FY2026 Initiatives for the Mid-Term Strategy ’26

May 12, 2026

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President and Chief Executive Officer

Ricoh Company, Ltd.

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Towards Corporate Value Enhancement

Source: Mid-Term Strategy '26 Presentation (March 25, 2026)

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- We will **continue evolving into a digital services company** and **become a leading global integrator, delivering competitive advantage and differentiation for customers** by orchestrating our own and third-party products, services, and software across the workplace.
- ETRIA will **strengthen its engine share** by continuing to be the partner of choice for customers through **environmentally superior technologies**.
- Commercial and industrial printing will **deliver stable profits** while **creating new growth businesses** by applying inkjet technologies to help **customers reduce costs and address environmental challenges** (including low-cost production of perovskite solar cells)

- **By accelerating asset-light transformation, expanding asset-light businesses, and growing recurring earnings, we will enhance ROIC and secure stable profitability.**
- This will allow us to maintain a flexible capital structure (Debt/Equity) and deliver timely and appropriate returns to shareholders.

- **By sustaining ROE above the cost of equity, we will drive enhancements in corporate value and total shareholder return (TSR).**

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Executing Agile Action to Achieve Our ROE Goal

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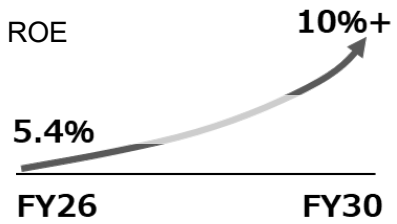
Enhance Corporate Value

Expand Total Shareholder Returns

Expand Equity Spread

Consistently deliver **ROE exceeding 10%**



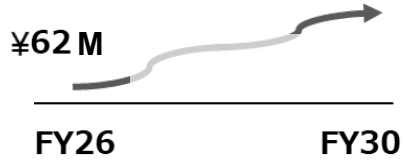
Shareholder Returns

Target 50% total return ratio

Grow Profitability

Cumulative operating cash flow of ¥650~¥700 billion

Net Income (Attributable to Owners of the Parent)



- **Expand customer value** through integration
- Review services portfolio, **expand common modules, and reinforce governance**
- **Strengthen sales structure and product competitiveness**
- **Strategic acquisitions**
- Leverage **inkjet technologies** to enhance profitability

Enhance Asset Efficiency

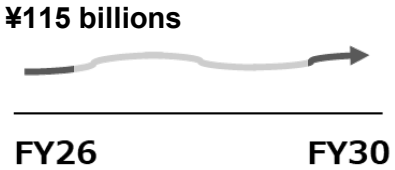
ROIC exceeding 7%

- **Implement asset-light initiatives**
  - ➢ Improve cash conversion cycle
  - ➢ Business selection and concentration
  - ➢ Drive cost structure transformation

Optimize Capital Costs

Net debt-to-equity ratio below 0.40

Equity attributable to owners of the parent



- Optimize capital structure and **reduce weighted average cost of capital**
- **Raise dividends in line with profit growth**
- **Repurchase and retire shares as needed**

Mid-Term Strategy ’26 and FY2026 Targets

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Key performance indicators tracking progress toward Mid-Term Strategy ’26 targets

Key Performance Indicators (KPIs)			FY2025 Results	FY2026	FY2030
ROE			**5.1%**	**5.4%**	**Above 10%**
ROIC			**4.0%**	**4.4%**	**Above 7%**
Recurring Earnings[*1]		YoY change	**+1.8%**	**+2.5%**	**CAGR above +3%**
Regional recurring revenue growth	Japan	YoY change	+4%	+8%	CAGR above +6%
	North America	YoY change	-3%	+2%	CAGR above +2%
	Europe	YoY change	-2%	+2%	CAGR above +2%
Number of SIF (service in field) contracts	Japan		2.24 million	2.64 million	4.67 million
Global Major Accounts sales growth[*2]		YoY change	+7%	+5%	CAGR above +10%
Software business sales growth		YoY change	+10%	+19%	CAGR above +18%
Human Capital ROI			**17%**	**18%**	**25%**
Number of certified frontline employees			15,251	15,500	16,500
Number of employees with Digital Skills Level 2 or above rating[*3]			12,000	13,200	17,000

Further details on the next page

*1. Recurring earnings = Recurring Gross profit
*2. GMA = Global Major Accounts framework integrates value delivery across countries and business units for customers around the world
*3. Digital Skills Level 2 = Employees can apply digital skills in workplaces, combine their domain knowledge with digital technologies, and envision business applications

Recurring Earnings FY2026 Outlook and Future Trends

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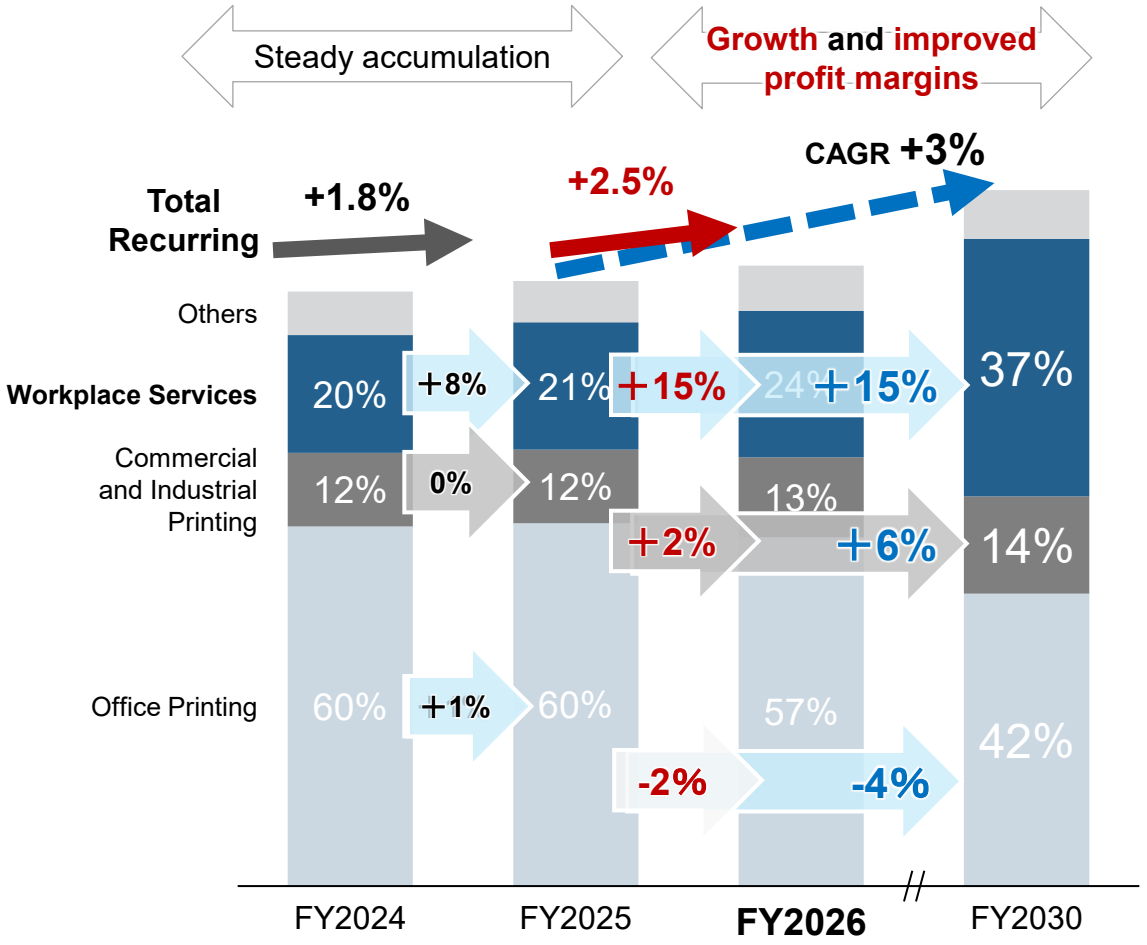
Accelerate Workplace Services recurring earnings growth while minimizing Office Print decline

Recurring Gross Profit Trends



Priority Areas and Initiatives

		Recurring Revenue Growth	Recurring Earnings Growth
1	Expand Regional Integration Businesses	✓	
2	Standardize Services Portfolio	✓	✓
3	Accelerate Strategic Acquisitions	✓	✓
4	Deliver Competitive Products and Technologies	✓	✓
5	Drive Ongoing Global Cost Structure Transformation		✓

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FY2026 Measures under Mid-Term Strategy ’26 (1/2)

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Key Strategies		FY2026 Measures	
Enhance Profitability by Growing Recurring Earnings	**Expand customer value by delivering optimal integration tailored to regional requirements**	Japan	• Prioritize **expanding and deepening service contracts** with existing customers through recurring revenue approach • **Enhance offering models** in specific industries and business areas • Deployment of **AI Solutions** to Address Management Challenges
		North America	• Position digital Business Process Services central to growth strategy and expanding **AI-powered business process automation** services • Accelerate high-margin recurring revenue growth through offset-to-digital expansion in Commercial Printing
		Europe	• Accelerate **advanced document workflow automation** with DocuWare and other solutions • **Generate sales synergies** between acquired companies and existing sales companies
	Scale high-margin services portfolio and common modules with stronger governance	Regions and Global Major Accounts	• **Expand global common offerings and strengthen capabilities** (including Managed Services and Digital Workflow of Printing, Meeting Rooms, and IT etc) • Leverage acquisitions to accelerate provision of **global consistent AV integration services** in Asia Pacific
		Software	• Strengthen deployment of **in-house software** • **Expand DocuWare product portfolio**

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FY2026 Measures under Mid-Term Strategy ’26 (2/2)

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Key Strategies		FY2026 Measures
Enhance Profitability by Growing Recurring Earnings	**Strengthen sales structure and launch competitive products via ETRIA (Office Printing)**	• Strengthen MIF management through **new installations and more robust retention** in key regions • **Increase A3 MFP sales** by securing large deals • Build **highly competitive product line-ups** in terms of cost and functionality
Ongoing Cost Structure Optimization	**Optimize global cost structure and pursue asset-light management**	• **Back-Office Operations Transformation** • Global SCM Transformation (streamline operations and warehousing) • **Business Portfolio Optimization** • **Asset Rationalization** & Site Optimization
Energize and Empower our People	**Optimize talent portfolio and maximize individual capabilities**	• Strengthen integration delivery capabilities by promoting **Technical Certification** among frontline employees • **Develop multiple skills** and strengthen learning paths to generate more value

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Global Major Accounts Market Opportunities

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GMA market, where Ricoh has already established strong trust, continues to offer substantial growth potential.

- Ricoh currently serves more than 20% of the total market
- In the GMA market, Ricoh has a strong and achievable winning strategy (see details below).

➞ **Significant potential for Ricoh's Business Growth**

Globally consistent service capabilities and offerings:
- Managed Print Services (MPS)
- Managed AV Services
- Digital Workflow

×

1. Drive growth by capturing untapped global opportunities through a deep understanding of customer needs.

2. Expand share of wallet with existing accounts
   a) Cross-selling (such as Managed Print Services to Workplace Experience and Process Automation)
   b) Deepen regional penetration by expanding from Europe and North America to Asia Pacific and Latin America

*The figures above are based on Ricoh's internal estimates

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Global Major Account Success Cases

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Leverage standardized global operations and regional execution capabilities to progressively expand service domains, leading to long-term partnerships.

Customer* Challenges

- Decentralized Supplier Landscape
- Lack of globally capable, digitally enabled, resilience-driven global partners
- Lack of Enterprise-wide Standards and Governance for Global Collaboration
- End-user Experience & Inconsistent Service Quality
- Sustainability, Security and Compliance expectations

*Global industrial and manufacturing customers with a European footprint

Key Engagements

- Total sales over contract term: **More than US$130 million**
- Global Managed AV Services for **more than 5,000 meeting rooms** (**recurring**)
- Global Managed Print Services for **more than 10,000 devices** (**recurring**)
- Managed Production Print. On- & Off-site Services (**recurring**)
- Standardized Global IT Services

Ricoh's Value Proposition

- **Highly standardized global Managed AV and Managed Print Services**
- **Centralized Design** & Local Delivery of small, medium, large, complex meeting rooms. AV NOC integration / VIP & on-site support
- Enterprise-wide **Governance over Standards** and full **Visibility of Global Expense.**
- **A strong focus on delivering productivity and a seamless end-user experience**

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Governance Transformation to Enhance Corporate Values

Source: Mid-Term Strategy '26 Presentation (March 25, 2026)

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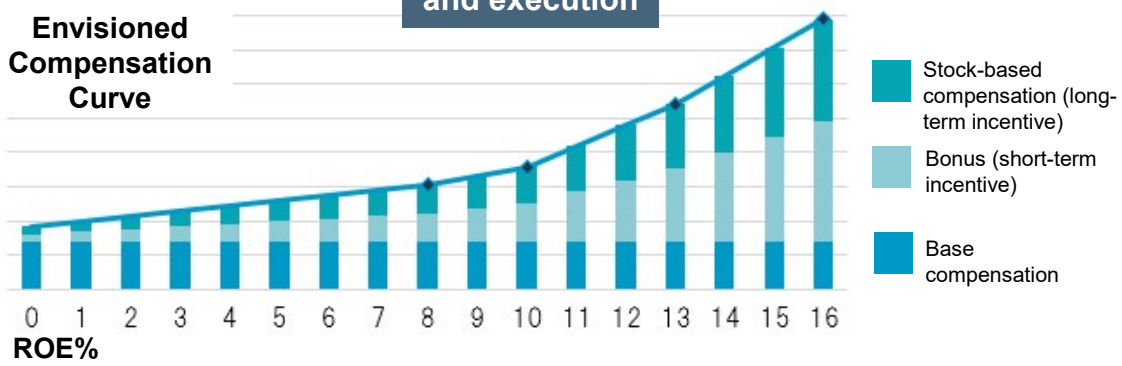
Organizational and system transformations to "strengthen the Management Capability Cycle".

Design compensation to begin accruing only once ROE exceeds the cost of capital, thereby directly linking shareholder value with executive incentives.



- **Enhance decision-making and strategy formulation capabilities**
  - Reinforce CxO-led support for the CEO's decisions
  - Establish a Strategic Advisory Board to support CEO strategy
- **Improve execution and speed**
  - Use matrix management to closely align corporate headquarters and business units
  - Strengthen executive officer commitments to areas of responsibility and provide performance-based evaluation and compensation
- **Reinforce management structure**
  - Maintain rigorous performance-based evaluations, appointments, and dismissals
  - Establish corporate secretary position to strengthen shareholder perspectives
- **Adopt shareholder-aligned compensation structure**
  - Employ compensation system prioritizing point at which ROE exceeds capital costs
  - Introduce non-performance-based equity compensation plan for outside directors

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Compensation Formulas and KPIs aligned with Shareholder Value

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CEO compensation aligned with strong incentives for shareholder value creation

1. Base compensation: Compensation curve rising after ROE exceeds equity costs (see chart on previous slide)
2. Compensation KPIs: Cash generation in terms of EBITDA (financial metric), recurring earnings growth rate (key strategic benchmark) plus total shareholder returns (share price indicator)

Single-year bonus (short term incentive) = **1. Base Compensation** × (**2. EBITDA target achievement rate** (80%) + **2. Recurring earnings target achievement rate** (20%))

FY2026 targets	EBITDA* ¥213 billion	Recurring Revenue Growth Rate +2.5%

*Operating Profit + Depreciation

Share-based compensation after three years (long-term incentive) = **1. Base Compensation** × **2. Total Shareholder Returns relative to TOPIX** (100%) × **ESG coefficient** (0.9～1.1)

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Closing Commitment

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The business environment remains highly uncertain.

We will maintain agile and flexible responses to these evolving conditions.

By delivering on our FY2026 performance targets, we will lay the foundation for sustainable mid- to long-term growth.

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Appendix

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Turning Tacit Knowledge into Value and AI into Outcomes

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Targeting areas beyond reach of general-purpose AI, understanding and applying company-specific contexts to operations, using AI to unlock tacit knowledge in troves of internal documents and delivering tangible workplace outcomes to customers

Technological strengths	**AI services that interpret unstructured data, charts, handwritten text, and other document assets to decipher tacit knowledge** ✓ Offering proprietary large language models (LLMs) that interpret complex documents rather than focusing solely on LLM performances ✓ Collaborating with LLM developers and leverage open-source software ✓ Lineup includes compact, low-cost server-based LLMs that are accessible even for mid-sized companies ✓ Developing large multimodal models that can interpret text and complex charts and images **Differentiating by digitizing paper documents with proprietary MFPs, scanners, and software** ✓ Employing PFU scanners, which offer excellent document handling, and natif.ai's optical character recognition technology for handwritten text
Execution strengths	**Providing customer solutions by optimizing AI for workplaces** **Ongoing support through sales representative and engineers with business acumen and AI and IT expertise** ✓ On-site optimization is a universal value, as business processes vary around the world **Optimally deploying AI for meetings, communications, and on-site operations** ✓ Can deliver practical AI solutions shaped by firsthand experiences of our people • Leveraging Microsoft 365 Copilot for operations and sharing success stories internally • 3,000 employees have built and used 8,000 Ai agents with Dify, a no-code AI app development platform, sharing success stories internally

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Turning Tacit Knowledge into Value and AI into Outcomes

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Integration targets

Providing customer solutions by optimizing AI for workplaces

- ✓ Analyzing internal documents to streamline business processes, meetings, communications, and other workplace operations
- ✓ Compact servers incorporating Ricoh LLMs for on-premises environments (pre-configured for customers)
  - Dify platform for developing apps and AI agents applying LLMs to operations
  - Dify development support

Growth path

Become core growth business by 2030

- ✓ AI market is expanding worldwide
- ✓ Combining documents and AI is a universal challenge that Ricoh is well positioned to resolve
- ✓ With 2025 marking the dawn of AI agents, Ricoh will drive broad AI adoption in business and help democratize AI through such no-code platforms as Dify

Current and potential markets

- ✓ Large companies (manufacturing, services, finance, and healthcare) have yet to fully leverage AI to unlock years of tacit knowledge and improve business processes
- ✓ Mid-sized companies face a shortages of IT talent
  ⇒ With small and medium-sized enterprises still prioritizing digital transformation and limiting AI investments, we see significant potential to support better work practices through general-purpose AI adoption

Rising recurring revenue ratio

- ✓ AI-powered software subscriptions for major and large accounts to become reliable revenue stream
- ✓ Recurring revenue from ongoing support and maintenance to meet customer needs
- ✓ Upsell additional services

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b. Exchange rates and fluctuations
c. Rapid technological innovations
d. Uncertainty as to Ricoh's ability to continue to design, develop, produce and market products and services that achieve market acceptance in intensely competitive markets

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Note: These materials define fiscal years as:
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