

Consolidated Statements of Operations

Oki Electric Industry Co., Ltd. and consolidated subsidiaries
Years ended March 31, 2005, 2004 and 2003

	Millions of yen			Thousands of U.S. dollars (Note 2)
	2005	2004	2003	2005
Net sales	¥ 688,542	¥ 654,214	¥585,473	\$ 6,434,975
Cost of sales	504,340	484,455	445,709	4,713,458
Gross profit	184,202	169,759	139,763	1,721,517
Selling, general and administrative expenses	156,982	148,153	138,395	1,467,124
Operating income	27,220	21,606	1,368	254,393
Other income (expenses):				
Interest expense	(6,724)	(7,464)	(7,513)	(62,843)
Interest and dividend income	1,323	1,074	973	12,370
Foreign exchange gain (loss), net	561	(2,039)	(1,886)	5,244
Write-downs of investments in subsidiaries and other investments in securities	(1,193)	(1,538)	(7,218)	(11,155)
(Loss) gain on sale and disposition of property, plant and equipment	(1,300)	(4,630)	18,610	(12,155)
Gain on return of substitutional portion of the Welfare Pension Fund Plan (Note 7)	—	8,282	—	—
Loss on earthquakes (Note 12)	—	(3,344)	—	—
Restructuring charges (Note 13)	(2,363)	(7,709)	(6,120)	(22,086)
Other, net	776	(2,041)	(1,447)	7,258
	(8,920)	(19,410)	(4,602)	(83,369)
Income (loss) before income taxes, minority interests and equity in earnings (losses) of affiliates	18,299	2,195	(3,233)	171,023
Income taxes (Note 8):				
Current	2,695	2,555	2,425	25,188
Deferred	4,377	(1,720)	298	40,910
	7,072	835	2,724	66,099
Income (loss) before minority interests and equity in earnings (losses) of affiliates	11,226	1,360	(5,958)	104,924
Minority interests in earnings of consolidated subsidiaries	(297)	(140)	(367)	(2,780)
Equity in earnings (losses) of affiliates	245	109	(234)	2,295
Net income (loss) (Note 17)	¥ 11,174	¥ 1,328	¥ (6,560)	\$ 104,439

The accompanying notes are an integral part of these statements.