

(Translation)

## Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 [J-GAAP]

May 8, 2018

Listed Company Name: Oki Electric Industry Co., Ltd.

Securities Code: 6703

Stock Exchange Listing: Tokyo Stock Exchange

URL: <http://www.oki.com/>

Representative: Shinya Kamagami, President, Representative Director

Contact: Atsushi Yamauchi, General Manager, Investor Relations

TEL: +81-3-3501-3836

Date of Ordinary General Meeting of Shareholders (Scheduled): June 22, 2018

Commencement of Dividend Payment (Scheduled): June 25, 2018

Filing of Securities Report (Scheduled): June 22, 2018

Supplementary Document on Financial Results: Yes

Financial Results Briefing: Yes (for institutional investors)

(Amounts less than one million yen have been truncated)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 (from April 1, 2017 to March 31, 2018)

#### (1) Consolidated Operating Results

(Percentage figures indicate year-on-year change)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2018	438,026	(3.0)	7,721	203.4	8,515	–	5,891	25.6
March 31, 2017	451,627	(7.9)	2,545	(86.3)	(2,366)	–	4,691	(29.0)

(Note) Comprehensive income: Fiscal year ended March 31, 2018: ¥7,605 million (–%)  
Fiscal year ended March 31, 2017: ¥(4,351) million (–%)

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended					
March 31, 2018	67.86	67.80	6.0	2.3	1.8
March 31, 2017	54.03	54.01	4.6	(0.6)	0.6

(Reference) Share of profit (loss) of entities accounted for using equity method:  
Fiscal year ended March 31, 2018: ¥563 million  
Fiscal year ended March 31, 2017: ¥473 million

\* With an effective date of October 1, 2016, a 10:1 share consolidation of common stock was implemented. Accordingly, basic earnings per share and diluted earnings per share have been calculated on the assumption that this consolidation of shares was carried out at the beginning of the previous fiscal year.

#### (2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2018	371,778	102,144	26.9	1,154.03
As of March 31, 2017	360,724	97,215	26.9	1,115.68

(Reference) Shareholders' equity: As of March 31, 2018: ¥100,169 million  
As of March 31, 2017: ¥96,878 million

### (3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2018	15,578	(10,485)	(11,512)	45,481
March 31, 2017	41,967	7,588	(43,985)	51,980

### 2. Dividends

	Dividend per share					Total dividend amount (Annual)	Dividend payout ratio (Consolidated)	Dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2017	–	2.00	–	30.00	–	4,343	92.5	4.3
March 31, 2018	–	20.00	–	30.00	50.00	4,343	73.7	4.4
Fiscal year ending March 31, 2019 (Projection)	–	0.00	–	50.00	50.00		86.5	

\* The amount of interim dividend per share for fiscal year ended March 31, 2017 shows the amount prior to the share consolidation and a “–” is used to indicate the total amount. The annual dividend per share that is calculated in accordance with the standard after the consolidation of shares is ¥50 per share for the fiscal year ended March 31, 2017.

### 3. Consolidated Results Projection for the Fiscal Year Ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

(Percentage figures indicate year-on-year change)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First six months	196,000	1.0	(3,000)	–	(3,500)	–	(6,000)	–	(69.37)
Full year	450,000	2.7	14,000	81.3	13,000	52.7	5,000	(15.1)	57.81

#### Notes:

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in the scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates and restatements
  - 1) Changes in accounting policies in accordance with revision of accounting standards, etc.: None
  - 2) Any changes in accounting policies other than 1) above: None
  - 3) Changes in accounting estimates: None
  - 4) Restatements: None
- (3) Number of shares issued (common stock)
  - 1) Number of shares issued at the end of the period (including treasury shares)
    - As of March 31, 2018: 87,217,602 shares
    - As of March 31, 2017: 87,217,602 shares
  - 2) Number of treasury shares at the end of the period
    - As of March 31, 2018: 417,875 shares
    - As of March 31, 2017: 384,195 shares
  - 3) Average number of shares during the period
    - Fiscal Year ended March 31, 2018: 86,826,746 shares
    - Fiscal Year ended March 31, 2017: 86,836,338 shares

(Note) For information on the number of shares for the basis for calculating basic earnings per share (consolidated), please refer to “Per Share Information” on page 17 of the Attachment.

\* With an effective date of October 1, 2016, a 10:1 share consolidation of common stock was implemented. Accordingly, number of shares issued has been calculated on the assumption that this consolidation of shares was carried out at the beginning of the previous fiscal year.

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2018 (from April 1, 2017 to March 31, 2018)

(1) Non-consolidated Operating Results

(Percentage figures indicate year-on-year change)

	Net sales		Operating income		Ordinary income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2018	203,987	(3.9)	(891)	–	2,327	(77.4)	(1,975)	–
March 31, 2017	212,198	(6.5)	5,025	(49.0)	10,314	(8.0)	(18,691)	–

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Fiscal year ended				
March 31, 2018		(22.75)		–
March 31, 2017		(215.18)		–

\* With an effective date of October 1, 2016, a 10:1 share consolidation of common stock was implemented. Accordingly, basic earnings per share has been calculated on the assumption that this consolidation of shares was carried out at the beginning of the previous fiscal year.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2018	256,135	77,505	30.2	891.08
As of March 31, 2017	264,613	82,623	31.2	950.12

(Reference) Shareholders' equity: As of March 31, 2018: ¥77,403 million  
As of March 31, 2017: ¥82,529 million

Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

Explanation regarding appropriate use of results projection and other special notes

(Warning on forward-looking statements)

The forward-looking statements including the projection for the financial results contained in this document are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable, and actual results may differ from such statements due to a variety of factors. For the conditions assumed for the results projection and notes on the use of such projections, please refer to "Outlook for the fiscal year ending March 31, 2019" of "1. Overview of Operating Results and Others, (1) Analysis of Operating Results" on page 2 of the Attachment.

(How to obtain supplementary document on financial results)

The Company is scheduled to hold a financial results briefing for institutional investors on May 8, 2018 (Tuesday). The document on financial results is disclosed on TDNet at the same time as this Summary of Consolidated Financial Results and is also made available on the Company's website on the same day.

## Contents of the Attachment

1. Overview of Operating Results and Others .....	2
(1) Analysis of Operating Results .....	2
(2) Analysis of Financial Position .....	5
(3) Basic Policy Concerning the Distribution of Profits and the Dividend Distributions for the Fiscal Year Ended March 31, 2018 and the Fiscal Year Ending March 31, 2019 .....	5
2. Basic Approach to the Selection of Accounting Standards .....	5
3. Consolidated Financial Statements .....	6
(1) Consolidated Balance Sheets .....	6
(2) Consolidated Statements of Income and Comprehensive Income .....	8
(Consolidated Statements of Income) .....	8
(Consolidated Statements of Comprehensive Income) .....	9
(3) Consolidated Statements of Changes in Equity .....	10
(4) Consolidated Statements of Cash Flows .....	12
(5) Notes to Consolidated Financial Statements .....	13
(Notes Relating to Going Concern Assumption).....	13
(Additional Information).....	13
(Segment Information).....	13
(Per Share Information).....	15
(Significant Subsequent Event).....	15

## 1. Overview of Operating Results and Others

### (1) Analysis of Operating Results

#### 1) Results of operations for the fiscal year under review (April 1, 2017 to March 31, 2018)

Looking at the global economy during the fiscal year ended March 31, 2018, in the U.S., the economy underwent a steady recovery, due to factors such as an increase in private consumption and capital investment, and the economy showed a gradual recovery in Europe and emerging countries, such as in China. The Japanese economy continued its modest recovery supported by factors such as increases in employment and capital investment.

Under this business environment, OKI Group reported net sales of ¥438.0 billion, a ¥13.6 billion or 3.0% decrease year-on-year, due to weak sales of ATMs in the overseas market by the mechatronics systems business, despite sales in the ICT business and the EMS business generally remaining stable and the printer business benefiting from the effects of the weak yen. Operating income was ¥7.7 billion, an increase of ¥5.2 billion year-on-year, due to the absence of one-off losses recorded in the previous fiscal year, despite the impact of a decline in sales volume.

Ordinary income was ¥8.5 billion, an improvement of ¥10.9 billion year-on-year, due to factors such as the ¥4.8 billion of foreign exchange losses recorded in the previous fiscal year changing to a foreign exchange gain of ¥0.2 billion in the fiscal year under review. Profit attributable to owners of parent was ¥5.9 billion, an increase of ¥1.2 billion year-on-year.

(Billions of yen)	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2017	Year-on-year change rate
Net sales	438.0	451.6	(3.0)%
Operating income	7.7	2.5	203.4%
Ordinary income (loss)	8.5	(2.4)	—
Profit attributable to owners of parent	5.9	4.7	25.6%

Net sales and operating income to external customers by business were as follows.

#### <ICT>

Net sales came to ¥172.7 billion (a year-on-year decrease of 2.6% or ¥4.7 billion). The decline resulted from factors such as moving network-related projects to the following fiscal year, despite some projects for public agencies returning favorable results.

Operating income came to ¥13.5 billion (a year-on-year decrease of ¥0.9 billion), with the effect of a decrease in sales being compensated for by differences in product mix and reduced costs.

(Billions of yen)	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2017	Year-on-year change rate
Net sales	172.7	177.4	(2.6)%
Operating income	13.5	14.4	(6.1)%

<Mechatronics Systems>

Net sales came to ¥93.5 billion (a year-on-year decrease of 7.3% or ¥7.4 billion). The decline largely resulted from the effect of the slump in ATM sales in the overseas market, despite increased revenue due to the standardization of the fiscal periods of Brazilian subsidiaries.

Operating loss came to ¥5.1 billion (a year-on-year improvement of ¥6.7 billion), due to the absence of the effect of the one-off loss recorded in the allowance for doubtful receivables in the previous fiscal year, despite the impact of a decline in sales volume.

(Billions of yen)	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2017	Year-on-year change rate
Net sales	93.5	100.9	(7.3)%
Of which, sales in Japan	61.1	60.5	1.2%
sales in overseas	32.4	40.5	(20.0)%
Operating income	(5.1)	(11.8)	–

<Printers>

Net sales came to ¥108.9 billion (a year-on-year decrease of 3.1% or ¥3.5 billion). The decline was due to the decline in sales in the office printing market, as part of the process of the shift to the industrial printing market, despite the effect of increased revenue due to the weak yen.

Operating income was ¥2.7 billion (a year-on-year increase of ¥1.7 billion), due to the effect of business structure reforms and the weak yen.

(Billions of yen)	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2017	Year-on-year change rate
Net sales	108.9	112.4	(3.1)%
Of which, sales in Japan	28.5	29.8	(4.2)%
sales in overseas	80.4	82.6	(2.7)%
Operating income	2.7	1.0	164.1%

<EMS>

Net sales came to ¥47.7 billion (a year-on-year increase of 10.5% or ¥4.5 billion), due to favorable results from the printed circuit board business, including for semiconductor-related devices. Operating income came to ¥2.2 billion (a year-on-year increase of ¥0.1 billion) owing to higher sales volume.

(Billions of yen)	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2017	Year-on-year change rate
Net sales	47.7	43.2	10.5%
Operating income	2.2	2.1	8.5%

<Others>

Net sales came to ¥15.2 billion (a year-on-year decrease of 14.5% or ¥2.6 billion), due to the effect of reduced income resulting from the exclusion from the scope of consolidation of Oki Sensor Device Corporation for which a share transfer was conducted in March 31, 2017, despite the effect of the consolidation of Oki Electric Cable Co., Ltd. in the fourth quarter under review. Operating income came to ¥2.0 billion (a year-on-year decrease of ¥1.4 billion) owing to lower sales volume.

(Billions of yen)	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2017	Year-on-year change rate
Net sales	15.2	17.8	(14.5)%
Operating income	2.0	3.4	(41.1)%

2) Outlook for the fiscal year ending March 31, 2019

In the fiscal year ending March 31, 2019, while the global economy is expected to continue recovering at a moderate pace, there are concerns for possible impacts from uncertainty about the U.S. policies and the UK leaving the EU.

As the business outlook for the OKI Group for the fiscal year ending March 31, 2019, the Company projects a ¥12.0 billion year-on-year increase in net sales to ¥450.0 billion, a ¥6.3 billion increase in operating income to ¥14.0 billion, a ¥4.5 billion increase in ordinary income to ¥13.0 billion and a ¥0.9 billion decrease in profit attributable to owners of parent to ¥5.0 billion. Foreign exchange differences are not factored in for the non-operating income and expenses.

In the ICT business, the Company plans to further strengthen a number of IoT-related co-creation businesses launched in the previous fiscal year, and aims to steadily increase profits in the existing businesses. In the Mechatronics Systems business, the Company will review the strategy for the overseas ATM business, of which sales were weak in the previous fiscal year, while also aiming to improve profits by carrying out structural reforms. In the Printers business, as the Company has almost completed setting out the system for shifting to the industrial printing market, it will work to increase profits in the said market. In the EMS business, the Company will continue to work for its further growth, as it expects the business to remain strong as in the previous fiscal year.

The exchange rates used in the consolidated results projection are ¥110.0 to the U.S. dollar and ¥130.0 to the euro.

(Billions of yen)	Fiscal year ending March 31, 2019	Fiscal year ended March 31, 2018	Year-on-year change rate
Net sales	450.0	438.0	2.7%
Operating income	14.0	7.7	81.3%
Ordinary income	13.0	8.5	52.7%
Profit attributable to owners of parent	5.0	5.9	(15.1)%

	(Billions of yen)	Fiscal year ending March 31, 2019	Fiscal year ended March 31, 2018	Year-on-year change rate
ICT	Net sales	185.0	172.7	7.1%
	Operating income	14.0	13.5	3.6%
Mechatronics Systems	Net sales	83.0	93.5	(11.3)%
	Operating income	0.0	(5.1)	–
Printers	Net sales	105.0	108.9	(3.6)%
	Operating income	3.5	2.7	28.2%
EMS	Net sales	71.0	55.5	28.0%
	Operating income	4.5	3.2	39.4%
Others	Net sales	6.0	7.4	(18.6)%
	Operating income	0.5	1.0	(49.8)%
Elimination/corporate	Operating income	(8.5)	(7.7)	–
Total	Net sales	450.0	438.0	2.7%
	Operating income	14.0	7.7	81.3%

\* The figures in the EMS and Others for the fiscal year ended March 31, 2018, have been restated.

(Warning on forward-looking statements)

The forward-looking statements including the projection for the financial results contained in this document are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable, and actual results may differ from such statements due to a variety of factors. Major factors that may affect actual results include market trends, a sharp rise in raw material prices, abrupt currency fluctuations and disasters. It should be noted, however, that factors that may affect actual results are not limited to these items.

## (2) Analysis of Financial Position

### 1) Assets, liabilities, and net assets at the end of the fiscal year under review

At the end of the fiscal year under review, total assets increased by ¥11.1 billion from the end of the previous fiscal year to ¥371.8 billion. Meanwhile, shareholders' equity increased by ¥3.3 billion from the end of the previous fiscal year to ¥100.2 billion mainly due to the recording of profit attributable to owners of parent of ¥5.9 billion and the increase of ¥1.9 billion in accumulated other comprehensive income, despite distribution of ordinary dividends of ¥4.3 billion.

As a result, shareholders' equity ratio stood at 26.9%.

With respect to major increases in assets, there were increases of ¥7.2 billion in property, plant and equipment and ¥5.9 billion in net defined benefit asset.

With respect to major increases in liabilities, there was an increase of ¥8.4 billion in notes and accounts payable – trade. Loans payable decreased by ¥5.1 billion from ¥87.0 billion at the end of the previous year to ¥81.9 billion.

### 2) Cash flows for the fiscal year under review

Net cash provided by operating activities amounted to ¥15.6 billion (¥42.0 billion of cash inflow for the previous fiscal year), due mainly to a decrease in working capital.

Net cash used in investing activities amounted to ¥10.5 billion (¥7.6 billion of cash inflow for the previous fiscal year), due mainly to purchase of property, plant and equipment and payments for sales of shares of subsidiaries resulting in change in scope of consolidation.

As a result, free cash flow, which is the sum of cash flows from operating activities and cash flows from investing activities, resulted in a net inflow of ¥5.1 billion (net inflow of ¥49.6 billion for the previous fiscal year).

Net cash used in financing activities amounted to ¥11.5 billion (¥44.0 billion of cash outflow for the previous fiscal year), due mainly to repayments of loans payable and the distribution of ordinary dividends.

In addition to the above factors, due to a decrease of ¥0.1 billion in effect of exchange rate change on cash and cash equivalents, cash and cash equivalents at the end of the fiscal year under review decreased from ¥52.0 billion at the end of the previous fiscal year to ¥45.5 billion.

### (3) Basic Policy Concerning the Distribution of Profits and the Dividend Distributions for the Fiscal Year Ended March 31, 2018 and the Fiscal Year Ending March 31, 2019

The Company recognizes at all times that strengthening its financial structure and securing internal reserves for enhancing the OKI Group's corporate value, as well as striving to increase returns to shareholders who will hold shares over the medium to long term, are management's highest priorities.

Regarding the use of internal reserves, the Company will make investments in research and development and equipment required for future growth with a view to strengthening management bases. Furthermore, in determining the dividend amounts, the Company will place the most focus on the continuation of a stable return of profits to shareholders and also take financial results into account.

Based on this policy, the Company will distribute dividends of surplus (a year-end dividend) at ¥30.00 per share for the fiscal year under review. The Company will pay an annual dividend of ¥50.00 per share including the interim dividend of ¥20.00 per share.

As for dividends of surplus for the next fiscal year, the Company plans to pay an annual dividend of ¥50.00 per share as a year-end dividend.

## 2. Basic Approach to the Selection of Accounting Standards

The OKI Group is conducting studies on the differences between the International Financial Reporting Standards (IFRS) and J-GAAP and their potential impact. The OKI Group is moving ahead with deliberations on the future application of IFRS.



### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	54,164	48,698
Notes and accounts receivable - trade	101,572	97,936
Lease investment assets	5,430	8,024
Finished goods	20,423	17,041
Work in process	19,656	21,867
Raw materials and supplies	22,502	21,296
Deferred tax assets	5,454	5,677
Other	9,679	10,012
Allowance for doubtful accounts	(7,377)	(132)
Total current assets	231,506	230,420
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	20,449	21,957
Machinery, equipment and vehicles, net	7,337	7,505
Tools, furniture and fixtures, net	10,004	9,014
Land	6,780	13,240
Construction in progress	211	332
Total property, plant and equipment	44,783	52,048
Intangible assets	10,891	9,952
Investments and other assets		
Investment securities	49,576	48,760
Net defined benefit asset	9,511	15,357
Long-term operating receivables	18,659	22,456
Other	7,768	12,706
Allowance for doubtful accounts	(11,971)	(19,924)
Total investments and other assets	73,544	79,356
Total non-current assets	129,218	141,357
Total assets	360,724	371,778
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	58,685	67,124
Short-term loans payable	56,882	58,958
Accounts payable - other	12,389	19,768
Accrued expenses	29,499	21,952
Other	19,103	18,861
Total current liabilities	176,559	186,666
Non-current liabilities		
Long-term loans payable	30,129	22,956
Lease obligations	7,135	8,950
Deferred tax liabilities	14,683	17,044
Provision for directors' retirement benefits	490	502
Net defined benefit liability	26,199	27,814
Other	8,310	5,700
Total non-current liabilities	86,949	82,967
Total liabilities	263,509	269,634

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Net assets		
Shareholders' equity		
Capital stock	44,000	44,000
Capital surplus	19,799	19,795
Retained earnings	44,434	45,983
Treasury shares	(477)	(563)
Total shareholders' equity	107,757	109,215
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,337	6,578
Deferred gains or losses on hedges	(2)	34
Foreign currency translation adjustment	(11,702)	(12,203)
Remeasurements of defined benefit plans	(4,511)	(3,455)
Total accumulated other comprehensive income	(10,878)	(9,045)
Share acquisition rights	94	101
Non-controlling interests	242	1,873
Total net assets	97,215	102,144
Total liabilities and net assets	360,724	371,778

(2) Consolidated Statements of Income and Comprehensive Income  
(Consolidated Statements of Income)

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Net sales	451,627	438,026
Cost of sales	337,393	327,450
Gross profit	114,233	110,576
Selling, general and administrative expenses	111,688	102,854
Operating income	2,545	7,721
Non-operating income		
Interest income	354	191
Dividend income	827	1,571
Share of profit of entities accounted for using equity method	473	563
Dividend income of insurance	355	353
Miscellaneous income	503	885
Total non-operating income	2,514	3,564
Non-operating expenses		
Interest expenses	1,794	1,559
Foreign exchange losses	4,764	–
Penalty	7	325
Miscellaneous expenses	861	884
Total non-operating expenses	7,426	2,770
Ordinary income (loss)	(2,366)	8,515
Extraordinary income		
Gain on step acquisitions	–	1,116
Gain on sales of non-current assets	178	770
Gain on sales of investment securities	1,034	115
Gain on bargain purchase	–	210
Gain on sales of shares of subsidiaries and associates	12,567	–
Gain on sales of investments in capital of subsidiaries and associates	–	119
Gain on extinguishment of debt	–	179
Gain on return of assets from retirement benefits trust	7,822	–
Total extraordinary income	21,602	2,512
Extraordinary losses		
Loss on disposal of non-current assets	3,086	373
Business structure improvement expenses	–	2,526
Loss on Anti-Monopoly Act	2,477	–
Total extraordinary losses	5,563	2,900
Profit before income taxes	13,672	8,128
Income taxes - current	2,704	2,561
Income taxes - deferred	6,530	(217)
Total income taxes	9,235	2,344
Profit	4,437	5,783
Loss attributable to non-controlling interests	(254)	(108)
Profit attributable to owners of parent	4,691	5,891

## (Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Profit	4,437	5,783
Other comprehensive income		
Valuation difference on available-for-sale securities	667	1,332
Deferred gains or losses on hedges	559	37
Foreign currency translation adjustment	496	(495)
Remeasurements of defined benefit plans, net of tax	(10,543)	956
Share of other comprehensive income of entities accounted for using equity method	30	(8)
Total other comprehensive income	(8,788)	1,821
Comprehensive income	(4,351)	7,605
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(4,033)	7,725
Comprehensive income attributable to non- controlling interests	(318)	(119)

(3) Consolidated Statements of Changes in Equity  
Fiscal year ended March 31, 2017 (From April 1, 2016 to March 31, 2017)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	44,000	21,673	44,255	(468)	109,460
Changes of items during period					
Dividends of surplus			(4,343)		(4,343)
Profit attributable to owners of parent			4,691		4,691
Purchase of treasury shares				(8)	(8)
Disposal of treasury shares					-
Change of scope of consolidation			(168)		(168)
Change in ownership interest of parent due to transactions with non-controlling interests		(1,873)			(1,873)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(1,873)	179	(8)	(1,702)
Balance at end of current period	44,000	19,799	44,434	(477)	107,757

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	4,642	(562)	(12,835)	6,028	(2,726)	79	572	107,384
Changes of items during period								
Dividends of surplus								(4,343)
Profit attributable to owners of parent								4,691
Purchase of treasury shares								(8)
Disposal of treasury shares								-
Change of scope of consolidation								(168)
Change in ownership interest of parent due to transactions with non-controlling interests								(1,873)
Net changes of items other than shareholders' equity	695	559	1,133	(10,540)	(8,151)	15	(329)	(8,466)
Total changes of items during period	695	559	1,133	(10,540)	(8,151)	15	(329)	(10,168)
Balance at end of current period	5,337	(2)	(11,702)	(4,511)	(10,878)	94	242	97,215

Fiscal year ended March 31, 2018 (From April 1, 2017 to March 31, 2018)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	44,000	19,799	44,434	(477)	107,757
Changes of items during period					
Dividends of surplus			(4,343)		(4,343)
Profit attributable to owners of parent			5,891		5,891
Purchase of treasury shares				(99)	(99)
Disposal of treasury shares		(4)		12	8
Change of scope of consolidation					–
Change in ownership interest of parent due to transactions with non-controlling interests		0			0
Net changes of items other than shareholders' equity					
Total changes of items during period	–	(4)	1,548	(86)	1,457
Balance at end of current period	44,000	19,795	45,983	(563)	109,215

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	5,337	(2)	(11,702)	(4,511)	(10,878)	94	242	97,215
Changes of items during period								
Dividends of surplus								(4,343)
Profit attributable to owners of parent								5,891
Purchase of treasury shares								(99)
Disposal of treasury shares								8
Change of scope of consolidation								–
Change in ownership interest of parent due to transactions with non-controlling interests								0
Net changes of items other than shareholders' equity	1,240	37	(500)	1,056	1,833	6	1,631	3,471
Total changes of items during period	1,240	37	(500)	1,056	1,833	6	1,631	4,929
Balance at end of current period	6,578	34	(12,203)	(3,455)	(9,045)	101	1,873	102,144

## (4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
<b>Cash flows from operating activities</b>		
Profit before income taxes	13,672	8,128
Depreciation	13,991	12,978
Loss (gain) on step acquisitions	–	(1,116)
Gain on return of assets from retirement benefits trust	(7,822)	–
Increase (decrease) in provision	13,244	1,152
Interest and dividend income	(1,182)	(1,762)
Interest expenses	1,794	1,559
Loss (gain) on disposal of non-current assets	2,907	(397)
Decrease (increase) in notes and accounts receivable - trade	30,440	5,576
Decrease (increase) in inventories	15,515	3,296
Increase (decrease) in notes and accounts payable - trade	(1,040)	7,593
Increase (decrease) in accounts payable - other	1,400	7,540
Increase (decrease) in accrued expenses	(3,684)	(7,885)
Decrease (increase) in long-term operating receivables	(17,803)	(3,174)
Other, net	(16,361)	(14,013)
<b>Subtotal</b>	<b>45,072</b>	<b>19,475</b>
Interest and dividend income received	1,181	1,761
Interest expenses paid	(1,842)	(1,496)
Income taxes paid	(2,445)	(2,176)
Payments for loss on Anti-Monopoly Act	–	(1,985)
<b>Net cash provided by (used in) operating activities</b>	<b>41,967</b>	<b>15,578</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(8,773)	(6,801)
Proceeds from sales of property, plant and equipment	5,760	2,745
Purchase of intangible assets	(5,194)	(2,638)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(3,199)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	14,218	–
Other payments	(1,760)	(1,217)
Other proceeds	3,337	626
<b>Net cash provided by (used in) investing activities</b>	<b>7,588</b>	<b>(10,485)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(13,360)	(598)
Proceeds from long-term loans payable	–	15,000
Repayments of long-term loans payable	(22,418)	(18,894)
Cash dividends paid	(4,317)	(4,322)
Repayments of lease obligations	(2,660)	(2,724)
Other, net	(1,227)	28
<b>Net cash provided by (used in) financing activities</b>	<b>(43,985)</b>	<b>(11,512)</b>
Effect of exchange rate change on cash and cash equivalents	(117)	(79)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>5,453</b>	<b>(6,498)</b>
Cash and cash equivalents at beginning of period	46,322	51,980
Increase in cash and cash equivalents from newly consolidated subsidiary	205	–
<b>Cash and cash equivalents at end of period</b>	<b>51,980</b>	<b>45,481</b>

(5) Notes to Consolidated Financial Statements

(Notes Relating to Going Concern Assumption)

Not applicable

(Additional information)

(Changes to the fiscal year-end dates of consolidated subsidiaries)

Previously, for OKI BRASIL INDÚSTRIA E COMÉRCIO DE PRODUTOS E TECNOLOGIA EM AUTOMAÇÃO S.A. and seven other companies whose closing date was December 31, the financial statements as of December 31 were used, and necessary adjustments were made for major transactions that occurred between the date and the consolidated closing date. However, from the fiscal year under review, those companies have changed the method to perform provisional closing on the consolidated closing date in order to make more appropriate disclosure of consolidated financial statements.

In accordance with this change, the fiscal year under review applies to the 15 months from January 1, 2017 to March 31, 2018, and adjustments have been made through the consolidated statements of income.

(Segment Information)

1. Overview of reportable segments

The reportable segments of the Company are the business units for which the Company is able to obtain respective financial information separately in order for the Board of Directors to conduct periodic review to determine distribution of management resources and evaluate their business results.

The Company mainly conducts “ICT,” “Mechatronics Systems” and “EMS,” and the OKI Data Group (Oki Data Corporation and its group companies) conducts “Printers” as an independent management unit.

Each of them plans comprehensive strategies about their main product lines in domestic and overseas markets and deploys business activities. The above four businesses are the reportable segments.

“ICT” provides solutions that leverage IoT and solutions that enable business processes to be optimized and streamlined.

“Mechatronics Systems” provides products and services built on core mechatronics technology including ATMs and cash handling equipment.

“Printers” provides LED technology-featured printers.

“EMS” conducts consigned manufacturing business based on our extensive record in social infrastructure equipment.

Listed below are the major products and services of each reportable segment:

Business segment	Major products and services
ICT	Traffic infrastructure-related systems, disaster-related systems, self-defense-related systems, communications equipment for telecom carriers, bank branch systems, centered-administration systems, ticket reservations and issuing systems, IP-PBX, business telephones, contact centers, 920MHz band wireless multi-hop communication systems, etc.
Mechatronics Systems	ATMs, cash handling equipment, bank branch terminals, ticket reservations and issuing terminals, check-in terminals, currency exchange machines, and ATM monitoring and operations services, etc.
Printers	Color and monochrome LED printers, color and monochrome LED multifunction printers, wide format ink jet printers, and dot-impact printers, etc.
EMS	Consigned designing and manufacturing services, printed circuit boards, etc.

2. Calculation methods for the amount of net sales, profit and loss by reportable segment

Segment income is calculated on an operating income basis. Intersegment transactions are calculated based on prevailing market rates.



3. Information about amounts of net sales, profit and loss by reportable segment  
Previous fiscal year (from April 1, 2016 to March 31, 2017)

(Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated financial statements
	ICT	Mechatronics Systems	Printers	EMS	Total				
Net sales									
Net sales to external customers	177,391	100,923	112,389	43,165	433,870	17,756	451,627	–	451,627
Intersegment net sales or transfers	4,312	1,622	5,617	181	11,733	19,108	30,842	(30,842)	–
Total	181,703	102,545	118,007	43,346	445,603	36,865	482,469	(30,842)	451,627
Segment income (loss)	14,385	(11,818)	1,033	2,058	5,659	3,431	9,090	(6,545)	2,545

Current fiscal year (from April 1, 2017 to March 31, 2018)

(Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated financial statements
	ICT	Mechatronics Systems	Printers	EMS	Total				
Net sales									
Net sales to external customers	172,716	93,542	108,905	47,677	422,841	15,185	438,026	–	438,026
Intersegment net sales or transfers	4,002	2,125	5,815	131	12,075	17,442	29,518	(29,518)	–
Total	176,718	95,667	114,721	47,809	434,917	32,627	467,545	(29,518)	438,026
Segment income (loss)	13,513	(5,093)	2,729	2,233	13,382	2,022	15,404	(7,682)	7,721

Notes: 1. “Others” consists of businesses not included in the reportable segments, such as provision of services, and manufacturing and sales of other equipment products.

2. Details of adjustment are as follows:

(Millions of yen)

Segment income or loss	Previous fiscal year	Current fiscal year
Elimination of intersegment transactions	321	164
Corporate expenses*	(6,874)	(7,783)
Adjustment to non-current assets	7	(63)
Total	(6,545)	(7,682)

\* Corporate expenses are mainly general and administrative expenses and research and development expenses that are not attributable to the reportable segments.

## (Per Share Information)

	Previous fiscal year (From April 1, 2016 to March 31, 2017)	Current fiscal year (From April 1, 2017 to March 31, 2018)
Net assets per share	¥1,115.68	¥1,154.03
Basic earnings per share	¥54.03	¥67.86
Diluted earnings per share	¥54.01	¥67.80

Notes: 1. The Company consolidated ten shares of common stock into one share of common stock as of October 1, 2016. Net assets per share, basic earnings per share and diluted earnings per share are calculated assuming that the shares were consolidated at the beginning of the previous fiscal year.

2. The basis for calculation of basic earnings per share and diluted earnings per share is as follows:

	Previous fiscal year (From April 1, 2016 to March 31, 2017)	Current fiscal year (From April 1, 2017 to March 31, 2018)
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	4,691	5,891
Profit not attributable to common shareholders (Millions of yen)	–	–
Profit attributable to owners of parent related to common stock (Millions of yen)	4,691	5,891
Weighted average number of shares of common stock during the period (Thousand shares)	86,836	86,826
Diluted earnings per share		
Adjustment to profit attributable to owners of parent (Millions of yen)	–	–
Increase of common stock (Thousand shares)	29	80
Outline of dilutive shares not counted in the calculation of diluted earnings per share due to no dilutive effect	Subscription rights to shares (1 class)	–

3. The basis for calculation of net assets per share is as follows:

	Previous fiscal year (As of March 31, 2017)	Current fiscal year (As of March 31, 2018)
Total net assets (Millions of yen)	97,215	102,144
Amount deducted from the total net assets (Millions of yen)	337	1,974
[Subscription rights to shares included in the above]	[94]	[101]
[Non-controlling interests included in the above]	[242]	[1,873]
Amount of net assets related to common stock at end of period (Millions of yen)	96,878	100,169
Number of common stock used to calculate net assets per share at end of period (Thousand shares)	86,833	86,799

## (Significant Subsequent Event)

Not applicable