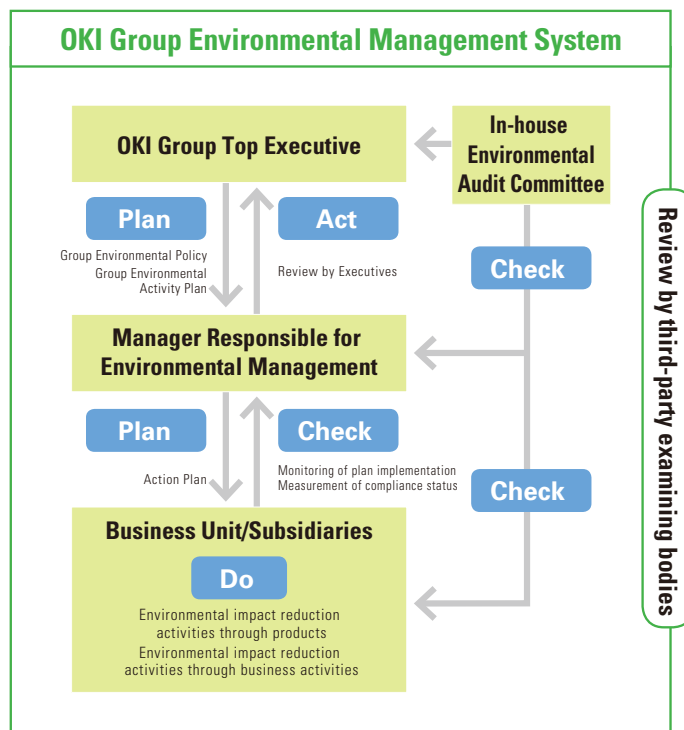


CONSIDERATION FOR THE ENVIRONMENT

On the basis of the “OKI Group Environmental Policy” developed by taking environmental issues into consideration, the OKI Group plans specific activities and implements them under the banner of “OKI Group Environmental Vision 2020,” which comprises four themes. Moreover, we operate environmental management systems for the entire Group as the foundation of our environmental management.

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 people’s health and 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. In addition, minimize the new input resources through expanded recycling of waste materials, reduced 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 Main Environmental Activity Plan (Fiscal Year 2016): Targets and Achievements

Category	Activity Content	Fiscal 2016 Targets → Outcome
Realization of low-carbon societies		
Products	Development of energy-saving products	20% or more of developed products → 28% (energy saving of 21% or more over conventional products)
Business activities	Energy-savings in workplaces (plants and offices)	Reduction of 8% or more → 1.1% reduction (consumption vs. FY2012*1)
Prevention of pollution		
Products	Development of products complying with regulations on chemical substances in products	40 or more products → 73 products
	Ensuring legal compliance by supporting the new standard survey form (chemical substance management system/management procedure manual)	Support for chemSHERPA: Start of operation → started in July
Business activities	Reduction of chemical substance emissions from plants (atmosphere/water/soil)	Reduction of 22% or more → 10.9% increase (consumption vs. FY2012*2)
	Compliance with chemical substance related regulations (atmosphere/water/soil)	Compliance with legal audits; zero legal violations → achieved
Resource circulation		
Products	Recycling of used products	Over 4,000t → 3,969t
	Development of easily recyclable products	30 or more products → 32 products
Business activities	Reduction and appropriate disposal of waste	Recycling rate 80% or more → 63%
	Streamlining of resource input	Improvement of 17% or more → 8.8% improvement (consumption vs. FY2012*3)
Common		
Biodiversity conservation	Realization of low-carbon societies/Prevention of pollution/Resource circulation	Promotion of the above initiatives

*1 Energy consumption (converted in crude oil: kℓ)/consolidated sales (100 million yen)

*2 Chemical substance emissions (t)/output (100 million yen)

*3 Resource input (t)/output (100 million yen)

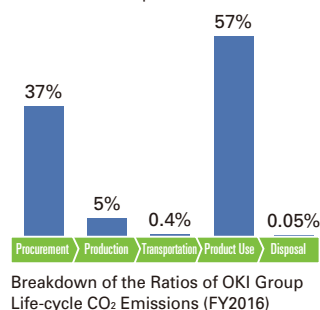
Implementing Life-cycle Environmental Management

The OKI Group applies environmental management from a life-cycle perspective across its entire supply chain in Japan and overseas. We obtained survey data on environmental impacts at each stage from procurement to production, transportation, product use and disposal, carried out attribute-based analysis of our products and workplaces, and reflected our analysis into our environmental management.

Breakdown of Life-cycle CO₂ Emissions and the Product Characteristics Approach

Product use accounts for the largest proportion of life-cycle CO₂ emissions of the entire supply chain of the OKI Group.

In order to realize a reduction in energy consumption at the time of product use, measures in line with product characteristics are necessary. For example, for products that cycle between standby and startup and whose power consumption fluctuates according to the throughput, such as ATM products and printers, we have set the development theme as reducing power consumption during standby and startup. Meanwhile, for products that operate continuously with constant electric power consumption, such as communication equipment, we are taking measures to achieve a fixed reduction in electricity consumption.



Environment Measures according to Site Characteristics

We implement environmental measures according to workplace characteristics and apply what we learned from cases where initiatives proved effective to develop models that can be applied to similar sites with the aim of optimizing the Group as a whole.

Processing plants are characterized by continuous operation of production facilities and air conditioning equipment. For these we are working to achieve a fixed reduction in energy consumption. The assembly plants has the characteristic of energy consumption fluctuating according to production volume. Here we are promoting efficiency through measures such as flexible changes of layout and cell production in response to high-mix low-volume manufacturing. In our large offices, we are promoting the upgrade of air-conditioning

equipment and lighting fixtures, and in smaller offices we are making improvements centered on operational aspects.

Savings Energy and Resources with Environmentally Friendly Designs

The internal certification system the OKI Group built to designate products with outstanding environmental performance as “OKI Eco Products” includes, in particular, a three-level ranking of energy-saving performance with the highest rank going to products that are 50% or more energy efficient than conventional products. An example of a product that met our standards for the highest rank, the “OKI Eco Products Double Plus” registration, is the CrosCore2, an office communication system that reduces energy use by as much as 78% compared with conventional products by substantially reducing voltage types suitable for units linked to this office communication system to a few standard types. Moreover, the CrosCore2 realizes a 34% reduction in weight versus conventional products via revisions to the internal layout of the hardware and material quality and eases environmental impact at the transportation stage by sharply reducing the amount of packing materials used for transportation.



OKI Eco Products Double Plus

Introduction of the New Chemical Substance Survey from “chemSHERPA”

The OKI Group manages chemical substances in products it ships and components it procures by continuing to make improvements to internal Group systems. In fiscal 2016, we made our IT system COSMOS compatible with chemSHERPA, a common scheme for exchanging information on chemical substances contained in products and parts.

“chemSHERPA” was developed by the Ministry of Economy, Trade and Industry as a tool that enables comprehensive compliance with domestic and international laws and regulations on chemical substances in products. In the OKI Group, information on “chemSHERPA” is registered in “COSMOS,” and shared during the processes of design, procurement, production, etc. This realizes the management of information, regulatory compliance, and the streamlining of tabulation and reporting work.

Environmental Impact Reduction Activities and Benefits for Business in the Context of Life-cycle

	Procurement	Production	Transportation	Product Use	Disposal
Reduction of environmental impact	<ul style="list-style-type: none"> Optimization of procurement volumes → Energy-saving/prevention of chemical pollution Procurement of components that do not contain hazardous substances → Prevention of pollution/legal compliance 	<ul style="list-style-type: none"> Improvement of production efficiency → Energy-saving/resource conservation Reduction of chemical substance usage and emission → Prevention of pollution/legal compliance 	<ul style="list-style-type: none"> Improvement of transportation efficiency → Prevention of global warming/resource depletion Reduction of packing materials → Resource cycling/reduction of waste 	<ul style="list-style-type: none"> Power-saving/reduced size and weight of products → Prevention of global warming/resource depletion Reduction of chemical substances content in products → prevention of pollution 	<ul style="list-style-type: none"> Recycling of used products → Improvement of recycling rate/reduction of final disposal volume/prevention of pollution via substances contained
Benefits for business	<ul style="list-style-type: none"> Reduction of procurement costs and inventory Prevention of loss of sales opportunities and business continuity by legal compliance 	<ul style="list-style-type: none"> Reduction of production costs Business continuity through legal compliance 	<ul style="list-style-type: none"> Reduction of transportation costs Enhance response to customer delivery dates Improve efficiency of delivery/installation work 	<ul style="list-style-type: none"> Improvement of customer satisfaction by streamlining of customer energy consumption/supporting customer compliance with the Act on Rationalizing Energy Use/reducing the size and weight of products 	<ul style="list-style-type: none"> Elimination of third-party products through collection of end-of-use products/improvement of corporate value by improved regulatory compliance

Details of the OKI Group’s environmental activities are provided in the “OKI Group Environmental Report” and on our website.



Website “Environmental Conservation”

<http://www.oki.com/en/eco/>