

# Human Capital Strategy



**Ryoko Nagahisa**  
CHRO

## Leveraging our human capital strategy to deliver Fulfillment through Work for customers and employees

Since our establishment, we have remained committed to our Founding Principles of the Spirit of Three Loves and staying close to customers' work. We crafted a human capital strategy to bring our Mission & Vision of Fulfillment through Work to life. By executing this strategy effectively, we seek to foster professional fulfillment in our employees, thereby enhancing the work lives of our customers.

### Three pillars of our human capital policy

Our human capital initiatives under the 21st Mid-Term Management Strategy rest on three pillars. The first is self-motivation, where we encourage employees to realize their full potential. The second is growth, which aligns personal and business growth. The third is enabling employees to experience Fulfillment through Work. By nurturing these three pillars, we will accelerate our

transformation into a digital services company and fuel business growth.

We tie each pillar to strategic elements that contribute to our value creation process, translating them into specific initiatives. The employee experiences shaped by these initiatives will form the foundation of the Ricoh Group's transformation.

### Aligning personal and business growth under the three pillars

The three pillars	<b>Pillar 1 Self-motivation</b> Encourage employees to fulfill their potential	<b>Pillar 2 Growth</b> Align personal and business growth	<b>Pillar 3 Fulfillment through Work</b> Enable employees to experience Fulfillment through Work
The strategic elements of our value creation model	Self-motivation Individual and team performance maximization Manager capability enhancement	Process digitalization and high productivity Digital mindsets Digital services delivery capabilities Leadership pipeline	DEI Global Ricoh Strengthen engagement
Employee experiences	Learning, growth, and career development Manager training Hybrid work policy	Design thinking and agility Process digitalization Digital basics Global leadership program	Co-creation culture*3 Ricoh Way DEI activities Engagement Survey
Key performance indicators for FY2025	Career development Internal job reassignment rate exceeding 60% based on Individual Development Plans*1	Digital training*2 completion rate 100%	Female-held managerial position ratio Global: 20% Japan: 10% Employee engagement score*4 Global 3.91

\*1 Individual Development Plan (IDP): Development plan to achieve individual career goals \*2 Digital training: A generic term for training programs that cover design thinking and agility, process digitalization, and digital basics \*3 Co-creation culture: A collaborative environment where stakeholders recognize and value each other's uniqueness to jointly solve challenges \*4 Employee engagement: The extent to which employees contribute to and understand the goals and values of the companies they work for

### Pillar 1 Self-motivation

Every employee must think and act proactively as customer needs diversify and technology evolves rapidly. By respecting diversity and empowering autonomy and initiative, we aim to create customer value and accelerate

our transformation into a digital services company.

This approach also fosters self-driven career development. We will foster an environment where employees can explore their desired career paths, work

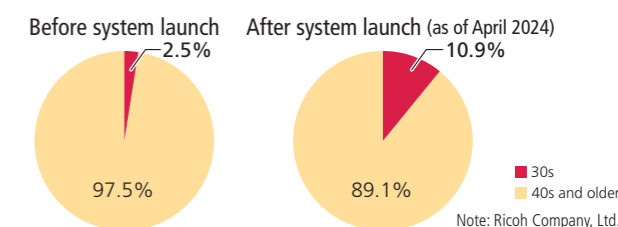
toward their goals, and shape their futures accordingly. We encourage employees to create career sheets and Individual Development Plans to reflect on their achievements and design their careers. We have also introduced systems and launched training programs to shift manager roles from merely overseeing people to supporting their growth. Many employees have already completed the career sheets and Individual Development Plans we initiated in fiscal 2023, building a solid foundation for self-directed career development.

In Japan, we launched the Ricoh-style job-based personnel system to expand internal recruiting, enabling employees to advance their careers in line with their Individual Development Plans. This approach has

quadrupled the percentage of young managers since the system's implementation.

These initiatives create a positive cycle, fostering self-direction at both the individual and company levels, and fueling a greater appetite for growth.

### Percentage of junior managers in their 30s before and after deploying Ricoh-style job-based system



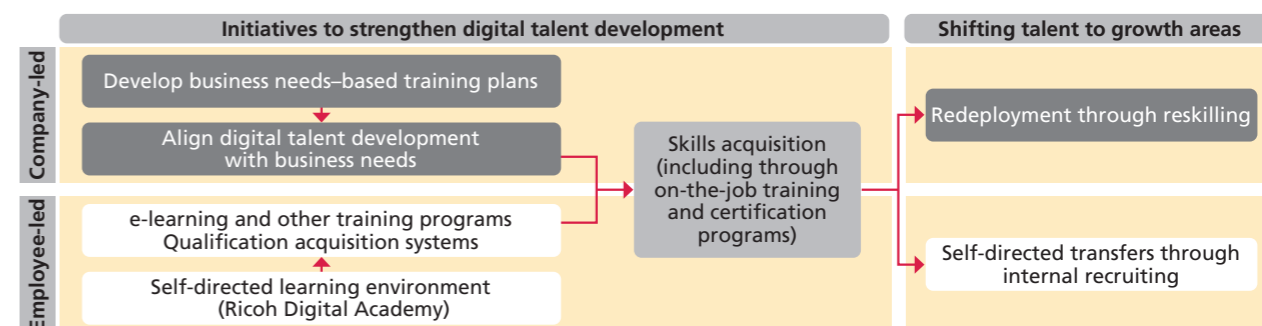
### Pillar 2 Growth

Developing talent to drive our future is essential to accelerating our transformation. We are building a leadership pipeline by identifying and assessing management candidates across the organization.

Cultivating digital talent is one of our greatest challenges in becoming a digital services company. We are implementing reskilling, upskilling, cross-skilling, and other

initiatives to accelerate progress.

We are fostering digital talent by providing self-motivated career support and learning environments while aligning training plans with business needs. We are accelerating the development and redeployment of digital talent by combining self-direction with company-led efforts.



### Overview of key talent development and training efforts

As part of our digital talent strategy for our transformation, we adhere to the Digital Skill Standards of the Ministry of Economy, Trade and Industry and the Information-technology Promotion Agency, Japan. We have identified four key areas to prioritize for talent

development: business architecture, software engineering, data science, and cybersecurity.

For business architecture, we offer more than just e-learning and workshops, such as hands-on experience through on-the-job training at RICOH BUSINESS

INNOVATION LOUNGE TOKYO<sup>1</sup> and other locations. We also emphasize helping employees to acquire external certifications, such as AWS\*<sup>1</sup>, Microsoft Azure\*<sup>2</sup>, and statistical qualifications.

We aim to train 4,000 key employees by fiscal 2025 as

part of the ESG goals of our 21st Mid-Term Management Strategy. We trained 2,855 of these people in fiscal 2023.

\*1 "Amazon Web Services" and all related marks, including logos, graphic designs, and service names, are trademarks or trade dress of AWS in the U.S. and other countries.  
\*2 Microsoft, Microsoft Azure are trademarks of the Microsoft group of companies.

Key talent development areas	Business architecture	Software engineering	Data science	Cybersecurity
FY2025 targets	ESG goal: 500 people	ESG goal: 1,000 people	ESG goal: 500 people	ESG goal: 2,000 people
Training content	On-the-job training at RICOH BUSINESS INNOVATION LOUNGE TOKYO Workshops e-learning	Support for acquiring external skill level-based certifications  External vendor certifications (AWS, Azure, CompTIA*), and statistical qualifications, etc.		Security engineer certification and training

\* The Computing Technology Industry Association (CompTIA): A global trade association for the information technology industry.

**Ricoh Digital Academy: An internal platform for cultivating digital talent**

We opened the Ricoh Digital Academy in April 2022 to empower all employees in Japan to independently become digitally proficient.

This institution offers a two-tier curriculum. One tier is Digital Literacy for all Ricoh Group employees in Japan. The other is Upskilling for employees selected for key talent development areas. The Digital Literacy program enhances digital skills through e-learning and in-house

training. This upskilling program focuses on advancing professional skills that drive the creation and acceleration of digital services, offering on-the-job training, workshops, and certification support.

As of December 31, 2023, around 98% of all employees had completed the Digital Literacy program, while about 13,000 employees had taken Upskilling courses.

Category	Overview
<b>Upskilling</b> Primarily employees selected from each Group company and department	<b>Applying acquired skills</b> Workshops and on-the-job training
	<b>Gaining practical skills</b> e-learning, external courses, hands-on training, and certification acquisition
	<b>Building foundational skills</b> e-learning and internal training
<b>Digital Literacy</b> For all employees	<b>Acquiring digital knowledge</b> e-learning, internal training (including process transformation, cybersecurity, and design thinking)

**Talent development initiatives tailored to local needs**

- Solutions

Ricoh Japan, our domestic sales company, has developed a professional certification system that clearly defines roles across job categories. This setup identifies

and visualizes necessary skills for each position, including sales, technical, and support roles, establishing specific skill requirements.

The company provides targeted training for each skill level in line with these requirements. It aligns qualifications and skills acquired through this process with the Ministry of Economy, Trade and Industry's IT Skill Standards set. The

- Ricoh Europe PLC

In Europe, our three key programs are the Digital Academy, the Technical Academy, and the Sales Academy. From fiscal 2020, we deployed a full-fledged reskilling initiative for customer engineers, who previously focused on MFP sales and service, to equip them with multi-skilling

company ties those certifications to career progression and compensation, fostering career autonomy among its employees.

capabilities. We have also rolled out more advanced programs, reallocating positions and assignments to optimize human resources. To date, around 2,000 employees have completed these programs and are spearheading our digital services expansion across Europe.

**Pillar 3 Fulfillment through Work**

All employees lead the Ricoh Group's transformation. By fostering diversity, cultivating a vibrant work environment, and boosting employee engagement, we empower them to directly drive corporate growth. We

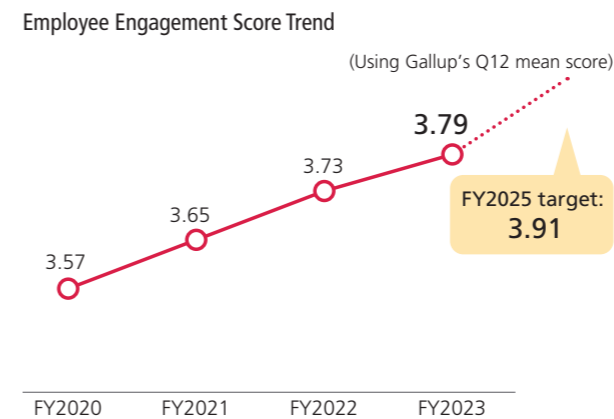
have made engagement, diversity, equity, and inclusion<sup>2</sup> central to our human capital strategy to accelerate our transformation.

**Employee engagement**

We conduct an annual global employee awareness survey, drawing on the findings to encourage targeted improvements in each of our operating units. The employee engagement score is a key ESG target and an evaluation metric for executive compensation, reinforcing management's accountability.

Also, we host the annual Ricoh Way Values Award program, which honors efforts that embody our core values.

In fiscal 2023, the grand prize went to a project team that spearheaded closed-loop production activities when the Chinese government imposed a citywide shutdown in Shanghai to contain the spread of COVID-19. The team secured authorization from government authorities and swiftly initiated closed-loop production before other companies, preventing interruptions and maintaining supplies to support customers and Group operations.



Project team members celebrating their Ricoh Way Values Awards grand prize