

Financial Results for the First Nine Months of the FY ending March 31, 2020

February 7, 2020

Oki Electric Industry Co., Ltd.

Summary of Financial Results

- Net sales increased significantly due to big-scale projects besides the expansion in scope of application of percentage of completion method.
- Operating income increased upon sales increase. Structural reforms conducted in the previous fiscal year also bore fruit.
- Profit attributable to owners of parent improved significantly due to recording extraordinary income on sales of assets, etc. besides the reasons mentioned above.

(Billion yen)	9 months FY2020/3 (Results)	9 months FY2019/3 (Results)	Variance
Net sales	327.9	299.3	+28.6
Operating income	9.1	5.0	+4.1
Ordinary income	7.3	2.8	+4.5
Profit (loss) attributable to owners of parent	7.2	(1.6)	+8.8
USD average exchange rate (Yen)	108.7	111.1	(2.4)
EUR average exchange rate (Yen)	121.1	129.5	(8.4)

Segment Information (Net Sales)

- ICT: Increased significantly upon the expansion of social infrastructure and network-related projects in addition to the impact of the expanded scope of application of percentage of completion method, mainly in some government agency projects
- Mechatronics Systems: Declined upon the absence of large scale project of cash handling equipment in the previous fiscal year
- Printers: Decreased due to sales decline for office printers in Europe besides the impact of yen appreciation
- EMS: Decreased mainly in FA and semiconductor-related sales. The delay in some material procurement also effected.

(Billion yen)	9 months FY2020/3 (Results)	9 months FY2019/3 (Results)*	Variance
ICT	157.3	109.1	+48.2
Mechatronics Systems	53.6	59.7	(6.1)
Printers	69.5	76.7	(7.2)
EMS	43.2	49.2	(6.0)
Others	4.2	4.6	(0.4)
Total	327.9	299.3	+28.6

*Results of EMS and Others are restated.

Segment Information (Operating Income)

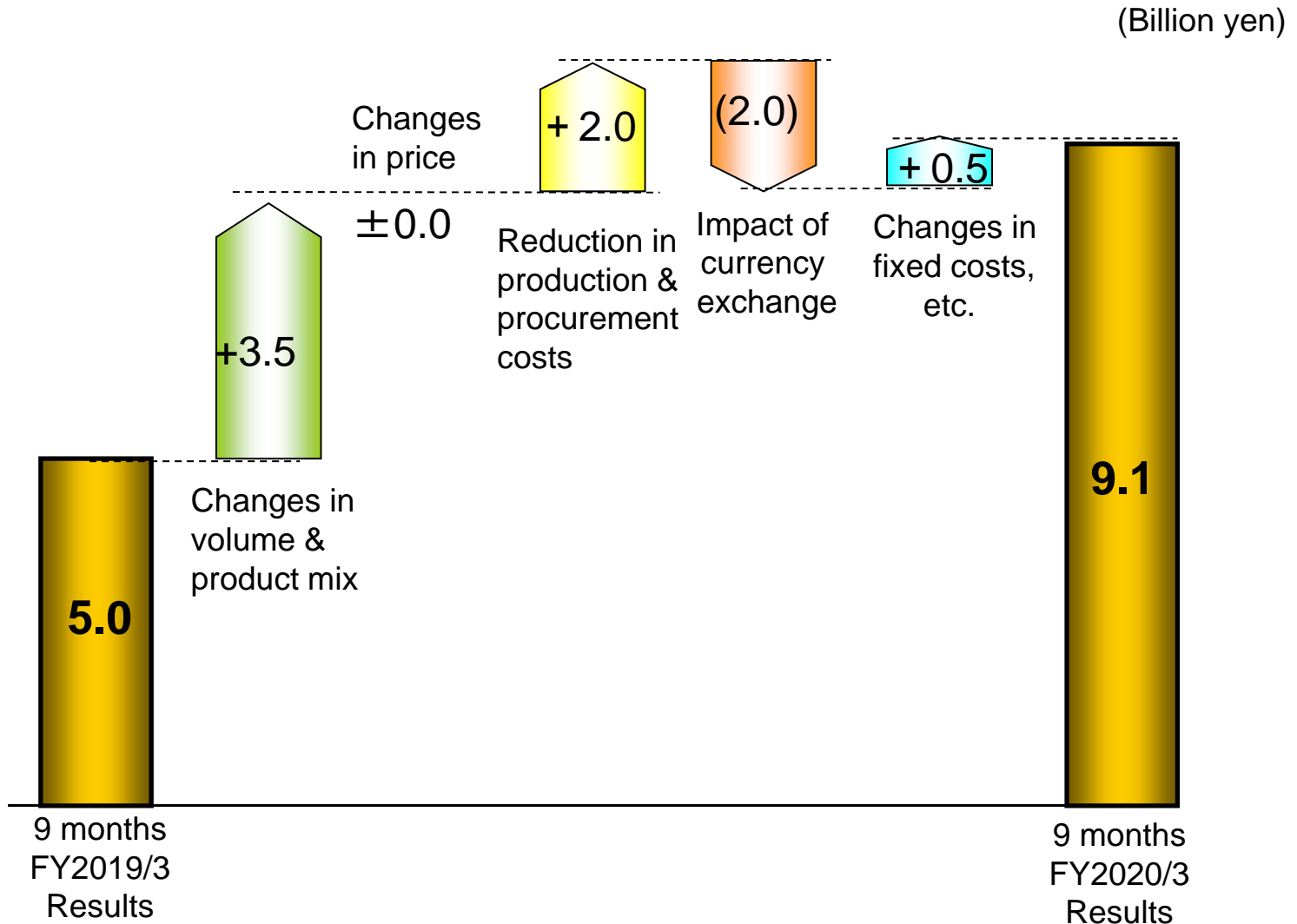
- ICT: Increased upon the substantive sales increase besides the impact of aforementioned change in sales standard
- Mechatronics Systems: Improved due to the effect of structural reforms conducted in the previous fiscal year despite the impact of sales decline
- Printers: Decreased due to the impact of declined sales and yen appreciation for Euro
- EMS: Decreased due to the sales decline

(Billion yen)	9 months FY2020/3 (Results)	9 months FY2019/3 (Results)*	Variance
ICT	11.1	3.3	+7.8
Mechatronics Systems	0.3	(1.3)	+1.6
Printers	2.2	4.5	(2.3)
EMS	1.1	2.7	(1.6)
Others	0.4	0.8	(0.4)
Corporate & Eliminations	(5.9)	(5.1)	(0.8)
Total	9.1	5.0	+4.1

*Results of EMS and Others are restated.

Reasons for Changes in Operating Income

- Achieved year-on-year increase upon the effect of sales increase



Balance Sheets

- There is no major change in the composition of each asset and liability.
- Shareholders' equity ratio increased by 0.9 points. D/E ratio stayed the same.

(Billion yen)	Dec. 2019	Mar. 2019	Variance
Current assets	228.6	223.2	+5.4
Fixed assets	144.7	142.3	+2.4
Assets	373.3	365.5	+7.8
Current liabilities	175.9	176.2	(0.3)
Fixed liabilities	91.7	89.1	+2.6
Liabilities	267.6	265.3	+2.3
Shareholders' equity	105.4	99.9	+5.5
Others	0.3	0.3	0.0
Net assets	105.7	100.2	+5.5
Total liabilities and net assets	373.3	365.5	+7.8
Shareholders' equity ratio (%)	28.2	27.3	+0.9%
D/E ratio (times)	0.8	0.8	0.0

Cash Flows

- Cash flows from operating activities increased along with the profit increase.
- Cash flows from investing activities saw net inflow due to the sales of fixed assets, etc.

(Billion yen)	9 months FY2020/3 (Results)	9 months FY2019/3 (Results)	Variance
I Cash flows from operating activities	11.6	3.2	+8.4
II Cash flows from investing activities	1.0	(7.7)	+8.7
Free cash flows (I + II)	12.6	(4.5)	+17.1
III Cash flows from financing activities	(5.8)	(3.9)	(1.9)
Cash and cash equivalents	33.7	37.1	(3.4)
Purchases of PP&E and intangible assets	11.6	9.4	+2.2
Depreciation	9.3	9.0	+0.3

Revision of Full-Year Projections (Segment)

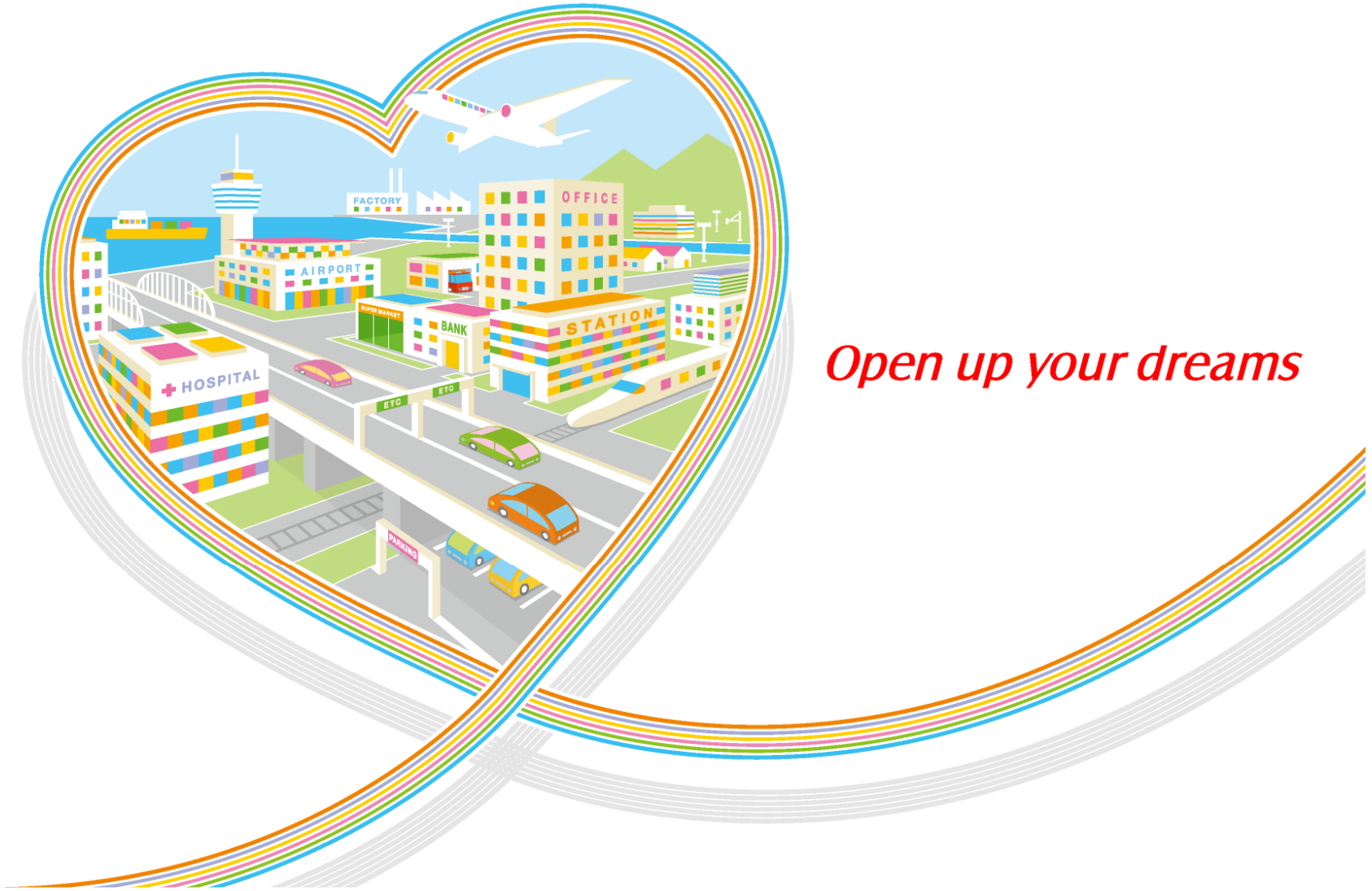
- Revised full-year projections by segment, in light of recent business performance

(Billion yen)		FY2020/3 (Revised)	FY2020/3 (Previous)*	Variance
ICT	Net sales	232.0	221.0	+11.0
	Operating income	19.0	17.0	+2.0
Mechatronics Systems	Net sales	72.0	72.0	0.0
	Operating income	1.0	1.0	0.0
Printers	Net sales	96.0	96.0	0.0
	Operating income	4.0	4.0	0.0
EMS	Net sales	60.0	67.0	(7.0)
	Operating income	2.0	4.0	(2.0)
Others	Net sales	5.0	4.0	+1.0
	Operating income	0.5	0.5	0.0
Eliminates & Corp.	Operating income	(8.0)	(8.0)	0.0
Total	Net sales	465.0	460.0	+5.0
	Operating income	18.5	18.5	0.0
	Ordinary income	15.5	15.5	0.0
	Profit attributable to owners of parent	14.0	14.0	0.0

*Disclosed on November 7, 2019

Notice

- The projections and plans in this material are based on information currently available to OKI as of the date of publication and certain assumptions judged as rational, therefore actual results are subject to change depending upon the changes of business environments and other conditions.
- Indication method of amounts in hundred millions (yen) are as follow:
Amounts in each item are rounded to the nearest hundred million yen. Variances are calculated in the hundred millions.



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