

Intellectual property and information management  
Fair corporate activities  
Social contribution

Environmental conservation  
Respect for employees  
A better working environment

**Social Responsibility Report**

**2006**

Customer satisfaction  
Good communication  
Respect for human rights  
Regional awareness

# Company Profile

Oki Electric Industry Co., Ltd. was founded in 1881 as Japan's first manufacturer of telecommunications equipment. This year it celebrates its 125th anniversary.

Today the OKI Group is involved in the areas of info-telecom systems, semiconductors and printers. These three core segments are linked by OKI's corporate vision for the ubiquitously connected world of the future: "OKI, Network Solutions for a Global Society."

## Profile (As of March 31, 2006)

Oki Electric Industry Co., Ltd.

Founded in: January 1881

Company Established: November 1, 1949

Common Stock: 67,882 million yen

Employees: 21,175 (Consolidated)  
5,496 (Non-consolidated)

President and CEO: Katsumasa Shinozuka


Head Office: 7-12, Toranomon 1-chome,  
Minato-ku, Tokyo 105-8460, Japan

TEL: +81-3-3501-3111

## Business Segments

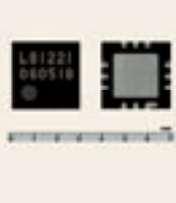
### Info-Telecom Systems

OKI provides high value-added solutions through the convergence of information technology and communications.

Financial institutions	Telecom carriers	
Public sector	Enterprises	

### Semiconductors

OKI provides distinctive products that target the personal and mobile markets.

Logic LSIs	System memories	
Optical components		

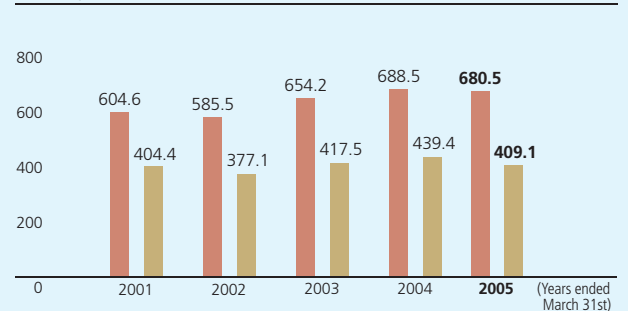
### Printers

OKI is a global player in the market for business-use printers.

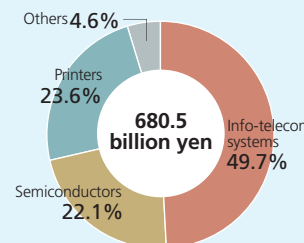
Color LED printers	Monochrome LED printers	
Dot printers		

## Net Sales

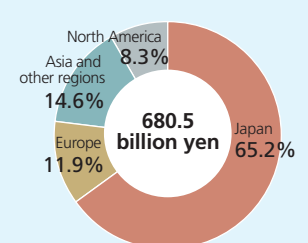
Consolidated Non-consolidated  
(Billions of yen)



## Net Sales by Business Segment in the Year Ended March 2006 (Consolidated)

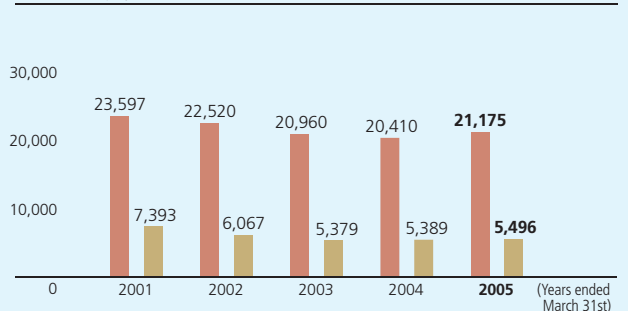


## Net Sales by Market in the Year Ended March 2006 (Consolidated)



## Employees

Consolidated Non-consolidated  
(Number of employees)



## Editorial Policy

- This report was compiled to provide information about the corporate social responsibility (CSR) initiatives of the OKI Group in a form that would be readily accessible to all stakeholders. It consists of sections covering six themes the OKI Group is currently targeting for prioritized activities. The report also examines key aspects of efforts in the year ended March 2006 and clarifies the degree of progress made.
- On each page dealing with a priority theme, we have included the corresponding clause from the OKI Group Charter of Corporate Conduct to show how the two are connected. Comments from employees have also been included to enliven the descriptions of activities.
- Sustainable social and corporate development requires approaches that balance social, environmental and economic perspectives. The information in this report relates primarily to the social perspective, but the report also describes significant environmental initiatives. Environmental matters are analyzed in greater detail in the Environmental Report. The economic aspect is covered in the Annual Report, which examines OKI's financial and business performance.



## Scope of This Report

### Time period:

This report covers the year ended March 2006. However, there are also references to facts preceding this period, and to policies and plans that target subsequent periods.

### Organization:

This report covers the activities of Oki Electric Industry Co., Ltd. and its subsidiaries and affiliates in Japan and overseas. The environmental data refer to eight OKI sites in Japan and the sites of 18 OKI Group companies in Japan and six in other countries. In this report, Oki Electric Industry Co., Ltd. is referred to as "OKI," and its corporate Group, including subsidiaries and affiliates, as the "OKI Group."

## Reference Guidelines

- Sustainability Reporting Guidelines 2002 (Global Reporting Initiative)
- 2003 Environmental Report Guidelines (Ministry of the Environment)

### Contact:

CSR Promotion Division, Oki Electric Industry Co., Ltd.  
 TEL: +81-3-3580-7757 FAX: +81-3-3580-5598  
 E-mail: oki-csr@oki.com

## Forecasts, Plans and Targets

In addition to factual information about the past and current activities of the OKI Group, this report also includes forward-looking forecasts, plans and targets. These reflect assumptions and judgments based on information available at the time of writing. Readers should accordingly be aware that actual future events and the results of activities may vary from the content of this report.

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Promotion of Compliance with Laws and Regulations

Improvement of Customer Satisfaction

Good Communication with Shareholders and Investors

Respect for Employees

Consideration for the Environment

Social Contribution

# A Message from the President

**OKI predicts the emergence of an e-society, a society replete with Ubiquitous Services, and aims to contribute to the improvement of the quality of life for people around the world.**



President and Chief Executive Officer  
**Katsumasa Shinozuka**

## **We will fulfill our responsibilities to society in accordance with our corporate mission.**

OKI's corporate mission is expressed in the words "enterprising spirit." True to that philosophy, we are determined to help people everywhere to enjoy enriched and fulfilling lifestyles by supplying products that contribute to the advancement of society in the information age. The same "enterprising spirit" mission is at the core of the OKI approach to corporate social responsibility.

This corporate mission also inspired our corporate vision, "OKI, Network Solutions for a Global Society," which reflects our determination to contribute to the evolution of a society replete with Ubiquitous Services by supplying users with products and services provide piece of mind in the e-society.

As a corporate citizen, OKI has also been involved for many years in environmental protection and social contribution activities. We recognize that our growth as a global corporation brings with it increased social responsibilities, and we are therefore working to strengthen corporate governance. We are also building an organization to support group-level CSR activities, including a CSR Promotion Division.

## **We will ensure that all OKI Group employees are thoroughly conversant with the OKI Group Charter of Corporate Conduct.**

In October 2005 we took an important step toward the achievement of this goal by adopting the Charter as our principles for corporate conduct. The Charter clarifies the social responsibilities of the OKI Group from a global, long-term perspective, based on our corporate mission. The basic position stated in the preamble is a clearly defined vision for the OKI Group according to that mission. The current business environment for companies is rapidly changing, and in order to continuously promote CSR initiatives as part of our global group management, it is vital that each member of the OKI Group understands the Group's corporate social responsibilities from the same words, and shares the same values. We have expanded our CSR education programs to ensure that the Charter permeates the OKI Group and is fully implemented by everyone.

### Corporate Mission

The people of OKI, true to the company's enterprising spirit, are committed to creating superior network solutions and providing excellent information and communications services globally to meet the diversified needs of communities worldwide in the information age.

### Our Vision

#### **OKI, Network Solutions for a Global Society**

OKI aims to achieve global recognition as an excellent growing company, by providing network solutions that contribute to the advancement of the e-society.\*

#### **\*The "e-society"**

OKI defines the "e-society" as a society in which the exchange of a wide range of information beyond time and space over global networks breaks down the boundaries that separate countries, regions and cultures, allowing individuals to participate fairly and securely in various social activities.

**We will continue to implement CSR activities that ensure piece of mind for all stakeholders.**

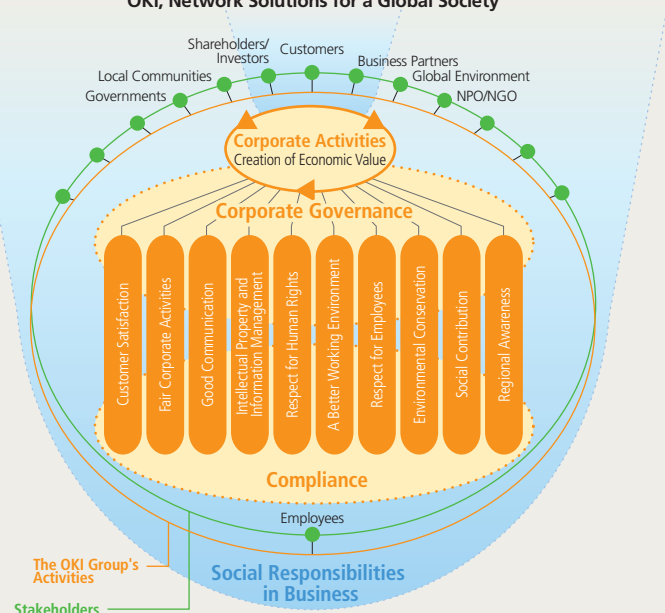
In 2006, we marked the 125th anniversary of OKI's founding. We are determined to use the trust we have gained from our achievements of the past as a solid foundation for CSR activities that will further enhance our corporate value, bringing even greater piece of mind to all stakeholders associated with the OKI Group.

*Social Responsibility Report 2006* was produced to inform stakeholders, including customers, shareholders, investors, employees, suppliers and residents in local communities, about the CSR activities of the OKI Group in the year ended March 31, 2006. We hope that this report will reach the widest audience possible, and we look forward to receiving frank and open views about our CSR activities.

September 2006

**CSR Initiatives by the OKI Group**

Contributing to the Improvement of the Quality of Life for People around the World  
**OKI, Network Solutions for a Global Society**



**OKI Group Charter of Corporate Conduct**

For the betterment of corporate value, the OKI Group (Oki Electric Industry Co., Ltd. and members of its group of companies) seeks to provide satisfaction to its customers at all times and to become a trusted partner for our stakeholders, including shareholders and investors, employees, customers and suppliers, and the local societies of the areas in which it operates.

In addition to complying with all related laws and regulations, the OKI Group will implement sound corporate activities consistent with social norms, and contribute to the improvement of the quality of life for people around the world.

**Customer Satisfaction**

The OKI Group is dedicated to developing and providing products and services that ensure continued customer satisfaction, in full consideration of safety and ease of use.

**Fair Corporate Activities**

The OKI Group conducts appropriate transactions and works to ensure fair, transparent, and free competition.

**Good Communication**

The OKI Group engages with society through a variety of interactions, and discloses company information in manners that are appropriate and fair.

**Intellectual Property and Information Management**

The OKI Group recognizes the importance of intellectual property, and properly manages and protects company and customer information, including personal information.

**Respect for Human Rights**

The OKI Group respects the human rights of all persons involved in its corporate activities and eliminates illicit discrimination of any kind. It does not allow child labor nor forced labor.

**A Better Working Environment**

The OKI Group ensures and maintains a safe and comfortable working environment for all employees.

**Respect for Employees**

Respecting the individuality of each employee, the OKI Group creates a corporate culture in which its personnel are encouraged to engage challenges facing the group with courage and determination.

**Environmental Conservation**

In order to realize and pass on a better global environment, the OKI Group promotes environmental management and makes efforts to conserve the environment through its products and its business activities.

**Social Contribution**

As a good corporate citizen, the OKI Group implements social contribution activities dedicated to the betterment of society.

**Regional Awareness**

The OKI Group endeavors to build a positive relationship and grow together with local societies, respecting the cultures and customs of the countries and regions in which it operates.

# Ensuring Safety for Communities and Employees and Reassurance for Customers Earthquake Early Warning (EEW) Disaster Mitigation System Protecting Semiconductor Plant

Miyagi Oki Electric Co., Ltd. is the OKI Group's manufacturer of semiconductors. Learning from the experience of the South-Sanriku Earthquake, which struck Miyagi Prefecture in 2003, it has given top priority to measures designed to minimize earthquake damage, ensure the safety of local residents and employees, and reassure customers that interruptions to production will be kept to a minimum. As part of these efforts, in 2005 Miyagi Oki Electric developed a Earthquake Early Warning (EEW) Disaster Mitigation System that utilizes EEW information, in collaboration with the Real-time Earthquake Information Consortium (REIC)\*1.

**\* 1 Real-time Earthquake Information Consortium (REIC):**

This organization was established in 2003. Its mission is to facilitate the effective use of real-time earthquake information, including early warning information. Activities include the development of structures for cooperation with various organizations, including government agencies, local governments, public facilities, businesses and schools, the standardization of systems, data and information formats, research and development relating to information utilization prototypes for individual sectors, and the development of reliable, fast and economical data transmission methods.

### Development of System Prompted by Earthquake Damage

Japan is an earthquake-prone country. Since 1995, major earthquakes have caused widespread damage in Kobe, Miyagi and Niigata. The earthquake damage to businesses is not only the direct impact including injuries to employees and damage to facilities, but also the indirect costs of interruptions to manufacturing activities.

Located in Ohira-mura, Kurokawa-gun, Miyagi Prefecture, Miyagi Oki Electric was forced to suspend production for approximately 20 days as a result of the earthquakes that struck the region in May and July of 2003, both of which had an intensity of 5 on the Japanese shindo scale. The damage amounted to approximately ¥3 billion, and there were also major disruptions for customers awaiting deliveries of products from the factory.

It is impossible to avoid earthquakes. A particular problem for semiconductor factories is the risk that earthquakes will cause leaks, corrosion or fires caused by the special hazardous gases and chemicals used in manufacturing processes. The continuity of manufacturing operations can also be seriously affected by damage to expensive and sensitive fabrication equipment.

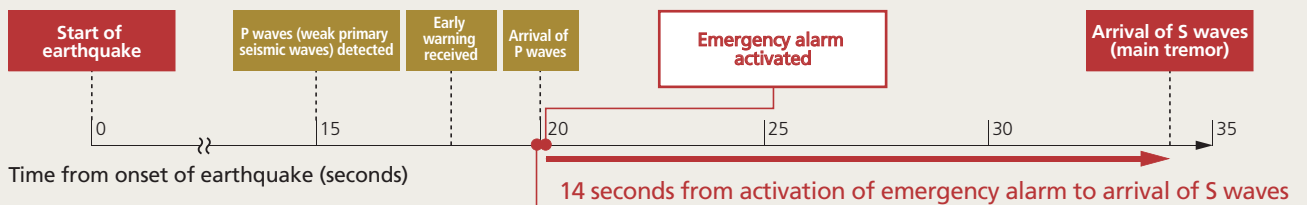
Kentarō Yoshioka, President of Miyagi Oki Electric, was keenly aware that his company had a responsibility to do everything possible to ensure the safety of local residents and employees, and to maintain reliable supplies to its customers. He sought the advice of Professor Masato Motosaka, an earthquake damage limitation expert in the Tohoku University's Graduate School of Engineering Disaster Control Research. Through this contact Yoshioka learned about an earthquake early warning (EEW) system\*2 that was developed by the Japan Meteorological Agency and the National Research Institute for Earth Science and Disaster Prevention.

Early warning of the approach of strong seismic waves would provide time for a variety of countermeasures to be taken in the factory. This knowledge prompted Miyagi Oki Electric to join REIC, which was conducting research and surveys to ascertain the practicality of an EEW system as part of a Ministry of Education, Culture, Sports, Science and Technology project to develop an advanced early warning network. As a member of REIC, Miyagi Oki Electric commenced collaborative development of a disaster mitigation system for industrial plants based on the use of EEW technology.

**\*2 Earthquake early warning system:**

This system estimates the intensity and size of an earthquake based on analyses of readings from seismographs located near the epicenter.

### Time Chart for System Operations (Scenario: Earthquake Offshore from Miyagi Prefecture)



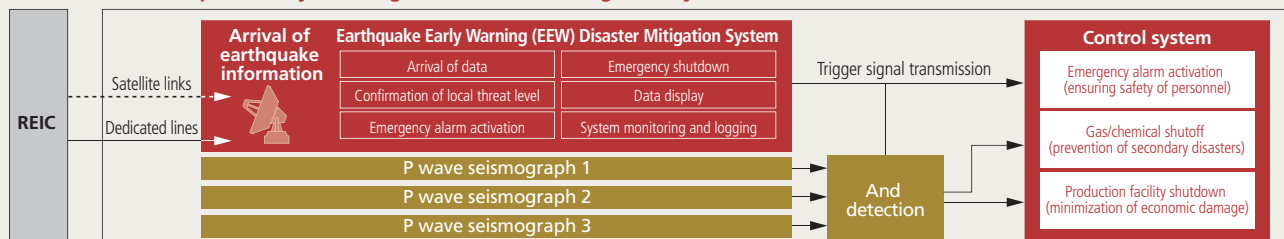
Activation of Earthquake Early Warning (EEW) Disaster Mitigation System



### Countermeasures

- Ensuring that employees are in safe situations or evacuated to safe locations
- Prevention of secondary accidents through termination of supplies of special hazardous gases and chemicals
- Minimization of damage to equipment and products through shutdown of manufacturing facilities

## Overview of Earthquake Early Warning (EEW) Disaster Mitigation System



### A Few Seconds' Warning the Key to Safety

By using the EEW data, the Earthquake Early Warning (EEW) Disaster Mitigation System will be able to trigger an alarm before the arrival of the S waves carrying the main tremor. Such an advance warning would provide time to take various actions, including the shutoff of supplies of hazardous gases and chemicals, and would be the key to the mitigation of human casualties and secondary disasters. However, while intensity data and other aspects of the early warning system are now accurate enough for practical use, the system is not yet perfect. Once semiconductor manufacturing facilities have been shut down, it takes several hours to resume operations. Unnecessary losses would be incurred if disaster-prevention measures were initiated on the basis of inaccurate data. Miyagi Oki Electric has therefore enhanced the accuracy of the system by installing its own P wave seismographs in the grounds of its plants and combining data from those instruments with information supplied by the early warning system.

There is believed to be a 99% probability of an offshore earthquake in the vicinity of Miyagi Prefecture within the next 30 years. Scientists estimate that the S waves would reach the facilities of Miyagi Oki

Electric approximately 34 seconds after the start of such an earthquake. The Earthquake Early Warning (EEW) Disaster Mitigation System would require around 20 seconds to activate an alarm, providing 14 seconds before the S waves' arrival. Though brief, this would be enough time to take various actions to minimize damage and ensure an early resumption of operations after the earthquake.

Miyagi Oki Electric introduced the system in September 2005. Shortly before that on August 16th, an earthquake with an intensity of just over 5 on the Japanese shindo scale struck Miyagi Prefecture. Since 2003, Miyagi Oki Electric had been working to strengthen its buildings and facilities against earthquakes and ensure the safety of its employees. The effectiveness of these measures was proved by the fact that the damaged plant recovered full operation six days after the earthquake. However, the company is determined to minimize damage and reduce the interruption to operations further by using the new system as the basis for extremely effective earthquake countermeasures.



These evacuation guidelines are issued to all employees.

### Comments from an Expert

#### Targeting Further Improvements in the Technology

Senior Managing Director, Real-time Earthquake Information Consortium  
**Yukio Fujinawa**



We have worked with businesses and agencies to develop 14 prototypes for the use of earthquake early warnings by organizations in various sectors, such as fire stations, medical institutions and schools. With the cooperation of Miyagi Oki Electric, which has previously suffered earthquake damage, we have been able to develop an EEW application system for a semiconductor plant and establish a highly reliable system based on the combined use of seismic data from seismographs in the plant and earthquake early warnings. We will continue to work closely with Miyagi Oki Electric to achieve further improvements in this technology.

#### Operating a Semiconductor Plant in an Earthquake-Prone Country

President, Miyagi Oki Electric Co., Ltd.  
**Kentaro Yoshioka**



We have an important responsibility to local residents and the customers who rely on our products to prevent secondary disasters and restore operations as quickly as possible. This new system will shut down some of our key manufacturing facilities in the event that an earthquake with an intensity of 5 or greater is detected. We plan to implement it fully from the year ending March 2007 onwards. To ensure the safety of our employees, we have updated our manual of procedures for major earthquakes, which is distributed to all employees, and implemented disaster drills. As a company operating a semiconductor plant in an earthquake-prone country, we must assume that major earthquakes will occur, and we will continue to implement a range of countermeasures to ensure the continuity of our business activities.

The OKI Group has begun supplying Real-Time Earthquake Disaster-Prevention Systems to customers in the year ending March 2007.

# Using Core Technologies to Manage Environmental Loads COINServ-COSMOS, an Information System for Chemical Substances Contained in Products

COINServ-COSMOS is the OKI Group's information system for chemical substances contained in products. It is one of the Group's environmental solutions. It is based on an in-house system built and operated by OKI to minimize the environmental burden of its products. As a user of this system, OKI is continually working to enhance and expand its functions.

## Development of In-House System - COSMOS

One of the most important priorities for manufacturers today is the management of chemical substances used in products, and the elimination of toxic substances. The growing importance of this area reflects the tightening of regulations and the establishment of legally mandated systems, such as the RoHS Directive\*.

OKI was among the first manufacturers to recognize the importance of this issue. In the second half of the 1990s, it began to conduct green procurement surveys of its suppliers, and to compile a database of chemical substances in purchased parts and materials. In 1999, OKI built and started to operate an in-house information system for chemical substances used in its products. Known as the "COSMOS" system, it is designed to minimize or eliminate the use of environmental load substances from the design stage, and to ensure proper disclosure and compliance with laws, regulations and customer requirements.

**\* RoHS Directive:**

The initials stand for "Restriction on the use of certain Hazardous Substances" in electrical and electronic equipment. Members of the European Union (EU) have enforced the directive since July 1, 2006, resulting in a prohibition on the use of specific hazardous substances in electrical and electronic equipment.

## Integration of Product Data Base with Design Systems

The purpose of the COSMOS system is to make effective use of data obtained through green procurement surveys. Using network technology, which is one of OKI's core fields of expertise, it integrates a chemical substance information database with product design systems. The system automatically calculates the total amounts of chemical substances in each product, including substances added during in-house processing, based on the parts used, processing

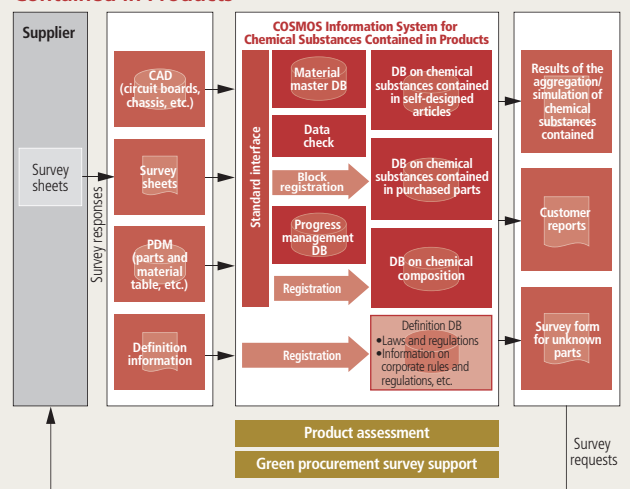
## Employee Perspective

Product Planning, COINServ-COSMOS **Yoshiaki Kanai**



In the year ending March 2007, we have adapted our system to comply with the latest survey format (Version 3) and the guidelines established under the Japan Green Procurement Survey Standardization Initiative (JGPSSI) for the management of chemical substances contained in products. We use OKI's experience of environmental activities to provide operational support, including advice on how to proceed with green procurement, to customers using the system.

## Overview of Information System for Chemical Substances Contained in Products



conditions from the design stage and other factors. It can also verify whether the product complies with requirements. Moreover, the COSMOS system has been configured to output information in industry-standard formats, including survey forms for suppliers, reports to customers, and the survey formats stipulated under the Japan Green Procurement Survey Standardization Initiative (JGPSSI).

## External Sales Launched in Response to Customer Demand

When these initiatives were described in a presentation at an external environmental seminar, OKI received numerous inquiries from companies that were eager to use the system. This led in 2003 to the development of a commercial product, COINServ-COSMOS. At a time when Japanese and overseas governments are continually implementing and revising regulations, it is not easy to comply with these and other requirements concerning the management of substances used in products. COINServ-COSMOS is based on a system that OKI itself is continually using and updating, and it has earned an excellent reputation for its flexibility and suitability.

OKI is determined to meet all of its environmental responsibilities as a corporate citizen, and to work in partnership with its customers to reduce the environmental burden of products. This commitment is reflected in continuing efforts to improve the quality and functions of COINServ-COSMOS.



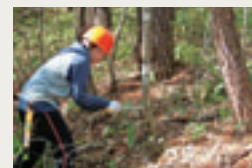
## Environmental Conservation and Harmonious Coexistence with Communities Voluntary Forest Conservation Activities by the OKI Volunteer Circle for Forest Conservation

Since its formation in November 2001, the OKI Volunteer Circle for Forest Conservation has steadily built a proud record of voluntary forest conservation efforts in areas with links to the OKI Group. The Circle consists of OKI Group employees and their families. The scope of its activities continues to expand, and in the year ended March 2006 OKI signed an agreement with the Gunma District Forest Office concerning forest management improvement and other activities. An additional benefit from these conservation activities is the opportunity to interact more with local people.



The OKI Volunteer Circle for Forest Conservation commences voluntary work in the OKI Friendship Forest.

[Upper right] Breaks in the forest conservation work provide opportunities for friendly interaction with local people. Here volunteers help to prepare noodles. (Komoro City)  
[Middle right] The entire team helps to fell stubborn trees during a thinning operation. (Naka-Izu)  
[Lower right] Forestry work in a forest "fostered" by the OKI Group.



### Conserving the OKI Friendship Forest

The OKI Volunteer Circle for Forest Conservation commenced its first project in November 2001. With the assistance of the Green Earth Center a Japanese non-profit organization, 25 OKI Group employees and family members spent a fatiguing but rewarding time struggling with the unfamiliar task of thinning trees at Naka-Izu in Shizuoka Prefecture. Since then, the group has recruited participants several times a year for voluntary projects, including clearing and thinning work, in areas with which the OKI Group has associations, such as Ueno-mura and Matsuida in Gunma Prefecture, and Hachioji in Tokyo.

On June 28, 2005, OKI signed an agreement on forest improvement and other activities in the Friendship Forest\* with the Gunma District Forest Office. OKI was the first company to volunteer in this field. Under the agreement, in the 5 years to 2010, the OKI Volunteer Circle for Forest Conservation will carefully develop a 5.4ha area in the Kannonyama district of Takasaki City as the "OKI Group Friendship Forest."

**\* "Friendship Forest":**

The "Friendship Forest" scheme was launched nationwide by the Japanese Forestry Agency in the year ended March 2000. Under this scheme, areas are provided in Government-owned forests for forest development by voluntary groups. The participating groups are able to develop forest environments based on their own ideas.

### Building Links with Local Communities through Expanding Environmental Protection Activities

In the year ended March 2006, a new voluntary forestry program was launched in Komoro City, Nagano Prefecture. The project is based on a "forest fostering" agreement signed in January 2005 by Komoro City, OKI and the OKI 100 Yen Fund of Love (See Page 30). The OKI Group will donate ¥500,000 annually over a five-year period to support voluntary activities in various forests throughout the Komoro City area. Projects will be carried out each spring and fall.

These voluntary activities not only contribute to forest conservation, but also provide valuable opportunities for employees and their families to develop new insights into the ways in which they interact with the global environment and local communities. The OKI Group will continue to implement environmental conservation and community interaction programs based on participation by individual employees.



OKI employees participate as panelists in a symposium on Satoyama, which are natural woodlands close to traditional Japanese rural communities. Hosted by Komoro City and sponsored by OKI, the seminar focused on the revitalization of Satoyama, starting in the foothills of Mount Asama.

# Corporate Governance

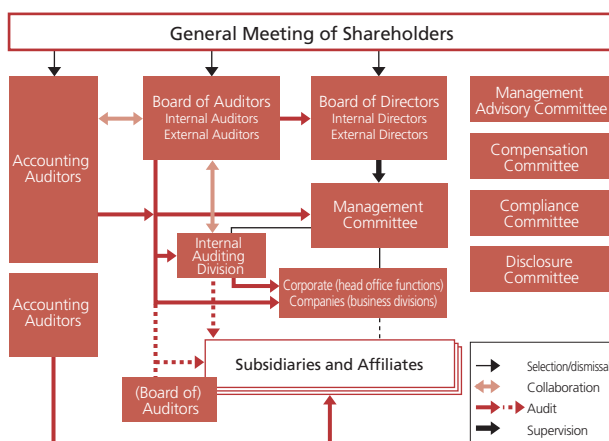
One of the most important management priorities for the OKI Group is to justify the confidence shown by its stakeholders through continual improvement in its corporate value. OKI has approached this task by strengthening corporate governance as a foundation for management fairness and transparency and prompt decision-making.

## Corporate Governance Structure

OKI is structured under the Japanese "company with auditors" system, and its operations are supervised and audited by its directors and corporate auditors. It has strengthened management efficiency by separating management and executive functions through the introduction of an executive officer system.

The Board of Directors consists of 11 directors, including one external director. It meets monthly to make decisions about basic management policies and other important matters, and to supervise the performance of business operations. The Management Committee, which normally meets weekly, makes decisions on important aspects of the OKI Group's business operations and receives key reports on divisional operations. Meetings are attended by the corporate officials at executive officer level and above, and by the corporate auditors.

## Corporate Governance Structure



The Board of Auditors consists of two external auditors, of whom one is a standing auditor, and two other standing auditors. The auditors audit the activities of directors by attending important meetings, including board meetings, verifying the content of reports received by the directors and other officers, and checking the status of corporate operations and assets. The Internal Audit Division accurately monitors corporate operations through internal audits. It also helps to rationalize management and improve the quality of operations by detecting and preventing negligence and fraud.

## Committees

OKI has established several committees to strengthen its corporate governance.

The Management Advisory Committee advises top management. The inclusion of outside experts in this committee is one of the ways in which OKI ensures management transparency and soundness.

The Compensation Committee was established to ensure transparency in the criteria and mechanisms used to set the remuneration of directors, executive officers and management officials.

The Compliance Committee, which is headed by the Chief Compliance Officer (CCO), deliberates on basic compliance-related policies for the entire OKI organization. The mission of the Disclosure Committee is to ensure that information is disclosed accurately and in a timely manner to all stakeholders.

## Building Internal Control Systems

Japan's new Company Law took effect in May 2006. In the same month, OKI's Board of Directors adopted and announced a basic policy for the construction of an internal control system. OKI will work under this policy to strengthen its corporate governance systems further.

# CSR in the OKI Group

The OKI Group's corporate philosophy, as expressed in the words "enterprising spirit," continues to guide the Group's efforts to help people everywhere to enjoy enriched and fulfilling lifestyles by supplying products that contribute to the advancement of society in the information age. This philosophy guides OKI's approach to CSR, which encompasses not only compliance with laws and regulations, but also active efforts to develop sound corporate activities based on a social conscience.

## Adoption of OKI Group Charter of Corporate Conduct

In October 2005, the OKI Group adopted the OKI Group Charter of Corporate Conduct as a set of principles embodying the shared values of OKI Group companies (See Page 5).

In October 2004, the OKI Group established the CSR Promotion Division to promote group-level CSR activities. At the same time, the Group also adopted six priority themes for collaborative efforts by the organizational units concerned, as listed in the following table. In the year ended March 2006, efforts were further intensified, including the identification of key focal points for each theme.

The six priority themes are embodied in the OKI Group Charter of Corporate Conduct, which defines the social responsibilities of the OKI Group from a long-term global perspective, based on the Group's corporate philosophy. The OKI Group will continue to pursue its business activities in good faith and in accordance with the Charter. It will also work to build trust and enhance its corporate value by actively disclosing information and working to maintain good communications with all stakeholders.

## Publication of Social Responsibility Report 2005

The OKI Group published its first "Social Responsibility Report" in October 2005. That report was designed to inform all stakeholders about the current state of the OKI Group's activities and its goals for the future. The report was structured around the 10 items that make up the OKI Group Charter of Corporate Conduct, which had been adopted in the same month. It provided an overview of initiatives up to the year ended March 2005, together with OKI Group's future vision.



## CSR Education

Between November 2005 and April 2006, the OKI Group implemented a CSR education campaign to ensure that the OKI Group Charter of Corporate Conduct would be fully understood and implemented by all employees. The textbook for this program was the 2005 "Social Responsibility Report," which described the vision embodied in the Charter and provided specific examples of activities. The aim was not simply to teach employees about the surface language of the Charter, but rather to provide a proper understanding of its content. As with compliance education (See Page 12), the content of the educational program was enhanced by combining group classes with e-learning. The assimilation of the content was ascertained by implementing a CSR attitude survey of employees as part of the e-learning content.

## CSR Priorities and Focal Points the Year Ended March 2006

CSR Priorities	Focal Points for the Year Ended March 2006	Page	Relevant Item in Charter of Corporate Conduct
● Promotion of compliance with laws and regulations	<ul style="list-style-type: none"> <li>● Full compliance with the Law for the Protection of Personal Information</li> <li>● Establishment of a risk management structure</li> </ul>	12-15	<ul style="list-style-type: none"> <li>● Fair corporate activities</li> <li>● Intellectual property and information management</li> </ul>
● Improvement of customer satisfaction	<ul style="list-style-type: none"> <li>● In-depth quality management and quality assurance from the user's perspective</li> <li>● Efforts to ensure safety of products and services, and apply universal design concepts</li> </ul>	16-19	● Customer satisfaction
● Good communication with shareholders and investors	<ul style="list-style-type: none"> <li>● Positive and fair disclosure of corporate data</li> <li>● Promotion of good communications with stakeholders through IR activities</li> </ul>	20-21	● Good communication
● Respect for employees	<ul style="list-style-type: none"> <li>● Initiatives under the Law for Measures to Support the Development of the Next Generation, and equal partnership initiatives</li> <li>● Recruitment and development of diverse human resources</li> </ul>	22-25	<ul style="list-style-type: none"> <li>● Respect for human rights</li> <li>● A better working environment</li> <li>● Respect for employees</li> </ul>
● Consideration for the environment	<ul style="list-style-type: none"> <li>● Implementation of network-type environmentally-conscious management</li> <li>● Reduction of greenhouse gas emissions</li> <li>● Improvement of eco-friendly products</li> <li>● Active involvement in environment business</li> </ul>	26-29	● Environmental conservation
● Social contribution	<ul style="list-style-type: none"> <li>● Contribution in Japan and overseas in cooperation with NPOs and NGOs</li> <li>● Expanded initiatives under the OKI 100 Yen Fund of Love</li> </ul>	30-33	<ul style="list-style-type: none"> <li>● Social contribution</li> <li>● Regional awareness</li> </ul>



**In addition to complying with all related laws and regulations, the OKI Group will implement sound corporate activities consistent with social norms.**

## Focal Points for the Year Ended March 2006

- Full compliance with the Law for the Protection of Personal Information
- Establishment of a risk management structure

## Main Initiatives in the Year Ended March 2006

- Reinforcement of compliance education
- Reinforcement of compliance risk management structure
- Internal monitoring and closer cooperation with information security departments in relation to personal information protection

## Raising Awareness of Compliance

### • Full implementation of the OKI Code of Conduct

Compliance is a company's most basic social responsibility and the foundation of public trust and confidence in a company. This perception is reflected in the OKI Code of Conduct, which was formulated in 2002 as a code of compliance with laws, regulations and corporate rules. October 2004 updates to the Code included the addition of provisions concerning the protection of personal information. OKI has distributed the Code to all employees in booklet form and published the full text on its Website and intranet. OKI is raising awareness of compliance by using the Code in employee training and other activities.



OKI Code of Conduct  
Visit <http://www.oki.com/jp/Home/JIS/Profile/cond> to view the full text.

### • Building a Compliance Structure

In the year ended March 2005, OKI established the Compliance Committee as a corporate-wide forum for deliberations on basic compliance policies. It also created the Compliance and Business Ethics Division to plan, formulate and promote compliance-related measures. The entire OKI Group is now working to strengthen compliance under the leadership of the Chief Compliance Officer (CCO). To ensure the implementation of all policies throughout the Group, OKI has appointed Compliance Managers in all corporate divisions. It has also established advisory and reporting channels and adopted internal reporting regulations to support the early detection and correction of improper activities.

### • Compliance Education

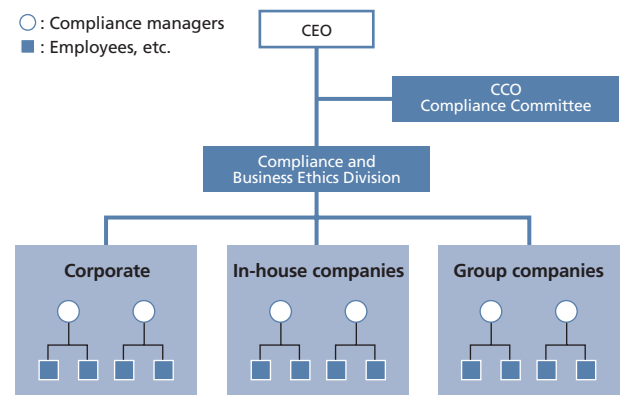
OKI provides compliance education for compliance managers and all employees. Compliance managers are trained at special seminars, which are held twice each year at seven locations in Japan. This program focuses on the role of compliance managers in raising compliance awareness within each corporate unit.

The purpose of compliance education for general employees is to ensure that all compliance policies are properly implemented and understood. In the year ended March 2006, OKI ran e-learning programs on information security, trade secrets and basic behavior in the working environment. In addition, case studies are presented on the corporate intranet in question-and-answer form as a way of rooting compliance awareness in day-to-day operations.



A training seminar for compliance managers

## Compliance Education Structure



## Establishment of a Risk Management Structure

### •Risk Management Regulations

OKI's Risk Management Regulations, which were formulated in December 2004, are designed to prevent risk factors from affecting business operations, and to define procedures to be followed when problems arise. The Regulations identify potential risks and set basic rules concerning divisional responsibilities and countermeasures. There are also detailed rules concerning the establishment of emergency liaison systems and corporate emergency response headquarters to deal with contingencies.

### •Reinforcement of Compliance Risk Management Systems

The most important focus of risk management is compliance risk, including the risk of violations of laws, regulations, accepted standards of behavior and corporate rules. OKI began to take steps under its risk management regulations to strengthen its systems in this area in the year ended March 2006.

Specifically, corporate divisions are now required to register all potential risks with the Risk Management Promotion Office, which monitors preventive measures and the occurrence of problems on a half-yearly basis and develops remedial measures. Units with responsibility for integrated risk management have been identified for risk factors that require management on a company-wide scale. These units assess risks and establish response guidelines as the basis for creating appropriate management systems.

## Employee Perspectives



Compliance and Business Ethics Division  
**Sota Takahashi**

Compliance activities depend on effective education combined with integrated, systematic risk management on a company-wide scale. OKI's directors, workplace supervisors and employees all share a common awareness of risk, and we are preparing to cope with any problems that may arise by building systems at all levels, including group companies.

## Emergency/Disaster Response Systems

**In addition to its accident-prevention activities in the context of day-to-day operations, the OKI Group has established response systems based on emergency and disaster scenarios.**

As part of its risk management structure, the OKI Group has established a Safety Countermeasures Committee. Its mission is to establish an emergency communication network and develop countermeasures to protect lives, prevent secondary accidents, foster good community relations, and ensure the continuity of business operations. In the event of an emergency or disaster, a corporate emergency headquarters will be established to quickly apprehend the situation, direct resolution and recovery efforts, and arrange relief operations if required.

Safety and Health Committees (See Page 25) conduct day-to-day safety workplace patrols, and each site has its own team of trained firefighters. The results of these activities are displayed at regional competitions and other events. OKI also builds emergency cooperation structures with local communities through activities that help to foster closer ties with communities, such as participation in emergency drills and local events.

OKI business sites have emergency stores containing substantial

quantities of emergency equipment, water and food. OKI has also issued satellite telephones and strengthened its vital communications infrastructure in readiness for emergencies. In the year ending March 2007, OKI plans to introduce a system to allow rapid confirmation of the safety status of employees and their families.



A disaster drill



Emergency stores

Promotion of Compliance with Laws and Regulations

Improvement of Customer Satisfaction

Good Communication with Shareholders and Investors

Respect for Employees

Consideration for the Environment

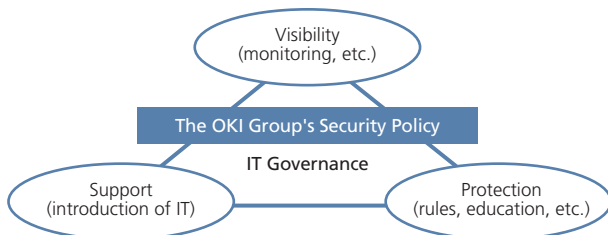
Social Contribution

### Strengthening Information Security and Personal Information Protection

#### •Information Security Initiatives

Under the OKI Group's Security Policy, which was adopted in 2002, the OKI Group has formulated and implemented security measures based on the three principles of support, visibility and protection. Support mechanisms implemented in the year ended March 2006 included the introduction of personal identification that utilizes digital certificates stored in digital employee identity cards (IC cards), and the use of certificates stored in computers to prevent unauthorized connections. Protection mechanisms included the tightening of regulations prohibiting the use of unauthorized software. The implementation of these measures is monitored through visibility measures.

#### Three-Way Information Security Structure



#### •Information Security Education

As part of the protection component of its information security measures, the OKI Group has provided information security education for all employees since the year ended March 2005. The purpose of this training is to remind employees of basic rules that must be observed when using networks and computers and precautions against information leakage, and to ensure that employees are able to cope with changes in the social environment and information technology.

#### •ISMS Certification

Security management is an important priority for the OKI Group because of its role as supplier of highly reliable network solutions and related services. This emphasis is reflected in the Group's attainment of Information Security Management System (ISMS) certification for departments involved in the creation and operation of internal information systems and the design and development of systems, as well as for some marketing departments.

In the year ended March 2006, the Transport & Distribute

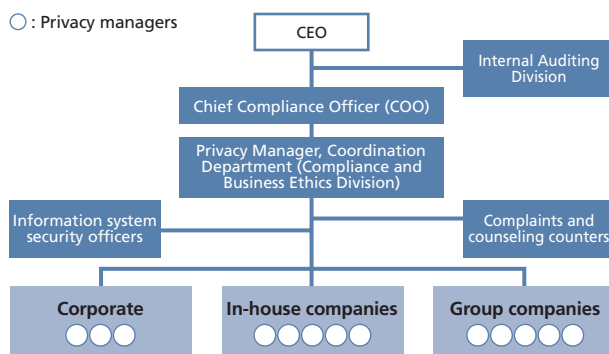
Solutions Business Division of OKI's System Solutions Company and Oki Telecommunication Systems Co., Ltd. both achieved certification under Version 2.0 of the ISMS Certification Criteria.

#### •Strengthening Personal Information Protection

The OKI Group maintains thorough personal information protection systems under the provisions of the new Law for the Protection of Personal Information, which has been in effect since August 2004. Under the leadership of the Chief Compliance Officer (CCO), privacy managers have been appointed at the corporate level and in business groups and group companies. The OKI Group makes use of this organizational structure to handle personal information protection based on the concrete privacy regulations and other related regulations, in which its basic guidelines are realized.

In the year ended March 2006, OKI further strengthened collaboration with information security departments to support in-depth security management measures, including the use of encryption on mobile computers. At the end of each fiscal year, internal audit departments conduct privacy audits to check that proper systems are in place and that measures are being implemented.

#### Privacy Protection Organization



#### •Privacy Mark Certification for Group Companies

As of March 2006, three OKI Group companies were authorized to use the Privacy Mark.

Company	Validity
Oki Human Network Co., Ltd.	2 years from September 21, 2005
Oki Software Co., Ltd.	2 years from December 26, 2005
Oki Alpha Create, Inc.	2 years from April 18, 2006

## Fair Trading and Purchasing Activities

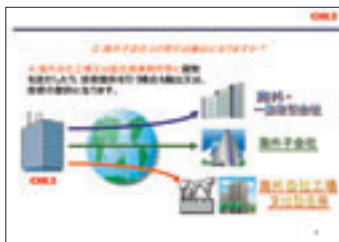
### •Fair Business Practices

The OKI Code of Conduct specifically prohibits unfair trading activities. To ensure that all trading and business activities are conducted fairly and in good faith, OKI employees are constantly reminded of the need to comply with the Antimonopoly Act, laws and regulations concerning international trade, and rules concerning gifts, entertainment and political donations. Individuals are able to check and verify compliance with these requirements by consulting explanatory notes about the OKI Code of Conduct, which are available on the Group intranet. The information provided includes specific case studies, details of laws, regulations and internal rules, and contact details for further advice. In the year ended March 2006, OKI took further steps to ensure fair business practices based on compliance with the OKI Code of Conduct by providing an e-learning program in laws, regulations and information ethics for all sales personnel.

### •In-Depth Security Export Controls

OKI maintains a strict voluntary management system under its Rules for Compliance with Export-Related Laws and Regulations, which were accepted as a Compliance Program (CP) by the then Ministry of International Trade and Industry in 1988. All business divisions have officials responsible for export controls, who submit reports to the corporate Export Review Section whenever an export transaction falls within the parameters stipulated in the Rules for Compliance with Export-Related Laws and Regulations. The Export Review Section conducts a final screening process to determine whether or not a particular transaction is acceptable. Major transactions are examined by the Export Review Committee, which advises the CEO as the person with ultimate authority to make decisions.

Concern about WMD proliferation and other problems was reflected in increased emphasis on security export controls in the year ended March 2006. OKI included security export controls in its training for compliance managers to raise awareness of the importance of these rules, and to ensure that all employees would be fully informed about compliance requirements.



Training materials on security export controls

### •From Green Procurement to CSR Procurement

OKI recognizes that the cooperation of its partners in the supply chain is essential to the fulfillment of its corporate social responsibilities. In 2002, it adopted the Green Procurement Standard as the basis for procurement policies that include preferential purchasing of parts and materials containing reduced amounts of environmentally harmful chemical substances. In June 2006, the Purchasing Policy was rewritten from a social responsibility perspective to create the OKI Group Procurement Policy. Under this policy, OKI seeks the understanding and cooperation of its suppliers, as its CSR partners, for its procurement activities.

## The OKI Group Procurement Policy (Summary)

The OKI Group will always trade fairly and transparently and base its procurement activities on worldwide quality and pricing standards when purchasing supplies, services and other items required for the production and supply of products to its customers. OKI will also strive to build relationships of trust with its suppliers so that it can rely on their cooperation in relation to the concept of corporate social responsibility. OKI will encourage compliance with laws, regulations and socially accepted standards of behavior, as well as protection of the environment.

### 1. Basic Thinking

- (1) The OKI Group will fairly and honestly select suppliers without discrimination between domestic or overseas companies.
- (2) The OKI Group will promote CSR perspectives in its procurement activities, in accordance with the OKI Group Charter of Corporate Conduct.
- (3) In addition to appropriate quality and cost, the OKI Group will also seek reliability of supply.

### 2. Procurement Policy

- (1) Fair and honest selection of suppliers without discrimination between domestic or overseas companies
- (2) Compliance with laws, regulations and socially accepted standards of behavior
- (3) Consideration for the global environment
- (4) Proper management and protection of information
- (5) Pursuit of appropriate quality and costs, and reliability of supply

### 3. Expectations toward Suppliers

- (1) Compliance with laws, regulations and socially accepted standards of behavior
- (2) Consideration for the global environment
- (3) Sound, stable business management
- (4) Appropriate quality and pricing, and reliability of supply
- (5) Proper management and protection of information

Promotion of Compliance with Laws and Regulations

Improvement of Customer Satisfaction

Good Communication with Stakeholders and Investors

Respect for Employees

Consideration for the Environment

Social Contribution

# Improvement of Customer Satisfaction



The OKI Group is dedicated to the development and supply of products and services that will ensure continued customer satisfaction, with proper emphasis on safety and ease of use.

## Focal Points for the Year Ended March 2006

- In-depth quality management and quality assurance from the user's perspective
- Efforts to ensure safety of products and services, and apply universal design concepts

## Main Initiatives in the Year Ended March 2006

- Group-level implementation of companywide quality improvement program
- Quality awareness survey linked to external perspectives
- Promotion of safety and technology compliance
- Accelerated development of universal design-related technologies

## Reinforcement of Quality Management Systems

### • Group-Level Implementation of Company-Wide Quality Improvement Program

Quality management departments established in OKI's various business groups take responsibility for specific products and services and conduct their own quality assurance activities. In the year ended March 2006, OKI established a Quality Coordination Department at the corporate (head office) level. Its mission is to drive further improvement in customer satisfaction through the sharing of knowledge derived from these separate activities. The Quality Coordination Department also sets common quality key performance indicators (KPIs) that are used to support the group-level implementation of OKI's corporate quality improvement program.

The corporate quality improvement program is based on quality KPIs that are seen by the Quality Coordination Department as representing key evaluation criteria for customers, including product and service quality, customer response turn-around time (TAT) from order receipt to completion, on-time delivery and the number of customer comments received. Each division sets its own management (quality) targets, and half-yearly and monthly targets according to the KPIs and implements the measures needed to achieve those targets. Monthly target achievement records are compiled and posted on the intranet, where they are always available for checking by management.

### • Quality Awareness Surveys Linked to External Surveys

To ensure the quality of its products and services, the OKI Group has built systems based on ISO9001. The most important factors contributing to high standards of product and service quality through the implementation of these systems are the attitudes and day-to-day behavior of individual employees with regard to quality. For this reason, OKI now implements annual quality awareness surveys of its work force. Participants are asked about their awareness of quality, quality activities in the organization, and their assessment of product quality.

In the survey for the year ended March 2006, questions from a quality management survey implemented by an outside organization were also included. By comparing employees' assessments of their own company with the situation in other companies, management was able to form an objective picture of OKI's strengths and weaknesses. This led to the identification of a number of issues affecting the entire organization, including the fact that the views of those whose work puts them in direct contact with customers were not being conveyed quickly enough to those involved in upstream processes. The findings were reported to management and are now being used as the basis for improvement efforts by executives and front-line workers.

## Product Safety Initiatives

### • Increased Emphasis on Product Safety and Technical Compliance

The OKI Group has tightened compliance with the four safety technology laws\* as part of its efforts to increase standards of safety in the products that it supplies to customers. In the context of its global business activities, OKI has acquired the relevant certification in the countries in which it operates.

The Product Safety and Technology Committee is the group-wide organization with responsibility for product safety. Under the leadership of executives responsible for compliance with each of the four laws, it establishes systems and rules that allow those working in product planning, design, manufacturing, procurement, sales, maintenance and service to promptly and accurately comply with laws, regulations and certificates. OKI also provides education for its employees, who play a role in product safety. One of the subjects included in training for middle-level employees in the year ended March 2006 was compliance with the four laws. There were employee seminars with expert instructors invited from outside of the Company.

#### \* The four safety technology laws:

These are laws and voluntary regulations pertaining to the safety and other aspects of information technology equipment. Specifically, they are the Electrical Appliance and Material Safety Law, the Telecommunications Business Law, the Radio Law, and the regulations of the Voluntary Control Council for Interference by Information Technology Equipment (VCCI).



## Customer Satisfaction (CS) Initiatives

### •Effective Use of Three Customer Satisfaction Surveys

Oki Data Corporation, which handles OKI's printer business, believes that the role of CS operations is to sell each customer a second printer by providing continuous satisfaction. One of the most important priorities is to monitor customer demand and expectations as feedback for future models. Activities to improve customer satisfaction, which are based primarily on customer surveys, are coordinated by the CS Center.

The CS Center combines results from monthly and yearly surveys and visit surveys to identify customer needs and expectations. It also gathers product fault rates, service visit frequencies and other data from around the world.

Information gained from surveys concerning customer needs and quality issues is shared at product development meetings in the form of feedback requests. OKI aims to reflect 80% of feedback in new products, and implementation of this policy is monitored in all product development processes.

### Customer expectations concerning color printers

Characteristics Seen by Customers as OKI's Strengths	Characteristics Seen by Customers as OKI's Weaknesses	Customer Wishes
①Printing speed is fast.	①The printer should be quieter.	①I want a much smaller printer.
②Output quality is good.	②Running costs should be lower.	②I want to be able to print postcards without bending them.
③Paper loading is easy.	③Paper jams should be easier to clear.	③I want edge to edge printing.
④The price of the printer is low.	④It should be easier to replace the toner.	④I want a multifunction product with scanning and faxing, etc.
⑤The printer is compact.	⑤The control panel should be easier to understand.	⑤I want to enforce network support.

### Employee Perspectives



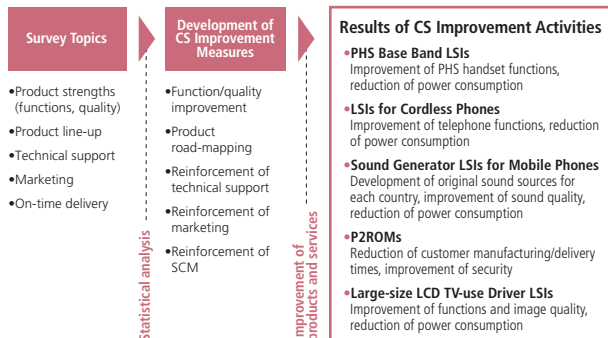
CS Department, CS Center  
Oki Data Corporation  
**Hisako Ono**

Before the launch of the new C8600dn in May 2006, we conducted a CS survey to ascertain customer requirements, and the strengths and weaknesses of OKI color printers from customers' perspectives. We were able to use 88% of the CS survey feedback items in the product's development. I believe that our role is to see ourselves as representatives of customers throughout the world, and to ensure that their varied requirements are reflected in our products.

### •Subjective and Objective Approaches to CS Surveys

In addition to customer satisfaction surveys conducted under contract by an outside research organization, the Semiconductor Business Group also conducts its own questionnaire and interview surveys of customers. These focus on five perspectives: product strength (functions, quality), product line-up, technical support, marketing capabilities, and ability to meet delivery dates. This approach allows the Group to maintain a clear picture of customer satisfaction and dissatisfaction levels from both subjective and objective perspectives. The Semiconductor Business Group also works to raise customer satisfaction levels by developing policies to alleviate dissatisfaction, improve product functions, performance and service quality. The Group's approach to this task includes benchmark testing to compare its products with those of competitors.

### Improving Customer Satisfaction



### •Work Evaluation Postcards — Making Customer Satisfaction More Visible

Oki Customer Adtech Co., Ltd., which provides maintenance services, asks customers to evaluate their services on postcards, which are given out after each visit for maintenance or other services. The evaluation covers a wide range of items, including the promptness and technical accuracy of the work, punctuality, politeness and attitude. In each category, the customer is asked to give the company one of three grades: "complaint," "could be better" or "commended." The results are shared throughout the company and used to close the gap between the customers' experience and the perceptions of those within the organization.

To build relationships of trust with its customers, Oki Customer Adtech always visits customers who have given "complaint" or "could be better" grades within a week in order to explain its response. The company uses education and incentives to reinforce employee awareness of the importance of customer satisfaction, and to improve skills and morale.

## Promoting Universal Design

### •The OKI Group's Universal Design Concept

For the OKI Group, the universal design philosophy is an approach to the creation of products and services that combine high levels of both usability, defined as fundamental ease-of-use, and accessibility for all users, including the aged and disabled. The goal is to create products and services that can be used effectively, efficiently and satisfactorily by all users.

The OKI Group's efforts to enhance usability and accessibility are based on four concepts. First, products must have interfaces that are easy to understand. Second, mental and physical stress must be minimized. Third, there must be a choice of operating methods. Fourth, products must be friendly and attractive. To satisfy these criteria, OKI's research, design and development teams work closely together to reflect the views of users, including participants in user tests, in products and services.

In 1991, OKI established the Ergonomics Committee to coordinate these activities. With members drawn from all relevant units, it links the entire OKI organization. The Ergonomics Committee deliberates on adaptation to trends in standards for usability and accessibility, including international standards and JIS standards. It also formulates common internal standards and provides support for the application of those standards to individual products.

### •Publication of *Universal Design for IT*

In August 2005, Maruzen Co., Ltd. published a book written by OKI Group employees involved in the universal design field. Entitled *Universal Design for IT*, the book provides a structured overview of the OKI Group's activities in this area. It is intended as a reference work for people with an interest in universal design, including those working professionally in the field.

After describing the need for universal design, the history of the concept, and trends in standardization, the book offers some examples of universal design applications, including ATMs, IT equipment and websites. The numerous specific examples in the book also include achievements by the OKI Group, notably the establishment of design processes and implementation systems.



*Universal Design for IT*

### •Support System Jointly Tried by the OKI Group and University of Toronto

In November 2005, the OKI Group and the University of Toronto tested a system to support collaborative at-home work by people with disabilities. The system is based on "Vocal Village" conferencing technology, which uses VoIP\* and has been developed at Toronto University, to link multiple locations. The system allows people to overcome disabilities and distance, and to work collaboratively as if they were sitting at the same table.

Seven home-based employees of Oki WorkWel Co., Ltd. tested the system, using it to support collaboration on website development. There were significant gains in work efficiency, team solidarity and job satisfaction, as well as dramatic reduction in associated communication costs.



Working in the "Vocal Village"

#### \* VoIP (Voice over Internet Protocol):

This technology allows voice data to be transmitted over TCP/IP networks, such as the Internet and intranets.

### •Development of a Sign Language Synthesis Server

OKI has developed a text-sign language synthesis server. The server stores video clips of a person performing sign language. When text is entered, the system combines multiple clips to form a sign language video. By using actual photographic images, it is possible to convey information that cannot readily be conveyed via computer graphics, such as subtle expressions and mouth movements. This feature ensures that sign language information is conveyed accurately to people with hearing impairments.

The Ubiquitous Communicator\*<sup>1</sup>, a dedicated terminal that displays sign language videos synthesized by the server, was used in the Kobe Airport Ubiquitous Feasibility Study Experiments, which were conducted in March 2006 as part of the Free Mobility Project\*<sup>2</sup> initiated by the Ministry of Land, Infrastructure and Transport.



A sign language video produced by the Text-Sign Language Server

#### \*1 Ubiquitous Communicator:

A mobile information terminal developed by the YRP Ubiquitous Networking Laboratory

#### \*2 Free Mobility Project:

The aim of this project is to create an environment in which information about routes, transportation and destinations is always available to anyone, anywhere.

**Contributing to Society through Products and Services**

In keeping with its corporate mission, the OKI Group strives to ensure that all of its products and services benefit users and contribute to society.

**•Small-size ATM CP21X  
— Ease of Access in Convenience Stores and Stations**

Automated teller machines (ATMs) in convenience stores and stations are in use 365 days a year and must combine excellent reliability with ease of use and effective security measures. In March 2006, OKI announced the CP21X, a small-size ATM with features that include enhanced ease of use for optimal accessibility. The CP21X also incorporates effective security measures, including a security skid to hide the numeric key pad and prevent someone from peeking at the PIN. The system also supports biometric identification, including the use of palm or finger vein patterns. Additionally, the capacity for cash and receipt forms has been doubled to enable longer maintenance and on-site support intervals. For added reliability, the system has duplicate hard disks. All materials and parts used in the CP21X are free of six substances that are regulated under the RoHS directive\*.



The small-size ATM CP21X

**\* RoHS Directive:**  
A directive restricting the use of certain hazardous substances in electrical and electronic equipment

**•Mobile Emergency Communications System  
— A Robust Communication Environment for Emergencies**

The mobile emergency communications system announced by OKI in March 2006 links personal digital assistants (PDAs) with the SS9100 IP Convergence Server to provide triple play (voice, image and data) communications through wireless LANs. This system allows one-on-one and conference calling between PDAs. It can also be used to issue notices and general directives in emergencies. The result is an extremely flexible communications environment with support for communications among multiple groups,

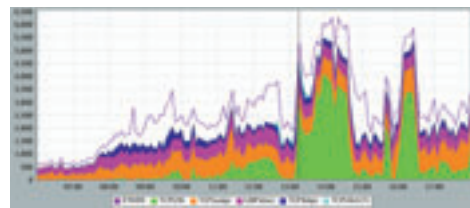


The Mobile Emergency Communications System

which has been a problem in accidents, disasters and other emergencies. The system also features "eSound Engine," OKI's software engine that enables high quality voice communication over IP networks.. The excellent sound quality provided by this technology will ensure that emergency communications can be accurately heard and understood.

**•Secure Traffic Probe  
— for Enhanced Network Reliability and Safety**

OKI's Secure Traffic Probe detects and warns of abnormal network traffic, including worms, which have become increasingly common recently. The system provides integrated monitoring of traffic and abnormalities, such as worm infections, at multiple points. Traffic data trends and alerts are displayed and analyzed. Because viruses are discovered through the detection of abnormal traffic, the system is effective even against unknown viruses. OKI developed the Secure Traffic Probe to contribute to network stability and security.



A traffic data scale graph

**•VisualCast Behavior Verification System  
— Automated Detection of Suspicious Behavior and Intrusions**

OKI's VisualCast remote video monitoring system uses high-quality video streaming. In July 2005, OKI added behavior verification to the functions of this system, allowing it to issue warnings on discovery of suspicious behavior or intrusions in video images. The system can automatically detect and warn of intrusions by comparing images with designated parameters for monitored areas, such as behavior patterns, size and location of intrusions. Staff in monitoring centers can display monitor images showing intruder behavior patterns. They can also adjust camera angles and initiate alarms. The result is a substantial improvement in efficiency and reduction in surveillance operator workloads, even when extensive areas in multiple locations are being monitored.



A scene monitored by VisualCast

Promotion of Compliance with Laws and Regulations  
Improvement of Customer Satisfaction  
Good Communication with Stakeholders and Investors  
Respect for Employees  
Consideration for the Environment  
Social Contribution



**OKI recognizes the importance of communication and is committed to the fair and timely disclosure of corporate information.**

## Focal Points for the Year Ended March 2006

- Positive and fair disclosure of corporate data
- Promotion of good communications with stakeholders through IR activities

## Main Initiatives in the Year Ended March 2006

- Enhancement of institutional investor briefings, small meetings, site tours, etc.
- Expansion of briefings for individual investors and foreign investors
- Increased distribution of newsletters

## IR Activities by the OKI Group

The OKI Group discloses useful information to shareholders and investors in a timely and appropriate manner. Topics covered include general corporate information, business strategies and business results. An active IR program also plays an important part in the OKI Group's efforts to raise corporate value by ensuring that this information is accurately understood by the market. OKI recognizes that accurate market feedback leads to improved management efficiency. A specialist IR unit in the PR Division coordinates a variety of communication activities, such as investor briefings and IR meetings, involving the President and other senior management officials. The OKI Group will remain committed to prompt, accurate information disclosure, including all measures required to comply with changes in the Company Law, Financial Instruments and Exchange Law and the disclosure rules of the Tokyo Stock Exchange.

### •Investor Briefings and IR Meetings

Since the first quarter of the year ended March 2004, OKI has announced its results on a quarterly basis. At investor briefings, which are held to coincide with these announcements, management representatives present financial data and explain aspects of the Company's vision and business strategies. OKI also has an active program of IR meetings in Japan and overseas for institutional investors. The purpose of these sessions is to ensure that domestic and foreign institutional investors have an accurate understanding of the OKI Group. Small meetings focus on a wide range of topics, including management and business strategies, and specific products and technologies. Other IR activities include tours of business sites. In the year ended March 2006, OKI also held management briefings to inform individual investors about specific key initiatives and strategies of the OKI Group.



A management briefing for investors (February 2006)

### •Communication through IR Sites and Newsletters

OKI maintains fairness in its information disclosure activities by immediately posting a variety of IR information, including financial results, in English and Japanese on the IR sections of its corporate website. Newsletters are distributed by e-mail to recipients who have registered on the website. Currently there are 2,000 registered recipients. The content of the newsletter includes business results, stock exchange filing data, press releases about new products and services, and IR website updates. Information provided on the website for personal investors is designed to provide a clear picture of corporate activities. Content includes images, graphs, audio and video.

As a result of these efforts, OKI's IR website has received awards for excellence in Internet IR from Daiwa Investor Relations Co., Ltd. in each of the past five years.



A website page with information for investors

## Employee Perspective



Investor Relations,  
PR Division  
**Kunihiro Yoshida**



Each year OKI holds over 200 face-to-face meetings with securities analysts and institutional investors in Japan and overseas. We are asked many questions at these meetings, and we are constantly alert to the need to ensure fairness in all of our information disclosure activities. The basic mission of IR is to provide useful information as promptly as possible. We will continue our efforts to supply accurate information in a timely manner.

• **Preventing Insider Trading**

The OKI Group is striving to prevent insider trading with the aim of disclosing timely and appropriate information to shareholders and investors, protecting shareholders and investors, and ensuring reliability in securities markets. It has appointed insider information officers whose tasks are to judge whether or not information should be classified as insider information, and to designate insider information or remove this designation. The OKI Group also takes steps to ensure full compliance with the insider trading prevention regulations as part of its risk management activities.

• **Evaluation by SRI Assessment Organizations**

With socially responsible investment (SRI), the decision to invest in a company is guided not only by financial considerations, but also by criteria relating to the company's CSR commitment, including its social and environmental responsibility. As of May 2006, OKI had been selected for inclusion in the following SRI indexes.

 FTSE4Good Global Index (U.K.)	 MS-SRI (Morningstar SRI Index) (Japan)
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**Responding to the Disclosure and Communication Needs of a Wide Spectrum of Shareholders**

*In addition to its shareholders and investors, the OKI Group communicates with a wide range of other stakeholders.*

**Strengthening Timely Disclosure of Accurate Information**

To provide these stakeholders with timely access to accurate information, the OKI Group is enhancing its communication through media organizations, using press releases, press conferences, interviews and other methods. OKI also communicates with stakeholders by publishing a variety of printed material, and by posting information on websites.



Announcing the establishment of a new company in Dalian, China (October 2005)

**Information Sharing through Supplier Briefings**

OKI works to maintain close communication with key suppliers by holding various information sharing meetings at its production sites. These meetings include goodwill parties and briefings on business policies and production plans.



A production plan briefing in the Honjo District (Saitama Prefecture)

**OKI Information and Telecom Convergence Solution Fair 2005**

This annual event is a showcase for the OKI Group's products and services, and an opportunity for direct communications with users. In the year ended March 2006, the two-day event was held on October 19 and 20, 2005. The theme for the fair was "OKI Network Solutions for the Advancement of the e-Society." In addition to displays of OKI's latest solutions and high-tech products, the fair also featured lectures and seminars presented by opinion leaders in various fields. Approximately 3,700 attended these sessions to learn about the OKI Group's vision for the e-society.



OKI Information and Telecom Convergence Solution Fair 2005

**Strengthening Communication between Top Management and Employees**

Two-way communication between top management and employees is an important priority for the OKI Group. The CEO personally visits major sites every six months to brief employees directly about management plans and policies. There are also monthly "work-out" sessions, which are informal meetings between the CEO and small groups of employees at various levels and in various parts of the OKI organization.

These sessions allow the CEO to gauge employee understanding of management policies, and to engage in frank and open discussion with employees about issues affecting the implementation of those policies in the workplace. The content of these discussions is made available to all employees through the intranet.

Promotion of Compliance with Laws and Regulations  
 Improvement of Customer Satisfaction  
 Good Communication with Shareholders and Investors  
 Respect for Employees  
 Consideration for the Environment  
 Social Contribution



**OKI respects the diversity of its employees and is determined to provide and maintain safe, pleasant working environments as the basis for a corporate culture in which each individual can work toward his or her goals by continuing to pursue new challenges.**

## Focal Points for the Year Ended March 2006

- Initiatives under the Law for Measures to Support the Development of the Next Generation, and equal partnership initiatives
- Recruitment and development of diverse human resources

## Main Initiatives in the Year Ended March 2006

- Adaptation of policies to reflect the Law for Measures to Support the Development of the Next Generation and the amended Law Concerning Stabilization of Employment of Older Persons
- Enhancement of management skills training
- Establishment of Mental Health Care Working Group

## Basic Policy on Human Rights

The business activities of the OKI Group are built on cooperation among diverse individuals who strive to improve corporate earnings and contribute to society through their various roles in the Group's operations. The OKI Group recognizes that all business activities must be based on respect for the human rights of the individuals who perform various tasks within its organization. This awareness is reflected in a commitment to fairness in recruitment and selection, and to the development of working environments in which a wide range of people can participate actively and constructively.

In the year ended March 2006, OKI implemented an educational program focusing on ways to provide peace of mind for all workers. Topics covered included workplace discrimination, sexual harassment and abuse of authority.

### •Employment of the Elderly

In April 2006, OKI reviewed its Senior Casting system, which was originally introduced in 2000. The purpose of the system is to meet the employment needs of those aged 60 and older. This has become increasingly important because of phased increases in the eligibility age for basic welfare pensions in Japan. OKI also adopted the system in preparation for future declines in the working population due to demographic ageing, and in response to the April 2006 amendments to the Law Concerning Stabilization of Employment of Older Persons. Under the Senior Casting system, persons wishing to work after reaching the age of 60 are able to extend their employment in step with phased increases in eligibility age for basic welfare pensions. To qualify under the system, applicants must meet certain requirements and match the Company's available jobs.

Starting in the year in which they reach the age of 50, employees are canvassed about their intentions as part of the annual review of Career Development Programs\*. Their final decision is confirmed in the month in which they reach the age of 59.

#### \* Career Development Program (CDP):

This program is designed to help employees develop career visions and plans. Activities include yearly interviews with supervisors, and career design training and career counseling in each milestone year.

### •Employment for People with Disabilities

In 1998, the OKI Group introduced a system to promote home-based employment for people with severe disabilities, for whom commuting would be impractical. The success of this scheme led in April 2004 to the establishment of a special subsidiary\*, Oki WorkWel Co., Ltd. As of May 2006, Oki WorkWel had 31 employees with various disabilities, including physical, intellectual, visual and internal disabilities. Of these people, 25 are involved in teleworking activities based on information technology. These activities include website development and poster design. This company will remain the focus of the OKI Group's active commitment to employment for people with disabilities.

Percentage of OKI Group employees with disabilities (year ended March 2006): 1.85%

#### \* Special subsidiary:

A subsidiary that provides special consideration for employment for people with disabilities, as defined in the Law for Employment Promotion, etc. of the Disabled Persons.

### •OKI Wins the 2nd Asahi Corporate Citizen Award

In October 2005, OKI's support of home-based employment for people with severe disabilities through the use of information technology was selected for the 2nd Asahi Corporate Citizen Award.



The presentation ceremony for the Asahi Corporate Citizen Award

The award was instituted in 2004 by The Asahi Shimbun Company as a way of encouraging better corporate citizenship and acknowledging social contributions by businesses. The judges were impressed by the OKI Group's efforts over many years to promote and expand home-based employment for people with severe disabilities, by its establishment of organizational support structures, and by its success in demonstrating that advances in information technology were steadily increasing the range of activities open to participation by home-based workers with disabilities.

### Initiatives under the Law for Measures to Support the Development of the Next Generation

Japan's Law for Measures to Support the Development of the Next Generation has been in effect since April 2005. OKI has started to implement a two-year action plan containing the following specific initiatives to help employees achieve a balance between work and childcare.

#### The OKI Action Plan

- OKI will foster understanding about its work-childcare balance support systems, not only among those eligible for support, but throughout the workplace, with the aim of developing a company-wide culture amenable to the use of the systems.
- OKI will enhance mechanisms to facilitate the return to work by those who have taken childcare leave, including those returning after prolonged absences.
- OKI will review its family allowance systems and continue its efforts to assist with childcare costs by enhancing child-related allowances.
- OKI will continue to enhance systems to support a work-childcare balance, including special-purpose leave systems.

#### •Systems to Support a Balance between Work and Childcare or Nursing

OKI is helping its employees to achieve a healthy balance between work and family life by improving its maternity, childcare and nursing care support systems, and by exercising flexibility over working hours. Its systems exceed statutory requirements for the duration of leave and other aspects. In the year ended March 2006, OKI made kindergarten and school events eligible for special-purpose leave to facilitate parent participation in key events in their children's lives.

#### Scope and Duration of Special-purpose Leave

Purpose	Eligible Situations	Duration of Leave
Medical treatment for employee	Treatment for injury or illness affecting the employee	Up to 50 days
Nursing care for family member	Nursing care for family member Inoculation of children <b>(new)</b> Health checks for babies and infants <b>(new)</b>	
Voluntary activities	Service activities of high social or public importance in social welfare institutions, etc.	Up to 30 days
Education	Training and educational programs	
Children's school events <b>(new)</b>	Events at childcare centers, kindergartens and elementary schools	

Group companies have established systems similar to those implemented by OKI. As in the year ended March 2006, a number of male employees took leave under the childcare leave system.

### Maternity, Childcare and Nursing Care Support Systems and Time Adjustments

Systems (Leave Provided in Response to Applications from Individuals)	Maternity medical care leave	During pregnancy, female workers are allowed to take time off for various reasons, including regular medical examinations, health checks, medical guidance, and pregnancy-related health problems.
	Reduction of working hours during pregnancy	Female workers can apply to have their working hours reduced during pregnancy.
	Childbirth leave	Female workers are given 56 days of special leave before childbirth (98 days in the case of multiple births) and 56 days after childbirth.
	Childcare leave	After childbirth, an employee is allowed take leave until the child reaches the age of two.
	Reduced working hours for childcare	Working hours can be reduced until the child completes the third year of elementary school.
	Nursing care leave	Up to one year of leave can be taken to provide nursing care for a family member.
Time Adjustments	Reduced working hours for nursing care	For up to one year, working hours can be reduced to allow a worker to provide nursing care for a family member.
	Rest times during pregnancy	Rest times will be provided when necessary on request from female workers who are pregnant.
	Nursing periods	Female workers who are caring for infants under the age of one year can apply for two 30-minute nursing periods per day.

### Employee Perspective

LSI Design Center, Oki Micro Design Co., Ltd.

#### Kazuhiro Tomita

I took childcare leave in the year ended March 2005 after our fourth child was born. I decided to apply after my wife asked me if I would like to try my hand at looking after a baby. After starting my leave, I found myself in the midst of an endless cycle of exhausting tasks, including the preparation of allergy-safe weaning foods, and care of a child who seemed to cry all the time. However, it was an excellent opportunity to build communication with our other three children, and I learned the importance of contact with children. I also learned how tiring housework was, and I have continued to play a part in housework and childcare even after returning to work. I was the first male employee in our workplace to take childcare leave, and initially my colleagues seemed bewildered. However, they supported me in various ways during my leave and after my return to work, and for that I am very grateful. In the year ended March 2006, a younger colleague took childcare leave, and now I find myself in the position of giving advice.



### Education, Training and Systems for Human Resource Development

#### •Management Skills Training Expanded

The OKI Group has developed a range of training curriculums through which employees can acquire essential work-related knowledge and skills for each job area. Each curriculum consists of courses that are designed systematically in levels, from basic knowledge through to recent advances in practice and theory. There are 200 compulsory and designated courses and over 450 elective courses.

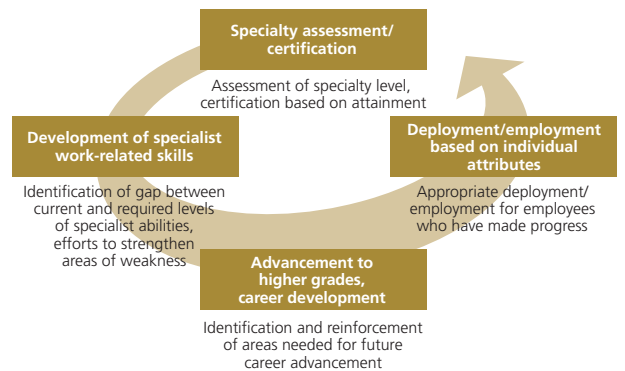
Employees are encouraged to take programs based on development plans that are formulated in consultation with supervisors at the start of each fiscal year. In the year ended March 2006, the number of participants in courses totalled over 25,000.

In the year ended March 2006, OKI expanded its management training program to provide enhanced skill development for managers. Eligibility for participation in "coaching course," which were previously open to senior managers, was expanded to include employees at the team manager and manager levels. The aim of this move is to energize workplaces by improving management knowledge and skills.

#### •Specialty Certification System Introduced

Introduced by OKI in June 2005, this new system focuses on specialties of employees. Under the system, employees are assessed on the basis both of the specialist knowledge and skills required for work performance, and of organizational management. Each employee is given a specialist ranking based on their level of attainment. By creating this system, OKI aims to establish a virtuous cycle in which the efforts of individual workers to enhance their specialist abilities by working toward specific goals will lead to their growth as people capable of contributing to business development, thereby raising the value of OKI's human resources.

#### Virtuous Cycle Raising the Value of Human Resources



#### Positioning of OKI's Training Systems and Management Training

		Compulsory/Designated Training		Elective Training/Voluntary Learning	
Leadership development	Leadership reinforcement	Elective development <ul style="list-style-type: none"> <li>•Phoenix Forum</li> <li>•Management candidate training, etc.</li> </ul>		Business skills <ul style="list-style-type: none"> <li>•Logical thinking</li> <li>•Presentation</li> <li>•Communication, etc.</li> </ul>	Management skills <ul style="list-style-type: none"> <li>•Organizational management</li> <li>•Leadership</li> <li>•Project management, etc.</li> </ul>
	Reinforcement of management skills	<b>Management skills training</b> <ul style="list-style-type: none"> <li>•New manager candidate training</li> <li>•New manager training</li> <li>•New TL training</li> <li>•Competency appraiser training</li> <li>•Coaching course</li> </ul>			
Skill/competency reinforcement	Reinforcement of work-related specialties	Job skill training <ul style="list-style-type: none"> <li>•Sales and marketing staff training</li> <li>•Technical staff/quality assurance staff training</li> </ul>		Solution skills <ul style="list-style-type: none"> <li>•Product knowledge</li> <li>•Legal knowledge, etc.</li> </ul>	Technical skills <ul style="list-style-type: none"> <li>•Programming</li> <li>•Networking, etc.</li> </ul>
	Basic employee training	Set-up <ul style="list-style-type: none"> <li>•New employee training</li> <li>•Job transfer training</li> </ul>	CSR training <ul style="list-style-type: none"> <li>•Compliance</li> <li>•Information Security, etc.</li> </ul>		
	Promotion of qualification acquisition	•OKI-approved qualifications			
Careers	Career support	•Career design seminars		Global <ul style="list-style-type: none"> <li>•English/Chinese</li> <li>•Cultural training, etc.</li> </ul>	
				•IT literacy	



## Occupational Health and Safety

### • Safety and Health Committees

In each region, OKI has established Safety and Health Committees made up of company and union representatives. These committees perform a number of tasks including the creation and enhancement of safety and health systems that reflect local workplace environments, the formulation of occupational accident prevention plans. The Committees also patrol workplaces and arrange safety and health education programs. Representatives of local committees attend meetings of the Central Safety and Health Committee, at which they present reports on local conditions and share information. These activities help to raise the level of safety and health throughout the OKI organization.

In the year ended March 2006, OKI's industrial accident frequency ratio\*1 was 0.19, and its accident severity rate\*2 was 0.00. Both ratios are below the averages for the electrical machinery, equipment and supplies manufacturing industry.

**\*1 Accident frequency ratio:**

Fatalities and injuries caused by occupational accidents ÷ Total hours worked × 1,000,000

**\*2 Severity rate:**

Working days lost ÷ Total hours worked × 1,000

### • Improving Management Standards at Production Sites through Spot Checks of Safety Management

The OKI Group has conducted spot safety checks every year since the year ended March 2002. Conducted by staff from corporate divisions, these checks are based on common criteria. Their purpose is to improve safety management standards at production sites by checking the state of management at each facility. The checks cover safety and health, accident prevention and the environment. Check teams use checklists to examine management systems, education and training, day-to-day management, and accident response procedures in each of these three areas. If the checks result in the discovery of problems or other matters requiring remedial action at any site, or if a site is found to have made excellent progress, this information is reported and presented at meetings of the OKI Group Safety Management Liaison Committee, which is an organization of made up of production divisions. This process ensures that safety information is shared and developed.

Through these continuing activities, OKI is working to raise awareness of safety management at all sites. In the year ended March 2006, spot checks were conducted at 18 sites in Japan and at five overseas sites. No serious problems were found.

### • Health OKI 21 Campaign

The OKI Group's Health OKI 21 Campaign is a joint initiative by OKI Group companies, unions and health insurance societies to support voluntary health improvement activities by employees.

Subcommittees made up of representatives from administrative departments, health promotion centers and unions have been formed at each work site and group company. These subcommittees distribute lifestyle improvement information through the intranet and other media. Other activities include campaigns and surveys of employee attitudes toward health.

In the year ended March 2006, we held company-wide walking campaigns in the spring and fall, during which walking events were organized by individual subcommittees. In Tokyo, 85 OKI Group employees and family members participated in the "Rainbow Bridge and Odaiba Walk." Organized by the Shibaura Subcommittee and held in May 2005, the walk covered a distance of approximately eight kilometers.

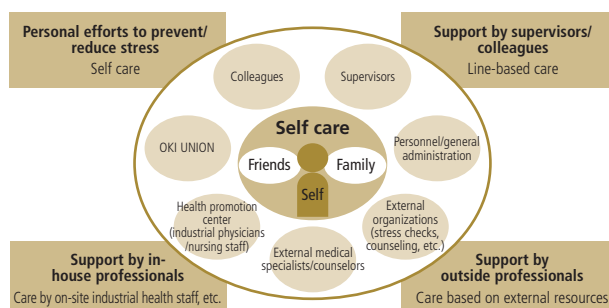


Employees and family members take part in a walking event

### • Mental Health Care Working Group Established

In August 2000, the Japanese Ministry of Labour (now the Ministry of Health, Labour and Welfare) announced a new policy on the mental health of workers in business establishments. The OKI Group has implemented a number of mental health care initiatives for its employees in accordance with this policy. The OKI Group already provided care through telephone and face-to-face counseling, and the distribution of information through the intranet, but in the year ended March 2006, it formed a Mental Health Care Working Group to study approaches to the development of an enhanced environment. The Working Group is made up of representatives of OKI, labor unions and health insurance societies. Based on the Working Group's findings, OKI will implement specific activities from the following four perspectives in the year ending March 2007.

### Mental Health Care Working Group Initiatives



Promotion of Compliance with Laws and Regulations  
 Improvement of Customer Satisfaction  
 Good Communication with Stakeholders and Investors  
 Respect for Employees  
 Consideration for the Environment  
 Social Contribution

# Consideration for the Environment



**In order to realize and pass on a better global environment, The OKI Group promotes environmental management and makes efforts to conserve the environment through its products and its business activities.**

## Focal Points in the Year Ended March 2006

- Implementation of network-type environmentally-conscious management
- Reduction of greenhouse gas emissions
- Improvement of eco-friendly products
- Active involvement in environment business

## Main Initiatives in the Year Ended March 2006

- Transition to ISO14001:2004 and expansion of scope of companywide consolidated certification
- Increased efforts to reduce CO<sub>2</sub> emissions, especially in semiconductor manufacturing processes
- Expansion of RoHS Directive compliance measures
- Deployment of information system for chemicals contained in products (See Page 8)

## The OKI Group's Environmental Policy and the OKI Eco Plan 21

The OKI Group Environmental Policy consists of the policy and four activity guidelines. Under the Environmental Policy, the OKI Group is implementing companywide network-type environmentally-conscious management (See Page 27). The policy calls for sustained efforts targeted toward the "three pillars" of the OKI Group's environmental activities: contribution to the environment through products, contribution to environmental conservation in business activities, and contribution to the environmental activities of society.

### OKI Group Environmental Policy

#### Environmental Policy

By providing products that contribute to the e-society, the OKI Group realizes a better global environment for the next generation, and takes it over.

#### Environmental Activity Guidelines

1 Strive to maximize the effect of policies and measures by executing companywide network-type environmentally-conscious management.

- Work to provide eco-friendly products and services with respect to all work processes, from product planning up to manufacturing, maintenance and operation.
- Work for the conservation of resources and energy, and to reduce waste in business activities.

2 Comply with applicable environmental laws and regulations, ordinances, etc. and other requirements agreed upon.

3 Accurately execute the PDmCA (Plan-Do-multiple-Check-Action) of the environmental management system. Work to enhance environmental performance and to continually improve its operational system.

4 Strive to disclose environment-related information and contribute to society on a broad basis by supporting environmental activities.

## Progress of Environmental Activities under the OKI Eco Plan 21

The OKI Group formulated the OKI Eco Plan 21 as its basic action plan for environmental conservation activities targeted toward the reduction of environmental loads. As shown in the following table, targets for activity items contained in the fiscal 2005 version of the plan were largely met.

### OKI Eco Plan 21 Activity Items and Achievements in the Year Ended March 2006

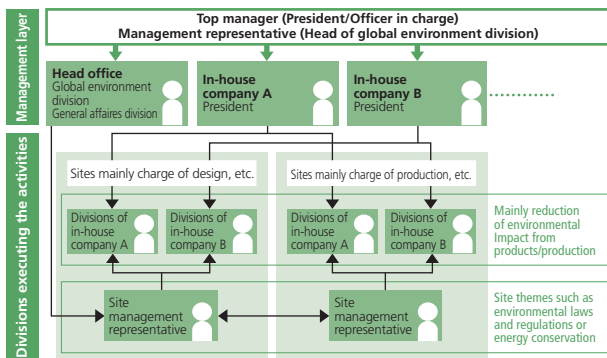
Category	Activity Item	Achievements in the Year Ended March 2006	
Products	Chemical substances in products that affect the environment	Compliance with RoHS directive (mercury, cadmium, lead, hexavalent chromium, PBB, PBDE) • Hardware • Supplies	Successful adaptation of products to RoHS Directive
	Resource recovery from used products	Development of internal recycling systems and expansion of scope (approval under Cross-jurisdictional Waste Treatment Manufacturer Scheme)	(Approved in June 2006)
	Environmental upskilling for products/services	Improvement of understanding about environment-related laws and regulations, customer requirements, etc. (e-learning, group courses, etc.)	Participation ratio for upskilling courses: 70%
Business Activities	Prevention of global warming	Reduction of CO <sub>2</sub> emissions at production sites • Reduction of power consumption with updated equipment • Review of operations • Other measures	15% reduction (basic unit) compared with year ended March 2004
		Information and telecommunications devices	22% reduction (basic unit) compared with year ended March 2004
		Reduction of atmospheric emissions of greenhouse gases	Plan for period to 2010 formulated
	Resource recycling	Reduction of industrial waste at production sites (maintenance/continuation of zero-emission status)	Continuation of zero-emission status
	Limitation of use of chemical substances that affect the environment	Reduction of emissions or use of chemical substances that affect the environment (restricted chemical substances other than greenhouse gases)	0.4% reduction compared with year ended March 2002 13% reduction compared with year ended March 2004
Environmentally-Conscious Management	Reinforcement of environmentally-conscious management systems	Promotion of companywide network-type environmentally-conscious management systems (evaluation/implementation of expansion of systems in Japan and overseas)	Four sites added
	Reinforcement of environmental compliance	Improvement of internal and external understanding about OKI's environmental performance and policy (seminars, group educational courses)	Seminars and educational programs implemented

### Promotion of Companywide Network-Type Environmentally-conscious Management

The OKI Group is implementing companywide network-type environmentally-conscious management. This concept is designed to optimize the efficiency of group-level activities by combining day-to-day energy conservation activities and other initiatives at individual sites with company-level efforts focusing on product-related environmental themes.

By selecting and concentrating the resources toward the solution of problems, and by sharing information and knowledge, OKI aims to create environmentally sound products and to ensure that its business activities comply with environmental requirements.

### Management by Sites and Companies



### Transition to ISO14001:2004 and Expansion of Scope of Companywide Consolidated Certification

In the year ended March 2005, the OKI Group obtained consolidated certification under ISO14001:1996 in preparation for the implementation of companywide network-type environmentally-conscious management. The result is a structure capable of supporting efficient environmental activities throughout the OKI Group. In the year ended March 2006, this structure was further strengthened through a transition to ISO14001:2004 in December 2005, and through the expansion of the scope of

### Scope of Consolidated certification

15 Sites		8 Regional Offices
<ul style="list-style-type: none"> <li>•Toranomon site</li> <li>•Shibaura site</li> <li>•Numazu site</li> <li>•Takasaki site</li> <li>•Honjo/Tomioka sites</li> <li>•Warabi site</li> <li>•Ikebukuro site</li> <li>•Hachioji site</li> </ul>	<ul style="list-style-type: none"> <li>•Miyazaki site</li> <li>•Miyagi site</li> <li>•Oki Data Corporation (Fukushima site) [Added in year ended March 2006]</li> <li>•Nagano site</li> <li>•Eitai/Isesaki site</li> <li>•Hikawadai site</li> <li>•Kansai Laboratory site</li> </ul>	<ul style="list-style-type: none"> <li>•Hokkaido Regional Office</li> <li>•Tohoku Regional Office</li> <li>•Hokuriku Regional Office</li> <li>•Chubu Regional Office</li> <li>•Kansai Regional Office</li> <li>•Chugoku Regional Office</li> <li>•Shikoku Regional Office</li> <li>•Kyushu Regional Office</li> </ul>

companywide consolidated certification. Certification has been achieved at 15 sites, eight branches and covers 62 companies in Japan with approximately 15,930 employees.

### Environmental Compliance and Environmental Education

Environmental compliance (compliance with environment-related laws and regulations) is a vital aspect of environmental management. The OKI Group uses e-learning to provide all employees with general environmental education about its environmental policies and activities. In the year ended March 2006, approximately 4,600 people participated. Educational programs were also implemented to raise skill levels in OKI's sales organization. These e-learning programs cover the RoHS Directive and related activities of the OKI Group. Approximately 1,300 people participated in the year ended March 2006. In addition, OKI implements education and awareness programs to ensure full environmental compliance in other divisions, such as design, development and production. These programs are tailored to the specific content of activities in these areas.

### Environmental Compliance Activities in Each Division

Sales Divisions	Design and Development Divisions	Production Divisions
<ul style="list-style-type: none"> <li>•In-depth risk management based on scenarios of violations of Waste Management and Public Cleansing Law</li> <li>•Dissemination of information about appropriate treatment of used products</li> <li>•Environmental compliance education using e-learning technology</li> </ul>	<ul style="list-style-type: none"> <li>•In-depth risk management based on various scenarios, including product-related environmental contamination accidents, and inclusion of regulated substances</li> <li>•In-depth compliance management based on ISO14001 requirements</li> <li>•Development of environment-related technical standards and design standards</li> <li>•Verification using environment-related design reviews and product assessment tests</li> <li>•Comprehensive environmental education for design and development personnel</li> </ul>	<ul style="list-style-type: none"> <li>•In-depth risk management based on various scenarios, including environmental contamination accidents, violations of Waste Management and Public Cleansing Law</li> <li>•In-depth compliance management based on ISO14001 requirements</li> <li>•Collection of up-to-date regulatory information from environment-related gazettes, websites and distribution services</li> </ul>

### Employee Perspective



Global Environment Division  
**Hiroshi Ogata**

Companywide network-type environmentally-conscious management is a framework for the implementation of our accumulated resources of environmental technologies and experience across the entire OKI Group to promote effective and efficient environment conservation. The expansion of this framework in the year ending March 2007 will allow us to improve and effectively utilize our environmental technologies, raise the level of environmental compliance, and share environment-related information.

### Reducing Environmental Loads Resulting from Business Activities

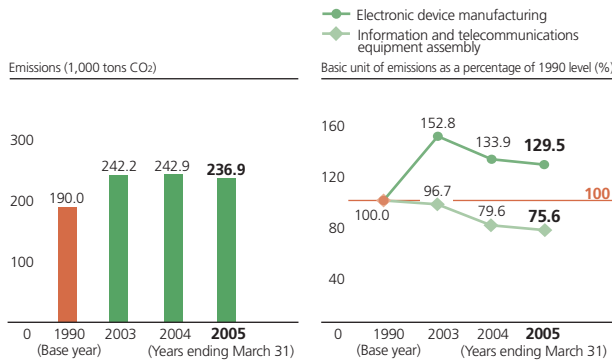
#### •Reducing Greenhouse Gas Emissions

The OKI Group is working to reduce its emissions of the greenhouse gases that cause global warming. It has set targets for the reduction of energy-related CO<sub>2</sub> emissions resulting from the consumption of electric power and fossil fuels, and emissions of perfluorocarbon (PFC)\*<sup>1</sup> gases used in the semiconductor manufacturing process. In the year ended March 2006, OKI developed a plan for the reduction of greenhouse gas emissions into the atmosphere through 2010, using measures that include the centralization of resources at semiconductor production sites.

In the year ended March 2006, the total energy-related CO<sub>2</sub> emissions of the OKI Group, including overseas plants, amounted to 310,000 tons (236,900 tons at major production sites). Reduced production volumes resulted in a 20% reduction compared with the total for the year ended March 2005. There was a 3% year-on-year improvement in segment CO<sub>2</sub> emissions at major production sites (basic units\*<sup>2</sup>). Contributing factors included energy conservation initiatives and productivity improvements in the semiconductor manufacturing segment, which is a major consumer of energy, and the installation of highly efficient environmental equipment. There was a 5% improvement in the information and telecommunications device assembly segment.

- \*<sup>1</sup> PFC gases:  
Perfluorocarbon gases, such as CF<sub>4</sub> and C<sub>2</sub>F<sub>6</sub>
- \*<sup>2</sup> Basic unit:  
CO<sub>2</sub> emissions/net sales

#### Transmission of CO<sub>2</sub> Emissions (Major Production Sites of the OKI Group)



#### •Reduction of Waste

Since the year ended March 2001, OKI has been working to achieve zero emission\*<sup>1</sup> status at its main production sites. This goal was attained at main domestic production sites in the year ended

March 2003.

In the year ended March 2006, zero emission status was achieved at two production sites: OKI Communication Systems Co., Ltd., which develops and manufactures communications network equipment, and Oki (UK) Ltd., which is an overseas production site for printers. OKI Group companies, including overseas companies, will continue to improve their resource recovery rates\*<sup>2</sup>.

- \*<sup>1</sup> Zero emission status:  
This is defined by the OKI Group as a resource recovery rate of more than 99% for general waste and industrial waste.
- \*<sup>2</sup> Resource recovery rate:  
Quantity of recovered resources/(quantity of recovered resources + quantity of final disposals at landfills) × 100

#### Achievement of Zero Emission Status

Year Ended March 2002	Year Ended March 2003	Year Ended March 2005	Year Ended March 2006
<ul style="list-style-type: none"> <li>•Miyazaki Oki Electric Co., Ltd.</li> <li>•Nagano Oki Electric Co., Ltd.</li> <li>•Honjo District</li> <li>•Miyagi Oki Electric Co., Ltd.</li> <li>•Oki Data Corporation, Fukushima District</li> </ul>	<ul style="list-style-type: none"> <li>•Hachioji District</li> <li>•Takasaki District</li> <li>•Tomioka District</li> <li>•Numazu District</li> </ul>	<ul style="list-style-type: none"> <li>•Oki Power Tech Co., Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>•Oki Communication Systems Co., Ltd.</li> <li>•Oki (UK) Ltd.</li> </ul>

#### Product-Related Environmental Initiatives

#### •Curbing Use of Substances Covered by RoHS Directive

The OKI Group is systematically reducing the use of substances regulated under the RoHS Directive. All semiconductors and printers supplied in the EU now comply with the RoHS Directive, and compliance has largely been achieved with the latest automated teller machines (ATMs). OKI is making the necessary changes to other products according to customer requirements and market trends.

One example of Oki Data Corporation's efforts to adapt a major product line to the RoHS Directive was the establishment in July 2005 of a global production structure, including overseas production sites in Thailand and China, to manufacture dot impact printers without the use of the six substances regulated under the directive. Oki Data Corporation has also conducted green procurement surveys of companies supplying parts for printer products with high EU sales ratios, as well as ascertaining the substances contained in those parts. The purpose of these surveys is to check that none of the parts contain any of the six substances regulated under the RoHS Directive.

In EU countries, compliance certificates must be submitted for RoHS audits. To meet this requirement, Oki Data has created a

Global RoHS Database for each model, containing measurement data and supplier certificates for every component. Compliance certificates can be downloaded instantly from sales companies in each country. OKI will continue to adapt its products to the RoHS Directive, including those sold in regions other than the EU.

**•3R Activities for Used Products**

Effective resource utilization and the reduction of waste product and final disposal volumes are all essential to the creation of a sustainable society. The OKI Group is contributing through "3R"\*1 activities targeting used products. In June 2006, the Ministry of the Environment certified OKI under the Cross-Jurisdictional Waste Treatment Manufacturer Scheme\*2, which was established to improve the recyclability of used products in waste disposal processes.

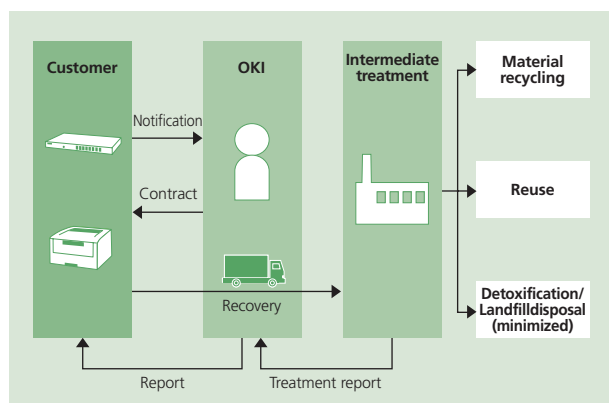
OKI has collected used OKI products from customers for recycling since November 2003, when it became a designated Cross-jurisdictional Waste Treatment Manufacturer\*3. Certification under this scheme is expected to lead to growth in the volume of used products recovered, and OKI has signed contracts with another eight industrial waste intermediate treatment contractors. The industrial waste covered by the program consists of used information and telecommunications devices and printers. These items are recovered and recycled. OKI aims to recycle products using methods that further reduce environmental loads, while also flexibly accommodating customer requirements with regard to security management and other aspects of disposal procedures.

**\*1 3R:**  
This acronym stands for "reuse, recycle, reduce."

**\*2 Certified Cross-jurisdictional Waste Treatment Manufacturer Scheme:**  
This system provides for special exceptions under the Waste Management Law, allowing producers of manufactured goods and other items to dispose of waste across jurisdictional boundaries.

**\*3 Designated Cross-Jurisdictional Waste Treatment Manufacturer Scheme:**  
Designated manufacturers are able to collect, transport and process their own used products without obtaining industrial waste disposal permits issued by prefectural governments.

**Cross-jurisdictional Treatment of Used Products (Contract Treatment Flowchart)**



**•Development of Eco-Friendly Products**

The OKI Group minimizes the environmental impact caused by its products by assessing its products at all stages from development and design onwards according to criteria that include energy and resource conservation, recyclability, and reductions in the use of chemical substances.

**— OKITECS 110/100 Single-Capacity Telemeter**

This remote monitoring system contributes to the effective utilization of water resources. It is used to manage water levels and flow rates in reservoirs and other water management facilities. This single device can monitor all of the information required to manage tertiary stations in a water supply system, including water levels, flow rates and the operational status of electric pumps at remote locations. The OKITECS 110/100 can be installed in one-third of the space required by earlier systems. Other usability enhancements include the elimination of the need for post-installation setup and adjustment. The system is designed to comply fully with the RoHS Directive, including the use of lead-free solder on the circuit boards, and use of the galvanized sheet steel and screws that do not contain hexavalent chromium.

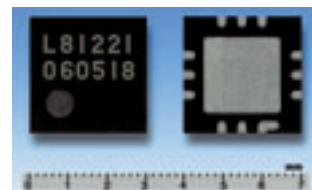


OKITECS110/100

**— ML81221GD CMOS Switch**

Developed using silicon-on-sapphire (SOS) technology, the ML81221GD high-isolation CMOS RF switch\*1 is compatible with digital terrestrial television, including one-segment television. The SOS technology used to fabricate the ML81221GD involves the formation of an integrated circuit in a single silicon crystal grown on a sapphire substrate. At 40dB (signal leakage: 0.01%), its isolation performance\*2 in the 900MHz band is 100 times higher than earlier OKI products. Moreover, the ML81221GD consumes less than one-fifth as much power as RF switches based on GaAS compound semiconductors.

The environmental impact has also been reduced, since the sapphire substrate used in this RF switch contains no arsenic.



ML81221GD

**\*1 RF Switch:**  
An RF switch is used to switch between high-frequency signals, such as incoming signals from an antenna and outgoing signals from a transmitter, in mobile telephones and other wireless devices.

**\*2 Isolation performance:**  
This is an indicator of the level of signal leakage from one terminal to the other when the switch is off (disconnected).

Promotion of Compliance with Laws and Regulations  
Improvement of Customer Satisfaction  
Good Communication with Stakeholders and Investors  
Respect for Employees  
Consideration for the Environment  
Social Contribution



**As a good corporate citizen OKI implements social contribution activities and builds positive relationships with local communities.**

### Focal Points for the Year Ended March 2006

- Contribution in Japan and overseas in cooperation with NPOs and NGOs
- Expanded initiatives under the OKI 100 Yen Fund of Love

### Main Initiatives the Year Ended March 2006

- Expansion of voluntary forest conservation activities (See Page 9)
- Improvement of initiatives based on the OKI 100 Yen Fund of Love

### Basic Philosophy and Systems for Social Contribution Activities

Historically, the OKI Group has pioneered three important social contribution initiatives. In 1964 it implemented Japan's first corporate blood drive. In 1998 it introduced home-based employment for people with serious disabilities. And in 2001, it pioneered bone marrow donor registration.

Another important milestone in this pioneering tradition was the establishment of the Corporate Philanthropy Office in 1996, as an organizational framework for the activities under the Basic Philosophy and Basic Policy for Social Contribution Activities, which were formulated in the same year. These activities include not only donations, but also the use of corporate facilities for community activities, and voluntary work by employees. Employees contribute

to voluntary activities through monthly donations, and through direct participation in initiatives in such areas as social welfare, environmental protection. OKI has further expanded the scope of its activities by working with a wide range of non-profit organizations.

### The OKI 100 Yen Fund of Love—Contributory Participation in Voluntary Activities

#### •Structural Improvements Bringing Enhanced Stability and Expanded Activities

Established in 1996, the OKI 100 Yen Fund of Love is a contributory program that provides employees with an easy way to support voluntary activities by donating 100 yen each month. In 2000, the scheme was expanded to include employees of OKI Group companies. In March 2006, the scheme was modified to provide greater operational stability and support expanded activities. Now employees can choose to donate up to three units at 100 yen per unit. Currently (as of March 31, 2006), the scheme is supported by employees of 34 OKI Group companies.

### Social Contribution Activities: Basic Philosophy and Basic Policy

#### Basic Philosophy

As a good corporate citizen, OKI will consider and take actions in order to realize the genuine enrichment of society, and will implement social contribution activities that earn the support of the public.

#### Basic Policy

##### [Corporate activities]

- OKI will continue to use its corporate resources, including its human resources and assets, to implement social contribution activities that reflect local and national needs.
- OKI will focus on social contribution activities that reflect its corporate characteristics and will enhance its image while inspiring pride and energy in its employees.

##### [Activities by individuals]

- OKI will encourage and support voluntary activities that allow individual employees to express their humanity.

#### Slogan

Let's begin with what is achievable now!

### The OKI 100 Yen Fund of Love—Achievements in the Year Ended March 2006

Donation of Blood Transportation Vehicles to Japan Red Cross Society	¥2.97 million (total amount, matching gift basis)
Supply of Used Clothing to Refugee Camps, etc.	¥1.13 million
Employment Support for People with Severe Disabilities	¥2.0 million
Support for Voluntary Organizations in which Employees are Involved	¥2.97 million (support for 25 organizations)

#### •Blood Transportation Vehicles Donated to Japan Red Cross Society

As a pioneer of corporate blood drives, the OKI Group supports the blood program of the Japan Red Cross Society. Since 1996, it has donated blood transportation vehicles and other items under a

matching gift scheme, whereby OKI contributes the same amount that is collected through the OKI 100 Yen Fund of Love Scheme.

In the year ended March 2006, OKI donated a refrigerated blood transportation vehicle to the Red Cross blood center in Nagasaki Prefecture.



A ceremony to mark the donation of another blood transportation vehicle

• **Transportation of Used Clothing to Refugee Camps**

Since the year ended March 2002, the OKI Group has supported the efforts of a non-governmental organization, the Wakachiai Project (Sharing Project) to supply used clothing as part of its refugee relief activities. Used clothing is collected at OKI sites throughout Japan for transportation to overseas refugee camps.

In the year ended March 2006, 463 boxes of used clothing were collected and sent to camps in Tanzania, Eritrea and Indonesia. The cost of transporting the boxes from OKI Group sites to a collection center in Japan and from there to the overseas destinations was paid for from the OKI 100 Yen Fund of Love.



Employee volunteers pack the used clothing into boxes. Left: Hokkaido Regional Office, Oki Software Co., Ltd., Right: OKI Group, Warabi District

• **Employment Support for People with Severe Disabilities**

The OKI Group assists the SOHO Support Project established by the Tocolo Information Processing Center of the Tokyo Colony, a social welfare organization, by providing donations from the OKI 100 Yen Fund of Love.

The project helps people with severe disabilities, for whom commuting would be impractical, to provide software-related services as a SOHO group. The donations have been used for leadership training, technical education for SOHO group members, and the installation of equipment required for business operations.

• **Support for Voluntary Organizations in which OKI Group Employees are Involved**

On application from employees, the OKI Group will provide financial support from the OKI 100 Yen Fund of Love to voluntary organizations in which OKI Group employees are involved. In the year ended March 2006, it supported 25 such organizations. For example, in February 2006, OKI and the Japan Foundation jointly sponsored the publication of children's books in Laos by a non-profit organization, Action with Lao Children.



This children's story about a mermaid's gift of a shellfish was published in Laos.

**New Recipients of Support in the Year Ended March 2006**

<b>Architectural Association of Japanese Deaf (AAJD)</b>	Support for the creation of emergency cards (SOS cards) based on universal design concepts for people with hearing impairments
<b>Totoro no Furusato Foundation</b>	Support for National Trust activities in the Sayama Hills
<b>L Angel International Volunteer Association</b>	Support for the development of school facilities and the establishment and operation of an orphanage in India
<b>Aomori LD Parents' Association Konpeito</b>	Support for volunteer recruitment and the provision of training and seminars

**Communication with NPOs**

• **NPO Activity Report Seminar**

Each year the OKI Group invites two of the non-profit organizations that receive assistance from the OKI 100 Yen Fund of Love to participate in an activity report seminar. The aim of this event is to inform employees about the organizations' activities and foster good communications.

In the year ended March 2006, activity reports were presented by UNDO, which supports the use of computers by people with visual disabilities, and Hiyokobora, which plans and implements regional events for children with disabilities.



Mr. Hiraga (left) and Mr. Wakita (right) of UNDO



Mr. Kosake of Hiyokobora

Promotion of Compliance with Laws and Regulations  
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## Participatory Voluntary Activities

### •Support for Nationwide School Biotope Competition Symposium

The OKI Group recognizes the School Biotope\* program as an excellent environmental educational initiative and has provided support since 2001.

On February 11, 2006, the Ecosystem Conservation Society - Japan hosted a symposium for the 2005 competition at the National Institution for Youth Education. As part of its support for the program, OKI provided a relayed live video of the event to venues in Sendai and Tokushima for people who were unable to attend. Approximately 40 children and parents from participating schools watched the video. On the day of the symposium, 16 employee volunteers worked as venue staff, while others stood by at the relay sites. Presentations and the award ceremony were streamed from the venue, using OKI's LiveOnAir live video streaming system. Video recordings will be used to promote the school biotope program.



Delivering live video images to Sendai and Tokushima

#### \* School Biotope program:

This program helps children to learn about natural systems and acquire experience-based knowledge and skills that will help them to live in harmony with nature.

### •2005 Take-Tonbo Festival

In November 2005, OKI invited 17 children from three care facilities in Tokyo to the 2005 take-tonbo\* festival, held at the Kyodo-no-Mori Museum in Fuchu City. Fourteen



Making take-tonbo

volunteers, including six OKI Group employees, attended the event. Participants created and flew take-tonbo under the guidance of members of the International Take-Tonbo Association. In addition, the Edo Marionette Group helped the children to make puppets and also presented a puppet show. The volunteers spent a very enjoyable day with the children.

#### \* Take-tonbo (bamboo dragonfly):

This bamboo toy consists of a propeller with a central shaft. It can be made to fly by rotating the shaft between the palms.

### •Creation and Donation of Lao Picture Books

Every July, the OKI Group creates picture books in the Lao language and donates them to Lao children. This event is organized with the cooperation of Action with Lao Children, a non-profit organization.



Making Lao picture books

A total of 22 people took part in the event in the year ended March 2006 (July 2005), including OKI Group employees and family members, and Gakushuin Women's College Students, who will participate in a training tour in Laos with Action with Lao Children. Participants pasted Lao translations into Japanese picture books to create Lao versions of 50 copies of six books.

### •OKI Group Employees Recognized in Fourth "One More Life" Worker Volunteer Awards

The Dixie Queens, an amateur jazz band formed by OKI Group employees in the Takasaki District in Gunma Prefecture, provide voluntary performances as a way of sharing the enjoyment of music with all people. Since its formation in 1990, the band has given over 100 performances during community events and visits to children's care facilities, retirement homes, children's halls, facilities for people with disabilities, and elementary schools. The band's extensive repertoire ranges from Dixieland jazz to pop, children's songs and golden oldies.

In January 2006, this unique initiative received recognition when the band won the fourth "One More Life Worker Volunteer" award under the Worker's Multilife Support Scheme of the Ministry of Health, Labor and Welfare.



The Dixie Queens perform at an event for lifelong learning volunteers in December 2005



Receiving the "One More Life Worker Volunteer" award



## Working with Local Communities

### •Participation in Community Activities of Chuo-ku Philanthropy Council

Since 2001, OKI's Kansai Regional Office has participated in the Chuo-ku Philanthropy Council. This group, which consists of 11 companies and four organizations based in



A show staged with the assistance of OKI employees

Chuo-ku, Osaka, plans and promotes community contribution activities and undertakes voluntary initiatives.

At the 6<sup>th</sup> Corporate Citizenship Seminar, which was held in December 2005 in collaboration with the Osaka City Chuo-ku Council of Social Welfare, OKI employees were panelists in a discussion on employee perspective on corporate social contribution activities. In the second half of the event, 11 OKI employees worked as volunteer assistants for a comedy show staged by Manbou, a non-profit organization running workshops for people with intellectual disabilities.

### •Internship Program for Environmental Education

Since the year ended March 2004, Miyazaki Oki Electric Co., Ltd. has implemented internship programs for students of local junior and senior high schools.

In the year ended March 2006, a total of 262 students participated in seven programs, including factory visits, program learning, and clean room work experience. During the factory visits, the students learned about the background and specific content of corporate global environment protection activities. Activities in this area included lectures about ISO environmental standards, and tours of factory facilities, such as waste water facilities, cogeneration systems, and power generation facilities using natural energy.



Internship programs give students opportunities for factory visits and practical work experience

### •Community Cleanup Campaigns

OKI sites throughout Japan play an active part in community cleanup campaigns. In September 2005, 70 OKI Group employees and their families from the Tohoku Regional Office and local OKI Group companies cleaned the Full Cast Stadium Miyagi in Sendai City.



Cleaning stadium seating

### •OKI Warabi Culture Festival

The aim of the OKI Warabi Culture Festival, which is hosted each year by the OKI System Center in Warabi City, Saitama Prefecture, is to build closer relations between employees and their families and local residents. During the festival, the facility is open to the public.



Children dress up as firefighters for the ladder truck experience

The festival in the year ended

March 2006 attracted 2,200 visitors, including 1,800 local residents. Attractions included workplace tours for employees' children and a flea market. The event also featured community development activities, including opportunities to ride in a ladder truck, with the cooperation of local firefighters and police officers.

## Employee Perspective



Kansai Regional Office  
**Osamu Yamaguchi**

In 2001, we celebrated OKI's 120th anniversary. The corporate theme for social contribution activities was that each employee should participate in one voluntary activity each year. At the Kansai Regional Office, we decided to join the Chuo-ku Philanthropy Council. Since then, many employees have taken part in a wide variety of community contribution activities. At times I have felt that corporate social contribution activities over the past five years have not always reflected community needs, and that we have allowed ourselves to become complacent. In the future, we aim to develop better communication with those in the community so that our contribution can be based on true community partnership.

Promotion of Compliance with Laws and Regulations

Improvement of Customer Satisfaction

Good Communication with Stakeholders and Investors

Respect for Employees

Consideration for the Environment

Social Contribution

# Activities by Overseas Group Companies

## Business Ethics Award in Hungary

— Oki Systems Hungary Ltd.

In November 2005, the printer sales company Oki Systems Hungary Ltd. received a business ethics award in Hungary. The award was established to



promote business ethics and CSR in the Hungarian business sector. Recipients are chosen by a selection committee that includes the Chamber of Commerce and Industry of Budapest, and the Hungarian chapter of the European Information & Communications Technology Industry Association (EICTA).

The OKI Group implements recovery programs for used printers and consumables in Europe. It launched a consumables recovery program in Hungary in the year ended March 2005, and in August 2005 it introduced a used product recovery program that complies with the EU's Waste Electrical and Electronic Equipment (WEEE) Directive. OKI also supplies software designed to reduce paper use. The award was in recognition of these initiatives.

## New Skill Qualification System for Lead-Free Soldering

— Oki Electric Industry (Shenzhen) Co., Ltd., China

Oki Electric Industry (Shenzhen) Co., Ltd. manufactures ATMs and printers in China. In March 2005, it introduced a skill qualification system for lead-free soldering to prepare its solder technicians for the transition to lead-free products.

Under the new system, workers will be able to earn qualifications that reflect the higher level of technical knowledge and specialization required for lead-free soldering. In 2003, OKI became the first company in the industry to introduce this qualification at its plants in Japan. Oki Electric Industry (Shenzhen) is the first overseas member of the OKI Group to take this step.

To date it has implemented two tests, and 10 employees have already earned qualifications.



Training for qualification candidates

## Community Contribution through Sport

United Kingdom — Oki Systems (UK) Ltd.  
Spain — Oki Systems (Iberica), S.A.U.

OKI Group companies in Europe are fostering community contribution through sports.

In the United Kingdom, Oki Systems (UK) Ltd. is contributing to healthy youth development through soccer, under its sponsorship agreement with Portsmouth, an



English Premier League soccer team. Staff and players visit local facilities for children with disabilities and give uniforms to the children. They also organize children's soccer tournaments with the cooperation of local police.



In Spain Oki Systems (Iberica), S.A.U. donates funds to school sports teams in communities where it has facilities.

## Hygiene Products and Other Goods Donated to Rest Homes

— Oki Data do Brasil, Ltda.

Staff at Oki Data do Brasil, Ltda., the OKI Group's printer sales company in Brazil, have formed a community contribution committee. With the support of the company's personnel department, committee members visit welfare facilities and make donations.

Since the year ended March 2005, employees have donated hygiene products and medicines to local rest homes, and in the winter of the year ended March 2006, they also donated blankets. Other activities include the arrangement of events for underprivileged children.



# Building Trust

Initiatives by the OKI Group in the year ended March 2006 included the adoption of the OKI Group Charter of Corporate Conduct, the implementation of CSR education to consolidate group-wide awareness and acceptance of the Charter, and the establishment of six priority themes for activities. These efforts resulted in the creation of a foundation for the fulfillment of corporate social responsibilities.

In the year ended March 2007, the OKI Group will use this structure as the basis for expanded group-level

activities. In addition to continued efforts to raise awareness of the Charter, group-level initiatives under each article of the Charter will be reconfirmed, and these will be reflected in CSR activity plans. OKI will also create a structure for CSR promotion in partnership with suppliers by reflecting Charter requirements in procurement policies for supplies and materials. The OKI Group will continue its efforts under the six existing priority themes, with particular emphasis on the items listed in the following table.

## Focal Points for Priority Theme Activities in the Year Ending March 2007

CSR Priorities	Main Initiatives in the Year Ended March 2006	Focal Points for the Year Ending March 2007
<ul style="list-style-type: none"> <li>Promotion of compliance with laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>Reinforcement of compliance education</li> <li>Reinforcement of compliance risk management structure</li> <li>Internal monitoring and closer cooperation with information security departments in relation to personal information protection</li> </ul>	<ul style="list-style-type: none"> <li>Continued advancement of risk management</li> <li>Reinforcement of information security</li> <li>Enhancement of compliance education</li> </ul>
<ul style="list-style-type: none"> <li>Improvement of customer satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Group-level implementation of companywide quality improvement program</li> <li>Quality awareness survey linked to external perspectives</li> <li>Promotion of safety and technology compliance</li> <li>Accelerated development of universal design-related technology</li> </ul>	<ul style="list-style-type: none"> <li>Enhancement of support activities to ensure that customers can use OKI products with confidence</li> <li>Reinforcement of group-level collaboration in relation to product safety risks</li> <li>Increased application of universal design concepts to products</li> </ul>
<ul style="list-style-type: none"> <li>Good communication with shareholders and investors</li> </ul>	<ul style="list-style-type: none"> <li>Enhancement of institutional investor briefings, small meetings, site tours, etc.</li> <li>Enhancement of briefings for individual investors and foreign investors</li> <li>Increased distribution of newsletters</li> </ul>	<ul style="list-style-type: none"> <li>Reinforcement of communication with individual investors and foreign investors</li> </ul>
<ul style="list-style-type: none"> <li>Respect for employees</li> </ul>	<ul style="list-style-type: none"> <li>Adaptation of policies to reflect the Law for Measures to Support the Development of the Next Generation and the amended Law Concerning Stabilization of Employment of Older Persons</li> <li>Enhancement of management skills training</li> <li>Establishment of Mental Health Care Working Group</li> </ul>	<ul style="list-style-type: none"> <li>Recruitment and training of diverse human resources</li> <li>Next-generation development support initiatives</li> <li>Reinforcement of mental health initiatives</li> </ul>
<ul style="list-style-type: none"> <li>Consideration for the environment</li> </ul>	<ul style="list-style-type: none"> <li>Transition to ISO14001:2004 and expansion of scope of companywide consolidated certification</li> <li>Increased efforts to reduce CO<sub>2</sub> emissions, especially in semiconductor manufacturing processes</li> <li>Expansion of RoHS Directive compliance measures</li> <li>Deployment of information system for chemicals contained in products</li> </ul>	<ul style="list-style-type: none"> <li>Improvement and effective utilization of environmental technologies</li> <li>Enhancement of environmental compliance</li> <li>Facilitation of sharing of environmental information</li> </ul>
<ul style="list-style-type: none"> <li>Social contribution</li> </ul>	<ul style="list-style-type: none"> <li>Expansion of voluntary forest conservation activities</li> <li>Improvement of initiatives based on the OKI 100 Yen Fund of Love</li> </ul>	<ul style="list-style-type: none"> <li>Reinforcement of community contribution activities in Japan and overseas</li> <li>Expansion of participation in OKI 100 Yen Fund of Love and voluntary activities</li> </ul>

## Editorial Postscript

Social Responsibility Report 2005 was the first report of its type published by the OKI Group. That report defined the OKI Group's vision for the future based on the 10 key areas defined in the OKI Group Charter of Corporate Conduct. It also described the Group's efforts up to the year ended March 2005. A survey of readers drew a number of responses, including positive comments about the broad coverage of the information. However, other readers found it difficult to identify the OKI Group's future direction or wanted more specific detail about activities. These views were reflected in the design of Social Responsibility Report 2006, which is structured around the six priority themes that guide the activities of the OKI Group. In each section, care was taken to provide specific information, including focal points for

each priority theme, and progress toward reaching goals in that area. By structuring the information around the priority themes, it was possible to provide a clearer presentation of initiatives and results during the year. This information can also be used as reference data for future activities.

We are aware that there is still much room for improvement in the content of the report. This is due in part to the fact that the activities have tended to bring other issues to light. We will strive to enhance our activities further, and to disclose information in forms that are more readily understandable. We look forward to receiving the frank and open views of readers.

September 2006  
CSR Promotion Division

# **OKI**

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