

To Our Stakeholders



**Jake Yamashita**  
President and CEO

# We will continue to take on the challenges of a new era of work

## Accelerating change to overcome the COVID-19 pandemic

The COVID-19 pandemic has upended economies and lifestyles. It is becoming important to determine how to operate in an economy in which goods, finance, and information are constantly moving, but not necessarily people, and rethink approaches to work. Many companies have half-heartedly adopted working from home and telecommuting, and many seek ways to embed and standardize these practices. Efforts to review and digitalize paper-based workflows seem to have accelerated significantly. Momentum is gathering to create digital workflows that connect offices and frontlines and transform how people work.

There will be no return to our pre-pandemic world. At the same time, the current circumstances will not continue for the next five years. In a post-pandemic world, demand will increase in some areas and decrease in others, and we need to face the pace of

change among our customers and society. That is why Ricoh must take the initiative to create and open new paths to tomorrow.

In keeping with that stance, we positioned fiscal 2020 as a period of emergency response and gearing up to reach new objectives in becoming a digital services company. We simultaneously strengthened our business structure and generated growth in Office Services. Notwithstanding an adverse operating climate, we made acquisitions in Europe and took other steps toward a better future. We adopted a business unit-based organization to enhance competitiveness and made return on invested capital a key performance indicator. We accordingly achieved our 20th Mid-Term Management Plan goals in a single year instead of three. In fiscal 2021 and 2022, the remaining two years of that initiative, we aim to implement objectives that we would initially have pursued under the subsequent plan. In other words, we will reach our goals in three years instead of six.

Our fiscal 2020 efforts positioned us well for further growth. This is testament to employees' bold efforts to stay close to customers on the frontlines or reform our businesses and structure. Employees reminded me that people can do anything if they have the will.

### Setting a new structure in motion to drive growth

We have positioned our 20th Mid-Term Management Plan and its successor, which runs through fiscal 2025, as a period to execute the Ricoh Lift-Off strategy [1](#).

In April 2021, we adopted a structure of five domain-specific business units and a group headquarters ahead of schedule. Each unit endeavors to expand business and remain close to its customers while improving profitability by eliminating unnecessary tasks and running leaner. We have delegated considerable authority to each unit to do business faster.

Group Headquarters' role is to put together a business portfolio that can deliver growth by identifying what operations can contribute to the success of customers, society, and Ricoh. Headquarters accordingly assesses and manages human resources development, technological innovation, and other areas that will help



● For more information, refer to the following pages:

① Medium- to Long-Term Outlook and the 20th Mid-Term Management Plan: Ricoh Lift Off P. 21-22



As well as committing to telework, Ricoh is collaborating with local governments to offer “workations” that foster regional development.

businesses progress in the years ahead. It is vital for headquarters to exert the appropriate control to maintain a balanced relationship with each business unit.

While steadily implementing these measures to strengthen our business structure, we aim to become a digital services company that connects workplaces and supports workers’ creativity by fiscal 2025. The Office Services business will drive our overall performance in continuing to grow. We will position ourselves to consistently deliver a return on equity of at least 9% by fiscal 2022, the final year of our 20th Mid-Term Management Plan, and 10% or above by fiscal 2025.

## Providing digital services based on unmatched trust

The printing press, one of the three great inventions of the Renaissance, revolutionized the dissemination of knowledge. Ricoh has done much to help companies share information since its foundation in 1936. It took advantage of technological advances to digitize copiers. They have since evolved into edge devices called multifunctional printers that capture and digitize paper-based information. This cloud-computing era connects all sorts of data, making it crucial to rethink how multifunctional devices can keep contributing to economic progress. Connecting multifunctional devices to platforms that effectively process captured information can make those devices integral to industry and operational workflows. We also supply other edge devices that capture and digitize analog information and package them with apps and services to

create solutions that resolve customer business issues and help them generate value in their workplaces.

Our digital services create workplace IT infrastructures, connect workflows digitally, and provide new work approaches. We are unique because we work closely with customers to identify their specific challenges and leverage unparalleled technological capabilities to optimize solutions for them.

Becoming a digital services company may sound easy, but it entails much hard work to understand and help overcome customer challenges. It is essential to be close to customers. This has been a Ricoh hallmark since its establishment. It is only through trust that we can remain close to customers. So, all employees need to treasure the trust we have built with our approximately 1.4 million customers worldwide. Our strength is our commitment to providing unique services based on such trust.

In June 2021, we launched AI for Work in Japan. This service uses natural language processing to analyze customers’ information assets, help them streamline operations, and generate new value. This service makes it possible to manage tacit knowledge that previously relied on the intuition and experience of particular people. It empowers customers to efficiently and accurately understand trends and produce projections. This unique service could only come about from customers sharing access to their data.

Another important element in providing digital services is solidly understanding the attraction and value of analog information, which increases as workflow digitalization progresses. In recent years in Japan, people have often spoken about hybridization, but this is about much more than simply combining digital and analog

technologies. Hybridization entails promoting digital processes while studying analog usage approaches to bring out the best in both and combine them effectively. Ricoh will identify hybridization approaches that differ for each customer and provide the best, most people-friendly digital services.

## Balancing business growth and ESG

Ricoh has always cherished the Spirit of Three Loves <sup>1</sup>. Its founding principles of Love your neighbor, Love your country, and Love your work are in keeping with the notion of a society that leaves no one behind, a principle of the Sustainable Development Goals of the United Nations. Based on the Spirit of Three Loves, we have identified seven material issues <sup>2</sup> in two respects. One is to resolve social issues through business. The other is to maintain a robust management infrastructure. We have formulated 17 ESG targets associated with these material issues. They are future financial goals because they will shape our operations in the years ahead. We will emphasize these targets and our financial objectives as benchmarks for enhancing corporate value.

We aim to become a world-class contributor to sustainability and ESG. We will get there by undertaking activities across the entire value chain. These include securing sufficient talent to become a digital services company, steadily lowering greenhouse gas emissions by accelerating the use of renewable energy, and collaborating with business partners to tackle human

rights issues. Since fiscal 2020, we have linked executive remunerations to ESG evaluations, enhancing awareness of the connections between management and ESG.

I delivered a keynote address during the opening of Climate Week NYC in 2018. I quoted an indigenous American saying, “We do not inherit the earth from our ancestors; we borrow it from our children.” We are aware that we have a great responsibility for the future. We will accordingly keep striving with stakeholders to materialize a sustainable economy.

## Becoming a strong company by delivering fulfillment through work

Ricoh will celebrate its centennial in 2036. I want to ensure that this milestone is the first year in yet another century of progress. It is to that end that we formulated Fulfillment through Work: Our Vision for 2036 <sup>3</sup>. We want to benefit customers and the economy as a whole in this respect over our second century. We imagine a future in which we support worker creativity, help improve the quality of life and help create a sustainable economy. I believe that we need to tackle it with a firm determination to mark it as our “launch into the next 100 years.” We will start by working with customers to resolve their immediate issues, such as by helping them to improve productivity and efficiency and then collaborating with them to consider and implement what we need to do to deliver Fulfillment through Work.

<sup>1</sup> For more information, refer to the following pages:

<sup>1</sup> Ricoh Way P. 1 <sup>2</sup> Materiality and ESG Targets P. 15-16 <sup>3</sup> Vision for 2036: Fulfillment through Work P. 2



To that end, it will be vital for all of our employees to practice the “Spirit of Three Loves” and embrace our seven Ricoh Way values. I believe that Ricoh will become even more robust if employees understand and experience Fulfillment through Work and then provide that same value to customers. It is essential to be a good company. But we cannot be sustainable if we are weak. By having self-motivated employees who can act autonomously when unexpected situations arise, as in COVID-19, we can remain a strong company that society needs.

Ricoh will continue to engage with stakeholders, expand its business as a digital services company, and help realize a sustainable economy by addressing social issues through business. We will keep taking on new challenges while remaining close to the ever-changing world of work, remaining true to our founding Spirit of Three Loves to deliver Fulfillment through Work and enhance the quality of life.