

Financial Results for the Fiscal Year ended March 31, 2016

May 10, 2016

Oki Electric Industry Co., Ltd.



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Summary of Financial Results

- Operating income secured results exceeding previous projections, though net sales and operating income decreased year on year.
- Profit attributable to owners of parent was 6.6 B yen due to the impact of foreign exchange losses in non-operating expenses.
- Proposed year-end dividend : 3 yen per share (as planned)

(Billion yen)	FY end Mar. 2016	Previous projections (Nov. 5)	Variance	FY end Mar. 2015	Variance
Net sales	490.3	515.0	(24.7)	540.2	(49.9)
Operating income	18.6	17.0	+1.6	32.4	(13.8)
Ordinary income	11.4	14.5	(3.1)	37.9	(26.5)
Profit attributable to owners of parent	6.6	10.0	(3.4)	33.1	(26.5)
USD average exchange rate (Yen)	120.2	125		109.9	
EUR average exchange rate (Yen)	132.6	135		138.8	

Segment Information (Net sales)

- ATMs for China and existing networks for telecom carriers decreased year on year.
- Sales of fire-fighting digital wireless systems passed a peak.
- Sales of cash-handling equipment and systems for financial institutions in Japanese market were favorable.

(Billion yen)	FY end Mar. 2016	Previous projections (Nov. 5)	Variance	FY end Mar. 2015	Variance
Info-telecom	304.8	320.0	(15.2)	352.5	(47.7)
Printers	124.6	130.0	(5.4)	129.3	(4.7)
EMS	42.4	46.0	(3.6)	40.3	+2.1
Others	18.5	19.0	(0.5)	18.1	+0.4
Total	490.3	515.0	(24.7)	540.2	(49.9)

*Breakdown of results and variance in Info-telecom

(Billion yen)	FY end Mar. 2016	Variance from Previous projections	Y on Y
Solution & Services	84.6	+2.1	+0.7
Telecom systems	68.5	(7.0)	(20.4)
Social infrastructure systems	46.1	(1.9)	(12.8)
Mechatronics systems	105.7	(8.3)	(15.0)
Total	304.8	(15.2)	(47.7)

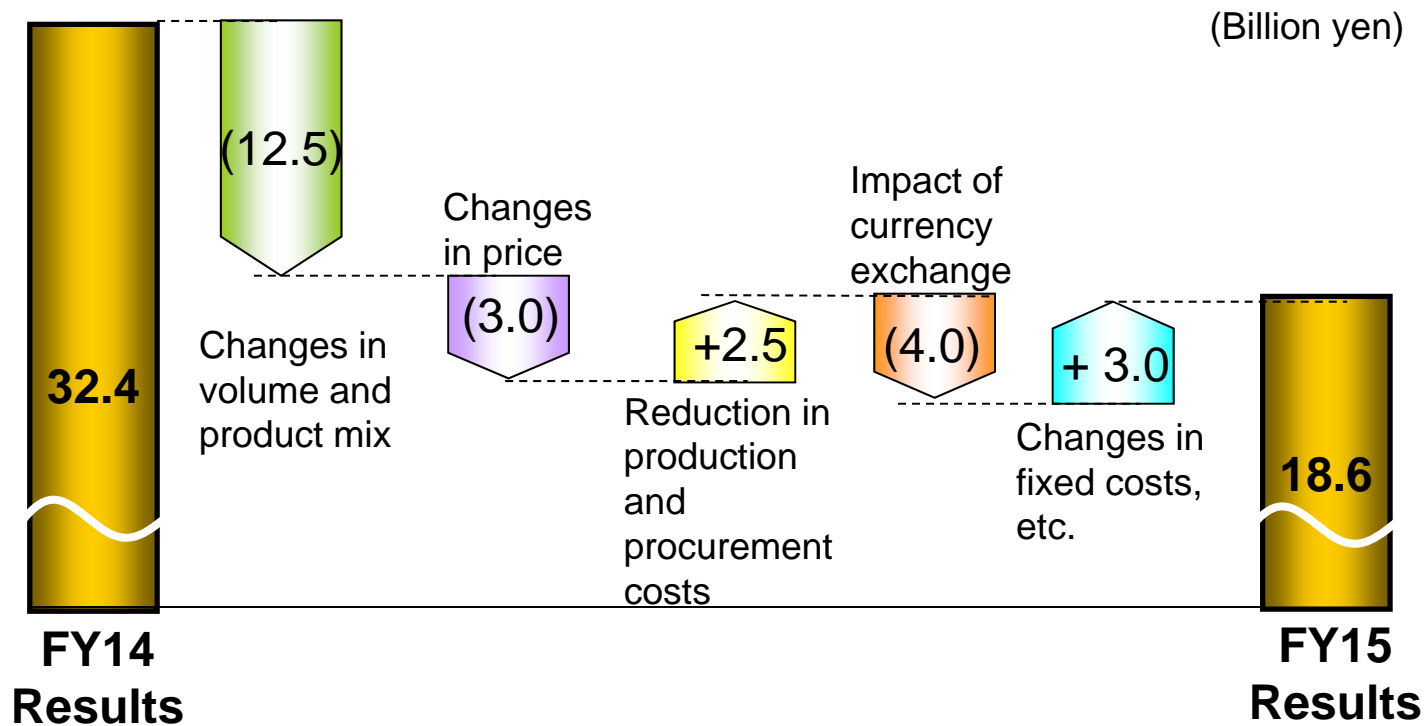
Segment Information (Operating income)

- Operating income decreased due to sales decline in Info-telecom business and the impact of currency exchange in Printers business year on year.
- Structural reform led to lucrative improvement in domestic business.

(Billion yen)	FY end Mar. 2016	Previous projections (Nov. 5)	Variance	FY end Mar. 2015	Variance
Info-telecom	16.5	15.5	+1.0	25.9	(9.4)
Printers	1.4	2.0	(0.6)	6.7	(5.3)
EMS	2.3	2.5	(0.2)	2.0	+0.3
Others	4.2	4.0	+0.2	3.5	+0.7
Eliminates & Corp.	(5.8)	(7.0)	+1.2	(5.7)	(0.1)
Total	18.6	17.0	+1.6	32.4	(13.8)

Changing Factors of Operating Income

- Operating income decreased due to decline in sales volume and the impact of currency exchange.



Balance Sheets

- In shareholders' equity, accumulated other comprehensive income decreased due to external environment, though earnings were accumulated.
- Total assets reduced.

(Billion yen)	Mar. 2016	Mar. 2015	Variance
Current assets	277.6	293.6	(16.0)
Fixed assets	134.1	145.7	(11.6)
Assets	411.8	439.4	(27.6)
Current liabilities	199.2	211.6	(12.4)
Fixed liabilities	105.2	106.4	(1.2)
Liabilities	304.4	318.0	(13.6)
Shareholders' equity	106.7	119.6	(12.9)
Others	0.7	1.8	(1.1)
Net assets	107.4	121.4	(14.0)
Total liabilities and net assets	411.8	439.4	(27.6)
Shareholders' equity ratio (%)	25.9	27.2	(1.3%)
D/E ratio (times)	1.1	0.9	+0.2pt

Cash Flows

- Free Cash flows saw a net outflow of 17.4 B yen due to transient factors such as uncollected trade receivables.

(Billion yen)	FY end. March 2016	FY end. March 2015	Variance
I Cash flows from operating activities	(3.6)	41.0	(44.6)
II Cash flows from investing activities	(13.8)	(18.6)	+4.8
Free cash flows (I + II)	(17.4)	22.4	(39.8)
III Cash flows from financing activities	11.1	(20.7)	+31.8
Cash and cash equivalents	46.3	53.6	(7.3)
Purchases of equipment	11.6	10.6	+1.0
Depreciation	14.4	14.5	(0.1)

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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Policies for FY ending March 2017

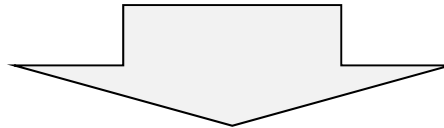
< Changes of business environment >

Overseas: Economic sluggish in emerging countries

Rise of home-grown vendors in China ATM market

Shrink of office printer market and intensified competition

Japan: Expanding sophisticated demands for social infrastructures
capitalizing on ICT



The policies for the last year of Mid-term Business Plan 2016

- Securing stable profit
- Generating growth business
- Consolidating a financial foothold

Profit and Loss Projections

- Aim to achieve a year-on-year net sales and operating income increase
- Annual dividend plan: 5 yen per share
- Currency exchange rate assumption : ¥110/USD, ¥125/EUR

	FY end. Mar. 2017 (Plan)		FY end. Mar. 2016 (Results)	
	Full year	1 st half	Full year	1 st half
(Billion yen)				
Net sales	500.0	210.0	490.3	223.0
Operating income	20.0	0.0	18.6	3.6
Ordinary income	18.0	(0.5)	11.4	2.7
Profit attributable to owners of parent	12.0	0.0	6.6	0.9

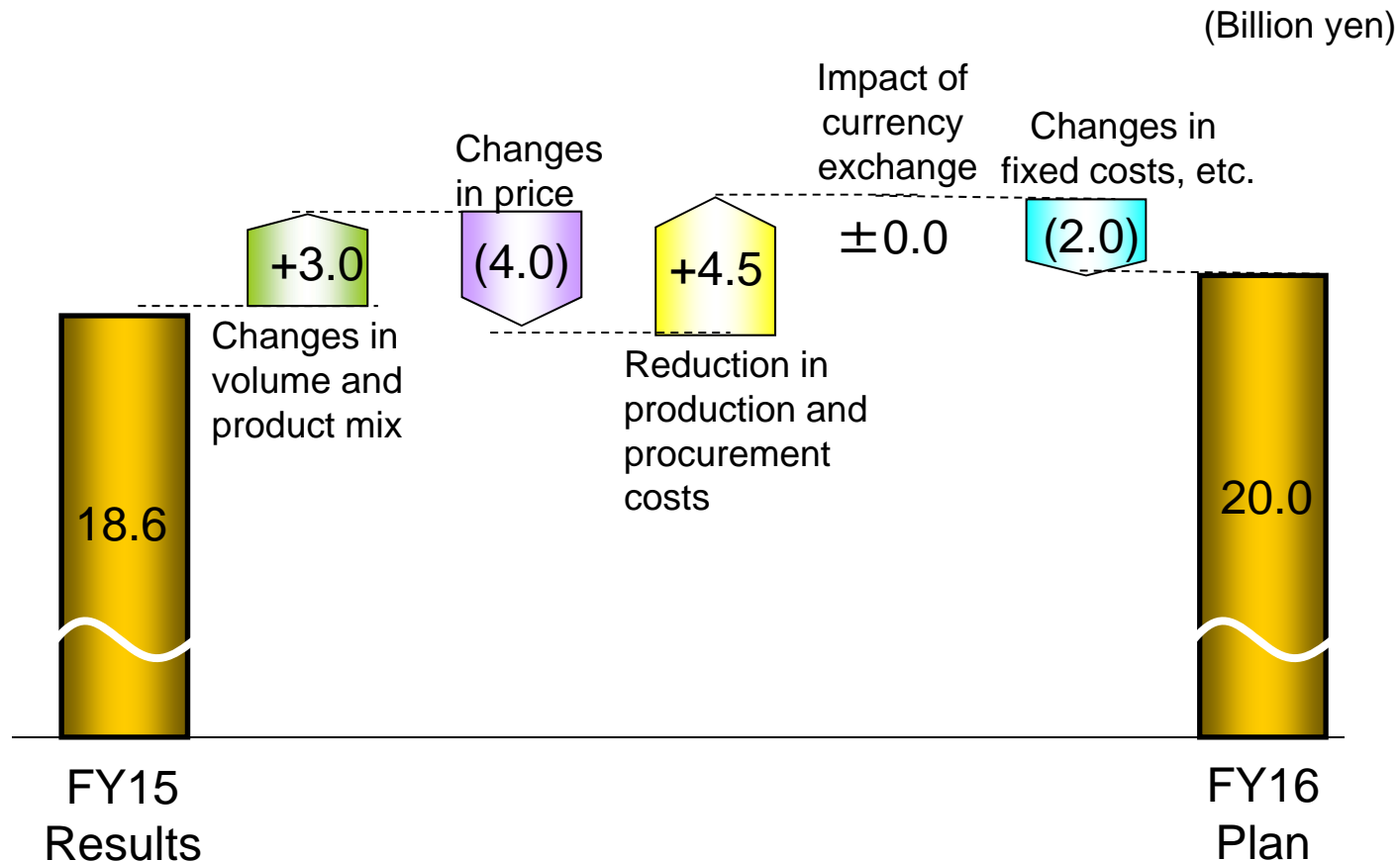
Segment Information

- Info-telecom: Expand profitability due to promotion of business structure reforms in a stable profitable business
- Mechatronics systems: Rebuild Chinese business and enhance global deployment
- Printers: Expand sales of strategic products and have a fully M&A impact

		FY end. Mar.2017 (Plan)		FY end. Mar.2016 (after restatement)	
		Full year	1 st half	Full year	1 st half
		(Billion yen)			
Info-telecom	Net sales	188.0	66.0	191.2	78.9
	Operating income	13.5	(1.2)	11.6	0.9
Mechatronics systems	Net sales	112.0	51.0	113.7	55.0
	Operating income	5.5	2.3	6.0	3.5
Printers	Net sales	133.0	64.0	124.6	59.1
	Operating income	2.5	0.0	1.4	(0.5)
EMS	Net sales	48.0	21.0	42.4	20.6
	Operating income	2.5	0.8	2.3	0.8
Others	Net sales	19.0	8.0	18.5	9.5
	Operating income	3.5	1.6	4.2	2.2
Corporate & Eliminations	Operating income	(7.5)	(3.5)	(6.9)	(3.3)
Total	Net sales	500.0	210.0	490.3	223.0
	Operating income	20.0	0.0	18.6	3.6

Changing Factors of Operating Income

- Operating income is expected to increase due to rise in sales volume and decrease in production and procurement costs.



Free Cash Flows Projections

- Further enhance financial foothold by securing stable cash flows

(Billion yen)	FY end Mar. 2017 (Plan)	FY end Mar. 2017	Variance
I Cash flows from operating activities	25.0	(3.6)	+28.6
II Cash flows from investing activities	(15.0)	(13.8)	(1.2)
Free cash flows (I + II)	10.0	(17.4)	+27.4

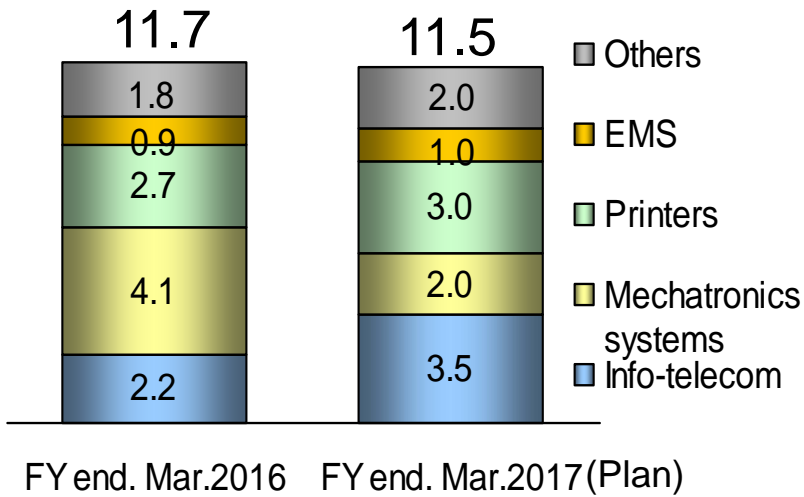
Capital Expenditure and R&D Expenses Projections

Property, Plant & Equip.

(Billion yen)

R&D Expenses

[Capital Expenditure]

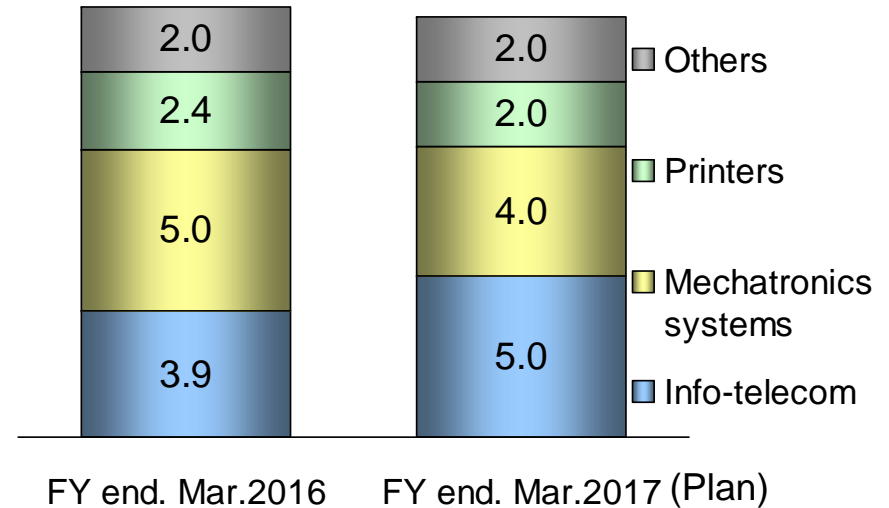


[Depreciation]

11.2

12.0

13.3



FY end. Mar.2016

FY end. Mar.2017 (Plan)

Notice

- 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.