

**Positioning  
FY2020 &  
Accelerating  
Transformation**

**May 8, 2020**

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President and CEO  
Ricoh Company, Ltd.

# Forward-Looking Statements

The plans, prospects, strategies and other statements, except for the historical events, mentioned in this material are forward-looking statements with respect to future events and business results. Those statements were made based on the judgment of Ricoh's Directors from the information that is now obtainable. Actual results may differ materially from those projected or implied in such forward-looking statements and from any historical trends. Please refrain from judging only from these forward-looking statements with respect to future events and business results. The following important factors, without limiting the generality of the foregoing, could affect future results and could cause those results to differ materially from those expressed in the forward-looking statements:

- a. General economic conditions and business trend
- b. Exchange rates and their fluctuations
- c. Rapid technological innovation
- d. Uncertainty as to Ricoh's ability to continue to design, develop, produce and market products and services that achieve market acceptance in hot competitive market

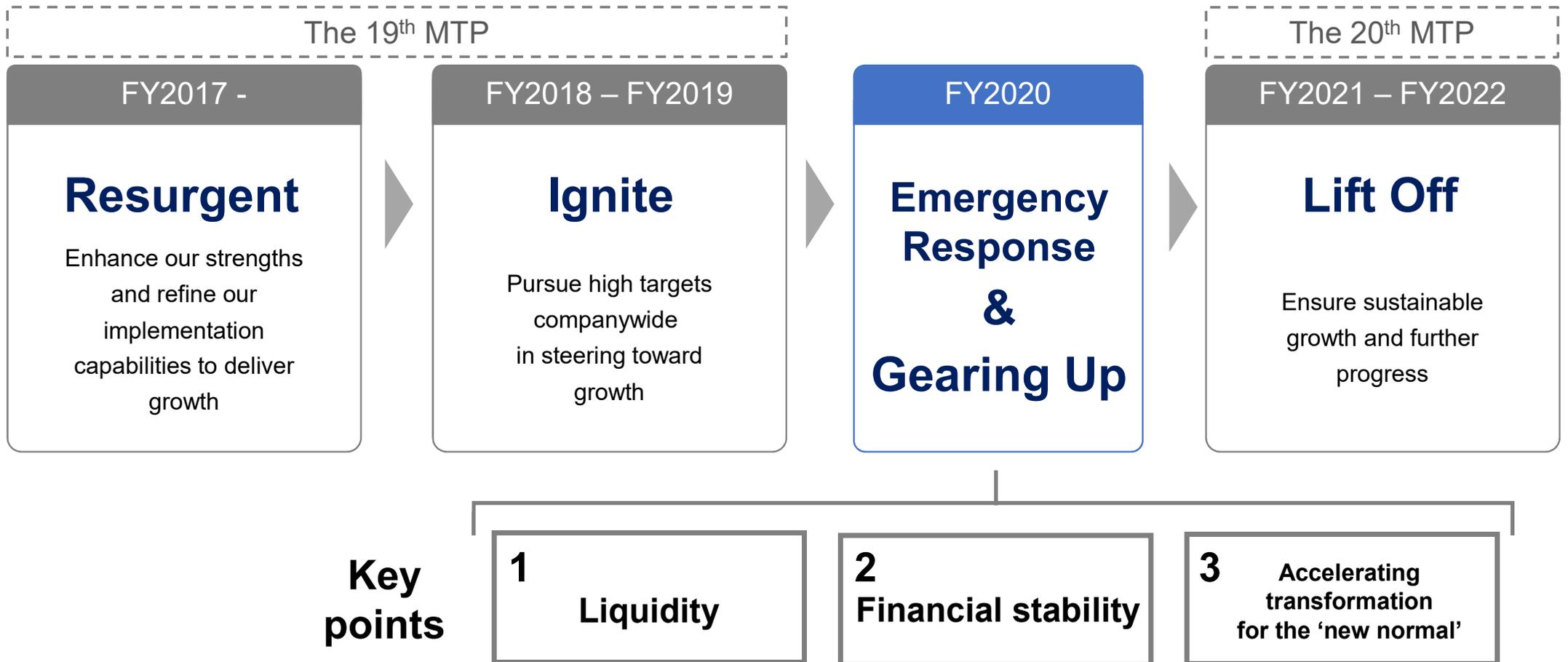
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This material is not an offer or a solicitation to make investments. Please do not rely on this material as your sole source of information for your actual investments, and be aware that investments decisions are your responsibility.

**Note: In this document, fiscal years are defined as follows:**  
FY2019 = Fiscal year ended March 31, 2020, etc.

# Positioning FY2020

A year of “Emergency Response & gearing up” to prepare for “Lift Off”



# 1. Securing liquidity to deal with business fluctuations

## Securing liquidity to deal with a 30% drop in annual sales

FY2019  
IR presentation  
Page. 15

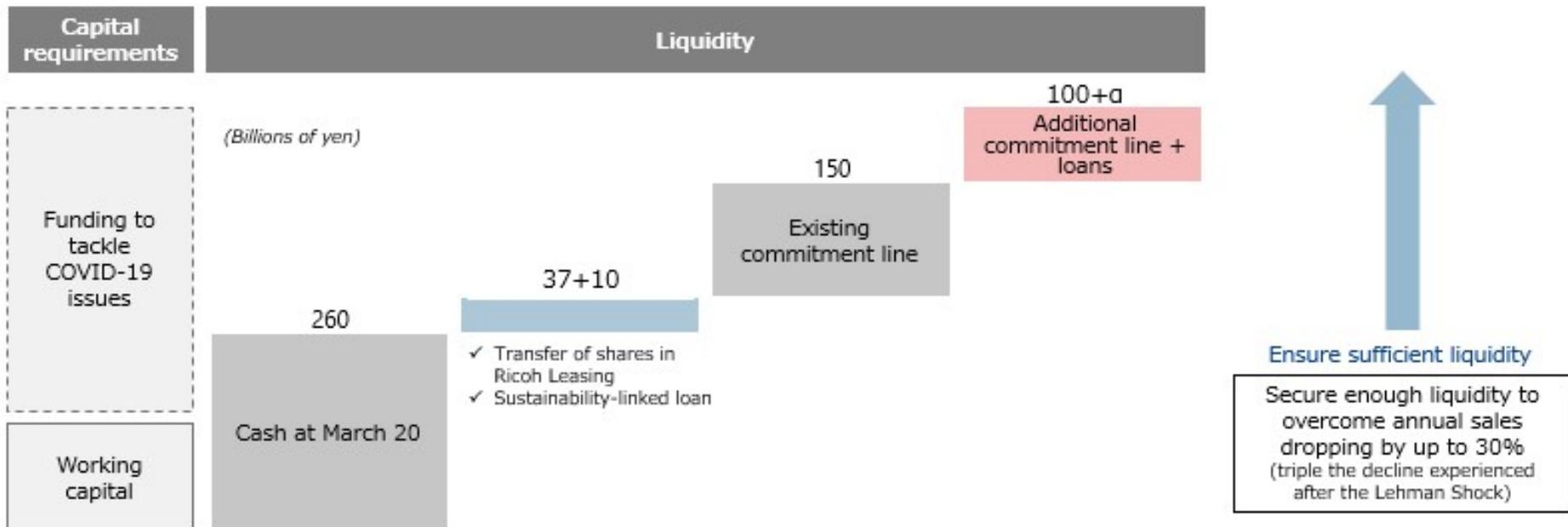
- Uncertain impact of COVID-19 pandemic on business results
- Making corporate survival a top priority and needing to ensure liquidity in the event of performance downturns

Assuming triple the decline experienced after the global financial crisis



### Key initiatives

- Ensure liquidity
  - ✓ Secure additional commitment line (current ¥150 billion + additional ¥100 billion)
  - ✓ Consider additional borrowing
- No change in policy of generating additional ¥100 billion in shareholder returns



## 2. Improving financial stability

### Improving financial stability and reducing both risk assets and debt through the de-consolidation of Ricoh Leasing

(billions of yen)

Asset	Liabilities & Equity
Lease asset <b>10,013</b>	Debt <b>9,334</b>
	Shareholder's equity* <b>9,325</b>

Equity ratio  
**34.2%**

Total assets: 2.7 trillion JPY

**Balance Sheet as at March 2019**



Asset	Liabilities & Equity
Lease asset <b>2,243</b>	Debt <b>1,796</b>
	Shareholder's equity* <b>9,202</b>

Equity ratio  
**52.8%**

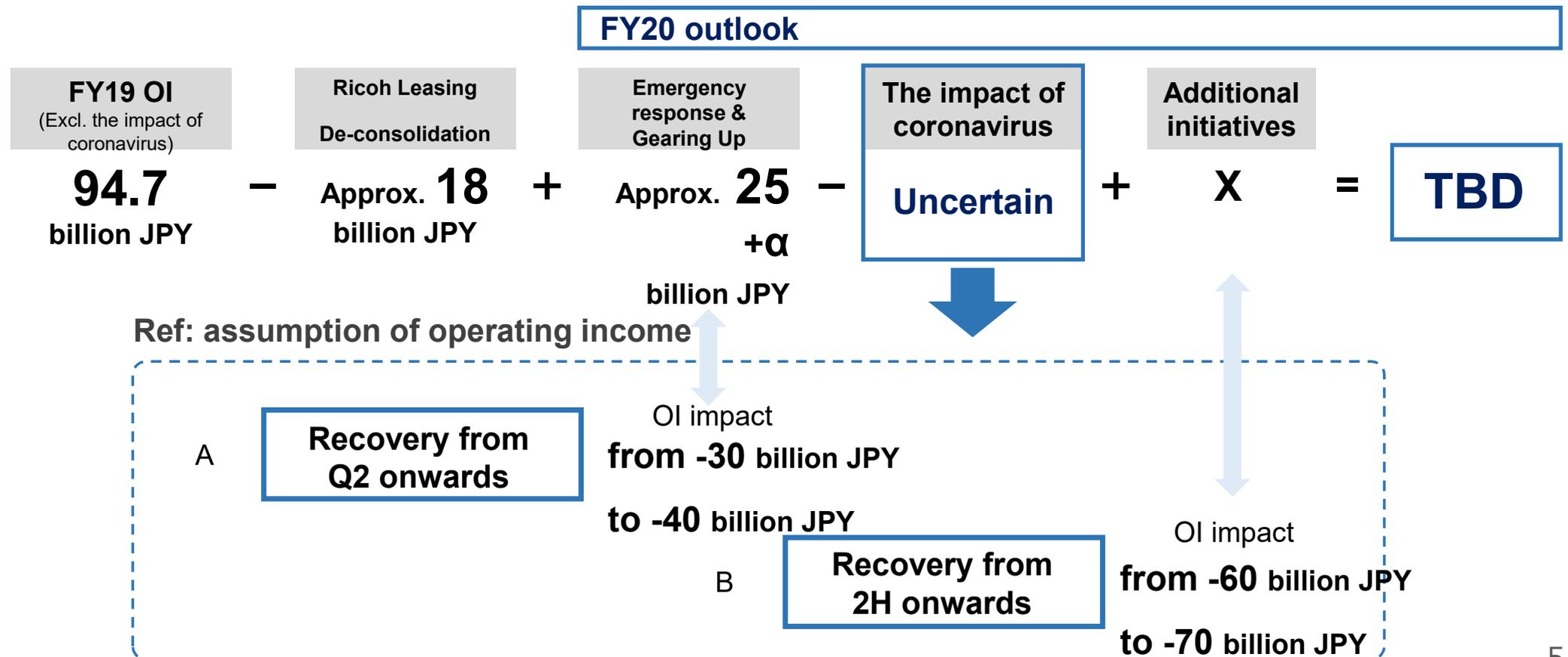
Total assets: 1.7 trillion JPY

**Balance Sheet as at March 2020**  
(excluding Ricoh Leasing asset)

\*Shareholder's equity: Equity attributable to owners of the parent  
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# Uncertainty of FY2020 outlook

- The impact of coronavirus is uncertain – both its magnitude and duration
- Implementing initiatives to recover profit, yet unable to see FY2020 outlook



### 3. Accelerating transformation for the 'new normal'

From an Office automation equipment manufacturer to a

## Digital services company

A company that supports workers' creativity and provides services to meet changing workplaces

#### Expected changes in society, markets and customers

- ✓ Greater emphasis on a more sustainable economy
- ✓ From paper to electronic data in the document market
- ✓ The borders of when and where we work will disappear
- ✓ Shift in importance to feeling valued and new ways of working (workstyles)  
→ increase in gig workers and sole traders
- ✓ Routine tasks will be automated and thereby reducing manpower  
→ people shift to focusing on more creative work



The spread of COVID-19 has forcibly accelerated a change to working practices

What we now need to accelerate is to:

**(1) Grow out of being a manufacturer**

**(2) Provide digital services**

## 3-(1) Grow out of being a manufacturer

Seeing the world of work now that we anticipated happening during “Ricoh Lift Off” has accelerated a change to our value proposition

Value proposition centered on an MFP



**Provide vertical solutions  
for each workplace**

A manufacturer that  
makes best-in-class  
devices



A company with a deep  
understanding of the issues  
associated with customers’  
business process

### <Ricoh’s initiatives>

#### **1** Comprehensively reform the value chain, which was optimized for our MFP business

- Prioritize development and production focus to provide best-in-class devices
- Expand procurement and supply OEMs
- Improve productivity in sales and service operations
- Optimize locations and organizational structure etc.

**16 billion JPY**

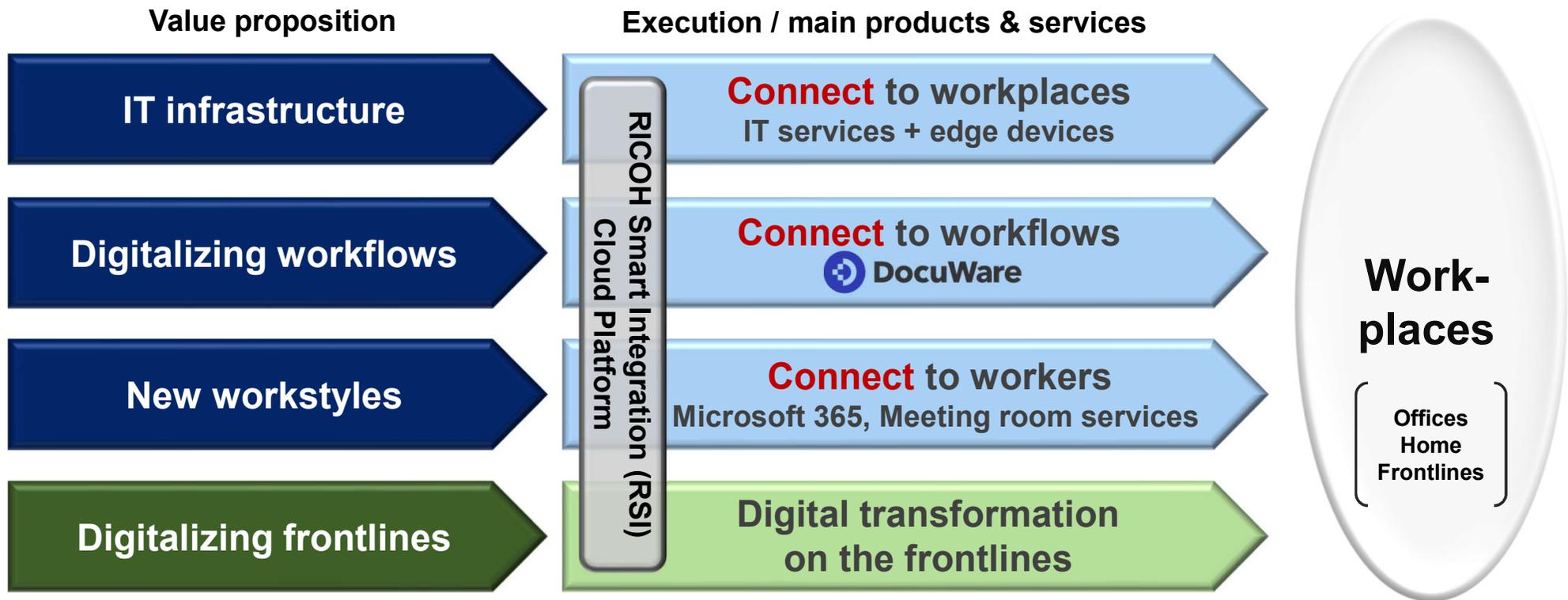
#### **2** Promote efficiency through our digital revolution

- Digitalize business processes in headquarters
- Strengthen digital manufacturing etc.

**9 billion JPY**

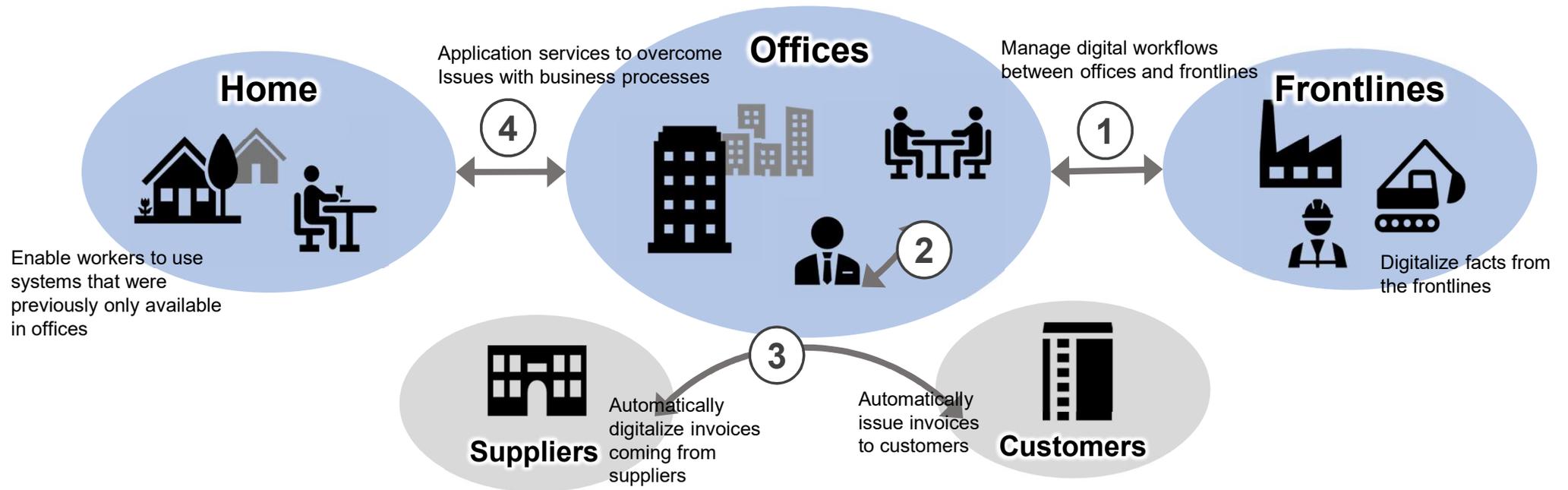
## 3-(2) Provide digital services

Ricoh's digital services include **IT infrastructure**, connecting **workflows** through digitalizing and providing **new workstyles**



# Services that digitalize diverse workplaces

Revealed by coronavirus: The importance of workplace digitalization.



Reduce stress between ① from frontlines and offices, ② from process to process, ③ from offices and offices and ④ from offices and home

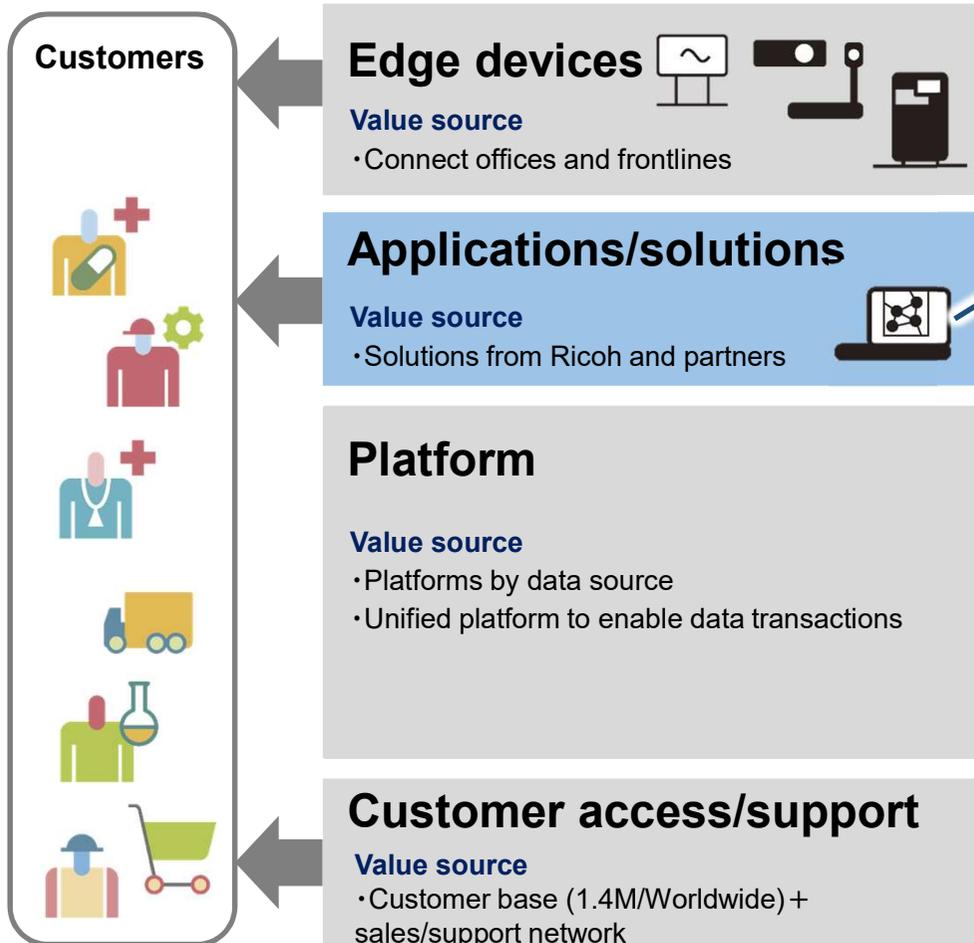
Key words are “Remote” and “Automated”

### 3-(2) Provide digital services

# Implementation in Japan: A lot of vertical applications



Extracted from Growth strategy "Ricoh Ignite" issued on Feb. 6<sup>th</sup>, 2018



## Remote working applications

Remote

- Work from home pack
- + Adding a service package that provides secure printing (plan to release by the end of May 2020)

Auto-mated

## Vertical applications

- For well-being, a security and safety package
  - Monitoring visitors using 3D sensors to prevent incidents
- Construction
- Manufacturer
- Logistics
- Real estate
- Healthcare
- Tourism

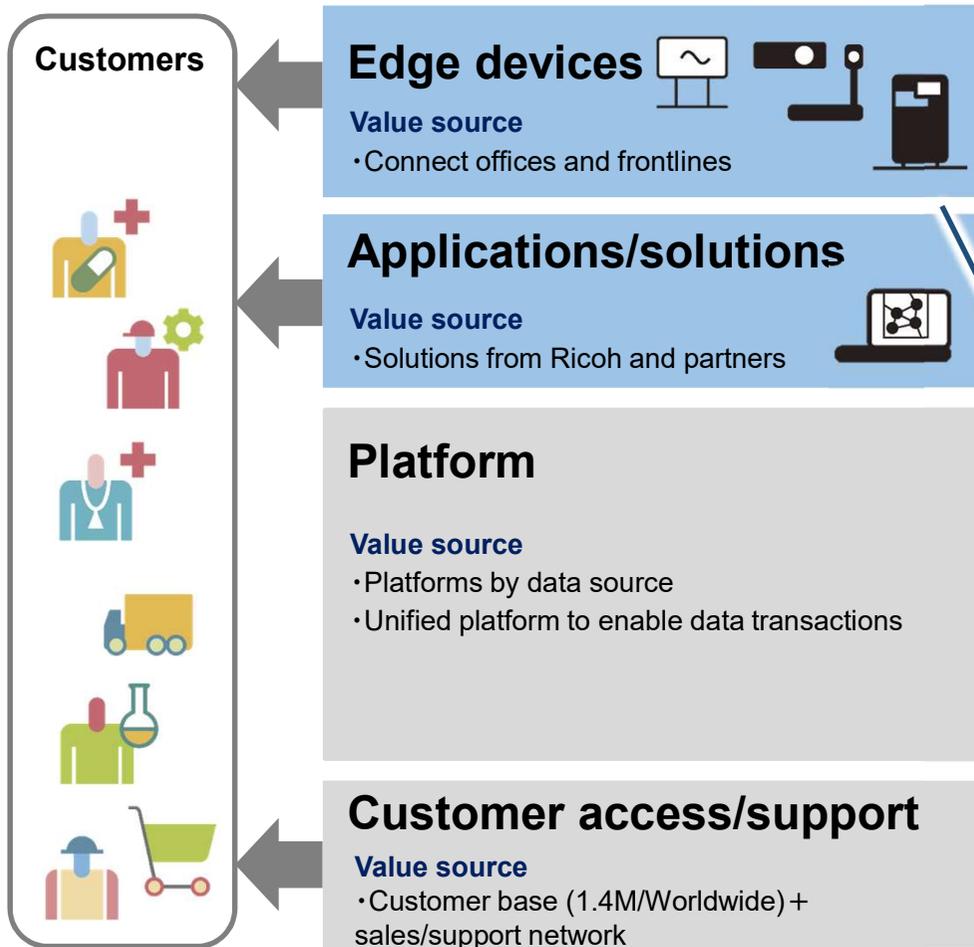
**Plan to release 108 packages (10 verticals + 1 business process) in early June**

### 3-(2) Provide digital services

## Implementation overseas: Packaged services for “remote” work



Extracted from Growth strategy “Ricoh Ignite” in Feb. 6<sup>th</sup>, 2018



### Remote working service

Remote

- A packaged service to provide laptops, printers as well as a guidebooks, training and support

- Large insurance company in UK had to shift all employees to remote working due to the virus.
- Ricoh UK provided all devices (Thousands of tablets, smartphones and headsets)
- Established the IT network and security protocols

### Virtual classroom service

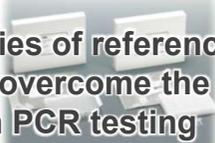
Remote

- A package of devices and software to provide remote classrooms

- Ricoh Italy provided the service on a 30-day free trial basis to schools/universities
- Teachers can easily host a classroom session through the video conferencing system
- Students can access the classroom from their computers, tablets or smartphones

# Digital needs addressed on the frontlines

“Remote” and “Automated” are required even in frontlines

Frontlines	Needs	Value proposition	Products/services
<b>Real estate</b>	<ul style="list-style-type: none"> <li>• Need to experience a property without going on-site</li> </ul>	<ul style="list-style-type: none"> <li>• Provide remote property viewings by digitalizing 360 degree images of rooms using THETA</li> </ul>	<b>Virtual Tour Services</b> 
<b>Social infrastructure</b>	<ul style="list-style-type: none"> <li>• Prioritize maintenance based on road conditions</li> </ul>	<ul style="list-style-type: none"> <li>• Capture road surface data using our stereo camera mounted on motorcar</li> </ul>	<b>Road inspection system</b> 
<b>Hospitals</b>	<ul style="list-style-type: none"> <li>• Need to minimize secondary infections by accurately identifying infected individuals</li> </ul>	<ul style="list-style-type: none"> <li>• Provide DNA standard template to improve accuracy of PCR testing</li> </ul>	<b>Standard DNA series of reference DNA plates that overcome the challenges with PCR testing</b> 
<b>Schools</b>	<ul style="list-style-type: none"> <li>• Need to have a highly interactive classroom experience, even during lockdown</li> </ul>	<ul style="list-style-type: none"> <li>• Provide packaged services that include hardware and software to enable remote classrooms</li> </ul>	<b>Virtual Classroom Services</b> 

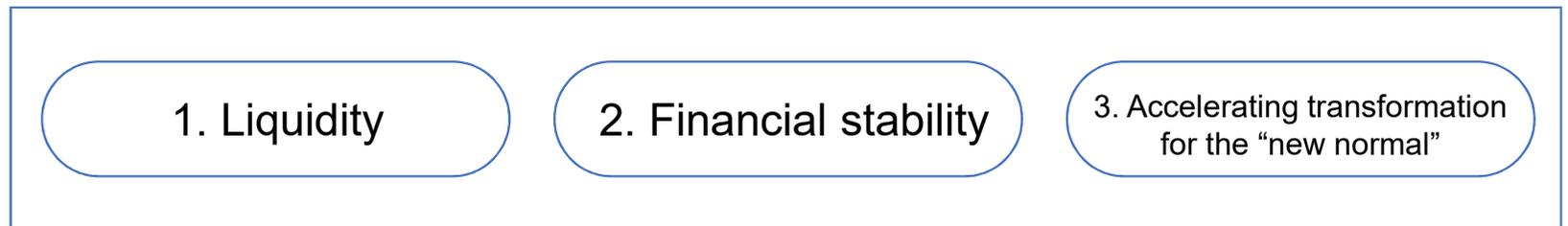
# Execution Plan & communication with capital markets



- Present current status of initiatives to capital markets quarterly
- Announce the 20<sup>th</sup> Mid Term Management Plan at the appropriate time

- Monitor management and initiatives
- Support strategy and policy implementation with flexibility

**Executive directors (Yamashita, Matsuishi and Sakata) are in charge of Emergency Project**



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imagine. change.