



Social Responsibility Report  
**2007**



# Company Profile

## Profile (As of March 31, 2007)

OkI Electric Industry Co.,Ltd.

Founded in: January 1881  
 Company Established: November 1, 1949  
 Common Stock: 76,940 million yen  
 Employees: 21,380 (Consolidated)  
 5,579 (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 develops info-telecom systems by focusing on next-generation networks and strengthening info-telecom converged technology and mechatronics.



- Financial Services
- Telecommunications
- Information Systems

### Semiconductors

OKI is shifting from sole focus on semiconductors to expand e-functional module business.

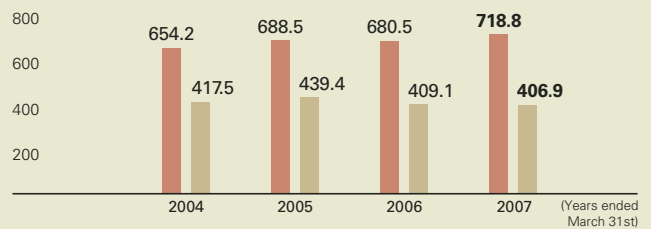


### Printers

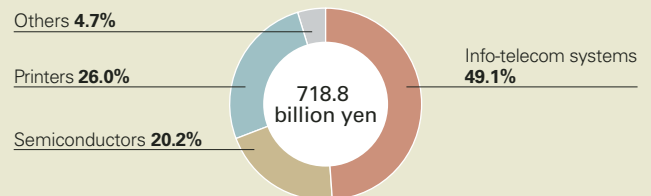
OKI develops mid-and high-range multifunction, non-impact color printers by leveraging compact, high-speed, high-resolution technologies.



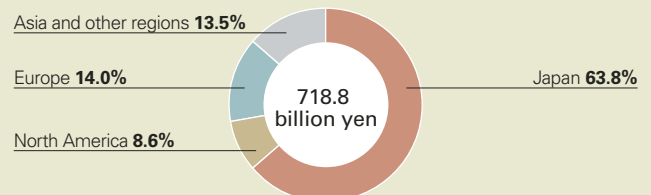
## Net Sales (Billions of yen)



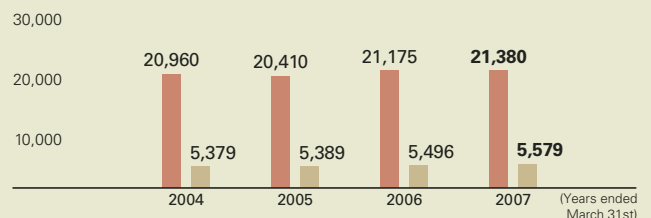
## Net Sales by Business Segment in the Year Ended March 2007 (Consolidated)



## Net Sales by Market in the Year Ended March 2007 (Consolidated)



## Employees (Number of employees)



## Brand statement



OKI aims to create an e-Society that enables to achieve the dreams and hopes of all stakeholders.

The brand statement of OKI expresses the opening of a door to a society, where people around the world can lead more lives that are enriched, safe and secure.

The statement also expresses our dream to contribute to the e-Society.

“Opening up your dreams” and “accomplishing our ambitions” are OKI’s commitments that are inherent in its brand statement.

— OKI opens up your dreams —

## 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 2007 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 2007. 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 17 OKI sites in Japan and the sites of 22 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: +81-3-3508-1963  
 E-mail:oki-csr@oki.com

## CONTENTS

Company Profile .....	2
A Message from the President .....	3
<b>Special Features</b> .....	4
Meeting Our CSR Commitment	
1 Toward the Realization of an e-Society <b>Creating solutions that bring about the development of an "e-Society", that is full of Ubiquitous Services</b> .....	6
2 Our Responsibilities as a Multinational Corporation <b>Promoting locally rooted CSR activities in China as a member of the community</b> .....	8
3 A Pioneer of Corporate Blood Drives <b>Ongoing support for blood donation programs—a distinctively OKI social contribution activity</b> .....	10
4 Achievement Through Innovation <b>Becoming the world's first mass producer of devices using thin-film bonding technology for dissimilar materials</b> .....	11
Corporate Governance .....	12
Promoting CSR at the OKI Group .....	13
Promotion of Compliance with Laws and Regulations .....	15
Improvement of Customer Satisfaction .....	18
Good Communication with Shareholders and Investors .....	22
Respect for Employees .....	24
Consideration for the Environment .....	28
Social Contribution .....	32
Building Trust .....	35

### 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.

## A Message from the President



As a key player in the e-Society, a society full of Ubiquitous Services, OKI aims to contribute to the improvement of the quality of life for people around the world.

A handwritten signature in black ink that reads "Katsumasa Shinozuka". The signature is fluid and cursive, written in a professional style.

**Katsumasa Shinozuka**  
*President and Chief Executive Officer*  
*Oki Electric Industry Co., Ltd.*

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

Meikosha, the predecessor to OKI, was established in 1881 and was Japan's very first manufacturer of telecommunications equipment. Just five years after Alexander Graham Bell invented the telephone in the United States, Meikosha, with an enterprising spirit, took on the challenge of producing telephones in Japan and ultimately succeeded.

#### **Corporate Philosophy**

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.\*

\* 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.

Therefore, the drive to take on the challenge of the unknown dates back to the company's inception and continues to be passed down today. This is reflected in our corporate philosophy, which lies at the core of the OKI Group's approach to corporate social responsibility: "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."

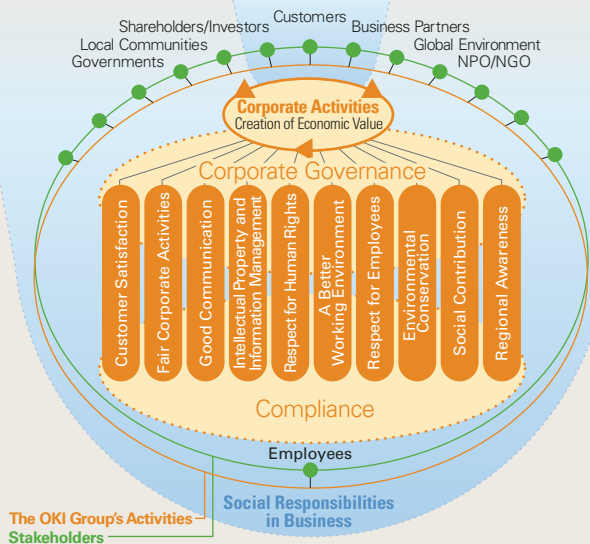
### **We will contribute as a key player in the e-Society.**

The vision of the OKI Group, "OKI, Network Solutions for a Global Society," is also based on our corporate philosophy. As a key player in the e-Society, by which we mean a society full of Ubiquitous Services—services that can be readily used in the desired style, securely and reliably, whenever, wherever and with whatever—we contribute to the improvement of the quality of life through the products and services we supply to our customers.

The OKI Group has a goal of increasing its overseas sales ratio from the current 36% to 50% by the year 2010. With OKI continuing to grow as a global corporation, we recognize that our responsibilities to society are becoming increasingly large and multifaceted. Based on this recognition, we will strengthen

## 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**



corporate governance, and the entire OKI Group will carry out CSR activities on the basis of the OKI Group Charter of Corporate Conduct, which was established in October 2005. We enhanced the CSR Promotion Division in April 2007 in order to bolster our system for promoting CSR.

### **We will carry out CSR activities that provide peace of mind to all stakeholders.**

On the occasion of its 125th anniversary, in November 2006, the OKI Group established a new brand statement, "Open up your dreams." The OKI Group will continue to faithfully and steadily implement CSR activities and further raise corporate value in order to open the door to an ideal, safe and secure society and fulfill our promise to provide greater peace of mind to the many stakeholders involved in the group.

This *Social Responsibility Report 2007* was created to help stakeholders, including customers, shareholders, investors, employees, suppliers and local communities, gain an understanding of the CSR activities carried out by the OKI Group in fiscal year ended March 2007. We hope that as many people as possible read this report and would appreciate hearing your honest opinions on the OKI Group's CSR activities.

## OKI Group Charter of Corporate Conduct

For the betterment of corporate value, the OKI Group (Ok 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**

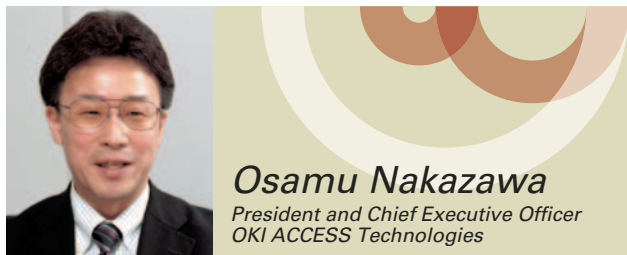
The OKI Group endeavors to build a positive relationship and grow together with local societies, respecting the cultures and customs of the countries and regions in which it operates.



# Creating solutions that bring about the development of an “e-Society”, that is full of Ubiquitous Services



Bringing about an e-Society full of Ubiquitous Services that can be connected to whenever, wherever and with whatever. The OKI Group utilizes advanced IP technologies to create solutions, for mobile phones and other applications, that are helping to bring about the next generation of communication.



**Osamu Nakazawa**  
President and Chief Executive Officer  
OKI ACCESS Technologies

**A ubiquitously networked society, as conceived by the OKI Group, is a world where services can be readily used in the desired style, securely and reliably, whenever, wherever and with whatever. The OKI Group refers to this world as the e-Society. To bring it about, we have developed a wide range of services based on info-telecom systems that utilize sophisticated IP technologies. We are also working to create new solutions, and to this end have established a joint venture to provide next-generation services for mobile terminals.**

## Expanding the Scope of Ubiquitous Services from Enterprises to Individuals

To help make this ubiquitously networked society a reality, the OKI Group has long been involved in the development of technologies and services that integrate information technology and telecommunications technology and for many years has provided IP telephony services that enable enterprises to completely switchover to IP-based communications—a “triple-play” of services that combine data, voice and video.

In order to make these services available to even more people, their scope needed to be expanded from enterprises to include individual consumers, and so OKI turned its focus to mobile phones.

## Focusing on Next-Generation Solutions for Mobile Phones

Mobile phones are currently used by over 75% of the population in Japan\*<sup>1</sup> and are becoming an indispensable tool for everyday communication. Making Ubiquitous Services available on mobile terminals has the potential to rapidly accelerate the emergence of the e-Society. At the same time, the telecommunications industry is constructing new infrastructure in the form of next-generation networks\*<sup>2</sup>. Integrating OKI’s IP voice and video technologies with mobile terminal platform technologies on these networks

will enable the creation of diverse IP multimedia subsystem (IMS) solutions\*<sup>3</sup>.

Against this backdrop, OKI entered a technical alliance with ACCESS Co., Ltd., which has been early to develop IMS solutions and has captured a major share of the worldwide market for mobile terminal software, including browsers and mailers. In November 2005 we partnered with ACCESS to form a joint venture, OKI ACCESS Technologies (OAT). Furthermore, in order to more fully enhance the ubiquitous solutions provided by the OKI Group, including support for OAT, in April 2007 we established a new internal organization, the Ubiquitous Service Platform Company, or UPC.

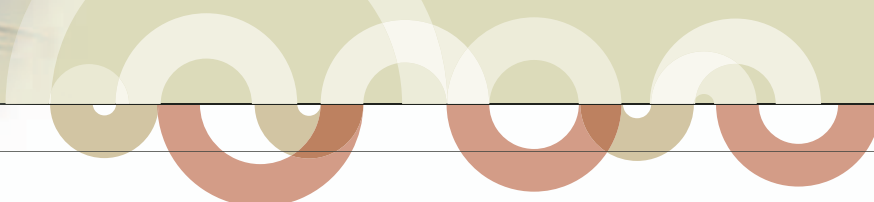
## Presence Function Expands Communication Possibilities

OAT has already launched a number of Ubiquitous Services, one of which is a presence function for mobile phones. This function lets callers know the status of the person they are calling beforehand; whether the person is “available,” “in a meeting,” or “out of the office,” for example. This function saves people the trouble of having to call someone over and over and helps raise efficiency by allowing people busy with work to not have to answer their phone. The presence function also enables people to simultaneously convey their status and intentions in real time to everyone with whom they share their presence data. In this way presence has the potential to bring about new modes of communication.

Other popular services include “Push-to-talk,” which allows a single person to converse with multiple people at the same time, and mobile broadcasting using eVideo, OKI’s proprietary technology for sending lightweight video data at high speeds with minimal delay. OAT has also set its sights on its next step: linking with networked home appliances\*<sup>4</sup>. The company is working to develop services that would allow home appliances to be operated from a remote location using a mobile phone as well as enable the transmission of picture, video, voice and other forms of data.

## Strengthening Security to Accommodate Ever-Expanding IP Networks

With the development of next-generation networks, terminals that connect to IP networks through linking with networked appliances and other means are expected increase dramatically, as is the amount of information exchanged on those networks. The OKI Group therefore is placing utmost priority on strengthening security



to ensure information is exchanged safely and reliably. The group intends to improve security technology while utilizing OKI's proprietary biometric technologies.

- \*1 According to a survey by the Ministry of Internal Affairs and Communications. The rate was 75.7% as of March 31, 2007 (and 87.2% of mobile phone users have subscribed to IP connection services).
- \*2 Next-generation networks are telecommunications networks based on IP technology.
- \*3 IP multimedia subsystems consist of technology for bringing about new services that combine the Internet and mobile phones.
- \*4 Networked home appliances are appliances such as televisions, refrigerators and air conditioners equipped with communications functionality that enables them to connect to a network. They are sometimes referred to as "Internet appliances."

### Partner Perspective

Establishing a joint venture with and forming a technical alliance with OKI has allowed us to start an application business in the new field of IMS and video services. There have also been unexpected synergies, like joint research and development on applications for mobile phones and networked appliances. By continuing to strengthen our alliance with OKI and OAT, we hope to create a cutting-edge software suite for mobile terminals and networked appliances.



**Michimasa Uematsu**  
Executive Officer  
Engineering &  
Development Group  
ACCESS Co., Ltd.

### Employee Perspective

OKI is working toward individualization by providing Ubiquitous Services that can be reliably used whenever and wherever by individual users. UPC was established to enhance platforms and engines to this end. Providing a service "triple-play" and strengthening security are currently the highest priorities at UPC. We are also presently considering the development of functionality that would allow various logs to be used in marketing activities as well as enhancements to internal collaboration and human interfaces. We fully expect that OAT will be able to develop these functions for use with mobile phones and networked appliances.



**Yuichiro Hiranuma**  
President  
Ubiquitous Service  
Platform Company

## An OKI Group Ubiquitous Service

### "eSound Positioning" Adds Directionality to Sound

In February 2007, OKI added "eSound Positioning" functionality to its IP voice software, eSound Engine. The function adds directionality to sound using technology developed by OKI. The function makes it possible to clearly identify which direction somebody is talking from in situations in which multiple



Ken Sakamura, University of Tokyo professor and chairman of YRP Ubiquitous Networking Laboratory, explaining the field test

people are involved in a conversation, such as when teleconferencing or during simultaneous interpretation. It also enables navigation in which things are recognized intuitively depending on the direction of the sound.

eSound Positioning was included in the Ubiquitous Communicator \*1 that was used as the dedicated mobile information terminal for a field test run by the Tokyo government and the Ministry of Land, Infrastructure and Transport for the "Tokyo Ubiquitous Plan: Ginza" \*2.

\*1 A mobile information terminal developed by YRP Ubiquitous Networking Laboratory

\*2 A field test involving the use cutting-edge ubiquitous networking technology to provide information on Tokyo's Ginza district, including shopping and sightseeing information, and related services, such as navigation to a destination.

### Wireless IP Phone System Covering All of the National Art Center, Tokyo

The National Art Center, Tokyo opened in the Roppongi district of Tokyo on January 2007. The center features a wireless IP phone system based on IP telephony servers from OKI and an IP-compatible, onsite PHS basestation.

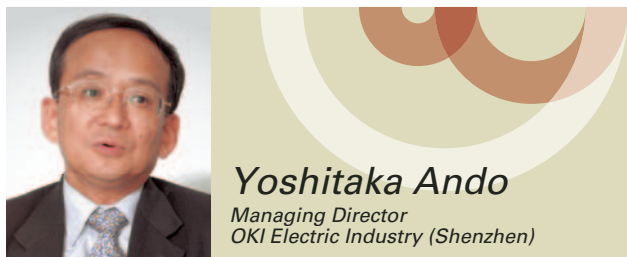
The system makes it possible for the site's communications infrastructure to cover the entire center, including the enormous 14,000-m<sup>2</sup> exhibition space. Wherever staff members happened to be, they are able to communicate with one another, helping them to better accommodate visitors and expediting administration.

Since it is an IP-based system, it can be scaled up in the future to handle applications that use not only voice but also text and video.



# Promoting locally rooted CSR activities in China as a member of the community

OKI Electric Industry (Shenzhen) manufactures printers and ATM machines in China, the core region for the global business activities being developed by the OKI Group. The company complies with local laws as a matter of course, but it also engages in CSR activities that give consideration to employees and the local community.



**Yoshitaka Ando**  
 Managing Director  
 OKI Electric Industry (Shenzhen)

**The OKI Group is actively working to globalize its operations, and has a goal of raising its overseas sales ratio to 50% by 2010, for consolidated group sales. Business development is conducted based on regional awareness, which is part of the OKI Group Charter of Corporate Conduct. We are working to build good relations with local communities while respecting the cultures and customs of the countries and regions in which we operate. This section introduces some of the CSR activities being conducted by OKI Group companies in China, the core region of our global endeavors.**

### Business Development Through the Establishment of Production, Sales, and Development Sites in China

Since first forming a joint venture with a Chinese company in 1997, the OKI Group has established a series of local affiliates in the country that are engaged in production, sales, support, software development and other activities. We have expanded our business in China so that it now encompasses 14 affiliates and three representative offices.

OKI Electric Industry (Shenzhen) (OSZ) was established in July 2001 and is responsible for manufacturing printers and ATM machines. In conjunction with growth in local demand, in January 2007, OSZ relocated to a new plant in the Nanshan District of Shenzhen. The new plant boasts an annual production capacity of 600,000 printers and 30,000 ATM machines (including unit production). As an employer of some 1,600 local employees, OSZ engages in a variety of CSR activities.

### Improving Quality Through Systems and Employee Training

In order to earn the robust trust and support of ever-expanding markets, OSZ has created mechanisms for preventing the incorporation, creation and output of defective products on the basis of an ISO 9001-compliant quality management system. For

example, when a problem occurs during the production process, a warning alarm goes off and the line is stopped. The situation is assessed and corrective measures are considered right at the site. The line does not start up again until improvements are made. Also, for printers, 100% inspections are conducted on the quality of printing, external casing and internal components.

OSZ also focuses on employee training. Engineers from Japan provide training on production technology and quality management, level-specific training is conducted for new hires and newly promoted employees, and skills competitions are held four times a year as a part of efforts to improve employee skill levels.



An inspection of a printer's internal components and external casing

### Environmental Considerations in Business Activities and Products

OSZ acquired ISO 14001 certification in 2003 and is working to be included in the OKI Group's consolidated certification in the year ending March 2008.

OSZ actively manufactures products that are environmentally conscious. Our printers and ATM machines are in full compliance with the European Union's RoHS Directive and China's Measures for Administration of the Pollution Control of Electronic Information Products, also called China RoHS. In addition, for printers sold on the domestic Chinese market, we have acquired a series of energy conservation certifications from the China Certification Center for Energy Conservation Products, starting in June 2005. OSZ was also the first overseas affiliate in the OKI Group to institute our skill qualification system for lead-free soldering and is in compliance with lead-free solder regulations.

### Creating Empowering Work Environments for Employees

Developing good work environments is also a major agenda at OSZ. Efforts are being made to strengthen health and safety systems, which include establishment of a Safety and Health Committee in accordance with OKI Group



The plaque presented to OSZ





standards and creation of a plan for preventing occupational accidents. Safety inspections are also normally conducted once a year by OKI in order to check management in this area. Moreover, management training is conducted for local managers to raise awareness of compliance, labor management and other issues.

Thanks to these initiatives, in 2006 OSZ was recognized by the city of Shenzhen as a model company for compliance with labor laws.

### Harmony with Society Through Interactions with Local Communities

Another priority of OSZ is harmony with the local community. In the year ending March 2008, employees of the company, including staff dispatched from Japan, visited a high school in the Nanshan District in June and November to play baseball with the students and deepen friendships within the community. We also donated equipment.

Based on this kind of interaction with the local community, OSZ intends to expand the scope of its social contribution activities in the nearby Nanshan District and Shenzhen.

### Employee Perspective

I believe that it is the mission of General Affairs Division to carry out its responsibilities to employees. This is done, for example, by improving motivation through making the goals of the company consistent with individual career plans and by managing health and safety at company facilities. As a foreign company, we intend to continue to increase our contribution to the local community, which includes environmental conservation in R&D, procurement and manufacturing, participating in local tree-planting programs and administering blood drives.



**Ding Wen**  
General Manager,  
General Affairs Division  
OKI Electric Industry  
(Shenzhen)

### Local Contribution Activities in China by the OKI Group

#### Building a New Building and Repairing Existing Classrooms for an Elementary School in Shaanxi Province

In June 2006 rebuilding work was completed on Fu Jia Pan Primary School in Yu Lin, Shaanxi Province.

The project was sponsored by OKI and five local affiliates and was one of the projects undertaken to commemorate OKI's 125th anniversary. It was conducted through Plan Donor-tied Project of Plan Japan. We built a new two-storey school building made improvements to existing classrooms, and donated teaching materials, books and other supplies.

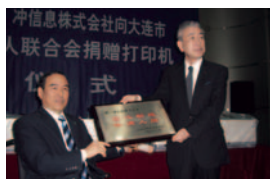


New, two-storey school building

#### Donating Color LED Printers to the Dalian Disabled Persons Federation

In March 2007 OKI Data donated five C3400n color LED printers to the Dalian Disabled Persons Federation in Dalian, China.

The Dalian Disabled Persons Federation was established in 1988 to help people with disabilities become self-reliant. It is a regional branch of the



nationwide China Disabled Persons Federation and has twenty locations, including a rehabilitation center. In recent years the federation has put emphasis on IT training. The new printers donated by OKI are expected to improve convenience, and utilization of color printouts should facilitate communication.

#### Acquiring CSA800 Certification, Changzhou's CSR Standard

In March 2007, OKI Software Technology a software development company located in Changzhou, China, acquired CSA8000 certification from the Changzhou CSR Standardization Committee. CSA8000 is a CSR standard developed by the city of Changzhou based on SA8000, the international standard for human rights and labor.

Since its establishment in 2001, the company has been actively involved in various social contribution activities. However, in order to promote CSR activities from a broader perspective, in 2006, the company established a CSR Promotion Committee. The company successfully acquired certification through the institution and development of management systems and the training of employees.



# Ongoing support for blood donation programs—a distinctively OKI social contribution activity

**Since conducting Japan's first ever corporate blood drive in 1964, the entire OKI Group has provided support for blood programs administered by the Japanese Red Cross Society. Today, we have a large number of employees who give blood, and we continue to provide various forms of support, including the donation of refrigerated transport vehicles for donated blood. In July 2006 our activities over the past 40 some years in this area were duly recognized, and we received the Emperor Showa Memorial Award for Promotion of Blood Donation.**

## Japan's First Corporate Blood Drive

Japan's first ever corporate blood drive was conducted by OKI at the former Shinagawa Office on August 21, 1964. The drive was initiated on the basis of a proposal by a single employee who thought that an organization as large as OKI would be able to do something to help. Post-transfusion hepatitis caused by sold blood was a major public health issue at the time and the idea of donating blood was just starting to emerge in the public's consciousness.

The blood drive was organized with the help of the former Japanese Red Cross Society's Central Blood Bank, and 175 OKI employees participated. It was reported on by newspapers and television stations and served as a catalyst for other corporate blood drives thereafter. The day of the event was also the day sold blood was banned and the Cabinet resolved that all blood for transfusion would be donated blood. Today, August 21 is referred to as Blood Donation Day in Japan.

The entire OKI Group has been involved in blood donation programs ever since. Presently, employees participate over 2,000 times each year, with over 65% of that number giving at least 400 milliliters of blood. This and other initiatives have contributed to maintaining a supply of safe blood in Japan. Moreover, since the year ended March 2002 we've held donor registration drives for bone-marrow banks in conjunction with blood drives at all of our offices in Tokyo, Saitama, Gunma and Shizuoka, the first company in Japan to do so, as we continue to expand the scope of our social contribution activities.



This internal newsletter describes our first blood drive

## Donating Refrigerated Blood Transport Vehicles as Matching Gifts

OKI started the OKI 100 Yen Fund of Love (see page 32), a voluntary fundraising program, in the year ended March 1997. This fund was used for the first time to donate vehicles to the Japanese

Red Cross Society, an organization with which our employees have a close ties due to our many years of organizing blood drives. The fund collects 100 yen every month from participating executives and employees, and the company matches each of these donations. In the initial year of the fund, the year ended March 1997, we donated one refrigerated vehicle for transporting donated blood and one vehicle for promotions. Up through the year ended March 2007, we have donated a total of three promotional vehicles and 14 refrigerated blood transport vehicles. The company has also provided financial support to help the Japanese Red Cross Society update its website.



Blood transport vehicle donated in the year ended March 2007 (February 5, 2007 at the Red Cross Blood Center in Shiga Prefecture)

## Ongoing Support for Blood Donation Programs—A Distinctively OKI Social Contribution Activity

The support we have provided for blood donation programs for over 40 years, including our corporate blood drives, was duly recognized, and we were honored with the Emperor Showa Memorial Award for Promotion of Blood Donation at a national convention held by Japan's Ministry of Health, Labour and Welfare, the Japanese Red Cross Society and Gunma Prefecture on July 13, 2006.

The award is given to individuals or groups that have received the Japanese Red Cross Society's Gold Medal for Merit and the Minister of Health, Labour and Welfare's Certificate of Commendation in the past and whose record of achievement in raising awareness of blood donation and promoting blood drives has been deemed exceptional. OKI received the award after being honored with the Japanese Red Cross Society's Gold Medal for Merit in 1997 and the Minister of Health, Labour and Welfare's Certificate of Commendation in 2002.

Centering on the OKI 100 Yen Fund of Love, OKI's social contribution activities have now expanded into many different areas, but our roots lie in support for blood donation programs. We are very proud of this honor and plan to continue our activities in this area. The same spirit of giving will also animate a variety of other distinctively OKI social contribution activities that we will carry out into the future.



OKI president Katsumasa Shinozuka receiving the award from Crown Prince Naruhito, honorary vice-president of the Japanese Red Cross Society



# Becoming the world's first mass producer of devices using thin-film bonding technology for dissimilar materials

The OKI Group became the first company in the world to successfully mass produce devices using "Epi Film Bonding" (EFB) technology, which will enable us to supply printers that meet market needs. EFB technology is expected to be applied in various ways, including to make printers significantly more compact and low power consumption.



A thin-film LED bonded to a driver IC using EFB technology

## Taking on the Challenge of Developing a Completely New Technology

OKI printers use a light-emitting diode (LED) mechanism. Light is emitted by a densely arranged LED array and dots are printed in places hit by the light. Compared to printers that use lasers and other mechanisms, this technology produces high resolution images and will help make printers faster and more compact. This unique technology has been lauded by many of our customers.

In recent years, however, the market has demanded that printers not only print faster and in higher resolutions but also be more resource efficient, compact and energy efficient. In order to meet these new requirements, it was necessary to create a completely new LED array that was not merely an extension of existing technology. The OKI Group's development team turned its focus to EFB technology, which bonds thin films with dissimilar materials, without the use of adhesives. We integrated light-emitting LED's, made from components differing from conventional print heads, with a driver IC to control them and became the first company in the world to successfully mass-produce a device for practical application.

## Smaller, More Energy Efficiency LED Print Heads

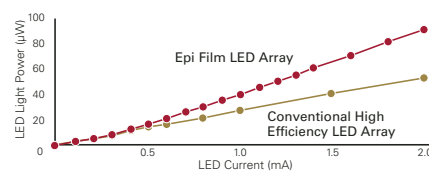
The LED print head we developed with EFB technology is half the volume of conventional print heads. We were able to substantially reduce the size of our C3400n color LED printer, the first product to feature the new print head, cutting its volume by some 64% compared to the previous model. Environmental impact at the production stage is also lower (Table 1), as there are fewer mounted chips and materials are maximized. Moreover, the light emitted from the LED's is utilized effectively, providing approximately twice the light of conventional models. This means less current is needed and less power is consumed (Diagram 1).

EFB technology makes it possible to create highly dense, highly integrated semiconductors, so it is expected to be used to make more compact, energy efficient integrated chips and to develop ultra-small LED displays. The OKI Group has started a research unit to work on these applications and intends to introduce EFB technology in many different areas.

Table 1: Comparison of Conventional LED Print Head and New LED Print Head

Environmental impact index	Conventional LED Head	New LED Head	Ratio
Compound semiconductor chip width	370µm	100µm	Approx. 1/4
Number of mounted chips	LED array chips: 26 Driver IC chips: 26 Total of 52 chips / A4	New chips: 26	1/2
Wire bonding number	3,664	650	Approx. 1/5
Wiring substrate width	10.8mm	7mm	Approx. 2/3
Print head volume	14×286×17mm =68,068mm <sup>2</sup>	10×286×11.5mm =32,890mm <sup>2</sup>	Approx 1/2

Diagram 1: Light Emitting Efficiency of Conventional LED and New LED



## Employee Perspective

In order to develop EFB technology, which was unexplored territory for us, we started by conducting basic experiments with the help of Hiroshima University and Nagoya Institute of Technology. We confirmed light emission from a bonded LED for the first time after half a year of work. I'll never forget the joy I felt when all 5,000 individual LED's within the print head lit up and a color printout was made. We plan to continue to develop EFB technology and pioneer new product areas.



**Mitsuhiro Ogihara**  
Research & Development  
Department  
OKI Digital Imaging

## Accolades for OKI's Epi Film Bonding Technology

Honorable Mention at the 4th Manufacturing Parts Awards sponsored by the Nikkan Kogyo Shimbun newspaper in March 2007  
Electronic/Information Appliance Division Award at the 2007 Nikkei BP Technology Awards sponsored by Nikkei BP in April 2007

\* Part of this research has been conducted by the Research Center for Nanodevices and Systems at Hiroshima University, which was supported by The Ministry of Education, Culture, Sports, Science and Technology's Nano Technology Support Project.

# 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.

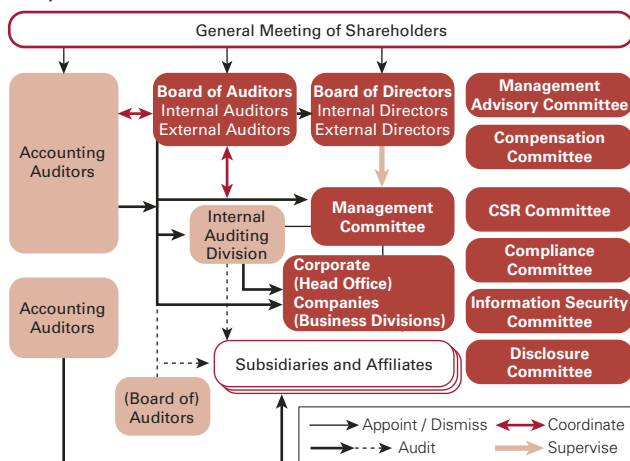
## Corporate Governance Structure

OKI employs a system of corporate auditors under Japanese law, its operations are supervised and audited by the Board of Directors and Board of Auditors, and management has been separated from execution through the introduction of an executive officer system. This overall structure serves to improve management efficiency.

The Board of Directors is comprised of 10 directors, including one external director, and generally meets once per month. The board supervises business execution and makes decisions on basic management policies and other important matters. The Management Committee, which normally meets weekly, makes decisions on important aspects of the OKI Group's business operations and reviews key reports on divisional operations. Membership consists of corporate officials at the executive office level and above, and by the corporate auditors.

The Board of Auditors is made up of two external auditors, one of whom is a standing auditor, and two other standing auditors. The auditors audit the activities of directors by attending important meetings, including meetings of the Board of Directors, verifying reports submitted by directors and other officers, and monitoring

### Corporate Governance Structure



corporate administration and finances. The Internal Auditing Division is comprised of five members, including two certified internal auditors. It conducts internal audits to accurately assess the status of corporate operations overall and prevent or uncover errors and improprieties in business execution as well as to help rationalize management and improve administration.

## Committees

OKI has established a number of committees to strengthen its corporate governance.

The Management Advisory Committee advises top management. The participation of outside experts helps the committee ensure management transparency and soundness.

The Compensation Committee was established to maintain the transparency of remuneration mechanisms and levels for 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.

We established two new committees in the year ending March 2008: the CSR Committee to deliberate on basic policies pertaining to the corporate social responsibilities of the OKI Group, and the Information Security Committee to promote the implementation of information security measures.

## Establishing Internal Control Systems

Japan's new Company Law took effect in May 2006. In the same month, OKI's Board of Directors adopted and publicly announced a basic policy for the establishment of an internal control system. The OKI Group is strengthening its corporate governance in accordance with this policy.



# Promoting CSR at the OKI Group

**“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.” Guided by this mission, OKI actively conducts a variety of activities to fulfill its corporate social responsibilities, which include not only complying with laws and regulations but also developing sound corporate activities based on a social conscience.**

## CSR Promotion Division and CSR Committee

The OKI Group established the CSR Promotion Division in October 2004 to serve as a dedicated CSR organization. At the same time, we defined six priority themes, listed in the table below, around which related divisions coordinate their efforts.

In October 2005 we created the OKI Group Charter of Corporate Conduct on the basis of these priorities. The charter lays out the social responsibilities of the OKI Group on the basis of our corporate philosophy. In order to raise employee awareness of the charter, we have conducted training on an ongoing basis, using group classes and e-learning software. From March to June 2006, group companies, both in Japan and overseas, conducted reviews of their CSR initiatives in light of the content of the charter. This was done in order to ascertain any gaps between the ideals embodied by the charter and onsite realities and to share observations.

With a view to further deepening our CSR initiatives, in April 2007 we consolidated the Compliance and Business Ethics Division and the former CSR Promotion Division to create a new CSR Promotion Division. And, in June we established the CSR Committee, which is chaired by an executive vice-president. While reaffirming the fact that full compliance constitutes the basis of CSR, the entire OKI Group will continue to carry out business

activities in good faith and promote CSR initiatives that deepen trust and raise corporate value.

## OKI Group Code of Conduct

In August 30, 2007, OKI’s Board of Directors decided on establishing the OKI Group Code of Conduct; a code of conduct with which all executives and employees of each OKI Group company must comply to achieve the Group’s corporate social responsibilities (CSR), based on the OKI Group Charter of Corporate Conduct.

In 2002, OKI established the OKI Code of Conduct, a standard that other group companies also adopted. The OKI Group Code of Conduct was based off of this, but it also includes elements that pertain to the social responsibilities required in global corporate activities, and it was compiled using universal expressions applicable to the entire OKI Group, including overseas affiliates. We intend to ensure full implementation of the code throughout the OKI Group, an effort that will also strengthen group-level internal controls.

\* The full text of the OKI Group Code of Conduct can be found at <http://www.oki.com/en/csr/code.html>.

## Foundation of CSR at the OKI Group



## CSR Priorities and Focal Points for the Fiscal Year Ended March 2007

CSR Priorities	Focal Points for the Year Ended March 2007	Page	Relevant Item in Charter of Corporate Conduct
• Promotion of Compliance with Laws and Regulations	<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>	14-17	<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>• 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>	18-21	<ul style="list-style-type: none"> <li>• Customer satisfaction</li> </ul>
• Good Communication with Shareholders and Investors	<ul style="list-style-type: none"> <li>• Reinforcement of communication with individual investors and foreign investors</li> </ul>	22-23	<ul style="list-style-type: none"> <li>• Good communication</li> </ul>
• Respect for Employees	<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>	24-27	<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>• Improvement and effective utilization of environmental technologies</li> <li>• Enhancement of environmental compliance</li> <li>• Facilitation of sharing of environmental information</li> </ul>	28-31	<ul style="list-style-type: none"> <li>• Environmental conservation</li> </ul>
• Social Contribution	<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>	32-34	<ul style="list-style-type: none"> <li>• Social contribution</li> <li>• Regional awareness</li> </ul>

# Promotion of Compliance with Laws and Regulations

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



## Ensuring Full Compliance

### Establishment of Compliance Systems

In the year ended March 2005 OKI established the company-wide Compliance Committee to deliberate on basic compliance-related policies and the Compliance and Business Ethics Division to plan, formulate and promote compliance-related initiatives. Under the Chief Compliance Officer the entire group has worked to strengthen compliance. We have also established consultation and reporting channels and whistleblower regulations, which enable us to discover and rectify improper activities at an early stage.

To further promote these measures, Compliance Managers have been assigned to each corporate division and every group company has named a Compliance Officer. We are currently working to enhance training and promote integrated, systematic, company-wide risk management—these two initiatives have been positioned as the twin pillars of OKI's compliance promotion activities.

### Strengthening Compliance Education

OKI has assigned Compliance Managers to each division and conducts training for them twice a year at seven sites around the country in an effort to ensure compliance-related measures fully penetrate the organization.

Compliance Managers, however, are also busy with management-level work at their respective workplaces, so participation in the training program had been less than 90%, which was an issue. Given this situation, since the year ended March 2007 we have employed OKI technology to distribute video of the training session to enable managers who were unable to attend the session on the scheduled day to participate on a different day. This boosted the participation rate in the second half of the year ended March 2007 to over 90%.

We also run an e-learning program for all employees in order to gauge how thoroughly compliance-related measures have been implemented at each division. Participation in the program was 100% (at OKI) for the second half of the year ended March 2007.

We intend to further enhance the curriculum for our compliance education programs and try various ways to raise participation rates.

## Ongoing Promotion of Risk Management

### Enhancing Risk Management Based on Risk Management Regulations

OKI established Risk Management Regulations in December 2004 in order to prevent risks from materializing in corporate activities and ensure they are handled properly if they do materialize. We are currently enhancing our risk management activities on the basis of these regulations.

The regulations identify potential risks and set basic rules concerning divisional responsibilities and countermeasures. They also stipulate detailed rules concerning the establishment of emergency communication systems and an emergency response headquarters in the event a major risk materializes.

### System for Promoting Risk Management



### Performance Audit on Management of Registered Compliance Risks

Since the year ended March 2006 OKI has promoted the management of compliance risk (risk associated with violation of laws, regulations, company rules, etc.), which we consider the most important category of risk, on the basis of our Risk Management Regulations. Specifically, corporate divisions have been registering potential risks related to their operations with the Risk Management Promotion Office, which twice a year checks on the implementation of preventive measures and whether any risks have materialized, and carries out improvements.

In the year ended March 2007 we conducted a performance audit to assess the adequacy of registered risk management. The audit confirmed that the PDCA cycle was being steadily implemented at the divisional level, but it also revealed that onsite monitoring needed to be strengthened. This issue has been incorporated into managerial improvements slated for the year ending March 2008.

### Emergency/Disaster Response

The OKI Group has established Safety Countermeasures Committees and emergency communication networks at its domestic and overseas sites and group companies. In the event of a disaster, countermeasures are enacted that make it possible to protect people’s lives, prevent secondary accidents, contribute to the community and foster good 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 ascertain the damage, direct resolution and recovery efforts, and conduct relief operations if required. In addition, Miyagi OKI developed the Earthquake Early Warning Disaster Mitigation System with the Real-time Earthquake Information Consortium (REIC) as a countermeasure for large-scale earthquakes. The system was instituted at the company in 2005.

The system makes maximum use of earthquake early warning information\* and sounds an earthquake alarm before major seismic waves arrive, which provides us with time to ensure safety, turn off equipment and take other advance measures. It makes it possible to secure the safety of employees, minimize damage to facilities, and ensure business continuity. OKI’s Hachioji site and Miyazaki OKI will begin preparations in the year ending March 2008 to implement the system. The system architecture and operating methods are being optimized based on the types of earthquakes that could occur at each site.



Earthquake Early Warning Disaster Mitigation System established at Miyagi OKI

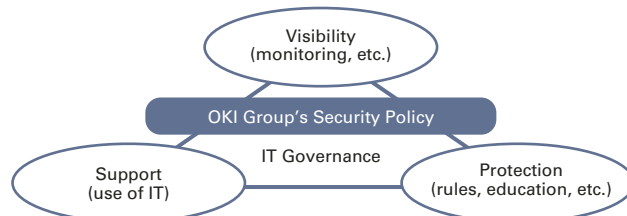
\* Earthquake early warning information is communicated in order to protect people’s lives, ameliorate crises and mitigate damage to society and the economy. Propagation rates differ between an earthquake’s initial longitudinal tremors, or “P-waves,” which travel quickly, and its main transverse waves, or “S-waves,” which move slowly but cause major shaking. These differences are utilized to enable information on an earthquake (its size and position) to be immediately determined and sent out as soon as P-waves are detected by seismographs in Japan’s nationwide network that are close to the earthquake’s epicenter.

## Strengthening Information Security and Privacy Protections

### Information Security Initiatives

In accordance with the OKI Group’s Security Policy, we are currently carrying out security measures based on the three principles indicated in the diagram.

### Three Principles of Information Security



In order to further strengthen protection mechanisms, in the year ended March 2007 we clarified the definitions of information received from customers and information processed internally, established processes and formulated rules for handling this information—from acquisition/creation to disposal—and revised related regulations. In the area of support, we established shared serves for managing confidential information and access to that information. We also enhanced our IT infrastructure by putting restrictions on copying such information from a computer to a portable memory device, such as a USB memory drive, establishing encryption for mobile computers, putting restrictions on connecting to our networks using non-company computers, and strengthening password management. The implementation of this infrastructure was tracked via security center monitoring, a visibility mechanism.

The Information Security Committee was started in the year ending March 2008 in order to extend these mechanisms to all companies that use OKI Group information infrastructure and all their employees, including executives, regular staff, temporary staff and part-time staff. We intend to continue to develop and implement security mechanisms and measures while conducting regular inspections and audits.

### Regarding Leaks of Personal Information and Business Information

In September 2006, it came to light that personal and business information belonging to some of our customers leaked out from the non-company computer of an OKI Group employee that was running the file transfer software Winny. We immediately contacted the customers involved as soon as we discovered the leak, apologized and explained the situation to them. We would like to again offer our sincere apologies to everyone that was affected. In order to prevent the recurrence of this kind of incident, the entire group intends to further strengthen security measures and sufficiently enhance information management.

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

# Promotion of Compliance with Laws and Regulations

## Information Security Education

As an information security protection mechanism, the OKI Group conducts information security education for all employees who use information infrastructure belonging to the OKI Group.

Each and every individual must thoroughly protect information assets received from customers and highly confidential information assets belonging to OKI. For this reason we widely communicate basic regulations and company rules regarding use of our network, desktop computers, and mobile computers by conducting group training sessions and e-learning programs.

## Acquiring ISMS Certification

The OKI Group is working to acquire information security management system (ISMS) certification\* for divisions involved in building and operating internal information systems and for divisions engaged in general system design and development, in order to improve the reliability of network solution construction and related services.

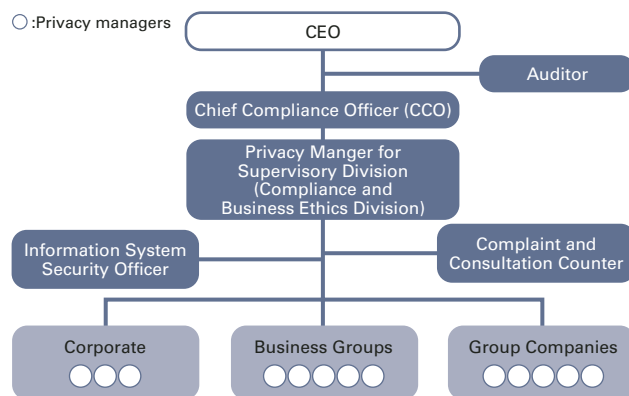
As of June 2007, six companies (11 divisions) in the OKI Group had acquired ISMS certification, and they all have completed the switchover to ISO 27001.

\* Information security management systems have been regulated under the ISO system since October 2005 (ISO/IEC 27001:2005).

## System for Protecting Privacy

The OKI Group has been enhancing privacy protections on the basis of a Privacy Policy that was first established in August 2004. We work to protect personal information on an organizational basis under the leadership of the Chief Compliance Officer. Privacy managers have been appointed at the corporate level and in business groups and group companies. We have also established privacy regulations and other related rules that flesh out the provisions of our Privacy Policy.

### System for Protecting Privacy



## Privacy Mark Certification

On April 3, 2007 OKI was granted Privacy Mark\* certification by the Japan Information Processing Development Corporation (JIPDEC).

In acquiring certification, we reviewed our existing privacy protections, formulated new rules, and enhanced internal auditing. Furthermore, we conducted training to raise awareness of privacy issues among all employees and to ensure that rules are observed throughout the organization, created a record of all the personal information in our possession, enhanced rules for storing personal information, and also instituted room access systems at all business sites to prevent unauthorized access to storage locations.



As of June 2007, five companies in the OKI Group have acquired Privacy Mark certification.

\* The privacy mark system calls on third party organizations to evaluate and certify that business operators' handling and management of personal information complies with the "JIS Q 15001" and in proof of compliance, the "privacy mark" is granted to be used in their business operation.

### Privacy Mark Certification

Company	Validity
OKI Human Network	2 years from September 21, 2005
OKI Software	2 years from December 26, 2005
OKI Alpha Create	2 years from April 18, 2006
OKI Wintech	2 years from February 21, 2007
OKI	2 years from April 17, 2007

### Employee Perspective

Given the mounting concern over protecting privacy in recent years, and based on the needs of our customers, we reviewed our privacy protection initiatives and worked to acquire privacy mark certification in order to provide our customers with greater peace of mind. We were able to acquire certification



**Tatsuo Takizawa**  
Privacy Mark Project

according to the schedule we initially set, but more importantly we intend to continue to maintain and improve the mechanisms we built. Based on this intention, we are continuing to educate employees and monitor the mechanisms. We will continue to appropriately manage all confidential information, including personal information, in order to live up to the trust customers place in us.



## Fair Trade and Purchasing

### Fair Business and Purchasing Practices

To ensure that all of our business activities are conducted fairly and in good faith, OKI has developed rules and manuals regarding Antimonopoly Act compliance, giving gifts, entertainment and other matters. We also conduct training on related laws and regulations.

In the year ended March 2007 we revised the manual for compliance with the Antimonopoly Act and conducted business compliance education via e-learning software for all sales representatives, achieving a participation rate of 100%. In addition, in order to ensure the appropriateness of purchasing activities, we run a purchasing law workshop twice every year that features training and information sharing on related laws and regulations and OKI Group initiatives. The workshop is for staff members involved in supply and procurement-related divisions, including at group companies.

### 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. Based on this recognition, we established the Green Procurement Standard in 2002 and carry out green purchasing by giving preference to parts and materials that contain reduced amounts of chemical substances that impact the environment.

We also added to our Purchasing Policy with a view to promoting CSR-oriented procurement practices and created the OKI Group Procurement Policy, which was announced in June 2006. The new policy includes stipulations on compliance with the law and social norms, consideration for the environment, and proper management and protection of information. Training on the policy is conducted for group employees involved in purchasing to effectively communicate the policy and ensure it is fully implemented.

We intend to continue to conduct procurement while securing understanding and cooperation from our business partners, which are also our partners in promoting CSR.



The OKI Group Procurement Policies are available on our website



A training session for purchasing staff

### The OKI Group Procurement Policies\* (Summary)

The OKI Group implements procurement activities with the appropriate quality and price levels on a worldwide basis, through transactions that are always fair and transparent when purchasing the materials, services, and other items needed in the manufacture and supply of the products it provides to its customers.

OKI also endeavors to promote efforts in areas such as compliance with laws, regulations, societal norms, and protection of the environment, by working to build partnerships founded on relationships of trust with its suppliers and requesting its suppliers to cooperate in its activities in the area of corporate social responsibility (CSR).

#### 1. Basic Approach

- 1) We will select suppliers in a fair and honest manner, both in Japan and overseas.
- 2) We will promote procuring activities that incorporate the concepts of CSR, based on the OKI Group Charter of Corporate Conduct.
- 3) In addition to pursuing appropriate levels of quality and cost, we will work to ensure a stable procurement of materials.

#### 2. Procurement Guidelines

Based on the basic approach above, we will promote procuring activities focusing on the following five points:

- 1) Selection of suppliers in a fair and honest manner, both in Japan and overseas
- 2) Compliance with laws, regulations, and societal norms
- 3) Environmental considerations
- 4) Appropriate management and protection of information
- 5) Pursuit of appropriate levels of quality and costs, and ensuring a stable procurement of materials

#### 3. Requests for Suppliers

Forming mutual partnerships and working in cooperation with its suppliers are essential to the OKI Group's implementation of procuring based on its Procurement Guidelines.

- 1) Compliance with laws, regulations, and societal norms
- 2) Environmental considerations
- 3) Sound and stable business management
- 4) Appropriate levels of quality and cost, and stable supply
- 5) Appropriate management and protection of information

\* The full text of the OKI Group Procurement Policy is available at <http://www.oki.com/en/profile/procure/>.

# 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 2007

- Enhancement of support activities to ensure that customers can use OKI products with confidence
- Reinforcement of group-level collaboration in relation to product safety risks
- Increased application of universal design concepts to products

## Main Initiatives in the Year Ended March 2007

- Improved the quality of maintenance operations
- Created OKI rules for responding to quality-related incidents and promoted in the group
- Applied universal design techniques

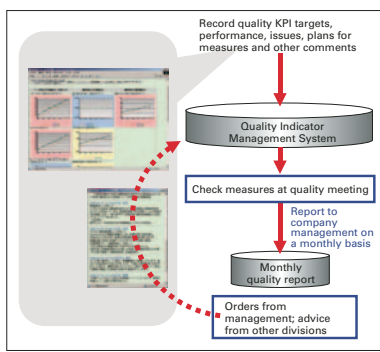
## Focal Points for the Year Ending March 2008

- Establish quality incident response rules at each group company
- Promote initiatives to more fully inform customers of our quality assurance and product safety activities
- Expand application of universal design techniques

## Reinforcement of Quality Management Systems

### Company-Wide Quality Improvement Program

OKI instituted a company-wide quality improvement program in the year ended March 2006 at group companies involved in product development, maintenance and support in order to promote quality assurance activities that are firmly rooted in the customer's point of view.



System for Monthly Quality Indicator Management

Under the program, key quality performance indicators (KPIs) are established for issues that are important to customers based on customer satisfaction surveys and day-to-day customer feedback, monthly and semiannual targets are set, and measures are enacted to meet the targets. Performance versus the quality indicators is tracked on a monthly basis and a system is in place that allows management to use the company's intranet to check on progress as needed.

In the year ended March 2007, we carried out quality improvement activities with a focus on areas for which targets were not achieved the previous year and other areas of weakness as determined by benchmark surveys. Although overall quality performance was better in the year ended March 2007, several issues were left unresolved, as we missed our goals for turnaround time, the time required from when a product nonconformance notice is received until the cause is analyzed and a response is made to the customer.

## Strengthening Group Coordination on Product Safety Risk

### Reinforcing Response to Product-related Incidents

OKI's company rules state that we shall give the highest priority to corporate activities that enable our products to be used safely and with peace of mind, and we are fully committed to this policy.

In the year ended March 2007, we strengthened systems for handling quality incidents related to product nonconformance and established rules and a manual for actions to take in order to prevent damage from spreading and expedite problem solving, in conjunction with amendments to the Consumer Products Safety Law. The manual establishes methods and procedures for each stage of response, from acquiring information about the incident to setting up a response headquarters, providing relief to people affected, notifying financial markets and the public, conducting recalls, and implementing spillover and recurrence prevention measures for similar products. We also reconfirmed the roles and responsibilities of relevant company divisions.

We are currently working to develop rules for key group companies to ensure a coordinated response at the group level and in the year ending March 2008 will formulate rules at these companies.

### Product Safety and Technology Compliance Initiatives

The OKI Group is taking steps to ensure full compliance with the four safety technology laws\* in order to improve the safety of our products.

In the year ended March 2007 we reinforced the activities of the Product Safety and Technology Committee, the organization in charge of promoting product safety. Based on enhancements to our product safety rules we are improving communication among corporate divisions, in-house companies and group companies and addressing each individual issue in detail in order to ensure compliance with laws, regulations and certification requirements at every stage, including design, manufacturing, procurement, sales and maintenance services. To make sure the measures become permanent, related issues and the results of improvements are shared with the committee and consistent implementation is confirmed.

Since the year ended March 2007 we have also requested the understanding and cooperation of our business partners with respect to compliance with the four safety technology laws.

\* The four safety technology laws consist of legal requirements and voluntary regulations pertaining to the safety 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).

## Providing Peace of Mind to Customers When Using Our Products

### Reducing Mistakes in Support Activities by Half

In order to ensure that customers are able to use our products with complete peace of mind, it is essential to have preventative maintenance\* after the products are put into operation and support when trouble occurs. OKI Customer Adtech, which handles maintenance and support for many OKI products, is guided by its slogan, "Anytime, anywhere, fast," and is committed to delivering peace of mind to customers by arriving at the customer's site in Japan, even outlying island locations, within one hour from the time a malfunction or other trouble occurs. In the year ended March 2007, the company was able to meet this goal 91.4% of the time, on a monthly average basis.

Another issue that we have worked to address is human error in maintenance work. The OKI Customer Adtech Group responds to over 700,000 incidents every year, and one of the causes of error had been the complexity of the response process. The company therefore collaborated with OKI in a three-year program from 2004 to 2006 to cut work mistakes by half. This was done by 1) analyzing the human factors involved, 2) organizing and clarifying maintenance processes, and 3) creating IT tools to support onsite work. The president of the company has also visited business sites to engage with employees and raise awareness regarding the fact that the abilities and activities of each and every engineer constitute the company's product in the area of maintenance and support.

As a result of these activities, work mistakes in the year ended March 2007 were down by some 60% compared to the year ended March 2005.

\* Preventative maintenance is maintenance conducted regularly in order to prevent trouble before it can occur.

## Initiatives to Improve Customer Satisfaction

### Incorporating Partner Company Perspectives Into Products and Services

OKI believes that close communication with partner companies directly involved in sales activities is essential to ensuring customers are fully satisfied with the products and services they use. The Customer Support Center, which provides technical information to partners involved in IP system devices, works to

improve communication with our partner companies through a partner satisfaction survey that is administered annually and feedback on business operations from partners that is provided on a day-to-day basis.

The partner satisfaction survey elicits partner assessments of OKI products and systems, sales support, maintenance and other activities. The findings are then incorporated into OKI business strategy for the next fiscal year. We also are exposed to the views of our partners through inquiries made to the support center, at training sessions, via our website, and through our systems engineers and sales reps. All such opinions are shared with the Feedback Committee, which meets monthly, and decisions are made on the spot on how to incorporate these opinions into product planning and other processes. Over 1,700 partner opinions were taken up and analyzed by the committee in the one-year period of the year ended March 2007. We continue to incorporate the views of our partners into products and services in very concrete ways.

### Employee Perspective

I think that it is important to have comprehensive and continual information in order to steadily incorporate the views of our partners into products and services, and increase customer satisfaction. We constructed the web portal "Partner's Net" as a comprehensive support tool for partners. In order to strengthen that service, in October 2006, we consolidated the services of a number of support centers on the site, including the Customer Support Center, Direct Marketing Center, which conducts sales support activities, and the Sales Support Center, which provides information for sales promotions. Along with providing information on the site in real time that is custom tailored for each partner, we are committed to even more consistently incorporating the comments and opinions received via these support centers into our business activities.



**Yumiko Araki**  
Customer Support Center  
IP Systems Division

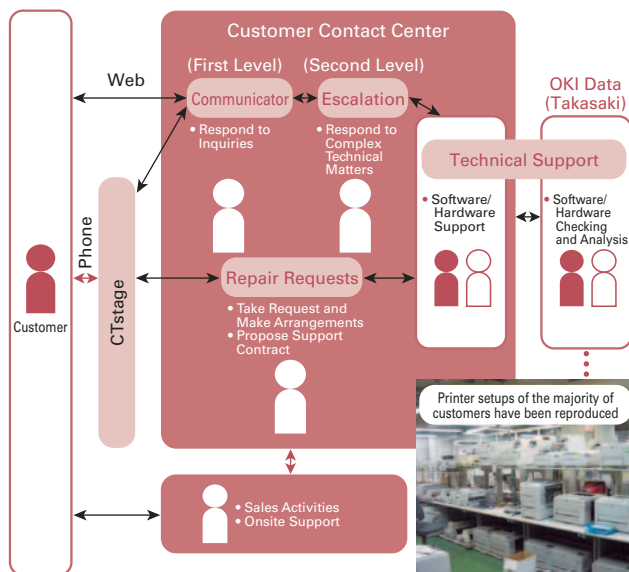
# Improvement of Customer Satisfaction

## One Organization to Handle All Types of Printer Inquiries

The Customer Contact Center of OKI Data, which is responsible for OKI's printer business, handles all types of printer-related inquiries from customers via the phone or web, from pre-purchase consultation and questions regarding set up or operation of purchased printers, to repair requests when trouble occurs. The center is managed jointly with OKI Customer Adtech, the group company responsible for support services, which allows the center to provide rapid testing and analysis and trusted support. The center also features multiple printer setups like those actually used by customers, which enables support staff to carry out the same procedures as the customer making the inquiry and provide explanations that are easy for the customer to follow.

In addition, we conduct ten customer satisfaction surveys everyday via a phone questionnaire, as we recognize that the quality of phone-based support is crucial to ensuring the satisfaction of customers who use the center. Survey findings from the second half of the year ended March 2007 revealed that over 90% of customers were satisfied or somewhat satisfied with the "attitude of support staff," "understandability of explanations," and "skill levels of support staff." Customers were less satisfied with how hard it was to actually get through to the center, and we plan to make improvements in this area. Opinions on product quality and specifications and other requests received from customers through their inquiries or the phone questionnaires are passed on to the relevant divisions so that they can be utilized in products and business activities.

### Customer Contact Center

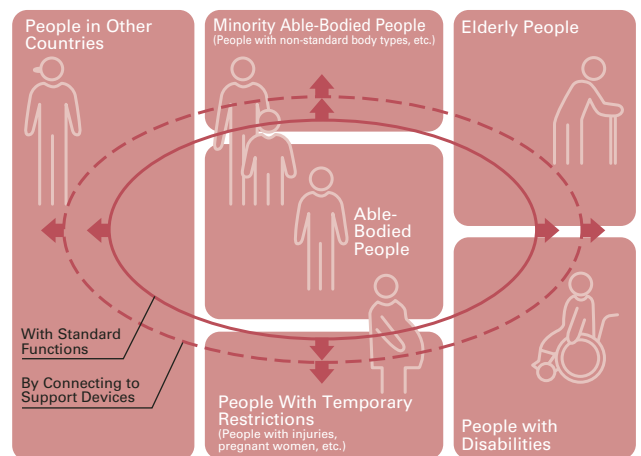


## Promoting Universal Design

### The OKI Group's Approach to Universal Design

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 elderly and disable people. The goal is to create products and services that can be used effectively, efficiently, and satisfactorily by all users.

### Universal Design Facilitates Use by As Many People as Possible



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 stresses must be minimized. Third, there must be choices of operating methods. Fourth, products must be friendly and attractive. The Ergonomics Committee is OKI's company-wide organization for promoting universal design. It works to ensure that views and comments gathered from users in verification testing and through other means are incorporated into OKI products and services.

We provide information to people outside of the company to help them understand our approach to universal design and our initiatives in this area. In October 2006, OKI researchers presented five research themes at the 2nd International Conference for Universal Design which was held in Kyoto.



Giving a presentation on universal design research



### Automated International Flight Check-In Kiosks at Narita Airport

A total of 126 international flight check-in kiosks developed by OKI went into operation in June 2006 at the First Terminal of Narita International Airport. This large number of automated check-in terminals was installed in order to raise service levels for airline passengers by improving usability and shortening the time required for boarding procedures.

OKI successfully created terminals that provide a smooth check-in process by leveraging universal design techniques cultivated with the development of our ATM machines.

Specifically, we used ATM-style operating procedures, which consist of one instruction per screen, to make sure that everyone could use the terminals, regardless of their experience or knowledge. The fonts used on the screen are large and high contrast, and text is provided in four different languages. Moreover, we used a design scheme not dependent on color alone and provided guidance that uses animation to create screen displays that would be easy to use for anyone.



Automated, international flight check-in kiosks

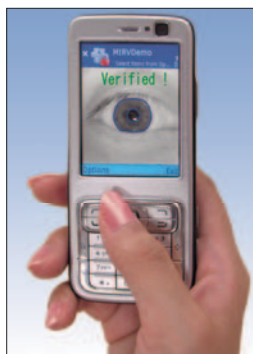
### Products and Technologies that Benefit Society

In line with our corporate philosophy, the OKI Group strives to benefit customers and contribute to society through every product we offer.

#### Iris-Pattern Recognition for Camera Phones

OKI developed Japan's first mobile iris-pattern recognition technology, which can be integrated into a camera-equipped mobile phone and used to identify people based on iris patterns.

As mobile phones have grown more sophisticated, a variety of new services have been made available for them. At the same time, however, there has been demand for more advanced security functions in order to prevent abuse of lost or stolen mobile phones and ensure services are provided securely. Using iris patterns, which



Using iris-pattern authentication on a camera phone (simulation)

are both complicated and highly random, enables identity to be verified with a high degree of precision. In turn, this gives a greater sense of security to people who use their mobile phones to make payments and conduct other such transactions.

In July 2007, we announced the launch of a middleware software product for incorporating iris-pattern authentication into mobile devices like mobile phones and PDAs. Going forward, we plan to provide even more products that deliver optimal security.

#### More Advanced Security Processes Using eVideo

eVideo is technology for compressing and sending high quality video that has been proprietarily optimized by OKI and is compatible with video encoding formats established by international standardization organizations, including MPEG-4 and H.264. OKI provides a variety of products that use this technology to enable more advanced security processes and make society safer.

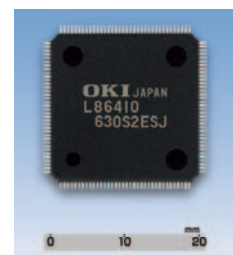
- **VisualCast VBOX-S/500 Digital Video Recorder**

The VisualCast VBOX-S/500 is a digital video recorder that can connect with up to 16 surveillance cameras, including networked cameras. Along with digital recording and a networking function that makes centralized monitoring possible, the product is also equipped with a behavior detection and verification feature that automatically detects movement of suspicious persons and the like through the video content analysis.



- **ML86410 MPEG-4 Encoder LSI**

The ML86410 is an encoder LSI that compresses video to the MPEG-4 format. OKI provides a reference design as well as a high quality viewer software SDK for building surveillance camera systems using this LSI. Using this package, customers are able to easily build original, high-grade surveillance systems in a short period of time.



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

# Communicating with Shareholders and Investors

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 2007

- Reinforcement of communication with individual investors and foreign investors

## Main Initiatives in the Year Ended March 2007

- Started distributing email newsletters to institutional investors overseas
- Increased subscribers to email newsletters for individual investors
- Relunched website for investors

## Focal Points for the Year Ending March 2008

- Enhance IR events for Japanese institutional investors (business seminars, factory tours, etc.)

## OKI Group Investor Relations Activities

The OKI Group appropriately discloses useful information to shareholders and investors in a timely manner, including corporate information, management strategies and operating results. Disclosure of this information improves management transparency and provides the market with an accurate understanding of the company's financial condition. We proactively engage in IR activities to build trust and raise corporate value.

The OKI Group recognizes that appropriately utilizing the views of the market in management practices and business activities serves to further increase operating efficiency and raise corporate value. Based on this, the CEO and the rest of the management team conduct investor briefings, hold IR meetings and engage in various other communication activities. In addition, in April 2007 we integrated our IR unit into the Business Management and Promotion Division in order to more closely link investor relations to management.

Going forward, the OKI Group intends to appropriately disclose information at an even faster rate while complying with the Company Law, Financial Instruments and Exchange Law and amendment to disclosure rules of the Tokyo Stock Exchange.

### Investor Briefings and IR Meetings

OKI has held quarterly results announcements since the first quarter of the year ended March 2004. At briefings for institutional investors, which are held in conjunction with results announcements, the CEO and other members of the management team discuss not only financial information but also the company's vision and management strategies.

Apart from results announcements, we also proactively hold individual IR meetings with institutional investors in Japan and overseas, where we go over a broad range of topics, including management and business strategies and individual products and technologies. Tours of our business facilities are also



A results briefing (February 2007)

conducted. These are some of the examples of the ways we are working to ensure institutional investors in Japan and overseas gain an accurate understanding of the OKI Group.

### Communicating Via Our IR Website and email Newsletters

OKI has an IR website where a range of investor information, including financial data, is posted simultaneously in English and Japanese in order to maintain fairness in information disclosure. We also send out email newsletters as needed to over 2,700 people, including institutional investors and people that have signed up for it on our website. The newsletters are sent out via email and includes the latest financial results, information on filings to securities exchanges, press releases on new products, new services and other topics, and information on updates to our IR website. We have also sent out an English version of the newsletters since the year ended March 2007. In addition, on our site for individual investors, we provide easy-to-understand content using video and voice that conveys information on the company.

These efforts have resulted in our IR site receiving awards for excellence in Internet IR from Daiwa Investor Relations for six consecutive years.



Our relaunched website for investors

### Thoroughly Preventing Insider Trading

In addition to appropriate and timely disclosure to shareholders and investors, the OKI Group has also taken steps to prevent insider trading in order to protect shareholders and investors and help ensure the integrity of securities markets. We have appointed insider information officers who judge whether information should be classified as insider information and manage the process of designating insider information and removing that designation. We also conduct training for employees to ensure full group compliance with insider trading prevention regulations as a part of our risk management activities.

### Evaluations by SRI Assessment Organizations

Socially responsible investing involves making the decision to invest in a company not only due to financial considerations but also based on its stance toward society, the environment and other social responsibilities.

As of May 2007, OKI has been included in the following SRI indices.



### Employee Perspective

OKI holds around 200 IR meetings every year, which include management briefings conducted by upper management, individual meetings conducted by the IR unit, and tours of business facilities. We use various media and tools, including our IR website, email newsletters and annual report, to convey useful information on the OKI Group to as many shareholders and investors as possible. We intend to continue to quickly and appropriately disclose information while taking care to ensure that the information we provide is fair and up to date.



**Keiko Miyaji**  
Investor Relations,  
Business Management  
and Promotion Division

## Communication With All Categories of Stakeholders

The OKI Group also works to communicate with stakeholders other than shareholders and investors.

### OKI Information and Telecom Convergence Solution Fair 2006

The OKI Group holds this fair every year to showcase its products and services and directly communicate with customers. The year ended March 2007 fair, which was held over three days from November 9 to November 11, had the slogan, "Experience Ubiquitous Services and the e-Society," and featured exhibits of the latest solutions and cutting-edge technologies as well as lectures and seminars with opinion leaders in various fields. The break area displayed panels that introduced OKI's various CSR activities. Some 4,700 customers attended and learned about the multifaceted initiatives of the OKI Group.

November 11, the final day of the event, was designated as "family day" for employees and former employees of the OKI Group and their families.

In addition to the regular exhibitions, we also ran a class that taught elementary school children about the workings of telephones and the movements of robots in an easy-to-understand manner.



The class for kids conducted on "family day"

### Sharing Information Through Supplier Briefings

OKI holds goodwill parties, and briefings on business policies and production plans at its various production sites in order to maintain close communication with its business partners.

### Strengthening Communication Between Top Management and Employees

The OKI Group works to maintain two-way communication between top management and employees. Monthly discussion sessions are held by the CEO to discuss business plans and administrative issues with small numbers of employees at various levels in the organization. The details of these discussions are conveyed to all employees via the company's intranet. In addition, twice every year the CEO personally visits the group's major business sites to explain management plans and policies in a face-to-face setting.

### Reporting on NPO Activities

In order to deepen our employees' understanding of the activities of non-profit organizations with which we collaborate with on social contribution activities, every year the OKI Group invites two of the NPOs we support via the OKI 100 Yen Fund for Love to come to the company and report on its activities.

In the year ended March 2007, presentations were given by Peoples Hope Japan, an organization involved in providing medical assistance to developing countries in Asia, and Action with Lao Children, which establishes libraries at schools in Laos and supports the publication of children's books.



Representatives of Action with Lao Children reporting on the organization's activities

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

# Respect for Employees

**OKI respects the diversity of its employees and is determined to provide and maintain safe, pleasant working environment. We will persist with new challenges to meet goals in a business climate.**

## Focal Points for the Year Ended March 2007

- Recruitment and training of diverse human resources
- Next-generation development support initiatives
- Reinforcement of mental health initiatives

## Main Initiatives in the Year Ended March 2007

- Conducted internship events and other initiatives
- Enhanced globalization training
- Formulated a second action plan for supporting the development of the next generation
- Introduced MTOP and developed a mental health training system

## Focal Points for the Year Ending March 2008

- Recruitment and training of diverse human resources
- Create an environment for supporting the development of the next generation
- Strengthen safety training at production sites
- Extend mental health initiatives to group companies

## 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.

## Recruiting and Developing Diverse Human Resources

### Hiring People with Disabilities

Since 1998 the OKI Group has promoted home-based work for people with severe disabilities who would otherwise have difficulty commuting. The success of this program led to the establishment of a special subsidiary\*, OKI WorkWel. As of June 2007, OKI WorkWel employs 33 employees with various disabilities, including physical, intellectual, visual and internal disabilities. Of these employees, 27 are involved in teleworking activities based on information technology. Their activities include creating accessible websites and designing posters.

As a company that allows

teleworking, which is a flexible work format that enables participating employees to work from anywhere, OKI WorkWel was honored with an Encouragement Award in the Support and Utilization Division at the Seventh Telework Promotion Awards, which was held by the Japan Telework Association in December 2006. At the Fifth Telework Promotion Awards in 2004, it received the Chairman's Award (in the Implementation Division). This time, in addition to its existing programs, OKI WorkWel was recognized for conducting new initiatives aimed at popularizing and promoting teleworking, such as running a course on web development via telecommuting for people with disabilities on behalf of national and local government bodies.

OKI WorkWel will remain the focus of the OKI Group's active commitment to provide employment for people with disabilities.

**Percentage of OKI Group employees with disabilities (the year ended March 2007): 1.92%**

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

### Internship Events

OKI has run a one-day internship program since 2005 for job-hunting undergraduate and graduate students. By teaching the students about the relationship between OKI products and society at large, the program helps the students gain a sense for the appeal of working at an info-telecom equipment manufacturer.

In the year ended March 2007, as a part of the program, we organized a tour of the OKI Information and Telecom Convergence Solution Fair (see page 23), which is held every year, in order to allow the students to experience OKI products and solutions up close. It also gives us an opportunity to show them that our products deliver convenience to everyday life in



Awards ceremony for the Seventh Telework Promotion Awards



various forms. A discussion session with current employees was also held, giving the students a sense for the excitement and appeal of work at OKI.

### Career Design Support Initiatives

OKI's career design program was established to create partnerships between management and employees and develop strong, autonomous human resources. Specific activities include annual interviews with managers on progress toward the employee's career vision and career plan, as well as career design training. This encourages employees of certain ages or at other career junctures to reaffirm where they are and to gain an understanding of themselves through self-analysis.

Multiple options, requirements and criteria are presented to employees so that they can establish their own career plans based on freedom of choice and self-responsibility. In this way the company facilitates autonomous career development. We strive to make this a win-win situation in which the respective visions of the individual and the company coincide.

### Providing Career Counseling

With social and corporate environments undergoing rapid change, the values, abilities and situations of employees are growing more diverse, meaning that career-related anxiety and worry can

occur at any time.

In order to help employees resolve such anxiety, OKI started a career-counseling program in December 2006 with a view of expanding our support for career development. We have a new career support team staffed with in-house career counselors (with outside certification) who are available to employees for consultation at any time. Counseling is provided on all aspects of career development.

#### Employee Perspective

Using specialized career counseling steps and processes, I help people understand themselves and make good decisions for themselves from a neutral, objective perspective. We plan to continue to expand our support offerings to help employees become more proactively involved in developing their own careers.



**Yasunori Taguchi**  
Career Support Team

### OKI Training Systems and Global 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	Management skills training <ul style="list-style-type: none"> <li>New manager candidate training</li> <li>New manager training</li> <li>New team leader 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		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	

Promotion of Compliance with Laws and Regulations  
Improvement of Customer Satisfaction  
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Consideration for the Environment  
Social Contribution

## Enhancing Global Training

The OKI Group has developed a range of training curriculums through which employees 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 to the latest theories and practices. There are 200 compulsory and designated courses and over 450 elective courses.

In the year ended March 2007 we started a designated training program for employees who are likely to be directly involved in global operations in the future in order to foster human resources capable of contributing to global business activities. The program's curriculum not only teaches foreign languages, but also seeks to raise cultural and diversity awareness and strengthens business communication skills.

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

In compliance with the Law for Measures to Support the Development of the Next Generation, which was enacted in April 2005, OKI formulated the following action plan (our second such plan) for the two-year period starting in 2007 and began implementing its initiatives.

#### The OKI Action Plan

Objectives	Initiatives
1 Deepen understanding of balancing work and family life	<ul style="list-style-type: none"> <li>OKI will conduct training programs and communicate information intended to deepen the understanding of all employees with regard to the significance of balancing work and family life and related programs, in order to create an environment that makes it easy for employees to use the programs, regardless of gender.</li> </ul>
2 Reinforce support programs for employees who will be having or are raising children	<ul style="list-style-type: none"> <li>OKI will create a mechanism to enable employees having or raising children to consult with other employees with the same experience. OKI will also compile and publish a booklet containing information on maternity and childcare programs.</li> <li>OKI will create a booklet containing advice on how managers can provide appropriate support for employees who will be having or raising children and will distribute the booklet to managers.</li> <li>OKI will introduce Internet-based correspondence courses (PeC) to employees taking maternity or childcare leave who wish to advance their careers.</li> </ul>
3 Review work programs and systems in line with the needs of employees currently raising children	<ul style="list-style-type: none"> <li>OKI will consider new, effective programs and mechanisms for balancing work and family life and will assess and institute new programs on a priority basis.</li> </ul>

In the year ending March 2008, we plan to actively work on a top-down basis to develop environments and conditions for all employees in order to achieve the goals of the plan.

## Enhancing Programs for Balancing Work and Childcare or Nursing Care

OKI will enhance its programs for maternity, childcare and nursing care and make additional adjustments to working hours to enable employees to balance their work and family lives. OKI will ensure that its programs exceed legal requirements, including the length of leave provided.

### Maternity, Childcare and Nursing Care Programs and Time Adjustments

Programs (by Application)	Details
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 can take 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 to 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.
Reduced working hours for nursing care	Working hours can be reduced for up to one year to allow a worker to provide nursing care for a family member.
Time Adjustments	Details
Rest times during pregnancy	Rest times will be provided when necessary on the request of 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.

OKI Group companies have also developed equivalent programs and we are starting to see more and more male employees take advantage of childcare leave. These initiatives have been well regarded. In January 2006, OKI Data Systems in Fukushima Prefecture was certified under Fukushima Prefecture's program for companies supporting the development of the next generation. It was certified for supporting child-raising in the small and medium-sized company division and for facilitating work-life balance in the promotion division. In addition, Miyagi OKI received the Miyagi Labour Bureau Director's Award for Family Friendly Companies in Miyagi Prefecture.

## Occupational Health and Safety

### Safety and Health Committees

OKI has established Safety and Health Committees in each region. Made up of company and union representatives, the committees perform, develop, and enhance safety and health systems in line with workplace conditions. They also formulate plans for preventing occupational accidents, patrol workplaces, and conduct safety and health education programs. To raise the level of safety and health throughout the organization, representatives of local committees attend meetings of the Central Safety and Health Committee, at which reports are made on local conditions and information is shared.

OKI's industrial accident frequency ratio\*<sup>1</sup> in the year ended March 2007 was 0.18, and its accident severity rate\*<sup>2</sup> was 0.00. Both ratios are below industry averages.

\*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 Levels at Production Sites through Spot Checks of Safety Management

In order to improve safety management levels at production sites, the OKI Group has run spot safety-management investigations every year since the year ended March 2002. The spot investigations have been conducted by corporate staff in order to check the level of management safety at production sites with common criteria. The spot investigations cover three territories: health and safety, accident prevention, and the environment. Investigation teams use checklists to examine management systems, education and training, day-to-day management, and accident response procedures in each of these three territories.

In the year ended March 2007 a CSR perspective was incorporated into these checklists. Specifically, existing checklist items were revised while making reference to the Supply-Chain CSR Deployment Guidebook published by the Japan Electronics and Information Technology Industries Association (JEITA) in August 2006. We added and revised the checklists to include items on risk identification and appropriate response.

Problems discovered by the spot investigations at production sites and necessary improvement measures are reported at meetings of the OKI Group Safety Management Liaison Committee,



A spot safety check in progress

which is an organization made up of production divisions. In this way information is shared throughout the organization and relayed to other divisions. In addition, the committee invites instructors from other companies in the vanguard of health and safety to present case studies. Such activities are used as an opportunity to improve the skills and abilities of staff members.

In the year ended March 2007 spot safety-management investigations were conducted at 14 domestic production sites and four overseas production sites. No major issues were discovered during these spot investigations.

### Strengthening Mental Healthcare Initiatives

In order to support the mental health of our employees, in the year ended March 2006 the OKI Group formed the Mental Healthcare Working Group as a special subcommittee of the Central Safety and Health Committee. The working group has created systems to help employees care for their own mental health and has established training programs related to mental healthcare.

In the year ended March 2007, two group companies implemented the Mental Toughness Orientation Program (MTOPI), a tool for checking stress levels that makes use of the Internet. Through implementing the program we have created a system in which employees are able to check their own stress levels and instantaneously receive advice based on the results. Also, in order to provide further support for mental healthcare at the workplace, a manager's guidebook is provided as a part of the program, which can be used as a reference text as needed. The text is also used in group training sessions. Starting in the year ending March 2008 we plan to extend the MTOPI program to other group companies.



MTOPI screenshots

### Promoting the Health OKI 21 Campaign

The OKI Group runs the Health OKI 21 Campaign, which involves group companies, unions, and health insurance societies coming together to help employees take the initiative in caring for their health. We use the company intranet and other means to communicate various types of information designed to help improve lifestyle habits, survey employees to gauge their health awareness, and run various other campaigns.

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

# Consideration for the Environment

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

## Focal Points for the Year Ended March 2007

- Improvement and effective utilization of environmental technologies
- Enhancement of environmental compliance
- Facilitation of sharing of environmental information

## Main Initiatives in the Year Ended March 2007

- Developed technologies to bring about more compact, more energy efficient products (see page 11)
- Improved company-wide information management systems pertaining to environmental laws, and acquired certification under the Cross-Jurisdictional Waste Treatment Manufacturer Scheme
- Implemented an information system for chemical substances contained in products

## Focal Points for the Year Ending March 2008

- Reliable conformance with environmental regulations for products on a global scale
- Reduction of greenhouse gases through energy conservation in business activities and other measures
- Reduction of greenhouse gases through less power consumption by our products
- Expansion of the scope of consolidated environmental ISO certification to overseas manufacturing sites

## OKI Group Environmental Policy and OKI Eco Plan 21 resources

The OKI Group Environmental Policy consists of our policy on the environment and four activity guidelines. Under the policy, the OKI Group is implementing company-wide network-type environmentally conscious management. We intend to steadily carry out environmental activities by contributing to the environment through products, contributing to environmental conservation and business activities, and contributing to the environmental activities of society. These are the three pillars of our environmental activities.

### OKI Group Environmental Policy

#### Environmental Philosophy

By providing products that contribute to the realization of the e-Society, the OKI Group realizes a better global environment for the next generation and passes it on.

#### Environmental Activity Guidelines

1. Strive to maximize the effect of policies and measures by executing company-wide 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 and other requirements such as customer requirements agreed upon, and make efforts to prevent pollution.
3. Accurately execute the PDmCA(Plan-Do-multiple-Check-Act) 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 impact. Specific targets are formulated for each fiscal year. The table below shows activities conducted in the year ended March 2007 and corresponding achievements.

### OKI Eco Plan 21 Activities and the Year Ended March 2007 Achievements

	Category	Activity	Targets for the Year Ended March 2007	Achievements in the Year Ended March 2007
Products	Chemical substances in products that affect the environment	Compliance with RoHS Directive (mercury, cadmium, lead, hexavalent chromium, PBB, PBDE) <ul style="list-style-type: none"> <li>• Hardware</li> <li>• Supplies</li> </ul>	Adapt customer products to RoHS Directive	All applicable products now in compliance
	Resource recovery from used products	Development of internal recycling systems and expansion of scope (approval under Cross-Jurisdictional Waste Treatment Manufacturers Scheme)	Acquire cross-jurisdictional certification	Acquired certification and launched operations
	Environmental skill-improvement for products /services	Improvement of understanding about environment related laws and regulations, customer requirements, etc. (e-learning, group courses, etc.)	Run skill-improvement courses	Participation rate of 83%
Business Activities	Prevention of global warming	Reduction of CO <sub>2</sub> emissions at production sites <ul style="list-style-type: none"> <li>• Reduction of power consumption with updated equipment</li> <li>• Review of operations</li> <li>• Other measures</li> </ul>	Reduction of 2% or more (basic unit) compared with the year ended March 2004	Reduced by 9% (2% increase in absolute amount)
		Information and telecommunications devices	Reduction of 2% or more (basic unit) compared with the year ended March 2004	Reduced by 26% (33% reduction in absolute amount)
		Reduction of atmospheric emissions of greenhouse gases	Formulate action plan	Finished formulating plan up through 2010
	Resource recycling	Reduction of industrial waste at production sites (maintenance/continuation of zero-emission status)	Continue efforts	Some sites have not yet achieved zero emission status
Environmentally Conscious Management	Limitation of use of chemical substances that affect the environment	Reduction of emissions or use of chemical substances that affect the environment (evaluation/implementation of expansion of systems in Japan and overseas)	Reduction of 2% or more compared to the year ended March 2002	6% increase compared to the year ended March 2002
	Reinforcement of environmentally conscious management systems	Promotion of company-wide network-type environmentally conscious management systems (evaluation/implementation of expansion of systems in Japan and overseas)	Expand, or consider expanding, application in Japan and overseas	Added 10 sites
	Reinforcement of environmental compliance	Improvement of internal and external understanding about OKI's environmental performance and policy (seminars, group educational courses)	Hold seminars (accident prevention, etc.)	Implemented seminars and educational programs



## Promotion of Company-Wide Network-Type Environmentally Conscious Management

### Expanding the Scope of Consolidated ISO 14001 Certification

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

In order to strengthen this system, in the year ended March 2007 we expanded the scope of consolidated ISO 14001 certification, which we acquired in the year ended March 2005, to overseas sites; specifically, to OKI (Thailand)'s Ayutthaya site, OKI Data Manufacturing (Thailand)'s Ayutthaya site, and OKI Precision (Thailand)'s Chang Mai site. In addition, in Japan, eight group companies and 10 sites were newly integrated into the certification.

In the year ending March 2008 we are planning to integrate production sites in China into the certification with a view of implementing efficient environmental measures on a global scale and maximizing their effects.



During an ISO inspection

### Employee Perspective

As a major assembly and test site for OKI semiconductors, our company is working to expand production and reduce costs. In the semiconductor manufacturing process, chemicals and gases are used that have a major impact on the environment and both material and liquid waste are processed, so for some time we have actively carried out environmental management. Being included in the scope of ISO certification affords us the opportunity to promote information sharing among all three sites in Thailand. While considering specific conditions at each company, we will utilize the environmental technologies that have been cultivated by the OKI Group to date and reference examples of successful installations to steadily carry out more effective and more efficient environmental conservation activities.



**Burana Sopa**  
OKI (Thailand)

## Raising Environmental Compliance Levels

### Improving the Company-wide Information Management System for Environmental Laws and Regulations

The OKI Group has constructed a company-wide information management system in order to facilitate the integrated management of information pertaining to legal and regulatory revisions relevant to each site, information on regulated facilities and environmental factors\*, and information on required government notifications. The system serves as a way of addressing the problem of how to pass on technologies and information. In the year ended March 2007 we added a new function to the system that makes it possible to conduct reverse searches, which means searching for corresponding regulatory information starting with specific facilities or environmental factors. We use this new search feature when considering the installation of new facilities, for example.

\* In this case, "environmental factors" refers to organizational activities, products and services that impact the environment or potentially impact the environment.

### Acquiring Cross-Jurisdictional Waste Treatment Manufacturer Certification

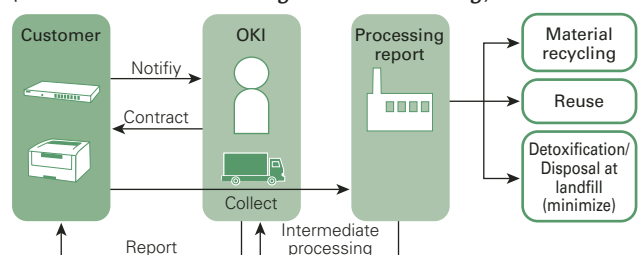
In June 2006 OKI acquired Cross-Jurisdictional Waste Treatment Manufacturer certification\*, a program administered by the Ministry of the Environment.

OKI acquired the status of designated manufacturer\*\* in November 2003 and has established a collection system for used products. In conjunction with acquiring manufacturer certification in June, intermediate processing contractors, which handle waste processing, were increased from 10 companies to 18 companies in order to expand recovery volume. In processing waste, it is our goal to not only comply with waste processing laws and regulations, but also to develop recycling methods with less environmental impact while flexibly complying with the requirements of customers.

\*1 Certified Cross-Jurisdictional Waste Treatment Manufacturer Scheme: This system provides special exceptions under the Waste Management Law, allowing producers of manufactured goods and other items to dispose of waste across jurisdictional boundaries in order to facilitate waste reduction, appropriate processing and recycling.

\*2 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 Recycling of Used Products (Flowchart for Contracting Waste Processing)



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

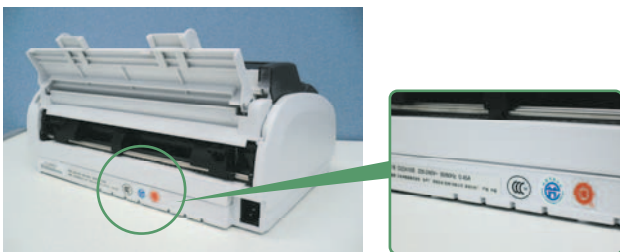
# Consideration for the Environment

## Compliance with Regulations for Chemical Substances Contained in Products

The European Union (EU)'s RoHS Directive went into effect in July 2006. Following that, China's Management Methods for Controlling Pollution Caused by Electronic Information Products Regulation (China RoHS), which makes labeling mandatory for chemical substances contained in products, went into force in March 2007. In order to comply with these regulations, the OKI Group is managing and reducing chemical substances.

OKI Data, which handles our printer business, rapidly completed the process of adapting all applicable printer models to the EU's RoHS Directive. In the European Union, it has become mandatory to submit compliance certificates for RoHS inspections. To this end, we have created the Global RoHS Database, a database that contains measurement data for components of each model of printer along with supplier certificates. Our distributors around the world can download the compliance certificates at any time. In addition, for models subject to China RoHS, we completed compliance before the law went into effect.

Moreover, for semiconductors and applicable models of information processing equipment, including ATM machines, we are now in compliance with both the RoHS Directive and China RoHS.



A printer compliant with China RoHS

## Facilitating the Sharing of Environmental Information

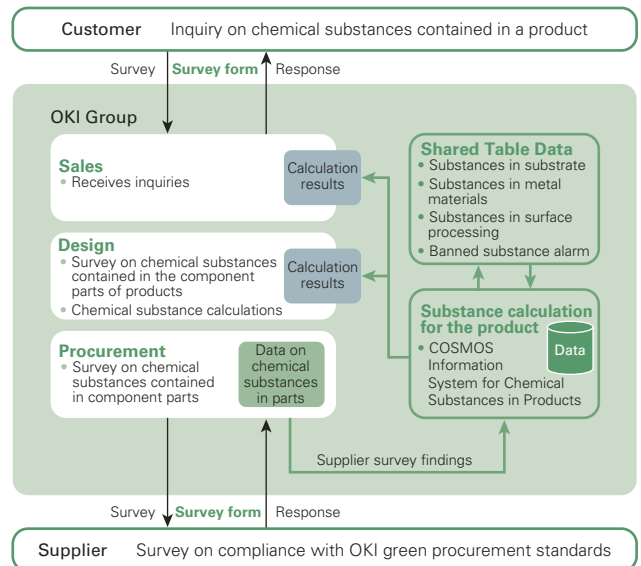
### COSMOS—An Information System for Chemical Substances Contained in Products

In order to comprehensively evaluate the environmental impact of its products, OKI developed COMOS, an information system for chemical substances contained in products that integrate our chemical substances database and product design systems. The system is used throughout the group.

COSMOS certifies compliance with requirements based on the products' component parts, processing conditions defined at the design stage, and other data. This is done by automatically calculating amounts of chemical substances contained in products, including substances added at the processing stage. Moreover, survey forms for suppliers and reports for customers

can be created in industry-standard formats. In the year ended March 2007 we adapted these forms to the most recent survey formats (Version 3) stipulated by the Japan Green Procurement Survey Standardization Initiative (JGPSSI) as well as the JGPSSI's Guidelines for the Management of Chemical Substances. Utilizing this system allows the findings of green procurement surveys to be shared within the group. This improves the efficiency of data compilation for chemical substances and enables us to quickly respond to customer survey requests.

### Green Procurement Chemical Substance Survey and the Information System for Chemical Substances Contained in Products



## Reducing the Environmental Impact of Business Activities

### Reducing Emissions of Greenhouse Gases

The OKI Group is working to reduce emissions of greenhouse gases. We have 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.

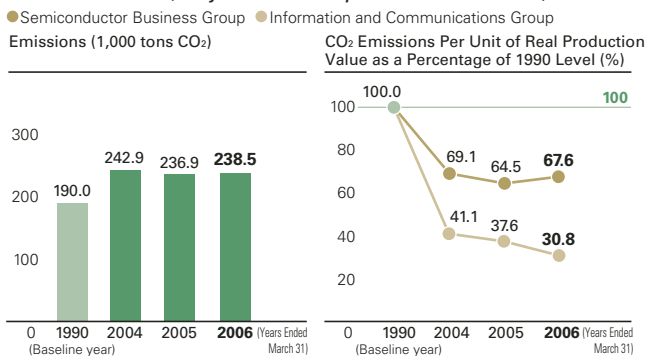
Starting with the year ended March 2007 report, in assessing total energy-related CO<sub>2</sub> emissions, we have switched from a basic unit basis to a real basic unit basis in accordance with the calculation standards set forth in the voluntary action plan for preventing global warming developed by the electrical machinery and electronics industry. As a result of calculating CO<sub>2</sub> emissions from electricity use based on power company emissions coefficients, we have met the industry goal of improving CO<sub>2</sub> emissions per unit of real production value\*<sup>2</sup> by 28% compared to the year ended March 2000 levels (72% or less).

The OKI Group's total energy-related CO<sub>2</sub> emissions in the year ended March 2007, which includes overseas plants, amounted to 299,000 tons (238,500 tons at major production sites in Japan). This amount is close to the level in the year ended March 2006. On a division-by-division, basic unit basis, the information and communications group saw a reduction of approximately 7%, but the semiconductor business group had a slight increase due in part to the impact of lower sales.

\*1 PFC gases are perfluorocarbon gases such as CF<sub>4</sub> and C<sub>2</sub>F<sub>6</sub>.

\*2 CO<sub>2</sub> emissions per unit of real production value is CO<sub>2</sub> emissions divided by real production value (real production value is nominal production value divided by the Bank of Japan's corporate goods price index (electrical equipment), with the value of the index in the year ended March 1991 set at 1).

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



### Reducing Waste

The OKI Group has been working to achieve zero emission\*<sup>1</sup> status since the year ended March 2001. In the year ended March 2003 we achieved zero emission status at our major production sites in Japan, and in the year ended March 2006 we accomplished the same at printer production sites in the UK. However, in the year ended March 2007, companies contracted by Miyagi OKI for waste recycling altered their acceptance criteria, which made it difficult to recycle some materials. For this reason the overall resource recovery rate\*<sup>2</sup> for our major production sites declined to 90.1%. We are currently considering and evaluating new waste recyclers so that we maintain zero emission status into the future.

\*1 Zero emission status is defined by the OKI Group as a resource recovery rate of more than 99% for general waste and industrial waste.

\*2 The resource recovery rate is the quantity of recovered resources divided by (the sum of recovered resources and the quantity of final disposal at landfills) multiplied by 100.

### Improving and Effectively Utilizing Environmental Technologies

#### Environmental Training to Improve Environmental Technologies

The OKI Group runs an environmental training program to improve skill levels for staff in sales and design divisions. The program uses an environmental e-learning system designed for all employees.

In the year ended March 2007, approximately 4,900 employees attended the regular training program, and some 2,200 employees took part in the skill-improvement program. We also run job-specific environmental training programs. In November 2006 at the OKI System Center located in Warabi, Saitama Prefecture, approximately 200 software and system engineers took part in group training on the RoHS Directive. The goal of these training programs is to facilitate understanding of the importance of creating environmentally conscious products and to improve our environmental technologies.

### Adapting Environmental Technologies: Eco-Friendly Product Development

The OKI Group is committed to reducing the environmental impact of its products by assessing energy efficiency, resource efficiency, recyclability, chemical substance reduction and other factors, starting at the development and design stage.

#### • ATM21SX—A Compact ATM Machine

The ATM21SX is a compact ATM machine developed for smaller financial institutions and convenience stores in China. Compared to OKI's conventional models, it takes up 30% less space and uses 10% less power when in operation.

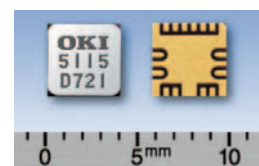
In developing this product, we limited chemical substances by utilizing our proprietary environmental product assessment program and labeled chemical substances contained in the product in conformance with China RoHS. In addition, by improving ease of maintenance and operating efficiency we reduced the product's environmental impact when in use.



ATM21SX

#### • KGL5115KD—EML Driver IC for 10 GB Optical Communications

The KGL511KD is an EML\*<sup>1</sup> driver IC for ten-gigabyte optical communications that runs on +3.3 volts. By optimizing the design of the output circuit, which consume substantial power, while maintaining the high-quality waveform characteristic of a driver IC using GaAs PHEMT\*<sup>2</sup>, we succeeded in reducing power consumption by 25% compared to conventional OKI products. The IC consumes 0.45 watts (amplitude 2.3 Vpp), the lowest power consumption of any EML driver IC for ten-gigabyte optical communications in the world. A four millimeter square compact ceramic package, one of the smallest in the world, is also used, which makes the product even more compact.



KGL5115KD

\*1 EML is short for electro-absorption modulated laser, which is an optical semiconductor with integrated laser diodes made up of an electrolysis absorption modulator and light source.

\*2 GaAs PHEMT is a high-speed compound semiconductor device that uses a two-dimensional electronic gas layer for its channel.

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

# 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 2007

- Reinforcement of community contribution activities in Japan and overseas
- Expansion of participation in OKI 100 Yen Fund of Love and voluntary activities

## Main Initiatives in the Year Ended March 2007

- Donation for re-building and reforming an elementary school in China (see page 9)
- Actively conducted contribution activities at domestic affiliates and overseas sites
- Increased participation in OKI 100 Yen Fund of Love by around 800 compared to the previous year

## Focal Points for the Year Ending March 2008

- Reaffirm distinctively OKI social contribution and extend that awareness to the group
- Reinforce communication to employees related to volunteer activities

## Basic Philosophy and Systems for Social Contribution Activities

The OKI Group established the Corporate Philanthropy Office in 1996. Under the Basic Philosophy and Basic Policy for Social Contribution Activities, which we formulated that same year, we have promoted social contribution in an organized manner, including donations, opening facilities for community use, and employee volunteer activities. Employees contribute by OKI 100 Yen Fund of Love and by participating in programs in such areas as social welfare and environmental conservation. We also team up with a variety of nonprofit organizations in order to conduct more wide-ranging activities.

### 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 implement social contribution activities that reflect local and national needs, using its corporate resources, including its human resources and assets.
- 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: A Voluntary Donation Program

The OKI 100 Yen Fund of Love was started in the year ended March 1997 as a social contribution activity in which every employee could easily participate. The fund is a voluntary program that collects 100 yen every month from willing OKI Group executives and employees.

In March 2006 we revised the system to make it possible for each person to be able to donate 100, 200 or 300 yen every month in order to further stabilize and expand the program. As of the end of the year ended March 2007, executives and employees from 33 companies in the OKI Group participate in the program. Participation increased by 800 100-yen contributions compared to the previous year, to 6023 contributions every month.

### The OKI 100 Yen Fund of Love: Achievements in the Year Ended March 2007

Donation of blood transport vehicles to the Japan Red Cross Society	¥3.0 million (total amount including matching donations)
Payment of local and international transporting fee for sending used clothing to overseas refugee camps, etc.	¥1.38 million
Donation for facilitating employment for people with severe disabilities	¥1.0 million
Donation for support voluntary organizations in which employees have relationships	¥3.07 million (25 organizations supported)

### Donation for Facilitating Employment 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 forms telecommuting groups and contracts for software-related work in order to facilitate the autonomy of people with severe disabilities who would otherwise have difficulty commuting to a job site. The OKI Group provides funds for leadership and technical training for telecommuting



groups as well as equipment needed for business operations. In conjunction with amendments to the Law for Employment Promotion of Persons with Disabilities, in April 2006 Tokyo Colony became one of the first organization in Japan registered by the Minister of Health, Labour and Welfare as a support organization for home-based employment (there are eight organizations nationwide).

### Donation for Support Voluntary Organizations in Which Employees Have Relationships

The OKI Group uses the OKI 100 Yen Fund of Love to provide financial assistance to voluntary organizations in which employees have relationships, based on requests from employees and the Corporate Philanthropy Office.

In the year ended March 2007 we began providing assistance to the Japan Vocational Development Center for the Blind and provided support for the 2006 International Student Literature Prize (administered by the International Student Literature Prize Committee), an award for international students new to the study of Japanese literature. In total, we provided support to 25 organizations.



The awards ceremony for the 2006 International Student Literature Prize

### Participatory Volunteer Activities

#### Activities of the OKI Mountain and Forest Brigade

The OKI Group has created the OKI Mountain and Forest Brigade, which is participated in by employees and their families. The brigade helps maintain local forest areas and works to improve relations with local residents.

In the year ended March 2007, we twice cut and thinned two forests associated with the OKI Group, a forest we are raising in Komoro, Nagano Prefecture and a forest we are tending to in the Kannonyama area of Takasaki, Gunma Prefecture. We also did thinning work in Izu, Shizuoka Prefecture. In conducting these activities, we received the support of the city of Komoro, the nonprofit organization Green Earth Center, Gunma Forest Management Department and other organizations.



Working at a forest tended by the OKI Group

### Contributing to the Community Through Take-Tonbo

With the help of the International Take-Tonbo (Bamboo- Dragonfly) Association, since the year ended March 2000 the OKI Group has held a take-tonbo festival almost every year, inviting children from local care facilities. In the year ended March 2007, 20 children were invited to the Kyodo-no-Mori Museum in Fuchu on November 11 to make take-tonbo and puppets.

In addition, with this program serving as the springboard, we are also involved in a variety of social contribution activities with the International Take-Tonbo Association that center on making take-tonbo. At the 2007 Children/Dream/Future Festival held by the city of Saitama, we set up a booth where people could try making take-tonbo. We have participated in this festival every year since the year ended March 2003. In August 2006, we also helped sponsor an event promoting international solidarity among orphaned children held by the organization Ashinaga. The event was held to facilitate friendships between children in Japan and children overseas who have lost their parents due to natural disaster, war, terrorism, AIDS or other calamities. One hundred children from 17 countries and regions came to Japan for the event. At the event OKI helped run a workshop for making take-tonbo, one of the social activities held for the children.



Making puppets



At the workshop

### Making and Donating Lao Picture Books

Together with the nonprofit organization Action with Lao Children, every year the OKI Group holds an event for making picture books in the Lao language and sends them to children in Laos. The event involves making picture books in Lao by attaching Lao translations of Japanese picture books. Simple Lao language courses and quizzes related to Laos are also held, all of which serves to deepen understanding of Lao culture.

In the year ended March 2007, employees of the OKI Group, their families, students from Gakushuin Women's College who will participate in a study tour in Laos with Action with Lao Children, and other volunteers helped make the picture books. In total 34 people participated, 12 more than the previous year. In total, they completed 60 books.



Reading from a Lao picture book

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 Local Community Contribution in Japan and Overseas

### Interacting with Local Residents by Opening Up Company Facilities

The OKI Group works to deepen relations with local residents through a variety of initiatives, which include opening up company facilities to the community.

The OKI System Center in Warabi, Saitama Prefecture held its annual OKI Warabi Culture Festival in November 2006. The festival helped celebrate OKI's 125th anniversary as well as commemorate our 20 years in the region. Some 2,700 people attended, more than on an average year. Also, in the Shibaura area of Tokyo's Minato Ward, we held the inaugural Shibaura Appreciation Day in November with over 1,000 people participating. Money raised from the charity bazaar and street vendors was donated in full to the Minato Council of Social Welfare.



The charity bazaar in Shibaura



Riding a mini train at the Warabi Culture Festival

### Community Cleanup Campaigns

OKI sites throughout Japan play an active part in community cleanup campaigns. In July 2006, 24 volunteer employees from three group companies in Hokkaido participated in a cleanup campaign along the Toyohiragawa River, picking up garbage from the river's banks. They also participated in a river rafting event, one of Sapporo's signature summer events.



A raft with an ATM on board (!) floating down the Toyohiragawa River

### Starting a Youth Soccer League

In August 2006 OKI Systems (UK), our printer sales affiliates in the UK, teamed up with the Hampshire Constabulary to start the OKI Street Sixes Youth League, which is intended to support the healthy development of local youth. Some 300



Children in the OKI Street Sixes Youth League

people from ages 7 to 17 participate in the league in three age-based groups (15 teams in each group). There are two seasons every year and games are conducted in a league format. The league is expected to help prevent crime by encouraging kids to lead a healthy lifestyle through soccer. The company is also planning to provide support for similar activities in other regions in partnership with police departments and local government bodies.

### Handing Down Production Technology to the Local Employee

At OKI Precision (Thailand), which manufactures printer components in Thailand, the president holds free classes after working hours for interested young Thai employees on production technology, starting with the basics. The classes cover basic product knowledge, fundamentals and principles of engineering technology, and other topics. Over the course of two hours the president lectures on such topics as laser welding, types of cleaning and why rust occurs. Each class is voluntarily attended by over 40 participants, who learn about Japanese manufacturing technologies.



A lecture in progress

### Executive Perspective

Our company has been working to localize operations for some time. Almost all of our employees (approximately 380) are Thai. While there are many people who were not able to receive adequate schooling, we have noticed that there are many potentially exceptional employees, so we started an educational course on manufacturing. The course curriculum has been devised so that it can be understood by people without any manufacturing knowledge. The course participants ask questions every day and I've been pleasantly surprised by their enthusiasm.



**Koji Kurosawa**  
President, OKI Precision (Thailand)

# Building Trust

In the year ended March 2007 the OKI Group reaffirmed initiatives at group companies in each area of the OKI Group Charter of Corporate Conduct in order to further establish the charter within the group and raise awareness of it. We also formulated the OKI Group Procurement Policy, which reflects the content of the charter. In doing so we created a system by which the group can promote corporate social responsibility in partnership with our suppliers.

In the year ending March 2008 we will continue to deepen these initiatives, with the CSR Promotion Division, which was established in April, playing a leading role. As a part of this process we reorganized our CSR priorities as follows.

- **We have redefined compliance promotion as ensuring full compliance with laws and regulations, and we have positioned this as the foundation of our CSR activities overall.**
- **Information security was previously one aspect of compliance promotion, but we have positioned this as a new priority in its own right. The group as a whole will work to strengthen security initiatives.**

The other priorities remain the same, and we will continue to engage in initiatives that center on the areas outlined in the table below. In addition, we will work to raise awareness of the new OKI Group Code of Conduct among all group executives and employees.

## Points of CSR Focus in the Fiscal Year Ending March 2008

CSR Area	Main Initiatives in the year ended March 2007	Focal Points for the year ending March 2008
Full Compliance with Laws and Regulations	<ul style="list-style-type: none"> <li>• Conducted performance audit on recorded risk</li> <li>• Strengthened security systems and acquired privacy mark</li> <li>• Increased participation levels through creative use of compliance education tools</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to steadily promote risk management</li> <li>• Review assessment and enhance monitoring of each risk</li> </ul>
Information Security		<ul style="list-style-type: none"> <li>• Establish information security as a new CSR priority and strengthen related measures</li> <li>• Enhance group-level management through establishment of the Information Security Committee</li> </ul>
Improvement of Customer Satisfaction	<ul style="list-style-type: none"> <li>• Improved the quality of maintenance operations</li> <li>• Created OKI rules for responding to quality-related incidents and promoted in the group</li> <li>• Applied universal design techniques</li> </ul>	<ul style="list-style-type: none"> <li>• Establish quality incident response rules at each group company</li> <li>• Promote initiatives to more fully inform customers of our quality assurance and product safety activities</li> <li>• Expand application of universal design techniques</li> </ul>
Good Communication with Shareholders and Investors	<ul style="list-style-type: none"> <li>• Started distributing email newsletters to institutional investors overseas</li> <li>• Increased subscribers to email newsletters for individual investors</li> <li>• Relaunched website for investors</li> </ul>	<ul style="list-style-type: none"> <li>• Enhance IR events for Japanese institutional investors (business seminars, factory tours, etc.)</li> </ul>
Respect for Employees	<ul style="list-style-type: none"> <li>• Conducted internship events and other initiatives</li> <li>• Enhanced globalization training</li> <li>• Formulated a second action plan for supporting the development of the next generation</li> <li>• Introduced MTOP and developed a mental health training system</li> </ul>	<ul style="list-style-type: none"> <li>• Recruitment and training of diverse human resources</li> <li>• Create an environment for supporting the development of the next generation</li> <li>• Strengthen safety training at production sites</li> <li>• Extend mental health initiatives to group companies</li> </ul>
Consideration for the Environment	<ul style="list-style-type: none"> <li>• Developed technologies to bring about more compact, more energy efficient products</li> <li>• Improved company-wide information management systems pertaining to environmental laws, and acquired certification under the Cross-Jurisdictional Waste Treatment Manufacturer Scheme</li> <li>• Implemented an information system for chemical substances contained in products</li> </ul>	<ul style="list-style-type: none"> <li>• Reliable conformance with environmental regulations for products on a global scale</li> <li>• Reduction of greenhouse gases through energy conservation in business activities and other measures</li> <li>• Reduction of greenhouse gases through less power consumption by our products</li> <li>• Expansion of the scope of consolidated environmental ISO certification to overseas manufacturing sites</li> </ul>
Social Contribution	<ul style="list-style-type: none"> <li>• Donation for re-building and reforming an elementary school in China</li> <li>• Actively conducted contribution activities at domestic affiliates and overseas sites</li> <li>• Increased participation OKI 100 Yen Fund of Love by around 800 compared to the previous year</li> </ul>	<ul style="list-style-type: none"> <li>• Reaffirm distinctively OKI social contribution and extend that awareness to the group</li> <li>• Reinforce communication to employees related to volunteer activities</li> </ul>

## Editorial Postscript

This year marks the third year that the OKI Group has published its Social Responsibility Report. Starting with last year's version of the report, we have organized its content based on the six areas in which the OKI Group is promoting activities on a priority basis, in order to communicate the progress of these activities to stakeholders in a manner that is easier to understand.

Social Responsibility Report 2007 follows the format of the previous year's report. Initiatives in the year ended March 2007 are organized on the basis of activity areas. By establishing this report format, during the course of creating the report related corporate divisions share information on the progress of activities and outstanding issues, which is then utilized in the next fiscal year's activities. Also, due in part to the

fact that readers have enjoyed the employee perspective sections, as indicated by our questionnaires, we have introduced even more group employees from Japan and overseas to describe OKI Group activities in an easy-to-understand manner.

While we recognize that there are still many inadequacies in individual sections of the report, we see this as partially due to issues having to do with the activities themselves, so we intend to work to further enhance our activities and disclose related information in a way that is even easier to follow. We look forward to receiving your candid opinions about this report.

September 2007  
CSR Promotion Division

# **OKI**

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