

Financial Results for the 3rd Quarter of the FY ending March 31, 2016

February 2, 2016

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.

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Overall Condition of the Group

- Net sales decreased by 19.3 B yen and operating income declined by 7.8 B yen year on year.
- OKI's performance is going according to its full year projections announced on November 5, 2015.

(Billion yen)	FY end Mar. 2016		FY end Mar. 2015		Variance	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Info-telecom	201.6	6.1	219.8	10.2	(18.2)	(4.1)
Printers	91.9	0.9	94.5	5.8	(2.6)	(4.9)
EMS	30.1	1.1	29.3	0.9	+0.8	+0.2
Others	14.0	3.3	13.4	2.5	+0.6	+0.8
Eliminates & Corp.	-	(3.9)	-	(4.1)	-	+0.2
Total	337.6	7.5	356.9	15.3	(19.3)	(7.8)

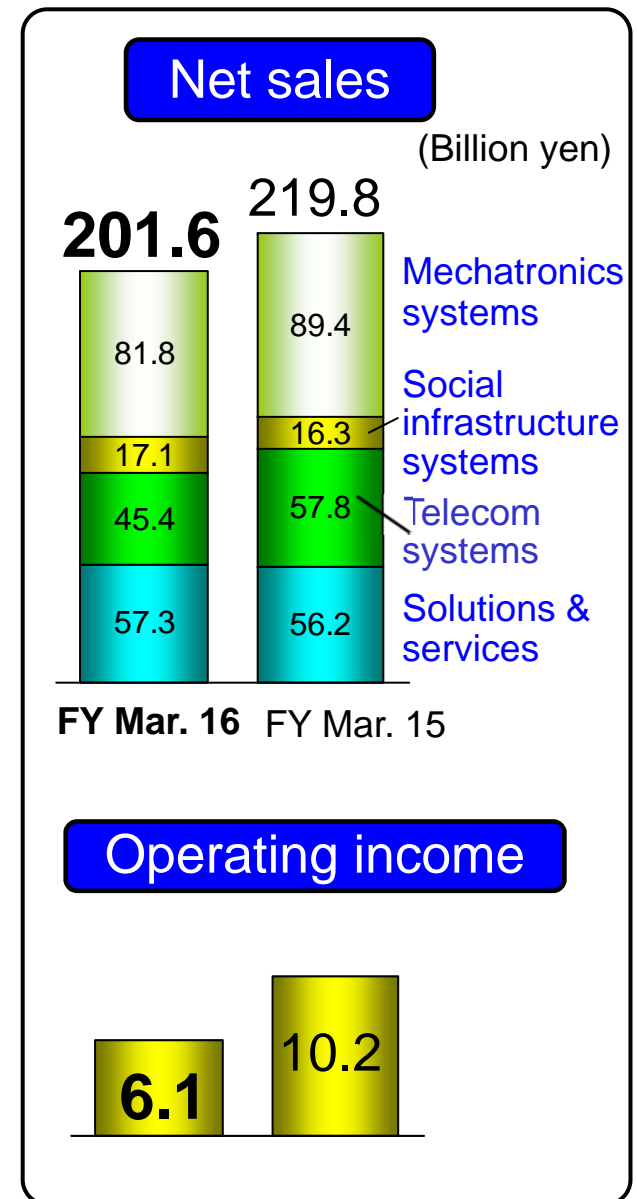
Segment Information: Info-telecom Systems

■ Net sales decreased by 18.2 B yen year on year.

- Solutions & services:
 - Sales were healthy mainly for financial institutions and enterprises.
- Telecom systems:
 - Sales were approximately the same as originally planned, though sales for telecom carriers decreased.
- Social infrastructure systems:
 - Sales of systems related to transportation and disaster prevention administrative were continuously steady.
- Mechatronics systems:
 - Sales of ATMs for a Chinese sales partner and Brazilian market decreased.
 - Sales in Japanese market increased mainly in cash handling equipment.

■ Operating income decreased by 4.1 B yen year on year.

Operating income decreased due to the impact of decline in sales volume though fixed costs were reduced.



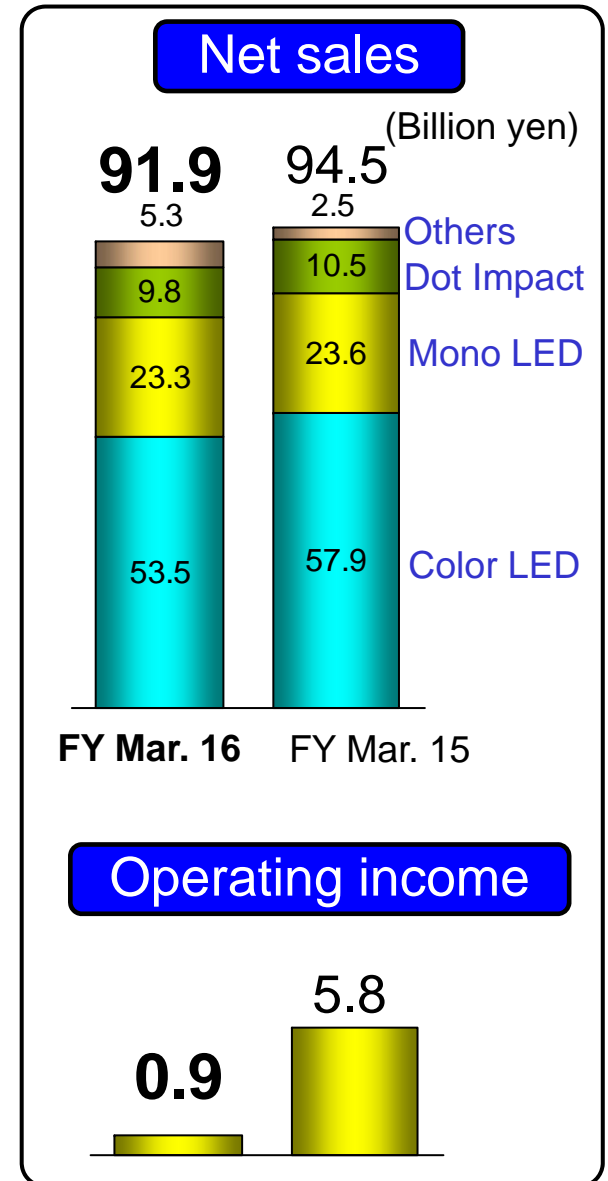
Segment Information: Printers

■ Net sales decreased by 2.6 B yen year on year.

- Color and mono LED printers :
 - Sales of strategic models were stable due to the effect of strengthening the sales support structure, etc.
 - Decrease in unit sales of existing products was braked due to the effect of price measures against competitors from 2Q though unit sales mainly in color printers decreased due to the impact of shrinking whole market.
- Others:
 - Sales increased due to the effect of acquisition of wide format printers business.

■ Operating income decreased by 4.9 B yen year on year.

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



Segment Information: EMS, Others

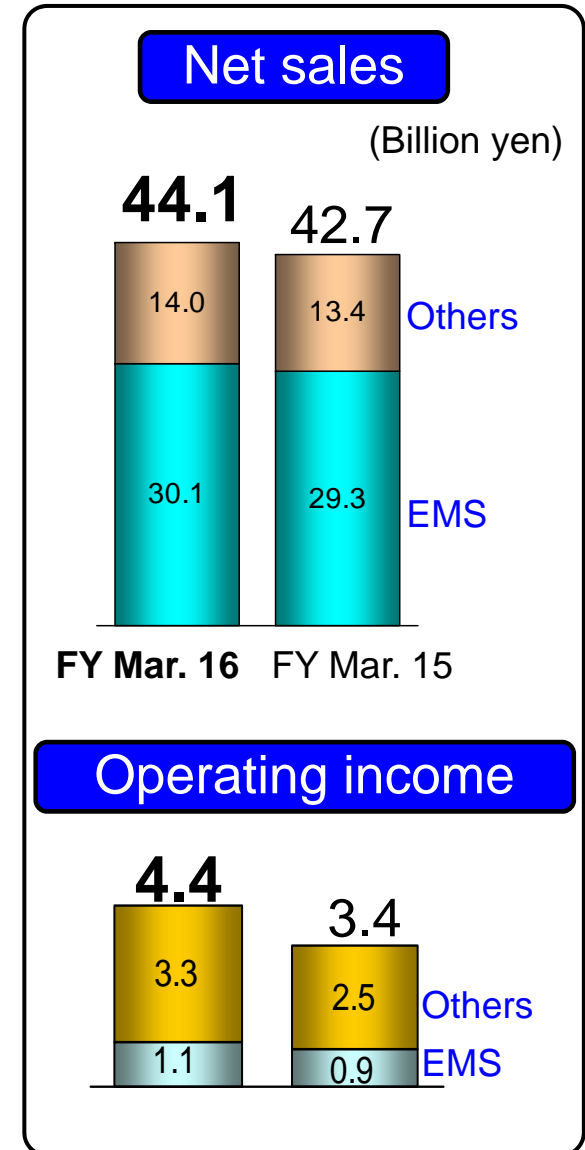
■ Net sales:

➤ EMS:
Sales for printed circuit board business increased due to the effect of M&A.

➤ Others:
Sales were continuously favorable mainly in reed switches, etc.

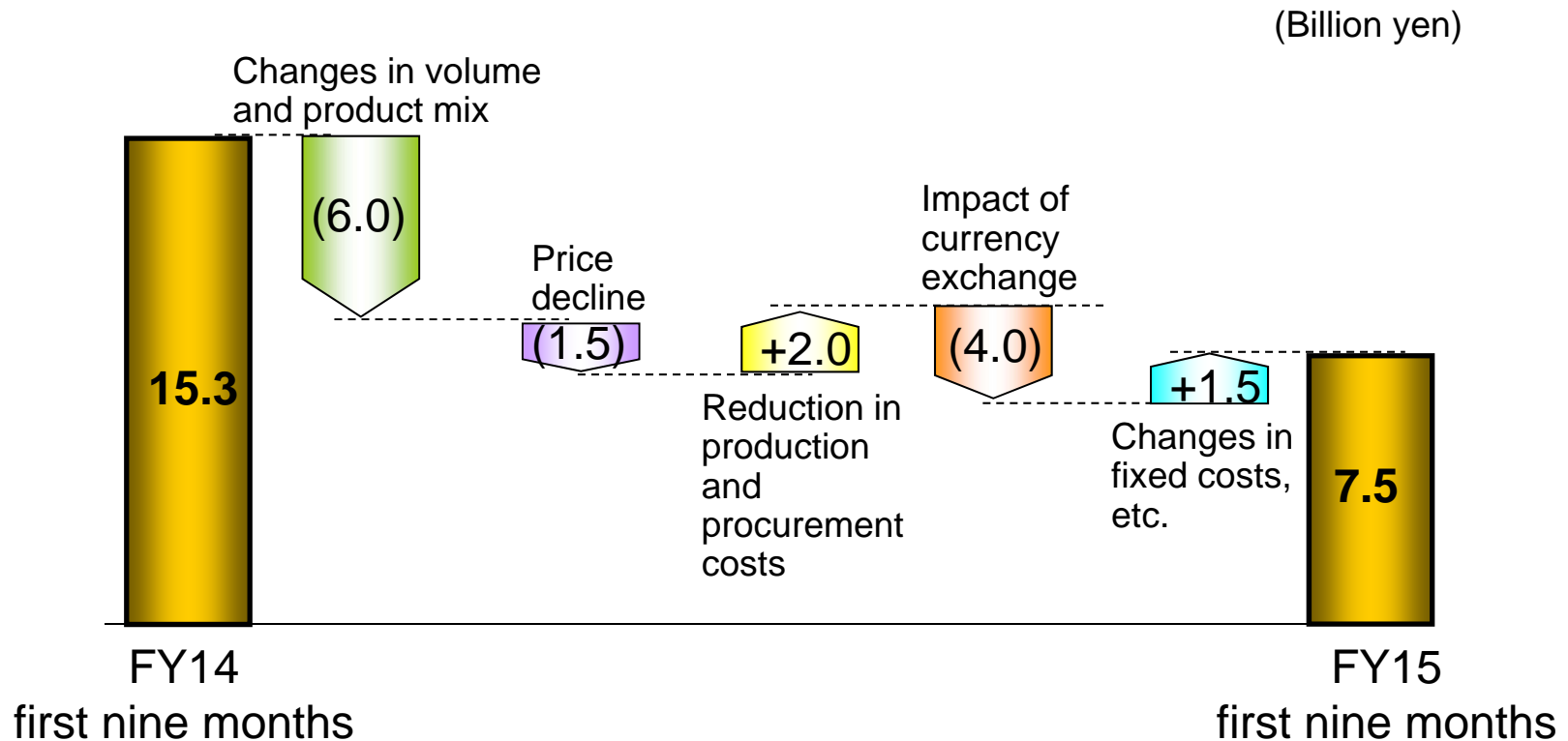
■ Operating income:

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



Changing Factors of Operating Income

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



Profit and Loss for the Nine Months

(Billion yen)	9 months FY Mar. 2016	9 months FY Mar. 2015
Net Sales	337.6	356.9
Cost of Sales	248.7	263.6
SG&A	81.4	78.0
Operating income	7.5	15.3
Other income & expenses	(3.7)	8.0
Ordinary income	3.8	23.3
Extraordinary income	0.0	0.1
Income before income taxes	3.8	23.4
Profit(loss) attributable to owners of parent	(1.8)	18.5

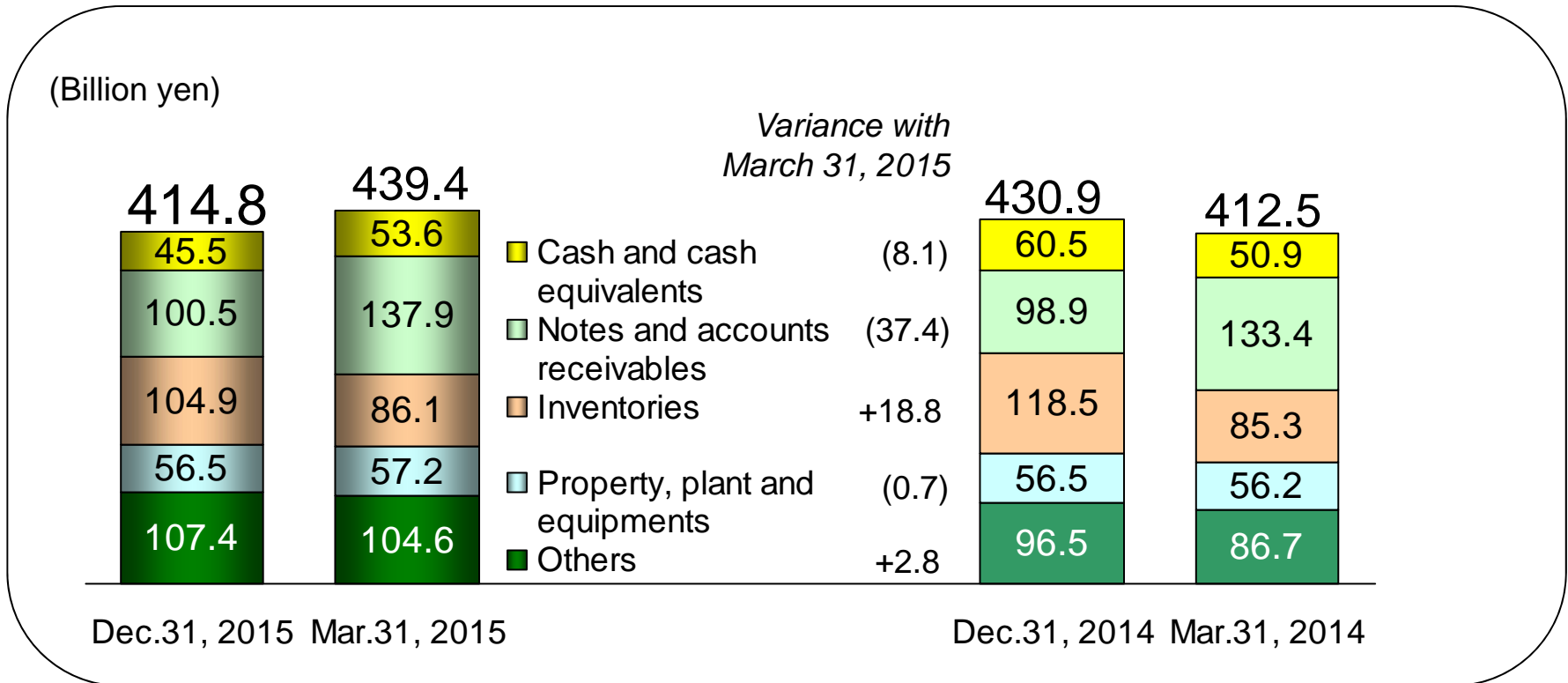
[Y on Y comparison]

- SG & A increased due to the investment for sales promotion in Printers business, etc.
- Other income and expenses worsened by 12.9 B yen as exchange gain in last fiscal year became to loss in this fiscal year (from 9.5 B yen to -3.4 B yen).
- Tax expenses rose.

[Ref.]	Closing exchange rate		Average exchange rate	
	End of Dec. 2015	End of Mar. 2015	9 months FY end. Mar. 2016	9 months FY end. Mar. 2015
USD	120.5	120.3	121.7	106.9
EUR	131.7	130.4	134.4	140.3

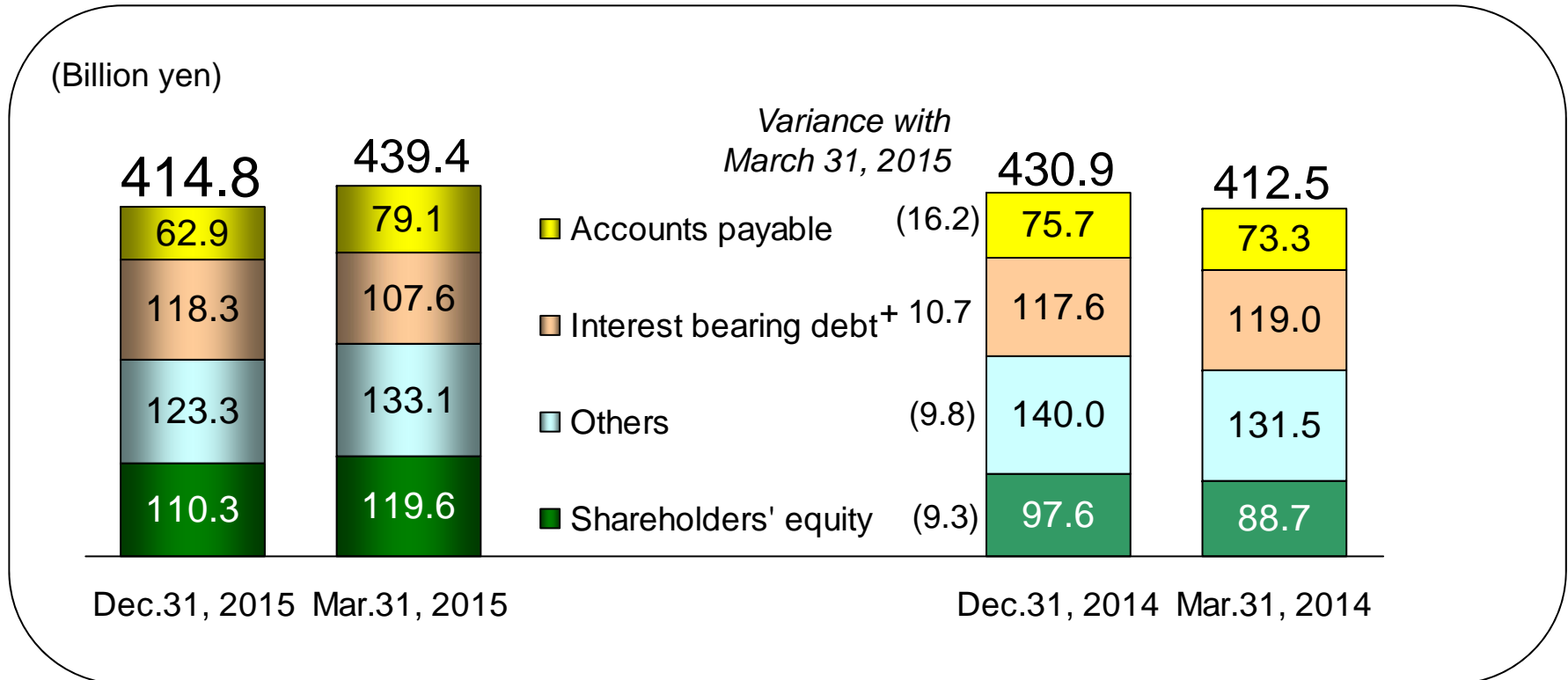
Balance Sheet [Assets]

- Total assets decreased by 24.6 B yen to 414.8 B yen due to reduction in notes and accounts receivables, etc.
- Cash and cash equivalents decreased by 8.1 B yen to 45.5 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 9.3 B yen to 110.3 B yen.
Shareholders' equity ratio: 26.6%
- Interest bearing debt increased by 10.7 B yen to 118.3 B yen.
D/E ratio: 1.1 times



Cash Flows

- Cash flows from operating activities became a net outflow due to decrease in net income and increase in working capital. Cash flows from investing activities was approximately the same as the previous fiscal year. Free cash flows resulted in a net outflow of 13.0 B yen.

(Billion yen)	FY March end. 2016	FY March end. 2015
I Cash flows from operating activities	(0.2)	33.0
Net income before income taxes	3.8	23.4
Depreciation & amortization	10.6	10.5
Change in working capital	(0.2)	6.9
Others	(14.4)	(7.8)
II Cash flows from investing activities	(12.8)	(14.2)
Purchase of property, plants & equipment	(9.0)	(8.3)
Others	(3.8)	(5.9)
Free Cash Flows(I + II)	(13.0)	18.8
III Cash flows from financing activities	5.6	(10.3)
Net cash flows (I + II + III)	(7.4)	8.5

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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