



- I am Yoshinori Yamashita. I became president and CEO of Ricoh on April 1.
- At a press conference on January 26 to announce my appointment, I spoke about RICOH Resurgent, which describes our commitment to breaking from past practices and embarking on new beginnings under our 19th Mid-Term Management Plan.
- I will overview that initiative in today's presentation.



## Break from past management approaches

Conduct reviews casting aside the traditions and precedents that hamper growth

### 1. Reform cost structure

Drive structural reforms from top down

### 2. Prioritize growth businesses centered on our strengths

Focus on growth businesses that leverage strengths and deploy winning strategies

### 3. Implementation that delivers results and has clear accountability

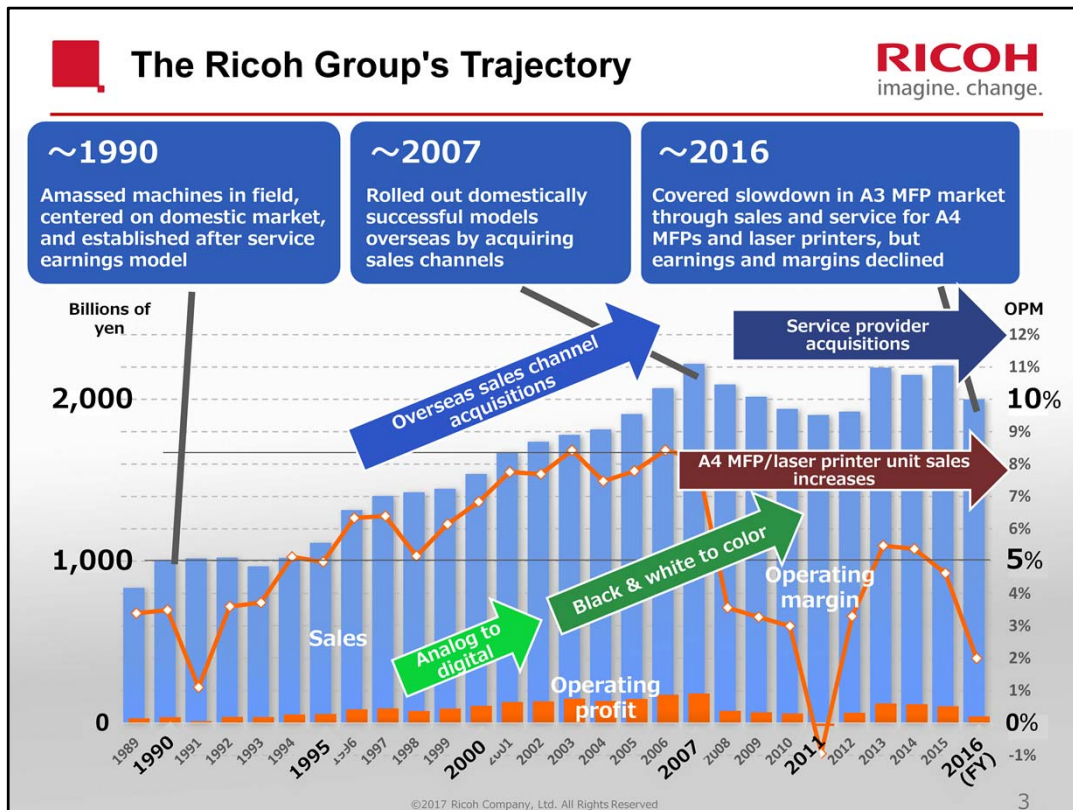
Present results and rebuild trust with all stakeholders

- RICOH Resurgent is a clear break from past management approaches.
  - While our management have made good decisions under previous operating conditions, it is clear in retrospect that our strategies were not sufficiently responsive to changing circumstances.
  - We will maintain the positive aspects of our management and corporate culture, conducting reviews that cast aside the traditions and precedents that hamper growth.
1. Reform cost structure  
Reforming the cost structure is one of our key tasks under new mid-term management plan. Our expansion over the years resulted in a high-cost structure that we must overhaul to match the business climate and our capabilities. I will drive reforms from the top down under our new mid-term management plan, if possible completing them in fiscal 2017, fiscal year ending March 2018.
  2. Prioritize growth businesses centered on our strengths  
The next step would be to make growth businesses our future sources of earnings. We will therefore need to identify our strengths and roll out strategies that leverage them. We will therefore need to prioritize growth businesses and concentrate investments in them.
  3. Implementation that delivers results and has clear accountability  
Finally, I recognize that delivering numerical results is vital to building trust.  
We will overhaul our management system to ensure clear roles and

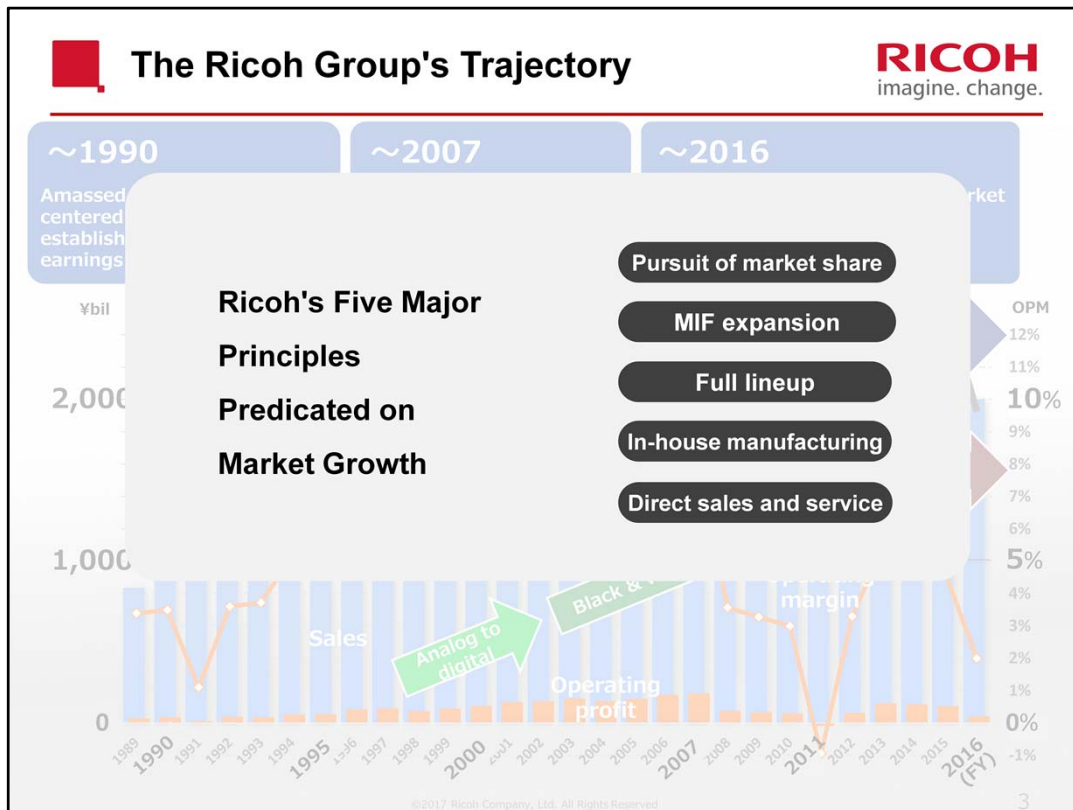


- ◆ **Structural reform savings:** More than **¥100 billion**
- ◆ **Fiscal 2019 operating profit:** More than **¥100 billion**
- ◆ **Total FCF\* over three years:** More than **¥100 billion**  
\*Free cash flow excluding finance business

- RICOH Resurgent targets more than ¥100 billion each from structural reform savings, operating profit on FY2019, fiscal year ending March 2020. And total free cash flow excluding the finance business in 3 years total.
- I view these targets as a stepping stone toward creating a more profitable and more solid business structure under our new mid-term management plan so we can position ourselves properly for future growth.



- As I mentioned at the beginning, RICOH Resurgent represents new beginnings, and I would like to take this opportunity to look back at our growth trajectory since the 1990s.
- Our net sales in 1990 were ¥1 trillion, with Japan accounting for more than 70% of that amount. We amassed machine-in-field numbers, centered on the domestic market, and established an after service earnings model. This was what I would call Phase 1.
- In Phase 2, we acquired overseas sales channels, and it was there that we rolled out earnings models that we established in Japan. In fiscal 2007, operating profit peaked after rising for 14 straight years. Prime growth drivers were a switch from analog to digital technology and a move from black-and-white to color technology.
- Phase 3 was from fiscal 2008. In developed nations, growth from the switch to color machines slowed down, and we endeavored to reinforce our after service businesses. We bought service providers and moved to a strategy of maintaining income levels that we had secured from after service earnings. Thereafter the global financial crisis caused a profit plunge from which we have yet to recover.



- Looking back, we established a business model to generate after service profits, deploying that model overseas to secure new customers while rolling out digital and color technologies for existing customers.
- It was in that process that we cultivated five major principles predicated on market growth, based on which we made decisions.
- These principles were to:
  - Pursuit of market share
  - Expand the number of machines in field (MIF)
  - Maintain a full lineup
  - Emphasize in-house manufacturing
  - Maintain a direct sales and service structure to uphold after service earnings

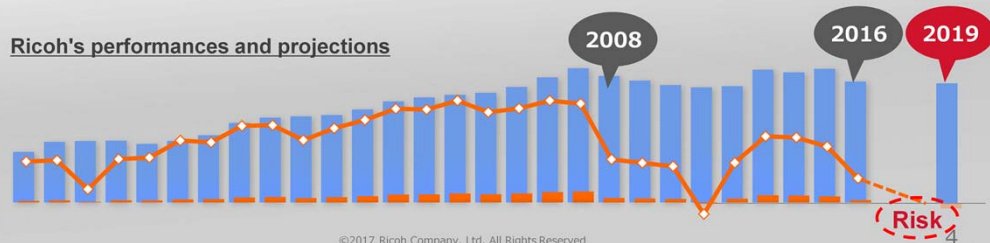
### 2008 to 2016

- A3 MFP market growth slowed, partly because of Global Financial Crisis
- A4 MFP and laser printer markets expanded
- From 2014, proportion of color models declined from peak, greatly affecting performances of all players

### Outlook for 2017 and beyond

- With overall unit demand flat, prices should continue declining for hardware and after service amid increased price competition to secure machine in field numbers
- As color model penetration has peaked, hard to expand scale through black-and-white to color shift
- Working patterns diversifying with spread of mobile devices and infrastructure. Plunging paper use hampering after service earnings

Ricoh's performances and projections



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- The business climate changed dramatically after the 2007 peak. In the aftermath of the global financial crisis, the market shrank for A3 multifunction printers, which had been key earnings drivers for Ricoh. While we expanded sales of A4 models to take their place, their unit prices were lower, and it became harder for us to generate after sale earnings.
- It was around that time that the transition from black-and-white to color models reached their zenith, and we found it very hard to deliver added value to our customers.
- The spread of mobile devices and infrastructure should hasten a decline in paper use and drive prices lower, creating a more adverse business climate. We do not expect operating conditions to improve significantly.



## Ricoh's Five Major Principles

Pursuit of market share

MIF expansion

Full lineup

Principles that have underpinned **scale expansion**

In-house manufacturing

Direct sales and service

Development and production

Management targets that have **supported sales expansion** and product strategy

**Overhaul our approach,  
with a focus on profitability**

- It has been against this adverse backdrop that we realized that we would find the going even tougher if we continued decision making and business management based on the five major principles shown here.
- We aim to review those principles and overhaul our approach, focusing on profitability instead of scale.

# Basic RICOH Resurgent Plan

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### Ricoh management to date

We postponed a fundamental overhaul in the cost structure of our core business i

Despite not generating envisaged profits, we did not decide to exit businesses ii

Even in such growth areas as services and production printing, we failed to confirm customer needs, our strengths, and competitive strategies, and ended up merely dabbling a little in everything iii

Ambiguous responsibilities, roles, and authority for some businesses and functions iv

Drive a resurgence by breaking from the past

### Basic Resurgent Plan

- 1

#### Structural reforms

  - Reform cost structure processes
  - Increase business selectivity
- 2

#### Prioritize growth businesses

  - Deploy strategies centered on our strengths
- 3

#### Reinforce our management systems

  - Execute structural reforms and deploy business strategies

#### Value Proposition Goal

- An essential company for customers and society

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6

- I will now recap on our management approach to date.

First, we did not overhaul the cost structure of our core business as it was weakening.

Second, we failed to be selective about our business portfolios and did not decide to exit businesses despite not generating envisaged profits.

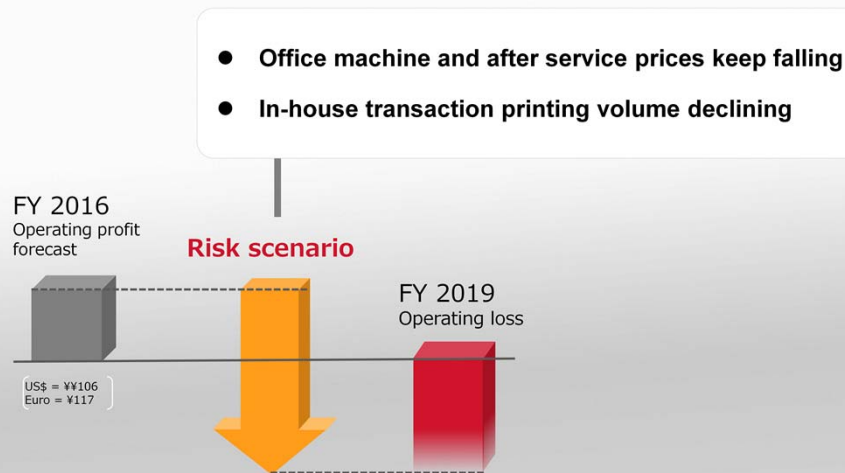
Third, we ended up merely dabbling a little in everything in growth businesses without adequately evaluating our business strategies and earnings models.

And fourth, we failed to fulfill the pledges that we made under our mid-term management plan.

- This is why I stated that we would break from past management approaches.



- Formulating plans that assume a possible operating loss in fiscal 2019 just by maintaining improvement efforts to date



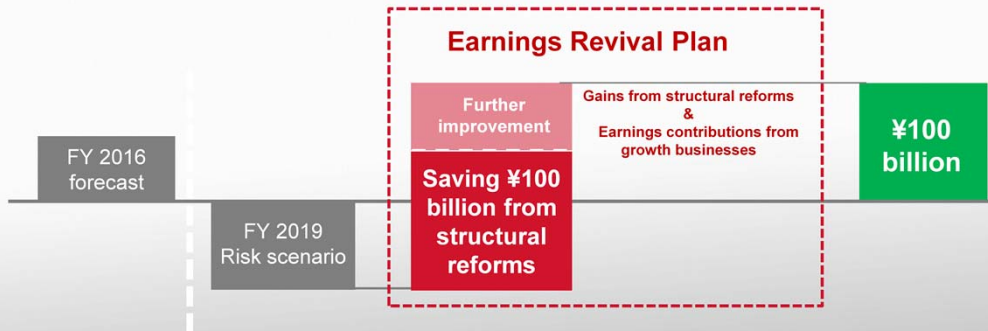
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7

- As a prerequisite for pushing ahead with our resurgence, we ran a simulation what would happen internally if simply maintained improvement efforts to date. We formulated plans assuming that we could incur an operating loss in fiscal 2019, fiscal year ending March 2020.
- We plan to announce our fiscal 2016, fiscal year ended March 2016 results at the end of this month, so here we present our operating forecast as of the third quarter and reflecting impairment losses in the digital camera business that we announced yesterday. While I cannot provide detailed numbers I can say that we assume a downward earnings risk in the order of tens of billions of yen.
- We particularly assume that office printing machine prices and after service prices will keep falling to the extent that it threatens our operating profitability. In commercial printing, we expect transaction printing volume to decline.
- The simulation indicates that we could post a heavy operating loss in an adverse business climate.



## Fiscal 2019 Operating profit (change)



- We formulated an earnings revival plan based on the scenario in the previous slide.
- We target more than ¥100 billion in operating profit in fiscal 2019. We will get there by saving at least ¥100 billion through gains from

# 1. Structural Reforms

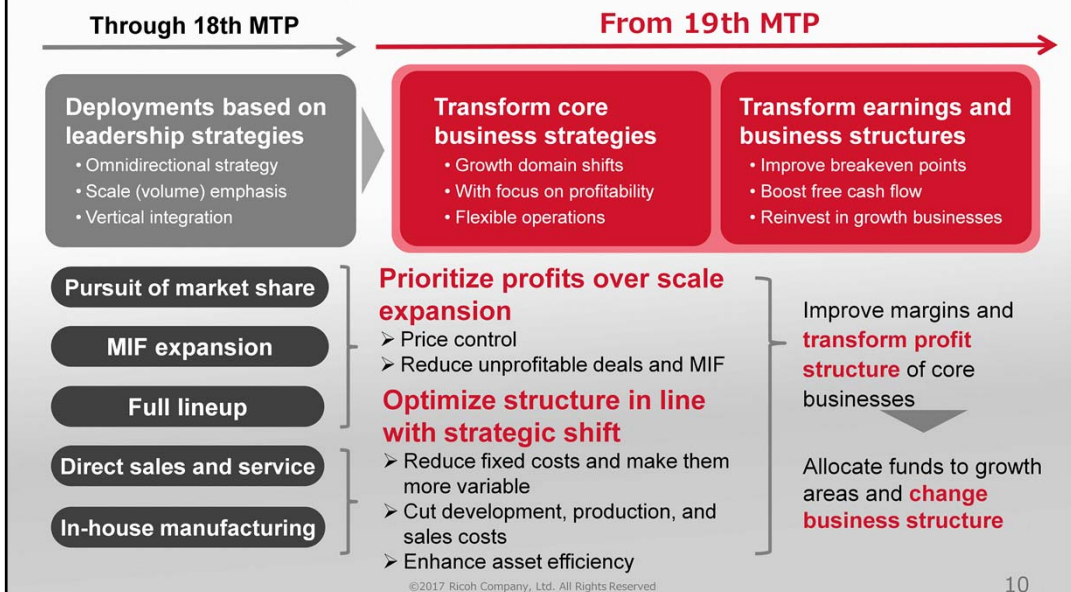




## Structural Reforms in line with Strategic Shift

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- Move away from thinking of structural reforms in cost-cutting terms and look to change corporate earnings structure in keeping with strategic shift



- I will now discuss how the structural reform objectives of RICOH Resurgent should differ from those to date.
- A prime difference from previous structural reforms is that our new efforts will accompany the transformation of core business strategies including for the five major principles mentioned earlier. Structural reforms through to the 18th Mid-Term Management Plan emphasized uniform cost reductions to compensate for falling unit prices and lower earnings from changes in business and product structures
- Under the 19th Mid-Term Management Plan, we will roll out specific measures to change our earnings structure in keeping with a strategic shift. It is through that shift that we will normalize prices through profit oriented measures instead of seeking to expand scale, reducing the number of unprofitable deals and machines in field.
- At the same time, we will review our high cost structure at headquarters and throughout the supply chain. We aim to thereby cut fixed and other costs, maintaining prices while improving breakeven points.
- The biggest management challenge of the 19th Mid-Term Management Plan is to create a profitable business structure. We will endeavor to change our business structure by investing cash from structural reforms into growth businesses to make them earnings engines.
- An objective of the 19th Mid-Term Management Plan is to make Ricoh consistently profitable with a view to the initiatives that we look to undertake in the subsequent plan

## Projected Structural Reform Savings under 19th MTP

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	2017	2018	2019
1. Cost structure reforms	¥28 billion	¥37 billion	¥45 billion
2. Business process reforms	¥11 billion	¥39 billion	¥55 billion
<b>Total reductions from fiscal 2016</b>	<b>¥39 billion</b>	<b>¥76 billion</b>	<b>¥100 billion</b>

Deploy reforms earlier forward to enhance impact

### 1. Transform and trim cost structure

Transform structure and reform fixed cost structure to tackle market changes


### 2. Reform business processes

While reforming the cost structure, review processes from scratch and seek to constrain costs while maintaining sales and enhancing productivity


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11

- I will now explain the financial impact of structural reforms under our new plan.
- We have already taken steps to generate reductions totaling ¥100 billion by fiscal 2019. Where possible, we will bring forward cost structure reforms to fiscal 2017.
- We will undertake business process reforms by reviewing the businesses themselves while leveraging information technology to help streamline processes. We will keep driving reforms beyond the three years of the plan to enhance their effectiveness.
- We believe that it will be particularly important to bring cost reform efforts forward under the 19th Mid-Term Management Plan.



## Structural Reform Approach



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### Strategic switch

From  
**Business scale expansion**  
to  
**Focus on profitability**

From  
**Expansionary strategy dabbling in everything**  
to  
**Prioritize businesses from profitability perspectives**

### Reform thrust

- 1. Cost structure reforms**
  - Review in-house manufacturing focus**
    - ❑ Consolidate production network and redefine site roles (see slide 13)
    - ❑ Cut development costs by paring down models created in-house
  - Revamp direct sales and service**
    - ❑ Optimize dealer and direct sales structure for small and medium-sized businesses in North America (see slide 14)
    - ❑ Trim headquarters and back office operations
- 2. Business process reforms that boost productivity**
  - ❑ Enhance productivity by expanding global shared services
  - ❑ Improve maintenance processes through more models employing new capabilities (see slide 15)
  - ❑ Broaden cost reductions through more automated manufacturing
- 3. Extensive business selectivity**
  - Leave no stones unturned in screening businesses**
    - ❑ Improve profitability by overhauling office services
    - ❑ Post impairment losses in traditional camera business
    - ❑ Clarify criteria for shutting down, maintaining, and investing in businesses and services

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- I will now explain our reform thrust.
- Under the first effort, which is to undertake cost structure reforms, we will review our in-house manufacturing focus and revamp direct sales and service. Among other things, we will consolidate our production network, pare down models created in-house, and optimize our sales structure. I will explain our production network consolidation and North American sales structure initiatives a little later.
- The second focus is to undertake business process reforms. Here, we will expand global shared services in some areas. We will endeavor to cut costs by overhauling maintenance processes for our models and by automating more manufacturing. A little later, I will discuss how we will improve maintenance processes by having more models employ new capabilities.
- Regarding the third priority, which is to ensure extensive is the selectivity, we will review existing businesses, services, and products.



## Consolidate Production Network and Redefine Site Roles

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### Review production site strategy

#### Review in-house manufacturing focus

- Build production system leveraging external partners
- Consolidate production sites by changing from a MIF expansion strategy and paring down models developed in-house
- Redefine roles of sites
  - Have sites also engage in sales and business development (Customer Experience Center)
  - Concentrate domestic recycling center operations at Ricoh Eco Business Development Center

#### Boost productivity through business process reforms

- Broaden cost reductions through more automation
  - Cut labor costs by optimizing and streamlining indirect production processes
  - Improve quality and lower failure costs by eliminating reliance on skills of individuals
- Streamline back office operations and boost productivity by consolidating operations globally

Sites slated for consolidation under 19<sup>th</sup> Mid-Term Management Plan (as of April 2017)

● Ricoh UK Products (to become business development site) ● Ricoh Industry Saitama ● Ricoh Electronics

#### Key production sites of core businesses

	2016	2017	2019
Japan	6	5	Redefine site roles • Production • Business development • R&D
Overseas	8	7	
Total	14	12	

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13

- I will now discuss how we will consolidate a production network and redefine site roles.
- Changing from a machine-in-field expansion strategy and pare down models developed in-house will result in a production site surplus. We proceeded with site consolidations that we announced for California and Saitama. We have already completed that effort in the United States, and look to finish the Saitama consolidation during the current fiscal year. We will look into further consolidations of production sites.
- We are redefining the roles of sites and are having them also engage in sales and business development that includes customers in the product creation process. The slide shows Ricoh UK Products Ltd., which was a manufacturing site but which now provides sales support for commercial and industrial printing and will become a business development site.
- Last year, we announced the opening of the Customer Experience Center in Japan as a commercial printing location. We maintain similar sites in Europe that showcase commercial and industrial printing systems and provide consulting. We aim have sites leverage our manufacturing technologies and directly serve our customers.
- On the business process reforms front, we will draw on the Internet of Things to globally consolidate operations and streamline indirect production processes. For example, we aim to concentrate Asian production management in Japan.

**Optimize Dealer and Direct Sales Structure for North American Small and Medium-Sized Businesses** **RICOH** imagine. change.

**Structural reform initiatives**

**Review direct sales and service**

- Optimize dealer and direct sales structure for small and medium-sized businesses
  - Reinforce collaboration with dealers
  - Leverage inside sales to boost operational productivity

**Boost productivity through business process reforms**

- Trim back office headcount
  - Reduce headquarters and back office headcounts that grew with business expansion
- Liquidate unprofitable service business and sites
  - Review service businesses in line with strategic switch that focuses on profitability

**Projected impacts**

	Fiscal 2017	Fiscal 2019
Savings	¥20 billion	¥35 billion



- We will urgently rebuild our North American operations.
- While we maintain direct sales and service channels, we will shift to inside sales for direct channels and expand collaboration with Ricoh Group dealers to boost performance at sales sites that have low productivity.
- We will liquidate unprofitable service businesses and sites, trimming back office headcounts that grew with business expansion.



## Improve Maintenance Processes through More Models Employing New Capabilities

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- Enhance customer service levels and service productivity through more models employing new capabilities

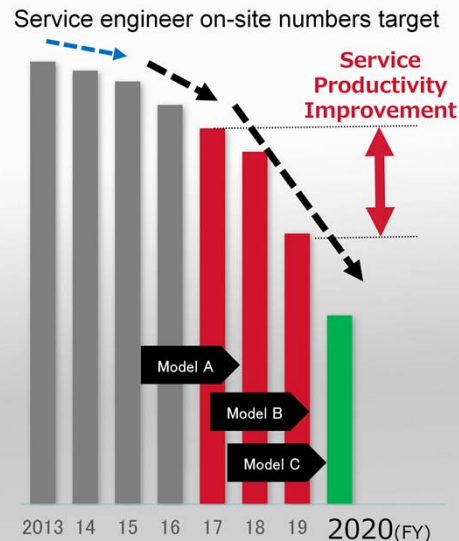
### Process reform initiatives

#### Service engineer productivity improvement

- Automatic remote system software updates for MFPs
- Cloud-based easy profile transition from existing machine to new machine

#### Call center productivity improvement

- Customers can solve problems themselves by displaying enhanced troubleshooting guidance on the operation panel.
- Support customer's operation remotely from call center



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15

- We aim to enhance the productivity of maintenance processes by having more models employ new capabilities.
- By 2019, we thereby seek to cut the number of customer visits by 20% to 30% from current levels. We believe that our prospects for boosting productivity are good.
- Bolstering remote technical support will be better for customers because it will provide fault diagnostics and make it easier for customers to resolve paper jams or replace parts.
- This would reduce downtimes and enhance the productivity of Ricoh's service engineers.
- We will draw on our technological capabilities as a manufacturer to devise new service features for our systems.

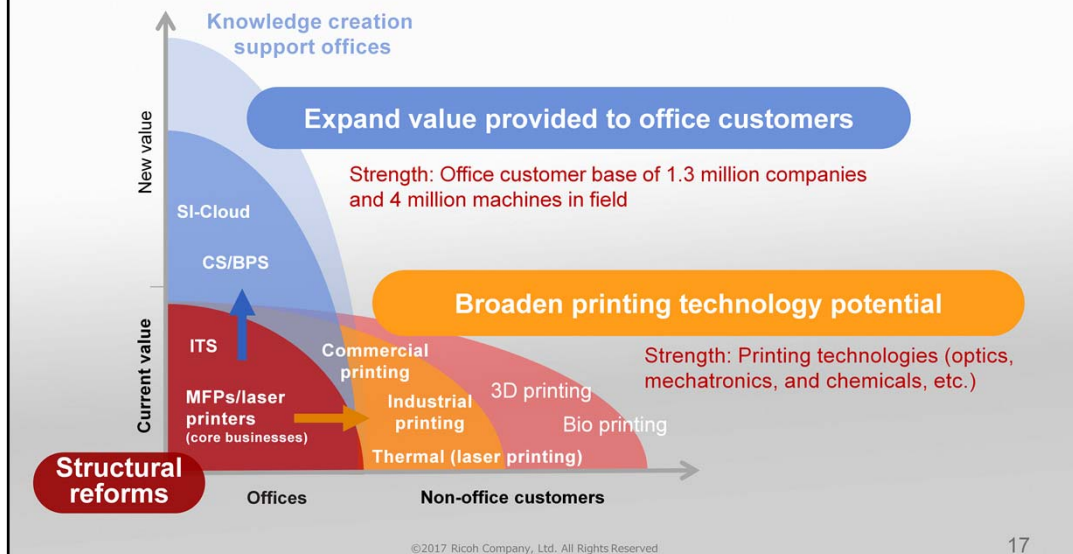
## 2. Prioritize Growth Businesses



## Prioritizing Growth Businesses

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- Grow by redefining and prioritizing our strengths
- Leverage open innovation and concentrated investments to reinforce growth capabilities



- I will now explain our growth area priorities.
- The vertical axis shows how we will draw on our strong office customer base of 1.3 million companies and 4 million machines in field to augment printing technologies with other high added value that transforms customer work practices.
- The horizontal axis presents printing technology applications. Here, our strengths include optics, mechatronics, chemicals, and controls.
- We will support the creation of customer value by broadening the potential of printing technology beyond commercial and industrial printing to encompass such applications as thermal in-line printing, 3-D printers, and bio printers that create layers of living cells.

## Expand Value Provided to Office Customers

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**Strength: Office customer base of 1.3 million companies and 4 million machines in field**

**Provide solutions that help enhance customer productivity and enterprise value**

**SI-Cloud** Provide workflow solutions platform that leverages our customer base and machines in field and collaborate with partners to provide solutions to customers

**BPS**

**CS** Combine edge devices and artificial intelligence to boost communication support and productivity for customers

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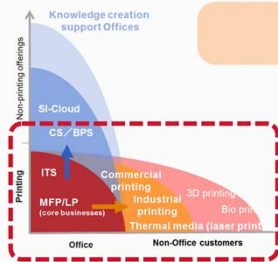
18

- We will augment our core printing business by leveraging operating panel platforms in new models to provide new MFP-based services use the cloud to support customer workflows including to digitize business trip payment and other processes and put them on the cloud. We can thereby help improve customer workflows and productivity.
- In business process services, we will improve workflows for customers in various industries, supplying solutions that enhance productivity and enterprise value.
- In communication services, we will draw on such unique offerings as our Interactive Whiteboards and Unified Communication System to launch an artificial intelligence-based meeting minutes support system in summer this year.



## Broaden Printing Technology Potential

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**Strength: Printing technologies**  
(including optics, mechatronics, and chemicals)

Support customer value creation with  
**Print to Everything printing technology**



**Commercial printing**  
O to D

Help printing firm customers improve the productivity of their value chains by providing hardware and workflow solutions

**Industrial printing**  
Imaging systems  
industrial printers

Supply inkjet-based imaging systems and printers that enable digital on-demand printing for various media

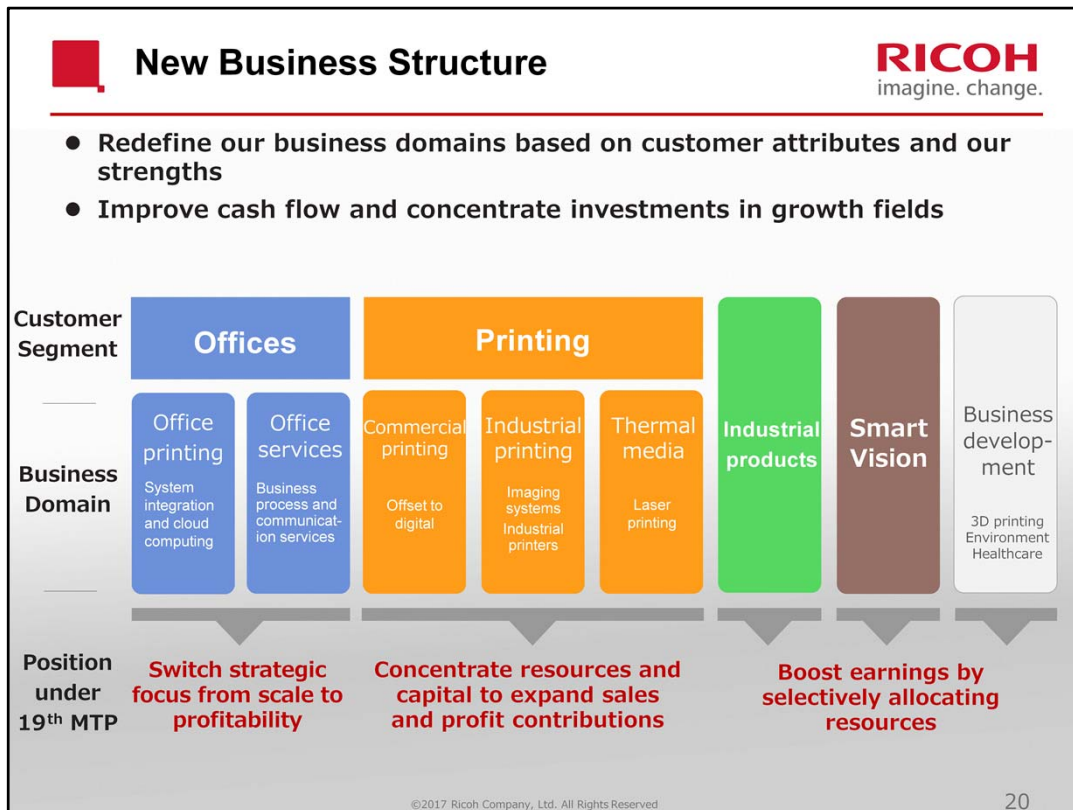
**Thermal media**  
Laser printing

Leverage strengths in high-speed printing process technologies for integrating custom printing within production lines

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19

- I will now overview how we will broaden the potential of printing technology.
- We have amassed numerous technologies over the years, including for electrophotography and inkjets. We will deliver value to non-office customers based on these technologies.
- We will draw on these technologies to broaden the potential of printing, including in commercial and industrial printing and in in-line printing that leverages thermal technologies, to support customer value creation.
- To date, we have collaborated with application systems companies in Europe and the United States to pave the way for providing services to printing firms. We will draw on customer experience centers that I mentioned earlier to help customers deploy systems.
- In industrial printing we will draw on the competitiveness of our inkjet head business to build a technical support structure for customer systems. We will also concentrate imaging systems resources.
- In thermal media, we look to supply systems that enable custom printing on production lines.



- I will now touch on the structure of the businesses I have discussed thus far. We have redefined customer segments and business domains.
- The Offices segment encompasses Office printing and Office services. We broadly define Commercial printing Industrial printing, and Thermal media as Printing. Then there are Industrial products and Smart Vision.
- I wish to make three key points about this setup.
- The first is that it is now easier to roll out strategies and measures for what are now more clearly defined businesses. We previously relied on a functional and business organization matrix.
- The second point is that we have clarified business and scope responsibilities for each domain.
- The third point is that the thrust of each business domain is clear.
- Everywhere in our Offices segment we will focus on earnings instead of scale.
- We will carefully concentrate resources and funding in the Printing segment.

### 3. Reinforce Management Systems





### Looking back

**Ambiguous responsibilities, roles, and authority** for some businesses and functions

### Approach

#### Organization to implement structural reforms

##### ● Drive reforms from the top down

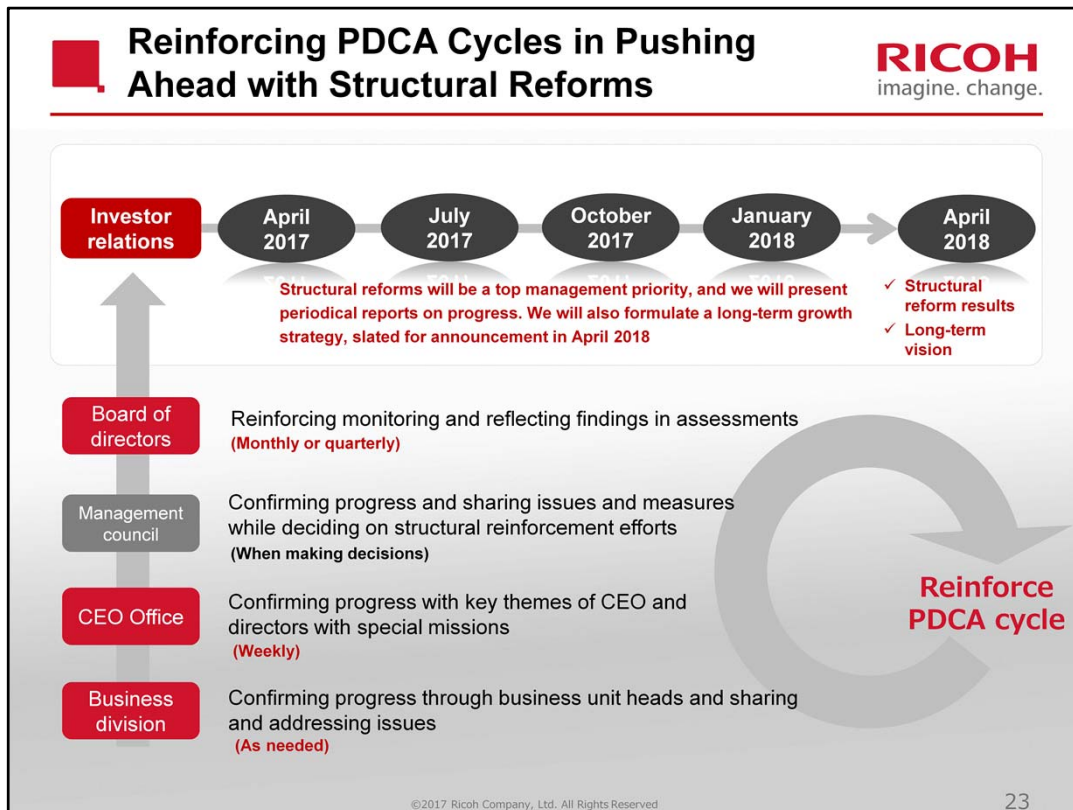
- The CEO will directly oversee the implementation through the activities of the new CEO Office
- We will reinforce endeavors through directors to whom we delegate authority to carry out special missions
- In the United States, where we are urgently improving operations, we will transform the structure and have headquarters accelerate reforms

#### Organization to deploy business strategies

- Ensure thorough business PDCA management and accountability for results through structural reforms
- Improve strategic quality and speed by shifting business oversight to the best regions
- Visualize management information to swiftly identify and address issues

- I will present the management system revisions we made in April this year to execute our reforms and strategies.
- Looking back, we have been ambiguous responsibilities, roles, and authority for action and results. Our organization for implementing structural reforms left a little too much up to people in the frontlines.
- So, I will directly spearhead reform efforts. Providing support are directors with special missions and members of the new CEO Office. I have delegated authority so those directors can accelerate reforms, and I will help them set and execute numerical targets.
- In terms of the organization for deploying business strategies, we will undertake structural reforms to ensure thorough business PDCA management while reviewing our organizational structure to reinforce downstream capabilities to bring the Group closer overall to customers. To date, for example, we have shifted oversight for production printing to Europe and for office services to the United States.
- We have reviewed the roles of our regions. We are shifting oversight to those that are leading in their markets and delegating decision-making authority to business leaders near the frontlines, enhancing the quality and speed of strategic deployments.





- I will now present our communication plan.
- I aim to drive PDCA cycles properly through solid structural reforms. The main thrust will be to provide progress reports to everyone, mainly at the ends of results periods.
- We have yet to fully explain our medium- and long-term growth strategies. We will roll out structural reforms this year, and by April next year we look to share a clearer vision for where we are heading.
- On the structural reform front, we will put periodical reports on the agenda for the Board of Directors and have the board reinforce monitoring. The CEO, relevant directors, and business unit executives will be accountable for providing explanations, to be reflected in regular assessments and activities.

## Our Value Proposition



- Put customers first in keeping with our corporate philosophy and make Ricoh essential for customers and society

**Value proposition**

**Value proposition message**

Under the 19<sup>th</sup> Mid-Term Management Plan, all Ricoh employees will strive to materialize our future success by generating value for customers.

**Our value for society**

**Sustainability message**

We will broadly address social issues, create new markets, and generate value to simultaneously drive social progress and Ricoh's growth.

**Corporate brand**

**Brand message: imagine. change.**

These two words are central to the Ricoh brand and describe the way we work with each other, bring value to our customers' businesses, and interact with the market.

**Corporate philosophy**

**The RICOH Way**

**Founding Principles: The Spirit of Three Loves**  
(Love your neighbor, Love your country, Love your work)  
**Mission, Vision, and Values statements**

- I will briefly explain the direction of the long-term vision that I plan to announce in April 2018.
- In formulating our long-term strategies and vision, I believe that it will be vital to make Ricoh essential for customers and society based on its customer-centric heritage.
- The RICOH Way will underpin everything we do as we drive forward.
- It will be important to create a value proposition message for customers.
- To date, we have used a range of messages in each region to describe the value we offer instead of delivering a single global message.
- So, under our 19th Mid-Term Management Plan we are using the Empowering Digital Workplaces value proposition to describe what all Ricoh people will offer to our customers.

## EMPOWERING DIGITAL WORKPLACES

*RICOH IMPROVES WORKPLACES BY USING INNOVATIVE TECHNOLOGIES AND SERVICES  
TO ENABLE INDIVIDUALS TO WORK SMARTER*

WHO WE  
HELP

INDIVIDUALS

WHAT WE DO

RICOH IMPROVES WORKPLACES

HOW WE HELP

USING INNOVATIVE TECHNOLOGIES & SERVICES

THE BENEFIT

WORK SMARTER

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26

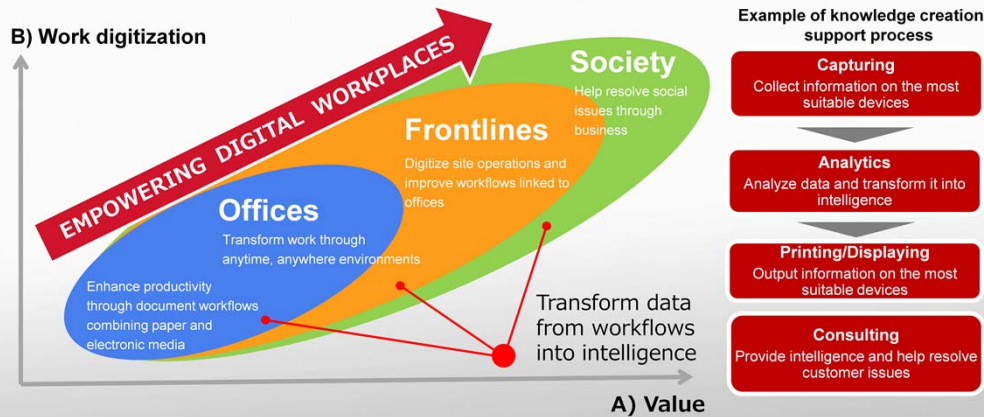
- Our value proposition signals our desire under RICOH Resurgent to deliver customer value not just through our traditional products and services but also through analytics.
- The word “empowering” refers to individuals, teams, and organizations alike, and is in keeping with the RICOH Way and our customer-centric ethos.
- The word “workplaces” refers to offices and everywhere else people work.
- And the “digital” is central to materializing our value proposition.

## Workplace Expansion and Our Value Proposition

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- We look to set structural reform goals during fiscal 2017 and formulate our vision for the future in April 2018

### B) Work digitization



### A) Value

Value focus to move beyond traditional offices toward workplaces and expand to encompass society.

### B) Work digitization

Digitizing work wherever people are in action, linking digitized work and analyzing the data to support customer knowledge creation

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27

- Here, I would like to overview Ricoh's knowledge creation approach for workplaces.
- The digital revolution is transforming how people live and work, driving profound changes in the manufacturing, logistics, retailing, healthcare, education and other sectors in which our customers operate.
- These changes represent tremendous opportunities for us at Ricoh, as we can move beyond traditional offices to deliver value to workplaces everywhere.
- We will step up efforts to help resolve social issues through our core businesses.
- We will continue help customers create knowledge through the following processes:
  - ✓ Capturing everything through the best devices
  - ✓ Using artificial intelligence to convert data into intelligent information
  - ✓ Printing to everything
  - ✓ Cultivating industry and business experts who can identify customer issues and provide smart solutions



- ◆ **Structural reform savings:** More than **¥100 billion**
- ◆ **Fiscal 2019 operating profit:** More than **¥100 billion**
- ◆ **Total FCF\* over three years:** More than **¥100 billion**  
\*Free cash flow excluding finance business

- I would now like to recap on our financial targets.
- As I explained earlier, we aim to generate savings from fiscal 2016 levels of more than ¥100 billion from cost and business process reforms.
- By fiscal 2019, we target operating profit of more than ¥100 billion on the strength of structural reforms, earnings contributions from growth businesses, and additional reforms that we might explore.
- After excluding our finance business we seek to generate free cash flow of more than ¥100 billion over three years while maintaining strategic investments at around depreciation levels. This figure would be around the sale as our total net profit under our mid-term management plan.
- That ends my presentation. Thank you for your time today.



## Forward-looking statements

The plans, prospects, strategies and other statements, except for the historical events, mentioned in this material are forward-looking statements with respect to future events and business results. Those statements were made based on the judgment of RICOH's Directors from the information that is now obtainable. Actual results may differ materially from those projected or implied in such forward-looking statements and from any historical trends. Please refrain from judging only from these forward-looking statements with respect to future events and business results. The following important factors, without limiting the generality of the foregoing, could affect future results and could cause those results to differ materially from those expressed in the forward-looking statements:

- a. General economic conditions and business trend
- b. Exchange rates and their fluctuations
- c. Rapid technological innovation
- d. Uncertainty as to RICOH's ability to continue to design, develop, produce and market products and services that achieve market acceptance in hot competitive market

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.

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