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

Focal Points for the Year Ended March 2006

- In-depth quality management and quality assurance from the user's perspective
- Efforts to ensure safety of products and services, and apply universal design concepts

Reinforcement of Quality Management Systems

•Group-Level Implementation of Company-Wide Quality Improvement Program

Quality management departments established in OKI's various business groups take responsibility for specific products and services and conduct their own quality assurance activities. In the year ended March 2006, OKI established a Quality Coordination Department at the corporate (head office) level. Its mission is to drive further improvement in customer satisfaction through the sharing of knowledge derived from these separate activities. The Quality Coordination Department also sets common quality key performance indicators (KPIs) that are used to support the group-level implementation of OKI's corporate quality improvement program.

The corporate quality improvement program is based on quality KPIs that are seen by the Quality Coordination Department as representing key evaluation criteria for customers, including product and service quality, customer response turn-around time (TAT) from order receipt to completion, on-time delivery and the number of customer comments received. Each division sets its own management (quality) targets, and half-yearly and monthly targets according to the KPIs and implements the measures needed to achieve those targets. Monthly target achievement records are compiled and posted on the intranet, where they are always available for checking by management.

Quality Awareness Surveys Linked to External Surveys

To ensure the quality of its products and services, the OKI Group has built systems based on ISO9001. The most important factors contributing to high standards of product and service quality through the implementation of these systems are the attitudes and day-to-day behavior of individual employees with regard to quality. For this reason, OKI now implements annual quality awareness surveys of its work force. Participants are asked about their awareness of quality, quality activities in the organization, and their assessment of product quality.

Main Initiatives in the Year Ended March 2006

- Group-level implementation of companywide quality improvement program
- Quality awareness survey linked to external perspectives
- Promotion of safety and technology compliance
- Accelerated development of universal design-related technologies

In the survey for the year ended March 2006, questions from a quality management survey implemented by an outside organization were also included. By comparing employees' assessments of their own company with the situation in other companies, management was able to form an objective picture of OKI's strengths and weaknesses. This led to the identification of a number of issues affecting the entire organization, including the fact that the views of those whose work puts them in direct contact with customers were not being conveyed quickly enough to those involved in upstream processes. The findings were reported to management and are now being used as the basis for improvement efforts by executives and front-line workers.

Product Safety Initiatives

•Increased Emphasis on Product Safety and Technical Compliance The OKI Group has tightened compliance with the four safety technology laws* as part of its efforts to increase standards of safety in the products that it supplies to customers. In the context of its global business activities, OKI has acquired the relevant certification in the countries in which it operates.

The Product Safety and Technology Committee is the group-wide organization with responsibility for product safety. Under the leadership of executives responsible for compliance with each of the four laws, it establishes systems and rules that allow those working in product planning, design, manufacturing, procurement, sales, maintenance and service to promptly and accurately comply with laws, regulations and certificates. OKI also provides education for its employees, who play a role in product safety. One of the subjects included in training for middle-level employees in the year ended March 2006 was compliance with the four laws. There were employee seminars with expert instructors invited from outside of the Company.

* The four safety technology laws:

These are laws and voluntary regulations pertaining to the safety and other aspects of information technology equipment. Specifically, they are the Electrical Appliance and Material Safety Law, the Telecommunications Business Law, the Radio Law, and the regulations of the Voluntary Control Council for Interference by Information Technology Equipment (VCCI).

Customer Satisfaction (CS) Initiatives

•Effective Use of Three Customer Satisfaction Surveys

Oki Data Corporation, which handles OKI's printer business, believes that the role of CS operations is to sell each customer a second printer by providing continuous satisfaction. One of the most important priorities is to monitor customer demand and expectations as feedback for future models. Activities to improve customer satisfaction, which are based primarily on customer surveys, are coordinated by the CS Center.

The CS Center combines results from monthly and yearly surveys and visit surveys to identify customer needs and expectations. It also gathers product fault rates, service visit frequencies and other data from around the world.

Information gained from surveys concerning customer needs and quality issues is shared at product development meetings in the form of feedback requests. OKI aims to reflect 80% of feedback in new products, and implementation of this policy is monitored in all product development processes.

Customer expectations concerning color printers

Characteristics Seen by Customers as OKI's Strengths	Characteristics Seen by Customers as OKI's Weaknesses	Customer Wishes
①Printing speed is fast.	①The printer should be quieter.	①I want a much smaller printer.
②Output quality is good.	②Running costs should be lower.	②I want to be able to print postcards without bending them.
③Paper loading is easy.	③Paper jams should be easier to clear.	③I want edge to edge printing.
⁽⁴⁾ The price of the printer is low.	(4)It should be easier to replace the toner.	④I want a multifunction product with scanning and faxing, etc.
③The printer is compact.	©The control panel should be easier to understand.	③I want to enforce network support.

Employee Perspectives



CS Department, CS Center Oki Data Corporation **Hisako Ono**

Before the launch of the new C8600dn in May 2006, we conducted a CS survey to ascertain customer requirements, and the strengths and weaknesses of OKI color printers from customers' perspectives. We were able to use 88% of the CS survey feedback items in the product's development. I believe that our role is to see ourselves as representatives of customers throughout the world, and to ensure that their varied requirements are reflected in our products.

Subjective and Objective Approaches to CS Surveys

In addition to customer satisfaction surveys conducted under contract by an outside research organization, the Semiconductor Business Group also conducts its own questionnaire and interview surveys of customers. These focus on five perspectives: product strength (functions, quality), product line-up, technical support, marketing capabilities, and ability to meet delivery dates. This approach allows the Group to maintain a clear picture of customer satisfaction and dissatisfaction levels from both subjective and objective perspectives. The Semiconductor Business Group also works to raise customer satisfaction levels by developing policies to alleviate dissatisfaction, improve product functions, performance and service quality. The Group's approach to this task includes benchmark testing to compare its products with those of competitors.

Improving Customer Satisfaction



Results of CS Improvement Activities •PHS Base Band LSIs Improvement of PHS handset functions, reduction of power consumption

•LSIs for Cordless Phones Improvement of telephone functions, reduction of power consumption

 Sound Generator LSIs for Mobile Phones Development of original sound sources for each country, improvement of sound quality, reduction of power consumption

•P2ROMs

Reduction of customer manufacturing/delivery times, improvement of security •Large-size LCD TV-use Driver LSIs

Improvement of functions and image quality, reduction of power consumption

Work Evaluation Postcards

 Making Customer Satisfaction More Visible

Oki Customer Adtech Co., Ltd., which provides maintenance services, asks customers to evaluate their services on postcards, which are given out after each visit for maintenance or other services. The evaluation covers a wide range of items, including the promptness and technical accuracy of the work, punctuality, politeness and attitude. In each category, the customer is asked to give the company one of three grades: "complaint," "could be better" or "commended." The results are shared throughout the company and used to close the gap between the customers'

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and

experience and the perceptions of those within the organization.

To build relationships of trust with its customers, Oki Customer Adtech always visits customers who have given "complaint" or "could be better" grades within a week in order to explain its response. The company uses education and incentives to reinforce employee awareness of the importance of customer satisfaction, and to improve skills and morale.

Promoting Universal Design

The OKI Group's Universal Design Concept

For the OKI Group, the universal design philosophy is an approach to the creation of products and services that combine high levels of both usability, defined as fundamental ease-of-use, and accessibility for all users, including the aged and disabled. The goal is to create products and services that can be used effectively, efficiently and satisfactorily by all users.

The OKI Group's efforts to enhance usability and accessibility are based on four concepts. First, products must have interfaces that are easy to understand. Second, mental and physical stress must be minimized. Third, there must be a choice of operating methods. Fourth, products must be friendly and attractive. To satisfy these criteria, OKI's research, design and development teams work closely together to reflect the views of users, including participants in user tests, in products and services.

In 1991, OKI established the Ergonomics Committee to coordinate these activities. With members drawn from all relevant units, it links the entire OKI organization. The Ergonomics Committee deliberates on adaptation to trends in standards for usability and accessibility, including international standards and JIS standards. It also formulates common internal standards and provides support for the application of those standards to individual products.

• Publication of Universal Design for IT

In August 2005, Maruzen Co., Ltd. published a book written by OKI Group employees involved in the universal design field. Entitled *Universal Design for IT*, the book provides a structured overview of the OKI Group's activities in this area. It is intended as a reference work for people with an interest in universal design, including those working professionally in the field.

After describing the need for universal design, the history of the

concept, and trends in standardization, the book offers some examples of universal design applications, including ATMs, IT equipment and websites. The numerous specific examples in the book also include achievements by the OKI Group, notably the establishment of design processes and implementation systems.

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•Support System Jointly Trialed by the OKI Group and University of Toronto

In November 2005, the OKI Group and the University of Toronto tested a system to support collaborative at-home work by people with disabilities. The system is based on "Vocal Village" conferencing technology, which uses VoIP* and has been developed at Toronto University, to link multiple locations. The system allows people to overcome disabilities and distance, and to work collaboratively as if they were sitting at the same table.

Seven home-based employees of Oki WorkWel Co., Ltd. tested

the system, using it to support collaboration on website development. There were significant gains in work efficiency, team solidarity and job satisfaction, as well as dramatic reduction in associated communication costs.



Working in the "Vocal Village"

* VoIP (Voice over Internet Protocol): This technology allows voice data to be transmitted over TCP/IP networks, such as the Internet and intranets.

Development of a Sign Language Synthesis Server

OKI has developed a text-sign language synthesis server. The server stores video clips of a person performing sign language. When text is entered, the system combines multiple clips to form a sign language video. By using actual photographic images, it is possible to convey information that cannot readily be conveyed via computer graphics, such as subtle expressions and mouth movements. This feature ensures that sign language information is conveyed accurately to people with hearing impairments.

The Ubiquitous Communicator^{*1}, a dedicated terminal that displays sign language videos synthesized by the server, was used

in the Kobe Airport Ubiquitous Feasibility Study Experiments, which were conducted in March 2006 as part of the Free Mobility Project*2 initiated by the Ministry of Land, Infrastructure and Transport.



A sign language video produced by the Text-Sign Language Server

*1 Ubiquitous Communicator: A mobile information terminal developed by the YRP Ubiquitous Networking Laboratory *2 Free Mobility Project:

The aim of this project is to create an environment in which information about routes, transportation and destinations is always available to anyone, anywhere.

Contributing to Society through Products and Services

In keeping with its corporate mission, the OKI Group strives to ensure that all of its products and services benefit users and contribute to society.

•Small-size ATM CP21X Ease of Access in Convenience Stores and Stations

Automated teller machines (ATMs) in convenience stores and stations are in use 365 days a year and must combine excellent reliability with ease of use and effective security measures. In March 2006, OKI announced the CP21X, a small-size ATM with features that include enhanced ease of use for optimal accessibility. The CP21X also incorporates effective security measures, including a security skid to hide the numeric key pad

and prevent someone from peeking at the PIN. The system also supports biometric identification, including the use of palm or finger vein patterns. Additionally, the capacity for cash and receipt forms has been doubled to enable longer maintenance and on-site support intervals. For added reliability, the system has duplicate hard disks. All materials and parts used in the CP21X are free of six substances that are regulated under the RoHS directive*.



The small-size ATM CP21X

* RoHS Directive: A directive restricting the use of certain hazardous substances in electrical and electronic equipment

Mobile Emergency Communications System A Robust Communication Environment for Emergencies

The mobile emergency communications system announced by OKI in March 2006 links personal digital assistants (PDAs) with the SS9100 IP Convergence Server to provide triple play (voice, image

and data) communications through wireless LANs. This system allows one-on-one and conference calling between PDAs. It can also be used to issue notices and general directives in emergencies. The result is an extremely flexible communications environment with support for communications among multiple groups,



The Mobile Emergency Communications System

which has been a problem in accidents, disasters and other emergencies. The system also features "eSound Engine," OKI's software engine that enables high guality voice communication over IP networks.. The excellent sound quality provided by this technology will ensure that emergency communications can be accurately heard and understood.

•Secure Traffic Probe for Enhanced Network Reliability and Safety

OKI's Secure Traffic Probe detects and warns of abnormal network traffic, including worms, which have become increasingly common recently. The system provides integrated monitoring of traffic and abnormalities, such as worm infections, at multiple points. Traffic data trends and alerts are displayed and analyzed. Because viruses are discovered through the detection of abnormal traffic, the system is effective even against unknown viruses. OKI

developed the Secure Traffic Probe to contribute to network

stability and security.



VisualCast Behavior Verification System Automated Detection of Suspicious Behavior and Intrusions

OKI's VisualCast remote video monitoring system uses high-quality video streaming. In July 2005, OKI added behavior verification to the functions of this system, allowing it to issue warnings on discovery of suspicious behavior or intrusions in video images. The system can automatically detect and warn of intrusions by comparing images with designated parameters for monitored areas, such as behavior patterns, size and location of intrusions. Staff in monitoring centers can display monitor images showing intruder behavior patterns. They can also adjust camera

angles and initiate alarms. The result is a substantial improvement in efficiency and reduction in surveillance operator workloads, even when extensive areas in multiple locations are being monitored.



A scene monitored by VisualCast