

**The 20th Mid-Term
Management Plan
and Medium to
Long-Term Outlook**

March 3, 2021

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Workers have accepted they can work anytime, anywhere —the new normal

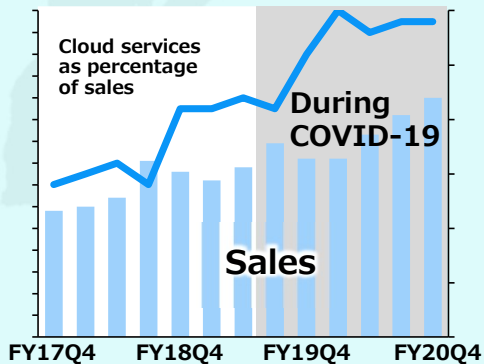
Rates of change in traffic to regular workplaces compared with before pandemic



48%


✓ DocuWare sales continue to grow, with pandemic boosting cloud demand

DocuWare sales in Europe





87%


✓ Tremendous opportunity for support services for the new normal



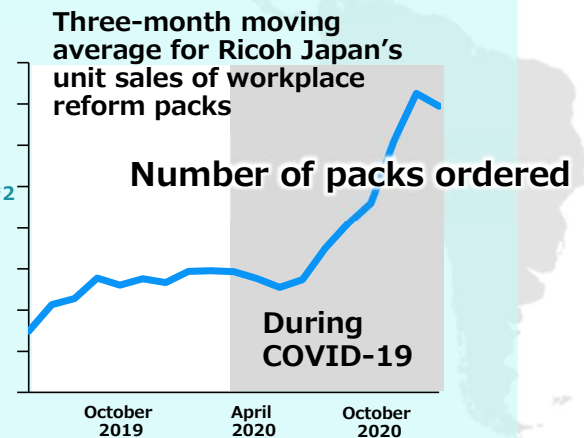
75%
Continuing to work remotely after pandemic abatement *1



Number of companies with telework programs
Up 2.4 times*2



57%
increase in data traffic *3



Note: Data for rates of change in traffic based on Google Community Mobility Report, reported each Tuesday each

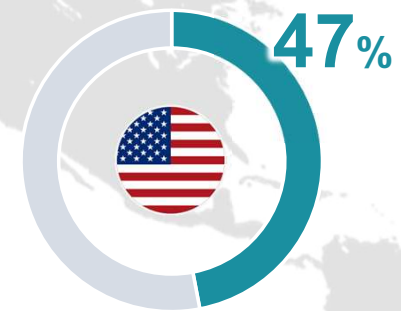
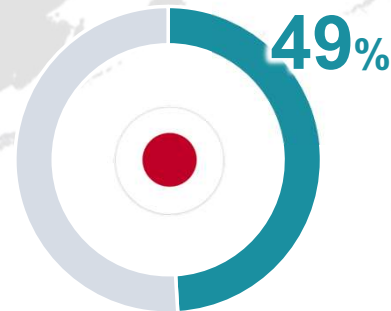
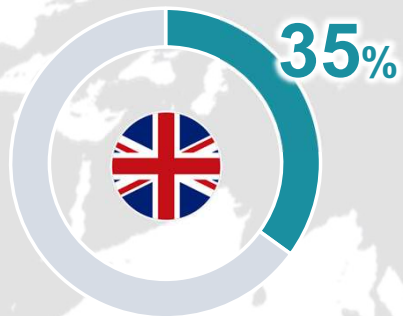
*1: Japan Productivity Center's 4th Worker Attitude Survey *2: Tokyo Metropolitan Government's Telework Adoption Rate Survey (comparing March 2021 with year earlier)

*3: NTT Communications' Internet Traffic Data (weekday daytime data for week of February 8, 2021, compared with previous year)

How Work Might Change

AI/Robots streamline operations, and workers choose best ways to work

Percentage of current jobs that AI/robots will likely replace by 2030



Prospective transformations in work

- ✓ AI and robotics automating business and transactions
- ✓ Connections between offices, frontlines, and society becoming seamless (6G communications and Internet of Things—IoT)
- ✓ Toward real, personal, and virtual offices
- ✓ People regularly holding second jobs

Reference: Nomura Research Institute paper stating that AI, robots, and other technologies will become able to replace 49% of Japan's existing workforce.



Medium and Long-Term Outlook

A Relentless Commitment to Excellence -1 imagine. change.

Ricoh continues to support the customer's changing needs

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

Ricoh turns 100.
On to the next
100 years

Vision for 2036

Fulfillment through Work

"Fulfillment" is gained from achievement and self-development. We help people feel this through work.



Resolving social issues based on the Spirit of Three Loves

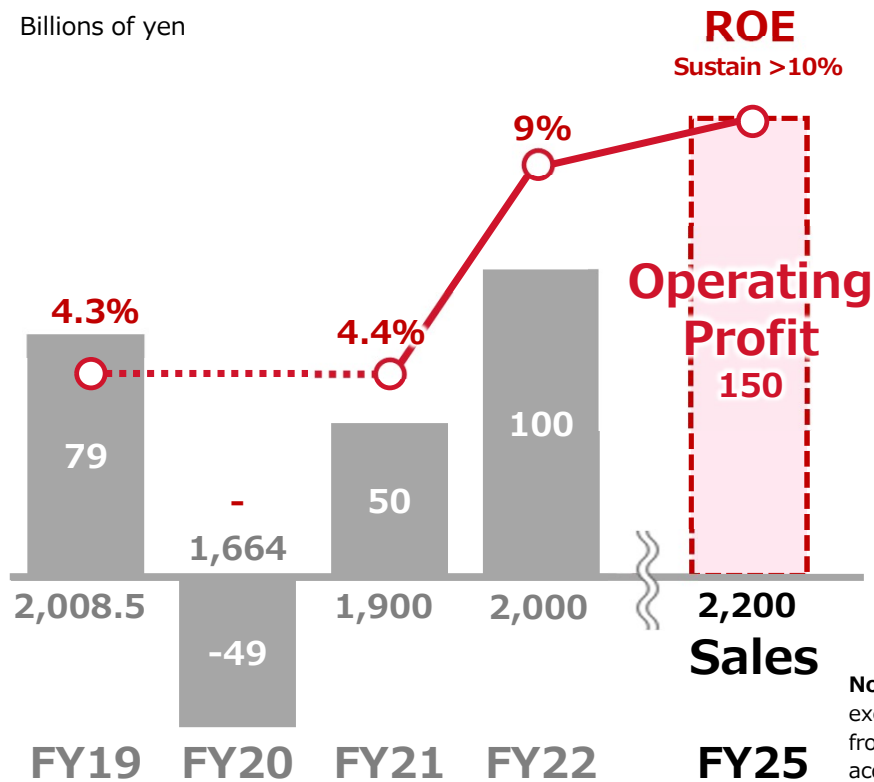


Medium to Long-term target for 2025

Be a digital services company that supports creativity of workers and connects their workplaces

Financial Indicators

Billions of yen



World-class sustainability and ESG ratings

Business | Recognized as a digital services company

- Office Services business to lead in revenues and profits
- Five business units run business operation optimal for customers
- Headquarters focuses on group management

Finance | ROIC management and externally valued capital policy

- Corporate value maximized by keeping ROE above 10%
- Minimum ¥150 billion in operating profit
- ROIC-driven business portfolio management
- Solid growth investments and shareholder returns

Note: FY2025 target excludes contributions from prospective acquisitions

Roadmap to 2025 : Medium-Long term Future Financial (ESG) Target



Driving Sustainability for Our Future

	Materialities	KPI	2022 targets	2025 targets
Resolving social issues through business	Creativity from Work Economy	Customer's evaluation top score rate Fulfilling value proposition for customers Digital specialist development	30% or more 20%* IPA ITSS L3 1.5 times **	30% or more TBD DX promotion indicator level 5 ***
	QOL Enhancement Society	Contributors to help improve QOL	10 million	15-20 million
	Zero-Carbon Society Environment	GHG scope1, 2 reduction rate (vs FY15) GHG scope 3 reduction rate (vs FY15) Renewable energy utilization rate	30% 20% 30%	40% or more 25% 35% or more
	Circular Economy Environment	Virgin material usage rate	85% or less	80% or less
Robust management infrastructure	Stakeholder Engagement	Production sites with RBA certified Suppliers signing on RICOH code of conduct International security standard Evaluation score from partners Primary ESG external evaluation Digital Transformation stock (by METI)	6 sites 100% signed Bolstered security based on ISO/IEC NIST Target set by partners Attain top levels Certified	To be set up every MTP with reviewing ESG challenges
	Open Innovation	Increase rate of patent ETR score (vs FY20) ****	20%	
	Diversity and Inclusion	Ricoh Family Group engagement score Female-held managerial position rate	50 percentile 16.5%	

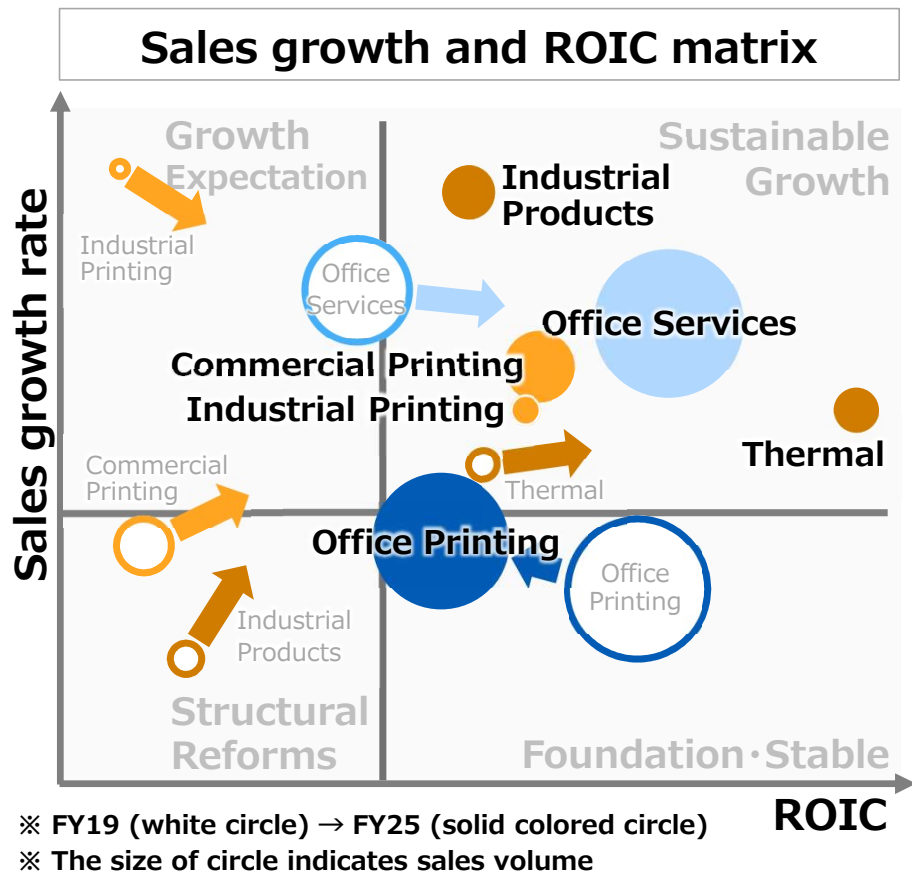
*Scrum-package customers rate **IPA: Information-technology Promotion Agency ITSS : IT Skill Standard (level 0-6) *** METI "DX promotion indicator" Ricoh is targeting level 5
**** ETR: External Technology Relevance, score representing how many patents applied for by external companies

Headquarters focuses on in group management, while Business Units ensure customer-centric management

Goals	Business Units	Value Proposition	Current segments and function
Generate business growth through five business units Customer centric business operations	Ricoh Digital Services RDS	Resolve challenges of people at offices & remote Resolve challenges of people at frontlines	Office Services
	Ricoh Digital Products RDP	Edge devices connecting people Manufacture products supporting digital services	Office Printing
	Ricoh Graphic Communications RGC	Resolve challenges of people at frontline printing sites	Commercial Printing Industrial Printing
	Ricoh Industrial Solutions RIS	Resolve challenges of people at frontline manufacturing, logistics, and industrial sites	Thermal Industrial Products
	Ricoh Futures RFS	Create new businesses to resolve social issues	Smart Vision, Healthcare, batteries based on inkjet technology, new materials, social infrastructure, additive manufacturing, and energy harvesting
Group headquarters underpinning growth <ul style="list-style-type: none"> Small but robust headquarters focusing on governance and business resource allocation (halve GHQ headcount from 3,200 in five years) 	GHQ	Contribute to business by resources allocation and governance	Management planning, Human Resources, Finance, and ESG
	Platforms	Refine corporate culture, human resources, systems, infrastructure, and technologies in keeping with being digital services company	Establish Digital Strategy Department and Advanced Technology Center
	Professional Services	Implement sophisticated in-house DX Market that knowledge to sell externally	Contribute to business units by digital transformation

Roadmap to 2025: Business Portfolio Management

Manage the business portfolio on two axes of growth and capital efficiency.
Optimize allocation of management resources.



※Under review for the allocation of expenses in line with the new business units structure

BU	Current segments※	Direction of business growth
RDS	Office Services	Expansion of business through investment tailored to each region • strategic investment in Japan and Europe (APAC leverages assets of Japan and Europe) • US focus on improving value for managed services customer
RDP	Office Printing	Pursue operational excellence and expand external sales • Improve quality, automate maintenance service, reduce cost and automate manufacturing • Accelerate external sales of MFP and new devices
RGC	Commercial Printing	Growth by capturing the digitalization needs under Covid-19 • New products to accelerate offset-to-digital • Promote digitalization of printing workflow, with a focus on US
	Industrial Printing	Expand market share by introducing new thin film ink-jet (IJ) heads Strengthen sales channels in the textile and sign graphics markets
RIS	Thermal	Improve profitability by strengthening manufacturing Global expansion of laser rewritable business
	Industrial Products	Expand sales of stereo cameras and precision processed parts for the automotive field Cultivate industrial and manufacturing device businesses as new area

For SV business, integrate cameras (PENTAX, GR) into Ricoh Imaging, and seek to retain as valuable businesses for the future. On the other hand, strengthen 360-degree cameras (and optical technologies) as essential technologies for Digital Services.

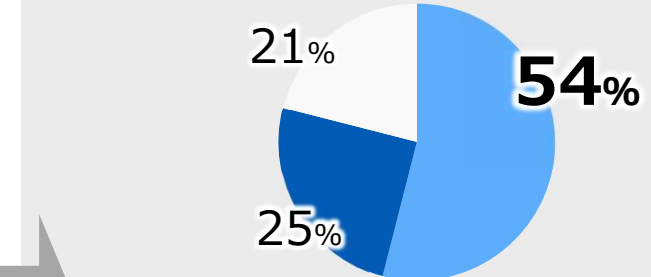
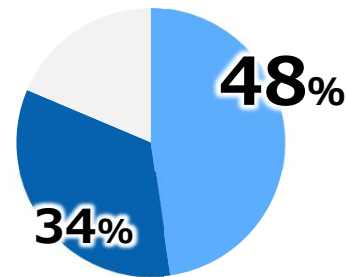
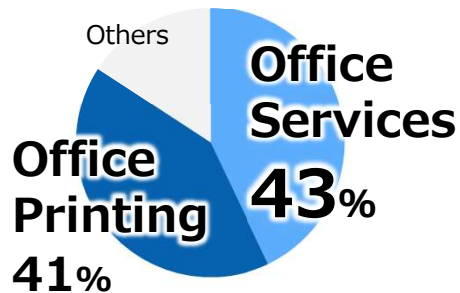
Office Services drives transformation into a digital services company

FY22
Profits overtakes

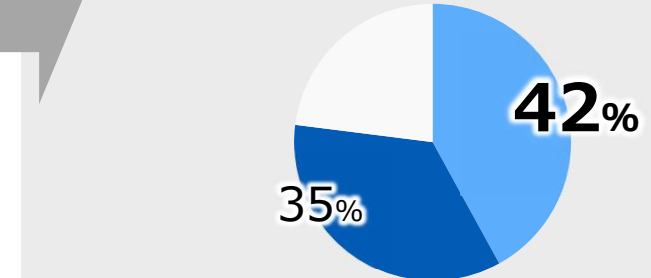
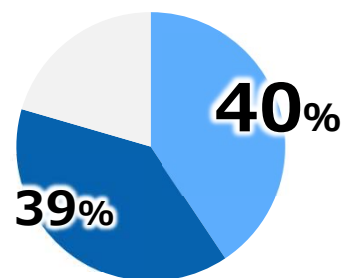
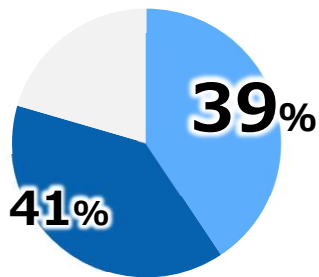
FY23
Sales overtakes

FY25
Majority of operating profits

Operating Profit



Sales



※All graphs are prior to headquarter adjustments and eliminations.

Roadmap to 2025: Strengthen Business Foundation

Focus on strengthening the management base required for a digital services company

Initiatives so far

Areas to strengthen towards FY2025

Corporate culture and people



Create a culture and system supporting self-motivated employees

- Attendance rate of about 30% due to work style reforms
- In-house accelerator program and side-business system (FY2019-)
- Increased work choices and improved employee engagement
- Introduction of Ricoh-style **job-based personnel system**
- **Enhance digital literacy** for 30,000 employees in Japan
- Proactively shift personnel company-wide, and **implement practical in-house DX** thru internal reskill training

Infrastructure and framework



Utilize digital communication tools based on employees' developed IT literacy

- Drive Notes utilization with end-user computing (FY1999-)
- FY2017, Introduced Office365 globally
- FY2018, Introduced RPA, 800-themed business process reforms
- **Upgrade approx. 70% of enterprise systems**, incl. 180 systems to cloud
- **Pursue data-driven management** by defining and maintaining master data
- **Build RSI platform** as a global common infrastructure

Technologies and R&D

Develop digital services leveraging technologies cultivated in the office business

- Research and development of optical and image processing technologies mainly for office imaging equipment (MFP/LP)
- Develop products that realize the fulfillment through work by **converting the five senses of people into data**
- Realize digitalization of manuf. ("**Functional Printing**") with inkjet technology



The 20th Mid-term Management Plan

The 20th Mid-Term Management Plan Goals

Transform to a digital services company that innovates workplace productivity

FY22: **ROE > 9%**

Driven by business growth and capital profitability improvements

Financial Targets

Financial Indicators	FY22
Operating profit/margin	¥100 billion/5%
Sales	¥2,000 billion
ROIC	More than 6.5%
Office Services business operating profit※	8%

※based on the current segment

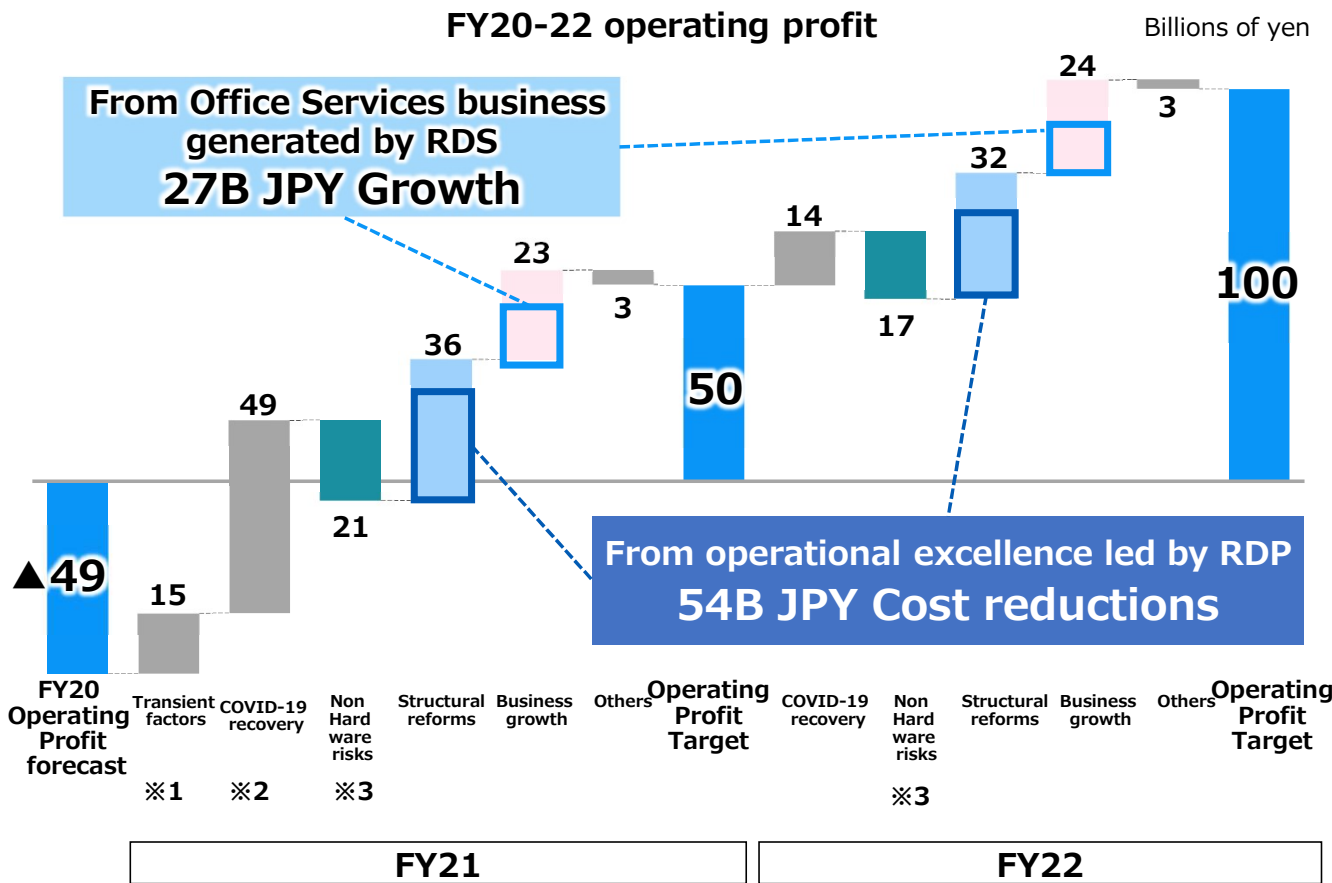
Future Financial Targets

Targets by stakeholder (from 17 ESG targets)		FY2022
Customers	Top score from customers	30%
Society	GHG Scope 1 and 2 (from FY15)	30%
	GHG Scope 3 (from FY15)	20%
	Electricity from renewable energy sources	30%
	New resource content in products	<85%
Employees	Employee Engagement Score	50 percentile in each region
Partners	Rating score from each partner	Set by partner
Shareholders	ROE	9%

To achieve ROE 9% – Operating Profit Target

Generate profit by structural reforms and business growth in addition to recovery from the COVID-19

FY20-22 operating profit



※Condition/Remarks

1. Transient factors in FY20: Impairment losses, structural reforms expenses, government subsidies, etc.
2. Assumed to recover 9% of hardware and 8% of non-hardware of COVID-19 impact (including cost increases associated with the recovery).
- In FY19→20 COVID-19 impact (HW:-13%; Non-HW:-18%)
3. Assumes CAGR impact of -4% to -5%

※Total impact amount over two years

Office segment	<ul style="list-style-type: none"> ■ RDP/RDS +54B JPY - Cost reduction in Office Printing ■ RDS +27B JPY - Growth in Office Services ■ RDP +6B JPY - Accelerate external sales of MFP and new devices
Frontline's major Cost reduction	<ul style="list-style-type: none"> ■ RGC +6B JPY - Narrow down product lineups, reduce costs, and reorganize service structure ■ RIS +5B JPY - Partner joint cost reduction and organizational restructuring
Frontline's major Business growth	<ul style="list-style-type: none"> ■ RGC +8B JPY - Workflow solutions for printing sites - Accelerate Offset-to-Digital ■ RIS +6B JPY - Expand LD-TR and industrial stereo cameras - Expand production facility solutions

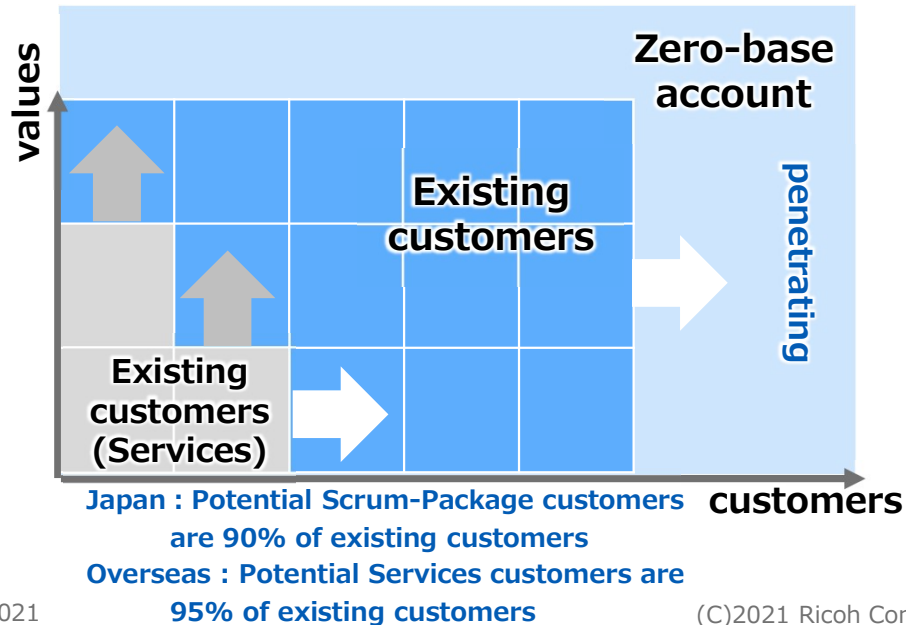
Roadmap to boost Office Services business **RICOH** imagine. change.

Grow annuity business by expanding customer base and increasing values

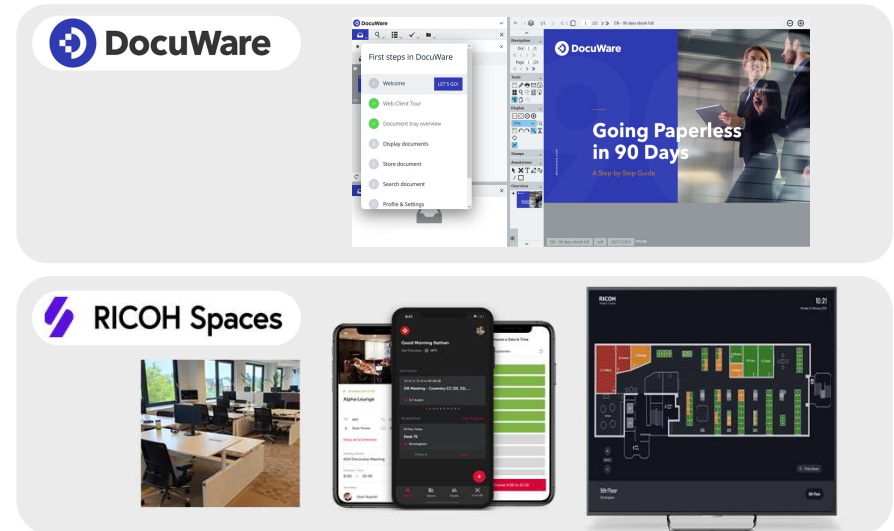
Increasing values : +11B JPY Operating Profit

Reinforcing system-integration capability by aggressive investment in Japan/Europe, and enhancing software product lineup for growing annuity business

- Cross-selling of package services, integration services
- Ricoh unique software deployment



Software business contributions



Expanding customer base : +16B JPY Operating Profit

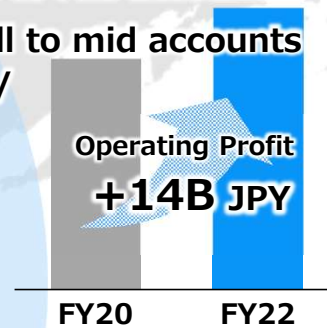
- Package-services meeting local requirement
- Focusing pan-Europe customers with connecting local capability
- Expansion of leading business models to Asia and Latin America

Office Services : FY21-FY22 Regional & Group Strategies

Driving growth by investing in Japan/Europe markets and expanding customer base.
Growing annuity business and improving profitability by global common infrastructure.

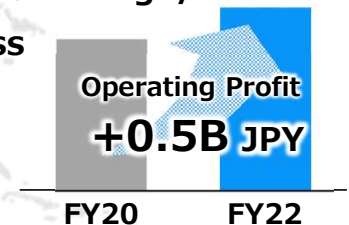
Japan : Small to Mid accounts
Support DX of small to mid accounts

- Scrum-package/
Scrum-assets



North-America : Large/mid accounts

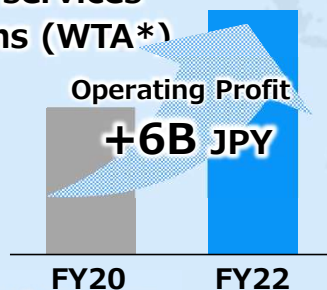
Digitalize our BPO business
for large accounts



Europe : Mid to Large accounts

Enhance capabilities through
aggressive investment and M&A

- Pan-Europe ICT services
- Package solutions (WTA*)



*WTA: Work Together Anywhere

RDS headquarters

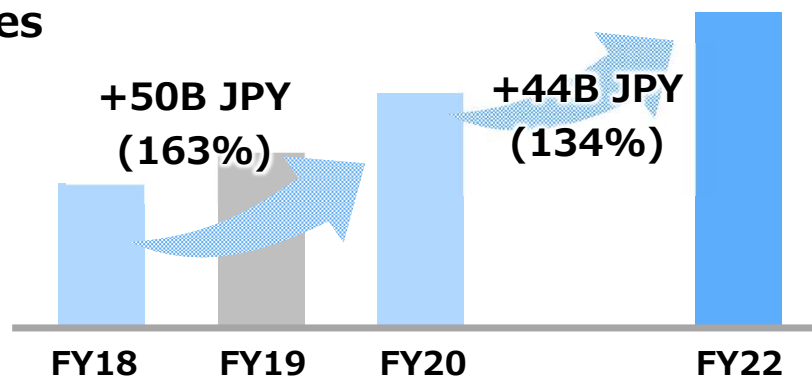
Develop in-house software for efficient operations support

- Ricoh unique software deployment (Op. Profit +3.5bn JPY)
- Global common infrastructure (RSI·service-delivery network)
- Promote global partner alliance
- Deploy to Asia/Latin America (Op. Profit +3.0bn JPY)

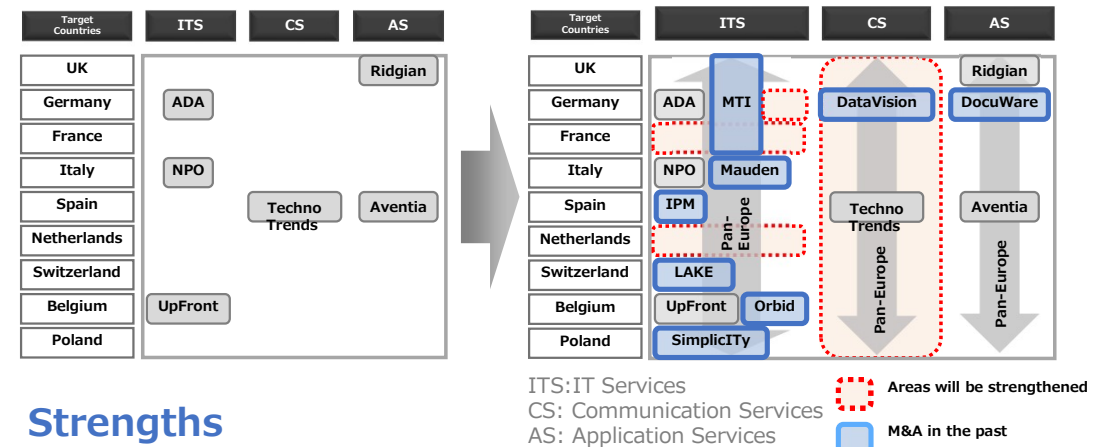
Office Services Growth in Europe

Reinforcing capabilities through aggressive investment and M&A

Sales



Capability reinforcement through M&A



Opportunities

- Workstyle diversifying due to COVID19
- EU-led digitalization/international DX in Europe

Annuity business with pan-Europe ICT businesses

- Continuous M&A with local capability enhancement
- Multi-skilled sales reps/field technicians
→ Shift to Office Services sales • **sales force enhancement**
→ Package services
- Connect capabilities acquired through M&As and **expand business with European large accounts**

Strengths

Capability enhancement by M&As and in-organic growth

- Acquired **ICT capabilities** by M&As
(4 M&As in FY20 : Orbid, DataVision, SimpliCITY, MTI)

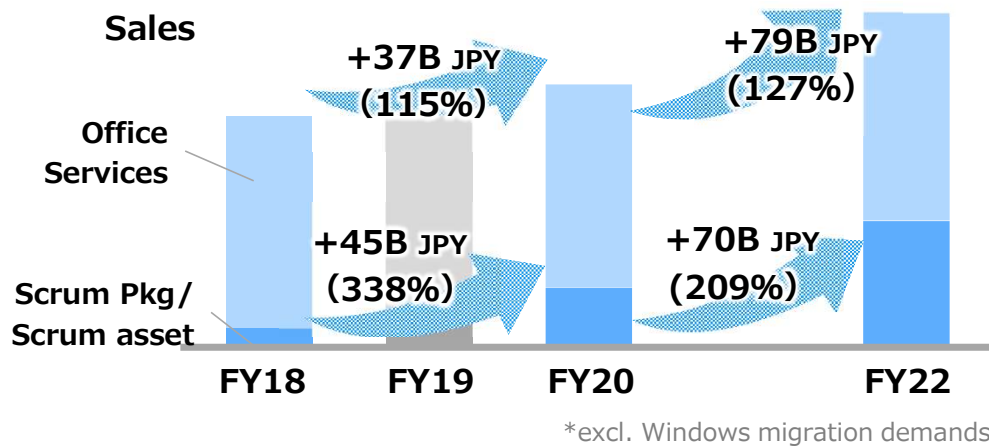
Customer base and salesforce nurtured in Office Printing

- Mid-large account base (incl. pan-Europe business)
- 24 Operating Companies, **3,300** sales reps and **4,000** field technicians
- WTA packages* FY20 4,200 sales (6.5B JPY)
- Competency in Microsoft/Dell and strategic partnership

*WTA: Work Together Anywhere 17

Office Services Growth in Japan

Driving growth by supporting SMBs & local governments DX



	FY20	FY22
Scrum-package Customer Ratio	10%	20%
Number of Scrum-package Sales	65,000 (275% *vs FY18)	130,000 (200% *vs FY20)

Opportunities

- SMBs, local government DX
- Diversifying workstyles

Expand annuity business by customer base expansion

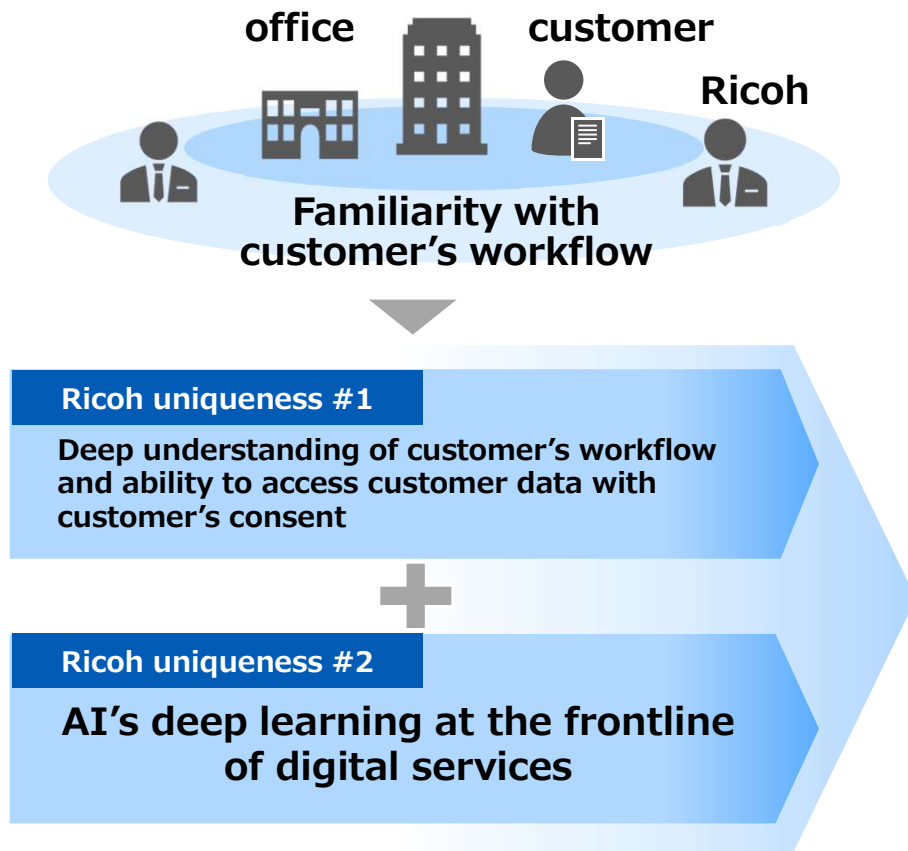
- "Scrum on scrum"
(increase sales per customer, annuity business)
- GIGA school, government-led digitalization
- Drive sales of EDW applications for annuity business

Strengths

- SMBs with **700K business sites** that system integrators cannot cover
- **12,600** sales reps and **6,300** field technicians
- J.D.Power IT Solution Provider, ID Device Support Customer Satisfaction survey **Rank #1 for 6 consecutive years**
- WinPC B2B market share **Rank #1 for 2 consecutive years**
- Microsoft 365 SMB customers (source: Microsoft Japan) **Rank #1**

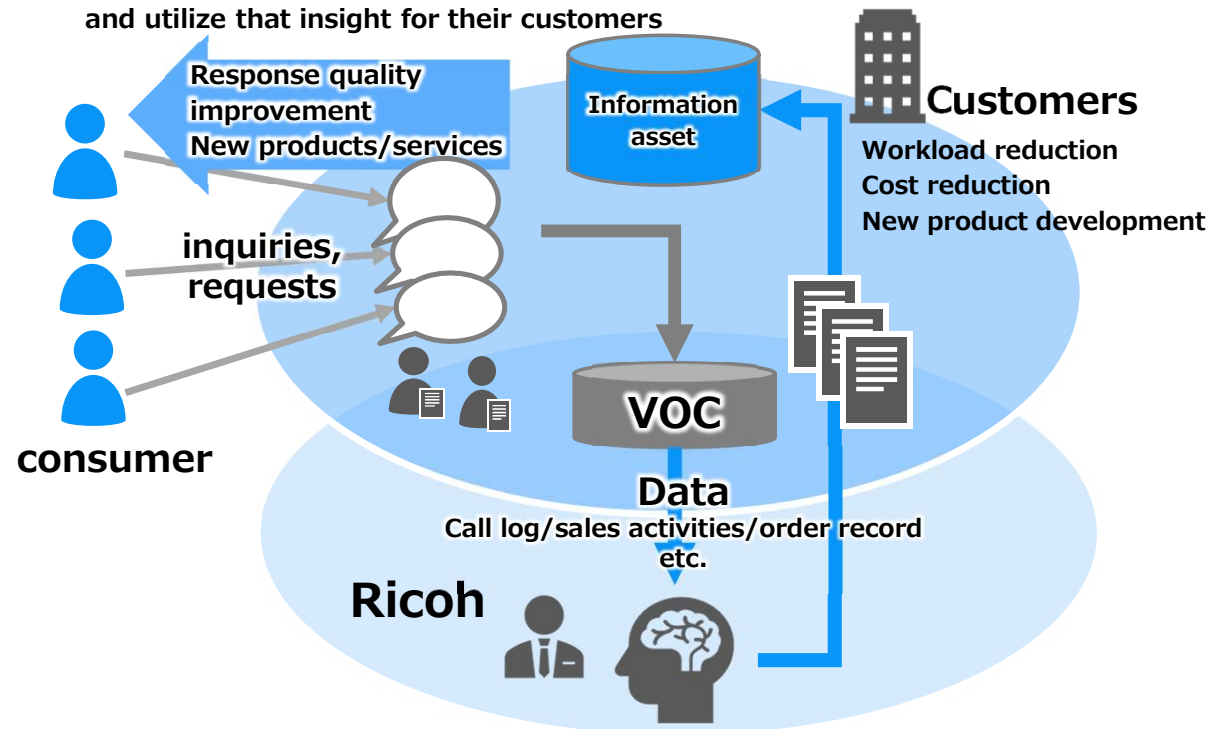
Co-creation of data business with a customer

(New value creation with customer's data)



■ Proof of Concept at customer site (to be started in April)

Transform data at customer site into valuable information asset through AI and utilize that insight for their customers



Office Printing : Pursuing Operational Excellence

Cost reduction through FY22 **-54B JPY**

Manufacturing reforms

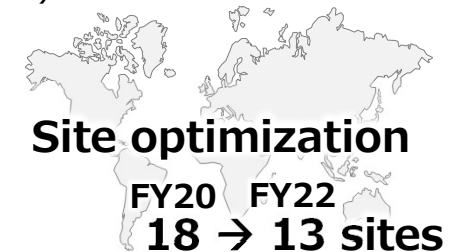
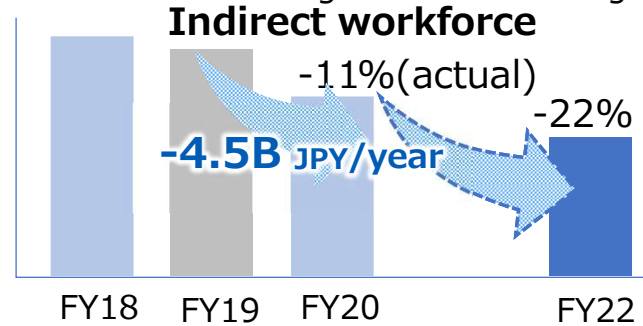
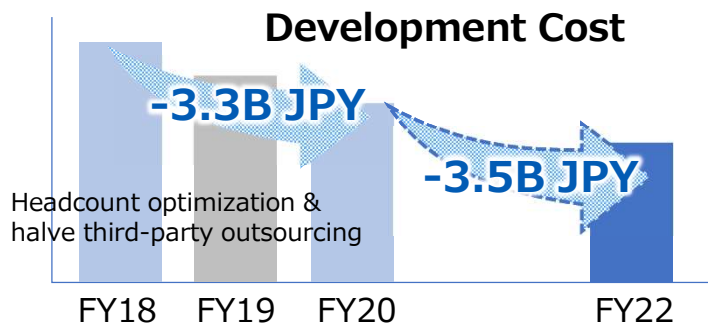
Variable cost reduction

Effective Service Operation

Reduced cost (vs FY20)		Primary actions		Primary KPIs	
manufacturing reforms -18B JPY	Development	<ul style="list-style-type: none"> Development efficiency improvement through digitalization New development process by merging development and production organizations 	▲3.5B JPY	Development manhours per model (vs FY20)	-20%
	Production	<ul style="list-style-type: none"> Indirect workforce optimization through digital manufacturing and remote operation Production site optimization 	▲14.5B JPY	Indirect workforce	-22%
				Site optimization	18→13 sites

Development
[target] Controller development manhours -30%
Rebuild development process
Automated design evaluation software (completed)

Production
[target] Production efficiency +30%
•China sites optimization (completed)
•Quality improvement and cost reduction through digital manufacturing (DM)



Office Printing : Pursuing Operational Excellence

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Manufacturing reforms

Variable cost reduction

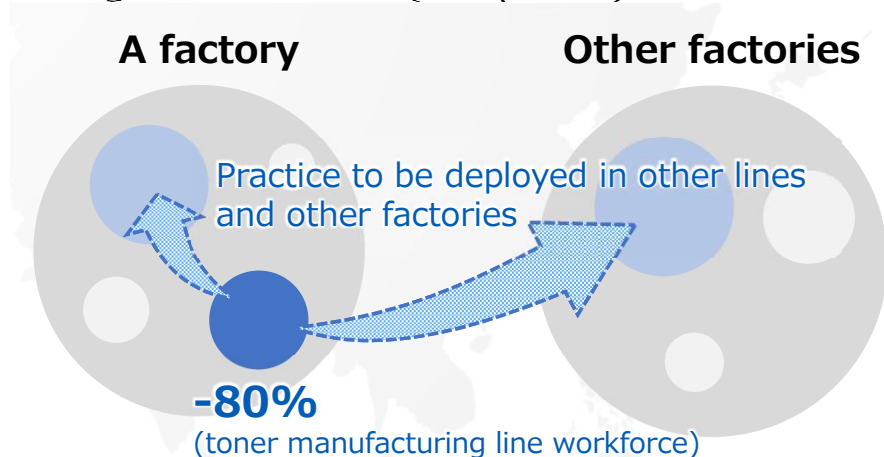
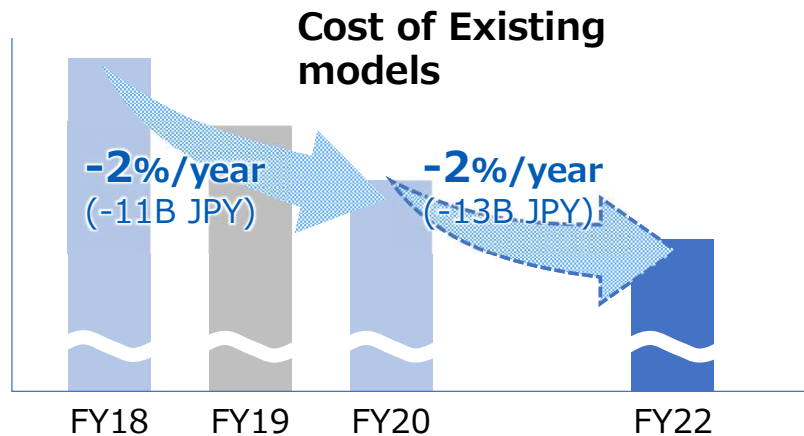
Optimize Service Operation

Cost reduction (vs FY20)	Primary actions	Primary KPIs
Variable cost reduction -13B JPY	<ul style="list-style-type: none"> Continuous cost reduction through common use parts Direct labor cost reduction through AI-based production automation New model cost reduction through joint cost improvement with suppliers 	Existing models -2%/year New models -15%

Existing model

•Ongoing cost reduction of hardware materials and products

•80% workforce reduction at toner manufacturing line through AI utilization (completed)



Office Printing : Pursuing operational excellence

Cost reduction through FY22 **-54B JPY**

Manufacturing reforms

Variable cost reduction

Optimize service operations

Cost reduction (vs FY20)	Primary actions	Primary KPIs
<p>Optimize service operations -23B JPY</p>	<ul style="list-style-type: none"> Improve maintenance efficiency by MIF penetration of Smart Support compatible models Customer Engineers multi-skill training 	<p>SS* compatible MIF above 60% Reduce dedicated CE 15%</p>

【Status of initiatives】

※ SS=Smart Support

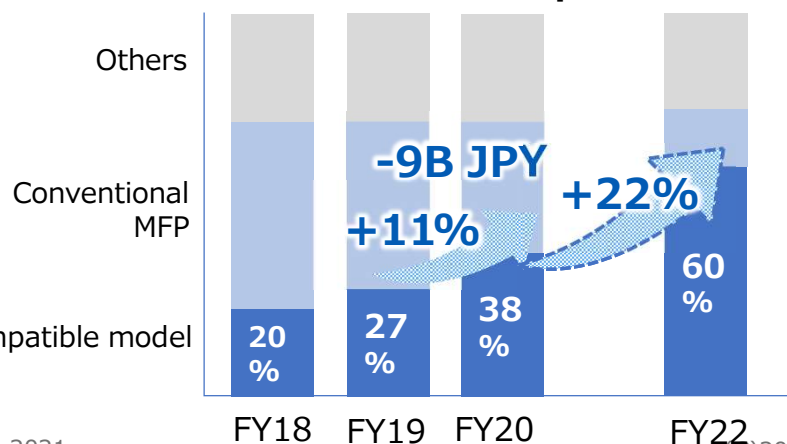
Optimize Service

[Target] Halve downtime (vs FY16)
 •Shorten service time (Achieved 50.4%)
 •Reduce downtime (Achieved 66% reduction)

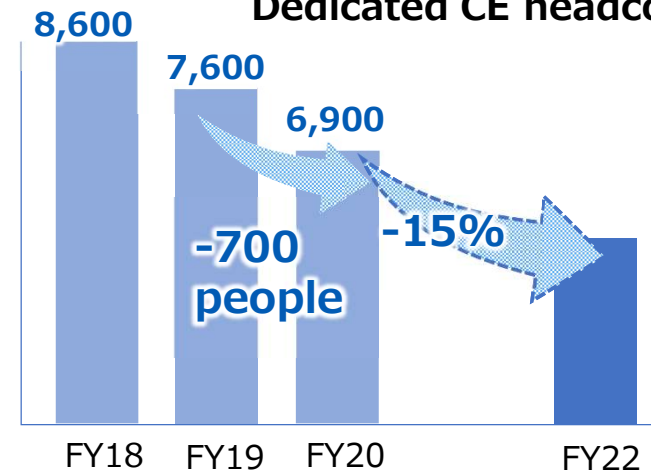
Dedicated Customer Engineers

•Shift to Office Services by multi-skilling

MIF trend of SS compatible models






Dedicated CE headcount



Office Printing : New Initiatives for Growth

New interface devices connecting people and cloud to support diversifying workstyles

Business domain	Value propositions	FY25 target
New interface devices	Offices (actual+remote) Effective communication ■ IWB/PJ[※] & Apps ■ New meeting devices & services	 New meeting devices and services
	Home Comfortable and safe work environment ■ Personal printer/scanner for working at home ■ Gateway terminal for secure connection	 Personal printers
	Frontlines Cloud service interface for everyone ■ Self-service terminal as point of contact for people as non-contact or non-face-to-face communication increases	 Self-service terminals

sales
50B JPY

※ IWB=Interactive Whiteboard
PJ=Projector

Office Printing : Expand Customer Base with Partnerships

Providing technologies to external partners and promoting partnerships in non-focal areas

~ Efficient development investment and drive partnership collaboration amidst a shrinking market ~

Business domain	Value propositions	FY25 target
<p>OEM business</p>	<ul style="list-style-type: none"> ■ Aggressive OEM provision of peripheral devices ■ Alliance with competitors in A3 color MFP area ■ Partnering in reuse/recycle or special printing 	<p>sales 100B JPY</p>

Stapleless stapler



Double-digits usage increase (vs previous model, Japan)

Recyclability and safety for paper documents

Compact Folding Unit



Compact but versatile paper folding functions

Effective paper handling for office documents

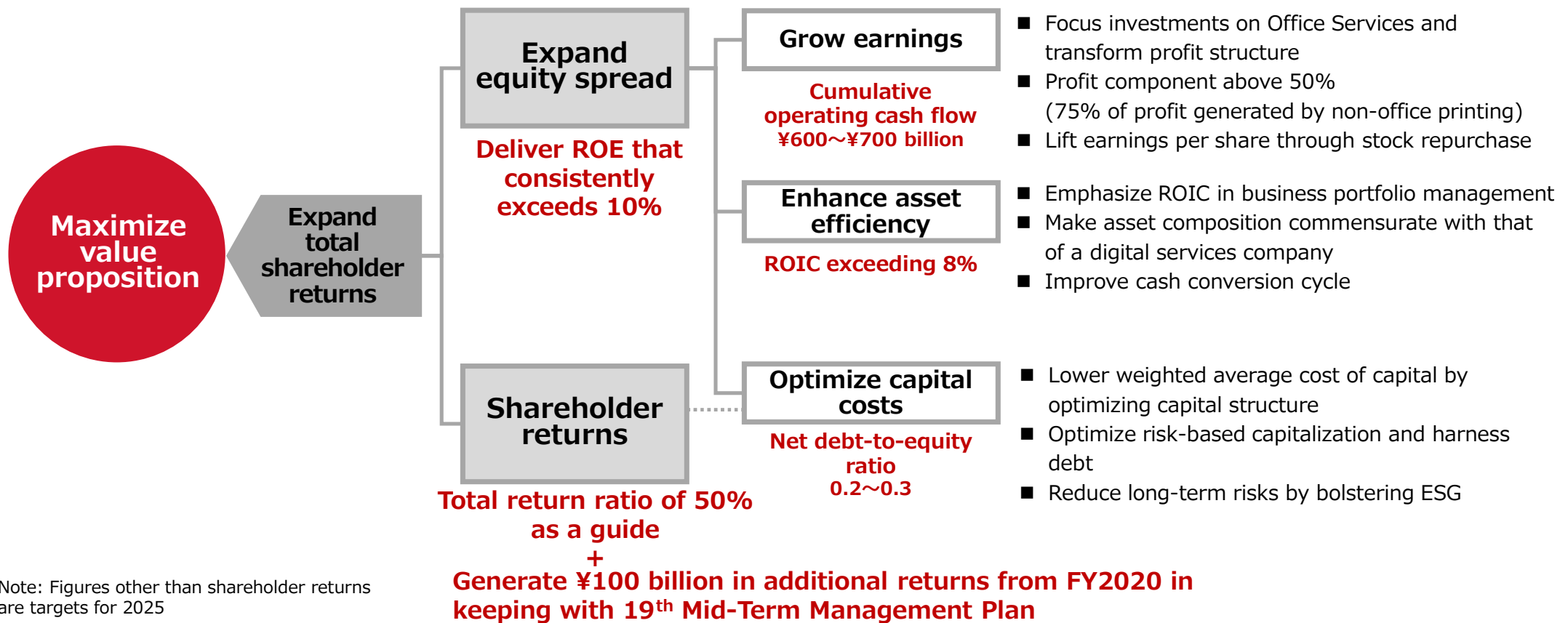




Capital Policies to Support Medium and Long-Term Growth Through FY2025

Toward FY2025: Maximize Corporate Value

Steadily deploy measures to enhance corporate and shareholder value



Note: Figures other than shareholder returns are targets for 2025

Capital Policy Stance

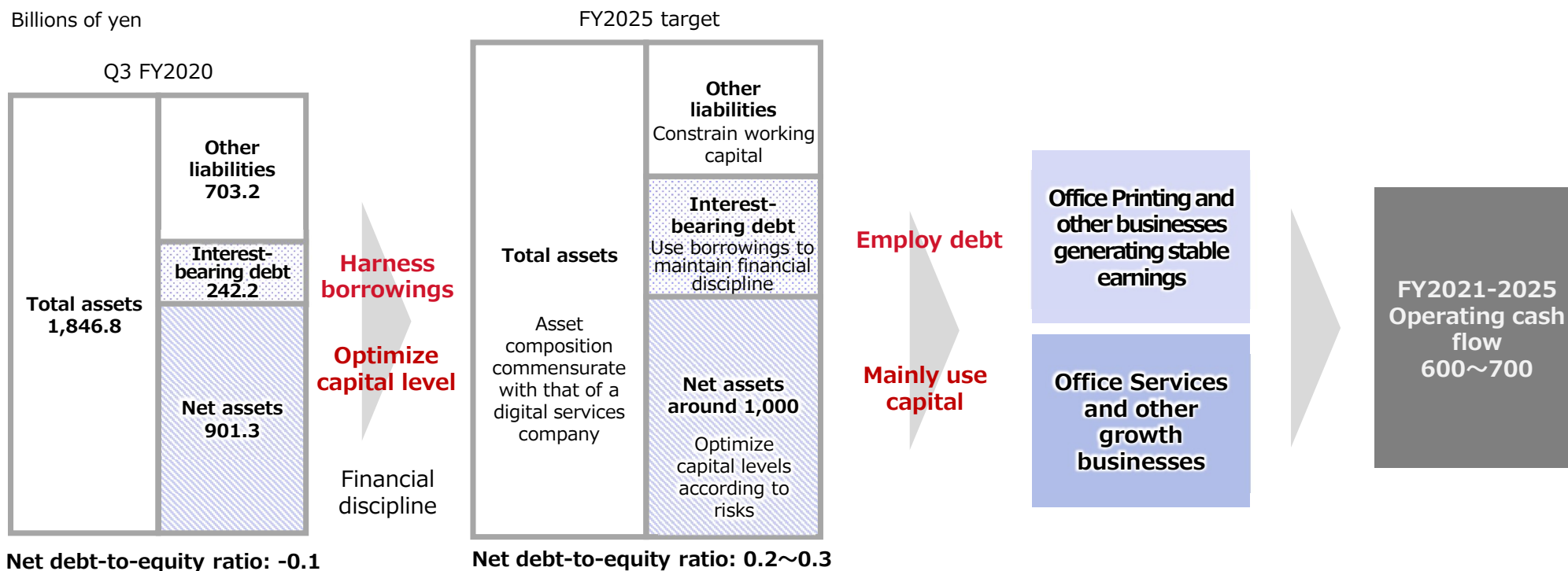
Optimize Capital Structure and Allocations

As a digital services company: (1) optimize capital structure, (2) properly allocate capital, and (3) generate operating cash flow

(1) Balance sheet management
(Optimize capital structure)

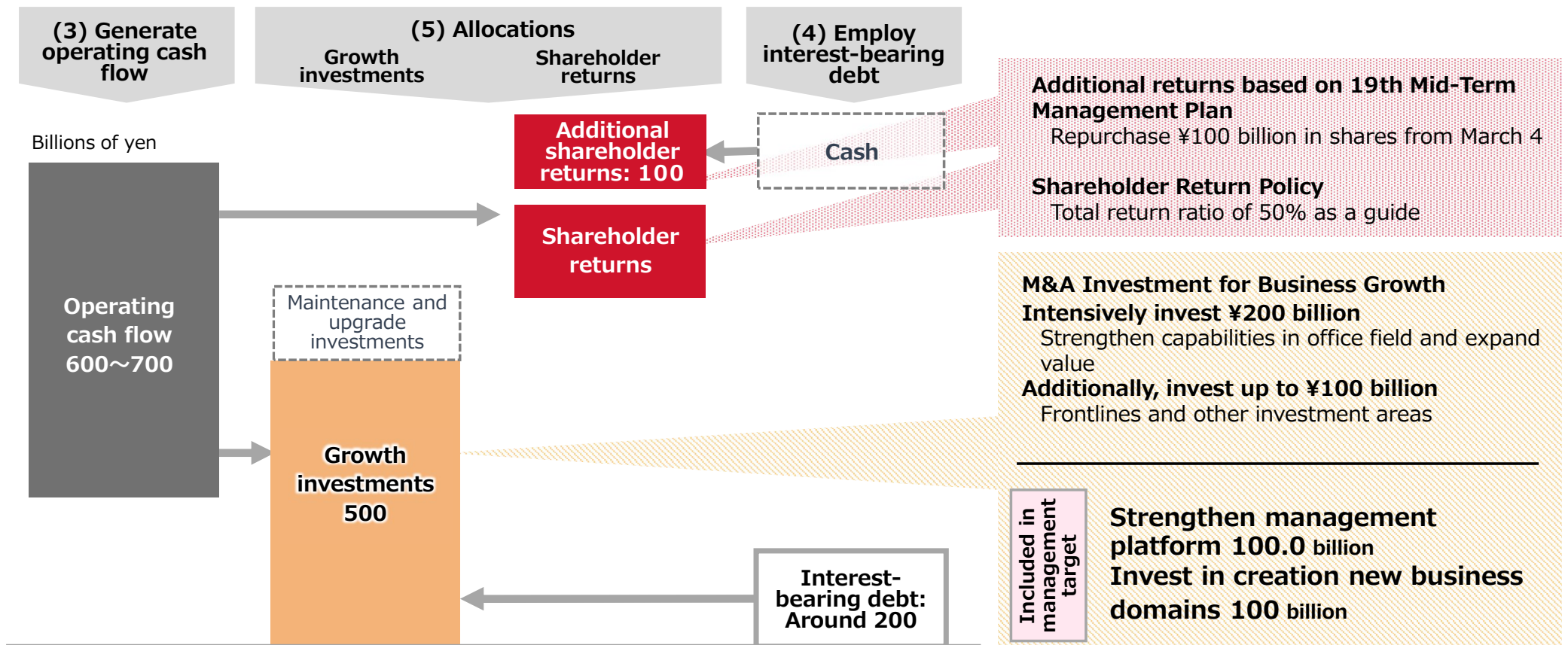
(2) Optimize capital structure

(3) Generate operating cash flow



Capital Policy Stance (Cash Allocation)

Drive business growth and deliver appropriate shareholder returns through efforts to (3) generate operating cash flow, (4) employ interest-bearing debt, and (5) optimize allocations



Delivering Additional Shareholder Returns

Retire shares, including those currently held as treasury stock, after ¥100 billion share repurchase

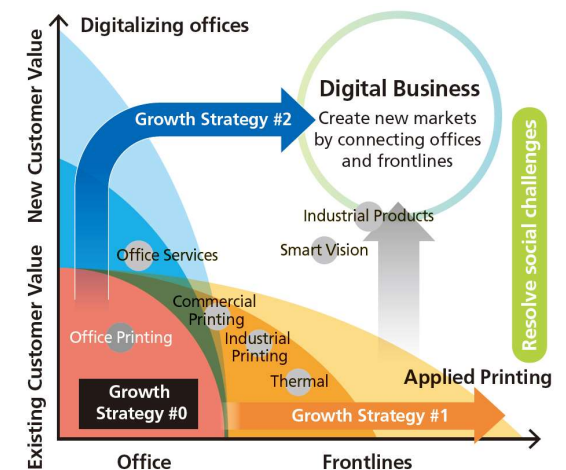
Share repurchase

- (1) Share Category Common Stock
- (2) Number of shares Up to 145,000,000
Representing 20.02% of issued & outstanding shares (excl. Treasury Shares)
- (3) Purchase ceiling ¥100 billion
- (4) Period March 4, 2021, through March 3, 2022

Share retirement

- (1) Number of shares 20,000,000 and all shares repurchased
- (2) Retirement date April 30, 2022

The 19th MTP Growth Strategy



Growth Investment

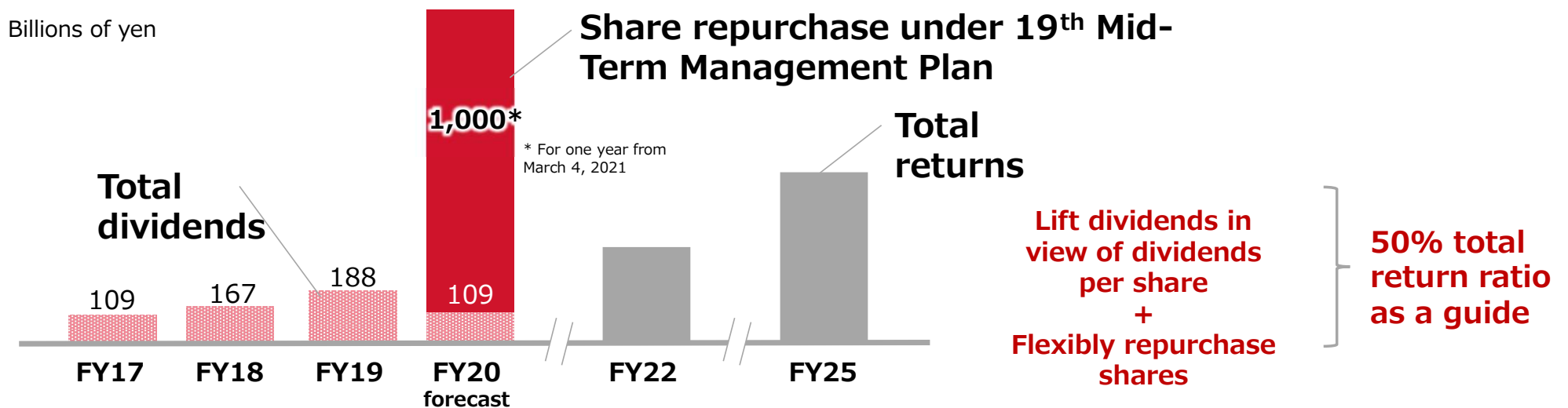
500B JPY growth investment (incl. 300B JPY for M&A) will be conducted with employing debt and cash generated

	Focus area		Amount
① M&A investment for growth* <small>*Only firm M&A initiatives are included in management targets</small>	M&A in Office Services arena <ul style="list-style-type: none"> ■ Enhancement of workforce and IT services coverage in Japan, Europe ■ Value propositions expansion and profitability improvement by acquiring software company 		Approx. 200B JPY (prioritized)
	M&A in frontlines* arena <ul style="list-style-type: none"> *Frontlines such as printing, manufacturing, logistics industries, which will be covered by RICOH Graphic Communications and RICOH Industrial Solutions 		Approx. 100B JPY (additional)
② Strengthen business foundation	<ul style="list-style-type: none"> ■ Nurture and acquire digital experts ■ Renewing enterprise system ■ Our Digital Revolutions 	Included in management target	Approx. 100B JPY
③ Investment for new business domains	<ul style="list-style-type: none"> ■ Cutting-edge technologies to transform five-senses into data and to focus functional printing ■ Create new businesses to resolve social challenges 	Included in management target	Approx. 100B JPY

Shareholder Returns Policy

Target total return ratio of 50%, ensuring stable dividends while flexibly repurchasing shares

Policy	<u>Total return ratio of 50% as a guide with incremental increases</u>
Dividends	Factor in dividends per share in stabilizing and <u>continuously increasing dividends</u>
Stock Repurchase	Repurchase shares within scope of total return ratio, taking business climate and growth investment situation into account






Conclusion

New Initiatives to Resolve Social Issues

Leveraging proprietary technologies to resolve social issues through business


In 1998, Ricoh advocated environmental management in keeping with its view that sustainability stems from simultaneously safeguarding the environment while generating profits. Ricoh will continue to pursue resolving social issues through business.



Zero-Carbon Society
Biomass plastics

PLAiR, a new plant-derived material
Proprietary foaming technology ensures flexibility and strength and helps achieve zero-carbon society


Chemical technology



QOL enhancement
EV, IoT devices

Lithium-ion secondary cells manufacturing solution
World's first rechargeable inkjet battery paves the way to wearables in various sizes and shapes

Inkjet technology



QOL enhancement
Social infrastructure

Social infrastructure inspection services
Camera technology measuring depth of field liberates workers from hazards associated with working at heights

Optical·AI technology

Fulfillment through Work

Work can be stressful at times.

But also incredibly fulfilling when you overcome a challenge. Fulfillment through Work.

The foundation of this is the “Spirit of Three Loves” that Ricoh has pursued tirelessly since the company was established in 1936.

We launched office automation in 1977. We wanted to revolutionize work by releasing workers from the tedium of endless repetitive tasks so that they could enjoy that feeling gained from achievement and self-development one gains from completing more engaging tasks.

By 2017, this had developed further to become our value proposition, “EMPOWERING DIGITAL WORKPLACES,” where we empower worker’s creativity and improve workplaces.

Ricoh provides services to enable individuals to work wherever and whenever they want.

We want to provide a future where all workers, workplaces, and workflows will be connected and thus contribute to a more sustainable society where people are empowered to innovate.

Ricoh is changing this moment in time by imagining the future, and by providing fulfillment through work, we will enhance the quality of life.

RICOH
imagine. change.