



Top Interview

An interview with Zenji Miura, President and CEO



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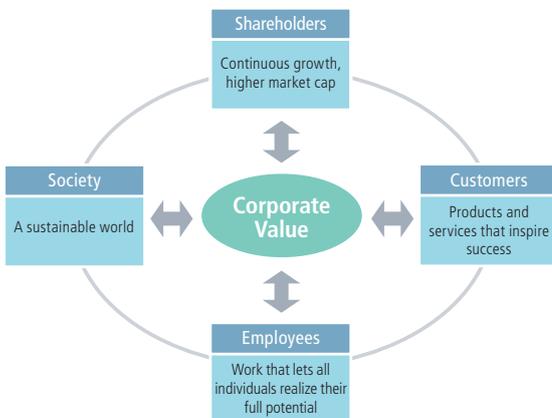
In the following interview, Zenji Miura talks about the Ricoh Group's business environment and policies.

What are your goals as you take charge of the Ricoh Group?

Since becoming president in April, I've been committed to using the upturn in our financial results to strengthen our competitive position. My goal is to raise the Ricoh Group's corporate value through organizational reform that opens a new path to growth. Our group's economic, societal and environmental worth will increase comprehensively as we meet the expectations of diverse stakeholders, maximizing our value to shareholders, customers, employees and society.

We can create new value that inspires our customers and fulfills our responsibility to a sustainable society by working to solve global environmental and social problems. These activities are inseparable from our business expansion in our quest to raise corporate value.

• Raising corporate value



How can the Ricoh Group fulfill its responsibility to a sustainable society?

“The RICOH Way” is the fundamental concept behind all Ricoh Group activities. It consists of our Founding Principles — “The Spirit of Three Loves” — and our Management Philosophy. The RICOH Way is a clear guide to how we should judge and act upon the highly complex issues confronting a company, no matter the era.

In recent years, The RICOH Way has taken on a crucial role as a means to harness the collective

power of the Group and channel it toward continuous growth in an ever-changing business environment. In fact, unless the global economy and society develop sustainably, there will eventually be no growth at all. The RICOH Way tells us that contributing to the creation of a sustainable society is an enlightened way to do business.

Today, the Group operates in more than 200 countries and regions and employs a very diverse range of talent, yet The RICOH Way, which has been handed down to us over decades, still guides the awareness and actions of our employees. I believe it is an asset that will help us continue to create new value and lead the world in finding solutions that benefit people and the planet.

What is your view of the current business environment?

World economic conditions remain uncertain. In sectors like our core business, MFPs and other imaging equipment, we cannot expect the vigorous growth of the past in developed nations, although moderate growth can be maintained.

In emerging countries, we foresee continued strong expansion, especially in Asia. Frontiers are opening up in places such as South and Central America and Africa. The product performance and service that customers expect vary considerably from region to region, however, so we need to tailor our offerings precisely to market characteristics.

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How will Ricoh respond to these evolving market dynamics?

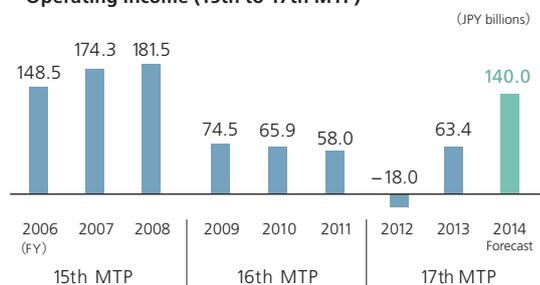
The changes in society as a whole are forcing us to reform our business strategy. We realize that our core business, Imaging and Solutions, is at a turning point, and that we have to go beyond simply making refinements. It is imperative to have a strategy based on a view of the future and to overhaul the very framework of our business so as to be in sync with that strategy.

While we will continue to take advantage of our leading-edge optical, image processing and other technologies in addition to our close customer relationships, we will also use these assets to develop new businesses in industrial, consumer and other sectors.

What are the specific initiatives of the 17th Mid-Term Management Plan (MTP), which runs from April 2011 to March 2014?

The two fundamental strategies specified in the 17th MTP are “business creation and integration” and the “establishment of highly efficient management.” By putting these two into effect, we greatly improved our profitability in fiscal 2013 compared to the previous year. The structural reforms we pursued have resulted in an expanded portfolio of products and services that offer new customer value.

• **Operating Income (15th to 17th MTP)**



Fiscal 2014 is a pivotal period for us. As the final year of the 17th MTP, it will reveal the true worth of our accomplishments so far. From here on, we are pursuing four key initiatives as ways to put us on a true growth trajectory.

• **Four Key Initiatives for Growth**

- Thoroughly reinforce earning power through core businesses
- Create new profit models in the current core business
- Accelerate development for new growth businesses
- Improve resource efficiency

Could you discuss these initiatives, beginning with “Thoroughly reinforce earning power through core businesses”?

The core business of the Ricoh Group is imaging and solutions. There is strong demand for A4 MFPs in Europe, Asia and elsewhere. By augmenting our lineup of these products and adding others that help customers boost their productivity while saving on energy costs, we have captured a very high market share.

These days companies seek out eco-friendly features such as lower energy consumption and recycled materials when they assign contracts. Not only that — they sometimes audit the working conditions of the production chain. So customers’ demands are getting more diverse and exacting. If the Ricoh Group can respond properly to these expectations, we can strengthen our relationships of trust with our customers.

How about “Create new profit models in the current core business”?

Our core business has long been MFPs and other equipment that handle paper documents. The world has quickly grown more digitized and networked, thus enabling people to work anytime, anyplace. We see opportunities in supporting these work styles that are untethered from the office, and have launched business models that help customers deal with issues that arise with new ways of working.

The Ricoh Group continues to provide document-related products and services, but we also have competencies in the management of IT environments. That makes us a one-stop source for solutions that enhance communication, including projection systems, videoconferencing systems and interactive whiteboards. By packaging the administration of IT systems with our other contracted services in this way, we are simultaneously deepening the relationships with our customers and building business models that can increase revenue.

What are the elements of “Accelerate development for new growth businesses”?

We must continually create new value for our customers if we are to grow over the long term. To that end, we are nurturing promising new technologies. In the field of industrial products, for example, we have launched a high-performance compact factory automation camera that can perform product inspections and positioning, tasks that until now required human workers on production lines. This is an illustration of how the amalgamation of optical, image processing and materials technologies can lead to new business domains. In consumer products, our aim is to increase our brand equity through products like the PENTAX Q10, a digital mirrorless interchangeable-lens camera that is incredibly compact and lightweight.

In sum, we are strengthening our overall processes for exploring, developing and generating new businesses.

What is covered by the fourth key initiative, “Improve resource efficiency”?

Over the past few years we have pursued structural reform, eliminating duplicate functions, streamlining work processes and reassigning personnel to achieve greater efficiency. We have given priority to the allocation of personnel, capital and other resources to enterprises that involve a great deal of customer contact or that have growth potential. The returns from these decisions are increasing day to day, as proven by lower total costs and the launch and growth of new businesses.

But structural reform requires persistence. We will not stop transforming until every Group company and employee can focus on creating value that satisfies and inspires our customers.

I have been with Ricoh for some 40 years, and during that time I have worked in several regions and countries and in many organizations. Everywhere I went, I found teams of people with a high degree of professionalism as well as wide-ranging curiosity that extended beyond their specialties. Their individual efforts became an exponentially greater force when they worked together. I seek to build a corporate culture in which the collective strength of each person working autonomously with a strong sense of mission and integrity is firmly entrenched.

In closing, tell us how the Ricoh Group is going to design the future.

The Ricoh Group has many assets: technical know-how supporting a rich range of products, outstanding solution development and service expertise, and a powerful global and local sales network. These assets represent the potential for a new business model that can provide great benefits to our customers and society. I believe they will enable us to head into a bright new future.

In April 2012, the Ricoh Group adopted “imagine. change.” as its corporate brand message. It reflects the reality that we are now at a stage where our challenges can no longer be answered by a mere extension of ongoing operations. The emergence of the Internet brought enormous changes to global society, making old ways of thinking and doing no longer effective as a response to today’s challenges. Yet this era presents a tremendous opportunity for innovation. We therefore have to “imagine” — that is, think about things from a future point of view. We must stay sensitive to changes in the business environment, and also have a clear vision of the

future we want so that we can “change” ourselves and realize that vision.

I want the Ricoh Group to be an organization that, through its success, benefits not only the present generation but also generations to come. Our challenge is to create new value for our customers, the future of humanity and the future of the global environment.



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