

**Business Report for
117th Ordinary General
Meeting of Shareholders**

Issues that the Ricoh Group faces

- RICOH Resurgent -

June 16, 2017

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RICOH
imagine. change.

The Spirit of Three Loves

The Spirit of Three Loves is Ricoh's founding principle. Based on this, we have overcome numerous challenges by providing new value that enables people interact with information.

Customer First

With customers always at the center of everything we do, we proactively anticipate their future needs and develop products and services, thereby leading to greater innovation and the creation of new business opportunities.

Out of the Meeting Rooms and onto the Frontlines

By being on the frontlines, we are able to observe first hand what happens in the workplace. We can identify the real challenges our customers' experience and solve them.

Challenge Assumptions

We proactively and continuously re-examine our internal conventional wisdom

1. Structural reform

2. Prioritize growth businesses

3. Reinforce our management systems

Structural Reforms in line with Strategic Shift

- Move away from thinking of structural reforms in purely cost-cutting terms and look to change corporate earnings structure in keeping with strategic shift

18th MTP

Strategies based on market leadership

- Omnidirectional strategy
- Scale (volume) emphasis
- Vertical integration

From 19th MTP

Transform core business strategies

- Growth domain shifts
- Focus on profitability
- Flexible operations

Transform earnings and business structures

- Improve breakeven points
- Boost free cash flow
- Reinvest in growth businesses

Sales and maintenance services

- Powerful sales and services that leverage mobile communications and information technology

Production

- Revise and optimize roles of production sites

Research and development

- Enhance development efficiency by integrating engineering across product series

Projected Structural Reform Savings

	FY2017 Plan	FY2018 Plan	FY2019 Plan
1. Cost structure reforms	¥28 billion	¥37 billion	¥45 billion
2. Business process reforms	¥11 billion	¥39 billion	¥55 billion
Total reductions from fiscal 2016	¥39 billion	¥76 billion	¥100 billion

Consider deploying reforms earlier to enhance impact

1. Transform and trim cost structure

Transform structure and reform fixed cost structure to tackle market changes

2. Reform business processes

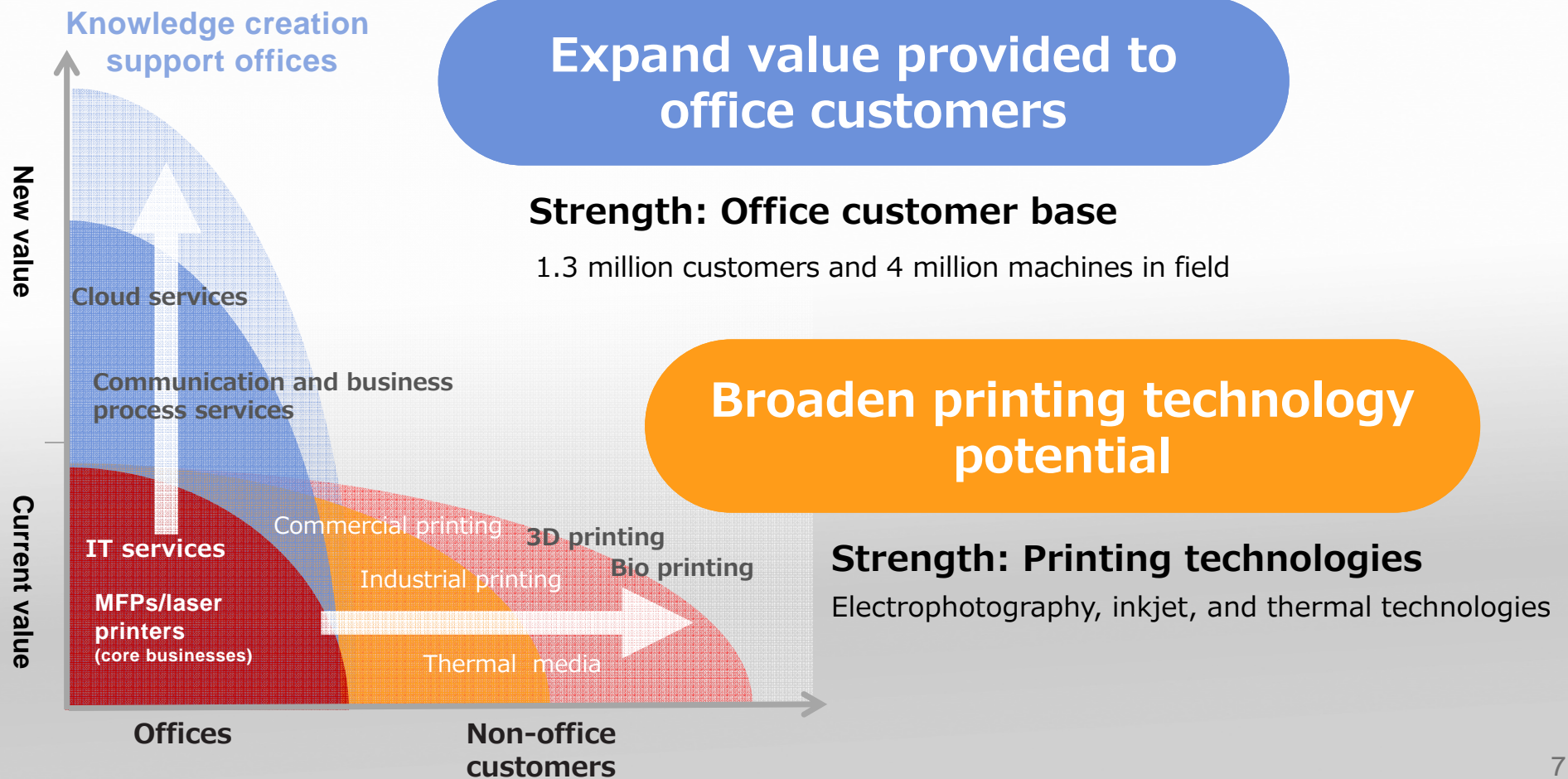
While reforming the cost structure, review processes from scratch and seek to contain costs while maintaining sales and enhancing productivity

1. Structural reform

2. Prioritize growth businesses

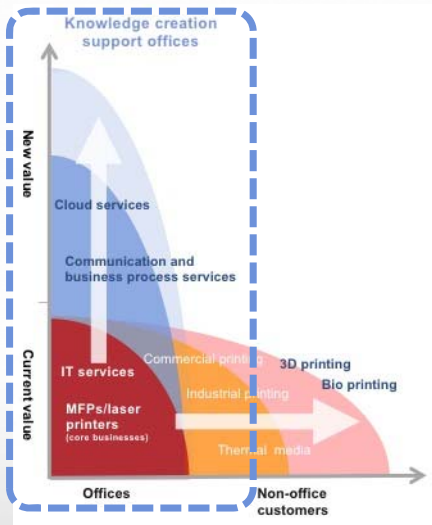
3. Reinforce our management systems

Growth Strategies Leveraging Our Strengths



Expand Value Provided to Office Customers

Cloud solution services supporting small and medium-sized enterprise workflows



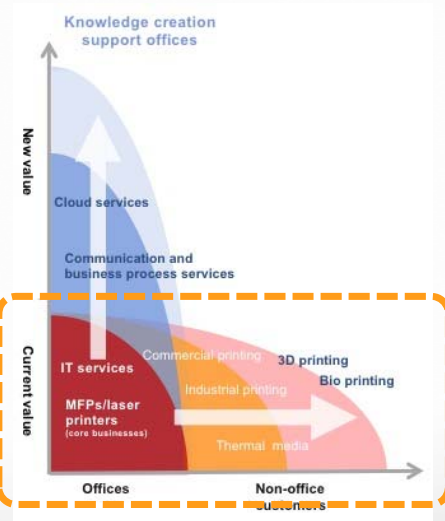
Strength:
Office customer base of
1.3 million companies
and 4 million machines
in field

SI-MFPs:

These workflow solution MFPs can access various cloud applications, helping to enhance the productivity of small and medium-sized enterprises



Broaden Printing Technology Potential



Strength:
Printing technologies
(electrophotography,
inkjets, and thermal
media)

Workflow support for commercial printing customers

Support marketing workflows to help customers expand their businesses



Industrial printers that can handle diverse materials

Print to Everything—Digital on-demand printing on construction materials, textiles, and other media



A leader in industrial inkjet heads



Multipurpose light-curable inkjet inks

Broaden Printing Technology Potential

Digital on demand printing allows short-runs, at low cost, on a wide variety of materials

Construction materials

Gravure → Inkjets



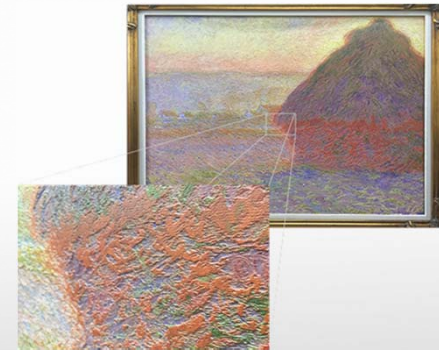
Apparel

Screen printing → Inkjets



3D printing for paintings

Lithography → Inkjets



Food and pharmaceuticals

Pad printing → Inkjets



3D modeling

Mold-based production → Inkjets

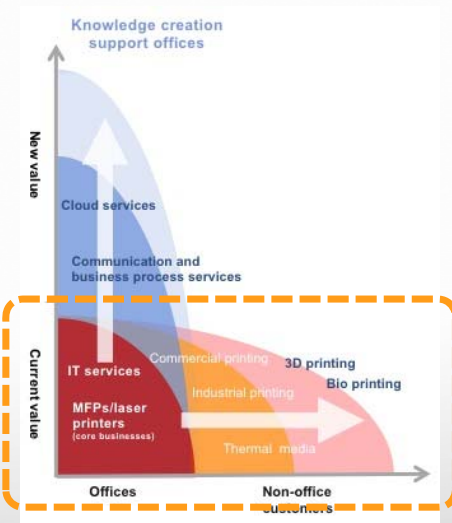
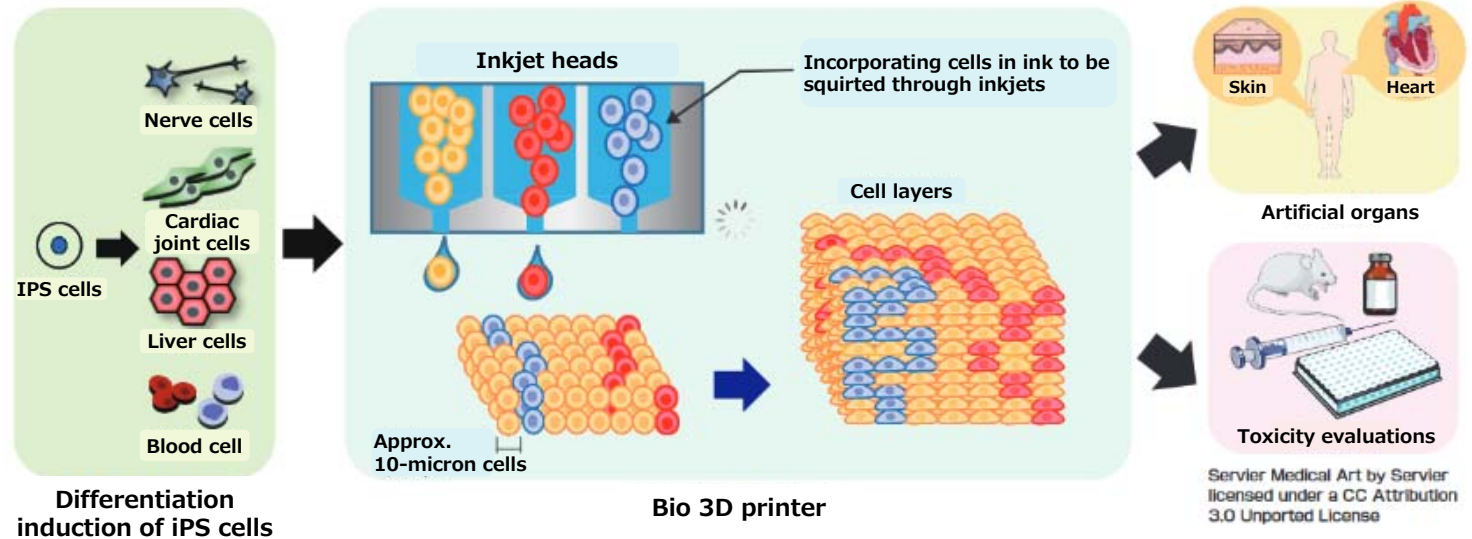


Broaden Printing Technology Potential

Contribute to medical and pharma fields by reproducing human tissues outside the body to support drug discovery and safety assessments

Bio 3D printers

Using inkjet technology to layer cells and produce human tissue



Strength:
Printing technologies
(electrophotography,
inkjets, and thermal
media)

Underlying Concepts and Messages

- Put customers first in keeping with our corporate philosophy and make Ricoh essential for customers and society



EMPOWERING DIGITAL WORKPLACES

*RICOH IMPROVES WORKPLACES BY USING INNOVATIVE TECHNOLOGIES AND SERVICES
TO ENABLE INDIVIDUALS TO WORK SMARTER*

WHO WE HELP

*Individuals
(teams & organizations)*

WHAT WE DO

*Improve Workplaces
(from office to the frontlines
and society)*

HOW DO WE DO IT

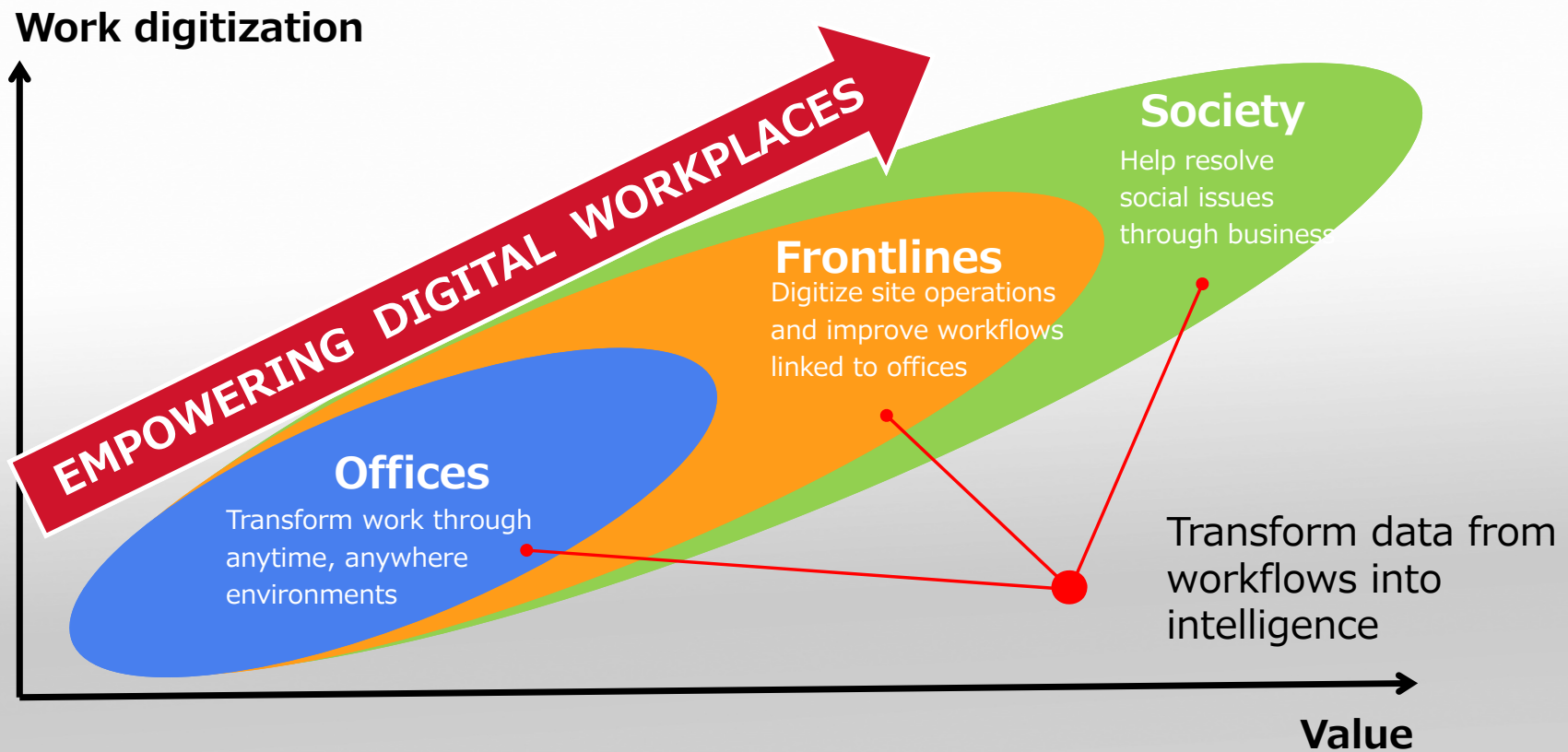
*Use innovative digital
technologies & services*

WHAT THE BENEFIT IS

Everyone can works smarter

Workplace Expansion and Our Value Proposition

Support work digitization and deliver value for expanding customer workplaces



Business Domain Growth Fields

Offices	Office Printing	Digital MFPs providing workflow solutions for small and medium-sized enterprises
	Office Services	Application Services / Business Process Services / Communication Services
Printing	Commercial Printing	Workflow solutions
	Industrial Printing	Imaging systems / Industrial printers
	Thermal Media	Thermal printing
	Industrial Products	Opt-electronic modules / Precision machinery parts / IC wafers
	Smart Vision	THETA and image data solutions

For fiscal 2017, we plan to increase research and development expenditures by ¥2.6 billion, to **¥117 billion**

- ◆ **Structural reform savings:** More than **¥100 billion**
- ◆ **Fiscal 2019 operating profit:** More than **¥100 billion**
(Fiscal year ending March 2020)
- ◆ **Total FCEF* over three years:** More than **¥100 billion**
*Free cash flow excluding finance business

Consolidated Targets for FY2017 (Fiscal year ending March 2018)



Sales

¥2,000 billion

Operating profit

¥18 billion After factoring in a one-time
¥45 billion restructuring charge
(0.9% operating margin)

Earnings per share

¥4.14

Return on equity

0.3%

Annual dividends per share

¥15.0

Note: Results may differ owing to changes in the economic and business climates or other factors.

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