

The 124th Ordinary General Meeting of Shareholders Agenda Item 2 (Election of Eight (8) Directors) Supplemental Explanation Regarding Candidate 1 (Yoshinori Yamashita) and Candidate 2 (Akira Oyama)

Ricoh has confirmed that proxy advisory firm Institutional Shareholder Services Inc. (ISS) has recommended voting against re-election of Yoshinori Yamashita as Candidate 1 and Akira Oyama as Candidate 2 under Agenda Item 2 (Election of eight (8) Directors) at the 124th Ordinary General Meeting of Shareholders to be held on June 20, 2024.

ISS based this recommendation on its view that Ricoh's return on equity (ROE) averaged less than 5% over the past five years and was below that figure in fiscal 2023, ended March 31, 2024. Ricoh understands that ISS's proxy advisory criteria automatically triggered this recommendation.

Mr. Oyama became President and Chief Executive Officer in April 2023. He launched the Corporate Value Improvement Project upon taking office. He has transformed Ricoh's earnings structure to achieve a price-to-book ratio of more than 1x. Recent results show that the Office Services business in the Digital Services segment is driving growth and that the Company is steadily transforming itself into a digital services company.

Ricoh has positioned fiscal 2024 as a year for implementing profit structure reforms. Mr. Oyama's solid leadership is essential to achieve high profitability over the medium through long terms. We believe that the Company is best served if he continues contributing to management as a director.

Mr. Yamashita's role is to enhance Ricoh's shareholder and corporate value by overseeing management from the perspective of shareholders and other investors. He maintains an independent position, and is not involved in day-to-day business operations.

In fiscal 2023, he supported and supervised efforts to strengthen human capital and other management resources. He comprehensively supervised oversight from the perspective of shareholders and other investors by requiring the management team to report on progress with key issues under the 21st Mid-Term Management Strategy. In addition, he encouraged the team to explore and implement countermeasures to increase corporate value. We believe that Mr. Yamashita should remain as a director because he can offer careful management oversight based on his understanding of internal circumstances.

We have prepared the following materials for shareholders to draw their own conclusions.

1. Rationale for ISS Recommendation

ISS holds Messrs. Yamashita and Oyama, as senior executives, responsible for Ricoh's failure to meet the proxy firm's guidelines requiring a five-year average ROE of at least 5%.

Ricoh's ROE over the past five fiscal years

FY2019	FY2020	FY2021	FY2022	FY2023	Five-year average
4.3%	-3.6%	3.3%	5.9%	4.5%	2.9%

2. Ricoh's Stance

After taking office in April 2023, Mr. Oyama launched the Corporate Value Improvement Project. He has prioritized transformation of the profit structure to achieve a price-to-book ratio that exceeds 1x. He is strategically allocating management resources to the workplace segment, where Ricoh can leverage its customer base and customer touch points, which are key strengths.

We believe that under his leadership the Company will continue to pursue its business strategy to become a digital services company and increase corporate value over the medium to long term, thereby fulfilling the trust of shareholders.

The Company believes that Mr. Oyama merits reappointment because:

- (1) Shareholder value has improved since he took the helm
- (2) Ricoh has clearly articulated and implemented its medium- to long-term growth strategy
- (3) The Company has launched the Corporate Value Improvement Project to achieve a price-to-book ratio of at least 1x, and is transforming its profit structure to achieve its medium- to long-term goals
- (4) Ricoh aims to maximize corporate value under a growth-oriented capital policy
- (5) The Company is actively engaging in dialog with shareholders

We would like to elaborate on these five points.

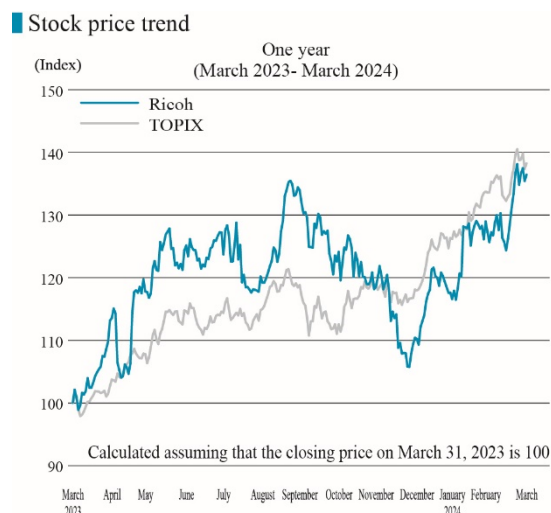
(1) Shareholder value has improved since he took the helm

At the beginning of fiscal 2023, the share price began to rise in anticipation of better market conditions. However, this valuation trended downward after Ricoh announced its results for the fourth quarter of fiscal 2022 on May 8, 2023, as the Company disappointed the capital market by underperforming projections during the period and forecasting lower earnings for fiscal 2023, due in part to planned structural reform charges.

Ricoh subsequently announced an agreement to establish a joint venture with Toshiba Tec Corporation to develop and manufacture MFPs and other products. Investors welcomed this move to reform the profit structure in the Office Printing business, and the share price rallied.

Although the capital market was positive on the Corporate Value Improvement Project that announced at the time second-quarter results were announced on November 8, 2023, the share price declined due to concerns about a delay in earnings recovery. This was due to operating profit for that term being far short of projections as a result of ongoing Office Printing production adjustments and other factors.

Thereafter the share price recovered due to market conditions improving from the end of December 2023, a better third-quarter operating profit reported on February 6, 2024, and the announcement of a ¥30 billion share repurchase program. During this fiscal year, the share price has moved in line with TOPIX growth.



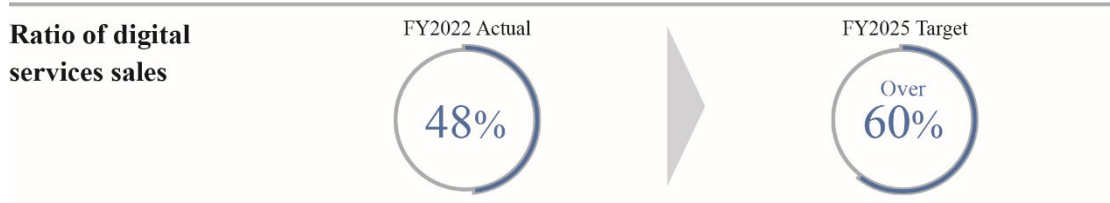
(2) Ricoh has clearly articulated and implemented its medium- to long-term growth strategy

In March 2023 Ricoh announced its 21st Mid-Term Management Strategy, which was launched the following month. To realize its mission and vision of delivering "Fulfillment through Work", the Company embarked on a medium- to long-term drive to become a digital services company that supports worker creativity and provides services that transform workplaces.

Ricoh has prioritized the automation of business processes to free employees from routine tasks, offering communication services that boost creativity, and delivering IT services that build robust workplace foundations. By focusing on those priorities we aim to become a global workplace services provider that integrates its services for evolving workplace environments. In doing so, we will leverage a global customer base, a sales and service structure that identifies and addresses customer challenges, and issues and distinctive proprietary intellectual property.

To focus all business resources on transformation into a Digital Services Company

Transformation from an OA manufacturer into a digital services company



Key initiatives

■ Revenue Growth in Digital Services

We are taking efforts to introduce office services to our global customer base and accumulate recurring revenue, while also investing in improving profitability through acquisitions to strengthen our own products.

■ Sustained Structural reforms in the Office Printing Business

Through initiatives such as the review of sales and service structures, price rationalization, collaboration with other companies, and further improvement in production efficiency, we aim to enhance cost competitiveness while continuously generating cash as a source of investment.

Focuses and Strengths

Becoming a global workplace services provider

Focuses

Serve as **workplace services provider** with global delivery capability in the changing workplace environment with increasing remote work and new role of office

Business Process Automation

Liberate customers from inefficient tasks by digitalizing and automating their business processes

Communication Services

Drive customers' creativity by delivering collaborative meeting rooms and hybrid work environments

IT Services

Develop the foundational environment for workplaces (communications infrastructure, security, and data management)

Strengths

Customer Base

Global customer base of 1.4 million companies, cultivated through Office Printing business

Customer Touchpoints

Sales and support networks with depth understanding of workplaces and ability to identify customers' challenges and propose solutions

Intellectual Property

Ricoh's high-value-added products which utilize core strengths such as optical and sensing technology, and newly acquired software

Basic Policies of the 21st Mid-Term Management Strategy

Ricoh is pursuing three basic policies to achieve its medium- and long-term goals. These are to strengthen its regional strategies and develop Group management, to build revenue sources in its frontlines and social domains, and to leverage global talent.

- (1) Reinforce regional strategies and evolve Group management
- (2) Build revenue sources in frontlines and social domains
- (3) Leverage global talent

Basic Policy 1: Reinforce regional strategies and evolve Group management

We will generate revenue outside Office Printing and build a highly profitable structure. Accordingly, it is important to improve our ability to create value at our customer touchpoints, demonstrate Group synergies, and adapt to changes in the business climate so we can continue to generate earnings.

We will transform our revenue structure through three priority areas of value creation. These are business process automation, communication services, and IT services. We are implementing a strategy to accumulate recurring contracts and revenues in these services areas by concentrating resources and tailoring our approach to regional characteristics.

Basic Policy 2: Build revenue sources in frontlines and social domains

Our basic policy for the 21st Mid-Term Management Strategy is to expand digital services and deliver value to a broader range of customers by building revenue sources in frontlines and social domains. We have particularly been successful in the Commercial Printing business, where RICOH Graphic Communications' sales and profits surged in fiscal 2023.

We will continue to strive to build revenue sources in these areas. At the same time, we will use business portfolio management to identify priority areas and develop appropriate exit strategies for specific businesses.

Basic Policy 3: Leverage global talent

Employees are critical to transforming our business structure and extending our value proposition globally. We position the skills of our people as a form of capital. Accordingly, our strategy is to invest heavily in people.

(3) The Company has launched the Corporate Value Improvement Project to achieve a price-to-book ratio of at least 1x, and is transforming its profit structure to realize its medium- to long-term goals

We have been working on this initiative since April 2023 to realize our vision. We have explored critical issues from multiple angles to increase our corporate value. These efforts have included engagement with shareholders, investors, and analysts, and consideration of capital market perspectives. Our low price-to-book ratio is largely due to our modest profitability. As we transition to a digital services company, we are overhauling our earnings structure to better align with our business model.

We are reforming our profit structure in four ways. These are transformation of Headquarters, acceleration of business selection and concentration, transformation of Office Printing business structure, and acceleration of Office Services' profit growth.

- (i) Transformation of Headquarters:** We will focus R&D investment on workplace areas that are closely aligned with our vision of digital services company. We will shift the Group management structure to a digital services-oriented setup that enhances the value of customer touchpoint.
- (ii) Acceleration of business selection and concentration:** We will further accelerate ongoing business portfolio management initiatives to transform into a digital services company and optimally allocate resources. We will strategically allocate resources to workplaces as a priority domain to leverage our strengths. We will consider exit strategies for certain businesses as part of business portfolio management.
- (iii) Transformation of Office Printing business structure:** As we expect the office printing market to shrink, we will strengthen our structure to ensure profitability even if sales decline. We will manage our entire value chain from a comprehensive perspective, including establishing a joint venture with Toshiba Corporation and optimizing supply chain management.
- (iv) Acceleration of Office Services' profit growth:** For this core digital services business, we will strive to constantly improve profitability while remaining aware of the mechanism for profit growth through higher Office Services installations and recurring customer revenue growth.

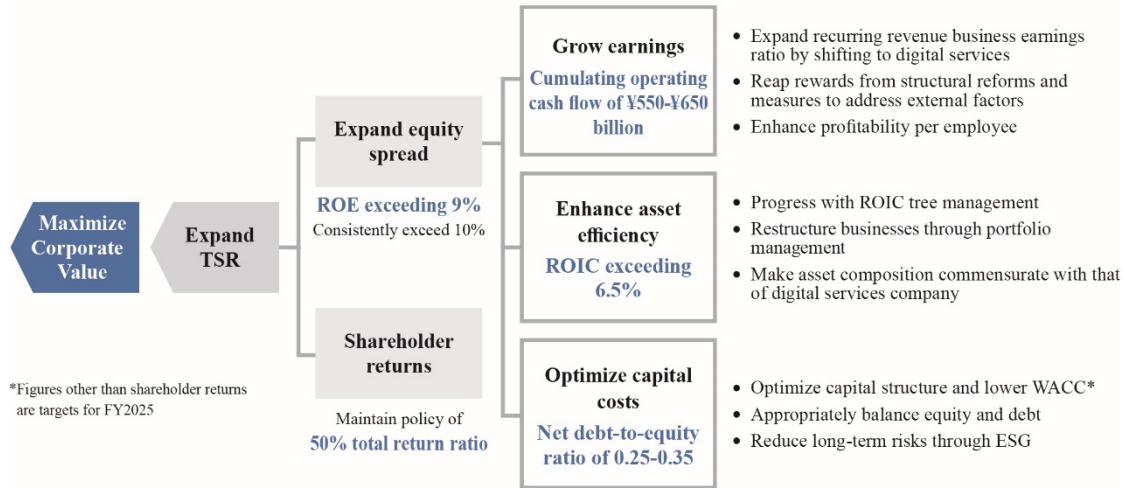
We will maximize our value proposition by leveraging inside sales and other means to review sales, service, and support and align them with a customer-centric digital services company structure.

(4) Ricoh aims to maximize corporate value under a growth-oriented capital policy

We are committed to maximizing shareholder and corporate value while satisfying all stakeholders. We aim to generate returns on capital that exceed the cost of capital, using experts to assess these costs from a variety of approaches and perspectives.

● Maximizing Corporate Value

Steadily expand total shareholder returns to maximize corporate value

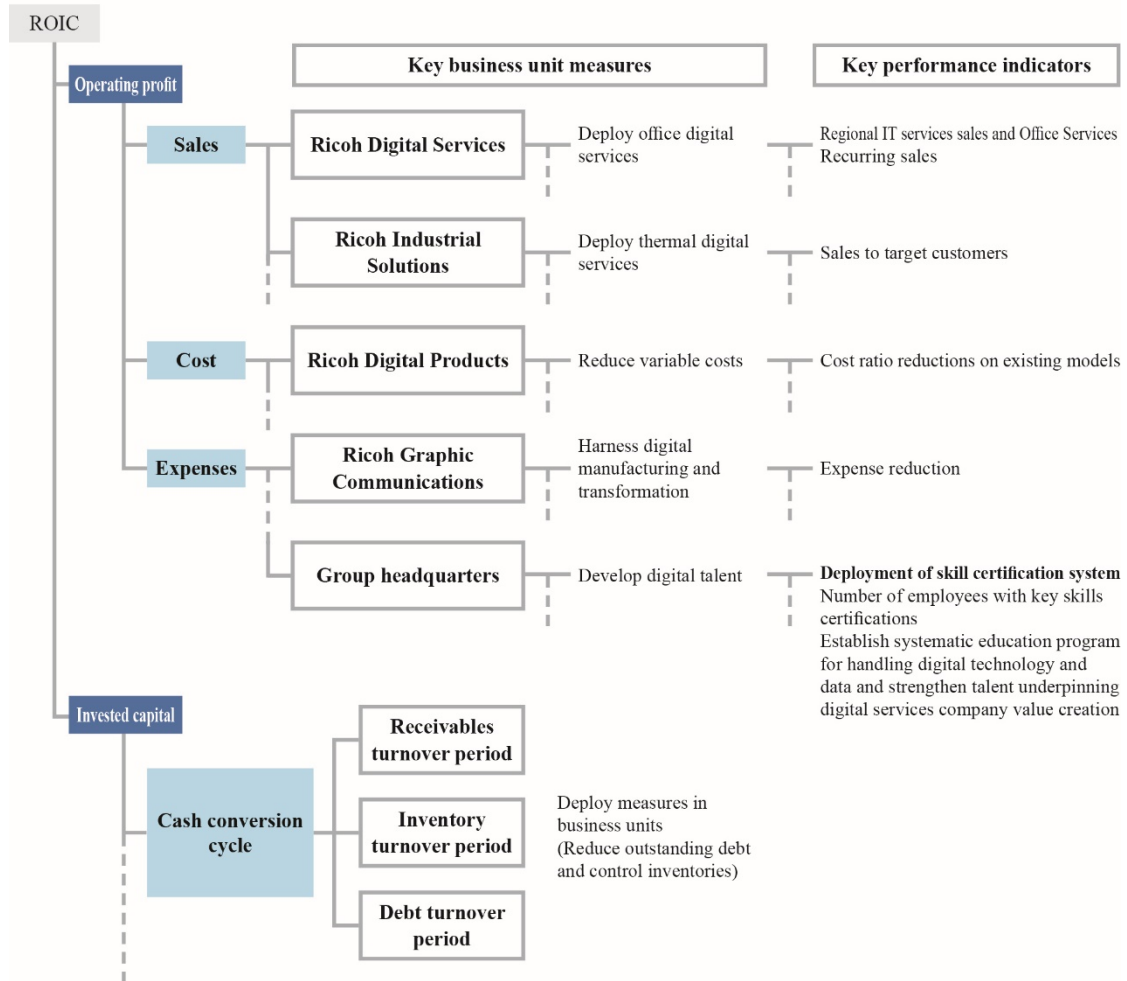


To maximize corporate value, we rigorously evaluate and manage each business unit using criteria such as return on invested capital (ROIC), marketability, and other factors under strict business portfolio management by Group headquarters. This approach streamlines judgments and optimizes resource allocation. We complement traditional measures of profitability and marketability by assessing alignment with digital services. By analyzing from these three perspectives, we objectively evaluate business units and divisions and classify them into categories: Growth Acceleration, Profit Maximization Strategic Transformation, and Business Revitalization. This classification helps to strengthen the operational foundation needed for a successful digital services company.

Each business unit and department uses ROIC trees to set benchmarks to drive returns that exceed the cost of capital to enable us to keep the medium- to long-term ROE above 10%. We incorporate these key benchmarks into a company-wide tree. For Group headquarter's benchmarks that are difficult to quantify financially, we prepare and regularly monitor a narrative as a Ricoh-style ROIC tree to manage key performance indicators.

● Overview of Ricoh-style ROIC tree

We manage key performance indicators from individual organizational and companywide perspectives by setting benchmarks that take the statements of profit or loss and balance sheets into account.



We are making extensive use of debt for investments as we transform into a digital services company. We are aiming for an appropriate capital structure based on risk assessment. We will balance debt and equity when investing in businesses. We will use debt extensively in the Office Printing and other stable businesses. We will allocate equity capital primarily to relatively high-risk growth businesses.

For fiscal 2025, we will secure capital for growth with a capital structure that takes into account credit ratings and capital financing risk. This is because we anticipate continued uncertainty in the business environment. From fiscal 2025, we aim to flexibly adjust the optimal capital structure in light of business structure changes associated with new growth strategies and also to reflect stabilized growth investment areas.

We will systematically deploy operating cash flows from business investments to fund further growth and shareholder returns. We have maintained our 20th Mid-Term Management Plan commitment to invest approximately ¥500 billion in growth areas over five years through fiscal 2025 to drive our transformation into a digital services company. So far in fiscal 2024 we have consistently invested in business growth to strengthen IT services, including through the acquisition PFH Technology Group in Ireland. We have expanded our Office Services business through acquisitions in communications and application services in Europe and the United States.

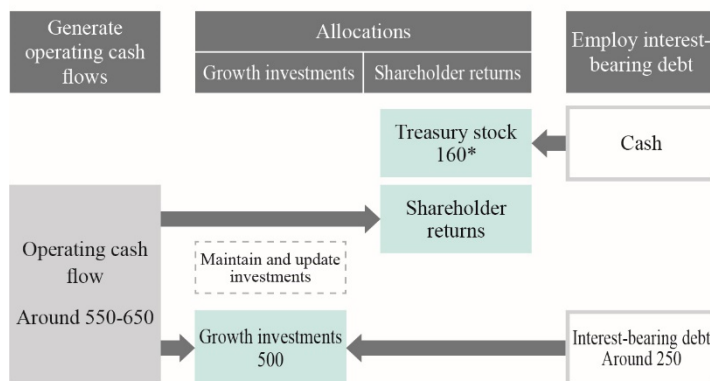
This fiscal year, we will continue to invest in growth to maximize corporate value while maintaining financial discipline. We will fund investments primarily from operating cash flow with additional use of interest-bearing debt.

● Cash Allocations

Capital management through cash allocations (FY2021 to FY2025)

(Billions of yen)

Growth investment framework and progress (Billions of yen)



*Those announced by the end of the fiscal year under review

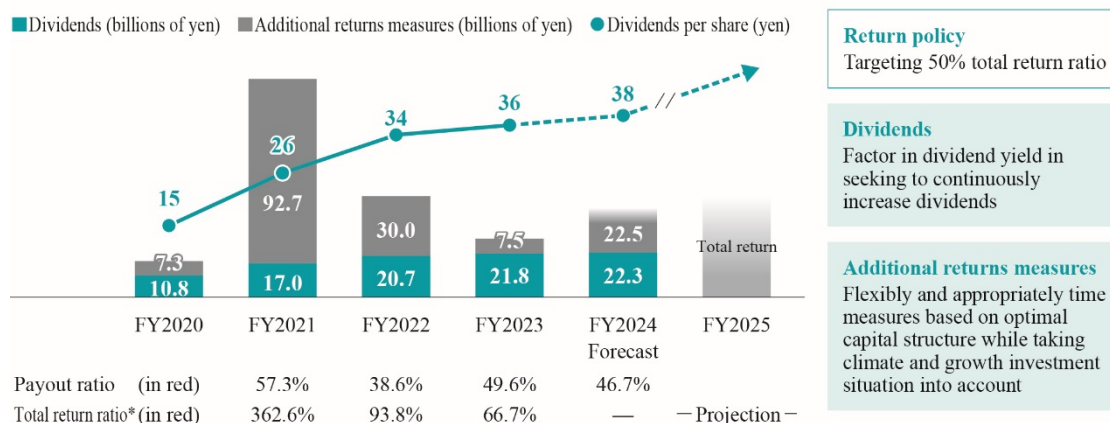
	20th Mid-Term Management Plan 2 years from FY2021 to FY2022 Actual	Growth investment framework 5 years from FY2021 to FY2025 Plan
Business growth acquisitions	125	325
Robust management infrastructure	40	90
Investments to create new business domains	25	85
Total	190	500

We continue to target a total return ratio of 50%. We aim to increase cash dividends each year in line with earnings growth while maintaining the dividend yield. We will use share repurchases and other additional return measures in a flexible and timely manner to maximize total shareholder returns. Such actions take into account the operating climate and progress of growth investments and our commitment to an optimal capital structure.

In line with this shareholder return policy we decided to repurchase ¥30 billion in shares in February 2024. Repurchases through the end of March 2024 totaled approximately ¥7.5 billion. We plan to increase the dividend per share by ¥2, to ¥38, in fiscal 2024.

● Shareholder Return Policy

Maintain 50% total return ratio policy and improve total shareholder return by continuing to increase dividends while undertaking additional shareholder return measures



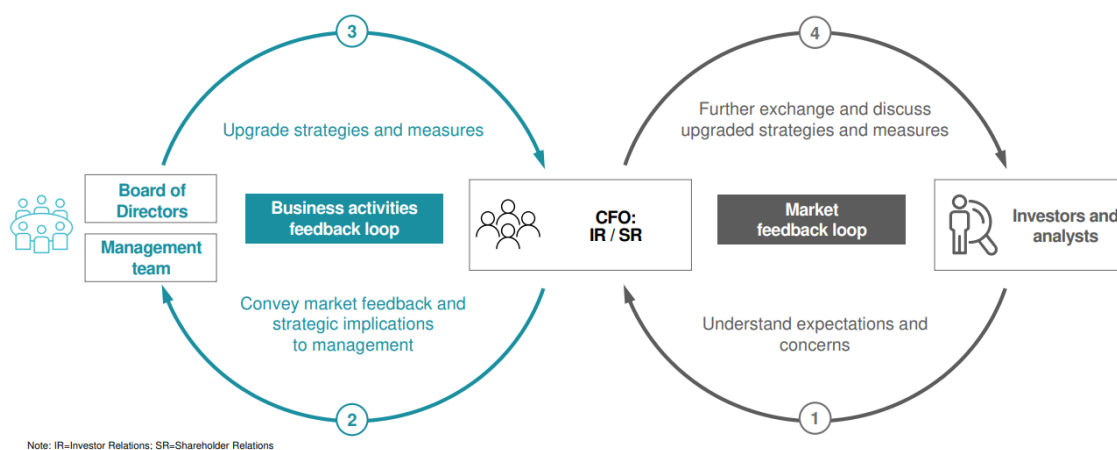
*The Company acquired ¥100.0 billion of treasury stock during the period from March 4, 2021 to December 8, 2021. This includes ¥7.3 billion in FY2020 and ¥92.7 billion in FY2021. Together with the treasury stock acquired before March 2021, the Company canceled its treasury stock on February 28, 2022. The Company acquired ¥30.0 billion of treasury stock between May 11, 2022 and September 22, 2022 and canceled the acquired treasury stock on October 31, 2022. The Company acquired ¥7.5 billion of treasury stock during the period from February 7, 2024 to March 31, 2024.

(5) The Company is actively engaging in dialog with shareholders

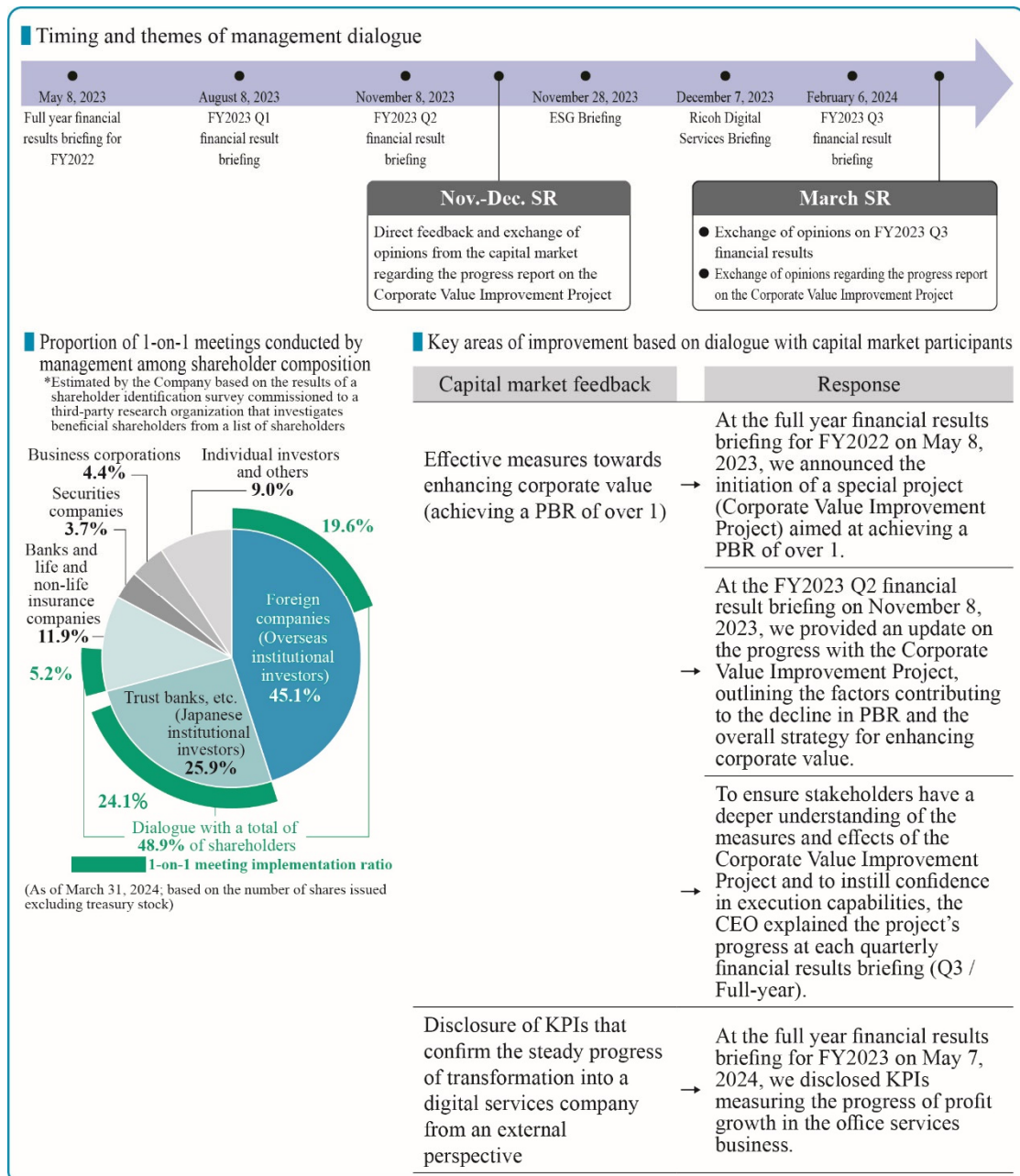
After becoming President, Mr. Yamashita has engaged extensively with shareholders throughout the year. Mr. Oyama has continued to make to shareholder relations a top priority since taking the helm.

As President, he has also sought to strengthen the capital market feedback loop to support reforms that improve profitability. He has stepped up his efforts to take feedback from the stock market and investors, and put it on the table for consideration by the Board of Directors and management team. He will maintain this feedback loop the in coming years.

Strengthen and establish feedback loop to maintain momentum for change



Reference: Management's shareholder engagement initiatives in fiscal 2023



For details, see the links below for the Notice of the 124th Ordinary General Meeting of Shareholders.

Japanese: <https://jp.ricoh.com/IR/events/2024/0620>

English: <https://www.ricoh.com/IR/events/gm-20240620>

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