

Financial Results for the 3rd Quarter of the FY ending March 31, 2014

February 4, 2014

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.

Table of Contents

I. Financial results for the Q3, FY ending Mar. 2014

1. Overall condition of the Group
2. Segment information
3. Changing factors of operating income
4. Profit and loss
5. Balance sheets
6. Cash flows

II. Full Year Projections for the FY ending Mar. 2014

1. Summary

Overall condition of the Group

Net sales increased by 14.1 B yen, operating income improved by 11.1 B yen year on year.

- Info-telecom business performance was steady.
- Performance of Printers business improved drastically due to revamping business structure.

[9 months average exchange rate]

	FY end. Mar.2014	FY end Mar.2013
USD	99.4	80.0
EUR	132.2	102.2

Impact of currency exchange

Year on Year: Net sales(+21.1 B yen), Operating income (+3.4 B yen)

(Billion yen)	FY end Mar. 2014		FY end Mar. 2013	
	Net sales	Operating income (loss)	Net sales	Operating income (loss)
Info-telecom	188.5	10.1	184.1	9.3
Printers	89.2	1.3	81.5	(9.0)
EMS	26.8	0.9	23.2	0.9
Others	13.3	2.1	14.9	2.6
Eliminates & Corp.	-	(4.1)	—	(4.5)
Total	317.8	10.4	303.7	(0.7)

Segment Information: Info-telecom Systems

■ Impact of currency exchange

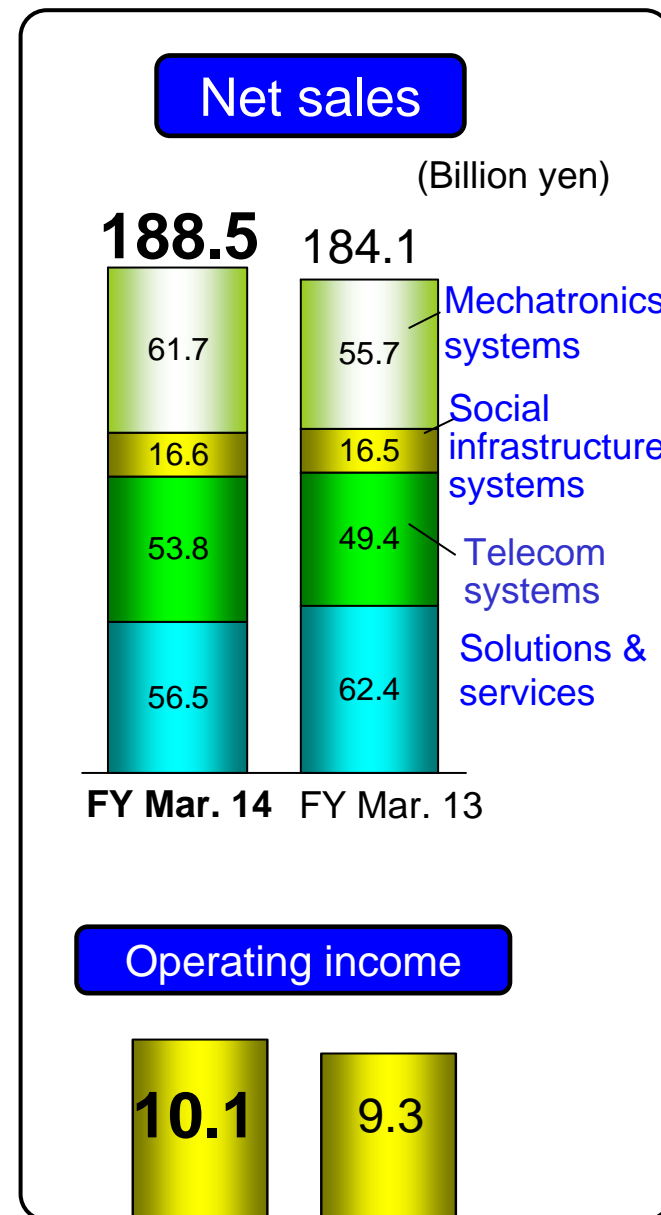
- Net sales increased by 6.8 B yen. Operating income increased by 1.3 B yen.

■ Net sales decreased by 2.4 B yen excluding the impact of currency exchange.

- Solutions & services:
 - Solutions for financial institutions and enterprises continued to be steady .
 - Large projects for services decreased.
- Telecom systems:
 - Sales of core networks were steady in addition to enterprise networks, maintenance and construction.
- Social infrastructure systems:
 - Maintained as favorable sales as the previous fiscal year.
- Mechatronics systems:
 - Sales of ATMs for convenience stores, cash handling equipment, and bank branch terminals for financial institutions were strong in Japan.
 - Sales of ATMs for China were generally steady though shipment to one of the customers postponed to the next fiscal year.

■ Operating income decreased by 0.5 B yen excluding the impact of currency exchange.

Operating income decreased due to price decline and rise in costs, etc.



Segment Information: Printers

■ Impact of currency exchange

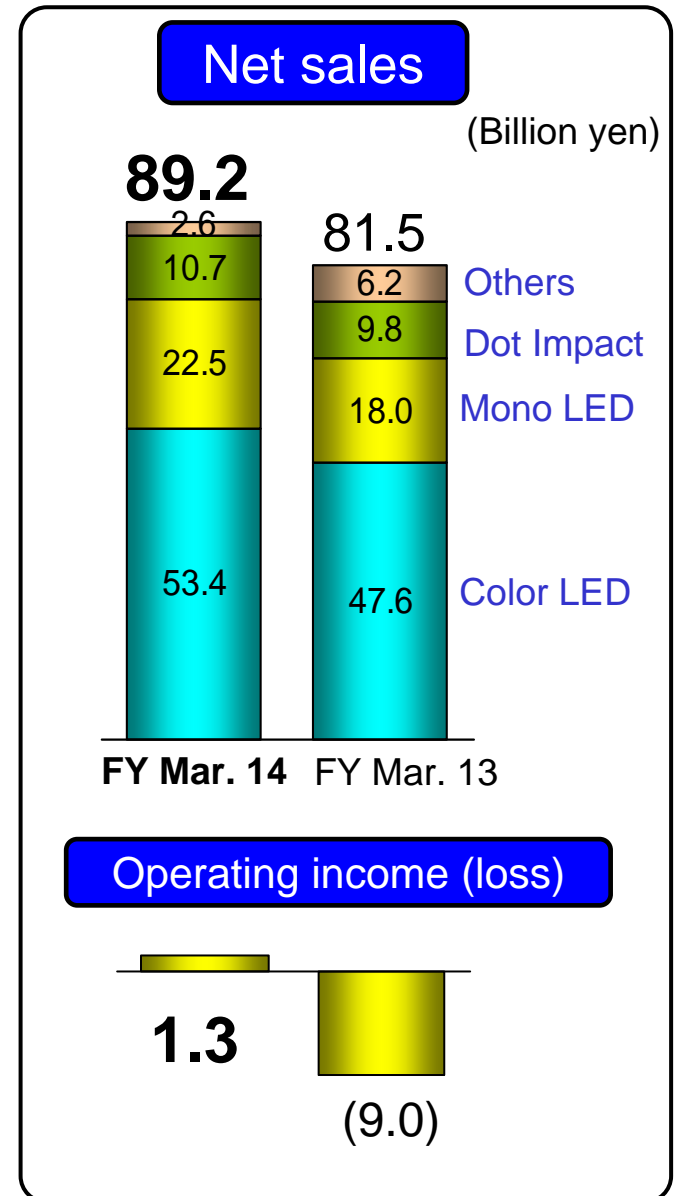
- Net sales increased by 14.3 B yen. Operating income increased by 2.1 B yen.

■ Net sales decreased by 6.6 B yen excluding the impact of currency exchange.

- Color and mono LED printers:
 - Unit sales decreased due to redefining sales strategies and narrowing down focusing models.
 - Sales of new models designed for the copiers domain was favorable.
- Dot impact printers:
 - Sales in Asian market was steady though worldwide market trend shrank.
- Others:
 - Sales decreased as a result of suspending sales activities at Spanish sales office.

■ Operating income improved by 8.2 B yen excluding the impact of currency exchange.

Operating income improved drastically due to cut down in fixed costs, as part of the efforts to revamp business structure, which offset the impact of volume and price decline.



Segment Information: EMS, Others

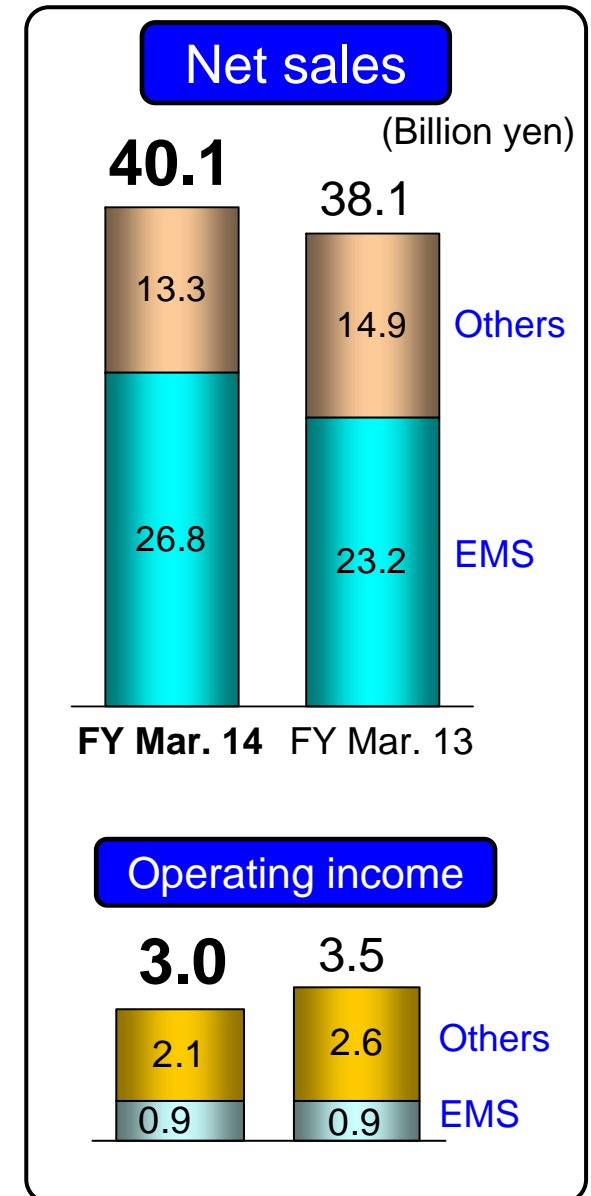
■ Net sales:

- EMS: Net sales increased by 3.6 B yen.
 - Sales for the telecom equipment market was steady.
 - Effect of new consolidation of OKI Tanaka Circuits

- Others: Net sales decreased by 1.6 B yen.
 - Sales of components were favorable.
 - Sales for amusement market decreased.

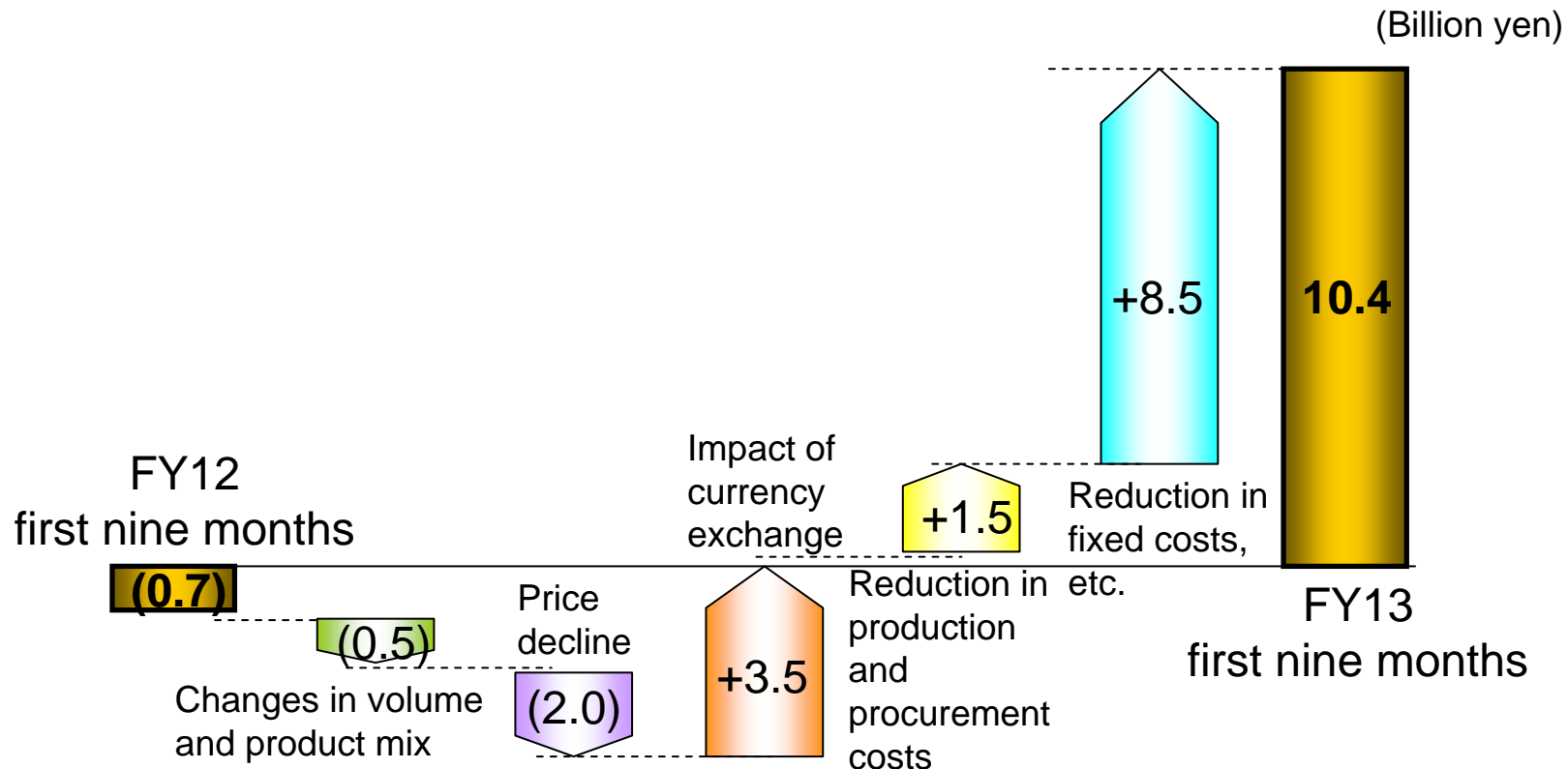
■ Operating income:

Operating income in Others decreased due to the impact of volume decline in amusement market.



Changing Factors of Operating Income

Operating income improved drastically by 11.1 B yen attributable to reduction in fixed costs, due to revamping Printers business structure, and impact of depreciation of yen.



Profit and Loss for the Nine Months

(Billion yen)	9 months FY Mar. 2014	9 months FY Mar. 2013
Net Sales	317.8	303.7
Cost of Sales	233.9	226.4
SG&A	73.4	77.9
Operating income/loss	10.4	(0.7)
Other income	11.3	3.1
Ordinary income	21.7	2.4
Extraordinary loss	(3.5)	(0.4)
Income before income taxes	18.2	1.9
Net income/loss	14.5	(1.3)

[Y on Y comparison]

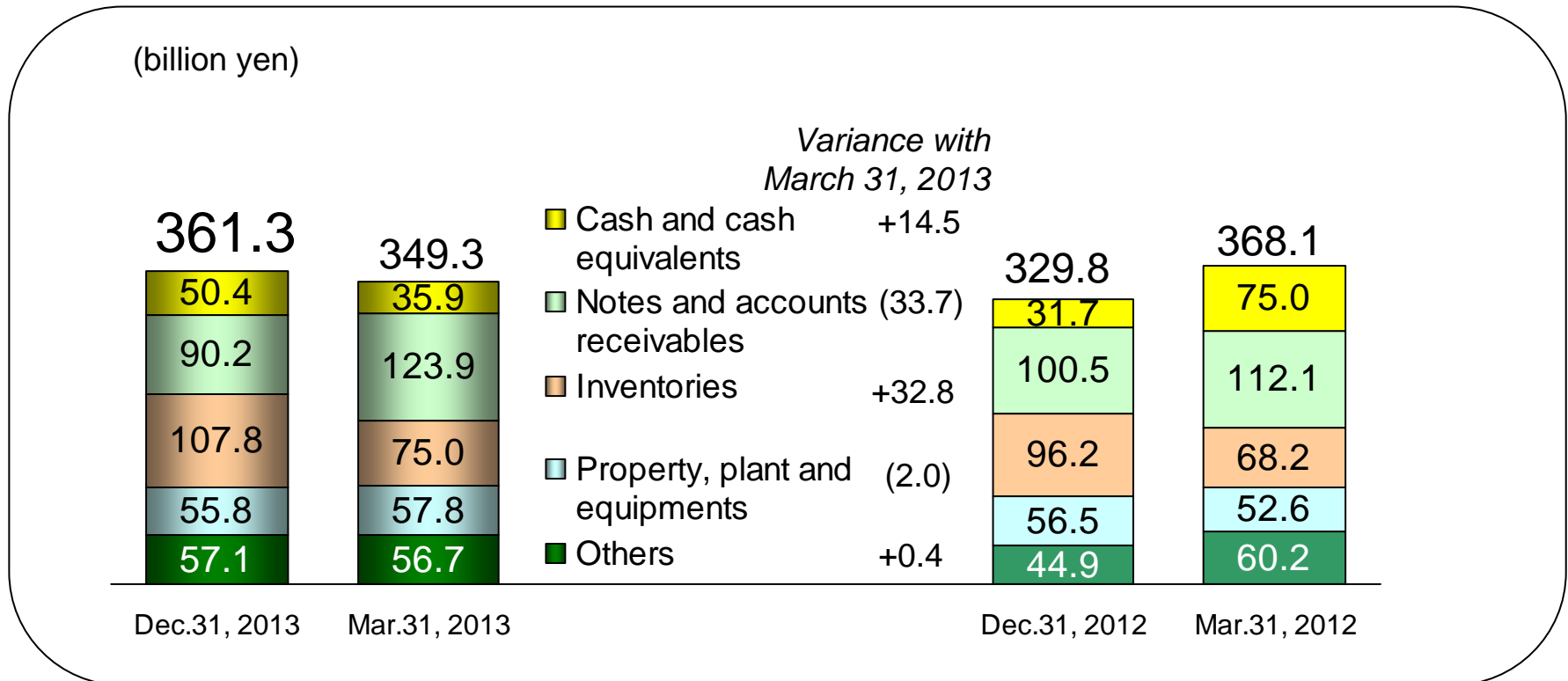
- SG&A decreased as fixed costs were cutdown due to revamping Printers business structure, etc.
- Recorded exchange gain of 12.8 B yen in other income and expenses.
- Exchange gain (from +4.8 B yen to +12.8 B yen)
- Recorded 3.0 B yen of expense for revamping Printers business structure in extraordinary loss.

[Reference: Closing exchange rate]

	End of Dec. 2013	End of Mar. 2013
USD	105.4	94.0
EUR	145.0	120.7

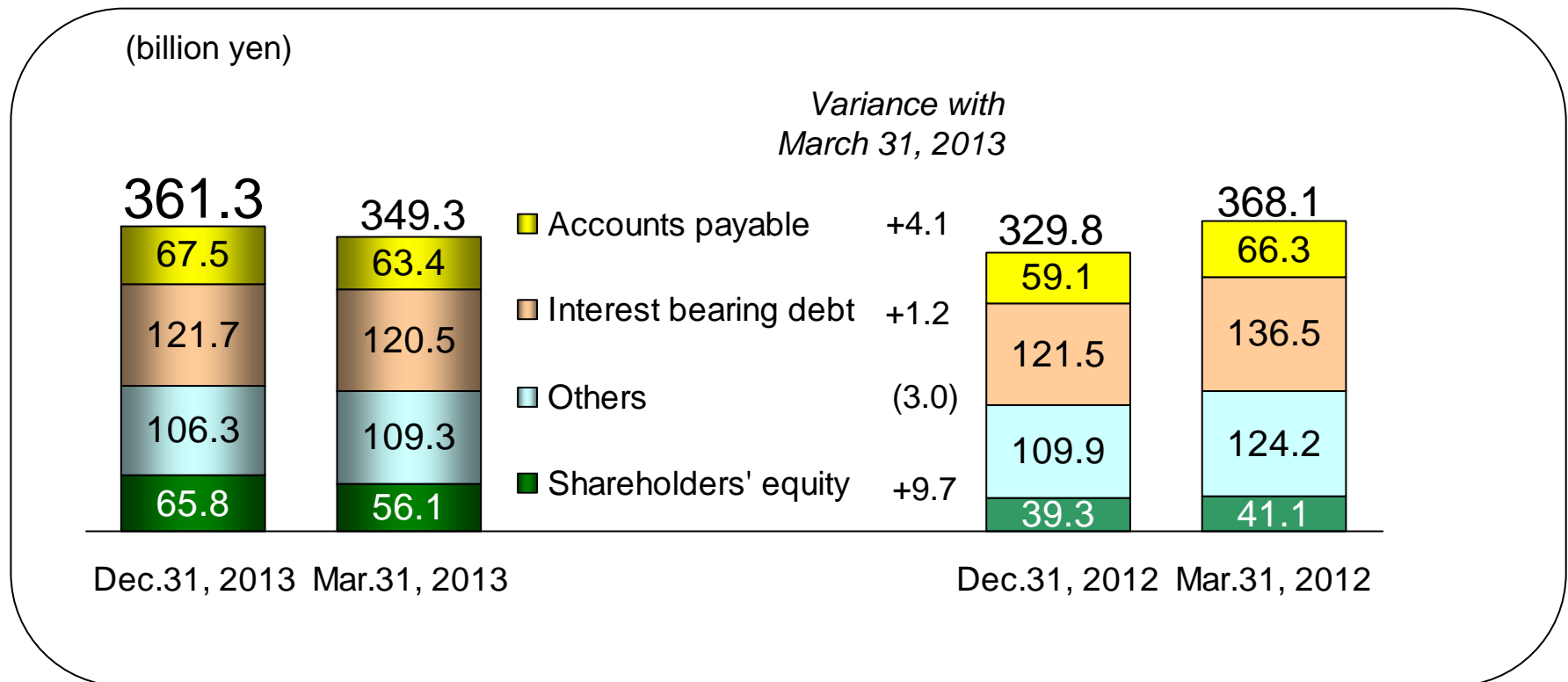
Balance Sheet [Assets]

- Total assets increased by 12.0 B yen since cash and cash equivalents, etc. increased.
- Cash and cash equivalents increased by 14.5 B yen due to generating cash flow.
- Notes and account receivables decreased since the balance from the end of previous fiscal year were collected. Inventories increased, in response to sales for 4Q.



Balance Sheet [Liabilities and shareholders' equity]

- Shareholders' equity increased by 9.7 B yen due to accumulating net income.
Shareholders' equity ratio: 18.2%
- Net interest bearing debt decreased by 13.3 B yen to 71.3 B yen.
Net D/E ratio: 1.1 times



Cash Flows

- Free cash flows saw a net inflow of 14.3 B yen due to improvement in net income and working capital.

(Billion yen)	FY March end. 2013	FY March end. 2012
I Cash flows from operating activities	21.5	(18.1)
Net income before income taxes	18.2	1.9
Depreciation & amortization	10.5	9.3
Changes in working capital	7.3	(19.6)
Others	(14.5)	(9.7)
II Cash flows from investing activities	(7.2)	(9.2)
Purchase of property, plants & equipment	(6.2)	(7.8)
Others	(1.0)	(1.4)
Free cash flows (I + II)	14.3	(27.3)
III Cash flows from financing activities	(1.3)	(18.2)
Net cash flows (I + II + III)	13.0	(45.5)

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. 2014

OKI raises full year projection by reviewing assumption of currency exchange rate, amid favorable business performance.

(Billion yen)	Full year projections for the FY end. Mar. 2014			FY end. Mar.2013	(Ref.)	4Q exchange rate
	Feb.4,2014	Previous projections	Variance			
Net sales	484.0	480.0	+4.0	455.8	USD	95.0→103
Info-telecom	302.0	302.0	-	293.0	EUR	125.0→140
Printers	126.0	121.0	+5.0	111.4		
EMS	38.0	39.0	(1.0)	32.7		
Others	18.0	18.0	-	18.7		
Operating income	26.0	24.0	+2.0	13.5		
Info-telecom	22.5	22.0	+0.5	23.8		
Printers	5.0	4.0	+1.0	(8.8)		
EMS	2.0	2.0	-	1.6		
Others	2.5	2.5	-	3.0		
Eliminates & Corp.	(6.0)	(6.5)	+0.5	(6.1)		
Ordinary income	34.0	24.0	+10.0	20.3		
Net income	25.0	15.0	+10.0	13.6		



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