News Release

Konica Minolta to Launch DX Support Platform for Local Governments
Facilitating Workstyle Reform for Local Government Employees Who Face Difficulties under the Covid-19 Pandemic and Helping Enhancement in Public Services

Tokyo (June 25, 2021) – Konica Minolta, Inc. (Konica Minolta) announced that it will launch DX Support Platform for Local Governments (DX Support Platform), a new service to help local governments throughout Japan implement DX, on July 1, 2021.

Aims of Konica Minolta in launching the DX Support Platform service:
- To provide a platform for sharing workflow and other relevant information among employees of different local governments to enable them to promote business process reengineering (BPR*1) on their own.
- To support local governments in streamlining and standardizing work processes in accordance with the national government's scheme to standardize digital systems.
- To extend the service to 100 local governments during FY2021 and 1,000 local governments by FY2023 in cooperation with all its business partners (34 companies as of June 2021).

Japanese local governments have experienced unprecedented manpower shortages in recent years, partly because of the ever-increasing workload per employee caused by the Covid-19 pandemic and natural disasters, and partly because of the rapid aging of employees. Under the circumstances, local governments have high hopes that digital transformation (DX) will dramatically enhance productivity and solve ongoing problems. Implementing DX inevitably involves a large amount of streamlining and standardizing of work processes. Past experience has shown that a suboptimal approach to system unification cannot solve fundamental problems. The standardization of digital systems, which starts in FY2021 at the initiative of the Digital Agency, is inextricably associated with the streamlining and standardization of work processes.

Recognizing the importance of combining the system standardization with the work process streamlining and standardization, Konica Minolta has developed a method for applying its BPR approach, which it has created through its long history in the manufacturing industry, to the streamlining and standardization of local administrative work in cooperation with more than 50 local governments. The DX Support Platform service enables the government-wide classification of jobs that can be done only by government employees and those that can be done by non-

government employees by visualizing work volume and procedures in a comprehensive manner. The service thus facilitates workload reallocation by automating and outsourcing jobs that can be done by non-government employees but have been conventionally done by government employees, using robotic process automation (RPA*2) and AI-OCR technologies.

In this way, the service allows government employees to concentrate on the jobs that only they can do and reduces their excessive workload, thus helping to improve public services. Furthermore, it can assist the business continuity planning (BCP) of local government employees when mobilized to respond to an emergency.
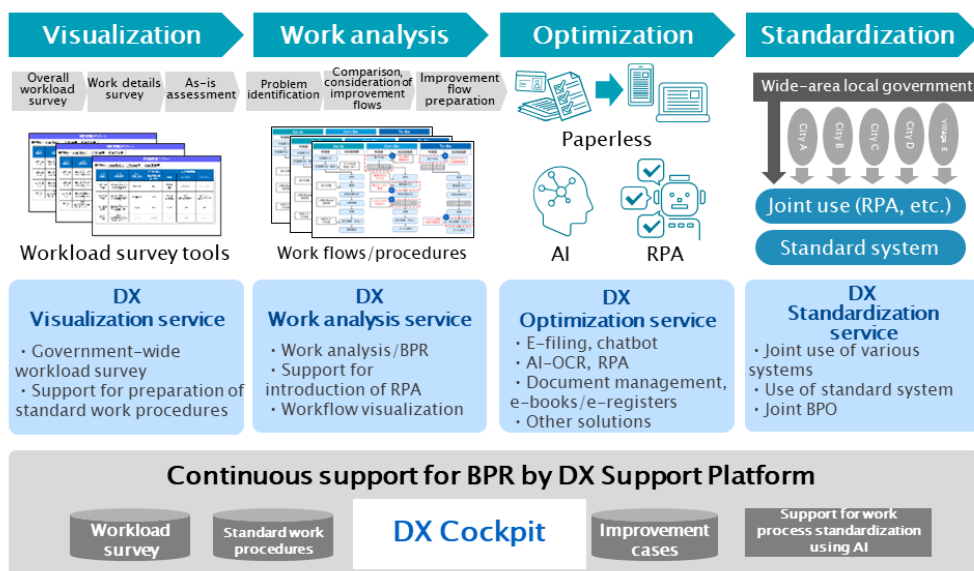
Konica Minolta aims to extend the DX Support Platform to 100 local governments during FY2021 and 1,000 local governments by FY2023 in cooperation with all its business partners (34 companies as of June 2021).

Values Offered by DX Support Platform

1. Facilitate data-driven problem-solving by leveraging the know-how that Konica Minolta has developed in the manufacturing industry

Throughout its long history as a manufacturer, Konica Minolta has continuously improved its business processes through a data-driven approach, by intensively collecting data and visualizing problems to be solved, in line with its Quality Policy, "Management based on facts." The DX Support Platform was developed leveraging the know-how the company has gained through such experience. The company classified as many as 800,000 data items collected in on-site surveys into some 4,800 patterns according to job and work categories, analyzed them by AI, and succeeded in developing a template for a support menu that encompasses visualization, problem identification, optimization, standardization and sharing.

OUTLINE OF DX SUPPORT PLATFORM FOR LOCAL GOVERNMENT SERVICES

2. Help local government employees promote BPR at their own initiative by comparing their workflows with those of other local governments

The DX Support Platform offers visualization, work analysis, optimization and standardization services.
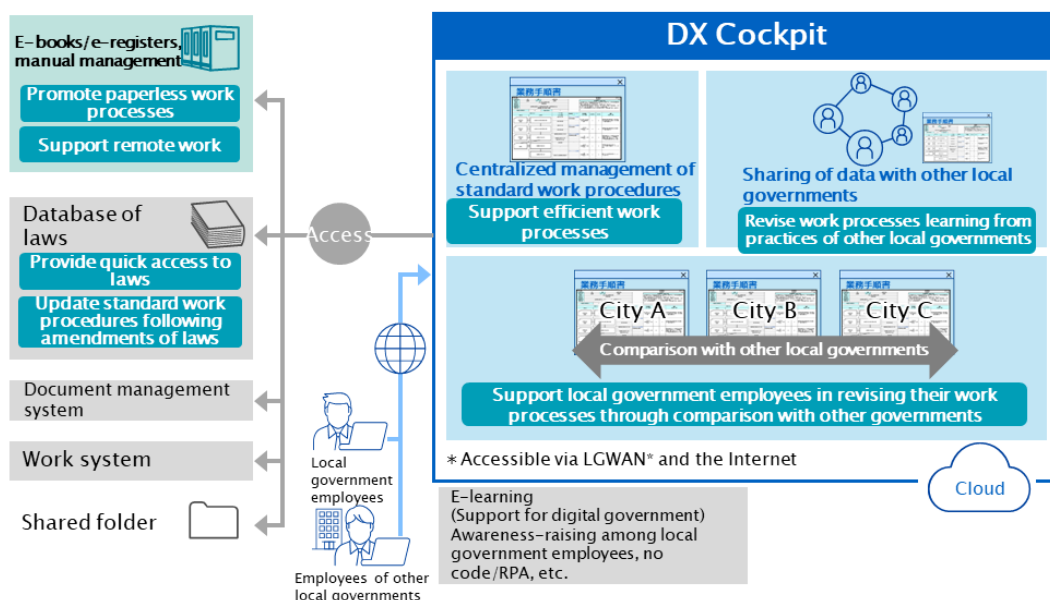These services are provided through the DX Cockpit, which stores workflow data of local governments. Local government employees can access the DX Cockpit via the Local Government Wide Area Network (LGWAN) as well as the Internet to refer to the workflows of other local governments in their respective job categories and set any workflow model that they find is more efficient than their own as a benchmark. All the services offered on the DX Support Platform are based on the data obtained by visualizing the work processes of the 50 local governments associated with Konica Minolta. Government employees can select any of the services according to their individual needs.

3. Accelerate the shift to remote work for local government employees

The DX Cockpit also provides local government employees with access to the standard work procedures, legal information, registers[3], and manuals of other local governments as well as their own, allowing them to access necessary information safely from anywhere when outside of the government office, if they are connected to the LGWAN. In this way, the DX Support Platform helps them work remotely while improving public services, even if they have to work in shifts or staggered hours due to emergencies such as the Covid-19 pandemic. The DX Support Platform also serves as key infrastructure for promoting workstyle diversity.

OVERVIEW OF DX SUPPORT PLATFORM FOR LOCAL GOVERNMENTS

Facilitate shift to remote work (workstyle diversity) for local government employees

4. Enable joint use among smaller local governments

The DX Support Platform is not intended for large local governments only. Konica Minolta is actively promoting the shared use of digital systems for smaller local governments that cannot introduce the DX Support Platform alone due to low cost-effectiveness. For example, Konica Minolta conducted a pilot demonstration with the Nagano prefectural government for the Ministry of Internal Affairs and Communications in FY2020, and proved that "local governments can share the RPA system at low cost by standardizing workflows and administrative documents, even if they use different mission-critical systems." Based on this finding, Konica Minolta will extend services to smaller local governments through its DX Support Platform.

Standard Licensing Fee

DX Support Platform is offered at a subscription license fee of 900,000 yen per year (excluding tax), in units of 30 user accounts in a package.

*1: BPR stands for Business Process Reengineering.
*2: RPA stands for Robotic Process Automation, a software robot developed for work automation.
*3: Books and registers of local governments

Local Government DX Support Platform website (Japanese)
https://www.konicaminolta.com/jp-ja/govchois

Attachment

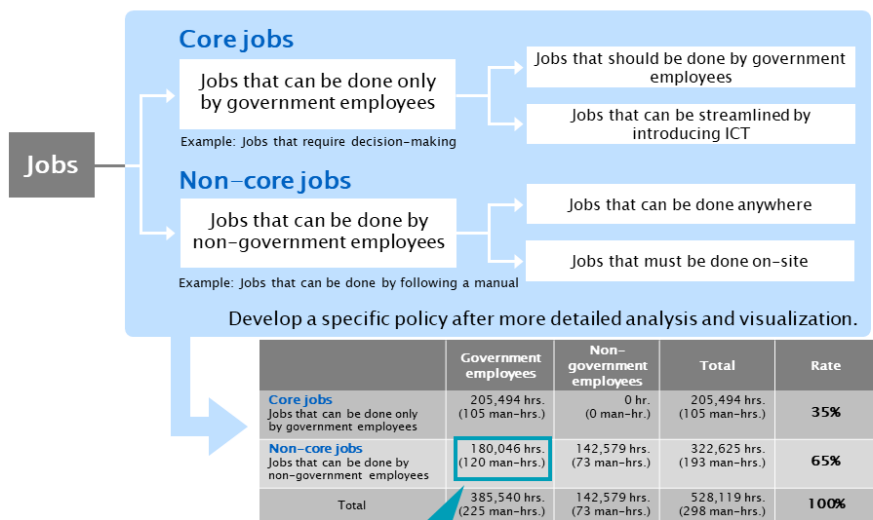## 1. Problems facing local governments and solutions offered by Konica Minolta

Due to the rapid aging of employees, it has become increasingly difficult for local governments to secure staff. The Covid-19 pandemic has also highlighted various other problems for local governments, such as: the inability of local government employees to share workload among themselves due to the lack of manuals; the difficulty of working remotely; and the inconvenience of simultaneously using electronic and paper documents. The causes of these problems include: no distinction made between jobs that can be done only by government employees (core jobs) and other jobs (non-core jobs); the unavailability of standard work procedures; the lack of a system to build know-how; too much reliance on paperwork; a culture that makes employees hesitant to propose improvements; and the delay in deploying ICT due to budget restrictions.

As a result of analyzing these situations, Konica Minolta has determined that to help local governments solve their problems, it is necessary to: (1) visualize the current workload and work details, (2) develop standard work procedures, and (3) improve work processes.

Since FY2018, Konica Minolta has been conducting work process surveys in cooperation with more than 50 local governments to identify under what laws local government employees work, as well as their work procedures, means of work, use of seals for administrative procedures, work hours and frequency, and has collected as many as 800,000 data items. By analyzing these data from various angles, Konica Minolta was able to visualize the work structure and workload in quantitative terms, and identify tasks that should be prioritized as part of business process reengineering (BPR).

FINDINGS OF GOVERNMENT-WIDE WORKLOAD SURVEY

By visualizing the distribution of jobs that can be done only by government employees (authoritative jobs: core jobs) and other jobs, it is possible to identify the areas in which efficiency could be improved and workforce reallocated.

Jobs

Core jobs
Jobs that can be done only by government employees

Example: Jobs that require decision-making

→ Jobs that should be done by government employees

→ Jobs that can be streamlined by introducing ICT

Non-core jobs
Jobs that can be done by non-government employees

Example: Jobs that can be done by following a manual

→ Jobs that can be done anywhere

→ Jobs that must be done on-site

Develop a specific policy after more detailed analysis and visualization.

	Government employees	Non-government employees	Total	Rate
Core jobs Jobs that can be done only by government employees	205,494 hrs. (105 man-hrs.)	0 hr. (0 man-hr.)	205,494 hrs. (105 man-hrs.)	**35%**
Non-core jobs Jobs that can be done by non-government employees	180,046 hrs. (120 man-hrs.)	142,579 hrs. (73 man-hrs.)	322,625 hrs. (193 man-hrs.)	**65%**
Total	385,540 hrs. (225 man-hrs.)	142,579 hrs. (73 man-hrs.)	528,119 hrs. (298 man-hrs.)	**100%**

Example: Results of a survey conducted with City K (Rates of core and non-core jobs)

Job area where workforce reallocation should be considered to improve public services

In one local government, it was found that non-core jobs and core jobs accounted for 65% and 35% respectively, revealing the necessity of allocating the workload of non-core jobs to non-government employees to enable government employees to concentrate more on public services. Furthermore, 80% of the non-core jobs were found to rely on paperwork, and so it was recommended to shift to paperless work processes. Konica Minolta supports BPR efforts of local governments by identifying the job areas that have room for improvement by introducing RPA and AI-OCR technologies, and calculating cost-effectiveness.

2. Support for local governments in complying with the scheme of the national government to standardize information systems

Local governments are required by the national government to promote BPR and develop a DX promotion plan founded on evidence-based policy making (EBPM) during the first half of FY2021. Konica Minolta is ready to help local governments in these endeavors with the DX Support Platform for Local Governments (DX Support Platform).

Based on the data of 50 local governments, the DX Support Platform covers the "As-Is" situations of all 17 job categories that the national government has decided should be prioritized in the standardization of information systems, and the "To-Be" workflows that can be envisioned in light of the policy of the national government. The DX Support Platform allows local governments to use its data as a guide for standardizing their systems, and to compare their workflows with those of other governments to identify what they can do now as a step toward achieving the "Can-Be" state. In so doing, local governments can formulate specific plans and assign budget.

Konica Minolta also helps local governments to shift smoothly to data-based streamlined work processes, while working to standardize information systems in compliance with the policy of the national government. Konica Minolta will summarize the issues that should be addressed in the BPR process, and encourage the national government to take measures necessary to facilitate the process, such as amendment of laws and development of standard specifications.

In April 2021, Konica Minolta joined the Open Government Consortium (OGC) to support national policies by developing recommendations through discussions among OGC member companies and offering the recommendations to the national government on behalf of the OGC.

3. Future business development

Konica Minolta will continue expanding the DX Support Platform services in cooperation with more than 30 companies, including consulting firms that are actively promoting business with local governments, and system integrators.

The company is also working with Change Inc. and its subsidiaries, Trustbank, Inc. and Digital Growth Academia, Inc. (Change Group), to offer its DX Support Platform services to a number of local governments served by the Change Group, and will

conduct training to enhance the digital skills of local government employees.

For more information about the Open Government Consortium: https://ogc.or.jp/ (Japanese)

Digital workplace business of Konica Minolta

Konica Minolta is raising its corporate value by addressing social issues, enhancing intangible assets and business competitiveness through DX, and offering value in a sustainable manner. In the digital workplace business, the company builds an ecosystem where various customers and partners are connected. Its business has been evolving to support customers' workflow reform on an ongoing basis. It has also been working actively to help improve operations by visualizing the administrative affairs of local governments utilizing know-how refined through in-house manufacturing operations and workstyle reform. As of the end of May 2021, Konica Minolta supports BPR of more than 50 local governments, including prefectures, ordinance-designated cities, and core cities across Japan, such as Ehime Prefecture, Sapporo City, and Kobe City.