With the announcement of RICOH Ignite in the year ended March 31, 2019, we steered toward fiscal growth and steadily regained profitability. The year ending March 31, 2020 will be the final year of RICOH Ignite, an important time for us to prepare for RICOH Lift Off, our next growth stage.

RICOH Ignite

Ricoh is progressing with efforts to deploy growth strategies, enhance returns on capital, and reform corporate governance to materialize RICOH Lift Off from the year ending March 31, 2021.

Growth strategies deployment

Implement RICOH Ignite growth strategies, reaching targets for the year ending March 31, 2023 and generating sustainable growth thereafter

Enhance returns on capital

Enhance returns on capital and materialize growth strategies by deploying appropriate capital policies and investments

Corporate governance reforms

Driving growth strategies by properly evaluated and incentivized corporate governance system

Three growth strategies leveraging strengths

Existing Customer Value - New Customer Value

Digitalizing offices

Office Services

Office Printing

Commercial Printing

Industrial Printing

Thermal

Smart Vision

Application Printing

Growth Strategy #0

Digital Business
Create new markets by connecting offices and frontlines

Growth Strategy #1

Applied Printing

Growth Strategy #2

Industrial Products

Growth Strategy #3

MIF

Bolstered profitability of Office Printing business by managing selling prices

MFP price management progressed as planned

Boosted unit selling prices in Europe and United States

Increase of commercial printer MIF > by launching new models

Increased unit sales of RICOH Pro C7200 and RICOH Pro C9200 series from a year earlier

An increase in operating units contributed to improved non-hardware earnings

Enrichment of applications on the integrated platform

Launched advanced MFPs and applications that enhance customer business efficiency

Key initiatives and KPIs for the year ended March 31, 2019

Growth Strategy #0

Improve ability to generate earnings through rigorous sales price management

Bolstered profitability of Office Printing business by managing selling prices

MFP price management progressed as planned

Boosted unit selling prices in Europe and United States

Growth Strategy #1

Increase of commercial printer MIF > by launching new models

Increased unit sales of RICOH Pro C7200 and RICOH Pro C9200 series from a year earlier

An increase in operating units contributed to improved non-hardware earnings

Growth Strategy #2

Enrichment of applications on the integrated platform

Launched advanced MFPs and applications that enhance customer business efficiency
Growth strategies deployment

- Toward the year ending March 31, 2023

  Growth Strategy #0
  Increase profitability by evolving MFPs and pursue operational excellence
  1. Strengthen efforts in growth areas
     - Expand sales of advanced IM C series MFPs
  2. Pursue operational excellence
     - Launch new production site in southern China and enhance service efficiency with new models
  3. Establish new earnings model
     - Encourage customers to secure Ricoh Smart Integration IDs and shift to the platform business

  Growth Strategy #1
  Grow Commercial Printing and Thermal businesses earnings and invest heavily to drive Industrial Printing business growth
  Commercial Printing
  1. Increase non-hardware sales portion by establishing MIF base
  2. Customer-oriented O2D transition
  3. Reinforce dealer channel and emerging countries
  Industrial Printing
  1. Establish MIF base for profitability
  2. Expand textile business
  3. Reinforce capabilities by M&A
  Thermal
  1. Grow food labeling and e-commerce businesses with demand increase (DT)
  2. Expand market share in emerging countries (TTR)
  3. Launch Laser Solution business

  Growth Strategy #2
  Expand Office Services business earnings and create new businesses that leverage core technologies
  Industrial Products
  1. Increase the number of vehicle models using Ricoh’s stereo camera
  2. Gain share of large screen laser Head-up Display (HUD) market
  3. Reinforce sensing business in industrial vertical
  Smart Vision
  1. Promote THETA in B2B businesses
  2. Expand customer base of data services (THETA 360.biz)
  3. Improve profitability of the digital camera business

Enhance returns on capital

- Returns on capital-centric business operations and capital policies

  ROE
  - Business operations
    - Investment capital
    - Pursue returns exceeding capital costs
    - ROIC exceeding capital costs management
    - Key performance indicator management by business strategy
  - Capital policies
    - Debt
    - Shareholders’ equity
    - Optimize debt-to-equity ratio
    - Shareholder returns
    - Reduce capital costs

  Financing
  - Creditors
    - Debt costs (interest payments)
  - Investors
    - Investments
    - Investors’ anticipated returns

Corporate governance reforms

- Basic Stance on Governance

  Bolster enterprise and shareholder value by taking prudent risks and stepping up risk management
  Strengthen supervisory and auditing functions
  Solid disclosure and dialogue

  We pursue world-class governance reforms as befitting a global player. It is accordingly important to eschew the superficial and engage in practical and effective corporate governance. Our approach has drawn on the three concepts on the left.

  RICOH Ignite Initiatives
  - Reinforced executive officer appointment and dismissal process
  - Introduced stock price-linked remuneration
  - Increased independence of auditor appointments
  - Established Risk Management Committee

In preparation for the 20th Mid-Term Management Plan, we are managing investments by instituting business unit ROIC requirements and departmental KPI management to drive profitability. We will maximize ROIC and corporate value while keeping close tabs on our capital costs and financial health.