

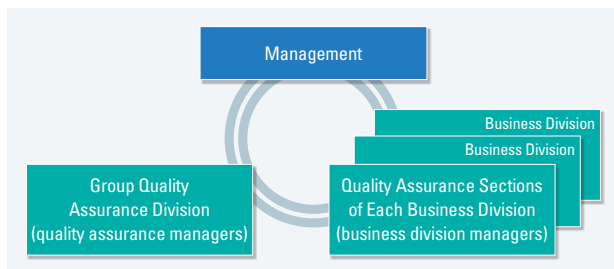
## QUALITY- AND PRODUCTION-RELATED INITIATIVES

Under its quality philosophy of “providing products that always make customers happy,” the OKI Group considers its customers to be the center of “Mono-zukuri and Koto-zukuri” and strives to develop, produce and provide products and services with due consideration for safety and user-friendliness.

### Quality-Related Initiatives

Product quality assurance in the OKI Group is achieved through the activities of all divisions and employees involved in the product life cycle. We conduct quality assurance through collaboration between the Group Quality Assurance Division, which adopts a Groupwide perspective, and the quality assurance sections of each business division, which have business-specific functions.

#### Quality Assurance System



#### Quality Improvement Activities Based on Quality Policies

Based on our quality philosophy, we have established Group Quality Philosophy and engage in quality improvement activities across our organization.

- **Quality Fraud Prevention Activities**

In addition to previous on-site surveys, in fiscal year 2019 we launched a new activity by conducting a questionnaire-based survey of all OKI employees to raise awareness of the need to prevent quality fraud and check for signs of fraud.

- **Improvement Activities**

After each project related to product development is completed, we look back on the entire project from upstream to final processes to build improvement mechanisms that reflect the customer’s perspective.

- **Disseminating Information and Passing on Experiences**

At OKI, people in charge of each production site gather to announce and commend daily improvement activities. We also hold a Groupwide “Production and Quality Reform Awards Presentation,” where we commend and share good efforts and promote cross-lateral development and succession.



Production and Quality Reform Awards Presentation (December 2019)

### Enhancing Safety and User-Friendliness

Under its Product Safety Basic Policy, the OKI Group is committed to enhancing product safety from various perspectives including by incorporating safety requirements into its own activities and into contracts with suppliers. Adopting a “bad news first” approach, we have established rules for responding quickly to quality-related problems and we manage the progress of each problem until it is corrected and prevented from recurring.

#### Universal Design Initiatives

The OKI Group is committed to universal design which is defined as the achievement of a higher level of usability (basic user friendliness) and accessibility (consideration of elderly, disabled, and so forth) in products and services so that all customers can use them properly, effectively, and satisfactorily. We also reflect the opinions of users, obtained through verification testing and the like in our products and services.

To enable elderly customers to use our products with ease, we have a developer training program in which participants wear “elderly simulation sets” in order to experience the inconveniences felt by aged people. For new employee training as well we have established units for learning the concepts of universal design and user experience.



Training using elderly simulation set

#### Quality Philosophy (Overview)

Providing products that always make customers happy

#### FY2020 the OKI Group Quality Policies (Overview)

- |  |  |
|--|--|
| 1. Exhaustive quality fraud prevention                                 | Foster a culture of compliance with relevant laws and regulations, standards, promises to customers, and voluntary standards to prevent fraud. |
| 2. Ongoing improvement activities                                      | Improve customer satisfaction and product quality by reviewing our work from the customer’s perspective.                                       |
| 3. Step up dissemination of information on quality-related activities. | Learn from both our own experiences and those of others in order to pass on our technologies and expertise.                                    |

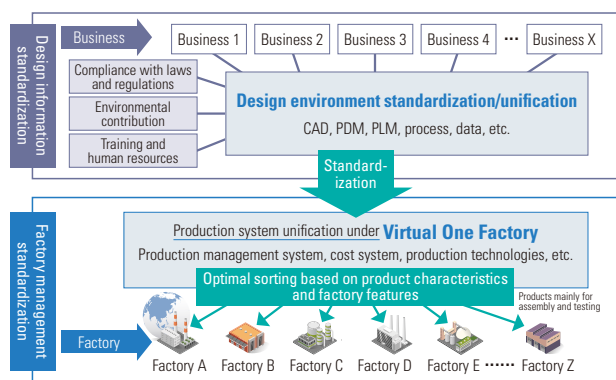
Website “Quality Initiatives”

<https://www.oki.com/en/sustainability/csra/customer/quality.html>

## Production Initiatives

### Mono-zukuri Infrastructure Reinforcement Project Activities Started

The OKI Group is reviewing its manufacturing practices from the perspective of “what manufacturing means to customers.” With our existing production infrastructure, our production divisions and factories are linked to our business and development divisions, resulting in different development tools and factory systems for each organization and a lack of compatibility. Instead of this “business–factory” framework, we are aiming to build “Virtual One Factory,” which matches the characteristics of each product (prototypes, mass-produced products, small-lot products, large system products, and so forth) with the specialties of each factory, to ensure that manufacturing is done in the most appropriate facility. To achieve this, from fiscal year 2020 we promote unification of various development tools and production management systems.



Mono-zukuri Infrastructure Reinforcement Project

We also launch Mono-zukuri Infrastructure Reinforcement Project, which includes measures for the environment, compliance with various laws and regulations, and the deployment of education and human resources.

## SUPPLY CHAIN INITIATIVES

To promote fair corporate activities in response to the voice of stakeholders, cooperation from suppliers is essential. We are committed to building relationships of trust with our suppliers. This commitment is reflected in our OKI Group Procurement Policies, which illustrate our basic approach to procurement activities. The policies stipulate “fair and honest selection of suppliers,” “procuring activities that incorporate the concepts of CSR,” and “pursuit of appropriate levels of quality and cost and stable procurement of materials.”

### Legal Compliance Initiatives

In accordance with the OKI Group Code of Conduct, we emphasize fair, honest, and non-discriminatory selection of suppliers, as well as sincere and fair business transactions. To ensure that our procurement activities are conducted properly, we conduct biannual workshops on purchasing-related laws for persons in charge of materials- and procurement-related divisions, including those of subsidiaries. At the workshops, we provide education and share information on the OKI Group’s policies as well as relevant laws including the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors. In fiscal year 2019, we held the workshops in July and December, with participation by 165 people.

### Promoting CSR-Conscious Procurement

As a CSR guideline for our suppliers, we produced OKI Group Supply Chain CSR Deployment Guidebook\*, based on which we conduct CSR surveys of our domestic and overseas suppliers using a self-assessment questionnaire. We also visit our domestic suppliers to monitor their CSR initiatives, and we give feedback about the survey results to each supplier with requests to make corrections as necessary. In light of growing stakeholder interest in ESG, we are expanding and reviewing the content of these CSR surveys.

### Procurement BCP (Stable Procurement of Materials)

The OKI Group provides many products in businesses that support social infrastructure. To ensure stable procurement of materials in these businesses, we have established a procurement BCP system. We have also produced a Groupwide procedural manual to prepare for typhoons, torrential rains, and other natural disasters that are occurring frequently in recent years. Other disaster-related activities include regularly examining the locations of our suppliers’ manufacturing bases and improving communication protocols for times of emergency.

In fiscal year 2019, we faced various challenges such as Typhoon No. 19 which caused extensive damage and the COVID-19 pandemic. In response, we communicated and coordinated with our suppliers and kept our supply chain in place. We will continue working to improve our systems to address changes in traditional practices and work styles stemming from the COVID-19 crisis.

\*Our guidebook conforms to the Supply-Chain CSR Deployment Guidebook published by Japan Electronics and Information Technology Industries Association (JEITA). It covers such areas as human rights and labor, occupational health and safety, the environment, fair trade and ethics, and product quality and safety.