

# Reviewing the 19th and 20th Mid-Term Management Plans

We embarked on RICOH Resurgent initiatives under the 19th Mid-Term Management Plan, launched in fiscal 2017. These efforts included overhauling the cost structure, optimizing business processes, and strategically assessing businesses for expansion or divestment, putting the Office Services business on a growth trajectory. Under the 20th Mid-Term Management Plan, we responded flexibly and promptly to the impact of the COVID-19 pandemic and other challenges but were unable to reach our business growth goals. We nonetheless progressed steadily toward becoming a digital services company. This was notably by strengthening our management foundations, including by deploying a business unit structure, business portfolio management, and a job-based human resources system.

| 19th Mid-Term Management Plan |   |  |
|-------------------------------|---|--|
|                               | Fiscal 2017   | Fiscal 2018–2019   |
|                               | <p><b>Reviewed five major principles predicated on market expansion and overhauled our earnings structure</b></p> <p>Note: The five principles were to pursue market share, expand the number of machines in the field, offer a full product lineup, manufacture exclusively in-house, and offer direct sales and service</p>   | <p><b>Bolstering profitability and governance</b></p>  |
| Operating climate             | <ul style="list-style-type: none"> <li>The MFP market growth decelerated following the global financial crisis, with price competition intensifying, causing prices to fall</li> <li>Emerging mobile environments fueled work-style diversification and accelerated a transition toward a paperless economy</li> </ul>  | <ul style="list-style-type: none"> <li>Interest rose in global solutions to social issues that foster social safety and security</li> <li>A rising need for customization and digitalization amid diversifying tastes</li> </ul> |
| Basic policies                | <ol style="list-style-type: none"> <li>Implement structural reforms</li> <li>Prioritize growth businesses</li> <li>Reinforce management systems</li> </ol>  | <ol style="list-style-type: none"> <li>Develop businesses that leverage our strengths</li> <li>An open management style</li> <li>Focused investments</li> </ol>  |
| Results                       | <ul style="list-style-type: none"> <li>Improved profitability of core businesses and expanded earnings in growth areas through strategic business selection</li> <li>Expanded Office Services business by addressing evolving customer needs</li> <li>Reformed governance (including by reducing director terms to one year, adopting stock-based compensation, enhancing risk management, and ensuring a majority of outside directors on the Board of Directors)</li> </ul> |  |

| A year of tacking crises and accelerating our transformation |  | 20th Mid-Term Management Plan  |
|--|--|--|
|  | Fiscal 2020  | Fiscal 2021–2022   |
|  | <p><b>Continue to stay close to customers' work in a changing world</b></p>  | <p><b>Sustainably improve corporate value by resolving social issues</b></p>   |
| Operating climate  | <ul style="list-style-type: none"> <li>The COVID-19 pandemic normalized remote work, allowing people to serve anytime, anywhere</li> <li>Rising demand for contactless solutions fueled a significant increase in telework and demand for cloud-based services</li> </ul>  | <ul style="list-style-type: none"> <li>As living with COVID-19 became the norm, workplace reforms and digital transformation accelerated</li> <li>The pandemic also disrupted supplier production and caused logistics costs to surge</li> </ul> |
| Basic policies   | <ol style="list-style-type: none"> <li>Respond to the pandemic crisis</li> <li>Accelerate transformation beyond the COVID-19 pandemic</li> </ol>   | <ol style="list-style-type: none"> <li>Enhance business competitiveness</li> <li>Strengthen management foundations</li> <li>Improve capital returns</li> </ol>   |
| Outcomes   | <ul style="list-style-type: none"> <li>Grew the Office Services business</li> <li>Strengthened management foundations</li> </ul> <p>Key initiatives included the following:<br/>                     Strengthening the manufacturing structure, cutting costs, and investing in Office Services acquisitions<br/>                     Introducing a business unit structure, business portfolio management, and a job-based human resources system<br/>                     Developing digital talent and upgrading enterprise systems</p> |  |