

Social and
Environmental Report

2011



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.

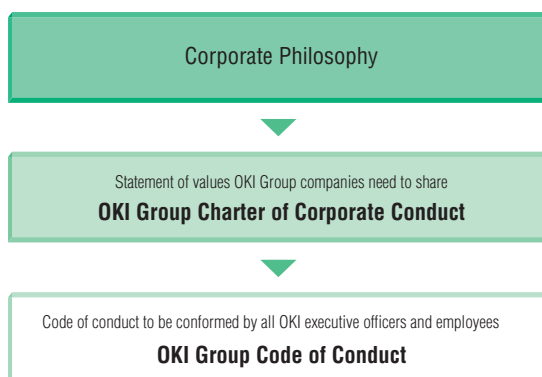
The OKI Group, as described in its corporate philosophy, aims at contributing to the improvement of the quality of life for people around the world through its core business, namely the manufacturing and distribution of products and services that can serve the development of the information age. What 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

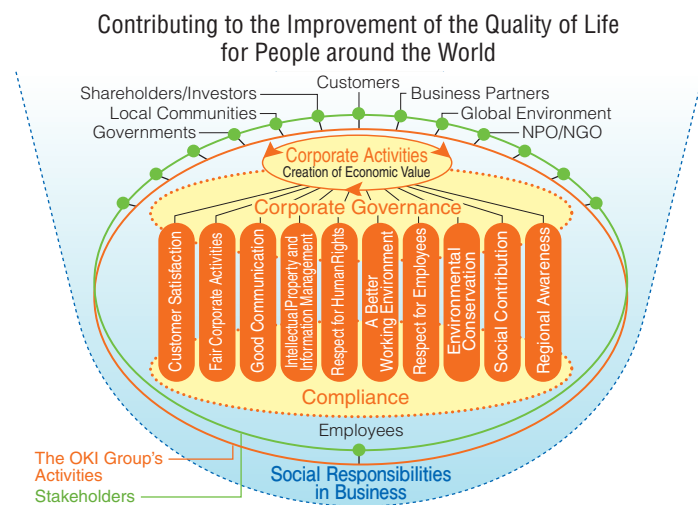
Code of Conduct which is to be conformed to by all executives and employees of the group. We have disseminated the charter and the code across the group through various means such as training programs. We have also defined seven priority themes to be pursued. The CSR Division, an organization dedicated 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



Participation in the United Nations Global Compact

OKI has participated in the United Nations Global Compact since May 2010. 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 and contribute to the realization of sustainable society.



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.

A Message from the President

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."



I would like to express my sincere condolences to all those suffering from the effects of the disaster caused by the Great East Japan Earthquake and hopes for the swift recovery of the affected areas.

The OKI Group gives first priority to the recovery of systems supporting social infrastructure such as those used at hospitals, police stations and fire departments in order to ensure the safety and security of the people afflicted by this unprecedented disaster. We will continue to exert our utmost efforts to assist in the reconstruction of the areas hit by the earthquake.

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

OKI marks its 130th anniversary this year. Kibataro Oki, the company's founder, established Meikosha, Japan's first manufacturer of telecommunications equipment and the predecessor to OKI, in 1881 soon after the Meiji Restoration. He took on the challenge of producing telephone sets only five years after Alexander Graham Bell's invention of the telephone. 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), 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 brushed-up our mid-term business plan in October 2010, and worked out various measures for the program for the enhancement of management base and the program for growth.

We will shift to 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 under the following two strategies:

- OKI provides products and services to contribute to the development of the information society through joint efforts by sales and marketing, technology development, production, and maintenance.
- OKI aims to become a company that makes steady growth by generating profit stably.

We promote responsible corporate management as a global corporation.

In order to advance responsible management as a global enterprise, the OKI Group has enhanced corporate governance 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 reduction of chemical substance risk in order to realize a better global environment.

From this perspective, we believe that proactive actions for reducing environmental load 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 entire OKI Group has promoted Green IT and has been involved in the improvement of energy use efficiency through all business activities inside and outside Japan.

On the other hand, as existing and new regulations to control chemical substances contained in products have become increasingly demanding across the world including Europe, more concrete and effective systems to handle such substances are required for companies. The OKI Group will enhance its systems to manage chemical substances in order to ensure strict conformity with these regulations and reduce chemical substance risk, develop solutions based on our knowledge and experiences accumulated through such efforts, and offer such solutions to our customers to help them build effective systems to control chemical substances.

As the OKI Group reaches its 130th anniversary as an important turning point, we will go back to the starting point, an "enterprising spirit," continue to make steady and sincere efforts for our CSR initiatives, and further increase our corporate value. This Social and Environmental Report 2011 is intended to help all stakeholders better understand the OKI Group's social and environmental activities carried out in fiscal 2010. 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, 2011



Hideichi Kawasaki
President
Oki Electric Industry Co., Ltd.

Company Profile

Profile

Corporate Name: Oki Electric Industry Co., Ltd.
Founded in: January 1881
Company Established: November 1, 1949
Capital: 44 billion yen
Employees: 16,697 (Consolidated), 3,103 (Non-consolidated)
 *As of March 31, 2011
Head Office: 1-7-12 Toranomon, Minato-ku,
 Tokyo 105-8460, Japan
 TEL: +81-3-3501-3111

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

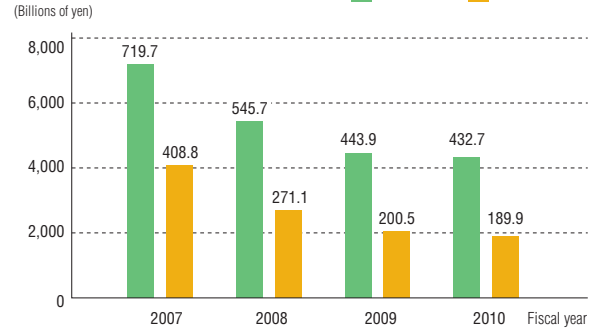
The OKI Group manufactures printers for business use utilizing its LED technology and distribute them throughout the world.

EMS and Others

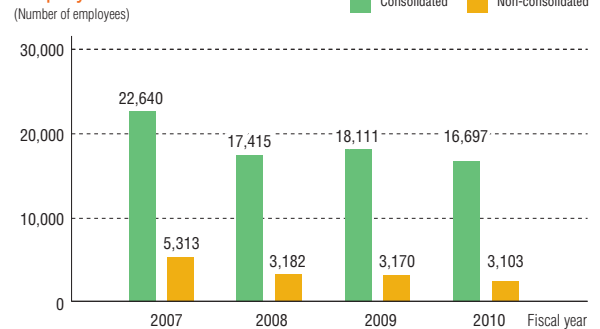
The OKI Group offers EMS (Electronics Manufacturing Services) and other services based on its highly sophisticated design and production expertise developed within the group.



Net Sales



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 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 2010, we again take this approach while some detailed information are provided only on our website. 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 2010 as well. It also includes the "Detailed Data" section at the end which covers performance data concerning our environmental activities. Detailed information on each priority theme, such as that on specific policies and systems for it, are provided on our website. (Please see Page 19 for the specific topics provided on the website.)



Reference Guidelines

Sustainability Reporting Guidelines Version 3.0 (GRI)
 Environmental Reporting Guidelines 2007
 (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 (issued in November 2010).
 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.

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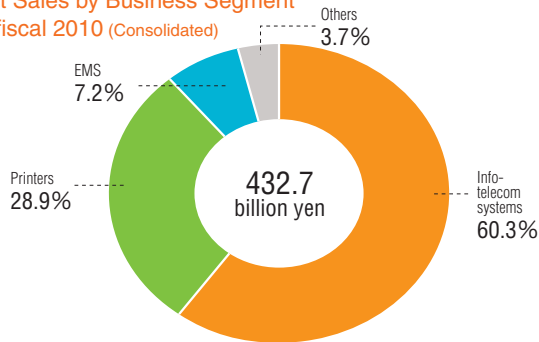
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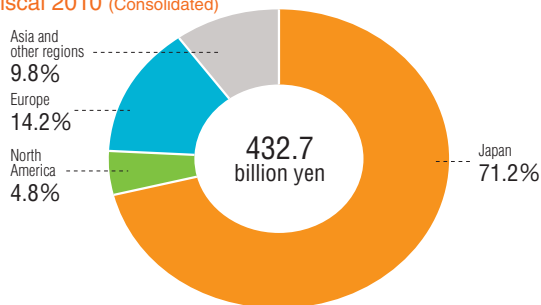
For further information, please contact

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

Net Sales by Business Segment in fiscal 2010 (Consolidated)



Net Sales by Market in fiscal 2010 (Consolidated)



Scope Covered by this Report

〈 Time Period 〉

This report covers fiscal 2010 (the year from April 1, 2010 to March 31, 2011). 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)	Atago 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 Techno Power Systems, OKI Metaltech, OKI Engineering, OKI Proserve, OKI Customer Adtech, OKI Communication Systems, 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 TangXia 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 2011.

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.

A 130-year History of an “Enterprise”



Founder Kibaturo Oki

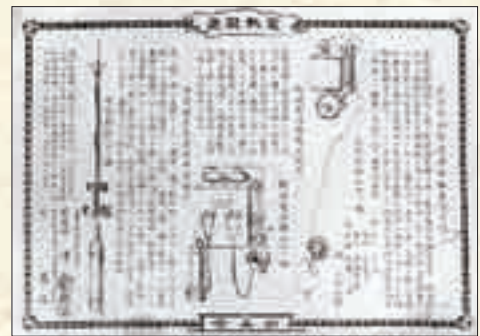
In 1881, Kibaturo Oki, a former engineer of the Telegraph Bureau, founded Meikosha, the predecessor to OKI. The company developed a series of new products including a “microsound” device that worked on the same principle as the Edison telephone when Japanese people had little interest in electricity, let alone telephony. In other words, Meikosha, true to its enterprising spirit, contributed to the expansion

of the telephone business in its early days.

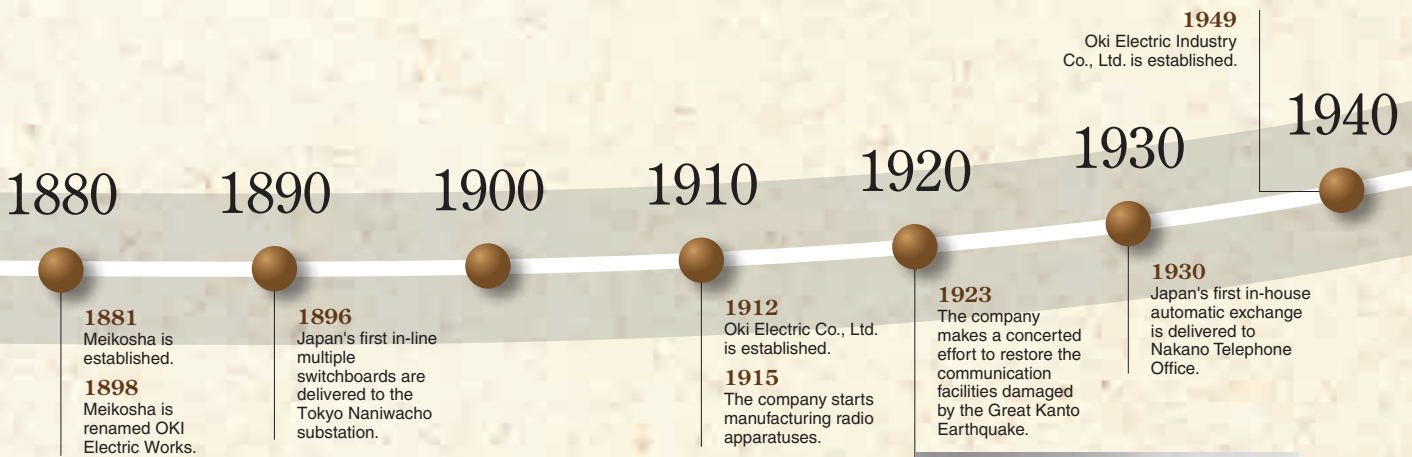
Since then, the OKI Group has developed and offered technologies, products and services resolving various social challenges in many aspects through its 130-year history. In recent years, the group has also promoted the improvement and enhancement of its management systems for the whole

process from product development to distribution in order to respond appropriately to changes in the business environment such as the increasingly globalized economy and rapid progress toward an information society.

This section takes a look back over the history of the OKI Group and introduces some episodes leading to its current CSR initiatives.



One of Meikosha's earliest posters advertising an alarm bell rental service, bargain lighting rods, and others. We can see the teething troubles and innovative ideas of the company.



Episode 1

Contribution to the Recovery from the Great Kanto Earthquake

The growing telephone network in the Tokyo and Yokohama metropolitan area was heavily damaged by the Great Kanto Earthquake on September 1, 1923. OKI made a concerted effort to restore the communication facilities devastated by the earthquake. Records show that OKI contributed its power supply units for the recovery of communication systems at public facilities. As the earthquake highlighted the importance of wireless communication in times of disaster, Japan decided to start radio broadcasting in the near future. At the same time, automatic exchanges were started to be introduced to telephone offices because they were quake-resistant and easy to restore in case of emergencies.



Kyobashi Telephone Office damaged by the Great Kanto Earthquake

ing Spirit”

Episode 4

Management of Chemical Substances Contained in Products

In 1999, OKI established an information system of chemical substances contained in products based on data collected from its green procurement surveys and started using the system in-house. Comprised of a data base and a product design system, this information system allows users to calculate the quantities of chemical substances contained in a product and verify the conformity with the applicable regulations. The convenience and usefulness of the system attracted so much attention when a presentation about it was given at an outside seminar. This later led to the commercialization of the system. OKI has continued to be involved in the sophistication of the system by promptly responding to newly enacted regulations as well as changes in the existing regulations inside and outside Japan.

2010

2010
The company participates in United Nations Global Compact.

Episode 5

Information Security Efforts in the Internet Age

The use of the Internet increased dramatically in the early 1990's when many employees at OKI started using e-mails on a daily basis. As the company opened its official website in 1995, the threat of computer virus also increased. As a result, OKI started making organizational efforts for information security. OKI Customer Adtech a company responsible for the maintenance of OKI's information system, was quick to respond to the threat and had its service engineers carry notebooks with anti-virus tips in order to prevent virus infection on its customers' computers.

2000

2001
A subsidiary for manufacturing ATMs is established in China.

2003
An information system of chemical substances contained in products is launched.

2005
The OKI Group Charter of Corporate Conduct is established.

1990

1990
A page printer for Japanese with LED as a light source is launched.

1994
A printer manufacturing plant is built in Thailand.

1995
The company's official website is opened.

1995
The company starts trying to obtain ISO 14001 certification.

1996
Japan's first VoIP system is launched.

1980

1982
The world's first ATM with banknote recycling is launched.

1970

1971
D10 digital electronic telephone switchboard is delivered to Nippon Telegraph and Telephone Public Corporation.

1979
The company's headquarters starts conducting an environmental audit.

1960

1961
Japan's first computer using core memory is launched.

1950

1951
The company's shares is listed on the Tokyo Stock Exchange.

1953
Page teletypewriters are launched.



First group blood donation at OKI Shinagawa Station (at the time)



LED page printer for Japanese

Episode 2

Approach to LED

LED has recently attracted considerable attention as an energy-saving light source. OKI initiated its research on LED in 1966. Two years after that, the company developed an optical mark reader. It was Japan's first commercial application of LED for a large-size device. Based on the technology used therein, OKI and (then) Nippon Telegraph and Telephone Public Corporation started a joint research project to develop an electronic photo printer with LED as a light source. As a result, an LED array head was successfully developed in 1979. It has later become a basis of today's downsized, energy-saving LED printers.

Episode 3

Japan's First Corporate Blood Drive

On August 21, 1964, OKI launched Japan's first corporate blood drive inspired by a single employee. In those days, Japanese people started realizing an impending need for blood donation as hepatitis after transfusions of sold blood became a huge social issue. OKI's blood drive attracted press attention and eventually facilitated corporate blood drives in Japan. Since then, the member companies of the OKI Group inside and outside Japan have contributed to the development of local communities through their blood donation. It is particularly notable that OKI Precision Thailand has been committed to blood donation activities since 1996 because blood for transfusions are always in short supply in the Kingdom of Thailand. In fiscal 2010, OKI Precision Thailand was commended by Thai Red Cross Society for its continuous blood drive efforts.



Commendation from Thai Red Cross Society

1

Contributing to the Development of Safe and Secure Social Infrastructures



OKI's fire/disaster prevention systems, including the disaster prevention administrative radio system, support social infrastructures.

OKI's Technology for the Safety of People

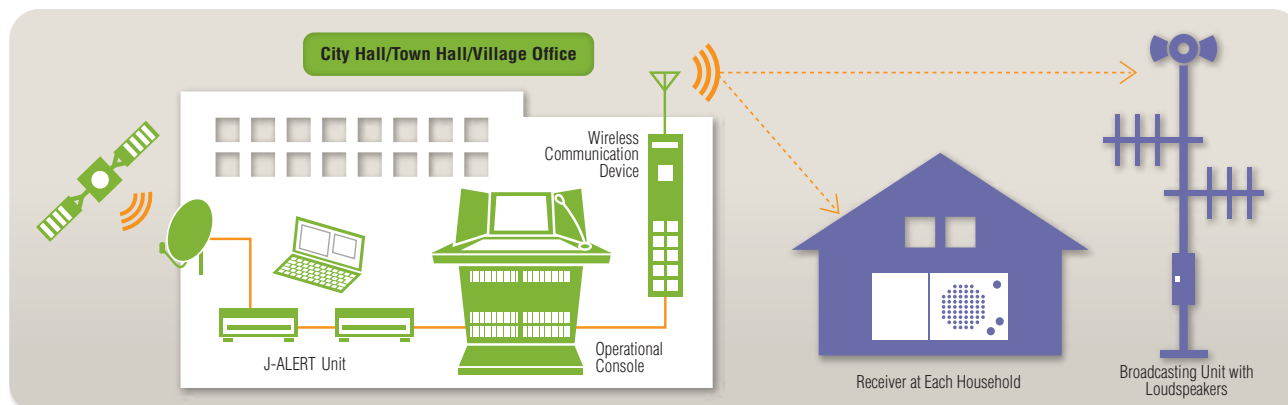
The OKI Group has offered numerous products and services based on its advanced information technologies cultivated through its 130-year history. It has also made a considerable contribution to the fields that ensure the safety and security of social life, such as disaster prevention and emergency medical care through the development of new technologies and products.

One of them is the disaster prevention administrative radio system. Equipped with many convenient features such as master/slave two way communication, weather data collection, provision of textual information, and linkage with other disaster prevention systems, this system allows the prompt provision of information on disasters and evacuation shelters to local residents. OKI has delivered this system to more than 200 local municipal

governments across Japan thus far. OKI has also offered fire command systems that allow prompt dispatches of ambulances and fire engines to the fire authorities since 1968. Today OKI's IT-integrated high-performance fire command systems are used at approximately 150 Fire Fighting Headquarters throughout Japan.

While fire and rescue services have become increasingly sophisticated, there has been an increasing need for more effective use of radio waves. In this context, fire and emergency radio communication networks are planned to be digitized in the future. OKI has already started developing systems for the digitization of fire and emergency radio communication based on its experiences. In fiscal 2010, OKI participated in some demonstration experiments of digitized fire and rescue radio communication including those at the Fire and Disaster Management Bureau of Kobe City and the Fire Fighting Headquarters of Gifu City.

● Disaster Prevention Administrative Radio System



OKI's Response to the Great East Japan Earthquake

The Great East Japan Earthquake hit Japan on March 11, 2011 and caused devastated damages in the northern region of the country. The areas heavily damaged by the earthquake include a number of local municipalities using OKI's fire/disaster prevention systems.

The OKI Group set up an emergency headquarters headed by OKI's president on the day of the earthquake, and started working for the recovery of lifeline infrastructures in each area. The business unit in charge of local municipal governments also set up an emergency center, and immediately started collecting information on afflicted customers and designing assistance measures. At the same time, the group sent relief supplies and equipment such as batteries, battery chargers and radios, to municipal governments and fire fighting headquarters in the afflicted areas with cooperation from local dealers. Since then, the OKI Group has been involved in the recovery of afflicted areas by repairing and restoring damaged equipment and systems with OKI Customer Adtech and local dealers as the main members.

Changes Caused by the Great East Japan Earthquake

After the Great East Japan Earthquake, a movement to review the existing disaster prevention plans has been rapidly spreading across Japan. Soon after the earthquake, telephone lines went dead and cell phone service was interrupted due to excessive traffic load and power outage. As a matter course, a large number of people in the afflicted areas were not able to get information from their PCs and TVs. In particular in the coastal areas with devastating damages, people involved in life-saving activities and

the recovery of lifeline infrastructures were unable to secure access to information on repeated aftershocks.

Under these circumstances, the disaster prevention administrative radio system has attracted attention as a useful medium in times of disasters. In fact, many municipal governments in areas unaffected by the earthquake have introduced the system or added new slave stations to their existing systems. In order to meet these new needs and address new challenges, the OKI Group has started making specific proposals for building safer, more reliable disaster prevention wireless communication systems while being involved in recovery efforts.

Aiming at Developing Safe and Secure Social Infrastructures

"Let us save as many lives as possible." This is the slogan under which the aforementioned emergency center was set up on the day of the earthquake. We eventually became interested in "the improvement of our systems for greater safety and security." Then, we became determined about "contributing to the realization of truly safe and secure society and communities."

For this purpose, we have come up with various ideas and started addressing new technological challenges. Among them are the functional enhancement of the disaster prevention administrative radio system, and the provision of disaster information utilizing different information infrastructures and terminals.

The OKI Group has offered various systems and solutions thus far for "contributing to the improvement of the quality of life for people." We are proud of our past achievements and will continue to contribute to the development of safe and secure social infrastructures.

Stakeholder's Voice



Hajime Sasaki

President

SasakiDenki Co., Ltd.

Our main service is the installation and maintenance of electric information and communication systems for customers in the northern Tohoku region. OKI's disaster prevention administrative radio system has been one of our main products for a long time. We started working for the recovery of devastated information and communication systems in the afflicted areas soon after the earthquake. We have reaffirmed the importance of the system as many people have said, "We were able to evacuate to a safer place in time because a directive over the system told us to do so." It will take time for Japan to recover from the earthquake. We will continue to work with OKI and do our best to help develop a safer and more useful system reflecting the opinions of people in the afflicted areas.

Voice



Hiroyuki Hayasaka

General Manager

OKI Tohoku Regional Office

We appreciate it very much that SasakiDenki Co., Ltd. has been involved in the restoration of systems devastated by the earthquake. They were very quick to go to afflicted areas in spite of the damages of themselves. We believe we have to reexamine the role of the disaster prevention administrative radio system in the contexts of the reconstruction plans of the concerned municipalities while fully respecting the opinions of afflicted people. As a manufacturer to support social infrastructures and public services, we will further strengthen the partnership with local dealers and communities toward recovery.

2

Realizing a Low Carbon Society through Green IT and CO₂ Reduction in Business Activities



Green IT such as OKI's Web Sensing helps reduce CO₂ emissions from offices.



Realizing a Low Carbon Society

Global warming and climate change are two of the most important global issues. As they have become increasingly aggravated and conspicuous, there have been active discussions about possible solutions to them on a global basis. For example, the industrially advanced nations including China as a rapidly growing economy have been negotiating with each other for setting greenhouse gas emission targets. On the other hand, a wide range of measures to achieve such targets have also been taken including those about financial support, technical assistance and capacity building.

In line with this trend, the Energy Saving Act* was revised on April, 2010. As a result, energy consumption has to be managed and controlled by each company now, not by each factory or office. Many municipal governments have also tightened their regulations about energy saving and environmental protection. In addition, new product standards for energy saving are planned to be established in accordance with the Top Runner program in Japan while the certification standards for the Energy Star program have recently been revised to become more demanding. In short, there has been an accelerating move toward realizing a low carbon society in which greenhouse gas emissions can be reduced on a global basis.

The mitigation of climate change and the realization of a low carbon society are two of the most important agendas for the OKI Group. As a business group deeply involved in IT, we have actively promoted Green IT that has two aspects of "Green of IT" and "Green by IT," and made various activities to

save energy. Furthermore, the OKI Group has made a concerted effort to address challenges caused by the Great East Japan Earthquake in March 2011, such as serious power shortages and the recovery of afflicted areas.

* The Energy Saving Act : The Act Concerning the Rational Use of Energy

Promotion of "Green of 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. In order to develop low-power-consumption products, the OKI Group has conducted environmental assessments in the design phase since 1998 in which each product is compared to its predecessors. In fiscal 2000, we introduced the OKI Eco Product Certification Program through which the energy-saving feature of each product is clarified. The certified products as well as the certification standards are posted on our website. In fiscal 2010, we started reviewing the certification standards in light of the compliance with the applicable energy-saving regulations.

Promotion of "Green by IT"

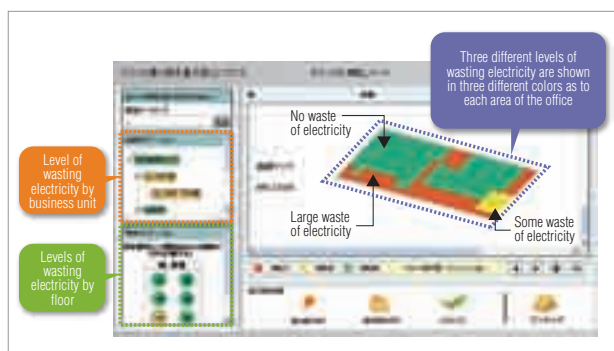
Energy saving through the effective use of IT has attracted considerable attention since it can be introduced to various fields such as transportation and office work. Energy-saving

efforts of this type have been actively made since they can contribute to the reduction of CO₂ emissions from society as a whole.

In this context, the OKI Group has offered CoolClover and Web Sensing since 2009. The former is an energy management system for IT devices utilizing networks. The latter is a system to track and collect environmental information (such as temperature, humidity, power consumption and etc.) of offices or other facilities. Such environmental information are made available through an internet server.

Two technologies are used in these systems, 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, we are currently developing some new systems using them. Among them are Real-time Power Monitoring System to infer the power consumption of IT devices from their operating conditions without using a wattmeter, and Power Consumption Visualization System for Offices that visualizes the power consumption of each area of an office in the form of a floor layout chart. The former allows the reduction of power consumption and helps promote effective energy-saving activities by inferring power consumption from an analysis of how IT devices are being used at an office. The latter has proven to be effective in raising energy-saving awareness by visualizing the areas where electricity is being wasted. Since there is an impending need for more effective systems to save energy, the OKI Group will continue to make its utmost efforts to commercialize these technologies.

● Power Consumption Visualization System for Offices



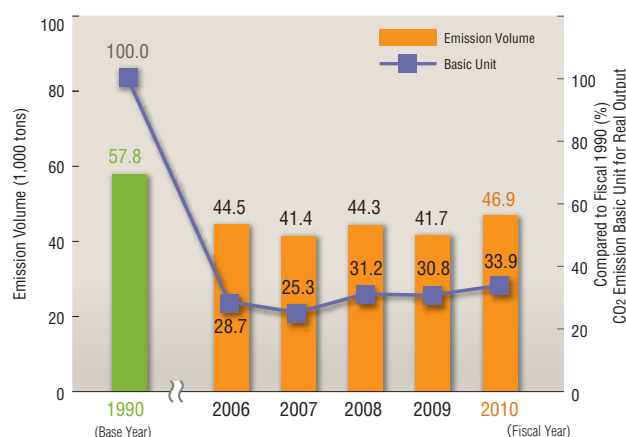
Environmental Efforts in Business Activities

While pursuing energy efficiency through products and services (Green IT), the OKI Group is also committed to reducing greenhouse gases such as carbon dioxide (CO₂) 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 66.1% improvement of the basic unit for CO₂ emission with respect to real output* during fiscal 2010. It means that we have substantially exceeded 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 CO₂ 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 the realization of zero-emission plants through carbon offset activities, production reforms, and the replacement of aging infrastructure facilities, let alone appropriate responses to the Revised Energy Saving Act.

Global warming and climate change are two of the most important issues that should be addressed by people around the world in the long run. The OKI Group will continue to address these issues through its products and business activities.

● CO₂ Emissions (from Major Production Sites of the OKI Group)



* Basic unit for CO₂ emission with respect to real output: CO₂ 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

OKI's LED / Multifunction Printers Win Ecohitech Award in Italy

In February 2011, OKI Data won the "2010 Ecohitech Award" in the category "Prodotti Hi-Tech Eco-Virtuosi" (Eco Conscious High-tech Products) in Italy for the eco-friendliness of its 16 printers launched there in July 2010. Sponsored by a consortium studying and evaluating office equipment, the award has been given to IT companies developing environmentally friendly products and solutions since its inception in 1998.

Equipped with its original IC chip called Green ASIC designed particularly for energy saving, OKI's A4 color LED printers and A4 color LED multifunction printers feature the Deep Sleep mode and a double face printing function, help users save electricity and paper, and thus allow considerable environmental performance.



Ecohitech Award ceremony

Management to Support the Sustainability of Businesses and Society



The OKI Group's Production Activities and Management Systems

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 manufacturer to offer new values to customers by developing new products and technologies, and ensure the appropriate management of production activities. The OKI Group currently has production sites in Japan, Thailand, China and Great Britain. We always put importance on the further improvement of our sophisticated production technologies such as high-density mounting, high-speed testing, and high-precision processing, and the dissemination of our sophisticated production management across the group.

There are various 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 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 at each business unit or group company. Furthermore, the group's production sites have established their own quality control systems in accordance with their production lines and the characteristics of their products. 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. 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. Since efforts to address these issues are indispensable also for the promotion of CSR throughout 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.

Contributing to the Countries and Regions in Which We Operate

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 also been active in interacting with local residents and participating in various social action programs inside and outside Japan. For example, OKI Electric Industry (Shenzhen, China) carried out a tree-planting project for the first time in March 2011 (See Page 25). We will continue to establish and maintain good relationships with countries and communities in which we operate through these activities.



Tree-planting project in Zhongshan Park, Shenzhen, China

Column

OKI Software Technology Wins "Best CSR Company in Chinese IT Industry Award 2010"

OKI Software Technology (OSTJ) designs and develops software and communication devices in Jiangsu, China. In December 2010, the company won the "Best CSR Company in the Chinese IT Industry Award 2010" from the China Computer Users Association for its quality CSR initiatives. The award is designed to be given to IT companies with outstanding achievements in their efforts for occupational health, environmental conservation and social contribution.

Since its establishment in 2001, OSTJ has been involved in various social action programs such as group blood donation. It established CSR Promotion Committee in 2006, and built its original management system and obtained CSA8000, a CSR certification of Changzhou City, in 2007. The award was a tremendous validation of these efforts.



Award ceremony in Beijing

Prompt Response to Increasingly Demanding Regulations about Chemical Substances in Products



Pioneering in Establishing Systems to Manage 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 has always been 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 highly effective because the same criteria for operational management is shared among all group companies. It is also notable that we developed and implemented original information systems early on in our efforts to manage chemical substances to order to pursue preciseness in information. We have repeatedly improved these systems in response to the enactment and revisions 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. This system has been sold to outsiders since 2009.

* 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.

Ensuring Conformity to Regulations

Regulations to manage chemical substances in products are often revised or tightened as additional substances become subject to control. The OKI Group has promptly 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 study information on chemical substances, whenever needed. In fiscal 2010, we started operating a system to manage chemical substances in conformity with REACH and other regulations. This system also covers chemical substances handled by our suppliers. As the number of chemical substances to be managed has rapidly increased, we added some

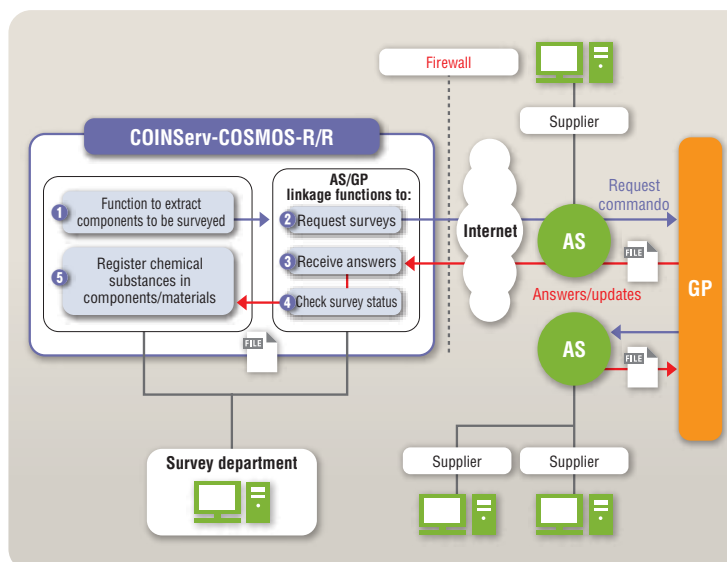
indicators to the OKI Green Procurement Standards. Among them are the analytical estimation of the purchased components and materials, and the chemical substance management systems of our suppliers. We will start the full-scale implementation of these guidelines after a trial with some suppliers.

Promoting the Efficiency in Surveys of Chemical Substances Contained in Products

The functions of COSMOS-R/R have also been improved in conformity with the revisions of applicable laws and regulations. It now supports the latest unified format set by the Japan Green Procurement Survey Standardization Initiative (JGPSSI) and the Joint Article Management Promotion Consortium (JAMP). Furthermore, a new feature to allow linkage with JAMP-IT* was added to the system in February 2011. JAMP-IT is an information transferring infrastructure promoted by JAMP. JAMP-IT is designed to streamline the processes of obtaining and providing information on chemical substances in materials, components and products, and enhance compliance through the distribution of up-to-date information. The linkage of JAMP-IT and COSMOS-R/R allows the users of the latter to obtain chemical information through the Internet, and thus improve the efficiency of their surveys. We will continue to ensure safe and secure manufacturing by appropriately maintaining and operating these systems to manage chemical substances.

* JAMP-IT : A chemical information transferring infrastructure comprised of a global portal (GP) and an application service (AS). The former features a system management function, a consolidated index, and a function to process two or more requests for information exchange from different companies collectively. The features of the latter include an interface on the screen that allows direct operation by users, and a data base for chemical substance survey sheets.

● Linkage of JAMP-IT and COSMOS-R/R



Pursuing Sophisticated Information Security as a Leader in the Information Society



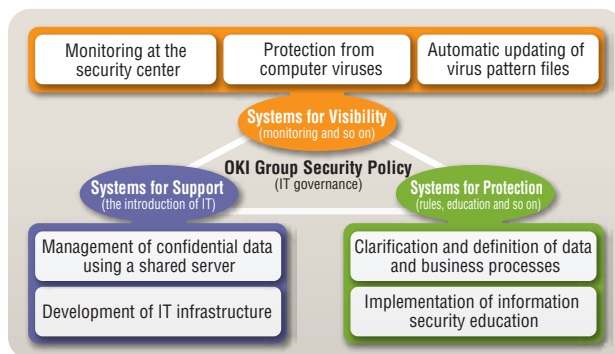
The OKI Group's Efforts for Information Security

As the use of information technology is indispensable for any company to improve its productivity and develop new services, information security is one of the most important issues in today's business environment.

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 21)

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 2010, four business units were monitored.

Information Security Systems Based on Three Perspectives



*ISMS : Information Security Management System

Instilling Strong Security Awareness

Believing that information security is ultimately ensured by individual employees with strong security awareness, the OKI Group puts greatest importance on building a system that encourages its employees to observe security-related rules. More specifically, we provide group training programs and e-learning programs to all employees using the information infrastructure of the OKI Group in order to increase and instill security awareness. The contents of these programs are reviewed and revised every year.

In fiscal 2010, we revised the curriculum of a group training program designed for the people in charge of information security at each business unit of OKI and each member company of the group, and provided a re-education program at OKI's all business units and all member companies in Japan. The revised curriculum focused on the improvement of security awareness through case studies and accident information. It also contained appropriate responses to security accidents.

The OKI Group's e-learning program includes an e-learning course on mobile PCs. People desiring to use their mobile PCs are required to apply for a permit to use them and attend the course at the beginning of each fiscal year. The program also includes a course on information security to be attended by all employees of the OKI Group every autumn. In fiscal 2010, the course was provided in October and attended by almost all employees.

We also conduct an information security general checkup of all employees including temporary staff every October during the OKI Disaster Prevention Week. In fiscal 2010, we reexamined the items to be checked and made them more specific based on recent cases of computer virus infection in order to avoid any misunderstanding and improve security awareness.

Since the development of web services always entails new types of network threats, we need to provide educational programs meeting the current needs of information security. The OKI Group will continue to improve the quality of information security by reexamining and revising the contents of its education programs on a regular basis.

Column

Safario V3 USB Thin Client with Enhanced Functions

Thin clients*1 have recently attracted considerable attention as effective systems against information leakage because data cannot be stored in them. OKI Consulting Solutions launched Safario V3, an upgraded version of Safario USB thin client, in September 2010. Since it is compatible with Citrix XenApp*2, Safario V3 allows a client PC environment larger than that of the previous version. With this product, you can use your PC as a thin client with reliable security at your home. Thus you can work as if you were in the office even in a time of emergency.



Safario token

*1 Thin Client: a computer system with minimum functions which depends heavily on its server for the control of resources such as applications and files
 *2 Citrix XenApp: an application management system of Citrix Systems Inc. that delivers virtual applications to any user on any device

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.

The Executive Officer Committee makes decisions related to the execution of Group operations. Through participation by all executive officers, the Committee seeks to accelerate decision-making and business advancement and clarify business responsibilities.

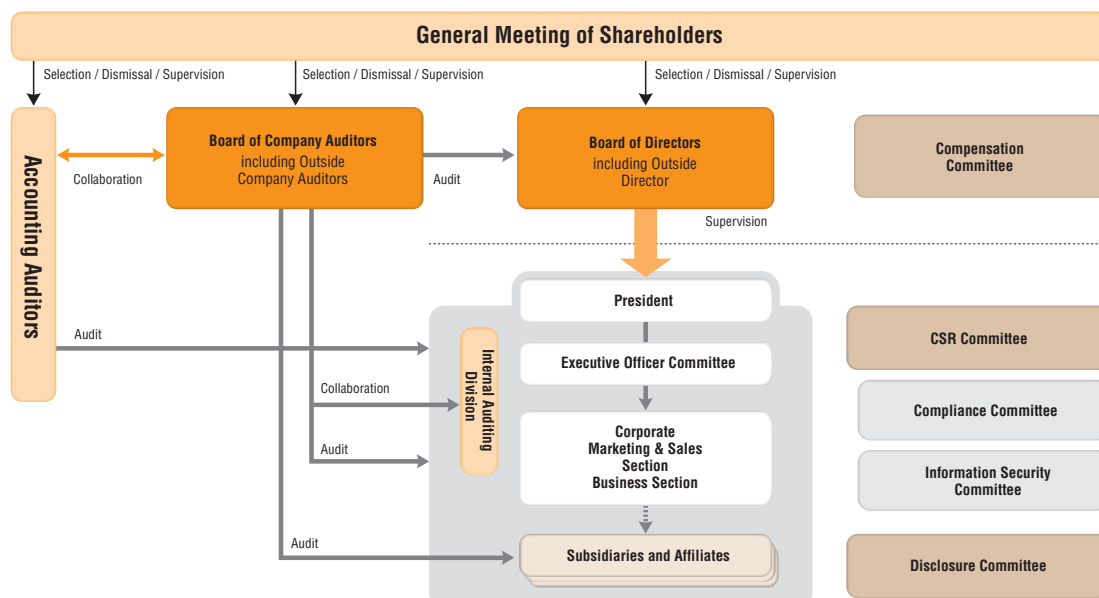
Committee Organizations

As part of its efforts to reinforce corporate governance, OKI established the Compensation Committee, whose members include an outside director. The Committee is responsible for ensuring 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.

Internal Control

In accordance with Japan’s Companies Act and the Ordinance for Enforcement of the Companies Act, the Board of Directors in May 2006 passed a resolution concerning the Basic Policy for the Establishment of an Internal Control System. In May 2010, the Board of Directors made a partial modification to the Basic Policy. Conforming to the 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.

Corporate Governance Structure



Promoting CSR at the OKI Group

In order to cohesively promote its CSR initiatives based on the corporate philosophy, 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.

CSR Priority Themes: Focal Points and Achievements

CSR Priority Themes	Focal Points for Fiscal 2010	Achievements in Fiscal 2010
Full Compliance with Laws and Regulations ⇒ p.20	<ul style="list-style-type: none"> ● Improvement of risk management as a group ● Enhancement of measures against registered risks 	<ul style="list-style-type: none"> ● Launch of the compliance portal site ● Enhancement of responses by overseas group companies ● Sharing of cases about registered risk and enhancement of monitoring processes
Information Security ⇒ p.21	<ul style="list-style-type: none"> ● "Visualization" of how the information security measures have been entrenched in suppliers (confirmation of yearly improvement) ● Improvement of the items to be checked to evaluate how the information security measures have been implemented and established 	<ul style="list-style-type: none"> ● Evaluation of how the information security measures have been entrenched in suppliers based on the security checklist ● Revision of the items to be checked for more specificity based on an experience of computer virus infection
Improvement of Customer Satisfaction ⇒ p.22	<ul style="list-style-type: none"> ● Improvement of educational programs for mid-level engineers ● Implementation of education and training programs on quality across the group ● Expansion of the application range of universal design technique 	<ul style="list-style-type: none"> ● Launch and implementation of a new course unit focusing on practical business processes at group companies ● Development of a direction board for a special-needs school utilizing universal design that assists visual function
Good Communication with Shareholders and Investors ⇒ p.23	<ul style="list-style-type: none"> ● Fair and timely disclosure of the achievements made in the first year for the mid-term business plan 	<ul style="list-style-type: none"> ● Holding of a briefing session on the refined mid-term business plan
Respect for Employees ⇒ p.24	<ul style="list-style-type: none"> ● 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 	<ul style="list-style-type: none"> ● Improvement of the systems for career building ● Promotion of the supports for the development of the next generation by improving related systems and disseminating information thereon among employees ● Establishment of specific goals at the Work-Life Balance Promotion Committee to take actions ● Continuation of the Health OKI 21 campaign
Social Contribution ⇒ p.25	<ul style="list-style-type: none"> ● 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 	<ul style="list-style-type: none"> ● Review of the criteria to select social action organizations for the OKI 100 Yen Fund of Love ● Implementation of new social contribution activities inside and outside Japan
Consideration for the Environment ⇒ p.26	<ul style="list-style-type: none"> ● Improvement of the basic unit for CO₂ emissions and response to the Revised Energy Saving Act ● Expansion of the registration of OKI Eco Products ● Enhancement of conformity with regulations to control chemical substances in products inside and outside Japan ● Strengthening oversight of compliance within and of the OKI Group and its partners 	<ul style="list-style-type: none"> ● Improvement of the basic unit for CO₂ emissions with the goal for the OKI Group unattained ● Completion of the promotion systems, managerial standards, execution plan called for by the Revised Energy Saving Act ● Improvement of compliance with evaluation criteria such as laws and regulations about power saving products ● Improvement of IT systems for greater compatibility with the information distribution system and industry-standard research tool ● Commencement of the operation of the CMS (Chemical Management System) in which suppliers are participated

In order to disseminate the OKI Group Charter of Corporate Conduct and the OKI Group Code of Conduct as the basis of our CSR activities throughout the group, we published a booklet featuring the full text of the charter and code with explanatory notes in four languages (Japanese, English, Chinese and Thai). Copies of the booklet were distributed to all applicable employees. In fiscal 2010, an e-learning program called "the OKI Group Charter of Corporate Conduct and the OKI Group Code of Conduct" was given to all employees of the group companies in Japan while an attitude survey of them was conducted.

Based on the United Nations Global Compact (in which we have participated since May 2010) and ISO26000 (an international standard about social responsibility published last November), we will continue to reflect on our social responsibilities to be fulfilled through our global business activities, 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 for Fiscal 2011

Information Provided on the Website

- Expansion of risk management as a group
- Improvement of efficiency in risk management and the enhancement of monitoring

- Establishment of compliance systems
- Risk management promotion systems
- Fair business and purchasing practices
- OKI Group Procurement Policies
- Efforts for security export control

- Review of the items to be checked in-house
- Continuation of the "visualization" of how the information security measures have been entrenched in suppliers

- Strengthening of information security
- Regulations and rules related to information security
- Information security education
- System for protecting personal information

- Improvement of educational programs for mid-level engineers
- Expansion of the application range of universal design technique

- Quality assurance system and management
- System to support customer engineers that help improve customer satisfaction
- OKI Group's approach to universal design

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

- OKI Group's investor relations activities
- Strict prevention of insider trading
- Information for shareholders and investors (IR site)

- 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
- Holding internship events
- Career design support initiatives
- Maternity, childcare and nursing care programs and time adjustments
- Special-purpose leave
- Initiatives for occupational health and safety

- Creation of new activities that provide reconstruction assistance to those affected by the Great East Japan Earthquake
- Enhancement of social contribution activities inside and outside Japan

- Basic philosophy and systems for social contribution activities
- The OKI 100 Yen Fund of Love achievements in fiscal 2010
- Donation of a blood transport vehicle to the Japan Red Cross Society
- Supporting social action organizations in which OKI's employees are involved
- Participatory social action programs, activities contributing to local communities in Japan and overseas

- Improvement of the OKI Group's basic unit for CO₂ emissions and the achievement of the industry's goal
- Addition of some new facilities to those applicable to the management standards, and the review of the standards
- Response to the revision of laws and regulations about power saving products
- Improvement of efficiency in surveys of information on chemical substances in products
- Implementation of surveys of suppliers' CMS systems

- OKI Group Environmental Policy
- OKI Group Environmental Management
- Scope of ISO14001 consolidated certification
- OKI Group Environmental Accounting
- OKI Eco Products
- Operation of Chemical Substance Management System
- Controlling and Reducing Chemical Substances

Full Compliance with Laws and Regulations

The OKI Group has worked to strengthen compliance in order to comply with all related laws and regulations and implement sound corporate activities consistent with social norms. Under the leadership of the Compliance Committee headed by the Chief Compliance Officer, we focus on the enhancement of training and the promotion of integrated, systematic, companywide risk management. Furthermore, we have established consultation and reporting channels as well as whistle-blowing regulations such as those about the protection of whistle-blowers, thus tried to discover and rectify improper activities at an early stage if any.

Enhancement 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. Compliance



Compliance portal site

Managers facilitate the steady dissemination of compliance-related measures by rolling out the knowledge they have learned in such training sessions to their organizations. The participation rate in the program for fiscal 2010 was 100% as had been in fiscal 2009.

In March 2011, we opened a compliance portal site on our intranet. In light of "the need for easy access to the pieces of information required for conducting business activities appropriately" (which had been highlighted by a survey of all employees of the group), the site was designed to help users easily search compliance-related information provided on the intranet for different business tasks such as laws and regulations, in-house rules, contact information of relevant business units, and texts for case studies.

Improvement of Measures to Deal with Compliance Risk

OKI has steadily promoted risk management based on its Risk Management Regulations and established a system to deal with any risk. As OKI regards compliance risks* as the most important category thereof, each business unit of the company needs to register 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 takes corrective measures if necessary.

In fiscal 2010, the company improved the measures for risks about product safety, from among all registered risks, gave a group training program about them, facilitated the sharing of information on related cases, and enhanced monitoring. We also gave a training course on competition laws in different countries and regions as part of our measure for enhancing risk management at overseas group companies. People working at the sales departments of those companies had to take the course.

* A compliance risk : 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.

In accordance with these systems and guidelines, we set up an emergency headquarters on March 11, 2011, the day when the Great East Japan Earthquake hit Japan, in order to take various measures for recovery. Since there were some unanticipated circumstances, such as severe damages on our suppliers and a serious electricity shortage, we are currently reviewing the BCP. We will continue to make our utmost efforts to appropriately deal with any disasters such as an earthquake.

Fair Business Activities

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.

Efforts Across Supply Chain

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. The standard is to be updated as needed. In 2006, we created the "OKI Group Procurement Policies" 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.

In fiscal 2010, we became a member of the Working Group on Supply Chain Management of the Global Compact Network Japan, one of the Local Networks of the United Nations Global Compact, explored the global trend of CSR procurement, and examined what sustainable supply chain management was supposed to be. We will further promote sustainable procurement in cooperation with our suppliers as our partners.

Information Security

The OKI Group, based on the OKI Group Security Policy, has established a system to ensure information security under the leadership of the Information Security Committee. We properly manage and protect company and customer information, including personal information, through various activities such as twice-a-year reviews of efforts for information security and information security audits.

"Visualization" of How the Information Security Measures Have Been Entrenched in Partners and Suppliers

In order to improve the quality of information security throughout the supply chain, OKI has also checked the information security measures of its business partners and suppliers handling important confidential information since fiscal 2008. More specifically, we ask such companies to self-check their information security measures using a check list designed by us, evaluate the results of their self-checks using our own scoring system, and share the challenges found in this process with them.

In fiscal 2010, information security at our partners and suppliers in general made a progress, 4 points up from the previous year. They made a visible progress particularly in the categories, "regular change of passwords" and "access right control with personnel changes." It showed that their understanding of the importance of access control on an individual basis had greatly improved.

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 2010, we established an activity to check the version of the security software used by each employee and ask the version upgrade thereof if necessary in order to further prevent virus attacks and other security risks.

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 2010, we launched a project to encrypt the hard drives of mobile PCs used in China and require the users of the approved mobile PCs to put the certificate sticker as we did in Japan.

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.

In fiscal 2010, OKI Software a new company established through the merger of three software-related companies of the group as part of the group's reorganization project, acquired the ISMS certification. Five companies and seven business units of the OKI Group are ISMS-certified organizations as of June 2011.

■ Business Units / Group Companies That Have Acquired the ISMS Certification (as of June, 2011)

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 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

* ISMS : Information Security Management System

Enhancing the Protection of Personal Information

The OKI Group has enhanced the protection of personal information based on the Privacy Policy enacted in 2004. We have committed to the protection of personal information under the leadership of Chief Privacy Officer. Privacy managers have been appointed at the corporate level, and in business units and group companies. The OKI Group has also promoted its member companies' acquisition of the PrivacyMark certification so that they can take appropriate measures to protect personal information. In fiscal 2010, OKI Software and OKI Proserve, two companies established as part of the group's reorganization project, acquired the PrivacyMark certification. Furthermore, another group company, Payment First Corporation, acquired the certification in April, 2011. Ten companies of the OKI Group have acquired the PrivacyMark certification as of June 2011.

■ Companies that have acquired the PrivacyMark Certification (as of June 2011)

Japan Business Operations Co., Ltd.	OkI Customer Adtech Co., Ltd.
OKI Proserve Co., Ltd.	OkI Electric Industry Co., Ltd.
OkI Wintech Co., Ltd.	OkI Communication Systems Co., Ltd.
OKI Software Co., Ltd.	OKI Networks Co., Ltd.
OkI Data Corporation	Payment First Corporation



Improvement of Customer Satisfaction

Believing that quality entails "customer satisfaction," OKI's quality philosophy focuses on "providing products that always make customers happy." The "Quality Assurance Regulations" 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 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.

OKI has also made various efforts to ensure product safety based on its Product Safety Policy which clearly states: "the corporate activities to ensure the safety of our customers using our products must be given the most priority."

Improvement of Quality Education

OKI has given 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 various elective education programs from among which each employee can choose the most appropriate program for his or her need.



Seminar on quality

Our recent education programs have put great importance on "usefulness on a practical level." In fiscal 2010, we started a new course on "design of experiments (orthogonal experiments)" as a program common to all mid-level engineers across the company. This uniquely practical course features lectures focusing on the past applications at OKI, and seminars using an original data analysis support tool that enables students to concentrate on the process of each experiment without being bothered with calculation. We will follow the practical effect of the course and continue to improve its quality. The course on statistics and reliability established last fiscal year is now available also to engineers of group companies.

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 order to disseminate knowledge on the four safety technology laws and ensure full compliance with them, training sessions focusing thereon were given to Compliance Managers of the company's all business units and Japanese group companies in fiscal 2010.

* 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).

The Group's Cooperative Framework for Responding to Product Accidents

OKI 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, OKI 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 2010, we addressed the following issue under this system. We will further enhance our activities to ensure product safety based on lessons learned.

Replacement of AC Adapters on RT-200KI Router

Two burn accidents on RT-200KI, the router manufactured by OKI for the HIKARI DENWA (optical IP telephony service) of Nippon Telegraph & Telephone East Corp. and Nippon Telegraph & Telephone West Corp., were reported in 2010. Fortunately no one was injured by the accidents. There seemed to be abnormal current flow for some reasons that caused overheating and the burns. In order to deal with this problem, OKI has made an announcement of new adapters designed to prevent any abnormal current flow as a countermeasure, and started delivering them to customers. Please accept our sincere apologies for the inconvenience caused to our customers and partners.

Initiatives to Improve Customer Satisfaction (CS) in Production Activities

In order to ensure customer satisfaction and quality in its production activities, OKI has conducted a twice-a-year CS survey of customers of its EMS (Electronics Manufacturing Service) business since fiscal 2003. The results of such surveys are posted on the CS page of the intranet within the limits of confidentiality so that they can be used to further improve our products, services and systems. Believing that each employee's commitment to customer satisfaction is indispensable for reliable quality, we have established the CS Rules of Conduct, give education programs focusing on CS. Furthermore, all employees involved in production and the EMS business are asked to carry cards with "MY CS-oriented Behavior Checklist" and "My Goals" when they work.

Supporting the Improvement of the Direction Board System of a Special-Needs School Utilizing Universal Design

The OKI Group supported the renewal of the direction board system of Tokyo Metropolitan Hachioji Higashi Special-needs School. Since the school has committed to creating a learning environment that assists the visual function of challenged students, it has organized a special project team and addressed the improvement of the direction board system at the school since fiscal 2010. Universal Design Department of OKI and OKI WorkWell (See Page 24), a special purpose subsidiary of the OKI Group, have worked with the school for this project, conducted an on-site survey, analyzed the circulation in the school and students' viewing habit, and designed a direction board with pictograms. We also offered our advice on the appropriate installation position for the direction board in order to secure adequate visibility for both wheelchair users and walkers. We will continue to support the school's project to assist the visual function of its students.



Direction board with pictograms

Achievements in Fiscal 2010

OKI GROUP

Good Communication with Shareholders and Investors

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. The department responsible for these activities is IR Unit. The group also makes every effort to prevent insider trading in order to protect shareholders and investors, and help ensure the integrity of securities markets.

Corporate Strategy Meeting Focusing on Mid-term Business Plan

OKI 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



Corporate Strategy Meeting (October 2010)

recognition, President and the other members of the management team conduct investor briefings, hold IR meetings and engage in various other communication activities. On October 8, 2010, we held a Corporate Strategy Meeting focusing on the company's mid-term business plan to fiscal 2013. President Kawasaki explained the company's business policy, the program for the enhancement of management bases, and the program for growth based on the brush-up version of the mid-term business plan announced in February of the same year.

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 800 people, including our institutional investors and people who have signed up on our website. The e-mail newsletter includes the latest 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.



Investor Relations site on the web <http://www.oki.com/en/ir/>

We will further promote the disclosure of information in a responsive, and appropriate manner while complying with the revisions of the Companies Act, the Financial Instruments and Exchange Law and the timely disclosure rules of the Tokyo Stock Exchange.

Respect for Employees

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 based on its vision for the development of human resources: "Pride, Passion and Sincerity." We have made various efforts at overseas group companies as well such as the encouragement of the acquisition of relevant certifications, and different support programs meeting the needs of each country or region.

In fiscal 2010, we had to implement a voluntary early retirement program in Japan for a limited period of time to survive in the difficult business environment. We made our utmost efforts to have the understanding of employees through an orientation meeting and close communication with applicants.

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 holds general labor-management meetings with 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.

Promoting the Employment of Challenged People

The OKI Group has promoted the recruitment of severely challenged people as teleworking employees through OKI WorkWel, a special purpose subsidiary* of the group. The percentage of challenged employees at the group in fiscal 2010 was 1.94%.



Award ceremony

As of March 2011, OKI WorkWel employs 45 people with physical, intellectual, visual or internal disabilities, including 35 employees who work at home utilizing IT. In fiscal 2010, OKI WorkWel won the Award for Excellence for employing people with upper limb disabilities as one of the Examples of Good Practices for Employment Promotion and Expansion of Vocation Areas (chosen by the Japan Organization for Employment of the Elderly and Persons with Disabilities, with support from the Ministry of Health, Labor and Welfare).

* 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.

Helping Employees Develop Their Skills

The OKI Group offers more than 250 elective courses other than compulsory or designated training courses for new recruits, managers and specialists. Employees are able to choose the most appropriate courses from among them in order to build the skills required for their career goals. In fiscal

2010, the group introduced a reduced working schedule to help employees attend graduate and other schools for academic degrees and qualifications.

Establishing Support for the Development of the Next Generation

In June 2009, OKI was granted the "Law for Measures to Support the Development of the Next Generation" certification (nicknamed "Kurumin") by the MHIW's Tokyo Labor Bureau. The main reason for the company's acquisition of the certification was that it had achieved the targets set in its second Action Plan in compliance with the Law for Measures to Support the Development of the Next Generation.



In fiscal 2010, OKI started implementing its third Action Plan focusing on "establishing work-family balance through various support programs that help employees take specific actions." As part of the plan, OKI expanded its leave system, and encouraged employees to deepen their understanding of the plan through the "Support Work-Life Balance" site on the intranet. The company always offers an e-learning program on balancing work and family. The program allows employees to self-check their awareness and behavior, and learn from various cases.

Promotion of Work-Life Balance

OKI has offered various supporting 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 (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, and other purposes including participation in social action programs, education and school events.

Furthermore, the Work-Life Balance Promotion Committee, with members from both the management and the labor union, sets specific targets, checks and improves the relevant systems for work-life balance. Information on the committee's activities is available on the intranet.

Promoting Mental and Physical Health of Employees

The OKI Group has promoted "Health OKI 21," a campaign to facilitate voluntary health management of employees with support from all group companies, labor unions and corporate health insurance societies. As part of this campaign, the Group gives useful advice through the intranet, conducts health-related surveys of employees, and offers exercise programs. Furthermore, the OKI Group has the "Mental Health Working Group" as an ad hoc committee of the Central Safety and Health Committee, promotes the utilization of "Kokoro Wellness Navi," a new tool to support mental health, and provides a consultation services.

Social Contribution

The OKI Group, based on the Basic Philosophy and Basic Policy for Social Contribution Activities, has promoted various social action projects. 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.

Response to the Great East Japan Earthquake

The OKI Group has decided to offer a reconstruction assistance of 10 million yen for people and areas afflicted by the Great East Japan Earthquake on March 11, 2011. The assistance is comprised of a monetary donation and IT/network devices. Furthermore, some management-labor office fund raisers have been organized in Japan while employees of overseas group companies have also been active in fund raising.

Donation-based Program The OKI 100 Yen Fund of Love

The OKI Group has made various assistance efforts through the OKI 100 Yen Fund of Love, a donation-based social action program. Among such efforts are the donation of blood transport vehicles to the Japan Red Cross Society and financial assistance to different social action organizations. The participants in the OKI 100 Yen Fund of Love include executives and employees of the member companies of the OKI Group (24 companies as of April 2011) who agree with the purport the program. They are asked to donate 100 yen a month.

In fiscal 2010, we reviewed the criteria to select social action organizations to be supported as we had participated in the United Nations Global Compact. As a result, we added "compatibility with the United Nations Millennium Development Goals (MDGs)" to the criteria.

- Social Action Organizations as Recipients of Financial Assistance from the OKI 100 Yen Fund of Love and MDGs

MDGs	Organizations
Goal 1: Eradicate extreme poverty and hunger	NPO Hunger Free World
Goal 2: Achieve universal primary education	NPO Action with Lao Children EDF-Japan NPO Child Fund Japan
Goal 5: Improve maternal health Goal 6: Combat HIV/AIDS, malaria and other disease	NPO PH-Japan

In March 2011, the NPO Action with Lao Children published a kamishibai (a storytelling tool comprised of a set of picture cards) titled "Little Caterpillar Looking for Leaves" in Laos with a financial assistance from the OKI 100 Yen Fund of Love.



Kamishibai "Little Caterpillar Looking for Leaves"

Forest Improvement Activities through the Green Wave 2010

The OKI Group has continuously been involved in forest improvement activities in some places in connection with relevant group under agreements with local municipal



In the OKI Group Forest in Komoro

governments, Forest Offices and NPOs. In May 2010, in conjunction with the International Day for Biological Diversity, we participated in the Green Wave 2010, a campaign to promote reforestation and other forest protection activities targeted at businesses and organizations, and engaged in forest improvement projects in Izu (Shizuoka) and Komoro (Nagano). The campaign was supported by the Ministry of Environment, the Ministry of Land, Infrastructure, Transport and Tourism, and the Forest Agency.

On May 22, the International Day for Biological Diversity, 49 participants from the OKI Group, employees and their families, planted seedlings, cleared underbrush and thinned the forest in Komoro. The OKI Group has carried out similar activities also in Takasaki (Gunma). A total of 230 people participated in the OKI Group's forest improvement activities in Japan in fiscal 2010.

Tree-Planting Project in Shenzhen, China

OKI Electric Industry (Shenzhen), a manufacturer of ATMs and printers in China, carried out a tree-planting project in Zhongshan Park, Shenzhen for the first time in March 2011. Since its inception in 2001, the company has been active in environmental conservation activities from both business and social contribution aspects. Such activities include the establishment of an environmental management system and voluntary cleanups around its production site. The purposes of the company's first tree-planting project, in which 45 employees planted peach seedlings, were to help preserve the scenery of the park, make a contribution to the local community, and raise the environmental consciousness of its employees.

Supporting Elementary Schools for Mountain Tribes in Northern Thailand

OKI Precision (Thailand), the group's production site in northern Thailand has visited elementary schools in villages of mountain tribes to donate supplies since 2009. In December 2010, approximately 30 employees of the company including its president visited an elementary school for children of the Karen, one of the mountain tribes in Thailand. The employees donated an antenna for satellite broadcasting, school supplies, toys and used clothes. Furthermore, they installed a water filtration system in order to prevent health hazards caused by drinking undrinkable water from the mountains as a gift from the company.



Karen child holding a gift from OKI Precision (Thailand)

Consideration for the Environment

In its quest to create and pass on a better world to future generations, the OKI Group promotes effective environmental management and conducts initiatives to protect the environment through its products and business activities. We coordinate and implement environmental management systems across the entire Group that underpin our environmental management commitment. Under the OKI Group Environment Policy, we have actively promoted the continued reduction of environmental impact through environmentally conscious products such as those with low power consumption, and energy saving and resource saving in business activities.



Logo for the OKI Group's environmental activities

Environmental Contribution through Products

Automated Teller Machine (ATM) with Low Power Consumption

As the enforcement of the Revised Energy Saving Act requires the private sector to make visible efforts for saving energy, there has been an increasing need for ATMs with low power consumption in both Japan and overseas. OKI has made various efforts in different aspects to meet this need.

For example, we have dramatically decreased the number of components used for each ATM unit, shorten the length of the banknote conveyance route, and thus dramatically decreased power consumed for conveying banknotes by developing new components for the conveyance and sorting processes. We have also achieved a reduction of standby power consumption by adding a new low power consumption mode to the banknote handling module and the banknote recognition unit.

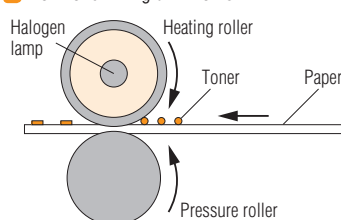
As a result of these efforts, the latest model of OKI ATMs

has realized a 30% reduction of power consumption compared to the previous model. We plan to introduce these measures for reducing power consumption to cash processing systems and other products.

Printers with Low Power Consumption

OKI Data has been active in developing printers with low power consumption. As for electricity used for a printer, power consumed mostly in the toner fixing process. In order to reduce the heat capacity for this process, OKI Data has developed a new toner fixing unit with a new design using some new materials. The company has also developed a toner that can be fixed at lower temperatures compared to conventional toners. It currently aims at reducing power consumed for printers more than 50%, when measured using the TEC method*.

How toner fixing unit works



* TEC method : a method to measure power consumed for a period of one week under a typical condition – five days in "on/sleep/off" modes, and two days in "sleep/off" modes

World's First 40 Gbps Optical Communication Technology for Dramatically Reducing Power Consumed for Network Devices

As power consumed for expanding networks is expected to jump sharply in the near future, there has been an impending need for new technology that can dramatically reduce power consumed for network devices. In fiscal 2010, OKI successfully developed an optical phase synchronization technology*1 for coherent optical communication*2. Regarded as a promising high-speed communication system of the next

OKI Group Environmental Activity Plan (Fiscal 2010): Targets and Achievements

	Category	Activities	Targets for Fiscal 2013	Targets for Fiscal 2010	Achievements in Fiscal 2010		
					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 implement a new set of Green Procurement standards to include the CMS* evaluation standards of suppliers	Start the full-scale implementation of a new CMS in compliance with REACH and other regulations	Started the operation of the system for some specific products	○	15
			Assemble and utilize a database of Suppliers' CMS evaluations	Release a new IT system compatible with the information distribution infrastructures	Completed the improvement of the IT system compatible with the information distribution infrastructures and industry-standard research tools	○	
	Prevention of global warming	Manufacturing low power consumption products	Improve compliance with revised laws and regulations about the reduction of power consumption	Examine the registration of new standards for the OKI Eco product certification	Improved the consistency with the criteria of the relevant laws and regulations about the reduction of power consumption	○	(Website)
Business Activities	Prevention of global warming	Reducing CO2 emitted from business activities (introducing highly efficient equipment, and improving operational systems)	Set targets based on industry trends and achievements in fiscal 2012	Basic unit to be reduced by 1% or more (compared to the average of the past five years)	Resulted in a 2.2% increase of basic unit and missed the target due to the full-scale operation of the new production sites for printers and the production increase	×	12 13 27 28 29
	Recycling of used resources	Reducing waste at main production sites	Increase the number of sites subject to "zero-emission" (including overseas sites)	Maintain and continue zero-emission	Maintained and continued zero-emission	○	29
Environmental Management	Practices of OKI Group environmental management	Streamlining of OKI Group Environmental Management System	Facilitate the visualization of environmental data	Formulate and implement a consolidated certification plan, and an internal mutual audit	Completed the consolidated certification as planned, and conducted an internal mutual audit	○	(Website)
		Improving environmental consciousness	Continuously hold the EcoTest seminar and improve the quality thereof	Hold the Eco Test seminar	Held the Eco Test seminar twice	○	27

* CMS: Chemical Management System

generation, coherent optical communication had been believed to be highly difficult for putting into practical use. Using a prototype 40 Gbps coherent receiver made with this newly invented technology, OKI was successful in realizing the world's first stable coherent reception of binary phase-shift modulated signals*3. With this technology, we do not need convert optical signals into electrical signals. Thus, it allows a 10% decrease in power consumed for optical receivers and an effective reduction of network delay.

- *1 Optical phase synchronization technology: an elemental technology for the reception of coherent signals that allows highly accurate synchronization of the phases of two different optical carrier waves within a bandwidth of 200THz
- *2 Coherent optical communication: a system of optical communication in which optically-superimposed signals in terms of optical frequency and phase are transmitted utilizing the characteristics of light as a wave
- *3 Phase-shift modulated signals: optically-superimposed signals through phase-shift modulation, not through intensity modulation

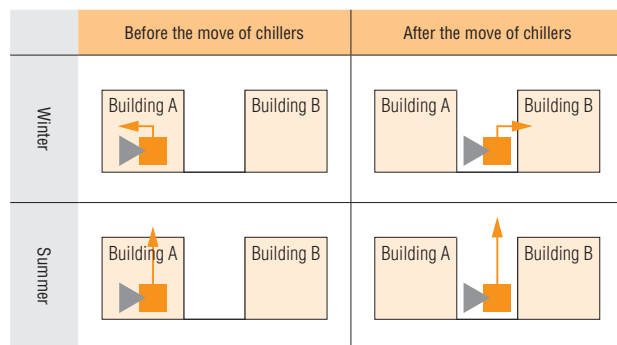
Environment Conservation Efforts in Business Activities

Energy Saving Measure at Tomioka Site

OKI's plant at Tomioka site operates laser beam machines and pressing machines for sheet-metal processing 24 hours a day to manufacture ATMs and other products. In order to cool these machines, several chillers have been used at the plant. In June 2010, as part of our energy saving effort, we moved some of these chillers to a new place outside the plant building Building A in the following figure, reduced waste heat emitted in the plant, and thus improved air conditioning efficiency during summer. We later used waste heat for heating a building adjacent to the plant (Building B) during winter.

As a result, we reduced electric power used for air conditioning during summer by about 65,000 kW (a 11% decrease compared to the previous year), heavy oil for air conditioning during winter by 16.7 kl (a 43% decrease compared to the previous year) in fiscal 2010.

Move of Chillers



Completing the Retirement of Fiscal 2010 Emission Credits for "Carbon Zero Manufacturing Facilities"

OKI Data has made its three main production sites in Fukushima (Japan), Thailand, and China "Carbon Zero Manufacturing Facilities" through a global carbon offset activity since October 1, 2009. The CO₂ emissions from these sites in fiscal 2010 amounted to 9,940 tons (4,694 tons in the first half, and 5,246 tons in the second half). They were completely offset in April 2011. The emission credits used for the offset were retired through K.K. Satisfactory International. Any third party can check the retired credits on the Markit Environmental Registry.

Projects used for offsetting the carbon emissions in the second half of fiscal 2010

Project ID	Project Name	Country	Credit Type	Volume (tons)
364	Bundled 15MW Wind Power Project in India	India	VCU*	2,178
256	Mungcharoen Green Power -9.9 MW Rice Husk Fired Power Plant Project	Thailand	VCU	2,203
78	Nobrecel Biomass Energy Project	Brazil	VCU	865

* VCU (Voluntary Carbon Unit) : A VCU is a tradable carbon offset credit issued by a VSU certified project for reducing/absorbing greenhouse gas. VCS, the Voluntary Carbon Standard, is a standard to certify greenhouse gas reduction/absorption projects developed by the World Business Council for Sustainable Development (WBCSD) and other organizations.

Promoting Environmental Skills

The OKI Group has helped employees pass the Certification Test for Environmental Specialists (Eco Test) in order to improve the environmental consciousness of individual employees and make them more motivated to take actions for environmental issues. The group has held the Eco Test seminar twice a year since 2010. More than 80% of the participants in the seminar passed the test in fiscal 2010. We plan to expand this seminar that is highly regarded by employees.



Successful applicants for the Eco Test

Efforts for Conserving Biodiversity

As the 10th Conference of the Parties to the Convention on Biological Diversity (COP10) was held in Nagoya in October, corporate efforts for the conservation of biodiversity attracted considerable attention in fiscal 2010. OKI became a member of the "Declaration of Biodiversity by Nippon Keidanren" Promotion Partners, and also participated in the Japan Business and Biodiversity Partnership in 2010. We also started examining the evaluation of the impact of our business activities on biodiversity. We have made various environmental activities thus far that can contribute to the conservation of biodiversity, such as energy saving, waste reduction, resource recycling, and forest improvement. We will further promote these activities as a business group.

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 2010, no underground water or soil pollution was observed.

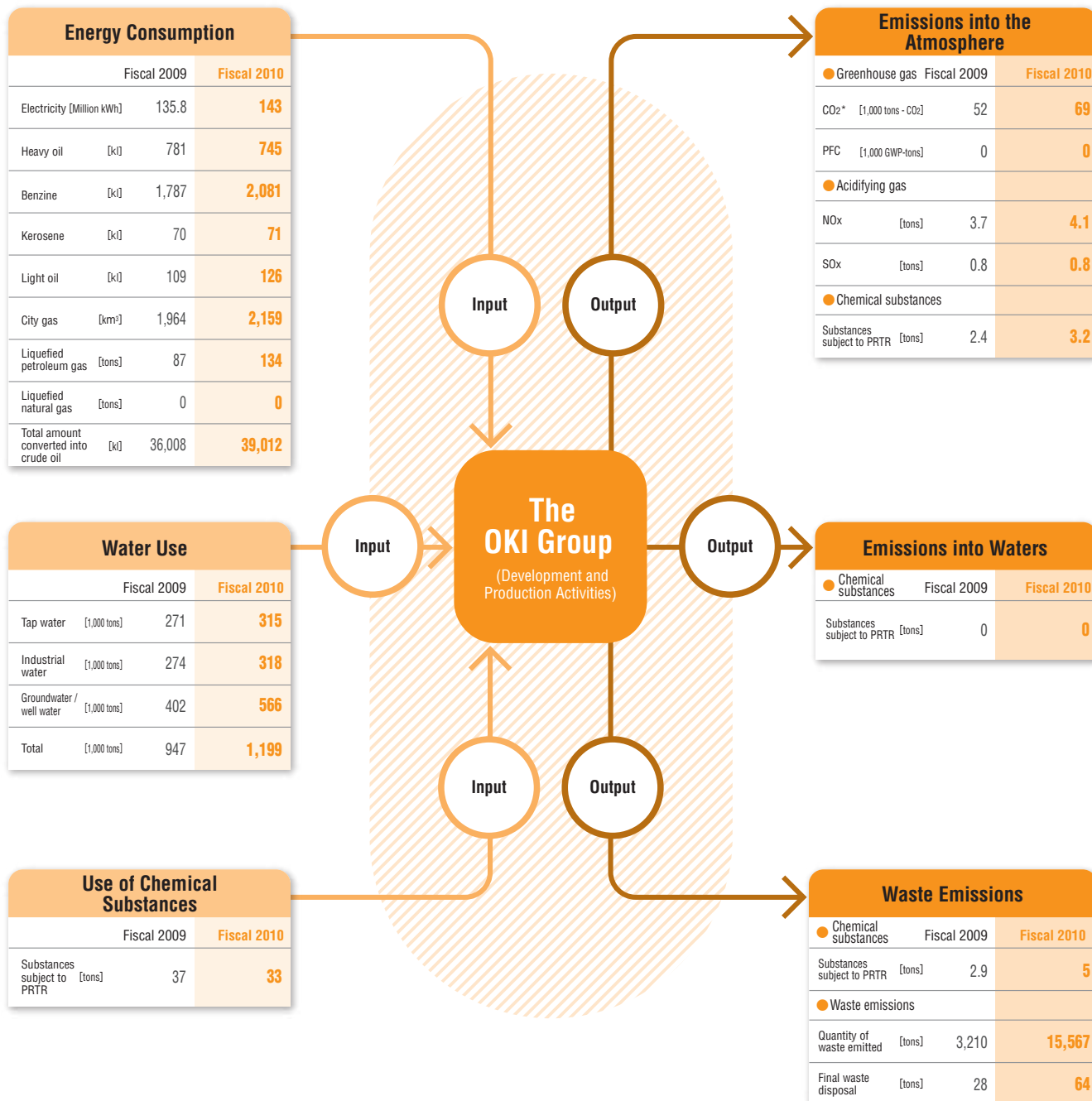
Penalties / Claims

There were no environment-related penalties imposed on or claims made against the OKI Group in fiscal 2010. Whenever such an event occurs, we locate the cause thereof, deal with the problem properly and take appropriate preventive steps.

Consideration for the Environment – 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." In fiscal 2010, we expanded the scope of the calculation of material balance data to include some new sites to manufacture printers.



*Breakdown of CO₂ Emissions

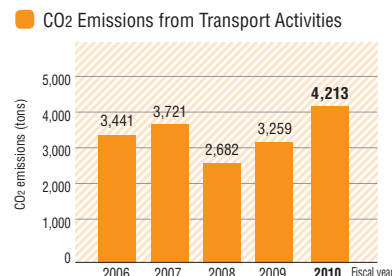
Category	Emission (1,000 tons)	Sites
Major sites of the OKI Group	47	Warabi district, Shibaura district, Takasaki district, Honjo district, Tomioka district, Numazu district, OKI Data, Nagano OKI, OKI Printed Circuit, OKI Metaltech, OKI Digital Imaging
Other sites	22	Sites other than the above
Total	69	All sites in the scope

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 Proserve (hereinafter called OPS). As a pioneer in reducing CO₂ emissions by adopting modal shift, OPS has accumulated a wide spectrum of transit information and organized it into a database to fully meet the requirements of the Energy Saving Act. In fiscal 2010, the CO₂ emissions reduced by modal shift amounted to 603 tons, a 250% increase compared to the previous fiscal year, due to an increase in long-distance transport utilizing modal shift. The total volume of CO₂ emitted from OPS's transport activities in fiscal 2010 amounted to 4,213 tons, a 30% increase compared to the previous fiscal year, partly due to an increase of local transport using small freights.

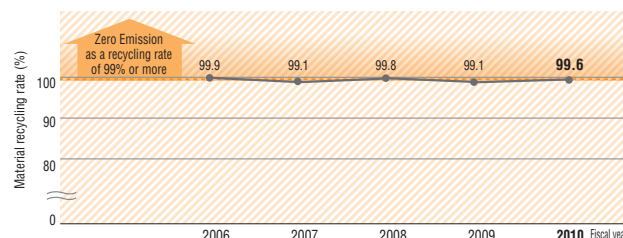


Promotion of Material Recycling (Zero Emission)

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 2010, the material recycling rate was 99.6%.

*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

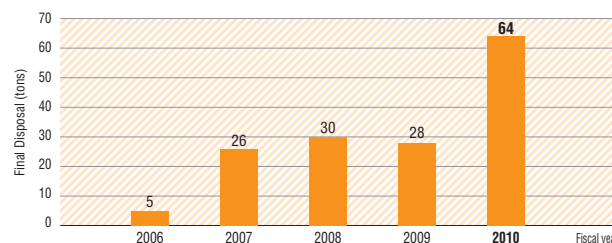
Material Recycling Rates of Main Production Sites



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 64 tons in fiscal 2010 due to the expanded scope of the calculation of material balance data.

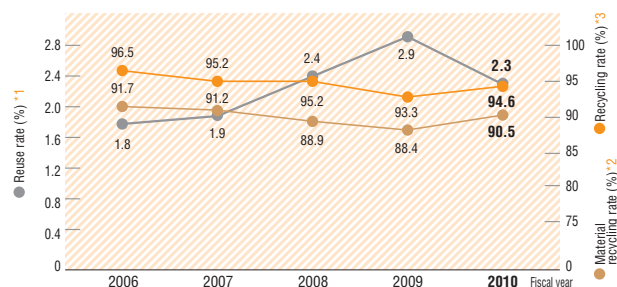
Amount of Wastes Subject to Final Disposal Emitted from Main Production Sites



Recycling of Used Products

The volume of used products collected in fiscal 2010 was 2,516 tons (with a 60% increase compared to fiscal 2009), with ATMs, printers and PCs comprising a large part of them. The material recycling rate was 94.6% and remained at the almost same level as fiscal 2009.

Recycling of Used Products

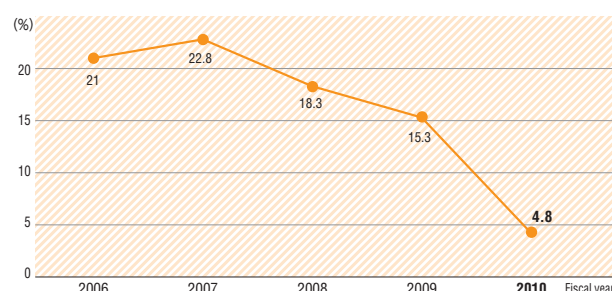


*¹ Reuse rate: the ratio of reused parts and materials to collected used products (in mass)
 *² Material recycling rate: the ratio of material recycling and reuse to collected used products (in mass)
 *³ Recycling rate: the ratio of material recycling, thermal recycling and reuse to collected used products (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 4.8% in fiscal 2010 (a 68% decrease compared to fiscal 2009) due to an increase in the sales volume of standard items.

Recycled Product Rates



Consideration for the Environment — Detailed Data

Environmentally Conscious Products

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

IR630H, a New Energy-Saving Lot Scanner Contributing to the Streamlining of Paperwork at Financial Institutions

There has been an increasing need for energy saving and paperwork streamlining at business offices of financial institutions. In order to meet this need, OKI launched IR630H, a new lot scanner featuring an enhanced capability of scanning a large volume of business forms at once, in January 2011. While it retains the main features of the previous model such as the capability of scanning different forms in different sizes and the numbering function, IR630H allows a reduction in heat generation therefrom through the introduction of LEDs and a low-power-consumption power circuit. Thus, we were able to reduce the number of cooling fans to one. (The previous model had two fans.) Furthermore, IR630H has a special feature that automatically turns off itself if the power to the control device is turned off. As a result, the lot scanner allows a 20% decrease in power consumption at a maximum. It complies with the European RoHS.



IR630H lot scanner

The World's Thinnest A4 Color LED Printer (an Winner of the 2010 Good Design Award)

OKI Data launched the World's thinnest* A4 Color LED Printer with a duplex printing function in May 2010.

We were able to reduce the product's height by about 10 cm and the volume by 40% (compared to the previous model) through integrating different image drum units for different colors into one and concentrating the used toner boxes in one place. It also allows lowest-in-class power consumption of 0.9W in the sleep mode by using our proprietary Green ASIC chip. It is also notable that the product's "Intelligent Quick Print" function optimizes power consumption according to the volume and quality of the document(s) to be printed, and thus effectively balance energy saving and speed. As a result, standby time for small volume printing is quite short and power consumption in the "warming up" mode can be reduced by up to 20%. This printer won the 2010 Good Design Award for its simple, thin design that ensures easy operation and maintenance.



The world's thinnest printer C530dn

* It is thinnest among all Color LED/laser printers. (The thickness of the protruding part of the operation panel is not included.)
Source: OKI Data (as of September 2010)

The "Web Sensing" Environmental Information Collection ASP Service with Enhanced Features

In May 2010, OKI Network Integration (present Marubeni OKI Network Solutions) released the upgraded version of the "Web Sensing" service for managing and monitoring environmental information (such as temperature, humidity, electricity and gas used, and etc.) in real time. The upgraded version of the service allows effective energy management even at places without dedicated measurement sensors by registering information included in utility bills. The service also enables users to manage energy usage in basic units using energy-related parameters such as floor area and production output, and thus "visualize" energy consumption efficiency. The other features include trend analysis of peak power that is useful in designing specific measures to save energy, comparative analysis of power consumption for each electrical system, and screen display of monthly and yearly reports for each energy system in compliance with the Revised Energy Saving Act.



Energy consumption efficiency shown on the screen

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 have replaced energy consuming facilities with energy-saving ones, and promoted the recycling of wastes through capital spending. Capital investment in fiscal 2010 amounted to 328 million yen (compared to 198 million yen in the previous fiscal year) while the amount of costs was 1.501 billion yen (compared to 1.563 billion yen in the previous fiscal year).

Investment / Costs

(Unit: million yen)

Category	Main Efforts	Investment		Costs		
		2009	2010	2009	2010	
Cost in business areas	Pollution prevention cost	Investment in pollution control facilities, and maintenance and operation costs	8	9	45	41
	Global environment conservation cost	Investment in energy-saving facilities, and maintenance and operation costs	55	236	92	90
	Resource recycling cost	Investment in facilities for internal treatment of organic waste liquid, waste recycling costs	116	59	265	261
	Total		179	305	401	391
Upstream / downstream cost	Green procurement (chemical substances survey) costs, costs for remodeling systems to collect data on chemical substances contained in products	3	3	280	275	
Administration cost	Costs for obtaining environment management certifications, and maintenance and operation costs	14	17	229	233	
R&D cost	R&D costs for creating energy-saving products	1	1	648	599	
Social activity cost	Costs for planting trees in production sites, costs for activities contributing to local communities	1	2	4	3	
Environmental damage cost	Cost for reserves to respond to environmental damages, insurance cost and surcharge	0	0	1	1	
Other cost	—	0	0	0	0	
Total			198	328	1,563	1,501

Benefits Related to Environmental Conservation Costs

The economic effects decreased to 50 million yen (compared to 280 million yen in the previous fiscal year) as a result of increased energy consumption due to the full-scale operation of the new production sites and the production increase. As for environmental conservation effects, both CO₂ emissions and final waste disposal increased.

Economic Effects

(Unit: million yen)

Category	Main Efforts	Effects		
		2009	2010	
Cost reduction effect	Effect of saving energy and resources	Reduction of electricity, petroleum, gas, packaging materials, etc. used in business activities	159	-104
	Effect of reducing treatment cost	Reduction of waste generated from business activities through recycling	-25	-1
Real income effect	Sale of valuable waste generated from business activities	118	149	
	Sale of used valuable products	28	9	
Total		280	53	

(Accounting Conditions)

- When environmental conservation costs and other costs are consumed for a single activity, only the environment costs are calculated for environmental accounting.
- 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.
- Personnel costs are calculated by prorating the personnel costs for the total time spent on environmental conservation activities.
- The real income effect represents the value for the current fiscal year.

Environmental Conservation Effects

Environmental Conservation Effects	Impact		Difference compared to previous fiscal year	
	2009	2010		
CO ₂ emissions (tons)	52,432	68,583	16,151	
Waste emissions	Final waste disposal (tons)	28	64	36

Major Environmental Conservation Efforts

The following tables show main efforts with respect to "investment," "costs" and "economic effects" calculated in our environmental accounting.

Main Efforts in Each Category in Japan

(Unit: 1,000 yen)

Category	Main Efforts	Amount	Site
Investment	Recycling of waste plastic, oil, glass and other materials	51,195	OKI Data
	Shift to energy-saving lighting fixtures	45,690	Tomioka district
	Shift to energy-saving air-conditioning systems	22,500	Honjo district
	Shift to energy-saving lighting systems and highly efficient transformers	3,900	Nagano OKI
	Remodeling of effluent treatment facilities at the production site	2,390	OKI Digital Imaging
Costs	Development of ASIC for energy-efficient products	137,220	OKI Data
	Development of highly-durable image drums for printers	133,188	OKI Data
	Development costs for making the existing products more energy-efficient	100,446	OKI Data
	Industrial waste and effluent treatment costs	4,960	OKI Printed Circuits
	Forest preservation activities	1,474	Nagano OKI
Economic Effects	Reduction of electricity costs by shifting to energy-saving air-conditioning systems	26,492	Numazu district
	Sale of valuable waste	26,222	OKI Sensor Device
	Sale of valuable waste	18,434	OKI Printed Circuits
	Sale of valuable waste	3,339	Honjo district
	Sale of valuable waste	2,651	Nagano OKI

Main Efforts in Each Category in Overseas

(Unit: 1,000 yen)

Category	Main Efforts	Amount	Site/Company
Investment	Facility remodeling for improving production efficiency	2,097	OKI Data Manufacturing (Thailand)
	Introduction of inverters to boilers and air-conditioning units	2,587	OKI (UK)
	Mangrove reforestation project	691	OKI Data Manufacturing (Thailand)
Costs	Air conditioning maintenance and effluent treatment costs	28,381	OKI(UK)
	Effluent treatment costs	17,466	OKI Precision(Thailand)
	Training for environmental auditors	4,960	OKI Telecommunication Technology (Changzhou)

* Exchange rate : 114 yen / £, 2.75 yen / Baht

OKI

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