

Financial Results for the 3rd Quarter of the FY ending March 31, 2013

February 13, 2013

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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1. Summary

*All of the Y-o-Y comparisons in this document is based on the restatements made on September 14,2012.

Overall condition of the Group

- First nine month results: Net sales increased in all segments. Operating income increased in Info-telecom, EMS and Others. Overall all operating income decreased due to the downturn in Printer segment.

[YoY comparison]

- Net sales increased by 15.7 B yen.
(Impact of currency exchange: -1.6 B yen)
- Operating loss increased by 3.7 B yen.
(Impact of currency exchange: -1.1 B yen)

EMS: Electronics Manufacturing Service

(Billion yen)	FY end Mar. 2013		FY end Mar. 2012	
	Net sales	Operating income (loss)	Net sales	Operating income (loss)
Info-telecom	184.1	9.3	174.0	8.9
Printers	81.5	(9.0)	77.8	(4.3)
EMS	23.2	0.9	22.9	0.8
Others	14.9	2.6	13.3	2.0
Eliminates & Corp.	—	(4.5)	—	(4.4)
Total	303.7	(0.7)	288.0	3.0

Segment Information: Info-telecom Systems

■ Impact of currency exchange

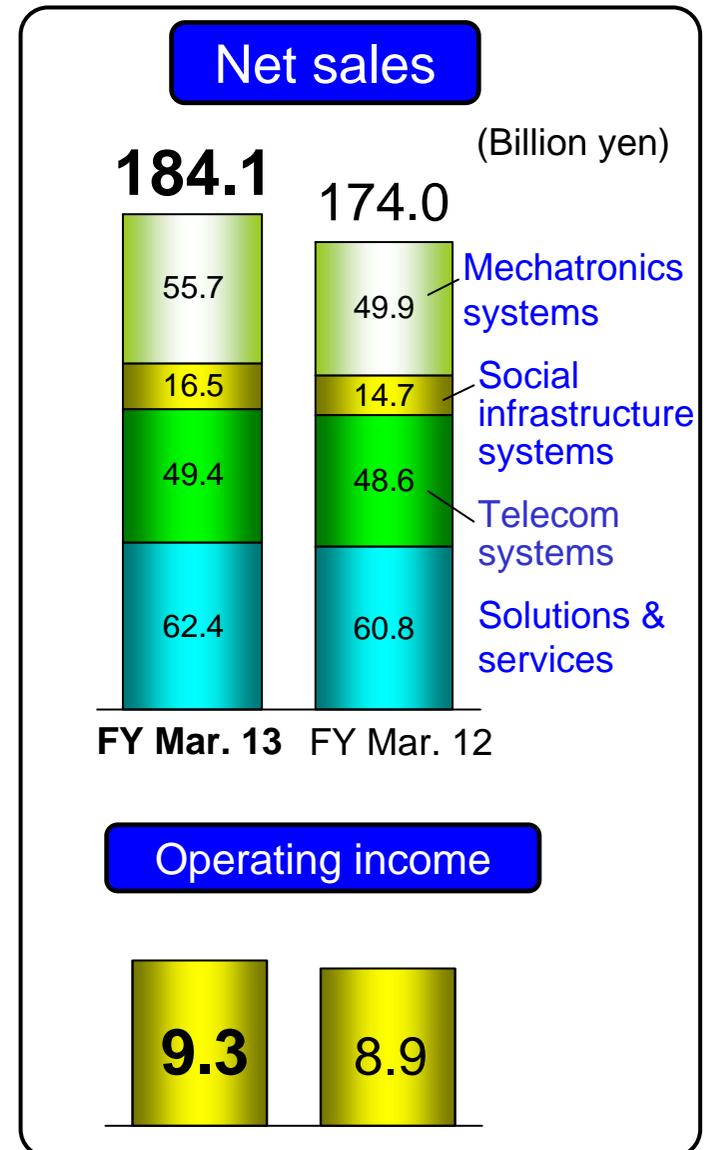
- Net sales increased by 0.8 B yen. Operating income increased by 0.2 B yen.

■ Net sales increased by 9.3 B yen excluding the impact of currency exchange.

- Solutions & services:
Sales to the public sectors were steady.
- Telecom systems:
Sales of core network increased. Sales of enterprises, maintenance and construction were also steady.
- Social infrastructure systems:
Disaster-prevention business and large replacement projects for some governmental offices increased.
- Mechatronics systems:
Steady sales of ATMs for China continues.

■ Operating income increased by 0.2 B yen excluding the impact of currency exchange.

- Marginal profit increased due to rise in volume.
- Aggressive R&D investments were implemented mainly in Mechatronics systems and Telecom systems.



Segment Information: Printers

■ Impact of currency exchange

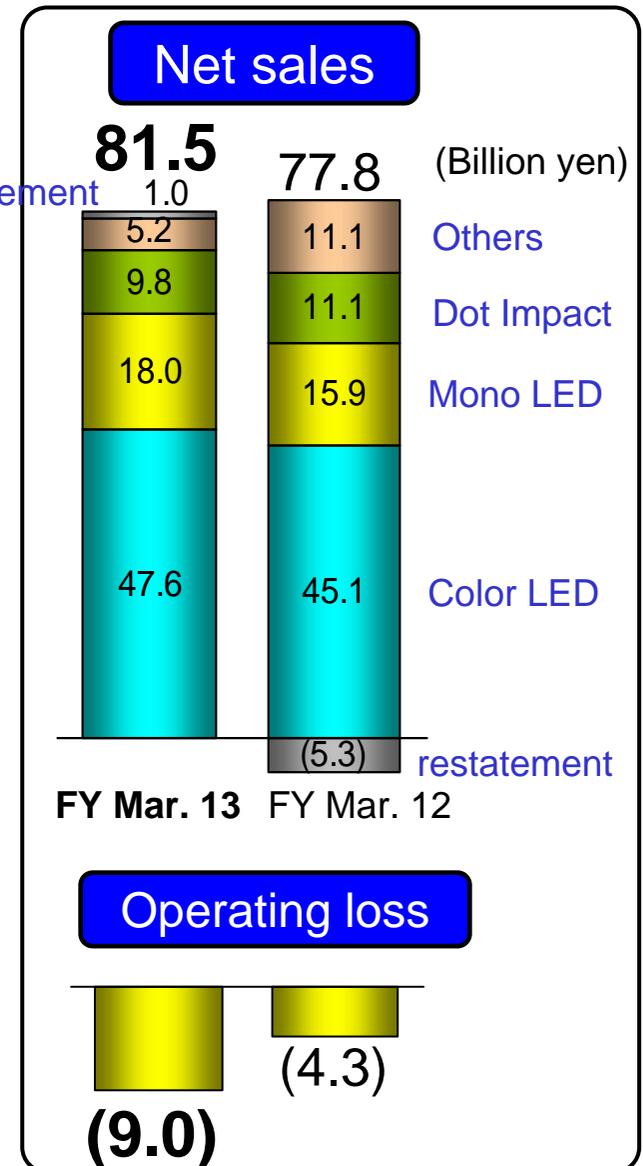
- Net sales declined by 2.4 B yen. Operating loss increased by 1.3 B yen.

■ Net sales increased by 6.1 B yen excluding the impact of currency exchange.

- Color and mono LED printers:
 - Unit sales increased due to enhanced product lineups though market environment has further deteriorated in 2H.
 - Sales of flagship new A4 color and mono models were steady.
- Dot Impact Printers:
 - Sales amount decreased due to the price decline of hardware, though unit sales rose.

■ Operating loss increased by 3.4 B yen excluding the impact of currency exchange.

Operating loss worsened due to the impact of downturn in Spanish market conditions in addition to price decline and increase in sales investments and transportation costs, though unit sales rose.



Segment Information: EMS, Others

■ Net sales:

➤ EMS:

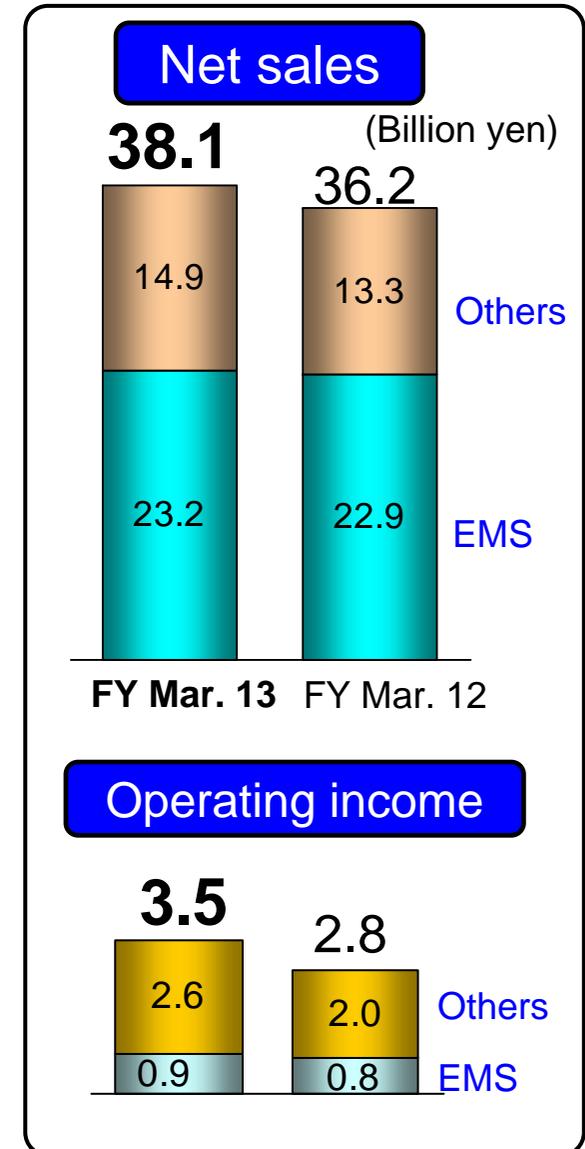
- Demand for semiconductor related equipment decreased.
- Net sales increased due to new consolidation of OKI Tanaka Circuits in addition to acquisition of new businesses in telecom and medical equipment markets.

➤ Others:

Sales of components related business for amusement market was steady.

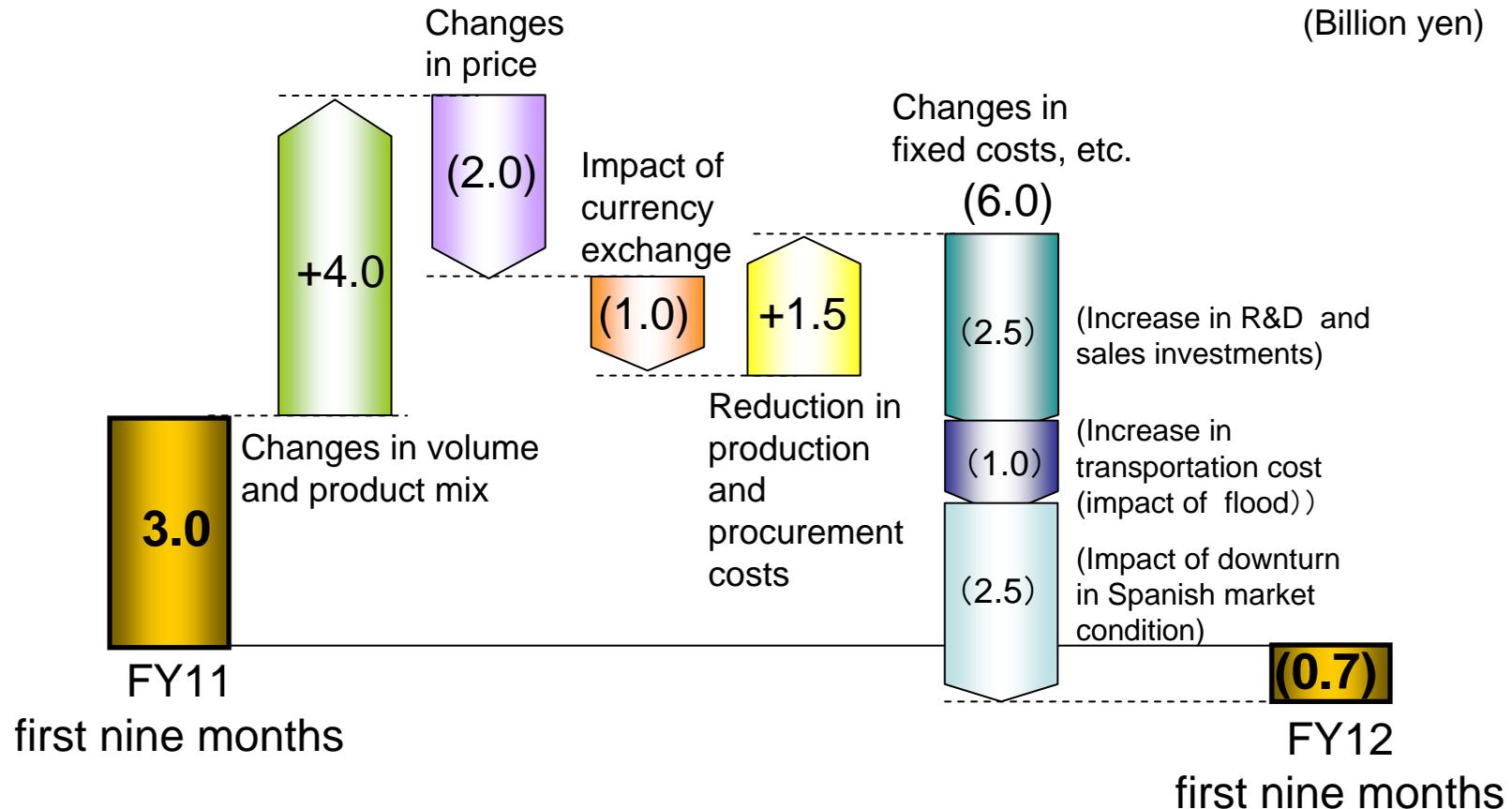
■ Operating income:

Operating income increased, since marginal profit improved due to rise in volume, etc.



Changing Factors of Operating Income

■ Operating income worsened by 3.7 B yen Y on Y due to price decline, the impact of currency exchange and downturn in Spanish market condition in addition to increase in R&D and sales investments, despite increasing effects such as rise in volume and reduction of variable costs.



Profit and Loss for the Nine Months

[Y on Y comparison]

(Billion yen)	9 months FY Mar. 2013	9 months FY Mar. 2012
Net Sales	303.7	288.0
Cost of Sales	226.4	217.5
SG&A	77.9	67.5
Operating income (loss)	(0.7)	3.0
Other income & expenses	3.1	(2.6)
Recurring income (loss)	2.4	0.4
Extraordinary loss	(0.4)	(5.2)
Income before income taxes	1.9	(4.8)
Net income (loss)	(1.3)	(10.6)

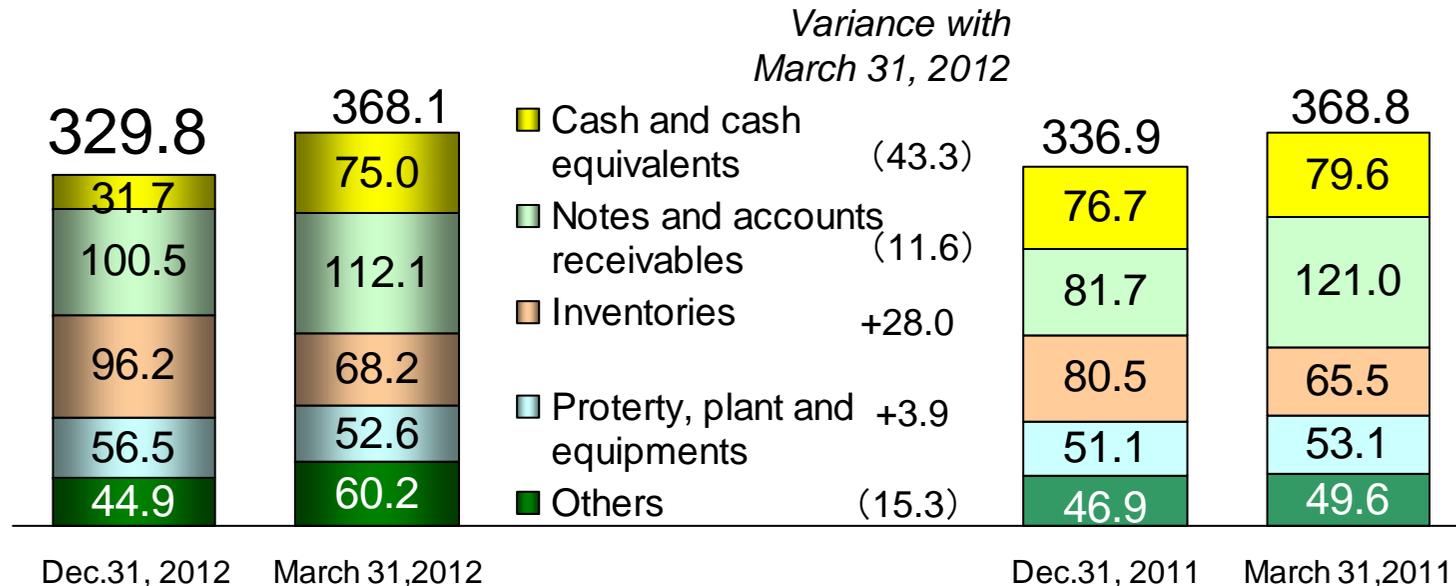
- SG&A increased caused by aggressive R&D investments mainly in Info-telecom segment, and the impact of allowance for doubtful accounts in Spain, etc.
- Other income and expenses improved due to exchange gain(-0.9 B yen →4.8 B yen) and decline in interest expense, etc.
- Extraordinary income and loss improved as loss on revaluation of investments in securities decreased, etc. Disaster loss caused by the flood in Thailand accrued in the last fiscal year.
 - Loss on revaluation of investments in securities (-1.3 B yen→-0.2 B yen)
 - Loss on natural disasters caused by the flood in Thailand (-2.7 B yen →0.0 B yen)

[Ref.]	Closing exchange rate		Average exchange rate	
	End of Dec. FY 2013	End of Mar. FY 2012	9 months FY Mar. 2013	9 months FY Mar. 2012
USD	86.6	82.1	80.0	79.0
EUR	114.7	109.7	102.2	110.6

Balance Sheet [Assets]

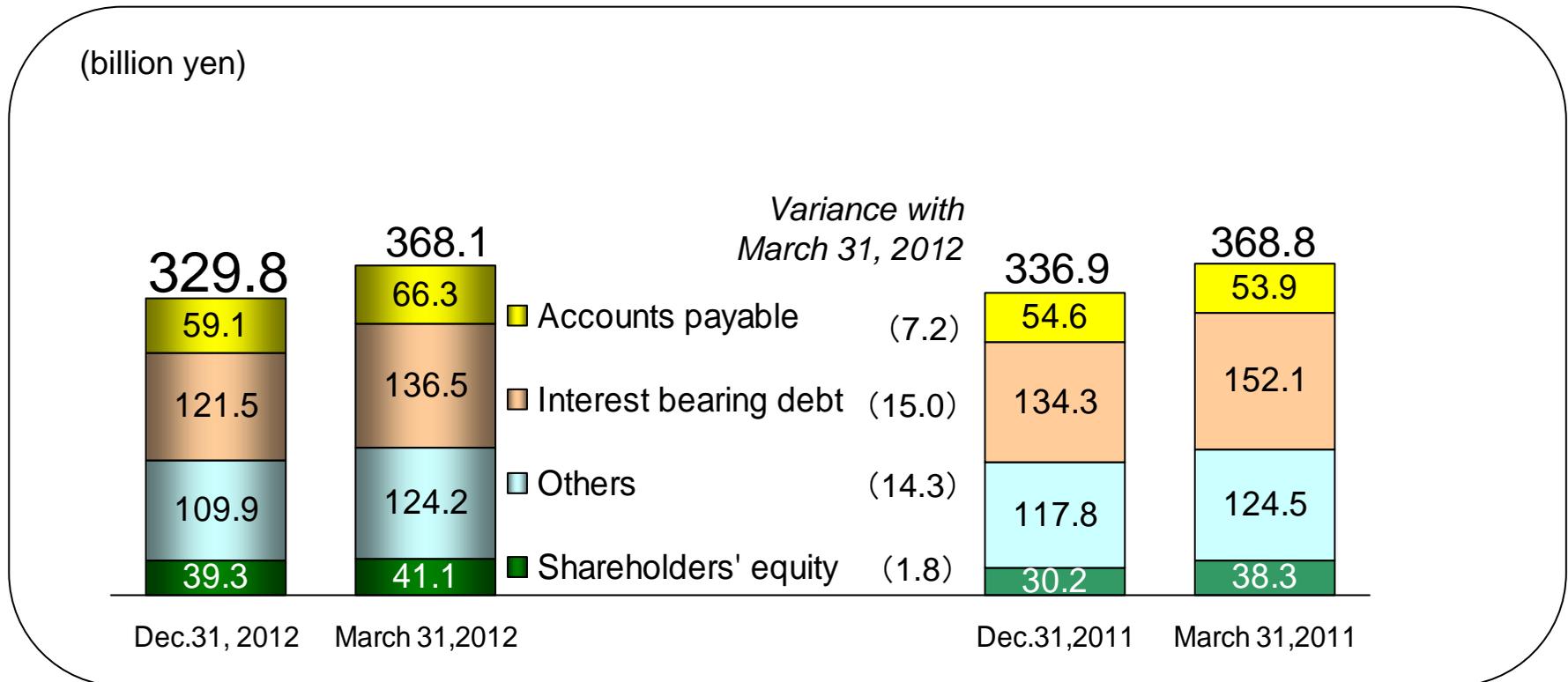
- Total assets declined by 38.3 B yen due to the reduction in cash and cash equivalents, notes and account receivables, etc.
- Cash and cash equivalents decreased by 43.3 B yen due to the repayment of debt and cancellation of factoring in Spain, in addition to rise in working capital caused by healthy sales expansion of ATM for China and social infrastructure systems, etc.

(billion yen)



Balance Sheet [Liabilities and shareholders' equity]

- Shareholders' equity decreased by 1.8 B yen due to recording net loss, etc.
Shareholders' equity ratio: 11.9%
- Net interest bearing debt increased by 28.3 B yen to 89.8 B yen.
Net D/E ratio: 2.3 times.



Cash Flows

- Cash outflow from operating activities was 18.1 B yen due to increase in working capital and cancellation of factoring in Spain etc.,.

(Billion yen)	FY March end. 2013	FY March end. 2012
I Cash flows from operating activities	(18.1)	17.4
Net income before income taxes	1.9	(4.8)
Depreciation & amortization	9.3	9.5
Changes in working capital	(19.6)	19.8
Others	(9.7)	(7.1)
II Cash flows from investing activities	(9.2)	(2.7)
Purchase of property, plants & equipment	(7.8)	(5.8)
Others	(1.4)	3.1
Free cash flows (I + II)	(27.3)	14.7
III Cash flows from financing activities	(18.2)	(18.0)
Net cash flows (I + II + III)	(45.5)	(3.3)
Free cash flows (Full year Projection)	(19.0)	13.4

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. 2013

■ OKI revises net sales, recurring income, and net income upward, in light of steady performance of Info-telecom segment and revision of currency exchange rate in 4Q. However, operating income is revised downward against the backdrop of current business condition in Printers.

(Billion yen)	Full year projections for the FY end. Mar. 2013			FY end. Mar.2012	(Ref.)	Currency exchange rate in 4Q
	Feb.13,2013	Previous projections	Variance			
Net sales	452.0	445.0	+7.0	423.5	USD	76.0→85.0
Info-telecom	289.5	280.0	+9.5	267.2	EUR	100.0→115.0
Printers	110.0	113.0	(2.0)	107.4		
EMS	33.0	35.0	(2.0)	31.3		
Others	18.5	17.0	+1.5	17.6		
Operating income	10.0	14.0	(4.0)	12.0		
Info-telecom	21.5	21.0	+0.5	18.7		
Printers	(9.5)	(5.0)	(4.5)	(4.3)		
EMS	1.5	1.5	—	1.5		
Others	3.0	3.0	—	2.5		
Eliminates & Corp.	(6.5)	(6.5)	—	(6.4)		
Recurring income	11.5	11.0	+0.5	9.1		
Net income	8.0	6.5	+1.5	1.6		



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