(Translation)

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2012 (J-GAAP)

May 9, 2012

Listed Company Name: Oki Electric Industry Co., Ltd.
Securities Code: 6703
Stock Exchange Listing: Tokyo Stock Exchange, Osaka Securities Exchange URL: http://www.oki.com/en/
Representative: Hideichi Kawasaki, President, Representative Director
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Date of Ordinary General Meeting of Shareholders (Scheduled): June 28, 2012
Commencement of Dividend Payment (Scheduled): —
Filing of Securities Report (Scheduled): June 28, 2012
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, 2012 (from April 1, 2011 to March 31, 2012)

(1) Consolidated operating results

(Percentage figures indicate year-on-year change)

	Net sales		Operating income		Ordinary income		Net income (loss)	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2012	423,480	-2.1	11,980	89.9	9,075	678.3	1,555	—
March 31, 2011	432,651	-2.3	6,308	-3.1	1,166	-11.7	(31,809)	—

(Note) Comprehensive income (loss) Fiscal year ended March 31, 2012: ¥3,461 million (–%)
Fiscal year ended March 31, 2011: ¥(35,991) million (–%)

	Net income (loss) per share–basic	Net income per share–diluted	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended					
March 31, 2012	0.32	—	3.9	2.5	2.8
March 31, 2011	(44.00)	—	-80.7	0.3	1.5

(Reference) Equity in earnings of affiliates Fiscal year ended March 31, 2012: ¥94 million
Fiscal year ended March 31, 2011: ¥299 million

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2012	368,065	41,251	11.2	13.42
As of March 31, 2011	368,822	38,859	10.4	11.37

(Reference) Shareholders' equity As of March 31, 2012: ¥41,125 million
As of March 31, 2011: ¥38,309 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
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended				
March 31, 2012	22,791	(9,392)	(17,535)	74,996
March 31, 2011	1,588	(4,423)	11,204	79,645

2. Dividends

	Dividend per share					Total dividend amount (Annual)	Dividend payout ratio (Consolidated)	Dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended								
March 31, 2011	—	0.00	—	0.00	0.00	0	—	0.0
March 31, 2012	—	0.00	—	0.00	0.00	0	0.0	0.0
Fiscal year ending March 31, 2013 (Projection)	—	0.00	—	0.00	0.00		0.0	

(Note) The above "Dividends" are those on common stock. For the dividends on (unlisted) other class stock with different rights from those of common stock issued by the Company, please refer to "(Reference) Dividends on Other Class Stock" on page 3.

3. Consolidated Results Projection for the Fiscal Year Ending March 31, 2013 (from April 1, 2012 to March 31, 2013)

(Percentage figures indicate year-on-year change)

	Net sales		Operating income		Ordinary income (loss)		Net income (loss)		Net income (loss) per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First six months	188,000	0.9	0	-100.0	(1,500)	—	(2,000)	—	(2.74)
Full year	440,000	3.9	18,500	54.4	15,500	70.8	11,000	607.1	13.64

Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in the scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates and restatements
1) Changes in accounting policies in accordance with revision of accounting standards, etc.: None
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: None
4) Restatements: None

(3) Number of outstanding shares (common stock)
1) Number of shares issued at the end of the period (including treasury stock)
   As of March 31, 2012 731,438,670 shares
   As of March 31, 2011 731,438,670 shares
2) Number of shares of treasury stock at the end of the period
   As of March 31, 2012 612,141 shares
   As of March 31, 2011 418,501 shares
3) Average number of shares during the period
   Fiscal year ended March 31, 2012 730,911,942 shares
   Fiscal year ended March 31, 2011 722,961,006 shares

(Note) For information on the number of shares for the basis for calculating net income per share (consolidated), please refer to "Per Share Information" on page 38 of the Attachment.

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

(1) Non-consolidated operating results

(Percentage figures indicate year-on-year change)

	Net sales		Operating income		Ordinary income		Net income (loss)	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2012	205,078	8.0	6,323	36.7	6,668	70.7	3,395	—
March 31, 2011	189,929	-5.3	4,625	30.8	3,906	-23.5	(25,729)	—

	Net income (loss) per share–basic	Net income per share–diluted
	Yen	Yen
Fiscal year ended March 31, 2012	2.84	—
March 31, 2011	(35.58)	—

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2012	292,460	49,897	17.0	25.30
As of March 31, 2011	271,231	46,367	17.1	22.27

(Reference) Shareholders' equity As of March 31, 2012: ¥49,817 million
As of March 31, 2011: ¥46,287 million

Implementation status for auditing procedures

The financial statements auditing procedure based on the Financial Instruments and Exchange Act had not been completed as of the release of this document.

Explanation regarding appropriate use of results projection and other special notes

(Warning on forward-looking statements)

The forward-looking statements such as outlook 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 projection and notes on the use of such projections, please refer to "Outlook for the fiscal year ending March 31, 2013" of "1. Operating Results, (1) Analysis of Operating Results" on page 2 of the Attachment.

(How to obtain supplemental document on financial results)

The Company is scheduled to hold a financial results briefing for institutional investors on May 9, 2012 (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.

(Reference) Dividends on Other Class Stock

The breakdown of dividends per share on other class stock with different rights from those of common stock is as follows:

Class A preferred stock (Base date)	Dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2011					
March 31, 2012	—	0.00	—	44,047.00	44,047.00
Fiscal year ending March 31, 2013 (Projection)	—	0.00	—	34,410.00	34,410.00

(Note) Class A preferred stock was issued in December 2010. In accordance with the outline of preferred stock specified at the time of issuance, dividend payment is scheduled to start from the fiscal year ended March 31, 2012.

Contents of the Attachment

1. Operating Results

(1) Analysis of Operating Results

1) Results of operations for the fiscal year under review (April 1, 2011 to March 31, 2012)

During the fiscal year under review, the global economy was marked by a stall in the economies of Europe due to factors such as the impact of the European debt crisis, rising crude oil prices and the continued high unemployment rate. Even so, the global economy moved toward a modest recovery overall, as personal consumption recovered in the United States and the economies of emerging countries such as China still maintained high growth despite a slight slowdown in their pace of economic expansion. Meanwhile, the Japanese economy also showed signs of recovery in personal consumption and production in the manufacturing sector and made a moderate recovery overall, in spite of continued challenging conditions, such as disruptions to supply chains caused as a result of the Great East Japan Earthquake and flooding in Thailand, as well as the yen appreciation.

In this business environment, the OKI Group's income increased drastically despite the impact of the flood damage to the Printers business.

Net sales rose in Info-telecom Systems, centered on Mechatronics Systems including ATMs, as well as in EMS and Others. Although sales increased due to the unification of the fiscal periods of the subsidiaries in China, overall sales came to ¥423.5 billion (a year-on-year decrease of 2.1% or ¥9.2 billion), as sales decreased in Printers due to the impact of the yen appreciation and Thailand's flood damage. Operating income amounted to ¥12.0 billion (a year-on-year increase of ¥5.7 billion), owing to higher marginal profits caused by increased volume, as well as the effects of a reduction in variable costs and a decrease in fixed costs.

Ordinary income came to ¥9.1 billion (a year-on-year increase of ¥7.9 billion). Net income improved substantially to ¥1.6 billion (a year-on-year increase of ¥33.4 billion), due to the absence of management structural reform expenses, which were recorded for the previous fiscal year, in spite of extraordinary loss incurred from the flood damage in Thailand.

<Info-telecom Systems>

Net sales to external customers came to ¥267.2 billion (a year-on-year increase of 2.5% or ¥6.5 billion). A sales increase of ¥3.4 billion occurred when the impact of a ¥1.1 billion sales decrease caused by the yen appreciation and the effects of a ¥4.2 billion sales increase due to the unification of the fiscal periods of the Chinese subsidiaries are excluded. In Solutions & Services, overall sales decreased as a result of factors such as the postponement of investment projects for the enterprise markets, in spite of the strong performance of ATM management and monitoring services. On the other hand, in Mechatronics Systems, sales rose thanks to robust sales of ATMs in Japan and China. Meanwhile in Telecom Systems, sales increased due to brisk sales of GE-PONs and home gateways for telecom carriers. In Social Infrastructure Systems, sales increased due to factors such as an increase in large replacements for some public sectors.

Operating income came to ¥18.7 billion (a year-on-year increase of ¥4.0 billion), thanks to higher marginal profits caused by increased volume, as well as changes in the product mix and a reduction in variable costs.

<Printers>

Net sales to external customers amounted to ¥107.4 billion (a year-on-year decrease of 14.0% or ¥17.6 billion). A decrease in sales was ¥14.3 billion when the impact of a ¥4.2 billion sales decrease caused by the yen appreciation and the effects of a ¥0.9 billion sales increase due to the unification of the fiscal periods of the subsidiaries in China are excluded. By product, overall sales of office-use color printers (color NIP) and monochrome printers (mono NIP) decreased owing to factors such as the impact of the flood damage in Thailand, even though sales of new products increased. Unit sales of dot-impact printers (SIDM) also decreased due to factors such as the flood damage impact.

Operating loss decreased by ¥0.3 billion year on year to ¥4.3 billion, as factors such as a reduction in variable costs and a decrease in selling expenses due to the flooding offset price drops and a decrease in marginal profits due to lower volume.

<EMS, Others>

Net sales in EMS to external customers came to ¥31.3 billion (a year-on-year increase of 0.7% or ¥0.3 billion). Net sales in Others amounted to ¥17.6 billion (a year-on-year increase of 10.6% or ¥1.7 billion). In EMS, sales expanded on the strength of robust sales for the measurement and industrial equipment markets. In Others, sales of the components-related business increased, reflecting factors such as an increase in demand in the amusement market.

Operating income in EMS increased by ¥0.2 billion year on year to ¥1.5 billion, and operating income in Others increased by ¥1.0 billion year on year to ¥2.5 billion, owing to factors such as an increase in marginal profits caused by increased volume.

2) Outlook for the fiscal year ending March 31, 2013

In the fiscal year ending March 31, 2013, the global economy may possibly see a delayed recovery due to the prolonged fiscal problem in Europe. In addition, there are uncertainties about the future outlook in emerging countries such as China, which have driven the global economy, as they are starting to show signs of a slowdown in growth. Nevertheless, the global economy is expected to continue making a moderate recovery overall. The Japanese economy is also expected to recover modestly due to factors such as post-earthquake reconstruction demand and the weakening impact of the flooding in Thailand, in spite of concerns about the advance in the yen appreciation.

In the fiscal year ending March 31, 2013, the second year of the OKI Group's mid-term business plan, the OKI Group will focus on securing replacement demand for financial and telecom systems, expanding profits from the maintenance and services business, and capturing post-disaster reconstruction demand for digital wireless communication systems used for firefighting and disaster prevention administrative radio systems, even though currency fluctuations and price drops are anticipated. Moreover, the OKI Group will accelerate initiatives for growth in the continuously expanding ATM business in China, expanding the services business for ATM-LCM and cloud computing, increasing sales in Printers through the introduction of new products and active investment, and exploring new areas in EMS. Based on these initiatives, we forecast a ¥16.5 billion year-on-year increase in consolidated net sales to ¥440.0 billion.

Operating income is expected to increase by ¥6.5 billion year on year to ¥18.5 billion as an increase in marginal profits caused by increased volume and a reduction in variable costs will offset rising expenses associated with active investment aimed at growth, such as sales investment in Printers. Net income is expected to increase by ¥9.4 billion year on year to ¥11.0 billion owing to an increase in operating income, as well as the absence of extraordinary loss associated with the flood damage in Thailand, which was incurred for the previous fiscal year.

The exchange rates used in the consolidated results projection are ¥76.0 to the U.S. dollar and ¥100.0 to the euro.

For details, please refer to "Financial Results for the Fiscal Year ended March 31, 2012" disclosed today.

(Warning on forward-looking statements)

The forward-looking statements such as outlook 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) Analysis of assets, liabilities, net assets and cash flows

At the end of the fiscal year under review, total assets decreased by ¥0.7 billion year on year to ¥368.1 billion. Shareholders' equity increased by ¥2.8 billion year on year to ¥41.1 billion due to the recording of net income of ¥1.6 billion and other factors. As a result, shareholders' equity ratio stood at 11.2%.

With respect to major increases and decreases in assets, other under current assets increased by ¥10.6 billion. Noncurrent assets decreased by ¥4.9 billion, attributable mainly to a decline in investment securities.

Total liabilities decreased by ¥3.2 billion. Loans decreased by ¥15.6 billion from ¥152.1 billion at the end of the previous fiscal year to ¥136.5 billion, due mainly to the repayment of short-term loans payable. In addition, notes and accounts payable–trade increased by ¥12.4 billion.

Net cash provided by operating activities amounted to ¥22.8 billion (¥1.6 billion for the previous fiscal year), due mainly to an improvement in working capital and loss before income taxes.

Net cash used in investing activities amounted to ¥9.4 billion (¥4.4 billion for the previous fiscal year), due mainly to purchase of property, plant and equipment.

As a result, free cash flows, which are the sum of cash from operating activities and investing activities, saw a net inflow of ¥13.4 billion (a net outflow of ¥2.8 billion for the previous fiscal year).

Net cash used in financing activities amounted to ¥17.5 billion (net cash provided by financing activities amounted to ¥11.2 billion for the previous fiscal year), due to the repayment of loans, mainly short-term loans payable.

As a result, cash and cash equivalents at the end of the fiscal year under review decreased from ¥79.6 billion at the end of the previous fiscal year to ¥75.0 billion.

2) Cash flow-related indicators

	As of March 31, 2008	As of March 31, 2009	As of March 31, 2010	As of March 31, 2011	As of March 31, 2012
Shareholders' equity ratio (%)	14.6	10.4	10.7	10.4	11.2
Shareholders' equity ratio on a market value basis (%)	22.8	10.8	14.1	13.1	24.8
Ratio of interest-bearing debt to cash flows	5.9	6.9	6.3	6.1	5.2
Interest coverage ratio	6.5	4.6	4.6	4.4	5.1

(Notes) 1. Formulas
- · Shareholders' equity ratio: Shareholders' equity/Total assets
- · Shareholders' equity ratio on a market value basis: Total market value of stock/Total assets
- · Ratio of interest-bearing debt to cash flows: Interest-bearing debt/Cash flows from operating activities
- · Interest coverage ratio: Cash flows from operating activities/Interest expenses

2. Basis of figures used in calculation
- · Total market value of stock: Number of shares issued excluding treasury stock
- · Cash flows from operating activities: "Net cash provided by (used in) operating activities" in the consolidated statements of cash flows (average of past 5 years)
- · Interest expenses: "Interest expenses paid" in the consolidated statements of cash flows (average of past 5 years)
- · Interest-bearing debt: All debt bearing interest recorded in the consolidated balance sheets

(3) Basic Policy Concerning the Distribution of Profits and the Dividend Distributions for the Fiscal Year Ended March 31, 2012 and the Fiscal Year Ending March 31, 2013

The Company recognizes at all times 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 the corporate structure and 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 into account.

In the fiscal year under review, the Company will distribute no year-end dividends, despite an improvement in its financial position, in consideration that a financial base for stable and continuous dividend distributions has yet to be built. Having ensured that the business targets set in the mid-term business plan have been achieved, the Company intends to realize early resumption of dividend distributions and continuous payment of stable dividends.

The Company will distribute dividends on preferred stock from the fiscal year under review based on the outline of preferred stock specified at the time of issuance.

(4) Risks Related to Business

The forward-looking statements such as the OKI Group's outlook 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 materially from such statements due to a variety of factors. The following are major factors that may affect the OKI Group's actual financial results.

It should be noted, however, that factors that may affect the OKI Group's financial results 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 it 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 slowdowns, the resulting contraction of demand in the OKI Group's principal operating markets including Japan, North America, Europe and Asia, and changes in the import-export policy for foreign products may adversely affect the OKI Group's financial results and position.

2) Sudden technological innovation

The OKI Group's principal business segments, Info-telecom Systems and Printers, are subject to rapid technological innovations. Accordingly, the OKI Group strives to preserve its competitive advantage through new technology and new product development. However, the OKI Group's financial results and position may be adversely affected in the event it is unable to keep pace with sudden technological innovations, burdened with obsolete technologies that the OKI Group is currently holding, and unable to deliver products and services that appeal to customers.

3) Market trends

(i) The product and geographical markets in which the OKI Group is operating are subject to persistently severe competition due to such factors as entry by new participants. In an effort to secure competitive advantages, the OKI Group strives to develop new products and reduce costs. However, the OKI Group's financial results and position may be adversely affected in the event that the OKI Group is unable to implement effective measures for product development and cost rationalization and fails to maintain market share or secure profitability sufficiently.

(ii) The financial results of Info-telecom Systems may be adversely affected by a variety of factors including: 1) changes in investment trends by financial institutions due to revisions of financial regulations, poor performance and other factors; 2) changes in investment trends by telecom carriers owing to amendments to telecom regulations, shifts in business strategy and other factors; and 3) a significant decline in public-sector investment due to national and local government policies.

(iii) The printer market, in which the OKI Group is operating, 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 declines in product prices below levels anticipated may adversely affect the financial results of Printers.

4) Raw materials and component procurement

The OKI Group procures a variety of raw materials and components in support of its production activities. The ability to ensure timely product shipment, avoid delays in product delivery, and minimize opportunity loss is dependent upon a stable supply of raw materials, components, specialized parts and alternative components. The OKI Group's financial results and position may be adversely affected in the event of disruptions to that stable supply from natural disasters and other factors.

The OKI Group is reliant upon the direct or indirect supply of crude oil and raw materials such as metals for its production activities. A sharp rise in the prices of such raw materials may adversely affect the OKI Group's financial results and position.

5) Product defects and delays in delivery

Despite every effort to maintain quality assurance, the OKI Group is unable to eliminate entirely the possibility of product or service defects. In the event of such defects, the OKI Group may be liable for damage incurred by the customers. In addition, any incidence of a defect may impact the OKI Group's reputation, resulting in a drop in demand for the OKI Group's products and services. In either case, the OKI Group's financial results and position may be adversely affected.

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

6) Success or failure of strategic alliances

The OKI Group is constructively engaged with other companies in strategic alliances for research and development, manufacturing, sales and other activities. However, there may be instances where the OKI Group is not able to maintain desired cooperation with a strategic partner in business strategy, product and technical development, fund procurement or other activities, or where the alliance does not yield satisfactory results. In such cases, the OKI Group's financial results and position may be adversely affected.

7) Overseas business activities

The OKI Group is engaged in production 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 exchange fluctuation risk.

The OKI Group has production sites in Thailand and China. The OKI Group's financial results and position may be adversely affected by the occurrence of unforeseen events such as economic downturns, political turmoil and fluctuations in local currency exchange rates in these countries.

To minimize foreign exchange fluctuation risk, the OKI Group enters into forward exchange 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 risks, and abrupt fluctuations in foreign exchange rates in particular may adversely affect the OKI Group's financial results and 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. A failure in these objectives may adversely affect the business performance of relevant businesses. The OKI Group also strives to secure the necessary licenses from third parties for the use of their patents required in the development and production of products. There may be possibilities that the OKI Group is unable to secure necessary licenses in the future, or is authorized to use patents or rights under unfavorable terms and conditions. In either case, the OKI Group's financial results and position may be adversely affected.

The OKI Group endeavors to heed intellectual properties held by third parties. It is not, however, in a position to completely guarantee that the OKI Group will not be accused of violation of intellectual property rights held by third parties. The OKI Group's financial results and position may be adversely affected in the event that a suit is instituted against the OKI Group and its lawsuit costs increase as a result, or in the event that the OKI Group is found to have breached such intellectual property rights and incurs damages.

9) Statutory and regulatory compliance

The OKI Group is subject to a variety of government regulations, including business and investment approvals, export restrictions relating to national security and other factors, and other import and export regulations such as customs, in each of the countries and regions in which it is operating. The OKI Group is also subject to laws and regulations relating to commerce, antitrust, patents, taxation, foreign currency controls, the environment and recycling. In the event that the OKI Group is unable to comply with any of the aforementioned laws and regulations, or any unexpected changes occur, the possibility is that its activities would be restricted or suspended. Accordingly, such laws and regulations may adversely affect the OKI Group's financial results and position.

10) Natural and other disasters

The OKI Group conducts periodic inspection of facilities and periodic checking of accident and disaster prevention measures to minimize stoppages of its manufacturing lines. However, there is no guarantee that the OKI Group will be able to completely prevent accidents at its production facilities and the adverse impact of natural and other disasters. Moreover, the impact of the disruption of manufacturing lines due from such factors as earthquakes, wind or flood damage or electric outages, as well as the significant impact of various disasters on economic activities in the countries where the OKI Group is conducting sales activities, may adversely affect the OKI Group's financial results and position.

11) Information management

Although the OKI Group implements defense measures to protect its internal systems against computer viruses and to prevent information leakage, the OKI Group cannot guarantee complete protection from system failure and information leakage caused by human error, new viruses, etc. The OKI Group may incur additional losses if such events occur.

12) Securing and fostering human resources

The ability to secure and foster high-performance human resources is a key factor in ensuring further growth as a company capable of generating stable profits. Accordingly, the OKI Group strives to recruit capable employees at every level, including new graduates and mid-career employees. In an effort to foster high-performance human resources, the OKI Group also conducts on-the-job training, education and a variety of supporting activities. In the event that the OKI Group is unable to secure and foster high-performance human resources, or a number of key employees leave the OKI Group, the OKI Group's future growth may be adversely 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 the impact. However, a rise in interest rates may lead to an increase in interest charges and may adversely affect the OKI Group's ability to raise working capital due to increased costs of raising capital in the future.

14) Changes to accounting standards

The OKI Group prepares consolidated and non-consolidated financial statements in accordance with corporate accounting standards generally accepted as fair and valid. In the event that the OKI Group changes its accounting policy in association with the establishment or revision of accounting standards, etc., the OKI Group's financial results and position may be adversely affected.

15) Debt recovery

The OKI Group constantly appraises the financial conditions of its customers and estimates and provides an appropriate amount of allowances for bad debts that are expected to accrue after the balance sheet date. However, a sudden deterioration of the financial condition of a customer may adversely affect the OKI Group's financial results and position.

16) Impairment loss on noncurrent assets

In the event that it becomes necessary for the OKI Group to recognize impairment loss on property, plant and equipment, intangible assets, investments and other assets, the OKI Group's financial results and position may be adversely affected.

17) Deferred tax assets

The OKI Group provides appropriate amounts of retained losses carried forward and other temporary differences for deferred tax assets. In the event that the OKI Group derecognizes deferred tax assets as it is unable to eliminate such retained losses carried forward and other temporary differences due to the decline in taxable income brought on by future changes in its financial results, the OKI Group's financial results and position may be adversely affected.

18) Retirement benefit obligations

The OKI Group provides appropriate amounts of retirement benefit obligations based on assumptions and preconditions such as a discount rate established using actuarial calculations and on expected rate of return on pension assets. However, such assumptions and preconditions are susceptible to changes in market interest rates and stock market trends, which may cause actual results to differ from such provision and may lead to an increase in retirement benefit obligations. In such a case, the OKI Group's financial results and position may be adversely affected.

19) Stock price fluctuations

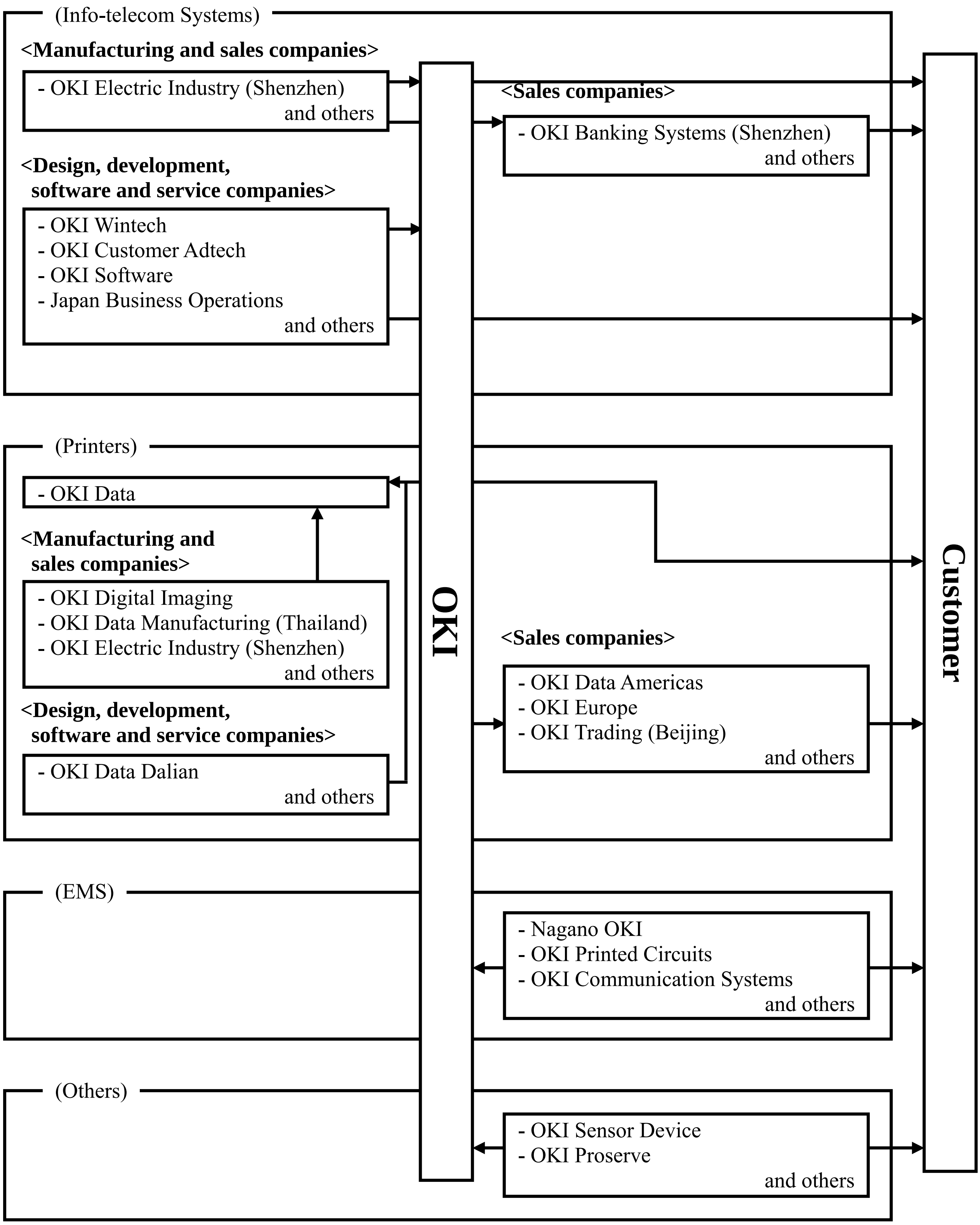
The OKI Group holds shares of stocks in listed companies as part of its investment securities portfolio. A fall in stock prices may lead to valuation loss and/or a decrease in valuation difference, which may adversely affect the OKI Group's financial results and position.

20) Dilution of stocks

The OKI Group issued Class A preferred stock through allocation to third parties on December 22, 2010, with the aim of building a strong business base capable of generating stable sustained profits, and of drastically improving its financial base. Class A preferred stock is issued with a put option in exchange for common stock (put option period: April 1, 2014 through March 31, 2024) and a put provision (lump purchase on April 1, 2024). In the event that common stock is issued as a result of the exercise of the put option and put provision in exchange for the common stock in the future, the outstanding shares of common stock will be diluted, which may affect the stock price.

2. Corporate Group

In the OKI Group, the general business relationships between OKI (the parent company) and its affiliates are as shown below.



3. Management Policies

(1) Basic Management Policies

Founded in 1881, Meikosha, Ltd. was the forerunner of today's OKI and Japan's first communications equipment manufacturer. Only five years after Alexander Graham Bell invented the first telephone in the United States, Meikosha made an early attempt to domestically manufacture telephones and was successful. This "enterprising spirit" has been passed down and remains in the DNA that runs through the history of the OKI Group. With OKI's corporate philosophy* revolving around this enterprising spirit, the OKI Group adopts the basic policy of meeting the expectations of all its stakeholders, including customers, shareholders and employees, by aiming to become a company that generates stable profits and attains steady growth.

* "The people of OKI, true to the Company's enterprising spirit, are committed to creating superior network solutions and providing outstanding information and communications services globally to meet the diversified needs of communities worldwide in the information age."

(2) The Company's Mid- to Long-term Management Strategy, Management Targets and Issues to Be Addressed

The current global economy faces the prospect of a delayed recovery due to the prolonged fiscal problem in Europe. There are also uncertainties about the future outlook in emerging countries such as China, which have driven the global economy, as those economies are starting to show signs of a slowdown. However, the global economy continues moving toward a modest recovery overall. The Japanese economy also showed signs of recovery on the back of factors such as post-earthquake reconstruction demand and the weakening impact of the flooding in Thailand.

Under these circumstances, the OKI Group implemented a series of measures based on the mid-term business plan announced on October 8, 2010.

One of the plan's two pillars, 1) the program for the enhancement of management bases, was implemented to establish a business structure that is capable of generating profits stably and to accomplish solid management bases that support business growth in the future. We carried out the revision of the retirement benefit plan, for which preparations had been made from the previous fiscal year, to achieve cost reduction, selection and concentration of businesses and reorganization of Group companies based on the mid-term business plan. Furthermore, in anticipation of a more challenging business environment, we will maintain and further enhance the management bases we have built in the current fiscal year and continue to implement measures such as cost reduction in the future.

Meanwhile, in 2) the program for growth, we aim to grow in each business domain of focus by concentrating limited management resources and driving strategic alliances. We have established three directions for growth as policies: "deployment into global markets," "support for customers' asset-free management" and "new businesses aimed at a smart society." We are implementing various measures for growth mainly in Solutions & Services, Mechatronics Systems, Printers and EMS, which are positioned as growth fields in the mid-term business plan. In addition, we will realize continuous growth over the medium and long term by driving strategic alliances and forming mutually complementary relationships with partners that possess the resources and know-how necessary for the OKI Group.

Through this series of measures, the OKI Group will strive to expand sales and enhance profitability based on solid management bases that support future businesses with a view to achieving the management targets set in the mid-term business plan and realizing the early resumption of dividend distributions.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million yen)

	Fiscal year ended March 31, 2011 (As of March 31, 2011)	Fiscal year ended March 31, 2012 (As of March 31, 2012)
Assets		
Current assets		
Cash and deposits	45,959	45,193
Notes and accounts receivable–trade	121,049	112,137
Securities	34,720	34,320
Finished goods	26,737	24,696
Work in process	16,979	18,424
Raw materials and supplies	21,775	25,106
Deferred tax assets	6,146	6,996
Other	8,716	19,339
Allowance for doubtful accounts	(12,389)	(12,325)
Total current assets	269,694	273,888
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	22,685	21,989
Machinery, equipment and vehicles, net	9,142	8,001
Tools, furniture and fixtures, net	9,138	9,368
Land	12,038	12,042
Construction in progress	130	1,189
Total property, plant and equipment	* 53,134	* 52,592
Intangible assets	7,791	7,026
Investments and other assets		
Investment securities	28,845	26,418
Long-term loans receivable	1,498	720
Other	10,350	8,593
Allowance for doubtful accounts	(2,492)	(1,175)
Total investments and other assets	38,201	34,557
Total noncurrent assets	99,127	94,176
Total assets	368,822	368,065

(Million yen)

	Fiscal year ended March 31, 2011 (As of March 31, 2011)	Fiscal year ended March 31, 2012 (As of March 31, 2012)
Liabilities		
Current liabilities		
Notes and accounts payable–trade	53,942	66,307
Short-term loans payable	118,063	76,635
Accrued expenses	26,214	29,758
Other	42,562	41,654
Total current liabilities	240,783	214,355
Noncurrent liabilities		
Long-term loans payable	33,987	59,843
Lease obligations	3,841	3,761
Provision for retirement benefits	16,350	18,912
Provision for directors' retirement benefits	514	294
Long-term accounts payable–other	32,478	26,863
Other	2,006	2,782
Total noncurrent liabilities	89,179	112,457
Total liabilities	329,962	326,813
Net assets		
Shareholders' equity		
Capital stock	44,000	44,000
Capital surplus	113,124	21,554
Retained earnings	(114,094)	(20,968)
Treasury stock	(23)	(38)
Total shareholders' equity	43,006	44,547
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(1,988)	(1,815)
Deferred gains or losses on hedges	(983)	(973)
Foreign currency translation adjustment	(1,724)	(632)
Total accumulated other comprehensive income	(4,697)	(3,422)
Subscription rights to shares	79	79
Minority interests	470	46
Total net assets	38,859	41,251
Total liabilities and net assets	368,822	368,065

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

(Million yen)

	Fiscal year ended March 31, 2011 (From April 1, 2010 to March 31, 2011)	Fiscal year ended March 31, 2012 (From April 1, 2011 to March 31, 2012)
Net sales	432,651	423,480
Cost of sales	*2 318,793	*2 316,939
Gross profit	113,858	106,541
Selling, general and administrative expenses	*1, *2 107,549	*1, *2 94,560
Operating income	6,308	11,980
Non-operating income		
Interest income	259	260
Dividends income	849	786
Royalty income from corporate brand	551	244
Miscellaneous income	1,007	848
Total non-operating income	2,668	2,140
Non-operating expenses		
Interest expenses	4,471	4,026
Stock issuance cost	1,349	—
Miscellaneous expenses	1,990	1,018
Total non-operating expenses	7,811	5,045
Ordinary income	1,166	9,075
Extraordinary income		
Gain on sales of noncurrent assets	10	—
Gain on sales of investment securities	211	—
Gain on negative goodwill	2,650	—
Reversal of allowance for doubtful accounts	440	398
Insurance income	—	*3 3,852
Gain on settlement of asset retirement obligations	—	96
Gain on contribution of securities to retirement benefit trust	7,407	—
Settlement received	167	—
Total extraordinary income	10,888	4,346

(Million yen)

	Fiscal year ended March 31, 2011 (From April 1, 2010 to March 31, 2011)		Fiscal year ended March 31, 2012 (From April 1, 2011 to March 31, 2012)
Extraordinary loss			
Loss on disposal of noncurrent assets	387		663
Impairment loss	260		97
Loss on sales of investment securities	132		210
Loss on valuation of investment securities	2,500		184
Loss on valuation of investments in capital	—		129
Loss on disaster	26	*4	5,201
Special retirement expenses	11,807		372
Business structure improvement expenses	1,120		—
Head office transfer cost	620		—
Loss on revision of retirement benefit plan	22,412		—
Loss on adjustment for changes of accounting standard for asset retirement obligations	623		—
Provision for product warranties	503		—
Product warranty expense	1,712		—
Loss on revision of value-added tax	67		969
Total extraordinary loss	42,176		7,828
Income (loss) before income taxes and minority interests	(30,121)		5,593
Income taxes–current	1,404		2,590
Income taxes–deferred	214		820
Total income taxes	1,619		3,411
Income (loss) before minority interests	(31,741)		2,182
Minority interests in income	68		627
Net income (loss)	(31,809)		1,555

(Consolidated Statements of Comprehensive Income)

(Million yen)

	Fiscal year ended March 31, 2011 (From April 1, 2010, to March 31, 2011)	Fiscal year ended March 31, 2012 (From April 1, 2011, to March 31, 2012)
Income (loss) before minority interests	(31,741)	2,182
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,050)	105
Deferred gains or losses on hedges	(323)	10
Foreign currency translation adjustment	157	1,095
Share of other comprehensive income of associates accounted for using equity method	(34)	67
Total other comprehensive income	(4,250)	* 1,278
Comprehensive income	(35,991)	3,461
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(36,048)	2,830
Comprehensive income attributable to minority interests	57	631

(3) Consolidated Statements of Changes in Net Assets

(Million yen)

	Fiscal year ended March 31, 2011 (From April 1, 2010, to March 31, 2011)	Fiscal year ended March 31, 2012 (From April 1, 2011, to March 31, 2012)
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	76,940	44,000
Changes of items during the period		
Issuance of new shares	15,000	—
Transfer to other capital surplus from capital stock	(47,940)	—
Total changes of items during the period	(32,940)	—
Balance at the end of current period	44,000	44,000
Capital surplus		
Balance at the beginning of current period	46,744	113,124
Changes of items during the period		
Issuance of new shares	15,000	—
Transfer to other capital surplus from capital stock	47,940	—
Increase by share exchanges	3,438	—
Disposal of treasury stock	1	—
Deficit disposition	—	(91,569)
Total changes of items during the period	66,379	(91,569)
Balance at the end of current period	113,124	21,554
Retained earnings		
Balance at the beginning of current period	(82,284)	(114,094)
Changes of items during the period		
Deficit disposition	—	91,569
Net income (loss)	(31,809)	1,555
Change of scope of consolidation	—	0
Total changes of items during the period	(31,809)	93,125
Balance at the end of current period	(114,094)	(20,968)
Treasury stock		
Balance at the beginning of current period	(408)	(23)
Changes of items during the period		
Disposal of treasury stock	403	—
Purchase of treasury stock	(18)	(14)
Total changes of items during the period	385	(14)
Balance at the end of current period	(23)	(38)

(Million yen)

	Fiscal year ended March 31, 2011 (From April 1, 2010, to March 31, 2011)	Fiscal year ended March 31, 2012 (From April 1, 2011, to March 31, 2012)
Total shareholders' equity		
Balance at the beginning of current period	40,991	43,006
Changes of items during the period		
Issuance of new shares	30,000	—
Transfer to other capital surplus from capital stock	—	—
Increase by share exchanges	3,438	—
Disposal of treasury stock	404	—
Deficit disposition	—	—
Net income (loss)	(31,809)	1,555
Purchase of treasury stock	(18)	(14)
Change of scope of consolidation	—	0
Total changes of items during the period	2,014	1,541
Balance at the end of current period	43,006	44,547
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	2,095	(1,988)
Changes of items during the period		
Net changes of items other than shareholders' equity	(4,084)	172
Total changes of items during the period	(4,084)	172
Balance at the end of current period	(1,988)	(1,815)
Deferred gains or losses on hedges		
Balance at the beginning of current period	(660)	(983)
Changes of items during the period		
Net changes of items other than shareholders' equity	(323)	10
Total changes of items during the period	(323)	10
Balance at the end of current period	(983)	(973)
Foreign currency translation adjustment		
Balance at the beginning of current period	(1,893)	(1,724)
Changes of items during the period		
Net changes of items other than shareholders' equity	169	1,091
Total changes of items during the period	169	1,091
Balance at the end of current period	(1,724)	(632)
Total accumulated other comprehensive income		
Balance at the beginning of current period	(458)	(4,697)
Changes of items during the period		
Net changes of items other than shareholders' equity	(4,238)	1,275
Total changes of items during the period	(4,238)	1,275
Balance at the end of current period	(4,697)	(3,422)

(Million yen)

	Fiscal year ended March 31, 2011 (From April 1, 2010, to March 31, 2011)	Fiscal year ended March 31, 2012 (From April 1, 2011, to March 31, 2012)
Subscription rights to shares		
Balance at the beginning of current period	79	79
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current the period	79	79
Minority interests		
Balance at the beginning of current period	6,994	470
Changes of items during the period		
Net changes of items other than shareholders' equity	(6,523)	(424)
Total changes of items during the period	(6,523)	(424)
Balance at the end of current period	470	46
Total net assets		
Balance at the beginning of current period	47,607	38,859
Changes of items during the period		
Issuance of new shares	30,000	—
Transfer to other capital surplus from capital stock	—	—
Increase by share exchanges	3,438	—
Disposal of treasury stock	404	—
Deficit disposition	—	—
Net income (loss)	(31,809)	1,555
Purchase of treasury stock	(18)	(14)
Change of scope of consolidation	—	0
Net changes of items other than shareholders' equity	(10,762)	850
Total changes of items during the period	(8,748)	2,392
Balance at the end of current period	38,859	41,251

(4) Consolidated Statements of Cash Flows

(Million yen)

	Fiscal year ended March 31, 2011 (From April 1, 2010 to March 31, 2011)	Fiscal year ended March 31, 2012 (From April 1, 2011 to March 31, 2012)
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	(30,121)	5,593
Depreciation and amortization	14,095	12,680
Impairment loss	260	97
Gain on negative goodwill	(2,650)	—
Loss (gain) on securities contribution to employees' retirement benefits trust	(7,407)	—
Increase (decrease) in provision	(11,884)	2,560
Interest and dividends income	(1,109)	(1,047)
Interest expenses	4,471	4,026
Loss (gain) on valuation of investment securities	2,500	184
Loss (gain) on sales of investment securities	(78)	180
Loss (gain) on disposal of noncurrent assets	377	656
Decrease (increase) in notes and accounts receivable–trade	(12,563)	7,418
Decrease (increase) in inventories	(3,478)	(3,079)
Decrease (increase) in accounts receivable–other	1,471	(4,357)
Increase (decrease) in notes and accounts payable–trade	4,046	11,018
Increase (decrease) in accrued expenses	3,713	3,806
Increase (decrease) in long-term accounts payable–other	31,124	(5,287)
Other	13,929	(6,487)
Subtotal	6,697	27,965
Interest and dividends income received	1,122	1,048
Interest expenses paid	(4,636)	(4,142)
Income taxes paid	(1,594)	(2,080)
Net cash provided by (used in) operating activities	1,588	22,791
Net cash provided by (used in) investing activities		
Payments into time deposits	(3,040)	(58)
Proceeds from withdrawal of time deposits	4,010	76
Purchase of short-term investment securities	(1,005)	(1,509)
Proceeds from redemption of securities	3,000	1,000
Purchase of property, plant and equipment	(6,535)	(8,757)
Purchase of intangible assets	(2,237)	(2,282)
Purchase of investment securities	(13)	(2,153)
Proceeds from sales of investment securities	810	4,705
Other payments	(287)	(1,558)
Other proceeds	876	1,146
Net cash provided by (used in) investing activities	(4,423)	(9,392)

(Million yen)

	Fiscal year ended March 31, 2011 (From April 1, 2010 to March 31, 2011)	Fiscal year ended March 31, 2012 (From April 1, 2011 to March 31, 2012)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	8,795	(20,405)
Proceeds from long-term loans payable	36,250	66,163
Repayment of long-term loans payable	(64,032)	(61,467)
Proceeds from sale and leaseback	3,809	611
Repayments of lease obligations	(2,234)	(2,726)
Proceeds from issuance of stock	28,650	—
Other	(35)	288
Net cash provided by (used in) financing activities	11,204	(17,535)
Effect of exchange rate change on cash and cash equivalents	118	(87)
Net increase (decrease) in cash and cash equivalents	8,488	(4,224)
Cash and cash equivalents at beginning of period	71,156	79,645
Increase in cash and cash equivalents from newly consolidated subsidiary	—	193
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	—	(618)
Cash and cash equivalents at end of period	* 79,645	* 74,996

(5) Notes Relating to Going Concern Assumption
Not applicable

(6) Significant Matters for the Basis of Preparation of Consolidated Financial Statements

1. Scope of consolidation

Of 90 subsidiaries, 67 companies are consolidated subsidiaries. As for Adachi Protechno Co., Ltd. and 22 other subsidiaries, their total assets, retained earnings, net sales or net income and loss are small and immaterial on an individual and overall basis; thus, they are not included in the scope of consolidation.

OF Networks Co., Ltd., OKI Techno Power Systems Co., Ltd., and OKI Metaltech Co., Ltd. are included in the scope of consolidation from the current fiscal year as their relative significance among subsidiaries has increased.

OKI Erfolg Co., Ltd. and OKI Power Tech Co., Ltd. are extinguished from the scope of consolidation due to liquidation. Mobile Techno Corp. is excluded from the scope of consolidation due to sales of shareholdings. OKI Network Integration Co., Ltd. is excluded from the scope of consolidation and included in the scope of application of the equity method as it became an affiliate due to the decrease in equity resulting from the issuance of shares through allocation to third parties. OKI Network Integration Co., Ltd. has changed its corporate name to Marubeni OKI Network Solutions Inc.

2. Application of the equity method

The equity method is applied to investments in 4 companies of 23 non-consolidated subsidiaries and 10 affiliates.

As for Adachi Protechno Co., Ltd. and 22 other non-consolidated subsidiaries as well as Alp Inc. and 5 other affiliates, all of which are not accounted for using the equity method, the effects of their net income or loss and retained earnings are minor, and immaterial overall.

Marubeni OKI Network Solutions Inc. is included in the scope of application of the equity method as it became the Company's affiliate due to the decrease in equity resulting from the issuance of shares through allocation to third parties.

3. Fiscal year, etc., of consolidated subsidiaries

The Company's consolidated subsidiaries, OKI Banking Systems (Shenzhen) Co., Ltd., Oki Electric Industry (Shenzhen) Co., Ltd., OKI Telecommunications Technology (Changzhou) Co., Ltd., OKI Software Technology Co., Ltd., Oki Electric Technology (Kunshan) Co., Ltd., Oki Data Dalian Co., Ltd., and Oki Trading (Beijing) Co., Ltd. close accounts on December 31 but conduct provisional closing as of the consolidated closing date for the consolidation purposes in order to disclose consolidated financial information more appropriately.

4. Standards for accounting treatment

(1) Valuation standards and methods for significant assets

1) Securities

The Company and its domestic consolidated subsidiaries evaluate securities according to holding purposes as follows. Overseas consolidated subsidiaries use the lower of cost or market value method.

Held-to-maturity securities:
Amortized cost method

Available-for-sale securities:
Securities with market quotations:
Market value method based on the quoted market price at the fiscal year-end (Any unrealized gains or losses are reported directly as a component of shareholders' equity and the cost of securities sold is calculated using the moving-average method.)

Securities without market quotations:
Cost method using the moving-average method.

2) Inventories

The Company and its domestic consolidated subsidiaries evaluate inventories as follows. Overseas consolidated subsidiaries mainly use the lower of cost or market value method.

Finished goods:
Stated at cost mainly using the moving-average method (Amounts on the balance sheets take into account declines in book values based on reduced profitability.)

Work in process:
Stated at cost mainly using the specific cost method (Amounts on the balance sheets take into account declines in book values based on reduced profitability.)

Raw materials and supplies:

Stated at cost mainly using the moving-average method (Amounts on the balance sheets take into account declines in book values based on reduced profitability.)

3) Derivatives

Stated at market value

(2) Depreciation methods for significant depreciable assets

1) Property, plant and equipment (excluding lease assets)

The Company and its domestic consolidated subsidiaries mainly use the declining-balance method, and overseas consolidated subsidiaries mainly use the straight-line method.

2) Intangible assets (excluding lease assets)

The Company and its domestic consolidated subsidiaries use the straight-line method.

Software for sales in the market is amortized based on the estimated sales volume over the estimated valid sales period (3 years), and software for internal use is amortized using the straight-line method over the estimated available period (5 years).

Overseas consolidated subsidiaries mainly use the straight-line method.

3) Lease assets

Lease assets concerning non-transfer ownership finance lease transactions are depreciated using the straight-line method, defining the lease terms of respective assets as their useful lives, assuming the residual value is zero.

Among lease assets concerning non-transfer ownership finance lease transactions, lease transactions that commenced on or prior to March 31, 2008 are stated using the similar accounting treatment that is applied to regular rental transactions.

(3) Accounting standards for significant allowances and provisions

1) Allowance for doubtful accounts

The Company and its domestic consolidated subsidiaries provide for possible credit losses on notes and accounts receivable–trade and loans receivable. Allowance for ordinary bad debts are computed based on the historical rate of defaults, and the likelihood of recovery is considered on an individual basis for specific debts where recovery is doubtful. Overseas consolidated subsidiaries provide mainly for specific debts in consideration of the likelihood of recovery.

2) Provision for retirement benefits

To provide for employees' retirement benefits, the Company and its consolidated subsidiaries make provisions for estimated retirement benefits at the end of the current fiscal year, based on the projected retirement benefit obligations and related pension assets as of the end of the current fiscal year.

Net retirement benefit obligation at transition is amortized evenly over 15 years, excluding consolidated subsidiaries that amortize collectively in the first fiscal year of application and some overseas consolidated subsidiaries that deduct obligations directly from retained earnings.

Prior service cost is amortized, using the straight-line method, over certain years (11 to 13 years) not exceeding the average remaining service years of employees at the time of occurrence.

Actuarial gain or loss is amortized evenly using the straight-line method over certain years (11 to 13 years) not exceeding the average remaining service years of employees at the time of occurrence, from the fiscal year following the year of occurrence.

3) Provision for directors' retirement benefits

Some consolidated subsidiaries provide necessary amounts at the year-end for directors' retirement benefits, in accordance with the companies' internal rules.

(4) Accounting standards for significant revenue and expenses

Accounting standards for revenue from contract works and software development contracts

a) Works/developments with certainty of results recognized in the part in progress by the end of the current fiscal year

Stated using the percentage of completion method (Progress rate for works is estimated using the cost-to-cost method.)

b) Others

Stated on an inspection basis (or by the completed-contract method at some domestic consolidated subsidiaries)

(5) Significant hedge accounting method

1) Hedge accounting method

The deferred hedge accounting is used. Allocation treatment is applied for foreign exchange forward contracts that meet specific criteria of allocation treatment. Special treatment is applied for interest rate swap transactions that meet specific criteria of special treatment.

2) Hedging instruments and hedged items
Foreign exchange forward contracts are used to hedge fluctuations in foreign exchange rates for foreign currency-denominated monetary claims and liabilities, and interest rate swap transactions are used to hedge market interest rate fluctuation risks in future for short-term and long-term loans payable at floating interest rates.

3) Hedging policy
Derivatives transactions are used for the purpose of avoiding market fluctuation risks that monetary claims and liabilities are exposed to.

4) Method for evaluating hedging effectiveness
From the time of implementation of hedging through the time of assessment of effectiveness, hedged items and hedging instruments, and respective market fluctuations or changes in cash flows are compared and evaluated based on the amount of changes in both.

(6) Amortization of goodwill and amortization period
Goodwill is amortized evenly over its effective period (mainly 5 years).

(7) Scope of cash and cash equivalents in the consolidated statements of cash flows
Cash and cash equivalents in the consolidated statements of cash flows consist of cash in hand, readily available deposits, and any short-term liquid investments with a maturity not exceeding 3 months at the time of purchase whose value is not subject to significant fluctuation risk.

(8) Other significant matters for the preparation of consolidated financial statements

1) Accounting treatment for consumption taxes, etc.
The tax exclusion method is applied for the accounting treatment for national and local consumption taxes.

2) Application of consolidated taxation system
The consolidated taxation system is applied.

(7) Changes in Presentation

(Consolidated Statements of Income)

"Equity in earnings of affiliates" under "Non-operating income," which was separately stated for the previous fiscal year, is included in "Miscellaneous income" for the current fiscal year due to its decreasing quantitative materiality. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, "Equity in earnings of affiliates" of ¥299 million stated under "Non-operating income" on the consolidated statements of income for the previous fiscal year has been reclassified into "Miscellaneous income."

"Foreign exchange losses" under "Non-operating expenses," which was separately stated for the previous fiscal year, is included in "Miscellaneous expenses" for the current fiscal year due to its decreasing quantitative materiality. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, "Foreign exchange losses" of ¥816 million stated under "Non-operating expenses" on the consolidated statements of income for the previous fiscal year has been reclassified into "Miscellaneous expenses."

(Consolidated Statements of Cash Flows)

"Equity in (earnings) losses of affiliates" and "Increase (decrease) in accounts payable–other" under "Net cash provided by (used in) operating activities," which were separately stated for the previous fiscal year, are included in "Other" for the current fiscal year due to their decreasing quantitative materiality. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, "Equity in (earnings) losses of affiliates" of ¥(299) million and "Increase (decrease) in accounts payable–other" of ¥4,648 million stated under "Net cash provided by (used in) operating activities" on the consolidated statements of cash flows for the previous fiscal year have been reclassified into "Other."

"Loss (gain) on sales of investment securities" and "Decrease (increase) in accounts receivable–other," which were included in "Other" under "Net cash provided by (used in) operating activities" for the previous fiscal year, are separately stated from the current fiscal year due to their increasing quantitative materiality. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, "Other" of ¥10,972 million stated under "Net cash provided by (used in) operating activities" on the consolidated statements of cash flows for the previous fiscal year has been reclassified into "Loss (gain) on sales of investment securities" of ¥(78) million, "Decrease (increase) in accounts receivable–other" of ¥1,471 million and "Other" of ¥9,579 million.

"Purchase of investment securities," which was included in "Other payments" under "Net cash provided by (used in) investing activities" for the previous fiscal year, is separately stated from the current fiscal year due to its increasing quantitative materiality. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, "Other payments" of ¥(300) million stated under "Net cash provided by (used in) investing activities" on the consolidated statements of cash flows for the previous fiscal year has been reclassified into "Purchase of investment securities" of ¥(13) million and "Other payments" of ¥(287) million.

(8) Additional Information

The "Accounting Standard for Accounting Changes and Error Corrections" (Accounting Standards Board of Japan [ASBJ] Statement No. 24, December 4, 2009) and the "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No. 24, December 4, 2009) have been applied, for accounting changes and error corrections for prior periods that are made on and after the beginning of the current fiscal year.

(9) Notes Relating to Consolidated Financial Statements

(Consolidated Balance Sheets)

* Accumulated depreciation of property, plant and equipment

(Million yen)

	Previous fiscal year (As of March 31, 2011)	Current fiscal year (As of March 31, 2012)
Accumulated depreciation of property, plant and equipment	148,576	146,342

(Consolidated Statements of Income)

*1 The major items and amounts under selling, general and administrative expenses are as follows.

(Million yen)

	Previous fiscal year (From April 1, 2010 to March 31, 2011)	Current fiscal year (From April 1, 2011 to March 31, 2012)
Salaries and wages	28,560	27,109
Retirement benefit expenses	4,761	3,351
Research and development expenses	13,768	13,109
Provision of allowance for doubtful accounts	5,003	1,046

*2 Research and development expenses included in general and administrative expenses are as follows. Research and development expenses are not included in manufacturing costs.

(Million yen)

Previous fiscal year (From April 1, 2010 to March 31, 2011)	Current fiscal year (From April 1, 2011 to March 31, 2012)
13,768	13,109

*3 Insurance income

Insurance income associated with the flooding in Thailand was recorded for the current fiscal year.

*4 Loss on disaster

Losses and recovery costs on noncurrent assets and inventories that suffered from the flooding in Thailand were recorded for the current fiscal year.

(Consolidated Statements of Comprehensive Income)

Current fiscal year (from April 1, 2011 to March 31, 2012)

* Reclassification adjustment and tax effect related to other comprehensive income

	(Million yen)
Valuation difference on available-for-sale securities:	
Amount arising during the period	(37)
Reclassification adjustment	175
Amount before income tax effect	137
Income tax effect	(31)
Valuation difference on available-for-sale securities	105
Deferred gains or losses on hedges:	
Amount arising during the period	(289)
Reclassification adjustment	299
Deferred gains or losses on hedges	10
Foreign currency translation adjustment:	
Amount arising during the period	1,095
Share of other comprehensive income of associates accounted for using equity method:	
Amount arising during the period	(13)
Reclassification adjustment	81
Share of other comprehensive income of associates accounted for using equity method	67
Total other comprehensive income	1,278

(Consolidated Statements of Changes in Net Assets)
Previous fiscal year (from April 1, 2010 to March 31, 2011)
1. Type and number of issued shares and treasury stock

	Number of shares at beginning of current fiscal year (Thousand shares)	Number of shares increased during current fiscal year (Thousand shares)	Number of shares decreased during current fiscal year (Thousand shares)	Number of shares at end of current fiscal year (Thousand shares)
Issued shares				
Common stock (Note 1)	684,256	47,181	—	731,438
Class A preferred stock (Note 2)	—	30	—	30
Total	684,256	47,211	—	731,468
Treasury stock				
Common stock (Note 3)	1,833	376	1,791	418
Total	1,833	376	1,791	418

(Notes) 1. The increase in common stock under issued shares (47,181 thousand shares) resulted from the share exchange between the Company as a wholly owning parent company and Oki Wintech Co., Ltd. as a wholly owned subsidiary (at 1 share for 8.7 shares).
2. The increase in Class A preferred stock under issued shares (30 thousand shares) resulted from the issuance of Class A preferred stock through allocation to third parties.
3. The increase in common stock under treasury stock (376 thousand shares) consists of the increase of 224 thousand shares in treasury stock (the Company's stock) that were acquired by the subsidiary accounted for using the equity method through the share exchange as mentioned in (Note 1) and are attributable to the Company, the increase of 150 thousand shares due to the purchase of fractional shares, and the increase of one thousand shares due to the purchase of shares from dissenting shareholders in accordance with Article 797, Paragraph 1 of the Companies Act, and the increase of less than one thousand shares in treasury stock (the Company's stock) that are owned by companies accounted for using the equity method and are attributable to the Company. The decrease in common stock under treasury stock (1,791 thousand shares) resulted from the reissuance of treasury stock associated with the share exchange as mentioned in (Note 1).

2. Matters related to subscription rights to shares and treasury subscription rights to shares

Classification	Breakdown of subscription rights to shares	Type of shares underlying subscription rights to shares	Number of shares underlying subscription rights to shares (Shares)				Outstanding shares at end of current fiscal year (Million yen)
			At beginning of current fiscal year	Increase during current fiscal year	Decrease during current fiscal year	At end of current fiscal year	
The Filing Company (Parent company)	Subscription rights to shares as stock options	—					79
Total		—					79

3. Matters related to dividends
(1) Dividends paid
Not applicable

(2) Dividends whose record date falls in the current fiscal year but whose effective date comes in the following fiscal year
Not applicable

Current fiscal year (from April 1, 2011 to March 31, 2012)

1. Type and number of issued shares and treasury stock

	Number of shares at beginning of current fiscal year (Thousand shares)	Number of shares increased during current fiscal year (Thousand shares)	Number of shares decreased during current fiscal year (Thousand shares)	Number of shares at end of current fiscal year (Thousand shares)
Issued shares				
Common stock	731,438	—	—	731,438
Class A preferred stock	30	—	—	30
Total	731,468	—	—	731,468
Treasury stock				
Common stock (Note)	418	193	—	612
Total	418	193	—	612

(Note) The increase in common stock under treasury stock (193 thousand shares) consists of the increase of 193 thousand shares due to the purchase of fractional shares and the increase of less than one thousand shares in treasury stock (the Company's stock) that are owned by companies accounted for using the equity method and are attributable to the Company.

2. Matters related to subscription rights to shares and treasury subscription rights to shares

Classification	Breakdown of subscription rights to shares	Type of shares underlying subscription rights to shares	Number of shares underlying subscription rights to shares (Shares)				Outstanding shares at end of current fiscal year (Million yen)
			At beginning of current fiscal year	Increase during current fiscal year	Decrease during current fiscal year	At end of current fiscal year	
The Filing Company (Parent company)	Subscription rights to shares as stock options	—					79
Total		—					79

3. Matters related to dividends

(1) Dividends paid

Not applicable

(2) Dividends whose record date falls in the current fiscal year but whose effective date comes in the following fiscal year

(Matters for deliberation)	Class of stock	Total amount of dividends (Million yen)	Dividend resource	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 28, 2012	Class A preferred stock	1,321	Retained earnings	44,047	March 31, 2012	June 29, 2012

(Consolidated Statements of Cash Flows)

* Relationship between the fiscal year-end balance of cash and cash equivalents and the amounts of consolidated balance sheets items

(Million yen)

	Previous fiscal year (From April 1, 2010 to March 31, 2011)	Current fiscal year (From April 1, 2011 to March 31, 2012)
Cash and deposits	45,959	45,193
Time deposits with original maturities of more than 3 months	(31)	(13)
Short-term investments (securities) with maturities of less than 3 months	33,717	29,815
Cash and cash equivalents	79,645	74,996

(Securities)

1. Securities–trading
   Not applicable

2. Held-to-maturity securities
   Previous fiscal year (as of March 31, 2011)

(Million yen)

	Type	Amount recorded in consolidated balance sheets	Market value	Unrealized gain or loss
Held-to-maturity securities whose market value does not exceed the amount recorded in consolidated balance sheets	Bonds	1,502	1,502	—
	Negotiable certificates of deposit	500	500	—
Total		2,002	2,002	—

Current fiscal year (as of March 31, 2012)

(Million yen)

	Type	Amount recorded in consolidated balance sheets	Market value	Unrealized gain or loss
Held-to-maturity securities whose market value does not exceed the amount recorded in consolidated balance sheets	Bonds	3,998	3,998	(0)
	Negotiable certificates of deposit	1,000	1,000	—
Total		4,998	4,998	(0)

3. Available-for-sale securities
   Previous fiscal year (as of March 31, 2011)

(Million yen)

	Type	Amount recorded in consolidated balance sheets	Acquisition cost	Unrealized gain or loss
Available-for-sale securities whose amount recorded in consolidated balance sheets exceeds their acquisition cost	Stocks	2,929	2,152	777
	Bonds	1,624	1,604	19
	Other	302	299	2
	Subtotal	4,856	4,057	799
Available-for-sale securities whose amount recorded in consolidated balance sheets does not exceed their acquisition cost	Stocks	8,279	10,909	(2,630)
	Bonds	500	500	(0)
	Negotiable certificates of deposit	28,900	28,900	—
	Other	3,415	3,420	(5)
	Subtotal	41,094	43,730	(2,635)
Total		45,951	47,787	(1,836)

Current fiscal year (as of March 31, 2012)

(Million yen)

	Type	Amount recorded in consolidated balance sheets	Acquisition cost	Unrealized gain or loss
Available-for-sale securities whose amount recorded in consolidated balance sheets exceeds their acquisition cost	Stocks	2,411	1,583	827
	Bonds	1,621	1,604	16
	Other	221	221	0
	Subtotal	4,254	3,409	844
Available-for-sale securities whose amount recorded in consolidated balance sheets does not exceed their acquisition cost	Stocks	8,873	11,396	(2,523)
	Bonds	3,491	3,506	(15)
	Negotiable certificates of deposit	25,000	25,000	—
	Other	2,914	2,919	(4)
	Subtotal	40,278	42,822	(2,543)
Total		44,533	46,232	(1,699)

4. Available-for-sale securities sold

Previous fiscal year (from April 1, 2010 to March 31, 2011)

(Million yen)

Type	Amount of proceeds	Total gain on sales	Total loss on sales
Stocks	754	181	132

Current fiscal year (from April 1, 2011 to March 31, 2012)

(Million yen)

Type	Amount of proceeds	Total gain on sales	Total loss on sales
Stocks	41	0	14
Others	79	0	—
Total	120	0	14

5. Impaired securities that were written down to their fair values

During the previous fiscal year, a loss of ¥2,445 million was incurred by a write-down of impaired securities (available-for-sale securities).

During the current fiscal year, a loss of ¥179 million was incurred by a write-down of impaired securities (available-for-sale securities).

Securities whose current market price at the fiscal year-end falls considerably lower than the acquisition cost were written down by the amount deemed necessary, after comprehensively assessing the likelihood of recovery, etc.

(Retirement Benefits)

1. Overview of retirement benefit plans

The Company and its domestic consolidated subsidiaries have two types of defined benefit retirement plans: a defined benefit pension plan and a lump-sum retirement payment plan. The Company and its domestic consolidated subsidiaries that participate in the OKI Pension Fund have transferred part of the lump-sum retirement payment plan to a defined contribution pension plan based on the change of the retirement benefits plans, which was implemented on June 1, 2011.

Overseas consolidated subsidiaries have a defined benefit pension plan and a defined contribution pension plan to provide for employees' retirement.

There are also cases when the Company and its consolidated subsidiaries pay an extra retirement payments to employees on leaving.

The Company implements an employees' retirement benefits trust.

The Company's OKI Pension Fund was established on January 1, 2005, and 19 consolidated subsidiaries participate in the fund.

2. Retirement benefit obligations

(Million yen)

	Previous fiscal year (As of March 31, 2011)	Current fiscal year (As of March 31, 2012)
(1) Retirement benefit obligations	(114,979)	(106,707)
(2) Pension assets	75,935 (Note 2)	78,636 (Note 2)
(3) Unfunded retirement benefit obligations ((1)+(2))	(39,043)	(28,071)
(4) Unrecognized net retirement benefit obligation at transition	8,730	6,363
(5) Unrecognized actuarial gain or loss	23,023	13,950
(6) Unrecognized prior service cost (decrease in obligations)	(9,061)	(11,155) (Note 3)
(7) Amount recorded in consolidated balance sheets, net ((3)+(4)+(5)+(6))	(16,350)	(18,912)
(8) Prepaid pension cost	—	—
(9) Provision for retirement benefits ((7)–(8))	(16,350)	(18,912)

(Notes) 1. Some consolidated subsidiaries use the simplified method for calculating retirement benefit obligations.

2. "Pension assets" include the employees' retirement benefits trust of ¥12,918 million for the previous fiscal year and ¥15,673 million for the current fiscal year.

3. On June 1, 2011, the Company and its domestic consolidated subsidiaries that participate in the OKI Pension Fund transferred part of the defined contribution pension plan to a lump-sum retirement payment plan. As a result, prior service cost (decrease in obligations) has accrued.

3. Retirement benefit expenses

(Million yen)

	Previous fiscal year (From April 1, 2010 to March 31, 2011)	Current fiscal year (From April 1, 2011 to March 31, 2012)
(1) Service cost	4,305 (Note 2)	2,415 (Note 2)
(2) Interest cost on retirement benefit obligation	2,948	2,503
(3) Expected return on plan assets	(654)	(1,137)
(4) Amortization of net retirement benefit obligation at transition	3,598	2,367
(5) Amortization of actuarial gain or loss	3,736	3,775
(6) Amortization of prior service cost	(1,019)	(1,506)
(7) Other	—	1,657 (Note 3)
(8) Retirement benefit expenses ((1)+(2)+(3)+(4)+(5)+(6)+(7))	12,915	10,075

(Notes) 1. Other than the above retirement benefit expenses, extra retirement payments (¥11,807 million for the previous fiscal year and ¥372 million for the current fiscal year) were paid and stated in "Special retirement expenses" under extraordinary loss.
2. Retirement benefit expenses of consolidated subsidiaries using the simplified method are added up in "(1) Service cost."
3. "(7) Other" is the contribution to the defined contribution pension plan.
4. Other than the above retirement benefit expenses, expenses arising from the changes of the retirement benefit plan and accounting treatment (¥20,333 million) are stated in "Loss on revision of retirement benefit plan" under extraordinary loss for the previous fiscal year.

4. Assumptions in calculating retirement benefit obligations

(1) Periodical allocation of estimated retirement benefits

Allocation on a point basis or allocation to each period by the straight-line method
(Point basis is applied for the periodical allocation of estimated retirement benefits that are based on the point-system pension and cash balance pension plan.)

(2) Discount rate

Previous fiscal year (From April 1, 2010 to March 31, 2011)	Current fiscal year (From April 1, 2011 to March 31, 2012)
2.1%	2.1%

(3) Expected rate of return on plan asset

Previous fiscal year (From April 1, 2010 to March 31, 2011)	Current fiscal year (From April 1, 2011 to March 31, 2012)
1.0%	1.5%

(4) Amortization period for prior service cost

11 to 13 years (Prior service cost is amortized using the straight-line method over certain years not exceeding the average remaining service years of employees at the time of occurrence.)

(5) Amortization period for actuarial gain or loss

11 to 13 years (Actuarial gain or loss is amortized using the straight-line method over certain years not exceeding the average remaining service years of employees at the time of occurrence, from the fiscal year following the year of occurrence.)

(6) Amortization period for net retirement benefit obligations at transition

15 years, excluding consolidated subsidiaries that amortize obligations collectively in the first fiscal year of application of changes in accounting standards and some overseas consolidated subsidiaries that deduct obligations directly from retained earnings.

(Tax Effect Accounting)

1. Breakdown of major factors that caused deferred tax assets and liabilities

(Million yen)

	Previous fiscal year (As of March 31, 2011)	Current fiscal year (As of March 31, 2012)
Deferred tax assets		
Retained losses carried forward	39,446	35,165
Nondeductible provision for retirement benefits	11,679	11,727
Nondeductible accounts payable from change of retirement benefit plan	14,960	11,441
Nondeductible accrued bonuses	3,116	3,994
Excess allowance for doubtful accounts	3,992	3,345
Nondeductible loss on valuation of inventories	3,150	2,941
Nondeductible impairment loss	1,846	1,711
Elimination of inter-consolidated company income	1,343	1,344
Other	6,918	5,233
Deferred tax assets (Subtotal)	86,456	76,905
Valuation allowance	(73,750)	(65,989)
Total deferred tax assets	12,705	10,915
Deferred tax liabilities		
Nondeductible gain on contribution of securities to retirement benefit trust	(4,362)	(3,830)
Other	(420)	(392)
Total deferred tax liabilities	(4,783)	(4,223)
Net deferred tax assets (liabilities)	7,922	6,691

2. Breakdown of items that caused the difference between the statutory tax rate and the effective tax rate after application of tax effect accounting

	Previous fiscal year (As of March 31, 2011)	Current fiscal year (As of March 31, 2012)
Statutory tax rate	—	41.0%
(Adjustment)		
Dividends and other income not counted for tax purposes	—	(5.4)
Entertainment and other expenses not counted for tax purposes	—	6.1
Decrease in valuation allowance related to deferred tax assets	—	2.2
Inhabitant tax on per capita basis	—	5.4
Difference between the Company's statutory tax rate and the rates for overseas subsidiaries	—	8.9
Other	—	2.8
The effective tax rate after application of tax effect accounting	—	61.0

(Note) The breakdown for the previous fiscal year is not stated as loss before income taxes and minority interests was recorded.

3. Changes in the amount of deferred tax assets and deferred tax liabilities due to changes in the rate of income taxes

Following the promulgation of the "Act for Partial Amendment of the Income Tax Act, etc. for the Purpose of Creating a Taxation System Responding to Changes in Economic and Social Structures" (Act No. 114, 2011) and the "Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake" (Act No. 117, 2011) on December 2, 2011, the corporate income tax rate will be lowered and a special restoration corporate tax will be imposed from the fiscal years beginning on and after April 1, 2012. In conjunction with these changes, the effective statutory tax rate used to measure deferred tax assets and deferred tax liabilities will change from 41.0% to 38.0% for the temporary differences expected to be resolved during the period from the fiscal year beginning on April 1, 2012 to the fiscal year beginning on April 1, 2014, and to 36.0% for the temporary differences expected to be resolved on and after the fiscal years beginning on April 1, 2015. As a result of this change, the amount of deferred tax assets (less the amount of deferred tax liabilities) has decreased by ¥51 million, and the amount of income taxes–deferred and the amount of valuation difference on available-for-sale securities have increased by ¥62 million and ¥11 million, respectively.

In addition, with the new limit to retained losses carried forward of 80% of the amount of income before carry-forward, which will be applied from the fiscal years beginning on and after April 1, 2012, the amount of deferred tax assets has decreased by ¥532 million, and the amount of income taxes–deferred has increased by ¥532 million.

(Segment Information)

1. 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 mainly conducts “Info-telecom Systems” and “EMS,” and the OKI Data Group (Oki Data Corporation and its group companies) conducts “Printers” as an independent management unit; each of them plans comprehensive strategies about their main product lines in domestic and overseas markets and deploys business activities.

Accordingly, the Company has three reportable segments by product lines based on the Company and the OKI Data Group: “Info-telecom Systems,” “Printers” and “EMS.”

“Info-telecom Systems” provides solutions and services focused on the know-how earned from various business systems for financial, transportation, retail, and manufacturing industries; communication equipment for telecom carriers; video and voice communication systems; systems dedicated to social infrastructure; and mechatronics technology products. “Printers” provides LED technology-featured printers. “EMS” conducts consigned manufacturing business based on the manufacturing technologies developed within the group.

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

Business segment	Major products and services
Info-telecom Systems	Financial systems, automation equipment systems (ATMs, cash handling equipment, ticket issuing equipment, etc.), systems dedicated to public sector (aviation and traffic, disaster prevention and firefighting, various info-telecom systems, etc.), systems dedicated to telecom carriers (switching, transmission, optical access, etc.), IP telecommunication systems (PBX, call center, video conference, etc.), various information systems (travel, retail, manufacturing, etc.), and relevant IT services (cloud computing services, system integration, support services, maintenance services, etc.)
Printers	Color LED printers, monochrome LED printers, dot-impact printers, multifunction printers, etc.
EMS	Design and manufacturing services, printed circuit boards, etc.

(2) Calculation methods for the amount of net sales, income and loss, assets, liabilities and other items by reportable segment

The methods of accounting treatment for the reported business segments are the same as set forth in “Significant Matters for the Basis of Preparation of Consolidated Financial Statements.” Revenues from intersegment transactions and transfers are calculated based on prevailing market rates.

(3) Information about amounts of net sales, income and loss, assets, liabilities and other items by reportable segment

Previous fiscal year (from April 1, 2010 to March 31, 2011)

(Million yen)

	Reportable segments				Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated financial statements (Note 3)
	Info-telecom Systems	Printers	EMS	Total				
Net sales								
Net sales to external customers	260,708	124,978	31,035	416,722	15,928	432,651	—	432,651
Intersegment net sales or transfers	2,789	4,750	132	7,672	19,998	27,670	(27,670)	—
Total	263,497	129,729	31,167	424,395	35,926	460,322	(27,670)	432,651
Segment income (loss)	14,733	(4,574)	1,340	11,499	1,544	13,043	(6,734)	6,308
Segment assets	155,351	82,840	23,886	262,077	23,984	286,061	82,760	368,822
Other items								
Depreciation and amortization	5,173	4,211	1,134	10,519	950	11,470	1,518	12,988
Amortization of goodwill	6	54	—	60	—	60	(0)	60
Investments in companies accounted for using equity method	1,255	—	—	1,255	27	1,283	3,095	4,378
Increase in property, plant and equipment and intangible assets	4,716	2,127	733	7,578	853	8,431	1,398	9,830

Current fiscal year (from April 1, 2011 to March 31, 2012)

(Million yen)

	Reportable segments				Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated financial statements (Note 3)
	Info-telecom Systems	Printers	EMS	Total				
Net sales								
Net sales to external customers	267,179	107,425	31,264	405,869	17,611	423,480	—	423,480
Intersegment net sales or transfers	2,481	5,033	124	7,639	22,166	29,805	(29,805)	—
Total	269,660	112,458	31,389	413,508	39,777	453,286	(29,805)	423,480
Segment income (loss)	18,709	(4,343)	1,467	15,833	2,535	18,368	(6,388)	11,980
Segment assets	165,302	80,372	19,883	265,558	25,694	291,253	76,812	368,065
Other items								
Depreciation and amortization	5,057	3,267	980	9,305	1,015	10,320	1,326	11,647
Amortization of goodwill	8	27	—	35	—	35	(0)	35
Investments in companies accounted for using equity method	1,422	—	—	1,422	28	1,450	3,170	4,621
Increase in property, plant and equipment and intangible assets	5,019	3,588	720	9,328	661	9,989	1,363	11,353

(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:

(Million yen)

Segment income or loss	Previous fiscal year	Current fiscal year
Elimination of intersegment transactions	68	50
Corporate expenses*	(6,894)	(6,474)
Adjustment to noncurrent assets	90	35
Total	(6,734)	(6,388)

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

(Million yen)

Segment assets	Previous fiscal year	Current fiscal year
Elimination of intersegment transactions	(87,317)	(96,971)
Corporate assets*	166,050	169,645
Adjustment to noncurrent assets	4,027	4,139
Total	82,760	76,812

* Corporate assets are mainly surplus funds, fund for long-term investment and assets related to the general administration section of the Filing Company.

(Million yen)

Depreciation and amortization	Previous fiscal year	Current fiscal year
Depreciation and amortization of corporate assets	1,695	1,482
Adjustment to noncurrent assets	(177)	(156)
Total	1,518	1,326

(Million yen)

Investments in companies accounted for using equity method	Previous fiscal year	Current fiscal year
Corporate investments	3,095	3,170

(Million yen)

Increase in property, plant and equipment and intangible assets	Previous fiscal year	Current fiscal year
Corporate assets	1,496	1,505
Adjustment to noncurrent assets	(97)	(142)
Total	1,398	1,363

3. Segment income or loss is adjusted with operating income on the consolidated statements of income.

2. Related information

Previous fiscal year (from April 1, 2010 to March 31, 2011)

(1) Information by products and services

(Million yen)

	Solutions & Services	Telecom Systems	Social Infrastructure Systems	Mechatronics Systems	Printers	EMS	Others	Total
Net sales to external customers	90,351	75,952	32,010	62,394	124,978	31,035	15,928	432,651

(2) Information by geographic areas

1) Net sales

(Million yen)

Japan	North America	Europe	Others	Total
307,989	20,826	61,301	42,533	432,651

(Note) Net sales are sorted by countries or regions based on the location of customers.

2) Property, plant and equipment

(Million yen)

Japan	Overseas	Total
46,651	6,483	53,134

Current fiscal year (from April 1, 2011 to March 31, 2012)

(1) Information by products and services

(Million yen)

	Solutions & Services	Telecom Systems	Social Infrastructure Systems	Mechatronics Systems	Printers	EMS	Others	Total
Net sales to external customers	88,299	77,533	33,375	67,970	107,425	31,264	17,611	423,480

(2) Information by geographic areas

1) Net sales

(Million yen)

Japan	North America	Europe	Others	Total
310,631	17,106	46,402	49,340	423,480

(Note) Net sales are sorted by countries or regions based on the location of customers.

2) Property, plant and equipment

(Million yen)

Japan	Overseas	Total
46,275	6,316	52,592

3. Information about impairment loss on noncurrent assets of each reportable segment
   Previous fiscal year (from April 1, 2010 to March 31, 2011)

(Million yen)

	Info-telecom Systems	Printers	EMS	Others	Corporate/ elimination	Total
Impairment loss	—	1	—	16	243	260

Current fiscal year (from April 1, 2011 to March 31, 2012)

(Million yen)

	Info-telecom Systems	Printers	EMS	Others	Corporate/ elimination	Total
Impairment loss	—	13	—	—	84	97

4. Information about amortization of goodwill and unamortized balance of each reportable segment
   Previous fiscal year (from April 1, 2010 to March 31, 2011)

(Million yen)

	Info-telecom Systems	Printers	EMS	Others	Corporate/ elimination	Total
Goodwill at end of fiscal year	7	27	—	—	(0)	34

Current fiscal year (from April 1, 2011 to March 31, 2012)

(Million yen)

	Info-telecom Systems	Printers	EMS	Others	Corporate/ elimination	Total
Goodwill at end of fiscal year	6	0	—	—	(0)	5

(Per Share Information)

	Previous fiscal year (From April 1, 2009 to March 31, 2010)	Current fiscal year (From April 1, 2010 to March 31, 2011)
Net assets per share	¥11.37	¥13.42
Net income per share	—	¥0.32
Net loss per share	¥44.00	—
Net income per share–diluted	Not stated as net loss per share was recorded.	Not stated as there were no dilutive shares with dilutive effect.

(Note) 1. The basis for calculation of net income (loss) per share and net income per share–diluted is as follows:

	Previous fiscal year (From April 1, 2010 to March 31, 2011)	Current fiscal year (From April 1, 2011 to March 31, 2012)
Net income (loss) per share		
Net income (Million yen)	—	1,555
Net loss (Million yen)	31,809	—
Net income not attributable to common shareholders (Million yen)	—	1,321
[Dividends on Class A preferred stock included in the above]	[—]	[1,321]
Net income related to common stock (Million yen)	—	234
Net loss related to common stock (Million yen)	31,809	—
Weighted average number of shares of common stock during period (Thousand shares)	722,961	730,911
Outline of dilutive shares not counted in the calculation of net income per share–diluted due to no dilutive effect	Subscription rights to shares (5 classes), and Class A preferred stock (30,000 shares)	Subscription rights to shares (5 classes), and Class A preferred stock (30,000 shares)

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

	Previous fiscal year (As of March 31, 2011)	Current fiscal year (As of March 31, 2012)
Total net assets (Million yen)	38,859	41,251
Amount deducted from the total net assets (Million yen)	30,550	31,447
[Amount paid for Class A preferred stock included in the above]	[30,000]	[30,000]
[Dividends on Class A preferred stock included in the above]	[—]	[1,321]
[Subscription rights to shares included in the above]	[79]	[79]
[Minority interests included in the above]	[470]	[46]
Amount of net assets related to common stock at end of period (Million yen)	8,308	9,804
Number of common shares used to calculate net assets per share at end of period (Thousand shares)	731,020	730,826

(Significant Subsequent Event)

Not applicable

5. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Million yen)

	Fiscal year ended March 31, 2011 (As of March 31, 2011)	Fiscal year ended March 31, 2012 (As of March 31, 2012)
Assets		
Current assets		
Cash and deposits	22,291	22,569
Notes receivable–trade	1,147	1,143
Accounts receivable–trade	48,938	56,111
Lease investment assets	1,731	2,350
Securities	29,899	28,998
Finished goods	4,195	5,049
Work in process	13,240	14,299
Raw materials and supplies	5,683	6,108
Prepaid expenses	218	356
Short-term loans receivable	20,762	39,312
Accounts receivable–other	6,458	6,338
Deferred tax assets	2,747	3,286
Other	2,498	250
Allowance for doubtful accounts	(233)	(198)
Total current assets	159,580	185,978
Noncurrent assets		
Property, plant and equipment		
Buildings	36,376	36,839
Accumulated depreciation	(26,698)	(26,941)
Buildings, net	9,678	9,898
Structures	2,490	2,446
Accumulated depreciation	(2,204)	(2,173)
Structures, net	286	273
Machinery and equipment	14,963	14,058
Accumulated depreciation	(12,959)	(12,136)
Machinery and equipment, net	2,003	1,922
Vehicles	81	77
Accumulated depreciation	(77)	(71)
Vehicles, net	4	5
Tools, furniture and fixtures	32,024	32,403
Accumulated depreciation	(27,365)	(27,198)
Tools, furniture and fixtures, net	4,658	5,205
Land	9,635	9,635
Construction in progress	0	21
Total property, plant and equipment	26,266	26,961

(Million yen)

	Fiscal year ended March 31, 2011 (As of March 31, 2011)	Fiscal year ended March 31, 2012 (As of March 31, 2012)
Intangible assets		
Goodwill	7	0
Right of using facilities	127	123
Software	3,724	3,716
Total intangible assets	3,859	3,839
Investments and other assets		
Investment securities	22,087	19,713
Stocks of subsidiaries and affiliates	42,619	40,408
Investments in capital	93	94
Investments in capital of subsidiaries and affiliates	1,764	1,764
Long-term loans receivable from employees	0	—
Long-term loans receivable from subsidiaries and affiliates	14,944	8,791
Long-term prepaid expenses	4,135	3,127
Claims provable in bankruptcy, claims provable in rehabilitation and other	152	141
Lease and guarantee deposits	2,822	3,051
Other	499	423
Allowance for doubtful accounts	(7,593)	(1,835)
Total investments and other assets	81,525	75,679
Total noncurrent assets	111,650	106,481
Total assets	271,231	292,460
Liabilities		
Current liabilities		
Notes payable–trade	213	173
Accounts payable–trade	41,308	41,671
Short-term loans payable	46,046	33,846
Current portion of long-term loans payable	38,764	22,178
Lease obligations	311	479
Accounts payable–other	6,169	11,735
Accrued expenses	12,448	14,132
Advances received	2,202	2,016
Deposits received	1,522	8,589
Provision for product warranties	503	—
Asset retirement obligations	139	3
Other	920	813
Total current liabilities	150,550	135,639

(Million yen)

	Fiscal year ended March 31, 2011 (As of March 31, 2011)	Fiscal year ended March 31, 2012 (As of March 31, 2012)
Noncurrent liabilities		
Long-term loans payable	27,980	58,859
Lease obligations	1,571	2,129
Long-term accounts payable–other	17,883	14,890
Deferred tax liabilities	1,749	3,307
Provision for retirement benefits	13,624	14,520
Provision for loss on business of subsidiaries and affiliates	10,668	12,409
Asset retirement obligations	835	806
Total noncurrent liabilities	74,313	106,922
Total liabilities	224,864	242,562
Net assets		
Shareholders' equity		
Capital stock	44,000	44,000
Capital surplus		
Legal capital surplus	15,000	15,000
Other capital surplus	98,123	6,553
Total capital surplus	113,123	21,553
Retained earnings		
Other retained earnings		
Retained earnings brought forward	(107,956)	(12,991)
Total retained earnings	(107,956)	(12,991)
Treasury stock	(10)	(25)
Total shareholders' equity	49,155	52,536
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(1,950)	(1,908)
Deferred gains or losses on hedges	(917)	(810)
Total valuation and translation adjustments	(2,868)	(2,718)
Subscription rights to shares	79	79
Total net assets	46,367	49,897
Total liabilities and net assets	271,231	292,460

(2) Non-consolidated Statements of Income

(Million yen)

	Fiscal year ended March 31, 2011 (From April 1, 2010 to March 31, 2011)	Fiscal year ended March 31, 2012 (From April 1, 2011 to March 31, 2012)
Net sales	189,929	205,078
Cost of sales	148,430	159,242
Gross profit	41,498	45,836
Selling, general and administrative expenses	36,873	39,513
Operating income	4,625	6,323
Non-operating income		
Interest income	405	386
Interest on securities	39	48
Dividends income	1,915	875
Royalty income from corporate brand	1,953	1,474
Miscellaneous income	379	549
Total non-operating income	4,693	3,333
Non-operating expenses		
Interest expenses	2,636	2,348
Stock issuance cost	1,349	—
Foreign exchange losses	637	—
Miscellaneous expenses	791	640
Total non-operating expenses	5,413	2,988
Ordinary income	3,906	6,668
Extraordinary income		
Gain on sales of investment securities	211	94
Gain on extinguishment of tie-in shares	11	—
Reversal of allowance for doubtful accounts	—	968
Gain on settlement of asset retirement obligations	—	96
Gain on contribution of securities to retirement benefit trust	7,407	—
Total extraordinary income	7,630	1,158
Extraordinary loss		
Loss on disposal of noncurrent assets	220	494
Impairment loss	243	84
Loss on sales of investment securities	132	—
Loss on sales of stocks of subsidiaries and affiliates	—	76
Loss on valuation of investment securities	2,479	146
Loss on valuation of stocks of subsidiaries and affiliates	9,636	115
Provision for loss on business of subsidiaries and affiliates	2,023	1,741
Provision of allowance for doubtful accounts	1,034	—
Bad debts expenses	—	65
Special retirement expenses	3,768	167
Business structure improvement expenses	77	31
Head office transfer cost	620	—

(Million yen)

	Fiscal year ended March 31, 2011 (From April 1, 2010 to March 31, 2011)	Fiscal year ended March 31, 2012 (From April 1, 2011 to March 31, 2012)
Loss on revision of retirement benefit plan	13,704	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	287	—
Provision for product warranties	503	—
Product warranty expense	1,712	—
Total extraordinary loss	36,446	2,922
Income (loss) before income taxes	(24,909)	4,903
Income taxes–current	(74)	490
Income taxes–deferred	894	1,018
Total income taxes	820	1,508
Net income (loss)	(25,729)	3,395

(3) Non-consolidated Statements of Changes in Net Assets

(Million yen)

	Fiscal year ended March 31, 2011 (From April 1, 2010 to March 31, 2011)	Fiscal year ended March 31, 2012 (From April 1, 2011 to March 31, 2012)
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	76,940	44,000
Changes of items during the period		
Issuance of new shares	15,000	—
Transfer to other capital surplus from capital stock	(47,940)	—
Total changes of items during the period	(32,940)	—
Balance at the end of current period	44,000	44,000
Capital surplus		
Legal capital surplus		
Balance at the beginning of current period	25,928	15,000
Changes of items during the period		
Issuance of new shares	15,000	—
Increase by share exchanges	3,438	—
Transfer to other capital surplus from legal capital surplus	(29,366)	—
Total changes of items during the period	(10,928)	—
Balance at the end of current period	15,000	15,000
Other capital surplus		
Balance at the beginning of current period	20,816	98,123
Changes of items during the period		
Transfer to other capital surplus from capital stock	47,940	—
Transfer to other capital surplus from legal capital surplus	29,366	—
Deficit disposition	—	(91,569)
Total changes of items during the period	77,307	(91,569)
Balance at the end of current period	98,123	6,553
Total capital surplus		
Balance at the beginning of current period	46,744	113,123
Changes of items during the period		
Issuance of new shares	15,000	—
Transfer to other capital surplus from capital stock	47,940	—
Increase by share exchanges	3,438	—
Transfer to other capital surplus from legal capital surplus	—	—
Deficit disposition	—	(91,569)
Total changes of items during the period	66,378	(91,569)
Balance at the end of current period	113,123	21,553

(Million yen)

	Fiscal year ended March 31, 2011 (From April 1, 2010 to March 31, 2011)	Fiscal year ended March 31, 2012 (From April 1, 2011 to March 31, 2012)
Retained earnings		
Other retained earnings		
Retained earnings brought forward		
Balance at the beginning of current period	(82,226)	(107,956)
Changes of items during the period		
Deficit disposition	—	91,569
Net income (loss)	(25,729)	3,395
Total changes of items during the period	(25,729)	94,964
Balance at the end of current period	(107,956)	(12,991)
Total retained earnings		
Balance at the beginning of current period	(82,226)	(107,956)
Changes of items during the period		
Deficit disposition	—	91,569
Net income (loss)	(25,729)	3,395
Total changes of items during the period	(25,729)	94,964
Balance at the end of current period	(107,956)	(12,991)
Treasury stock		
Balance at the beginning of current period	(403)	(10)
Changes of items during the period		
Purchase of treasury stock	(11)	(14)
Disposal of treasury stock	403	—
Total changes of items during the period	392	(14)
Balance at the end of current period	(10)	(25)
Total shareholders' equity		
Balance at the beginning of current period	41,054	49,155
Changes of items during the period		
Issuance of new shares	30,000	—
Transfer to other capital surplus from capital stock	—	—
Increase by share exchanges	3,438	—
Transfer to other capital surplus from legal capital surplus	—	—
Deficit disposition	—	—
Net income (loss)	(25,729)	3,395
Purchase of treasury stock	(11)	(14)
Disposal of treasury stock	403	—
Total changes of items during the period	8,101	3,380
Balance at the end of current period	49,155	52,536

(Million yen)

	Fiscal year ended March 31, 2011 (From April 1, 2010 to March 31, 2011)	Fiscal year ended March 31, 2012 (From April 1, 2011 to March 31, 2012)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	2,092	(1,950)
Changes of items during the period		
Net changes of items other than shareholders' equity	(4,043)	42
Total changes of items during the period	(4,043)	42
Balance at the end of current period	(1,950)	(1,908)
Deferred gains or losses on hedges		
Balance at the beginning of current period	(659)	(917)
Changes of items during the period		
Net changes of items other than shareholders' equity	(258)	107
Total changes of items during the period	(258)	107
Balance at the end of current period	(917)	(810)
Total valuation and translation adjustments		
Balance at the beginning of current period	1,433	(2,868)
Changes of items during the period		
Net changes of items other than shareholders' equity	(4,301)	149
Total changes of items during the period	(4,301)	149
Balance at the end of current period	(2,868)	(2,718)
Subscription rights to shares		
Balance at the beginning of current period	79	79
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	79	79
Total net assets		
Balance at the beginning of current period	42,567	46,367
Changes of items during the period		
Issuance of new shares	30,000	—
Transfer to other capital surplus from capital stock	—	—
Increase by share exchanges	3,438	—
Transfer to other capital surplus from legal capital surplus	—	—
Deficit disposition	—	—
Net income (loss)	(25,729)	3,395
Purchase of treasury stock	(11)	(14)
Disposal of treasury stock	403	—
Net changes of items other than shareholders' equity	(4,301)	149
Total changes of items during the period	3,799	3,530
Balance at the end of current period	46,367	49,897

(4) Notes Relating to Going Concern Assumption
Not applicable

6. Others

(1) Change in Officers
Not applicable
Any change of officers, if determined subsequent to the release of this Summary of Consolidated Financial Results, will be disclosed as soon as the details are confirmed.

(2) Others
Please also refer to the presentation materials “Financial Results for the Fiscal Year Ended March 31, 2012,” released March 9, 2012.

<Reference Materials>
Supplementary Materials

Consolidated P/L (Billion yen; amounts less than hundred million yen are rounded)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012		Fiscal year ending March 31, 2013 (Projection)	
			YoY change (%)		YoY change (%)
Net sales	432.7	423.5	-2.1	440.0	3.9
Operating income	6.3	12.0	89.9	18.5	54.4
Ordinary income	1.2	9.1	673.8	15.5	70.8
Net income (loss)	(31.8)	1.6	—	11.0	607.1

Net sales by segment (to external customers)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012		Fiscal year ending March 31, 2013 (Projection)	
			YoY change (%)		YoY change (%)
Info-telecom Systems	260.7	267.2	2.5	272.0	1.8
Printers	125.0	107.4	-14.0	116.0	8.0
EMS	31.0	31.3	0.7	36.0	15.1
Others	15.9	17.6	10.6	16.0	-9.1
Total	432.7	423.5	-2.1	440.0	3.9

Operating income (loss) by segment

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012		Fiscal year ending March 31, 2013 (Projection)	
			YoY change (%)		YoY change (%)
Info-telecom Systems	14.7	18.7	27.0	19.5	4.2
Printers	(4.6)	(4.3)	—	1.0	—
EMS	1.3	1.5	9.5	2.0	36.3
Others	1.5	2.5	64.2	2.5	-1.4
Adjustment	(6.7)	(6.4)	—	(6.5)	—
Total	6.3	12.0	89.9	18.5	54.4

Consolidated cash flows

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012		Fiscal year ending March 31, 2013 (Projection)	
			YoY change (%)		YoY change (%)
Net cash provided by (used in) operating activities	1.6	22.8	—	23.0	0.9
Net cash provided by (used in) investing activities	(4.4)	(9.4)	—	(17.0)	—
Net cash provided by (used in) financing activities	11.2	(17.5)	—	—	—
Effect of exchange rate change on cash and cash equivalents	0.1	(0.1)	—	—	—
Net increase (decrease) in cash and cash equivalents	8.5	(4.2)	—	—	—
Cash and cash equivalents at end of period	79.6	75.0	-5.8	—	—

Capital investment by segment (Billion yen; amounts less than hundred million yen are rounded)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012		Fiscal year ending March 31, 2013 (Projection)	
			YoY change (%)		YoY change (%)
Info-telecom Systems	3.6	4.0	8.8	6.5	63.9
Printers	2.8	3.5	25.8	5.5	57.5
EMS	0.6	0.7	7.2	1.0	46.6
Others and common	0.9	1.2	28.6	1.5	26.1
Total	8.0	9.3	16.9	14.5	55.4
Depreciation (of property, plant and equipment)	9.7	8.6	-11.4	10.0	16.3

Research and development investment by segment

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012		Fiscal year ending March 31, 2013 (Projection)	
			YoY change (%)		YoY change (%)
Info-telecom Systems	7.1	8.7	22.8	9.0	3.0
Printers	4.2	2.2	-47.9	2.0	-8.2
EMS	0.1	0.1	36.4	0.0	-100.0
Others and common	2.4	2.1	-12.4	2.0	-5.3
Total	13.8	13.1	-4.8	13.0	-0.8

Exchange rates (in yen)

		Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012	Fiscal year ending March 31, 2013 (Projection)
Average rate during period	USD	86	79	76
	EUR	113	109	100

Number of employees at the end of the period

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Non-consolidated	3,103	3,373
Domestic total	10,188	10,060
Overseas total	6,509	6,676
Total	16,697	16,736