

IR Day

RICOH
imagine. change.

April 11, 2019

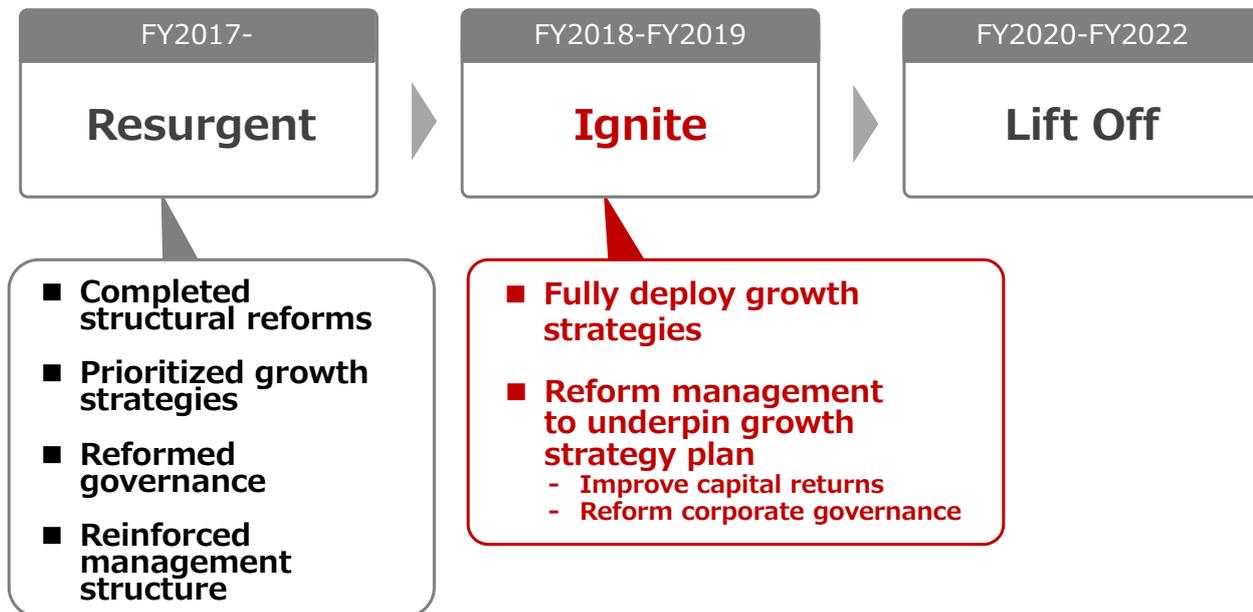
Yoshinori Yamashita

President and CEO

Ricoh Company, Ltd

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- Thank you all for making time to be here today.
- After I took the helm at Ricoh two years ago, I engaged extensively in investor and shareholder relations activities.
- I met investors in Japan and around the world, obtaining a massive amount of feedback from them. Every quarter, I would provide progress reports on our structural reforms and growth strategies and receive advice from investors.
- It was in this process that many investors told me that they wanted more details about each of our businesses. This inaugural IR Day is a direct response to that desire.
- Today, you will hear presentations from each of our operational heads. I have already shared my view with them that today is a precious opportunity to engage with financial market players, and I hope the event proves useful to you all.



- We have previously presented the information on this page, but I would like to take this opportunity to recap on it.
- Ricoh is progressing through a series of stages to drive sustainable growth.
- In FY2017, we embarked on RICOH Resurgent. In my first year as a CEO, I made a special effort during this stage of bolstering our governance and management structures to lay down vital foundations for healthy operations.
- In February 2018, which was in the second half of that fiscal year, I explained our growth strategies and made preparations for the next fiscal year.
- From FY2018, we rolled out RICOH Ignite to fully deploy our growth strategies. We have entered the second year of that stage, which is a springboard for the 20th Mid-Term Management plan that we will launch next fiscal year.

Simultaneously deploy growth strategies, enhance returns on capital, and reform governance

Growth strategies deployment

Implement RICOH Ignite growth strategies, reaching targets for FY2022 and generating sustainable growth thereafter

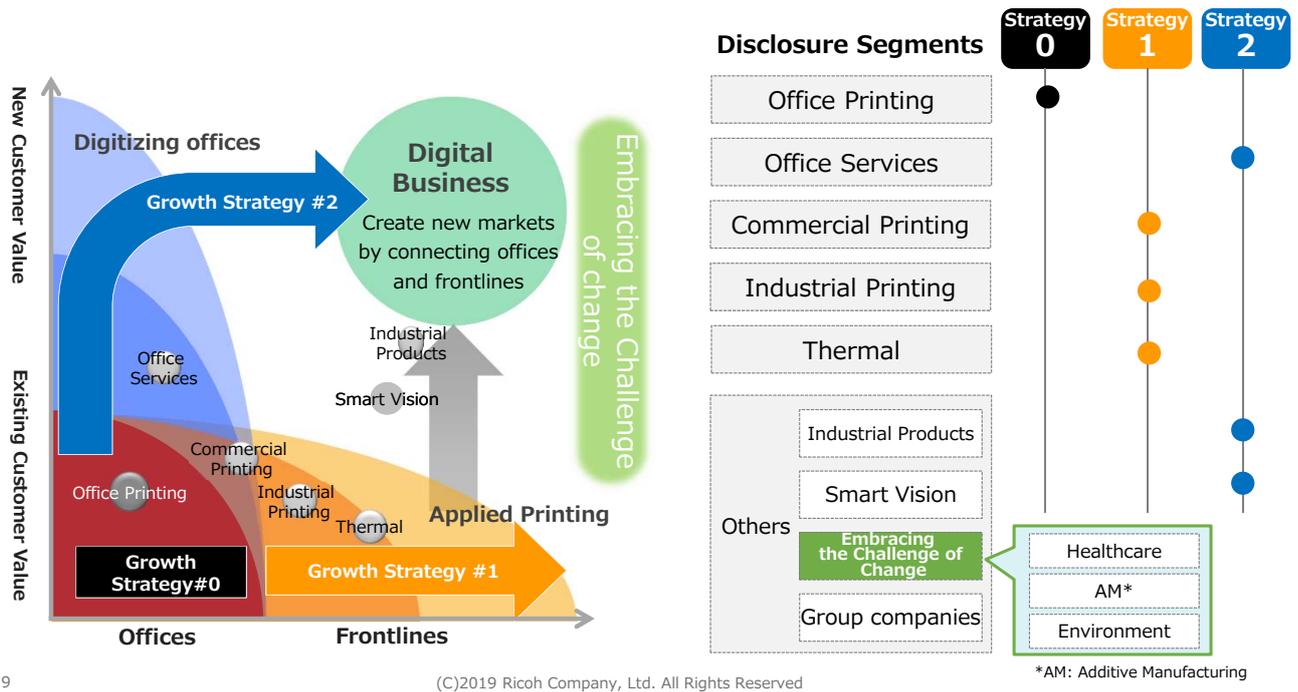
Enhance returns on capital

Enhance returns on capital and materialize growth strategies by deploying appropriate capital policies and investments

Corporate governance reforms

Driving growth strategies by properly evaluated and incentivized corporate governance system

- We have embarked on efforts to deploy our growth strategies, enhance returns on capital, and undertake corporate governance reforms in preparation the RICOH Lift Off stage that we will begin in FY2020.
- Today, each of our business heads will discuss how they are deploying growth strategies. CFO Hidetaka Matsuishi will talk about how we are endeavoring to enhance returns on capital. Nobuo Inaba, Chairman of the Board, will cover our corporate governance reforms.



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*AM: Additive Manufacturing

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- I will recap on how our growth strategies and businesses relate to each other.
- Growth Strategy #0 covers our core Office Printing business.
- Under Growth Strategy #1, we are leveraging and broadening the potential of our printing technologies. Here, we are harnessing electrophotography and on-demand printing from inkjet and thermal technologies to drive a transition from analog to digital processes.
- For Growth Strategy #2, we are adding new value to our customer base of around 1.4 million companies running more than 4 million of our systems.
- At the same time, we are endeavoring to digitize workflows in customer frontlines and help increase office productivity with digital technologies. We are drawing on Ricoh's data and image capturing and image processing technologies in such endeavors.
- In the middle of the page, you see "Embracing the Challenge of Change." Efforts in that regard will not contribute significantly to our businesses in the short term. Nonetheless, we plan to roll out related products and enter new markets in FY2019, and I will review several specific products and services a little later. I will also provide some examples of progress in digitizing frontlines in discussing the Industrial Products and Smart Vision businesses that are part of our Others segment.

Published Financial Figures

		19MTP			20MTP	
		Resurgent	Ignite		Lift off	
Billions of Yen		FY2016	FY2017	FY2018	FY2019	FY2022
Sales	Plan	2,170	2,000	2,040	2,200*	2,300*
	Result	2,029	2,063	2,040 <small>Q3 forecast</small>		
Operating Profit	Plan	77	18	80	100*	185*
	Result	34	▲116	85 <small>Q3 forecast</small>		
ROE	Plan	4.0%	0.3%	5%	6.9%*	9%*
	Result	0.3%	(negative)	5% <small>Q3 forecast</small>		
Structural Reform Saving			FY18 YTD (Q3forecast)	87.1B	100B*	
FCEF (Free Cashflow excluding Finance Business)			FY18 YTD (as of Q3)	136.3B	100B*	

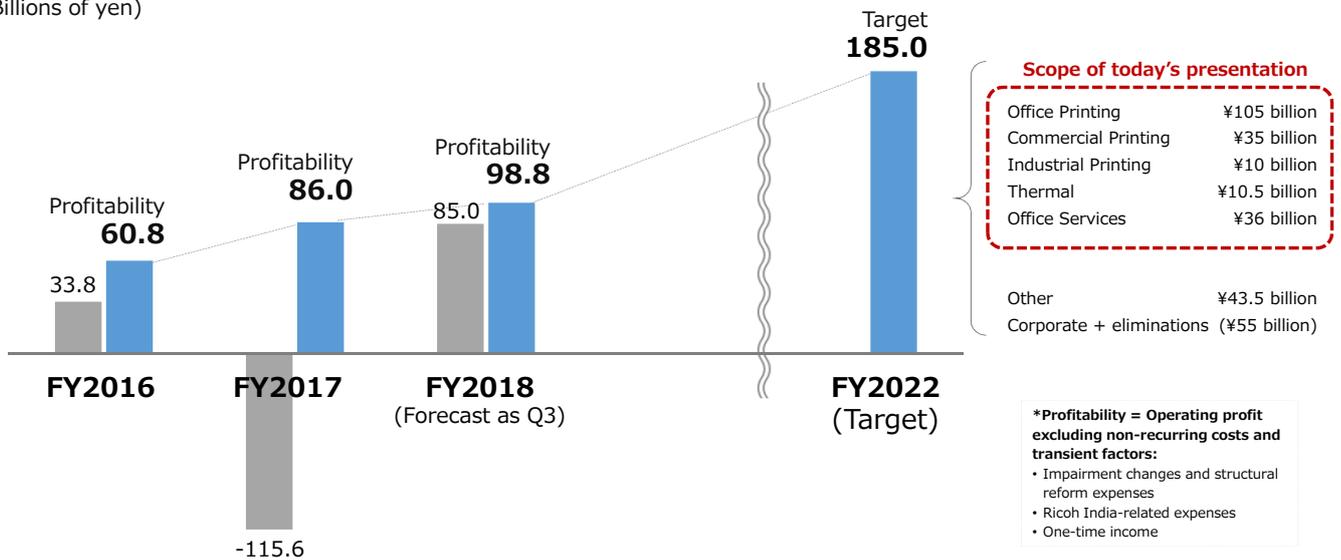
* =19MTP target

- We have already disclosed the information on this page, but I will recap on some of the financial benchmarks. Here, we present figures for FY2017, which was when RICOH Resurgent was in play.
- Moving to RICOH Ignite, the figures for FY2018 are forecasts as the end of the third quarter of FY2018. Numbers for FY2019 are forecasts that we announced in our mid-term management plan in April 2017.
- When we announced that plan, we presented our targeted structural reform savings and our free cash flow excluding finance business target.
- In FY2019, we aim to generate 100 billion yen each in structural reform savings and free cash flow excluding the finance business.
- When we announced our results for the third quarter of FY2018, we had generated 87.1 billion yen in structural reform savings. We had also posted 136.3 billion yen in free cash flow excluding the finance business. So, we are progressing well in these respects.

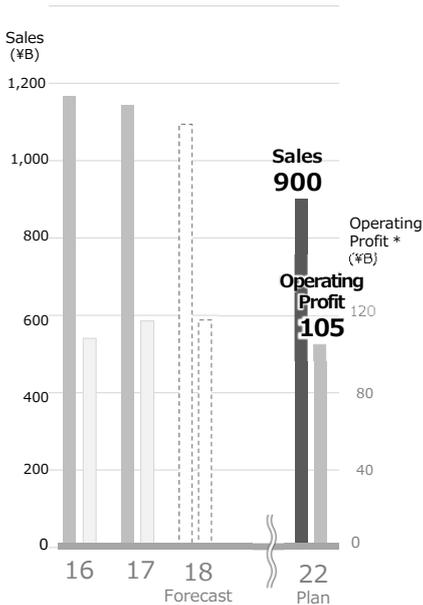
Operating Profit Trend

Profitability has steadily recovered*

(Billions of yen)



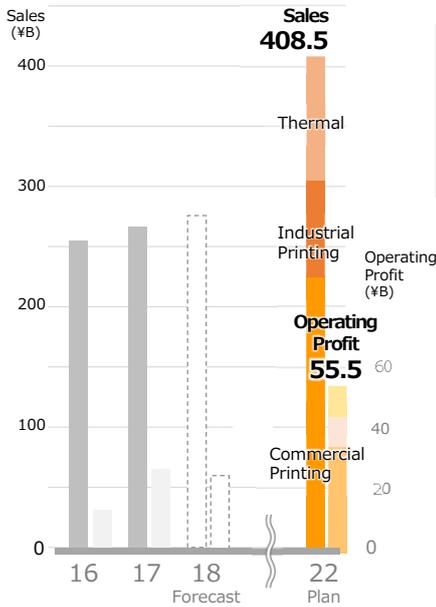
- This page presents the profitability trends that we have disclosed every quarter since FY2016. Profitability is operating profit excluding non-recurring costs and transient factors.
- Given current business trends, it will be challenging to reach our FY2022 profitability target of 195 billion yen. Still, I would note that we are making strategic investments and discussing ways to progress decisively over the next three years toward that goal.



Growth Strategy #0 toward FY2022
Increase profitability by evolving MFPs and pursuing operational excellence

- 1. Strengthen efforts in growth areas:**
Determine areas for regions, products, and channels on which we will focus and undertake concerted efforts
- 2. Pursue operational excellence:**
Strengthen development, production, sales, and service while boosting productivity and customer satisfaction
- 3. Establish new earnings model:**
Draw on collaboration with Office Services business to integrate subscription models

- From hereon, I will present some points about our growth strategies that our business heads will cover in their discussions.
- I will begin with Growth Strategy #0, which covers our core businesses. We have shown our results for FY2016 and 2017, forecasts for 2018, and targets for 2022.
- You may wonder whether it is problematic for sales to drop from the forecast level of FY2018 to 900 billion yen in FY2022.
- Still, in view of where we stand now and where endeavors this fiscal year take us, we may present a slightly revised figure in our next midterm management plan.
- In core businesses, we have made solid progress in managing prices. In each region, we have negotiated prices on unprofitable projects with customers, helping to enhance profitability.
- While market share has dropped, new products that we announced in January this year and steady internal initiatives to cut costs have enabled us to become more flexible in terms of pricing, and I have said internally that we are turning things around.

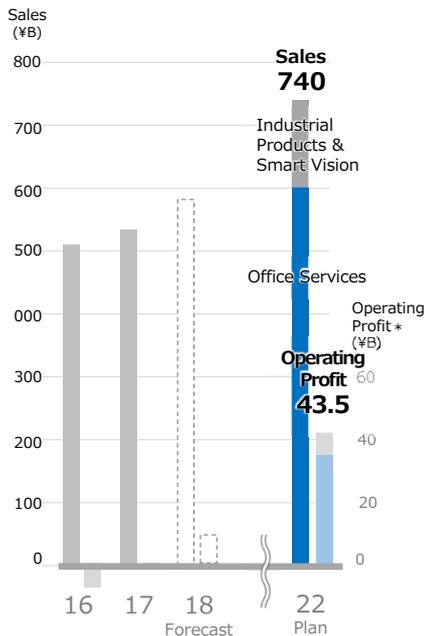


Growth Strategy #1 toward FY2022

Expand Commercial Printing business earnings and invest headily to drive Industrial Printing business growth

- Commercial Printing:** Bolster solutions to cater to various market needs in core, enterprise, commercial, and other printing areas, supporting customers and printing businesses and growing with customers
- Industrial Printing:** Expand our customer value proposition and reduce environmental impact by materializing our digital micro factory concept, opening up new vistas for industrial printing.
- Thermal:** Leverage competitive edge in existing businesses to maximize earnings while launching new operations to expand our business and increase the operating margin to more than 10%

- Growth Strategy #1 encompasses three businesses at various stages.
- In Commercial Printing, we have built a product lineup and sales structure. We announced some revolutionary products last fiscal year, but they did not contribute as much to performance as we had hoped, and we have positioned this business as one in which we will pursue solid contributions to earnings in FY2019.
- The Industrial Printing business has flowered. But in my view, we need to acquire more knowledge about the breadth of the manufacturing, construction, and apparel industries that we are targeting in this area. I would therefore like to continue exploring ways to drive significant growth in this business, including through strategic investments.



Growth Strategy #2 toward FY2022

Expand Office Services business earnings and create new businesses

Office Services: Reinforce our structure and invest extensively to expand operations and create a business model that produces stable earnings
Digitizing frontlines : RICOH360 data service

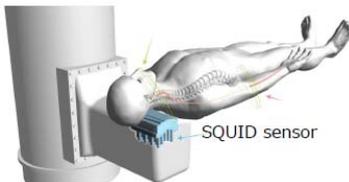
Industrial Products: Combine optical technologies that Ricoh has amassed over the years with Internet of Things, artificial intelligence, and other advanced technologies and visualize information through information conversion from data recognition processes to enhance the productivity of societies

- I will now overview Growth Strategy #2.
- Our Office Printing and Office Services businesses both target customers in the same spaces, but we run them separately under our current mid-term management plan.
- My approach with Office Services is to create a profitable structure and contribute to customers alongside printing operations under Growth Strategy #0.
- We have already boosted Office Services sales and made this business profitable.
- We have made significant progress in each region to match customer needs, as part of which we set up a support center in Poland to assist with IT services across Europe.
- As well as progressing in Europe, we have improved shared operations, and we will accelerate our efforts in this goal 2019 to boost both revenues and earnings.
- Note: The Smart Vision business is discussed as the RICOH 360 Data Service.



Help diagnose and swiftly detect and treat neurological diseases and contribute to a society in which people lead long and healthy lives

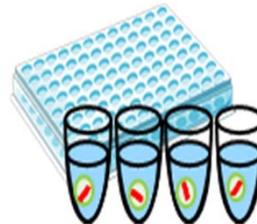
Magnetoencephalographs and spinographs



Add brain activities mapping function in March 2020

- Noninvasive neural activity measurement and visualization (mapping)

Bioprinting



Start supplying DNA standard plates from July 2019

- Precise inkjet deposition of cells
- Evaluating drugs for personalized medicine

- I will now present products and services in which we are striving to capitalize on new opportunities.
- In the Healthcare business, we set about helping to diagnose and swiftly detect and treat neurological diseases.
- We acquired our magnetoencephalography business from Yokogawa Electric. We are focusing on the American market this fiscal year, and we will roll out a magnetoencephalography with robust brain activity mapping features. We are on the cusp of extending the use of these systems from research to clinical applications.
- In bioprinting, which leverages our inkjet technology, we can precisely deposit cells on plates. We accordingly plan to supply standard DNA plates from around some of this year. We have earned strong recognition in academic circles for our contributions to dramatically improving genetic testing accuracy.



Contribute manufacturing innovation by resolving challenges in workflows through design to manufacture with devices, materials and modeling services

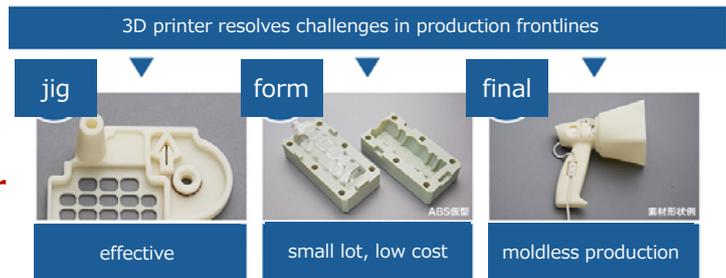
Modeling Services

Provide one-stop services to customers with manufacturing needs

- Support designing for 3D printers
- Outsourcing manufacturing services (Will provide in 20th MTP)



Planned to launch new 3D printer with Ricoh's technologies



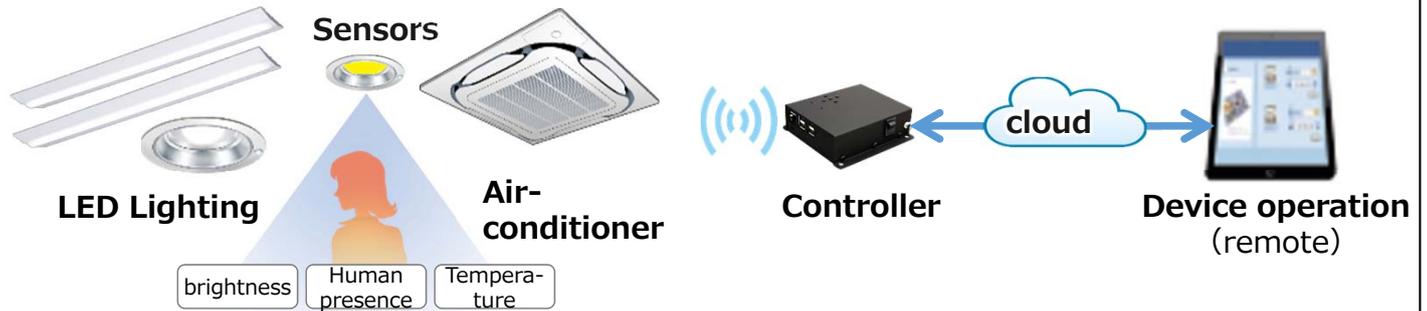
- I will now overview our additive manufacturing business.
- Around three years ago, we began providing modeling services from our Atsugi Plant in Japan. We are now generating many millions of sales in this area.
- We have learned in developing this business that a one-stop service approach is essential. We must not only supply 3D printers but also offer consulting on design challenges.
- This year, we plan to announce a Ricoh-developed 3D printer for simple prototyping and manufacturing applications.



Help create a sustainable economy and resolve social issues in keeping with a basic philosophy of contributing to customers' environmental management.

Lighting and air conditioning control system

Start supplying **May 2019**



- Achieve both comfort and energy-saving in office with sensing and control
- Contribute to workplace innovation with sensing and cloud.

- I will now review our Environmental Services business.
- This fiscal year, we plan to launch a service that controls lighting and air conditioning not just in offices but in entire buildings.
- Our system uses sensor technology to automatically adjust lighting when people enter rooms, adjust brightness during the days and evenings, and employ energy saving modes for air-conditioning when people are not on the premises.

Initiatives to Materialize SDGs (in Environmental Field)

Ricoh was the first company in Japan to commit to RE100, a collaborative, global initiative of influential businesses, and also joined the Japan Climate Initiative. Ricoh aims to eliminate carbon dioxide emissions from its value chain by 2050, receiving approval from the Science Based Targets initiative for its goals.



Reaching goals under RE100

- Expanding renewable energy purchasing and producing renewable energy at in-house sites
- Nine of 70 Group companies use 100% renewable energy (As of February 2019)



Progress	FY2016	FY2017	FY2018 first half
Group renewable energy penetration	14.5%	15.1%	17.8%



Solar panels at development site in Shanghai



New building at Ricoh Japan's Gifu branch

Ricoh joined TCFD (Task Force on Climate-related Financial Disclosures)

- Finally, I would like to mention that we are progressing through business to help resolve social issues.
- As you can see here, in May last year we became the first company in Japan to commit to RE100. In FY2016, renewable energy penetration within the Ricoh Group was 14.5%. By the first half of FY2018, we had increased penetration to 17.8%.
- At this juncture, of our 70 Group companies, nine companies, many of them in Europe, use 100% renewable energy.
- We have committed to using a minimum of 30% renewable energy by 2030 in keeping with our participation in RE100. Will provide timely and detailed reports on our progress in this respect.
- That completes my presentation. Again, thank you very much for your time today.

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- a. General economic conditions and business trend
- b. Exchange rates and their fluctuations
- c. Rapid technological innovation
- d. Uncertainty as to Ricoh's ability to continue to design, develop, produce and market products and services that achieve market acceptance in hot competitive market

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**Note: In this document, fiscal years are defined as follows:
FY2018 = Fiscal year ended March 31, 2019, etc.**