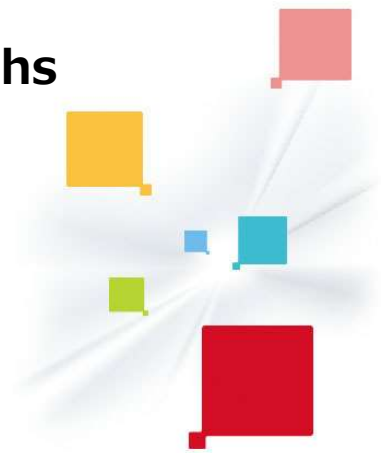


# Consolidated Results for Three Months Ended June 30, 2022



August 3, 2022  
Ricoh Company, Ltd.

## Forward-Looking Statements

The plans, prospects, strategies and other statements, except for historical events mentioned in these materials are forward-looking statements with respect to future events and business results. Those statements were based on the judgment of Ricoh's Directors from available information. Results may differ materially from those projected or implied in such forward-looking statements and from historical trends. Refrain from judgments based only on these 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 cause those results to differ materially from those expressed in the forward-looking statements:

- 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

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. Do not rely solely on these materials for your investments, decisions on which are your responsibility.

**Note: These materials define fiscal years as:**  
FY2022 (or fiscal 2022) = Fiscal year ended March 31, 2023, etc.

## **Overview of FY2022 First-Quarter Results**

- Presenter: Takashi Kawaguchi, corporate officer and CFO
- Today, I will summarize Ricoh's financial results for the first quarter of fiscal 2022.

### Results

- All business units boosted revenues and earnings
  - ✓ Operating profit effectively on target after factoring out forex and other transient factors
  - ✓ Undertook flexible procurement and production measures to address such external factors as parts procurement issues and lockdown in Shanghai
- Office Printing**  
Hardware: Production situation recovered with respect to Shanghai's lockdown and other factors
  - Improved cost structure in response to higher raw materials, parts and ocean freight costs, with market absorbing some rises
    - Match market demand as supply volumes recover
- Non-hardware: Overall sales were as projected; slightly down in Japan, with moderate recoveries in Europe and United States
- Office Services**  
Notwithstanding ongoing impact of IT equipment shortages, especially in Japan, made steady progress with business growth measures
  - Striving to capitalize on growth investments in Europe
  - Targeting recovery from Q2 in Japan
- Progressed as planned with pricing control and structural reforms
- Retained forecasts for FY2022

### Initiatives to enhance capital returns

- Fully engaging in ROIC tree management
- Deploying ¥30 billion share repurchasing program (39% complete by end-June)

- I will first present some key points about our performance during the term.
- All of our business units boosted revenues and earnings. Our operating profit was effectively on target after excluding forex and other transient factors.
- We undertook flexible procurement and production measures to address such external factors as parts procurement issues and a lockdown in Shanghai.
- Office Printing hardware production recovered from June. We improved the cost structure in response to higher raw materials, ocean freight, and other costs, with the market absorbing some rises.
- Not all offerings from plants reached customers, and we will match market demand as supply volumes recover.
- Overall non-hardware sales were as projected. They were slightly less than expected in Japan.
- We saw moderate recoveries in Europe and the United States. Conditions vary among countries. We will closely monitor developments.
- In Office Services, we made steady progress with business growth measures despite the ongoing impact of IT equipment shortages, especially in Japan.
- We invested in growth in Europe and cultivated synergies with newly acquired businesses and companies.
- In Japan, we target a recovery from the second quarter. Takahiro Hachijoh will explain later.
- We are controlling pricing, progressing as planned in this respect and with structural reforms.
- We have accordingly retained our forecasts for fiscal 2022.
- In terms of initiatives to enhance capital returns, we began fully engaging in return on invested capital tree management this fiscal year. We announced a 30 billion yen share repurchasing program that was 39% complete by the end of June.
- So, these were our key performance points for the term.

# Key Indicators

Despite ongoing impacts of material shortages and higher ocean freight costs, sales and operating profit rose year-on-year on structural reforms and pricing controls

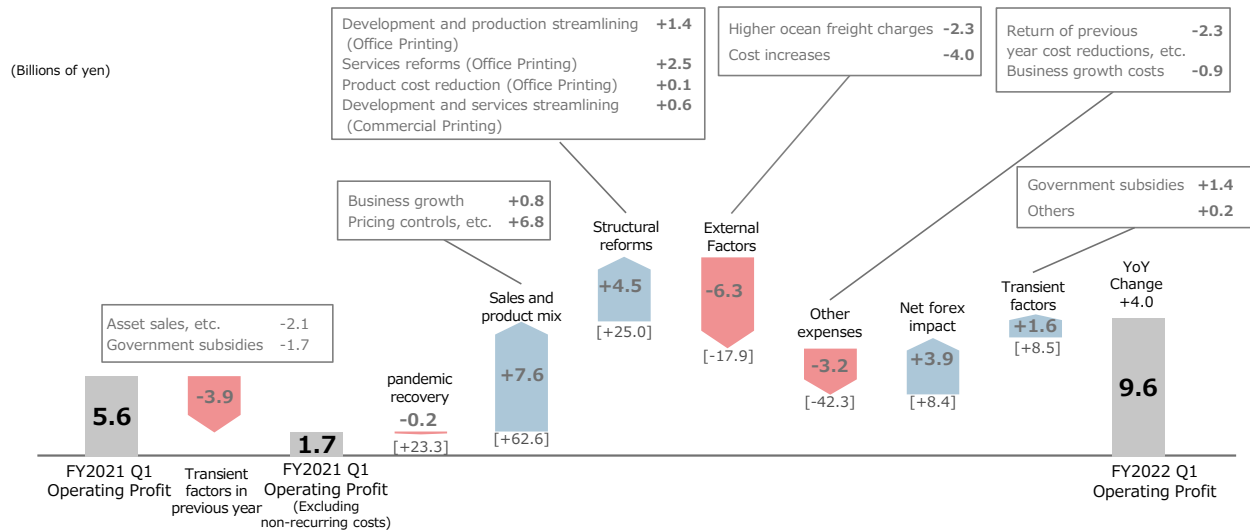
(Billions of yen)

	FY2021 Q1	FY2022 Q1	Year on year change	
<b>Sales</b>	424.8	<b>459.3</b>	<b>+34.5</b>	+8.1%
Gross profit	152.3 (35.9%)	168.0 (36.6%)	+15.6	+10.3%
Selling, general and administrative expenses	146.6 (34.5%)	158.3 (34.5%)	+11.6	+8.0%
<b>Operating profit</b>	<b>5.6</b>	<b>9.6</b>	<b>+3.9</b>	+69.9%
Operating margin	1.3%	2.1%	+0.8pt	-
<b>Profit attributable to owners of the parent</b>	<b>4.7</b>	<b>7.5</b>	<b>+2.8</b>	+58.6%
EPS (Yen)	6.77	11.98	+5.21	
Average exchange rates	Yen/US\$ 109.50 Yen/euro 131.92	129.51 138.02	+20.01 +6.10	
R&D expenditures	22.9	23.1	+0.2	
Capital expenditures	7.5	8.2	+0.6	
Depreciation	10.4	10.1	-0.3	

- Here are highlights of the Consolidated Statements of Income.
- Sales rose to 459.3 billion yen, while operating profit climbed to 9.6 billion yen. The following pages detail factors in our performance.

# Operating Profit Comparisons

While ongoing hardware shortages and other issues slowed pandemic recovery and business growth, steady pricing controls efforts stemmed impacts of rising costs  
Earnings were basically on target owing to such factors as structural reforms and measures to address external factors



Aug 3, 2022

© Ricoh

[ ] : Annual forecast

5

- This page presents operating profit comparisons.
- First, key factors for the sales and product mix in the bottom center of the page were business growth and pricing controls.
- Move slightly right and you will see the cost increase impact of external factors. Note that pricing controls largely covered that impact.
- Next were other expenses.
- We project a 90 billion yen operating profit for this fiscal year. We expected to reach around 10% of that total in the first quarter. That's why I said earlier in this presentation about our 9.6 billion yen for that quarter that we were effectively on target. That 10% level is similar for other expenses and for the sales and product mix that I mentioned earlier. So, I believe that we are progressing well in this respect.
- In terms of the structural reforms in the center bottom of this page, our policy is to generate efficiencies by cutting fixed costs and the cost of sales well ahead of schedule. We believe that we are doing well in that regard.

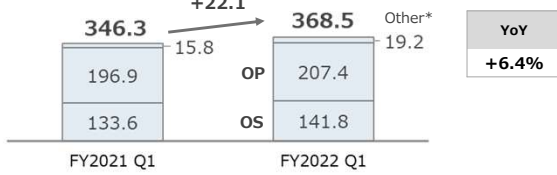
## Ricoh Digital Services

Office Services and Office Printing (Sales)

Revenues and earnings rose despite challenges in securing MFP and IT equipment

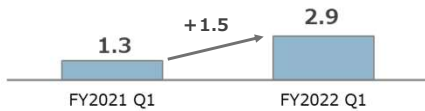
### Sales

(Billions of yen)



### Operating profit

(Billions of yen)



## Ricoh Digital Products

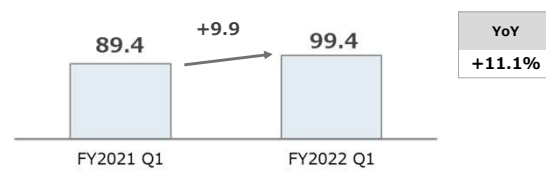
**RICOH**  
imagine. change.

R&D and Production for Office Printing and Edge Devices

Shanghai's lockdown caused some production line stoppages, with production resuming in June, with revenues and earnings rising on flexible production efforts

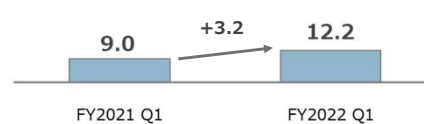
### Sales

(Billions of yen)



### Operating profit

(Billions of yen)



Aug 3, 2022 \*Other: Environmental business, Industrial Services, etc.

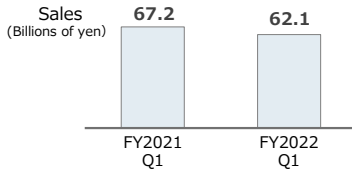
© Ricoh

6

- We will now present performances for our business units.
- Ricoh Digital Services increased revenues and earnings despite challenges in securing MFPs and IT equipment.
- At Ricoh Digital Products, the production line stopped for around two months owing to a lockdown in Shanghai and resumed in June. Workers at the Shanghai plant have continued doing their utmost to maintain production, positioning it well to gain momentum.
- We were more profitable in Digital Products than in Digital Services for one key reason. This was because Digital Products production is primarily for internal sales. Also, the foreign exchange impact is greater than with Digital Services.
- Still, figures for Office Services were slightly lower than hoped. Not all shipments of MFPs and IT equipment reached customers on time, undermining our first-quarter results. Still, as I mentioned earlier we look to match market demand as supply volumes recover.

# Ricoh Digital Services (Office Services)

## Japan

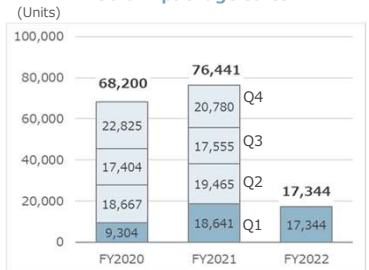


### Generated double-digit Scrum series sales growth despite ongoing impact of IT equipment shortages

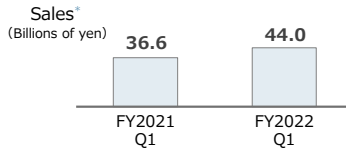
- (1) Scrum packages (for small and medium-sized enterprises)  
Did well in security-related services and with new services for complying with revised electronic bookkeeping law
- (2) Scrum assets (for mid-sized companies)  
Again performed well in handling operations after systems deployments, consolidating virtualized setups, and enhancing security, doubling sales YoY

	(Billions of yen)	FY2022 Q1	
		Sales	Unit YoY
Scrum packages (for small and medium-sized enterprises)	9.4	85%	93%
Scrum assets (for mid-sized companies)	6.0	208%	—
total	15.5	110%	—

## Scrum package sales



## Europe

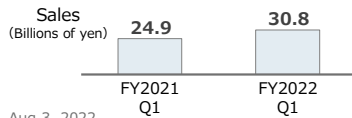


### Accelerated growth with measures for new world of work

- (1) Acquired companies continued doing well and generating synergies; we began offering Axon-Ivy solutions to Ricoh customers
- (2) Successfully launched Leading Change at Work campaign and steadily cultivated deals, generating 30 million euros in orders
- (3) Reskilled engineers to accelerate their shifts from Office Printing to Office Services

Sales (Billions of yen)	FY2022 Q1	YoY
<b>Office services business</b>	<b>141.8</b>	<b>+6.2%</b>
IT infrastructure (hardware and software)	49.8	-6.3%
IT services (including maintenance and outsourcing)	31.5	+12.6%
Applications (business-specific apps and in-house apps)	25.9	+10.5%
Business Process Services	28.3	+20.6%
Others	6.1	+14.4%

## Americas



### Did well with new offerings in transitioning to digital services

- (1) IT security services did well
- (2) In Business Process Services, on-site sales recovered in addition to off-site sales
- (3) Focused on healthcare, financial services, and retailing sectors and strengthening portfolio

Aug 3, 2022

© Ricoh

- I will now overview our Digital Services for Office Services performances in Japan, Europe, and the Americas.
- For Japan, as we explained when presenting our results for the previous fiscal year that for the time being we look to contribute to customers through Scrum Assets, as shortages of IT equipment have greatly hampered our Scrum package efforts.
- First quarter sales of Scrum packages were down 15% from a year earlier. Unit sales also declined. On the upside, we continued to do well with security-related packages and with packages for complying with the revised electronic bookkeeping law.
- At the same time, we almost doubled sales of Scrum assets from a year earlier by focusing on these offerings.
- In Europe, acquired companies continued to generate strong synergies. Axon Ivy, which we purchased in January, develops low-code applications. We began offering its solutions to Ricoh customers. Orders are growing solidly.
- We are accelerating shifts of reskilled engineers.
- In the Americas, we did well in IT security and other services.
- Both on-site and off-site Business Process Services sales recovered. We aim to steer our business toward growth by strengthening our service portfolio, emphasizing three key customer industries.
- Also, the table on the bottom right of this page shows that first-quarter IT infrastructure sales were 49.8 billion yen, down 6.3% from a year earlier. In the first quarter of last year, we still benefited from 4 or 5 billion yen in extraordinary GIGA School demand in Japan, which was a factor in the change.



# Ricoh Digital Services (Office Printing)

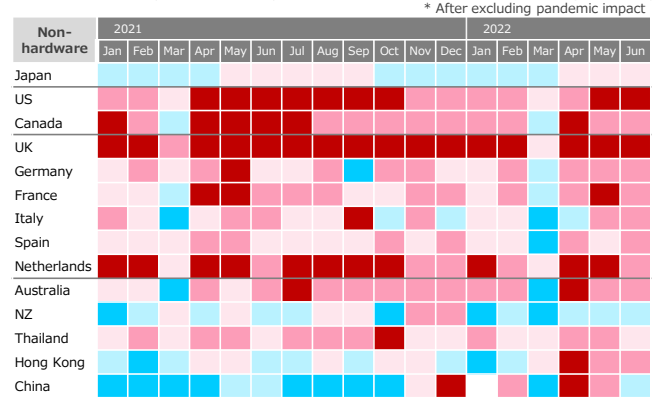
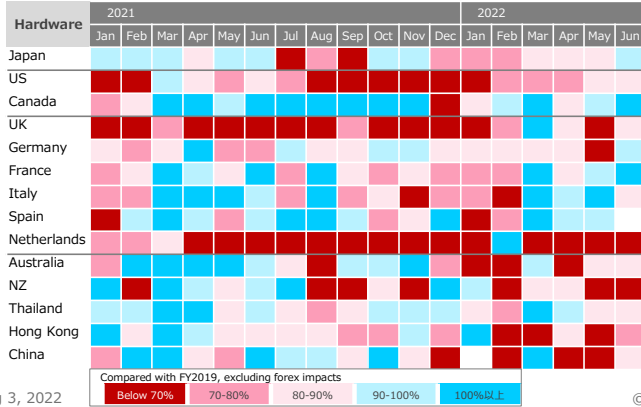
- **Hardware:** Sales on recovery track despite of parts shortages owing to Shanghai's lockdown and other factors; absorbed higher raw materials, parts and ocean freight expenses by improving cost structure and raising prices
- **Non-hardware:** Sales slightly lower than expected in Japan but basically on target overall in Europe and United States

## Sales compared with same period in FY2019

Excluding forex impact

	FY2021				FY2022
	Q1	Q2	Q3	Q4	Q1
Hardware	85%	73%	72%	79% (69%*)	<b>82%</b>
Non-hardware	79%	78%	82%	86% (79%*)	<b>80%</b>
Japan	90%	78%	91%	87%	<b>88%</b>
Americas	75%	68%	64%	76%	<b>74%</b>
EMEA	77%	80%	76%	83%	<b>78%</b>

### Sales heatmap (by country and territory compared with same months in FY2019)



Aug 3, 2022

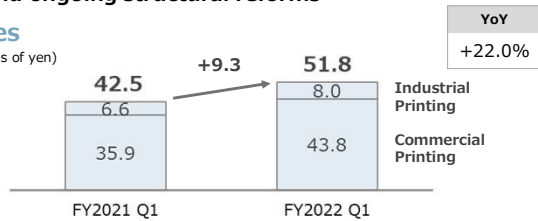
© Ricoh

- On this page, you see that hardware and non-hardware sales were 82% and 80% of fiscal 2019 levels, respectively, in the first quarter of this fiscal year. Both hardware and non-hardware sales substantially improved from the fourth quarter of last fiscal year.

## Revenues and earnings increased on hardware and non-hardware recoveries in Commercial Printing and ongoing structural reforms

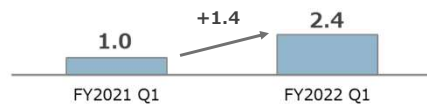
### Sales

(Billions of yen)



### Operating profit

(Billions of yen)



### Overview

#### Commercial Printing

- Hardware: Benefited from turnaround in investment appetite that drove sales growth YoY and addressed parts shortages by purchasing alternative parts and undertaking other measures
- Non-hardware: Sales increased primarily in printing sector

#### Sales compared with same period in FY2019

Excluding forex impact

	FY2021				FY2022
	Q1	Q2	Q3	Q4	Q1
Hardware	73%	68%	72%	87%	<b>84%</b>
Non-hardware	86%	92%	95%	94%	<b>95%</b>
Japan	98%	98%	97%	110%	<b>101%</b>
Americas	77%	78%	80%	89%	<b>87%</b>
EMEA	74%	82%	86%	90%	<b>86%</b>

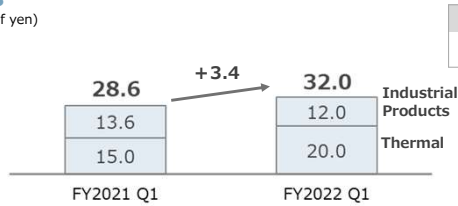
- Components (inkjet heads): Performed well, particularly in sign graphics applications, for ongoing double-digit sales growth
- Structural reforms progressed as planned (29% completed)

- Turning to Ricoh Graphic Communications, we experienced ongoing hardware and non-hardware recoveries in Commercial Printing. See the table on the right for figures.
- We have completed 29% of ongoing structural reforms, as planned, and will continue to increase revenues and earnings.

Improved performance on pricing controls and other efforts, overcoming impacts of external factors

## Sales

(Billions of yen)



## Overview

### Thermal

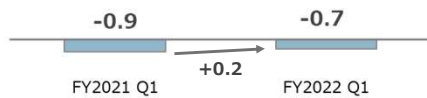
- Sales grew on expanded sales of products resolving social issues and steady logistics sector demand
- Americas: Logistics demand grew
- Europe: Benefited from new customers gained from operations with new line
- Japan: Sales of linerless labels were steady
- Absorbed impacts of higher raw materials and freight costs through pricing control and other efforts

### Industrial Products\*

- Optical components business: Impacts of production cutbacks among automotive customers continued
- Electronics business: Generated steady sales of robotics-related parts for industrial use and other offerings

## Operating loss

(Billions of yen)



\* Key Industrial Products areas are Optical (automotive stereo cameras and projection products), Electronics (industrial controllers), and Precision Equipment businesses

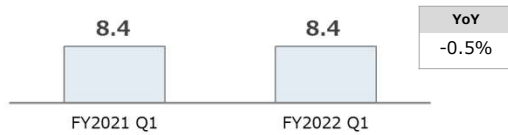
- At Ricoh Industrial Solutions, one challenge in the second half of fiscal 2021 was to tackle hikes in raw materials, transportation, and other costs. We did well in that respect in the first quarter. We have been able to absorb higher costs by controlling prices and will continue such efforts.
- Little else since the previous fiscal year changed significantly in this business unit during the first quarter.

## Other

Revenues basically unchanged

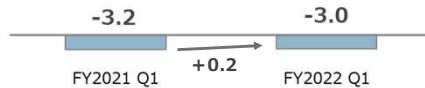
### Sales

(Billions of yen)



### Operating loss

(Billions of yen)



### Overview

- Smart Vision: Steadily cultivated new customers for RICOH360 cloud services
- Incurred segment loss owing to new business investments  
RicoH Futures business unit managed new business portfolios

### New business progress

- Drug discovery support: Elixirgen Scientific became subsidiary; became first player in Japan to launch full-fledged contract manufacturing services for mRNA pharmaceuticals
- Social infrastructure inspection services: (Leveraging optical technology and artificial intelligence to digitalize infrastructure inspections)
  - Roadside slopes: Completed experimental testing with Miyazaki Prefecture that showed commercial promise
  - Road surfaces and tunnels: Steadily secured partners and projects



Roadside slope monitoring system



Tunnel monitoring system

Aug 3, 2022

© Ricoh

11

- The Other segment encompasses Smart Vision's RICOH THETA, a 360° camera, and investments in creating new businesses.
- The first-quarter operating loss was slightly lower than a year earlier.
- The Ricoh Futures business unit manages our new business portfolios.
- We will keep better clarifying businesses that we will maintain and those that may need downsizing.
- There were two recent noteworthy developments during the term. One was that we agreed to lift our stake in Elixirgen Scientific of the United States to make it a majority-owned subsidiary.
- The other highlight was that we became the first player in Japan to launch a full-fledged contract manufacturing service for mRNA pharmaceuticals. While I cannot provide further details, I can say that we will expand our services further.
- Our social infrastructure inspection services are progressing steadily. The bottom left photo on this page shows our roadside slope monitoring system at work. We completed experimental testing with Miyazaki Prefecture that shows commercial promise. We have received inquiries from several prefectures and look for this service to contribute to results in coming years.
- That completes our business unit performance roundup.

# Statement of Financial Position

- Inventories increased amid product supply recovery process
- After factoring out forex fluctuations, total assets unchanged from end of previous fiscal year

Assets (Billions of yen)	As of June 30, 2022	Change from Mar 31, 2022		Liabilities and Equity (Billions of yen)	As of June 30, 2022	Change from Mar 31, 2022	
Current Assets	<b>1,064.6</b>	+52.1		Current Liabilities	<b>697.0</b>	+3.6	
Cash & time deposits	<b>252.2</b>	<b>+11.8</b>		Bonds and borrowings	<b>100.4</b>	<b>-13.9</b>	Repayment
Trade and other receivables	<b>387.3</b>	-9.7		Trade and other payables	<b>266.8</b>	-1.7	
Other financial assets	<b>94.8</b>	+2.5	Sales inventory due to production recovery Higher production inventories from advance purchases of parts, etc.	Lease liabilities	<b>23.3</b>	+0.6	
Inventories	<b>264.5</b>	<b>+32.0</b>		Other current liabilities	<b>306.4</b>	+18.6	
Other current assets	<b>65.5</b>	+15.5		Non-current Liabilities	<b>296.4</b>	+42.4	
Non-current assets	<b>866.1</b>	+25.3		Bonds and borrowings	<b>162.2</b>	<b>+41.2</b>	Procurements
Property, plant and equipment	<b>188.9</b>	+0.4		Lease liabilities	<b>44.5</b>	+0.1	
Right-of-use assets	<b>58.6</b>	+0.9		Accrued pension & retirement benefits	<b>45.0</b>	-0.6	
Goodwill and intangible assets	<b>276.8</b>	<b>+17.3</b>	Strategic investments	Other non-current liabilities	<b>44.6</b>	+1.8	Foreign currency translation adjustments
Other financial assets	<b>132.1</b>	+3.8		Total Liabilities	<b>993.5</b>	+46.1	Share repurchases and dividend payments
Other non-current assets	<b>209.6</b>	+2.7		Total equity attributable to owners of the parent	<b>933.4</b>	<b>+31.4</b>	
Total Assets	<b>1,930.7</b>	+77.5		Noncontrolling Interest	<b>3.7</b>	+0.0	
				Total Equity	<b>937.2</b>	+31.4	
				Total Liabilities and Equity	<b>1,930.7</b>	+77.5	
				Total Debt	<b>262.6</b>	+27.2	

Exchange rate as of Mar 31, 2022: US\$ 1 = ¥ 136.68 (+14.29)  
(change from Mar 31, 2022, rate) EURO 1 = ¥ 142.67 (+ 5.97)

Aug 3, 2022

© Ricoh

12

- I will now share balance sheet highlights.
- Foreign exchange fluctuations inflated all line items during the term. Most of the cash & time deposits growth was due to that factor.
- Trade and other receivables and trade and other payables both decreased. For the Ricoh Group, these numbers tend to rise in the fourth quarter, when domestic business deal negotiations are heaviest. The first-quarter decrease reflected progress with collections and payments.
- Inventories rose significantly during the quarter. This came from sales inventory stemming from a production recovery and from higher production inventories from advance purchases of parts and other items. At the business planning stages, we decided to purchase some parts in advance and bring up some production to April and May after concluding that it would become important to amass inventories at sales sites in view of the impact of the Shanghai lockdown.
- While inventories thus rose by the end of June, it is important to note that they were neither unnecessary nor permanent. We plan to steadily sell these products in the second and third quarters to generate earnings.
- Total liabilities were up almost 50 billion yen by the end of June. Repayments were around 20 billion yen.
- Although foreign currency translation adjustments affected total equity, other factors were 11.8 billion yen for share repurchases and 8.2 billion yen in dividend payments.

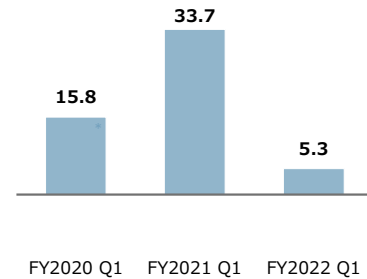
# Statement of Cash Flows

While earnings rose, free cash flow dropped from a year earlier owing to higher inventories and other factors, and shareholder returns were as planned

(Billions of yen)	FY2021 Q1	FY2022 Q1
Profit	4.8	<b>7.6</b>
Depreciation and amortization	23.4	<b>22.6</b>
Other operating activities	19.5	<b>-10.4</b>
Net cash provided by operating activities	47.8	<b>19.8</b>
Plant and equipment	-4.2	<b>-6.6</b>
Purchase of business	-2.2	<b>-0.7</b>
Other investing activities	-7.5	<b>-7.1</b>
Net cash used in investing activities	-14.0	<b>-14.5</b>
Increase (Decrease) of debt*	-3.4	<b>21.0</b>
Dividend paid	-5.3	<b>-8.2</b>
Purchase of treasury shares	-25.2	<b>-11.8</b>
Other financing activities	-8.9	<b>-8.0</b>
Net cash provided by financing activities	-43.0	<b>-7.0</b>
Effect of exchange rate changes	0.6	<b>11.1</b>
Net increase in cash and cash equivalents	-8.6	<b>9.4</b>
Cash and cash equivalents at end of period	321.6	<b>243.4</b>
Free cash flow (Operating + Investing net cash )	33.7	<b>5.3</b>

## Free cash flow

(Billions of yen)



Higher earnings

Higher sales inventories from production recovery, with higher production inventories owing to advanced parts purchasing and other factors

On target

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

- Turning now to cash flows, we note that significant inventory growth was the principal driver in the Other operating activities change. Free cash flow was accordingly quite small.
- Inventory clearances should simultaneously generate cash.

## ESG action

- 2022 April** Participates in launch of 30 by 30 Alliance for Biodiversity to pioneer conservation measures in Japan (30 by 30 refers to aim of protecting 30% of global land and sea surfaces by 2030 and represents one target of Post-2020 Biodiversity Framework, to which G7 countries were the first to commit at their June 2021 summit)
- July** **Ricoh Japan publishes Sustainability Report 2022 and SDGs Communication Book 2022**  
**Concludes Positive Impact Finance loan agreement with Sumitomo Mitsui Trust Bank**

## Major awards and recognition

- 2022 April** Included in FTSE Blossom Japan Sector Relative Index, which Japan's Government Pension Investment Index uses as passive benchmark for ESG investing
- June** **Joins inaugural Climate Leaders Asia-Pacific 2022 list**  
Financial Times, Nikkei Asia, and research provider Statista compile list, which recognizes top 2002 performers in shrinking carbon footprints
- July** **Included in MSCI Japan ESG Select Leaders Index, MSCI Japan Women in Action Index, and FTSE Blossom Japan Index, and all five ESG indices (for domestic stocks) used by Government Pension Investment Fund**

## Key external and partner recognition

- 2022 April** United States **Gartner positions Ricoh in Magic Quadrant for Digital Workplace Outsourcing Services**
- May** Europe **Ricoh Japan wins sales excellence and two area awards from CYBOZU AWARD 2022**  
Japan
- Americas **Ricoh USA named to ChannelE2E's Top100 Vertical MSPs for 20-22**
- June** Japan **Ricoh selected for Digital Transformation (DX) Stocks 2022 program of Japan's Ministry of Economy, Trade and Industry and Tokyo Stock Exchange**
- Americas **Ricoh USA included in The Channel's CRN 2022 Solution Provider 500 List**
- July** Japan **Ricoh Japan wins Microsoft Partner of the Year award**

- This page presents updates our ESG efforts and ESG and Office Services ratings.
- An Office Services highlight was Ricoh's selection for the Digital Transformation (DX) Stocks 2022 program. We will do our best to ensure that our performances merit such an honor.

# **Fiscal 2022 Outlook and Measures**



## Key Indicator Outlooks for FY2022

Initial forecasts unchanged

**RICOH**  
imagine. change.

Performed on target during quarter; despite challenging business climate, will pursue growth and reinforce structure in line with mid-term management plan

(Billions of yen)	FY2021	FY2022 targets	Year-on-year change
Sales	1,758.5	<b>2,050.0</b>	+16.6%
Gross profit	622.6	735.0	+18.0%
Selling, general and administrative expenses	582.6	645.0	+10.7%
Operating profit	40.0	<b>90.0</b>	+124.7%
Operating margin	2.3%	4.4%	+2.1%
Profit attributable to owners of the parent	30.3	63.0	+107.4%
EPS (Yen)	45.35	<b>102.11</b>	+56.76
ROE	3.3%	<b>7%</b>	+3.7%
ROIC	2.8%	<b>At least 5%</b>	At least+ 2.2%
Average exchange rates	Yen/US\$ 112.36 Yen/euro 130.55	125.00 135.00	+12.64 +4.45
R&D expenditures	96.7	102.0	+5.2
Capital expenditures	37.3	41.0	+3.6
Depreciation	39.8	42.0	+2.1

Aug 3, 2022

© Ricoh

16

- We have retained our initial forecasts for key fiscal 2022 indicators and for numbers on pages 17 and 18.
- There is no change from what we reported in the previous year's financial results announcement. We performed on target during the quarter.
- Notwithstanding foreign exchange and transient impacts and bringing production forward somewhat to build inventories, the internal view is that we our figures were steady and in line with projections for the quarter figures after overcoming some downsides.
- Now that the Shanghai lockdown has ended, we will further turn around production and deliver offerings to customers.
- Having completed ICT equipment discussions with manufacturers and other parties, we look for conditions to normalize from September or October this year. We thus anticipate again offering the same Scrum packages as previously in Japan. At the same time, we will look into creating Scrum packages that do not rely on ICT equipment. Takahiro Hachijoh will explain more about this later.
- Since we have finished discussions with business units, including about current situations and outlooks, we expect to progress toward our initial targets in the second and subsequent quarters. So, we have retained our outlooks at this juncture.
- We have augmented our presentation of first-quarter results by explaining the situation in our office businesses, particularly in Office Services. I will now ask Takahiro Hachijoh, general manager of the Digital Services Division in the Ricoh Digital Services Business Unit, to add a little more information about our current activities and our path toward becoming a digital services company.

# Reference: FY2022 Outlook Operating Profit Comparisons

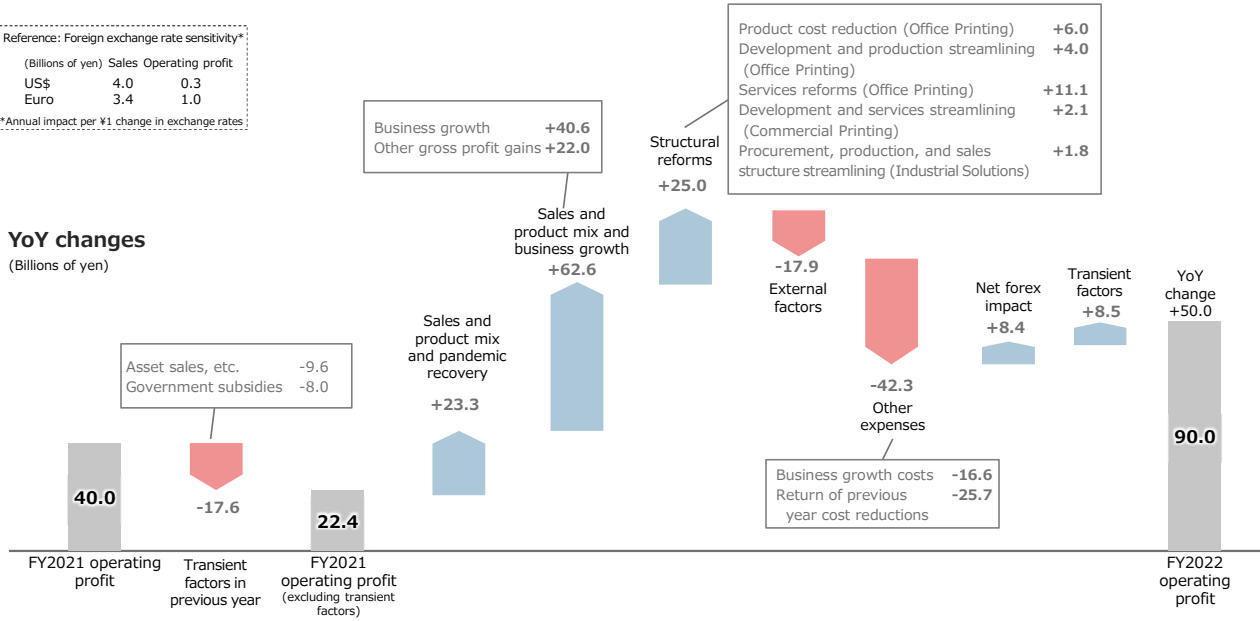
Initial forecasts unchanged

Reference: Foreign exchange rate sensitivity\*

(Billions of yen)	Sales	Operating profit
US\$	4.0	0.3
Euro	3.4	1.0

\*Annual impact per ¥1 change in exchange rates

## YoY changes (Billions of yen)



# Shareholder Returns

Initial forecasts unchanged



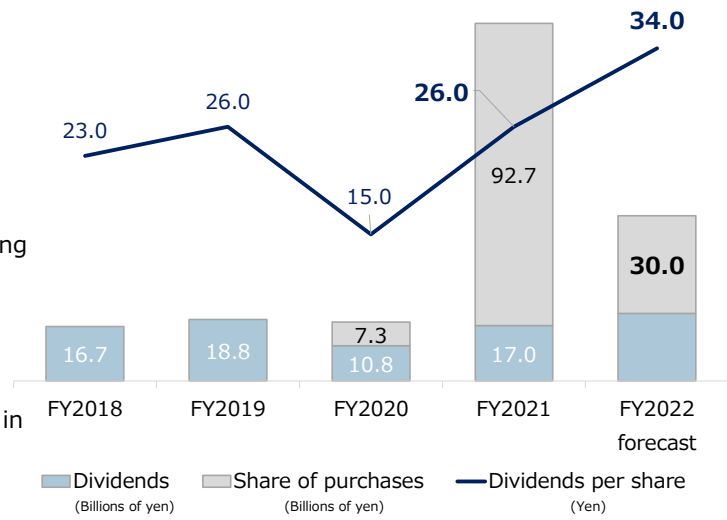
- Maintain **50% total return ratio** target
- Repurchase shares and **lift earnings per share** by increasing dividends

- **Dividends per share forecast:**  
**Increase to ¥34 for FY2022**  
 (¥17 interim and ¥17 year-end)

- **Treasury stock:**  
 Flexibly repurchase shares, generating  
**up to ¥30 billion in additional returns**

⇒ **Retire** all repurchased shares

By end-June: Acquired ¥11.8 billion in shares, representing 39% of target



# Ricoh Digital Services Update

- Presenter: Takahiro Hachijoh, general manager of the Digital Services Division in the Ricoh Digital Services Business Unit
- I will now explain our digital services growth in Japan, Europe and North America.

# Business Growth Initiatives in Japan

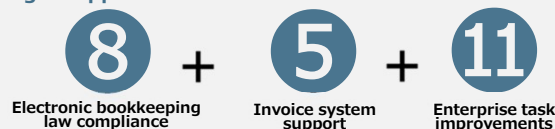
## Deploying multiple solutions in areas with large customer needs

### Focusing on Scrum series success

(not relying on IT equipment)

- **Security packages:** Maintained focus in Q1, with double-digit growth continuing
- **Back office packages:** Deployed scenarios for invoice system support, compliance with electronic bookkeeping law, and enterprise task improvements

### Focusing on opportunities in back office areas for 24 scenarios



Planning to roll out **Ricoh-branded version of kintone** in fall

- Bolster **solutions that dive deep into business operations**
- **Expand RICOH Smart Integration platform**  
⇒ Generate ¥50 billion in revenues globally for document + digital process automation solutions by FY2025



Reinforcing collaboration with **PFU**

- **Managed IT services lineup**
- **Capabilities**
- Increasing digital services around business operations by leveraging **edge devices**



Aug 3, 2022

© Ricoh

20

- I will begin by explaining where our efforts are heading domestically. Progress has been a bit slow there. In Japan, we plan to turn things around by undertaking the three measures below to deploy solutions in areas with large customer needs.
- The first measure should contribute to our second-quarter results and recovery. We will offer solutions packs that do not rely on IT equipment to drive Scrum series success.
- Security packages did very well in the first quarter, attaining double-digit growth. In that area, packages including cloud-based security software as a service application sets that do not rely on IT equipment enjoyed solid growth.
- Our growth in the security field came partly from these packages being in a high-demand area. Other key factors were that in the first quarter we deployed scenarios for enhancing enterprise operations and trained sales and service personnel extensively.
- These efforts helped us to keep generating orders. We will continue to reinforce our security product focus in the second and subsequent quarters. A new initiative from the second quarter will be to bolster back-office solutions.
- As you can see on the right, we plan for our back-office solutions to help customers comply with legislative revisions, one example being changes to the electronic bookkeeping law.
- For the three areas shown, we have prepared a total of 24 scenarios for back-office areas.
- As well as benefiting from customer needs through these 24 scenarios, another demand driver is a national IT subsidy program in this field that the government has instituted.
- Ricoh Japan has attained the highest success rate domestically in securing IT grants. We will share our expertise in that area with customers to accelerate business progress.
- In cultivating back-office solutions, we are preparing scenarios and stepping up sales and service personnel training for them. This is just as we did in the first quarter, when we drove security-related solutions growth.
- Our training curriculum encompasses 26 courses for sales and service personnel, including basic knowledge about mission-critical tasks, the invoicing system, details about revisions to the electronic bookkeeping law, and specifications for proposed products.
- We will accordingly accelerate efforts to deploy back-office solutions while bolstering our sales and service structure.
- Our second measure is to roll out a Ricoh-branded version of kintone through a business alliance with Cybozu that we announced in April this year. Preparations for the scheduled fall launch are progressing well.
- We have already prepared 16 asset models with Scrum assets. Key focuses are customer and order management. Down the track, we will deploy not just Scrum assets but also Scrum packages, accelerating efforts in line with the launch this fall. We plan to release the Ricoh-branded version of kintone in conjunction with RICOH Smart Integration.
- This field offers considerable growth potential. Global revenues should reach 50 billion yen by 2025.

# Business Growth Initiatives in Japan

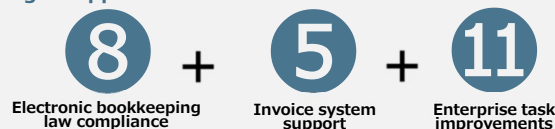
## Deploying multiple solutions in areas with large customer needs

### Focusing on Scrum series success

(not relying on IT equipment)

- **Security packages:** Maintained focus in Q1, with double-digit growth continuing
- **Back office packages:** Deployed scenarios for invoice system support, compliance with electronic bookkeeping law, and enterprise task improvements

### Focusing on opportunities in back office areas for 24 scenarios



Planning to roll out **Ricoh-branded version of kintone** in fall

- Bolster **solutions that dive deep into business operations**
- **Expand RICOH Smart Integration platform**  
⇒ Generate ¥50 billion in revenues globally for document + digital process automation solutions by FY2025



Reinforcing collaboration with **PFU**

- **Managed IT services lineup**
- **Capabilities**
- Increasing digital services around business operations by leveraging **edge devices**



Aug 3, 2022

© Ricoh

1

- Our third measure is to reinforce collaboration with PFU through a planned acquisition that we announced in April.
- PFU is well known for its scanners. It is also a solid managed IT services provider.
- Several partnership efforts with Ricoh Japan's managed IT services are already in place.
- We will reinforce collaboration to boost sales of PFU's managed IT services under the Ricoh Japan brand. PFU has robust capabilities, particularly in security operating centers. Ricoh Japan aims to leverage its strong sales force to cultivate these capabilities.
- We are seeking to offer a Scrum package model that employs PFU's edge devices and scanners.
- PFU's scanners can directly read driver licenses and other information printed on plastic media, as well as passports, medication records, and other booklets.
- Such items can serve as authentication gateways, and various tasks can combine optical character recognition for handwritten forms. So, we look to strengthen this area with Scrum packages and series offerings for creating digital workflows.
- We will leverage the three measures that I have just described to turn around the Office Services business in Japan, where progress has been a little slow to date.

# Business Growth Initiatives Overseas

**In Europe, acquired and sales companies steadily improved performances, and will continue acquisitions this fiscal year**

- On June 1, announced completions of acquisitions of two European audiovisual integrators, reinforcing platform to drive global workplace communication and collaboration strategies

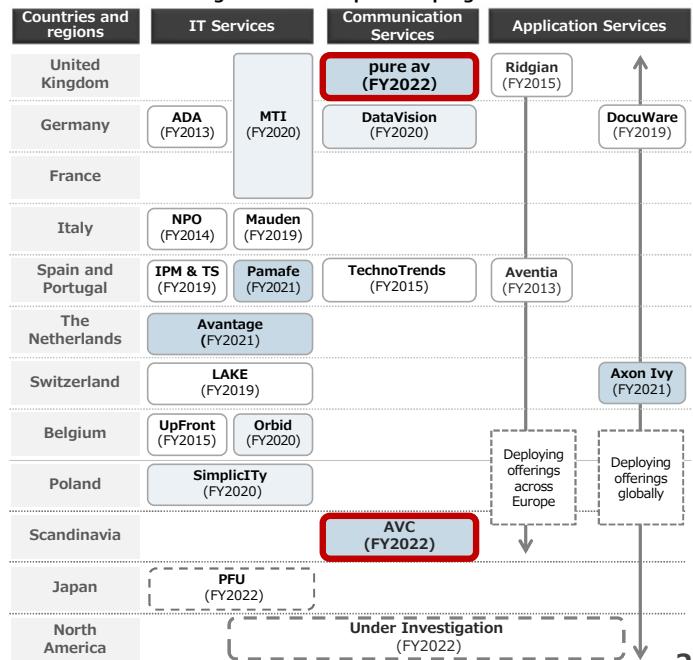


- Post-merger integration progressed well with Axon Ivy, a low-code development app firm acquired in FY2021  
⇒ Began using its offerings in-house and initiated sales to major customers, receiving orders
- In Americas, deployment of managed services employing digital technology starting to bear fruit  
⇒ Assigned services specialists to priority healthcare, financial services, and retailing sectors  
⇒ Accelerate managed services digitalization  
⇒ Explore strategic growth investments

Aug 3, 2022

© Ricoh

Organizational expansion progress



- I will now explain our efforts in Europe.
- Our Office Services business there is progressing steadily. As the table on the right illustrates, we have made acquisitions across various countries.
- The first quarter saw us acquire audiovisual integrators pure av in the United Kingdom and AVC in Scandinavia. Our Workplace Communication & Collaboration strategy encompasses those areas, and we are generating double-digit growth by offering audiovisual integration capabilities to major customers.
- Our acquisitions have positioned us to expand into other areas.
- The far right of the table shows Axon Ivy, a software firm that develops low-code development applications. Post merger integration with that firm is progressing well. We have started selling its offerings to major European customers and have received orders.
- We are looking to use Axon Ivy's offerings internally in Europe, the Asia Pacific, Latin America, and Japan.
- I explained earlier that Office Services progress has been a little slow in the United States. However, we are cultivating robust business ties with major customers in the form of managed services, through which we send staffers to customer sites. We are starting to see digital services development examples leveraging that customer base.
- We maintain a strong customer base in the key healthcare, financial services, and retailing sectors. We have established a structure to place salespeople on frontlines to offer industry-specific services. So, we look to expand our digital services in coming years.
- As the table on the right shows, we are sourcing strategic investments in IT Services, Communication Services, and Application Services in North America, which means that we will keep investing for further growth. I will let you know when I can share further information.
- That completes my explanation today.

# Appendix



# Key Performance Indicators for Major Measures

		KPI	FY2021	FY2022	
			results	forecast	Q1 result
Office Printing	Hardware: Percentage of FY2019 sales (after excluding pandemic impact)	Sales	77%	83%	○ 82%
	Non-hardware: Percentage of FY2019 sales (after excluding pandemic impact)	Sales	81%	83%	○ 80%
Commercial Printing	Non-hardware: Percentage of FY2019 sales (after excluding pandemic impact)	Sales	-	102%	○ 95%
Office Services	Scrum packages (Japan)	Customer penetration rate	13%	15%	○ 13.5%
		Unit sales	76,441	100,000	△ 17,344
	Scrum assets (Japan)	Sales (billion yen)	313	450	○ 60
Office Printing	Cut costs on current models through parts sharing Automate production to cut direct labor costs Reduce new model costs with suppliers	Direct costs (current models)	-0.7%	-2%	△
		Direct costs (new models)	-	-15%	
Office Printing	Streamline development efficiency by digitizing design work	Development labor hours per model	-31% (vs FY2020)	-20% (vs FY2020)	○
	Reduce indirect personnel by improving digital manufacturing processes and managing production remotely	Indirect workforce	-24%	-22%	
	Consolidate and reorganize production sites in line with product characteristics	Sites	15	13	
Office Printing	Lift maintenance efficiency through MIF penetration that cuts service work-hours	Percentage of models	46%	over 60%	△47%
	Cultivate multiskilled customer engineers	Customer engineer reductions	-10%(vs FY2020)	-15% (vs FY2020)	○-12% (vs FY2020)
Commercial Printing	Major commercial printing customers secured in Europe and United States	Number of customers	3	13	○ 1

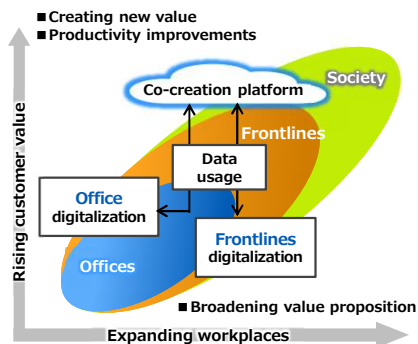
Legend ○: Much higher than projected ○: As projected △: Lower than projected \*Actual figures disclosed by fiscal year  
© Ricoh

# Our Digital Services

Our digital services support customers' work based on digital technology and devices

**EMPOWERING DIGITAL WORKPLACES**

Leverage the power of people and digital technology to transform work for customers by connecting workers and workplaces



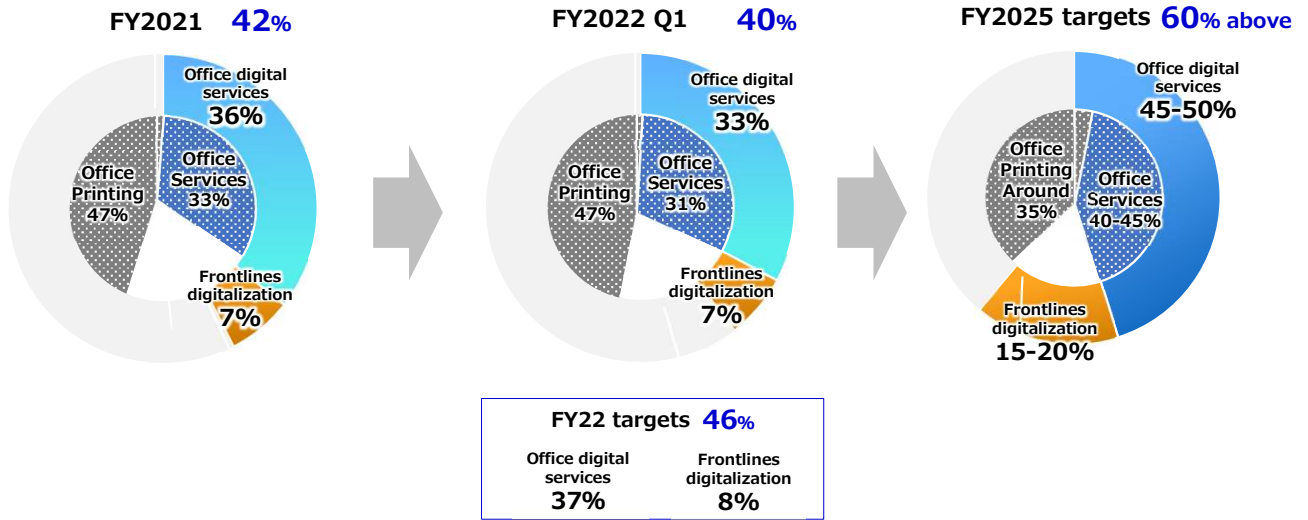
**Businesses contributing to digital services**

<b>RDS</b>	<b>RICOH Digital Services</b>	Resolve issues of workers and deliver <b>digital services</b> to connect office and frontline people	<b>Office Services</b>
<b>RDP</b>	<b>RICOH Digital Products</b>	Manufacture products supporting <b>digital services</b>	<b>Office Printing*<sup>1</sup></b> <b>Edge devices</b>
<b>RGC</b>	<b>RICOH Graphic Communications</b>	Deliver <b>digital</b> solutions for frontline workers on printing sites	<b>Commercial Printing</b> <b>Industrial Printing</b>
<b>RIS</b>	<b>RICOH Industrial Solutions</b>	Provide <b>digital</b> solutions to challenges of frontline workers on logistics, manufacturing and industrial sites	<b>Thermal Products*<sup>2</sup></b>
<b>RFS</b>	<b>RICOH Futures</b>	Create new businesses to resolve social issues through <b>digital</b> solutions	<b>Smart Vision</b> <b>Social Infrastructure</b>
	<b>Group headquarters</b>	Strengthen business foundation to support <b>digital services</b>	

\*1 RICOH Smart Integration encompasses digital services  
\*2 Shifting to digital services

# Digital Services Sales Ratios

Become digital services company, with digital services sales ratio exceeding 60% by end-FY2025

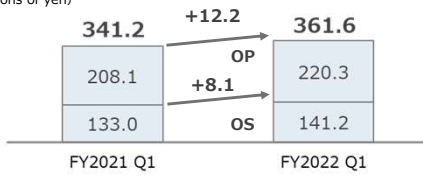


# Reference: Old Segment Performance Reviews

- Improved Office Printing business margins, such as by reinforcing structure and controlling pricing
- Office Services margin declined slightly owing to such factors as IT equipment shortages in Japan and higher labor costs in North America (from rapid inflation, reactions to cost containments, and lower government subsidies)

## Sales

(Billions of yen)



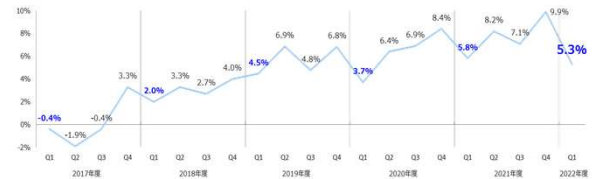
YoY
OP +5.9%
OS +6.1%

## Overview

- Office Printing (OP): Sales and earnings up, with operating margin reaching 7.1%
- Office Services (OS): Sales rose and earnings decreased, for operating margin of 5.3%

		FY2021 Q1	FY2022 Q1
Office Printing	Sales	208.1	220.3
	Operating profit	12.1	15.6
	Operating margin	5.8%	7.1%
Office Services	Sales	1,33.0	141.2
	Operating profit	7.6	7.4
	Operating margin	5.8%	5.3%

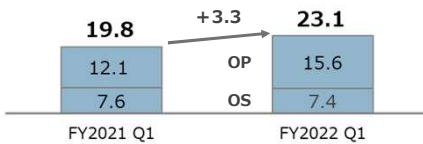
Office Services operating margin (excluding transient factors)



## Operating profit

(Excluding corporate and eliminations)

(Billions of yen)

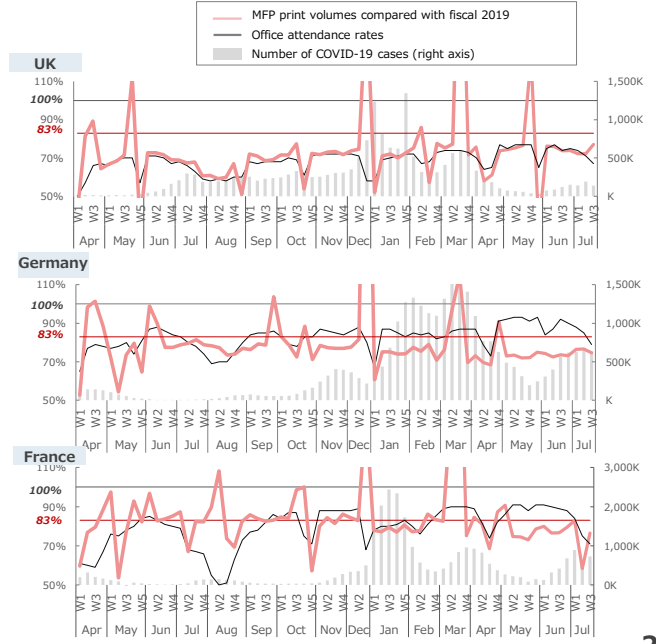
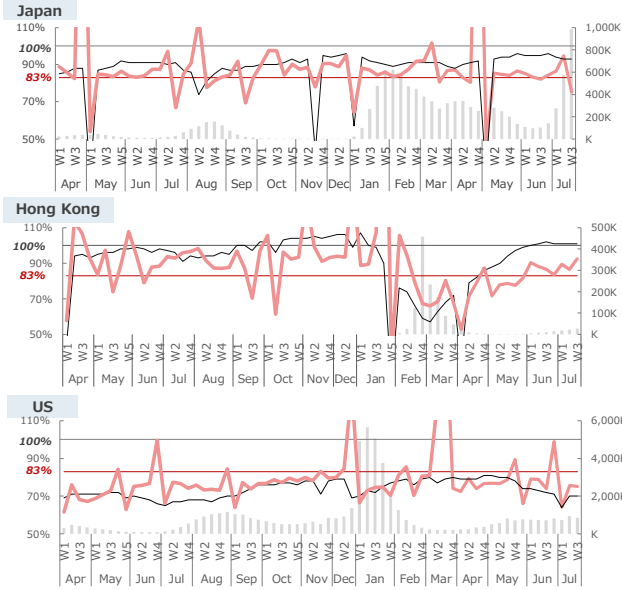


YoY
OP +28.9%
OS -2.2%

# Impact of Pandemic on MFP Printing Volumes

Print volumes recovered overall with returns to offices

## MFP print volumes at company offices (by country)



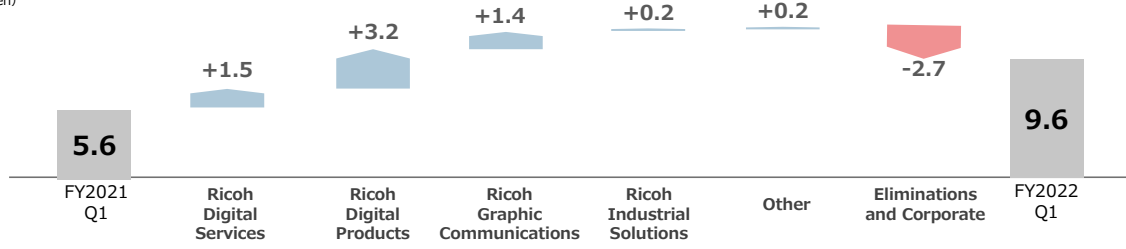
Aug 3, 2022 Note: Print volumes based on Ricoh @Remote data, with MFP print volume changes from two years earlier. Number of COVID-19 case numbers sourced from Johns Hopkins University announcement.

# Segment Operating Profit

Operating profit improved in all business units

## Operating Profit Comparisons

(Billions of yen)



## Operating Profit

	Ricoh Digital Services	Ricoh Digital Products	Ricoh Graphic Communications	Ricoh Industrial Solutions	Other	Eliminations and Corporate
FY2022 Q1	2.9	12.2	2.4	-0.7	-3.0	-4.2
FY2021 Q1	1.3	9.0	1.0	-0.9	-3.2	-1.4

# Sales and Operating Profit by Segment

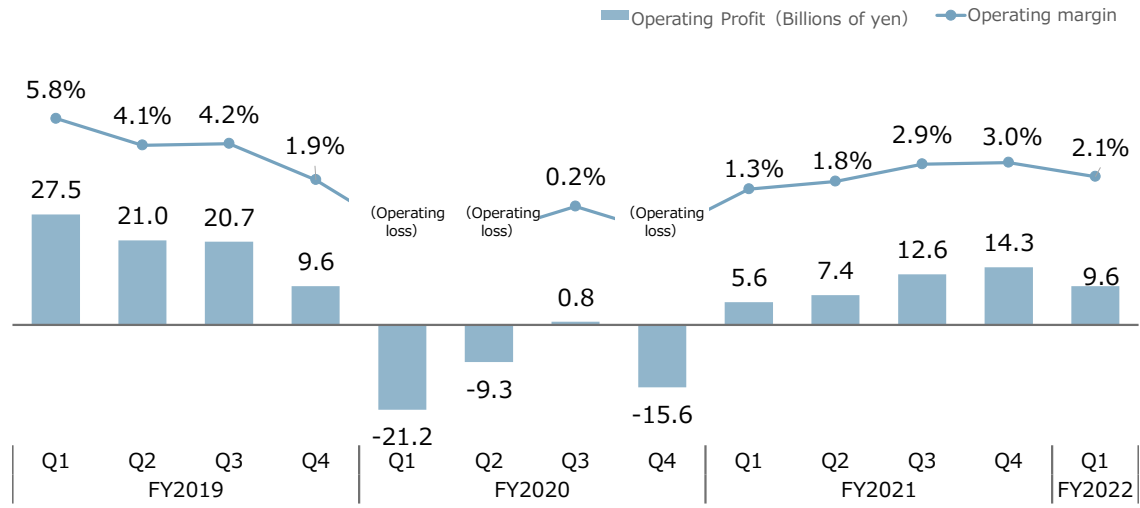
Initial forecasts unchanged

**RICOH**  
imagine. change.

(Billions of yen)

		FY2020	FY2021	FY2022 forecast
Ricoh Digital Services	Sales	1,376.6	1,428.1	1,572.0
	Operating profit	-2.6	16.2	39.6
Ricoh Digital Products	Sales	357.1	364.9	420.0
	Operating profit	16.4	41.7	34.3
Ricoh Graphic Communications	Sales	159.9	187.0	234.0
	Operating profit	-47.4	-0.4	14.0
Ricoh Industrial Solutions	Sales	115.2	119.2	141.5
	Operating profit	-1.6	1.3	8.8
Other	Sales	40.0	35.5	41.5
	Operating profit	-13.8	-15.5	-11.1
Eliminations and corporate	Sales	-366.9	-376.4	-359.0
	Operating profit	3.7	-3.2	4.4
Total	Sales	<b>1,682.0</b>	<b>1,758.5</b>	<b>2,050.0</b>
	Operating profit	<b>-45.4</b>	<b>40.0</b>	<b>90.0</b>

# Quarterly Operating Profit



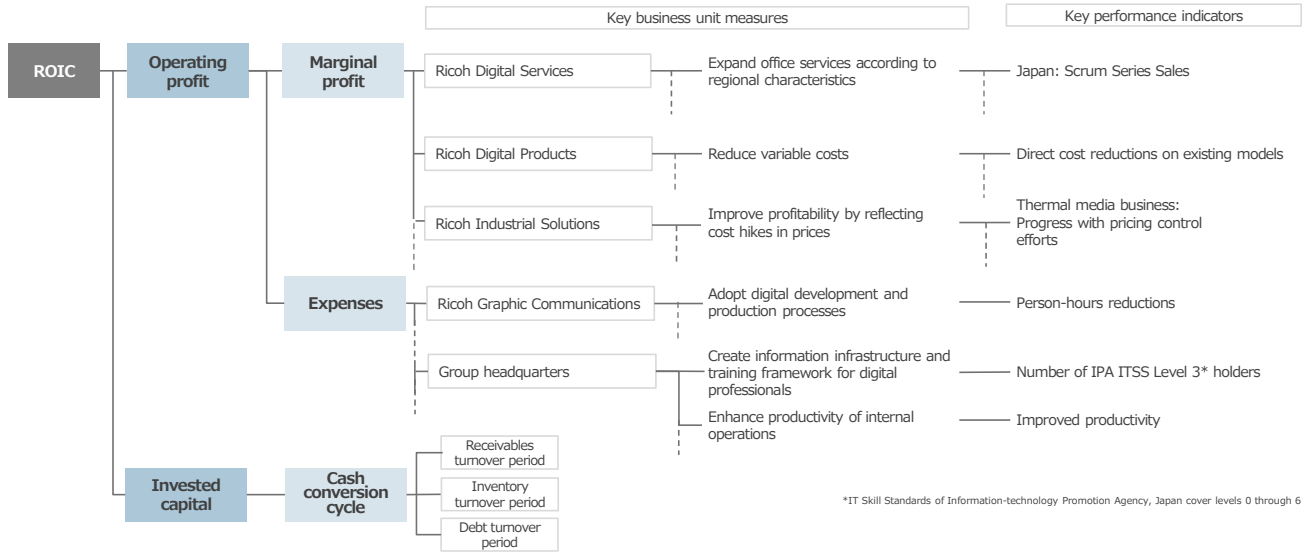


# Initiatives to Improve Capital Returns

Initial forecasts unchanged

Full ROIC tree management (excerpt from case study at bottom)

- ✓ Twin-tiered oversight through companywide and business unit/divisional trees
- ✓ Quarterly monitoring



**RICOH**  
imagine. change.