



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

Focal Points for the Year Ended March 2006

- Full compliance with the Law for the Protection of Personal Information
- Establishment of a risk management structure

Main Initiatives in the Year Ended March 2006

- Reinforcement of compliance education
- Reinforcement of compliance risk management structure
- Internal monitoring and closer cooperation with information security departments in relation to personal information protection

Raising Awareness of Compliance

• Full implementation of the OKI Code of Conduct

Compliance is a company's most basic social responsibility and the foundation of public trust and confidence in a company. This perception is reflected in the OKI Code of Conduct, which was formulated in 2002 as a code of compliance with laws, regulations and corporate rules. October 2004 updates to the Code included the addition of provisions concerning the protection of personal information. OKI has distributed the Code to all employees in booklet form and published the full text on its Website and intranet. OKI is raising awareness of compliance by using the Code in employee training and other activities.



OKI Code of Conduct
Visit <http://www.oki.com/jp/Home/JIS/Profile/cond> to view the full text.

• Building a Compliance Structure

In the year ended March 2005, OKI established the Compliance Committee as a corporate-wide forum for deliberations on basic compliance policies. It also created the Compliance and Business Ethics Division to plan, formulate and promote compliance-related measures. The entire OKI Group is now working to strengthen compliance under the leadership of the Chief Compliance Officer (CCO). To ensure the implementation of all policies throughout the Group, OKI has appointed Compliance Managers in all corporate divisions. It has also established advisory and reporting channels and adopted internal reporting regulations to support the early detection and correction of improper activities.

• Compliance Education

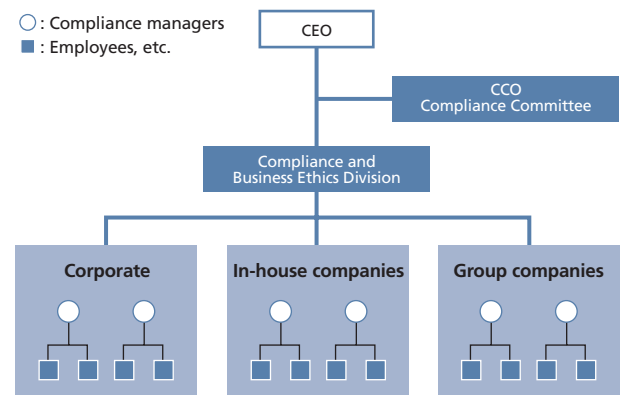
OKI provides compliance education for compliance managers and all employees. Compliance managers are trained at special seminars, which are held twice each year at seven locations in Japan. This program focuses on the role of compliance managers in raising compliance awareness within each corporate unit.

The purpose of compliance education for general employees is to ensure that all compliance policies are properly implemented and understood. In the year ended March 2006, OKI ran e-learning programs on information security, trade secrets and basic behavior in the working environment. In addition, case studies are presented on the corporate intranet in question-and-answer form as a way of rooting compliance awareness in day-to-day operations.



A training seminar for compliance managers

Compliance Education Structure



Establishment of a Risk Management Structure

•Risk Management Regulations

OKI's Risk Management Regulations, which were formulated in December 2004, are designed to prevent risk factors from affecting business operations, and to define procedures to be followed when problems arise. The Regulations identify potential risks and set basic rules concerning divisional responsibilities and countermeasures. There are also detailed rules concerning the establishment of emergency liaison systems and corporate emergency response headquarters to deal with contingencies.

•Reinforcement of Compliance Risk Management Systems

The most important focus of risk management is compliance risk, including the risk of violations of laws, regulations, accepted standards of behavior and corporate rules. OKI began to take steps under its risk management regulations to strengthen its systems in this area in the year ended March 2006.

Specifically, corporate divisions are now required to register all potential risks with the Risk Management Promotion Office, which monitors preventive measures and the occurrence of problems on a half-yearly basis and develops remedial measures. Units with responsibility for integrated risk management have been identified for risk factors that require management on a company-wide scale. These units assess risks and establish response guidelines as the basis for creating appropriate management systems.

Employee Perspectives



Compliance and Business Ethics Division
Sota Takahashi

Compliance activities depend on effective education combined with integrated, systematic risk management on a company-wide scale. OKI's directors, workplace supervisors and employees all share a common awareness of risk, and we are preparing to cope with any problems that may arise by building systems at all levels, including group companies.

Emergency/Disaster Response Systems

In addition to its accident-prevention activities in the context of day-to-day operations, the OKI Group has established response systems based on emergency and disaster scenarios.

As part of its risk management structure, the OKI Group has established a Safety Countermeasures Committee. Its mission is to establish an emergency communication network and develop countermeasures to protect lives, prevent secondary accidents, foster good community relations, and ensure the continuity of business operations. In the event of an emergency or disaster, a corporate emergency headquarters will be established to quickly apprehend the situation, direct resolution and recovery efforts, and arrange relief operations if required.

Safety and Health Committees (See Page 25) conduct day-to-day safety workplace patrols, and each site has its own team of trained firefighters. The results of these activities are displayed at regional competitions and other events. OKI also builds emergency cooperation structures with local communities through activities that help to foster closer ties with communities, such as participation in emergency drills and local events.

OKI business sites have emergency stores containing substantial

quantities of emergency equipment, water and food. OKI has also issued satellite telephones and strengthened its vital communications infrastructure in readiness for emergencies. In the year ending March 2007, OKI plans to introduce a system to allow rapid confirmation of the safety status of employees and their families.



A disaster drill



Emergency stores

Promotion of Compliance with Laws and Regulations

Improvement of Customer Satisfaction

Good Communication with Shareholders and Investors

Respect for Employees

Consideration for the Environment

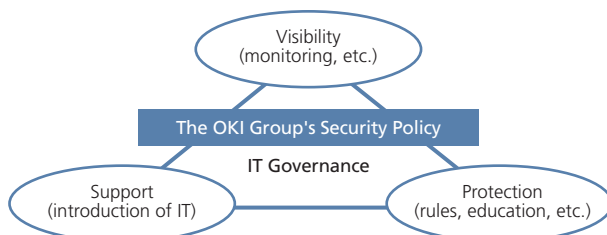
Social Contribution

Strengthening Information Security and Personal Information Protection

•Information Security Initiatives

Under the OKI Group's Security Policy, which was adopted in 2002, the OKI Group has formulated and implemented security measures based on the three principles of support, visibility and protection. Support mechanisms implemented in the year ended March 2006 included the introduction of personal identification that utilizes digital certificates stored in digital employee identity cards (IC cards), and the use of certificates stored in computers to prevent unauthorized connections. Protection mechanisms included the tightening of regulations prohibiting the use of unauthorized software. The implementation of these measures is monitored through visibility measures.

Three-Way Information Security Structure



•Information Security Education

As part of the protection component of its information security measures, the OKI Group has provided information security education for all employees since the year ended March 2005. The purpose of this training is to remind employees of basic rules that must be observed when using networks and computers and precautions against information leakage, and to ensure that employees are able to cope with changes in the social environment and information technology.

•ISMS Certification

Security management is an important priority for the OKI Group because of its role as supplier of highly reliable network solutions and related services. This emphasis is reflected in the Group's attainment of Information Security Management System (ISMS) certification for departments involved in the creation and operation of internal information systems and the design and development of systems, as well as for some marketing departments.

In the year ended March 2006, the Transport & Distribute

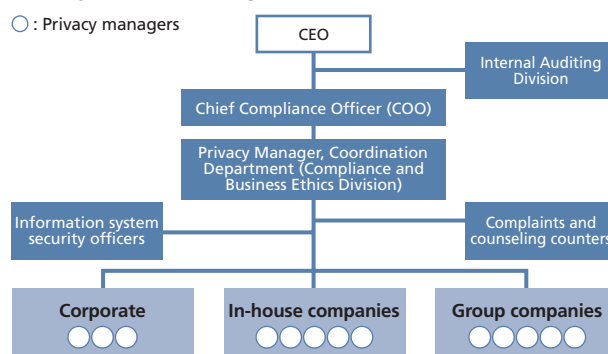
Solutions Business Division of OKI's System Solutions Company and Oki Telecommunication Systems Co., Ltd. both achieved certification under Version 2.0 of the ISMS Certification Criteria.

•Strengthening Personal Information Protection

The OKI Group maintains thorough personal information protection systems under the provisions of the new Law for the Protection of Personal Information, which has been in effect since August 2004. Under the leadership of the Chief Compliance Officer (CCO), privacy managers have been appointed at the corporate level and in business groups and group companies. The OKI Group makes use of this organizational structure to handle personal information protection based on the concrete privacy regulations and other related regulations, in which its basic guidelines are realized.

In the year ended March 2006, OKI further strengthened collaboration with information security departments to support in-depth security management measures, including the use of encryption on mobile computers. At the end of each fiscal year, internal audit departments conduct privacy audits to check that proper systems are in place and that measures are being implemented.

Privacy Protection Organization



•Privacy Mark Certification for Group Companies

As of March 2006, three OKI Group companies were authorized to use the Privacy Mark.

Company	Validity
Oki Human Network Co., Ltd.	2 years from September 21, 2005
Oki Software Co., Ltd.	2 years from December 26, 2005
Oki Alpha Create, Inc.	2 years from April 18, 2006

Fair Trading and Purchasing Activities

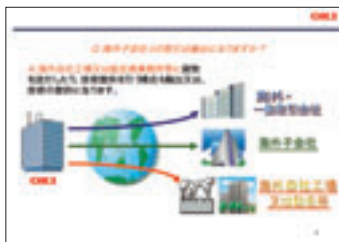
•Fair Business Practices

The OKI Code of Conduct specifically prohibits unfair trading activities. To ensure that all trading and business activities are conducted fairly and in good faith, OKI employees are constantly reminded of the need to comply with the Antimonopoly Act, laws and regulations concerning international trade, and rules concerning gifts, entertainment and political donations. Individuals are able to check and verify compliance with these requirements by consulting explanatory notes about the OKI Code of Conduct, which are available on the Group intranet. The information provided includes specific case studies, details of laws, regulations and internal rules, and contact details for further advice. In the year ended March 2006, OKI took further steps to ensure fair business practices based on compliance with the OKI Code of Conduct by providing an e-learning program in laws, regulations and information ethics for all sales personnel.

•In-Depth Security Export Controls

OKI maintains a strict voluntary management system under its Rules for Compliance with Export-Related Laws and Regulations, which were accepted as a Compliance Program (CP) by the then Ministry of International Trade and Industry in 1988. All business divisions have officials responsible for export controls, who submit reports to the corporate Export Review Section whenever an export transaction falls within the parameters stipulated in the Rules for Compliance with Export-Related Laws and Regulations. The Export Review Section conducts a final screening process to determine whether or not a particular transaction is acceptable. Major transactions are examined by the Export Review Committee, which advises the CEO as the person with ultimate authority to make decisions.

Concern about WMD proliferation and other problems was reflected in increased emphasis on security export controls in the year ended March 2006. OKI included security export controls in its training for compliance managers to raise awareness of the importance of these rules, and to ensure that all employees would be fully informed about compliance requirements.



Training materials on security export controls

•From Green Procurement to CSR Procurement

OKI recognizes that the cooperation of its partners in the supply chain is essential to the fulfillment of its corporate social responsibilities. In 2002, it adopted the Green Procurement Standard as the basis for procurement policies that include preferential purchasing of parts and materials containing reduced amounts of environmentally harmful chemical substances. In June 2006, the Purchasing Policy was rewritten from a social responsibility perspective to create the OKI Group Procurement Policy. Under this policy, OKI seeks the understanding and cooperation of its suppliers, as its CSR partners, for its procurement activities.

The OKI Group Procurement Policy (Summary)

The OKI Group will always trade fairly and transparently and base its procurement activities on worldwide quality and pricing standards when purchasing supplies, services and other items required for the production and supply of products to its customers. OKI will also strive to build relationships of trust with its suppliers so that it can rely on their cooperation in relation to the concept of corporate social responsibility. OKI will encourage compliance with laws, regulations and socially accepted standards of behavior, as well as protection of the environment.

1.Basic Thinking

- (1) The OKI Group will fairly and honestly select suppliers without discrimination between domestic or overseas companies.
- (2) The OKI Group will promote CSR perspectives in its procurement activities, in accordance with the OKI Group Charter of Corporate Conduct.
- (3) In addition to appropriate quality and cost, the OKI Group will also seek reliability of supply.

2.Procurement Policy

- (1) Fair and honest selection of suppliers without discrimination between domestic or overseas companies
- (2) Compliance with laws, regulations and socially accepted standards of behavior
- (3) Consideration for the global environment
- (4) Proper management and protection of information
- (5) Pursuit of appropriate quality and costs, and reliability of supply

3.Expectations toward Suppliers

- (1) Compliance with laws, regulations and socially accepted standards of behavior
- (2) Consideration for the global environment
- (3) Sound, stable business management
- (4) Appropriate quality and pricing, and reliability of supply
- (5) Proper management and protection of information