

# Financial Results for the Q1 of FY ending March 31, 2015

July 30, 2014

Ok 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

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## Financial results for the Q1, FY ending Mar. 2015

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

## Overall condition of the Group

Info-telecom business performance was approximately the same as planned. Printers business performance was also favorable. The first year of the “Mid-term Business Plan 2016” has started smoothly.

[YoY comparison]

- Net sales increased by 7.9 B yen.
- Operating income improved by 3.2 B yen.

(Billion yen)	FY end Mar. 2015		FY end Mar. 2014	
	Net sales	Operating income (loss)	Net sales	Operating income (loss)
Info-telecom	54.8	(0.5)	51.4	0.5
Printers	31.2	2.3	28.0	(1.9)
EMS	8.9	(0.2)	7.8	0.0
Others	4.1	0.7	4.0	0.5
Eliminates & Corp.	—	(1.4)	—	(1.4)
<b>Total</b>	<b>99.1</b>	<b>0.9</b>	<b>91.2</b>	<b>(2.3)</b>

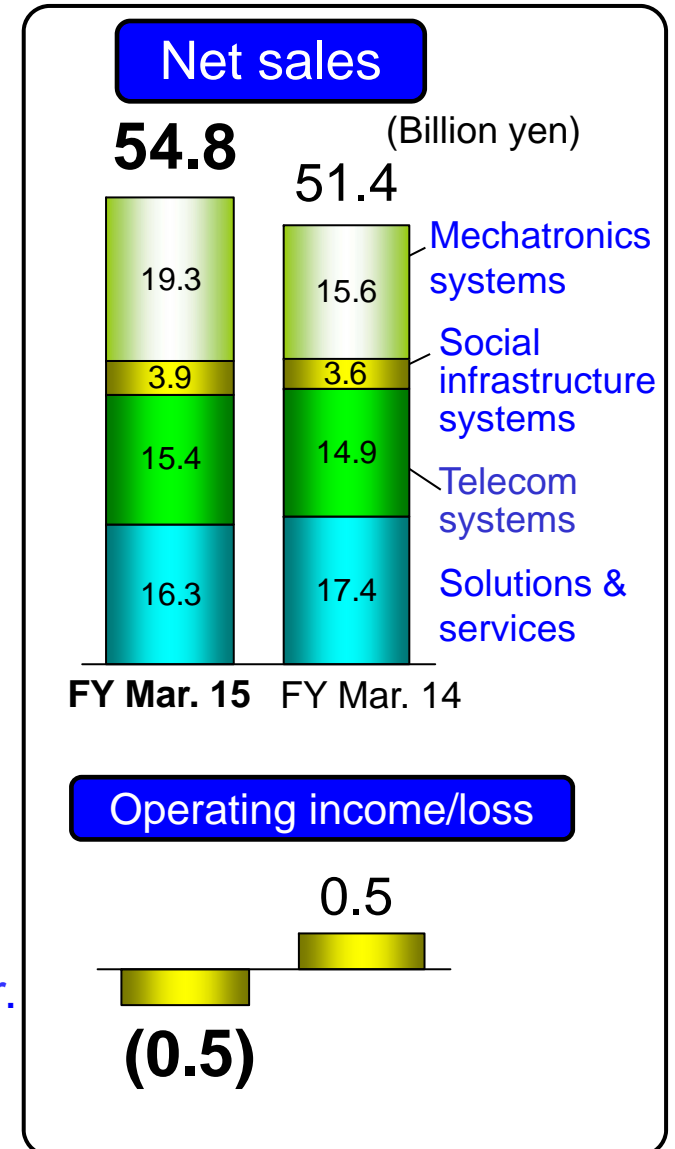
## Segment Information: Info-telecom Systems

### ■ Net sales increased by 3.4 B yen year on year.

- Solutions & services:
  - Sales of financial systems decreased due to the impact of some advanced sales in the previous fiscal year.
  - Overall sales were approximately the same as planned.
- Telecom systems:
  - For telecom carriers, demand for core networks ran its course, though sales of home networks increased.
  - Sales of enterprise networks, maintenance and construction were steady.
- Social infrastructure systems:
  - Sales of systems for disaster prevention and firefighting increased.
- Mechatronics systems:
  - Sales increased due to the effect of Brazilian subsidiary consolidation. Sales of ATMs for China were generally steady.

### ■ Operating income decreased by 1.0 B yen year on year.

Operating income decreased mainly due to the impact of consolidation of the subsidiary in Brazil, etc.



## Segment Information: Printers

■ Net sales increased by 3.2 B yen year on year.

➤ Color and mono LED printers:

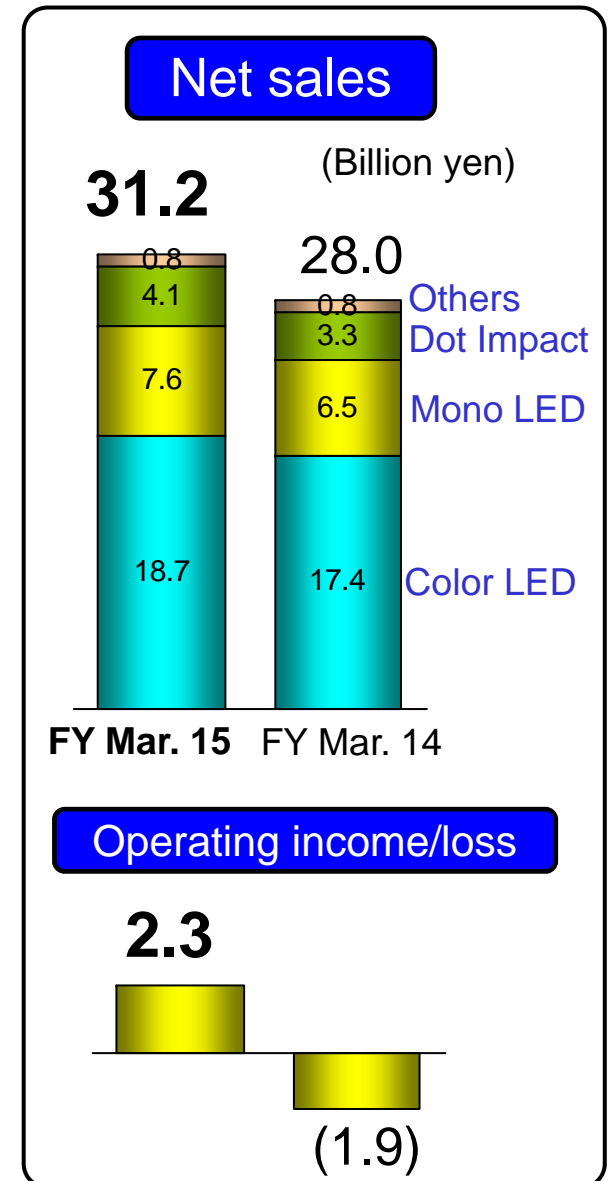
Sales of high-end products were favorable in line with the strategies in the Mid-term Business Plan.

➤ Dot impact printers:

Big orders were acquired in Europe and the United States.

■ Operating income improved by 4.2 B yen year on year.

Operating income improved drastically due to the product mix improvement and the effect of reducing fixed costs, etc.



## Segment Information: EMS, Others

### ■ Net sales:

#### ➤ EMS:

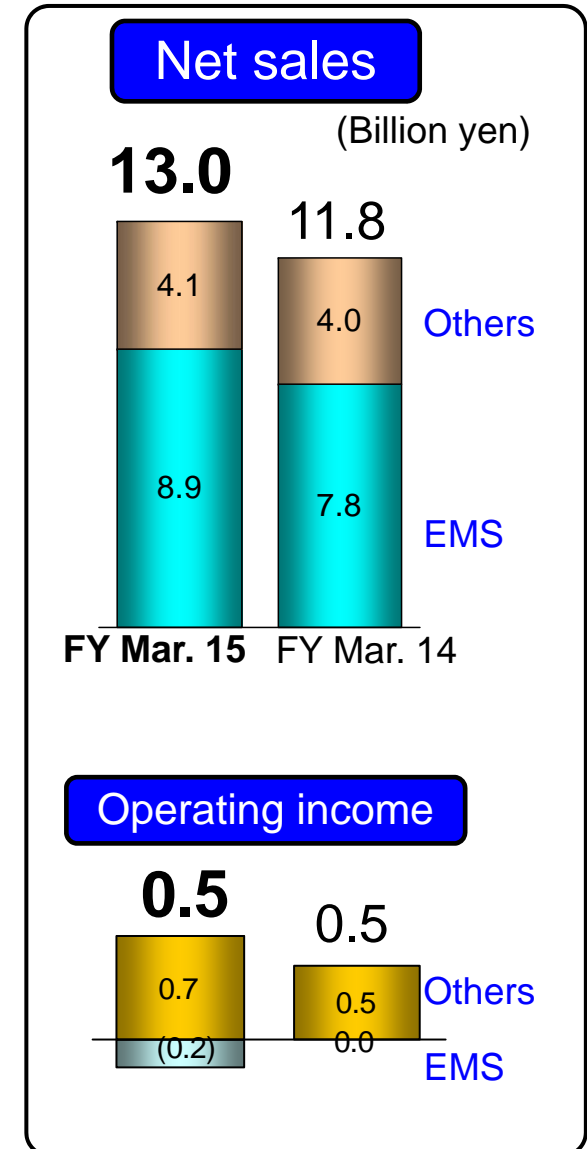
Sales increased due to rise in sales of telecom equipment market and acquisition of some projects in new business areas.

#### ➤ Others:

Sales were approximately the same as the previous fiscal year mainly in components related business.

### ■ Operating income:

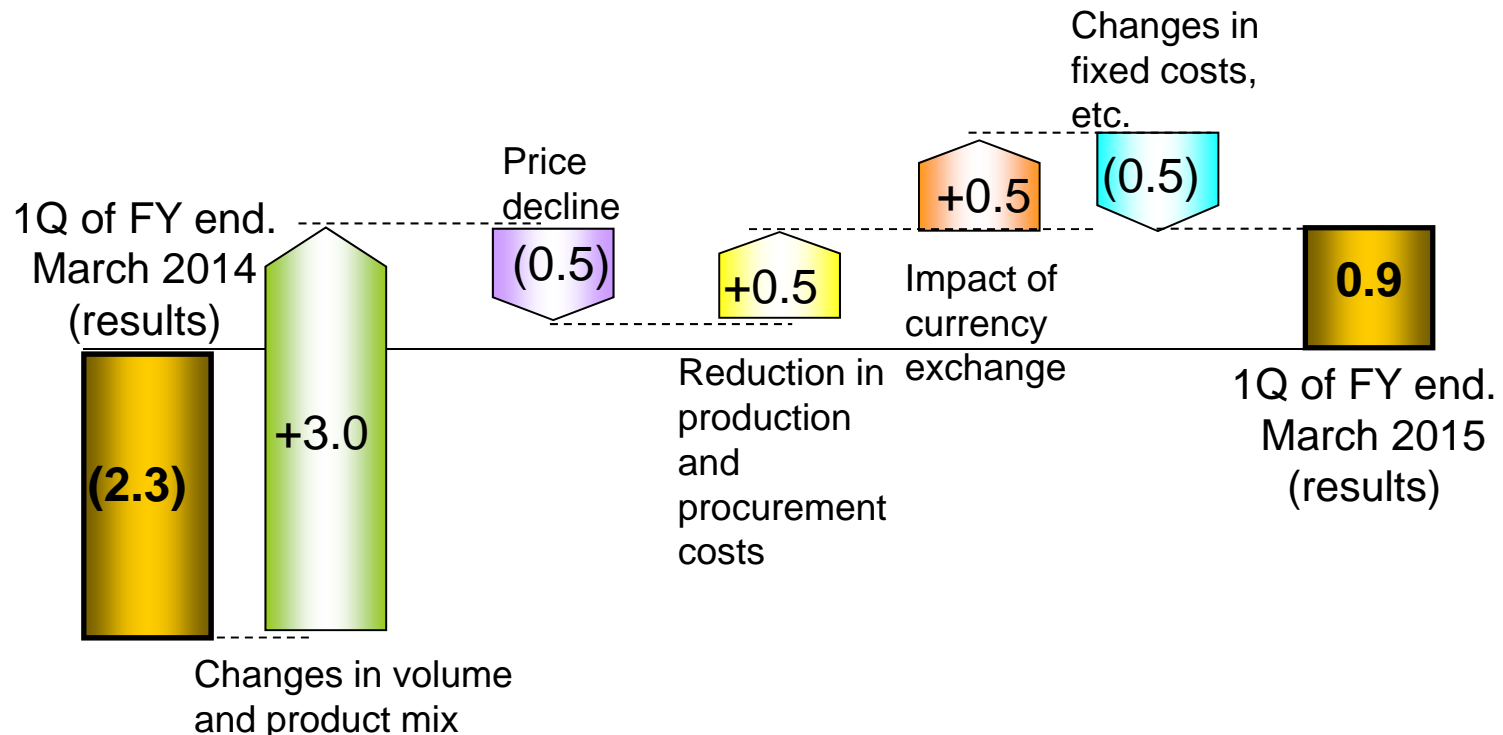
Overall operating income remained the same as the previous year.



# Changing Factors of Operating Income

**Operating income improved drastically due to increase in volume and the impact of product mix improvement in line with Printers business sales strategies.**

(Billion yen)



## Q1 Profit and Loss

(Billion yen)	FY Mar. 2015	FY Mar. 2014
Net Sales	<b>99.1</b>	91.2
Cost of Sales	<b>74.1</b>	70.0
SG&A	<b>24.1</b>	23.4
Operating income/ loss	<b>0.9</b>	(2.3)
Other income & expenses	<b>0.1</b>	3.8
Ordinary income	<b>1.0</b>	1.6
Extraordinary loss	<b>(0.1)</b>	(1.6)
Income before income taxes	<b>0.9</b>	0.0
Net income/loss	<b>0.0</b>	(1.3)

### [Y on Y comparison]

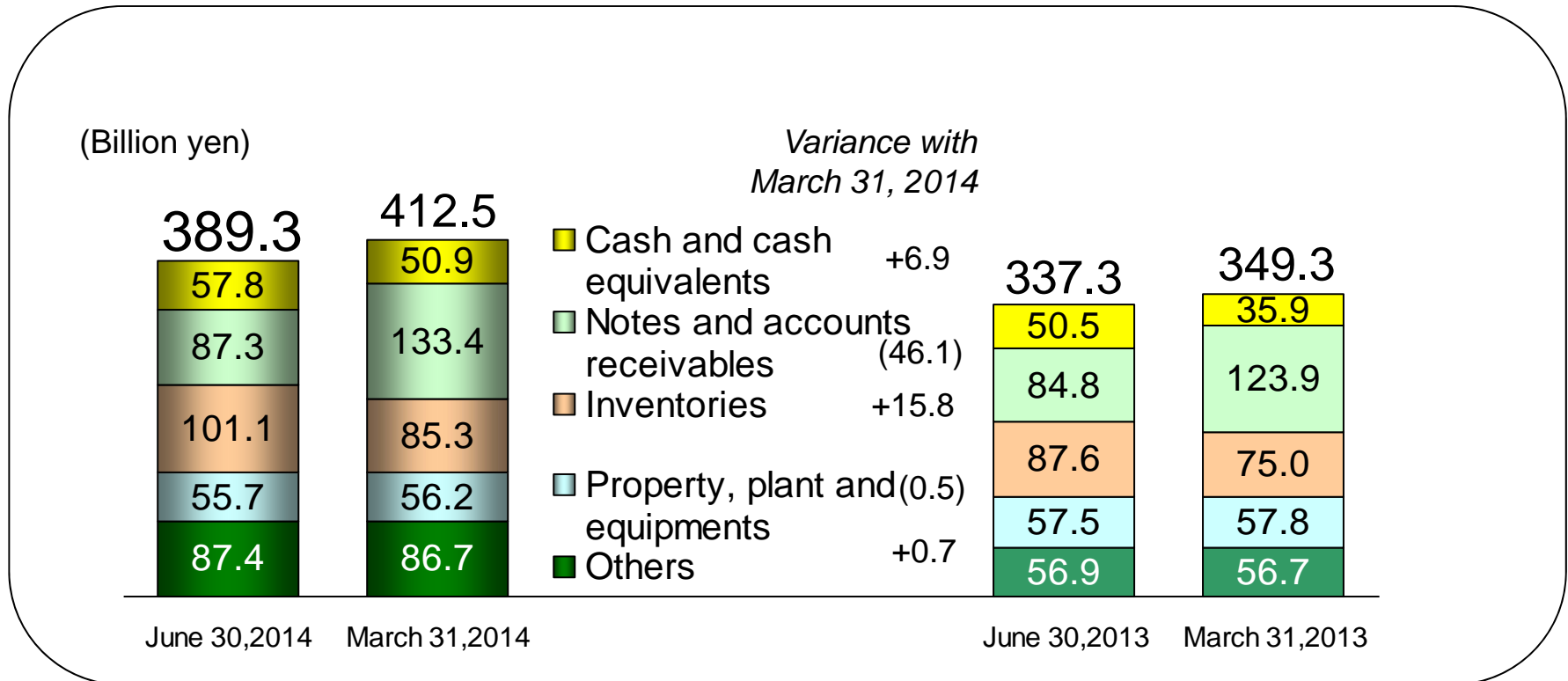
- Other income and expenses worsened mainly due to decrease in exchange gain (from 3.9 B yen to 0.3 B yen)
- Extraordinary loss improved since revamping Printers business structure which was implemented in previous fiscal year settled down.
- Net income/loss became break-even, improving by 1.3 B yen.

[Ref.]	Closing exchange rate		Average exchange rate	
	End of Jun. 2014	End of Mar. 2014	3 months FY end. Mar. 2015	3 months FY end. Mar. 2014
USD	101.3	102.9	102.2	98.8
EUR	138.2	141.6	140.1	129.0



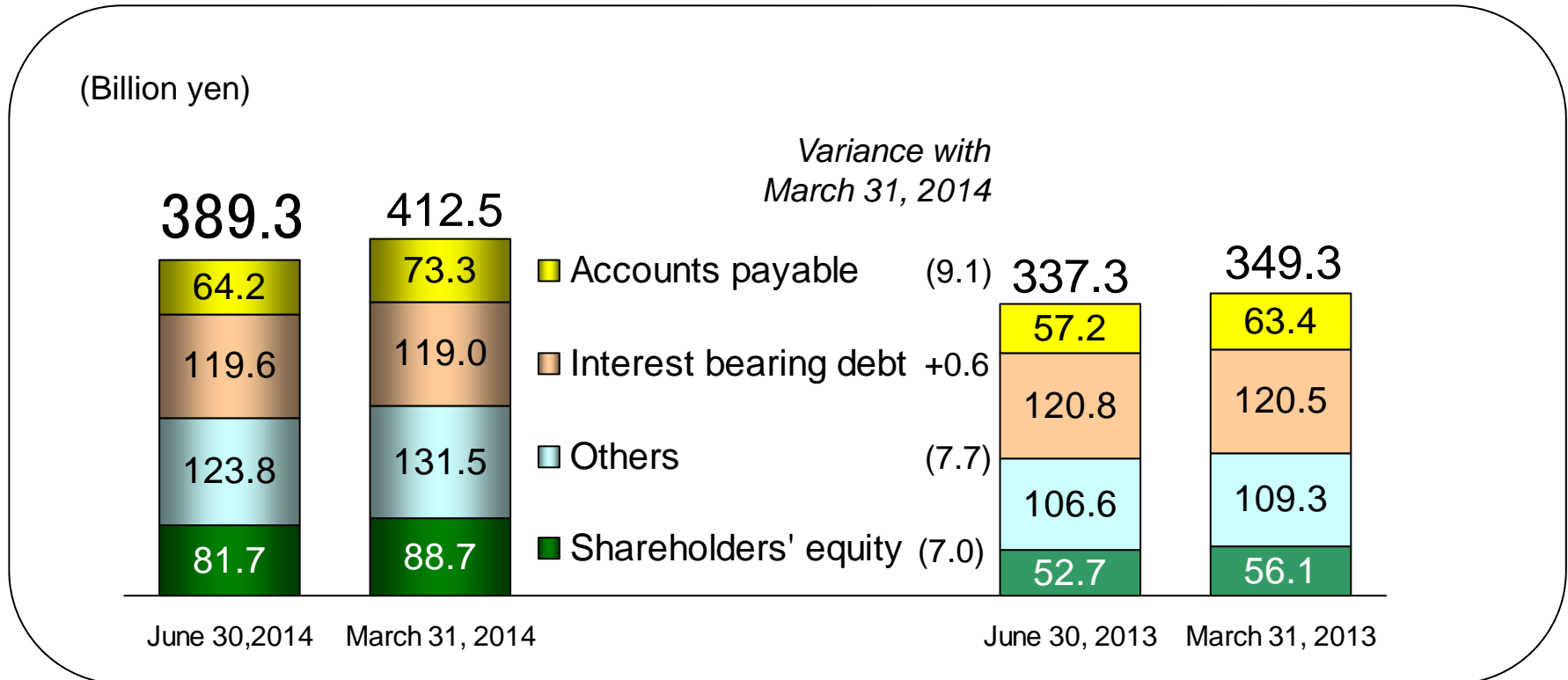
## Balance Sheet [Assets]

- Total assets decreased by 23.2 B yen to 389.3 B yen due to reduction in notes and accounts receivables, etc.
- Cash and cash equivalents increased by 6.9 B yen to 57.8 B yen.
- Trend of change in each asset was the same as in the past.



## Balance Sheet [Liabilities and shareholders' equity]

- Shareholders' equity decreased by 7.0 B yen to 81.7 B yen due to payment of dividend and revision of accounting standard for retirement benefits, etc. Shareholders' equity ratio: 21.0%
- Interest bearing debt was 119.6 B yen, approximately the same as the end of the previous fiscal year. D/E ratio: 1.5 times



## Cash Flows

- Cash flows from operating activities was approximately the same as the previous fiscal year. Free cash flows was 9.7 B yen due to the outflow increase in cash flows from investing activities.

(Billion yen)	FY end. Mar. 2015	FY end. Mar. 2014
<b>I Cash flows from operating activities</b>	15.3	16.8
Net income before income taxes	0.9	0.0
Depreciation & amortization	3.3	3.4
Change in working capital	20.7	21.9
Others	(9.6)	(8.5)
<b>II Cash flows from investing activities</b>	(5.6)	(1.8)
Purchase of property, plants & equipment	(2.5)	(1.7)
Others	(3.1)	(0.1)
<b>Free Cash Flows( I + II )</b>	9.7	15.0
<b>III Cash flows from financing activities</b>	(2.7)	(1.0)
<b>Net cash flows ( I + II + III )</b>	7.0	14.0

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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