

Consideration for the Environment

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

Focal Points for the Year Ended March 2007

- Improvement and effective utilization of environmental technologies
- Enhancement of environmental compliance
- Facilitation of sharing of environmental information

Main Initiatives in the Year Ended March 2007

- Developed technologies to bring about more compact, more energy efficient products (see page 11)
- Improved company-wide information management systems pertaining to environmental laws, and acquired certification under the Cross-Jurisdictional Waste Treatment Manufacturer Scheme
- Implemented an information system for chemical substances contained in products

Focal Points for the Year Ending March 2008

- Reliable conformance with environmental regulations for products on a global scale
- Reduction of greenhouse gases through energy conservation in business activities and other measures
- Reduction of greenhouse gases through less power consumption by our products
- Expansion of the scope of consolidated environmental ISO certification to overseas manufacturing sites

OKI Group Environmental Policy and OKI Eco Plan 21 resources

The OKI Group Environmental Policy consists of our policy on the environment and four activity guidelines. Under the policy, the OKI Group is implementing company-wide network-type environmentally conscious management. We intend to steadily carry out environmental activities by contributing to the environment through products, contributing to environmental conservation and business activities, and contributing to the environmental activities of society. These are the three pillars of our environmental activities.

OKI Group Environmental Policy

Environmental Philosophy

By providing products that contribute to the realization of the e-Society, the OKI Group realizes a better global environment for the next generation and passes it on.

Environmental Activity Guidelines

1. Strive to maximize the effect of policies and measures by executing company-wide 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 and other requirements such as customer requirements agreed upon, and make efforts to prevent pollution.
3. Accurately execute the PDmCA(Plan-Do-multiple-Check-Act) 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 impact. Specific targets are formulated for each fiscal year. The table below shows activities conducted in the year ended March 2007 and corresponding achievements.

OKI Eco Plan 21 Activities and the Year Ended March 2007 Achievements

	Category	Activity	Targets for the Year Ended March 2007	Achievements in the Year Ended March 2007	
Products	Chemical substances in products that affect the environment	Compliance with RoHS Directive (mercury, cadmium, lead, hexavalent chromium, PBB, PBDE) <ul style="list-style-type: none"> • Hardware • Supplies 	Adapt customer products to RoHS Directive	All applicable products now in compliance	
	Resource recovery from used products	Development of internal recycling systems and expansion of scope (approval under Cross-Jurisdictional Waste Treatment Manufacturers Scheme)	Acquire cross-jurisdictional certification	Acquired certification and launched operations	
	Environmental skill-improvement for products /services	Improvement of understanding about environment related laws and regulations, customer requirements, etc. (e-learning, group courses, etc.)	Run skill-improvement courses	Participation rate of 83%	
Business Activities	Prevention of global warming	Reduction of CO ₂ emissions at production sites <ul style="list-style-type: none"> • Reduction of power consumption with updated equipment • Review of operations • Other measures 	Electronic devices Information and telecommunications devices	Reduction of 2% or more (basic unit) compared with the year ended March 2004	Reduced by 9% (2% increase in absolute amount)
		Reduction of atmospheric emissions of greenhouse gases	Formulate action plan	Reduced by 26% (33% reduction in absolute amount)	Finished formulating plan up through 2010
	Resource recycling	Reduction of industrial waste at production sites (maintenance/continuation of zero-emission status)	Continue efforts	Some sites have not yet achieved 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 (evaluation/implementation of expansion of systems in Japan and overseas)	Reduction of 2% or more compared to the year ended March 2002	6% increase compared to the year ended March 2002	
Environmentally Conscious Management	Reinforcement of environmentally conscious management systems	Promotion of company-wide network-type environmentally conscious management systems (evaluation/implementation of expansion of systems in Japan and overseas)	Expand, or consider expanding, application in Japan and overseas	Added 10 sites	
	Reinforcement of environmental compliance	Improvement of internal and external understanding about OKI's environmental performance and policy (seminars, group educational courses)	Hold seminars (accident prevention, etc.)	Implemented seminars and educational programs	

Promotion of Company-Wide Network-Type Environmentally Conscious Management

Expanding the Scope of Consolidated ISO 14001 Certification

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

In order to strengthen this system, in the year ended March 2007 we expanded the scope of consolidated ISO 14001 certification, which we acquired in the year ended March 2005, to overseas sites; specifically, to OKI (Thailand)'s Ayutthaya site, OKI Data Manufacturing (Thailand)'s Ayutthaya site, and OKI Precision (Thailand)'s Chang Mai site. In addition, in Japan, eight group companies and 10 sites were newly integrated into the certification.

In the year ending March 2008 we are planning to integrate production sites in China into the certification with a view of implementing efficient environmental measures on a global scale and maximizing their effects.



During an ISO inspection

Employee Perspective

As a major assembly and test site for OKI semiconductors, our company is working to expand production and reduce costs. In the semiconductor manufacturing process, chemicals and gases are used that have a major impact on the environment and both material and liquid waste are processed, so for some time we have actively carried out environmental management. Being included in the scope of ISO certification affords us the opportunity to promote information sharing among all three sites in Thailand. While considering specific conditions at each company, we will utilize the environmental technologies that have been cultivated by the OKI Group to date and reference examples of successful installations to steadily carry out more effective and more efficient environmental conservation activities.



Burana Sopa
OKI (Thailand)

Raising Environmental Compliance Levels

Improving the Company-wide Information Management System for Environmental Laws and Regulations

The OKI Group has constructed a company-wide information management system in order to facilitate the integrated management of information pertaining to legal and regulatory revisions relevant to each site, information on regulated facilities and environmental factors*, and information on required government notifications. The system serves as a way of addressing the problem of how to pass on technologies and information. In the year ended March 2007 we added a new function to the system that makes it possible to conduct reverse searches, which means searching for corresponding regulatory information starting with specific facilities or environmental factors. We use this new search feature when considering the installation of new facilities, for example.

* In this case, "environmental factors" refers to organizational activities, products and services that impact the environment or potentially impact the environment.

Acquiring Cross-Jurisdictional Waste Treatment Manufacturer Certification

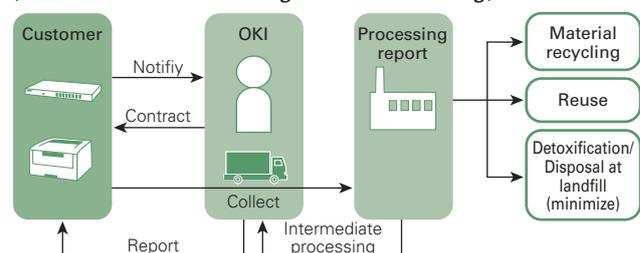
In June 2006 OKI acquired Cross-Jurisdictional Waste Treatment Manufacturer certification*, a program administered by the Ministry of the Environment.

OKI acquired the status of designated manufacturer*² in November 2003 and has established a collection system for used products. In conjunction with acquiring manufacturer certification in June, intermediate processing contractors, which handle waste processing, were increased from 10 companies to 18 companies in order to expand recovery volume. In processing waste, it is our goal to not only comply with waste processing laws and regulations, but also to develop recycling methods with less environmental impact while flexibly complying with the requirements of customers.

*¹ Certified Cross-Jurisdictional Waste Treatment Manufacturer Scheme: This system provides special exceptions under the Waste Management Law, allowing producers of manufactured goods and other items to dispose of waste across jurisdictional boundaries in order to facilitate waste reduction, appropriate processing and recycling.

*² 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 Recycling of Used Products (Flowchart for Contracting Waste Processing)



Consideration for the Environment

Compliance with Regulations for Chemical Substances Contained in Products

The European Union (EU)'s RoHS Directive went into effect in July 2006. Following that, China's Management Methods for Controlling Pollution Caused by Electronic Information Products Regulation (China RoHS), which makes labeling mandatory for chemical substances contained in products, went into force in March 2007. In order to comply with these regulations, the OKI Group is managing and reducing chemical substances.

OKI Data, which handles our printer business, rapidly completed the process of adapting all applicable printer models to the EU's RoHS Directive. In the European Union, it has become mandatory to submit compliance certificates for RoHS inspections. To this end, we have created the Global RoHS Database, a database that contains measurement data for components of each model of printer along with supplier certificates. Our distributors around the world can download the compliance certificates at any time. In addition, for models subject to China RoHS, we completed compliance before the law went into effect.

Moreover, for semiconductors and applicable models of information processing equipment, including ATM machines, we are now in compliance with both the RoHS Directive and China RoHS.



A printer compliant with China RoHS

Facilitating the Sharing of Environmental Information

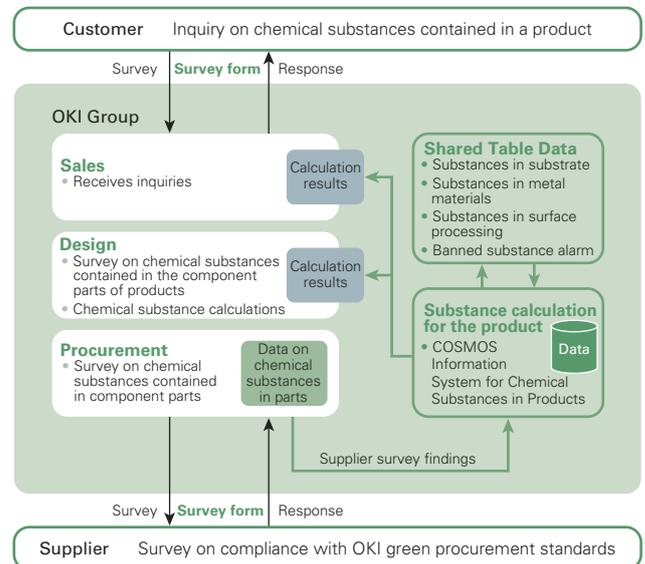
COSMOS—An Information System for Chemical Substances Contained in Products

In order to comprehensively evaluate the environmental impact of its products, OKI developed COMOS, an information system for chemical substances contained in products that integrate our chemical substances database and product design systems. The system is used throughout the group.

COSMOS certifies compliance with requirements based on the products' component parts, processing conditions defined at the design stage, and other data. This is done by automatically calculating amounts of chemical substances contained in products, including substances added at the processing stage. Moreover, survey forms for suppliers and reports for customers

can be created in industry-standard formats. In the year ended March 2007 we adapted these forms to the most recent survey formats (Version 3) stipulated by the Japan Green Procurement Survey Standardization Initiative (JGPSSI) as well as the JGPSSI's Guidelines for the Management of Chemical Substances. Utilizing this system allows the findings of green procurement surveys to be shared within the group. This improves the efficiency of data compilation for chemical substances and enables us to quickly respond to customer survey requests.

Green Procurement Chemical Substance Survey and the Information System for Chemical Substances Contained in Products



Reducing the Environmental Impact of Business Activities

Reducing Emissions of Greenhouse Gases

The OKI Group is working to reduce emissions of greenhouse gases. We have 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.

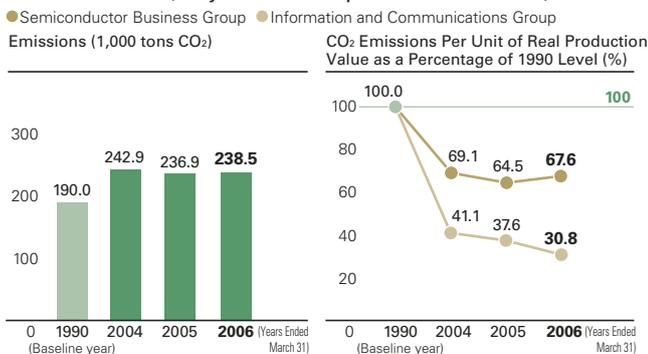
Starting with the year ended March 2007 report, in assessing total energy-related CO₂ emissions, we have switched from a basic unit basis to a real basic unit basis in accordance with the calculation standards set forth in the voluntary action plan for preventing global warming developed by the electrical machinery and electronics industry. As a result of calculating CO₂ emissions from electricity use based on power company emissions coefficients, we have met the industry goal of improving CO₂ emissions per unit of real production value*² by 28% compared to the year ended March 2000 levels (72% or less).

The OKI Group's total energy-related CO₂ emissions in the year ended March 2007, which includes overseas plants, amounted to 299,000 tons (238,500 tons at major production sites in Japan). This amount is close to the level in the year ended March 2006. On a division-by-division, basic unit basis, the information and communications group saw a reduction of approximately 7%, but the semiconductor business group had a slight increase due in part to the impact of lower sales.

*1 PFC gases are perfluorocarbon gases such as CF₄ and C₂F₆.

*2 CO₂ emissions per unit of real production value is CO₂ emissions divided by real production value (real production value is nominal production value divided by the Bank of Japan's corporate goods price index (electrical equipment), with the value of the index in the year ended March 1991 set at 1).

CO₂ Emissions (Major OKI Group Production Sites)



Reducing Waste

The OKI Group has been working to achieve zero emission*¹ status since the year ended March 2001. In the year ended March 2003 we achieved zero emission status at our major production sites in Japan, and in the year ended March 2006 we accomplished the same at printer production sites in the UK. However, in the year ended March 2007, companies contracted by Miyagi OKI for waste recycling altered their acceptance criteria, which made it difficult to recycle some materials. For this reason the overall resource recovery rate*² for our major production sites declined to 90.1%. We are currently considering and evaluating new waste recyclers so that we maintain zero emission status into the future.

*1 Zero emission status is defined by the OKI Group as a resource recovery rate of more than 99% for general waste and industrial waste.

*2 The resource recovery rate is the quantity of recovered resources divided by (the sum of recovered resources and the quantity of final disposal at landfills) multiplied by 100.

Improving and Effectively Utilizing Environmental Technologies

Environmental Training to Improve Environmental Technologies

The OKI Group runs an environmental training program to improve skill levels for staff in sales and design divisions. The program uses an environmental e-learning system designed for all employees.

In the year ended March 2007, approximately 4,900 employees attended the regular training program, and some 2,200 employees took part in the skill-improvement program. We also run job-specific environmental training programs. In November 2006 at the OKI System Center located in Warabi, Saitama Prefecture, approximately 200 software and system engineers took part in group training on the RoHS Directive. The goal of these training programs is to facilitate understanding of the importance of creating environmentally conscious products and to improve our environmental technologies.

Adapting Environmental Technologies: Eco-Friendly Product Development

The OKI Group is committed to reducing the environmental impact of its products by assessing energy efficiency, resource efficiency, recyclability, chemical substance reduction and other factors, starting at the development and design stage.

• ATM21SX—A Compact ATM Machine

The ATM21SX is a compact ATM machine developed for smaller financial institutions and convenience stores in China. Compared to OKI's conventional models, it takes up 30% less space and uses 10% less power when in operation.

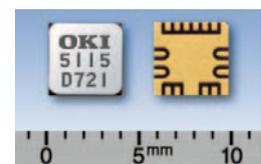
In developing this product, we limited chemical substances by utilizing our proprietary environmental product assessment program and labeled chemical substances contained in the product in conformance with China RoHS. In addition, by improving ease of maintenance and operating efficiency we reduced the product's environmental impact when in use.



ATM21SX

• KGL5115KD—EML Driver IC for 10 GB Optical Communications

The KGL511KD is an EML*¹ driver IC for ten-gigabyte optical communications that runs on +3.3 volts. By optimizing the design of the output circuit, which consume substantial power, while maintaining the high-quality waveform characteristic of a driver IC using GaAs PHEMT*², we succeeded in reducing power consumption by 25% compared to conventional OKI products. The IC consumes 0.45 watts (amplitude 2.3 Vpp), the lowest power consumption of any EML driver IC for ten-gigabyte optical communications in the world. A four millimeter square compact ceramic package, one of the smallest in the world, is also used, which makes the product even more compact.



KGL5115KD

*1 EML is short for electro-absorption modulated laser, which is an optical semiconductor with integrated laser diodes made up of an electrolysis absorption modulator and light source.

*2 GaAs PHEMT is a high-speed compound semiconductor device that uses a two-dimensional electronic gas layer for its channel.

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