

Human Capital Strategy

From the two-year 20th MTP that laid the foundations for our human capital strategy toward an execution phase

Message from the Chief Human Resources Officer

Ricoh's Mission & Vision is to deliver Fulfillment through Work by remaining close to customers in striving to create new value from work. At Ricoh, people are more than just the implementers of strategy; they are the very foundation of our business and our company.

How do we harness and develop talent at Ricoh? We intensively formulated programs and frameworks during the two years of the 20th MTP. The Ricoh-style job-based personnel system introduced in Japan is one of the core components of these initiatives, and is the basis for transforming Ricoh into a digital services company. We will devote the next three years to executing plans to build the house on that basis. The following explains the three pillars of our new human capital approach.

Mayuko Seto CHRO



Three pillars of our human capital policies

1. Encourage employees to fulfill their potential

We believe that there are two basic principles for maximizing human capital. First, employees should take the initiative to make the most of their strengths. Second, the Company should put the right people in the right positions.

It was to that end that we introduced the Ricoh-style job-based personnel system in fiscal 2022 and expanded our internal recruiting program. What we need next is for employees themselves to consider and plan their careers and enhance their skills. For daily work, we are fostering hybrid workstyles that incorporate the benefits of remote and office work to maximize individual and team performances. In addition to creating an environment in which employees can be autonomous and self-motivated, we will continue to encourage employees and their managers to unleash their potential.

2. Align personal and business growth

Ricoh has always been close to the work of customers. We aim to help them leverage digital technology to become more efficient and productive, so they can focus on more creative work. It is therefore essential for our employees to master the digital technologies they need and apply them in their work. By proposing and supplying customers with new work approaches that we have cultivated internally, we will open new vistas to the world of work.

3. Enable employees to experience Fulfillment through Work

We have to amass experiences that bring us Fulfillment through Work before expecting customers to get the same satisfaction. We want our people to enhance their skills in a diverse, co-creative culture and find pleasure in work.

Positive and fulfilling employee experiences empower us to create a robust corporate culture as a digital services company and tackle all sorts of changes.

Human capital value creation model

The value creation model for cultivating Ricoh's unique human capital is as follows.

Ricoh's culture is at its core. We created this by combining capabilities (the ability to execute business strategies) and mindsets. We have defined core themes for capabilities and mindsets across the 21st MTS. When designing and executing human resources measures in keeping with these themes, we optimize the Ricoh culture.

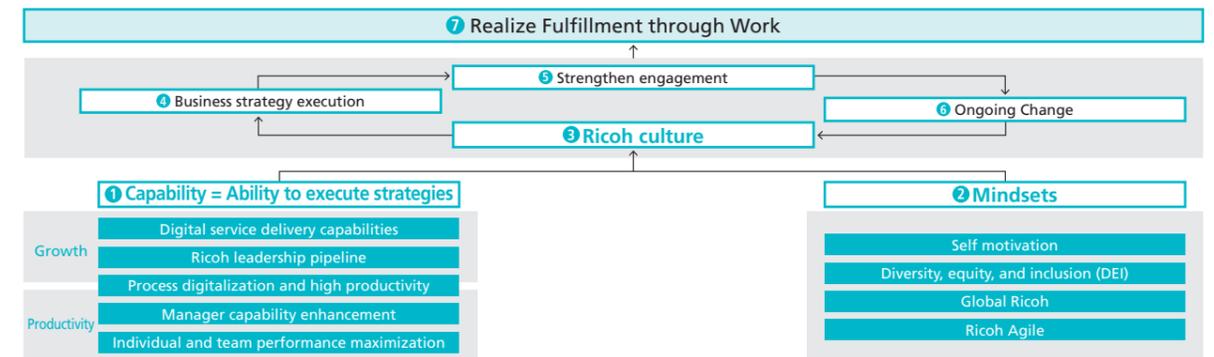
As we execute specific strategies, we accumulate successes from reaching goals and enhance employee engagement. This fuels even more changes and a cycle in which Ricoh constantly evolves and changes.

This cycle culminates in the Fulfillment through Work to which we aspire, inspiring the growth, achievements, and transformations of individual employees. We believe that creating this cycle is the source of success in our corporate endeavors.

We have defined our focuses for the future in the chart below. There are five capabilities themes from growth and productivity perspectives and four mindset themes. For each theme, we have formulated concrete human resources strategies that we will implement over the three years of the 21st MTS.

While the Spirit of Three Loves on which we base the Ricoh culture remains unchanged, the internal and external operating climates and business strategies continue to evolve. Over the medium and long terms, we must accordingly adapt each theme related to the capabilities and mindsets we need to execute our business strategies. We will address subsequent challenges and themes as we implement strategies. We believe that these focuses and associated human resources policies will change dynamically over time.

The next page showcases specific measures.



Three pillars to achieve simultaneous personal and business growth

| The three pillars of our approach to human capital | | | |
|--|---|---|---|
| | 1 Self motivation | 2 Growth | 3 Fulfillment through Work |
| Group policies | Encourage employees to fulfill their potential Self-disciplined mindsets and self-directed work approaches maximize performances of individual workers | Align personal and business growth Unleash employee creativity and foster business growth by leveraging digital skills | Enable employees to experience Fulfillment through Work Create a corporate culture that embraces Fulfillment through Work by globally offering the same employee experiences |
| Experiential value | Self-directed career planning | Personal and business growths | Materialize Fulfillment through Work |
| Opportunities | Career ownership Self growth | Ricoh Agile*1 Digital basics | Global Ricoh Ricoh Way Co-creation culture |
| KPIs*4 | Internal job reassignment rate based on Individual Development Plan | Digital training completion rate**3 Female-held managerial position ratio | Employee engagement score |
| FY2025 targets | 60% or more | 100% Global: 20% Japan: 10% | 3.91 |

*1 Ricoh Agile: In-house design thinking + agility model for organizational management

*2 Process digitalization: Redesigning work and processes with digital technology

*3 Digital training: Generic term for training programs encompassing Ricoh Agile and process digitalization and digital basics

*4 KPIs: Key performance indicators

Human Capital Strategy

Establish and strengthen capabilities and mindsets underpinning Ricoh's culture

Capabilities = Ability to execute strategies

Ability to deliver digital services

We are improving value creation at customer touchpoints by pursuing business strategies that we have optimized for each country and region. We consider such factors as customer segments, business environments, and infrastructure preparedness. We similarly tailor employee digital skills development to country and regional needs.

We define necessary digital skills by region and implement specific improvement measures in line with current circumstances. Below are examples from Japan and Europe.

1. Japan

We opened the Ricoh Digital Academy in 2022. We designed the curriculum to encourage all Group employees to enhance their digital proficiencies and help create and accelerate digital services.

We have identified several digital professional skillsets that we particularly aim to reinforce. These are business producers and designers, cloud architects, data scientists, and information security experts. We seek to increase the number of employees with Ricoh Digital Skills Level 2 or above to 4,000 in Japan under the 21st MTS.

21st MTS Goals for bolstering digital talent

| Priority skills | Targets |
|----------------------------------|---------|
| Business producers and designers | 500 |
| Cloud architects | 1,000 |
| Data scientists | 500 |
| Information security personnel | 2,000 |

It is also worth noting that Ricoh Japan, which provides digital services directly to customers, deployed a professional certification system in 2019 to enhance the skillsets and professional development of its people. Ricoh Japan enhances practical services delivery and sales skills by tracking certification levels according to knowledge, technical skills, and performance. It has its people update their certifications annually to maintain their capabilities. In April 2023, we launched the Professional Personnel System, which we have linked to the Professional Certification System, to encourage self-motivated growth.

Technical professional personnel and certification programs



2. EMEA

From 2020, we began a full-scale program to reskill customer engineers who had supported sales and service of MFPS to make them multi-skilled. Also, to quickly address fast-expanding service needs, we are developing more advanced programs with certain digital proficiency levels and are reallocating positions and assignments to optimize human resources. To date, approximately 2,000 customer engineers have completed our training program and are helping expand digital services in EMEA.

We established the Digital Academy in this region to strengthen employee skills in software development, cybersecurity, cloud computing, and other fields.

Ricoh leadership pipeline

To continuously develop leaders who will lead Ricoh's transformation and development, we promote comprehensive selection, assessment, and career planning for future candidates. We place emphasis not only on knowledge, skills, qualities, and experience, but more importantly, individuals' aspirations. While preparing career plans for leadership candidates, the CEO and other management team members personally interviewed more than 100 of these people. The company focuses on accelerating the development of human resources, especially women and young people, by making concerted efforts to discover a wide range of talents.

It is also worth noting that our overseas acquisitions have brought a diverse pool of talent into the Ricoh Group. These new employees drive our business growth, so we review them individually as part of efforts to nurture them as potential leaders at Ricoh.

Process digitalization and high productivity

We visualize and digitalize processes in fostering operational excellence to function more effectively and efficiently. Our efforts in this regard extend from human resources, accounting, legal affairs, and other back-office areas to development, production, sales, and other business areas.

Amid a shortage of digital professionals, Ricoh is also developing consulting services to collaborate closely with customers as a value co-creation partner, resolving social issues with them by leveraging our in-house process digital transformation (DX) experience.

These endeavors align employee and business growth by having frontline workers harness digital technology to own and improve business processes and thus help expand operations and enhance results.

For more details, see: [Operational excellence strategy on page 29](#)

Enhancing manager capabilities

Managers are vital to helping employees unlock their full potential. In 2020, we transitioned management away from overseeing tasks toward supporting and developing their growth. Our managers now have greater roles and responsibility in making teams more productive, promoting diversity, equity, and inclusion (DEI), and improving employee engagement to make workplaces more fulfilling.

In 2021, we inaugurated the Management College in Japan to develop the support skills of around 1,800 Group

managers. The curriculum helps participants understand their roles supporting those they manage. It shows them how to provide coaching, enhance their one-on-one skills, cultivate teams that are productive, and provide high levels of job satisfaction. It also covers such medium- and long-term themes as employee career support and development. The college expands its curriculum every year so participants can constantly update their skills.

Maximizing individual and team performances

A hybrid work style that incorporates the advantages of both coming to work and working remotely has become commonplace. Ricoh's work style system is flexible, and without issuing detailed directives, it has established guidelines to help employees stay on track, and emphasizes the following two points.

The first is that teams collectively formulate rules so members can collaborate effectively. The second is to devise ways to boost productivity and creativity. In 2022, we launched a periodic health check program to monitor changes in the well-being of employees and teams, so we can respond as needed to concerns. We will shape the world of work by finding fulfillment in our jobs so we can provide new value to customers.

Our corporate mindset

Ricoh nurtured a distinctive culture as a manufacturing company, embracing quality, individual accountability, respect for efficiency and organization, and a patient, collaborative approach to work.

To evolve as a digital services company, we need to foster this manufacturing-derived mindset while rapidly tackling change, responding globally beyond organizational silos, and creating an environment in which diverse talent can flourish. We are driving the internal adoption of Ricoh Agile, which combines principles of design thinking and agility in exploring real-world challenges by interacting with customers and swiftly delivering the digital services that work for them. We are pairing our mindset with our process digitalization skills to further enhance internal productivity. Also, we have formed global and regional DEI councils, through which we are systematically accelerating efforts to truly globalize our organization and co-create new digital services. Such activities will foster a more cohesive and distinctive corporate culture.