



Akira Oyama

President and CEO

Message to Our Stakeholders

Continuing to Evolve with Customers as a Workplace Services Provider

Reflecting on my first year as CEO

Ricoh is focusing its companywide business resources on becoming a digital services company. In April 2023, we launched our 21st Mid-Term Management Strategy, defining “Fulfillment through Work” as the Ricoh Way Mission & Vision. This three-year plan is designed to accelerate the reforms initiated under the 20th Mid-Term Management Plan, positioning it as a period to firmly execute our strategies. We have adopted a business unit structure, introduced return on invested capital (ROIC) management for each business unit, and optimized resource allocation through business portfolio management.

Reflecting on the past year, we have witnessed dramatic shifts in the global landscape, particularly with the remarkable advancements in technology, such as the widespread adoption of generative AI. Expectations for utilizing these cutting-edge technologies to automate and optimize operations are anticipated to grow even further. The COVID-19 pandemic has also brought significant

changes to both work environments and employee values. As remote and hybrid work have become more prevalent, the nature of employment and organizational structures has evolved, leading to greater diversification in work styles, including side jobs and multiple careers. In response to these changes, we leverage digital technology to enhance organizational productivity by optimizing business processes, fostering high-quality collaboration, and ultimately supporting the realization of customers’ creativity in any space or environment where people work, extending beyond traditional offices.

In fiscal 2023, we laid the foundation for generating earnings as a digital services company. As a result, recurring revenue from Office Services, a key driver of profitability improvement, grew by double digits. The proportion of sales from digital services reached 48%, moving us closer to our target of surpassing 60% by fiscal 2025. We are gaining momentum and will continue to view rapidly evolving workplaces as a key growth area, concentrating our investments to expand as a workplace services provider. **1 2 3**



For more
details see

① 21st Mid-Term Management Strategy Overview and Progress ▶ P. 28
② Interview with the CFO ▶ PP. 15-16
③ Financial and Capital Strategy ▶ PP. 43-46

Driving future-oriented reforms through the Corporate Value Improvement Project

As CEO, my mission is to sustainably increase Ricoh's corporate value and ensure its future success. I recognize that our current financial performance, including our price-to-book ratio (PBR) and return on equity (ROE), falls short of investor expectations. I take seriously the fact that our current PBR falls short of this benchmark, and I see improving profitability and ROE is therefore a critical priority. Immediately after taking office, I engaged with shareholders, investors, and other capital market participants to understand the challenges we face. Based on this feedback, I took the lead in launching the Corporate Value Improvement Project, which aims to overhaul our profit structure and achieve medium- to long-term growth. Transforming our corporate structure to align with our vision as a digital services company is an urgent priority. This is not merely about streamlining; we are pushing forward with reforms that will propel us into the future.

Our profitability plan centers on four key pillars: accelerating Office Services profit growth, transforming our headquarters, accelerating the strategic selection and concentration of business areas, and transforming the Office Printing business structure. We expect these efforts will yield saving exceeding ¥60 billion from fiscal 2023 through fiscal 2025.

At headquarters, we are concentrating and optimizing R&D projects in growth areas. By fiscal 2025, we plan to lower cash outflows for R&D investments by around ¥30 billion from the fiscal 2023 level. Over two years, we

project cumulative cost reductions of around ¥15 billion in the Consolidated Statement of Profit or Loss, or roughly half of the cash outflow decrease, in line with IFRS standards.

In regard to the objective of accelerating the selection and concentration of business areas, we are evaluating various factors, including the potential to leverage our customer base and customer contact points, as well as the alignment with our strategic direction as a workplace service provider. In addition to profitability and future market potential, our goal is to achieve a significant impact by fiscal year 2025. If a business is deemed not to align with these directions, we will carefully consider the impacts on customers, suppliers, and the future of employees involved, while exploring various options such as transferring or selling the business to the most suitable owner.

As part of efforts to transform our Office Printing business structure, we established ETRIA CO., LTD., in July 2024 in partnership with Toshiba Tec Corporation. This joint venture leverages economies of scale to reduce procurement, development, and production costs. At the same time, it integrates both companies' technologies to develop and produce highly competitive engines, boosting overall efficiency and product appeal. To digitally enhance workflow efficiency, we need to digitize analog paper documents, audio recordings from meetings, and frontline information. Devices serve as gateways to digital information and create crucial customer touchpoints, allowing us to offer a range of digital services based on our customer base. We will continue improving our environmental performance to meet increasing customer demands. **1 2 3**

Office Services growth vital to becoming a digital services company

We have invested extensively in recent years to accelerate profit growth in Office Services, including by acquiring natif.ai, a German company with advanced AI technology, in April 2024. Beyond acquisitions, we are exploring optimal solutions from a range of options, including partnerships with other companies, and are leveraging open innovation. The key to successful M&A is creating synergies. By having both Ricoh and the acquisition targets envision desired post-merger futures and align strategies to satisfy both parties, we can ensure smooth post-merger integrations.

We will continue to implement these measures and enhance the clarity of our transformation roadmap to ensure it resonates with the capital markets.

Delivering value as a global workplace services provider

Office Services growth is of utmost importance to evolve into a digital services company. Our business areas and customer base differ from those of the world's top IT companies. Beyond the global customer base of 1.4 million companies that we built through our Office Printing business, we leverage our global customer

touchpoints, the trust we've established, and our deep knowledge of industries and business operations to solve customer challenges. These strengths are key to expanding our Office Services business. The intellectual property we have amassed from diverse technologies and the digital professionals driving our strategies are also critical sources of value creation. As a workplace services provider, our competitive advantage lies in delivering consistent services worldwide.

We identified three key workplace domains that leverage our strong customer base, global presence, and



intellectual property. They are Process Automation (PA)*¹, Workplace Experience (WE)*², and IT Services. To enable people to focus on work that harnesses their unique creativity, we need process automation to streamline simple tasks using AI and other technologies. In addition, workplace experience is crucial for facilitating effective communication and high-quality collaboration that organically connects people, regardless of location. IT services form the foundational infrastructure for building such a digital workplace. We will concentrate our business resources on these three key workplace domains.

*1 Process Automation: Previously referred to as Business Process Automation
*2 Workplace Experience: Previously referred to as Communication Services



Ricoh USA, Inc. office in Exton, Pennsylvania
Management engaged with employees, sharing goals and aspirations while gathering valuable feedback



Scrum packages deployed in Japan are designed to co-create solutions with customers for specific industry and operational challenges, efficiently delivering high-value-added solutions. Adopted primarily by small and medium-sized enterprises, these packages drive annual sales growth.

By introducing several of these packaged products to the same customers, we build up recurring revenues and expand our business through a One-to-Many approach. We roll out offerings to other customers with similar challenges, thereby increasing the number of companies deploying our solutions.

Our mechanism for driving earnings growth centers on developing services at customer touchpoints to address their diverse challenges and efficiently deploying these solutions to a broad customer base. This approach enables us to accumulate recurring revenues and enhance profitability.^①

Fostering talent and our organizational culture for continuous innovation

The driving force behind business growth is the mindset and actions of each employee's ability to continuously create customer value. We need self-motivated individuals who stay close to customers, identify issues that even the customers might not recognize, and collaborate with them to create solutions. These employees shape their careers in alignment with our direction and strive to acquire the necessary skills. Supporting these individuals is crucial for mutual growth in a positive cycle. Investing in human capital will become increasingly important in the years ahead.

I have consistently emphasized the need for self-motivated talent through video messages, roundtable discussions, town hall meetings, and other communication channels. Although we are still halfway to achieving our goal, I have noticed more employees are sharing their perspectives through these engagements.

A corporate culture that respects diversity is essential for growth. Having spent nearly 20 years working abroad, with 17 of those years in Europe, I gained invaluable experience making decisions and driving business progress through vigorous, wide-ranging deliberations within diverse organizations. This experience convinced me that diversity fuels innovation. Innovation cannot thrive in organizations that prioritize homogeneity, where superiors' opinions are absolute and employees hesitate to express their views. In addition to developing self-motivated individuals, we aim to create an organization that fully harnesses the power of diversity.^②

Continuously evolving with stakeholders

Ricoh founder Kiyoshi Ichimura established The Spirit of Three Loves with the belief that a company must enrich all stakeholders to endure. This principle serves as the foundation for our daily activities. Corporate management that sacrifices one stakeholder to benefit another cannot sustain itself. Achieving business growth and contributing to a sustainable society is a fundamental corporate responsibility. For our shareholders, we remain committed to increasing corporate value to ensure returns that justify their investment.

Achieving business growth and contributing to a sustainable society

Since its founding, Ricoh has always remained close to our customers, working together to create new value. To achieve this, we go beyond simply providing products and services—we collaborate with customers to solve their challenges. As customer needs, technologies, and delivery methods continue to evolve, we must progress alongside them to address new challenges. An organization that respects diversity will always evolve. This constant evolution is my vision for Ricoh's future, and I am committed to pursuing its realization.^{③④}



① Value Creation Process ▶ PP. 17-26 ② Human Capital Strategy ▶ PP. 35-38 ③ Ricoh Way ▶ PP. 3-4 ④ ESG Strategy ▶ PP. 31-34