any were to occur and is implementing measures to avoid such occurrence, as well as to minimize the weight of their 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 recession, the resulting contraction in demand in the OKI Group's principal operating markets of Japan, North America, Europe, Asia, and South America and changes in the import-export policy for foreign products may impact its business performance and financial position.

(2) Sudden Technological Innovation

The OKI Group's principal business segments, comprising Info-Telecom Systems and Printers, are subject to rapid technological innovation. Accordingly, the OKI Group strives to preserve its competitive advantage through new technology and product research and development. In the event, however, that the OKI Group is unable to keep pace with technological innovations, is burdened with obsolete products, and is unable to deliver products and services that appeal to customers, its performance and financial position may be affected.



(3) Market Trends

1. The product and geographical markets in which the OKI Group operates are subject to frequent entry by new participants and persistent competition. In an effort to secure competitive advantage, the OKI Group strives to enhance product development and reduce costs. In the event the OKI Group is unable to implement effective product development and cost rationalization measures and fails to maintain and secure sufficient market share, its business performance and financial position may be affected.
2. The performance of Info-Telecom Systems segment is subject to a variety of factors including: (1) changes in investment trends by financial institutions due to revisions of financial regulation, poor performance and other factors; (2) changes in investment trends by telecommunication carriers owing to amendments to telecommunication regulations, shifts in business strategy and other factors, and; (3) a significant decline in public-sector investment due to national and local government policies.
3. The printer market 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 downward revisions to product prices may impact the Printers segment's performance.

(4) Raw Materials and Component Procurement

The OKI Group procures a variety of raw materials and components in support of its manufacturing activities. The ability to ensure timely product shipment, avoid delays in product delivery and minimize opportunity loss is dependent upon the stable supply of raw materials, components, specialized parts and alternative components. The OKI Group's performance and financial position may therefore be affected in the event stable supply cannot be maintained due to natural disasters and other factors.

The OKI Group is reliant upon the direct and indirect supply of crude oil and materials, such as metals, as a part of its manufacturing activities. A sharp rise in the price of these and other key materials may impact the OKI Group's performance and financial position.

(5) Product Defects and Delays in Delivery

Despite every effort to maintain quality assurance, the OKI Group is unable to eliminate all possibility of product and service defects. In the event of a product or service defect, the OKI Group may be liable for damages. In addition, any incidence of defect may impact the OKI Group's reputation and standing and contribute to a drop in demand. In either case, the OKI Group's performance and financial position may be affected.

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

(6) Success or Failure of Strategic Alliances

The OKI Group is aggressively engaged with other companies in strategic alliances in research and development, manufacturing, sales and other activities. While the OKI Group only enters into and maintains such alliances with the utmost caution, there may in theory be instances where the OKI Group is not able to obtain the desired cooperation from the strategic partner in business

strategy, production and technical development, fund procurement or other activity, or where the alliance does not yield satisfactory results. The OKI Group's performance and financial condition may be adversely affected by such an event.

(7) Overseas Business Activities

The OKI Group is engaged in manufacturing 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 currency fluctuation risk.

The OKI Group operates production sites in Thailand, China, and Brazil. The OKI Group's performance and financial position may therefore be affected in the event of economic recession, political turmoil, movements in local currency exchange rates and unforeseen circumstances in either of these countries.

To minimize foreign currency fluctuation risk, the OKI Group enters into forward currency 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 risk, and abrupt fluctuations in foreign currency exchange rates in particular may affect the OKI Group's performance and financial 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. Failure to do so may impact the performance of relevant businesses. The OKI Group is also active in securing the necessary approvals and authorization from third parties for the use of external patents required in the development and manufacture of new products. In the event the OKI Group is unable to secure patents or rights, or secures patents or rights under unfavorable terms and conditions, its performance and financial position may be affected.

The OKI Group endeavors to comply with patents held by third parties. It is not, however, in a position to completely guarantee the OKI Group will not violate intellectual property rights held by another party. In the event the OKI Group is involved in a claim relating to the violation of intellectual property rights, it is likely to incur legal and other expenses. In the event the OKI Group is found to have breached intellectual property rights held by another party, then it is likely to incur damages. In either event, the performance and financial position of the OKI Group may be affected.

(9) Statutory and Regulatory Compliance

The OKI Group is subject to statutory and regulatory requirements, business and investment application and approval, export restrictions relating to national security and other factors, import regulations including customs and taxation and a variety of government ordinances in each of the countries and regions in which it operates. The OKI Group is also subject to statutory and regulatory requirements relating to commerce, antitrust, patents and intellectual property rights, taxation, foreign currencies, the environment and recycling. In the event the OKI Group is unable to comply with any of the aforementioned or any unexpected changes occur, the possibility exists that its activities would be restricted or suspended. Accordingly, the aforementioned and other statutory and regulatory requirements may impact the OKI Group's performance and financial position.

(10) Natural and Other Disasters

The OKI Group conducts periodic inspections and implements a variety of accident, disaster and fire prevention measures to minimize stoppages of its production lines. However, there is no guarantee that the OKI Group will be able to completely prevent accidents as well as natural and other disasters that negatively affect the operations of its production facilities. Moreover, accidents in production lines due to earthquake, wind or flood damage or electric outages as well as natural and other disasters in the countries where the OKI Group conducts marketing operations may adversely impact the Group's performance and financial position.

(11) Information Management

Although the OKI Group implements defense measures to protect its internal systems against computer viruses and the leakage of information, the Group cannot guarantee complete protection from system failure and information leakage attributable to human error, new virus strains other like causes. The Group, therefore, faces the risk of cumulative losses should there be a breach in the information management structure.

(12) Procurement and Training of Human Resources

The ability to secure and foster high-quality human resources is a key factor in ensuring further growth as a stable earnings company. Accordingly, the OKI Group strives to recruit capable employees at every level, including new graduates and mid-career employees. In an effort to foster exceptional human resources, the OKI Group also conducts on-the-job training, education and a variety of training activities. In the event the OKI Group is unable to secure and foster high-quality human resources or a number of key employees leave the OKI Group, future growth may be 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 interest-rate fluctuations. However, there is a possibility that interest charges may suffer an increase associated with a rise in interest rates and that the increased cost of raising capital would adversely affect the Group's ability to raise working capital.

(14) Changes to Accounting Standards

The OKI Group makes consolidated and non-consolidated financial statements in accordance with accounting standards generally recognized as fair and accurate. Should changes to accounting standards occur, there is a possibility that the OKI Group's performance and financial position may be adversely affected.

(15) Debt Recovery

While the OKI Group constantly appraises the financial situation of its customers and sets aside an adequate amount of allowances based on its provision for bad debts after the Balance Sheet date, a sudden deterioration in the financial condition of a major customer could exert a negative influence on the OKI Group's performance.

(16) Impairment Loss on Fixed Assets

In the event that it becomes necessary for the OKI Group to dispose of impairment loss on fixed assets, such as tangible and intangible fixed assets, investment and other assets, the Group's performance and financial position may be adversely affected.

(17) Deferred Tax Assets

The OKI Group amortizes deferred assets against retained losses carried forward and temporary differences as appropriate. In the event the OKI Group is unable to liquidate deferred tax assets due to the decline in taxable income brought on by fluctuations in its business results, the OKI Group's performance may be affected.

(18) Retirement Benefit Obligations

The OKI Group provides for retirement benefit obligations based on a discount rate established using actuarial calculations and on long-term expected rate of return on pension assets. However, such preconditions and assumptions are susceptible to changes in market interest rates and stock market trends, which may cause actual results to differ from such preconditions and assumptions. Such an event could lead to an increase in retirement benefit obligations and impact the OKI Group's performance and financial position.

(19) Stock Price Fluctuations

The OKI Group holds shares in listed companies as part of its investment securities portfolio. Falling share prices may lead to valuation losses or declines in unrealized gains on such holdings, which may impact the OKI Group's performance and financial position.

CONSOLIDATED BALANCE SHEET

Oki Electric Industry Co., Ltd. and consolidated subsidiaries
As of March 31, 2015

ASSETS	Millions of yen		Thousands of U.S. dollars (Note 2)
	2015	2014	2015
Current assets:			
Cash and cash equivalents (Notes 3 and 7)	¥ 53,598	¥ 50,866	\$ 446,650
Time deposits (Note 7)	33	34	275
Notes and accounts receivable:			
Unconsolidated subsidiaries and affiliates	1,674	2,449	13,950
Other	147,275	139,221	1,227,291
Less: Allowance for doubtful receivables	(7,940)	(8,684)	(66,166)
Inventories (Note 4)	86,055	85,285	717,125
Other current assets (Note 9)	12,932	9,349	107,766
Total current assets	293,629	278,522	2,446,908
Investments and long-term receivables:			
Investments in and advances to unconsolidated subsidiaries and affiliates (Notes 5 and 7)	6,236	5,730	51,966
Other investments in securities (Notes 3, 6 and 7)	32,509	27,027	270,908
Asset for retirement benefits (Note 8)	30,478	27,507	253,983
Other long-term receivables	824	853	6,866
Less: Allowance for doubtful receivables	(820)	(828)	(6,833)
Total investments and long-term receivables	69,228	60,291	576,900
Property, plant and equipment, at cost (Note 6):			
Land	12,461	12,201	103,841
Buildings	77,351	76,895	644,591
Machinery and equipment	120,363	118,218	1,003,025
Construction in progress	785	601	6,541
	210,961	207,917	1,758,008
Less: Accumulated depreciation	(153,785)	(151,723)	(1,281,541)
Property, plant and equipment, net	57,176	56,193	476,466
Other assets (Note 9)	19,323	17,506	161,025
Total assets	¥ 439,358	¥ 412,514	\$ 3,661,316

LIABILITIES	Millions of yen		Thousands of U.S. dollars (Note 2)
	2015	2014	2015
Current liabilities:			
Short-term borrowings (Notes 6 and 7)	¥ 44,981	¥ 55,410	\$ 374,841
Current portion of long-term debt (Notes 6 and 7)	18,348	49,067	152,900
Notes and accounts payable:			
Unconsolidated subsidiaries and affiliates	689	859	5,741
Other	93,780	88,067	781,500
Other accrued expenses	38,589	37,447	321,575
Other current liabilities (Note 9)	15,191	11,420	126,591
Total current liabilities	211,580	242,272	1,763,166
Long-term liabilities:			
Long-term debt (Notes 6 and 7)	44,241	14,526	368,675
Liability for retirement benefits (Note 8)	23,196	20,594	193,300
Other long-term liabilities (Notes 7 and 9)	38,924	43,202	324,366
Total long-term liabilities	106,362	78,322	886,350
Total liabilities	317,943	320,595	2,649,525
NET ASSETS			
Shareholders' equity (Notes 10 and 15):			
Capital stock:			
Authorized—2,400,000,000 shares			
Common stock:			
Issued—872,176,028 shares in 2015 and 731,438,670 shares in 2014			
Class A preferred stock:			
Issued—30,000 shares in 2014	44,000	44,000	366,666
Additional paid-in capital	21,554	21,554	179,616
Retained earnings	41,989	18,382	349,908
Less: Treasury stock, at cost:			
3,705,236 shares in 2015 and 3,614,428 shares in 2014	(453)	(432)	(3,775)
Total shareholders' equity	107,090	83,504	892,416
Accumulated other comprehensive income:			
Net unrealized holding gain on other securities	8,291	4,333	69,091
Loss on deferred hedges	(72)	(389)	(600)
Translation adjustments	(10,433)	(10,358)	(86,941)
Retirement benefits liability adjustments	14,750	11,644	122,916
Total accumulated other comprehensive income	12,536	5,230	104,466
Subscription rights to shares	79	79	658
Minority interests in consolidated subsidiaries	1,708	3,104	14,233
Total net assets	121,414	91,918	1,011,783
Contingent liabilities (Note 14)			
Total liabilities and net assets	¥ 439,358	¥ 412,514	\$ 3,661,316

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENT OF INCOME

Oki Electric Industry Co., Ltd. and consolidated subsidiaries
Year ended March 31, 2015

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2015	2014	2015
Net sales	¥ 540,153	¥ 483,112	\$ 4,501,275
Cost of sales	399,647	354,635	3,330,391
Gross profit	140,506	128,477	1,170,883
Selling, general and administrative expenses	108,090	101,281	900,750
Operating income	32,415	27,196	270,125
Other income (expenses):			
Interest expense	(2,357)	(2,522)	(19,641)
Interest and dividend income	1,057	900	8,808
Equity in earnings of affiliates	652	339	5,433
Foreign exchange gain, net	7,035	11,277	58,625
Commission for syndicate loan	(723)	(446)	(6,025)
Gain on sale of investments in securities	225	553	1,875
Gain on bargain purchase	—	102	—
Insurance income	—	322	—
Gain on transfer of business	—	123	—
Loss on sale and disposition of property, plant and equipment	(621)	(659)	(5,175)
Loss on impairment of fixed assets	—	(184)	—
Business restructuring expenses	—	(4,311)	—
Loss on liquidation of subsidiaries	—	(841)	—
Other, net (Note 8)	(152)	(89)	(1,266)
	5,116	4,564	42,633
Income before income taxes and minority interests	37,532	31,761	312,766
Income taxes (Note 9):			
Current	4,179	3,820	34,825
Prior periods	3,546	—	29,550
Deferred	(2,359)	394	(19,658)
	5,365	4,214	44,708
Income before minority interests	32,166	27,546	268,050
Minority interests in earnings of consolidated subsidiaries	(924)	(187)	(7,700)
Net income (Note 15)	¥ 33,091	¥ 27,359	\$ 275,758

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Oki Electric Industry Co., Ltd. and consolidated subsidiaries
Year ended March 31, 2015

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2015	2014	2015
Income before minority interests	¥ 32,166	¥ 27,546	\$ 268,050
Other comprehensive income			
Net unrealized holding gain on other securities	3,930	2,099	32,750
Gain on deferred hedges	317	266	2,641
Translation adjustments	(82)	(7,511)	(683)
Retirement benefits liability adjustments	3,148	—	26,233
Share of other comprehensive income of equity-method affiliates	(17)	40	(141)
Total other comprehensive income	7,295	(5,104)	60,791
Comprehensive income	¥ 39,462	¥ 22,442	\$ 328,850
Comprehensive income attributable to:			
Owners of the parent	¥ 40,395	¥ 22,237	\$ 336,625
Minority interests	¥ (932)	¥ 205	\$ (7,766)

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

Oki Electric Industry Co., Ltd. and consolidated subsidiaries
Year ended March 31, 2015

	Shareholders' equity						Accumulated other comprehensive income							Total net assets
	Numbers of shares issued*	Capital stock	Additional paid-in capital	(Accumulated deficit) retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gain on other securities	(Loss) gain on deferred hedges	Translation adjustments	Retirement benefits liability adjustments	Total accumulated other comprehensive income	Subscription rights to shares	Minority interests in consolidated subsidiaries	
(Thousands)							Millions of yen							
Balance at March 31, 2013	731,468	¥44,000	¥ 21,554	¥ (7,788)	¥ (399)	¥ 57,366	¥ 2,192	¥ (656)	¥ (2,829)	¥ —	¥ (1,293)	¥ 79	¥ 473	¥ 56,625
Cash dividends paid				(1,032)		(1,032)								(1,032)
Net income				27,359		27,359								27,359
Purchases of treasury stock					(32)	(32)								(32)
Increase due to the merger				157		157								157
Changes in scope of consolidation				(313)		(313)								(313)
Other, net							2,140	266	(7,528)	11,644	6,523	—	2,631	9,155
Net changes during the year	—	—	—	26,171	(32)	26,138	2,140	266	(7,528)	11,644	6,523	—	2,631	35,293
Balance at March 31, 2014	731,468	44,000	21,554	18,382	(432)	83,504	4,333	(389)	(10,358)	11,644	5,230	79	3,104	91,918
Cumulative effects of changes in accounting policies (Note 1)				(4,522)		(4,522)								(4,522)
Restated balance at April 1, 2014	731,468	44,000	21,554	13,860	(432)	78,982	4,333	(389)	(10,358)	11,644	5,230	79	3,104	87,396
Cash dividends paid				(4,962)		(4,962)								(4,962)
Net income				33,091		33,091								33,091
Purchases of treasury stock					(21)	(21)								(21)
Changes in scope of consolidation				0		0								0
Other, net	140,707						3,958	317	(75)	3,106	7,305	—	(1,395)	5,910
Net changes during the year	140,707	—	—	28,129	(21)	28,107	3,958	317	(75)	3,106	7,305	—	(1,395)	34,018
Balance at March 31, 2015	872,176	¥ 44,000	¥ 21,554	¥ 41,989	¥ (453)	¥ 107,090	¥ 8,291	¥ (72)	¥ (10,433)	¥ 14,750	¥ 12,536	¥ 79	¥ 1,708	¥ 121,414

* Common Stock increased 140,737 thousand based on the exercise of the acquisition of shares with put option concerning with Class A Preferred Stock. Furthermore, Class A Preferred Stock decreased 30 thousand based on retirement of stock in accordance with article 178 of Companies Act.

	Shareholders' equity						Accumulated other comprehensive income							Total net assets
	Numbers of shares issued	Capital stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gain on other securities	(Loss) gain on deferred hedges	Translation adjustments	Retirement benefits liability adjustments	Total accumulated other comprehensive income	Subscription rights to shares	Minority interests in consolidated subsidiaries	
(Thousands)							Thousands of U.S. dollars (Note 2)							
Balance at March 31, 2014	731,468	\$ 366,666	\$ 179,616	\$ 153,183	\$ (3,600)	\$ 695,866	\$ 36,108	\$ (3,241)	\$ (86,316)	\$ 97,033	\$ 43,583	\$ 658	\$ 25,866	\$ 765,983
Cumulative effects of changes in accounting policies (Note 1)				(37,683)		(37,683)								(37,683)
Restated balance at April 1, 2014	731,468	366,666	179,616	115,500	(3,600)	658,183	36,108	(3,241)	(86,316)	97,033	43,583	658	25,866	728,300
Cash dividends paid				(41,350)		(41,350)								(41,350)
Net income				275,758		275,758								275,758
Purchases of treasury stock					(175)	(175)								(175)
Changes in scope of consolidation				0		0								0
Other, net	140,707						32,983	2,641	(625)	25,883	60,875	—	(11,625)	49,250
Net changes during the year	140,707	—	—	234,408	(175)	234,225	32,983	2,641	(625)	25,883	60,875	—	(11,625)	283,483
Balance at March 31, 2015	872,176	\$ 366,666	\$ 179,616	\$ 349,908	\$ (3,775)	\$ 892,416	\$ 69,091	\$ (600)	\$ (86,941)	\$ 122,916	\$ 104,466	\$ 658	\$ 14,233	\$ 1,011,783

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Oki Electric Industry Co., Ltd. and consolidated subsidiaries
Year ended March 31, 2015

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2015	2014	2015
Cash flows from operating activities:			
Net income	¥ 33,091	¥ 27,359	\$ 275,758
Adjustments to reconcile net income to net cash (used in) provided by operating activities:			
Depreciation and amortization	14,464	14,249	120,533
(Reversal of) provisions	(1,945)	(20,352)	(16,208)
Gain on sale of investments in securities	(224)	(553)	(1,866)
Loss on sale and disposition of property, plant and equipment	590	634	4,916
Deferred income taxes	(2,359)	394	(19,658)
Other, net	(2,653)	(4,805)	(22,108)
Changes in operating assets and liabilities:			
Notes and accounts receivable	8,693	5,009	72,441
Inventories	3,905	(371)	32,541
Notes and accounts payable	(8,906)	(3,075)	(74,216)
Accrued income taxes	2,229	2,424	18,575
Other accrued expenses	356	586	2,966
Other assets and liabilities	(6,241)	10,370	(52,008)
Net cash provided by operating activities	40,999	31,868	341,658
Cash flows from investing activities:			
Decrease in time deposits and marketable securities	21	484	175
Increase in investments and other long-term receivables	(1,358)	(279)	(11,316)
Purchases of property, plant and equipment	(10,598)	(7,771)	(88,316)
Purchases of intangible assets	(3,931)	(3,664)	(32,758)
Purchases of investment in subsidiaries resulting in change in scope of consolidation	(2,717)	(2,746)	(22,641)
Net cash used in investing activities	(18,583)	(13,977)	(154,858)
Cash flows from financing activities:			
Decrease in short-term borrowings	(12,442)	(2,056)	(103,683)
Issuance of long-term debt	48,460	20,440	403,833
Repayment of long-term debt	(49,637)	(21,212)	(413,641)
Proceeds from sale and lease-back transactions	927	1,969	7,725
Repayment of lease obligations	(3,084)	(2,338)	(25,700)
Cash dividends paid	(4,917)	(1,032)	(40,975)
Other, net	(28)	(41)	(233)
Net cash used in financing activities	(20,724)	(4,270)	(172,700)
Effect of exchange rate changes on cash and cash equivalents	997	1,084	8,308
Net Increase in cash and cash equivalents	2,688	14,703	22,400
Cash and cash equivalents at beginning of the year	50,866	35,894	423,883
Cash of newly consolidated subsidiaries at beginning of the year	44	32	366
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	—	235	—
Cash and cash equivalents at end of the year	¥ 53,598	¥ 50,866	\$ 446,650
Supplemental disclosures of cash flow information:			
Cash paid during the year for:			
Interest	¥ 2,423	¥ 2,546	\$ 20,191
Income taxes	¥ 5,495	¥ 1,396	\$ 45,791

The accompanying notes are an integral part of these statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Oki Electric Industry Co., Ltd. and consolidated subsidiaries
March 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

The accompanying consolidated financial statements of Oki Electric Industry Co., Ltd. (the "Company") and consolidated subsidiaries (the "Group") have been prepared in accordance with accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards, and have been compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Act of Japan.

As permitted, amounts of less than one million yen have been omitted. As a result, the totals shown in the accompanying consolidated financial statements (both in yen and in U.S. dollars) do not necessarily agree with the sum of the individual amounts.

The accompanying consolidated statements of cash flows, which have not been prepared under the same requirements as those specified in the Japanese accounting standard for cash flows, are presented in a format similar to that required under accounting standards generally accepted in the United States, and the concept and format are almost identical to those required under the Japanese standard.

(b) Principles of consolidation and accounting for investments in unconsolidated subsidiaries and affiliates

The accompanying consolidated financial statements include the accounts of the Company and all significant subsidiaries over which substantial control is exerted either through majority ownership of voting stock and/or by other means. All significant intercompany balances and transactions have been eliminated in consolidation.

Investments in significant affiliates are accounted for by the equity method. Other investments in unconsolidated subsidiaries and affiliates are stated at cost or less. Where there has been a permanent decline in the value of such investments, the Company has written them down to reflect the impairment.

(c) Foreign currency transactions

(1) The Company translates the revenue and expense accounts of the overseas consolidated subsidiaries at the average rates of exchange in effect during the year. The balance sheet accounts, except for the components of net assets excluding minority interests in consolidated subsidiaries, are translated into yen at the rates of exchange in effect at the balance sheet date. The components of net assets excluding minority interests in consolidated subsidiaries are translated at their historical exchange rates. Differences arising from translation where two exchange rates have been used are presented under translation adjustments as a component of net assets.

(2) Current and non-current monetary assets and liabilities denominated in foreign currencies of the Company and domestic consolidated subsidiaries are translated into yen at the

exchange rates in effect at the balance sheet date, except for those hedged by forward foreign exchange contracts which are translated at the contracted rates.

All revenues and expenses are translated at the average rate for the month prior to the transaction.

Gains and losses arising from foreign exchange differences are credited or charged to income in the year in which they are made or incurred, except for those arising from forward foreign exchange contracts pertaining to long-term debt which are deferred and amortized over the periods of the respective contracts.

(d) Cash equivalents

All highly liquid investments, generally with a maturity of three months or less when purchased, which are readily convertible into known amounts of cash and are so near maturity that they represent only an insignificant risk of any change in value attributable to changes in interest rates, are considered cash equivalents.

(e) Securities

Other securities with quoted market prices are carried at market value. The difference between the acquisition cost and the carrying value of other securities, net of the applicable income taxes, is recognized as a component of net assets and is reflected as "Net unrealized holding gain (loss) on other securities." The cost of other securities sold is computed by the moving average method. Other securities without quoted market prices are stated at cost based on the moving average method.

(f) Inventories

Inventories are principally stated at cost determined by the following methods. Overseas subsidiaries adopt the lower of cost or market method.

- Finished goods—Moving average method
- Work in process—Specific identification method
- Raw materials and supplies—Moving average method

(g) Property, plant and equipment, and depreciation (Except for assets leased)

Property, plant and equipment are recorded at cost. Depreciation of property, plant and equipment is principally computed by the declining balance method over the estimated useful lives of the respective assets. However, buildings (excluding leasehold improvements) acquired on or after April 1, 1998 by the Company and domestic consolidated subsidiaries are depreciated by the straight-line method over their respective estimated useful lives. Significant renewals and betterments are capitalized at cost. Maintenance and repairs are charged to income.

(h) Intangible assets and amortization (Except for assets leased)

Intangible assets, including capitalized computer software costs, are amortized by the straight-line method over their respective estimated useful lives.

(i) Leases

Depreciation of assets on finance leases which do not transfer ownership of the leased assets to the lessee is calculated by the

straight-line method over the lease period with their residual value of zero, except the leases started on or before March 31, 2008. The leases which were started on or before March 31, 2008 are principally accounted for as operating leases.

(j) Retirement benefits

- 1) Attributing expected retirement benefits to a period
When calculating retirement benefit obligations, the Company applies the benefit formula basis to attribute expected retirement benefits to the period until the end of the fiscal year.
- 2) Accounting for actuarial gains and losses, prior service costs, and differences arising from the initial adoption of the accounting standard
Differences arising from the initial adoption of the accounting standard are amortized over 15 years except for consolidated subsidiaries that amortize the difference in the first year of application and some overseas consolidated subsidiaries that directly deduct the difference from retained earnings. Prior service costs are amortized by the straight-line method over a set number of years (11 to 13 years) within the average remaining years of service of employees. Actuarial gains and losses are amortized by the straight-line method over a set number of years (11 to 13 years) within the average remaining years of service of employees at the time of their accrual in each fiscal year. Amortization of such gains and losses is deemed to be effective from the year after the one in which they arise.

(k) Income taxes

Deferred income taxes are recognized by the asset and liability method under which deferred tax assets and liabilities are determined based on the difference between financial reporting and the tax bases of the assets and liabilities, and are measured using the enacted tax rates and laws which will be in effect when the differences are expected to reverse.

(l) Hedge accounting

Forward foreign exchange contracts and currency swap contracts are accounted for by hedge accounting which requires that unrealized gains or losses be deferred as assets or liabilities. Forward foreign exchange contracts and currency swap contracts which meet certain criteria are accounted for by the allocation method which is utilized to hedge against risks arising from fluctuation in foreign currency exchange rates. Interest-rate swaps which meet the required criteria are accounted for by a special method (as stipulated in the accounting standard for financial instruments) as

if the interest rates applied to the interest-rate swaps had originally applied to the underlying borrowings. Interest-rate swaps contracts are utilized to hedge market risks which may arise in the future with respect to short-term and long-term loans with variable interest rates.

The Group has developed hedging policies to control various aspects of derivatives transactions, including levels of authorization and transaction volume. Based on these policies, the Group hedges risks arising from fluctuation in foreign currency exchange rates and interest rates. During the period from the inception of a hedge position to the assessment of its effectiveness, the Group reviews the effectiveness of all its hedging policies in order to monitor and control the cumulative cash flows and to respond to any changes in the market.

(m) Changes in methods of accounting

Effective from April 1, 2014, the Company has applied Section 35 of the "Accounting Standard for Retirement Benefits" (ASBJ Statement No.26, May 17, 2012; hereinafter, the "Accounting Standard for Retirement Benefits") and the main clause of Section 67 of the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No.25, March 26, 2015; hereinafter, the "Guidance on Accounting Standard for Retirement Benefits"). As a result, the company has changed the methods for calculating the retirement benefit obligation and service cost as follows:

the Company has changed the method for attributing projected retirement benefits to each period from the point system or the straight-line method to the benefit formula method, and also has changed the method for determining the discount rate from a discount rate based on the average period for the expected payment date to a single weighted-average discount rate reflecting the expected timing and amount of benefit payments.

In accordance with transitional treatment provided in Section 37 of the "Accounting Standard for Retirement Benefits", the cumulative effect of changing the method for calculating the retirement benefit obligations and service costs was recognized by adjusting retained earnings at April 1, 2014.

As a result, at the beginning of the fiscal year ended March 31, 2015, Asset for retirement benefits decreased by ¥3,939 million (\$32,825 thousand), Liability for retirement benefits increased by ¥923 million (\$7,691 thousand) and Retained earnings decreased by ¥4,522 million (\$37,683 thousand), respectively. The effects of this change on income accounts for the fiscal year ended March 31, 2015 are immaterial.

Net assets per share decreased by ¥4.85 (\$0.04).

2. U.S. DOLLAR AMOUNTS

The translation of yen amounts into U.S. dollar amounts is included solely for convenience and has been made, as a matter of arithmetic computation only, at ¥120 = U.S.\$1.00, the approximate exchange rate prevailing at March 31, 2015. This translation should not be construed as a representation that yen have been, could have been, or could in the future be, converted into U.S. dollars at the above or any other rate.

3. SECURITIES

Securities at March 31, 2015 and 2014 were summarized as follows. Securities for which it is extremely difficult to reasonably measure its fair value are not included in the table below.

Other securities

	Millions of yen						Thousands of U.S. dollars		
	2015			2014			2015		
	Amount recorded in balance sheet	Acquisition costs	Difference	Amount recorded in balance sheet	Acquisition costs	Difference	Amount recorded in balance sheet	Acquisition costs	Difference
Other securities whose fair value recorded in balance sheet exceeds their acquisition costs:									
Equity securities	¥24,337	¥12,085	¥12,251	¥18,116	¥10,932	¥7,184	\$202,808	\$100,708	\$102,091
Other	—	—	—	7	7	0	—	—	—
Subtotal	24,337	12,085	12,251	18,124	10,939	7,184	202,808	100,708	102,091
Other securities whose fair value recorded in balance sheet does not exceed their acquisition costs:									
Equity securities	1,074	1,322	(248)	1,773	2,280	(506)	8,950	11,016	(2,066)
Bonds	—	—	—	3	3	—	—	—	—
Certificates of deposit	—	—	—	4,000	4,000	—	—	—	—
Other	5	5	—	9	9	—	41	41	—
Subtotal	1,080	1,328	(248)	5,786	6,292	(506)	9,000	11,066	(2,066)
Total	¥25,417	¥13,414	¥12,003	¥23,910	¥17,232	¥6,677	\$211,808	\$111,783	\$100,025

4. INVENTORIES

Inventories at March 31, 2015 and 2014 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
	Finished goods	¥ 37,355	¥ 34,203
Work in process	22,406	22,652	186,716
Raw materials and supplies	26,293	28,429	219,108
Total	¥ 86,055	¥ 85,285	\$ 717,125

5. INVESTMENTS IN AND ADVANCES TO UNCONSOLIDATED SUBSIDIARIES AND AFFILIATES

Investments in and advances to unconsolidated subsidiaries and affiliates at March 31, 2015 and 2014 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
	Investments stated:		
By the equity method	¥ 5,162	¥ 4,698	\$ 43,016
At cost or less	849	997	7,075
Advances	223	34	1,858
Total	¥ 6,236	¥ 5,730	\$ 51,966

6. SHORT-TERM BORROWINGS AND LONG-TERM DEBT

Short-term borrowings at March 31, 2015 and 2014 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Loans, principally from banks, at weighted-average interest rates of 1.3% and 1.5% at March 31, 2015 and 2014, respectively:			
Secured	¥ 3,500	¥ 6,700	\$ 29,166
Unsecured	41,481	48,710	345,675
Total	¥ 44,981	¥ 55,410	\$ 374,841

Long-term debts at March 31, 2015 and 2014 were summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Loans from banks, insurance companies and government agencies, due through 2020:			
Secured	¥ 359	¥ 454	\$ 2,991
Unsecured	62,230	63,139	518,583
Subtotal	62,589	63,594	521,575
Less: Current portion	(18,348)	(49,067)	(152,900)
Total	¥ 44,241	¥ 14,526	\$ 368,675

At March 31, 2015, ¥3,859 million (\$32,158 thousand) of long-term debt and short-term borrowings were collateralized by assets amounting to ¥19,597 million (\$163,308 thousand).

As is customary in Japan, both short-term and long-term bank loans are made under general agreements which provide that collateral and guarantees (or additional collateral or guarantees, as appropriate) with respect to present and future indebtedness be given at the request of the lending bank, and that the bank shall have the right, as the obligations become due or in the event of default, to offset the obligations with any cash deposited with the bank.

The aggregate annual maturities of long-term debt subsequent to March 31, 2015 were summarized as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2016	¥ 18,348	\$ 152,900
2017	14,118	117,650
2018	11,014	91,783
2019	10,086	84,050
2020 and thereafter	9,022	75,183
Total	¥ 62,589	\$ 521,575

The Group has access to substantial sources of funds at numerous banks worldwide. Total unused credit available to the Group at March 31, 2015 was ¥24,777 million (\$206,475 thousand).

7. FINANCIAL INSTRUMENTS

(a) Summary of financial instruments

The Group mainly uses short-term deposits and highly safe marketable securities for fund management, and raises its funds primarily through borrowings from financial institutions and issuance of corporate bonds.

The Group strives to mitigate credit risks associated with notes and accounts receivable from customers, which are operating receivables, by carrying out customer credit investigations in accordance with regulations for the management of accounts receivable of individual companies.

For borrowings, the Group raises short-term funds mainly for working capital and long-term funds for working capital and capital investment. For borrowings exposed to the interest rate risk, the Group applies derivative instruments (interest rate swap transactions) to hedge its risk.

The Group executes and manages derivative transactions in accordance with Oki Group's policy.

(b) Disclosure about fair value of financial instruments

The fair values of financial instruments at March 31, 2015 and 2014 were summarized as follows:

	Millions of yen						Thousands of U.S. dollars		
	2015			2014			2015		
	Amount recorded in balance sheet	Fair value	Difference	Amount recorded in balance sheet	Fair value	Difference	Amount recorded in balance sheet	Fair value	Difference
(1) Cash and deposits ^{(*)1}	¥ 53,632	¥ 53,632	¥ —	¥ 46,901	¥ 46,901	¥ —	\$ 446,933	\$ 446,933	\$ —
(2) Notes and accounts receivable	137,895			133,383			1,149,125		
Allowance for doubtful receivables ^{(*)2}	(7,346)			(8,177)			(61,216)		
	130,549	130,549	—	125,205	125,205	—	1,087,908	1,087,908	—
(3) Securities and investments in securities ^{(*)3}	28,742	29,803	1,060	27,017	26,274	(742)	239,516	248,358	8,833
Total assets	212,924	213,985	1,060	199,124	198,381	(742)	1,774,366	1,783,208	8,833
(1) Notes and accounts payable	79,053	79,053	—	73,312	73,312	—	658,775	658,775	—
(2) Short-term borrowings	44,981	44,981	—	55,410	55,410	—	374,841	374,841	—
(3) Other accrued expenses	36,060	36,060	—	34,956	34,956	—	300,500	300,500	—
(4) Long-term debt ^{(*)4}	62,589	62,844	255	63,594	63,664	70	521,575	523,700	2,125
Total liabilities	222,684	222,939	255	227,273	227,343	70	1,855,700	1,857,825	2,125
Derivative transactions ^{(*)5}	¥ 385	¥ 385	¥ —	¥ (524)	¥ (524)	¥ —	\$ 3,208	\$ 3,208	\$ —

*1 Cash and deposits are included in "Cash and cash equivalents" and "Time deposits" in the consolidated balance sheets.

*2 It comprises the allowance for doubtful receivables in respect to Notes and accounts receivable.

*3 Securities and investments in securities are included in "Cash and cash equivalents," "Securities," "Investments in and advances to unconsolidated subsidiaries and affiliates" or "Other investments in securities" in the consolidated balance sheets.

*4 Long-term debt that will be reimbursed within one year is classified as "Current portion of long-term debt" in the consolidated balance sheets.

*5 The amount of the receivables and payables derived from derivative transactions is presented on a net basis and the amounts in parentheses are liabilities as the result of netting.

Notes:

1. Fair value measurements of financial instruments and investment in securities and derivative transaction

Assets

(1) Cash and deposits, and (2) Notes and accounts receivable

These fair values are presented at amount recorded in balance sheets, since they are settled in a short period of time and their fair value reasonably approximates the amount recorded in the balance sheets.

(3) Securities and investments in securities

The fair value of securities is based on the market price on the stock exchange. The fair value of bond is based on the quotes presented by the financial institutions.

Liabilities

(1) Notes and accounts payable, (2) Short-term borrowings, and (3) Other accrued expenses

These fair values are presented at amount recorded in balance sheets, since they are settled in a short period of time and their fair value reasonably approximates the amount recorded in the balance sheets.

(4) Long-term debt

The fair value is based primarily on the method of calculation whereby the sum of principal and interest amounts is discounted by an assumed interest rate to be applied for newly borrowed long-term loans. Some long-term borrowings with floating interest rates and related interest rate swaps are accounted for using special accounting treatment applicable to interest rate swaps. Hence, the fair value of a long-term borrowing is based on the method of calculation whereby the sum of principal and interest, treated in combination with the said interest rate swap, is discounted by a reasonably estimable interest rate to be applied for newly borrowed long-term loans under similar borrowing terms.

Derivative transactions

Described in Note13.

2. Financial instruments whose fair value is considered extremely difficult to assess

Unlisted equity securities (¥9,690 million (\$80,750 thousand) and ¥9,598 million) at March 31, 2015 and 2014, respectively, are not included in

(3) Securities and investments in securities because they have no market price and it is deemed extremely difficult to assess their fair values.

8. RETIREMENT BENEFITS

The Company and domestic consolidated subsidiaries have either funded or unfunded defined benefit plans and defined contribution plans.

The noncontributory defined benefit plan that is a funded plan adopts a cash balance plan. In this plan, amount of benefit in which the "Point" based on the pay level is multiplied by rate based on the Japanese Government Bonds is provided to employee as pension or lump-sum payment.

The lump-sum retirement benefit is provided employee in accordance with the "Point" based on the business results, and the length of service.

The lump-sum retirement payment plans are unfunded plans excluding the Company. The Company's plan is a funded plan due to contribution to the pension and retirement benefit trust.

Several overseas consolidated subsidiaries have defined benefit and defined contribution pension plans.

The Company has pension and retirement benefit trust.

Certain consolidated subsidiaries appraise projected benefit obligation and retirement benefit expenses of lump-sum retirement payment plans by the simplified method.

The changes in the retirement benefit obligation during the year ended March 31, 2015 and 2014 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Retirement benefit obligation at April 1, 2014 and 2013	¥ 108,713	¥ 111,578	\$ 905,941
Cumulative effects of changes in accounting policies	4,862	—	40,516
Restated balance at the beginning of the year	113,575	111,578	946,458
Service cost	3,006	2,905	25,050
Interest cost	1,012	1,583	8,433
Actuarial loss/(gain)	106	(154)	883
Retirement benefit paid	(6,971)	(7,740)	(58,091)
Prior service cost	1,700	—	14,166
Other	12	539	100
Retirement benefit obligation at March 31, 2015 and 2014	¥ 112,442	¥ 108,713	\$ 937,016

The changes in plan assets during the year ended March 31, 2015 and 2014 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Plan assets at April 1, 2014 and 2013	¥ 115,995	¥ 95,331	\$ 966,625
Expected return on plan assets	2,878	2,383	23,983
Actuarial gain	2,293	19,256	19,108
Contributions by the Company and subsidiaries	4,720	4,690	39,333
Retirement benefits paid	(5,785)	(5,670)	(48,208)
Other	—	5	—
Plan assets at March 31, 2015 and 2014	¥ 120,103	¥ 115,995	\$ 1,000,858

*The plan assets include the Company's retirement benefit trust of ¥48,044 million (\$400,366 thousand) and ¥48,414 million for the years ended March 31, 2015 and 2014, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table sets forth the funded status of the plans and the amounts recognized in the consolidated balance sheets as of March 31, 2015 and 2014 for the Company's and the consolidated subsidiaries' defined benefit plans:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Funded retirement benefit obligation	¥ 98,239	¥ 95,414	\$ 818,658
Plan assets at fair value	(120,103)	(115,995)	(1,000,858)
	(21,863)	(20,581)	(182,191)
Unfunded retirement benefit obligation	14,203	13,298	118,358
Net liability for retirement benefits in the balance sheet	¥ (7,660)	¥ (7,282)	\$ (63,833)
Liability for retirement benefits	22,817	20,225	190,141
Asset for retirement benefits	(30,478)	(27,507)	(253,983)
Net asset for retirement benefits in the balance sheet	¥ (7,660)	¥ (7,282)	\$ (63,833)

The components of retirement benefit expense for the years ended March 31, 2015 and 2014 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Service cost	¥ 3,006	¥ 2,905	\$ 25,050
Interest cost	1,012	1,583	8,433
Expected return on plan assets	(2,878)	(2,383)	(23,983)
Amortization of actuarial loss/(gain)	21	2,588	175
Amortization of prior service cost	(1,514)	(1,604)	(12,616)
Amortization of transition obligation arising from the initial adoption of a new method of accounting	2,111	2,121	17,591
Other	406	3,258	3,383
Retirement benefit expense	¥ 2,165	¥ 8,470	\$ 18,041

The components of retirement benefits liability adjustments included in other comprehensive income (before tax effect) for the years ended March 31, 2015 and 2014 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Prior service cost	¥ (3,518)	¥ —	\$ (29,316)
Actuarial loss/(gain)	2,598	—	21,650
Transition obligation arising from the initial adoption of a new method of accounting	2,120	—	17,666
Total	¥ 1,200	¥ —	\$ 10,000

The components of retirement benefits liability adjustments included in accumulated other comprehensive income (before tax effect) as of March 31, 2015 and 2014 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Unrecognized prior service cost	¥ (4,642)	¥ (8,161)	\$ (38,683)
Unrecognized actuarial loss/(gain)	(23,435)	(20,836)	(195,291)
Unrecognized transition obligation arising from the initial adoption of a new method of accounting	—	2,120	—
Total	¥ (28,078)	¥ (26,877)	\$ (233,983)

The fair value of plan assets, by major category, as a percentage of total plan assets as of March 31, 2015 and 2014 were as follows:

	2015	2014
Bonds	38%	36%
Stocks	45	49
Other	17	15
Total*	100%	100%

*The Company's pension and retirement benefit trust consists of 36% of the total plan assets for the year ended 31 March, 2015 and 42% of the total plan assets for the year ended 31 March, 2014, respectively.

The expected return on assets has been estimated based on the average rate of the latest 3 years in consideration of the assets composition ratio.

The assumptions used in accounting for the above plans were as follows:

	2015	2014
Discount rate	0.9%	1.4%
Expected rate of return on plan assets	2.5%	2.5%

The Company and domestic consolidated subsidiaries paid for defined contribution pension plans of ¥2,130 million (\$17,750 thousand) and ¥2,103 million for the years ended March 31, 2015 and 2014, respectively.

9. INCOME TAXES

Deferred tax assets and liabilities at March 31, 2015 and 2014 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Deferred tax assets:			
Loss carryforwards	¥ 15,538	¥ 27,363	\$ 129,483
Liability for retirement benefits	15,180	17,523	126,500
Nondeductible accounts payable for revision of retirement payment plan	5,075	7,302	42,291
Nondeductible accrued bonuses	4,637	4,591	38,641
Excess of allowance for doubtful receivables and nondeductible bad debts expenses	3,126	7,543	26,050
Nondeductible write-downs of inventories	2,805	3,081	23,375
Nondeductible write-downs of investments on securities	1,920	2,159	16,000
Elimination of unrealized intercompany profits	1,637	1,525	13,641
Nondeductible loss on impairment of fixed assets	1,303	1,546	10,858
Other	5,561	5,534	46,341
Gross deferred tax assets	56,787	78,172	473,225
Less: Valuation allowance	(42,111)	(67,262)	(350,925)
Total deferred tax assets	14,676	10,909	122,300
Deferred tax liabilities:			
Asset for retirement benefits	(13,381)	(15,448)	(111,508)
Net unrealized holding gain on other securities	(3,758)	(2,362)	(31,316)
Nondeductible unrealized gain on contribution of securities to a pension trust	(3,405)	(3,830)	(28,375)
Other	(1,420)	(364)	(11,833)
Total deferred tax liabilities	(21,965)	(22,006)	(183,041)
Net deferred tax liabilities	¥ (7,289)	¥ (11,096)	\$ (60,741)

Net deferred tax assets are included in the consolidated balance sheets as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Other current assets	¥ 9,647	¥ 6,503	\$ 80,391
Other assets	2,403	707	20,025
Other current liabilities	0	—	0
Other long-term liabilities	19,340	18,307	161,166
Net deferred tax liabilities	¥ (7,289)	¥ (11,096)	\$ (60,741)

Income taxes applicable to the Company and domestic consolidated subsidiaries comprised corporation tax, inhabitants' taxes and enterprise tax, which, in the aggregate, resulted in statutory tax rates of approximately 36% and 38% for the years ended March 31, 2015 and 2014, respectively. Income taxes of the overseas consolidated subsidiaries are based generally on the tax rates applicable in their respective countries of incorporation. A reconciliation between the statutory tax rates and the effective tax rates as a percentage of income before income taxes and minority interests for the years ended March 31, 2015 and 2014 were summarized as follows:

	2015	2014
Statutory tax rates	36.0 %	38.0 %
Additions to (deductions from) income taxes resulting from:		
Permanent differences not recognized for tax purposes such as dividends received	(0.7)	(0.5)
Permanent nondeductible differences such as entertainment expenses	2.3	2.8
Decrease in valuation allowance for deferred tax assets	(58.1)	(26.1)
Per capita portion of inhabitants' taxes	0.8	1.0
Downward adjustment of deferred tax assets at the end of the year due to tax rate change	1.0	2.1
Income taxes for prior periods	9.4	—
Other, net	23.6	(4.0)
Effective tax rates	14.3 %	13.3 %

(1) The "Act for Partial Amendment of the Income Tax Act, etc." (Act No.9 of 2015) and the "Act for Partial Amendment of the Local Tax Act, etc." (Act No.2 of 2015) were promulgated on March 31, 2015. As a result, the effective statutory tax rate used to measure the Company's deferred tax assets and liabilities was changed from 36.0% to 33.0% and 32.0% for the temporary differences expected to be realized or settled in the year beginning April 1, 2015 and for the temporary differences expected to be realized or settled from April 1, 2016, respectively. The effect of the announced reduction of the effective statutory tax rate was to increase deferred tax assets, after offsetting deferred tax liabilities, by ¥1,684 million (\$5,700 thousand) and increase deferred income tax by ¥378 million (\$3,150 thousand), net unrealized holding gain on other securities by ¥459 million (\$3,825 thousand) and retirement benefits liability adjustments by ¥1,603 million (\$5,025 thousand) as of and for the year ended March 31, 2015.

(2) For the year ended March 31, 2015, certain subsidiary anticipated to receive a notice of tax assessment to correct prior period tax amounts from the Chinese Tax Authority with regard to transfer pricing taxation and recognized estimated additional income taxes.

10. SHAREHOLDERS' EQUITY

Companies Act of Japan (the "Act") provides that amounts from additional paid-in capital and retained earnings may be distributed to the shareholders at any time by resolution of the shareholders or that of the board of directors if certain provisions are met subject to the extent of the applicable sources of such distributions. The Act further provides that amounts equal to 10% of such distributions be transferred to the capital reserve included in additional paid-in capital or the legal reserve included in retained earnings based on the applicable sources of such distributions until the sum of the capital reserve and the legal reserve equals 25% of the capital stock account.

11. RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses for the years ended March 31, 2015 and 2014 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
	¥ 13,755	¥ 12,959	\$ 114,625

12. DERIVATIVES

Derivative transactions at March 31, 2015 and 2014 were as follows:

(a) Derivative transactions which do not qualify for hedge accounting

Forward foreign exchange contract

	Millions of yen				Thousands of U.S. dollars			
	2015				2015			
	Contract amount	Contract amount over 1 year	Fair value	Unrealized gain/loss	Contract amount	Contract amount over 1 year	Fair value	Unrealized gain/loss
Sell:								
Euro	¥ 6,264	¥ —	¥ 395	¥ 395	\$ 52,200	\$ —	\$ 3,291	\$ 3,291
Buy:								
Pound Sterling	2,674	—	(10)	(10)	22,283	—	(83)	(83)
Total	¥ 8,938	¥ —	¥ 385	¥ 385	\$ 74,483	\$ —	\$ 3,208	\$ 3,208

	Millions of yen			
	2014			
	Contract amount	Contract amount over 1 year	Fair value	Unrealized gain/loss
Sell:				
Euro	¥ 7,078	¥ —	¥ (143)	¥ (143)
Buy:				
U.S. Dollars	1,855	—	(3)	(3)
Total	¥ 8,933	¥ —	¥ (146)	¥ (146)

Note: Fair value is based on the quotes presented by the financial institutions.

(b) Derivative transactions which qualify for hedge accounting

(1) Forward foreign exchange contract

	Hedged item	Millions of yen			Thousands of U.S. dollars		
		2015			2015		
		Contract amount	Contract amount over 1 year	Fair value	Contract amount	Contract amount over 1 year	Fair value
Sell:							
U.S. Dollars	Accounts receivable	¥ 96	¥ —	¥ 0	\$ 800	\$ —	\$ 0
Total		¥ 96	¥ —	¥ 0	\$ 800	\$ —	\$ 0

	Hedged item	Millions of yen		
		2014		
		Contract amount	Contract amount over 1 year	Fair value
Sell:				
U.S. Dollars	Accounts receivable	¥ 123	¥ —	¥ (0)
Euro	Accounts receivable	993	—	4
Buy:				
U.S. Dollars	Accounts payable	4,901	—	30
Total		¥ 6,017	¥ —	¥ 33

Note: Fair value is based on the quotes presented by the financial institutions.

(2) Currency swaps

		Millions of yen			Thousands of U.S. dollars		
		2015			2015		
	Hedged item	Contract amount	Contract amount over 1 year	Fair value	Contract amount	Contract amount over 1 year	Fair value
Pay Yen/receive U.S.Dollars	Long-term borrowings	¥ 1,778	¥ 1,270	¥ 278	\$ 14,816	\$ 10,583	\$ 2,316

		Millions of yen		
		2014		
	Hedged item	Contract amount	Contract amount over 1 year	Fair value
Pay Yen/receive U.S.Dollars	Long-term borrowings	¥ 2,286	¥ 1,778	¥ (26)

Note: Fair value is based on the quotes presented by the financial institutions.

(3) Interest rate swaps

		Millions of yen			Thousands of U.S. dollars		
		2015			2015		
	Hedged item	Contract amount	Contract amount over 1 year	Fair value	Contract amount	Contract amount over 1 year	Fair value
Pay fixed/receive floating	Short-term borrowings	¥ 20,000	¥ —	¥ (72)	\$ 166,666	\$ —	\$ (600)
	Long-term borrowings	41,314	32,584	*	344,283	271,533	*
Total		¥ 61,314	¥ 32,584	¥ (72)	\$ 510,950	\$ 271,533	\$ (600)

		Millions of yen		
		2014		
	Hedged item	Contract amount	Contract amount over 1 year	Fair value
Pay fixed/receive floating	Short-term borrowings	¥ 25,000	¥ 20,000	¥ (411)
	Long-term borrowings	3,168	1,004	*
Total		¥ 28,168	¥ 21,004	¥ (411)

* Derivative transactions subject to special accounting treatment applied to interest rate swaps are treated in combination with long-term borrowings as hedged items. Hence their fair value is included in that of long-term borrowings.

Note: Fair value is based on the quotes presented by the financial institutions.

13. LEASES

Lease payments relating to finance leases started before March 31, 2008, accounted for as operating leases in the accompanying consolidated financial statements amounted to ¥16 million (\$133 thousand) and ¥97 million for the years ended March 31, 2015 and 2014, respectively.

The leases which were started on or before March 31, 2008 are principally accounted for as operating leases.

Leased assets held under finance leases accounted for as operating leases at March 31, 2015 and 2014 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Machinery and equipment	¥ 28	¥ 175	\$ 233
Other	—	6	—
Less: Accumulated depreciation	20	160	166
Total	¥ 7	¥ 21	\$ 58

Depreciation is computed by applying the straight-line method over the estimated useful lives of the related assets assuming that the Company guarantees a nil residual value at the end of the term of each lease.

The following is a schedule of future minimum lease payments under finance leases accounted for as operating leases:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2016	¥ 3	\$ 25
2017 and thereafter	5	41
Total	¥ 8	\$ 66

Minimum rental payments subsequent to March 31, 2015 required under operating leases with noncancelable lease terms in excess of one year are summarized as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2016	¥ 2,395	\$ 19,958
2017 and thereafter	8,548	71,233
Total	¥ 10,944	\$ 91,200

14. CONTINGENT LIABILITIES

Contingent liabilities at March 31, 2015 and 2014 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
As guarantors of employees' housing loans	¥ 384	¥ 460	\$ 3,200

15. AMOUNTS PER SHARE

In accordance with the accounting standard for earnings per share, basic net income per share is computed based on the net income attributable to shareholders of common stock and the weighted-average number of shares of common stock outstanding during each year. Diluted net income per share is computed based on the net income available for distribution to the shareholders and the weighted-average numbers of shares of common stock outstanding during each year assuming full conversion of the convertible bonds and full exercise of the subscription rights to shares. Net assets per share are based on the number of shares of common stock outstanding at the year end.

	Yen		U.S. dollars
	2015	2014	2015
Net income:			
Basic	¥ 40.03	¥ 36.21	\$ 0.33
Diluted	38.13	26.13	0.31

	Yen		U.S. dollars
	2015	2014	2015
Net assets	¥ 137.74	¥ 79.32	\$ 1.14

16. STOCK OPTION PLANS

At March 31, 2015, the following employee stock option plans of the Company had been approved by the shareholders:

Date of approval by shareholders	June 29, 2005	June 29, 2006	June 26, 2007
Grantees	9 directors, 12 executive officers, 8 management officials and 3 directors of subsidiaries	10 directors, 11 executive officers, 7 management officials and 1 director of a subsidiary	9 directors, 10 executive officers, 6 management officials and 1 director of a subsidiary
Type of shares to be issued	Common stock	Common stock	Common stock
Number of shares reserved	442,000 shares	342,000 shares	509,000 shares
Exercise price	¥ 406	¥ 277	¥ 248
Exercisable period	July 1, 2007–June 28, 2015	July 1, 2008–June 28, 2016	July 1, 2009–June 25, 2017

17. SEGMENT INFORMATION**Business segments**

The Group classifies its businesses into Info-Telecom Systems, Printers and EMS.

The segment information for the years ended March 31, 2015 and 2014 were summarized as follows:

	Millions of yen							
	2015							
	Segments				Other	Total	Adjustments	Consolidated
Info-Telecom Systems	Printers	EMS	Subtotal					
For the year ended March 31								
Sales to third parties	¥ 352,505	¥ 129,271	¥ 40,308	¥ 522,086	¥ 18,067	¥ 540,153	¥ —	¥ 540,153
Inter-segment sales and transfers	4,472	5,445	387	10,305	22,644	32,949	(32,949)	—
Net sales	356,978	134,717	40,696	532,391	40,711	573,103	(32,949)	540,153
Operating income (loss)	25,920	6,720	2,027	34,667	3,467	38,134	(5,719)	32,415
Total assets	223,571	75,272	26,429	325,272	26,190	351,462	87,895	439,358
Depreciation and amortization	6,254	4,236	935	11,425	993	12,418	1,192	13,611
Amortization of the goodwill	71	—	9	81	—	81	—	81
Investments in equity-method affiliates	1,903	—	—	1,903	29	1,932	3,230	5,162
Increase in property, plant, equipment and intangible assets	¥ 8,825	¥ 3,141	¥ 738	¥ 12,706	¥ 1,319	¥ 14,025	¥ 1,155	¥ 15,181

	Millions of yen							
	2014							
	Segments				Other	Total	Adjustments	Consolidated
Info-Telecom Systems	Printers	EMS	Subtotal					
For the year ended March 31								
Sales to third parties	¥ 303,600	¥ 124,831	¥ 37,111	¥ 465,543	¥ 17,569	¥ 483,112	¥ —	¥ 483,112
Inter-segment sales and transfers	4,189	5,048	137	9,376	21,099	30,475	(30,475)	—
Net sales	307,790	129,879	37,249	474,919	38,669	513,588	(30,475)	483,112
Operating income (loss)	23,416	5,125	1,656	30,198	2,844	33,043	(5,846)	27,196
Total assets	208,778	75,154	25,125	309,058	25,494	334,553	77,960	412,514
Depreciation and amortization	5,365	4,771	937	11,074	1,013	12,088	1,116	13,204
Amortization of the goodwill	11	0	—	11	—	11	(0)	11
Investments in equity-method affiliates	1,653	—	—	1,653	27	1,680	3,018	4,698
Increase in property, plant, equipment and intangible assets	¥ 8,049	¥ 2,725	¥ 800	¥ 11,576	784	12,361	1,063	13,424

	Thousands of U.S. dollars							
	2015							
	Segments				Other	Total	Adjustments	Consolidated
Info-Telecom Systems	Printers	EMS	Subtotal					
For the year ended March 31								
Sales to third parties	\$ 2,937,541	\$ 1,077,258	\$ 335,900	\$ 4,350,716	\$ 150,558	\$ 4,501,275	\$ —	\$ 4,501,275
Inter-segment sales and transfers	37,266	45,375	3,225	85,875	188,700	274,575	(274,575)	—
Net sales	2,974,816	1,122,641	339,133	4,436,591	339,258	4,775,858	(274,575)	4,501,275
Operating income (loss)	216,000	56,000	16,891	288,891	28,891	317,783	(47,658)	270,125
Total assets	1,863,091	627,266	220,241	2,710,600	218,250	2,928,850	732,458	3,661,316
Depreciation and amortization	52,116	35,300	7,791	95,208	8,275	103,483	9,933	113,425
Amortization of the goodwill	591	—	75	675	—	675	—	675
Investments in equity-method affiliates	15,858	—	—	15,858	241	16,100	26,916	43,016
Increase in property, plant, equipment and intangible assets	\$ 73,541	\$ 26,175	\$ 6,150	\$ 105,883	\$ 10,991	\$ 116,875	\$ 9,625	\$ 126,508

(1) Adjustments of Operating income (loss) consist principally of expenses in the Company's General and Administrative Department and research and development expenses within the Group amounting to ¥5,923 million (\$49,358 thousand) and ¥5,978 million for the years ended March 31, 2015 and 2014, respectively.

(2) Adjustments of total assets consist principally of the Company's surplus funds, funds for long-term investments and assets belonging to the General and Administrative Department amounting to ¥209,779 million (\$1,748,158 thousand) and ¥209,605 million at March 31, 2015 and 2014, respectively.

REPORT OF INDEPENDENT AUDITORS



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Tokyo, Japan 100-0011

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Fax: +81 3 3503 1197
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Independent Auditor's Report

The Board of Directors
Oki Electric Industry Co., Ltd.

We have audited the accompanying consolidated financial statements of Oki Electric Industry Co., Ltd. and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2015, and the consolidated statement of income, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Oki Electric Industry Co., Ltd. and its consolidated subsidiaries as at March 31, 2015, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 2.

Ernst & Young Shin Nihon LLC

June 24, 2015

COMPANY PROFILE

PROFILE (As of March 31, 2015)

Company Name:	Okii Electric Industry Co., Ltd.	President, Representative Director:	Hideichi Kawasaki
Founded:	1881	Head Office:	1-7-12 Toranomom, Minato-ku, Tokyo 105-8460, Japan Tel +81-3-3501-3111 URL http://www.oki.com
Company Established:	November 1, 1949		
Common Stock:	44,000 million yen		
Employees:	20,653 (Consolidated) 3,881 (Non-consolidated)		

MAJOR SUBSIDIARIES AND AFFILIATES (As of July 1, 2015)

JAPAN

OKI Customer Adtech
OKI Consulting Solutions
Japan Business Operations
OKI Software
OKI Wintech
OKI Comtec
Shizuoka OKI
OKI Seatec
Nagano OKI
OKI Printed Circuits
OKI Communication Systems
OKI Circuit Technology
OKI IDS
OKI Data
OKI Digital Imaging
M L Supply
OKI Data Manufacturing and
Engineering Service
OKI Micro Engineering
OKI Techno Power Systems
OKI Metaltech
OKI Sensor Device
OKI Engineering
OKI Proserve
OKI Electric Cable

AMERICAS

OKI Data Americas
OKI Data de Mexico
OKI Brasil
OKI Data do Brasil

EUROPE

OKI Europe
OKI (UK)
OKI Systems (UK)
OKI Systems (Danmark)
OKI Systems (Holland)
OKI Systems (Ireland)
OKI Systems (Italia)
OKI Systems (Norway)
OKI Systems (Sweden)
OKI Systems (Finland)
OKI Systèmes (France)
OKI Systems (Deutschland)
OKI Systems (Rus)
OKI Systems (Polska)
OKI Systems (Magyarország)
OKI Systems (Czech and Slovak)
OKI Sistem ve Yazici Çözümleri Ticaret

ASIA/OCEANIA

OKI Hong Kong
OKI Electric Industry (Shenzhen)
OKI Banking Systems (Shenzhen)
OKI Electric Technology (Kunshan)
OKI Software Technology
OKI Trading (Beijing)
OKI Data Dalian
OKI Sensor Device (Shanghai)
OKI Systems Korea
OKI Data (Singapore)
OKI Data Manufacturing (Thailand)
OKI Precision (Thailand)
OKI Systems (Thailand)
OKI Proserve (Thailand)
OKI India
OKI Data (Australia)

INVESTOR INFORMATION

Number of Shares (As of March 31, 2015)

Authorized: 2,400,000 thousand
Issued: 872,176 thousand (including 3,432 thousand treasury stock)

Number of Shareholders (As of March 31, 2015)

84,926

Stock Exchange Listing

First Section of the Tokyo Stock Exchange

Administrative Agent for the Company's Shareholder Register

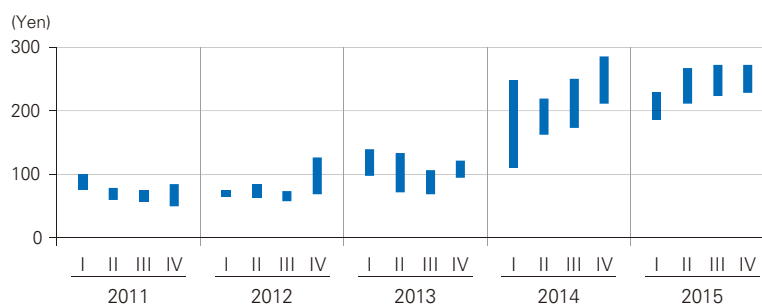
Mizuho Trust & Banking Co., Ltd.

Contact for Further Information

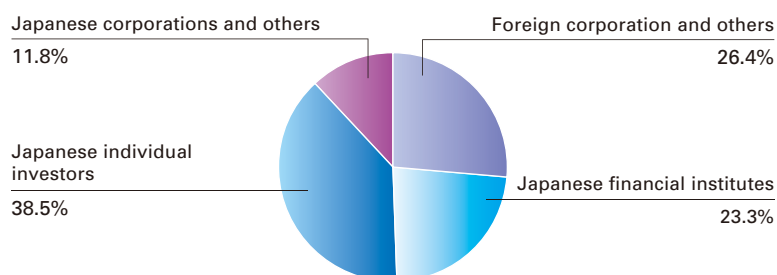
Investor Relations

Public Relations Division
Oki Electric Industry Co., Ltd.
1-7-12 Toranomom, Minato-ku, Tokyo 105-8460, Japan
Tel: +81-3-3501-3836 E-mail: ir-info@oki.com

Common Stock Price Range on the Tokyo Stock Exchange (Years ended March 31)



Breakdown of Shares Held by Shareholder Type (As of March 31, 2015)



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OKI

Oki Electric Industry Co., Ltd.



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