

QUALITY- AND PRODUCTION-RELATED INITIATIVES

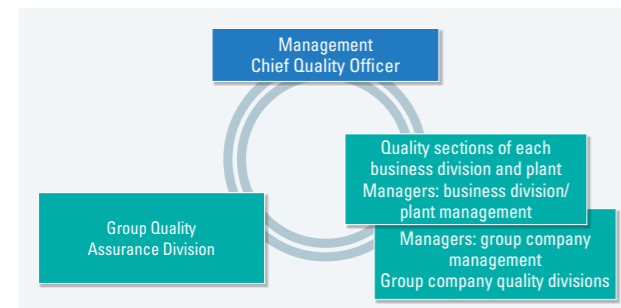
Basic Approach

Under its quality philosophy, which states that “we will constantly provide products able to satisfy customers,” the OKI Group considers its customers to be the center of “Mono-zukuri and Koto-zukuri” and strives to develop and produce products while also providing services with due consideration for safety and user-friendliness. Under Medium-Term Business Plan 2025, as part of our efforts to increase the Group’s business capabilities by “strengthen sales, technology, and production functions,” we will enhance our Company-wide management functions related to quality and production as well.

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 promote Group-wide quality assurance activities under the Chief Quality Officer through collaboration between the Group quality assurance division, which is in charge of planning and promoting quality assurance activities tackled by the entire Group, and the quality sections of each business division and plant, which are in charge of quality assurance activities for each business.

Quality Assurance System



Quality Improvement Activities Based on Quality Policies

Based on our quality philosophy, the OKI Group has established Group Quality Policies and engaged in quality improvement activities across our organization. We continuously promote quality compliance activities, including the prevention of quality fraud as part of our “full compliance” quality policy, and, in fiscal year 2022, we implemented e-learning targeting all employees of the Group as well as simultaneous inspections and on-site surveys primarily at production bases to check whether there were any signs or potential sources of fraud.

The OKI Group Quality Philosophy (Overview)

We will constantly provide products able to satisfy customers

The OKI Group Quality Policies (Overview)

1. Ensuring compliance	Establish mechanisms to prevent fraud with relevant laws and regulations, standards, promises to customers, and company rules to prevent fraud through practicing “express, encourage others to express and listen to” opinions and questions.
2. Continuation of improvement activities	Aim to improve customer satisfaction and product quality through continued steady improvements and actions focused on customer perspective.
3. Succession of skills and know-how	Learn not only from one’s own experience, but also from others’ experiences to pass know-how and technology on to the next generation of OKI.

Enhancing Safety and Ease of Use

Under its Product Safety Basic Policy, which stipulates details related to complying with laws, regulations, and standards as well as appropriate information disclosure, etc., the OKI Group is committed to enhancing product safety from various perspectives including by incorporating safety requirements not only into its own activities but also into contracts with suppliers. We have also established rules for responding quickly to quality-related problems and we manage the progress of each problem until their cause is corrected and prevented from recurring.

As initiatives for Ease of Use, the OKI Group is committed to universal design which is defined as the achievement of a higher level of usability (ease of use in general) and accessibility (consideration of elderly, disabled, and so forth) in products and services so that all customers can use them efficiently, effectively, and with satisfaction. We also reflect the opinions of users, obtained through verification testing and the like in our products and services.

Promoting Virtual One Factory Through Our Company Cross-Organizational

The OKI Group constantly asks itself, “What is Mono-zukuri that contributes to customers?” Based on this perspective, we have pursued initiatives to strengthen our Mono-zukuri infrastructure, and we have implemented standardization that includes development environments optimized in line with each of our conventional businesses across plants. To promote both these initiatives and the achievement of Virtual One Factory throughout the OKI Group, in April of 2023, we established a Production & Procurement Management Division that integrates our Company-wide production plants and procurement divisions.

The purpose of our Virtual One Factory concept is to organically connect our production bases, thereby improving our cost competitiveness and maximizing our added value to achieve stronger Mono-zukuri manufacturing throughout the Group. Our Production & Procurement Management Division oversees the supervisory and execution functions of each of our sites in order to enhance cooperation between plants and make them smarter based on the following key concepts: plants that do not stop, appealing plants, and high-value-added products.



Website Quality- and Production-Related Initiatives
<https://www.oki.com/en/sustainability/social/quality/index.html>

SUPPLY CHAIN INITIATIVES

Basic Approach

To promote fair corporate activities in response to the voice of stakeholders, cooperation from suppliers is essential. The OKI Group has established the OKI Group Procurement Policies and is committed to building relationships of trust with our suppliers, while also promoting CSR procurement initiatives. Toward the realization of the Medium-Term Business Plan 2025 and addressing the Material Issues, we will promote responsible procurement activities with an emphasis on environmental conservation and respect for human rights.

[OKI Group Procurement Policies (Outline)]

- Fair and honest selection of suppliers
- Procuring activities that incorporate the concepts of CSR
- Pursuit of appropriate levels of quality and cost and stable procurement of materials

Fair Purchasing Practices

In accordance with the OKI Group Code of Conduct, the OKI Group strives to select business partners that are fair and non-discriminatory, and to conduct honest and fair transactions.

In-House Training and Enlightenment

In order to conduct proper procurement activities, we hold a “Purchasing Law Workshop” twice a year. We provide education and share information on laws and regulations, including the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors, and the OKI Group’s measures, mainly to and with personnel in charge of materials and procurement-related divisions, including those at subsidiaries. In fiscal year 2022, we held online seminars on purchasing legal affairs from September to December, with a total of 756 participants.

Self-Inspection and Monitoring

In order to comply with laws and regulations, we also conduct monthly monitoring activities on the procurement status of OKI Group companies. In addition, the OKI Group companies are required to conduct self-inspection activities once a year using the OKI standard self-inspection sheet that reflects the know-how essential to comply with the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors. We are working together to resolve issues.

CSR Procurement Initiatives

As a CSR guideline for suppliers and business partners, the OKI Group established the OKI Group Supply Chain CSR Deployment Guidebook in compliance with the Responsible Business Conduct Guidelines published by JEITA (Japan Electronics and Information Technology Industries Association). Based on this guidebook, OKI is implementing its CSR procurement promotion program to realize sustainable procurement activities.

For the CSR surveys, around 300 companies are selected according to OKI’s criteria, based on publicly available information on approximately 2,000 primary and secondary suppliers and business partners. Primary suppliers and busi-

ness partners which are trading companies were asked to submit questionnaires to secondary suppliers and business partners. If the overall score or a particular item is significantly low, we will request suppliers to improve and provide support for improvement through activities to enhance supplier trust, such as identifying the actual situation and taking corrective measures. We conducted CSR surveys of a cumulative total of about 150 companies from fiscal years 2021 to 2022, and no suppliers had any concerns about CSR initiatives. Furthermore, we provided feedback based on the survey results to six suppliers that we expect to make improvements. OKI will continue to expand and revise the details of CSR surveys in light of the growing interest of stakeholders in ESG.

Website “CSR Procurement Initiatives”
<https://www.oki.com/en/sustainability/social/procure/sc.html>

Procurement BCP (Stable Procurement of Materials)

As a company which provides many products in businesses that support social infrastructure, the OKI Group considers it essential to establish a procurement BCP system for ensuring stable procurement of materials in these businesses. We have produced a Groupwide procedural manual in light of the frequently occurring earthquakes, typhoons, torrential rains, and other natural disasters, and are preparing for disasters by regularly examining the locations of our suppliers’ manufacturing bases and improving communication protocols for times of emergency.

In recent years, material supply has been affected by unprecedented crises phenomena such as the global shortage of materials including semiconductors, and the suspension of plant operations and logistical disruptions due to the COVID-19 pandemic. The OKI Group is taking measures, such as promptly sharing the status of materials supply from suppliers with related divisions, as well as providing access to inventory across the Group, searching for products in stock in the market, placing orders early to meet extended lead times, and using alternative products.

Building Relationships of Trust with Suppliers

Maintaining cooperative relationships with suppliers is becoming increasingly critical for the OKI Group’s business growth, including coping with material supply shortages and rising costs of raw materials and energy, and introducing new technologies. We work closely with suppliers not only through daily exchanges of purchasing plans and other information, but also through sharing the OKI Group’s long-term business plans and receiving suppliers’ proposals on value engineering (VE)* and new products. We are also building win-win relationships for the future by sharing market trends and long-term roadmaps for product supply from suppliers.

*Value engineering (VE): A way of reducing production costs without lowering the functional value of products, such as quality and reliability