

Human Capital

Konica Minolta believes in its employees' potential to create new value, because they are the force that develops the company's solutions to the problems faced by customers and society. The company is building workplace environments that enable all employees to reach their full potential.



Related SDGs



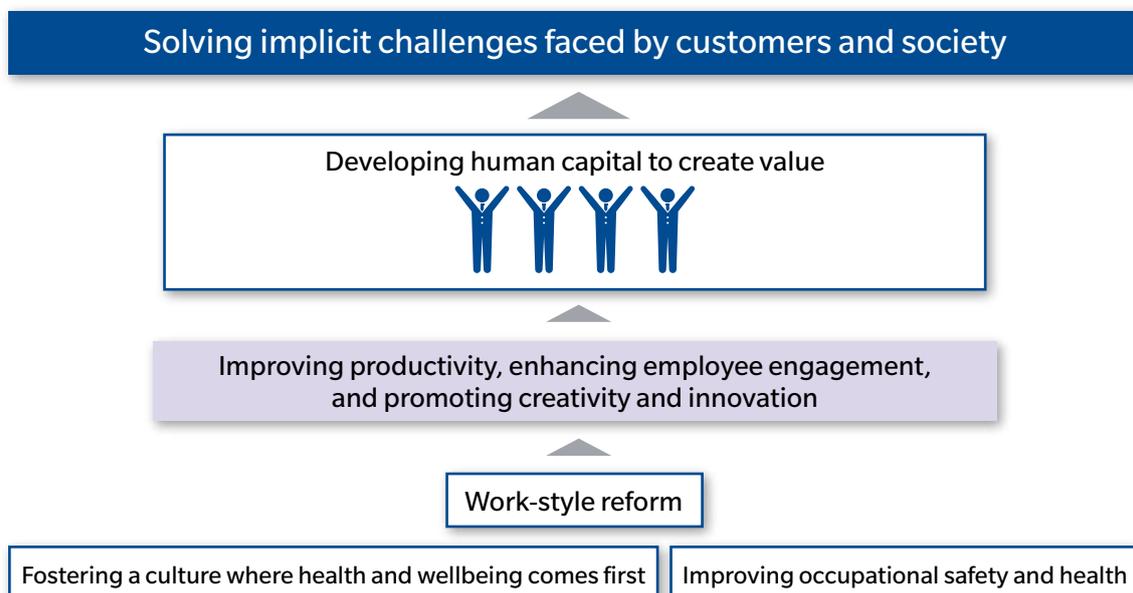
Our Concept

Raising the Value of Human Capital

Konica Minolta is working diligently to identify and solve implicit challenges faced by customers and society, recognizing that this is the key to achieving sustainable growth. In today's world, Konica Minolta's customers and society as a whole are faced with increasingly complex and unpredictable challenges. This means that innovative, flexible employees who take bold action are the key to Konica Minolta's success in achieving its growth strategy. Accordingly, Konica Minolta seeks to foster the independent development of all employees by hiring talented individuals and devoting ample resources to their development, while also providing an environment that allows every person to take the initiative to grow.

Building Workplaces Where Employees Can Maximize Their Potential

Creating an environment where every employee can stay highly motivated while maintaining both physical and mental health is essential to ensure that they can maximize their potential. While fostering a corporate culture focused on health and improving occupational safety, Konica Minolta is working to reform employee work styles to make the most of individuals' abilities. By rolling out these initiatives globally, the Group is seeking to maximize the potential of all of its human capital and to enhance its employees' capacity to create value.





Work-Style Reform

Background and Issues

Konica Minolta recognizes that it must utilize the full potential of its employees to transform itself into a digital company with insight into implicit challenges, a goal laid out in the Medium Term Business Plan. Konica Minolta understands the need for work-style reform that allows all employees to demonstrate their full potential.

Vision

Konica Minolta is moving forward with work-style reforms in many areas, including operational processes, human capital utilization, roles and authority, systems, and environmental measures. In so doing, the company is seeking to improve the job satisfaction of every employee as well as overall productivity. In a business environment where unprecedented changes continue to occur, Konica Minolta will continue to promote the creativity and innovation that is the source of competitiveness.

Key Measures

- Preparing operational and workplace environments
- Reforming operational processes
- Making the most of diverse human resources
- Expanding systems
- Clarifying roles and authorities

Main Initiatives in Fiscal 2017

Permitting Employees to Pursue a Second Job or Work Concurrently, and the Introduction of a Job Return System

In December 2017, Konica Minolta, Inc. implemented a program that permits employees to take on a second job or work concurrently to promote innovation. At the same time, the company also introduced a Job Return System to increase employee diversity. The first measure helps to meet the needs of employees who want to start their own businesses while still working at Konica Minolta, and those who want to enhance their skills in areas such as IT and programming. This program is expected to become a starting point for creating innovation, by making full use of employee knowledge and skills that can be gained through work experience outside the company.

The Job Return System provides opportunities for reinstatement to employees who have left the company due to personal circumstances such as child rearing or nursing care of a family member, or those who leave in order to study abroad or change occupations with the goal of career advancement. In addition to utilizing the knowledge and experience cultivated by such employees before leaving the company, Konica Minolta expects to also make full use of the knowledge, personal contacts and experience gained by such employees during their time away.

Remote Work System

Konica Minolta, Inc. is working diligently to reform work styles. One key element of this effort is enabling employees to work without being tied to a single location. In April 2017, the company launched a remote work system for all employees. The system allows employees to work at home and other places away from the office, enabling them to shorten their commute and other travel time and to work in a variety of different ways.

Since remote work does not tie employees to a particular workplace, it can help them be more systematic about their work and concentrate on output. This work style generally raises hourly productivity. Additionally, moving across workplaces and environments exposes employees to diverse ideas, creates time to concentrate, and helps to spur creativity. By improving the efficiency of operations through the introduction of RPA,* and by improving operational processes, the company is contributing to the promotion of remote work through greater computerization of operations.

*RPA (Robotic Process Automation): Automating routine business process on a personal computer

Supporting Work-Life Balance

Konica Minolta, Inc. is working to build an environment where employees with young children can continue to confidently work and build their careers, even while caring for an infant. Moving forward, the company will further enhance programs that support employee work-life balance. This includes encouraging men to participate in childcare and providing more opportunities to work from home.

■ Payment of a “Next-Generation Fostering Allowance”

Konica Minolta established a “next-generation fostering allowance” in fiscal 2012, which provides monetary benefits to employees raising children under the age of 18. In fiscal 2008, the company also expanded the eligibility for using accumulated paid leave to include reasons such as infant care, or staying home with a child when school is canceled.

■ Support for Women Balancing Childcare and Career Goals

The childcare leave system has steadily taken root since its introduction in fiscal 1992, and the leave acquisition rate is now 100%. The rate of employees returning to work after childcare leave is also steady at 100%. In response to the concern of daycare waiting lists, employees with infants are able to take childcare leave until the child reaches the age of 2 years and 3 months, so that even babies born in February or March have two opportunities to get into daycare in the usual registration month of April. Moreover, the company provides salary assistance during a childcare leave period that exceeds the term of childcare leave benefit payment.

After returning to work from childcare leave and until the child graduates from elementary school, employees can

choose from a variety of work options including shortened working hours, working from home, and remote work. This allows them to continue building their career according to their family circumstances.

■ Efforts to Promote Childcare Participation by Men

In addition to childcare leave, men who are expecting a child can take a total of five days of paternity leave within one month before or after the baby’s due date. In order to promote the utilization of these leave systems, the company has set a goal of 13% of eligible men taking childcare leave by 2020. It is currently seeking to raise awareness by, for instance, sending email guidance on childcare leave to men with new babies and their bosses.

In recognition of its activities, Konica Minolta received Platinum Kurumin certification from Japan’s Ministry of Health, Labour and Welfare in August 2017. The recognition identifies Konica Minolta as a top-tier company in the provision of child-rearing support. The Platinum Kurumin certification system was established with the revised Act on Advancement of Measures to Support Raising Next-Generation Children that came into effect in 2015. The system certifies companies that have already received Kurumin certification from the Minister of Health, Labour and Welfare as “child-rearing support companies” and that have also completed higher-level initiatives.



Close Up

Nikkei Smart Work Grand Prize

Konica Minolta, Inc. received the Grand Prize in the Nikkei Smart Work Awards 2018 conducted by the Nihon Keizai Shimbun (Nikkei Inc.).

According to Nikkei, Smart Work Management is defined as a management strategy for making optimal use of human resources by introducing diverse and flexible workstyles, encouraging innovation, and creating a virtuous cycle of continuously developing new markets, thereby maximizing the productivity and other performance parameters within the organization.

Using the results of the 1st Nikkei Smart Work Management Survey covering all listed Japanese

companies and leading unlisted companies in 2017, an external judging committee performed a comprehensive review and selected the Smart Work Award recipients. By awarding the Grand Prize to Konica Minolta, the judges have formally recognized the achievements of the company’s initiatives to utilize diverse human resources and to create innovation.





Developing Human Capital

Background and Issues

The transformation of human resources is the key to Konica Minolta becoming a digital company with insight into implicit challenges.

The company recognizes that it must first accurately ascertain the needs of customers and society. Then based on those needs, it must systematically and continuously develop human resources that can create and provide innovative value that is uniquely Konica Minolta.

Vision

At Konica Minolta, the aim is for human resources to be "business athletes" who can compete globally. In other words, the vision is to develop human resources who drive reform, feel a strong sense of ownership and complete projects to the full. They also must demonstrate ingenuity, involving partners, and creating customer value. Konica Minolta believes that the transformation of human resources can be realized by having each employee work toward these goals.

Key Measures

- Accelerating the development of high-potential human resources, and fostering global human resources development for executives
- Promoting an overseas training program for young employees in Japan
- Developing entrepreneurs who can create new businesses based on customer needs
- Developing human resources who can establish IoT business models

Main Initiatives in Fiscal 2017

Executive Development Program

At Konica Minolta, the aim is to foster "true management executives" who can promote creative destruction and succeed globally. This is why, in cooperation with a business school, a Global e-Juku business leader education program is implemented for executive candidates, including those from Group companies globally.

In the 2016–2017 program, there were 34 participants from 15 companies in 13 countries.

Through conversations with leading executives within and outside of the company, the participants gained an appreciation for the knowledge required to become a true management executive. They also expanded their outlook through discussions with management executives, tried forecasting the highly unpredictable future business environment, and worked on project proposals for Konica Minolta's transformation to become a digital company with insight into implicit challenges.

Overseas Training Program for Young Japanese Employees

Konica Minolta, Inc. has a short-term overseas training program that allows young Japanese employees to go abroad to learn on the business frontlines and at world-class business schools. By practicing leadership and engaging in cross-cultural exchanges for exposure to diverse values, this program aims to improve and expand employee outlooks, to help them to succeed on the global stage. In fiscal 2017, 24 employees participated in the program.

Group companies outside of Japan also have programs that allow their employees to experience operations in Japan for several months up to two or three years. This helps to develop employees who can serve as bridges between Japan and the countries.



Overseas training program participant (center) and host-country employees



Occupational Safety and Health

Background and Issues

Workplace accidents put employee safety at risk. They can also affect the neighboring environment, and if serious enough, they can threaten business continuity. Konica Minolta recognizes that preventing workplace accidents and creating workplaces where employees can work safely and confidently is a critical management issue.

Vision

Konica Minolta believes that the foundation of corporate management lies in the maintenance and promotion of workplace safety and health for every employee. The company strives to ensure a healthy, safe and supportive workplace environment by implementing occupational safety and health initiatives that emphasize daily preventive actions.

Key Measures and KPIs

Preventing occupational accidents

- Serious accidents*¹: 0
- Frequency rate of accidents causing absence from work*²: 0.1 or less (FY2017–2019)

*1 **Serious accidents:** (1) Death, disease requiring a long recovery period (or the possibility thereof), an injury resulting in a disability (or the possibility thereof), or a specific contagious disease; (2) an accident resulting in the death or injury of three or more workers during work at one point or the contraction of a disease (including accidents not accompanied by lost worktime)
 *2 **Frequency rate of accidents causing absence from work:** The number of persons absent from work per one million total actual working hours for current employees

Main Initiatives in Fiscal 2017

Occupational Safety and Health at Production Sites

Konica Minolta has been implementing various measures to prevent occupational accidents worldwide, under the company's Occupational Safety and Health Management System (OSHMS) and with the direct supervision of senior management. The officers of business divisions and the heads of Konica Minolta Group safety and health management committees at business sites work together to build the management structure.

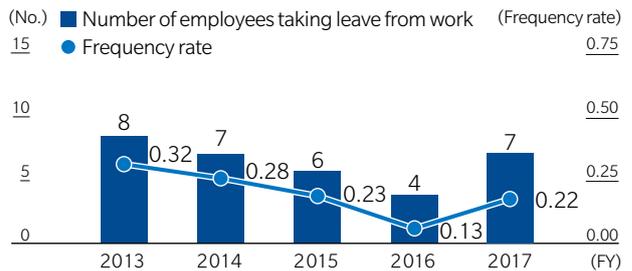
In fiscal 2017, as ways of strengthening safety management for hazardous equipment and operations that could cause serious accidents, the company implemented comprehensive risk management for new equipment, enhancement of standards for safety measures against explosions and fires, and safety training using an e-Learning module and including on-site patrols. As measures to prevent accidents due to unsafe behavior, which account for about 60% of accidents resulting in absence from work, Konica Minolta implemented training to raise safety awareness for all Group employees in Japan using e-Learning and information about black spots around each site.

For further enhancement of the safety management system, in fiscal 2017, group companies in Japan and China, and main manufacturing sites in Asia introduced "Unsafe Marks" as a new safety management indicator. The indicator represents the safety level based on the type and severity of accidents that occurred at each company, business unit or site. The lower the score, the higher the safety level. Based on the company, business unit and site issues made visible through this quantified indicator, safety staff visit the place concerned in order to identify and analyze the causes, and implement effective safety measures. This helps prevent accidents from occurring or reoccurring.

In fiscal 2017, there were zero serious accidents, while the frequency rate of accidents causing absence from work

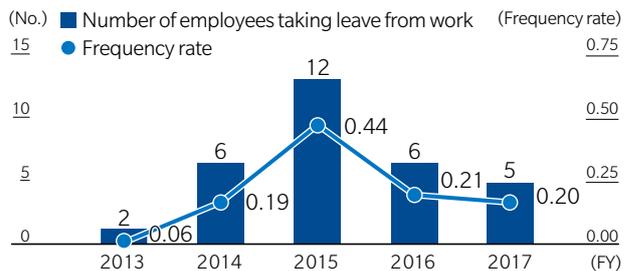
was 0.22 in Japan, and 0.20 elsewhere. The introduction of Unsafe Marks enabled Konica Minolta to achieve its target of a 20% reduction compared to a benchmark average annual mark for accidents in the Konica Minolta Group from 2014 to 2016. The Group was also able to reduce the number of accidents not causing absence from work and commuting accidents.

Accidents Causing Absence from Work at Sites in Japan



Note: Figures are employees of Konica Minolta Group Japan, including those dispatched from an agency

Accidents Causing Absence from Work at Sites outside Japan



Note: Figures are for employees of major manufacturing companies in China and Malaysia, including those dispatched from an agency, through fiscal 2014. Employees of Group companies in China and manufacturing companies in Malaysia, including those dispatched from an agency, since fiscal 2015.



Key Action 4

Improving Employee Health

Background and Issues

Today's society is witnessing the rising risk of lifestyle diseases and an increase in the number of people taking leaves of absence from work due to mental health problems. Konica Minolta management gives high priority to supporting employees' efforts to lead physically and mentally healthy lives.

Vision

Konica Minolta aims to create workplaces where all employees enjoy good physical and mental health and can continue to work with vitality. It does this by fostering a "health-first" culture.

Key Measures

Promoting health management

- Minimizing the number of individuals with health risks: Reducing the number of people absent for mental health reasons by 40%
- Promoting the health movement: Being in the top 10% of major companies in Japan for health management

Main Initiatives in Fiscal 2017

Reducing the Number of Employees with Health Risks

Konica Minolta categorizes those with health risks by physical and mental health risks, sets targets for reducing the number of employees in both categories, and takes measures to achieve the targets.

For physical health management, Konica Minolta is implementing measures to prevent the development of serious illness for all Group employees in Japan. As a result of guidance from occupational health staff and stronger recommendations for check-ups, in fiscal 2017 there was an 11% decrease in the number of employees with the highest health risks, compared to the previous year.

As part of mental health management, stress checks are conducted twice a year for all employees. While allowing employees to utilize their results for self-care, the company also analyzes the results for each workplace and shares the information with organizational heads. Improvement measures are then devised and implemented for workplaces with high stress levels. In order to strengthen the line care function, mental health e-Learning modules are also provided to managers across the Group, with the aim of early detection and prompt response for individuals with mental illness. The completion rate for these modules remains around 95%.

As a result, the number of Group employees in Japan absent for mental health reasons in April 2018 decreased by 24% from the same period last year.

Working to Promote Wellbeing by Visualizing Employee Health Statistics

Konica Minolta practices the centralized management of employee health information. The company is working to improve employee lifestyle habits by estimating future disease risks from the latest medical examination results

and making the information visible. The risk evaluation is done by comparing the average incidence of cardiovascular disease, stroke, and ischemic heart disease within 10 years for each same-age group. This system can be used not only for employees but also for their spouses who are health insurance dependents.

The company also actively holds health improvement events such as those where employees can measure their body fat, blood vessel age, lung age, or other health indicators. Walking rallies, smoking cessation seminars and other activities are also offered to employees. As a result of these activities, in fiscal 2017 the smoking rate for the Konica Minolta Group in Japan fell to 27%, a decrease of 2.2% compared to fiscal 2014.

Close Up

Recognition as an Outstanding Health & Productivity Stock

As part of the 2018 Health & Productivity Stock Selection program promoted jointly by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange, Konica Minolta, Inc. was selected for the first time in two years (and for the third time so far) as an outstanding company in the electrical equipment industry. In addition, 12 Konica Minolta Group companies in Japan were chosen for the 2018 Certified Health & Productivity Management Outstanding Organizations Recognition Program, also organized by the Ministry of Economy, Trade and Industry. Three companies were selected for the Health & Productivity Management 500 Organizations (large corporation division), while nine companies were recognized in the small- and medium-sized organization division.