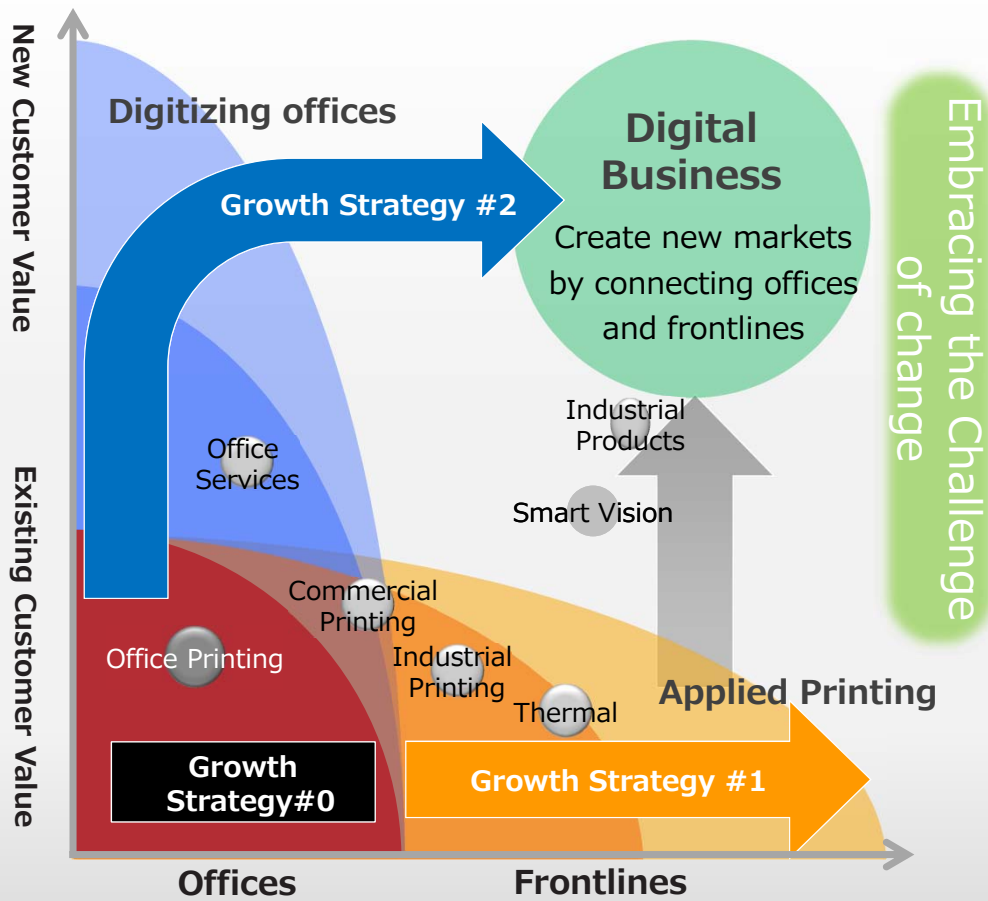


**Office
Printing
Business**

April 11, 2019

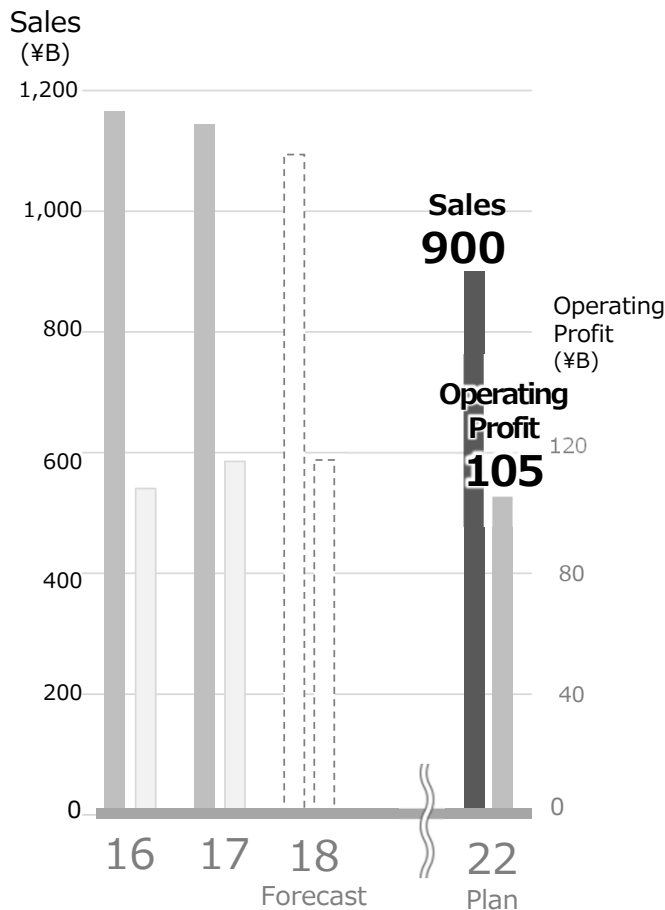
**Katsunori Nakata
General Manager of
Office Printing Business Group
Ricoh Company, Ltd.**

RICOH Ignite Growth Strategy



Disclosure Segments	Strategy 0	Strategy 1	Strategy 2
Office Printing	●		
Office Services			●
Commercial Printing		●	
Industrial Printing		●	
Thermal		●	
Industrial Products			●
Smart Vision			●
Others			
Embracing the Challenge of Change Healthcare AM* Environment			
Group companies			

*AM: Additive Manufacturing



*: excluding extraordinary costs

Growth Strategy #0 toward FY2022
Increase profitability by evolving MFPs and pursuing operational excellence

- 1. Strengthen efforts in growth areas:** Determine areas for regions, products, and channels on which we will focus and undertake concerted efforts
- 2. Pursue operational excellence:** Strengthen development, production, sales, and service while boosting productivity and customer satisfaction
- 3. Establish new earnings model:** Draw on collaboration with Office Services business to integrate subscription models

Office Printing Business Overview

Office Printing Business

Providing solutions to improve customers workplace productivity, centered on MFPs, printers, and other imaging equipment

MFP

Bolster solutions that streamline customer workflows through the cloud by accommodating work practices change

Top share in global A3 laser MFP market*1
(in terms of unit shipments in 2018)

RICOH IM C series
A3 laser MFPs

Large, cloud service-accessible touch panels



MFP-linked document solutions software



Printers

Printer lineup matching customer industry and business needs (paper compatibility and durability)

Ricoh Japan was first in 2018 for customer satisfaction in color laser printer category

RICOH P501
A4 laser printer

No.1 in customer satisfaction
(2018 J.D. Powers study)

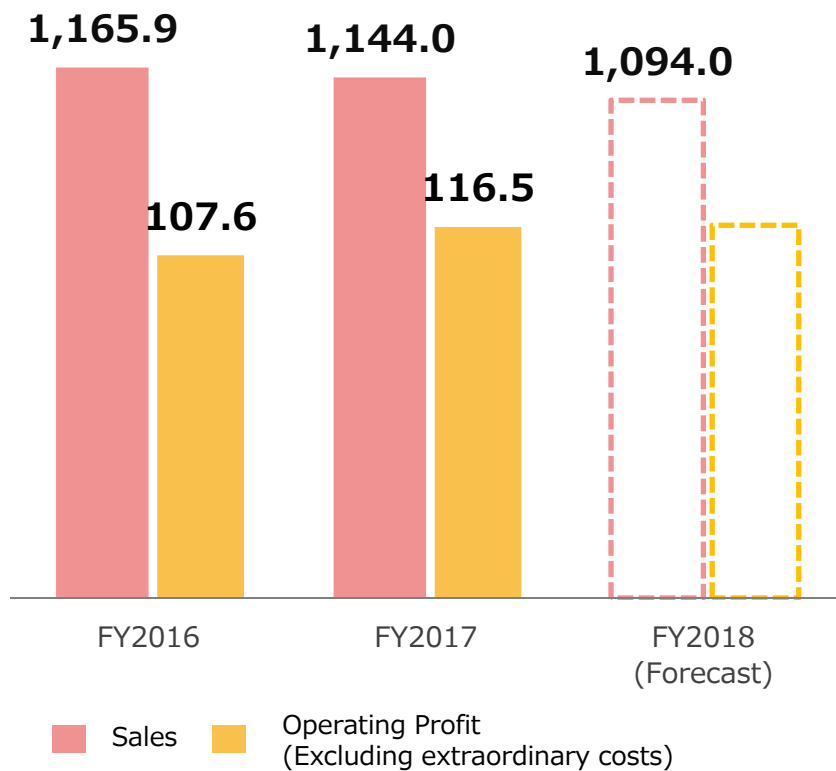


*1 Source: IDC's Worldwide Quarterly Hardcopy Peripherals Tracker, 2018 Q4 A3 Laser, MFP/SFDC, A3 Speed Range less than 91ppm, incl. SFDC

Office Printing Business Overview

Results

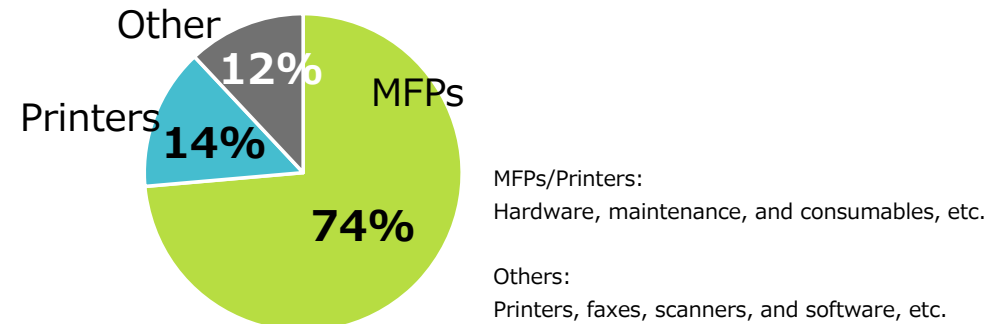
(Billions of yen)



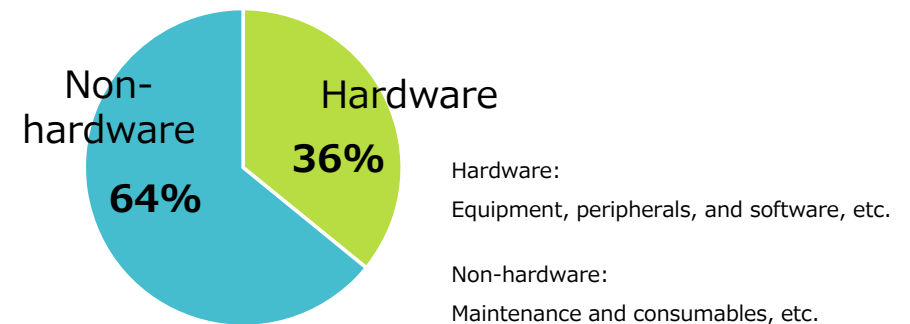
Sales composition

By product

FY2018 Apr-Dec



Hardware vs non-hardware



Business Climate (MFP Market Forecasts for 2022)

- ① A3 MFPs to account for 80% of overall hardware demand
- ② Number of color machines increasing worldwide and A4 MFPs revenues expanding
- ③ Color MFP growth drives emerging markets demand, also non-hardware grows

MFP Market 2022 forecasts	Hardware								Non-hardware
	A3 MFPs				A4 MFPs				MFPs + Laser printers
	Color		Color		Color (31-90ppm)		Color (31-90ppm)		
Revenues	Unit volume	Revenues	Unit volume	Revenues	Unit volume	Revenues	Unit volume	Revenues	
Overall demand value & unit volume	CY17→22CAGR		②		②				
	-3.6%	+0.3%	-2.4%	+1.5%	-0.9%	+1.4%	+3.0%	+10.1%	-1.2%
	¥2.7 trillion	4.1 million	¥2.0 trillion	2.3 million	¥0.7 trillion	17.4 million	¥0.1 trillion	0.6 million	¥5.5 trillion
Developed market regions Hardware: North America, Western Europe, Japan Non-hardware: North America, Europe, Japan	-4.4%	-1.7%	-2.7%	+0.4%	-2.1%	+0.2%	+3.4%	+10.6%	-2.1%
	¥2.0 trillion	2.0 million	¥1.7 trillion	1.6 million	¥0.4 trillion	5.5 million	¥0.1 trillion	0.5 million	¥4.0 trillion
Emerging market regions Other than those above	-0.6%	+2.5%	-1.2%	+4.4%	+0.3%	+2.0%	+1.2%	+7.3%	③ +1.5%
	¥0.6 trillion	2.1 million	¥0.4 trillion	0.7 million	¥0.4 trillion	11.8 million	¥0.0 trillion	0.1 million	¥1.4 trillion

Source: Hardware: IDC WW HCP Tracker_ForecastPivot_2018Q4 (Laser printers, MFPs, 90ppm or less, A3 MFPs including A2 MFPs, developed markets: US/Canada/Western Europe/Japan, Latin America/Central and Eastern Europe/Middle East and Africa/Asia Pacific)
 April 11, 2019 Non-hardware: Interwatch February 2018 (C)2019 Ricoh Company, Ltd. All Rights Reserved

Large enterprises

From visible costs toward workplace productivity

- Service quality and reliability
- Compatibility with workflow and systems
- Robust data and network security

Small and medium-sized enterprises

Printing cost reductions and digital applications

- Lower print costs
- Improving efficiency by document digitization
- Robust equipment security

Review of Efforts to Date (Printing business)

Initiatives to date	Results	Challenges												
<ul style="list-style-type: none"> Price management 	<ul style="list-style-type: none"> Prices of directly sold color MFPs*1 Note: Baseline of 1 for FY2017 <table border="1"> <caption>Price Index Data</caption> <thead> <tr> <th>Region</th> <th>FY2017 Q1-Q3</th> <th>FY2018 Q1-Q3</th> </tr> </thead> <tbody> <tr> <td>Japan</td> <td>1.00</td> <td>1.02</td> </tr> <tr> <td>Western Europe</td> <td>1.00</td> <td>1.01</td> </tr> <tr> <td>United States</td> <td>1.00</td> <td>1.00</td> </tr> </tbody> </table>	Region	FY2017 Q1-Q3	FY2018 Q1-Q3	Japan	1.00	1.02	Western Europe	1.00	1.01	United States	1.00	1.00	<ul style="list-style-type: none"> 5% unit sales decline <ul style="list-style-type: none"> Maintain price management and expanding number of units
Region	FY2017 Q1-Q3	FY2018 Q1-Q3												
Japan	1.00	1.02												
Western Europe	1.00	1.01												
United States	1.00	1.00												
<ul style="list-style-type: none"> Streamlined maintenance services operations 	<ul style="list-style-type: none"> Reduced man-hours and service hours by 25% for core A3 color MFPs from FY2016 level 	<ul style="list-style-type: none"> Further improve efficiency and customer satisfaction 												
<ul style="list-style-type: none"> Reviewed direct sales and service structure 	<ul style="list-style-type: none"> Enhanced sales productivity in United States (transferred machines in field to dealers) Lifting gross profit per sales person by 14% above FY2016 level 	<ul style="list-style-type: none"> Cultivate other overseas markets in keeping with local needs 												
<ul style="list-style-type: none"> Develop and deploy solutions sales to materialize customer workflow improvements 	<ul style="list-style-type: none"> Completed cloud infrastructure and released 109 applications Launched subscription business (Secured 20% of new small and medium-sized business contracts in major European nations through subscriptions) 	<ul style="list-style-type: none"> Develop new revenue models <ul style="list-style-type: none"> Expand applications by strengthening collaborations with partners Broaden various fee models in line with customer needs 												

*1:20-60cpm color MFPs *2: France, United Kingdom, and Germany

**FY2022
business
targets**

**Enhance profitability by evolving MFPs
and pursuing operational excellence**

**Key
Strategies**

- 1 Accelerating business in growth areas**
- 2 Pursue operational excellence**
- 3 Establish new earnings model**

Business Strategies and Key Initiatives (1)



Key strategy **1** Accelerating business in growth areas

Main initiative

Regions	Developed markets	<ul style="list-style-type: none"> ● Solidify customer base in A3 color MFPs and capture demand for A4 MFPs needed in office workflows
	China	<ul style="list-style-type: none"> ● Deploy products matching market needs through strong dealer networks ● Anticipate print and scanning needs under advanced IT environments
Products		<ul style="list-style-type: none"> ● Evolve products to edge devices that deliver value in workplaces ● Evolve controllers that enable functions always up to date ● Hardware that minimizes lifetime costs
Channels		<ul style="list-style-type: none"> ● Reinforce and expand dealer business draw on direct sales expertise

Business Strategies and Key Initiatives (2)

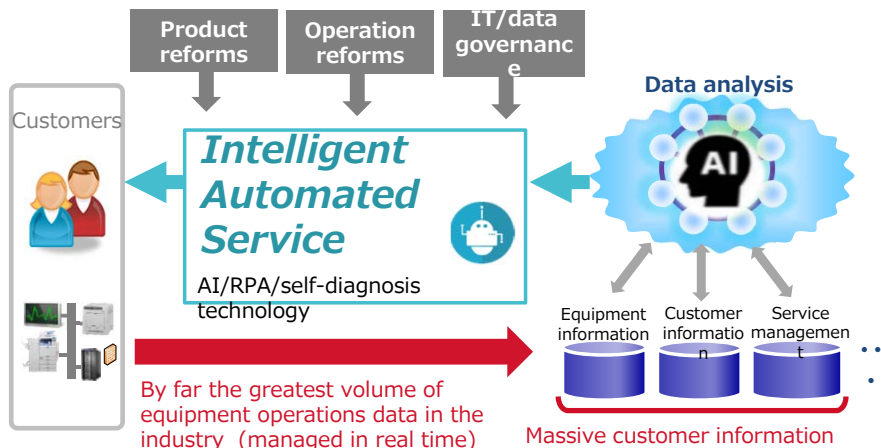


Key strategy **2** Pursue operational excellence

	Main initiative	KPIs
R&D	<ul style="list-style-type: none"> Shorten development lead times through new device architecture Fully automate controller evaluations to cut development man-hours while enhancing quality 	Cut controller development man-hours from FY2018 level
Production	<ul style="list-style-type: none"> Enhance quality and further cost reduction through digital manufacturing <ul style="list-style-type: none"> - Digitize expertise of veteran employees - Freely locate assembly plants 	Increase productivity 30% from FY2018 level
Sales	<ul style="list-style-type: none"> Build channels that optimally match market and customer characteristics <ul style="list-style-type: none"> - Strengthen dealer businesses in Europe and United States - Accelerate digital marketing by leverage customer equipment usage data 	Increase number of units for dealer sales by 20% from FY2018 level
Service	<ul style="list-style-type: none"> Enhance customer satisfaction and lower service costs through digital transformation <ul style="list-style-type: none"> - Shift to proactive support through predictive maintenance from enhancing equipment reliability and operability 	Halve downtime from level of FY2016 models

Digital Transformation of Service

Further Enhancing productivity and customer satisfaction



By far the greatest volume of equipment operations data in the industry (managed in real time)

Massive customer information

Transform manufacturing and operations to reduce service costs

Shorten service times by 25%

Enhanced product quality
Lower product failure rates

Enhanced operational efficiency

Streamline customer engineers' maintenance with IT tools and streamline machine installation by managing and transferring customer data in the cloud

Better call center efficiency

Remote maintenance enhancements and automating call support

~FY2018

Supply Big Data and AI-based intelligent services

Cut service times and downtimes by 50%

Predictive maintenance

Predictive maintenance and parts life prediction

Fully automated service

Enable self assessment of equipment at customer sites (Display recovery guidance and automatically recover from errors)

Enhanced product quality

Lower product failure rates and enable customers to maintain systems by replacing parts

~FY2022

Business Strategies and Key Initiatives (3)



Key strategy

3 Establish new earnings model

Collaborate with Office Services Business

Main initiative

Device evolution

- Evolve edge devices that deliver workplace value
- Launching program in June 2019 to constantly maintain latest device controller versions

Bolster our software

- Create simple package solutions includes Ricoh devices for authentication and equipment management, and deploy extensively to small and medium-sized enterprises

Accelerate businesses with partners

- Open the application programming interface for the RICOH Smart Integration platform and collaborate partners to enhance our sector- and business specific application lineup

Transform earnings model

- Integrate globally deployed hardware and non-hardware with subscription model software and deploy new offerings

FY2022 Goals

FY2022 Targets

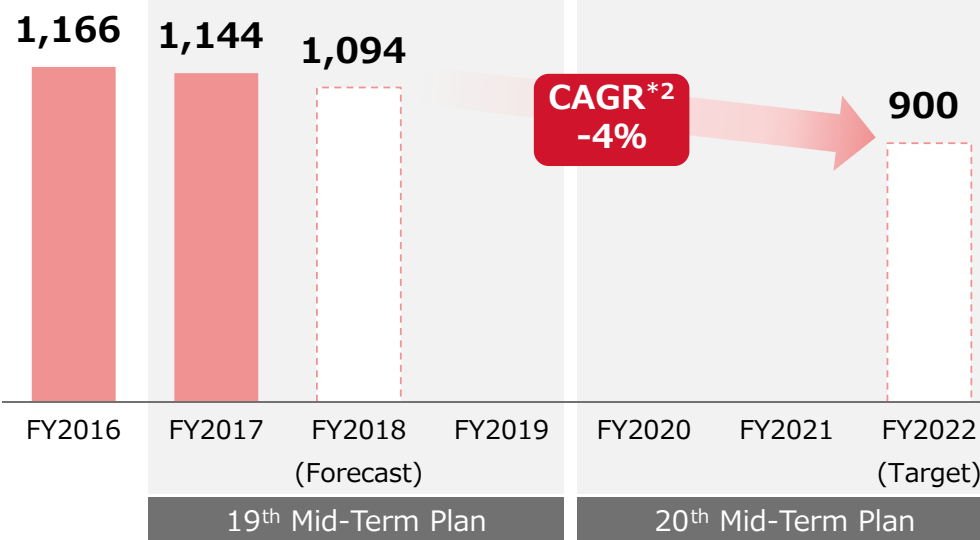
Sales ¥600 billion
Operating profit ¥105 billion

Key strategies

1. Accelerating business in growth areas
2. Pursue operational excellence
3. Establish new earnings model

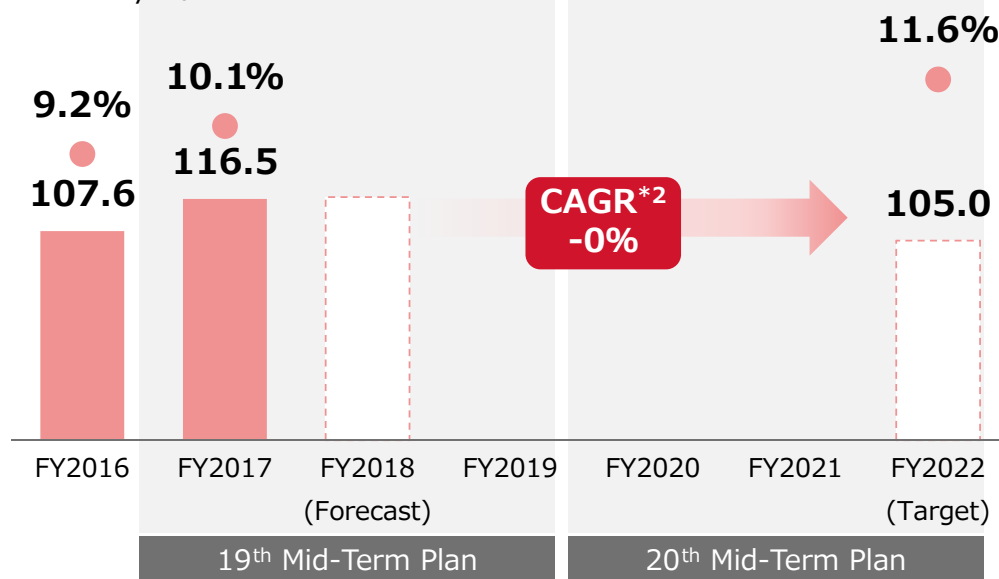
Sales

(Billions of yen)



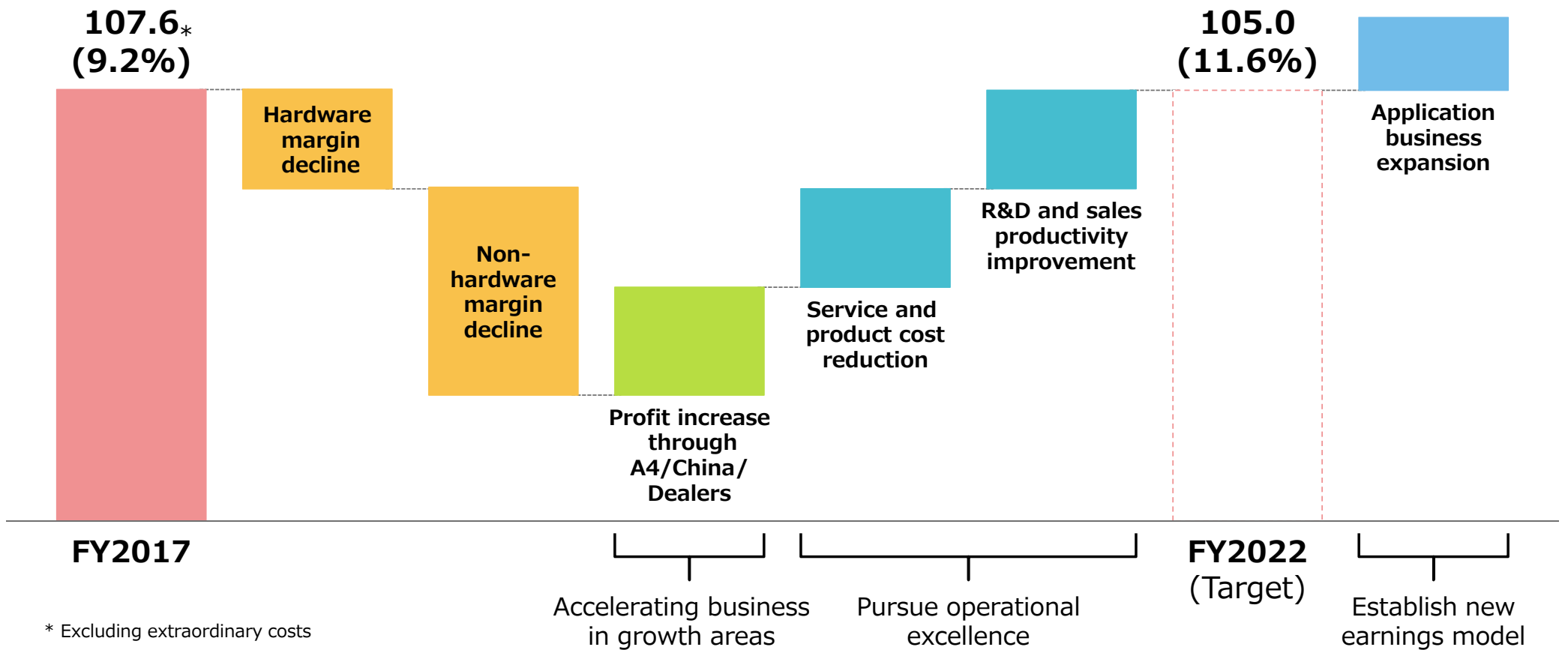
Operating profit*1/Operating margin*1

(Billions of yen)



FY2022 Operating Profit Scenario

Operating profit(billions of yen)/Operating margin(%)



* Excluding extraordinary costs

Accelerating business in growth areas

Pursue operational excellence

Establish new earnings model

RICOH

imagine. change.

Forward-Looking Statements

The plans, prospects, strategies and other statements, except for the historical events, mentioned in this material are forward-looking statements with respect to future events and business results. Those statements were made based on the judgment of Ricoh's Directors from the information that is now obtainable. Actual results may differ materially from those projected or implied in such forward-looking statements and from any historical trends. Please refrain from judging only from these forward-looking 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 could cause those results to differ materially from those expressed in the forward-looking statements:

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

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**Note: In this document, fiscal years are defined as follows:
FY2018 = Fiscal year ended March 31, 2019, etc.**