

Ricoh core business in period of significant change

Domain topics

*1 Source: IDC's Worldwide Quarterly Hardcopy Peripherals Tracker 2015 Q2; A3 laser MFP/ copier share includes single-function copiers.

- Captures No. 1 share worldwide in A3 laser MFP market*1
- Multiplies value to customers through "product + service" emphasis

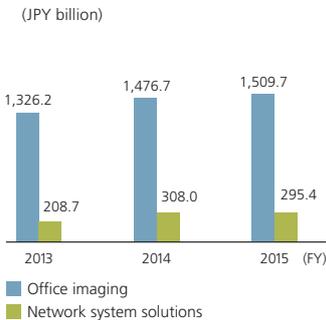
Note: IDC declares a statistical tie in the hardcopy peripherals market when there is less than one percent difference in the unit shipments of two or more vendors.

The Ricoh Group has built major strengths: a truly global customer base, close customer contact with a regional touch, and a worldwide network of sales and maintenance service providers. As a group, we will draw on these strengths to enhance our ability to provide products and services that boost office productivity at customer sites using Ricoh-brand imaging equipment, such as MFPs and printers, while also helping customers across various industry sectors expand sales and raise the satisfaction level of their own customers, which paves the way to business success.

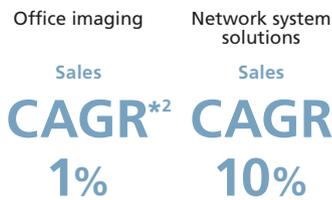


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• Sales of office imaging/network system solutions



• MTP target



• SWOT analysis

<ul style="list-style-type: none"> • MFP/LP*3 product group • Global customer base • Global/local sales/maintenance service network • Document-related solution proposal capability 	<ul style="list-style-type: none"> • Business scale in emerging markets is small
<ul style="list-style-type: none"> • Increasing demand in emerging nations • Higher demand due to business expansion drawing on different products/services paralleling changes in workstyle 	<ul style="list-style-type: none"> • Markets in developed nations are more mature and competition is fiercer • Shrinking investment demand due to cuts in indirect business expenditures

Strengths Weaknesses
Opportunities Threats

*2 CAGR: Compound annual growth rate
*3 LP: Laser printer

Turning diverse workplace transformations into business opportunities

Workstyles are evolving, driven by increased globalization, growth of emerging economies and a wider embrace of network technologies, and the perceived issues that accompany new workstyles are becoming more diverse. In this environment, the value that customers seek is shifting from "ownership of products" to "use of services," presenting us with untraveled trails to extend our market presence beyond products to new businesses derived from services and solutions.

This period of transformation is, from our perspective, a tremendous business opportunity,

and new pursuits not bound by existing methods for providing products and services are sure to translate into future growth. The Ricoh Group will draw on strengths cultivated to date, namely, technological strengths and customer contact capability, to generate new value from a customer point of view.

Office imaging and network system solutions comprise about 80% of sales on a consolidated basis. With a basic strategy to reinforce and develop earnings power, we are prioritizing approaches to raise market share in developed countries and

- For more details
- Technological strengths p. 31–34
 - Customer contact capability p. 35–38

expand our presence along new business avenues through IT services and communications as well as enhance profitability in emerging nations. In developed countries, despite market maturation, we will strive to capture a larger share of the market by enhancing the appeal of our products. And in emerging nations, we will energetically promote products and services through innovation centers*⁴ that tap into customer needs distinct to each location.

In addition, in both developed and emerging countries, we are vigorously working to deliver new value, particularly in the IT infrastructure business, which offers managed document services (MDS) as well as one-stop access for building an information and communications infrastructure at offices, from planning to configuration and operation and maintenance, and also in the visual communication business, which makes the communication environment more comfortable and convenient at offices and schools.

We will also be looking to extend the range of the new value we offer and, with an emphasis on specific fields, especially healthcare and education, we will review core business processes at customer sites and enrich the scope of services that support sales expansion and higher customer satisfaction. We will form global teams that draw together specialists with expertise in different fields, and reinforce services that improve dominant processes in each field. These efforts will deepen our connection to customers. ► WEB 1, 2

Greater value offered in the office imaging equipment business

To date, the primary fuel for the Ricoh Group's growth has been document management for office environments. The biggest underlying factors of growth have been an ability to provide integrated products and services that accurately address customers' increasingly global management processes, and a sales and support structure adjusted to specific market characteristics. By offering products and solutions fine-tuned to customers' needs, we contribute to higher office productivity and improved operating efficiency at customer sites.

To provide even more added value, we have taken @Remote, a remote device management service, worldwide. @Remote uses Internet connections to track equipment status and collect information about machine performance to prevent malfunctions, shorten or eliminate downtime, and expedite automated ordering of consumable supplies, all without waiting for a customer to call for assistance. With @Remote, customers can use Ricoh-brand output devices with peace of mind, confident in the knowledge that office activities will not be interrupted. We strive to ensure excellence in a competitive market, and with the kind of practical value exemplified by @Remote, we cement customer satisfaction in our products and keep our market edge sharp. Our efforts have yielded great results, including the No. 1 share of the global A3 laser MFP market.

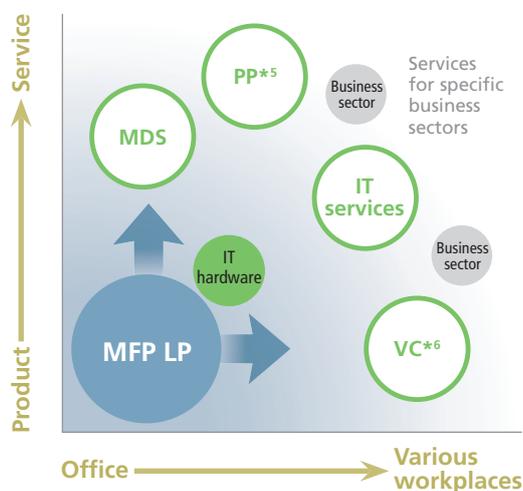
The Ricoh Group offers services that support customers' business activities in various office situations. With MDS, for example, we support all document-related workflows, not only printing, and assume operation and management tasks as well so that customers can boost productivity and cut administrative costs.

To ensure that customers have ready access to the information they need when they need it, we continue to offer proposals for improvement, from business-related information infrastructure layout to optimized design of workflows, from document preparation to output and management, and further to implementation and operation of the systems.

► WEB 3

*⁴ Located in Japan, Dubai, China, India and Mexico; to be opened in ASEAN region

• Direction for business expansion



*⁵ PP: Production printing

*⁶ VC: Visual communication

IT services that optimize office infrastructure

To expand sales and raise profitability, customers are keen to concentrate their human resources into core operations. For this to happen, customers need to maintain the efficiency of indirect operations and then boost the level higher. The Ricoh Group applies IT and network know-how accumulated in the course of MFP and printer sales and after-sales support over many years to offer one-stop solutions fine-tuned to customer requirements for everything from IT environment layout to high-level services and support to meet both objectives.

In November 2014, Ricoh India was chosen to provide an information and communication technology solution to the Department of Posts under India's Ministry of Communications & IT. This project will contribute to the digitization of postal



Meeting with the Department of Posts (Ricoch India)

services and financial services at approximately 129,000 post offices in India.

The IT services business is a domain poised for major growth, and Ricoh is vigorously working to raise its profile worldwide through acquisitions, including the February 2014 purchase of mindSHIFT Technologies, Inc., a U.S. company, and the July 2014 purchase of FutureTech Ltd. and FutureWare Ltd., based in South Korea. > WEB 1, 2 p. 35

Visual communication business making the flow of diverse communication smooth

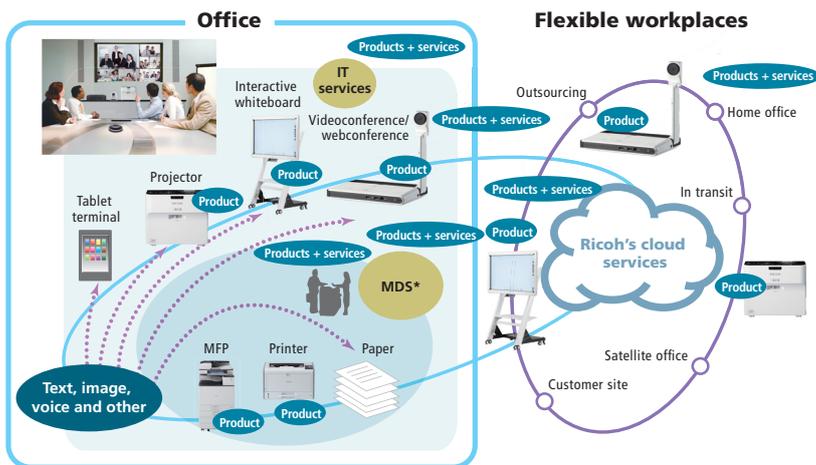
As workstyles and methods of communication within the office change, so does the way we deliver our "products + services" solutions. Within the evolution of these solutions is the expansion of services to support communication that facilitates work anytime, anywhere.

Our "products"—visual communication equipment—include ultra-short-throw projectors, interactive whiteboards and teleconferencing systems. To these we add "services," such as know-how and solutions that utilize the "products," to make tasks more efficient. Basically, we offer "products + services" value that contributes to enhance productivity for customers by extending total support for office work environments.

Workplaces and workstyles are also changing, with many people opting to work from home or in satellite offices. To address the needs of this market, we provide "products + services" support, using visual communication devices and cloud services. By enabling people to communicate face-to-face, even from remote locations, and share materials as they speak, business activities at customer sites move along more smoothly.

The Ricoh Group will continue to help customers across different business sectors save time and money in their office communication processes and will propose new workstyles that allow employees to demonstrate their creativity. > WEB 3, 4

Evolution of "products + services" solutions



* MDS: Managed document services

- > WEB 1 IT infrastructure services: services.ricoh.com/services/it-infrastructure-services/
- > WEB 2 Ricoh India chosen to supply Rural ICT solution for Department of Posts: www.ricoh-ap.com/about/viewnews.aspx?NID=256
- > WEB 3 Visual communication: services.ricoh.com/services/communication-services/
- > WEB 4 Ricoh's full range of services: services.ricoh.com/

Keen to create value in priority sectors

Within the Ricoh Group, we are reinforcing efforts to provide products and solutions specifically for certain business sectors, such as healthcare, education, finance and manufacturing. A prime example in the healthcare sector is support for a smooth workstyle at medical facilities to improve patient satisfaction while also reducing the administrative workload on staff and preventing medical errors. Our responses include automating the separation of specialized documents, such as prescriptions; indexing photographic images of an injury or condition in the patient's electronic medical records; preventing medical errors in drug-dispensing procedures with a printer capable of sorted output; and providing support for community healthcare coordination using videoconferencing. ▶ [WEB 5](#)

Offering new value to healthcare sector: The Kitasato University Hospital case study

Looking ahead to 2025 and a super-aged society, where one in four people in Japan will be over the age of 75, the Total Support Center at Kitasato University Hospital took the lead in establishing the Sagami-hara Machida Area Nursing and Medical Care Zone Infrastructure Building Consortium. This consortium involves 107 office sites, including hospitals, pharmacies, regional comprehensive support centers and at-home care providers, with activities undertaken at 23 locations. At these regional medical facilities, it is essential that front-line professionals in different fields, not only doctors and nurses but also pharmacists, social welfare counselors, care managers and nursing care providers, share patient-specific information to ensure proper care. Each work environment can be hectic, so the consortium opted for videoconferencing, which is more effective in promoting communication than trying to gather individuals together for a meeting in a single location. The Ricoh Group is contributing to enhanced communication practices by creating the required network. We set up the compact, easy-to-install-and-operate RICOH UCS to enable participants to initiate remote meetings and training sessions anytime, anywhere. RICOH UCS closes the distance between places that typically prevent face-to-face contact and lets the people involved in the discussion "see" each other. Even medical services and nursing care providers on round-the-clock schedules can dash over to a nearby venue during working hours or after work for face-to-face communication.



Kitasato University Hospital



Remote conferencing with RICOH UCS