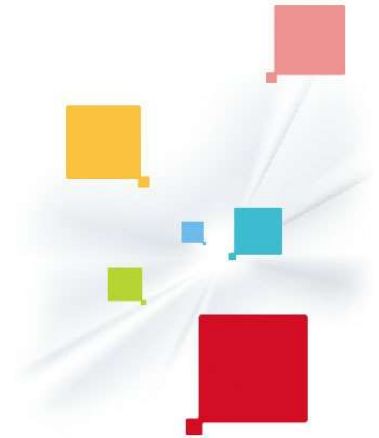


# Consolidated Results for Nine Months Ended December 31, 2023



February 6, 2024

**Ricoh Company, Ltd.**

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- Presentation by Takashi Kawaguchi, CFO

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

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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:**  
FY2023 (or fiscal 2023) = Fiscal year ended March 31, 2024, etc.

**Change in business category**

Effective from the fiscal year ending March 31, 2024, Ricoh recategorized the PFU business and some common expenses from the Other segment into Ricoh Digital Products and Ricoh Digital Services.

## Overview of FY2023 Third-Quarter Results

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- Presentation by Takashi Kawaguchi, CFO

## Key Points about Performance during Term

### Results

- Revenues and earnings increased in Q3
  - ✓ While unit sales of MFPs continued to increase through regional and market-specific campaigns in response to price competition, inventory reductions and production adjustments continued, and RICOH Digital Products was unable to turn earnings around
  - ✓ Thermal business again failed to reach sales targets because of sluggish demand in Europe and United States
- Increased Office Services sales and profits, with recurring revenues underpinning earnings base gaining 17%
  - ✓ In Japan, Scrum series performed well from ongoing efforts to comply with legislative reforms
  - ✓ In Europe, sales remained strong, particularly among acquired companies, despite weaker economic conditions
- RICOH Graphic Communications increased revenues and earnings and expanded pipeline

### Forecasts

- Lowered operating profit projection to ¥60 billion
  - ✓ Will prioritize inventory and production adjustments to improve cash conversion cycle, but will be unable to make up for H1 production earnings shortfalls
  - ✓ Will complete inventory and production adjustments by end of fiscal year and rebuild production and sales coordination in light of demand fluctuations for next fiscal year
  - ✓ While unlikely to recover Thermal business earnings shortfall by year-end, will continue to reduce costs and control pricing

### Shareholder Returns

- Retaining year-end cash dividends target of ¥18 per share (¥36 annually)
- Resolved a treasury stock repurchase of 30 billion yen as additional shareholder returns given the balance of capital adjustment and growth investment

February 6, 2024

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- During the third quarter we boosted sales 5.4%. Operating profit rose 8.9% from a year earlier, to 17.5 billion yen.
- At 37.1 billion yen, operating profit for the three quarters was down slightly, however, from the previous corresponding period. Last year, we included government subsidies as a positive one-time factor. This year, we are including restructuring costs as a negative factor. After excluding these transient factors, operating profit was up, although it was down. Profit attributable to owners of the parent increased, owing partly to the favorable impact of foreign exchange rates.
- To drive Office Printing MFP hardware revenues, we undertook regional and market-specific campaigns in response to price competition. Sales of A3 MFP thus rose solidly, while sales of A4 MFP were also higher than a year earlier.
- Inventories remained large, and we are endeavoring to lower them toward the end of this fiscal year. Production adjustments continued during the third quarter. The RICOH Digital Products business unit was consequently unable to turn earnings around.
- The Thermal business again failed to reach its sales targets because demand remained sluggish in Europe and the United States. At the same time, RICOH Industrial Solutions, of which the Thermal business is part, improved the profits in the third quarter, so the situation was not entirely negative.
- We boosted sales and profits in the Office Services business, with recurring revenues underpinning our earnings base gaining 17% year-on-year. In Japan, sales were again strong, owing largely to demand for complying with legislative reforms. Although the government enacted the invoice system law, some customers have yet to be able to efficiently deal with it through DX, etc.. The Scrum series continued to perform well, including in light of demand related to the invoice system. In Europe, Office Services sales remained strong, particularly among acquired companies, despite weaker economic conditions. Sales of those acquired companies jumped 35%.
- We further increased revenues and earnings in Graphic Communications including Commercial Printing business. We bolstered our pipeline of new products, which should drive sales growth in coming years.
- We have lowered our operating profit projection 10 billion yen, to 60 billion yen, for the full fiscal year. We apologize for not meeting your expectations. After scrutinizing our figures through the third quarter and extensively evaluating prospects for the fourth quarter, we unfortunately concluded that we could not overcome our first-half shortfall.
- We cut our full-year operating profit projection for several reasons. A prime one was a weaker Thermal business performance. An even more important one was that we were in the situation where we had to focus on reducing sales inventories before increasing production. We will mark a turning point in the fourth quarter, however, endeavoring to improve things so there are no production adjustment in next fiscal year and beyond.
- Specifically, we deployed a system in the United States this fiscal year that makes it possible to share and use very detailed and accurate purchasing information connecting sales floors to production units. This system enabled us to reduce sales inventories in the United States in the second quarter. By rolling out this system in Europe and other regions we should be able to rebuild coordination between production and sales.
- On the shareholder returns front, we target year-end cash dividends of 18 yen per share. We still aim to lift dividends to 36 yen annually. I also note that the Board of Directors resolved today to repurchase treasury stock of 30 billion yen as part of additional shareholder returns to balance capital adjustments and investments. I will explain this later.

## Key Indicators

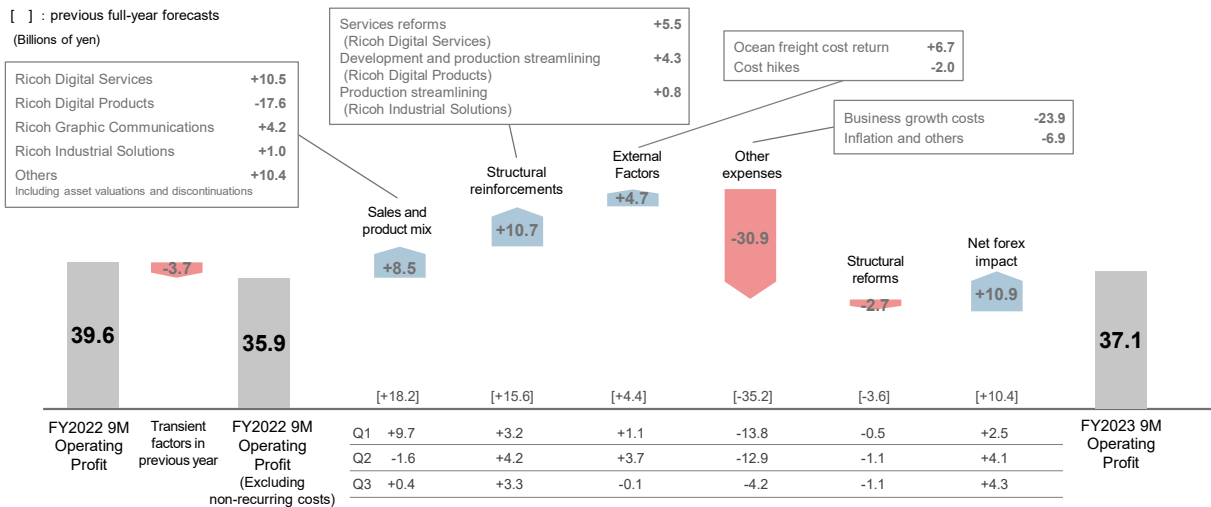
(Billions of yen)	FY2022 9M	FY2023 9M	Change	
Sales	1,528.6	<b>1,697.6</b>	<b>+169.0</b>	+11.1%
Gross profit	538.8 (35.3%)	596.6 (35.1%)	+57.8	+10.7%
Selling, general and administrative expenses	499.2 (32.7%)	559.5 (33.0%)	+60.2	+12.1%
Operating profit	<b>39.6</b>	<b>37.1</b>	<b>-2.4</b>	-6.2%
Operating margin	2.6%	2.2%	-0.4pt	-
Profit attributable to owners of the parent	<b>27.4</b>	<b>30.2</b>	<b>+2.8</b>	+10.3%
EPS(Yen)	44.29	49.71	+5.42	
Average exchange rates	Yen/US\$ 136.49	143.24	+6.75	
	Yen/euro 140.55	155.26	+14.71	
R&D expenditures	77.3	81.7	+4.4	
Capital expenditures	28.5	33.6	+5.0	
Depreciation	31.0	32.4	+1.3	

- Here, you see that sales increased in the first nine months of this fiscal year, while operating profit declined and profit attributable to owners of the parent rose.

# Operating Profit Comparisons

- ✓ On sales mix front, did not reach target despite improving Office Printing unit sales and progressing with inventory clearances, with production increases being insufficient to make up for shortfalls in H1
- ✓ Thermal business of RICOH Industrial Solutions remained weak, while Office Services business kept expanding, progressing as planned with structural reinforcements and in terms of external factor impacts
- ✓ Other expenses increased owing to sales promotion, inflation, and PFU consolidation

[ ] : previous full-year forecasts  
(Billions of yen)



February 6, 2024

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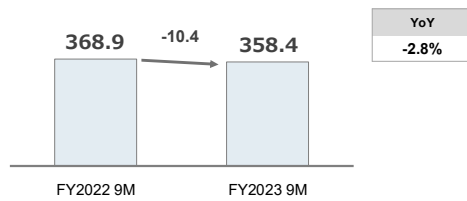
5

- The center of this slide shows 10.7 billion yen in structural reinforcements and 4.7 billion yen in external factors. Both figures are in line with our initial forecasts.
- You will also see 30.9 billion yen in other expenses, with acquired companies accounting for around half of that amount. We intended to increase profits in the sales and product mix with the other half of that amount, but that sales and product mix was around 4 billion yen short of our original projection.
- A breakdown of the sales and product mix shows negative 17.6 billion yen for RICOH Digital Products. Although that was partly offset by unrealized gains in Others, the negative figure stemmed from sales and production increases not reaching expectations.

## Q3 earnings rose on MFP unit production recovery

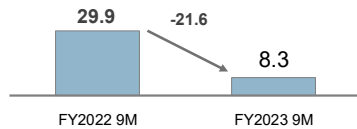
### Sales

(Billions of yen)



### Operating profit

(Billions of yen)



Note:  
 \* Part of PFU business portion allocated to Other was transferred to Ricoh Digital Products.  
 The company accordingly retroactively applied figures for FY2022.

### Overview

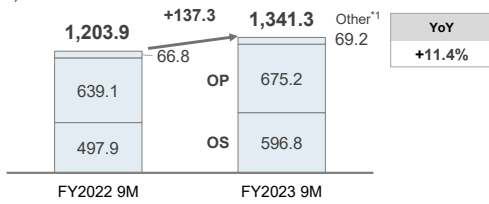
- Q3 operating profit increased YoY owing to higher A3 MFP production in view of year-end demand projections, cost reductions, and other factors
- Did not recover from H1 shortfall because of A3 MFP production adjustments, product mix changes associated with higher A4 MFP production, and other factors
- Structural reinforcements progressed as planned
- Scanner sales were sluggish because of lackluster IT investments in the Americas
- Progressed with preparations to form joint venture with Toshiba Tec Corporation
  - ✓ Planning to establish ETRIA Co., LTD. on July 1, 2024
  - ✓ Determining functions and production sites to establish efficient production and development structure through technology and equipment sharing

- At RICOH Digital Products, A3 MFP production volume increased. Although this business unit posted 6.5 billion yen in earnings in the third quarter, this was not enough to make up for a first-half decline.
- Today, we announced that a joint venture with Toshiba Tec Corporation will establish on July 1 this year. Its name will be ETRIA Co., Ltd. I will talk about this a little later.

## Japan and Europe continued to drive Office Services growth

### Sales

(Billions of yen)

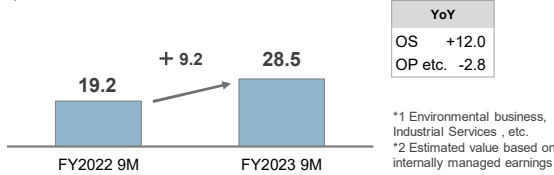


### Overview

- Office Printing (Sales) Percentage increase after excluding forex impact  
Hardware: Sales rose 5% but unit sales were lower than projected  
Non-hardware: Sales declined 1%, as expected
- Office Services  
IT and application services again performed well  
Communication services were again robust in the Americas  
Recurring revenues rose 17%, with revenue base continuing to expand

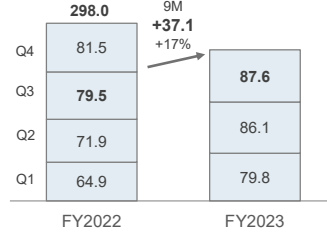
### Operating profit

(Billions of yen)



### Recurring Sales

(Billions of yen)



\*Part of PFU business portion allocated to Others was transferred to Ricoh Digital Services.  
Part of business allocated to Office Printing was transferred to Office Services and the figures retroactively to FY2022

February 6, 2024

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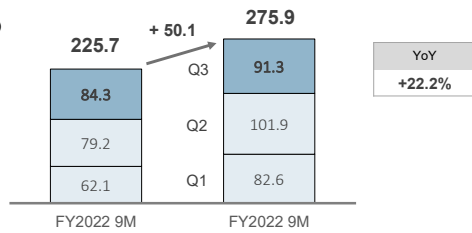
- RICOH Digital Services increased revenues and earnings. Office Printing's sales function was able to generate targeted profits while selling out its inventory. It is also worth noting that recurring revenues from Office Services for the year to date rose 17%. We anticipate solid earnings from that area.



## Scrum series continued to grow, benefited customers with products complying with legislative reforms

### Sales

(Billions of yen)



- Scrum Packages (targeting small and medium-sized enterprises)
  - ✓ Performed well in Q3, with sales for year to date climbing 25% YoY
  - ✓ Invoice system support and needs in view of legislative reforms in FY2024 remained high, with solid demand for business packs
- Scrum Assets (targeting mid-sized companies)
  - ✓ Sales were again high, jumping 70% YoY through Q3
  - ✓ Demand remained strong for post-systems installation and security-related services
- RICOH kintone plus
  - ✓ Demand growth also solid in Q3
  - ✓ Expanded sales through seminars and other events

### Sales by Category

(Billions of yen)

(excluding forex impact)

FY2023 9M	Sales	YoY
<b>Office services business</b>	<b>275.9</b>	<b>+22%</b>
IT infrastructure (hardware and software)	120.0	+24%
<b>IT services</b> (including maintenance and outsourcing)	<b>72.6</b>	<b>+32%</b>
<b>Application services</b> (business-specific apps and in-house apps)	<b>67.3</b>	<b>+15%</b>
Communication services	12.9	+0%
Business Process Services	3.0	+6%

### Scrum series performance

(Billions of yen)

Sales	FY23 9M	YoY
Scrum Packages	41.7	125%
Scrum Assets	51.7	170%
<b>Total</b>	<b>93.4</b>	<b>147%</b>

Unit	FY23 9M	YoY
Scrum Packages	64,939	112%

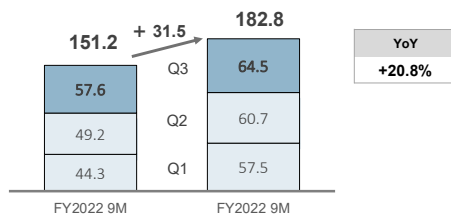
- I will now overview Office Services performances by region.
- In Japan, our Scrum packages are performing well. Scrum assets are doing even better, and revenues rose a combined 47%. Inquiries about legislative reform needs remained solid. The percentage of existing customers deploying Scrum packages rose 2% from the end of the previous fiscal year. Unit installations per customer increased by 0.2, representing steady growth.
- Sales of Scrum packages have risen around 20,000 units per quarter.

# RICOH Digital Services Office Services Overview: Europe

Despite somewhat lackluster economic conditions, services businesses, particularly acquired companies, continued to do well

## Sales

(Billions of yen)



- Sales of acquired companies jumped 35%
- Despite weaker economy, demand remained high for digitalizing and automating workflows, driving robust sales of DocuWare and other application services
- Progressed in creating synergies among acquired companies and between those entities and existing sales companies
  - ✓ Acquired deals through solutions combining PFH Technology managed services and MTI Technology cybersecurity
  - ✓ Secured communication services deal from leading global corporation through collaboration between Pure AV and sales company

## Sales by Category

(Billions of yen)

(excluding forex impact)

FY2023 9M	Sales	YoY
<b>Office services business</b>	<b>182.8</b>	<b>+9%</b>
IT infrastructure (hardware and software)	67.8	+14%
<b>IT services</b> (including maintenance and outsourcing)	<b>48.1</b>	<b>+9%</b>
<b>Application service</b> (business-specific apps and in-house apps)	<b>24.1</b>	<b>+16%</b>
<b>Communication services</b>	<b>23.9</b>	<b>+4%</b>
Business Process Services	18.7	-4%

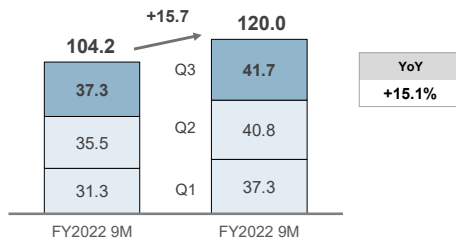
\* Refer to slide 25 for acquired positioning

- In Europe, acquired companies continued to perform well, with their sales jumping 35%. While not all companies have grown at the same pace, their performances have remained solid. We intend to reinforce our European operations in coming years, including by leveraging synergies.
- Even in a weaker economy, demand for automating workflows has remained high. This has driven sales growth of just under 20% for DocuWare, with overall applications sales expanding at a rate of late 10%.

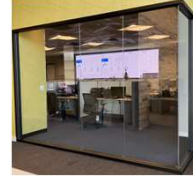
## Expanded communication services through collaborations between sales companies and Cenero

### Sales

(Billions of yen)



- Cenero (acquired in September 2022) performed well
  - ✓ Progressed with new installations by securing communication services deals with existing customers in the Americas
  - ✓ Increased managed audiovisual services contracts, helping boost recurring revenues



Cenero Service Operating Center, which remotely delivers managed AV services

### Sales by Category

(Billions of yen)

(excluding forex impact)

FY2023 9M	Sales	YoY
<b>Office services business</b>	<b>120.0</b>	<b>+10%</b>
IT infrastructure (hardware and software)	6.4	+13%
IT services (including maintenance and outsourcing)	11.5	-6%
<b>Application services (business-specific apps and in-house apps)</b>	<b>16.7</b>	<b>+12%</b>
<b>Communication services</b>	<b>11.7</b>	<b>+116%</b>
<b>Business Process Services</b>	<b>73.4</b>	<b>+3%</b>

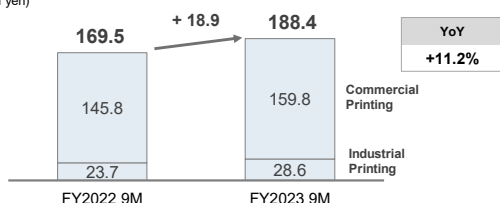
- Steadily expanded services in key sectors (healthcare, finance, retail, insurance, and manufacturing)
- Continued striving to boost Business Process Services profitability
  - ✓ Digitalized processes to streamline operations and control pricing

- In the Americas, I would like to particularly mention communication services, with Cenero continuing to do well since we acquired it in September 2022. We have done more than simply purchase that firm, amassing recurring revenues from managed audiovisual services and deploying them from Cenero to other Ricoh Group companies.

## Increased revenues and earnings, with non-hardware demand continuing to grow

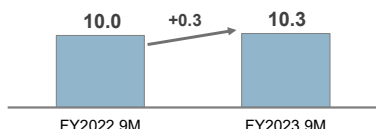
### Sales

(Billions of yen)



### Operating profit

(Billions of yen)



### Overview

#### Commercial Printing

- Hardware:
  - ✓ Benefited from ongoing digital printing investment appetite
  - ✓ While weak European economic conditions pose risks, looking to expand sales by leveraging new products
- Non-hardware:
  - ✓ Continued to expand in major European and U.S. markets and in Asian and Latin American growth markets
  - ✓ High print volume models launched last fiscal year contributed to recurring revenue growth

#### Commercial Printing Sales YoY

(Excluding forex impact)

	FY2022				FY2023		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Hardware	114%	121%	129%	137%	105%	110%	<b>99%</b>
Non-hardware	110%	108%	102%	105%	104%	101%	<b>104%</b>

#### By region (hardware + non-hardware)

Japan	103%	105%	95%	111%	88%	95%	<b>101%</b>
Americas	112%	112%	119%	122%	106%	109%	<b>101%</b>
EMEA	116%	112%	104%	120%	102%	99%	<b>104%</b>

#### Industrial Printing

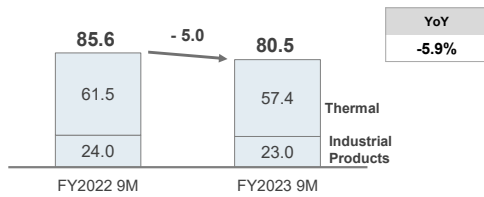
- Inkjet heads:
  - ✓ Demand remained solid for bulk-piezo printheads for sign graphics and other applications

- At RICOH Graphic Communications, hardware sales were down 1% from a year earlier in the third quarter, and I think this may have been in reaction to an increase in the previous year. At the same time, we have experienced ongoing demand growth for non-hardware, with overall sales rising.
- We have launched several new products this fiscal year. Although R&D expenditure amortization has started, with that amount putting pressure on earnings, we are steadily building our new product pipeline. We will keep striving to book new product sales in the fourth quarter and beyond.

## Losses shrank in Q3, with Thermal business on recovery track despite demand remaining weak

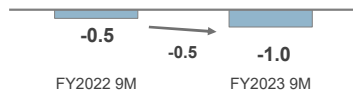
### Sales

(Billions of yen)



### Operating profit

(Billions of yen)



### Overview

#### Thermal

- ✓ Inventory adjustments and sluggish demand in Europe and United States unable to make up for H1 earnings shortfall
- ✓ Kept reducing costs and controlled pricing by streamlining purchasing and production
- ✓ Progressed steadily in providing total solutions through finished products and cultivated label-free thermal printing product customers in Japan

#### Industrial Products

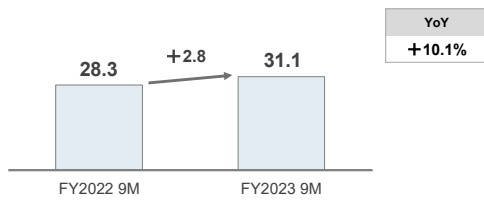
- ✓ Optical business sales declined amid impact of economic slowdown in China on projector-related products.
- ✓ Planning to complete optical business transfer in first half of FY2024

- RICOH Industrial Solutions continued to perform sluggishly in the period under review.
- This partly reflected customer inventory adjustments and other demand side factors. While we are accordingly endeavoring to acquire new customers and cut costs, delays in customer sample checks and other issues have hampered timely action.
- Please understand that the problem here is less about profit margins declining and much more about not reaching our top line target.

## Controlled costs in new business areas

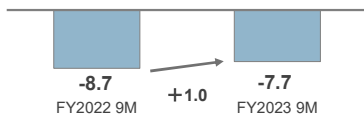
### Sales

(Billions of yen)



### Operating profit

(Billions of yen)



### Overview

- Smart Vision
  - ✓ Focused on workflow digitization services using 360° images
  - ✓ Reinforced efforts to cultivate co-creation partners to expand business applications
- Drug discovery support
  - ✓ Contract manufacturing services in research stages were robust
  - ✓ Made progress in customer acquisition
- Cameras
  - ✓ Again performed well

•Part of PFU business portion allocated to Other was transferred to Ricoh Digital Products and Ricoh Digital Services.

# Statement of Financial Position

- Total assets decreased ¥25.2 billion in real terms after excluding foreign exchange impact
- After excluding foreign exchange impact, inventories almost unchanged YoY owing to inventory optimization

## Assets

(Billions of yen)

	As of December 31, 2023	Change from Mar 31, 2023	
Current Assets	<b>1,162.7</b>	-12.5	
Cash & time deposits	<b>181.7</b>	-40.3	Strategic investments and loan repayments
Trade and other receivables	<b>472.4</b>	-3.9	
Other financial assets	<b>102.4</b>	+8.5	Advance procurements
Inventories	<b>326.5</b>	+12.1	Inventory formation in factory
Other current assets	<b>79.5</b>	+11.0	Including assets of businesses slated for divestment
Non-current assets	<b>1,045.0</b>	+70.3	
Property, plant and equipment	<b>195.4</b>	-1.0	
Right-of-use assets	<b>60.3</b>	+3.3	
Goodwill and intangible assets	<b>401.0</b>	+34.6	Strategic investments ( Including ICT investment in Europe.)
Other financial assets	<b>155.0</b>	+19.8	
Other non-current assets	<b>233.0</b>	+13.4	
<b>Total Assets</b>	<b>2,207.7</b>	<b>+57.8</b>	

Exchange rate as of Dec 31, 2023: US\$ 1 = ¥ 141.83 (+8.30)  
(change from Mar 31, 2023, rate) EURO 1 = ¥ 157.12 (+11.40)

## Liabilities and Equity

(Billions of yen)

	As of December 31, 2023	Change from Mar 31, 2023	
Current Liabilities	<b>871.9</b>	+42.8	
Bonds and borrowings	<b>200.9</b>	+43.0	
Trade and other payables	<b>271.8</b>	-40.5	
Lease liabilities	<b>22.0</b>	-4.1	
Other current liabilities	<b>377.0</b>	+44.3	Including liabilities of businesses slated for divestment
Non-current Liabilities	<b>322.1</b>	-40.5	
Bonds and borrowings	<b>175.2</b>	-29.8	
Lease liabilities	<b>46.7</b>	+8.6	
Accrued pension & retirement benefits	<b>39.0</b>	-1.9	
Other non-current liabilities	<b>61.1</b>	-17.3	
<b>Total Liabilities</b>	<b>1,194.1</b>	<b>+2.2</b>	
Total equity attributable to owners of the parent	<b>987.9</b>	+56.3	
Noncontrolling Interest	<b>25.7</b>	-0.7	
<b>Total Equity</b>	<b>1,013.6</b>	<b>+55.5</b>	
<b>Total Liabilities and Equity</b>	<b>2,207.7</b>	<b>+57.8</b>	
<b>Total Debt*</b>	<b>376.1</b>	<b>+13.1</b>	

\*Total for bonds and borrowings

February 6, 2024

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- Inventories rose 12.1 billion yen from the end of March, 2023. The increase after excluding the foreign exchange impact was 2.1 billion yen. We lowered sales inventories by 30 to 36 billion yen. Reductions since the first quarter have been extensive in the United States. Since the start of the third quarter, we have progressed well in also cutting inventories in Europe.
- At the same time, such purchased merchandise as PCs and servers that we deliver after kitting out are initially recorded as inventory. We expect to lower those inventories because we look to post sales by March this year. Also, while there will be increases from acquisitions, higher costs, and other factors, we believe that we can further lower inventories toward March.

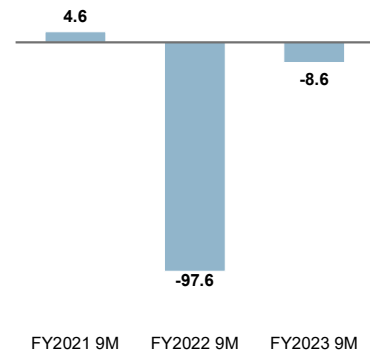
# Statement of Cash Flows

**Free cash flow improved on inventory optimization and other working capital improvements and fewer business acquisitions than in previous year**

(Billions of yen)	FY2022 9M	FY2023 9M
Profit	28.2	30.1
Depreciation and amortization	68.4	80.1
Other operating activities	-90.2	-48.1
Net cash provided by (used in) operating activities	6.4	62.2
Plant and equipment	-26.3	-33.1
Purchase of business, net of cash acquired	-52.2	-14.2
Other investing activities	-25.5	-23.4
Net cash provided by (used in) investing activities	-104.1	-70.8
Net increase of debt and bonds	111.4	6.2
Dividends paid	-18.6	-21.3
Payments for purchase of treasury stock	-30.0	-0.0
Other financing activities	-24.3	-24.1
Net cash provided by (used in) financing activities	38.4	-39.2
Effect of exchange rate changes on cash and cash equivalents	5.8	8.2
Net increase (decrease) in cash and cash equivalents	-53.3	-39.5
Cash and cash equivalents at end of period	180.6	171.3
<b>Free cash flow*</b>	<b>-97.6</b>	<b>-8.6</b>

## Free Cash Flow

(Billions of yen)



\*Free cash flow: net cash used in operating activities plus net cash used in investing activities

- We improved free cash flow in the third quarter. After excluding business acquisitions, free cash flow for the year to date was positive.



# FY2023 Outlook

## Key Indicator Outlooks for FY2023

		FY2023 Previous forecast	FY2023 Forecast	Change	FY2022 Results	YoY
Sales	(Billions of yen)	2,330.0	<b>2,300.0</b>	-1.3%	2,134.1	+7.8%
Gross profit		815.0	805.0	-1.2%	745.4	+8.0%
Selling, general and administrative expenses		745.0	745.0	-	666.6	+11.7%
Operating profit		70.0	<b>60.0</b>	-14.3%	78.7	-23.8%
Operating margin		3.0%	2.6%	-0.4pt	3.7%	-1.1pt
Profit attributable to owners of the parent		50.0	44.0	-12.0%	54.3	-19.1%
EPS (Yen)		82.09	<b>72.24</b>	-9.85	88.13	-15.89
ROE		5%	<b>4.5%</b>	-0.4pt	5.9%	-1.3pt
ROIC		4%	<b>3.3%</b>	-0.7pt	4.9%	-1.6pt
Average exchange rates	Yen/US\$ Yen/euro	142.96 154.18	143.68 155.19	+0.72 +1.01	135.49 140.91	+8.19 +14.28
R&D expenditures		108.0	108.0	-	107.7	+0.2
Capital expenditures		48.0	48.0	-	45.4	+2.5
Depreciation		43.0	43.0	-	41.9	+1.0

February 6, 2024

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\*1 Excluding treasury stock repurchasing  
\*2 FY2023 Q4 exchange rate assumptions: US\$1 = ¥145, €1 = ¥155

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- I will now go through our full-year outlook for fiscal 2023.
- At the start of the term, we anticipated double-digit gains in A3 MFP unit sales. As there had been shortages of some products through last fiscal year, we also expected a rise this term from eliminating those shortages. Despite the decrease in sales inventories due to steadily delivering to the customers, unit sales volume remained at the previous year's levels through the second quarter, and we were unable to boost them.
- At the end of the second quarter, we took steps to address issues with product shortages, European sluggish demand, and competition. We revised our plans so we could anticipate a robust fourth quarter at Ricoh and boost A3 MFP production from November.
- A3 MFP sales volume recovered from 74% of the fiscal 2019 level in the second quarter to more than 80% of that level in the third quarter. RICOH Digital Products accordingly turned around to post an operating profit of 6.5 billion yen in the third quarter, but this recovery was not enough to make up for the first-half decline. In the fourth quarter, we aim to match or exceed our third-quarter figures.
- We concluded that the Thermal business can generate earnings of around 3 billion yen in the fourth quarter. Operating profit of 60 billion yen is a figure we definitely want to reach. We lowered our forecast from 70 billion yen because we believed that retaining that figure would be disingenuous to equity market players.



# Segment Sales and Operating Profit

(Billions of yen)		FY2022 Results	FY2023 Forecast (previous)	FY2023 Forecast	change
<b>Ricoh Digital Services</b>	Sales	1,684.3	1,800.0	1,800.0	0
	Operating profit	31.3	43.4	44.3	+0.8
<b>Ricoh Digital Products</b>	Sales	493.4	497.0	487.0	-10.0
	Operating profit	34.7	21.4	14.8	-6.5
<b>Ricoh Graphic Communications</b>	Sales	234.8	272.0	272.0	0
	Operating profit	14.5	10.9	12.6	+1.6
<b>Ricoh Industrial Solutions</b>	Sales	116.3	135.2	117.0	-18.2
	Operating profit	3.1	6.1	3.1	-3.0
<b>Other</b> (Camera, New business)	Sales	40.5	46.5	38.0	-8.5
	Operating profit	-9.4	-9.1	-12.0	-2.8
<b>Eliminations and corporate</b>	Sales	-435.3	-420.7	-414.0	+6.6
	Operating profit	4.3	-2.8	-2.9	-0.1
<b>Total</b>	<b>Sales</b>	<b>2,134.1</b>	<b>2,330.0</b>	<b>2,300.0</b>	<b>-30.0</b>
	<b>Operating profit</b>	<b>78.7</b>	<b>70.0</b>	<b>60.0</b>	<b>-10.0</b>

## Shareholder Returns

- Maintain 50% total return target
- Lift earnings per share by boosting dividends and repurchasing shares

### Dividends per share

- ✓ Boost to ¥36 per share in FY2023 (¥18 interim and ¥18 year-end)

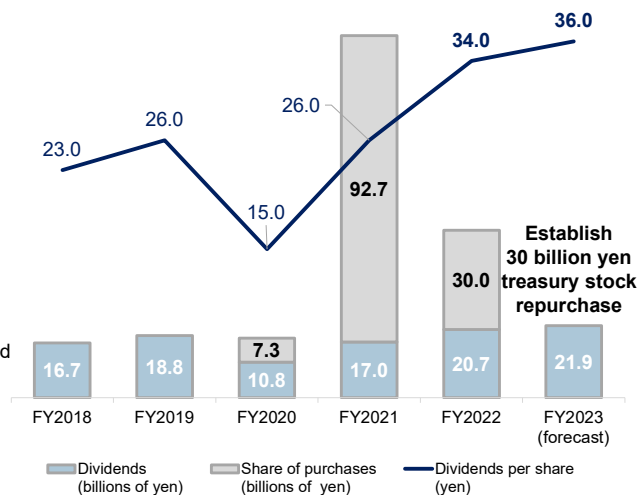
### Treasury Stock

- ✓ Establish a treasury stock repurchase of 30 billion yen as additional shareholder returns

- Keep reviewing cash flow allocations and flexibly execute capital policies in line with operating climate and based on the business environment and progress with strategic investments

- ✓ Gradual adjustment of foreign currency translation adjustments increased toward the target of optimal capital structure at around ¥1 trillion (¥900 billion excluding foreign currency translation adjustments)

- ✓ No change to growth investment policy



- Our prime policy is to keep generating shareholder returns by maintaining our 50% total return ratio target.
- We seek to keep increasing dividends or delivering additional returns, including through flexible share repurchases. We plan to boost annual dividends per share to 36 yen, including a year-end payment of 18 yen per share, in keeping with that commitment.
- The reason for the additional return is that we concluded that it would be important now to adjust our capital structure. An ongoing depreciation of the yen has caused the foreign exchange adjustment account to expand. We consider fine-tuning necessary to optimize the capital structure at a target of around 1 trillion yen.
- At the same time, investments for the current fiscal year alone have been below expectations. That naturally does not mean that we will simply cut investments by that amount. We will maintain the 200 billion yen mergers and acquisitions policy that we set forth under our mid-term management strategy. We will keep exploring investments in such areas as application services, communication services, and artificial intelligence.
- That said, for the current fiscal year, there are some areas to which we cannot fully deploy funds to investments because of cash flow allocations. To achieve a balance, we have established share repurchases of 30 billion yen in keeping with our commitment to flexibly generating additional returns.
- This approach should boost our earnings per share and return on equity. At the same time, we will continue to deliver on our firm commitment to our shareholder return policy.
- That concludes our presentation on our results for the third quarter of this fiscal year. Again, I apologize for our downward earnings revision in this report.

# Segment Overview

Business Segments	Key Businesses and Functions	Core Products and Services
Ricoh Digital Services	Office Services	IT infrastructure (including hardware), IT services, application services, communication services (including hardware), and Business Process Services
	Office Printing (Sales)	<b>Hardware: MFPs, printers</b> <b>Non-hardware: Consumables, services, and support</b>
	Other	Businesses running independently in regions (Including environmental energy and Ricoh Service Advantage)
Ricoh Digital Products	Office Printing (Development and manufacturing)	<b>Hardware: MFPs, printers, and communication devices</b> <b>Non-hardware: Consumables</b> <b>Other: Scanners and electrical units</b>
Ricoh Graphic Communication	Commercial Printing	Hardware: Production printers Non-hardware: Consumables, services, and support
	Industrial Printing	Hardware: Inkjet heads and industrial printers Non-hardware: Consumables, services, and support
Ricoh Industrial Solutions	Thermal	Thermal paper, thermal transfer ribbons, and label-less thermal
	Industrial Products	Industrial optical components, precision instrument components, and industrial equipment

In-house sales to Ricoh Digital Services and original equipment manufacturing

## Appendix

# Key Performance Indicators for Major Measures

(Billions of yen)

		KPI	FY21	FY22	FY23	
			results	results	forecast (full year)	9M results
RDS (OP)	Hardware sales YoY (excluding forex impact)	Sales	96%	111%	107%	105%
	Non-gardware sales YoY (excluding forex impact)	Sales	104%	101%	99%	99%
	Service reforms	Expenses	13.0	10.1	7.4	5.5
RDS (OS)	Scrum packages	Sales	48.4	49.4	61.1	41.7
	Scrum assets	Sales	31.3	57.7	67.9	51.7
	Recurring business	Sales	-	298.0	FY25 target 380.0 (CAGR 8%)	253.6 +17%(YoY)
RDP	Development and production streamlining	Expenses	12.2	5.8	7.1	4.3
RIS	Production streamlining	Expenses	13.0	10.1	0.6	0.8



# Becoming a Digital Services Company

## Digital Services

### Sales Ratio

Frontlines digitalization  
Office digital services

FY22

**44%**

7% 37%

FY23 9M

**47%**

8% 39%

FY23 forecast

**49%**

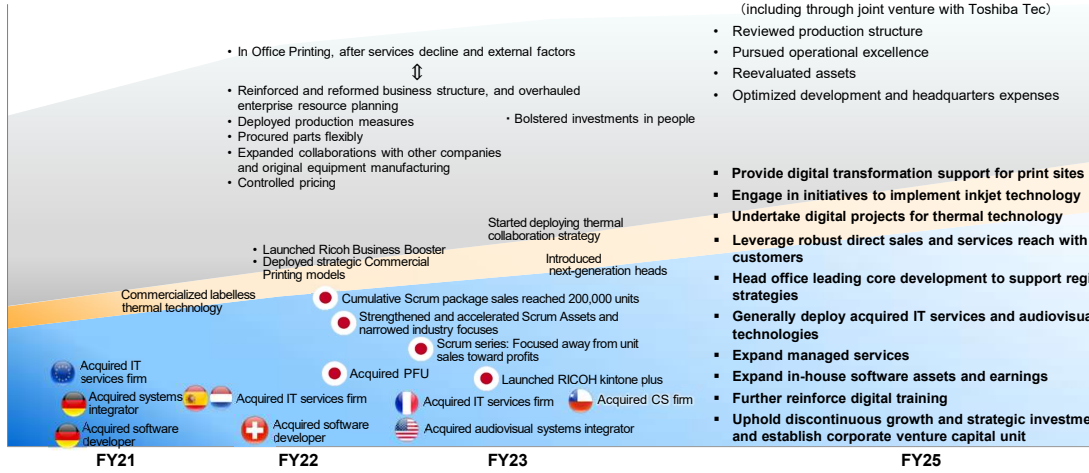
8% 40%

FY2025 sales

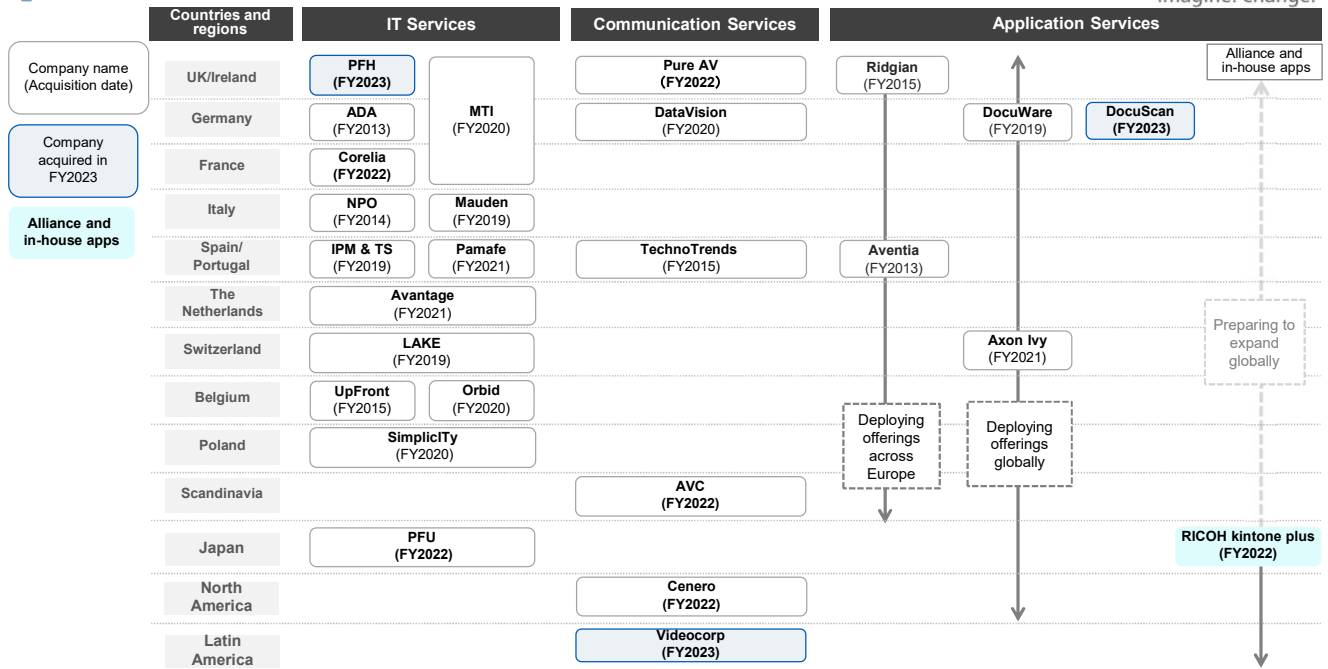
**60%+**

13% 50%

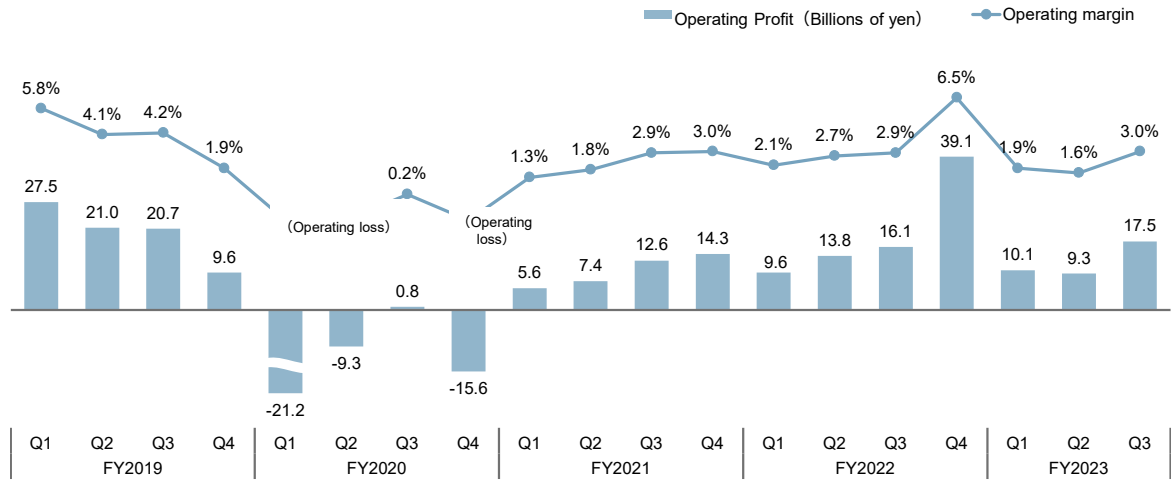
Largely through Office Services and overall growth



# Organizational expansion progress



# Quarterly Operating Profit



## Office Printing

Sales compared with same period in the previous year

(Excluding forex impact)

	FY2022				FY23			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	9M
Hardware	96%	106%	117%	124%	110%	105%	99%	105%
Non-hardware	101%	103%	100%	100%	99%	97%	100%	99%

By region (hardware + non-hardware)

(Excluding forex impact)

	FY2022				FY23			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	9M
Japan	98%	107%	100%	108%	100%	99%	101%	100%
Americas	119%	133%	113%	110%	103%	103%	99%	102%
EMEA	107%	105%	106%	110%	105%	100%	98%	101%

## Office Services

(Excluding forex impact)

Sales (billions of yen)	FY2022				FY23				YoY
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	9M	
Office services business	142.6	169.4	185.8	219.9	182.9	209.7	204.0	596.8	+15%
IT infrastructure	45.7	54.3	62.9	81.2	61.5	71.4	67.6	200.6	+19%
IT services	30.2	37.2	42.1	47.5	41.0	47.9	46.4	135.5	+19%
Application services	28.9	32.9	32.7	44.0	34.3	40.3	37.4	112.1	+15%
Communication services	9.4	14.6	17.1	16.8	15.4	17.6	18.8	51.9	+19%
Business process services	28.2	30.2	30.8	30.3	30.5	32.4	33.5	96.6	+2%

### Major business activities in each segment

**IT Infrastructure:** Selling hardware and software for building IT environments and providing security services. Mainly purchases

**IT Services:** Installing, constructing, operating, and maintaining IT environment and security services

**Application services:** Installing, constructing, operating, and maintaining in-house and purchased application software

In-house software includes DocuWare, RICOH kintone plus, and document solutions products

**Communication services:** Installing, constructing, operating, and maintaining communication environments, including managed services and selling in-house edge devices

**Business Process Services:** Commissioned business for customer output centers and new services tapping customer base

# Key Office Services External and Partner Recognition

## 2023

- June** Ricoh Japan wins sales, integration, and two area awards from CYBOZU AWARD 2023  
Ricoh Japan wins Microsoft Japan Partner of the Year 2023 award
- September** Ricoh named a leader in IDC MarketScape's Worldwide Print Transformation 2023 Vendor Assessment Report, which notes Ricoh's evolution from a document-centric organization to a data-centric company  
Report from Independent research firm Verdantix positions Ricoh as Specialist in 2023 Green Quadrant for Workplace Systems Integrators
- November** J.D. Power Server Maintenance Services Customer Satisfaction Survey places Ricoh Japan first for ninth consecutive year  
American publication Systems Contractor News ranks Ricoh third worldwide on its SCN Top Systems Integrators list for commercial audiovisual systems integrations  
Ricoh Japan is APJC Geo Awards SMB Partner of the Year and Area Partner of the Year (for Hokkaido and Tohoku areas) winner at Cisco Partner Summit 2023 and Cisco Partner Conference Japan 2023  
Cisco recognizes Ricoh as Asia Pacific SMB Managed Service Partner of the Year

## 2024

- January** Influential analyst reports from Forrester, Gartner, and Quadrant Knowledge Solutions recognize Axon Ivy for its business process automation strengths  
Ricoh USA Achieves Top Marks in Managed IT Services Partner Study, Earns BLI Pacesetter Award from Keypoint Intelligence

## 2023

- April** Revises Ricoh Way corporate philosophy, defining Fulfillment through Work as new Mission and Vision  
 Revises Ricoh Group materiality (key social issues) and formulates and discloses ESG targets for the 21st Mid-Term Management Strategy  
 Revises and announces Ricoh Group Supplier and Partner Code of Conduct
- June** Concludes Positive Impact Finance loan agreement with Sumitomo Mitsui Trust Bank, Limited, for second consecutive year  
 Concludes Mizuho Eco Finance loan agreement with Mizuho Bank, Ltd.
- July** Formulates Scope 3 scenario to further reduce greenhouse gas emissions and visualize and reduce of global greenhouse emissions in Category 4: Upstream transportation and distribution  
 Ricoh Japan publishes Sustainability Report 2023 and SDGs Communication Book 2023
- September** Formulates Technology Ethics Charter to mitigate ethical risks inherent in commercializing and operating digital services
- October** Endorses Japan's Stewardship Code for corporate pension plans  
 Publishes Ricoh Group Integrated Report 2023, Ricoh Group TCFD Report 2023, Ricoh Group Circular Economy Report 2023, and Ricoh Group ESG Data Book 2023
- December** Ricoh launches its first renewable energy self-consignment, enhancing renewable energy implementation with an emphasis on additionality  
 Participates in Ministry of Economy, Trade and Industry's Industry-Government-Academia Partnership for a Circular Economy

# Major ESG Awards and Recognition

## 2023

April	Selected for Excellent TCFD Disclosure by GPIF's external asset managers
June	Selected for Asia-Pacific Climate Leaders list for second straight year
July	Chosen for inclusion in six major ESG indices for domestic equities that GPIF has adopted and included in FTSE4Good Index for 20th consecutive year
August	Ricoh USA earns 2023 Great Place To Work certification
September	TIME magazine names Ricoh as one of World's Best Companies of 2023 (ranking lists 750 top-performing companies across globe in terms of environmental, social, and governance dimensions) Ricoh Canada achieves Bronze level Progressive Aboriginal Relations certification from Canadian Council for Aboriginal Business Ricoh receives Healthy Workplace Gold Certification from Excellence Canada
October	Japan's Ministry of Environment certifies Ricoh Ena Forest in Gifu Prefecture as Other Effective area-based Conservation Measure site RICOH IM C6010 Series A3 Full Color MFP wins Encouragement and Collaboration awards in Resources Recirculation Technologies and Systems Awards
November	Ricoh China receives 2023 Huangpu District ESG Innovation Practice Award, winning recognition as a Green Pioneer Receives five-star rating in Fifth Nikkei SDGs Management Survey of Nikkei Inc.
December	Included in Dow Jones Sustainability World Index for fourth consecutive year

## 2024

January	Named a Leader in IDC MarketScape for Worldwide Sustainability Programs and Services Selected as one of the 2024 Global 100 Most Sustainable Corporations
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