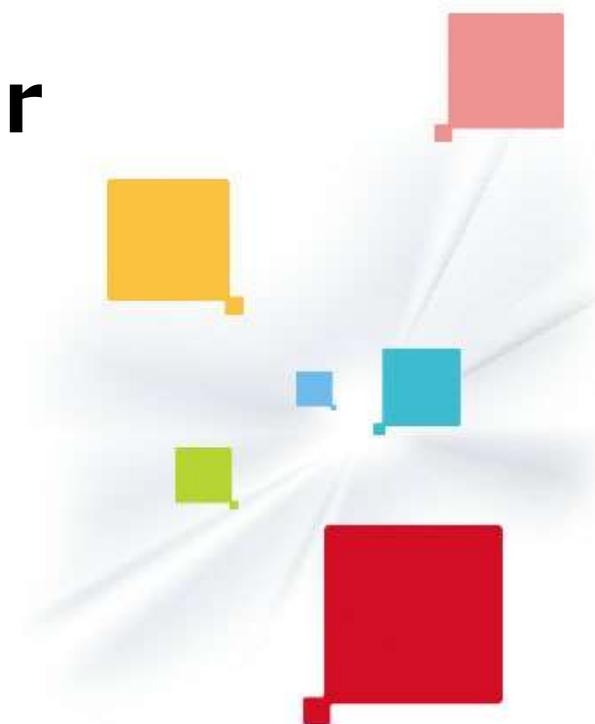


Consolidated Results for the Year Ended March 31, 2021

May 7, 2021
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

No company's name and/or organization's name used, quoted and/or referenced in this material shall be interpreted as a recommendation and/or endorsement by Ricoh.

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:

FY2020 = Fiscal year ended March 31, 2021, etc.

Business category and other changes

In fiscal 2020, Ricoh shifted some Office Services businesses to the Office Printing and Other categories. We also allocated some headquarters expenses to the relevant departments. We have accordingly retroactively revised numbers for the previous corresponding period.

Ricoh's 20th Mid-Term Management Plan

Transitioning Toward Tomorrow

- Transform from an office automation equipment manufacturer to a digital services company
- Reform corporate profit structure through ROIC management and adopt business unit structure

Vision for 2036

Fulfillment through Work

**FY2023–2025
21st Mid-Term
Management Plan**

**FY2021–2022
20th Mid-Term
Management Plan**

Lift off

**FY2018–2019
Ignite**

**FY2020
Emergency
Response &
Gearing Up**

**FY2017
Resurgent**

To FY2016

- Optimized MFP production and sales structure
- ROIC approach unclear

- Boosted profitability by reviewing five major principles
- Screened businesses and reviewed assets

- Simultaneously grew and generated earnings in Office Services business
- Strategically invested based on cash allocations

- Office Services business to drive Group earnings
- Sustainably improve corporate value by growing businesses and enhancing and capital returns

Medium to Long-term target for 2025

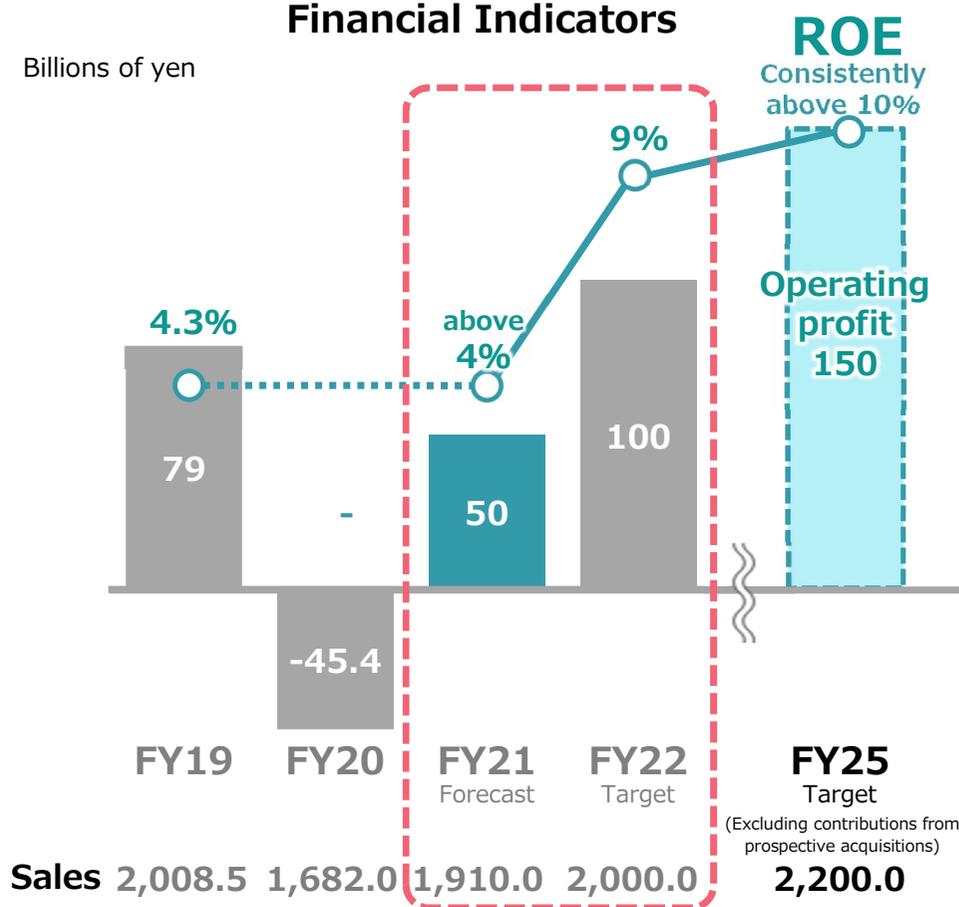
March 3rd, 2021
The 20th MTP



Be a digital services company that supports creativity of workers and connects their workplaces

Financial Indicators

Billions of yen



World-class sustainability and ESG ratings

Business | Recognized as a digital services company

- Office Services business to lead in revenues and profits
- Five business units run business operation optimal for customers
- Group Head Office focuses on group management

Finance | ROIC management externally valued capital policy

- Corporate value maximized by keeping ROE above 10%
- Minimum ¥150 billion in operating profit
- ROIC-driven business portfolio management
- Solid growth investments and shareholder returns

FY2020 Full-Term Summary

- Achieved structural reforms and business growth in office services
- For gearing up, prepared for change to business unit structure and strengthened self-motivated employees

FY2020

Emergency Response & Gearing Up

Substantially generated ¥13.3 billion in operating profit in Q4 by strengthening structural and business growth

→Response to future growth

FY2021

Steering toward
Growth

Business Unit
Presentation

March 3rd, 2021

RICOH Digital
Services
Akira Oyama

March 3rd, 2021

RICOH Digital
Products
Katsunori Nakata

May 7th, 2021

RICOH Graphic
Communications
Sergio Kato

TBD

RICOH Industrial
Solutions
Yasutomo Mori

TBD

RICOH Futures
Takahiro Irisa

Overview of FY2020 Results

Key Indicators

Q4: Operating profit after excluding transient factors was ¥13.2 billion
(Effectively up ¥22.1 billion yen from forecast after taking one-time cost increases into account)

Full year: Posted operating loss of ¥45.4 billion (effectively, loss of ¥10.8 billion)
owing to impairment and other one-time charges

Quarterly statements of income

(billions of yen)	FY2019	FY2020	Year-on-year change	Effective change* ¹	FY2020 Q1	FY2020 Q2	FY2020 Q3	FY2020 Q4	FY2020
Sales	2,008.5	1,682.0	-16.3%	-13.6%	352.3 (-26.2%)	409.6 (-20.8%)	431.1 (-13.6%)	488.9 (-5.0%)	1,682.0 (-16.3%)
Gross profit	721.5	572.3	-20.7%	-16.9%	122.0	140.3	153.3	156.5	5,72.3
Selling, general and administrative expenses	642.5	617.7	-3.9%	-2.2%	143.3	149.6	152.4	172.2	6,17.7
Operating profit	79.0	-45.4	-	Operating Profit	-21.2	-9.3	0.8	-15.6	-45.4
Operating margin	3.9%	-	-	Transient factors* ²	2.7	-1.7	-6.6	-28.9	-34.6
Profit attributable to owners of the parent	39.5	-32.7	-	Operating profit after factoring out transient factors* ²	-23.9	-7.5	7.4	13.2	-10.8
ROE	4.3%	-3.6%							
Exchange rate	Yen/US\$ Yen/euro	108.80 120.90	106.05 123.70	-2.75 +2.80					
R&D expenditures	102.8	90.3	-12.4						
Capital expenditures	86.5	42.1	-44.4						
Depreciation	62.5	45.3	-17.1						

*¹ YoY change after excluding forex factor, impacts of share transfers and removals from consolidation in previous fiscal year

*² Transient factors: structural reforms expenses, production reorganization costs, impairment, and government subsidies

FY2020 Results

Segment Operating Profit



Full year: All businesses except Industrial Printing effectively profitable (after one-time expenses)

Q4: Office Services earnings soared to ¥14.5 billion

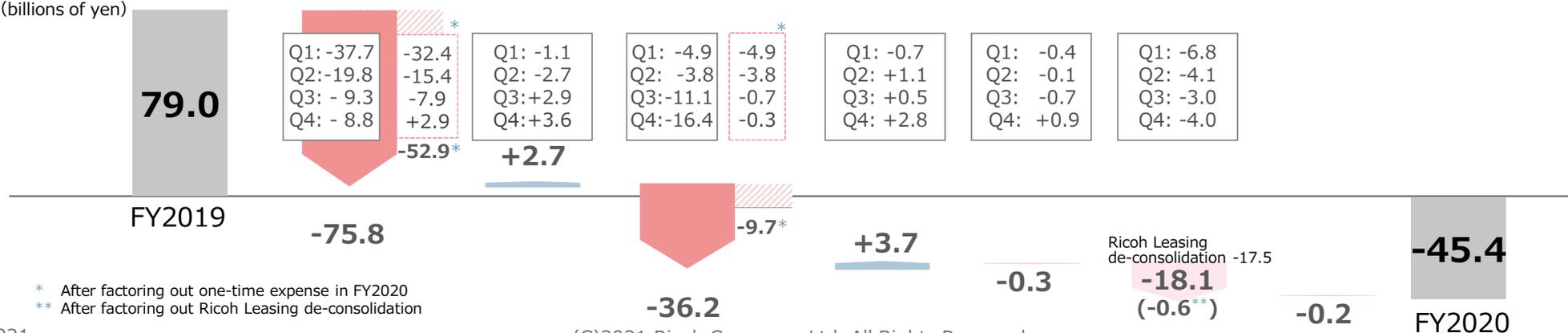
Industrial Printing in the black for the first time

Office Printing and Commercial Printing businesses recovered to last year's levels (after one-time expenses)

(billions of yen)	Office Printing	Office Services	Commercial Printing	Industrial Printing	Thermal	Others	Eliminations and Corporate
FY2020	6.7(29.6)	35.4	-14.6(11.8)	-1.6	2.6	-22.4	-51.4
Q1	-8.0(-2.7)	3.8	0.8	-1.2	0.5	-6.4	-10.6
Q2	1.7(6.1)	7.7	1.1	-0.6	0.3	-5.2	-14.5
Q3	12.4(13.8)	9.2	-5.0(5.3)	-0.1	0.6	-4.3	-11.8
Q4	0.5(12.3)	14.5	-11.5(4.5)	0.3	1.1	-6.4	-14.3

Segment Operating Profit Changes

(billions of yen)



* After factoring out one-time expense in FY2020

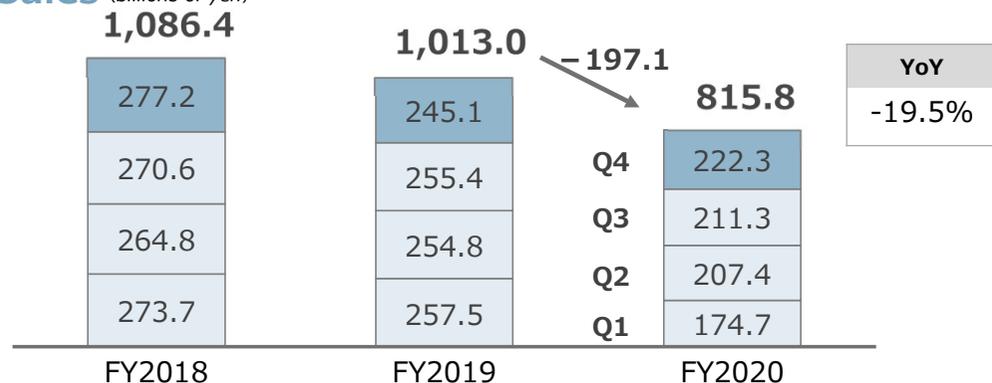
** After factoring out Ricoh Leasing de-consolidation

FY2020 Results Office Printing



Excluding one-time expenses, Q4 operating profit of ¥12.3 billion (actually ¥500 million), with full-term post-expense result of ¥29.6 billion (actually ¥6.7 billion) on emergency initiatives and business structure reforms efforts

Sales (billions of yen)



Q4 Overview

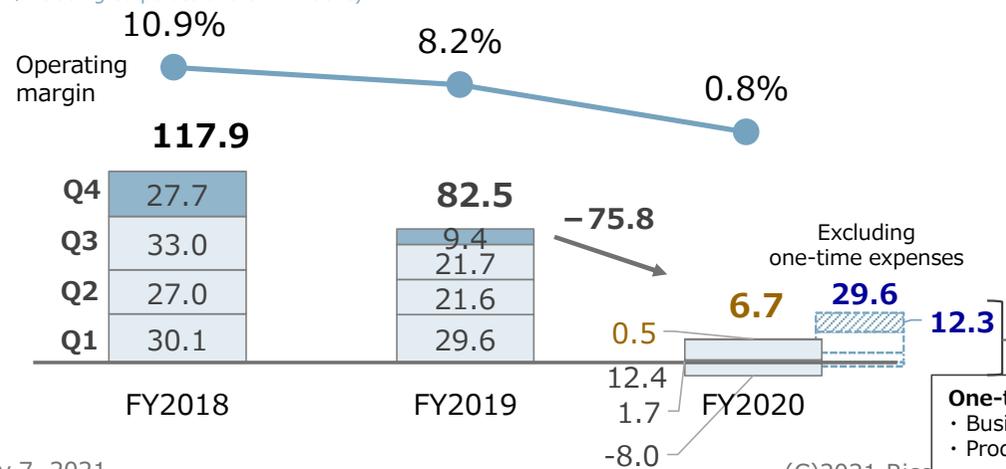
- Operating profit ¥0.5 billion (¥12.3 billion after excluding one-time expenses)
- Hardware: Asia drove recovery, while nothing changed from Q2 in Europe and United States
- Nonhardware: Sales recovered to 85% of previous year levels (around 3% higher than anticipated)

Excluding forex impact

YoY sales change	Q1	Q2	Q3	Q4	FY2020
Hardware	-31%	-15%	-17%	-10%	-18%
Non-hardware	-33%	-23%	-18%	-15%	-22%

Operating profit (billions of yen)

(Excluding corporate and eliminations)



Region	Q1	Q2	Q3	Q4	FY2020
Japan	83%	87%	94%	101%	91%
Americas	59%	70%	71%	78%	70%
Europe	61%	84%	81%	84%	77%

Overview

- Emergency measures and efforts to strengthening business structure led to operating profit of ¥6.7 billion (¥29.6 billion after excluding transient expenses)
- Lower office attendance rates stemming from pandemic cut earnings by around 20%, with performance bottoming out in Q1 and recovering (from 30% decline, to somewhere about 10% down)

One-time expenses 22.8

- Business structure reforms 16.8
- Production structure reorganization 5.0, etc.

FY2020 Results

Office Printing : Results trends by country and region

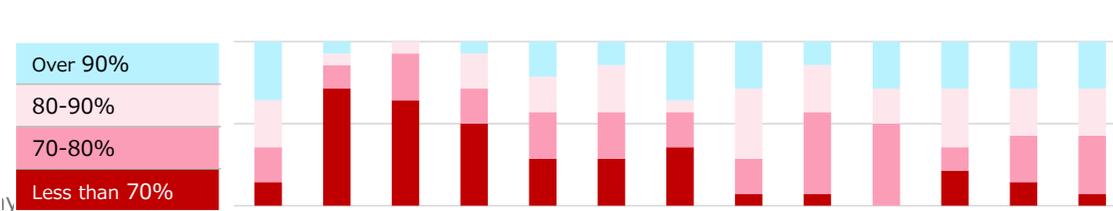
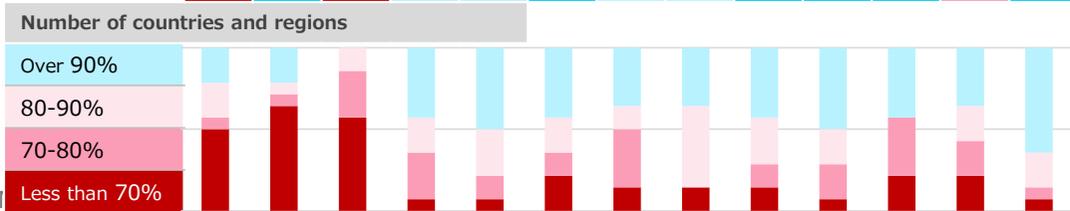
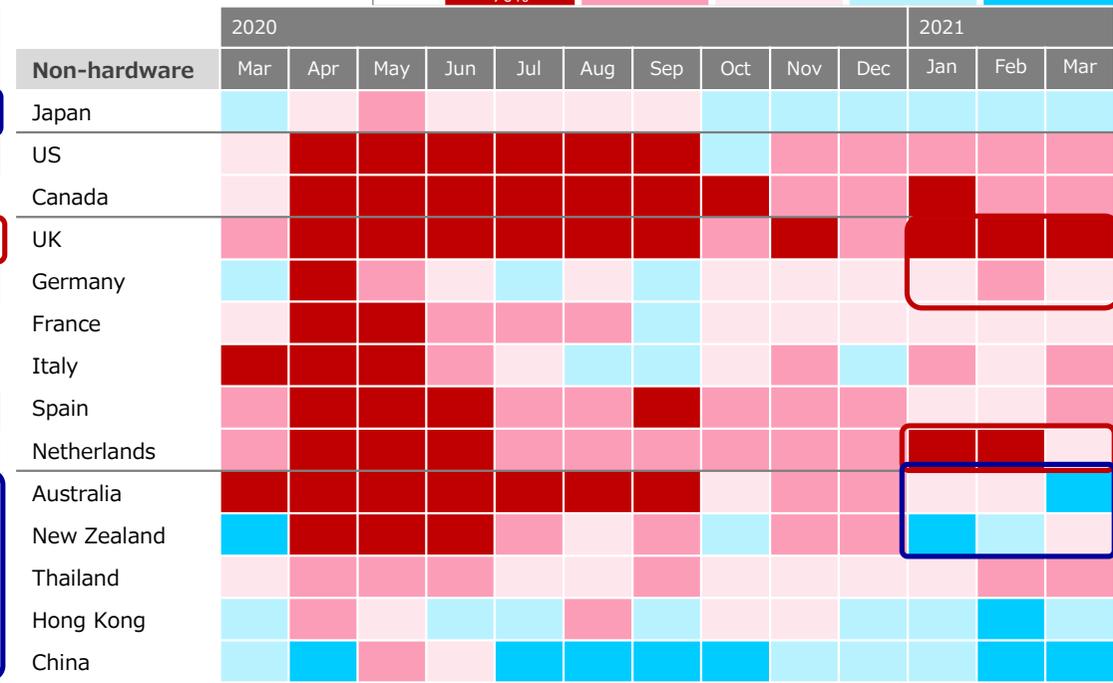
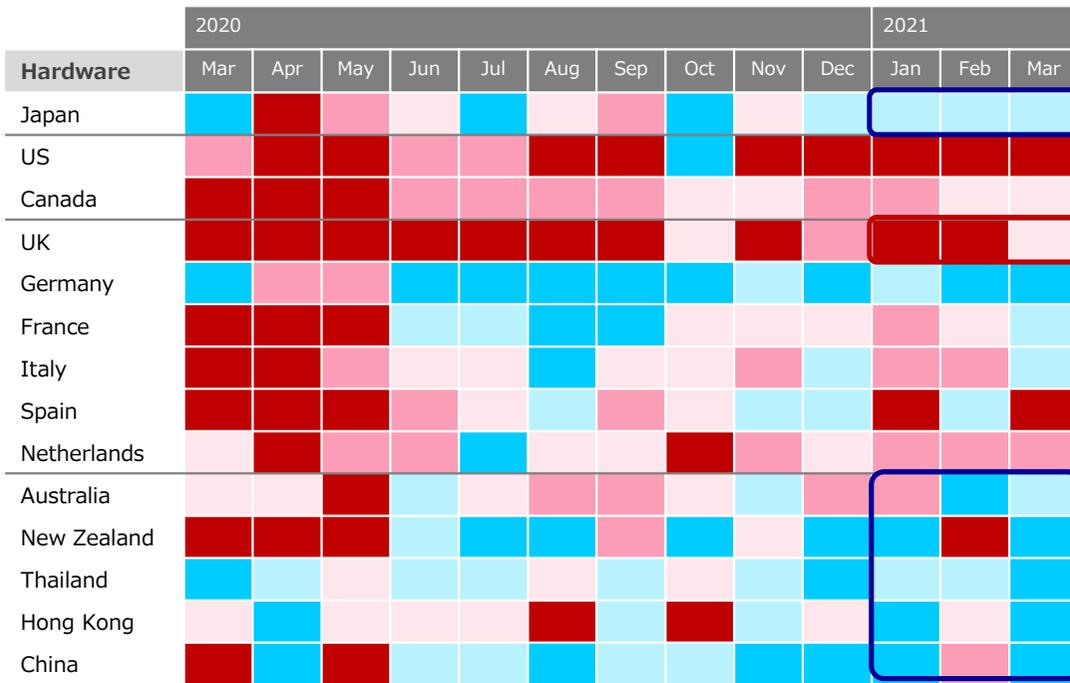


In Japan and elsewhere in Asia, recovered after bottoming out in spring 2020, and in hardware performed at pre-pandemic levels in Q4

North America and Europe: Hardware and non-hardware performances stagnant from fall season; with signs emerging recently of office attendance recovery (see next page)

Sales compared with previous year
(by country and region)

Year on year after excluding forex impact (excluding pandemic impact for China after January 2021 and for other operating regions after March)



FY2020 Results

Office Printing: Pandemic Impact on MFP Printing Volumes

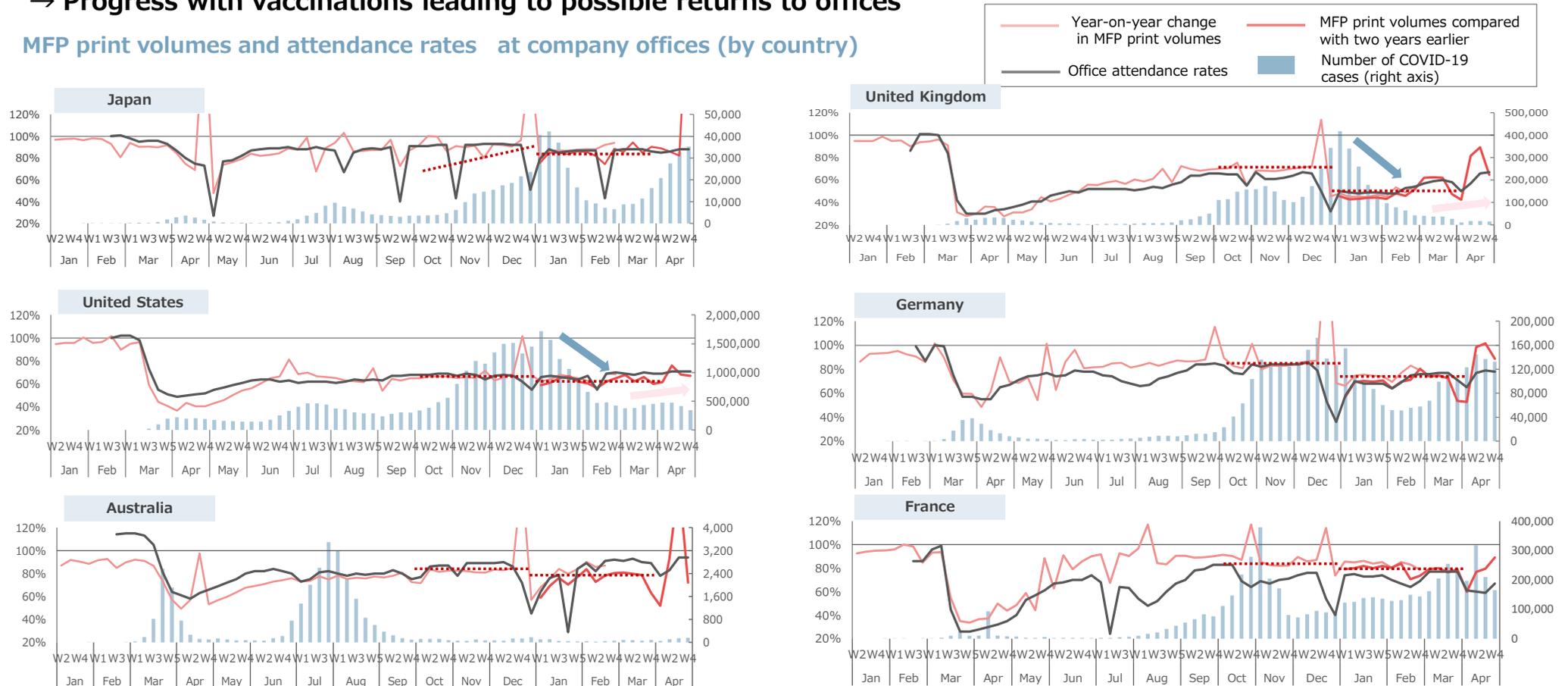


Q4 volumes on par with those of Q3, as expected

In Europe, lockdowns from November 2020 and spreads of COVID-19 variants, with Japan seeing State of Emergency declarations and other moves from January

COVID-19 case numbers declined in United States and Europe, leading to signs of office attendance rates recovering
 → Progress with vaccinations leading to possible returns to offices

MFP print volumes and attendance rates at company offices (by country)



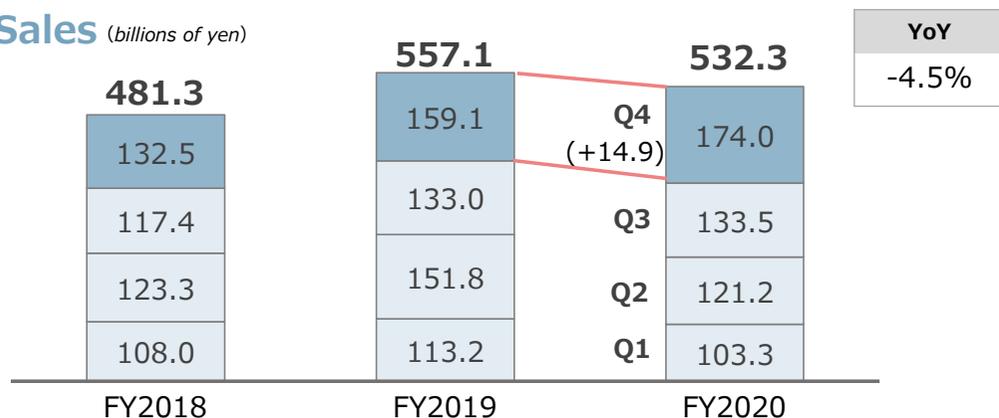
Note: Office attendance rates based on the Google Community Mobility Report, showing rates of change in traffic to workplace since before pandemic. Weekly data published each Tuesday. Print volumes based on Ricoh @Remote data, with change in MFP print volumes from previous corresponding period. Number of COVID-19 cases from Johns Hopkins University-announced figures.

FY2020 Results Office Services



Revenues and earnings up in Q4 owing to strong structure and favorable package deployments
→ Operating margin exceeded 8% for first time

Sales (billions of yen)



Q4 overview

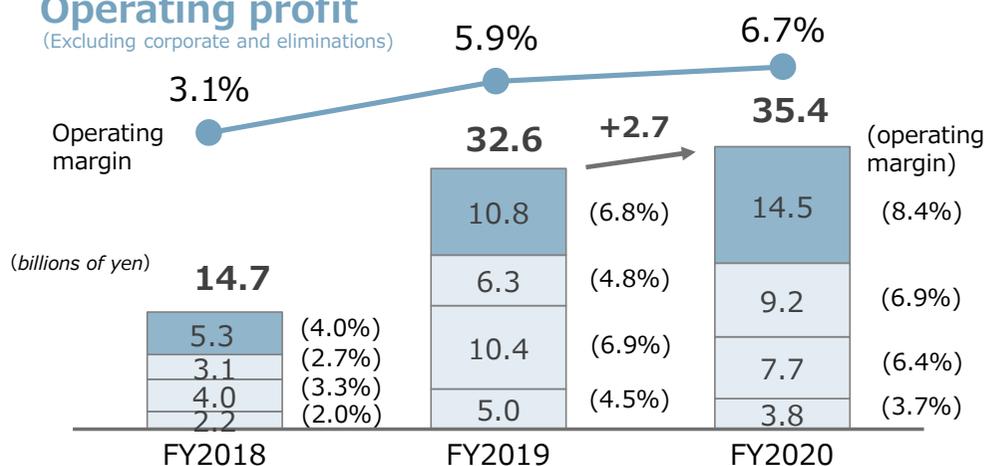
- IT Services and applications
Japan: Scrum Series sales remained robust, rocketing 89% year on year
Scrum package sales reached record 10,000 units in March 2021
Europe: Strengthened sales and services capability generated synergies, with sales jumping 21%*1
- IT infrastructure: Domestic GIGA school transactions peaked (contributing to sales)
- Business Process Services: Sales off owing to closures of around 10%*2 of services sites

*1. YoY change after excluding forex impact for Office Services operations in Europe, Middle East, and Africa

*2. Percentage of U.S. services sites closed

Operating profit

(Excluding corporate and eliminations)



Sales (billions of yen)	Q4	YoY	FY2020	YoY
Office services business	174.0	+9.4%	532.3	-4.5%
IT infrastructure (hardware and software)	88.8	+16.8%	242.8	-6.7%
IT services (including maintenance and outsourcing)	35.2	+8.7%	113.3	+3.7%
Applications (business-specific apps and in-house apps)	22.5	+10.4%	73.4	+7.3%
Business Process Services	22.3	-16.5%	86.1	-20.1%

FY2020 Results

Office Services: Regional situations



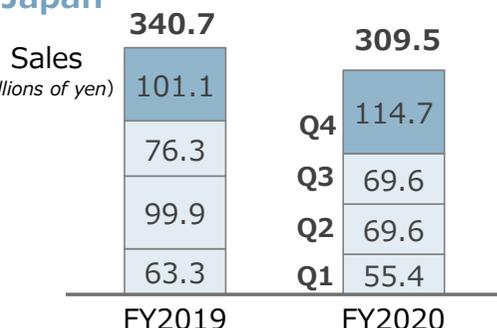
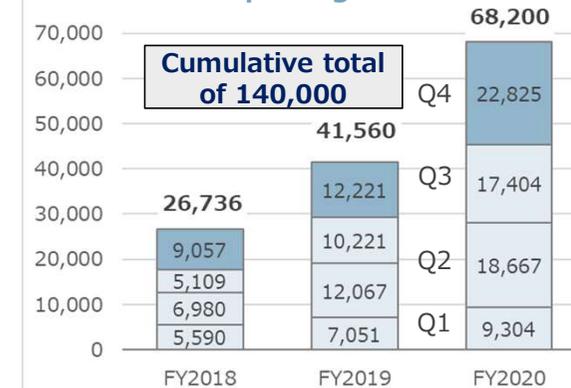
Japan

Sales rose in Q4 on accelerated Scrum Series sales and contributions from GIGA school deals

(1) Scrum Series sales accelerated

	FY2020		H1	H2
	Sales	YoY	YoY	YoY
Scrum packages (for small and medium-sized enterprises)	45.2	154%	132%	175%
Scrum assets (for mid-sized companies)	21.1	266%	293%	252%
total	66.3	178%	156%	194%

Scrum package sales units



(2) Q4 GIGA school deals were ¥33.5 billion

→ In FY2021: Acquire network, managed services, and other derivative businesses

Europe

Sales increased 21% YoY on strengthened structures systems in priority countries and package deployments

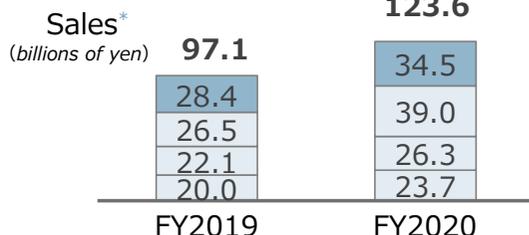
(1) Accelerated Work Together, Anywhere rollouts deployments

Orders: ¥7.2 billion, with ¥41 billion in pipeline (as of end of Q3 orders were ¥5.7 billion, with ¥34.4 billion in pipeline)

(2) Expanded DocuWare deployment

Strengthened structures in priority countries and expanded number of nations in which DocuWare is deployed (Q4 sales soared 71% YoY)

(3) Strengthened training of multi-skilled service staff



* Includes the Middle East and Africa

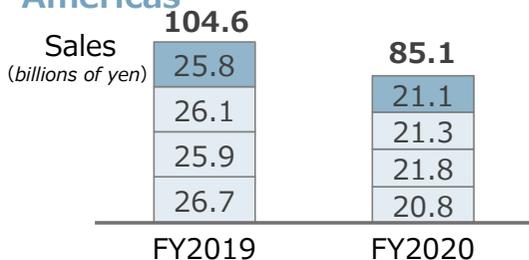
Americas

Undertook output center closure recovery measures and accelerated digital services business development

(1) Business Process Services: Increased income on activities to reduce costs despite lower revenues from site closures, and strengthened mail and fax forwarding and other services.

(2) Bolstered DocuWare sales structure

(3) Strengthened services and packages to digitize workplaces



FY2020 Results

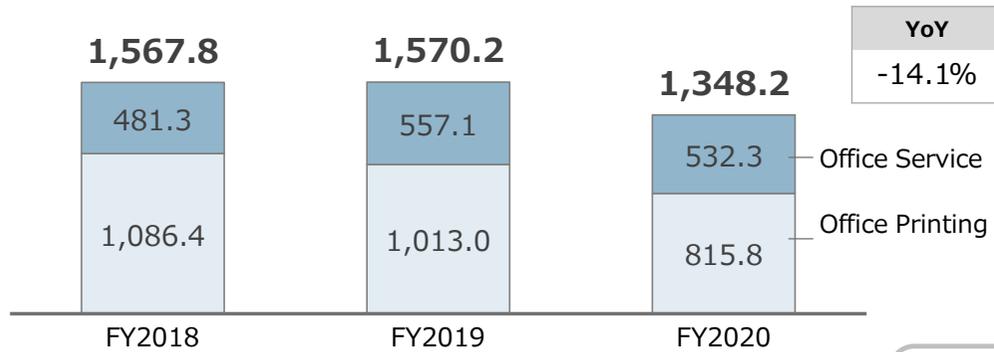
Office Business Total



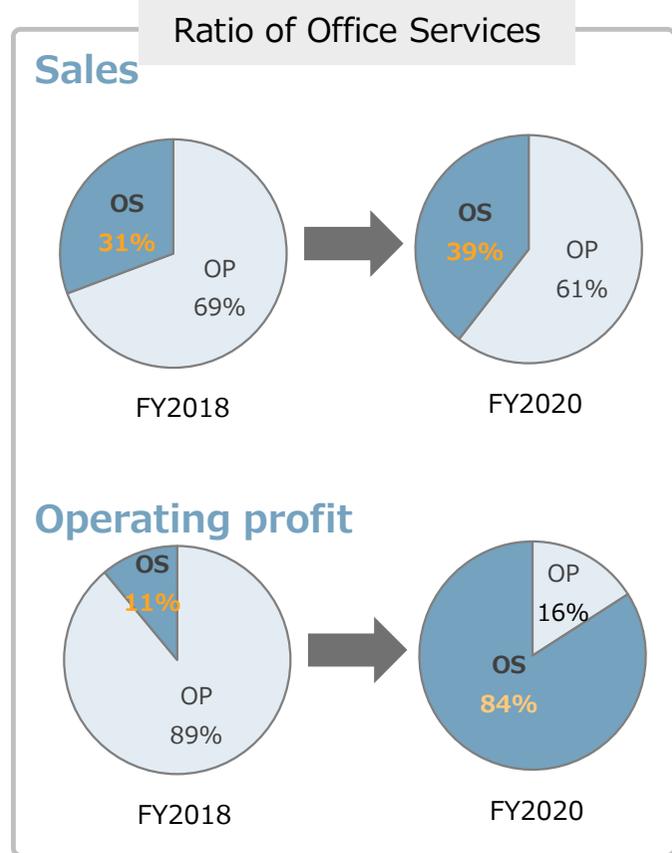
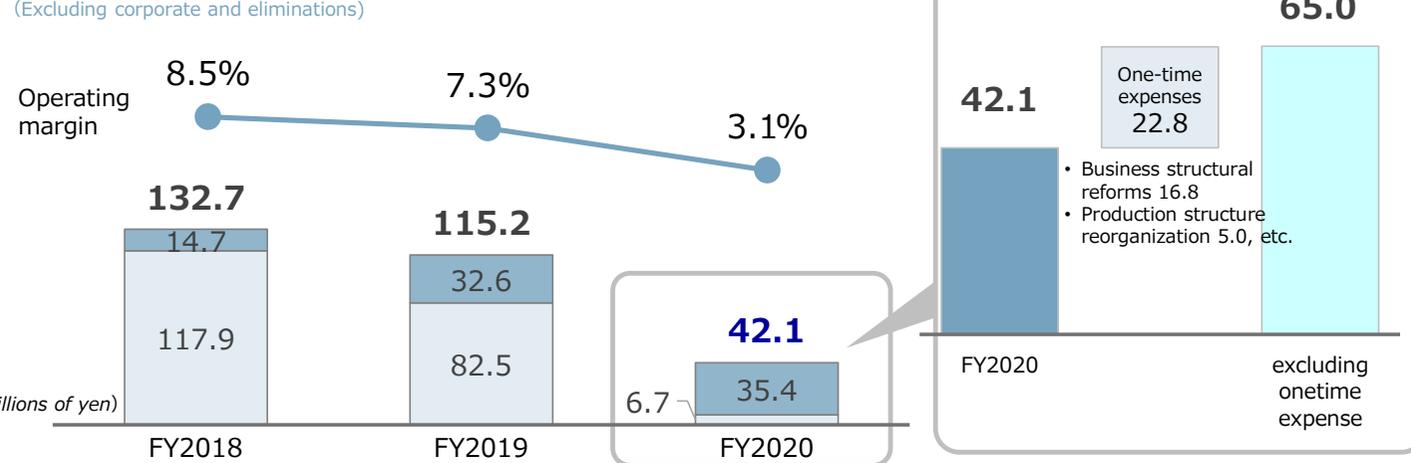
Total Office Business revenues and earnings were down, although we posted an operating profit of ¥42.1 billion (effectively ¥65.0 billion)

Office Services business: 31% of sales in FY2018 → 39% in FY2020
 11% of operating profit in FY2018 → 84% in FY2020

Sales (billions of yen)



Operating profit (Excluding corporate and eliminations)



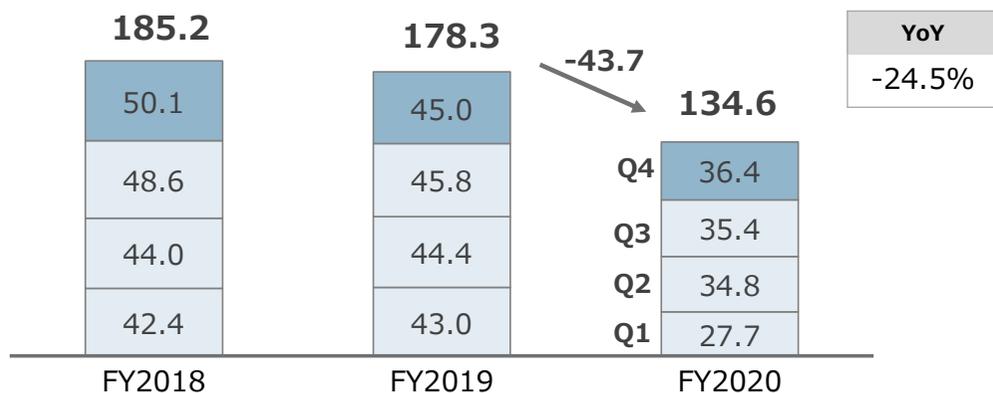
FY21 forecast	OS ratio
Sales	41%
Operating profit	48%

FY2020 Results

Commercial Printing

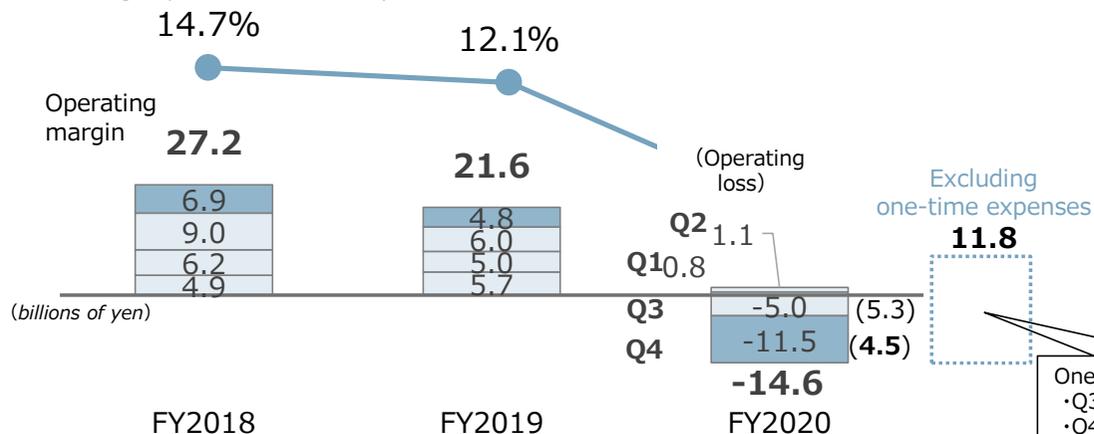
Revenues and earnings dwindled as recovery slowed down amid a resurgence in infections
Operating loss of ¥14.6 billion (after excluding one-time expenses, operating profit of ¥11.8 billion)

Sales (billions of yen)



Operating profit

(Excluding corporate and eliminations)



Q4 overview

- Hardware: Benefited from solid production printing demand
Demand for enterprise printing dropped from pandemic impact
- Non-hardware: Production printing demand recovered on demand from people spending more time at home
enterprise printing recovery delayed
- Impact of impairment losses of 16.1 billion (revised profit forecast owing to production system reorganization)
- After excluding impairment losses, operating profit was ¥4.5 billion

excluding forex impact

Sales YoY Change*	Q1	Q2	Q3	Q4
Hardware	-39%	-28%	-33%	-25%
Non-hardware	-34%	-20%	-16%	-15%

Americas	66%	71%	73%	71%
Europe	56%	78%	77%	84%
Japan	85%	101%	91%	97%

⇒ Pandemic recovery and expansion from launching strategic products and developing sales channels



New products
 RICOH Pro C5300s/C5310s
 color production printer

FY2020 Results

Industrial Printing

Sales for year rose 7.3%, to ¥24.6 billion, on growth each quarter (Q4 revenues rocketed around 50%)
Returned to profitability in Q4 on robust sales of inkjet heads and industrial printers and initiatives to reinforce structure

Sales (billions of yen)



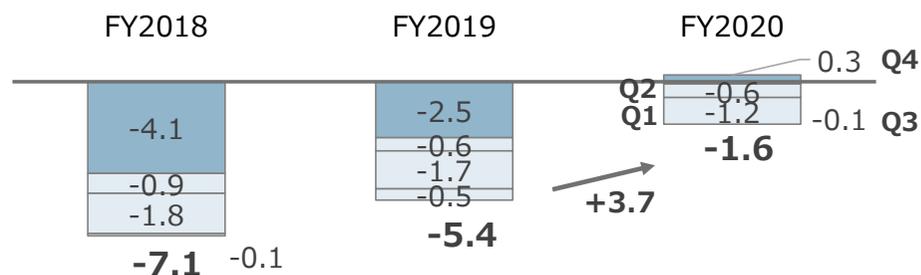
Q4 overview

- Inkjet printheads: Launched new thin-film inkjet head
→ Expanded in high-end and low-end offerings (the sales increasing 50% YoY)
- Industrial Printers
Textile models: Sales surged 90% YoY to e-commerce companies amid shift to Internet with demand from people spending more time at home
- Wide-format models: Struggled amid falling advertising demand from resurgence in infections

Operating profit

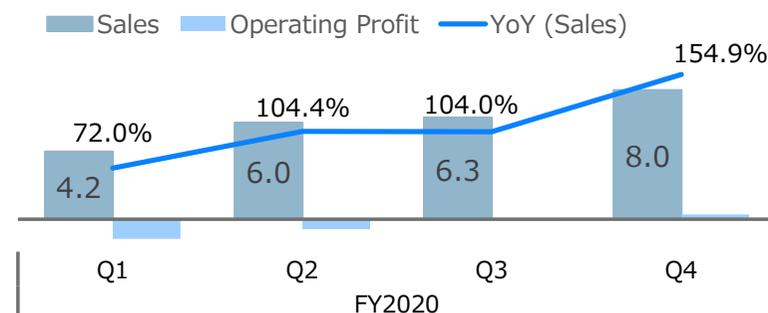
(Excluding corporate and eliminations)

(billions of yen)



Overview

- Sales grew after Q2, reaching ¥8 billion in Q4

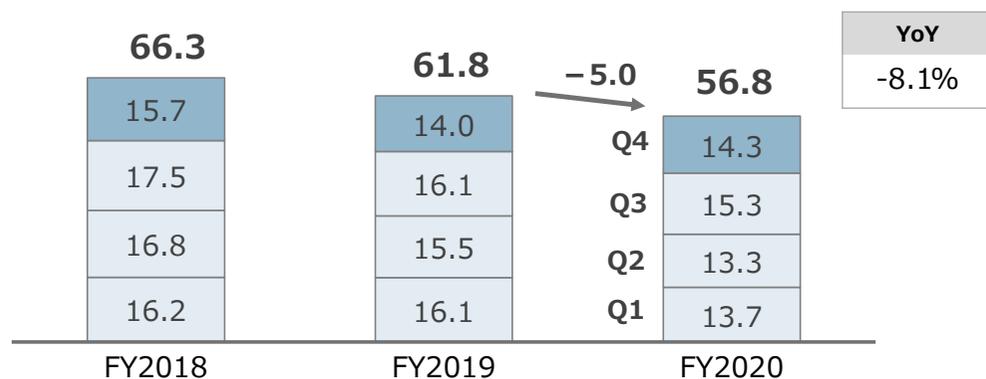


⇒ Looking to launch new inkjet heads and expand in textiles field

FY2020 Results Thermal

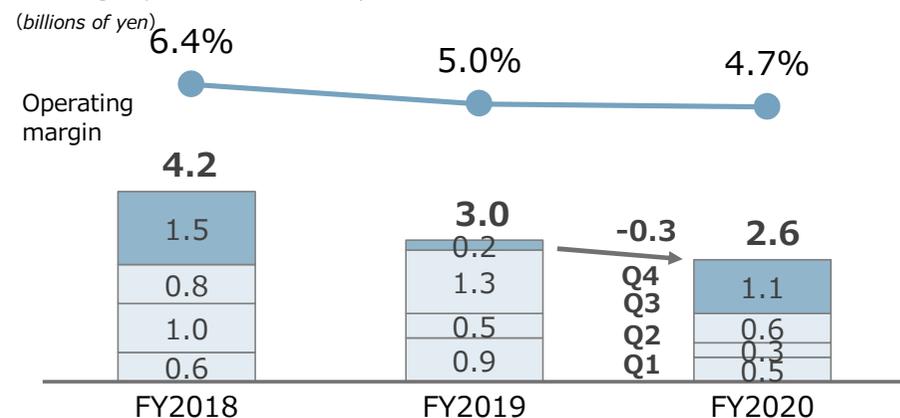
Steadily improved performance after bottoming out in Q1, with revenues and earnings rising in Q4

Sales (billions of yen)



Operating profit (billions of yen)

(Excluding corporate and eliminations)

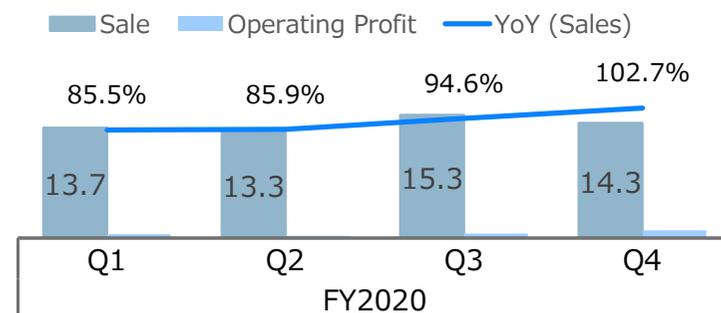


Q4 overview

- Revenues and earnings rose on solid sales expansion of release silicone-top linerless labels in Japanese market and recovery in Chinese market
- Encountered recovery delays in Europe and United States

Overview

- Although recoveries in Europe and United States were somewhat delayed, enjoyed steady improvements after bottoming out in Q1, with sales and profits rising in Q4



- Revenues and earnings decreased owing to sluggish demand for event and transportation tickets and despite e-commerce growth, as labels were smaller and competition intensified

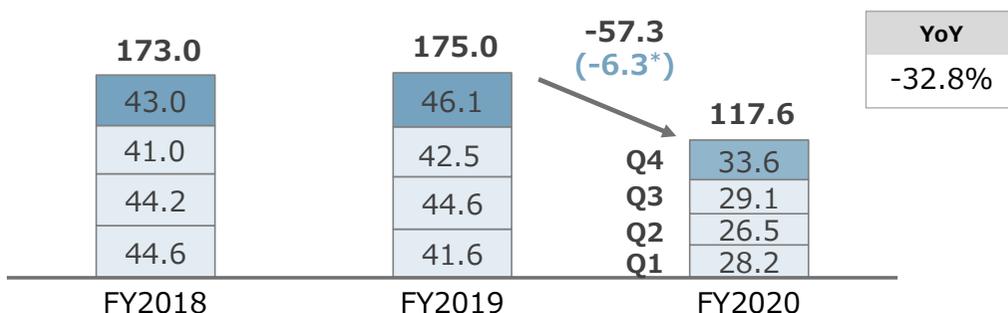
⇒ Made steady progress in all measures that we seek to accelerate (improve costs, develop products that resolve social issues, and expand sales in logistics and other areas with demand potential)

FY2020 Results

Other

While existing businesses were on recovery track, revenues and earnings down from de-consolidation of leasing business and investments in growth businesses

Sales (billions of yen)



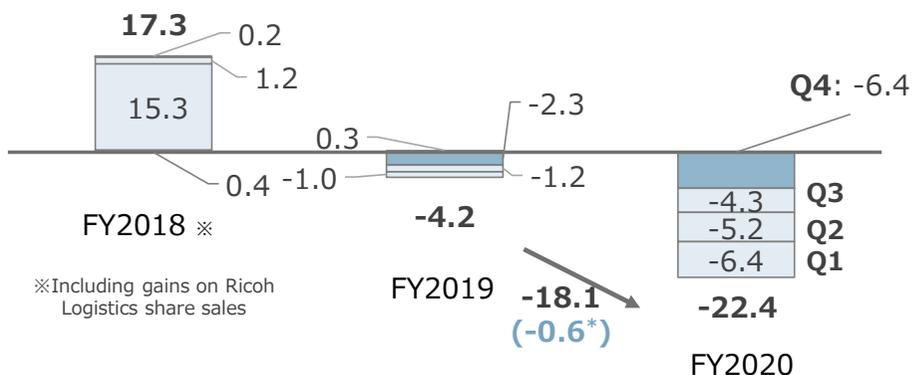
Q4 overview

- In existing businesses sales were up, while Industrial Products performed solidly and delivered higher earnings
- Smart Vision: Demand solid for THETA and related cloud services amid rising demand in 360° camera market (Sales increasing 40% YoY)
- Industrial Products: Benefited from demand recoveries in automobile market and in China (for projectors and industrial equipment)

Operating profit

(Excluding corporate and eliminations)

(billions of yen)



Overview

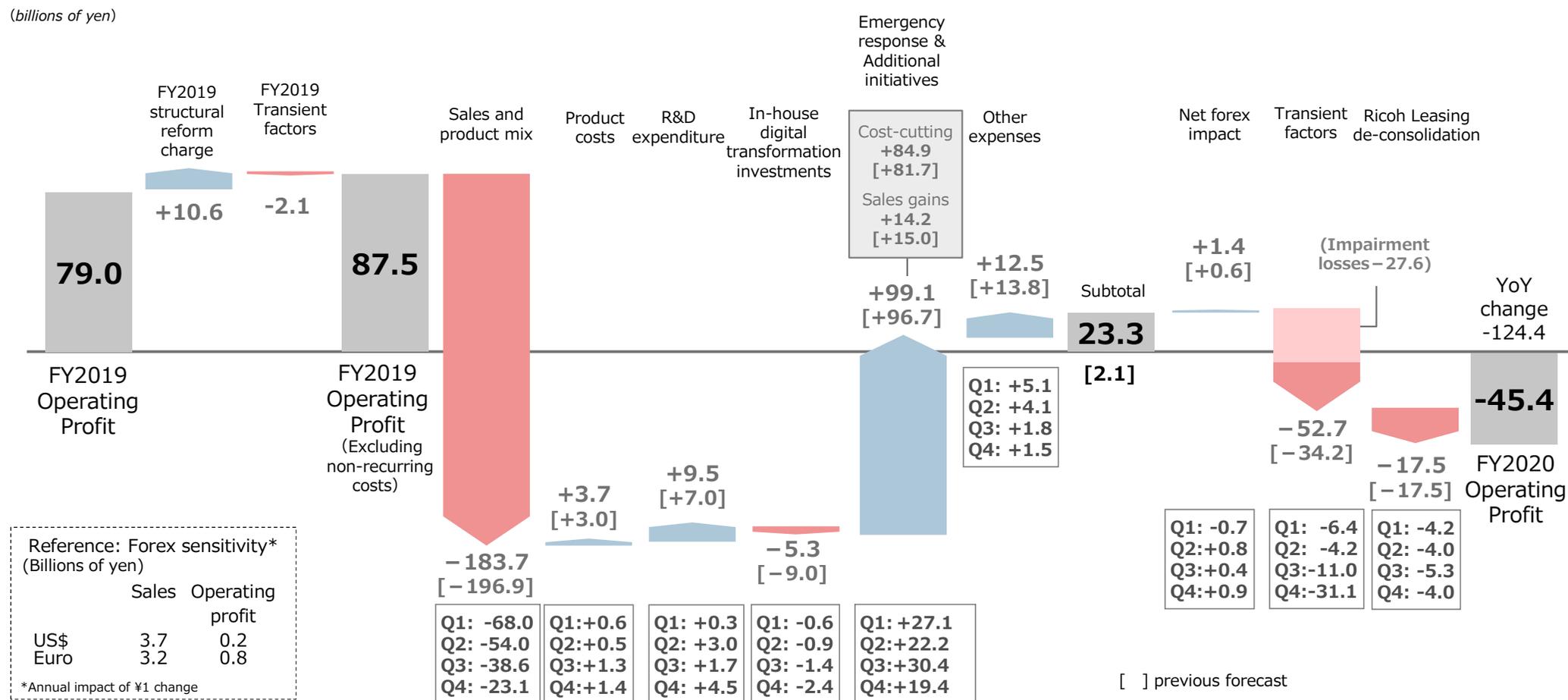
- Operating profit basically unchanged after factoring out the impact of deconsolidation of leasing business
- Enhanced profitability of existing Smart Vision and Industrial Products businesses

⇒ In Smart Vision, delivered growth in 360° camera market, while in Industrial Products expanded by cultivating new channels

FY2020 Results

Operating Profit Comparisons

Accelerated emergency measures to be profitable after excluding transient factors



Progress with Emergency and Permanent Actions

Accelerate deployment of measures to generate around ¥100 billion in earnings

Emergency measure: Double initially planned reductions, with permanent measures on track

Full-year impact (billions of yen)

Categories		Measures	At Q1 announcement	At Q2 announcement	At Q3 announcement	Results
Emergency measures	SG&A expense cuts	<ul style="list-style-type: none"> ✓ Trim SG&A expenses ✓ Optimize spending in line with activity declines ✓ Cut costs through work practice reform ✓ Review benefits and allowances 	25.0	31.0	47.7	51.1 Including ¥18.1 billion from savings associated with government subsidies
Permanent measures	SG&A expense cuts	<ul style="list-style-type: none"> ✓ Review development themes aimed at making Ricoh world's top manufacturer ✓ Digitalize headquarters business processes, etc. 				
	Cost of goods sold reductions	<ul style="list-style-type: none"> ✓ Reinforce digital manufacturing ✓ Optimize production sites to being a digital services company ✓ Enhance service operations productivity ✓ Accelerate global deployment of failure prediction and remote maintenance 	30.0	34.0	34.0	33.8
	Sales boost efforts	<ul style="list-style-type: none"> ✓ Tailor services businesses to local needs ✓ Continue rolling out products and services for new normal 	15.0	15.0	15.0	14.2
		total:	70.0	80.0	96.7	99.1 +2.4

*Operating profit contributions

Statement of Financial Position as of March 31, 2021



Lowered total assets by ¥1 trillion by deconsolidating Ricoh Leasing and improved financial stability

Assets

(billions of yen)	As of Mar 31, 2021	Change from Mar 31, 2020	
Current Assets	1,058.7	-1047.4	Increase from intra-group cash pool balances
Cash & time deposits	335.0	+72.1	Increase from sales of Ricoh Leasing shares and financing
Trade and other receivables	392.1	-0.6	
Other financial assets	92.8	+5.5	
Inventories	192.0	-9.2	
Other current assets	46.7	+10.2	
Assets classified as held for sale *	-	-1125.5	Decrease from Ricoh Leasing de-consolidation
Non-current assets	829.1	+67.6	
Property, plant and equipment	191.9	-9.6	
Right-of-use assets	63.6	+4.2	
Goodwill and intangible assets	225.5	-6.3	
Other financial assets	136.0	-3.0	
Other non-current assets	211.9	+82.4	Ricoh Leasing shares posted as equity method investments
Total Assets	1,887.8	-979.7	

*Transfer of assets held for sale: Transferred related assets and liabilities to assets and liabilities held for sale in line with partial transfer of Ricoh Leasing shares

Exchange rate as of Mar 31, 2021:
 US\$ 1 = ¥ 110.71 (+1.88)
 EURO 1 = ¥ 129.80 (+10.25)

Liabilities and Equity

(billions of yen)	As of Mar 31, 2021	Change from Mar 31, 2020	
Current Liabilities	657.5	-891.3	
Bonds and borrowings	82.7	+31.2	Increase from transfer of long- and short-term bonds and borrowings
Trade and other payables	287.1	+41.1	Intertwining with liabilities related to sale owing to Ricoh Leasing consolidation
Lease liabilities	25.4	-1.7	
Other current liabilities	262.1	+7.1	
Liabilities directly related to assets held for sale*	-	-969.0	Decrease from Ricoh Leasing de-consolidation
Non-current Liabilities	306.5	-3.7	
Bonds and borrowings	139.6	+11.5	Increase in borrowings for pandemic and other measures
Lease liabilities	46.7	+7.9	
Accrued pension & retirement benefits	70.4	-29.3	Decrease from higher in market value of pension assets
Other non-current liabilities	49.6	+6.1	
Total Liabilities	964.0	-895.1	
Total equity attributable to owners of the parent	920.2	-0.1	
Noncontrolling Interest	3.6	-84.5	Decrease from Ricoh Leasing de-consolidation
Total Equity	923.8	-84.6	
Total Liabilities and Equity	1,887.8	-979.7	
Total Debt	222.4	+42.7	

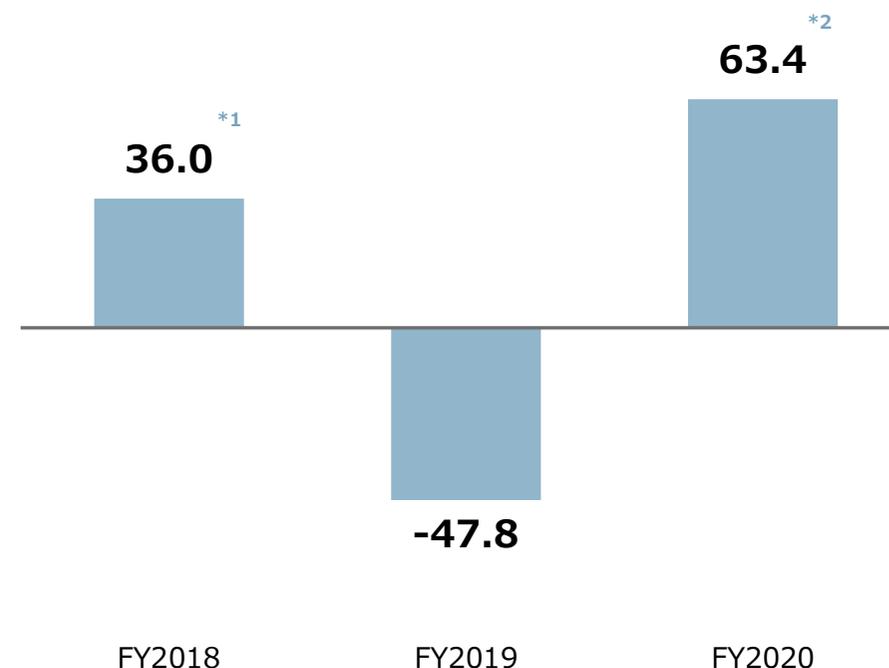
FY2020 Statement of Cash Flows

Free cash flow entered positive territory owing to working capital improvements and efforts to constrain investments amid declining earnings

(billions of yen)	FY2019	FY2020
Profit	44.4	-32.6
Depreciation and amortization	120.6	104.6
Other operating activities	-48.4	55.0
Net cash provided by operating activities	116.7	126.9
Plant and equipment	-77.9	-37.3
Purchase of business	-16.4	-8.4
Other investing activities	-70.1	-17.7
Net cash used in investing activities	-164.5	-63.5
Increase (Decrease) of debt*	127.9	53.8
Dividend paid	-18.8	-14.8
Other financing activities	-0.4	-7.2
Net cash provided by financing activities	-32.9	-35.7
Effect of exchange rate changes	75.7	-4.0
Net increase in cash and cash equivalents	-4.2	7.3
Cash and cash equivalents at end of period	23.5	66.6
	263.6	330.3
Free cash flow (Operating + Investing net cash)		
Profit	-47.8	63.4

Free cash flow

(billions of yen)



*1 Including ¥55.9 billion in proceeds from sale of Coca-Cola BCBJ shares

*2 Including ¥7.8 billion from transfer of Ricoh Leasing shares
Net increase by transfer of Ricoh Leasing shares
+¥36.8 billion: total share sales
- ¥28.9 billion: cash in Ricoh Leasing

ESG update (FY2020)

ESG action

- 2020年 4月** Concludes sustainability-linked loan agreement
- 6月** Commits to Uniting Business and Governments to Recover Better
- 8月** Commits to Business for Nature's Call to Action
- 9月** Commits to Business Ambition for 1.5°C campaign
Japan's Ministry of the Environment selects Ricoh's proposal as verification project for establishing recycling system for plastics and other resources to support decarbonized economy
- 11月** Joins 30% Club Japan 
Begins market development of polyactic acid foam sheets from renewable resources
- 2021年 3月** Participates in WIPO GREEN, an international framework for exchanging environment-related technologies
Lifts fiscal 2030 target for renewable energy usage rate from 30% to 50%
Launches unique comprehensive assessment system for renewable electricity, with all headquarters electricity generated from renewables from fiscal 2021
- 4月** Formulates Ricoh Group Human Rights Policy

Major awards and recognition

- 2020年 4月** Shortlisted for RE100 Leadership Award
- 6月** Remains included in FTSE4Good Index Series, FTSE Blossom Japan Index, and MSCI Japan Women in Action Index
- 8月** Places first overall in Gomez ESG Site Ranking 2020
- 11月** Included in the Dow Jones Sustainability World Index
Wins the Grand Prix award at the Nikkei SDGs Management Grand Prix
- 12月** Recognized for climate action leadership and included on the CDP climate change "A List" 2020
- 2021年 1月** Wins Chairman's Award, the most prestigious of prizes bestowed, in Japan Telework Association's Telework Promotion Award
- 2月** Receives "A" score in Carbon Disclosure Project's Supplier Engagement Leaderboard
- 3月** Ricoh, Ricoh Leasing, Ricoh Japan, Ricoh Technologies, and Ricoh IT Solutions certified under White 500 2021 Certified Health & Productivity Management Outstanding Organizations Recognition Program
Wins second prize in 2021 J-Win Diversity Awards
Receives Gold rating in EcoVadis supplier survey

FY2021 Full-Year Outlook and Actions

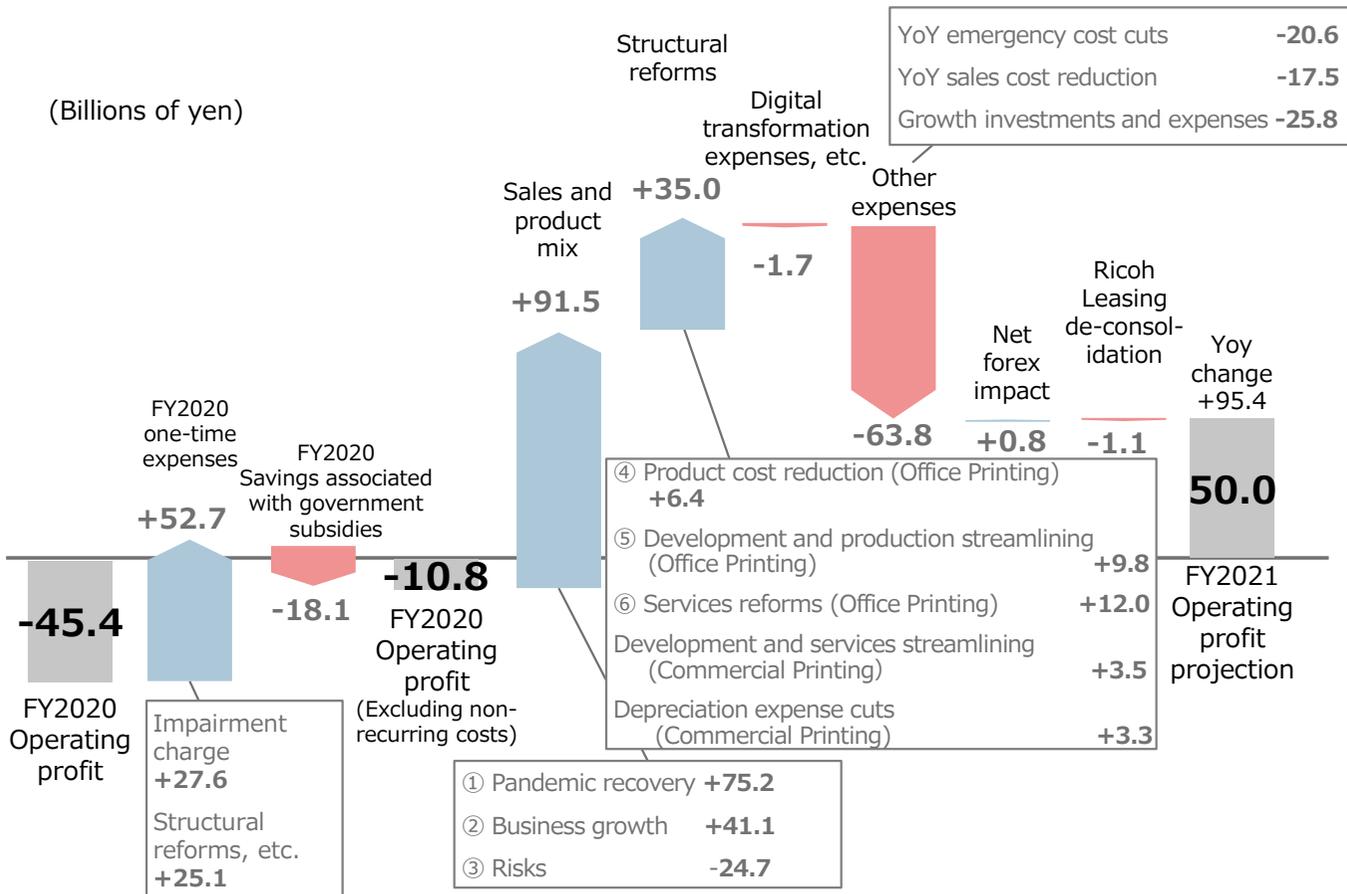
Forecasts for FY2021 - Key Indicators

Looking for revenues and earnings to expand from business growth, more robust operational structure, and global economic recovery from pandemic abating during fiscal 2021

(billions of yen)	FY2020	FY2021 Forecast	YoY Change
Sales	1,682.0	1,910.0	+13.6%
Gross profit	572.3	661.4	+15.6%
Selling, general and administrative expenses	617.7	611.4	-1.1%
Operating profit	-45.4	50.0	—
Profit attributable to owners of the parent	-32.7	35.4	—
EPS (Yen)	-45.20	52.52	
ROE	-3.6%	More than 4%	—
ROIC	—	More than 3%	
Average exchange rates	Yen/US\$ 106.05 Yen/euro 123.70	105.00 125.00	-1.05 +1.30
R&D expenditures	90.3	90.0	-0.3
Capital expenditures	42.1	43.0	+0.8
Depreciation	45.3	44.0	-1.3

Forecasts for FY2021 - Operating Profit Comparisons

Recover from pandemic while generating earnings by strengthening structure and expanding businesses



#1 Pandemic recovery +¥75.2 billion

- Office Printing: Hardware earnings at 82% (after stripping out pandemic impact) of FY2019 levels in Q4 and should recover to 89% in FY2021, with non-hardware earnings for same period lifting from 81%, to 85% (after factoring in risk ③, reaching Q4 average in FY2021)
- Commercial Printing: Enterprise printing earnings rising from 75% of FY2019 level, to 85% in FY2021 (reflecting recovery in key U.S. market), while production printing earnings should rise from 73% of FY2019 level, to 95% in FY2021

#2 Business growth +¥41.1 billion

- Office Services: Scrum package penetration to rise from 10% in FY2020 to 15% in FY2021 and 20% in FY2022, with unit sales climbing from 68,000 in FY2020 to 100,000 in FY2021 and 130,000 in FY2022, while sales of companies acquired in Europe should increase 25% from FY2020
- Commercial Printing: New offerings should contribute fully to enterprise printing performance (with number of major dealers secured in Europe and United States expanding from 36, to 46), while in production printing number of large customer secured has grown from 81, to 105)

#3 Risks -¥24.7 billion

- Office Printing: Risk of 5% CAGR reduction in hardware and non-hardware

#4 Product cost reduction (Office Printing)

+¥6.4 billion (¥13 billion in FY2021 and FY2022)

- Cut costs on current models through parts sharing: 2% reduction for current models
- Automate production to cut direct labor costs
- Reduce new model costs with suppliers

#5 Development and production streamlining (Office Printing)

+¥9.8 billion (¥18 billion in FY2021 and FY2022)

- Streamline development efficiency by digitizing design work: development manhours per model -14% (vs FY20)
- Reduce indirect personnel by improving digital manufacturing processes and managing production remotely: Indirect workforce -11%(FY20) → -16%(FY21)
- Consolidate and reorganize production sites in line with product characteristics: Site optimization FY20 18 → FY21 15 sites

#6 Optimize service operations (Office Printing)

+¥12 billion (¥23 billion in FY2021 and FY2022)

- Lift maintenance efficiency through MIF penetration that cuts service man-hours: MIF FY20 38% → FY21 49%
- Cultivate multiskilled customer engineers: reduce dedicated CE 9% (vs FY20)

Main differences from March 3 announcement materials are return of transient factors (additional Commercial Printing impairment charge of ¥16.2 billion reflected in Q4), recovery from pandemic (recovery portion for Commercial Printing added), and return of emergency cost reductions from previous year (refining by excluding from pandemic recovery)

Segment Changes

Switched from business to business unit segments in line with segmentation change
(Office Printing and Office Services figures will be disclosed as references)

Current segment

Office Printing	MFPs, laser printers, related parts and supplies, customer service, etc.	
Office Service	Network equipment, software, solution, customer service, etc.	
Commercial Printing	Cut sheet printer, continuous feed printer, related supplies, customer service, etc.	
Industrial Printing	Inkjet heads, inkjet modules, industrial printers, etc.	
Thermal	Thermal paper and thermal media, etc.	
Other	Industrial Products	Industrial optical components, modules, electronic components, precision device components
	SmartVision	Digital cameras, 360°cameras and related services
	Other	Environment, healthcare, etc.



New segment

Digital Services	<ul style="list-style-type: none"> ■ Office Service ■ Office Printing(Sales) 	
Digital Products	<ul style="list-style-type: none"> ■ Office Printing (R&D, Production, OEM) ■ Digital Communication Devices (R&D, Production, OEM) 	
Graphic Communications	<ul style="list-style-type: none"> ■ Commercial Printing ■ Industrial Printing 	
Industrial Solutions	<ul style="list-style-type: none"> ■ Thermal ■ Industrial Products 	
Other	SmartVision	■ 360°cameras and related services
	Other	<ul style="list-style-type: none"> ■ Healthcare ■ Environment (New materials, Energy Harvesting, etc.) ■ Digital cameras, etc.

Fiscal 2021 Forecasts by Segment

From FY2021, will present segment information by business unit:

On this occasion, presenting information recalculated for segments to date and approximated (reference information)

• Changes in rules for allocating expenses under business unit structure:

(1) Allocate headquarters expenses to each segment and (2) Change cost burdens between segments

• **Graphic Communications:** Loss projection owing to increased allocations (¥37.5 billion) from production structure reorganization

Current segment

		FY2020 result	FY2021 forecast (approx.)
Office Printing	Sales	815.8	884.0
	OP	6.7	49.0
Office Service	Sales	532.3	625.0
	OP	35.4	46.0
Commercial Printing	Sales	134.6	164.0
	OP	-14.6	27.5
Industrial Printing	Sales	24.6	32.0
	OP	-1.6	2.0
Thermal	Sales	56.8	71.5
	OP	2.6	5.0
Others	Sales	138.3	160.0
	OP	-22.4	-21.5
Eliminations and Corporate	Sales	-20.6	-26.5
	OP	-51.4	-58.0
Total	Sales	1,682.0	1,910.0
	OP	-45.4	50.0

New segment

		FY2021 forecast (before allocations)
Digital Services	Sales	1,542.0
	OP	43.5
Digital Products	Sales	378.0
	OP	44.0
Graphic Communications	Sales	196.0
	OP	34.0
Industrial Solutions	Sales	147.0
	OP	12.0
Other	Sales	19.0
	OP	-14.0
Eliminations and Corporate	Sales	-372.0
	OP	-69.5
Total	Sales	1,910.0
	OP	50.0

OP: Operating Profit (billions of yen)

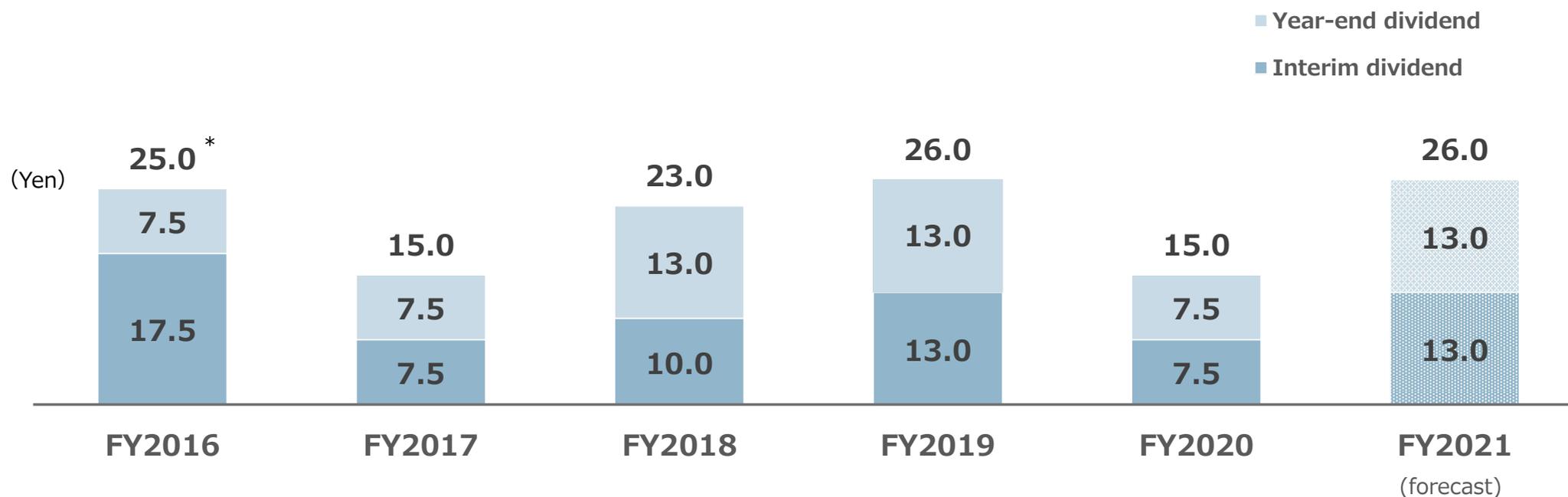
New expense allocations		Total allocation expenses	FY2021 forecast (after allocations)
(1) Headquarters expenses	(2) Change in cost sharing between segments		
0	0	0	1,542.0
-29.1	19.6	-9.5	34.0
0	0	0	378.0
-15.6	13.6	-2.0	42.0
0	0	0	196.0
-7.1	-30.3	-37.5	-3.5
0	0	0	147.0
-4.3	-1.2	-5.5	6.5
0	0	0	19.0
-0.9	-2.2	-3.0	-17.0
0	0	0	-372.0
57.0	0.5	57.5	-12.0
0	0	0	1,910.0
0	0	0	50.0

Capital Policies: Shareholder Returns

Fiscal 2020: Maintain stable dividend not withstanding loss

Fiscal 2021: Return to fiscal 2019 level (total payout ratio of 49.5%)

Steadily and consistently lift dividends in keeping with cash flow generation and investment and working capital circumstances



* Excluding 80th anniversary commemorative dividend

Summary of FY2020 Results

Results

- Significant impact of lower office attendance rates owing to pandemic (operating profit of around 170 billion yen)
- Recovery after bottoming out in Q1 owing to emergency response measures, Office Service business, and other factors
→ Q4 operating profit effectively ¥13.2 billion (after excluding transient factors)
*Effectively up ¥22.1 billion yen from forecast after taking one-time cost increases into account

Q4 business conditions

- Office Printing :
Recovery centered in Japan and elsewhere in Asia, with no change from fall in Europe and United States
Non-hardware: Recovered to 85% of previous year levels
- Office Services : Package deployments in Japan and Europe and stronger European structure drove over 8.0% operating margin (a quarterly high)
- Commercial printing
Hardware: Struggled in Europe and United States amid constraints on large investments
Non-hardware: On recovery path, largely in e-commerce-related printing
Impairment losses of ¥16.1 billion from production site review in line with transition to business unit structure
- Industrial Printing: Profitable for first time owing to demand recovery in China, higher sales of new thin-film heads, and measures to strengthen business structure

FY2021 outlook

- Recovery from pandemic, strengthening business structure and business growth in digital services and graphic communications
- Reviews under business units, including to optimize development, production, and services structure
→ Operating profit of ¥50.0 billion

Shareholder returns

- No change to fiscal 2020 year-end cash dividends of ¥7.5 per share (¥15.0 for the year)
- Looking to pay annual dividend of ¥26.0 per share (a payout ratio of 49.5%), the same level as in fiscal 2019

RICOH Graphic Communications

RICOH Graphic Communications' Business Portfolio



Commercial Printing

Hardware and non-hardware

Production printing
(Offset to digital)

RICOH Pro Z75 To be released



B2 sheet-fed inkjet press

RICOH Pro C9200 Series



Color sheet-fed printers

RICOH Pro C5300 Series



Color sheet-fed printers

RICOH Pro VC40000



Continuous-feed inkjet printer

RICOH Pro VC70000



Continuous-feed inkjet printer that can output on offset coated stock

RICOH Pro C7200 Series



Color sheet-fed printers for graphic arts applications

RICOH Pro 8300 Series



Monochrome sheet-fed printers

Industrial Printing

Hardware and non-hardware

Industrial printers
(Analog to digital)

RICOH Pro TF6251



UV flatbed printer for signs and graphics

RICOH Pro L5160e /Pro L5130e



Latex roll-to-roll printers for sign graphics

RICOH Ri2000



Professional direct-to-garment printer

MH series metal printheads



Components

Diverse workflow software and digital services for commercial printing

Digital services
(Software solutions)

Production workflow

Marketing workflow
PTI Marketing Technologies

Business workflow
Avanti Systems

Color management
ColorGATE Digital Output Solutions

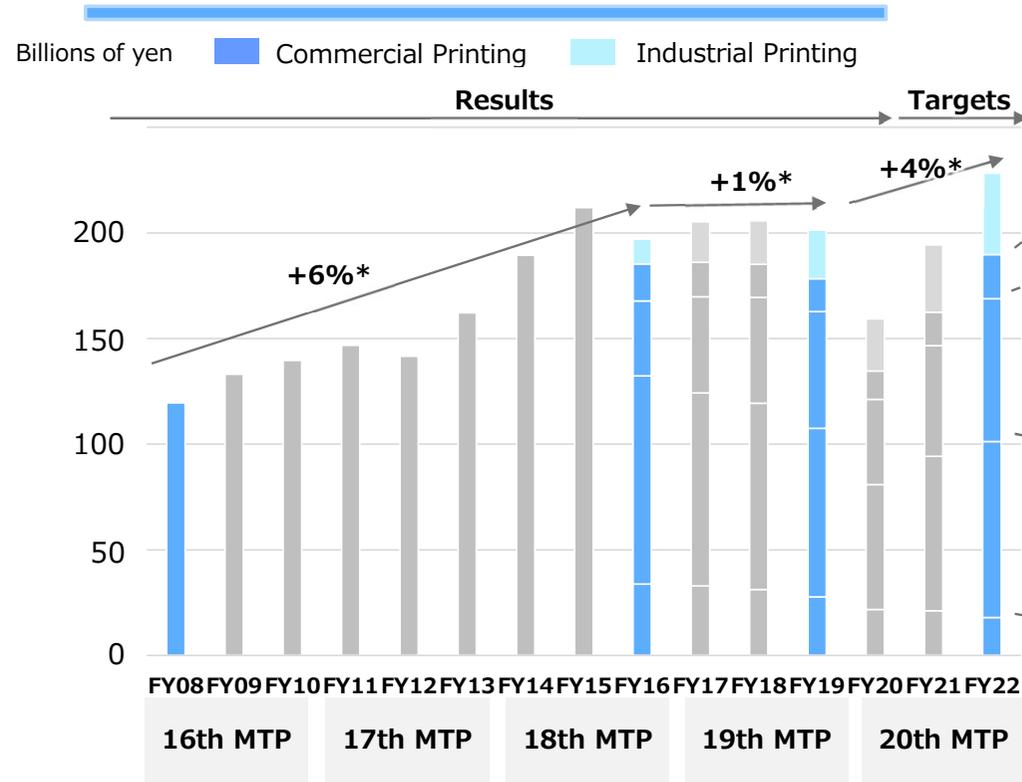
RICOH Graphic Communications Sales Trends and Targets



Under 19th Mid-term Management Plan, sales stagnated overall owing to delays in launching new products for enterprise business and in shift to paperless in transaction printing.

However, sales for production printing business (offset to digital) surged and plan to expand overall sales as a major growth area toward FY2022

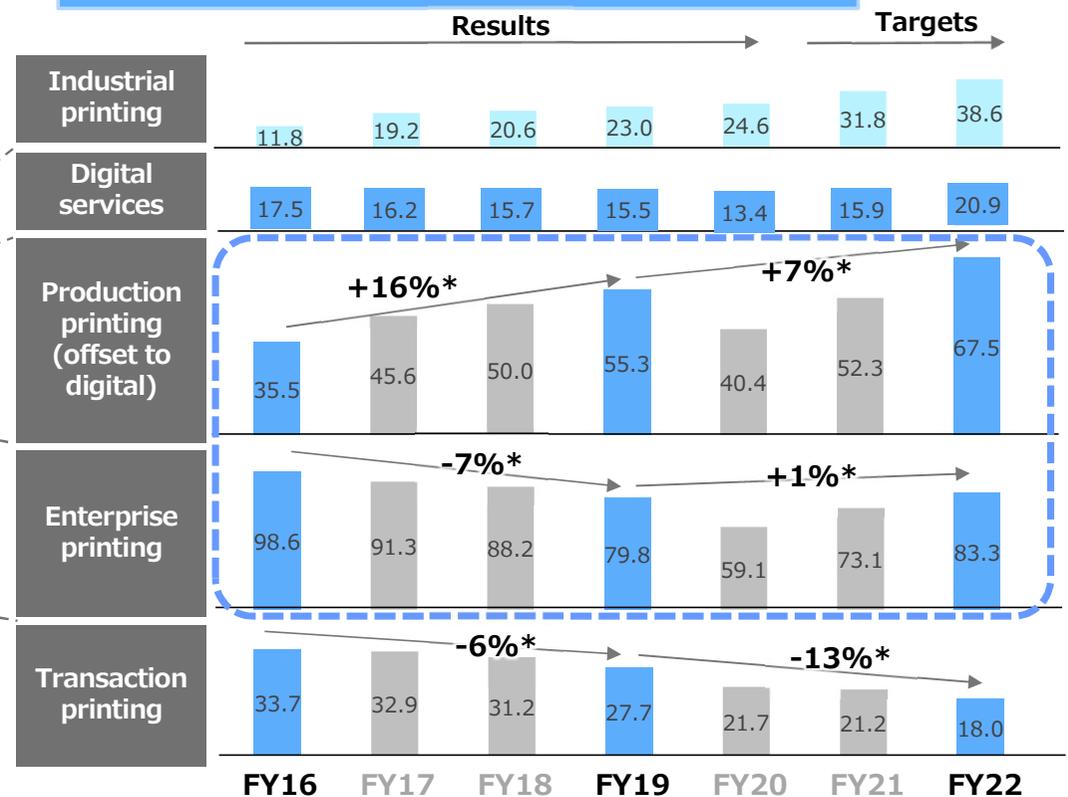
Overall sales to date and targets



MTP = Mid-Term Management Plan

Segment sales to date and targets

*All transitions are CAGR
Billions of yen



Production Printing (Offset to Digital) Business



Drive digitalization in offset printing

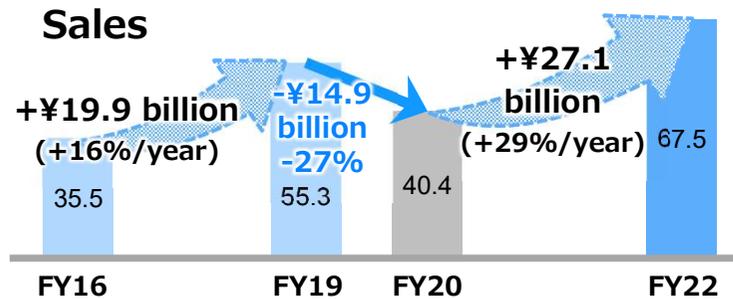


Chart 1 C9200series active units in EU and US

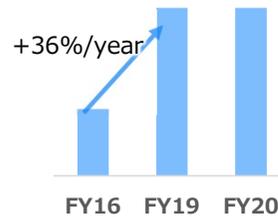


Chart 2 Customer base expansion

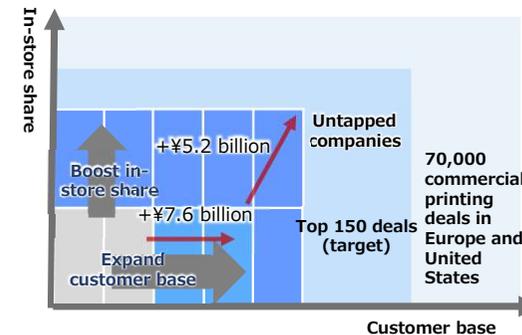
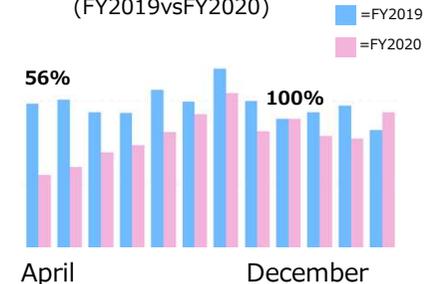


Chart 3 Print volume trend in North American (FY2019vsFY2020)



FY2017–2019: Strengthened lineup and expanded active units

FY2021 and beyond: Drive digitalization in offset printing

FY2021-2022 Sales	FY2021 Sales	FY2021 Operating Profit	FY2022 Sales	FY2022 Operating Profit
+¥3.5 billion	+0.1	+0.0	+3.4	+1.8

Category	Description	Sales
New products	-Top share of RICOH VC70000 -30% market share for RICOH C9200 <i>See Chart 1</i>	+¥2.1 billion
Customer base expansion	-Captured new major printing business in EU and US: Secured 81 deals (from top 150 global players in revenue terms) <i>See Chart 2</i>	+¥7.6 billion
Non-hardware expansion	-Boosted sales by expanding active units and print applications	+¥10.2 billion
COVID-19 impact	-Demand plunged due to the pandemic (FY2020)	-¥14.9 billion (-27%)
FY2017-19 Total		+¥19.9 billion

Category	Description	Sales	Operating Profit
New products	-World's first auto duplexing B2 model Secure top share through RICOH Pro Z75 inkjet press, which employs aqueous ink	+¥3.5 billion	+0.1
Customer base expansion	-Captured new major commercial printing business +24 companies (from 81 companies, to 105) <i>See Chart 2</i>	+¥5.2 billion	+1.0
Non-hardware expansion	-Boost non-hardware sales by expanding active units	+¥4.0 billion	+0.6
COVID-19 impact	-COVID-19 recovery, centered in Europe and United States: to 90% of FY2019 level in FY2021 and 100% in FY2022 <i>See Chart 3</i>	+¥14.4 billion	+10.8
Total		+¥27.1 billion	+12.9

Total +¥27.1 billion +12.9 +6.1 +14.2 +8.4

Structural Reforms: Development Reforms

Cost saving from development reforms by the end of FY22:
¥2.0 billion (Commercial printing only)

	FY2017-FY2019 Key initiatives	savings	FY2021-FY2022 Key initiatives	savings
Structural reforms	<p>■ Design process reforms: From mass-production waterfall development method to small lots agile development method</p>	-¥4.5B	<p>■ Coordinate digital manufacturing by integrating production and development</p> <p>■ Digitalize design work</p> <p>■ Pare down number of development models</p>	-¥2.0B

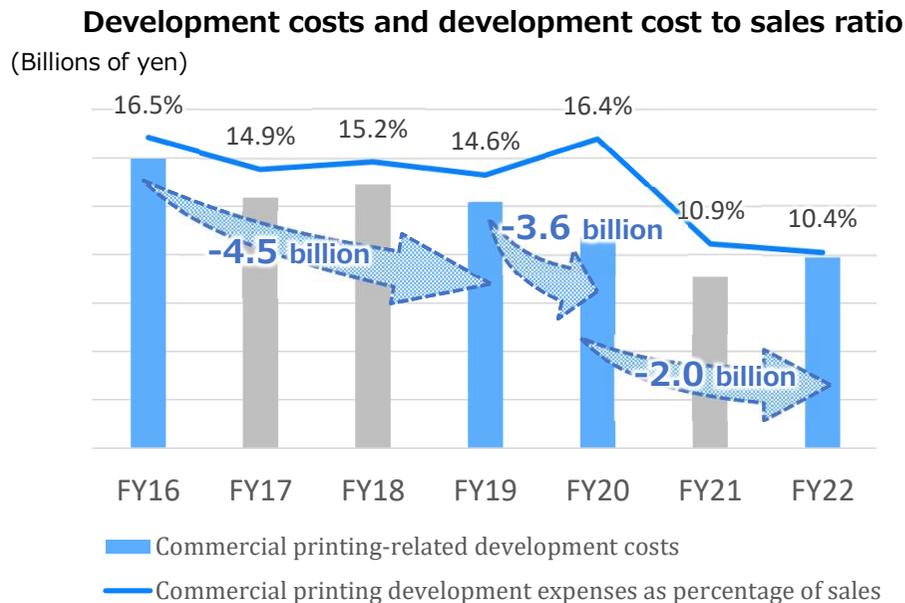


Chart1: Automating controller design evaluations

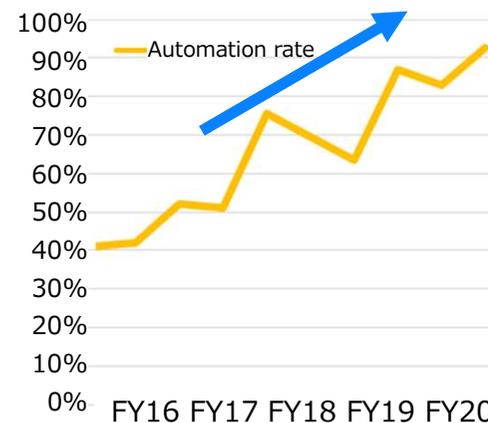
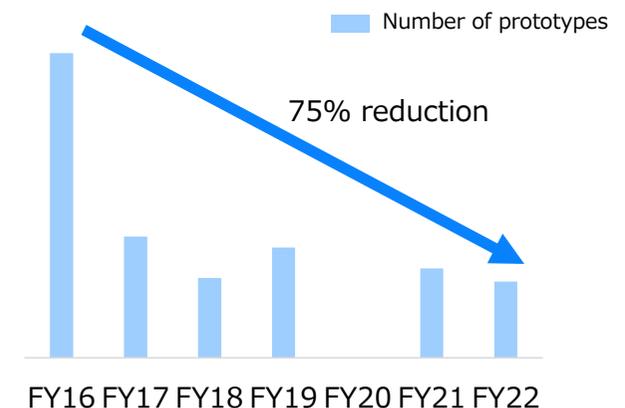


Chart2: Reducing prototype numbers through agile development method

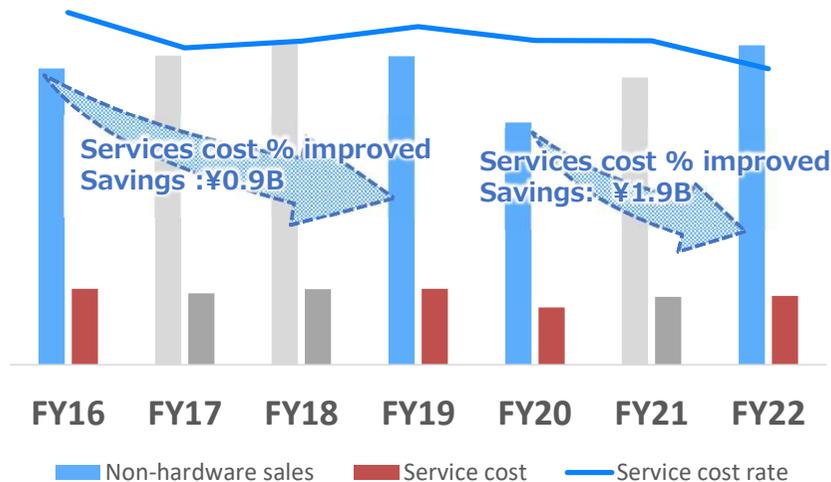


Structural Reforms : Services Reforms

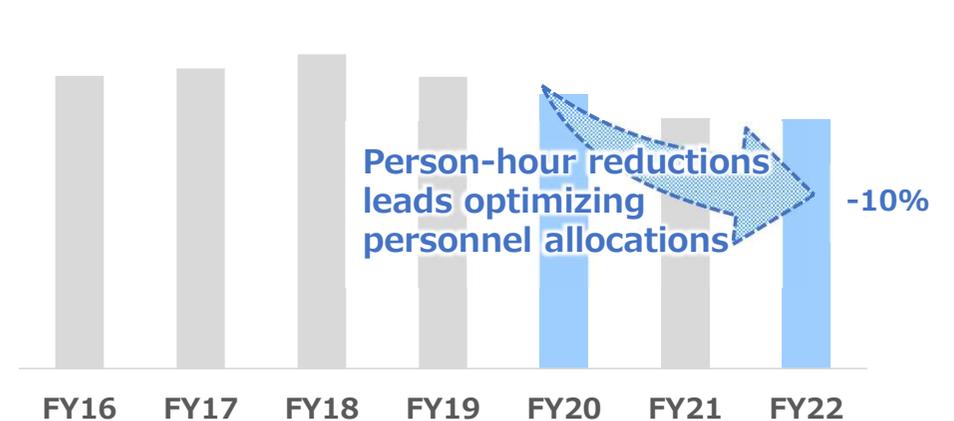
Savings from services reforms by the end of FY2022: ¥1.9 billion

	FY2017-2019 Key initiatives	Savings	FY2021-2022 Key initiatives	Savings
Structural reforms Services	<ul style="list-style-type: none"> Enhanced product availability and serviceability Boosted active units profitability Encouraged key-operators to resolve issues Reduced services cost even for expanding market 	Services cost: ¥0.9B	<ul style="list-style-type: none"> Undertake activities to enhance services and sales profitability <ul style="list-style-type: none"> Cut services person-time by deploying advanced models machines and replacing active units Keep striving to enhance active unit profitability Bolster operational efficiency through remote support <ul style="list-style-type: none"> Encourage operators to resolve issues Prevent problems from arising by deploying failure prediction technology 	Services cost: ¥1.9B Number of dedicated field technicians: -10%

Services cost as percentage of non-hardware sales



Number of dedicated field technicians



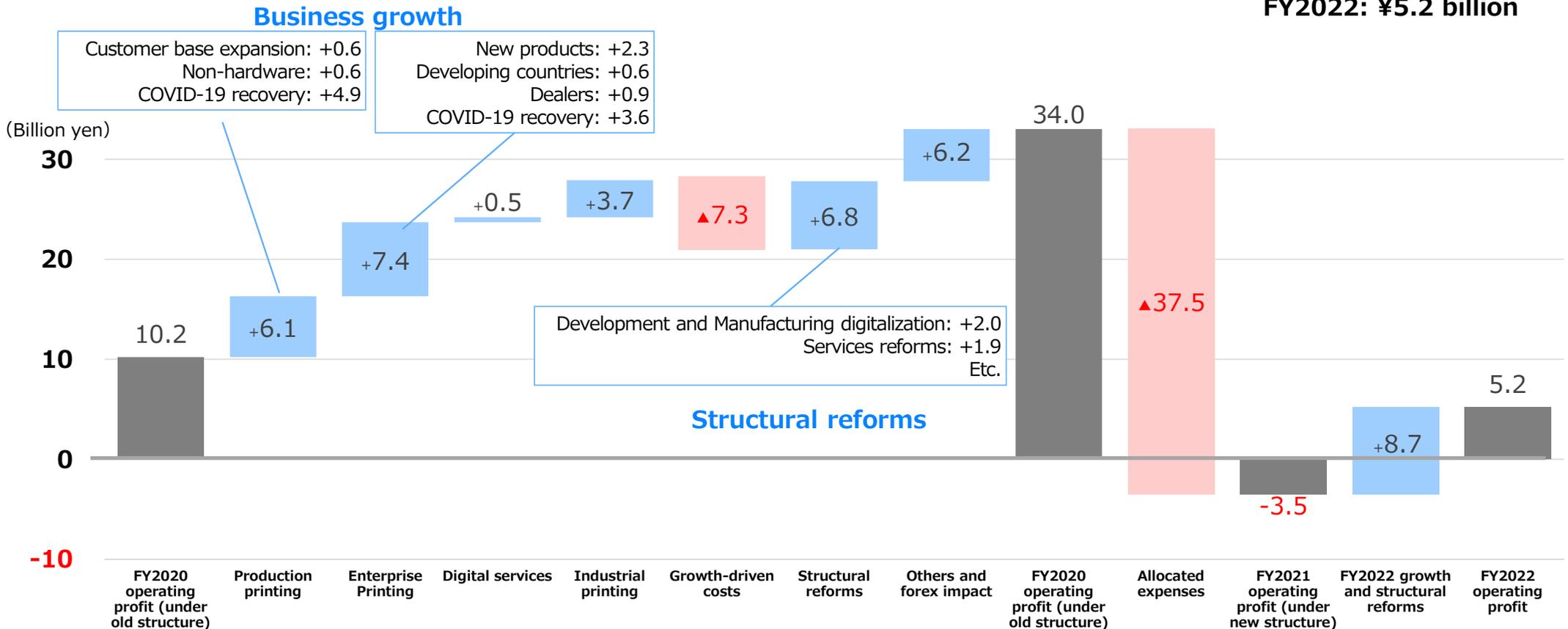
Operating Profit Hierarchy Chart (FY2020–2022)

- Significantly improve operating profit through business growth and structural reforms
- Achieve profitability in FY2022 by operating autonomously under business unit structure

Operating profit targets

FY2021: (¥3.5 billion)

FY2022: ¥5.2 billion



Appendix

Pandemic Impact Assumptions by Core Business

Recovery from pandemic impact in Q4 reflected recovery in Japan and Asia ⇔ Delays in Europe and United States (generally within expectations)

Previous assumptions
(at Q3 announcement)

Q1 results Q2 results Q3 results Q4

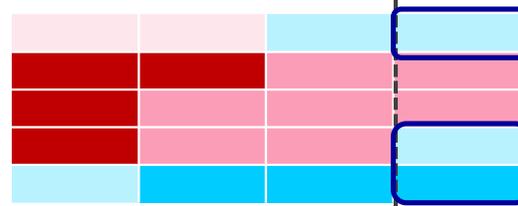
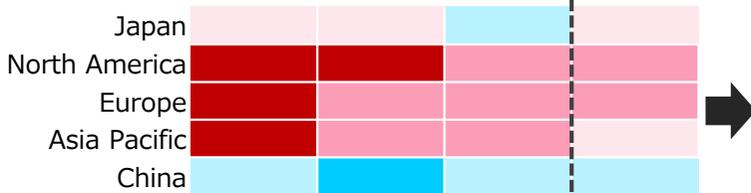
Results

Q1 results Q2 results Q3 results Q4 results

Reference: Demand levels compared with previous year levels

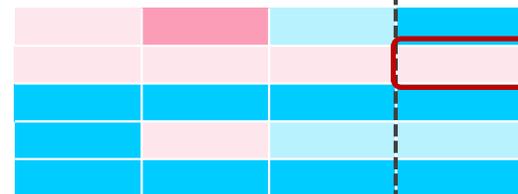
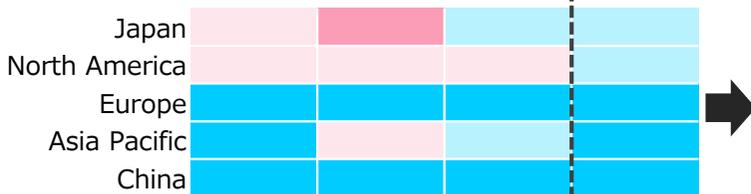
70%未満 70-80% 80-90% 90-100% 100%以上

● Office Printing (Non-hardware)



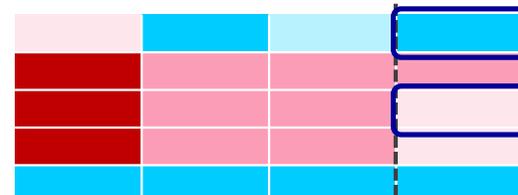
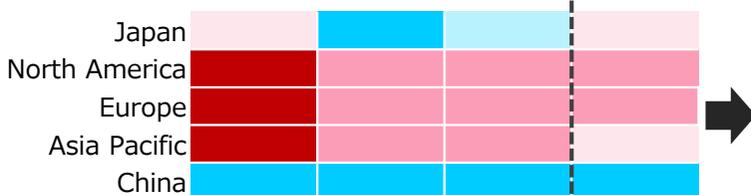
Global sales exceeded forecasts (up in Asia, down in Europe)

● Office Services



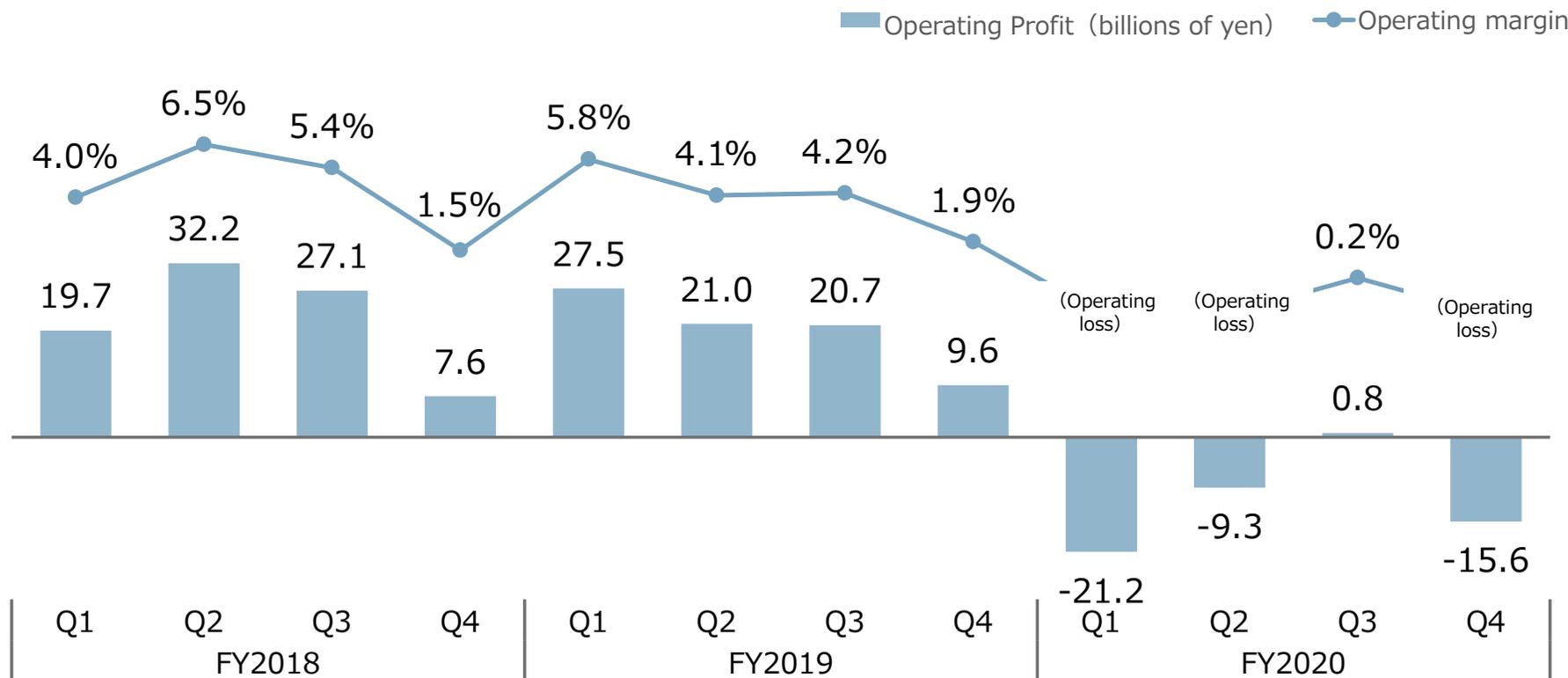
Japan: Significant growth on strong Scrum Series sales and GIGA school deals
North America: No Business Process Services recovery from pandemic impact
Europe: Robust growth owing to strengthened structure

● Commercial Printing



Hardware: Slow recovery in core Americas market and recovery trends in Japan and Europe
Non-hardware: Print volume among production printing recovered but there was delay in enterprise printing

Quarterly Operating Profit



Office Printing: Hardware and Non-Hardware Situation

◆Unit sales growth rates for MFPs and printers

FY2020	Q1	Q2	Q3	Q4	total	FY22020	A3 MFP					A4 MFP				
							Q1	Q2	Q3	Q4	total	Q1	Q2	Q3	Q4	total
Japan	-21%	-7%	-3%	-11%	-11%	Japan	-21%	-6%	-4%	-7%	-10%	-18%	-19%	+8%	-60%	-23%
Overseas	-32%	-14%	-16%	-17%	-19%	Overseas	-32%	-16%	-15%	-8%	-18%	-32%	-9%	-16%	-31%	-22%
MFP total	-30%	-13%	-14%	-16%	-18%	MFP total	-30%	-14%	-13%	-8%	-16%	-31%	-10%	-15%	-32%	-22%
LP total	-26%	-12%	-12%	+8%	-10%											

◆Sales growth rates for MFP and printer hardware and non-hardware

FY2020 YoY sales change	Hardware					Non-hardware				
	Q1	Q2	Q3	Q4	total	Q1	Q2	Q3	Q4	total
Japan	-21%	-6%	+0%	-5%	-8%	-16%	-11%	-8%	-9%	-11%
Overseas	-31%	-14%	-19%	-11%	-19%	-44%	-30%	-27%	-22%	-31%
MFP total	-29%	-13%	-15%	-10%	-17%	-35%	-24%	-21%	-17%	-24%
LP total	-45%	-34%	-33%	-17%	-32%	-25%	-20%	-5%	-7%	-14%
MFP + Printer total	-31%	-15%	-17%	-10%	-18%	-33%	-23%	-18%	-15%	-22%

RICOH
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