

**News Release** 

## Konica Minolta to Accelerate Manufacturing Reforms by Combining IoT Technology with the Capabilities of Employees at Manufacturing Sites and Encourage Open Innovation in Cooperation with Suppliers Joining the Smart Industrial Centre Project in Malaysia

Tokyo (June 11, 2019) – Konica Minolta, Inc. (Konica Minolta) has been promoting workflow reforms for production facilities under its digital manufacturing initiatives towards the goal of establishing production systems that are independent of people, place, country and fluctuations. As part of its efforts to achieve this goal globally, Konica Minolta has introduced digital manufacturing solutions in its production base in Malaysia, and is now ready to join the Smart Industrial Centre (SIC) project to achieve open innovation in production activities in cooperation with its suppliers. Through the SIC project, Konica Minolta hopes to establish competitive manufacturing solutions moving beyond conventional value chains, enter a new stage of digital manufacturing, and introduce such solutions also in Japan and China in the future.

## Digital Manufacturing Initiatives of Konica Minolta

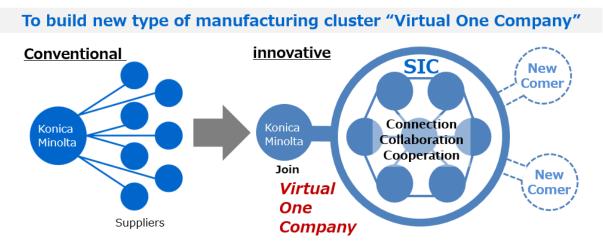
At Konica Minolta, dependence on manual skills and personal know-how, concentration of production in certain regions and bases, and inability to successfully deal with fluctuations in production conditions have significantly affected the efficiency of production. Through digital manufacturing initiatives, Konica Minolta aims to address these problems by combining the power of employees at production sites, which the company has nurtured over many years, with IoT technology, which has undergone rapid progress in recent years, and increase its manufacturing competitiveness. In addition to automating production processes for saving labor and improving quality, the company is striving to process, aggregate, analyze and apply various data obtained from production activities and deploy IoT technology to combine production data across different manufacturing processes, production bases and companies, thereby adding new value. In doing so, Konica Minolta hopes to shift to manufacturing that reduces dependence on personal skills as much as possible by standardizing and quantifying production data, that better caters to consumption needs on a global basis, and that absorbs fluctuations and minimizes losses.

SIC

Amid the intensifying digital transformation, the Malaysian government has adopted the "Industry 4.0" approach, or digital transformation of the manufacturing sector and its related services. The country has been actively promoting Industry4WRD, a national policy that aims to enhance productivity, train skilled professionals, and create jobs by facilitating industrial upgrading.

Since 2015, Konica Minolta has been carrying out digital manufacturing initiatives at Konica Minolta Business Technologies (Malaysia) Sdn. Bhd., its Malaysian production base in Malacca State. The company has expanded the range of data connection, and continued to collect, analyze and use data to improve quality and work efficiency at its production base by making the most of automation and ICT.

In SIC, companies in various industrial sectors are working together to build a new type of manufacturing cluster known as a "virtual one company," which is a new form of regional collaboration among manufacturers in Malaysia. By bringing together companies from various fields, SIC enables manufacturing to be conducted in a way that would be difficult for a single company alone, while creating new value beyond the borders of industries. As part of its efforts to facilitate production reforms, Konica Minolta has already been working closely with local suppliers to carry out various improvements at production sites. Konica Minolta is also determined to support companies participating in SIC by sharing its innovative technologies for digital manufacturing and to establish a new manufacturing model in Malaysia through open innovation, thereby raising the global profile of Malaysia in the international manufacturing industry. Furthermore, the company is committed to promoting digital manufacturing initiatives worldwide, including Japan and China in the future.



## **Concept of SIC & Virtual One Company**