

**Office
Services
Business**

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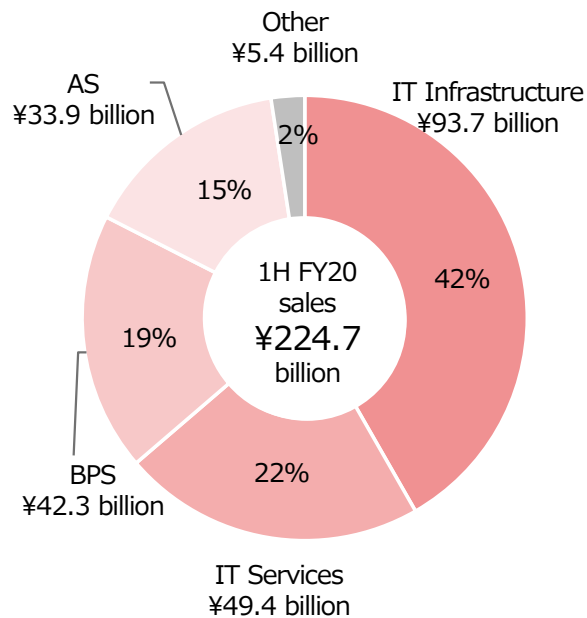
1. Office Services Business Details



Business Overview and Model

Become a partner for office customer business and workflow digitization

Business structure

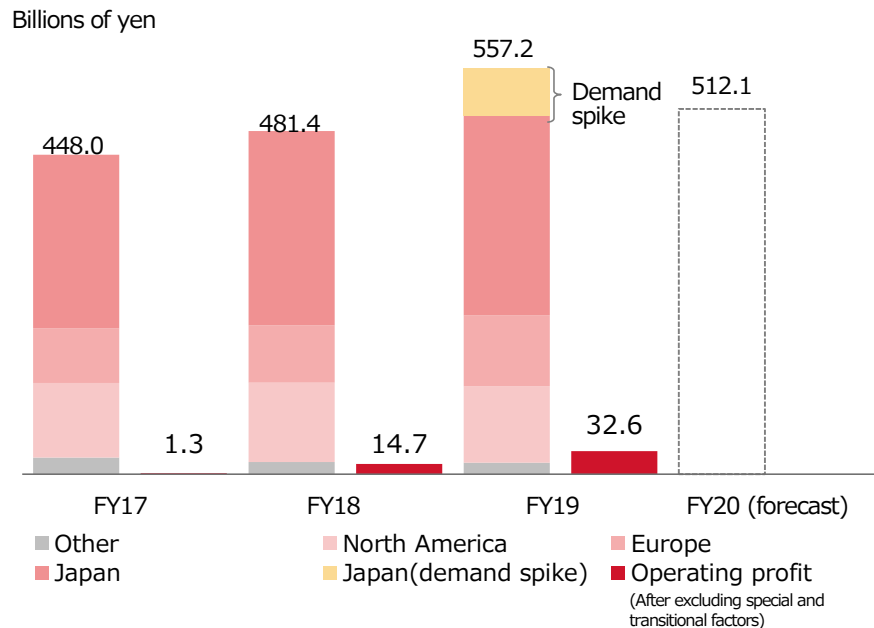


Category	Business model / Measures to boost profitability	Profitability
IT Infrastructure (HW and SW)	Combining 3rd party solutions with proprietary services <ul style="list-style-type: none"> ● Packaged services that enable MFP sales to propose/sell ● Advanced ICT business that leverages ICT provision capabilities and human resources through acquisitions Packaging provision of IT infrastructure and highly profitable recurring services and support Improving sales efficiency and profitability by Packaged services (one-to-many business model)	Good
IT Services		Excellent
Business Process Services (BPS)	Providing on-site and offsite (center) services Improving profitability through labor-saving digitization and efficient offsite usage	On-site (Good) Off-site (Excellent)
Application Services (AS)	3rd party apps Providing value by adding in-house services to solutions from other companies Creating high value-added solutions by integrating 3 rd party apps with in-house services	Good
	Ricoh apps Providing recurring SaaS solutions by leveraging proprietary software platforms (DocuWare and RSI) Generating high margins by supplying internally developed apps	Excellent

Results and Regional Highlights

Office Services (OS) results

- Expanded OS business in FY19, primarily in Japan and Europe, thus doubling operating profit
- While sales have fallen in FY20 in absence of the demand spike of the previous year and the Covid-19 pandemic impact, package deployments have been robust, particularly in Japan and Europe



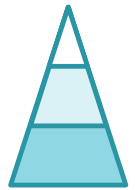
Note: Ricoh's communications services business sales became part of Office Printing business and were thus excluded from FY19

Regional highlights

Japan

- ICT business* a key offering
- In FY19, expanded on Windows 10 transition demand spike and Scrum package sales
- While sales down in FY20 in absence of demand spike, greatly expanding revenues of Scrum packages for tasks and remote work

Primarily serving direct customers



Europe

- ICT business* a key offering
- In FY19, expanded business primarily through ICT firm acquisitions
- In FY20, growing by deploying "Work Together, Anywhere (packaged service)" while drawing on sales by acquired firms



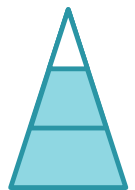
North America

- BPS a core offering
- In FY19, boosted earnings on profitability improvements for BPS
- While sales and earnings down in FY20 owing to customer site closures amid pandemic, margins are rising with digitization



Asia Pacific and Latin America

- Notwithstanding small scale, looking to enhance results by bolstering ability to supply DocuWare and ICT



*IT infrastructure + IT services + application services

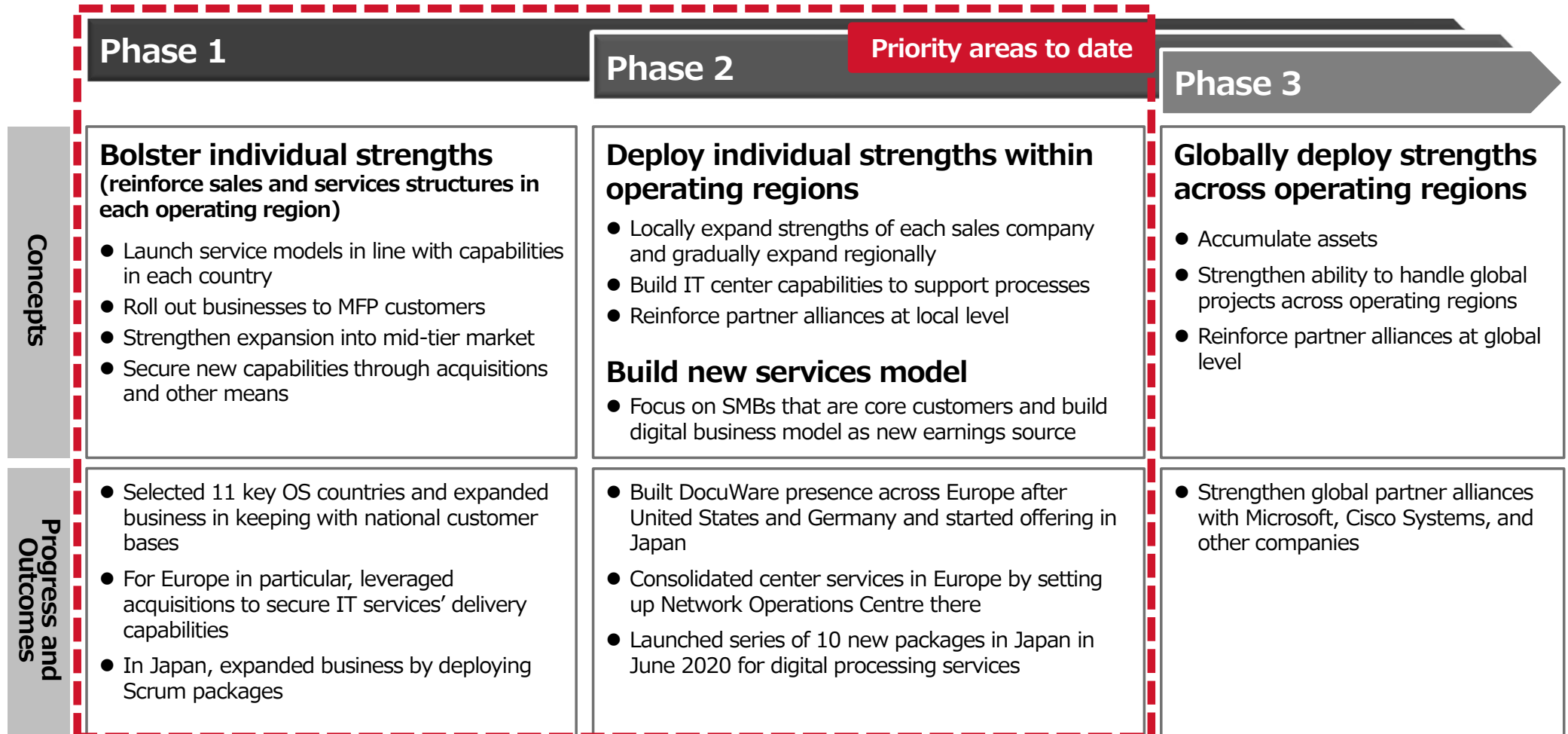
■ Major customer base
 ■ Quasi major customer base



2. Initiatives and Outcomes



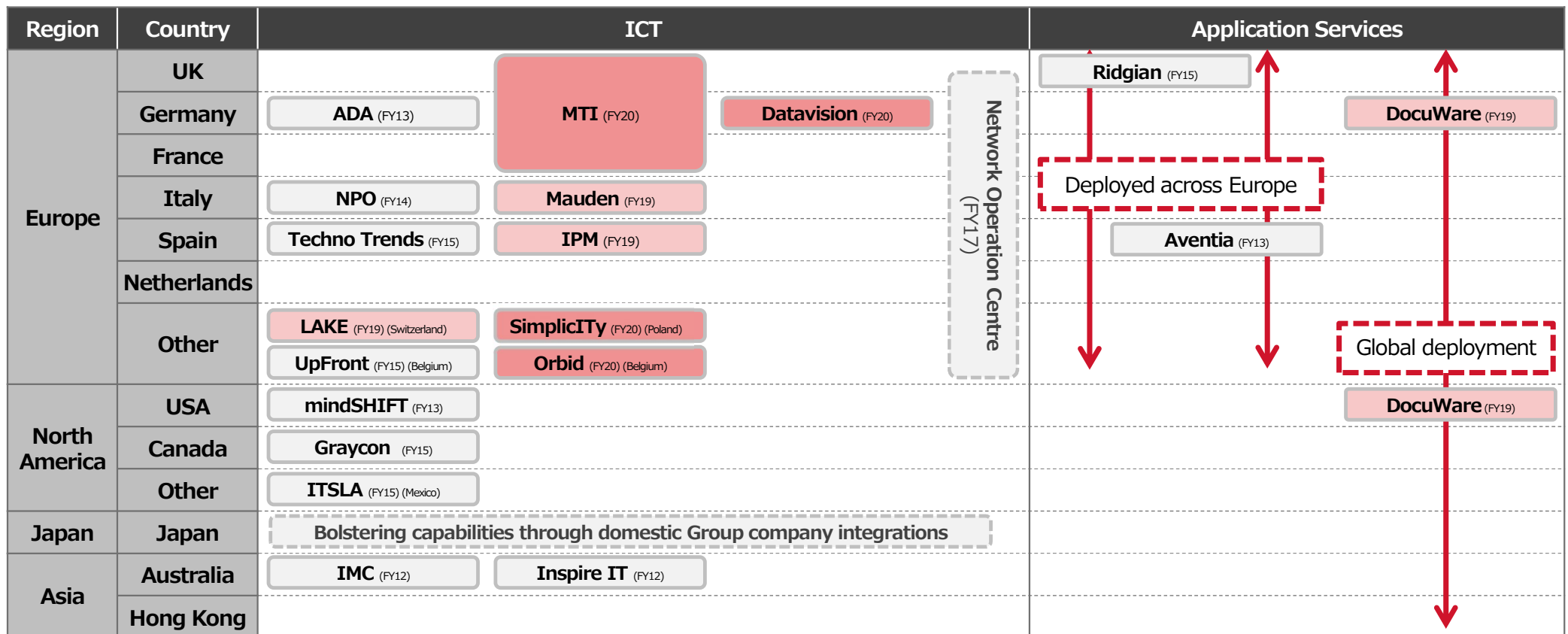
Mid-Term Growth Scenario Progress



Note: Windows and Microsoft are registered trademarks or trademarks of Microsoft Corporation in the United States and/or other countries. Cisco Systems is a registered trademark or trademark of Cisco Systems, Inc., in the United States and/or other countries.

Progress in Reinforcing Organization

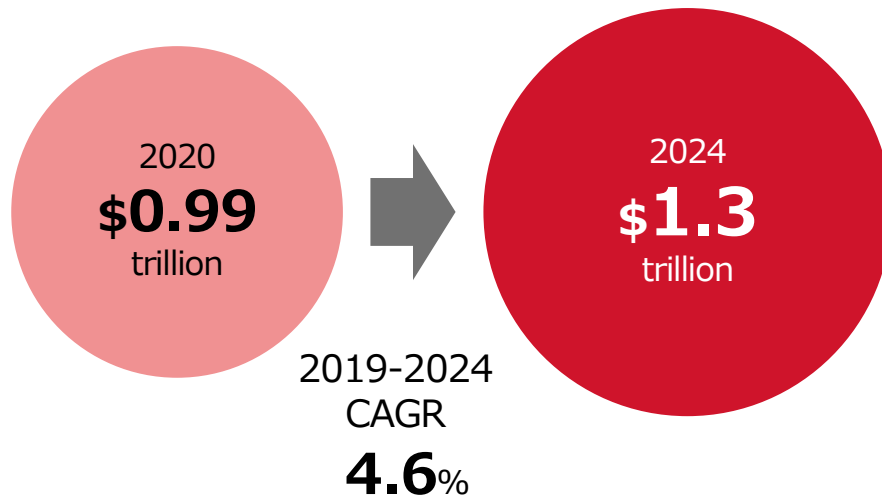
- Organization in Japan has evolved to efficiently supply IT services through the integrated reorganization of group companies in Japan
- Secured regional coverage and advanced ICT capabilities by acquiring ICT companies, mainly in Europe
- Acquired DocuWare to reinforce Application Services capability and set about expanding worldwide



COVID-19 Transforming Markets

IT Services demand*

- Pandemic impact will be temporary, returning to growth trajectory from FY21



Changing customer needs

- New needs emerging amid pandemic

Remote work becoming norm

Rising need for business digitization

Team members working in different locations

Building secure office environments

Education and government agency digitization

Customer concerns

- SMBs finding it difficult to address dramatic changes stemming from pandemic owing to personnel and expertise constraints

In-house digital transformation

Constructing remote work environments

Travel constraints impeding communication

Leveraging last-mile advantage, delivering solutions to the customers swiftly that resolve customer needs and issues, primarily through packaged services

*Ricoh-produced information based on Gartner research:

Gartner, Forecast: IT Services, Worldwide, 2018-2024, 3Q20 Update, Dean Blackmore et al., 29 Sep 2020, CAGR forecast for 43 countries for 2019-24, End-User Spending basis.

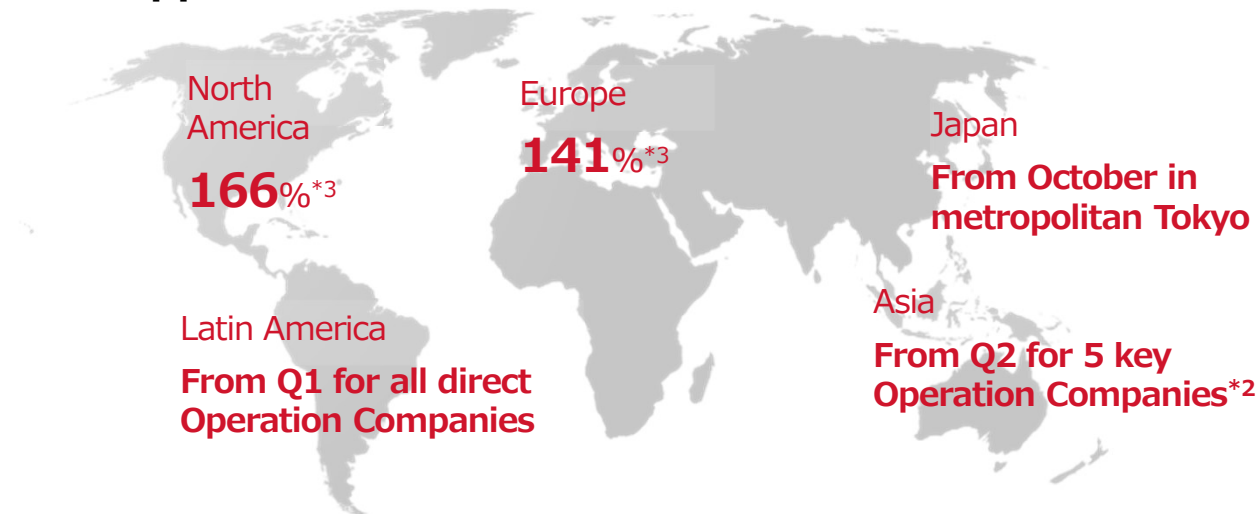
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In addition to original strategies addressed to meet pandemic-induced needs swiftly, made it possible to deliver advanced ICT in each region

	Japan Explain separately today	Europe Explain separately today	North America
Initiatives since FY19	Global deploying packaged solutions		
	<ul style="list-style-type: none"> Reinforcing Scrum package lineup for SMB customers, release of new package solutions to cater to Covid-19 response 	<ul style="list-style-type: none"> Running “Work Together, Anywhere (WTA)” campaign for new world of work 	<ul style="list-style-type: none"> Launching work from home services in April for business continuity planning, stepping up proposal efforts in July through packages that simplify IT services
Outcomes	<ul style="list-style-type: none"> In FY19, expanded sales of services that capitalize on Windows 10 demand Deployed semi-customizable solutions (Scrum assets) that can be recombined to address challenges and needs of mid-sized and large companies 	<ul style="list-style-type: none"> Reinforced provision capabilities through ongoing ICT acquisitions (Orbid, Data Vision, SimplicITY, and MTI) 	<ul style="list-style-type: none"> Enhanced BPS’ profitability by cutting costs and digitizing Digitized labor-intensive BPS business through AI, workflow automation, and cloud computing
	<ul style="list-style-type: none"> OS sales jumped 25% YoY in FY19 Boosted Scrum package and assets sales Sales gains YoY through September FY20: <ul style="list-style-type: none"> Number of Scrum packages: Up 46% Scrum asset orders: Up 139% 	<ul style="list-style-type: none"> OS sales jumped 21% YoY in FY19 In FY20, OS sales were up 19% YoY through September Received 1,941 WTA orders in first half of FY20 	<ul style="list-style-type: none"> Gross margin up from year earlier owing to pandemic impact in BPS Secured 20 new large corporate customers for digital mail services

DocuWare Global Deployment Progress

- Significant European and U.S. growth amid expanding business digitization demands to overcome pandemic challenges
- Accelerating synergies with Ricoh sales companies by launching sales and expanding deployments in untapped areas



DocuWare features

- Solid in areas related closely to key Ricoh businesses and among SMBs, central to Ricoh's customer base, for significant synergies
- Contents service platform market set to expand swiftly amid rising business digitization demands (2019-2024 CAGR 7.0%*1)
- Stable prospective earnings for stock businesses with customer retention rate of 94% (DocuWare estimate)

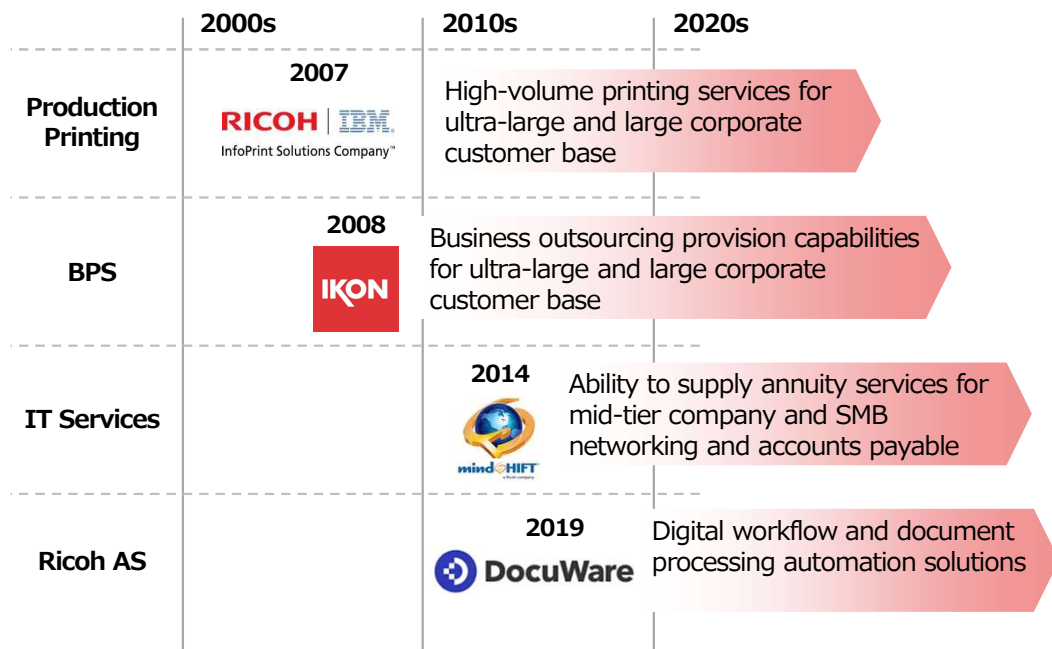
*1: Source is Gartner, Forecast: Enterprise Application Software, Worldwide, 2018-2024, 3Q20 Update, Neha Gupta et al., 30 Sep 2020, CAGR forecast for 43 countries for 2019-24
Contents service platform market = Content services, on revenue basis

*2: Ricoh Australia, Ricoh Hong Kong, Ricoh Thailand, Ricoh Singapore, and Ricoh Malaysia

*3: New order growth rate (YoY growth through October)

Activities in North America

- In United States, rebuilding services business infrastructure secured through acquisitions to optimize and deliver offerings for new world of work
- Opportunities for OS deals in Q2 triple that of Q1



Asset combinations for new world of work

Example services for large companies
Remote channel capabilities through digitization of BPS (Managed Services)

- Digital mail service
- Center services-based document digitization and workflow automation services

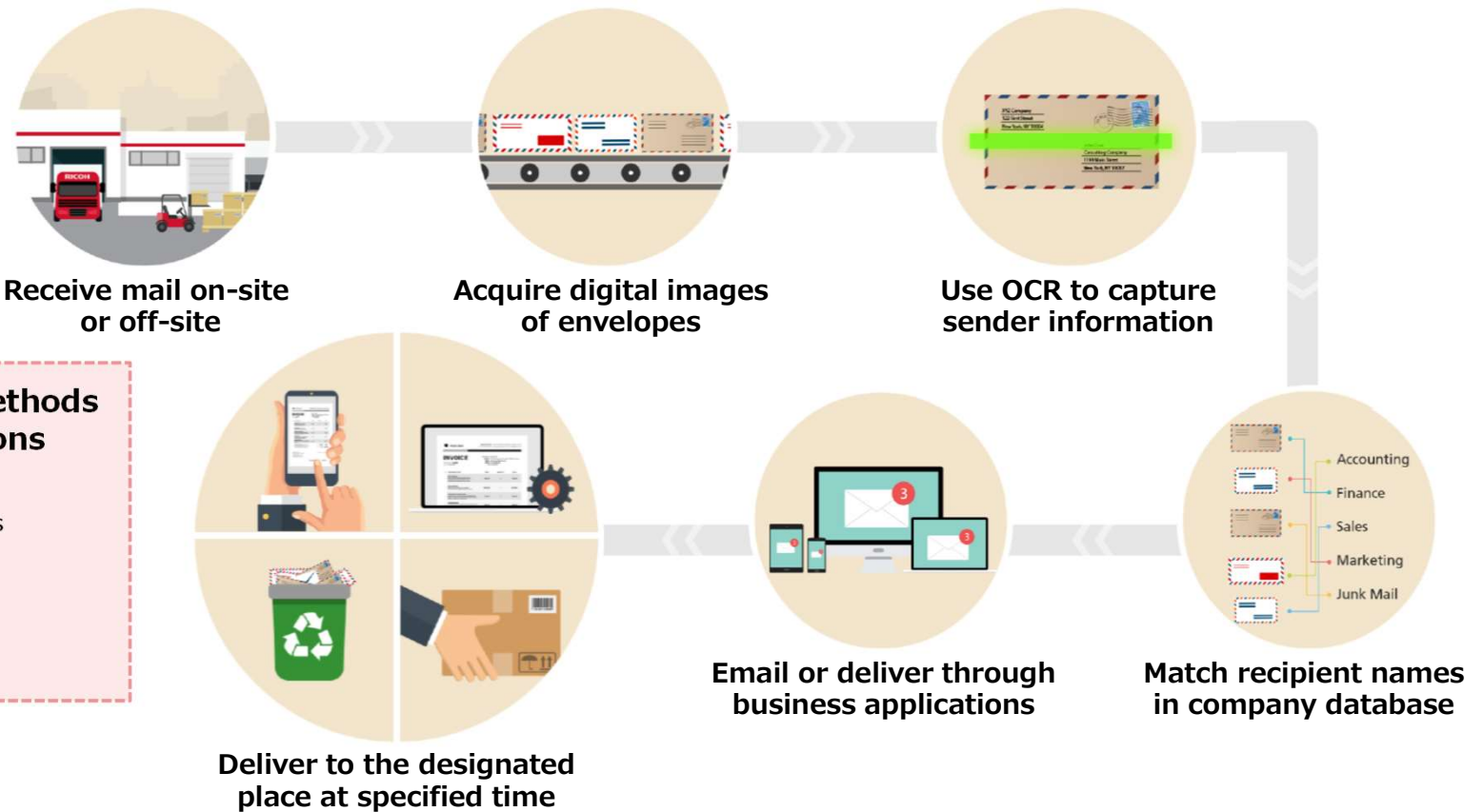
Example services for mid-tier companies
Providing environments so employees working from home or in split shifts can work seamlessly

- Work from home support services

Opportunities for new services deals		
Q1	Q2	Growth
\$64 million	\$195 million	306%

Services for Large Corporate Customers: Digital Mail

Swiftly and securely delivering postal items to employees serving remotely or in hybrid job situations in new world of work

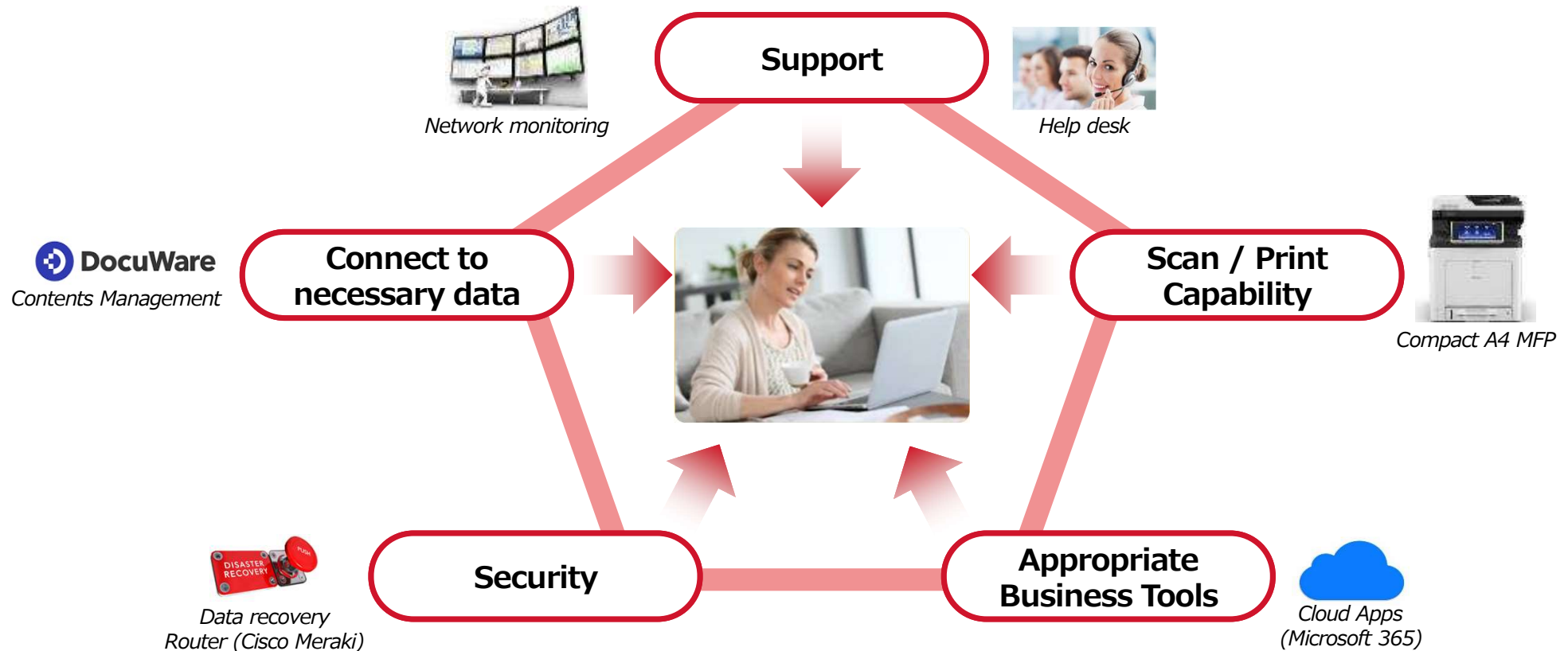


Designate processing methods after receiving notifications

- Scan and email
- Scan and send to business apps
- Physically deliver
- Recycle process
- Retain until receipt
- Forward to user

Services for mid-tier companies in North America: WFH Support Services

- Began offering packaged solutions in North America
- Help customers maintain business continuity by combining various technologies and support assets for work from home workers



KPI progress (since April 2019 IR Day)

Key business strategy

Become a partner in accelerating business growth by the digitalization of office customer operations and workflow, and establishing a business model to stabilize profit

FY22 sales target:
¥603 billion

Domain strategy	Measures	KPI	Progress
<ul style="list-style-type: none"> ● Implement three-phase mid-term growth scenario in keeping with circumstances of 11 key sales companies ● Roll out global success model across operating regions 	<p>Japan</p> <ul style="list-style-type: none"> ● Further reinforce business- and sector-specific services and solutions <p>Overseas</p> <ul style="list-style-type: none"> ● Bolster services provision capabilities through centers of excellence that harness our strengths in each country 	Office Services sales: ¥603.0 billion (FY22)	<ul style="list-style-type: none"> ● FY19: ¥557.1 billion *1 Up ¥75.8 billion (15.7%) YoY ● FY20 projection: ¥512.1 billion After factoring out absence of previous year's demand spike, flat sales from last year notwithstanding COVID-19 impact
<ul style="list-style-type: none"> ● Further expand customer base by transitioning to stock business 	<ul style="list-style-type: none"> ● Transition to stock business and leverage digital marketing ● Deliver value through RSI IDs 	Stock revenues as percentage of sales: 45% (FY22)	<ul style="list-style-type: none"> ● Total at end-September 2020: 37.2% Up 32.1% (5.1 points) from FY19
<ul style="list-style-type: none"> ● Employ RSI to create new customer value 	<ul style="list-style-type: none"> ● Bring together in-house products and partner applications through RSI and strengthen applications within Ricoh 	Number of platform developers: 520 (FY22)	<ul style="list-style-type: none"> ● At end-October 2020: 564 Reached goal ahead of FY22 target

*1 : based on FY20 new LOB



3. Looking Ahead



Company Structure Changes

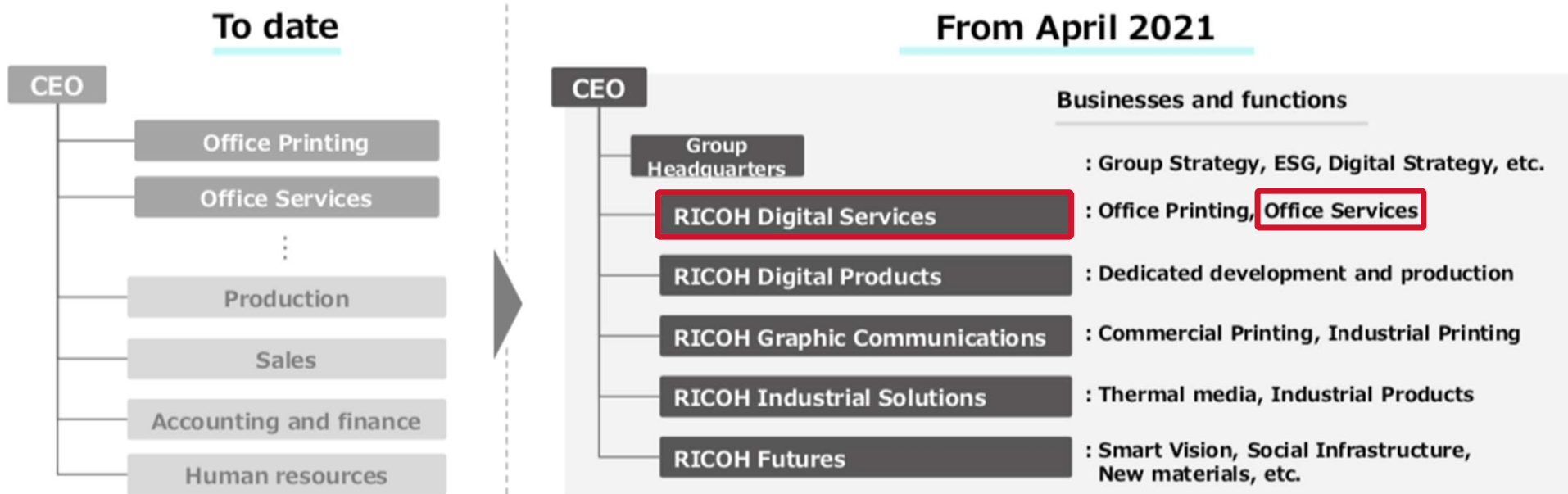
Enhance growth and capital returns through customer-centric business units with clear earnings paths

Structure goals

- Optimally allocate management resources
- Shift resources to growth areas
- Ensure business autonomy and clarify responsibilities and authority

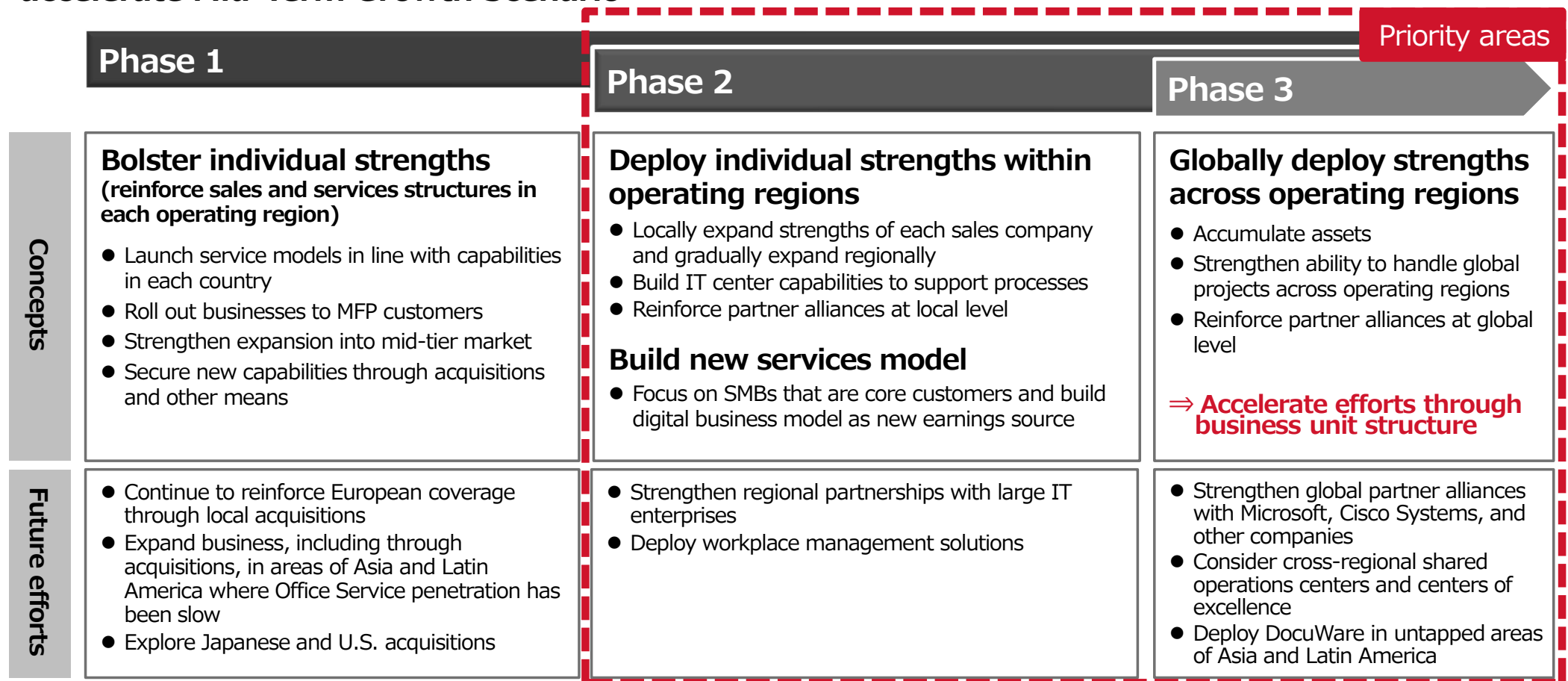
Business unit roles

- Grow through nimble, customer-centric management
- Enhance capital returns through a clear earnings structure
- Leverage external resources to boost competitiveness



Mid-Term Growth Scenario

Seeking to reinforce Phase 1 continuously and prioritize strengthening phases 2 and 3 to accelerate Mid-Term Growth Scenario



Priority areas

Note: Windows and Microsoft are registered trademarks or trademarks of Microsoft Corporation in the United States and/or other countries. Cisco Systems is a registered trademark or trademark of Cisco Systems, Inc., in the United States and/or other countries.

Key OS Value Drivers in Ricoh Digital Services

Empowering Digital Workplaces

- PCs, servers, networks, storage, security solutions
- Managed IT Services and Managed Security Services
- Cloud services (IaaS, Hybrid Cloud)

IT infrastructure

Digitizing workflows

- Enterprise content management solutions (DocuWare)
- BPS that harness technology
- Sector and task application deployment services

Digital Services

Digitizing frontlines

New workstyles

- Digital workplace solution (Microsoft 365)
- Meeting solutions
- Workplace management solutions

Data utilization

Ricoh Smart Integration platform

Global common solutions and platforms

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Regional Outlooks

Accelerate services deployment to cater to transforming customer needs amid the COVID-19 pandemic and expanding OS capabilities

<p>Japan</p>	<ul style="list-style-type: none"> ● Further reinforce Ricoh Digital Processing Service, Scrum packages, and Scrum assets to digitize customer operations ● Launch content usage and operational efficiency services (Scrum assets) nationwide utilizing DocuWare ● Strengthen digital transformation in education (for Giga School) ● Bolster ICT services capabilities through acquisitions 	<p>Explain separately today</p>
<p>Europe</p>	<ul style="list-style-type: none"> ● Expand advanced IT services through local acquisitions that enhance delivery capabilities ● Step up Office Services sales to international customers with Pan-European operations ● Shift Office Printing resources to Office Services personnel (development, hybridization, and relocation) ● Keep bolstering ICT services capabilities through further acquisitions ● Strengthen Office Services deployments to Office Printing customers through WTA campaign 	<p>Explain separately today</p>
<p>North America</p>	<ul style="list-style-type: none"> ● Expand telework services by targeting SMB and mid-tier companies that have begun deploying such work setups ● Develop tech-focused outsourcing services for large corporations employing on-site BPS such as Intelligent Business Platform, Patent Management System, and Digital Mail ● Deploy workplace management services in line with Return to Office moves ● Strengthen Office Services provision capabilities through acquisitions 	
<p>Asia Pacific and Latin America</p>	<ul style="list-style-type: none"> ● DocuWare launches ● Bolster ICT services capabilities through acquisitions 	



Japan and Europe Sections





4. Competitive Edge



Competitive Edge

Customer base	<ul style="list-style-type: none">● Global office printing customer base of 1.4 million companies<ul style="list-style-type: none">– Mid-tier company and SMB customers accelerating IT adoptions– Global/International customers needing services across national and regional boundaries
Organization	<ul style="list-style-type: none">● Last mile capability through industry-best customer contacts of 16,000 salespeople and 15,000 customer engineers and ability to amass customer solutions● Direct sales network in 50 countries for global companies and international customers
Business model	<ul style="list-style-type: none">● Maintain highly efficient one-to-many sales model by deploying packaged solutions based on needs identified through diverse customer contacts
Edge device	<ul style="list-style-type: none">● Help build digital workflows for customers through 4 million cloud connected MFPs at their sites

Reinforce competitiveness by leveraging acquisitions to keep delivering advanced ICT, cultivating digital professionals, and collaborating more with strategic IT partners to grow further by offering customers business solutions

Market Potential

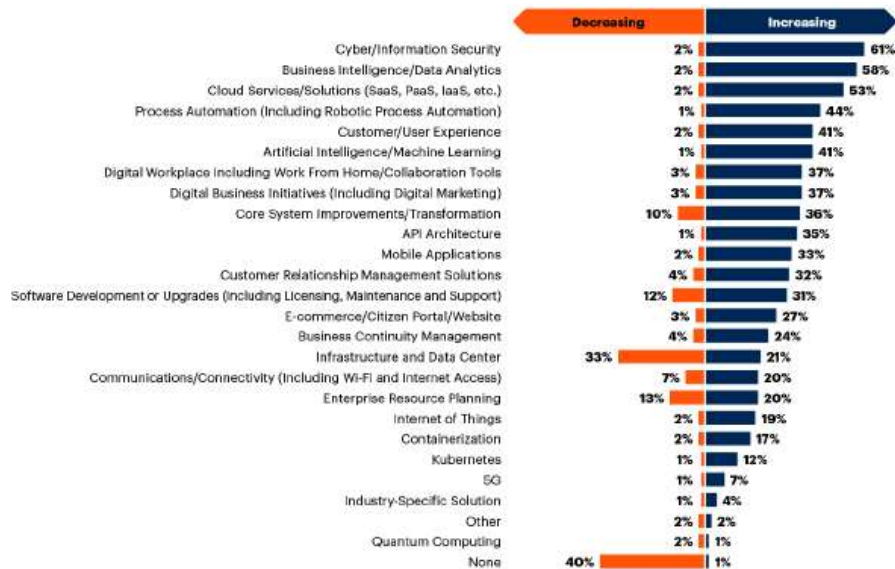
Major investments and growth projected from next fiscal year in our priority fields

(Cyber and information security, business intelligence and data analytics, cloud services and solutions, process automation, and digital workplace offerings, including work from home and collaboration tools)

Areas in which chief information officer seeks to bolster spending in 2021*1

Rebalance the Technology Portfolio

Investments; Percentage of Respondents



n = -1,798

Source: 2021 Gartner CIO Survey

Q. What are the technology areas where your enterprise will be spending the largest amount of new or additional funding in 2021 compared with 2020?

Q. What are the technology areas where your enterprise will be reducing funding by the highest amount in 2021 compared to 2020?

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*1: Gartner: The 2021 CIO Agenda: Seize This Opportunity for Digital Business Acceleration, Andy Rosell-Jones, et al., 18 Oct 2020, Rebalance the Technology Portfolio

CAGR 2019-2024

Information security and risk management (end-user spending basis)*2

8.4%

Analytics and business intelligence (revenue basis)*3

6.8%

Managed services and cloud infrastructure services (end-user spending basis)*4

5.5%

CSP (Contents Services) (Revenue Basis)*5

7.0%

Cloud-based Telephony and Messaging, Cloud-based Conferencing (End-User Spending basis)*6

11.6%

Each chart created by Ricoh based on Gartner research data

*2: Gartner, Forecast: Information Security and Risk Management, Worldwide, 2018-2024, 3Q20 Update, Krishnendu Bal et al., 13 Oct 2020, global CAGR forecasts for 43 countries for 2019-24

*3: Gartner, Forecast: Enterprise Application Software, Worldwide, 2018-2024, 3Q20 Update, Neha Gupta et al., 30 Sep 2020, CAGR forecast for 43 countries for 2019-24, Analytics and Business Intelligence Market

*4: Gartner, Forecast: IT Services, Worldwide, 2018-2024, 3Q20 Update, Dean Blackmore et al., 29 Sep, CAGR forecast for 43 countries for 2019-24, Managed Services and Cloud Infrastructure Services

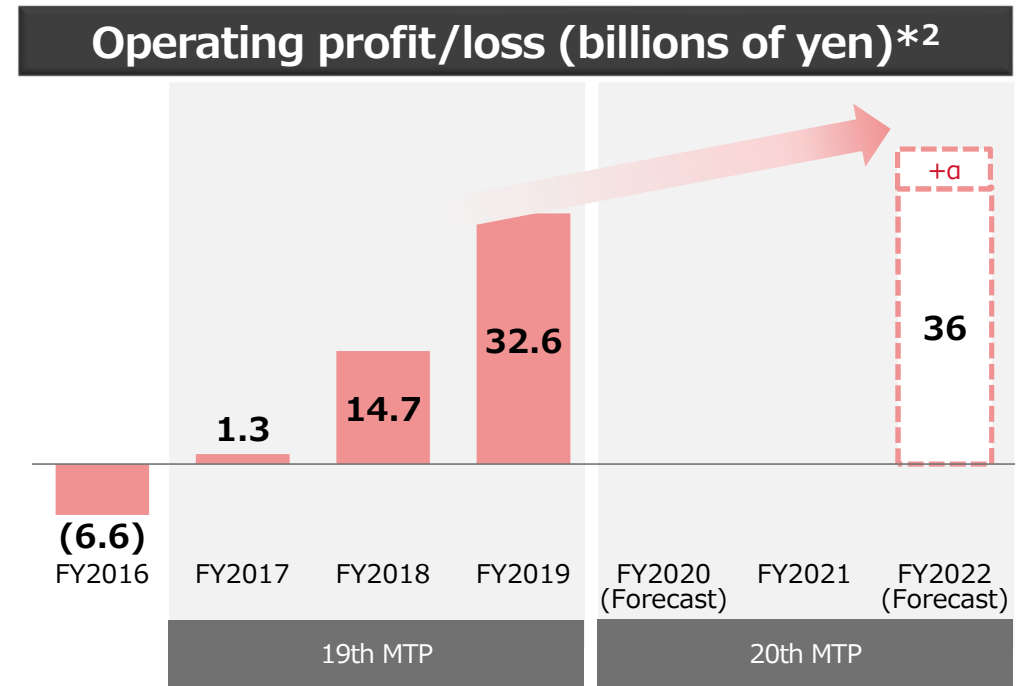
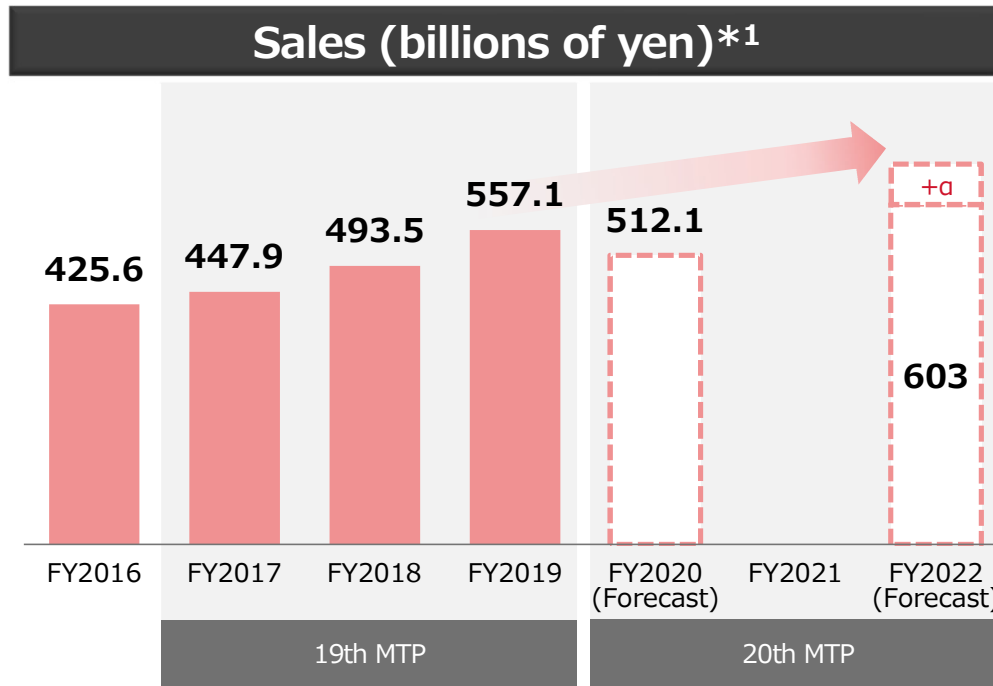
*5: Gartner, Forecast: Enterprise Application Software, Worldwide, 2018-2024, 3Q20 Update, Neha Gupta et al., 30 Sep 2020, CAGR forecast for 43 countries for 2019-24, CSP=Content Services Market

*6: Gartner, Forecast: Unified Communications, Worldwide, 2017-2024, 3Q20, Megan Fernandez et al., 1 Oct 2020, CAGR forecast for 43 countries for 2019-24, Combined "Cloud-Based Telephony and Messaging" and "Cloud-Based Conferencing"

FY22 Goals (as of April 2019)

FY22 targets	
Sales	¥ 603 billion +
Operating profit	¥ 36 billion +

Reviewing previous targets and looking to detail when announcing next mid-term management plan



*1: From FY19, Ricoh's communications services business sales excluded after becoming part of Office Printing business

*2: Excluding extraordinary costs

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Forward-Looking Statements

The plans, prospects, strategies and other statements, except for the historical events, mentioned in this material are forward-looking statements with respect to future events and business results. Those statements were made based on the judgment of Ricoh's Directors from the information that is now obtainable. Actual results may differ materially from those projected or implied in such forward-looking statements and from any historical trends. Please refrain from judging only from these forward-looking statements with respect to future events and business results. The following important factors, without limiting the generality of the foregoing, could affect future results and could cause those results to differ materially from those expressed in the forward-looking statements:

- 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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This material is not an offer nor a solicitation to make investments. Please do not rely on this material as your sole source of information for your actual investments and be aware that investment decisions are your responsibility.

Note: In this document, fiscal years are defined as follows:

FY2020 = Fiscal year ended March 31, 2021, etc.

Business category and other changes

In fiscal 2020, Ricoh shifted some Office Services businesses to the Office Printing and Other categories. We also allocated some headquarters expenses to the relevant departments. We have accordingly retroactively revised numbers for the previous corresponding period.