



KONICA MINOLTA

KONICA MINOLTA, INC.  
IT(DX) Performance Report 2022

RETHINK  
WHAT'S  
POSSIBLE



Giving Shape to Ideas



## Building an IT organization that utilizes technology to complete our business portfolio transformation

### **Keiichi Kishi**

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Responsible for IT Planning  
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Konica Minolta, Inc.

Despite the ongoing COVID-19 pandemic, companies have resumed business activities using new work styles while individuals are looking toward lifestyles for a new normal. At the same time, ensuring cybersecurity, including for IoT devices, and protecting personal information have become important management issues amid rising uncertainty in the business and IT environments due to global geopolitics.

Since FY2020, Konica Minolta has been implementing its long-term management vision for 2030 and three-year Medium-Term Business Plan “DX2022.” While the Industry Business is progressing as planned, the overall company is still in the middle of transforming our business portfolio. We will complete this transformation by FY2025 and continue to create values based on the five material issues —(1) improving fulfillment in work and corporate dynamism, (2) supporting healthy, high-quality living, (3) ensuring social safety and security, (4) addressing climate change, and (5) using limited resources effectively to be resolved by 2030.

As we approach the final year of DX2022, we are continuing to build and strengthen our internal IT infrastructure. This includes promoting data utilization, reforming internal business infrastructure, leveraging IT technology that supports work style

reforms and fulfillment in work, and boosting productivity and creativity through the utilization of robotic process automation (RPA). We will also accelerate business DX by training personnel and expanding shared platforms to support highly profitable businesses through DX.

In order to complete our business portfolio transformation in FY2025, we will be providing support through IT, such as building IT infrastructure and implementing cybersecurity, and training personnel with IT skills. Our goal is to build a new IT organization through future-oriented activities so that the Group’s IT human resources around the world can work alongside our business operations to carry out reforms.

This IT (DX) Performance Report explains the medium-term plan, progress with DX initiatives, and our foundation in order to both promote DX and generate growth alongside even more customers and partner companies. I hope that this report is informative and contributes to global DX in society and the creation of social value.

**Keiichi Kishi**

Corporate Vice President  
Responsible for IT Planning and FORXAI Business Development  
Konica Minolta, Inc.

# IT Medium-Term Plan

Konica Minolta's IT Planning Division is moving forward with implementing the IT Medium-Term Plan, which is tied to the Medium-Term Business Plan "DX2022" that runs from FY2020 through FY2022.

To create a business model for customers to implement DX, the division aims to evolve operations that support business, and move forward in line with the desired direction and seven themes given below.

In addition to working on the various themes and undertaking related activities, the division has updated the details of measures to match changes in the external and business environment.

As we approach the final year of the medium-term plan, the division will promote initiatives while reporting on and evaluating the results and problems with activities related to the various themes over the past two years.

## Vision

**Improve employee satisfaction and productivity by providing more highly-developed IT services, and contribute to business growth by providing examples of successful experiences as customer values.**

We will promote internal efforts aimed at better work efficiency and automation, promotion of data utilization, and stronger collaboration by reforming core digital systems and adopting master data management, RPA, BI tools, and other digital tools leveraging AI. We will also boost employee satisfaction and productivity by enabling new work-styles unrestricted by place or time.

**Strengthen IT security measures and provide high-value-added IT services to support business departments to boost our digital transformation.**

In addition to maximally leveraging our longstanding strengths in IT (system maintenance and operation; IT infrastructure safeguarded by advanced security), we will acquire the skills needed to implement new development methods and develop differentiated systems, while also building the capability for in-house development of internal systems.

## Medium-Term Plan Themes

1. **Enhance the internal IT platform to improve employee experience and strengthen profitability** ---- P.4-7
2. **Enhance IT security measures to support business continuity and increase competitiveness** ----- P.8
3. **Promote data utilization globally that contributes to decision-making and the added value of KM business** ----- P.4-5
4. **Enhance IT services for business divisions to support expanding added-value IoT business** ----- P.6
5. **Optimize IT costs so that we can invest resources into strategic IT areas**
6. **Secure and develop outstanding IT human resources** ----- P.9
7. **Promote the GBI plan and platform development, and establish operational structure** ----- P.6

# Operational DX Promotion

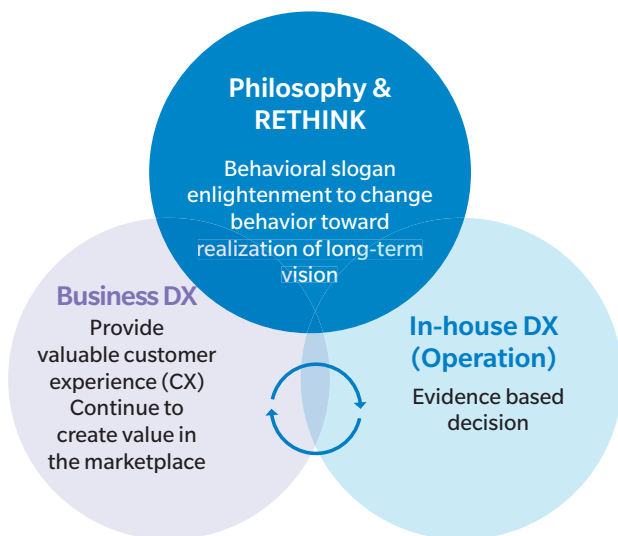
By leveraging data generated in many aspects of business, including customer contact points, service provision, and internal work tasks, Konica Minolta strives to improve customer experiences, strengthen relationships with customers, and boost the speed and precision of management decision making, with the objective of increasing business profitability and achieving innovation for internal work tasks.

DX promotion departments, including IT departments, have been working to build up a business analytics platform and a master data platform that are shared globally. Going forward, in order to generate new value through data utilization, we will promote the creation of an environment able to analyze and utilize data. Our efforts will include strengthening data governance, reforming core systems, expanding our ability to visualize management information, building a shared platform that supports the services business, and appropriately collecting data (including automating data collection and aggregation tasks).

## Utilizing Konica Minolta DX Promotion Indicators

Based on our DX promotion indicators outlined in our Medium-Term Business Plan DX2022, we evaluate the progress of operational and business DX and provide feedback and upgrades for everything from Group-wide strategies to business-specific strategies.

Under the Konica Minolta philosophy and action slogan of “RETHINK,” we will cultivate a DX culture internally, map primary business and operational DX measures onto each DX promotion indicator, and visually depict the Group-wide balance of measures. By doing so, we will steadily achieve DX for Konica Minolta.



Philosophy & RETHINK	
<b>DX promotion Index</b>	
<ul style="list-style-type: none"> <li>Do you have the ability to provide a DX experience to your customers?</li> </ul>	Business DX
<ul style="list-style-type: none"> <li>Are your customers satisfied with your DX offering?</li> </ul>	Business DX
<ul style="list-style-type: none"> <li>How many global partners do you have to collaborate and provide DX to your customers?</li> </ul>	
<ul style="list-style-type: none"> <li>To what degree is your organization able to support the provision of DX to customers?</li> </ul>	In-house DX
<ul style="list-style-type: none"> <li>Is there a system of employee incentives to promote DX?</li> </ul>	
<ul style="list-style-type: none"> <li>Have you strengthened employee engagement to promote DX?</li> </ul>	
<ul style="list-style-type: none"> <li>Is the organizational structure setup such that DX can be promoted both in business and internally?</li> </ul>	
<ul style="list-style-type: none"> <li>Is a DX promotion culture fostered internal implementations?</li> </ul>	

# Reforming Core Systems for Data-driven Management

## Background to system reforms

- As business operations transform, there is demand for decision making that is faster than the speeds we have seen to date
- Reforms oriented toward new, post-COVID-19 work-styles are necessary
- Maintenance support for current ERP will end in 2025

## Aims of system reforms

- Faster management decision making based on data
- Building systems for work-styles based on remote work
- Promoting system integration inside and outside the Company
- Integration of accounting data and logistics data

## Reform and Integration of Core Digital Platform Systems

Konica Minolta is striving to transition from a product-centric business to a service-centric business leveraging imaging and data. Quickly pursuing this business operation transition requires swift, data-based management decision making. To meet that objective, Konica Minolta is pursuing a project to reform core digital platform systems.

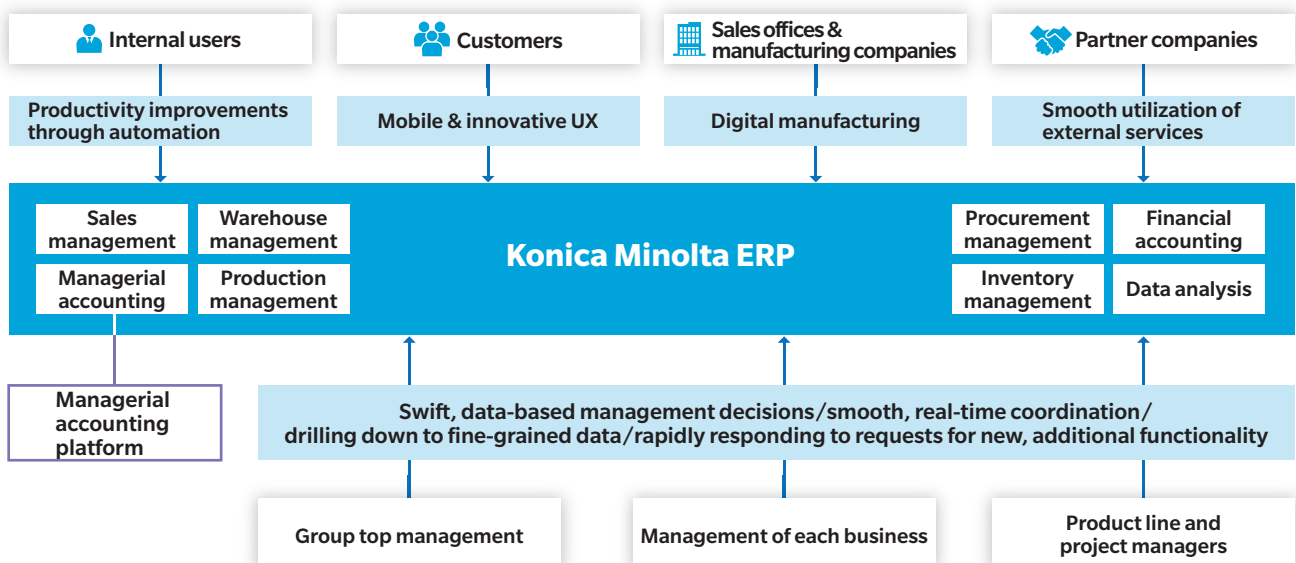
Our current reforms include integrating what had been separately operated accounting and logistics systems and, by centralizing that data, enabling quicker management decisions.

Additionally, we are enabling multi-device compliance as well as shifting from conventional

on-site to cloud-based systems, which will allow system access at anytime from anywhere. As new work-styles assuming the availability of remote work become a matter of course, this shift will contribute to greater efficiency and productivity for management tasks. In addition, it will facilitate coordination between Group companies and with external partners.

At present, the project is moving forward globally and the transition has been completed at our Chinese, European, Asian, and U.S. sales offices, and preparations are moving forward for the systems to be online at Konica Minolta, Inc. Thereafter, plans are in place to introduce new core systems at the Japan sales offices and overseas production companies.

## Illustration of New Digital Core Platform



ERP: Enterprise Resources Planning

# Greater Sophistication of Management by Expanding the Targets of Data Integration and by Utilizing BI\*<sup>1</sup> and AI\*<sup>2</sup>

\*1 BI: business intelligence \*2 AI: artificial intelligence

## Background to expanding the targets of data integration and utilizing BI and AI

- Necessity for more active data utilization
- Necessity for more promotion of data-driven decision making
- Necessity for connecting decision making to fast execution

## Aims of expanding the targets of data integration and utilizing BI and AI

- Creating a mindset of responsibility through examples of employees utilizing available data
- Encouraging decision making with a meaningful dashboard
- Strengthening the ability to connect AI results to action on the frontlines

## Perpetual Evolution of our Data Aggregation and Analysis Platform

Konica Minolta is evolving the centralized and visualized management data platform that was built originally for management accounting.

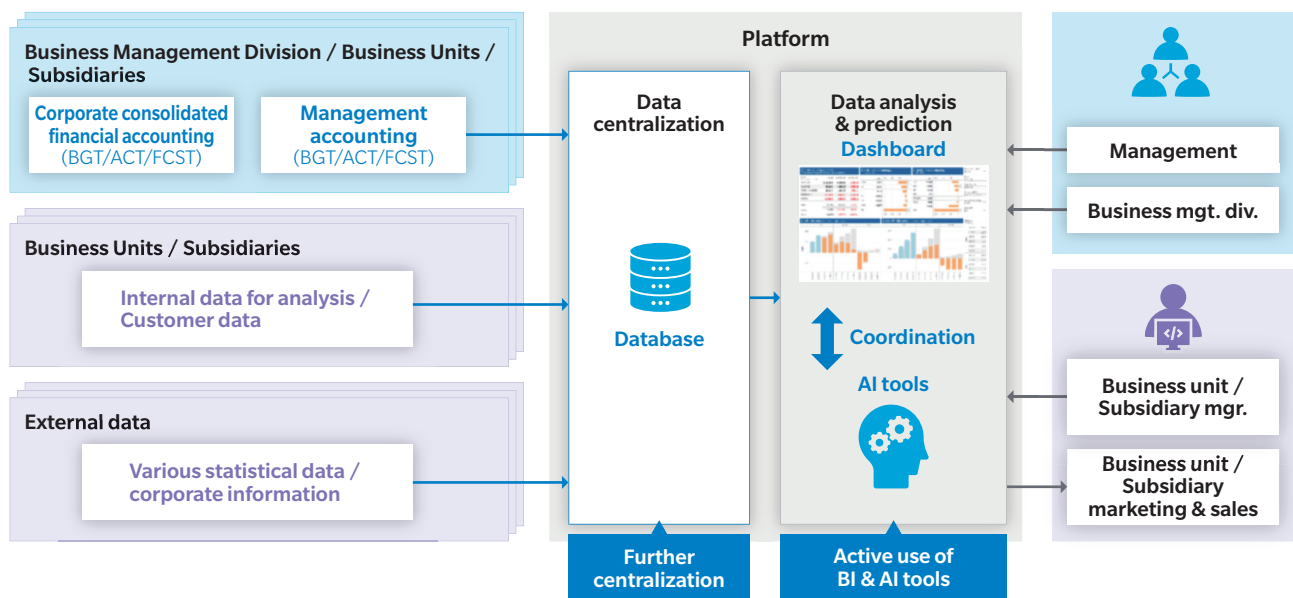
By leveraging a cloud platform and BI, we have improved the efficiency of data collection and analysis.

By broadening the range of aggregation Group-wide and supporting major open-data integration, we are increasing opportunities for employees to have contact with the integrated platform and encouraging awareness of data utilization among more employees. Furthermore, by

creating an analytic dashboard integrating open data and Konica Minolta data, we are able to compare, in real time, our position against social as well as market trends, as we encourage more accurate and sophisticated decision making.

Also, by adopting AI tools and quickly and repeatedly carrying out data analysis and forecasting in close proximity to business divisions, we are tying data utilization to frontline action. Currently, we are continuing to promote Group-wide utilization of these AI tools to cross-selling services to existing customers.

## Perpetually Evolving Data Aggregation and Analysis Platform



# Constructing a Shared, Group-wide Platform for the Services Business

## Background to platform construction

- Necessity for considering a new business model utilizing Konica Minolta's proprietary imaging IoT technology
- Ballooning development and operational burden caused by each business division using different business platforms

## Aims of platform construction

- Implement functions for user/ID management, contract management, product/service management, and invoicing/payment management to contribute to quickly launching new businesses
- Accommodate various business models, such as pay-as-you-go and subscriptions
- Reduce total development and operation costs

## Supporting the Launch of New Businesses by Building a Shared Platform

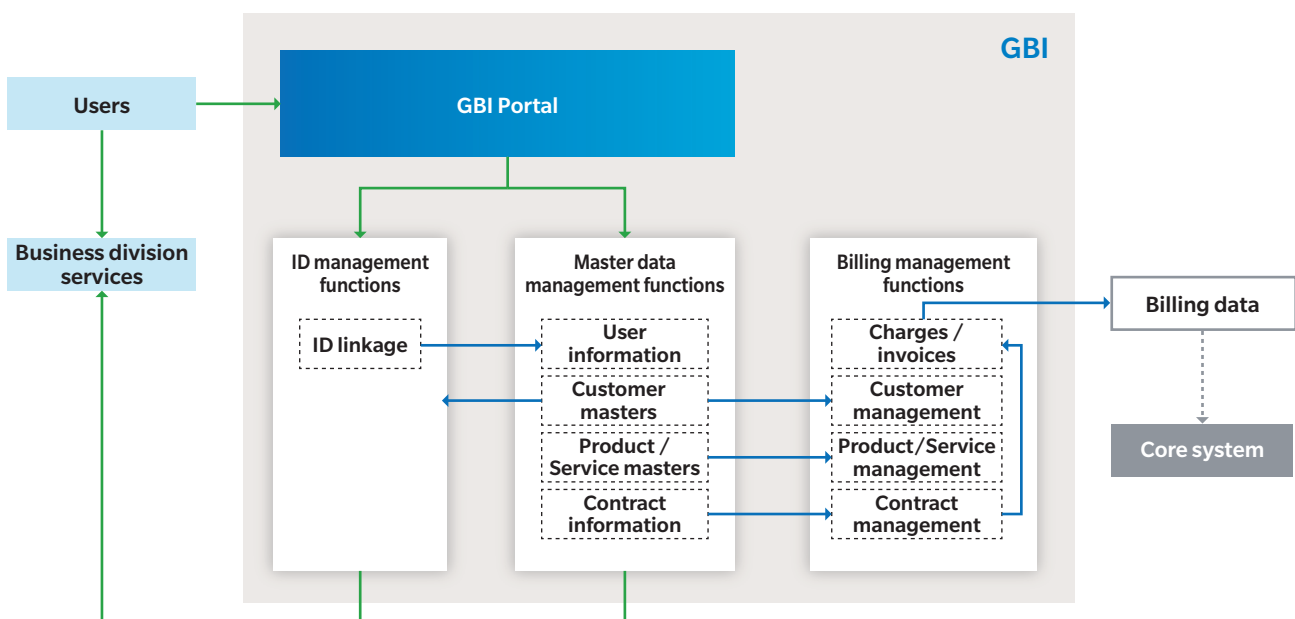
Konica Minolta is proceeding to launch new businesses using proprietary imaging IoT technology as we examine new business models. In the process, we have built Global Business Infrastructure (GBI), a Group-wide shared business platform that accommodates various business models, such as pay-as-you-go and subscriptions.

GBI includes functions for back-end processes such as user/ID management, contract management, product management, and invoicing/payments. Each business division launching a new service can

significantly shorten the time of service commencement and help lower initial development costs by using GBI. GBI strives to be a platform highly suited toward general and immediate usability and already incorporates functions to support multiple business models enabling the future development of Konica Minolta.

GBI is already in use at some new businesses and, going forward, we will enhance functions, build service operation frameworks, and link GBI with new core systems as we gradually introduce GBI at each business unit.

## GBI Overview



# Greater Utilization of RPA as a Digital Workforce

## Background to promoting RPA utilization

- As we promote work process reforms, greater efficiency for routine work tasks is indispensable
- It is necessary to shift personnel toward more creative jobs by enhancing work efficiency and productivity

## Aims of promoting RPA utilization

- Enhancing Group-wide productivity by utilizing RPA in all divisions worldwide
- Use knowledge and expertise from in-house implementation of RPA and provide it as a solutions service to customers

## Leveraging Three Years of Results to Strive for Even Broader Utilization

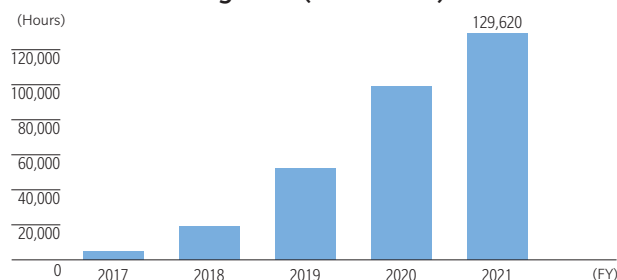
Konica Minolta considers RPA to be a digital workforce and, since launching the RPA Office in 2017, we have been promoting RPA utilization as a part of work process reforms and productivity enhancement initiatives.

In the three years up to FY2019, RPA utilization mainly started in divisions with a strong willingness and high expectations for the technology. Since business process re-engineering (BPR) is important for RPA to yield sufficient results, each business division — which has the most hands-on knowledge of its own processes — has promoted RPA utilization, including self-development. The RPA Office consisting of the members from IT Planning Division and Business Process Transformation Division has worked closely with business departments to support their self-development. As a result, in three years, we have utilized RPA to automate a total of 383 work tasks globally, which translates to a cumulative figure of approximately 50,000 hours saved. Leveraging successful cases in Japan,

we have expanded the scope of initiatives globally.

Since FY2021, we have been exploring methods to increase the efficiency of operations appropriate for the scale of operations and moved forward with initiatives through collaboration among several departments in order to further expand their use. Adding new methods and promoting greater efficiency in a wider range of operations will probably generate benefits throughout the business process.

## Hours Saved through RPA (cumulative)



## RPA Service Provision

### Leveraging RPA expertise accumulated in-house and providing services to customers tackling COVID-19 challenges

Konica Minolta Japan Inc. has created an asset from global RPA initiatives launched in 2017 and is providing this expertise as a service to customers.

Through webinars that cover in-house use cases and the most up-to-date market trends, we have attracted over 100 attendees to each session. As we provide our knowledge as a service, we sense on a daily basis that the step-by-step effort that Konica Minolta has expended to date can be of use to other businesses.

Furthermore, the environment surrounding RPA has drastically changed due to COVID-19. Rather than being targeted at productivity and efficiency improvements, automation in this age of a “new normal” is becoming indispensable as a means for increasing resilience.

Each company is moving forward with a DX, and by providing a series of seamless services that range from consulting and digitalization of hard-copy materials using AI-OCR to automation of operations through RPA, Konica Minolta is helping customers undertake the greatest DX possible.

Going forward, rather than selling RPA simply as an IT solution, Konica Minolta will continue contributing to customers’ work-style transformation and DX through RPA.

Konica Minolta’s RPA for achieving DX  
<https://www.konicaminolta.jp/business/solution/rpa/index.html>



## Strengthening our IT Security



### Policies Grounded in the Medium-Term Plan

- Raising security measures to a more advanced level
- Strengthening our framework for practical responses to incidents
- Strengthening customer information management



### Priority measures

- Making internal IT security measures more advanced, including production plants
- Achieving a comprehensive Group-wide security supervision framework that includes products and services
- Improving the effectiveness of customer information management

### IT Security Management System

We have established a comprehensive Group-wide security management framework and are continually raising the IT security level of each Group company. Since 2009, all Group companies inside Japan have received and maintained the global-standard ISO/IEC 27001 certification. Overseas Group companies are also working individually to build internal management frameworks.

Furthermore, with KM-CSIRT,\* we are conducting annual training for all Group companies inside and outside Japan, while also verifying and upgrading the effectiveness of our incident reporting framework.

\*KM-CSIRT: KONICA MINOLTA Computer Security Incident Response Team

### Establishing an IT Security Management Office (SMO)

The SMO is a Group-wide organization that uses supervision, instructions, monitoring, and evaluations to implement security risk management across Konica Minolta, including services and products. With activities commencing in April 2021, we established regional SMOs for the Americas, Europe, China, and APAC. The Office will ensure security throughout our entire supply chain through consistent policies and, with regard to data in particular, will make the flow of all data visually

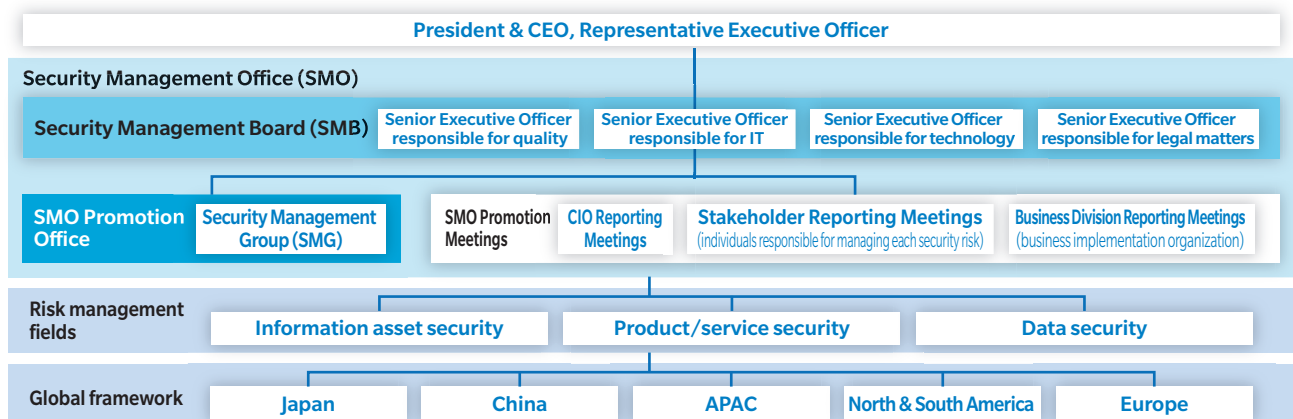
trackable and ensure comprehensive security.

### Establishing a Secure IT Environment

We have installed a next-generation firewall as a measure to prevent information leaks, in addition to measures to protect our networks from various threats. We have established an environment for safe and secure internet usage, including real-time protection against known threats, detection of unknown threats, visualization of users and applications in use on the network, as well as monitoring and control in line with security policies. Moreover, we conduct penetration tests and have elucidated our protection level and weaknesses.

Also, starting before the spread of COVID-19, we have been providing a Virtual Private Network (VPN) service that includes a quarantine function, for employees to access in-house systems from home or a remote location. This helps create an environment that improves employee convenience and takes security into account. Furthermore, as the use of Software as a Service (SaaS) has spread in recent years, we introduced software (cloud proxy) for security checks that are equivalent to in-house ones and reinforced measures to prevent information leaks when accessing services over the internet from outside the company.

### Comprehensive Security Management System



# Strengthening our IT Talent

### HR Basic Strategy: Transforming into a community of professionals

- Secure, train, and use talent  
Train and then assign talent who can contribute to business
- HR system operation  
Both increase the skills of employees and expand business
- Organization, culture, DNA  
Maximize performance of the organization and individuals

### Priority measures

- Clarify and foster Global DX promotion leaders and train talent to implement DX
- Introduce multiple-track personnel promotion system and IT skills certification system and strengthen the training program
- Conduct Global Employee Survey (Your Voice) and make visible state of organization and IT skills

## Human Resources Training in DX2022

In our new Medium-Term Business Plan DX2022, we outlined our goals of achieving “DX as a Service,” leveraging DX to transition into highly profitable businesses, and “becoming a Company clearly committed to solving social issues.” As a human resources reinforcement strategy for realizing these goals, we have a three-pronged approach for drawing out the latent talents of personnel—who are our wellspring for generating new value—as we strive to become an organization in which individuals shine. The first pillar of our approach is to strengthen personnel who will make “DX as a Service” a reality. We are moving forward with establishing a training and evaluation system for strengthening core-technology personnel and personnel with advance specializations, in addition to training leaders to promote DX. The second pillar is to leverage personnel who can achieve our business portfolio. We will train sophisticated, professional employees through re-skilling and up-skilling programs, as well as establishing systems to support self-directed growth. The third pillar is to improve personnel engagement. We will provide jobs and an environment in which employees can use their own initiative to take on challenges, apply work-styles that fit each person, reap results, and thereby gain a sense of personal growth.

## Reinforcing our IT talent as We Strengthen DX Business

Based on the human resources reinforcement strategies above, we are pursuing three measures to strengthen DX business promotion as we strive to secure personnel who can tackle each type of IT strategy, planning, and project.

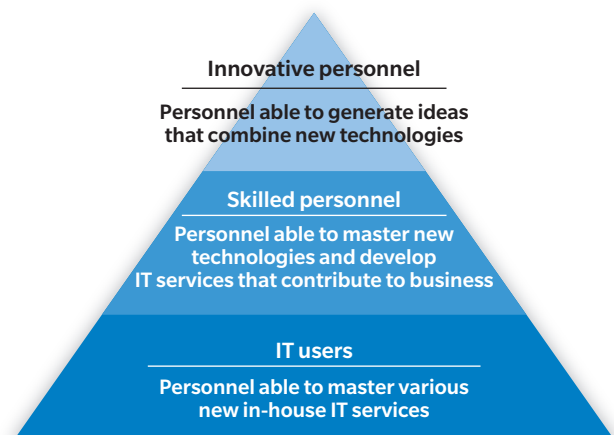
The first measure is “strengthening skilled personnel (IT professionals).” The HR Division, technology departments, business departments, and IT

Planning Division will work together to train skilled personnel who possess specialized skills and can contribute to business growth as the business structure throughout the company is transformed. We will move forward with building an IT skills certification system linked to the multiple-track personnel promotion system as a foundation for training.

The second is “strengthening talent (that is, all employees) able to utilize IT.” We will introduce throughout the company training so that all Konica Minolta employees can master the basics necessary to use IT and promote their own transformation.

The third measure is “shifting our IT talent.” To contribute to business structure reforms, we are reassigning personnel and undertaking procurement/training to generate business growth and promote IT themes. In particular, we are reinforcing the fields of data utilization, including data management, AI, and security, which are priority fields.

## Konica Minolta’s IT talent model



# IT Management



## Policies Grounded in the Medium-Term Plan

- Optimizing global IT organizational management
- Promoting global IT governance



## Priority measures

- Optimizing global IT organizational operations from regional, functional (sales, services, development, production, etc.), and business perspectives, in order to contribute to dynamic (speedy and agile) business, improve investment and cost efficiency, and mitigate risk
- Promoting IT governance, management, and thorough implementation

### Global IT Department Structure

The Konica Minolta Group is made up of approximately 170 companies that include companies for R&D, manufacturing, equipment and service sales and after-sales service as well as companies that handle shared service functions for internal purposes. The IT departments in the Konica Minolta Group collectively make up a structure of approximately 900 members worldwide, including approximately 300 members in Japan and 600 members outside Japan.

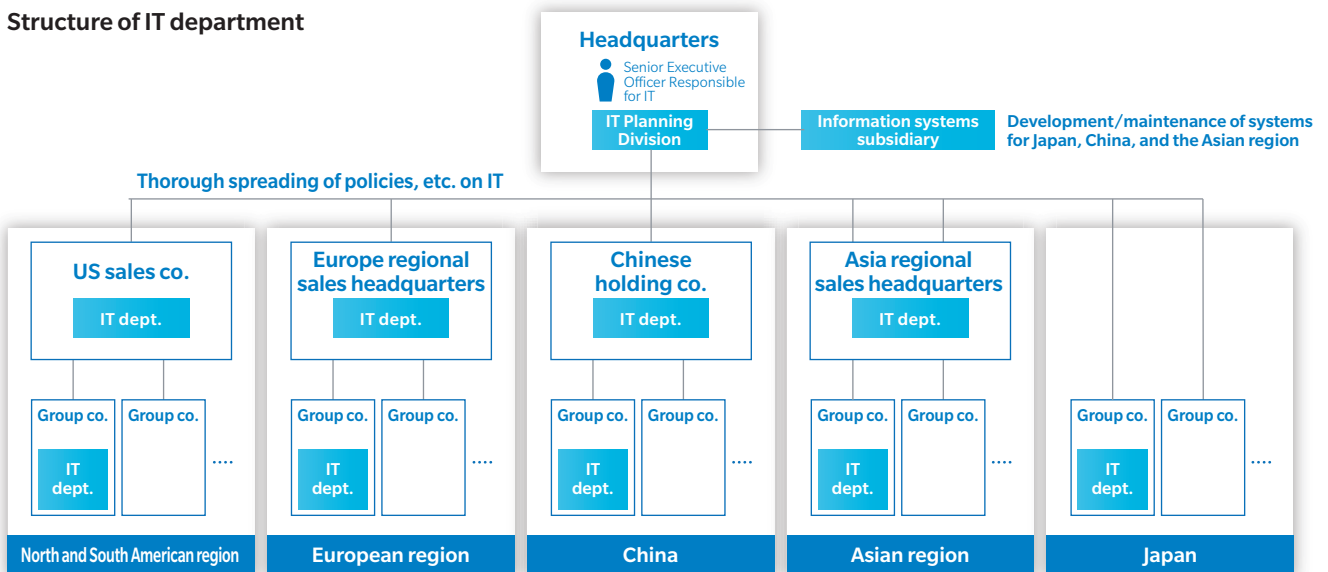
The IT Departments of sales companies in each region formulate Konica Minolta IT Governance Guidelines as common rules and supervise Group companies in order to ensure that IT policies formulated by the head office are thoroughly spread across the globe. The development, maintenance and operation of many of the information systems in the Japanese, Chinese and Asian regions are handled by

Konica Minolta Information Systems Co., Ltd., an information systems subsidiary of Konica Minolta.

### Global IT Operations

The Global IT Management Board, which brings together responsible parties from the head office's IT Planning Division and regional IT departments, meets twice a year to discuss IT management promotion. In FY2021, participants received reports on the status of IT management in each region, shared information on IT measures and examples of successful practices that contribute to the elevation of customer value, and shared information on the status of security and personal information protection in each country. In addition, the meetings play a key role in global IT operations, including holding discussions on policies for the next wave of ERP, strengthening security, and maximizing the benefits from IT investments.

### Structure of IT department



## Platform Supporting DX

### Independent Evaluation of DX promotion

In 2021, Konica Minolta was designated a DX-Certified Business Operator under the DX Certification System established by Japan's Ministry of Economy, Trade and Industry. This designation signifies official recognition of Konica Minolta's across-the-board initiatives to achieve a DX, which include leveraging DX to shift to highly profitable businesses, incorporating a clear commitment to solving social issues in our corporate management policy, developing specific plans for use of our digital technologies, such as plans to create new value through our proprietary imaging IoT platform and data utilization, and establishing the Executive Officer Responsible for DX post.

Furthermore, we completed the annual Digital Transformation Survey (DX Survey), which is used to select companies working to make strategic use of IT, and our reformation of the business model and initiatives to generate new growth and strengthen competitiveness were highly rated.



#### History of previous awards received

2016 Competitive IT Strategy Company Stock  
 2017 Noteworthy IT Strategy Company  
 2019 Noteworthy IT Strategy Company  
 2020 DX Stock  
 2021 DX Survey 2021: Excellent company in the "Customer Care" category in the "COVID-19 Response" section

### IT Reverse Mentoring Activities to Accelerate DX

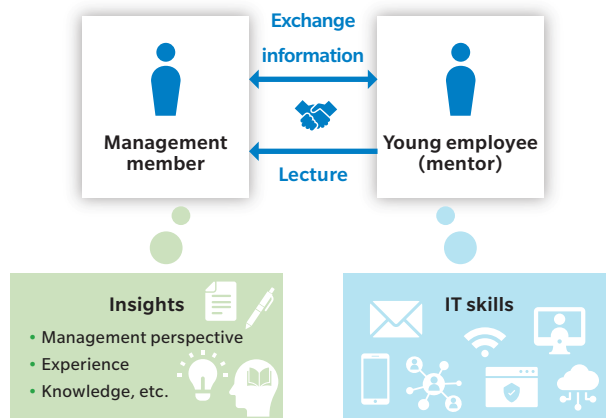
Konica Minolta is moving forward with its IT Reverse Mentor initiative, in which a management member and employee exchange information on IT technology and insights one-on-one.

In a so-called "mentor program," a superior or more senior coworker serves as a mentor and supports the mentee, but in the reverse mentor program, an employee who routinely uses IT imparts knowledge and skills necessary to make effective use of IT tools to a management member. The goal of the program is to accelerate our DX, starting with management.

In addition, the mutual exchange of information, including management members communicating their unique perspective and experience as managers to mentors enlivens communication between departments and age groups and contributes to the development of young talent.

The program was launched in FY2020 on a limited scale, and in FY2021, the number of participants was increased and mentors, one member of the pair, were recruited in-house. We will continue to promote the program in FY2022.

#### Exchanging information on IT and knowledge between officers and young employees one-on-one





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