

Ricoh Mid-term Management Strategy

March 18, 2008

Shiroh Kondoh
President and CEO
Ricoh Company, Ltd.

RICOH

Agenda

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15th Mid-term Plan Review

Business Environment

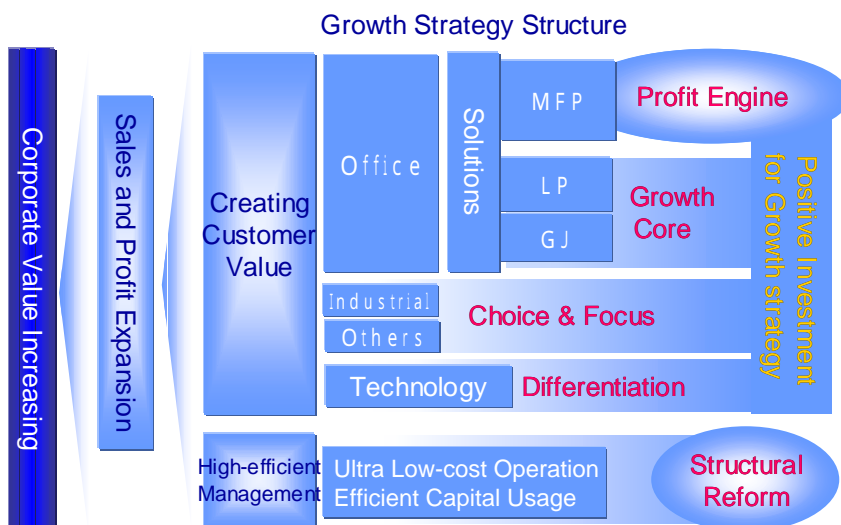
16th Mid-term Plan Outline

15th Mid-term Plan Review

15th MTP Strategies (1)

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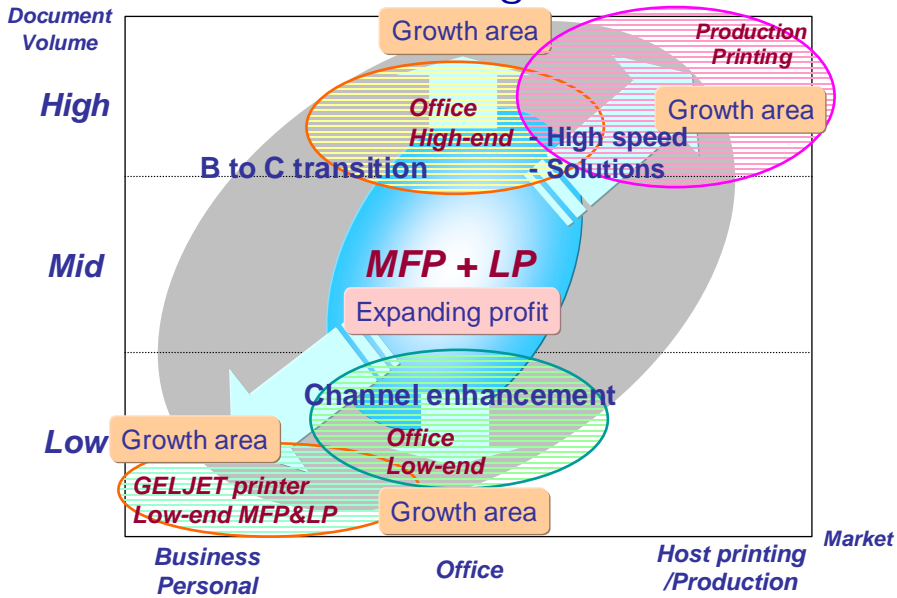
Growth Strategy



15th MTP Strategies (2)

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Growth Area in Printing Business



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Strategy Execution <MFP>

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Color MFP Full line-up



No.1 market share for A3 MFP (Japan/US/Europe)
as 2006 unit share of color & B/W total

* Manufacture-based (source : Ricoh)

J.D Power No.1 for 5 categories (Japan)

- Color laser printers ('06 & '07)
- Black and white laser printers ('07)
- Color copier/MFP ('07)
- Black and white copier/MFP ('07)
- Solution provider* ('06 & '07)

*Award for Ricoh Technosystems Co.



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Strategy Execution <Production Printing> **RICOH**

Enter Production Printing business

- Oct, 2004 Acquired Hitachi Printing Solutions
- Dec, 2006 Acquired Danka European Business(Infotec)
- Jun, 2007 IPS* (JV) established by Ricoh and IBM
*InfoPrint Solutions Company



High speed
MFP



Cut sheet
laser printer



Continuous
paper printer



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Strategy Execution <Low-end> **RICOH**

Competitive low-end products launched

- Color laser printer

16ppm for color & BW, affordable, compact and stylish

[SP C220]

[SP C221S/SF] (MFP)



- Gelsprinter

low-cost color printing / waterproof and sun-resistant capability pigment ink

[GX 2500]

[GX 7000]
(A3-wide paper)

[GX 3000SF] (MFP)



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Process restructuring for solutions sales

- Established Technology Center in Japan/US/Europe/AP customer needs search, customization and providing regional solutions

Efficiency improvement

- Japan : sales company integration, service company integration and IT system renewal
- The Americas : sales company integration and IT system renewal
- Europe : sales company integration and IT system renewal (ongoing)

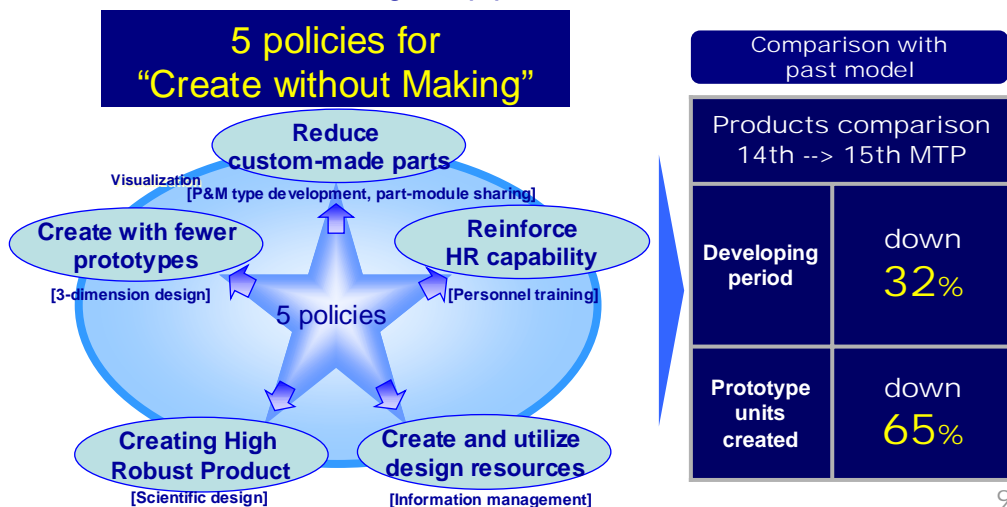


Established Competitive sales structure

- Solution based sales structure: providing TCO, security, compliance, work-flow improvement, environment solutions
- Established sales structure for Global Major Account

Ricoh Technology Center leads development process innovation

- Commended by Nippon Keizai Shimbun



Development of ultra-low cost production and cost reduction

- Development of unique Ricoh production systems
- Configuration and MB&R *MB&R : Modular Build & Replenishment
 - > Reducing Inventories and logistic cost
 - > Shortening lead-times and installation time
- Established polymerized toner production



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Growth of Industrial products and Others

- Thermal Media Business
 - > Big sales growth in China
 - > Established new plant in China
- Semiconductor Business
 - > WW top market share of power IC for mobile devices
- Digital Camera Business
 - > Creating high-end compact market

GR DIGITAL :
"Camera Grandprix 2006 special prize"

Caplio GX100 :
"iF product design award 2008 Gold prize"



GR DIGITAL



Caplio GX100

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Environmental Management

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Reducing the environmental impact of "overall operations" through partnerships with suppliers and customers.

< Examples >

Front-end

- Adoption of plant-based plastic parts
- Reuse and recycle of products

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- Shift to cart-pushing production from belt-line
- On-demand toner filler
- Zero-waste on all production sites

Customer

- Low energy consumption products
- Resource recirculating eco-packaging

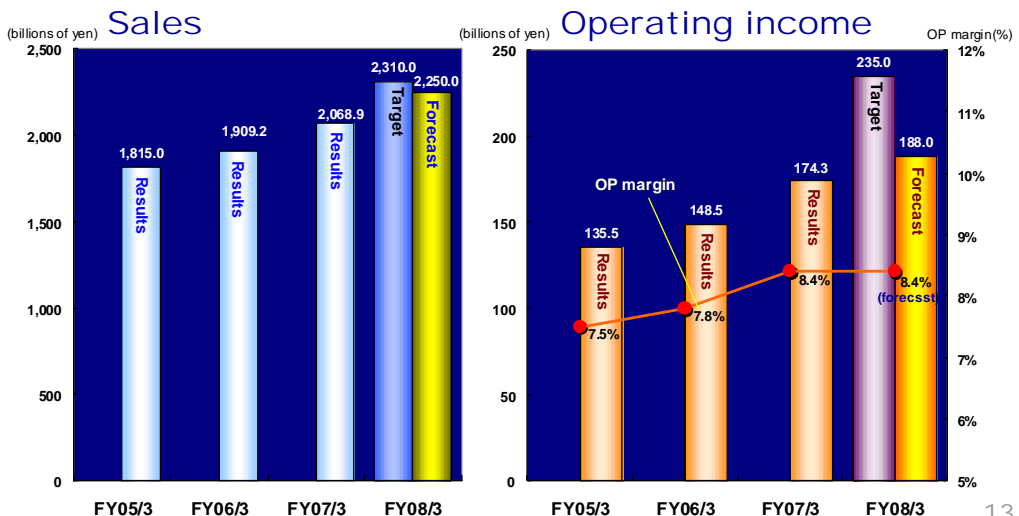
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15th MTP Target and forecast

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Sales : target almost achieved

Operating income : could not achieved target



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Business Environment

Social

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Concern of world economy recession

Deepening environmental concerns

- Higher priority on environmental issues
- Global warming became an issue for IT industry

Persistent CSR problems

Global capital markets require more for corporate value maximizing

Customer value shift

- hardware-centric business to solutions

Accelerating MFP & LP market fusion

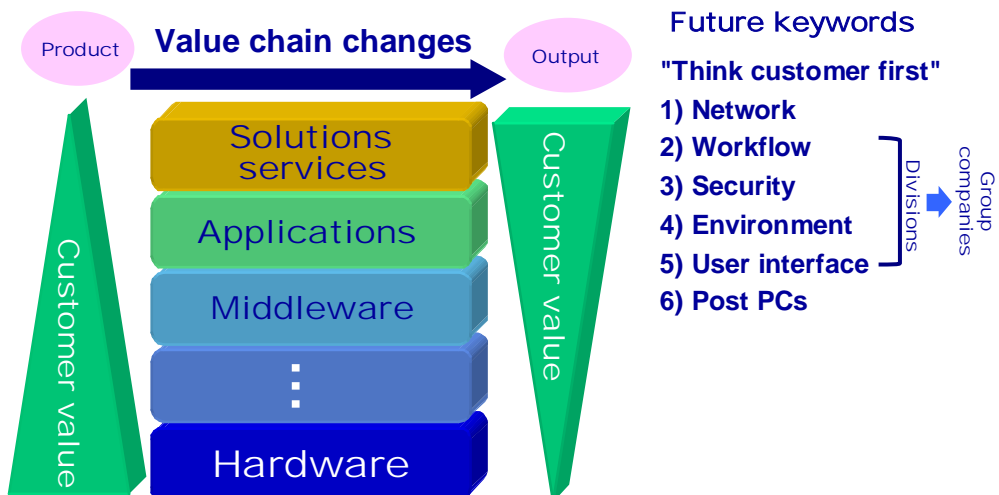
- Propose appropriate choice of functions (scanning, color or B/W, A3 or A4)

Dealer acquisition

- Strengthening direct sales channel

Customer value shift

From hardware-centric business to solutions



16th Mid-term Plan Outline

(FY09/3 - FY11/3)

RICOH Group Long Term Vision **RICOH**

Business domain

To create innovative solutions for the information society, based on RICOH values

[RICOH values]

Harmonize with the environment, Simplify your life & work,
Support knowledge management

Goal

To be a leader in the 21st century "Build a strong Global RICOH Brand"

- | | |
|--------------|--|
| Customer | 1. Provide world class products and services |
| Customer | 2. Develop rock-solid customer relationships |
| Employee | 3. Promote an attractive and vibrant corporate culture |
| Shareholders | 4. Focus on financial performance |
| Society | 5. Be an outstanding corporate citizen |



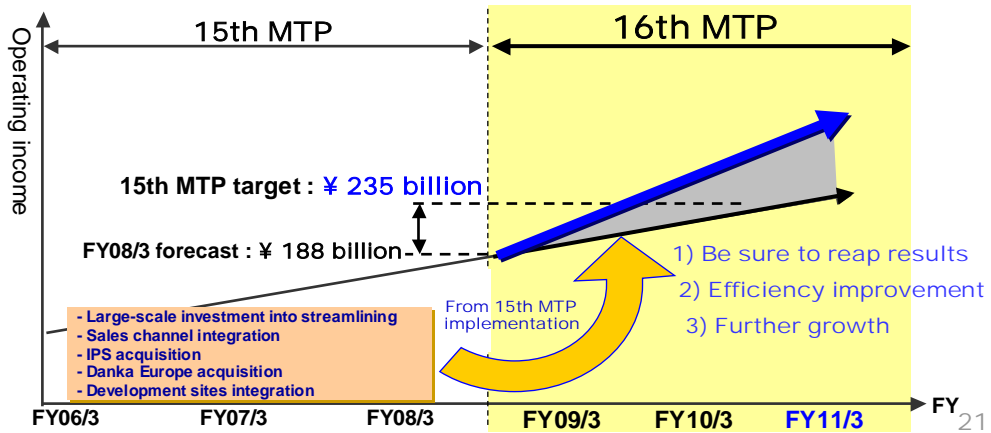
16th MTP Basic concept

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"New customer value creation" and
"Efficiency improvement", are being achieved.

16th MTP includes

- 1) Be sure to reap results
- 2) Efficiency improvement
- 3) Further growth



Strategies

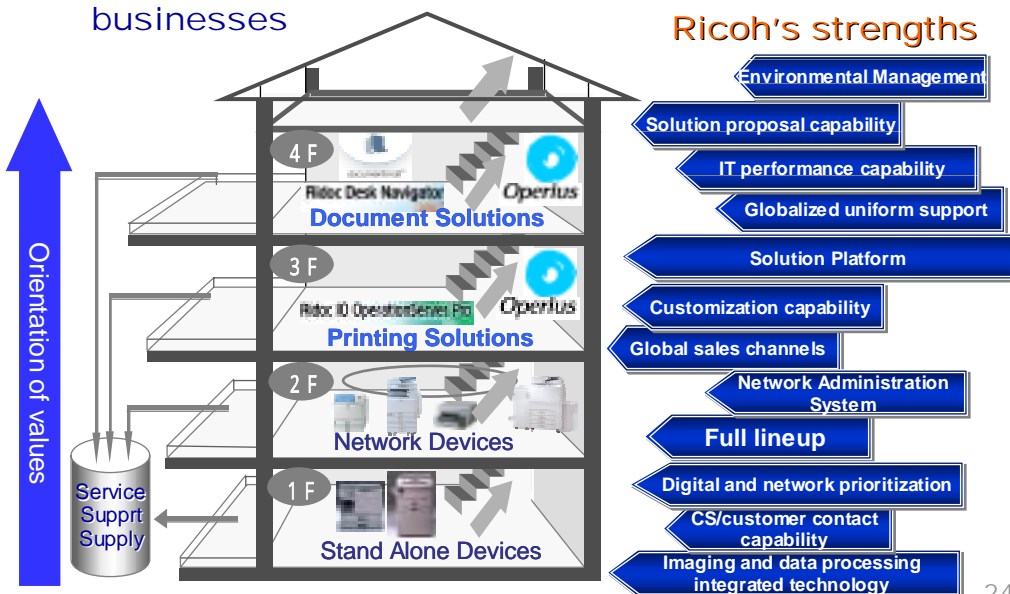
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- 1) Become No.1 in target business areas
- 2) Accelerate environment management
- 3) Promote Ricoh Quality
- 4) Create new growth area
- 5) Build a strong global RICOH brand

- 1 Become No.1 in target business areas
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1 Become No.1 in target business areas **RICOH**

Creation of new customer value based on our current businesses



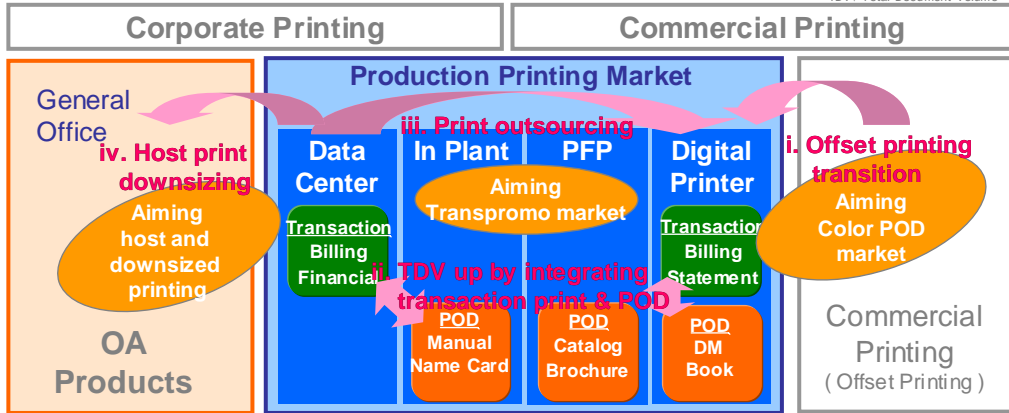
1 Become No.1 in target business areas **RICOH**

Entering PP business : business chance growing by market change

Market Change by Technology Advancement

- Open&Downsizing
- Standardizing Workflow & Print Assurance
- New Application (VDP, BOD, etc)
- Print Quality & Reliability

VDP: Variable Data Printing
BOD: Book On Demand
TDV: Total Document Volume



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1 Become No.1 in target business areas **RICOH**

Industrial Products and Others

Targeting growth areas

- Thermal Media Business
 - > Expanding in Emerging Market
 - > Providing high-value added solutions to developed areas
- Semiconductor Business
 - > Maintain top share of power IC for mobile devices
 - > Grow in new power IC for digital consumer electronics
- Digital Camera Business
 - > Expand High-end compact DC market

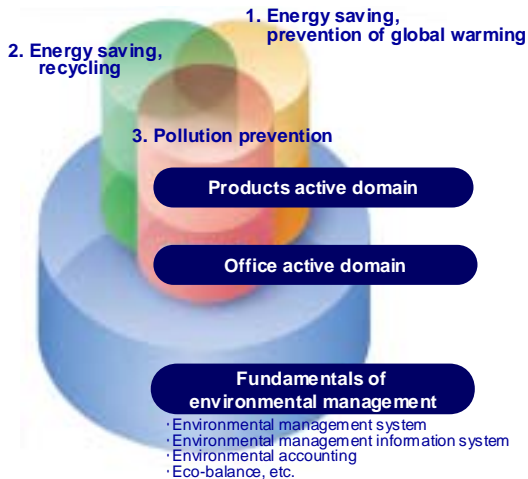
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- 1 Become No.1 in target business areas
- 2 Accelerate environment management
- 3 Promote Ricoh Quality
- 4 Create new growth area
- 5 Build a strong global RICOH brand

2 Accelerate environment management

Reinforce and accelerate our environmental management

[Ricoh environmental management]



[Action]

Technology Development

Lifecycle Management

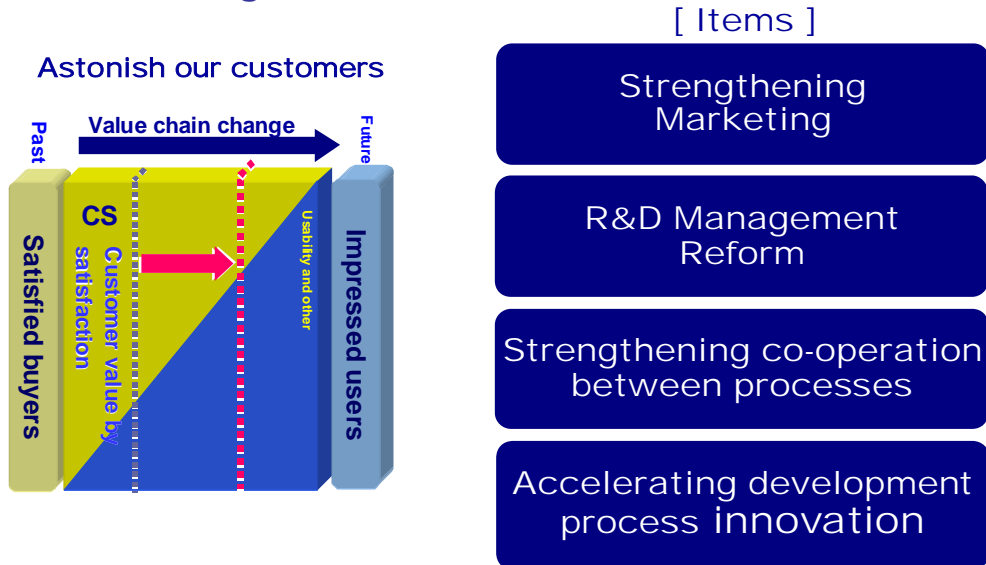
“Resource/Energy” management for products lifecycle

Providing Ricoh's activity to customer

- 1 Become No.1 in target business areas
- 2 Accelerate environment management
- 3 Promote Ricoh Quality**
- 4 Create new growth area
- 5 Build a strong global RICOH brand

3 Promote Ricoh Quality

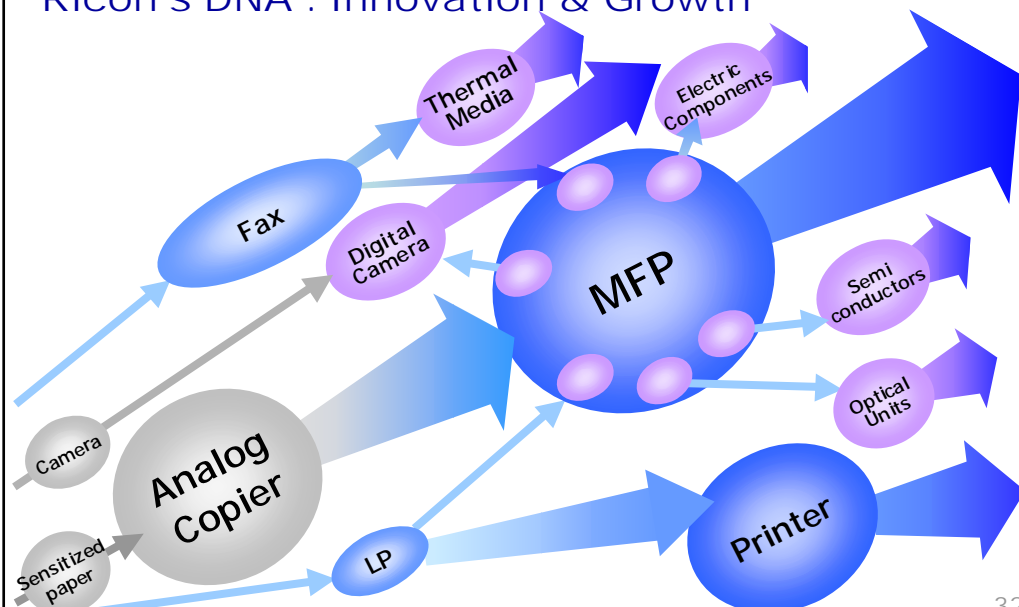
Accelerating Process Innovation



- 1 Become No.1 in target business areas
- 2 Accelerate environment management
- 3 Promote Ricoh Quality
- 4 Create new growth area
- 5 Build a strong global RICOH brand

4 Create new growth area

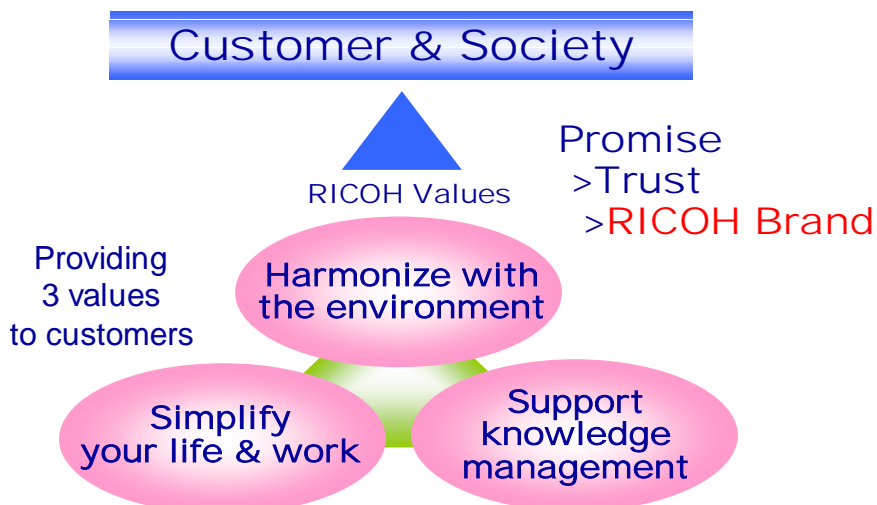
Ricoh's DNA : Innovation & Growth



- 1 Become No.1 in target business areas
- 2 Accelerating environment management
- 3 Promote Ricoh Quality
- 4 Creating new growth area
- 5 Build a strong global RICOH brand

5 Build a strong global RICOH brand

Impress customers with Ricoh Quality and our commitment to the environment.



16th MTP Targets

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(\$=¥105、euro=¥155)

Sales : ¥ 2,500.0 billion
(FY2011/3)

Operating income : ¥ 250.0 billion
(FY2011/3)

Operating margin : 10.0 %
(FY2011/3)

ROE : 12.5 %
(FY2011/3)

Dividends payout ratio : 30.0 %
(Long-term target)

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