Q1. Can we conclude that your second-quarter operating profit of ¥25.6 billion exceeded your expectations?

A1. We initially forecast a second-quarter operating profit of around ¥18 billion. The final figure was about ¥8 billion higher. Unanticipated factors contributed around ¥2.5 billion, including a slitght additional contribution from U.S. tariff refunds and a weaker yen than we had assumed. A better-than-expected business performance accounted for around ¥5 billion of the increase. While Workplace Services fell ¥4 billion to ¥5 billion short of target, Digital Products and Graphic Communications together exceeded expectations by more than ¥10 billion. In Digital Products, machine-in-field (MIF) management and stronger dealer channels supported our Office Printing performance. Cost reductions and expense controls also contributed. Workplace Services fell short of expectations, especially in Europe.

Q2. You explained that you increased A3 color MFP unit sales in the first half despite an overall demand decline. How did you gain market share? Did aggressive pricing play a role?

A2. We devise and execute region-specific strategies. For example, for our existing MIF, we carefully replace MFPs in line with each customer's needs and timing. For dealer channels, we tailor our approach to each dealer's characteristics and our relationships with them. For major accounts, we propose solutions that deliver value beyond Office Printing hardware. We tailor our approach to each region and sales channel rather than simply competing on price.

Q3. Color MFP unit sales rose year-on-year in the first half. But second-quarter hardware sales dropped 2%, excluding the forex impact. Did this decline come partly from price competition in Europe?

A3. Hardware sales and unit volumes do not necessarily move together. Differences in direct and dealer sales channels and customer mix can affect results. Price competition certainly exists in Europe, but conditions vary by country. Our sales and pricing strategies also differ. We take targeted steps to protect key customers within our MIF and important dealer relationships, considering their potential to support Workplace Services growth. We generally avoid competing solely on price.

Q4. ETRIA seems important to your efforts to increase market share. Could other companies take part in that joint venture alongside Toshiba Tec and Oki Electric?

A4. We hope more companies will adopt products developed and manufactured by ETRIA. We are open to various forms of partnership, not just equity participation. We will continue to encourage other companies to collaborate with us.

Q5. You attributed your Workplace Services shortfall to sluggish investment demand in Europe and the United States. Could growth accelerate when market conditions recover? Is there also scope to improve your sales organization and activities?

A5. Economic conditions remain weak in Europe, partly because of geopolitical issues. In the United States, the impact of tariff policies and other factors also persists. We believe recovering investment demand would help Workplace Services grow. We are working to strengthen synergies between acquired businesses and existing Ricoh sales companies across Workplace Services businesses and regions. Our sales pipeline continues to grow. We aim to convert these opportunities into contracts and revenues in the second half. Headquarters will help improve and embed processes that generate these synergies.

Q6. Your results presentation highlighted strong security-related demand across several regions in Workplace Services. Cybersecurity has also attracted considerable media attention. What opportunities and competitive strengths do you see in this area?

A6. Opportunities differ by region. In Japan, Workplace Services mainly serves small and medium-sized businesses, many of which have limited internal IT resources. We offer comprehensive security support through Cloud Service for MVB and other offerings. Demand for these services is growing.

Q7. I would like to confirm details about growth investments under your cash flow allocation plan. Market conditions, including equity valuations, have changed considerably. Valuation multiples have declined for Software as a Service companies. Are more potential acquisition targets now meeting your required return thresholds? Have you changed your approach to growth investments?

A7. Our mergers and acquisitions focus mainly on Application Services and Workplace Experience. We continue to assess opportunities, including their potential to contribute to Global Major Accounts. We engage with potential targets and assess cultural compatibility before making investment decisions. Changes in valuation multiples or market assessments do not prompt us to suddenly change our investment decisions. We have thus retained our initial ¥50 billion allocation for growth investments.

Q8. You announced plans to make the Thermal business a subsidiary. What prompted this move? The business seemed a likely target for accelerating selection and concentration under the previous Mid-Term Strategy's Corporate Value Improvement Project. Yet you did not explicitly identify it. What led to today's announcement, and what triggered your decision?

A8. We constantly review our entire business portfolio, irrespective of the Corporate Value Improvement Project. These reviews cover the Thermal and all other businesses. Our assessment showed that this business requires management decisions tailored to its distinct operating characteristics. It also needs faster decision-making than our Office Printing and Workplace Services businesses. We thus concluded that the Thermal business should operate as a separate company. This structure will enable faster, more independent decisions and help enhance its value. While today's announcement covers plans to make the Thermal business a subsidiary, we have made no decisions about what comes next.

Q9. Your perovskite solar cell effort qualified for support under the GX Supply Chain Development Support Program. What is the planned investment, including government subsidies? When will this business start contributing to earnings?

A9. We plan to invest around ¥30 billion to establish production capabilities for perovskite solar cells using inkjet technology. We expect to incur upfront costs through fiscal 2029. We aim to build a business that can contribute to earnings by fiscal 2030. We will invest additionally as needed.

Q10. Your Strategic Review announcement referred to voting results at the 126th Ordinary General Meeting of Shareholders. It also acknowledged concerns about your PBR remaining below 1.0. What management shortcomings do you recognize? Are there issues with shareholder returns?

A10. We have long anticipated a gradual decline in printing volumes as customers use less paper. We thus strove to strengthen businesses that could replace Office Printing as our main earnings driver. These included services and Commercial Printing. The pandemic changed the world of work. It also significantly reduced Office Printing's earnings base, creating a much larger gap than anticipated. We endeavored to close that gap by accelerating growth, particularly in services. We know that we have not grown fast enough and must accelerate expansion. It is up to shareholders to judge whether our returns are sufficient. The Board does not consider

shareholder returns a particular concern at present. Our policy targets a total shareholder return ratio of about 50%. We have steadily increased dividends. We also supplement dividends with share repurchases, taking our cash flow allocation into account. Our current share repurchase program has a ceiling of ¥25 billion.

Q11. What management issues might the Independent Outside Directors' Strategic Review uncover?
A11. Outside Directors and Outside Audit and Supervisory Board Members bring diverse expertise and extensive management experience to the table. We believe they can evaluate our challenges from various perspectives. While our executives know our businesses well, they may overlook certain issues because of that familiarity. We expect the review to provide objective, well-considered advice from an independent perspective.

Q12. What prompted the Strategic Review? Did shareholders ask for it? Do you intend to consider fundamental restructuring, including going private or industry consolidation?
A12. The Board decided to conduct the review. It was not in response to shareholder pressure. We cannot discuss individual shareholder conversations. We have not decided on any specific measures.

Q13. Why did you not conduct the Strategic Review before announcing Mid-Term Strategy '26? What prompted the decision six months after the strategy's announcement? Will Ricoh use this review framework every year?
A13. The decision followed our adoption of a rolling approach with a five-year planning horizon. For the first annual update, we decided to reassess our strategic direction by drawing on the broad perspectives and independent judgment of Independent Outside Directors. Our ROE and PBR remain below shareholder expectations. We want to gain insights from shareholder perspectives and incorporate them in annual strategy updates. We have not decided whether to undertake other Strategic Reviews down the track.

Q14. Does today's explanation of the Strategic Review include any changes or additions to the October 6 announcement? It indicated that you would disclose your analysis of voting results from the 126th Ordinary General Meeting of Shareholders and outline your responses by the end of October. Have you made that disclosure?
A14. We have already published a summary of our analysis and response to voting on our website. We did not include this information in today's presentation.
Reference: Summary of Analysis and Response to Results of Voting at the 126th Ordinary General Meeting of Shareholders

Q15. Your share price reached its highest level since 2008 in late October. What initiatives do you think contributed to this market response? What further results or strategic direction must you demonstrate to lift valuations?
A15. We believe several factors contributed to this, including broader stock market trends, rather than a single initiative. These may include expectations surrounding the Strategic Review and potential industry consolidation. Investors may also have welcomed our October 27 announcement concerning perovskite solar cells. The government selected our mass-production initiative for support under the GX Supply Chain Development Support Program. Our priority is now to grow earnings and improve ROE to meet market expectations. As we previously explained, we aim to increase recurring revenue to stabilize earnings and improve profitability. We also intend to control invested capital by expanding our asset-light Workplace Services business. We aim to raise ROE by becoming more profitable and capital-efficient.