

(Translation)

## Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2023[J-GAAP]

May 10, 2023

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

Securities Code: 6703

Stock Exchange Listing: Tokyo Stock Exchange

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

Representative: Takahiro Mori, Representative Director and Chief Executive Officer

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Date of Ordinary General Meeting of Shareholders (Scheduled): June 27, 2023

Commencement of Dividend Payment (Scheduled): June 28, 2023

Filing of Securities Report (Scheduled): June 27, 2023

Supplementary Document on Financial Results: Yes

Financial Results Briefing: Yes (for institutional investors)

(Amounts less than one million yen have been truncated)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

#### (1) Consolidated Operating Results

(Percentage figures indicate year-on-year change)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2023	369,096	4.8	2,403	(59.0)	(328)	–	(2,800)	–
March 31, 2022	352,064	(10.4)	5,864	(34.1)	7,691	(12.3)	2,065	–

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥(5,746) million (–%)  
Fiscal year ended March 31, 2022: ¥(2,204) million (–%)

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended					
March 31, 2023	(32.33)	–	(2.7)	(0.1)	0.7
March 31, 2022	23.85	23.81	1.9	2.1	1.7

(Reference) Share of profit (loss) of entities accounted for using equity method:  
Fiscal year ended March 31, 2023: ¥183 million  
Fiscal year ended March 31, 2022: ¥212 million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	390,425	99,279	25.4	1,143.96
As of March 31, 2022	369,170	107,635	29.1	1,240.62

(Reference) Shareholders' equity: As of March 31, 2023: ¥99,088 million  
As of March 31, 2022: ¥107,437 million

#### (3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended				
March 31, 2023	(3,148)	(17,623)	23,275	37,498
March 31, 2022	5,921	(17,597)	1,680	33,379

## 2. Dividends

	Dividend per share					Total dividend amount (Annual) (Millions of yen)	Dividend payout ratio (Consolidated) (%)	Dividends to net assets (Consolidated) (%)
	First quarter-end (Yen)	Second quarter-end (Yen)	Third quarter-end (Yen)	Year-end (Yen)	Total (Yen)			
Fiscal year ended March 31, 2022	–	0.00	–	30.00	30.00	2,597	125.8	2.4
March 31, 2023	–	0.00	–	20.00	20.00	1,732	–	1.7
Fiscal year ending March 31, 2023 (Forecasts)	–	0.00	–	30.00	30.00		65.0	

## 3. Consolidated Results Forecasts for the Fiscal Year Ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentage figures indicate year-on-year change)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	440,000	19.2	11,000	357.7	8,500	–	4,000	–	46.18

### Notes:

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in the scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates and restatements
  - 1) Changes in accounting policies in accordance with revision of accounting standards, etc.: Yes
  - 2) Any changes in accounting policies other than 1) above: None
  - 3) Changes in accounting estimates: None
  - 4) Restatements: None

(Note) For details, please refer to “(5) Notes to Consolidated Financial Statements (Changes in Accounting Policies)” of “3. Consolidated Financial Statements and Significant Notes Thereto” on page 13 of the Attachment.

- (3) Number of shares issued (common stock)
  - 1) Number of shares issued at the end of the period (including treasury shares)
    - As of March 31, 2023: 87,217,602 shares
    - As of March 31, 2022: 87,217,602 shares
  - 2) Number of treasury shares at the end of the period
    - As of March 31, 2023: 598,803 shares
    - As of March 31, 2022: 617,937 shares
  - 3) Average number of shares during the period
    - Fiscal Year ended March 31, 2023: 86,619,410 shares
    - Fiscal Year ended March 31, 2022: 86,600,373 shares

(Note) For information on the number of shares for the basis for calculating basic earnings per share (consolidated), please refer to “Per Share Information” on page 15 of the Attachment.

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Non-consolidated Operating Results

(Percentage figures indicate year-on-year change)

	Net sales		Operating income		Ordinary income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2023	234,884	5.4	(16,885)	–	(8,618)	–	(6,291)	–
March 31, 2022	222,848	3.0	(13,002)	–	(3,290)	–	(3,787)	–

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Fiscal year ended				
March 31, 2023		(72.63)		–
March 31, 2022		(43.74)		–

(2) Non-consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	324,482	72,985	22.5	841.20
As of March 31, 2022	299,957	81,886	27.3	943.98

(Reference) Shareholders' equity: As of March 31, 2023: ¥72,863 million  
As of March 31, 2022: ¥81,748 million

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

Explanation regarding appropriate use of results projection and other special notes

(Warning on forward-looking statements)

The forward-looking statements including the forecasts for the financial results contained in this document are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable, and actual results may differ from such statements due to a variety of factors. For the conditions assumed for the results forecasts and notes on the use of such forecasts, please refer to “Future Outlook” of “1. Overview of Operating Results and Others, (1) Analysis of Operating Results” on page 4 of the Attachment.

(How to obtain supplementary document on financial results)

The Company is scheduled to hold a financial results briefing for institutional investors on May 10, 2023 (Wednesday). The document on financial results is disclosed on TDNet at the same time as this Summary of Consolidated Financial Results and is also made available on the Company's website on the same day.

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## 1. Overview of Operating Results and Others

### (1) Analysis of Operating Results

#### 1) Results of operations for the fiscal year under review (April 1, 2022 to March 31, 2023)

Despite recovery in economic activity thanks to improvement in circumstances surrounding the COVID-19 pandemic, the future remains uncertain owing to exchange rate instability and rising geopolitical risks stemming from the prolonged conflict between Russia and Ukraine. In addition, supply chain disruptions such as soaring raw material prices as well as parts and material shortages — especially for semiconductors — have continued into the current fiscal year.

Given this state of affairs, OKI considers strengthening its ability to respond to the above risks to be an urgent priority and aims to build a strong foundation for realizing sustainable growth by resolving social issues. Based on the materiality of the OKI Group, we are working on ways to resolve seven social issues (aging of infrastructure, natural disasters, traffic congestion, environmental problems, labor shortages, labor productivity, and the spread of infectious diseases).

Net sales for the fiscal year ended March 31, 2023 were ¥369.1 billion (a ¥17.0 billion, or 4.8%, increase year-on-year). Despite the negative impact stemming from production decline caused by shortages of semiconductors and other materials that persisted throughout the year, we posted higher net sales primarily due to positive forex impact and the recording of sales that the Company initially expected to book in the previous fiscal year.

Operating income amounted to ¥2.4 billion (year-on-year contraction of ¥3.5 billion) in large part because OKI experienced significant supply chain impacts due to component shortages and rising material prices, despite positive factors such as increased sales volume from recording sales that were initially planned for the previous fiscal year, optimizing selling prices, and reducing fixed costs. Excluding the forex impact and one-time gains recorded in the previous fiscal year, operating income was almost unchanged from the previous fiscal year. However, we expect sales and profit to recover in the next fiscal year due to the implementation of supply chain countermeasures prioritized in the current fiscal year, such as strengthening procurement capabilities and making design adjustments to allow for the use of alternative parts and materials.

Ordinary loss came in at ¥0.3 billion, worsened by ¥8.0 billion year-on-year, due to factors such as deterioration in terms of non-operating foreign exchange gains/losses, in addition to a decrease in operating income.

Loss attributable to owners of parent was ¥2.8 billion, primarily due to decreased extraordinary losses accompanying structural reforms (a loss expansion of ¥4.9 billion year-on-year).

(Billions of yen)	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022	Year-on-year change rate
Net sales	369.1	352.1	4.8%
Operating income	2.4	5.9	(59.0)%
Ordinary income	(0.3)	7.7	—
Profit(loss) attributable to owners of parent	(2.8)	2.1	—

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

< Solution Systems >

Segment net sales came to ¥179.4 billion (a year-on-year increase of 10.3%, or ¥16.8 billion). We observed growth in all business fields, largely attributed to the recording of sales that the Company initially expected to book in the previous fiscal year and expansion in sales generated through the aircraft equipment business acquired within the Public Solutions business field.

Segment operating income fell to ¥8.5 billion (down ¥1.0 billion year-on-year) due to growth in prices for parts and materials, negative forex impact, and expansion in costs associated with software development projects handled within the Enterprise Solutions business field.

(Billions of yen)	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022	Year-on-year change rate
Net sales	179.4	162.6	10.3%
Operating income	8.5	9.5	(11.2)%

< Components & Platforms >

Segment net sales were ¥189.2 billion (a year-on-year increase of ¥0.2 billion, or 0.1%). In the Mono-zukuri Platforms business field, FA/semiconductor manufacturing equipment sales remained strong, a continuation from the previous fiscal year. However, despite the positive forex impact in the Peripheral Products business, sales generated through the Component business field incurred substantial impact from production declines caused by shortages of parts and materials in the Automation Systems business.

Segment operating loss amounted to ¥0.1 billion (year-on-year loss expansion of ¥3.6 billion). However, the result on a real basis, excluding one-time gains from the previous fiscal year, was roughly on par with the previous fiscal year. This was due to sales growth in the Mono-zukuri Platforms business field and fixed cost reductions achieved through structural reforms in overseas subsidiaries, which offset the decline in sales in the Component business field.

(Billions of yen)	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022	Year-on-year change rate
Net sales	189.2	189.0	0.1%
Of which, sales in Japan	130.6	134.1	(2.6)%
sales in overseas	58.6	54.9	6.7%
Operating income (loss)	(0.1)	3.5	—

<Others>

Net sales was ¥0.5 billion (a year-on-year increase of ¥0.1 billion, or 24.6%) and operating income amounted to ¥0.4 billion (a year-on-year increase of ¥0.1 billion).

(Billions of yen)	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022	Year-on-year change rate
Net sales	0.5	0.4	24.6%
Operating income (loss)	0.4	0.3	24.4%

## 2) Future Outlook

The OKI Group has formulated a Medium-Term Business Plan 2025, with the final year set for Fiscal 2025. For details, please refer to the Medium-Term Business Plan 2025, which was announced on May 10, 2023.

The earnings forecast for the next fiscal year ending March 31, 2024 is as follows: net sales are expected to increase by ¥70.9 billion year-on-year to ¥440.0 billion, operating income is expected to increase by ¥8.6 billion to ¥11.0 billion, ordinary income is expected to improve by ¥8.8 billion to ¥8.5 billion, and profit attributable to owners of parent is expected to improve by ¥6.8 billion to ¥4.0 billion. This plan anticipates a significant recovery in both sales and profit due to an increase in production volume thanks to supply chain countermeasures, which were prioritized in the previous fiscal year, as well as increased volume from projects that were carried over from the previous fiscal year and other large-scale projects.

The exchange rates used for the consolidated results forecast are ¥130 to the U.S. dollar and ¥140 to the euro.

(Billions of yen)	Fiscal year ending March 31, 2024	Fiscal year ended March 31, 2023	Change
Net sales	440.0	369.1	19.2%
Operating income	11.0	2.4	357.7%
Ordinary income	8.5	(0.3)	—
Profit attributable to owners of parent	4.0	(2.8)	—

In addition, in conjunction with the organizational changes implemented on April 1, 2023, we will change the reportable segments from the fiscal year ending March 31, 2024 as follows. For details of the reportable segments, please refer to the Medium-Term Business Plan 2025 and the financial results outline for the fiscal year ended March 31, 2023, both announced on May 10, 2023.

(Billions of yen)		Fiscal year ending March 31, 2024	Fiscal year ended March 31, 2023	Change
Public Solutions	Net sales	98.0	95.7	2.4%
	Operating income	4.0	3.4	17.3%
Enterprise Solutions	Net sales	178.0	112.9	57.7%
	Operating income	11.5	1.5	655.1%
Component Products	Net sales	81.0	84.6	(4.3)%
	Operating income	2.0	1.6	25.2%
EMS	Net sales	83.0	75.3	10.2%
	Operating income	2.5	2.3	11.1%
Others	Net sales	0.0	0.5	—
	Operating income	(1.5)	0.4	—
Elimination/corporate	Operating income	(7.5)	(6.8)	—
Total	Net sales	440.0	369.1	19.2%
	Operating income	11.0	2.4	357.7%

\*The figures for the fiscal year ended March 31, 2023 are restated.

### (Warning on forward-looking statements)

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

## (2) Analysis of Financial Position

### 1) Assets, liabilities, and net assets at the end of the fiscal year under review

As of March 31, 2023, total assets were ¥390.4 billion, up ¥21.2 billion from the end of the previous fiscal year. Shareholders' equity decreased ¥8.3 billion from the end of the previous fiscal year to ¥99.1 billion mainly due to the recording of a ¥2.8 billion loss attributable to owners of parent and a decrease of ¥3.0 billion in accumulated other comprehensive income. As a result, the shareholders' equity ratio stood at 25.4%.

Major changes in assets included an increase of ¥18.2 billion in inventories and an increase of ¥3.3 billion in property, plant and equipment.

Regarding liabilities, borrowings primarily increased and totaled ¥118.0 billion, an increase of ¥30.8 billion from ¥87.2 billion at the end of the previous fiscal year.

### 2) Cash flows for the fiscal year under review

For the period under review, net cash used in operating activities amounted to ¥3.1 billion (versus net cash of ¥5.9 billion provided in the previous fiscal year), primarily impacted by growth in working capital.

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

As a result, free cash flow (operating cash flow plus investing cash flow) came to a net outflow of ¥20.7 billion (versus a net outflow of ¥11.7 billion in the previous fiscal year).

Net cash provided by financing activities was ¥23.3 billion (compared with ¥1.7 billion provided by these activities in the previous fiscal year), with proceeds from borrowings being the main source of cash.

Owing to these factors, plus the ¥1.6 billion positive impact of exchange rate changes on cash and cash equivalents, the balance of cash and cash equivalents at the end of the fiscal year ended March 31, 2023 amounted to ¥37.5 billion, up from ¥33.4 billion at the end of the previous fiscal year.

## (3) Basic Policy Concerning the Distribution of Profits and the Dividend Distributions for the Fiscal Year Ended March 31, 2023 and the Fiscal Year Ending March 31, 2024

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

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

Based on this policy, the Company will distribute dividends of surplus (annual dividends) at ¥20.00 per share for the fiscal year under review, which is scheduled to be paid as year-end dividends for the year under review.

As for dividends of surplus for the next fiscal year, the Company plans to pay an annual dividend of ¥30.00 per share as a year-end dividend.

## 2. Basic Approach to the Selection of Accounting Standards

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



### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	36,691	37,746
Notes and accounts receivable - trade, and contract assets	94,469	94,598
Lease receivables and investments in leases	10,355	7,619
Finished goods	17,425	20,224
Work in process	14,713	21,135
Raw materials and supplies	26,023	35,076
Other	12,216	13,847
Allowance for doubtful accounts	(57)	(57)
Total current assets	211,837	230,191
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,793	25,179
Machinery, equipment and vehicles, net	8,801	8,546
Tools, furniture and fixtures, net	6,914	7,099
Land	15,996	15,929
Construction in progress	6,147	4,204
Total property, plant and equipment	57,653	60,959
Intangible assets	14,027	16,349
Investments and other assets		
Investment securities	34,495	34,115
Retirement benefit asset	30,447	27,192
Long-term operating receivables	25,047	24,941
Other	13,909	14,453
Allowance for doubtful accounts	(18,246)	(17,777)
Total investments and other assets	85,652	82,925
Total non-current assets	157,333	160,234
Total assets	369,170	390,425
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	56,691	60,653
Short-term borrowings	43,337	86,714
Other	57,929	57,883
Total current liabilities	157,958	205,252
Non-current liabilities		
Long-term borrowings	43,838	31,268
Lease liabilities	9,740	6,905
Deferred tax liabilities	12,961	11,111
Provision for retirement benefits for directors (and other officers)	195	121
Retirement benefit liability	31,320	30,906
Other	5,520	5,582
Total non-current liabilities	103,576	85,894
Total liabilities	261,535	291,146

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Net assets		
Shareholders' equity		
Share capital	44,000	44,000
Capital surplus	19,006	18,994
Retained earnings	55,103	49,705
Treasury shares	(869)	(841)
Total shareholders' equity	117,241	111,858
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,030	1,077
Deferred gains or losses on hedges	22	(32)
Foreign currency translation adjustment	(9,069)	(8,341)
Remeasurements of defined benefit plans	(1,788)	(5,473)
Total accumulated other comprehensive income	(9,804)	(12,770)
Share acquisition rights	138	121
Non-controlling interests	60	69
Total net assets	107,635	99,279
Total liabilities and net assets	369,170	390,425

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

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	352,064	369,096
Cost of sales	261,948	282,903
Gross profit	90,116	86,192
Selling, general and administrative expenses	84,252	83,789
Operating profit	5,864	2,403
Non-operating income		
Interest income	118	147
Dividend income	1,177	1,243
Foreign exchange gains	1,897	—
Gain on sale of investment securities	—	343
Dividend income of insurance	449	476
Miscellaneous income	1,023	1,024
Total non-operating income	4,665	3,236
Non-operating expenses		
Interest expenses	1,340	1,853
Foreign exchange losses	—	1,318
Miscellaneous expenses	1,496	2,796
Total non-operating expenses	2,837	5,968
Ordinary profit (loss)	7,691	(328)
Extraordinary income		
Gain on sale of non-current assets	550	—
Gain on sale of investment securities	502	—
Total extraordinary income	1,053	—
Extraordinary losses		
Loss on disposal of non-current assets	629	—
Impairment losses	1,144	—
Business restructuring expenses	2,798	—
Total extraordinary losses	4,571	—
Profit (loss) before income taxes	4,173	(328)
Income taxes - current	2,398	2,239
Income taxes - deferred	(303)	216
Total income taxes	2,094	2,456
Profit (loss)	2,078	(2,784)
Profit attributable to non-controlling interests	12	16
Profit (loss) attributable to owners of parent	2,065	(2,800)

## (Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit (loss)	2,078	(2,784)
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,540)	46
Deferred gains or losses on hedges	(59)	(54)
Foreign currency translation adjustment	(293)	731
Remeasurements of defined benefit plans, net of tax	(1,388)	(3,685)
Total other comprehensive income	(4,282)	(2,962)
Comprehensive income	(2,204)	(5,746)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(2,217)	(5,766)
Comprehensive income attributable to non-controlling interests	13	20

(3) Consolidated Statements of Changes in Equity  
Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	44,000	19,029	54,767	(919)	116,877
Cumulative effects of changes in accounting policies			1		1
Restated balance	44,000	19,029	54,769	(919)	116,878
Changes during period					
Dividends of surplus			(1,731)		(1,731)
Profit (loss) attributable to owners of parent			2,065		2,065
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		(22)		52	29
Net changes in items other than shareholders' equity					
Total changes during period	—	(22)	334	50	362
Balance at end of period	44,000	19,006	55,103	(869)	117,241

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	3,570	82	(8,774)	(399)	(5,520)	168	74	111,598
Cumulative effects of changes in accounting policies					—			1
Restated balance	3,570	82	(8,774)	(399)	(5,520)	168	74	111,600
Changes during period								
Dividends of surplus								(1,731)
Profit (loss) attributable to owners of parent								2,065
Purchase of treasury shares								(1)
Disposal of treasury shares								29
Net changes in items other than shareholders' equity	(2,540)	(59)	(294)	(1,388)	(4,283)	(29)	(13)	(4,327)
Total changes during period	(2,540)	(59)	(294)	(1,388)	(4,283)	(29)	(13)	(3,964)
Balance at end of period	1,030	22	(9,069)	(1,788)	(9,804)	138	60	107,635

Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

(Millions of yen)

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

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	1,030	22	(9,069)	(1,788)	(9,804)	138	60	107,635
Changes during period								
Dividends of surplus								(2,597)
Profit (loss) attributable to owners of parent								(2,800)
Purchase of treasury shares								(0)
Disposal of treasury shares								16
Net changes in items other than shareholders' equity	46	(54)	727	(3,685)	(2,966)	(16)	9	(2,973)
Total changes during period	46	(54)	727	(3,685)	(2,966)	(16)	9	(8,356)
Balance at end of period	1,077	(32)	(8,341)	(5,473)	(12,770)	121	69	99,279

## (4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	4,173	(328)
Depreciation	12,602	12,322
Increase (decrease) in provisions	(3,627)	(342)
Interest and dividend income	(1,295)	(1,391)
Interest expenses	1,340	1,853
Loss (gain) on sale of investment securities	(502)	(341)
Decrease (increase) in trade receivables	15,807	4,519
Decrease (increase) in inventories	(12,679)	(16,215)
Increase (decrease) in trade payables	(5,821)	610
Other, net	(2,119)	1,210
Subtotal	7,877	1,898
Interest and dividends received	1,295	1,391
Interest paid	(1,394)	(1,848)
Income taxes paid	(1,857)	(4,589)
Net cash provided by (used in) operating activities	5,921	(3,148)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(16,811)	(10,497)
Purchase of intangible assets	(4,889)	(6,036)
Proceeds from sale of investment securities	1,000	887
Payments for acquisition of businesses	—	(1,500)
Purchase of long-term prepaid expenses	(1,050)	(1,378)
Other payments	(331)	(302)
Other proceeds	4,486	1,203
Net cash provided by (used in) investing activities	(17,597)	(17,623)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(1,244)	44,108
Proceeds from long-term borrowings	25,078	6,850
Repayments of long-term borrowings	(16,080)	(21,050)
Dividends paid	(1,726)	(2,587)
Repayments of lease liabilities	(4,369)	(4,062)
Other, net	23	16
Net cash provided by (used in) financing activities	1,680	23,275
Effect of exchange rate change on cash and cash equivalents	1,544	1,617
Net increase (decrease) in cash and cash equivalents	(8,451)	4,119
Cash and cash equivalents at beginning of period	41,830	33,379
Cash and cash equivalents at end of period	33,379	37,498

(5) Notes to Consolidated Financial Statements

(Notes Relating to Going Concern Assumption)

Not applicable

(Changes in Accounting Policies)

The Group has adopted “the Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 31, June 17, 2021; hereinafter referred to as “the Accounting Standard for Fair Value Measurement”) as of the beginning of the fiscal year ending March 31, 2023. Based on the transitional treatment prescribed in Paragraph 27-2 of the Accounting Standard for Fair Value Measurement, the Group has decided to apply the new accounting policies set forth by the Accounting Standard for Fair Value Measurement in the future. These changes had no impact on the consolidated financial statements for the fiscal year ending March 31, 2023.

(Segment Information)

1. Overview of reportable segments

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

The Company has two reportable segments, "Solution Systems business" and "Components & Platforms business." Each of them plans comprehensive strategies about their main product lines in domestic and overseas markets and deploys business activities.

Solution Systems business provides solutions that leverage IoT and solutions that enable business processes to be optimized and streamlined.

Components & Platforms business provides products and services such as automation equipment and peripheral products utilizing core technologies including mechatronics and electronics, and also provides manufacturing service as a platform.

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

Business segment	Major products and services
Solution Systems	Traffic infrastructure-related systems, disaster-related systems, self-defense-related systems, aircraft equipment, communications equipment for telecom carriers, bank branch systems, centered-administration systems, ticket reservations and issuing systems, IP-PBX, business telephones, contact centers, 920MHz band wireless multi-hop communication systems, etc.
Components & Platforms	ATMs, cash handling equipment, bank branch terminals, ticket reservations and issuing terminals, check-in terminals, currency exchange machines, and ATM monitoring and operations services, color and monochrome LED printers, color and monochrome LED multifunction printers, wide format ink jet printers, dot-impact printers, consigned designing and manufacturing services, printed circuit boards, etc.

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

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



3. Information about amounts of net sales, profit and loss by reportable segment  
Previous fiscal year (from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segments			Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated financial statements
	Solution Systems	Components & Platforms	Total				
Net sales							
Net sales to external customers	162,645	188,995	351,641	423	352,064	—	352,064
Intersegment net sales or transfers	1,538	3,732	5,270	11,678	16,949	(16,949)	—
Total	164,183	192,728	356,911	12,102	369,014	(16,949)	352,064
Segment income (loss)	9,532	3,497	13,030	345	13,375	(7,511)	5,864

Current fiscal year (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segments			Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated financial statements
	Solution Systems	Components & Platforms	Total				
Net sales							
Net sales to external customers	179,362	189,205	368,568	527	369,096	—	369,096
Intersegment net sales or transfers	898	4,045	4,943	11,983	16,927	(16,927)	—
Total	180,261	193,251	373,512	12,511	386,023	(16,927)	369,096
Segment income (loss)	8,469	(114)	8,355	429	8,784	(6,381)	2,403

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

2. Details of adjustment are as follows:

(Millions of yen)

Segment income or loss	Previous fiscal year	Current fiscal year
Elimination of intersegment transactions	145	350
Corporate expenses*	(7,460)	(6,625)
Adjustment to non-current assets	(195)	(106)
Total	(7,511)	(6,381)

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

## (Per Share Information)

	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Net assets per share	¥1,240.62	¥1,143.96
Basic earnings (losses) per share	¥23.85	¥(32.33)
Diluted earnings per share	¥23.81	–

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

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

	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Basic earnings (losses) per share		
Profit(loss) attributable to owners of parent (Millions of yen)	2,065	(2,800)
Profit (loss) not attributable to common shareholders (Millions of yen)	–	–
Profit (loss) attributable to owners of parent related to common stock (Millions of yen)	2,065	(2,800)
Weighted average number of shares of common stock during the period (Thousand shares)	86,600	86,619
Diluted earnings per share		
Adjustment to profit attributable to owners of parent (Millions of yen)	–	–
Increase of common stock (Thousand shares)	169	–
Outline of dilutive shares not counted in the calculation of diluted earnings per share due to no dilutive effect	–	–

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

	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Total net assets (Millions of yen)	107,635	99,279
Amount deducted from the total net assets (Millions of yen)	198	191
[Subscription rights to shares included in the above]	[138]	[121]
[Non-controlling interests included in the above]	[60]	[69]
Amount of net assets related to common stock at end of period (Millions of yen)	107,437	99,088
Number of common stock used to calculate net assets per share at end of period (Thousand shares)	86,599	86,618

(Significant Subsequent Event)

Change in reportable segment classification

Previously, the reportable segments of the OKI Group were divided into two categories: "Solution Systems Business" and "Components & Platforms Business." However, we have decided to change this to four categories from the next fiscal year: "Public Solutions Business," "Enterprise Solutions Business," "Component Products Business," and "EMS Business."

We are currently in the process of calculating the detailed sales and profit or loss figures for each of these new reportable segments for the current fiscal year, under the newly adopted segment classification.