

Corporate Governance

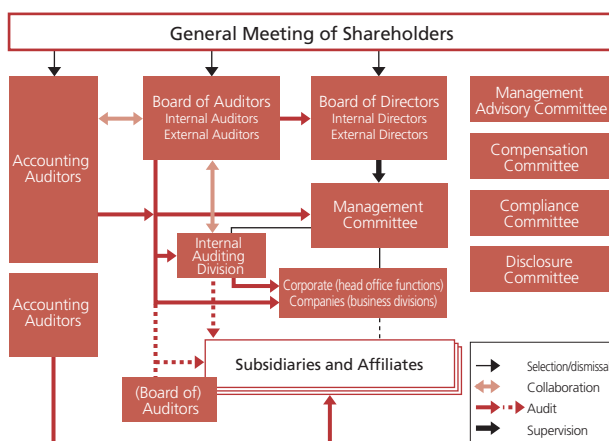
One of the most important management priorities for the OKI Group is to justify the confidence shown by its stakeholders through continual improvement in its corporate value. OKI has approached this task by strengthening corporate governance as a foundation for management fairness and transparency and prompt decision-making.

Corporate Governance Structure

OKI is structured under the Japanese "company with auditors" system, and its operations are supervised and audited by its directors and corporate auditors. It has strengthened management efficiency by separating management and executive functions through the introduction of an executive officer system.

The Board of Directors consists of 11 directors, including one external director. It meets monthly to make decisions about basic management policies and other important matters, and to supervise the performance of business operations. The Management Committee, which normally meets weekly, makes decisions on important aspects of the OKI Group's business operations and receives key reports on divisional operations. Meetings are attended by the corporate officials at executive officer level and above, and by the corporate auditors.

Corporate Governance Structure



The Board of Auditors consists of two external auditors, of whom one is a standing auditor, and two other standing auditors. The auditors audit the activities of directors by attending important meetings, including board meetings, verifying the content of reports received by the directors and other officers, and checking the status of corporate operations and assets. The Internal Audit Division accurately monitors corporate operations through internal audits. It also helps to rationalize management and improve the quality of operations by detecting and preventing negligence and fraud.

Committees

OKI has established several committees to strengthen its corporate governance.

The Management Advisory Committee advises top management. The inclusion of outside experts in this committee is one of the ways in which OKI ensures management transparency and soundness.

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.

The Compliance Committee, which is headed by the Chief Compliance Officer (CCO), deliberates on basic compliance-related policies for the entire OKI organization. The mission of the Disclosure Committee is to ensure that information is disclosed accurately and in a timely manner to all stakeholders.

Building Internal Control Systems

Japan's new Company Law took effect in May 2006. In the same month, OKI's Board of Directors adopted and announced a basic policy for the construction of an internal control system. OKI will work under this policy to strengthen its corporate governance systems further.