

Intellectual Property and Information Management

Charter of Corporate Conduct

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

The Oki Way

Oki recognizes the importance of intellectual property in its business strategy and endeavors to secure and maintain the property. It also respects the intellectual property rights of third parties and does not intentionally infringe or misuse those rights.

The Oki Groups are aware of the importance of personal information held, collected or obtained in the course of its business operations from the viewpoint of privacy protection. Such information is strictly controlled to prevent the loss, destruction or leakage of information, information tampering, or the use of information for purposes other than the purpose for which it was obtained.

Protecting Intellectual Property

Intellectual Property Strategy

The Oki Group recognizes the importance of intellectual property in its business and endeavors to secure and maintain the property. The establishment of strong intellectual property rights for the purpose of maintenance of Oki Group's growth in business contributes to sustained growth and corporate earnings, and for this reason the Oki Group establishes intellectual property strategies that match its business strategies at all stages from creation and accumulation through to utilization. Oki has formed a top-down process to develop and implement plans for the creation of intellectual property that will help it to gain a business advantage and build growth potential in its three core segments of info-telecom systems, semiconductors and printers. These efforts also encompass overseas markets, reflecting the global expansion of its business activities.

The Oki Group uses its accumulated intellectual property extensively and in variety of ways to maximize its competitive advantage in domestic and overseas markets. Its flexible approach to business development includes the strategic uses of technology partnerships or cross-licensing with other companies. If necessary, the Oki Group also licenses out its intellectual property rights.

Respect for Other Companies' Rights and Management of Confidential Information

In the same way as it protects its own intellectual property rights, the Oki Group respects the rights of third parties, including other companies. For this reason, it conducts patent searches when developing new technology and takes great care to avoid infringing intellectual property rights. Regardless of whether or not it intends to establish rights, Oki appropriately, and in accordance with the law, manages its own intellectual property and confidential information, as well as those of its customers and suppliers. It has established organizational structures to prevent the illegal acquisition, disclosure, use or leaking of information.

Employee Invention System

The Oki Group aims to motivate and encourage engineers and stimulate the creation of inventions that will contribute to business performance, by using appropriate and legally compliant methods to reward employees who make new inventions. Under the Oki Group's traditional patent bonus system, inventors receive bonuses at the patent application, registration and implementation stages, or when patents are licensed. In the year ended March 2005, the patent bonus system was reviewed to comply with amendments to the law concerning employee invention systems, and to make the system more transparent and understandable.

Strengthening Information Security

The Oki Group's Security Policy

A security policy for Oki Group was adopted in May 2002. The establishment and maintenance of information security, confidentiality, integrity and availability in the context of business activities, the protection of data, systems and networks from internal and external threats, and the maintenance of systems and networks in normal operating condition are important social responsibilities for the Oki Group.

They are also fundamental requirements for its credibility as an enterprise that has chosen the words "Oki, Network Solutions for a Global Society" to express its corporate vision. All Oki Group employees recognize the importance of information security to the use of information resources in strategic business activities in an environment characterized by technical innovation and rapidly changing business conditions, and they apply this basic policy to their day-to-day activities.

Information Security Education

The Oki Group is aware that the maintenance of information security depends on the knowledge and behavior of each individual employee who handles information. For this reason, information security education has been provided for all employees since the year ended March 2005.

The education program focuses on basic rules for the use of networks and computers, precautions against information leakage, and aspects that relate directly to the day-to-day behavior of individual employees. By providing this type of education, Oki also aims to reinforce the business morality and IT literacy of its employees, and to ensure that they are able to adapt successfully to changes in the social environment and information technology. In addition to classroom training, the education program also includes e-learning activities.

Employee ID Cards

In April 2004, the Oki Group began to introduce digital employee ID cards. The same cards can be used to control facility access and egress, and to verify the identity of those accessing internal networks.

The cards contain contactless IC chips that verify the identity of the holder using electronic certificates stored in the card's memory when they are connected to internal networks. Oki has further improved office security by installing a contactless key system to control facility access and egress.



An Employee ID Card

Acquiring ISMS Certification

As a supplier of highly reliable network solutions and related services, the Oki Group has made security management a high priority. One example of this commitment is the acquisition of Information Security Management System (ISMS) certification for departments involved in the creation and operation of internal information systems, and in the systems' design and development.

In December 2004, certification under BS7799-2: 2002, and the ISMS Certification Criteria (Ver.2.0) was achieved for departments specializing in planning and sales operations in the Infrastructure Information Solutions Division of the System Solution Company (SSC), the main clients of which are government agencies and public works organizations. This is the first time that planning and sales departments in an Oki Group company have gained ISMS certification. The Oki Group will continue to implement effective management policies under its basic information security policy.

ISMS Certification in the Oki Group

Company name/department name	Initial Registration Date
Oki Electric Industry Co., Ltd. (Information Planning Division)	February 14, 2003
Oki Electric Industry Co., Ltd. (Oki System Center)	August 4, 2003
Japan Business Operations Co., Ltd (ATM Service Center, Operation Dept. Kyusyu ATM Service Center, Operation Dept.)	January 30, 2004
Oki Customer Adtech Co., Ltd. (Customer Support Center, Nishi-Nippon Basic Support Team)	January 31, 2004
Oki Electric Industry Co., Ltd. (Infrastructure Information Solutions Division, System Solutions Company)	December 27, 2004

Compliance with the Law for the Protection of Personal Information

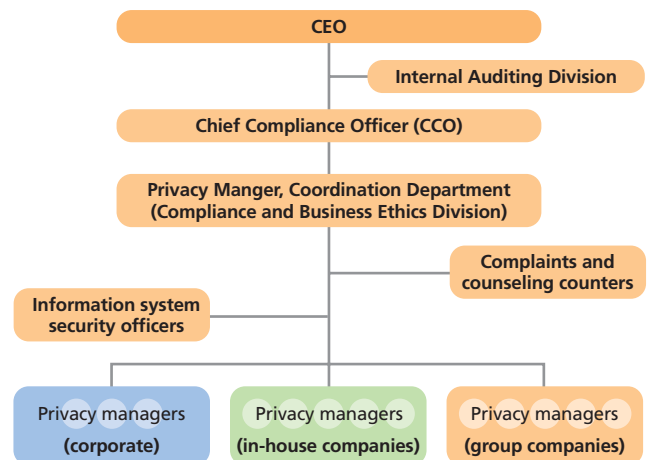
In August 2004, the Oki Group adopted a basic policy on the protection of personal information in preparation for compliance with a new privacy law* that took effect in April 2005. A privacy policy based on this policy has been published on Oki's website.



A web page for privacy policy

Under Oki's privacy protection structure, the Chief Compliance Officer has ultimate responsibility for compliance throughout the Oki Group. Privacy managers have been appointed at the corporate level and in in-house companies and group companies. These people form the organizational structure for the implementation of the basic policy through compliance with concrete privacy regulations and other related regulations. To ensure that policies are fully implemented in all departments and divisions, privacy protection has been also included in training for compliance managers. Oki also uses e-learning to educate individual employees about measures under the privacy law.

Privacy Protection Organization



*The Law for the Protection of Personal Information