

Financial Results for the Fiscal Year
ended March 31, 2009
- supplemental document -

May 12, 2009

Oki Electric Industry Co., Ltd.

* The values of year-on-year comparison in this material are those announced last fiscal year.

* The projections and plans on this material are subject to change depending upon the changes of business environments and other conditions.

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Though net sales fell short of previous projection announced on March 10, operating income achieved profit approximately as planned.

<Outline of YoY comparison>

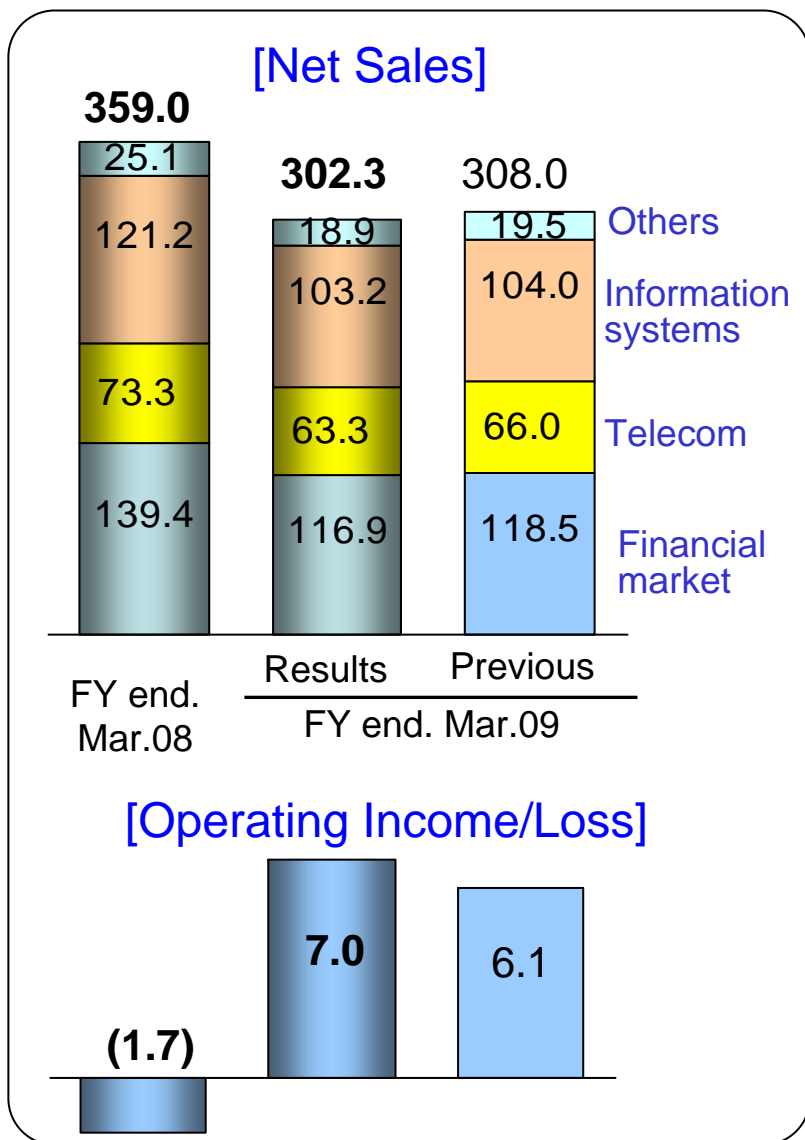
- Info-telecom and Printers, which are the main segments: While net sales decreased drastically, operating income increased due to improvement of profitability, thorough reduction in costs including fixed-costs, etc.
- Semiconductors: Transferred 95% of its subsidiary shares in October 2008. Sales and operating income in the 1st half decreased significantly due to market downturn.
- In the “Others” segment, profitability of components businesses, such as power supply units and motors, deteriorated caused by the rapid economic downturn in the 2nd half.

(Billion yen)	Net sales		Operating income (loss)	
	FY end Mar. 08	FY end Mar. 09	FY end Mar. 08	FY end Mar. 09
Info-telecom	359.0	302.3	(1.7)	7.0
Printers	185.8	160.7	8.6	7.8
Others	36.7	28.6	4.1	(1.4)
Eliminates & Corp.			(8.6)	(7.9)
Subtotal	581.5	491.6	2.4	5.5

Previous Projections	
Net sales	Operating income (loss)
308.0	6.1
164.5	9.0
28.4	(1.5)
	(8.0)
500.9	5.6

Semiconductors	138.2	54.1	3.8	(5.1)
Total	719.7	545.7	6.2	0.4

54.1	(5.1)
555.0	0.5



[Comparison with previous projections(Mar.10)]

Though sales decreased mainly from enterprises affected by the challenging economic circumstances, operating income exceeded plan through efforts in reducing fixed costs, etc.

[YoY comparison]

■ Financial market:

Sales increased in bank branch terminals for financial institutions in Japan and ATMs in China. However, sales from Japan Post and ATM sales from Japan's retail stores decreased as privatization and replacement demand had ran its course respectively. Operating income increased.

ATM: Automated Teller Machine

■ Telecom:

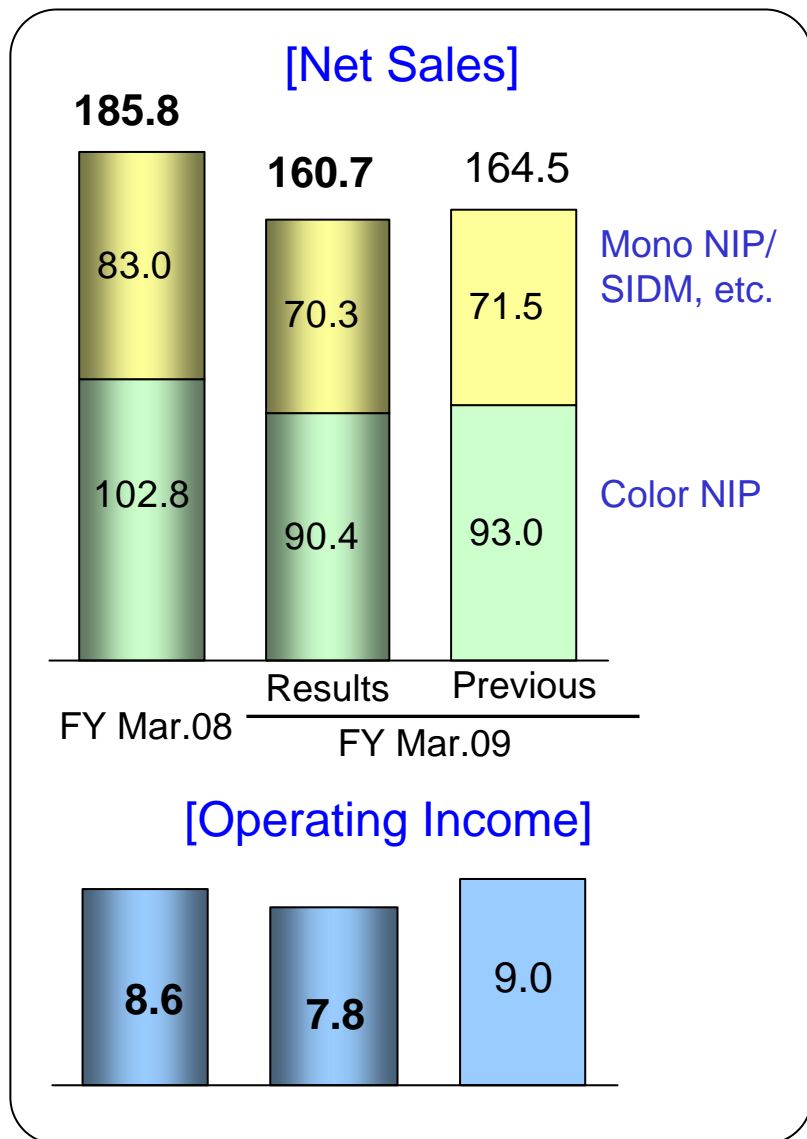
Though sales for GE-PON increased, total net sales declined by reducing low profit businesses through accelerating business selection and concentration, etc. Profitability improved drastically.

GE-PON : Gigabit Ethernet Passive Optical Network

■ Information systems:

Sales decreased from the decline in capital expenditure from enterprises due to the rapid deteriorating economic circumstances, the decrease in the number of large projects, and the strategic reduction of low profit businesses. Operating income increased from improved profitability.

Segment Information: Printers



[Comparison with previous projections(Mar.10)]

Sales decreased influenced by the challenging economic circumstances in Europe. Operating income fell short of expectation due to decrease in marginal profits from volume decline.

[YoY comparison]

- **Impact of currency exchange:**
Net sales (17.4), Operating income (1.1)
- **Color NIP:**
Sales decreased drastically impacted by currency exchange. Sales for printer hardware decreased due to price decline and the challenging economic circumstances. Sales for consumables were steady. Operating income increased by improved profitability.
- **Mono NIP, SIDM, etc.:**
 - Sales decreased drastically impacted by currency exchange.
 - Shipment of Mono NIP increased due to active deployment by bringing new products to market.
 - Shipment of SIDM decreased as the whole market shrinks.
 - Operating income declined from decrease in marginal profits from decline in SIDM volume.

NIP: Non-Impact Printer

SIDM: Serial Impact Dot Matrix

Full year results

Changing factors of operating income

- Decrease in marginal profits from sales decline was offset by efforts in reducing production and procurement costs and restraining costs including fixed-costs. Operating income increased by 3.1B yen YoY excluding semiconductors.
- OKI transferred its semiconductor subsidiary shares in October 2008. The performance in the 1st half deteriorated from the changes in market.

		(Billion yen)	Results
	Operating income FY ended Mar. 08		6.2
	Operating income FY ended Mar. 09		0.4
	Variance of operating income		(5.8)
	Changes in operating income for semiconductor business		(8.9)
	Changes in operating income excluding semiconductor business		3.1
Major factors of changes	Change in volume and product mix		(15.0)
	Price decline		(5.5)
	Impact of currency exchange		±0.0
	Reduction of production and procurement costs		+13.5
	Changes in fixed-costs		+10.0

Full year results
Profit and Loss

(Billion yen)

	FY end Mar. 08	FY end Mar. 09	Previous Projection
Net sales	719.7	545.7	555.0
(Cost of sales ratio)	(77.0%)	(75.3%)	
Cost of sales	554.4	410.7	
SG&A	159.1	134.6	
Operating income	6.2	0.4	0.5
Other loss	(10.1)	(6.6)	
Recurring loss	(3.9)	(6.2)	(6.5)
Extraordinary income (loss)	8.9	(30.5)	
Income before income taxes	5.0	(36.7)	(41.5)
Income taxes	(4.4)	(8.3)	
Net income (loss)	0.6	(45.0)	(48.0)

[YoY comparison]

- Cost of sales ratio improved by 1.7 points from 77.0% to 75.3%
- SG&A, excluding influence of semiconductor subsidiary share transfer, decreased by 12.3 B yen from efforts in holding down personnel costs and investments, and streamlining sales promotion costs.

[Extraordinary loss (30.5)]

- Caused by measures to revamp business structure, etc. (16.1)
- Caused by changes in the inventory valuation system (10.6)
- Others (3.8)

[Reference: Currency exchange rate]

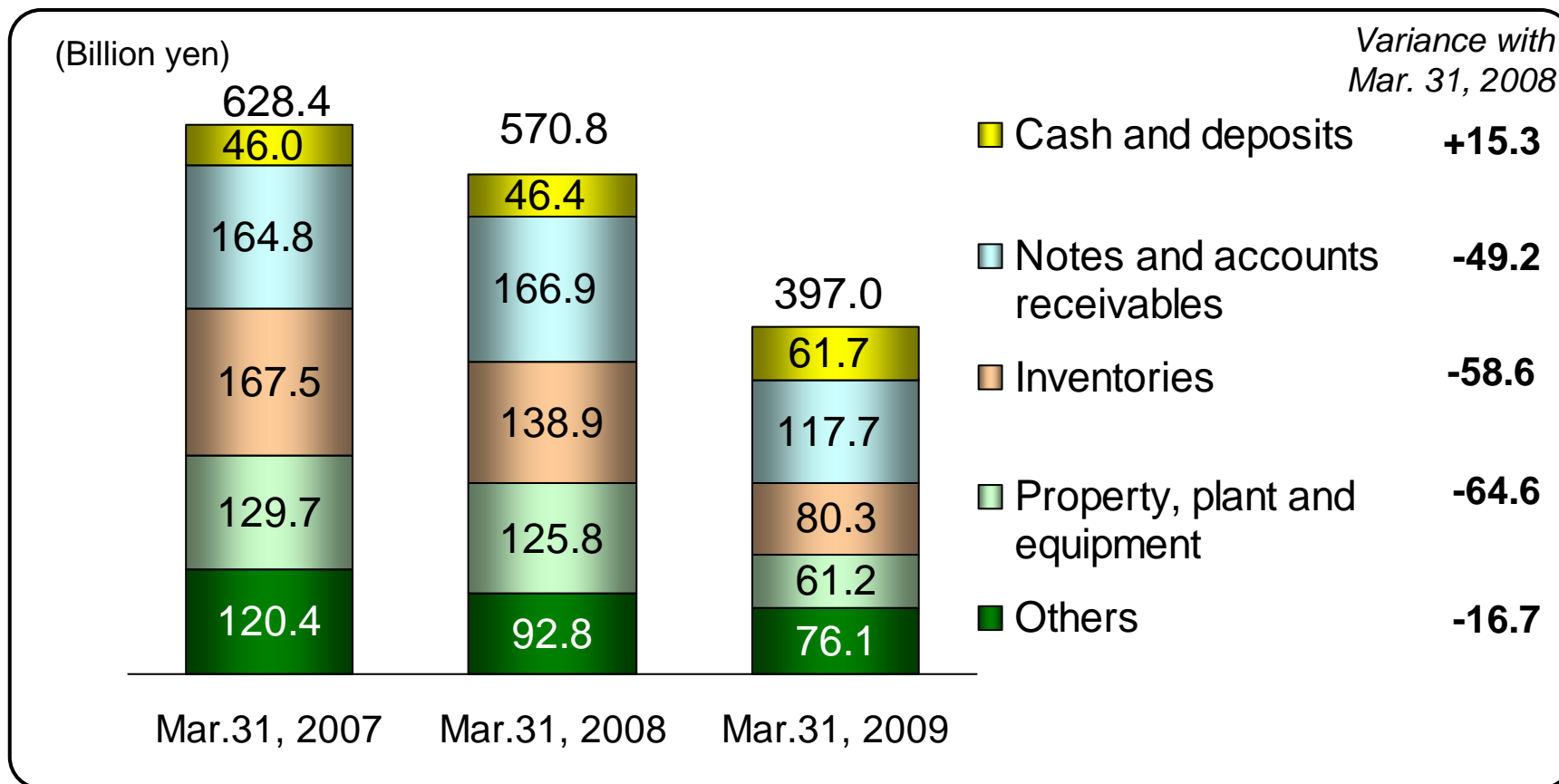
	FY Mar. 08	FY Mar. 09
USD	114.28	100.54
Euro	161.52	143.49

Full year results

Balance Sheet: Assets

The assumed total assets excluding semiconductor business at the end of March 2008 was 435.4B yen.

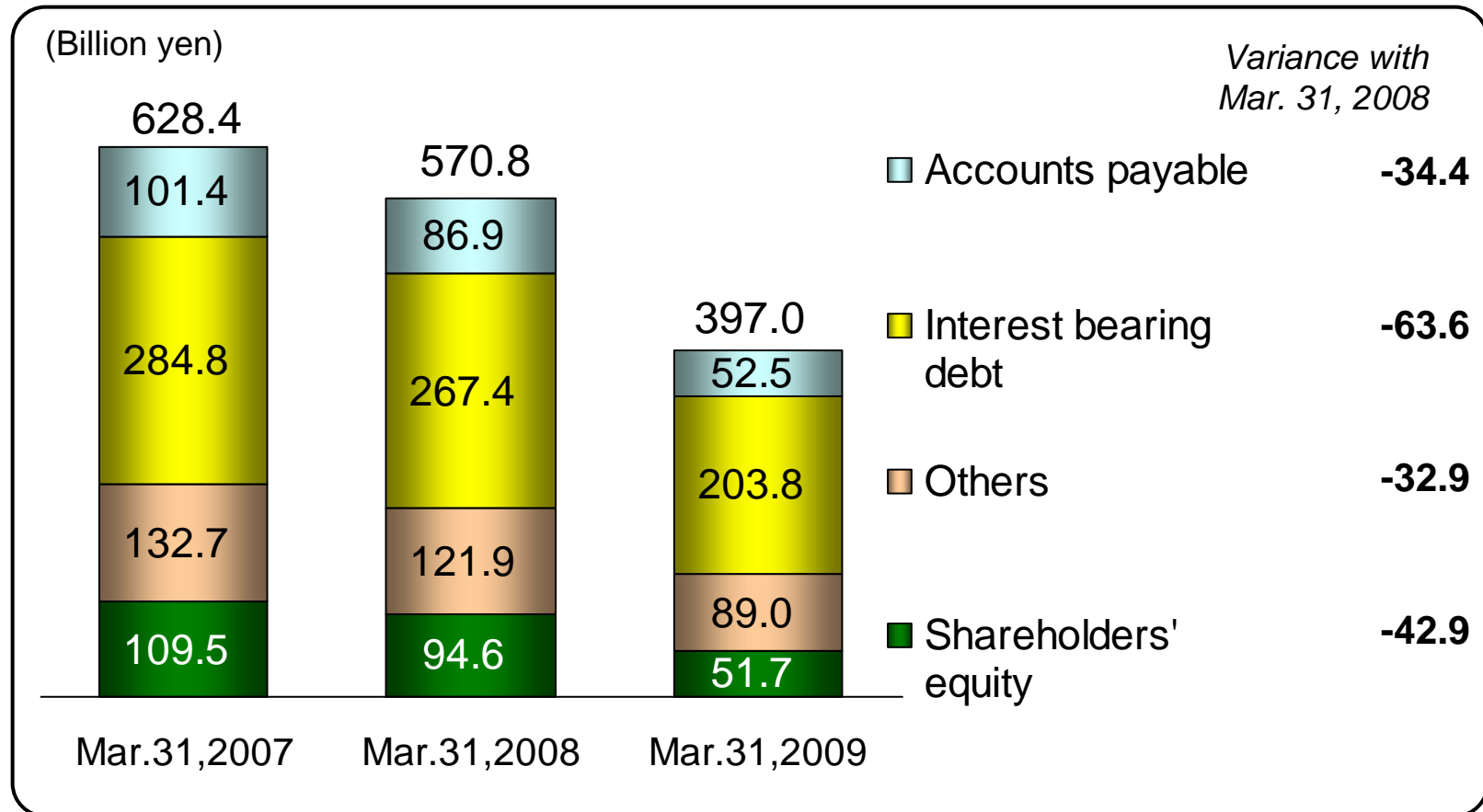
- Inventories decreased YoY due to reduction efforts and impact of currency exchange, etc.
- Cash and deposits increased YoY from receiving share transfer value of semiconductor business, though provided part of it to repay interest bearing debt.



Full year results

Balance Sheet: Liabilities and Total Net Assets

- Interest bearing debt decreased by 63.6B yen YoY by paying back debt. (Net interest bearing debt decreased by 78.2B yen YoY)
- Shareholders' equity decreased by 42.9B yen YoY mainly due to net loss during this fiscal year.



Full year results

Cash Flows

- Free cash flows increased by 56.8B yen mainly due to the transfer of shares of its semiconductor business subsidiary. Cash flows from financing activities increased in expenditure by 40.1B yen because part of it was provided to repay interest bearing debt.

	(Billion yen)	FY end Mar.08	FY end Mar.09	Notes
I. Cash flows from operating activities		42.5	18.9	
Income before income taxes		5.0	(36.7)	
Depreciation & amortization		34.8	25.9	
Changes in working capital		5.6	17.6	
Others		(2.9)	12.1	
II. Cash flows from investing activities		(22.9)	57.5	
Purchases of property, plant & equip.		(25.4)	(17.3)	(*) Gain on transfer of semiconductor business shares included.
Others		2.5	(*) 74.8	
Free cash flows (I+II)		19.6	76.4	
III. Cash flows from financing activities		(19.4)	(59.5)	
Net cash flows (I+II+III)		0.2	16.9	
IV. Cash and cash equivalents at the period end		49.8	64.4	
V. Interest bearing debt at the period end		267.4	203.8	

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Assumptions of FY end. March 2010 Plans

■ Plans for this FY are established from the Basic Policies announced on Mar. 10, 2009

<Basic Policies>

- - Completed laying the groundwork to “Revamp Business Structure” during FY end. Mar. 2009
- Focus on info-telecom convergence business and mechatronics business (ATM, printers, etc.)
- Assume the challenging economic environment from the latter half of FY end. March 2009 to continue
- OKI considers net sales target to be minimum. Though it will make efforts to maximize the amount, measures for income plans are based on this minimum figure.
- Accelerate the implementation of various measures to enhance profitability to achieve target operating income of 14.0B yen as announced in Oct. 2008
 - Implement measures based on the three strategies to “Revamp Business Structure”
 - Thoroughly optimize fixed-costs as a response to the rapidly changing economy

<Currency exchange rate>

	FY end. Mar. 2010	FY end. Mar. 2009
USD	95.0	100.5
Euro	120.0	143.5

■ OKI plans to hold a business strategy meeting to explain plans for FY end. March 2011 and beyond when completed

- Expect sales growth from next FY and beyond, with this year hitting the bottom
In addition to economic recovery through various economic policies, company investment and consumer spending will recover
- Accelerate the global deployment of mechatronics business (ATMs, printers, etc.).
Receive large order through cultivating customer relations in Japan
Steadily provide Ubiquitous Services

Plans for FY end.
March 2010

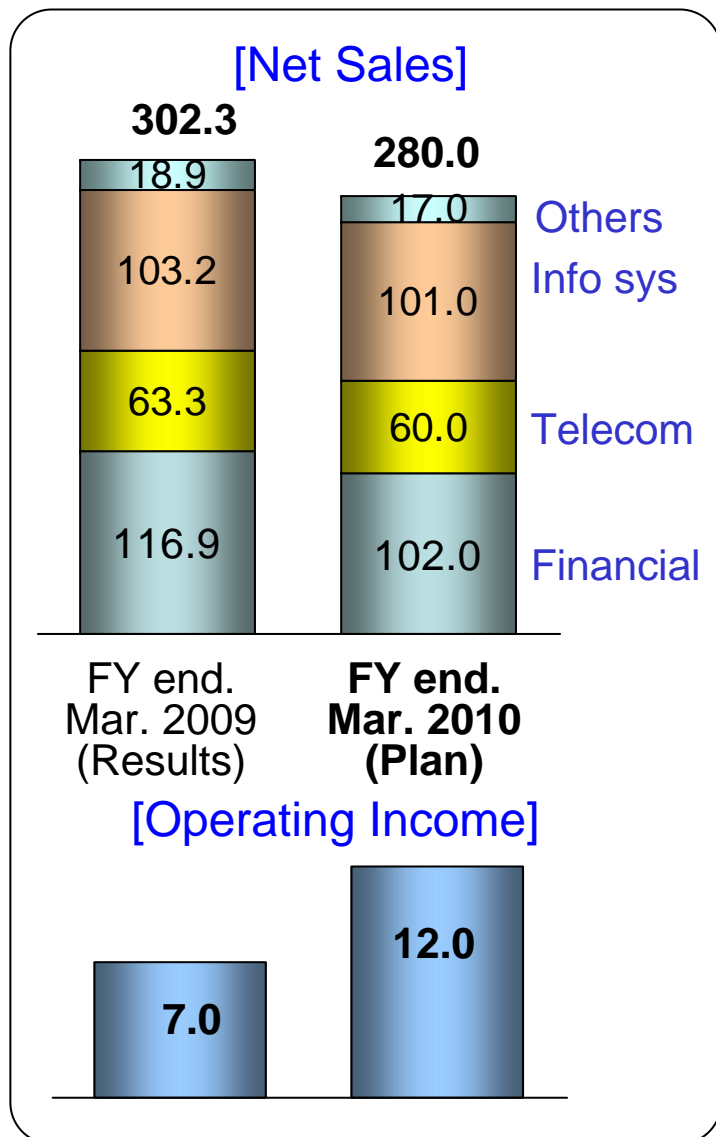
Summary of Segment Information

[Full year comparison (excluding semiconductor segment)]

- Net sales is expected to decline by 31.6 billion yen to 460 billion yen. Sales from financial business will decline as replacement cycles for ATMs and deployment of bank branch terminals will be in the trough, and printer business is expected to be impacted by strong yen.
- Operating income is expected to reach 14.0 billion yen as planned. An 8.5 billion increase by offsetting declined net sales and impact of strong yen through efforts in reducing production and procurement costs, developing new products and optimizing costs.

	Full year				1 st Half			
	FY end. Mar. 2010 (Plan)		FY end. Mar. 2009 (Results)		FY end. Mar. 2010 (Plan)		FY end. Mar. 2009 (Results)	
	Net Sales	Operating income	Net Sales	Operating income	Net Sales	Operating income	Net Sales	Operating income
Info-telecom	280.0	12.0	302.3	7.0	108.5	(2.5)	135.1	(4.8)
Printers	150.0	9.0	160.7	7.8	68.0	2.0	82.9	3.8
Others	30.0	0	28.6	(1.4)	13.5	(0.5)	14.8	(0.4)
Corporate & Eliminations	-	(7.0)	-	(7.9)	-	(4.0)	-	(4.1)
Total	460.0	14.0	491.6	5.5	190.0	(5.0)	232.8	(5.5)

Segment Information: Info-telecom



[YoY comparison]

- **Financial:**
Though sales for ATMs in China will grow, overall net sales will decline as replacement for ATMs in retail markets and deployment of bank branch systems will be in the trough. Operating income will decline from the decrease in marginal profit due to declined net sales.
- **Telecom:**
Completion of revamping business structure through business selection and concentration, and resource shift. Though net sales will decline, operating income will improve significantly from efforts in optimizing fixed costs and reducing production and procurement costs.
- **Info system:**
Net sales is expected to be flat for public sector. Though sales for enterprises will decline slightly, OKI plans to secure a win in a large project by enhancing customer accessibility. Operating income will increase through efforts in optimizing fixed costs and reducing production and procurement costs.

Plans for FY end.
March 2010

Segment Information: Printers

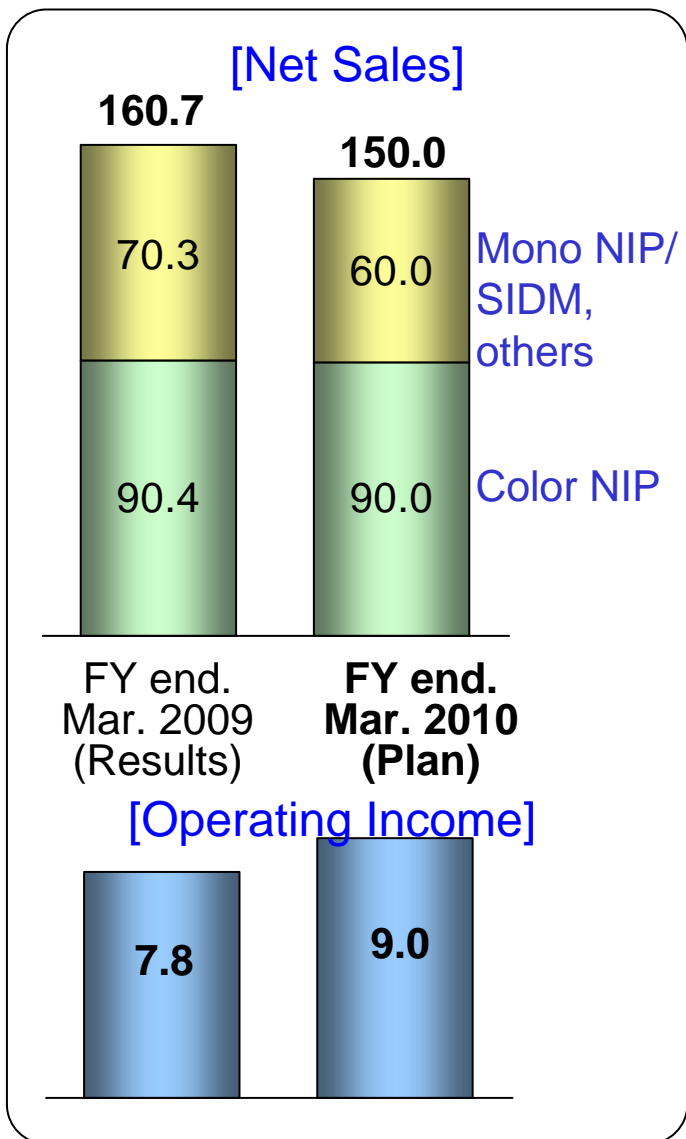
- Slow-down in printer market affected by the deteriorating economy
- Aim to expand market share by increasing unit sales

■ Main measures to increase unit sales

- Launch competitive products
Increase product portfolio based on shared LED engine platform thru continued investments/ Develop high-speed and environment-responsive products/ Accelerate to develop low-cost products
- Enhance sales strategy by region
Overseas markets: In addition to SMB markets, expand into vertical markets (esp. DTP and retailing stores) leveraging LED printer characteristics
Japanese market: Launch new models for the office-use brand ("COREFIDO": 5 year free-of-charge warranty)
Enhance alliance with large distributors. Accelerate shift to MPS (Managed Print Service) business also in Japan.
- Operating income is expected to increase; offsetting impact of currency exchange with increased marginal profit through increased volume and new products, and optimized fixed costs.

■ Impact of currency exchange: Net sales (16.5), Operating income (5.7)

SMB: Small and Medium Business LED: Light-Emitting Diode DTP: Desktop Publishing



Changing Factors of Operating Income

- Operating income improves by 8.5 B yen (excluding impact of semiconductors). Though there are affects of declined marginal profit from decreased sales and impact of strong yen, OKI will make efforts to reduce production and procurement costs, launch new products and optimize fixed costs.
- Efforts to optimize fixed costs will be managed through projects by major items. Following numbers include the amount previously announced.

(Billion yen)		
	FY end. March 2009 (Results) (excluding semiconductors)	5.5
	FY end. March 2010 (Plan)	14.0
	Changes in operating income	+8.5
Major factors of changes	Change in volume and product mix	(3.5)
	Price decline	(4.0)
	Impact of currency exchange	(5.5)
	Reduction of production and procurement costs	+7.5
	Changes in fixed costs	+14.0

Profit and Loss

- Net sales declines by 85.7B yen and operating income improves by 13.6B yen: In addition to changes in performance in major segments YoY, semiconductor segment is eliminated, which was included until the 1H of previous year.
- Net income is expected to reach 2.0 billion yen, improving by 47.0 billion yen YoY. This is due to improvement in operating income, and decline in extraordinary losses in the previous year from measures to revamp business structure and changes in the inventory valuation system.

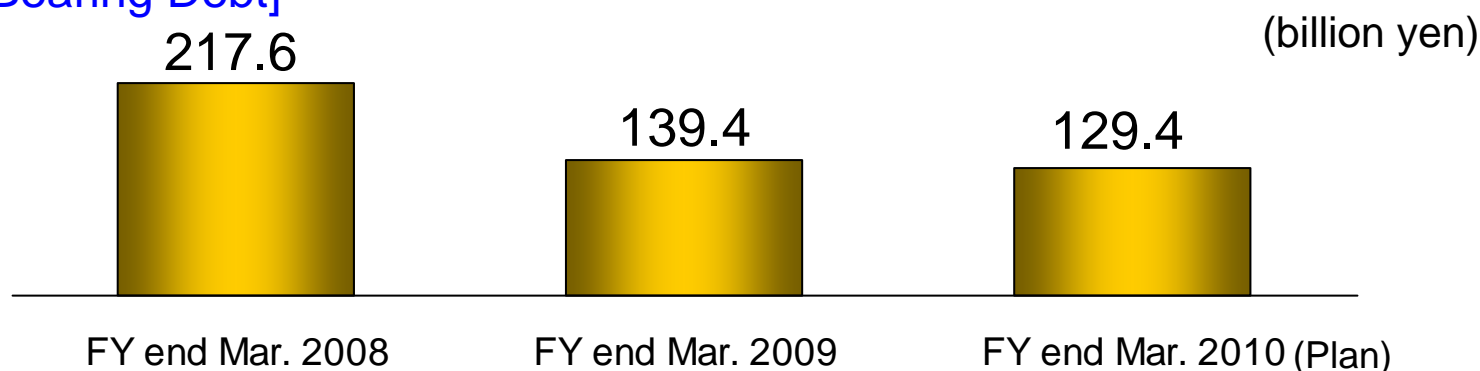
	Full year		1H (6months total)	
	FY end. March 2010 (Plan)	FY end. March 2009 (Results)	FY end. March 2010 (Plan)	FY end. March 2009 (Results)
Net Sales	460.0	545.7	190.0	286.9
Operating income	14.0	0.4	(5.0)	(10.6)
Recurring income	7.5	(6.2)	(8.0)	(13.3)
Net income	2.0	(45.0)	(10.5)	(35.3)

Cash Flows

- Generate 10.0 billion yen free cash flows, and reduce net interest bearing debt by 10.0 billion yen

(billion yen)	FY end. March 2008 (Results)	FY end. March 2009 (Results)	FY end. March 2010 (Plan)
I. Cash flows from operating activities	42.5	18.9	27.0
II. Cash flows from investing activities	(22.9)	57.5	(17.0)
Free cash flows (I + II)	19.6	76.4	10.0
III. Cash flows from financing activities	(19.4)	(59.5)	(20.0)
Net cash flows (I + II + III)	0.2	16.9	(10.0)
IV. Cash and cash equivalents at the period end	49.8	64.4	54.4

[Net Interest Bearing Debt]



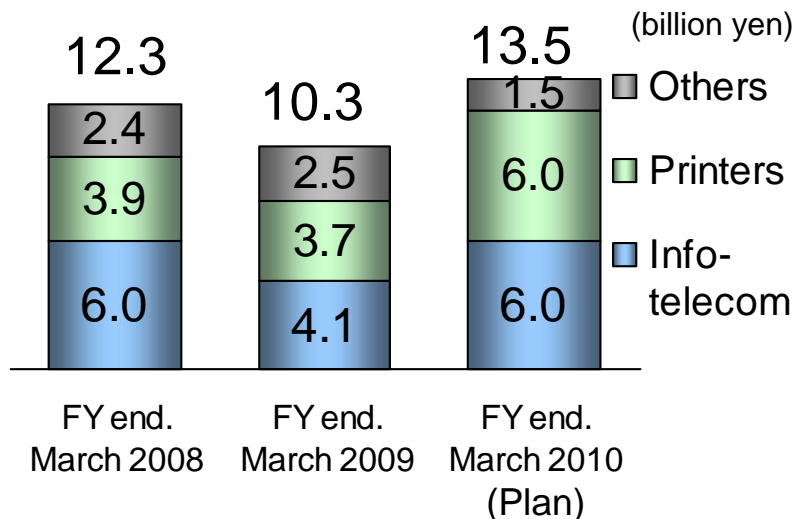
Capital Expenditure and R&D Expenses

Property, plant and equipment

R&D Expenses

Excluding "Semiconductors" for fiscal years ended March 2008 and 2009

[Capital expenditure]



[Depreciation]

