

Full Compliance with Laws and Regulations

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



Ensuring Full Compliance

Establishment of Compliance Systems

In fiscal 2004, OKI established the companywide "Compliance Committee" to deliberate on basic compliance-related policies as well as an organization dedicated to the promotion of compliance. Since then, the entire OKI group has worked to strengthen compliance under the leadership of Compliance Managers. We have also established consultation and reporting channels and whistleblower regulations, which enable us to discover and rectify improper activities at an early stage.

We focus on the enhancement of training and the promotion of integrated, systematic, companywide risk management, believing these two are the twin pillars of the group's compliance promotion efforts. At the same time, Compliance Managers have been assigned to each business unit, and every group company has named a Compliance Officer in order to further promote each compliance-related measure.

Improvement of Compliance Education

In order to disseminate compliance-related measures across the company, OKI gives training sessions for Compliance Managers at six sites in Japan. In Fiscal 2009, the operation of such sessions was greatly improved since the introduction of Visual Nexus, OKI's video conferencing system, allowed the participation of employees at different sites in the same program at the same time. As a result, the participation rate in the program for fiscal 2009 was 100%.

Compliance Managers, then, facilitated the steady dissemination of compliance-related measures by rolling out the knowledge they had learned in such training session to their organizations, and checked the level of understanding of employees through various e-learning courses accessible to approximately 50 group companies in Japan. Among such



A screen shot image of the e-learning course titled "Compliance at Work" (given July 2009)

courses are group-wide courses on topics common to all member companies of the group, periodic courses given over a certain period of time for certain groups of people, and permanent courses on basic topics that are accessible all the time. They can be utilized as timely educational programs for new recruits and retreads as well as good opportunities of reviewing things once learned. We also offer quite a few number of Q&A cases on potential compliance problems on our intranet. The number of these cases reached approximately 140 at the end of fiscal 2009.

Steady Promotion of Risk Management

Enhancement of Risk Management Based on Risk Management Regulations

OKI established "Risk Management Regulations" in 2004 in order to prevent risks arising from its corporate activities and ensure that they are handled properly if any. 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 of a major risk.

System for Promoting Risk Management



Enhancement of Measures against Compliance Risks and Monitoring

As OKI regards compliance risks* as the most important category of risks, it has promoted the management thereof based on our Risk Management Regulations since fiscal 2005. More specifically, each business unit of the company has registered potential risks related to its operations with the Risk Management Promotion Office, which monitors twice a year the implementation of preventive measures, whether any risks have materialized, and take corrective measures.

In fiscal 2009, we enhanced the measure against each registered risk, reexamined where we should implement such measure, and improved the monitoring method in order to avoid the deterioration of our compliance management.

* A compliance risk is a risk associated with violation of laws, regulations and in-house rules.

Emergency / Disaster Response

The OKI Group has established "Safety Countermeasures Committees" and emergency communication networks at its domestic and overseas sites as well as its group companies. In the event of a disaster, appropriate countermeasures are enacted to protect people's lives, prevent secondary accidents, contribute to local communities and foster good relationships with them, and ensure the continuity of business operations.

As for the continuity of business operations, we set guidelines for formulating a BCP (Business Continuity Plan) in fiscal 2008. Furthermore, we launched a project to deal with a pandemic of a super-flu (under the leadership of Senior Executive Vice President) and formulated a BCP for our all business activities as part of the project. As a result, we successfully coped with the outbreak of the H1N1 flu in April 2009. We will continue to make similar efforts to appropriately deal with any other disaster such as an earthquake.

Fair Trade and Purchasing

Fair Business and Purchasing Practices

In order to ensure fair business activities in good faith, the OKI Group clearly states, as part of the actions to be taken specified in its Code of Conduct according to Japanese laws, that it observes antitrust laws, and is objective and free from bribery to civil servants and quasi-civil servants in Japan and other countries. Furthermore, in order to avoid offering and taking bribery to and from all stakeholders including civil servants, the code of conduct also prohibits any gift or entertainment that exceeds normal business customs (such as the offering and receipt of a monetary

reward and a special service). The group has helped its employees fully understand the significance of fair business activities by posting its code of conducts on its intranet and offering them training programs.

In addition, in order to ensure the appropriateness of purchasing activities, a purchasing law workshop is held twice a year for employees involved in material procurement. Such a workshop features training and information sharing on related laws and regulations (including the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors) as well as the OKI Group's compliance initiatives. In fiscal 2009, we held purchasing law workshops in July and December in which a total of 160 employees participated.

Strict Control of Export Practices

OKI, from the viewpoint of serving world peace and preventing the proliferation of weapons of mass destruction, has made various efforts to abide by all applicable laws and regulations about security export control as an exporter. Among them is the establishment of the Rules for Compliance with Export-Related Laws and Regulations. More specifically, the company's Export Review Section and Export Review Committee carefully examine all export-related business transactions.

In fiscal 2009, we revised the relevant rules and regulations in response to the first major revision of the Foreign Exchange Law and the Foreign Trade Law in the last 22 years. In order to enhance our export control, we also gave an e-learning program on basic knowledge thereof and the OKI Group's efforts for all manager-level employees involved in export-related tasks. The rate of participation in the program was more than 90%.

From Green Procurement to CSR Procurement

Believing that cooperation from its partners in the supply chain is indispensable for the fulfillment of its corporate social responsibilities, OKI has promoted green procurement based on the "Green Procurement Standard" established in 2002. In 2006, we created the "OKI Group Procurement Policy" by revising the existing purchasing policy. The new policy includes several new stipulations on "compliance with the laws and social norms," "considerations for environmental protection," "proper management and protection of information" and other issues. Since then we have promoted the dissemination of the new policy among employees involved in purchasing across the group.

While following the global trend in CSR-oriented procurement, we have come to realize a need for defining detailed requirements for our suppliers. As a result, we have made a research format reflecting the EICC* Code of Conduct. In fiscal 2009, we rolled out this format to the overseas sites of the group and reexamined its content. We will further promote environmentally-friendly procurement in cooperation with our suppliers.

* EICC, the Electronic Industry Citizenship Coalition, is an alliance of electronic manufacturers focusing on CSR that has enacted a code of conduct in the supply chain.



Purchasing law workshop (December 2009)