



Notice on Recording Extraordinary Loss and the Revision of Consolidated Earnings Projections for the Fiscal Year Ended March 31, 2019

OKI has recorded extraordinary loss and revised its consolidated earnings projections for the fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019) from its previous projections announced on February 1, 2019.

1. Recording of extraordinary loss

The decline in profitability for the OKI's business assets is recognized. Accordingly, based on the Accounting Standard for Impairment of Fixed Assets, OKI will record an impairment loss of 2.9 billion yen for manufacturing equipment, etc. of the Mechatronics Systems business as an extraordinary loss.

2. Revision of consolidated earnings projections for the fiscal year ended March 31, 2019 (From April 1, 2018 to March 31, 2019)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
	billion yen	billion yen	billion yen	billion yen	yen
Previous projections (A)	440.0	15.0	13.0	5.0	57.81
Revised projections (B)	441.0	17.5	15.5	8.5	98.26
Changes (B-A)	1.0	2.5	2.5	3.5	-
Percent change (%)	0.2	16.7	19.2	70.0	-
Reference: Results for the fiscal year ended March 31, 2018	438.0	7.7	8.5	5.9	67.86

Reasons of revision

In the ICT business, the stable performance continues. The effect of outflow cost reduction and improved profitability of some projects, such as networks and IoT-related, seems more than expected.

Regarding the Mechatronics Systems business, we assumed the impact of delay in some structural reforms focusing on Brazilian subsidiary in our previous projections. However, the progress of improvement of the cost structure in Japanese and Chinese subsidiaries is expected to offset such impact.

Consequently, as a consolidated result, operating income and ordinary income are expected to exceed the previous projections. Moreover, profit attributable to owners of parent is also expected to exceed the previous projection even with the extraordinary loss mentioned above.

- Notes

* Amounts are rounded to the nearest hundred million.

* The projections and plans on this document are subject to change depending upon the changes of business environments and other conditions.

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