



# Ricoh's Medium-Term Management Strategy

March 9, 2004

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President and CEO

Ricoh Company, Ltd.

## <Past>

### I. Outline of Medium-Term Management Strategy

## <Present>

### II. Main Strategies of 14th Medium-Term Plan

### III. Main Business Strategy Progress (Imaging Business)

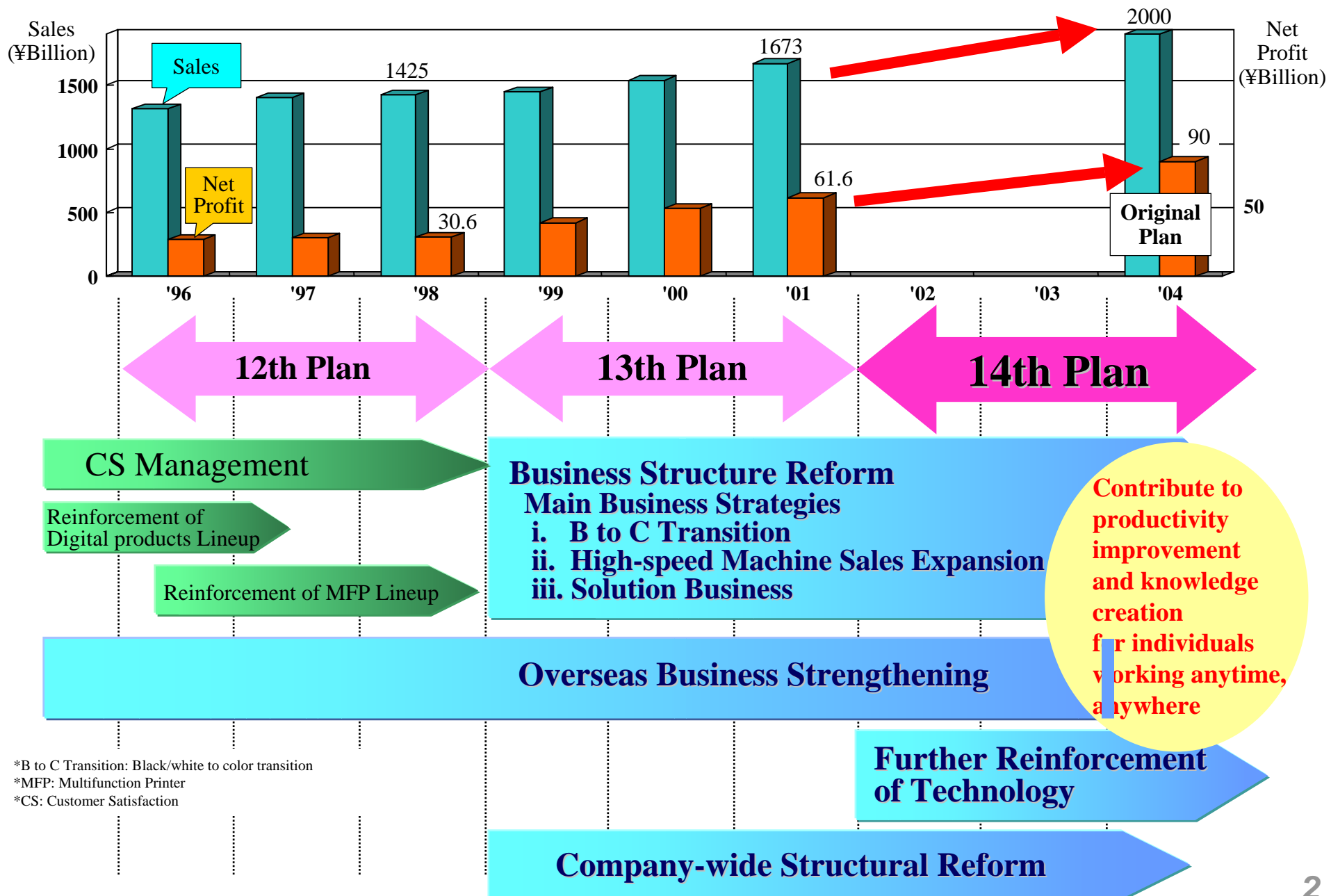
### IV. Original Target of 14th Medium-Term Plan

## <Future>

### V. Our Vision

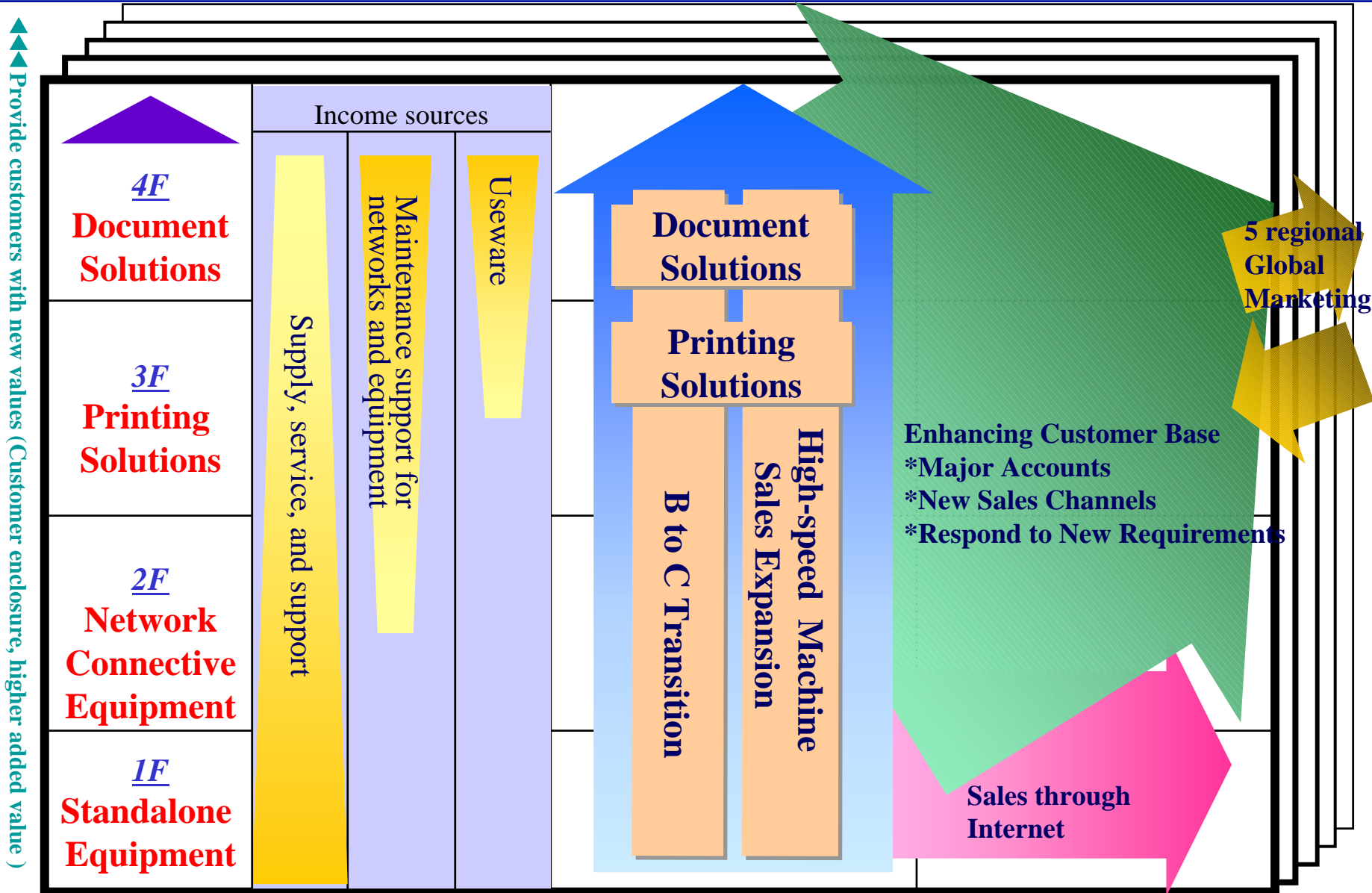
### VI. Target Areas

# I. Outline of Medium-Term Management Strategy



\*B to C Transition: Black/white to color transition  
 \*MFP: Multifunction Printer  
 \*CS: Customer Satisfaction

# II. Main Strategies (Enhance Value and Increase Customers)



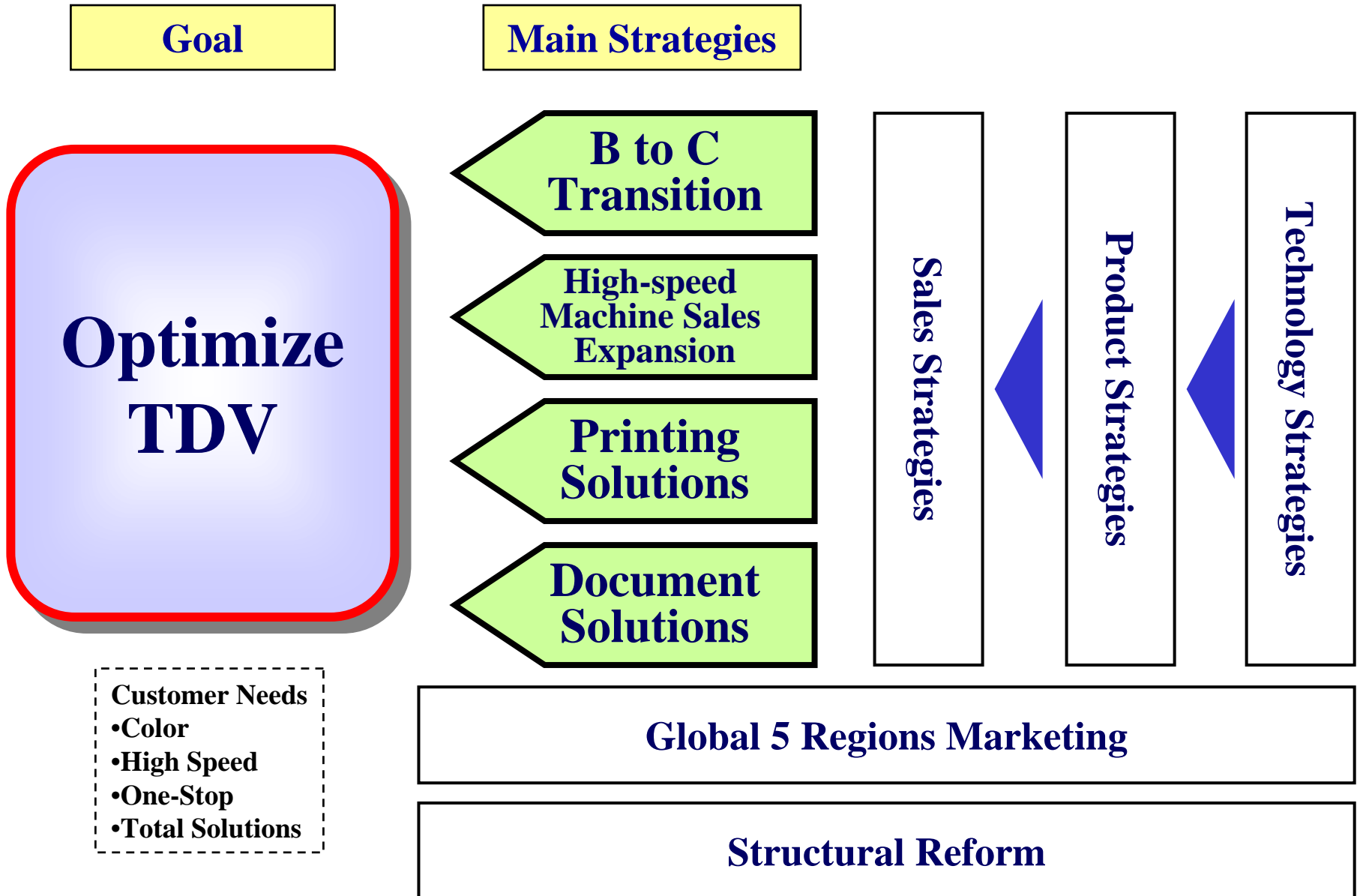
**Main Strategies**

Existing businesses    ↑    Expansion of customers    ▶▶▶    ↑    New businesses

Selecting and focusing on promising businesses, and efficient management resource allocation    /    Further strengthening business structure

B to C Transition: Black/white to color transition

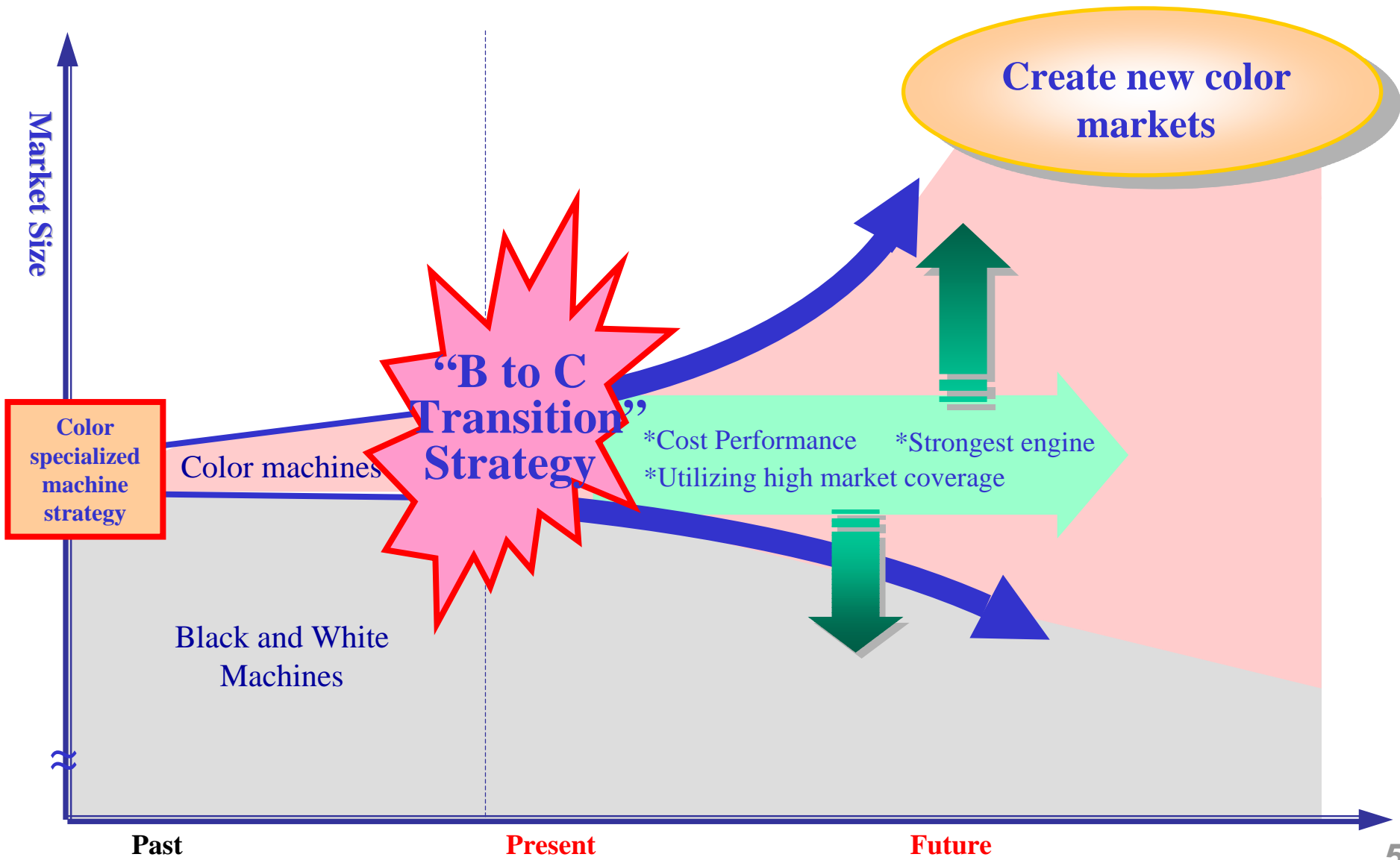
# III. Main Business Strategy Progress (Imaging Business)



TDV: Total Document Volume

# III-i. B to C Transition (1)

- Enhance market share by offering a full lineup of color machines



# III-i. B to C Transition (2)

## ● Enhancement and strengthening of color machine lineup

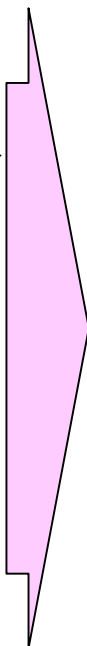
**B to C  
Transition  
subject**

**Previous target markets and launched machines**

	Large/Medium-size customer	Medium/Small-size customer
Centralized at floors/centers	<div style="border: 1px solid black; padding: 5px; text-align: center;"> <b>High-speed Monochrome MFP</b> </div>	
Divisional sharing		
Group sharing	<div style="border: 1px solid black; padding: 5px; text-align: center; background-color: yellow;"> <b>High-speed Color LP</b> </div>	<div style="border: 1px solid black; padding: 5px; text-align: center; background-color: yellow;"> <b>Mid-speed Color PPC/MFP</b> </div>
Small groups sharing	<div style="border: 1px solid black; padding: 5px; text-align: center; background-color: yellow;"> <b>Low-speed Color LP</b> </div>	<div style="border: 1px solid black; padding: 5px; text-align: center; background-color: yellow;"> <b>Low-speed Color PPC/MFP</b> </div>
	<div style="border: 1px solid black; padding: 5px; text-align: center; background-color: yellow;"> <b>Monochrome LP</b> </div>	<div style="border: 1px solid black; padding: 5px; text-align: center; background-color: yellow;"> <b>Monochrome PPC/MFP</b> </div>
Business Personal		

**Current/future target markets and launching machines**

	Large/Medium-size customer	Medium/Small-size customer
Centralized at floors/centers	<div style="border: 1px solid black; padding: 5px; text-align: center; background-color: yellow;"> <b>High-speed Color MFP</b> </div>	
Divisional sharing		
Group sharing	<div style="border: 1px solid black; padding: 5px; text-align: center; background-color: yellow;"> <b>High-speed Color LP</b> </div>	<div style="border: 1px solid black; padding: 5px; text-align: center; background-color: yellow;"> <b>High-speed Color PPC/MFP</b> </div>
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Business Personal	<div style="border: 1px solid black; padding: 5px; text-align: center; background-color: yellow;"> <b>GELJET</b> </div>	<div style="border: 1px solid black; padding: 5px; text-align: center; background-color: yellow;"> <b>GELJET</b> </div>



# III-i. B to C Transition (3)

## ● Target Area of GELJET printer

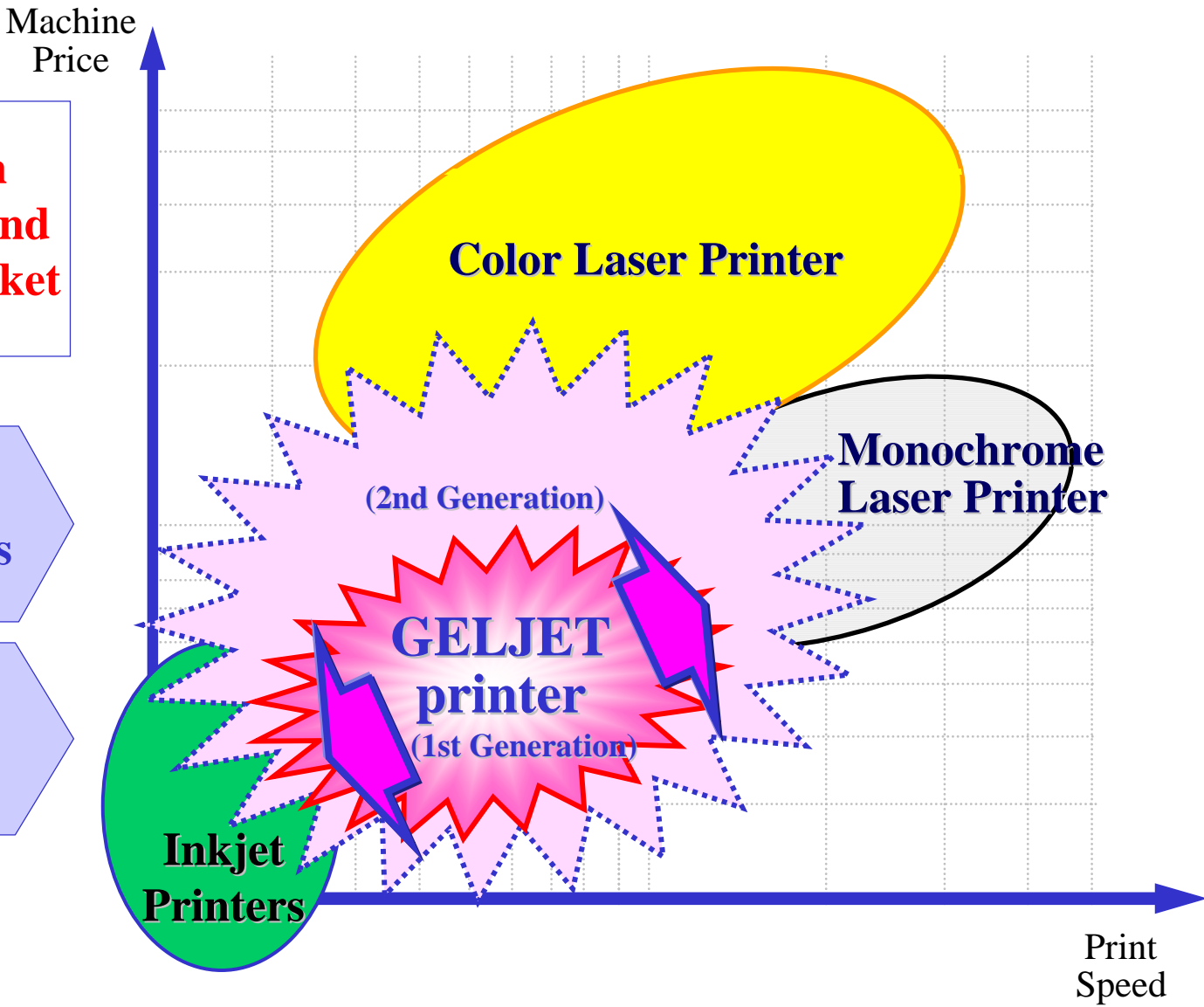
<Strategy>

**Replacement from competitors at low-end business printer market**



**Replacement from Mono-laser printers**

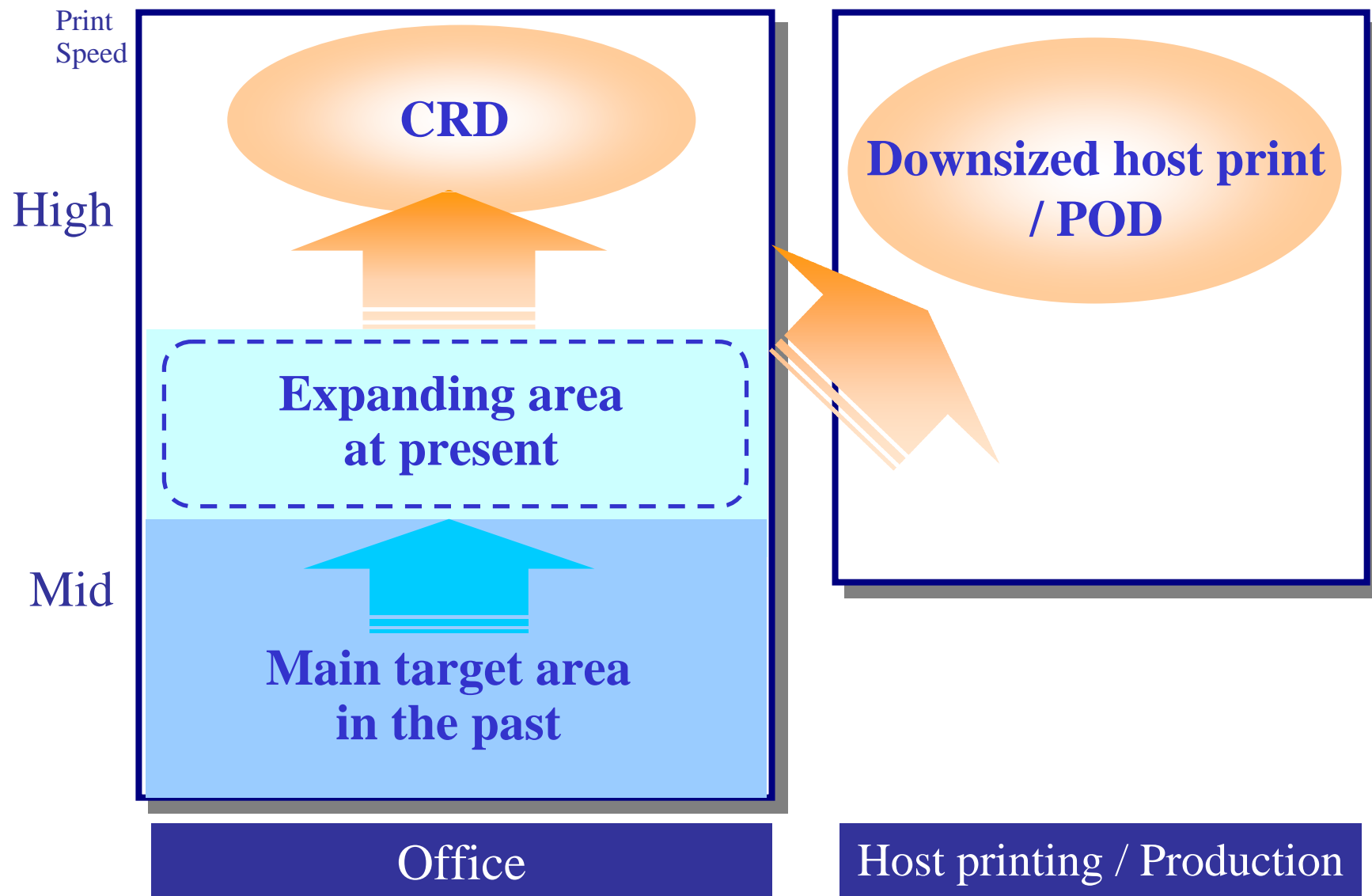
**Replacement from Inkjet printers**





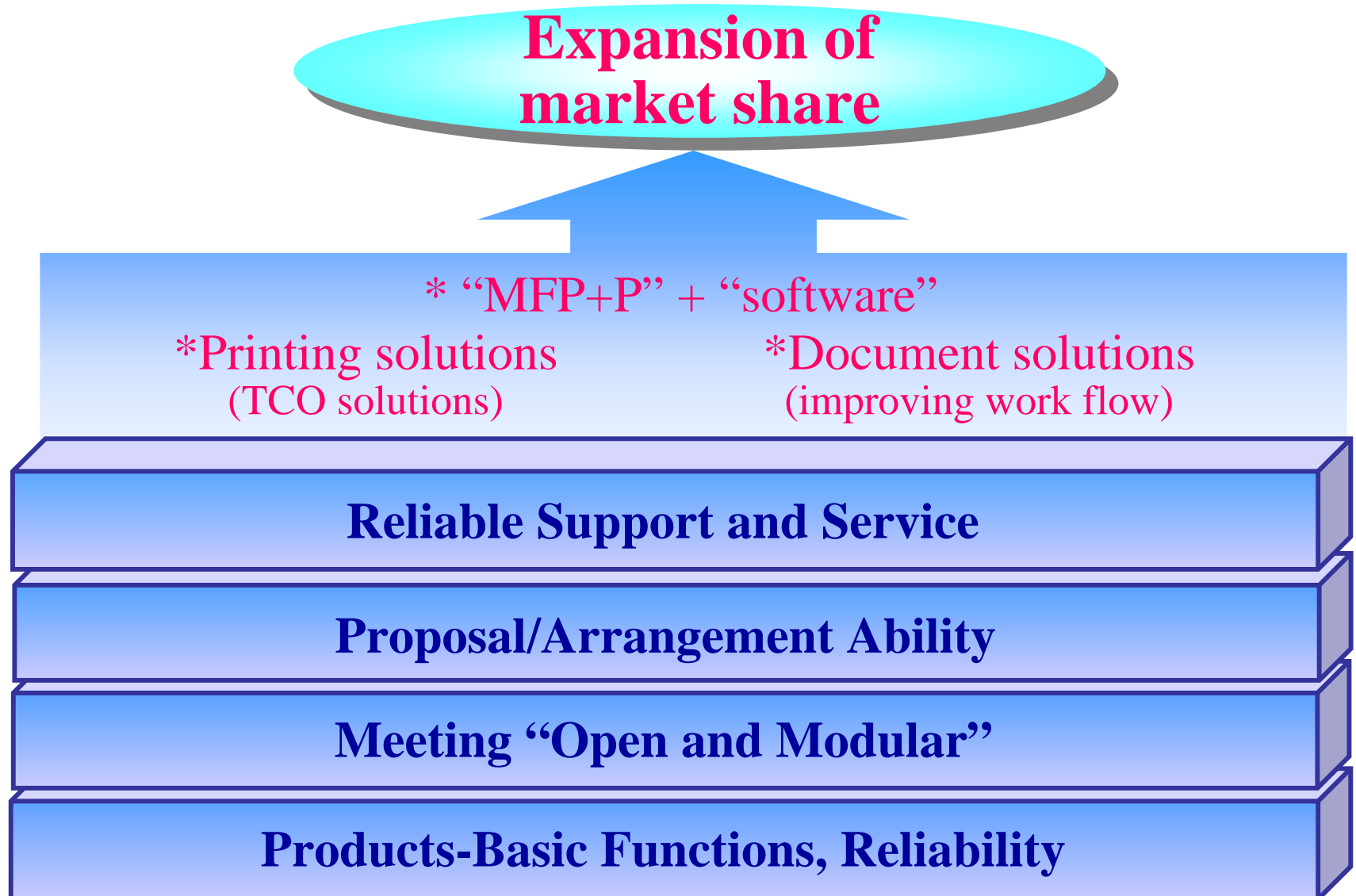
# III-ii. High-Speed Machine Sales Expansion

## ● Expanding to New Area



### III-iii. Solutions Business Promotion

- Expanding market share by proposing advanced solutions



# III-iv. Technology Strategy

## ● Technologies for Main strategy

	New technology	Strategic technology
B to C transition	<ul style="list-style-type: none"> <li>* Strongest Engine</li> <li>* GELJET technology</li> </ul>	<ul style="list-style-type: none"> <li>* Advanced EP process by nano-technology</li> </ul>
High-speed	<ul style="list-style-type: none"> <li>* Strongest Engine</li> </ul>	<ul style="list-style-type: none"> <li>* High-speed image data transfer by photonics</li> </ul>
Solution	<ul style="list-style-type: none"> <li>* GW architecture</li> <li>* Ricoh Document Highway Web service</li> </ul>	<ul style="list-style-type: none"> <li>* Ubiquitous universal office</li> </ul>

## ● Technologies for Value-added solutions

Security	<ul style="list-style-type: none"> <li>* Embedded pattern printing technology</li> <li>* Copy guard technology</li> </ul>
Environment	<ul style="list-style-type: none"> <li>* QSU (Quick Start-Up)</li> <li>* Hybrid QSU (QSU+Capacitor)</li> </ul>

# IV. Original Target

## ● Review of 14th Mid-term Plan Target (Original)

(¥ billion)

		FY03/3		FY04/3			FY05/3	
		Actual	% of net sales	Forecast	% of net sales	Growth ratio	Original Plan	% of net sales
Net Sales	Domestic	<b>896.0</b>	<b>51.5%</b>	<b>900.0</b>	<b>50.6%</b>	<b>0.4%</b>	<b>1,000</b>	<b>50%</b>
	Overseas	<b>842.3</b>	<b>48.5%</b>	<b>877.0</b>	<b>49.4%</b>	<b>4.1%</b>	<b>1,000</b>	<b>50%</b>
Net Sales		<b>1,738.3</b>		<b>1,777.0</b>		<b>2.2%</b>	<b>2,000</b>	
Operating Income		<b>133.6</b>	<b>7.7%</b>	<b>153.0</b>	<b>8.6%</b>	<b>14.5%</b>	<b>180</b>	<b>9.0%</b>
Pretax Profit		<b>123.4</b>	<b>7.1%</b>	<b>144.0</b>	<b>8.1%</b>	<b>16.6%</b>	<b>160</b>	<b>8.0%</b>
Net Income		<b>72.5</b>	<b>4.2%</b>	<b>85.0</b>	<b>4.8%</b>	<b>17.2%</b>	<b>90</b>	<b>4.5%</b>

¥122.0/\$

¥121.0/EURO

¥113.3/\$

¥131.1/EURO

¥120/\$

¥110/EURO

**ROE** 11.2%

**ROA** 6.6%

**Equity ratio** 34.9%

**Free cash flow** ¥87.5 billion(FY02/3)

12.0%

8.5%

40.0%

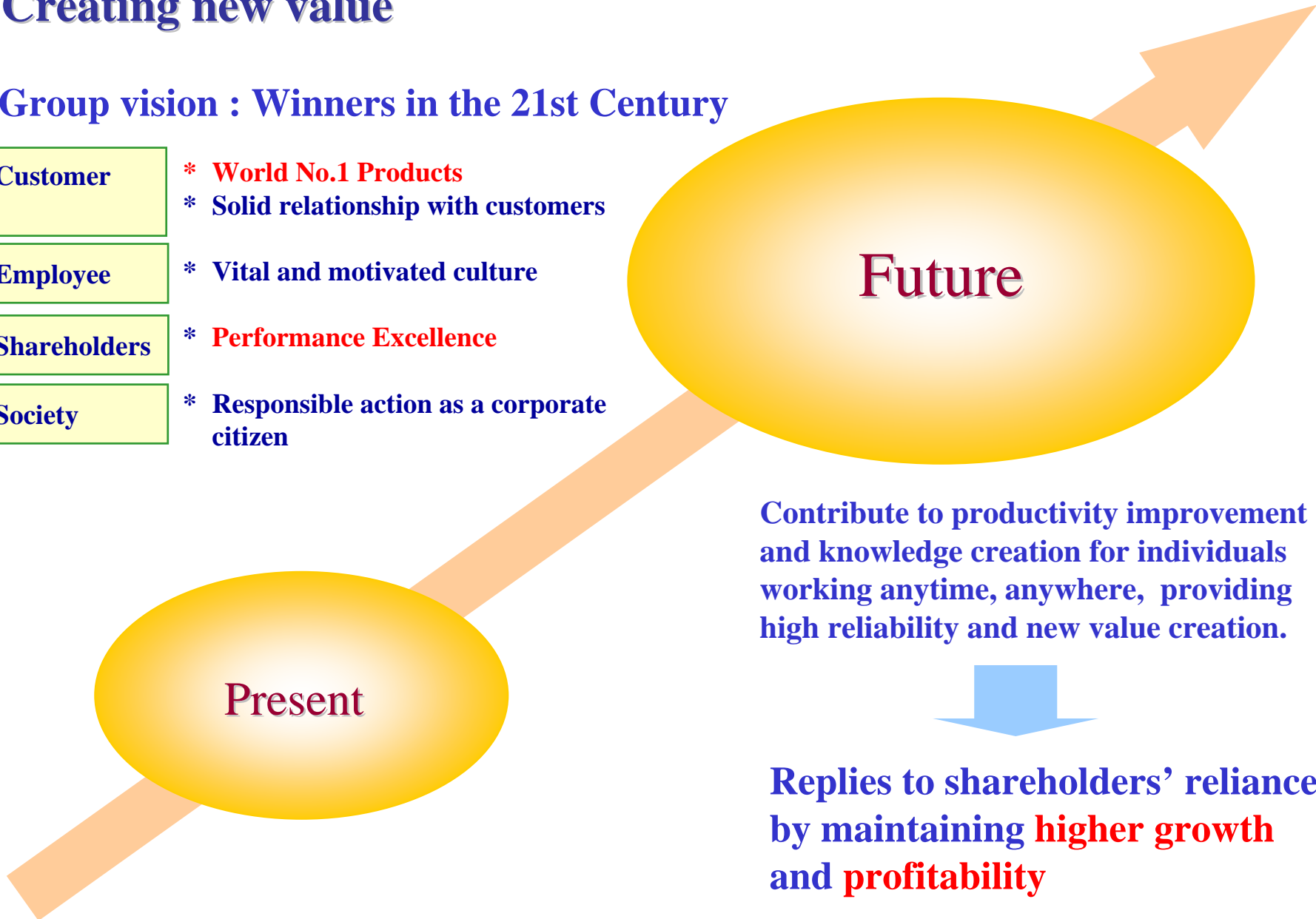
¥150 billion(3 years)

# V. Our Vision

## ● Creating new value

### Group vision : Winners in the 21st Century

Customer	<ul style="list-style-type: none"> <li>* <b>World No.1 Products</b></li> <li>* <b>Solid relationship with customers</b></li> </ul>
Employee	<ul style="list-style-type: none"> <li>* <b>Vital and motivated culture</b></li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>* <b>Performance Excellence</b></li> </ul>
Society	<ul style="list-style-type: none"> <li>* <b>Responsible action as a corporate citizen</b></li> </ul>

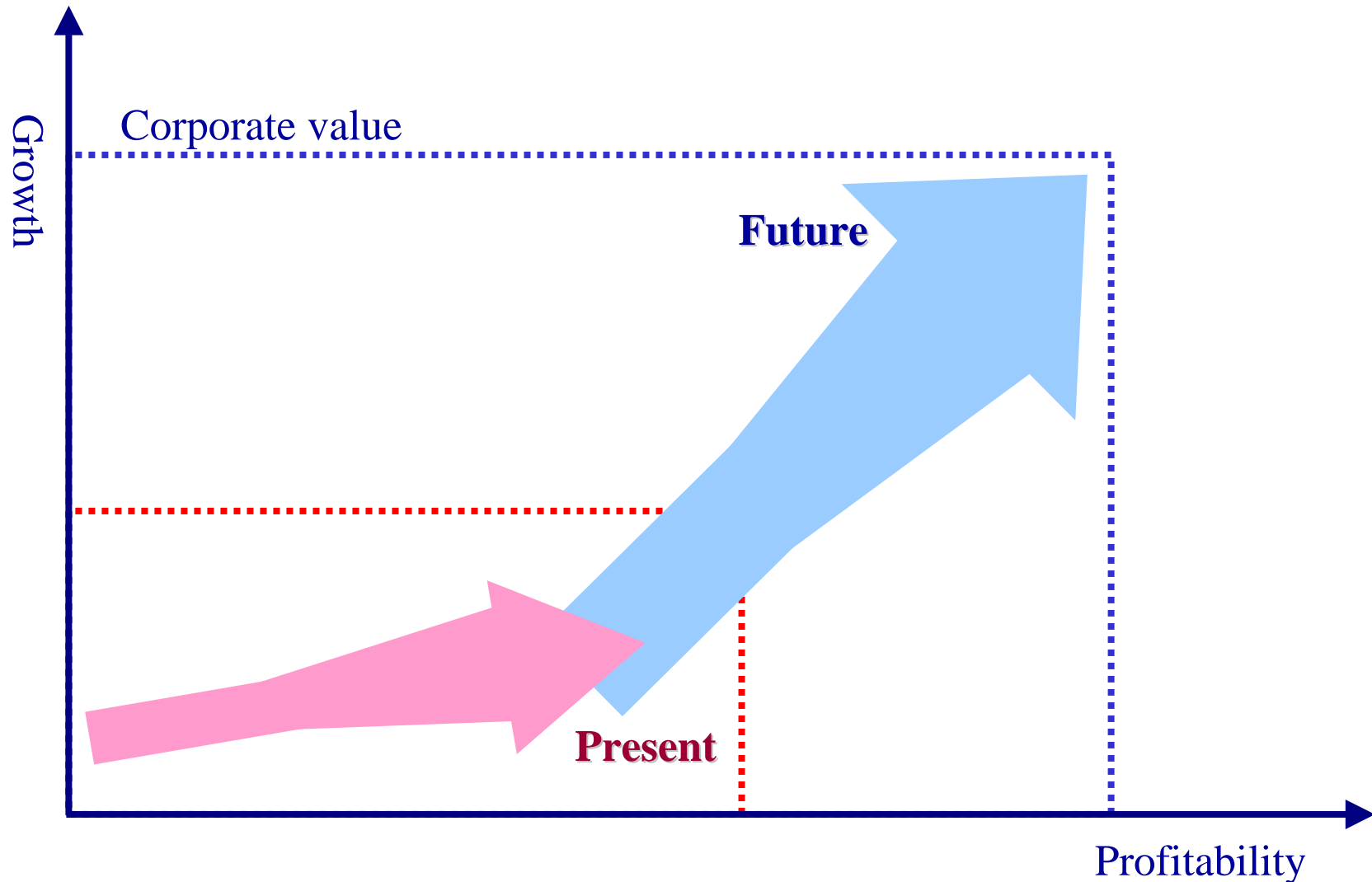


Contribute to productivity improvement and knowledge creation for individuals working anytime, anywhere, providing high reliability and new value creation.

Replies to shareholders' reliance by maintaining **higher growth** and **profitability**

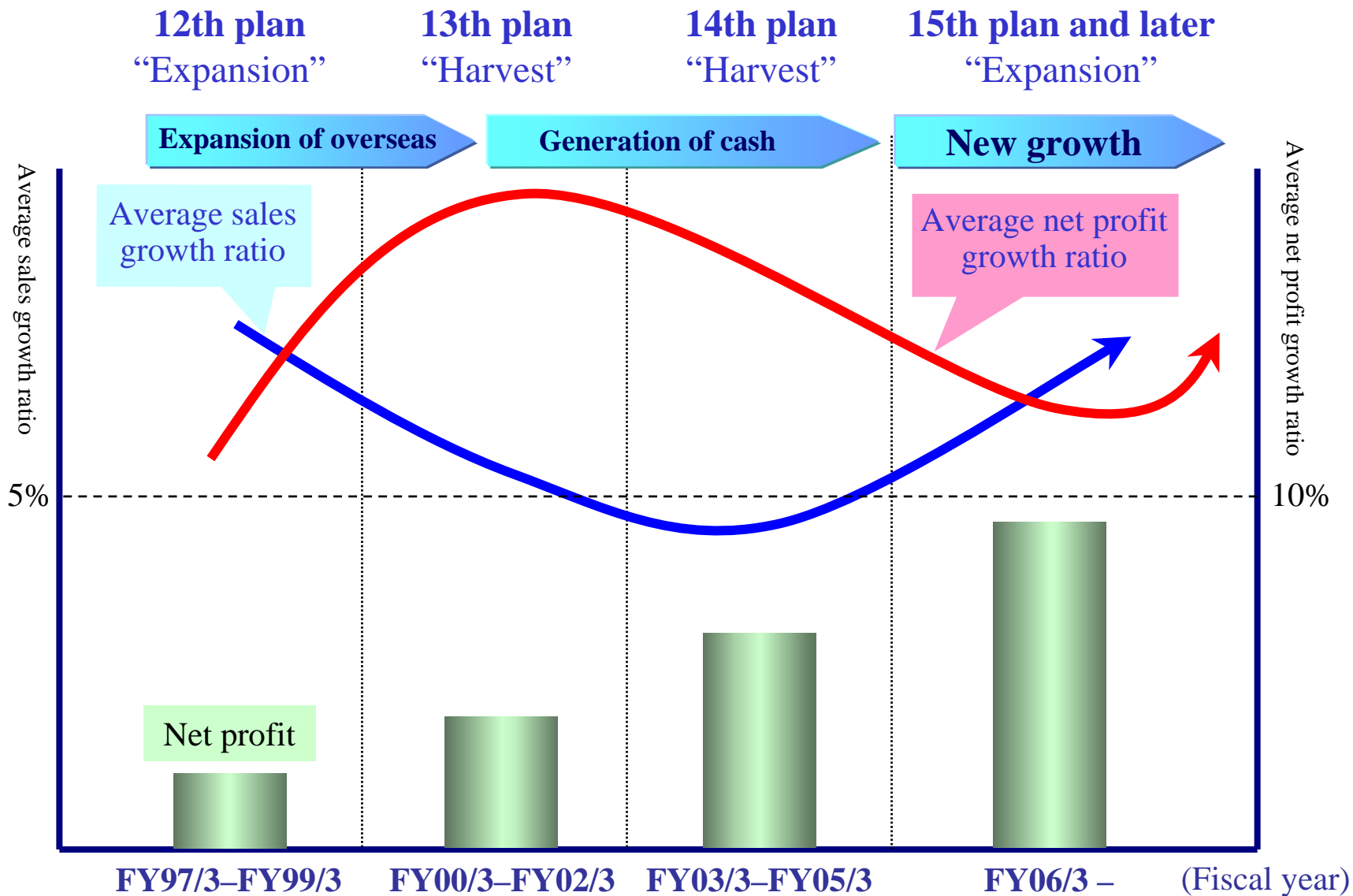
# V. Our Vision

- Expanding corporate value by higher growth and profitability



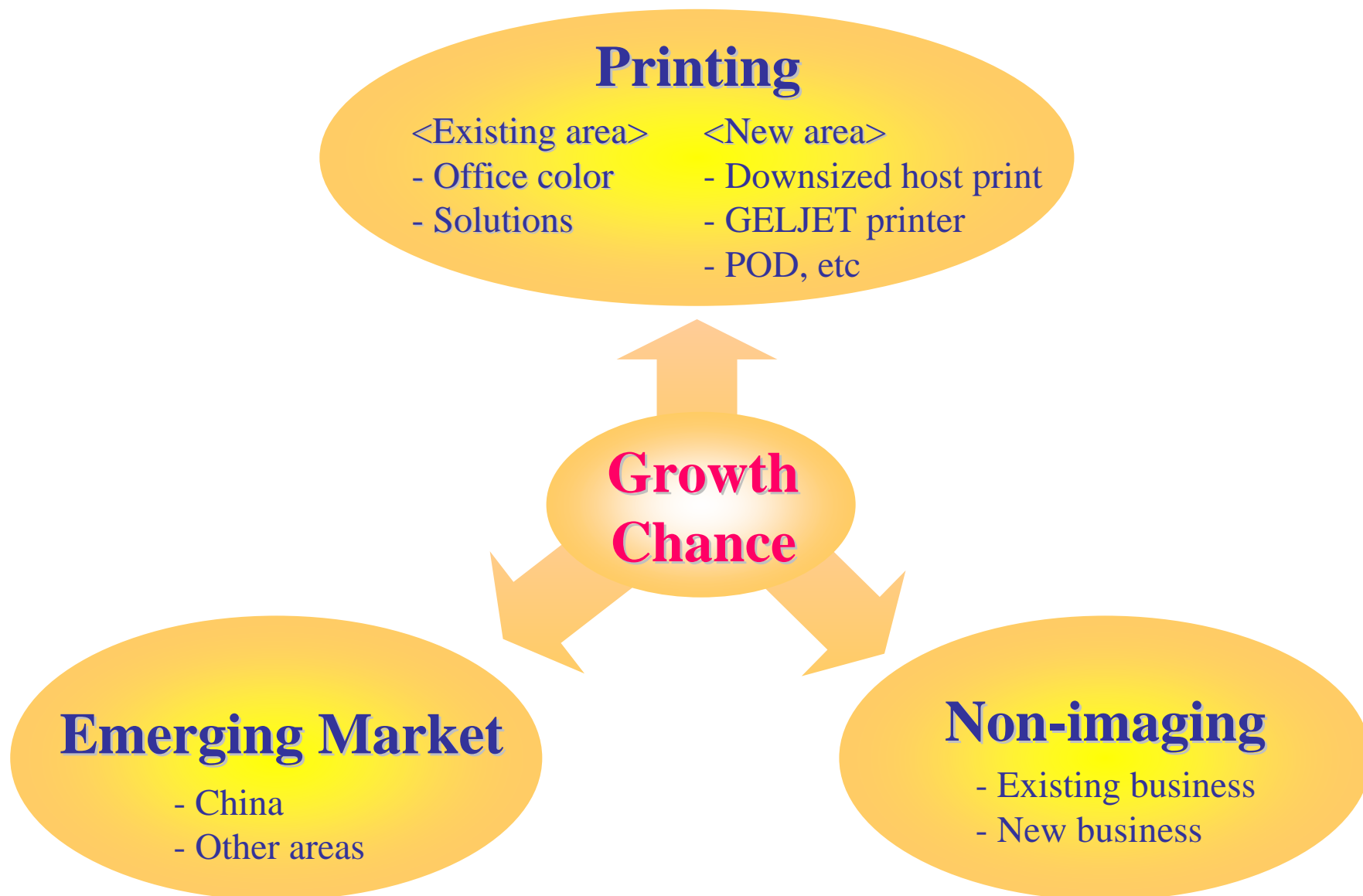
# V. Our Vision

## Higher growth rate of sales and expansion of profit



# VI. Target Areas

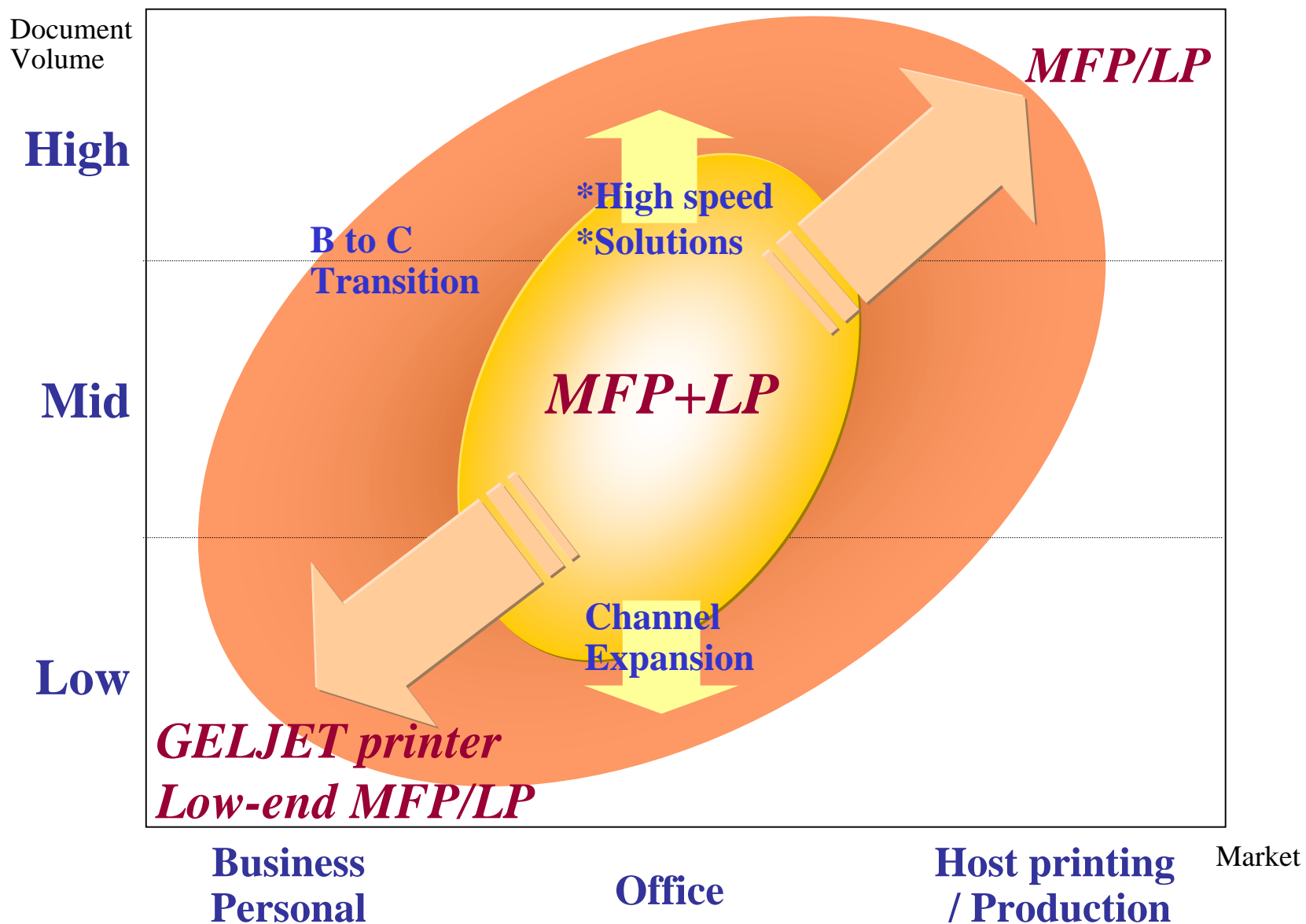
## ● Areas for growth





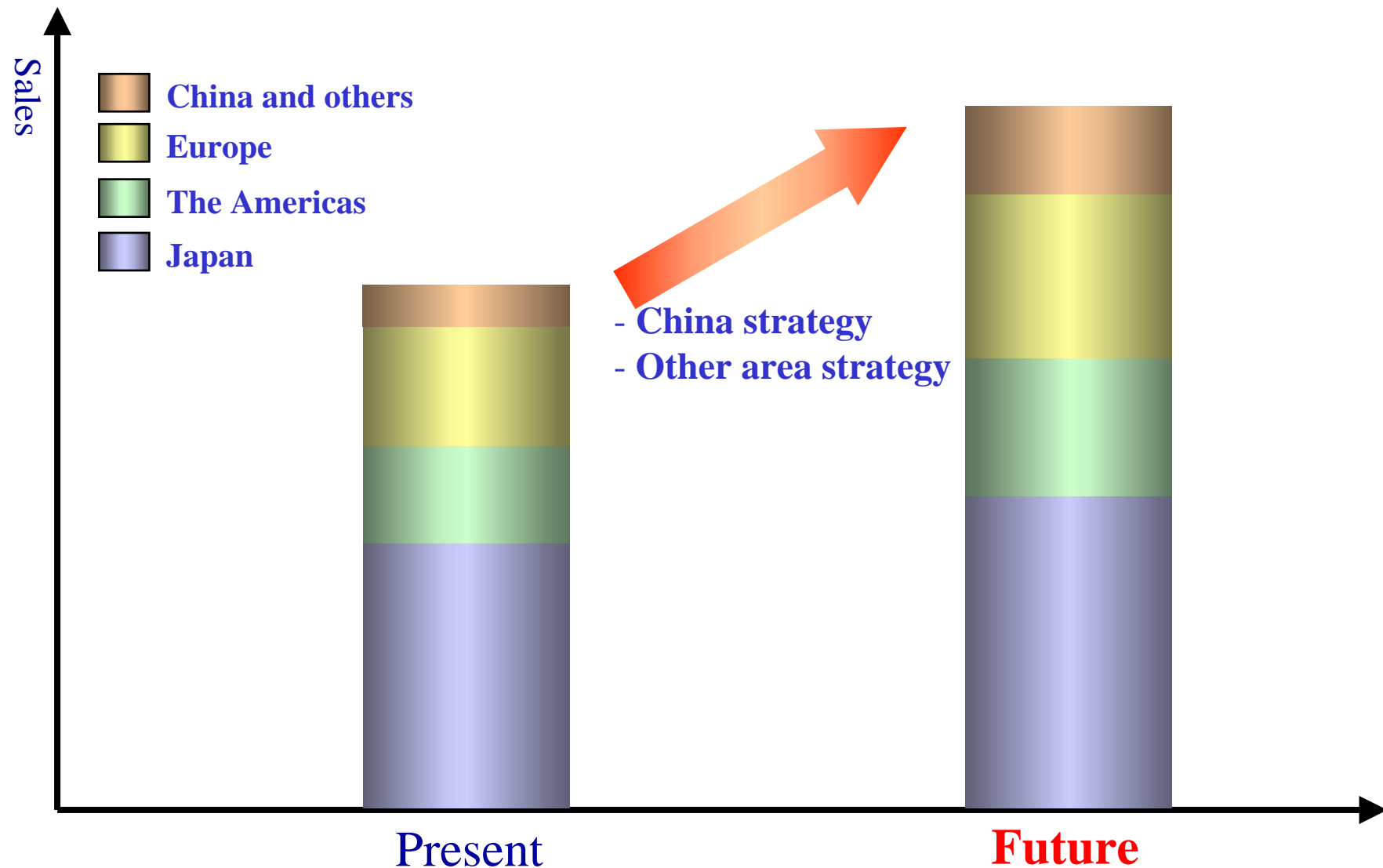
# VI-i. Target Areas: Printing

- Strengthening the positions on existing area and expansion to new areas



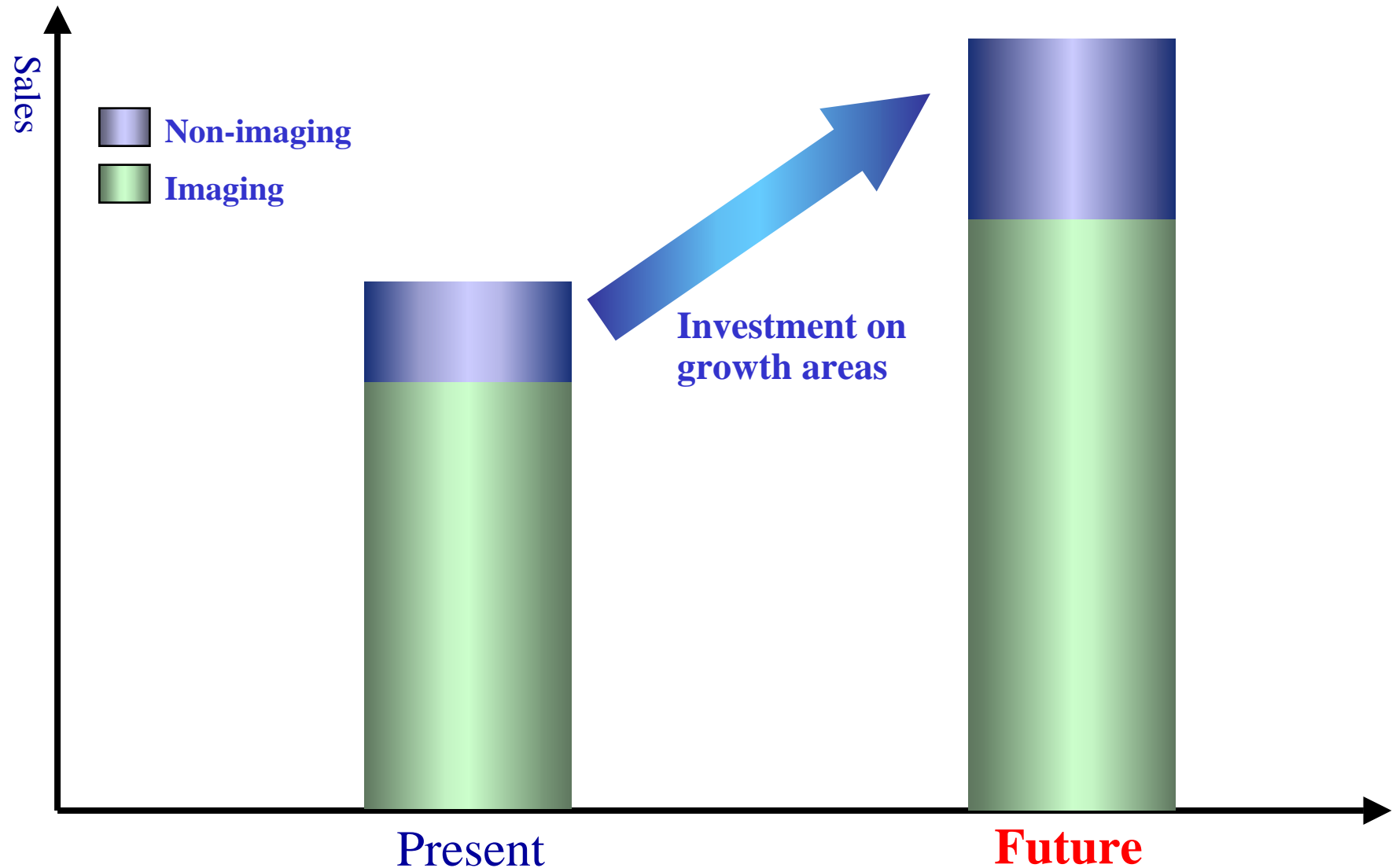
## VI-ii. Target Areas: Emerging market

- Obtain No.1 position on emerging market



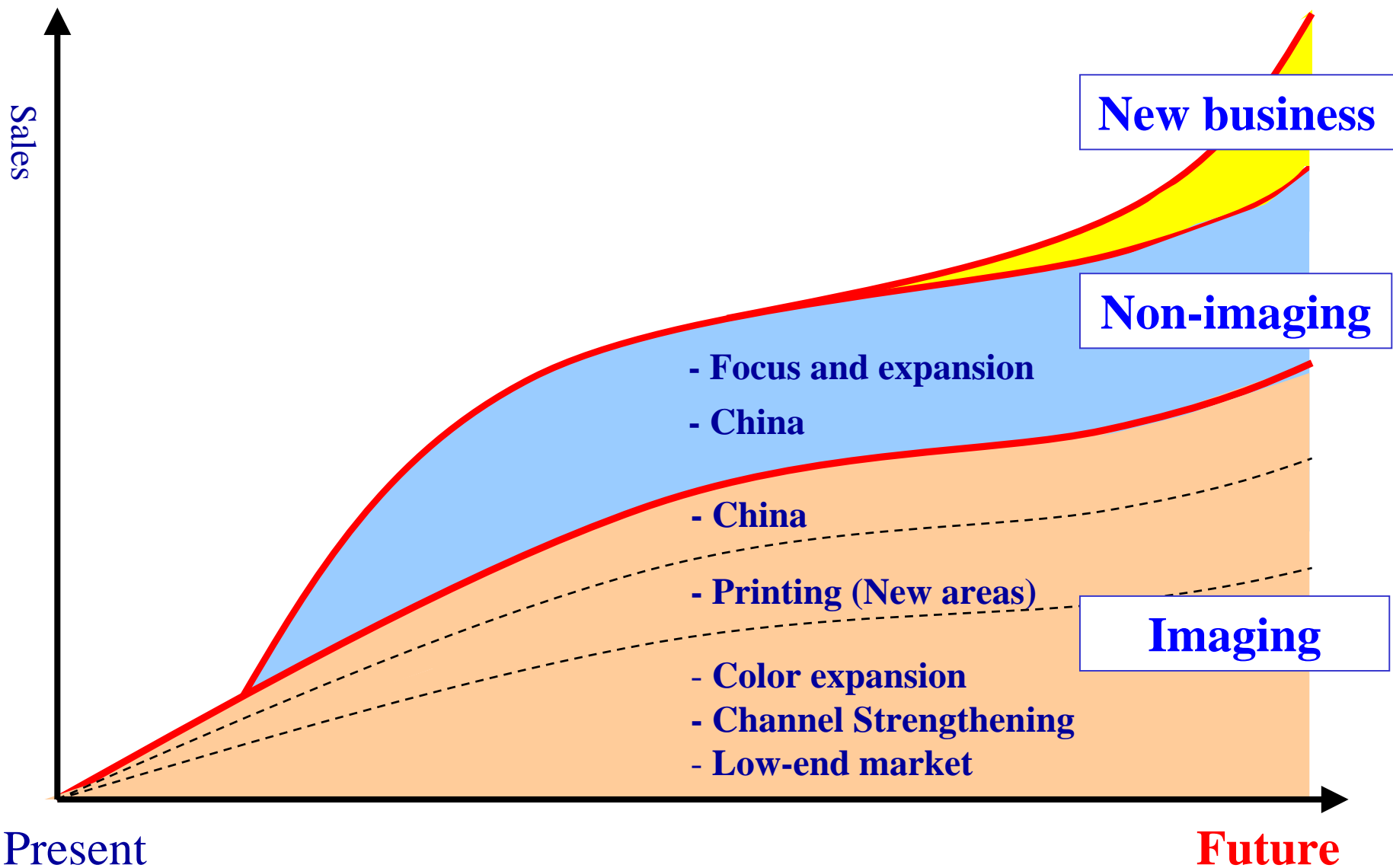
## VI-iii. Target Areas: Non-imaging

- Establish new business area



# VI-iv. Summarize of Target Areas

## ● Growth areas and strategies



- \* The Company bases the estimates above on information currently available to management, which involves risks and uncertainties that could cause actual results to differ materially from those projected.**

**RICOH**