

Ignite

Ricoh Group Growth Strategy

February 6, 2018

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President and CEO

Ricoh Company, Ltd.



Growth Strategy Positioning

Position “Ignite” as a stage in the growth strategy through 2023



1. RICOH Resurgent in Review

Outcomes of structural reforms and stronger governance



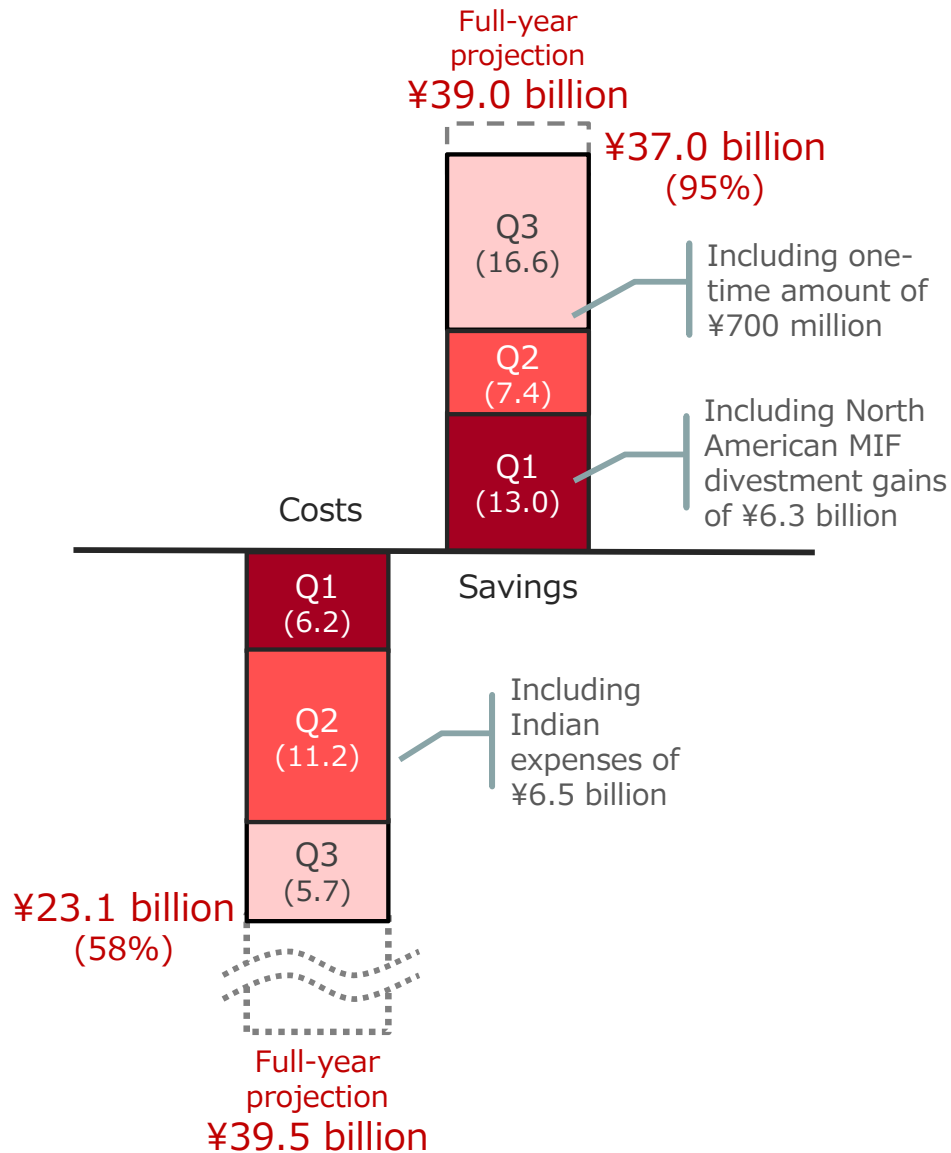
We reviewed our five major principles to create an open corporate structure

	Completed in FY 2018	Planned
<p>1. Cost structure reforms and streamlining</p> <ul style="list-style-type: none"> Reviewed in-house manufacturing focus Revamped direct sales and service 	<ul style="list-style-type: none"> Integrated or closed production sites Rationalized product line-up created in-house Streamlined headquarters and back office operations 	<p>⇒ Substantially completed in FY 2018</p> <p>Note: North American structural changes in progress</p>
<p>2. Business process reforms</p> <ul style="list-style-type: none"> Improved digitized processes 	<ul style="list-style-type: none"> Enhanced productivity by expanding shared services Improved service efficiency by employing Smart Support across more products Lowered costs through production automation 	<p>⇒ Continued implementation through FY 2019</p>
<p>3. Business focus</p> <ul style="list-style-type: none"> No stone left unturned in evaluating businesses based on the following criteria: 	<ul style="list-style-type: none"> Transferred shares in electronic devices business Transferred shares in San-Ai Kanko Changed support policy for Ricoh India Decide to sell CCBJ shares 	<p>⇒ Ongoing business evaluation</p>

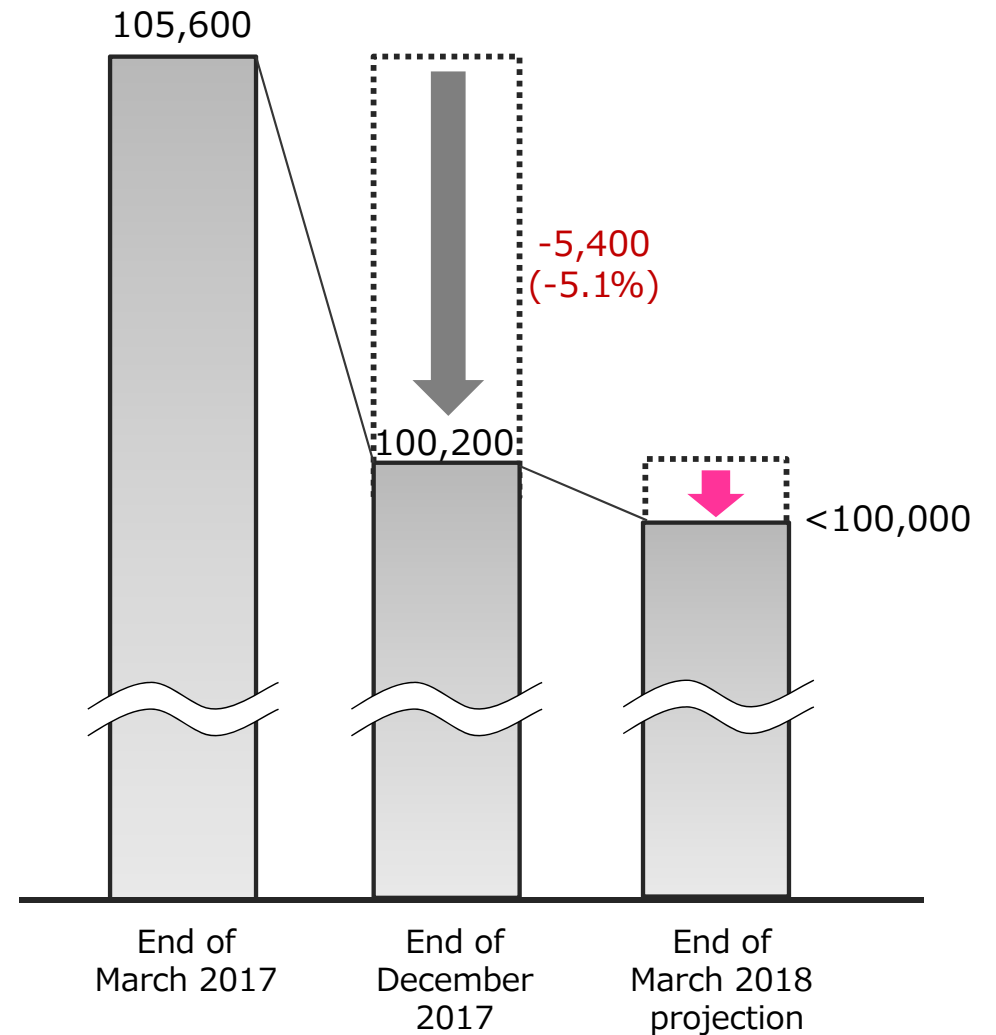


Structural Reform Outcomes (1)

FY 2018 Costs and Savings (Compared with FY 2017)



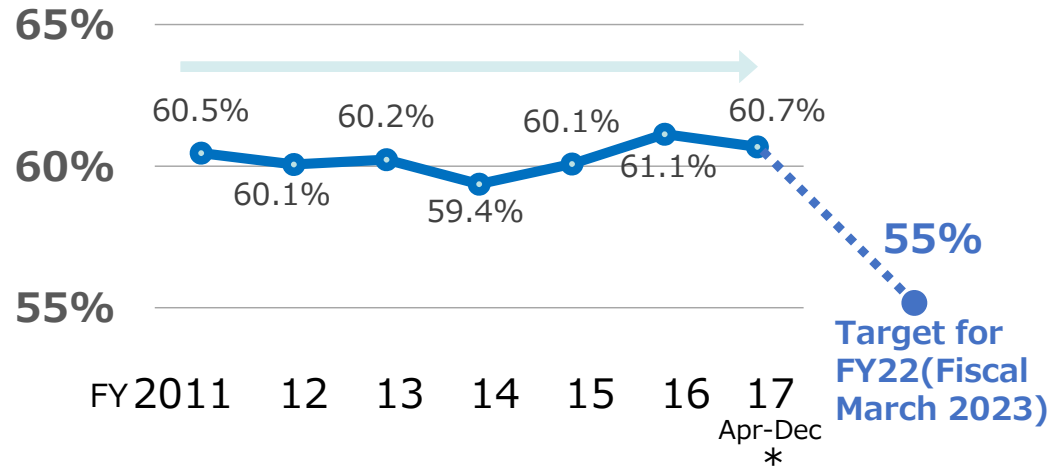
Number of full-time employees



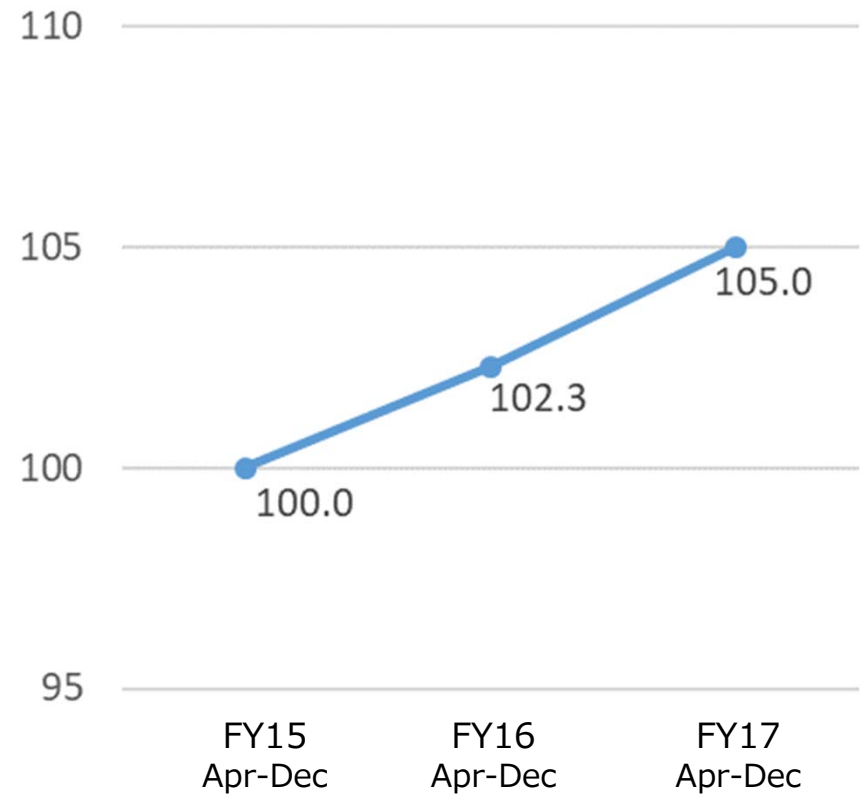


Structural Reform Outcomes (2)

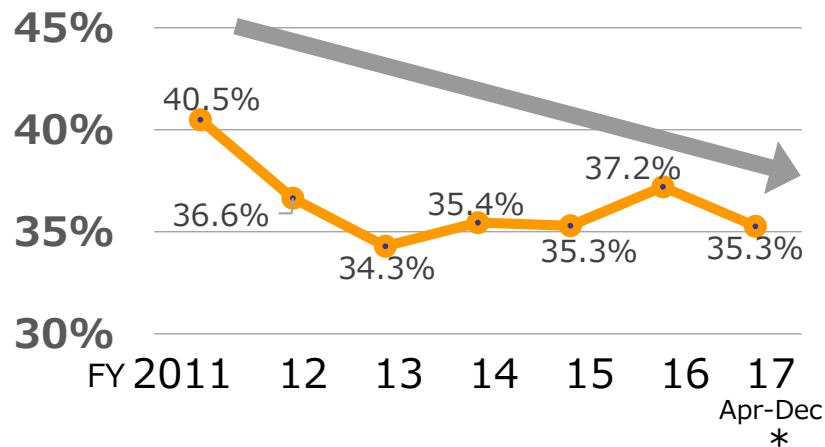
Cost of goods ratio



Index of gross profit per employee (FY15 Apr-Dec = 100)



SG&A ratios



* FY17 Apr-Dec :Excluding expense for structural reform and transient gain/expense.



Foundational reforms to support our growth strategies

Completed in FY 2018

Overhaul governance

- Limit director terms to one year
- Establish performance evaluation system for internal directors
- Abolish management advisory system
- Set up governance review committee

Review management structure

- Review results management structure
- Reform organization

Institute headquarters reforms

- Reinforce investor and shareholder relations
- Headquarters functional enhancement

Reinforce global governance (Review in light of Ricoh India)

- Have headquarters accounting department manage financial affairs of overseas subsidiaries and transactions exceeding certain amounts
- Review criteria for appointing accounting firms of overseas subsidiaries
- Strengthen internal audit by creating a global audit team structure
- Replace accounting auditors of Group subsidiaries

2. Growth Strategy

Achieved through an open culture

Ignite





Businesses that do not contribute to SDGs* will be eliminated

It will become critical for business success to be compatible with resolving social issues

The needs of Individuals will be more diverse

Workplaces could be anywhere and personalization will increase

The role of printing technologies will expand

Innovations replacing existing technologies

***SDGs: Sustainable Development Goals**

In September 2015, the United Nations Summit adopted 17 Sustainable Goals and 169 targets as part of a universal agenda to ensure that nobody is left behind in the drive to free humanity from poverty and hunger and improve the human condition in terms of such areas as health, sanitation, economic development, and the environment by 2030.

Issues	Possible solution using printing technologies
<p>Clothes : Textiles</p> <ul style="list-style-type: none"> Existing need for “Short run with greater variety, Large variety” (e.g. Fast fashion) Environmental pollution/A large amount of waste water (Over 2.5 billion tons in China) 	<ul style="list-style-type: none"> Wash-less production by water-based ink Less inventories thanks to on-demand digital printing
<p>Food : Packaging</p> <ul style="list-style-type: none"> Need for multi-lingual information due to an increasingly borderless food culture Huge wastes caused by seasonal packaging 	<ul style="list-style-type: none"> Deliver short run with greater variety capability to food packaging using safe and secure production
<p>Housing : Interior decoration</p> <ul style="list-style-type: none"> Wallpaper and flooring materials may generate a large number of waste due to seasonal/fashion trend changes 	<ul style="list-style-type: none"> Aim to achieve zero stock /waste by providing inks that are superior in safety and durability
<p>Medical care : Human tissue</p> <ul style="list-style-type: none"> Current technology can’t produce human tissue modeling close enough for medical test 	<ul style="list-style-type: none"> Provide human tissue that can replicable biological functions, control the number of cells and position of cells
<p>Industry : Manufacturing innovation</p> <ul style="list-style-type: none"> Long lead times for mold creation Increase of the number of parts due to complicated manufacturing 	<ul style="list-style-type: none"> Simplify complicated manufacturing process by 3D printing Lead time reduction

Reduce waste by building an efficient value chain, and contribute to **solving social issues** by promoting strategies for security and safety

Increase consumer choice by responding to their **diversified needs** through mass customization

Commitments to Stakeholders	Employees	Create a vibrant workplace and corporate culture
	Customers	Deliver on EMPOWERING DIGITAL WORKPLACES
	Shareholders	Corporate value enhanced through ESG+F(Finance)
	Society	Drive Sustainability for Our Future

The tireless pursuit of working smarter.
The expansion of printing technologies.
The contribution to achieving SDGs through our
business.

Ricoh's five materiality challenges to deliver on SDGs*

Enhance
productivity

Create
knowledge

Improve
quality of life

Decarbonize
economies

Materialize
circular
economies

*The five materialities

Ricoh formulated these materialities as part of its focus on attaining SDGs through a principle of balancing its approach to prosperity, people, and the planet.

Consolidated Financial Targets

(Fiscal Year ending March)

(Billions of yen)	FY 2017	FY 2020	FY 2023
Sales	2,028.8	2,200.0	2,300.0
Operating profit	33.8	100.0	185.0
Operating margin	1.7%	4.5%	8.0%
Return on equity	0.3%	6.9%	9.0%~
FCEF *	—	100.0	250.0
		Total FCEF over three years	Total FCEF over three years

*Free cash flow excluding finance business

Develop businesses that leverage our strengths

- Draw on our strengths to cater to on-demand printing and mass customization needs
 - Customers, sales and service network, and total number of devices
 - Print and capture (optical and imaging) technologies embedded in our devices

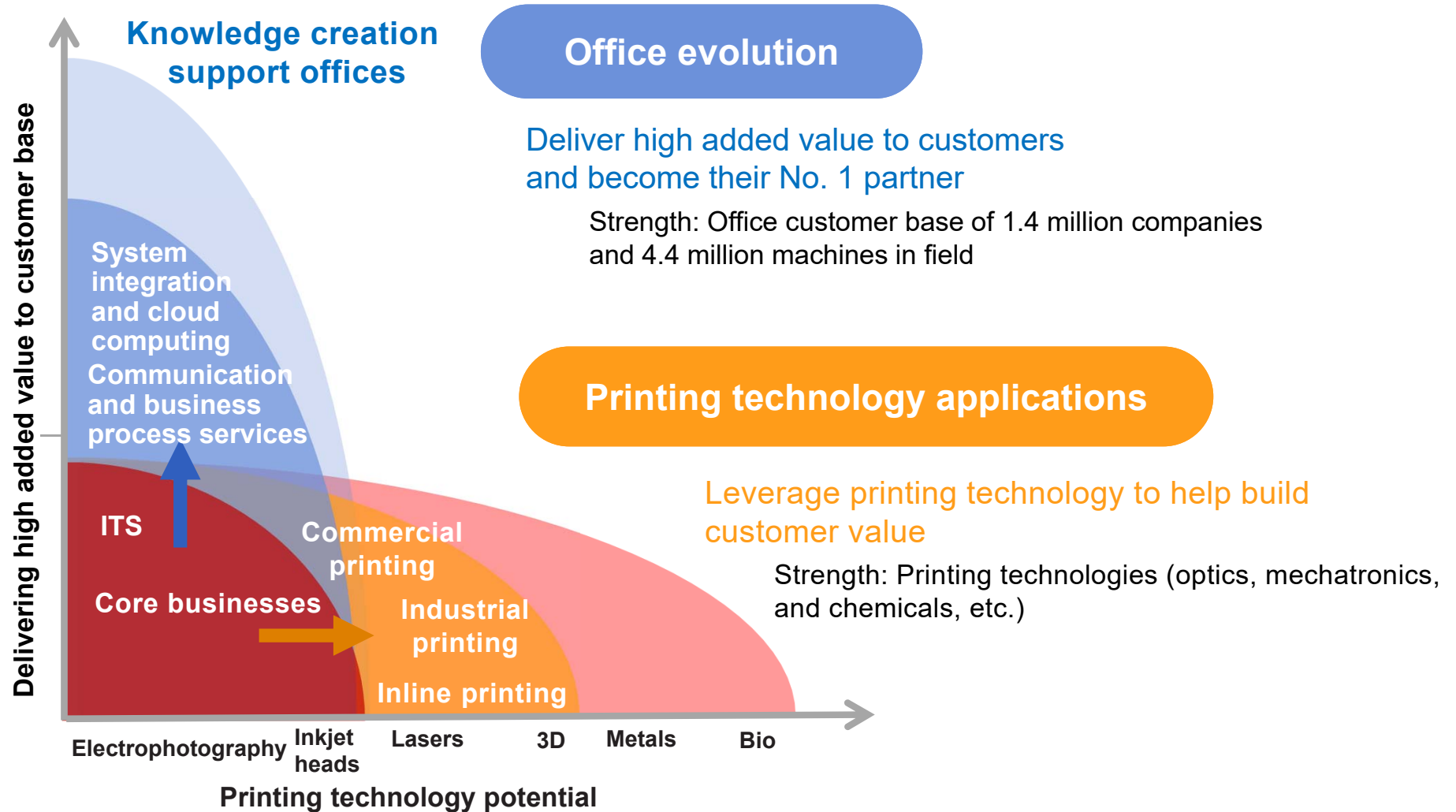
An open management style

- Eliminate self-sufficiency by creating new businesses harnessing open innovation and external capital
- Launch improved digitized processes by leveraging cloud-based groupware worldwide and making communications more open

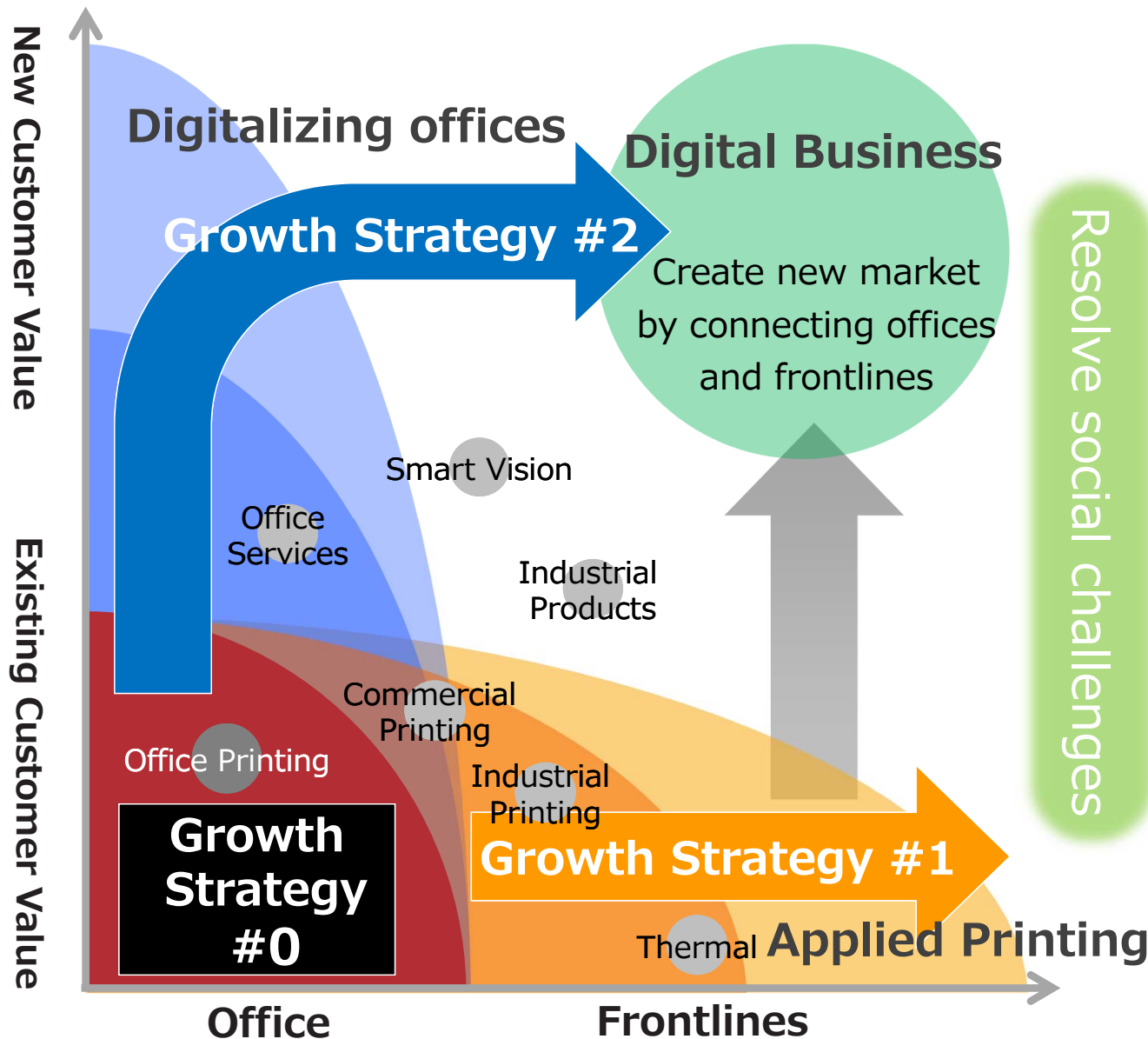
Focused investments

- Plan to invest more than ¥200 billion in M&A across Fiscal March 2019 & 2020

RICOH Resurgent: Growth through Strengths



RICOH Ignite Growth Strategy



Growth strategy #0

Evolve MFP, enhance our operations and secure our customer base

Growth strategy #1

Expand customer base by pursuing possibilities of printing technologies
"Display printing" to "Applied printing"

Growth strategy #2

Add Ricoh-oriented value to customer base, and connect offices & frontlines

Business portfolio transformation

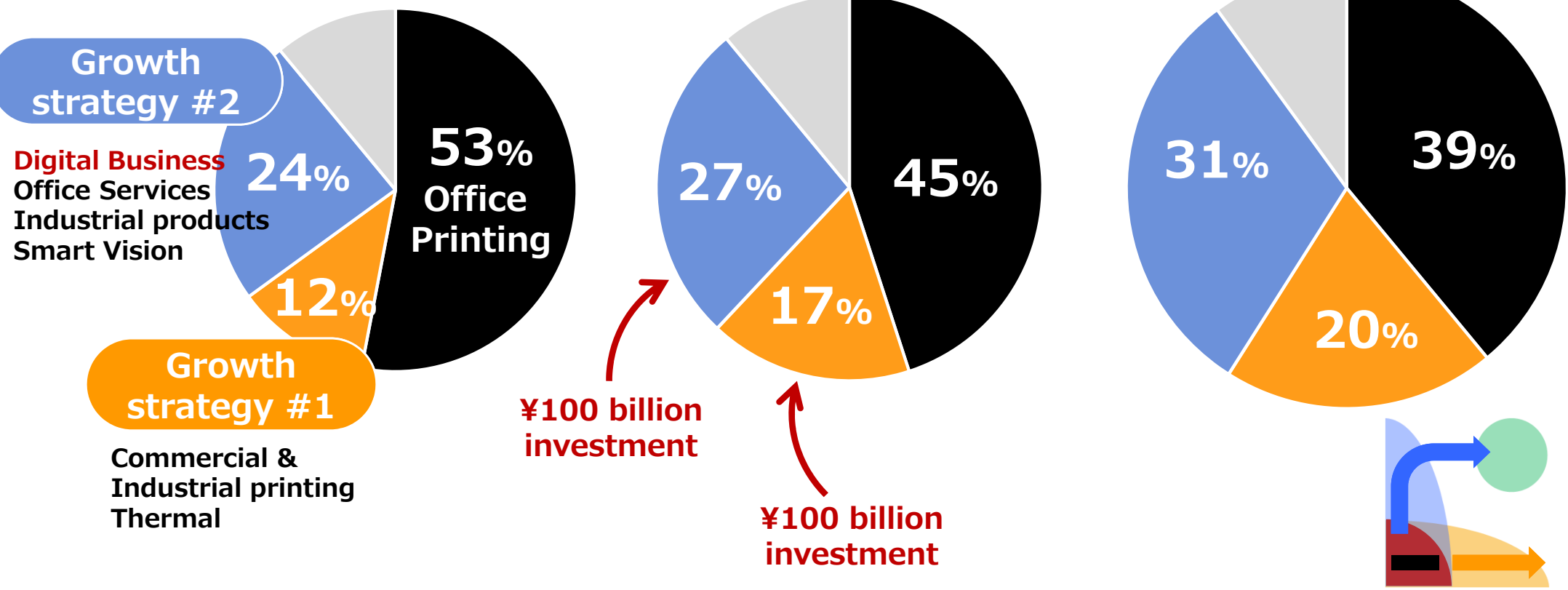
Invest ¥100 billion in each of growth strategy #1 and #2
to diversify our business portfolio

Fiscal March 2017

Fiscal March 2020

Fiscal March 2023

Sales composition





Expand our business domains with “Display Printing” & bring industrial innovation with “Applied Printing”

- Enhance productivity
- Create knowledge
- Improve quality of life
- Decarbonize economies
- Materialize circular economies

Revolutionize manufacturing with printing technology

“Applied Printing”

Creating new value with printing technologies

“Display Printing”

Non-paper media printing

Printing on paper



Paper, book, sales promotion material and direct mail



2.5D



Film



Construction materials



Food



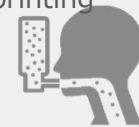
Textiles



Electrode printing



Additive manufacturing



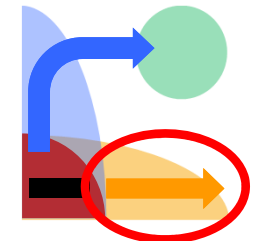
Uniform granulation



Bioprinting (cell lamination)



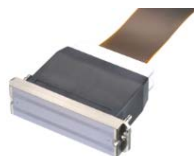
Printed electronics



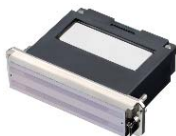


A wide variety, from office printing to industrial decor.

Head



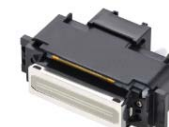
MH54xx



MH52xx



MH24xx



GH xxxx

Ink

UV

Latex

Water-based

Printer



Pro T7210



Pro L4160



VC60000



Ri 3000/6000



Ri 100



GELJET printer

Application



Product décor/
plastic sheet

Soft Signage/film



Garment print/
textile



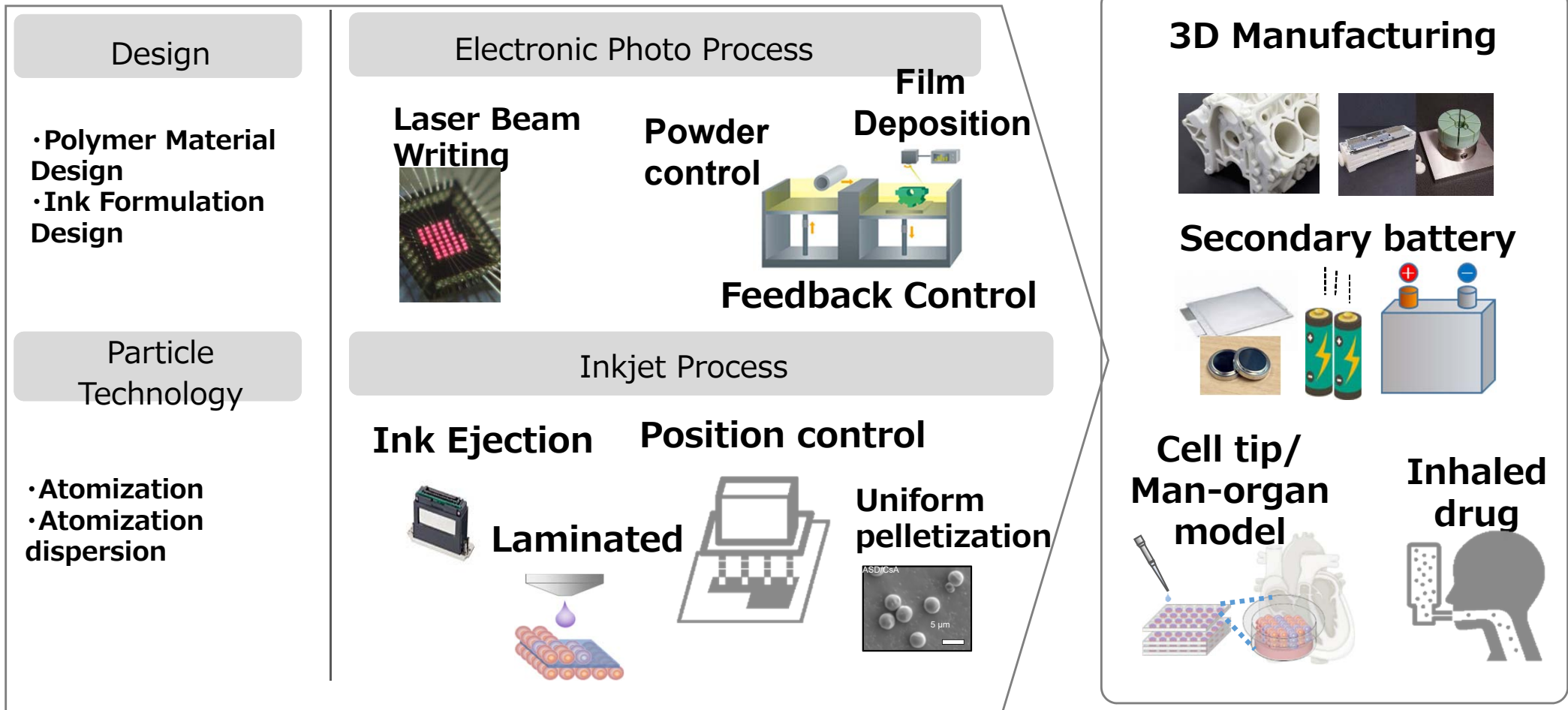
Office print/
plain paper

New value by printing technologies (material + process)

Material

Process

Applications





Combine edge devices with applications to create new value

- Enhance productivity
- Create knowledge
- Improve quality of life
- Decarbonize economies
- Materialize circular economies

Generate value through data by linking offices to the frontlines

- Concierge service
- Social infrastructure inspections

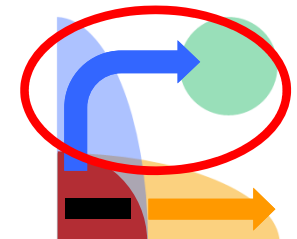
Evolutions in Intellectual productivity and collaboration

- AI-OCR
- AI+IWB

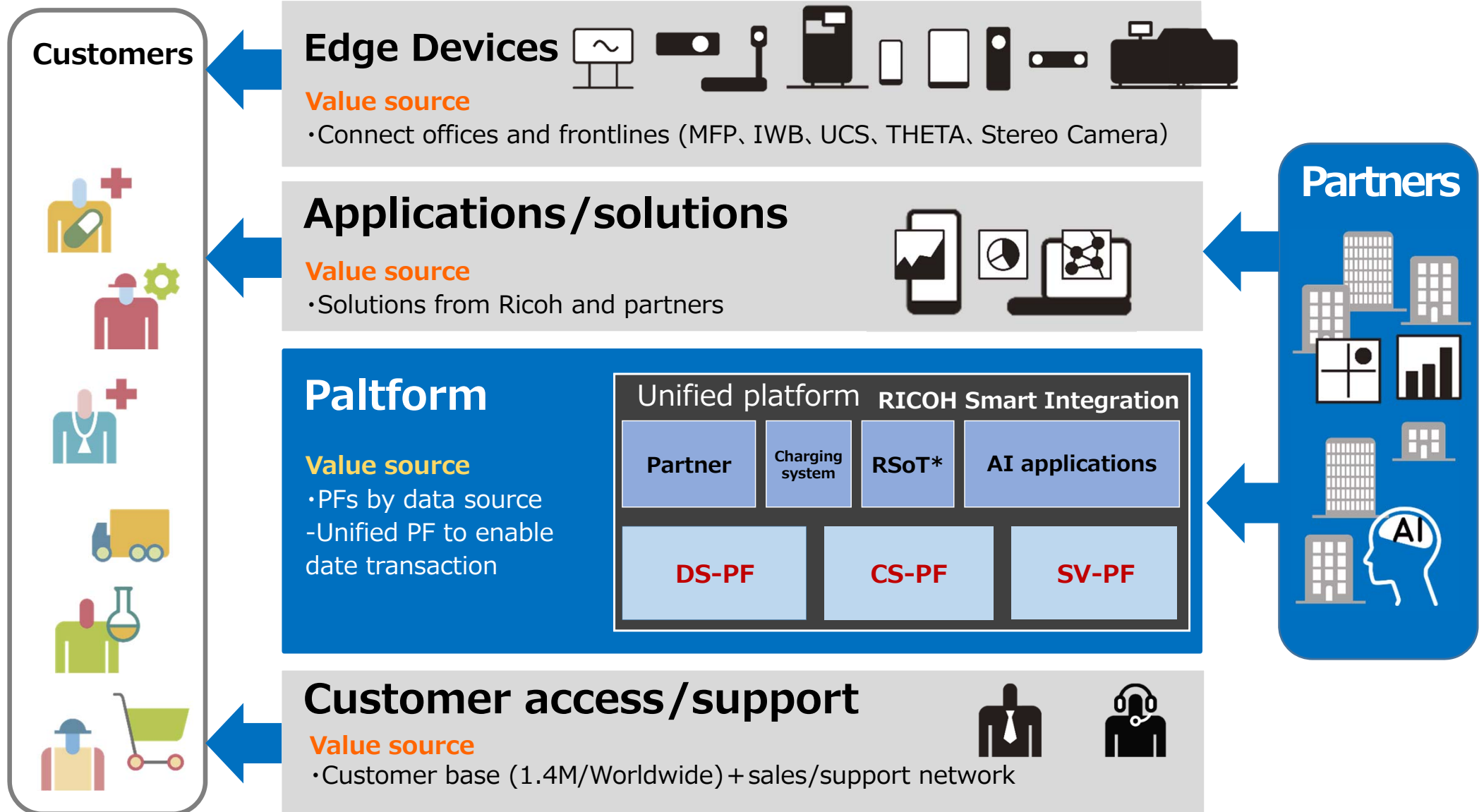
Office Workflow Reforms
(small and medium-sized businesses)

Office Communication Reforms
(large corporations)

Integrate and use stored data



Combine Ricoh's strength and external insight to enhance platform's value

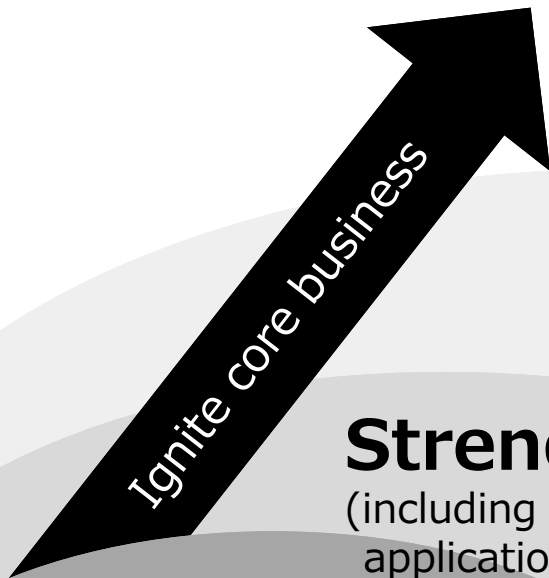


*Offering as "RICOH Open Remote Services" to build remote monitoring environment for industrial equipment.



Enhance the value of our MFPs and printers (hardware and after service) and remain #1 in Customer Satisfaction

- Enhance productivity
- Create knowledge
- Improve quality of life
- Decarbonize economies
- Materialize circular economies



MFP Evolution

- MFP connecting to cloud
- Support inter-company workflows

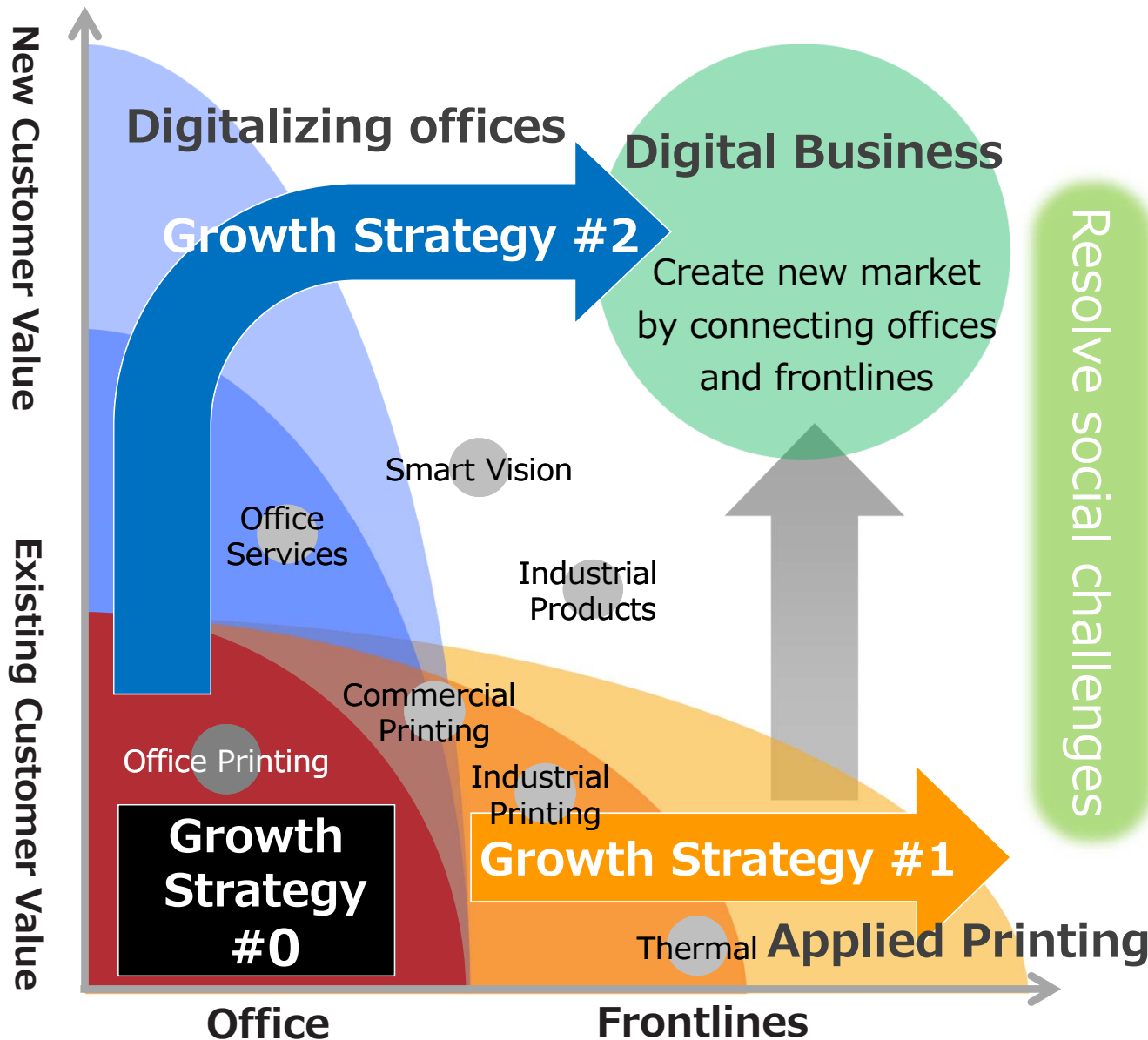
Strengthening collaboration

(including in production outsourcing, OEM, and application development outsourcing)

The pursuit of Operational Excellence

- Automate production
- Optimize maintenance processes
- Deliver digital manufacturing

RICOH Ignite Growth Strategy



Growth strategy #0

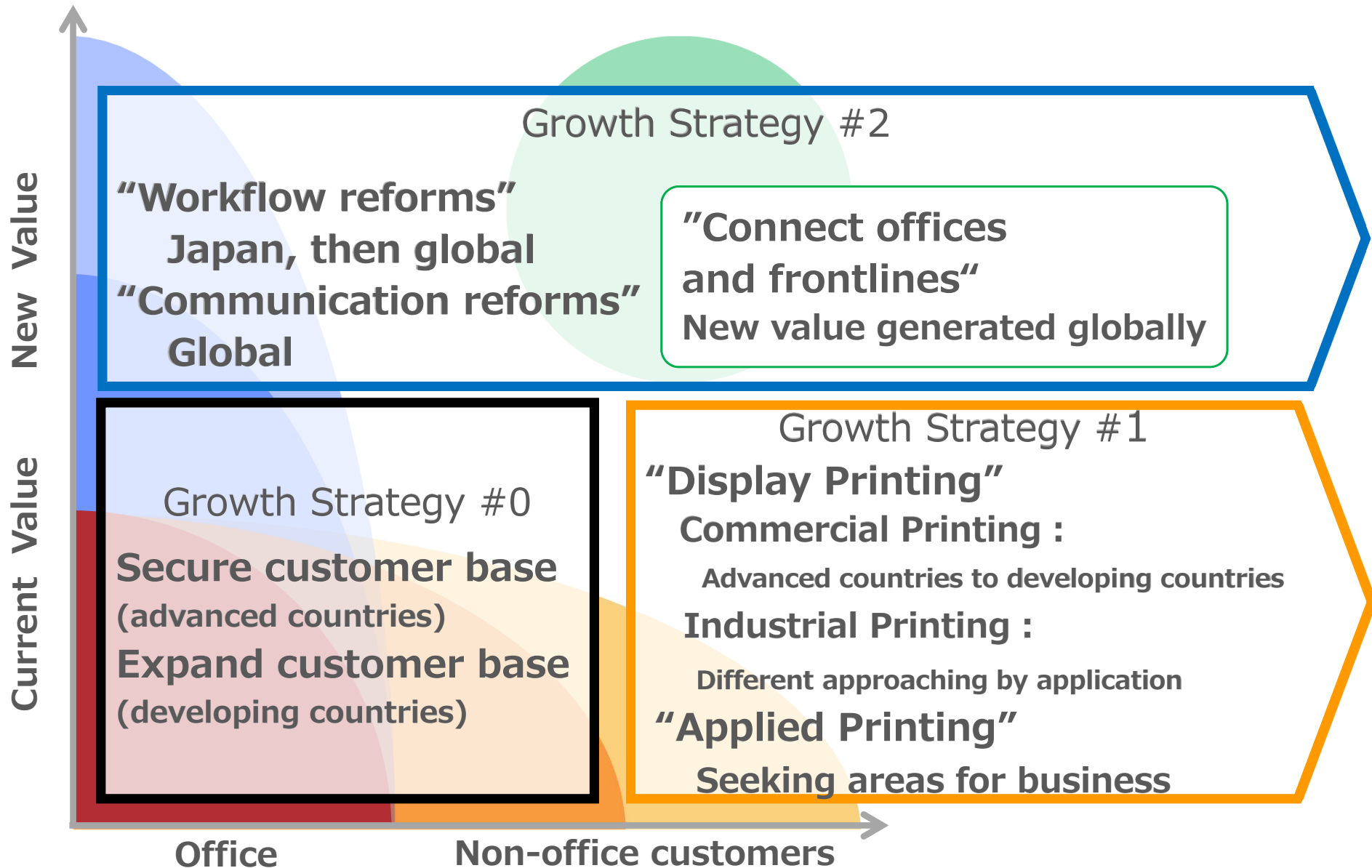
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Embracing the Challenges of Change



Ricoh has delivered customer value over the years by innovating.

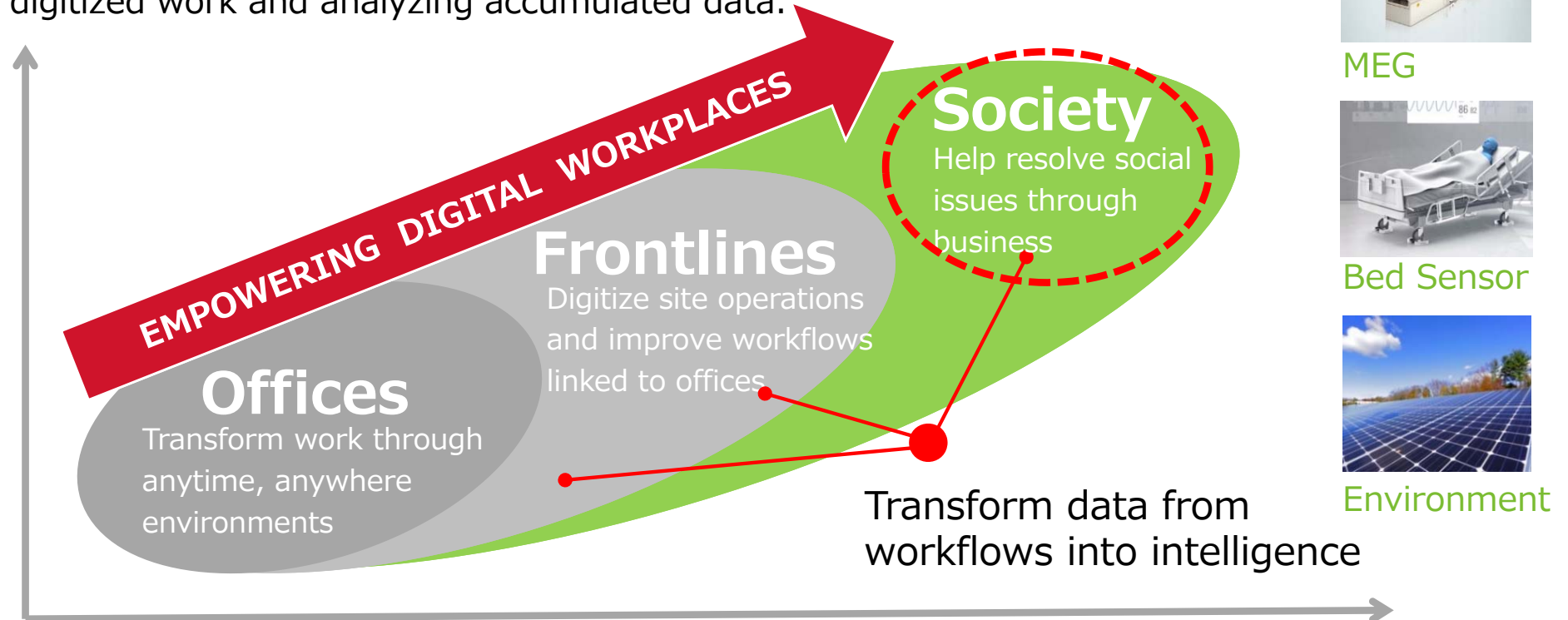
The transformation of society is making it vital for corporate activities to address emerging social issues.

Ricoh seeks to make a real difference by embracing the challenges of change—creating new value in fields where it can help resolve social issues.

Left: The cylindrical, glass-covered San-ai Dream Center in Tokyo's glittering Ginza area was a sensation when Ricoh Kiyoshi Ichimura founder established it in the early 1960s, and affirms the company's enduring quest to making the impossible possible.

Work digitization scope

Digitize workplace tasks. Support customers by connecting digitized work and analyzing accumulated data.



Value proposition expansion

From conventional offices to wherever people work and to society.

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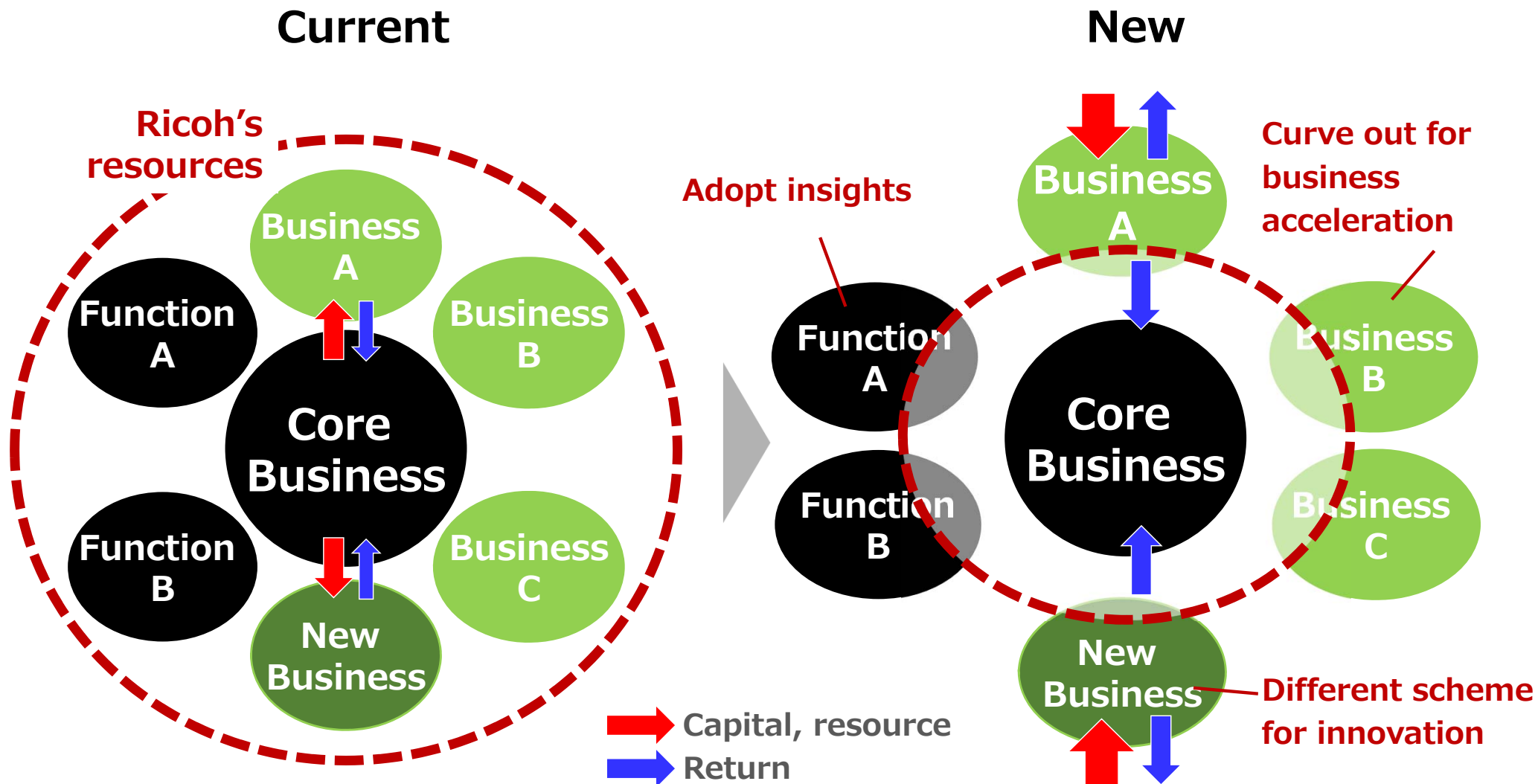
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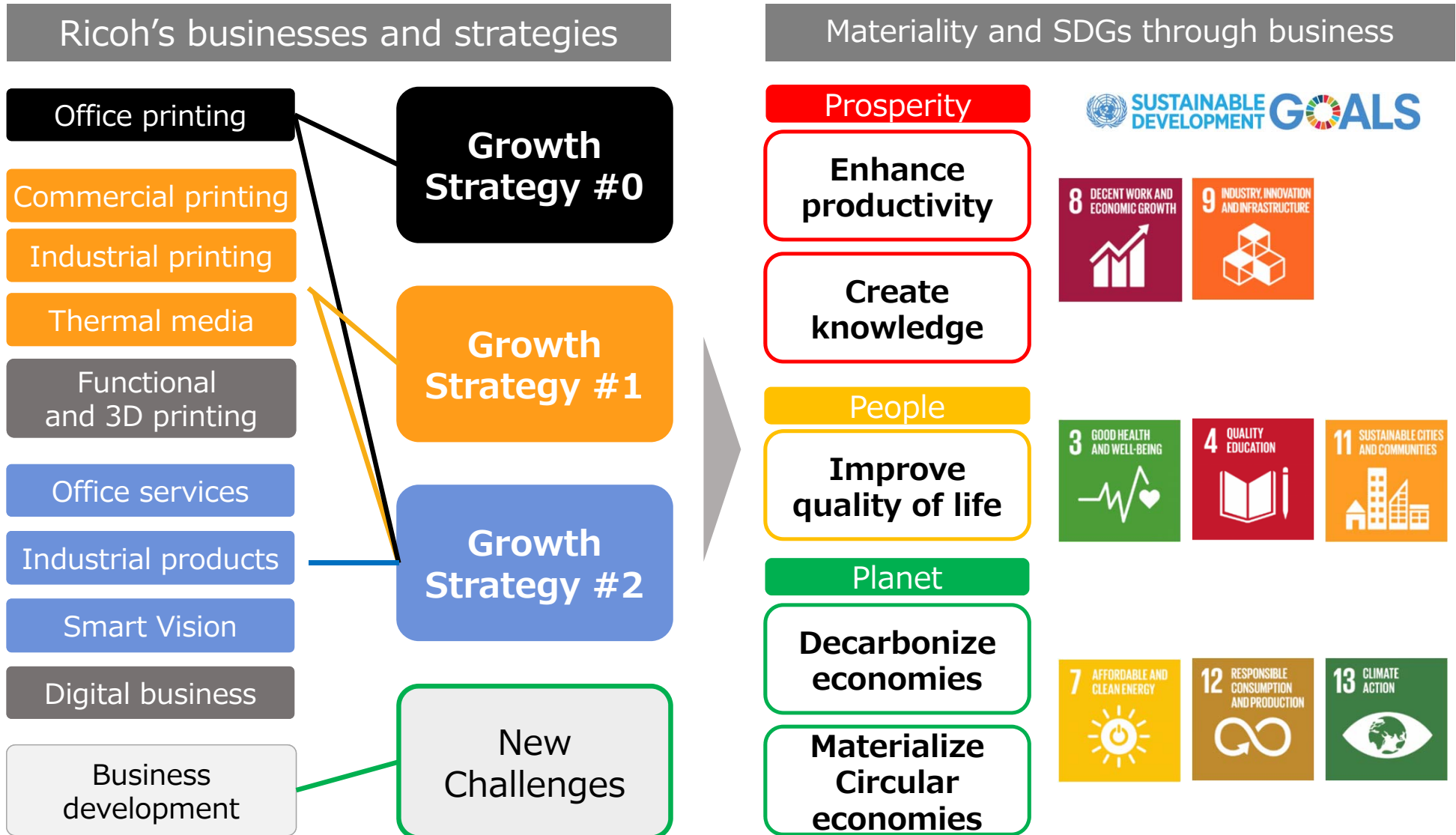
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Open innovation, leveraging external capital/insight for speeding up



All Business Contributing to SDGs



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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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imagine. change.