

Financial Results for the First Half of FY ending March 31, 2020

November 7, 2019

Oki Electric Industry Co., Ltd.

Summary of Financial Results

- Net sales increased due to the impact of big projects and the expanded scope of application of percentage of completion method.
- Operating income increased due to the impact of structural reforms in the previous fiscal year in addition to sales increase.
- Profit attributable to owners of parent improved significantly due to recording extraordinary income on sales of assets, etc.

(Billion yen)	1H FY2020/3 (Results)	1H FY2019/3 (Results)	Variance
Net sales	218.4	193.6	+24.8
Operating income	5.2	0.8	+4.4
Ordinary income (loss)	2.9	(0.8)	+3.7
Profit (loss) attributable to owners of parent	4.1	(2.6)	+6.7
USD average exchange rate (Yen)	108.6	110.3	(1.7)
EUR average exchange rate (Yen)	121.4	129.8	(8.4)

Segment Information (Net Sales)

- ICT: Increased due to the impact of the expanded scope of application of percentage of completion method mainly in some government agency projects, in addition to the increase in social infrastructure and network-related projects
- Mechatronics Systems: Declined upon the absence of big project in Japanese market in the previous fiscal year
- Printers: Decreased due to sales decline for office printers in Europe and the impact of yen appreciation
- EMS: Decreased mainly in FA and semiconductor-related sales

(Billion yen)	1H FY2020/3 (Results)	1H FY2019/3 (Results)*	Variance
ICT	103.6	68.3	+35.3
Mechatronics systems	35.8	38.5	(2.7)
Printers	47.0	50.8	(3.8)
EMS	29.1	33.0	(3.9)
Others	2.8	3.0	(0.2)
Total	218.4	193.6	+24.8

*Results of EMS and Others are restated.

Segment Information (Operating Income/Loss)

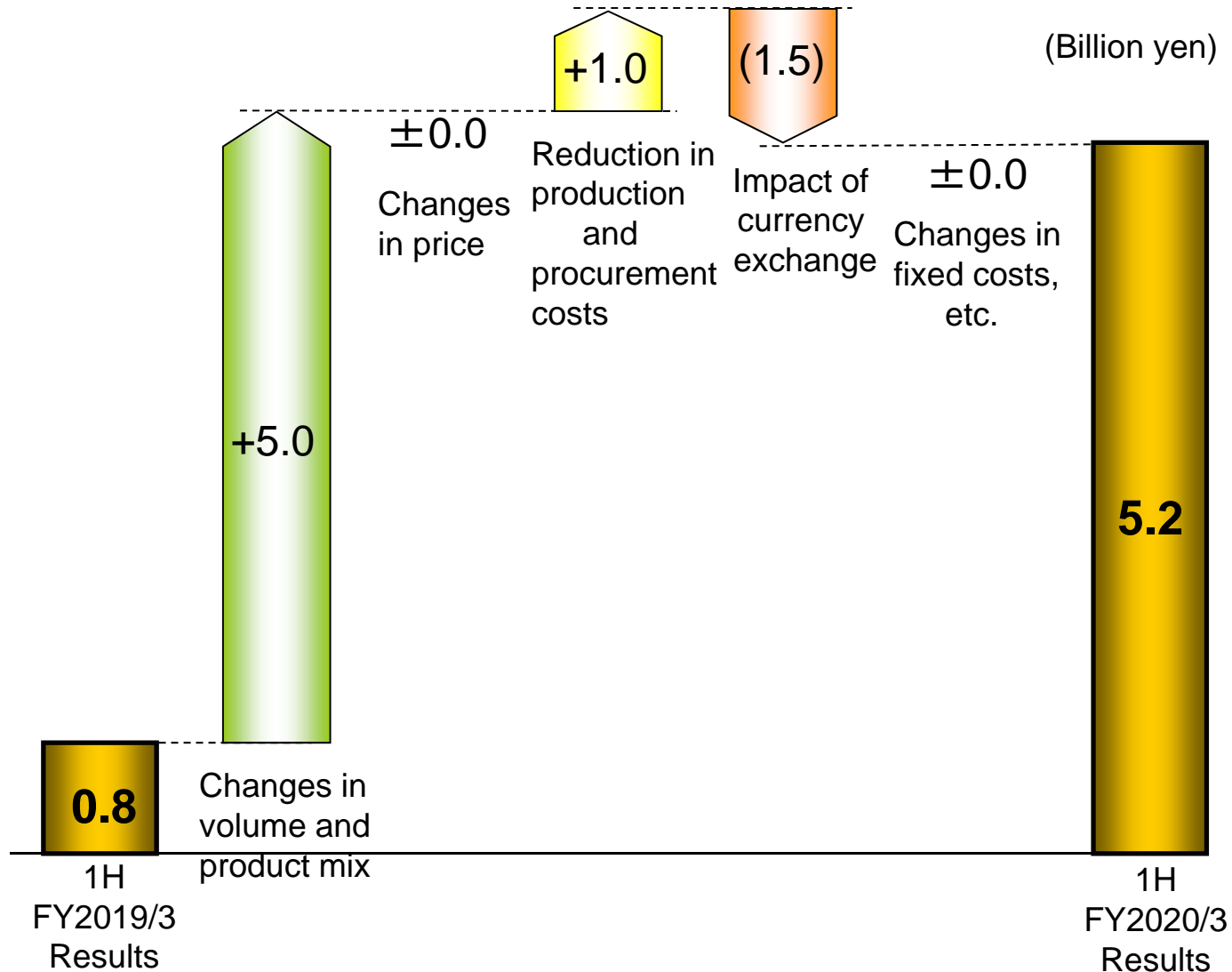
- ICT: Increased significantly due to the sales increase
- Mechatronics Systems: Improved due to the effect of structural reforms conducted in the previous fiscal year
- Printers: Decreased due to the impact of declined sales and yen appreciation for Euro
- EMS: Decreased due to the sales decline

(Billion yen)	1H FY2020/3 (Results)	1H FY2019/3 (Results)*	Variance
ICT	5.9	0.8	+5.1
Mechatronics Systems	(0.2)	(1.7)	+1.5
Printers	2.1	2.9	(0.8)
EMS	0.8	1.6	(0.8)
Others	0.4	0.6	(0.2)
Corporate & Eliminations	(3.7)	(3.4)	(0.3)
Total	5.2	0.8	+4.4

*Results of EMS and Others are restated.

Reasons for Changes in Operating Income

- Operating income increased significantly due to the impact of sales increases.



Balance Sheets

- There is no major change in the composition of each asset and liability.
- Shareholders' equity ratio increased by 0.7 points due to the reduction of total assets.

(Billion yen)	Sep. 2019	Mar. 2019	Variance
Current assets	213.9	223.2	(9.3)
Fixed assets	144.1	142.3	+1.8
Assets	357.9	365.5	(7.6)
Current liabilities	167.9	176.2	(8.3)
Fixed liabilities	89.6	89.1	+0.5
Liabilities	257.4	265.3	(7.9)
Shareholders' equity	100.3	99.9	+0.4
Others	0.2	0.3	(0.1)
Net assets	100.5	100.2	+0.3
Total liabilities and net assets	357.9	365.5	(7.6)
Shareholders' equity ratio (%)	28.0	27.3	+0.7%
D/E ratio (times)	0.7	0.8	(0.1)pt

Cash Flows

- Cash flows from investing activities improved due to sales of fixed assets, etc.

(Billion yen)	1H FY2020/3 (Results)	1H FY2019/3 (Results)	Variance
I Cash flows from operating activities	12.1	10.3	+1.8
II Cash flows from investing activities	1.4	(5.1)	+6.5
Free cash flows (I + II)	13.5	5.2	+8.3
III Cash flows from financing activities	(13.3)	(9.4)	(3.9)
Cash and cash equivalents	26.6	41.5	(14.9)
Purchases of PP&E and intangible assets	(7.4)	(6.2)	(1.2)
Depreciation	6.1	5.8	+0.3

Revision of Full-Year Projections

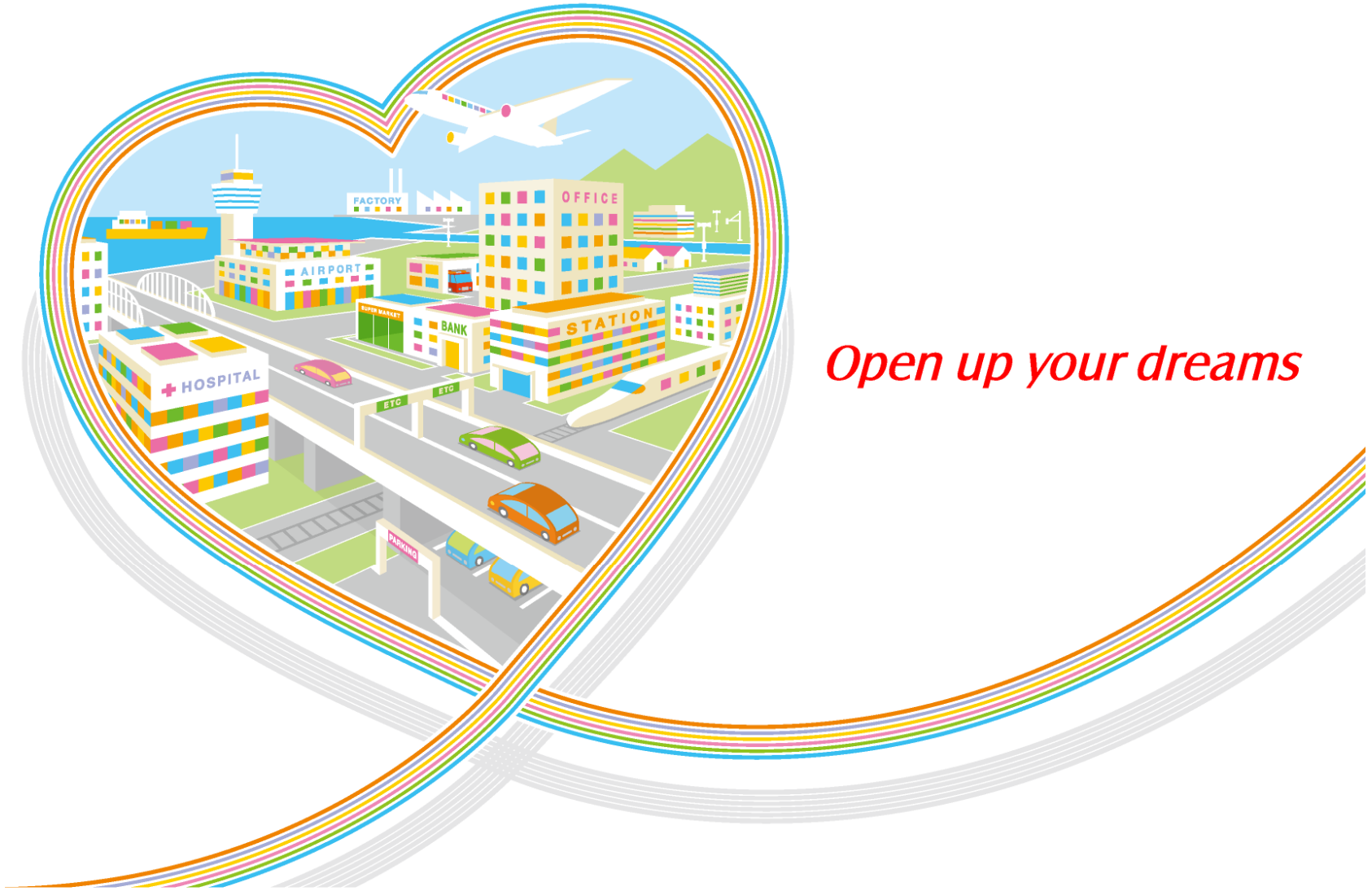
- In light of recent business performance, OKI revises its full-year projections.

(Billion yen)		FY2020/3 (Revised)	FY2020/3 (Original)*	Variance
ICT	Net sales	221.0	203.0	+18.0
	Operating income	17.0	14.5	+2.5
Mechatronics Systems	Net sales	72.0	72.0	0.0
	Operating income	1.0	1.0	0.0
Printers	Net sales	96.0	104.0	(8.0)
	Operating income	4.0	7.0	(3.0)
EMS	Net sales	67.0	67.0	0.0
	Operating income	4.0	4.0	0.0
Others	Net sales	4.0	4.0	0.0
	Operating income	0.5	0.0	+0.5
Eliminates & Corp.	Operating income	(8.0)	(8.0)	0.0
Total	Net sales	460.0	450.0	+10.0
	Operating income	18.5	18.5	0.0
	Ordinary income	15.5	17.0	(1.5)
	Profit attributable to owners of parent	14.0	14.0	0.0

*Disclosed on May 9, 2019

Notice

- The projections and plans in this material are based on information currently available to OKI as of the date of publication and certain assumptions judged as rational, therefore actual results are subject to change depending upon the changes of business environments and other conditions.
- 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.



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