

# RISK MANAGEMENT/COMPLIANCE

The OKI Group is working to reinforce risk management under the Risk Management Committee. In accordance with our “Compliance Commitment” and “OKI Group Code of Conduct” and, in order to perform corporate activities fairly, we are focusing on the enhancement of training, and we have established consultation and reporting channels.

## Advancement of Risk Management

OKI is working to reinforce risk management under the Risk Management Committee (with the President as Committee Chairman, and outside directors and Audit & Supervisory Board members as advisors). The committee deliberates and decides basic policies relating to managing risk that accompany the Group’s business activities. The committee receives reports on risk information that accompany business activities from executive officers and divisions and promotes measures to prevent manifestation of risks.

The compliance risks (risks associated with violation of laws, regulations and in-house rules) requiring common management across the Group are managed by the Compliance Committee (the chair is a chief compliance officer), which oversees the Control Division that registers risks and implements preventive measures within the Group, thereby building and operating the management cycle that carries out regular verification of implementation status. Moreover, in order to discover and rectify improper activities at an early stage, we have established consultation and reporting channels to enable anonymous reports as well as reports to outside directors and Audit & Supervisory Board members at every Group company, and stipulated whistle-blowing regulations such as those about the protection of whistle-blowers.

In April 2016, we established the Risk & Compliance Management Division as a corporate headquarter division to further strengthen these activities.

## Emergency/Disaster Response

The OKI Group has established “Safety Countermeasure Committees” at its domestic and overseas sites, as well as at Group companies, in order to ensure “protect people’s lives,” “prevent secondary accidents,” “contribute to local communities and foster good relationships with them,” and “continuity of business operations” in the event of disasters. For “continuity of business operations,” each business and corporate (headquarter) division develops a Business Continuity Plan (BCP), based on BCP Development Guidelines. The contents of each BCP are reviewed annually to improve its effectiveness. In fiscal year 2015, BCPs were reviewed with a focus on initial response to disasters in particular.

## Enhancement of Compliance Training

The OKI Group implements training sessions for compliance managers at six sites in Japan for employees at the senior manager level as regular training. Participants learn in these sessions,

and roll out the gained knowledge in their business units. The deployment of such knowledge is checked through an e-learning program for all executive officers and employees of the Group. We have tools in place to promote learning and retention of program content such as sharing specific examples through the booklet called “Case Examples of Compliance.”



In fiscal year 2015, in response to an onsite investigation at OKI by the Fair Trade Commission in the previous fiscal year, we created training materials based on real cases regarding antitrust law, violations of anti-bribery related laws, and improper accounting, etc. and we reiterated in a rigorous manner the importance of compliance in training sessions for compliance managers. The results of these programs and issues are confirmed via compliance awareness studies that are continuously implemented, and study results are reflected in our training planning.

### Participation Rates in Compliance Training Programs (for the OKI Group in Japan) in Fiscal 2015

Training overview	Participation rate
<b>Training sessions for compliance managers</b> (implemented from July to August 2015) Focused themes: Importance of compliance, labor law-related risks	100%
<b>The e-learning program (about on-the-job compliance)</b> (Implemented from December 2015 to January 2016)	100%

## Approaches to Anti-Corruption

We put into practice in fiscal 2013 the “OKI Group Anti-Corruption and Anti-Bribery Policy” in the Group companies in and outside of Japan, and are enhancing our approach to anti-corruption.

The “OKI Group Anti-Corruption and Anti-Bribery Policy” sets out fundamental points for carrying out operations properly while complying with the related regulations applicable to each country and region in which the OKI Group operates. As company bylaws, we established specific rules governing the exchange of gifts and receiving/offering entertainment, and we have put into place and administer a system for the entire Group.

In addition, OKI joined the Anti-Corruption Working Group of Global Compact Network Japan (GCNJ) and served as a managing member of the working group from fiscal 2013 to fiscal 2015. OKI shares issues for engaging in anti-corruption measures with the participant companies, promotes information exchanges with experts and examines effective anti-corruption measures.

### Elimination of Anti-Social Forces

In our "Basic Policy for the Establishment of an Internal Control System," OKI has clearly expressed its firm stance of resolutely preventing any kind of relationship with organized crime across our entire organization by working with the police against anti-social forces. The "OKI Group Code of Conduct" declares all employees to be thoroughgoing on this front. We have compiled a manual on how to respond to organized crime, and our transaction contracts carry a clause for eliminating organized crime.

### Teaming up with Suppliers

For the OKI Group to promote fair corporate activities in response to the voice of stakeholders, cooperation from

suppliers within the supply chain is essential. Recognizing this point, OKI will dedicate itself to building a trusting relationship as a partner, and promote CSR procurement based on the "OKI Group Procurement Policies."

Based on the "OKI Group Supply Chain CSR Promotion Guidebook\*1," we implement a survey on CSR promotion and the activities at our major suppliers in Japan while surveying their usage situation on conflict minerals. Since fiscal year 2014, we referred to the EICC\*2 Code of Conduct to compile a survey chart, and have started surveys also on overseas suppliers using this chart.

\*1 Our guidebook conforms to the "Supply Chain CSR Deployment Guidebook" of the Japan Electronics and Information Technology Industries Association (JEITA)

\*2 Electronic Industry Citizenship Coalition

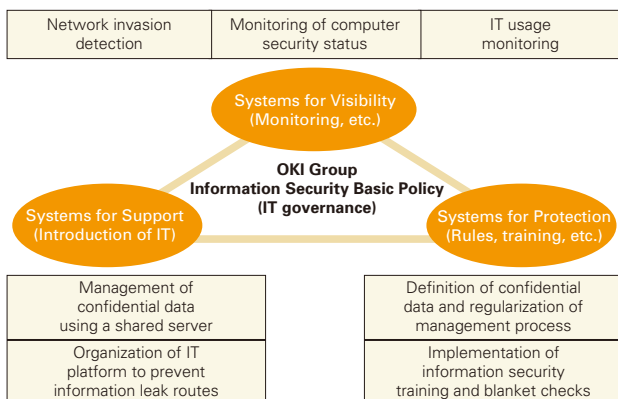
## INFORMATION SECURITY

Based on the OKI Group Security Policy, the OKI Group has established a system to ensure information security under the leadership of the Information Security Committee and we work to properly manage and protect company and customer information.

### Three Perspectives of Information Security

In the OKI Group, we use the three perspectives shown in the diagram below to broadly promote information security measures for computers, networks and information systems. We have established an organization specializing in security incident response called OKI-CSIRT\*, which collaborates with external organizations, in order to enhance our preventive measures against threats to computer security in the Group and improve our capacity to respond to them.

\*CSIRT: Computer Security Incident Response Team



### Enhanced Actions at Overseas Sites

The OKI Group has promoted information security measures at overseas sites, moving forward with laying down rules concerning information security in each region, appointing security managers and introducing actions. In fiscal year 2015, to strengthen measures to protect against information leaks in China, we set usage limits for online storage services and implemented restrictions on sending and receiving messages via free email sites and services.

### Enhancing Protection of Personal Information

We in the OKI Group have enhanced the protection of personal information, based on the Privacy Policy. We have committed to the protection of personal information under the leadership of our Chief Privacy Officer. Privacy managers have been appointed in all divisions and in Group companies. OKI and seven Group companies have acquired PrivacyMark certification as of June 2016.

