

## RICOH Digital Services

### As a workplace services provider, we help customers transform their work environments

Hybrid work models became commonplace after the pandemic. Yet, many processes still rely on paper, accelerating the demand for digital transformation.

We create environments where customers can tap digital technology to focus on unleashing their creativity. We help optimize business processes by harnessing AI and other emerging technologies. Our commitment to staying close to customers enables us to consistently tailor value to their needs.



**Takahiro Irisa**  
President of RICOH Digital Services Business Unit

### 21st Mid-Term Management Strategy challenges

- Accelerating recurring revenue growth in Office Services and transforming our earnings structure
- Investing extensively in growth areas to cater to ever-changing customer needs
- Strengthening foundations for providing digital services (expanding RSI functions, maintaining printing stock, and transforming our organization)

### Fiscal 2024 focuses

#### Expand recurring revenues

- Develop and deploy highly profitable in-house solutions and services

#### Concentrate business resources in two areas

- Process automation to reduce tasks by digitizing documents and automating and optimizing business processes
- Workplace experience to help create environments in which employees can focus on creative work

#### Pursue regional strategies and transform processes

- Transform regional business portfolios, in particular, accelerating a shift to digital services in North America

### Market environment

A shift toward hybrid work has increased demand for environments where people can work anytime, anywhere. Also, advances in AI and other technologies have heightened interest in using them. Corporate IT spending should increase through the medium term, with particularly strong growth in cloud-based services. We will channel business resources into two growth areas—process automation and workplace experience—to build recurring revenue streams.

Risks — and opportunities +	Responses
— Delayed transition to a revenue structure befitting a digital services company, hampering overall corporate performance	Prioritize investments in key businesses and domains, execute investments, transform the business portfolio, and expand recurring revenues by leveraging in-house assets
— A shortage of digital talent to drive strategic initiatives and risks of losing exceptional people to competitors	Elevate employee skills by developing and implementing digital talent and reskilling programs, and reform human resources systems
+ Growing demand for digital transformation in the workplace domain	Strengthen capabilities by globally deploying in-house software, undertaking acquisitions and capital alliances, and expanding value by building a robust ecosystem
+ A rising need for communication services that cater to new work practices	Invest heavily in the workplace experience, including communication services, through acquisitions and by developing technologies and human resources
+ Creating new customer value through technological advances	Visualize customers' work by using AI to analyze accumulated data and reform business processes to support digital transformations

### Regional strategies for digital services

The Ricoh Group operates in around 200 countries and regions worldwide, addressing customers' diverse challenges. Customers operating globally demand consistent services everywhere.

We help customers transform their work processes by creating value at regional touchpoints based on their characteristics and our capabilities. We are also strengthening our development structures to cater to local production and consumption and deliver solutions swiftly.

#### Japan

#### Increase growth and attain a highly profitable structure by providing digital services tailored to specific industry and business challenges

##### Strategies

- Focus on the high-value, high-margin Scrum series, developing more in-house
- Expand in-house solutions and reinforce managed services within the office services sphere
- Generate new value through partnerships
- Broaden value offerings to tackle regional and societal challenges

##### Strengths

- Robust customer base: Centered on small and medium-sized enterprises
- A regionally focused nationwide sales and support network
- The ability to develop and deploy solutions that address customer challenges and capitalize on timely market opportunities

#### North America

#### Increase digital services ratio by transforming business process services and accelerating communication services growth

##### Strategies

- Improve business process services profitability through value-based pricing for customers and digitalization
- Strengthen approaches to the key retail, finance, healthcare, and manufacturing sectors
- Expand business by deploying Cenero's <sup>①</sup> communication services in the Ricoh Group's customer base

##### Strengths

- Robust customer base: Primarily large and mega corporations
- Extensive experience in business process outsourcing and solid customer engagement
- Secured audiovisual integration and high-quality managed service capabilities by purchasing Cenero

#### Europe

#### Ensure solid office services by expanding recurring revenue businesses and accelerating synergies among acquired companies

##### Strategies

- Develop recurring revenue services and continue to expand businesses (based on "as a Service" models)
- Accelerate synergies between acquired companies and existing Group companies and among those acquired entities
- Maintain office printing recurring revenues by increasing the number of A3 MFPs

##### Strengths

- Robust customer base primarily among mid-sized and large companies
- Have amassed IT services and communications service capabilities by acquiring 14 firms since fiscal 2019, expanding these capabilities across Europe
- Direct sales and field engineers have obtained multiple skillsets