

Overview of 21st MTS

21st MTS

In March 2023, we announced this strategy, which we initiated in April.

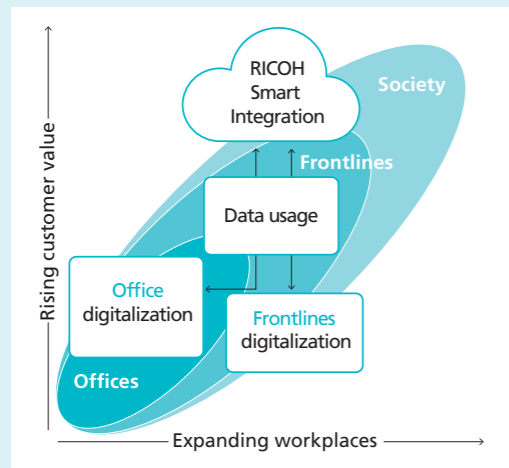
Our objectives over the medium through long terms in striving to realize our Mission & Vision of Fulfillment through Work are to become a digital services company that supports

workers' creativity and provides services that transform workplaces. We will do that by broadening our digital services scope beyond the office domain, which centers on selling MFPs, to include frontlines and social domains. We will expand customer value in all workplaces.

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

From an office equipment manufacturer to 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
- Internal deployments and success stories
- Collaboration with partners
- Digital professionals
- RICOH Smart Integration

Future financial perspectives

ESG initiatives are vital to generate future finances. We will undertake activities covering the entire value chain to cater to the rising ESG demands of stakeholders in keeping with our commitment to maintaining a world-class reputation for sustainability and ESG.

We redefined some material social issues in embarking on the 21st MTS. We will also take on the challenge of identifying businesses that help resolve social issues and their impacts on our results.

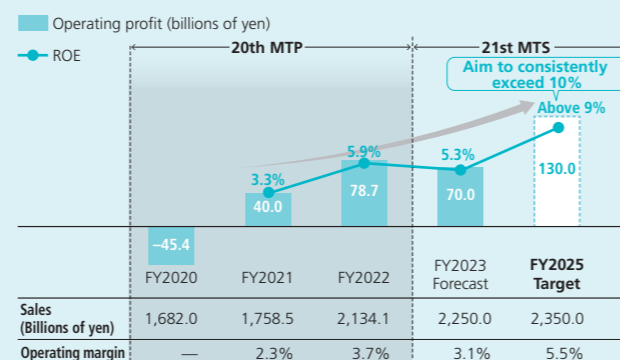
For more details see: [ESG Strategy on page 33](#)

Financial perspectives

Under the 21st MTS, we seek to grow as a digital services company by pursuing customer-centric innovation and striving to increase corporate value. For fiscal 2025, the final year of this MTS, we target sales of ¥2,350 billion, operating profit of ¥130 billion, and an ROE of more than 9%.

For more details, see: [Financial and Capital Strategy on page 37](#)

21st MTS Financial Targets Consolidated sales, operating profit, and ROE



Segment sales and operating profit targets

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

Business units	FY2025 targets		Key businesses
	Sales (compound annual growth rates)	Operating profit (changes from FY2022)	
RICOH Digital Services	¥1,750.0 billion (2.0%)	¥60.0 billion (+¥31.7 billion)	Office Services Office Printing Edge devices
RICOH Digital Products	¥420.0 billion (-1.6%)	¥34.0 billion (+¥2.4 billion)	Commercial Printing Industrial Printing
RICOH Graphic Communications	¥280.0 billion (6.0%)	¥18.0 billion (+¥3.4 billion)	Thermal Products Industrial Facilities
RICOH Industrial Solutions	¥160.0 billion (11.2%)	¥12.0 billion (+¥8.8 billion)	Businesses resolving social issues
RICOH Futures	Others + Companywide and eliminations	¥6.0 billion (+¥4.8 billion)	
Group headquarters			
Total	¥2,350.0 billion (3.3%)	¥130.0 billion (+¥51.2 billion)	

Four key performance indicators and fiscal 2025 targets

We formulated these benchmarks and targets to manage progress toward our transformation into a digital services company.

The first indicator is to reform our business portfolio and shift to digital services growth areas. We aim to generate more than 60% of sales from those services by fiscal 2025.

The second is to transform our business model and boost profitability. We aim to increase recurring revenues by 18%

from the fiscal 2022 level by fiscal 2025 by developing a business model that generates ongoing compensation.

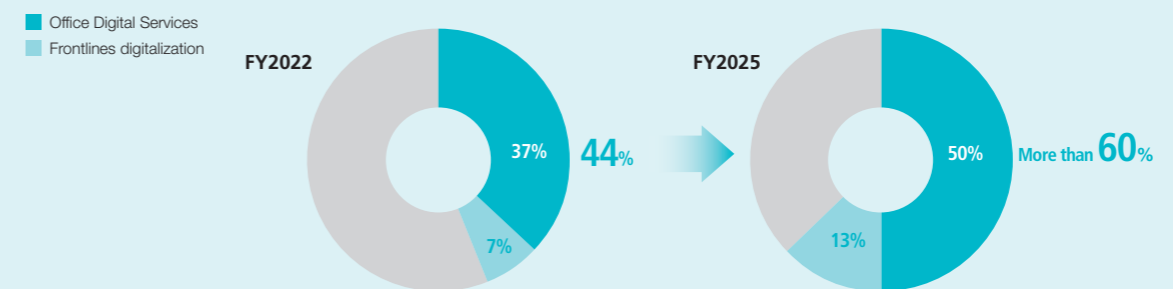
Third, we will derive 54% of recurring earnings from non-Office Printing businesses by fiscal 2025.

Fourth, we will maximize the potential of human capital, increasing profitability per employee by 70% from fiscal 2022 by fiscal 2025. We will do that by reallocating talent to growth areas by reskilling and lifting organizational productivity.

Key performance indicators for boosting earnings

Companywide initiatives	Direction	FY2025 targets for four main key performance indicators (compared with FY2022 results)
Reform business portfolio	Shift to digital services growth areas	1 Generate more than 60% of sales from digital services
Transform business model and boost profitability	Increase overall earnings from recurring revenue levels and expand in non-Office Printing areas	2 Boost recurring earnings by 18% 3 Raise non-Office Printing ratio to 54%
Maximize human capital potential	Reallocate human capital to growth areas by reskilling and lifting organizational productivity	4 Increase profitability per employee by 70%

Current and targeted digital services sales contributions (Excluding Other businesses)



See the following sections for details: [Human Capital Strategy on page 23](#) [Digital Strategy on page 27](#) [Operational Excellence Strategy on page 29](#) [Technology and Intellectual Property Strategy on page 31](#) [ESG Strategy on page 33](#) [Financial and Capital Strategy on page 37](#)