

Digital Strategy

Deploying four key strategies to accelerate our transformation into a digital services company

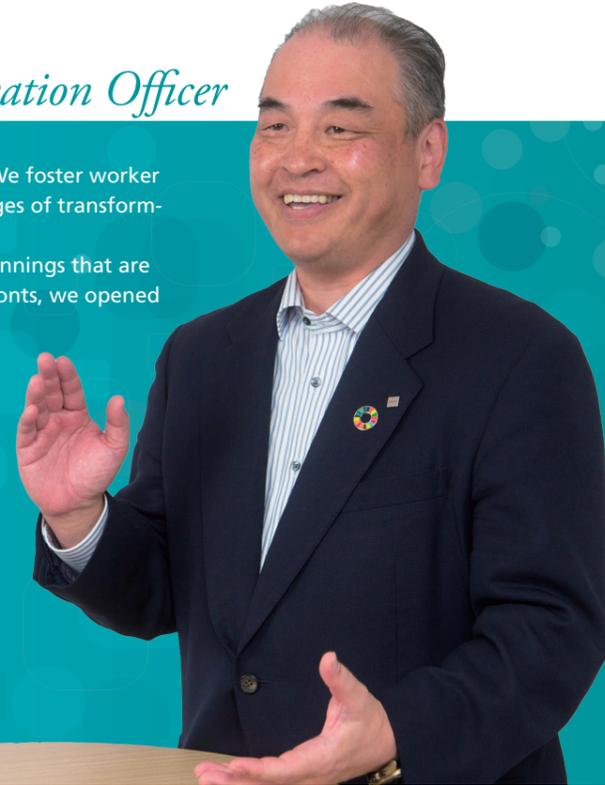
Message from the Chief Digital Innovation Officer

Ricoh's Mission & Vision is to deliver Fulfillment through Work. We foster worker creativity through digital services that help them tackle the challenges of transforming how they do their jobs.

Under the 20th MTP, we strengthened the management underpinnings that are necessary to reach that goal. On the corporate culture and talent fronts, we opened Ricoh Digital Academy, which supports self-driven learning, to cultivate digital professionals and reach our ESG target for the number of employees with requisite skills to deliver value through digitalization. We migrated more than 70% of our internal information technology systems to the cloud. With our master data in place, we are ready to pursue data-driven management. It is also worth noting that we drew on RICOH Smart Integration as a common global service delivery platform to support deployments of such services as AI for Work and RICOH kintone plus.

We will leverage RICOH Smart Integration to connect workplaces and people and support their creativity by enabling them to use digital technology and data.

Yasuyuki Nomizu CDIO



Formulating four main strategies based on five key elements of the 20th MTP

The Digital Strategy Department must contribute to companywide results by fostering the growth of digital services that give business units a competitive edge. Our mission has two elements. The first is to draw on RICOH Smart Integration to deliver global business value creation. The second is to contribute to business growth by cultivating and strengthening digital professionals. It is to those ends that we formulated four major strategies for the 21st MTS based on five key elements that we defined and reinforced under the 20th MTP.

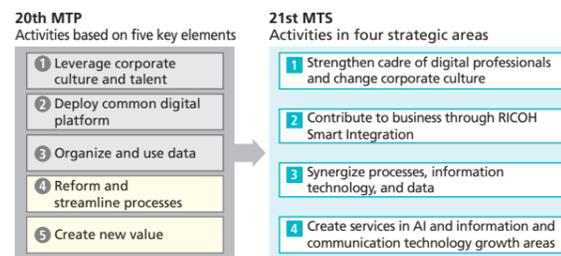
The first is to strengthen our cadre of digital professionals and change the corporate culture.

We will expand our pool of key talent, maintaining and reinforcing training programs centered around Ricoh Digital Academy, and will change our corporate culture.

Second, we will contribute to business through RICOH Smart Integration.

Reinforcing that platform will contribute to digital services sales, help business units to create and expand services, and assist in creating a digital services ecosystem*1 that generates new customer value.

The third strategy is to synergize processes, information technology, and data.



We will upgrade internal mission-critical operations and endeavor to achieve operational excellence by reforming processes through such synergies.

Fourth, we aim to create services in AI and information and communication technology growth areas.

As our value proposition broadens to encompass office, frontlines, and society at large, we need to harness AI in each of those domains. We will develop technologies to expand advanced industry and business support services that tap our proprietary large language models, digital human*2, and other technologies.

*1 In a digital services ecosystem, companies collaborate and coexist in tapping data to provide value in deploying digital services

*2 A digital human is a computer-graphics-generated three-dimensional avatar that replicates the appearance and behavior of people

For more details, see:
 ① Human Capital Strategy on page 23
 ② Operational Excellence Strategy on page 29

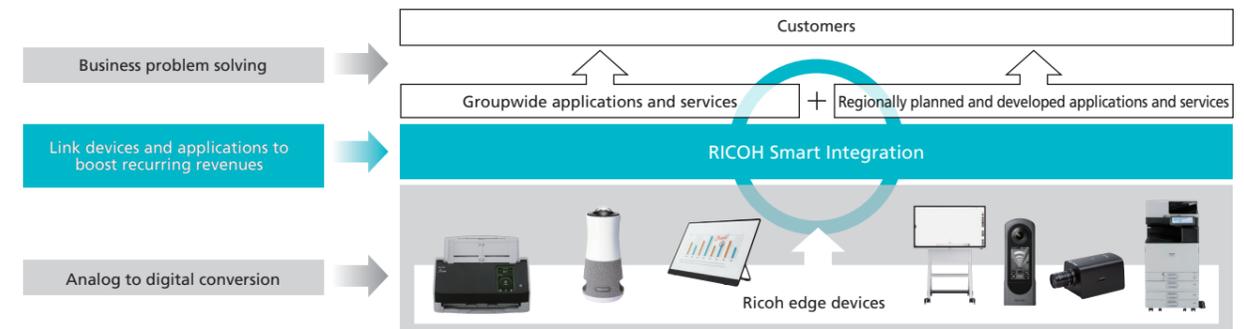
Contributing to business through RICOH Smart Integration

RICOH Smart Integration is a cloud-based platform whose basic functions are essential to develop and operate digital services. We use this common platform to create global business opportunities. We boost our competitiveness by enhancing product development efficiency and cutting costs while delivering high scalability and fostering innovation. We can thus swiftly deliver high-quality, high-value-added services internally and to our customers.

In fiscal 2023, we will endeavor to build a seamless digital services ecosystem by connecting globally delivered applications and services and edge devices through RICOH Smart Integration and simplify services collaborations and integrations between us and our partners. Through such efforts, we will reinforce our

Internet of Things infrastructure so we can seamlessly integrate our proprietary edge devices into digital services while strengthening governance for a data utilization infrastructure and companywide data usage. One example of such an approach is RICOH kintone plus, based on Cybozu's kintone cloud service, which leverages RICOH Smart Integration to link our MFPs and a proprietary development plug-in for document workflows.

On top of this, we will reinforce our authentication infrastructure for key customers, which need sophisticated security measures. We will also enhance ID functions to provide comprehensive managed services and optimize collaboration with IT systems across regions worldwide to expand recurring revenue businesses.



Creating services with AI and information and communication technology

Ricoh has developed a range of AI technologies to create digital office services. Among them are proprietary Japanese GPT3*1 models, robust conference speech recognition technology, and digital humans whose voice interactions support industry and business tasks.

In frontlines and social domains, we have drawn on AI technologies employing images and voice recognition to develop techniques to visualize road and slope conditions for the construction and civil engineering sectors and technologies that enable manufacturers to detect equipment and machine tool anomalies. We have developed robotics*2, smart glasses, and other information and communication technology (ICT) to accelerate AI usage in factories, outdoors, and other frontlines areas.

Under the 21st MTS, we are stepping up the development of such proprietary AI and ICT. At the same time, we seek to acquire technologies for rapidly progressing virtual spaces and expand AI-based workplaces and our customer value proposition.

For the office domain, in which COVID-19 pandemic accelerated a shift to online work, we will integrate proprietary large language models and digital humans with virtual space utilization technology to supply digital buddies*3 and other advanced

industry and business support services. We will also develop technologies for device-free use in real and virtual environments.

In the construction and manufacturing domains, which are stepping up their virtual space usage, we will help create business unit services in various ways. We aim to create frontlines digital twins, and will develop technologies to digitalize frontlines spaces using edge devices incorporating our unique AI technology. We will also develop robotics and extended reality technologies*4 to expand frontlines AI usage.

*1 GPT3: An OpenAI-developed pre-trained AI model that specializes in natural language processing
 *2 Robotics focuses on designing, manufacturing, operating, and controlling robots
 *3 A digital buddy is a virtual partner that uses AI to engage in human-like conversations
 *4 Extended reality encompasses augmented, virtual, and mixed reality technologies delivering experiences that fuse real and digital elements

