

(Translation)

Summary of Consolidated Financial Results for the First Half of the Fiscal Year Ending March 31, 2020 (J-GAAP)

November 7, 2019

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

Securities Code: 6703

Stock Exchange Listing: Tokyo Stock Exchange

Representative: Shinya Kamagami, President, Representative Director

Contact: Atsushi Yamauchi, General Manager, Investor Relations

Filing of Quarterly Securities Report (Scheduled): November 14, 2019

Commencement of Dividend Payment (Scheduled): –

Supplementary Document on Quarterly Financial Results: Yes

Quarterly Financial Results Briefing: Yes (for institutional investors)

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(Amounts less than one million yen have been truncated)

1. Consolidated Financial Results for the Six Months Ended September 30, 2019

(from April 1, 2019 to September 30, 2019)

(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	%
Six months ended September 30, 2019	218,384	12.8	5,201	545.6	2,937	–	4,060	–
September 30, 2018	193,576	(0.2)	805	–	(849)	–	(2,579)	–

(Note) Comprehensive income Six months ended September 30, 2019: ¥5,342 million (–%)
Six months ended September 30, 2018: ¥(2,393) million (–%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2019	46.92	46.85
September 30, 2018	(29.82)	–

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2019	357,945	100,524	28.0
As of March 31, 2019	365,503	100,200	27.3

(Reference) Shareholders' equity As of September 30, 2019: ¥100,256 million
As of March 31, 2019: ¥99,941 million

2. Dividends

	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, 2019	–	0.00	–	50.00	50.00
Fiscal year ending March 31, 2020	–	0.00			
Fiscal year ending March 31, 2020 (Projection)			–	50.00	50.00

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

3. Consolidated Results Projection for the Fiscal Year Ending March 31, 2020
(from April 1, 2019 to March 31, 2020)

(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	460,000	4.2	18,500	5.6	15,500	0.1	14,000	66.6	161.83

(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 shares issued (common stock)
 - 1) Number of shares issued at the end of the period (including treasury shares)
 - As of September 30, 2019: 87,217,602 shares
 - As of March 31, 2019: 87,217,602 shares
 - 2) Number of treasury shares at the end of the period
 - As of September 30, 2019: 688,282 shares
 - As of March 31, 2019: 709,516 shares
 - 3) Average number of shares during the period
 - Six months ended September 30, 2019: 86,530,194 shares
 - Six months ended September 30, 2018: 86,508,352 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 November 7, 2019 (Thursday). 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 half of the fiscal year ending March 31, 2020 (April 1, 2019 to September 30, 2019)

The digital transformation in society is accelerating, and business environment in OKI continues to change dramatically. On the other hand, these changes are also creating new business opportunities.

In this business environment, OKI has developed its business based on the highly reliable manufacturing technologies that are a strength of the Group. Also, using an installed base and customer base OKI has built up over its history of more than 130 years as the source for creating corporate value, OKI has been working to integrate network, sensing, data processing and analysis technologies to match new needs and expand its business.

For the business conditions in the first half of the fiscal year ending March 31, 2020, stable sales in the ICT business drove the performance of the entire Group. Net sales were ¥218.4 billion, a ¥24.8 billion or 12.8% increase year-on-year. In addition to the increased revenue, operating income was ¥5.2 billion, an increase of ¥4.4 billion year-on-year, and ordinary income was ¥2.9 billion, an improvement of ¥3.7 billion year-on-year, owing to the solid effects of structural reforms in the Mechatronics Systems business carried out last year.

A gain on sales of non-current assets of ¥4.8 billion, which was the result of reviewing the offices and other sites in conjunction with a merger of the Company's subsidiaries on April 1, 2019, and a gain on sales of investment securities of ¥2.5 billion, which was the result of reductions in non-business assets from the perspective of using assets efficiently, were posted as extraordinary income. For extraordinary losses, business restructuring expenses of ¥1.6 billion were posted related to the business transfer involving the Brazilian subsidiary. As a result of the above, profit attributable to owners of parent was ¥4.1 billion, an improvement of ¥6.7 billion year-on-year.

Starting from this fiscal year, the application scope of using the percentage-of-completion method was expanded mainly in the ICT business, resulting in increases in net sales of ¥16.2 billion, operating income of ¥1.7 billion and ordinary income of ¥1.7 billion.

(Billions of yen)	Six months ended September 30, 2019	Six months ended September 30, 2018	Year-on-year change rate
Net sales	218.4	193.6	12.8%
Operating income	5.2	0.8	545.6%
Ordinary income (loss)	2.9	(0.8)	–
Profit (loss) attributable to owners of parent	4.1	(2.6)	–

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

2) Results by business segment

<ICT>

Net sales came to ¥103.6 billion (a year-on-year increase of 51.8% or ¥35.3 billion). The overall business performed well due to factors such as large-scale projects building networks for a telecom carrier and an increase in social infrastructure-related projects. The increase in net sales also resulted from expanded application of the percentage-of-completion method.

Operating income came to ¥5.9 billion (a year-on-year increase of ¥5.1 billion), significantly increasing due to higher revenue.

(Billions of yen)	Six months ended September 30, 2019	Six months ended September 30, 2018	Year-on-year change rate
Net sales	103.6	68.3	51.8%
Operating income	5.9	0.8	602.8%

<Mechatronics Systems>

Net sales came to ¥35.8 billion (a year-on-year decrease of 6.9% or ¥2.7 billion). Due to the absence of a large-scale project for cash handling equipment for a customer in Japan that was included in the previous fiscal year, net sales decreased.

Operating loss was ¥0.2 billion, an improvement of ¥1.5 billion year-on-year, due to the effects of structural reforms implemented mainly in overseas subsidiaries in the previous fiscal year, despite the impact of a decline in sales volume.

(Billions of yen)	Six months ended September 30, 2019	Six months ended September 30, 2018	Year-on-year change rate
Net sales	35.8	38.5	(6.9)%
Operating loss	(0.2)	(1.7)	—

<Printers>

Net sales came to ¥47.0 billion (a year-on-year decrease of 7.4% or ¥3.8 billion). The decline resulted from the decrease in sales for office-use printers in the European market, as well as from the impact of yen appreciation.

Operating income was ¥2.1 billion (a year-on-year decrease of ¥0.8 billion) mainly due to the effects of lower profits resulting from a decline in sales volume and the yen appreciation against the Euro.

(Billions of yen)	Six months ended September 30, 2019	Six months ended September 30, 2018	Year-on-year change rate
Net sales	47.0	50.8	(7.4)%
Operating income	2.1	2.9	(28.5)%

<EMS>

Net sales were ¥29.1 billion (a year-on-year decrease of 11.8% or ¥3.9 billion) as a result of sluggish sales mainly for factory automation (FA) products and for semiconductor customers starting from the second half of the previous fiscal year.

Operating income was ¥0.8 billion (a year-on-year decrease of ¥0.8 billion) due to lower revenue.

(Billions of yen)	Six months ended September 30, 2019	Six months ended September 30, 2018	Year-on-year change rate
Net sales	29.1	33.0	(11.8)%
Operating income	0.8	1.6	(48.9)%

* The figures for the six months ended September 30, 2018 have been restated.

<Others>

Net sales came to ¥2.8 billion (a year-on-year decrease of 7.5% or ¥0.2 billion) and operating income came to ¥0.4 billion (a year-on-year decrease of ¥0.2 billion).

(Billions of yen)	Six months ended September 30, 2019	Six months ended September 30, 2018	Year-on-year change rate
Net sales	2.8	3.0	(7.5)%
Operating income	0.4	0.6	(39.3)%

* The figures for the six months ended September 30, 2018 have been restated.

(2) Financial Position

1) Assets, liabilities, net assets, etc., at the end of the first half of the fiscal year ending March 31, 2020

At the end of the period under review, total assets decreased by ¥7.6 billion from the end of the previous fiscal year to ¥357.9 billion. Shareholders' equity increased ¥0.4 billion from the end of the previous fiscal year to ¥100.3 billion mainly due to a distribution of ordinary dividends of ¥4.3 billion, despite the recording of ¥4.1 billion in profit attributable to owners of parent and an increase of ¥1.3 billion in accumulated other comprehensive income in the first half of the fiscal year ending March 31, 2020. As a result, shareholders' equity ratio stood at 28.0%.

With respect to major decreases in assets, there was a decrease of ¥10.8 billion in notes and accounts receivable - trade, while there was an increase of ¥2.6 billion in property, plant and equipment.

With respect to major decreases in liabilities, there was a decrease of borrowings and decreased by ¥7.5 billion from ¥78.6 billion at the end of the previous fiscal year to ¥71.1 billion.

2) Cash flows for the first half of the fiscal year ending March 31, 2020

For the period under review, net cash provided by operating activities amounted to ¥12.1 billion (¥10.3 billion of cash inflow for the same period of the previous fiscal year), due mainly to collected trade receivables and the recording of profit before income taxes.

Net cash provided by investing activities amounted to ¥1.4 billion (¥5.1 billion of cash outflow for the same period of the previous fiscal year), due to proceeds from sales of investment securities and non-current assets, despite the purchase of non-current assets.

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 ¥13.5 billion (net inflow of ¥5.2 billion for the same period of the previous fiscal year).

Net cash used in financing activities amounted to ¥13.3 billion (¥9.4 billion of cash outflow for the same period of the previous fiscal year), due mainly to repayments of borrowings and the distribution of ordinary dividends.

In addition to the above factors, due to a decrease of ¥0.4 billion from the effect of exchange rate change on cash and cash equivalents, cash and cash equivalents at the end of the period under review decreased from ¥26.8 billion at the end of the previous fiscal year to ¥26.6 billion.

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

For the first half of the fiscal year ending March 31, 2020, the business performance was solid and revenue and profit increased overall compared to the same period of the previous fiscal year. However, the performance varied among the businesses, with some strong and others weak, and as a result of a close examination of the current business conditions, the full-year consolidated results projection for the fiscal year ending March 31, 2020 have been revised to net sales of ¥460.0 billion (increase of ¥10.0 billion from previous announcement) and ordinary income of ¥15.5 billion (decrease of ¥1.5 billion from previous announcement). The breakdown for each business has also been revised as follows.

For details, please refer to “Summary of Consolidated Financial Results for the First Half of the Fiscal Year Ending March 31, 2020” disclosed today (November 7, 2019).

(Reference) Full-year consolidated results projection for the fiscal year ending March 31, 2020
(from April 1, 2019 to March 31, 2020)

	(Millions of yen)			
	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent
Previous projection (A)	450,000	18,500	17,000	14,000
Current projection (B)	460,000	18,500	15,500	14,000
Amount change (B – A)	10,000	0	(1,500)	0
Percentage change (%)	2.2	–	(8.8)	–
(Reference) Actual results for the fiscal year ended March 31, 2019	441,452	17,522	15,477	8,405

(Billions of yen)		Fiscal year ending March 31, 2020 Current projection	Fiscal year ending March 31, 2020 Previous projection	Year-on-year change
ICT	Net sales	221.0	203.0	18.0
	Operating income	17.0	14.5	2.5
Mechatronics Systems	Net sales	72.0	72.0	0.0
	Operating income	1.0	1.0	0.0
Printers	Net sales	96.0	104.0	(8.0)
	Operating income	4.0	7.0	(3.0)
EMS	Net sales	67.0	67.0	0.0
	Operating income	4.0	4.0	0.0
Others	Net sales	4.0	4.0	0.0
	Operating income	0.5	0.0	0.5
Elimination/corporate	Operating income	(8.0)	(8.0)	0.0
Total	Net sales	460.0	450.0	10.0
	Operating income	18.5	18.5	0.0

(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, 2019	As of September 30, 2019
Assets		
Current assets		
Cash and deposits	29,730	29,319
Notes and accounts receivable - trade	106,672	95,886
Finished goods	18,823	21,154
Work in process	25,007	21,845
Raw materials and supplies	20,777	20,884
Other	22,454	25,108
Allowance for doubtful accounts	(257)	(319)
Total current assets	223,206	213,879
Non-current assets		
Property, plant and equipment	49,393	51,970
Intangible assets	10,457	10,629
Investments and other assets		
Investment securities	43,621	40,272
Other	38,824	41,194
Total investments and other assets	82,446	81,466
Total non-current assets	142,296	144,066
Total assets	365,503	357,945
Liabilities		
Current liabilities		
Notes and accounts payable - trade	67,465	64,711
Short-term borrowings	48,880	46,118
Provisions	5,160	4,822
Other	54,688	52,216
Total current liabilities	176,194	167,868
Non-current liabilities		
Long-term borrowings	29,673	25,029
Provision for retirement benefits for directors (and other officers)	463	420
Other provisions	1,901	1,557
Retirement benefit liability	30,158	30,633
Other	26,911	31,913
Total non-current liabilities	89,108	89,552
Total liabilities	265,302	257,421
Net assets		
Shareholders' equity		
Share capital	44,000	44,000
Capital surplus	19,057	19,047
Retained earnings	51,785	50,821
Treasury shares	(997)	(968)
Total shareholders' equity	113,845	112,900
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,816	2,258
Deferred gains or losses on hedges	169	355
Foreign currency translation adjustment	(10,884)	(10,056)
Remeasurements of defined benefit plans	(6,006)	(5,201)
Total accumulated other comprehensive income	(13,904)	(12,643)
Share acquisition rights	133	141
Non-controlling interests	126	126
Total net assets	100,200	100,524
Total liabilities and net assets	365,503	357,945

(2) Consolidated Statements of Income and Comprehensive Income
(Consolidated Statements of Income)
(For the Six Months Ended September 30, 2018 and 2019)

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Net sales	193,576	218,384
Cost of sales	143,016	164,072
Gross profit	50,560	54,312
Selling, general and administrative expenses	49,754	49,110
Operating income	805	5,201
Non-operating income		
Interest income	50	50
Dividend income	780	929
Miscellaneous income	256	274
Total non-operating income	1,087	1,255
Non-operating expenses		
Interest expenses	797	871
Foreign exchange losses	1,496	2,055
Miscellaneous expenses	448	592
Total non-operating expenses	2,741	3,518
Ordinary income (loss)	(849)	2,937
Extraordinary income		
Gain on sales of non-current assets	1,021	4,830
Gain on sales of investment securities	–	2,468
Gain on sales of shares of subsidiaries and associates	–	165
Total extraordinary income	1,021	7,463
Extraordinary losses		
Loss on disposal of non-current assets	101	248
Loss on sales of shares of subsidiaries and associates	–	175
Loss on valuation of investment securities	–	173
Loss on disaster	–	319
Business restructuring expenses	1,645	1,607
Total extraordinary losses	1,746	2,524
Profit (loss) before income taxes	(1,574)	7,877
Income taxes - current	437	1,381
Income taxes - deferred	548	2,416
Total income taxes	986	3,797
Profit (loss)	(2,560)	4,079
Profit attributable to non-controlling interests	19	19
Profit (loss) attributable to owners of parent	(2,579)	4,060

(Consolidated Statements of Comprehensive Income)
(For the Six Months Ended September 30, 2018 and 2019)

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Profit (loss)	(2,560)	4,079
Other comprehensive income		
Valuation difference on available-for-sale securities	(990)	(558)
Deferred gains or losses on hedges	104	186
Foreign currency translation adjustment	914	829
Remeasurements of defined benefit plans, net of tax	138	805
Total other comprehensive income	166	1,262
Comprehensive income	(2,393)	5,342
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(2,416)	5,320
Comprehensive income attributable to non-controlling interests	22	21

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Cash flows from operating activities		
Profit (loss) before income taxes	(1,574)	7,877
Depreciation	5,848	6,055
Increase (decrease) in provision	1,006	(522)
Interest and dividend income	(830)	(980)
Interest expenses	797	871
Loss (gain) on sales of investment securities	–	(2,433)
Loss (gain) on disposal of non-current assets	(903)	(4,581)
Decrease (increase) in trade receivables	28,471	8,846
Decrease (increase) in inventories	(11,659)	(431)
Increase (decrease) in trade payables	(8,644)	161
Other, net	(897)	(878)
Subtotal	11,613	13,982
Interest and dividends received	831	963
Interest paid	(798)	(894)
Income taxes paid	(1,378)	(1,934)
Net cash provided by (used in) operating activities	10,267	12,116
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,871)	(5,339)
Proceeds from sales of property, plant and equipment	1,261	5,510
Purchase of intangible assets	(1,337)	(2,074)
Proceeds from sales of investment securities	–	4,342
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	–	(0)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	–	16
Other payments	(571)	(1,414)
Other proceeds	392	322
Net cash provided by (used in) investing activities	(5,126)	1,362
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	7,574	2,565
Repayments of long-term borrowings	(10,681)	(9,435)
Dividends paid	(2,593)	(4,299)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(1,739)	–
Repayments of lease obligations	(1,526)	(2,105)
Other, net	(449)	8
Net cash provided by (used in) financing activities	(9,415)	(13,267)
Effect of exchange rate change on cash and cash equivalents	301	(404)
Net increase (decrease) in cash and cash equivalents	(3,973)	(192)
Cash and cash equivalents at beginning of period	45,481	26,823
Cash and cash equivalents at end of period	41,508	26,631

(4) Notes to Consolidated Financial Statements

(Going Concern Assumption)

Not applicable

(Significant Changes in Shareholders' Equity)

Not applicable

(Changes in Accounting Policies)

Overseas consolidated subsidiaries, excluding those in the U.S., began applying IFRS 16 Leases effective from the beginning of the first quarter of the fiscal year ending March 31, 2020. As a result of applying these accounting standards, property, plant and equipment increased ¥2,262 million, other under current liabilities increased ¥960 million, other under non-current liabilities increased ¥1,740 million and retained earnings decreased ¥533 million in the consolidated balance sheets for the first half of the fiscal year ending March 31, 2020.

The impact of this change on profit and loss for the first half of the fiscal year ending March 31, 2020 is immaterial.

(Additional Information)

(Expanded application of the percentage-of-completion method)

Previously, the percentage-of-completion method was applied for the work whose outcome from the completed portion was deemed definite and the completed-contract method was applied for other work. In conjunction with the measures to develop and enhance the cost management system, since the first quarter of the fiscal year ending March 31, 2020, the percentage-of-completion method has also been applied to some of this other work because it became possible to reliably estimate the work.

As a result, for the first half of the fiscal year ending March 31, 2020, net sales increased ¥16,205 million, and operating income, ordinary income and profit before income taxes increased ¥1,723 million each.

(Segment Information)

I First half of the fiscal year ended March 31, 2019 (from April 1, 2018 to September 30, 2018)

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

(Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated statements of income (Note 3)
	ICT	Mechatronics systems	Printers	EMS	Total				
Net sales									
Net sales to external customers	68,283	38,479	50,815	32,965	190,544	3,031	193,576	–	193,576
Intersegment net sales or transfers	2,181	988	2,460	591	6,222	7,242	13,464	(13,464)	–
Total	70,465	39,468	53,276	33,557	196,766	10,274	207,041	(13,464)	193,576
Segment income (loss)	835	(1,747)	2,919	1,559	3,566	587	4,153	(3,348)	805

- (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 ¥(3,348) million includes the elimination of intersegment transactions of ¥(2) million, corporate expenses not allocated to each reportable segment of ¥(3,352) million, and an adjustment to non-current assets of ¥7 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, 2020 (from April 1, 2019 to September 30, 2019)

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

(Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated statements of income (Note 3)
	ICT	Mechatronics systems	Printers	EMS	Total				
Net sales									
Net sales to external customers	103,640	35,826	47,035	29,077	215,579	2,804	218,384	–	218,384
Intersegment net sales or transfers	1,889	642	2,693	641	5,866	7,681	13,548	(13,548)	–
Total	105,529	36,468	49,728	29,719	221,446	10,486	231,932	(13,548)	218,384
Segment income (loss)	5,869	(184)	2,086	797	8,568	356	8,924	(3,723)	5,201

- (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 ¥(3,723) million includes the elimination of intersegment transactions of ¥33 million, corporate expenses not allocated to each reportable segment of ¥(3,729) million, and an adjustment to non-current assets of ¥(27) 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.

2. Matters related to changes in reportable segments

In the first quarter of the fiscal year ending March 31, 2020, the restructuring of the EMS business continued from the previous fiscal year for the purpose of further enhancing its ability to offer a one-stop service from sales through design, manufacture, and evaluation. Because of this, some businesses that were previously classified as “Others” are now included in the “EMS business.” Furthermore, disclosure of segment information for the first half of the fiscal year ended March 31, 2019, is based on the reportable segments after the implementation of these changes.