

Financial Results for Q1 of the FY Ending March 31, 2020

July 26, 2019

Ok Electric Industry Co., Ltd.

Summary of Financial Results

- Net sales increased significantly, partly due to the expanded scope of application of percentage of completion method.
- Operating income, ordinary income, and profit attributable to owners of parent improved due to the impact of structural reforms in the previous fiscal year in addition to sales increase.

(Billion yen)	Q1 FY2020/3 (Results)	Q1 FY2019/3 (Results)	Variance
Net sales	107.6	88.9	+18.7
Operating income (loss)	1.1	(0.8)	+1.9
Ordinary income (loss)	0.1	(1.7)	+1.8
Profit (loss) attributable to owners of parent	(0.4)	(1.8)	+1.4
USD average exchange rate (Yen)	109.9	109.1	+0.8
EUR average exchange rate (Yen)	123.5	130.1	(6.6)

Segment Information (Net Sales)

- ICT: Increased upon the increases in the network-related and some government agency projects in addition to the impact of the expanded scope of application of percentage of completion method
- Mechatronics Systems: Declined upon the absence of big demand for cash handling equipment in Japanese market in the previous fiscal year
- Printers: Decreased due to the absence of temporary increasing in consumables sales recorded in the previous fiscal year and the impact of yen appreciation
- EMS: Decreased in FA and semiconductor-related sales, stable in healthcare, aviation and aerospace-related areas

(Billion yen)	Q1 FY2020/3 (Results)	Q1 FY2019/3 (Results)*	Variance
ICT	52.8	28.8	+24.0
Mechatronics systems	16.7	17.6	(0.9)
Printers	22.9	25.2	(2.3)
EMS	13.8	15.9	(2.1)
Others	1.4	1.4	0.0
Total	107.6	88.9	+18.7

*Results of EMS and Others are restated.

Segment Information (Operating Income/Loss)

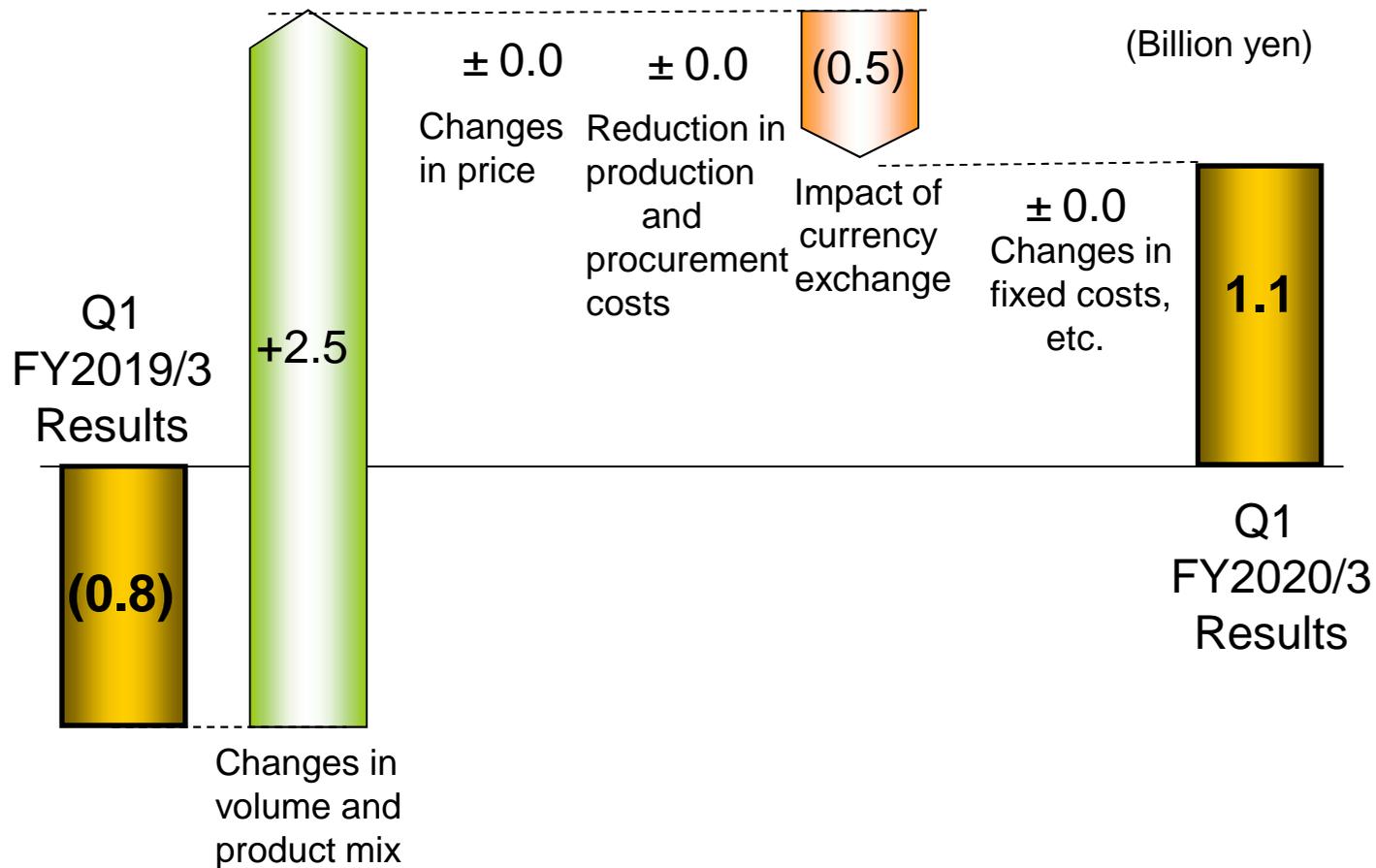
- ICT: Improved significantly due to the sales increase
- Mechatronics Systems: Improved due to the effect of structural reforms conducted in the previous fiscal year
- Printers: Decreased due to the impact of declined sales for consumables and yen appreciation for Euro
- EMS: Decreased due to the sales decline

(Billion yen)	Q1 FY2020/3 (Results)	Q1 FY2019/3 (Results)*	Variance
ICT	2.5	(0.5)	+3.0
Mechatronics Systems	(0.7)	(1.5)	+0.8
Printers	0.5	1.9	(1.4)
EMS	0.2	0.6	(0.4)
Others	0.2	0.3	(0.1)
Corporate & Eliminations	(1.7)	(1.6)	(0.1)
Total	1.1	(0.8)	+1.9

*Results of EMS and Others are restated.

Reasons for Changes in Operating Income/Loss

- Operating income improved significantly due to the impact of sales increases.



Balance Sheets

- There is no major change in the composition of each asset and liability.
- Shareholders' equity ratio decreased by 1.9 points due to the decline in accumulated other comprehensive income.

(Billion yen)	Jun. 2019	Mar. 2019	Variance
Current assets	219.2	223.2	(4.0)
Fixed assets	136.7	142.3	(5.6)
Assets	355.8	365.5	(9.7)
Current liabilities	176.3	176.2	+0.1
Fixed liabilities	89.0	89.1	(0.1)
Liabilities	265.4	265.3	+0.1
Shareholders' equity	90.2	99.9	(9.7)
Others	0.3	0.3	0.0
Net assets	90.5	100.2	(9.7)
Total liabilities and net assets	355.8	365.5	(9.7)
Shareholders' equity ratio (%)	25.4	27.3	(1.9)%
D/E ratio (times)	0.9	0.8	+0.1pt

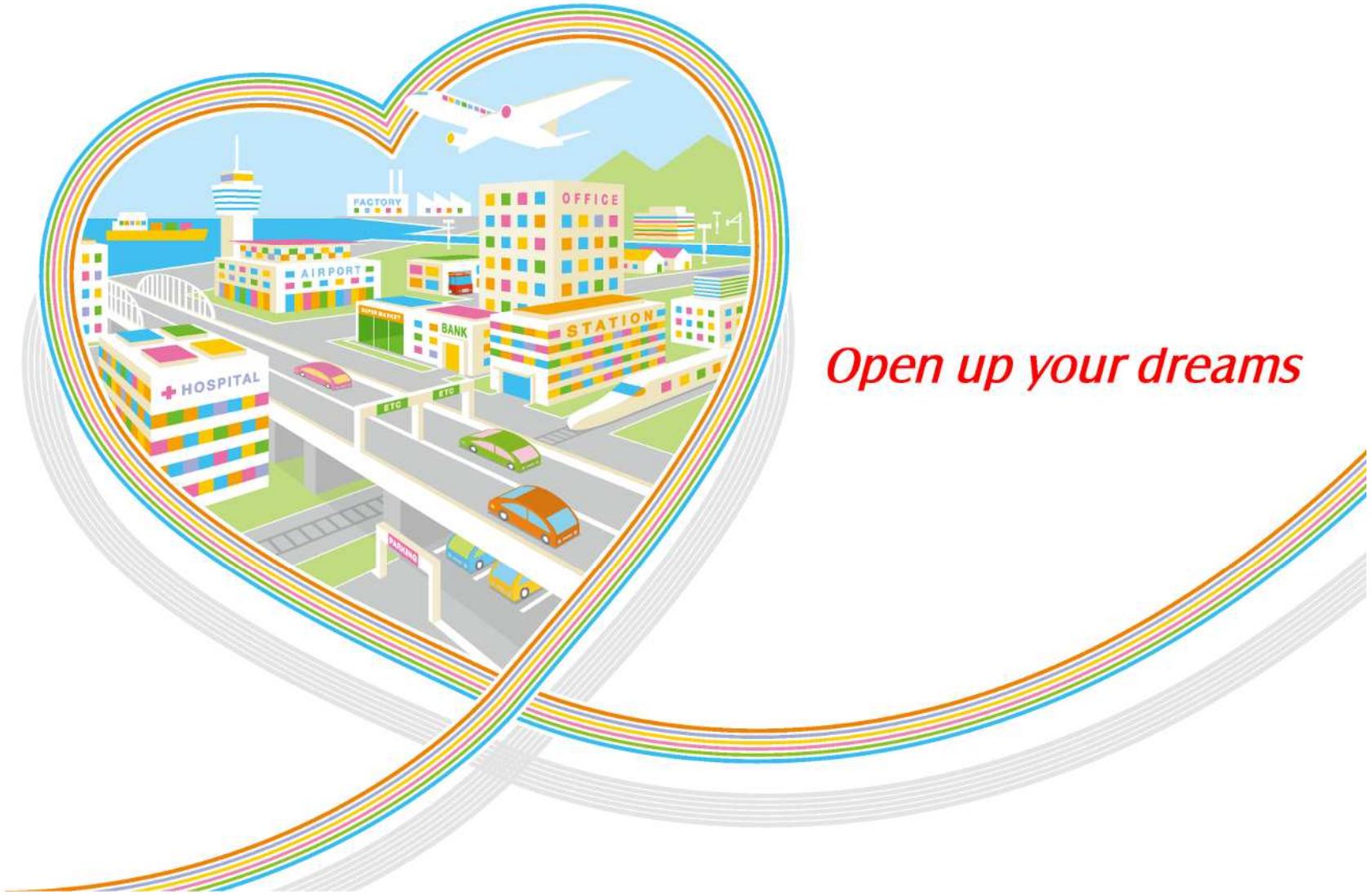
Cash Flows

- Cash flows from investing activities improved due to sales of investment securities.

(Billion yen)	Q1 FY2020/3 (Results)	Q1 FY2019/3 (Results)	Variance
Cash flows from operating activities	11.2	11.3	(0.1)
Cash flows from investing activities	0.7	(2.9)	+3.6
Free cash flows (+)	11.9	8.4	+3.5
Cash flows from financing activities	(4.9)	(7.3)	+2.4
Cash and cash equivalents	33.6	46.6	(13.0)
Purchases of PP&E and intangible assets	(3.9)	(3.0)	(0.9)
Depreciation	3.0	2.9	+0.1

Notice

- The projections and plans in this material are based on information currently available to OKI as of the date of publication and certain assumptions judged as rational, therefore actual results are subject to change depending upon the changes of business environments and other conditions.
- Indication method of amounts in hundred millions (yen) are as follow:
Amounts in each item are rounded to the nearest hundred million yen. Variances are calculated in the hundred millions.



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