

Business Strategy
RICOH Digital Services
 Office Services and Office Printing (Sales)

Transforming customers' work environments as a workplace services provider



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Fiscal 2025 Focuses

- 1 Deliver high-value-added services and build a robust recurring revenue base
- 2 Concentrate management resources on the Process Automation and Workplace Experience growth domains
- 3 Establish Ricoh's AI brand identity

Market Environment and Fiscal 2024 Review

While hybrid work took hold, there were also moves to have people return to regular offices. Evolving needs boosted demand for Office Services that support anytime, anywhere work styles. We have invested in Process Automation and Workplace Experience as growth areas. The former builds customer value by automating and optimizing business processes to trim tasks. The latter helps create environments that foster creativity. We also enhanced our value proposition by tapping in-house AI expertise. This includes driving full-scale development of a multimodal LLM that the Japanese government's GENIAC project also adopted, capable of handling text and diagrams, tables, and graphs. Fiscal 2024 Office Printing hardware revenues and operating profit declined. At the same time, Office Services continued to develop as an earnings base, with recurring revenues rising 14%. We also pushed forward with structural reforms to enhance profitability.

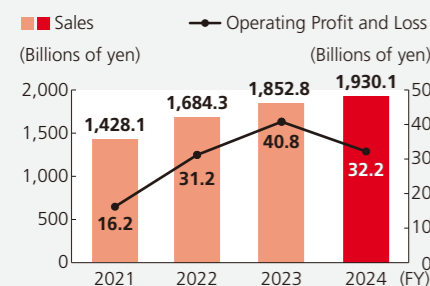
Current Challenges and Fiscal 2025 Initiatives

We must accelerate growth in Process Automation and Workplace Experience to cater to increasingly diverse customer needs. By expanding business strengths through acquisitions and strengthening partnerships, we will provide globally integrated, high-value-added services. We will also further leverage the advanced technologies of natif.ai, which we acquired in April 2024, to help customers automate and enhance wide-ranging workflows. In addition to LLM, we will deploy digital clones and AI agents that use multimodal LLM that can handle diagrams, tables, and graphs. This will broaden AI-driven value creation from improving back-office efficiency to boosting sales productivity. While maintaining Office Printing's customer base and non-hardware revenue, we will accelerate recurring revenue expansion in Office Services. To drive ROIC growth, we will manage key performance indicator initiatives and continuously update our measures.

Key Performance Indicators and Fiscal 2025 Targets

- Office Services recurring revenue growth rate: +10%
- In-House applications sales growth rate: +25%
- Japan: IT Services sales growth rate: +10%
- Japan: Scrum Series sales growth: Unchanged

Performance Trends



Market Position

We are leveraging the global customer base we built through Office Printing and our global sales and support network to deliver integrated services worldwide as a workplace services provider. In December 2024, Gartner, Inc., positioned us in its Magic Quadrant™ for Document Management report as a leading global document management player.

Medium- to Long-Term Risks, Opportunities, and Responses

Declining office print demand could shrink recurring revenues in the Office Printing business. Global economic uncertainty and changing tariff and trade policies could affect operations. On the upside, demand for Office Services should expand on diversifying work styles and corporate digital transformation. We will cater to rising demand for process automation and AI utilization by providing services that support customers' digitalization efforts.

Regional Digital Services Deployment

Region	Market Environment and Fiscal 2024 Results	Future Challenges and Initiatives
Japan	Market Environment and Fiscal 2024 Results Demand for greater efficiency and automation is increasing as companies tackle such social issues as labor shortages and an aging population. We expanded Office Services revenues by 14% during the year by strengthening value propositions for such customers. The Scrum series delivered 30% growth by creating industry and functional solutions with small and medium-sized enterprises to efficiently deliver high-value-added services. A strategic focus on key products drove higher recurring revenues.	Future Challenges and Initiatives We will fortify our recurring revenue base by leveraging PC replacement demand to generate new opportunities, increasing services and support attachment rates, and expanding service solutions with partners. We will also strengthen the rollout of RICOH Smart Huddle, which offers high-productive work styles through digital services and workplace design. We will refine our proprietary AI technologies to address diverse customer issues and firmly establish our brand as an AI leader.
North America	Market Environment and Fiscal 2024 Results Ongoing uncertainty over tariff policies has fueled concerns about market stability and business outlooks. We improved Business Process Services profitability by streamlining operations and optimizing pricing strategies. We expanded Application Services by harnessing Office Printing hardware sales growth and offering solutions centered on our proprietary document management software. Major structural reforms also raised efficiency and profitability.	Future Challenges and Initiatives We will drive revenue growth and improve profitability in the Office Services business by reviewing its portfolio. For the Workplace Experience business, we aim to expand growth by strengthening synergies with Cenero and enhancing proposals to existing customers. We will uphold Office Printing profitability by employing optimal product and sales strategies and extensively targeting customers while expanding MFP sales in collaboration with partners. In response to tariffs, we will adjust pricing strategically while flexibly adapting to market conditions.
Europe	Market Environment and Fiscal 2024 Results While inflation stabilized, economic activity slowed in some regions, lengthening Workplace Experience sales cycles. The overall IT services business, including IT infrastructure and IT services, expanded and helped increase recurring revenues. Rising demand for digitalization and automation boosted Process Automation revenues, with DocuWare's cloud services driving recurring revenue expansion.	Future Challenges and Initiatives We will draw on synergies with acquired companies in the Office Services business to increase recurring revenues by delivering new value to existing customers. We will use the RICOH Global Security Operation Center, which we launched in January 2025, to expand managed security services to counter cyber threats. In Office Printing, we will review offerings to maintain recurring revenues. We will keep improving productivity by reviewing our portfolio and optimizing our organization.

Office Services Sales by Region and Segment

FY2024	Total		By region					
	Sales	Change	Japan	Change	The Americas	Change	Europe	Change
IT Services								
IT Infrastructure*1	318.4	9% (7%)	211.4	14%	10.5	29% (-22%)	87.9	-4% (-8%)
IT Services*2	214.0	13% (11%)	119.5	15%	13.9	-8% (-13%)	75.7	15% (10%)
Process Automation								
Application Services*3	178.7	12% (10%)	110.1	12%	24.5	10% (4%)	38.3	16% (11%)
Business Process Services*4	136.1	4% (-1%)	4.4	2%	104.2	5% (-1%)	24.5	-2% (-6%)
Workplace Experience*5	76.9	7% (3%)	21.2	8%	20.0	20% (14%)	30.5	-3% (-7%)

Note: Numbers in parentheses exclude foreign exchange impacts.
 *1 Procurement and sales of hardware and software linked to IT infrastructure and security services
 *2 Implementation, construction, and operational support related to IT infrastructure development and security service delivery
 *3 Implementation, construction, and operational support for proprietary and procured application software, including DocuWare, RICOH kintone plus, and document solutions products
 *4 Including the outsourced customer output center business and new services leveraging our customer base
 *5 Implementation, construction, operational support, and managed services for communication environment development including sales of proprietary edge devices

Scrum Series Sales in Japan

