

Corporate Governance

One of the most important management priorities for the Oki Group is to live up to the trust placed in it by stakeholders by maintaining high standards of management transparency and

efficiency, and by achieving continual improvement in its corporate value. The Group is working to achieve these goals by taking various steps to strengthen corporate governance.

Corporate Governance Structure

In addition to its Board of Directors and auditor system, Oki has long maintained a Management Advisory Committee and Compensation Committee. It also has one external director and two external auditors. Management efficiency has been strengthened through the introduction of an executive officer system to separate management and executive functions.

The Management Advisory Committee, which is made up of three representative directors and three external members, provides advice to senior management. The purpose of the Committee is to enhance transparency and soundness of management through the attendance of external experts. The Compensation Committee consists of three representative directors. Its task is to maintain the transparency of remuneration levels and systems for the directors, executive officers and management officials.

The Board of Directors meets monthly to make decisions on basic management policies and other important matters, and to supervise the management of corporate operations. The Management Committee, which normally meets on a weekly basis, makes decisions on important aspects of the Oki Group's business operations and receives key reports concerning divisional operations. Meetings are attended by the CEO, corporate officials at executive officer level and higher, and auditors. Its task is to ensure effective governance.

detect negligence and fraud in the conduct of operations, support management rationalization and improve operations by accurately monitoring the overall state of corporate operations through internal audits.

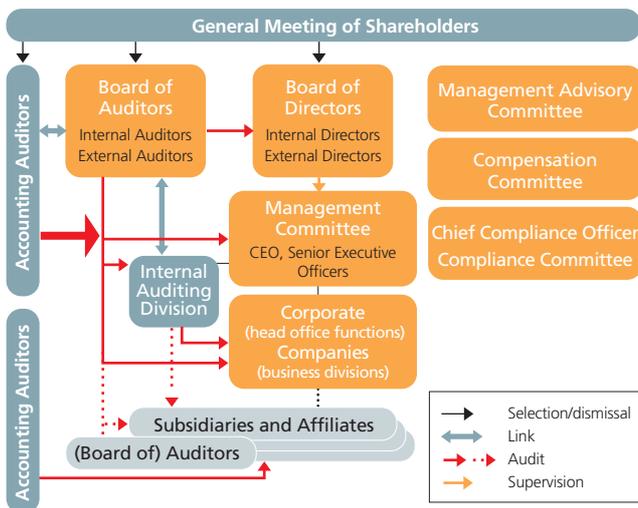
The accounting auditors regularly report to the corporate auditors concerning the conduct of accounting audits. The corporate auditors also receive reports from the Internal Auditing Division concerning the performance of corporate operations. These activities ensure that audits are conducted fairly and accurately.

Disclosure Committee

Oki has always disclosed information to shareholders and investors in accordance with the timely disclosure rules of the Tokyo Stock Exchange. It also actively discloses accurate information through press releases, websites and other media. Oki recognizes that the quality of disclosure policies has become an important criterion for judging corporate performance, and in February 2005 it strengthened its systems in this area by establishing a Disclosure Committee.

The Disclosure Committee determines disclosure methods for important information and prepares documents for prompt release. Information that is not covered by disclosure requirements but is judged to be significant to stakeholders is published voluntarily. Oki sees accurate and timely disclosure of information as an important aspect of corporate governance.

● Corporate Governance Structure



Corporate Audits and Internal Audits

Under Oki's corporate auditor system, the professional performance of directors is audited by two external auditors, of whom one is a standing auditor, and two other standing auditors. The auditors attend board meetings and other important meetings, verify the content of reports received from directors and other officials, and check the state of corporate operations and assets.

Oki's Internal Auditing Division consists of five members, including certified internal auditor. Its task is to prevent or

● Information Management Structure

