

# Medium- to Long-Term Outlook and the 20th Mid-Term Management Plan

## Ricoh Lift Off

Fiscal 2020 was a year of emergency response and gearing up for the future. The 20th Mid-Term Management Plan (20th MTP) covers the two years starting in fiscal 2021 and defines our direction through fiscal 2025. These five years are positioned as Ricoh Lift Off. We strive to become a digital services company that supports worker creativity and connects workplaces during that time. To achieve this goal, we have set financial benchmarks and targets for ESG (Environmental, Social, and Corporate Governance), which we refer to as future financial targets. We will continue to promote ESG and link it to our future business.

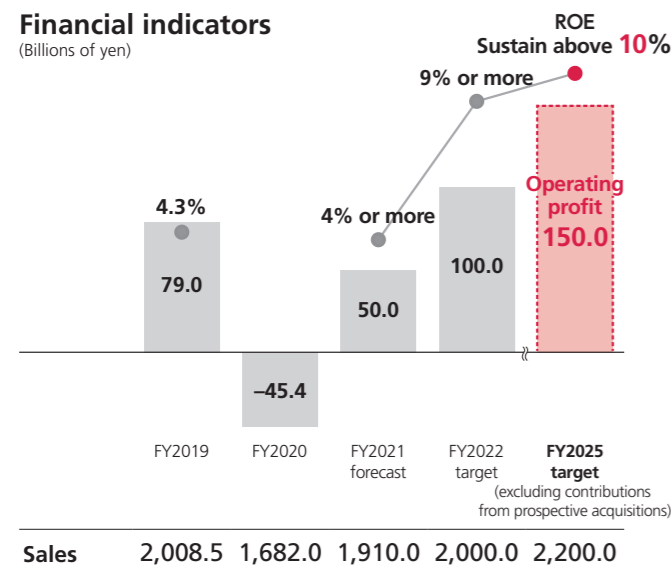
We will pursue future financial (ESG) targets by undertaking initiatives across our entire value chain to meet the rising ESG demands of our customers and investors. This is because we aim to be a company with a top-level global reputation for sustainability and ESG. From a financial perspective, we will materialize a corporate structure that enables our Office Services business to continue expanding and drive our companywide performance, with ROE consistently exceeding 10% by fiscal 2025.



### Medium- to long-term targets for 2025

#### Financial indicators

(Billions of yen)



#### World-class sustainability and ESG ratings

##### Business Acknowledged as a digital services company

- Office Services business drive revenues and profits
- Five business units operate optimally for customers
- Headquarters focuses on group management

##### Finance ROIC management and capital policy for improved corporate value

- Maximize corporate value by keeping ROE above 10%
- Generate at least ¥150 billion in operating profit
- Manage ROIC-driven business portfolio
- Invest in growth and produce solid shareholder returns

### 20th MTP

As mentioned earlier, our 20th MTP objective is to become a digital services company that supports worker creativity and connects workplaces. We seek a return on equity of at least 9%. Financial targets to reach that goal include generating ¥100 billion in operating profit and around ¥2 trillion in sales. Against this backdrop, we will pursue growth in Office Services under our new business unit structure by distinguishing investments in high-priority regions from those in other regions.

In Office Printing, we will reinforce the business structure to overcome a print-volume downturn through operational excellence. We will steadily strengthen our business foundations, primarily at Group headquarters. For future financial targets, which are as important as financial benchmarks, we have set 17 goals for our seven material issues and will do our utmost to achieve them.

#### Transform to a digital services company that revolutionizes workplace productivity

### Fiscal 2022: ROE 9% or more

By expanding businesses growth and improving capital profitability

Financial targets		Future financial (ESG) targets	
Financial indicators	Fiscal 2022	Targets per stakeholder (from 17 ESG targets)	Fiscal 2022
Operating profit/margin	¥100 billion / 5%	Customers	Top score from customers 30%
Sales	¥2,000 billion	Society	GHG Scope 1 and 2 (down from fiscal 2015 levels) 30%
ROIC	6.5% or more		GHG Scope 3 (down from fiscal 2015 levels) 20%
Office Services business operating profit*	8%		Electricity from renewable energy sources 30%
			New resource content in products 85% or less
		Employees	Employee engagement score 50th percentile in each region
		Partners	Evaluation scores given by each partner Set per partner and region
		Shareholders	ROE 9% or more

\* Under former segmentation

### Basic policies for 20th MTP initiatives

Our basic policies for 20th MTP initiatives are to become more competitive, strengthen our management underpinnings, and improve returns on capital.

To enhance business competitiveness, we adopted a business unit structure to accelerate decision-making and streamline capital management. We look for each business to independently help create value for customers.

To strengthen our management underpinnings, we set up a small but robust Group headquarters. Through it, we will develop suitable strategies for operational resource allocation, research and development, human resources, and other areas to support business competitiveness.

We will improve returns on capital by maximizing corporate and shareholder values, implementing capital policies based on an optimal capital structure to ensure returns that exceed capital costs.



#### Enhance business competitiveness

Grow businesses and strengthen corporate structure, adopting business unit setup to increase autonomy of these operations and adapt swiftly to customer changes



#### Strengthen management underpinnings

New Group headquarters aims to reinforce human resources, infrastructure, and technology underpinnings



#### Improve capital returns

Sustainably increase corporate value through policies based on an optimal capital structure