

Consideration for the Environment



In order to realize and pass on a better global environment, The OKI Group promotes environmental management and makes efforts to conserve the environment through its products and its business activities.

Focal Points in the Year Ended March 2006

- Implementation of network-type environmentally-conscious management
- Reduction of greenhouse gas emissions
- Improvement of eco-friendly products
- Active involvement in environment business

Main Initiatives in the Year Ended March 2006

- Transition to ISO14001:2004 and expansion of scope of companywide consolidated certification
- Increased efforts to reduce CO₂ emissions, especially in semiconductor manufacturing processes
- Expansion of RoHS Directive compliance measures
- Deployment of information system for chemicals contained in products (See Page 8)

The OKI Group's Environmental Policy and the OKI Eco Plan 21

The OKI Group Environmental Policy consists of the policy and four activity guidelines. Under the Environmental Policy, the OKI Group is implementing companywide network-type environmentally-conscious management (See Page 27). The policy calls for sustained efforts targeted toward the "three pillars" of the OKI Group's environmental activities: contribution to the environment through products, contribution to environmental conservation in business activities, and contribution to the environmental activities of society.

OKI Group Environmental Policy

Environmental Policy

By providing products that contribute to the e-society, the OKI Group realizes a better global environment for the next generation, and takes it over.

Environmental Activity Guidelines

- 1 Strive to maximize the effect of policies and measures by executing companywide network-type environmentally-conscious management.
 - Work to provide eco-friendly products and services with respect to all work processes, from product planning up to manufacturing, maintenance and operation.
 - Work for the conservation of resources and energy, and to reduce waste in business activities.
- 2 Comply with applicable environmental laws and regulations, ordinances, etc. and other requirements agreed upon.
- 3 Accurately execute the PDmCA (Plan-Do-multiple-Check-Action) of the environmental management system. Work to enhance environmental performance and to continually improve its operational system.
- 4 Strive to disclose environment-related information and contribute to society on a broad basis by supporting environmental activities.

Progress of Environmental Activities under the OKI Eco Plan 21

The OKI Group formulated the OKI Eco Plan 21 as its basic action plan for environmental conservation activities targeted toward the reduction of environmental loads. As shown in the following table, targets for activity items contained in the fiscal 2005 version of the plan were largely met.

OKI Eco Plan 21 Activity Items and Achievements in the Year Ended March 2006

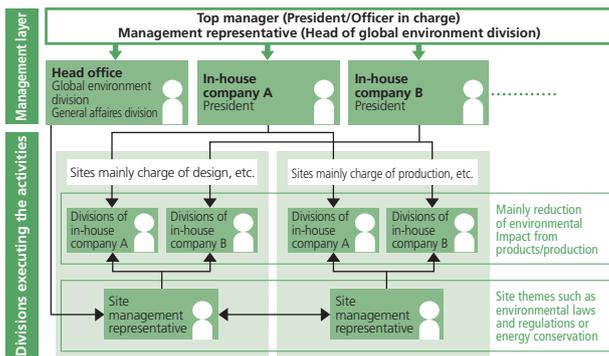
Category	Activity Item	Achievements in the Year Ended March 2006	
Products	Chemical substances in products that affect the environment	Compliance with RoHS directive (mercury, cadmium, lead, hexavalent chromium, PBB, PBDE) • Hardware • Supplies	Successful adaptation of products to RoHS Directive
	Resource recovery from used products	Development of internal recycling systems and expansion of scope (approval under Cross-jurisdictional Waste Treatment Manufacturer Scheme)	(Approved in June 2006)
	Environmental upskilling for products/services	Improvement of understanding about environment-related laws and regulations, customer requirements, etc. (e-learning, group courses, etc.)	Participation ratio for upskilling courses: 70%
Business Activities	Prevention of global warming	Reduction of CO ₂ emissions at production sites • Reduction of power consumption with updated equipment • Review of operations • Other measures	15% reduction (basic unit) compared with year ended March 2004
		Information and telecommunications devices	22% reduction (basic unit) compared with year ended March 2004
		Reduction of atmospheric emissions of greenhouse gases	Plan for period to 2010 formulated
	Resource recycling	Reduction of industrial waste at production sites (maintenance/continuation of zero-emission status)	Continuation of zero-emission status
	Limitation of use of chemical substances that affect the environment	Reduction of emissions or use of chemical substances that affect the environment (restricted chemical substances other than greenhouse gases)	0.4% reduction compared with year ended March 2002 13% reduction compared with year ended March 2004
Environmentally-Conscious Management	Reinforcement of environmentally-conscious management systems	Promotion of companywide network-type environmentally-conscious management systems (evaluation/implementation of expansion of systems in Japan and overseas)	Four sites added
	Reinforcement of environmental compliance	Improvement of internal and external understanding about OKI's environmental performance and policy (seminars, group educational courses)	Seminars and educational programs implemented

Promotion of Companywide Network-Type Environmentally-conscious Management

The OKI Group is implementing companywide network-type environmentally-conscious management. This concept is designed to optimize the efficiency of group-level activities by combining day-to-day energy conservation activities and other initiatives at individual sites with company-level efforts focusing on product-related environmental themes.

By selecting and concentrating the resources toward the solution of problems, and by sharing information and knowledge, OKI aims to create environmentally sound products and to ensure that its business activities comply with environmental requirements.

Management by Sites and Companies



Transition to ISO14001:2004 and Expansion of Scope of Companywide Consolidated Certification

In the year ended March 2005, the OKI Group obtained consolidated certification under ISO14001:1996 in preparation for the implementation of companywide network-type environmentally-conscious management. The result is a structure capable of supporting efficient environmental activities throughout the OKI Group. In the year ended March 2006, this structure was further strengthened through a transition to ISO14001:2004 in December 2005, and through the expansion of the scope of

Scope of Consolidated certification

15 Sites		8 Regional Offices
<ul style="list-style-type: none"> •Toranomon site •Shibaura site •Numazu site •Takasaki site •Honjo/Tomioka sites •Warabi site •Ikebukuro site •Hachioji site 	<ul style="list-style-type: none"> •Miyazaki site •Miyagi site •Oki Data Corporation (Fukushima site) [Added in year ended March 2006] •Nagano site •Eitai/Isesaki site •Hikawadai site •Kansai Laboratory site 	<ul style="list-style-type: none"> •Hokkaido Regional Office •Tohoku Regional Office •Hokuriku Regional Office •Chubu Regional Office •Kansai Regional Office •Chugoku Regional Office •Shikoku Regional Office •Kyushu Regional Office

companywide consolidated certification. Certification has been achieved at 15 sites, eight branches and covers 62 companies in Japan with approximately 15,930 employees.

Environmental Compliance and Environmental Education

Environmental compliance (compliance with environment-related laws and regulations) is a vital aspect of environmental management. The OKI Group uses e-learning to provide all employees with general environmental education about its environmental policies and activities. In the year ended March 2006, approximately 4,600 people participated. Educational programs were also implemented to raise skill levels in OKI's sales organization. These e-learning programs cover the RoHS Directive and related activities of the OKI Group. Approximately 1,300 people participated in the year ended March 2006. In addition, OKI implements education and awareness programs to ensure full environmental compliance in other divisions, such as design, development and production. These programs are tailored to the specific content of activities in these areas.

Environmental Compliance Activities in Each Division

Sales Divisions	Design and Development Divisions	Production Divisions
<ul style="list-style-type: none"> •In-depth risk management based on scenarios of violations of Waste Management and Public Cleansing Law •Dissemination of information about appropriate treatment of used products •Environmental compliance education using e-learning technology 	<ul style="list-style-type: none"> •In-depth risk management based on various scenarios, including product-related environmental contamination accidents, and inclusion of regulated substances •In-depth compliance management based on ISO14001 requirements •Development of environment-related technical standards and design standards •Verification using environment-related design reviews and product assessment tests •Comprehensive environmental education for design and development personnel 	<ul style="list-style-type: none"> •In-depth risk management based on various scenarios, including environmental contamination accidents, violations of Waste Management and Public Cleansing Law •In-depth compliance management based on ISO14001 requirements •Collection of up-to-date regulatory information from environment-related gazettes, websites and distribution services

Employee Perspective



Global Environment Division
Hiroshi Ogata

Companywide network-type environmentally-conscious management is a framework for the implementation of our accumulated resources of environmental technologies and experience across the entire OKI Group to promote effective and efficient environment conservation. The expansion of this framework in the year ending March 2007 will allow us to improve and effectively utilize our environmental technologies, raise the level of environmental compliance, and share environment-related information.

Promotion of Compliance with Laws and Regulations

Improvement of Customer Satisfaction

Good Communication with Stakeholders and Investors

Respect for Employees

Consideration for the Environment

Social Contribution

Reducing Environmental Loads Resulting from Business Activities

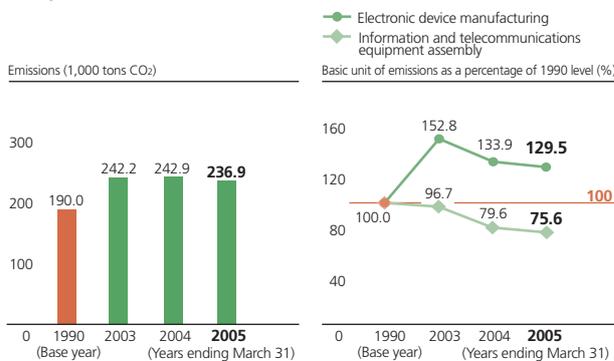
•Reducing Greenhouse Gas Emissions

The OKI Group is working to reduce its emissions of the greenhouse gases that cause global warming. It has set targets for the reduction of energy-related CO₂ emissions resulting from the consumption of electric power and fossil fuels, and emissions of perfluorocarbon (PFC)*¹ gases used in the semiconductor manufacturing process. In the year ended March 2006, OKI developed a plan for the reduction of greenhouse gas emissions into the atmosphere through 2010, using measures that include the centralization of resources at semiconductor production sites.

In the year ended March 2006, the total energy-related CO₂ emissions of the OKI Group, including overseas plants, amounted to 310,000 tons (236,900 tons at major production sites). Reduced production volumes resulted in a 20% reduction compared with the total for the year ended March 2005. There was a 3% year-on-year improvement in segment CO₂ emissions at major production sites (basic units*²). Contributing factors included energy conservation initiatives and productivity improvements in the semiconductor manufacturing segment, which is a major consumer of energy, and the installation of highly efficient environmental equipment. There was a 5% improvement in the information and telecommunications device assembly segment.

- *¹ PFC gases:
Perfluorocarbon gases, such as CF₄ and C₂F₆
- *² Basic unit:
CO₂ emissions/net sales

Transmission of CO₂ Emissions (Major Production Sites of the OKI Group)



•Reduction of Waste

Since the year ended March 2001, OKI has been working to achieve zero emission*¹ status at its main production sites. This goal was attained at main domestic production sites in the year ended

March 2003.

In the year ended March 2006, zero emission status was achieved at two production sites: OKI Communication Systems Co., Ltd., which develops and manufactures communications network equipment, and Oki (UK) Ltd., which is an overseas production site for printers. OKI Group companies, including overseas companies, will continue to improve their resource recovery rates*².

- *¹ Zero emission status:
This is defined by the OKI Group as a resource recovery rate of more than 99% for general waste and industrial waste.
- *² Resource recovery rate:
Quantity of recovered resources/(quantity of recovered resources + quantity of final disposals at landfills) × 100

Achievement of Zero Emission Status

Year Ended March 2002	Year Ended March 2003	Year Ended March 2005	Year Ended March 2006
<ul style="list-style-type: none"> •Miyazaki Oki Electric Co., Ltd. •Nagano Oki Electric Co., Ltd. •Honjo District •Miyagi Oki Electric Co., Ltd. •Oki Data Corporation, Fukushima District 	<ul style="list-style-type: none"> •Hachioji District •Takasaki District •Tomioka District •Numazu District 	<ul style="list-style-type: none"> •Oki Power Tech Co., Ltd. 	<ul style="list-style-type: none"> •Oki Communication Systems Co., Ltd. •Oki (UK) Ltd.

Product-Related Environmental Initiatives

•Curbing Use of Substances Covered by RoHS Directive

The OKI Group is systematically reducing the use of substances regulated under the RoHS Directive. All semiconductors and printers supplied in the EU now comply with the RoHS Directive, and compliance has largely been achieved with the latest automated teller machines (ATMs). OKI is making the necessary changes to other products according to customer requirements and market trends.

One example of Oki Data Corporation's efforts to adapt a major product line to the RoHS Directive was the establishment in July 2005 of a global production structure, including overseas production sites in Thailand and China, to manufacture dot impact printers without the use of the six substances regulated under the directive. Oki Data Corporation has also conducted green procurement surveys of companies supplying parts for printer products with high EU sales ratios, as well as ascertaining the substances contained in those parts. The purpose of these surveys is to check that none of the parts contain any of the six substances regulated under the RoHS Directive.

In EU countries, compliance certificates must be submitted for RoHS audits. To meet this requirement, Oki Data has created a

Global RoHS Database for each model, containing measurement data and supplier certificates for every component. Compliance certificates can be downloaded instantly from sales companies in each country. OKI will continue to adapt its products to the RoHS Directive, including those sold in regions other than the EU.

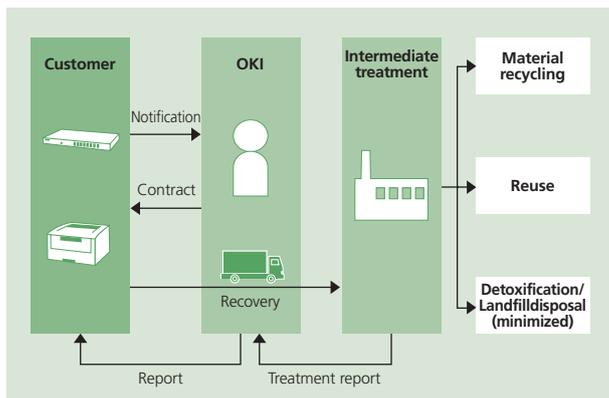
•3R Activities for Used Products

Effective resource utilization and the reduction of waste product and final disposal volumes are all essential to the creation of a sustainable society. The OKI Group is contributing through "3R"*1 activities targeting used products. In June 2006, the Ministry of the Environment certified OKI under the Cross-Jurisdictional Waste Treatment Manufacturer Scheme*2, which was established to improve the recyclability of used products in waste disposal processes.

OKI has collected used OKI products from customers for recycling since November 2003, when it became a designated Cross-jurisdictional Waste Treatment Manufacturer*3. Certification under this scheme is expected to lead to growth in the volume of used products recovered, and OKI has signed contracts with another eight industrial waste intermediate treatment contractors. The industrial waste covered by the program consists of used information and telecommunications devices and printers. These items are recovered and recycled. OKI aims to recycle products using methods that further reduce environmental loads, while also flexibly accommodating customer requirements with regard to security management and other aspects of disposal procedures.

- *1 3R:**
This acronym stands for "reuse, recycle, reduce."
- *2 Certified Cross-jurisdictional Waste Treatment Manufacturer Scheme:**
This system provides for special exceptions under the Waste Management Law, allowing producers of manufactured goods and other items to dispose of waste across jurisdictional boundaries.
- *3 Designated Cross-Jurisdictional Waste Treatment Manufacturer Scheme:**
Designated manufacturers are able to collect, transport and process their own used products without obtaining industrial waste disposal permits issued by prefectural governments.

Cross-jurisdictional Treatment of Used Products (Contract Treatment Flowchart)



•Development of Eco-Friendly Products

The OKI Group minimizes the environmental impact caused by its products by assessing its products at all stages from development and design onwards according to criteria that include energy and resource conservation, recyclability, and reductions in the use of chemical substances.

— OKITECS 110/100 Single-Capacity Telemeter

This remote monitoring system contributes to the effective utilization of water resources. It is used to manage water levels and flow rates in reservoirs and other water management facilities. This single device can monitor all of the information required to manage tertiary stations in a water supply system, including water levels, flow rates and the operational status of electric pumps at remote locations. The OKITECS 110/100 can be installed in one-third of the space required by earlier systems. Other usability enhancements include the elimination of the need for post-installation setup and adjustment. The system is designed to comply fully with the RoHS Directive, including the use of lead-free solder on the circuit boards, and use of the galvanized sheet steel and screws that do not contain hexavalent chromium.

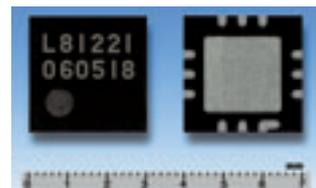


OKITECS110/100

— ML81221GD CMOS Switch

Developed using silicon-on-sapphire (SOS) technology, the ML81221GD high-isolation CMOS RF switch*1 is compatible with digital terrestrial television, including one-segment television. The SOS technology used to fabricate the ML81221GD involves the formation of an integrated circuit in a single silicon crystal grown on a sapphire substrate. At 40dB (signal leakage: 0.01%), its isolation performance*2 in the 900MHz band is 100 times higher than earlier OKI products. Moreover, the ML81221GD consumes less than one-fifth as much power as RF switches based on GaAS compound semiconductors.

The environmental impact has also been reduced, since the sapphire substrate used in this RF switch contains no arsenic.



ML81221GD

- *1 RF Switch:**
An RF switch is used to switch between high-frequency signals, such as incoming signals from an antenna and outgoing signals from a transmitter, in mobile telephones and other wireless devices.
- *2 Isolation performance:**
This is an indicator of the level of signal leakage from one terminal to the other when the switch is off (disconnected).

Promotion of Compliance with Laws and Regulations
Improvement of Customer Satisfaction
Good Communication with Stakeholders and Investors
Respect for Employees
Consideration for the Environment
Social Contribution