

(Translation)

## Summary of Consolidated Financial Results for the First Nine Months of the Fiscal Year Ending March 31, 2024 (J-GAAP)

February 7, 2024

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

Securities Code: 6703

Stock Exchange Listing: Tokyo Stock Exchange

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

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Filing of Quarterly Securities Report (Scheduled): February 14, 2024

Commencement of Dividend Payment (Scheduled): –

Supplementary Document on Quarterly Financial Results: Yes

Quarterly Financial Results Briefing: Yes (for institutional investors)

(Amounts less than one million yen have been truncated)

### 1. Consolidated Financial Results for the Nine Months Ended December 31, 2023

(from April 1, 2023 to December 31, 2023)

#### (1) Consolidated operating results (cumulative)

(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	%
Nine months ended December 31, 2023	286,642	11.7	5,842	–	4,787	–	1,999	–
December 31, 2022	256,591	4.1	(4,754)	–	(7,885)	–	(11,557)	–

(Note) Comprehensive income Nine months ended December 31, 2023: ¥8,790 million (–%)  
Nine months ended December 31, 2022: ¥(11,594) million (–%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2023	23.08	23.05
December 31, 2022	(133.42)	–

#### (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	404,672	106,322	26.2
As of March 31, 2023	390,425	99,279	25.4

(Reference) Shareholders' equity As of December 31, 2023: ¥106,178 million  
As of March 31, 2023: ¥99,088 million

### 2. Dividends

	Dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
Fiscal year ended March 31, 2023	–	0.00	–	20.00	20.00
Fiscal year ending March 31, 2024	–	0.00	–		
Fiscal year ending March 31, 2024 (Projection)				30.00	30.00

(Note) Revisions to dividend projection most recently announced: None

3. Consolidated Results Projection for the Fiscal Year Ending March 31, 2024  
(from April 1, 2023 to March 31, 2024)

(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	425,000	15.1	17,000	607.4	15,500	—	12,000	—	138.45

(Note) Revisions to operating results projection most recently announced: Yes

Notes:

- (1) Changes in significant subsidiaries during the period  
(changes in specified subsidiaries resulting in changes in the scope of consolidation): None
- (2) Application of accounting procedures specific to quarterly consolidated financial statements: None
- (3) 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
- (4) Number of shares issued (common stock)
  - 1) Number of shares issued at the end of the period (including treasury shares)
    - As of December 31, 2023: 87,217,602 shares
    - As of March 31, 2023: 87,217,602 shares
  - 2) Number of treasury shares at the end of the period
    - As of December 31, 2023: 541,599 shares
    - As of March 31, 2023: 598,803 shares
  - 3) Average number of shares during the period
    - Nine months ended December 31, 2023: 86,671,691 shares
    - Nine months ended December 31, 2022: 86,619,595 shares

Quarterly financial results reports are exempt from quarterly review 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 “(3) Forward-Looking Statements Including Projection for Consolidated Operating Results and Other” of “1. Qualitative Information on Financial Results for the Period” on page 5 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 February 7, 2024 (Wednesday). 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. Qualitative Information on Financial Results for the Period

### (1) Operating Results

#### 1) Overview of the first nine months of the fiscal year ending March 31, 2024 (April 1, 2023 to December 31, 2023)

Due to the relaxation of measures against the COVID-19 pandemic, there has been a normalization of economic activity. However, the future remains uncertain due to rising prices resulting from soaring resource prices, financial tightening aimed at curbing inflation in various countries, the stagnation of the Chinese economy, and the escalation of geopolitical risks, including the situations in Ukraine and the Middle East.

Given this state of affairs, the OKI Group has formulated a new Medium-term Business Plan 2025 and updated its materiality. To further clarify the relationship between our materiality and business, we have established three contribution areas: “safe and convenient social infrastructure,” “job satisfaction and productivity enhancement,” and “conservation of global environment.” As a company dedicated to maintaining social infrastructure without interruptions, OKI is committed to providing value that addresses social issues in these three contribution areas.

Net sales for the first nine months of the fiscal year ending March 31, 2024 were ¥286.6 billion (a ¥30.0 billion, or 11.7%, increase year on year). This increase owed to reduction of the impact of the production decline caused by the component shortage and an increase in the volume of large-scale projects in the Enterprise Solutions business.

On the profit front, operating income was ¥5.8 billion (a year-on-year improvement of ¥10.6 billion) due to increased sales, despite higher fixed costs due to personnel costs and growth investments. Even excluding the one-time gain of ¥4.3 billion from the reversal of allowance for doubtful accounts for ATM claims in China, which was recorded in the first quarter of the fiscal year, profit increased year on year.

Ordinary income was ¥4.8 billion (a year-on-year improvement of ¥12.7 billion) due to improvement in foreign exchange gains and losses.

Profit attributable to owners of parent was ¥2.0 billion (a year-on-year improvement of ¥13.6 billion).

(Billions of yen)	Nine months ended December 31, 2023	Nine months ended December 31, 2022	Year-on-year change rate
Net sales	286.6	256.6	11.7 %
Operating income (loss)	5.8	(4.8)	–
Ordinary income (loss)	4.8	(7.9)	–
Profit (loss) attributable to owners of parent	2.0	(11.6)	–

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

Please note that from the first quarter of the fiscal year ending March 31, 2024, the categorization of the reportable segments has been changed. Figures for the first quarter of the previous fiscal year were reorganized under the new segment classification for year-on-year comparisons.

#### 2) Results by business segment

##### <Public Solutions>

Net sales were ¥63.8 billion (a ¥1.8 billion, or 3.0%, increase year on year), and operating income was ¥600 million (a year-on-year improvement of ¥1.2 billion). While communication carrier projects continued to decline in the second quarter, sales in the fields of road, firefighting, disaster prevention, and TOKKI Systems were strong, resulting in a year-on-year increase in both net sales and operating income for the segment as a whole.

(Billions of yen)	Nine months ended December 31, 2023	Nine months ended December 31, 2022	Year-on-year change rate
Net sales	63.8	62.0	3.0 %
Operating income(loss)	0.6	(0.6)	–

<Enterprise Solutions>

Net sales were ¥115.5 billion (a ¥38.0 billion, or 49.0%, increase year on year). This year-on-year increase owed to reduced supply chain impacts and large-scale projects.

Operating income was ¥10.5 billion (a year-on-year improvement of ¥13.1 billion). Operating income increased year on year due to an increase in the volume of goods and a one-time gain from the reversal of allowance for doubtful accounts.

(Billions of yen)	Nine months ended December 31, 2023	Nine months ended December 31, 2022	Year-on-year change rate
Net sales	115.5	77.5	49.0 %
Operating income(loss)	10.5	(2.6)	—

<Component Products>

Net sales were ¥53.4 billion (an ¥8.9 billion, or 14.3%, decrease year on year), and operating loss was ¥300 million (a year-on-year loss expansion of ¥1.7 billion). Although the operating income in IoT improved due to the decrease in the impact of soaring component prices, in the printer business, the impact of a decline in sales due to sluggish demand overseas was significant. As a result, the segment posted a year-on-year decrease in both net sales and operating income.

(Billions of yen)	Nine months ended December 31, 2023	Nine months ended December 31, 2022	Year-on-year change rate
Net sales	53.4	62.3	(14.3) %
Operating income(loss)	(0.3)	1.4	—

<EMS>

Net sales were ¥53.6 billion (an ¥800 million, or 1.5%, decrease year on year), and operating income was ¥800 million (a ¥500 million, or 39.5%, decrease year on year). The impact of the slow recovery of the semiconductor market and the slowdown of the Chinese economy led to a reduction in demand in the market for factory automation and robots, resulting in an expanded impact in the third quarter. As a result, the segment posted a year-on-year decrease in both net sales and operating income.

(Billions of yen)	Nine months ended December 31, 2023	Nine months ended December 31, 2022	Year-on-year change rate
Net sales	53.6	54.4	(1.5) %
Operating income(loss)	0.8	1.3	(39.5) %

<Others>

Net sales came to ¥0.3 billion (an ¥100 million, or 20.4%, decrease year on year). The operating loss amounted to ¥0.7 billion (a deterioration of ¥1.1 billion year-on-year).

(Billions of yen)	Nine months ended December 31, 2023	Nine months ended December 31, 2022	Year-on-year change rate
Net sales	0.3	0.4	(20.4) %
Operating income(loss)	(0.7)	0.4	—

(2) Financial Position

1) Assets, liabilities, net assets, etc., at the end of the first nine months of the fiscal year ending March 31, 2024

As of December 31, 2023, total assets were ¥404.7 billion, up ¥14.3 billion from the end of the previous fiscal year. Shareholders' equity increased by ¥7.1 billion from the end of the previous fiscal year to ¥106.2 billion, mainly due to a ¥6.8 billion improvement in accumulated other comprehensive income. As a result, the shareholders' equity ratio stood at 26.2%.

Major changes in assets included an increase of ¥10.1 billion in inventories.

In terms of liabilities, borrowings mainly increased, totaling ¥126.2 billion, an increase of ¥8.2 billion from ¥118.0 billion at the end of the previous fiscal year.

2) Cash flow for the first nine months of the fiscal year ending March 31, 2024

For the period under review, net cash provided through operating activities amounted to ¥1.3 billion (compared with ¥14.4 billion used in the same period of the previous fiscal year), mainly due to the recording of pre-tax profit.

Net cash used in investing activities came to ¥13.1 billion (compared with ¥13.6 billion in the same period of the previous fiscal year), mainly because of purchases of property, plant, and equipment.

As a result, free cash flow (operating cash flow plus investing cash flow) was a negative ¥11.8 billion (compared with a negative ¥28.0 billion in the same period of the previous fiscal year).

Net cash provided by financing activities was ¥2.7 billion (compared with ¥26.2 billion in the previous year). Proceeds from borrowings were the main source of cash.

Owing to these factors, plus the ¥1.2 billion positive impact of exchange rate changes on cash and cash equivalents, the balance of cash and cash equivalents at the end of the third quarter of the fiscal year ending March 31, 2024 amounted to ¥29.6 billion, down from ¥37.5 billion at the end of the previous fiscal year.

(3) Forward-Looking Statements Including Projection for Consolidated Operating Results and Other

We have revised our full-year consolidated results projection for the fiscal year ending March 31, 2024, incorporating the current business environment, performance trends of each business, and gains from the sale of investment securities due to asset normalization, and now forecast net sales of ¥425.0 billion (down ¥15.0 billion from the previously announced figure), operating income of ¥17.0 billion (up ¥2.0 billion), ordinary income of ¥15.5 billion (up ¥3.0 billion), and profit attributable to owners of parent of ¥12.0 billion (up ¥4.0 billion). A breakdown of these revisions by segment can be found below.

When formulating these projections, we assumed exchange rates of ¥144/USD and ¥157/EUR for the three months ending March 31, 2024.

For additional details, please refer to "Financial Results for Q3 FY2023" and "Notice Regarding Revisions to Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2024" released today.

(Reference)

Full-year consolidated results projection for the fiscal year ending March 31, 2024  
(from April 1, 2023 to March 31, 2024)

	(Billion yen)			
	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent
Previous projection (A)	440.0	15.0	12.5	8.0
Current projection (B)	425.0	17.0	15.5	12.0
Amount change (B – A)	(15.0)	2.0	3.0	4.0
Percentage change (%)	(3.4)	13.3	24.0	50.0
(Reference) Actual results for the fiscal year ended March 31, 2023	369.1	2.4	(0.3)	(2.8)

		(Billion yen)		
(Billions of yen)		FY2023 Revised	FY2023 Previous	Change
Public Solutions	Net sales	95.0	98.0	(3.0)
	Operating income	3.5	4.0	(0.5)
Enterprise Solutions	Net sales	180.0	178.0	2.0
	Operating income	20.5	15.5	5.0
Component Products	Net sales	75.0	81.0	(6.0)
	Operating income	0.5	2.0	(1.5)
EMS	Net sales	75.0	83.0	(8.0)
	Operating income	1.5	2.5	(1.0)
Others	Net sales	0.0	0.0	-
	Operating income	(1.5)	(1.5)	-
Elimination/corporate	Operating income	(7.5)	(7.5)	-
Total	Net sales	425.0	440.0	(15.0)
	Operating income	17.0	15.0	2.0

(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. Consolidated Financial Statements and Significant Notes Thereto

### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	37,746	30,236
Notes and accounts receivable - trade, and contract assets	94,598	97,696
Finished goods	20,224	23,401
Work in process	21,135	24,972
Raw materials and supplies	35,076	38,154
Other	21,467	19,394
Allowance for doubtful accounts	(57)	(33)
Total current assets	230,191	233,823
Non-current assets		
Property, plant and equipment	60,959	60,006
Intangible assets	16,349	15,829
Investments and other assets		
Investment securities	34,115	41,942
Other	48,810	53,070
Total investments and other assets	82,925	95,012
Total non-current assets	160,234	170,848
Total assets	390,425	404,672
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	60,653	64,325
Short-term borrowings	86,714	84,373
Provisions	5,044	4,963
Other	52,839	48,439
Total current liabilities	205,252	202,102
Non-current liabilities		
Long-term borrowings	31,268	41,855
Provision for retirement benefits for directors (and other officers)	121	87
Other provisions	1,281	1,305
Retirement benefit liability	30,906	30,269
Other	22,317	22,728
Total non-current liabilities	85,894	96,247
Total liabilities	291,146	298,349
<b>Net assets</b>		
Shareholders' equity		
Share capital	44,000	44,000
Capital surplus	18,994	18,960
Retained earnings	49,705	49,972
Treasury shares	(841)	(761)
Total shareholders' equity	111,858	112,172
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,077	7,053
Deferred gains or losses on hedges	(32)	(24)
Foreign currency translation adjustment	(8,341)	(7,414)
Remeasurements of defined benefit plans	(5,473)	(5,608)
Total accumulated other comprehensive income	(12,770)	(5,994)
Share acquisition rights	121	73
Non-controlling interests	69	70
Total net assets	99,279	106,322
<b>Total liabilities and net assets</b>	<b>390,425</b>	<b>404,672</b>

(2) Consolidated Statements of Income and Comprehensive Income  
(Consolidated Statements of Income)  
(For the Nine Months Ended December 31, 2022 and 2023)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	256,591	286,642
Cost of sales	198,383	219,007
Gross profit	58,208	67,635
Selling, general and administrative expenses	62,962	61,792
Operating profit (loss)	(4,754)	5,842
Non-operating income		
Interest income	106	561
Dividend income	842	930
Miscellaneous income	455	851
Total non-operating income	1,404	2,344
Non-operating expenses		
Interest expenses	1,334	1,672
Miscellaneous expenses	3,202	1,726
Total non-operating expenses	4,536	3,399
Ordinary profit (loss)	(7,885)	4,787
Extraordinary losses		
Loss on disposal of non-current assets	—	1,283
Total extraordinary losses	—	1,283
Profit (loss) before income taxes	(7,885)	3,503
Income taxes - current	1,318	1,249
Income taxes - deferred	2,334	243
Total income taxes	3,653	1,492
Profit (loss)	(11,538)	2,011
Profit attributable to non-controlling interests	18	11
Profit (loss) attributable to owners of parent	(11,557)	1,999

(Consolidated Statements of Comprehensive Income)  
(For the Nine Months Ended December 31, 2022 and 2023)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit (loss)	(11,538)	2,011
Other comprehensive income		
Valuation difference on available-for-sale securities	(450)	5,976
Deferred gains or losses on hedges	(201)	7
Foreign currency translation adjustment	604	931
Remeasurements of defined benefit plans, net of tax	(7)	(135)
Total other comprehensive income	(55)	6,779
Comprehensive income	(11,594)	8,790
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(11,615)	8,775
Comprehensive income attributable to non-controlling interests	20	15

## (3) Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	(7,885)	3,503
Depreciation	8,966	10,189
Increase (decrease) in provisions	236	(8,877)
Interest and dividend income	(949)	(1,492)
Interest expenses	1,334	1,672
Loss (gain) on disposal of non-current assets	265	1,228
Decrease (increase) in trade receivables	17,825	834
Decrease (increase) in inventories	(25,741)	(7,841)
Increase (decrease) in trade payables	(3,586)	(558)
Other, net	(512)	2,642
Subtotal	(10,047)	1,301
Interest and dividends received	949	1,049
Interest paid	(1,239)	(1,439)
Income taxes refund (paid)	(4,111)	417
Net cash provided by (used in) operating activities	(14,448)	1,329
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(7,843)	(9,491)
Purchase of intangible assets	(4,367)	(3,719)
Payments for acquisition of businesses	(1,500)	—
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	1,257
Other payments	(1,020)	(1,426)
Other proceeds	1,163	261
Net cash provided by (used in) investing activities	(13,568)	(13,118)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	44,893	(2,550)
Proceeds from long-term borrowings	—	22,250
Repayments of long-term borrowings	(13,072)	(12,207)
Dividends paid	(2,585)	(1,724)
Repayments of lease liabilities	(3,095)	(3,140)
Other, net	16	66
Net cash provided by (used in) financing activities	26,156	2,694
Effect of exchange rate change on cash and cash equivalents	1,247	1,221
Net increase (decrease) in cash and cash equivalents	(611)	(7,872)
Cash and cash equivalents at beginning of period	33,379	37,498
Cash and cash equivalents at end of period	32,767	29,625

(4) Notes to Consolidated Financial Statements

(Notes Relating to Going Concern Assumption)

Not applicable

(Significant Changes in Shareholders' Equity)

Not applicable

(Additional Information)

(Consolidated Subsidiary's Arbitration Proceedings)

OKI's consolidated subsidiary in China, OKI Banking Systems (Shenzhen) Co., Ltd. (hereafter, "OBSZ"), filed an arbitration application against Shenzhen Yihua Computer Industrial Co., Ltd. (hereafter, "Yihua Industrial") with the South China International Economic and Trade Arbitration Commission on October 10, 2015. This was in pursuit of an outstanding receivable of RMB1,115,463 thousand (equivalent to JPY22,242 million at the end of the third quarter of the fiscal year ending March 31, 2024) and for damages (referred to as "Case A"). In addition, OBSZ filed a lawsuit against Yihua Industrial's parent company, Shenzhen Yihua Computer Co., Ltd. (hereafter, "Yihua Computer") in the Guangdong Provincial High People's Court. This suit (referred to as "Case B") aimed to hold Yihua Computer jointly and severally liable for the aforementioned debt, alleging that they are effectively the same entity as Yihua Industrial. Along with this, OBSZ applied for asset preservation.

Later, regarding Case A, on December 16, 2020, the South China International Economic and Trade Arbitration Commission ruled that Yihua Industrial should pay OBSZ an unpaid amount of RMB1,096,866 thousand (equivalent to JPY21,871 million at the end of the third quarter of the fiscal year ending March 31, 2024), inclusive of late fees and attorney costs, and this arbitration has been finalized. Furthermore, concerning Case B, on December 23, 2021, the Guangdong Provincial High People's Court ruled that Yihua Computer, among others, shares joint and several liability for the payments owed by Yihua Industrial to OBSZ. Responding to this, Yihua Computer appealed the decision to the Supreme People's Court on January 5, 2022. However, on June 1, 2023, the Supreme People's Court upheld the initial judgment and dismissed the appeal.

Taking into account the developments in these legal proceedings and considering the potential for enforced collection measures against Yinhua Computer, etc., OBSZ has recorded a long-term operating receivable of RMB844,195 thousand (equivalent to JPY16,833 million at the end of the third quarter of the fiscal year ending March 31, 2024). Of this amount, a doubtful accounts provision of RMB16,042 thousand (equivalent to JPY319 million at the end of the third quarter of the fiscal year ending March 31, 2024) has been recognized, based on the assessment that a portion of the receivable might be uncollectible. Due to these events, during the first nine months of the fiscal year ending March 31, 2024, an amount of JPY4,277 million from the doubtful accounts provision has been reversed and treated as a reduction in selling, general and administrative expenses, and interest income of JPY442 million was treated as non-operating income.

(Segment Information, etc.)

I First nine months of the fiscal year ended March 31, 2023 (From April 1, 2022 to December 31, 2022)

Information about amounts of net sales, profit and loss by reportable segment

(Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded on consolidated statements of income (Note 3)
	Public Solutions	Enterprise Solutions	Component Products	EMS	Total				
Net sales									
Net sales to external Customers	62,000	77,466	62,323	54,418	256,209	382	256,591	—	256,591
Intersegment net sales or transfers	1,599	473	4,373	561	7,007	9,311	16,319	(16,319)	—
Total	63,599	77,939	66,696	54,980	263,217	9,694	272,911	(16,319)	256,591
Segment income (loss)	(625)	(2,585)	1,361	1,331	(518)	362	(156)	(4,597)	(4,754)

Notes: 1. “Others” consists of businesses not included in the reportable segments, such as provision of services, etc.

2. The ¥(4,597) million adjustment to segment income or loss includes the elimination of intersegment transactions of ¥325 million, corporate expenses not allocated to each reportable segment of ¥(4,893) million, and an adjustment to fixed assets of ¥(29) million. Corporate expenses consist mainly of general and administrative expenses and R&D expenses that are not attributable to the reportable segments.

3. Segment income or loss is adjusted with operating loss recorded on the consolidated statements of income.

II First nine months of the fiscal year ending March 31, 2024 (From April 1, 2023 to December 31, 2023)

1. Information about amounts of net sales, profit and loss by reportable segment

(Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded on consolidated statements of income (Note 3)
	Public Solutions	Enterprise Solutions	Component Products	EMS	Total				
Net sales									
Net sales to external Customers	63,849	115,458	53,419	53,611	286,338	304	286,642	—	286,642
Intersegment net sales or transfers	1,550	263	4,470	465	6,750	6,891	13,641	(13,641)	—
Total	65,400	115,722	57,889	54,076	293,088	7,195	300,284	(13,641)	286,642
Segment income (loss)	561	10,525	(276)	805	11,615	(713)	10,901	(5,058)	5,842

Notes: 1. “Others” consists of businesses not included in the reportable segments, such as provision of services, etc.

2. The ¥(5,058) million adjustment to segment income or loss includes the elimination of intersegment transactions of ¥226 million, corporate expenses not allocated to each reportable segment of ¥(5,303) million, and an adjustment to fixed assets of ¥18 million. Corporate expenses consist mainly of general and administrative expenses and R&D expenses that are not attributable to the reportable segments.

3. Segment income or loss is adjusted with operating loss recorded on the consolidated statements of income.

2. Matters related to changes in reportable segments

From the first quarter for the fiscal year ending March 31, 2024, in line with our new business structure focused on streamlining the scale of operations, optimizing the value chain, and strengthening business management, we have reorganized into four segments: Public Solutions, Enterprise Solutions, Component Products, and EMS.

Please note that the segment information for the first nine months for the fiscal year ended March 31, 2023 has been disclosed based on the classifications of the reorganized reporting segments.