

SOCIAL AND
ENVIRONMENTAL
R E P O R T
2012

The OKI Group's initiatives of corporate social responsibility (CSR) focus on contributing to the improvement of the quality of life for people around the world through sound corporate activities based on our corporate philosophy.

Corporate Philosophy

The people of OKI, true to the company's "enterprising spirit," are committed to creating superior network solutions and providing excellent information and communications services globally to meet the diversified needs of communities worldwide in the information age.

OKI Group Charter of Corporate Conduct

For the betterment of corporate value, the OKI Group (Oki Electric Industry Co., Ltd. and members of its group of companies) seeks to provide satisfaction to its customers at all times and to become a trusted partner for our stakeholders, including shareholders and investors, employees, customers and suppliers, and the local societies of the areas in which it operates. In addition to complying with all related laws and regulations, the OKI Group will implement sound corporate activities consistent with social norms, and contribute to the improvement of the quality of life for people around the world.

Customer Satisfaction

The OKI Group is dedicated to developing and providing products and services that ensure continued customer satisfaction, in full consideration of safety and ease of use.

Fair Corporate Activities

The OKI Group conducts appropriate transactions and works to ensure fair, transparent, and free competition.

Good Communication

The OKI Group engages with society through a variety of interactions, and discloses company information in manners that are appropriate and fair.

Intellectual Property and Information Management

The OKI Group recognizes the importance of intellectual property, and properly manages and protects company and customer information, including personal information.

Respect for Human Rights

The OKI Group respects the human rights of all persons involved in its corporate activities and eliminates illicit discrimination of any kind. It does not allow child labor nor forced labor.

A Better Working Environment

The OKI Group ensures and maintains a safe and comfortable working environment for all employees.

Respect for Employees

Respecting the individuality of each employee, the OKI Group creates a corporate culture in which its personnel are encouraged to engage challenges facing the group with courage and determination.

Environmental Conservation

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.

Social Contribution

As a good corporate citizen, the OKI Group implements social contribution activities dedicated to the betterment of society.

Regional Awareness

The OKI Group endeavors to build a positive relationship and grow together with local societies, respecting the cultures and customs of the countries and regions in which it operates.

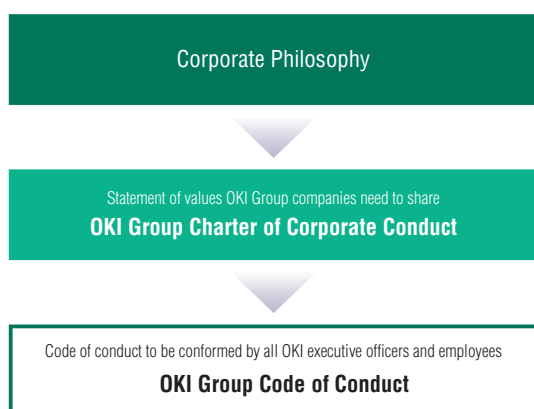
The OKI Group, as described in its corporate philosophy, aims at contributing to the improvement of the quality of life for people around the world through its core business, namely the manufacturing and distribution of products and services that can serve the development of the information age. What underlies the group's CSR (corporate social responsibility) initiatives is our commitment to the pursuit and fulfillment of this idea.

In order to cohesively promote our CSR initiatives, we enacted the OKI Group Charter of Corporate Conduct as a statement of values to be shared by all member companies of the group. In addition, we also established the OKI Group

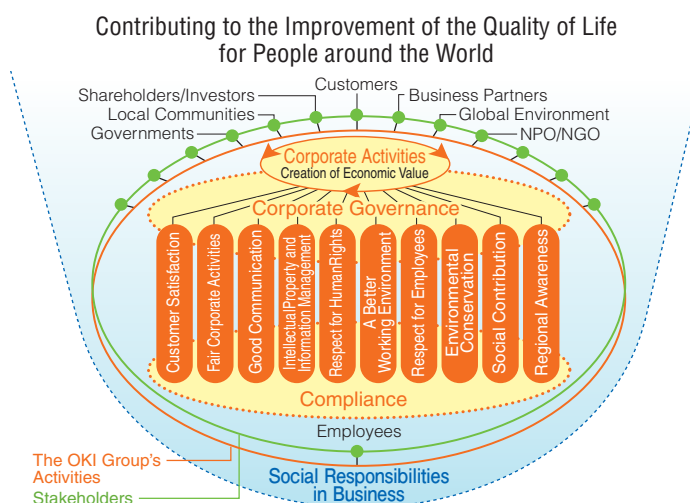
Code of Conduct which is to be conformed to by all executives and employees of the group. We have disseminated the charter and the code across the group through various means such as training programs. We have also defined seven priority themes to be pursued. The CSR Division, an organization dedicated to CSR-related efforts, takes the initiative in promoting activities under these themes.

We will continue to make every effort to fulfill our social responsibility based on our corporate philosophy by ensuring that each member of the group complies with the OKI Group Charter of Corporate Conduct and the OKI Group Code of Conduct.

● Foundation of CSR at the OKI Group



● CSR Initiatives by the OKI Group



Participation in the United Nations Global Compact

OKI has participated in the United Nations Global Compact since May 2010. The UN Global Compact is a CSR initiative proposed by then-UN Secretary-General Kofi Annan at the World Economic Forum meeting in January 1999. It was officially launched in July 2000.

The OKI Group supports the Global Compact's ten principles in the areas of human rights, labor, environment, and anti-corruption, and thus further enhances its CSR activities and contributes to the realization of sustainable society.



The Ten Principles of the UN Global Compact

Human Rights:

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

Labor:

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labor;
- Principle 5: the effective abolition of child labor; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment:

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption:

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

A Message from the President

We keep our customers' trust and help people enjoy an improved quality of life through our ongoing efforts and sincere business activities based on an "enterprising spirit."

We will fulfill our responsibilities to society in accordance with our corporate philosophy.

OKI commemorated its 130th anniversary in November 2011. In order to take on the challenge of producing telephone sets in Japan, Kibataro Oki, the company's founder, established Meikosha, the country's first manufacturer of telecommunications equipment in 1881 only five years after Alexander Graham Bell's invention of the telephone, and laid the first foundation of Today's OKI Group. Since then, we have always been committed to "creating new businesses with new technologies" and "making the world more convenient." This commitment embodies our corporate philosophy that underlies our CSR initiatives: "The people of OKI, true to the company's 'enterprising spirit,' are committed to creating superior network solutions and providing excellent global information and communications services to meet the diversified needs of communities worldwide in the information age."

We contribute to society through our products and services.

Based on this philosophy, the OKI Group's mission is to contribute to society through our products and services. They are created by the results of our business activities characterized by the integration of sales and marketing, technology development, production, and maintenance. More

specifically, we accurately understand the needs of society, establish element technologies and manufacturing technologies, achieve a level of quality that truly satisfies customers, and offer reliable maintenance systems ensuring secure, long-time use of our products and service. As an outcome of such activities, today we provide many products and services that constitute and maintain social infrastructures. Among them are telecommunication infrastructure for carriers, operational systems for financial institutions, automated teller machines (ATMs), and various public service systems including disaster prevention systems.

In order to further serve customers and society in this age of volatility and change, our mid-term business plan for the period from 2011 to 2013 focuses on bolstering efforts for growth under the following two strategies:

- OKI provides products and services to contribute to the development of the information society through joint efforts by sales and marketing, technology development, production, and maintenance.
- OKI aims to become a company that makes steady growth by generating profit stably.

Grounded in the solid business base constructed through various efforts we have made thus far, we will shift to consolidated group management, enhance "monozukuri" (the art of manufacturing), strengthen our service business, and create new businesses based on our unique technologies in order to help people enjoy a more improved quality of life.



Hideichi Kawasaki

Hideichi Kawasaki
President
Oki Electric Industry Co., Ltd.

We promote responsible corporate management as a global corporation.

In order to advance responsible management as a global enterprise, the OKI Group has enhanced corporate governance and facilitated the implementation of group-wide CSR-related activities. Part of such efforts was the enactment of the OKI Group Charter of Corporate Conduct, the statement of values to be shared with all group companies, and the OKI Group Code of Conduct that should be conformed by all executive officers and employees. We have disseminated the charter and the code across all companies of the OKI Group inside and outside Japan.

Furthermore, OKI participated in the United Nations Global Compact in 2010. Since then, we have further promoted our CSR activities based on the Global Compact's ten principles in the areas of human rights, labor, environment, and anti-corruption. Fully aware of our responsibilities as a global enterprise, we will continue to help build a sustainable society.

We contribute to the realization of a better global environment in accordance with the OKI Group Environmental Vision 2020.

From this perspective, we believe that proactive actions for reducing environmental load form an integral part of the OKI Group's corporate activities. In order to understand global environmental issues and contribute to the realization of a

better global environment, we enacted the OKI Group Environmental Vision 2020 in April 2012. The vision outlines the basic directions of the group's environmental management and sets targets for 2020 in four fields of "Realization of a low-carbon society," "Prevention of pollution," "Resource circulation" and "Biodiversity conservation." In accordance with the vision, we will enhance our efforts about business activities and products.

With a number of significant incidents and changes in the business environment inside and outside Japan, we had to rethink the importance of sustainability and social responsibility during 2011. Among them were the Great East Japan Earthquake in March, Thailand floods in October, supply-chain disruptions and electricity shortages due to these natural disasters, economic crises in Europe, and rising yen. As the OKI Group commemorated its 130th anniversary in the same year, we saw this milestone as a fresh new beginning to go back to the starting point, an "enterprising spirit." We are now determined to further increase our corporate value through sincere business activities. This Social and Environmental Report 2012 is intended to help all stakeholders better understand the OKI Group's social and environmental activities carried out in fiscal 2011. We sincerely hope that as many people as possible will read this report. Your honest opinions regarding our CSR initiatives would be greatly appreciated.

June, 2012

Company Profile

Profile

Corporate Name: Oki Electric Industry Co., Ltd.
Founded in: January 1888
Company Established: November 1, 1949
Capital: 44 billion yen
Employees: 16,736 (Consolidated), 3,373 (Non-consolidated)
 *As of March 31, 2012
Head Office: 1-7-12 Toranomon, Minato-ku,
 Tokyo 105-8460, Japan
 TEL: +81-3-3501-3111

Business Segments

Info-Telecom Systems

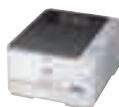
The OKI Group offers telecommunication systems, social systems, mechatronics system, and various solutions & services utilizing its core technology of info-telecommunication and mechatronics.

Printers

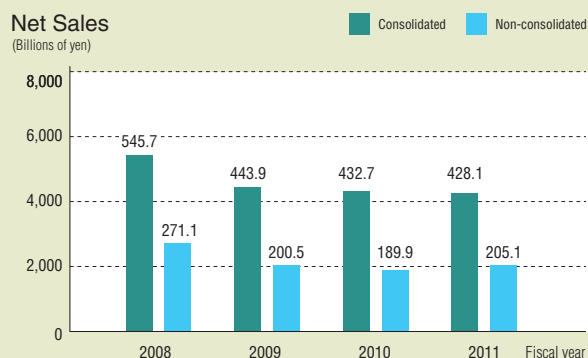
The OKI Group manufactures printers for business use utilizing its LED technology and distribute them throughout the world.

EMS and Others

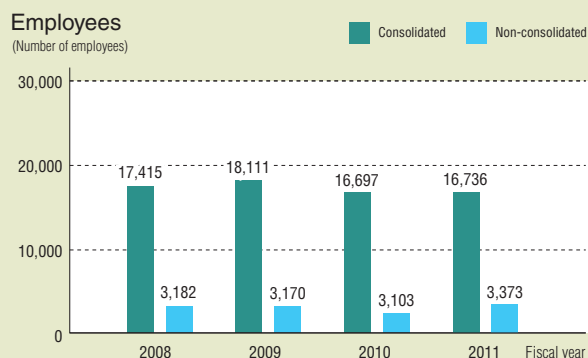
The OKI Group offers EMS (Electronics Manufacturing Services) and other services based on its highly sophisticated design and production expertise developed within the group.



Net Sales (Billions of yen)

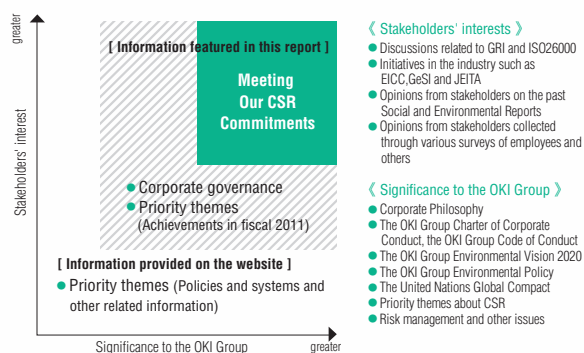


Employees (Number of employees)



Editorial Policy

- The OKI Group "Social and Environmental Report" featuring our social and environmental efforts is published in order to inform our stakeholders of the group's CSR (corporate social responsibility) initiatives in an easy-to-understand way.
- This report features four articles under the title "Meeting Our CSR Commitments" that cover four key challenges for the OKI Group in which our stakeholders as well as the public show an intense interest. The report describes our seven priority themes concerning social responsibility and our efforts made in fiscal 2011 as well. It also includes the "Detailed Data" section at the end which covers performance data concerning our environmental activities.
- Detailed information on each priority theme, such as that on specific policies and systems for it, are provided on our website. The information on the website also includes a comparative table that shows the relationship between the OKI Group's CSR activities and the core themes of ISO26000. (Please see Page 19 for the specific topics provided on the website.)



Reference Guidelines

Sustainability Reporting Guidelines Version 3.0 (GRI)
 Environmental Reporting Guidelines 2012
 (the Ministry of Environment)
 Environmental Accounting Guidelines 2005
 (the Ministry of Environment)
 UN Global Compact COP (Communication on Progress) Policy

GRI (Global Reporting Initiative): An international NGO that develops and disseminates globally applicable sustainability reporting guidelines.
 ISO26000 (International Organization for Standardization 26000): An international standard providing guidelines for social responsibility (published in November, 2010).
 EICC (Electronic Industry Citizenship Coalition): An alliance of electronic manufacturers focusing on CSR that has enacted a code of conduct in the supply chain.
 GeSI (Global e-Sustainability initiative): A partnership of information and communications technology companies that collaborates with EICC about CSR management in the supply chain.

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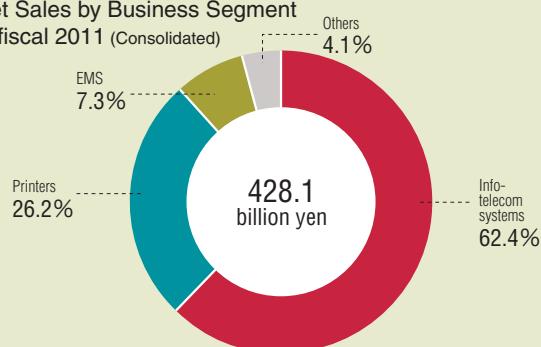
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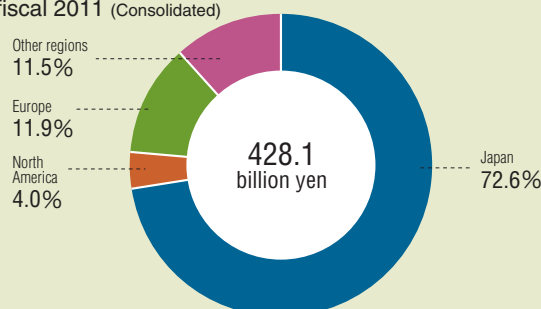
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Net Sales by Business Segment
in fiscal 2011 (Consolidated)



Net Sales by Market
in fiscal 2011 (Consolidated)



Scope Covered by this Report

〈 Time Period 〉

This report covers fiscal 2011 (the year from April 1, 2011 to March 31, 2012). However, the report also discusses some facts preceding this period as well as policies and plans to be implemented in subsequent periods.

〈 Organizations 〉

The report covers the activities of Oki Electric Industry Co., Ltd., its subsidiaries and affiliates inside and outside Japan. Environmental data mentioned in this report refer to the following organizations:

OKI (Japan)	Toranomon district, Shibaura district, Honjo district, Takasaki district, Tomioka district, Numazu district, Warabi district, Kansai Laboratory, Kitanihon Regional Office, Chubu Regional Office, Kansai Regional Office, Chugoku/Shikoku Regional Office, Kyushu Regional Office
Group Companies (Japan)	OKI Data (Fukushima District), OKI Printed Circuit, Nagano OKI, Shizuoka OKI, OKI Sensor Device, OKI Micro Engineering, OKI Digital Imaging, OKI Techno Power Systems, OKI Metaltech, OKI Engineering, OKI Proserve, OKI Customer Adtech, OKI Communication Systems, OF Networks Co., Ltd.
Group Companies (Overseas)	OKI(UK), OKI Data Manufacturing(Thailand), OKI Telecommunications Technology (Changzhou), OKI Electric Industry (Shenzhen), OKI Precision (Thailand), OKI Electric Technology (Kunshan), DongGuan TangXia OKI Micro Engineering Factory

〈 Corporate Names / Names of Organizations 〉

In this report, Oki Electric Industry Co., Ltd. is referred to as "OKI," and its corporate group, including its subsidiaries and affiliates, as the "OKI Group." The names of the organizations referred to in this report, in principal, are those used as of April 2012.

Forecasts, Plans and Targets

In addition to factual information about the past and current activities of the OKI Group, this report also includes forecasts, plans and targets for the future. They reflect assumptions and judgments based on information available at the time of writing. Thus, readers are requested to understand that the future results of the company's activities could be different from what is described in this report.

For further information, please contact

CSR Division
Oki Electric Industry Co., Ltd.
e-mail: oki-csr@oki.com



Meeting Our CSR
Commitments

Special
Features

1

High-Performance Fire Command
Center System
(Fire Fighting Headquarters of Uji City)

Providing People with Safe and Secure Social Infrastructures

Providing Security and Safety in the Field of Fire and Disaster Management

Since its inception, OKI has developed technologies contributing to various social infrastructures, and provided products and services based thereon. The company has also contributed to the security and safety of people in the field of fire and disaster management. More specifically, it offers fire and disaster management wireless communication systems as well as fire command center systems using its specialty technologies about wireless communication and switchboards.

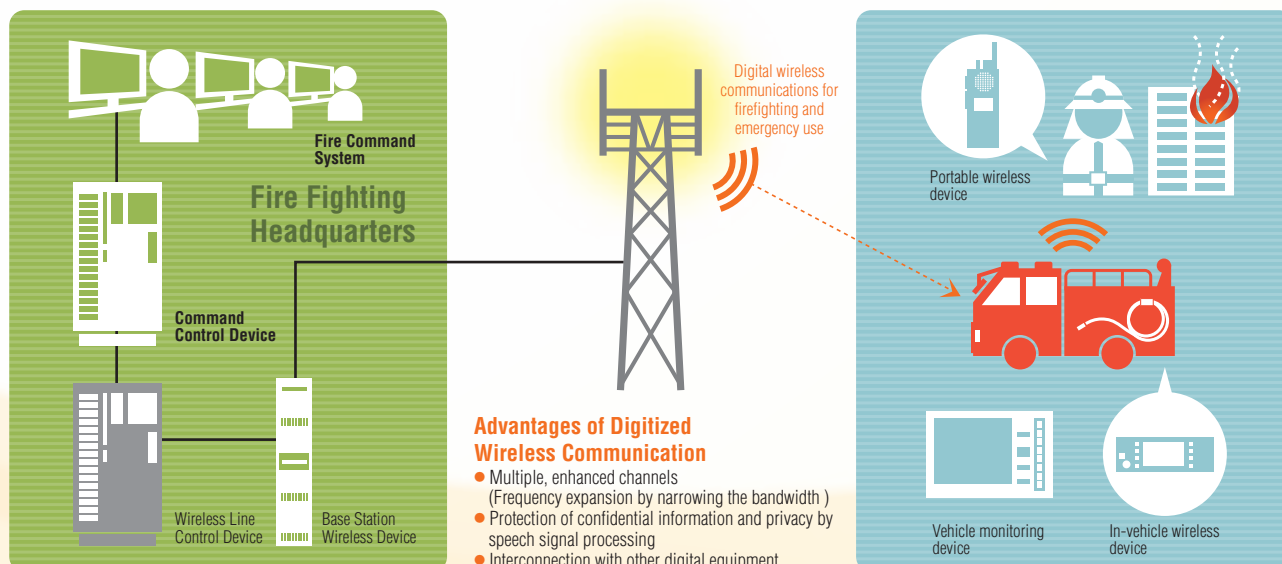
Wireless communication systems for firefighting and emergency use enables communication between fire command centers, emergency vehicles and operation troops. While fire and rescue services have become increasingly sophisticated and the need for more efficient use of radio waves has been asked for, the

current analog wireless communication networks are planned to be fully digitized by the end of May 2016. For this purpose, the Fire and Disaster Management Agency conducted a series of demonstration experiments of digitized wireless communication systems at sites under six fire fighting headquarters in fiscal 2010. OKI participated in two of these experiments at the Fire and Disaster Management Bureau of Kobe City and the Fire Fighting Headquarters of Gifu City, and helped verify radio properties, and examine essential functions of voice communication and optional features of data communication. The Fire Fighting Headquarters of Gifu City started the full-scale operation of a digitized system in June 2011 before the other participating headquarters.



Digital wireless communication systems for firefighting and emergency use (Fire Fighting Headquarters of Gifu City)

● High-Performance Fire Command Center and Wireless Communication Systems for Firefighting and Emergency Use



Importance of Telecommunication in Disaster Situations Reconsidered After the Great East Japan Earthquake

The Great East Japan Earthquake has made us reaffirm the importance of collecting and sharing information on fire fighting and disaster management activities in widespread disasters.

In response to disconnected telephone networks and power disruptions soon after the earthquake, the OKI Group immediately began preparing for an assistance to afflicted areas through offering wireless communication equipment. In fact, the company started receiving many requests to lend wireless communication devices from different areas the day after the earthquake. Thanks to the cooperation with its sales staff and dealers through out Japan as well as swift responses from its production sites, OKI was able to offer more than 140 portable and in-vehicle wireless devices that were used as tools of communication in relief activities.

In addition to professional disaster management services under the control of fire fighting headquarters, numerous local volunteer fire corps and disaster prevention organizations were committed to relief activities after the earthquake. With the limited performance of the current analog wireless communication systems, however, these volunteers were not able to send messages about what was going on site while they were able to receive messages from fire authorities. It is expected that the digitization of wireless communication will allow an increased number of available channels, two-way communication with volunteer fire corps, and closer cooperation with them in disaster situations.

The urgent need for the digitization of fire and disaster management wireless communication systems is emphasized also in "A Report on Desirable Fire and Disaster Management Systems

for Future in Light of the Great East Japan Earthquake" compiled and issued by the Fire and Disaster Management Council in January 2012. OKI has established Digitized Fire and Disaster Management Wireless Communication Promotion Office, and has been making efforts to realize an effective shift to digitized networks.

High-Performance Fire Command Center System Based on OKI's Technology and Experience

OKI's high-performance fire command center system helps identify the locations of disasters in response to emergency calls, promptly dispatch ambulances and fire engines, and support on-site relief activities. OKI has offered the system since 1968.

Recent changes in social and natural environments have made accidents and disasters more complex, diverse and greater in size. The complexity and diversification of today's urban structures and people's needs have also greatly changed the environment surrounding disaster management. Under these circumstances, disasters need to be dealt with prompt actions using highly sophisticated systems. OKI's high-performance fire command center system is based on our 40-year experience of delivering firefighting-related systems, in-depth understanding of disaster management tasks, and unique ICT.*

Today OKI's IT-integrated high-performance fire command center system is used at about 150 fire fighting headquarters in Japan including the Fire Fighting Headquarters of Uji City where the system has been in service since March 2012. The system includes a location information function to identify the locations of disasters soon after emergency calls, and an automatic mobilization ordering function and a vehicle operation control function for the optimal organization and dispatch of emergency services. As a result, the fire fighting headquarters' initial responses to disasters have become swifter and more efficient.

* ICT: Information Communication Technology

Stakeholder's VOICE



Enabling Wide-area Coordination of Fire and Disaster Management Activities

Syozi Adachi
Fire Chief, Gifu City

The digitization of our wireless communication system has allowed wide-area coordination of our activities. Different emergency vehicles in different locations are now able to communicate with each other via the base station. The advantages of the digitized system also include voice communication with clear sound, and the improvement of confidentiality by use of short messages. We appreciate OKI's efforts to improve the user-friendliness of the wireless communication system based on its in-depth understanding of our activities. We hope OKI will further improve the system in the future by making the portable wireless device smaller and lighter, and allowing more flexible operations for different areas with different regional characteristics such as urban areas and mountain areas. OKI's continued contribution to fire and disaster management will be greatly appreciated.

Supporting Wide-area Fire and Disaster Management Services in Preparing for Large-scale Disasters

In order to be ready for future large earthquakes, such as a major earthquake hitting the Tokyo metropolitan area and a Nankai Trough earthquake, wide-area disaster management based on close cooperation between neighboring municipalities is indispensable. In this context, new command systems for wide-area fire and disaster management services are currently being developed. OKI has set up a special marketing team, and tried to develop more practical, reliable systems fully catering to customer needs.

OKI will continue to contribute to the establishment of more secure and safer social infrastructures through its efforts to support regional disaster management in addition to the promotion of the digitization of fire and disaster management wireless communication.



Meeting Our CSR
Commitments

Special
Features

2

The OKI Group Environmental Vision 2020 for Future Generations

Enactment of the OKI Group Environmental Vision 2020

As the ongoing economic globalization and booming economies in emerging countries have led to increased greenhouse gas emissions and ecosystem deterioration, there is growing concern over environmental issues. In order to address environmental challenges, there have been a number of movements to set long-term targets and plans inside and outside Japan. For example, the Japan Business Federation (as known as Nippon Keidanren) published "Nippon Keidanren's Commitment to a Low Carbon Society" as a basic policy to address climate change. The World Summit on Sustainable Development held in Johannesburg set a target to minimize the impacts of chemical substances on human health and environment. At the 10th Meeting of the Conference of the Parties to the Convention on Biological Diversity (COP10), a new strategic plan for biodiversity called the Aichi Target was adopted. The latter two targets are intended to be met by 2020. Furthermore, increasing concern about the possible resource depletion in the future has also become an important issue to be addressed on the global level. Under these circumstances, it is very likely that the scope of responsibilities for business operators will be widened in the future.

The OKI Group has advanced environmental measures since the 1970's. Today we are globally committed to environmental protection through its products, services and business activities. In order to address environmental issues more proactively, we enacted the OKI Group Environmental Vision 2020 in April 2012. The vision outlines the basic directions of the group's environmental management and sets targets for 2020.

OKI Group Environmental Vision 2020

The OKI Group achieves a better global environment for the next generation and inherits the environment. Therefore, we promote the environmental management and set targets for 2020 in four fields of "Realization of a low-carbon society," "Prevention of pollution," "Resource circulation" and "Biodiversity conservation" and then actively work on the targets.

1. Realization of a low-carbon society:

Contribute to realize a low-carbon society by the maximization of energy efficiency, through the provision of environmentally conscious products and services, and business activities.

2. Prevention of pollution:

Minimize the use of chemical substances and emissions to the atmosphere and discharges to water which affect on human health and environment.

3. Resource circulation:

Minimize new input resources by the expansion of recycling process of used products and production wastes, and reduction of materials at the time of production.

4. Biodiversity conservation:

Establish a management system to work on the biodiversity conservation and sustainable use.

Steady Contribution to Global Environment from a Long-term Perspective

Hisao Suzuki
Executive Vice President

The Great East Japan Earthquake in 2011 has brought about significant changes to us. Since emerging energy problems and policies toward them, in particular, have a significant impact on business activities, firms are asked to take appropriate measures. Believing that a long-term perspective and forward-looking targets are necessary in order to respond quickly to such significant trends, we enacted the OKI Group Environmental Vision 2020. This vision focuses on four fields with mounting global concerns. Each new growth strategy of the OKI Group is developed in

accordance with the vision. Among such strategies are those about the realization of a low-carbon society by promoting a "smart society" based on IT as OKI's competitive advantage, and the prevention of hazardous substance pollutions by conforming with all relevant global regulations about environment conservation. We will help protect rich natural environment for future generations by enacting an annual plan to achieve the vision and implementing thereof.

Realizing a Low Carbon Society

Global warming and climate change are two of the most important global issues. As they have become increasingly aggravated and conspicuous, there have been active discussions about possible solutions to them on a global basis.

The mitigation of climate change and the realization of a low carbon society are important agendas also for the OKI Group. As a business group deeply involved in IT, we have actively promoted Green IT* for pursuing environment-friendliness in our products and services, and have made efforts to save energy in our business activities for fulfilling our corporate responsibility. In order to further promote such activities, we participated in the "Nippon Keidanren's Commitment to a Low Carbon Society" in March 2012.

* Green IT: Environmental efforts related to IT that are classified into two categories, "Green of IT" and "Green by IT."

Active Promotion of Green IT

In order to further facilitate "Green of IT," we expanded the range of OKI Eco Products Certification in fiscal 2011 by reflecting some global energy-saving regulations such as the Energy Star Program in its registration standards.

In September 2011, OKI announced that it had succeeded in

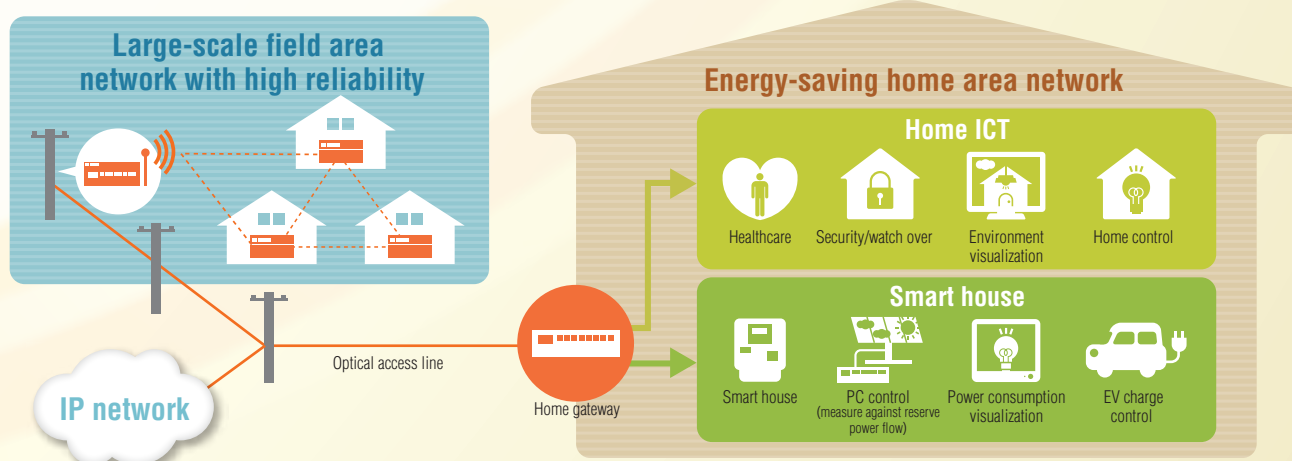
the development of Japan's first wireless multi-hop communication system*¹ for the new 920MHz frequency band as an energy-saving effort by IT. Intended to be used in smart communities and smart houses*², the system allows large-scale, reliable and energy-saving networks in which thousands of wireless devices can be connected to a single base station. The system also offers highly flexible route controls ensuring high network connectivity even in the event of base station faults and troubles in wireless devices. In addition, the system's router with a relay function enables battery-driven operation for several years, and thus greatly helps save energy for the entire network.

The 920MHz frequency band, which is scheduled to open in July 2012, offers high signal propagation, and is considered to be ideal for use in smart communities and houses. We will develop various products and services for this frequency band and thus contribute to the penetration of smart houses.

*¹ Wireless multi-hop communication: Data transmission involving other wireless devices by a "bucket brigade" process. It allows data transmission in environments without communication infrastructure elements such as base stations

*² Smart houses: A type of houses for the next generation in which electricity consumption are monitored and visualized using IT-driven distribution boards and smart taps. They help promote energy-saving efforts and control the power consumption of home electrical appliances during peak hours. Communities using the same system are called smart communities.

● Examples of the application of 920MHz wireless multi-hop technology allowing effective energy saving for the entire networks



Energy-saving Efforts in Business Activities

As proclaimed in the Environmental Vision 2020, the OKI Group has been committed to energy-saving activities because it believes the reduction of green house gases such as carbon dioxide (CO₂) emitted from its business activities is important for realizing a low-carbon society.

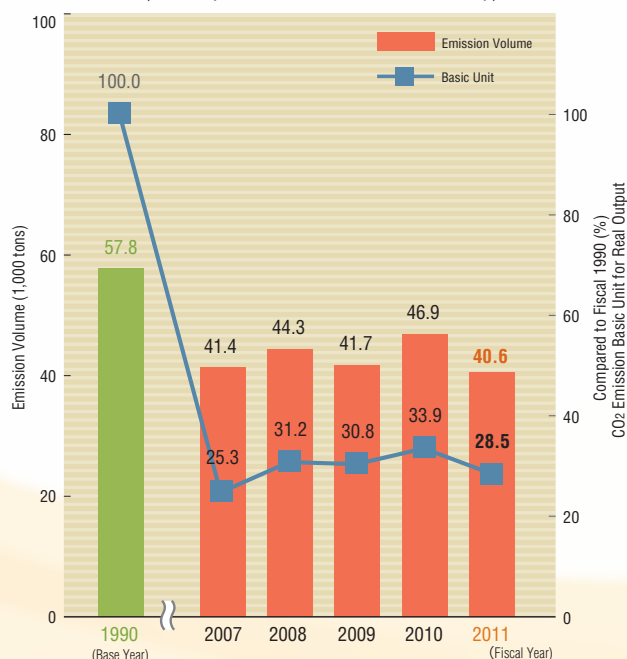
In fiscal 2011, we made several energy-saving measures to deal with power shortage during midsummer caused by the accident at the Fukushima Daiichi Nuclear Power Station. They included dispersing summer vacations, the reduction of the sizes of spaces used, the suspensions of servers, and air-conditioning controls. OKI Digital Imaging, a group company manufacturing LED print heads, reconsidered the operating conditions of the refrigerating equipment in its clean room for manufacturing semiconductors and achieved a 12% reduction of power consumption over the previous year even if clean rooms were exempted from the national power-saving edict. The company also reconsidered the operational procedure for externally-procured steam and achieved a year-on-year 51% reduction in purchase volume.

As a result of these efforts, the CO₂ emission from the OKI Group's major production sites during fiscal 2011 amounted to 40,600 tons, a 13% decrease over the previous year. It means that we have substantially exceeded a goal set in the Voluntary Action Plan on Measures to Fight Global Warming of the Japanese electric and electronics industry, "improving the basic unit for CO₂ emissions with respect to real output*" in fiscal 2010 by 35% or more compared to 1990," by making a 71.5% improvement. (A final assessment is to be calculated as the average percentage during the five years from fiscal 2008 to 2012.)

The realization of a low carbon society is an important issue to be addressed in the long run. The OKI Group will continue to address these issues through its products and services as well as its business activities.

* Basic unit for CO₂ emission with respect to real output: CO₂ emission / real output (real output = nominal output / Bank of Japan's Domestic Corporate Goods Price Index for electrical machinery and equipment with fiscal 1990 as the base year)

● CO₂ Emissions(from Major Production Sites of the OKI Group)



Prevention of Pollution

Chemical substances bring people considerable convenience. Some of them containing harmful substances, however, need to be controlled strictly and relevant regulations must be tightened whenever necessary. In this context, regulations to control chemical substances contained in products, such as EU's RoHS directive and REACH regulation, have recently become increasingly demanding. Similar regulations have been enacted in other countries such as China and Korea.

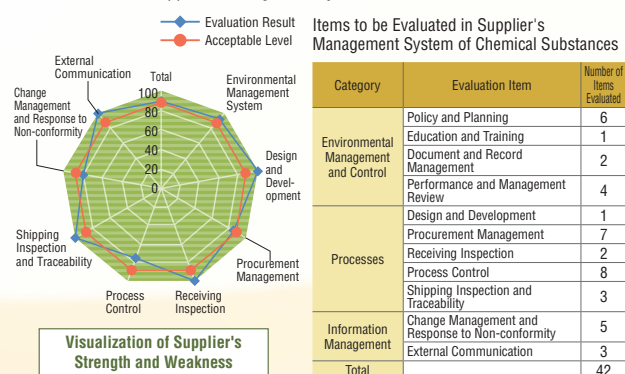
The OKI Group makes utmost efforts to handle chemical substances appropriately, uses alternate substances with less impact on human health and environment, and try to reduce the use of such substances for both products and business activities.

Prompt Response to Regulations about Chemical Substances in Products

Recognizing the importance of the appropriate management of chemical substances in products from early on, the OKI Group established the Product Assessment System in 1998. The group was also a pioneer in the development and implementation of a system to manage and calculate chemical substances in products based on network technology, one of OKI's core technologies. The group has always made prompt responses to the enactment and the revision of relevant regulations. More specifically, it has enhanced its systems to manage chemical substances by revising the OKI Guidelines for Managing Chemical Substances in Products and the OKI Green Procurement Standards. Furthermore, the system to manage and calculate chemical substances in products was developed later into a more comprehensive system that ensures full conformity with regulations relevant to Green Procurement. Called COINServ-COSMOS-R/R, this new system is enhanced whenever necessary, and is currently sold to outsiders.

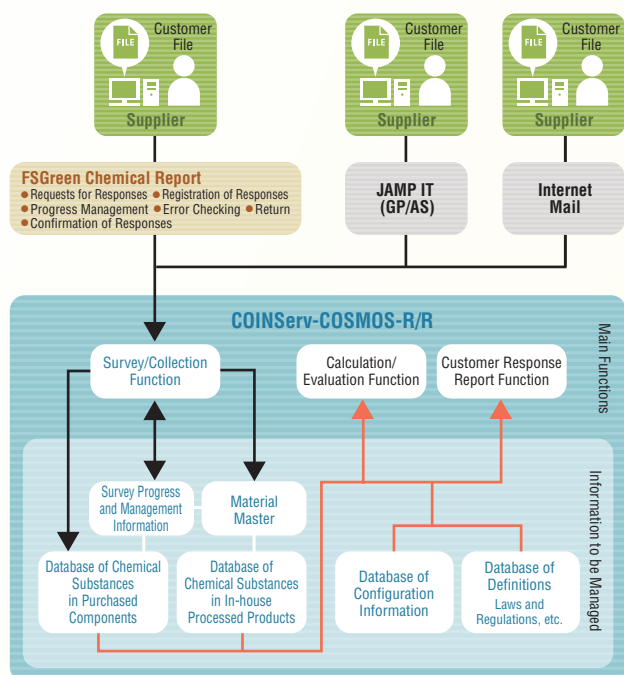
The number of chemical substances requiring strict management is expected to increase in the years to come. In order to further ensure conformity with relevant laws and regulations in this context, we established a procedure to evaluate the chemical substance management systems of suppliers, added it to the OKI Green Procurement Standards, and started the implementation thereof during fiscal 2011. The procedure allows the visualization of the strength and weakness of each supplier, and thus helps improve the quality of its management system.

● Check Sheet for Supplier's Management System of Chemical Substances in Products



During fiscal 2011, OKI formed a partnership with FUJISOFT INCORPORATED about the integration of FSGreen Chemical Report, FUJISOFT's system to help examine information on chemical substances, into COSMOS-R/R. The integration has allowed users of COSMOS-R/R to ask a group of suppliers to survey chemical substances in their products and components at one time. Before then, the system users had to ask each supplier to make a survey. The upgraded system also supports the management of survey status. In other words, COSMOS-R/R now offers a one-stop service that covers information gathering, data management, calculation and reporting to customers, and thus greatly improves the efficiency of each survey task.

● How to collect information on chemical substances in products



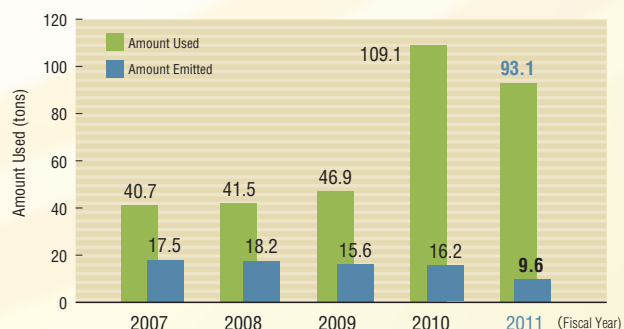
Management and Reduction of Chemical Substances in Business Activities

While chemical substances used in the OKI Group's production sites are managed appropriately in accordance with the levels of environmental impact, the group has made efforts to reduce the use of chemical substances as well as their emissions.

During fiscal 2011, the volume of emitted chemical substances was 9.6 tons, a 41% decrease over the previous year, thanks to the redesigning of the treatment process for substrates.

● Use and Emission of PRTR Chemical Substances

Until last fiscal year, our calculation covered only the substances used in large amounts. Under the revised PRTR system, we have widened the scope of substances to be calculated. The data was revised to reflect this change.



The OKI Group will continue to ensure the appropriate management of chemical substances in products in order to minimize their impact, and reduce the emissions thereof into the atmosphere and waters.

Resource Circulation

As resource consumption has continued to increase due to population increase and economic growth, resource depletion has become a significant problem.

In order to help build a resource circulation society, the OKI Group has promoted resource saving and recycling in its business activities. As part of its consideration to create environmentally-friendly products, the group has also tried to recycle as many used products as possible, utilizing the Cross-jurisdictional Waste Treatment Manufacturer Scheme.

We have also been active in saving resources for our products. During fiscal 2011, OKI Digital Imaging developed a new LED printhead using a smaller number of components (a 25% decrease compared to its predecessors). One of the most important requirements for a printhead is a function to prevent LED light from being out of focus by securing the levelness of the substrate on which LED chips are mounted with a high degree of accuracy. For the predecessors of the new printhead, such levelness is secured by combining several adjustment components. The structural design of the new printhead does not require such components. The printhead is planned to be mass-produced for different products during fiscal 2012.

Biodiversity Conservation

There has been a growing interest in biodiversity. OKI has already made various efforts for biodiversity. For example, OKI became a member of the "Declaration of Biodiversity by Nippon Keidanren" Promotion Partners, and also participated in the Japan Business and Biodiversity Partnership during fiscal 2010. OKI has also supported the Japan School Biotope Contest organized by the Ecosystem Conservation Society-Japan since fiscal 2001. For the 2011 contest, we helped broadcast a video of the event on its website, and offered a download service for posters produced by participating schools.

We will further promote our commitment to biodiversity conservation by continuing existing environmental activities such as forest improvement programs. We also plan to include "efforts for biodiversity" as an item to be checked in the OKI Green Procurement Standards.

Meeting Our CSR
Commitments

Special
Features

3



Opening ceremony for the dining hall
at Yue Zhuang Elementary School
(Photos provided by Plan Japan)

Contributing to the Sustainable Development of the Countries and Regions in Which We Operate

Establishing Management Systems Required for Production Sites

As the world's economy becomes more integrated, what is required of companies is more diverse as ever. They are now asked to pursue not only their own growth but also contribution to sustainable development of the countries and regions in which they operate.

The OKI Group currently has production sites in Japan, Thailand, China and Great Britain. Our activities there focus on the further improvement of our sophisticated production technologies, the dissemination of our sophisticated production management across the group, the reduction of environmental impacts arising from manufacturing activities, and the appropriate management of occupational health and safety for employees. We address these managerial issues in accordance with the OKI Group Charter of Corporate Conduct.

As the group's all production sites are ISO9001-certified, our quality control efforts are managed based on the certification with Quality Management Department at each business unit or group company. Each production site has established its own quality control systems in accordance with their production lines and the characteristics of their products. In fiscal 2011, we established Production & Product Safety Division at the head office that is responsible for the optimal utilization of production resources, the coordination of production tasks and other group-wide efforts.

Regarding environmental conservation, 39 sites of the OKI group, mostly production sites, have obtained ISO14001 Integrated Certification. We have set a group-wide management system with business themes (focusing on reducing environmental burdens through products and services) and site themes (focusing on reducing environmental burdens at each site). Occupational health is being managed at each production site by its Safety and Health Committee comprised of members from both management and employees.

As the promotion of CSR throughout the supply chain has become an important issue, an increasing number of our customers have expected us to make these efforts. In order to

enhance CSR-related management, we have developed an assessment format reflecting the requirements for global CSR procurement, and disseminated it to our production sites.

Growing with the Countries and Regions in Which We Operate

As contribution to the countries and regions in which we operate is one of our most important agendas, the OKI Group's global business management has focused not only on the pursuit of economic advantages, but also on efforts for promoting trust with local communities from the outset.

As we have worked closely with local employees and vendors for the improvement of production technologies, local employees have begun taking initiatives in improving productivity. We have also been active in providing local employees with IT education and language education while encouraging them to obtain various certifications because we believe human resource cultivation also is part of our social responsibilities.

In addition to these efforts through our business activities, we have also been active in interacting with local residents and participating in various social action programs inside and outside Japan. As a result of such highly-regarded community-based activities, a Chinese subsidiary of the Group recently won a local CSR award.

Supporting a Project to Build a Dining Hall at an Elementary School in China

In fiscal 2011, OKI and its nine subsidiaries in China supported a project to build a dining hall at Yue Zhuang Elementary School in Shaanxi Province. OKI decided to support the project in order to express its appreciation for its business expansion in China along with the country's growth as part of its 130th anniversary celebrations.

Among 268 children attending this old school established in 1922 for neighboring 7 villages, 213 live in a dormitory. Before the project, children had to have simple meals in a makeshift tented dining room because the dormitory had no regular dining or washroom facilities.

Carried out through Plan Japan* as one of its Donor-tied projects, this project focused on providing children with a safe and sanitary dining environment by building a dining hall, a kitchen and a washroom. It also included a training program about nourishment and health. Since local stakeholders including children and teachers were involved in all stages of the project from planning to progress management, they were able to establish a system to maintain "their dining hall" by themselves. We believe that nutritious meals prepared in a sanitary environment help improve children's health and learning effect. We also hope that they will grow up to be respectable members of local communities and the nation.

The OKI Group will continue to contribute to local communities in various ways, and grow with people there.

* Plan Japan: a member of Plan International, a non-profit, non-governmental organization recognized by the United Nations

Stakeholder's VOICE

Comments from Stakeholders at Yuezhuang Elementary School

Thanks to the new canteen, our dining problem has been solved. Now dining in this bright and spacious canteen, we don't have to put up with the cold winter and the hot summer. There is a disinfection cabinet in the new canteen which enables us to eat safe food.

Xi, a fifth grade student

As the student canteen is built, accommodation condition for our children has improved. Now our kids are able to grow healthily and happily in such good condition, we can do farm work or go outside to work reassuringly.

Ma Hongdeng, a parent



Old dining room (left) and inside the new dining hall

Special Report

Fulfilling Our Responsibility Even in Disasters

Corporate responsibilities for constant supply of products have drawn more attention in the wake of the Great East Japan Earthquake on March 11 of 2011 and Thailand floods in October of the same year.

The Great East Japan Earthquake forced OKI Data to partly cut off production at its Fukushima site. As a result of immediate recovery efforts by employees, the site was able to resume full production on April 11. This incident made us rethink the importance of our responsibilities for constant supply of our products. But it was not long before, however, serious floods hit Thailand in October. OKI Data Manufacturing (Thailand) (hereafter called ODMT) was forced to close up operation for about three months from October 6 since floodwater had inundated its production facilities.

In response to this disaster, OKI Data, the group company overseeing all printer-related operations, immediately set up a task force in Japan. The company then networked all relevant sites inside and out side Japan via a video teleconference system, checked on what was happening in Thailand, gave prompt instructions, drew up a plan for alternate production, and started putting the plan into practice on October 10. In order to effectively implement the plan, the company got the cooperation of its business partners, opened new lines for alternate production at other sites, and secured materials and equipment for them. At the same time, many Thai skilled workers from ODMT were dispatched to such alternate production sites. Each employee involved in this plan worked very hard to produce and supply products under the slogan "Customers across the world are waiting for our products! It's time to show our real strength." Meanwhile, ODMT started making arrangements for the withdrawal of damaged equipment



Removing equipment from ODMT for alternative production



Recovered production line at ODMT

and the installation of new equipment soon after the flooding. Furthermore, once the floodwater receded, all employees at ODMT worked hard cleaning the site and preparing for the resumption of production. Thanks to all these efforts, ODMT resumed production partly on January 4, 2012. It resumed full production on

March 1 ahead of schedule.

In its recovery efforts, ODMT strengthen measures against flooding, and redesigned the layout of production lines for more prompt recovery from future flooding. The OKI Group will further promote its BCP by enhancing its global backup system.

Providing Customers with Sophisticated and Secure Information Security



Providing Information Security Responding to Advanced IT

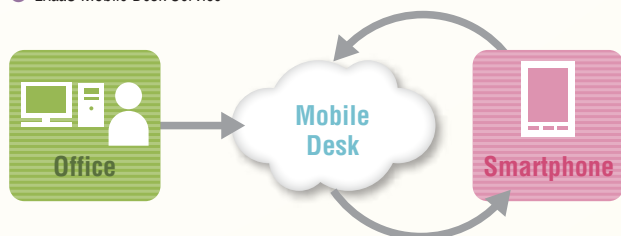
Today the use of information technology (IT) is indispensable for any company. On the other hand, advanced IT and the increasing popularization of the Internet have created a series of new threats such as computer viruses and cyberterrorism. The OKI Group, as a leader in the information society, has been long committed to information security, and offered its customers various security products and services.

The advent and popularization of smartphones, cloud computing and social media are greatly changing business activities. However, many companies are leery of adopting them for fear of complex processes for proper management and security risks such as information leakage.

Understanding these circumstances, OKI launched EXaaS Mobile Desk, a cloud computing services for smartphones in January 2012. This service allows employees to view in-house corporate data on a cloud server using smartphones from locations outside the company in an easy and prompt way. It also enables the easy development and introduction of applications that allow us to use smartphones as terminals without changing our existing business systems. In order to avoid security risks, data to be viewed is not actually located on smartphones. The service also features a "VPN*" connection function" for secure authenticated/encrypted communications and a "terminal control function" to ensure the prevention of unauthorized use and the protection of lost terminals.

* VPN: a virtual network built on a public line network such as the Internet.

● EXaaS Mobile Desk Service



The OKI Group's Efforts for Information Security

In addition to providing customers with information security services, the OKI Group has made various efforts to enhance its own information security.

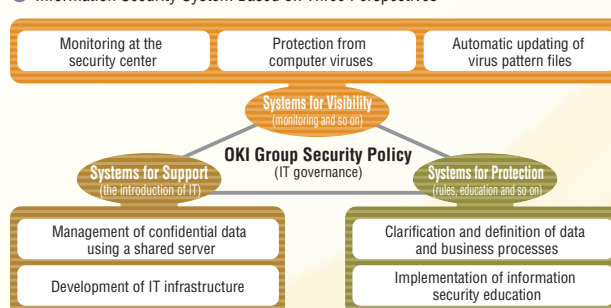
We have implemented our security measures from three perspectives shown in the following diagram since the enactment of the OKI Group Security Policy in fiscal 2002. Furthermore, each business unit of the group has designed its measures to promote information security under the supervision of the Information Security Committee established in fiscal 2007. The secretariat of the committee conducts on-site monitoring to check how such measures are being implemented. We have also obtained the ISMS* certification (See Page 21).

The measures implemented in fiscal 2011, in order to respond to increasingly sophisticated recent cyber attacks, included the blocking of paths for information leaked from virus-infected PCs or servers, in addition to the existing security patches and antivirus software. We also introduced a tool to prevent wrong transmissions. This was due to a survey by an outside organization showing that 20% of information leakage is caused by erroneous operations of e-mail and other applications.

We constantly provide education programs reflecting the latest trends of information security. We also conduct an information security general checkup of all employees including temporary staff every October. In fiscal 2011, we reexamined the items to be checked, emphasized the importance of protecting information from customers and trade secrets, and thus promoted security awareness. We will continue to improve our information security system as a leader of information society.

* ISMS: Information Security Management System

● Information Security System Based on Three Perspectives



Corporate Governance

The OKI Group regards ongoing improvements in corporate value as its most important management priority in its quest to earn the trust of stakeholders. To this end, we are working to reinforce corporate governance based on our fundamental policies, including “the enhancement of management fairness and transparency” and “the acceleration of decision-making processes.”

Corporate Governance Structure

OKI maintains a corporate auditor system, with a Board of Directors and a Board of Company Auditors. To enhance management efficiency, it has also introduced an executive officer system, with the aim of separating the roles of the Board of Directors and Company Auditors/Board of Company Auditors (supervision and auditing of business execution) and executive officers (business execution).

The Board of Directors makes decisions on fundamental management policies and other important issues, and also supervises the execution of business. Company auditors audit the business execution functions of directors based on audit policies and methods decided at Board of Company Auditors' meetings through attendance to Board of Directors' meetings and other important meetings. Company auditors also liaise closely with the accounting auditors and the Internal Auditing Division to accurately ascertain the overall status of company operations as well as to carry out audits of business executions. The Board of Directors and Board of Company Auditors include three independent director/company auditors who have no conflict of interest with general shareholders.

The Executive Officer Committee makes decisions related to the execution of Group operations. Through participation by all executive officers, the Committee seeks to accelerate decision-making and business advancement and clarify business responsibilities.

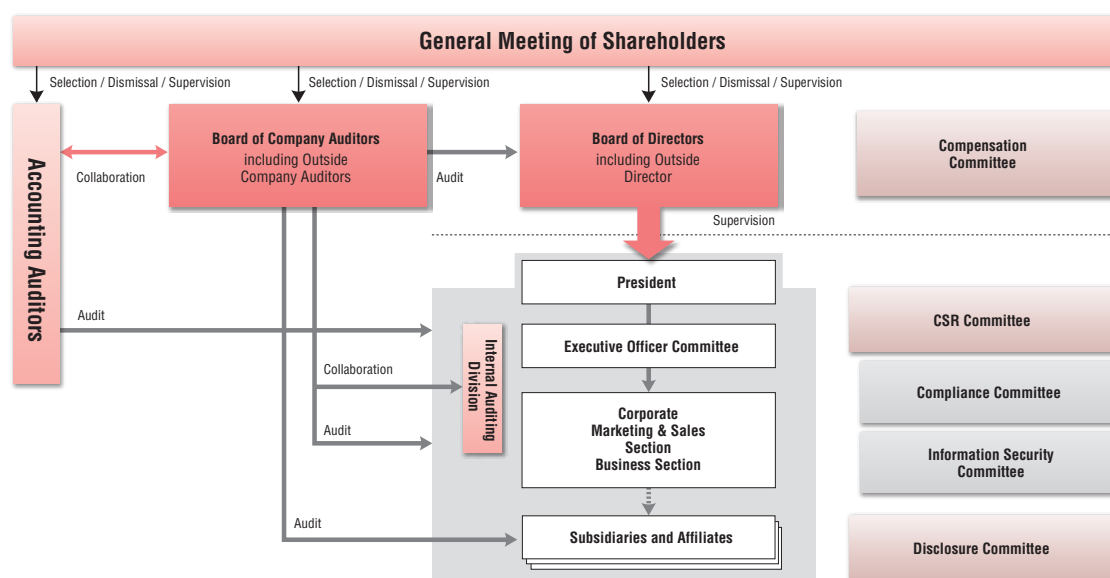
Committee Organizations

As part of its efforts to reinforce corporate governance, OKI established the Compensation Committee, whose members include an outside director. The Committee is responsible for ensuring transparency in the criteria and mechanisms used to set executive remuneration. We have also set up the CSR Committee to deliberate basic policies related to our CSR activities, as well as several dedicated committees; the Compliance Committee to deliberate fundamental compliance-related policies; and the Information Security Committee to ensure the thorough implementation of information security measures. In addition, OKI has set up the Disclosure Committee to ensure that disclosure to stakeholders is accurate and timely.

Internal Control

In accordance with Japan's Companies Act and the Ordinance for Enforcement of the Companies Act, the Board of Directors in May 2006 passed a resolution concerning the Basic Policy for the Establishment of an Internal Control System. In May 2010, the Board of Directors made a partial modification to the Basic Policy. Conforming to the Basic Policy, OKI has been developing a system to secure appropriate business operations. Pursuant to the Financial Instruments and Exchange Act, we also have an internal control reporting system in place, through which we submit internal control reports to the Kanto regional bureau of the Ministry of Finance and disclose the assessment results of the effectiveness of internal controls related to financial reporting.

■ Corporate Governance Structure



Promoting CSR at the OKI Group

In order to fulfill CSR based on the corporate philosophy, we cohesively promote our CSR initiatives, in accordance with the basic policies determined by the CSR Committee, through the cooperation between the CSR Division and other relevant business units under the seven priority themes.

CSR Priority Themes: Focal Points and Achievements

CSR Priority Themes	Focal Points for Fiscal 2011	Achievements in Fiscal 2011
Full Compliance with Laws and Regulations ➡ p.20	<ul style="list-style-type: none"> ● Expansion of risk management as a group ● Improvement of efficiency in risk management and the enhancement of monitoring 	<ul style="list-style-type: none"> ● Revision of the OKI Group Code of Conduct ● Improvement of the compliance systems of overseas group companies ● Review of the risk management cycle ● Publication of a booklet called "Case Examples of Compliance"
Information Security ➡ p.21	<ul style="list-style-type: none"> ● Review of the items to be checked in-house ● Continuation of the "visualization" of how the information security measures have been entrenched in suppliers 	<ul style="list-style-type: none"> ● Reexamination of the items to be checked in the information security general checkup ● Continuation of the self-check system to confirm the entrenchment of compliance measures
Improvement of Customer Satisfaction ➡ p.22	<ul style="list-style-type: none"> ● Improvement of educational programs for mid-level engineers ● Expansion of the application range of universal design technique 	<ul style="list-style-type: none"> ● Establishment of Production & Product Safety Division ● Improvement of education programs focusing on practical business processes ● Establishment of a new business unit to promote human interfaces
Good Communication with Shareholders and Investors ➡ p.23	<ul style="list-style-type: none"> ● Fair and timely disclosure of the achievements made in the first year for the revised mid-term business plan 	<ul style="list-style-type: none"> ● Holding of results briefings and IR meetings ● Redesigning of the IR website for more accessibility
Respect for Employees ➡ p.24	<ul style="list-style-type: none"> ● Recruitment and training of diverse human resources ● Entrenchment of the supports for the development of the next generation ● Promotion of work-life balance ● Promotion of the mental and physical health of employees 	<ul style="list-style-type: none"> ● Promotion of the employment of challenged people not only in Japan but also at overseas sites ● Establishment of a teleworking system ● Promotion of the efficient management of working hours ● Continuation of the existing measures to promote mental and physical health
Social Contribution ➡ p.25	<ul style="list-style-type: none"> ● Creation of new activities that provide reconstruction assistance to those affected by the Great East Japan Earthquake ● Enhancement of social contribution activities inside and outside Japan 	<ul style="list-style-type: none"> ● Promotion of social action programs including those focusing on recovery from the Great East Japan Earthquake ● Assistance to a project to build a dining hall at an elementary school in China
Consideration for the Environment ➡ p.26	<ul style="list-style-type: none"> ● Improvement of the OKI Group's basic unit for CO₂ emissions and the achievement of the industry's new targets ● Addition of some new facilities to those applicable to the management standards in response to the Revised Energy Saving Act, and the review of the standards ● Response to the revision of laws and regulations about power saving products. ● Improvement of efficiency in surveys of information on chemical substances in products ● Implementation of surveys of suppliers' CMS systems 	<ul style="list-style-type: none"> ● Achievement of the OKI Group's target for improving the basic unit for CO₂ emissions ● Participation in the Nippon Keidanren's Commitment to a Low Carbon Society, a new initiative of the business circle ● Replacement of old air conditioning systems and other equipment with energy-saving systems ● Review of energy management standards in response to the national power-saving edict for summer ● Revision of in-house regulations to comply with the International ENERGY STAR Program and other global standards ● Addition of a new web research function to COSMOS-R/R, and the enhancement of the system's function to refer relevant laws and regulations ● Holding of briefing sessions about the CMS assessment standards at group companies inside and outside Japan, and the commencement of their operation

In order to disseminate the OKI Group Charter of Corporate Conduct and the OKI Group Code of Conduct as the basis of our CSR activities throughout the group, we published a booklet featuring the full text of the charter and code with explanatory notes in four languages (Japanese, English, Chinese and Thai). Copies of the booklet were distributed to all applicable employees. In fiscal 2011, we revised the OKI Group Code of Conduct in order to further promote corruption prevention and the elimination of antisocial groups. The revised code has been adopted also by group companies inside and outside Japan.

We will continue to reflect on our social responsibilities to be fulfilled through our global business activities pursuant to the 10 principles of the United Nations Global Compact (in the areas of human rights, labor, environment and anti-corruption) and ISO 26000 (an international standard about social responsibility) while reexamining our CSR activities in terms of what our stakeholders expect from us, and further contribute to people and society through our core business.

Focal Points for Fiscal 2012

Information Provided on the Website

- Effective follow-up for risk management activities at group companies
- Enhancement of measures to disseminate the contents of education programs

- Establishment of compliance systems
- Risk management promotion systems
- Fair business and purchasing practices
- OKI Group Procurement Policies
- Efforts for security export control

- Safe use of smartphones
- Continuation and improvement of the checking systems for the group companies and business partners

- Strengthening of information security
- Regulations and rules related to information security
- Information security education
- System for protecting personal information

- Improvement of educational programs for mid-level engineers as a group
- Expansion of the application range of universal design technique

- Quality assurance system and management
- Cooperation within the group against product safety risks
- OKI Group's approach to universal design

- Fair and timely disclosure of how the revised mid-term business plan is being implemented for the group's further growth

- OKI Group's investor relations activities
- Strict prevention of insider trading
- Information for shareholders and investors (IR website)

- Recruitment and training of diverse human resources
- Continuing entrenchment of the supports for the development of the next generation
- Continuing promotion of work-life balance
- Continuing promotion of the mental and physical health of employees

- Basic policy on human rights and resources
- Holding internship events
- Career design support initiatives (results of training programs)
- Maternity, childcare and nursing care programs, and time adjustments
- Special-purpose leave
- Initiatives for occupational health and safety (lost worktime accident rates)

- Continuation of the activities that provide reconstruction assistance to those affected by the Great East Japan Earthquake
- Continuing promotion of social contribution activities inside and outside Japan

- Basic philosophy and systems for social contribution activities
- The OKI 100 Yen Fund of Love achievements in fiscal 2011
- Participatory social action programs
- Activities contributing to local communities in Japan and overseas

- Promotion of efforts to achieve the OKI Group Environmental Vision 2020: [Realization of a low-carbon society]
 - Improvement of the OKI Group's basic unit for CO₂ emissions
 - Preparatory efforts for the Nippon Keidanren's Commitment to a Low Carbon Society [Prevention of pollution]
 - Improvement of operational procedures and IT systems in compliance with the relevant laws and regulations as well as the industry standards [Resource circulation]
 - Examination of targets for reducing materials newly input at production sites [Biodiversity conservation]
 - Formulation of a clear policy
 - Construction of a management framework
 - Implementation of educational programs

- OKI Group Environmental Vision 2020
- OKI Group Environmental Policy
- OKI Group Environmental Management
- Scope of ISO14001 Consolidated Certification
- OKI Group Environmental Accounting
- OKI Eco Products
- Operation of the Chemical Substances Management Systems
- Recycling of Used Products
- Controlling and Reducing Chemical Substances

Full Compliance with Laws and Regulations

The OKI Group has worked to strengthen compliance in order to comply with all related laws and regulations and implement sound corporate activities consistent with social norms. Under the leadership of the Compliance Committee headed by the Chief Compliance Officer, we focus on the enhancement of training and the promotion of integrated, systematic, companywide risk management. Furthermore, we have established consultation and reporting channels as well as whistle-blowing regulations such as those about the protection of whistle-blowers, thus tried to discover and rectify improper activities at an early stage if any.

I Revision of the OKI Group Code of Conduct

At the meeting of OKI's Board of Directors on December 28 of 2011, a revision of the OKI Group Code of Conduct was resolved. The purpose of the revision was to present a clear-cut stance on corruption prevention (for which relevant laws have been reinforced on a global level) and the elimination of antisocial groups as the OKI Group.

■ Major Changes in the Revised Code

II. Fair Corporate Activities

- ③ We will not give, offer or accept bribes, whether in cash or otherwise, to or from any third party, including but not restricted to government officials, customers or their representatives.
- ④ In case of donations and political contributions, we will first consider the necessity and appropriateness carefully, and then we will make only appropriate donations and political contributions in accordance with applicable laws and regulations and company rules.
- ⑩ We will resolutely confront antisocial groups and criminal organizations that pose a threat to the order and security of civil society and all contact with such entities is strictly forbidden.

I Enhancement of Compliance Education

In order to disseminate compliance-related measures across the group, the OKI Group gives training sessions for Compliance Managers at six sites in Japan. Participants in these sessions roll out the knowledge learned in their business units. The dissemination of such knowledge is checked through an e-learning program for all executive officers and employees of the group.

In October 2011, we published a booklet called "Case Examples of



Case Examples of Compliance

Compliance" that features possible compliance problems and actions to be taken in a Q&A style. Copies of the booklet have been distributed to all Compliance Managers. We have also encouraged participants in various training programs to effectively use the booklet by distributing copies thereof.

■ Participation rates in compliance education programs (for the OKI Group in Japan) in fiscal 2011

Training sessions for Compliance Managers	100%
e-learning program (about on-the-job compliance)	98%

I Improvement of Measures to Deal with Compliance Risks

OKI has steadily promoted risk management based on its Risk Management Regulations and established a system to deal with any risk. As OKI regards compliance risks* as the most important category thereof, each business unit of the company needs to register potential risks related to its operations with the Risk Management Promotion Office. We have also established a management cycle to develop measures against them and monitor the implementation thereof within the group on a regular basis.

In fiscal 2011, we extended this cycle from 6 months to one year for the purpose of improving managerial efficiency and the effectiveness of measures taken. In order to prevent this extended cycle from becoming a mere routine, we reinforced communication between applicable group companies, and adopted a more effective way for monitoring. Furthermore, we continued to reinforce risk management at overseas sites, and established a basic framework for promoting compliance at almost all sites.

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

I 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.

In fiscal 2011, we redesigned the BCP for each business segment based on lessons and reflections from our responses to the Great East Japan Earthquake, planned blackouts, and nation-wide campaigns for saving energy. When floods hit the production site in Thailand in October, its employees worked hard to recover from the damage through close communication with related group companies, and strengthened measures against flooding (See Page 15). We will continue to make our utmost efforts to appropriately deal with any disasters such as an earthquake.

Information Security

The OKI Group, based on the OKI Group Security Policy, has established a system to ensure information security under the leadership of the Information Security Committee. We properly manage and protect company and customer information, including personal information, through various activities such as twice-a-year reviews of efforts for information security and information security audits.

"Visualization" of How the Information Security Measures Have Been Entrenched in Partners and Suppliers

In order to improve the quality of information security throughout the supply chain, OKI has checked the information security measures of its business partners and suppliers handling important confidential information. More specifically, we have asked such companies to self-check their information security measures using a check list designed by us, evaluated the results of their self-checks using our own scoring system, and shared the challenges found in this process with them since fiscal 2008.

In fiscal 2011, the number of business partners "highly evaluated" according to our criteria increased by 9 points from the previous fiscal year. They made a visible progress particularly in technological measures such as password updates and security consciousness about the management of confidential information. These results show that security measures have been steadily entrenched in our business partners.

OKI-CSIRT for Prompt Response to Security Accidents

In order to enhance our preventive measures against threats to computer security and improve our capacity to respond to them, we established OKI-CSIRT*¹ as an organization specializing in responding to security accidents in September 2008. OKI-CSIRT publishes a report on computer viruses every month and offers technical assistance within the OKI Group. It also contributes to prompt information sharing and problem solving through participation in the Nippon CSIRT Association (NCA) and cooperation with other outside organizations.

In fiscal 2011, OKI-CSIRT reinforced its partnerships with NCA, CSIRT of other corporations, and relevant governmental agencies about measures against cyber attacks. More specifically, it obtained information on targeted emails*², blocked them, and shut down information leakage routes.

*¹ CSIRT: Computer Security Incident Response Team

*² Targeted email: an email sent to a specific organization or individual as a cyber attack to steal information

Disseminating Information Security Measures to Business Sites in China

The OKI Group has started to disseminate its information security measures to business sites in China since fiscal 2008. As the IT environment in China is different from that in Japan,

we have adopted an antivirus software program designated computer viruses detected in China. We have also improved the local help desk function, enhanced support for damages caused by computer viruses, and thus improved the virus elimination rate there.

In fiscal 2011, we further promoted the project for mobile PCs launched in fiscal 2010. We encrypted the hard drives of mobile PCs in order to prevent information leakage in case of theft or loss, and made the users of the approved mobile PCs put the certificate sticker as we did in Japan.

Promotion of Acquiring ISMS Certification

The OKI Group is working to acquire the ISMS* certification for divisions involved in building and operating internal information systems and for divisions engaged in general system design development, in order to improve the reliability of network solution construction and related services. Five companies and seven business units of the OKI Group are ISMS-certified organizations as of June 2012.

Business Units / Group Companies That Have Acquired the ISMS Certification (as of June, 2012)

Name of Business Unit / Group Company	Initial Registration Date
Japan Business Operations Co., Ltd. (Operations Div.-1, Operation Management Dept. of Operations Dev.-2, Inspection and Training Div.)	January 30, 2004
OKI Consulting Solutions Co., Ltd.	September 20, 2006
OKI Software Co., Ltd.	December 21, 2007
OKI Customer Adtech Co., Ltd.	January 31, 2004
OKI Electric Industry Co., Ltd. (OKI System Center)	August 4, 2003
OKI Electric Industry Co., Ltd. (Government & Public Systems Marketing & Sales Div., Enterprise Systems Marketing & Sales Div., Information Systems Div. and Public Systems Business Div. at Shibaura site)	December 27, 2004
OKI Electric Industry Co., Ltd. (Information Planning Div.)	February 14, 2003

* ISMS : Information Security Management System

Enhancing the Protection of Personal Information

The OKI Group has enhanced the protection of personal information based on the Privacy Policy enacted in 2004. We have committed to the protection of personal information under the leadership of Chief Privacy Officer. Privacy managers have been appointed at the corporate level, and in business units and group companies. The OKI Group has also promoted its member companies' acquisition of the PrivacyMark certification so that they can take appropriate measures to protect personal information. Ten companies of the OKI Group have acquired the PrivacyMark certification as of June 2012.



Companies that have acquired the PrivacyMark Certification (as of June 2012)

Japan Business Operations Co., Ltd.	OKI Communication Systems Co., Ltd.
OKI Customer Adtech Co., Ltd.	OKI Software Co., Ltd.
OKI Proserve Co., Ltd.	OKI Networks Co., Ltd.
OKI Electric Industry Co., Ltd.	OKI Data Corporation
OKI Wintech Co., Ltd.	Payment First Corporation

Improvement of Customer Satisfaction

Believing that quality entails "customer satisfaction," OKI's quality philosophy focuses on "providing products that always make customers happy." OKI's Quality Assurance Regulations define the company's quality philosophy, responsibility and authority. There are also administrative instructions for the entire company and each business division. These philosophy, rules and regulations are incorporated into the quality management system of each business division. Furthermore, we have obtained ISO9001 certification at all our production sites, and have built the most appropriate quality control system for each production line or product.

Establishment of Production & Product Safety Division

OKI established Production & Product Safety Division as a corporate level business unit on October 1, 2011. The division is responsible for two functions to oversee production and product safety. The first function focuses on the optimum utilization of production resources across the OKI Group and the coordination of different tasks while the other ensures product safety in compliance with Consumer Safety Act, Product Liability Act and other laws.

In fulfilling the first function, the division held the "1st OKI Group Workshop on Production Reform and Improvement" in November where representatives from



A presentation at the Workshop on Production Reform and Improvement

production sites inside and outside Japan gave presentations on their efforts. The purpose of the workshop was to improve organizational power in manufacturing that affects the quality of each product. As for the function to oversee product safety, the existing Company-wide Product Safety Policy was reexamined, and revised into the Product Safety Basic Policy stipulating specific activities to be carried out. Under this new policy, the division will compile all rules to cope with product accidents and function as a portal for the entire group.

Improvement of Quality Education

OKI has given education programs on quality for different types of employees at different levels such as new recruits, novice members of functional departments, and mid-level engineers. We have also offered various elective



A seminar on quality

education programs from among which each employee can choose the most appropriate program for his or her need.

Since "usefulness on a practical level" is especially important in our curriculum, we have started offering a new course on "design of experiments (orthogonal experiments)" as a program common to all mid-level engineers across the company since fiscal 2010. This uniquely practical course features lectures focusing on the past applications at OKI, and seminars using an original data analysis support tool that enables students to concentrate on the process of each experiment without being bothered with calculation. We also follow the practical effect of the course and continue to improve its quality. In fiscal 2011, we added experimental simulations on PCs to our curriculum with the intention of facilitating practical utilization thereof.

Constant CS Surveys on Our Products and Activities

OKI has constantly conducted CS surveys of customers in the financial industry about the OKI Group's business activities in different categories such as sales, proposal, development and maintenance since fiscal 2007. The results of such surveys are disclosed and explained to respondents individually. Any advice given by customers in this process is also fed back to OKI. The relevant business units then adopt such advice, reexamine the activities poorly evaluated by customers, decide a policy to deal with the problems, and share them with other units within the group if necessary.

Our CS survey in fiscal 2011 included a new questionnaire item about our services products such as an ATM operational support. Approximately 70 customers answered our questionnaires in 6 aspects on a zero-to-five scale. The respondents also made free comments.

Establishment of Human Interface Design Department

OKI Data, a leading manufacturer of business-use printers and multi-functional printers, established Human Interface Design Department in April 2012. While the functions of its products have



Operability verification of printers

become increasingly complex, small businesses and individuals now constitute a significant part of their users. Consequently, the company is now asked to realize greater user-friendliness that allows people with little knowledge of IT to make full use of its products, and produce a truly easy-to-

understand manual. The new department is comprised of two teams, one examines and creates manuals, and the other focuses on operability and design. It aims at establishing global operability with integrity in cooperation with the Operability Committee, an organization whose members are from different functional departments such as Design, Sales, and CS Promotion. Based on the OKI Group's concept of universal design, the department also pursues the improvement of accessibility by reflecting considerations for different types of challenged people including elderly people and people with impaired color vision.

Enhancing Accessibility of Website

OKI has made utmost efforts to build truly accessible websites in conformity with JIS standards and other

International standards by emphasizing the importance of accessibility in the company's guidelines for websites since 2002. As part of such efforts, in October 2011, OKI renewed the opening page and the pages for corporate information of its website to make them conform with JIS X 8341-3:2010*, a new JIS standard to ensure web accessibility to elderly and challenged people. The new JIS standard includes a section to test the accessibility of each web page and rank it in three levels (A, AA and AAA). The above renewed pages were evaluated to partly meet the requirements of the AA level. OKI will continue to increase the number of web pages in conformity with the standard.

* JIS X 8341-3:2010
Guidelines for older persons and persons with disabilities-Information and communications equipment, software and services-Part 3: Web content. It is a standard about accessibility launched in June, 2004 as part of the the Japan Industrial Standards. It was revised later in August 2010.

Achievements in Fiscal 2011

OKI GROUP

Good Communications with Shareholders and Investors

The OKI Group appropriately discloses useful information to shareholders and investors in a timely manner, including corporate information, management strategies and operating results. The purposes of our IR activities are to improve management transparency, help build trust with our shareholders, and thus improve our corporate value. The department responsible for these activities is IR Unit. The group also makes every effort to prevent insider trading in order to protect shareholders and investors, and help ensure the integrity of securities markets.

Corporate Strategy Meeting Focusing on Mid-term Business Plan

OKI recognizes that the appropriate utilization of the views of the market in management practices and business activities serves to further increase operating efficiency and raise corporate value. Based on this



Resulting briefing (May 2011)

recognition, President and the other members of the management team conduct investor briefings, hold IR meetings and engage in various other communication activities. As part of such efforts, President explained how the company had worked for its mid-term business plan to fiscal 2013 as well as its policies for fiscal 2011 at a resulting briefing held in May, 2011. The company's other efforts for appropriate, timely disclosure of information included an increased number of IR meetings for institutional investors inside and outside Japan.

Communication via IR Website and e-mail Newsletters

OKI has an IR Website where a range of investor relations information, including financial data, is posted simultaneously in English and Japanese in order



"Investor Relations" site on the web
<http://www.oki.com/en/ir/>

to maintain fairness in information disclosure. In order to make the site more accessible to investors, we renewed the Japanese version and English version of the site in October 2011, and January 2012 respectively. Furthermore, we improved the content of the page for individual investors in the Japanese version in March 2012. We will continue to improve the quality of the IR site.

We also send OKI News Mails to approximately 1,500 people, including our institutional investors and people who have signed up on our website. This e-mail newsletter includes the latest financial results, information on filings to securities exchanges, press releases on topics such as new products and services, and information on updates to our IR Website.

We will further promote the disclosure of information in a responsive, and appropriate manner while complying with the revisions of the Companies Act, the Financial Instruments and Exchange Law and the timely disclosure rules of the Tokyo Stock Exchange.

Respect for Employees

Believing that the protection of each employee's human rights underlies all business activities, the OKI Group has proclaimed "Respect for Human Rights" in the OKI Group Charter of Corporate Conduct and the OKI Group Code of Conduct, and emphasized the importance thereof through education programs. The group has a strong commitment to pursuing fair recruitment, and building working environments with respect for diversity based on its vision: "Pride, Passion and Sincerity."

We have also made various efforts at overseas group companies such as the encouragement of the acquisition of relevant certifications, and different educational and support programs meeting the needs of each country or region.

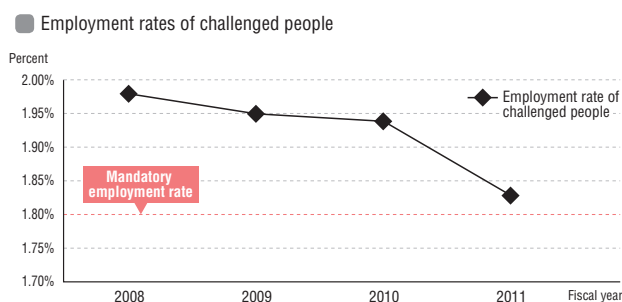
Good Labor-Management Relationship through Dialogue

OKI respects the freedom of association and collective bargaining based on the laws in each country and region, and puts great importance on building trust between employees and management. In Japan, the company holds general labor-management meetings with the company's top executives and union leaders as well as divisional labor-management meetings to exchange opinions and information on economic conditions and labor issues.

Promoting the Employment of Challenged People

The OKI Group has promoted the recruitment of severely challenged people as teleworking employees through OKI WorkWel, a special purpose subsidiary* of the group. As of April 2012, it employs 49 people with physical, intellectual, visual or internal disabilities, including 35 teleworkers utilizing IT. The percentage of challenged employees at the group in fiscal 2011 was 1.83%, a slight decrease from fiscal 2010. We will continue to promote the employment of challenged people in the future.

The OKI Group's overseas subsidiaries have also addressed the recruitment of challenged people. OKI Electric Industry (Shenzhen) in China entered an agreement with the Xili Vocational Rehabilitation Center, and recruited 12 challenged people as special employees in June 2011.



* A special purpose subsidiary is a company established to provide special considerations for the employment of challenged people as defined in the Law for Employment Promotion, etc. of the Disabled.

Helping Employees Develop Their Skills

The OKI Group offers more than 250 elective courses other than compulsory or designated training courses for new recruits, managers and specialists. Employees are able to choose the most appropriate courses from among them in order to build the skills required for their career goals. In fiscal 2011, OKI's employees spent an average of 1.77 days to take such training course.

Establishing Support for the Development of the Next Generation

OKI was granted the "Law for Measures to Support the Development of the Next Generation" certification (nicknamed "Kurumin") by the Tokyo Labor Bureau. The main reason for its acquisition of the certification was that it had achieved the targets set in its Action Plan in compliance with the Law for Measures to Support the Development of the Next Generation.

In fiscal 2011, OKI introduced a new teleworking system for employees responsible for childcare or nursing care as part of its third Action Plan focusing on "establishing work-family balance through various support programs that help employees take specific actions."



Promotion of Work-Life Balance

OKI has offered various supporting systems about childbirth, child rearing and nursing care in order to help its employees balance work and family life. Among them are a flextime system and a HOP (discretionary labor) system that allow flexible work styles. In case of "Special Leave for a Particular Purpose," employees are allowed to take a leave for medical care for themselves, nursing care for their families, and other purposes including participation in social action programs, education and school events.

Furthermore, the Work-Life Balance Promotion Committee, with members from both the management and the labor union, sets specific targets, checks and improves the relevant systems for work-life balance. Information on such activities is available on the intranet. In fiscal 2011, we focused on "the efficient management of working hours," had all manager class employees take a training program on this topic.

Promoting Mental and Physical Health of Employees

The OKI Group has promoted "Health OKI 21," a campaign to facilitate voluntary health management of employees with support from management, labor union and corporate health insurance society. The Group gives useful advice through the intranet, conducts surveys of employees, and offers exercise programs. Furthermore, it has the "Mental Health Working Group" as an ad hoc committee of the Central Safety and Health Committee, promotes the utilization of "Kokoro Wellness Navi," a new tool to support mental health, and provides a consultation services.

Social Contribution

The OKI Group, based on the Basic Philosophy and Basic Policy for Social Contribution Activities, has promoted various social action projects. More specifically, the group has made donations, participated in regional contribution activities, and supported social action programs by employees. In order to be involved in a wide range of social contribution activities, we have interacted and collaborated with various nonprofit organizations, and enhanced such activities inside and outside Japan.

Response to the Great East Japan Earthquake

The OKI Group has been active to relieve people hit by the Great East Japan Earthquake in March 2011 and help rebuild the afflicted areas. The following table shows specific support activities by the group.



Cleaning a tsunami-devastated beach

Among them, volunteer activities for reconstruction support were organized in collaboration with Sompo Japan Insurance Inc., Marubeni Corporation and Mizuho Financial Group Inc., and volunteers from among the group's employees visited Shichigahama, a town in Miyagi Prefecture damaged by tsunamis, ten times.

Support activities in fiscal 2011

Monetary donation	10,000,000 yen (in parallel with lending of IT/network devices)
Funds raised by employees	Funds raised by employees in Japan (through management-labor collaboration) Funds raised by overseas employees (donated through Red Cross Society in each country)
Reconstruction support activities	- Volunteer activities of employees for reconstruction support - A fair of made-in-Tohoku products at the OKI Warabi Culture Festival - Donation of picture books to the Sanriku Culture Restoration Project in collaboration with the NPO Action with Lao Children - Event featuring a taketombo workshop and a marionette show for employees and their families of the OKI Group in the Fukushima area - Donation of a refrigerated blood transport vehicle to the Japan Red Cross Miyagi Blood Center (as a matching gift from the 100 yen fund of Love)

Donation-based Program The OKI 100 Yen Fund of Love

The OKI Group has made assistance efforts for various social action groups through the OKI 100 Yen Fund of Love, a donation-based social action program. The participants in this program include executives and employees of the member companies of



Darunee Plates for 500-yen coins (left) and 100-yen coins (right)
The coins put in all holes in a plate enable a child to go to school for a period of one year.

the OKI Group (22 companies as of April 2012) who agree with the purport the program. They are asked to donate 100 yen a month.

Among the groups assisted by the program is the Architectural Association of Japanese DEAF (AAJD) which produced "SOS Cards" in collaboration with OKI. These cards help hearing-impaired people and foreigners communicate with others about their physical problems in the event of an emergency. AAJD released the cards in 15 different languages for free of charge in July 2011. The EDF-Japan, another recipient of the 100 yen fund, have helped secure educational opportunities for children in Laos, Cambodia and Thailand. The organization produced "Darunee Plates," a tool to collect coins to be used as scholarship money.

Lecture on "Diverse Ways of Working" at a Special Support School

OKI Workwell gave a lecture about career education for 14 junior and senior high school students at Tokyo Metropolitan Bokuto Special Support School on February 24, 2012.



Lecture at Bokuto Special Support School

The lecture was simultaneously shared with 7 students from Tokyo Metropolitan Jonan Special Support School by use of Workwell Communicator for School, a networking system developed by the company.

The Tokyo Metropolitan Board of Education has designated three special support schools for physically-disabled children including the above two as the model schools for its career education initiative since fiscal 2010. The lecture was given as part of the OKI Group's support for the initiative in which President and two teleworking employees of OKI Workwell talked about diverse ways of working utilizing IT for challenged people.

Supporting the Operation of a Symposium on "Ethics & Social Responsibility Research"

The Portugal office of OKI Data Group supported Symposium on "Ethics & Social Responsibility Research" held in Lisbon in April 2011 as a printing partner. Organized by the ISCTE- Lisbon University Institute and CIS*, the two-day symposium featured presentations of latest studies on ethics and social responsibilities in organizational decision-making processes, and practical discussions by participants from around the world. OKI supported the operation of the symposium by printing posters, brochures, lunch tickets and other materials.

* CIS: Centre for Social Research and Intervention

Consideration for the Environment

In order to achieve the OKI Group Environmental Vision 2020 (See Page 10) that outlines the directions of the group's environmental activities, we coordinate and implement environmental management systems across the entire group that underpin our environmental management commitment. We actively promote the continued reduction of environmental impact through our products and business activities.



Logo for the OKI Group's environmental activities

Environmental Contribution through Products

70% Reduction of Power Consumption in Automated Teller Machine (ATM)

The main requirements for ATMs used to be quiet, fast and troubleproof operation. As customers have become increasingly environmentally conscious since the enforcement of the Revised Energy Saving Act, there has been an growing need for ATMs with low power consumption. In order to meet this need, OKI has tried to reduce power consumption of the banknote handling module within its ATM system, and achieved a total of 70% reduction of power consumption in the standby and transaction modes.

● Shift to the Power Saving Mode Immediately After Each Transaction

The entire banknote handling module of the conventional version of our ATM is always turned on to allow a prompt return from standby mode. The machine goes into power

saving mode if no one uses it for a certain period of time, and the power is disconnected to some parts of the module. The new ATM is designed to go into power saving mode immediately after each transaction.

● Reduction of Power Consumption in Power Saving Mode

In order to further save power in power saving mode, we increased the number of parts to be disconnected in the mode to include the banknote recognition sensors and others.

● Development of New Control Technology for Banknote Recognition Sensors

Since high precision and quality is asked for sensors, it usually takes a certain period of time for a sensor to secure stable operation after it is activated. We developed a new control technology to significantly reduce this time from activation to stable operation. The technology has allowed our ATM to promptly return from power saving mode.

● Minimization of the Length of Banknote Conveyance Route

In order to save power consumed for conveying banknotes, we minimized the length of the banknotes conveyance route. The conventional conveyance route had to be complex to deal with three types of transactions, withdrawal, deposit, and refund at transaction cancellation. We simplified it by developing a new component that allows the sorting of banknotes for three directions. As a result, we were able to decrease the number of components used for the module and shorten the conveyance route by 40%.

As a result of these technological development and functional improvements, we have achieved a dramatic reduction of power consumption. We will continue to cater to energy saving needs of customers and make various proposals about ATM operation.

OKI Group Environmental Activity Plan (Fiscal 2011): Targets and Achievements

	Category	Activities	Targets for Fiscal 2014	Targets for Fiscal 2011	Achievements in Fiscal 2011		
					Results	Evaluation	See Page
Products	Control of chemical substances contained in products	Operate and improve chemical substance management	Reflect the results of the evaluation of suppliers' CMS* in our procurement standards	Build a procedure to evaluate suppliers' CMS and operate it on a trial basis	Established and started operating a procedure to evaluate CMS	○	12 ~13
		• Regulations to control chemical substances inside and outside Japan • Response to revised standards of the industry	Assemble and utilize a database of Suppliers' CMS evaluations	Add a new function to increase survey efficiency for chemical products	Added a web survey function and started to operate thereof	○	
	Manufacturing low power consumption products	Conform with laws and regulations about power saving as well as the industry's initiatives	Meet sales targets for Eco Products certified in accordance with the new standards	Register more than three new OKI Eco Products in accordance with the new certification standards	Registered five new Eco Products	○	11 Website
Business Activities	Prevention of global warming	Reduce CO ₂ emitted from business activities (by introducing highly efficient equipment, and improving operational systems)	Basic unit to be reduced by 1% or more (compared to the average of the past five years)	Basic unit to be reduced by 1% or more (compared to the average of the past five years)	Reduced basic unit by 2.0%	○	12, 27, 28, 29
	Resource Circulation	Reduce newly input resources at production sites	Meet targets for the reduction of newly input resources	Maintain and continue zero-emission	Maintained and continued zero-emission	○	13, 27, 29
Environmental Management	Practices of OKI Group environmental management	Streamline OKI Group Environmental Management System	Examine the visualization of environmental data about sites inside and outside Japan	Implement the consolidated certification plan, and examine the expansion thereof	Completed consolidation certification as planned and added one site	○	Website
		Establish and operate a biodiversity management system	Formulate a procedure to evaluate biodiversity	Prepare for a biodiversity management system and examine a plan for it	Completed preparations for a biodiversity management system and enacted a plan for it	○	13

* CMS: Chemical Management System

Twofold Improvement of Luminous Efficiency of LED Printhead

OKI Digital Imaging (ODI) develops LED printheads. ODI has achieved the twofold improvement of luminous efficiency of its LED printheads by improving the LED structure. In a digital LED printer, toner on the photoconductive drum exposed to LED light from its LED printhead is transferred to and fixed on paper (Figure 1). Thousands of LED chips are mounted on the LED printhead. Each LED chip is comprised of multiple semiconductors. ODI arrived at the best possible combination of thickness, materials, density and other conditions about semiconductor devices from among numerous combinations. This combination secures the same light output as the conventional LED printhead with half the driving current. As a result, it allows the further reduction of power consumption and prolongs LED life with less heat.

Figure 1: Exposure of light from LED printhead

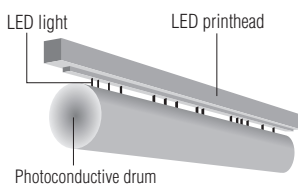


Figure 2: LED chip with twofold luminous efficiency



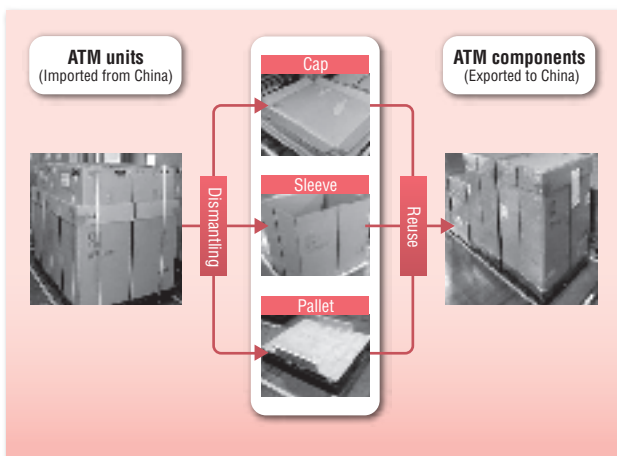
Environment Conservation Efforts in Business Activities

Reuse of Packaging Materials for ATMs

OKI's Mechatronics Systems Plant in Tomioka, Gunma manufactures and assembles ATMs and other products. The plant has promoted the reuse of packaging materials for ATMs in cooperation with OKI Electric Industry (Shenzhen) in China (OSZ). For example, the plant adopted new shock-absorbent pallets for ATM units and components, and improved the method to fix them on such pallets. This change has allowed the plant to use the same packaging materials for three round trips. Before that, packaging materials were disposed of after being used for a one-way trip. As a result, the plant dramatically reduced the annual purchase volume of new packaging materials from 300 tons to 78 tons in fiscal 2011.

The plant also downsized its protectors for its ATM units while maintaining the same shock-absorbing function. It enables the plant to increase the number of ATM units loaded in a shipborne container by 30%. As a result, it was able to reduce CO₂ emissions by 135 tons during the fiscal year.

Reuse of Packaging Materials for ATMs



74% Reduction of Waste Plastic Through Careful Separation of Wastes

OKI Communication Systems in Tokorozawa, Saitama has addressed the recycling of waste plastic since fiscal 2008. In fiscal 2011, the company achieved a 74% reduction in disposal amount and a 78% in disposal cost compared to fiscal 2008. In order to facilitate careful separation for recycling, the company discussed about appropriate ways to separate waste with its contractor in the first place. It then established a system to ensure careful separation by carrying out various awareness-raising activities. Among them were careful instructions at each job site, the visualization of recycling effects, and the dissemination of a Q&A guideline. The company also introduced compressors for compressing waste plastic prior to the contractor's collection thereof, and thus improved collection efficiency. As a result of the promotion of these activities on a company-wide basis, the company achieved the above dramatic reduction in disposal amount and disposal cost.



Separated containers for waste plastic



Compressed waste plastic

Promoting Environmental Skills

The OKI Group has offered various environmental education programs at different sites. OSZ in China held "Low-carbon Knowledge Contest," an event to raise awareness about the prevention of global warming, in May 2011. A total of 100 participants from the company's employees competed with each other in this quiz-show-style contest. The participants commented that they were impressed by the relationship between their life styles and the prevention of global warming as well as the importance of environmental conservation.



Winning team in the "Low-Carbon Knowledge Contest" at OSZ

Pollution of Underground Water and Soil

The OKI Group has specified a group of observation points at every production site and monitored the quality of underground water there on a regular basis. During such a regular examination at Honjo site, the groundwater sampled from some observation points was measured to be a bit above the normal level. In response to this, the OKI Group has implemented appropriate recovery measures under the guidance of the relevant local authorities. In fiscal 2011, no underground water or soil pollution was observed.

Penalties / Claims

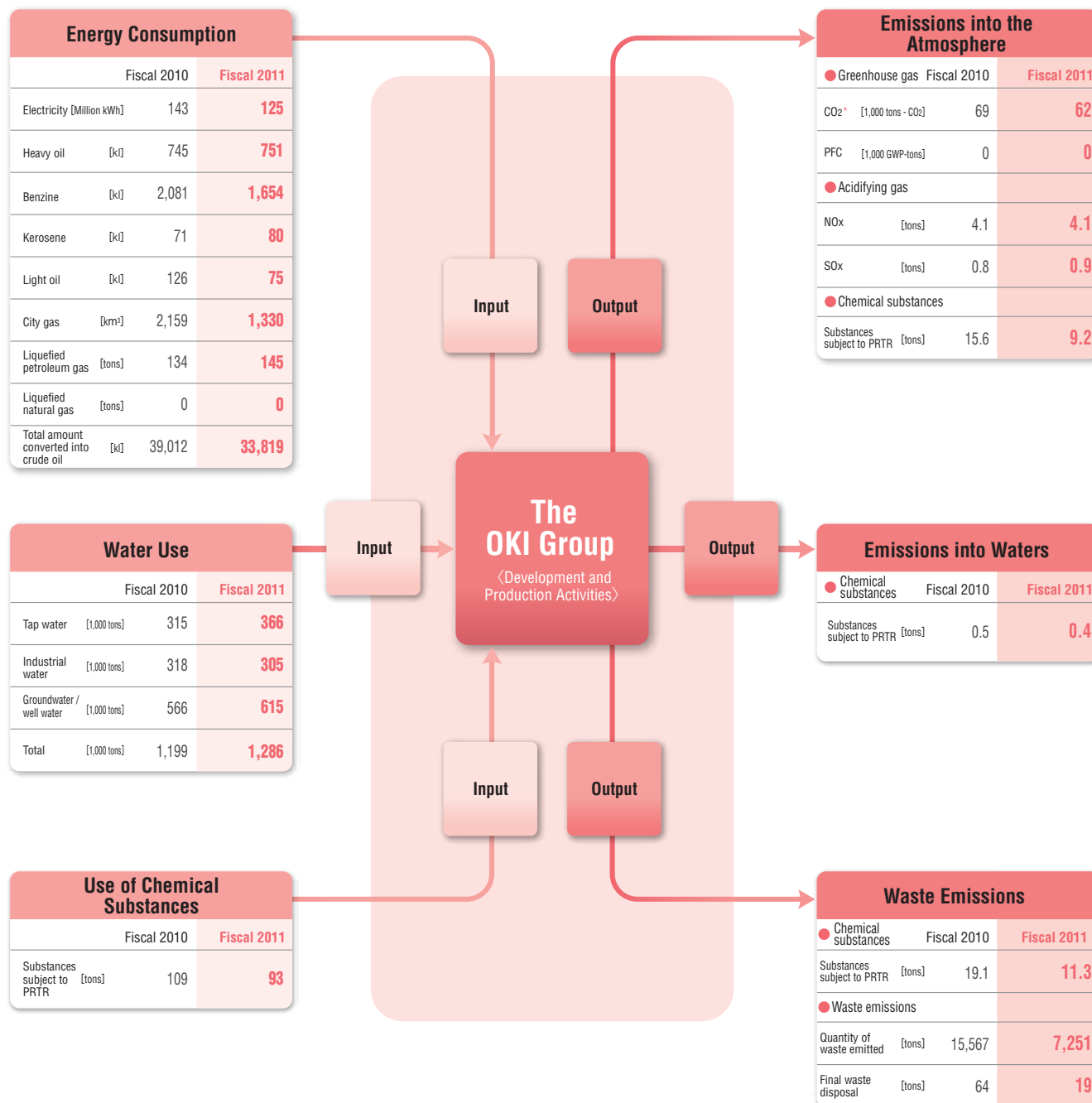
There were no environment-related penalties imposed on or claims made against the OKI Group in fiscal 2011. Whenever such an event occurs, we locate the cause thereof, deal with the problem properly and take appropriate preventive steps.

Consideration for the Environment — Detailed Data

Environmental Impact of Business Activities (Material Balance)

The OKI Group uses energy, water and chemical substances as "input" to conduct business activities focusing on development and production while discharging substances with environmental impact into the atmosphere and waters, and emitting wastes as "output."

In fiscal 2011, we widened the scope of the PRTR substances to be calculated in response to the revision of the PRTR system. The data of fiscal 2010 were also revised to reflect this change.

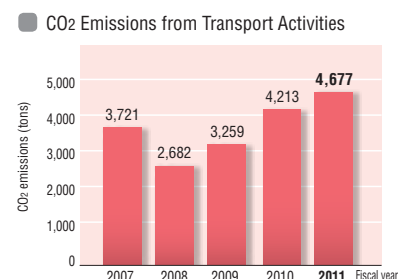


Reducing Environmental Impact of Business Activities and Products

The OKI Group has been active in reducing environmental impact of its business activities and products in order to contribute to environmental conservation.

Reducing Environmental Impact of Physical Distribution

OKI, as a shipper, has enhanced its efforts to reduce environmental impact of physical distribution in partnership with OKI Proserve (hereinafter called OPS). As a pioneer in reducing CO₂ emissions by adopting modal shift, OPS has accumulated a wide spectrum of transit information and organized it into a database to fully meet the requirements of the Energy Saving Act. In fiscal 2011, the CO₂ emissions reduced by modal shift amounted to 591 tons (virtually flat from the previous fiscal year). The total volume of CO₂ emitted from our transport activities in fiscal 2011 amounted to 4,677 tons, a 11% increase compared to the previous fiscal year, partly due to production increase and growing local transport using small freights.



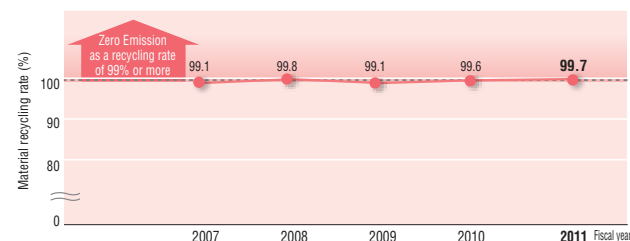
Promotion of Material Recycling (Zero Emission)

The OKI Group has been active in improving its material recycling rate*¹ since 1996. In fiscal 2002, we achieved "zero emission"*² at main production sites. In fiscal 2011, the material recycling rate was 99.7%.

*¹ Material recycling rate: quantity of material-recycled resources / (quantity of material-recycled resources + quantity of wastes subject to final disposal) x 100

*² Zero emission: defined by the OKI Group as a material recycling rate of 99% or more

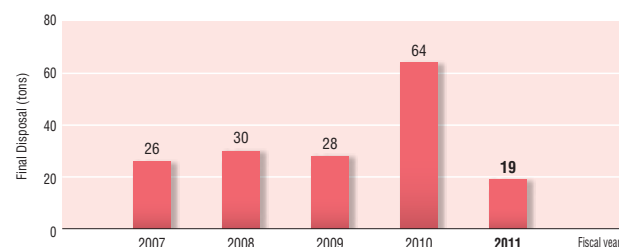
■ Material Recycling Rates of Main Production Sites



Amount of Wastes Subject to Final Disposal

The amount of the general and industrial wastes emitted from the OKI Group's main production sites and subject to final disposal was 19 tons in fiscal 2011 due to the reduction of waste fluids and other efforts.

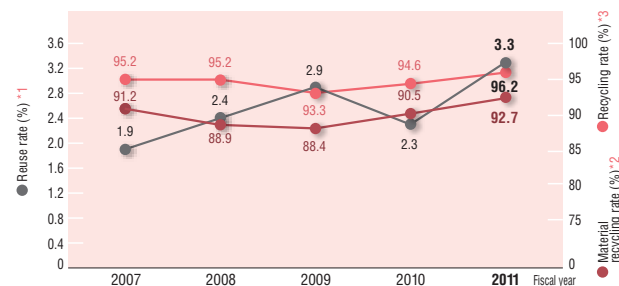
■ Amount of Wastes Subject to Final Disposal Emitted from Main Production Sites



Recycling of Used Products

The volume of used products collected in fiscal 2011 was 4,692 tons (with an 86% increase compared to fiscal 2010), with an increased number of collected ATMs as a main factor. The material recycling rate was 96.2% and remained at the almost same level as fiscal 2010.

■ Recycling of Used Products



*¹ Reuse rate: the ratio of reused parts and materials to collected used products (in mass).

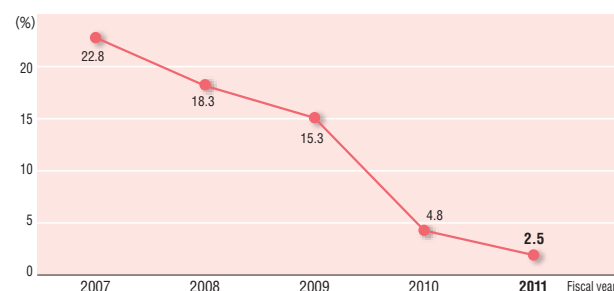
*² Material recycling rate: the ratio of material recycling and reuse to collected used products (in mass).

*³ Recycling rate: the ratio of material recycling, thermal recycling and reuse to collected used products (in mass).

Recycling of Printer Supplies

OKI Customer Adtech has been active in reusing and recycling printer supplies such as toners and drum cartridges. The recycled product rate to sales volume was 2.5% in fiscal 2011 (a 48% decrease compared to fiscal 2010) due to an increase in the sales volume of standard items.

■ Recycled Product Rates



Consideration for the Environment — Detailed Data

Environmentally Conscious Products

The OKI Group has developed various environmentally conscious products utilizing its innovative technologies and offered them to customers.

CM21Ex, a New Integrated Cash Management System That Reduces Standby Power Consumption by Half

OKI launched CM21Ex, a new integrated cash management system in November 2011. The system is intended to be used at sales offices of financial institutions for handling and managing cash. In order to cater to an increasing need for lower power consumption of our customers, CM21Ex allows a 50% reduction of standby power consumption by introducing the industry's first comprehensive energy-saving mode for standard integrated cash management system*.

The new system also reduces the amount of paper used for paper bands for banknote bundles by 10% compared to the preceding systems. (Each bundle contains 100 banknotes.) It also features an autoloader function for paper bands to reduce workload of users.

Furthermore, the system features several functions to streamline inspection and auditing tasks of users. Among them are a feature to track the history of unauthorized operations (such as opening or closing of the access cover), and the industry's first audit/reference function that allows the creation of written documents of different records.

* Standard integrated cash management system: an integrated cash management system with a safe for small bundles of banknotes (each bundle contains 100 banknotes). Any smaller system without such a safe is excluded.



CM21Ex, a new integrated cash management system

A3 Color LED Printers with the Lowest 0.7W Sleep-Mode Power Consumption of the Series

In November 2011, OKI Data launched three new models of its A3 color LED printers, C841dn, C811dn and C811dn-T. With these models equipped with a proprietary integrated circuit called Green ASIC, the company has reduced the lowest sleep-mode power consumption of the COREFIDO series (aimed at the Japanese market) from 0.9W to 0.7W.

The models also feature an auto power off function that automatically turns off the power if the printers are not operated for a specific period of time, and prevents users from wasting power by forgetting to turn them off after their printing tasks.

The company has made the internal mechanism of the new models much simpler than those of their preceding models by making maximum use of its LED technology. This change has made the models very compact. The area of space occupied by each of the models is smaller than that of any other model in the world.*

* 20% less than the area of space occupied by any other A3 color LED or laser printer as of October 2011 according to the data provided by OKI Data.



C841dn with the lowest sleep mode power consumption of the series

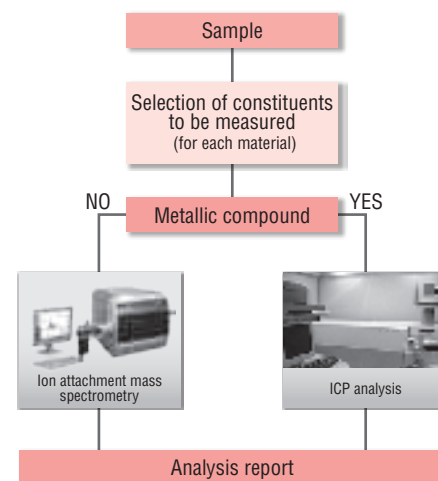
REACH-compliant SVHC Analysis Service

Laws and regulations to control chemical substances in products have become increasingly demanding. For example, the scope of the REACH regulation, one of the most widely accepted regulations for such substances, is expanded every year to include new Substances of Very High Concern (SVHC)*1 to be controlled. Consequently, the management of chemical substances has become very important for any company. In this context, OKI Engineering launched a new service to analyze SVHCs in a short period of time in June 2011. Since some SVHCs cannot be detected by the conventional abbreviated analysis methods, corporations have to spend time and money for more precise analysis. OKI Engineering developed a new analysis method based on ion attachment mass spectrometry (IA/MS)*2 for substances that are hard to detect by the conventional methods. The company offers a prompt screening analysis service by combining this method and ICP analysis.

*1 SVHC: Substances of very high concern specified by the European Chemical Agency that are carcinogenic, mutagenic or toxic such as endocrine disturbing chemicals.

*2 Ion attachment mass spectrometry (IA/MS): A form of mass spectrometry that uses the ionization of an organic chemical substance to be analyzed by attaching lithium ion to it without changing its molecular weight.

REACH-compliant SVHC Analysis Flow



Environmental Accounting

The OKI Group introduced environmental accounting in fiscal 1999. Since then, we have conducted environmental activities in a highly efficient way to optimize investment effects.

Environmental Conservation Costs

The OKI Group has adopted a specific procedure for selecting equipment and devices with low environmental impact and has used it when renewing or introducing any infrastructure system. For example, we have replaced energy consuming facilities with energy-saving ones, and promoted the recycling of wastes through capital spending. Capital investment in fiscal 2011 amounted to 373 million yen (compared to 328 million yen in the previous fiscal year) while the amount of costs was 1.397 billion yen (compared to 1.501 billion yen in the previous fiscal year).

Investment / Costs

(Unit: million yen)

Category	Main Efforts	Investment		Costs	
		2010	2011	2010	2011
Cost in business areas	Pollution prevention cost	9	6	41	46
	Global environment conservation cost	236	164	90	133
	Resource recycling cost	59	156	261	244
	Total	305	326	391	423
Upstream / downstream cost	Green procurement (chemical substances survey) costs, costs for remodeling systems to collect data on chemical substances contained in products	3	28	275	280
Administration cost	Costs for obtaining environment management certifications, and maintenance and operation costs	17	16	233	219
R&D cost	R&D costs for creating energy-saving products	1	1	599	471
Social activity cost	Costs for planting trees in production sites, costs for activities contributing to local communities	2	2	3	3
Environmental damage cost	Cost for reserves to respond to environmental damages, insurance cost and surcharge	0	0	1	1
Other cost	—	0	0	0	0
Total		328	373	1,501	1,397

Benefits Related to Environmental Conservation Costs

The economic effects increased to 660 million yen (compared to 50 million yen in the previous fiscal year). One of the main factors of this dramatic growth was an increase in real income from a sale of used variable products due to the appropriate separation of wastes. The substantial decrease of energy used though power-saving efforts on a site level also contributed to this growth.

Economic Effects

(Unit: million yen)

Category	Main Efforts	Effects	
		2010	2011
Cost reduction effect	Effect of saving energy and resources	—104	256
	Effect of reducing treatment cost	—1	22
Real income effect	Sale of valuable wastes generated from business activities	149	376
	Sale of used valuable products	9	10
Total		53	664

(Accounting Conditions)

- ① When environmental conservation costs and other costs are consumed for a single activity, only the environment costs are calculated for environmental accounting.
- ② The depreciation cost of investment is calculated using the fixed installment method for a period of three years. The economic benefits achieved due to these investments is calculated for three years, in line with the depreciation period.
- ③ Personnel costs are calculated by prorating the personnel costs for the total time spent on environmental conservation activities.
- ④ The real income effect represents the value for the current fiscal year.

Environmental Conservation Effects

Environmental Conservation Effects		Impact		Difference compared to previous fiscal year
		2010	2011	
CO ₂ emissions (tons)		68,583	61,667	—6,916
Waste emissions	Final waste disposal (tons)	64	19	—45

Major Environmental Conservation Efforts

The following tables show main efforts with respect to "investment," "costs" and "economic effects" calculated in our environmental accounting.

Main Efforts in Each Category in Japan

(Unit: 1,000 yen)

Category	Main Efforts	Amount	Site
Investment	Recycling of waste plastic, metal, glass and other materials	50,629	OKI Data
	Shift to energy-saving air conditioning systems	17,600	Honjo district
	Renewal of lighting fixtures	16,000	Tomioka district
	Shift to energy-saving air conditioning systems	8,300	Nagano OKI
	Shift to LED lighting	7,600	Shibaura district
Costs	Development of highly-durable products	102,586	OKI Data
	Development of low temperature fixing toner	100,367	OKI Data
	Development costs for making the existing products more energy-efficient	74,304	OKI Data
	Efforts for improving energy efficiency of lighting and air conditioning systems	10,713	Takasaki district
	Development costs for environmentally conscious products	6,270	OKI Techno Power Systems
Economic Effects	Sale of valuable waste	156,603	OKI Sensor Device
	Sale of valuable waste	75,231	OKI Printed Circuits
	Energy saving effects through various power-saving efforts	27,582	Honjo district
	Energy saving effects through various power-saving efforts	6,958	Takasaki district
	Energy saving effects through various power-saving efforts	4,530	OKI Communication Systems

Main Efforts in Each Category in Overseas

(Unit: 1,000 yen)

Category	Main Efforts	Amount	Site/Company
Investment	Shift to recyclable packaging materials	5,143	OKI Electric Industry (Shenzhen)
	Facility remodeling for improving production efficiency	3,711	DongGuan TangXia OKI Micro Engineering Factory
	Renovation of effluent treatment facilities	1,075	OKI Data Manufacturing (Thailand)
	Costs for RoHS analysis	15,100	OKI Telecommunications Technology (Changzhou)
Costs	Waste management costs	11,823	OKI (UK)
	Training for environmental auditors	1,202	OKI Electric Technology(Kunshan)

* Exchange rate : 128 yen / £, 2.74 yen / Baht



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NOTE: (pp.6-7)

On September 14, 2012, Oki Electric Industry Co., Ltd restated its past financial results from FY end. March 31, 2008 to FY end. March 31, 2012.

Impact amount on Net Sales due to restatement

(million yen)

Term	Consolidated			Stand-alone		
	Pre-restatement A	Post-restatement B	Amount C B - A	Pre-restatement A	Post-restatement B	Amount C B - A
FY end. March 31, 2009	545,680	544,529	-1,151	271,108	271,161	53
FY end. March 31, 2010	443,949	442,949	-1,000	200,530	200,530	—
FY end. March 31, 2011	432,685	432,651	-34	189,929	189,929	—
FY end. March 31, 2012	428,104	423,480	-4,624	205,078	205,078	—

Net Sales by Business Segment in fiscal 2011 (Consolidated)

	Pre-restatement	Post-restatement
Info-telecom systems	62.4%	63.1%
Printers	26.2%	25.4%
EMS	7.3%	7.4%
Others	4.1%	4.2%

Net Sales by Market in fiscal 2011 (Consolidated)

	Pre-restatement	Post-restatement
Japan	72.6%	73.4%
North-America	4.0%	4.0%
Europe	11.9%	11.0%
Other regions	11.5%	11.7%

Related press release:

- OKI Announces Financial Results for the First Quarter of the Fiscal Year ending March 31, 2013 and Restates its Past Financial Results (September 14, 2012)
<http://www.oki.com/en/ir/accounts/2013q1/2013q1.html>