

# Ricoh Ignite

## First Quarter Review

July 27, 2018

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# Periodical Reporting at Results Briefings

At the quarterly results briefing we will also report on the progress of our growth strategy.



## Growth Strategy #0

Enhance operation, evolve MFPs, and secure customer base



# Achievements under Growth Strategy #0

Growth Strategy #0: Pursue operational excellence and evolve MFPs



## Growth Strategy #0

Enhance the value of MFPs & Printers, and maintain No. 1 position in customer satisfaction

**Ignite core businesses**

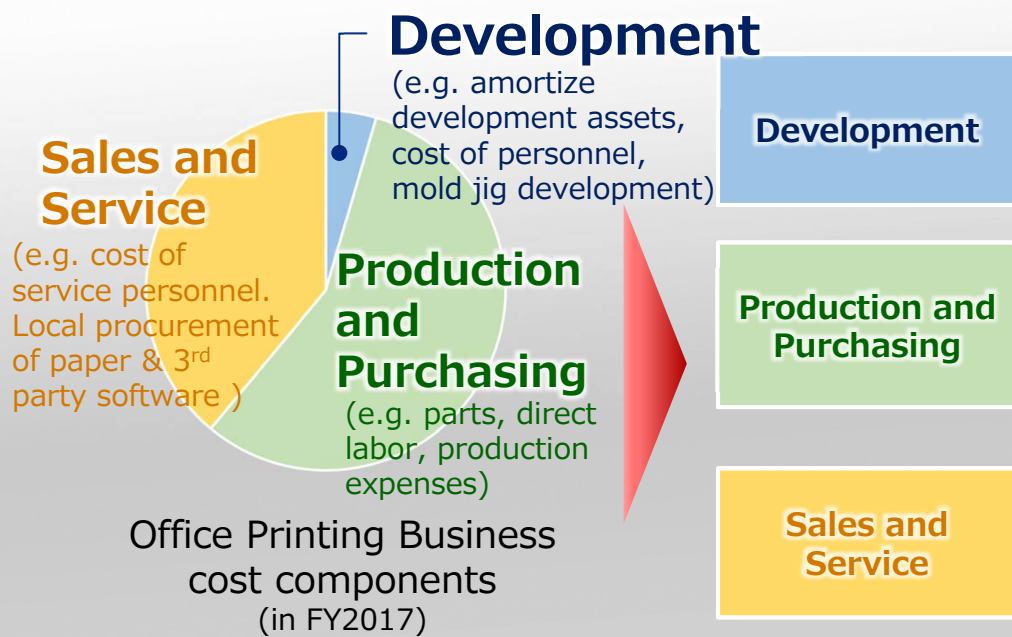
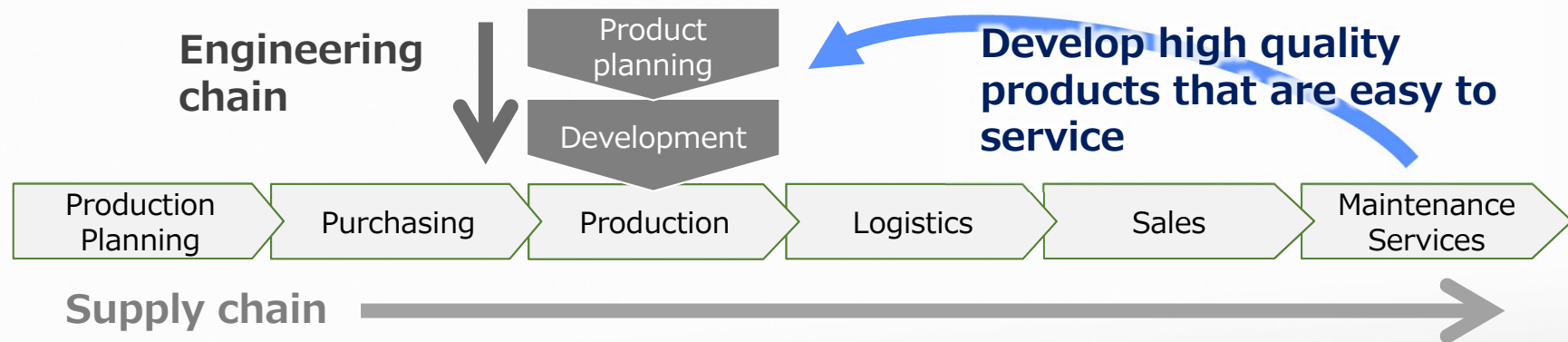
**Evolve MFPs**

**Strengthen collaboration**

**Pursue operational excellence**

# Pursue Operational Excellence

Reduce costs to **achieve a 55% cost of sales ratio** by enhancing operations across the value chain



- Strengthen cloud collaboration through the evolution of MFPs to support improved workflows **Increase sales**
- Reduce assembly processes and automate site transportation **Reduce costs**
- Market data used to drive production of customized products **Reduce costs**
- Sales price management and increasing the value of our products **Increase sales**
- Streamline maintenance through new functions **Reduce costs**



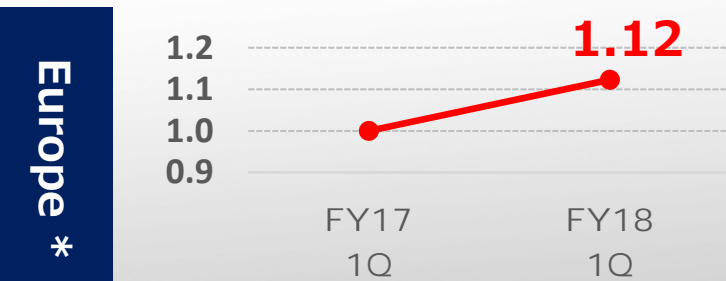
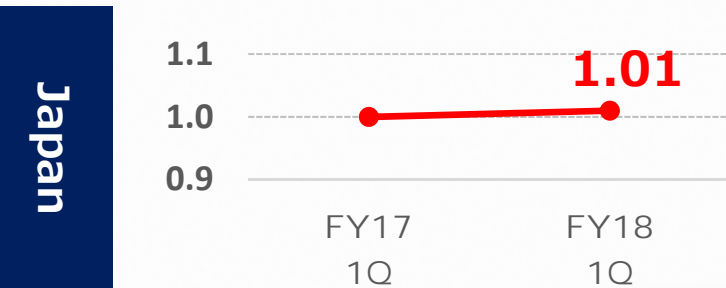
# Sales Price Management

Pursue operational excellence (1)

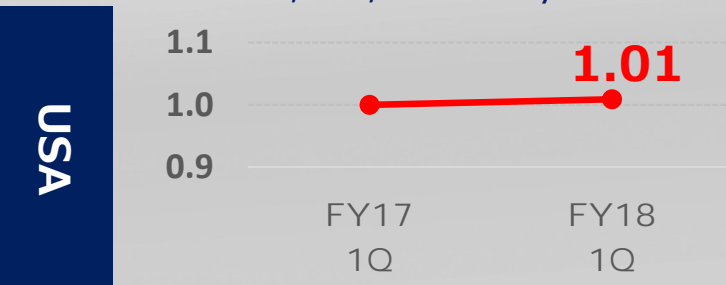
Increase sales price through adding value to our products combined with targeting higher value customer segments

Direct Channel MFP Price Trend  
(Assume FY17 Q1 actual is "1")

## Progress and Challenges



\* France, UK, Germany



**Tight evaluation** of major account deals, and an increase in **SMB deals** has led to maintaining our sales price.

**Tight evaluation** of major account deals in France and UK.

**Changes to the commission scheme** has led to an increase in average sales prices for SMB deals in Germany

Introduction of a **profit focused compensation plan and pricing methodology.**

**Shift from Public to Private Sector**





# Production Strategies –New China Factory

## Pursue operational excellence (2)



Super-efficient new factory for office printing devices that will employ digital technologies

**Target**

EM\* Ratio **-50%**

Production Efficiency **+30%**

Supply Lead-time **-20%**

\* Emergency Maintenance

## Conceptual Drawing



## Overview

<Digitally advanced factory>

**Company Name**

Ricoh Manufacturing (China) Ltd.

**Location**

Dongguan Guangdong, CHINA

**Ground Area**

ca. 90,000m<sup>2</sup>  
(Building Area ca. 80,000m<sup>2</sup>)

**Construction Start Date**

end July 2018

**Estimated Completion Date**

August 2019

**Total Cost**

¥7.5B

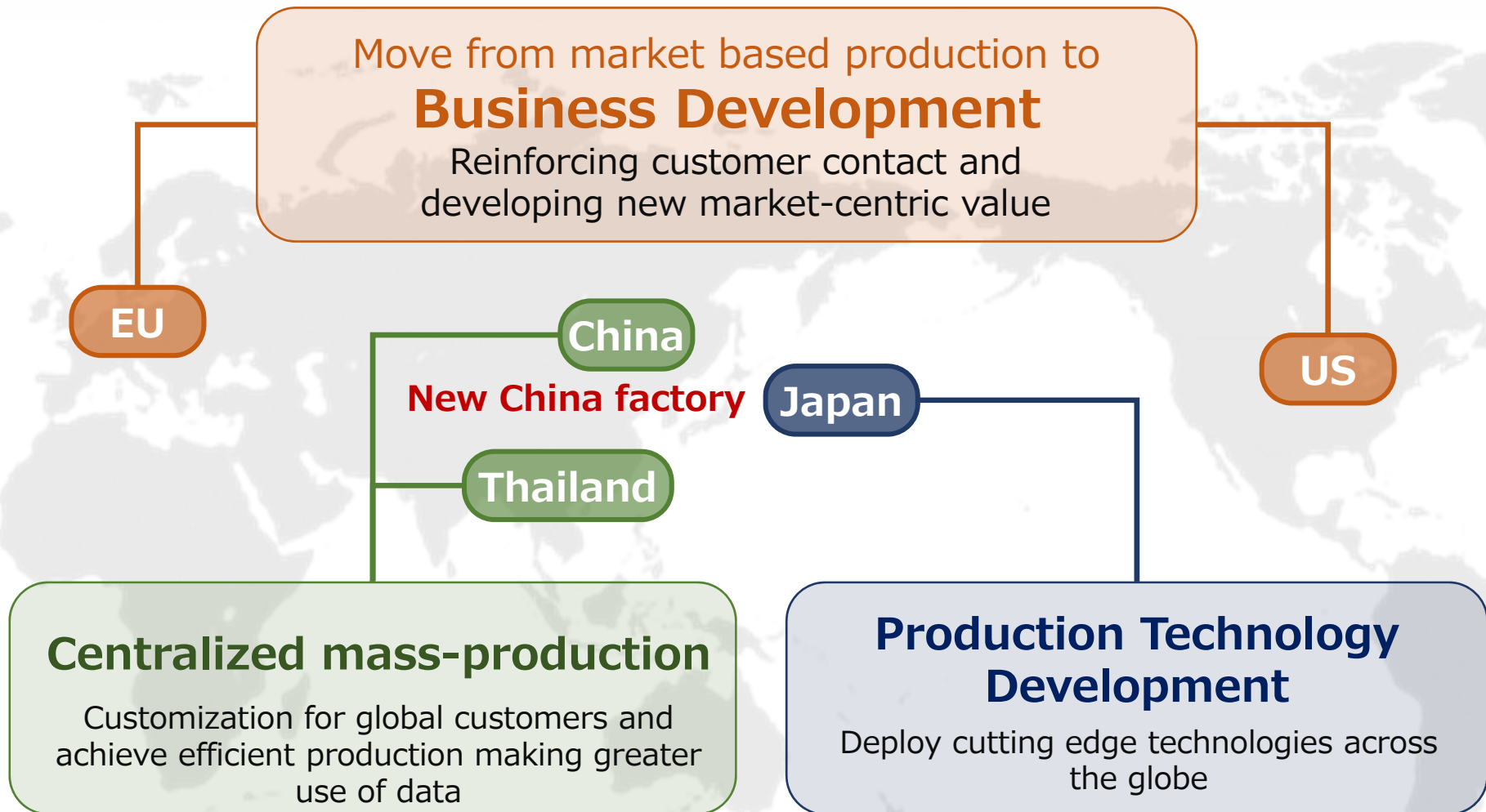


# Production Strategies –Positioning production sites

## Pursue operational excellence (2)



**20% reduction in supply chain management (SCM) costs** through tighter collaboration between sales and development



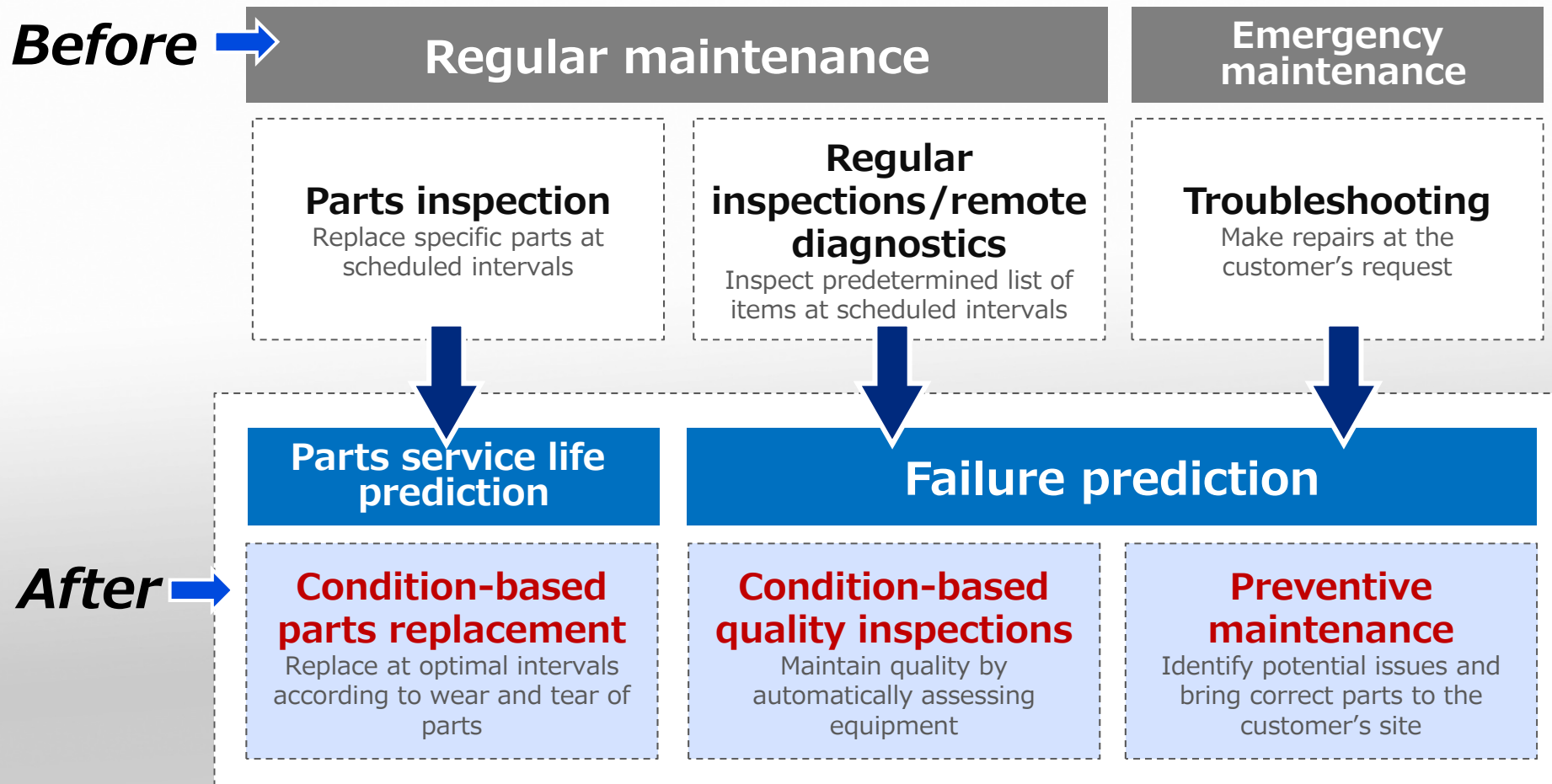


# Service innovation enabled by new models

## Evolve MFPs (1)



Next generation models will predict failures or parts replenishment to **reduce downtime by 50%**.

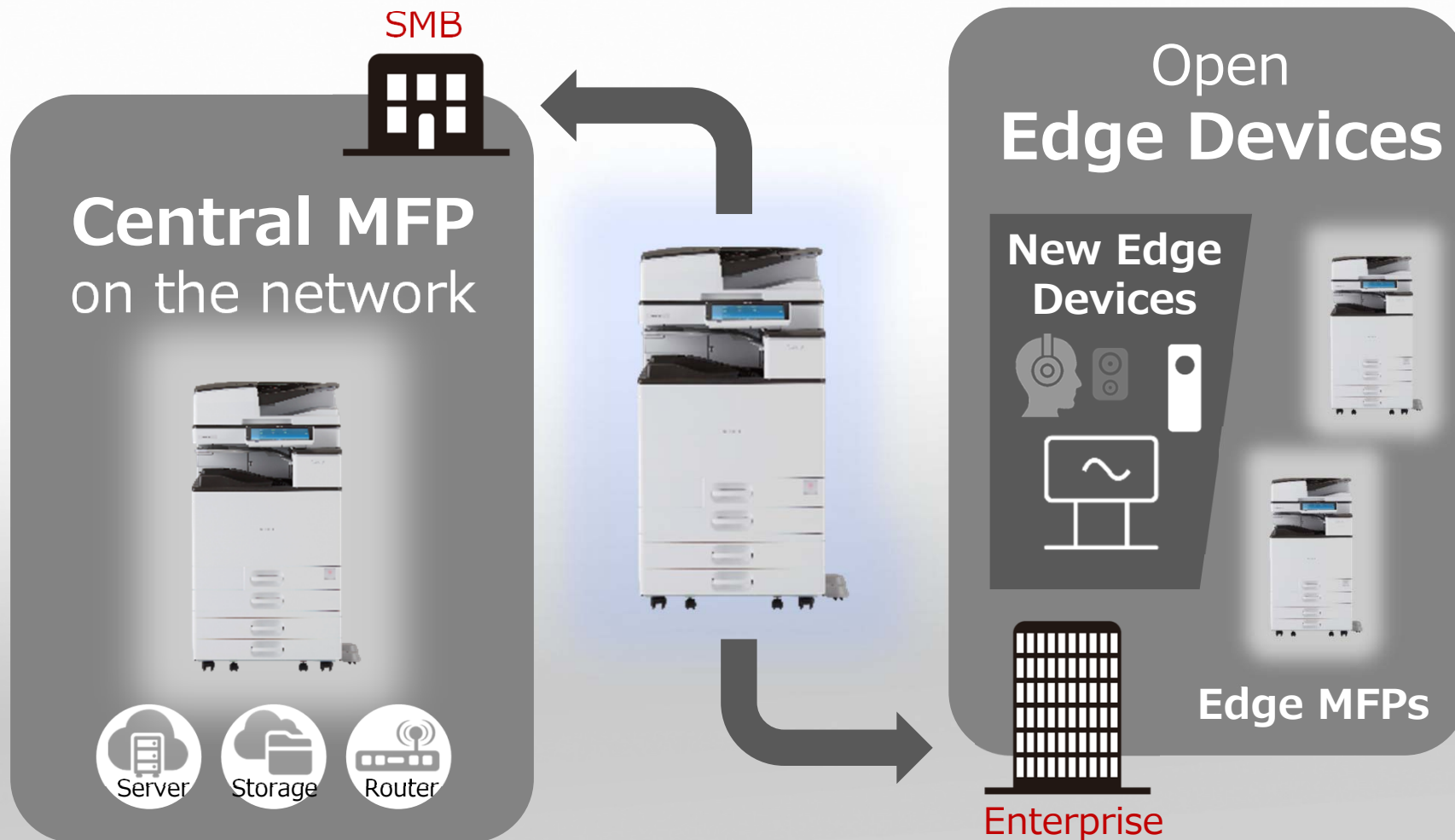




# The role of MFPs in the Office

## Evolve MFPs (1)

MFPs could become “central” or “edge” devices, connecting with other devices and services



**RICOH**  
imagine. change.