

## Key Questions and Answers

Q: You target a fiscal 2030 ROE of more than 10%. Given that you're increasing financial leverage, does that mean you seek operating profit of around 140 billion yen?

A: We haven't specified an operating profit target because there are several ways to reach our ROE goal. That said, an operating profit of around 140 billion yen remains one option.

Q: Why are you changing your disclosure segments? Including Office Printing sales in your Digital Products business would help investors better understand that business. But your previous segments gave the impression that you sought to separate Office Printing production and sales. Have you changed your strategy?

A: We concluded that focusing insufficiently on Office Printing contributed to declines in market share and machine-in-field levels in certain regions. We therefore changed segments to manage profitability across the full value chain, from production through sales. On the sales front, we'll keep providing value as a workplace integrator in Office Printing and other areas. We'll voluntarily disclose results for regional sales and service companies so investors can assess our performance.

Q: Does AI threaten you as a digital services company? How are you discussing this internally?

A: We factored AI-related risks into our planning and discussed and incorporated this technology and related initiatives into each of our strategies.

For example, we'll develop Japanese-language large language models in-house and embed AI in products and services. We'll also share in-house expertise with customers.

While some think that the end is near for SaaS (Software as a Service), we envision AI integration into SaaS businesses and business model shifts. Still, we don't think the SaaS business will disappear. Large corporations in particular must appropriately embed AI in business processes instead of deploying AI as essentially a black box. Workflow design will remain essential. We think there will still be demand for the value we provide as a workplace integrator.

Q: AI-driven disruption has been a hot topic lately. Could declining corporate values in the IT sector lead to more acquisition opportunities?

A: We're considering growth investments where we can complement capabilities and differentiate through integration. Falling market capitalizations would create a more favorable investment environment.

Q: While I understand the significance of ETRIA, it appears to run counter to your asset-light strategy. Might assets expand as ETRIA brings in more partners?

A: We think the key for ETRIA is to generate steady cash flow and maintain an appropriate corporate value. If new partners join, any asset integration would be only after agreement on which assets to combine, taking future synergies into account. So, we don't expect ETRIA's asset base to expand indefinitely.

Q: Given the cash allocations you outlined in your Capital Policy (on page 31 of Overview of Mid-Term Management Strategy '26), is it fair to say there's still significant scope for shareholder returns even after taking into account maintenance and renewal investments for which you don't list specific amounts?

- A: Note that the cash allocations chart is purely illustrative. Box sizes don't indicate actual amounts.  
Based on operating cash flow and the use of interest-bearing debt, total cash capacity would be about 850 billion yen to 900 billion yen. After taking into account the 350 billion yen shown for M&A and new capital investments and historical level of maintenance and renewal investments, the five-year capacity for shareholder returns could be 150 billion yen to 200 billion yen.  
That said, we intend to pursue growth investments actively in strategically aligned areas. M&A spending could exceed the current 250 billion yen assumption. In that case, while we would primarily use interest-bearing debt, part of that amount might not be available for shareholder returns.
- Q: Under the 21st Mid-Term Management Strategy, you targeted optimal net assets of 900 billion yen after excluding foreign currency translation adjustments. Is that still so?
- A: At the end of December 2025, net assets after excluding foreign exchange adjustments were around 850 billion yen. While this figure should rise as we accumulate earnings, we don't intend to expand much beyond 1 trillion yen. We'll instead maintain an appropriate level. We don't plan further reductions at this stage.
- Q: Global Major Accounts business revenue trends (see page 20 of Overview of Mid-Term Management Strategy '26) show slower growth in fiscal 2024 and 2025. What will drive faster growth toward fiscal 2030?
- A: Global Major Accounts is shifting away from focusing primarily on acquiring new customers toward a cross-selling phase, as the slide shows, adding a range of services to the existing customer base. Global Major Accounts will build on customer trust to sharpen the focus on its core business and accelerate growth by offering additional services to existing customers.
- Q: What are your current recurring earnings?
- A: We do have internal recurring earnings figures but it's hard to present an appropriate figure as operating profit.
- Q: Tell us more about the cost structure transformation that should save more than 40 billion yen.
- A: These savings should come mainly from back-office and global supply chain management transformation. For back-office operations, headquarters will lead a review of regional shared-service functions from the global optimization perspectives. We plan to finalize the schedule in the first half of fiscal 2026 and pursue efficiency improvements under a suitable organizational structure. Global supply chain management transformation will include reviewing inventory levels in line with an Office Printing downsizing and supply chain optimization alongside an ETRIA production site review.
- Q: What asset reduction scale are you targeting to become more asset-light?
- A: We've trimmed assets by around 10 billion yen each year. We'll continue to review fixed assets and sites, targeting annual reductions of around 10 billion yen.
- Q: Your growth investment budget for fiscal 2021 through fiscal 2025 was 500 billion yen, including 300 billion yen for acquisitions. Why did you reduce that figure, including the acquisition budget,

to 350 billion yen for the next five years? You also said that you did not use some of the previous growth investment budget. Was that a factor as well?

- A: We set the investment budget for the five years through fiscal 2030 based on our cash flow outlook, including funding capacity under financial discipline to maintain our credit rating, and our current assessment of investment opportunities. For the portion of the previous growth investment budget that we didn't use by fiscal 2025, we deferred some planned investments in new businesses and other areas in prioritizing the Corporate Value Improvement Project.
- Q: You mentioned delays in generating synergies with acquired companies. Does that mean post-merger integrations aren't progressing as planned?
- A: Post-merger integrations themselves are progressing. The issue isn't operational integration. It's the synergy creation pace between existing Ricoh Group sales subsidiaries and acquired Office Services subsidiaries. Those synergies depend on collaboration between the two sides to deliver value and are taking longer than we originally expected to materialize.
- Q: If you're moving to a rolling mid-term management strategy with a five-year horizon, the specific measures in fiscal 2026 will be critical in evaluating that strategy. Could you provide more detail on these initiatives, even at the line-item level?
- A: For back-office transformation, we'll formulate specific measures and a timetable in the first half of fiscal 2026 and progress to implementation. We also have plans in place for asset rationalization and site optimization, which we intend to execute sequentially and disclose as results emerge. For portfolio management, we've been reviewing businesses and individual companies through the Corporate Value Improvement Project. That work is ongoing, so we may be able to announce some initiatives in fiscal 2026. Also, we're conducting these reviews at the company level rather than by business unit. We're considering and implementing measures to better use several companies globally.
- Q: The Corporate Value Improvement Project originally identified 10 businesses with combined sales of 180 billion yen as targets for selection and concentration. Based on progress so far, have you narrowed the scope or have you simply encountered implementation delays?
- A: We haven't narrowed the scope. In fact, we're continuing to review businesses beyond the initial 10. In some cases, we decided to continue businesses subject to strategic changes, but we may reassess those decisions in the following fiscal year. We'll continue our selection-and-concentration and portfolio management efforts and make management decisions as necessary.
- Q: You announced a shift to a rolling mid-term management strategy and stated that you'll ensure delivery against annual plans and improve execution precision. Given that annual plans frequently fall short, what will you change to fulfill your commitments?
- A: We're reviewing accountability for each business unit head and revising the compensation structure accordingly. We'll also strengthen ROIC-based management. For some time, we've maintained ROIC trees for each business unit and managed a wide range of key performance indicators tied to operating profit and invested capital. By managing invested capital returns more rigorously, we seek to clear the path toward improving companywide ROIC and ROE and achieving our targets.

Q: What initiatives will support raising ROIC at regional sales and service companies to 13% or more?

A: Our approach assumes a roughly 10% reduction in asset intensity and about 10% annual earnings growth. Each regional sales and service company will therefore need to expand recurring earnings and shift its business portfolio toward more asset-light service businesses. We use 13% as the ROIC assumption for those companies in our framework for achieving a companywide ROIC of at least 7% and an ROE of more than 10%. Those targets are relatively ambitious, and we believe the ROE goal is still achievable even if regional sales and service company ROICs fall somewhat short.

Q: What initiatives are in place to raise human capital ROI to at least 25%, and how does that connect to your financial targets?

A: Human capital ROI reflects the productivity of employees in creating value. Raising it will require us to generate more value with fewer people. Through digital and AI transformation, we'll run mature businesses with leaner staffing and reallocate talent to growth areas that can create new added value. We've already pursued this approach through the Corporate Value Improvement Project. We intend to raise human capital ROI further by sustaining that cycle. We believe that achieving 25% human capital ROI would increase the likelihood of delivering a 10% ROE.