

(Translation)

Summary of Consolidated Financial Results for the First Half of the Fiscal Year Ending March 31, 2015 (J-GAAP)

October 31, 2014

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

Securities Code: 6703

Stock Exchange Listing: Tokyo Stock Exchange

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

Representative: Hideichi Kawasaki, President, Representative Director

Contact: Atsushi Yamauchi, General Manager, Investor Relations

TEL: +81-3-3501-3836

Filing of Quarterly Securities Report (Scheduled): November 13, 2014

Commencement of Dividend Payment (Scheduled): December 10, 2014

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 Six Months Ended September 30, 2014

(from April 1, 2014 to September 30, 2014)

(1) Consolidated operating results (cumulative)

(Percentage figures indicate year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2014	228,791	12.2	6,567	134.5	9,577	37.5	10,257	465.3
September 30, 2013	203,998	5.4	2,801	—	6,964	—	1,814	—

(Note) Comprehensive income Six months ended September 30, 2014: ¥9,901 million (—%)
Six months ended September 30, 2013: ¥151 million (—%)

	Net income per share—basic	Net income per share—diluted
	Yen	Yen
Six months ended September 30, 2014	12.83	11.83
September 30, 2013	2.49	1.73

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of September 30, 2014	411,934	93,964	22.2
As of March 31, 2014	412,514	91,918	21.5

(Reference) Shareholders' equity As of September 30, 2014: ¥91,319 million
As of March 31, 2014: ¥88,735 million

2. Dividends

	Dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
Fiscal year ended March 31, 2014	—	0.00	—	3.00	3.00
Fiscal year ending March 31, 2015	—	2.00	—	—	—
Fiscal year ending March 31, 2015 (Projection)	—	—	—	2.00	4.00

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

The above "Dividends" are those on common stock. For the dividends on (unlisted) other class stock with different rights from those of common stock issued by the Company, please refer to "(Reference) Dividends on Other Class Stock" on page 3.

3. Consolidated Results Projection for the Fiscal Year Ending March 31, 2015
(from April 1, 2014 to March 31, 2015)

(Percentage figures indicate year-on-year change)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	535,000	10.7	30,000	10.3	29,000	-20.9	21,000	-23.2	25.47

(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.: Yes
 - 2) Any changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Restatements: None
- (4) Number of outstanding shares (common stock)
 - 1) Number of shares issued at the end of the period (including treasury shares)

As of September 30, 2014	846,322,373 shares
As of March 31, 2014	731,438,670 shares
 - 2) Number of treasury shares at the end of the period

As of September 30, 2014	3,660,498 shares
As of March 31, 2014	3,614,428 shares
 - 3) Average number of shares during the period

Six months ended September 30, 2014	792,483,995 shares
Six months ended September 30, 2013	727,939,960 shares

Implementation status for quarterly review procedure

The review procedure for quarterly financial statements based on the Financial Instruments and Exchange Act has not been completed as of the release of this document.

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 3 of the Attachment.

(How to obtain supplemental document on quarterly financial results)

The Company is scheduled to hold a financial results briefing for institutional investors on October 31, 2014 (Friday). 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.

(Reference) Dividends on Other Class Stock

The breakdown of dividends per share on other class stock with different rights from those of common stock is as follows:

Class A preferred stock (Base date)	Dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2014	—	0.00	—	33,490.00	33,490.00
Fiscal year ending March 31, 2015	—	16,525.00			
Fiscal year ending March 31, 2015 (Projection)			—	16,525.00	33,050.00

Contents of the Attachment

1. Qualitative Information on Financial Results for the Period	2
(1) Operating Results.....	2
(2) Financial Position	2
(3) Forward-Looking Statements Including Projection for Consolidated Operating Results and Other	3
2. Summary Information (Notes).....	4
(1) Changes in Significant Subsidiaries during the Period.....	4
(2) Application of Accounting Procedures Specific to Quarterly Consolidated Financial Statements.....	4
(3) Changes in Accounting Policies, Changes in Accounting Estimates and Restatements	4
3. Consolidated Financial Statements	5
(1) Consolidated Balance Sheets	5
(2) Consolidated Statements of Income and Comprehensive Income	7
Consolidated Statements of Income	
(For the Six Months Ended September 30, 2013 and 2014)	7
Consolidated Statements of Comprehensive Income	
(For the Six Months Ended September 30, 2013 and 2014)	8
(3) Consolidated Statements of Cash Flows	9
(4) Notes to Consolidated Financial Statements.....	11
(Going Concern Assumption)	11
(Significant Changes in Shareholders' Equity).....	11
(Segment Information).....	11

1. Qualitative Information on Financial Results for the Period

(1) Operating Results

1) Overview of the first half of the fiscal year ending March 31, 2015 (April 1, 2014 to September 30, 2014)

During the period under review, the global economy was overall on a gradual recovery trend backed by the economic rebound in the United States, despite concerns over the impact of geopolitical risks in Europe, stagnation of economic growth in emerging countries and other factors. The Japanese economy was also gradually recovering in general, despite some weakness in consumer spending and corporate capital investment.

In this business environment, the OKI Group recorded net sales of ¥228.8 billion (a year-on-year increase of 12.2% or ¥24.8 billion), owing to strong performance of each business segment, which exceeded the plan. Operating income was ¥6.6 billion (a year-on-year increase of ¥3.8 billion), due to factors such as an increase in sales volume and an improvement in the product mix in the Printers business.

Ordinary income came to ¥9.6 billion (a year-on-year increase of ¥2.6 billion), due to factors including a decrease in foreign exchange gains. Also, net income increased by ¥8.5 billion year on year to ¥10.3 billion, due to factors including the absence of recording of extraordinary losses associated with the structural reforms in the Printers business implemented during the previous fiscal year, as such reforms achieved certain outcome.

2) Results by business segment

<Info-telecom Systems>

Net sales to external customers came to ¥138.1 billion (a year-on-year increase of 14.8% or ¥17.8 billion). In Solutions & Services, sales were solid and remained mostly at the same level year on year. Telecom Systems' sales increased due to steady performance in maintenance and construction work and in home networks and GE-PON for carriers. In Social Infrastructure Systems, sales increased owing to steady demand for systems for disaster prevention and firefighting. Furthermore, in Mechatronics Systems, sales increased due to the effect of consolidation of our Brazilian subsidiary and strong sales of ATMs overseas including China.

Operating income came to ¥3.2 billion (a year-on-year decrease of ¥1.2 billion) due to the effect of consolidation of our Brazilian subsidiary, despite the steady performance in each business.

<Printers>

Net sales to external customers amounted to ¥61.6 billion (a year-on-year increase of 7.6% or ¥4.3 billion). In color LED printers, sales of new products released in the previous fiscal year were firm, and in monochrome LED printers, a shift to superior models smoothly progressed in line with the sales strategies. In addition, as to dot-impact printers, sales increased due to winning large-scale projects, etc.

Operating income largely improved to ¥4.0 billion (a year-on-year increase of ¥4.6 billion) due to improved product mix and the effect of reduced fixed costs, etc.

<EMS, Others>

Net sales in EMS to external customers came to ¥20.2 billion (a year-on-year increase of 12.3% or ¥2.2 billion). Net sales in Others amounted to ¥8.9 billion (a year-on-year increase of 5.6% or ¥0.5 billion). In EMS, sales increased as new customer acquisition progressed as planned. In Others, sales increased owing to continued strong components-related business.

Operating income in EMS increased to ¥0.6 billion (a year-on-year increase of ¥0.1 billion), and operating income in Others increased to ¥1.6 billion (a year-on-year increase of ¥0.3 billion).

(2) Financial Position

1) Assets, liabilities, net assets, etc., at the end of the first half of the fiscal year ending March 31, 2015

At the end of the period under review, total assets decreased by ¥0.6 billion from the end of the previous fiscal year to ¥411.9 billion. Shareholders' equity increased by ¥2.6 billion from the end of the previous fiscal year to ¥91.3 billion mainly due to the recording of net income for the six months ended September 30, 2014 of ¥10.3 billion, despite decreases resulting from the effect of changes in accounting policies in accordance with the revisions of the "Accounting Standard for Retirement Benefits," etc., of ¥4.5 billion and distribution of ordinary dividends and preferred dividends of ¥3.2 billion. As a result, shareholders' equity ratio stood at 22.2%.

With respect to major increases and decreases in assets, among current assets, there were increases of ¥6.3 billion in securities and of ¥18.3 billion in inventories, while notes and accounts receivable – trade decreased by ¥31.0 billion.

Total liabilities decreased by ¥2.6 billion. Loans decreased by ¥3.3 billion from ¥119.0 billion at the end of the previous fiscal year to ¥115.7 billion.

2) Cash flows for the first half of the fiscal year ending March 31, 2015

For the period under review, net cash provided by operating activities amounted to ¥23.0 billion (¥14.6 billion for the same period of the previous fiscal year), due mainly to an improvement in working capital.

Net cash used in investing activities amounted to ¥10.0 billion (¥3.9 billion for the same period of the previous fiscal year), due mainly to purchase of property, plant and equipment.

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 ¥13.0 billion (¥10.7 billion for the same period of the previous fiscal year).

Net cash used in financing activities amounted to ¥8.4 billion (¥0.7 billion in net cash provided for the same period of the previous fiscal year), due mainly to repayments of loans payable and distribution of ordinary dividends and preferred dividends.

As a result, cash and cash equivalents at the end of the period under review increased from ¥50.9 billion at the end of the previous fiscal year to ¥56.0 billion.

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

As for full-year consolidated results projection, the Company revised the figures announced on May 8, 2014, based on the financial results for the first half of the fiscal year ending March 31, 2015.

In the Info-telecom Systems business, sales of ATMs overseas including China and digital wireless communication systems for firefighting have been steady. In the Printers business, sales of strategic products for the office solution and professional market and superior models for the office printer market have been firm. The EMS business has also progressed as planned.

As a result, consolidated operating results for the full year ending March 31, 2015 are expected to be ¥535.0 billion in net sales (¥10.0 billion increase from previous announcement), ¥30.0 billion in operating income (¥1.5 billion increase from previous announcement), ¥29.0 billion in ordinary income (¥3.5 billion increase from previous announcement), and ¥21.0 billion in net income (¥3.5 billion increase from previous announcement).

The exchange rates for the second half of the fiscal year ending March 31, 2015 used in the full-year consolidated results projection are ¥105.0 to the U.S. dollar and ¥135.0 to the euro.

For details, please refer to “Financial Results for the First Half of FY ending March 31, 2015” disclosed today (October 31, 2014).

(Reference)

Full-year consolidated results projection for the fiscal year ending March 31, 2015
(from April 1, 2014 to March 31, 2015)

	(Million yen)			
	Net sales	Operating income	Ordinary income	Net income
Previous projection (A)	525,000	28,500	25,500	17,500
Current projection (B)	535,000	30,000	29,000	21,000
Amount change (B – A)	10,000	1,500	3,500	3,500
Percentage change (%)	1.9	5.3	13.7	20.0
(Reference) Actual results for the fiscal year ended March 31, 2014	483,112	27,196	36,655	27,359

(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. Summary Information (Notes)

- (1) Changes in Significant Subsidiaries during the Period
Not applicable
- (2) Application of Accounting Procedures Specific to Quarterly Consolidated Financial Statements
Not applicable

- (3) Changes in Accounting Policies, Changes in Accounting Estimates and Restatements
(Changes in Accounting Policies)

Effective from the first quarter of the fiscal year ending March 31, 2015, the provisions stated in the main clause of Paragraph 35 of the “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26, May 17, 2012; the “Retirement Benefits Accounting Standard”) and the provisions stated in the main clause of Paragraph 67 of the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, May 17, 2012; the “Guidance on Retirement Benefits”) were applied. Accordingly, the Company has revised the calculation methods for retirement benefit obligations and service cost and changed the method of attributing expected retirement benefits to periods from a point basis or straight-line basis to a benefit formula basis. At the same time, the Company changed its method of determining the discount rate from the method based on the average remaining service years up to the expected date of retirement benefit payments to the method based on a single weighted average discount rate that reflects the estimated timing of retirement benefit payments and the amount of benefit payment for each estimated payment period.

The Retirement Benefits Accounting Standard and Guidance on Retirement Benefits are being applied transitionally as determined in Paragraph 37 of the Retirement Benefits Accounting Standard. As of April 1, 2014, the effects of the change in the calculation methods for retirement benefit obligations and service cost were added to or deducted from retained earnings.

As a result, as of April 1, 2014, net defined benefit asset decreased by ¥3,939 million and net defined benefit liability increased by ¥923 million, while retained earnings decreased by ¥4,522 million. The impact on income and loss for the first half of the fiscal year ending March 31, 2015 is minimal.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million yen)

	Fiscal year ended March 31, 2014 (As of March 31, 2014)	Six months ended September 30, 2014 (As of September 30, 2014)
Assets		
Current assets		
Cash and deposits	46,901	45,758
Notes and accounts receivable – trade	133,383	102,383
Securities	4,000	10,299
Finished goods	34,203	40,984
Work in process	22,652	35,531
Raw materials and supplies	28,429	27,035
Other	17,636	21,725
Allowance for doubtful accounts	(8,684)	(8,197)
Total current assets	278,522	275,522
Non-current assets		
Property, plant and equipment	56,193	56,248
Intangible assets	9,600	9,496
Investments and other assets	68,196	70,667
Total non-current assets	133,991	136,412
Total assets	412,514	411,934
Liabilities		
Current liabilities		
Notes and accounts payable – trade	73,312	71,405
Short-term loans payable	104,478	99,867
Provision	3,625	3,596
Other	60,856	60,347
Total current liabilities	242,272	235,216
Non-current liabilities		
Long-term loans payable	14,526	15,853
Provision for directors' retirement benefits	368	365
Net defined benefit liability	20,225	23,438
Other	43,202	43,096
Total non-current liabilities	78,322	82,753
Total liabilities	320,595	317,970

(Million yen)

	Fiscal year ended March 31, 2014 (As of March 31, 2014)	Six months ended September 30, 2014 (As of September 30, 2014)
Net assets		
Shareholders' equity		
Capital stock	44,000	44,000
Capital surplus	21,554	21,554
Retained earnings	18,382	20,929
Treasury shares	(432)	(442)
Total shareholders' equity	83,504	86,041
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,333	5,882
Deferred gains or losses on hedges	(389)	(150)
Foreign currency translation adjustment	(10,358)	(11,106)
Remeasurements of defined benefit plans	11,644	10,651
Total accumulated other comprehensive income	5,230	5,277
Subscription rights to shares	79	79
Minority interests	3,104	2,565
Total net assets	91,918	93,964
Total liabilities and net assets	412,514	411,934

(2) Consolidated Statements of Income and Comprehensive Income
(Consolidated Statements of Income)
(For the Six Months Ended September 30, 2013 and 2014)

(Million yen)

	Six months ended September 30, 2013 (From April 1, 2013 to September 30, 2013)	Six months ended September 30, 2014 (From April 1, 2014 to September 30, 2014)
Net sales	203,998	228,791
Cost of sales	152,800	170,922
Gross profit	51,198	57,869
Selling, general and administrative expenses	48,397	51,301
Operating income	2,801	6,567
Non-operating income		
Interest income	42	96
Dividend income	528	478
Foreign exchange gains	5,207	4,227
Miscellaneous income	476	671
Total non-operating income	6,256	5,473
Non-operating expenses		
Interest expenses	1,264	1,218
Commission for syndicate loan	294	570
Miscellaneous expenses	534	675
Total non-operating expenses	2,092	2,464
Ordinary income	6,964	9,577
Extraordinary income		
Insurance income	322	—
Total extraordinary income	322	—
Extraordinary losses		
Loss on disposal of non-current assets	441	126
Business structure improvement expenses	2,869	—
Loss on liquidation of subsidiaries	239	—
Total extraordinary losses	3,550	126
Income before income taxes and minority interests	3,736	9,450
Income taxes – current	1,460	1,695
Income taxes – deferred	464	(2,061)
Total income taxes	1,924	(365)
Income before minority interests	1,811	9,816
Minority interests in loss	(3)	(441)
Net income	1,814	10,257

(Consolidated Statements of Comprehensive Income)
(For the Six Months Ended September 30, 2013 and 2014)

(Million yen)

	Six months ended September 30, 2013 (From April 1, 2013 to September 30, 2013)	Six months ended September 30, 2014 (From April 1, 2014 to September 30, 2014)
Income before minority interests	1,811	9,816
Other comprehensive income		
Valuation difference on available-for-sale securities	1,830	1,540
Deferred gains or losses on hedges	121	239
Foreign currency translation adjustment	(3,636)	(707)
Remeasurements of defined benefit plans, net of tax	—	(1,016)
Share of other comprehensive income of entities accounted for using equity method	24	30
Total other comprehensive income	(1,660)	85
Comprehensive income	151	9,901
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	151	10,303
Comprehensive income attributable to minority interests	0	(401)

(3) Consolidated Statements of Cash Flows

(Million yen)

	Six months ended September 30, 2013 (From April 1, 2013 to September 30, 2013)	Six months ended September 30, 2014 (From April 1, 2014 to September 30, 2014)
Cash flows from operating activities		
Income before income taxes and minority interests	3,736	9,450
Depreciation	6,909	6,759
Increase (decrease) in provision	(802)	(1,213)
Interest and dividend income	(571)	(575)
Interest expenses	1,264	1,218
Loss (gain) on disposal of non-current assets	419	112
Decrease (increase) in notes and accounts receivable – trade	36,995	36,491
Decrease (increase) in inventories	(17,033)	(15,968)
Increase (decrease) in notes and accounts payable – trade	(7,835)	(8,283)
Increase (decrease) in accrued expenses	(2,875)	(3,431)
Other, net	(6,581)	1,742
Subtotal	13,625	26,302
Interest and dividend income received	571	575
Interest expenses paid	(1,282)	(1,225)
Proceeds from insurance income	1,576	—
Income taxes (paid) refund	142	(2,650)
Net cash provided by (used in) operating activities	14,633	23,001
Cash flows from investing activities		
Proceeds from redemption of securities	500	—
Purchase of property, plant and equipment	(3,521)	(5,128)
Purchase of intangible assets	(1,067)	(1,392)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(64)	(2,717)
Other payments	(479)	(1,049)
Other proceeds	715	248
Net cash provided by (used in) investing activities	(3,916)	(10,039)

(Million yen)

	Six months ended September 30, 2013 (From April 1, 2013 to September 30, 2013)	Six months ended September 30, 2014 (From April 1, 2014 to September 30, 2014)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	873	1,468
Proceeds from long-term loans payable	11,300	6,200
Repayments of long-term loans payable	(10,533)	(11,926)
Proceeds from sales and leasebacks	1,201	379
Repayments of lease obligations	(1,100)	(1,334)
Cash dividends paid	(1,032)	(3,158)
Other, net	(21)	(17)
Net cash provided by (used in) financing activities	687	(8,389)
Effect of exchange rate change on cash and cash equivalents	557	530
Net increase (decrease) in cash and cash equivalents	11,961	5,103
Cash and cash equivalents at beginning of period	35,894	50,866
Increase in cash and cash equivalents from newly consolidated subsidiary	32	44
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	235	—
Cash and cash equivalents at end of period	48,124	56,013

(4) Notes to Consolidated Financial Statements

(Going Concern Assumption)
Not Applicable

(Significant Changes in Shareholders' Equity)
Not Applicable

(Segment Information)

I First half of the fiscal year ended March 31, 2014 (from April 1, 2013 to September 30, 2013)
Information about amounts of net sales, income and loss by reportable segment

(Million yen)

	Reportable segments				Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated statements of income (Note 3)
	Info- telecom Systems	Printers	EMS	Total				
Net sales								
Net sales to external customers	120,312	57,282	17,985	195,581	8,417	203,998	—	203,998
Intersegment net sales or transfers	2,186	2,232	87	4,507	10,620	15,127	(15,127)	—
Total	122,499	59,515	18,073	200,088	19,038	219,126	(15,127)	203,998
Segment income (loss)	4,435	(611)	508	4,333	1,294	5,627	(2,826)	2,801

- (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. The adjustment to segment income or loss of ¥(2,826) million includes the elimination of intersegment transactions of ¥36 million, corporate expenses not allocated to each reportable segment of ¥(2,861) million, and an adjustment to non-current assets of ¥(2) million. Corporate expenses are mainly general and administrative expenses and research and development expenses that are not attributable to the reportable segments.
3. Segment income or loss is adjusted with operating income in the consolidated statements of income.

II First half of the fiscal year ending March 31, 2015 (from April 1, 2014 to September 30, 2014)
Information about amounts of net sales, income and loss by reportable segment

(Million yen)

	Reportable segments				Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated statements of income (Note 3)
	Info- telecom Systems	Printers	EMS	Total				
Net sales								
Net sales to external customers	138,094	61,613	20,192	219,900	8,891	228,791	—	228,791
Intersegment net sales or transfers	2,427	2,545	171	5,144	11,083	16,227	(16,227)	—
Total	140,521	64,159	20,364	225,044	19,974	245,019	(16,227)	228,791
Segment income (loss)	3,220	3,999	575	7,795	1,592	9,388	(2,820)	6,567

- (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. The adjustment to segment income or loss of ¥(2,820) million includes the elimination of intersegment transactions of ¥86 million, corporate expenses not allocated to each reportable segment of ¥(2,826) million, and an adjustment to non-current assets of ¥(79) million. Corporate expenses are mainly general and administrative expenses and research and development expenses that are not attributable to the reportable segments.
3. Segment income or loss is adjusted with operating income in the consolidated statements of income.