

**19th Mid-Term
Management Plan
Review & 20th Mid-
Term Management
Plan Outline**

RICOH
imagine. change.

March 27, 2020

Jake Yamashita
President and CEO
Ricoh Company, Ltd.

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- Thank you for sparing time today to attend today's briefing.
- I am sorry we had to postpone the briefing from March 12 and that I had to deliver the announcement remotely owing to the growing impact of COVID-19.
- I have made it a priority since taking over the helm at Ricoh to communicate closely with the capital markets.
- So, while we previously informed you that we would announce a new mid-term management plan, we concluded that it would be disrespectful to you to present that initiative without adequately factoring in the future impact of COVID-19 on our business.
- I seek to share that plan with you once the pandemic's impact becomes a little clearer.
- At this moment, I hope we will discuss new MTP when we announce our full-year results on May 8.
- So, today I will review our 19th Mid-Term Management Plan and outline where we will head under the 20th Mid-Term Management Plan.

Tackle emergency by strengthening corporate structure and accelerating growth

Current State	■ Supply Chain (Procurement / Production)	Japan/China : Most production lines are back on track Europe : Mandatory stoppage at governments' request NA/Asia : Normal SCM : Inventory distributed to each market. Optimizing inventory based on sales volume
	■ Sales/Services	✓ Economic and business activities at standstill worldwide, causing delays in deals and deliveries ✓ Decline in customer document volumes
Response Policy	■ Operations	✓ Enhanced prevention of epidemic, promoting remote work

Emergency Response

✓ **Develop emergency plan (Plan B) to enhance earnings power**
 (Implement in-house digital revolution, optimize resources and locations, business selectivity, etc.)

New Needs Response

✓ **Changing work practices and emerging needs on medical and educational frontlines**

- I will start by updating you on the impact of COVID-19 on our business and how we have responded.
- In the supply chain, most production lines in Japan and China are back almost on track. Our suppliers contributed greatly to this swift turnaround.
- Our plants in France and the United Kingdom are closed in line with government orders. Our French plant produce mainly thermal paper. We have confirmed that the impact of these shutdowns to our total earnings has been minimal.
- We have already shipped plant inventories to markets. Depending at how fast markets recover we should be able to avoid supply shortages.
- That said, the pandemic has brought economic and business activities to a standstill, and declining purchase demand and print will inevitably hamper our business.
- Given the extent to which the pandemic has spread through Europe and the United States, we are on an emergency footing in the face of a threat to our global operations.
- We began embracing remote work before this crisis as part of workstyle reforms. With the right infrastructure in place, we have encountered no major issues with employees around the world working from home.
- We already started to develop an emergency plan, or Plan B, that assumes that after sales earnings will plunge, and are looking to constrain strategic investments and dramatically cut expenses and fixed costs by lowering in-house digital transformation and so on. We are in an emergency. With conditions changing by the hour, we recognize the need to make decisions faster than ever.
- Changes that we expected to unfold over the next three years have begun happening in the past three months. We also recognize that social issues for tomorrow are in the spotlight today.
- We envisage that once the world settles down after COVID-19 we will have to offer the completely new products and services that it needs. Good examples are telemedicine and distance learning. These are challenges that we can resolve with our digital technology prowess.



- I will now begin my presentation. This is the first chart that I discussed upon taking the helm at Ricoh in 2017.
- Today, I will overview Ricoh’s Resurgent through Ignite endeavors over that time.

Greatly improved ability to generate cash to fund investment

<Target>

Dramatically improved cash flows

- Structural reforms: From scale to profitability
- Prioritize growth businesses: Deployed strategies leveraging our strengths
- Reinforce management systems: Undertook top-down reforms

Tackled impairment charges, business selectivity, and governance reforms

See next page

	Forecast	Target
Operating profit	¥100.0 billion (Forecast at Q3)	Above ¥100 billion (Fiscal 2019)
Structural reform savings	¥105.0 billion (Forecast at Q3)	Above ¥100 billion (From fiscal 2016)
FCEF*	¥172.9 billion (Through Q3)	Above ¥100 billion (Over three years)

* Free cash flow excluding finance business

- When I became president, I internally and externally disclosed the scenario for the losses that we would have incurred if continuing on the same operational path.
- I made a top-down decision after concluding that we would wear our employees down in that crisis situation if we failed to swiftly reform our structure. We made it a top priority to become a company that could undertake ongoing investments in key growth domains.
- It was essential that we not simply enhance earnings but also keep generating cash flows that would fund our investments, so we stepped up our efforts in those regards.
- We sought to complete the most painful cost structure reforms in the first year. As well as liquidating or consolidating offices, we reorganized Group companies, posting goodwill impairment charges on past acquisitions and otherwise leaving no sacred cows.
- We caused great concerns for investors, customers, and employees. But as a result of these efforts we were able to reach our cash flow targets ahead of schedule during the second year of our mid-term management plan.

Reviewed 5 major principles and implemented structural reforms

Cost Structure Reforms

- ✓ Focused development, streamlined production sites (In-house manufacturing)
- ✓ Optimized sales structure in North America
- ✓ Streamlined headquarters and back office functions
- ✓ Impairment (IKON, mindSHIFT, etc.)

Business Process Reforms

- ✓ Improved services and supported productivity by enhancing features in MFPs
- ✓ Promoted cost reduction through automated production systems
- ✓ Improved efficiency of business processes by promoting worldwide RPA (Robotics Process Automation) activities

Pursued Selectivity

- ✓ Assessed and clearly segmented businesses ~ there were no “sacred cows”
- ✓ Stopped financial support in Ricoh India

See next page

- We engaged in the Resurgent phase during the first year of our 19th mid-term management plan. We reviewed our five major principles in our printing business in particular.
- As a matter of course, we had adhered inside Ricoh to an implicit rule in which we expanded scale, undertook direct sales and services, offered a full lineup, and manufactured independently.
- We set about helping employees to accept painful reforms, going beyond conventional boundaries to execute those initiatives.
- We began to prioritize profitability over scale expansion, driving cost structure and business process reforms while pursuing business selectivity.
- We braked unit price declines by managing prices and strove for operational excellence, trimming our businesses. We will continue and strengthen measures offering promise and reinforce our profitability while continuing to enhance cash flow generation.

Assessed and clearly segmented businesses ~ there were no 'sacred cows'

Offering growth potential with internal resources

Allocated resources and achieved growth

Pushed ahead under growth strategies

Offering growth potential albeit that resources were insufficient

Leveraged external capital and technology alliances to augment and strengthen resources

- Semiconductors
- Logistics
- Leasing

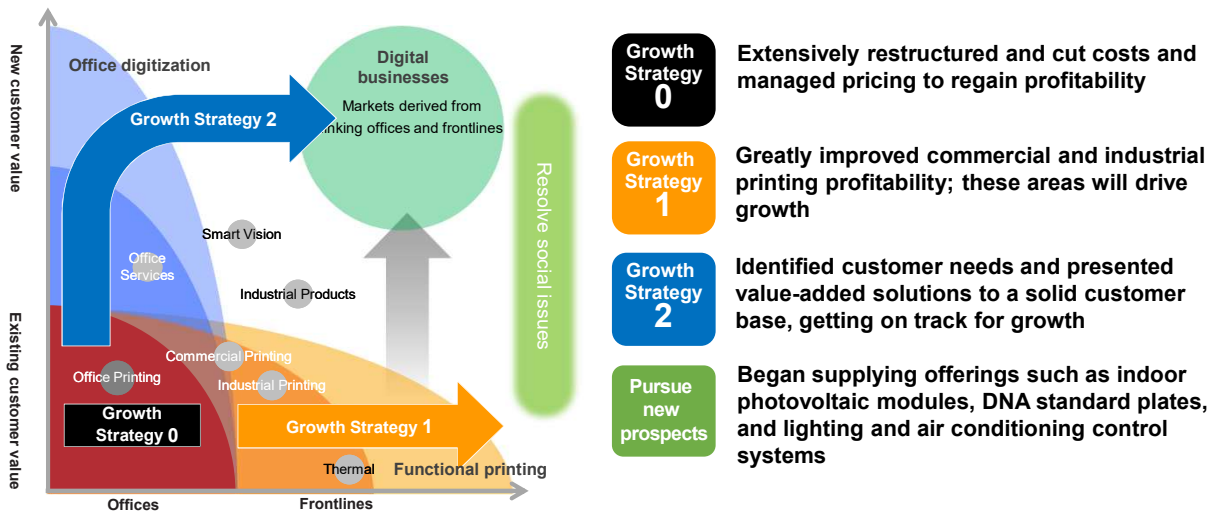
Businesses offering few synergies with other operations and little growth potential with internal resources

Sold businesses and reviewed shareholdings

- Tourism
- Coca-Cola Bottling Japan
- Cross shareholdings

- There were no sacred cows in our business selectivity initiatives.
- We unhesitatingly targeted growth in areas offering potential with internal resources.
- At the same time, in core business-related areas in which internal resources were insufficient we strengthened collaboration with external resources. Semiconductors and logistics were among those areas.
- We also sought to trim our balance sheets. One move in that direction was our announcement on March 9 this year to transfer our shares in Ricoh Leasing. By removing that company from consolidation, we positioned ourselves to invest extensively in the Office Services, Commercial Printing, and other growth domains.
- On top of that, we withdrew from, divested, and reviewed our stakes in noncore businesses whose growth prospects were better outside the Ricoh Group. Such entities included our tourism subsidiary and shares of Coca-Cola Bottlers Japan. We have basically completed the selection and concentration process for companies in which we have stakes, including subsidiaries and affiliates.

Enhanced earnings in core businesses and steadily expanded the profits of growth businesses



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- I will now review our growth strategies. The chart on the left presents our concept for the growth strategies we have pursued under our 19th mid-term management plan.
- Growth Strategy 0, shown in black, shows our growth in the Office Printing domain. We concluded that by pursuing operational excellence there was still some scope for improving profitability.
- We succeeded in managing selling prices, streamlining maintenance by incorporating remote monitoring in advanced MFPs, and reallocating production bases and cut fixed costs. We became able to greatly reduce margin profit reductions even as markets decrease overall. We have positioned ourselves solidly avoid selling at low prices even amid intensifying competition.
- Growth Strategy 1, shown in orange, covers domains of particular social contribution. In each business, we target growth through transformations from analog to digital technologies.
- We have endeavored to greatly improve profitability in both the Commercial Printing and Industrial Printing businesses. At the same time, we have encountered delays in expanding new models in the Commercial Printing business, while strategic investment including M&A in the Industrial Printing business have not proceeded as planned. So, in my view we have yet to cultivate businesses that can become growth drivers.
- Under Growth Strategy 2, the Office Services business became profitable in the second half of fiscal 2017, with revenues and earnings continuing to rise since then. The drivers in this performance have been the consolidation of service sites overseas and expanded Scrum package sales in Japan.
- We are pushing ahead with healthcare product development and structural preparations to cultivate new prospects. We have started offering several products, including those shown here, and are undertaking activities that should gather steam in next fiscal year and beyond.

Almost all businesses reached their growth targets and improved earnings

	Segments	Positioning (target)	CAGR (FY2016→FY2019*)	Operating margin (FY2016→FY2019*)
Growth Strategy 0	Office Printing	Earnings Generator <Maximize Profit>	- 4%	8.5% → 10%
	Commercial Printing	Next Earnings Generator <High Profitability>	- 1%	10.1% → 15%
Growth Strategy 1	Industrial Printing	Future Earnings Engine <Aggressive Investment>	+ 26%	- 28.8% → - 9%
	Thermal	Stable Earnings Engine <Sound Growth>	+ 4%	10.1% → 7%
Growth Strategy 2	Office Services	Growth Earnings Generator <Proactive Investment>	+ 9%	- 1.6% → 5%
	Other	Industrial Products		
		Smart Vision	Earnings Improvement <Become Profitable>	- 3%
	Finance, etc.			

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*Forecasts as of Q3 FY2019

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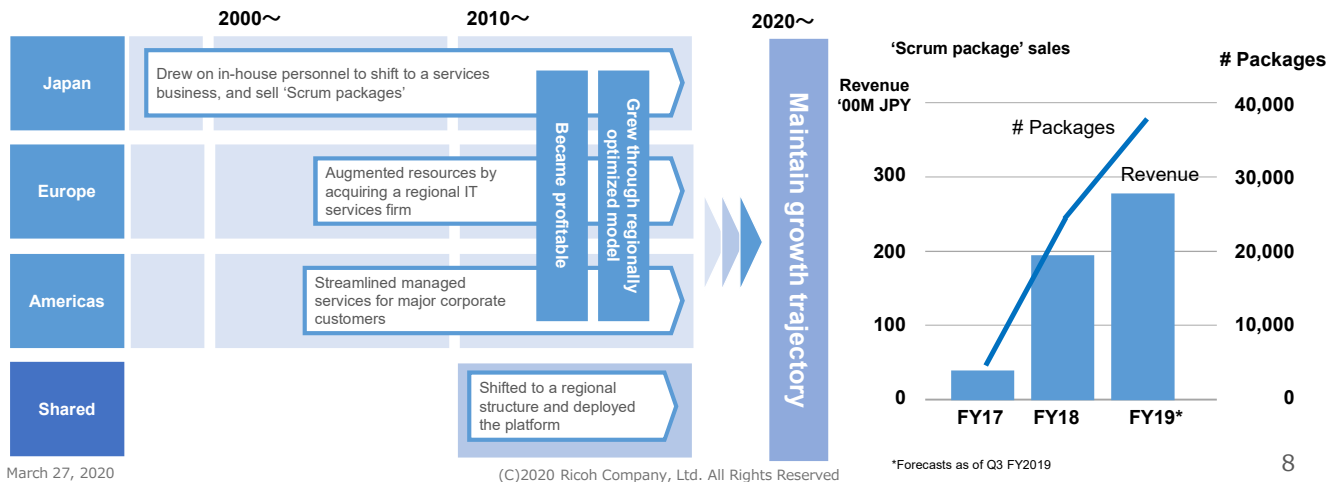
- We have assessed progress in each of our businesses.
- Here, we show how sales growth rates and operating margins have changed by segment since fiscal 2016.
- Overall, we have confirmed that we have successfully positioned operations in our business portfolio or have reached our goals.

Identified customer needs. Leveraged Ricoh's strengths.

Became profitable in fiscal 2017 through focused efforts to measure profitability in 11 key countries

Drove growth, particularly in IT services, by securing capabilities matching local requirements.

Harnessed Ricoh Smart Integration platform to sow seeds for business expansion (launched 141 apps under that platform)



- I will now review our Office Services businesses, where we have progressed in leaps and bounds. I believe that it is important to determine what has driven such growth to work out how to expand further in new domains. One instructional contributor is Ricoh's track record of serving small and medium-sized enterprises that large IT vendors have not approached well. That's a unique strength of the Ricoh Group.
- Japan accounts for the bulk of our Office Services businesses. We began offering services around 30 years ago. We built a lineup of products and services that satisfy small and medium-sized enterprises, which major IT vendors did not target. We largely provided packaged services. By continuing to provide labor-intensive services for which it was difficult to seek remuneration from customers, we gained their trust.
- Customers long expected to receive services for free. Our services profitability therefore languished for a long time. But our customers' mindsets have changed in recent years. That's because we have cultivated their acceptance of paid services. Our competitively superior maintenance services network is a customer-centric personnel infrastructure.
- Once able to secure appropriate payment for services, we were able to recoup fixed costs and enhance profitability. While it took considerable time to progress in this way, have built a competitive edge that is hard for rivals to catch up.
- The chart on the right tracks our Scrum package sales in the Japanese market. As you can see, our offerings have been tremendously well received. Even amid a spike in demand for a migration to Windows 10 this year, more than 80% of sales incorporated industry- and task-specific Scrum packages rather than just PC purchases. This was a major difference from the buying patterns amid the Windows 7 migration several years ago.
- We are also offering a customer-centric services model overseas. We are not simply replicating our domestic business model there, and are operating in line with national and regional market characteristics and customer trends.
- We have acquired or allied with local services providers to supplement our capability shortfalls, such as in terms of storage and security capabilities.
- For example, as I will mention in my presentation for the 20th Mid-Term Management Plan I am confident that we can contribute even more to resolving the work practice issues of our customers by drawing on our results and resources.

Rapidly implemented governance reforms in line with that of a global company

Principles	Implementation
Improve corporate value and stakeholder value by deploying a sound risk management approach	<ul style="list-style-type: none"> ✓ 1 year term of service for Board of Directors members ✓ Established appraisal system for internal Board of Directors members ✓ Implemented share-based reward system ✓ Established Risk Management Committee/Investment Committee/ESG Committee
Enhance independence of supervisory and audit functions	<ul style="list-style-type: none"> ✓ Halved both external and non-operational Board of Directors members ✓ Strengthened independence of audit process ✓ Regular audits of balance sheets of overseas subsidiaries by headquarters ✓ Strengthened internal audit and reviewed process of selection for auditors of overseas subsidiaries
Proactive disclosure	<ul style="list-style-type: none"> ✓ Established governance study committee ✓ Strengthened investor relations/shareholder relations function (Hosted Investor Relations Day)

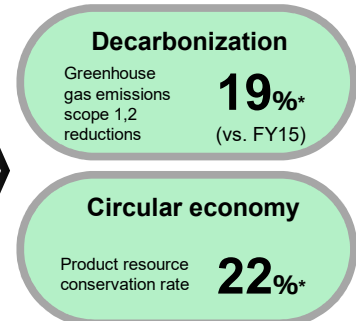
- On this page, we present the results of our governance efforts as part of our ESG initiatives.
- We have previously reported on our experience with Ricoh India, and we have drawn on our lessons in that case in pursuing ongoing reforms in our governance and management structures.
- We strengthened executive oversight by having non-executive members account for majority of the Board of Directors. Majority of the members of the Nomination and Compensation committees are similarly non-executive directors. We maintain five other committees, including the Investment, ESG, and Risk Management Committees. In decentralizing oversight in this way, we have created a governance structure that is commensurate with that of a global enterprise.

Industry leader on the environment

Key decisions under the 19th Mid-Term Management Plan

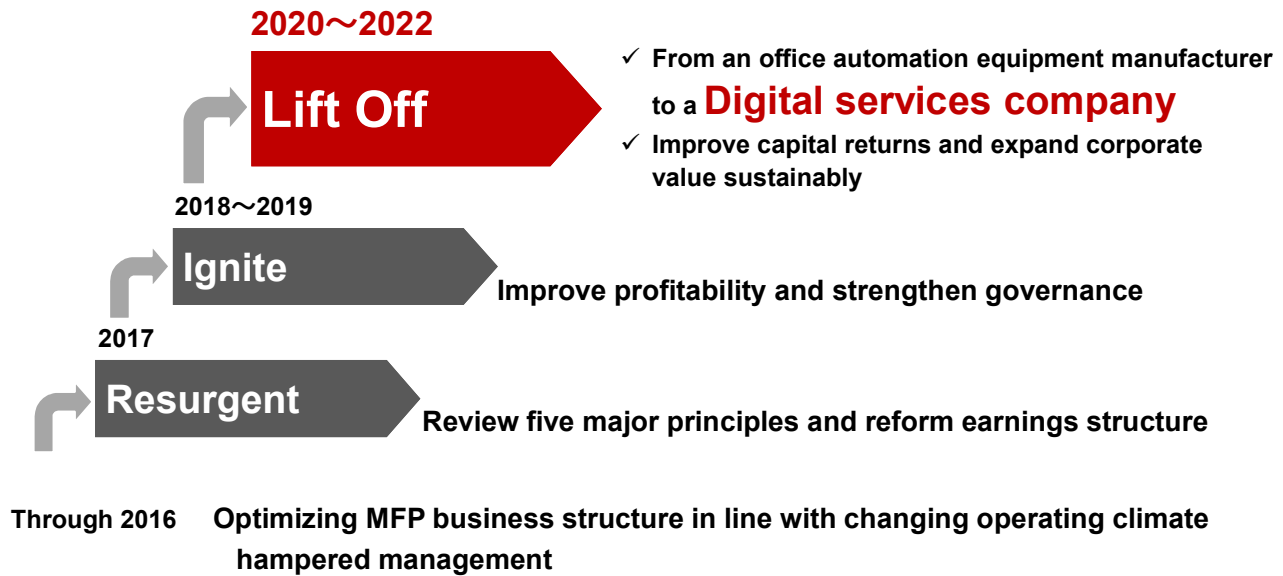
FY17 Apr	First Japanese company to commit to RE100, a collaborative, global initiative of influential businesses
FY18 Aug	Committed to recommendations of the Task Force on Climate-Related Financial Disclosures (disclosed risks and opportunities in July 2019)
FY18 Oct	Signed the Japan Climate Action Summit declaration
FY19 Aug	First Japanese company to take part in Business for Inclusive Growth initiative (B4IG)
FY19 Mar	Science Based Targets Initiative (SBTi) approves Ricoh's New Environmental Goals which align with their 1.5° C criteria

Environmental contributions



*Forecasts as of Q3 FY2019

- Page 10 highlights our environmental and social endeavors.
- We were the first Japanese company to commit to RE100 and to take part in the Business for Inclusive Growth initiative.
- We have stepped up our environmental efforts, as evidenced by us recently meeting Science Based Targets criteria for setting emissions reduction goals that help limit the rise in global temperature to 1.5°C above pre-industrial levels. We announced this in a news release on March 25.
- One of our contributions to the United Nations' Sustainable Development Goals has been in terms of decarbonization, with our scope 1 and 2 reductions in greenhouse gas emissions dropping 19% since fiscal 2015. Another contribution has been on the circular economy front, with our product resource conservation rate reaching 22%.



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- I will now turn to our endeavors toward the 20th Mid-Term Management Plan.
- Through 2016, we had established a business model in which we concentrated our production of MFPs for the global market in Asia, offering maintenance services around the globe. Our optimized development, production, and sales structure underpinned our competitiveness.
- But with the relative decline in the value of printing some of these capabilities were no longer strengths and became noticeable burdens. So, we revised the five principles I mentioned earlier in my presentation, and this was the start of our new journey. Ricoh Resurgent was, in some sense a major break away from previous management practices.
- Under our Ricoh Ignite growth strategies, we have prioritized enhancing profitability and pursuing operational excellence in our businesses. As a result, we have not only boosted profitability but also reviewed earlier management practices in strengthening governance.
- At the same time, we reconsidered the significance of absolute goals in exploring acquisitions opportunities to help propel business growth. That's because management do business based upon the limited resources of this planet. Our task is to efficiently generate returns from invested resources and capital.
- I considered it vital for businesses to invest limited resources effectively while pursuing profits.
- By reinforcing our business competitiveness, I believe that we can transform ourselves from an office equipment manufacturer into a digital services company.

From an Office automation equipment manufacturer to a

Digital services company

A company that supports workers' creativity and provides services to meet changing workplaces

Transform our assets to become our strengths

1	Customer base (office printing)	Customer: 1.4M companies Devices in the field: 4.0M units (direct only)
2	Wide-spread customer contacts	Field technicians : 11,000
3	Human resources with digital skills	16,000
4	IT partners globally	4,000 companies

- Why now?**
- **Increased use of digital technologies e.g. 5G and Artificial Intelligence (AI)**
 - **Expanded use of IoT technology (cloud based storage on MFPs)**
 - **Growing corporate requirements to meet the needs of diverse workstyles**

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- I define a digital services company as one that supports the creativity of workers and provides services that transform workplaces. In other words, such an entity connected offices and frontlines and boosts productivity across the board with digital technology.
- Ricoh can provide such services because it can change on the resources it amassed as an office equipment manufacturer into digital services strengths.
- So, in explaining our next mid-term management plan I have matched some numbers to the four key strengths I have presented in this chart.
- First, we have a large direct customer base worldwide for office printing. Because we deal directly with these customers, we can propose services to them. We have 11,000 field maintenance engineers constantly looking after devices installed at customers offices. Another 16,000 with digital skills, from product software developers through field systems engineers, endeavor to provide solutions to customers
- We also have robust ties with around 4,000 IT partners around the world.
- Given progress in fifth-generation wireless communications technologies, artificial intelligence, and the Internet of Things, we concluded that now is the time to transition into a digital services company.
- Manufacturing naturally remains a vital capability. I want our policies to reflect the fact that our manufacturing makes our hardware the best in the world. We will procure other devices needed for customer services. That's our basic approach.

Focus on sustainable corporate value

< Basic Principle >



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- When we announced our second-quarter results of FY2019 in October, we touched on the basic approach of our 20th Mid-Term Management Plan.
- We are committed to sustainably enhancing corporate value.
- Our corporate activities will balance strengthening our competitiveness and enhancing capital returns, creating a climate that motivates employees to drive progress in those regards.
- We will become more competitive by integrating our printing and services business strategies. By offering services to printing customers we will build a stable stock business infrastructure.
- We will push forward with our in-house digital transformation, leveraging our achievements and experience to provide value to our customers.
- I will present details and numbers at our next briefing.
- I explain our efforts to improve capital returns afterwards.

Set an ROE target to enhance corporate value

Ricoh Lift Off
Target

ROE above **9%** in FY22

Above 10% from FY23
(21st MTP)

Financial KPIs to achieve ROE target

Profit attributable to owners
of the parent

Adjusted operating profit

(Operating profit + equity in earnings of affiliates)

ROIC : Above **7%**

Stakeholder targets*

*From ESG targets

Customers Customer survey scores

Partners Partner scores
(Suppliers, dealers, and development partners)

Employees Employee engagement scores

Society Decarbonization: GHG scopes 1 and 2**
Circular economy: Product resource
conservation rate

Shareholders ROE: Above **9%**

- I mentioned before that under our next mid-term management plan we will pursue efficiency benchmarks rather than absolute monetary targets.
- We will boost competitiveness and profitability and target a return on equity exceeding 9% as a measure of corporate value improvement.
- We will endeavor to balance growth and efficiency and enhance corporate value in keeping with changes in the business and competitive climates. We accordingly concluded that return on equity benchmark would be appropriate.
- We cannot determine the bottom line impact of COVID-19, so we will disclose the earnings level needed to reach our return on equity target when we announce our 20th Mid-Term Management Plan.
- So, please understand that management is determined to deliver a return on equity above 9% even if earnings fluctuate slightly owing to the business climate.
- As well as financial targets we have also set ESG targets, as we will pursue progress in financial and non-financial terms to enhance corporate value.
- We look to set stakeholder-specific targets to build robust corporate underpinnings.



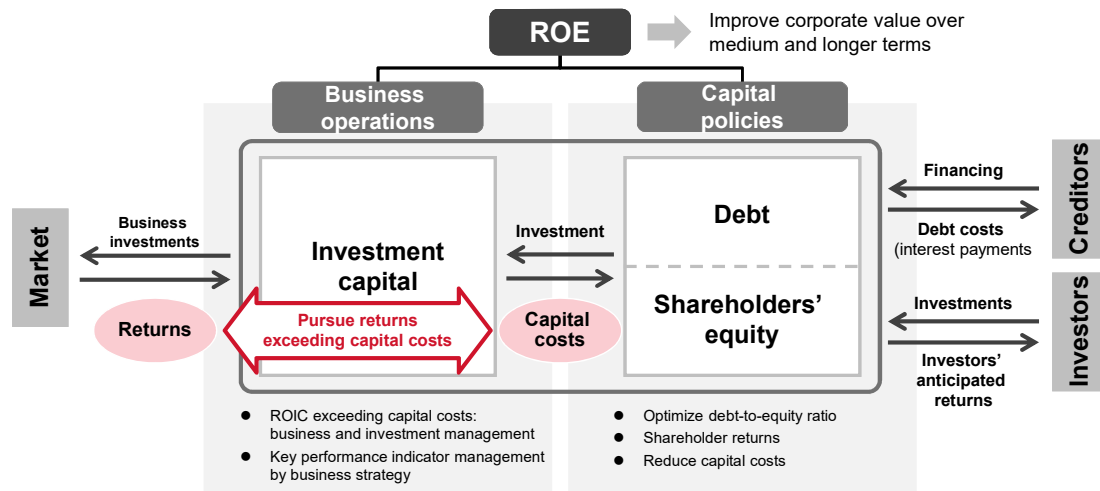
Enhancing Capital Returns

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- I will now explain our efforts to enhance capital returns.

Balance ROIC-based business management and capital policy to deliver growth and enhance capital returns



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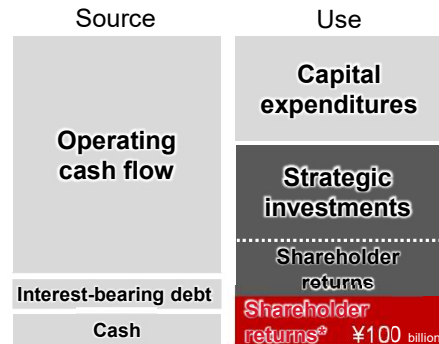
- Our basic approach is to balance a return on invested capital-based business management and our capital policy to deliver growth and enhance our capital returns.
- This chart is from a slide that chief financial officer Hidetaka Matsuishi presented during our IR Day in April last year.

Implement capital policies to sustain corporate growth

20th Mid-Term Management Plan Capital Policies

- ① Prioritize generating and clarifying the use of cash
- ② Fund R&D, capital investments and strategic, and shareholder returns with cash generated by operating activities
- ③ Leverage debt without compromising financial discipline in investing strategically
- ④ Produce appropriate corporate value by optimizing capital structure

Cash flow framework under the 20th Mid-Term Management Plan



*under 19th Mid-Term Management Plan

- This chart presents our capital policy stance. For the cash flow allocations on the right, as I mentioned earlier we will present specific figures when we disclose our financial numbers. (Since we will make payments during the 20th Mid-Term Management Plan for shareholder returns generated during the 19th Mid-Term, we are presenting those payments as part of 20th Mid-Term cash flow allocation and as separate items from 20th Mid-Term shareholder returns.)
- At any rate, we will use the shareholders' equity for future risk-taking investments. For businesses generating stable profits and ordinary expenditures, we will leverage debt without compromising financial discipline in optimizing our capital structure. We will also consider both equity and debt funding for acquisitions.

Build a strong financial base and prepare for changes in the economy or finance

Why we sold the shares

Ricoh Leasing's perspective

- Strengthen/expand our business for further growth
- Foster partnerships to gain strengths in additional areas

Ricoh group's perspective

- Shift our resources from non-core businesses (Finance) to growth areas like Office Services and Commercial Printing
- Enable flexible and agile activity to enhance capital returns by optimizing the balance sheet
- Reduce risks generated from financial assets with off-balancing

Balance Sheet impact from the transfer

	FY19 Q3	After the transfer
Gross assets	Approx. ¥2.9 Trillion	Approx. ¥1.9 Trillion
Debt with interests	Approx. ¥1.0 Trillion	Approx. ¥180 Billion

- I will now discuss the transfer of some shares in Ricoh Leasing that we announced this month as an example of our capital policy approach in action.
- Our leasing business is one area in which we are drawing on external partners to strengthen operations.
- In this case, we decided to both strengthen operations and optimize our balance sheets.
- We seek to expand the business domains and growth of Ricoh Leasing over the long term by strengthening its business underpinnings and drawing on a partnership with an enterprise with strengths in different fields.
- Ricoh will transition from a business structure that focuses on supplying office equipment to one offering broad services and solutions to customer offices and frontlines.
- It is amid such change that we recognize that drawing on finance to deliver total solutions will become more important than ever in expanding services and subscription businesses.
- COVID-19 will profoundly change the economic and financial market climates. We thus consider it vital to build highly flexible financial foundations.

Shift our shareholder returns policy from a payout ratio to a returns ratio

Shareholder returns policy under the 19th Mid-Term Management Plan

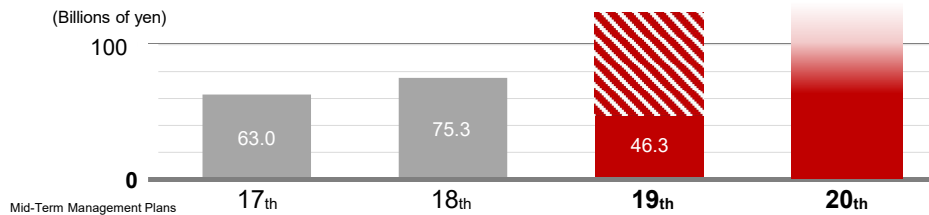
- Targeting 30% consolidated payout ratio
- Flexibility to buy back shares in line with operating conditions

Shareholder returns policy under the 20th Mid-Term Management Plan

- Satisfy shareholders by prioritizing total returns ratio
- Explore flexible capital policies for surplus funds based on generating stable shareholder returns while enhancing capital returns

Total returns under the mid-term management plans

March 27th: ¥100 billion in shareholder returns
under the 19th Mid-Term Management Plan



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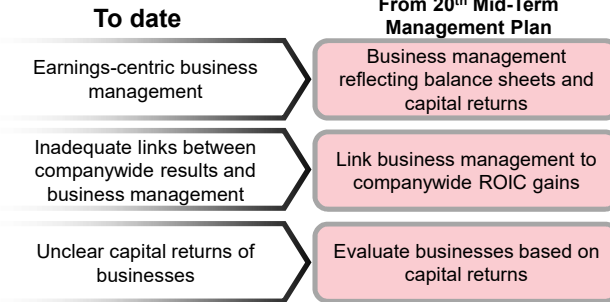
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- I will now explain our shareholder returns policy.
- Under our 19th Mid-Term Management Policy, we look to enhance the profitability of core businesses while reviewing businesses and assets to improve our cash flows.
- Management has decided to return cash generated under this plan to shareholders appropriately.
- In view of this situation, the Board of Directors resolved today to institute an additional ¥100 billion in shareholder returns (in addition to the dividend projections announced already).
- We will determine the specific shareholder returns implementation measures and timing after assessing the prevailing financial market climate and economic conditions.
- Under our 20th Mid-Term Management Plan, we look to switch away from a focus payout ratios toward one on total return ratios as a benchmark of returns to shareholders that meet their expectations.

Shift focus from flow management to capital efficiency-based ROIC management

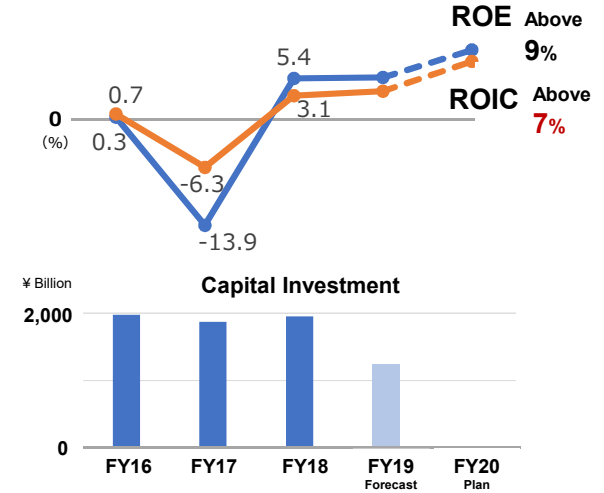
Overall **ROIC** goal under the 20th Mid-Term Management Plan **Above 7%**

$$\text{Companywide ROIC formula} = \frac{\text{NOPAT}^* + \text{Equity in earnings of affiliates}}{\text{Shareholders' equity} + \text{Interest-bearing debt (invested capital)}}$$



*NOPAT: Net Operating Profit after Tax

ROE·ROIC·Capital Investment Trend



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- Through the 19th Mid-Term Management Plan, we strengthened our business profitability and our ability to generate cash flows. We will rigorously evaluate the required returns on invested capital, including the capital we obtain from shareholders.
- We are determined to switch from a focus on flow management toward a capital efficiency-based return on invested capital management.
- Our benchmark for reaching our return on equity target is a companywide return on invested capital of 7% that we seek to materialize as soon as possible.

Relentlessly work to improve corporate value under the 20th Mid-Term Management Plan

ROE Above 9% in FY22

Realize ROE to above 10% at the end of 21th MTP

- We reiterate our pledge to shareholders and other investors to deliver a return on equity exceeding 9%.
- To sustainably enhance corporate value by generating healthy growth, we will endeavor to generate a return on equity of 10% as swiftly as possible by balancing growth and capital efficiency for the 21th MTP.
- We are setting financial targets and non-financial ESG benchmarks for enhancing corporate value under our 20th Mid-Term Management Plan.



Long-Term Vision

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- Finally, I would like to talk a little about our long-term vision. Three years have passed since I took the helm at Ricoh, and we are heading toward the second mid-term management plan under my watch.
- We live in times in which global economic trends are unclear and in which things change fast, and I have concluded that we need to produce not gradualist plans but strategies that employ backcasting concepts.
- Ricoh commemorated its 84th anniversary in February this year, and will celebrate its centennial in 2036. I am sure that some of you are aware that Ricoh coined OA in 1977 as the acronym for office automation. In the almost half century since then, we have devoted our energies to serving the workplace needs of our customers. In recent years, our endeavors have broadened beyond offices to encompass frontline operations and societies at large.



2036 Vision

Fulfilment through Work



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- When coining OA, our stated goal in-house was that machines should handle manual tasks, with people performing creative work.
- We have believed that work that creatively adds value is fulfilling.
- We made Fulfilment through Work central to our vision for 2036. That is because in the course of serving the working needs of our customers we have helped them streamline tasks and enhance productivity. In so doing, we have empowered their workers to gain a sense of satisfaction, achievement, and self-realization.
- That ends my presentation today. Thank you very much for your time.

RICOH
imagine. change.

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.

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:
FY2019 = Fiscal year ended March 31, 2020, etc.

Structure of results briefing materials

Ricoh reviewed the structure and contents of its results briefing materials in light of feedback at its April 2019 IR Day. Please refer to these and appended supplementary materials. Results briefing materials present progress with strategies and measures for the Company overall and each business segment. Results supplementary materials present additional financial data.