



Environmental Report
2007



Corporate Overview

Environmental Policy: By providing products that contribute to the e-Society, the OKI Group realizes a better global environment for the next generation and passes it on.

Corporate Profile

OKI Electric Industry Co., Ltd. was established by its founder Kibataro Oki in 1881 as the first manufacturer of communications equipment in Japan. Over more than a century since then, we have nurtured our technical skills and grown with the advance of information technology and communications technology, driven by an "enterprising spirit". In recent years, we have been concentrating our efforts on providing products and services that take advantage of our unrivaled strength and uniqueness in our information, communications and electronic devices business fields as the OKI group.

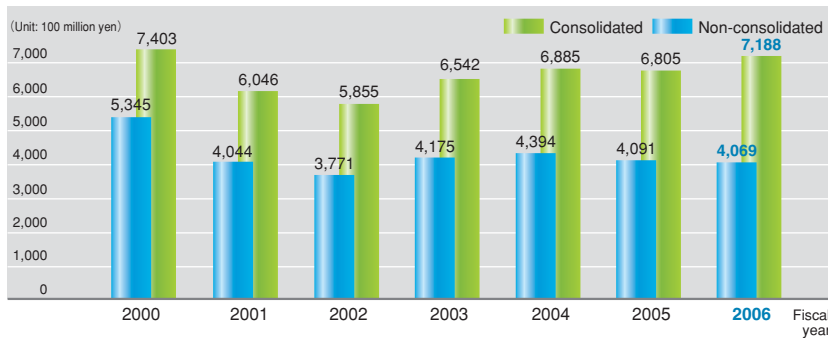
The e-Society that the OKI Group Aims For

The OKI group calls a society where all social activities are conducted fairly, safely and reliably with the "individual" at the center, transcending limitations of time and space and differences among countries, regions and cultures on the basis of global networks, the "e-Society".

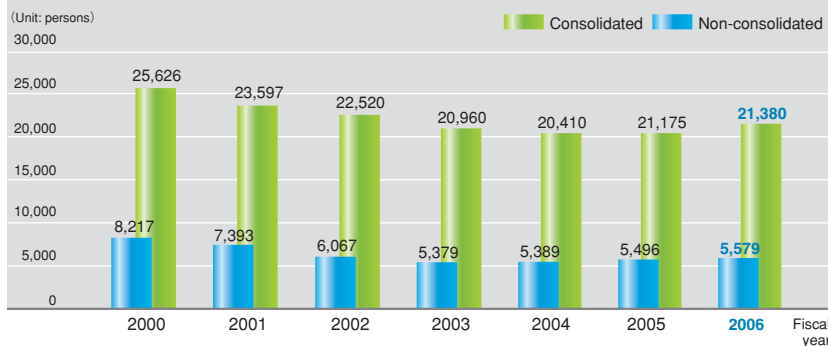
Profile

| | |
|---------------------------------------|---|
| Corporate Name | OKI Electric Industry Co., Ltd. |
| Foundation | January 1881 |
| Establishment | November 1, 1949 |
| Capital stock | 76.9 billion Yen (as of March 31, 2007) |
| Number of employees | 5,579 (non-consolidated) 21,380 (consolidated) Japan: 14,405 (consolidated) Overseas: 6,975 (consolidated) (as of March 31, 2007) |
| President and Chief Executive Officer | Katsumasa Shinozuka |
| Head office | 7-12 Toranomon 1-chome, Minato-ku, Tokyo, Japan |
| Main products | Info-telecom equipment, semiconductors, printers |

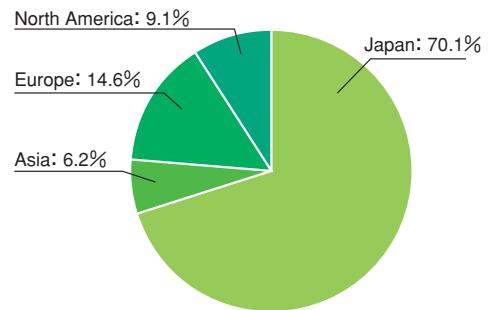
Transition of Sales



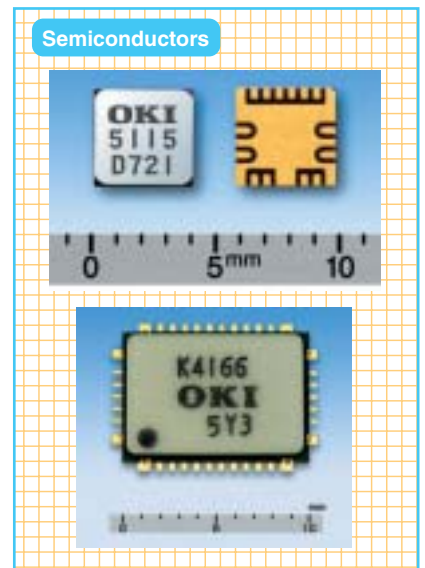
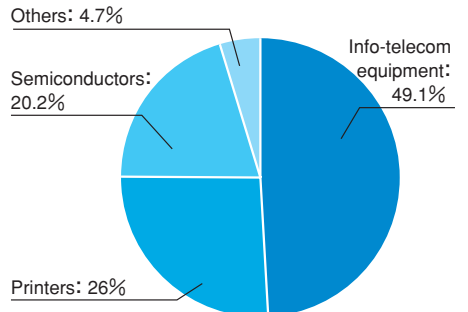
Transition of the Number of Employees



Sales by Location in Fiscal 2006



Consolidated Sales by Segment in Fiscal 2006



Scope of Environmental Data

| Site | Business Outline | Address |
|---|---|---|
| ① Toranomon district | Head Office | 1-7-12, Toranomon, Minato-ku, Tokyo 105-8460 |
| ② Hachioji district | Development of electronic devices | 550-1, Higashi Asakawa-machi, Hachioji-shi, Tokyo 193-8550 |
| ③ Shibaura district | Development of telecommunications equipment | 4-10-16 Shibaura, Minato-ku, Tokyo 108-8551 |
| ④ Honjo district | Manufacturing and contract manufacturing of info-telecom equipment | 4-1-1, Ojima, Honjo-shi, Saitama-ken 367-8686 |
| ⑤ Takasaki district | Development of information processing equipment | 3-1 Futaba-cho, Takasaki-shi, Gunma-ken 370-8585 |
| ⑥ Tomioka district | Manufacturing of information terminal equipment | 1256-1 Tomioka, Tomioka-shi, Gunma-ken 370-8510 |
| ⑦ Numazu district | Development and manufacturing of traffic systems and acoustic positioning systems | 688 Oo-suwa, Numazu-shi, Shizuoka-ken 410-0873 |
| ⑧ Warabi district | Development of software | 1-16-8, Chuo, Warabi-shi, Saitama-ken 335-8510 |
| ⑨ Kansai Laboratory | Research and development | 2-5-7, Honmachi, Chuo-ku, Osaka-shi, Osaka-fu 541-0053 |
| ⑩ Hokkaido Regional Office | Product sales | 3-1-44, Kita 3-jo Nishi, Chuo-ku, Sapporo-shi, Hokkaido 060-0003 |
| ⑪ Tohoku Regional Office | Product sales | 1-4-1, Oomachi, Aoba-ku, Sendai-shi, Miyagi-ken 980-0804 |
| ⑫ Chubu Regional Office | Product sales | 1-11-20, Nishiki, Naka-ku, Nagoya-shi, Aichi-ken 460-0003 |
| ⑬ Hokuriku Regional Office | Product sales | 1-33, Takaokamachi, Kanazawa-shi, Ishikawa-ken 920-0864 |
| ⑭ Kansai Regional Office | Product sales | 2-5-7, Honmachi, Chuo-ku, Osaka-shi, Osaka-fu 541-0053 |
| ⑮ Chugoku Regional Office | Product sales | 15-10 Hatchobori, Naka-ku, Hiroshima-shi, Hiroshima-ken 730-0013 |
| ⑯ Shikoku Regional Office | Product sales | 1-7-5, Bancho, Takamatsu-shi, Kagawa-ken 760-0017 |
| ⑰ Kyushu Regional Office | Product sales | 2-13-7, Tenjin, Chuo-ku, Fukuoka-shi, Fukuoka-ken, 810-0001 |
| ⑱ Oki Data Corporation (Shibakoen district) | Sales of printer products | 2-4-1 Shibakoen, Minato-ku, Tokyo-to 105-0011 |
| ⑲ Oki Data Corporation (Fukushima district) | Development and manufacturing of printers, fax machines and peripherals | 1-1, Shono, Tatsuda, Fukushima-shi, Fukushima-ken 960-2196 |
| ⑳ Oki Printed Circuits Co., Ltd. | Design and manufacturing of printed circuit boards | 1 Fukuda-machi, Joetsu-shi, Niigata-ken 942-0032 |
| ㉑ Nagano Oki Electric Co., Ltd. | Design, manufacturing and contract manufacturing of electronic equipment | 965-1, Mimitori, Komoro-shi, Nagano-ken 384-0084 |
| ㉒ Shizuoka Oki Electric Co., Ltd. | Design and manufacturing of measuring and control equipment | 681-1 Azamihara, Oo-suwa, Numazu-shi, Shizuoka-ken 410-0873 |
| ㉓ Miyagi Oki Electric Co., Ltd. | Manufacturing of semiconductor ICs | 1, Okinodaira, Ohira-mura, Kurokawa-gun, Miyagi-ken 981-3693 |
| ㉔ Miyazaki Oki Electric Co., Ltd. | Manufacturing of semiconductor ICs | 727 Kihara, Kiyotake-cho, Miyazaki-gun, Miyazaki-ken 889-1695 |
| ㉕ Tama Oki Electric Co., Ltd. | Inspection of semiconductor ICs | 4-8-3, Nakanokami-cho, Hachioji-shi, Tokyo 192-0041 |
| ㉖ Oki Sensor Device Corporation | Development and manufacturing of electronic components | 550-1, Higashi Asakawa-machi, Hachioji-shi, Tokyo 193-8550 |
| ㉗ Oki Micro Engineering Co., Ltd. | Development and manufacturing of motor solenoid | 1, Sasakinotate, Fukushima-shi, Fukushima-ken 960-8057 |
| ㉘ Oki Digital Imaging Corporation | Development, manufacturing and sales of LED units and LED heads | 550-1, Higashi Asakawa-machi, Hachioji-shi, Tokyo 193-8550 |
| ㉙ Oki Power Tech Co., Ltd. | Development and manufacturing of power supply units | 1, Sasakinotate, Fukushima-shi, Fukushima-ken 960-8057 |
| ㉚ Oki Power Tech Co., Ltd. (Omiya site) | Sales of power supply products | 1-38-1, Miyacho, Omiya-ku, Saitama-shi, Saitama-ken 330-0802 |
| ㉛ Shinsei Denki Co., Ltd. | Development and manufacturing of power supply products | 38-7 Iizakamachi Hirano, Fukushima-shi, Fukushima-ken 960-0231 |
| ㉜ Oki Erfolg Co., Ltd. | Manufacturing of parts and dies, chassis manufacturing | 1, Sasakinotate, Fukushima-shi, Fukushima-ken 960-8057 |
| ㉝ Oki Engineering Co., Ltd. | Measurement and analysis | 3-20-16, Hikawadi, Nerima-ku, Tokyo 179-0084 |
| ㉞ Oki Logistics Co., Ltd. | Physical distribution | 1-13-5 Eitai, Koto-ku, Tokyo 135-0034 |
| ㉟ Oki Customer Adtech Co., Ltd. | Maintenance and service | 2-7-23 Kiba, Koto-ku, Tokyo 135-0042 |
| ㊱ Oki Communication Systems Co., Ltd. | Design and manufacturing of telecommunications equipment and parts | 1, Kamiyamaguchi, Tokorozawa-shi, Saitama-ken 359-1153 |
| ㊲ Oki Supply Center Co., Ltd. | Parts management, product recycling | 4-1-1, Ojima, Honjo-shi, Saitama-ken 367-8686 |
| ㊳ Oki Environment Technologies Inc. | Design, installation, maintenance and management of environmental facilities | 550-5, Higashi Asakawa-machi, Hachioji-shi, Tokyo 193-8550 |
| ㊴ Oki Network Integration Co., Ltd. | Design and development of networks | 1-2-21, Etchujima, Koto-ku, Tokyo-to 135-0044 |
| ㊵ Oki Development Co., Ltd. | Management and construction of real estate | 1-24-4, Nishigotanda, Shinagawa-ku, Tokyo-to 141-0031 |
| ㊶ O F Networks Co., Ltd. | Design and development of communications equipment | 1-3 B-13, Nakase, Mihama-ku, Chiba-shi, Chiba-ken 261-0023 |
| ㊷ Oki (UK) Ltd. | Manufacturing of printer and fax consumables | 1 Oki Way, Wardpark, Cumbernauld, G68 0FQ, UK |
| ㊸ Oki (Thailand) Co., Ltd. | Manufacturing of semiconductor ICs | Rojana Industrial Park, 1/39 Moo 5, Tambol Kanham, Amphur U-Thai, Ayutthaya 13210 |
| ㊹ Oki Data Manufacturing (Thailand) Co., Ltd. | Manufacturing of printers and fax machines | Rojana Industrial Park, 1/39 Moo 5, Tambol Kanham, Amphur U-Thai, Ayutthaya 13210 |
| ㊺ Changzhou Oki-GEG Telecoms Ltd. | Manufacturing and contract manufacturing of communications equipment | 93 Qingtan Road Changzhou City, China 213015 |
| ㊻ Oki Electric Industry (Shenzhen) Co., Ltd. | Manufacturing of information processing equipment and printers | 601, H-1 Building East Industry Park, Overseas Chinese Town, Shenzhen, China 518053 |
| ㊼ Oki Precision (Thailand) Co., Ltd. | Manufacturing and sales of print heads for printers | Northern Region Industrial Estate, 89/3 Moo 4, Tambol Bankiang, Amphur Muang, Lamphun 51000 |

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Editorial Policy

Purpose

The purpose of this report is to present results and concrete examples of the OKI group's environmental activities to have readers understand our environmentally-conscious management.

Policy

This report presents our environment-related activities in five chapters: "Environmental Management", "Product-related Environmental Response", "Reducing the Environmental Impact of Business Activities", "Environmental Technology and Environmental Solutions" and "CSR Activities". The examples cover not only our activities of fiscal 2006, but also major efforts from the past.

Target Audience

This Environmental Report was written for the following stakeholders.

- ◆ Shareholders/investors
- ◆ Customers
- ◆ Business partners
- ◆ Government administration and educational bodies
- ◆ NPOs, NGOs
- ◆ OKI group employees

Report Period

Fiscal 2006 (April 1, 2006 - March 31, 2007)

Scope

This report covers the environment-related activities of the OKI group (Oki Electric Industry and related companies).

Schedule for the Next Report

The next report is scheduled for publication in July 2008.

Guidelines Used to Create this Report

The report was created according to the following guidelines.

- ◆ "Environmental Report Guidelines (2003 Edition)", Ministry of the Environment
- ◆ "Environmental Reporting Guidelines with Stakeholder Focus 2001", Ministry of Economy, Trade and Industry
- ◆ "Sustainability Reporting Guidelines 2002", GRI
- ◆ "Environmental Accounting Guidelines (2005 Edition)", Ministry of the Environment

Relation with Other Reports

Apart from this "Environmental Report", we plan to issue an "Annual Report" covering our economic activities and a "Social Responsibility Report" covering our social activities.



Greetings



President and Chief Executive Officer

Katsunasa Shinzuka

Aiming for a Global Environmentally-conscious Management Contributing with Technology

Stepping up its efforts for the environment, the OKI group built an organization of “company-wide network-type environmentally-conscious management” to realize efficient and high-quality environmentally-conscious management. This means that we strive to increase the effect of investments throughout the group by concentrating our management resources on the prevention of global warming, energy-saving technologies and other top-priority environmental issues, and to share and leverage various information and technical know-how related to the environment within the group to realize a highly efficient environmentally-conscious management.

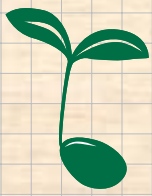
In fiscal 2006, the enforcement of the revised Energy Conservation Law in April defined concrete efforts of companies regarding energy conservation, and in July, the enforcement of the RoHS Directive in Europe was the start of new environmental regulations for products. One can say that we entered a stage where the environmental activities of companies are required to include concrete and also advanced efforts.

On the other hand, the deadline for the Kyoto Protocol is close, and the reduction of greenhouse gases is required on broad basis all over the world, from the national and corporate level up to the level of every individual citizen. To address the issue of global warming, the OKI group will improve the usage efficiency of energy in the production processes of semiconductors and others, and also make further contributions in this field together with the customers by reducing the power-consumption of OKI products even more.

Concerning our measures to control chemical substances contained in products, we set up a system that enables the entire group to share our information system for chemical substances contained in products and our parts information database, and built a system to manage chemical substance information from the design and development stage up to production. These measures have proven to be very effective.

Moreover, we expanded the scope of consolidated ISO certification for environmental management to a global scale in fiscal 2006, so that now, the scope also includes overseas production sites and the Japanese sites for design and development, production and sales. As described above, the OKI group is striving to practice consistent environmental policies and a high-quality environmentally-conscious management through “company-wide network-type environmentally-conscious management”.

The Environmental Report 2007 provides a concrete description of the environmental contributions of the OKI group and the environmentally-conscious management to realize them. I hope that this report helps you understand the OKI group’s environmental activities and their results, and that it serves as a tool for us to communicate with you.



Environmental Activities of the OKI Group

Environmental Policy

Environmental Philosophy

By providing products that contribute to the realization of the e-Society, the OKI group realizes a better global environment for the next generation and passes it on.

Environmental Activity Guidelines

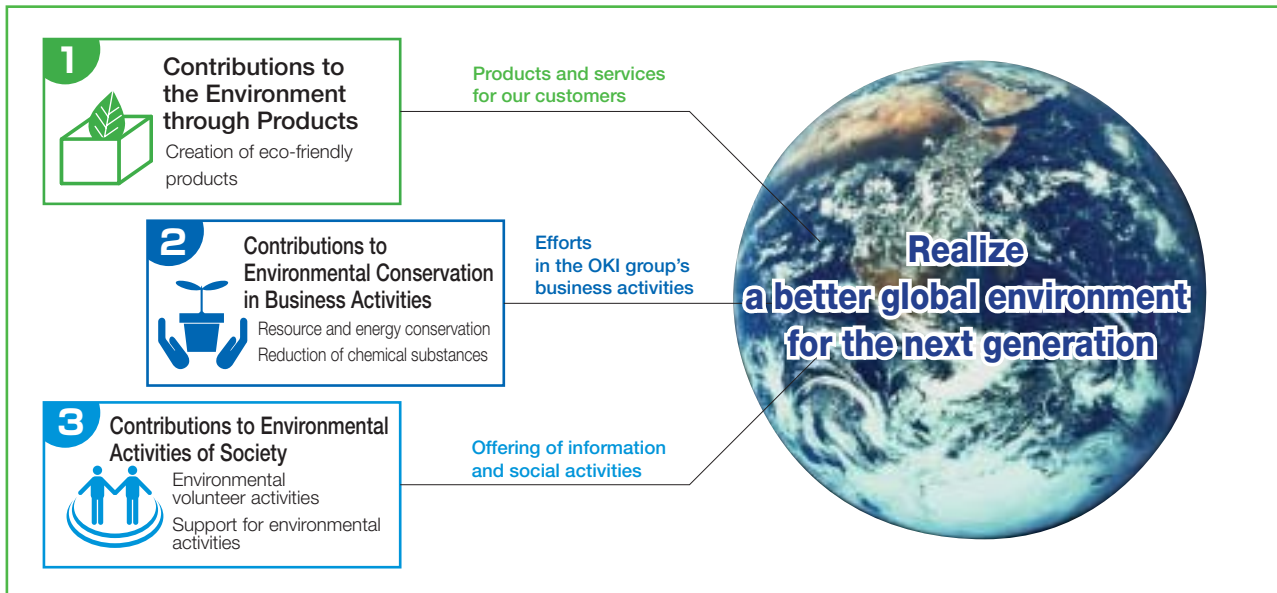
1. Strive to maximize the effect of policies and measures by executing company-wide network-type environmentally-conscious management.
 - (1) Work to provide eco-friendly products and services with respect to all work processes, from product planning up to manufacturing, maintenance and operation.
 - (2) Work for the conservation of resources and energy, and to reduce waste in business activities.
2. Comply with applicable environmental laws and regulations, ordinances and other requirements such as customer requirements agreed upon, and make efforts to prevent pollution.
3. Accurately execute the PDmCA (Plan-Do-multiple-Check-Act) of the environmental management system. Work to enhance environmental performance and to continually improve its operational system.
4. Strive to disclose environment-related information and contribute to society on a broad basis by supporting environmental activities.

Company-wide Network-Type Environmentally-Conscious Management

The efforts of the OKI group to create new eco-friendly products and realize environmentally compliant business through selection and concentration of environmentally-conscious management resources and the convergence of environment-related technologies. A single framework covering the entire company.

Pillars of Our Activities

We pursue our activities on the basis of three "contribution" pillars: "contributions to the environment through our products", "contributions to environmental conservation in business activities" and "contributions to environmental activities of society".

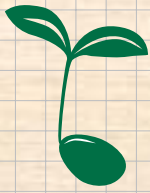


Focus Themes of Fiscal 2006

Promotion of Measures to Prevent Global Warming

Promotion of Product-related Environmental Measures

Reinforcement of Environmental Compliance Measures



Topics of Fiscal 2006

Scope Expansion of the OKI Group's Consolidated Environmental ISO Certification to Overseas

We expanded the scope of the OKI group's consolidated environmental ISO certification, which we built in fiscal 2004, to the Thailand area of our overseas sites, and acquired certification by a third-party institution. The newly included sites are the Ayutthaya sites of Oki (Thailand) and Oki Data Manufacturing (Thailand), and the Chiang Mai site of Oki Precision (Thailand). In Japan, we additionally integrated 8 group companies and 10 sites of group companies for design and development, sales, production, services and others.



Oki Precision (Thailand) receiving the registration certificate



Third-party examination at Oki (Thailand)

Acquisition of Approval for Cross-jurisdictional Waste Treatment Manufacturer Scheme

As part of the establishment of a recycling-based society, the OKI group was approved by the Ministry of the Environment for the "Cross-jurisdictional Waste Treatment Manufacturer Scheme", which has the purpose of improving the recyclability of used products in waste treatment.

We had been designated as a "Cross-jurisdictional Waste Treatment Manufacturer" before, but now, we added eight intermediate waste treatment contractors in an effort to enhance our system for the collection of used products even further and use the new organization for recycling treatment with even less environmental impact.

We are now able to respond even more flexibly to customer requirements related to waste treatment, such as information security management or treatment procedures. The industrial waste that the scheme is applied to includes used info-telecom equipment and printer products, which we collect and recycle.

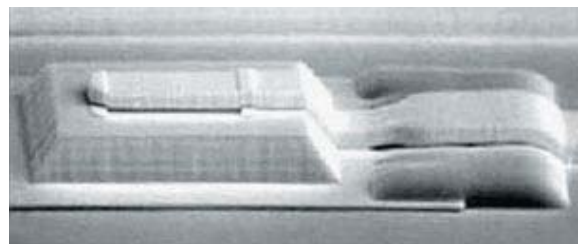
*) Cross-jurisdictional Waste Treatment Manufacturer Scheme:
An exemption scheme of the Waste Disposal and Public Cleansing Law that allows product manufacturers, etc. to treat waste across multiple prefectural districts. Its purpose is to secure a reduction of waste, as well as its adequate treatment and recycling.



Product-related Environmental Response and Environmental Technology

● Epitaxial Film Bonding Technology

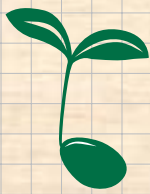
Epitaxial Film Bonding is a technology to bond thin film material using the intermolecular bonding force working between the films. By applying this technology to printer LED heads, we were the first in the world to practically apply a new kind of device that integrates a light-emitting device and a drive circuit into one unit, and succeeded in significant resource savings, miniaturization and a reduction in power consumption.



● Compact Space-saving ATM for the Chinese Market "ATM21SX"

The "ATM21SX" is a space-saving ATM with low power consumption requiring 30% less installation space compared to ordinary models and consuming 10% less power during operation compared to ordinary equipment. The use of chemical substances was restricted on the basis of OKI's original standards, and we are showing the chemical substances contained in the product in compliance with the Chinese regulations.





Topics of Fiscal 2006

Product-related Environmental Response and Environmental Technologies

● Oki Earthquake Measures Seminar 2006

Up to now, we have been holding “Oki Environmental Seminars” presenting examples for product environmental measures in the OKI group, such as on our “Management System for Chemical Substances Contained in Products” or “Lead-free Soldering”.

In fiscal 2006, we held the “Oki Earthquake Measures Seminar 2006”. The seminar was titled “Corporate Earthquake Measures and Risk Management at Manufacturing Sites” and mainly presented examples from the response to the two large earthquakes experienced by Miyagi Oki Electric.

The agenda included a presentation of examples for the utilization of the “emergency earthquake information” at the OKI group, and a lecture on “Utilizing Emergency Earthquake Information” by Mr. Fujinawa, Senior Managing Director of the nonprofit organization Real-time Earthquake Information Consortium.



● Exhibition at the ECO-MANufacture2006 (Exhibition on Environment and Energy Measures of the Manufacturing Industry)

The OKI group has commercialized the internal environmental technologies it had been nurturing in the environmental field, and these technologies are highly appreciated by our customers. The OKI group centers its business on network solutions and practices network-type environmentally-conscious management, in other words, we are an IT corporation. However, on the other hand, we are also engaged in semiconductors and mechatronics products, so that we also have a manufacturer side. This is why

we offer a broad lineup of environmental solutions, from software to hardware, without being focused on one specific field.

The environmental technologies we showed in this exhibition were “IT systems supporting the control of chemical substances contained in products”, “chemical analysis services”, which are an evaluation technology for the first, and then the “real-time earthquake disaster prevention system”, which was built on the basis of actual experiences in the Miyagiken-Oki Earthquake.

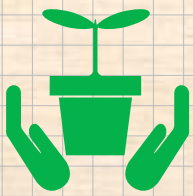


Efforts to Ensure Environmental Compliance

Improvement of the Company-wide Information Management System on Environment-Related Laws and Regulations

In addition to information on the revision of laws and regulations etc. at each site of the OKI group and equipment and environmental aspects subject to these laws and regulations, the system centrally manages information on notices filed and to be filed, and also addresses the issue of passing on technologies and information. In the improvements of fiscal 2006, we added a function allowing reverse searches for information on laws and regulations by equipment or environmental aspect. The function is used for the assessment when considering the introduction of equipment.





Environmental Management

The main pillar of OKI's environmental activities is the Environmental Management System. With an eye on our social responsibility, we built an environmental management system that covers the entire OKI group. In addition, we drafted the environmental protection activity program "Oki Eco Plan 21" and are promoting concrete efforts to achieve the targets set in this program.

Environmental Protection Activity Program "OKI Eco Plan 21" and Achievements

To reduce its impact on the environment, the OKI group established the environmental protection activity program "Oki Eco Plan 21" as the base for its environmental conservation efforts. As the following table shows, the targets set in the "Oki Eco Plan 21 (Version 2006)" were mostly achieved.

In fiscal 2007, our activities will be based on the "Oki Eco Plan 21 (Version 2007)", which includes new measures drafted on the basis of the results from the previous fiscal year.

● Oki Eco Plan 21 (2006 version) : Targets and Achievements

| Category | Activity | Mid-term Target for Fiscal 2007 | Target for Fiscal 2006 | Achievements of Fiscal 2006 | | | | |
|--|---|---|---|--|--|-------------------------------------|----|----|
| | | | | Results | Evaluation | See Page | | |
| Products | Environment-affecting substances contained in products Response to the RoHS Directive (Mercury, cadmium, lead, hexavalent chromium, PBB, PBDE) • Hardware products • Supply products | Disclosure of information on chemical substances on the basis of laws and regulations/standards | Customer products subject to the RoHS Directive | All applicable products are conforming | ○ | 19 | | |
| | | Construction of company-wide operational system | | | | 20 | | |
| | Material recycling of used products | Construction of internal recycling system and expansion of its scope (approval as a Cross-jurisdictional Waste Treatment Manufacturer) | Improvement of operation (Improvement of recycling ratio) | Acquisition of approval as "Cross-jurisdictional Waste Treatment Manufacturer" | Acquired approval and started operations | ○ | 21 | |
| Business Activities | Prevention of global warming | • Review of operation • Application of other measures | Electronic devices | Basic unit: at least -6% (compared to fiscal 2003) | Basic unit: at least -2% (compared to fiscal 2003) | Cut by 9% (absolute quantity + 2%) | ○ | 27 |
| | | | Info-telecom equipment | Basic unit: at least -6% (compared to fiscal 2003) | Basic unit: at least -2% (compared to fiscal 2003) | Cut by 26% (absolute quantity -33%) | ○ | 28 |
| | Reduction of the emission of greenhouse gases into the air | Implementation of measures | Establish plan for implementation | Plan for up to 2010 established | ○ | 29 | | |
| Environmentally-conscious Management | Resource recycling | Reduction of waste in production activities (Maintenance/continuation of zero emissions) | Continuation | Continuation | Partly non-achievement of zero emissions | △ | 30 | |
| | Restriction of environment-affecting chemical substances | Restriction of emissions and handled quantities of environment-affecting chemical substances (restricted chemical substances except for greenhouse gases) | At least -5% (compared to fiscal 2001) | At least -2% (compared to fiscal 2001) | 6% increase compared to fiscal 2001 | × | 31 | |
| | | | 32 | | | | | |
| Reinforcement of the Environmental Management System | Promotion of company-wide network-type environmentally-conscious management (consider and implement expansion of system scope in Japan and overseas) | (Considerations on) expansion in Japan and overseas | (Considerations on) expansion in Japan and overseas | Expansion by 10 sites | ○ | 33 | | |
| Reinforcement of environmental compliance | Improvement of understanding of own environmental results/policy, etc. by outsiders (Organization of seminars, training classes) | Organization of seminars (products, etc.) | Organization of seminars (disaster prevention, etc.) | Held seminars and conducted training | ○ | 34 | | |
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Environmental Management

Environmental Accounting

The OKI group introduced environmental accounting in fiscal 1999 to evaluate the effect of its investments in an adequate way and thus to ensure that its activities are efficient.

Fiscal 2006 Environmental Accounting Records

The amounts for investments and cost were about the same as in the previous fiscal year. The economic benefit amounted to 390 million Yen, which means that we were able to record considerable gains. This is because, for example, we used less energy thanks to our energy-conservation and resource conservation-efforts. The accounting for the production sites covers 18 OKI group companies (28 sites) including OKI and overseas plants, and the accounting for the offices covers 19 sites, including the regional offices of OKI. Almost 100% of the manufacturing and sales divisions fall into the scope of the calculations in terms of turnover.

Environmental Conservation Costs

Investment and Cost

| Category | Key Activities | Investments | | Cost | |
|--------------------------|---|-------------|------------|--------------|--------------|
| | | 2006 | 2005 | 2006 | 2005 |
| Business area cost | Pollution prevention cost | 208 | 182 | 724 | 1,051 |
| | Global environmental conservation cost | 356 | 326 | 734 | 414 |
| | Resource recycling cost | 0 | 144 | 558 | 732 |
| | Sub-total | 564 | 652 | 2,016 | 2,197 |
| Upstream/downstream cost | Cost for green procurement (chemical substance surveys), cost for remodeling the aggregation system for chemical substances contained in products | 68 | 2 | 360 | 173 |
| Administration cost | Cost for acquiring certification, and for maintaining and managing the environmental management system | 0 | 25 | 487 | 514 |
| R&D cost | Investments into equipment to shift to lead-free soldering, costs for research and development on lead-free soldering | 20 | 36 | 136 | 135 |
| Social activity cost | Cost for the greening of production plants, cost for activities contributing to the community | 0 | 0 | 2 | 2 |
| Other cost | Cost for reserves to respond to environmental damages | 0 | 0 | 2 | 11 |
| | Total | 652 | 715 | 3,002 | 3,032 |

(Unit: million yen)

The investments were about the same as in the previous year at 650 million yen (710 million yen).

This is the result of the renewal and addition of waste water treatment facilities at overseas sites as anti-pollution measures, as well as of the introduction of highly efficient coolers at sites in

Japan as energy-conservation measures to address global warming. We further introduced a large number of equipment units to respond to the RoHS Directive, lead-free soldering and other measures. The costs stayed about the same as in the previous year at 3 billion yen (3.03 billion yen).

Benefit Related to Environmental Conservation Cost

Economic Benefit

| Category | Key Activities | Effect | |
|------------------------|---|------------|------------|
| | | 2006 | 2005 |
| Cost reduction effect | Effect from energy and resource conservation | -166 | -356 |
| | Effect from reduction of treatment cost | 20 | -1 |
| Expense saving benefit | Sale of valuable waste generated in business activities | 241 | 240 |
| | Sales of valuable used products | 295 | 33 |
| | Total | 390 | -84 |

(Unit: million yen)

| Environmental Impact Indicator | Impact | | Difference Compared to Previous Fiscal Year |
|---|--------|------|---|
| | 2006 | 2005 | |
| CO ₂ emissions (1,000 tons-CO ₂) | 299 | 310 | 11 |
| Waste emissions | | | |
| Final waste disposal (tons) | 1112 | 38 | -1,074 |

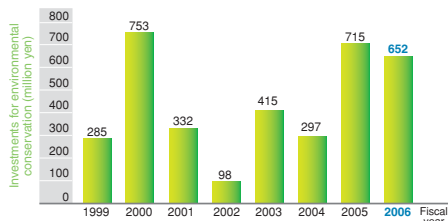
With respect to the environmental conservation effect, our CO₂ emissions shrunk by 3.5% thanks to various energy and resource-conservation measures. The significant increase of finally disposed waste was mainly caused by a change in the

acceptance criteria of the waste material recycling contractor of Miyagi Oki Electric Co., Ltd. The change made material recycling difficult.

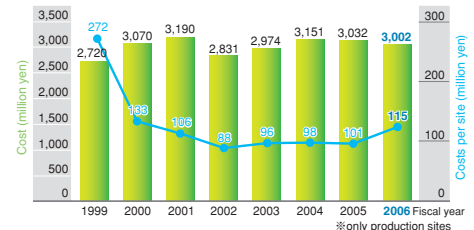
Transition of Environmental Accounting

Eight years have passed since we started environmental accounting. The graphs below show the investments, costs and economic effects of our environmental conservation activities.

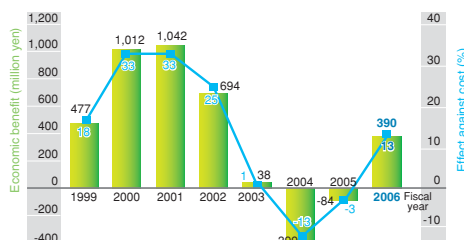
Investment



Costs



Economic Benefit



<Accounting Period>

April 1, 2006 - March 31, 2007

<Accounting Terms>

- (1) The calculation standards are based on the "Environmental Accounting Guidelines (2005 Edition)" published by the Ministry of the Environment.
- (2) A part of the accounting includes figures relating to affiliated companies located within sites that participated in the environmental impact management.
- (3) For costs where environmental conservation costs overlap with other costs, only the portion of the costs related to environmental conservation is counted.
- (4) The depreciation cost of investments is calculated using the fixed installment method for a period of three years. The economic benefit achieved with these investments is calculated for three years, in line with the depreciation period.
- (5) Personnel costs are calculated by prorating the personnel costs for the total time spent on environmental conservation activities.
- (6) The cost reduction effect and the environmental conservation effect are the values of the current fiscal year reduced by the values of the previous year.
- (7) The expense saving benefit represents the value for the current fiscal year.



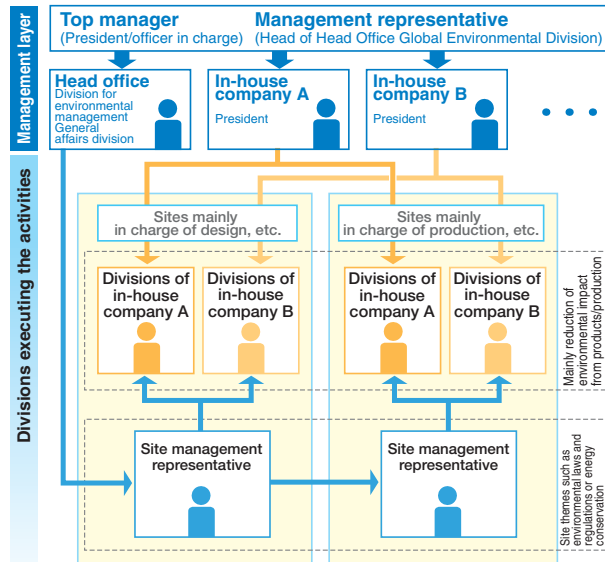
Environmental Management

Company-wide Network-Type Environmentally-Conscious Management

The OKI Group is promoting “company-wide network-type environmentally-conscious management”, which means that the activities of our sites and in-house companies are vertically and horizontally combined to achieve an efficient management on a group-wide basis. For each theme of our environmental activities,

we select and concentrate resources to resolve issues, share technologies and information, create eco-friendly products and practice business with low impact on the environment, aiming for efficient environmental measures and a maximization of their effect.

● Management by Sites and Companies



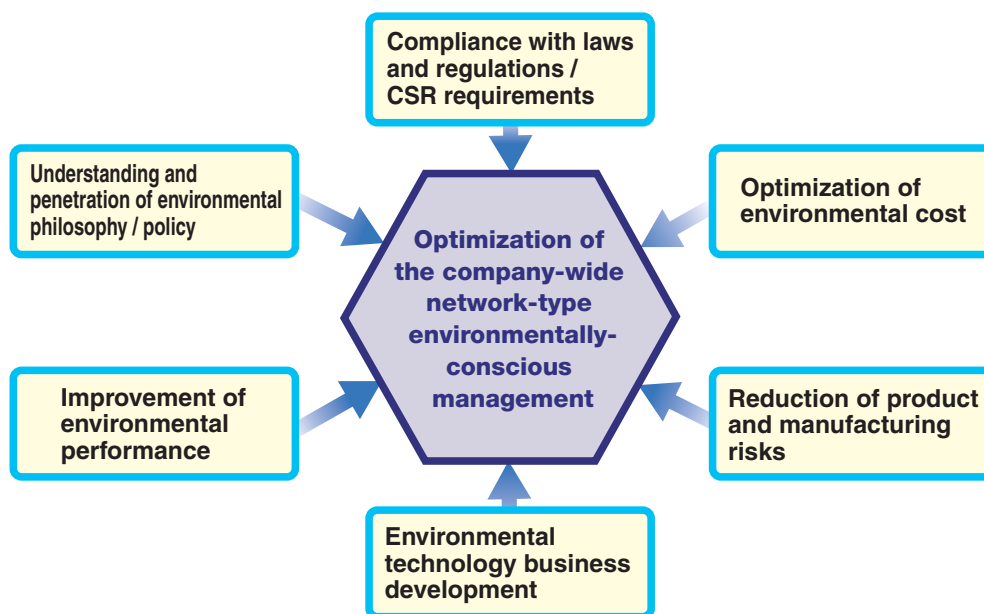
● Outline of Network-type Environmentally-conscious Management

| Theme | Reducing the environmental impact of products | | | | Reducing the environmental impact from business | | |
|----------------------------|---|----------------------------------|-----------|-------------------|---|-----------------|-----------------------------|
| | Low power consumption | Reduction of chemical substances | Lead-free | Green procurement | Energy conservation | Waste reduction | Environmental communication |
| Head office | ↓ | ↓ | ↓ | ↓ | ↓ | ↓ | ↓ |
| In-house company | Electronic devices | ↑ | ↑ | ↑ | ↑ | ↑ | ↑ |
| | Information processing equipment | ↑ | ↑ | ↑ | ↑ | ↑ | ↑ |
| | Telecommunications equipment | ↑ | ↑ | ↑ | ↑ | ↑ | ↑ |
| | Printers | ↑ | ↑ | ↑ | ↑ | ↑ | ↑ |
| | Production services | ↑ | ↑ | ↑ | ↑ | ↑ | ↑ |
| Sites and regional offices | | | | | ↑ | ↑ | ↑ |

↑ : Individual theme ↑ : Central theme ↑ : Theme covering multiple in-house companies

Optimization of Environmentally-conscious Management

Aiming to optimize our “company-wide network-type environmentally-conscious management” - an approach that is unique to the OKI group - we are promoting operational improvements of our management system from six approaches.



CSR: Corporate Social Responsibility



Environmental Management

Company-wide Consolidated ISO14001 Certification

The basic management system for the environmentally-conscious management of the OKI group was developed according to ISO14001:2004 / JISQ14001:2004 and is certified on a company-wide consolidated basis. And in fiscal 2006, three production sites in Thailand and eight group companies in Japan were additionally integrated into this certification.

For fiscal 2007, we plan to integrate our production sites in China. Through this, we strive to achieve efficient environmental measures and to maximize the effect from a global viewpoint.

● Scope of Consolidated Certification

| | |
|--|--|
| Toranomon site | Niigata site |
| Shibaura site | Gotanda site |
| Shibakoen site | Nagano site |
| Warabi site | Eitai/Isezaki site |
| Takasaki site | Hikawadai site |
| Honjo/Tomioka sites | Makuhari site |
| Hachioji site | Kansai Laboratory site |
| Numazu site | Hokkaido regional office site |
| Ikebukuro site | Tohoku regional office site |
| Etchujima site | Chubu regional office site |
| Miyazaki site | Hokuriku regional office site |
| Miyagi site | Kansai regional office site |
| Oki Data (Fukushima site) | Chugoku regional office site |
| Oki Erfolg (Fukushima site) | Shikoku regional office site |
| Oki Power Tech (Fukushima site) | Kyushu regional office site |
| Oki Power Tech (Omiya site) | Oki (Thailand) (Ayutthaya site) |
| Shinsei Denki site | Oki Data Manufacturing (Thailand) (Ayutthaya site) |
| Oki Micro Engineering (Fukushima site) | Oki Precision (Thailand) (Chiang Mai site) |



Scene of an examination



Scene of an examination

Examinations and Audits of the Environmental Management System

Every year, we conduct internal environmental audits to examine the status of environmental management on a company-wide basis and at each site and in-house company. The results of the internal environmental audits and the third-party examinations in fiscal 2006 are as shown below.

| Audit Aspect | ISO14001 Result of Third-party Examinations | Compliance with the Law and Response to Emergency Situations | Filing of Environment- related Lawsuits | Claims, etc. From Stakeholders | Achievement status of "Oki Eco Plan 21" Goals | Results of Environmental Audits |
|--------------|---|--|--|-----------------------------------|---|------------------------------------|
| Audit Result | Improved | No violation of legal obligations No emergency situation | No lawsuit filed | Nothing in particular | Achieved by large | Good |



Environmental Management

Environmental Education

All Employees

General Environmental Education

We conduct general environmental education through e-learning for all employees of the OKI group. 4,900 employees received this education in fiscal 2006. The curriculum covers the OKI group's environmental policy and environmental activities.



Sales Divisions / Design Divisions

Education to Improve Environmental Skills

We use e-learning to improve environmental skills for the sales and design divisions of OKI. In fiscal 2006, about 2,200 employees completed this training.

To have the RoHS Directive and other environmental regulations

concerning products reflected in the design of our eco-friendly products, we conduct environmental education for our design divisions on their contents and new trends.



Production Sites / Procurement Divisions

At our production sites, we regularly conduct education and training focused on the operation and management of facilities, and specialized education on environment-related laws and regulations, striving to reduce environmental risks. We further conduct environmental education on green procurement and promote it at the procurement divisions.

Software / System Engineers

In the Quality Month seminars of the Info-telecom Business Group, we held training classes on the theme "The European RoHS Directive and the Efforts of the OKI Group". The about 200 attendants now understand the shift towards more sophisticated regulations, the importance of creating eco-friendly products and the effectiveness of education.



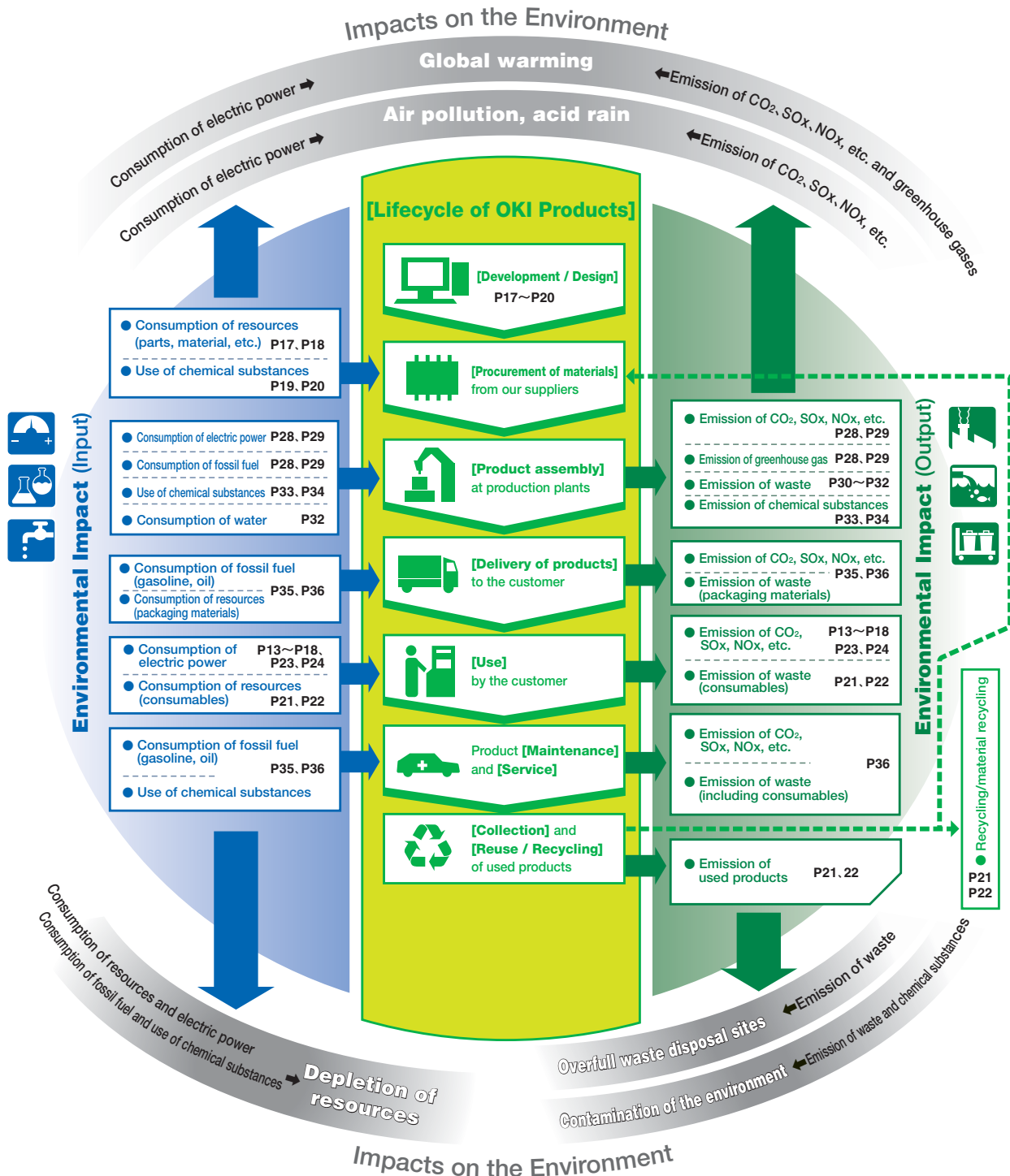


Environmental Management

Environmental Impact and Environmental Conservation Activities of the OKI Group

The illustration below shows the lifecycle of OKI products and their impacts on the environment in each stage of this lifecycle. The environmental management of the OKI group consists of environmental conservation activities that aim to reduce

environmental impacts throughout this product lifecycle. For more information on the efforts to reduce individual environmental impacts, please refer to the pages shown in the illustration.





Product-related Environmental Response

Information Processing Equipment

Information processing equipment includes, for example, banking systems, automation equipment systems, systems related to Intelligent Transport Systems (ITS), systems related to e-government, equipment related to computer networks, information network terminal equipment, security systems, and others. The products of this group are developed to offer low power consumption and to support regulations on chemical substances on a global scale.

ATM21SX

The “ATM21SX” is a compact and space-saving ATM that was developed for small and mid-size bank branches or convenience stores in the Chinese market. To respond to the limited installation space of small and mid-size branches in addition to large-size branches, we reduced the installation space by 30% compared to conventional OKI models, and the power consumption during operation by 10% compared to conventional OKI products.

The use of chemical substances was restricted on the basis of OKI’s original product environmental assessment, and we are showing the chemical substances contained in the product in compliance with the Chinese regulations.

Functional improvements also include a better maintainability and operation efficiency, which contributes to less environmental impact during the usage phase of the product. A high-definition color LCD with the largest size in the industry (15 inches), as well as user-friendly operation instructions using illustrations and voice guidance provide the customer with easy-to-use display functions, and the equipment also supports 24h operation.

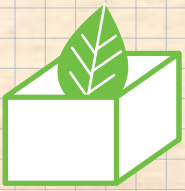


<http://www.oki.com/en/press/2007/z07008e.html>

Product Features

The ATM21SX realizes flexible support for all installation conditions as well as rationalization through unattended operation over a long time from a global perspective.

- ① Nonstop ATM
Considering continuous operation for 24 hours a day, we added a function for the automatic removal of banknote jams and a function for the automatic return of the bank card during power outages to realize a “Nonstop ATM”.
- ② Banknote Recycling
The equipment allows the use of deposited banknotes as withdrawal banknotes to enable highly efficient banknote operations in a compact chassis.
- ③ Support for Unattended Operation over a Long Time
With the ability to accommodate 7000 banknotes and 5000 receipts, the product realizes drastically reduced operation costs through long-term unmanned operation and improvements in the reliability of the equipment.
- ④ People-friendly ATM
We realized a people-friendly ATM by improving operability for the customers who actually use the equipment and also for the bank personnel who perform maintenance.
 - Friendly operation guidance through illustrations and voice
 - Prevention of outsiders peeking in from the side during key input
 - Back mirror to check the space around the back
 - Graphical display of defect locations and cassette status



Product-related Environmental Response

Printers

Our product family of color LED printers employs the latest epitaxial film bonding technology for low power consumption, a compact size, light weight and high-speed printing. And our product family of dot-matrix printers was developed to have a longer life and support regulations on chemical substances on a global scale.

C3400n

The color LED printer CN3400n is equipped with the latest LED print head, which was developed using cutting-edge epitaxial film bonding technology. The printer supports paper sizes of up to A4 and offers high image quality, high-speed printing and low power consumption while being small in size. Our original “single-pass” method prints four colors in one step, realizing continuous printing at a high speed.

The printer is the smallest and lightest in its class* with a volume of only about 64% of ordinary products.

*) A4 color printers with a color printing speed of at least 10 ppm



<http://www.okidata.com/mkt/html/nf/c3400nhome.html>

Product Features

The design concept of this product is named “S³ (S cube), which means that the printer was designed on the basis of the three “S”-keywords SIMPLE, SMART and SOLID. The superior design concept has won a high reputation, and the printer received the “Good Design Award” of the Japan Industrial Design Promotion Organization.

- ① Support for paper sizes from postcards up to A4
- ② Standard support for Ethernet (100Base-TX / 10Base-T)
- ③ Standard cassette holds up to 250 sheets of paper
- ④ Compact and simple design well suited for desktop use
- ⑤ High-speed color output of 16 papers per minute (during A4 copy mode; the first print* requires about 12 seconds (color))
- ⑥ Simple structure facilitates the removal of paper jams.
- ⑦ Multilevel head for high image quality.
- ⑧ Low running costs allow color printing with ease of mind

*) The time from the printer startup until the paper output to the output tray is finished (paper feed from first tray). Does not include the data processing time and the time for color adjustments.

S³ (S Cube)

- SMART (intuitive, intelligent, supportive)
- SOLID (well-built, reliability, assured)
- SIMPLE (elegant, clean, pure)



Product-related Environmental Response

Communications Equipment

Telecommunications equipment includes IP telephone systems, enterprise information systems, Computer Telephony Integration (CTI) systems, video streaming systems, electronic switching equipment, digital transmission equipment, optical communications equipment, wireless transmission equipment, LAN/WAN and network systems. The development of this product family concentrates on power-conservation and resource-conservation measures such as making the products smaller and lighter.

IPstage® SX

Our IP and mobile business phone “IPstage® SX” is equipped with the basic functions of a business phone while providing comprehensive support for the much-discussed “Hikari Denwa”* optical telephone service, connection with nurse call systems at hospitals and various business processes at hotels and inns.

The product further offers high environmental performance with 54% less power consumption, 52% less mass and 59% less volume compared to ordinary products. The rich lineup of functions and high environmental performance contribute to the integration of communications and rationalization of operations, thus reducing environmental impact during the usage phase of the product.

*) Hikari Denwa is a registered trademark of NTT.



<https://www2.oki-partner.net/>

Product Features

A rich lineup of functions, wireless LAN dual terminals and PHS realize a highly responsive mobile environment, contributing to a better service of our customers.

① IP & Mobile

IP telephone services enable users to reduce their communications cost. The wireless LAN dual terminals improve functionality and reduce mobile phone call charges. Further, on-premise PHS services can be used on LAN networks (IP networks).

② Softphone

The product offers support for “Com@WILL® Softphone”, which provides a variety of communications means. These include video phone and video conferencing (up to 4 participants) with high image and sound quality, message recording and application sharing allowing users to show their communication partner material on their own PC.

③ Business Phone Functions

The product provides a variety of functions required for office use, including “outgoing-call restriction”, which prevents outgoing calls to registered numbers, a reduction of call charges through automatic allocation of carrier codes, built-in voice mail allowing the recording of conversations at one touch of a button, and others.

④ High Sound Quality “eSound™”

The product supports OKI’s original IP phone technology “eSound™”, which offers a sound quality that is greatly superior to conventional telephones. Conversation is easily understandable, and the sound has a real feel to prevent misunderstandings due to wrong hearing. We also offer multi-functional phones equipped with “my eSound™”, which enables a clear sound quality irrespective of what system the partner is using.

⑤ Connection with Nurse Call Systems

The product works with nurse call systems, allowing users to use the PHS handsets as cordless handsets of a nurse call system. Nurses can instantly respond to calls from patients even while on rounds of visits in a hospital and can also smoothly communicate with each other.

⑥ Hotel Functions

The product offers comprehensive support for business processes in hotels and inns. A browser for hotel business processes and PHS enable smooth communication among the staff members to improve the quality of their guest services.



Product-related Environmental Response

Semiconductors

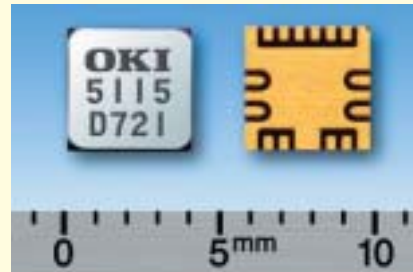
Our varied lineup of electronic devices includes display driver LSIs, P2ROM/OTP, communications LSIs, DRAM, Speech & Audio, micro controllers, real-time clock, ASICs and others as well as GaAsICs (optical communications ICs, high frequency devices) and fiber-optic devices (LD modules, PD modules, EA modulator modules, etc.) as optical components. In the field of devices for personal and mobile equipment, we develop products offering high environmental performance such as resource and power conservation.

KGL5115KD

The "KGL5115KD" is an EML*¹ driver IC for 10 Gbps optical communication operating at a power supply voltage of +3.3V. With 0.45W at 2.3 Vpp amplitude, the product realizes the world's lowest power consumption while including a compact package with one of the smallest footprints in the world. In compact pluggable modules for 10 Gbps optical communication, such as XFP / SFP+*², this enables high quality optical wave patterns as well as cuts in size and power consumption.

While maintaining the high-quality wave pattern characteristics of the OKI driver ICs using GaAs PHEMT*³, we optimized the design of the output circuits with high power consumption and succeeded in cutting power consumption by about 25% compared to ordinary OKI products. The product further uses 4 x 4 mm small ceramic packages for miniaturization.

- * 1) EML (Electro-Absorption Modulated Laser):
An optical semiconductor element integrating an electro-absorption optical modulator and a laser diode as the light source
- * 2) XFP / SFP+:
A type of multi-source agreement for transceiver modules for 10 Gbps optical communication
- * 3) GaAs PHEMT:
A high-speed compound semiconductor device using a two-dimensional electron gas layer as a channel



<http://www.oki.com/en/press/2007/z06184e.html>

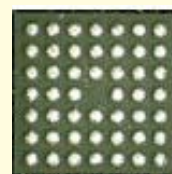
W-CSP

Wafer Level CSP is the smallest package in the world supporting high performance and miniaturization as typically required in mobile equipment.

OKI developed this package on the basis of package technology developed for its own semiconductor devices. We offer foundry services for the latest packages, providing strong support to help our customers develop superior products.

< Ultra-small / Ultra-light >


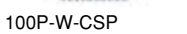
- Realizes revolutionary small packages with only 10% of the mounting area and 10%* of the mass of conventional products



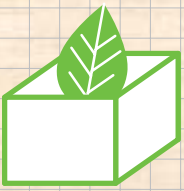
<Ultra-thin>

- Achieved 0.5 mm thickness (typ.) for LGA.
- Applications: semiconductor devices for mobile phones, PDA, DSC, cards and other compact and light-weight equipment
- Specifications: connection terminal material: eutectic crystal, Pb-free (Sn-Ag-Cu)
Connection terminal form: LGA, BGA

*) Compared with OKI 100-pin TQFP

| QFP/WCSP Comparison | PKG Size (mm ²) | Mounting Area (mm ²) | Terminal Pitch (mm) | Weight (g) |
|--|-----------------------------|----------------------------------|---------------------|------------|
| 100P-TQFP  | 14×14 | 256 | 0.5 | 0.26 |
| 100P-W-CSP  | 5×5 | 25 | 0.5 | 0.03 |

<http://www2.okisemi.com/site/productscatalog/wcsp/WaferLevelChip.html>

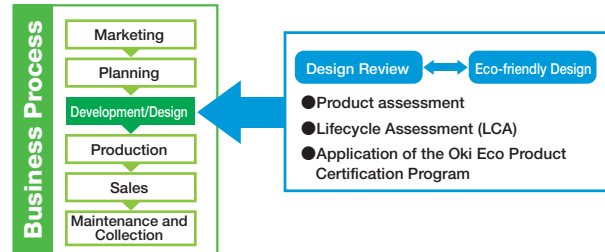


Product-related Environmental Response

Product Assessment

Operation of Product Assessment

The OKI group introduced a product assessment scheme in fiscal 1995. In this mechanism, we assess the environmental impact - energy and resource conservation, recyclability, reduction of chemical substances, and others - throughout the lifecycle of a product and act on the results in order to reduce environmental impact in the development and design phase of the product. The OKI group works to reduce the environmental impact of its products by conducting product assessment or Lifecycle Assessment (LCA), and also by running the "OkI Eco Product Certification Program".



Product assessment is a method to ease the environmental impact of a product by comparing predetermined evaluation items (for example, energy conservation, resource conservation or recyclability) with a "reference model" (the previous model, etc.) and repeating the design process until the judgment criteria are satisfied. The evaluation items and judgment criteria are

determined separately for each product family – information processing equipment, printers, telecommunications equipment, and so forth – to ensure that the assessment fits the characteristics of the product. The following presents an example of the main evaluation items and criteria for telecommunications equipment.

● Main Evaluation Items and Judgment Criteria for Telecommunications Equipment

Product Body

| Evaluation Item | | Judgment Criteria (Comparison with Reference Model) |
|--|---|---|
| Energy conservation | Energy consumption during operation and in stand-by mode | Reduction of power consumption |
| | | Compliance with energy conservation laws and the International Energy Star Program |
| | | Employment of power management functions |
| Resource conservation | Making smaller and lighter products | Reduce product volume and mass |
| | Use of recycled resources, etc. | Increased use of recycled resources (recycled plastic, etc.) |
| Recyclability | Potential for recycling, such as by reuse or resource recovery | Increase of recyclability = mass of recyclable resources/mass of product itself x 100 |
| Ease of product dismantling | Making it easier to dismantle, collect and transport the product | Reduction of maximum volume and maximum size of dismantled product |
| | Structure that allows easy dismantling of product and separation of materials | Reduction of the number of required tools and special tool types (reduction of special screws and nuts, etc.) Easiness of removing batteries |
| | Separability of materials | Reduction of the types of material Easiness of separating product into single materials (indicate material type) |
| Making products with a longer life | Support for version upgrades | Adaptability through exchange of packages or download functions. |
| Reduction of chemical substances contained | Preventing environmental pollution during use and disposal | Increased reduction ratio of environmental pollutants contained in products |
| | | Adequate instructions on treatment in case these substances are contained |



IPstage® MX

Packaging / Wrapping

| Evaluation Item | | Judgment Criteria (Comparison with Reference Model) |
|--|---|---|
| Resource conservation | Reduced quantity of material used | Reduce used quantities of wood (including plywood), corrugated cardboard (raw material for paper) |
| | | Reduce the number of nails and staples |
| | | Reduce the used quantities of foam material, resin boards, and other sheets |
| Recyclability | Making the packages smaller | Reduce the ratio of vacant space in packages = (Total volume - product volume) / Total volume x 100 |
| | Promotion of material recycling | Reduce the number of parts that do not allow material recycling |
| | Promotion of reuse | Use of recycled paper from corrugated cardboard |
| Reduction of chemical substances contained | Restriction of the generation of hazardous substances | Do not use environmental pollutants |
| Collectability | Easiness of material separation | Reduce the number of points where different materials are joined |
| Disposability | Disposability | Make it possible to fold and crush package for disposal |
| | Indication of material type | Provide adequate indication in accordance with the Containers and Packaging Recycling Law |



Product-related Environmental Response

Product Assessment

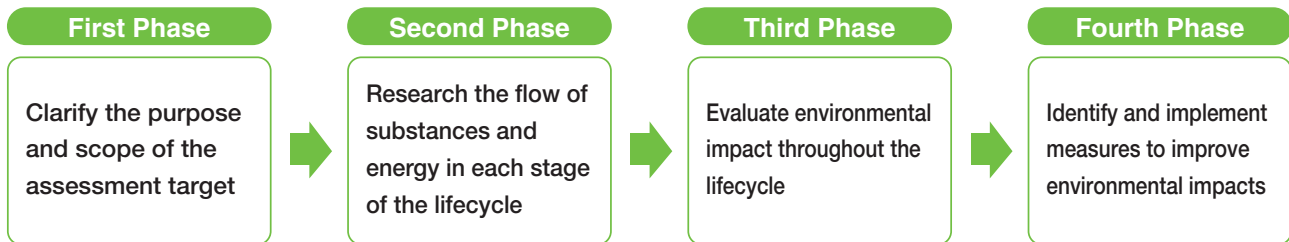
Lifecycle Assessment (LCA)

LCA Evaluation

LCA is a method of evaluating effects on the environment by quantifying flows of material and energy throughout the entire lifecycle of a product from production up to its disposal in a comprehensive way. It is an effective technique to grasp the environmental impact of a product throughout its lifecycle. Up to

now, we have been evaluating, for example, ATM equipment or printers. The assessment of CO₂ emissions showed that, in every case, the environmental impact is the largest during the use by the customer. The LCA results are used as a tool for eco-friendly design.

● Lifecycle flow



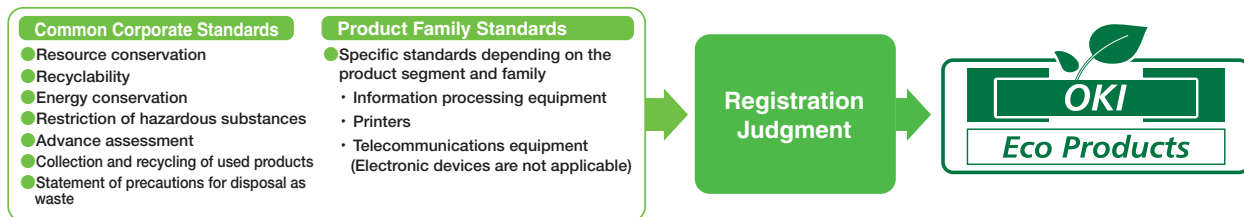
OKI Eco Products

OKI Eco Product Certification Program

OKI has been operating the “OkI Eco Product Certification Program” since fiscal 2001 in order to provide customers with products that are friendly to the environment. The “OKI Eco Product Certification Program” internally certifies products that meet OKI’s original environment standards as “OKI Eco Products”. The program also provides the customer with

environmental information on the product. Certified products bear a symbol mark in catalogs or user manuals, and are published in the Internet together with the certification standards. Products that satisfy both the standards common to all products (common corporate standards) and the individual standards that incorporate characteristics specific to each product (product family standards) are certified as “OKI Eco Products.”

● Flow until OKI Eco Product Certification



● List of Eco Products

| Registration No. | Product Name | Product Family | Registration No. | Product Name | Product Family |
|------------------|--|--------------------------------|------------------|---|--------------------------------|
| 1 | MICROLINE 3010C (N31031C) | Printers | 24 | VC12R—FXS | Telecommunications equipment |
| 2 | MICROLINE 14C (N23021) | Printers | 25 | VC12R—BRI | Telecommunications equipment |
| 3 | MICROLINE 660PS (N21021) | Printers | 26 | VC14R—FXS | Telecommunications equipment |
| 4 | MICROLINE 3020C (N31061C) | Printers | 27 | BV1270—FXS | Telecommunications equipment |
| 5 | MICROLINE 3050C (N31060C) | Printers | 28 | BV1270—OD | Telecommunications equipment |
| 6 | MICROLINE 9055C (N31060C) | Printers | 29 | KG2000A—MCUA | Telecommunications equipment |
| 7 | MICROLINE 24DXn (N23018A) | Printers | 30 | BV1270SIP-BRI | Telecommunications equipment |
| 8 | IPstage LU32 | Telecommunications equipment | 31 | BV1270SIP-TA | Telecommunications equipment |
| 9 | IPstage CCU192 | Telecommunications equipment | 32 | BV1600PRI | Telecommunications equipment |
| 10 | IPstage CCU768 | Telecommunications equipment | 33 | BV1600TTC2M | Telecommunications equipment |
| 11 | Office stage | Telecommunications equipment | 34 | KM1014D-LCR | Telecommunications equipment |
| 12 | PF1020E | Telecommunications equipment | 35 | MKT/IP-20DKW-ECI telephone set | Telecommunications equipment |
| 13 | ATM21/B | Financial terminal equipment | 36 | BX9100-IP Line trunk equipment C | Telecommunications equipment |
| 14 | Voice Adapter11 | Telecommunications equipment | 37 | BX5200 | Telecommunications equipment |
| 15 | BV1260 Internet Voice Gateway OD Model / FXS Model | Telecommunications equipment | 38 | MKT/IP-30DKW telephone set | Telecommunications equipment |
| 16 | CM21 | Financial terminal equipment | 39 | MWINS BR2101 | Telecommunications equipment |
| 17 | If Station GH2 | Information terminal equipment | 40 | MWINS BR2102 | Telecommunications equipment |
| 18 | If Station SS4 | Information terminal equipment | 41 | SecApPlat | Telecommunications equipment |
| 19 | BV1500 Internet Voice Gateway | Telecommunications equipment | 42 | Staff-operated cybernetics ticketing equipment (DTPR) | Information terminal equipment |
| 20 | Post office counter terminal equipment (V-type) CTMV | Financial terminal equipment | 43 | BX050 (IPstage SX) | Telecommunications equipment |
| 21 | IPstage EX100 | Telecommunications equipment | 44 | BX060 (IPstage MX) | Telecommunications equipment |
| 22 | MKT/IP-20D telephone set | Telecommunications equipment | 45 | MKT/R | Telecommunications equipment |
| 23 | MKT/IP-20DKW telephone set | Telecommunications equipment | | | |



Product-related Environmental Response

Control and Restriction of Chemical Substances Contained in Products

Chemical substances may have a grave effect on the environment if they are not used and controlled in an adequate way. The OKI group is working to control and restrict chemical substances contained in its products, considering their effect on the environment.

Control Criteria for Chemical Substances Contained in Products

We classify those chemical substances in our products that have a grave effect on human health or the environment into prohibited substances, restricted substances and voluntarily controlled substances to manage them in a comprehensive way. The chemical substances we control also include the six substances subject to the RoHS Directive.

Control Criteria for Chemical Substances Contained in Products

| Classification | Prohibited Substances | Restricted Substances | Voluntarily Controlled Substances |
|----------------------|---|--|--|
| Number of Substances | 41 | 9 | 435 |
| Designation Criteria | <ul style="list-style-type: none"> Substances prohibited for manufacturing and use by laws and regulations Substances prohibited by OKI | <ul style="list-style-type: none"> Substances that may adversely affect human health or the environment in the future | <ul style="list-style-type: none"> Substances subject to PRTR |

Green Procurement Surveys

The OKI "Green Procurement Standards" we are currently operating were established on the basis of the international "Joint Industry Guidelines" (JIG) and the Survey Reply Tool Ver.3 of the Japan Green Procurement Survey Standardization Initiative (JGPSSI). We conduct surveys on the corporate organization and environmental conservation efforts of our business partners, as well as on the chemical substances contained in the articles delivered to us. OKI's "Green Procurement Standards" consist of two documents: one that is applied to electronic and mechanical parts purchased by the info-telecom equipment divisions, and one that is applied to material, etc. purchased by the electronic device divisions. The standards are published on our website.

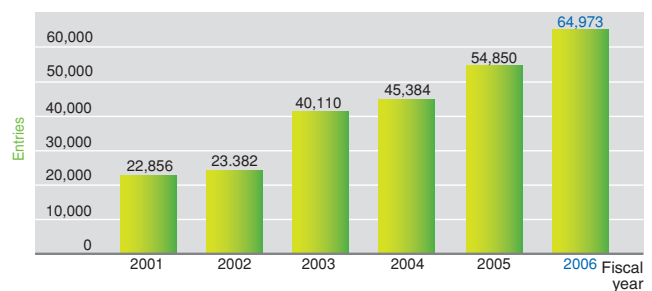


<http://www.oki.com/en/eco/>

Database on Chemical Substances Contained in Parts

Information on chemical substances contained in purchased parts and materials is registered in our Parts Information Database. In fiscal 2006, the accumulated number of entries in this database grew by 18% compared to fiscal 2005 to about 65,000. In the future, we will continue to enhance our Parts Information Database even further.

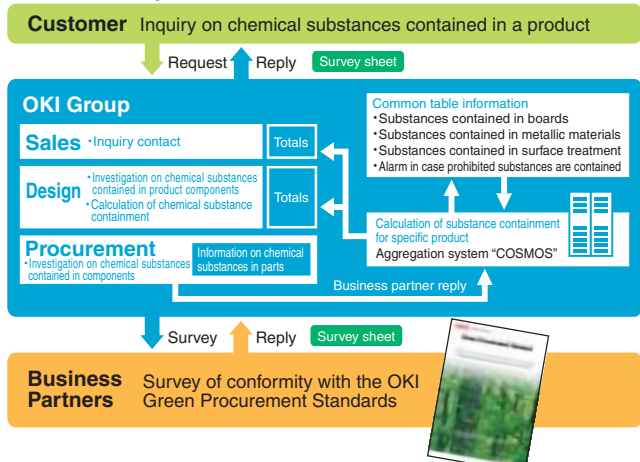
Accumulated Number of Entries in the Parts Information Database



Information System for Chemical Substances Contained in Products

"COSMOS" is an information system for chemical substances contained in products. We developed this system by ourselves and are now using it throughout the OKI group. COSMOS enables us to share the results of green procurement surveys, to rationalize the calculations on chemical substances contained, and also to rapidly reply to surveys that we receive from customers. We will continue to enhance this system as a tool for evaluating the environmental impact of a product in a comprehensive way.

Chemical Substances Survey Flow in Green Procurement and the Information System for Chemical Substances Contained in Products





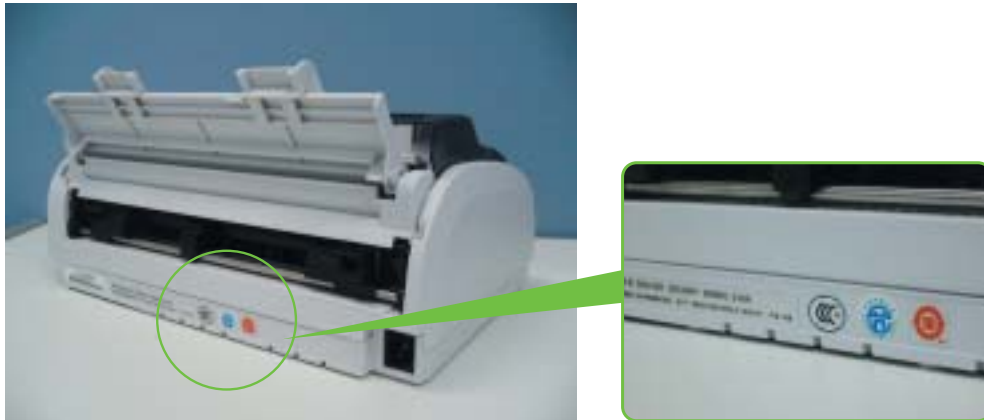
Product-related Environmental Response

Compliance with Overseas Laws and Regulations

Following the enforcement of the European RoHS Directive restricting chemical substances contained in products in July 2006, a law on "Management Methods for Controlling Pollution by Electronic Information Products" was enforced in China in March 2007. The new Chinese law makes the marking of products mandatory. The OKI group is promoting activities to control and restrict chemical substances in compliance with these regulations.

Response to the RoHS Directive and the Chinese Laws and Regulations in Products

For printer products, which have a high ratio of sales in the EU, Oki Data Corporation was fast to promote compliance with the European RoHS Directive, and the adaptation is complete for all models subject to the directive. And also for the Chinese law on Management Methods for Controlling Pollution by Electronic Information Products, the adaptation was completed for all models.



The applicable models of our information processing equipment and semiconductors also fully comply with the European RoHS Directive and China's law on Management Methods for Controlling Pollution by Electronic Information Products.



Response to the RoHS Directive and the Chinese Laws and Regulations at Production Sites

The OKI group introduced X-ray fluorescence spectrometers at plants inside and outside of Japan to analyze the chemical substances contained in parts and materials during the acceptance inspection, etc.



X-ray fluorescence spectrometer



Product-related Environmental Response

Recycling of Used Products

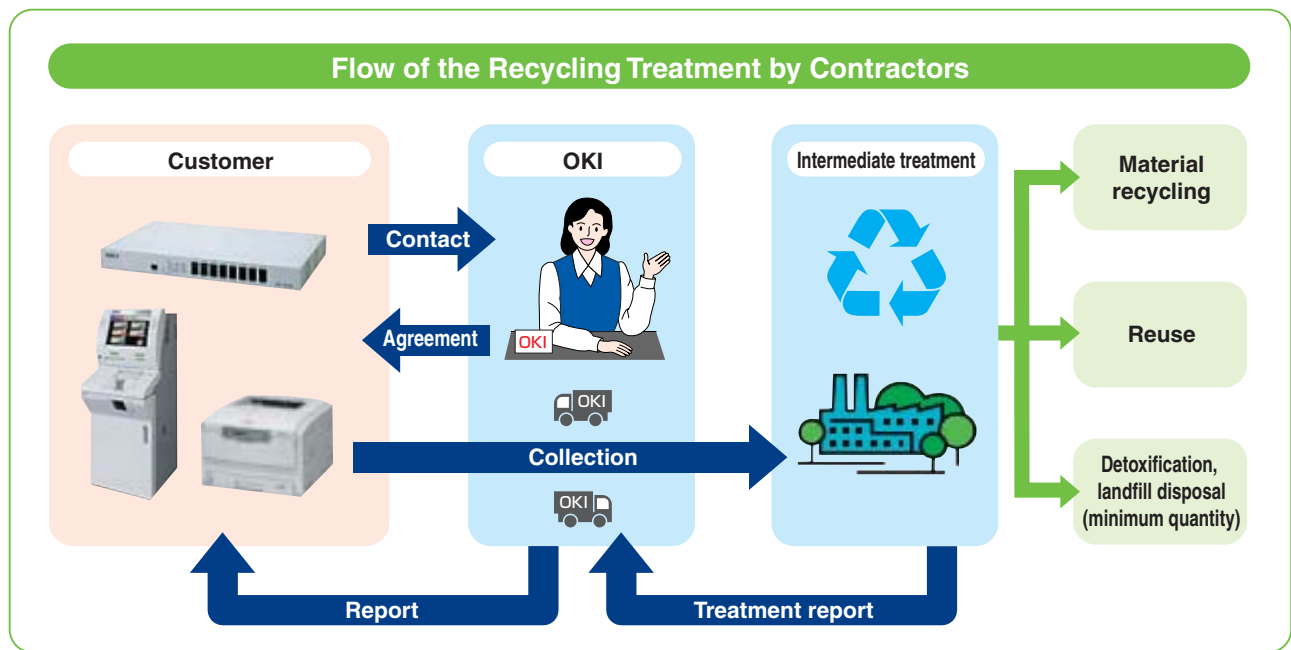
Approval for the Cross-jurisdictional Waste Treatment Manufacturers Scheme

The OKI group was approved by the Ministry of the Environment for the “Cross-jurisdictional Waste Treatment Manufacturer Scheme”* in July 2006. The scheme has the purpose of improving the recyclability of used products in waste treatment. OKI had been designated as a “Cross-jurisdictional Waste Treatment Manufacturer” in November 2003 and has since been permitted to pick up used OKI products from customers as waste with the purpose of recycling. To enhance our system for the collection of used products even further and use the new organization for recycling treatment with even less environmental impact, we now added eight intermediate waste treatment contractors that treat industrial waste.

The new organization of our system for the collection of used products was expanded to comprise the three manufacturers OKI, Oki Data Corporation and Oki Customer Adtech Co., Ltd., as well as 26 contractors for the collection and transport and 18 intermediate waste treatment contractors - eight more than before. This enables us to respond even more flexibly to customer requirements regarding information security management, treatment procedures and other matters related to waste treatment. The scope of the industrial waste that the scheme is applied to covers used info-telecom equipment and printer products, which we collect and recycle.

*) Cross-jurisdictional Waste Treatment Manufacturer Scheme: An exemption scheme of the Waste Disposal and Public Cleansing Law that allows product manufacturers, etc. to treat waste across multiple prefectural districts. Its purpose is to ensure a reduction of waste, as well as its adequate treatment and recycling.

Recycling Treatment for Used Products as a Cross-jurisdictional Recycling Manufacturer

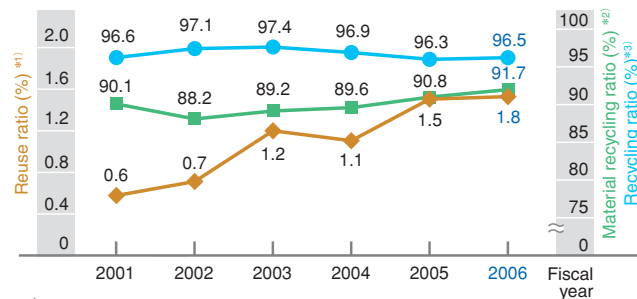


Recycling Results for Used Products

OKI collects and recycles products used by its customers. The products collected all over Japan are sent to the Honjo recycling center (Saitama prefecture) of Oki Supply Center Co., Ltd. or to a contracted industrial waste treatment company for dismantlement. The dismantled products are reused in the maintenance divisions or recycled. To prevent data leakage, we destroy hard-disks and similar parts without reusing or recycling them.

In fiscal 2006, we collected 1,597 tons of used products, mainly information equipment such as ATMs (automated teller machines), and the material recycling ratio in the Kanto region, where the majority of used products is collected, reached 91.7%.

Recycling Results for Used Products



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



Product-related Environmental Response

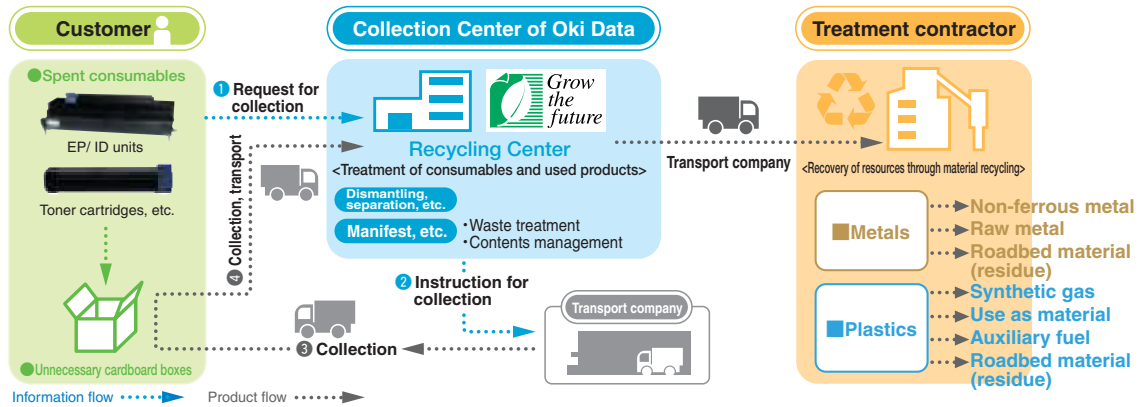
Recycling of Used Products

Recycling System for Printer Consumables

Oki Data Corporation is working on material recycling of consumables such as toner cartridges or EP/ID* units in Japan.

Overseas, we started recycling in the US and Canada in fiscal 2003, and in Europe in fiscal 2004.

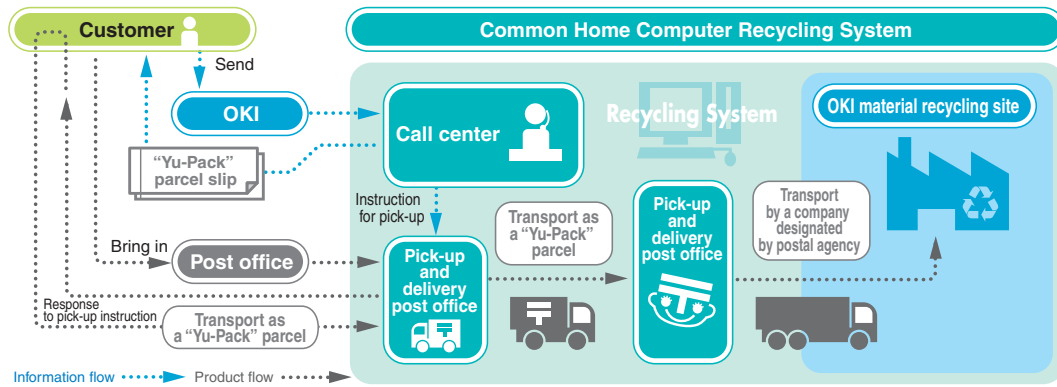
*) EP: Electro Photographic, ID: Image Drum



Home Computer Recycling System

On the basis of the "Law for Promotion of Effective Utilization of Resources", we started PC recycling in October 2003, collecting

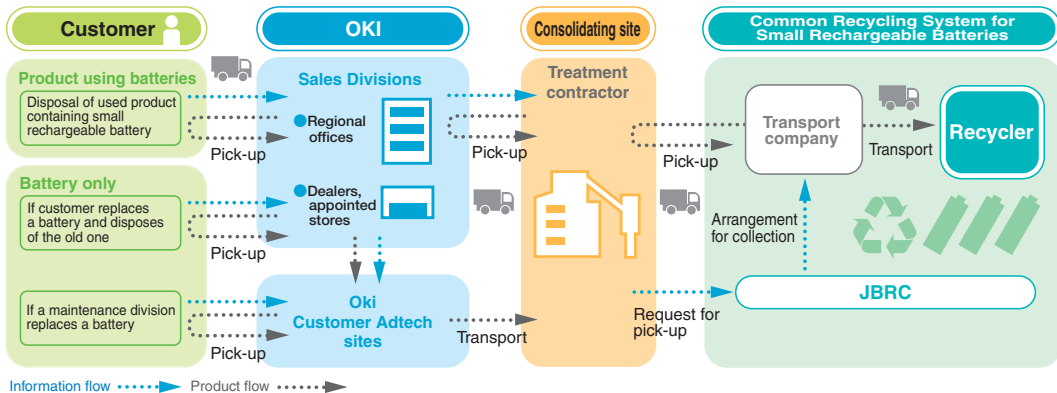
and recycling used PCs from homes. OKI built a recycling system that is based on a common collection scheme.

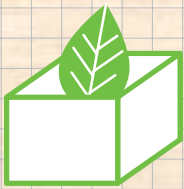


Recycling System for Small Rechargeable Batteries

In July 2001, OKI obtained the "approval regarding the voluntary collection and recycling of designated recycling products" issued by the Ministry of Economy, Trade and Industry and the Ministry of the

Environment. Since then, we have been collecting and performing material recycling of small rechargeable batteries together with the Japan Portable Battery Recycling Center LLC (JBRC).





Product-related Environmental Response

Eco-friendly Products

Information Processing Equipment

ATM-BankIT

The ATM-BankIT adds high environmental performance to the latest IT and mechatronics technologies to provide powerful support for the banking services of the future.

As a technology for environmental compliance ahead of others in this industry, we completely eliminated all substances subject to the RoHS Directive from this product, except for some parts that are difficult to substitute. For example, we eliminated lead from the printed circuit boards, hexavalent chromium from steel sheets and also eliminated screws containing hexavalent chromium. And by avoiding structures that obstruct recycling (caulking, welding, riveting of different materials and metals, metal inserts in plastic parts, etc.), we improved recyclability by 15%.

<http://www.oki.com/en/press/2005/z04149e.html>



ATM-BankIT (finger vein recognition type) authorization image

VoIP Announcement Broadcasting System

Our VoIP announcement broadcasting system uses VoIP technology on a high-speed infrastructure and is able to directly send disaster-prevention or disaster-related information, communal information or any kind of other broadcasts directly into people's homes. The main features of this product include the capability to receive program broadcasting of up to four channels and the capability to automatically switch if there is an emergency broadcast while another program is being received. The system also enables families or schools to notify the center station or the fire department, etc. of an emergency by one push of the "contact button".

And since the product is compliant with the RoHS directive, transmits conversation in IP format and utilizes SIP servers of external providers, thus contributing to the integration and rationalization of communications equipment, it helps to reduce environmental impacts.



Multiplex information terminal MA8200

Printers

C8600dn

The compact high-speed color LED printer C8600dn acquired the Eco Mark. This means that it was recognized as being useful for environmental conservation since it has a light impact on the environment.

The "Digital LED" technology employed by this printer features a smaller print head unit and a simpler structure than laser printers, making the printer's size compact enough to be easily set up on a desk top. Compared to ordinary products, we cut the volume to only 56%. The printer further offers high-speed output at 26 color pages per minute (A4 horizontal feed, copy mode).

Its superior durability of 600,000 pages is of top level in its class.

The Eco Mark is defined by the Japan Environment Association and given to products that are recognized as being useful for the environment due to, for example, a low impact on the environment.



C8600dn



ML1190C

The dot-impact printer MICROLINE 1190C provides high environmental performance and support for the RoHS Directive. We succeeded in cutting the power consumption during stand-by mode by 83%, the power consumption during operation by 32%, the mass by 45% and the volume by 43% compared to ordinary products, realizing the smallest footprint and chassis volume in its class.

The durability of 400 million times/needle print head life and 10,000 hrs MTBF won a high reputation, and the printer received the "2006 China IT Users Satisfaction Award", the "2006 China Information World Editorial Award" and the "Computer Partner World Best Product Sales Point Award" in China



ML1190C

Communications Equipment

MWINS™ BR2100 Series V. 3

The MWINS™ BR2100 Series V3 is certified as an OKI Eco Product satisfying OKI's original environmental standards.

In the development and design stage of this product, we evaluated its impact on the environment during all stages from product development up to its disposal to make it eco-friendly. The main environmental features are as follows.

BR2101: 20.2% lighter, 39.5% smaller, 52.0% less power consumption than ordinary products

BR2102: 8.7% lighter, 39.5% smaller, 39.2% less power consumption than ordinary products

The equipment supports NTT DoCoMo's "FOMA®/wireless LAN dual terminal N900iL", which is the first dual terminal supporting wireless LAN in Japan, and also KDDI's "E02SA" dual terminal with wireless LAN support, enabling companies to accommodate terminals of multiple carriers together.

<http://www.oki.com/en/IPtel/product/MWINS/index.html>



MWINS BR2101



MWINS BR2102





Product-related Environmental Response

Eco-friendly Products

Semiconductors / Modules

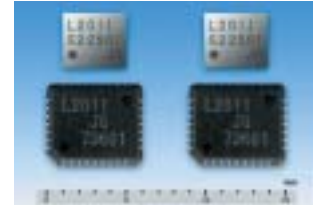
ML2011

The ML2001 is the smallest MP3 decoder package in the world (3.6 x 4.2 mm) and consumes 50% less power during operation than ordinary products. The product uses a W-CSP* package to integrate an MP3 decoder and a speaker amplifier into one chip and enables customers to add MP3 music playing functionality just by adding it to the existing system.

The LSI enables easy implementation of MP3 playback for portable equipment and a wide range of other applications. <http://www.oki.com/en/press/2006/z06081e.html>

*) W-CSP (Wafer Level Chip Size Package):

A technology performing packaging in one batch in the wafer state. Enables the miniaturization of LSI packages to exactly the same size as chips.

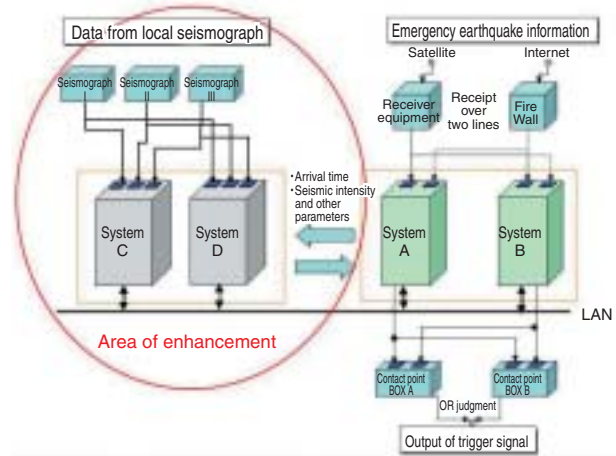


Disaster-prevention Systems

Real-time Earthquake Disaster-prevention System

We enhanced our "Real-time Earthquake Disaster-prevention System", which utilizes emergency earthquake information. The system is now able to support measures for epicentral earthquakes. By putting three local P-wave seismographs to maximum use, the improved system offers higher accuracy of emergency earthquake information and also support for epicentral earthquakes.

We added a function that allows users to calculate the earthquake danger level and its credibility limit using three types of estimation values: the estimation value based on the emergency earthquake information as before; an estimation value on the basis of emergency earthquake information corrected using the observation data of the local P-wave seismograph; and an estimation value corrected using the emergency earthquake information and information from its observation point. Each type of data is processed using an algorithm every time that it is updated, and trigger signals are output corresponding to predetermined actions to control facilities, etc. (emergency broadcast, gas and chemical shut-off, equipment emergency-stop, etc.) according to a matrix for the judgment of the danger level. This helps to avoid false alarms and improves the accuracy as regards the estimation of the earthquake danger level.



<http://www.oki.com/en/otr/209/downloads/otr-209-R03.pdf>

Electric and Other Cables

EM-TPMC-C5e350 LAN Patch Cord, OKI Cat.5e Eco Plug

The high-speed LAN cable EM-TPMC-C5e350 not only complies with the RoHS Directive, but also provides excellent flexibility for connection between panels and terminals using a non-halogen flame-retardant polyethylene sheath cable.

The OKI Cat.5e eco plug with support for ultra-high speed gigabit LAN is made of eco-friendly polycarbonate alloy resin to prevent the generation of hazardous substances such as dioxin or halogen gas during incineration and improve recyclability. The

plug body, cable guide and protective clear boots are all made of eco-friendly material.



Eco cable



Eco cable

Power Supply Devices

Digital Power Supply 1KW Digital DCAC Inverter

This product performs optimal circuit control on the basis of DSP load condition monitoring and maintains a high efficiency on all load levels to conserve energy.

The 1KW digital DCAC inverter supplies AC100V from fuel cells or other direct current power sources. Its external form was streamlined to a 1U size, saving space with a structure that is extremely thin in the 1KW class.





Product-related Environmental Response

Eco-friendly Products

Heat-dissipation Products

X Cool™*

“X Cool™” is a heat radiation component with a cylinder-shaped elastic fin inside made of an existing material product that offers both heat-radiation and heat-conduction capability. This material is brought into a special form for X Cool. Since X Cool consists of thin, flexible sheets, it is light and elastic. This means that it fits between a device and the case – something which is difficult for conventional heat sinks because it causes stress from

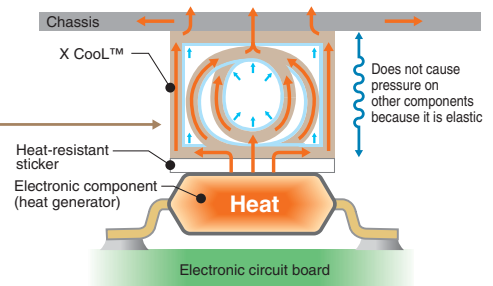
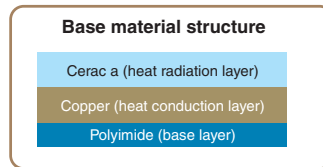
pressure to the device. The product offers a high heat radiation effect without a cooling fan. Because X Cool realizes the same heat radiation effect of a heat sink at only 40% of its volume and 1/8 of its mass in sealed equipment, it helps to make lighter and smaller heat radiating parts when used as a substitute of conventional heat sinks.

*) X Cool™ is a trademark of Oki Electric.



X Cool™

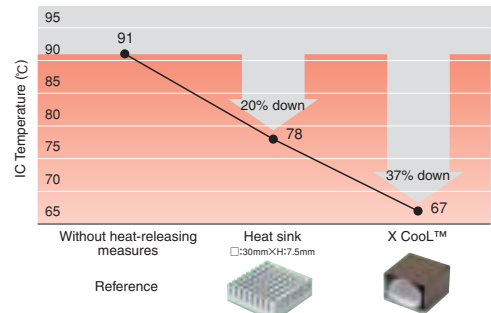
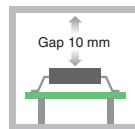
Heat Dissipation Mechanism of X Cool™



Performance of X Cool™

Heat Dissipation Performance (Sealed Environment)

| | |
|-------------------------|-----------------------|
| Measuring environment | 25 °C, no wind |
| Chassis size | 100×100×100mm |
| Chassis material | SUS304 |
| Heat-generating IC size | 30×30mm (240 pin GFP) |
| IC input power | 1.5W |

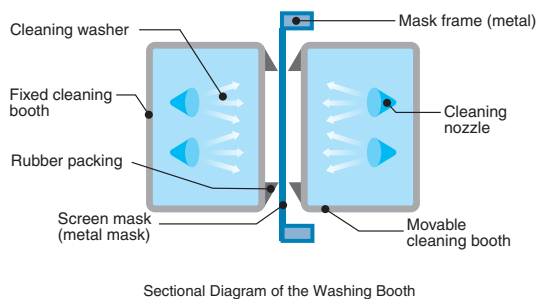


Manufacturing Equipment

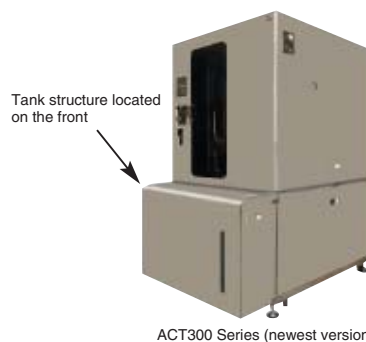
“ACT300 Series” Resource-saving Screen Mask Washer

The resource-saving screen mask washer “ACT300 Series” was developed by Oki Communications Systems Co., Ltd. and provides a rinsing function. The equipment cleans screen masks (metal masks) of the paste sticking to them from the process of printing circuits or marks onto printed circuit boards. The mask is inserted in upright direction, and only the portion that is soiled with paste is cleaned with a high-pressure shower from spray nozzles. This method helped us to cut the consumed quantities of

cleanser to half, and also extends the life of the masks. Because the cleaning booth is completely sealed, the diffusion of smells from the solvent during operation was also reduced, improving the work environment. The addition of a rinsing function that sprays a new solution onto the mask after the washing allows us to use the circulating washing solution up to its limits, reducing the frequency at which the solution has to be replaced.



Sectional Diagram of the Washing Booth



ACT300 Series (newest version)



Product-related Environmental Response

Eco-friendly Products

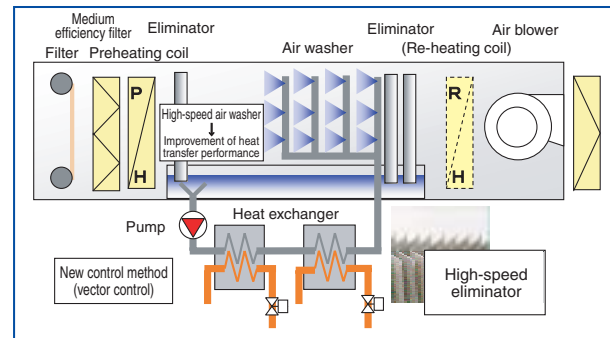
Environmental Conservation Facilities

Energy-saving Outside Air Conditioning System (For Use in Clean Rooms)

OKI's Semiconductor Business Group introduced "Eco Washer" energy-saving outside air conditioners, realizing energy savings corresponding to about 500 t-CO₂ in fiscal 2006. "Eco Washer" equipment does not use coils to cool the air taken in from outside, but instead adopts a technology that sprays cooling water into the air. This eliminates the loss caused by the resistance of the coils, reduces the mechanical power for transport by about 13% and improves the heat energy usage efficiency by about 21%.

At our semiconductor manufacturing plants, the mechanical power for air conditioning requires large quantities of energy, and reducing power consumption is an important issue. And since the control of humidity and temperature is very important in clean rooms, the large quantities of air taken in have to be kept at a constant absolute humidity. Ordinary outside air conditioners use coils for cooling and re-heating to adjust and control the absolute humidity in order to keep it constant, and this requires large quantities of energy. The newly introduced "Eco Washer"

equipment adopts an air washer with variable water quantity and water temperature to keep the absolute humidity constant while minimizing energy waste.



Outline of the Eco Washer

"Mizumonban" Water Quality Monitoring Equipment

"Mizumonban" was developed by Oki Environment Technologies, Inc. and is able to monitor water quality in real-time remotely using a personal computer.

With one measuring device, users can measure the pH value and any three out of 15 types of ions at the same time. To fight slime and interfering ions, which impair accurate measurement, the equipment provides a mechanism adding anti-slime agent and ion strength agent as a standard feature. From their computer, users can configure the basic settings of the ion-meter (measurement cycles, measured items, etc.), and configure primary and secondary alarms for upper and lower limits of the managed values as well as alarms for abnormalities in the measured values.

The measurement data imported into the computer can be shown on the screen or printed in predetermined formats.

- (1) Graphs showing the data of the cycles of one day (cycles can be set to any value starting from one minute)
- (2) Graphs showing the maximum, minimum and average values of the measurement data for each hour over a period of one year
- (3) Automatic recording of data during calibration
- (4) Automatic recording of the results of checks using the reference solution

In addition, the system shows power disruptions, communication errors, the results of checks with the reference solution and other information as alarms on the main screen of the computer.



"Mizumonban"
Water Quality Monitoring Equipment

Unmanned Data Monitoring Equipment "Shojinkun"

"Shojinkun" was developed by Oki Environment Technologies Inc. to easily realize automatic collection and monitoring of measurement data, as well as their recording as a database.

The equipment can collect and aggregate analog data from existing devices in a number of different locations and convert them into digital data. The daily recording and processing of measurement data is automatic, allowing customers to shift to unmanned operation.

Managed values can be configured at the computer used for monitoring, and the equipment provides a function for continuous automatic collection and monitoring that includes functions to process, save and monitor data and to trigger alarms. The data processing and saving function supports measurements in 30-second intervals for each channel. It further calculates the maximum, minimum and average values of the measurement data and displays the results in a graph. The data can be edited using Access or Excel

and are saved for a period of about 5 years. (448 channels every 30 seconds)

To support the operator, the monitoring and alarm function shows procedures (comments) for the response to each type of alarm. The alarm history can be displayed in a history table for each day.

And in addition to this, the equipment offers the following options.

- (1) Alarm output (to drive external facilities) is possible if a DIO board is used
- (2) Alarms can be sent via e-mail to personal computers and mobile phones
- (3) Digital data can be collected using serial communication (RS232C)
- (4) Processing data can be looked up from a computer on the network

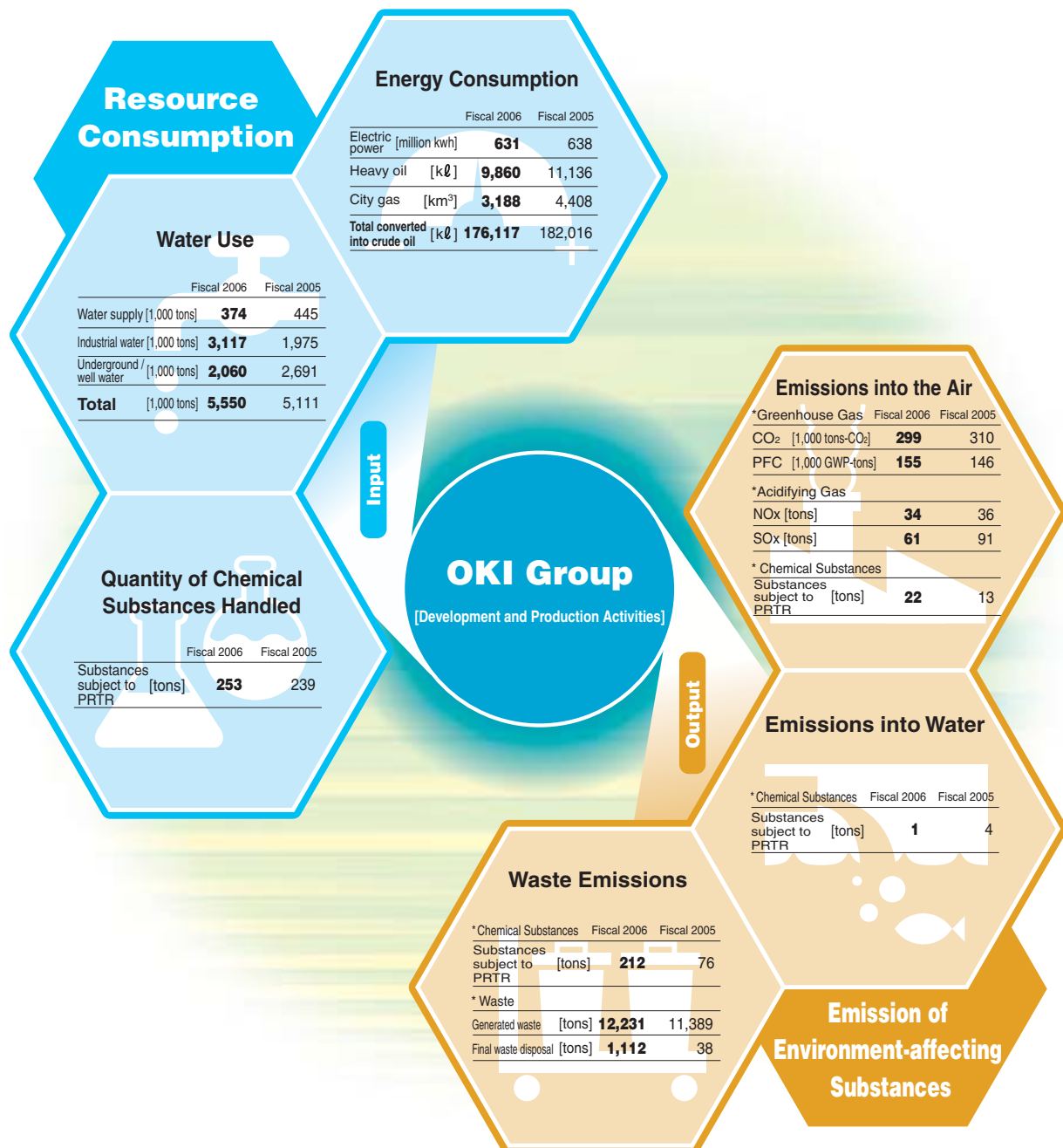


Reducing the Environmental Impact of Business Activities

In the course of our daily business activities, our production sites and offices consume resources and emit substances. The OKI group is actively engaging in efforts to reduce the impact that this has on the environment. Through our zero emissions efforts, in which we work to bring waste disposed of in landfills down to zero, we strive to cut the input of resources and the emission of waste, as this leads to increased environmental impact. In addition, we keep CO₂ emissions from the consumption of energy, the quantities of chemical substances we use and other factors to the minimum, striving to ease environmental impact on a company-wide basis and promoting “Green Factories” to realize a recycling-based society.

Reduction of Environmental Impact of Development and Production Activities

As “input”, we consume resources such as energy, chemical substances, and water to conduct the business activities “development” and “production”. Then, as “output”, we discharge environment-affecting substances into the air and water and also emit waste.





Reducing the Environmental Impact of Business Activities

Reducing the Emission of Greenhouse Gases

Reducing the Emissions of CO₂ Originating from Energy

From the report of fiscal 2006, the OKI group changed the basic units to “real basic units” according to the calculation standards of the electric and electronics industry’s “Voluntary Action Plan on Measures to Fight Global Warming”. The CO₂ emissions originating from the use of electric power were calculated using the emission coefficients of the supplying power companies.

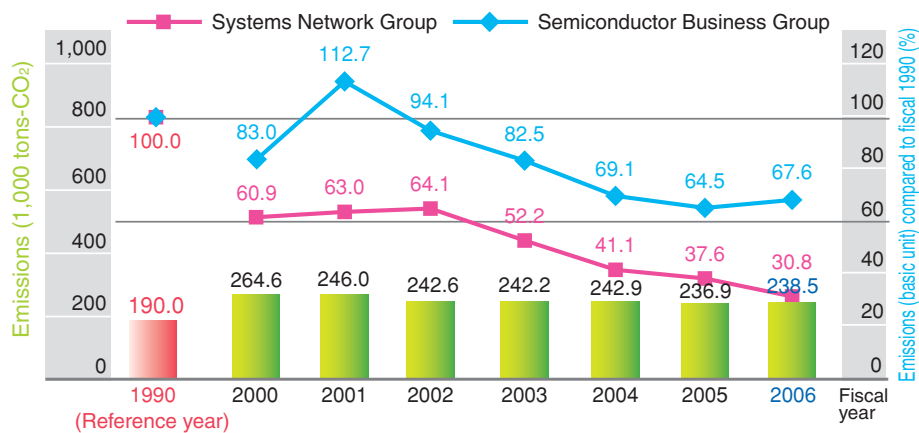
The calculations showed that we achieved the common target of the electric and electronics industry of “improving the CO₂ basic unit by real output*1 in fiscal 2010 by 28% (to 72% or less) compared to fiscal 1990.”

The total CO₂ emissions of our major production sites were about the same as in fiscal 2005 at 239,000 tons.

On the other hand, as regards the basic unit by business segment, the Systems Network Business Group showed a decrease of about 7% since it is using emission coefficients by power company, and the Semiconductor Business Group showed a slight increase due to a decline in sales.

* 1) CO₂ basic unit by real output: CO₂ emissions / real output (real output = output for each article / the yearly rate of the Bank of Japan’s Domestic Corporate Goods Price Index (electrical machinery & equipment), with fiscal 1990 being 1.

Transition of CO₂ Emissions (Major Production Sites of the OKI Group)



Energy Conservation Measures of the Semiconductor Business Group

The Semiconductor Business Group is taking various measures to conserve energy. A key measure is to improve the efficiency of building equipment.

When renewing our equipment, we utilize our eco-conscious procurement system. For example, we actively promote upgrades to highly efficient turbo freezers. The performance counter (the ratio of the freezing capability and the consumed energy heat equivalent) of turbo freezers is twice better than that of absorption freezers, so that the renewals are very effective. In addition, the

Semiconductor Business Group adopted Eco Washers as outside air conditioners. To control the temperature and humidity of outside air, this equipment does not use dew-point temperature control, but vector control, eliminating over-cooling and re-heating.

These efforts lead to a cut of about 5,500 tons in CO₂ emissions in fiscal 2006 which corresponds to the electric power used by 3,750 ordinary households in one year.

Key Energy Conservation Measures of the Semiconductor Business Group

| Category | Item |
|---|---|
| Improvement of System Efficiency | Upgrade of old absorption freezers to highly efficient turbo freezers |
| | Upgrade of old turbo freezers to highly efficient turbo freezers |
| | Upgrade to highly efficient boilers |
| | Introduction of Eco Washers for outside air conditioners (elimination of over-cooling and re-heating) |
| | Upgrade to highly efficient air compressors |
| | Employment of inverters to power fan pumps |
| | Upgrade to highly efficient UPS |
| Improvement of Management Method Efficiency | Improvement of efficiency of steam supply method |
| | Improvement of waste water treatment efficiency |
| Others | Stop of facility operation |
| | Heat-shield coating on roof, etc. |



Reducing the Environmental Impact of Business Activities

Reducing the Emission of Greenhouse Gases

Eco-friendly Office Building

The office building “OKI System Center” in Warabi city, Saitama prefecture, was constructed considering security and the environment, taking advantage of IT technology. The new part of the building was designed in consideration of the environment and energy conservation using the latest technology. This led to a cut in CO₂ emissions of about 35% (950 tons annually) compared to ordinary buildings. The energy used for air conditioning was reduced by 20% by letting natural wind pass through the offices, and through “eco shafts” that vent heat during

the night in summer. Because room temperatures in offices for system development are high even in winter, we cut energy for air conditioning in winter by 30% by using outside air.

The toilets are flushed with rain water, resulting in a 30% cut of water use. This and others realize a building that is friendly to the environment and has a low impact from the use of energy.

And as a new effort, G.O. Food Service Co., Ltd. now uses rice that does not require washing in the employee canteen of the Center, realizing water savings of 1,200 m³ per year.



OKI System Center

Reduction of PFC Gas Emissions

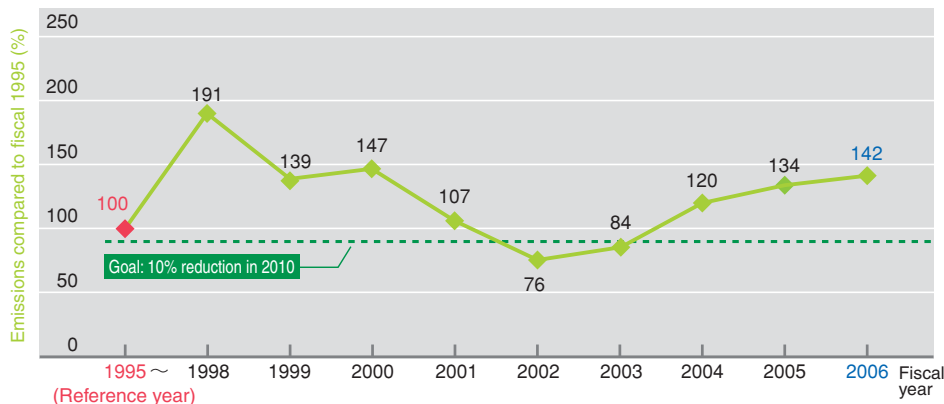
The manufacturing process for semiconductors uses perfluoro compound (PFC) gas *1, a gas which has an influence on global warming, and emits some of it into the air. Because of this, the World Semiconductor Council (WSC) proclaimed the goal to reduce the emissions by 10% (as converted into global warming potential*2 by fiscal 2010 in comparison with fiscal 1995. The OKI group is working to reduce emissions by substitution with gases having a smaller impact on the environment, the installation of exhaust gas treatment equipment or by improving processes.

Since fiscal 2004, we have not been able to achieve our reduction targets due an increase in production quantities and other factors. OKI's Semiconductor Business Group is promoting further measures such as introducing combustion-type abatement equipment for PFC gas, but despite this, PFC gas emissions again slightly increased in this fiscal year compared to the previous year.

* 1) PFC gas: CF₄, C₂F₆, C₃F₈, C₄F₈, CHF₃, SF₆, NF₃.

* 2) Global warming potential: a numerical indicator that converts the impact on global warming into quantities of CO₂.

● Transition of PFC Gas Emissions (Converted into Global Warming Potential)





Reducing the Environmental Impact of Business Activities

Restricting the Use, Reusing and Material-recycling of Resources

To ease environmental impacts, the OKI group pursues 3R activities. The production plants are engaging in zero waste emission activities to minimize the disposal of waste in landfills by promoting the restriction of waste generation and recycling. They also strive to use water resources in an efficient way. Our offices are also active, mainly reducing copying paper and thorough separating trash.

Reduction and Appropriate Processing of Waste

Improvement of the Material Recycling Ratio (Zero Emissions)

OKI established a Waste Reduction Plan in 1993, and has since been working on waste reduction efforts throughout the group, with upstream and downstream measures.

In fiscal 1996, we set our eyes on "material recycling" and established the 2nd Waste Reduction Plan, and in 1999, the average material recycling ratio*1 in the entire group reached 90%.

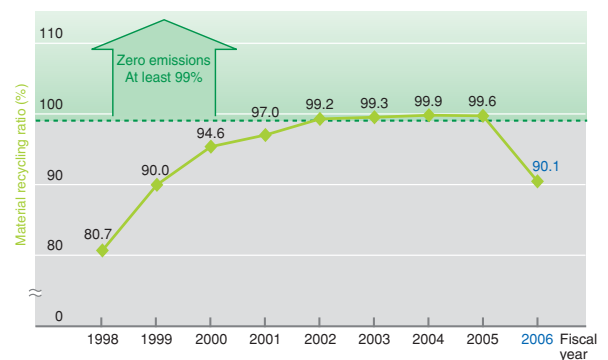
In fiscal 2000, we put up the target to "achieve a material recycling ratio of at least 99%" for our major production sites until fiscal 2004 and started corresponding efforts. We achieved zero emissions*2 in fiscal 2002, two years ahead of schedule.

Our policy for the achievement of zero emissions is waste reduction and material recycling on the basis of information sharing among production sites and the use of technology, etc. that is unique to the respective site.

However, in fiscal 2006, Miyagi Oki Electric Co., Ltd., which had achieved zero emissions in fiscal 2001, faced problems in the material recycling of its waste due to a change in the acceptance criteria of the contractor that had been commissioned to perform the material recycling of the waste.

As a result, the overall material recycling ratio of the OKI group's major production sites dropped to 90.1%, which means that we did not achieve zero emissions. For the future, we will evaluate new contractors for the material recycling of waste to ensure that we can maintain zero emissions.

● Major OKI Group Production Sites



* 1) Material recycling ratio: Quantity of material-recycled resources / (quantity of material-recycled resources + quantity of finally disposed waste) x 100
 * 2) Zero emissions: Defined by the OKI group as a material recycling ratio of more than 99% for normal waste and industrial waste.

◆ Examples for Zero-emissions Efforts

At our plants, we collect paper cups and have them material-recycled for use as toilet paper. We further use old safety shoes and anti-dust shoes through thermal recycling as fuel.

● Flow of Paper Cup Recycling



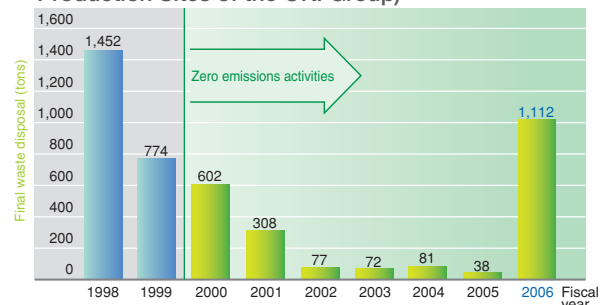
● Sites that Achieved Zero Emissions

| Fiscal Year of Achievement | Fiscal 2001 | Fiscal 2002 | Fiscal 2004 | Fiscal 2005 |
|----------------------------|--|---|--|--|
| Site | <ul style="list-style-type: none"> Miyazaki Oki Electric Co., Ltd. Nagano Oki Electric Co., Ltd. Honjo district Miyagi Oki Electric Co., Ltd. Oki Data Corporation (Fukushima district) | <ul style="list-style-type: none"> Hachioji district Takasaki district Tomioka district Numazu district | <ul style="list-style-type: none"> Oki Power Tech Co., Ltd. | <ul style="list-style-type: none"> Oki Communication Systems Co., Ltd. Oki (UK) Ltd. |

Results for Finally Processed Waste

The total quantity of finally processed waste stemming from the industrial waste emitted from production plants, and from the normal waste emitted from offices, etc. was 1,112 tons in fiscal 2006. This is a significant increase compared to fiscal 2005. We will strive to material-recycle the dewatered sludge disposed of in landfills, which caused the increase.

● Transition of Finally Disposed Waste Quantities (Major Production Sites of the OKI Group)





Reducing the Environmental Impact of Business Activities

Restricting the Use, Reusing and Material-recycling of Resources

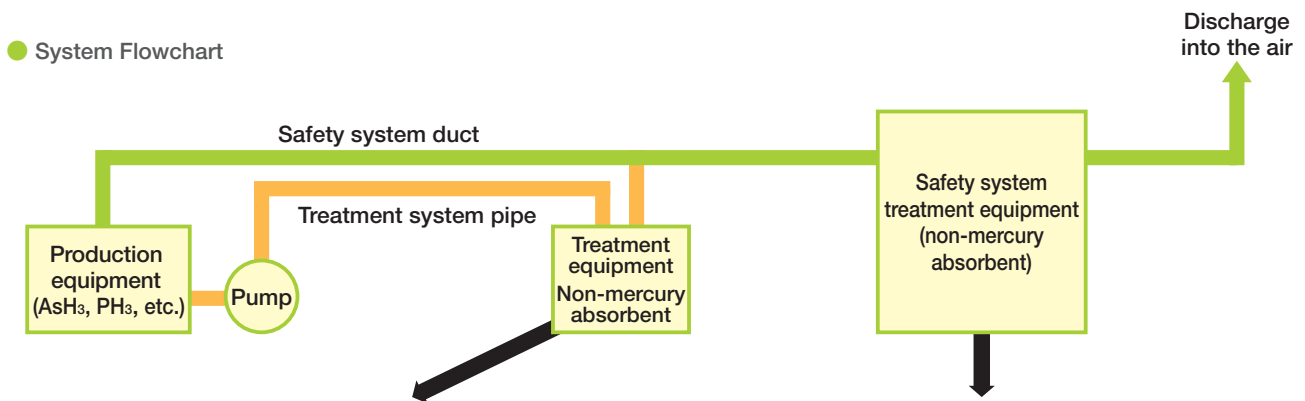
System to Treat Toxic Gases

The arsine gas (AsH_3) and phosphine gas (PH_3) used in the semiconductor manufacturing process are highly toxic and thus need to be treated with particular care. Therefore, the gases are generally treated to be absorbed by chemical substances. The absorbent agent needs to oxidize highly toxic gas in a short time and convert it into a non-toxic substance, and for this reason, we used to select treatment agents such as mercury compounds. After the treatment, the spent agent used to become a substance with a strong impact on the environment.

The OKI group recommends the use of substances with a low environmental impact as much as possible also outside of the manufacturing process, and when we upgrade our systems, we check the environmental impact from multiple angles.

For the treatment agent of the system to treat toxic gas, which we introduced this year, we moved away from the conventional mercury compound and selected a metal compound with low toxicity.

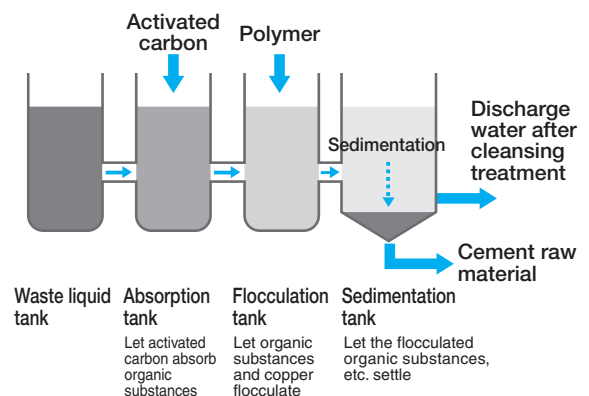
● System Flowchart



Waste Liquid Treatment during Board Manufacturing

Oki Printed Circuits, Co., Ltd. started to operate a plant to treat the alkaline liquid generated in the manufacturing process of printed circuit boards. The plant employs a method that lets activated carbon absorb organic substances, cutting organic substances and the content of copper in the waste liquid to 10%. The introduction of this plant eliminated the requirement to commission the treatment of the liquid to a specialized contractor, allowing us to cut the treatment cost to about one third of the usual cost. The technology of treating organic substances with activated carbon is also used at production sites for food, etc., and we applied it to treat the development liquid of printed circuit boards.

● Waste Liquid Treatment Plant Flow





Reducing the Environmental Impact of Business Activities

Restricting the Use, Reusing and Material-recycling of Resources

Efficient Use of Water Resources

To use water resources more efficiently, we are aggressively promoting the recycling of water within our production sites. Especially the semiconductor manufacturing process uses large quantities of water. For this reason, we built closed systems for the water treatment equipment used at our plants to keep the quantity of water emitted to the outside of the plant to the minimum from the initial design phase. Closed systems utilize various membrane separation technologies and technologies to eliminate impurity ions to treat the waste water from the

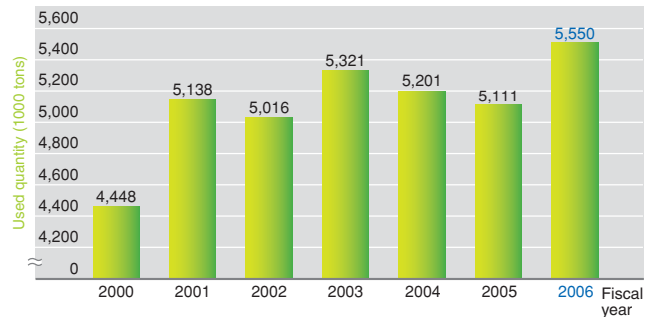


Cleansing treatment equipment for waste fluids of wafer cutting water

manufacturing process. Miyazaki Oki Electric and Miyagi Oki Electric achieved a collection and re-use ratio of more than 90%. The waste liquid from the wafer-cutting water generated in the assembly process of semiconductors is reused as purified water after being cleansed by separating the wafer chaff, thus ensuring an optimal use of water resources.

In fiscal 2006, our water use increased by about 10% since we added our offices to the scope of the calculations.

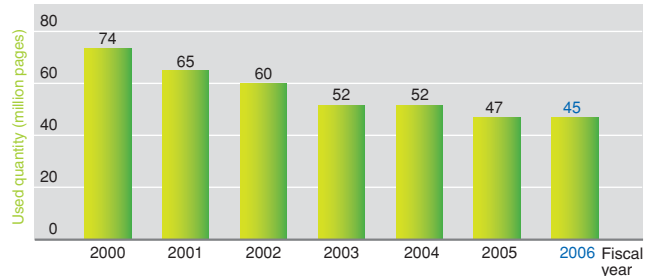
● Transition in Water Use



Efficient Use of Paper Resources

The OKI group is working to protect forest resources through green purchasing of office articles, or activities to reduce paper used for copying. Particularly to cut the use of copying paper, we work taking advantage of networks, for example, through electronic authorization of documents, or shifting to electronic data interchange (EDI) with business partners. In fiscal 2006, we were able to cut our paper use by 2,000,000 pages compared to fiscal 2005. For copying paper intended for in-house use, catalogs, business cards, and toilet paper, etc., we further conduct green purchasing in the whole OKI group and use recycled paper with a high content of recycled material.

● Transition in the Use of Copying Paper



Other Effort Examples

The following are examples of other efforts we have been working on.

- ◆ Introduction of waste plastic solidification equipment
- ◆ Conversion of PVC into fuel
- ◆ Simplified packaging for delivered parts and materials
- ◆ Thorough separation through JIT
- ◆ Making solder with a longer life
- ◆ Installation of equipment to compress polystyrene foam
- ◆ Reuse of cases for electronic parts
- ◆ Revision of plastic waste separation methods
- ◆ Recycling of solder board chaff
- ◆ Reuse of packaging and cushioning material
- ◆ Installation of raw garbage processors
- ◆ Recycling of work suits and gloves into gloves
- ◆ Reduction of waste solder
- ◆ Material recycling of stretch film used to stabilize cargo piles



Reducing the Environmental Impact of Business Activities

Control and Reduction of Chemical Substances Used at Production Sites

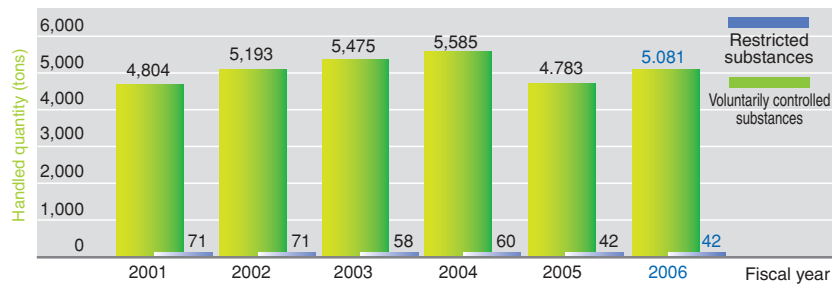
One of the environmental impacts of production activities is the emission of chemical substances. Although chemical substances are indispensable for the production process, they can have a grave effect on the environment if they are not controlled in an adequate way. The OKI group is working to control and reduce chemical substances in consideration of their effect on the environment.

Control of Chemical Substances

We identify chemical substances used at production sites with a serious effect on the environment and control them by classifying them into three types: prohibited substances (95 substances), restricted substances (92 substances) and voluntarily controlled

substances (389 substances). The quantity of chemical substances handled in fiscal 2006 grew slightly compared to fiscal 2005 due to an increase in production quantities.

Transition in the Quantities of Chemical Substances Handled

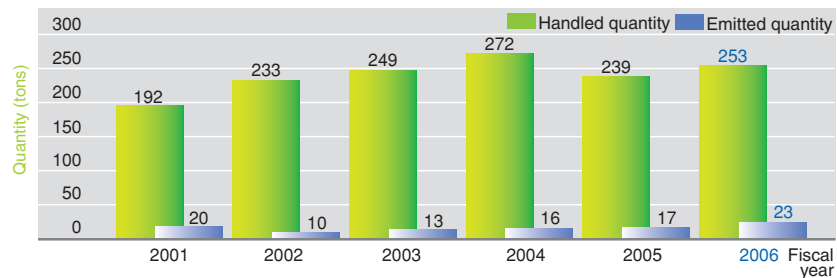


Efforts for the PRTR System

The PRTR (Pollutant Release and Transfer Register) system is a method to control the emission of substances with a serious effect on the environment. The OKI group started efforts for the PRTR system in 1997, following the "PRTR Guidelines" published by four organizations in the electric equipment and electronics field ahead of the law. The quantity of substances subject to

PRTR that we handled in fiscal 2006 grew slightly due to an increase in production quantities. We will continue our efforts and promote reduction also in the future, for example, by substituting chemical substances with types that have a low impact on the environment, or by optimizing their usage quantities.

Transition of PRTR Results



PRTR Results of Fiscal 2006 (Applicable Sites in Japan)

| Chemical Substance | Handled Quantity | Emitted Quantity | | | | Transferred Quantity | |
|---|------------------|------------------|--------------|---------------------------|-----------|----------------------|-------------------------------------|
| | | Air | Public Water | Soil of Operational Sites | Sub-total | To the Sewage System | To the Outside of Operational Sites |
| Hydrogen fluoride and its water-soluble salts | 167.32 | 0.08 | 0.82 | <0.01 | 0.91 | 13.00 | 166.40 |
| 2-aminoethanol (monoethanol) | 30.35 | 5.11 | 0.01 | <0.01 | 5.12 | <0.01 | 25.23 |
| Xylene | 18.71 | 6.98 | <0.01 | <0.01 | 6.98 | <0.01 | 10.90 |
| Nickel compounds | 12.52 | <0.01 | 0.02 | <0.01 | 0.02 | <0.01 | 2.39 |
| Toluene | 9.29 | 9.07 | <0.01 | <0.01 | 9.07 | <0.01 | 0.08 |
| Pyrocatechol | 6.87 | 0.29 | 0.03 | <0.01 | 0.32 | <0.01 | 6.56 |
| Formaldehyde | 3.66 | 0.12 | <0.01 | <0.01 | 0.12 | <0.01 | <0.01 |
| Lead | 2.27 | <0.01 | <0.01 | <0.01 | <0.01 | <0.01 | <0.01 |
| N,N - dimethyl formamide | 2.15 | 0.39 | <0.01 | <0.01 | 0.39 | <0.01 | 1.76 |
| Total | 253.14 | 22.04 | 0.88 | <0.01 | 22.92 | 13.00 | 213.31 |

(Unit: tons)

Controlling the Selection of Chemical Substances

We built a mechanism to evaluate the effect of a chemical substance from safety, disaster prevention and environmental aspects before we employ it. Chemical substances that do not comply with the employment standards are not purchased. We further built a system to grasp how much of the chemical

substances that we input into the manufacturing process are ultimately emitted in waste gas, waste water or waste material. On the basis of these data, we pursue activities to reduce their use through process improvements, to switch to substitutes with a lower environmental impact, or to completely stop using them.



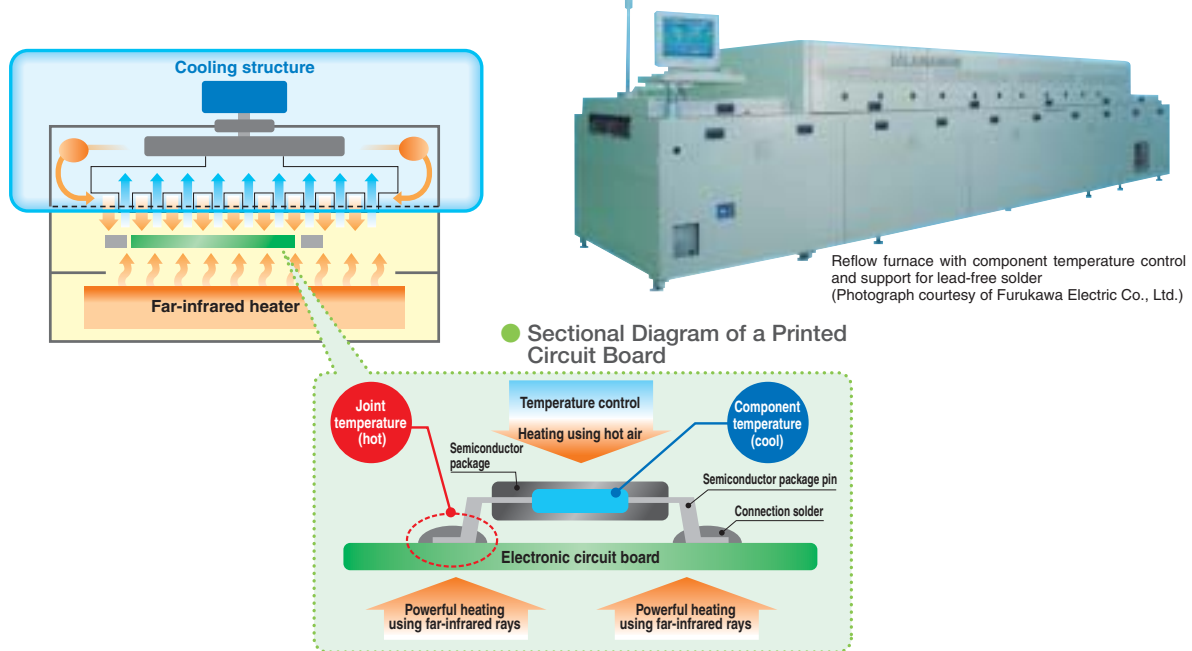
Reducing the Environmental Impact of Business Activities

Control and Reduction of Chemical Substances Used at Production Sites

Reflow Furnace with Component Temperature Control

Together with Furukawa Electric Co., Ltd., we developed Component Temperature Control Reflow Technology, a new heating technology that allows automatic soldering of electronic components with low heat resistance using ordinary lead-free solder with a high melting temperature. With the new method, conventional designs and components can be switched to lead-free solder consisting of tin, silver and copper at low cost, without having to change the manufacturing process.

● Structure of a Reflow Furnace with Component Temperature Control and Support for Lead-free Solder



Control of Impurities in Lead-free Solder

When performing lead-free soldering, it happens that metal from the lead plating of the electronic components melts and mixes with the solder, so that impurities in the solder bath reach concentrations exceeding the standards. Products with a concentration of hazardous substances exceeding the limits set by the RoHS value are prohibited for export to Europe. And when specific impurities increase, cracks, etc. may appear in the

soldered portions, and this results in unreliable connections. To prevent this, Nagano Oki Electric Co., Ltd. introduced equipment that constantly monitors metallic impurities in lead-free solder used for soldering equipment, ensuring control on a daily basis. They further regularly perform a component analysis using energy-dispersive X-ray fluorescence spectrometers (EDXRF) in an effort to improve the quality in the soldering process.



Energy-dispersive X-ray fluorescence spectrometer



Equipment to detect impurities in lead-free solder



Reducing the Environmental Impact of Business Activities

Reducing the Environmental Impact of Distribution

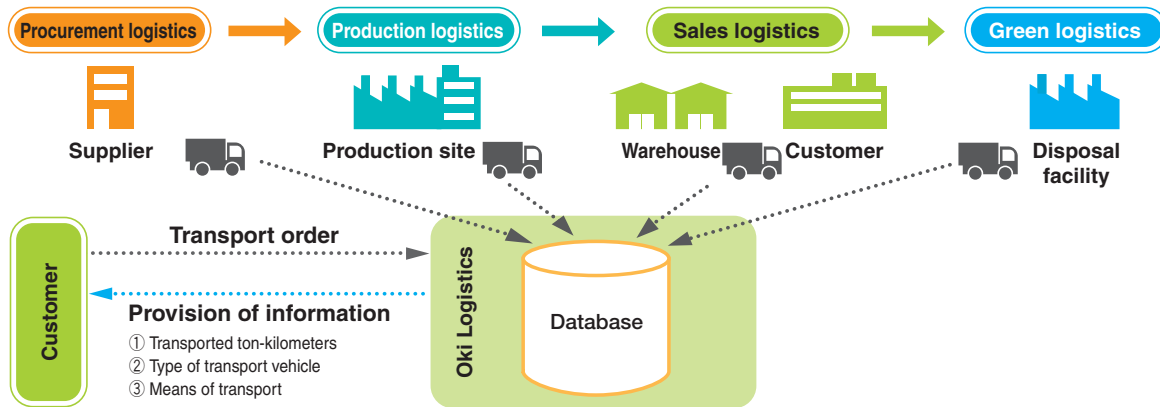
Transport

To achieve the goals of the Kyoto Protocol, the Rationalization in Energy Use Law was revised also for the distribution field. The revision was enforced in April 2006 and has also the cargo owner companies grasp their energy usage and make rationalization efforts. As a cargo owner company, OKI also started efforts together with Oki Logistics Co., Ltd. and aims to spread activities throughout the OKI group.

The scope for our calculations of the energy usage includes procurement / production logistics and waste logistics, and the calculations are performed using the ton-kilometer method. Our CO₂ emissions estimated from the calculation results were 3,756 tons in fiscal 2005 and 3,944 tons in fiscal 2006.

In the future, we will step up our efforts to reduce our energy usage even more.

● Oki Logistics Distribution



Reduction of CO₂ Emissions through a Modal Shift

To cut CO₂, we have been promoting a modal shift of transport from trucks to the more environment-friendly railroads for a long time.

CO₂ reduction effect (per year)

Before the shift: 418.7 ton-kilo CO₂/year

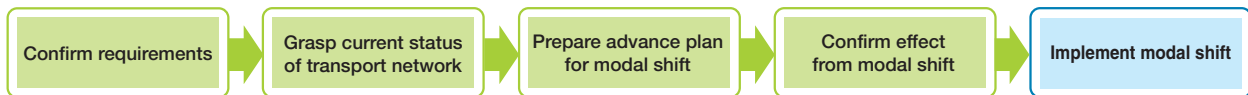
After the shift: 64.5 ton-kilo CO₂/year (84.6% less)

And as a synergy effect from the modal shift, we benefit from a reduction in transport cost, an equalization of the required time for the transport, and more safety.

● Efforts of Each Modal Shift Site

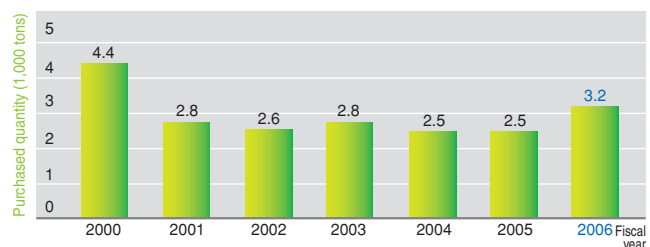
| Site | Start | Transport by Truck | | | Transport by Japan Railways St Containers | | |
|---------------------|-------|--------------------|-------------------|---------------|---|-------------------|---------------|
| | | Start point | Destination point | Distance (km) | Start point | Destination point | Distance (km) |
| Hokkaido (Sapporo) | 1995 | Isesaki | Sapporo | 1,081 | Kuragano | Sapporo | 1,085 |
| Tohoku (Sendai) | 2003 | Isesaki | Sendai | 378 | Kumagaya | Sendai | 378 |
| Chugoku (Hiroshima) | 1995 | Isesaki | Hiroshima | 915 | Kuragano | Hiroshima | 887 |
| Shikoku (Takamatsu) | 1995 | Isesaki | Takamatsu | 719 | Kuragano | Takamatsu | 703 |
| Kyushu (Fukuoka) | 1995 | Isesaki | Fukuoka | 1,199 | Kuragano | Fukuoka | 1,178 |

● Flow of the Modal Shift Promotion



Packaging

The OKI group works to reduce the consumption of resources for packaging material and the emission of waste from packaging material. We also make efforts to eliminate the six substances subject to the RoHS Directive. With the increase in the production quantities in fiscal 2006, the quantities of packaging material we purchased slightly increased.





Reducing the Environmental Impact of Business Activities

Reducing the Environmental Impact of Distribution

Restructuring of Distribution

Okidata Corporation set up a "Consumables Center" in Fujioka city, Gunma prefecture to rationalize the production logistics and reduce inventories for toner cartridges and other printer consumables.

With this restructuring, we plan to cut our distribution expenses by 48 million yen/year, CO₂ emissions by 240 tons and our inventories by 20%.

We restructured our toner production site, which had already reached its limits in production capability, and our intermediate inventory and distribution sites, which we had been running at various locations, and concentrated them to a new "Consumables Production Center". The Consumables Center has a production space of 1,150 m², which is 1.35 times more than before, to be able to respond to increased toner production. We further concentrated the warehouses and logistics sites, which had been spread out over several locations. This enabled us to cut inventories of parts and materials as well as finished products by 20%. And since the truck transport of parts and materials as well as finished products between the sites became unnecessary, we were able to realize a reduction of 35% in the production lead time and 40% in distribution cost.



Reducing the Environmental Impact of Maintenance and Service

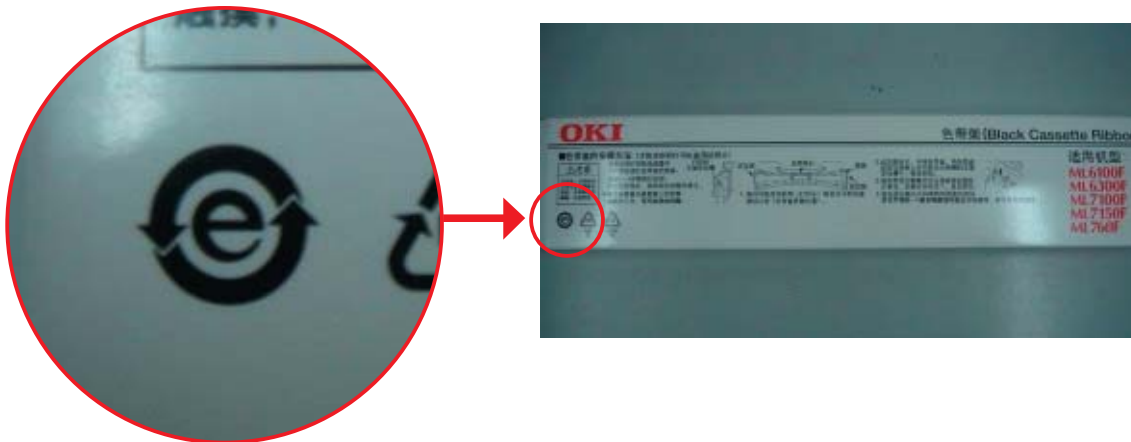
Marking of Products with Lead-free Solder

To repair units and products replaced due to defects, the OKI group has separate processes for products with lead-free solder and products with lead-containing solder. And to prevent that items are mixed in the same process, we mark printed circuit boards with lead-free solder to make sure that they are distinguished.



Reducing the Environmental Impact of Printer Maintenance Material

For toner / drum cartridges and other material related to printer maintenance, we completely eliminated the six substances subject to the RoHS Directive and work to reduce the impact on the environment. We also completed the adaptation to the Chinese law on Management Methods for Controlling Pollution by Electronic Information Products.





Reducing the Environmental Impact of Business Activities

Reducing the Environmental Impact at Overseas Group Sites

Thailand

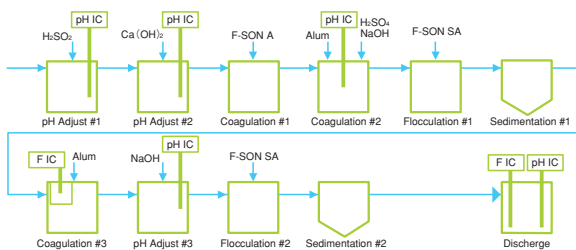
Introduction of a Highly Efficient System to Treat Fluorine Ions in Waste Water

At Oki (Thailand) Co., Ltd., the introduction of lead-free solder plating equipment is advancing to reduce the impact of products on the environment. However, the waste water of lead-free soldering equipment contains large quantities of fluorine ions, and with conventional equipment, the treatment of fluorine ions was difficult.

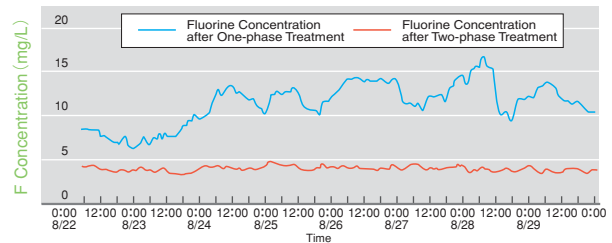
This is why we built a 2-phase flocculation system using a

flocculation agent specifically able to treat fluorine ions.

With one-phase flocculation, the concentration after the treatment had changed depending on the concentration in the untreated waste water, but the fluorine ion concentration after the two-phase flocculation treatment with the new system sufficiently satisfies the limit of 5 mg/L as imposed by waste water regulations.



Transition in Fluorine Concentrations in One-phase and Two-phase Treatment



Construction of Recycling-based Waste Water Treatment System

Oki Data Corporation built a recycling-based waste water treatment system at Oki Data Manufacturing (Thailand) Co., Ltd., which is its production site in Thailand. The system treats the waste water generated at the plant. Before, the monthly 12,000 tons of waste water was treated to the appropriate level using on-premise membrane treatment equipment and then sent to the waste water treatment facility of the industry complex. However, a growing number of employees and an increase in the use of oil in the canteen, etc. led to the need to add membrane treatment equipment in the plant. Due to

these circumstances, we introduced waste water treatment equipment with a treatment capacity that is six times larger than that of the old equipment and succeeded in improving the water quality to a level that allows the reuse of waste water at the plant. And this means that we realized a recycling-based waste water treatment system for reuse at the plant without using the waste water treatment facility of the industrial complex. The system treats 12,000 tons of waste water per month and allows the reuse of 2,000 tons at the plant, with a prospective cost-cutting effect of 1.7 million yen per year.



China

COGT (Changzhou OKI-OEG Telecoms Ltd.), which manufactures telecommunications equipment in China, produced excellent results in energy-conservation activities, 3R activities, compliance with environment-related laws and regulations, environmental education and others, and even received an award from Changzhou city as a Model Company for Environmental Conservation.





Reducing the Environmental Impact of Business Activities

Environmental Risk Management / Safety Management

Environmental risks can be regarded as “the probability of grave effects on the environment.” In addition to activities to cut the emission of environmental pollutants, the OKI group conducts regular measurements, carries out maintenance work for its facilities and conducts emergency drills to prevent the pollution of air and water – both environmental risks – in advance.

Preparedness and Response to Emergency Situations

Prevention of Environmental Risks

The OKI group takes preventive measures and conducts emergency response drills to reduce environmental risks at each site.



Fire-extinguishing activity by the fire-fighting team (Miyagi Oki Electric)



Training in the handling of chemical substances (Oki Data)



Fire-fighting drill by the private fire-fighting brigade (Oki Erfolg)



Safety training for semiconductor material gas (OKI Hachioji district)



Drill for response to gas leaks (OKI Hachioji district)



Training to prevent the leak-out of heavy oil (Nagano Oki Electric)



Drill for a leakage of semiconductor material gas (Miyazaki Oki Electric)



Drill for a leakage of chemical-containing waste water (Miyazaki Oki Electric)



Drill to respond to a leakage of hazardous objects (Shizuoka Oki Electric)

Underground Water Pollution / Soil Pollution

The OKI group has installed observation points in more than 100 locations, also covering all production sites including group companies, to monitor underground water at regular intervals. The concentration of hazardous substances at the borders of each of our premises satisfies environmental standards.

At a production site where the measurements at some observation points on the premises showed values slightly exceeding the environmental standards (Honjo city, Saitama prefecture), we have put adequate recovery measures in place upon the guidance and advice of the related community.

As for soil pollution, we found some during a soil pollution investigation conducted on the basis of law after the abolishment of legally designated facilities in Shibaura, Tokyo. However, following the instructions of the competent authorities, we finished replacing the polluted soil in fiscal 2004. In fiscal 2005 and 2006, no new soil pollution occurred.

Penalties / Claims

There were no environment-related penalties or claims in fiscal 2006. We process claims that we receive in an adequate way, isolating the cause and implementing measures to solve the problem.



Environmental Technology and Environmental Solutions

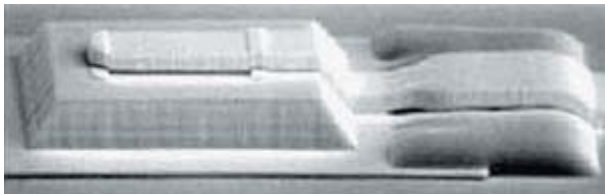
Environmental Technologies

“Epitaxial Film Bonding”, the First Technology to Bond Thinfilms of Different Materials

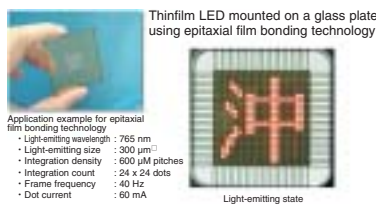
Epitaxial film bonding is a technology to bond thinfilm material using the intermolecular bonding force working between the films. By applying this technology to printer LED heads, we were the first in the world to practically apply a new type of device that integrates a light-emitting device and a driver circuit into one unit, and succeeded in resource savings, miniaturization and a reduction in power consumption.

With this technology, it is easy to develop semiconductors with a higher density and more layers for devices that are even speedier and use even less power. We are now able to develop a variety of complex integrated devices.

As the illustration shows, we can obtain about twice the light amount from new-type LEDs compared to ordinary LEDs. This is because while LED elements normally radiate light into all directions, ordinary LEDs only allow the effective use of the light radiated towards the top of the chip. On the other hand, epitaxial bonding technology allows us to provide a reflective layer on the driver IC, so that the light radiated towards the bottom can be reflected and taken out in the direction to the top. This means that the efficiency for the light retrieved to the outside increases twofold. The consequence is that because the electric current supplied can now be smaller than before, the driver IC element to drive the LED becomes smaller in size. Moreover, the power supply unit can also be built with a smaller volume, which has the effect of further cuts in the power consumption.

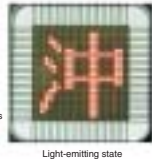


Thinfilm LED bonded to the driver IC using epitaxial film bonding technology



Application example for epitaxial film bonding technology

- Light-emitting wavelength : 765 nm
- Light-emitting size : 300 μm□
- Integration density : 600 μm pitches
- Integration count : 24 × 24 dots
- Frame frequency : 40 Hz
- Dot current : 60 mA



Light-emitting state

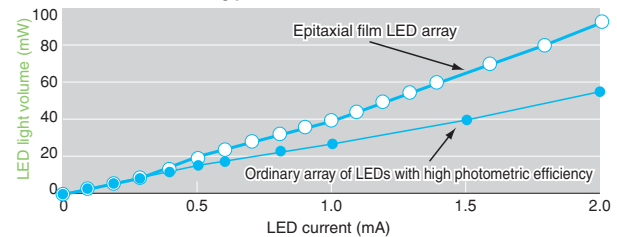
Further, the density of ordinary LED heads used to be limited because, when the number of elements increases with a higher resolution, the density of the connection pads for the LED array and the driver ICs as well as of the connection wires also increases. Epitaxial film bonding technology, however, enables us to integrate a thinfilm LED array with the driver IC into one unit for an extremely high degree of integration. And this allows us to realize further miniaturization and even higher resolutions. This technology also contributes to a reduction of environmental impacts during the production stage and of production material since, for example, there is significantly less driver IC chip shrink and wire bonding, there are less chips mounted, and the LED material is put to maximum use (See*).

* Parts of these results were obtained in research conducted at the Research Center for Nanodevices and Systems of Hiroshima University with the support of the General Support Project for Nanotechnology of the Ministry of Education, Culture, Sports, Science and Technology.

● Comparison of Ordinary LED Head and New-type LED Head (*)

| Environmental Impact Indicator | Ordinary LED Heads | New-type LED Heads | Ratio |
|-----------------------------------|--|--|-----------|
| Compound semiconductor chip width | 370 μm | 100 μm | About 1/4 |
| Number of mounted chips | LED array chips ; 26 Driver IC chips ; 26 Total: 52 chips / A4 | New-type chips ; 26 | 1/2 |
| Number of wire bondings | 3,664 | 650 | About 1/5 |
| Wiring board width | 10.8mm | 7mm | About 2/3 |
| Head volume | 14×286×17mm =68068mm ³ | 10×286×11.5mm =32890mm ³ | About 1/2 |

● Photometric Efficiency Evaluation of Ordinary LED Heads and New-type LED Heads



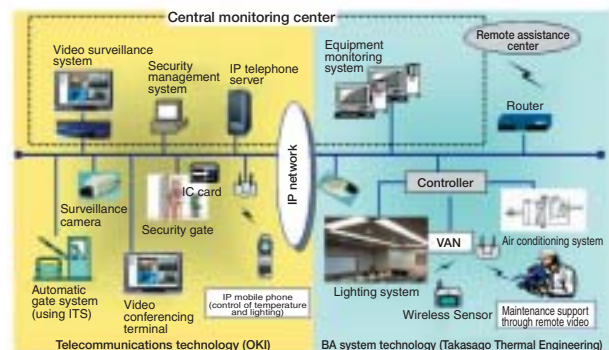
<http://www.oki.com/en/otr/208/downloads/otr-208-R05.pdf>

Integrated Network for Telecommunication and Energy Management of Buildings

A convergence of OKI's VoIP (Voice over IP) technology and Takasago Thermal Engineering Co., Ltd.'s building energy management and control technology allows us to realize high-level energy conservation through advanced building energy management while providing a wide range of convenient services such as communication system development, security measures through video surveillance and access control or building equipment control from IP phones or PCs.

As the market for building equipment becomes more advanced and diversified, OKI, which owns top-class technology in the IP (Internet Protocol) field, and Takasago Thermal Engineering Co., Ltd., the largest company in Japan specializing in heating, ventilation and air conditioning (HVAC), entered a business alliance to propose and sell systems taking advantage of their respective strengths. The alliance further enables us to provide a variety of ubiquitous services tailored to the needs of each individual customer using networks.

● Image of the System Realized by the Two Companies





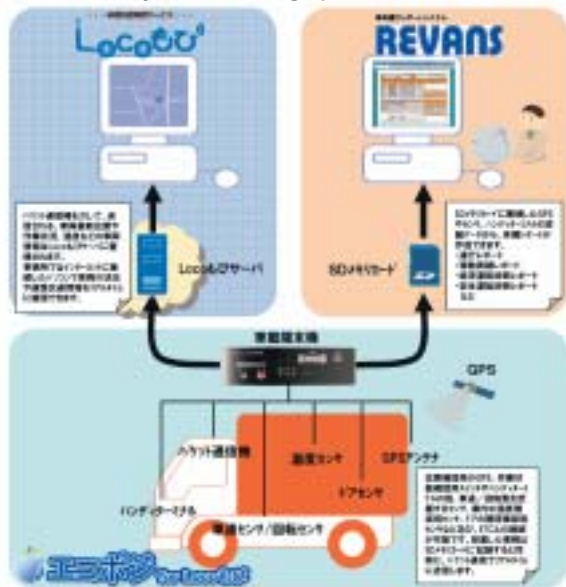
Environmental Technology and Environmental Solutions

Environmental Technologies

New Solution Realizing "Eco", "Safety" and "Peace of Mind" for Transport Vehicles

The vehicle position information service "Locoもび" developed by OKI links the on-board terminal "エコボジ for Locoもび" and the vehicle operation reporting system "REVANS" to deliver eco-friendly, safe and secure solutions for vehicles of transport companies. "エコボジ for Locoもび" is a new product of Matsushita Electric Works Location Systems Co., Ltd. By introducing this solution, transportation companies can rationalize and improve the safety of their vehicle operation and also realize significant savings in energy.

● The Three Systems Making up the Solution



[System Outline]

・ Vehicle Position Information Service "Locoもび"

A service allowing customers to manage the position and status of vehicles in real time from a PC connected to the internet. Is deployed as an ASP service, allowing customers to utilize it for a low monthly fee without having to buy expensive software. Customers can display VICS (Vehicle Information and Communication System) to check how congested the route to the destination is, and look up expected arrival times.

・ On-board Terminal "エコボジ for Locoもび"

A special on-board terminal installed into vehicles. Uses information from the GPS (Global Positioning System), button operation and various sensors to record detailed data on, for example, the vehicle status (full vehicle, empty vehicle), vehicle speed, engine revolutions, in-vehicle temperature, ETC information, refueling quantities and amounts, latitude and longitude data. Also enables real-time communication over communication equipment to secure safety and maintain quality while the vehicle is in operation.

・ Vehicle Operation Report System "REVANS"

Automatically creates various reports from the recorded operation data stored in the on-board terminal "エコボジ for Locoもび". From the aspects of fuel cost reduction and accident prevention, the report assigns scores for results from judgments on the level of safe driving or economical driving and shows them in a graph. The system can also be customized to fit the specific business model and managed items of the user transportation company.

Development of Power-Saving Semiconductors Using SOS/SOI Technology

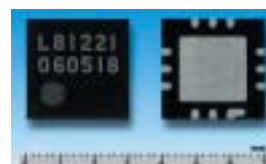
In the semiconductor field, we pursue the potentials of LSI technology as well as our original unique technology in an effort to realize system LSIs with competitive strength for the upcoming age of ubiquitous networks. Typical themes are SOI device technology and SOS device technology to realize super-low power consumption and high-speed operation.

〈SOI Technology〉

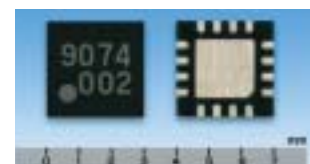
Fully depleted SOI (Silicon on Insulator) technology helps to achieve high-speed operation and low power consumption by forming elements on an extremely thin silicon substrate. We are volume-shipping the world's first LSIs employing fully depleted SOI technology in the consumer products market. We will continue to take advantage of their high-speed operation and power-saving performance to promote their application in mobile personal equipment. We will also promote the application of this technology to aerospace equipment, since it offers excellent resistance to radiation thanks to a structure that completely separates the elements.

〈SOS Technology〉

SOS (Silicon on Sapphire) technology helps to achieve excellent high-frequency characteristics and low power consumption by forming elements on a thinfilm silicon layer located on an insulating substrate. We entered an alliance with Peregrine Semiconductor Corp. in the United States to develop receiving and transmitting equipment for FM radio, television and GPS (positioning information system using satellites), etc. applying SOS technology. Taking advantage of the excellent high-frequency characteristics, we also promote its application to wireless LSIs and analog/logic mixed LSIs.



ML81221GD



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Environmental Technology and Environmental Solutions

Environmental Education Business

Distance Education on Lead-free Soldering*

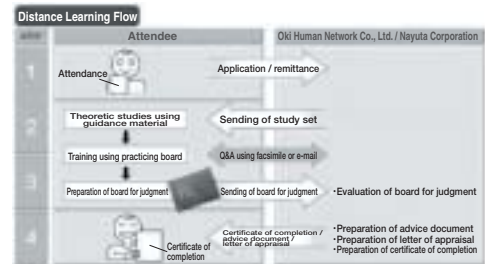
In December 2003, the OKI group set up the "Oki Soldering School" at Oki Human Network Co., Ltd. as one of its environmental solutions. Lead-free soldering requires special skills since it uses solder with a high melting temperature, and if the soldering iron is too hot, the component will break. Up to now, employees of more than 100 companies attended the training. To respond to a demand for low-cost training courses at remote locations, we set up a new course using distance education.

This significantly expanded the scope of workers inside and outside of the OKI group able to attend the training, contributing to the production of eco-friendly products.

The first-in-the-industry distance training allows attendees to set their own pace in acquiring the skills for lead-free soldering to respond to the RoHS directive. The program offers three courses: ① surface mounting (attaching components to the surface of a board), ② insertion mounting (inserting components with lead wires into the board to attach them), and ③ a general course including both course ① and course ②.

The attendees use their own soldering irons and other tools to learn the skills using practicing boards and components and following the instructions of the textbook, which contains plenty of photographs. If they have questions, they contact their instructor by facsimile or e-mail. If the board for examination is sent back within three months, Oki Human Network evaluates and assesses this board and issues a document with advice as well as a letter of appraisal and a letter of completion.

The guidance and judgment of skills in this program is performed by instructors who also make the judgments for the micro soldering qualifications of The Japan Welding Engineering Society (JWES). Attendees are informed whether they have reached a level where they can acquire the JWES micro soldering qualification of an Advanced Operator.



*) Lead-free soldering:
performing soldering using lead-free solder, which does not contain the hazardous chemical substance lead.

Environmental System Business

Environmental Equipment / Analysis and Measurement

Oki Engineering Co., Ltd. provides equipment to treat exhaust gas of semiconductor manufacturing, equipment for the treatment, collection and re-use of waste water and other equipment for the optimal treatment of gases and liquids that are unique to manufacturing processes, operation and management services starting from the construction of plant systems, and also various types of analysis, measurement and consulting including water quality, soil and atmospheric research.



Equipment for producing super-pure water used in semiconductor manufacturing



Equipment for the treatment and recycling of waste water at a semiconductor manufacturing site

Environmental Consulting Business

Support for the Acquisition of ISO14001 Certification

Taking advantage of our experiences obtained in the company-wide consolidated ISO14001 certification of the OKI group, we support companies that want to acquire ISO14001 certification for the first time.

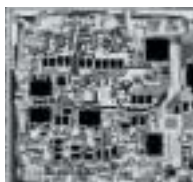
Material Analysis

For material analysis, we have rich experience in using high-precision analysis equipment. Using X-ray fluorescence spectrometers together with high-precision analysis equipment, we respond to a wide range of analysis requests from inside and outside of the company. Because we combine precision analysis with simple analysis, we are able to offer analysis results of a high level at low cost.

● Example for RoHS analysis (EDX mapping analysis example)



Total image



X-ray image



Lead distribution image

Support for Green Procurement Surveys and Survey Services

To reduce the six substances subject to the RoHS Directive in a product, green procurement surveys are required to grasp the chemical substances contained in the procured components and materials.



Homepage of COINServ-Net

This is where we offer services to assist in green procurement surveys or to conduct green procurement surveys on behalf of our customers.

Using our COINServ-Net, we also provide information on various components to members.

Testing and Evaluating the Reliability of Lead-free Soldering

We conduct reliability tests and evaluations for printed circuit boards using lead-free solder. Based on JIS and other standards, we perform mechanical strength tests, soldering suitability tests, environmental tests and heat resistance evaluations. We also create evaluation boards tailored to the requests of our customers and can provide comprehensive services consisting of tests, analysis and evaluation.



Tensile strength measurement of QFP package terminals



Environmental Technology and Environmental Solutions

Environmental Solutions Business

The OKI group is engaged in a diversified environment solution business leveraging the environmental technologies accumulated up to now. We aim to broaden and improve our environmental solutions business, proposing technologies and systems that lead to a reduction in environmental impacts to our customers.

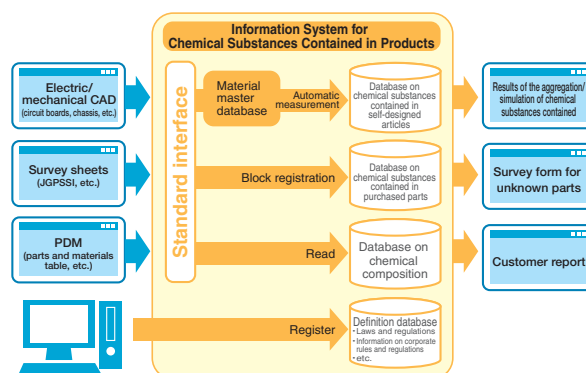
| | | | |
|-------------------------------------|--|---|---|
| Marketing / Product Planning | <ul style="list-style-type: none"> Environmental ISO consulting | <ul style="list-style-type: none"> Consulting on creating environmental reports | <ul style="list-style-type: none"> Creation of environmental education contents |
| Development / Design | <ul style="list-style-type: none"> Analysis of substances contained | <ul style="list-style-type: none"> Calculation of quantities of substances contained in products | <ul style="list-style-type: none"> Heat-dissipation solutions, etc. |
| Procurement / Manufacturing | <ul style="list-style-type: none"> Water quality control systems Soil research Contract manufacturing of electronic equipment that complies with the RoHS Directive | <ul style="list-style-type: none"> Bio recycling Soldering with parts cooling | <ul style="list-style-type: none"> Ozone deodorization / sterilization Soldering school |

Information System for Chemical Substances Contained in Products

COINServ-COSMOS is a system for company-internal information built on the basis of the rich experience in the OKI group. It calculates the quantities of chemical substances contained in products, rationalizing management work and green procurement work. The system offers the following functions and features.

- (1) Global support: support for multiple languages, including English and Chinese (under development)
- (2) Rationalization of green procurement surveys
 - ① Batch calculation of not-yet-researched components using the product configuration, and automatic creation of survey forms
 - ② Status management of the survey progress (allows prevention of survey overlaps and establishment of priority ranks)
 - ③ Simple verification of survey data
- (3) Rationalization of user reports
 - ① Automatic creation of report forms (JPGSSI-Ver3 or original user format)
 - ② Management of attached information such as analysis data
- (4) Function to evaluate compliance with laws, regulations and standards
 - ① Judgment on European RoHS Directive
 - ② Judgment on Chinese regulations for chemical substances
 - ③ Judgment on the basis of original standards
- (5) Management information
 - ① JPGSSI-Ver3 format
 - ② Management of evidence material (certificate of non-use, analysis certificate)
 - ③ Management of information related to manufacturing and procurement (solder heat-resistance, timing for the supply of RoHS-compliant components, etc.)
- (6) Information search function
Search is available by each type of information
- (7) Research of impact on product groups
Users can use reverse search for information on product configuration to identify products that are affected by components violating laws and regulations

● Example for a COINServ-COSMOS System Configuration



Contract Manufacturing of Eco-friendly Products

Our production service divisions (Honjo and Tomioka districts) run an “Environmental EMS Business” offering contract manufacturing services for eco-friendly products on the basis of the JGPSSI “Guidelines for the Management of Chemical Substances in Products”.

Especially the response to the RoHS Directive requires a thorough system to guarantee the non-containment of the restricted substances. In the acceptance inspection, we perform analysis using an X-ray fluorescence spectrometer, and in the production process using lead-free solder, we have implemented thorough identification and separation starting from the work area, equipment and jigs and reaching as far as to the work gloves.

And our original reflow heating technology enables us to provide highly reliable, high-quality lead-free soldering technology also for large boards and high layer boards.



Analysis using an X-ray fluorescence spectrometer in the acceptance inspection



Identification and separation in the production process



CSR Activities

CSR Promotion Activities

CSR Promotion Activities and Environmental Activities

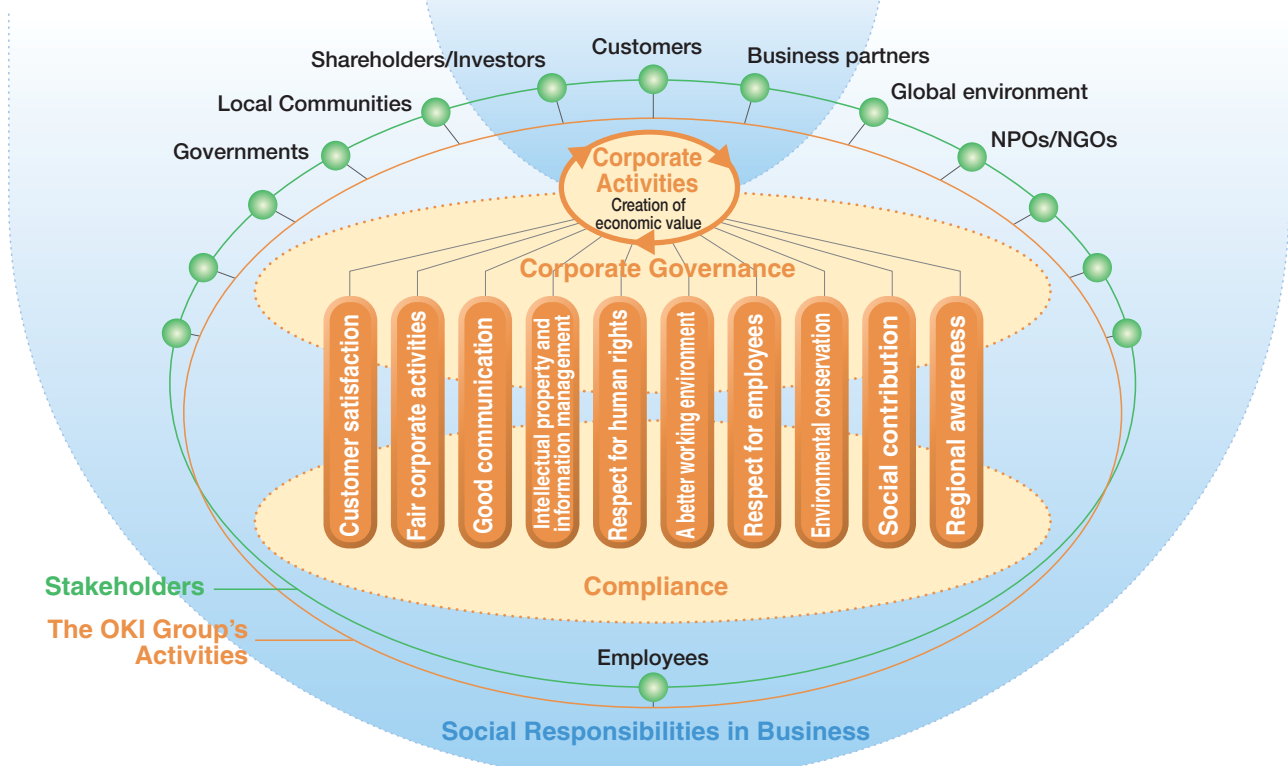
To promote CSR, OKI set up the Corporate Strategy Planning Office, integrating the CSR Promotion Division and the Compliance & Business Ethics Division.

The OKI group further established the "OKI Group Charter of Corporate Conduct" to provide principles for corporate conduct in order to fulfill its CSR (Corporate Social Responsibility). We are striving to fulfill these responsibilities towards our various stakeholders - customers, shareholders and investors, business partners, communities, employees and others. Among them,

responding to the "environment" is an extremely important responsibility for OKI as a manufacturer. If the global environment is not sustained, we cannot maintain corporate activities, nor can they grow. The Corporate Strategy Planning Office is also aggressively working on environmental activities involving the whole group to promote an environmental response that satisfies and gives peace of mind to everyone in the communities of our sites inside and outside of Japan, to the customers who use our products, and to many other stakeholders.

Contributing to the Improvement of the Quality of Life for People around the World

OKI, Network Solutions for a Global Society



Compliance Promotion Activities

The OKI group built a compliance organization with the Compliance & Business Ethics Division at the core and a CCO (Chief Compliance Officer) as the supervisor. We make serious efforts to fully enforce the "OKI Code of Conduct" with all our employees, so that every single one of them behaves in accordance with social rules, not to speak of laws and regulations. OKI promotes compliance activities from three

approaches: full enforcement of the Code of Conduct, risk management and education. We disseminate the "OKI Code of Conduct" at the work place by distributing it as a booklet to all employees, not only to ensure compliance with laws and regulations, but also to enforce our corporate ethics from environmental and social aspects.



CSR Activities

Social Contribution

OKI's basic philosophy is to "think, act and practice sympathy-winning social contribution activities to realize a truly rich society as a good corporate citizen". The Social Contribution Promotion Office, established in fiscal 1996, is at the center of our environmental or social welfare-related activities. And in addition to supporting various volunteer activities by our employees, we rolled out the "OKI 100-Yen Fund of Love" (OKI ai no 100-en bokin) on a group-wide basis as an activity that a large number of employees can easily take part in.

Environmental Volunteers

Forestry Volunteers

Every year, our employees join hands with environmental protection groups and participate in forestry volunteer activities such as tree thinning, twig cutting or bottom weed cutting. In fiscal 2006, we participated in these activities in Komoro city, Nagano prefecture (twice), in Takasaki city, Gunma prefecture (twice) and in Izu city, Shizuoka prefecture (once).

◆ Formation of the OKI Cooperative Team for Mountains and Greenery

In 2001, the International Year of Volunteers, OKI formed the "OKI Cooperative Team for Mountains and Greenery" in cooperation with the NPO "Green Earth Center" for OKI group employees and their families, who started forest volunteer activities.



◆ Signature of a "Forest Parent Agreement" with Komoro City, Nagano Prefecture

We are participating in a "forest parent" project promoted by the prefecture of Nagano.



◆ Signature of an Agreement on Forest Maintenance "Fureai-no Mori" with the Forest Administration Authority of Gunma Prefecture

In the "Fureai-no Mori", a forest located in the Kannozan district in Takasaki city, Gunma prefecture, we carry out forest maintenance activities in cooperation with the Forest Administration Authority of Gunma Prefecture and the NPO Green Earth Center.



Community Volunteers

Sites of the OKI group all over Japan actively participate in activities of their neighboring communities.

◆ Toyohira River Cleanup with River Rafting

As part of their activities to contribute to the community, 24 volunteers of the OKI group in Hokkaido gathered to participate in the "Toyohiragawa Fureai Kurin Sakusen with Ikadakudari", an event organized by Sapporo city to clean up the Toyohira River and enjoy river rafting. Picking up trash in the Toyohira River has been carried out since 2003 in cooperation with the Executive Committee of the Toyohira River Rafting Festival and the Chuo Ward Office of Sapporo city to raise the awareness of Sapporo citizens for a more beautiful environment. The timing of this activity is adapted to the Toyohira River Rafting Festival, a summer tradition in Sapporo.



◆ General Cleanup of Osaka City (Clean Osaka 2006)

OKI's Kansai regional office participated in the general cleanup of Osaka city (Clean Osaka 2006), an activity that Osaka city organizes every year. Osaka city has been organizing this effort every year since 1998 to promote a clean and beautiful town development, and many citizens, companies and groups are participating in their communities' cleanup activities.



Social Welfare

OKI has been supporting blood donation activities for the Japan Red Cross Society since it was the first company to conduct group blood donations in fiscal 1964. From the "OKI 100 Yen Fund of Love", where employees donate a monthly amount of 100 Yen, we are donating blood donation transport vehicles with refrigerating equipment to blood centers of the Japan Red Cross all over Japan and also support the SOHO Support Project (project for home work of seriously disabled persons) of the social welfare corporation "Tokyo Colony" as well as various other NPOs and NGOs upon application of our employees.



Every year in June, all sites of the OKI group participate in activities to collect used clothes in a campaign organized by the NGO Wakachiai Project. We donate about 500 boxes of used clothes every year. The courier charges to the consolidation points in Japan and the shipping costs to the overseas recipients of our support are paid from our "OKI 100 Yen Fund of Love".





CSR Activities

Environmental Communication

Disclosure of Environmental Information

Environmental Report

Every year, we release an Environmental Report in order to present the OKI group's efforts for environmental conservation to people inside and outside of the company. Since the first edition for fiscal 1999, we have already released eight Environmental Reports up to the edition for fiscal 2006.

The reports are further published on our website.

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

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

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



Fiscal 1999



Fiscal 2000



Fiscal 2001



Fiscal 2002



Fiscal 2003



Fiscal 2004



Fiscal 2005



Fiscal 2006

Site Environmental Reports

On our website, we are publishing "Site Environmental Reports" that summarize the results and efforts of each OKI site's individual and sometimes unique environmental measures. The reports present environmental impact data corresponding to local

regulations or unique environmental efforts of each plant in detail to the residents of the region or to local communities, to seek their understanding.

OKI Technical Review

In the "Hito-ni yasashii soryushon tokushu" (Special Feature: People-friendly Solutions), which we are printing in the Japanese edition of our technical journal "OKI Technical Review", we give a concrete presentation of the environmental technologies that are used for the products of the OKI group.

Key Special Feature Articles

- Development and practical application of disaster-prevention systems that apply emergency earthquake information
- Development of power-saving power supply devices
- Reliability testing in the implementation of lead-free solder boards
- Environmental measures related to semiconductors



Environmental Seminars

OKI Environmental Seminar

In October 2006, we held the "OKI Earthquake Measures Seminar 2006". The keynote speech was given by Mr. Fujinawa, Managing Director of the specified nonprofit organization Real-time Earthquake Information Consortium under the theme "Utilizing Emergency Earthquake Information". The seminar further

presented examples for the use of "emergency earthquake information" and other earthquake measures in the OKI group.

A demonstration of the "Real-time Earthquake Disaster-prevention System" sold by Oki Environment Technologies Inc. was also well received.





CSR Activities

ECO-MANUFACTURE2006

In November 2006, the OKI group exhibited at the ECO-MANUFACTURE2006 (an exhibition on environment and energy measures of the manufacturing industry), which was held at the Pacifico Yokohama. At this show, we presented our environment-related systems and services, which are all well suited for practice and proven by the rich experience and advanced technology of the OKI group. The OKI booth was well-received and visited by a large number of guests.



Streaming of Videos from the All-Japan School Biotope Contest to Sites All Over Japan

Together with Oki Customer Adtech Co., Ltd. and Oki Network Integration Co., Ltd., we supported the announcement event for the All-Japan School Biotope Contest 2005, which was held at the National Institution for the Promotion of Youth Education on February 11, 2006. Using our live video streaming system "LiveOnAir" and the internet, we offered a live broadcast of the announcement event to the regional offices of Oki Customer Adtech, allowing children and their parents from participating schools who were not able to attend to watch. The videos taken are further used for the spread of school biotopes.



Support for Environmental NPOs/NGOs

OKI supports the following environmental NPOs and NGOs.

Green Earth Center

Morizukuri (Forestation) Forum

Nippon Environment Club

The Nature Conservation Society of Japan (Foundation)

External Awards

The OKI group received numerous awards in recognition of its efforts for environmental conservation.

| Month / Year | Recipient | Award Name (Sponsor) | Reason for the Award |
|--------------|---|--|--|
| 10/1998 | Miyagi Oki Electric Co., Ltd. | President's Award, The 17th National Plant Greening Promotion Assembly (Japan Greenery Research and Development Center) | Production plant location with consideration to the natural environment and maintenance of seasonal trees |
| 2/1999 | Miyazaki Oki Electric Co., Ltd. | Director's Award, Superior Energy Control Plan category, Kyushu Bureau of the Ministry of International Trade and Industry | Remarkable results in the rationalization of plant energy usage |
| 2/1999 | Miyagi Oki Electric Co., Ltd. | Director General's Award, Superior Energy Control Plant category, Agency of Natural Resources and Energy | Remarkable results in the rationalization of plant energy usage |
| 10/1999 | Honjo district | Certificate of Appreciation for Greening Efforts (Honjo City) | Contributions to the creation of "Honjo, city of green and health" |
| 10/1999 | Hachioji district | President's Award, High Pressure Gas Safety Institute of Japan | Compliance with laws and regulations, education and drills, day-to-day operation, accident-free record, etc. |
| 2/2000 | Hachioji district | Highest Award, Kanto Region Electricity Usage Rationalization Committee | Outstanding records in electrical power usage rationalization activities |
| 2/2000 | Nagano Oki Electric Co., Ltd. | Director's Award, Superior Energy Control Plan category, Chubu Bureau of the Ministry of International Trade and Industry | Remarkable results in the rationalization of plant energy usage |
| 5/2000 | Miyazaki Oki Electric Co., Ltd. | Superior Award, High Pressure Gas Safety Institute of Japan | Contribution to disaster prevention and safety assurance through the promotion of voluntary safety activities for high pressure gas |
| 11/2000 | Honjo district | Certificate of Appreciation for Greening Efforts (Honjo City) | Contributions to the creation of "Honjo, city of green and health" |
| 2/2001 | Hachioji district | Highest Award, Kanto Region Electricity Usage Rationalization Committee | Outstanding records in electrical power usage rationalization activities |
| 1/2002 | Miyagi Oki Electric Co., Ltd. | Minister's Award, Superior Energy Control category, Ministry of Economy, Trade and Industry | Remarkable results in the rationalization of plant energy usage |
| 1/2002 | Miyazaki Oki Electric Co., Ltd. | Director General's Award, Superior Energy Control Plant category, Agency of Natural Resources and Energy | Remarkable results in the rationalization of plant energy usage |
| 11/2002 | Honjo district | Certificate of Appreciation for Greening Efforts (Honjo City) | Contributions to the creation of "Honjo, city of green and health" |
| 1/2003 | COGT (China) | Model Company for Environmental Conservation (Changzhou City, China) | Efforts for environmental conservation in Changzhou City |
| 10/2003 | Miyazaki Oki Electric Co., Ltd. | Superior Award, High Pressure Gas Safety Institute of Japan, Miyazaki Prefecture (General) Award of the Governor of Miyazaki Prefecture (Award for Excellent Manufacturing Sites) | Remarkable success in disaster prevention and safety involving high pressure gas |
| 1/2005 | Takasaki district / Nagano Oki Electric Co., Ltd. | IMS Project Achievements Award | Remarkable results in the development of lead-free connection technology |
| 7/2006 | Shizuoka Oki Electric Co., Ltd. | Award of the Director of the Chubu Regional Bureau of the Ministry of Land, Infrastructure and Transport for Coastline Protection | Yearly participation of about 60 employees in cleanup activities of the Senbonhama beach as a social contribution activity of the company since 1993 |
| 12/2006 | Tomioka district (MSC) | Certificate of Appreciation for polystyrene foam recycling (Japan Expanded Polystyrene Recycling Association) | For the material recycling (conversion into solid fuel) of polystyrene foam over many years |
| 3/2007 | Honjo district (MSC) | Certificate of Appreciation of the Honjo Midori-no Kikin (Honjo Green Fund) from the mayor of Honjo city | Contributions (donations) for the creation of "Honjo, city of green and health" |

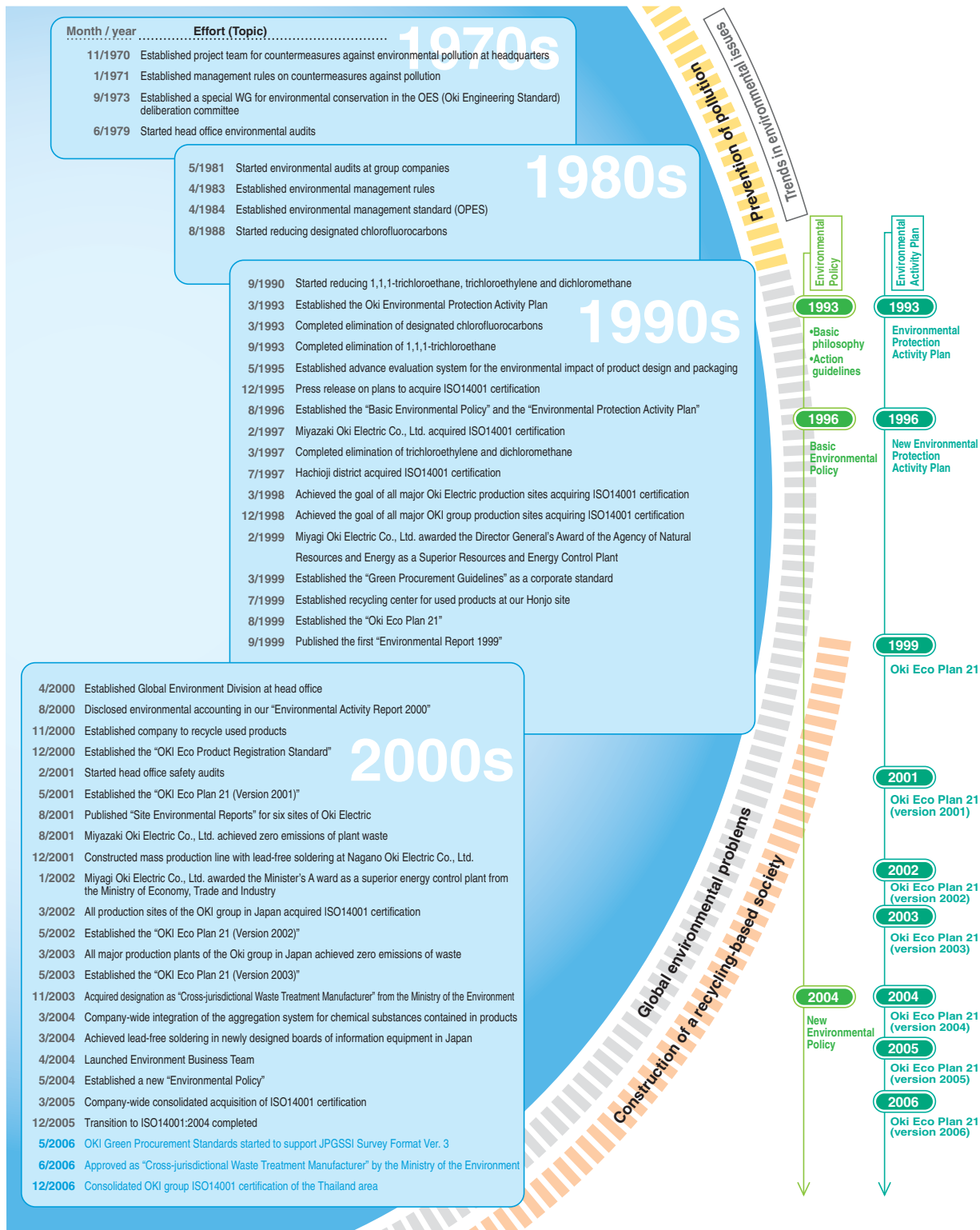


Reference Material

Progress of the OKI Group's Environmental Activities

Full-fledged environmental activities of the OKI group started with the environmental conservation activities of the 1970s. Our major production sites have been ISO14001-certified since 1997, and in fiscal 2004, we built an organization for "company-wide network-type environmentally-conscious management" integrating the entire group and also integrated our ISO14001

certification for the OKI group. In fiscal 2006, we expanded the scope of this integration to overseas sites and were approved by the Ministry of the Environment as a "Cross-jurisdictional Waste Treatment Manufacturer", a scheme established with the purpose of improving the recyclability of used products in waste treatment.





Reference Material

Environmental Data Sheet

The OKI group manages environmental impact data to use them for its environmental conservation activities. Using environmental accounting, the aggregation system for chemical substances and other methods, we keep track of a variety of environmental impact data, aggregating them on a company-wide basis. The following shows the key results for fiscal 2006.

Detailed Environmental Accounting Data by OKI Group Company

The tables below present separate environmental accounting data by OKI and its group companies in Japan and overseas.

Environmental Conservation Costs

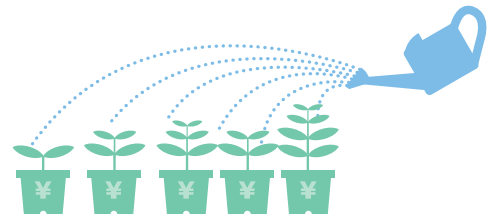
(Unit: thousand yen)

| Category | | Investment | | | | Costs | | | |
|---------------------------|---|------------|-----------------|----------|----------------------|-----------|-----------------|----------|----------------------|
| | | OKI | Group Companies | | Total (Consolidated) | OKI | Group Companies | | Total (Consolidated) |
| | | | Japan | Overseas | | | Japan | Overseas | |
| Business area cost | •Pollution prevention cost | 20,000 | 97,568 | 90,871 | 208,439 | 198,228 | 481,690 | 43,941 | 723,859 |
| | •Global environmental conservation cost | 186,579 | 163,778 | 6,061 | 356,418 | 403,212 | 330,688 | 119 | 734,019 |
| | •Resource recycling cost | 0 | 365 | 0 | 365 | 162,208 | 377,062 | 18,445 | 557,715 |
| | Sub-total | 206,579 | 261,711 | 96,932 | 565,222 | 763,648 | 1,189,440 | 62,505 | 2,015,593 |
| Upstream/downstream cost | | 67,650 | 0 | 0 | 67,650 | 95,437 | 255,987 | 8,251 | 359,675 |
| Administration cost | | 0 | 0 | 0 | 0 | 319,458 | 139,922 | 27,782 | 487,162 |
| R&D cost | | 0 | 20,200 | 0 | 20,200 | 0 | 136,017 | 0 | 136,017 |
| Social activity cost | | 0 | 0 | 0 | 0 | 294 | 1,308 | 284 | 1,886 |
| Environmental damage cost | | 0 | 0 | 0 | 0 | 969 | 807 | 0 | 1,776 |
| Other cost | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | 274,229 | 281,911 | 96,932 | 653,072 | 1,179,806 | 1,723,481 | 98,822 | 3,002,109 |

Economic Benefit

(Unit: thousand yen)

| Category | | Economic Benefit | | | |
|------------------------|--|------------------|-----------------|----------|----------------------|
| | | OKI | Group Companies | | Total (Consolidated) |
| | | | Japan | Overseas | |
| Cost reduction effect | Effect from energy and resource conservation | -32,864 | -57,195 | -75,732 | -165,791 |
| | Effect from reduction of treatment costs | -133 | 24,434 | -4,087 | 20,214 |
| | Sub-total | -32,997 | -32,761 | -79,819 | -145,577 |
| Expense saving benefit | Amounts from selling valuable waste | 30,987 | 436,240 | 68,960 | 536,187 |
| Total | | -2,010 | 403,479 | -10,859 | 390,610 |



Energy Consumption

We are using various types of energy. The following shows some data by energy type.

| Energy Type | | Use | |
|----------------|---------------------------------------|-------------|-------------|
| | | 2006 | 2005 |
| Electric power | Electric power (kwh) | 630,820,984 | 637,632,279 |
| | | | |
| Oil | Benzine (kℓ) | 56 | 345 |
| | Kerosene (kℓ) | 57 | 76 |
| | Diesel oil (kℓ) | 70 | 48 |
| | Heavy oil (kℓ) | 9,860 | 11,136 |
| | Total | 10,043 | 11,605 |
| Gas | Liquefied petroleum gas (LPG) (tons) | 350 | 296 |
| | Liquefied natural gas (LNG) (tons) | 0 | 0 |
| | Total | 350 | 296 |
| | City gas (km ³) | 3,188 | 4,408 |
| Water | City water (tons) | 373,566 | 445,471 |
| | Industrial water (tons) | 2,059,568 | 1,974,892 |
| | Underground water / well water (tons) | 3,116,855 | 2,691,062 |
| | Total | 5,549,989 | 5,111,425 |

Major Environmental Conservation Efforts

The following table shows some major efforts related to the investments, costs and economic benefits counted in our environmental accounting.

(Unit: thousand yen)

| Category | Main Efforts | Amount |
|------------------|--|---------|
| Investment | Renewal of the waste water treatment system due to reinforced regulations on fluorine in Thailand (Oki (Thailand)) | 72,061 |
| | Introduction of highly efficient coolers to replace aged coolers (Hachioji) | 52,840 |
| | Introduction of X-ray spectrometer equipment to respond to the RoHS Directive (Honjo) | 42,000 |
| | Additional installation of equipment to treat acid exhaust gas (Miyagi Oki Electric) | 41,215 |
| | Introduction of lead-free equipment (Oki Power Tech) | 20,200 |
| Costs | Construction of facility to treat domestic waste water (Oki Data Manufacturing (Thailand)) | 14,932 |
| | Management cost for cogeneration system (Miyazaki Oki Electric) | 204,000 |
| | Waste collection and treatment cost (Oki Data Fukushima) | 153,848 |
| | Maintenance and management cost for waste water treatment equipment (Miyagi Oki Electric) | 99,467 |
| | Operation and monitoring cost for electric boiler equipment (Takasaki) | 73,692 |
| Economic Benefit | Preparation cost for report on response to RoHS Directive | 68,500 |
| | Industrial waste treatment cost (Oki Printed Circuits) | 61,694 |
| | Collection of precious metals from rhodium and gold wire scrap (Oki Sensor Device) | 116,700 |
| | Sale of recycled wafers for solar power cells (Miyagi Oki Electric) | 42,984 |
| | Sale of board, iron and copper scrap (Oki Supply Center) | 27,910 |
| | Start of efficient operation of compact reflux boiler (Miyazaki Oki Electric) | 25,823 |
| | Thorough implementation of power conservation measures in summer | 10,257 |

CO₂ Emissions

The scope of the data counted in this report is limited to certain sites. The following table shows separate data for this limited number of sites and for other sites.

| Category | Emissions (1,000 tons-CO ₂) | Site |
|----------------------------------|---|---|
| Major OKI group production sites | 239 | Hachioji district, Miyazaki Oki Electric Co., Ltd., Miyagi Oki Electric Co., Ltd., Honjo district, Tomioka district, Numazu district, Takasaki district |
| Other sites | 60 | The sites included into the scope of this report as described on page 2, except for the above sites |
| Total | 299 | All sites included into the scope of this report as described on page 2 |



Reference Material

Questionnaire Survey Results

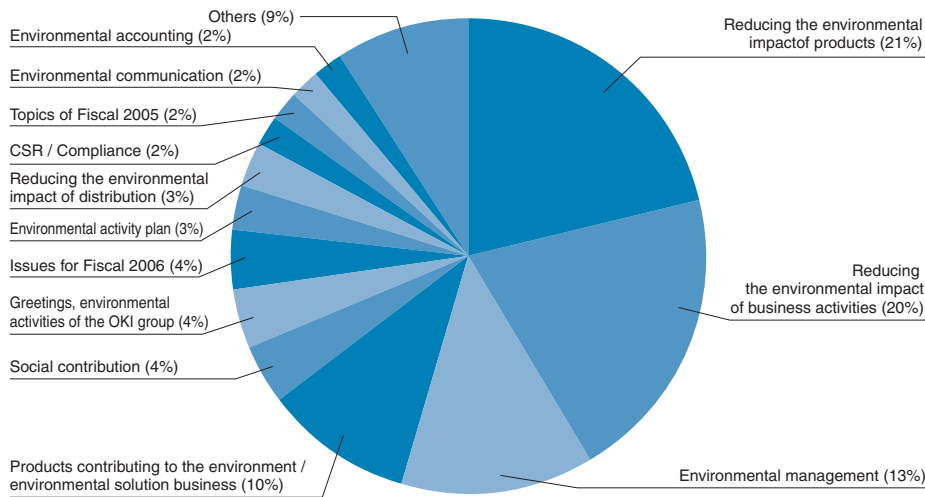
We conducted questionnaire surveys of our customers, OKI group employees and others. The information gathered in this way will be used for future environmental conservation activities and environmental reports of the OKI group.

Customer Voices on the Environmental Report 2006

To reflect the voices of our customers in the Environmental Report 2007 for continual improvement, we conducted a questionnaire survey on the Environmental Report 2006. Among the topics that our customers found interesting, “reducing the

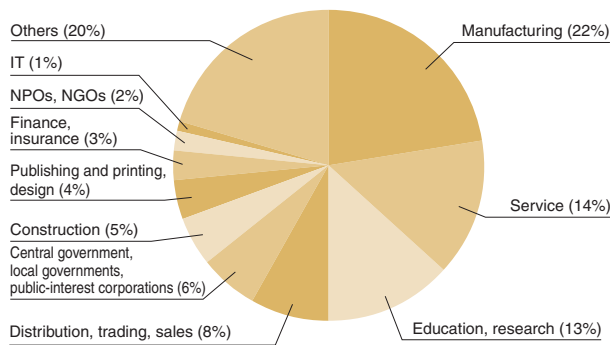
environmental impact of products”, “reducing the environmental impact of business activities”, “environmental management” and “products contributing to the environment / environmental solution business” represented 65% of the total.

Which topics did you find interesting?

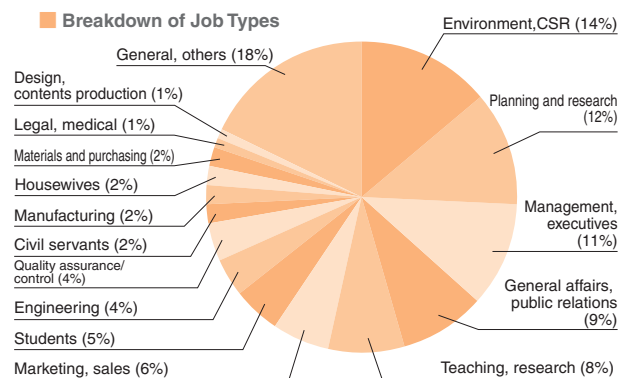


Breakdown of Readers

Breakdown of Industries

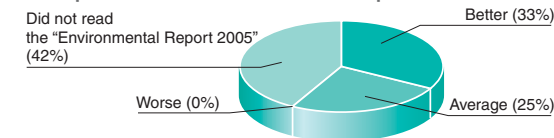


Breakdown of Job Types

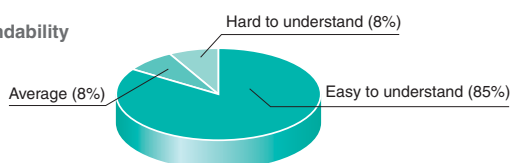


Environmental Report Evaluation

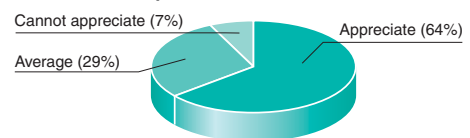
Comparison with the Environmental Report 2005



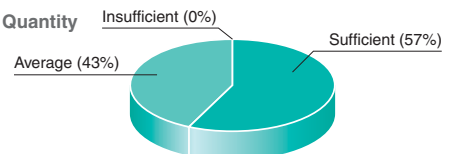
Understandability



Evaluation of the OKI Group's Environmental Activities



Information Quantity





Issues for Fiscal 2007

Focus Activities for Fiscal 2007

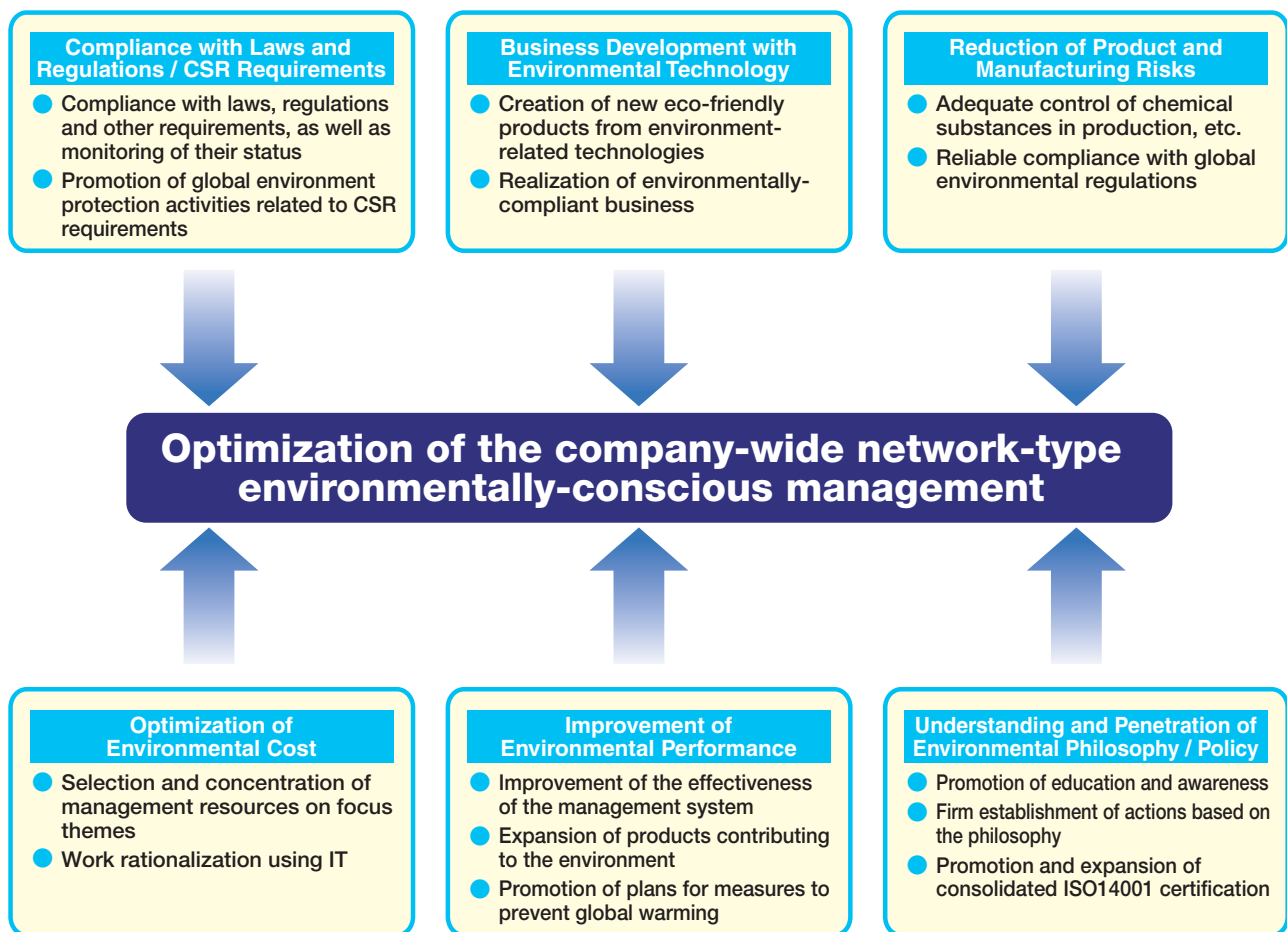
In fiscal 2006, we have been working to build a company-wide network-type environmentally-conscious management with our environmental activities based on the following three pillars (points): “contributions to the environment through our products”, “contributions to environmental conservation in business activities” and “contributions to the environmental activities of society”.

In fiscal 2007, we will expand this framework even further, promoting effective and efficient environmental activities throughout the OKI group. We will work on our environmental activities from the following six approaches to optimize our company-wide network-type environmentally-conscious management.

Specific Priority Measures for Fiscal 2007

- Reliable conformance with environmental regulations for products on a global scale
- Reduction of greenhouse gases through energy conservation in business activities and other measures
- Reduction of greenhouse gases through less power consumption by our products
- Expansion of the scope of consolidated environmental ISO certification to overseas manufacturing sites

The OKI group strives to practice consistent environmental policies and a high-quality environmentally-conscious management through “company-wide network-type environmentally-conscious management”.





Thank you very much for reading the OKI group's environmental report.

•Please feel free to contact us for any opinions or inquiries.

OKI

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Stop Global Warming !

Team Minus 6%