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
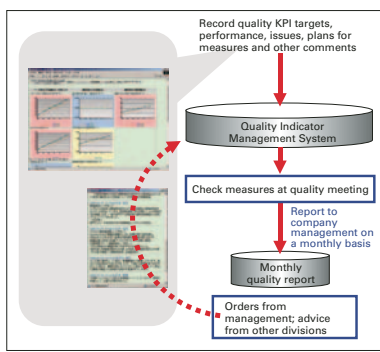
Under the program, key quality performance indicators (KPIs) are established for issues that are important to customers based on customer satisfaction surveys and day-to-day customer feedback, monthly and semiannual targets are set, and measures are enacted to meet the targets. Performance versus the 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 safety 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

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

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

Printer setups of the majority of customers have been reproduced
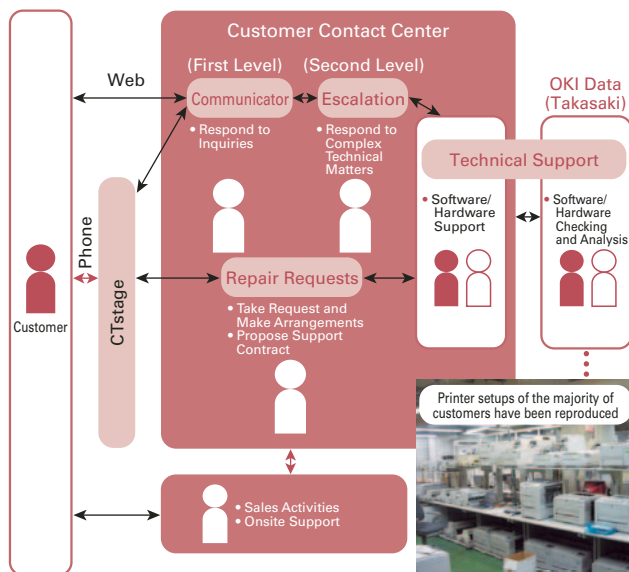
Promoting Universal Design

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
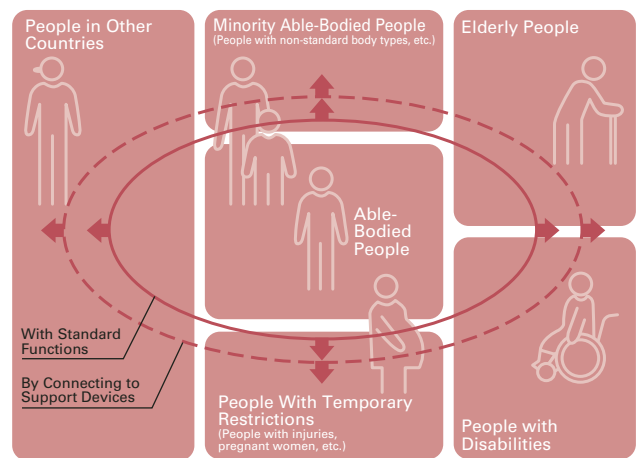
The OKI Group's efforts to enhance usability and accessibility are based on four concepts. First, products must have interfaces that are easy to understand. Second, mental and physical stresses must be minimized. Third, there must be choices of operating methods. Fourth, products must be friendly and 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
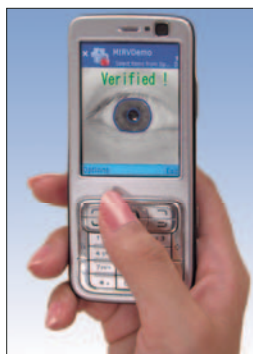
Using iris-pattern authentication on a camera phone (simulation)

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.
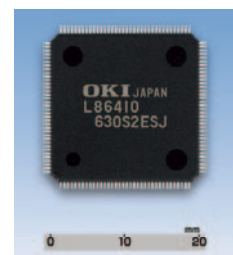
• VisualCast VBOX-S/500 Digital Video Recorder

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

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