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# Report on Financial Results for First-half, FY2002\*

October 31, 2001

Okī Electric Industry Co., Ltd

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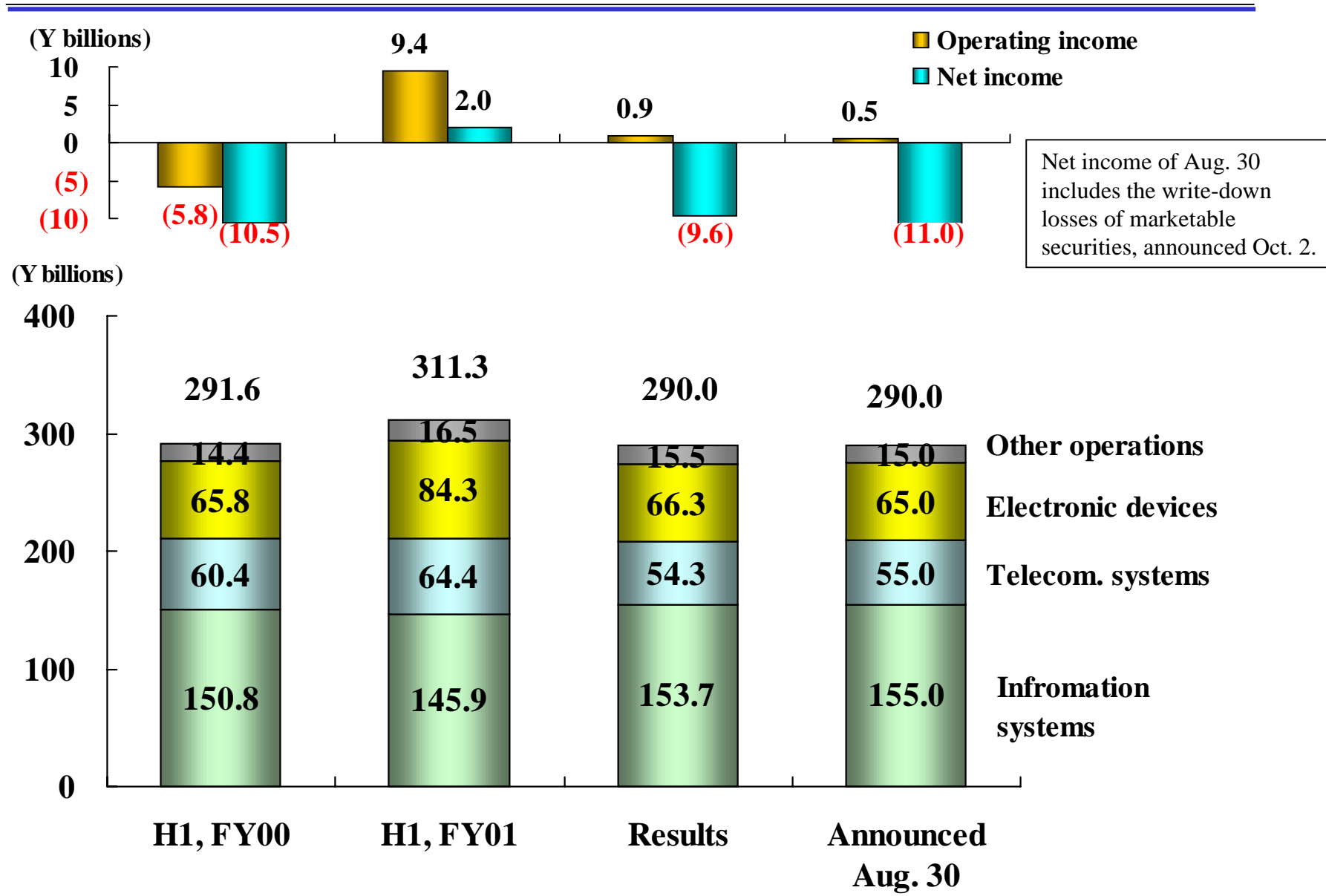
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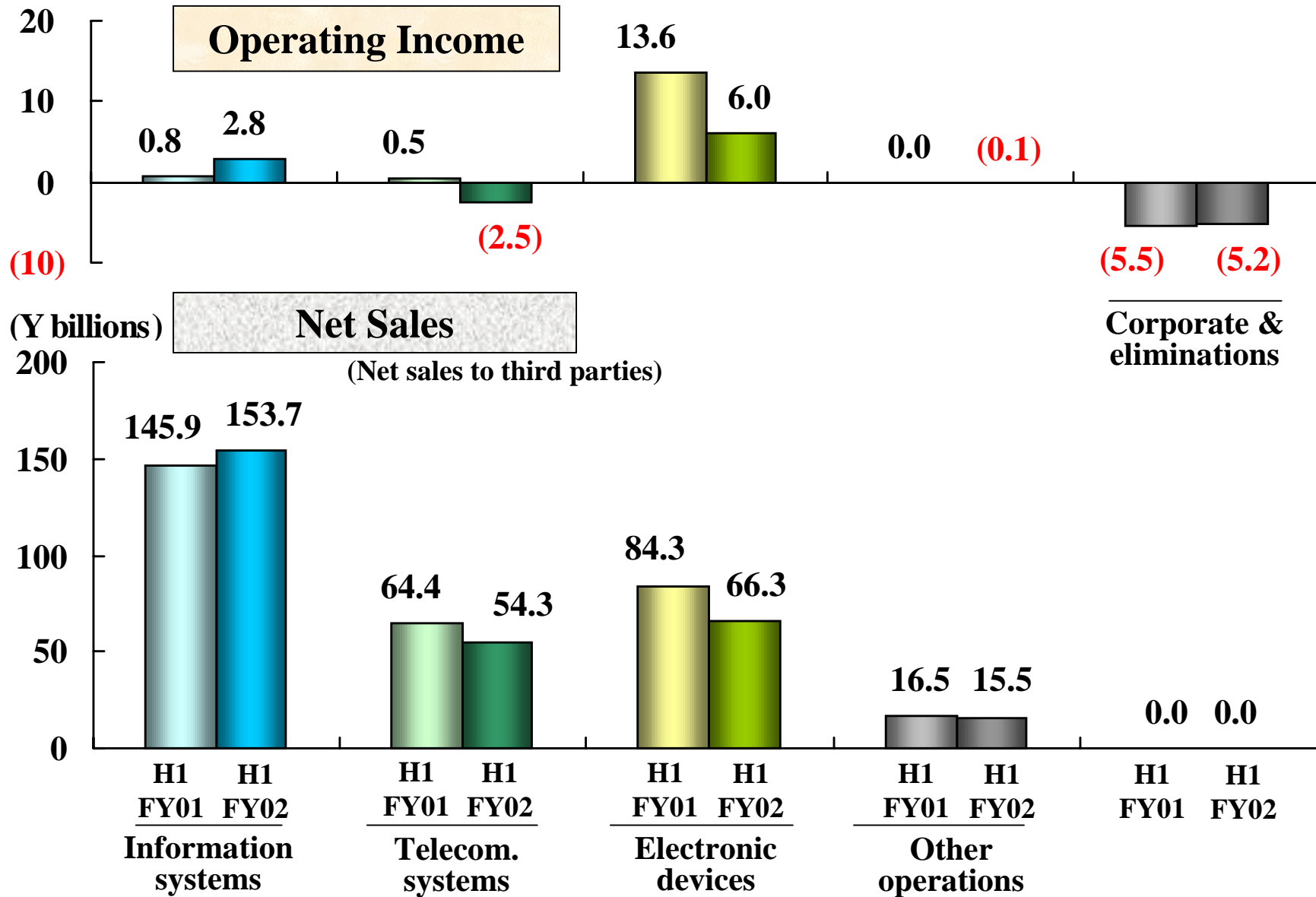
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# I-1. Net Sales and Net Income for First-half, FY02

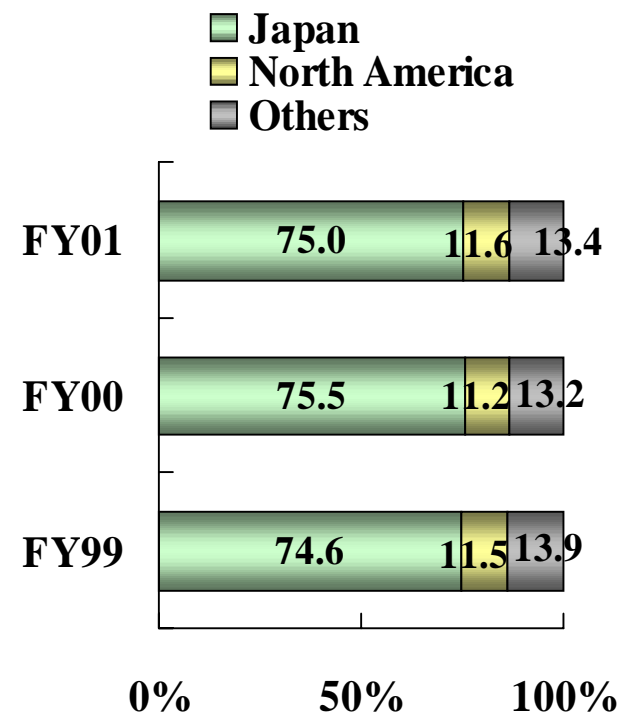
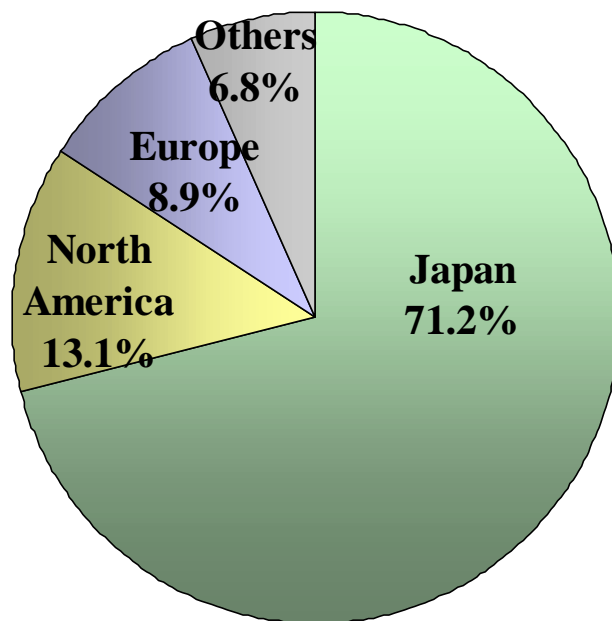


## I-2. Net Sales & Operating Income by Business Segments



## I-3. Sales by Market Regions

### Sales of First-half FY02 by Customers Locations



### Sales and Operating Income by Geographic Segments

(Y billion)

First-half, FY02	Japan	North America	Europe & Others	Elimination	Consolidation
Sales to third parties	218.2	35.7	35.9		290.0
Interarea sales	45.5	0.1	30.9	(76.5)	-
Total sales	263.7	35.8	66.9	(76.5)	290.0
Operating income (loss)	2.3	0.0	(0.3)	(1.0)	0.9

## I-4. Statements of Operations

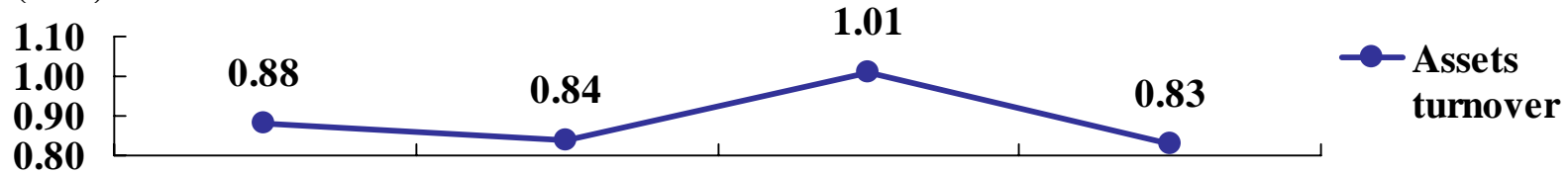
(Y billion)

	First-half, FY02		First-half, FY01		Difference	Aug. 30 announced	Difference
	(a) Consolidated	(Non-consolidated)	(b) Consolidated	(Non-consolidated)	Consolidated (a-b)	(c) Consolidated	(a-c)
<b>Net sales</b>	<b>290.0</b>	<b>196.4</b>	<b>311.3</b>	<b>227.5</b>	<b>(21.3)</b>	<b>290.0</b>	<b>0.0</b>
Information systems	153.7	83.7	145.9	85.4	7.8	155.0	(1.3)
Telecom. systems	54.3	51.3	64.4	61.9	(10.1)	55.0	(0.7)
Electronic devices	66.3	61.4	84.3	80.3	(18.0)	65.0	1.3
Other operations	15.5	-	16.5	-	(1.0)	15.0	0.5
(Cost of sales ratio)	(76.3%)	(80.3%)	(75.1%)	(78.1%)	(1.2% down)	-	-
Cost of sales	221.4	157.6	233.7	177.6	(12.3)	-	-
SG & A expenses	67.6	38.1	68.1	40.8	(0.5)	-	-
<b>Operating income</b>	<b>0.9</b>	<b>0.5</b>	<b>9.4</b>	<b>9.0</b>	<b>(8.5)</b>	<b>0.5</b>	<b>0.4</b>
Other income (expenses)	(4.2)	(1.6)	(5.7)	(2.8)	1.5	(5.5)	1.3
<b>Recurring income (loss)</b>	<b>(3.3)</b>	<b>(1.0)</b>	<b>3.7</b>	<b>6.1</b>	<b>(7.0)</b>	<b>(5.0)</b>	<b>1.7</b>
Extraordinary income (losses)	(12.0)	(10.8)	(0.5)	3.1	(11.5)	2.0	(14.0)
Income tax	5.5	5.4	(1.9)	(3.4)	7.4	-	5.5
Minority interests	0.1	-	0.7	-	(0.6)	-	0.1
<b>Net income (loss)</b>	<b>(9.6)</b>	<b>(6.4)</b>	<b>2.0</b>	<b>5.8</b>	<b>(11.6)</b>	<b>* (11.0)</b>	<b>1.4</b>

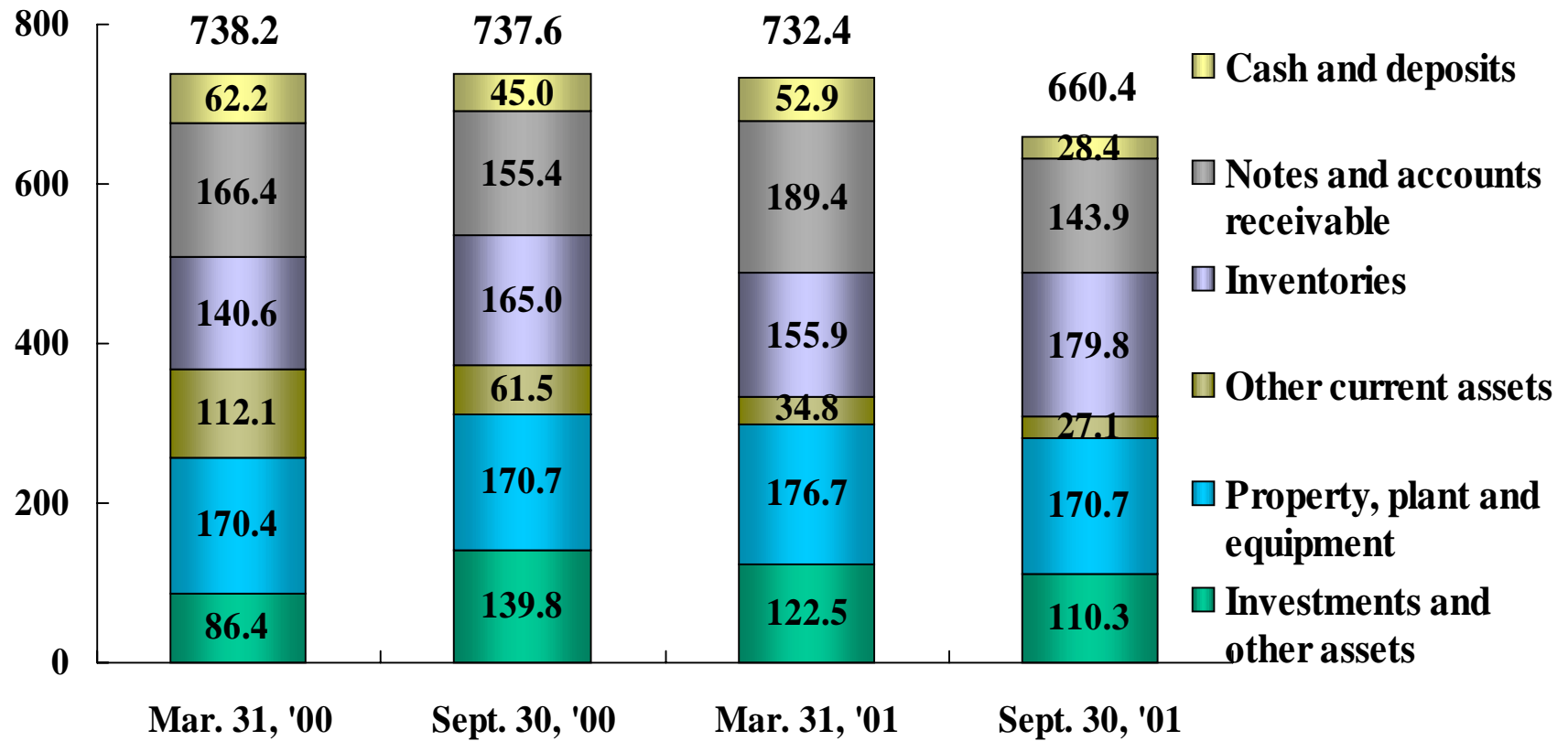
\* Net income of Aug. 30 includes the write-down losses of marketable securities, announced Oct. 2.

## I-5. Balance Sheets, Assets

(time)

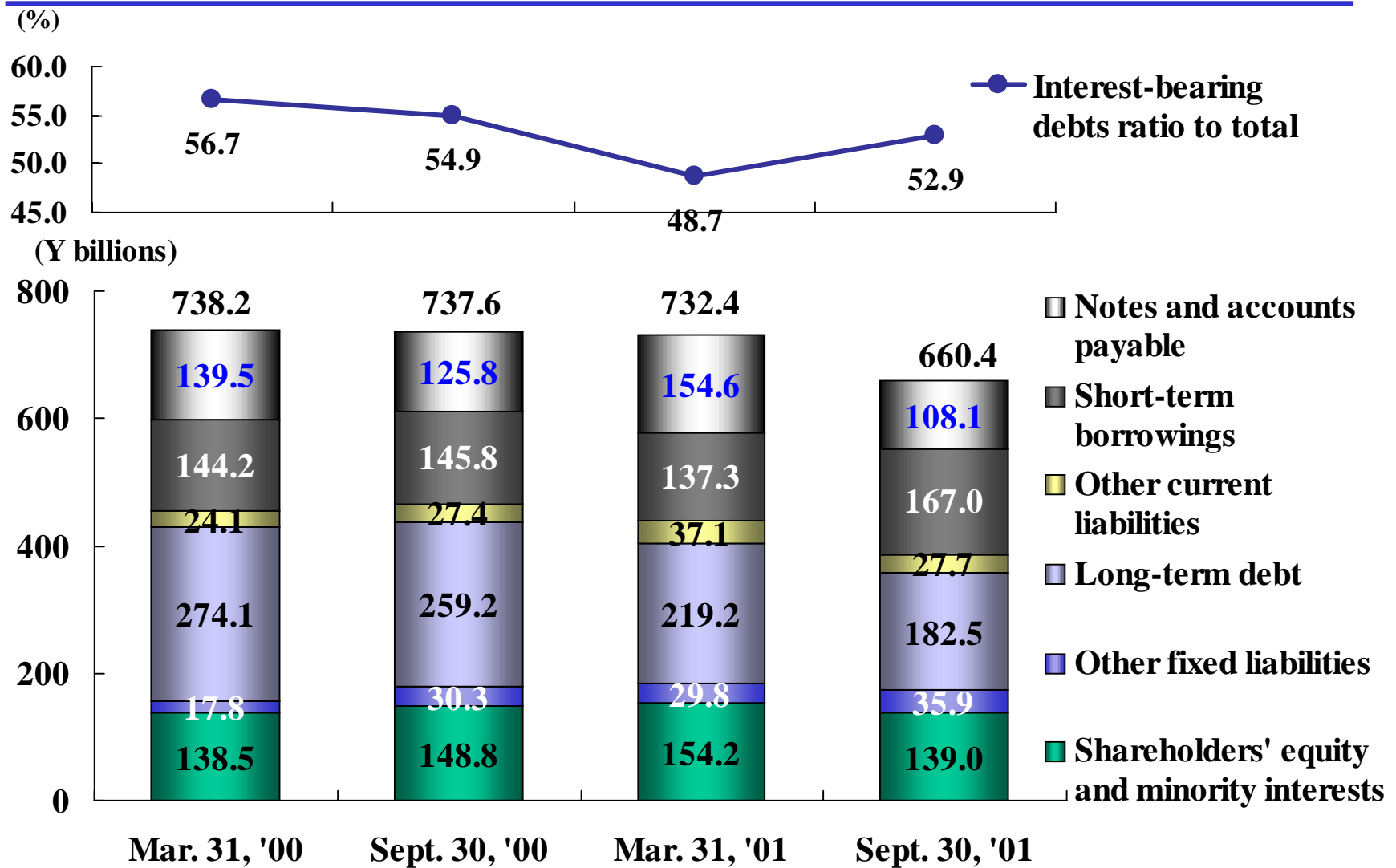


(Y billions)



Note) Foreign currency translation adjustments are expressed as a component of shareholders' equity.

## I-6. Balance Sheets, Liabilities and Shareholders' Equity

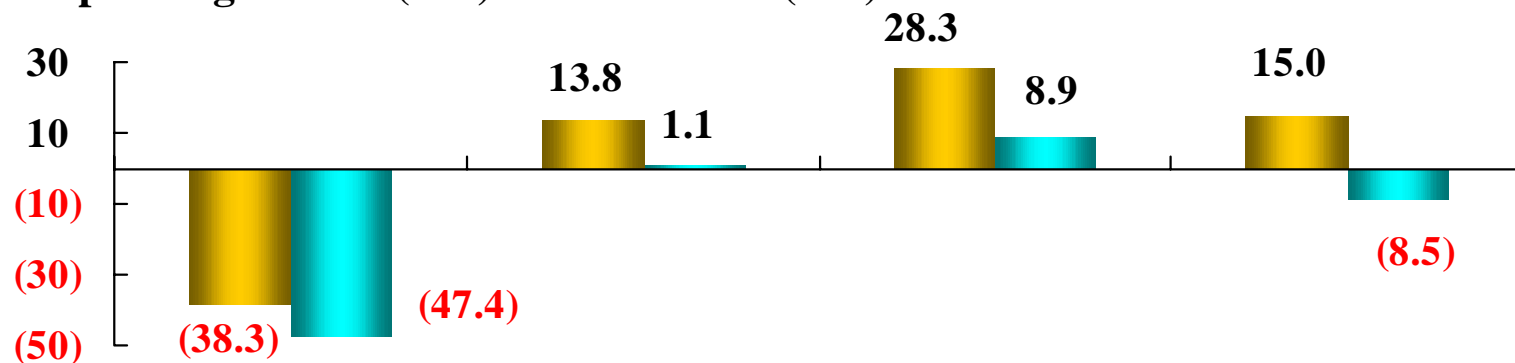


Notes) Foreign currency translation adjustments are expressed as a component of shareholders' equity.  
Commercial papers and bonds due within a year are included in short-term borrowings and long-term debt respectively.

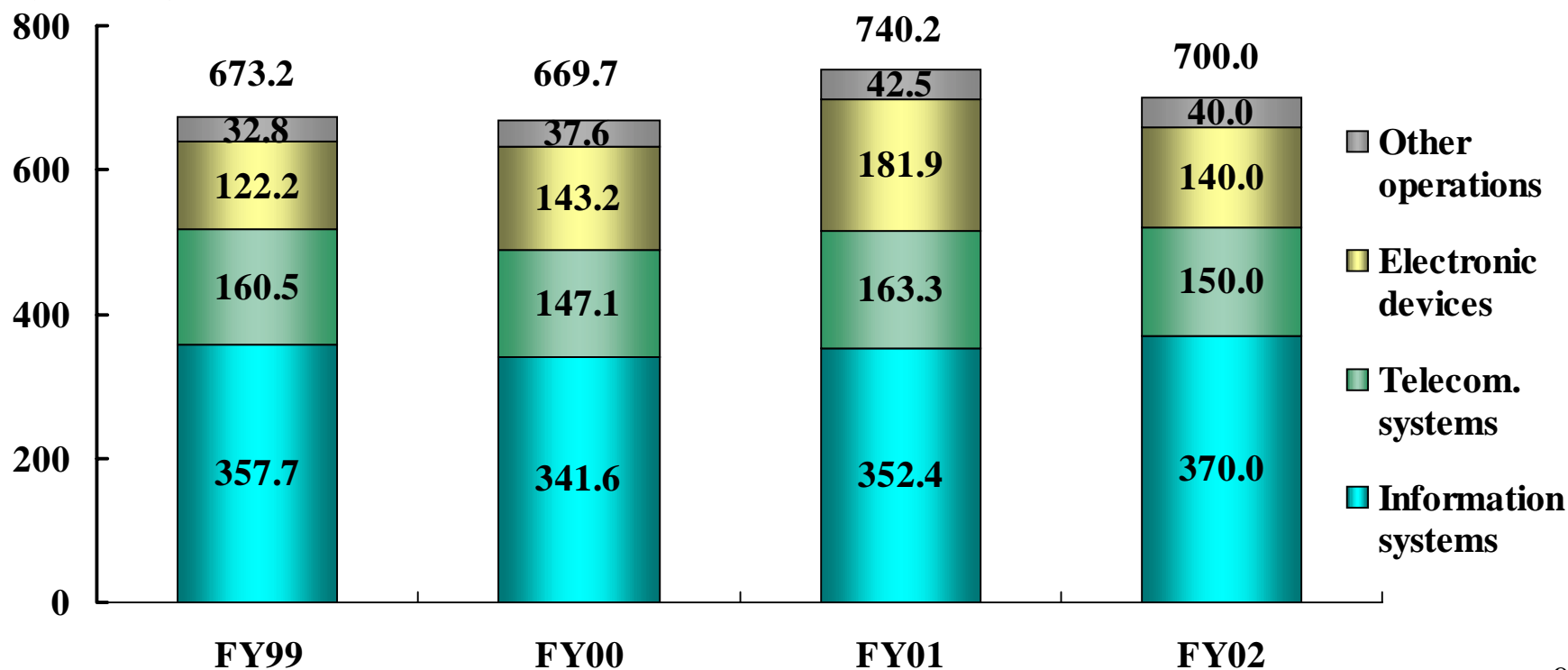


## II-1. Net Sales and Net Income for FY02 ending Mar. 31, 2002

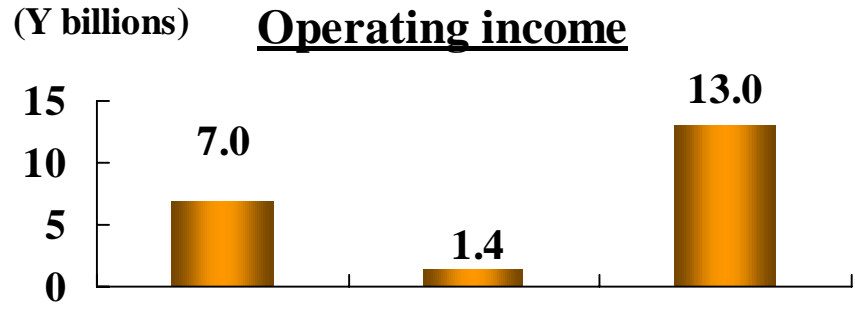
■ Operating income (loss) ■ Net income (loss)



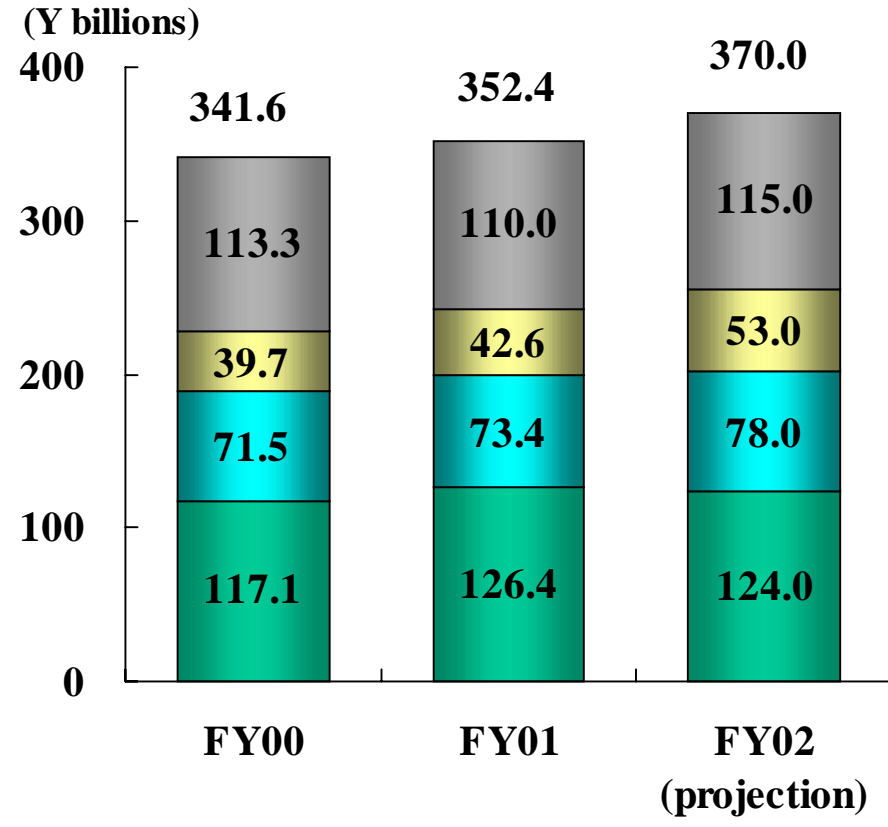
(Y billions)



## II-2. Net Sales and Operating Income of Information Systems



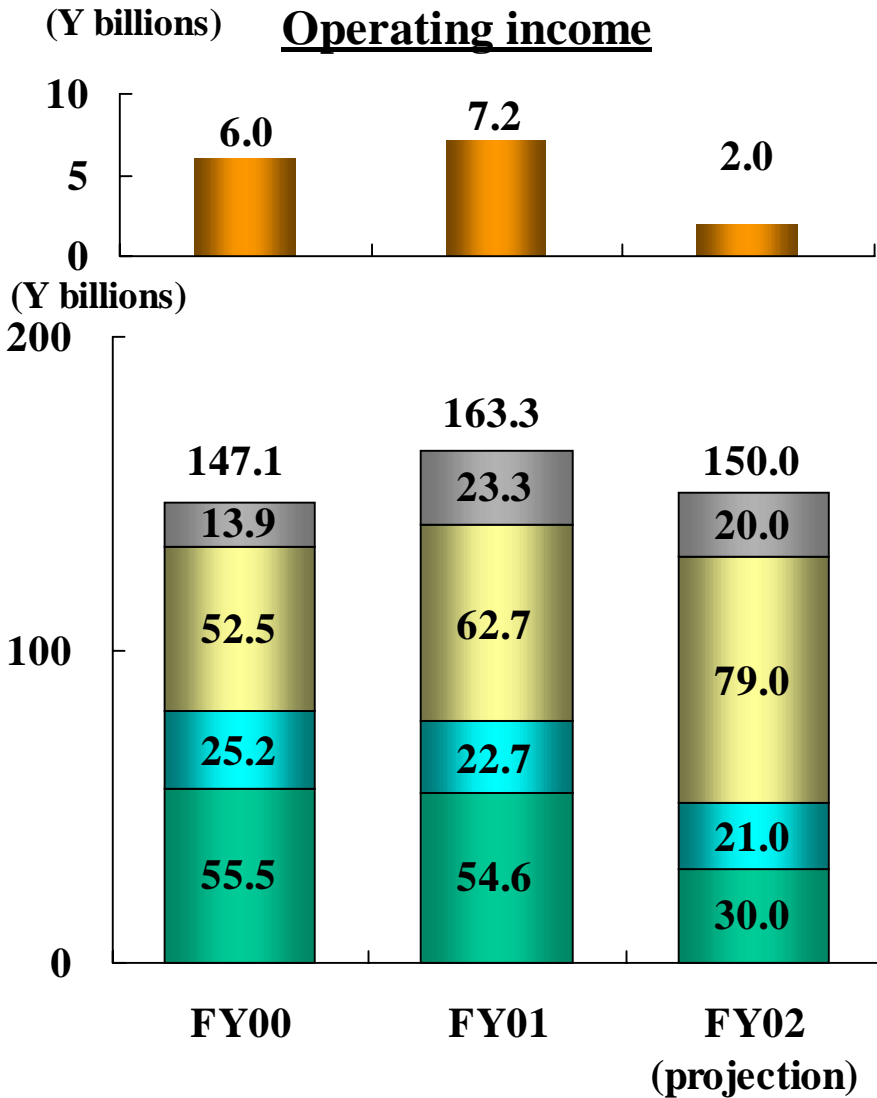
**System Solutions Company (SSC)**  
**Net Business Solutions Company (NBC)**  
**Enterprise Solutions Company (ESC)**  
**Oki Data Company (ODC)**



- Printers**
  - LED color non impact printers,
  - Serial impact dot matrix printers,
  - Consumables,
- Information systems**
  - Business solutions, ERP,
  - Ticketing and reservation systems
- Systems for governments**
  - Electronic government solutions,
  - Intelligent transportation systems (ITS),
  - Underwater acoustic systems
- Banking systems**
  - Banking systems,
  - Auto teller machines (ATM),
  - Cash management terminals

**Sales to third parties**

## II-3. Net Sales and Operating Income of Telecom. Systems



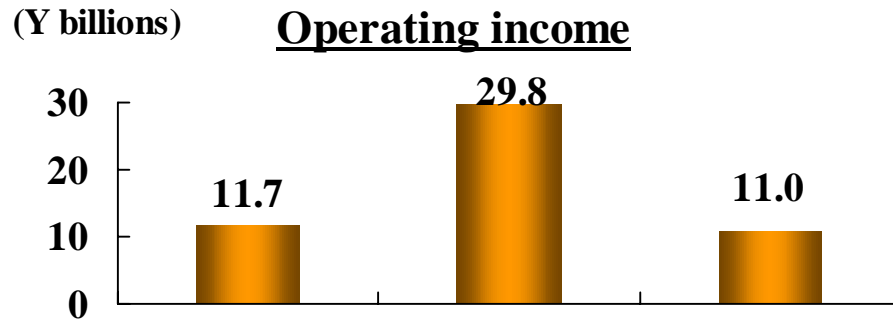
**Network Systems Company (NSC)**

- Others**
}
 Local authorities' emergency telecom. systems, etc.
  
- Multimedia networks**
}
 MoIP\*, CTI, Cisco-SI, PBX, Key-telephone
  
- Access networks**
}
 Optical network systems (ATM-PONs, FTTH), Leased circuit systems
  
- Core networks**
}
 Central office switching systems, S-MDFs

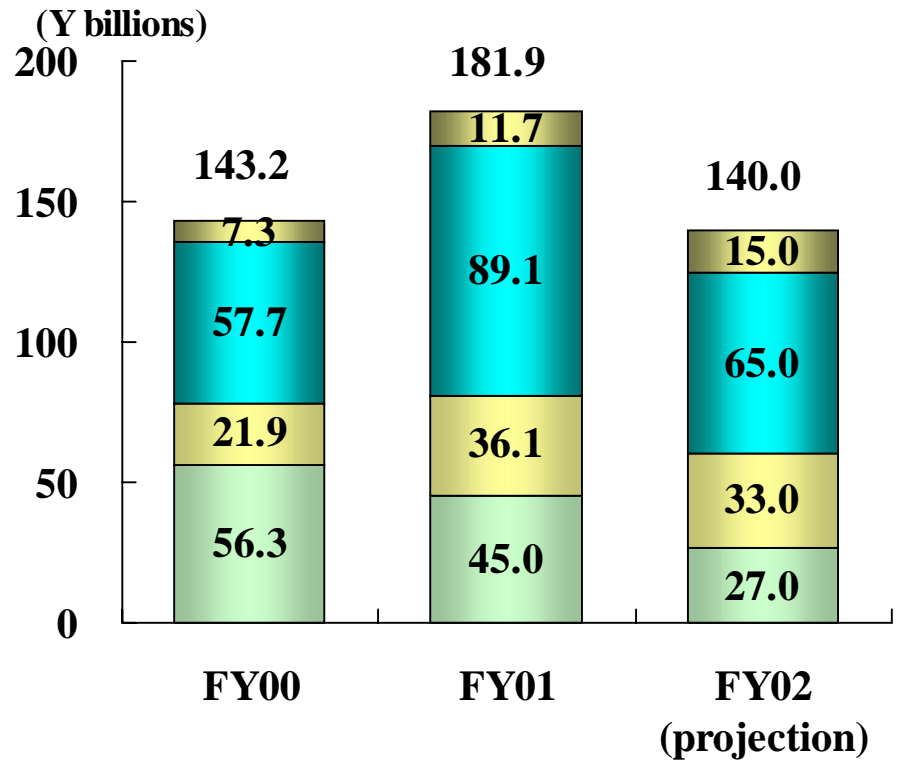
**Sales to third parties**

\*MoIP: Multimedia over Internet Protocol

## II-4. Net Sales and Operating Income of Electronic Devices



**Silicon Solutions Company (SiSC)**  
**Optical Components Company (OCC)**



- Components**
  - Optical modules,
  - GaAs Devices,
  - Laser diodes, Photo diodes
- Logic LSIs**
  - Communications LSIs
  - Voice LSIs
  - Microcontrollers, ASICs
  - Si-Foundry
- System memories**
  - NVM: P2ROM\*, Mask ROM, OTP\*
  - ASM\*: Peripherals
  - Digital appliances
- DRAMs**
  - 4M, 16M, 64M DRAMs

**Sales to third parties**

\*P2ROM: Production Programmable ROM

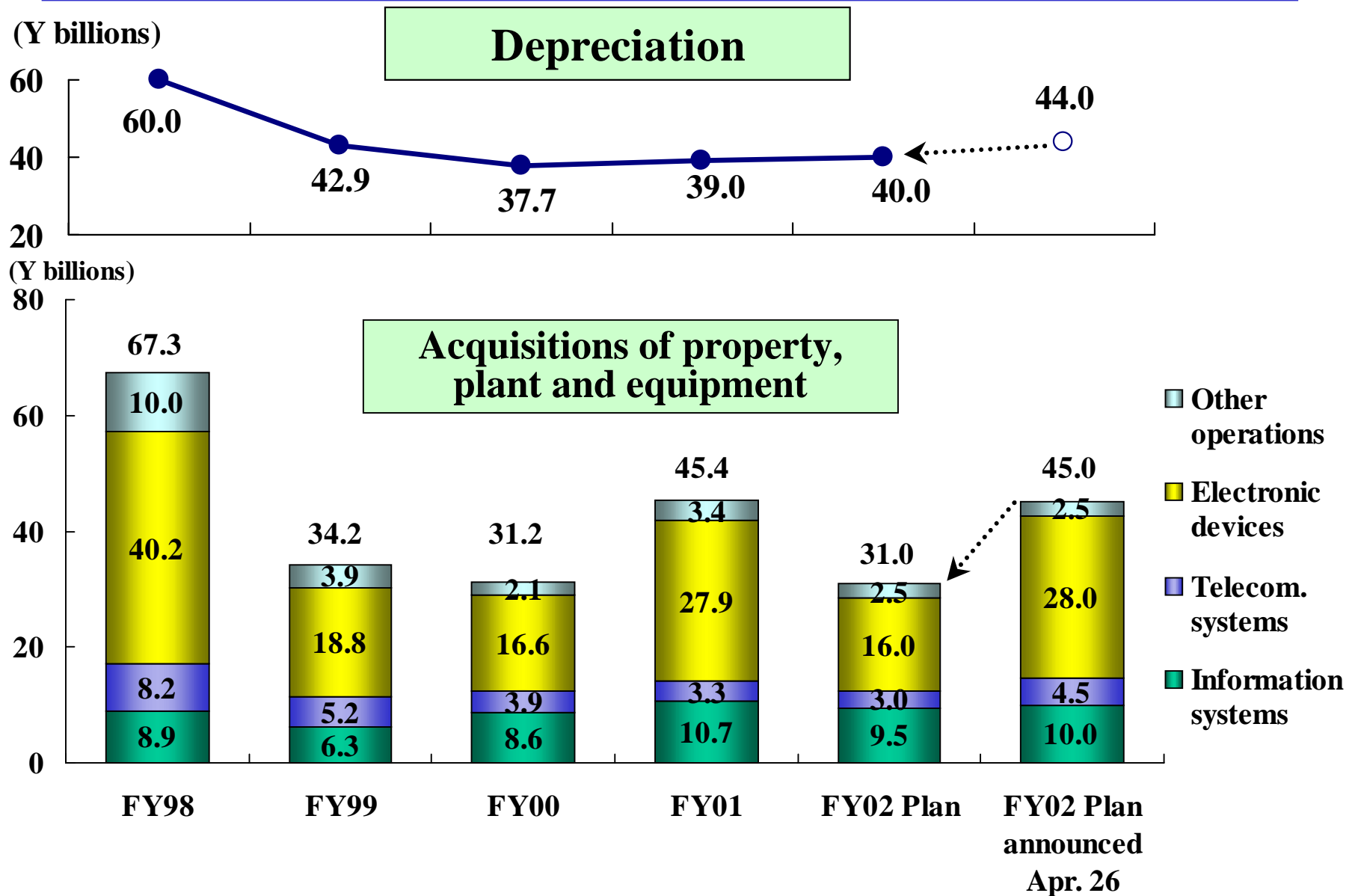
\*OTP: One Time Programmable ROM

## II-5. Cash Flows

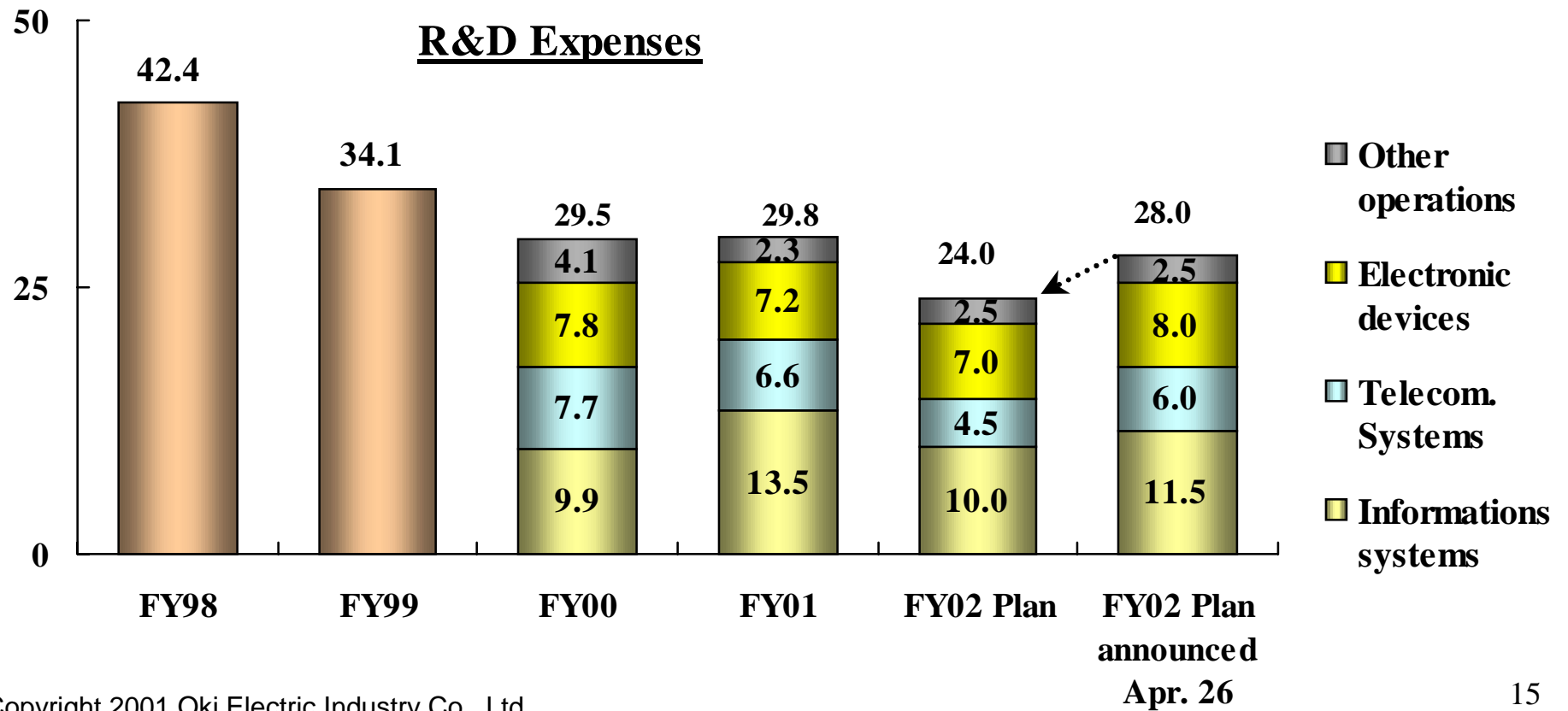
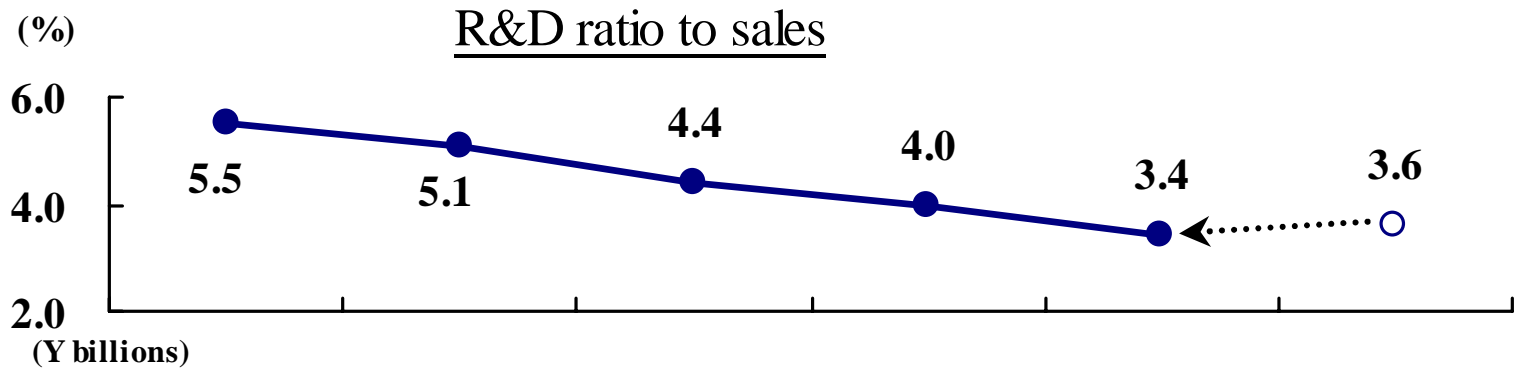
(Billions of yen)

	FY00	FY01	FY02 (projection)	Notes
<b>I. Cash flows from operating activities</b>	<b>55.9</b>	<b>62.4</b>	<b>51.5</b>	
Income (loss) before income taxes	6.4	18.4	(12.0)	
Depreciation and amortization	47.9	49.2	50.0	
Changes in operating assets and liabilities	10.7	(14.4)	6.0	Accounts receivable, Inventories, Accounts payable
Others	(9.1)	9.2	7.5	
<b>II. Cash flows from investing activities</b>	<b>(43.4)</b>	<b>(13.9)</b>	<b>(36.5)</b>	
Purchase of property, plant and equipment	(28.1)	(40.8)	(35.0)	
Others	(15.3)	26.9	(1.5)	Including proceeds from sale of marketable securities
<b>(I+II) Free cash flows</b>	<b>12.5</b>	<b>48.5</b>	<b>15.0</b>	
<b>III. Cash flows from financing activities</b>	<b>(54.5)</b>	<b>(63.5)</b>	<b>(38.1)</b>	
Changes in interest-bearing debts	(54.5)	(63.5)	(40.0)	
Others	-	-	1.9	
<b>(I+II+III) Net cash flow</b>	<b>(42.0)</b>	<b>(15.0)</b>	<b>(23.1)</b>	
Cash and cash equivalents at the end of the year	66.7	52.8	30.3	

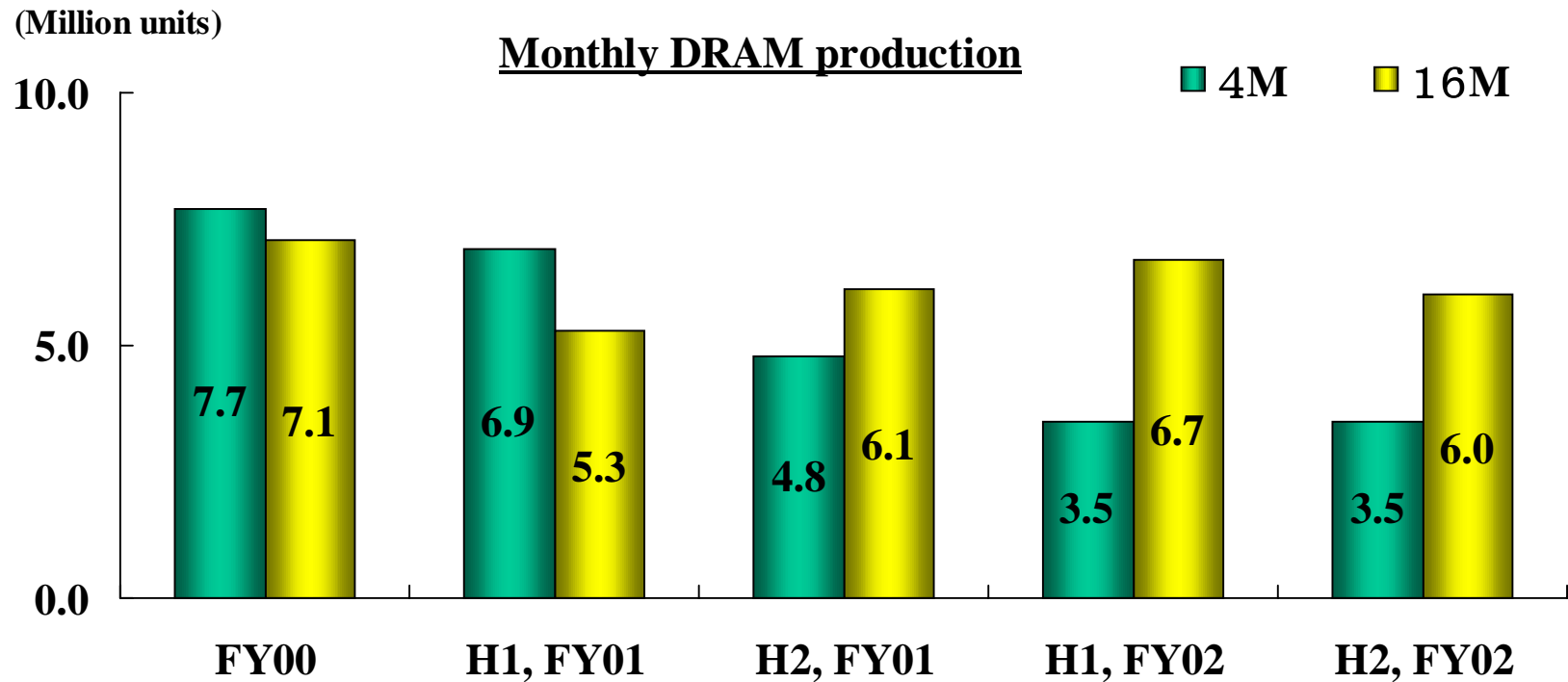
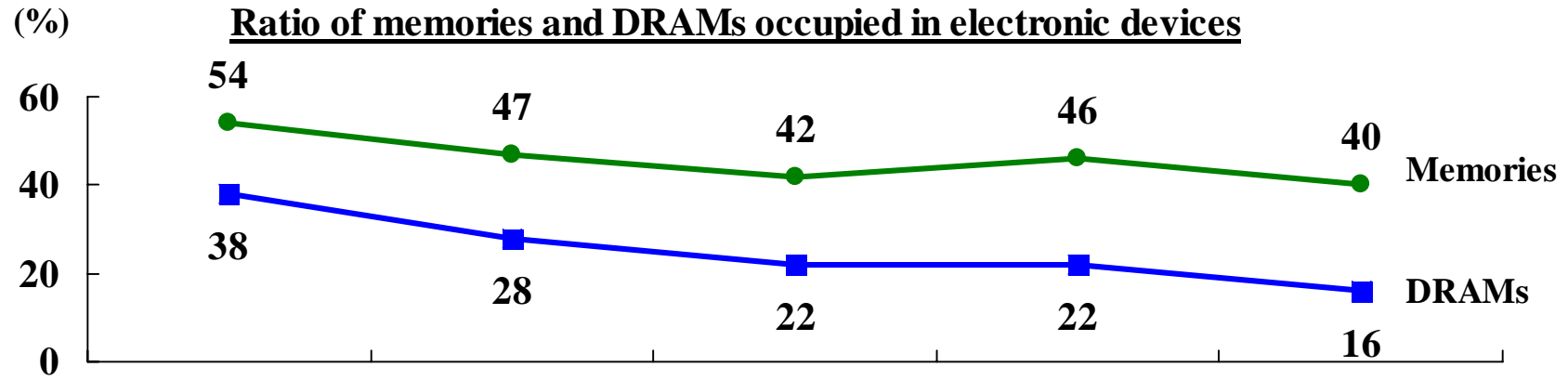
## II-6. Capital Investments and Depreciation



## II-7. R&D Expenses



## II-8. Production of Memories and DRAMs

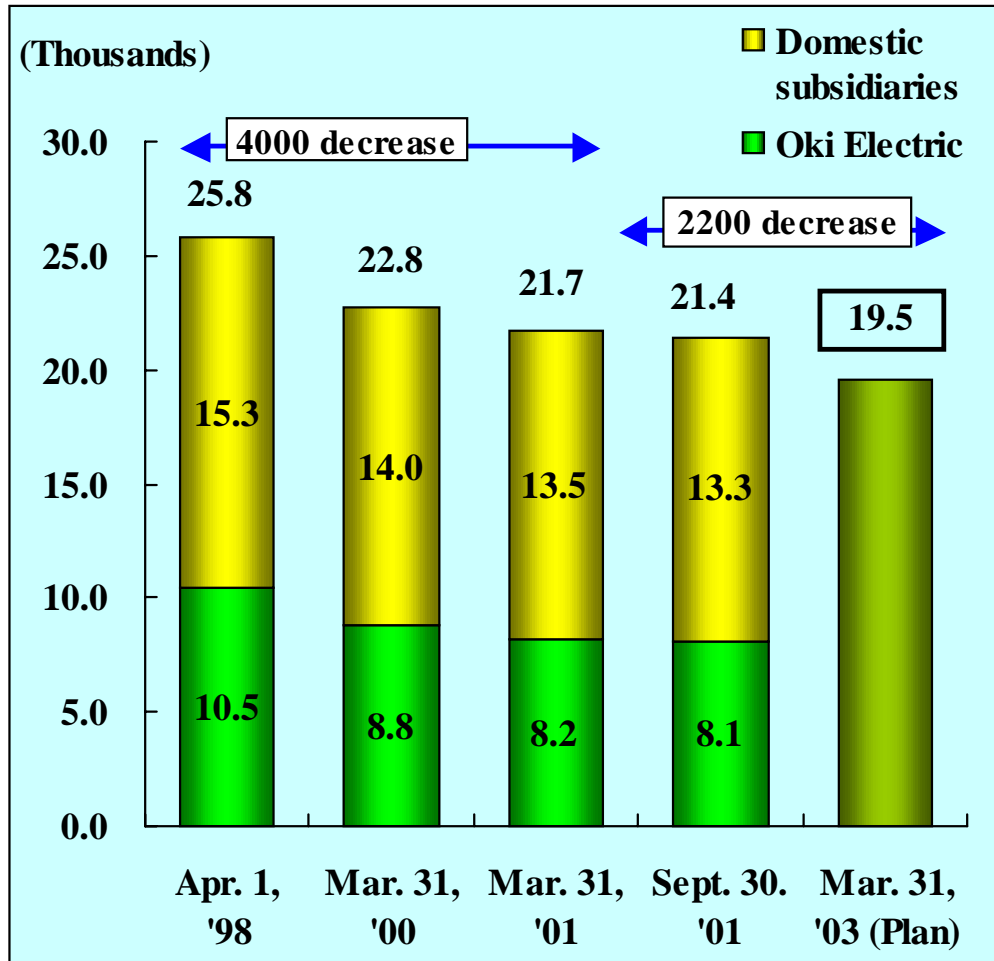




## II-9. Number of Employees as of the End of the Fiscal Year

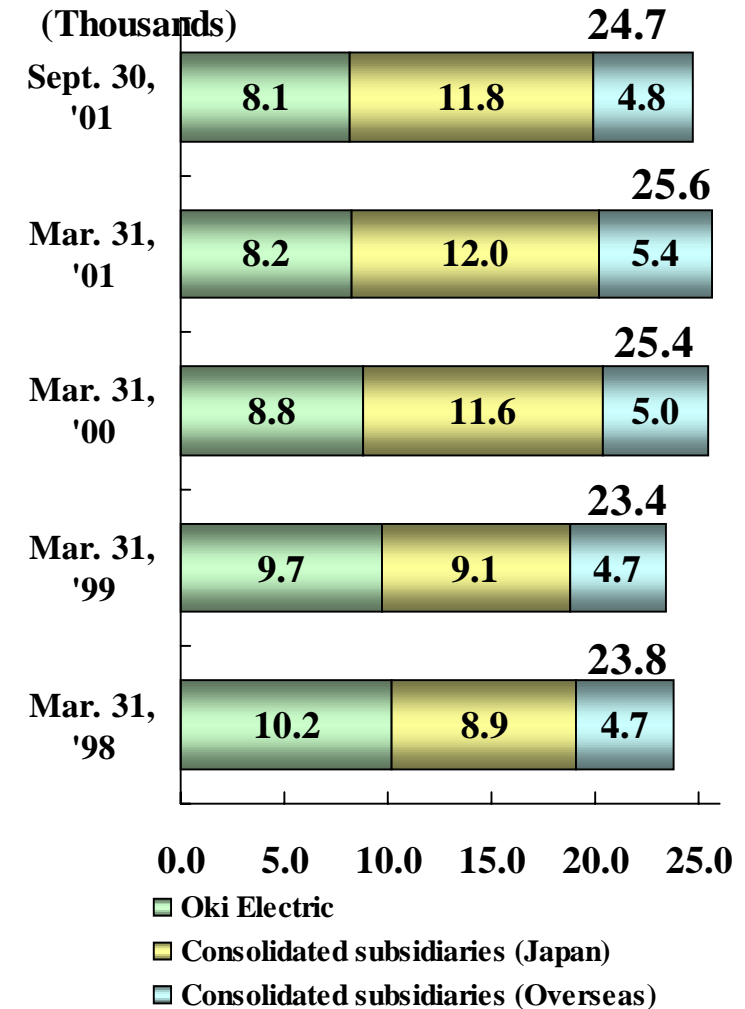
### Number of Employees in Japan

(Including non-consolidated affiliates)



### Consolidated Number of Employees

(Thousands)



Number of employees of newly consolidated companies after Mar. '98 are 3900.

\* The projections and plans on this material are subject to change depending upon the changes of business environments and other conditions.

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