

Financial Results for the Fiscal Year ended March 31, 2015

May 8, 2015

Oki Electric Industry Co., Ltd.

- Indication method of amounts in hundred millions yen is as follows:
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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Overall condition of the Group

Net sales increased by 57.1 B yen, and operating income increased by 5.2 B yen year on year. OKI marked increases both in net sales and operating income in all segments.

(Billion yen)	FY end Mar. 2015		FY end Mar. 2014	
	Net sales	Operating income (loss)	Net sales	Operating income (loss)
Info-telecom	352.5	25.9	303.6	23.4
Printers	129.3	6.7	124.8	5.1
EMS	40.3	2.0	37.1	1.7
Others	18.1	3.5	17.6	2.8
Eliminates & Corp.	-	(5.7)	-	(5.8)
Total	540.2	32.4	483.1	27.2

Segment Information: Info-telecom Systems

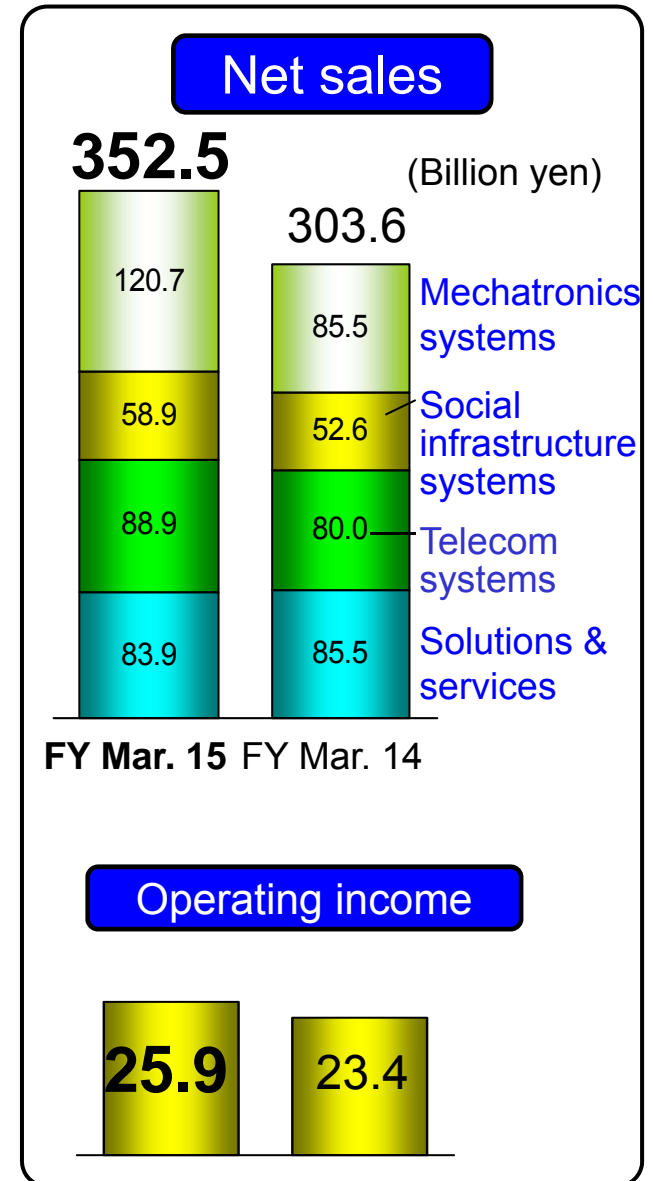
■ Net sales increased by 48.9 B yen year on year.

- Solutions & services:
 - Sales for government offices and enterprises were approximately steady though sales for financial institutions decreased.
- Telecom systems:
 - Sales of existing networks were increased due to front-loaded demand. Sales of home networks and GE-PON were also steady.
- Social infrastructure systems:
 - Sales of systems for firefighting rose due to front-loaded demand, in addition to steady sales of transportation related systems.
- Mechatronics systems:
 - Overall sales increased drastically due to the strong sales of ATMs for overseas market principally in China, the effect of Brazilian subsidiary consolidation, and healthy sales of cash handling equipment in Japan.

■ Operating income increased by 2.5 B yen year on year.

Favorable performance of each business offset the impact of consolidation of the subsidiary in Brazil.

GE-PON : Gigabit Ethernet Passive Optical Network



Segment Information: Printers

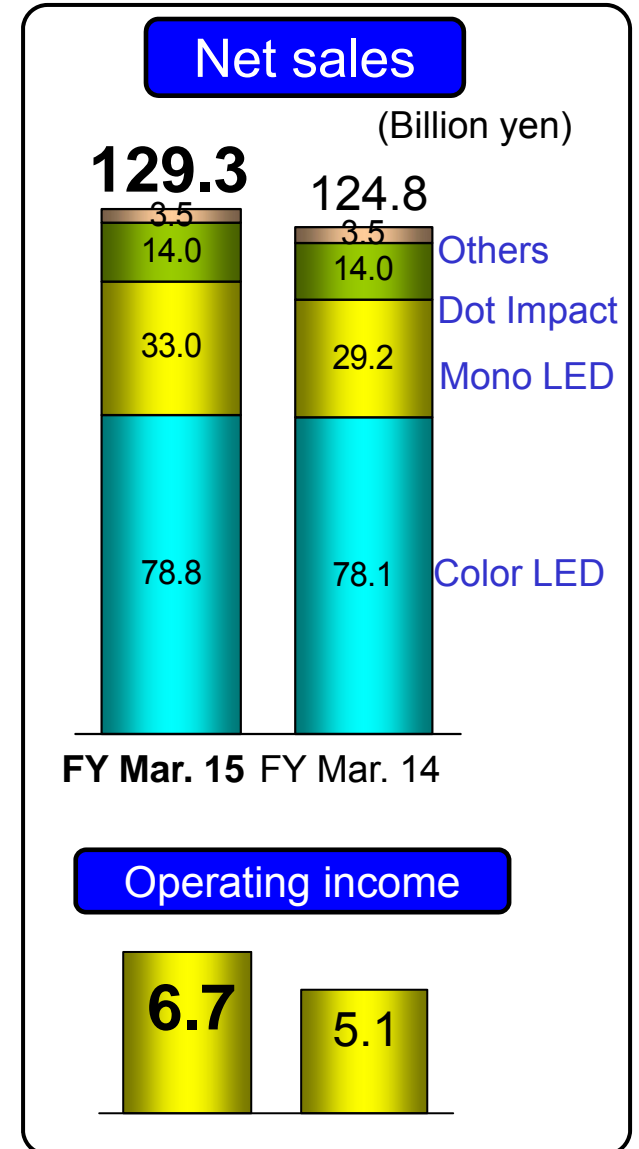
■ Net sales increased by 4.5 B yen year on year.

- Color and mono LED printers:
 - Color LED printers: Sales remained nearly flat from the previous fiscal year though product mix improvement progressed.
 - Mono LED printers: Sales increased as big orders were acquired.

- Dot impact printers:
 - Same level of sales were maintained as the previous fiscal year.

■ Operating income increased by 1.6 B yen year on year.

Operating income increased due to the impact of revamping business structure, in addition to product mix improvement.



Segment Information: EMS, Others

■ Net sales:

➤ EMS:

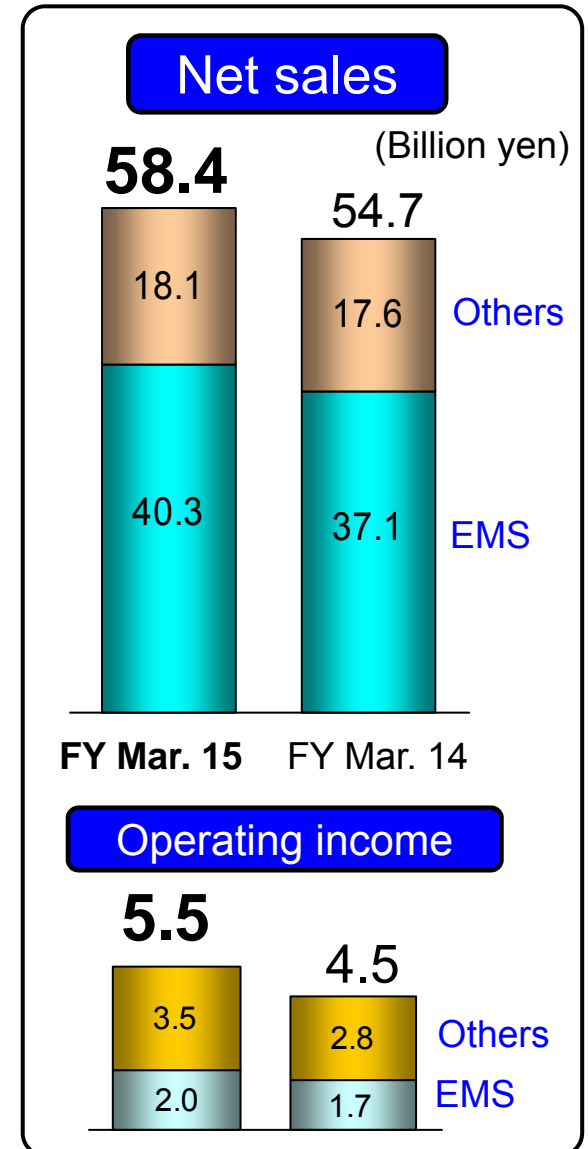
Sales increased as planned by acquiring new customers since OKI brand as high-end EMS was penetrated into customers.

➤ Others:

Sales in components related business, such as reed switches, were continuously steady.

■ Operating income:

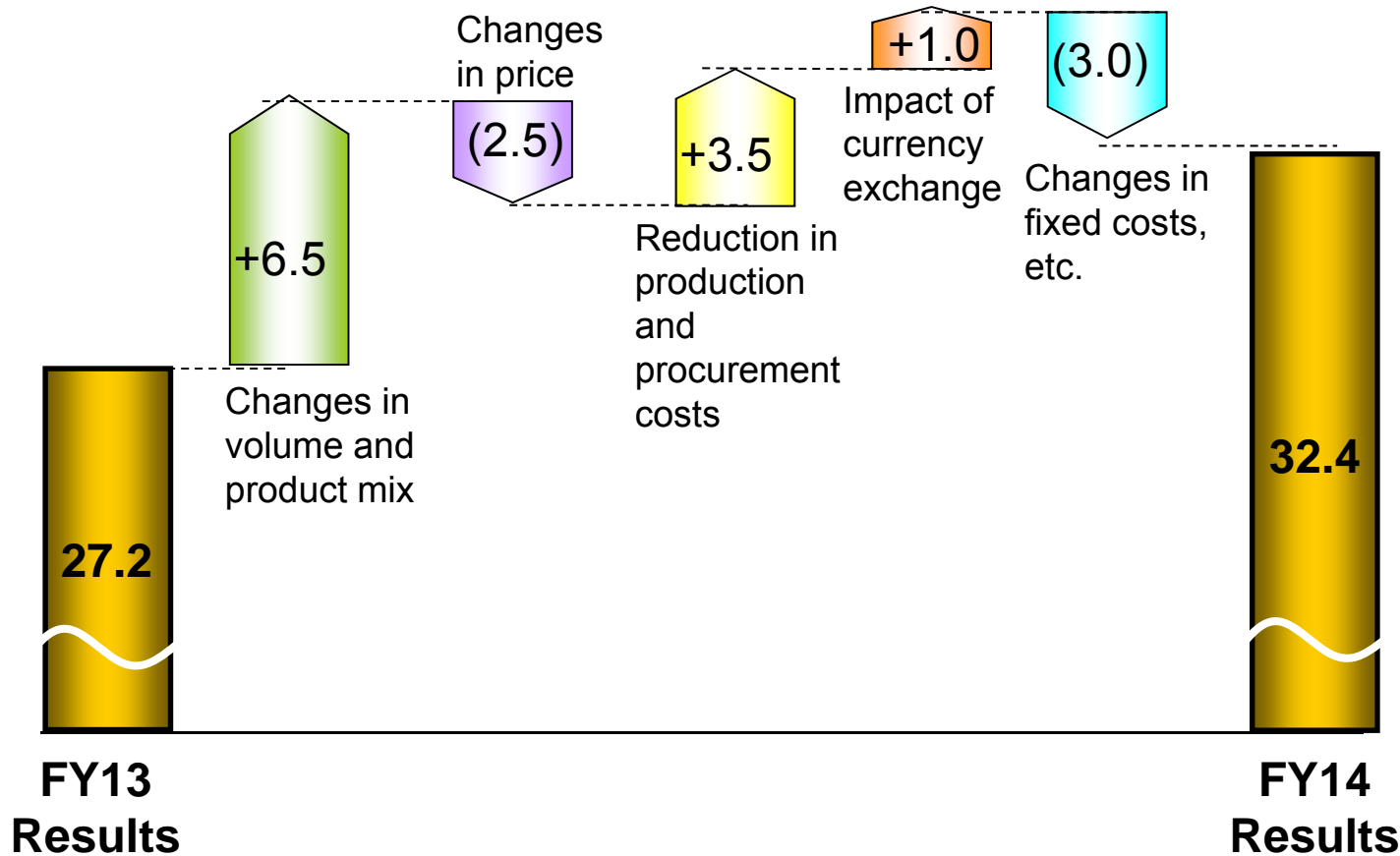
Operating income increased due to the impact of rising in sales volume, etc.



Changing Factors of Operating Income

Operating income increased due to product mix improvement, in addition to rise in sales volume.

(Billion yen)



Profit and Loss

(Billion yen)	FY Mar. 2015	FY Mar. 2014
Net Sales	540.2	483.1
Cost of Sales	399.7	354.6
SG&A	108.1	101.3
Operating income	32.4	27.2
Other income & expenses	5.5	9.5
Ordinary income	37.9	36.7
Extraordinary income/loss	(0.4)	(4.9)
Income before income taxes	37.5	31.8
Net income	33.1	27.4

[Y on Y comparison]

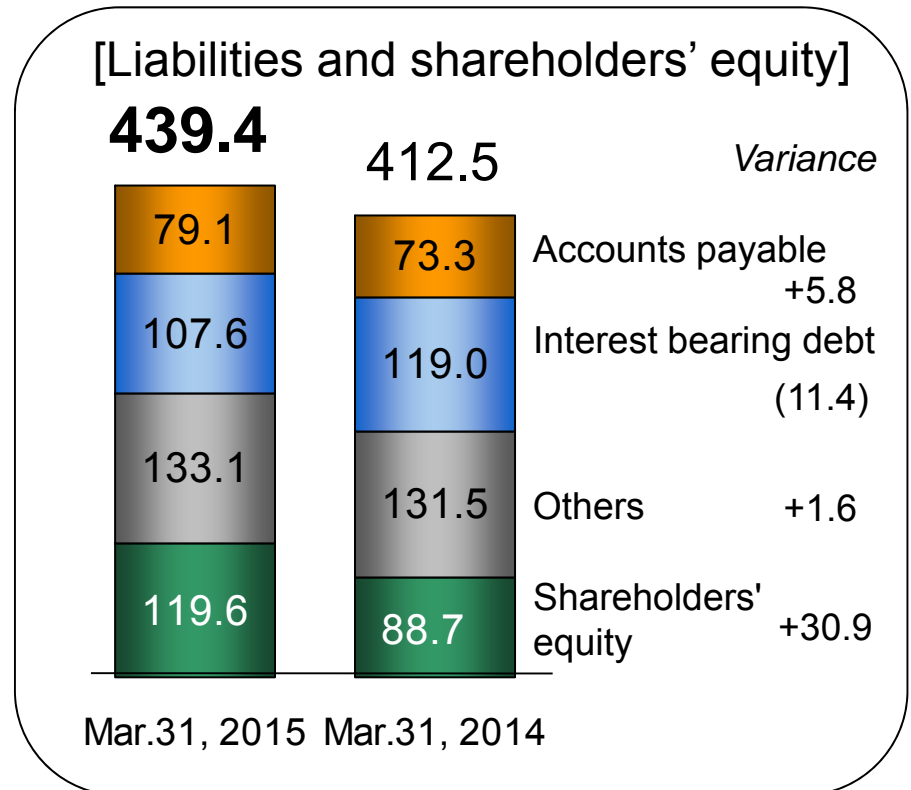
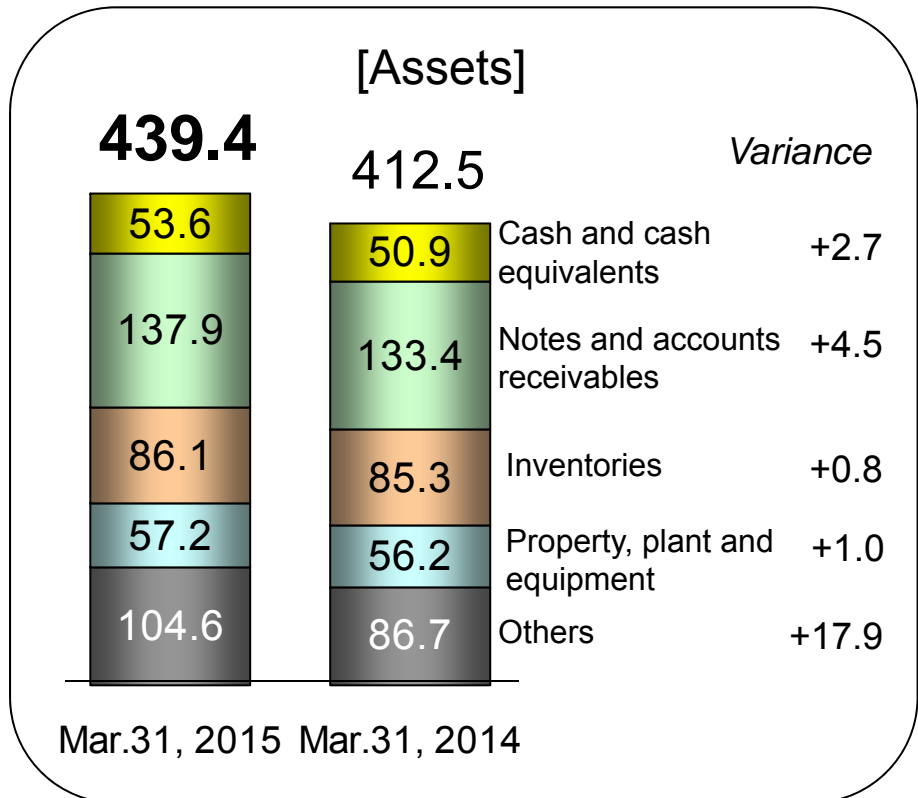
- Other income and expenses:
Exchange gain decreased (from 11.3 B yen to 7.0 B yen).
- Extraordinary income/loss improved since there were no costs associated with revamping business structure which was recorded in the last fiscal year.
- Net income increased by 5.7 B yen.

[Ref.]	Closing exchange rate	
	End of Mar. 2015	End of Mar. 2014
USD	120.3	102.9
EUR	130.4	141.6

Balance Sheets

- Total assets increased by 26.9 B yen to 439.4 B yen.
- Shareholders' equity increased by 30.9 B yen.
Shareholders' equity ratio expanded from 21.5% to 27.2%.
- D/E ratio improved from 1.3 times to 0.9 times.

(Billion yen)



Cash Flows

- Free Cash flows saw a net inflow of 22.4 B yen due to improvement in net income and working capital.

(Billion yen)	FY end. March 2015	FY end. March 2014
I Cash flows from operating activities	41.0	31.9
Net income before income taxes	37.5	31.8
Depreciation & amortization	14.5	14.2
Changes in working capital	3.7	1.6
Others	(14.7)	(15.7)
II Cash flows from investing activities	(18.6)	(14.0)
Purchase of property, plants & equipment	(10.6)	(7.8)
Others	(8.0)	(6.2)
Free cash flows (I + II)	22.4	17.9
III Cash flows from financing activities	(20.7)	(4.3)
Net cash flows (I + II + III)	1.7	13.6

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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Policy for FY ending March 2016

Consolidate a foothold for achieving goals for Mid-term Business Plan 2016

◆ Expand sales in growth areas

- In overseas ATMs, accelerate deployment to other emerging countries while ensuring business base in China.
- Proactively cultivate Brazilian market by providing teller cash recyclers and cash recycling ATMs.
- In LED printers, boost sales by providing new products and strengthen sales channel support.

◆ Enrich measures in Japanese market

- Acquire infrastructure consolidation demands for Tokyo Olympics/ Paralympics in 2020.
- Make a full-scale entry into next-generation social infrastructure business.
- Establish a capital region sales division for acquiring robust domestic demands.

◆ Proactive Investments for enhancing business

- Accelerate growth by investing proactively for enhancing sales and manufacturing.

Management targets for FY2015 (Billion yen)
Sales : 545.0 Operating income : 30.0 Net income : 22.0

Summary of segment information

[Full year comparison]

- Net sales is expected to increase by 4.8 B yen to 545.0 B yen.
- Operating income is expected to decrease by 2.4 B yen to 30.0 B yen.

[Currency exchange rate]

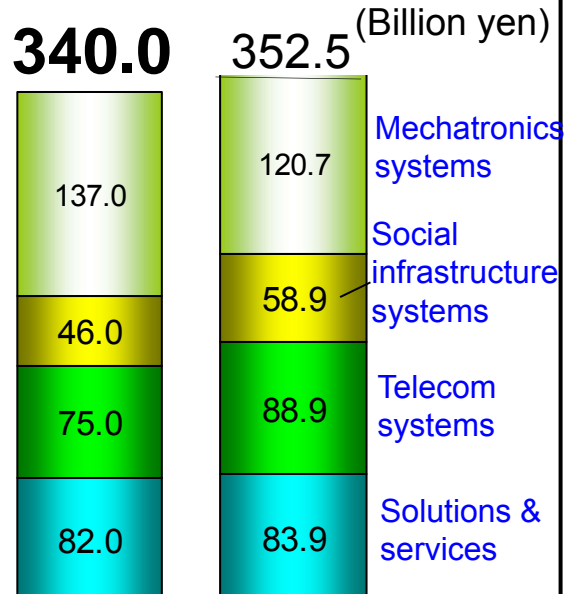
	FY end. Mar.2016	FY end. Mar.2015
USD	120.0	109.9
EUR	135.0	138.8

(Billion yen)		FY end. Mar.2016 (Plan)		FY end. Mar. 2015 (Results)	
		Full year	1 st half	Full year	1 st half
Info-telecom	Net sales	340.0	135.0	352.5	138.1
	Operating income	24.0	3.5	25.9	3.2
Printers	Net sales	140.0	65.0	129.3	61.6
	Operating income	7.0	1.5	6.7	4.0
EMS	Net sales	46.0	20.5	40.3	20.2
	Operating income	2.5	0.5	2.0	0.6
Others	Net sales	19.0	9.5	18.1	8.9
	Operating income	3.5	1.5	3.5	1.6
Corporate & Eliminations	Operating income	(7.0)	(3.0)	(5.7)	(2.8)
Total	Net sales	545.0	230.0	540.2	228.8
	Operating income	30.0	4.0	32.4	6.6

Segment information

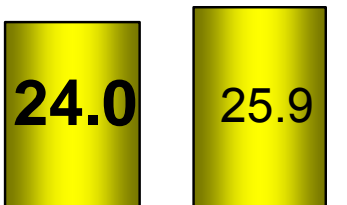
[Info-telecom]

Net sales



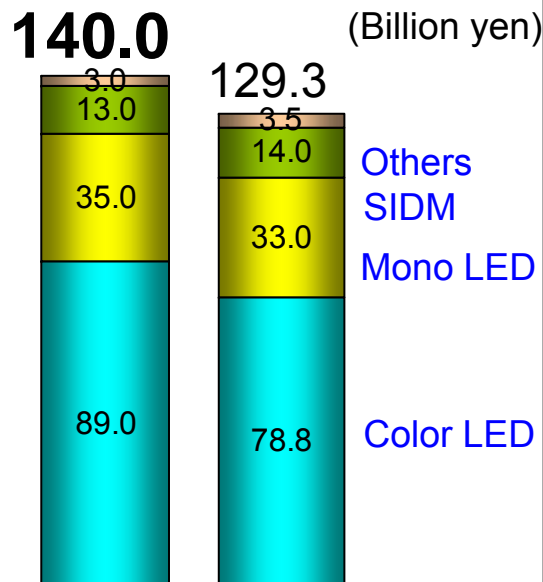
FY end. Mar. 2016 (Plan) FY end. Mar. 2015 (Results)

Operating income



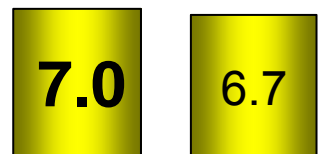
[Printers]

Net sales



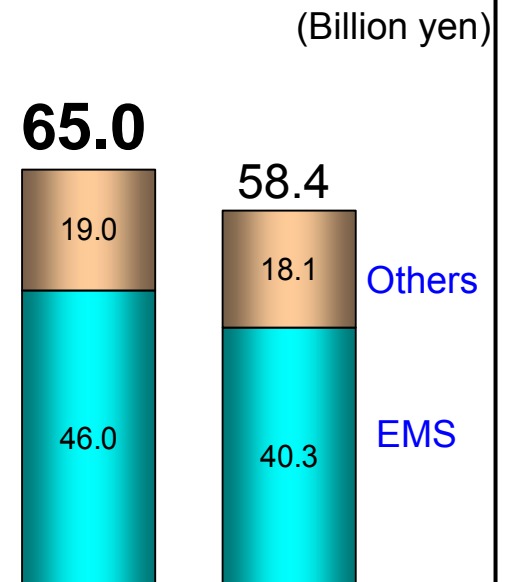
FY end. Mar. 2016 (Plan) FY end. Mar. 2015 (Results)

Operating income



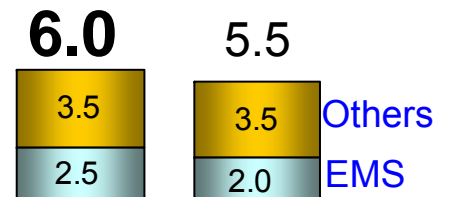
[EMS, others]

Net sales



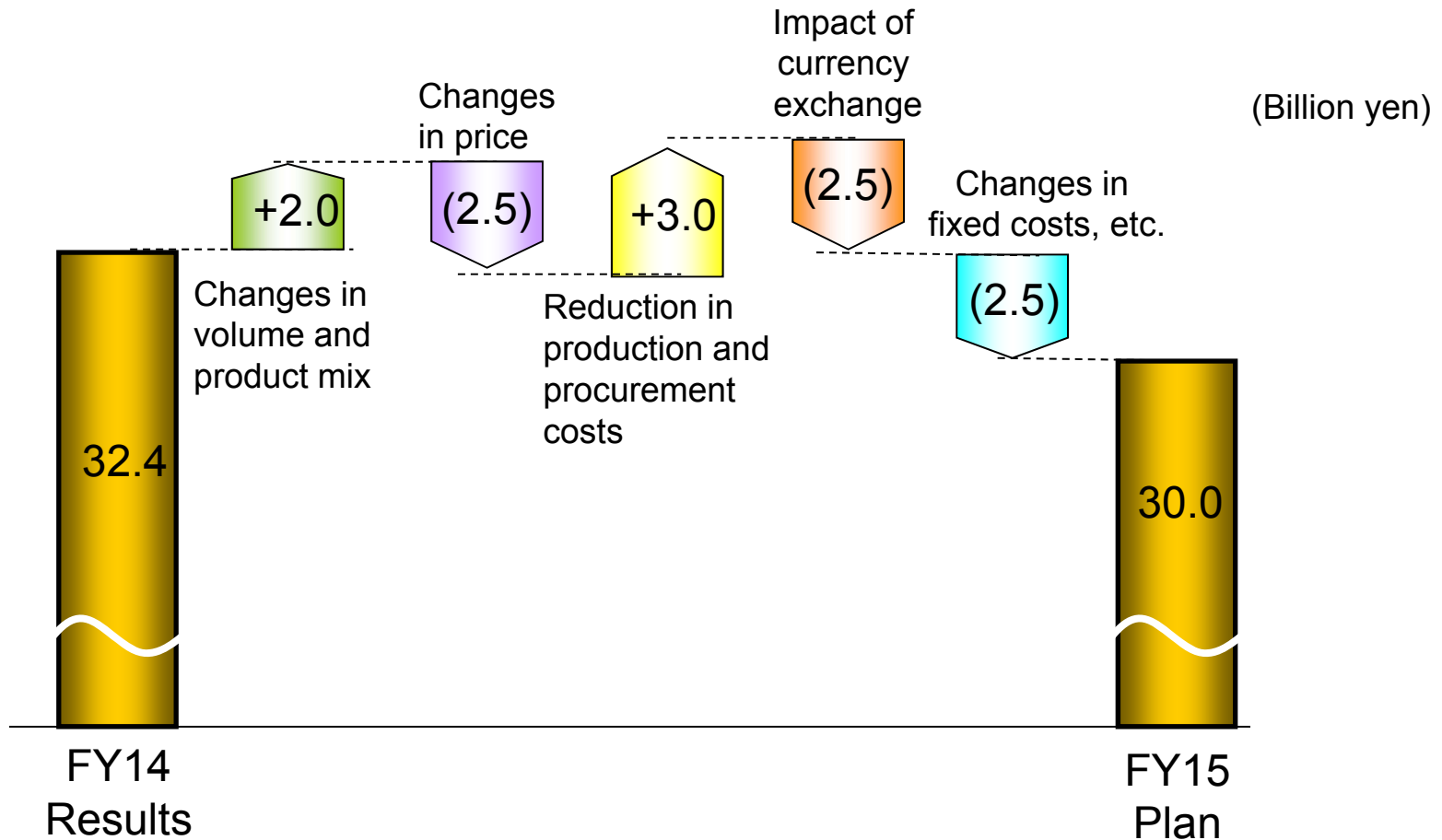
FY end. Mar. 2016 (Plan) FY end. Mar. 2015 (Results)

Operating income



Changing factors of operating income

Fixed costs, including personnel expenses and depreciations in overseas manufacturing sites due to rise in sales volumes, and sales investment are planned to increase.



Profit and loss projections

- Ordinary income and net income are not projected in the impact of exchange gain in other income, which was recorded the previous fiscal year (7.0 B yen) .
- Annual dividend plan: 5 yen per share (interim period :2 yen, year-end: 3 yen)

(Billion yen)	FY end. Mar. 2016 (Plan)		FY end. Mar.2015 (Results)	
	Full year	1 st half	Full year	1 st half
Net sales	545.0	230.0	540.2	228.8
Operating income	30.0	4.0	32.4	6.6
Ordinary income	28.0	2.5	37.9	9.6
Net income *	22.0	2.0	33.1	10.3

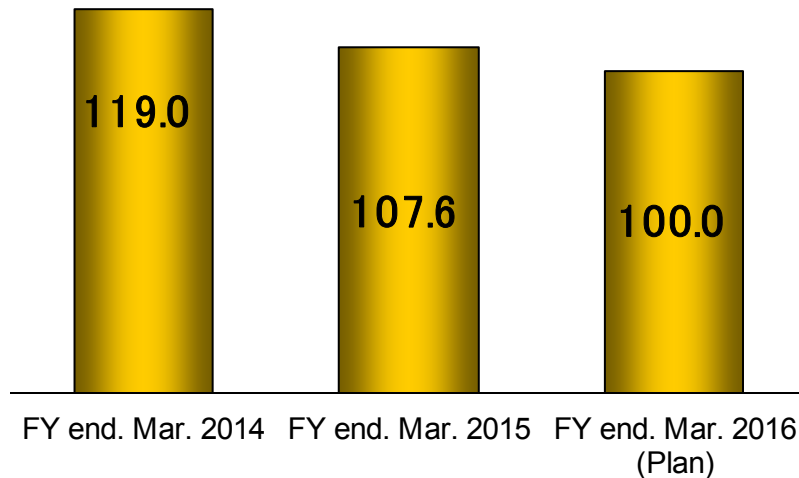
*Net income projection for FY ending March 31, 2016 indicates the amount of net income attributable to owners of parent.

Free cash flows projections

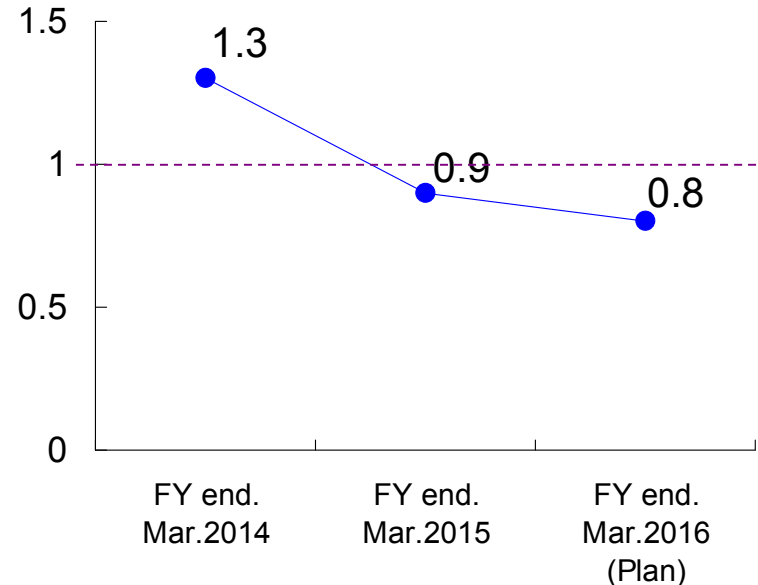
- Secure stable cash flows and strengthen financial foundation

(Billion yen)	FY end Mar. 2016 (Plan)	FY end Mar. 2015 (Results)
I Cash flows from operating activities	35.0	41.0
II Cash flows from investing activities	(20.0)	(18.6)
Free cash flows (I + II)	15.0	22.4

[Balance of net interest bearing debt] (Billion yen)



[Trend of D/E ratio] (Times)



Capital expenditure and R&D expenses projections

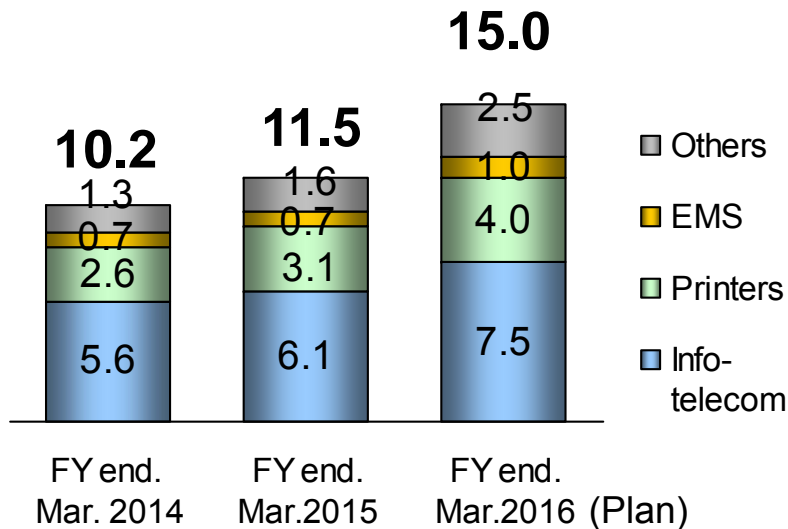
- Enhance investment proactively in each business segment

Property, Plant & Equip.

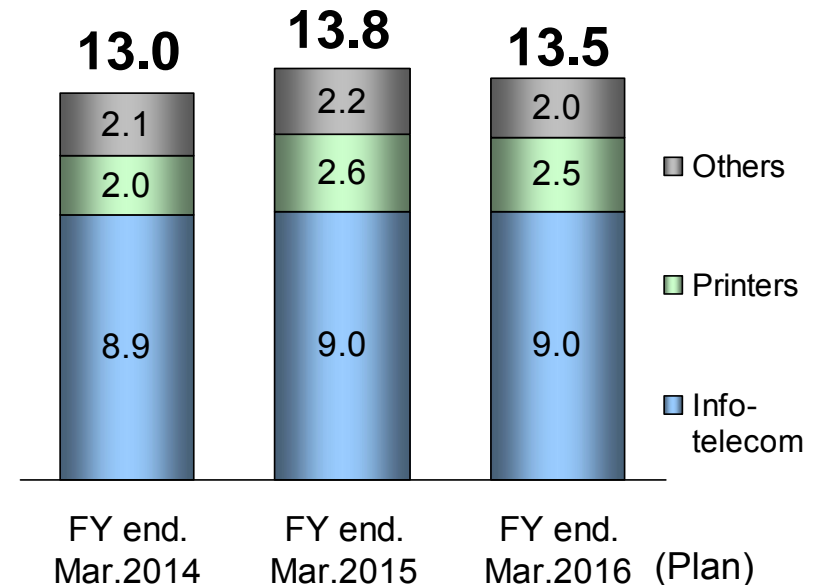
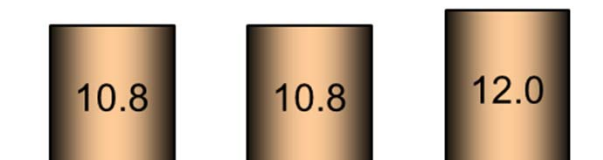
(Billion yen)

R&D Expenses

[Capital Expenditure]



[Depreciation]





Open up your dreams