OKI

Open up your dreams

CSR REPORT 2015

CORPORATE SOCIAL RESPONSIBILITY REPORT

The OKI Group´s initiatives of corporate social responsibility (CSR) focus on contributing to the improvement of the quality of life for people around the world through sound corporate activities based on our corporate philosophy.

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.

OKI Group Charter of Corporate Conduct

For the betterment of corporate value, the OKI Group (Oki Electric Industry Co., Ltd. and members of its group of companies) seeks to provide satisfaction to its customers at all times and to become a trusted partner for our stakeholders, including shareholders and investors, employees, customers and suppliers, and the local societies of the areas in which it operates. In addition to complying with all related laws and regulations, the OKI Group will implement sound corporate activities consistent with social norms, and contribute to the improvement of the quality of life for people around the world.

■ Customer Satisfaction

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

■ Fair Corporate Activities

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

■ Good Communication

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

■ Intellectual Property and Information Management

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

■ Respect for Human Rights

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

■ A Better Working Environment

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

■ Respect for Employees

Respecting the individuality of each employee, the OKI Group creates a corporate culture in which its personnel are encouraged to engage in 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.
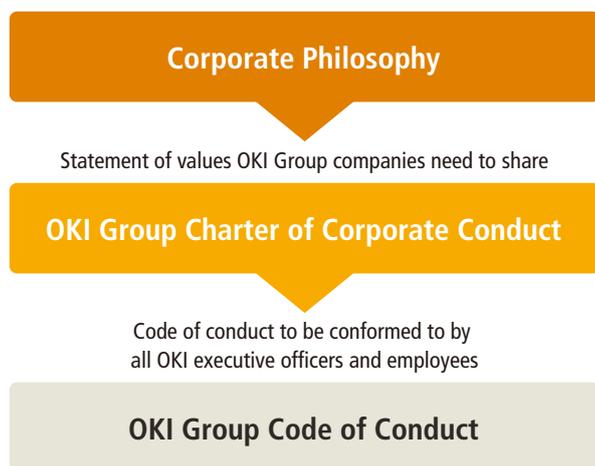
■ Regional Awareness

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.

The OKI Group, as described in its corporate philosophy, aims at contributing to improve the quality of life for people around the world through its core business, namely the manufacturing and distribution of products and services that can serve the development of the information age. Our commitment to the pursuit and fulfillment of this idea underlies the group's corporate social responsibility (CSR) initiatives.
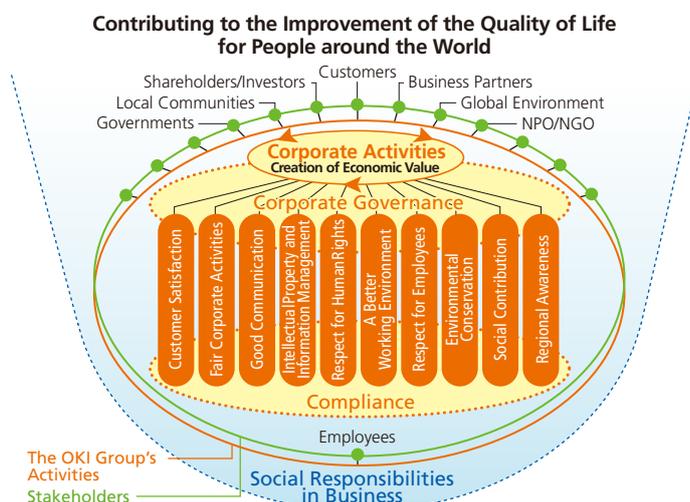
Based on this understanding, in order to cohesively promote our CSR initiatives, we enacted the OKI Group Charter of Corporate Conduct, as a statement of values to be shared by all OKI Group companies. We also established "OKI Group Code of Conduct", which is to be conformed to by all executives and employees of the group. We have adopted the charter and code across the entire group, and are working to thoroughly implement them through various means such as training programs.

We will continue to consider social responsibilities from all the relevant angles – namely, from the aspect of the United Nations Global Compact and the international standard ISO26000 regarding social responsibility along with the aspect that comes in the shape of expectations received from stakeholders, in order for us as the OKI Group to further boost the contribution to our regular business while simultaneously reconfirming the social responsibilities we should fulfill.

Foundation of CSR at the OKI Group

Corporate Philosophy

Statement of values OKI Group companies need to share

OKI Group Charter of Corporate Conduct

Code of conduct to be conformed to by all OKI executive officers and employees

OKI Group Code of Conduct

CSR Initiatives by the OKI Group

Contributing to the Improvement of the Quality of Life for People around the World

Participation in the United Nations Global Compact

THE GLOBAL COMPACT

Network Japan
WE SUPPORT

In May 2010, OKI signed the United Nations Global Compact to declare its support for the Compact. It also became a member of the Global Compact Network Japan, which is a local network in Japan. The OKI Group supports the ten principles of the United Nations Global Compact in the area of human rights, labor, environment and anti-corruption, and engages in activities for helping create sustainable societies.

The Ten Principles of the UN Global Compact	
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
	Principle 2: make sure that they are not complicit in human rights abuses.
Labor	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
	Principle 4: the elimination of all forms of forced and compulsory labor;
	Principle 5: the effective abolition of child labor; and
	Principle 6: the elimination of discrimination in respect of employment and occupation.
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges;
	Principle 8: undertake initiatives to promote greater environmental responsibility; and
	Principle 9: encourage the development and diffusion of environmentally conscious technologies.
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

A Message from the President

We keep people's trust through our unlimited drive based on an "enterprising spirit" and sincere business activities.

Hideichi Kawasaki

President
Oki Electric Industry Co., Ltd.

We execute our responsibilities toward societies based on our corporate philosophy.

OKI has taken on the baton from its predecessor, Meikosha, founded in 1881 as the first communication device manufacturer in Japan and the company that worked to develop domestic production of the newly invented telephone. Our 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.," has inherited the strong determination it has held since its foundation to "create new businesses with new technologies" and "make the world more convenient," and has become the core of what the OKI Group considers "corporate social responsibility (CSR)."

We contribute to society through our products and services.

Based on this philosophy, the OKI Group's mission is to contribute to society through our products and services. The OKI Group has been undertaking a series of activities to correctly understand the social needs, establish

technologies, achieve quality to satisfy our customers, and sustain the maintenance system as part of our sales and marketing, technology development, production, and maintenance. As a result, we in the OKI Group now play an important role in Japan for supplying and maintaining various systems including systems for financial institutions, telecommunication infrastructures for telecom carriers, and various public systems such as transportation and disaster prevention in Japan, while our ATMs and printers are widely used overseas.

In order to continue to live up to the expectations of customers as well as of societies, our Mid-term Business Plan 2016, to be concluded at the end of FY2016, states the management policy of "Realize sustainable growth through continuous investment by securing stable profitability." At the same time, we also proposed our ideal image, namely to "become a high-value added creation group, contributing to the realization of safe and comfortable society." The OKI Group will accelerate activities toward growth with the following three pillars; "Expanding business in global markets," "Supporting customers' 'asset-free' management," and "Realization of safe and comfortable society." Moreover, to give these activities substance, we will strive to boost our human resource measures by promoting diversity, starting with the employment and nurturing of global human resources and greater participation by women. Everyone of our group employees will put themselves in the shoes of stakeholders in order to think over approaches for providing a high-value added service while also putting into practice "Marketing and Innovation" as the hub activity. In this way, we will cut the right figure as a high value added creation group.

We promote responsible corporate management as a global corporation.

In order to advance responsible management, the OKI Group has enacted and thoroughly implemented the OKI Group Charter of Corporate Conduct, the statement of

values to be shared with all group companies, and the OKI Group Code of Conduct that should be conformed to by all executive officers and employees. The Group also joined the United Nations Global Compact in 2010, whose ten principles concerning human rights, labor, the environment and anti-corruption are used as the Group's references to further enhance activities. In the course of promoting our major pillar for the mid-term business plan, - namely, "Expanding business in global markets," we will ensure to recognize and assume our responsibility as a global company while enhancing the Group's governance, and work toward contributing to building sustainable societies.

We contribute to the realization of a better global environment, in accordance with the OKI Group Environmental Vision 2020.

From this perspective, we believe that proactive actions for reducing environmental load are some of the most important corporate activities of the OKI Group. Taking the global environmental issues into consideration, we have developed the OKI Group Environmental Vision 2020 for the purpose of contributing to the realization of a better global environment, in which the targets for 2020 are established in the following four areas; "Realization of low-carbon societies" "Prevention of pollution," "Resource circulation" and "Biodiversity conservation." To achieve these targets, we will enhance our efforts in business activities and products.

This CSR Report 2015 is intended to help all stakeholders better understand the OKI Group's initiatives. We sincerely hope that as many people as possible will read this report. Your honest opinions regarding our CSR initiatives would be greatly appreciated.

July, 2015

Company Profile

Profile

Corporate Name:	Oki Electric Industry Co., Ltd.
Founded in:	January 1881
Company Established:	November 1, 1949
Capital:	44 billion yen
Employees:	20,653 (Consolidated), 3,881 (Non-consolidated)
	* As of March 31, 2015
Head Office:	1-7-12 Toranomon, Minato-ku, Tokyo 105-8460, Japan Tel: +81-3-3501-3111

Business Segments

Info-Telecom Systems

The OKI Group offers telecom systems, social infrastructure systems, mechatronics systems, and solutions & services, utilizing its core technologies of info-telecommunication and mechatronics, etc.
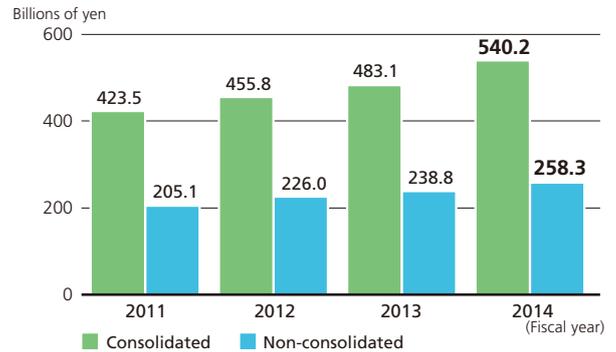
Printers

The OKI Group manufactures printers for business use utilizing its LED technology, and distributes them throughout the world.
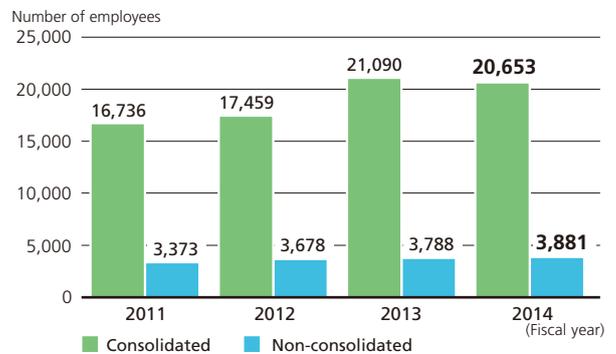
EMS and Others

The OKI Group offers Electronics Manufacturing Services (EMS) and other services, based on its highly sophisticated design and production expertise developed within the group.
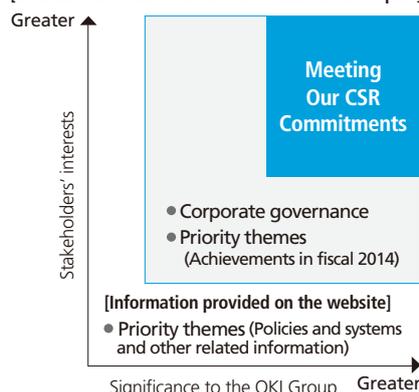
Net Sales

Billions of yen

Fiscal year	Consolidated	Non-consolidated
2011	423.5	205.1
2012	455.8	226.0
2013	483.1	238.8
2014	540.2	258.3

Employees

Number of employees

Fiscal year	Consolidated	Non-consolidated
2011	16,736	3,373
2012	17,459	3,678
2013	21,090	3,788
2014	20,653	3,881

Editorial Policy

■ The OKI Group "CSR Report" featuring our corporate social responsibility efforts and results is published in order to inform our stakeholders of the group's initiatives in an easy-to-understand way.

■ Since the establishment of CSR Promotional Organization in fiscal 2005, OKI has worked continuously with a focus on the defined activity areas, assuming the OKI Group's social responsibilities that are deeply rooted in our Corporate Philosophy. The present report mainly describes the results of the activities in each of these areas for fiscal 2014.

■ In the Special Features section, the two themes are featured as "Meeting Our CSR Commitments." In the articles, the important issues for us as we work toward achievement of the Mid-term Business Plan 2016 are placed on the horizontal axis, while the global initiatives and the stakeholders' voices received in various aspects of the corporate activities are placed on the vertical axis.

■ Detailed information on each priority theme, such as that on specific policies and systems for it, are provided on our website. Also, regarding our environmental response, we issue an "OKI Group Environmental Report" containing detailed information on all sorts of data. Note also that the information on the website also includes a comparative table that shows the relationship between the OKI Group's CSR activities and the core themes of ISO26000.

[Information featured in this PDF version of the report]

Greater ↑

Stakeholders' interests

Meeting Our CSR Commitments

● Corporate governance
● Priority themes (Achievements in fiscal 2014)

[Information provided on the website]

● Priority themes (Policies and systems and other related information)

Significance to the OKI Group → Greater

Stakeholders' interests
• Discussions related to GRI and ISO26000
• Initiatives in the industry such as EICC, GeSI and JEITA
• Opinions from stakeholders on last year's Social and Environmental Report
• Opinions from stakeholders collected through various surveys of employees and others

Significance to the OKI Group
• Corporate Philosophy
• The OKI Group Charter of Corporate Conduct, the OKI Group Code of Conduct
• Mid-term Business Plan 2016
• The OKI Group Environmental Vision 2020
• The OKI Group Environmental Policy
• The United Nations Global Compact
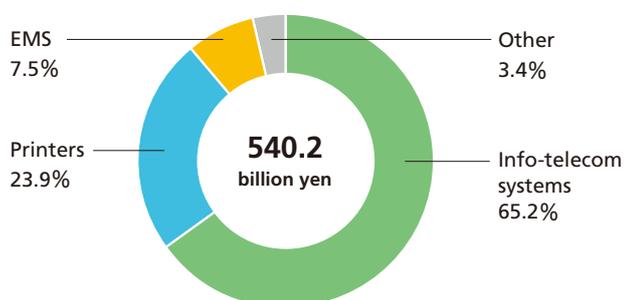• Priority themes about CSR
• Risk management and other issues

● GRI (Global Reporting Initiative):
An international NGO that develops and disseminates globally applicable sustainability reporting guidelines

● ISO26000 (International Organization for Standardization 26000):
An international standard providing guidelines for social responsibility (published in November, 2010)

● EICC (Electronic Industry Citizenship Coalition):
An alliance of electronic manufacturers focusing on CSR that has enacted a code of conduct in the supply chain

● GeSI (The Global e-Sustainability Initiative):
A partnership of information and communications technology companies that collaborates with EICC about CSR management in the supply chain
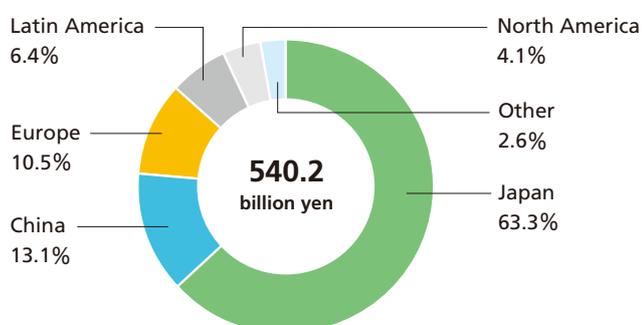
Reference Guidelines

• Sustainability Reporting Guidelines Version 4.0 (GRI)
• Environmental Reporting Guidelines 2012 (Ministry of the Environment)
• UN Global Compact COP (Communication on Progress) Policy

**Net Sales by Business Segment
in fiscal 2014/Consolidated**

EMS
7.5%

Other
3.4%

**540.2
billion yen**

Printers
23.9%

Info-telecom
systems
65.2%

**Net Sales by Market
in fiscal 2014/Consolidated**

Latin America
6.4%

North America
4.1%

Europe
10.5%

Other
2.6%

**540.2
billion yen**

China
13.1%

Japan
63.3%

Scope Covered by This Report

Time Period
This report covers fiscal 2014 (the year from April 1, 2014 to March 31, 2015). However, the report also discusses some facts preceding this period, as well as policies and plans to be implemented in subsequent periods.

Organizations
The report covers the activities of Oki Electric Industry Co., Ltd. (OKI) and its consolidated subsidiaries. However, the environmental performance data covers OKI's 15 locations and 32 subsidiaries in Japan, and 46 overseas subsidiaries.

Corporate Names / Names of Organizations
Oki Electric Industry Co., Ltd. aims to be a globally known growth company. It is commonly called "OKI." In this report, Oki Electric Industry Co., Ltd. is referred to as "OKI," and its corporate group, including its subsidiaries and affiliates, as the "OKI Group." The names of the organizations referred to in this report, in principal, are those used as of April 2015.

Forecasts, Plans and Targets
In addition to factual information about the past and current activities of the OKI Group, this report also includes forecasts, plans and targets for the future. They reflect assumptions and judgments based on information available at the time of writing. Thus, readers are requested to understand that the future results of the company's activities could be different from what is described in this report.

CONTENTS

For further information, please contact

CSR Division
Oki Electric Industry Co., Ltd.
e-mail: oki-csr@oki.com

Meeting Our CSR Commitments

ICT to Realize a Safe and Comfortable Society

With the Mid-term Business Plan 2016, which ends in fiscal 2016, our management policy is to realize sustainable growth through continuous investment by securing stable profitability, as part of our effort to become a high-value added creation group, contributing to the realization of safe and comfortable society. Here, we would like to introduce the OKI Group approach from the view of Information Communication Technology (ICT) that contributes to the realization of a safe and comfortable society.

To achieve the sustainable growth incorporated in the management policy of the Mid-term Business Plan 2016, the defining point of us in the OKI Group is to launch from the core predominance we have cultivated up to now, so that we can maximize business opportunities by opening up new markets based on the shift in business environment. While expanding business and supporting asset-free management through maintenance, EMS and cloud services in global markets for mechatronics and printer businesses, we at OKI Group will make the realization of a safe and comfortable society, which is an integral part of the social infrastructure field for the next generation, a pillar for underpinning and achieving sustained growth.

Therefore, we will offer safer and more comfortable products and services to our domestic customers, starting with those in the financial, telecommunication and public sectors, as well as customers in global markets. In addition, we will roll out high added value products that make the most of the technical forte we have built up over the years, in order to further contribute to the realization of safe and comfortable society.

Market Changes as We Strive for Realization of a Safe and Comfortable Society

In the "Smart Japan ICT Strategy" announced by the Ministry of Internal Affairs and Communications (MIC) in May 2014, as part of the ICT growth strategy vision, ideas are put forward for the creation of new innovation by utilizing ICT to connect various commodities and services. This strategy also reveals ideas for priority projects in which ICT smart towns are developed to encourage local revitalization as well as solve social issues in areas like medical care, education, disaster prevention, transportation, female participation in society and aging infrastructures. Moreover, the strategy includes ideas for developing and maintaining an ICT environment for the Tokyo Olympics and Paralympics in 2020. In other words, this is the government's initiative for the realization of safe and comfortable society.

Thus, in acknowledging the arrival of the "Internet of Things" (IoT), where, in terms of technology, new value can be created by linking a diverse range of things to the internet to mutually spread information, the structuring of a Machine to Machine (M2M) environment that makes possible information exchange between "things" is already on the move to become part of tomorrow's world. In line with this, there also is an enormous amount of information collected and stored on clouds by a variety of sensors that is being analyzed and processed as big data, which, more and more, is being put to practical use in cyber-physical systems (CPS) to influence activities in the real world (physical) while its use via social systems such as smart grids and transport systems means that it is beginning to influence corporate and social activities.

OKI Group Approach

We are developing products and technology that make use of preeminence in areas such as sensing technology and short range wireless network technology as part of our effort for the realization of a safe and comfortable society.
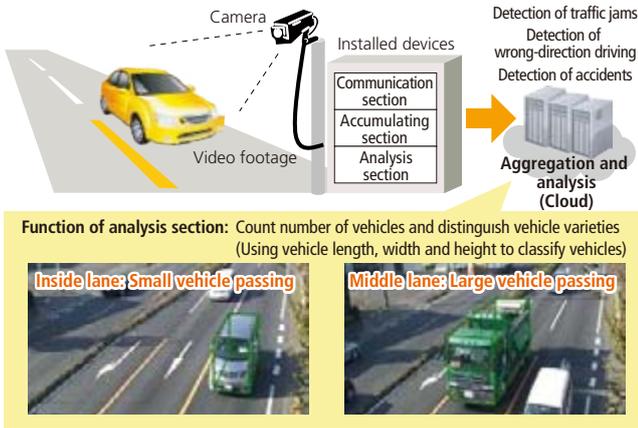
■ Making Use of Sensing Technology

We at OKI are striving to create ultra-sensitive human-detecting sensor products that use radio waves to detect all sorts of motions from big ones like walking through to small ones like breathing. With such products, systems can be developed to provide detailed observation of the elderly and anyone else who needs caring for, as such products will enable real-time recognition of changes in physical condition and lifestyle rhythm of people, even if they are at rest in bed.
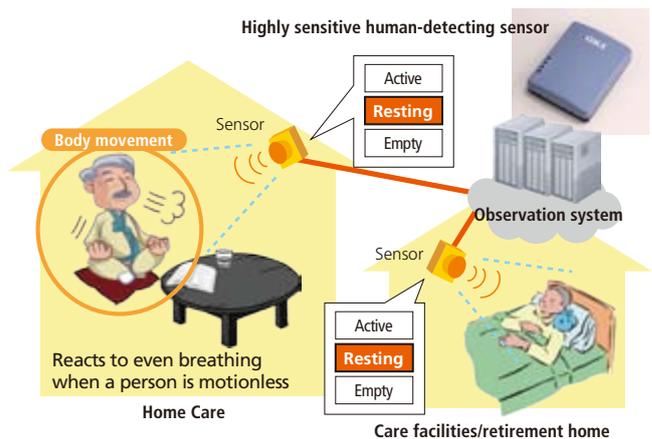
Example of how observation can be performed using ultra-sensitive human-detecting sensors

Again, making full use of video recognition technology, traffic flow analysis systems could be enhanced by street-mounted cameras supplying information on traffic volume and vehicle distinction, such as small and large classification. The expectation for such recognition technology is building as it is able to detect traffic jams, spilled cargo, vehicles driving up the wrong side of highways and accidents.

Traffic flow analysis system using video sensing

Function of analysis section: Count number of vehicles and distinguish vehicle varieties
(Using vehicle length, width and height to classify vehicles)

Inside lane: Small vehicle passing

Middle lane: Large vehicle passing

OKI is commercializing a 920MHz band wireless multi-hop network system that makes full use of our highly reliable multi-hop wireless network technology*. Being able to combine data collection and analysis, this network system offers various solutions for systems such as energy management systems (as it can recognize in real time the amount of electricity, gas and water being used in a building) and for systems that monitor deterioration in structures that are integral to social infrastructures, like bridges and tunnels.

920MHz band wireless multi-hop unit(Master unit/Slave units)

■ Making Use of Short Range Wireless Network Technology

On the back of the reforms to the Radio Law in Japan, there is mounting expectation for 920MHz band short range wireless systems ascribed to smart meters and sensor networks. Compared to the 2.4GHz band used mostly in LAN, the 920MHz band's reachability is higher and further as well as being able to go around obstacles to reach destinations, so it is favored for use outdoors or at sites with lots of obstacles, like factories and hospitals. This frequency band is a sub-GHz one that is getting more and more popular internationally as the frequency band for smart cities. This popularity is expected to stimulate the market.

* Wireless multi-hop network technology: This is technology for transferring data via multiple wireless communication devices, rather like a bucket-relay system. As the system can be configured of a single master unit and multiple slave units, an inexpensive wireless network with a broad operating area can be built. In addition, channels are chosen automatically for signaling, so it is good against interference and offers excellent reliability.

From here on, we in the OKI Group will continue to combine and improve these potent technologies we possess, in order to develop our niche in the field of next-generation social infrastructures, such as those for disaster defense/disaster mitigation, social infrastructure maintenance management and next-generation traffic systems. And, in addition, we will use ICT to solve various social issues to keep up work for the realization of safe and comfortable society.

920MHz Band Wireless Multi-hop Network Application Example: River Monitoring System

In recent years, an increasing number of rivers are unpredictably bursting their banks due to abnormal weather such as localized heavy rain or unseasonal downpours, which are outside of past patterns and cannot be foreseen. Most of the major rivers in the Class A river system controlled by the government are installed with water-level monitoring equipment, but the more numerous medium sized and small rivers of the Class B river system are far less well equipped, so evacuation guidance prior to flooding has become an issue. Furthermore, even when equipment is installed, monitoring staff must go to the river concerned to collect data, which hampers real-time decision making.

We at OKI latched onto these issues, and developed a river monitoring system that incorporates 920MHz band wireless multi-hop network technology. This system involves the data of various sensors (rain gauges, water level indicators, etc.) installed at observation points along the river concerned being sent by wireless signal to a monitoring center, where that data is cyclically collected and checked to confirm river status in real-time. Thanks to the use of multi-hop wireless network technology, which enables the signal to hop along a number of wireless

signal devices, even if communication channels are broken, the system is able to promptly and automatically reselect a channel and reconfigure the network to ensure collection of data without any missing data. And, as the monitoring center obtains data from all locations in real-time, areas under threat of flood damage and their situations can be grasped, information passed on quicker than normally to the nearby residents, and actions taken to evacuate or counter flooding.

Water level indicator for measuring water at an observation point

An all-weather 920MHz band wireless box installed on an existing outdoor loudspeaker system

TOPICS Strengthening Our Maintenance Support Setup for Social Infrastructure Systems

In April 2014, we at OKI set up a call center for social infrastructure systems to provide a one-stop service that handles calls from usage inquiries through to recovery work at times of breakdown for the systems we supply to social infrastructure systems such as firefighting command/wireless systems, municipal disaster prevention systems and road management systems. The call center is operated 24 hours a day, 365 days of the year by OKI Customer Adtech, the support service company in the OKI Group.

To constantly assure safe operation of social infrastructures that are continually evolving, it is important to swiftly discover the problem and

quickly rectify it using high-level specialist knowledge and maintenance technology. Our call center is staffed round the clock by well versed, full-time technicians. Moreover, the center has an ample service menu, with services like M2M technology that enables automatic messaging to the call center about breakdowns of machines offered in the "machine breakdown auto alert service". The center also offers well rounded measures for risks accompanying disasters and security, such as quake-resistant buildings, system duplication and security management based on ISO27001.

Meeting Our CSR Commitments

SPECIAL FEATURE

2

Towards Achieving the OKI Group Environmental Vision 2020

We in the OKI Group established the "Environmental Vision 2020" (see page 20 for details) in 2012 as one of our midterm goals for reducing the load on the environment in four different fields. Here, we would like to introduce specific initiatives we have taken with products in two fields: "Realization of a low-carbon society" and "Prevention of pollution".

Realization of Low-Carbon Societies through Products

The 21st Conference of the Parties (COP21) to the United Nations Framework Convention on Climate Change was held on December, 2015, and the countermeasures against global warming have increased the significance. We at the OKI are striving hard to reduce the environmental load in our main products: printers and automated teller machines (ATMs).

■ Our Approach to Printers and Multifunction Printers

Up to now, we have developed our OKI printers and multifunction printers to meet demand in all regions based on world-class product quality. However, under such circumstances, the number of new components needed increased, and development time, cost and environmental load all became issues. So, at that point, we pushed ahead with efforts to communalize platforms on both the hardware and firmware sides, in areas such as LSI, power supply, control substrates and mechanical sections, in order to simultaneously develop multiple product types. By doing that, development time was reduced dramatically while control load also was reduced because less materials and maintenance materials were needed. As this saves energy and resources in each step of product lifecycle – in other words, design, production and maintenance – reductions in the environmental load are achieved.

Both the A4 monochrome LED printers in the B400/500 series and the A4 monochrome LED multifunction printers in the MB400/500 series launched in January 2015 are products that share this communalized platform strategy. By revising mainstay components like the LSI and power supply, we managed to cut the power consumption for deep sleep mode to less than one third of the conventional consumption. This breakthrough conforms to two international environment standards: the "International ENERGY STAR Program" and the "Blue Angel Mark".

A4 monochrome LED printer "B432dnw"

International ENERGY STAR Program
This is an international energy saving system for office equipment.
The top 25% of products with excellent energy saving features are approved in this program.

Blue Angel Mark
This label was introduced by the German Federal Environmental Agency in 1978 and it has been leading the way as an eco label ever since.

■ Our Approach to Reducing CO_2 in ATMs

Being used more and more in both financial institutions and convenience stores, ATMs catch the eye of the public for their convenience and low energy consumption. As part of this, when we at OKI launched the ATM "CP21Z" in November 2014, we newly introduced an "energy-saving mode", which turns off the power of peripheral units when the CP21Z has not been used for a fixed time. The power consumed while the ATM is in this standby mode is 60% less than our conventional product in that class. Moreover, to reduce the number of vehicle call outs of security guards attending to ATMs in convenience stores, we have introduced larger banknote cassette trays, which contribute to indirectly reducing CO_2.

ATM "CP21Z"

Prevention of Pollution through Products

Ever stricter regulations are being imposed on chemical substances in countries around the world, with strict controls placed on all materials for both the product and its packaging. In order to properly meet these regulations, OKI Data, which operates in many overseas areas, steadfastly implements advanced levels of chemical controls as well as using in-house-developed software COINServ-COSMOS-R/R (hereon referred to as COSMOS-R/R) to meet strict environmental standards, such as Europe's RoHS Directive and REACH Regulation.

Controlling chemicals in products requires processes such as component inspections, aggregating/evaluating and reporting. These processes are fraught with issues at every turn. In the inspection process, an enormous number of components have to be tracked and treated in various formats during inspection. With the aggregating/evaluating process, calculations have to be made for the content by percentage of chemicals and judgments made to determine whether or not a material contains a substance forbidden by the RoHS Directive and other such directives. And, with the reporting process, there are various formats that have to be implemented in accordance with varying rules applied by customers. Also, the demand for an IT system response is increasing.

Therefore, the user-friendly COSMOS-R/R is a business tool that enables us to cope with work issues and the frequent revisions to directives and regulations in way that lets us keep evolving.

From here on too, we in the OKI Group will endeavor to fulfill our "Environmental Vision 2020" by committing ourselves to activities and expansion that will reduce the environmental load in our products and business activities.

PROMOTING CSR AT THE OKI GROUP

We in the OKI Group are working hard to comply with CSR that is rooted in our corporate philosophy, the seven priority themes shown in the table below are promoted by the Group's organization dedicated to CSR promotion through collaboration with related divisions.

In the following pages, the details of activities carried out in fiscal 2014 for each theme are explained.

CSR Priority Themes: Focal Points and Achievements

Priority Themes	Focal Points for Fiscal 2014	Achievements in Fiscal 2014	Focal Points for Fiscal 2015
Full Compliance with Laws and Regulations P13,14	● Enhanced responses to overseas compliance risks ● Enhancement of measures to communicate the contents of education programs ● Further promotion of CSR procurement	● Enhanced expansion of protection measures for overseas compliance risks ● Enhanced contents of training programs and verified benefits using attitude survey ● Continued inspection of CSR procurement and conflict minerals, and commence same inspections overseas	● Promotion of effective management based on risk evaluation ● Strengthening of policy to gain greater penetration with training contents ● Further promotion of CSR procurement
Information Security P15	● Enhancement of security management in oversea sites ● Enhanced responses to cyber attacks	● Introduction of security control tools in Asia and Oceania regions ● Strengthened response to targeted mail	● Strengthening of measures to counter internal fraud ● Strengthening of security at bases in China
Improvement of Customer Satisfaction P16,17	● Enhance quality control training,matching unique aspects of business ● Expansion of the application range of universal design technique	● Thorough implementation of quality training in business sector ● Strengthened UD initiatives for ATMs	● Thorough implementation of quality training in accordance with nature of work ● Expanded application of UD technology
Good Communication with Shareholders and Investors P17	● Disclosure of activity status for the Mid-term Business Plan 2016 in a timely and appropriate manner	● Enhanced communication with domestic and overseas investors and explain approaches	● Expansion of communication with domestic and overseas investors ● Strengthening of approaches to promote constructive dialogue
Respect for Employees P18	● Promotion of diversity ● Continuing entrenchment of the supports for the development of the next generation ● Continuing promotion of work-life balance ● Continuing support for the mental and physical health of employees	● Implementation of seminars and discussions to promote greater female participation ● Gained the next-generation development certification (Kurumin) for one yet another company in the Group ● Commencement of time unit accreditation system for leave according to purpose	● Promotion of diversity management ● Continued promotion of next-generation development ● Continued promotion of work-life balance ● Strengthening support in initiatives for healthy body and mind
Social Contribution P19	● Continuing activities for reconstruction support ● Continuing promotion of social contribution activities inside and outside Japan	● Intermittent implementation of various disaster recovery support activities ● Implementation over 10 years of remote workplace training ● Implementation of activities linked to training support at home and abroad	● Continued implementation of activities for disaster recovery support ● Continued promotion of activities making a contribution at home and abroad
Consideration for the Environment P10,20,21 and OKI Group Environmental Report	**[Realization of low-carbon societies]** ● Increase in energy consumption efficiency in business activities ● Minimization of CO_2 emissions through innovation of products with low power consumption	● Achievement of revised targets for unit consumption ● Completion of development of 7 products with lower power consumption	● Improvement of energy consumption efficiency, planned facility renewals, and re-examination of operations, etc. ● CO_2 emission control through innovation of low electricity-consuming products
	[Prevention of pollution] ● Reduction of emissions of hazardous chemical substances into air and water systems ● Improvement of compliance with regulations on chemical substances in products	● Achievement of reduction targets for unit consumption ● Achieved secure compliance with regulations referring to the information concerning the revised regulations	● Emission reduction of hazardous chemical substances into air and water system ● Secure compliance with regulations on chemical substances in products
	[Resource circulation] ● Expansion of the treating amount of the Cross-jurisdictional Waste Treatment Manufacturer Scheme	● Not yet achieved (subject to the adjustment to the applications of expanding approval scopes)	● Expansion of amount treated under Cross-jurisdictional Waste Treatment Manufacturer Scheme (promotion of proper treatment and recycling)
	[Biodiversity conservation] ● Involvement in prevention of pollution from a biodiversity viewpoint	● Realization of low-carbon societies:Achieved ● Prevention of pollution: Achieved ● Resource circulation: Not yet achieved (See the details above)	● Reduction of the impact on ecosystem services

CORPORATE GOVERNANCE

The OKI Group recognizes sustainable growth and increases corporate value over mid- and long-term as its most important management priorities in earning the trust of its various stakeholders. To this end, we are working to enhance corporate governance based on our fundamental policies, including "enhancement of management fairness and transparency," "timely decision-making processes," and "full compliance and fortification of risk management."

Corporate Governance Structure

OKI maintains a corporate auditor system, with the Board of Directors and an Audit & Supervisory Board. With an executive officer system in place, it strives to promote timely decisionmaking processes by separating business execution and oversight. It endeavors to improve the fairness and transparency of management by nominating outside directors to the Board as well as setting up a voluntary committee on nomination, remuneration, etc. so as to ensure effective supervision from an independent and objective standpoint. In addition to objective audits by Audit & Supervisory Board members and the Audit & Supervisory Board, OKI seeks to bolster risk management and ensure rigorous compliance via the Risk Management Committee, which includes outside directors.

● Board of Directors, Audit & Supervisory Board

The Board of Directors in principle meets once a month but can call extraordinary meetings when necessary, and is responsible for deciding fundamental management policies and other important matters and overseeing business execution. To enhance management fairness and transparency, two of the Board's eight members are outside directors with a high level of independence. To clarify management responsibility for each fiscal year, shareholders are to vote on a resolution at the June 24, 2015 annual general meeting of shareholders to set tenure at a year for Board nominees approved at that annual meeting and subsequent ones.

The Audit & Supervisory Board comprises four Audit & Supervisory Board members, two of which are outside Audit & Supervisory Board members with a high level of independence. Based on audit policies, methods, etc. decided at Audit & Supervisory Board meetings, Audit & Supervisory Board members attend Board of Directors' meetings and other important meetings, verify the content of reports received from directors etc., and conduct investigations into matters concerning the Company's operations, financial status, etc. Collaborating closely with outside directors, the Internal Auditing Division, and the accounting auditors, Audit & Supervisory Board members audit the performance of duties by directors.

● Executive Officer System

OKI appoints executive officers to implement operations based on management policies determined by the Board of Directors so as to separate the functions of business execution and oversight of management and promote timely decision-making processes. Moreover, to assist the president in making decisions, the Company has established the Executive Officer Committee.

● Utilization of Voluntary Committees

OKI has established the Personnel Affairs and Compensation Advisory Committee as a voluntary committee to secure transparency in the decision-making processes for appointments of board members and executive officers and remuneration for them. Outside directors play the leading role on the committee. After deliberating from an objective perspective on appointments or dismissals of board members and executive officers as well as the structure and level of their compensation etc., the committee reports their findings to the Board of Directors.

Moreover, with the establishment of the Risk Management Committee, where outside directors and Audit & Supervisory Board members attend as advisors, to grasp the risks attendant with business execution and respond to them unerringly, OKI strives to promote rigorous compliance and reinforce risk management.

Internal Controls

In accordance with Japan's Companies Act and the Ordinance for Enforcement of the Companies Act, the Board of Directors passed a resolution concerning the Basic Policy for the Establishment of an Internal Control System and OKI has been developing a system to secure appropriate business operations. Pursuant to the Financial Instruments and Exchange Act, we also have an internal control reporting system in place, through which we submit internal control reports to the Kanto regional bureau of the Ministry of Finance and disclose assessment results of the effectiveness of our internal controls related to financial reporting.

Corporate Governance Structure

RISK MANAGEMENT/COMPLIANCE

We in OKI Group have set up a Risk Management Committee as an advisory committee to the Board of Directors. The committee unerringly works to recognize the various risks that accompany business activities, and intensifies efforts to prevent those risks from manifesting. In accordance with our "Compliance Commitment" and "OKI Group Code of Conduct" and, in order to perform corporate activities fairly, we are focusing on the enhancement of training and the promotion of integrated, systematic, companywide risk management cored around the Compliance Committee. Furthermore, we have established consultation and reporting channels as well as whistle-blowing regulations such as those about the protection of whistle-blowers. We thus try to discover and rectify improper activities at an early stage.

Ensuring Risk Information Sharing and Communication, Enhancing Management

In fiscal 2012, OKI set up the Risk Management Committee (with the President as Committee Chairman, and outside directors and Audit & Supervisory Board members as advisors). The committee is strengthening our risk management, and also discusses and decides basic policy related to risk management undertaken by the Group as well as handling reports on risk information that accompanies the work of executive officers and divisions as well as promoting measures to prevent manifestations of risks. In fiscal 2014, we revised the regulations on risk management to provide clearer rules on the definitions of risks, responsibilities of the division in charge of each risk, and quickly sharing and reporting risk information in the Group.

At the same time, the compliance risks (risks associated with violation of laws, regulations and in-house rules) requiring common management across the Group are managed by the Compliance Committee (the chair being responsible for compliance), which oversees the Control Division that registers risks, implementing preventive measures within the Group and carrying out regular verification of the implementation status.

In fiscal 2014, we strengthened the expansion of prevention measures to the companies in our overseas group, reconfirming the situations in our approaches to observe international labor standards (e.g. ILO conventions and recommendations) and local labor laws in all our overseas companies as part of our risk prevention measures related to the labor law. Apart from that, we also organized overseas training materials and carried out training in our overseas companies on subjects such as prevention of bribery corruption and security export controls.
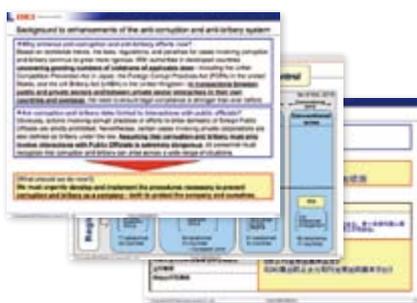
Examples of teaching materials for overseas

Emergency/Disaster Response

The OKI Group has established "Safety Countermeasure Committees" at its domestic and overseas sites, as well as in its group companies, in order to ensure "protect people's lives", "prevent secondary accidents", "contribute to local communities and foster good relationships with them", and "continuity of business operations" in the event of disasters. For "continuity of business operations", each business and corporate (headquarter) division develops a Business Continuity Plan, (BCP), based on BCP Development Guidelines. The contents of the BCP are reviewed annually.

In fiscal 2014, we further organized in-house infrastructures on the premise of an earthquake focused directly on the metropolitan area, and, likewise, reviewed our existing BCP.

Enhancement of Compliance Training

In order to deploy compliance-related measures across the group, we in the OKI Group give training sessions for compliance managers at six sites in Japan as our regular training. Participants learn in these sessions, and roll out the gained knowledge in their business units. The deployment of such knowledge is checked through an e-learning program for all executive officers and employees of the group. In addition, various measures are promoted to communicate the training information in specific formats, including the booklet called "Case Examples of Compliance" and regular articles in our house organ (Intranet) that features possible compliance related issues in operations and actions to be taken.

In fiscal 2014, taking corruption related laws and the antitrust law as the theme for our training program for our compliance managers, we focused on training as well as thoroughly incorporating our Compliance Commitment, the OKI Group Code of Conduct and measures that need to be taken at times of risk into the compliance training units for the all different levels of training, starting with new directors in the group. Note that we at OKI implement compliance awareness studies continuously to check on the benefits and issues of various forms of training. In the study implemented in February 2015, a lot of the feedback commented on how the necessary compliance related information (laws and regulations, etc.) was difficult to find. Therefore, we will continue to enhance the ways in which we link training to areas such as improving use of disseminating knowledge about the intranet "compliance portal site" we have prepared.

Compliance Portal Site

Participation rates in compliance training programs (for the OKI Group in Japan) in fiscal 2014

Training overview	Participation rate
Training session for compliance managers (implemented from July to August 2014) Focused themes: Corruption related laws and antitrust law	100%
The e-learning program (about on-the-job compliance) (implemented from December 2014 to January 2015)	100%

About On-site Investigation by the Fair Trade Commission

On 18 November 2014, the Fair Trade Commission conducted an on-site investigation at OKI due to suspicions about antitrust law violations related to our products and services for digitalizing wireless communication systems for firefighting and emergency use. We at OKI fully cooperated with the investigation and take very seriously the situation that has emerged. Therefore, we will work even harder to thoroughly implement compliance.

RISK MANAGEMENT/COMPLIANCE

Enhancement of Approaches to Anti-Corruption

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

These rules and policies take account of the global trends toward stricter sanctions imposed by laws and regulations relating to anti-corruption (such as the Foreign Corrupt Practices Act, and UK Bribery Act), and set out the fundamental points for carrying out operations properly while complying with the related regulations applicable to each country and region in which the OKI Group operates. In fiscal 2014, we trained employees to understand and thoroughly implement this basic policy. And, we also commenced full operation of specific rules in OKI governing the exchange of gifts and receiving/offering entertainment, and pressed ahead with preparations to run the program in all the companies of the group.

Note that OKI is a managing member of the Anti-Corruption Working Group of Global Compact Network Japan (GCNJ). The Working Group shares issues for engaging in anti-corruption measures with the participant companies, promotes information exchanges with experts and discusses anti-corruption measures that should be taken by the participant companies of the UN Global Compact.

Introducing the activities of the Anti-Corruption Working Group at the GCNJ Learning Forum (4 June 2014)

Elimination of Anti-Social Forces

Regarding our response to anti-social forces that threaten civilian order and safety, across our entire organization we make our corporate stance fully clear in our "Basic Policy for the Establishment of an Internal Control System" by working with the police to resolutely prevent any kind of relationship with organized crime. Furthermore, our "OKI Group Code of Conduct" lays out our code as a conduct for each individual to maintain a resolute attitude to shut out such anti-social forces. To enable employees to take a strong, specific stance, we have compiled a manual on how to respond to organized crime as well as a Case Examples of Compliance and DVD training material that provide extensive help. In addition, our transaction contracts carry a clause for eliminating organized crime, so if we ascertain that a business partner is a criminal organization, we can sever the relationship.

Teaming up with Suppliers - Enhanced CSR Procurement Activities

To comply with social responsibilities while responding to our stakeholders' requests, cooperation from the suppliers within the supply chain is essential. Recognizing this point, OKI will dedicate itself to building a trusting relationship as a partner, and promote CSR procurement based on the "OKI Group Procurement Policies".

In fiscal 2014, we continued on with our work from the previous fiscal year with major suppliers based on the "OKI Group Supply Chain CSR Promotion Guidebook", which conforms to the "Supply Chain CSR Deployment Guidebook" of the Japan Electronics and

Information Technology Industries Association (JEITA), using it to implement a survey on their CSR promotion and the activities and another survey on the usage situation of conflict minerals. Also, for overseas suppliers, we referred to the EICC* Code of Conduct to compile a survey chart, which we started to use in some areas to conduct surveys.

* Electrical Industry's Citizenship Coalition

OKI Group Procurement Policies
List of Requests for suppliers

1. Compliance with laws, regulations, and societal norms
   - Compliance with laws and regulations related to production and sale of materials, environmental laws and regulations, laws and regulations related to product safety, laws and regulations related to labor, occupational health and safety, and other laws and regulations
   - Prohibition of child labor and forced labor
   - Prohibition of discrimination by race, gender, or other characteristic
   - Realizing a safe and sanitary working environment
   - Prohibition of deviation from fair business practices
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
6. Cooperation for continuous supply
7. Basic policy for conflict minerals

TOPICS **Providing Electronic Component BCP Support Service and Conflict Minerals Survey Service**

OKI Engineering (OEG), a company providing technical services for reliable evaluations and environment conservation, started in September 2014 to provide a BCP support service for electrical components and survey service for conflict minerals. The BCP support service involves finding out information on component production cancellation and conducting surveys on alternative components for customers that are using the component concerned. This service helps reduce component supply disruption risks, which is an essential part of BCP. Whereas, the survey service for conflict minerals involves OEG conducting a survey on the conflict minerals using the CFSI's Conflict Minerals Reporting Template to investigate the components used in the customer's products and then OEG compile the survey results and do the calculations for each individual component.

VOICE **OKI Engineering**
Yuji Emori,
Electronic Parts Information Division

At OKI Engineering, we already have been providing an environmental information survey service for electrical components under the RoHS Directive and REACH Regulation, but to fulfill requests from customers we have started providing a service to establish a business continuation plan in the manufacturing industry as well as another service for investigating conflict minerals. Team work with suppliers is essential for a company to fulfill its social responsibility. From here on too, we at OEG will continue to provide services that contribute to the promotion of CSR in the supply chain.

INFORMATION SECURITY

Based on the OKI Group Security Policy, the OKI Group has established a system to ensure information security under the leadership of the Information Security Committee. We properly manage and protect company and customer information, including personal information, through various activities such as reviews of efforts for information security (biannual), and information security audits.

Three Perspectives of Information Security

In the OKI Group we use the three perspectives shown in the diagram below to broadly promote information security measures for computers, networks and information systems.

Network invasion detection	Monitoring of computer security status	IT usage monitoring

Systems for Visibility (Monitoring, etc.)

OKI Group Information Security Basic Policy (IT governance)

Systems for Support (Introduction of IT)

Systems for Protection (Rules, training, etc.)

| Management of confidential data using a shared server |
| Organization of IT platform to prevent information leak routes |

| Definition of confidential data and regularization of management process |
| Implementation of information security training and blanket checks |

In fiscal 2014, we reviewed our database management system that handles information on customers and partners in order to boost measures used to combat data leaks notably caused by internal fraud. We also galvanized monitoring of databases handling personal information as well as implementing other actions such as limiting the use of online storage services and limiting mail sending using free-mail addresses.

OKI-CSIRT for Prompt Response to Security Incidents

We have established an organization specializing in security incident response called OKI-CSIRT*1, which collaborates with external organizations, such as the Nippon CSIRT Association, CSIRT in other companies and ministries/agencies, in order to enhance our preventive measures against threats to computer security in the group and improve our capacity to respond to them. In fiscal 2014, in order to address the increasing targeted email*2 attacks, we further strengthened measures to deal with attacks on servers and implemented countermeasures to deal with emails pretending to come from staff in government and municipal offices.

*1 CSIRT: Computer Security Incident Response Team
*2 Targeted email: Email sent to a specific organization or individual, as a cyber attack to steal information

Enhanced Actions at Overseas Sites

Since fiscal 2008, we in the OKI Group have promoted the implementation of information security measures at overseas sites, with our Chinese site getting the ball rolling. And, from fiscal 2013, we started laying down information security guidelines and appointing security managers as part of our effort to boost security in the Asia and Oceania region. In fiscal 2014, we introduced security management tools to keep abreast of the security status of computers used by employees in Asia and Oceania, so that swift countermeasure instructions can be provided for any untoward activity.

Sharing and Remedying Issues with Suppliers

Aiming at an improved information security level across the supply chain, we at OKI continuously verify how information security measures are implemented at suppliers to whom we provide critical confidential information. Here, we ask our suppliers to carry out self-evaluations and to score themselves based on check lists prepared by us. In this way, suppliers and OKI are sharing issues and remedying any problem points found. In fiscal 2014, we at OKI used these self-evaluations to share and remedy issues with the suppliers not reaching the OKI standard, and, as a result, all the targeted suppliers achieved high evaluations.

Acquisition of ISMS Certification

The OKI Group has acquired the ISMS* certification (as of June 2015) for divisions involved in building and operating internal information systems, and for divisions engaged in general system design development, in order to improve the reliability of network solution construction and related services (5 companies, 7 divisions). In fiscal 2014, all of us in each division worked to promote implementation of the standard revised in the previous fiscal year in all the certification categories, so that by fiscal 2015 we have changed over to the new standard in five of the seven divisions scheduled to be assessed for certification.

 * ISMS: Information Security Management System

Enhancing the Protection of Personal Information

We in the OKI Group have enhanced the protection of personal information, based on the Privacy Policy. We have committed to the protection of personal information under the leadership of our Chief Privacy Officer. Privacy managers have been appointed in all divisions and in group companies. We also are encouraging group companies to acquire the PrivacyMark certification, to show that they are taking appropriate measures to protect personal information. OKI and seven group companies have acquired this certification as of June 2015.

Protecting your **PRIVACY**
10300032

TOPICS **Toughening Up Social Media Usage Guidelines**

To prevent information leaks originating in private use of social media tools, we at OKI established the "OKI Group Social Media Usage Guide". In November 2014, we set up a site "social media usage guidelines (including the above guide)" on our intranet to make employees fully aware of the situation.

IMPROVEMENT OF CUSTOMER SATISFACTION

Under its quality philosophy of "providing products that always make customers happy", we at OKI incorporate our "Product Safety Basic Policy" and related rules into our quality control system and operate them in accordance with the nature of each operation. Furthermore, we have obtained ISO9001 certification at all our production sites, and have built the most appropriate quality control system for each production line and product. Also, continuous efforts are being made in each operation to incorporate the customers' voices, which are received through daily communication and the surveys on their satisfaction levels, to improve our products, services and systems.

Supporting Enhancement of Manufacturing

We at OKI brought together our engineering functions – such as production control, product safety, environment and intellectual property (scattered throughout our divisions until then) – in the Engineering Support Center established in our Corporate (head office) in April 2014. And, we now use these gathered functions to support manufacturing in business section and group companies.

Taking production control as one of its functions, the Engineering Support Center holds the "OKI Group Production Reform Presentation Meetings". These provide an opportunity for staff from various bases to share their approaches to making reforms in order to involve peer groups. At the meeting held in December 2014, representatives from five companies and nine divisions, including overseas bases such as Brazil and Thailand, gave presentations on various themes, like the development of production technologies and reforms in manufacturing processes.

Presentation by OKI Data Manufacturing (Thailand)– winner of the first prize

Improvement of Training on Quality

To maintain product manufacturing at a constantly high level of quality, it is vital that all employees act with quality control (QC) in mind, to make full use of correct procedures and appropriate QC methods in actual work. For this reason, it is necessary to implement basic training about quality for all new employees as quickly as possible after they have joined group companies. At OKI, we conduct thorough quality training at all stages, from the point of joining the company, after assignment to a division and through to when such employees become key technicians.

An example of this comes from the Systems Hardware Business Division where staff watches over development and production of OKI mechatronic products based on a quality principle used to formulate a quality policy that states that we should take every effort to be a trusted vendor that offers inspiration and satisfaction to the customer. Thus, the division has compiled three curriculums to teach according to occupation and level of experience the tenets of quality, which are grouped as: (1) QC way of thinking, (2) QC story, (3) Seven QC tools, (4) Statistical method, (5) Method of reliability and (6) Quality engineering. All employees entering the division must have studied these tenets within the first three years of employment. The current lecturing style has been in use since 2002, and 775 people

have undergone the training as of fiscal 2014. Moreover, the lectures are skillfully designed with a balanced approach to mathematical knowledge and the need to show examples of application in actual business, and are created with our own analysis tools, so that employees can easily apply what they have learned to the jobs they do. Indeed, the employees in charge of lecturing strive to improve themselves by gaining QC qualifications and also strive constantly to improve the quality of their lectures.

Universal Design Initiatives

OKI Group defines universal design as the achievement of a high level of usability (basic user-friendliness) and accessibility (consideration for elderly and disabled, etc.) in products and services so that all customers can use them properly, effectively and satisfactorily. User opinions gathered in verification experiments etc. are reflected in our products and services.

● **Application Example of Universal Design Technology: Universal Design Initiatives for ATMs**

We at OKI are taking universal design initiatives to improve operability of Automated Teller Machines (ATMs), one of our core products. For instance, our "ATM-BankIT Pro", a widely used ATM in Japan, is equipped with a handset to enable the visually impaired to operate the ATM using audio guidance. It also is equipped with an "easy-operation mode" for the elderly and has an ergonomic body design that allows wheelchair users to get close to the ATM as well as an angled screen for easy viewing.

"ATM-BankIT Pro"

In February 2015, we reviewed the screen design and operational flow all our ATMs (approximately 6,000) used by Mizuho Bank, Ltd. (Mizuho Bank), to update their operability in line with universal design, such as visibility, understandability and usability. In specific terms, in addition to using a universal design font, we also improved user-friendliness by providing an operation flow that takes into consideration the menus frequently used for transactions and screen guidance incorporating written and illustrated explanations. We have unified operability in all the ATMs used by Mizuho Bank, even applying the new screen to the compact ATM "CP21X" installed outside of banks.

It should also be noted that we changed the ATM screen programming language to the HTML[1] in order to achieve this user-friendly upgrade quickly and inexpensively. In the future, we will establish an off-site server as a Web-ATM[2], as well as uniformly manage ATM software, so that contents changes and service expansion can be carried out with greater flexibility.

[1] HTML stands for Hypertext Markup Language, a commonly used language for inserting symbols or codes inserted into files for display on the Web.
[2] Web-ATM is a generic term for an ATM using Web architecture.

Gaining Certification for Color Universal Design

For our "ATM-BankIT Pro" and ATM software "UNISONATM+V10", we took and passed in July 2014 the color universal design (CUD) assessment set by the specified NPO Color Universal Design Organization (CUDO) – thus, gaining CUD certification.

CUD is a way of providing access to products, facilities, building, environments, services and information without the need to distinguish between colors, enabling more people to access things in a user-friendly manner. With the "ATM-BankIT Pro", we scored well for incorporating flicker lamps across the entire mouth of slots for mediums such as cash cards as well as bright medium text lamps. And, likewise, with "UNISONATM+V10", we achieved a simple screen design that anyone can use while enabling customizing of the ATM screen through selection of backgrounds (20 patterns) and buttons (two patterns).

The "ATM-BankIT Pro" Color Universal Pass Certificate

GOOD COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The OKI Group appropriately discloses useful information to shareholders and investors in a timely and appropriate manner, including, management strategies and operating results. We actively work on disclosure and IR activities, focused on the IR Unit which is dedicated to such work. The group also makes every effort to prevent insider trading.

Greater Communication with Institutional Investors

Fully aware that managing efficiency and corporate value improvements are linked to receptiveness of market needs that can be made use of appropriately in management and business activities, our management team at OKI – starting with the president – is pursuing all forms of communication with institutional investors, such as interacting with them at settlement/management briefings and IR meetings.

In fiscal 2014, we proactively held IR meetings in locations abroad, such as Europe and Asia. Meanwhile, in Japan, we participated in IR conferences held by securities companies as well as using small meetings geared to domestic and foreign investors and plant visits to explain in great detail the progress of the "Mid-term Business Plan 2016" and situations in each of our business portfolios.

Good Communications through IR Site and News Mail

We at OKI are posting on our website simultaneous Japanese and English versions of a diverse range of IR information, like settlement data, to ensure that we maintain an open and fair broadcasting of IR information. We regularly upgrade the website with the aim of making it easier to use for investors. And, just like last year, we won a bronze prize for "Gomez IR Site Comprehensive Ranking 2014" released by Gomez Consulting (Gomez) under Morningstar Japan K.K. in June, 2014.

Furthermore, we compile filing information for Tokyo Stock Exchange and settlement information, press releases on new products and services and updates of information on our IR site, and send out as required the compiled data in emails in Japanese and English to some 1,400 people, such as investors.

Thorough Prevention of Insider Trading

In order to protect shareholders and investors and gain the trust of securities markets, we in the OKI Group clearly state in our OKI Group Code of Conduct that we will neither buy nor sell stock or other securities based on insider information, nor provide any such information to other parties. We strive to prevent insider trading.

As relevant rules were revised to better address the enhanced regulations on insider trading resulting from the amendment of Financial Instruments and Exchange Act in April 2014, we used a compliance training (e-learning) theme to raise awareness about the regulations related to the revisions made in the previous fiscal year, using concrete examples to explain those regulations. In this way, we made all employees of the Group in Japan fully aware of the revisions.

SRI Index Efforts

A socially responsible investing (SRI) index is a stock index which looks at CSR as important evaluation criteria in addition to financial aspects. As of April 1, 2015, OKI is a stock in the Morningstar Socially Responsible Investing Index (MS-SRI).*

* The Morningstar Socially Responsible Investment Index (MS-SRI) is the first socially responsible investment index in Japan. Morningstar Japan K.K. selects 150 companies from among enterprises in Japan by assessing their social responsibility, and converts their stock prices into the index.

MS-SRI | Morningstar Socially Responsible Investment Index

RESPECT FOR EMPLOYEES

Believing that protection of each employee's human rights underlies all business activities, we have proclaimed "Respect for Human Rights" in the OKI Group Charter of Corporate Conduct and the OKI Group Code of Conduct, and we work for their thorough implementation through training and other such activities. The group has a strong commitment to pursuing fair recruitment, and building work environments with respect for diversity founded on its vision: "Pride, Passion and Sincerity." Based on this basic concept, we have also made various efforts at overseas group companies, such as encouraging the acquisition of certifications on human rights and labor, and expanded and enhanced training and systems, meeting the needs of each country or region.

Good Labor-Management Relationship through Dialogue

OKI respects the freedom of association and collective bargaining based on the laws in each country and region, and puts great importance on building trust between labor and management. In Japan, OKI holds general labor-management meetings between OKI's top executives and the labor union leaders, and divisional labor-management meetings, to sincerely exchange opinions and information on the business environment and labor issues.

Initiatives to Promote Diversity

We at OKI are employing and cultivating global human resources as well as advancing the roles of women within that setup in order for our diverse workforce to reach its maximum stellar potential while also developing an environment where each individual employee can tackle his/her work with a sense of meaningfulness.

A scene from the female career seminar

In particular, we are placing weighty emphasis on support for the success of women in the workplace, holding a seminar on supporting the advancement of women, a female career seminar and a forum on leader development by senior management during fiscal 2014, all of which were attended by about half of the female employees at OKI. Indeed, to deepen the understanding of division heads with regard to advancing women, we also held briefing sessions for that section of management.

Promoting the Employment of Challenged People

The OKI Group has been working to recruit challenged people, especially in OKI Workwel, a special purpose subsidiary* of the group, which promotes telework for the severely disabled. As of April 2015, it provides work at home via telework to 63 challenged people, including 43 teleworkers utilizing IT. The percentage of challenged employees at the group in fiscal 2014 was 2.12 %, exceeding the defined employment rate of 2.0%.

* Special purpose subsidiary: Company established to provide special considerations for the employment of challenged people, as defined in the Act on Employment Promotion etc. of Persons with Disabilities.

Employment rates of challenged people
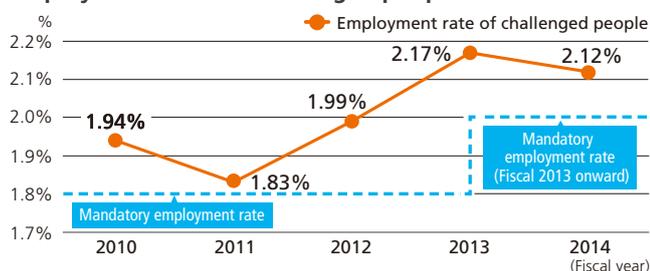
Ongoing Support for Development of the Next Generation

We at OKI were granted the "Act on Advancement of Measures to Support Raising Next-Generation Children" certification (nicknamed "Kurumin") by the Tokyo Labor Bureau in 2009 and 2012. During fiscal 2014, efforts were made by the labor union and management to fully inform our employees of various systems, including teleworking, for supporting the development of the next generation on the basis of "The 4th Action Plan (from 2012 to 2015)".

Our group companies also are supporting development of the next generation. And, in July 2014, OKI Software, a company tackling software development and SI services, gained "Kurumin" certification.

Promotion of Work-Life Balance

We at OKI established the Work-Life Balance Promotion Committee, comprised of labor union and management members, to verify the employees' work hours and leave eligibilities. We have also amplified various systems such as the flextime system, HOP work (a discretionary labor) system, systems to provide special work conditions for persons caring for children and nursing the elderly, as well as "Special Leave for Particular Purposes" which can be used to participate in volunteer activities, to treat illness and injuries, to nurse family members, or to attend children's school events, to further promote the employees' work-life balance.

In fiscal 2014, the company started the new system for hourly-based leave eligibility for particular purposes, to enable the employees to arrange their schedule more flexibly.

Labor Safety and Health, and Health Improvement Initiatives

OKI established "Safety and Health Committees" in each region, with members from management and the labor union. These strengthen the safety and health system, create a labor injuries and accidents prevention plan, patrol workplaces, provide safety and health training, etc. The Central Safety and Health Committee shares information on situations and initiatives in each region. OKI's fiscal 2014 incidence rate of occupational accidents* was 0.11.

Furthermore, the OKI Group promotes a fitness promotion activity called "Kenko OKI21" for encouraging the mental and physical health of the employees by providing health information through the dedicated Intranet site and company news. In particular, mental health is addressed by setting up the "The Mental Health Working Group" an expert committee of the Central Committee of Safety and Health. This working group promotes the use of a support tool for self-care, while also boosting support for efforts made by specialists including industrial doctors through a consultation counter.

* Incidence rate of occupational accidents: Number of casualties due to industrial accidents, per million man-hours worked.

SOCIAL CONTRIBUTION

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. We in the OKI Group take an organized stance to promote support of donating, community contributions and employee volunteer work. And, in order to be involved in a wider range of social contribution activities, we are interacting and collaborating with various nonprofit organizations, and enhancing such activities in Japan and overseas.

On-going Reconstruction Support for Great East Japan Earthquake Disaster-Affected Areas

The OKI Group is engaged in ongoing support activities to help rebuild areas damaged by the Great East Japan Earthquake. As part of its voluntary support activities, the Group continues its activities in Shichigahama Town, Miyagi Prefecture, started in fiscal 2011. In addition, in fiscal 2013 the Group joined "Collective Action for Recovery from the Great East Japan Earthquake Disaster" organized by the Global Compact Japan Network, and transported employee volunteers to Watari Town, Miyagi Prefecture, so that they could lend their support to the "Watari Green Belt Project," which aims at the re-growth of the tide-prevention forest in the Watari area.In fiscal 2104, a total of 19 OKI Group employee volunteers participated in both support activities.

Activities in Shichigahama Town (farmland improvement)

Support Activities in fiscal 2014
- Volunteer activities for reconstruction support by employees (Shichigahama and Watari Towns, Miyagi)
- Organizing Tohoku product fairs at OKI Warabi Culture Festival (for Fukushima and Miyagi Prefectures)
- Participation in the "Christmas Project to Send Picture Books to Children in the Disaster Area" organized by the Japan Philanthropic Association
- Implemented the "Tohoku Revival Support Event: Eat to Support" in the staff canteen

Holding a Company Tour for Summer Holiday Monozukuri

In July 2014, our printer business specialists OKI Data and OKI Data Manufacturing and Engineering Service held a company tour for summer holiday monozukuri (manufacturing), in which they invited 12 local children from schools in Fukushima, aged 7 to 14, and their parents, to visit the plant. The aim of the tour was to arouse interest in "monozukuri" among schoolchildren and it was implemented in collaboration with efforts by Fukushima city to promote direct contact with companies, skills and care involved in "monozukuri" in Fukushima. In the tour, participants ate at the plant canteen, took in printer production processes in a tour and then tried their hands in a "monozukuri" taster, where they tightened screws with power tools, changed the toner in a printer and created their own original calling cards.

Participants tightening screws with electric screwdrivers

Implementing Distance Workplace Training for Ten Consecutive Years

OKI Workwel, a special purpose subsidiary of the OKI Group, is making good use of its experience in employing disabled people who work from home, to start on a trial basis for the first time ever in Japan in 2004 the practice of distance workplace training for students attending special support schools. Ten years on, and the training is still going strong annually, with some 62 students from 26 schools nationwide having taken part (as of June 2015).

In the training implemented in July 2014, a third-year student at the Shikamoto Gakuen School in Tokyo carried out computer work while keeping in touch with the instructor by phone and email. In this way, as long as students have an internet-linked computer available, they can participate in training at school or at home. Moreover, as the instructor is a disabled person working from home for OKI Workwel, the students are further motivated to join in.

A student participating in workplace training at home

Donating through "The OKI 100 Yen Fund of Love"

We in the OKI Group have made various assistance efforts through "The OKI 100 Yen Fund of Love", used to support the actions of volunteer groups. The participants in the fund include executives and employees of the member companies of the OKI Group (30 companies as of April 2015) who agree with the purport the program. They are asked to donate 100 yen a month. In one of the support projects, run by "Action with Lao Children" (a specified NPO), the task is to improve the education environment in Laos. And, in February 2015, with the support of the 100 Yen Fund, a school library room was opened in the Ponsai secondary school (2,020 students) in the Champasak province of Laos.

Photo of the brand new school library room

VOICE | **"Action with Lao Children" (a specified NPO) Representative: Ms.Chanthasone Inthavong**

In Laos, up to now we have opened 270 school library rooms but, in fact, there are still many secondary schools without library facilities and many teachers who have never used a library room. In conjunction with the opening of the Ponsai secondary school library room, staff from the national library held a seminar for the eight teachers who will run the library room, teaching them how to manage such a facility. From here on, we will continue to assist the school with management of the library and provide books to stock the shelves.

CONSIDERATION FOR THE ENVIRONMENT

The OKI Group has developed the "Environmental Vision 2020" in 2012 and set the goals for 2020 in four fields: "Realization of low-carbon societies," "Prevention of pollution," "Resource circulation," and "Biodiversity preservation." In order to achieve these goals, we will implement the PDCA cycle and continue to be engaged in the continuous improvement of environmental performance and the operational system.

The OKI Group will proactively respond to the requests from customers and stakeholders while complying with each legal regulation concerning the environment.

OKI Group Environmental Vision 2020

1. **Realization of low-carbon societies**
   Maximize energy consumption efficiency in the business operations, and reduce energy consumption by 8% per nominal sales (corresponds to 12% reduction per real sales) from fiscal 2012. Contribute to the realization of low-carbon societies by continuously providing environmentally friendly products and services.

2. **Prevention of pollution**
   Reduce emission of chemical substances that can adversely affect the health of people and the environment into the atmosphere and water system by 8% per nominal sales (corresponds to 15.5% reduction per real sales) from fiscal 2012.

3. **Resource circulation**
   Increase the amount of recycling of used products by 25% from fiscal 2012. Additionally, minimize the new input resources through expansion of the recycling of waste materials, reduction of input material during production, and promotion of environmentally-friendly designs.

4. **Biodiversity conservation**
   Engage in conservation and sustainable use of biodiversity through prevention of global warming, prevention of air and water pollution caused by chemical substances, expansion of recycling processes and minimization of new input resources.

OKI Group Environmental Management System
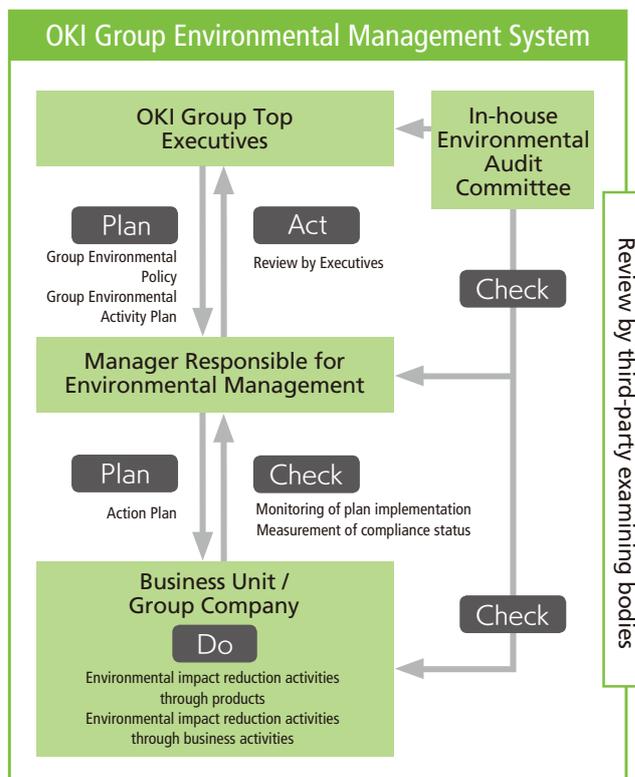
OKI Group Environmental Activity Plan (Fiscal 2014): Targets and Achievements

	Applicable themes of Environmental Visions, etc.	Activities	Targets for Fiscal 2016	Targets for Fiscal 2014	Achievements in Fiscal 2014 Results	Evaluation
Business Activities	Realization of low-carbon societies	Improvement of energy consumption efficiency, planned facility renewals, and re-examination of operations, etc.	Consumption*1: −4% or more (vs. FY2012)	Consumption: −2% or more (vs. FY2012)	Consumption: −13% or more (vs. FY2012)	○
	Prevention of pollution	Emission reduction of hazardous chemical substances into air and water system	Consumption*2: −4% or more (vs. FY2012)	Consumption: −2% or more (vs. FY2012)	Consumption: −7% or more (vs. FY2012)	○
Products	Realization of low-carbon societies	CO2 emission control through innovation of low electricity-consuming products	Development of 5 or more products with lower power consumption by 50% or more (vs. conventional products)	Register 5 products satisfying at least "OKI Eco Products Plus" level (i.e. power conservation effect of 25% or more)	Completed developing seven energy-saving products in which five newly-registered products (printers) are included	○
	Prevention of pollution	Secure compliance with regulations on chemical substances in products	Secure compliance in accordance with the management initiative of new chemical substance survey lists	Secure compliance regulations referring to the information concerning the revised regulations - Management procedure document - Chemical substance management system	Achieved secure compliance with regulations referring to the information concerning the revised regulations (revised RoHS Directive and Packaging Material Directive)	○
	Resource circulation	Expansion of amount treated under Cross-jurisdictional Waste Treatment Manufacturer Scheme (promotion of proper treatment and recycling)	Result of previous FY + 100 t	4,200t	2,400t (subject to the adjustment to the applications of expanding approval scopes	×
Common	Biodiversity conservation	Reduction of the impact on ecosystem services	Continuous promotion: realization of low-carbon societies / prevention of pollution / resource circulation	Achieve fiscal 2014 goal: realization of low-carbon societies / prevention of pollution / resource circulation (See the document above)	Realization of low-carbon societies: Achieved Prevention of pollution: Achieved Resource circulation: Not yet achieved (See the details above)	△
	Compliance audit and training	Implementation of compliance audit [Purpose] • Verify the status of compliance with regulations • Prevent environmental incidents	Expand the audit scope in the regulations (e.g., energyrelated fields)	On-site verification of waste treatment consignees / Implementation of measures for revised Water Pollution (Prevention) Act	No violations found (completed the follow-up for the purpose of improving management levels	○
		Implementation of training [Purpose] Improve the effectiveness of environmental management activities	Implementation of training based on the effectiveness evaluation (training for each regulation, training for nurturing environmental staff, and training for chemical substances in products, etc.)	Implementation of training based on in-house needs (training for each regulation, training for nurturing environmental staff, and training for chemical substances in products, etc.)	Offered seven types of expertise training including "Waste Management and Public Cleansing Law" in accordance with high in-house attention Comprehension level (Waste Management and Public Cleansing Law) Goal: 90 points→Actual: 93 points	

*1 Energy consumption (converted in crude oil: kℓ) / consolidated sales (100million yen) *2 Chemical substance emissions (t) / consolidated sales (100million yen)

CONSIDERATION FOR THE ENVIRONMENT

Reducing Environmental Impact in Business Activities

We in the OKI Group are pressing ahead with various energy saving activities in order to contribute to "Realization of low-carbon societies" at our all our business bases.

● Renewed Process Combines Lower Environmental Impact and Improved Quality Simultaneously

The OKI Group's printed circuit specialist OKI Circuit Technology (OTC) renewed its "circuit pattern rendering process", one of the core processes in printed board manufacturing. With conventional rendering, board material undergoes masking to cover areas not to be exposed, the circuit pattern exposed onto the board, and developed to create a circuit pattern. But, now OTC has introduced a "direct rendering method" using a laser beam to directly render the circuit pattern onto the board. This method has greatly reduced the production processes.

In turn, this enables the production of more detailed circuits as well as additionally enabling OTC to reduce annual power consumption by 40MWh because three machines have been removed from production and the need for a chemical liquid that was required for masking has been eliminated. Thus, massive improvements have been made in energy saving and material saving.

● Initiatives to Reduce Environmental Load for Logistics

OKI Proserve, a company in charge of OKI's logistics operations, has promoted a modal shift since a very early stage in order to reduce CO_2 emissions during transportation, while creating a data base of transportation information to aggregate the data required by the Energy Saving Law. Thanks to the modal shift in fiscal 2014, the volume of CO_2 emissions was cut beyond that of the previous fiscal year while, thanks to efforts like the reduction of long-distance transporting, the volume of CO_2 emissions in our overall transport activities was cut to 5,099 t-CO_2, a 22% cut in comparison to the previous fiscal year volume.

● Energy Saving Efforts Promoted by Committee on Global Warming Prevention Promotion

The OKI Group has engaged in a medium and long term energy-saving plan in order to achieve the goal of the "Realization of low-carbon societies" set in the OKI Group Environmental Vision 2020. In order to implement this plan, we have set up "Committee on Global Warming Prevention Promotion," which is effectively promoting the group-wide activities for lower power consumption.

This committee has set the concepts of "compliance," "standardization," and "case sharing" as its three pillars. Regarding common application with the group, such as mutual verification of the compliance status of each company in order to secure compliance as a group and the sharing of group-wide operations on energy-saving activity management as well as monitoring procedures, we are implementing them as common standards throughout the entire group. Moreover, we also are developing effective measures and cases in accordance with the features of each business location such as plants and offices, leading to the enhanced effects of energy-saving activities in each location.

The Committee on Global Warming Prevention Promotion (May, 2015)

Platinum Prize Received in Project Promoting Proper Disposal of Industrial Waste in Thailand

In August 2014, OKI Precision (Thailand) (OPNT) received the Platinum Award, the highest in the project to promote proper disposal of plant industrial waste and raw garbage inside its industrial park in Thailand.

Targeting companies located in three industrial parks in northern, eastern, and central Thailand, this project was established by the Ministry of Industry of Thailand with the aim of promoting appropriate disposal of industrial waste based on the "3R" concept (Reduce, Reuse & Recycle). Companies that support the sentiment of the project and thus participate had their data audited and facilities/processes inspected by the secretariat of the project.

OPNT enthusiastically participated in the project, undergoing audits over four months, that led to high praise for unrelenting initiatives, such as reducing the use of rust prevention fluid, cleaning and reusing wastewater from the barrel process, and recycling waste solder using recycling equipment, ultimately earning the company the Platinum Prize.

OPNT's director Nishino receiving the award

Responses to Environmental Pollution, etc.

[Pollution of Groundwater and Soil]

The OKI Group installed observation wells at business locations, and is monitoring groundwater. A survey was performed for a land transaction in fiscal 2012, which found environmental pollution in the soil and groundwater of the OKI System Center in Warabi City, Saitama Prefecture. This finding was reported to the government, and appropriate measures are currently being taken to prevent the contaminated soil and water from spreading into other areas and groundwater.

[Environmental Accidents, Claims, etc.]

There were no environment-related accidents nor serious large claims made against the OKI Group in fiscal 2014. Whenever such an event occurs, we take action to alleviate the effects, and in accordance with rules for corrective and preventative actions, we find the causes and take action to prevent recurrence. We also perform the appropriate disclosures in accordance with the rules on external communication.

Details of the OKI Group's environmental activities are provided in the "OKI Group Environmental Report" and on our website. The "OKI Group Environmental Report" certainly is worth reading as it features data on various issues, such as special report on examples of our initiatives in "Realization of low-carbon societies" that make the most of our distinctive technologies, the various initiatives we implement to reduce the environmental impact in products and business activities, our work on material balance and environmental accounting. Website "Environmental Conservation": http://www.oki.com/en/eco/

OKI

Oki Electric Industry Co., Ltd.

<For inquiries>

CSR Division

1-7-12 Toranomon, Minato-ku,
Tokyo 105-8460, Japan

http://www.oki.com/