

# Progress Report on Corporate Value Improvement Project

November 8, 2024

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**Ricoh Company, Ltd.**

## Ricoh's Vision

- To transform into a digital service company, **aiming for profit growth by transforming the business structure through leveraging Ricoh's assets while mitigating decline of profitability in the Office Printing business**



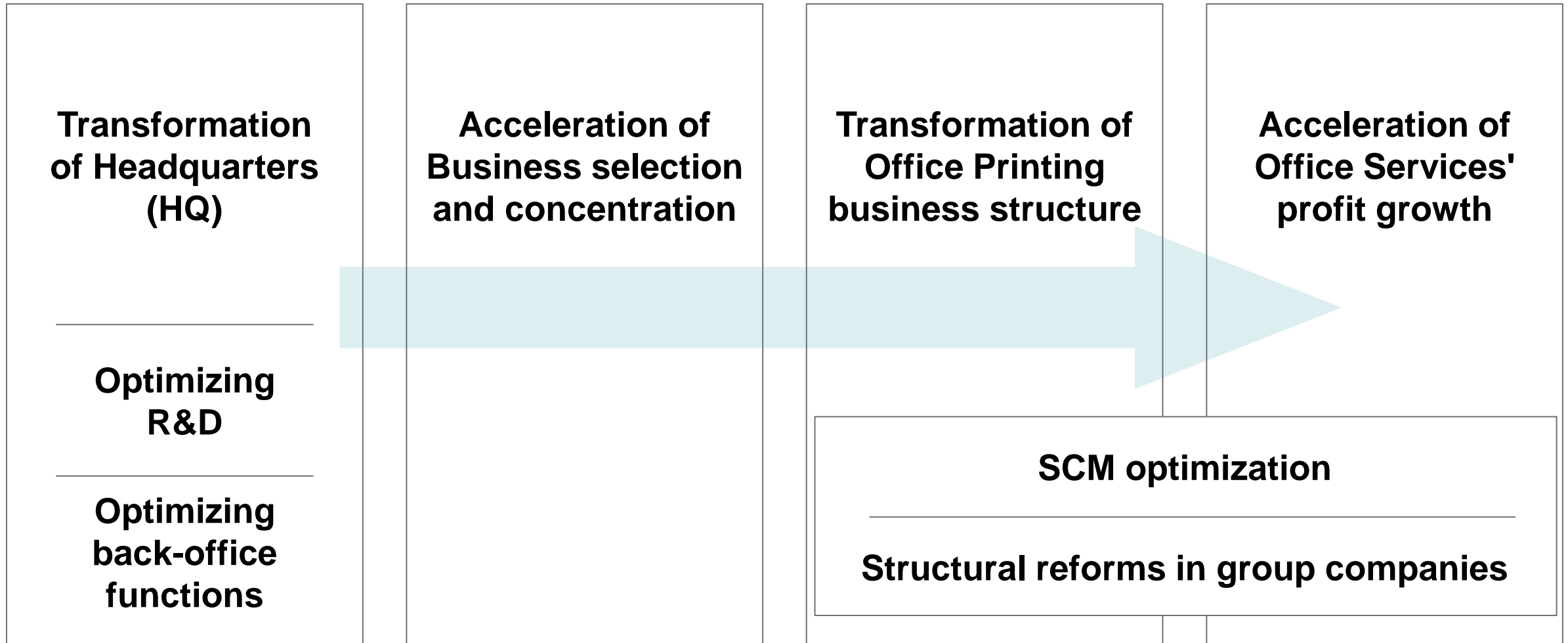
## Approaches

- Office Printing business: **Pursue efficiency, including initiatives to leverage economies of scale**
- Office Service business: **aim to enhance profitability as a workplace services provider**
  - Accelerate the **selection and concentration of R&D themes and businesses** to allocate business resources to growth areas
  - Drive company-wide optimization **to strengthen the skills and talents** required for a digital service company
  - **Strengthen Ricoh's software and enhance the proportion of recurring sales** by concentrating investments



**In addition to profit growth, aiming to continuously improve ROE by asset-light management and appropriate capital policies**

# Overview of Corporate Value Improvement Project



# From Structural Reforms to Profit Growth

## Progress of Initiatives

		Expected effects by FY2025 (compared to FY2023, in billions)	
		FY2024 Q1	To date
Transformation of Headquarters	Optimizing R&D	about ¥15 over ¥30 on cash basis	about ¥15
	Optimizing back-office functions	over ¥2.0	over ¥2.0
Acceleration of business selection and concentration		over ¥2.0	over ¥5.0
Transformation of Office Printing business structure	Production and Development JV	over ¥4.0	over ¥4.0
	SCM optimization	over ¥3.0	over ¥3.0
Acceleration of Office Services growth	Structural reforms in group companies	over ¥10	over ¥23
<b>Total</b>		over ¥36	over ¥52

### Effects progress to date

- Acceleration of Business selection and concentration: Decision made to **exit PLAiR and other businesses**
- Structural reforms in group companies: **Further structural reforms implemented overseas**
- Decision made to implement a **Second Career Support Program\* in Japan**

### Latest one-time cost

- One-time cost :  
¥10 billion → **¥33 billion**  
(All incorporated into FY2024 forecast)
  - Acceleration of Business selection and concentration: +¥4.0 billion
  - Structural reforms in group companies: +¥3.0 billion
  - Second Career Support Program\*: +¥16 billion

\*Refers to an early retirement program only in Japan

## Accelerating Profit Growth

Seeing growth signs such as stable growth in recurring revenue, wins from AI technology of natif.ai and DocuWare integration, and adoption to METI's project 'GENIAC'

## Context

- Strengthening the talents required for a digital service company, while **optimizing organizational structures in each region**
- As part of this initiative, in addition to structural reforms overseas, **a Second Career Support Program\* is implemented in Japan.**  
Aiming to **transition to a more optimal structure as a digital service company**

## Overview of the program

### Training of IT/Data experts (Ricoh Digital Academy)

- **Aiming to strengthen the skills of all employees** by providing learning opportunities and evaluating skills through Digital Expert certifications (internal IT qualifications) **\*Trained over 3,800 employees as of end of September**

### Reskilling Programs

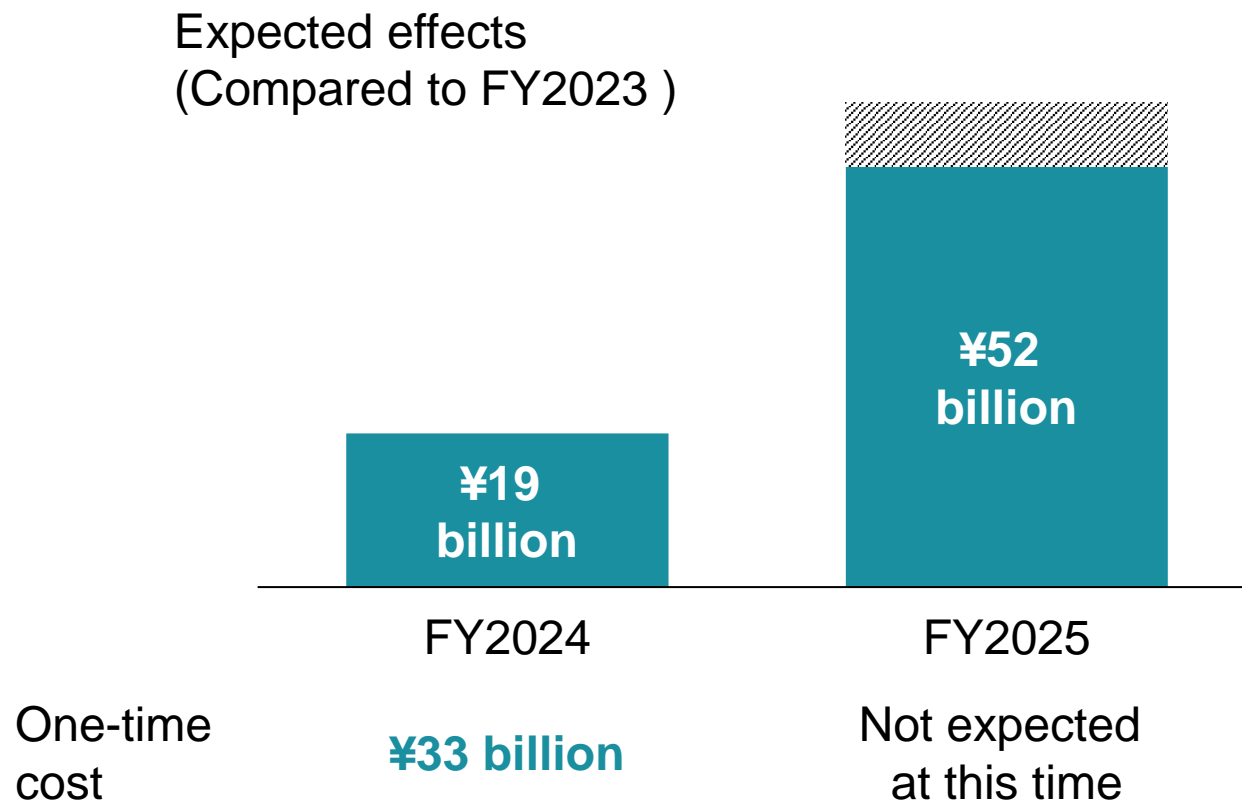
- **Strengthening talents required for a digital service company**
  - Digital Professionals: Driving revenue generation at customer touchpoint (AI specialist, SE)
  - Process Digitalization Experts: Contributing to operational efficiency through process digitalization

### Second Career Support Program Overview\*

<b>Number of Applicants</b>	Approximately 1,000 people
<b>Application period</b>	October 1, 2024 to February 28, 2025
<b>Retirement date</b>	March 31, 2025 (planned)
<b>One-time cost</b>	<b>About ¥16 billion</b> incorporated into FY2024 forecast
<b>Impact</b>	Expecting cost savings of about <b>¥9.0 billion</b> in FY2025 (included in existing initiatives' impacts)

# Expected effect and one-time cost from Corporate Value Improvement Project

The latest estimated effect is ¥52 billion.  
Will continue efforts to achieve over ¥60 billion in total effects.



- A gap of about ¥8.0 billion remains toward achieving the targeted impact of over ¥60 billion. **Efforts to maximize effects will be continued**
- The FY2025 forecast reflecting additional measures (effects and costs), **will be disclosed in the FY2024 results announcement in May as scheduled**

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

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**Note: These materials define fiscal years as:**  
FY2024 (or fiscal 2024) = Fiscal year ended March 31, 2025, etc.