

Progress with the Mid-Term Management Strategy and the Corporate Value Improvement Project

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

19th Mid-Term Management Plan (Fiscal 2017–2019)

We embarked on RICOH Resurgent initiatives. 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.

A year of tackling crises and accelerating our transformation (Fiscal 2020)

The COVID-19 pandemic made it urgent to enable people to work anytime and anywhere. We responded to the growing demand for remote work and related cloud services and accelerated the transition toward a post-pandemic world.

20th Mid-Term Management Plan (Fiscal 2021–2022)

We did not achieve our business growth goals despite flexibly and promptly responding to the impact of the pandemic and other changes in the operating climate. At the same time, we took several actions such as strengthening our management foundations by deploying a business unit structure and job-based personnel system, enhancing business portfolio management, and developing digital talent so as to steadily transition from an OA manufacturer to a digital services company.

Mid-Term Outlook

In April 2023, we embarked on the three-year 21st Mid-Term Management Strategy. This strategy aims to realize Ricoh's mission and vision of Fulfillment through Work by becoming a digital services company that supports worker creativity and provides services that transform workplaces as our medium- to long-term goal.

21st Mid-Term Management Strategy

We are pursuing the following three basic policies to achieve these goals.

1. Reinforce regional strategies and evolve Group management
2. Establish key revenue sources in the frontline and social domains
3. Leverage global talent

Fiscal 2025 financial forecasts announced on May 14, 2025:
¥2,560 billion in sales, ¥80 billion in operating profit, and a 5.4% ROE

Priority domains	Process Automation	Workplace Experience	IT Services
	Enable our customers to reduce repetitive tasks and boost productivity by optimizing business processes with digital technology, while unleashing their creativity through AI and data to create new value	Empower customers' creativity by providing optimal environments for seamless communication and high-quality collaboration, enabled by our digital technology	Establish environments for communication, efficient data operation on the cloud, and security assurance that serve as a foundation for the workplace
Our strengths	Customer base	Customer touchpoints	Intellectual property
	Trusted relationships with 1.4 million customers worldwide	Ability to provide consistent services worldwide	Unique hardware and software
	Deep industry and business expertise	Robust consulting capabilities	

[Refer to our website](#) **Overview of 21st Mid-Term Management Strategy**

Progress with the Corporate Value Improvement Project

To realize our vision, we launched the Corporate Value Improvement Project in April 2023. Through ongoing dialogue with shareholders, investors, and analysts, and analysis from a capital market perspective, we have examined the challenges the Ricoh Group must address from multiple angles. The primary factor behind our low price-to-book ratio is low profitability. To achieve sustainable growth as a digital services company, it is essential to establish profit structures suited to each business. With this recognition, we are now driving a fundamental transformation of our earnings structure.

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

Project impact amount and outlook as of our announcement on May 14, 2025

The project is progressing steadily. In fiscal 2024, it generated benefits of approximately ¥20.0 billion, exceeding initial expectations. Expenses were about ¥3.0 billion below plan, totaling ¥29.7 billion. We aim to achieve cumulative benefits of ¥52.0 billion across fiscal 2024 and 2025.

Note: View the latest results briefing information at the following website: <https://www.ricoh.com/IR/events/earning>

Anticipated Savings in Fiscal 2025 versus 2023

Measure		Fiscal 2024–2025 (forecast)
Transformation of Headquarters	Optimizing R&D	Around 15
	Optimizing Back-Office Functions	More than 2
Acceleration of Business Selection and Concentration		More than 5
Transformation of Office Printing Business Structure	Production and Development Joint Venture	More than 4
	Optimizing Supply Chain Management	More than 3
Acceleration of Office Services' Profit Growth	Optimizing Sales and Services Structure	More than 23
Total		More than 52

Key Performance Initiatives and Progress with Office Services Earnings Growth

To measure profit growth in Office Services, we have established three KPIs: the number of customers, the Office Services adoption rate, and the recurring revenue growth rate. The accumulation of recurring revenue in Office Services is a key indicator that directly contributes to improving profitability. In addition to existing Office Printing customers, the number of new customers is also increasing. As a result, the recurring revenue growth rate in fiscal 2024 rose 10% year on year, excluding foreign exchange effects (up 14% including these effects).

Key performance indicators	Explanation	FY2023 results	FY2024 results
Number of customers	Ricoh Group global customer base	1.4 million companies	
Office Services adoption rate	Office Services adoption rate for above customers	35%	36%
Recurring revenue growth rate	Annual Office Services recurring revenue growth rate after excluding foreign exchange impacts	+10%	+10%

[For details](#) **Message to Our Stakeholders ▶PP. 03–10**
Interview with the CFO ▶PP. 11–12

[Refer to our website](#) **Financial Announcements: Progress Report on Corporate Value Improvement Project**

Becoming a Digital Services Company That Supports Worker Creativity

As a global workplace services provider, the Ricoh Group leverages its extensive customer base, direct touchpoints, and proprietary intellectual property to consistently generate and deliver value, enhancing worker creativity in line with customer needs. We support the evolving nature of work and empower individual creativity, with a strong focus on driving business growth and ESG-centric management to enhance corporate value.



Ricoh Way® Mission & Vision

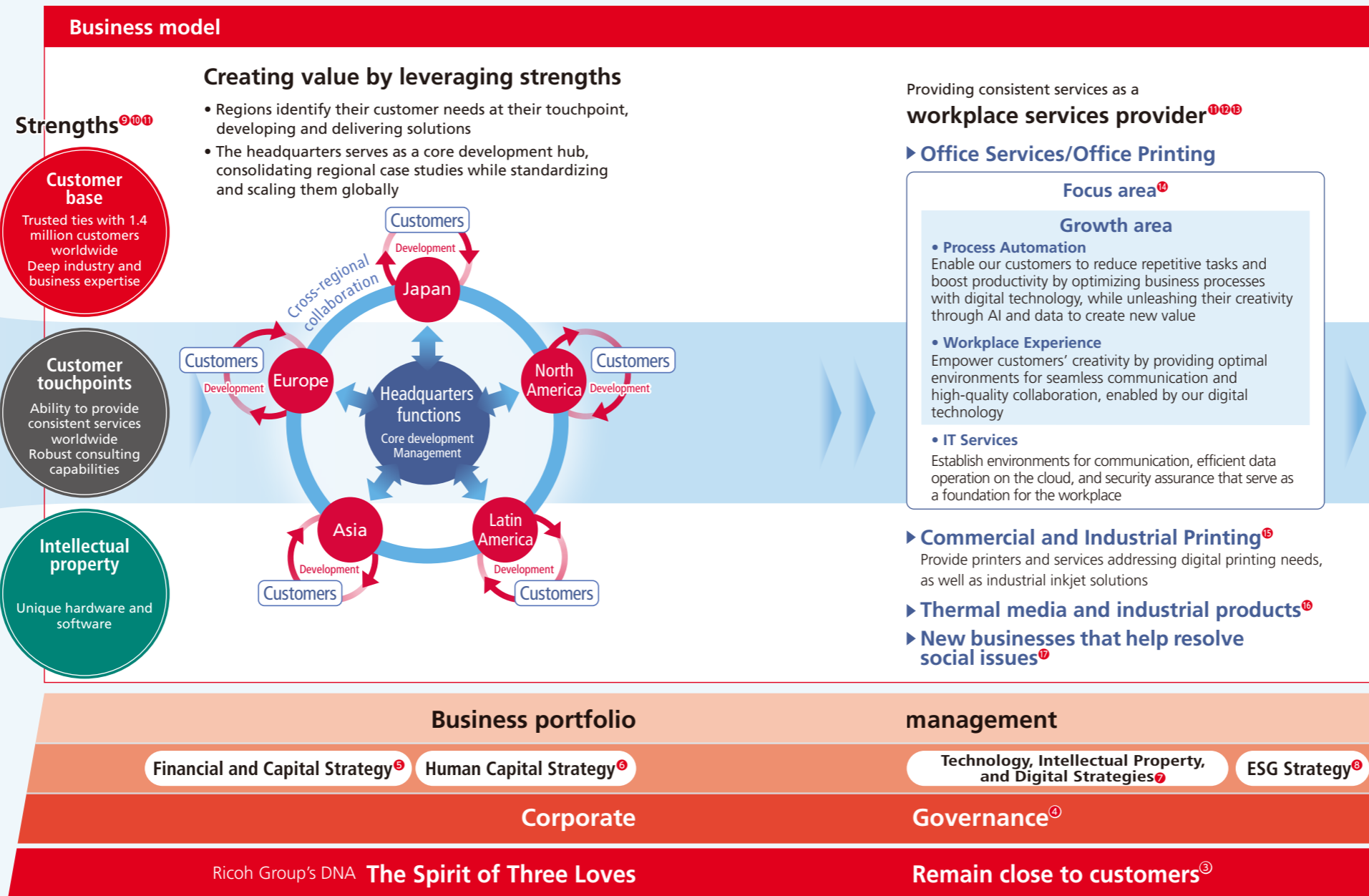
Fulfillment through Work

Key management capital

- **Financial capital**
Factor ROIC into strategic resource allocations
- **Manufacturing capital**
Resilient supply chain
- **Intellectual capital**
Innovative prowess
- **Human capital**
Personnel who support customers' creativity
- **Social capital**
Global operations
- **Natural capital**
Energy and resources

Seven material issues²

- Resolving social issues through business
- **Creativity from Work**
 - **Community and Social Development**
 - **Zero-Carbon Society**
 - **Circular Economy**
- Robust management infrastructure
- **Responsible Business Process**
 - **Open Innovation**
 - **Diverse and Inclusive Workforce**



Financial and future financial value creation

Financials^{9,10} (fiscal 2024 results)

- Operating profit: ¥63.8 billion
- Return on equity (ROE): 4.4%
- Return on invested capital (ROIC): 3.2%
- Total return ratio: 163.4%

- Number of customers: 1.4 million companies worldwide
- Office services adoption rate: 36%
- Recurring sales growth rate: 10% (vs. prior year, excluding currency effects)

Future Financials^{2,7,10,12}

- Customer satisfaction survey scores
- Number of people to whom we have contributed by improving social infrastructure
- Greenhouse gas Scope 1 and 2 reduction rate (compared with 2015)
- GHG Scope 3 reduction rate (compared with 2015)
- Renewable energy usage ratio
- Avoided emissions (GHG)
- Virgin materials usage ratio
- Corporate Human Rights Benchmark score
- Coverage of Ricoh's core business environment in compliance with NIST SP 800-171
- Percentage of low-compliance risk Group companies
- Contracted joint R&D agreement ratio
- Digital service patent application ratio
- Employees rated Ricoh Digital Skills Level 2 or above (Japan)
- Process DX Silver Stage certified employee ratio
- Engagement score
- Female-held managerial position ratio

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Initiatives on Materiality and ESG Targets

We identify material issues under our mid-term management strategy in line with the Three Ps Balance. This is our vision for a sustainable society where the Prosperity (economy), People (society), and Planet (environment) are harmoniously balanced. Under the 21st Mid-Term Management Strategy, we clarified the strategic intent of seven material issues and set 16 ESG targets (future financial targets) as key performance indicators.¹

16 ESG Targets and Achievements Linked to Seven Material Issues

The progress of ESG targets under the 21st Mid-Term Management Strategy is as follows. While overall, things are proceeding smoothly toward achieving targets by fiscal 2025, there are some delays in 1. Customer survey scores, 15. Engagement score, and 16. Female-held managerial position ratio, and we will continue to address those issues.

Resolving Social Issues through Business

Materiality (Material issues)	Strategic intent	2030 targets	ESG targets in the 21st Mid-Term Management Strategy (End of FY2025)	Results		
				FY2023	FY2024	
Creativity from Work	To provide digital services that transform how customers work, and help them with productivity improvement and value creation	Contribute to "Creativity from Work" for all customers to whom we deliver value	1. Customer survey scores*1	29%	Japan 26.3% North America 39.3% Latin America 64.8%*2 Europe 24.5% APAC 17.4%	Japan 26.8% North America 38.6% Latin America 45.5%*2 Europe 28.2% APAC 30.8%
Community and Social Development	To contribute to the maintenance, development, and efficiency of community and social systems. We leverage our technical expertise and customer connections to expand the areas where we provide value	Contribute to the enhancement of social infrastructure for 30 million people*3	2. Number of people to whom we have contributed by improving social infrastructure	23.50 million	17.94 million	22.35 million
Zero-Carbon Society 1	To decarbonize the entire value chain and create business opportunities by contributing to carbon neutrality	Reduce GHG*4 emissions by 63% for Scope 1 and 2, and 40% for Scope 3 Switch to 50% renewable electricity	3. GHG Scope 1 and 2 reduction rate (vs. FY2015) 4. GHG Scope 3 reduction rate (vs. FY2015) 5. Renewable energy usage ratio 6. Avoided emissions	50% 35% 40% 1,400 thousand tons	47.4%*5 38.1%*5 31.0%*5 1,059 thousand tons	59.1% 46.8% 43.2% 1,448 thousand tons
Circular Economy 1	To create business opportunities by building a circular economy business model for ourselves and our customers	Use resources efficiently across the value chain and reduce the virgin material usage ratio of products to 60% or less	7. Virgin material usage ratio of products	80% or less	78.9%	78.3%

*1 Percentage of customers rating us as a digital services partner that provides ongoing value by resolving issues and enhancing corporate value
 *2 A survey targeting solution customers in Latin America
 *3 Number of residents and users benefiting from education, healthcare, and municipal and other services contributing to community development
 *4 GHG: Greenhouse gas
 *5 The past figures have been revised due to organizational changes within the Ricoh Group and improvements in data accuracy in certain regions

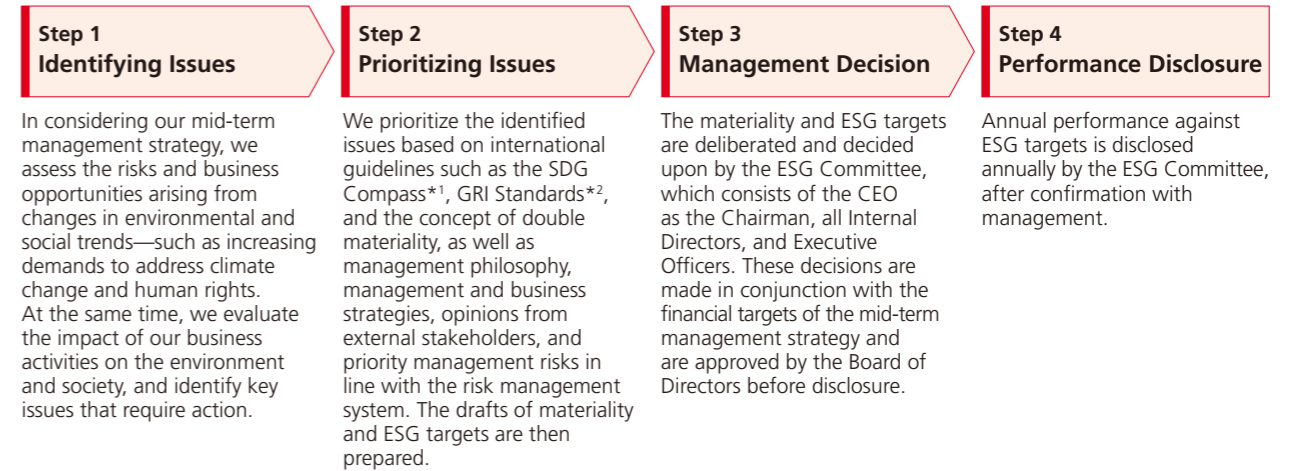
Robust Management Infrastructure

Materiality (Material issues)	Strategic intent	ESG targets in the 21st Mid-Term Management Strategy (End of FY2025)	Results		
			FY2023	FY2024	
Responsible Business Processes	To earn stakeholder trust by taking a holistic view of our supply chain and minimizing ESG risks in our business processes	8. CHRB score 2 *6 Information and communication technology sector leader	Self-assessment completed. 55% progress toward target	Self-assessment re-performed. 90% progress toward target	
		9. Compliance with NIST SP 800-171 coverage in Ricoh's core business environment 80% or more	Continued identification and assessment of information to be protected	Identification of information to be protected and formulation of a plan completed; countermeasures partially completed.	
		10. Low-compliance risk Group companies 80% or more	Completed a pulse survey for high-risk organizations	Improvement measures developed in the high-risk organization. Implementation partially completed.	
Open Innovation	To shift from a self-sufficient approach to a new value creation process that creates business to quickly resolve social issues	11. Contracted joint R&D ratio 25%	23.0%	22.7%	
		12. Digital services patent application ratio*7 60%	54.7%	64.6%	
Diverse and Inclusive Workforce	To foster a corporate culture where diverse employees can demonstrate their potential and transform themselves and the company into one that is resilient to change	13. Ricoh Digital Skills Level 2 or above rated employees (Japan) 4,000	2,855	4,658	
		14. Process DX Silver Stage-certified employee ratio*8 40%	21.1%	34.2%	
		15. Engagement score*9	Global: 3.91 Japan: 3.69 North America: 4.18 Latin America: 4.14 Europe: 4.01 APAC: 4.15	Global: 3.79 Japan: 3.57 North America: 4.00 Latin America: 3.90 Europe: 3.92 APAC: 4.03	Global: 3.84 Japan: 3.61 North America: 4.00 Latin America: 3.95 Europe: 3.90 APAC: 4.20
		16. Female-held managerial position ratio	Global: 20% Japan: 10%	Global: 16.5% Japan: 7.7%	Global: 17.2% Japan: 8.4%

*6 Corporate Human Rights Benchmark (CHRB) Score: An international human rights initiative established by institutional investors and NGOs. It evaluates global companies from five sectors: food and agricultural products, apparel, extractives, ICT manufacturing, and automotive manufacturing. (Approximately 250 companies evaluated as the latest benchmark)
 *7 Ratio of patent applications related to the digital services business to total patent applications
 *8 Training rate of personnel with process improvement experience based on a Process DX model (the denominator is the total number of personnel in the training target organization of each business unit)
 *9 Uses Gallup's Q12 mean score (evaluation scores for 12 factors to predict high organizational performance)

Process of Identifying and Revising Materiality

We identify and revise materiality through a four-step process within our three-year mid-term management strategy, referencing stakeholder perspectives and guidelines. The ESG Committee, chaired by the CEO, deliberates on the revision of materiality, which is then approved by the Board of Directors along with the financial targets before disclosure.



*1 SDG Compass: Guidelines for companies to align management strategies with the SDGs, and measure and manage contribution to the SDGs
 *2 GRI Standards: Global sustainability reporting standards that help organizations report on their economic, environmental, and social impacts

Strengthening Efforts to Resolve Social Issues through Business¹

We identified businesses that help resolve social issues and their performance contributions, setting sales targets through fiscal 2025. We will keep accelerating efforts to align ESG with business growth. The target amount for fiscal 2025 and the achieved amounts for fiscal 2023 and fiscal 2024 are shown in the table below.

Sales Targets for Social Issue-Resolving Businesses and Fiscal 2023 and 2024 Outcomes

Materiality	Businesses resolving social issues	21st MTS ESG targets (End of FY2025)	Results	
			FY2023	FY2024
Creativity from Work	Office Services Smart Vision, and others	¥1,017 billion	¥926 billion	¥1,006 billion
Community and Social Development	GEMBA* Educational solutions, and others	¥32 billion	¥20 billion	¥28 billion
Zero-Carbon Society Circular Economy	Eco-Friendly MFPS Commercial printing Silicone-top linerless labels On-demand Direct Printing Thermal Media, and others	¥428 billion	¥315 billion	¥410 billion

* GEMBA: Maintenance and services for stores, warehouses, and other non-office sites

Approach to Strengthening Profitability

As work styles evolve, the Office Printing market continues to shrink, with after-sales revenue dwindling. We expected these changes. We are offsetting them by streamlining the Office Printing business and building new recurring revenue streams through Office Services to enhance profitability. We will further accelerate the pace of growth in Office Services in response to the declining trend in the office printing market. There are four key priorities in boosting profitability.

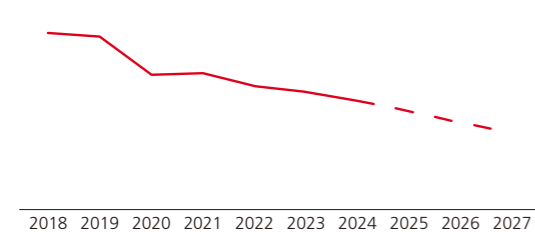
Four Key Priorities^{①②③④}

<p>1 Maintain and expand the Office Printing earnings base</p> <p>We implement thorough efficiency improvements and measures to absorb the impact of declining print volumes. We aim to expand market share by efficiently and stably supplying highly competitive products through ETRIA. We will also strengthen machine-in-field management for MFPs and printers, including by enhancing dealer loyalty programs and reorganizing sales resources. We will maintain and expand recurring revenue by increasing collaboration between RICOH Digital Products, which oversees development and production, and RICOH Digital Services, which handles sales.</p>	<p>2 Further accelerate the pace of growth in Office Services</p> <p>We increase recurring revenue by thoroughly creating synergies with acquired companies, enhancing our proprietary software such as DocuWare, Axon Ivy, natif.ai, and RICOH kintone plus, and by strengthening development and sales resources. In our key Process Automation, Workplace Experience, and IT Services domains, we accelerate growth through cross-selling, including of proprietary software, to customers using Managed Services* in our Workplace Experience domain.</p> <p><small>* Managed Services: Comprehensive outsourcing services that support end-to-end operational management</small></p>
<p>3 Build recurring revenue streams across business domains</p> <p>We strengthen recurring revenue by expanding Office Printing, Office Services, and Commercial and Industrial Printing with competitive products based on imaging and optical technologies.</p>	<p>4 Enhance productivity with digital technology</p> <p>Employees transform their work styles and deliver global competitiveness by leveraging AI and other digital technologies to streamline operations.</p>

Print volumes to continue declining

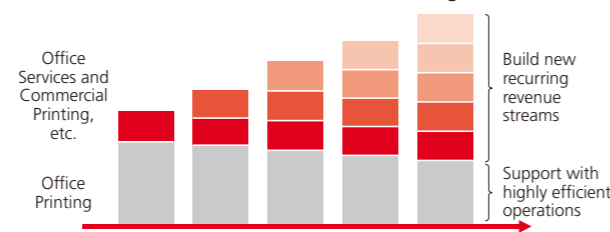
Having plunged during the COVID-19 pandemic, print volumes will likely keep falling.

Trend in Print Output Volume (Image)



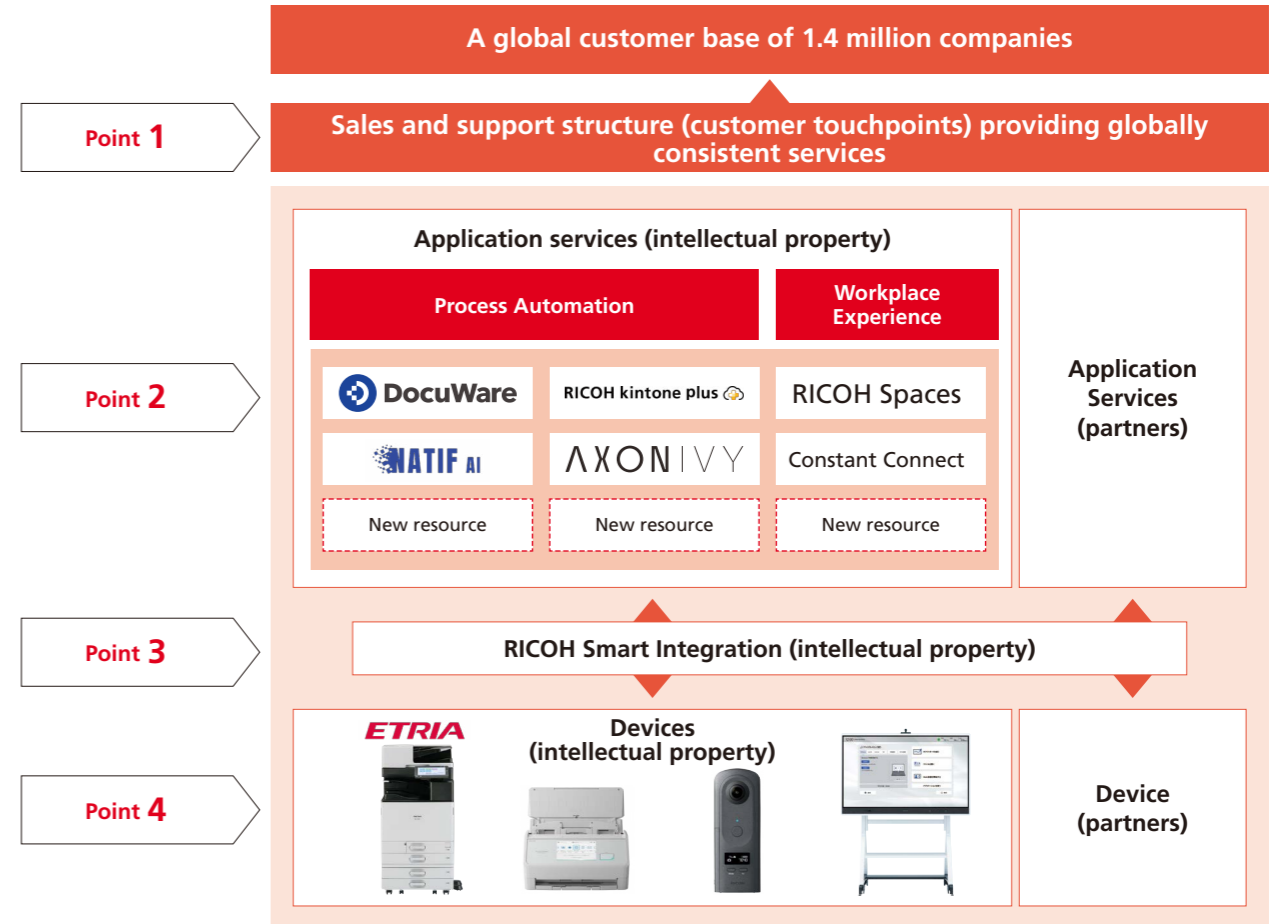
Accelerate recurring revenue growth

By curbing the decline in recurring revenue from Office Printing and building recurring revenue from Office Services and Commercial Printing, we aim to grow our overall revenues and transform our earnings structure.



Bolstering Resources for Sustainable Growth

We draw on our ample capital resources to combine our key strengths to deliver optimal solutions to customers. These capabilities are our extensive customer base, direct touchpoints, and intellectual property (software and hardware). We are reinforcing our resources to deliver even better services. Efforts include developing digital talent to drive customer value and reinforcing our proprietary intellectual property through in-house development, acquisitions, and business partnerships.



<p>Point 1</p> <p>Digital professional reinforcement ①</p> <p>We aim to better understand customer needs and design and implement solutions by developing and reskilling digital talent and drawing on expertise gained through acquisitions.</p>	<p>Point 2</p> <p>Bolstering our proprietary software lineup ②</p> <p>We will enhance the profitability of our Office Services business by deploying more high-margin proprietary software. In addition to in-house development, we will strengthen our lineup through acquisitions and strategic partnerships.</p> <p>Examples: DocuWare, RICOH kintone plus, and RICOH Spaces</p>	<p>Point 3</p> <p>Evolving a global common service provision platform ③</p> <p>A key driver to expanding recurring revenue is the ecosystem powered by RICOH Smart Integration (RSI). By connecting edge devices, software, and services through this platform, we will continually enhance the value we deliver to customers.</p> <p>RSI allows us to deploy solutions developed in one region to others, accelerating synergies across the Group.</p>	<p>Point 4</p> <p>Edge devices supporting our digital services company drive ④</p> <p>Devices seamlessly connecting analog and digital information are pivotal for us to grow as a digital services company. ETRIA, which we established in July 2024, will drive our expansion by efficiently innovating devices as an industry leader.</p>
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