

Emergency Response and Gearing Up: Ricoh's Responses to the COVID-19 Pandemic


We wish to express our deepest condolences to those who lost loved ones to COVID-19. We hope for speedy recoveries to all who became ill from this disease and those who have otherwise suffered from its impact.

We also convey our gratitude to the healthcare professionals and others working on the frontlines to overcome the pandemic.

Tackling the Pandemic

The COVID-19 pandemic hampered health and economic activity, fueling recessionary concerns.

Given the unprecedented socioeconomic changes stemming from this situation, the Ricoh Group positioned fiscal 2020 as a year to address the resulting crisis while accelerating change throughout our operations to drive growth in the years ahead.

Notwithstanding uncertainties about the future, we are striving at all levels to transform our business to become more robust and profitable, swiftly delivering the new value needed in a post-COVID world, and leap ahead. > 

Production Impact

The outbreak of COVID-19 in China prompted Ricoh to halt or adjust our production there from February through early March. Local operations returned to nearly normal levels by mid-March. Temporary reductions in parts supply affected some product offerings in Japan, although operations were normal

by June. While government-imposed restrictions led to significant production downturns at European plants, we minimized that impact by drawing on inventories to supply customers. We maintained regular production levels at plants in North America and Thailand.

Sales Impact

The pandemic has impacted earnings due to restrictions on people's movements having reduced office print volumes, while the risks of a global economic downturn have lowered companies' purchasing appetites and caused them to constrain spending.

Simultaneously, emergency declarations in many countries and regions caused a surge in demand for creating an infrastructure that enables people to work from home. We have received numerous global inquiries about our service to build Group teleworking environments.



Ricoh Japan Helping Build Telework Environments

Setting up telework infrastructures became urgent for many companies, given government requirements. The subsidiary company Ricoh Japan Corporation combined information and communications technology equipment with associated services to create the Telework Pack. The Telework Pack helps small and medium-sized enterprises create the conditions for employees working from home, maintains business continuity, and ensures employee safety. For a limited period, we offered some services for free. Ricoh Japan helps customers swiftly create telework setups by bringing together solutions that make working from home simple and secure, by combining secure mobile PCs, cloud services, web conferencing systems, and building virtual private network (VPN) environments.



Refer to our website

 Our global efforts to overcome coronavirus www.ricoh.com/news/features/covid-19-response/

Decisions Based on Comprehensively Assessing and Swiftly Acting on Situations

The battle against COVID-19 has transformed societies and significantly affected our operations. Given uncertainties, it is accordingly vital for management to assess situations and act swiftly and comprehensively.



Hidetaka Matsuishi,
Director, Corporate Executive Vice President and CFO

Preventing the Spread of Infections and Maintaining Business Continuity

We set up the committee to coordinate the Group's response to the pandemic on January 28, 2020, as COVID-19 infections spread around China. The Internal Management and Control director oversees this body, which determines regional alert levels and issues guidelines accordingly for preventing the virus's spread, thus preserving employee safety and health. It also contributes to business continuity in keeping with a plan that Ricoh formulated in 2009 in response to the A/H1N1 epidemic and is revising in light of emerging information about COVID-19. Many companies in Japan have produced

business continuity plans that draw on lessons learned from the Great East Japan Earthquake of 2011. However, we are one of the few organizations that crafted plans to tackle infectious diseases, demonstrating our risk management's effectiveness under crisis conditions.

After setting up the committee, we continued to tackle the COVID-19 outbreak and abided by government recommendations. In mid-February, we issued guidelines for conducting in-house and external events and Group training. Later that month, we concluded that Group employees in Japan would, in principle, work from home. In this and other ways, we addressed the continually changing situations promptly.

Timing	Global developments	Ricoh Group initiatives
January 2020	Infection spreads in China	The committee to coordinate the Group's response to the pandemic established
Early February 2020	Infection spreads worldwide	Guidelines issued on conducting in-house and external events and Group training
Late February 2020	Japanese government issues infection containment request	Management resolves that Group employees in Japan primarily work from home
March 2020	World Health Organization declares that the COVID-19 outbreak is a pandemic, prompting Western nations to declare States of Emergency	
April 2020	Japan declares a State of Emergency	Some employment rules provisionally relaxed (notably for eligibility to work from home and the number of workdays)

Implementation of Emergency and Permanent Measures

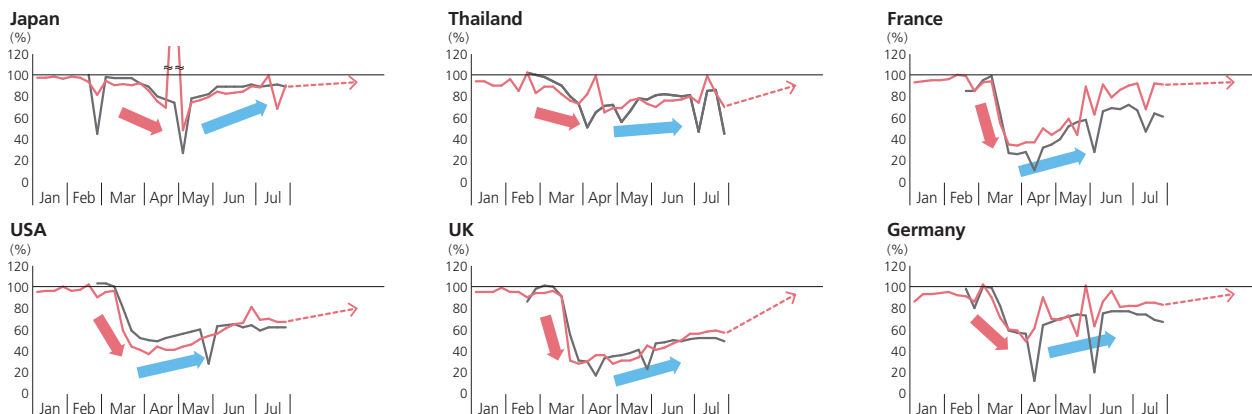
Because of the pandemic's business impact, management met up to three times a week to deliberate on minimizing the impact on results, accelerate changes for the future, and consider other management matters, focusing on executive officer-led emergency response projects. Management has also engaged in extensive discussions with outside directors, making decisions at a three-fold pace.

It is crucial to evaluate the customers' and societal situations as accurately as possible when deliberating. We scaled

reforms to match the foreseen impact of the pandemic. We factored in variables such as office attendance rates and changes in MFP print volumes and sales conditions in major countries. We also took emergency steps, such as trimming expenses. We have also swiftly implemented permanent measures to transition from an office equipment manufacturer into a digital services company ahead of the previously envisioned pace under the 20th Mid-Term Management Plan. Examples include selecting and focusing on development themes, production site optimization, and rolling out products and services geared to the new normal.

Envisioned MFP print volume recoveries in major countries

— MFP print volume changes year on year — Office attendance rates



Projected recoveries in MFP print volumes and office attendance rates in major countries

Note: Office attendance rates data sourced from Google Community Mobility Report. Rates of change in movements of people to the workplace are prior to the pandemic. Data is for each Tuesday. Print volumes based on Ricoh's @Remote data. Rates of change in MFP print volumes based on previous corresponding periods last year.

Balancing employee safety and business continuity

Moves Before and After the Japanese Government's State of Emergency Declaration

The Japanese government responded to rising COVID-19 infections around the country by announcing a basic countermeasures policy on February 25, 2020. The government recommended that companies offer telework and flextime.

Our COVID-19 General Countermeasures Committee held an emergency meeting on February 27. It announced that Ricoh Group employees in Japan would telework, in principle, from March 2 to help the government's policy succeed. We upheld our commitment to teleworking in response to the government's April 7 state of emergency declaration, which recommended that people stay home as much as possible. We maintained our teleworking and flextime program even after the lifting of the order on May 25. With some exceptions for employees whose jobs necessitate commuting, almost all of our employees now telework. The average occupancy rate for four primary Ricoh offices in metropolitan Tokyo when the state of emergency was in force in May was around 7%.



The training was done remotely for new Ricoh employees who started in April this year, while all hiring interviews were also conducted remotely.

Our Pioneering Work Practice Reforms

Work practice innovations instituted since fiscal 2017 have enabled us to keep employees safe and healthy while maintaining business continuity. In fiscal 2016, we initiated a teleworking program for employees needing to balance their childcare and

nursing care duties and work commitments. We instituted a remote work program in fiscal 2018 for all employees to foster flexible work practices. We additionally overhauled internal communication tools, created IT environments, and expanded our satellite office network.

For 2020, we planned to close our head office during the Summer Olympics, having all employees working from home during that time. While the games were postponed due to the pandemic, our preparations eased the transition to teleworking. New employee training and hiring is done remotely. The year-end financial results announcement date was scheduled to happen during the emergency period, but we could complete the preparations and issue the statement on time by leveraging remote working.

Even at business sites deemed incompatible with teleworking, all offices endeavored to balance employee safety and health and business continuity. Around half of the customer engineers who maintain equipment at customer sites for Ricoh Japan commuted to work. Most sales department employees handled deals from home. Such endeavors resulted in an average office attendance rate of 15% at Ricoh's Tokyo locations during May this year.

Through the companywide work style innovations that we have been working on, we maintained operations without significant disruptions while keeping employees safe and healthy amid the pandemic.



Representatives of Ricoh Japan and Meijishoko Co., Ltd., discussing a business deal remotely

Cultivating Businesses that Tackle COVID-19

We have cultivated a range of initiatives to help the world overcome COVID-19. >1

Producing and Supplying Face Shields

Healthcare professionals worldwide are on the front-lines of the battle against the pandemic.

We responded to the medical facemask shortage by using 3D printers to produce and supply face shields.

Ricoh UK Products Ltd., a manufacturing and business development unit in central England, employs 3D printers and molds to mass-produce face shields and provide them to National Health Service. We undertook similar initiatives in Argentina, New Zealand and Italy. In Japan, our Atsugi Plant manufactured 8,000 face shields that Ricoh Japan donated to medical institutions around the country designated by the government to treat infectious diseases.



Using THETA 360.biz to Introduce Facilities and Products

The pandemic prompted many people to refrain from going to open school campuses and business showrooms. Many prospective buyers similarly became reluctant to visit real estate properties or stores.

Ricoh responded by offering THETA 360.biz free for 60 days, making it possible to present virtual tours of schools, facilities, and products.

Users can navigate locations in 360°, enjoying far greater realism than from regular flat images. The service introduces facilities and products to prospective customers who cannot visit in person.

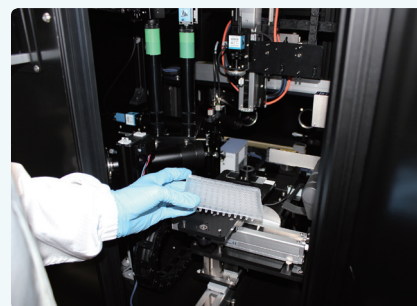


Supplying DNA Standard Plate for New Coronavirus

We launched the RICOH Standard DNA Series DNA standard plate in Japan to assess PCR tests' accuracy.

This offering leverages proprietary bioprinting technology to inject a specific number of DNA molecules containing unique COVID-19 gene sequences into a genetic test container by controlling the number of DNA molecules. Thus, it is possible to measure whether a device or reagent can detect viruses in concentrations as low as 100 molecules.

The RICOH Standard DNA Series helps enhance PCR tests' accuracy, reducing false-negative results, and preventing the spread of infection. >2



 Refer to our website

- 1 Our global efforts to overcome coronavirus www.ricoh.com/news/features/covid-19-response/
- 2 The manufacturing of reference DNA plates www.ricoh.com/technology/institute/research/tech_dna_reference_plate.html