

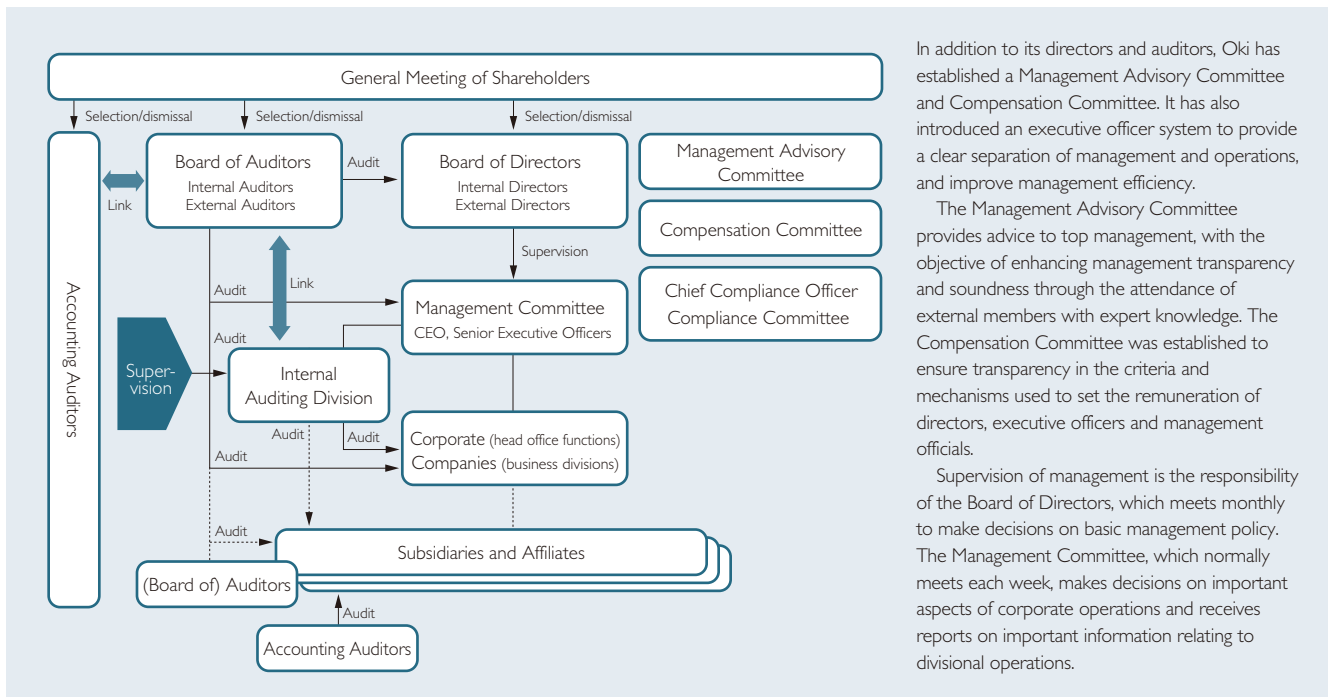
Fulfilling Our Corporate Social Responsibilities

Reinforcement of Corporate Governance

Corporate Governance Structure

The Oki Group's most important management priority is to respond to the trust placed in it by shareholders and other stakeholders by working continuously to improve its corporate value. It is working to strengthen its corporate governance

through the implementation of basic policies, including the improvement of management fairness and transparency, and the acceleration of decision-making processes.



In addition to its directors and auditors, Oki has established a Management Advisory Committee and Compensation Committee. It has also introduced an executive officer system to provide a clear separation of management and operations, and improve management efficiency.

The Management Advisory Committee provides advice to top management, with the objective of enhancing management transparency and soundness through the attendance of external members with expert knowledge. The Compensation Committee was established to ensure transparency in the criteria and mechanisms used to set the remuneration of directors, executive officers and management officials.

Supervision of management is the responsibility of the Board of Directors, which meets monthly to make decisions on basic management policy. The Management Committee, which normally meets each week, makes decisions on important aspects of corporate operations and receives reports on important information relating to divisional operations.

Disclosure Committee Established

Companies today are judged according to their disclosure policies. Oki complies fully with the timely disclosure rules of the Tokyo Stock Exchange, and in February 2005 the Company strengthened its information disclosure systems for stakeholders by establishing a Disclosure Committee. This committee determines disclosure methods for important information and

prepares documents for prompt press release and publication on websites. Information that is not covered by disclosure requirements but is judged to be significant to stakeholders is published voluntarily. Oki sees accurate and timely disclosure of information as an important aspect of its continuing efforts to strengthen corporate governance.

Strengthening Compliance Systems

Compliance Committee Established

Compliance with laws and regulations is vital to a company's credibility and reputation and is an important aspect of corporate social responsibility. The reinforcement of compliance systems is an ongoing priority for the Oki Group. In 2002 it adopted the "Oki Code of Conduct" as a set of corporate behavior standards.

Regarding compliance as a vital management issue, in 2004 Oki

built an organization structure to support activities in this area. The Company appointed a CCO and established a Compliance Committee headed by the CCO. The task of this committee is deliberate on basic compliance planning. Oki also established the Compliance and Business Ethics Division to plan, formulate and promote compliance policies.

Establishing a System for Corporate Social Responsibility

CSR Promotion Division Established

With ongoing economic and social globalization and the spread of global communications, companies must enhance their corporate value, not only by meeting economic goals, but also by meeting the expectations of a wide spectrum of stakeholders in terms of fulfilling social and environmental responsibilities. In October 2004, Oki strengthened its ability to meet its corporate social responsibilities by establishing the CSR Promotion Division. This unit works closely with the relevant divisions to formulate overall

group policies and promote specific themes relating to CSR activities. Specific areas of activity include the distribution of information to shareholders and investors, the improvement of customer satisfaction, environmental measures, and the promotion of compliance. Respect for employees and contribution to society are also important themes.

CSR Topics

For the Global Environment

The Oki Group's environmental philosophy calls for the attainment and maintenance of a better global environment for future generations through the supply of products that contribute to the creation of the e-society. This stance is reflected in efforts to create environment-friendly products and ensure compliance with environmental requirements in its business activities by bringing together the accumulated environment-related technology resources of the Group. It also shares knowledge internally about environmental initiatives, such as the use of lead-free solder and green procurement.

Group-wide ISO14001 Certification Achieved



ISO14001 certification

Oki gained certification under the ISO14001 environmental management standard from JACO (the Japan Audit and Certification Organization for Environment and Quality) and uses this as a tool for the creation of a corporate networked environmental management structure. It has developed environmental management systems for all business processes from planning to

manufacturing. The current integrated certification covers 11 offices, 8 subsidiaries and 59 affiliated companies. In all of its environmental activities, the Oki Group emphasizes resource selection and concentration, and the sharing of information and knowledge. In addition to developing environment-friendly products and ensuring compliance with environmental requirements, it also aims to maximize the benefits of these initiatives by avoiding the duplication of investment in environmental measures.

Accelerated Global of Environment-Friendly Production

The Oki Group is working on various levels to ensure that its

production operations are environmentally sound, including the introduction of parts and materials that do not contain substances with the potential to harm the environment.

Major Initiatives

● **Use of trivalent chromium screws:** The Oki Group is switching to trivalent chromium instead of hexavalent chromium, the use of which is prohibited under the RoHS* Directive, as the material for screws used in its mechatronic products. Preparations are being made for the progressive introduction of the new screws at all production sites of the Group, starting in March 2005.



* Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment

Left: a hexavalent chromium screw
Right: a trivalent chromium screw

● **Chromium-free surface-treated steel sheet:** Oki Electric Industry (Shenzhen) Co., Ltd., an ATM and printer manufacturing base in China, completed the transition to chromium-free surface-treated steel sheet, which contains no chromium acid compounds, for its mechatronics products.

● **Lead-free Soldering Qualification Recognition Program:** Lead-free soldering requires advanced specialized technology. Oki Electric Industry (Shenzhen) Co., Ltd. has introduced a qualification recognition program to support training in lead-free soldering.

Reducing Greenhouse Gas Emissions

The Oki Group is working to reduce emissions of carbon dioxide and other greenhouse gases, which are the heaviest environmental loads caused by factories and offices. Oki is approaching this task through energy conservation measures targeting its semiconductor plants, which use large amounts of electric power. Miyagi Oki Electric Co. Ltd. has replaced the air conditioning systems used in its clean room facilities to clean

external air and regulate temperature and humidity with energy efficient high-speed air wash air conditioning systems. The new systems use 20% less power and will reduce carbon dioxide emissions by 290 tons a year. The Oki group plans to introduce this technology at other plants, with a view to creating 'resource recycling plants.'

For Customers

Improving Web Accessibility

The Oki Group has compiled an accessibility section for its "Oki Website Creation Guidelines." This publication lists guidelines concerning web accessibility to facilitate the use of websites by a wide range of people, including the aged and disabled. The Oki Group is enhancing compliance with specifications stipulated by Japanese Industrial Standards (JIS) in June 2004, such as paying increased attention to the users with voice browsers (a software that reads out the content of pages). Research staff at Oki and disabled teleworkers of the special subsidiary Oki WorkWel Co., Ltd. assessed the guidelines as part of the development process to ensure that the results would be extremely practical from the viewpoints of both users and operators. These guidelines were implemented on the Oki Group's corporate information and investor information sites in January 2005, and it is continuing to expand the scope of their implementation.

For Society

Donations to Help Disaster Victims

Oki made donations worth 10 million yen to six municipalities, including Niigata Prefecture and Nagaoka City, which were affected by the Niigata Chuetsu Earthquake on October 2004. The donations consisted of cash and Oki wireless equipment. Also, in cooperation with the labor union, the Company made donations totaling 9.11 million yen to the employees and their families affected by the disaster.

Oki Data Corp. and four Thai group companies made donations totaling 11 million yen to Thailand, which was hit by the tsunami triggered by the Sumatra earthquake in December 2004.

Forest Fostering Agreement Signed

In January 2005, Oki signed a Forest Fostering Agreement with Komoro City in Nagano Prefecture. Each year Oki and the Oki 100-Yen Fund of Love (a charity organized by Oki Group employees) will, between them, donate 500,000 yen to the city. They will serve as "foster parents" for forest areas in Komoro City, including the Nomatori area, for a five-year period starting from February 1, 2005.



Forest Fostering Agreement signing ceremony

Support for Local Publication of Picture Card Books in Laotian

Since the year ended March 2002, the Oki 100-Yen Fund of Love has supported publication of picture card books in the Laotian language in Laos. In the year ended March 2005, it helped to sponsor the publication of a picture card book, "The Little Fish



"The Little Fish Who Stayed Home"

Who Stayed Home," by the Action with Lao Children, a specified nonprofit corporation. The book was written by a Laotian author to inform children about the importance of the environment, with the message that littering is wrong.

For Employees

Powerful Human Resource Development System

Oki's human resource development systems have two aims: to develop the knowledge and skills needed by employees to carry out their duties, and to support personal growth for those who aim to become highly autonomous within the organization.

In addition to training, individual employees discuss career planning with their supervisors. The system is designed to foster employees' personal growth while maximizing corporate performance and ensuring sustainable growth by investigating appropriate positions for employees according to their work records, assessment results and other factors, while enabling them to use their skills and experience to the full.

At the operation level, Oki has established the "Phoenix e-Campus," an integrated portal site where employees can study the structure and content of training programs, submit applications, participate in e-learning and check their results at any time. Employees can also submit their career plans through the site.

Employment Opportunities for the Disabled

The Oki Group has actively employed physically challenged people in its work force. It is implementing a teleworking system for severely disabled contract employees for whom commuting is difficult. Known as the "Oki Networkers," they are all highly skilled IT technicians engaged in a wide range of activities including website design and participation in the development of web accessibility guidelines.

Another initiative to expand employment opportunities for the physically challenged workers was the establishment of Oki WorkWel Co., Ltd. as a special subsidiary in April 2004. As of March 2005, Oki WorkWel employs 20 workers with severe physical disabilities (19 of whom work from home and one commutes to the office), two with perception-rated disabilities, one with a visual disability, and one with an internal disability. This total includes Oki Networkers who have transferred to Oki WorkWel.