

Financial Results for the 3rd Quarter of Fiscal Year ending Mar. 31, 2008

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Oki Electric Industry Co., Ltd.

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

FY* : Fiscal Year

Nine Months Financial Results Outline, ended Dec. 2007

YoY* comparison

- Net sales increased by 2%, mainly due to sales increase for Japan Post
- Operating loss improved by 9.7 B yen YoY from growth in sales and impact of currency exchange

(Billion yen)	9 months total FY end Mar. 07	9 months total FY end Mar. 08
Net sales	476.4	487.3
Operating income	(12.8)	(3.1)
Recurring income	(18.0)	(9.0)
Net income	(38.4)	(13.5)
Net income per share	(60.33) yen	(19.83) yen
Total assets	626.4	591.9
Shareholders' equity	109.9	90.5
Shareholders' equity per share	160.84 yen	132.48 yen
Interest bearing debt	296.8	298.3

YoY*: Year-on-Year

Profit and Loss

Outline

(Billion yen)	9 months FY end Mar. 07	9 months FY end Mar. 08
Net sales	476.4	487.3
Cost of sales	372.9	376.4
SG&A*	116.3	114.0
Operating income	(12.8)	(3.1)
Other income	(5.2)	(5.9)
Recurring income	(18.0)	(9.0)
Extraordinary income/loss	(1.5)	(0.9)
Income before income taxes	(19.5)	(9.9)
Income taxes	1.0	1.4
Income taxes- deferred	17.9	2.2
Net income	(38.4)	(13.5)

YoY comparison

- Cost of sales ratio improved by 1.1 points from 78.3% to 77.2%
- SG&A decreased by 2.3 B yen due to reduction of personnel costs and more efficient sales promotion expenses in Printer segment
- Income taxes-deferred declined; previous year included reversal of deferred tax asset

<Currency exchange rate>

	FY end Mar. 07	FY end Mar. 08
USD	116.2	117.3
Euro	148.0	162.8

SG&A*: Selling, General and Administrative expense

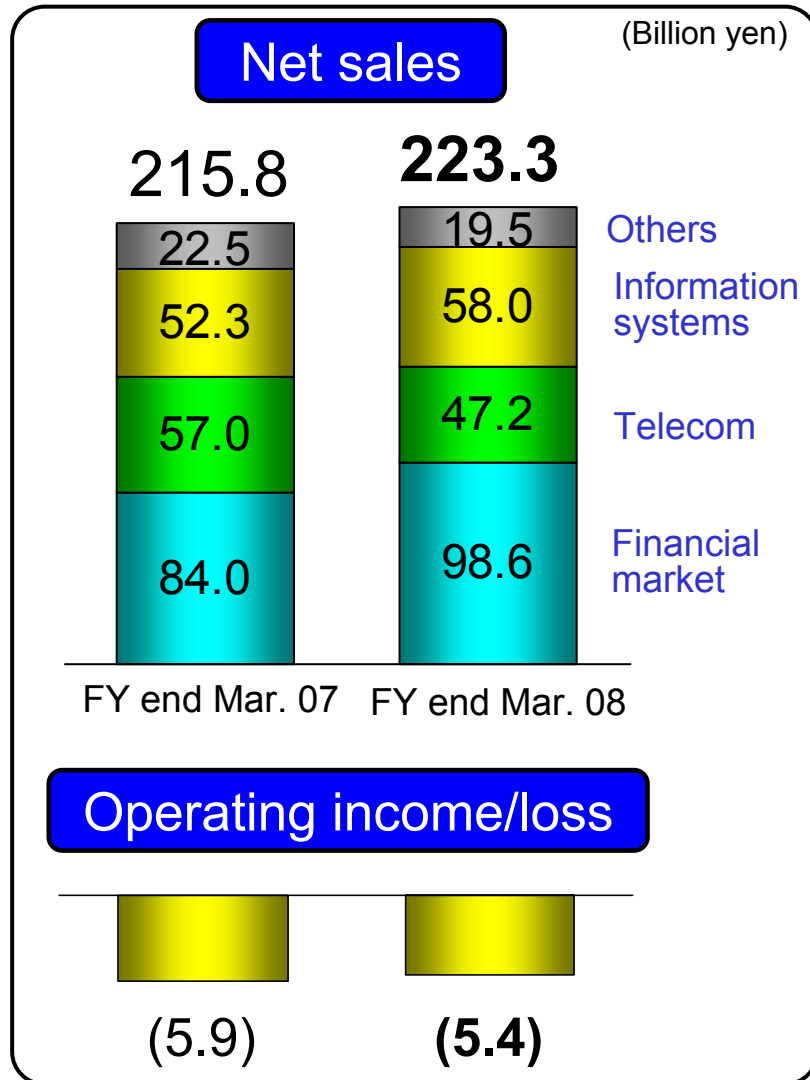
Segment Information

(Billion yen)

		9 months total FY end Mar. 07	9 months total FY end Mar. 08
Info-telecom Systems	Net sales	215.8	223.3
	Operating income (loss)	(5.9)	(5.4)
Semiconductors	Net sales	107.0	102.9
	Operating income (loss)	(0.2)	(0.5)
Printers	Net sales	129.9	134.2
	Operating income (loss)	(0.9)	6.8
Others	Net sales	23.7	26.9
	Operating income	1.9	2.7
Eliminates & Corp.	Operating income (loss)	(7.7)	(6.7)
Total	Net sales	476.4	487.3
	Operating income (loss)	(12.8)	(3.1)

Segment Information: Info-telecom Systems

9 months total



Net sales

- For financial market: Increased due to steady sales demand for ATMs* in China and teller terminals for Japan Post
- For telecom carrier market: Decreased due to continued curtail in investment on fixed-network equipment
- Information systems: Increased due to expanding sales in various systems for enterprises

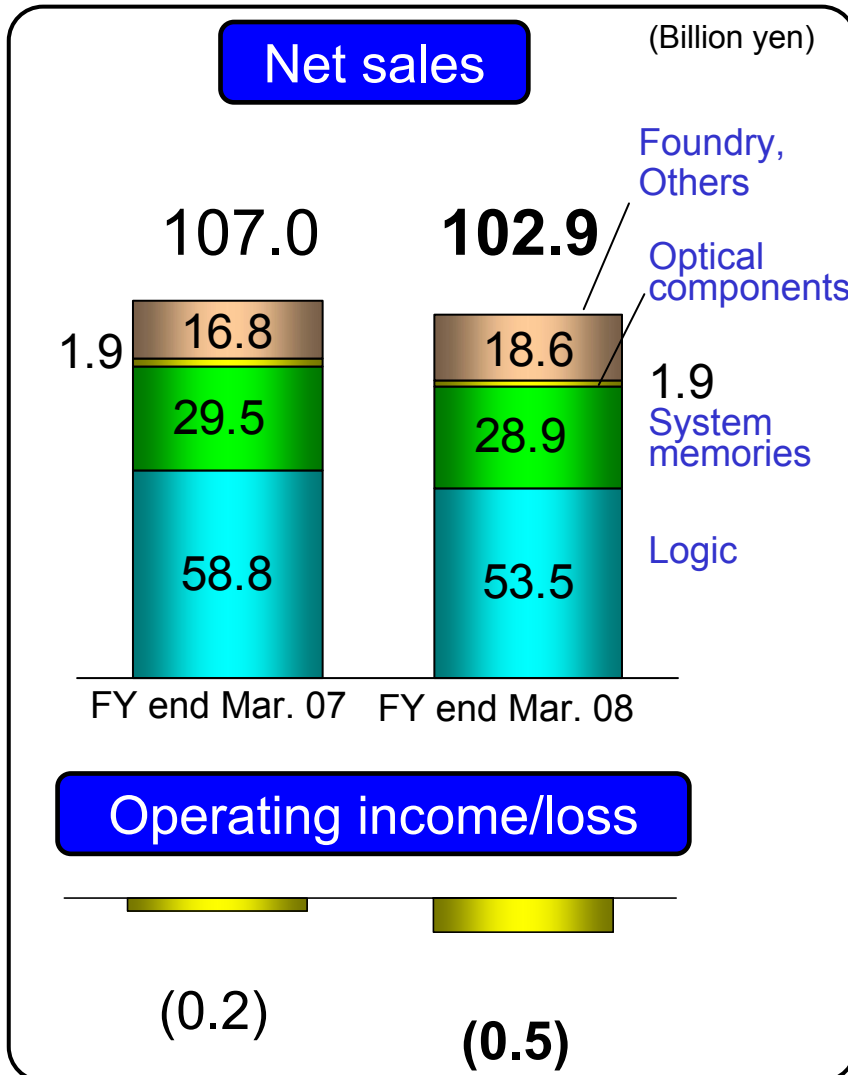
Operating income/loss

Offset the price decline and increase in development cost for NGN with efforts in reducing production and procurement costs, increasing, and marginal profit through growth in volume streamlining fixed costs.

ATM*: Automated Teller Machine

Segment Information: Semiconductors

9 months total



Net sales

- Sales declined in mid and small-size driver LSIs* and PHS* baseband LSIs in China
- Sales were steady in system memories for P2ROM* supplied to the amusement market
- Foundry business remained steady leveraging differentiating technologies such as high voltage processing

Operating income (loss)

Offset most of the price decline with efforts in reducing production and procurement costs and streamlining fixed costs.

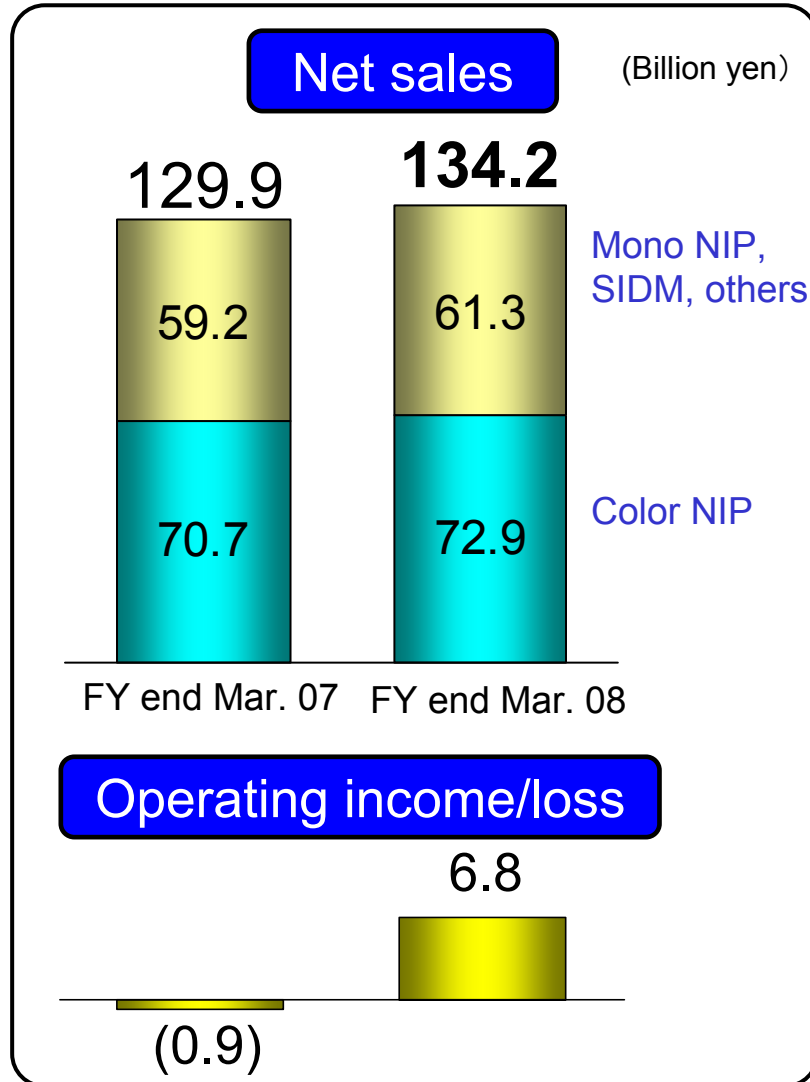
LSI*: Large Scale Integration

PHS*: Personal Handy-phone System

P2ROM*: Production Programmed Read Only Memory

Segment Information: Printers

9 months total



Net sales

- Color NIP*: Continued to shift from low-end models to more profitable mid and high-end models. Sales increased for consumables
- Sales increased by 6.3B yen due to impact of currency exchange

Operating income/loss

Improved by 7.7 B yen YoY to 6.8B yen thru; increased hardware profitability by shifting to higher-end models; increased sales portion for consumables; reduced procurement and production costs; impact of currency exchange.

NIP*: Non-Impact Printer

SIDM*: Serial Impact Dot Matrix

Operating income changing factor

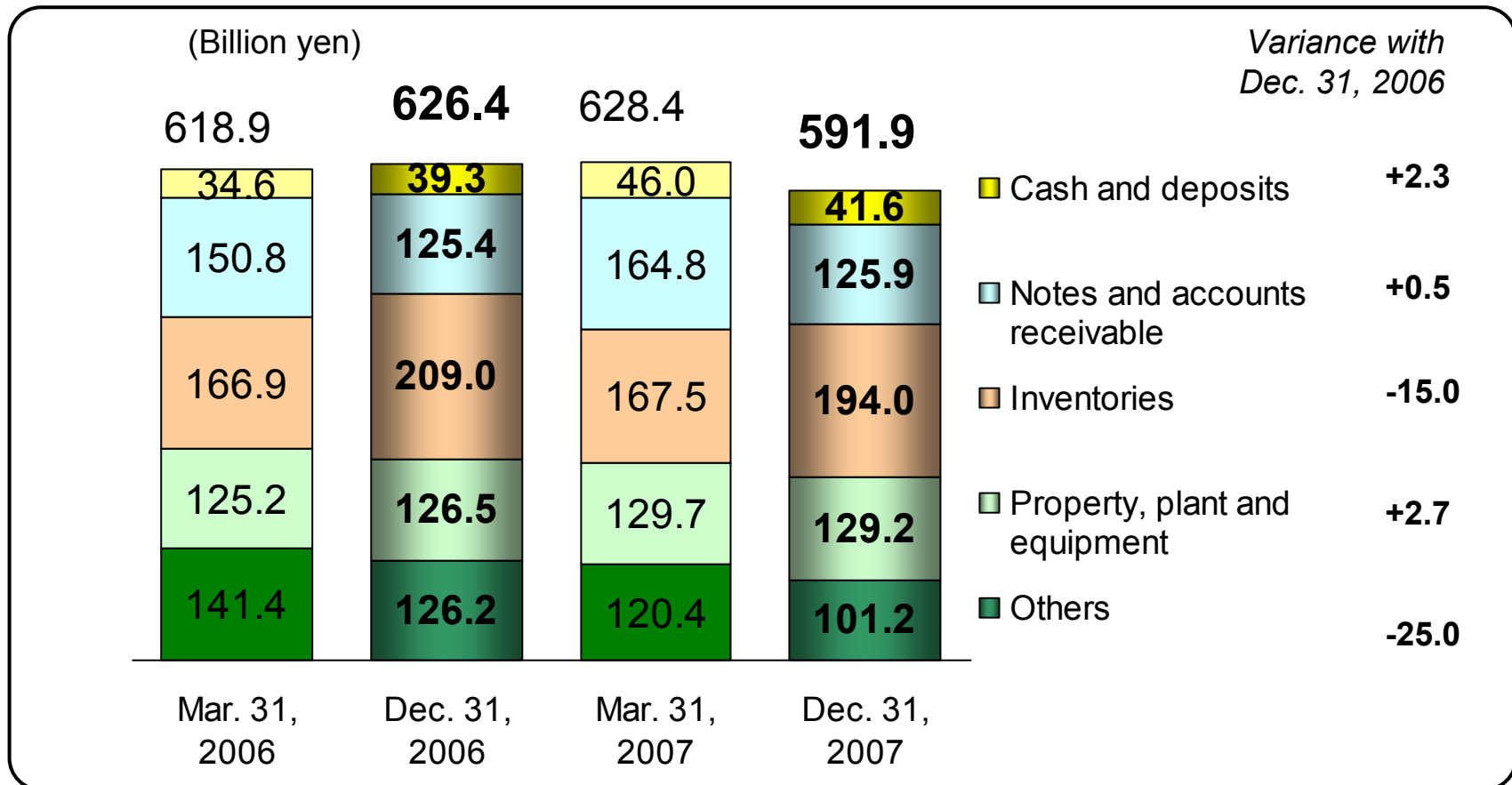
- Offset price decline with increase in marginal profit through growth in volume and efforts in reducing production and procurement costs
- Operating income significantly increased due to improvement in printer product mix, fixed cost reduction and impact of currency exchange

(Billion yen)

9 months total operating income FY ended Mar. 07	(12.8)
9 months total operating income FY ended Mar. 07	(3.1)
Variances	9.7
■ Major changing factors	
Change in quantity and product mix	6.0
Price decline	(8.0)
Reduction of production and procurement costs	7.0
Changes in fixed-costs	3.0
Impact of currency exchange	2.5

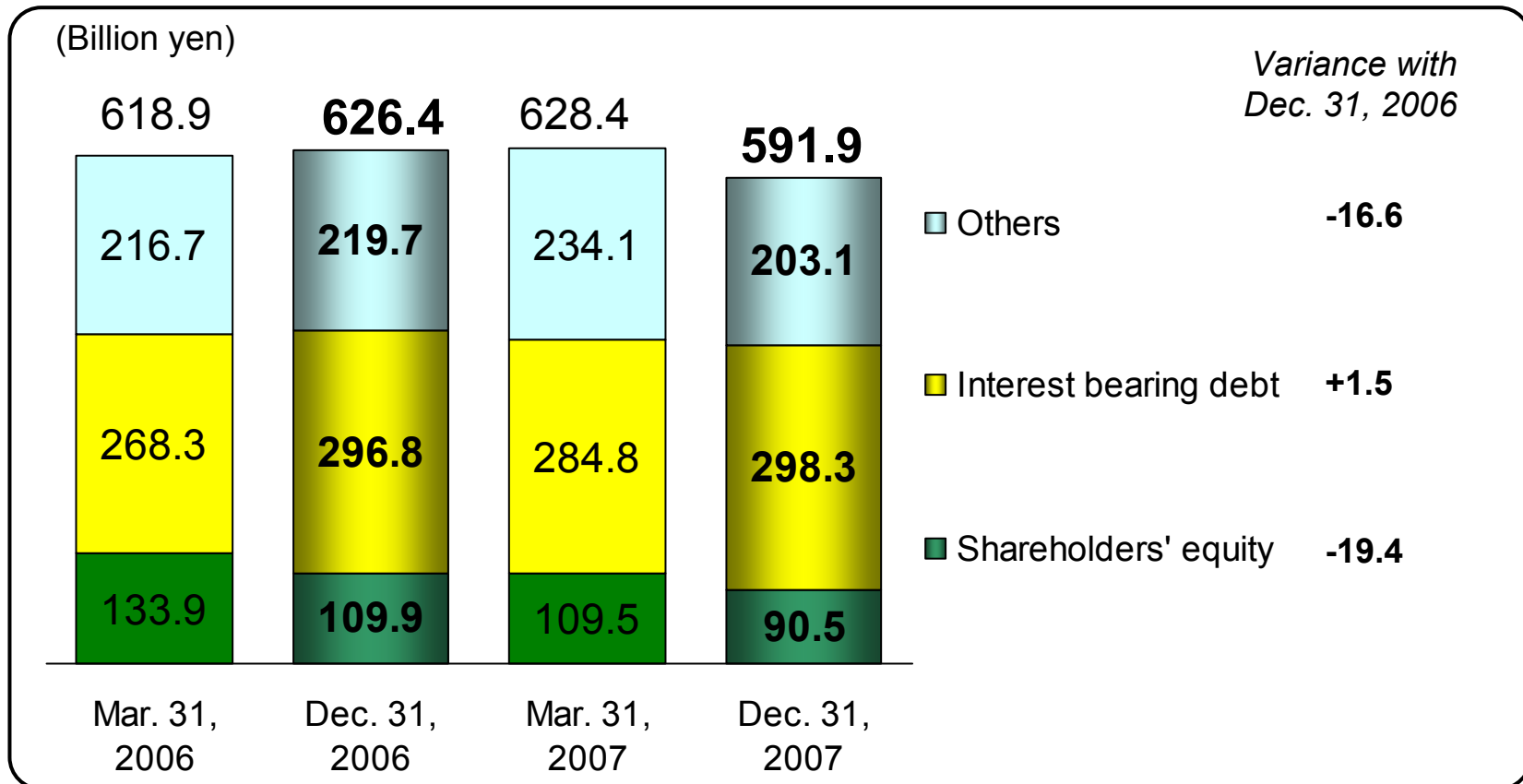
Balance Sheet: Assets

- Inventories declined by 15.0B yen YoY through implementing reduction activities
- Total assets declined by 34.5B yen YoY with impact on decline in market value for investment securities



Balance Sheet: Liabilities and shareholders' equity

- Shareholders' equity decreased by 19.4B yen YoY due to cumulated net losses up to Q3 and decreased market value for investment securities
- Interest-bearing debt increased by 1.5 B yen YoY with impact of a new consolidated subsidiary



Cash Flows

- Free cash flows improved by 28.4 B yen from improvement in income and working capital

9 months total	(Billion yen)	FY end Mar.07	FY end Mar.08
I. Cash flows from operating activities		(13.6)	8.8
	Income before income taxes	(19.5)	(9.9)
	Depreciation & amortization	25.6	25.4
	Changes in working capital	(16.4)	(6.9)
	Others	(3.3)	0.2
II. Cash flows from investing activities		(27.6)	(21.6)
	Purchases of property, plant & equip.	(19.4)	(19.6)
	Others	(8.2)	(2.0)
Free cash flows (I+II)		(41.2)	(12.8)
III. Cash flows from financing activities		44.3	7.4
	Issuance of bonds	10.0	(9.5)
	Changes in other interest bearing debts, etc.	34.3	16.9
Net cash flows (I+II+III)		3.1	(5.4)
IV. Cash and cash equivalents at the period end		43.5	45.6