

**ESG
Briefing**

**Aligning ESG
and Business
Growth**

November 28, 2023

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Review of 20th Mid-Term Management Plan

Overview of ESG Strategy under 21st Mid-Term Management Strategy

What Society and Customers Demand

Initiatives to Align ESG and Business Growth

- I will discuss how we are strategically aligning ESG and business growth under the 21st Mid-Term Management Strategy.
- I will review the 20th Mid-Term Management Plan, overview our ESG strategy under the 21st Mid-Term Management Strategy, cover what society and customers demand, and present initiatives to align ESG and business growth.

Key 20th Mid-Term Management Plan (MTP) Achievements **RICOH** imagine. change.

- Further integrated ESG management systems (including in terms of decision-making systems, linking director compensation, and improving disclosure)
- Progressed as planned with decarbonization, circular economy, and other environmental targets
- Enhanced world-class supply chain management and human rights responsiveness
- Better visualized global human resources data and progressed with gender equality

Environment	Greenhouse gas (GHG) reduction rates Scope 1 and 2 45.5% Scope 3* 31.4% <small>*Procurement, transportation and use categories</small>	Renewable energy utilization ratio 30.2%	Virgin material usage ratio 84.9%
	Production sites with Responsible Business Alliance certification 5	Suppliers signing Ricoh Group Supplier Code of Conduct 98%	Female-held managerial position rate Japan 6.9% Worldwide 16.3%
Social	Decision-making systems Annual ESG Committee meetings 4 Board of Directors time allocated to ESG 28.1%	Executive compensation Bonus calculation formula incorporates ESG targets and Dow Jones Sustainability Indices Rating	Governance information disclosure Including director diversity policy and skills matrix
	Bolstered disclosure through Integrated, TCFD, and Circular Economy reports, ESG Data Book, and ESG website		

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- I will begin by reviewing the 20th Mid-Term Management Plan.
- A prime achievement under that initiative was that we further integrated our ESG management systems. We did that by evolving our decision-making system centered on the ESG Committee, which meets quarterly, linking director compensation, and improving disclosure.
- We believe that we progressed with improvements worldwide as planned in terms of the environment, society, and governance.

Key External ESG Ratings in FY2022

- Positioning external ESG ratings as corporate health checkup tool and reinforcing initiatives and disclosure with management team and frontlines
- Continued to earn external recognition as global leader in ESG

	Assessment benchmarks	2022 results	Ricoh Group's position	2023 flash report
Assessments based on survey responses	DJSI	3rd straight year in World Index	In top 5% among 7,800 companies worldwide	Sector leader As of October 27, 2023
	Nikkei SDGs Management Grand Prix	★★★★★ Environmental Value Award Perfect 5-star rating for fourth consecutive year, 1 Grand Prix, and 2 Environmental Value Awards	8 th among 866 companies	★★★★★ Perfect 5-star rating for fifth consecutive year
	CDP	Climate: A / Water: A- On climate change A list for third consecutive year	One of 272 companies on Climate Change A List among 18,700 evaluated	To be announced in December
	EcoVadis	GOLD	Among top 5% of 100,000 companies assessed	To be announced in March 2024
Disclosure-based assessments	FTSE	Included in FTSE Blossom Japan Index		Included in FTSE Blossom Japan Index
	MSCI ESG	AA Included in Select Leaders Index	Included in all ESG indices of Japan's Government Pension Investment Fund	AA Included in Select Leaders Index
	MSCI WIN	Included in MSCI Japan Empowering Women Index		Included in MSCI Japan Empowering Women Index
	Global 100	80 th	80 th among 6,700 companies evaluated	To be announced in January 2024
	Gomez ESG Site Rankings	13 th	Among top 3% of 378 Japanese companies rated	4 th

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- This slide shows our key external ESG ratings. We position external ESG evaluations as a corporate health tool. We are engaging with management and the frontlines to address improvement areas while enhancing transparency by boosting disclosure.
- The third column shows our external assessments for fiscal 2022. The column on the far right presents preliminary figures as of the end of November this year. I believe that we are earning external recognition as a global ESG leader.

Overview of ESG Strategy under 21st Mid-Term Management Strategy (MTS)

- 21st MTS Goals and ESG Strategic Direction
- 7 Materialities and 16 ESG Targets
- Links with Executive Compensation



- Sustainably improve enterprise value to become global ESG leader
- Align ESG and business growth to materialize Fulfillment through Work

Key initiatives through 20th MTP

- Reviewed five major principles in break from past
- Formulated long-term vision titled Fulfillment through Work
- Declared commitment to becoming digital services company
- Undertook internal reforms, including to adopt business unit structure, ROIC management, and business portfolio management
- Made growth investments
- Focused on cultivating self-motivated people
- Earned high recognition for ESG leadership

Improvements toward 21st MTS

- Transformed earnings structure and boosted profitability
- Improved ability to tackle business climate changes
- Cultivated frontlines digitalization earnings sources

Key reinforcements under 21st MTS

- Improve customer touchpoint value creation capabilities
- Enhance Group and global management
- Step up business model transformation and expand recurring revenues
- Build more change-responsive organizational processes
- Make management more capital efficient
- Keep investing in growth
- Balance corporate growth and employee self-development
- Become global ESG leader by lifting corporate value sustainably

*From 21st Mid-term Business Strategy briefing on March 7, 2023

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- I will now overview our ESG strategies under the 21st Mid-Term Management Strategy.
- This slide presents contents from the announcement for that strategy in March this year. We will keep striving to become a global ESG leader by sustainably improving corporate value. As we move forward, we will focus on aligning ESG with business growth. In other words, ESG initiatives will drive business expansion.

- **Strive to become global ESG leader**
- **Tackle challenges of further aligning ESG and business growth**
 - ESG targets (to transform into digital services company and meet social and customer demands) driving business strategies (P.8)
 - Strengthen integration with management systems (16 ESG targets and director stock compensation plan) (P.10)
 - Step up efforts to resolve social issues through business and bolster proposals to customers (P.19)
 - Reinforce advocacy activities and global communications (P.27)
 - Keep proactively disclosing information and engaging with stakeholders (P.28)

- Here, we present our strategic direction under the 21st Mid-Term Management Strategy.
- In striving to become a global ESG leader, we will tackle the challenges of further aligning ESG and business growth. I will focus on explaining five key points in this respect. These are that we will:
 1. Pursue ESG targets driving business strategies
 2. Strengthen integration with management systems
 3. Step up efforts to resolve social issues through business and bolster proposals to customers
 4. Reinforce advocacy activities and global communications
 5. Keep proactively disclosing information and engaging with stakeholders

Materiality under 21st MTS

- Revised 7 materialities of 20th MTP from two perspectives (transform into digital services company and address social and customer demands)

	Materiality	Strategic intent	Related businesses and key initiatives
Resolve social issues through business	Creativity from Work	To provide digital services that transform how customers work and help them with productivity improvement and value creation	Office Services, Document imaging and Smart Vision
	Community and Social Development	To contribute to the maintenance, development, and efficiency of community and social systems . We leverage our technical expertise and customer connections to expand areas where we provide value	GEMBA (maintenance and services for non-office sites) Biomedical, Educational solutions, Municipal solutions
	Zero-Carbon Society	To decarbonize the entire value chain and create business opportunities by contributing to carbon neutrality	Eco-friendly MFPs, Commercial printing, Silicone top linerless labels, Label-free printing, and PLAiR
	Circular Economy	To create business opportunities by building a circular economy business model for ourselves and our customers	
Robust management infrastructure	Responsible Business Processes	To earn stakeholder trust by taking a holistic view of our supply chain and minimizing ESG risks in our business processes	Human rights due diligence, Conflict minerals compliance, Setting supplier decarbonization targets, Reinforced security in line with NIST SP 800-171, and Compliance surveys and improvement initiatives
	Open Innovation	To shift from a self-sufficient approach that creates businesses to quickly resolve social issues	Strengthen ability to create new value by acquiring excellent valuable external technologies and knowledge Switch to patent application activities that help Ricoh transition into a digital services company
	Diverse and Inclusive Workforce	To foster a corporate culture where diverse employees can demonstrate their potential and transform themselves and the Company into one that is resilient to change	Provide digital services to customers and cultivate talent to help digitalize internal processes Foster a corporate culture that enables employees to realize Fulfillment through Work vision for 2036

★ : Revisions from 20th Mid-Term Management Plan

- This slide presents materiality under the 21st Mid-Term Management Strategy. We have revised the content since May 2022 as a result of extensive deliberations among members of business units and functional organizations and input from management. We also reflected advice from the Board of Directors, particularly outside directors.
- We revised materialities from two perspectives. One was to transform into a digital services company. The other was to address social and customer demands. Of the seven materialities in the table on this slide, we revised those marked with stars under the 21st Mid-Term Management Strategy.

Companywide ESG Targets under 21st MTS

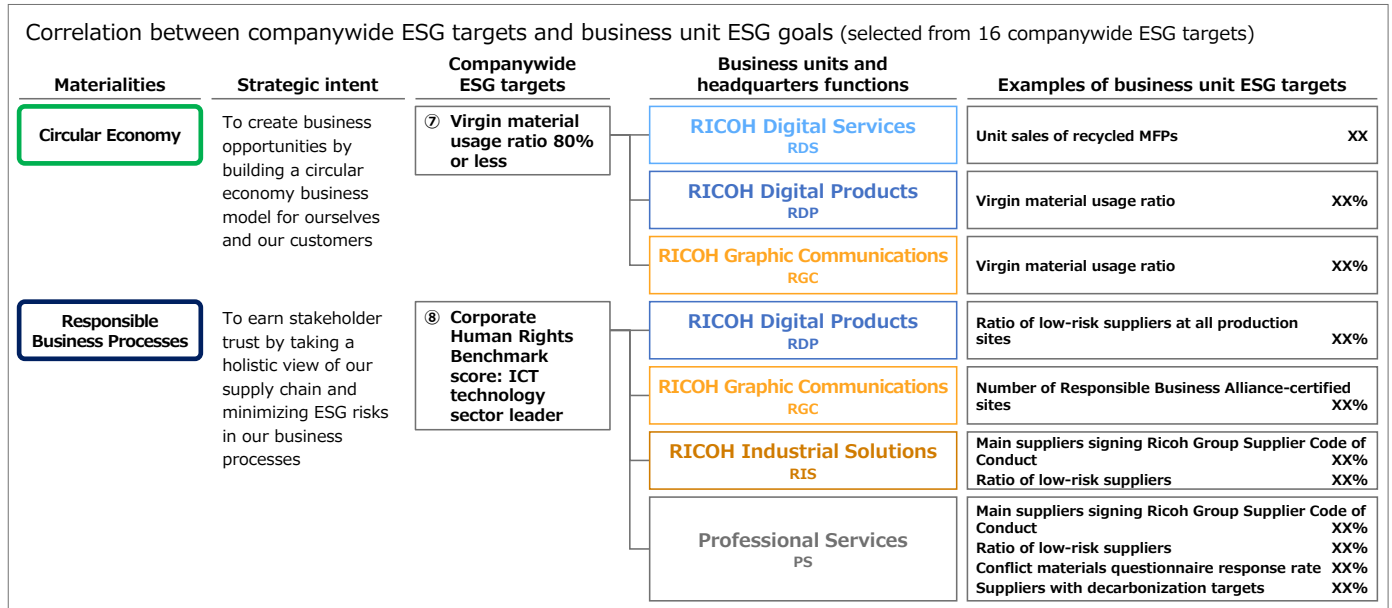
- Formulated 16 ESG targets as key performance indicators for seven materialities

	Materialities	21st MTS ESG targets (for end-FY2025)		Objectives	
Resolve social issues through business	Creativity from Work	① Customer survey scores	29%	Enhance reputation among customers as digital services company	D
	Community and Social Development	② Number of people to whom we have contributed by improving social infrastructure	15–20 million	Resolve social issues in education, healthcare, and community development	S
		③ GHG Scope 1 and 2 reduction rate (from FY2015)	50%	Reduce GHG emissions based on SBT 1.5°C standard	S
	④ GHG Scope 3 reduction rate (from FY2015)	35%	S		
	Zero-Carbon Society	⑤ Renewable energy utilization ratio for power consumption	40%	Expand renewable energy usage based on RE100 standard additionality	S
		⑥ Avoided emissions	1.4 million metric tons	Help reduce economy's overall GHG emissions	S
	Circular Economy	⑦ Virgin material usage ratio	80% or less	Use recycled products and materials and adapt to circular economy	S
Robust management infrastructure	Responsible Business Processes	⑧ Corporate Human Rights Benchmark score	ICT technology sector leader	Address global human rights demands	S
		⑨ Compliant with NIST SP 800-171 coverage of company's core business environment	80% or more	Comply with international information security standards	S
		⑩ Low compliance risk Group companies	80% or more	Strengthen compliance and reduce risks	S
	Open Innovation	⑪ Contracted joint R&D ratio	25%	Reduce self-sufficiency and boost new value creation processes	D
		⑫ Digital services patent application ratio	60%	Strengthen patent filings in digital services domain	D
	Diverse and Inclusive Workforce	⑬ Ricoh Digital Skills Level 2 ratings or above rated employees (Japan)	4,000	Bolster employees' digital skills and accelerate digital services creation	D
		⑭ Process DX Silver Stage-certified employee ratio	40%	Digitalize processes in-house and reinforce customer value proposition	D
		⑮ Employee engagement scores (Companywide/Regional)	RG3.91	Foster unified corporate culture worldwide	S
	⑯ Female-held managerial position ratio (Global/domestic)	20%/10%	Undertake gender equality initiatives globally	S	

D: Transform into digital services company **S:** Address social and customer demands

- I will now go through our companywide ESG targets under the 21st Mid-Term Management Strategy. We position those targets as future financial goals, not non-financial ones. We are tackling them now because we believe they will contribute to business growth over the next three to five years. Under the 21st Mid-Term Management Strategy, we formulated 16 ESG targets as key performance indicators for seven materialities.
- We structured our companywide ESG targets around transforming into a digital services company and addressing social and customer demands. The “D” on the far right of the chart refers to digital services company transformation efforts. The “S” shows where we are particularly addressing social and customer demands.

- 16 companywide ESG targets broken down into business unit goals

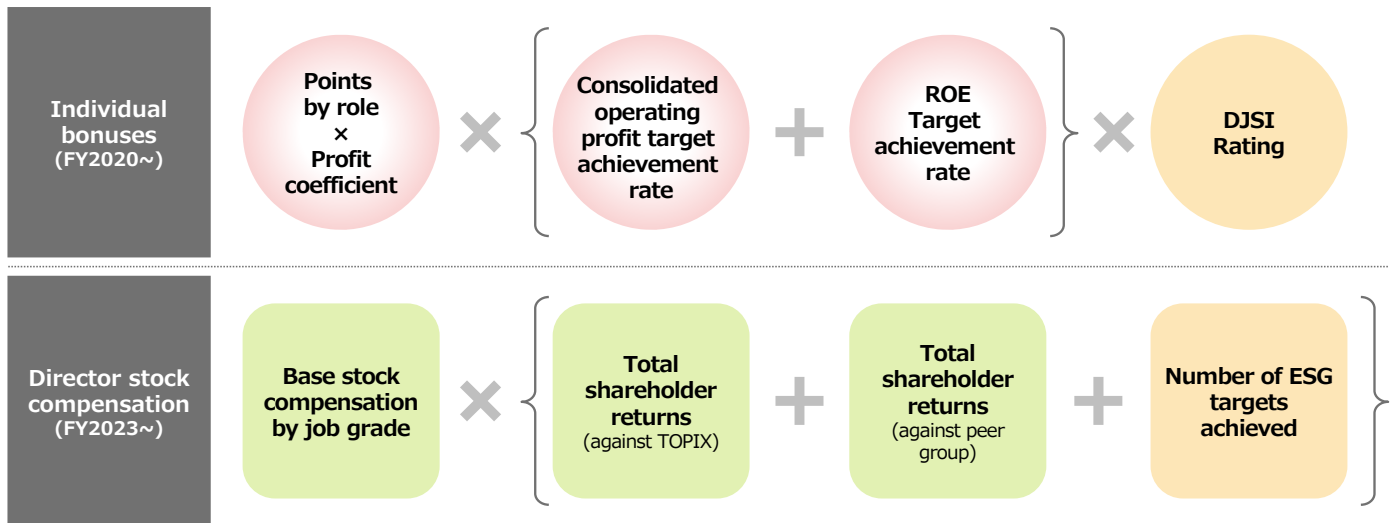


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- We have broken down our 16 companywide ESG targets into business unit goals.
- For example, under the materiality for contributing to a circular economy, we aim to keep our virgin material usage ratio to 80% or less. Entities like RICOH Digital Services have broken that target down further, in this case, to its unit sales of recycled MFPs. The RICOH Digital Products target is its virgin material usage ratio.
- For the responsible business processes materiality, we aim to be an ICT sector leader in terms of the Corporate Human Rights Benchmark score that the World Benchmark Alliance publishes. An entity like RICOH Digital Products has further refined that target to include unit ESG goals, such as the ratio of low-risk suppliers at all production sites. So, we are focusing not only what happens internally but are also addressing supply chain risks. We have additionally set targets for the number of Responsible Business Alliance-certified sites, further breaking down goals for each business unit.
- We review these companywide and business unit ESG targets every six months and make improvements.

- ESG factors reflected in director stock compensation program in addition to bonus calculation formula (20% of compensation)
- Evaluation based on number of 16 companywide ESG targets achieved
- Evaluation over three fiscal years



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- To date, we have incorporated the DJSI Rating into our bonus calculation formula. From this fiscal year, we incorporated ESG target achievements into director stock compensation, giving them a weighting of around 20%.
- The bottom right of the slide states the number of ESG targets achieved. These are our 16 companywide ESG targets. So, reaching 12 of 16 of these targets would result in an 80% payout. The payout would be 100% for reaching 14 of 16 targets, rising to 200% for attaining all 16 targets.

- Pushing ahead with specific decarbonization, circular economy, and biodiversity initiatives

	Highlights
April	<ul style="list-style-type: none"> • Updates corporate philosophy, defining Mission & Vision as Fulfillment through Work • Asset managers managing domestic equities for Government Pension Investment Fund choose Ricoh for excellent TCFD exposure
June	<ul style="list-style-type: none"> • Concludes Positive Impact Finance loan agreement with Sumitomo Mitsui Trust Bank for second consecutive year • As co-chair of Japan Climate Leaders' Partnership, Ricoh Chairperson Jake Yamashita exhorts Japan's Ministry of Environment to step up scientific analysis of climate change issues • Included in Asia-Pacific Climate Leaders list for second consecutive year • Concludes Mizuho Eco Finance loan agreement with Mizuho Bank
July	<ul style="list-style-type: none"> • Enhances GHG emission reductions by formulating Scope 3 reduction scenario
August	<ul style="list-style-type: none"> • Deploys renewable energy under Group's first virtual power purchase agreement
October	<ul style="list-style-type: none"> • Ministry of the Environment certifies Ricoh Ena Forest as one of its Nature Symbiosis Sites based on 30by30 Alliance for Biodiversity (established to fulfill plan released at G7 Summit in June 2021 to conserve and protect at least 30% of land and sea areas by 2030) • RICOH IM C6010 Series A3 Full Color MFP is one of 16 models in seven lines receiving Encouragement and Collaboration awards in Resources Recirculation Technologies and Systems Awards • Receives the Minister of Economy, Trade and Industry's 3Rs (Reduce, Reuse, and Recycle) Promotion Merit Award for toner cartridge recycling initiatives across two generations of A3 full-color MFPs • Endorses Japan's Stewardship Code for corporate pension plans
November	<ul style="list-style-type: none"> • Takes part in Reuters NEXT 2023, a global forum focusing on societal issues around the world • Launches project to increase building values through self-wheeling* of surplus power and other services

*A self-wheeling system transmits electricity from a company's remote solar power facilities to parent or Group buildings through general power transmission and distribution company networks.

- This slide presents highlights since April this year. In July 2023, we formulated a reduction scenario for Scope 3 emissions. As well as setting targets, we disclose scenarios that detail how we will achieve reductions achieved.
- As mentioned earlier, we are undertaking a range of initiatives, including to contribute to decarbonization, a circular economy, and biodiversity.

What Society and Customers Demand



European circular economy legislation (Ecodesign for Sustainable Products Regulation)

- Italy and France specifying recycled consumables percentages for MFPs and printers in green procurement
- France's Anti-Waste and Circular Economy Law grants additional points to companies whose procurement includes certain percentages of recycled machines
- Inquiries rising about plastic packaging tax and proposed packaging and packaging waste regulations. Public tenders in Netherlands requesting use of recycled packaging materials and packaging recycling

Europe's Corporate Sustainability Due Diligence Directive on human rights

- EU adopted draft in June 2023; legislation across member countries should step up in coming years
- In Germany, there have already been instances of submissions having to demonstrate compliance with International Labour Organization standards at production sites manufacturing products for public tenders
- We had to conduct human rights and environmental due diligence in line with German supply chain due diligence act when signing deal agreements with the North American unit of a German company

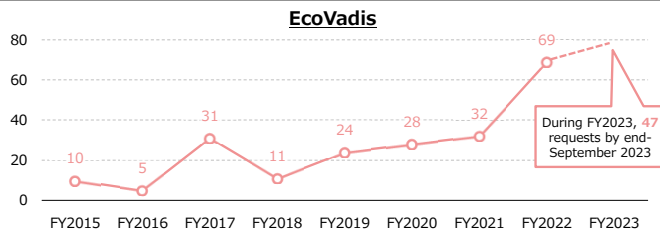
Japan's Act on Promoting Green Procurement mandates disclosure of product carbon footprints and carbon offsets for public procurement

- Act's revision made product carbon footprint disclosure mandatory for public MFP procurements from April 2024; carbon offsets are voluntary
- Tokyo Metropolitan Government has incorporated product carbon footprint and carbon offset disclosure requirements in procurement guidelines since April 2023
- Not only large companies but also small and medium-sized businesses (SMBs) adopting carbon offsetting

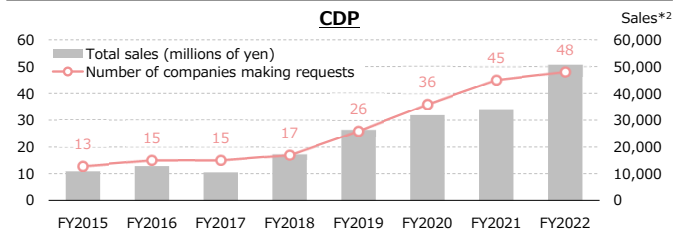
- I will now elaborate on social and customer demand trends, focusing on business deal negotiations and other daily activities.
- This slide shows that legislation is becoming increasingly strict. This particularly so for circular economy and human rights regulations in Europe.
- Legislation relating to the European circular economy includes European Union's Ecodesign for Sustainable Products Regulation as well as proposed regulations for packaging and packaging waste. For example, green public procurement in Italy and France prescribes recycled consumable percentages. France's Anti-Waste and Circular Economy Law regulation requires procurement to include certain percentages of recycled MFPs.
- The Netherlands already maintains very strict requirements for public tenders, including for using recycled packaging materials and packaging materials recycling requirements.
- Also, human rights due diligence legislation has accelerated in the European Union, starting with the adoption of the draft for the Corporate Sustainability Due Diligence Directive on human rights.
- In Germany, there have been instances of submissions having to demonstrate compliance with International Labour Organization standards at production sites manufacturing products for public tenders. We had to conduct human rights and environmental due diligence in line with German supply chain due diligence act when signing deal agreements with the North American unit of a German company. And around 60% of deal negotiations in the United Kingdom involve ESG requirements.
- On top of that, ESG demands are also increasing in Japan. Public procurement now involves having to disclose carbon footprints or requests for carbon offsets. For example, the Tokyo Metropolitan Government has incorporated product carbon footprint and carbon offset disclosure requirements in procurement guidelines since April 2023. The carbon offsetting trend extends beyond public institutions to encompass the private sector, including not just large companies but also small and medium-sized businesses.

- Number of requests to disclose scores from EcoVadis*1 have surged in recent years
- Requests to submit CO2 emissions information through CDP also rising year by year

Number of score disclosure requests



Number of requests for information about CO2 emissions levels



Sales to 48 companies requesting disclosure in FY2022 exceeded **¥50 billion**

Examples of customer requests to Ricoh for rating scores

EcoVadis-related requests

- Total score must be **at least 47 points** (Ricoh exceeded that score)
- **Submit plan to achieve overall score of at least 75 points** within two or three years

*1 French supply chain sustainability assessment firm
*2 Ricoh Group sales to companies requesting emissions data

CDP-related requests

- Contract **required CDP rating of A** (Ricoh's Climate rating is A)

- This slide shows where things stand with customer requests for ESG information.
- For EcoVadis, we have included the number of score disclosure requests. There were 69 such requests in fiscal 2022. There were already 47 through the end of the first half of this fiscal year. We expect the total for the full term to exceed 100.
- The total score for EcoVadis-related requests must be at least 47 points. We may need to submit a plan to achieve an overall score of 75 points within two or three years.
- Also, the number of requests to disclose carbon dioxide emissions is increasing from CDP, an international nonprofit organization that maintains an environmental information disclosure system. In fiscal 2022, 48 companies requested this information. Our sales to those companies exceeded 50 billion yen, so this is something we cannot afford to ignore. It is also worth noting that contracts for some deal negotiations have required a CDP rating of A.

Examples of Customer ESG Requests

1. French Public Procurement

- ESG scores worth up to 20 points (10 environmental and 10 social)
- Environmental requirements including recycled materials content and recycled machine provision



Deal negotiation summary

- Deal negotiation scale: **More than 10,000 MFPs**
- Chose Ricoh for its highly environmental and social ratings

Supplier selection factors

Points Allotments (perfect score is 100)	Points	Factor
	40	Pricing
	20	Product quality
	20	Service quality
	10	Environment (product energy-saving performance, chemical substance emissions, recycled materials content, and recycled machine provision)
	10	Society (recruiting and assisting people with employment difficulties and offering product accessibility)

The ESG score for some public procurement deals in United Kingdom has been 30 points

- I will now present some business deal negotiation examples. This one covers public procurement in France.
- The negotiation was for more than 10,000 MFPs. The ESG weighting was a hefty 20 points, covering environmental and social factors. In the United Kingdom, the ESG score for some public procurement projects has been up to 30 points. The weightings of ESG requirements are rising toward the levels of quality, cost, and delivery.

Examples of Customer ESG Requests

2. Dutch Private Sector Procurement

- ESG initiatives converted into monetary values, reflected in supplier assessments



Deal negotiation summary

- More than 100 MFPs**
- Added values of service & maintenance, implementation plans, and sustainability converted into monetary amounts.
- Monetary equivalents of above added values subtracted from bid price to determine final assessed value
- Instances in which customers equated sustainability with financial value

	Example of final assessed value calculation		Example of sustainability requirements
Assessment formula	① Bid price	€ × × × × ×	Assessment of Ricoh for each item
	② Service & maintenance	€ × × × ×	Outstanding added value
	③ Implementation plan and returns	€ × × × ×	Good added value
	④ Sustainability	€ × × × ×	Outstanding added value
	⑤ Final assessed value	€ × × × × × ① - (② + ③ + ④)	

EU Ecolabel and Energy Star

Recycled materials content of corrugated board

Percentage of plastic packaging made from recycled materials

Cartridge collection

Reconditioning and recycling collected cartridges

Local sales company concluded that without sustainability score it would have lost to rivals

- Next is a very interesting case study for a Dutch company that converts ESG initiatives into monetary values and reflects them in assessing suppliers. The challenge here was high for a deal worth more than 100 MFPs.
- The process for sections ① through ⑤ of the assessment formula of this slide started with initially submitting a bid price. Three elements were subsequently assessed and quantified. These were service & maintenance, the implementation and returns, and sustainability. The amounts calculated for those three elements were then subtracted from the bid price to determine the final evaluated assessed calculation used to select the winning bid for the deal.
- This deal was noteworthy for us securing a high evaluation on a sustainability score that carried a high weighting. Circular economy-related demands have heightened recently, particularly in Europe.

Examples of Domestic Customer Trends

- Green procurement standards are being developed for public procurement
- Not only large corporations but also SMBs expanding SDG contributions and ESG initiatives

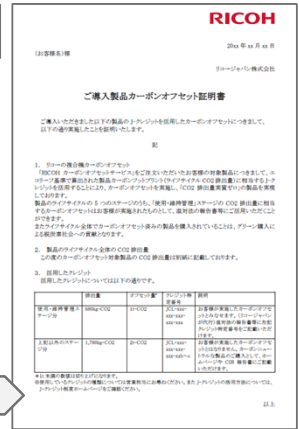


Private sector situation	<ul style="list-style-type: none"> • European companies demand EcoVadis and CDP ratings and scores from domestic SMBs • Domestic customers also starting to demand specific efforts to contribute to SDGs • Many companies finding it hard to know where to begin
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Examples of efforts to support customer green procurement

- Supplying eco-friendly MFP IMC Series + carbon offset service
- Like large companies, SMBs starting to adopt carbon offset service
 - Some customers disclosing certificates for corporate SDG contribution efforts on their websites

Ricoh-issued carbon offset certificate



- As mentioned earlier in the Tokyo Metropolitan Government instance, green procurement standards are being developed for public procurement. In the private sector, we are seeing a particular expansion in efforts to contribute to SDGs and implement ESG initiatives not just among large corporations but also small and medium-sized businesses.
- In the private sector in Japan, there have been instances of European companies demanding EcoVadis and CDP ratings and scores from small and medium-sized businesses here. In a recent case, a manufacturer in Mie Prefecture, Japan, sought our advice about a request from a cosmetics manufacturer in France for a CDP rating. The manufacturer wanted to know how to achieve A or B CDP ratings.
- Even among our customers in Japan, demand is growing for SDG contributions and specific initiatives. Numerous customers find it hard to know where to start. It is in view of those demands that the headquarters of Ricoh and Ricoh Japan are receiving more and more assistance requests.
- To address demands from domestic customers, we offer such solutions as the eco-friendly IMC series of MFPs and a carbon offset service. These offerings have earned favor not just among local governments and major corporations but also recently among small and medium-sized businesses.
- The document on the right of the slide is a Ricoh-issued carbon offset certificate. We offer the IMC series of eco-friendly MFP and carbon offset service to our small and medium-sized business customers and some of them disclose the certificates on their websites.
- The number of disclosure requests relating to SDG initiatives from those customers is surging.

Accelerating regulations on human rights due diligence, particularly in Europe, shaping ESG requirements and customer inquiries when negotiating deals

ESG items assigned higher scores in deal negotiations, becoming on par with financial value

In Japan, product carbon footprint disclosure and carbon offsetting requirements spreading beyond public procurement to private sector and SMBs

Quality, cost, and delivery + ESG requirements increasingly important to engaging in and succeeding in domestic and international deal negotiations and transactions

- As explained thus far, we have witnessed a rapid acceleration in human rights and circular economy regulations, particularly in Europe. Organizations increasingly assign high scores to ESG items in deal negotiations, putting them on par with financial value.
- In Japan, product carbon footprint disclosure and carbon offsetting requirements are spreading beyond public procurement to the private sector and small and medium-sized businesses.
- We recognize that ESG requirements on top of quality, cost, and delivery are increasingly important to engaging in domestic and international deal negotiations and transactions.

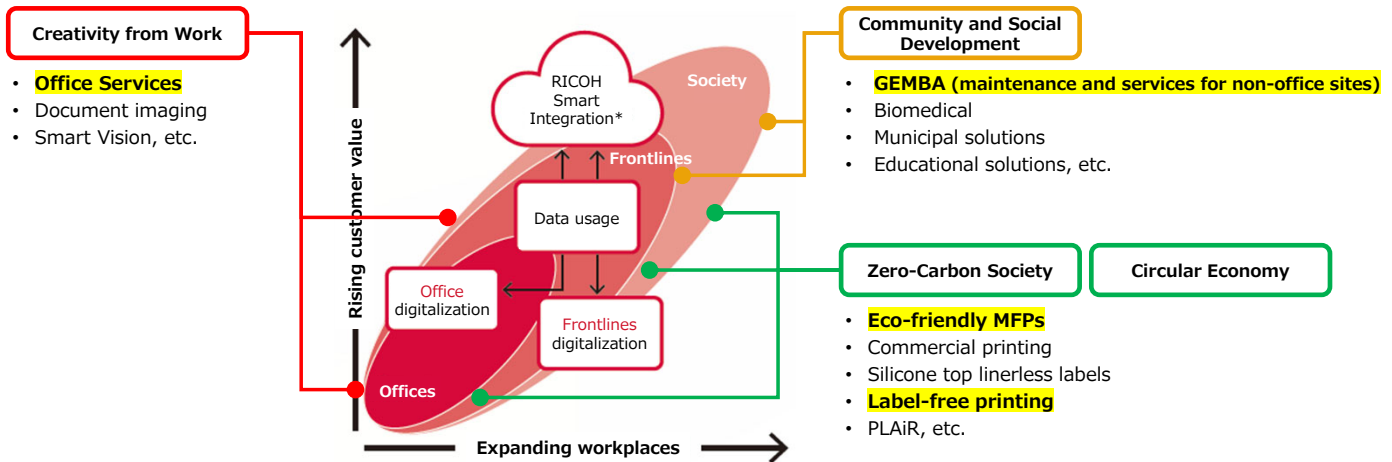
Initiatives to Align ESG and Business Growth

- Examples of resolving social issues through business
- Advocacy activities
- Disclosure



- Based on materiality, identify businesses that resolve priority social issues under 21st MTS

Ricoh's value proposition areas and businesses resolving social issues



*Common platform for Ricoh Group

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- I will now discuss our efforts to align ESG and business growth, which we are stepping up as part of ESG strategies under the 21st Mid-Term Management Strategy.
- Under that initiative, we have identified and disclosed key businesses that focus on resolving social issues through our operations based on materiality.
- We have identified areas and businesses contributing to creativity from work, community and social development, a zero-carbon society, and a circular economy.
- Today, I will focus on the areas highlighted in yellow in this slide to illustrate our initiatives.

Office Services: Helping Enhance Productivity by Digital Transforming SMB Processes

Creativity from Work

- Provide business-specific solutions packages
- Help SMBs digitalize processes and transform their workplaces

Social and customer issues

- **SMB productivity improvement** and growth support
- Addressing aging population, labor shortages, long working hours, and other issues and using digital transformation of DX

Ricoh initiatives and strengths

- Packaged solutions for SMBs by business category
- From selling products to selling services
- Ricoh strengths
 - Delving deeper into customer frontlines challenges, understanding industry and business needs, and developing products
 - Cultivating SMB base through Office Printing and Office Services businesses
 - Nationwide sales and service network and ability to accompany customers from implementation to operation

ESG and business growth alignment

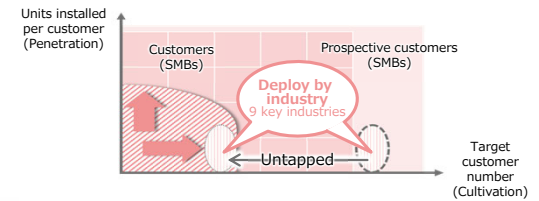
- **SMB customer coverage of 16.7% (representing 27.6% of MFP customers)*1**, expanding contributions to resolving customer challenges
- **Almost 100% of sales to SMBs**, with more than 90% of dealers selling our products
- Pursuing further growth through cultivation (increasing number of customers) and penetration (installing more units per customer)

*1 SMB and MFP customer coverages as of September 30, 2023

Scrum package launch process



Cultivate and penetrate to grow



Japanese-language success stories on SMB support website

<https://smb.ricoh.co.jp/>



- This slide highlights Office Services efforts. Our Scrum packages have performed very well, attaining new sales highs in September and October this year.
- In resolving social and customer issues, we aim to enhance the productivity of small and medium-sized businesses while addressing the challenges of an aging society and labor shortages. Packaging tailored solutions for each industry and business type has contributed much to shifting our sales focus from selling products to providing solutions, enhancing the ability to tackle challenges.
- People have asked how Scrum packages differ from set sales. Our industry producers conduct research and test hypotheses for 100 to 150 needs. They draw on this information to create packages that address customer challenges. They also establish criteria for commercializing packages, such as by determining if deal generation rates truly exceed 30% and if it is possible to complete the process through to a contract in three steps. This involves conducting detailed test marketing to assess these aspects. This approach differs from that for set sales and represents an approach to developing unique solutions menus that resolve customer issues and differentiate us competitively.
- Also, we have leveraged expertise from office printing and office solutions to build a robust position in the market for small and medium-sized businesses. No other company can match our ability to stand by and support customers.
- As of second quarter of this fiscal year, the coverage rate for Scrum packages among our small and medium-sized business customers stood at 16.7%. Even when considering just MFP customers, the coverage rate was just 27.6%. We see this market as one continuing to offer ample opportunities to help customers to resolve their issues.
- As I mentioned earlier regarding the shift of our sales focus, almost 100% of our sales personnel in charge of small and medium-sized businesses and more than 90% of dealers of our products have sold Scrum packages.
- So, selling Scrum package solutions will generate synergies for customers, for resolving social issues, and certainly for us.

GEMBA: Multi-Faceted Support to Stabilize Medical Equipment Operations

Community and Social Development

- Expand medical equipment maintenance by reskilling customer engineers, contributing to a safe and reliable medical care infrastructure

Social and customer issues

- Maintaining safe and reliable medical care infrastructure
- Maintaining medical equipment in remote locations
- Too few skilled maintenance and support personnel to service increasingly networked medical equipment

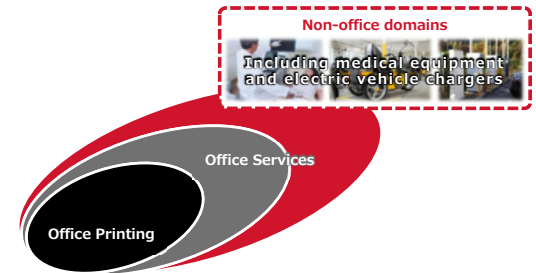
Ricoh initiatives and strengths

- Reskilling customer engineers
- Obtained medical equipment repair business approvals at 15 locations nationwide
- Ricoh strengths
 - Wide maintenance service network encompasses remote locations
 - Customer engineer network skills cultivated in Office Printing and Office Services businesses

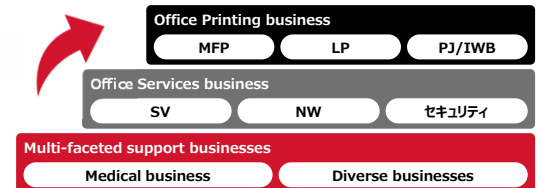
ESG and business growth alignment

- Increase number of supported models and acquire new customers by expanding medical equipment partnerships, such as through alliance with GE Healthcare
- Cultivate customers through medical equipment maintenance capabilities
- Double medical equipment service personnel number by end-FY2025

Maintenance coverage expansion approach



An advanced multi-faceted value delivery model



- I will now explain frontlines, or GEMBA, solutions. We have around 4,500 customer engineers in Japan. To date, we have provided multi-support for a range of equipment. This has included online certification terminal installation and maintenance, robots, storage batteries, and point-of-sale systems. We have recently tapped the networking skills of customer engineers in developing new support and maintenance businesses for increasingly networked medical equipment.
- By fiscal 2025, we look to double our workforce for medical equipment services from around 100 people in fiscal 2022. We will leverage our new multi-support services in taking on the challenge of expanding our customer base.

Eco-Friendly MFPs Delivering Industry-Leading Environmental Performance

- Developing A3 color MFPs with industry-leading environmental performance, helping create a zero-carbon society and circular economy

Zero-Carbon Society

Circular Economy

Social and customer issues

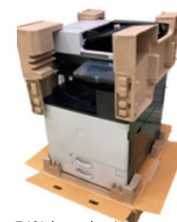
- Reducing overall environmental impacts of human activity, including by contributing to zero-carbon society and circular economy
- Procuring more eco-friendly products and services

Ricoh initiatives and strengths

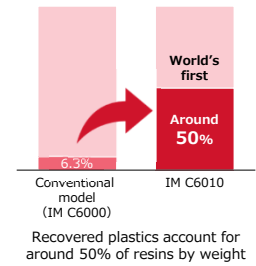
- Long-term initiatives to lower environmental impacts across product life cycles
- Product and technology development anticipating social and customer needs
- Ricoh strengths
 - World's First A3 MFP with 50% recycled plastics content
 - Carbon footprint around 27% smaller than that of conventional models
 - 100% renewables-derived plant electricity

ESG and business growth alignment

- Differentiate competitively by highlighting environmental benefits and complying with laws and regulations
- Cater to growing demand for less plastics usage, product carbon footprint disclosure, and carbon offsets



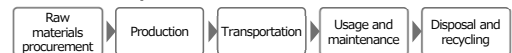
54% less plastic content in packaging than with conventional models



Smaller carbon footprint



Product life cycle



Environmental impact (carbon footprint) across entire product life cycle around 27% lower than that of conventional models

- Here, I will explain our eco-friendly MFP (IMC series), which we launched in February 2023 and delivers industry-leading environmental performance.
- Over the years, we have helped reduce the environmental impacts of human activity by drawing on our expertise across entire product lifecycles, such as in terms of downsizing, reducing weight, selling recycled machines, and recycling materials.
- The IMC series features 50% recycled plastics content. Its carbon footprint around 27% smaller than that of conventional models. We disclose and communicate such SDG contributions to our customers. They are deploying this model because they are very interested in SDGs.

Label-Free Printing Helping to Conserve Resources by Reducing Packaging Label and Plastics Usage

- Developing label-free thermal technology that prints directly on packaging and helping customers adapt products and business models to circular economy

Zero-Carbon Society

Circular Economy

Social and customer issues

- Reduce society's overall environmental impact, including through zero-carbon and circular economy contributions
- Transform product development and business models in response to rising environmental consciousness of consumers

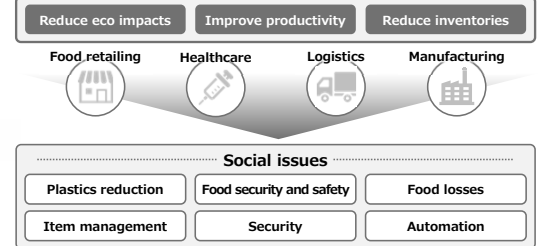
Ricoh initiatives and strengths

- Developed technology for label-free printing directly on transparent film
- Ricoh strengths
 - Created industry's first technology to apply partial coatings of ink to make it easy to view packaging contents and read ingredients information
 - Leveraging top global market shares in thermal paper and thermal transfer ribbons to build expertise in resolving customer issues in logistics, distribution, medical, and transportation infrastructure sectors

ESG and business growth alignment

- Starting with convenience store chains and expanding to mid-sized and large supermarket chains (Seven-Eleven and Lawson began adopting our offerings from 2022)
- Going beyond food packaging to also deploy technology in other fields, such as pharmaceuticals and logistics packaging materials
- In April 2023, established Ricoh Nakamoto Smart Packaging to expand business

Helping to resolve social issues with label-free thermal technology



In industry first, packaging that Seven-Eleven and Lawson adopted makes ingredients visible while making information easy to read

- Next, I will discuss label-free technology. This is part of our thermal business, serving as a solution that dramatically reduces environmental impact and plastics consumption. We are harnessing four technologies that we have cultivated to date in our thermal business. These are ink formulation, processing, production, and marking.
- We are particularly leveraging a partial coating technology. In an industry first, it allows us to make ingredients visible while making information easy to read. As you may have often noticed in Japan recently, salad packages at Seven-Eleven and Lawson convenience stores clearly show both ingredients and labeling.
- We aim to draw on such solutions and strengths to build positions with our technology in other fields, including healthcare, logistics, and manufacturing.

Undertaking Customer Footprint Initiatives to Help Resolve Social Issues through Business

- Harnessing 700 SDG experts nationwide to support customer ESG and SDG efforts
- Strengthening ties with customers while stepping up efforts to cultivate opportunities for business deals and secure orders

Regional initiatives (Central Japan example)

SDG seminars at offices in conjunction with industry-government-academia collaboration-based platform below to help identify specific issues and propose initiatives



Collaborating with partner companies (Yamagata Branch example)

Contribute to sustainable local industry progress by sharing resources and expertise and providing management support needed for local firms to progress with SDGs and digital transformation efforts

Collaborative agreement with Shonai Bank



Shonai Bank President Masahiko Matsuda (left) and Ricoh Japan Yamagata Branch head Mayumi Igaue

Tackling customer issues (Yamanashi Branch example)

Organize and visualize customer initiatives from ESG perspectives and support improvements by leveraging Ricoh Japan's proprietary sustainability sheet



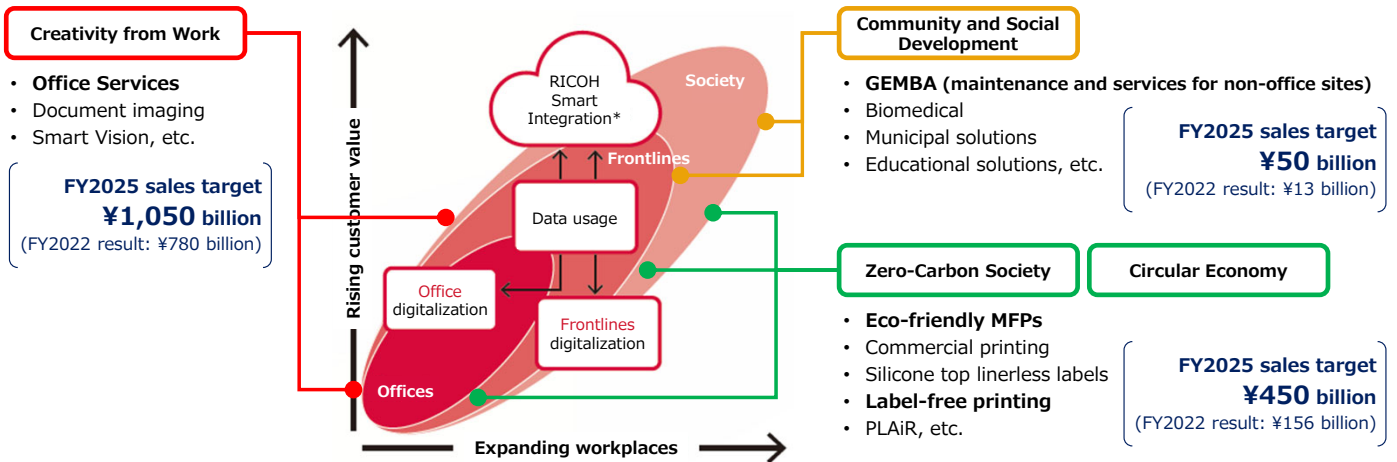
Deal creation and order examples

- Generated deals and orders from regional SDG study group events
- Generated deals and orders through study sessions and internal seminars for customers
- Used sustainability sheet to organized and propose management challenges

- Now, I will talk about customer footprint initiatives that help resolve social issues through our business. I have mentioned SDG experts at Ricoh Japan on previous occasions. The number of such experts has risen to 700. Efforts to date have focused on strengthening ties with customers. We have recently stepped up efforts to cultivate opportunities to undertake business deals, identify needs, and secure orders.
- In central Japan, for example, Ricoh Japan holds SDG seminars at offices in conjunction with industry-academia-government collaboration events. It has also concluded collaborative agreements with credit unions, banks, and local governments to create sustainable development proposals for local industries.
- In addition, for small and medium-sized businesses that do not know where to start, we leverage Ricoh Japan's proprietary sustainability sheet to help organize and visualize customer initiatives from SDG and ESG perspectives and suggest improvements, fueling specific deal negotiations.

- Visualize progress in aligning ESG and business growth by setting sales targets for each materiality and disclosing annual progress

Ricoh's value proposition areas and businesses resolving social issues



*Common platform for Ricoh Group

*Foreign exchange and other assumptions same as in 21st MTS announcement of March 7, 2023

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- Thus far, I have presented success stories and deal negotiations.
- We have set sales targets for social issue-resolving businesses described under the 21st Mid-Term Management Strategy.
- For areas delivering Creativity from Work, we target sales of 1,050 billion yen by fiscal 2025. The target for Community and Social Development category operations is 50 billion yen by that year. The combined sales target for Zero-Carbon Society and Circular Economy areas is 450 billion yen. All of this amounts to about 66% of our sales target of 2,350 billion yen for fiscal 2025. That said, we aim to raise revenues themselves rather than the sales ratio.

- Pursue worldwide ESG leadership by advocating policies and rules and reinforcing global communication efforts

Chairperson Jake Yamashita delivered keynote address at Reuters NEXT 2023 in November 2023



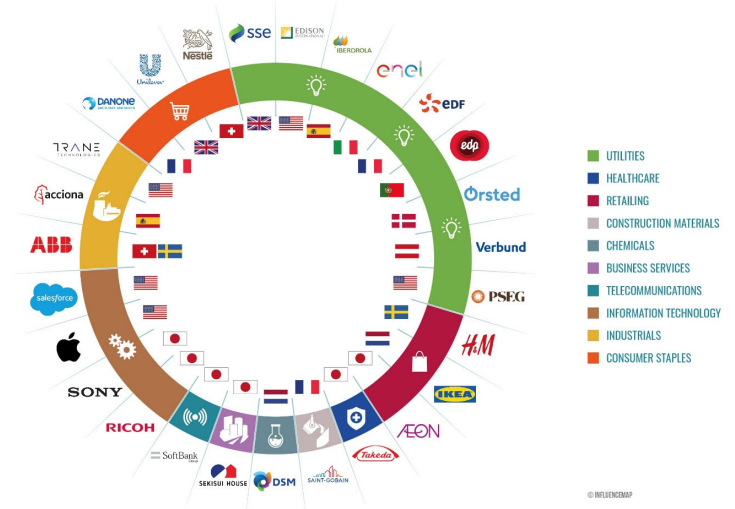
Hosted side event at PRI in person in October 2023



Japan Climate Action Summit panelist in October 2023



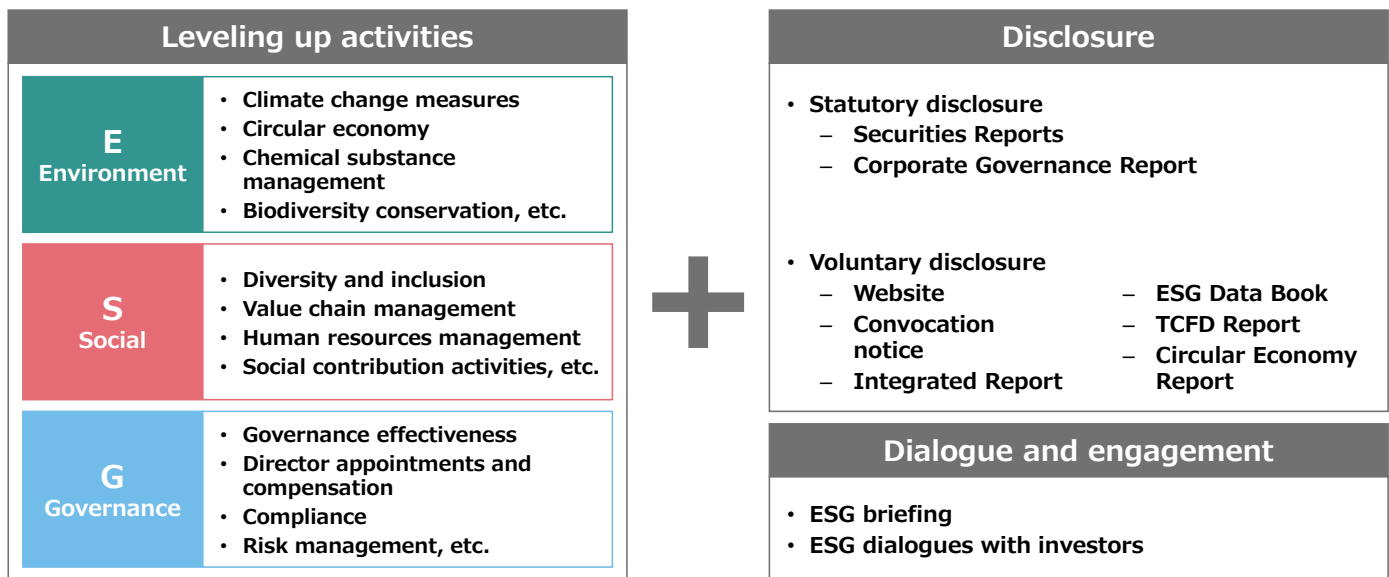
One of 27 world climate policy engagement leaders



*Influence Map published in September 2023
*From Corporate Climate Policy Engagement Leaders, 2023

- We also seek to strengthen advocacy and policy proposal activities. In a recent example of that stance, Chairperson Jake Yamashita delivered a keynote address at Reuters NEXT 2023 in November.
- He presented our views on human rights, advocacy, and climate change at PRI in Person in the first week of October 2023. He was a panelist at the Japan Climate Action Summit.
- Advocacy activity assessment institution Influence Map chose us as one of 27 world climate policy engagement leaders. We were one of six Japanese companies on that list.

- Leveling up ESG activities and disclosure and dialogue as two key elements in improving corporate value
- Keep communicating proactively with stakeholders

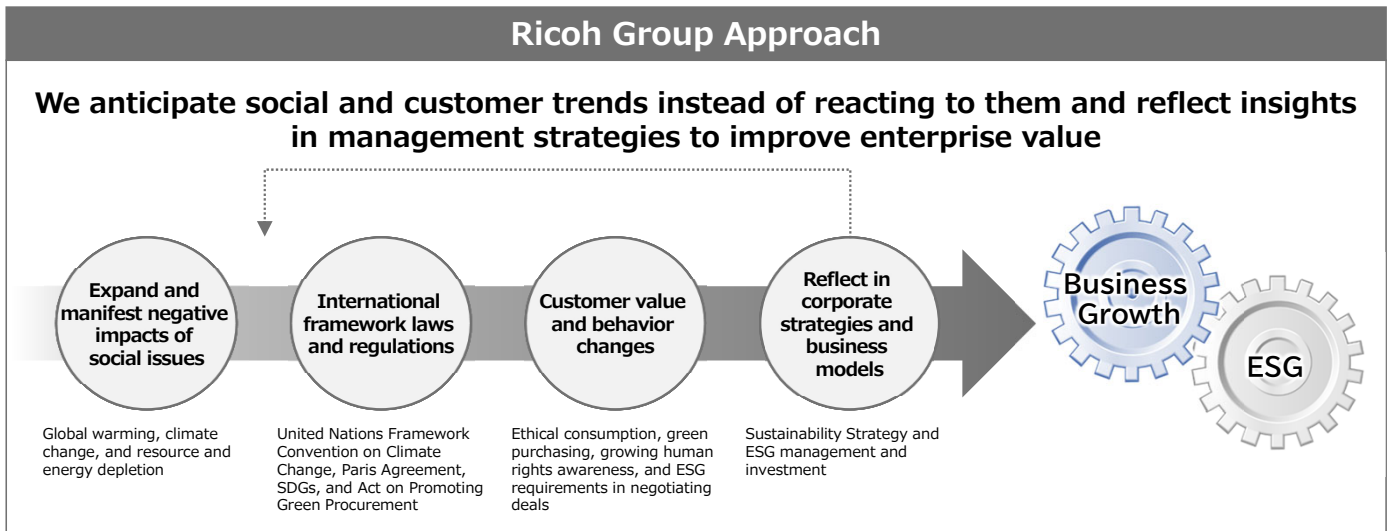


- We also value stakeholder communications. In addition to improve our ESG activities, we believe that disclosure in our publications and websites and dialogue with stakeholders are vital to enhancing corporate value. We will keep communicating even more extensively about our disclosure and dialogue endeavors.

- **Strive to become global ESG leader**
- **Tackle challenges of further aligning ESG and business growth**
 - ESG targets (to transform into digital services company and meet social and customer demands) driving business strategies (P.8)
 - Strengthen integration with management systems (16 ESG targets and director stock compensation plan) (P.10)
 - Step up efforts to resolve social issues through business and bolster proposals to customers (P.19)
 - Reinforce advocacy activities and global communications (P.27)
 - Keep proactively disclosing information and engaging with stakeholders (P.28)

- To summarize, we will keep striving to become a global ESG leader and tackle the challenges of aligning ESG and business growth so those ESG initiatives drive our business expansion.

- Keep positioning ESG as future finance*1 and continue striving to become global ESG leader by aligning ESG and business growth



*1 Future finance (ESG) concept = Current initiatives that will benefit financials three to 10 years hence (past ESG endeavors also shape current finances)

- In conclusion, we have anticipated social and customer trends instead of reacting to them and have taken the initiative to reflect our insights in our management strategies. We will keep positioning ESG as future finance and keep striving to become a global ESG leader by aligning ESG and business growth. Thank you for your time and attention today.

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