

Financial Results for the 3rd Quarter of the FY ending March 31, 2012

February 3, 2012

Oki Electric Industry Co., Ltd.

- Indication method of amounts in hundred millions (yen) are as follow:
Amounts in each item are rounded to the nearest hundred million yen. Variances are calculated in the hundred millions.
- The projections and plans in this material are subject to change depending upon the changes of business environments and other conditions.

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Introduction

■ Extraordinary loss caused by the flood damage in Thailand

Accrued loss on natural disasters caused by the large-scale flood in Thailand which occurred in October 2011.

- Posted 2.7 B yen of extraordinary loss in the first nine months of the FY ending March 31, 2012
- Overall extraordinary income and loss caused by this disaster, including recipient of insurance is expected to approximate 1.5 B yen of loss.

■ Impact of the unification of accounting period for consolidated subsidiaries in China

Unified accounting period for consolidated subsidiaries in China in this 3rd quarter as the preparation had been completed. Accrued three-months extra impact caused by this unification.

- Impact for the financial results for the first nine months: Net sales increased by 10.8 B yen. Operating income increased by 1.2 B yen.
- Impact for the financial results for the full year: Net sales is expected to increase by approximately 5.5 B yen. Operating income: no impact.

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Overall condition of the Group

■ First nine month results were steady mainly due to Info-telecom segment, despite the impact of flood damage in Thailand in Printer segment. Operating income improved drastically.

[YoY comparison]

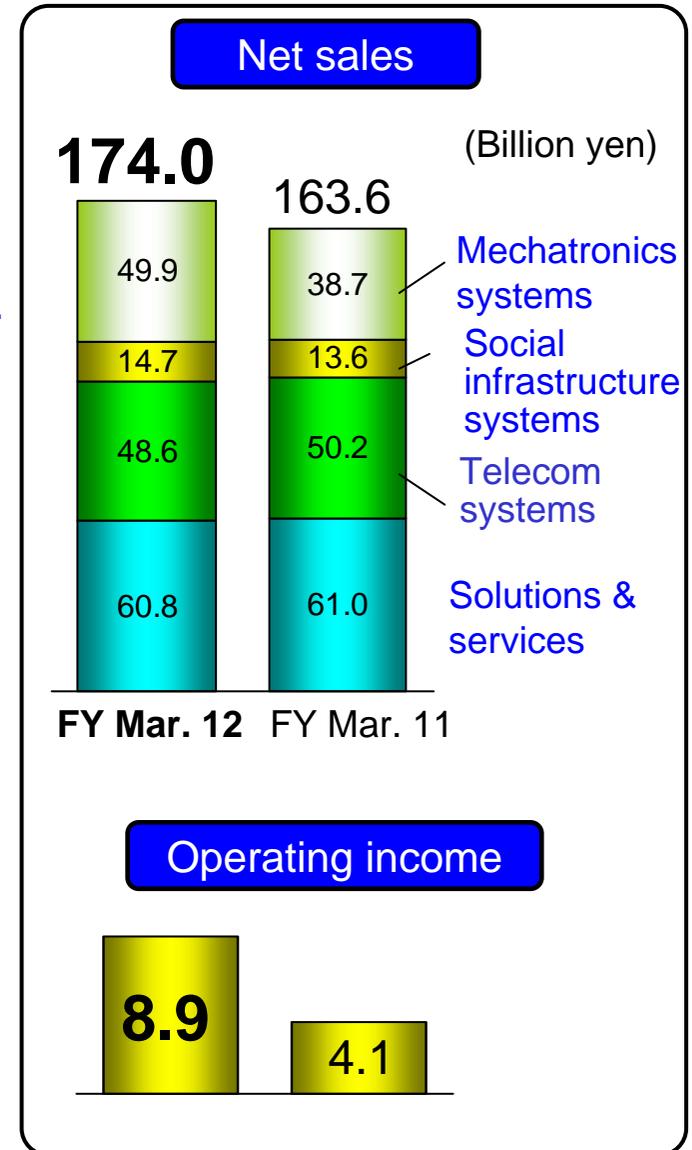
- Net sales increased by 8.6 B yen. (Impact of currency exchange:-4.3 B yen)
 - Info-telecom segment: Sales increased mainly in Mechatronics systems.
 - Printers segment: Sales decreased due to the impact of flood damage in Thailand in addition to currency exchange.
 - Sales for EMS and components related business in Others increased.
- Operating income improved by 11.9 B yen. (Impact of currency exchange:+0.6 B yen)
 - Improved drastically due to reducing variable costs and impact of improving fixed costs.

(Billion yen)	FY end Mar. 2012		FY end Mar. 2011	
	Net sales	Operating income (loss)	Net sales	Operating income (loss)
Info-telecom	174.0	8.9	163.6	4.1
Printers	83.2	(0.3)	87.5	(5.7)
EMS	22.9	0.8	22.1	0.7
Others	13.3	2.0	11.5	1.1
Eliminates & Corp.	—	(4.5)	—	(5.2)
Total	293.4	6.9	284.8	(5.0)

Segment Information: Info-telecom Systems

- 1. Impact of the unification of accounting period for consolidated subsidiaries in China
 - Net sales increased by 9.6 B yen. Operating income increased by 1.1 B yen.
- 2. Impact of currency exchange
 - Net sales decreased by 1.1 B yen. Operating income increased by 0.1 B yen.
- Net sales increased by 1.9 B yen excluding 1 and 2 (above).
 - Solutions & services: Sales increased due to the growth of ATM management and monitoring and services, etc.
 - Telecom systems: Sales for GE-PON and home gateway were steady.
 - Social infrastructure systems: Large project replacements for some governmental offices increased.
 - Mechatronics systems: Sales for ATM in Japan and China were steady.
- Operating income increased by 3.6 B yen excluding 1 and 2 (above).

Operating income increased due to changes in product mix, impact of reducing variable costs and fixed costs, in addition to improvement in marginal profit caused by increase in volume.



Segment Information: Printers

■ 1. Impact of the unification of accounting period for consolidated subsidiaries in China

➤ Net sales increased by 1.2 B yen. Operating income increased by 0.1 B yen.

■ 2. Impact of currency exchange

➤ Net sales decreased by 3.2 B yen. Operating income increased by 0.5 B yen.

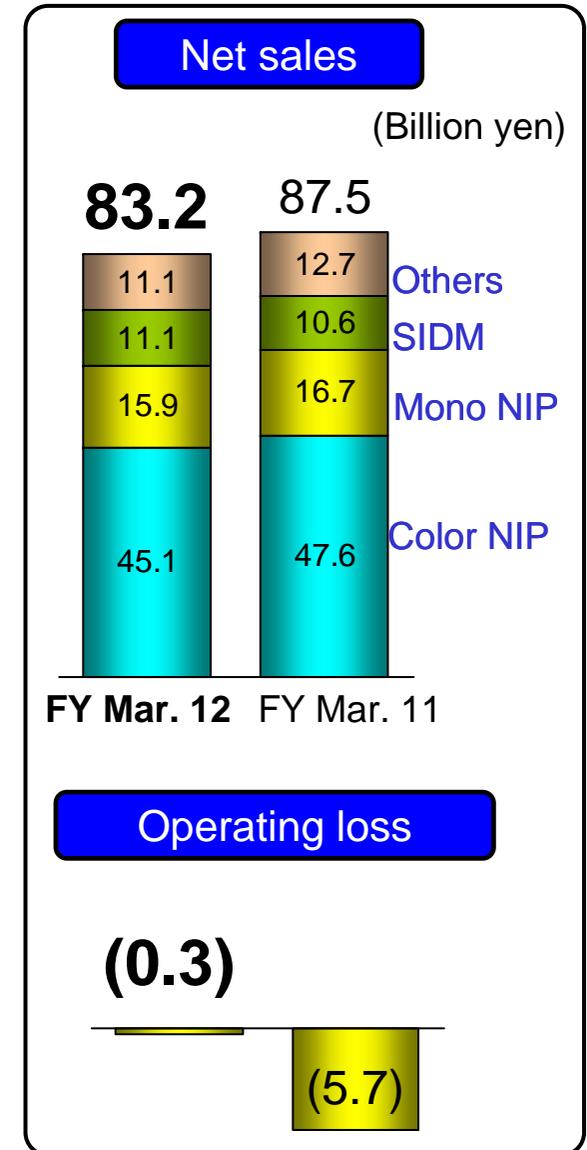
■ Net sales decreased by 2.3 B yen, excluding 1 and 2 (above).

➤ Color and Mono NIP:
Sales for flagship new A4 color and mono models increased. Overall sales decreased due to the impact of flood damage in Thailand and economic stagnation in Europe, etc.

➤ SIDM, others:
Sales for SIDM increased by special procurements due to the impact of revised tax law in China.

■ Operating loss decreased by 4.8 B yen excluding 1 and 2 (above).

Operating loss decreased due to continuous efforts to reduce costs and to improving variable costs which offset price decline.



NIP: Non-Impact Printer SIDM: Serial Impact Dot Matrix

Segment Information: EMS, Others

■ Net sales:

➤ EMS:

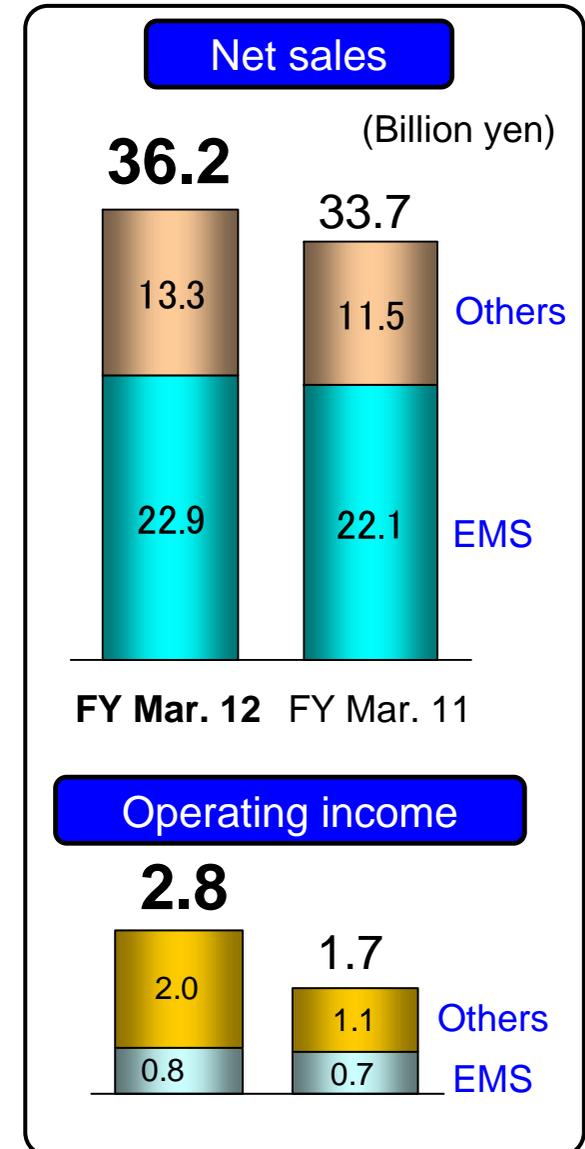
- Business expanded favorably by utilizing its unique business model, such as high-end type EMS.
- Sales increased due to acquiring new orders for “plant full-outsourcing ” in measurement equipment market, etc.

➤ Others:

Components related business increased.

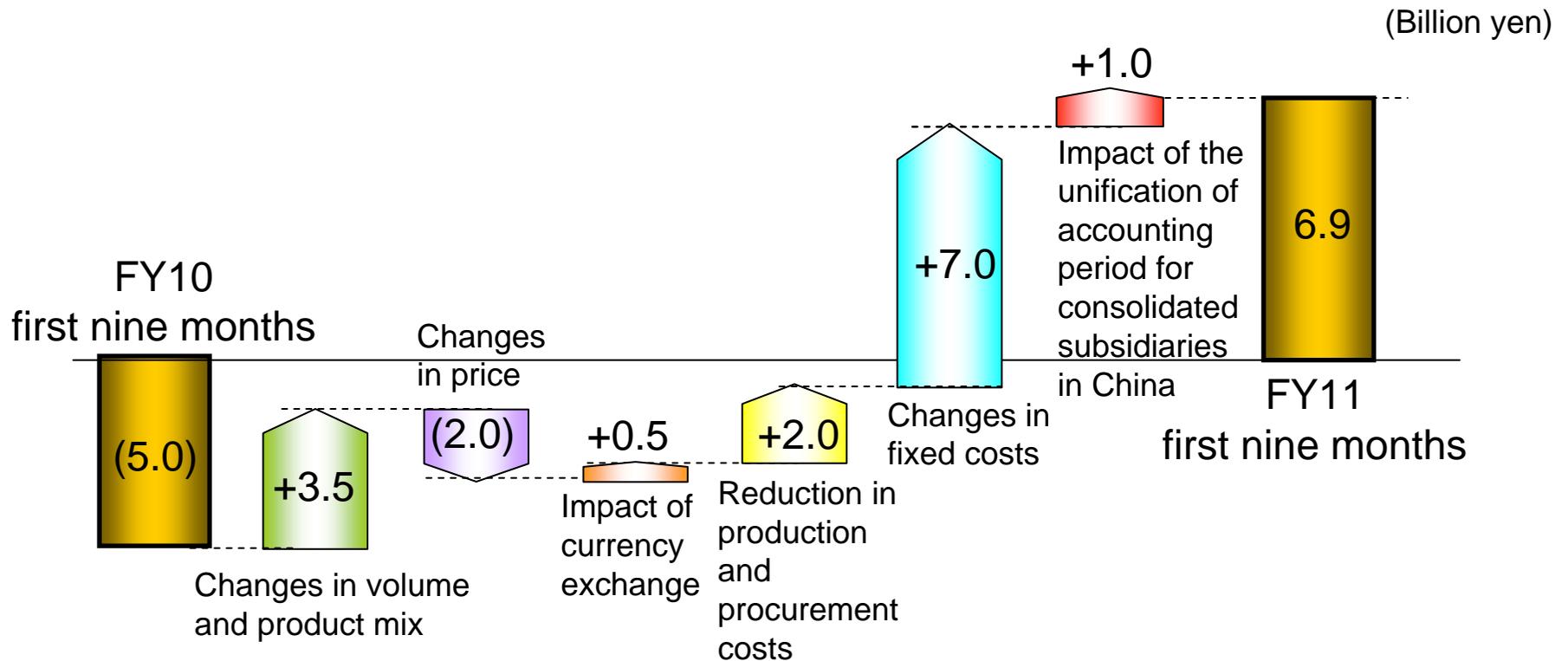
■ Operating income:

Operating income increased by 1.1 B yen due to improvement in marginal profit caused by increase in volume, etc.



Changing Factors of Operating Income

Operating income improved by 11.9 B yen year-on-year due to the improvement in variable costs, impact of efforts in reducing fixed costs and appreciation of the yen against the dollar, in addition to improvement in marginal profit caused by increase in volume mainly in Info-telecom segment.



Profit and Loss for the Nine Months

(Billion yen)	9 months FY Mar. 2012	9 months FY Mar. 2011
Net Sales	293.4	284.8
Cost of Sales	218.8	214.5
SG&A	67.6	75.2
Operating income (loss)	6.9	(5.0)
Other income & expenses	(3.0)	(5.1)
Recurring income (loss)	3.9	(10.0)
Extraordinary loss	(4.5)	(5.0)
Income before income taxes	(0.5)	(15.1)
Net income (loss)	(6.3)	(18.3)

[Y on Y comparison]

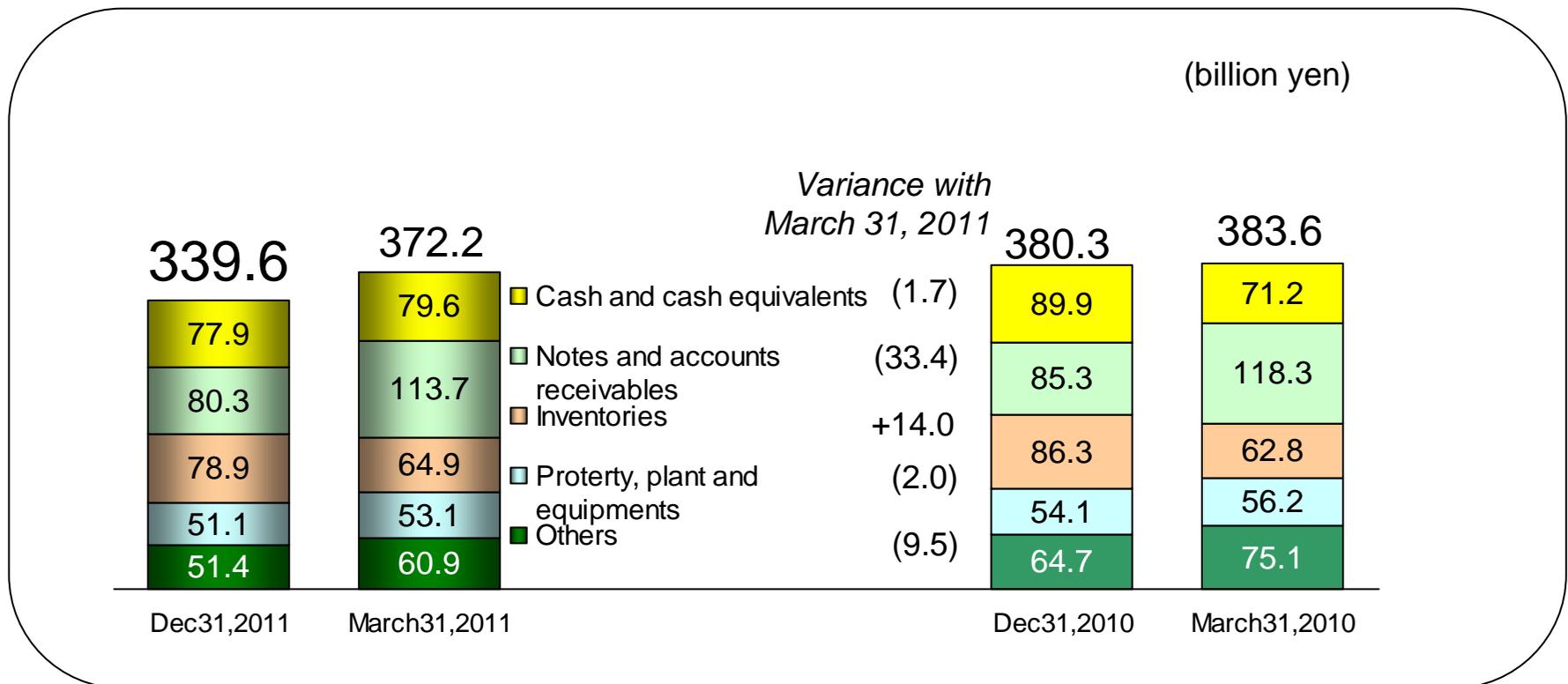
- SG&A decreased due to the impact of reducing fixed costs.
- Other income and expenses improved as interest expense and foreign exchange loss reduced.
- Extraordinary income and loss:
Loss on natural disasters caused by the flooding in Thailand accrued. Gain on negative goodwill was posted in the previous year. Loss on revaluation of investments in securities decreased :
 - Loss on natural disasters caused by the flood in Thailand (0.0 B yen → 2.7 B yen)
 - Gain on negative goodwill (2.7 B yen → 0.0 B yen)
 - Loss on revaluation of investments in securities (-2.3 B yen → -1.3 B yen)

[Reference: Currency exchange rate]

	9 months FY Mar. 2012	9 months FY Mar. 2011
USD	79.0	86.9
EUR	110.6	113.3

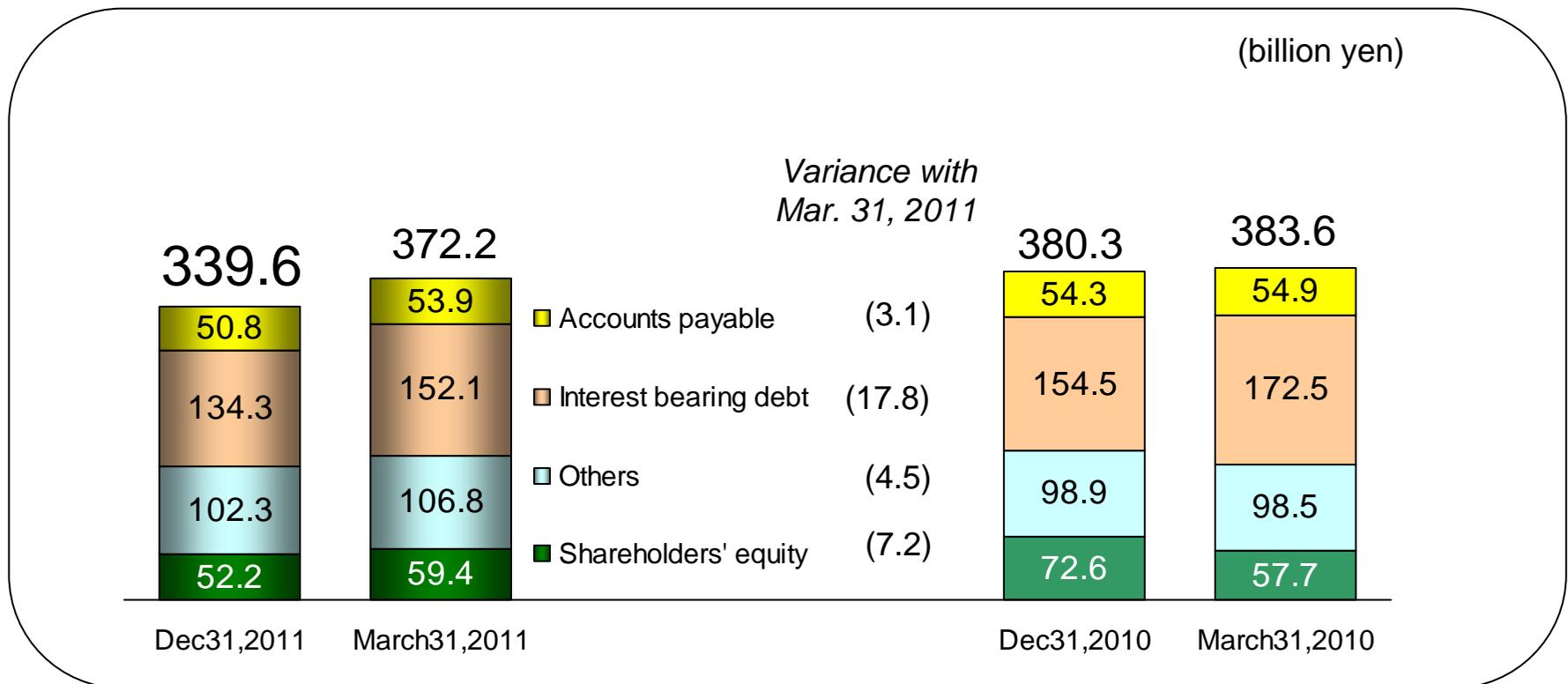
Balance Sheet [Assets]

- Total assets decreased by 32.6 B yen due to the reduction in notes and accounts receivables.
- Due to the tendency of larger sales in Q4 of the previous fiscal year, notes and accounts receivables at March end increased. These receivables are collected in cash etc., during this quarter which reduces the portion of receivables at December end. Inventories declined at March end and increased at December end because of increase in sales projects in January onward.



Balance Sheet [Liabilities and shareholders' equity]

- Shareholders' equity decreased by 7.2 B yen due to recording net loss etc.
- Interest bearing debt decreased by 17.8 B yen. Net interest bearing debt also decreased by 16.0 B yen to 56.4 B yen.



Cash Flows

- Cash flow from operating activities amounted to 18.8 B yen due to improvement in net income, etc.

(Billion yen)	FY March end. 2012	FY March end. 2011	Notes
I Cash flows from operating activities	18.8	6.1	
Net income before income taxes	(0.5)	(15.1)	
Depreciation & amortization	9.5	10.5	
Changes in working capital	7.5	1.3	
Others	2.3	9.4	
II Cash flows from investing activities	(2.7)	(2.7)	
Purchase of property, plants & equipment	(5.8)	(5.3)	
Others	3.1	2.6	
Free cash flows (I + II)	16.1	3.4	
III Cash flows from financing activities	(18.0)	14.9	
Net cash flows (I + II + III)	(1.9)	18.3	
Cash and cash equivalents at the period end	77.9	89.9	

Free cash flows and net cash flows are the total of each item which are rounded to the nearest hundred million yen.

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Full Year Projections for the Fiscal Year end. Mar. 2012

OKI revises full-year projections due to the steady transition of Info-telecom segment's business, etc. and the impact of the flood damage in Thailand on the Printer segment. Operating income has been revised upward.

(Ref.)	Currency exchange rate in 4Q
USD	77.0
EUR	98.0

(Billion yen)	Full year projections for the FY end. Mar. 2012			FY end. Mar.2011
	Feb. 3 2012	Previous projections	Variance	
Net sales	428.0	436.0	(8.0)	432.7
Info-telecom	266.5	262.5	+4.0	260.7
Printers	112.5	123.5	(11.0)	125.0
EMS	31.5	34.0	(2.5)	31.0
Others	17.5	16.0	+1.5	15.9
Operating income	17.0	15.0	+ 2.0	11.0
Info-telecom	19.0	16.5	+2.5	14.7
Printers	0.5	1.5	(1.0)	0.2
EMS	1.5	1.5	—	1.3
Others	2.5	2.0	+0.5	1.5
Eliminates & Corp.	(6.5)	(6.5)	—	(6.7)
Recurring income	13.0	12.0	+ 1.0	5.9
Net income	6.5	7.5	(1.0)	(27.0)

Qualitative Information (comparison with the previous announcement)

◆ Info-telecom segment 【Net sales】

- Sales for ATM for China expands steadily with the additional replacement demands.
[FY11 shipments projection: approx. 19K units (from January 2011 to March 2012)]

【Operating income】

- Operating income increase due to reduction in variable costs and other costs, in addition to rise in marginal profit brought by increase in volume.

◆ Printer segment

【Net sales】

- Increase in flagship A4 color and mono new products.
Overall net sales decline due to the impact of the flood damage in Thailand and stagnated economy in Europe.

【Operating income】

- Operating income decrease due to impact of currency exchange, though OKI continues to make effort to cut down on costs which offset decline in marginal profit caused by the fall in volume.



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