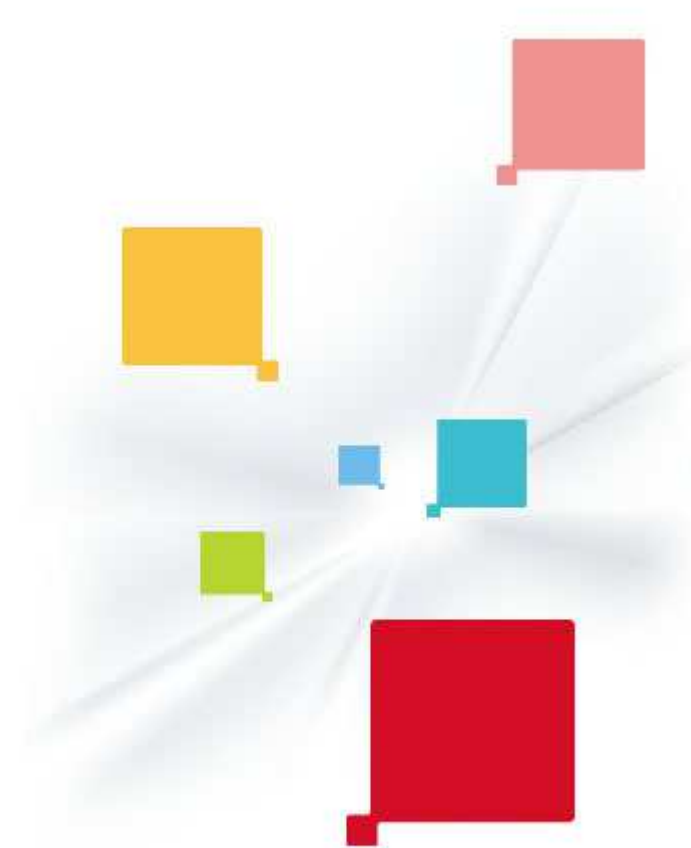


# Consolidated Results for Six Months Ended September 30, 2022

November 4, 2022

**Ricoh Company, Ltd.**



# Forward-Looking Statements

The plans, prospects, strategies and other statements, except for historical events mentioned in these materials are forward-looking statements with respect to future events and business results. Those statements were based on the judgment of Ricoh's Directors from available information. Results may differ materially from those projected or implied in such forward-looking statements and from historical trends. Refrain from judgments based only on these statements with respect to future events and business results. The following important factors, without limiting the generality of the foregoing, could affect future results and cause those results to differ materially from those expressed in the forward-looking statements:

- a. General economic conditions and business trends
- b. Exchange rates and fluctuations
- c. Rapid technological innovations
- d. Uncertainty as to Ricoh's ability to continue to design, develop, produce and market products and services that achieve market acceptance in intensely competitive markets

No company's name and/or organization's name used, quoted and/or referenced in this material shall be interpreted as a recommendation and/or endorsement by Ricoh.

This material is not an offer or a solicitation to make investments. Do not rely solely on these materials for your investments, decisions on which are your responsibility.

**Note: These materials define fiscal years as:**  
FY2022 (or fiscal 2022) = Fiscal year ended March 31, 2023, etc.

# Overview of FY2022 First-Half Results

# Key Points about Performance during Term

## Results

- Operating profit rose 1.8-fold from a year earlier, with all business units boosting revenues and earnings
- Numbers were lower than targeted, owing primarily to Office Printing hardware sales and deliveries slipping to second half and ongoing impact of shortages of some ICT equipment

### Office Printing

Hardware: Although Shanghai lockdown was lifted in June, its impact continued through mid-August, delaying supplies to markets, while production system normalized despite some residual parts procurement challenges, with production and supply allocations proceeding in keeping with customer needs

Non-hardware: Basically as forecasted, although slightly weaker than anticipated

### Office Services

Despite residual impacts of shortages of some products, sales of ICT product-independent sales in Japan began bearing fruit in September

In Japan, took steps to secure deals and profits, including by providing effective sales training and launching of RICOH kintone plus

Continued growing YoY in Europe and Americas, including by generating synergies with acquired companies

- Absorbed impact of rising costs by flexibly controlling prices

## Forecasts

- Lowered our operating profit forecast to ¥85 billion yen in view of procurement and supply chain risks for some components

## Initiatives to enhance capital returns

- Completed buybacks of shares, retiring them on October 31, 2022 (representing 4.4% of issued and outstanding total)
- Have retained initial annual dividends forecast of ¥34 per share

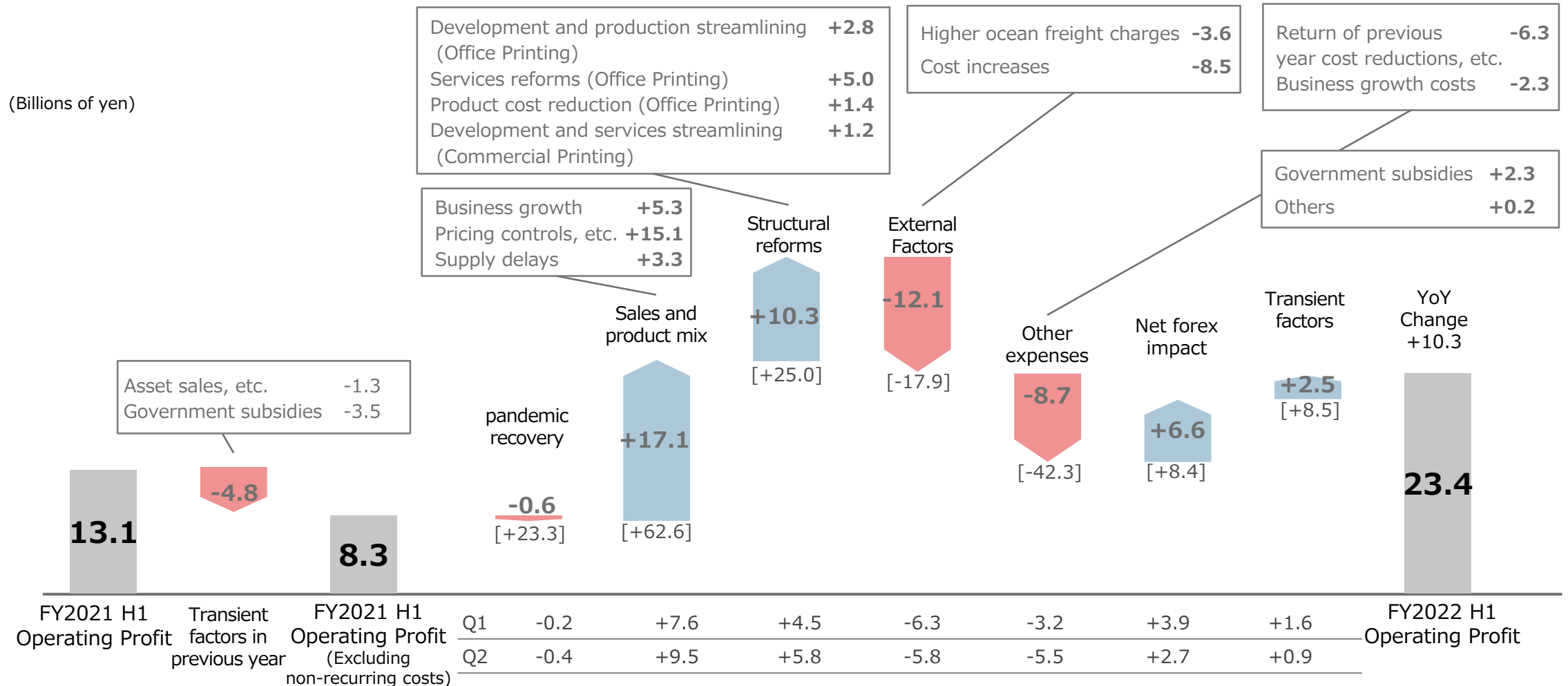
# Key Indicators

Although numbers were up from year earlier, did not reach initial targets owing to product shortages and other factors

	FY2021 H1	FY2022 H1	Year on year change	
<b>Sales</b>	843.4	<b>973.5</b>	<b>+130.0</b>	+15.4%
Gross profit	304.9 (36.2%)	346.2 (35.6%)	+41.3	+13.6%
Selling, general and administrative expenses	291.8 (34.6%)	322.8 (33.2%)	+30.9	+10.6%
<b>Operating profit</b>	<b>13.1</b>	<b>23.4</b>	<b>+10.3</b>	+79.0%
Operating margin	1.6%	2.4%	+0.8pt	-
<b>Profit attributable to owners of the parent</b>	<b>11.1</b>	<b>14.9</b>	<b>+3.7</b>	+33.7%
EPS	16.07	23.87	+7.80	
Average exchange rates	Yen/US\$ 109.79 Yen/euro 130.86	133.92 138.70	+24.13 +7.84	
R&D expenditures	47.9	49.7	+1.8	
Capital expenditures	15.2	18.4	+3.2	
Depreciation	20.7	20.4	-0.3	

# Operating Profit Comparisons

- Office Printing hardware supply delays and ICT product shortages affected recovery from pandemic and Office Services business growth
- Absorbed higher-than-expected hikes in raw materials, energy, and other costs by controlling prices

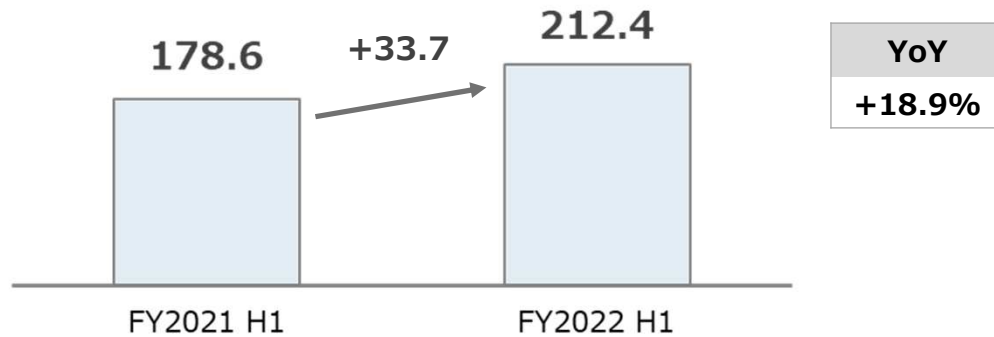


[ ] : Annual forecast

## Flexible production efforts drove revenue and earnings gains

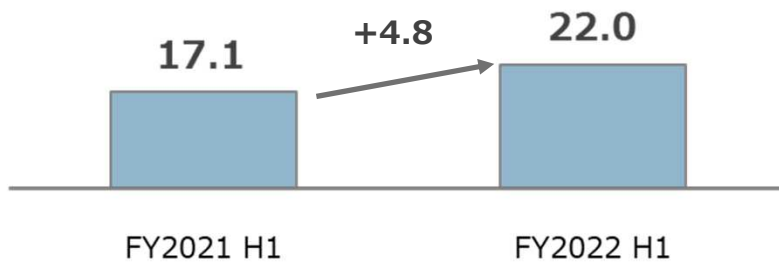
### Sales

(Billions of yen)



### Operating profit

(Billions of yen)



### Overview

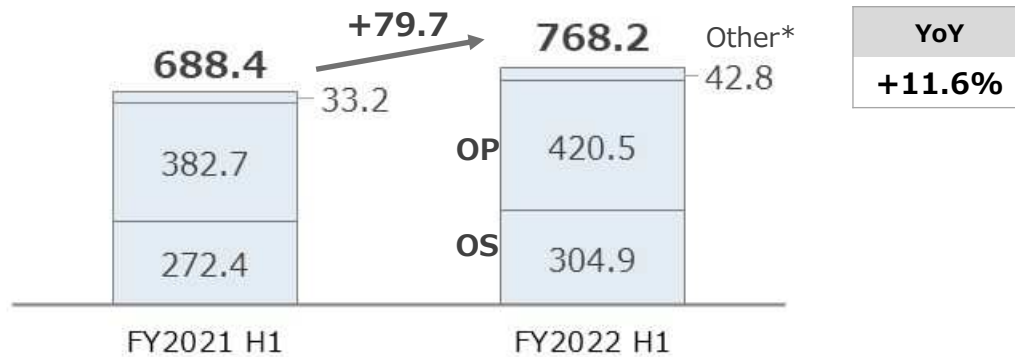
- While production structure normalized in June after Shanghai lockdown, procurement remained unstable for some parts
- Deployed flexible manufacturing and other production measures
- Failed to reach variable cost-cutting targets
- Strategically allocating production and supplies to meet customer needs

# Ricoh Digital Services

## Revenues and earnings increased despite MFP and ICT product shortages

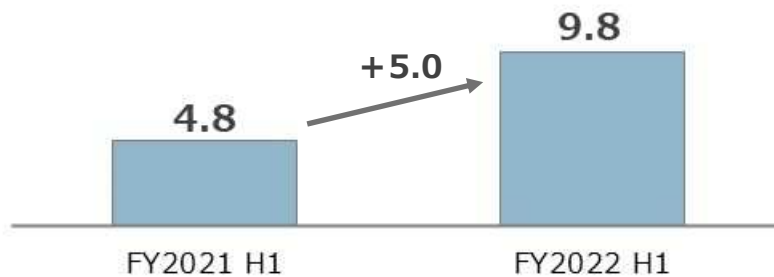
### Sales

(Billions of yen)



### Operating profit

(Billions of yen)



### Overview

#### Office Printing

- Hardware: Shortages of A4 MFPs and other factors hampered set deliveries, detracting from H1 sales  
Continuing flexible pricing controls
- Non-hardware: Performed basically on target overall, notwithstanding differences across regions

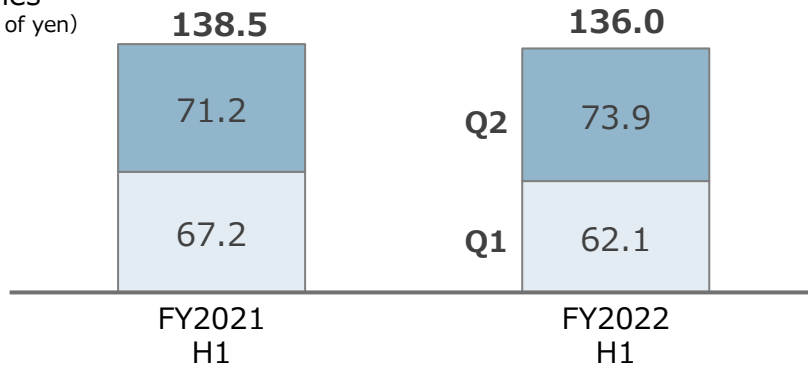
#### Office Services

- Posted double-digit sales growth

Sales (Billions of yen)	FY2022 H1	YoY
<b>Office services business</b>	<b>3,049</b>	<b>+11.9%</b>
IT infrastructure (hardware and software)	1,064	+2.2%
IT services (including maintenance and outsourcing)	666	+14.5%
Applications (business-specific apps and in-house apps)	561	+10.4%
Business Process Services	587	+23.3%
Others	169	+46.3%



## Japan Sales (Billions of yen)



## Scrum series sales rose 15% amid ongoing impact of ICT product shortages

### (1) Scrum packages (targeting small and medium-sized enterprises)

- Provided extensive sales training to generate deals for 24 scenarios independent of ICT products
- Efforts bore fruit from September, with unit sales reaching new high
- Benefited from robust performance of security-related products and solid growth in back-office products, such to comply with legal reforms

### (2) Scrum assets (targeting mid-sized companies)

- Sales were solid, jumping 69% YoY
- Robust performance centering on post-deployment operational services

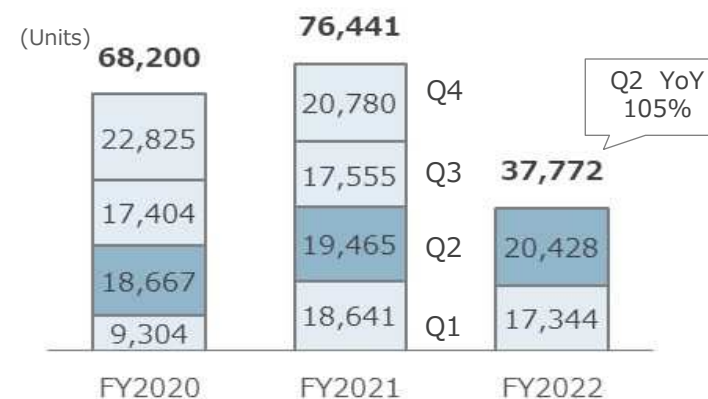
### (3) RICOH kintone plus sales (October 21)

- Made more than 15 proprietary industry-specific application templates available
- Bolstered proposal capabilities by drawing on business improvement expertise cultivated with Scrum series
- Deployed kintone certification training program to further reinforce structure

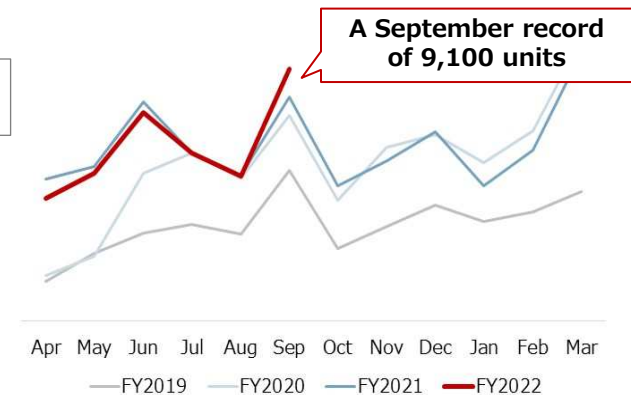
## Scrum Series Sales

FY2022	(YoY)		
	Q1	Q2	H1
Scrum packages	9.4 (85%)	12.3 (94%)	21.8 (90%)
Scrum assets	6.0 (208%)	12.7 (156%)	18.8 (169%)
<b>Total</b>	<b>15.5 (110%)</b>	<b>25.1 (118%)</b>	<b>40.6 (115%)</b>

## Scrum Package Sales

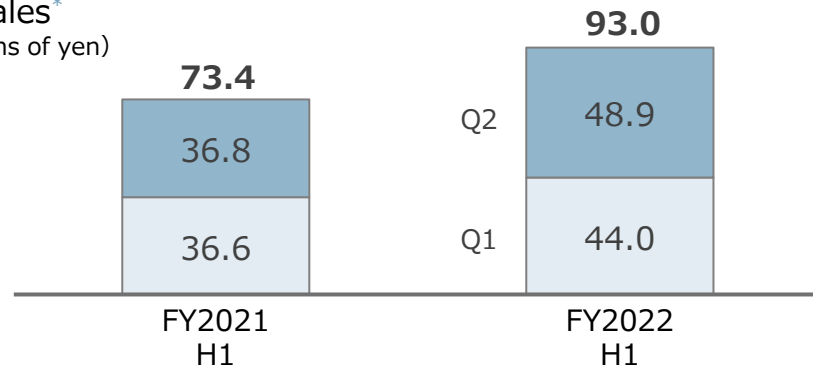


## Monthly unit sales of Scrum packages



## Europe

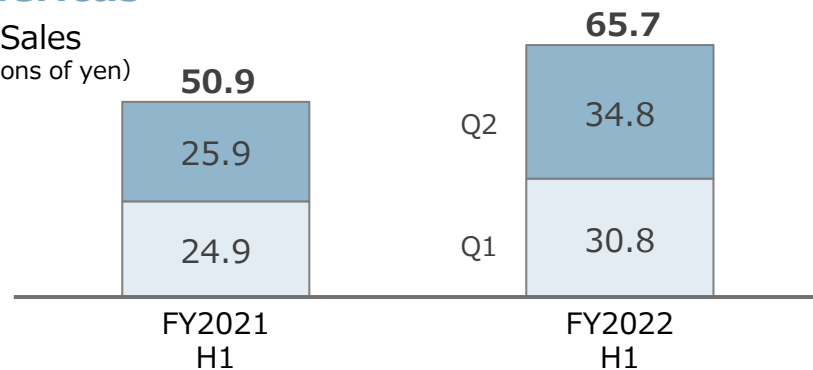
Sales\*  
(Billions of yen)



\* Includes the Middle East and Africa

## Americas

Sales  
(Billions of yen)



### Performed solidly and accelerated growth through acquired companies and Leading Change at Work campaign

- (1) Performances and synergies of acquired companies remained solid
  - Sales of acquired companies climbed 21%
- (2) Leading Change at Work campaign
  - Orders from steady efforts to cultivate orders were around 90 million euros (about 30 million euros in Q1)
- (3) Enhanced market competitiveness by cultivating digital professionals
  - Deployed digital professional certification system
  - Shifted engineer skillsets from Office Printing to Office Services
  - Strengthened skills of salespeople

### Built and deployed new structure for acquisitions and sales expansion in priority sectors

- (1) Reinforced services business for existing onsite Business Process Services customers
- (2) Security services continued to do well
- (3) Focused on healthcare, financial services, and retailing sectors and strengthened portfolio
- (4) Acquired Cenero, a provider of audiovisual technology, unified communications, and IT solutions

# Ricoh Digital Services Office Printing

- For hardware, supplies of primarily A4 MFPs did not recover fully in H1, delaying deliveries  
We anticipate a recovery on production and supply allocations in keeping with customer needs
- For non-hardware, overall trend almost in keeping with expectations  
Japan: Maintained demand at more than 80% of FY2019 levels  
United States: Demand recovered slightly to just under 70% of FY2019 level  
Demand improved in key European markets except United Kingdom

## Sales compared with same period in FY2019

Excluding forex impact

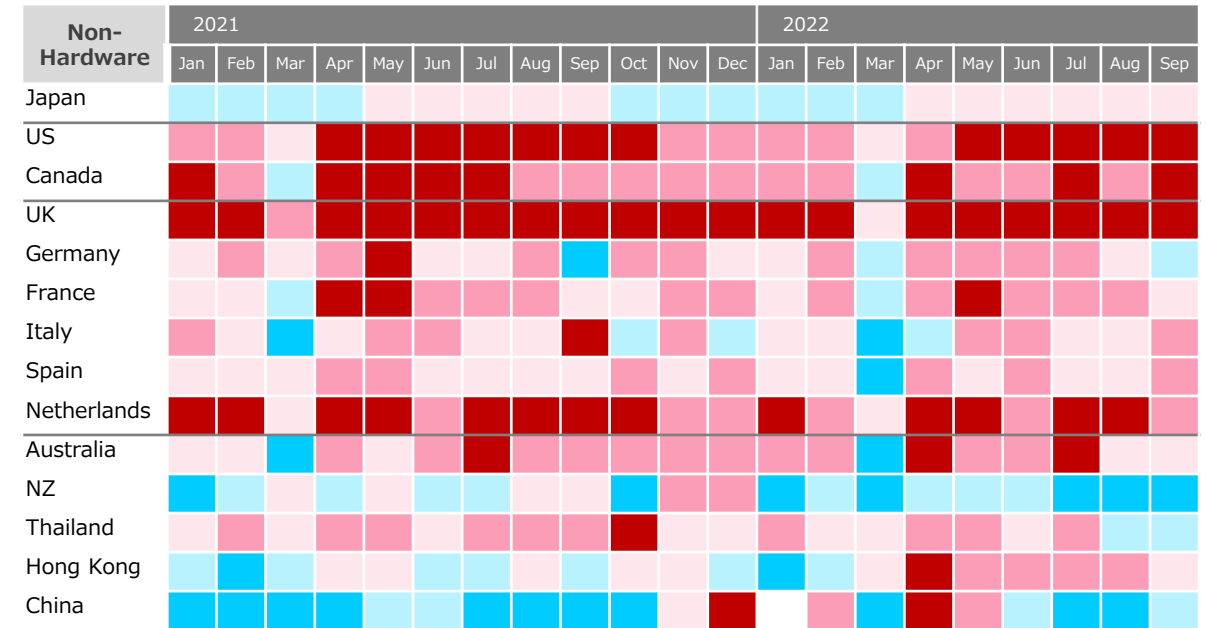
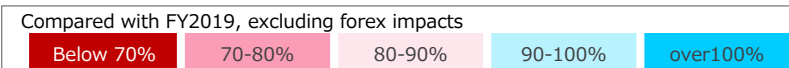
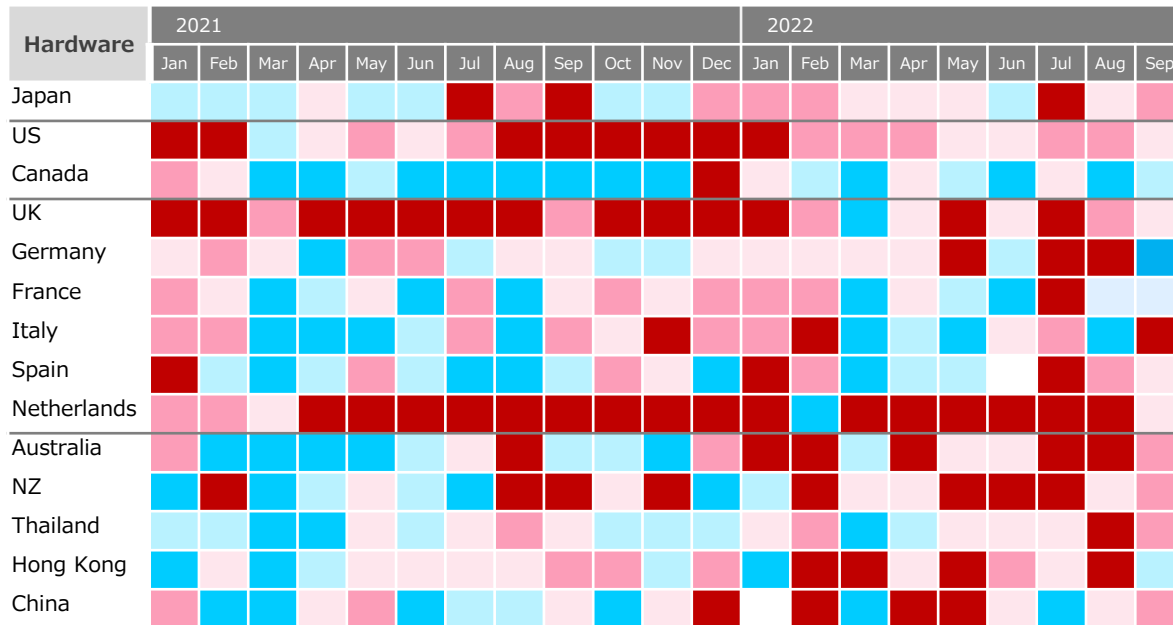
	FY2021				FY2022	
	Q1	Q2	Q3	Q4	Q1	Q2
Hardware	85%	73%	72%	79% (69%*)	82%	<b>78%</b>
Non-hardware	79%	78%	82%	86% (79%*)	80%	<b>80%</b>

### By region (Hard+Non-hardware)

\* After excluding pandemic impact

Japan	90%	78%	91%	87%	88%	<b>83%</b>
Americas	75%	68%	64%	76%	74%	<b>72%</b>
EMEA	77%	80%	76%	83%	78%	<b>78%</b>

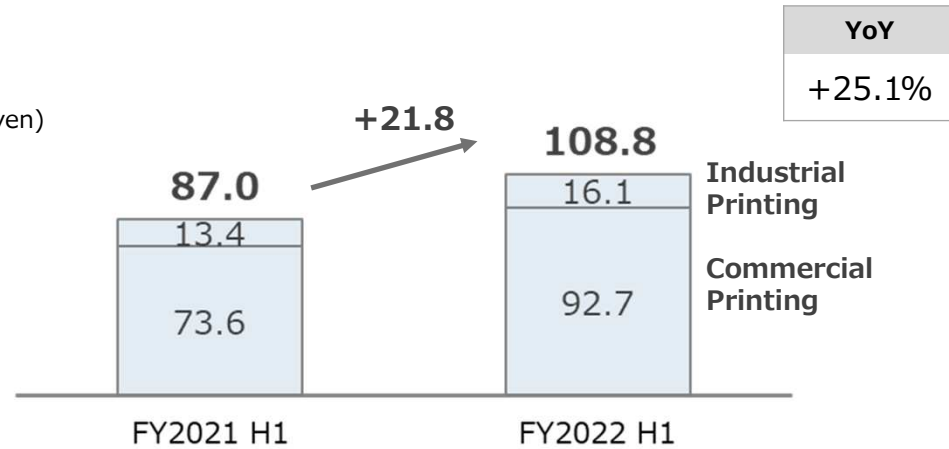
## Sales heatmap (by country and territory compared with same months in FY2019)



## Revenues and earnings rose on steady Commercial Printing non-hardware recovery

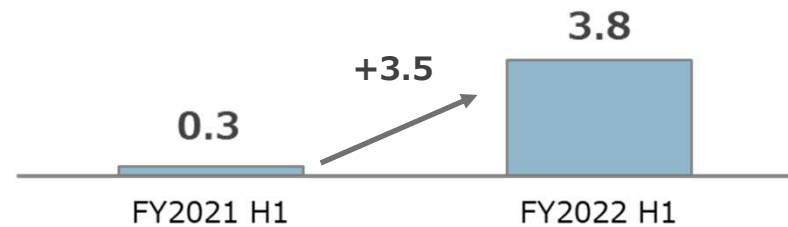
### Sales

(Billions of yen)



### Operating profit

(Billions of yen)



### Overview

#### Commercial Printing

- Hardware: Customer investment appetites continued recovering, driving growth, while product supplies were on recovery track through efforts to boost production by purchasing alternative parts
- Non-hardware: Recovered to pre-pandemic levels

#### Sales compared with same period in FY2019

	FY2021				FY2022	
	Q1	Q2	Q3	Q4	Q1	Q2月
Hardware	73%	68%	72%	87%	84%	<b>82%</b>
Non-hardware	86%	92%	95%	94%	95%	<b>99%</b>

#### By region

Japan	98%	98%	97%	110%	101%	<b>102%</b>
Americas	77%	78%	80%	89%	87%	<b>86%</b>
EMEA	74%	82%	86%	90%	86%	<b>93%</b>

#### Industrial Printing

- Inkjet heads: Continued growing YoY in aftermath of Chinese lockdowns
- Textile printers: Generated double-digit growth, primarily in Americas

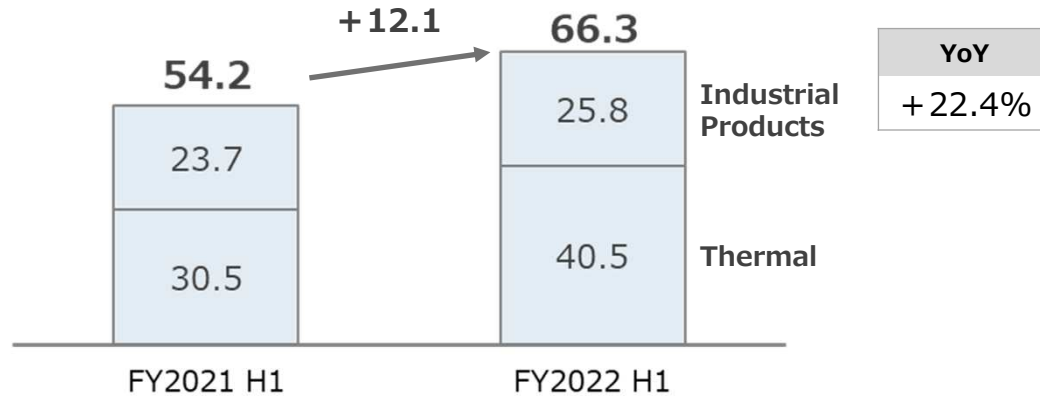
#### Structural reforms

- Made steady progress toward stabilizing business foundations

Improved results through pricing controls and other initiatives that offset ongoing impacts of external factors

## Sales

(Billions of yen)



## Overview

### Thermal

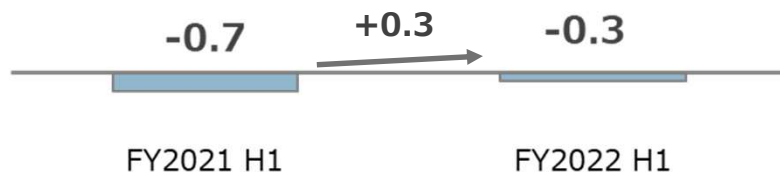
- Addressed higher transportation, energy, and other costs through flexible pricing controls

### Industrial Products\*

- Optical business: Impacts of production cutbacks among automotive customers continued
- Electronics business: Industrial robot and other applications did well on strong demand

## Operating loss

(Billions of yen)



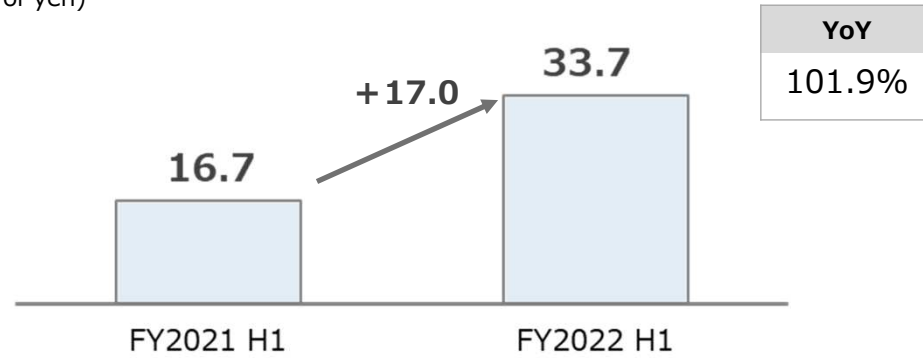
\* Key Industrial Products areas are Optical (automotive stereo cameras and projection products), Electronics (industrial controllers), and Precision Equipment businesses

# Other

Posted PFU consolidation to this segment

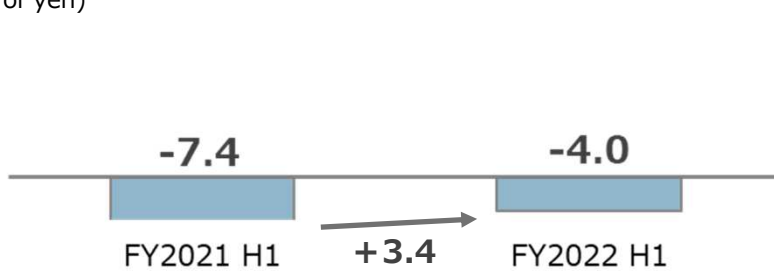
## Sales

(Billions of yen)



## Operating loss

(Billions of yen)



## Overview

- On September 1, consolidated PFU, which offers tremendous potential for earnings contributions and business synergies

### SmartVision

- Did well with RICOH 360 service, which enhances efficiency with 360° data, and strengthened capabilities through collaborations with partners, initiating tieup with SPIDERPLUS architectural digitization service
- Segment incurred losses owing to investments to create new businesses, while RICOH Futures business unit pushed forward with new business portfolio management

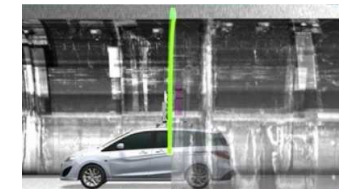
## New business progress

### Drug discovery support

- Established fund and supported domestic mRNA startup and other entities  
Ministry of Economy, Trade and Industry chose Ricoh for biopharmaceutical manufacturing site project to strengthen vaccine production (by producing investigational agents)

### Social infrastructure inspection services\*

- Road surfaces and tunnels:  
Steadily increased inspection distances
- Slopes:  
Received high evaluation in demonstration, and look to roll out service to local governments



Tunnel monitoring system



Roadside slope monitoring system

\* Using optical technology and artificial intelligence to digitize these service

# Statement of Financial Position

**Total assets rose mainly because of foreign exchange impact, strategic investments in PFU and other businesses, and inventory buildups**

<b>Assets</b> (Billions of yen)	As of September 30, 2022	Change from Mar 31, 2022		<b>Liabilities and Equity</b> (Billions of yen)	As of September 30, 2022	Change from Mar 31, 2022	
Current Assets	<b>1,123.7</b>	+111.3		Current Liabilities	<b>768.9</b>	+75.4	
Cash & time deposits	<b>214.7</b>	<b>-25.6</b>		Bonds and borrowings	<b>147.0</b>	<b>+32.7</b>	Refinancing
Trade and other receivables	<b>435.4</b>	+38.3		Trade and other payables	<b>275.8</b>	+7.3	
Other financial assets	<b>96.3</b>	+4.0		Lease liabilities	<b>24.4</b>	+1.7	
Inventories	<b>312.4</b>	<b>+79.9</b>	Product supply recovery for deliveries and sales in H2 PFU consolidation	Other current liabilities	<b>321.5</b>	+33.6	
Other current assets	<b>64.7</b>	+14.6		Non-current Liabilities	<b>356.1</b>	+102.1	
Non-current assets	<b>936.3</b>	+95.4		Bonds and borrowings	<b>195.1</b>	<b>+74.0</b>	Procurement
Property, plant and equipment	<b>197.9</b>	+9.5		Lease liabilities	<b>45.4</b>	+1.0	
Right-of-use assets	<b>60.6</b>	+2.9		Other financial liabilities	<b>26.4</b>	+26.4	
Goodwill and intangible assets	<b>330.0</b>	<b>+70.5</b>	Strategic investments (PFU acquisition etc.)	Accrued pension & retirement benefits	<b>46.0</b>	+0.3	
Other financial assets	<b>131.3</b>	+2.9		Other non-current liabilities	<b>43.1</b>	+0.3	
Other non-current assets	<b>216.3</b>	+9.4		Total Liabilities	<b>1,125.0</b>	+177.6	Increase in foreign currency translation adjustments
Total Assets	<b>2,060.0</b>	+206.8		Total equity attributable to owners of the parent	<b>916.0</b>	<b>+14.0</b>	Share repurchases
				Noncontrolling Interest	<b>19.0</b>	+15.2	Dividend payments
				Total Equity	<b>935.0</b>	+29.2	
				Total Liabilities and Equity	<b>2,060.0</b>	+206.8	
				Total Debt	<b>342.2</b>	+106.7	

Exchange rate as of Mar 31, 2022: US\$ 1 = ¥ 144.81 (+22.42)  
(change from Mar 31, 2022, rate) EURO 1 = ¥ 142.32 (+ 5.62)

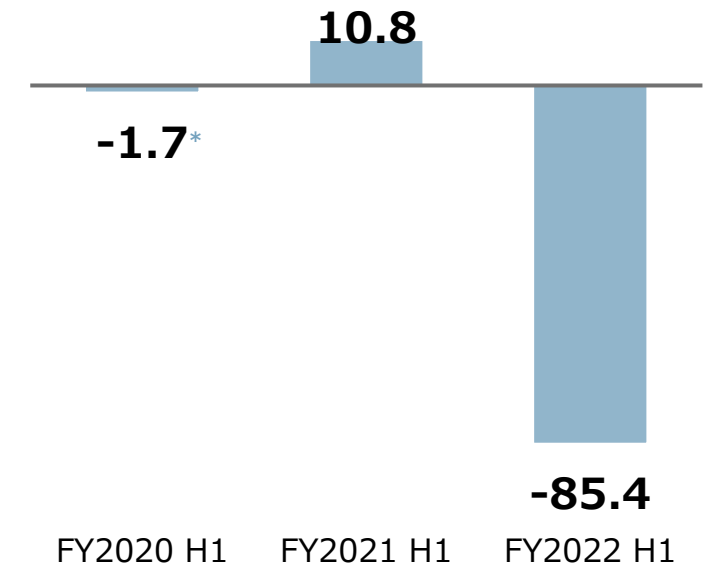
# Statement of Cash Flows

**Free cash flow decreased YoY owing to increased inventories and growth investments, such as for PFU acquisition**

(Billions of yen)	FY2021 H1	FY2022 H1	
Profit	11.2	<b>15.3</b>	Higher earnings
Depreciation and amortization	46.5	<b>45.0</b>	
Other operating activities	-17.0	<b>-64.1</b>	Inventory increase on product supply recovery for deliveries and sales in H2
<b>Net cash provided by operating activities</b>	<b>40.7</b>	<b>-3.7</b>	
Plant and equipment	-11.8	<b>-16.7</b>	
Purchase of business	-2.8	<b>-48.6</b>	PFU acquisition and other factors
Other investing activities	-15.2	<b>-16.3</b>	
<b>Net cash used in investing activities</b>	<b>-29.8</b>	<b>-81.7</b>	
Increase (Decrease) of debt*	+9.1	<b>+98.3</b>	Procurement
Dividend paid	-5.3	<b>-8.2</b>	
Purchase of treasury shares	-60.3	<b>-30.0</b>	Completed as planned
Other financing activities	-16.8	<b>-16.0</b>	
<b>Net cash provided by financing activities</b>	<b>-73.3</b>	<b>+44.0</b>	
Effect of exchange rate changes	-0.0	<b>+11.5</b>	
<b>Net increase in cash and cash equivalents</b>	<b>-62.5</b>	<b>-29.8</b>	
Cash and cash equivalents at end of period	267.7	<b>204.1</b>	
<b>Free cash flow (Operating + Investing net cash )</b>	<b>10.8</b>	<b>-85.4</b>	

## Free cash flow

(Billions of yen)



\* Including ¥7.8 billion from transfer of Ricoh Leasing shares  
+¥36.8 billion: total share sales  
- ¥28.9 billion: cash in Ricoh Leasing



# ESG Update

## ESG action

- 2022 April** Participates in launch of 30 by 30 Alliance for Biodiversity to pioneer conservation measures in Japan (30 by 30 refers to aim of protecting 30% of global land and sea surfaces by 2030 and represents one target of Post-2020 Biodiversity Framework, to which G7 countries were the first to commit at their June 2021 summit)
- July** Ricoh Japan publishes Sustainability Report 2022 and SDGs Communication Book 2022  
Concludes Positive Impact Finance loan agreement with Sumitomo Mitsui Trust Bank
- August** Publishes Ricoh Group Integrated Report 2022, Ricoh Group ESG Databook 2022, Ricoh Group TCFD Report 2022, and Ricoh Group Circular Economy Report 2022
- October** Ricoh Participates in Reuters IMPACT 2022, a global leadership conference on climate change

## Major awards and recognition

- 2022 April** Included in FTSE Blossom Japan Sector Relative Index, which Japan's Government Pension Investment Index uses as passive benchmark for ESG investing
- June** Joins inaugural Climate Leaders Asia-Pacific 2022 list Financial Times, Nikkei Asia, and research provider Statista compile list, which recognizes top 2002 performers in shrinking carbon footprints
- July** Included in MSCI Japan ESG Select Leaders Index, MSCI Japan Women in Action Index, and FTSE Blossom Japan Index, and all five ESG indices (for domestic stocks) used by Government Pension Investment Fund

# Office Services Ratings



## Key external and partner recognition

- 2022 April** **United States** Gartner positions Ricoh in Magic Quadrant for Digital Workplace Outsourcing Services
- May** **Europe** Ricoh Japan wins sales excellence and two area awards from CYBOZU AWARD 2022  
**Japan**
- Americas** Ricoh USA named to ChannelE2E's Top100 Vertical MSPs for 20-22
- June** **Japan** Ricoh selected for Digital Transformation (DX) Stocks 2022 program of Japan's Ministry of Economy, Trade and Industry and Tokyo Stock Exchange  
**Americas** Ricoh USA included in The Channel's CRN 2022 Solution Provider 500 List
- July** **Japan** Ricoh Japan wins Microsoft Partner of the Year award
- August** **Japan** Ricoh Japan receives SaaS Security category award in TREND MICRO Partner Award 2021 program
- September** **Europe** Ricoh Europe wins Logitech Partner of the Year award
- October** **Japan** J.D. Power ranks Ricoh Japan No. 1 in customer satisfaction in two IT-related fields for the eighth straight year:  
IT solution provider and Independent/User/Office Equipment Systems Integrator segment and server maintenance services

# Fiscal 2022 Outlook

# Key Indicator Outlooks for FY2022

Revising full-year forecasts after carefully assessing external risks and other factors, while there should be no changes in shareholder returns

	FY2022 Previous forecast	FY2022 Forecast	Change	FY2021 Results	YoY
Sales	<b>2,050.0</b>	<b>2,100.0</b>	+50.0	1,758.5	+19.4%
Gross profit	735.0	727.0	-8.0	622.6	+16.8%
Selling, general and administrative expenses	645.0	642.0	-3.0	582.6	+10.2%
Operating profit	<b>90.0</b>	<b>85.0</b>	-5.0	40.0	+112.2%
Operating margin	4.4%	4.0%	-0.4pt	2.3%	+1.8pt
Profit attributable to owners of the parent	63.0	57.0	-6.0	30.3	+87.7%
EPS (Yen)	<b>102.11</b>	<b>92.40</b>	-9.71	45.35	+47.05
ROE	<b>7%</b>	<b>6%</b>	-1pt	3.3%	+2.7pt
ROIC	<b>At least 5%</b>	<b>At least 5%</b>	-	2.8%	At least +2.2p
Average exchange rates	Yen/US\$ 125.00 Yen/euro 135.00	129.46 136.85	+4.46 +1.85	112.36 130.55	+17.1 +6.3
R&D expenditures	102.0	102.0	-	96.7	+5.2
Capital expenditures	41.0	41.0	-	37.3	+3.6
Depreciation	42.0	42.0	-	39.8	+2.1

# FY2022 Outlook Operating Profit Comparisons

- Sales should recover in H2 on improved supplies of products and ICT equipment
- Lowered full-year forecast in view of risks with procuring some parts and equipment

## YoY changes

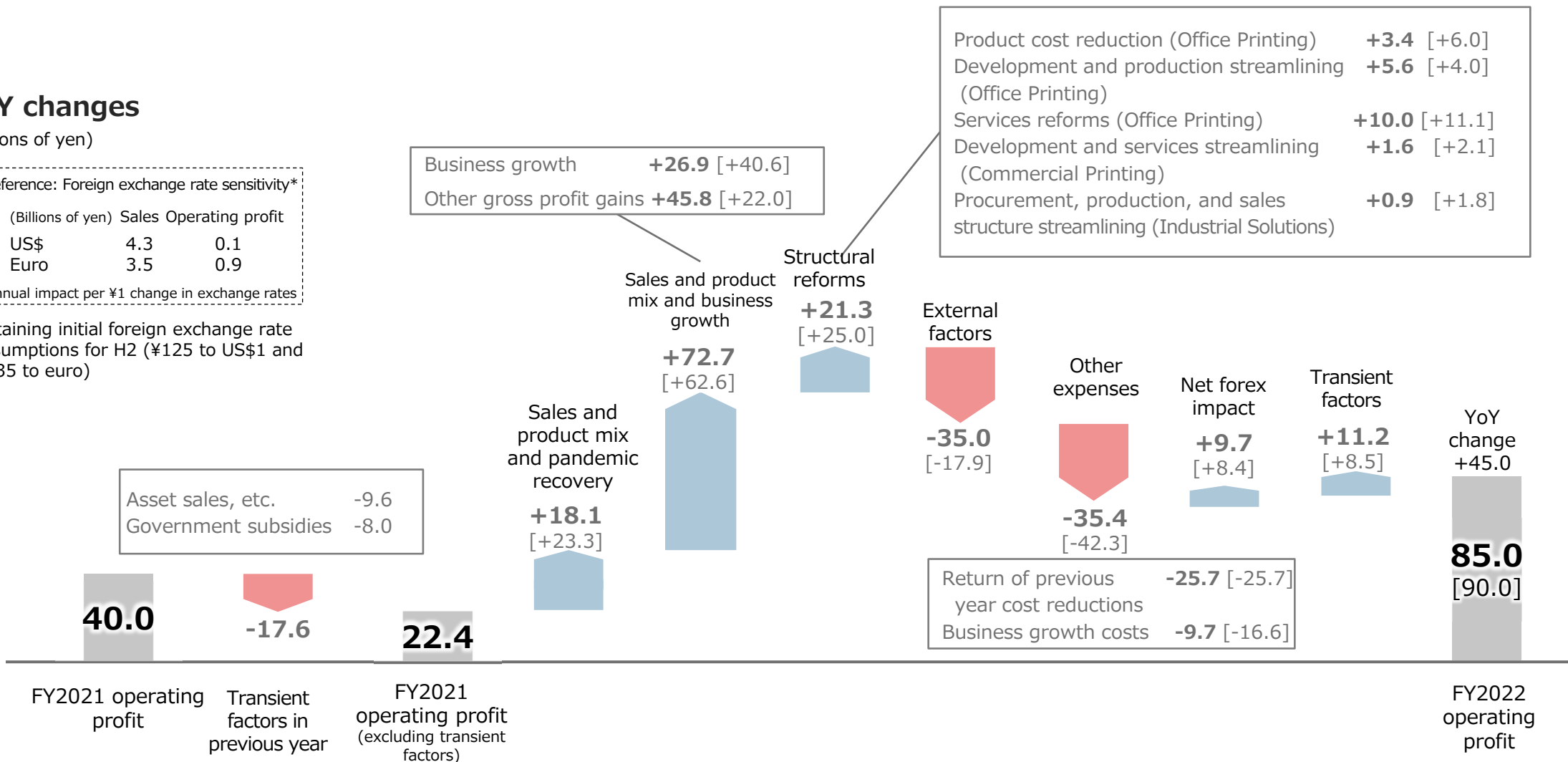
(Billions of yen)

Reference: Foreign exchange rate sensitivity\*

(Billions of yen)	Sales	Operating profit
US\$	4.3	0.1
Euro	3.5	0.9

\*Annual impact per ¥1 change in exchange rates

Retaining initial foreign exchange rate assumptions for H2 (¥125 to US\$1 and ¥135 to euro)

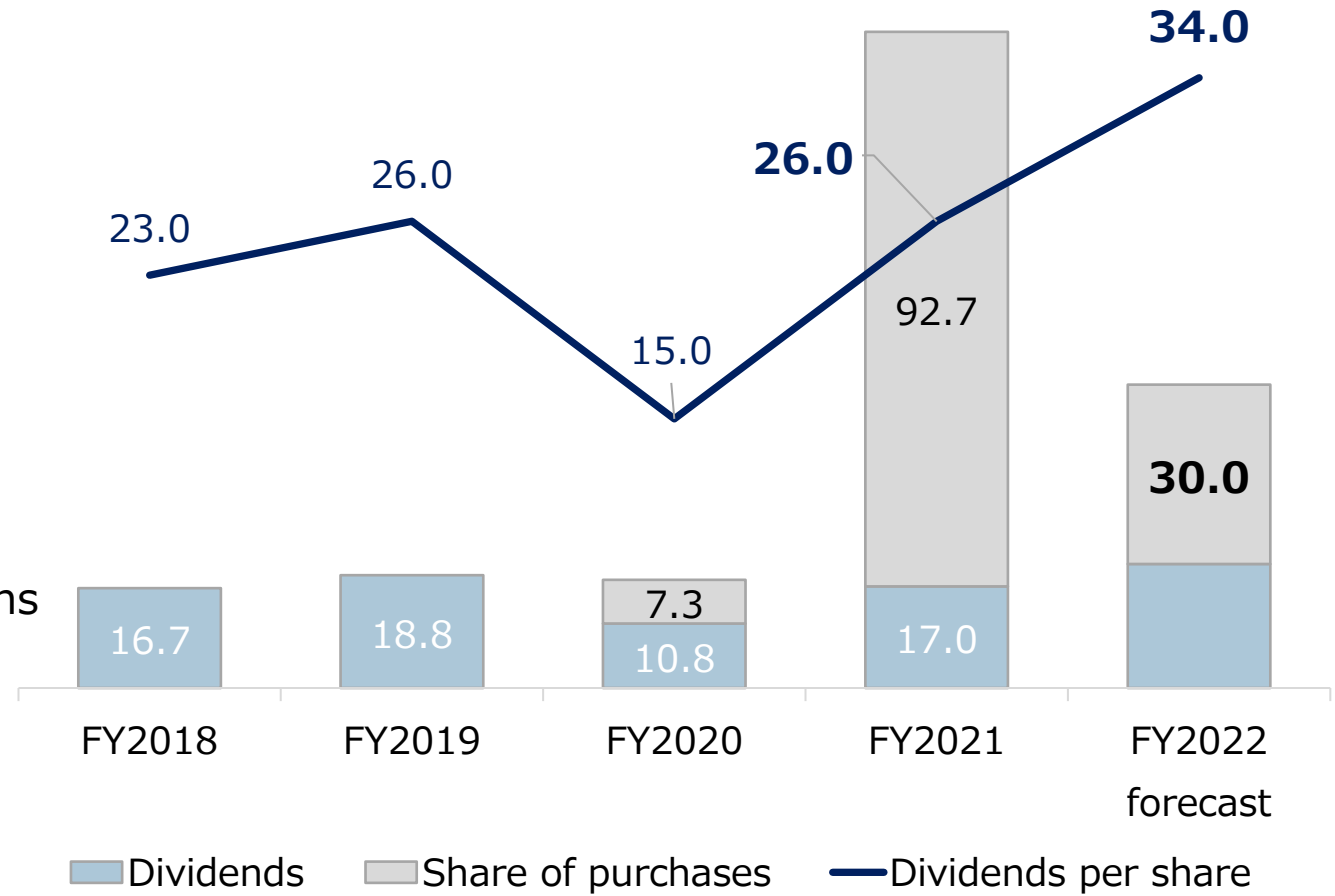


# Shareholder Returns

Initial forecasts unchanged



- Maintain **50% total return ratio** target
- Repurchase shares and **lift earnings per share** by increasing dividends
  - **Dividends per share forecast: Increase to ¥34 for FY2022** (¥17 interim and ¥17 year-end)
  - **Treasury stock:** Flexibly repurchase shares  
Completed share repurchases to deliver ¥30 billion in additional returns  
⇒ Retired all repurchased shares on October 31



# **Review of 20<sup>th</sup> Mid-Term Management Plan and Approach under Successor Initiative**

# Review of 20<sup>th</sup> Mid-Term Management Plan Thus Far (1)

Despite changes to the outlook for achieving financial targets, steady progress is being made in strengthening the management structure as initially intended.

## Financial & Future Financial Goals Progress

	Financial benchmarks	FY2021 results	Initial FY2022 targets	H1 FY2022 results	FY2022 forecasts
Key indicators	ROE	3.3%	At least 9.0%	---	6.0%
	Sales	¥1,758.5 billion	¥2,000.0 billion	¥973.5 billion	¥2,100.0 billion
	Operating profit	¥40.0 billion	¥100.0 billion	¥23.4 billion	¥85.0 billion
Future finance	Set 17 targets	Generally progressing well			

## Strengthening Management Underpinnings

Action	Comments
Adopted business unit structure	<ul style="list-style-type: none"> <li>• <b>Accelerating decision-making</b> by transferring authority to business units</li> <li>• RDS: <b>Deploying regional strategies</b> matching local customer profiles across four operating regions</li> </ul>
Initiated business portfolio management	As well as profitability (ROIC) and marketability, also assessing digital services compatibility to <b>strategically allocate management</b> resources
Instituted job-based personnel structure	Initiated Ricoh-style setup in April 2022 → <b>Cultivating self-motivated professionals who can support Ricoh's transformation into digital services company</b>
Developed and upskilled digital professionals	<ul style="list-style-type: none"> <li>• Japan: Started <b>Digital Academy</b>, an in-house educational platform</li> <li>• Overseas: Conversion of <b>CE to SE personnel</b> in Europe</li> <li>• Acquisition of <b>industry-specific professionals</b> in the Americas</li> </ul>
Revamped IT infrastructure	<ul style="list-style-type: none"> <li>• <b>Overhauled 70% of enterprise systems</b>, including by migrating 180 of them to the cloud</li> <li>• Sales Regions: <b>Migrated</b> existing on-premises <b>enterprise resource planning setups to cloud packages</b></li> </ul>
Determined R&D direction	Positioning <b>human digital twins</b> and <b>industrial digital printing systems</b> as growth areas
Steadily implemented capital policy	Took steps to boost corporate and shareholder value, by flexibly repurchasing shares, targeting a <b>total return ratio of 50%</b>

# Review of 20<sup>th</sup> Mid-Term Management Plan Thus Far (2)

External factors are slowing business growth, but steady progress is being made in strengthening the company's structure.

(Billions of yen)	Mid-term management plan targets (Compared with FY2020)	H1 FY0022 (Compared with FY2020)	Progress rate	Remaining targets (for FY2022)
<b>Grew Office Services business</b>	<b>+27.2</b>	<b>+11.8</b>	<b>43%</b>	<b>+15.4</b>
Japan: Including to expand Scrum package, asset, and other sales	+9.6	+1.0	11%	+8.6
Europe: Including to strategically reinforce through ICT company acquisitions and reskill engineers	+9.9	+8.3	84%	+1.6
Other: Reinforced global common infrastructure	+7.6	+2.5	32%	+5.2
<b>Digitalized print sites</b>	<b>+17.0</b>	<b>+15.3</b>	<b>90%</b>	<b>+1.7</b>
Grew businesses: Including by deploying new models and cultivating commercial printing customers in Europe and United States	+5.8	+5.0	86%	+0.8
Structurally reinforced: Including by adopting digital design processes and reducing services workloads	+11.2	+10.3	92%	+0.9
<b>Pursued operational excellence</b>	<b>+54.0</b>	<b>+42.0</b>	<b>78%</b>	<b>+12.0</b>
Reduced variable costs	+14.1	+9.5	67%	+4.6
Reinforced manufacturing structure	+15.7	+14.4	92%	+1.3
Overhauled services	+24.1	+18.1	75%	+6.0

### Business growth

- Services sales slowed, principally in Japan, owing to shortages of Office Printing hardware and ICT equipment → Took steps as leveraging low-risk supply chains for procurement and production and pursuing sales that do not rely on hardware
- Performing well in Europe, with acquired companies growing steadily
- Growth in Europe and U.S. due to recovery of commercial printing demand

### Structural reinforcement

- Progressed steadily with efforts to reinforce corporate structure, such as by building a manufacturing setup that is impervious to changes in the operating climate and streamlining services
- Reduced variable costs in line with production scale



# Review of 20<sup>th</sup> Mid-Term Management Plan Thus Far (3)

- Investments under five-year plan to engineer business growth through (1) acquisitions and (2) reinforce management underpinnings were on track
- Looking to undertake full-fledged strategic spending and investments in (3) new business domain RICOH Futures from FY2023

	Growth investments (through FY2025)	FY2022 year-end Forecast	Progress rate
(1) Mergers and acquisitions for business growth	¥300 billion	Around ¥150 billion	50%
(2) Strengthening business infrastructure	¥100 billion	Around ¥40 billion	40%
(3) Creating new business domains	¥100 billion	Around ¥25 billion	25%
<b>Total</b>	<b>¥500 billion</b>	<b>Around ¥215 billion</b>	<b>43%</b>

## H1 FY2022 achievements

- **Japan: Acquired PFU:**
  - Secured professional scanners
  - Bolstered leading-edge IT services delivery clout
  - Digitalized logistics and manufacturing sites
- **Europe: Acquired customer solutions firms pure av and AVC**
- **Americas: Acquired customer solutions company Cenero**
- Developed digital professionals in Japan and abroad as human capital investment
- Upgraded enterprise systems and cultivated cloud setup
- Focusing advanced technology development on human digital twins and industrial digital printing systems
- **Elixirgen Scientific (mRNA drug discovery) consolidation**
- Full-fledged strategic spending and investments at RICOH Futures to start in FY2023

# 2H strengthening points and preparation for next mid-term management strategies

Focus items for expanding business performance in second half and next MTS

## 2H Strengthening Points

- **Accelerate shift to sales structure independent of ICT (hardware)**
  - Speed up RICOH kintone plus, DocuWare, global CS solutions sales
- **Ongoing execution and capitalizing on growth investments to expand digital services**
  - Creating synergies with PFU: Full-scale deployment of Ricoh-branded PFU scanners, strong in industrial operations
  - Steady growth of acquired companies in Europe and United States; 1H Europe sales up 121% YoY
- **Eliminate order backlogs and reduce inventories by stabilizing supply chain**
  - Efficiently supply customers awaiting delivery with a restored product supply and inventory, contributing to our business performance.
- **Foster businesses that resolve social issues**
  - Accelerate to launch drug discovery support, SmartVision, PLAiR, and IJ Battery business activities.

# Achieving further growth in next mid-term management strategy

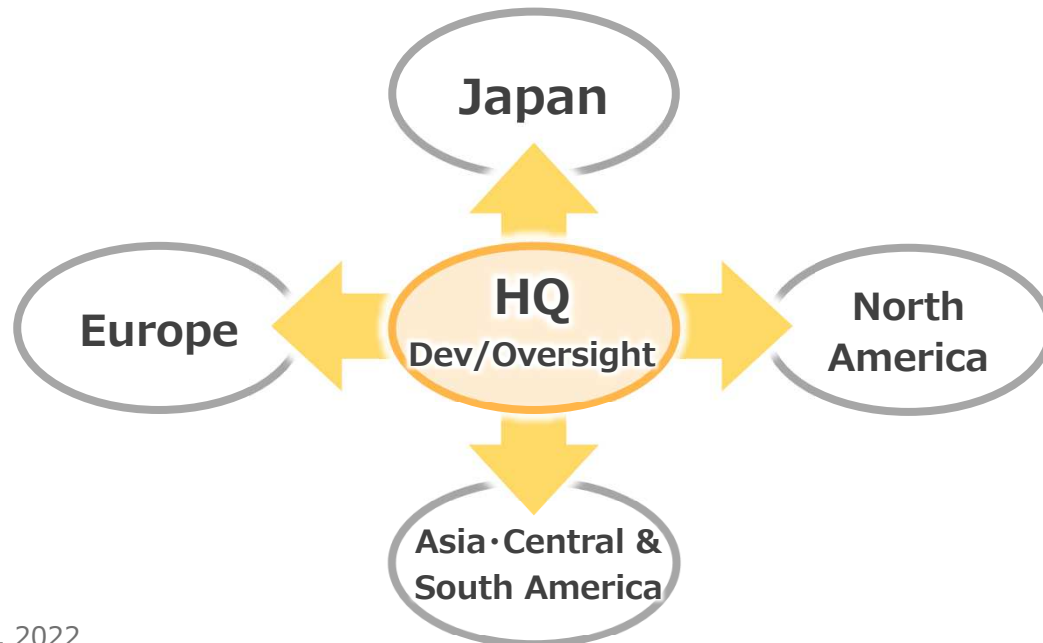
Completed preparations for the company's transformation in FY22.

(early transition to a BU structure, authority transfer, ROIC management, job-based personnel system, etc.)

→ **Next MTP, strengthen planning and development functions at customers in each region and achieve global collaboration to achieve growth** (strengthen regional strategies, global human resource initiatives, and enhance value of products offered).

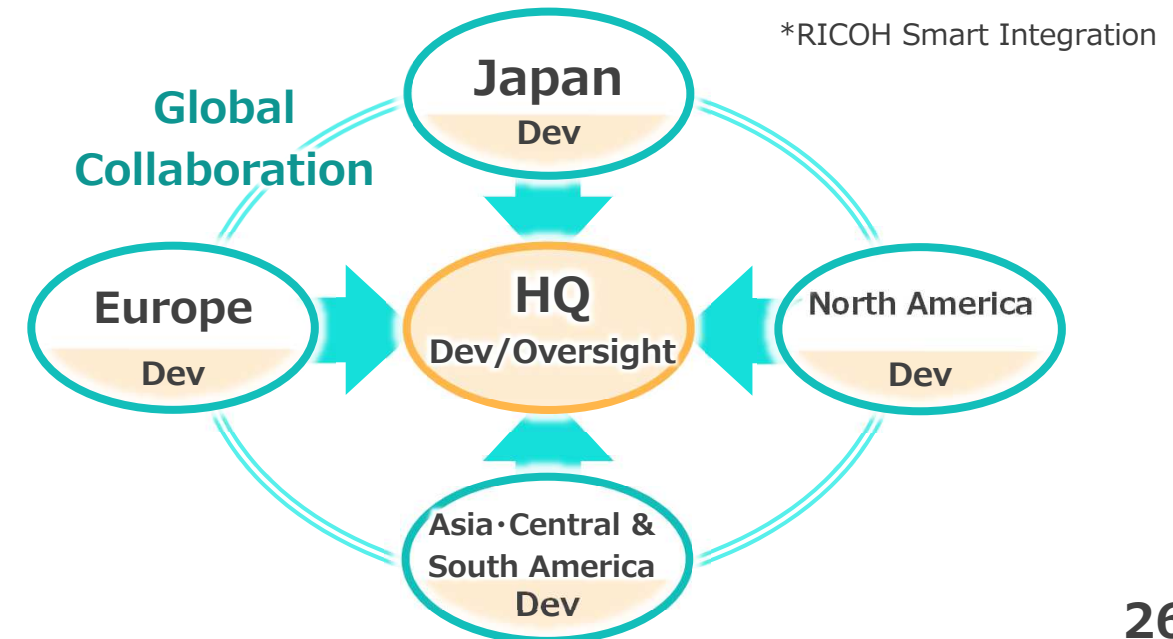
## Office Equipment Manufacturer

Production/Development lead by HQ in Japan;  
Regions focus on sales  
(Widely distributed uniform value)



## Digital Services Company

Regions create value with customers, while HQ focuses on  
global collaboration and building RSI\* platform  
(changes the way sales and development is done)



# Fulfillment through Work

Work can be stressful at times.

But also incredibly fulfilling when you overcome a challenge. Fulfillment through Work.

The foundation of this is the Spirit of Three Loves that Ricoh has pursued tirelessly since the company was established in 1936.

We launched office automation in 1977. We wanted to revolutionize work by releasing workers from the tedium of endless repetitive tasks so that they could enjoy that feeling gained from achievement and self-development one gains from completing more engaging tasks.

By 2017, this had developed further to become our value proposition, **EMPOWERING DIGITAL WORKPLACES**, where we empower worker's creativity and improve workplaces.

Ricoh provides services to enable individuals to work wherever and whenever they want.

We want to provide a future where all workers, workplaces, and workflows will be connected and thus contribute to a more sustainable society where people are empowered to innovate.

Ricoh is changing this moment in time by imagining the future, and by providing fulfillment through work, we will enhance the quality of life.

# Appendix

# Key Performance Indicators for Major Measures

		KPI	FY2021	FY2022		
			results	forecast	Q1 result	Q2 result
Office Printing	Hardware: Percentage of FY2019 sales (after excluding pandemic impact)	Sales	77%	83%	○ 82%	△ 78%
	Non-hardware: Percentage of FY2019 sales (after excluding pandemic impact)	Sales	81%	83%	○ 80%	○ 80%
Commercial Printing	Non-hardware: Percentage of FY2019 sales (after excluding pandemic impact)	Sales	-	102%	○ 95%	○ 99%
Office Services	Scrum packages (Japan)	Customer penetration rate	13%	15%	○ 13.5%	○ 14.3%
		Unit sales	76,441	100,000	△ 17,344	△ 20,428
	Scrum assets (Japan)	Sales (billion yen)	31	45	○ 6.0	○ 12.7
Office Printing	Cut costs on current models through parts sharing Automate production to cut direct labor costs Reduce new model costs with suppliers	Direct costs (current models)	-0.7%	-2%	△	△
		Direct costs (new models)	-	-15%		
Office Printing	Streamline development efficiency by digitizing design work	Development labor hours per model	-31% (vs FY2020)	-20% (vs FY2020)	○	○
	Reduce indirect personnel by improving digital manufacturing processes and managing production remotely	Indirect workforce	-24%	-22%		
	Consolidate and reorganize production sites in line with product characteristics	Sites	15	13	15	15
Office Printing	Lift maintenance efficiency through MIF penetration that cuts service work-hours	Percentage of models	46%	over 60%	△47%	△49%
	Cultivate multiskilled customer engineers	Customer engineer reductions	-10%(vs FY2020)	-15% (vs FY2020)	○-12% (vs FY2020)	○-13% (vs FY2020)
Commercial Printing	Major commercial printing customers secured in Europe and United States	Number of customers	3	13	○ 1	○ 4

**Legend** ◎: Much higher than projected ○: As projected △: Lower than projected \*Actual figures disclosed by fiscal year

# Key Performance Indicators for Major Measures

(Billions of yen)

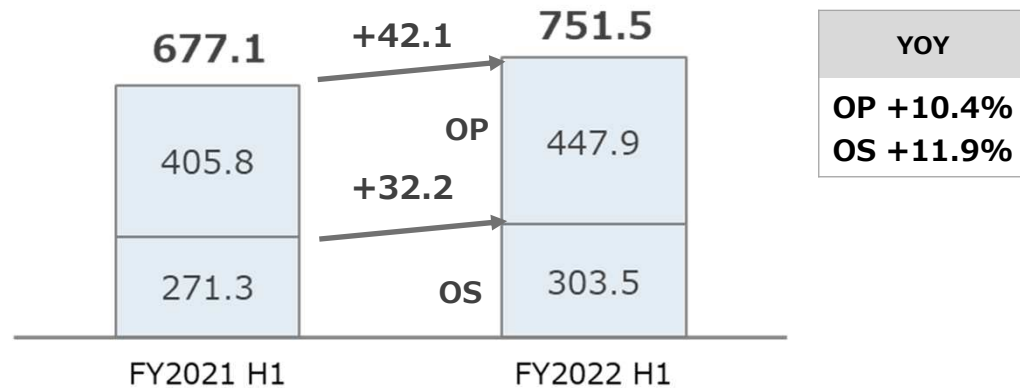
		FY2020	FY2021	FY2022 previous forecast	FY2022 forecast
<b>Ricoh Digital Services</b>	Sales	1,376.6	1,428.1	1,572.0	1,600.0
	Operating profit	-2.6	16.2	39.6	27.0
<b>Ricoh Digital Products</b>	Sales	357.1	364.9	420.0	440.0
	Operating profit	16.4	41.7	34.3	36.0
<b>Ricoh Graphic Communications</b>	Sales	159.9	187.0	234.0	240.0
	Operating profit	-47.4	-0.4	14.0	14.0
<b>Ricoh Industrial Solutions</b>	Sales	115.2	119.2	141.5	145.0
	Operating profit	-1.6	1.3	8.8	8.8
<b>Other</b>	Sales	40.0	35.5	41.5	123.0
	Operating profit	-13.8	-15.5	-11.1	-5.5
<b>Eliminations and corporate</b>	Sales	-366.9	-376.4	-359.0	-447.9
	Operating profit	3.7	-3.2	4.4	4.6
<b>Total</b>	<b>Sales</b>	<b>1,682.0</b>	<b>1,758.5</b>	<b>2,050.0</b>	<b>2,100.0</b>
	<b>Operating profit</b>	<b>-45.4</b>	<b>40.0</b>	<b>90.0</b>	<b>85.0</b>

# Reference: Old Segment Performance Reviews

- Maintained Office Printing profitability by reinforcing structure, controlling prices, and undertaking other steps to absorb cost hikes
- Office Services margin declined slightly owing to such factors as ICT equipment shortages in Japan and higher labor costs in North America (from rapid inflation, reactions to cost containments, and lower government subsidies)

## Sales

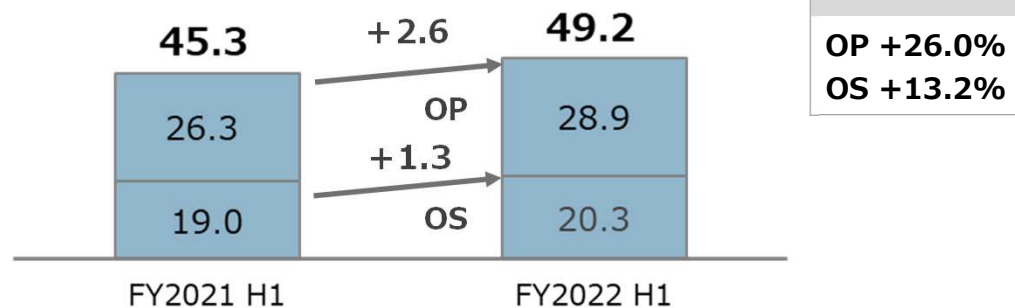
(Billions of yen)



## Operating profit

(Excluding corporate and eliminations)

(Billions of yen)



## Overview

- Office Printing (OP): Sales and earnings up, with operating margin reaching 6.5%
- Office Services (OS): Sales and earnings up, with operating margin of 6.7%

(Billions of yen)

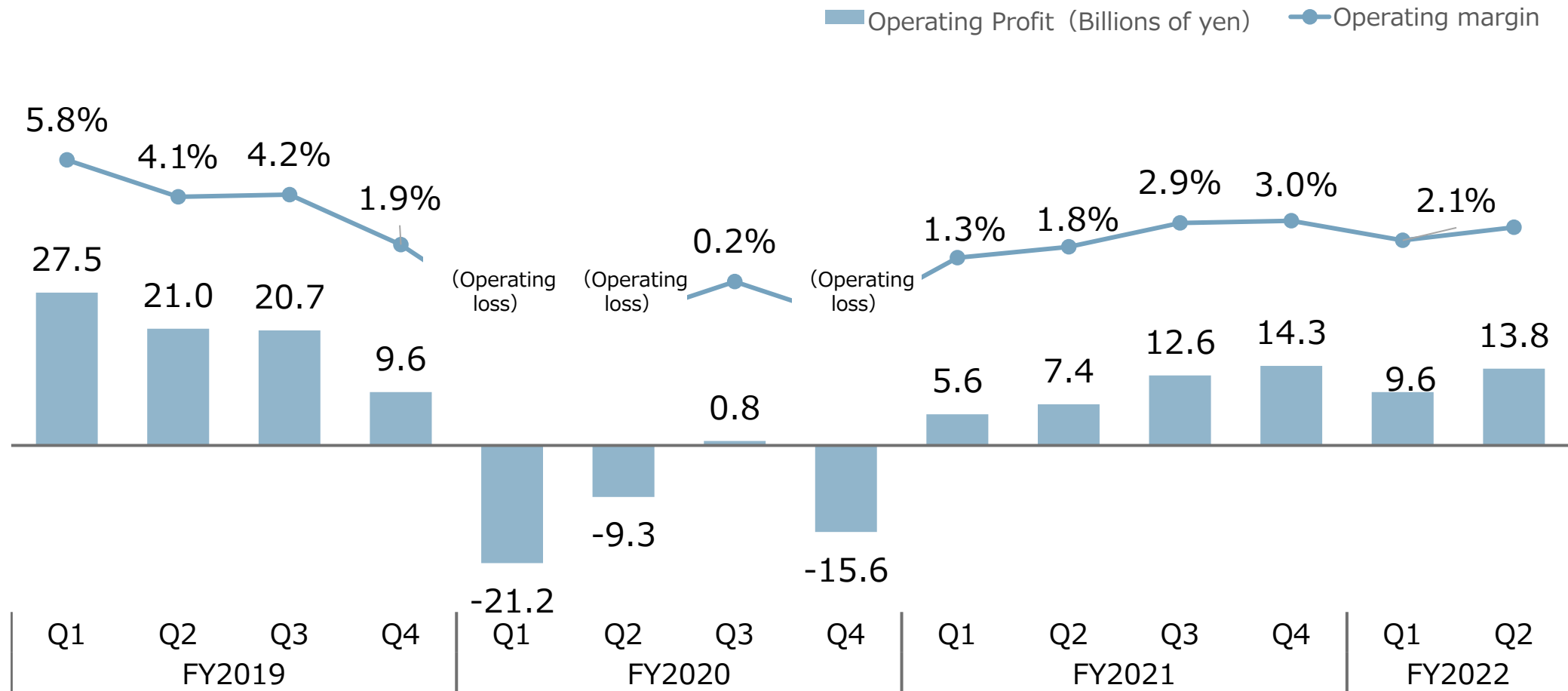
		FY2021 H1	FY2022 H1
<b>Office Printing</b>	Sales	405.8	447.9
	Operating profit	26.3	28.9
	Operating margin	6.5%	6.5%
<b>Office Services</b>	Sales	271.3	303.5
	Operating profit	19.0	20.3
	Operating margin	7.0%	6.7%

Office Services operating margin (excluding transient factors)





# Quarterly Operating Profit

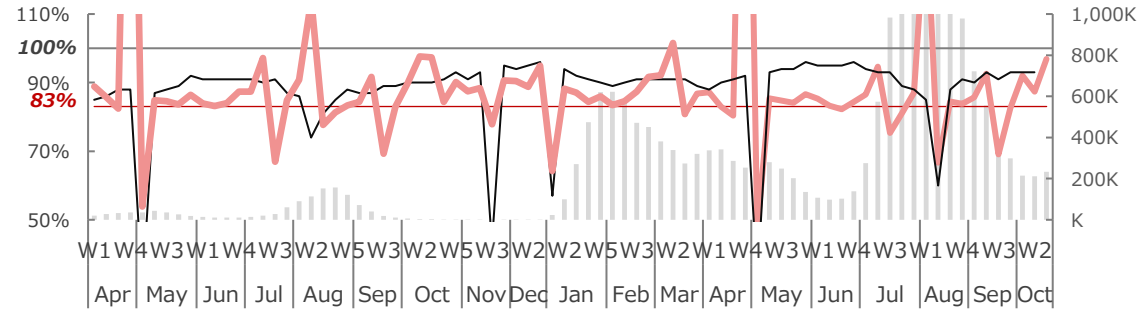


# Impact of Pandemic on MFP Printing Volumes

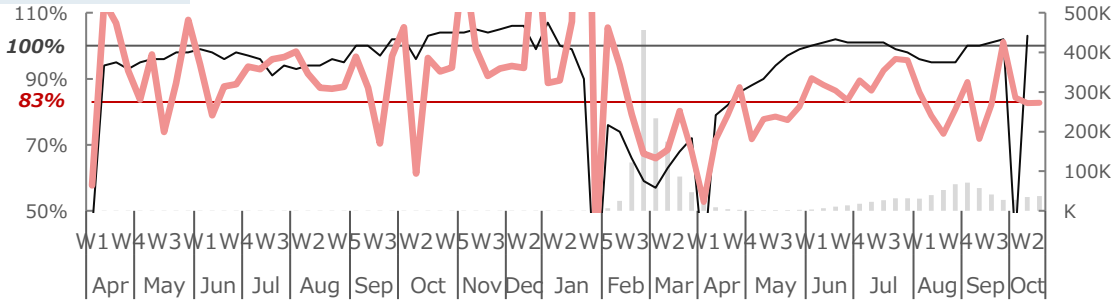
Overall print volumes recovered on returns to offices

## MFP print volumes at company offices (by country)

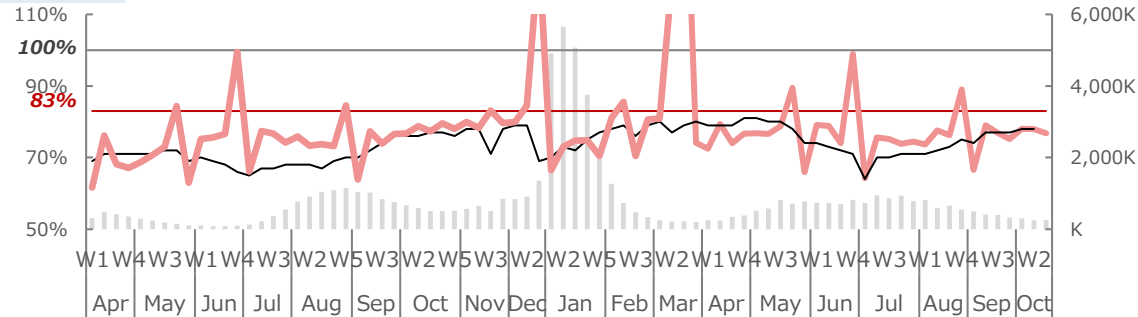
### Japan



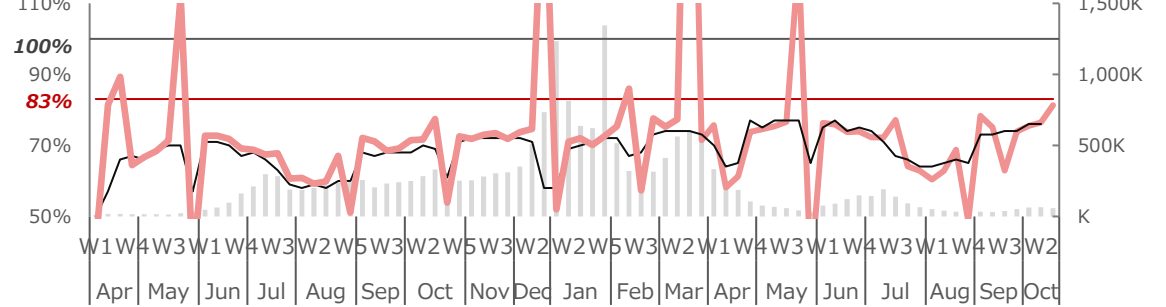
### Hong Kong



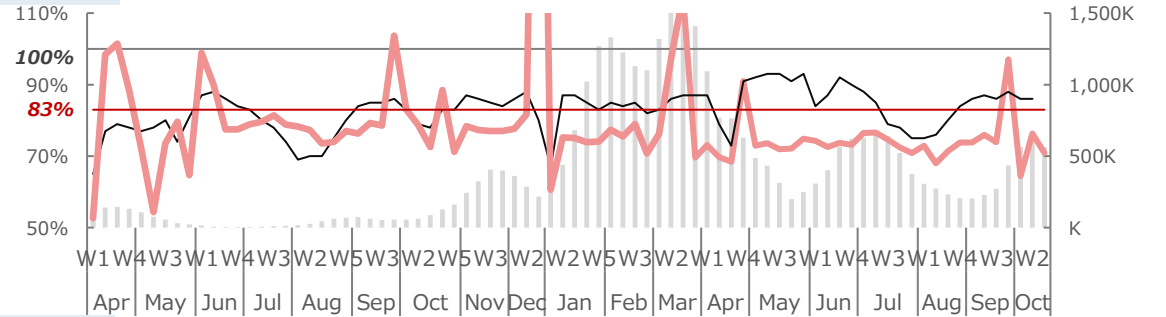
### US



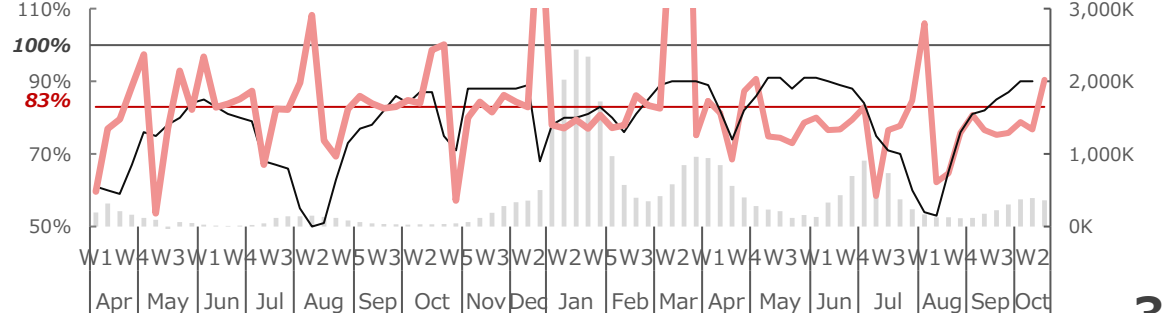
### UK



### Germany



### France



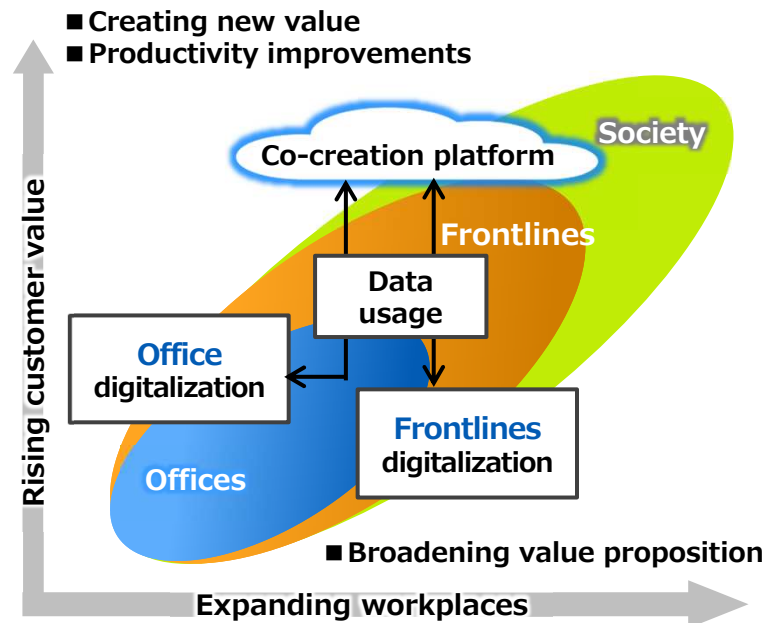
— MFP print volumes compared with fiscal 2019  
 — Office attendance rates  
 ■ Number of COVID-19 cases (right axis)

# Our Digital Services

Our digital services support customers' work based on digital technology and devices

**EMPOWERING  
DIGITAL  
WORKPLACES**

Leverage the power of people and digital technology to transform work for customers by connecting workers and workplaces



**Businesses contributing to digital services**

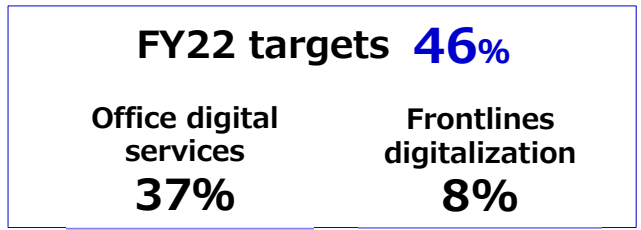
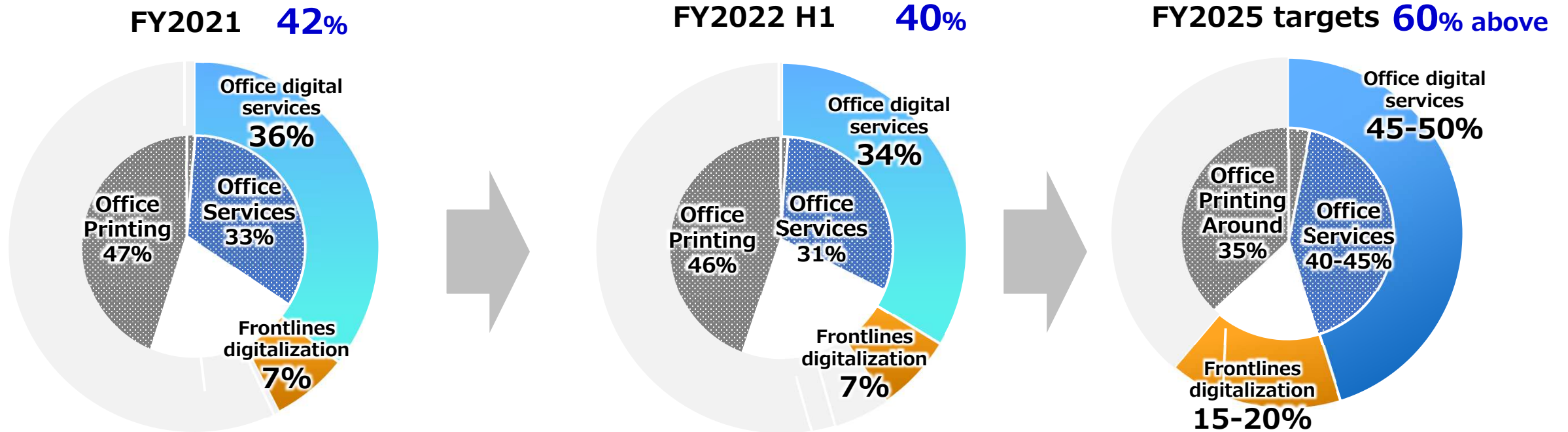
<b>RDS</b>	<b>RICOH Digital Services</b>	Resolve issues of workers and deliver <b>digital services</b> to connect office and frontline people	<b>Office Services</b>
<b>RDP</b>	<b>RICOH Digital Products</b>	Manufacture products supporting <b>digital services</b>	<b>Office Printing*<sup>1</sup> Edge devices</b>
<b>RGC</b>	<b>RICOH Graphic Communications</b>	Deliver <b>digital</b> solutions for frontline workers on printing sites	<b>Commercial Printing Industrial Printing</b>
<b>RIS</b>	<b>RICOH Industrial Solutions</b>	Provide <b>digital</b> solutions to challenges of frontline workers on logistics, manufacturing and industrial sites	<b>Thermal Products*<sup>2</sup></b>
<b>RFS</b>	<b>RICOH Futures</b>	Create new businesses to resolve social issues through <b>digital</b> solutions	<b>Smart Vision Social Infrastructure</b>
<b>Group headquarters</b>		Strengthen business foundation to support <b>digital services</b>	

\*1 RICOH Smart Integration encompasses digital services

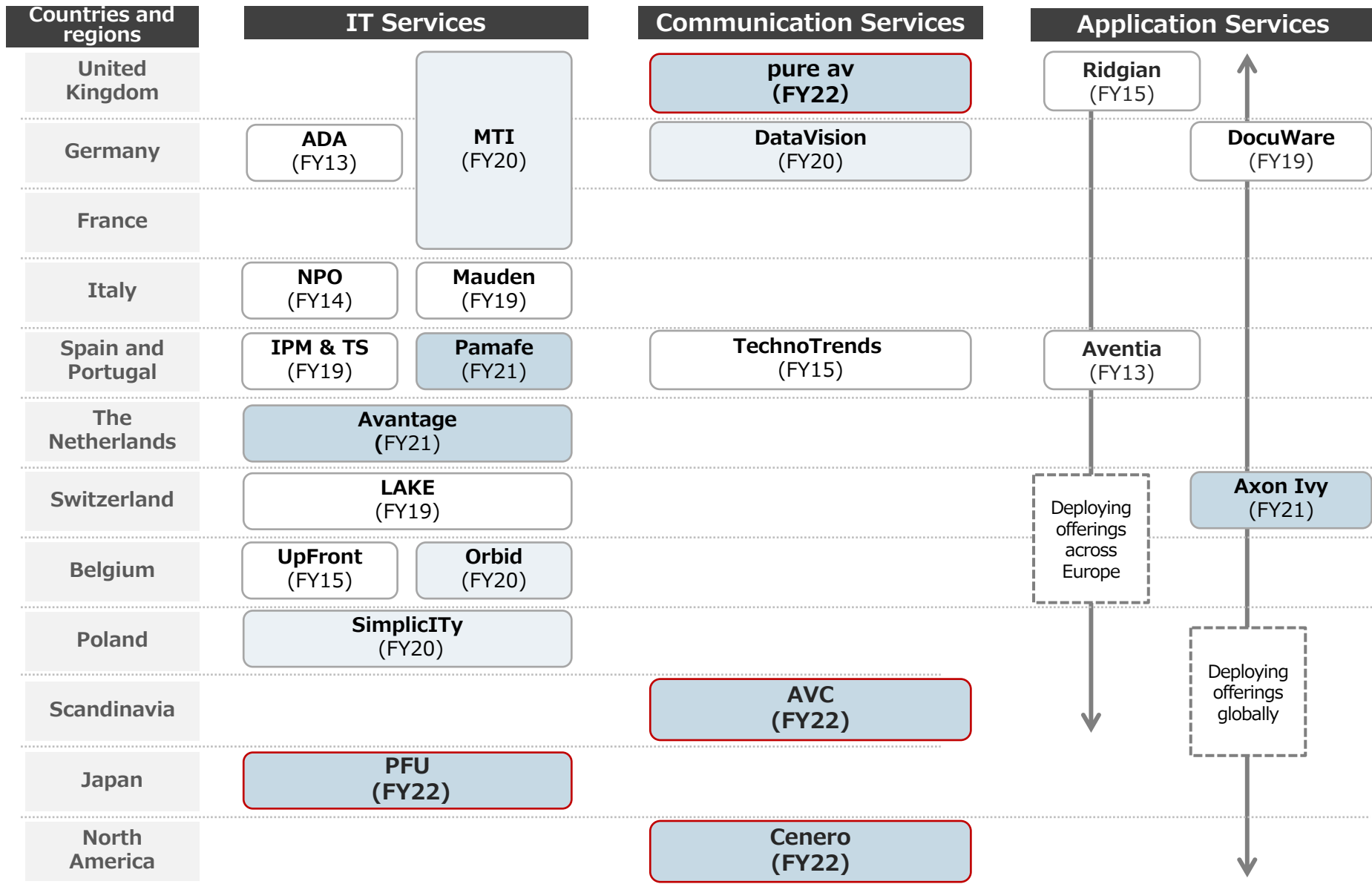
\*2 Shifting to digital services

# Digital Services Sales Ratios

Become digital services company, with digital services sales ratio exceeding 60% by end-FY2025



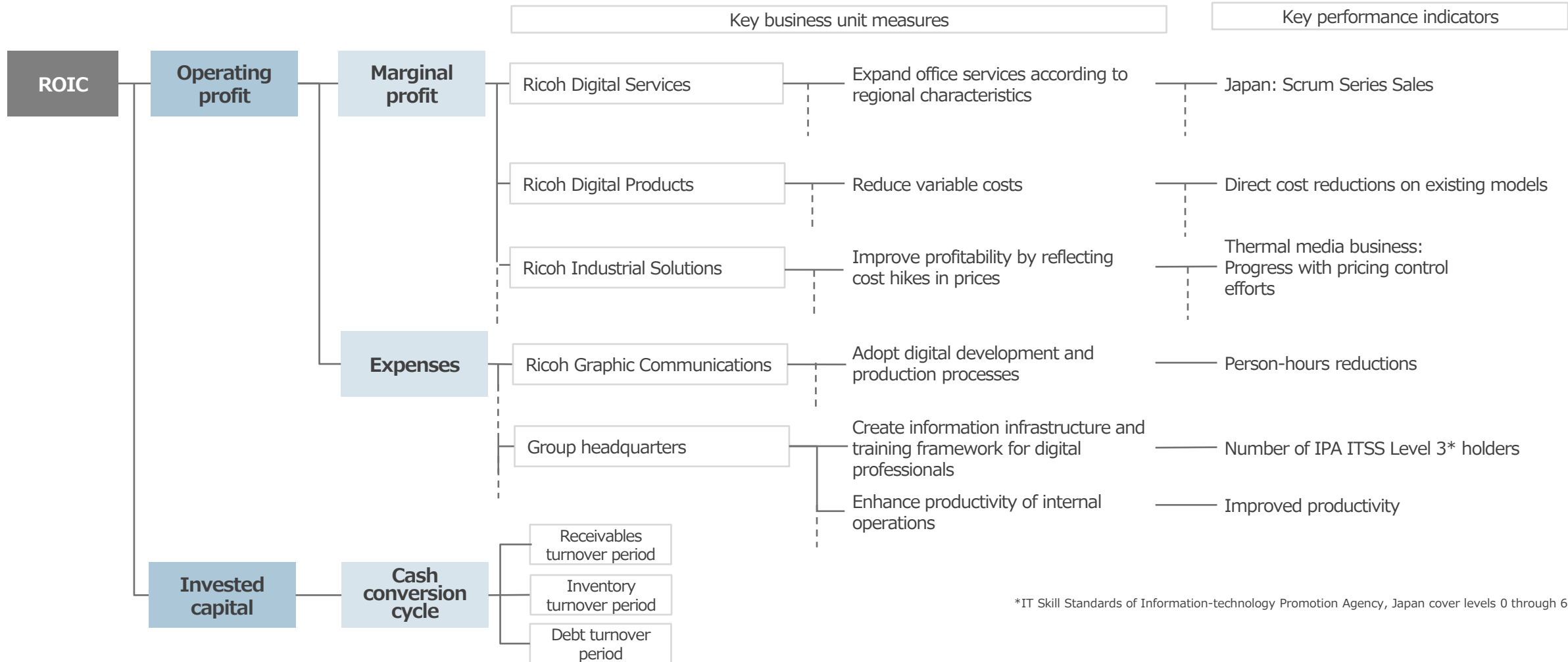
# Organizational expansion progress



# Initiatives to Improve Capital Returns

Full ROIC tree management (excerpt from case study at bottom)

- ✓ Twin-tiered oversight through companywide and business unit/divisional trees
- ✓ Quarterly monitoring



\*IT Skill Standards of Information-technology Promotion Agency, Japan cover levels 0 through 6

**RICOH**  
imagine. change.