

Main Q&A

- Q: You say that you will make resolving social issues a key element of your business approach. What standards will Ricoh choose in that effort?
- A: We looked toward the future. In the course of in-house discussions on what we could do regarding Sustainable Development Goals we concluded that we could contribute through our target businesses in terms of eight of those goals. Ricoh management determined five materialities for where it will take the company.
- Q: You expect Office Printing revenues to decline by fiscal 2023. Will you endeavor to compensate for the resulting downturn in profit margins through structural reforms? Also, do you expect to lift operating profit from 100 billion yen in fiscal 2020, to 185 billion yen fiscal 2023, through a combination of structural reforms and top-line gains?
- A: While we expect Office Printing business sales to fall, we expect to compensate for a consequent gross profit decline by bolstering profitability through business process reforms and other initiatives. Under Growth Strategy #1, which I explained earlier, we seek to increase earnings in the highly profitable after-service area of our printing operations. Also, in businesses related to the platform that I explained in Growth Strategy #2, we will increase profitability and earnings by expanding the customer base.
- Q: I assume that you already use your customer base to sell a range of offerings. Have you somehow rethought your approach?
- A: We realized that customizing excessively to cater to the needs of particular customers can actually make it harder for a business to produce profits and that it would thereby be more difficult to train specialists. To address the true needs of customers we decided to pick and specialize in the services and solutions areas in which we can leverage Ricoh's strengths.
- Q: How will you set about reinforcing your human resources to expand your solutions business?
- A: We have already made progress in cultivating frontline people in Japan. Overseas, five key sales companies are doing well in strengthening their human resources. At the same time, we sense a need to enhance engagement with customers in North America.
- Q: You explained that although your Industrial Printing business focuses on selling inkjet heads you look to roll out printers in that field.
- A: While Ricoh has a strong position in imaging systems (inkjet heads), various players in the industrial field specialize in carrier, paper feed, post-processing, and other processes. We think that we lag somewhat in building partnerships with such players. To date, Ricoh has itself handled everything from development through quality assurance for very large machines. It is hard for Ricoh by itself to offer all of the systems that can cater to a range of market needs. We consider it important to identify which partners can enable us to provide systems and hardware that match market needs.
- Q: Is it correct to understand that you will invest 100 billion yen each in applied printing and the digital business?
- A: Our investment focuses in growth strategies #1 and #2 are on applied printing and the digital business. We consider it necessary to invest in the industrial printing domain. Ricoh is a strong player in industrial inkjet heads, but in inks we want to increase quality and volume, which does not necessarily mean making them in-house.
- Q: Your presentation focused on your top-line strategies. What balance sheet strategies will you roll out?
- A: As we indicated when announcing RICOH Resurgent, we will leave no stones unturned in reviewing our business, and that approach encompasses not only our businesses but also the balance sheets. I will discuss specifics when in a position to do so at the appropriate time.