

20th MTP Policy  
**2**

## Strengthen management underpinnings

### Focus on strengthening the management base required for a digital services company

Becoming a digital services company entails reorganizing and reinforcing Ricoh's corporate culture, human resources, infrastructure, R&D, and other operational underpinnings. We will draw on the measures we have deployed over the past few years in accelerating our efforts, investing extensively toward 2025.

We have reformed our personnel system since fiscal 2017 to enhance the corporate culture by encouraging worker initiative, thereby steadily improving engagement. We will overhaul our evaluation and personnel systems even more from fiscal 2021. We are preparing to adopt a job-based personnel system in fiscal 2022.

As a digital services company, we are driving to develop professionals who can assist customers directly. In April 2021, we accordingly assessed the digital competency of our

approximately 30,000 employees in Japan and started helping them to enhance their skills. Many business systems, including for manufacturing, development, human resources, and accounting, will be overhauled as part of our transformation.

In R&D, we prioritize investments in two advanced areas. One is to pursue product development connecting Fulfillment through Work with data sets of five basic human senses. The second is to use inkjet technology to create digital manufacturing processes.



### Corporate culture and people

## Create a culture and system supporting self-motivated employees

#### Initiatives so far

- Attendance rate of about 30% due to work style reforms
- In-house accelerator program and side-business system (2019–)
- Increased work choices and improved employee engagement

#### Areas to strengthen towards fiscal 2025

- Introduction of Ricoh-style job-based personnel system
- Enhance digital literacy for 30,000 employees in Japan
- Proactively shift personnel company-wide, and implement practical in-house DX thru internal reskill training



### Infrastructure and framework

## Utilize digital communication tools based on employees' developed IT literacy

#### Initiatives so far

- Drive Notes® utilization with end-user computing (1999–)
- Deployed Office365™ globally in 2017
- Introduced Robotic Process Automation (RPA), 800-themed business process reforms in 2018

#### Areas to strengthen towards fiscal 2025

- Upgrade approx. 70% of enterprise systems, including 180 systems to cloud
- Pursue data-driven management by defining and maintaining master data
- Build Ricoh Smart Integration (RSI) platform as a global common infrastructure

\* Notes is a registered trademark of HCL Technologies Limited.

\* Microsoft 365 is a registered trademark or trademark of Microsoft Corporation in the United States and other countries.



### Technologies and R&D

## Develop digital services leveraging technologies cultivated in the office business

#### Initiatives so far

- Research and development of optical and image processing technologies mainly for office imaging equipment (MFP/LP)

#### Areas to strengthen towards fiscal 2025

- Develop products that realize the fulfillment through work by converting the five senses of people into data
- Realize digitalization of manufacturing (Functional Printing) with inkjet technology <sup>1)</sup>

<sup>1)</sup> WEB Refer to our website: <sup>2)</sup> Digital Printing of Lithium-Ion Secondary Cells Using Inkjet Technology

### Human resources strategy for becoming a digital services company

**In becoming a digital services company, we will need to transform our work environments in terms of our people, corporate culture, and systems and frameworks to drive digital innovation and materialize fulfillment through work for customers and ourselves.**

#### Human resources

Self-driven digital professionals will be pivotal to Ricoh's transformation into a digital services company. We are accordingly endeavoring to change mindsets and cultivate digital skillsets.

All employees have embraced the Ricoh Way, adopting new work practices that harness digital technology in pursuit of customer success. We strive to cultivate self-driven people who take ownership of their work. A commitment to Ricoh Way underpins our culture of self-directed people and is an important element of our new evaluation system.

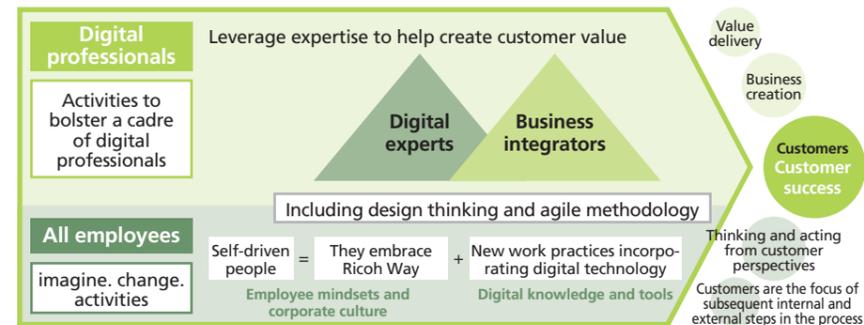
Our digital professionals include digital experts who help create customer value, and business integrators. We defined the skills of digital experts, in fiscal 2020. We are increasing the number of people with Japan METI's IT Skill Standard (ITSS) level 3 certification by fiscal 2022 to more than 50% of fiscal 2020. ITSS is an index to identify and systemize practical abilities of IT services.

In fiscal 2018, we launched an in-house digital revolution initiative in which all employees helped apply robotic process automation and artificial intelligence to improve business

processes. In fiscal 2020, we inaugurated Ideathon <sup>1</sup> activities where employees leverage digital technologies to improve their work swiftly. Through these activities, we encourage people to acquire skills by tapping data, robotic process automation, low code development platforms, and other tools and undertake new work practices drawing on digital technology.

A digital services company needs individuals who maintain close customer ties, identify customer issues, and create products and solutions. These people must be able to make decisions and act autonomously. We have cultivated such personnel and work environments through various measures. These have included changing work practices, rolling out an in-house side job program, and launching TRIBUS, an internal accelerator program to discover and develop entrepreneurial talent. In fiscal 2020, we introduced a talent management system to help employees develop their career paths by listing their skills and experience and visualize them. In fiscal 2021, we will broaden the scope of this initiative groupwide.

#### Human resources essentials for a digital services company



We are cultivating and reinforcing a two-tiered structure in which employees use digital technology in new work practices, and digital professionals leverage specialized skills to help create customer value.

#### CASE

##### imagine. change. activities

We launched these groupwide activities in the first half of fiscal 2020. All employees are engaged in enhancing mindsets and the corporate culture and deepening their understanding of new work practices to maintain customer trust. The initiatives foster self-motivated people embracing Ricoh Way and new work practices leveraging digital technology. As of 2021, the CEO directly oversees these activities as a part of our robust support for fostering self-starters.

For more information, refer to the following page: <sup>1</sup> Undertaking bottom-up activities P. 37

#### Corporate culture

We regularly survey employee engagement <sup>2</sup>. This is because enthusiastic individuals tend to be self-starters and perform better.

Our employee engagement scores are rising steadily, and we look to boost them in the years ahead. Efforts to accelerate improvements include sharing survey findings with top management, distributing executive messages to employees, and improving the quality of 1-on-1 sessions conducted by managers.

We are striving to enhance diversity and inclusion <sup>3</sup>, which is vital to becoming a digital services company. That is because diverse people respecting each other and drawing on their individuality and capabilities can unlock innovations together. We seek to increase the percentage of women in Group managerial positions to at least 7% in Japan and 16.5% worldwide, by the end of fiscal 2022.

For more information, refer to the following pages: <sup>2</sup> Employee engagement P. 50 <sup>3</sup> Diversity and inclusion and work-life management P. 47-48

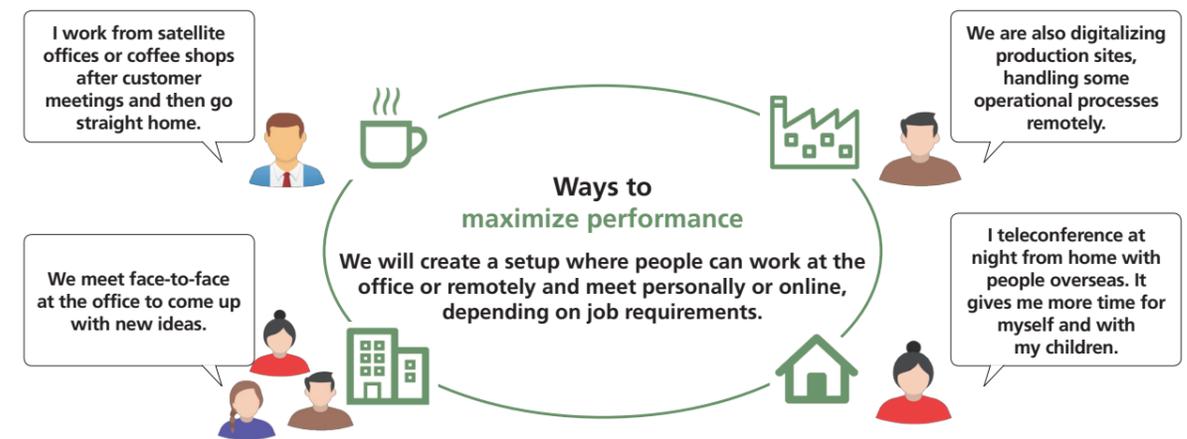
#### Systems and frameworks

We are preparing to roll out a Ricoh-style job-based personnel system in Japan in fiscal 2022 to inspire our people to pursue excellence. We will identify vital positions that support organizational goals and assign the best people to them. We will assess self-motivated employees according to their readiness to take on challenges and contribute to our progress.

We seek to improve employees' productivity, quality of life,

and health by offering them broader choices for when and where to work <sup>4</sup> so they can help us materialize our vision for 2036 of Fulfillment through Work.

We believe that highly motivated employees will seek ways to improve their work practices and become more productive, leveraging their wide-ranging job experience to acquire skills more swiftly and advance their careers.



For more information, refer to the following page: <sup>4</sup> Work-life management P. 49

Our digital strategy for becoming a digital services company

Message from the Chief Digital Innovation Officer

Ricoh is becoming a digital services company that transforms how people work by focusing on customer success and will stay close to customers. We will use digital technology and data to provide a co-creation platform\* to connect workplaces, support workers' creativity, produce new value, and fulfill our commitment to driving sustainability.

\* A platform for creating value by connecting RSI and customers

Toyohito Tanaka

Senior Corporate Officer and Chief Digital Innovation Officer



Creating value through digital services

We have undertaken a digital revolution in-house encompassing all employees as part of our fundamental management policies. Accordingly, we have reformed business processes that draw on RPA and AI companywide for indirect and all other operations, including development and production sites. We have allocated the time saved from these activities to undertake higher value-added work that interests employees.

We will help customers adopt digital processes by drawing on our experiences in that regard, continuing to provide digital services that help their businesses succeed. The pandemic has drastically changed work environments. Given the uncertainties on the horizon, we will remain close to our customers and understand their issues better than anyone else. We will team with them to imagine the future of work and harness digital technology and data to identify and deliver solutions in keeping with our commitment to materializing Fulfillment through Work.

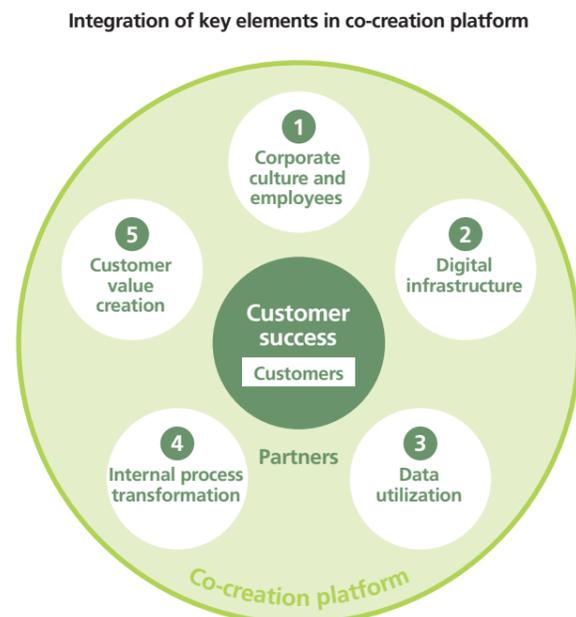
Five transformation drivers

We are pushing ahead groupwide with activities incorporating five key elements to accelerate a digital revolution in-house, help customers adopt digital processes, and keep creating more digital services that lead to customer business success. These elements are corporate culture and human resources, digital infrastructure, data utilization, internal process transformation, and customer value creation.

Bringing things together through co-creation platform

We will build on robust customer ties to develop a co-creation platform that connects workplaces and fosters people's creativity.

Integrating our key elements with the attributes and strengths of customers and partners through this platform will enable us to provide optimal customer solutions.

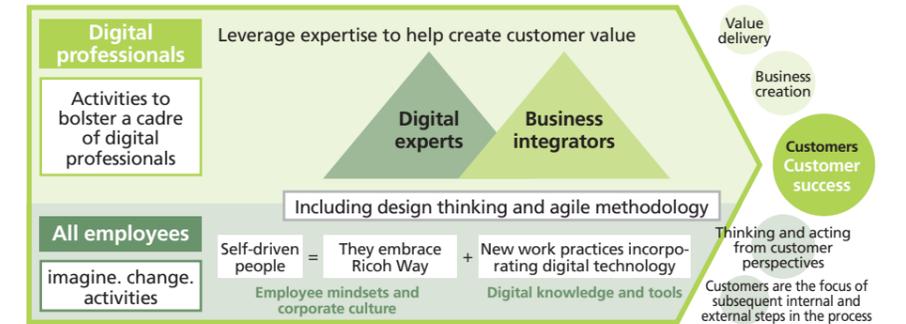


Five key elements for accelerating transformation

1 Corporate culture and human resources

Transform Group employee mindsets and corporate culture and cultivate digital professionals  
 (1) Cultivate expertise and help create customer value  
 (2) Implement Ricoh Way and adopt new work approaches that harness digital technology and data (imagine. change. activities)

Transform Group employee mindsets and corporate culture and cultivate digital professionals



2 Digital infrastructure

Integrate and develop common infrastructure for IT, RSI, and AI/CT to materialize a co-creation platform  
 (1) Drive group IT infrastructure advances  
 (2) Strengthen and employ infrastructure supporting digital services (RSI)  
 (3) Deploy AI/CT activities in each Group business

4 Internal process transformation

Optimize workflows and establish new work practices tapping digital technology  
 (1) Innovate processes based on data usage and business visualization  
 (2) Develop people who are well versed internally with business tasks and who use digital technology

3 Data utilization

Help customers succeed by maximizing data usage  
 (1) Prepare common master data and build data usage environments  
 (2) Amass and use data by adopting digital office and frontlines processes  
 (3) Strengthen information security

5 Customer value creation

Generate customer value by using digital technology and data  
 (1) Reorganize value creation process and foster its usage while amassing success stories  
 (2) Create and implement co-creation accelerators

Digital infrastructure technologies supporting co-creation platforms

AI/ICT technologies

We developed AI that employs images and audio from proprietary devices, applying it in social infrastructure inspections 1 and vibration monitoring 2. We have drawn on AI technology obtained from our advances to research and develop natural language processing AI and launch Legal Support Cloud, AI for Work, and other offerings. We are drawing on the Ricoh Advanced Technology R&D Division's progress in digitizing five human senses to optimize the capabilities of individuals and organizations by bringing together technologies that support workers and create value.

WEB Refer to our website: 1 Road Surface Inspection System 2 Vibration Visualization for Machine Tools

Basic technologies of RSI

RSI is a common global platform for technologies that digitize work processes to connect people, systems, operations, and companies. We will develop a co-creation platform that enables us to flexibly combine proprietary and partner technologies as components, microservices, and containers and create new services harnessing data. We will overhaul our sales system so customers experience more successes from our services and continue to use them.

## Internal digital transformation initiatives

### Undertaking bottom-up activities

We debuted the In-House Digital Revolution Ideathon in 2020 to encourage digital transformation activities groupwide. Employees involved in particular business areas offer suggestions for improving frontline issues and acquire digital transformation process skills. Participants in these bottom-up activities receive hands-on training and support in bringing ideas to fruition and addressing issues, becoming more skilled and motivated to undertake digital transformation endeavors.



	1st session (2H of fiscal 2020)	2nd session (1H of fiscal 2021)
Number of teams	15	27
Number of themes	37	81
Number of participants	117	217

#### Example themes

Assessing and using surveys, reserving training rooms and facilities, handling inquiries, improving production systems, and analyzing costs and data

### Developing employee COVID-19 vaccination appointment app

Ricoh wanted to manage appointment reservations of workplace vaccination efficiently so employees around Japan wishing to be vaccinated could do so as swiftly as possible. In just one week, it developed an application without needing to outsource it by tapping into digital and development process skills from experience in enhancing internal processes and tasking development support units to assist headquarters business units. As a result, the reservation service was quickly

rolled out, and the reservation management workload in each region around Japan was significantly reduced.



An intuitive, high-precision application

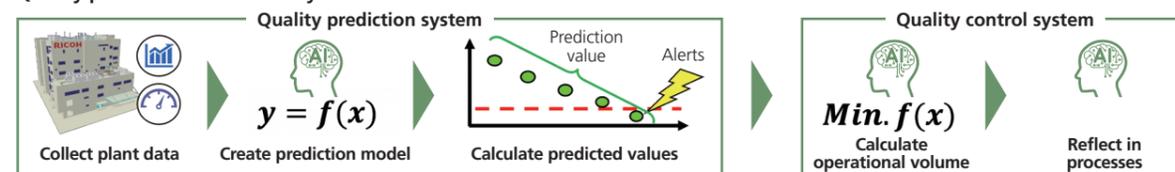
### Adopting digital toner production processes

Chemical toners are multi-functional particles just microns in size that result from complex chemical reactions. We set about adopting digital production processes for toner to allay concerns about quality variations stemming from differing engineer experience levels and secure skilled personnel in the years ahead. Production engineers studied AI and developed a digital process system that incorporates their on-site expertise and has thus reduced defect rates while streamlining

manufacturing steps. Digital systems now oversee most toner production with just one-fifth of the headcount needed for conventional processes.

We replaced regular feedback controls from quality control managers with automated, AI-based setups to stabilize quality. Another AI benefit is automatically detecting abnormalities and anomalies for tens of thousands of production process data points that would otherwise escape attention.

#### Quality prediction and control systems



## Digital service initiatives

### RICOH360

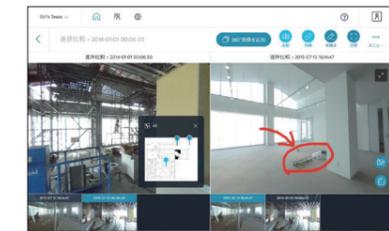
RICOH360 is a subscription service for sharing and editing tools that optimize businesses with 360° images. The service stores and integrates images from the RICOH THETA 1 with the RSI platform to provide diverse value that streamlines customer workflows. The service is particularly useful for the real estate sector and on construction sites amid restrictions on face-to-face customer service and work owing to the pandemic.



RICOH360 Tours for virtual property inspections

RICOH360 Tours 2 for real estate businesses allows people to take 360° virtual inspections of properties. The service uses AI to arrange furniture and accessories virtually. It then employs other computer graphics to make the spaces look attractive and enhance property appeal, thereby enhancing prospective buyer engagement and increasing closing rates.

WEB Refer to our website: 1 RICOH THETA 2 RICOH360 Tours 3 RICOH360 Projects



RICOH360 Projects for sharing immersive views of construction sites

The Ricoh 360 Projects 3 service for construction businesses shares 360° views of building sites over the cloud so owners, project managers, forepersons, safety managers, designers, and other project stakeholders can collaborate to plan, coordinate, control and monitor projects easily from anywhere, avoiding potentially costly mistakes and reducing rework.

### AI for Work

Ricoh launched the natural language processing-based AI for Work cloud service to analyze information accumulated inside companies. The service helps them operate more efficiently and create new value. This is useful because companies often find it hard to fully leverage documents, videos, images, audio, and other digital information that they have stored in myriad formats. AI for Work taps the power of digital technology to help customers to perform a range of high-value-added tasks efficiently with minimal labor and without inconsistencies stemming from human judgment. These tasks include identifying issues, formulating solutions, and generating new value.

#### Ricoh Food Sector Quality Analysis Service

This offering uses natural language processing to analyze vast volumes of customer inquiry information that call centers and help desks amass. The service allows them to handle customers more swiftly and reduce risks by improving responses.

#### Service concept diagram

