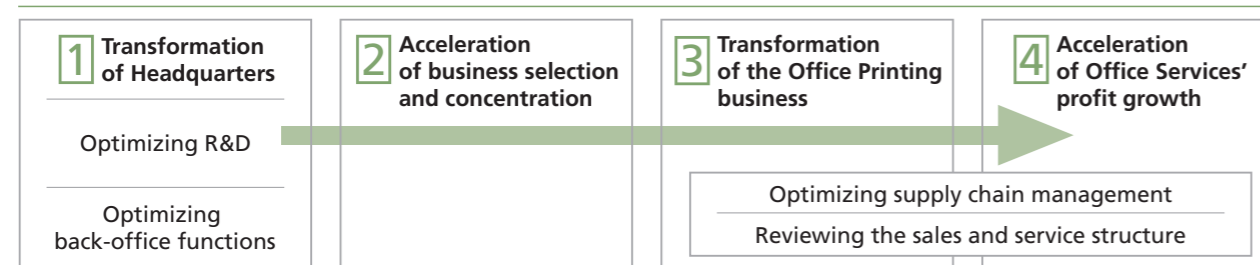


# Corporate Value Improvement Project

We have worked on this initiative<sup>1</sup> since April 2023 to realize our vision of becoming a digital services company. We have assessed crucial challenges from multiple angles to enhance our corporate value. These efforts have included engaging with shareholders, investors, and analysts, and considering capital market perspectives. Our low price-to-book ratio stems largely from our modest profitability. In transitioning to a digital services company, we are overhauling our profit structure to better align with our business model.

This project aims to reform our profit structure in four respects: <sup>1</sup> Transformation of Headquarters, <sup>2</sup> Acceleration of business selection and concentration, <sup>3</sup> Transformation of the Office Printing business structure, and <sup>4</sup> Acceleration of Office Services' profit growth.

## Profit structure transformation overview



## Key initiatives under profit structure transformation program

### <sup>1</sup> Transformation of Headquarters

- R&D optimization
  - Focusing R&D investments in workplace areas that align closely with our vision to become a digital services company
- Back-office function optimization
  - Shifting the Group management structure to a digital-services-oriented organization that lifts customer touchpoint value
  - Shifting to a new headquarters structure from April 2024 by enhancing Center of Excellence functions in supply chain management

### <sup>2</sup> Acceleration of business selection and concentration

- Business portfolio management
  - We are further accelerating ongoing business portfolio management initiatives to transition to a digital services company and optimally allocate resources
  - We are strategically allocating resources to workplace domain where our strengths can be utilized. We will use portfolio management to decide whether to initiate exit processes for underperforming businesses

### <sup>3</sup> Transformation of the Office Printing business structure

- Profit improvement through joint venture
  - Because we expect the office printing market to shrink, we will bolster our management structure to ensure profitability despite declining sales
  - We will manage our entire value chain from overarching perspectives, including through ETRIA, a joint venture with Toshiba Tec that we established on July 1, 2024, and by optimizing supply chain management. ETRIA is developing a highly competitive common engine while reducing procurement costs and streamlining development and production systems

### <sup>4</sup> Acceleration of Office Services' profit growth

- Setting key performance indicators
  - For this digital services core, we have set key performance indicators to improve customers' Office Services installations and recurring sales growth rates and will undertake ongoing measures to boost profitability
- Optimization of human capital
  - We are drawing on a reskilling program to develop digital talent that can drive sales at customer touchpoints and cultivate people who can help streamline operations by digitalizing processes. We are also tapping the expertise of acquired companies

### <sup>3</sup> <sup>4</sup> Common

- Optimization of supply chain management
  - Undertaking initiatives to optimize office services procurement costs, demand forecasting processes, and logistics costs
- Reviewing sales and service systems
  - Optimizing the sales and service structure
  - Digitalizing processes to enhance productivity
  - Building a more efficient sales model by harnessing inside sales and other approaches

As a workplace services provider, we will prioritize transforming our profit structure in fiscal 2024. As well as striving to steadily expand earnings, we will undertake long-term growth strategies to continuously improve corporate value.