

## CONSOLIDATED STATEMENTS OF OPERATIONS

Oki Electric Industry Co., Ltd., and consolidated subsidiaries  
Years ended March 31, 2002, 2001 and 2000

	Millions of yen			Thousands of U.S. dollars (Note 2)
	2002	2001	2000	2002
Net sales .....	<b>¥604,572</b>	¥740,250	¥669,776	<b>\$4,545,656</b>
Cost of sales .....	<b>490,257</b>	563,368	513,402	<b>3,686,146</b>
<b>Gross profit</b> .....	<b>114,314</b>	176,882	156,374	<b>859,510</b>
Selling, general and administrative expenses .....	<b>141,562</b>	148,567	142,570	<b>1,064,378</b>
<b>Operating (loss) income</b> .....	<b>(27,247)</b>	28,314	13,804	<b>(204,868)</b>
Other income (expenses):				
Interest expense .....	<b>(8,102)</b>	(10,426)	(12,291)	<b>(60,920)</b>
Interest and dividend income .....	<b>1,259</b>	2,812	2,625	<b>9,472</b>
Foreign exchange gain (loss), net .....	<b>2,205</b>	1,881	(5,030)	<b>16,581</b>
Write-downs of investments in subsidiaries and other investments in securities .....	<b>(18,148)</b>	(3,041)	—	<b>(136,452)</b>
Other, net .....	<b>(6,857)</b>	(1,233)	7,407	<b>(51,563)</b>
	<b>(29,643)</b>	(10,008)	(7,288)	<b>(222,882)</b>
(Loss) income before income taxes, minority interests and equity in earnings (losses) of affiliates .....	<b>(56,890)</b>	18,306	6,515	<b>(427,750)</b>
Income taxes (benefit) (Note 8):				
Current .....	<b>1,965</b>	3,466	2,429	<b>14,778</b>
Deferred .....	<b>(25,179)</b>	6,762	2,626	<b>(189,320)</b>
	<b>(23,214)</b>	10,228	5,056	<b>(174,542)</b>
(Loss) income before minority interests and equity in earnings (losses) of affiliates ....	<b>(33,676)</b>	8,077	1,458	<b>(253,208)</b>
Minority interests in losses (earnings) of consolidated subsidiaries .....	<b>(218)</b>	681	(257)	<b>(1,643)</b>
Equity in (losses) earnings of affiliates .....	<b>(182)</b>	185	(55)	<b>(1,370)</b>
<b>Net (loss) income</b> (Note 15) .....	<b>¥(34,077)</b>	¥ 8,944	¥ 1,146	<b>\$ (256,222)</b>

The accompanying notes are an integral part of these statements.

## CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Oki Electric Industry Co., Ltd., and consolidated subsidiaries  
Years ended March 31, 2002, 2001 and 2000

	Millions of yen			Thousands of U.S. dollars (Note 2)
	2002	2001	2000	2002
<b>Common stock:</b>				
Balance at beginning of the year .....	<b>¥ 67,862</b>	¥67,862	¥ 67,849	<b>\$ 510,243</b>
Increase due to conversion of convertible bonds .....	—	—	12	—
<b>Balance at end of the year</b> .....	<b>¥ 67,862</b>	¥67,862	¥ 67,862	<b>\$ 510,243</b>
<b>Additional paid-in capital:</b>				
Balance at beginning of the year .....	<b>¥ 71,150</b>	¥71,150	¥ 71,138	<b>\$ 534,969</b>
Increase due to conversion of convertible bonds .....	—	—	12	—
<b>Balance at end of the year</b> .....	<b>¥ 71,150</b>	¥71,150	¥ 71,150	<b>\$ 534,969</b>
<b>Special reserves:</b>				
Balance at beginning of the year .....	<b>¥ 11,007</b>	¥11,577	¥ 13,436	<b>\$ 82,766</b>
Transfer from retained earnings .....	<b>1,401</b>	1,024	142	<b>10,535</b>
Transfer to retained earnings .....	<b>(2,044)</b>	(1,593)	(2,001)	<b>(15,371)</b>
<b>Balance at end of the year</b> .....	<b>¥ 10,364</b>	¥11,007	¥ 11,577	<b>\$ 77,930</b>
<b>(Accumulated deficit) retained earnings:</b>				
Balance at beginning of the year .....	<b>¥ 1,223</b>	¥(8,025)	¥(11,142)	<b>\$ 9,202</b>
(Decrease) increase at beginning of the year of initially consolidated subsidiaries .....	<b>(274)</b>	(351)	(6)	<b>(2,060)</b>
Increase due to exclusion of subsidiaries from consolidation .....	<b>0</b>	—	—	<b>0</b>
Balance at beginning of the year, as adjusted .....	<b>949</b>	(8,377)	(11,149)	<b>7,142</b>
Net (loss) income .....	<b>(34,077)</b>	8,944	1,146	<b>(256,222)</b>
Increase due to merger of a consolidated subsidiary with unconsolidated subsidiaries .....	—	87	136	—
Cash dividends paid .....	<b>(3,061)</b>	—	—	<b>(23,015)</b>
Bonuses to directors and statutory auditors .....	—	—	(18)	—
Transfer to special reserves .....	<b>(1,401)</b>	(1,024)	(142)	<b>(10,535)</b>
Transfer from special reserves .....	<b>2,044</b>	1,593	2,001	<b>15,371</b>
<b>Balance at end of the year</b> .....	<b>¥(35,545)</b>	¥ 1,223	¥ (8,025)	<b>\$ (267,260)</b>

The accompanying notes are an integral part of these statements.