

Promotion of Compliance with Laws and Regulations

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 2007

- Continued advancement of risk management
- Reinforcement of information security
- Enhancement of compliance education

Main Initiatives in the Year Ended March 2007

- Conducted performance audit on recorded risk
- Strengthened security systems and acquired privacy mark
- Increased participation levels through creative use of compliance education tools

Focal Points for the Year Ending March 2008

- Continue to steadily promote risk management
- Review assessment and enhance monitoring of each risk
- Establish information security as a new CSR priority and strengthen related measures

Ensuring Full Compliance

Establishment of Compliance Systems

In the year ended March 2005 OKI established the company-wide Compliance Committee to deliberate on basic compliance-related policies and the Compliance and Business Ethics Division to plan, formulate and promote compliance-related initiatives. Under the Chief Compliance Officer the entire group has worked to strengthen compliance. We have also established consultation and reporting channels and whistleblower regulations, which enable us to discover and rectify improper activities at an early stage.

To further promote these measures, Compliance Managers have been assigned to each corporate division and every group company has named a Compliance Officer. We are currently working to enhance training and promote integrated, systematic, company-wide risk management—these two initiatives have been positioned as the twin pillars of OKI's compliance promotion activities.

Strengthening Compliance Education

OKI has assigned Compliance Managers to each division and conducts training for them twice a year at seven sites around the country in an effort to ensure compliance-related measures fully penetrate the organization.

Compliance Managers, however, are also busy with management-level work at their respective workplaces, so participation in the training program had been less than 90%, which was an issue. Given this situation, since the year ended March 2007 we have employed OKI technology to distribute video of the training session to enable managers who were unable to attend the session on the scheduled day to participate on a different day. This boosted the participation rate in the second half of the year ended March 2007 to over 90%.

We also run an e-learning program for all employees in order to gauge how thoroughly compliance-related measures have been implemented at each division. Participation in the program was 100% (at OKI) for the second half of the year ended March 2007.

We intend to further enhance the curriculum for our compliance education programs and try various ways to raise participation rates.

Ongoing Promotion of Risk Management

Enhancing Risk Management Based on Risk Management Regulations

OKI established Risk Management Regulations in December 2004 in order to prevent risks from materializing in corporate activities and ensure they are handled properly if they do materialize. We are currently enhancing our risk management activities on the basis of these regulations.

The regulations identify potential risks and set basic rules concerning divisional responsibilities and countermeasures. They also stipulate detailed rules concerning the establishment of emergency communication systems and an emergency response headquarters in the event a major risk materializes.

System for Promoting Risk Management



Performance Audit on Management of Registered Compliance Risks

Since the year ended March 2006 OKI has promoted the management of compliance risk (risk associated with violation of laws, regulations, company rules, etc.), which we consider the most important category of risk, on the basis of our Risk Management Regulations. Specifically, corporate divisions have been registering potential risks related to their operations with the Risk Management Promotion Office, which twice a year checks on the implementation of preventive measures and whether any risks have materialized, and carries out improvements.

In the year ended March 2007 we conducted a performance audit to assess the adequacy of registered risk management. The audit confirmed that the PDCA cycle was being steadily implemented at the divisional level, but it also revealed that onsite monitoring needed to be strengthened. This issue has been incorporated into managerial improvements slated for the year ending March 2008.

Emergency/Disaster Response

The OKI Group has established Safety Countermeasures Committees and emergency communication networks at its domestic and overseas sites and group companies. In the event of a disaster, countermeasures are enacted that make it possible to protect people's lives, prevent secondary accidents, contribute to the community and foster good 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 ascertain the damage, direct resolution and recovery efforts, and conduct relief operations if required. In addition, Miyagi OKI developed the Earthquake Early Warning Disaster Mitigation System with the Real-time Earthquake Information Consortium (REIC) as a countermeasure for large-scale earthquakes. The system was instituted at the company in 2005.

The system makes maximum use of earthquake early warning information* and sounds an earthquake alarm before major seismic waves arrive, which provides us with time to ensure safety, turn off equipment and take other advance measures. It makes it possible to secure the safety of employees, minimize damage to facilities, and ensure business continuity. OKI's Hachioji site and Miyazaki OKI will begin preparations in the year ending March 2008 to implement the system. The system architecture and operating methods are being optimized based on the types of earthquakes that could occur at each site.



Earthquake Early Warning Disaster Mitigation System established at Miyagi OKI

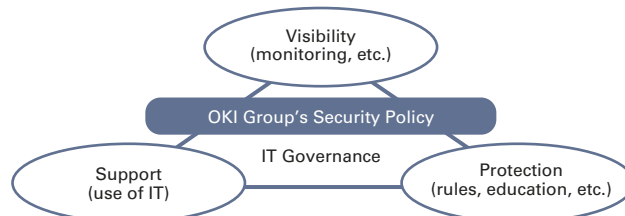
* Earthquake early warning information is communicated in order to protect people's lives, ameliorate crises and mitigate damage to society and the economy. Propagation rates differ between an earthquake's initial longitudinal tremors, or "P-waves," which travel quickly, and its main transverse waves, or "S-waves," which move slowly but cause major shaking. These differences are utilized to enable information on an earthquake (its size and position) to be immediately determined and sent out as soon as P-waves are detected by seismographs in Japan's nationwide network that are close to the earthquake's epicenter.

Strengthening Information Security and Privacy Protections

Information Security Initiatives

In accordance with the OKI Group's Security Policy, we are currently carrying out security measures based on the three principles indicated in the diagram.

Three Principles of Information Security



In order to further strengthen protection mechanisms, in the year ended March 2007 we clarified the definitions of information received from customers and information processed internally, established processes and formulated rules for handling this information—from acquisition/creation to disposal—and revised related regulations. In the area of support, we established shared serves for managing confidential information and access to that information. We also enhanced our IT infrastructure by putting restrictions on copying such information from a computer to a portable memory device, such as a USB memory drive, establishing encryption for mobile computers, putting restrictions on connecting to our networks using non-company computers, and strengthening password management. The implementation of this infrastructure was tracked via security center monitoring, a visibility mechanism.

The Information Security Committee was started in the year ending March 2008 in order to extend these mechanisms to all companies that use OKI Group information infrastructure and all their employees, including executives, regular staff, temporary staff and part-time staff. We intend to continue to develop and implement security mechanisms and measures while conducting regular inspections and audits.

Regarding Leaks of Personal Information and Business Information

In September 2006, it came to light that personal and business information belonging to some of our customers leaked out from the non-company computer of an OKI Group employee that was running the file transfer software Winny. We immediately contacted the customers involved as soon as we discovered the leak, apologized and explained the situation to them. We would like to again offer our sincere apologies to everyone that was affected. In order to prevent the recurrence of this kind of incident, the entire group intends to further strengthen security measures and sufficiently enhance information management.

Promotion of Compliance with Laws and Regulations

Information Security Education

As an information security protection mechanism, the OKI Group conducts information security education for all employees who use information infrastructure belonging to the OKI Group.

Each and every individual must thoroughly protect information assets received from customers and highly confidential information assets belonging to OKI. For this reason we widely communicate basic regulations and company rules regarding use of our network, desktop computers, and mobile computers by conducting group training sessions and e-learning programs.

Acquiring ISMS Certification

The OKI Group is working to acquire information security management system (ISMS) certification* for divisions involved in building and operating internal information systems and for divisions engaged in general system design and development, in order to improve the reliability of network solution construction and related services.

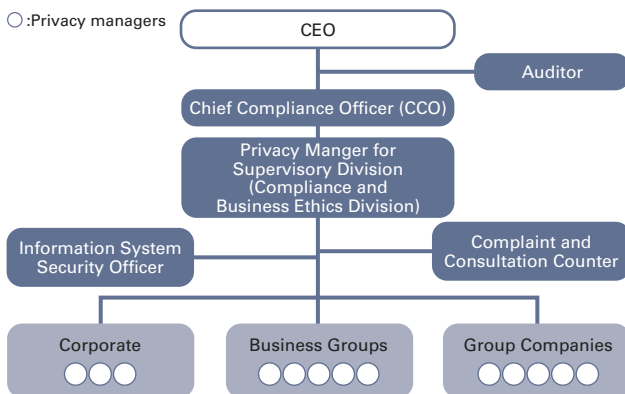
As of June 2007, six companies (11 divisions) in the OKI Group had acquired ISMS certification, and they all have completed the switchover to ISO 27001.

* Information security management systems have been regulated under the ISO system since October 2005 (ISO/IEC 27001:2005).

System for Protecting Privacy

The OKI Group has been enhancing privacy protections on the basis of a Privacy Policy that was first established in August 2004. We work to protect personal information on an organizational basis under the leadership of the Chief Compliance Officer. Privacy managers have been appointed at the corporate level and in business groups and group companies. We have also established privacy regulations and other related rules that flesh out the provisions of our Privacy Policy.

System for Protecting Privacy



Privacy Mark Certification

On April 3, 2007 OKI was granted Privacy Mark* certification by the Japan Information Processing Development Corporation (JIPDEC).

In acquiring certification, we reviewed our existing privacy protections, formulated new rules, and enhanced internal auditing. Furthermore, we conducted training to raise awareness of privacy issues among all employees and to ensure that rules are observed throughout the organization, created a record of all the personal information in our possession, enhanced rules for storing personal information, and also instituted room access systems at all business sites to prevent unauthorized access to storage locations.



As of June 2007, five companies in the OKI Group have acquired Privacy Mark certification.

* The privacy mark system calls on third party organizations to evaluate and certify that business operators' handling and management of personal information complies with the "JIS Q 15001" and in proof of compliance, the "privacy mark" is granted to be used in their business operation.

Privacy Mark Certification

Company	Validity
OKI Human Network	2 years from September 21, 2005
OKI Software	2 years from December 26, 2005
OKI Alpha Create	2 years from April 18, 2006
OKI Wintech	2 years from February 21, 2007
OKI	2 years from April 17, 2007

Employee Perspective

Given the mounting concern over protecting privacy in recent years, and based on the needs of our customers, we reviewed our privacy protection initiatives and worked to acquire privacy mark certification in order to provide our customers with greater peace of mind. We were able to acquire certification



Tatsuo Takizawa
Privacy Mark Project

according to the schedule we initially set, but more importantly we intend to continue to maintain and improve the mechanisms we built. Based on this intention, we are continuing to educate employees and monitor the mechanisms. We will continue to appropriately manage all confidential information, including personal information, in order to live up to the trust customers place in us.

Fair Trade and Purchasing

Fair Business and Purchasing Practices

To ensure that all of our business activities are conducted fairly and in good faith, OKI has developed rules and manuals regarding Antimonopoly Act compliance, giving gifts, entertainment and other matters. We also conduct training on related laws and regulations.

In the year ended March 2007 we revised the manual for compliance with the Antimonopoly Act and conducted business compliance education via e-learning software for all sales representatives, achieving a participation rate of 100%. In addition, in order to ensure the appropriateness of purchasing activities, we run a purchasing law workshop twice every year that features training and information sharing on related laws and regulations and OKI Group initiatives. The workshop is for staff members involved in supply and procurement-related divisions, including at group companies.

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. Based on this recognition, we established the Green Procurement Standard in 2002 and carry out green purchasing by giving preference to parts and materials that contain reduced amounts of chemical substances that impact the environment.

We also added to our Purchasing Policy with a view to promoting CSR-oriented procurement practices and created the OKI Group Procurement Policy, which was announced in June 2006. The new policy includes stipulations on compliance with the law and social norms, consideration for the environment, and proper management and protection of information. Training on the policy is conducted for group employees involved in purchasing to effectively communicate the policy and ensure it is fully implemented.

We intend to continue to conduct procurement while securing understanding and cooperation from our business partners, which are also our partners in promoting CSR.



The OKI Group Procurement Policies are available on our website



A training session for purchasing staff

The OKI Group Procurement Policies* (Summary)

The OKI Group implements procurement activities with the appropriate quality and price levels on a worldwide basis, through transactions that are always fair and transparent when purchasing the materials, services, and other items needed in the manufacture and supply of the products it provides to its customers.

OKI also endeavors to promote efforts in areas such as compliance with laws, regulations, societal norms, and protection of the environment, by working to build partnerships founded on relationships of trust with its suppliers and requesting its suppliers to cooperate in its activities in the area of corporate social responsibility (CSR).

1. Basic Approach

- 1) We will select suppliers in a fair and honest manner, both in Japan and overseas.
- 2) We will promote procuring activities that incorporate the concepts of CSR, based on the OKI Group Charter of Corporate Conduct.
- 3) In addition to pursuing appropriate levels of quality and cost, we will work to ensure a stable procurement of materials.

2. Procurement Guidelines

Based on the basic approach above, we will promote procuring activities focusing on the following five points:

- 1) Selection of suppliers in a fair and honest manner, both in Japan and overseas
- 2) Compliance with laws, regulations, and societal norms
- 3) Environmental considerations
- 4) Appropriate management and protection of information
- 5) Pursuit of appropriate levels of quality and costs, and ensuring a stable procurement of materials

3. Requests for Suppliers

Forming mutual partnerships and working in cooperation with its suppliers are essential to the OKI Group's implementation of procuring based on its Procurement Guidelines.

- 1) Compliance with laws, regulations, and societal norms
- 2) Environmental considerations
- 3) Sound and stable business management
- 4) Appropriate levels of quality and cost, and stable supply
- 5) Appropriate management and protection of information

* The full text of the OKI Group Procurement Policy is available at <http://www.oki.com/en/profile/procure/>.