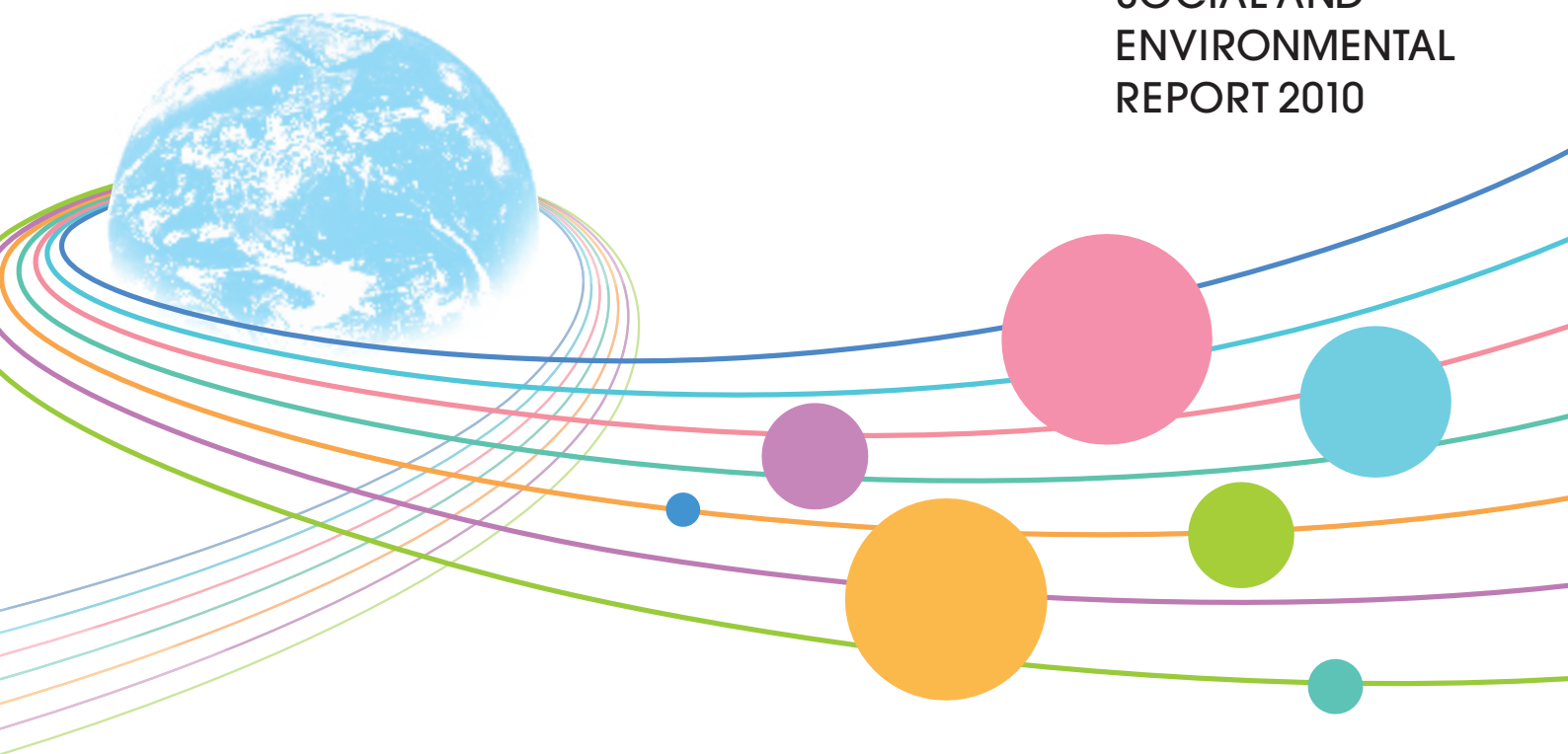


SOCIAL AND  
ENVIRONMENTAL  
REPORT 2010



**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 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.

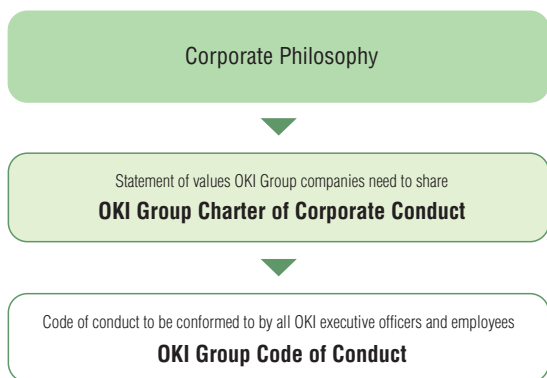
The OKI Group, as described in its corporate philosophy, aims at contributing to the improvement of the quality of life for people around the world through its core business, namely the manufacturing and distribution of products and services that can serve the development of the information age. What underlies the group's CSR (corporate social responsibility) initiatives is our commitment to the pursuit and fulfillment of this idea.

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 member companies of the group. In addition, we also established the OKI Group Code of Conduct

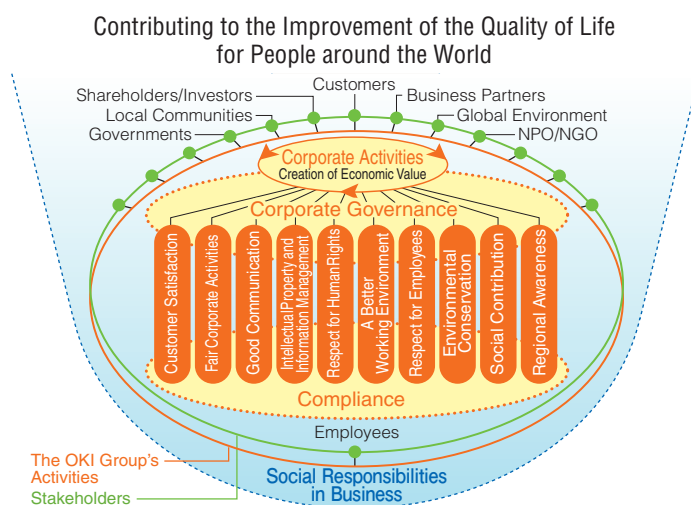
which is to be conformed to by all executives and employees of the group. We have disseminated the charter and the code across the group through various means such as training programs. We have also defined seven priority themes to be pursued. The CSR Division, an organization dedicated to CSR-related efforts, takes the initiative in promoting activities under these themes.

We will continue to make every effort to fulfill our social responsibility based on our corporate philosophy by ensuring that each member of the group complies with the OKI Group Charter of Corporate Conduct and the OKI Group Code of Conduct.

Foundation of CSR at the OKI Group



CSR Initiatives by the OKI Group



## Brand Statement "Open up your dreams"

We will establish the OKI brand as a reliable partner for any member of society in order to continuously carry out our mission in the long run based on an enterprising spirit. The brand statement, "Open up your dreams," is OKI's commitment and epitomizes the value OKI offers to our customers and all other stakeholders.

**OKI** *Open up your dreams*

The brand statement of OKI expresses the opening of a door to a society, where people around the world can lead more lives that are enriched, safe and secure. The statement also expresses our dream to contribute to the information society that enables to achieve the dreams and hopes of stakeholders.

"Opening up your dreams" and "accomplishing our ambitions" are OKI's commitments that are inherent in its brand statement.

— **OKI opens up your dreams** —

# We keep our customers' trust and help people enjoy an improved quality of life through our ongoing efforts and sincere business activities based on an "enterprising spirit."

## We will fulfill our responsibilities to society in accordance with our corporate philosophy.

Meikosha, Japan's first manufacturer of telecommunications equipment and the predecessor to OKI, was established in 1881. With an enterprising spirit, it took on the challenge of producing telephone sets soon after the Meiji Restoration, only five years after Alexander Graham Bell's invention of the telephone, and ultimately succeeded. In short, OKI has been enthusiastically taking on new challenges in unknown fields since its inception. This attitude embodies our corporate philosophy that underlies our CSR initiatives: "The people of OKI, true to the company's enterprising spirit, are committed to creating superior network solutions and providing excellent global information and communications services to meet the diversified needs of communities worldwide in the information age."

## 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. Today, we provide many products and services that constitute and maintain social infrastructure. Among them are telecommunication infrastructure for carriers, operational systems for financial institutions, automated teller machines (ATMs) used worldwide

including China, ticket issuing and check-in processing systems for transportation services, and other public service systems. We take pride in them because they were created by the results of our business activities characterized by the integration of sales and marketing, technology development, production, and maintenance. More specifically, we accurately understand the needs of society, reflect them in the development of element technology, create products utilizing such technology, establish effective manufacturing techniques, achieve a level of quality that truly satisfies customers, and offer reliable maintenance systems.

In order to further serve customers and society in this age of volatility and change, we have adopted the following two corporate strategies in our new Mid-term Business Plan launched in April 2010:

- OKI provides products and services to contribute to the development of the information society.
- OKI aims to become a company that makes steady growth by generating profit stably.

Under these strategies, we will shift to a consolidated group management, enhance "monozukuri" (the art of manufacturing), strengthen our service business, and create new businesses based on our unique technologies in order to help people enjoy a more improved quality of life.

## We facilitate the globalization of our operations and CSR initiatives.

In order to advance responsible management as a global enterprise, the OKI Group has enhanced corporate governance



*Hideichi Kawasaki*

**Hideichi Kawasaki**  
President  
Oki Electric Industry Co., Ltd.

and facilitated the implementation of group-wide CSR-related activities. Part of such efforts was the enactment of 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 by all executive officers and employees. We have disseminated the charter and the code across all companies of the OKI Group inside and outside Japan.

Furthermore, OKI participated in the United Nations Global Compact in May 2010. OKI supports the Global Compact's ten principles in the areas of human rights, labor, environment, and anti-corruption while further promoting its CSR activities to help build a sustainable society.

### **We address climate change and the management of chemical substances in order to realize a better global environment.**

From this perspective, we believe that environmental activities form an integral part of the OKI Group's CSR initiative. In order to address climate change and help realize a low carbon society, the OKI Group has promoted Green IT and has been involved in environmental conservation through day-to-day business activities. Various efforts made for the latter include the improvement of energy efficiency at the group's production sites inside and outside Japan.

On the other hand, as regulations to control chemical substances contained in products, such as EU's REACH, have

become more demanding across the world, raising concreteness and effectiveness are called for in measures for handling chemical substances by companies. The OKI Group will enhance its systems to manage chemical substances in order to conform with these regulations, develop services based on our knowledge accumulated through such efforts, and offer such services to our customers to help them build effective systems to control chemical substances.

The OKI Group's brand statement, "Open up your dreams," is our commitment that expresses the values we offer to our stakeholders based on our corporate philosophy and mission. We will continue to make steady and sincere efforts for our CSR initiatives, and further increase our corporate value in order to open the door to a safer, more secure society in which our stakeholders can realize their dreams.

This Social and Environmental Report 2010 is intended to help all stakeholders better understand the OKI Group's social and environmental activities carried out in fiscal 2009. We sincerely hope that as many people as possible will read this report. Your honest opinions regarding our CSR initiatives would be greatly appreciated.

June, 2010

# Company Profile

## Profile

**Corporate Name:** Oki Electric Industry Co.,Ltd.  
**Founded in:** January 1881  
**Company Established:** November 1, 1949  
**Common Stock:** 76.94 billion yen  
**Employees:** 18,111 (Consolidated) , 3,170 (Non-consolidated)  
 (As of March 31, 2010)  
**Head Office:** 3-16-11, Nishi-Shinbashi,  
 Minato-ku, Tokyo 105-8460, Japan  
 TEL: +81-3-5403-1211

## Business Segments

### Info-Telecom Systems

The OKI Group offers telecommunication systems, social systems, mechatronics system, and various solutions & services utilizing its core technology of info-telecommunication and mechatronics.

### Printers

The OKI Group manufactures printers for business use utilizing its LED technology and distribute them throughout the world.

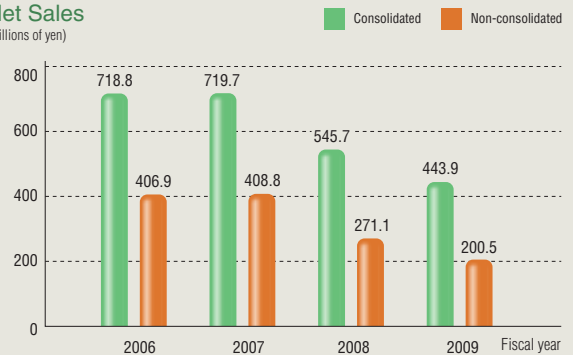
### Others

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



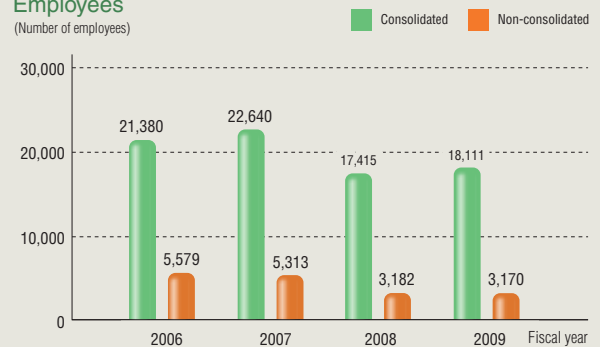
### Net Sales

(Billions of yen)



### Employees

(Number of employees)



## Editorial Policy

- The OKI Group "Social and Environmental Report" featuring our social and environmental efforts is published in order to inform our stakeholders of the group's CSR (corporate social responsibility) initiatives in an easy-to-understand way.
- In June 2009, the OKI Group published the Social and Environmental Report 2009. It was the group's first attempt to integrate two of its annual reports, the Environmental Report launched in 1999 to disclose environment-related information and promote better understanding of our environmental management, and the Social Responsibility Report launched in 2005 to let our stakeholders know our CSR-related activities. In reporting what we did for the environment and society during fiscal 2009, we again take this approach. We believe we can inform our stakeholders of our environmental and social activities in a compact and easy-to-understand way by doing so.
- This report features five articles under the title "Meeting Our CSR Commitments" that cover five key challenges for the OKI Group in which our stakeholders as well as the public show an intense interest. The report describes our seven priority themes concerning social responsibility and our efforts made in fiscal 2009 as well. It also includes the "Detailed Data" section at the end which covers performance data concerning our environmental activities.

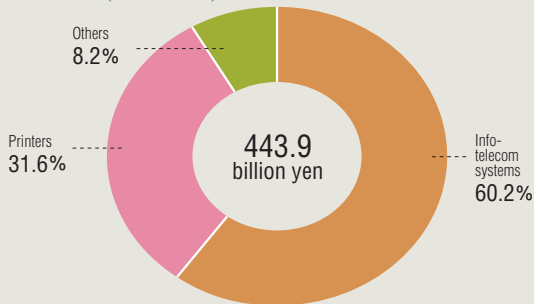


## Reference Guidelines

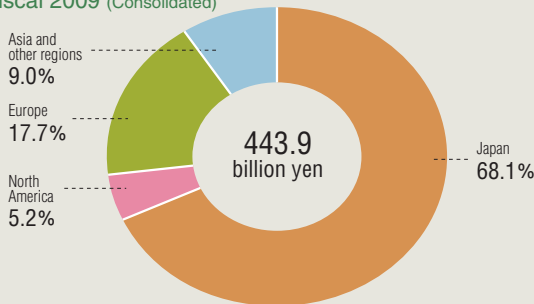
Sustainability Reporting Guidelines Version 3.0 (GRI) Environmental Reporting Guidelines (2007 Version) (the Ministry of Environment)  
 Environmental Accounting Guidelines 2005 (the Ministry of Environment)

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 (that is currently being developed).  
 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 (Global e-Sustainability initiative): A partnership of information and communications technology companies that collaborates with EICC about CSR management in the supply chain.

**Net Sales by Business Segment  
in fiscal 2009 (Consolidated)**



**Net Sales by Market  
in fiscal 2009 (Consolidated)**



## Scope Covered by this Report

### 〈 Time Period 〉

This report covers fiscal 2009 (the year from April 1, 2009 to March 31, 2010). 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., its subsidiaries and affiliates inside and outside Japan. Environmental data mentioned in this report refer to the following organizations:

OKI (Japan)	Alago district, Shibaura district, Honjo district, Takasaki district, Tomioka district, Numazu district, Warabi district, Kansai Laboratory, Hokkaido Regional Office, Tohoku Regional Office, Chubu Regional Office, Kansai Regional Office, Chugoku Regional Office, Shikoku Regional Office, Kyushu Regional Office
Group Companies (Japan)	OKI Data (Fukushima District), OKI Printed Circuit, Nagano OKI, Shizuoka OKI, OKI Sensor Device, OKI Micro Engineering, OKI Digital Imaging, OKI Power Tech, Shinsei Denki Co., Ltd., OKI Erlolg, OKI Engineering, OKI Logistics, OKI Customer Adtech, OKI Communication Systems, OKI Network Integration, OKI Development, O F Networks Co., Ltd.
Group Companies (Overseas)	OKI (UK), OKI Data Manufacturing (Thailand), OKI Telecommunications Technology (Changzhou), OKI Electric Industry (Shenzhen), OKI Precision (Thailand), OKI Electric Technology (Kunshan), DongGuan TandXia OKI Micro Engineering Factory

### 〈 Corporate Names / Names of Organizations 〉

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 2010.

## 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.

OKI Group's CSR	2
A Message from the President	4
Company Profile / Editorial Policy	6
CONTENTS	7

### Special Features: Meeting Our CSR Commitments

<b>What OKI can do for the improvement of the quality of life for people around the world</b>	<b>8</b>
---	----------

<b>1</b>	<b>OKI Aims at Bridging Digital Divides by Offering Systems to Help People Lead a Convenient, Safe and Secure Life</b>	<b>10</b>
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<b>2</b>	<b>Promoting Green IT and Energy Saving in Day-to-Day Business Activities for the Realization of a Low Carbon Society</b>	<b>12</b>
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<b>3</b>	<b>Appropriate Management of Production Sites Underlies Our Reputation as a Trustworthy Manufacturer Offering Reliable Products</b>	<b>14</b>
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<b>4</b>	<b>Utilizing OKI's Technology to Provide Products Meeting Customer Needs in Conformity with Increasingly Demanding Regulations about Chemical Substances Contained in Products</b>	<b>16</b>
----------	--	-----------

<b>5</b>	<b>Securing Information Security as a Leader in the Information Society</b>	<b>17</b>
----------	---	-----------

Corporate Governance	18
Promoting CSR at the OKI Group	19

■ Full Compliance with Laws and Regulations	20
■ Information Security	22
■ Improvement of Customer Satisfaction	24
■ Good Communication with Shareholders and Investors	27
■ Respect for Employees	28
■ Social Contribution	31
■ Consideration for the Environment	34
— Detailed Data	38

Building Trust	43
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For further information, please contact

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



Special  
Feature

## What OKI can do for the improvement of the quality of life for people around the world

Meeting  
Our CSR  
Commitment

The OKI Group is committed to helping people around the world improve the quality of their lives through IT-based manufacturing.

The OKI Group, as described in its corporate philosophy focusing on the improvement of the quality of life for people around the world, has offered various products and services that help solve social issues. It is also notable that OKI's manufacturing is characterized by the integration of all relevant functions such as sales and marketing, technology development, production and maintenance. In other words, all processes from product development to delivery are effectively managed in an integrated way at OKI. This section features messages of five people who have been working on the front lines of five key areas for the OKI Group's CSR.

### We would like to offer IT-based public service solutions that even help revitalize regional economies.



**Takeshi Okamoto**

Government & Public Systems  
Marketing & Sales Division

OKI has offered various products and services utilizing its core technology of info-telecommunication. I have been working for Local Community Information Systems for municipal governments in which OKI's cutting-edge IP technology and disaster prevention systems are incorporated. The purpose of this systems is to promote the informatization of local communities, allow their residents to enjoy the benefits of IP

telephony and the Internet, and thus improve their safety and

security. As I have visited users of this system door to door, I have realized that we can help develop local communities by supporting communication between people living there. We would like to go even further and eventually offer solutions that even help revitalize regional economies.

It is also important for us to make such system more environment-friendly in the future. I sincerely hope that the combination of OKI's Green IT and public service systems for municipal governments will enable the optimization of convenience, cost effectiveness and environmental friendliness in communities and houses.

See **Feature 1** article for specific efforts.



## As a company advocating Green IT, we need to make company-wide efforts to reduce CO2 emissions.



**Akihiro Mito**

Facility Management Team  
General Affairs Division

OKI is currently pursuing a project to achieve a 1% reduction in CO<sub>2</sub> emissions from the average of the last five years by replacing aging infrastructure facilities with latest ones. However, there are limits to what we can do through facility investment. Furthermore, we now have to save energy not only at production sites but also at offices. Thus we are considering building a new system through which every business unit can constantly and autonomously save

energy. What is most important for such system is the environmental awareness of the each user. In this context, we have been working for the visualization of energy consumption by introducing OKI's Green IT services. As a company advocating Green IT, we need to make steady efforts to save energy and reduce CO<sub>2</sub> emissions, and use our experience to develop new products.

See **Feature 2** article for specific efforts.

## Our chemical substance information system ensures safe and secure manufacturing.



**Daisaku Tanaka**

Information Systems Division  
IT Solution & Services  
Business Division

I was involved in the development of a new tool to manage chemical substances in response to the enforcement of EU's REACH. Since we had no systems to deal with rules and regulations before REACH, we had to build the system from scratch. COSMOS-R/R, the completed system, is a very user-friendly system that can cope with law revisions and operational improvements. It has now become an indispensable system for OKI's

safe and secure manufacturing.

I am currently in charge of the marketing of COSMOS-R/R to companies outside the OKI Group. Different customers use different chemical substances of different concentrations. The ways they manage such substances are also different. Therefore, we have to be highly flexible and responsive to meet the needs of each customer. I would like to utilize my experience from the in-house operation of the system, and help customers ensure safe and secure manufacturing.

See **Feature 4** article for specific efforts.

## Communication is the key to the successful management of production sites.



**Yasunori Yamazaki**

Production Planning  
Department  
Production Division

I believe communication is the most important thing for manufacturing businesses. Suppose you have to make an adjustment of the output of a certain product. You are not able to get best result unless you fully understand what is happening in the production site and what your customers truly need.

Communication is much more important if you work at an overseas production site because the cultural background and

customs of local employees are quite different from yours. I worked at a site manufacturing ATMs in China until recently. The site put great importance on employee training and information sharing. In order to avoid confusion and misunderstanding, people working there were asked to communicate in plain terms. Furthermore, various events were held to foster a sense of unity among them. I believe such steady efforts help improve productivity.

See **Feature 3** article for specific efforts.

## The improvement of our information security secures the reassurances of our customers.



**Masaya Sato**

Information Planning Division

What comes first for information security is that we should never, ever cause troubles to our customers. Since the use of IT is indispensable for every aspect of OKI's business as a manufacturer and service provider, extreme care should be taken for information security in all processes from development, production and sales to maintenance. For this purpose, we have introduced several measures and systems. Believing that information security is

ultimately secured by individual employees, we have also made various efforts to promote the security awareness of each employee. Among them are a case-study-based security education program, a system to share accident information, and a program to learn emergency procedures. We will continue to pursue highly sophisticated information security to secure the reassurances of our customers, and thus improve our credibility.

See **Feature 5** article for specific efforts.

**Higashiya Ochiai Area of Miyoshi City (an Area of Important Traditional Buildings designated by the Japanese government)**

Located in the center of Shikoku Island, in the northwestern part of Tokushima Prefecture, Miyoshi City is blessed with beautiful natural surroundings such as the Yoshino River, Iya Valley and Mt. Tsurugi. OKI's Local Community Information System serves the safety and security of people living in this city with a population of 32,000.

**Special Feature**

**Meeting Our CSR Commitment**

**1**

# OKI Aims at Bridging Digital Divides by Offering Systems to Help People Lead a Convenient, Safe and Secure Life

## OKI's Technology for the Convenience and Safety of People

This ever shrinking world brings us the greatest convenience ever. Today we enjoy the benefits of material wealth and easy access to information. At the same time, the development of disease and disaster prevention measures has made our daily life much safer than ever before. What underlies this convenience and safety is the creation of innovative technologies and products, and the improvement of social infrastructures.

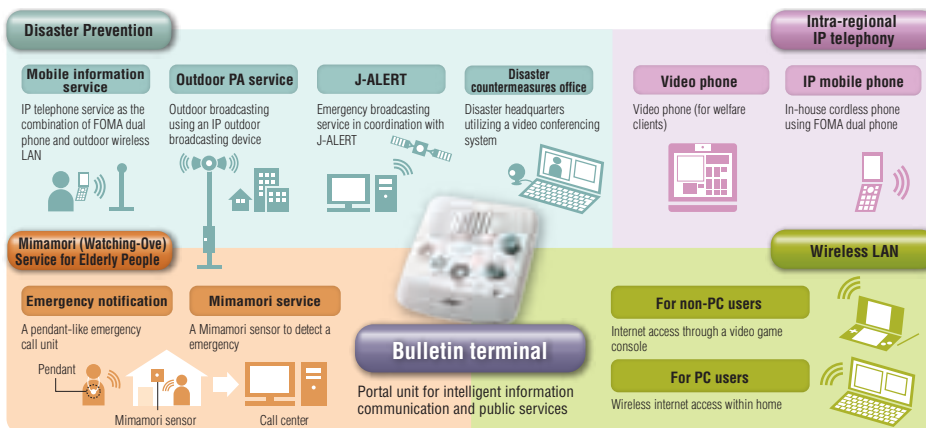
The OKI Group, Japan's first telecommunication equipment manufacturer, has offered numerous products and services utilizing its advanced information technology. OKI's technology is used in many different public services and social infrastructures offered by the national and municipal governments. One of them is

the Municipal Disaster Prevention Wireless Communication System. Equipped with many convenient features such as master/slave two way communication, weather data collection, provision of textual information, high-speed data transmission, and linkage with other disaster prevention systems, this system allows the prompt provision of disaster information to local residents. OKI has also offered fire command systems to the fire authorities since 1968. OKI's fire command systems are currently used at approximately 160 Fire Fighting Head Offices across Japan. They shore up the safety and security of Japanese people.

## Bridging Digital Divides

As more and more people have used broadband access and mobile phones, information and telecommunications networks have become an integral part of our social infrastructures. At the same time, the digital divide, the gap between areas with effective access to such networks and those with limited or no access at all, has become an important social issue. In January 2006, the Japanese government decided on a policy to eliminate areas with no broadband access with the target year set at fiscal 2010 as part of the New IT Reform Strategy. Since then, the government has

● Local Community Information System (Bulletin Terminal and Typical Services)



organized Strategic Meetings for Bridging the Digital Divide and worked out concrete measures to achieve the goal. It has been discussed in these meetings that the simple expansion of broadband and mobile phone networks is not enough. One of the most important challenges is to expand and upgrade relevant infrastructures in tandem with local public services, and ensure visible benefits to local residents.

Believing that its Local Community Information System (a VoIP notification broadcasting system) launched 2003 can be an effective solution to this challenge, OKI has been involved in the development of infrastructures that helps improve the quality of services offered by municipal governments and businesses in close coordination with the expansion of broadband access.

## Providing Easy-to-Use Systems for Any Type of Users

OKI's Local Community Information System was developed drawing on its VoIP\* technology, network expertise, and know-how acquired through its experience in building disaster prevention wireless communication systems. Designed to promote the informatization of local communities, the system gives its users access to all types of public services offered by the municipal governments of the areas in which they live via existing telephone sets or PCs. All they have to do is to install compact bulletin terminals at their homes. (See the diagram in Page 10)

In order to meet the needs of different municipal governments, OKI offers a wide variety of optional features, a customization service, and an upgrading service. In order to pursue the ultimate user-friendliness, OKI is keen to listen to opinions from users, especially those from elderly people. In fact, we have received various complains and requests about the bulletin terminal, such as, "There should be a volume control," and "The blinking message lamp is disturbing at night." We always do our best to meet such requests because we can build a safe and secure information network that truly meets the needs of local residents in each area only through this approach.



IP outdoor broadcasting device

Among many different modifications made to meet the requests of individual users, we have selected those with general versatility and convenience, and incorporated them into the existing system. For example, we developed an IP outdoor broadcasting device based on an opinion from a user who wanted utilize the system for an outdoor public address service to complement or substitute an existing disaster prevention wireless communication system. The commercialized version of this outdoor unit was launched in the market in November 2008. It was followed by an upgraded version, launched in September 2009, with some additional features such as an answer back function, remote video surveillance and time-differential broadcasting.

\* VoIP (Voice over Internet Protocol) is a protocol that allows for a computer or other IT equipment to make a voice communication over the Internet or an intranet.

## Making Efforts for Further Safety and Convenience for Customers

OKI always explores possible improvements and applications of its existing technologies in order to contribute to society through our products and services as described in its corporate philosophy. For example, the bulletin terminal used as part of the Local Community Information System is an evolving tool. We are considering redefining it as a new contact point for public services, combing it with some existing technologies, and realizing the visualization and optimization of energy consumption of each household. We believe such efforts to enhance and upgrade our existing technologies are very important to add new solutions.

OKI also focuses on the development of innovative technologies and systems to support social infrastructures in the future. Among them, the Inter-Vehicle Communication Technology, the Intelligent Transport System, the Digital Wireless Communication Technology for the Fire Authorities, and the Next Generation Underwater Acoustic Technology are expected to be put to practical use in the near future.

OKI will continue to develop technologies and products that help solve social issues and contribute to the realization of a safe, secure society.

### Stakeholder's Voice

#### OKI's Local Community Information System has established itself as a useful tool among local residents.

Miyoshi City was founded in 2006 as a result of the merger between six towns and villages. In 2007, one year after its foundation, the city launched a project to build a cable TV-based information network. We chose OKI as our partner because its expertise and technology seemed to allow the linkage of all services we needed such as a voice notification service, an IP telephone service, an Internet access, and the existing disaster prevention wireless communication system. We believe that a voice bulletin service is very useful for local residents to have easy access to information. Prior to the introduction of the system, we conducted a questionnaire survey. The percentage of respondents thinking a voice bulletin service as a must feature reached 66%. The service has been highly regarded by many users since the introduction of the system as it has enabled them to have an easy, secure access to all types of everyday life information. The system has established itself as a useful tool among local residents since its introduction two years ago because it also offers access to IP telephone and the Internet.

I sincerely hope that OKI will continue to offer useful solutions for local communities.



#### PROFILE

#### Tadahito Matsumaru

Public Relations Section General Affairs Department Municipal Government of Miyoshi City, Tokushima Prefecture



**The Green IT Solution Section at the OKI Showroom (Minato-ku, Tokyo)**  
 Presentations and demonstrations on OKI's Green IT solutions in the three key areas -- energy saving, resource saving and chemical substance control -- are given at this section.

Special Feature

Meeting Our CSR Commitment

2

## Promoting Green IT and Energy Saving in Day-to-Day Business Activities for the Realization of a Low Carbon Society

### Contribution to the Realization of a Low Carbon Society

As environmental problems such as global warming and climate change have become more conspicuous and serious, there have been active discussions for reaching a global agreement on a long-term goal of "halving greenhouse gas emissions by 2050." The Japanese government recently declare to the international community the target of reducing Japan's greenhouse gas emissions by 25% by 2020, on the condition that all developed nations will work together to build a fair and effective framework and agree to set an ambitious target. Over the long term, the Japanese government is considering establishing a target of cutting emissions by 80% by 2050.

In line with this trend, the Energy Saving Act\* was revised on April, 2010. As a result, energy consumption now has to be managed and controlled by each company, not by each factory or office. Many municipal governments have also tightened their regulations about energy saving and environmental protection. Furthermore, some measures to encourage people to purchase energy-saving products have been introduced. Among them is the eco-point system for people purchasing consumer electronics, cars and housing. In short, there has been an accelerating move toward realizing a low carbon society in which greenhouse gas emissions can be reduced without sacrificing sustainable growth.

As the OKI Group aims at contributing to society through its products and services based on its corporate philosophy, the realization of a low carbon society is one of its important agendas. In conjunction with the development and popularization of IT, the

energy saving use of IT as well as energy saving by IT has become more and more important. The OKI Group, as a business group that has been deeply involved in IT, has actively promoted Green IT.

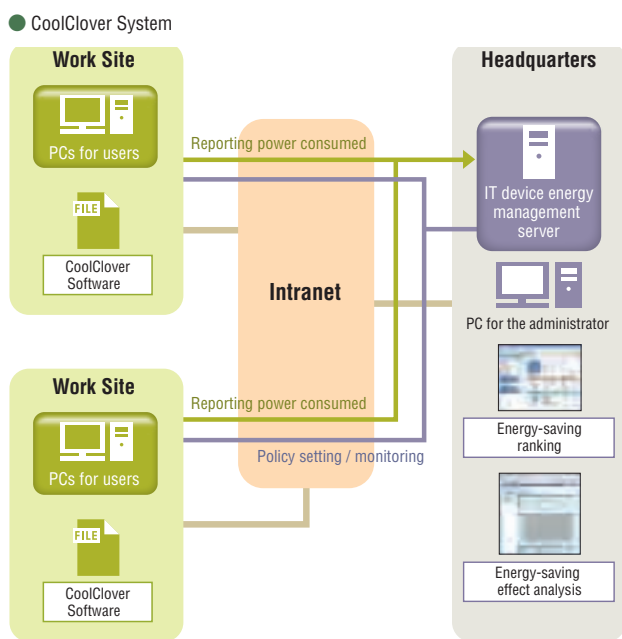
\* The Energy Saving Act: The Act on the Rational Use of Energy

### Promotion of Green IT

As the number of IT devices has dramatically increased with the spread of IT, the energy saving use of IT devices (Green of IT) has become an important challenge. The OKI Group has been active in saving power used for its products such as automated teller machines (ATMs), info-telecommunication devices and printers. We have also conducted an environmental assessment for each product in the design phase by comparing it to its predecessors. In fiscal 2000, we introduced the OKI Eco Product Certification Program (see Page 36) through which the energy-saving feature of each product is clarified.

The utilization of IT helps make business processes more efficient, and improve the productivity and energy efficiency of economic and social activities. Such energy saving through the effective use of IT (Green by IT) has also attracted considerable attention. The OKI Group has made various R&D efforts in order to utilize its technologies in offices, retail stores and transportation systems that have been fallen behind other sector in energy conservation. More specifically, OKI has developed and offered energy management systems for office/commercial buildings and IT devices that allows the visualization of energy consumption.

For example, CoolClover, OKI's energy management system for IT devices, achieves the energy-saving use of IT devices such as PCs. If a non-operation state of a device continues, the system detects it and makes the device go to an energy-saving mode. PCs connected to CoolClover need to have the dedicated control software installed in them. The system calculates the power consumed by each PC based on its operational status and sends the calculated data to the server. In this way, the power consumed by the entire office as well as the power saved can be managed. The system also allows the flexible setting of different recovery times for different PC users without sacrificing their convenience, controls the power consumed by their PCs by predicting how long they leave their desks during working hours. It is notable that the system enables the energy management of individual PCs and the entire office concurrently. Two technologies are used in CoolClover, sensor network technology to collect information and inferencing technology to make situational judgments based on the collected data. Believing that these two technologies can be utilized in many different fields, OKI is currently studying on possible applications thereof.

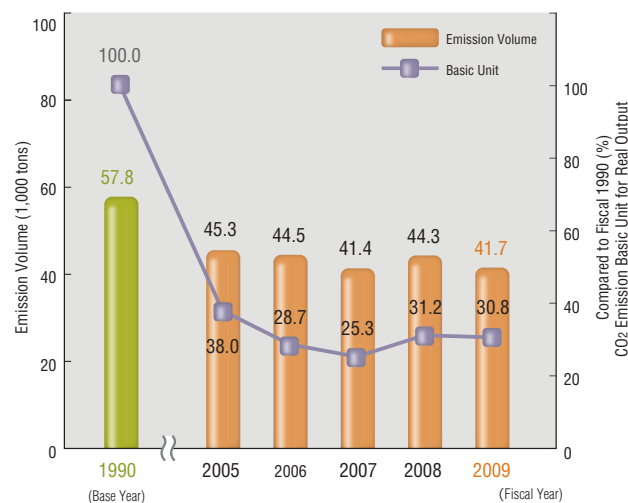


## The OKI Group's Environmental Efforts in Business Activities

While pursuing energy efficiency through products and services (Green IT), the OKI Group is also committed to reducing greenhouse gases such as carbon dioxide (CO<sub>2</sub>) emitted from its business activities. The OKI Group has already started various activities to meet the target for the Kyoto Protocol first commitment period. We made a 69.2% improvement of the basic unit for CO<sub>2</sub> emission with respect to real output\* during fiscal 2009. It means that we have already achieved a goal set in the Voluntary Action Plan on Measures to Fight Global Warming of the Japanese electric and electronics industry, "improving the basic unit for CO<sub>2</sub> emissions with respect to real output in fiscal 2010 by 35% or more compared to that in fiscal 1990." Our other efforts to combat global warming include carbon offset activities through forestation (in Europe and Southeast Asia), production reforms, and the replacement of aging infrastructure facilities, let alone appropriate responses to the revision of the Act on the Rational Use of Energy.

Global warming is a major issue that should be addressed by people around the world in the long run. The OKI Group will continue to address this issue through its products and business activities.

● CO<sub>2</sub> Emissions (from Major Production Sites of the OKI Group)



\* Basic unit for CO<sub>2</sub> emission with respect to real output: CO<sub>2</sub> emission / real output (real output = nominal output / Bank of Japan's Domestic Corporate Goods Price Index for electrical machinery and equipment with fiscal 1990 as the base year)

### Column

## Enhancing Investment in LED (Light-emitting Diode)

LED has recently attracted considerable attention as an environmentally-friendly light-emitting material. While no harmful substances, such as mercury, are used in LED, LED lamps consume about half the power of fluorescent lamps and do not generate much heat. A pioneer in using LED technology, the OKI Group developed the world's first printer using LED as a light source in 1981. Since then, the group has contributed to the improvement of LED technology. In 2006, it developed Epi Film Bonding (EFB) technology<sup>\*1</sup>. The group also succeeded in high volume production of LED print heads using this technology.

In April 2010, the group's new production facility in Takasaki, Gunma began operation. The facility was acquired in order to increase the group's production capability for LED print heads for non-impact printers<sup>\*2</sup> and develop new businesses utilizing LED technology. The new facility has a clean room with a high-level degree of cleanliness. Covering approximately twice as large a space as other clean rooms, the facility is expected to achieve a fourfold boost in the group's LED print head production capability. Located close to Takasaki Office, the group's R&D base for printers, the new production facility is expected to contribute to closer coordination between R&D and production for developing innovative products.

\*1 Epi Film Bonding technology enables thin film materials to be bonded utilizing intermolecular bonding force. It allows the production of higher-density and higher-layer semiconductors, leading to various high-speed and low-power compound devices.

\*2 Non-impact printers do not operate by striking heads against ribbons.



## 3

# Appropriate Management of Production Sites Underlies Our Reputation as a Trustworthy Manufacturer Offering Reliable Products

## The OKI Group's Production Activities

As the globalization of economy has accelerated, competition among companies has become increasingly fierce. In order to achieve continuing growth and development under these circumstances, it is indispensable for any company to offer new values to customers by developing new products and technologies. Drawing on its innovative technologies of mechatronics and info-telecommunication, the OKI Group has developed and offered various systems to support social infrastructures such as ATMs and printers. In order to manufacture such products, both appropriate production management and highly sophisticated production technologies are necessary. Among the latter are high-density mounting, high-speed testing, and high-precision processing technologies.

The OKI Group currently has production sites in Japan, Thailand, China and Great Britain. We always put importance on improving the production technologies of the entire group, and disseminating our sophisticated production management across the group. We also offer electronics manufacturing services (EMS) at these production sites. More specifically, we offer integrated production solutions to our customers who commission us by designing and manufacturing substrates or devices for them.

## Establishment and Appropriate Implementation of Management Systems

There are a wide range of issues to be addressed at any production site. Among them are the strict control of product quality, the reduction of environmental impacts arising from manufacturing activities, and the appropriate management of occupational health and safety for people working in manufacturing settings. As these issues are covered in the OKI Group Charter of Corporate Conduct, the OKI Group has established and

● The OKI Group's major overseas production sites



implemented some systems to appropriately address them.

In order to ensure quality, the OKI Group has been very active in quality control efforts with Quality Management Department to supervise the entire group while each business unit or group company has a Quality Assurance Division. The group's production sites have established their own quality control systems in accordance with their production lines and the characteristics of their products. Furthermore, every production site of the group has obtained ISO 9001 certification. (See Page 24) Regarding environmental conservation, the OKI group has established a group-wide management system to set business themes and site themes, and carry out various environmental activities in accordance with these themes in an efficient, and integrated way. (See Page 34) Occupational health is being managed at each production site by its Safety and Health Committee. The committee is comprised of members from both management and employees. (See Page 30)

Since efforts to address these issues are indispensable also for the promotion of CSR through the supply chain, the OKI Group has developed an assessment format reflecting the requirements for global CSR procurement, and disseminated it to every production site of the group. (See Page 21)

## Contributing to the Countries and Regions in Which We Operate

In response to the globalization of its corporate activities, the OKI Group has expanded its overseas market and increased the number of its overseas production sites. Today the Group's mass-produced products are manufactured by its production sites in Thailand and China. The most important key to managing these overseas production sites is responsible corporate management that pursues not only the level of manufacturing truly meeting the needs of customers but also contribution to the development of the countries and communities in which we operate.

From this perspective, the OKI Group's overseas production has been characterized not only by the pursuit of economic advantages, but also by efforts for promoting trust with local communities from the outset. As we have worked closely with local employees and vendors for the improvement of production technologies and the dissemination of sophisticated production management, local employees have begun taking initiatives in solving production problems at many overseas production sites. We have also been active in providing local employees with IT education and language education while encouraging them to obtain various certifications. We would like them to utilize their skills and capabilities acquired through their careers for society.

The OKI Group has been active in interacting with local residents and participating in various social action programs. (See Pages 32 and 33). We will continue to establish and maintain good relationships with countries and communities in which we operate through these activities.

## Trustworthy Company Close to Customers and Local Communities

Nagano Prefecture, Japan

Located in Komoro City, Nagano Prefecture, Nagano OKI celebrated its 40th anniversary in 2009. The company has entered into the EMS business since 1993. The company, as a production and R&D site of OKI, has accumulated expertise and technologies of design, development and production. It has also developed mounting technology as part of the OKI Group's extensive development base. Drawing on these expertise and technology, Nagano OKI manufactures products for customers who commission it.



State-of-the-art systems introduced for production

As a production facility involved in EMS, Nagano OKI has obtained ISO 9001 and ISO 14001 certifications while actively seeking accreditation of other quality systems adopted by customers. It also helps customers build their eco-brands by proposing environment-conscious product designs focusing on energy efficiency, the use of lead-free components, and the adoption of Green procurement.

Nagano OKI, as a company based in Komoro for a long time, has been very active in contributing to the local communities. For

example, it has been involved in a forest maintenance program at the foot of Mt. Asama under the Forest Foster Compact made between the company and Komoro City in 2005. The company has held 10 forest maintenance events in the past five years. A total of 388 employees and their family members have participated in these events, and cleaned and thinned an area of 4.5 hectares. Nagano OKI extended the compact for another five years in February 2010.



Forest program with the participation of employees and their families

Nagano OKI has also participated in various events in Nagano Prefecture to build trust with local communities. One of these events during fiscal 2009 was the Nunobiki Densetsu Walking 2009, an walking event commemorating Zenkoji Temple's Gokaicho (a once-every-seven-years special festival). A group of employees from the company joined the event as volunteers, and worked as guides or serve lunch for participating walkers.



Volunteers serving curry and rice to walkers

## Dramatic Growth with Local Employees and Partners

Jiangsu Province, China

Located in Kunshan City, Jiangsu Province, China, OKI Electric Technology (Kunshan), hereafter referred to as OKN, started manufacturing keyboards in 2004. Kunshan is well known as a major production center of PCs. OKI's keyboards have been highly regarded for their lightweight and thinness. They took a 50% share in the international market for lightweight and thin keyboards in fiscal 2008. OKN has manufactured a total of more than 20 million keyboards thus far.



Illuminated keyboard (with backlighting)

OKN has successfully expanded its business in partnership with local PC manufacturers. However, the company had to cope with some managerial difficulties in the process because its employees were from different countries including Japan,



Keyboard production line

China, Korea and Taiwan. In order to avoid misunderstanding due to differences in cultural backgrounds and customs, OKN has focused on seeing-is-understanding management. More specifically, important information to be shared among employees, such as that of production plans and quality control, are posted at the shop floor. The company has given technical training programs for younger local employees with Japanese engineers as instructors. These programs not only go through ordinary technical problems but also get to more essential issues such as the significance of design

reviews. The company has also launched a Japanese class since 2009 with a Japanese speaking employee as the instructor in response to requests from employees. More than 100 employees applied for the class. As a result, an increasing number of people have started speaking Japanese. In this sense, the class has served the activation of communication between employees.

OKN has also enhanced its environmental efforts. Since it was included in the OKI Group's Scope of ISO Consolidated Certification in February 2008, the company has improved the quality of its environmental management, and established a system to be prepared for the management of chemical substances in products. This system allows easy access to important information such as conformity with relevant regulations in different countries.



Chinese engineers solving a problem through development-production cooperation

OKN sometimes failed to meet customer requirements as a production site despite its highly evaluated technological capability soon after its foundation. Today it is regarded as a model production site by customers in terms of quality. Many Chinese engineers now work as leaders in projects to develop new products with competitive features such as backlighting and innovative durability. OKN started as a company with only 30 employees. It now has nearly 400 employees and 35 business partners. It will continue to make utmost efforts to create the world's leading products as a company truly entrenched in China.



# 4

## Utilizing OKI's Technology to Provide Products Meeting Customer Needs in Conformity with Increasingly Demanding Regulations about Chemical Substances Contained in Products

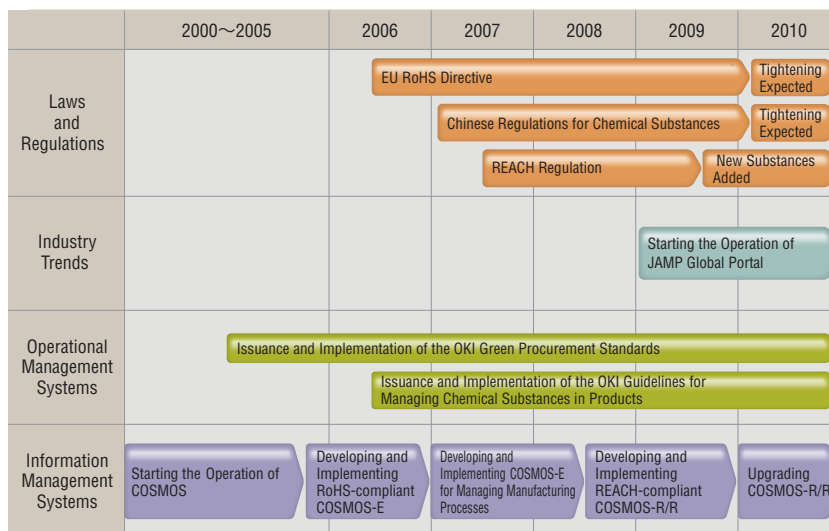
### Promoting the Management of Chemical Substances Contained in Products

Regulations to control chemical substances contained in products, such as EU's RoHS directive and REACH\* regulation, have recently become increasingly demanding. Similar regulations have been enacted in other countries such as China, Korea and Canada as well. This global trend indicates that the management of chemical substances contained in products have now become an important challenge for companies.

The OKI Group is a pioneer in the management of chemical substances in products. In fact, it established and implemented some management systems for chemical substances long before the above regulations. One of such system was the Product Assessment System established in 1998. OKI's management of chemical substances contained in products is characterized by a detailed list of items to be checked that covers all business processes from product design to delivery, original information systems developed and implemented to pursue preciseness in information, and the constant improvement of such systems in response to the enactment and revision of relevant regulations. Since the enforcement of REACH required us to understand and manage information on chemical substances throughout our supply chain, we developed a new system called COINServ-COSMOS-R/R (hereafter referred to as COSMOS-R/R) in fiscal 2008. COSMOS-R/R, that has been used within the group since 2008, helps users cope with Green Procurement (the avoidance of any materials containing hazardous substances) and answer inquiries from customers.

\* REACH( Registration, Evaluation, Authorization and Restriction of Chemicals ) regulation: A new European regulation to be applied to all companies manufacturing and importing chemicals in the European Union. It requires manufacturers / importers to register and evaluate any chemicals subject thereto. In addition, they need to obtain authorization from the relevant authorities about the use of substances of very high concern. The regulation also restrains the use of substances with higher risks.

● The OKI Group's Main Efforts



### Characteristics of COSMOS-R/R

Developed drawing on OKI's network technology, COSMOS-R/R is the combination of a data base on chemical substances and a product design system. It automatically calculates the quantities of the chemical substances contained in a product, including those of the substances used in the production process such as solder, based on several factors such as the component formation and processing conditions, and verify the conformity with the requirements of REACH. It is notable that the system enables the efficient management of information because it supports the unified format set by the Japan Green Procurement Survey Standardization Initiative (JGSPSSI) and the Joint Article Management Promotion Consortium (JAMP). COSMOS-R/R allows environment-conscious product design, and dramatically streamline cumbersome procedures such as data research and registration. We have marketed the system to companies outside the OKI Group since September 2009.

### Further Ensuring Conformity to Regulations

Regulations to manage chemical substances in products are often revised or tightened as additional substances become subject to control. In order to promptly respond to such changes, we need not only to understand relevant rules and regulation accurately but also to find out how to meet the new requirements considering design and production processes. In other words, the key to the effective management of chemical substances is the profound understanding of the people in charge about what is really happening on the front lines of development and production.

In fiscal 2009, in order to appropriately handle chemical substances, especially the ones specified as substances of very high concern (SVHC) by REACH regulation, the OKI Group revised the OKI Guidelines for Managing Chemical Substances in Products, a set of rules to handle chemical substances in all business processes from design to delivery, and the OKI Green Procurement Standards, a guideline to search information on chemical substances. We will continue to be committed to safe and secure manufacturing by establishing the appropriate management of chemical substances in conformity with all relevant rules and regulations.





# 5

## Securing Information Security as a Leader in the Information Society

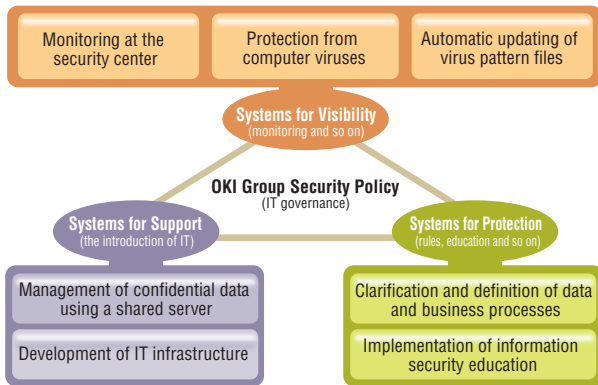
### The OKI Group's Efforts for Information Security

As firms have become increasingly dependent on information technology with the integration, networking and mobility of information systems, it is indispensable for any business to secure information security.

The OKI Group, as a leader in the information society, has been long committed to the promotion of information security, and offered its customers various security products and services. It has also made various efforts to enhance its own information security to make customers feel assured to use its products and services. For example, we have implemented our security measures from three perspectives as shown in the following diagram since the enactment of the OKI Group Security Policy in fiscal 2002 while obtaining ISMS\* certification. (See Page 23)

Furthermore, the OKI Group established the Information Security Committee in fiscal 2007 in order to strengthen measures against information leaks. Since then, each business unit of the group has designed its measures to promote information security under the supervision of the committee. The secretariat of the Information Security Committee conducts on-site monitoring to check how each business unit has implemented its measures. In fiscal 2009, four business units were monitored.

● Information Security Systems Based on Three Perspectives



\*ISMS stands for Information Security Management System.

### Improving Security Awareness of Employees and Partners

Believing that information security is ultimately ensured by individual employees, the OKI Group has emphasized the importance of the strict observance of the relevant rules, and put great importance on security education. As part of the group's initiative for information security, it conducts the information security general checkup of all employees including temporary staff every October during the OKI Disaster Prevention Week. Prior to the checkup in fiscal 2009, we reexamined the items to be checked, and eliminated any obscure expressions therein. As a result, we were able to get more accurate, useful information such as the number of employees using USB flash drives. We believe such information is very important for future improvement.

In order to pursue first-class information security, we have asked our partners to take appropriate measures. Furthermore, we have asked the business partners handling important confidential information to self-check their information security measures using a check list designed by us. In fiscal 2009, we scored the results of each partner's self-check, evaluated the implementation of its security measures in comparison with the previous year. As a result, we confirmed that our partners had made a visible progress in information security by implementing effective measures such as access restriction for important information.

The OKI Group will continue to improve the quality of information security throughout the supply chain in cooperation with its partners and further improve the security awareness of its employees.

### Column

#### Safario Pandemic Pack USB Thin Client for Absolute Data Security

A thin client is a computer system with minimum functions which depends heavily on its server for the control of resources such as applications and files. Since data cannot be stored in thin clients, they have recently attracted considerable attention as effective systems against information leakage. OKI Consulting Solutions developed a USB thin client called Safario Pandemic Pack and launched it in the market in November 2009. With the enhanced security of the Safario Gateway / Manager on the server side, it allows you to use your PC as a thin client with reliable security. With this product, you can use the info-telecommunication environment of your office at your home. Thus you can work as if you were in the office even in a time of emergency such as a flu pandemic.



Safario token

# Corporate Governance

The OKI Group regards ongoing improvements in corporate value as its most important management priority in its quest to earn the trust of stakeholders. To this end, we are working to reinforce corporate governance based on our fundamental policies, including “the enhancement of management fairness and transparency” and “the acceleration of decision-making processes.”

## Corporate Governance Structure

OKI maintains a corporate auditor system, with a Board of Directors and a Board of Company Auditors. To enhance management efficiency, it has also introduced an executive officer system, with the aim of separating the roles of the Board of Directors and Company Auditors/Board of Company Auditors (supervision and auditing of business execution) and executive officers (business execution).

The Board of Directors makes decisions on fundamental management policies and other important issues, and also supervises the execution of business. Company auditors audit the business execution functions of directors -- based on audit policies and methods decided at Board of Company Auditors' meetings -- through attendance to Board of Directors' meetings and other important meetings. Company auditors also liaise closely with the accounting auditors and the Internal Auditing Division to accurately ascertain the overall status of company operations as well as to carry out audits of business executions. The Board of Directors and Board of Company Auditors include two independent director/company auditor who have no conflict of

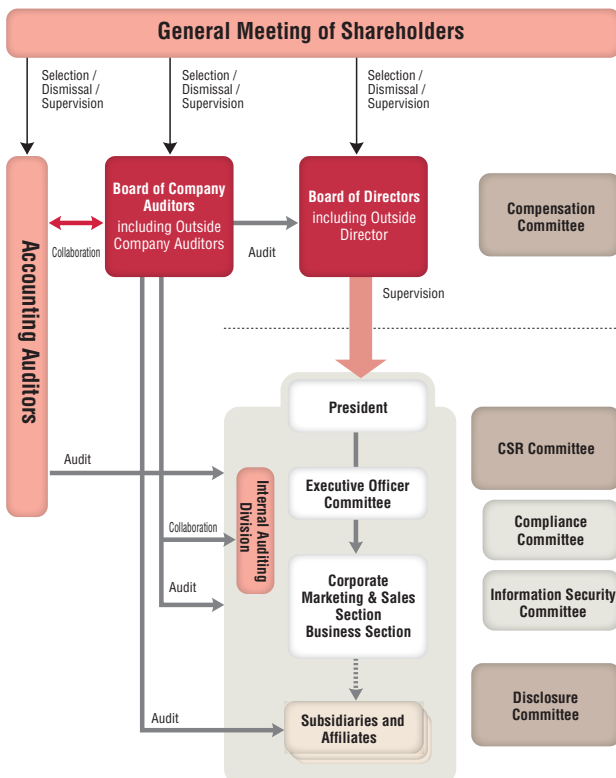
interest with general shareholders.

In April 2010, OKI restructured its Management Committee (consisting of senior and higher executive officers and company auditors), which makes decisions related to the execution of the Group's operations, renaming it the Executive Officer Committee. All executive officers participate in the new entity in order to accelerate decision-making and business advancement and clarify business responsibilities.

## Committee Organizations

As part of its efforts to reinforce corporate governance, OKI established the Compensation Committee, which ensures transparency in the criteria and mechanisms used to set executive remuneration. We have also set up the CSR Committee to deliberate basic policies related to our CSR activities, as well as several dedicated committees; the Compliance Committee to deliberate fundamental compliance-related policies; and the Information Security Committee to ensure the thorough implementation of information security measures. In addition, OKI has set up the Disclosure Committee to ensure that disclosure to stakeholders is accurate and timely.

### Corporate Governance Structure



## Internal Control

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 in May 2006. Conforming to this Basic Policy, 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 the assessment results of the effectiveness of internal controls related to financial reporting.

# Promoting CSR at the OKI Group

"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." Guided by this corporate philosophy, OKI actively conducts a variety of activities to fulfill its corporate social responsibilities, which include not only complying with all applicable laws and regulations but also implementing sound business activities consistent with social norms.

## System to Promote CSR

In October 2004, the OKI Group established the CSR Promotion Division. At the same time, the group defined six priority themes to be pursued and launched its CSR initiative. The group's CSR activities are currently being promoted, according to the basic policies determined by the CSR Committee, by the CSR Division in cooperation with other relevant business units under the seven priority themes described in the following table.

In order to cohesively promote its CSR initiatives based on the corporate philosophy, we enacted the OKI Group Charter of Corporate Conduct as a statement of values to be shared by all member companies of the group in October 2005. Furthermore, we enacted the OKI Group Code of Conduct, a code of conduct with which all executives and employees of the member companies of the group must comply, in August 2007. It was written using globally accepted terms and expressions so that it can be shared across the entire group including overseas subsidiaries. The boards of directors of all group companies inside and outside Japan decided the adoption of the code at their meetings.

In order to disseminate the charter and code throughout the group, we published a booklet featuring the full text of the OKI Group Charter of Corporate Conduct and the OKI Group Code of Conduct with explanatory notes in four languages (Japanese, English, Chinese and Thai). Copies of the booklet were distributed to all applicable employees. We also offer an e-learning program called "the OKI Group Charter of Corporate Conduct and the OKI Group Code of Conduct" on our intranet in Japan. It is an

educational program, as well as a tool to facilitate the understanding and dissemination thereof, that is accessible to all relevant employees whenever they want it.

The OKI Group will continue to carry out business activities in good faith, strengthen the relationships with its stakeholders, and fulfill its corporate social responsibilities and thus improve its corporate value.

## Participation in the United Nations Global Compact

OKI, under a Board of Directors resolution in April 2010, announced its participation in the United Nations Global Compact, with its registration on May 11. The UN Global Compact is a CSR initiative proposed by then-UN Secretary-General Kofi Annan at the World Economic Forum meeting in January 1999. The participating organizations are asked to make autonomous efforts based on the Global Compact's ten principles in the areas of human rights, labor, environment, and anti-corruption.



The OKI Group regards its participation in the UN Global Compact as a perfect opportunity to further enhance its CSR activities while accurately understanding its social responsibilities to be fulfilled through its global business activities.

### CSR Priority Themes and Focal Points for Fiscal 2009

CSR Priority Theme	Focal Points for Fiscal 2009
Full Compliance with Laws and Regulations	<ul style="list-style-type: none"> <li>Steady promotion and improvement of the risk management system</li> <li>Enhancement of measures against each registered risk as well as monitoring</li> </ul>
Information Security	<ul style="list-style-type: none"> <li>"Visualization" of how the information security measures have been entrenched in suppliers</li> <li>Continuation of the monitoring of how the information security measures have been implemented and established</li> </ul>
Improvement of Customer Satisfaction	<ul style="list-style-type: none"> <li>Continuation of the improvement of education on quality (focusing on educational programs for mid-level engineers)</li> <li>Expansion of the application range of universal design technique</li> </ul>
Good Communication with Shareholders and Investors	<ul style="list-style-type: none"> <li>Promotion of information provision to institutional investors through investor briefings and other opportunities</li> </ul>
Respect for Employees	<ul style="list-style-type: none"> <li>Recruitment and training of diverse human resources</li> <li>Entrenchment of the supports for the development of the next generation</li> <li>Promotion of work-life balance</li> <li>Promotion of the mental and physical health of employees</li> </ul>
Social Contribution	<ul style="list-style-type: none"> <li>Examination of possibilities for more stable operation of the OKI 100 Yen Fund of Love</li> <li>Enhancement of activities contributing to local communities in Japan and overseas</li> </ul>
Consideration for the Environment	<ul style="list-style-type: none"> <li>Enhancement of measures for preventing global warming</li> <li>Creation of energy-saving products</li> <li>Promotion and improvement of the system to control chemical substances in products</li> <li>Improvement of environmental management</li> <li>Enhancement of environmental compliance</li> </ul>

### 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 friendly technologies.

#### Anti-Corruption:

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

# Full Compliance with Laws and Regulations

In addition to complying with all related laws and regulations, the OKI Group implements sound corporate activities consistent with social norms.



## Ensuring Full Compliance

### Establishment of Compliance Systems

In fiscal 2004, OKI established the companywide "Compliance Committee" to deliberate on basic compliance-related policies as well as an organization dedicated to the promotion of compliance. Since then, the entire OKI group has worked to strengthen compliance under the leadership of Compliance Managers. We have also established consultation and reporting channels and whistleblower regulations, which enable us to discover and rectify improper activities at an early stage.

We focus on the enhancement of training and the promotion of integrated, systematic, companywide risk management, believing these two are the twin pillars of the group's compliance promotion efforts. At the same time, Compliance Managers have been assigned to each business unit, and every group company has named a Compliance Officer in order to further promote each compliance-related measure.

### Improvement of Compliance Education

In order to disseminate compliance-related measures across the company, OKI gives training sessions for Compliance Managers at six sites in Japan. In Fiscal 2009, the operation of such sessions was greatly improved since the introduction of Visual Nexus, OKI's video conferencing system, allowed the participation of employees at different sites in the same program at the same time. As a result, the participation rate in the program for fiscal 2009 was 100%.

Compliance Managers, then, facilitated the steady dissemination of compliance-related measures by rolling out the knowledge they had learned in such training session to their organizations, and checked the level of understanding of employees through various e-learning courses accessible to approximately 50 group companies in Japan. Among such



A screen shot image of the e-learning course titled "Compliance at Work" (given July 2009)

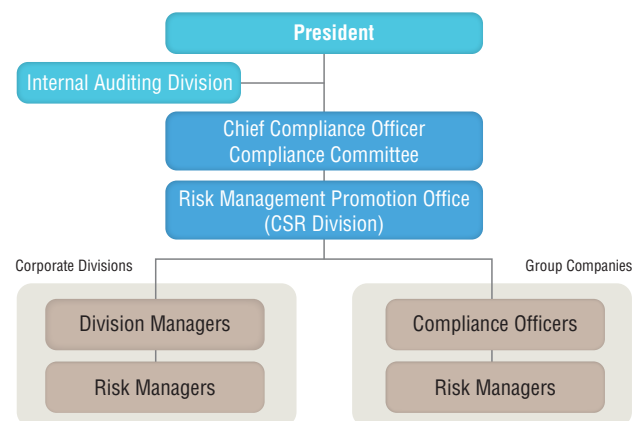
courses are group-wide courses on topics common to all member companies of the group, periodic courses given over a certain period of time for certain groups of people, and permanent courses on basic topics that are accessible all the time. They can be utilized as timely educational programs for new recruits and retreats as well as good opportunities of reviewing things once learned. We also offer quite a few number of Q&A cases on potential compliance problems on our intranet. The number of these cases reached approximately 140 at the end of fiscal 2009.

## Steady Promotion of Risk Management

### Enhancement of Risk Management Based on Risk Management Regulations

OKI established "Risk Management Regulations" in 2004 in order to prevent risks arising from its corporate activities and ensure that they are handled properly if any. We are currently enhancing our risk management activities on the basis of these regulations. The regulations identify potential risks and set basic rules concerning divisional responsibilities and countermeasures. They also stipulate detailed rules concerning the establishment of emergency communication systems and an emergency response headquarters in the event of a major risk.

#### System for Promoting Risk Management



### Enhancement of Measures against Compliance Risks and Monitoring

As OKI regards compliance risks\* as the most important category of risks, it has promoted the management thereof based on our Risk Management Regulations since fiscal 2005. More specifically, each business unit of the company has registered potential risks related to its operations with the Risk Management Promotion Office, which monitors twice a year the implementation of preventive measures, whether any risks have materialized, and take corrective measures.

In fiscal 2009, we enhanced the measure against each registered risk, reexamined where we should implement such measure, and improved the monitoring method in order to avoid the deterioration of our compliance management.

\* A compliance risk is a risk associated with violation of laws, regulations and in-house rules.

### Emergency / Disaster Response

The OKI Group has established "Safety Countermeasures Committees" and emergency communication networks at its domestic and overseas sites as well as its group companies. In the event of a disaster, appropriate countermeasures are enacted to protect people's lives, prevent secondary accidents, contribute to local communities and foster good relationships with them, and ensure the continuity of business operations.

As for the continuity of business operations, we set guidelines for formulating a BCP (Business Continuity Plan) in fiscal 2008. Furthermore, we launched a project to deal with a pandemic of a super-flu (under the leadership of Senior Executive Vice President) and formulated a BCP for our all business activities as part of the project. As a result, we successfully coped with the outbreak of the H1N1 flu in April 2009. We will continue to make similar efforts to appropriately deal with any other disaster such as an earthquake.

## Fair Trade and Purchasing

### Fair Business and Purchasing Practices

In order to ensure fair business activities in good faith, the OKI Group clearly states, as part of the actions to be taken specified in its Code of Conduct according to Japanese laws, that it observes antitrust laws, and is objective and free from bribery to civil servants and quasi-civil servants in Japan and other countries. Furthermore, in order to avoid offering and taking bribery to and from all stakeholders including civil servants, the code of conduct also prohibits any gift or entertainment that exceeds normal business customs (such as the offering and receipt of a monetary

reward and a special service). The group has helped its employees fully understand the significance of fair business activities by posting its code of conducts on its intranet and offering them training programs.

In addition, in order to ensure the appropriateness of purchasing activities, a purchasing law workshop is held twice a year for employees involved in material procurement. Such a workshop features training and information sharing on related laws and regulations (including the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors) as well as the OKI Group's compliance initiatives. In fiscal 2009, we held purchasing law workshops in July and December in which a total of 160 employees participated.

### Strict Control of Export Practices

OKI, from the viewpoint of serving world peace and preventing the proliferation of weapons of mass destruction, has made various efforts to abide by all applicable laws and regulations about security export control as an exporter. Among them is the establishment of the Rules for Compliance with Export-Related Laws and Regulations. More specifically, the company's Export Review Section and Export Review Committee carefully examine all export-related business transactions.

In fiscal 2009, we revised the relevant rules and regulations in response to the first major revision of the Foreign Exchange Law and the Foreign Trade Law in the last 22 years. In order to enhance our export control, we also gave an e-learning program on basic knowledge thereof and the OKI Group's efforts for all manager-level employees involved in export-related tasks. The rate of participation in the program was more than 90%.

### From Green Procurement to CSR Procurement

Believing that cooperation from its partners in the supply chain is indispensable for the fulfillment of its corporate social responsibilities, OKI has promoted green procurement based on the "Green Procurement Standard" established in 2002. In 2006, we created the "OKI Group Procurement Policy" by revising the existing purchasing policy. The new policy includes several new stipulations on "compliance with the laws and social norms," "considerations for environmental protection," "proper management and protection of information" and other issues. Since then we have promoted the dissemination of the new policy among employees involved in purchasing across the group.

While following the global trend in CSR-oriented procurement, we have come to realize a need for defining detailed requirements for our suppliers. As a result, we have made a research format reflecting the EICC\* Code of Conduct. In fiscal 2009, we rolled out this format to the overseas sites of the group and reexamined its content. We will further promote environmentally-friendly procurement in cooperation with our suppliers.

\* EICC, the Electronic Industry Citizenship Coalition, is an alliance of electronic manufacturers focusing on CSR that has enacted a code of conduct in the supply chain.



Purchasing law workshop (December 2009)

# Information Security

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

Focal Points for Fiscal 2009	Achievements in Fiscal 2009	Focal Points for Fiscal 2010
<ul style="list-style-type: none"> <li>● "Visualization" of how the information security measures have been entrenched in suppliers</li> <li>● Continuation of the monitoring of how the information security measures have been implemented and established</li> </ul>	<ul style="list-style-type: none"> <li>● Quantification of how the information security measures have been entrenched in suppliers (See Page 17)</li> <li>● Implementation of on-site monitoring at four sites in Japan (See Page 17)</li> </ul>	<ul style="list-style-type: none"> <li>● "Visualization" of how the information security measures have been entrenched in suppliers (confirmation of yearly improvement)</li> <li>● Improvement of the items to be checked to evaluate how the information security measures have been implemented and established</li> </ul>

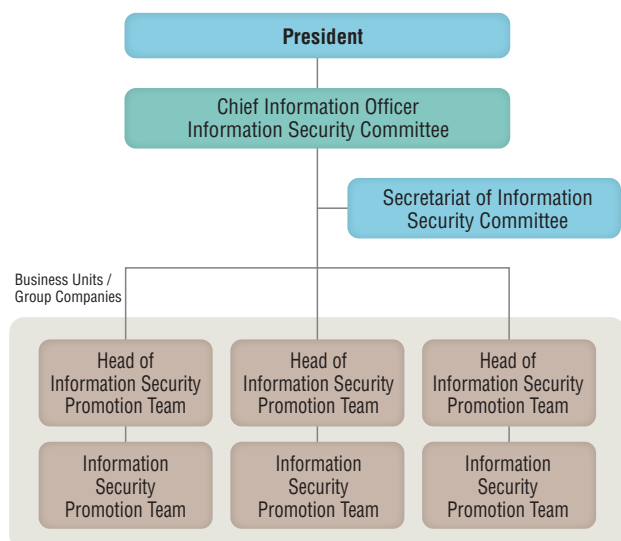
## Strengthening of Information Security

### System for Promoting Information Security

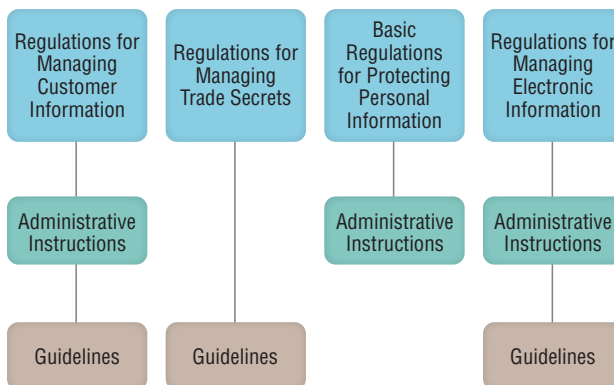
The OKI Group has established a system to ensure information security under the leadership of the Information Security Committee. The committee meets twice a year and makes companywide decisions and formulates policies about information security. It also reviews all activities related to information security (once a half year) and examines the results of information security audits (once a year). Furthermore, each business unit or group company has a information security promotion team that is responsible for addressing the measures decided by the Information Security Committee.

We have also established relevant rules and regulations for information security. We have examined customer information and data to be processed within the group, defined the types of information to be treated as confidential, and formulated regulations, administrative instructions and guidelines related to the processes of acquiring, generating and discarding such information.

#### ● System for Promoting Information Security



#### ● Regulations and Rules Related to Information Security



### Information Security Education

As part of its systems for information protection, the OKI group offers information security education to all employees who use the information infrastructures belonging to the group. Each and every individual is asked to thoroughly protect information assets received from customers as well as highly confidential information assets belonging to OKI. For this reason, we widely communicate basic regulations and rules, and company standards regarding the use of our information networks, desktop computers and mobile computers through group training sessions and e-learning programs.

In fiscal 2009, we gave an e-learning program on information security for all employees of the group in October. The rate of participation in the program was almost 100%.

### OKI-CSIRT for Prompt Response to Security Accidents

In order to enhance our preventive measures against threats to computer security and improve our capacity to respond to them, we established OKI-CSIRT (Computer Security Incident Response Team) as an organization specializing in responding to security accidents in September 2008. OKI-CSIRT publishes a report on computer viruses every month and offers technical assistance within the OKI Group while contributing to the Nippon CSIRT Association by promoting the sharing and resolution of

security issues among its members through its involvement in the development of guidelines for measures against computer viruses.

In fiscal 2009, OKI-CSIRT implemented a set of countermeasures against a computer virus called Gumblar at an early stage and prevented its further spread. It also worked closely with the Nippon CSIRT Association against the virus and informed it of infected websites.

### Disseminating Information Security Measures to Business Sites in China

The OKI Group has started to disseminate its information security measures to business sites in China since fiscal 2008. As the IT environment in China is different from that in Japan, we have adopted an antivirus software program designated computer viruses detected in China. We have also improved the local help desk function, enhanced support for damages caused by computer viruses, and thus improved the virus elimination rate there. In fiscal 2009, we restricted the use of external storage devices and enhanced our internal oversight because the number of virus infections via USB thumb drives had been still large. We will address HDD encryption for PCs used in China in fiscal 2010.

### Promotion of Acquiring ISMS Certification

The OKI Group is working to acquire the ISMS\* certification 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.

● Business Units / Group Companies That Have Acquired the ISMS Certification (as of March 31, 2010)

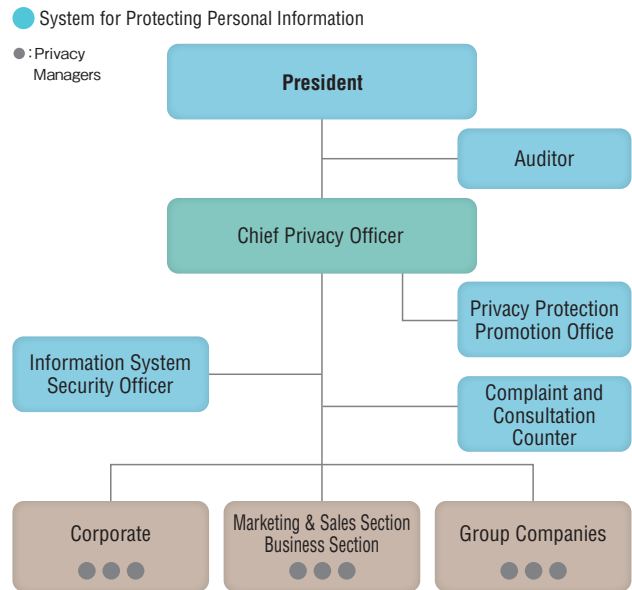
Name of Business Unit / Group Company	Initial Registration Date
Japan Business Operations Co., Ltd. (Operations Dept. Inspection and Training Dept.)	January 30, 2004
OkI Consulting Solutions Co., Ltd.	September 20, 2006
OkI Software Co., Ltd.	December 21, 2007
OkI Telecommunication Systems Co., Ltd.	July 1, 2005
OkI Customer Adtech Co., Ltd.	January 31, 2004
OkI Electric Industry Co., Ltd. (OKI System Center)	August 4, 2003
OkI Electric Industry Co., Ltd. (Government & Public Business Div., Enterprise Business Div., Government & Public Systems Div. and Information Systems Div. at Shibaura site)	December 27, 2004
OkI Electric Industry Co., Ltd. (Information Planning Div.)	February 14, 2003
OkI Network Integration Co., Ltd.	September 14, 2006

\* ISMS stands for Information Security Management System.

## Enhancing the Protection of Personal Information

### System for Protecting Personal Information

The OKI Group has enhanced the protection of personal information based on the Privacy Policy enacted in August 2004. We have committed to the protection of personal information on an organizational basis under the leadership of Chief Privacy Officer. Privacy managers have been appointed at the corporate level, and in business units and group companies. We have also established privacy regulations and other related rules that flesh out the provisions of the Privacy Policy.



### PrivacyMark Certification

The OKI Group has promoted its member companies' acquisition of PrivacyMark certification so that they can take appropriate measures to protect personal information. As of May 2010, ten companies of the OKI Group have acquired PrivacyMark certification.

● Companies that have acquired PrivacyMark Certification (as of May 2010)

Japan Business Operations Co., Ltd.
OKI ALPHA CREATE, INC.
OkI Wintech Co., Ltd.
OkI Software Co., Ltd.
OkI Data Corporation
OkI Customer Adtech Co., Ltd.
OkI Electric Industry Co., Ltd.
OkI Communication Systems Co., Ltd.
OKI Networks Co., Ltd.
OkI Human Network Co., Ltd.

# Improvement of Customer Satisfaction

The OKI Group is dedicated to the development and supply of products and services that will ensure continued customer satisfaction, with proper emphasis on safety and ease of use.

Focal Points for Fiscal 2009	Achievements in Fiscal 2009	Focal Points for Fiscal 2010
<ul style="list-style-type: none"> <li>Continuation of the improvement of education on quality (focusing on educational programs for mid-level engineers)</li> <li>Expansion of the application range of universal design technique</li> </ul>	<ul style="list-style-type: none"> <li>Incorporation of a new training program for younger engineers into the programs common to all group companies</li> <li>Development and introduction of a system to support customer engineers that helps improve customer satisfaction</li> <li>Implementation of a demonstration experiment of an information service for senior citizens</li> </ul>	<ul style="list-style-type: none"> <li>Improvement of educational programs for mid-level engineers</li> <li>Implementation of education and training programs on quality across the group</li> <li>Expansion of the application range of universal design technique</li> </ul>

## OKI's Efforts for Quality Assurance

Believing that quality entails "customer satisfaction," OKI's quality philosophy focuses on "providing products that always make customers happy." In order to make them happy, it is necessary for us to offer the products (products, services and solutions) customers truly need in the most timely manner. Based on this idea, we have built our quality assurance system and made various efforts.

### Quality Assurance System and Management

Upon the transfer of its semiconductor business in October 2008, OKI reformed its quality assurance system. Quality Assurance Division, that had been part of the company's corporate management function, became a division of the business execution function. We decided to follow this system at our organizational change in April 2010. Since then, we have carried out quality assurance activities in continuum with the activities of each business division.

The "Quality Assurance Regulations," the most significant rules among all quality-related rules and regulations of the company, defines OKI's quality philosophy, responsibility and authority, and companywide product safety policy. In addition, there are administrative instructions for the entire company and each business division. These rules and regulations are incorporated into the the quality management system of each business division.

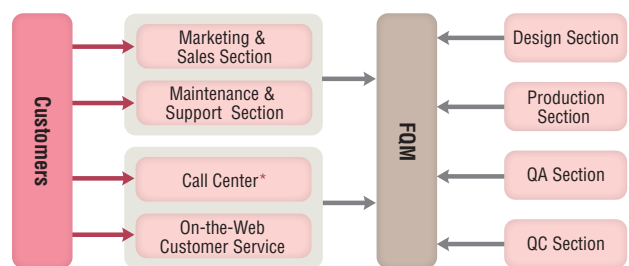
Furthermore, we have obtained ISO9001 certification at all our production sites, and have built the most appropriate quality control system for each production line or product.

### Reflecting the Standpoint of Customers in Quality Assurance Activities

OKI has promoted customer-oriented quality assurance activities in close cooperation with the company's R&D division and group companies responsible for maintenance and support. We hold a "Field Quality Meeting(FQM)" in each business domain every month whose participants include people from the business units with customer contacts such as Marketing, Sales and Maintenance as well as those from R&D, Quality Assurance (QA)

and Quality Control (QC) sections. They share information collected by Sales and/or Maintenance, detect quality problems at an early stage, and promptly solve them.

### System to Share Quality Information Through FQM



\* Only for some products such as printers

## Education on and Awareness-Raising Activities for Quality

### Enhancement of Quality Education

The most fundamental factor in quality management is each employee's understanding of the importance thereof and his or her everyday conduct. Based on this idea, OKI has given



Learning materials for the "Basics of Statistics" course

education programs on quality for different types of employees at different levels such as new recruits, novice members of functional departments, and mid-level engineers. We have also offered a variety of elective education programs from among which each employee can choose the most appropriate program for his or her need. In addition we have utilized e-learning to prevent busy employees from missing educational opportunities.

In fiscal 2009, we integrated different programs for younger



engineers including new recruits on the basic knowledge of statistics and reliability given by different business units into a new program common to all group companies. The new program focuses on offering practical knowledge such as cases and heuristics in the group in order to help younger engineers become ready for working at the front lines of manufacturing. We are currently planning to add some advanced programs.

### Raising Quality Awareness in Quality Month

The OKI Group has designated November as the group's "Quality Month" in which employees are asked to reflect on their quality awareness and quality assurance activities. During the Quality Month in fiscal 2009, different business units (such as Marketing & Sales, Design and Manufacturing) at each group company addressed the improvement of quality awareness by setting its slogan in line with its business tasks and quality activity plan, under the group-wide theme "From Awareness to Action -- the Integration of Marketing, Sales, Engineering, Production and Maintenance."



Awareness raising posters of different business units with different slogans for the Quality Month

## Strengthening Interactions within the Group about Product Safety Risks

OKI has made various efforts to ensure product safety. OKI's companywide Product Safety Policy clearly states that "the corporate activities to ensure the safety of our customers using our products must be given the most priority." In this context, we have always incorporated provisions about product safety into agreements with our suppliers.

### The Group's Cooperative Framework for Responding to Product Accidents

The OKI Group has a set of rules for coping with accidents arising from product deficiency. These rules specify necessary procedures for actions to be taken in case of such accident, including the establishment of a task force, the adoption of a remedial measure, the notification of the accident to the market and society, the implementation of a recall, and the development of a preventive measure. Furthermore, the OKI Group has rolled out these rules to major group companies in order to cope with any accident as a group in a coordinated way.

In fiscal 2009, we reconfirmed the measures to be taken by each business unit of each group company in order to appropriately respond to the Revised Consumer Products Safety Act that went into effect on April 1, 2009.

### Product Safety and Technology Compliance Initiatives

In order to improve the safety of its products, the OKI Group has been active in ensuring the full compliance with the "four safety technology laws\*" under the leadership of the "Product Safety and Technology Committee." As part of such efforts, we have facilitated communication among corporate management divisions, business divisions and group companies so that each issue can be properly addressed in order to ensure compliance with laws, regulations and certification requirements at all areas of business operation including design, manufacturing, procurement, sales and maintenance services. In addition, problems and improvements at different business units are shared through the Product Safety and Technology Committee in order to equalize the level of product safety and technology compliance of these units.

In fiscal 2009, we focused on making appropriate responses to the revisions of some relevant laws and ordinances by sharing related information through the Product Safety and Technology Committee. More specifically, we reexamined the Information and Communication Council's reports and public comments on the revisions of the Electrical Appliances and Material Safety Act (in September) and the Telecommunication Business Act.

\* The four safety technology laws consist of major legal requirements and voluntary regulations pertaining to the safety of information technology equipment in Japan. More specifically, they are the Electrical Appliance and Material Safety Law, the Telecommunications Business Laws, the Radio Law, and the Regulations of the Voluntary Control Council for Interference by Information Technology Equipment (VCCI).

## Initiatives to Improve Customer Satisfaction (CS)

### Results of CS Surveys Reflected in Product Development

OKI Data manufactures and distributes printers. The company conducts a global CS survey every month, collects data on failure rates, on-site services and etc. Requests from customers and quality problems found through these efforts are described in a document called "CS Feedback Request," and shared through meetings for product development.

In fiscal 2009, the company validated the feedback requirements at earlier stages of product development more accurately, and raised the feedback target (a rate of customer opinions to be reflected in new products) from 80% to 100%. The company aims at reflecting CS feedback in new products more effectively by checking each product at each stage of development.

### Opinions of Partners Reflected in Products and Services

In order to ensure customer satisfaction through products and services, close communication with suppliers engaged in marketing and sales activities is indispensable. OKI Networks a group company develops and markets IP system devices, has made various efforts to enhance communication with partners. The company's two most important activities for this purpose are an



Feedback Committee meeting (in May 2010)

## Improvement of Customer Satisfaction

annual survey on partner satisfaction and day-to-day feedback from partners into business activities.

In the partner satisfaction survey, the company's partners are asked to evaluate not only its products and services but also its various activities such as marketing support and maintenance. The results of the survey are reflected in the company's business strategy for the next fiscal year. The company also collects opinions from its partners through various channels including education programs designed for partners, a web portal for partners called the Partner's Net, and SEs and sales representatives. All these opinions are shared through monthly meetings of the Feedback Committee and reflected in the development of new products. The committee has discussed more than 6,000 opinions from partners since 2006. We will continue to analyze requests from partners, and reflect them in our products and services.

### Development and Introduction of a System to Support Customer Engineers that Helps Improve Customer Satisfaction

OKI Customer Adtech, an OKI Group company providing maintenance services, developed "@ Smart CE System," a system to support customer engineers (CEs). The purpose of the system is to improve the quality of services offered by CEs working at customer sites and thus help improve customer satisfaction. The company completed the nationwide deployment of this system for its approximately 1,200 CEs at 250 service sites in January 2010.

The system allows the company's CEs to search and browse technical information in situ at customer sites with their smart phones. It also enables the back-office staff to check real-time what is going on where with each CE and offer him/her the most appropriate support at the most appropriate timing. The company won the Encouragement Award of the 2010 MCPC Awards (organized by the Mobile Computing Promotion Consortium) on March 19, 2010, for the introduction of the mobile system that contributes to the improvement of customer satisfaction by offering quality field services and reducing recovery time. We will continue to further improve customer satisfaction by utilizing this system.



2010 MCPC Awards

## Expanding Application Range of Universal Design Technology

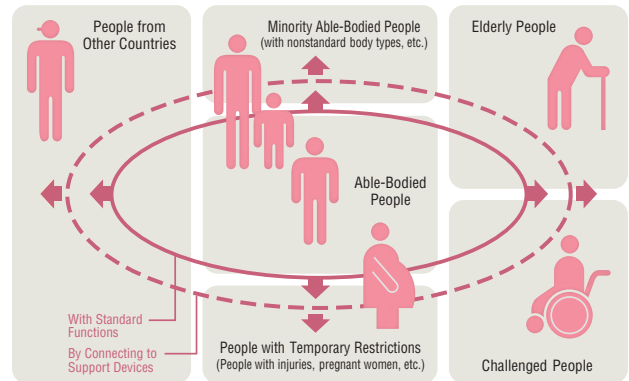
### The OKI Group's Approach to Universal Design

The OKI Group defines universal design as the achievement of a high level of usability (basic user-friendliness) and accessibility (considerations for elderly people and people with disabilities) in products and services so that all customers can use them properly, effectively and satisfactorily.

The OKI Group's efforts to enhance usability and accessibility are based on four concepts. First, products must have interfaces

that are easy to understand. Second, mental and physical stress on users must be minimized. Third, there must be choices of operating procedures. Fourth, products must be designed in a friendly and attractive package. In order to promote universal design, OKI established a cross-functional organization called the Ergonomics Committee. The committee conducts verification tests and collects opinions from users which help shape products and services.

### Universal Design Intended for the Use of as Many People as Possible



### Application Example of Universal Design Technology: Feasibility Study of a Mobile Tourist Information Service for Senior Citizens

OKI conducted a feasibility study of a mobile tourist information service system for senior citizens on a shopping street in Dogo Onsen, a hot spring resort in Matsuyama, Ehime Prefecture, in December 2009. The study was part of the joint research project with the University of Tokyo for designing user-oriented ubiquitous services. A



OKI staff observing collaborators shopping at a mall

mobile tourist information service system is a system to offer tourists useful information at a tourist site using mobile devices such as cell phones. The conventional systems of this kind, however, have some problems to overcome, such as the lack of information truly meeting tourist needs and the inadequate utilization of mobile devices.

During the feasibility study, a group of tourists, 18 men and women in their sixties, were asked to use the system for shopping. The system had been designed based on the results of some surveys of people in the same age bracket. Many technological problems have been already solved in developing ICT-based services. It is indispensable, however, to conduct qualitative researches like this study in order to offer truly easy-to-use services to increasingly diversified users. We will continue our research efforts to realize highly useful information systems.

# Good Communication with Shareholders and Investors

OKI recognizes the importance of communication and is committed to the fair and timely disclosure of corporate information.

## Focal Points for Fiscal 2009

- Promotion of information provision to institutional investors through investor briefings and other opportunities

## Achievements in Fiscal 2009

- Implementation of a "Business Policy Meeting" and a "Corporate Strategy Meeting" (in which the company's mid-term business plan was announced) with the participation of the top management

## Focal Points for Fiscal 2010

- Fair and timely disclosure of the achievements made in the first year for the mid-term business plan

## OKI Group's Investor Relations Activities

The OKI Group appropriately discloses useful information to shareholders and investors in a timely manner, including corporate information, management strategies and operating results. The purposes of our IR activities are to improve management transparency, help build trust with our shareholders, and thus improve our corporate value. IR Unit of Business Management and Promotion Division is responsible for these activities.

The OKI Group recognizes that the appropriate utilization of the views of the market in management practices and business activities serves to further increase operating efficiency and raise corporate value. Based on this recognition, President and the other members of the management team conduct investor briefings, hold IR meetings and engage in various other communication activities. We will further promote the disclosure of information in a responsive, and appropriate manner while complying with the Company Law, the Financial Instruments and Exchange Law and the amended disclosure rules of the Tokyo Stock Exchange.

## Investor Briefings and IR Meetings

OKI has held quarterly results announcements since the first quarter of fiscal 2003. At briefings for institutional investors, which are held in conjunction with results announcements, President and the other members of



Corporate Strategy Meeting (February 2010)

the management team discuss financial information and management strategies. In fiscal 2009, we held a Business Policy Meeting (in September 2009) and, a Corporate Strategy Meeting (in February 2010) focusing on the company's mid-term business plan up to fiscal 2012. President Kawasaki explained the company's business policy, mid-term business targets, and new business structure in these meetings.

Apart from these meetings, we also actively hold individual IR

meetings with institutional investors in Japan and overseas, where we go over a broad range of topics, including management and business strategies, and individual products and technologies. We also organize tours of our business sites for them. In fiscal 2009, we held 78 IR meetings for Japanese investors. IR meetings are also held overseas by our top executives.

## Communication via IR Website and e-mail Newsletters

OKI has an IR Website where a range of investor relations information, including financial data, is posted simultaneously in English and Japanese in order to maintain fairness in information disclosure. We also send e-mail newsletters to approximately 900 people, including our institutional investors and people who have signed up on our website. The e-mail



"Investor Relations" site on the web

newsletter includes the latest <http://www.oki.com/en/ir/> financial results, information on filings to securities exchanges, press releases on topics such as new products and services, and information on updates to our IR Website.

As a result of these efforts, our IR site received the Excellence in Internet IR Award from Daiwa Investor Relations for the ninth consecutive years in fiscal 2009.

## Strict Prevention of Insider Trading

The OKI Group has made every effort to prevent insider trading in order to protect shareholders and investors, and help ensure the integrity of securities markets. The "OKI Group Code of Conduct" clearly specifies the prohibition of stock trading using insider information or the provision of such information to any third party. We also offer our employees training programs on insider trading as part of our risk management.

# Respect for Employees

OKI respects the diversity of its employees, provides and maintains safe, comfortable working environments for them, and is committed to creating a corporate culture that encourages them to take on new challenges.

## Focal Points for Fiscal 2009

- Recruitment and training of diverse human resources
- Entrenchment of the supports for the development of the next generation
- Promotion of work-life balance
- Promotion of the mental and physical health of employees

## Achievements in Fiscal 2009

- Implementation of an internship event
- Acquisition of the government's certification in association with the Law for Measures to Support the Development of the Next-Generation
- Progress in efforts to promote work-life-balance at group companies
- Introduction of a new tool to support the mental health of employees

## Focal Points for Fiscal 2010

- Recruitment and training of diverse human resources
- Entrenchment of the supports for the development of the next generation
- Promotion of work-life balance
- Promotion of the mental and physical health of employees

## Basic Policy on Human Rights and Resources

The business activities of the OKI Groups are based on cooperation among diverse individuals with different roles who work together to contribute to the improvement of corporate profitability and the development of society. Believing that respect for human rights must underlie all business activities, the OKI Group has a strong commitment to pursuing fair recruitment and building working environments in which diverse people can fully exercise their abilities.

The OKI Group articulates its vision for the development of human resources: "Pride, Passion and Sincerity." The vision asks all employees of the OKI Group to:

- Take pride in themselves, their colleagues and the company,
- Take actions with passion, and
- Do any job with sincerity.

We also puts great importance on the promotion of mental and physical health of employees as an important managerial issue.

Based on the above policy and vision, we have made various efforts to respect human rights and ensure equal employment opportunities at overseas group companies as well. These efforts are designed to meet the individual 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 employees and management. In Japan, the company is active in holding general labor-management meetings with the participation of the company's top executives and union leaders as well as divisional labor-management meetings to exchange opinions and information on economic conditions and labor issues.

## Recruitment of Diverse Human Resources

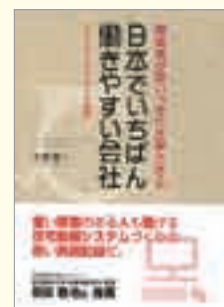
### Promoting the Employment of Challenged People

The OKI Group has promoted the recruitment of severely challenged people as teleworking employees since 1998. Based on this experience, we established a special purpose subsidiary\* called OKI WorkWel in April 2004. As of April 2010, OKI WorkWel employs 43 people with physical, intellectual, visual or internal disabilities. They include 34 teleworking employees who are engaged in designing and producing posters, web pages, and so on, utilizing information technology.

### TOPICS

## Publishing a Book on OKI WorkWel's Teleworkers

In January 2010, *OKI Networkers: A Story of Japan's Most Comfortable Company to Work In for Challenged People*, a book on the 10-year history of the OKI Networkers, a team of severely challenged teleworkers at OKI WorkWel, was published. In this book, the author, one of the company's teleworkers, describes how they have built various systems for the company, how they carry out their day-to-day tasks, and how they have developed and used a multiple voice communicator for teleworkers. We believe that the book will help general readers deepen their understanding of the employment of challenged people.



*OKI Networkers: A Story of Japan's Most Comfortable Company to Work In for Challenged People* (written by Ryuichi Tsuchiya, published by Chuokei Publishing Company)

The percentage of challenged employees at the OKI Group in fiscal 2009 was 1.95%. We will further promote the employment of challenged people mainly through OKI WorkWel. The company was certified as an "Excellent Employer of Challenged Persons" by the Ministry of Health, Labour and Welfare on October 1, 2009. In order to obtain this certification, a company needs to fulfill the "Standards for Excellent Employers of Challenged Persons" designated by the Japan Association of Employers of Persons with Severe Disabilities.

\* A special purpose subsidiary is a company established to provide special considerations for the employment of challenged people as defined in the Law for Employment Promotion, etc. of the Disabled.

### Holding Internship Events

OKI carries out the "One-Day Internship" program for undergraduate and graduate students every year. The purpose of this program is to help students understand how OKI's products are being used in society and make them feel interested in working in the info-telecom industry.



Group discussions

The 2009 program, held at the OKI Showroom, focused on solution business operations in which the participating students were asked to propose the most appropriate solution to the business issue of each customer using OKI products. The program was highly regarded by the participants because they were able to experience business-to-business operating activities.

annual interview session in which employees discuss their career vision and plan with their superiors as well as career design training sessions for employees who have reached important milestones in which they deepen their understanding of themselves through self-analysis. OKI has also established a career counseling system that helps employees develop their careers through counseling on career building in general.

### Helping Employees Develop Their Skills

The OKI Group has developed different training curriculums for different job functions through which employees can learn basic knowledge and skills for their jobs. Other than compulsory or designated courses for new recruits, managers and specialists, more than 500 elective courses are offered. Employees are able to choose the most appropriate courses from among these elective courses in order to build the skills and/or competencies required for the achievement of their career goals. In order to provide learning opportunities to as many employees as possible, we have offered e-learning courses in addition to regular group session courses.

We have also offered a designated training program for employees likely to be directly involved in global operations in the future since fiscal 2006. The curriculum of the program includes not only language lessons but also courses on foreign cultures, diversity and business communication skills. Among them, the courses of English are broken up into three levels: the Beginner Course, the Intermediate Course, and the Advanced Course. Employees are able to choose the most appropriate course for them from among these three options according to their English proficiency and objectives.

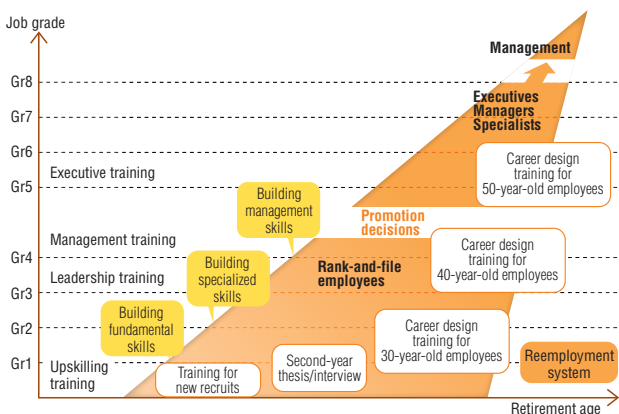
The OKI Group also offers courses of Chinese. Furthermore, the OKI Group's employees have been able to take the Chinese Language Proficiency Test (organized by the Society for Testing Chinese Proficiency) at OKI. From among 40 employees who took the test in fiscal 2009, 29 passed the grades they had applied for.

## Efforts to Develop Human Resources

### Career Design Support Initiatives

OKI's career design program (CDP) focuses on the establishment of partnerships between management and employees as well as the development of strong, autonomous human resources. More specifically, the program includes an

#### ● How OKI Helps Its Employees Build Their Careers



## Efforts to Support the Development of the Next Generation

### Establishing Support for the Development of the Next Generation

In compliance with the Law for Measures to Support the Development of the Next Generation, OKI has formulated and implemented a series of Action Plans. In order to encourage its employees to deepen their understanding of these action plans, we have produced two booklets on the plans, one for employees in general and the other for managers, offered an e-learning program on work-life balance, and opened the "Support Work-Life Balance" site on our intranet.



The "Kurumin" next generation certification logo

## Respect for Employees

In June 2009, we were granted the "Law for Measures to Support the Development of the Next Generation" certification (nicknamed the "Kurumin" certification) by Tokyo Labor Bureau, the Ministry of Health, Labor and Welfare. The main reason for our acquisition of the certification was that we had achieved the targets set in our second Action Plan (for the period between April 2007 to March 2009) focusing on "building an atmosphere/ environment in which employees can work with vigor and enthusiasm."

### Introducing Various Programs for Promoting Work-Life Balance

In fiscal 2008, OKI established the Work-Life Balance Promotion Committee with members from both the management and the labor union. Since then, OKI has offered various supporting programs and systems about childbirth, child rearing and nursing care in order to help its employees balance work and family life. Among them are a flextime system and a HOP system (discretionary labor system) that allow flexible work styles. In case of "Special Leave for a Particular Purpose," employees are allowed to take a leave for medical care for themselves, nursing care for their families (including protective vaccination and medical checkups of small children), and other purposes including participation in social action programs, education and school events.

Such programs and systems have been disseminated to other companies of the group as well. In September 2009, OKI Data Systems in Fukushima won the "Fukushima Prefecture Work-Life Balance Award" for its efforts to reform its working climate epitomized by an increasing number of employees using the "Special Leave for a Particular Purpose" system, and decreasing working hours.



The "Fukushima Prefecture Work-Life Balance Award" ceremony

Descriptions of programs and systems to promote Work-Life balance

<http://www.oki.com/en/csr/csreact/emp/nextgnrt.html>

### Initiatives for Occupational Health and Safety

#### Initiatives by Safety and Health Committees

OKI has set up a "Safety and Health Committee" in each district. Comprised of representatives from the management and the labor union, the committee establishes and enhances systems for occupational health and safety in accordance with the working conditions in the district, formulates plans to prevent industrial accidents, patrols workplaces, offers educational programs on occupational health and safety. In order to raise awareness of safety and health across the company, representatives of local Safety and Health Committees meet at the "Central Safety and Health Committee," and share the results of their activities and efforts.

### Promoting Mental and Physical Health of Employees

The OKI Group has promoted "Health OKI 21", a campaign to facilitate voluntary health management of employees. The campaign has been supported by all group companies, labor unions and corporate health insurance societies. The campaign focuses on the primary prevention of diseases by encouraging employees to change their life style habits. While useful healthcare information is provided through the "Health OKI 21" site on the intranet, each business unit or group company has a committee for the campaign under which various programs, such as a consciousness survey and a walking rally in which employees' families can participate as well, are planned and carried out.

Furthermore, the OKI Group has the "Mental Health Working Group" as an ad hoc committee of the Central Safety and Health Committee, which has been involved in the development of systems to promote self-care and the organization of training programs about mental health. In October 2009, the OKI Group introduced "Kokoro Wellness Navi," a new tool to support mental health that allows users to self-check their stresses on the web.

### TOPICS

#### The Outstanding Labor-Management Relationship/Labor Welfare Award and the Excellent Education Program Award Granted by the Ministry of Labor, the Kingdom of Thailand

In February 2010, OKI Precision (Thailand), a production site of printheads for dot printers in Thailand, received the Outstanding Labor-Management Relationship/Labor Welfare Award and the Excellent Education Program Award from the Ministry of Labor, the Kingdom of Thailand.

The company has regularly and systematically offered various skill building programs and education programs for its employees. The education programs include those on labor laws and health for all employees. The company has also been very active in social action programs for local communities such as operational assistance for sports events for local citizens, reforestation programs and corporate blood drive campaigns. It also has an athletic field on its premise that was built at the suggestion of the Welfare Committee representing its employees. The above awards were granted to the company since these activities had been deemed outstanding in terms of labor-management relationships, benefit programs and employee training.



The award trophies handed by Minister of Labor Phaitoon Kaeothong (right) to OKI Precision's Administration Manager (center) and Chairman of the Welfare Committee (left).

# Social Contribution

OKI, as a good corporate citizen, implements social contribution activities and builds positive relationships with local communities.

## Focal Points for Fiscal 2009

- Examination of possibilities for more stable operation of the OKI 100 Yen Fund of Love
- Enhancement of activities contributing to local communities in Japan and overseas

## Achievements in Fiscal 2009

- Reexamination of the support criterion for the OKI 100 Yen Fund of Love
- Determination to continue the forest maintenance activities in Gunma and Nagano
- Implementation of new activities to contribute to local communities in overseas

## Focal Points for Fiscal 2010

- Continuing operation of the OKI 100 Yen Fund of Love
- Enhancement of social contribution activities inside and outside Japan in collaboration with municipal governments and NPOs

## Basic Philosophy and Systems for Social Contribution Activities

In 1996, OKI established an organization dedicated to the promotion of social contribution, and formulated the Basic Philosophy and Basic Policy for Social Contribution Activities. The OKI Group, based on the same philosophy and policy, has promoted various social contribution activities. More specifically, the group has made donations, opened its facilities for community use, and supported social action programs by employees.

There are two types of social action programs the OKI Group has supported: donation-based programs that collect contributions from employees every month, and participatory programs related to social welfare or environmental protection activities. In order to be involved in a wide range of social contribution activities, we have interacted and collaborated with various nonprofit organizations.

## Social Contribution Activities: Basic Philosophy and Basic Policy

### Basic Philosophy

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.

### Basic Policy

- **Corporate Activities**  
OKI will continue to implement social contribution activities that reflect local and national needs, using its corporate resources, including its human resources and assets. OKI will focus on social contribution activities that reflect its corporate characteristics and will enhance its image while inspiring pride and energy in its employees.
- **Activities by Individuals**  
OKI will encourage and support voluntary activities that allow individual employees to express their humanity.

### Slogan

Let's begin with what is achievable now!

## Donation-based Program The OKI 100 Yen Fund of Love

The OKI 100 Yen Fund of Love is a donation-based social action program that asks each participant to donate 100 yen a month. The participants in the program include executives and employees of 32 companies of the OKI Group as of March 31, 2010. In fiscal 2006, the system of the program was altered to secure stable funding and attract as many participants as possible. Under the new system, each participant can choose the amount to be donated from three options - 100 yen, 200 yen and 300 yen - every time. In fiscal 2009, we reexamined the support criterion for the fund.

### ● The OKI 100 Yen Fund of Love Achievements in fiscal 2009

Donation of a blood transport vehicle to the Japan Red Cross Society	<b>3,000,000 yen</b> (including matching donation)
Financial assistance to a project to promote the employment of challenged people as teleworkers	<b>1,000,000 yen</b>
Financial assistance to social action groups in which OKI's employees are involved	<b>2,320,000 yen</b> (to support 23 organizations)

### Donation of a Blood Transport Vehicle to the Japan Red Cross Society

OKI has supported the activities of the Japan Red Cross Society since it launched Japan's first corporate blood drive in 1962. OKI has also donated blood transport vehicles to Red Cross Blood Centers in various areas of Japan since 1996, using the funds collected as part of the OKI 100 Yen Fund of Love and equal



A vehicle donated to the Japan Red Cross Akita Blood Center (February 2010)

amounts provided by the company in a matching gift program. In fiscal 2009, OKI donated a refrigerated blood transport vehicle to the Japan Red Cross Akita Blood Center. The company has donated a total of 20 blood transport vehicles to the Japan Red Cross Society thus far.

## Social Contribution

### Supporting Social Action Organizations in Which OKI's Employees are Involved

The OKI Group has provided financial assistance to organizations in which its employees are involved, based on the request of such employees or Corporate Philanthropy Unit of CSR Division. The source of such financial assistance is the "OKI 100 Yen Fund of Love." In fiscal 2009, we funded 23 organizations. Among them were PH-Japan, a nonprofit organization (NPO) offering medical assistant in developing countries whose mission is to help people across the world live a healthy and happy life, and Respite You, an NPO that helps challenged people and their families become self-reliant in local communities.

It is also notable that the NPO Action with Lao Children published a kamishibai (a storytelling tool comprised of a set of picture cards) titled "The House That Jack Built" in Laos in May 2009 with a financial assistance from the OKI 100 Yen Fund of Love.



Kamishibai "The House That Jack Built"

### OKI Mountain and Forest Brigade

The OKI Group has organized the OKI Mountain and Forest Brigade, a program for employees and their families focusing on the maintenance of forests and interactions with local people.

In fiscal 2009, the brigade cut and thinned three forests associated with the OKI Group, one in Komoro (Nagano Prefecture), another in Izu (Shizuoka), and the other in Kannyonama (Gunma), with the participation of a total of 228 people including the group's employees and their families. They cut and thinned the first two forests twice, and the other once during fiscal 2009. These activities for the three forests were carried out under three agreements made with Komoro City, Izu City and the NPO Green Earth Center, and Gunma District Forest Office respectively. Among them, the two agreements with Komoro City and Gunma District Forest Office were to expire by the end of fiscal 2009. The parties thereto, however, decided to continue the same activities in 2010 and thereafter, given the achievements made until then.



A ceremony commemorating the continuation of the agreement with Komoro City (February 2010)

## Participatory Social Action Programs

### Supporting "All-Japan School Biotope Contest 2009"

The OKI Group supported the operation of the All-Japan School Biotope Contest 2009 (organized by the Ecosystem Conservation Society-Japan) held at Tsuda Hall in Tokyo on February 13, 2010. The purpose of this biennial contest, that has been held since 1999, is to present the finest examples of the school biotope program\* in Japan, promote environmental education, and thus contribute to coexistence with nature. The OKI Group has supported the contest since 2001. For the 2009 contest, we videotaped the contest for an online distribution on the website of the organizer, and made reduced scale copies of the posters of the 31 winning schools using OKI Data's LED printers and distributed them to visitors.



Videotaping for an online distribution

\* The school biotope program is an activity to help children experience and learn ecosystem of the nature and the importance of symbiosis with nature.



In the Fureai-no Mori Forest in Gunma

### Social Action Program Featuring Traditional Games

The OKI Group has held an event featuring a taketombo (a traditional flying toy) workshop/contest for children in foster homes almost every year since fiscal 1999. In fiscal 2009, we held an event



Performance by the Edo Marionette Group

featuring taketombo and traditional puppets in the Kyodo-no-Mori Museum in Fuchu (Tokyo) on November 7 in cooperation with the International Taketombo Association and the Edo Marionette Group. We invited 12 children to the event who made taketombo and enjoyed a traditional puppet show with a group of volunteers from the OKI Group.



### Making and Donating Lao Picture Books

The OKI Group, in cooperation with the NPO Action with Lao Children, sponsors an event to create and donate picture books in the Lao language every year. During the event, participants add Lao translations to Japanese picture books. The event also features a quiz show through which the participants can deepen their knowledge of Lao culture.

The participants in the 2009 event included not only employees of the OKI Group and their families but also a group of students from Gakushuin Women's College who were going to visit Laos with Action with Lao Children. The 39 participants made a record of 71 picture books. A total of 539 picture books have been made through this program for the last ten years.



Participants in the event with picture books

## Activities Contributing to Local Communities in Japan and Overseas

### Social Action Program in Conjunction with Sales Volume of Printers

OKI Data carried out the campaign "Ai no Kamado (Cooking Stoves of Love)" in November and December, 2009 in collaboration with its business partners. The purpose of the campaign was to offer energy efficient cooking stoves to families in developing countries like India and Kenya, where open fires are used for cooking, in conjunction with the company's sales volume of printers.

The use of open fires for cooking has posed a serious health risk to women and children in developing countries because of indoor air pollution caused by it. The introduction of energy efficient cooking stoves not only improves their health but also helps reduce CO<sub>2</sub> emissions. The company will continue this program in the future.



An energy efficient stove introduced to a Kenyan family

### Reforestation Programs for Environmental Conservation in Thailand

The OKI Group's production sites in Thailand have continued reforestation programs for environmental conservation. In July 2009, 250 employees of OKI Precision (Thailand), located in Northern Thailand, planted 1,000 teak seedlings in Lamphun. In October of the same year, 200 employees of OKI Data Manufacturing (Thailand), located in central Thailand, planted 2,000 mangrove seedlings on a beach located to the south of Bangkok. These activities have been made in collaboration with regional Offices of Natural Resource and Environment, and other administrative agencies, in order to contribute to local communities through continuing and steady forest cultivation.



Teak reforestation in northern Thailand

### Continuing Support for Disadvantaged Children and Elderly People

OKI Data do Brasil, an OKI group company in Brazil, has made continuing efforts to contribute to local communities through a committee comprised of volunteered employees. With support from the company's Human



A clown visit to a foster home

Resource Department, the committee has supported facilities for disadvantaged children and elderly people. In fiscal 2009, the committee carried out five programs including an event featuring free haircuts for elderly people in collaboration with local barbers, and a clown and a Santa visit to a foster home.

### Opening Facilities for Community Use

The OKI System Center (Warabi, Saitama) holds the OKI Warabi Culture Festival in November every year. During the festival, the facilities of the center are opened to local citizens and families of employees. Aside from the regular events such as a concert of a jazz band whose members were employees of the OKI Group and a presentations focusing on the prevention of crimes and disasters (given in cooperation with the local police and fire department), the festival held in fiscal 2009 also featured a new event, a demonstration of a guide dog in collaboration with the Japan Guide Dog Association, a recipient of the OKI 100 Yen Fund of Love. More than 2,500 people participated in the festival.



A demonstration of a guide dog

# Consideration for the Environment

In order to realize and pass on a better environment, the OKI Group promotes environmental management and makes efforts to conserve the environment through its products and business activities.

Focal Points for Fiscal 2009	Achievements in Fiscal 2009	Focal Points for Fiscal 2010
<ul style="list-style-type: none"> <li>● Enhancement of measures for preventing global warming</li> <li>● Creation of energy-saving products</li> <li>● Promotion and improvement of the system to control chemical substances in products</li> <li>● Improvement of environmental management</li> <li>● Enhancement of environmental compliance</li> </ul>	<ul style="list-style-type: none"> <li>● Achievement of the energy saving target of the OKI Group</li> <li>● Establishment of new registration criteria for low power consumption products</li> <li>● Improvement of the Internal IT system in conformity with REACH regulation and the implementation of education by hierarchical level</li> <li>● Establishment of a new qualification criterion for internal environment auditors and the enhancement of environmental education at each site</li> <li>● Implementation of education on the disposal of used products and on-site inspections of commissioned waste disposers</li> </ul>	<ul style="list-style-type: none"> <li>● Response to the OKI Group's energy saving target and the Revised Energy Conservation Law</li> <li>● Expansion of the registration of OKI Eco Products</li> <li>● Enhancement of conformity with regulations to control chemical substances in products in Europe, China and other countries</li> <li>● Integration of new production sites into the group's environmental management</li> <li>● Strengthening oversight of compliance within and of the OKI Group and its partners</li> </ul>

## OKI Group Environmental Policy

The OKI Group achieves a better global environment by providing products and services that contribute to the development of the information society for the next generation, and inherits this within the group.

- 1 Aim to maximize measures' effects by implementing the OKI Group environmental management.
  - Take actions to provide environment-friendly products and services in all business processes through product planning, manufacturing and maintenance operation.
  - In the business activities, strive to save energy/ resources and take actions to reduce and recycle wastes.
- 2 Comply with applicable environmental legal requirements and regulations, and with customer requirements and other requirements to which the OKI Group subscribes, and prevent pollution.
- 3 Adequately implement PDmCA (Plan-Do-multiple Check-Act) in the environmental management system, and take actions to progress environmental performances and to continue improvements of its operation system.
- 4 Disclose environmental information, and make wide contribution to the society by supporting environmental activities.

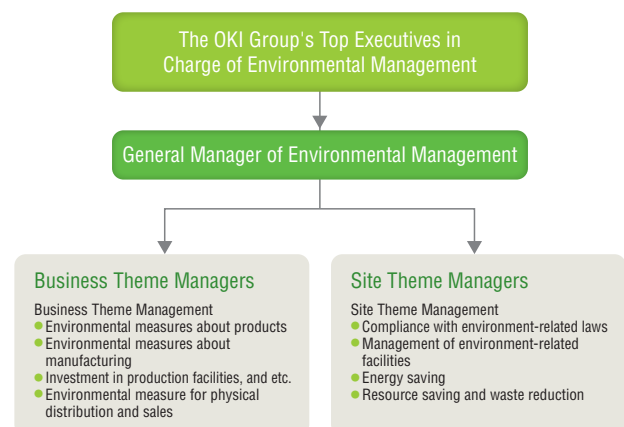
## The OKI Group Environmental Management

The OKI Group has established and implemented an environmental management system, as the basis for its environmental management, across the group. Under the OKI Group Environmental Policy, we have formulated the OKI Group Environmental Activity Plan (see Page 35), and set mid-term targets and yearly targets in order to continuously reduce environmental burdens through our products and business activities.

### The OKI Group Environmental Management

The OKI Group, under the business theme (focuses on reducing environmental burdens through products and services) and the site theme (focusing on reducing environmental burdens at each site), creates environmentally-friendly products and services, and addresses resource saving, energy saving and the reduction of wastes for environmental preservation.

- Environmental Management through Business Theme and Site Theme



### Optimization of the OKI Group Environmental Management

In order to promote environmental management efficiently and effectively, we work on environmental activities from the following six aspects.



### Improvement of Environmental Management

The OKI Group conducts an internal environmental audit for efficient and effective environmental management. In fiscal 2009, we established a new qualification criterion for internal environment auditors at each hierarchical level, and offer training programs for them.



An experience-based education program

The OKI Group also puts great importance on environmental education, and gives various general and specialized education programs in each site. OKI Data Manufacturing (Thailand), a site manufacturing printers in Thailand, offered experience-based education programs in which its employees were able to learn the importance of environmental protection and safety in order to raise environmental awareness among them.

### Enhancement of Environmental Compliance

In fiscal 2009, OKI, as part of its efforts for enhancing environmental compliance, revised its educational program for further improving the compliance of its disposal of used products as well as the operational procedure for it. The company also facilitated the appropriate disposal of used products, conducted on-site inspections of the commissioned disposers across Japan, and confirmed how used products had been stored or disposed of by actively utilizing the "Cross-jurisdictional Waste Treatment Manufacturer Scheme."\*



An on-site inspection of a commissioned disposer

\* Cross-jurisdictional Waste Treatment Manufacturer Scheme: An exemption scheme of the Waste Disposal and Public Cleaning Law that allows manufacturers to treat waste across different prefectures. The purpose of the scheme is to reduce waste, and promote the appropriate treatment and recycling thereof. OKI was approved as a "Cross-jurisdictional Waste Treatment Manufacturer" by the Ministry of Environment in June 2006.

### Pollution of Underground Water and Soil

The OKI Group has specified a group of observation points at every production site and monitored the quality of underground water there on a regular basis. During such a regular examination at Honjo site, the groundwater sampled from some observation points was measured to be a bit above the normal level. In response to this, the OKI Group has implemented appropriate recovery measures under the guidance of the relevant local authorities. In fiscal 2009, no underground water or soil pollution was observed.

### Penalties / Claims

There were no environment-related penalties imposed on or claims made against the OKI Group in fiscal 2009. Whenever such an event occurs, we locate the cause thereof, deal with the problem properly and take appropriate preventive steps.

### ● OKI Group Environmental Activity Plan (Fiscal 2009): Targets and Achievements

	Category	Activities	Targets for Fiscal 2012	Targets for Fiscal 2009	Achievements in Fiscal 2009			
					Results	Evaluation	See Page	
Products	Control of chemical substances contained in products	Enhancing chemical substance management •Response to REACH regulation •Response to similar regulations in China and other countries	Establish and practice a new CMS* in conformity with global regulations to control chemical substances  Establish and operate an IT system in conformity with global regulations to control chemical substances	Establish and test-operate a new CMS in conformity with REACH and other regulations  Begin operating a new information system in compliance with Reach regulation	Completed the documentation of the procedure to comply with REACH regulation / Implemented education by hierarchical level / Established the system at each major site	○	16	
					Started the full-scale operation of the system	○		
	Prevention of global warming	Manufacturing low power consumption products	Achieve a 50% or more increase in energy-saving effect for main products	Establish new registration criteria for low power consumption products	Established a registration criterion for each type of energy saving effect, and formulated an execution plan	○	36	
Business Activities	Prevention of global warming	Reducing CO2 emitted from business activities (introducing highly efficient equipment, and improving operational systems)	Basic unit to be reduced by 1% or more (compared to the average of the past five years)	Office	Total volume to be reduced by 1% or more (compared to the average of the past five years)	Achieved a 5.6% reduction of total volume	○	12 13
				Production site	Basic unit to be reduced by 2% or more (compared to the average of the past five years)	Achieved a 2.5% reduction of basic unit (a 8.6% reduction of absolute amount)	○	37 38 39
	Recycling of used resources	Reducing waste at production sites	Increase the number of sites subject to "zero-emission" (including overseas sites)	Maintain and continue zero-emission	Maintained and continued zero-emission	○	39	
Environmental Management	Enhancement of environmental management system	Practice of the OKI Group Environmental Management	Expand the scope of ISO14001 Consolidated Certification (inside and outside Japan)	Expand the scope of ISO14001 Consolidated Certification, and formulate and implement an ISO certification plan for the next fiscal year	Completed the consolidated certification of fiscal 2009 successfully as planned with no new sites included	△	34 35 38	
							Enhancement of environmental compliance	Winning further understanding of outsiders about OKI's environmental compliance

\* CMS: Chemical Management System

## Environmental Contribution through Products

The OKI Group has addressed three important environmental issues - "the reduction of power consumption," "conformity with regulations to control chemical substances" and "resource conservation (reduction in size and weight)" - through its environmental activities related products, and contributed to the reduction of environmental impact by offering environmentally conscious products.

### OKI Eco Products

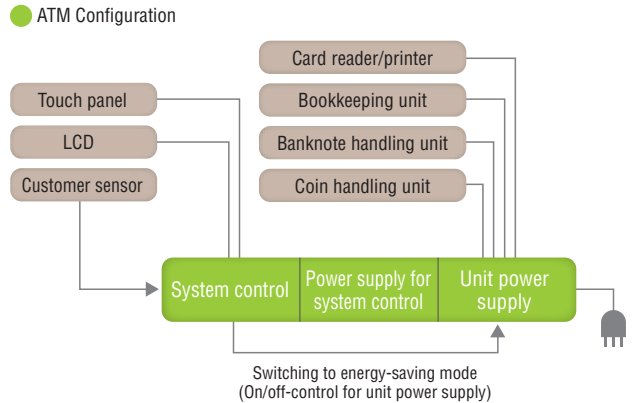
In order to provide customers with environmentally conscious products, the OKI Group has implemented the "OKI Eco Product Certification Program" since fiscal 2000. The program is intended to internally certify products that meet the OKI's original environmental standards and offer customers product information related to environmental conservation. Every product needs to meet two sets of standards, the standards common to all products and those set for each product family, to be certified as an OKI Eco Product. In fiscal 2009, we added a new three-level standard of energy-saving effect to the standards common to all products in order to pursue as much energy-saving effect as possible at the time of development.

The catalog and user's manual for an OKI Eco Product comes with the OKI Eco Product logo in accordance with the level of its energy-saving effect. Certified OKI Eco Products and their specifications in terms of environmental conservation are disclosed on the Internet. A total of 66 products - including telecommunications equipment, information processing equipment and printers - were certified as OKI Eco Products by the end of fiscal 2009.



### Realization of Automated Teller Machine (ATM) with Low Power Consumption

As the enforcement of the Revised Energy Conservation Law requires the private sector to make visible efforts for saving energy, there has been an increasing need for ATMs with low power consumption. In order to cater to this need, OKI has addressed the reduction of power consumption in stand-by mode and the development of energy-efficient power-supply units.



OKI's ATM system has achieved a 50% reduction of power consumed in stand-by mode by cutting power supply to each unit whenever the sensor senses the absence of customers. The system has also shortened return time by carefully reducing the number of items to be checked at return from stand-by mode. Furthermore, OKI has decreased the number of components used for its ATM system by using microcomputer control, reduced power loss by adopting a synchronous rectification circuit, and thus improved the energy efficiency of the system's power supply unit by 78%.

### The World's First 1.1 Inch QVGA (240x320 dots) High Brightness LED Display

In November 2009, OKI Digital Imaging announced that it had succeeded in developing a 1.1 inch QVGA LED display with high luminance efficiency and low power consumption (one-tenth that of conventional LCDs). This innovative display uses the company's proprietary Epi Film Bonding technology (see Page 13) to mount thin-film LEDs onto a metal board with high reflection and radiation. As a result, the display achieves high luminance efficiency and high brightness with low power consumption. It also features the world's first 65-micrometer pitch between LED chips that allows high-definition images despite its size.



1.1 inch QVGA high brightness LED display

● For information on other environmentally conscious products, please see Pages 40 and 41.

## Environment Conservation Efforts in Business Activities

The OKI Group has addressed three important environmental issues - "the reduction of greenhouse gas emissions," "the saving and recycling of resources" and "the reduction of environmental risks" - through its environment conservation efforts in business activities. In fiscal 2009, we focused on reducing CO<sub>2</sub> emissions from offices since "the reduction of greenhouse gas emissions" is a global issue with increasing importance.

### Energy-Saving at Offices through Green IT

OKI System Center (in Warabi, Saitama) has been active in saving energy by introducing CoolClover, an energy management system for IT devices.

One of the "Green by IT" (see Page 12) energy-saving solutions, CoolClover controls different power settings for different IT devices such as PCs in an integrated way via networks, allows the visualization of power consumed by each device, and thus promotes the energy saving of IT devices. The center has introduced this system to approximately 1,500 PCs, and encouraged its employees to save energy. As a result, it achieved an average of 10% reduction of power consumed per month during a five-month period beginning from October 2009.



"Visualization" of energy consumed (the clover icon grows larger according to energy saved)

### Introduction of New Air Conditioning System at Shibaura Site

OKI's Shibaura site replaced its long-used turbo refrigerator and boiler (used as a central-controlled air conditioning system) with a new air conditioning system that allows different operational settings for different rooms. This shift enables the site to reduce 70 tons of CO<sub>2</sub> emission every year.



Packaged air conditioner installed at Shibaura site

### "CarbonZero Manufacturing Facilities"

The three main manufacturing facilities of OKI Data (located in Fukushima, Thailand and China) has offset their CO<sub>2</sub> emissions by purchasing emission credits from the UN-certified CER\*<sup>1</sup> scheme, and thus become "CarbonZero Manufacturing Facilities." The company will continue this effort of offsetting the total CO<sub>2</sub> emitted from these facilities during the previous fiscal year by way of purchasing emission credits from CER and VER\*<sup>2</sup> schemes until the end of the phase phase of the Kyoto Protocol in 2012. OKI Data's "CarbonZero Manufacturing Facilities" initiative was selected as a Carbon Offsetting Model Project for fiscal 2009 by the Ministry of Environment because of



its relevance to the ministry's Guidelines for Carbon Offsetting in Japan and its effectiveness as business model.

\*1 CER: Certified Emission Reduction  
\*2 VER: Verified Emission Reduction

### Energy Saving Measures at Manufacturing Facility in Thailand

OKI Data Manufacturing (Thailand), the OKI Group's subsidiary manufacturing printers in Thailand, has made various energy saving



OKI Data Manufacturing (Thailand)

measures. Among them are the suppression of indoor temperature rise by applying a heat-insulating ceramic coating to the roof, the creation of additional spaces on the shop floor by shortening the production lines, and the reduction of energy used for lighting. In addition, the company installed additional temperature sensors that allow different temperature settings for different areas. As a result of these measures, the company reduced 371 tons of CO<sub>2</sub> emission in fiscal 2008 compared to fiscal 2007.

● For further information on environmental performance in association with business activities, please see Pages 38 and 39.

## TOPICS

### OKI Data Participates in China's Green Energy Project

In June 2009, OKI Data announced that it had participated in the Green Energy Project as a partner company. The project, launched jointly by the China Environmental Protection Foundation (CEPF) and the China General Chamber of Commerce, aims at realizing an environmentally-friendly, resource-recycling society. The partner companies of the project are asked to contribute unused office equipment and IT devices as well as part of their profit to the CEPF, and thus support the foundation's activities to protect the environment. OKI Data is the only print manufacturer among the project's partners since its environmentally friendly products based on its LED technology and its serious commitment to environmental protection have been highly regarded in China.

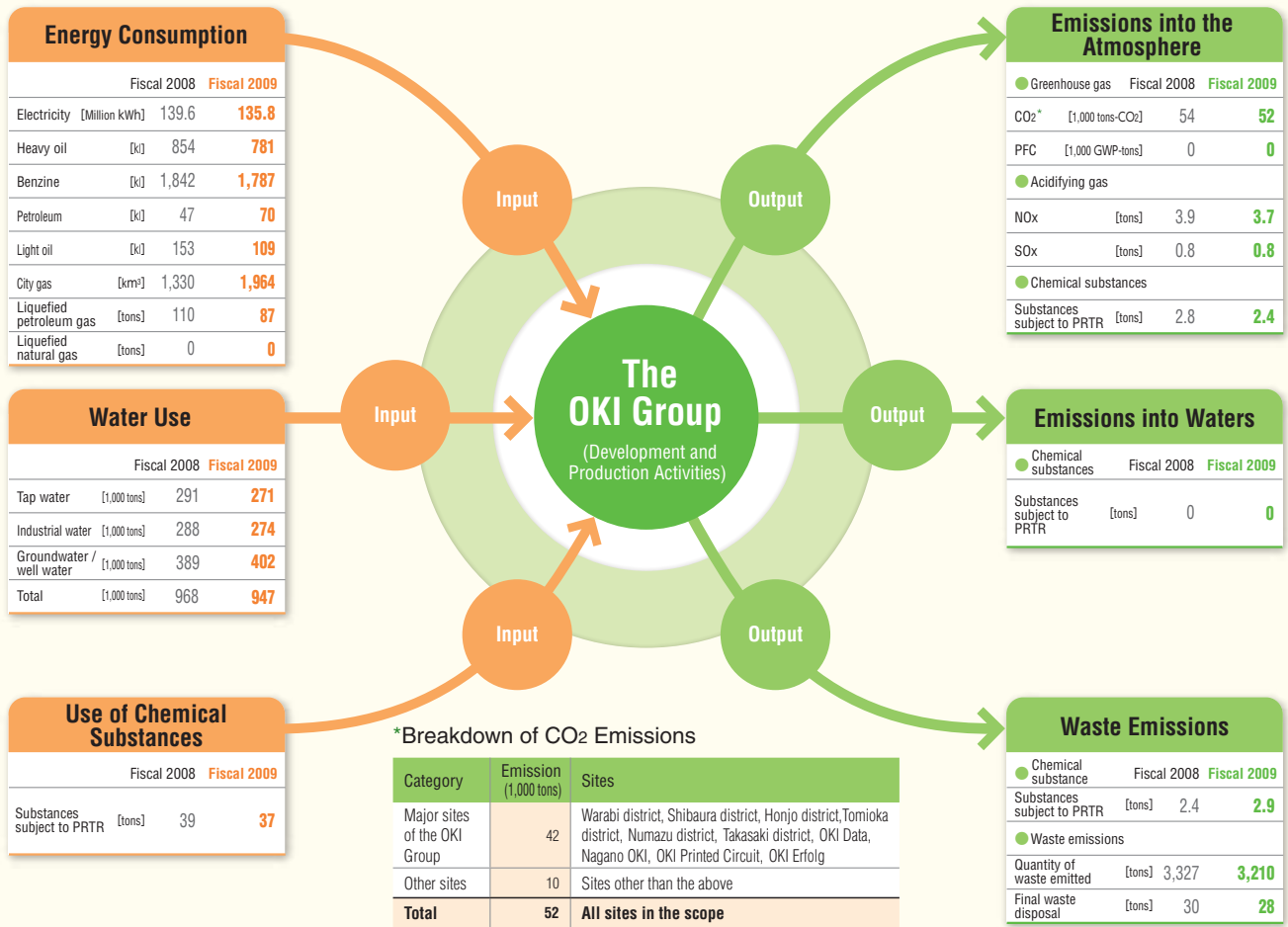


Ceremony celebrating partner certification for Green Energy Project

# Detailed Data

## Environmental Impact of Business Activities (Material Balance)

The OKI Group uses energy, water and chemical substances as "input" to conduct business activities focusing on development and production while discharging substances with environmental impact into the atmosphere and waters, and emitting wastes as "output."



## The Scope of ISO14001 Consolidated Certification

In order to facilitate information sharing and improve the efficiency of business processes, the environmental activities of all group companies inside and outside Japan have been managed in an integrated way under the same environmental management system at the OKI Group.

### The Scope of ISO14001 Consolidated Certification

(Fiscal 2009)

Atago Site  
Shibaura Site  
Warabi Site  
Takasaki Site  
Honjo/Tomioka Site  
Numazu Site  
OKINET Ecchujima Site  
ODC Fukushima Site  
OEF Fukushima Site  
OPT Fukushima Site

OPT Omiya Site  
OME Fukushima Site  
OPC Niigata Site  
NOK Nagano Site  
OLC Eitai/Isesaki Site  
OLC Hokkaido Branch Office Site  
OLC Tohoku Branch Office Site  
OLC Chubu Branch Office Site  
OLC Kansai Branch Office Site  
OLC Chugoku Branch Office Site

OLC Shikoku Branch Office Site  
OLC Kyushu Branch Office Site  
OEG Hikawadai Site  
OFN Makuhari Site  
OCM Tokorozawa/Hidaka Site  
OKI Kansai Techno Research Center Site  
Hokkaido Regional Office Site  
Tohoku Regional Office Site  
Chubu Regional Office Site  
Kansai Regional Office Site

Chugoku Regional Office Site  
Shikoku Regional Office Site  
Kyushu Regional Office Site  
ODMT Ayutthaya Site (Thailand)  
OPNT Chiang Mai Site (Thailand)  
OME Dong Guan Site (China)  
OKN Kunshan Site (China)  
OTTC Changzhou Site (China)  
OSZ Shenzhen Site (China)

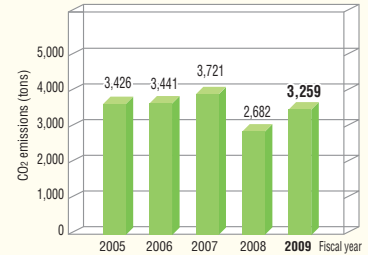
# Reducing Environmental Impact of Business Activities and Products

The OKI Group has been active in reducing environmental impact of its business activities and products in order to contribute to environmental conservation.

## Reducing Environmental Impact of Physical Distribution

OKI, as a shipper, has enhanced its efforts to reduce environmental impact of physical distribution in partnership with OKI Logistics (hereinafter called OLC). As a pioneer in reducing CO<sub>2</sub> emissions by adopting modal shift, OLC has accumulated a wide spectrum of transit information and organized it into a database to fully meet the requirements of the Energy Saving Law. In fiscal 2009, the CO<sub>2</sub> emissions reduced by modal shift amounted to 240 tons, a 36% decrease compared to the previous fiscal year, due to a decline in long-distance transport utilizing modal shift. The total volume of CO<sub>2</sub> emitted from OLC's transport activities in fiscal 2009 amounted to 3,259 tons, a 22% increase compared to the previous fiscal year.

CO<sub>2</sub> Emissions from Transport Activities

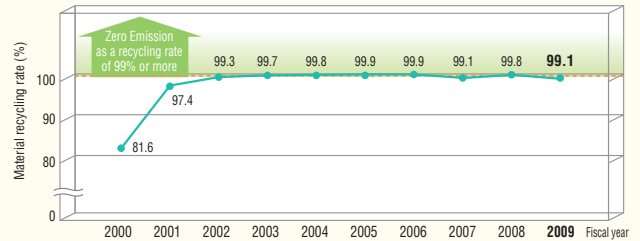


## Improvement of Material Recycling Rate (Zero Emission)

The OKI Group has been active in improving its material recycling rate\*1 since 1996. In fiscal 2002, we achieved "zero emission"\*2 at main production sites. In fiscal 2009, the material recycling rate was 99.1%.

\*1 Material recycling rate: quantity of material-recycled resources / (quantity of material-recycled resources + quantity of wastes subject to final disposal) x 100  
 \*2 Zero emission: defined by the OKI Group as a material recycling rate of 99% or more

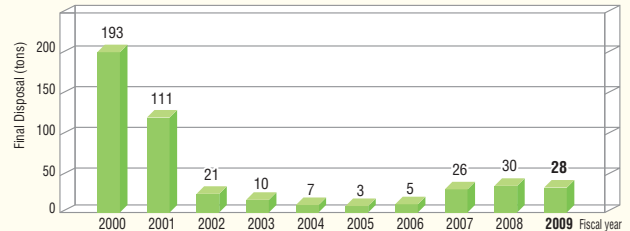
Material Recycling Rates of Main Production Sites



## Amount of Wastes Subject to Final Disposal

The amount of the general and industrial wastes emitted from the OKI Group's main production sites and subject to final disposal was 28 tons in fiscal 2009.

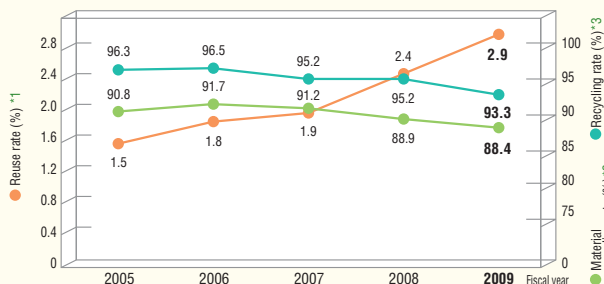
Amount of Wastes Subject to Final Disposal Emitted from Main Production Sites



## Recycling of Used Products

The volume of used products collected in fiscal 2009 was 1,571 tons (with an 39% decrease compared to fiscal 2008), with ATMs, printers and PCs comprising a large part of them. The material recycling rate was 93.3% and remained at the almost same level as fiscal 2008.

Recycling of Used Products

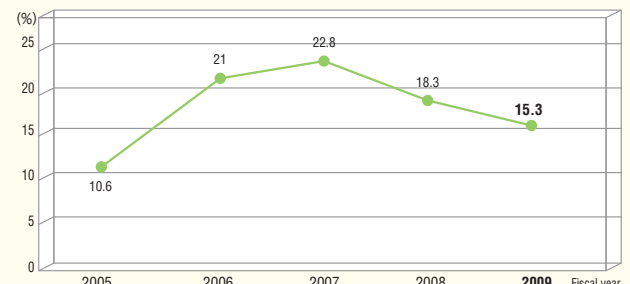


\*1 Reuse rate: the ratio of reused parts and materials to collected used products (in mass).  
 \*2 Material recycling rate: the ratio of material recycling and reuse to collected used products (in mass).  
 \*3 Recycling rate: the ratio of material recycling, thermal recycling and reuse to collected used products (in mass).

## Recycling of Printer Supplies

OKI Customer Adtech has been active in reusing and recycling printer supplies such as toners and drum cartridges. The recycled product rate to sales volume was 15.3% in fiscal 2009 (a 16% decrease compared to fiscal 2008).

Recycled Product Rates



Detailed Data

Environmentally Conscious Products

The OKI Group has developed various environmentally conscious products utilizing its innovative technologies and offered them to customers.

"ATM-Recycler G7," a Lightweight Environmentally Friendly Cash Recycling ATM with Low Power Consumption

OKI has developed cash recycling ATMs since the early-eighties. In November 2009, the company announced that it had developed "ATM-Recycler G7," the seventh generation of its cash recycling ATMs for the worldwide market. This new ATM enables banknotes from multiple currencies (with different sizes, designs, and security information) to be handled by a single ATM, and thus help save space at a bank or convenience store. It has also allowed the reduction of the number of components used for sorting banknotes by adopting some newly developed components, and achieved a 45% reduction of the length of the banknote conveyance route. As a result, it is lighter than the conventional ATM models by 30%, and thus allows a reduction of

power consumption for the conveyance process. Furthermore, the ATM has also achieved a reduction of power consumption in stand-by mode by adding a new low power consumption mode to the banknote handling module and the banknote recognition unit. In this way, it has realized a 30% reduction of power consumption.



ATM-Recycler G7

"IPstage 1000," a Smart Office Telephony Station That is the Industry's Smallest in Class

In November 2009, OKI Networks announced a launch of "IPstage 1000," an all-in-one smart office telephony station for SOHOs\* that is equipped with a key telephone system and a broadband router. The product allows users to easily build a business network comprised of a key telephone system, an Internet access, a printer and other devices. The 49-millimeter thick



"IPstage 1000" with "MKT/IP-10DSHF-B" multifunctional IP telephone set

main unit of the system is the industry's smallest in class, of a compact A4 size, and can be installed anywhere in an office. In fact it can be installed vertically, horizontally, or hung on the wall. Since it has achieved a 60% reduction of power consumption, the product helps users save energy at their offices.

Marketed also in Europe, the product conforms with RoHS regulation, and other rules and regulations to control chemical substances.

\* SOHO refers to the category of business, which involves 1 to 10 workers. A typical SOHO operator usually works at his/her home or a small rental office. The category also includes larger companies' small offices in remote places.

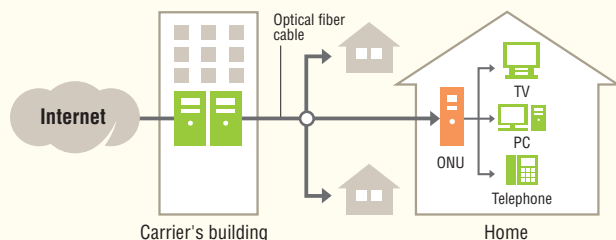
Optical Network Unit (ONU) That Allows an Energy-Saving Broadband Environment

In fiscal 2009, O F Networks developed a home ONU with significantly low power consumption to be used as part of a GE-PON\* system for low-cost fiber-to-the-home (FTTH) broadband access. In fact, the company achieved a 40% reduction of power consumption by reexamining the product specification, adopting components with low power consumption, reducing the number of components used for the product, and improving electric power efficiency. GE-PON systems have allowed the concurrent provision of an ultrahigh-speed (1 gigabit per second) Internet access, a telephone service, and distribution of high quality images to TVs or PCs. They have been used for many FTTH services. Approximately 17 million households subscribe FTTH services in Japan (as of December 2009).

\* GE-PON: Gigabit Ethernet-Passive Optical Network

As energy-saving efforts in the private sector have attracted considerable attention, ONUs with low power consumption are expected to play an important role in saving electricity in the household sector.

● A typical application of a GE-PON system





## A4 LED Color Printer with Low Power Consumption (0.9W) in Sleep Mode

In January 2010, OKI Data unveiled COREFIDO C610dn and COREFIDO C711dn, two new LED color printers with lowest power consumption (0.9W) in their class in sleep mode. They also meet the standards for the Eco Mark Program, the Green Purchasing Law, and the International Energy Star Program. Furthermore, they deal with thick papers (of 250g/m<sup>2</sup>), allow automated duplex (double face) printing, and handle long sheets of paper (with a length up to 1,320.8 mm). They also boast the fastest printing speed in their class, 34 pages per minute for color printing, and 36 pages per minute for black & white printing.

The printers of the COREFIDO series with LED printheads are characterized by their highly simple structures featuring OKI's

proprietary technologies such as a direct contact transfer printing method with no complex intermediate transfer processes, a single paper feed path that allows four-color printing with a single paper feeding action, and a highly efficient flat paper path. These features have ensured a five-year warranty for the printers of the series. COREFIDO is a product for the Japanese office market.

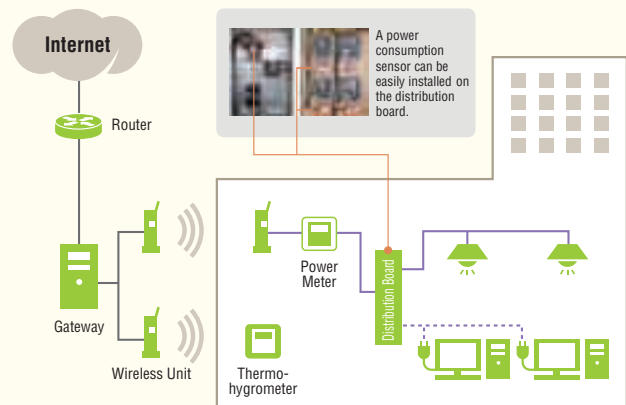


C610dn A4 LED color printer with 0.9W power consumption in sleep mode

## "Web Sensing" System That Helps Comply with the Revised Energy Conservation Law through the "Visualization" of Environmental Information

In September 2009, OKI Network Integration started offering "Web Sensing," an environmental information collection system, in response to the Revised Energy Conservation Law. The system tracks and collects environmental information (such as temperature, humidity, power consumption, gas and water used, and etc.) about the office, makes such information available from an Internet server, and visualizes it as graphs. This visualization of environmental information helps users cut energy waste (such as that consumed in stand-by mode) through real-time monitoring, allows the issuing of warnings to the system administrator in the event of any deviation from the standard settings, and helps users write environmental reports in compliance with the Revised Energy Conservation Law. It is also notable that the system displays the PMV (Predicted Mean Vote) values, a set of indicators for CO<sub>2</sub> emissions and comfort levels in the forms of animations, and thus contributes to the improvement of environmental awareness of each employee.

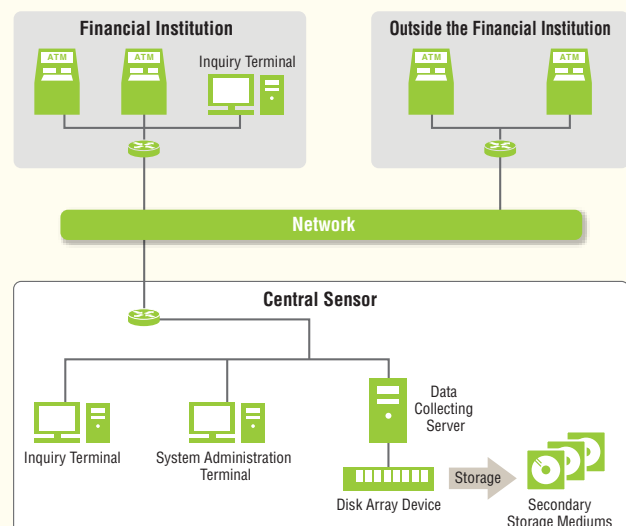
### ● A typical configuration of "Web Sensing"



## Creation of a Paperless Environment for ATMs (ATM Electronic Journal Online Storage System)

In 2007, OKI developed ATM Electronic Journal Online Storage System that collects and manages ATM journal data (data on ATM transactions). Since then, the company has offered the system to a number of financial institutions. With this system, users no longer need to keep paper-based journal data. In this context, the system helps create a paperless environment for ATMs. It also helps reduce information security risks such as leaks, losses and damages of journal data as personal data. The system was introduced to 10 financial institutions by the end of fiscal 2009.

### ● A typical application of the ATM journal data collection/management system



Detailed Data

Environmental Accounting

The OKI Group introduced environmental accounting in fiscal 1999. Since then, we have conducted environmental activities in a highly efficient way to optimize investment effects.

Environmental Conservation Costs

The OKI Group has adopted a specific procedure for selecting equipment and devices with low environmental impact and has used it when renewing or introducing any infrastructure system. For example we always select products with low environmental impact when selecting new equipment, such as energy-efficient fluorescent lamps, inverter lighting fixtures, and highly-efficient air-conditioning controlling equipment. Capital investment in fiscal 2009 amounted to 198 million yen (compared to 267 million yen in the previous fiscal year) while the amount of costs was 1.563 billion yen (compared to 1.31 billion yen in the previous fiscal year).

Investment / Costs

(Unit: million yen)

Category	Main Efforts	Investment		Costs			
		2008	2009	2008	2009		
Cost in business areas	Pollution prevention cost	Investment in pollution control facilities, and maintenance and operation costs		5	8	57	45
	Global environment conservation cost	Investment in energy-saving facilities, and maintenance and operation costs		116	55	112	92
	Resource recycling cost	Investment in facilities for internal treatment of organic waste liquid, waste recycling costs		104	116	318	265
	<b>Total</b>	<b>225</b>	<b>179</b>	<b>487</b>	<b>401</b>		
Upstream / downstream cost	Green procurement (chemical substances survey) costs, costs for remodeling systems to collect data on chemical substances contained in products		19	3	330	280	
Administration cost	Costs for obtaining environment management certifications, and maintenance and operation costs		20	14	284	229	
R&D cost	R&D costs for creating energy-saving products		1	1	205	648	
Social activity cost	Costs for planting trees in production sites, costs for activities contributing to local communities		1	1	3	4	
Environmental damage cost	Cost for reserves to respond to environmental damages, insurance cost and surcharge		0	0	0	1	
Other cost	-		1	0	1	0	
<b>Total</b>		<b>267</b>	<b>198</b>	<b>1,310</b>	<b>1,563</b>		

Benefits Related to Environmental Conservation Costs

The economic effects amounted to 280 million yen (compared to 370 million yen in the previous fiscal year) as a result of our efforts to use electricity and air conditioning systems more efficiently although the income from sale of used valuable products decreased.

Economic Effects

(Unit: million yen)

Category	Main Efforts	Effects		
		2008	2009	
Cost reduction effect	Effect of saving energy and resources	Reduction of electricity, petroleum, gas, packaging materials, etc. used in business activities		
	Effect of reducing treatment cost	Reduction of waste generated from business activities through recycling		
Real income effect	Sale of valuable waste generated from business activities		159	118
	Sale of used valuable products		209	28
<b>Total</b>		<b>369</b>	<b>280</b>	

Environmental Conservation Effects

Environmental Conservation Effects	Impact		Difference compared to previous fiscal year	
	2008	2009		
CO <sub>2</sub> emissions (tons)	54,029	52,432	-1,597	
Waste emissions	Final waste disposal (tons)	30	28	-2

Detailed Data on Environmental Accounting

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

<Accounting Conditions>

- ① When environmental conservation costs and other costs are consumed for a single activity, only the environment costs are calculated for environmental accounting.
- ② The depreciation cost of investment is calculated using the fixed installment method for a period of three years. The economic benefits achieved due to these investments is calculated for three years, in line with the depreciation period.
- ③ Personnel costs are calculated by prorating the personnel costs for the total time spent on environmental conservation activities.
- ④ The real income effect represents the value for the current fiscal year.

Major Environmental Conservation Efforts

Main Efforts in Each Category in Japan

(Unit: 1,000 yen)

Category	Main Efforts	Amount	Site
Investment	Shift to energy-efficient fluorescent lamps	21,000	Honjo district
	Shift to highly efficient air-conditioning systems	9,780	Tomiooka district
	Shift to inverter lighting fixtures	6,600	Takasaki district
	Shift to highly efficient air-conditioning systems	6,070	Honjo district
	Introduction of one-lamp inverter fluorescent light systems	1,437	OKI Data
Costs	Development of ASIC for energy-efficient printers	219,690	OKI Data
	Development of energy-saving SIDM printers	145,739	OKI Data
	Development of process technology for energy-saving	129,493	OKI Data
	Development of environmentally-friendly products and power conditioners	12,814	OKI Power Tech
	Efficient use of lighting	11,280	Takasaki district
Economic Effects	Shift from central air conditioning to local air conditioning	28,507	Honjo district
	Income from selling valuable waste	6,148	Honjo district
	Income from selling valuable waste	4,991	OKI Erfolg
	Integration and relay of production lines	4,352	OKI Power Tech
	Separate collection of waste plastic and cost reexamination	1,267	OKI Communication Systems

Main Efforts in Each Category in Overseas

(Unit: 1,000 yen)

Category	Main Efforts	Amount	Site/Company
Investment	Introduction of an oily water separator	5,510	OKI Electric Industry (Shenzhen)
	Remodeling of production lines for improving efficiency	2,399	OKI Micro Engineering (Dong Guan)
Costs	Introduction of a heat circulation system	1,187	OKI Micro Engineering (Dong Guan)
	Air-conditioner maintenance cost	2,428	OKI(UK)
	Waste disposal costs	1,981	OKI(UK)
	Waste disposal costs	1,460	OKI Precision(Thailand)

\* Exchange rate: 147.8 yen/£, 2.75 yen/Baht

# Building Trust

The OKI Group commenced its CSR efforts, under the leadership of an organization dedicated to CSR issues, five years ago. With our Corporate Philosophy as our underlying belief, our CSR initiatives, based on the "OKI Group Charter of Corporate Conduct" and the "OKI Group Code of Conduct," have been increasingly established across the group. We will further disseminate the charter and the code to each employee of the group, and make utmost efforts to put them into practice.

For fiscal 2010, we will continue to pursue the seven priority themes focusing on the points listed in the following table. For example, with respect to "Consideration for the Environment," we will enhance conformity with environment-related laws and regulations such as those for controlling chemical substances

contained in products, expand the activities for the OKI Eco Product certification system, and help realize a low carbon society. In March 2010, we expressed our approval of Declaration of Biodiversity by Nippon Keidanren and became a partner of Keidanren in promoting the declaration. We will continue to be active in addressing new, important issues like this.

In May 2010, OKI participated in the United Nation Global Compact. Regarding this as a perfect opportunity to reflect on our social responsibilities to be fulfilled through our global business activities, we will reexamine our CSR activities in terms of what our stakeholders expect from us, and further contribute to people and society through our core business.

## ● Focal Points in CSR Priority Themes for Fiscal 2010

CSR Priority Themes	Main Achievements in Fiscal 2009	Focal Points for fiscal 2010
Full Compliance with Laws and Regulations	<ul style="list-style-type: none"> <li>Continuation of compliance risk management</li> <li>Enhancement of the measure against each risk and reexamination of the monitoring method</li> </ul>	<ul style="list-style-type: none"> <li>Improvement of risk management as a group</li> <li>Enhancement of measures against registered risks</li> </ul>
Information Security	<ul style="list-style-type: none"> <li>Quantification of how the information security measures have been entrenched in suppliers</li> <li>Implementation of on-site monitoring at four sites in Japan</li> </ul>	<ul style="list-style-type: none"> <li>"Visualization" of how the information security measures have been entrenched in suppliers (confirmation of yearly improvement)</li> <li>Improvement of the items to be checked to evaluate how the information security measures have been implemented and established</li> </ul>
Improvement of Customer Satisfaction	<ul style="list-style-type: none"> <li>Incorporation of a new training program for younger engineers into the programs common to all group companies</li> <li>Development and introduction of a system to support customer engineers that helps improve customer satisfaction</li> <li>Implementation of a demonstration experiment of an information service for senior citizens</li> </ul>	<ul style="list-style-type: none"> <li>Improvement of educational programs for mid-level engineers</li> <li>Implementation of education and training programs on quality across the group</li> <li>Expansion of the application range of universal design technique</li> </ul>
Good Communication with Shareholders and Investors	<ul style="list-style-type: none"> <li>Implementation of a "Business Policy Meeting" and a "Corporate Strategy Meeting" (in which the company's mid-term business plan was announced) with the participation of the top management</li> </ul>	<ul style="list-style-type: none"> <li>Fair and timely disclosure of the achievements made in the first year for the mid-term business plan</li> </ul>
Respect for Employees	<ul style="list-style-type: none"> <li>Implementation of an internship even</li> <li>Acquisition of the government's certification in association with the Law for Measures to Support the Development of the Next-Generation</li> <li>Progress in efforts to promote work-life-balance at group companies</li> <li>Introduction of a new tool to support the mental health of employees</li> </ul>	<ul style="list-style-type: none"> <li>Recruitment and training of diverse human resources</li> <li>Entrenchment of the supports for the development of the next generation</li> <li>Promotion of work-life balance</li> <li>Promotion of the mental and physical health of employees</li> </ul>
Social Contribution	<ul style="list-style-type: none"> <li>Reexamination of the support criterion for the OKI 100 Yen Fund of Love</li> <li>Determination to continue the forest maintenance activities in Gunma and Nagano</li> <li>Implementation of new activities to contribute to local communities in overseas</li> </ul>	<ul style="list-style-type: none"> <li>Continuing operation of the OKI 100 Yen Fund of Love</li> <li>Enhancement of social contribution activities inside and outside Japan in collaboration with municipal governments and NPOs</li> </ul>
Consideration for the Environment	<ul style="list-style-type: none"> <li>Achievement of the energy saving target of the OKI Group</li> <li>Establishment of new registration criteria for low power consumption products</li> <li>Improvement of the Internal IT system in conformity with REACH regulation and the implementation of education by hierarchical level</li> <li>Establishment of a new qualification criterion for internal environment auditors and the enhancement of environmental education at each site</li> <li>Implementation of education on the disposal of used products and on-site inspections of commissioned waste disposers</li> </ul>	<ul style="list-style-type: none"> <li>Response to the OKI Group's energy saving target and the Revised Energy Conservation Law</li> <li>Expansion of the registration of OKI Eco Products</li> <li>Enhancement of conformity with regulations to control chemical substances in products in Europe, China and other countries</li> <li>Integration of new production sites into the group's environmental management</li> <li>Strengthening oversight of compliance within and of the OKI Group and its partners</li> </ul>

## Editorial Postscript

It is our great pleasure to publish the OKI Group's Social and Environmental Report 2010, a report on the CSR-related ideas and activities of the group focusing on the activities made in fiscal 2009. For the 2009 report, we introduced a new approach to integrate two different reports on social and environmental activities into one compact report. While taking the same approach, we tried to make the 2010 report as easy-to-read as possible by containing the descriptions of the group's environmental activities and detailed data thereon in the latter part of the report.

This report is also an important tool for us to share information on our CSR activities within the group and further promote them. Regarding the seven priority themes, we again put the focal points for and the achievements in the fiscal year in question side by side with the focal points

for the next fiscal year. This report format has allowed people working in different business units to share the same results and challenges within the group. It is also notable that the report features five articles under the title "Meeting Our CSR Commitments" that cover the five most important challenges for the OKI Group in which our stakeholders as well as the public show an intense interest. This editorial style is very useful for us to reflect on how the OKI Group should pursue and fulfill its corporate social responsibilities.

We will continue to listen to our stakeholders, disclose the information desired by our stakeholders in a more easy-to-understand way. Your candid opinion about the report would be greatly appreciated.

June, 2010

CSR Division, Oki Electric Industry Co., Ltd.



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