

Respect for Employees

Charter of Corporate Conduct

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.

The Oki Way

Oki will help its employees to build their careers and make career choices. It will assign employees according to ability and aptitude and provide fair access to opportunities for professional growth.

Oki will also evaluate each employee's contribution accurately and provide reward commensurate with that contribution. It will also work to improve the transparency, fairness and credibility of the evaluation process.

Oki will foster a corporate culture that encourages free debate, creativity and challenge.

Human Resource Systems Designed to Maximize Autonomy

Oki aims to develop autonomous human resources who are capable of self-management and able to discover their own solutions to problems, and who are able to act quickly and achieve results. It has established the following human resource systems to develop and recruit people with these qualities.

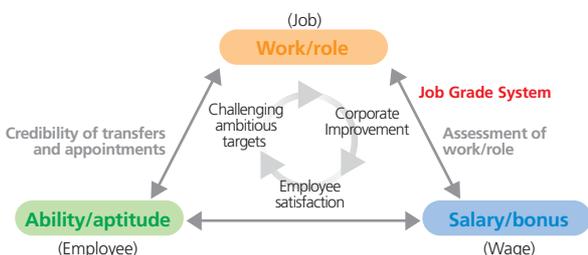
Job Grade System

Under the "job grade system" introduced by the Oki Group in 2001, individual employees are graded according to the value of their jobs, work and roles, and on the extent to which they meet job requirements in terms of the ability and aptitude required to perform their tasks. Based on these grades, the Oki Group assesses the processes through which employees produce semiannually and yearly results. These processes are then reflected in wages and bonuses. The aim of the system is to raise the skills and value of each employee by motivating employees to improve their job abilities and aptitudes so that they can achieve better results and move to higher job grades.

The Oki Group also places great importance on the development of environments in which employees are able to apply their skills and aptitudes fully by assigning them to positions that match their abilities. It has enhanced and expanded its human resource development organization and career development program (CDP) and introduced an internal recruitment system.

All business activities start with human resources. The Oki Group is further enhancing its systems and structures so that it can properly assess and reward its human resources and link the improvement of human resources to improvement in corporate value, by evaluating employees not only according to results, but also on the basis of the processes through which those results were achieved.

● The Structure of the Job Grade System



Internal Recruitment — Placing the Right People in the Right Positions

The Oki Group introduced the internal recruitment system in the year ended March 2000 as a way of ensuring that employees could be placed in positions that would match their abilities.

Under this system, people are recruited from divisions and departments throughout the Oki Group to fill positions that are essential to the Group's business operations. Suitable people are selected from applicants. Unlike regular job transfers, employees do not need to obtain their supervisors' approval to apply under this system. The Oki Group is determined to build a free and open corporate culture through the placement of the right people in the right positions, and through the revitalization of its internal organization, by showing respect for the will and determination of its employees and their willingness to accept challenge, and by encouraging them to improve their own abilities and realize their latent potential.

Challenge Award System — Recognition for Effort and Results

In the year ended March 2001 the Oki Group introduced the Challenge Award System. This system is based on the principle "let's discuss, create and challenge," which is one of the activity guidelines espoused by the Oki Group.

The winners are judged and selected according to the level of targets set by individuals or teams, the processes through which they work toward those targets, and the results that they achieve. Entries and declarations of results are submitted by the entrants themselves, and awards are presented twice yearly. In the year ended March 2005 a combined total of over 5,000 entries were received for the award programs in the first and second halves of the year.



Award ceremony



Training Programs for Human Resource Development

Support for Skill Acquisition and Self-improvement

Oki's human resource development activities have two goals: to help employees to build the knowledge and skills needed to perform their tasks in the positions to which they have been assigned, and to support self-improvement leading to the achievement of increased autonomy. Oki aims to combine personal growth for its employees with improved business earnings and sustainable growth for the company by helping employees to make full use of their skills and experience. This is achieved not only through training, but also through careful placement of the right people in the right positions, based on career plans developed in consultation between employees and

● The Phoenix e-Campus Concept



their supervisors, and on work achievements and assessment results.

Oki has created a portal site on its corporate intranet called the "Phoenix e-Campus," where employees can peruse the structure and content of training programs, submit applications, participate in e-learning, and check their results whenever they wish. Career plans can also be declared through this site.

Content and Results of Training

The Oki Group maintains training curriculum for each job category to enable employees to acquire the knowledge and skills that they need for their work. There are 350 required or designated training courses and over 450 elective courses. Each course is designed to provide a phased and systematic coverage at all levels from basic knowledge to the latest methods and theories.

Oki Group employees are encouraged to take courses according to personal development plans formulated at the start of each fiscal year with their supervisors. In the year ended March 2005 a total of over 15,000 employees participated in training courses.

At present there are four priority themes.

Priority Themes for Training

- Continuous development of business leaders
- Reinforcement of management skills of managers
- Reinforcement of specialized job skills
- Compliance training

Communication with Employees

Communication between Top Management and Employees

Oki Group employees and management share policies and strategies through the use of the intranet and other media to distribute management messages to employees. By creating forums for direct dialog between senior management and employees, Oki provides opportunities to inform employees about management decisions, and for management to respond to employee questions and opinions. This two-way communication is seen as an important process.

For example, the CEO personally visits major sites every six months to



Intranet coverage of a "work-out" session

brief employees directly about the Oki Group's management plans and policies. There are also monthly "work-out" sessions, which are informal meetings between the CEO and employees at various levels and in various parts of the Oki organization. The CEO uses these sessions to gauge employee understanding of management policies, to identify issues affecting the implementation of policies, and to engage in direct discussion with employees. The content of these discussions is made available to all employees through intranet messages from the CEO.

Employee Attitude Survey

Every year Oki conducts a survey to ascertain employee attitudes to their day-to-day activities, and to monitor the implementation of systems and the vitality of its organization. The survey results are collated and analyzed, and the findings are used to reform the corporate culture and improve the organization.