

Financial Results for the Q1 of FY ending March 31, 2016

July 30, 2015

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

Financial results for the Q1, FY ending Mar. 2016

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

OKI marked increases both in net sales and operating income year on year and made a smooth start.

[Y o Y comparison]

- Net sales increased by 10.7 B yen.
- Operating income increased by 2.6 B yen.

(Billion yen)	FY end Mar. 2016		FY end Mar. 2015	
	Net sales	Operating income (loss)	Net sales	Operating income (loss)
Info-telecom	67.3	3.5	54.8	(0.5)
Printers	28.9	0.2	31.2	2.3
EMS	9.3	0.1	8.9	(0.2)
Others	4.3	0.9	4.1	0.7
Eliminates & Corp.	—	(1.2)	—	(1.4)
Total	109.8	3.5	99.1	0.9

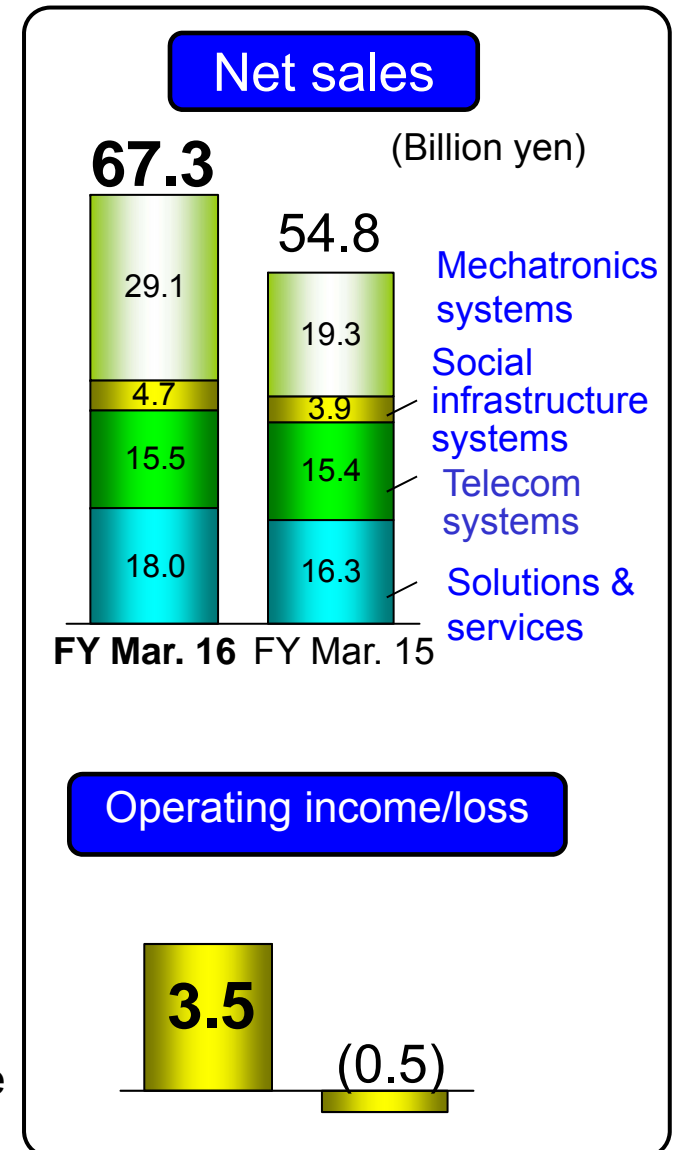
Segment Information: Info-telecom Systems

■ Net sales increased by 12.5 B yen year on year.

- Solutions & services:
 - Projects for financial institutions and enterprises increased.
- Telecom systems:
 - Sales for telecom carriers and enterprises were approximately the same as the previous fiscal year.
- Social infrastructure systems:
 - Sales of transportation related systems and disaster prevention administrative systems for municipalities were healthy.
- Mechatronics systems:
 - Sales of ATMs for China increased due to accelerated demand from Q2.
 - Sales of cash handling equipment in Japan were favorable.

■ Operating income improved by 4.0 B yen year on year.

Operating income improved due to increase in sales volume and product mix improvement.



Segment Information: Printers

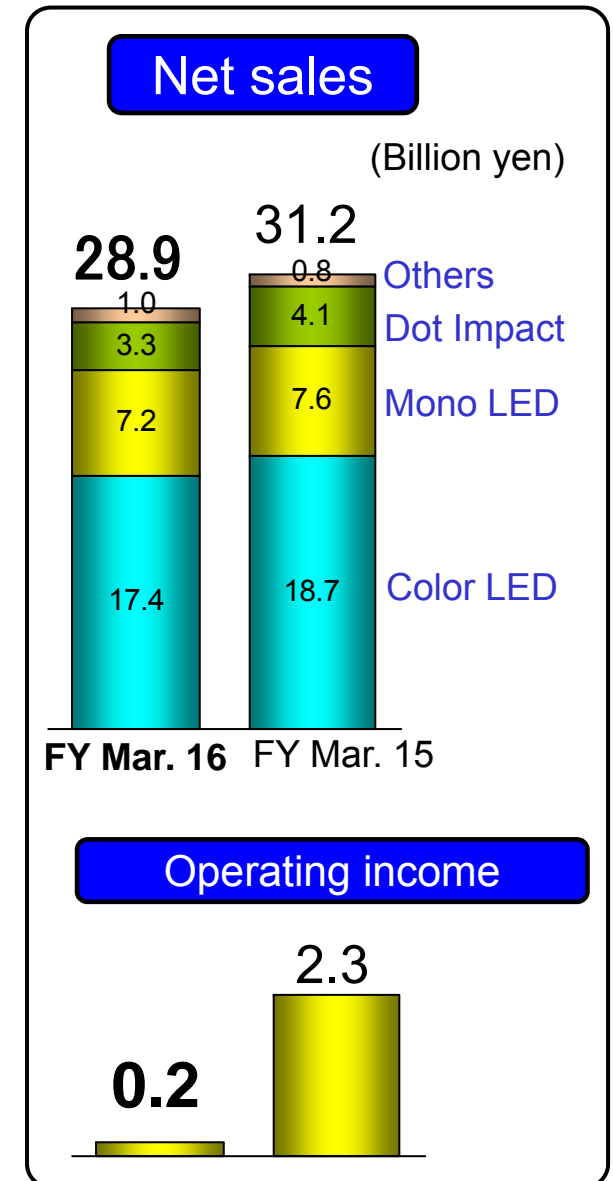
■ Net sales decreased by 2.3 B yen year on year.

➤ Color and mono LED printers :

Sales of new color MFPs started favorably though sales of the existing products decreased due to the shrinking of the market and intensifying competition.

■ Operating income decreased 2.1 B yen year on year.

Operating income decreased due to the significant impact of currency exchange in addition to decline in sales volume and increase in fixed costs.



Segment Information: EMS, Others

■ Net sales:

➤ EMS:

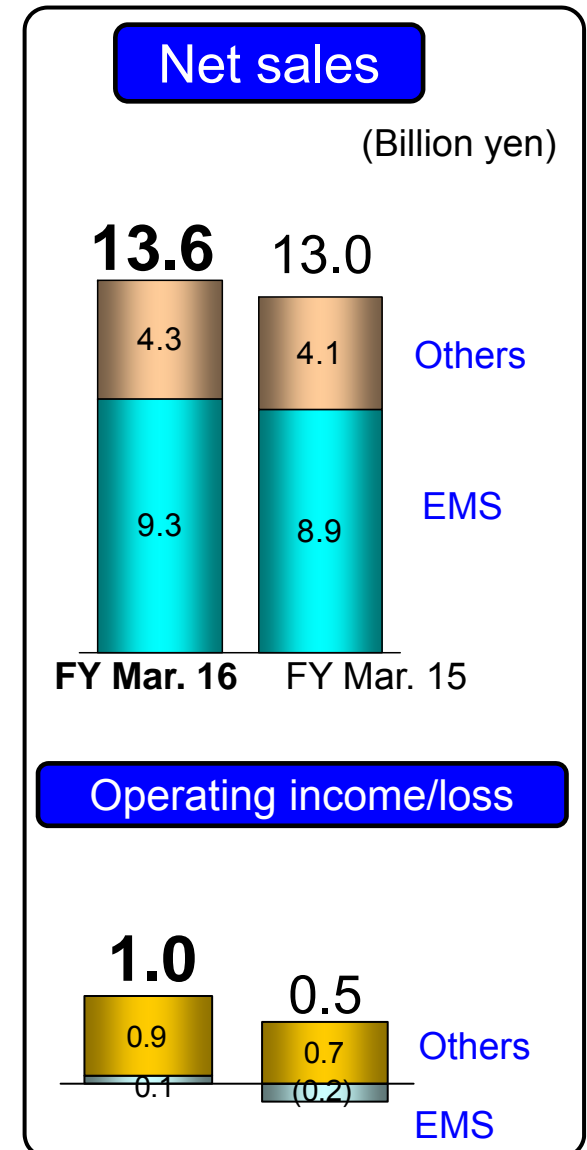
Sales smoothly increased due to the impact of acquisition of new projects and M&A.

➤ Others:

Sales were continuously favorable mainly in components related business such as reed switches.

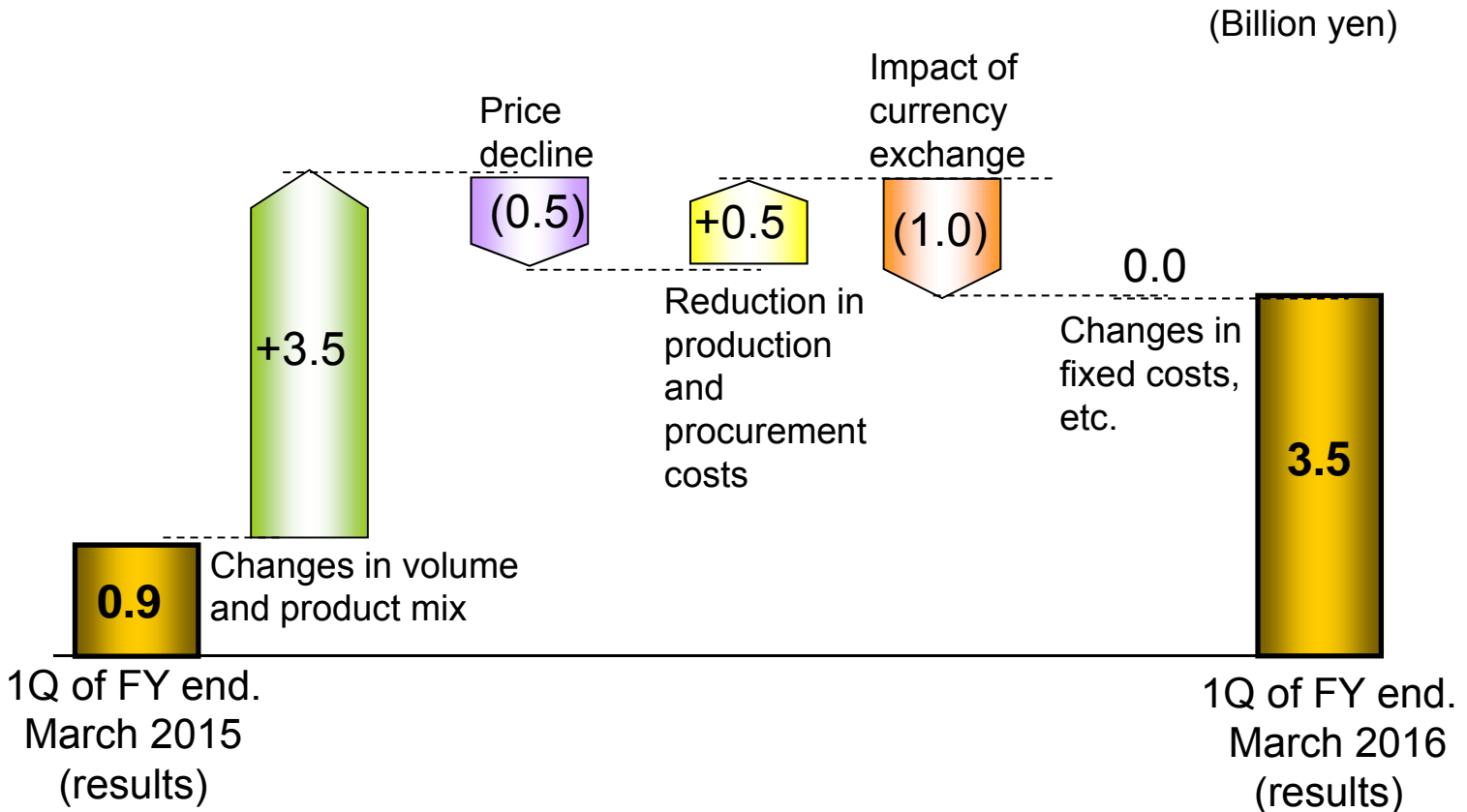
■ Operating income:

Operating income improved due to increase in sales volume and reducing fixed costs.



Changing Factors of Operating Income

Operating income increased due to increase in sales volume and improvement in the product mix.



Q1 Profit and Loss

(Billion yen)	FY Mar. 2016	FY Mar. 2015
Net Sales	109.8	99.1
Cost of Sales	80.2	74.1
SG&A	26.0	24.1
Operating income	3.5	0.9
Other income & expenses	2.4	0.1
Ordinary income	5.9	1.0
Extraordinary income/loss	0.1	(0.1)
Income before income taxes	6.0	0.9
Profit attributable to owners of parent	3.2	0.0

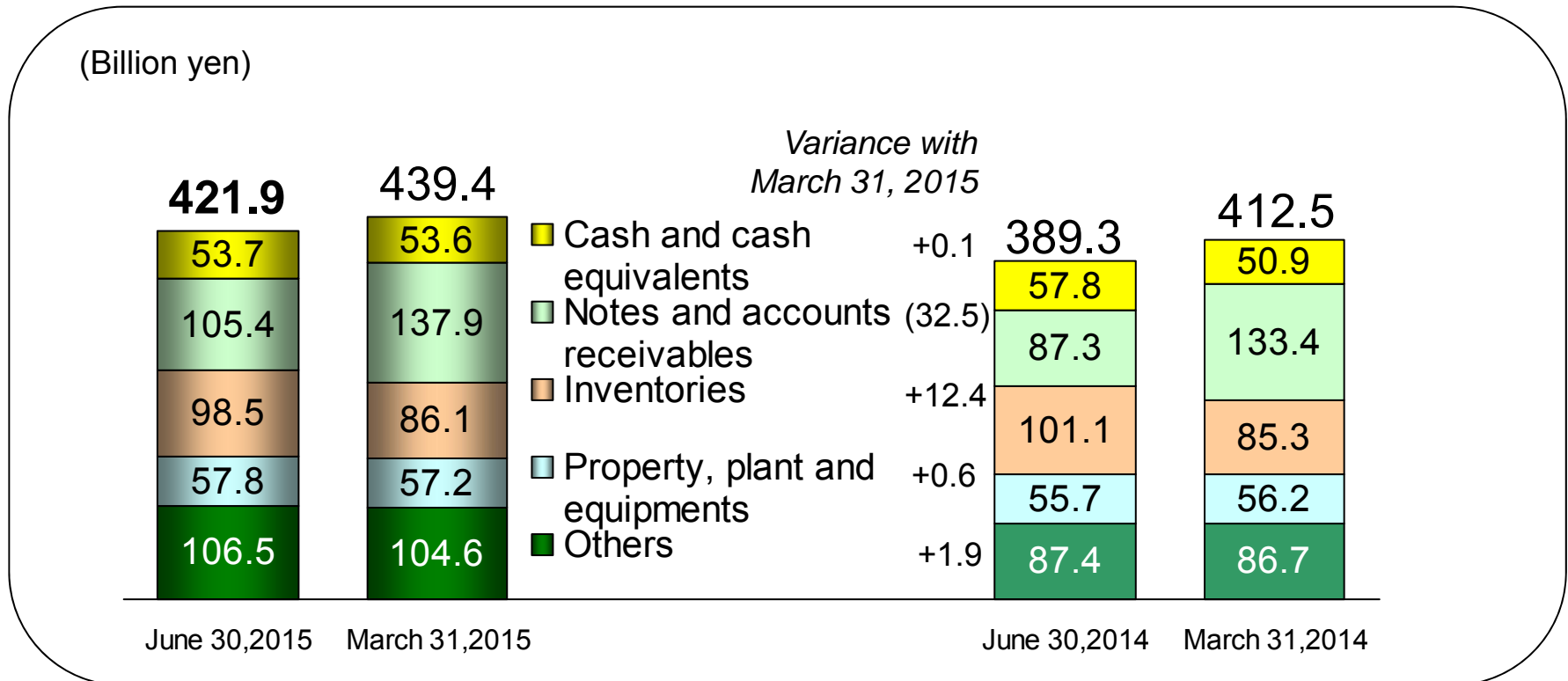
[Y on Y comparison]

- Other income and expenses improved mainly due to increase in exchange gain (from 0.3 B yen to 2.1 B yen).
- Profit attributable to owners of parent increased by 3.2 B yen.

[Ref.]	Closing exchange rate		Average exchange rate	
	End of Jun. 2015	End of Mar. 2015	3 months FY end. Mar. 2016	3 months FY end. Mar. 2015
USD	122.5	120.3	121.4	102.2
EUR	137.2	130.4	134.2	140.1

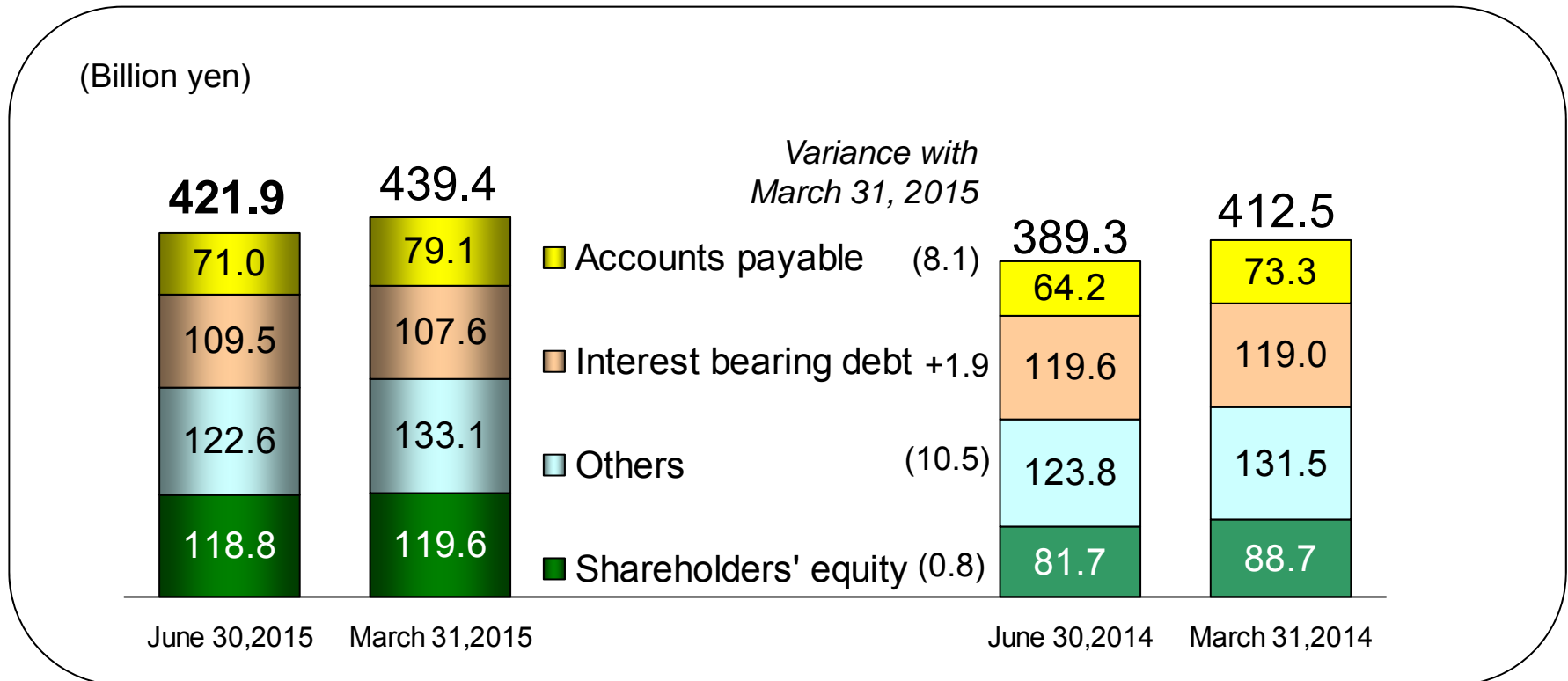
Balance Sheet [Assets]

- Total assets decreased by 17.5 B yen to 421.9 B yen due to reduction in notes and accounts receivables, etc.
- Cash and cash equivalents was 53.7 B yen, approximately the same as the end of March 2015.
- Trend of change in each asset was the same as in the past.



Balance Sheet [Liabilities and shareholders' equity]

- Shareholders' equity decreased by 0.8 B yen to 118.8 B yen. Shareholders' equity ratio: 28.1%.
- Interest bearing debt increased by 1.9 B yen to 109.5 B yen. D/E ratio: 0.9 times.



Cash Flows

- Cash flows from operating activities was a net inflow of 6.9 B yen and cash flows from investing activities was a net outflow of 5.3 B yen, approximately the same as the previous fiscal year. Free cash flows resulted in a net inflow of 1.6 B yen.

(Billion yen)	FY end. Mar. 2016	FY end. Mar. 2015
I Cash flows from operating activities	6.9	15.3
Net income before income taxes	6.0	0.9
Depreciation & amortization	3.4	3.3
Change in working capital	11.4	20.7
Others	(13.9)	(9.6)
II Cash flows from investing activities	(5.3)	(5.6)
Purchase of property, plants & equipment	(3.0)	(2.5)
Others	(2.3)	(3.1)
Free Cash Flows(I + II)	1.6	9.7
III Cash flows from financing activities	(1.7)	(2.7)
Net cash flows (I + II + III)	(0.1)	7.0

Free cash flows and net cash flows are the total of each item which are rounded to the nearest hundred million yen.



Open up your dreams