

# **123<sup>rd</sup> Ordinary General Meeting of Shareholders**

## **Our Challenges**

**RICOH**  
imagine. change.

**June 23, 2023**

**Akira Oyama**  
**President and CEO**  
**Ricoh Company, Ltd.**



# A Changing World

**RICOH**  
imagine. change.

Hybrid work

Changing  
work  
environments

Rural  
migrations

Metaverse

Workations

Generation Z

Gig workers

Changes  
among  
workers

Artificial  
intelligence

Life and work in  
age of longevity





**By remaining close to our customers,  
we empower worker's creativity  
as a digital services company**



# **20<sup>th</sup> Mid-Term Management Plan Review**



# Efforts to Date and Going Forward

## Key initiatives

through 20<sup>th</sup> Mid-Term Management Plan

- Declared commitment to becoming digital services company
- Undertook internal reforms to adopt:
  - Business unit structure
  - ROIC management
  - Business portfolio management
- Made growth investments

## Key reinforcements

under 21<sup>st</sup> Mid-Term Management Strategy

**1**

**Secure stable revenue sources**

**2**

**Build highly resilient structure**

**3**

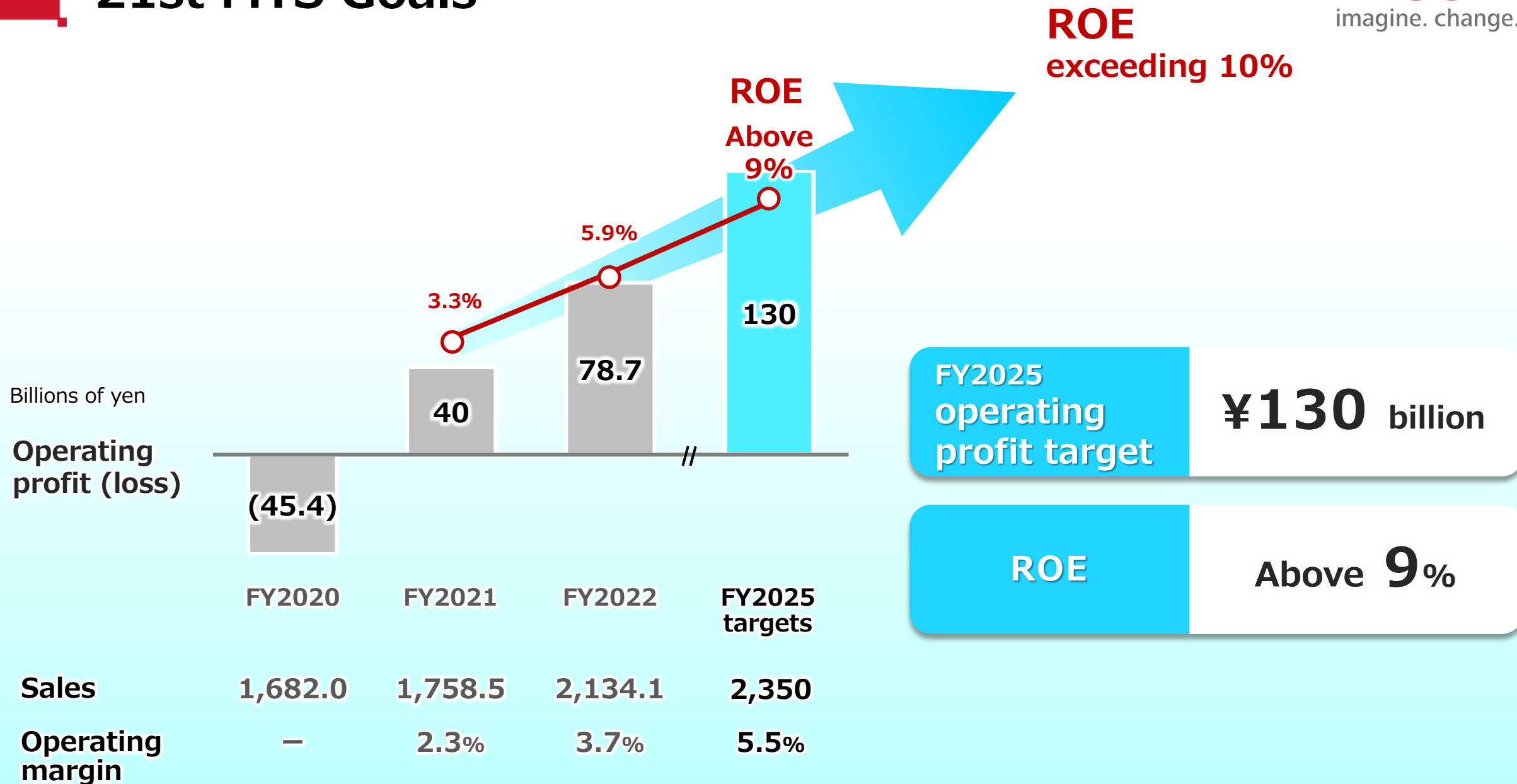
**Grow in new digitalization areas**



# **21<sup>st</sup> Mid-Term Management Strategy (MTS)**



# 21st MTS Goals



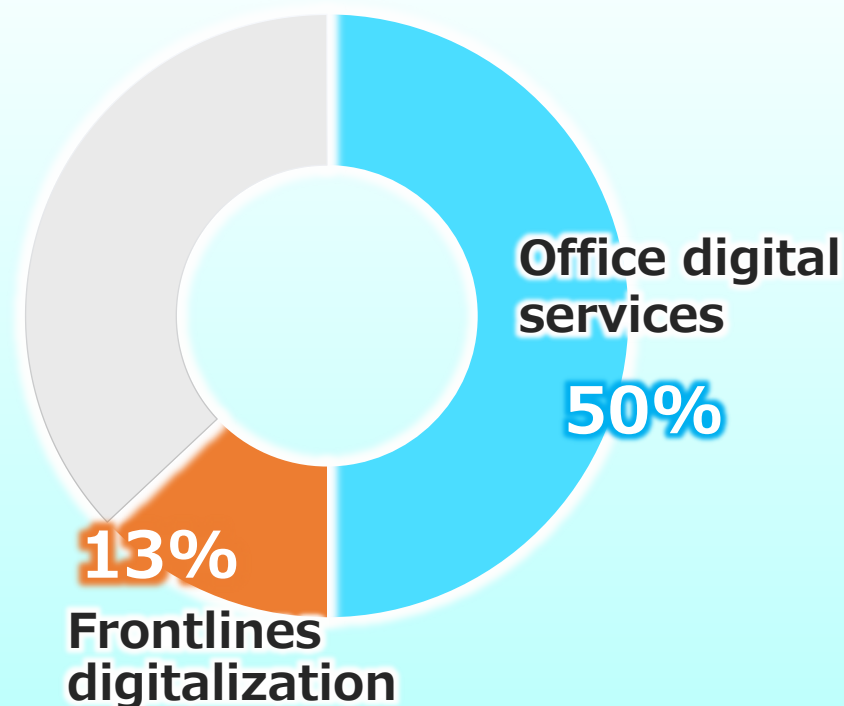
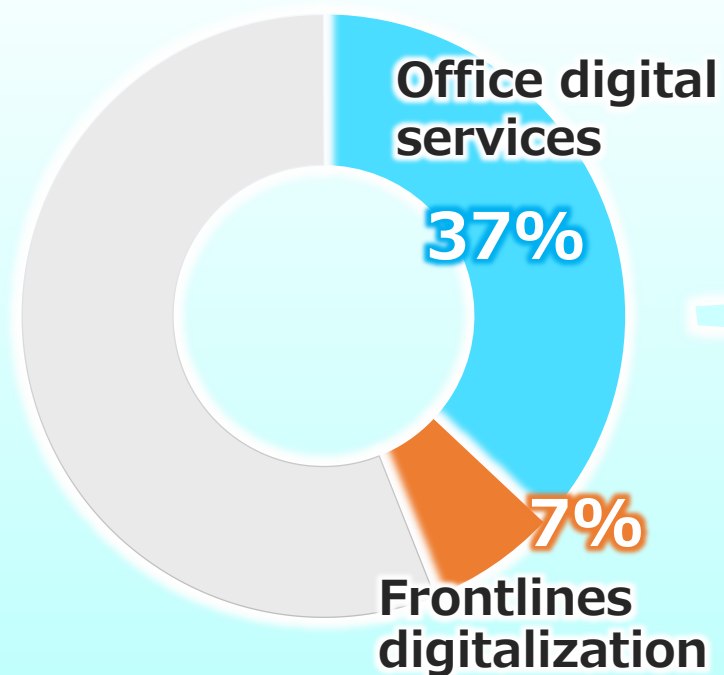


# Expand Digital Services Sales Ratios

Targeting digital services sales ratio exceeding 60% by FY2025

**44%**  
in FY2022

More than **60%**  
by FY2025



Note: Excluding Other businesses





## Key reinforcements under 21st MTS

- 1 Secure stable revenue sources**
- 2 Build highly resilient structure**
- 3 Grow in new digitalization areas**

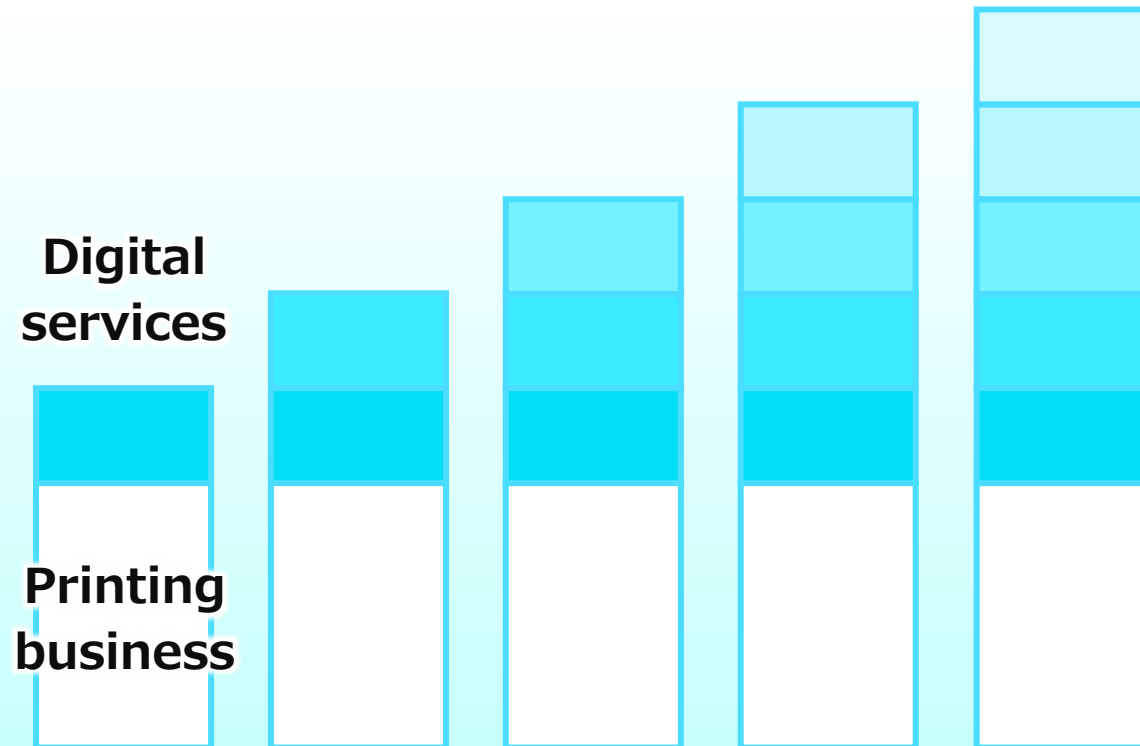


# Build New Recurring Revenues

1 Secure stable revenue sources

2 Build highly resilient structure

3 Grow in new digitalization areas



Expand earnings over medium-through long-term by establishing new recurring revenue businesses that replace printing in digital services growth domain



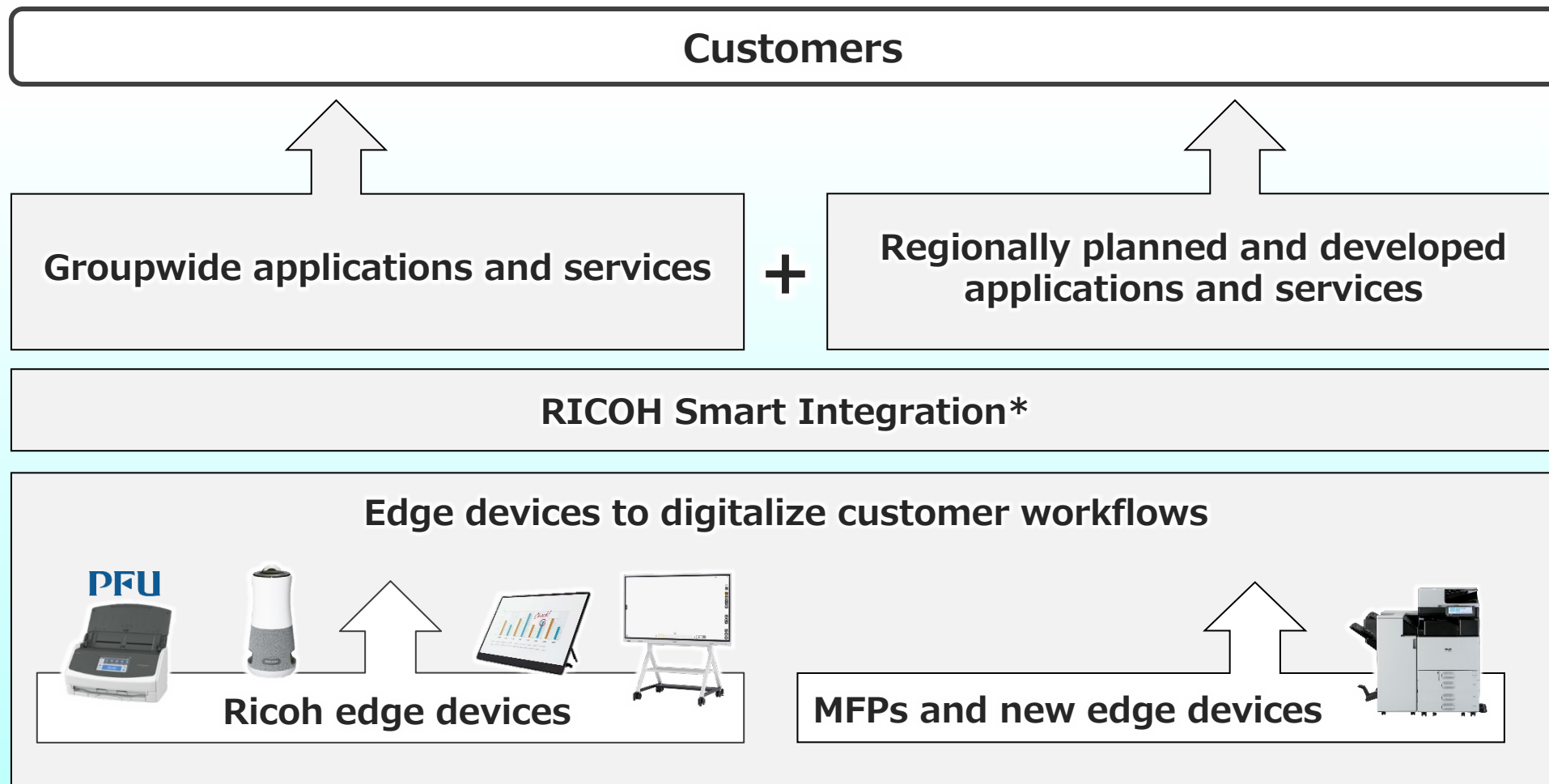
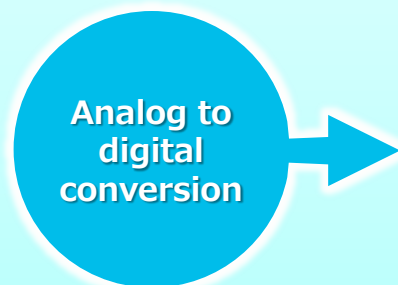
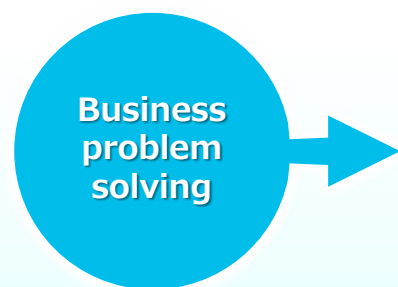
# Deliver Unique Digital Services

Combining unique strengths (edge devices, service delivery platform, and customer touchpoints) to contribute to the DX of “work” for customers and grow our businesses by generating recurring revenues from hardware and software

1 Secure stable revenue sources

2 Build highly resilient structure

3 Grow in new digitalization areas



\* Ricoh Group common platform

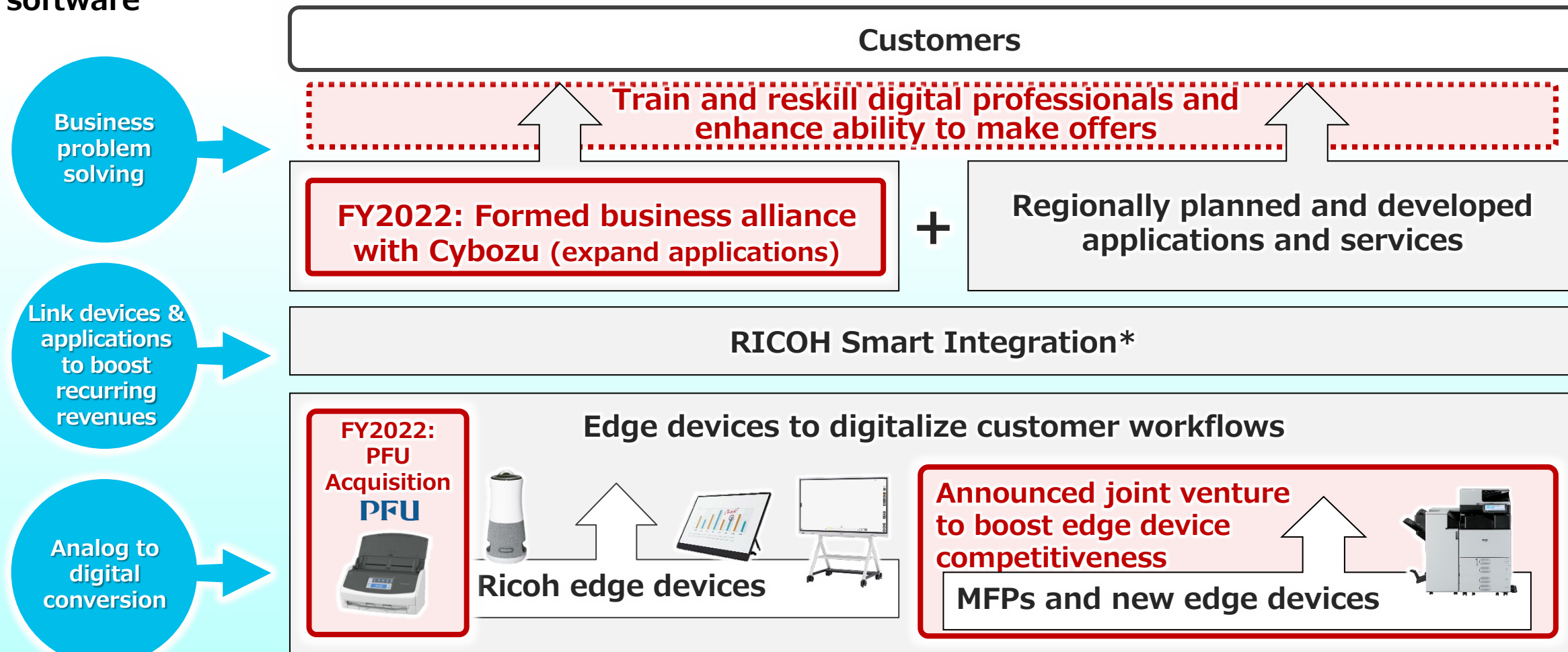
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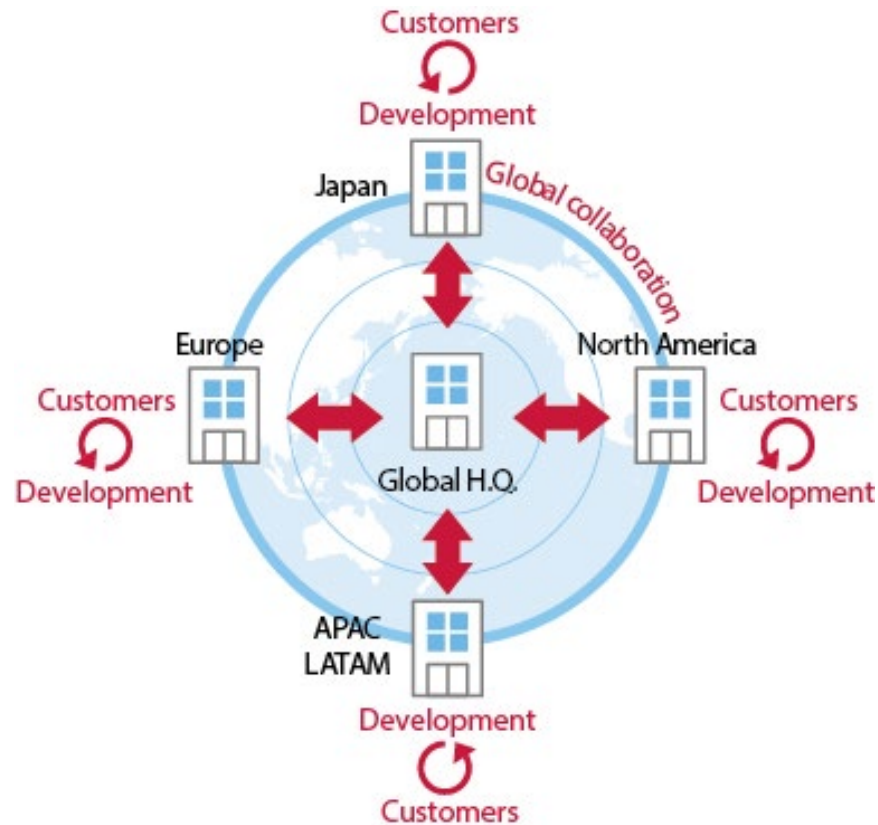
# Evolve with Customers

1 Secure stable revenue sources

2 Build highly resilient structure

3 Grow in new digitalization areas

## Digital services organization



### Regions: Create services from customer touchpoints

- Locate planning and development near customers to swiftly deliver new value-added services meeting regional customer needs

### Headquarters: Strengthen global collaboration

- New services created in each region are coordinated globally, and best practices are deployed across the group





# Building a stable Supply Structure

1

Secure stable revenue sources

2

Build highly resilient structure

3

Grow in new digitalization areas

**Stabilize results by building production and parts procurement structure that is resilient to changes in external business environment**

- **Maintain flexible production structure that addresses geopolitical risks**
- **Multi-replacement designs to cater quickly to sudden component changes**
- **Strengthen production and utilization of reuse machines within each region**
- **Expand collaboration with other companies, such as by mutually using production sites, joint parts procurement, and sharing MFP engines**

# Grow Frontlines and Society Businesses

1 Secure stable revenue sources

2 Build highly resilient structure

3 Grow in new digitalization areas

Frontlines

## Frontlines digitalization 1: Commercial Printing business



Digitalize printing industry and resolve customers' increasingly complex business challenges



## Frontlines digitalization 2: Thermal Products business

Providing digital services to distribution, logistics, and other on-site customers with thermal technology

Society

## Social issue resolution businesses 1: PLAiR

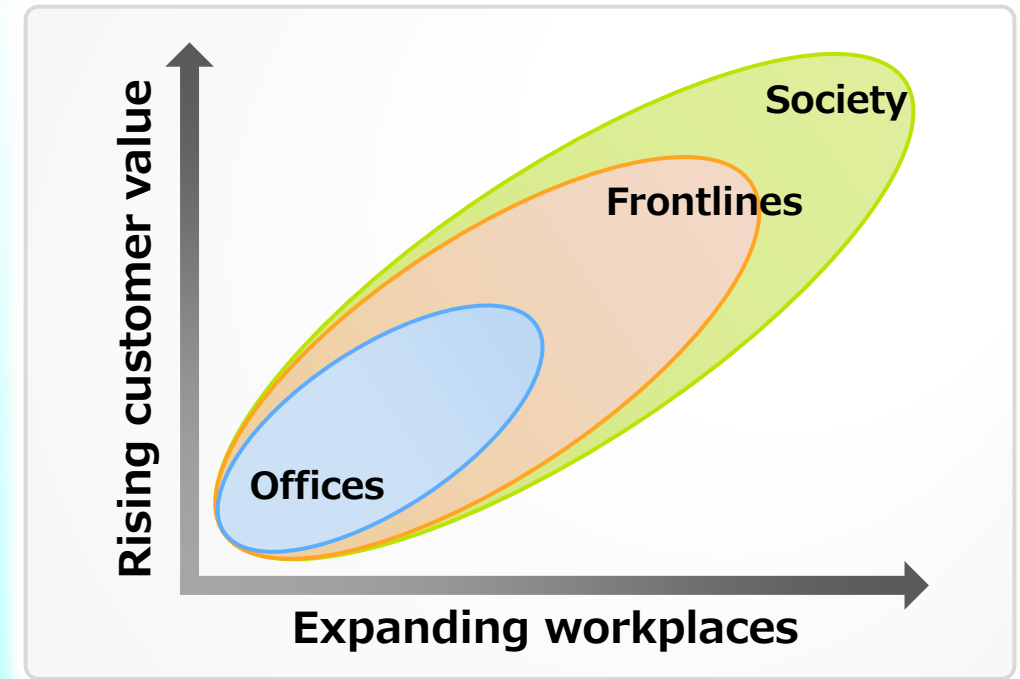


Expand carbon-neutral plant-derived material for broad usage in packaging materials, containers, and other applications

## Social issue resolution businesses 2: Biomedical business



Offer contract manufacturing services for mRNA investigational drugs using iPS cells





# Growing Sustainably



**The source of added value for our customers is**  
**our people**



**Help employees feel a sense of fulfillment,  
accomplishment, and self-actualization,  
which will lead to business growth.**



# Ricoh's Human Capital Stance

**1**

**Encourage  
employees to fulfill  
their potential**

Examples

**Train digital  
professionals**

**Pursue diversity and  
inclusion**

**Engage in flexible  
working practices**

**Harness global  
talent**

**2**

**Align personal and  
business growth**

**Invest in human  
capital to boost  
corporate value**

**3**

**Enable employees  
to experience  
Fulfillment  
through Work**



- ESG initiatives aim to generate future finance to avoid risks and capitalize on business opportunities
- We have set targets equating finance and ESG and are reinforcing contributions to resolving social issues



## External recognition of our SDG contributions

### 2022

- |          |   |
|----------|---|
| Nov 2022 | Receives Environmental Value Award for second time in 4th Nikkei SDGs Management Grand Prix |
| Dec 2022 | Included in Dow Jones Sustainability World Index for third consecutive year                 |
| Dec 2022 | Features in CDP's 2022 Climate Change A List for third straight year                        |

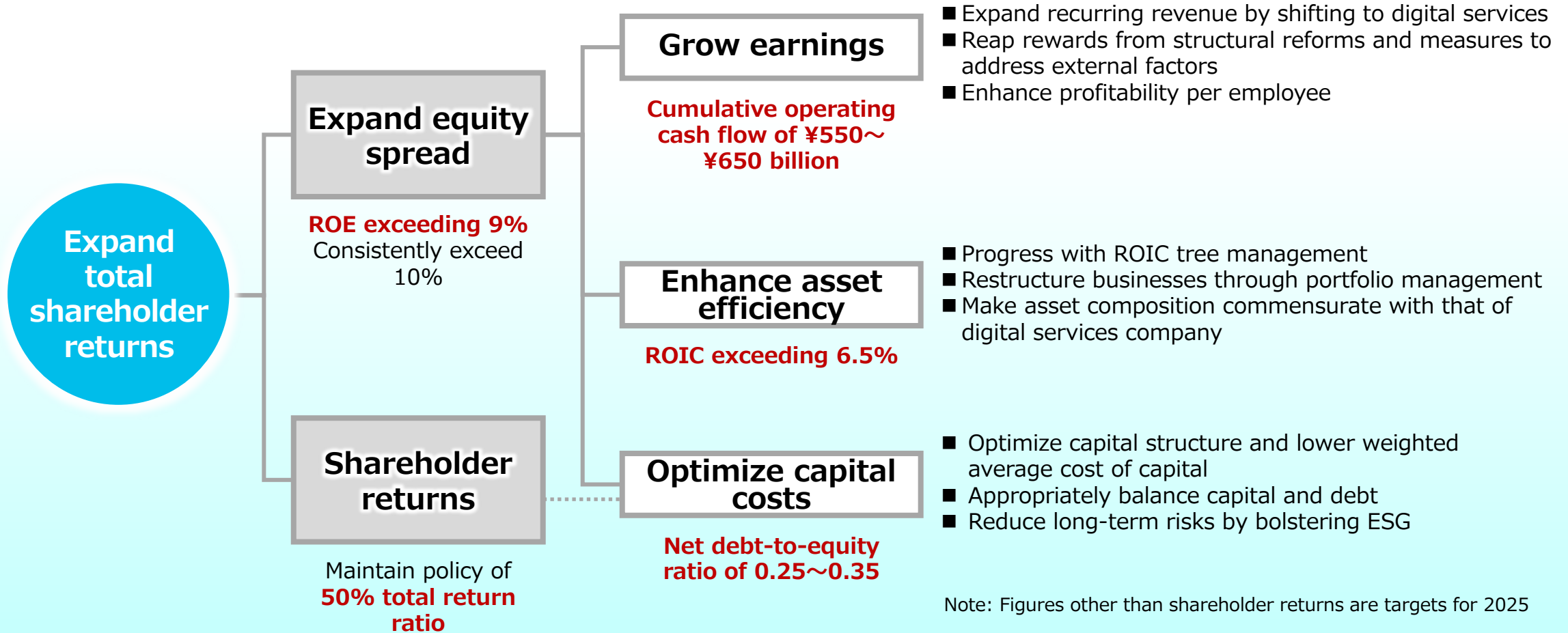
### 2023

- |          |   |
|----------|---|
| Jan 2023 | Selected as one of 2023 Global 100 Most Sustainable Corporations                                    |
| Feb 2023 | Attains perfect five-star rating for third straight year in 6th Nikkei Smart Work Management Survey |
| Feb 2023 | Scoops innovation category award in Nikkei Smart Work Management Survey                             |



# Improving Shareholder Value

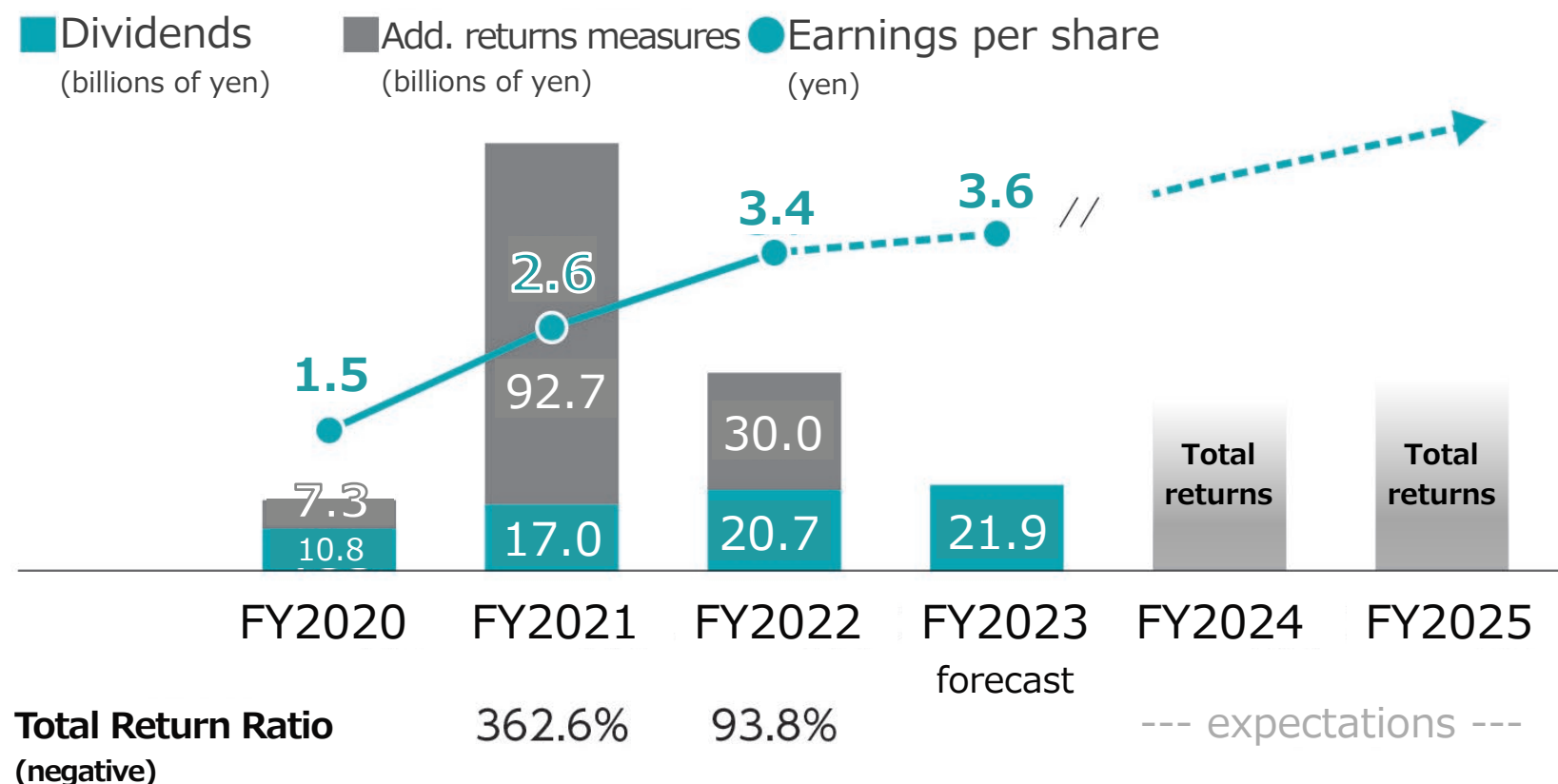
# Enhancing Shareholder and Corporate Value





# Shareholder Returns Policy

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



## Returns policy

Target 50% total return ratio and incrementally lift goal

## Dividends

Factor in dividend yield in seeking to continuously increase dividends

## Add. returns measures

Flexibly and appropriately time measures based on optimal capital structure while taking climate and growth investment situation into account



# FY2023 Outlook

(Billions of yen)	FY2022 Results	FY2023 Forecast	Change
Sales	2,134.1	<b>2,250</b>	+5.4%
Gross profit	745.4	790	+6.0%
Selling, general and administrative expenses	666.6	720	+8.0%
Operating profit	78.7	<b>70</b>	-11.1%
Operating margin	3.7%	3.1%	-0.6pt
Profit attributable to owners of the parent	54.3	50	-8.0%
EPS (Yen)	88.13	<b>82.09</b>	-6.04
ROE	5.9%	<b>5.3%</b>	-0.6pt
ROIC	4.9%	<b>4.1%</b>	-0.8pt
Average exchange rates	Yen/US\$ Yen/euro	135.49 140.91	125 135
			-10.49 -5.91





# Conclusion



# Enduring Commitments

**RICOH**  
imagine. change.

**Embody the  
Spirit of Three  
Loves**



**Keep serving  
diverse customer  
work needs**

# Fulfillment through Work

Work can be incredibly fulfilling when you overcome a challenge.

Fulfillment through Work. This core principle is embodied in the “Spirit of Three Loves” that has been at the heart of Ricoh’s business since the company was established in 1936.

We truly understand how people, workplaces, and workflows are interconnected. We transform work to release people from the tedium of repetitive tasks so they can better communicate their thoughts and unleash their creativity and potential.

Ricoh wants to enable people to derive satisfaction and accomplishment through what they can achieve. The future that lies beyond the transformation is a sustainable society where job satisfaction and economic growth are in harmony.

We will all contribute to a future that achieves our vision of fulfillment through work.

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