

**Office
Services
Business in
Japan**

RICOH
imagine. change.

November 26, 2020

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Ricoh Japan Profile

Powerful nationwide presence and customer base

Customer base	Number of sites	Number of employees	Number of sales and service partners
1 million offices	350	18,000	3,200

Customer and systems engineers around Japan

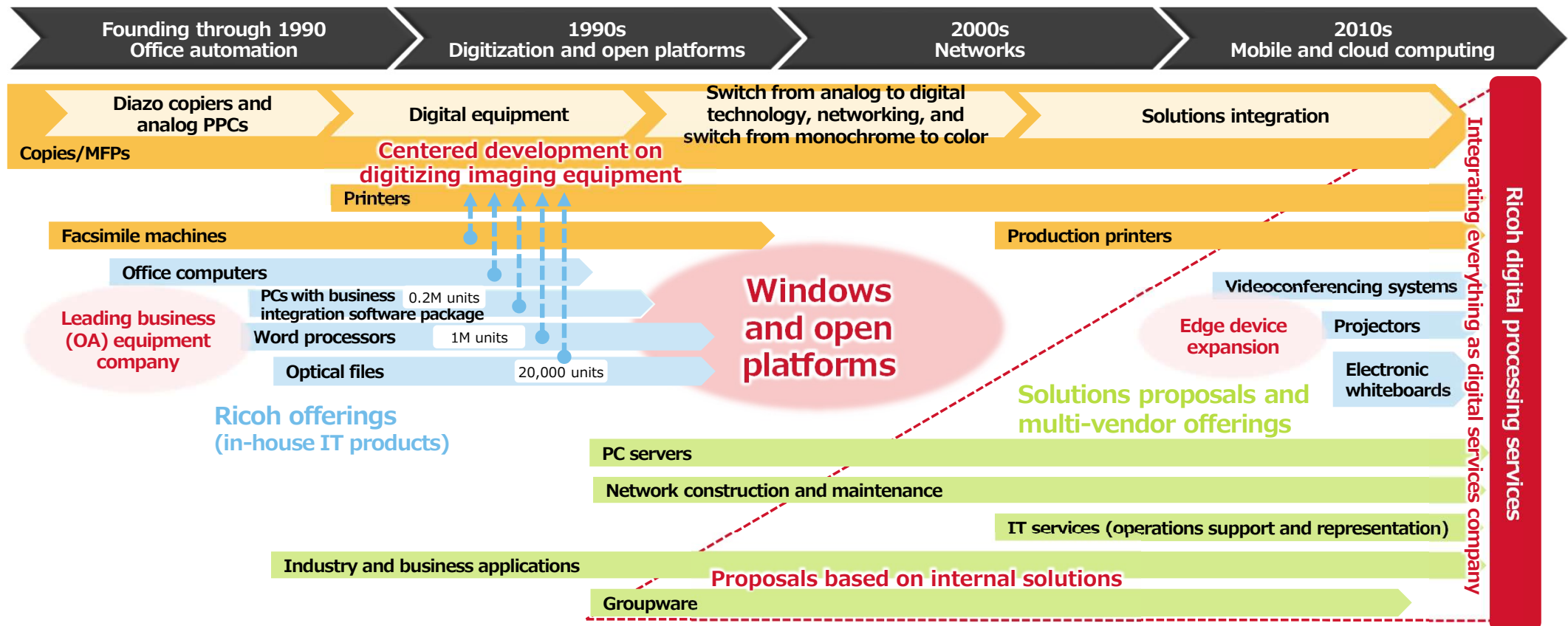


Customer engagement structure

Sales	8,000	12,600
Customer engineers	4,600	6,300
Systems engineers	1,200	Including sales and service partners
Contact centers	1,000	

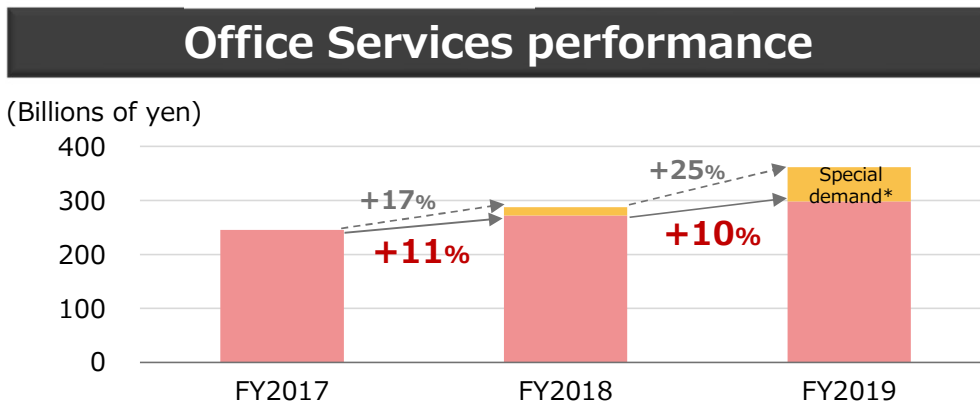
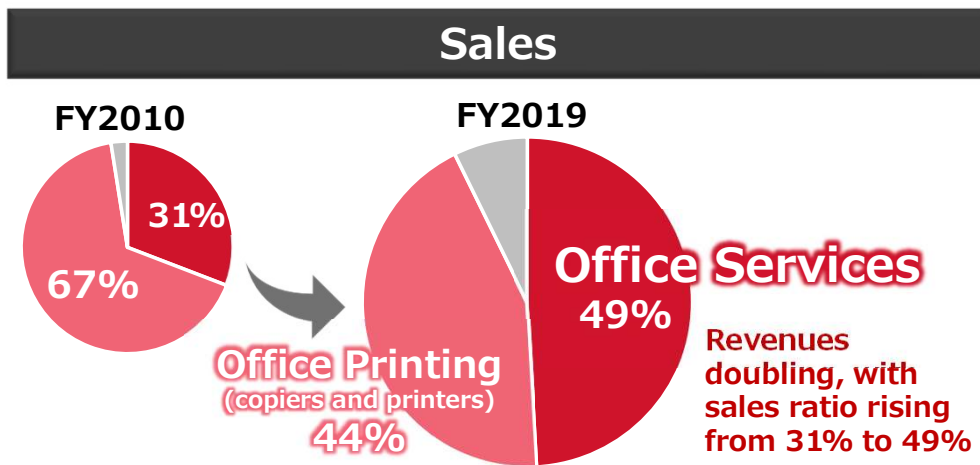
Business Evolution

Customer base and expertise amassed since dawn of office automation supports current IT business



Performance

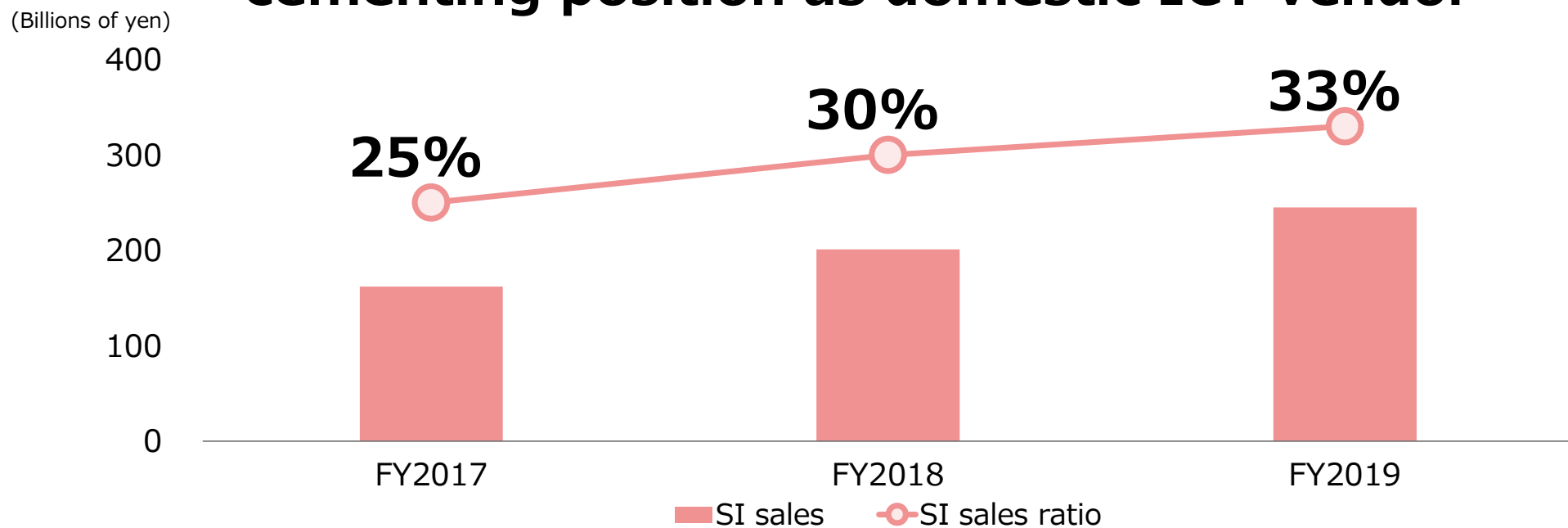
Have built solid position as information and communication technology (ICT) vendor, with systems integration (SI)* accounting for one-third of sales *Resolving industry and business issues



J.D. Power customer satisfaction surveys <ul style="list-style-type: none"> IT solutions provider IT equipment maintenance 	6 straight years 1st
Sales to customers deploying IT under government subsidy program (to enhance services and other productivity) Note: Ricoh estimate	2 straight years 1st
Corporate Windows PC sales share Note: Ricoh estimate, January to December 2019	10%
Number of small and medium-sized business (SMB) customers for Microsoft 365	1st
Ricoh Japan systems integration sales (FY2019)	¥245 billion

SI Sales Ratio

Gradually increasing SI business sales ratio, cementing position as domestic ICT vendor



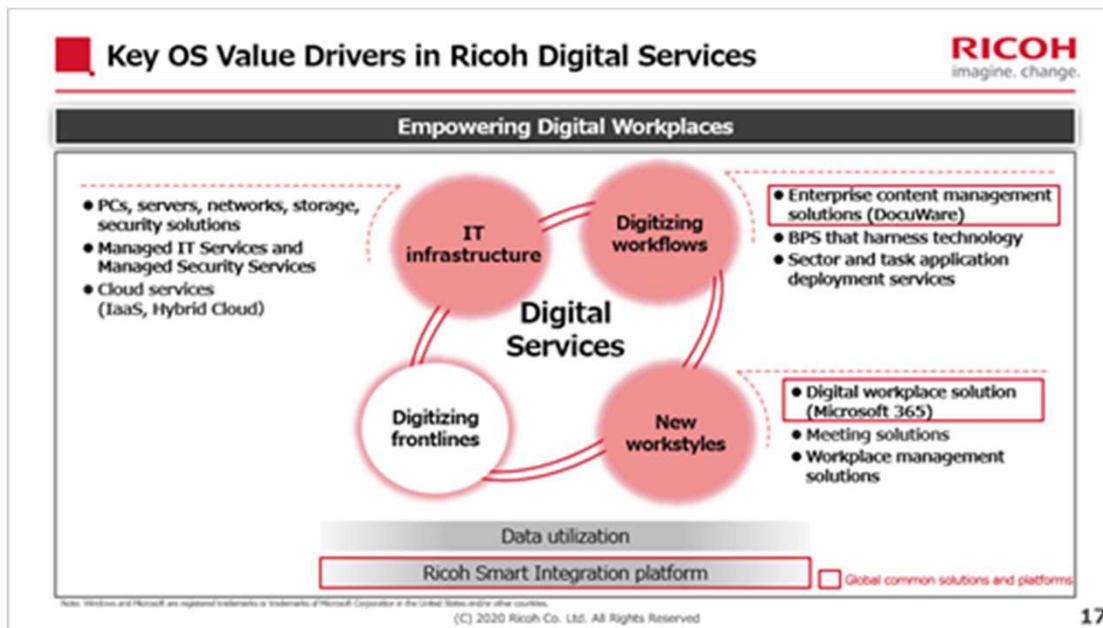
Note: Ricoh Japan's SI solutions businesses encompass:

1. Applications and support and services solutions
2. Applications and hardware (including edge device) combined with support and services and solutions

Basic Office Services Strategies

Delivering value in Japan through three basic strategies

Slide 17 of overall Office Services business presentation



Basic strategies

Expand stock business by cultivating customers

Help resolve social issues by digitizing customer operations

Strengthen full support services through nationwide, locally focused sales

Basic Office Services Strategy

Expand stock business by cultivating customers

- Marketing catering to industry and business demand
- Task cross-selling
- Boost productivity by combining digital marketing and inside sales based on account sales
- Leverage job category-based teams to undertake activities to help customers succeed and enhance customer experience, thereby expanding stock business

Help resolve social issues by digitizing customer operations

- Drive efficiencies by automating enterprise systems in front-end areas relating to people and paper processes
- SMBs: Resolve business issues with Scrum packages
- Mid-sized companies: Resolve issues by drawing on systems engineer architect capabilities (Scrum assets)

Strengthen full support services through nationwide, locally focused sales

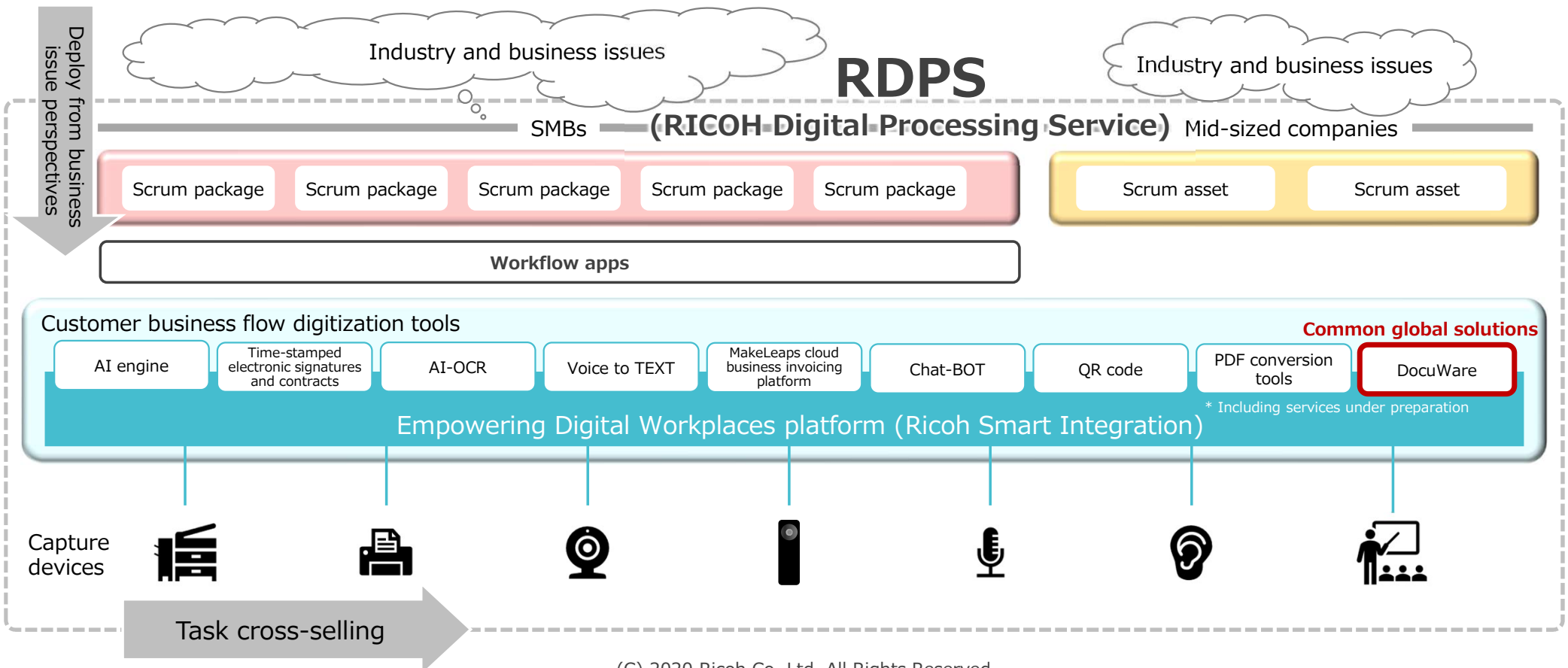
- Transition from hardware to software selling, leveraging Scrum package selling expertise to enhance capabilities
- Broaden multiple skillsets of customer engineers

Scrum package sales percentages

Direct sales	99.9%
Dealer sales	48.3%
Dealers	91.9%

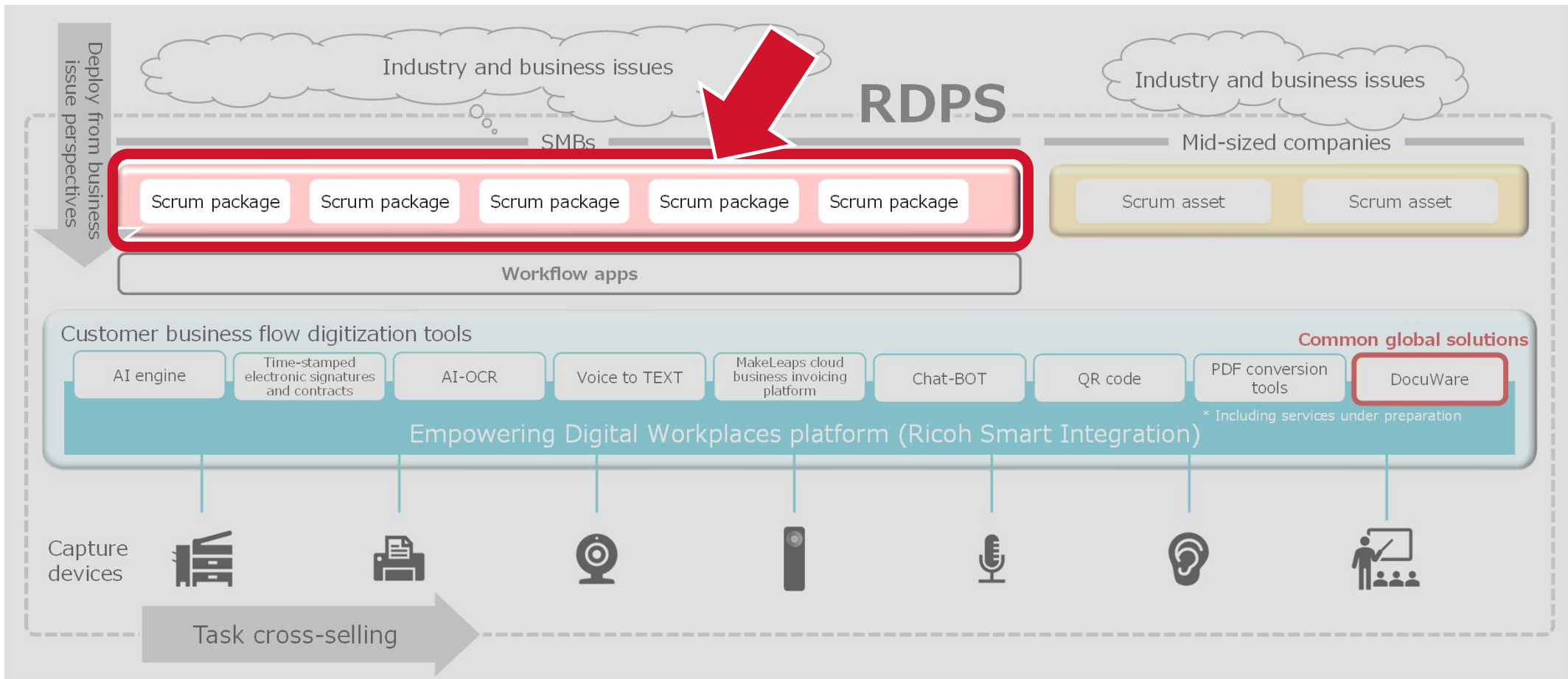
RDPS Solutions Supporting New World of Work

Solutions lineup that digitizes industry- and business-specific workflows and combines edge devices, automation services, and other tools to support the new world of work



RICOH Digital Processing Service (RDPS)

Scrum packages



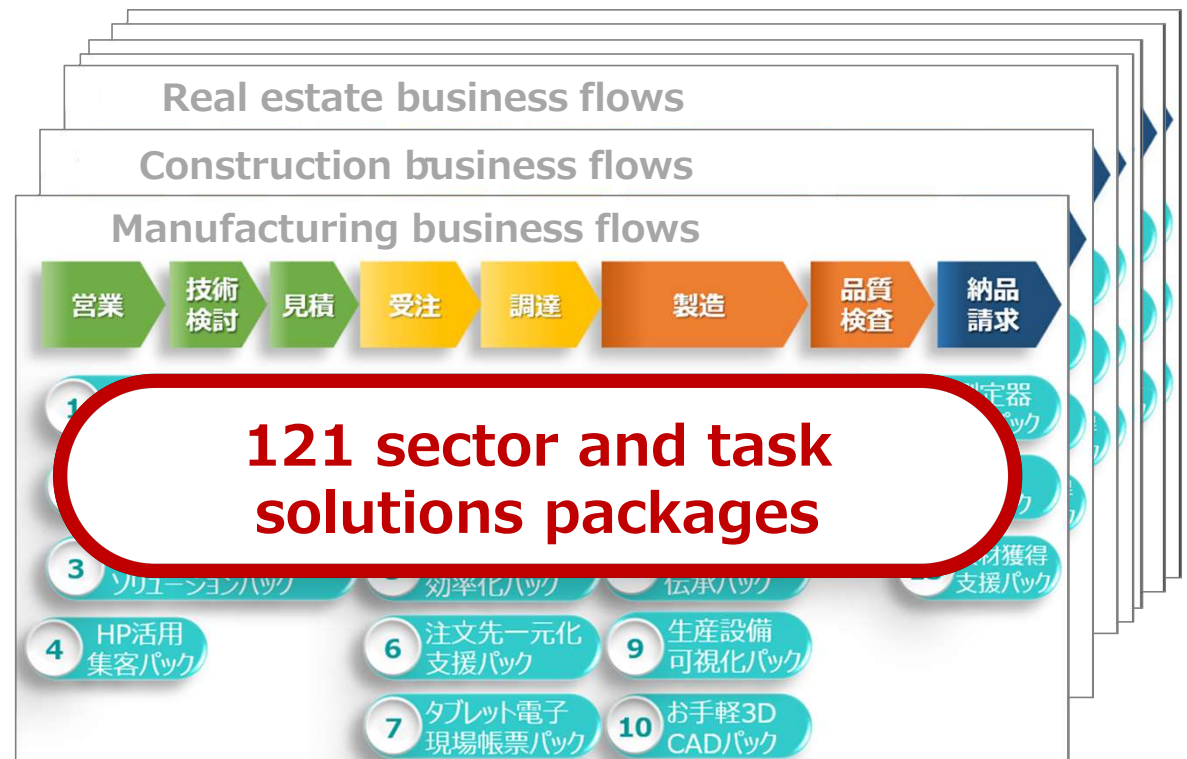
Scrum Packages that Resolve SMB Business Challenges

Cultivating solutions and sales packages that integrate optimal products, sales, and support to encompass overall business flows for specific customer sectors

Digital solution tools for eight sectors and three tasks



100,000 packages sold



Scrum Package Sales Tools

Leveraging discussions, tools, and proposals to negotiate deals with 30% of customers approached, signing contracts after an average three discussion sessions

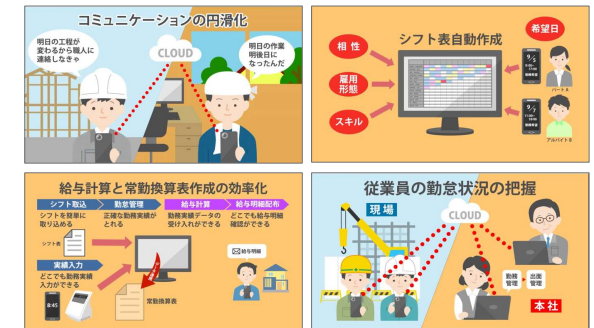
Scrum package flyer



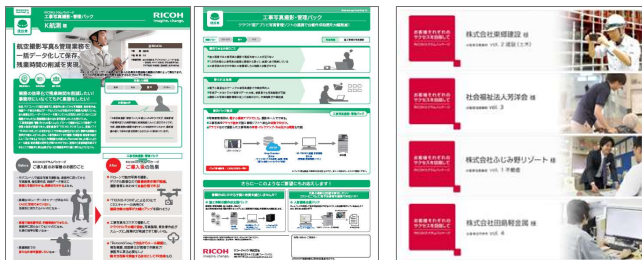
Sector-specific discussion tools



Sector and task approach videos



Customer success stories



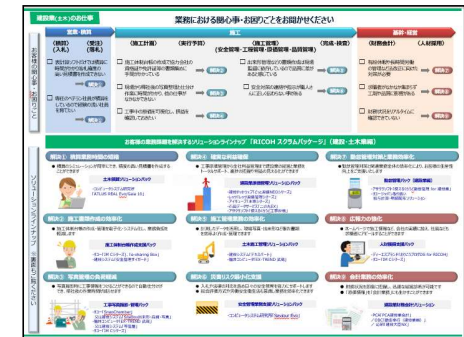
Success stories

Success story videos

Standard proposals



Sector approach tools



Scrum Package Sales

More than 100,000 of Scrum package solutions sold since launch in October 2017

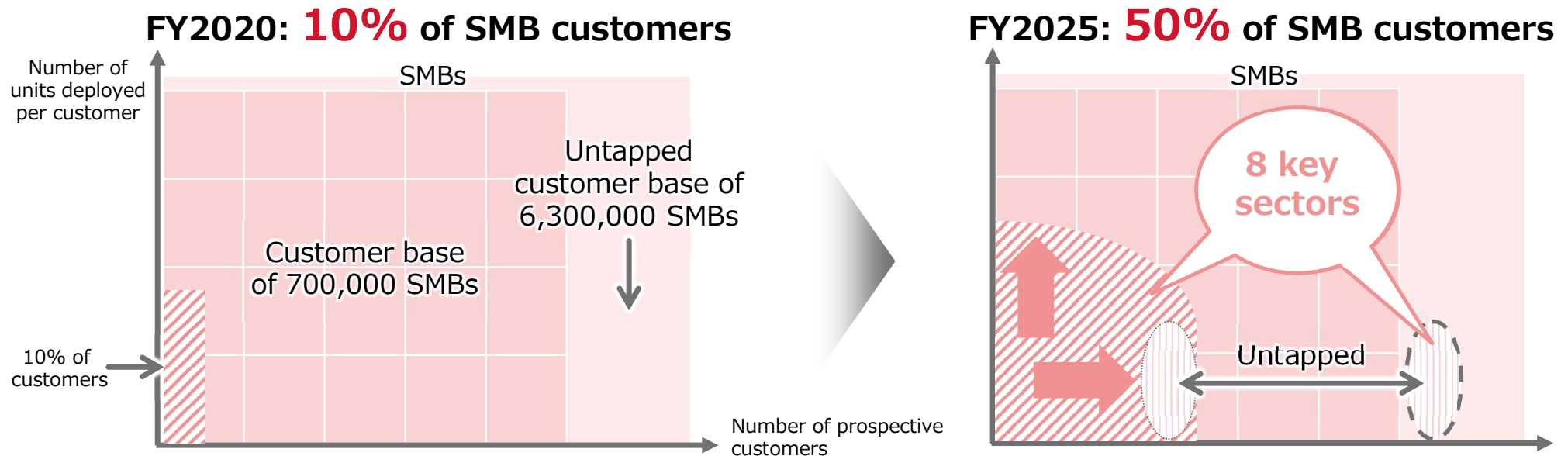
Cumulative sales of sector and task packages



Sales Potential of Scrum Packages

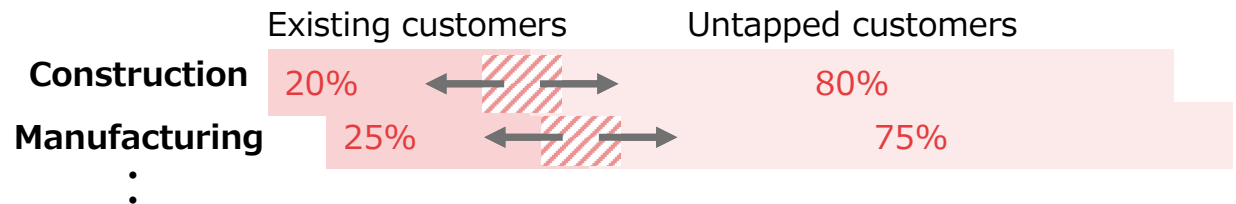
Targeting 50% uptake among existing customers in fiscal 2025, centered on eight key sectors

Scrum package customer coverage rates



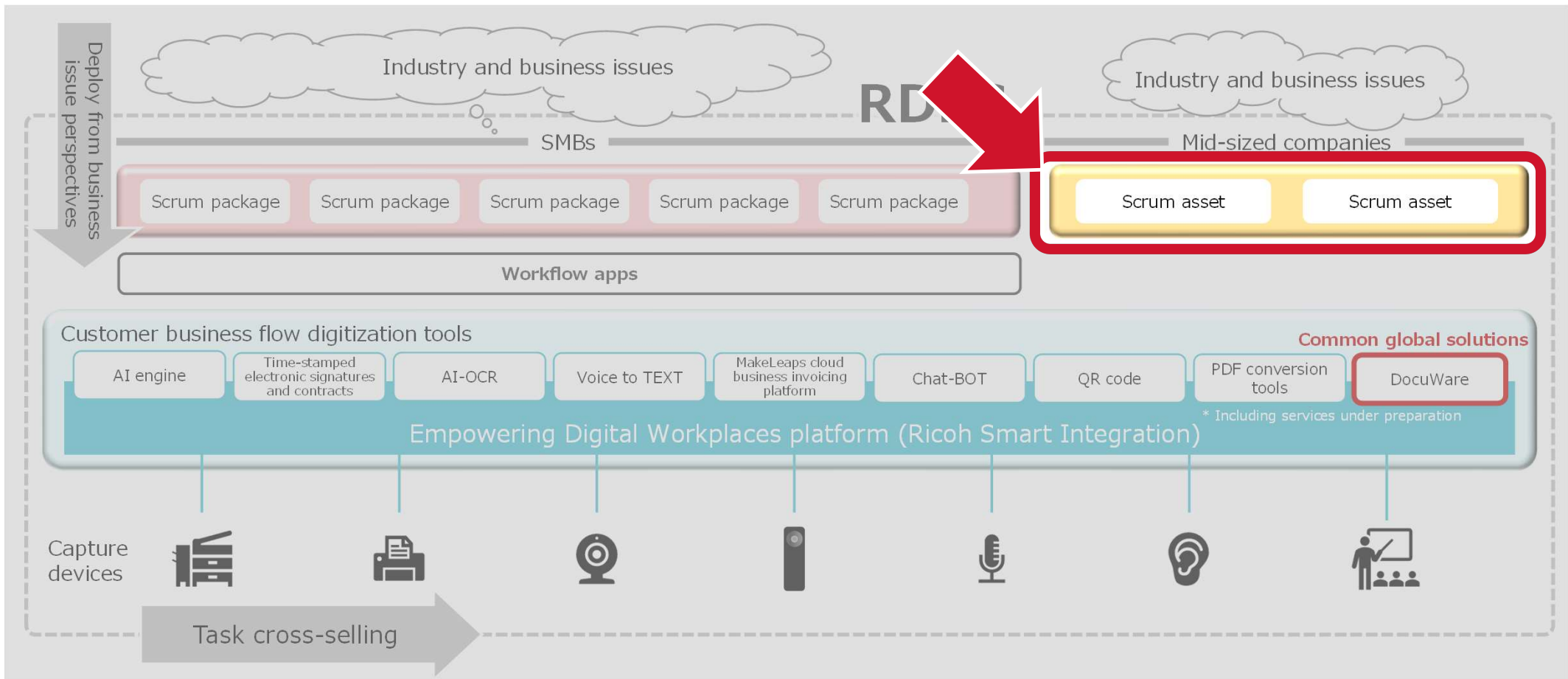
8 key sectors

- These sectors cover around half of customer base (construction, real estate, manufacturing, healthcare, welfare and eldercare, transportation, and tourism)
- Relatively high uptake rate



RICOH Digital Processing Service (RDPS)

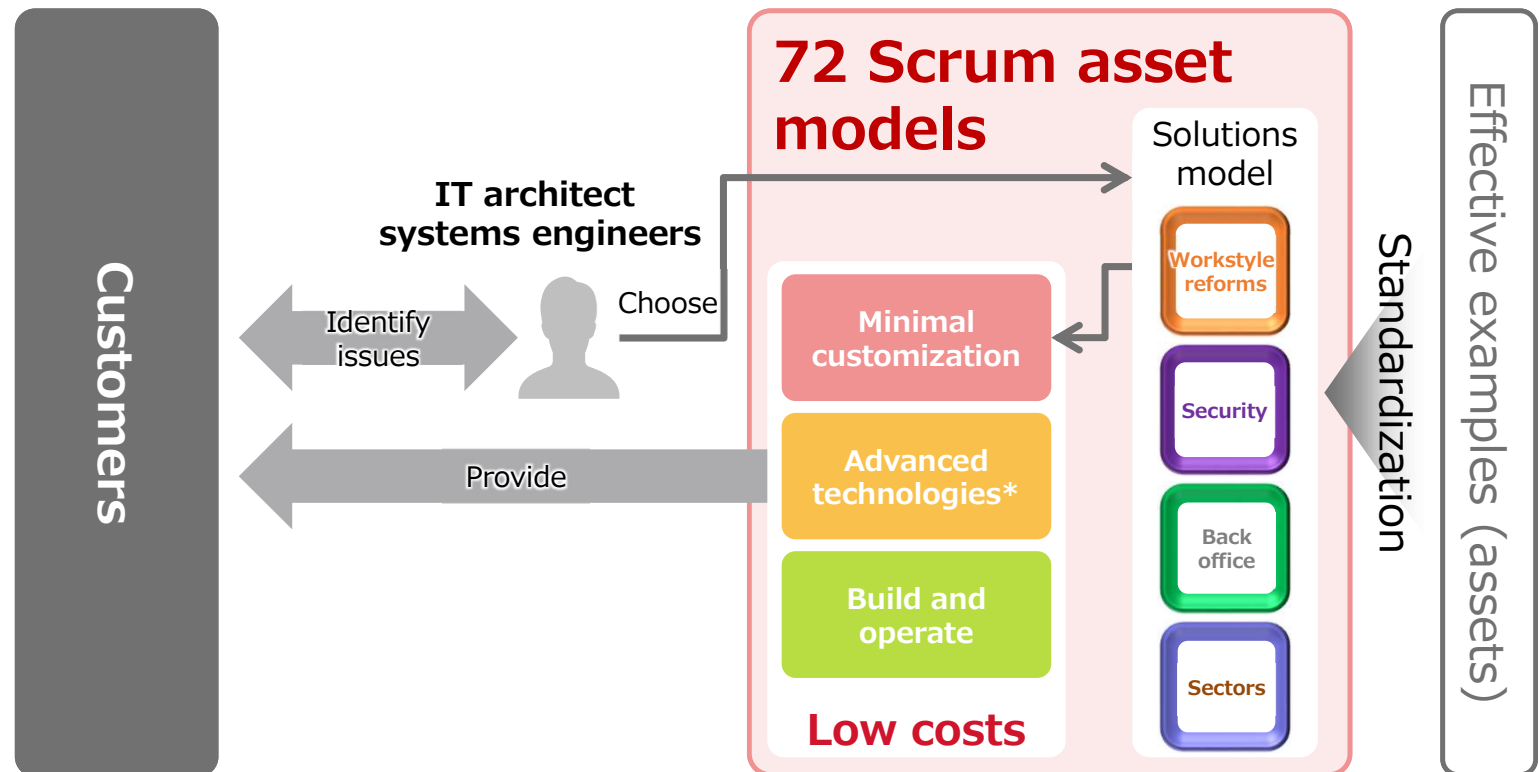
Scrum assets



Scrum Assets that Resolve Business Challenges of Mid-sized companies

A solutions model for Mid-sized companies that combines development experience (app deployment and operations) of 1,200 systems engineers with advanced technologies

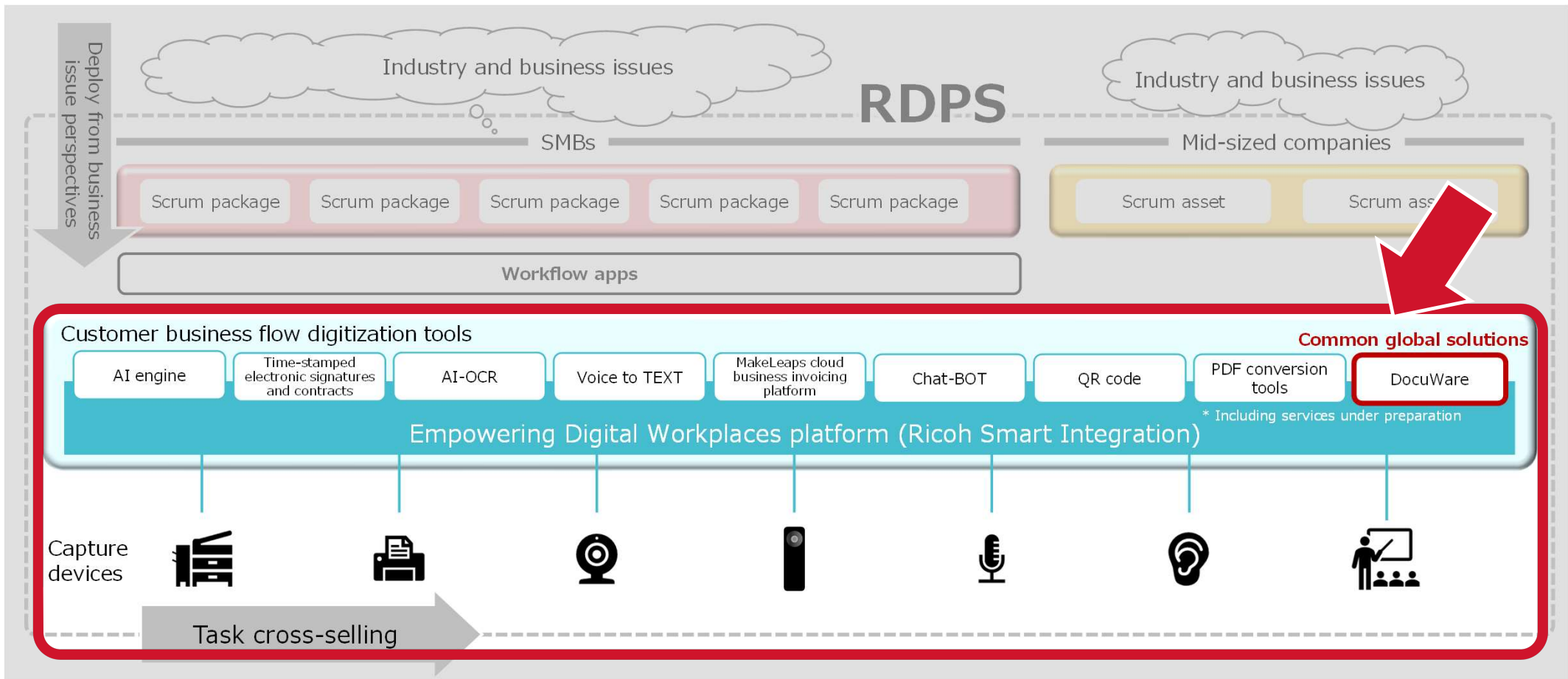
- IT architect systems engineers identify issues
- Use modularized assets and minimally customize in creating solutions



* Including artificial intelligence, robotic process automation, optical character recognition, and cloud computing

RICOH Digital Processing Service (RDPS)

Empowering Digital Workplaces platform (Ricoh Smart Integration)



Business Growth through Empowering Digital Workplaces

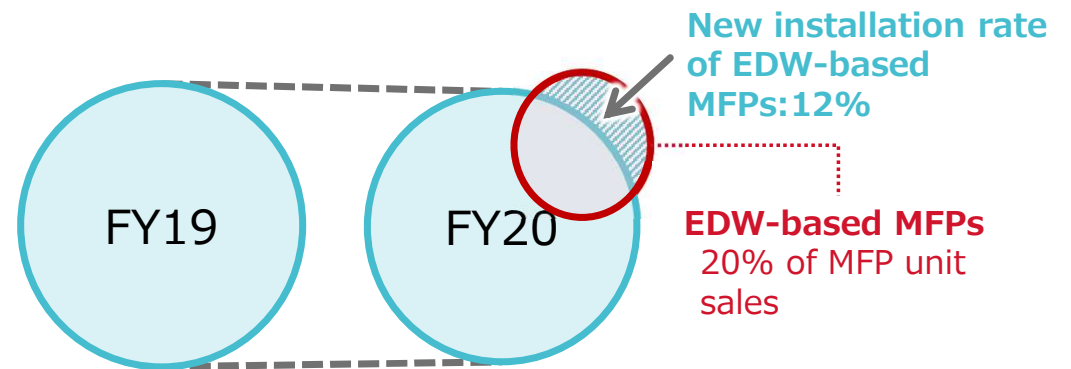
Cultivating new market development and covering total document volume declines through Empowering Digital Workplaces (EDW) approach

EDW App sales



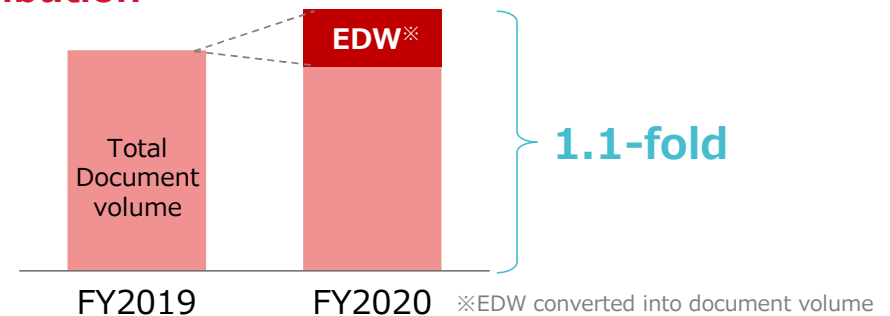
Cultivating new markets for EDW-based MFPs as edge devices

MFP unit sales



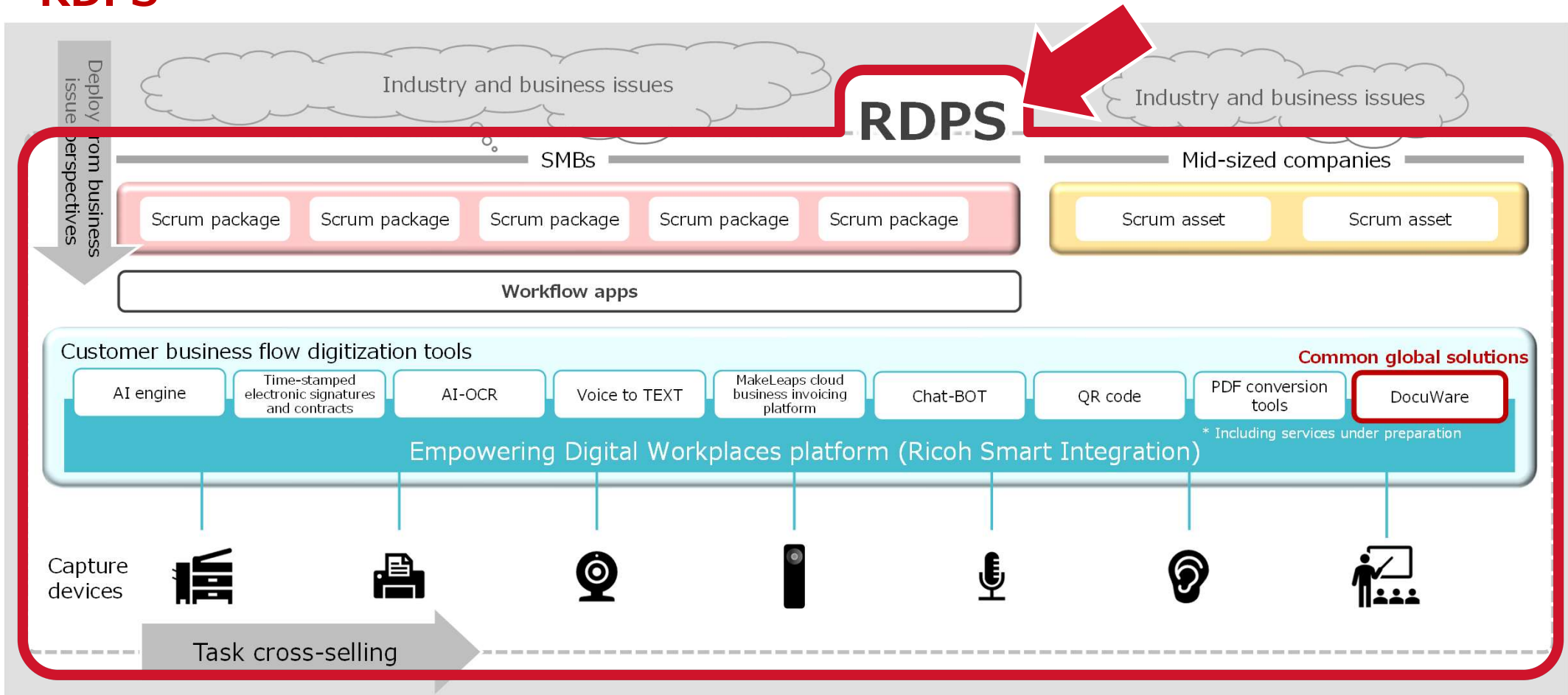
While total document volume down, anticipating effectively 1.1-fold growth after factoring in EDW contribution

Annual change in total document volume per unit for EDW-based machines (at September 2020)



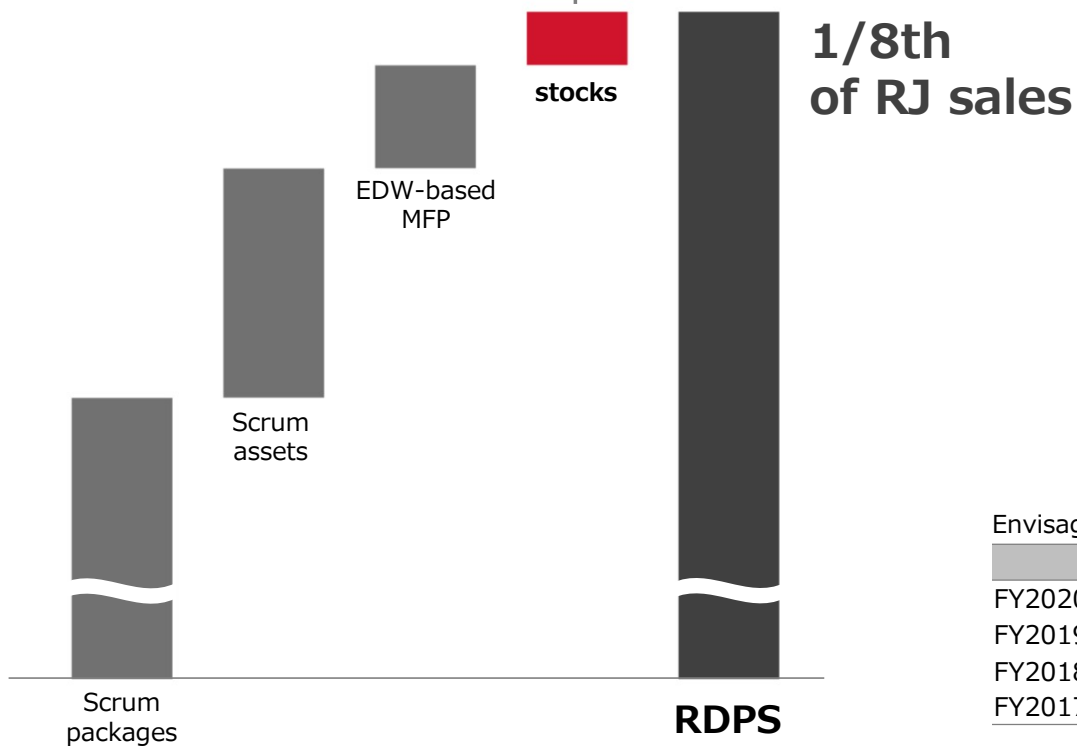
RICOH Digital Processing Service (RDPS)

RDPS



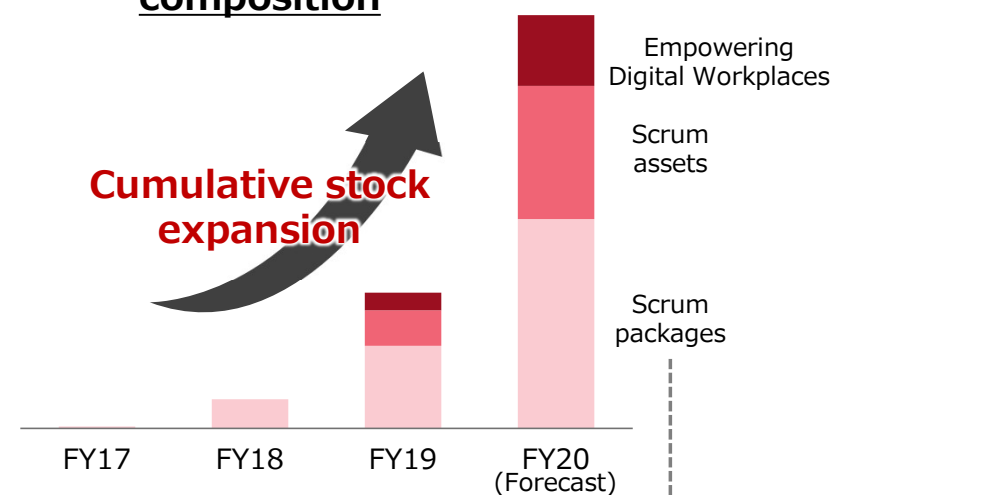
Accelerate RDPS and stock business expansions

RDPS sales composition in FY2020 (Forecast)



Cumulative stock composition

Cumulative stock expansion



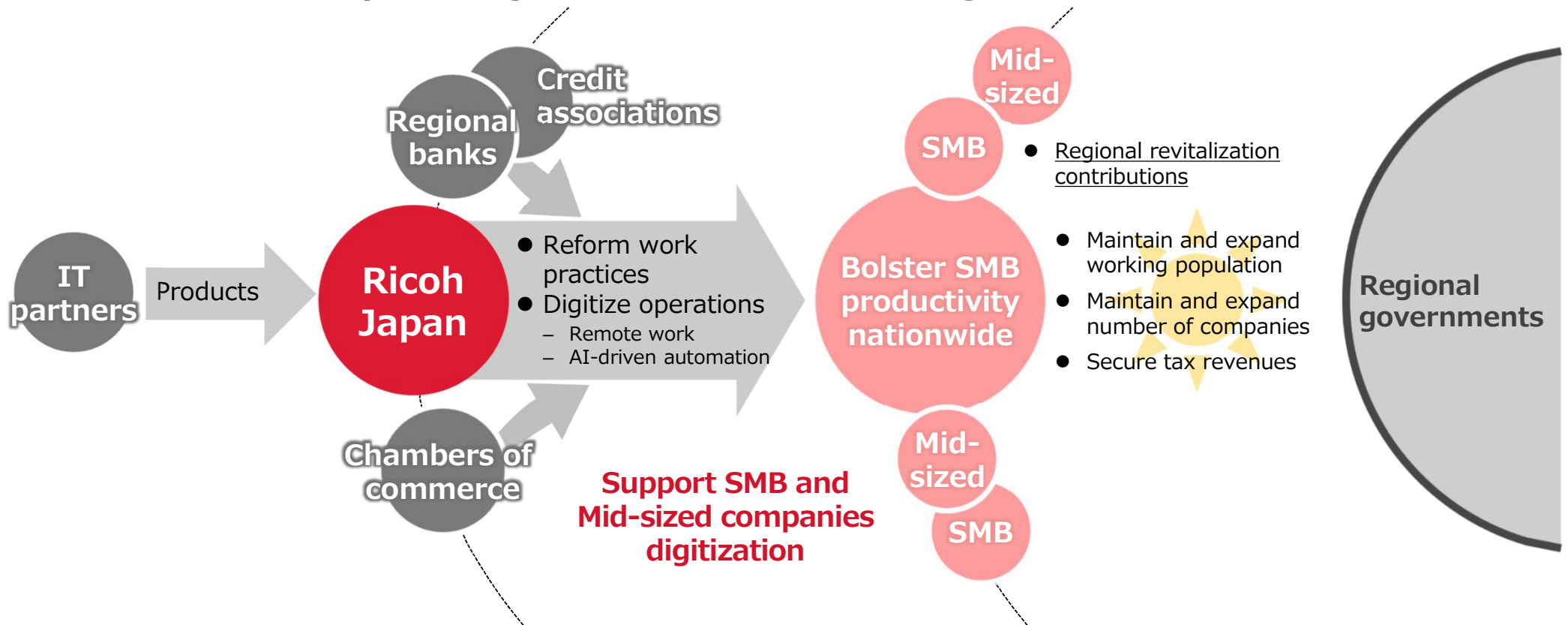
Envisaged FY2020 Scrum package stock composition

	FY2017	FY2018	FY2019	FY2020
FY2020				11
FY2019			4	7
FY2018		3	5	5
FY2017	0.2	1	1	1

Ricoh Japan's Vision

Help bolster SMB and Mid-sized companies productivity nationwide by digitizing their business processes

→ Contribute to Japanese government's drive to digitize the nation



Ricoh Japan's Near Future Potential

A massive market in which Ricoh Japan can materialize its potential

Need to digitize small businesses that regular IT vendors cannot reach

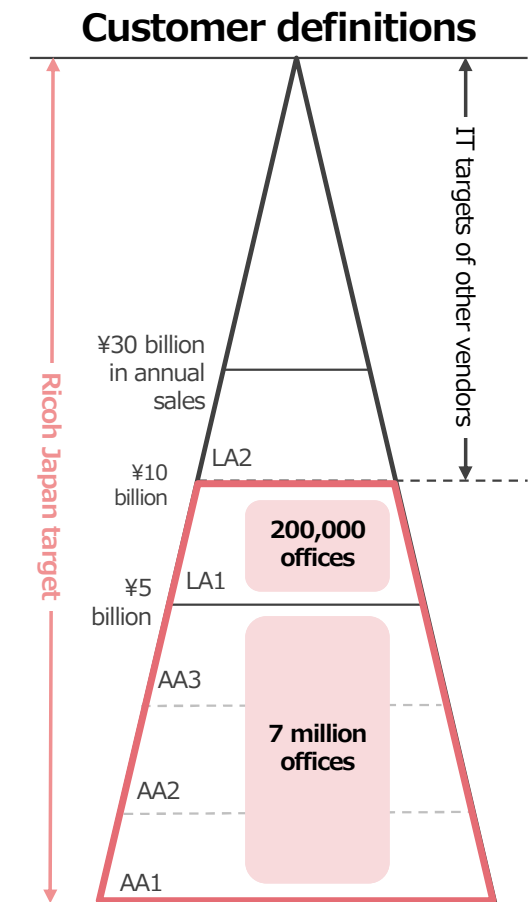
Only Ricoh Japan can consistently deploy offerings with advanced value to SMBs nationwide

- ¥245 billion in systems integration sales in mid-tier company and SMB market
- 12,600 services salespeople collaborate closely with customers to help resolve their issues
- On-site IT support nationwide through 6,300 customer engineers

Government digitization expanding business-to-business and consumer digital technology use

Continue bolstering digital workplaces for SMEs around Japan

- Offer effectively interest-free, unsecured loans from private financial institutions
⇒ Rising demand corporate revitalization assistance through digital IT
- Cultivate digitization measures for businesses around Japan under a July 2020 Japanese government commitment to creating the world's most advanced digital nation by digitizing the entire country, lifting living standards for all citizens by enhancing convenience, safety, and security Revolutionize productivity by digitizing SMB enterprise systems



Note: Ricoh Japan estimate of number of offices

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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:
FY2020 = Fiscal year ended March 31, 2021, etc.