

# Overview of 21<sup>st</sup> Mid-Term Management Strategy

**RICOH**  
imagine. change.

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**Akira Oyama**

**Executive Corporate Officer**

**(President and Chief Executive Officer from April 1)**

**Ricoh Company, Ltd.**



# **A Changing World and Ricoh's Vision**

## Work environments are transforming in a changing world

### A changing world

**A polarized world  
Rising tensions**

**Climate change and major  
disasters**

**Energy shortages, climbing  
prices, and economic instability**

**Tighter legislation relating to  
ESG, security, and other areas**



### Work environments

**Teleworking**

**At offices**

**Metaverse**

**Regional migration**

Individuals seek freedom of choice in working environments while companies redefine offices as spaces that foster creativity instead of being gathering places

### Workers

**Generation Z**

**Gig workers**

**AI**

**Century of change**

Companies and individuals become equals, with technology transforming how people work and fostering individual work practices and lifestyles

# Ricoh's Vision: Fulfillment through Work

## Continuing to support the diverse work needs of customers

### Extending engagement to society to materialize vision

- Established 3L to research Fulfillment through Work
- Launched on research of working individuals (Human Digital Twin)
- Set up workplace creativity consortium
- Initiated joint research with universities into Fulfillment through Work
- Updated mission and vision to focus on Fulfillment through Work

2036 Vision

## Fulfillment through Work

Fulfillment comes from achievement and self-development; we help people find fulfillment through work



1977

### Advocating office automation

Having machines handle mechanical tasks so people can perform more creative work

2020

Work's value shifting from efficiency to creativity that only people can offer

2036

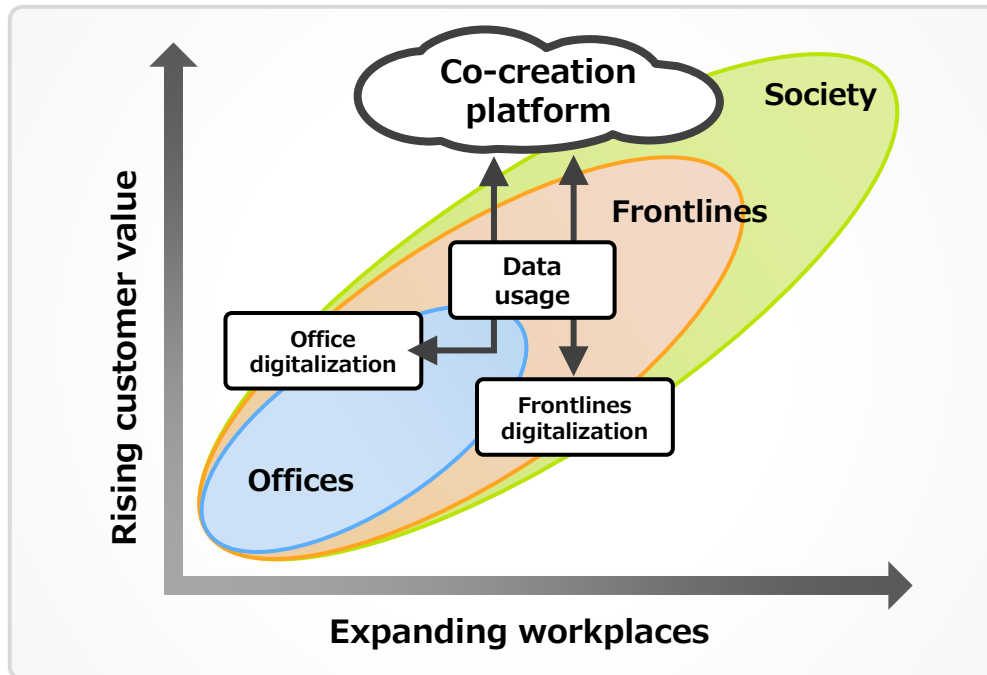
Celebrating Ricoh's centennial and preparing for next 100 years

# Ongoing Drive to Become a Digital Services Company

Expanding workplace and customer value by providing value as a digital services company

**Becoming a digital services company**  
A services provider that supports worker creativity and transforms workplaces

## Workplace expansion and rising customer value



## Work transformation drivers

### Ricoh's strengths

- Global sales and services structure
- Proprietary edge devices
- In-house implementation and successes
- Collaboration with partners
- Digital professionals
- RICOH Smart Integration Platform



# **20<sup>th</sup> Mid-Term Management Plan Review**

- Did not reach business growth targets despite taking flexible and timely steps to tackle parts and equipment shortages
- Steadily reinforced management infrastructure

## ■ Key financial targets

(Billions of yen)

Financial indicators	Initial FY2022 targets	FY2022 forecasts
ROE	More than 9.0%	6.0%
Sales	2,000	2,100
Operating profit/margin	100/5%	85/4%
ROIC	6.5%	More than 5%

## ■ Steps taken to reinforce management infrastructure

- ✓ Adopted business unit structure
- ✓ Initiated business portfolio management
- ✓ Instituted job-based personnel structure
- ✓ Developed and upskilled digital professionals
- ✓ Revamped IT infrastructure
- ✓ Determined R&D direction
- ✓ Invested in growth
- ✓ Steadily implemented capital policy

## ■ Key initiatives

(Operating profit increases from FY2020 in billions of yen)

Key initiatives	Initial FY2022 targets	FY2022 forecasts
Office Services business growth	+27	+18.6
Structural reforms in printing business	+54	+47.1
Printing frontlines digitalization field growth and structural reforms	+17	+16.1

## On track with future financial targets, which have been well received externally

Future financial targets	Initial targets	FY2022 forecasts
Top score rate in customer surveys	30%	36.7% in Japan (Currently estimating for other regions)
Number of people to whom we have contributed by improving social infrastructure	10 million	11.68 million
Greenhouse gas Scope 1 and 2/Scope 3 reduction rates	30% / 20%	44% / 25%
Renewable energy utilization ratio	30%	30%
Virgin material usage ratio	85% or less	85% or less
Suppliers signing on RICOH Group Supplier Code of Conduct	Completed for key suppliers	Completed
Increase rate of patent ETR score	20%	20%
Engagement score	50 <sup>th</sup> percentile or higher	Percentiles: 54 <sup>th</sup> in Japan, 45 <sup>th</sup> in Americas, 38 <sup>th</sup> in Europe, and 39 <sup>th</sup> in APAC

### Key external rankings

- ✓ Maintaining inclusions in Dow Jones Sustainability World and Asia Pacific indices
- ✓ Rated one of Global 100 Most Sustainable Corporations in the world for 11 straight years
- ✓ Winning Grand Prix in Nikkei SDGs Management Grand Prix in 2020 and Environmental Value Award in 2022, obtaining perfect five-star rating for four straight years
- ✓ Remaining on CDP CDP climate change A List
- ✓ Gold Rating in EcoVadis supplier assessment since 2014
- ✓ Included in Government Pension Investment Fund of Japan's five major ESG indices for Japanese equities

Member of

**Dow Jones Sustainability Indices**

Powered by the S&P Global CSA





# Improvements Under 21<sup>st</sup> Mid-Term Management Strategy

Having completed run-up to transformation, will deliver growth over next three years by reinforcing the following areas

- **Transform earnings structure and enhance profitability**

Toward a digital services company-based earnings structure

Secure stable revenue sources by amassing recurring revenues earnings

- **Respond better to changing business climate**

Build resilient production and supply structure

- **Cultivate revenue sources from frontlines digitalization**

Stabilize earnings by building the next revenue source



# **21<sup>st</sup> Mid-Term Management Strategy Strategic Targets**

## Leverage progress to date to become digital services company

### Key initiatives through to 20<sup>th</sup> Mid-Term Management Plan

- Reviewed five major principles in break from the past
- Formulated long-term vision titled Fulfillment through Work
- Declared commitment to becoming digital services company
- Undertook internal reforms, including to adopt business unit structure, ROIC management, and business portfolio management
- Made growth investments
- Focused on cultivating self-motivated people
- Earned high recognition for ESG leadership

### Improvements toward 21<sup>st</sup> Mid-Term Management Strategy

- Transformed earnings structure and boosted profitability
- Improved ability to tackle business climate changes
- Cultivated frontlines digitalization earnings sources

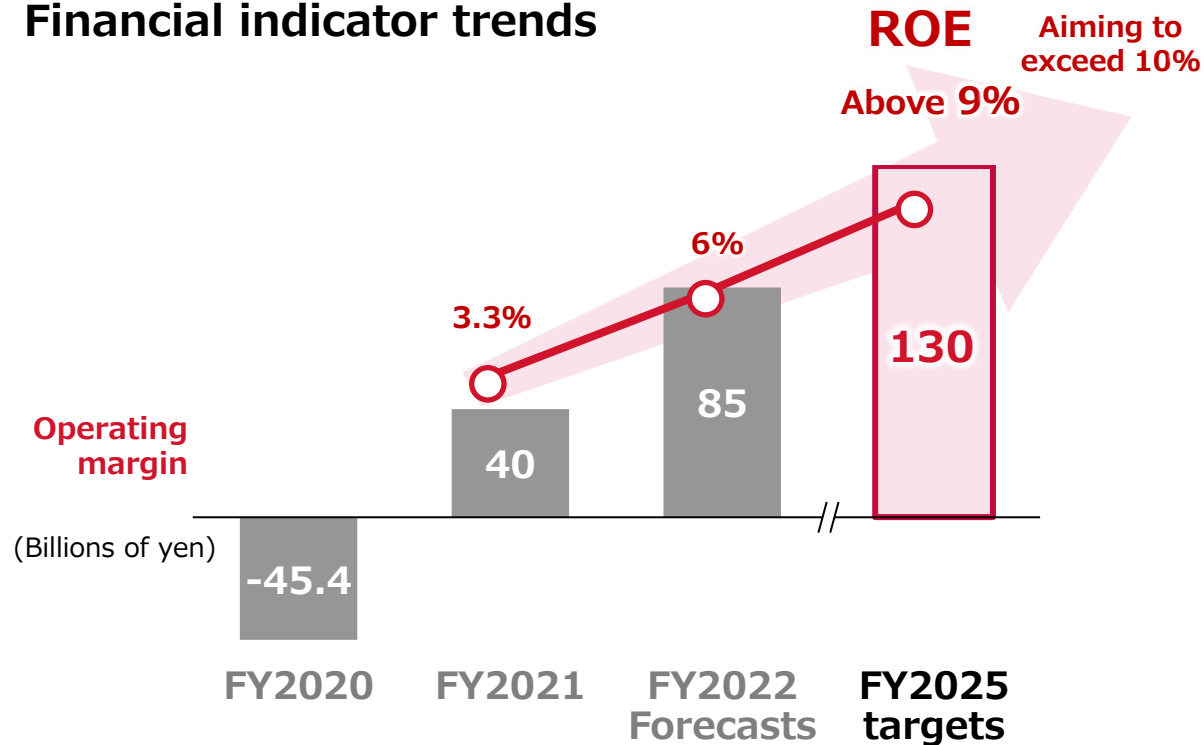
### Key reinforcements under 21<sup>st</sup> Mid-Term Management Strategy

- Improve customer touchpoint value creation capabilities
- Enhance Group and global management
- Step up business model transformation and expand recurring revenues
- Build more change-responsive organizational processes
- Make management more capital efficient
- Keep investing in growth
- Balance corporate growth and employee self-development
- Become global ESG leader by lifting corporate value sustainably

# 21<sup>st</sup> Mid-Term Management Strategy Financial Targets

Grow as digital services company by pursuing customer-centric innovation and increase corporate value

## Financial indicator trends



## Basic policies of 21st Mid-Term Management Strategy

1. Reinforce regional strategies and evolve Group management
2. Build revenue sources in frontlines and social domains
3. Leverage global talent

	FY2020	FY2021	FY2022 Forecasts	FY2025 targets
Sales	1,682	1,758.5	2,100	2,350
Operating margin	-	2.3%	4.0%	5.5%

# Sales & Operating Profit Targets by Segment

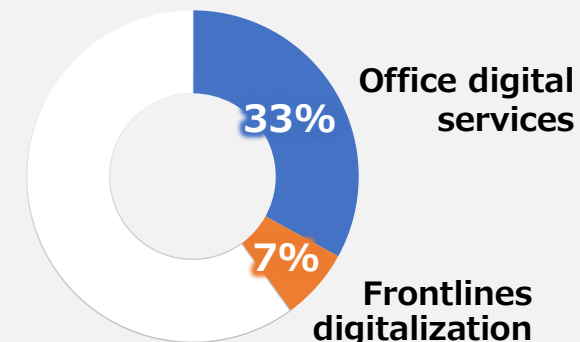
RICOH Digital Services driving growth, with frontlines and social areas becoming key earnings sources

			FY2025 targets		Key businesses
(Billions of yen)			Sales (CAGR)	Operating profit (Changes from FY2022)	
<b>RDS</b>	RICOH Digital Services		<b>1,750</b> (3.0%)	<b>60</b> (+33)	Office Services Office Printing Edge Devices
<b>RDP</b>	RICOH Digital Products		<b>420</b> (-3.0%)	<b>34</b> (-3.7)	
<b>RGC</b>	RICOH Graphic Communications		<b>280</b> (5.3%)	<b>18</b> (+4)	Commercial Printing Industrial Printing
<b>RIS</b>	RICOH Industrial Solutions		<b>160</b> (8.4%)	<b>12</b> (+4.9)	Thermal Products Industrial Facilities
<b>RFS</b>	RICOH Futures	Others +	<b>-260</b>	<b>6</b>	PLAiR Biomedical business
<b>Group headquarters</b>		Companywide and eliminations			
<b>Total</b>			<b>2,350</b> (3.8%)	<b>130</b> (+45)	

Changes in digital services sales (excluding Other businesses)

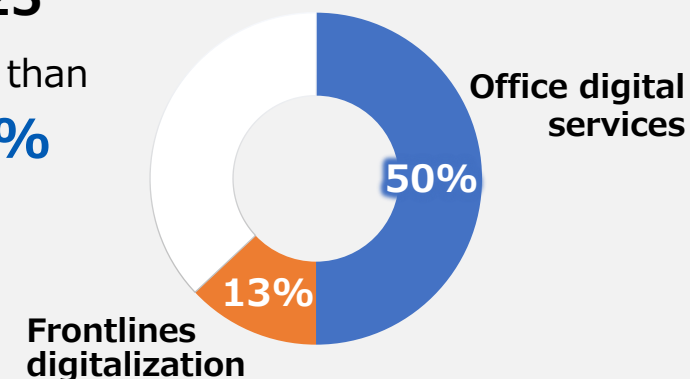
**FY2022**

**40%**



**FY2025**

More than **60%**



# Main Key Performance Indicators for Boosting Earnings

Reach four indicator targets below to become digital services company

Companywide initiatives	Direction	FY2025 targets for four main key performance indicators*
<p><b>Reform business portfolio</b></p>	<p><b>Shift to digital services growth areas</b></p>	<p><b>1. Generate more than 60% of sales from digital services</b></p>
<p><b>Transform business model and boost profitability</b></p>	<p><b>Increase overall earning from resurring revenue levels and expand in non-Office Printing areas</b></p>	<p><b>2. Resurring revenues earnings by 18%</b> <b>3. Raise non-Office Printing ratio to 54%</b></p>
<p><b>Maximize human capital potential</b></p>	<p><b>Reallocate human capital to growth areas by reskilling and lifting organizational productivity</b></p>	<p><b>4. Increase profitability per employee by 70%</b></p>

\*Target compared with FY2022 projections



# **Basic Policy 1: Reinforce regional strategies and evolve Group management**

## **Key points of this section**

### **Build stable earnings base by amassing highly profitable digital services recurring revenues**

- **Improve customer touchpoint value creation capabilities**
- **Demonstrate Group synergies**
- **Be able to tackle business climate changes**

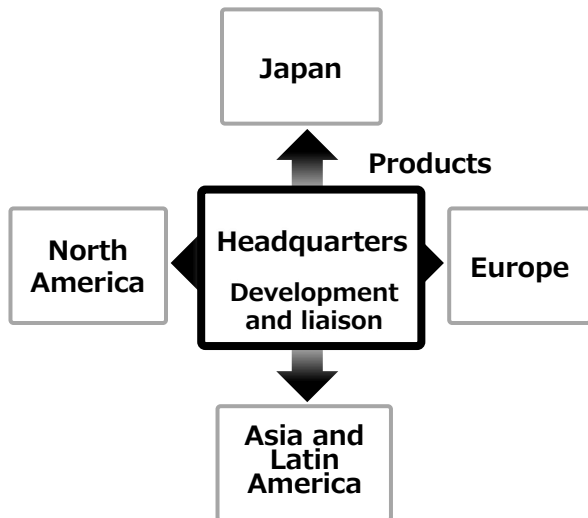
**Boost  
profitability**

**Improve corporate  
value**

# Overall: Enhance Customer Touchpoint Value

Become digital services company with regional strategy to create value with regional customers

## Office equipment manufacturer model



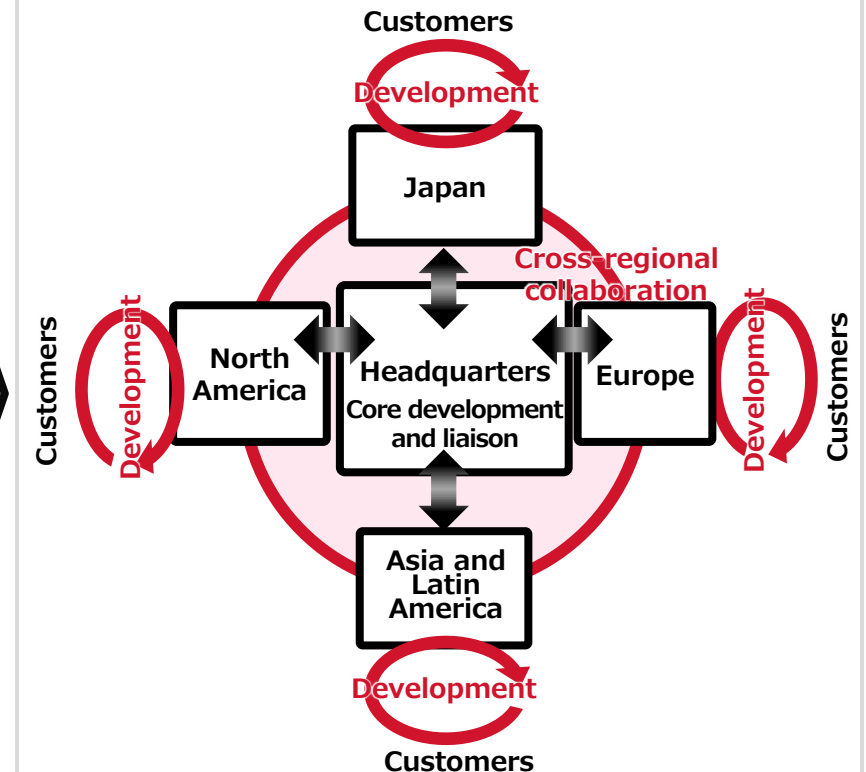
### Region roles

- Create value at customer touchpoints
- Develop local production and consumption solutions

### Headquarters roles

- Develop cores (edge devices, software, and platforms) of regional strategies and build future
- Push forward with Group strategies and foster cross-regional collaboration

## Digital services model

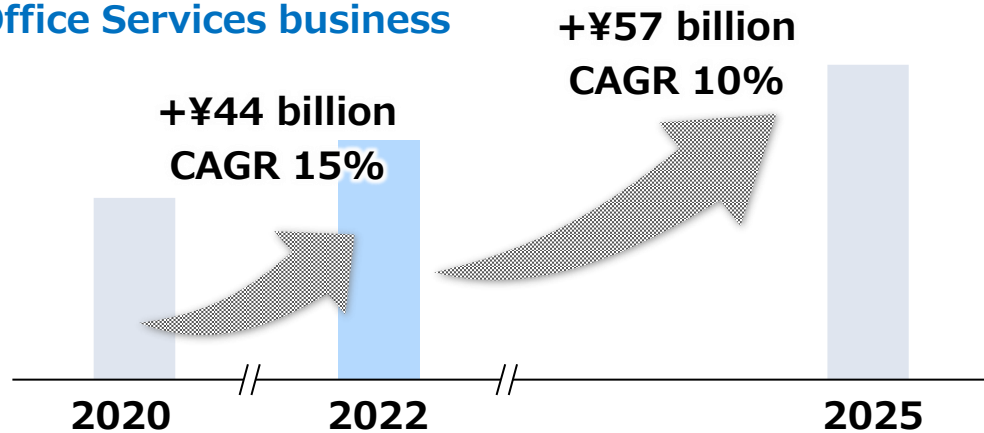




## Phase to maximize synergies between acquired companies and existing sales subsidiaries

### Sales

#### Office Services business



### Ricoh's strengths: Europe

- Customer base in more than 60 countries of 180,000 mainly mid-sized and large companies
- Secured ICT and audiovisual capabilities through acquisition strategy and pan-European expansion
- 3,200 direct salespeople, 4,800 field engineers  
→ Multiskilling Office Printing and Office Services people

### Policy: One Ricoh growth strategy and service recurring revenue expansion


- **Maximize synergies between acquired companies and Ricoh sales subsidiaries**
  - ✓ Strengthen high-value-added services capabilities (Workplace solutions for big corporations; ICT managed services for mid-sized companies)
  - ✓ Steadily enhance competitiveness and grow discontinuously through ongoing acquisitions strategy
- **Develop recurring revenue services and continue to expand business**
  - ✓ Accelerate RICOH Spaces and managed audiovisual service deployments

### Operating profit





## Add on digital service of acquired company to Ricoh printing customer base

Customer Profile	The challenge
<ul style="list-style-type: none"> <li>● <b>Name : Jungheinrich</b></li> <li>● Type of business : Develops and manufactures Logistic systems</li> <li>● Foundation : 1953</li> <li>● Employees : 19,000</li> <li>● Location : Germany</li> </ul> 	<ul style="list-style-type: none"> <li>● Introduced hybrid working due to pandemic, but remote meeting environment connecting office and staff working from home was not in place</li> <li>● Meeting room equipment was not standardized across the company and varied from office to office and meeting room to meeting room, creating inefficiencies</li> </ul>

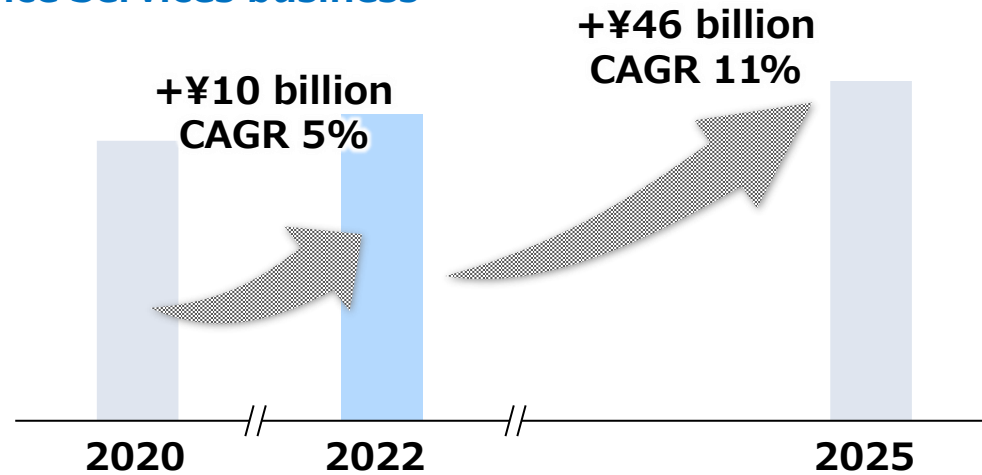
New meeting room design		Post Implementation	
	<ul style="list-style-type: none"> <li>● Internal and external communication based on Microsoft Teams Room (MTR)</li> <li>● Standardized equipment for meeting rooms</li> </ul>		<ul style="list-style-type: none"> <li>● Seamless communication in a virtual environment between the office and home workers</li> <li>● Smooth and stable remote meetings from anywhere with a unified environment</li> </ul>

Reason of selecting Ricoh		DATAVISION A RICOH Company
	<ul style="list-style-type: none"> <li>● Data Vision's high level of experience, analysis and proposal around AV and MTR</li> <li>● The high satisfaction with the Ricoh printing solution provided since 2011</li> <li>● Global sales and service coverage to support future deployments outside Germany</li> </ul>	

## Speed up major client Business Process Services digitalization by focusing on targeted industries

### Sales

#### Office Services business



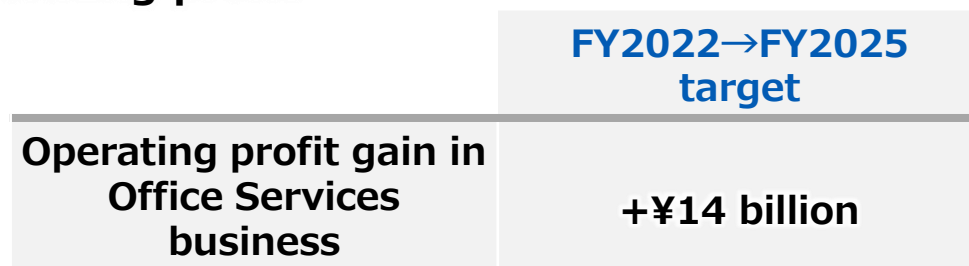
### Ricoh's strengths: North America

- Client base of approximately 1,800 on-site managed service locations, mainly major and very large companies
- High-quality and extensive business outsourcing record and customer reach
- Portfolio and personnel deployment across key financial services, healthcare, and retail sectors
- Secured audiovisual integrator capabilities by acquiring Cenero

### Policy: Deploy digital services to robust strong customer base

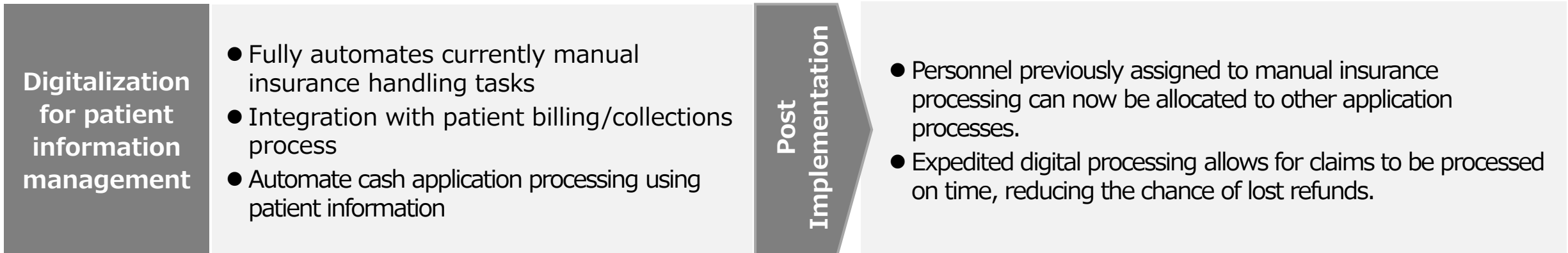
- **Transition from traditional staff dispatch model to Business Process Services tapping digital technology**
  - ✓ Digitalize Business Process Services to enhance convenience and profitability
  - ✓ Expand digital services portfolio by sector through local planning and development entities
- **Sell new Office Services business add-ons large and very large corporate customer base**
  - ✓ Deploy managed audiovisual services through synergies with Cenero

### Operating profit



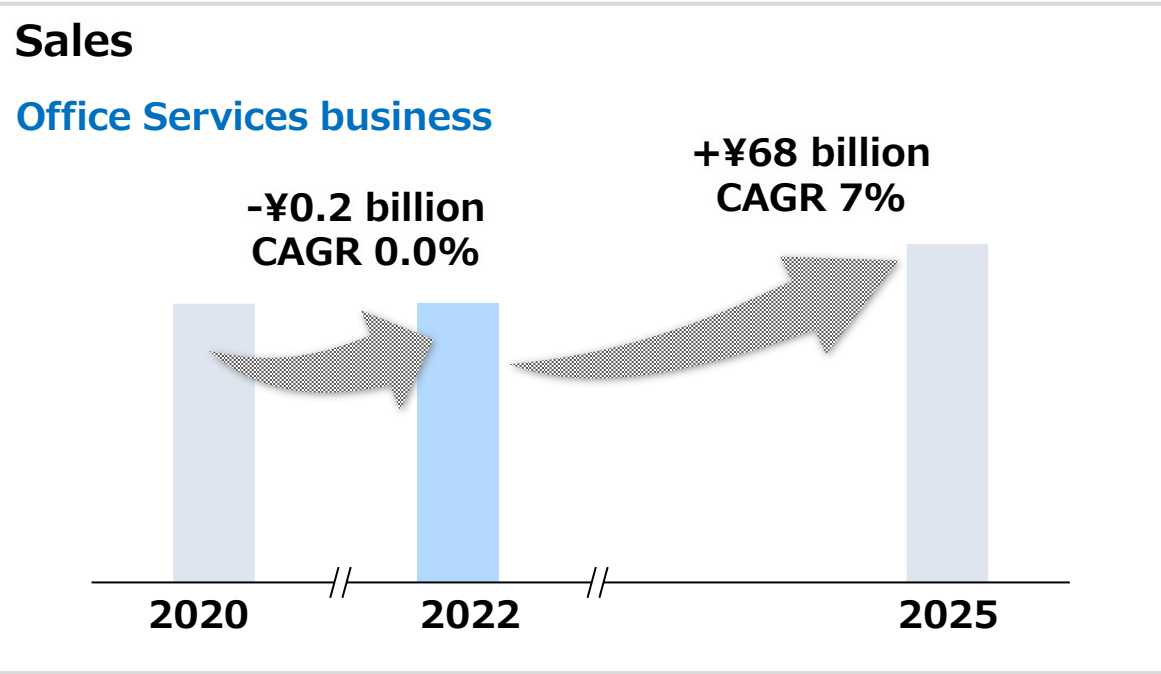
## Digitize labor-intensive tasks for a major on-site managed services client.

Customer Profile	The challenge
<p><b>Customer : BayCare Health</b></p> <ul style="list-style-type: none"> <li>● Industry : Healthcare</li> <li>● Foundation : 1997</li> <li>● Employees: 28,000+</li> <li>● Location : USA</li> </ul>	<ul style="list-style-type: none"> <li>● Current manual insurance response processing is extremely labor intensive</li> <li>● Lengthy processing timeframes for hospital claims to insurance companies can result in missed review/reimbursement opportunities</li> </ul>



<p><b>Reason of selecting Ricoh</b></p>	<ul style="list-style-type: none"> <li>● Established a strategic partnership between BayCare and RICOH through the On-Site Managed Services relationship.</li> <li>● Developed customer trust and partnership through listening to their key opportunities and goals that RICOH can support.</li> <li>● Ricoh's robust, and growing, digital capabilities with patient information management solutions and data management.</li> </ul>
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Keep cultivating and deepening customer relationships in priority areas, centered on highly profitable Office Services



## Ricoh's strengths: Japan

- Serves around 1 million businesses, primarily small and medium-sized enterprises and mid-sized companies
- Localized, nationwide sales support structure
- Can create and deploy solutions that address issues and capitalize on seasonal market opportunities
- Ranked first for eight consecutive years in J.D. Power's customer satisfaction survey of IT solutions provider and server maintenance services
- Ranked first in number of IT grants for three straight years



## Boost profitability by reinforcing digital services that resolve industry and business issues

- Cultivate customers in the vital manufacturing, distribution, construction, healthcare, and municipal government sectors)
- Increase recurring revenues primarily from Scrum series, RICOH kintone plus, and Empowering Digital Workplaces initiatives
- Broaden center and on-site managed services by collaborating with PFU

**Operating profit**

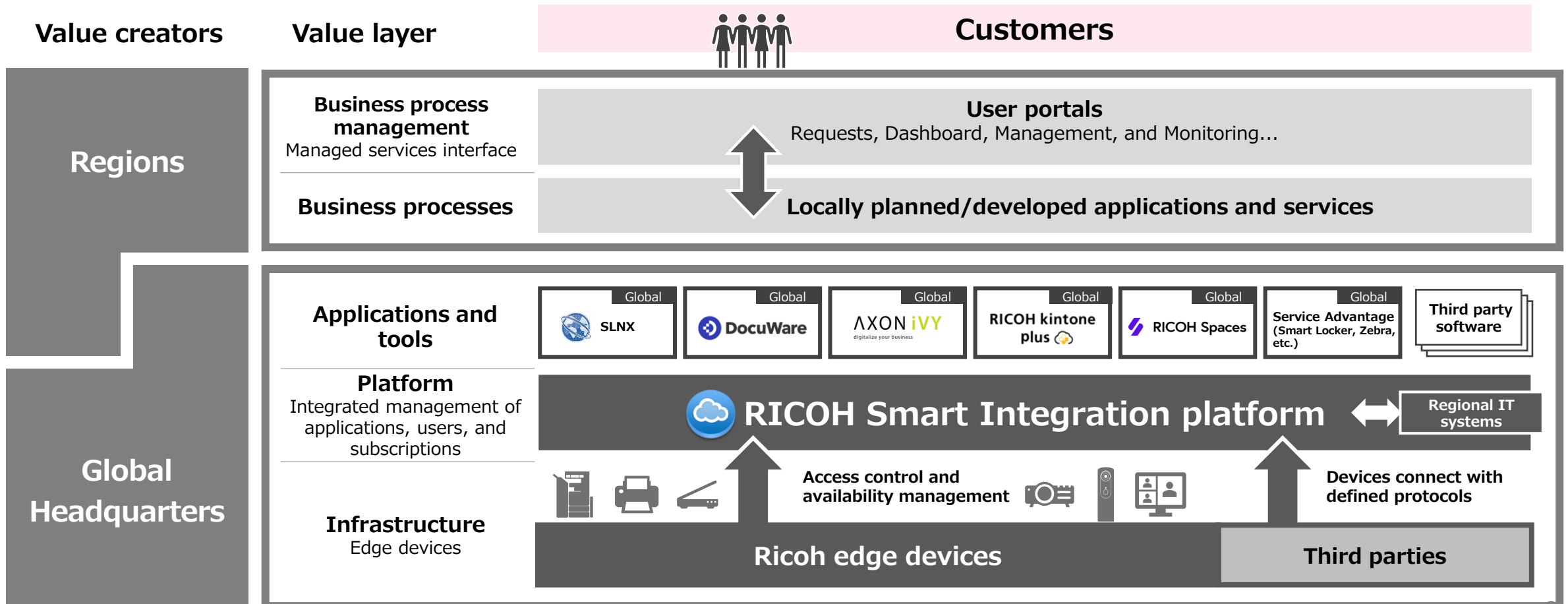
	FY2022→FY2025 target
Operating profit gain in Office Services business	+¥12 billion

# Group Management Evolution: Build RSI Ecosystem

Build RSI Ecosystem in which integrated digital services and edge devices expand customer value

Augment MFP peripheral solutions by delivering value through ecosystem linking edge devices with services and software

Add value by visualizing customer work through data from connected edge devices, services, and software

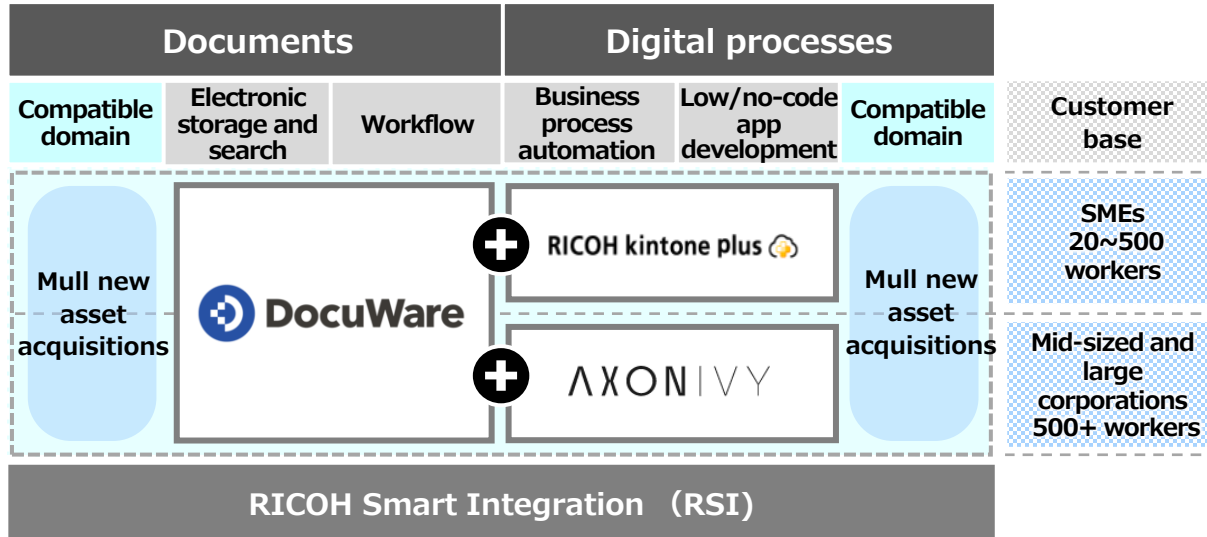




# Group Management Evolution: Software Deployment

Thoroughly expand proprietary software sales and broaden business domain by acquiring new assets

## Workflow digitalization



**20<sup>th</sup> Mid-Term Management Plan challenge:**  
Build proprietary in-house software portfolio covering targeted customer segments in document and workflow digitization

- Global deployment after DocuWare acquisition
- Secured low-code development software by acquiring Axon Ivy
- Embarked on strategic alliance with Cybozu to deploy RICOH kintone plus in Japan and United States



**21<sup>st</sup> Mid-Term Management Strategy policy:**  
Expand proprietary software revenue and strengthen peripheral areas

- **DocuWare and Axon Ivy:**
  - ✓ Expand direct sales company salesforces and enhance selling proposal skills
  - ✓ Share customer success stories and create simple sales scenarios
- **RICOH kintone plus:** Expand business and deploy overseas after Japan and United States
- Connect **RSI platform** and proprietary software and develop software as a service offerings
- **Secure new assets (through acquisitions and partnerships)** in areas peripheral to workflow digitalization

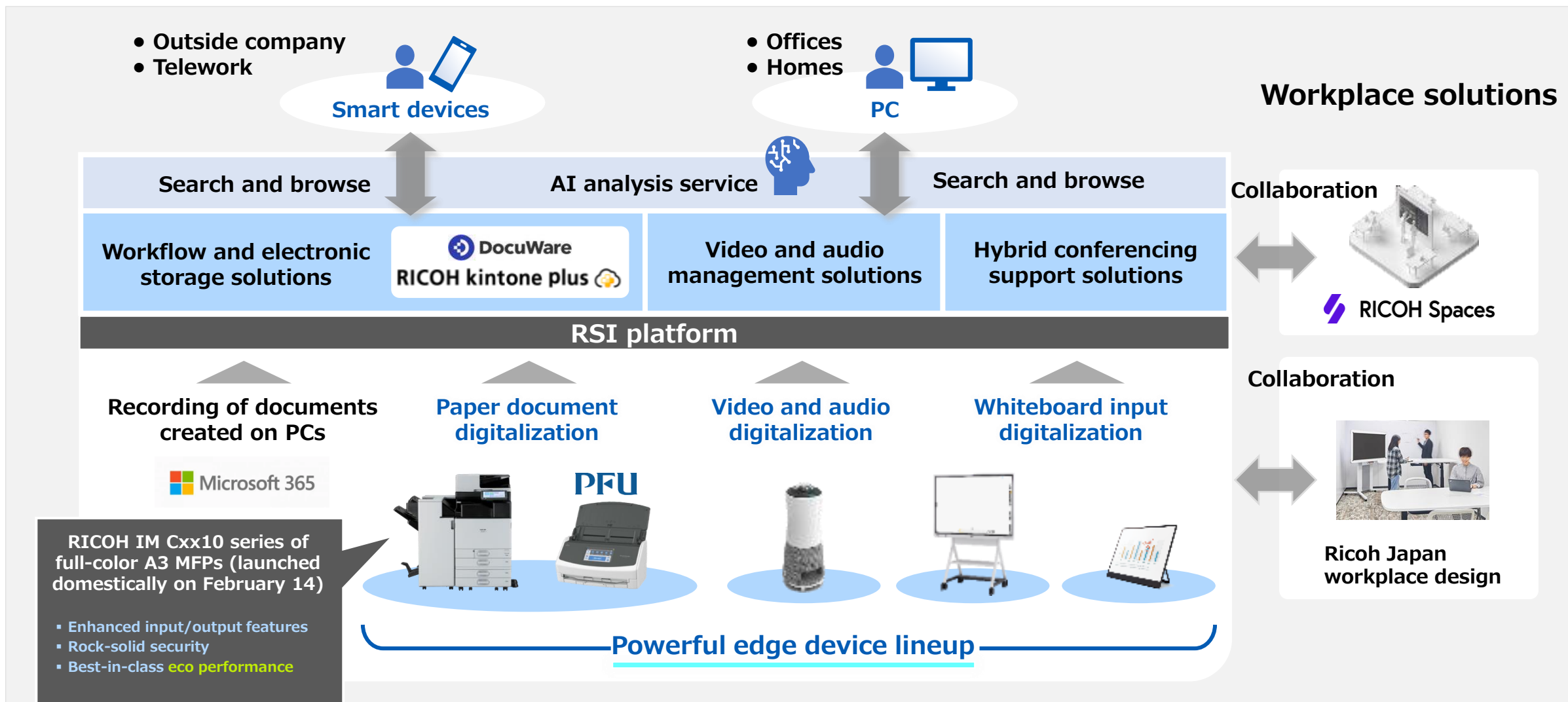
## Sales growth

	FY2022→FY2025 target
Global software sales CAGR	30~40%



# Group Management Evolution: Edge Devices Underpinning Digital Services

Leverage powerful edge device lineup to digitalize seamlessly



**RICOH IM Cxx10 series of full-color A3 MFPs (launched domestically on February 14)**

- Enhanced input/output features
- Rock-solid security
- Best-in-class **eco performance**





**Stabilize results by building production and parts procurement structure that is resilient to operating climate changes**

## **1. Decentralize production sites for priority models and key units**

- Maintain decentralized production site policy and manufacture flexibly according to geopolitical risks

## **2. Secure procurement in view of industrial structure changes**

- Roll out component procurement risk analysis method according to market supply-demand balance analysis and ensure stable supplies

## **3. Utilize reused machines**

- Reinforcing production structures for reused machines in consumption regions

## **4. Collaborate further with other companies**

- Explore collaboration with other companies, including to mutually use production sites, jointly purchase parts, and undertake joint product strategies to reinforce supply chain



## **Basic Policy 2: Build revenue sources in frontlines and social domains**

### **Key points of this section**

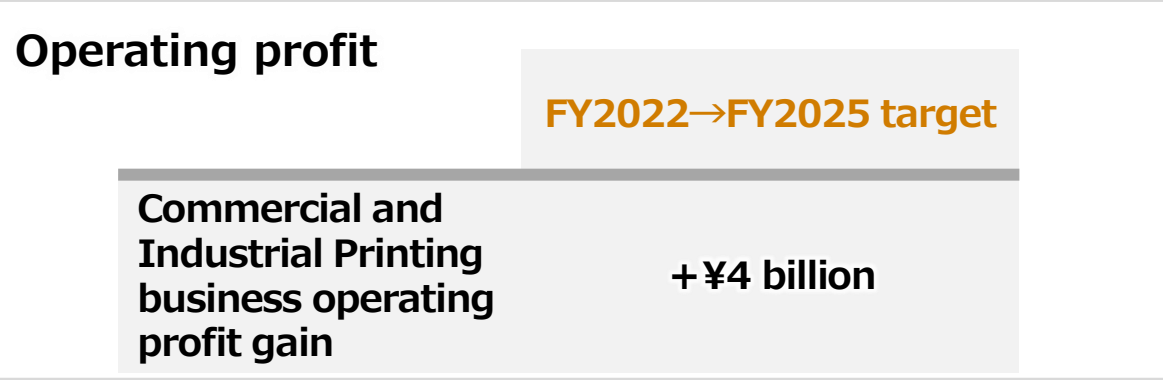
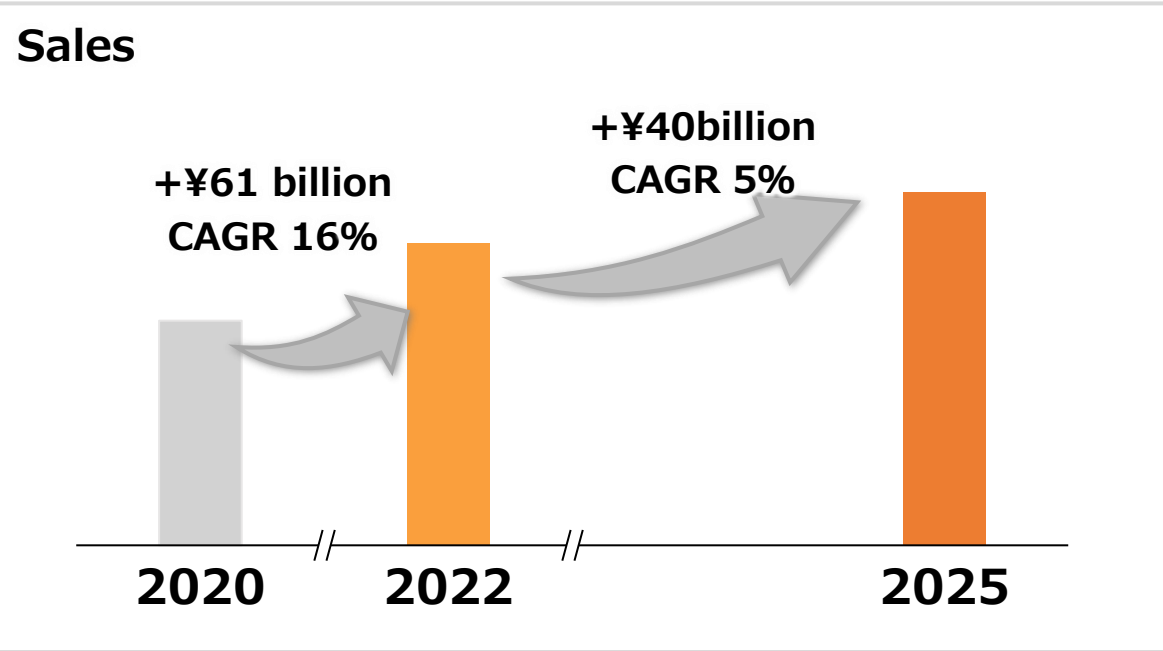
**Secure recurring revenues in non-office domain while solving social issues based on Ricoh's amassed technologies**

- **Harness Ricoh's technologies to improve frontlines productivity, accelerate efforts to tackle business climate, and deliver customer solutions**
- **Identify growth businesses in frontlines and social domains outside office area**

**Boost  
profitability**  
**Improve corporate  
value**

# Frontlines Digitalization: Commercial and Industrial Printing Business Growth Strategies

Driving printing industry digitalization, capturing brand leadership in frontlines digital transformation and environment terms



### Market opportunities

- While offset printing currently dominates, digital printing market should experience compound annual growth rate of 8.0%
- Emerging customer need for business solutions is accelerating shift to digital printing
  - ✓ Burgeoning raw materials, energy, and labor costs in offset printing
  - ✓ Shift from analog to digital printing with lower environmental impact

### Ricoh's strengths

- Cutsheet printer leadership
- Proprietary technology and in-house inkjet printhead development
- Global sales base and commercial printing sales and service specialists

### Policy: Digitize printing sector to make it a second business pillar after office businesses

- Rush to launch products to enter new markets and expand market share in existing areas (see \*1)
- Strengthen printing site production workflows
- Streamline development, production, and sales and services processes

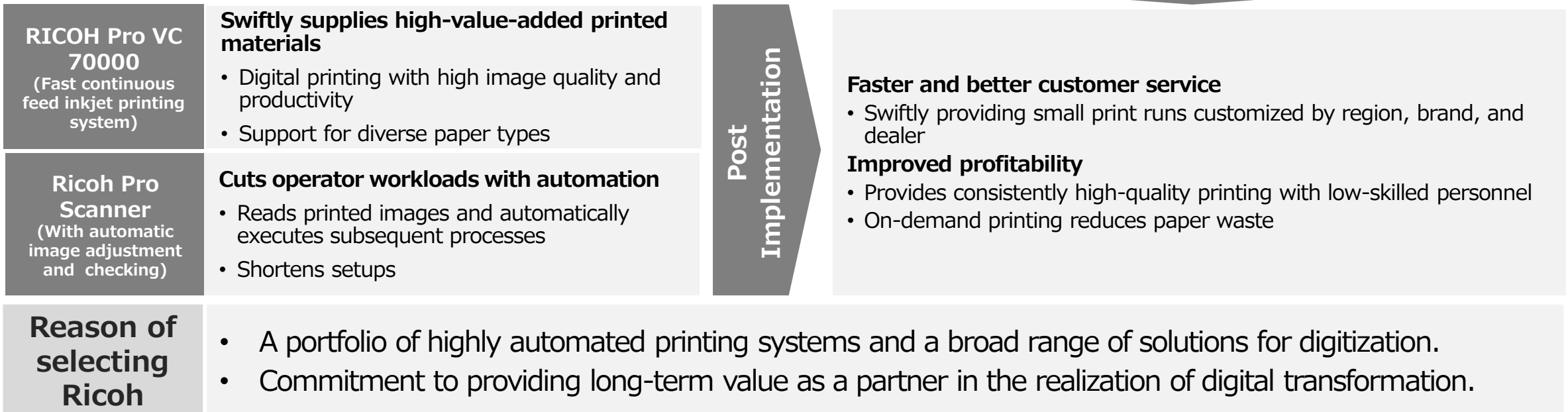


\*1. New inkjet cutsheet model slated for launch in first half of FY2023 that would be world's first B2 automatic duplex model employing water-based inks for high definition and lower total costs of ownership.

# Customer Success Stories in Printing Site Digitalization

Cater to fast growing print site digitalization needs and become trusted partner of customers

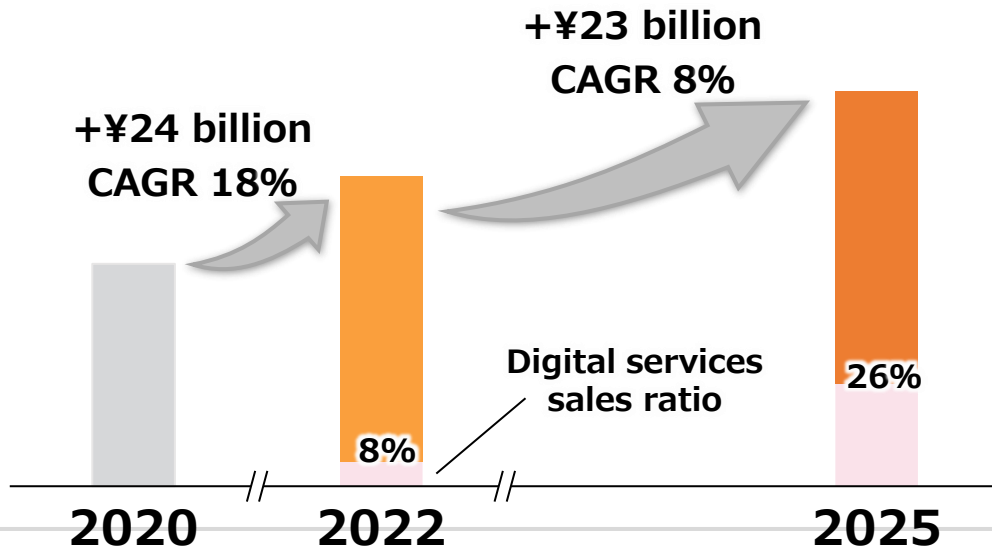
Customer profile	The challenge
<p><b>Customer: Sattler Media Group</b></p> <ul style="list-style-type: none"> <li>• Key business: Commercial printing (including of catalogs, pamphlets, and direct mail items)</li> <li>• Year established: 1975</li> <li>• Number of employees: 600</li> <li>• Headquarters: Germany</li> </ul>	<ul style="list-style-type: none"> <li>• Customers want short turnarounds and customized, high-value-added printed materials</li> <li>• Complex workflows of conventional offset printing made it increasingly hard to meet customer needs</li> <li>• Aims to build profit-maximizing business model and seeks reliable partners</li> </ul>



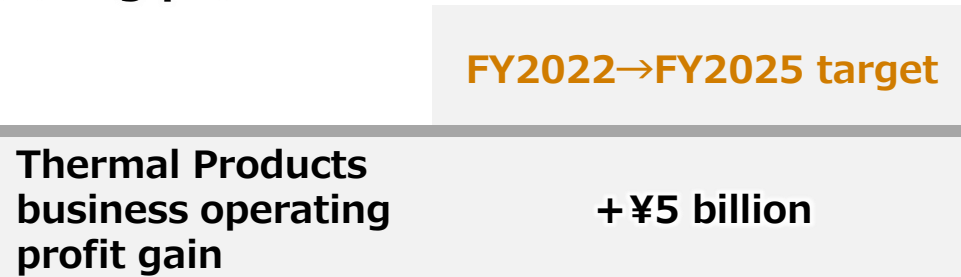
# Frontlines Digitalization: Thermal Products Business Growth Strategies

Tap thermal technology to supply digital services to frontline customers in distribution & logistics industries

## Thermal Products business sales



## Operating profit



## Market opportunities

- An expanding thermal media market (projected compound annual growth rates for FY2022 through FY2025 of 3.4% for thermal, paper, 2.5% for thermal transfer ribbons, and 7.0% for variable-print packaging)
- Thermal media market demands higher reliability and speeds owing to customer disclosure requirements and greater process automation

## Ricoh's strengths

- Print resolution, image storage, and other media technologies and thermal printing technologies
- Top positions in thermal paper markets of Europe, Americas, and Japan
- Label-less printing and other new media and systems for social needs

## Policy: Expand digital services business and make existing businesses very profitable

- Expand finished product customer touchpoints and offer total solutions
- Deliver operational excellence in existing businesses



Step 1: Strengthen alliances with finished product manufacturers and expand end-customer touchpoints

Step 2: Providing total solutions for frontline customers in the distribution and logistics industries.



# Transforming Frontlines with Technology that Works Well

## Unique manufacturing digital conversion with applied jetting technology




**Inkjet head technology**

Jetting various ink, including those incorporating solids or having high viscosity



**Ink supply technology**

Ink materials with insulation, thermal conductivity, and other properties

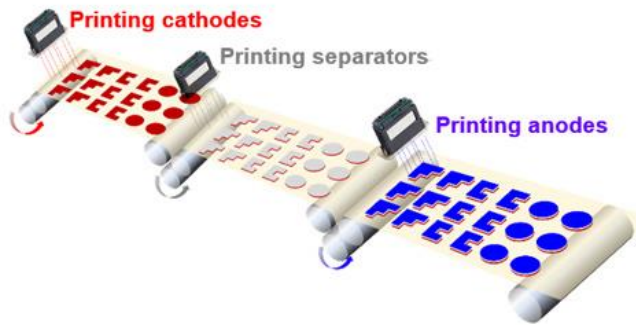


**Printing system technology**

Controlling entire systems for precise, accurate, and stable jetting

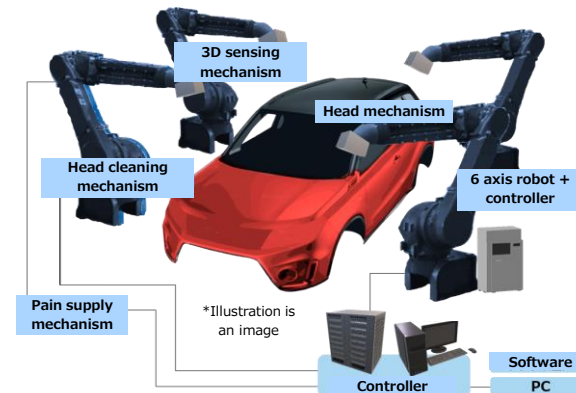
Applying and developing key technologies to digitalize manufacturing processes, generate new customer value, and resolve social issues

### Technology for inkjet printing of battery materials



Using inkjet technology to manufacture rechargeable batteries  
Batteries can be mounted on objects in any size and shape

### Digital coating technology for automotive exterior panels



- 100% efficiency in painting entire bodies
- Minimizing materials and energy waste in painting process

## Identifying and scaling new businesses that resolve key social issues

### PLAiR

#### Challenge

**Reduce environmental impact by transforming single-use plastics into biomaterials**

- Build eco-system using bio-materials and help materialize a circular economy
- Use high foaming agents to conserve raw materials inputs



#### Scaling

**Building ecosystem with partners sharing Ricoh's vision for PLAiR**

- Branded and secured market recognition for PLAiR
- Established supply chain

### Biomedical business

#### Challenge

**Enhance well-beings by constructing infrastructure to create iPSC-based medicines and diagnostics**

- Fast differentiation, high-quality cell, and data-driven induced pluripotent stem cell assay service
- Japan's first mRNA contract development and manufacturing organization able to engage in early, small-scale research stages



#### Scaling

**Co-creating new value with venture companies when Ricoh cannot achieve alone**

- Made Elixirgen Scientific a consolidated subsidiary
- Established fund to support venture companies and bolster domestic mRNA drug discovery capabilities



## **Basic Policy 3: Leverage global talent**

### **Key points of this section**

#### **Maximize human capital worldwide and shift people to growth areas**

- **Balance between employee growth and business growth → Improve profitability**
- **Co-creation of digital services on a global scale**

**Boost  
profitability**  
**Improve corporate  
value**



## Building on 20<sup>th</sup> Mid-Term Plan initiatives in formulating human capital strategy to reinforce business implementation

### Key initiatives under 20<sup>th</sup> Mid-Term Management Plan

- ✓ Encouraged employee self-motivation
- ✓ Introduced Ricoh job-based employment system
- ✓ Developed and reinforced digital talent
- ✓ Reviewed evaluation system
- ✓ Fostered diversity and inclusion
- ✓ Pursued Fulfillment through Work

### Human capital strategies

#### Human capital stance

#### Digital talent reinforcement

#### Human resources portfolio management aligned with business strategies

### KPIs

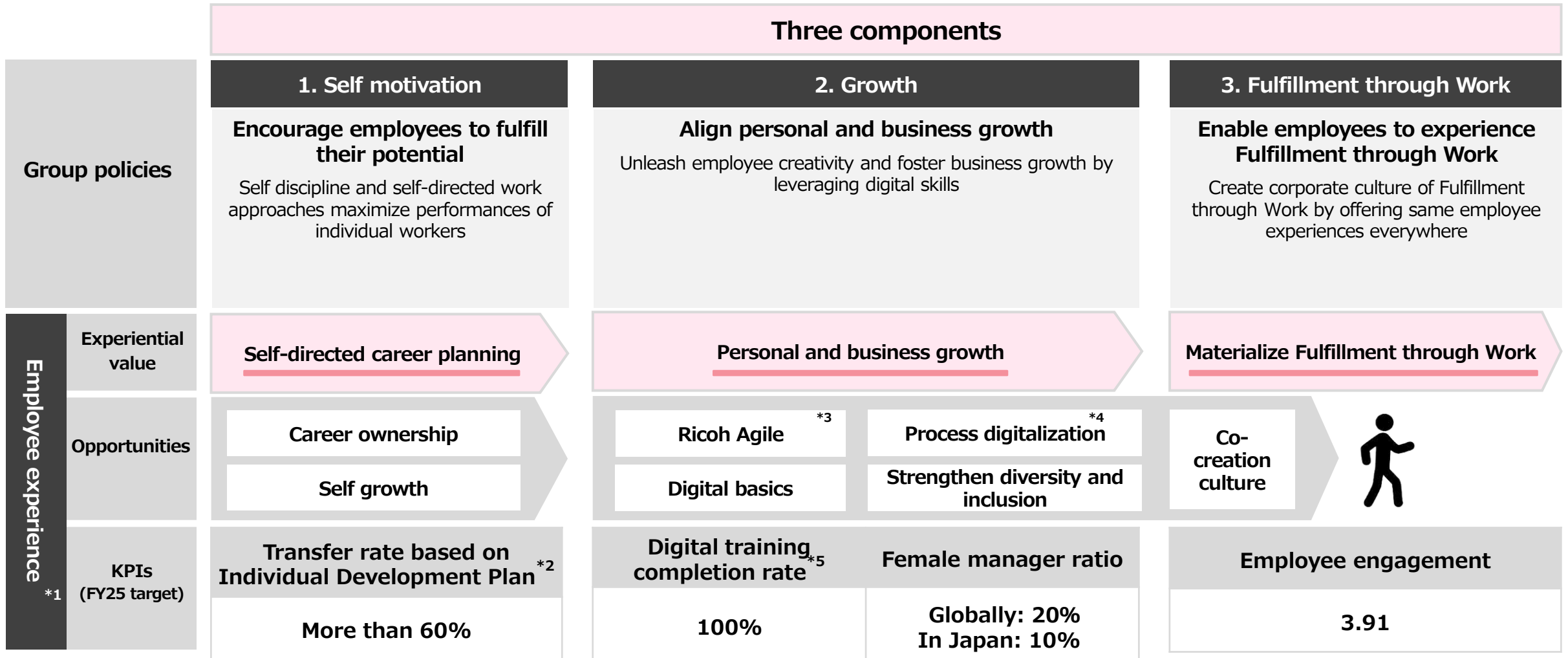
- Transfer rate based on Individual Development Plan
- Digital training completion rate
- Female manager ratio
- Employee engagement

- Upskill and increase number of such employees

- Profitability per employee

# Three Core Components of Human Capital Stance

Leverage employee experience components to drive personal and business growth



\*1. From Ricoh's work \*2. Percentage of transfers and job changes-based plan \*3. In-house design thinking + agility model for organizational management \*4. Redesigning work and processes with digital technology \*5. Generic term for training programs encompassing Ricoh Agile, process digitalization, and digital basics Undertaking \*2 and \*5 first primarily at domestic Group companies, thereafter, looking to deploy overseas.

## Expand digital talent pool based on skills and assign people in line with business strategies

### 20<sup>th</sup> Mid-Term Management Plan actions

Identified ITSS-based skills, increased total headcount, and continued to level-up

Number of digital experts	FY2020	FY2022
Certified ITSS Level 3 or above holders	1,459	2,232 Up 53% from FY2020

Opened Ricoh Digital Academy in April 2022

Level	Goals
Professional skills enhancement	Help employees to enhance their digital skills and create Ricoh's digital services
Digital knowledge	Provide diverse courses for all employees to acquire digital technology skills and use data and encourage continuing
Digital literacy	

### 21<sup>st</sup> Mid-Term Management Strategy priorities

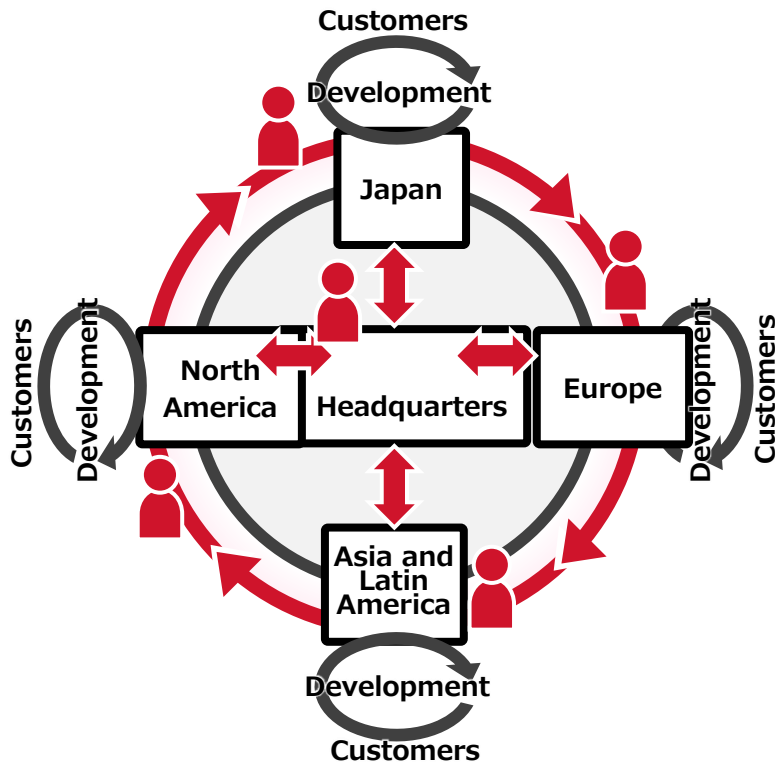
Expand pool of experts with following skills

Job categories	Targets
Business producers and designers	500
Cloud architects	1,000
Data scientists	500
Information security personnel	2,000

Expand number worldwide after pilot program in Japan



**Bolster pipeline of leaders co-creating, collaborating, and creating digital services globally**



## Expand pool of professionals

**Strengthen personnel pipeline for global digital business co-creation and collaboration**

- People with specialist skills and content development capabilities
- Those who can identify and model advanced services and deploy them worldwide

## Expand management pool

**Reinforce pipeline of managers with digital business experience**

- Highly skilled people who can lead co-creation globally
- Create career paths integrating frontlines digital experience and management talent and reinforce talent pipeline with early-stage development programs
- Recruit external talent (Abroad→Japan, including foreign students and new graduates)
- Have people swiftly experience multiple projects and assignments worldwide



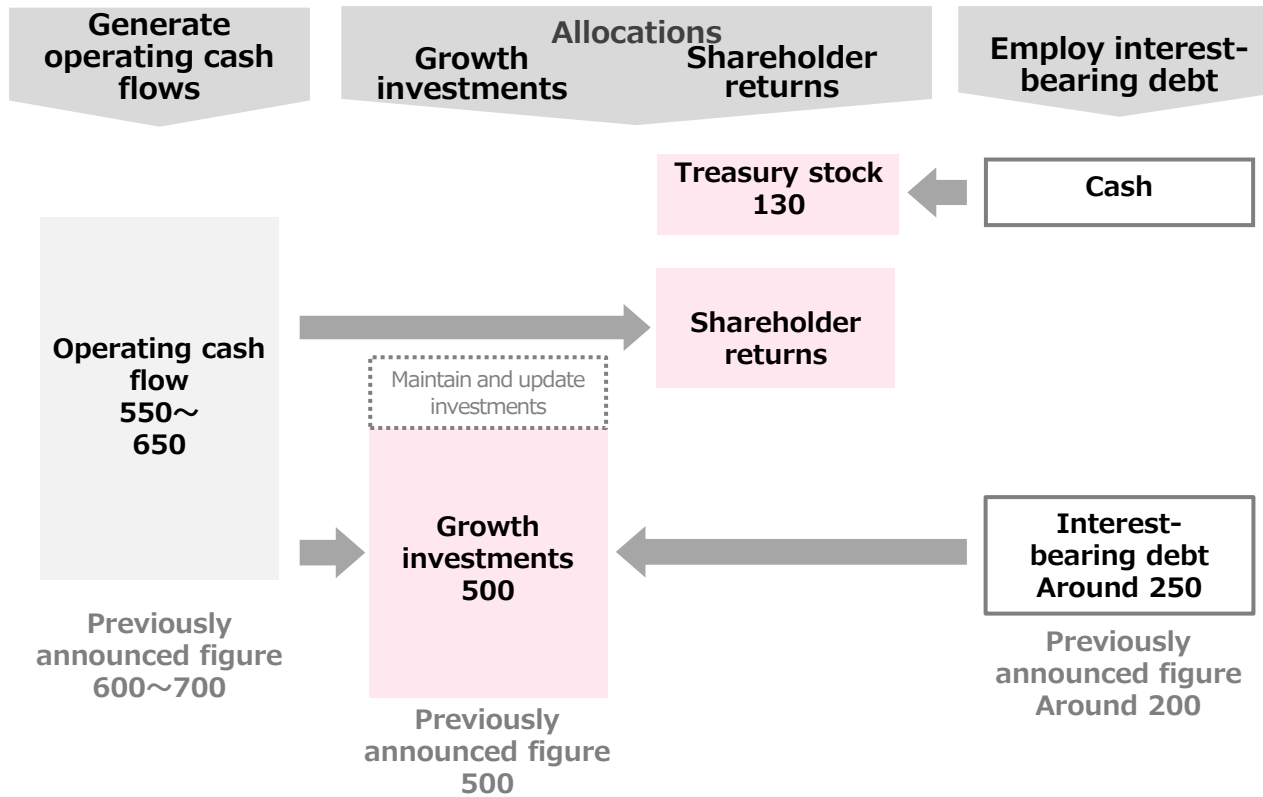
# Capital Policies Supporting Growth

# Capital Policies: Cash Allocations

- Maintaining direction after reassessing growth investments and returns policies
- Appropriately allocate cash by using interest-bearing debt

## Capital management through cash allocations (FY2021-2025)

(Billions of yen)



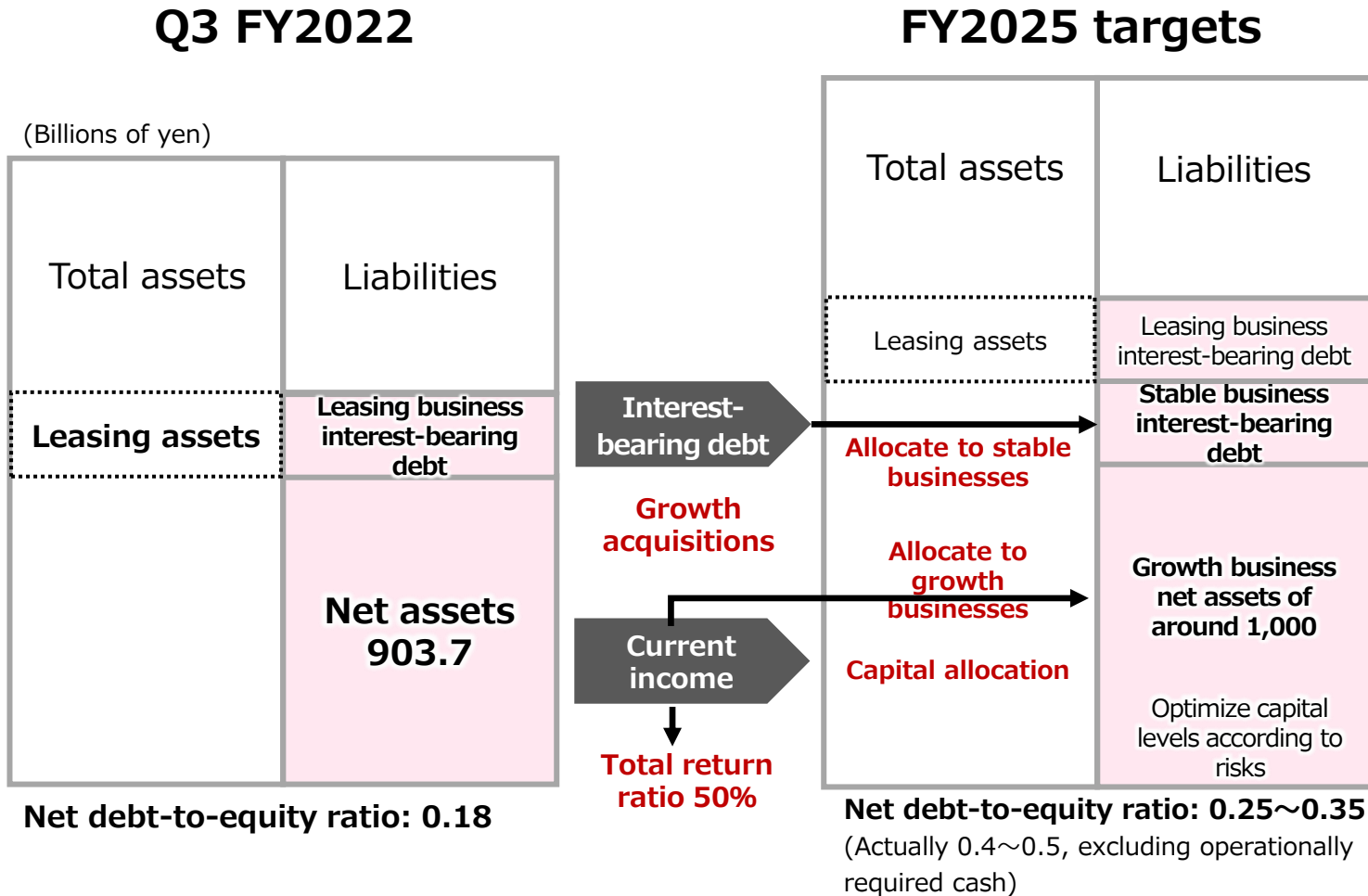
## Growth investment framework

(Billions of yen)

	Initial 5-year growth investment framework plan	20 <sup>th</sup> Mid-Term Management Plan Forecast (2 years)	21 <sup>st</sup> Mid-Term Management Strategy target (3 years)	5-year growth investment framework plan	Change
Business growth acquisitions	300	125	200	325	+25
Robust management infrastructure	100	40	50	90	-10
Investments to create new business domains	100	25	60	85	-15
<b>Total</b>	<b>500</b>	190	310	<b>500</b>	<b>±0</b>

# Capital Policy Progress: Optimal Capital Structure and Net Debt-to-Equity Ratio

Adjust capital in line with earnings and growth investment progress



## FY2022 progress

- Acquired PFU and executed ICT, application services, and other growth investments
- Repurchased and retired ¥30 billion in shares

## FY2023~2025 plans

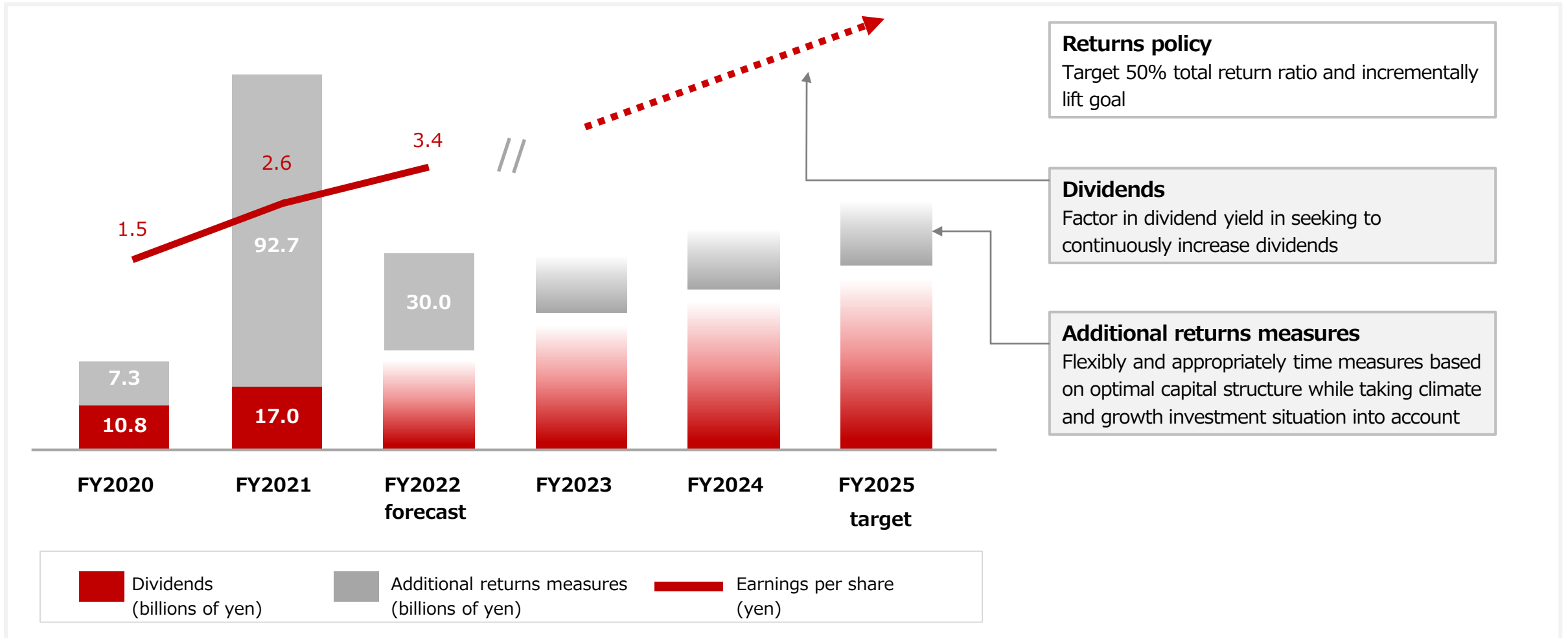
- Invest ¥200 billion in business growth acquisitions
- Tap interest-bearing debt for stable business investments

## FY2025 net assets optimized at around ¥1 trillion

- Invest ¥500 billion in growth in FY2021~2025
- Employ capital for digital services transformation and to address risks

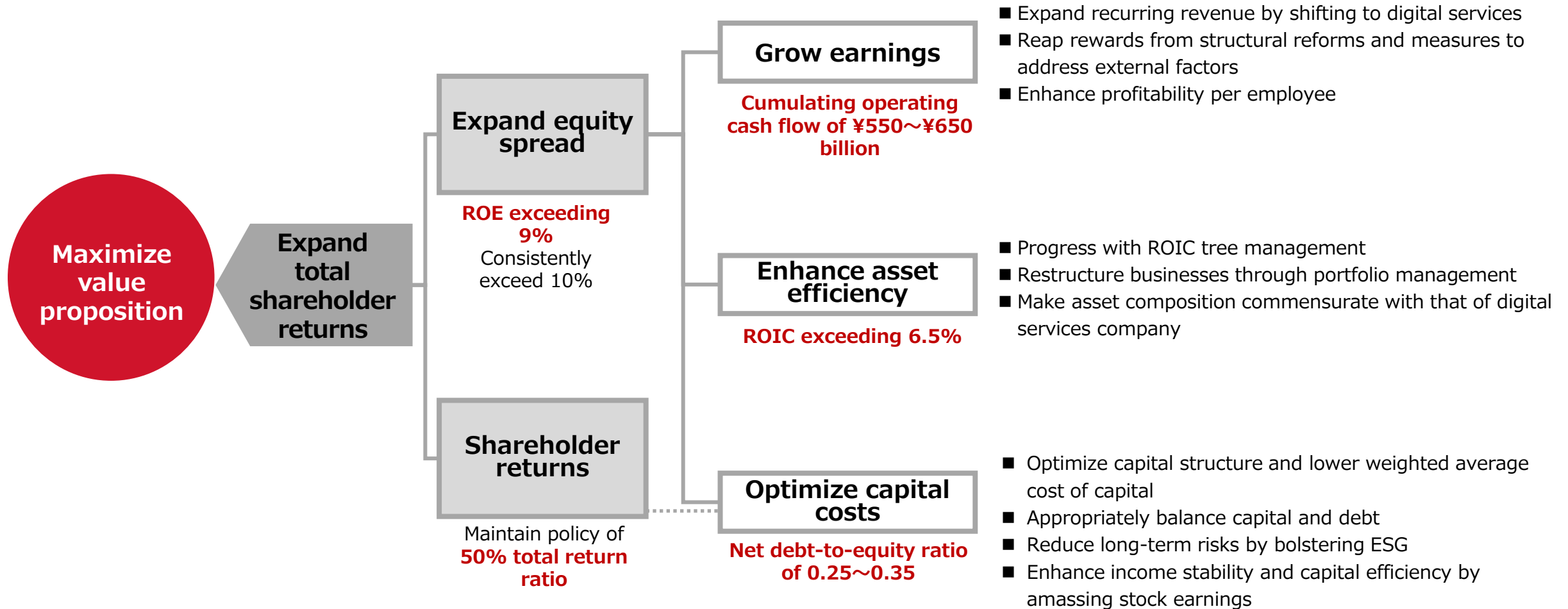
# Capital Policies: Shareholder Returns

**Maintain 50% total return ratio policy and improve total shareholder returns by continuing to increase dividends and while undertaking additional returns measures**





## Steadily expand total shareholder returns to maximize corporate value



Note: Figures other than shareholder returns are targets for 2025



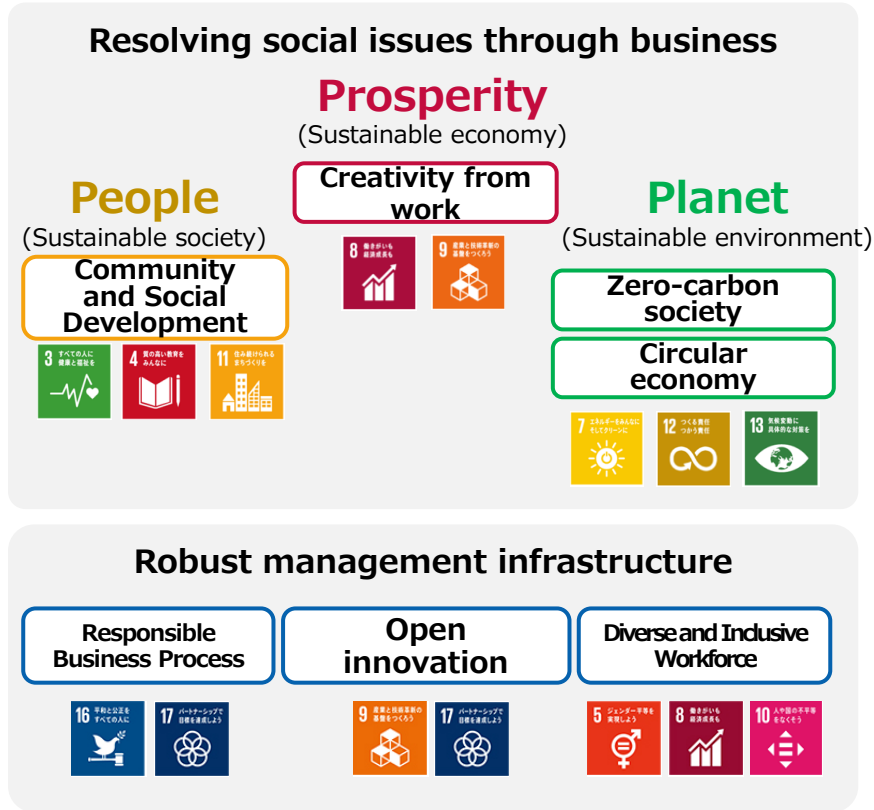
# Future Focuses

# Sustainability Management Based on Spirit of Three Loves

Keep positioning ESG targets as future financial targets and further align ESG and business growth

Spirit of Three Loves  
Ricoh's founding principles

## SDGs and seven materialities



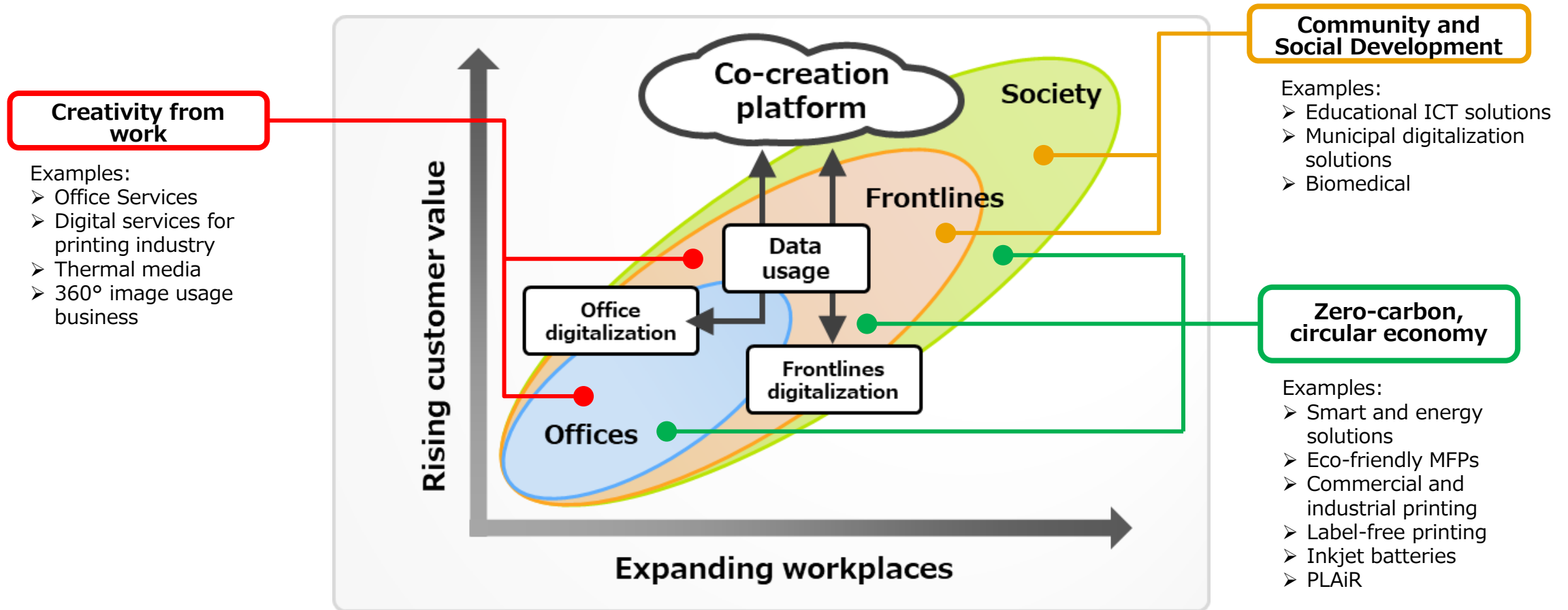
	Materiality	ESG targets	FY2025 targets
Resolving social issues through business	<b>Creativity from work</b>	Customer survey scores	29%
	<b>Community and Social Development</b>	Number of people to whom we have contributed by improving social infrastructure	15~20 million
		<b>Zero-carbon society</b>	Greenhouse gas Scope 1 & 2 reduction rate
	Greenhouse gas Scope 3 reduction rate		35%
	Renewable energy usage ratio		40%
Circular economy	Avoided emissions	1.4 million metric tons	
	Virgin materials usage ratio	80% or less	
Robust management infrastructure	<b>Responsible Business Process</b>	Corporate Human Rights Benchmark score	ICT sector top
		Compliant with NIST SP800-171 Coverage of Company's Core Business Environment	80% or more
		Low-compliance risk companies	80% or more
	<b>Open Innovation</b>	Contracted Joint R&D ratio	25%
		Digital service patent application ratio	60%
	<b>Diverse and Inclusive Workforce</b>	Ricoh Digital Skills Level 2 or above rated employees (Japan)	4,000 people
		Process DX Silver Stage certified employee ratio	40%
Engagement score*1		Globally: 3.91	
		Female-held managerial position ratio	Global: 20% (Japan: 10%)

Note: Pink areas indicate revised targets

\*1...Target by region JPN: 3.69; North America 4.18; Central/South America 4.14; Europe 4.01; APAC: 4.15

# Better Resolve Social Issues through Business

Businesses tied to materiality will drive growth and expand solutions to resolve social issues through business



# Fulfillment through Work

Work can be incredibly fulfilling when you overcome a challenge.

Fulfillment through Work. This core principle is embodied in the “Spirit of Three Loves” that has been at the heart of Ricoh’s business since the company was established in 1936.

We truly understand how people, workplaces, and workflows are interconnected. We transform work to release people from the tedium of repetitive tasks so they can better communicate their thoughts and unleash their creativity and potential.

Ricoh wants to enable people to derive satisfaction and accomplishment through what they can achieve.

The future that lies beyond the transformation is a sustainable society where job satisfaction and economic growth are in harmony.

We will all contribute to a future that achieves our vision of fulfillment through work.



**RICOH**  
imagine. change.

# Forward-Looking Statements

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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**Note: These materials define fiscal years as:**  
FY2022 (or fiscal 2022) = Fiscal year ended March 31, 2023, etc.