

HUMAN CAPITAL

December 12, 2023

Shinichiro Oka

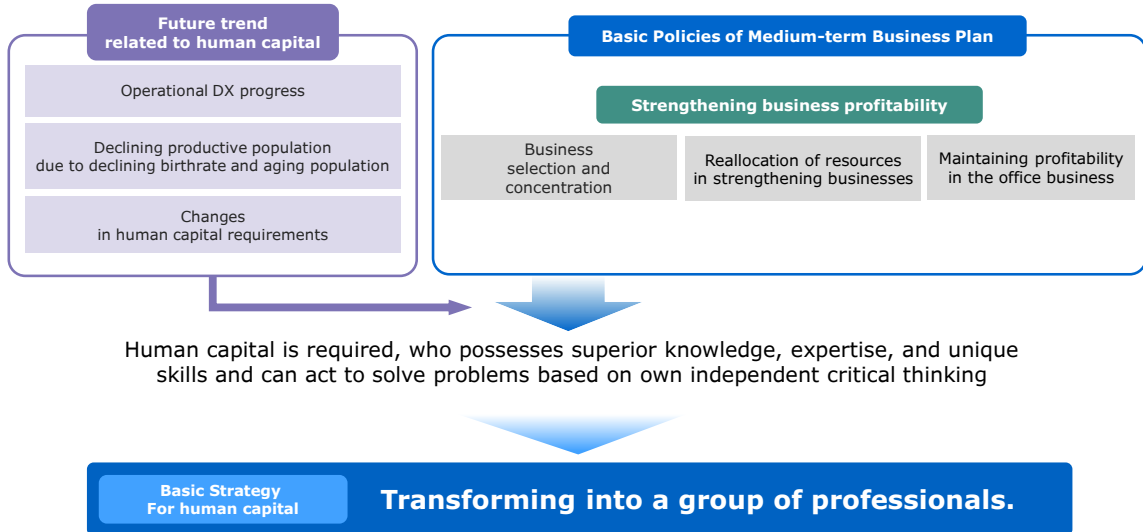
Executive Vice President and Executive Officer



My name is Shinichiro Oka, and I am in charge of human capital. I will now talk about human capital.



I would like to begin by talking about the basic policy underpinning Konica Minolta's human capital strategy.



*Strengthening businesses : Strengthening area for Industry, Medical imaging, Professional print

© KONICA MINOLTA 3

We are all familiar with aspects of the macro environment for human capital such as the decline in the productive population due to the declining birth rate and aging population, as well as the progress of the digital revolution. Recently, changes in people’s value perceptions and lifestyles due to the COVID-19 pandemic have also had a profound impact. Under our management vision “Imaging to the People,” we have set forth a new growth strategy and business transformation policy in our Medium-term Business Plan, but the kind of human capital we require to achieve this vision has changed significantly. In this environment, we need human capital who possess superior knowledge, expertise, and unique skills underpinned by experience: people who can think and act independently to solve problems. We define these as “professionals.” To put it another way, “professionals” are human capital capable of steadily providing value in any environment or situation. Or, if you like, human capital who can make a solid contribution to a wide range of different companies, not just Konica Minolta.

Sustainable growth
 Fulfilling the desires of people to “see” and creating value through co-creation with customers originated from social issues

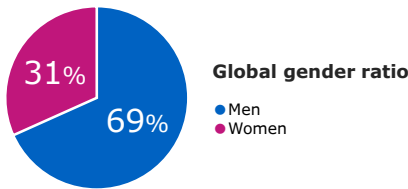
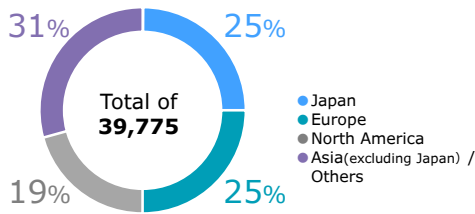


When it comes to the question of what is required to ensure that these professionals maximize their potential and performance and contribute to our businesses, we have introduced a very rich range of self-development support (1.5 million yen/year) and internal training programs (25 business skill courses and 93 specialist skill courses), we have been one of the first companies to lift the restrictions on employees taking second jobs, and introduced programs such as internal open job posting to encourage employees to take new challenges. As shown here, these initiatives are founded on the Konica Minolta 6 Values, which guide the conduct of all our employees, and health management. We also focus on training strong management human capital capable of bringing out the performance of our human capital and achieving solid teamwork. We aim to use the interaction between these diverse professionals to generate innovation, boost engagement and resilience, and thus achieve sustainable corporate growth.

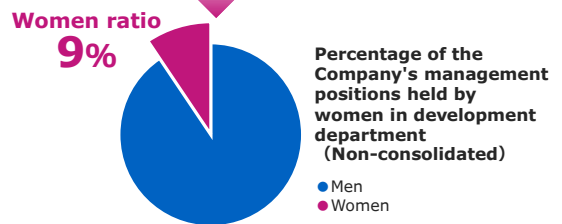
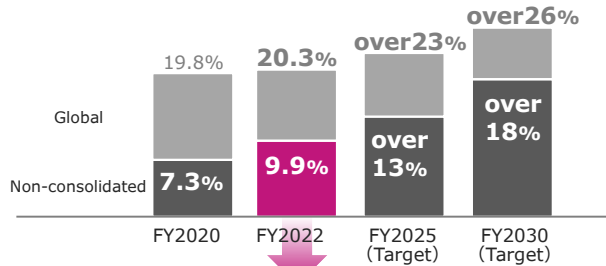


Utilizing diverse human capitals spread globally

Employee ratio by region



Percentage of the Company's management positions held by women



Konica Minolta has approximately 40,000 employees worldwide, around three-quarters of whom are not Japanese nationals. We are truly a global company. Approximately three out of 10 of our employees are women. In terms of women's empowerment, over 20% of management positions across the Konica Minolta Group are held by women. Japan lags somewhat behind Europe and the United States in this respect. Even so, it is a fact that we are a step ahead of our competitors in Japan. We are also making progress in other areas such as ensuring a certain proportion of women in the development department, where securing female human capital is generally said to be difficult. Nonetheless, we still have work to do on gender equality. We will implement a range of different measures to achieve our targets for fiscal 2025 and fiscal 2030.

Actions to strengthen human capital linked to management strategy



150
YEARS

Aim

Create human capital that realize selection and concentration, and business growth

By ensuring diversity enhance the quality of management decisions

Maximizing performance of organizations and individuals

Initiatives to implement basic strategy for human capital

I Acquisition, development, and utilization of human capital for business selection and concentration

- Acquisition and shift of human capital in strengthening businesses
- Introduction of the model for developing global leaders to strengthening businesses
- Strengthen organizational capabilities and acquire human capital by double-track human capital system

I Developing diverse management

- Developing Leaders of Global and Women
- Developing next-generation global leaders to realize sustainable growth

I Strengthening organizational capabilities

- Toward a management team that achieves transformation by enhancing resilience
- Promoting Employee Engagement through Dialogue

We are currently undertaking various actions to strengthen human capital aimed at carrying out our management strategy. We have classified these actions into three categories and are implementing them according to the order of priority. The aim of the first category is to “create human capital that realize selection and concentration, and business growth.” The second is “by ensuring diversity enhance the quality of management decisions” and the third is “maximizing performance of organizations and individuals.”

I will now proceed to describe a few representative examples of the measures we are undertaking in each category.

**ACQUISITION, DEVELOPMENT
AND UTILIZATION OF HUMAN
CAPITAL FOR BUSINESS
SELECTION AND
CONCENTRATION**



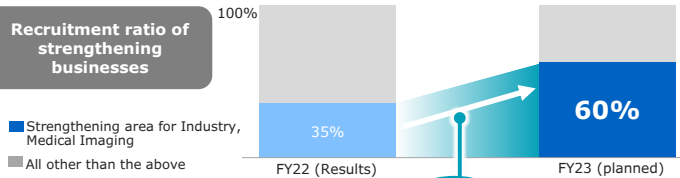
I will begin with the “create human capital that realize selection and concentration, and business growth” category.



Acquisition and shift of human capital in strengthening businesses

Focus highly specialized human capital to drive growth on strengthening businesses and accelerate growth with a small number of elites

Recruitment ratio of strengthening businesses



Acquisition of highly specialized human capital from outside the company

- Amid continued competition to acquire high-end human capital, we achieved the majority of targets in the H1 of the fiscal year



Strengthening area for Industry

- Business development promotion human capital who connects technology and customers beyond business units on industrial VC*
- Human capital who leads strategy formulation, customer relations, and technological asset enhancement centered on industry.

*VC: Value Chain

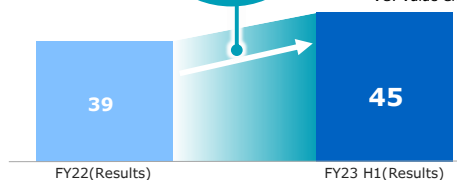
Medical imaging

Human capital involved in imaging analysis, AI, and clinical development that support the co-creation of value with KOLs*

*KOL: Key Opinion Leader

Number of human capital shifted to strengthening businesses*

*Strengthening area for Industry and Medical imaging, excluding Professional print



Shift internal human capital to strengthening businesses

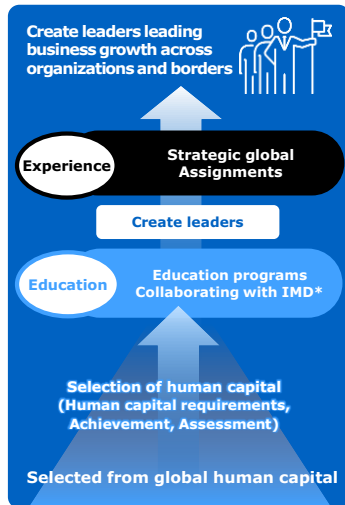
- Achieve advanced matching by the talent management system
- Shift as of the H1 exceeded the results of the previous year

For Konica Minolta to achieve sustainable growth, we believe that the business selection and concentration are of the utmost importance in the medium term. This especially applies to concentrating human capitals in the businesses we aim to strengthen, including the strengthening area for Industry and medical imaging. To this end, we are actively transforming our human capital portfolio in line with changes in the business structure. In other words, we are acquiring external human capital to supplement gaps in our existing human capital for strengthening businesses. We are also securing the necessary human capitals by shifting them away from other businesses. Meanwhile, we are controlling the increase in employees across Konica Minolta, taking into account factors such as mandatory retirement based on age, and engaging in human capital management tailored to the growth of each business domain.

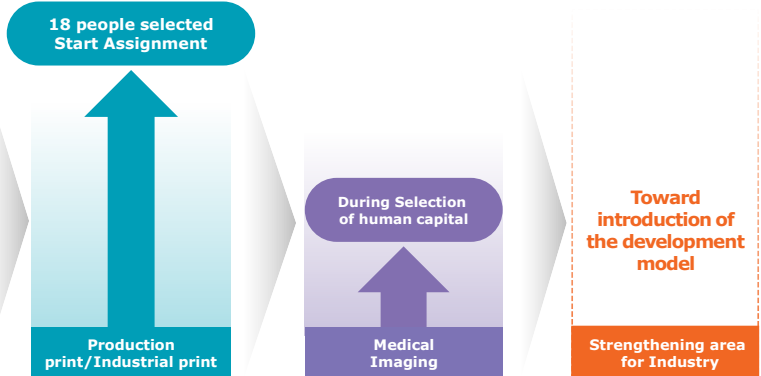
For mid-career recruitment, in particular, the human capital we require is naturally also sought by other companies, and competition to acquire such highly specialized human capital is becoming increasingly intense year by year. Even under these circumstances, the recruitment team and business departments work together as one on the recruitment process to acquire human capital for our strengthening businesses. Our corporate officers meet personally with candidates, and we have transformed the attitudes and behavior of our interviewers from simply using interviews to examine candidates to using them as a forum for motivation.

Introduction of the model for developing global leaders to strengthening businesses

Global Leader Development Model



- Introduced in advance to Office business and selected 25 people and visualized human capital of leaders
Confirmed successful activities beyond national borders through global assignments
- Started introduction of the model to strengthening businesses with an eye toward utilizing human capital of leaders across the company



*IMD: Abbreviation of International Institute for Management Development, one of the world's leading business schools based on Switzerland

Another high-priority issue is the utilization of non-Japanese human capital, which accounts for three-quarters of the Konica Minolta Group's roughly 40,000 employees worldwide. To speed up our efforts in this area, we are collaborating with IMD, a Swiss business school with many achievements related to DX, to develop global business leaders. Through the visualization of outstanding human capital across the Group, we provide development programs and coaching by top management for selected employees, establish individual development plans, and implement assignments beyond national borders.

As one specific example of these activities, we welcomed high-potential human capital from Europe to our head office in Japan to participate in the formulation of the companywide Medium-term Business Plan. These participants made tangible contributions such as reflecting the perspectives of employees on the front line in the plan and ensuring its compatibility with overseas sales measures. The results of this program are also visible in areas including strategic human capital rotation between the United States and Australia.

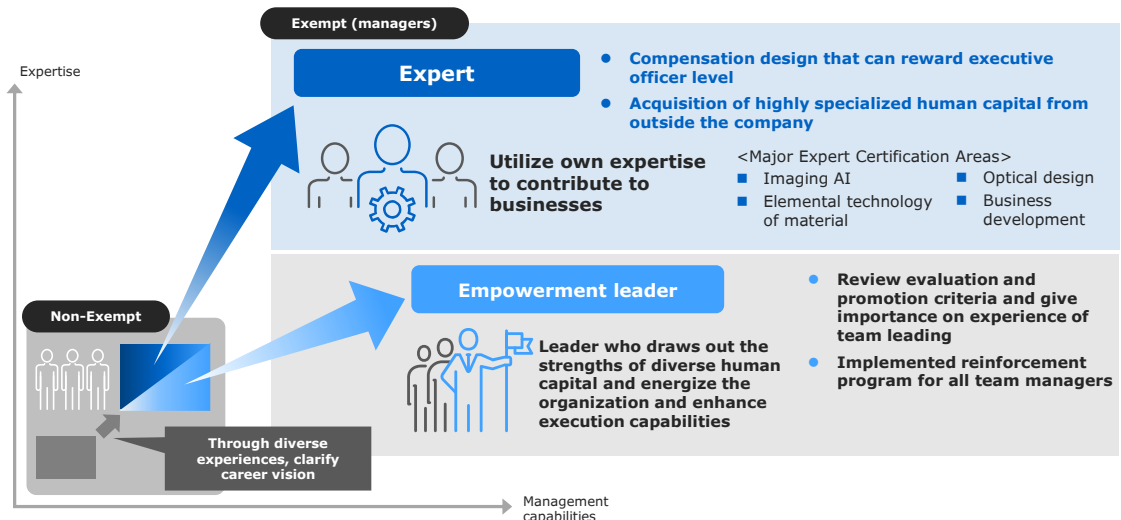
We have now expanded the implementation of this program into Professional Print and medical imaging and we are preparing to extend it to our other strengthening businesses.

Strengthen organizational capabilities and acquire human capital by double-track human capital system



150
YEARS

Strengthen execution capabilities and implement rewards and incentives to attract highly specialized human capital by double-track system



© KONICA MINOLTA 10

Around two years ago, we changed our management human capital system from a single-track to a double-track system. Previously, our managers were – at the risk of using an expression that may lend itself to misunderstanding – a group of “senior outstanding human capital.” In view of recent changes in the business environment, we have clarified their mission and separated them into “experts” who pursue their own areas of expertise to contribute to our businesses and “empowerment leaders,” organizational leaders who draw out the strengths of diverse human capital, energize the organization, and enhance execution capabilities. We also overhauled the criteria for promotion to each category. Pursuant to this change, we amended the term “manager,” which implies a conventional management style, to “exempt.”

We also renewed the compensation design for experts. Now, experts who produce a high standard of results receive compensation at the level of an executive officer. This has also contributed significantly to our efforts to recruit highly specialized human capital from outside the Group.

For empowerment leaders, we implement systematic, continuing programs to strengthen management skills, including coaching, team building, and communication skills. Through these, we aim to enhance organizational strength and execution capabilities.



Next, I would like to talk about the second category, “by ensuring diversity, enhance the quality of management decisions.”

"Women 2 Lead Program"



- Purpose**
- Ensuring Diversity and Further Enhancing Equity in the place of Decision-Making
 - Contributing to sustainable business growth even in a constantly changing business environment
- Progress**
- Selected **12 women leaders** in total globally
 - Programs to develop leadership and boost career growth collaborating with IMD

From the standpoint of developing diverse management, our first step is to engage in the global development of female leaders. We have stated "Ensuring Diversity and Further Enhancing Equity in the place of Decision-Making" as our purpose here. Specifically, starting this fiscal year, we are implementing our Women 2 Lead Program, which selects and develops the next generation of leaders from among women who are globally active in their work, with the aim of promoting the further creation and deployment of women leaders around the world. As in the case of global business leader development, which I just mentioned, we have collaborated with IMD for this program. We used IMD's method to assess and select 12 candidates for the next generation of female leaders as the first round of program participants: women with a diverse range of backgrounds such as sales, finance, marketing, and HR. After assisting these 12 participants in ascertaining and understanding their individual strengths and weaknesses, we trained them for around eight months to instill knowledge for building career paths, mental preparation for leadership, and insight as business leaders. Going forward, we will utilize the learning of program graduates and assist program participants, not only through their own supervisors but also through the commitment of top management at the subsidiaries where they work and the support of the head office HR department, expanding their roles and giving them assignments based on their individual development plans to ensure that they steadily develop into leaders. In addition to the women's empowerment that I have described today, from next fiscal year we will also implement other initiatives such as the deployment of non-Japanese leaders at the head office to promote "Ensuring Diversity and Further Enhancing Equity in the place of Decision-Making."

Developing next-generation global leaders to realize sustainable growth



“GLOW” as global expansion of overseas training program for young employees



Purpose

- Early development of true global leaders who have capabilities to compete in the world
- Understand diversity and develop global work practices and perspectives

Progress

- First term May 2023 **11** people
- Second term After January 2024 **10** people

Characteristics

- **Take on opportunities for the program and challenge the goals set by themselves**
- **Expand to excellent overseas human capital and highly specialized human capital**

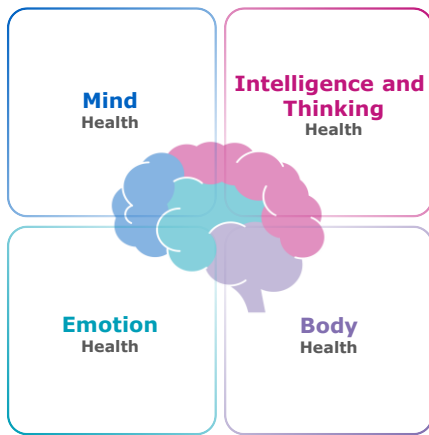
We are also pursuing the GLOW Program to strategically strengthen the development pipeline for management human capital to lead the future. Under this program, employees are dispatched overseas for short periods of six months. Previously, only Japanese employees were eligible, but last fiscal year we overhauled the whole program, expanding the scope of application to include employees of overseas Group companies and enabling the dispatch of employees not only overseas from Japan but also to Japan from overseas and between different regions overseas. The company does not guide the selection of candidates or present them with their mission. Rather, it begins with employees coming forward with a strong desire to participate. These volunteers are chosen for the program through various selection processes. Program candidates themselves negotiate with the companies they want to be dispatched to, establish their contribution and mission there, and formulate a dispatch plan. Because participants themselves seize the opportunity to take on new challenges and strive to cooperate with the local employees to achieve their goals, the program develops the diversity and global perspectives of participants while refining the skills and capabilities they already possess so that they hold good overseas. In this way, we aim for the sustained development of truly global human capital that can compete on the world stage.

The 11 participants in the first term of the GLOW Program were dispatched in May this year. We plan to dispatch 10 participants in the second term of the program, which will start in 2024.



Next, I would like to discuss the third category: “maximizing performance of organizations and individuals.”

Toward a management team that achieves transformation by improving resilience



Progress

- Implemented 16-month enhancement program for executives and candidates for executive
- Expansion to executive candidates for the next leader of major sales subsidiaries

Program

- Learning and Practice in 4 Health Fields Based on Medical Knowledge
- Sharing case of failures and considering it as if it was their own story in the case study session



Outcome

Enhance quality of Management decision making

Activate discussion in management meeting

Cultivate culture of collaboration across the company

Toward a management team that will bring about transformation

In general, when aiming to return an organization to transformation and growth, the focus tends to be on developing and employing next-generation human capital. We believe it is vital to bring about transformation from the top down. We have begun by introducing a resilience program for executives, including the President, and candidates for executive. This is aimed at making the management team into a team of professionals.

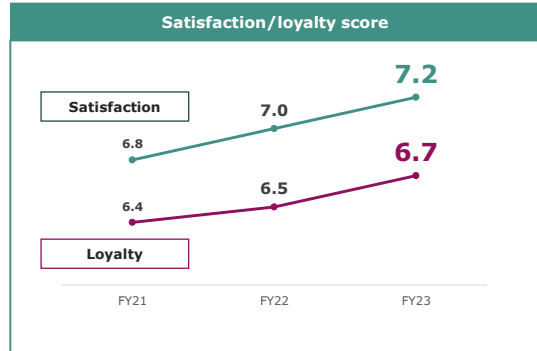
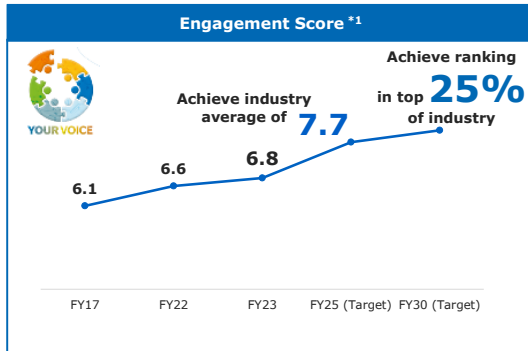
In our resilience program, participants spend one year learning from medical, neurological, and psychological perspectives about the elements substantially needed to maximize the performance of people and organizations.

Specifically, the program covers four approaches: body, emotion, thinking, and mind. For example, participants not only learn about the exercise, nutrition, and sleep needed to boost brain performance but also refine the “humanity” that will enable them to integrate themselves and their organizations based on an elevated viewpoint and broad perspective, even in difficult and complicated situations.

I feel that the effect of this program is evident in the cultivation of a culture that enables free communication and more vigorous discussions at management meetings. Management has transformed itself, and I think that this influence will flow on to the next generation and the company as a whole, building a foundation for Konica Minolta’s people to transform into professionals.

Enhance employee engagement
Global Engagement Survey "Your Voice"

Responded by
35,000 global
 employees



Steady progress toward achieving engagement score goal in Medium-term Business Plan's

- Drivers promoting Engagement enhancement *2**
- **Global:** Reward, Accomplishment, Career Path
 - **Japan:** Career Path, Demonstration of strengths, and Equity

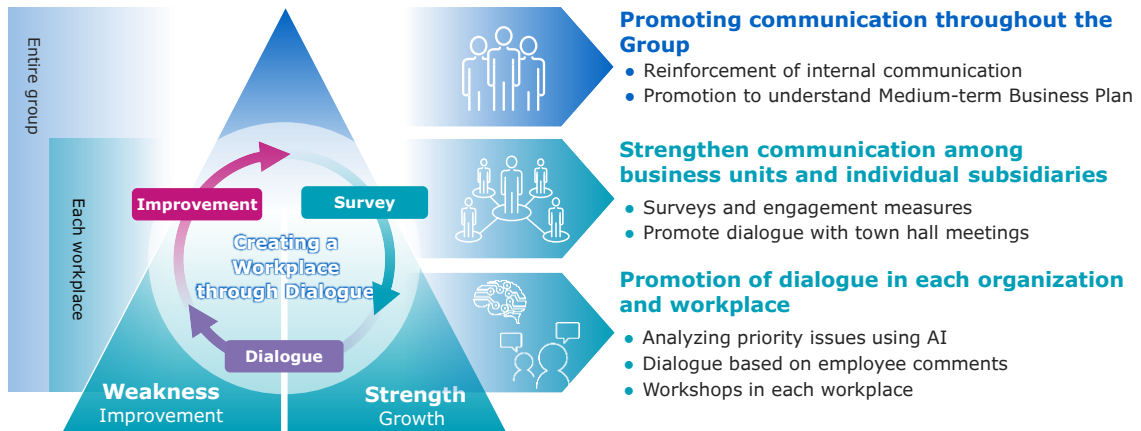
*1: Adopted Workday's research infrastructure. Average score for questions on "engagement" in the global employee awareness survey (answers on a scale of 0 to 10)
 *2: Factors that contribute significantly to engagement enhancement by improvement (items with high correlation)

Of course, in addition to initiatives to enhance resilience at the management level, it is vital to enhance employee engagement, strengthening the organization to execute our strategies. At Konica Minolta, we have named our global employee engagement survey "Your Voice," and we have implemented it annually at the global level for the past three years. We carried out the survey in October this fiscal year, receiving opinions and feedback on engagement-related content and workplace environments from approximately 35,000 employees: a response rate of over 90%.

At Konica Minolta, we have set targets of raising the employee engagement score to the industry average by fiscal 2025 and achieving a ranking in the top 25% of the industry by fiscal 2030. The engagement score for fiscal 2023 was 6.8, up 0.2 points from the previous survey.

Likewise, satisfaction and loyalty scores are also improving steadily, and we will aim for further improvements as we take heed of the voices of our employees.

Building company rooted in Uniqueness of Konica Minolta



To raise employee engagement, we believe it is crucial to tackle issues on the level of the entire Konica Minolta Group, each business department, and each workplace. Through these systematic activities, we are building a corporate culture and climate rooted in the uniqueness of Konica Minolta. At the Group level, we are actively creating forums for two-way communication between management and employees. This includes personal site visits in Japan and overseas by the President and direct dialogue with employees. Likewise, for the Medium-term Business Plan, members of the head office corporate planning department travel to our major sites around the world to promote understanding and penetration of the plan through direct dialogue with local employees. This strengthening of communication at the Group level was implemented as an action derived from the results of the last Your Voice survey. Just like at the Group level, we are probing issues and implementing actions based on the survey results at the level of each business units, company, and workplace group as well. At Konica Minolta, we use the engagement survey I just described as a tool to pursue our basic cycle of understanding each organizational unit's strengths and weaknesses and implementing actions to improve them. We believe that the crucial thing is to build organizations and create workplaces through dialogue. By steadily continuing to follow this cycle throughout the Konica Minolta Group, we will promote greater job satisfaction and create workplaces where the individual can shine.



KONICA MINOLTA

150

YEARS

Thank you very much for your attention.