

Financial Section

## Consolidated Balance Sheets

Oki Electric Industry Co., Ltd. and consolidated subsidiaries  
As of March 31, 2004 and 2003

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2004	2003	2004
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	¥ 58,075	¥ 29,294	\$ 553,101
Time deposits	20	—	190
Marketable securities (Note 3)	730	—	6,956
Notes and accounts receivable:			
Unconsolidated subsidiaries and affiliates	14,158	21,259	134,841
Other	154,489	162,305	1,471,325
Less: Allowance for doubtful receivables	(1,986)	(2,289)	(18,919)
Inventories (Note 4)	138,977	157,427	1,323,595
Other current assets (Note 8)	15,331	14,943	146,010
<b>Total current assets</b>	<b>379,795</b>	<b>382,942</b>	<b>3,617,100</b>
<b>Investments and long-term receivables:</b>			
Investments in and advances to unconsolidated subsidiaries and affiliates (Note 5)	10,753	9,969	102,409
Other investments in securities (Note 3)	45,755	33,196	435,769
Other long-term receivables	7,266	5,398	69,204
Less: Allowance for doubtful receivables	(5,159)	(5,767)	(49,142)
<b>Total investments and long-term receivables</b>	<b>58,615</b>	<b>42,796</b>	<b>558,241</b>
<b>Property, plant and equipment</b> (Notes 6 and 10):			
Land	18,289	19,747	174,186
Buildings	120,059	129,808	1,143,428
Machinery and equipment	481,296	528,388	4,583,778
Construction in progress	275	135	2,622
	619,921	678,080	5,904,016
Less: Accumulated depreciation	(500,259)	(541,724)	(4,764,374)
<b>Property, plant and equipment, net</b>	<b>119,662</b>	<b>136,355</b>	<b>1,139,641</b>
<b>Other assets</b> (Note 8)	<b>51,487</b>	<b>60,797</b>	<b>490,356</b>
<b>Total assets</b>	<b>¥ 609,560</b>	<b>¥ 622,891</b>	<b>\$ 5,805,340</b>

<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	Millions of yen		Thousands of U.S. dollars (Note 2)
	<b>2004</b>	2003	<b>2004</b>
<b>Current liabilities:</b>			
Short-term borrowings (Note 6)	¥ 86,658	¥107,307	\$ 825,317
Current portion of long-term debt (Note 6)	58,103	58,591	553,364
Notes and accounts payable:			
Unconsolidated subsidiaries and affiliates	6,742	7,864	64,183
Other	98,015	77,344	933,511
Accrued income taxes	1,820	2,156	17,339
Other accrued expenses	42,375	35,304	403,578
Other current liabilities (Note 8)	17,960	18,980	171,054
<b>Total current liabilities</b>	<b>311,676</b>	307,548	<b>2,968,349</b>
<b>Long-term liabilities:</b>			
Long-term debt (Note 6)	146,655	169,561	1,396,720
Retirement benefits (Note 7)	33,402	31,409	318,121
Other long-term liabilities	1,586	7,439	15,114
<b>Total long-term liabilities</b>	<b>181,645</b>	208,410	<b>1,729,956</b>
<b>Minority interests in consolidated subsidiaries</b>	<b>5,739</b>	5,608	<b>54,660</b>
<b>Shareholders' equity</b> (Note 9):			
Common stock:			
Authorized—2,400,000,000 shares			
Issued—612,221,797 shares	67,862	67,862	646,308
Additional paid-in capital	71,150	71,150	677,627
Accumulated deficit	(29,685)	(31,004)	(282,719)
Net unrealized holding gain on other securities (Note 1(e))	10,932	1,513	104,123
Translation adjustments	(9,619)	(8,098)	(91,615)
Less: Treasury common stock, at cost—574,324 shares in 2004 and 474,775 shares in 2003	(141)	(100)	(1,350)
<b>Total shareholders' equity</b>	<b>110,499</b>	101,323	<b>1,052,374</b>
<b>Contingent liabilities</b> (Note 16)			
<b>Total liabilities and shareholders' equity</b>	<b>¥ 609,560</b>	¥622,891	<b>\$ 5,805,340</b>

The accompanying notes are an integral part of these statements.