

Fair Corporate Activities

Charter of Corporate Conduct

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

The Oki Way

We will always conduct our trading activities, including marketing and purchasing, fairly and in good faith.

Trading Fairly and in Good Faith

Fair Business Operations Compliant with Code of Conduct

Unfair trading activities are specifically prohibited in the Oki Code of Conduct, which was adopted in January 2002. In July 2002, the Code of Conduct Manual was compiled and posted on the Group intranet to assist individuals to understand the criteria applied to actual behavior. It provides detailed explanations of expected standards of behavior in relation to each section of the Code.

The requirements for trading fairly and in good faith are defined and explained in detail in the Code of Conduct Manual as (1) compliance with the Antimonopoly Act, (2) compliance with laws and regulations relating to international business transactions, (3) observance of the rules concerning gifts and entertainment, and (4) observance of the rules concerning political donations. Specific examples based on actual business operations are also explained, and the relevant corporate rules, laws and regulations and contact points for further inquiries are provided as a reference to assist individuals in choosing and confirming courses of action.



Intranet page for the Oki Code of Conduct Manual

recognized enterprise. One of its long-term goals is to increase its overseas sales ratio from 30% at present to 50% by 2010. This means that compliance with export controls will become even more important in the years ahead. Security-related export controls are especially important at a time when there is continuing concern about security issues, especially the proliferation of weapons of mass destruction.

In 1987, Oki adopted the Rules for Compliance with Export-related Laws and Regulations, which stipulate compliance with laws concerning security-related export controls. In 1988, a compliance program (CP) based on these rules was submitted to the former Ministry of International Trade and Industry (MITI) and accepted. Since then Oki has worked to comply with export-related laws and regulations under its own stringent management system.

Every business division has officials responsible for export controls, who submit reports to the Export Review Section at corporate (head office division) level whenever an export transaction falls within the parameters specified by the corporate requirements for compliance with export-related laws and regulations. The Export Review Section conducts final reviews to determine whether Oki should proceed with the transactions described in these reports. The Export Review Committee is convened to examine major transactions and assist the CEO, who has final authority, in reaching a decision. The Export Review Section also functions as the secretariat for the Export Review Committee. Another task is to improve the understanding of staff involved in export transactions by distributing up-to-date information concerning security-related export controls through the Group intranet.

Compliance with Security Export Controls

The Oki Group aims to achieve growth and success as a globally

Fair and Transparent Purchasing

Thorough Compliance with Legal Requirements for Purchasing

The purchasing environment is changing rapidly because of factors that include the globalization of business activities, the growing use of Internet-based purchasing, and amendments to related laws and regulations. To ensure that all transactions are conducted fairly in this environment, it is necessary to have up-to-date legal knowledge.

Oki is working to promote understanding and compliance among employees in purchasing departments by providing training and education in laws and regulations relating to procurement activities. Topics covered include the Antimonopoly Act, and the Law on the Prevention of Delay in the Payment of Subcontracting Charges and Related Matters, which was amended in April 2004. As a global enterprise, Oki also is putting considerable effort into education in export-related laws and regulations.

Clearly Defined Purchasing Policies and Processes

Oki has established a Purchasing Policy as a framework for fair, free and appropriate procurement activities. It approaches to purchasing activities with “enterprising spirit” described in its Corporate Mission. Purchasing decisions are not confined by established practice, and the basic principle is that suppliers are chosen from worldwide markets on the basis of objective and logical assessments of quality, costs and delivery times.

This approach is reflected in Oki’s efforts to ensure that all Japanese and foreign manufacturers of parts and materials, including those wishing to trade with Oki for the first time, are fully and fairly informed about its purchasing policies and processes, by posting this information on its corporate website in Japanese and English.

Purchasing Policy

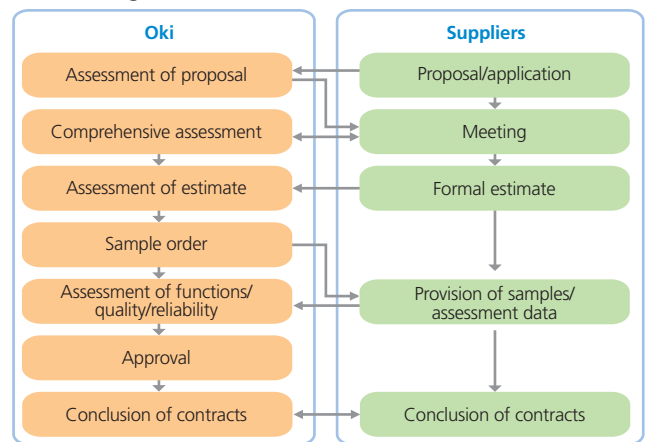
Oki will consistently procure parts and materials of the required quality at reasonable prices from suppliers throughout the world, in accordance with the following principles, and in keeping with its “enterprising spirit” ideal.

- Fair and open procurement without discrimination between domestic and overseas suppliers
- Equal access for all new suppliers
- Mutual growth and prosperity through rigorously trading fairly and in good faith
- Compliance with all related laws and regulations
- Emphasis on quality, price, delivery time, service and technical support
- Commitment to environmental protection
- Cooperation with suppliers throughout the world
- Contribution to society

From Green Procurement to CSR Procurement

Oki recognizes that the cooperation of its partners in the supply chain is essential to the fulfillment of its corporate social responsibilities. Oki’s efforts to promote green procurement under the Oki Green Procurement Standard adopted in 2002 include preferential purchasing of parts and materials that contain reduced amounts of environmentally harmful chemical substances. There is also growing concern about human rights issues in the supply chain, and Oki is currently considering the introduction of a CSR Procurement Standard with provisions relating to social factors, taking into account overseas cases and industry trends.

● Purchasing Process



Policy on Antisocial Elements and Organizations

Oki resolutely rejects all interaction with antisocial elements and organizations in accordance with its fundamental principles that it will not pay money to these elements, use their services or be afraid of them. This position is clearly defined in the Oki

Code of Conduct. All Oki employees and executives are required to report any situations that could involve them in difficulties so that it can take prompt and appropriate steps as a business corporation.

Communication with Business Partners

Information-sharing through Briefings

Oki shares information with major suppliers at its various production sites through various types of meetings, including goodwill parties, business policy briefings, and production plan briefings. These meetings facilitate close communications between Oki and its suppliers.



A Production Plan Briefing

Awards in Appreciation of Efforts by Distributors and Dealers

Every spring Oki holds an award ceremony for distributors and dealers throughout Japan. The purpose of these events is to

express Oki’s appreciation for the efforts of distributors and dealers that have achieved excellent results. In addition to sales performance, there are also awards for other achievements, including year-on-year sales growth, customer development and sales of strategic products. Oki uses the award ceremonies as opportunities to build partnerships of common interest through communication, while showing its appreciation for the contribution made by distributors and dealers who understand and support Oki’s business mission, strategies and policies, and help Oki to achieve its goals.



An award ceremony for domestic distributors and dealers