

# Basic Policies and Key Points of 21st MTS

Basic policy  
**1**

## Reinforce regional strategies and evolve Group management

Build a stable earnings base by amassing highly profitable digital services recurring revenues

We will generate earnings non-Office Printing and build a highly profitable structure. It is accordingly important to do three things. These are to improve our customer touchpoint value creation capabilities, demonstrate Group synergies, and be able to tackle business climate changes so we can keep enhancing earnings.

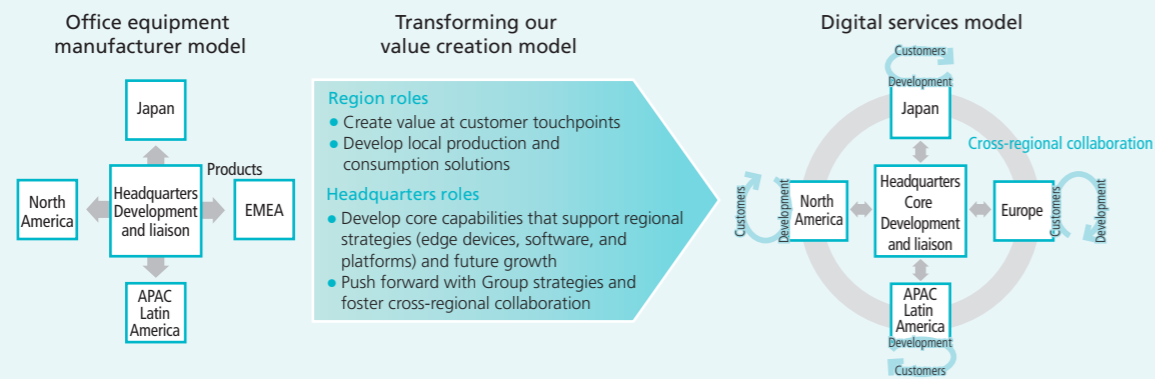
We operate in Japan, EMEA, North America, and around APAC and Latin America. Our customer bases vary across those regions. No two customers have the same challenges or needs. We therefore need to strengthen touchpoints with regional customers and build a local production and consumption

development structure so we can swiftly deliver solutions while staying close to customers and help them transform their work practices. Under the 21st MTS, we will reinforce customer touchpoints by factoring in regional customer characteristics and our current organizational capabilities, thereby enhancing our structure to deliver value.

We will generate global synergies as a Group by having headquarters take the lead in building an ecosystem through the RICOH Smart Integration, bolstering and globally deploying proprietary software, and developing and supplying competitive edge devices.

### Enhance customer touchpoint value

Become a digital services company with a strategy to create value with regional customers



| EMEA   | North America   | Japan  |
|--|---|--|
| <p>Phase to maximize synergies between acquired companies and existing sales subsidiaries</p> <p><b>One Ricoh growth strategy and expanded recurring revenue from services</b></p> <ul style="list-style-type: none"> <li>Maximize synergies between acquired companies and Ricoh sales subsidiaries                             <ul style="list-style-type: none"> <li>Strengthen high-value-added services capabilities (Workplace solutions for big corporations; information and communication technology managed services for mid-sized companies)</li> <li>Uphold acquisition strategy to steadily enhance competitiveness and grow discontinuously</li> </ul> </li> <li>Develop recurring revenue services and continue to expand business                             <ul style="list-style-type: none"> <li>Accelerate RICOH Spaces and managed audiovisual service deployments</li> </ul> </li> </ul> <p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>Customer base in more than 60 countries of 180,000 mainly mid-sized and large companies</li> <li>Secured information and communication technology and audiovisual capabilities through acquisition strategy and pan-European expansion</li> <li>Provided multiskills training of 3,200 direct sales and 4,800 field engineering Office Printing and Office Services people</li> </ul> | <p>Speed up major client Business Process Services (BPS) digitalization by focusing on targeted industries</p> <p><b>Deploying digital services to robust customer base</b></p> <ul style="list-style-type: none"> <li>Transition from traditional staff dispatch model to BPS tapping digital technology                             <ul style="list-style-type: none"> <li>Digitalize BPS to enhance convenience and profitability</li> </ul> </li> <li>Expand digital services portfolio by sector through local planning and development entities</li> <li>Sell new Office Services business add-ons for customer base of large and very large companies                             <ul style="list-style-type: none"> <li>Deploy managed audiovisual services through synergies with Cenero, LLC</li> </ul> </li> </ul> <p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>Customer base of approximately 1,800 on-site managed service locations, mainly major and very large companies</li> <li>High-quality and extensive business outsourcing record and customer reach</li> <li>Portfolio and personnel deployment across key financial services, healthcare, and retail sectors</li> <li>Secured audiovisual integrator capabilities by acquiring Cenero</li> </ul> | <p>Keep cultivating and deepening customer relationships in priority areas, centered on highly profitable Office Services</p> <p><b>Boost profitability by reinforcing digital services that resolve industry and business issues</b></p> <ul style="list-style-type: none"> <li>Cultivate customers in the vital manufacturing, distribution, construction, healthcare, and municipal government sectors</li> <li>Increase recurring revenues primarily from Scrum series, RICOH kintone plus, and Empowering Digital Workplaces initiatives</li> <li>Broaden center and on-site managed services by collaborating with PFLU</li> </ul> <p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>Serve around 1 million businesses, primarily small and medium-sized enterprises and mid-sized companies</li> <li>Localized, nationwide sales support structure</li> <li>Create and deploy solutions that address issues and capitalize on seasonal market opportunities</li> <li>Ranked first for eight consecutive years in J.D. Power's customer satisfaction survey of IT solutions provider and server maintenance services</li> <li>Ranked first in number of IT grants for three straight years</li> </ul> |

For more details, see: [RICOH Digital Services on page 43](#)

\* BPS resolve issues related to corporate business processes by outsourcing tasks to specialist vendors

Basic policy  
**2**

## Build revenue sources in frontlines and social domains

Secure recurring revenues in non-office domain while resolving social issues based on our amassed technologies

While we generate our revenues primarily from the office domain, we will expand our digital services and frontlines businesses to deliver value to more diverse customers. Operations at many manufacturing, logistics, and other frontlines sites still run on analog processes. We aim to leverage our technologies to develop new businesses. We will cultivate businesses that relate directly to resolving social issues.

Priority businesses under the 21st MTS include commercial printing, primarily for printing industry customers, as well as thermal solutions for printing on food, logistics, and other packaging. Also among them are businesses that help resolve social issues, a good example being PLAiR, a material that helps reduce pollution from waste. We will identify priority business domains and build key revenue sources in frontlines and social domains.

For more details, see: [RICOH Graphic Communications on page 47](#) [RICOH Industrial Solutions on page 49](#) [RICOH Futures on page 51](#)

Basic policy  
**3**

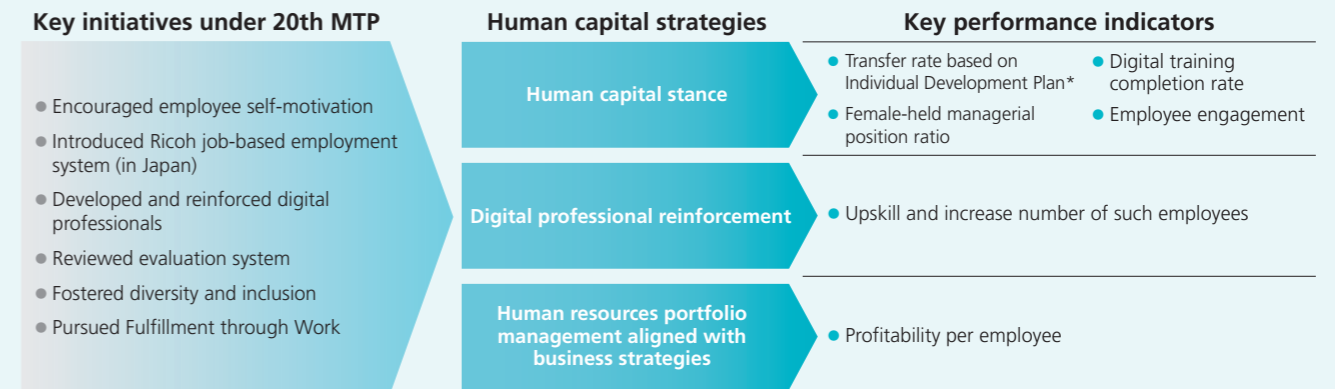
## Leverage global talent

Maximize human capital worldwide and shift people to growth areas

It is vital to leverage talent to transform our business structure and expand our value proposition globally. We position

employee capabilities as a form of capital. We accordingly formulated a human capital strategy to invest extensively in people.

### Human capital strategies driving business growth



\* The Individual Development Plan-based transfer rate represents the percentage of transfers and job changes based on such a plan

Autonomy, growth, and Fulfillment through Work underline our human capital strategy. We look to simultaneously realize job satisfaction and business growth by empowering our people to gain valuable experience at Ricoh.

As well as boosting the skills of Group employees, we will enhance the expertise of digital professionals who can help

create and accelerate our digital services. We will also reinforce talent to create advanced services at regional customer touchpoints and deploy our services models worldwide. We will cultivate tomorrow's managers in various ways, such as by implementing a fast-track digital services leadership development program and by offering experience in projects across the world.

For more details, see: [Human Capital Strategy on page 23](#)