

# Compliance/Risk Management

## Compliance Structure

Compliance is the most fundamental aspect of corporate social responsibilities and is crucial to a company's reputation and ability to maintain the confidence of society. Oki recognizes the importance of compliance and is working as a group to strengthen its systems in this area. In 2002 it adopted the "Oki Code of Conduct" as a basic framework for the reinforcement of its compliance systems. The "Oki Code of Conduct" was compiled into a booklet for distribution to all employees as part of continuing efforts to ensure full compliance with all laws, regulations and internal rules.

Oki is working to improve and strengthen its compliance organization. In April 2004 it created the Compliance Committee as its corporate-wide structure responsible for deliberations on basic compliance policies. Oki also established the Compliance and Business Ethics Division to plan, formulate and promote compliance policies. In June 2004 it created the position of Chief Compliance Officer (CCO). It also appointed Compliance Managers in all corporate divisions to ensure the full implementation of all policies.



Oki Code of Conduct

## Compliance Education

Oki provides compliance education for compliance managers and all employees. Compliance education for compliance managers is provided through compliance manager seminars, which are held twice a year at seven locations in Japan. The purpose of this program is to promote awareness of compliance throughout the Oki organization by building a shared understanding of key aspects of compliance policy. To ensure that compliance policies are thoroughly implemented, Oki also provides compliance education for all employees. In the year ended March 2005, it used e-learning technology to provide training about the Oki Code of Conduct and Japan's new Law for the Protection of Personal Information.

Educational tools based on day-to-day work activities are also used to build awareness of compliance. For example, case studies in question-and-answer format are distributed through Oki's intranet system.



Compliance managers at a training seminar

## Oki Code of Conduct — Contents

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#### Additional Rules

## Risk Management Regulations

Formulated in December 2004, the Risk Management Regulations are designed to prevent risk factors from affecting business operations, and define procedures to be followed when problems occur. The Risk Management Regulations identify potential risk factors and define basic rules concerning divisional responsibilities and response procedures. There are also detailed rules defining emergency response systems, including the establishment of response headquarters. Oki has also taken steps to ensure group-wide compliance under these regulations with Japan's new Law for the Protection of Personal Information, which became fully effective in April 2005.

The most important type of risk is compliance risk, and in the year ending March 2006 Oki began to strengthen its risk management systems in this area. Specifically, corporate

divisions identified risks relating to violations of laws, regulations, internal rules and corporate behavior standards in core business areas and registered these risk factors with the Risk Management Promotion Office. Preventive measures and the occurrence of problems will be monitored on a half-yearly basis so that improvements can be made where necessary. Through these measures, Oki manages compliance risk factors affecting all aspects of its corporate operations.

Oki will continue its efforts to build a shared awareness of risk factors among its executives, site managers and employees, and to develop systems to respond when problems occur. At the same time, it will also establish group-level risk management systems.