

HUMAN RESOURCE MANAGEMENT

In order for the OKI Group to achieve sustainable growth by solving social issues and creating new value, it needs human resources who can respond flexibly to changes without being bound by conventional methods. The OKI Group has established five Action Principles as values shared by all executives and employees. We are working to cultivate human resources who can create new value by translating these Action Principles into practice in various situations and to foster an organizational culture that supports this.

●Basic Approach to Human Rights and Human Resources

In accordance with the International Bill of Human Rights and the Declaration of the International Labour Organization, the OKI Group recognizes that the protection of the human rights of each of its employees is the foundation of all corporate activities. It enshrines “Respect for Human Rights” in its Charter of Corporate Conduct and Code of Conduct, and ensures human rights are respected by providing education through new hire trainings, trainings based on job position, and e-learning programs. The Group is also working on a fair employment and selection process and creating a working environment where diverse employees can play an active role.

The Group positions human resources as one of its most important management resources for adapting to changes in the social environment and for sustainable development. It aims to foster “autonomous employees” who implement actions based on the five Action Principles, and thereby, respond flexibly according to their roles and create results by involving the people around them.

In Medium-Term Business Plan 2022, the “development and securement of human resources who will support Mono-zukuri and growth-area businesses” has been set forth as a personnel measure aimed at sustainable growth. We are developing personnel systems that lead to the further invigoration of sites of Mono-zukuri, such as on-the-job human resource development through target management and

personnel evaluation and using skill assessment for the optimal assignment of human resources. From the perspective of supporting businesses in growth areas, we are working on the development of AI human resources with practical skills, including AI trainings according to occupation and level. In addition, we are promoting diversity and inclusion initiatives to realize “a workplace where all employees thrive at work and demonstrate their full potential.”

●Initiatives for Human Resource Development

The OKI Group promotes the personal growth of each employee via both human resource development through work experience and human resource development through training and learning, and is taking the following initiatives to ensure that everyone has opportunities to grow and is evaluated appropriately.

Thorough Management of Targets

The OKI Group has strengthened its system for thorough management of employee targets, based on the idea that setting high targets and putting them into practice promotes personal growth. The target items are set taking into account the Action Principles in order to ensure that employees always carry out their work while being mindful of the Principles. Furthermore, we have established a system of quarterly one-on-one meetings in which superiors check the progress of their team

members’ activities toward the targets set at the beginning of the fiscal year. In fiscal year 2021, we introduced a system to centrally manage target setting and performance so that superiors can provide timely support for managing the targets.

TOPIC Innovation Dialogue

In order to make a conscious effort to set targets that consider new business creation and transformation of existing businesses, “Innovation Dialogue” has been held continuously since 2018 as an opportunity for OKI’s president and OKI Group employees to discuss and exchange views regarding on-site issues and other matters. It has been participated by 669 people through the end of fiscal year 2020. The Group’s top executive listens to opinions from the sites and directly conveys his thoughts during the dialogue, which motivates employees to set higher targets while keeping in mind the management’s perspective.

This initiative is part of the activities based on OKI’s Innovation Management System “Yume Pro” (see page 19) and is positioned as a forum for creating new value.

Evaluation System

OKI takes the following initiatives to perform fair and impartial evaluations of results vis-à-vis the set targets and of the processes leading up to these results.

●Evaluation System that Encourages Implementation of the Action Principles

We introduced an evaluation system in fiscal year 2019 in order to promote the implementation of the Action Principles. As one of the evaluation indicators, the system assesses the extent to which the Action Principles have been implemented with respect to the aforementioned set targets.

●Evaluation Feedback Meeting

Superiors hold meetings with their team members to provide feedback on their evaluation results. The objective is to make the evaluations more convincing, such that they lead to employees’ understanding of their evaluation-based treatment, further growth of employees through knowing their strengths and weaknesses, and improvement of organizational management through mutual understanding between superiors and team members. In addition, we conduct a survey once a year to check the status of the meetings to make continuous improvements.

●Support for Evaluators

To enhance the evaluation skills and quality of feedback provided by superiors who perform the evaluations, we hold “evaluator training” to educate superiors about the evaluation approach and feedback methods and conduct the “360-degree evaluation” to objectively assess the actions of evaluators and clarify their strengths and weaknesses.

Support for Personal Growth

The OKI Group provides all employees with career design

opportunities for their continuous personal growth, and has established a training system to support career development and provide opportunities to acquire specialized knowledge.

●Career Design Meeting

At OKI, employees hold a career design meeting once a year with their superiors. The meetings are intended to support autonomous career development, with the aim of helping each employee transform their actions to become competent, autonomous employees.

●Training System

The OKI Group has established a comprehensive training system that allows employees to receive training regardless of their job position and occupation. The system consists of “common training for business skills” to learn about marketing, innovation, accounting, and foreign languages, “training based on job position” to learn about the roles of each job position, and “specialized and departmental training” to hone professional expertise such as sales, technical, and production skills. These three are group trainings in principle. However, in light of the expansion of telework, we are also making the trainings available as online and e-learning programs so that all employees can receive them autonomously and efficiently. In fiscal year 2020, we offered more than 200 e-learning courses.

In fiscal year 2020, the total number of training hours per OKI employee was 15.6 hours.

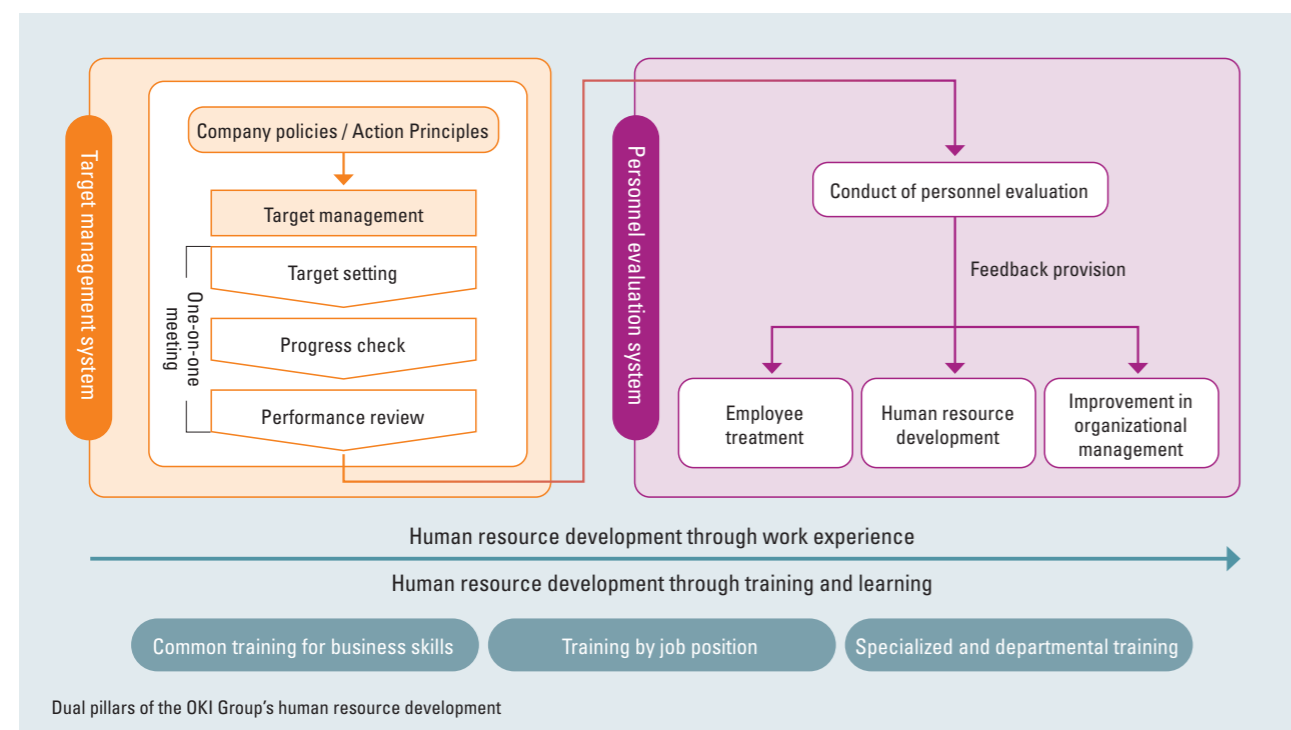
Developing Executive Talent

Through their work, we develop executive talent and business leaders who will be responsible for the OKI Group in the future. In this gradual process that starts from a young age, we give tough assignments that require on-site practice, assign careers suitable for the next generation of management executives, offer selective internal training programs, and dispatch employees to external business schools. Moreover, for senior management such as executives, seminars with in-house and outside experts as lecturers are regularly held to provide an opportunity to acquire the literacy required for management.

●Creating an Environment Where Diverse Human Resources Can Demonstrate Their Full Potential

Promotion of Diversity and Inclusion (D&I)

The OKI Group’s D&I is a management strategy for strengthening human resources. It supports respecting and valuing the diversity of employees with the aim of creating innovation, increasing motivation, and achieving sustainable growth for the organization. In order to foster a corporate culture in which diverse human resources respect each other’s differences in gender, age, disability, SOGI (sexual orientation and gender identity), nationality, and personal life, and in which they can engage in their work with a sense of fulfillment and demonstrate their full potential, the Group conducts internal awareness-raising activities, establishes diversity-conscious programs, realizes flexible work styles that increase efficiency, and develops a scheme for appointing individuals based on their evaluation.



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• Learning about D&I Together

To ensure that employees continue to learn to respect each other and make the most of diversity, we hold an annual joint learning event on D&I promotion for executives, managers, and general employees of the OKI Group. In fiscal year 2020, we held an online seminar on the theme of understanding each other's differences through communication amidst expanding telework and of improving organizational capabilities. Approximately 500 employees attended the seminar.

• To Enable Everyone to Balance Work and Childcare/ Caregiving

At OKI, the labor union and management members confirm employee work hours and paid leave and maintain a host of systems to support balancing work with childcare/caregiving, including the flextime system, the teleworking system, systems to provide special work conditions for people caring for children and nursing the elderly, as well as a Special Leave for Particular Purposes system which can be used to nurse family members, to attend children's school events, and so forth. In addition to providing OKI Group employees with training on balancing work and childcare, OKI has established a system that enables everyone to balance work and childcare, including holding "Returning Employee Meetings" among the three parties of employees who have returned from childcare leave, their superiors, and the Human Resources and General Affairs Division.

Number of Employees who Took Childcare Leave (OKI)

	FY2018	FY2019	FY2020
Women	19	13	12
Men	1	1	7

• Promoting Older Employees' Participation in the Workplace

In order to leverage and smoothly pass on the techniques and skills of experienced employees, OKI supports the workplace participation and diverse work styles of older employees who continue to be hired after retirement. Based on the principle of continued employment in workplaces where the employee can be expected to play the most active role while meeting his/her needs and expertise, we support pre-retirement employees in designing their careers after retirement by holding meetings with them and confirming their career paths. In addition, as with regular employees, we have introduced systems that lead to increasing the participation and motivation of older employees, such as target management and evaluation system. The continuous employment system is for all employees who wish to continue working until they reach the age of 65. Since April 2021, we also have a continuous employment system for those who meet certain criteria for employment until they reach the age of 70.

• Promotion of Hiring of Challenged People

The OKI Group is making efforts to promote the hiring of challenged people. Albeit variations in the progress of these efforts by all Group companies, we will continue to provide support at the time of hiring and at work, raise awareness at the workplace where challenged people are assigned, and

develop a training system so that challenged employees can play an active role in a variety of workplaces without being limited in their job areas or occupations. In addition, as of June 2021, OKI WorkWel, a special subsidiary established in 2004 with the aim of providing work opportunities for people with serious physical impairments, employs 77 challenged employees. Among them, 59 with serious physical impairments work from home in 22 prefectures using the network, utilizing their IT skills for tasks such as building websites. The OKI Group's employment rate for challenged people* in fiscal year 2020 was 2.45%.

* Employment rate of challenged people is the aggregate of eight special subsidiary-applied Group companies in Japan.

• Promoting Women's Participation and Advancement in the Workplace

Aiming to support women so they can pursue their own growth and develop their careers in ways that allow them to demonstrate their full potential, OKI has drawn up an action plan to promote women's participation and advancement in the workplace. We have set the following action plan targets to be achieved by April 2023: (1) reduce the number of overtime hours for full-time employees so that it is equal to or lower than the fiscal year 2019 monthly average (24 hours); and (2) increase the ratio of female managers to 5%.

The ratio of female managers in fiscal year 2020 was 3.3% for OKI and 5.3% for the OKI Group. We continue to provide training to cultivate female leaders on a selective basis to raise female employees' awareness about becoming managers. We are also engaged in workplace training for appointing female employees as managers.

Female Executives and Employees

		End of FY2018	End of FY2019	End of FY2020
Number of female executives	OKI	3	2	2
	OKI Group	—	5	5
Percentage of women in managerial positions	OKI	3.3%	3.4%	3.3%
	OKI Group	—	5.9%	5.3%
Percentage of female employees	OKI	12.3%	12.8%	13.1%
	OKI Group	—	22.4%	22.9%

• Initiatives for Sexual Minorities

Aiming to become a workplace in which everyone is respected and able to securely demonstrate their abilities, since fiscal year 2019, the OKI Group has provided e-learning materials that allow users to gain basic information at any time about LGBTQ, which refers to sexual minorities. In fiscal year 2021, we are offering an e-learning course that all employees of the OKI Group will be required to take in order to help entrench this knowledge.

Realizing Flexible Work Styles that Increase Productivity and Efficiency

The OKI Group is taking initiatives to enable diverse human resources to demonstrate their full potential, and in anticipation

of lifestyle changes during and after the COVID-19 pandemic. Namely, the OKI Group is reviewing its systems and promoting the digital transformation of work styles in order to derive maximum value out of time and dramatically improve work life quality. To accelerate this movement, we launched the Smart Work-Life Project in August 2020 and are promoting the following initiatives.

• Greater Flexibility in Work Location and Hours

To enable employees to flexibly choose their work location and hours, we expanded the scope of application of the teleworking system*¹ and the flexible working system from fiscal year 2020. To make teleworking stress-free, we expanded our satellite offices and enhanced our network environment. At the same time, OKI is digitizing invoices and contracts and systemizing operations.*² In April 2021, OKI introduced the "System of Working Outside the Commuting Area," which allows employees who live outside the commuting area to telework, with the aim of reducing the number of employees who must transfer (move) because they were assigned to an area outside their commuting area or must move without their families (live separately from their families), as well as reducing the number of employees who leave OKI due to their spouse's relocation, childcare, or caregiving.

In order to identify the issues facing the teleworking environment and management, we conducted a pulse survey of approximately 5,000 teleworking employees on three occasions. The results showed that work efficiency increased as the teleworking environment improved. On the other hand, the survey showed that there were communication issues among some employees. In October 2020, we held a seminar for approximately 750 employees to provide management support.

*¹ Approximately 3,000 employees are designated as "teleworkers" and receive telework allowances. As a ripple effect, commuting expenses decreased by approximately ¥400 million.

*² Coupled with the systemization of operations, we have been reducing the use of seals on internal application documents. In fiscal year 2020, the use of seals decreased by 80% for the documents under consideration.

• Office Reorganization and Rearrangement

OKI has been reorganizing its offices and reducing office space in the Tokyo metropolitan area since fiscal year 2020, in anticipation of the spread of teleworking and lifestyle changes after the COVID-19 pandemic. We plan to reduce office space by 50% by the end of fiscal year 2021. At the same time, we have been significantly reducing paper documents. In fiscal year 2020, we reduced documents kept at our applicable offices by 70% (through disposal, storage in storage room, and digitization). As part of the reorganization, OKI has defined its head office as a "space for co-creation with customers" and a "space for employee collaboration." Rearrangements have also been made to enhance collaboration within and outside OKI, such as introducing open seating at workspaces and establishing café-style meeting spaces.

• Initiatives for Occupational Health and Safety, Health Management

Occupational Health and Safety Initiatives

OKI established "Safety and Health Committees" in each region, with company members from management and the

labor union. These strengthen the safety and health system, create plans to prevent labor injuries and accidents, patrol workplaces, provide safety and health training, etc. The Central Safety and Health Committee shares information on situations and initiatives in each region. OKI's incidence rate of occupational accidents* in 2020 was 0.00, falling below the electric machinery/equipment manufacturing industry's average of 0.52 (in Japan).

* Incidence rate of occupational accidents: Number of casualties due to occupational accidents per million man-hours worked.

Initiatives for Health Management

The OKI Group considers it important for management to ensure that each and every employee can work healthily, both mentally and physically, while finding job satisfaction. Thus, we are taking steps to prevent diseases and promote mental healthcare and the health of employees and their families. The OKI Group has identified priority health issues to be addressed from the three perspectives of "body," "mind," and "awareness," and is carrying out measures under a collaborative health system in which Group companies, including occupational health staff, and the health insurance associations work together. Affiliated companies that are members of the Oki Electric Industry Health Insurance Association are working to strengthen self-care by establishing a health portal site for individuals and holding "Health Challenge Campaign" events every year, among other initiatives. To prevent mental health problems, OKI is also focusing its efforts on conducting stress checks to help employees know their own state of stress. In fiscal year 2020, the implementation ratio of stress checks was 92.8%.

In March 2021, following on from 2020, OKI was certified as a "2021 Health and Productivity Management Outstanding Organization" in the large enterprise category as a company that takes proactive initiatives for health promotion.

• Aiming to Increase Work Engagement

The OKI Group conducts an awareness survey of all employees once a year to see whether the measures described above are contributing to a positive workplace and to job satisfaction for each employee. We will continue to promote our measures with the goal of achieving a 70% positive response rate* for the item "rewarding workplace (the workplace is positive and work is rewarding)" in fiscal year 2022, the final year of Medium-Term Business Plan 2022.

Results of Awareness Survey of All OKI Group Employees (in Japan)

	Employees who gave a positive response	
	FY2019	FY2020
The workplace is positive and work is rewarding	60%	63%

* Positive response: Very much so / more or less so