

(Translation)

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 [J-GAAP]

May 10, 2021

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

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Date of Ordinary General Meeting of Shareholders (Scheduled): June 29, 2021

Commencement of Dividend Payment (Scheduled): June 30, 2021

Filing of Securities Report (Scheduled): June 29, 2021

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, 2021 (from April 1, 2020 to March 31, 2021)

(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, 2021	392,868	(14.1)	9,509	(43.5)	9,380	(32.0)	(205)	–
March 31, 2020	457,223	3.6	16,829	(4.0)	13,804	(10.8)	14,086	67.6

(Note) Comprehensive income: Fiscal year ended March 31, 2021: ¥11,147 million ([1.4]%)
Fiscal year ended March 31, 2020: ¥11,306 million (216.1%)

	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, 2021	(2.38)	–	(0.2)	2.5	2.4
March 31, 2020	162.80	162.51	13.7	3.7	3.7

(Reference) Share of profit (loss) of entities accounted for using equity method:
Fiscal year ended March 31, 2021: ¥164 million
Fiscal year ended March 31, 2020: ¥131 million

(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, 2021	373,213	113,265	30.3	1,305.67
As of March 31, 2020	372,471	106,440	28.5	1,227.42

(Reference) Shareholders' equity: As of March 31, 2021: ¥113,023 million
As of March 31, 2020: ¥106,205 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, 2021	18,073	(14,459)	(8,852)	41,830
March 31, 2020	32,547	(2,972)	(9,224)	46,517

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, 2020	–	0.00	–	50.00	50.00	4,326	30.7	4.2
March 31, 2021	–	0.00	–	20.00	20.00	1,731	–	1.6
Fiscal year ending March 31, 2022 (Forecasts)	–	0.00	–	30.00	30.00		74.2	

3. Consolidated Results Forecasts for the Fiscal Year Ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

(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
Full year	400,000	1.8	12,000	26.2	12,000	27.9	3,500	–	40.43

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, 2021: 87,217,602 shares
 - As of March 31, 2020: 87,217,602 shares
 - 2) Number of treasury shares at the end of the period
 - As of March 31, 2021: 653,801 shares
 - As of March 31, 2020: 690,583 shares
 - 3) Average number of shares during the period
 - Fiscal Year ended March 31, 2021: 86,564,407 shares
 - Fiscal Year ended March 31, 2020: 86,529,076 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 16 of the Attachment.

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(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, 2021	216,445	(13.2)	(948)	–	3,539	(75.1)	1,258	(92.5)
March 31, 2020	249,231	15.4	4,202	66.4	14,228	51.1	16,890	99.7

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Fiscal year ended				
March 31, 2021	14.54		14.51	
March 31, 2020	195.20		194.85	

(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, 2021	288,671	89,898	31.1	1,036.59
As of March 31, 2020	286,063	89,264	31.1	1,029.65

(Reference) Shareholders' equity: As of March 31, 2021: ¥89,730 million
As of March 31, 2020: ¥89,092 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 forecasts 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 forecasts and notes on the use of such forecasts, please refer to "Outlook for the fiscal year ending March 31, 2022" of "1. Overview of Operating Results and Others, (1) Analysis of Operating Results" on page 4 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 10, 2021 (Monday). 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.

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1. Overview of Operating Results and Others

(1) Analysis of Operating Results

1) Results of operations for the fiscal year under review (April 1, 2020 to March 31, 2021)

Today, both individuals and companies are required to address many urgent social issues. These include solving global environmental problems, moving toward a sustainable society, overcoming the spread of COVID-19, and establishing a new normal lifestyle.

In this business environment, OKI has been promoting measures in line with its new medium-term business plan, which was launched in 2020, with the aim of becoming a responsible company that will be needed even more by society in the future. Taking advantage of OKI's strengths in network technology, installed base of terminals, and customer relations, OKI is working to realize products and services that resolve seven social issues (aging problems, natural disasters, traffic issues, environmental issues, labor shortages, labor productivity, and the infectious diseases) based on its newly established materiality (material issue).

For the business conditions in the fiscal year ended March 31, 2021, the net sales were ¥392.9 billion, a ¥64.3 billion or 14.1% decrease year-on-year. Several factors, including the business transfer of a Brazilian subsidiary and the spread of COVID-19, had an impact on the results, in addition to the impact of temporary factors in the previous fiscal year, such as large-scale projects and the expansion of the scope of application of the percentage-of-completion method.

In terms of profits, despite some contributions from structural reforms, impact of COVID-19 on sales was significant, resulting in operating income of ¥9.5 billion, a decrease of ¥7.3 billion year-on-year, and ordinary income of ¥9.4 billion, a decrease of ¥4.4 billion year-on-year.

Net loss attributable to owners of parent was ¥0.2 billion, a deterioration of ¥14.3 billion. This was mainly due to the recording of ¥4.6 billion in business restructuring expenses associated with the review of the business portfolio and the reversal of a portion of deferred tax assets.

For the fiscal year under review, the impact of COVID-19 was a decrease of approximately ¥27.0 billion in net sales and a decrease of approximately ¥6.5 billion in operating income.

(Billions of yen)	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2020	Year-on-year change rate
Net sales	392.9	457.2	(14.1)%
Operating income	9.5	16.8	(43.5)%
Ordinary income	9.4	13.8	(32.0)%
Profit(loss) attributable to owners of parent	(0.2)	14.1	—

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

From the fiscal year under review, the reportable segment classification and the method of measuring profit or loss by segment have been changed. Therefore, in the comparison of the previous fiscal year below, figures for the previous fiscal year are compared with figures reclassified according to the new segment classification and new measurement method.

< Solution Systems >

Net sales came to ¥192.5 billion, a year-on-year decrease of 16.0% or ¥36.6 billion, and operating income came to ¥16.3 billion, a year-on-year decrease of ¥3.9 billion. Although there was a reactionary decrease due to temporary factors in the previous fiscal year, such as large-scale projects and a partial review of sales standards, and the impact of COVID-19, the results were largely as expected, partly due to the fact that network-related businesses performed well throughout the year.

(Billions of yen)	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2020	Year-on-year change rate
Net sales	192.5	229.1	(16.0)%
Operating income	16.3	20.2	(19.3)%

< Components & Platforms >

Net sales came to ¥196.5 billion, a year-on-year decrease of 9.1% or ¥19.8 billion. The impact of COVID-19 was strong in overseas markets, particularly in printers. In addition, due to the prolonged COVID-19, the markets in Asian countries where the automation system market is growing have stagnated more than expected, and some domestic EMS business has been affected.

The structural reform of printers has progressed as planned, and its effects are beginning to contribute.

However, the impact of lower overseas sales was significant, resulting in an operating loss of ¥0.1 billion, a year-on-year deterioration of ¥5.3 billion.

(Billions of yen)	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2020	Year-on-year change rate
Net sales	196.5	216.3	(9.1)%
Of which, sales in Japan	138.0	134.5	2.6 %
sales in overseas	58.5	81.8	(28.5)%
Operating income (loss)	(0.1)	5.2	—

<Others>

Net sales came to ¥3.8 billion, a year-on-year decrease of 67.6% or ¥8.1 billion, and operating loss came to ¥0.3 billion, a year-on-year improvement of ¥0.2 billion. Sales decreased due to the transfer of the business of a Brazilian subsidiary.

(Billions of yen)	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2020	Year-on-year change rate
Net sales	3.8	11.9	(67.6)%
Operating income (loss)	(0.3)	(0.5)	—

2) Outlook for the fiscal year ending March 31, 2022

As the business outlook for the OKI Group for the fiscal year ending March 31, 2022, the Company plans a ¥7.1 billion year-on-year increase in net sales to ¥400.0 billion, a ¥2.5 billion increase in operating income to ¥12.0 billion, a ¥2.6 billion increase in ordinary income to ¥12.0 billion and a ¥3.7 billion improvement in profit attributable to owners of parent to ¥3.5 billion.

In the Solution Systems business, we will focus on developing and providing solutions that support customers' digital transformation (DX) and continue to invest aggressively. In the Components & Platforms business, we will steadily implement structural reforms and develop new products and services that meet social needs such as non-face-to-face and non-contact.

The exchange rates used in the consolidated results forecasts are ¥105.00 to the U.S. dollar and ¥120.00 to the euro.

(Billions of yen)	Fiscal year ending March 31, 2022	Fiscal year ended March 31, 2021	Change
Net sales	400.0	392.9	1.8 %
Operating income	12.0	9.5	26.2 %
Ordinary income	12.0	9.4	27.9 %
Profit(loss) attributable to owners of parent	3.5	(0.2)	–

(Billions of yen)		Fiscal year ending March 31, 2022	Fiscal year ended March 31, 2021	Change
Solution Systems	Net sales	198.5	190.8	4.1 %
	Operating income	16.5	16.3	1.0 %
Components & Platforms	Net sales	201.0	201.5	(0.2) %
	Operating income	2.5	(0.4)	–
Others	Net sales	0.5	0.6	(21.5) %
	Operating income	0.0	(0.1)	–
Elimination/corporate	Operating income	(7.0)	(6.4)	–
Total	Net sales	400.0	392.9	1.8 %
	Operating income	12.0	9.5	26.2 %

* The figures for the fiscal year ended March 31, 2021 are 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 ¥0.7 billion from the end of the previous fiscal year to ¥373.2 billion. Shareholders' equity increased by ¥6.8 billion from the end of the previous fiscal year to ¥113.0 billion due to factors such as the increase of ¥11.3 billion in accumulated other comprehensive income, despite distribution of ordinary dividends of ¥4.3 billion. As a result, shareholders' equity ratio stood at 30.3%.

With respect to major increases and decreases in assets, there were decreases of ¥5.9 billion in notes and accounts receivable and ¥4.8 billion in inventories, while retirement benefit asset increased by ¥10.6 billion.

With respect to major increases and decreases in liabilities, notes and accounts payable decreased by ¥5.0 billion. Loans payable increased by ¥0.3 billion from ¥77.7 billion at the end of the previous fiscal year to ¥78.0 billion.

2) Cash flows for the fiscal year under review

Net cash provided by operating activities amounted to ¥18.1 billion (¥32.5 billion of cash inflow for the previous fiscal year), due to the recording of profit before income taxes and effect of adjustment of depreciation.

Net cash used in investing activities amounted to ¥14.5 billion (¥3.0 billion of cash outflow for the previous fiscal year), due to purchase of property, plant and equipment, despite proceeds from sales of property, plant and equipment proceeds.

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 ¥3.6 billion (net inflow of ¥29.5 billion for the previous fiscal year).

Net cash used in financing activities amounted to ¥8.9 billion (¥9.2 billion of cash outflow for the previous fiscal year), due to distribution of ordinary dividends and repayments of lease obligations.

Cash and cash equivalents at the end of the fiscal year under review decreased from ¥46.5 billion at the end of the previous fiscal year to ¥41.8 billion due to the above factors and an increase of ¥0.6 billion in effect of exchange rate change on cash and cash equivalents.

(3) Basic Policy Concerning the Distribution of Profits and the Dividend Distributions for the Fiscal Year Ended March 31, 2021 and the Fiscal Year Ending March 31, 2022

The Company recognizes 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 and future management measures into account.

Based on this policy, the Company will distribute dividends of surplus (annual dividends) at ¥20.00 per share for the fiscal year under review, which is scheduled to be paid as year-end dividends under review.

As for dividends of surplus for the next fiscal year, the Company plans to pay an annual dividend of ¥30.00 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, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	49,227	44,845
Notes and accounts receivable - trade	111,314	105,371
Lease receivables and investments in leases	14,150	12,732
Finished goods	15,901	14,889
Work in process	14,332	14,558
Raw materials and supplies	21,978	17,937
Other	10,202	11,999
Allowance for doubtful accounts	(382)	(165)
Total current assets	236,726	222,170
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	21,357	20,239
Machinery, equipment and vehicles, net	9,421	8,550
Tools, furniture and fixtures, net	8,719	7,862
Land	11,611	14,272
Construction in progress	318	390
Total property, plant and equipment	51,428	51,314
Intangible assets	11,288	13,637
Investments and other assets		
Investment securities	34,694	38,632
Retirement benefit asset	20,007	30,635
Long-term operating receivables	20,549	22,245
Other	15,765	14,181
Allowance for doubtful accounts	(17,989)	(19,604)
Total investments and other assets	73,027	86,091
Total non-current assets	135,744	151,043
Total assets	372,471	373,213
Liabilities		
Current liabilities		
Notes and accounts payable - trade	61,714	56,706
Short-term borrowings	35,415	38,123
Lease obligations	4,539	4,202
Accrued expenses	21,590	21,028
Other	36,681	34,091
Total current liabilities	159,940	154,151
Non-current liabilities		
Long-term borrowings	42,310	39,848
Lease obligations	15,417	12,670
Deferred tax liabilities	9,784	15,880
Provision for retirement benefits for directors (and other officers)	372	286
Retirement benefit liability	32,129	31,419
Other	6,075	5,691
Total non-current liabilities	106,090	105,795
Total liabilities	266,030	259,947

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Net assets		
Shareholders' equity		
Share capital	44,000	44,000
Capital surplus	19,047	19,029
Retained earnings	60,847	56,315
Treasury shares	(971)	(919)
Total shareholders' equity	122,923	118,425
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(218)	3,570
Deferred gains or losses on hedges	112	82
Foreign currency translation adjustment	(9,029)	△8,655
Remeasurements of defined benefit plans	(7,583)	(399)
Total accumulated other comprehensive income	(16,718)	(5,401)
Share acquisition rights	171	168
Non-controlling interests	64	74
Total net assets	106,440	113,265
Total liabilities and net assets	372,471	373,213

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

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	457,223	392,868
Cost of sales	339,415	293,444
Gross profit	117,807	99,423
Selling, general and administrative expenses	100,978	89,914
Operating income	16,829	9,509
Non-operating income		
Interest income	87	40
Dividend income	1,430	1,141
Foreign exchange gains	—	447
Dividend income of insurance	363	408
Receipt on litigation	438	—
Miscellaneous income	790	1,247
Total non-operating income	3,109	3,285
Non-operating expenses		
Interest expenses	1,721	1,411
Foreign exchange losses	3,274	—
Loss on liquidation of subsidiaries	—	424
Miscellaneous expenses	1,138	1,579
Total non-operating expenses	6,135	3,415
Ordinary profit	13,804	9,380
Extraordinary income		
Gain on sale of non-current assets	4,842	—
Gain on sale of investment securities	4,682	—
Gain on sale of shares of subsidiaries and associates	165	—
Insurance claim income	617	—
Compensation for damage income	202	—
Gain on sale of businesses	—	512
Total extraordinary income	10,510	512
Extraordinary losses		
Loss on disposal of non-current assets	560	920
Impairment losses	846	465
Loss on sale of shares of subsidiaries and associates	192	—
Loss on valuation of investment securities	234	—
Loss on disaster	411	—
Business restructuring expenses	2,418	4,566
Total extraordinary losses	4,663	5,952
Profit before income taxes	19,651	3,940
Income taxes - current	4,267	519
Income taxes - deferred	1,262	3,593
Total income taxes	5,529	4,113
Profit (loss)	14,122	(172)
Profit attributable to non-controlling interests	35	33
Profit (loss) attributable to owners of parent	14,086	(205)

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit (loss)	14,122	(172)
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,036)	3,788
Deferred gains or losses on hedges	(56)	(29)
Foreign currency translation adjustment	1,852	376
Remeasurements of defined benefit plans, net of tax	(1,576)	7,183
Share of other comprehensive income of entities accounted for using equity method	0	0
Total other comprehensive income	(2,815)	11,320
Comprehensive income	11,306	11,147
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,273	11,110
Comprehensive income attributable to non- controlling interests	33	36

(3) Consolidated Statements of Changes in Equity
Fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	44,000	19,057	51,785	(997)	113,845
Cumulative effects of changes in accounting policies			(698)		(698)
Restated balance	44,000	19,057	51,086	(997)	113,146
Changes of items during period					
Dividends of surplus			(4,325)		(4,325)
Profit attributable to owners of parent			14,086		14,086
Purchase of treasury shares				(5)	(5)
Disposal of treasury shares		(10)		32	21
Net changes of items other than shareholders' equity					
Total changes of items during period	–	(10)	9,761	26	9,776
Balance at end of current period	44,000	19,047	60,847	(971)	122,923

	Accumulated other comprehensive income					Share acquisition rights	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	2,816	169	(10,884)	(6,006)	(13,904)	133	126	100,200
Cumulative effects of changes in accounting policies								(698)
Restated balance	2,816	169	(10,884)	(6,006)	(13,904)	133	126	99,502
Changes of items during period								
Dividends of surplus								(4,325)
Profit attributable to owners of parent								14,086
Purchase of treasury shares								(5)
Disposal of treasury shares								21
Net changes of items other than shareholders' equity	(3,035)	(56)	1,855	(1,576)	(2,813)	38	(62)	(2,838)
Total changes of items during period	(3,035)	(56)	1,855	(1,576)	(2,813)	38	(62)	6,938
Balance at end of current period	(218)	112	(9,029)	(7,583)	(16,718)	171	64	106,440

Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	44,000	19,047	60,847	△971	122,923
Changes of items during period					
Dividends of surplus			(4,326)		(4,326)
Profit(loss) attributable to owners of parent			(205)		(205)
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		(17)		53	35
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(17)	(4,532)	51	(4,498)
Balance at end of current period	44,000	19,029	56,315	(919)	118,425

	Accumulated other comprehensive income					Share acquisition rights	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	(218)	112	(9,029)	(7,583)	(16,718)	171	64	106,440
Changes of items during period								
Dividends of surplus								(4,326)
Profit(loss) attributable to owners of parent								(205)
Purchase of treasury shares								(1)
Disposal of treasury shares								35
Net changes of items other than shareholders' equity	3,789	(29)	373	7,183	11,316	(3)	10	11,323
Total changes of items during period	3,789	(29)	373	7,183	11,316	(3)	10	6,825
Balance at end of current period	3,570	82	(8,655)	(399)	(5,401)	168	74	113,265

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	19,651	3,940
Depreciation	12,574	12,859
Impairment losses	846	465
Increase (decrease) in provisions	1,841	(3,787)
Interest and dividend income	(1,517)	(1,182)
Interest expenses	1,722	1,411
Loss (gain) on sale of investment securities	(4,682)	(99)
Loss (gain) on disposal of non-current assets	(4,282)	920
Loss (gain) on sale of businesses	—	(512)
Decrease (increase) in trade receivables	(6,629)	6,567
Decrease (increase) in inventories	11,098	3,886
Increase (decrease) in trade payables	(2,999)	(7,635)
Other, net	8,593	4,072
Subtotal	36,215	20,905
Interest and dividends received	1,518	1,182
Interest paid	(1,716)	(1,435)
Income taxes paid	(3,469)	(2,579)
Net cash provided by (used in) operating activities	32,547	18,073
Cash flows from investing activities		
Purchase of property, plant and equipment	(11,840)	(21,419)
Proceeds from sale of property, plant and equipment	6,123	12,002
Purchase of intangible assets	(4,441)	(5,062)
Proceeds from sale of investment securities	8,941	1,430
Proceeds from sale of businesses	—	815
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(0)	(1,045)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	27	—
Purchase of long-term prepaid expenses	(2,067)	(1,496)
Other payments	(766)	(210)
Other proceeds	1,052	525
Net cash provided by (used in) investing activities	(2,972)	(14,459)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(8,734)	324
Proceeds from long-term borrowings	26,660	13,580
Repayments of long-term borrowings	(18,296)	(14,009)
Dividends paid	(4,307)	(4,308)
Repayments of lease obligations	(4,476)	(4,464)
Other, net	(69)	25
Net cash provided by (used in) financing activities	(9,224)	(8,852)
Effect of exchange rate change on cash and cash equivalents	(658)	551
Net increase (decrease) in cash and cash equivalents	19,693	(4,686)
Cash and cash equivalents at beginning of period	26,823	46,517
Cash and cash equivalents at end of period	46,517	41,830

(5) Notes to Consolidated Financial Statements

(Notes Relating to Going Concern Assumption)

Not applicable

(Additional information)

(COVID-19 impact)

Based on the assumption that the spread of COVID-19 will continue for a certain period of time in the next consolidated fiscal year, the OKI Group (the Company and its consolidated subsidiaries) reflects the accounting estimate (recoverability of deferred tax assets and indicators of impairment of fixed assets) in its accounting treatment. There are no material changes in such assumptions from the previous fiscal year.

However, the impact of COVID-19 is highly uncertain, and future results may differ from these estimates and assumptions.

(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 has two reportable segments, "Solution Systems business" and "Components & Platforms business". Each of them plans comprehensive strategies about their main product lines in domestic and overseas markets and deploys business activities.

Solution Systems business provides solutions that leverage IoT and solutions that enable business processes to be optimized and streamlined.

Components & Platforms business provides products and services such as automation equipment and peripheral products utilizing core technologies including mechatronics and electronics, and also provides manufacturing service as a platform.

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

Business segment	Major products and services
Solution Systems	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.
Components & Platforms	ATMs, cash handling equipment, bank branch terminals, ticket reservations and issuing terminals, check-in terminals, currency exchange machines, and ATM monitoring and operations services, color and monochrome LED printers, color and monochrome LED multifunction printers, wide format ink jet printers, dot-impact printers, consigned designing and manufacturing services, printed circuit boards, etc.

(Change in reportable segment classification)

From the fiscal year ended March 31, 2021, aiming at strengthening manufacturing required in the IoT /5G era, OKI reorganized the Mechatronics Systems business, Printers business, and EMS business to "Components & Platforms business". The ICT business was renamed "Solution Systems business". In addition, OKI BRASIL INDÚSTRIA E COMÉRCIO DE PRODUTOS E TECNOLOGIA EM AUTOMAÇÃO S.A. and its subsidiaries, which were previously disclosed as the Mechatronics Systems business of the reportable segment, are now preparing for liquidation procedures. Therefore, they have been removed from the reportable segment and replaced with the "Others".

Segment information for the previous fiscal year is prepared based on the reportable segment classification after the change.

(Change in the measurement method)

From the fiscal year ended March 31, 2021, the Company has reviewed the allocation method for corporate expenses and changed the measurement method for profit or loss of reportable segments in order to more appropriately reflect the results of each reportable segment.

Accordingly, segment information for the previous fiscal year is disclosed based on the new measurement method.

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, 2019 to March 31, 2020)

(Millions of yen)

	Reportable segments			Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated financial statements
	Solution Systems	Components & Platforms	Total				
Net sales							
Net sales to external customers	229,065	216,294	445,360	11,863	457,223	–	457,223
Intersegment net sales or transfers	3,689	6,709	10,399	16,073	26,473	(26,473)	–
Total	232,755	223,003	455,759	27,937	483,696	(26,473)	457,223
Segment income (loss)	20,217	5,202	25,419	(548)	24,871	(8,041)	16,829

Current fiscal year (from April 1, 2020 to March 31, 2021)

(Millions of yen)

	Reportable segments			Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated financial statements
	Solution Systems	Components & Platforms	Total				
Net sales							
Net sales to external customers	192,491	196,534	389,026	3,842	392,868	–	392,868
Intersegment net sales or transfers	3,382	6,358	9,741	12,011	21,752	(21,752)	–
Total	195,874	202,893	398,767	15,853	414,621	(21,752)	392,868
Segment income (loss)	16,307	(142)	16,164	(276)	15,888	(6,378)	9,509

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	14	126
Corporate expenses*	(7,880)	(6,333)
Adjustment to non-current assets	(175)	(171)
Total	(8,041)	(6,378)

* 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, 2019 to March 31, 2020)	Current fiscal year (From April 1, 2020 to March 31, 2021)
Net assets per share	¥1,227.42	¥1,305.67
Basic earnings per share	¥162.80	¥(2.38)
Diluted earnings per share	¥162.51	—

Notes: 1. Diluted earnings per share for the current fiscal year is not stated because net loss per share was recorded despite the existence of dilutive shares.

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

	Previous fiscal year (From April 1, 2019 to March 31, 2020)	Current fiscal year (From April 1, 2020 to March 31, 2021)
Basic earnings per share		
Profit(loss) attributable to owners of parent (Millions of yen)	14,086	(205)
Profit(loss) not attributable to common shareholders (Millions of yen)	—	—
Profit(loss) attributable to owners of parent related to common stock (Millions of yen)	14,086	(205)
Weighted average number of shares of common stock during the period (Thousand shares)	86,529	86,564
Diluted earnings per share		
Adjustment to profit attributable to owners of parent (Millions of yen)	—	—
Increase of common stock (Thousand shares)	155	—
Outline of dilutive shares not counted in the calculation of diluted earnings per share due to no dilutive effect	—	—

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

	Previous fiscal year (As of March 31, 2020)	Current fiscal year (As of March 31, 2021)
Total net assets (Millions of yen)	106,440	113,265
Amount deducted from the total net assets (Millions of yen)	235	242
[Subscription rights to shares included in the above]	[171]	[168]
[Non-controlling interests included in the above]	[64]	[74]
Amount of net assets related to common stock at end of period (Millions of yen)	106,205	113,023
Number of common stock used to calculate net assets per share at end of period (Thousand shares)	86,527	86,563

(Significant Subsequent Event)

Not applicable