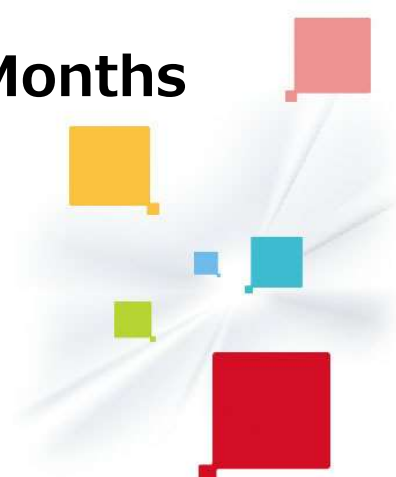


# Consolidated Results for Three Months Ended June 30, 2020



August 4, 2020  
Ricoh Company, Ltd.

- Today, I will review Ricoh's results for the first quarter of fiscal 2020.

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

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. Please do not rely on this material as your sole source of information for your actual investments, and be aware that investments decisions are your responsibility.

**Note: In this document, fiscal years are defined as follows:**  
FY2020 = Fiscal year ended March 31, 2021, etc.

**Business category and other changes**

In fiscal 2020, Ricoh shifted some Office Services businesses to the Office Printing and Other categories. We also allocated some headquarters expenses to the relevant departments. We have accordingly retroactively revised numbers for the previous corresponding period.

# Overview of FY2020 First-Quarter Results

## COVID-19 pandemic significantly affected sales, prompting emergency measures to cut costs

		FY2019 Q1	FY2020 Q1	Year-on-year change	Effective change*
	(billions of yen)				
Sales		477.6	<b>352.3</b>	-26.2%	-23.0%
Gross profit		184.4	122.0	-33.8%	-30.2%
Selling, general and administrative expenses		156.8	143.3	-8.6%	-7.5%
Operating profit		27.5	<b>-21.2</b>	-	-
Operating margin		5.8%	-	-	-
Profit attributable to owners of the parent		15.6	<b>-18.6</b>	-	-
ROE		1.7%	-		
Exchange rate	Yen/US\$	110.07	107.60	-2.47	
	Yen/euro	123.55	118.47	-5.08	
R&D expenditures		23.5	<b>21.6</b>	-1.8	
Capital expenditures		14.7	<b>12.0</b>	-2.7	
Depreciation		15.3	<b>11.3</b>	-3.9	

\* YoY change after excluding forex factor, impacts of share transfers and removals from consolidation in previous fiscal year

Aug 4, 2020

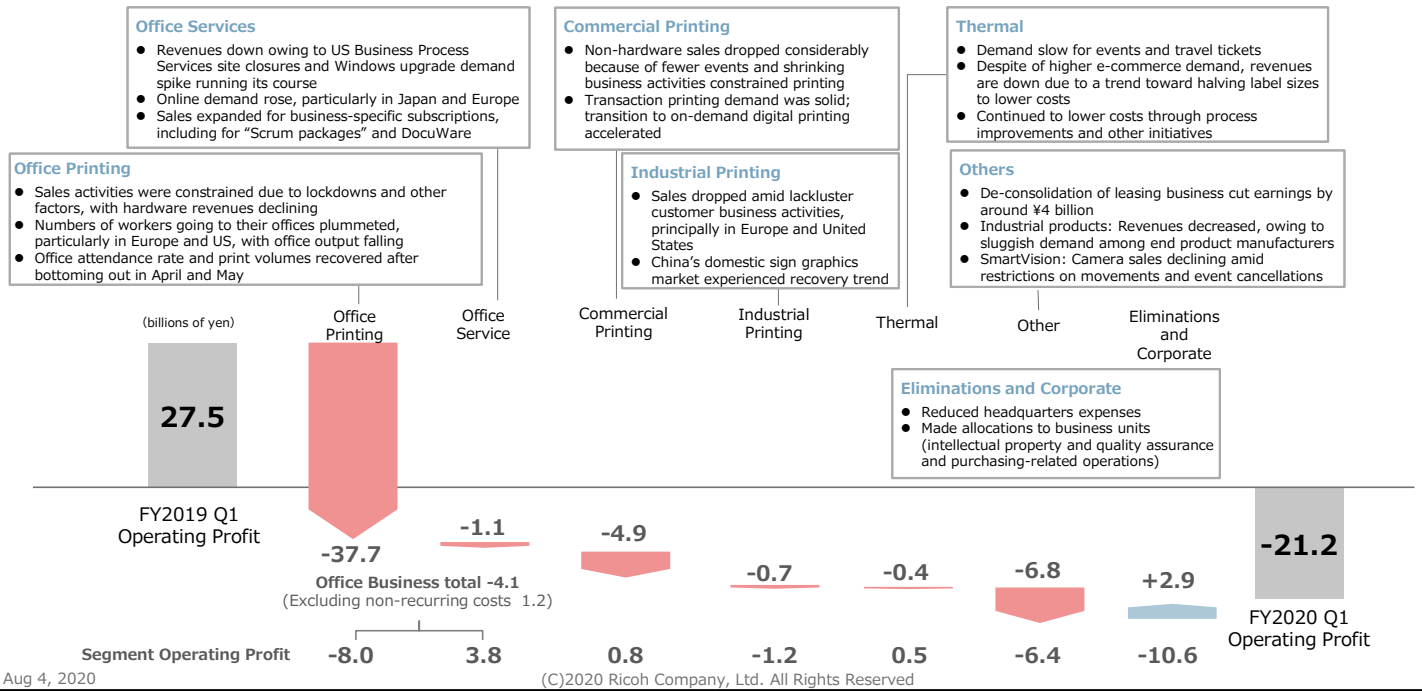
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- The COVID-19 pandemic greatly affected results in the first quarter of the year, leading to a significant downturn. The drop for April was as initially expected, and our performance in May stayed around the same. We have experienced a gradual recovery since June, albeit more slowly than anticipated.
- Consolidated sales for the quarter were 352.3 billion yen, down about 120 billion yen, or 26.2%, from the previous corresponding period. Around 80 billion yen of that decline came from the Office Printing business.
- After stripping out the impact of de-consolidating Ricoh Leasing, we estimate that 110 billion yen of the 120 billion yen fall in sales stemmed from the pandemic.
- It was against that backdrop that we undertook emergency cost-cutting measures, reducing expenses by 27.1 billion yen.
- We accordingly posted an operating loss of 21.2 billion yen and an 18.6 billion yen loss attributable to owners of the parent.

# Segment Operating Profit Changes

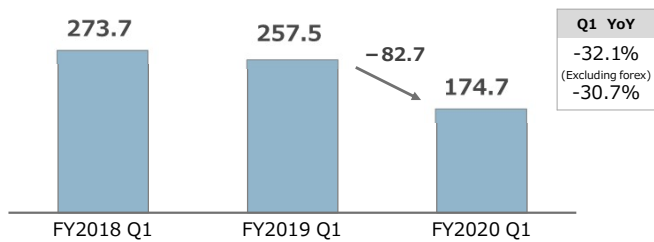
Revenues and earnings dropped in each business owing to pandemic, but have been recovering since June



- Revenues and earnings declined in each business as a result of the pandemic.
- The Office Services, Commercial Printing, and Thermal businesses generated profit.
- I will provide detailed explanations in the following pages.

## Revenues and earnings declined owing to pandemic but showed recovery signs from June

### Sales (billions of yen)

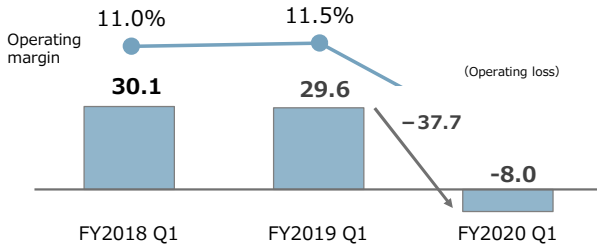


### Q1 Overview

- Sales dropped due amid fewer business opportunities owing to the pandemic, with non-hardware sales dropping because of declining office worker numbers
- Hardware sales\* dropped 31% while non-hardware sales\* were off 33%
- There were signs of a recovery from June, when lockdowns and social distancing eased

⇒ Strengthen output services outside offices, notably through home printing packages

### Operating profit (billions of yen) (Excluding corporate and eliminations)



In fiscal 2020, Ricoh shifted some Office Services businesses to the Office Printing category and also allocated some headquarters expenses. We have accordingly retroactively revised numbers for fiscal 2019.

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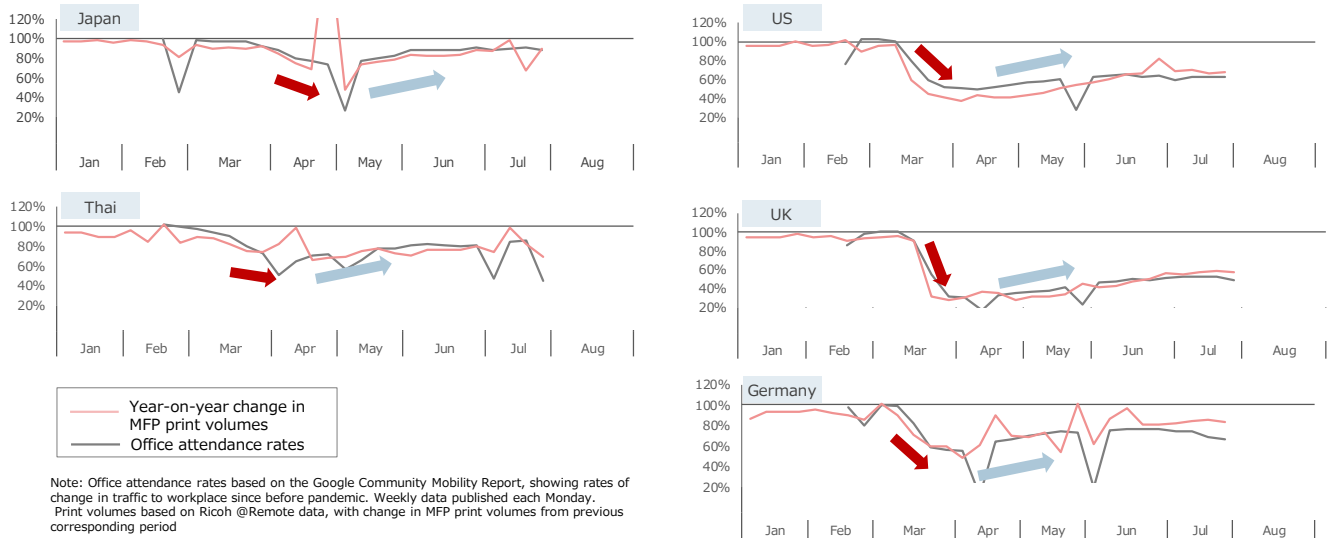
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\* YoY sales change after excluding forex impact

- This is the overview for the Office Printing business.
- Hardware sales were off 31% because there were fewer business opportunities amid the pandemic.
- As customers were away from offices, we used emails, online teleconferences and seminars to market to them, but revenues initially dropped due to unfamiliarity with non-face-to-face sales.
- Non-hardware sales dropped 33% because of declining office worker numbers, particularly in Europe and the United States.
- We show non-hardware trends on the next page.

- Close correlation between changing office attendance rate and YoY change of print volumes
  - The extents of lockdowns and social distancing lowered print volumes in different ways (bottoming at less than half in Europe and United States in April and May and down 30% to 40% in Asia)
- ⇒ Situation should recover as people return to offices, although recovery would be slower than previously assumed

MFP print volumes and attendance rates at company offices (by country)



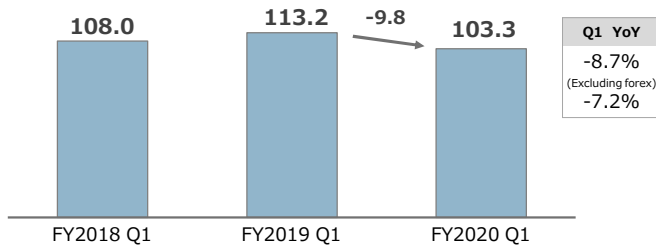
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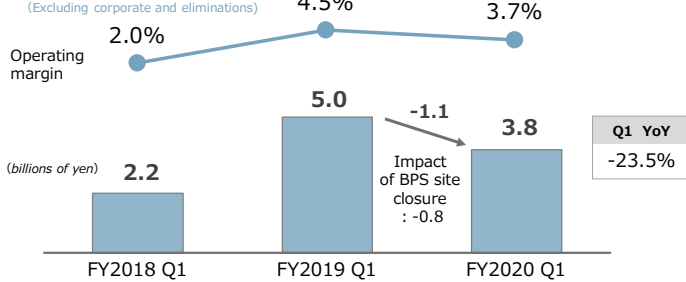
- This page presents changes in MFP print volumes in key countries.
- You can see a close correlation between changing office attendance rates and print volumes.
- The prime difference between the red and black lines is the impact of differences in holidays from last year.
- With our servicepeople checking situations at customer offices, office attendances and printed volumes almost matched.
- Demand in Europe and the United States plunged more than 50% from April through May.
- The drop for Asia was comparatively lower, at 30% to 40%.
- The number of people returning to the office is different by the extents of lockdowns and social distancing among countries. We are monitoring and assessing situations weekly.

Revenues were down owing to Business Process Services site closures and absence of previous term's Windows-related demand spike. IT services and industry business solutions performed solidly

Sales (billions of yen)



Operating profit



## Q1 overview

- Began globally deploying “Scrum package” approach, with IT services and application sales performing well
- Japan: “Scrum package” sales remained solid owing to industry and business demand and online demand (up 30%<sup>\*1</sup>)
- Europe: Revenues rose 24%<sup>\*2</sup> on stronger IT services structure in key countries
- IT infrastructure: Demand was down after Windows 10 transition spike in previous year →GIGA school support in Japan
- Business Process Services: Revenues down from site closures because of lockdowns, primarily in Americas (about 10%<sup>\*3</sup>)

(billions yen)	Sales FY20 Q1	YoY change (excl. forex)
<b>Office services business schedule</b>	<b>103.3</b>	<b>-7.2%</b>
IT infrastructure (hardware and software)	42.2	-8.9%
IT services (including maintenance and outsourcing)	22.5	-0.5%
Applications (business-specific apps and in-house apps)	15.8	+18.3%
Business Process Services	20.8	-21.9%

In fiscal 2020, Ricoh shifted some Office Services businesses to the Office Printing category and also allocated some headquarters expenses. We have accordingly retroactively revised numbers for fiscal 2019

\*1 YoY unit sales change of Scrum Package  
\*2 YoY sales change in Europe, excluding forex factor  
\*3 Ratio of BPS site closures in US

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- Next, we present the overview for the Office Services business.
- Revenues were down owing to Business Process Services site closures amid lockdowns and the absence of the previous term's Windows-related demand spike, which had stemmed from the ending of support for Windows 7.
- Of the 1.1 billion decline in operating income, 0.8 billion yen came from Business Process Services site closures.
- The Office Services business encompasses four areas. These are IT infrastructure, IT services, applications, and Business Process Services, as shown in the business schedule on the bottom right of this page.
- Business for IT services and applications, such as for industry and business solutions, have grown steadily.
- In Japan, sales of Scrum packages climbed 30%, while Europe sales jumped 24% owing to contributions from acquired companies.
- IT infrastructure revenues were down 8.9% in the absence of the previous year's migration demand from the ending of Windows 7 support.
- The Japanese government has moved forward with its GIGA school initiative to cover all elementary and junior high schools. This factor should contribute to our results this year and next.
- In Business Process Services, revenues were down 21.9% from the closures of around 10% of customer output centers. At the same time, new demands emerged for working from home, notably for scanning postal items and checking them at home.



**Began globally deploying “Scrum package” approach**  
→ **Online education for general sales and sales development**

**Japan**

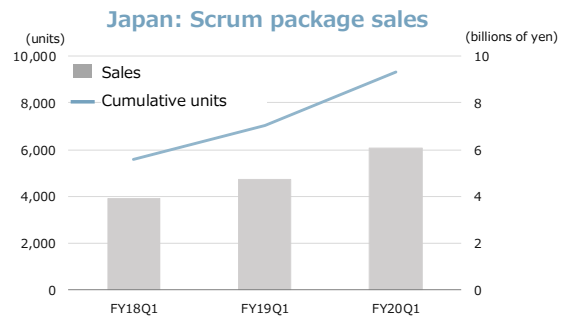
Acquired business-specific and telework demand mainly with “Scrum package”

- (1) Total “Scrum package” and Scrum asset sales: ¥10 billion  
“Scrum package” demand up 30% year-on-year in Q1 and up 70% in June
- (2) Secured demand from 10,000 business sites for teleworking-related solutions  
Number of licenses tripled year-on-year
- (3) Subscription business  
First-quarter annualized sales were ¥5 billion

**Europe**

Began deploying Work Together, Anywhere (package)

- (1) Deployment progress  
Phase 1: Constructing remote work, infrastructure, and cloud environment, and automating processes  
Phase 2: Workplace Safety Solutions (thermal cameras and positioning systems)
- (2) Business expansion through the acquisition of Docuware (drove double-digit sales gains)  
Looking to generate synergies Japan and Asia after Europe and United States
- (3) Further strengthened structure  
Acquired Orbid in Belgium



**Americas**

Began deploying Business Continuity Package

- (1) Work From Home Solution:  
VPN, virtualization, and O365, and DocuWare (from April)
- (2) Managed IT service :  
IT Essentials, + cloud, + security (from July)

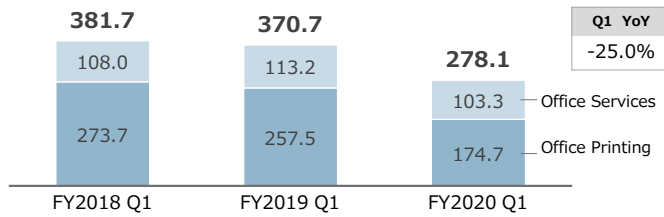
- Here, we highlight Office Services business activities.
- The services packages we offer in Japan became available in Europe and the Americas from April this year.
- In Japan, sales of Scrum packages and assets totaled 10 billion yen.
- Scrum assets are semi-finished, customizable solutions for large companies and mid-sized enterprises.
- Demand for Scrum packages jumped 30% year-on-year in the first quarter and 70% in June.
- During the first quarter, we generated growth in teleworking solutions, securing demand from 10,000 business sites and tripling the number of licenses year-on-year.
- The subscription business has expanded dramatically owing to the ability to set up environments remotely without visiting customers. First-quarter annualized subscription revenues were 5 billion yen.
- In Europe, we deployed the “Work Together, Anywhere” package.
- We are offering remote work and workplace safety solutions.
- DocuWare has begun expanding not just in Europe but also in the Americas, and will start rolling out in Japan in fall this year.
- In the Americas, we began deploying the “Business Continuity Package”.

# FY2020 Q1 Results

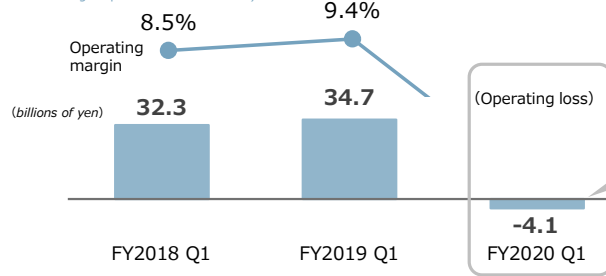
## Office Business Total

While sales and earnings for Office business total were down, still in black after excluding non-recurring costs

Sales (billions of yen)



Operating profit (Excluding corporate and eliminations)



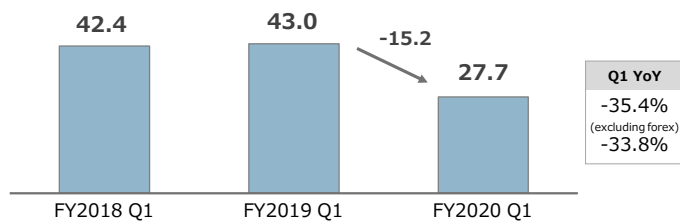
In fiscal 2020, Ricoh shifted some Office Services businesses to the Office Printing category and also allocated some headquarters expenses. We have accordingly retroactively revised numbers for fiscal 2019

- The Office Business comprises our Office Printing and Office Services operations. The total Office Business operating loss for the first quarter was 4.1 billion yen.
- That included non-recurring costs from relocating to a new plant in China and expenditure on personnel optimizations in the Americas.
- Operating profit after excluding these non-recurring costs would have been 1.2 billion yen.

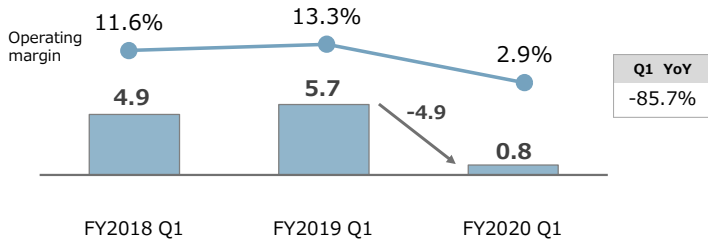
# FY2020 Q1 Results Commercial Printing

Sales and earnings down owing to pandemic; will expand by focusing on new products and services

## Sales (billions of yen)



## Operating profit (billions of yen) (Excluding corporate and eliminations)



## Q1 overview

- Hardware sales down significantly in key European and U.S. markets, notably through business deal postponements from restrictions on sales activities
- Non-hardware sales also down dramatically amid decreases in customer events and business activities
- Demand solid for transaction printing for financial services and other sectors and for printing for government agencies

- ⇒ Capture the on-demand printing demand of a large number of copies associated with telecommuting
- ⇒ Expand sales of new light production models and continuous feed machines



We allocated some headquarters expenses from fiscal 2020 and applied numbers retroactively to fiscal 2019.

Aug 4, 2020

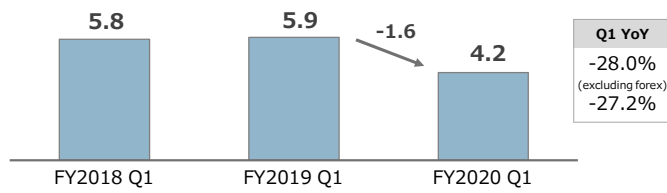
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- Now, we present the overview for the Commercial Printing business.
- It became difficult in the key European and U.S. markets to sell high-priced products remotely to customers amid lockdowns. Hardware sales fell 39% year-on-year amid deal postponements and other factors. Non-hardware sales fell 34% amid decreases in customer events and business activities.
- At the same time, demand was solid for transaction printing for invoices and other items and for printing for government agencies.
- As work from home increased, customers found printing large numbers of copies challenging, increasing the need for printing security.
- We look to expand sales of new light production models and of color continuous feed machines for which demand has been solid since last year.

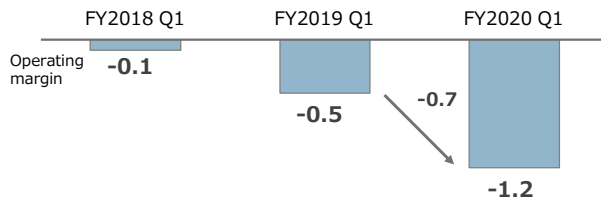
# FY2020 Q1 Results Industrial Printing

Sales of inkjet heads declined amid sluggish market conditions; will expand sales through new heads

## Sales (billions of yen)



## Operating profit (billions of yen) (Excluding corporate and eliminations)



## Q1 overview

- Inkjet heads  
Sales declined because of slow business activities among customers, principally in Europe and the United States, as a result of pandemic  
China's domestic sign graphics market showed recovery trend
  - Industrial printers  
Wide-format printers: Increased sales by initiating OEM supplies  
Textile printers: Sales declined amid sluggish customer production activities in North America
- ⇒ Start selling new products for thin film piezo printheads capture demand on strength of broad ink properties (capture demand for transition to UV inks, such as for sign graphics applications)



RICOH TH5241 industrial inkjet head

We allocated some headquarters expenses from fiscal 2020 and applied numbers retroactively to fiscal 2019.

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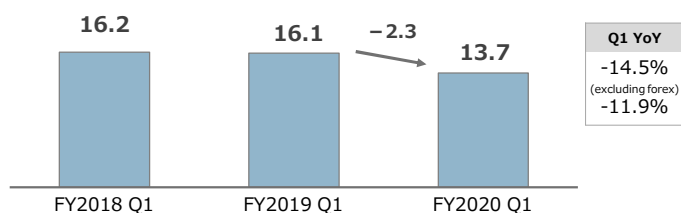
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- Here is the overview for the Industrial Printing business.
- Sales of inkjet heads dropped amid stoppages at customer factories and sluggish demand for final products.
- In China, our performance has been recovering, particularly in the sign graphics market.
- We will expand business by initiating OEM supplies of industrial printers and launching new inkjet heads for the sign graphics market.

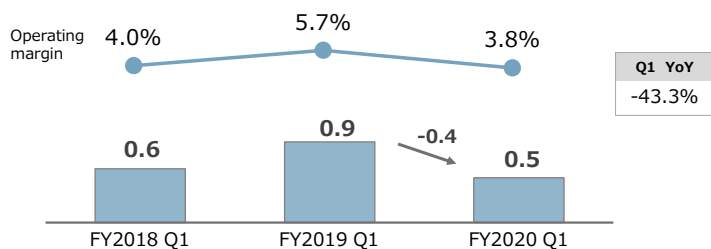
# FY2020 Q1 Results Thermal

Revenues and earnings dropped amid intensified competition and impact of pandemic

## Sales (billions of yen)



## Operating profit (billions of yen) (Excluding corporate and eliminations)



## Q1 overview

- Lockdown and social distancing dampened demand for events and travel tickets
  - Despite greater e-commerce demand, label revenues down because of smaller label areas
  - Saw signs of recovery in areas in which economic activities resumed
  - Began developing new food applications in Chinese and other markets
- ⇒ Cut costs, roll out competitive products, and capital logistics demand in U.S. and other markets



Shipping labels



Food labels



Process control labels

We allocated some headquarters expenses from fiscal 2020 and applied numbers retroactively to fiscal 2019.

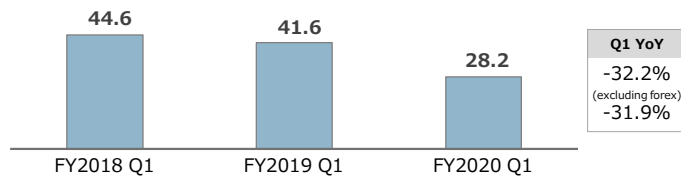
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- This was the overview for the Thermal business.
- The impact of the pandemic prevented people from gathering and moving around. Demand for event and transportation tickets were thus sluggish, and sales of thermal paper were down.
- While demand for ecommerce was up, sales were down because label areas were smaller.
- We plan to bring out new products that can match price preferences and offerings that are environmentally friendly, thereby boosting performance.

Sales and earnings were down owing to de-consolidation of leasing business and slump in existing business owing to pandemic

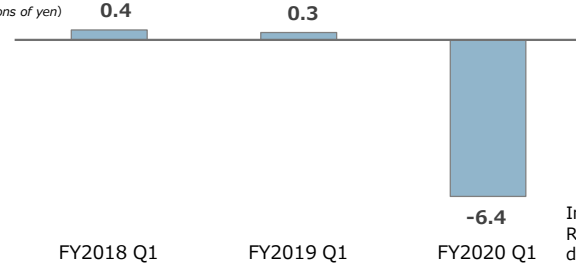
Sales (billions of yen)



Operating profit

(Excluding corporate and eliminations)

(billions of yen)

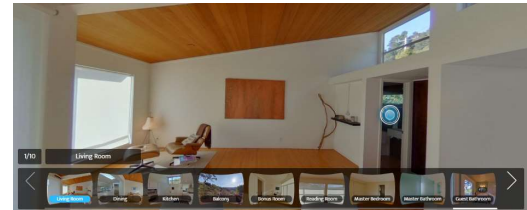


Impact of Ricoh Leasing de-consolidation : -4.2

Q1 overview

- Smart Vision:  
THETA performed solidly in 360° camera market  
Camera sales declining amid restrictions on movements and event cancellations
- Industrial Products:  
Production and automotive sales dropped owing to sluggish demand among end product manufacturers

⇒ Signs of demand recoveries in each market, with earnings turning around on sales recoveries and lower expenses



virtual tour platform

RICOH360 Tours

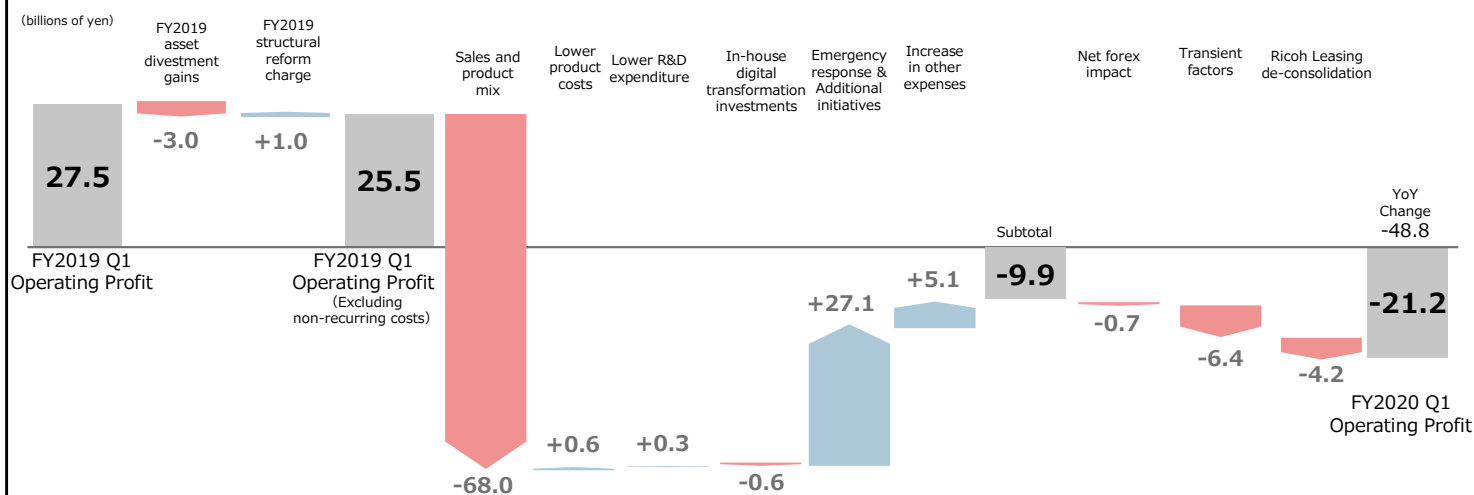
In fiscal 2020, Ricoh recategorized some Office Services and allocated some headquarters expenses. We have accordingly retroactively revised numbers for fiscal 2019.  
Aug 4, 2020

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- This was the overview for the Others segment.
- We posted an operating loss of 6.4 billion yen, 4.2 billion yen of which stemmed from the de-consolidation of Ricoh Leasing.
- In the Smart Vision business, we generated solid sales of the THETA in the 360° camera market, as users were able to experience video while unable to go out.
- On the downside, demand for and sales of DSLR and other cameras were off because the pandemic led to restrictions on movements and event cancellations.
- Demand for industrial products suffered from factory stoppages and stagnant sales among end product manufacturers, primarily in the automotive industry.
- We are seeing signs of a demand recovery, and will proceed to improve earnings.

# Operating Profit Comparisons

Gross profit down significantly owing to pandemic's impact on sales volumes, prompting management to institute emergency cost-cutting measures



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- Here, we see operating profit comparisons.
- The downside sales and product mix impact of the pandemic in the first quarter on operating profit was around 68 billion yen, which was a net 63 billion yen after factoring a 5.1 billion yen increase in other expenses.
- Other expenses included incentives and promotional expenses linked to sales volumes.
- To transition into a digital services company from this fiscal year, we decided to invest internally in a digital transformation program, spending 600 million yen on that effort in the first quarter.
- Cost savings from emergency responses were 27.1 billion yen. We endeavored to reduce personnel costs and expenditure by leveraging government subsidies.
- The effective operating loss compared to the previous corresponding period was 9.9 billion yen.
- Transient factors included expenses related to relocating to a new plant and costs for optimizing personnel in the Americas.
- Personnel optimization expenses in the Americas also included securing digital experts in the drive to become a digital services company.
- The de-consolidation of Ricoh Leasing from May had a downside impact of 4.2 billion yen.

# Statement of Financial Position as of June 30, 2020

Total assets dropped ¥1 trillion from Ricoh Leasing de-consolidation, while financial stability improved

## Assets

(billions of yen)	As of June 30, 2020	Change from Mar 31, 2020	
<b>Current Assets</b>	<b>988.8</b>	<b>-1117.3</b>	
Cash & time deposits	320.0	+57.1	Increase from share divestments and funding
Trade and other receivables	327.5	-65.2	Decreases in year-end receivables and operating receivables from pandemic impact
Other financial assets	88.2	+1.0	
Inventories	212.9	+11.6	
Other current assets	40.0	+3.5	
Assets classified as held for sale	0	-1125.5	Decrease from Ricoh Leasing de-consolidation
<b>Non-current assets</b>	<b>833.0</b>	<b>+71.5</b>	
Property, plant and equipment	204.0	+2.5	
Right-of-use assets	64.8	+5.4	
Goodwill and intangible assets	231.5	-0.3	
Other financial assets	134.7	-4.4	
Other non-current assets	197.8	+68.4	Ricoh Leasing shares posted as equity method investments
<b>Total Assets</b>	<b>1821.8</b>	<b>-1045.7</b>	

\*Transfer of assets held for sale: Transferred related assets and liabilities to assets and liabilities held for sale in line with decision to partially transfer Ricoh Leasing shares

Exchange rate as of June 30, 2020: US\$ 1 = ¥ 107.74 (-1.09)  
(change from Mar 31, 2020, rate) EURO 1 = ¥ 121.08 (+1.53)

Aug 4, 2020

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## Liabilities and Equity

(billions of yen)	As of June 30, 2020	Change from Mar 31, 2020	
<b>Current Liabilities</b>	<b>557.4</b>	<b>-991.4</b>	
Bonds and borrowings	43.4	-8.0	
Trade and other payables	238.7	-7.3	Decrease at end of fiscal year
Lease liabilities	28.8	+1.5	
Other current liabilities	246.4	-8.6	
Liabilities directly related to assets held for sale	0	-969.0	Decrease from Ricoh Leasing de-consolidation
<b>Non-current Liabilities</b>	<b>364.4</b>	<b>+54.1</b>	
Bonds and borrowings	173.8	+45.6	Increased in borrowings for pandemic and other measures
Lease liabilities	44.9	+6.2	
Accrued pension & retirement benefits	97.9	-1.8	
Other non-current liabilities	47.6	+4.1	
<b>Total Liabilities</b>	<b>921.8</b>	<b>-937.2</b>	
Total equity attributable to owners of the parent	896.5	-23.8	Decrease in profit attributable to owners of the parent Dividend payments
Noncontrolling Interest	3.4	-84.6	Decrease from Ricoh Leasing de-consolidation
<b>Total Equity</b>	<b>900.0</b>	<b>-108.5</b>	
<b>Total Liabilities and Equity</b>	<b>1821.8</b>	<b>-1045.7</b>	
<b>Total Debt</b>	<b>217.3</b>	<b>+37.6</b>	

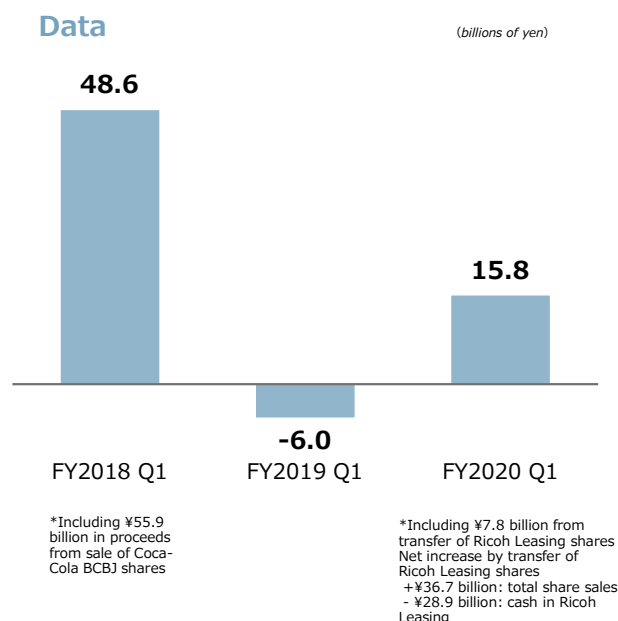
- Total assets were 1,821.8 billion yen, down around 1,000 billion yen from the end of the last quarter, owing to the de-consolidation of Ricoh Leasing.
- Inventories during that time were up 11.6 billion yen owing to preparations to relocate to a new plant in China that began operations in July.
- Decreases in trade and other receivables and payables stemmed from lower sales.
- We borrowed 30 billion yen and obtained sustainability-linked loans of 10 billion yen in the first quarter to maintain liquidity.



# FY2020 Q1 Statement of Cash Flows

Free cash flow rose due to improved working capital and proceeds from Ricoh Leasing's share transfer amid falling earnings

(billions of yen)	FY2019 Q1	FY2020 Q1
Profit	17.2	<b>-18.6</b>
Depreciation and amortization	30.1	<b>26.5</b>
Other operating activities	-24.0	<b>19.5</b>
Net cash provided by operating activities	23.3	<b>27.3</b>
Plant and equipment	-8.3	<b>-11.9</b>
Purchase of business	-1.0	<b>-1.4</b>
Other investing activities	-20.0	<b>1.9</b>
Net cash used in investing activities	-29.4	<b>-11.4</b>
Increase (Decrease) of debt	24.1	<b>57.6</b>
Dividend paid	-9.4	<b>-9.4</b>
Other financing activities	-10.0	<b>-7.7</b>
Net cash provided by financing activities	4.6	<b>40.4</b>
Effect of exchange rate changes	-4.6	<b>0.0</b>
Net increase in cash and cash equivalents	-6.0	<b>56.3</b>
Cash and cash equivalents at end of period	234.0	<b>320.0</b>
Free cash flow (Operating + Investing net cash )	-6.0	<b>15.8</b>

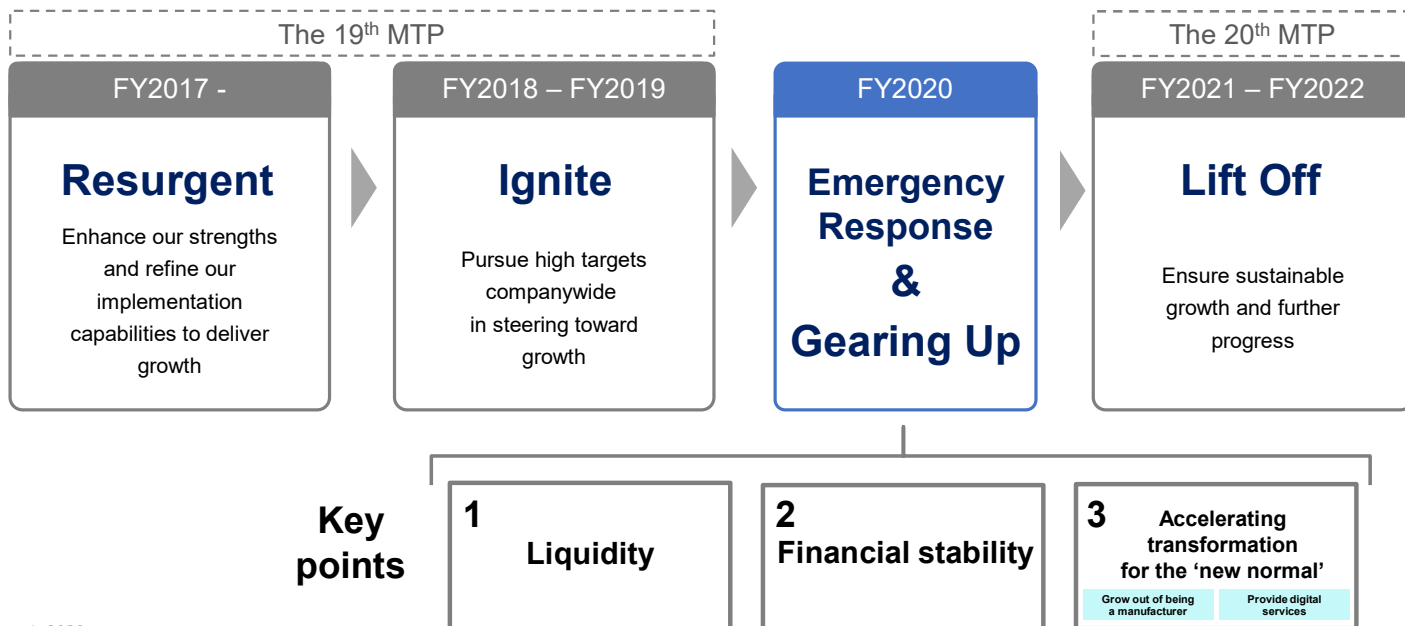


- With earnings down in the first quarter, free cash flow rose amid a working capital improvement and proceeds from the sale of Ricoh Leasing shares.
- Net cash provided by operating activities was up from cash produced owing to a decrease in accounts receivable.
- Net cash used in investing activities improved because of investments in the previous year and as a result of proceeds from the sale of Ricoh Leasing shares.
- Free cash flow as a result of these factors was 15.8 billion yen.

## **Full-Year Outlook and Measures for FY2020**

- I would now like to outline our outlook and measures for fiscal 2020.
- I first note that we positioned the year as one for tackling an emergency gearing up for Lift Off, as I explained our fiscal 2019 results briefing on May 8.

## A year of “Emergency Response & gearing up” to prepare for “Lift Off”

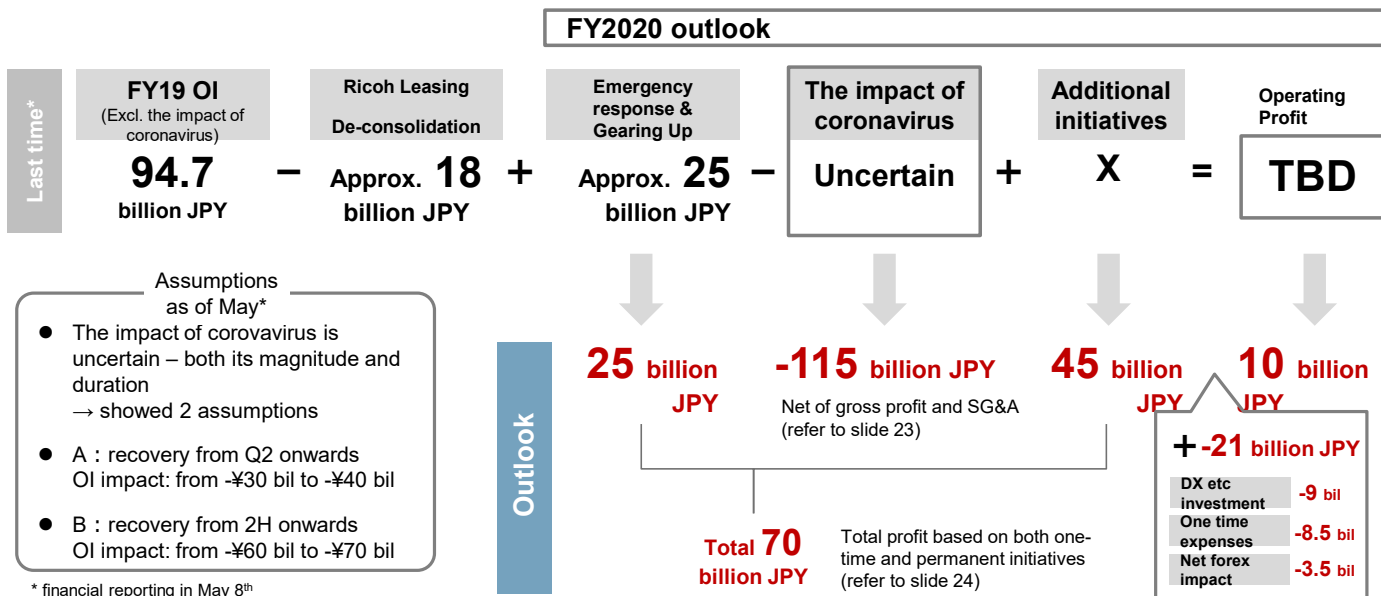


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- The global reach of the COVID-19 pandemic has expanded since early May, and a second wave seems to be emerging.
- I can only conclude that this virus will be with us for a long time.
- Until the development and deployment of vaccines worldwide, I think we will have to live with COVID-19 and that will be our “new normal”.
- If you look at things that way, approaches to what is happening now will change. Superficial measures will not get things done.
- We will do our utmost to accelerate our transition from being an office automation equipment manufacturer toward being a digital services company.

Establish FY2020 outlook taking into account the impact of the pandemic on Q1 results



- For a start, I will explain our business outlook stance.
- The top half of this slide, in black, is what we presented on May 8. The outlook was unclear.
- The box in the slide presents two operating profit assumptions.
- You see our current outlook in red.
- The expected downside impact of the pandemic is 115 billion yen.
- We are undertaking additional initiatives worth 45 billion yen, augmenting previously pledged emergency response and gearing up efforts worth 25 billion yen.
- Those two sets of measures would deliver an earnings upside of 70 billion yen. I will outline measure specifics later in this presentation.
- To this we would add the 21 billion yen shown in the box on the bottom right of the slide.
- It is particularly worth noting that we plan to invest around 22 billion yen over the next three years in digital transformation initiatives, with 9 billion yen of that spending earmarked for this fiscal year.
- One-time expenses include those to optimize our production structure in line with the launch of a new plant in China, as well as spending to optimize human resources in the United States and to drive structural reforms after the second quarter.
- Our operating profit forecast for fiscal 2020 is 10 billion yen.

Despite the turnaround following the bottoming out in May, the impact of the pandemic will be longer than expected

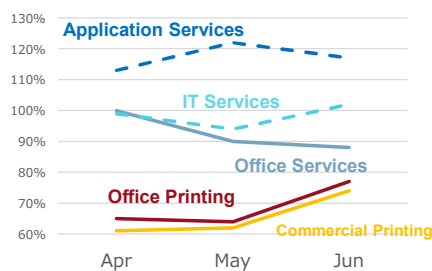
## Implications from Q1 results

- Quarterly impact longer than envisaged
- Performance gradually turning around in June after bottoming out in May
- Impact extent and recovery progress and durations varying by country and territory
- Impacts varying from business to business

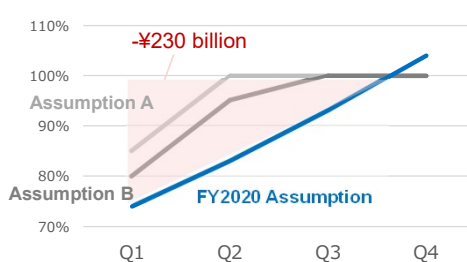
### Pandemic impact assumptions for FY2020

Sales: About ¥230 billion  
Operating profit: About ¥115 billion

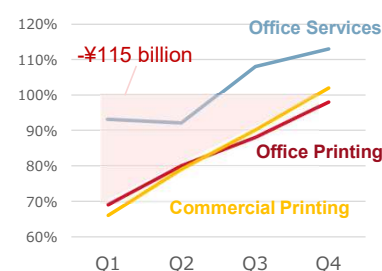
### Sales changes YoY in Q1



### Quarterly YoY sales changes



### Operating profit in key businesses



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- I will explain exactly how we saw the impact of the pandemic.
- Notwithstanding a turnaround from the bottoming out in May, we think that the pandemic's impact will be prolonged. We decided not to present a full-year forecast on May 8 because we sought to increase projection precision after assessing our performance for April through June.
- The extent of the pandemic's impact and recovery progress and durations is varying by country and territory. I will cover this in the next page.

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⇒ to be continued from page 21

- We expected that the pandemic would cut 230 billion yen from sales and 115 billion yen from operating profit.
- See the middle graph. The pink area covers the 230 billion yen sales impact.
- The graph on the right shows operating profit, and the pink area represents a downside impact of 115 billion yen, mainly in the Office Printing and Commercial Printing businesses.
- In Office Services, we look for third-quarter earnings to be higher year-on-year. The upside impact from sales improvement measures that I will discuss a little later.

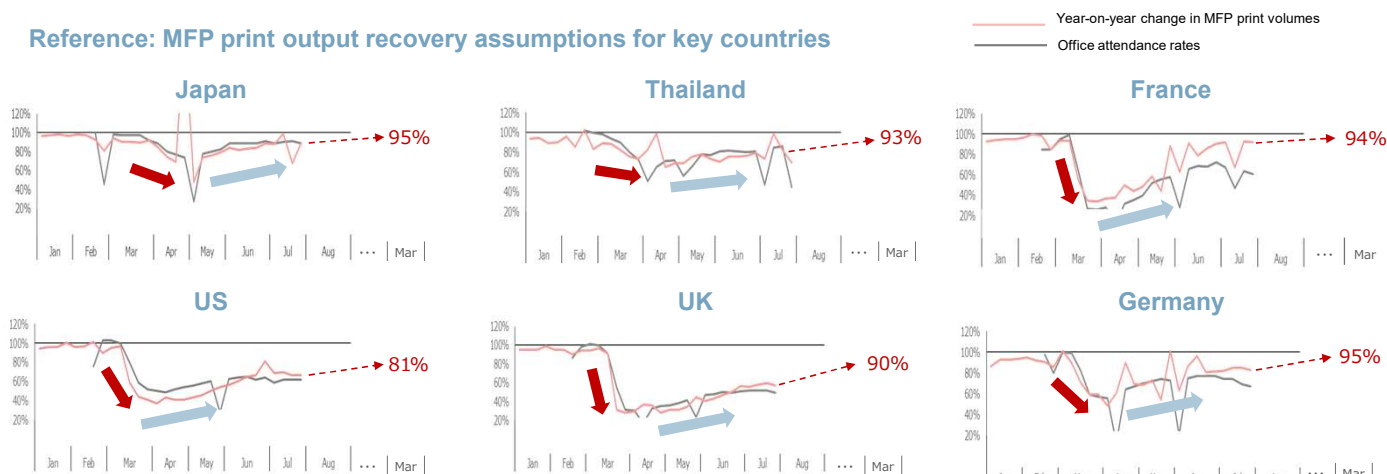
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## Note: MFP Output Assumptions Based on First-Quarter Results

- Print output recovers as people return to offices
- Recovery periods vary by country and territory
- Returns to previous print output levels vary by country and territory

Assuming global recovery to 90% of demand

### Reference: MFP print output recovery assumptions for key countries



Note: Company attendance rates based on the Google Community Mobility Report, showing rates of change in traffic to workplace since before pandemic. Weekly data published each Tuesday (print volumes based on Ricoh @Remote data, with change in MFP print volumes from previous corresponding period)

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- Here, we present print volumes for MFPs. Given office attendance rates and in view of the print volumes in the countries shown as discussed in our results presentation for the first quarter, we have estimated the extent to which print volumes would recover, adding data that service personnel in each country reviewed on-site.
- Although the numbers vary among countries, the average recovery would be to 90% to 93% of demand.
- We settled on a somewhat conservative number of up to 90%.

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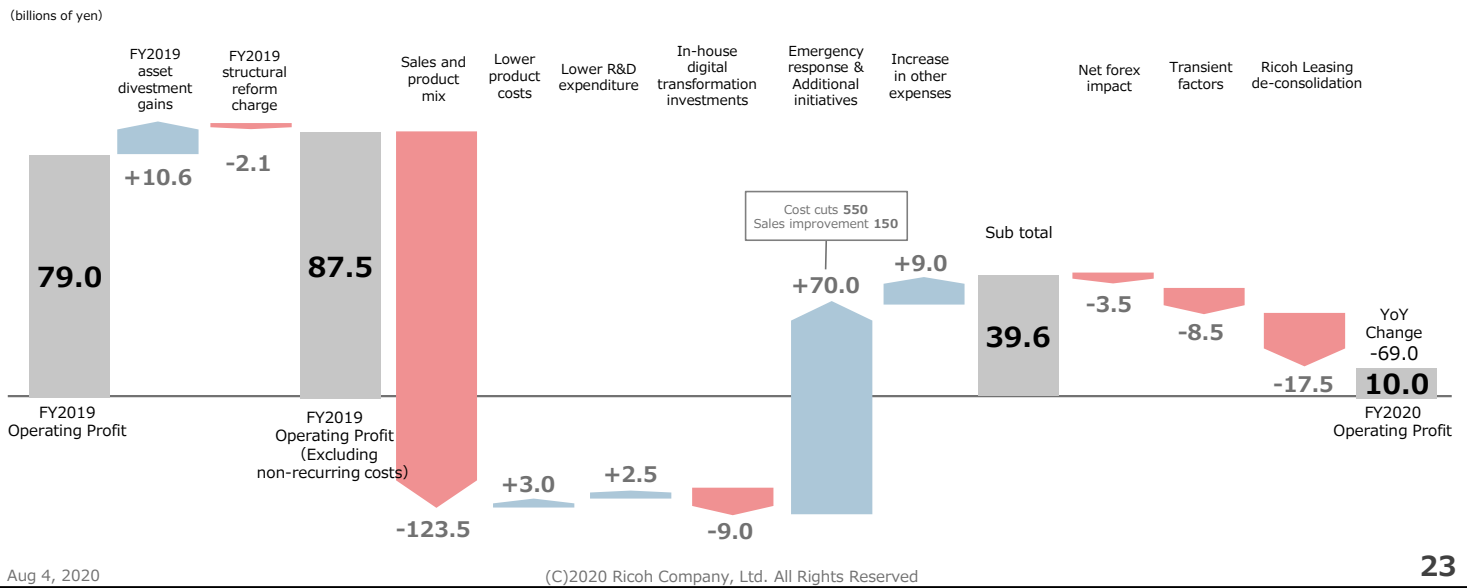
## Forecasts for FY2020 - Key Indicators

	FY2019	FY2020 forecast	YoY change
Sales	¥2,008.5 billion	<b>¥1,780.0</b> billion	-11.4%
Gross profit	¥721.5 billion	¥600.8 billion	-16.7%
Selling, general and administrative expenses	¥642.5 billion	¥590.8 billion	-8.1%
Operating profit	¥79.0 billion	<b>¥10</b> billion	-87.3%
Profit attributable to owners of the parent	¥39.5 billion	<b>¥3.6</b> billion	-90.9%
ROE	4.3%	0.4%	-3.9pt
Average exchange rates	Yen/US\$ ¥108.80 Yen/euro ¥120.90	¥105.65 ¥119.62	-3.15 -1.28
R&D expenditures	¥102.8 billion	<b>¥92.5</b> billion	-¥10.2 billion
Capital expenditures	¥86.5 billion	<b>¥48.0</b> billion	-¥38.5 billion
Depreciation	¥62.5 billion	<b>¥46.0</b> billion	-¥16.5 billion

- We formulated our forecasts for fiscal 2020 based on what we have discussed thus far.
- We expect sales to drop around 220 billion from last year, at 1,780 billion yen. Gross profit should be down about 120 billion yen, to 600.8 billion yen. Operating profit should be 10 billion yen or so.
- We will secure earnings by overcoming the significant profitability impact of the pandemic through emergency and permanent measures.

# Forecasts for FY2020 - Operating Profit Comparisons

Offset impact of earnings decline due to the pandemic  
by cutting costs and accelerating progress in generating profits in Office Services and other initiatives



- This chart compares operating profit factors.
- I mentioned a little earlier that downside impact would be 115 billion yen. This is net of the sales and product mix amount of 123.5 billion decline yen and an increase in other expenses of 9 billion yen, and includes such elements as a decrease in logistics costs and a fall in sales commissions because of lower volume.
- Also, the 70 billion yen in the center of the page shows improvements from emergency response and additional initiatives.



# One-time/on-going actions

## Frontload the 20<sup>th</sup> MTP (RICOH Lift-off) actions in view of the impact of the pandemic

(billions of yen)

category		actions	Q1 result	Full-year	
As of May 8, 2020		Actions frontloaded	*O/P contribution amount		
One-time	SG&A reduction	<ul style="list-style-type: none"> <li>✓ Trimming down SG&amp;A</li> <li>✓ Workstyle innovation</li> <li>✓ Structural optimization</li> </ul>	<ul style="list-style-type: none"> <li>✓ Expense optimization</li> <li>✓ Continue structural optimization</li> <li>✓ Rebuild of bonus</li> </ul>	<b>17</b>	<b>25</b>
Permanent	SG&A reduction Structural reform	<ul style="list-style-type: none"> <li>✓ Reduce development items</li> <li>✓ HQs business process digitalization</li> </ul>	<ul style="list-style-type: none"> <li>✓ Business selection and concentration</li> <li>✓ Backoffice optimization through uniting ERP</li> <li>✓ Streamlining HQs</li> </ul>	<b>10</b>	<b>30</b>
	COGS reduction	<ul style="list-style-type: none"> <li>✓ Digital manufacturing</li> <li>✓ Service operations optimization</li> </ul>	<ul style="list-style-type: none"> <li>✓ Optimization of production sites for digital services company</li> <li>✓ Expansion of Smart Support</li> </ul>		
	Sales boost		<ul style="list-style-type: none"> <li>✓ Services business deployment based on local characteristics</li> <li>✓ Launching products/services for the "new normal"</li> </ul>	<b>negligible</b>	<b>15</b>
<b>total:</b>			<b>27</b>	<b>70</b>	

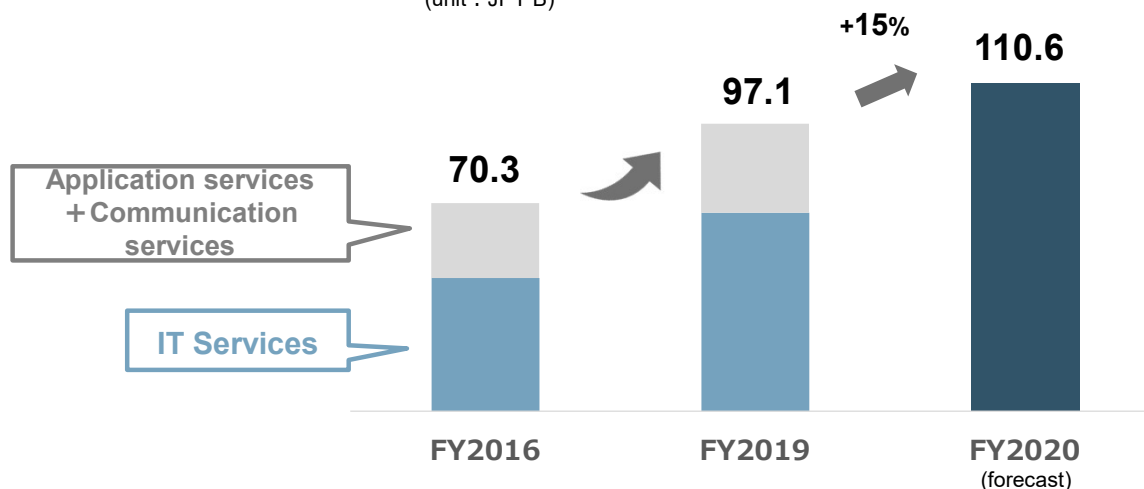
- Here, we show how we will secure that 70 billion yen.
- The left column shows the 25 billion yen in improvement measures presented in May. These measures are progressing well, accounting for the bulk of 27 billion yen in actions in the first quarter.
- The right column shows frontloaded actions for Lift Off, the mid-term management plan launched this fiscal year. These actions are part of permanent structural reforms and cost reductions presented in the left column.
- We are pushing ahead with rigorous business selection and concentration measures including uniting ERP to optimize back office operations. We are cutting the costs of goods sold by optimizing production sites as we progress toward becoming a digital services company. We are also accelerating our global deployment of failure prediction and remote maintenance services.
- At the bottom of the page are the contributions to improving operating profit. We are swiftly introducing Office Services products, application services in particular, for the "new normal". Customers across countries and territories admittedly have different issues, and we will speed up the deployment of DocuWare's enterprise content management solutions, Microsoft 365, and the Ricoh Smart Integration platforms as three global solutions.
- Such efforts should generate 15 billion yen in earnings.

## Accelerated growth of digital services

### Office Services has grown rapidly by acquisition in Europe

#### Office Services sales growth (Europe)

(unit : JPY B)



- I will now explain how we will increase sales by accelerating our delivery of digital services.
- To date, we have largely explained Ricoh Japan's Scrum package and other activities. Last fiscal year, Office Services sales outstripped those of Office Printing for the first time in Japan. Ricoh Japan is ahead of other regions in Office Services.
- Today, I would like to share our developments in Europe to exemplify how we are progressing overseas.
- The graph presents sales trends for Office Services in Europe. These have gradually expanded since 2016, and are now surging.
- That is one reason that we are bolstering our structure.

# Reinforcing Digital Services Structure (Europe)

## Continue to acquire resources in keeping with regional characteristics

IT Services capability well-developed. Continue acquiring resources for Application Services for further growth

Key countries	IT Services	Application Services	Level of capability
UK		Ridgian (FY15)	B
Germany	ADA (FY13)	DocuWare (FY19)	B
France			C
Italy	NPO (FY14)    Mauden (FY19)		A
Spain	IPM (FY17)	Aventia (FY13)	A
Netherland			C
Switzerland	LAKE (FY19)	Pan-European business coverage	B
Belgium	UpFront (FY15)    Orbid (FY20)		B

Establish Network Operation Centre (FY17)

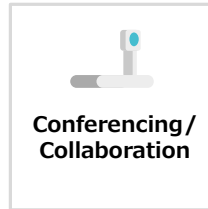
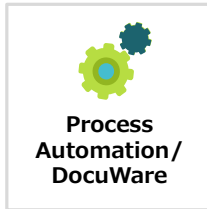
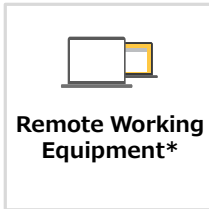
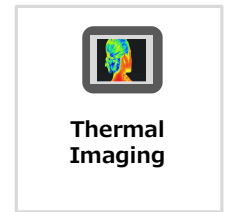
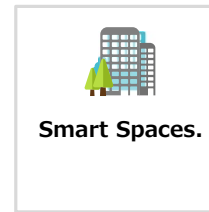
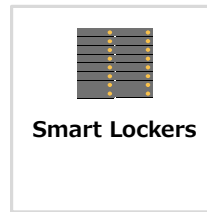
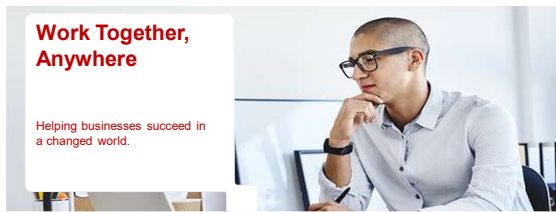
\* Level of capability: A: mostly achieved (≥ Japan) B: in progress C: Need further investment

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- We have acquired a range of resources for the European Office Services business, particularly in IT and application services.
- While the scale of our acquisitions has not been so large, they have been well planned. We have accorded attention to detail with post-merger integrations. Most of the firms we have acquired have thus performed better than projected.
- Resources accumulated through application services have extended across borders, and we have begun to expand across the continent under the guidance of our European headquarters.
- In 2017, we built our Network Operations Centre in Poland, which provides shared services. It delivers support for European customers around the clock throughout the year.
- That facility has received much appreciation for its support from medical institutions and infrastructure companies that must run 24/7.

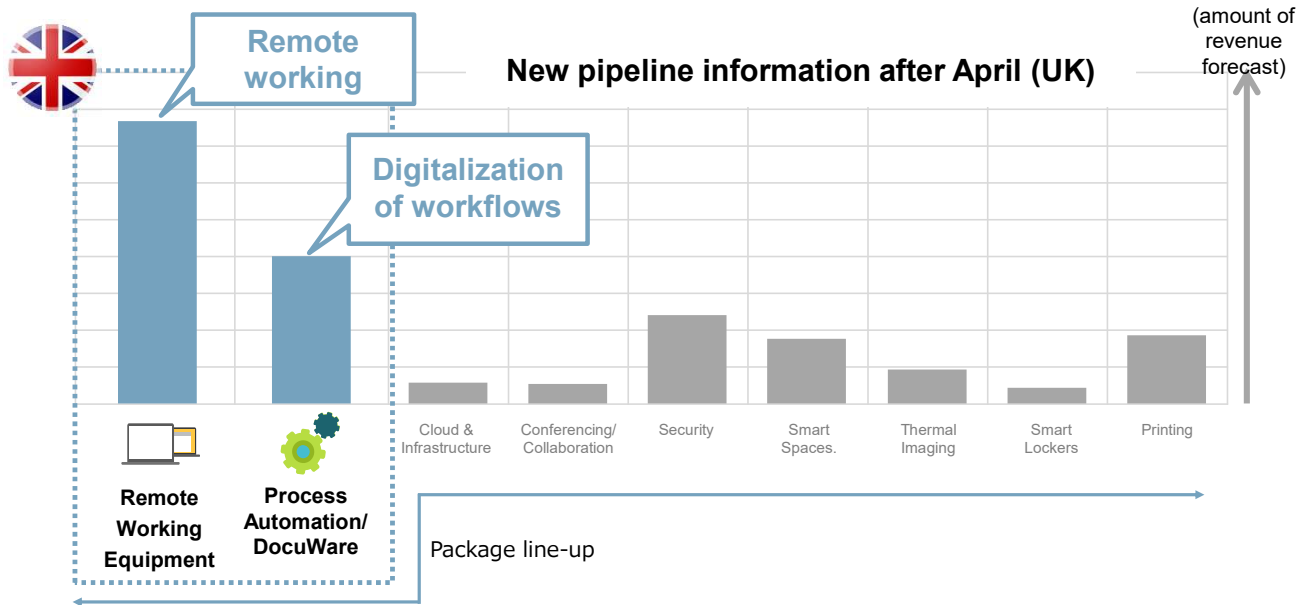
## Europe is also offering services packages that meet customers' diverse work practices



\*Includes eShop

- In Europe, we were swift to launch our “Work Together, Anywhere” services in response to the pandemic.
- The services package caters to diverse of work practice needs.
- We offer nine key packages.
- They have been very well accepted because customers can easily deploy them, notably as device packages for remote work or as conference packages.
- Many packages also draw on the capabilities of our Network Operations Centre.

## In the UK, high requirement in remote working and digitalization of workflows

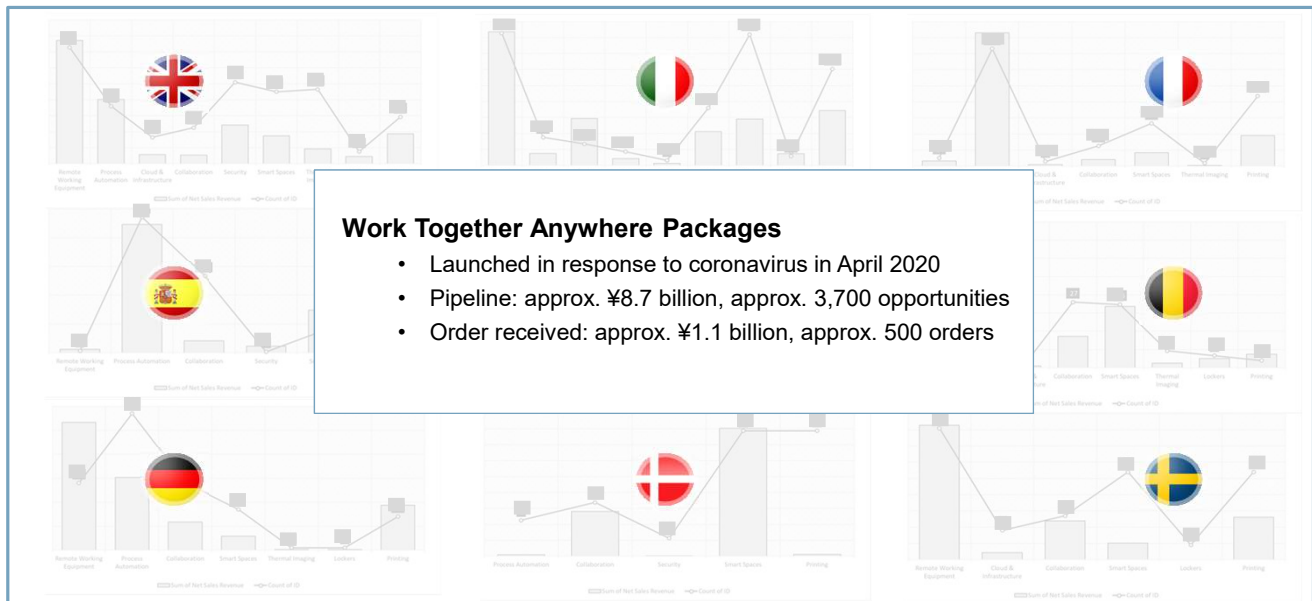


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- Here are examples of responses to packages we rolled out in the United Kingdom from April through June.
- For each package, we manage estimated revenue and uptake numbers, and have learned that demand is high in the United Kingdom for remote work and workflow digitization.

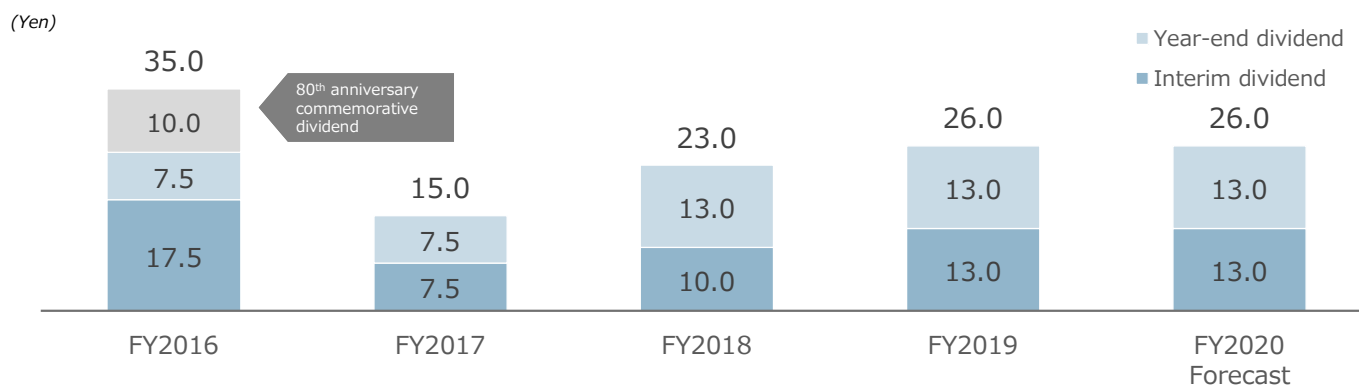
## Europe provides services that meet the requirements in each country



- At our European headquarters, our marketing team supports deployments while monitoring progress at sales companies.
- Although situations vary around Europe, we are accelerating developments across the board by integrating management and support at the European headquarters.
- “Work Together, Anywhere” started out in April to tackle the challenges of the pandemic. We have around 8.7 billion yen in the pipeline for about 3,700 opportunities. We have received about 1.1 billion yen from around 500 orders.
- We will step up activities with these packages.

# Capital Policies: Shareholder Returns Policy

- Maintain dividends at previous year's level in keeping with efforts to generate cash flows  
→ FY2020 Forecast : ¥26 per share
- Scrutinizing business conditions and investments  
for the additional shareholder returns, announced on Mar 27<sup>th</sup>, 2020



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- I will now turn to shareholder returns for fiscal 2020.
- Under the current circumstances, we seek to deliver stable dividends to shareholders looking for growth.
- We assessed dividends for the fiscal in light of the outlook for cash flows and investment. We have factored in moves toward a results recovery after bottoming out this fiscal year instead of simply basing our decision on earnings for this term.
- We accordingly forecast cash dividends of 26 yen per share for this fiscal year, unchanged from the previous term.
- In terms of delivering 100 billion yen in additional shareholder returns as we announced under our 19th Mid-Term Management Plan, we will continue to explore the required scale of investments for future business conditions and growth.

## Trial calculation of FY2020 cash allocations

- Secure ready liquidity during pandemic
- Execute growth investments to become digital services enterprise
- Stable dividends

Sources	Uses	
Operating cash flow ¥76 billion	Investments Around ¥110 billion	
Funding ¥30 billion	Capex	Strategic investments
End-FY2019 cash ¥262.8 billion	End-FY2020 cash Around ¥280 billion <small>(additional ¥100 billion in shareholder returns included)</small>	
Asset sales ¥37 billion	Dividends ¥18.8 billion	

- Finally, I will share our cash flow allocations for fiscal 2020 and explain our capital policy stance.
- This fiscal year, we will continue to invest so we can generate sustainable corporate value improvements, although the pandemic will admittedly cloud the economic picture.
- We are prioritizing capital and strategic investments totaling around 110 billion yen to become a digital services company.
- Strategic investments encompass strengthening IT services resources in countries and territories in which they are lacking, as well as acquiring the resources we need to digitize frontlines.
- In May this year, we explained that we seek to secure up to 600 billion yen in cash to cover unforeseen business risks.
- Under the full-year forecast for fiscal 2020 that I explained today, I believe that we can get through with 280 billion yen, and have already secured that amount.
- We will draw on our commitment line to cover significant changes in the business environment, such as the pandemic worsening.
- Based on cash flow generation, we concluded that we could maintain dividends (at 18.8 billion yen for 26 yen per share) after securing sufficient growth investments and liquidity.
- That completes my presentation. Thank you very much for your time.



## Supplementary Information

# Summary of FY2020 Q1 Results

## Q1 results

- Sales dropped 26% year-on-year owing to COVID-19 pandemic, prompting emergency measures to cut costs
- Posted operating loss of ¥21.2 billion (recovered in June after bottoming out in April and May)

## Q1 business conditions

- Office Printing: Lockdown and social distancing constrained sales activities, while plunging number of workers going to offices caused hardware and nonhardware revenues to plummet
- Office Services: Revenues and earnings declined owing to U.S. BPS site closures and Windows upgrade demand spike running its course  
Information and communications technology demand remained solid in Japan and Europe owing to demand for business-specific models and telework solutions
- Commercial Printing: Hardware and non-hardware sales dropped amid fewer events and shrinking business activities
- Industrial Printing: Sales dropped because of lackluster customer business activities, principally in Europe and United States, while China's domestic demand experienced recovery trend

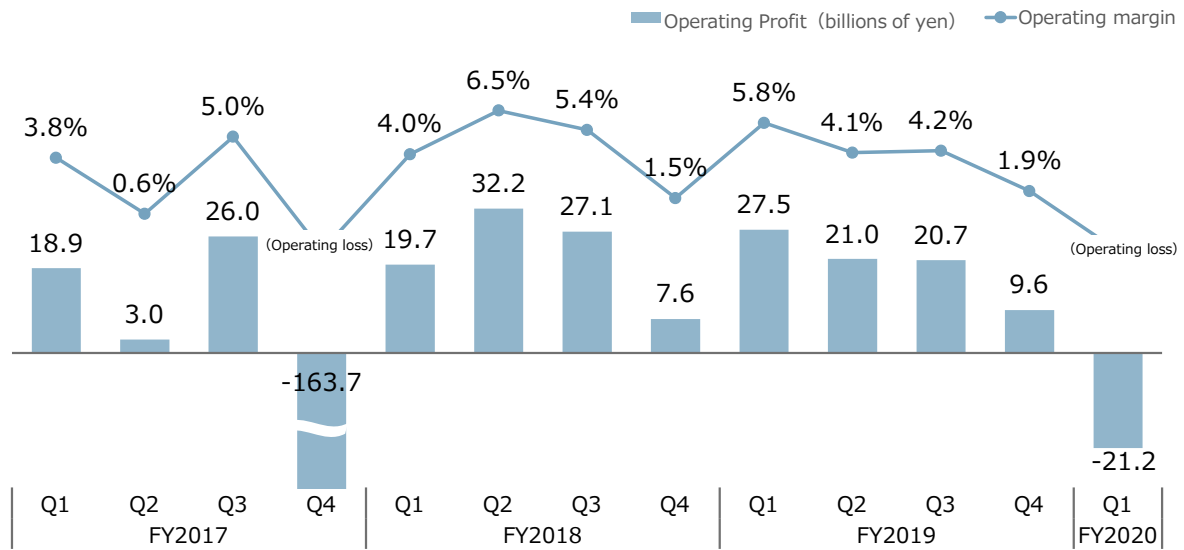
## Full-year forecasts

- With impact of pandemic peaking in first quarter, recovery should be slower than expected, primarily in Japan and Europe
- Projecting operating profit of ¥10 billion on strength of acceleration in Office Service business and acceleration of emergency measures

## Shareholder returns

- Looking to generate free cash flow through such factors as working capital improvements and share transfers
- In light of cash and stable dividend policies, annual dividend should be unchanged at ¥26 yen per share
- Have maintained shareholder returns stance. Will factor in pandemic trends, growth investments, and cash

# Quarterly Operating Profit



◆Unit sales growth rates for MFPs and printers

FY2020 Q1 YoY unit sales change		A3	A4
Japan	-21%	-21%	-18%
Overseas	-32%	-32%	-32%
MFP total	-30%	-30%	-31%
LP total	-26%		

◆Sales growth rates  
for MFP and printer hardware and non-hardware  
(excluding forex impact)

FY2020 Q1 YoY sales change	Hardware	Non- hardware
Japan	-21%	-16%
Overseas	-31%	-44%
MFP total	-29%	-35%
LP total	-47%	-25%
MFP + Printer total	-31%	-33%

**RICOH**  
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