Ignite

Ricoh Group Growth Strategy

February 6, 2018

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President and CEO

Ricoh Company, Ltd.

Growth Strategy Positioning

Position “Ignite” as a stage in the growth strategy through 2023

FY 2018/03 through FY 2020/03	FY 2019/03 through FY 2020/03	Through FY 2023/03
Resurgent	**Ignite**	**Take Off**
Enhance our strengths and refine our implementation capabilities to deliver growth	Pursue high targets companywide in steering toward growth	Ensure sustainable growth and further progress

1. RICOH Resurgent in Review

Outcomes of structural reforms and stronger governance

Evaluation of Our Structural Reform Measures

We reviewed our five major principles to create an open corporate structure

	Completed in FY 2018	Planned
1. Cost structure reforms and streamlining ▪ Reviewed in-house manufacturing focus ▪ Revamped direct sales and service	■ Integrated or closed production sites ■ Rationalized product line-up created in-house ■ Streamlined headquarters and back office operations	⇒ Substantially completed in FY 2018 Note: North American structural changes in progress
2. Business process reforms ▪ Improved digitized processes	■ Enhanced productivity by expanding shared services ■ Improved service efficiency by employing Smart Support across more products ■ Lowered costs through production automation	⇒ Continued implementation through FY 2019
3. Business focus ▪ No stone left unturned in evaluating businesses based on the following criteria:	■ Transferred shares in electronic devices business ■ Transferred shares in San-Ai Kanko ■ Changed support policy for Ricoh India ■ Decide to sell CCBJ shares	⇒ Ongoing business evaluation

Structural Reform Outcomes (1)

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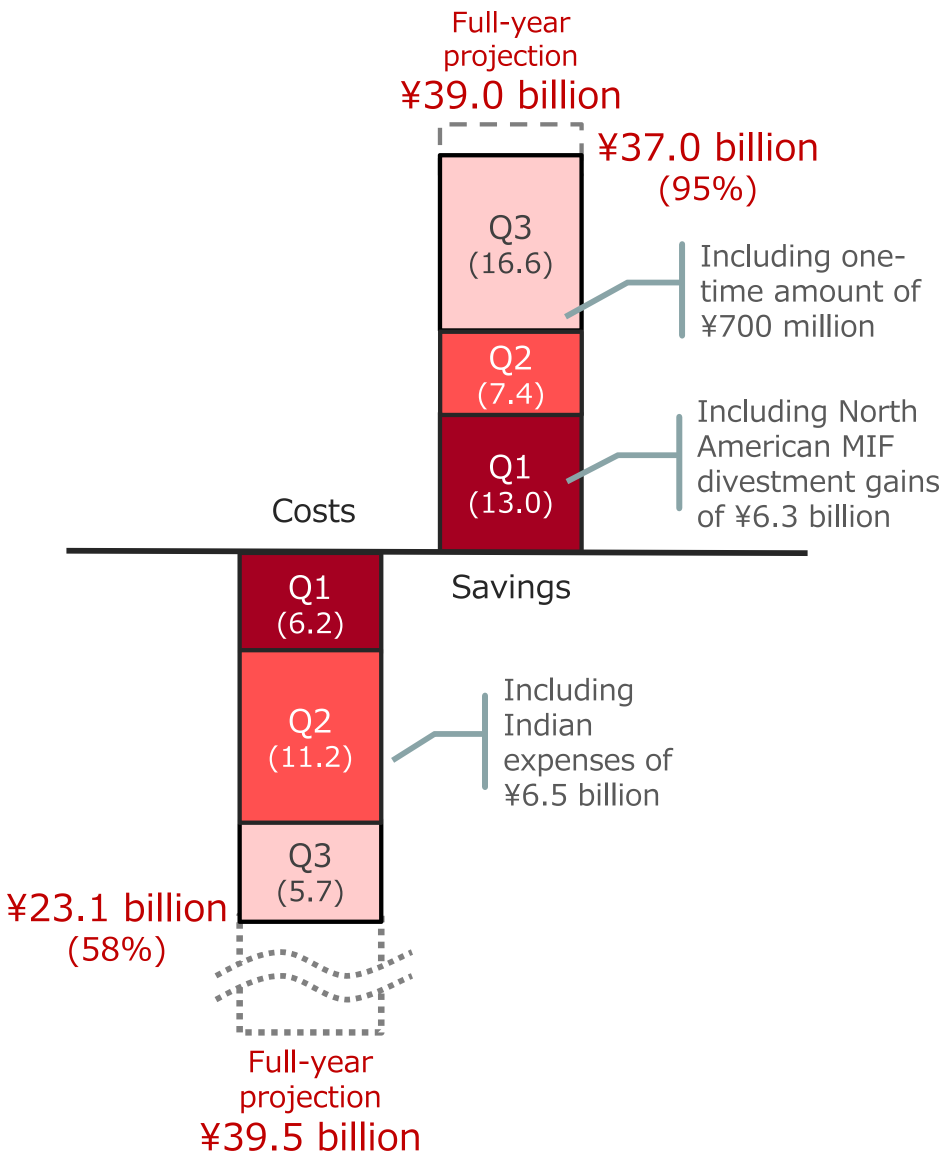
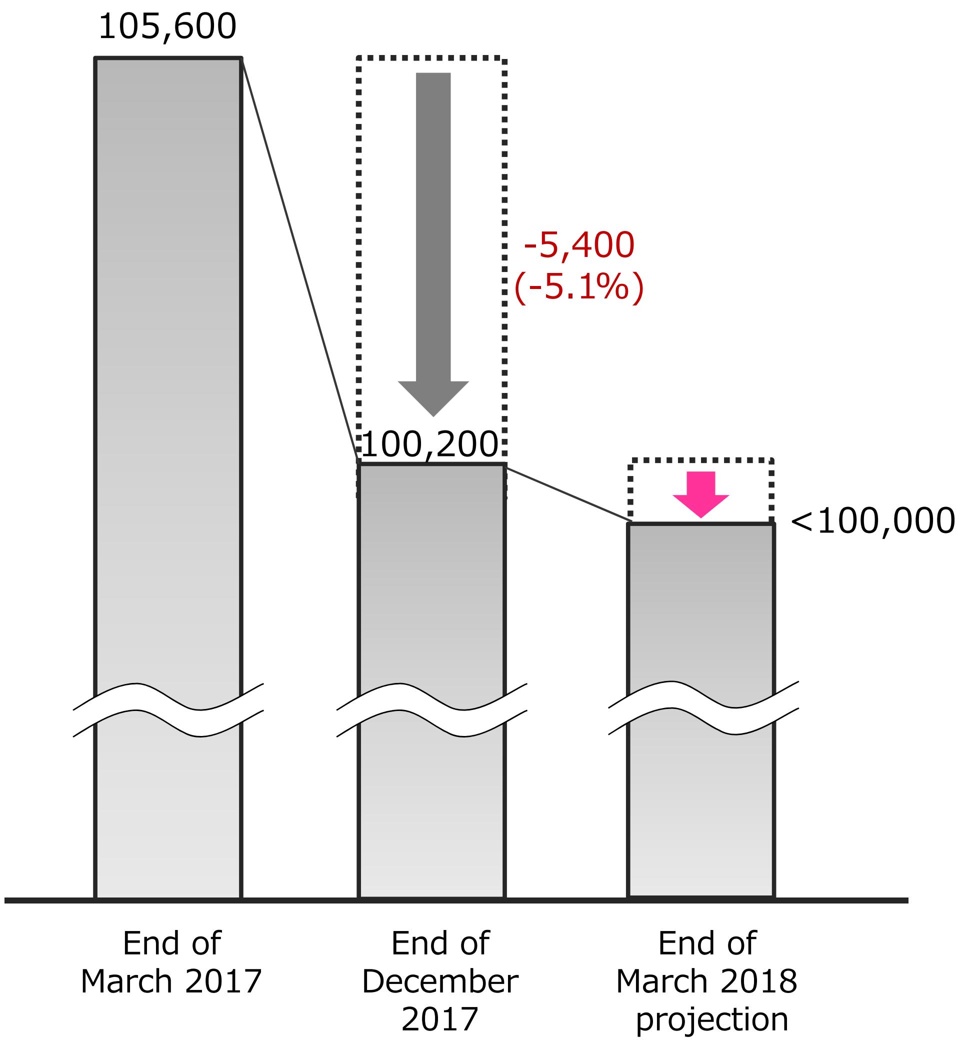
FY 2018 Costs and Savings
(Compared with FY 2017)



Number of full-time employees



Structural Reform Outcomes (2)

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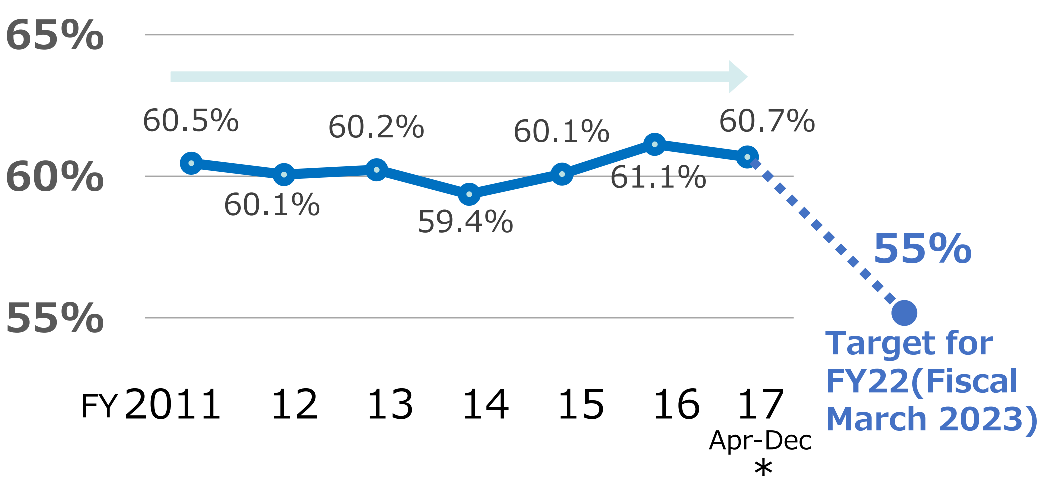
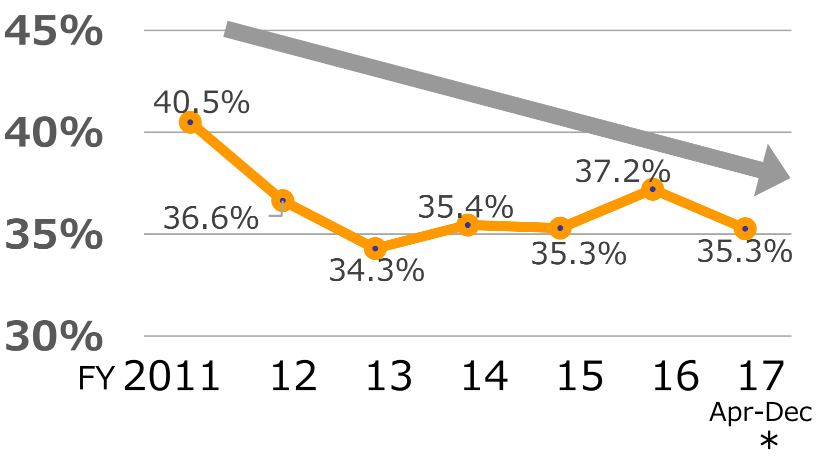
Cost of goods ratio

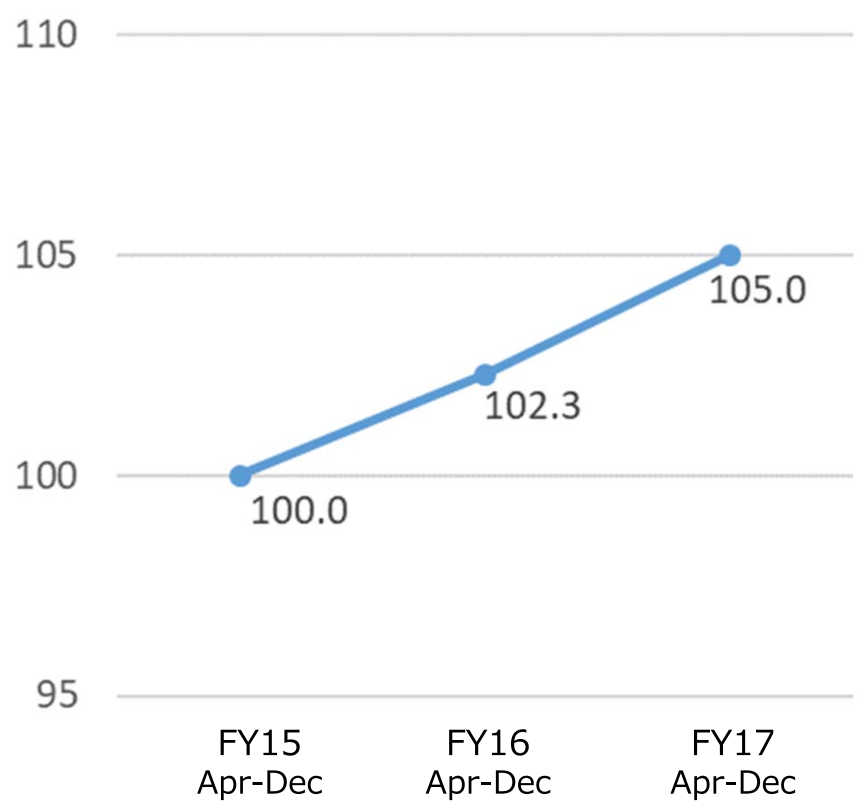


SG&A ratios



Index of gross profit per employee

(FY15 Apr-Dec = 100)



* FY17 Apr-Dec :Excluding expense for structural reform and transient gain/expense.

Reinforcing Governance and Management Structure

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Foundational reforms to support our growth strategies

	Completed in FY 2018
Overhaul governance	▪ Limit director terms to one year ▪ Establish performance evaluation system for internal directors ▪ Abolish management advisory system ▪ Set up governance review committee
Review management structure	▪ Review results management structure ▪ Reform organization
Institute headquarters reforms	▪ Reinforce investor and shareholder relations ▪ Headquarters functional enhancement
Reinforce global governance (Review in light of Ricoh India)	▪ Have headquarters accounting department manage financial affairs of overseas subsidiaries and transactions exceeding certain amounts ▪ Review criteria for appointing accounting firms of overseas subsidiaries ▪ Strengthen internal audit by creating a global audit team structure ▪ Replace accounting auditors of Group subsidiaries

2.Growth Strategy

Achieved through an open culture

Ignite

Trends Affecting the Business Climate

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Businesses that do not contribute to SDGs* will be eliminated

It will become critical for business success to be compatible with resolving social issues

The needs of Individuals will be more diverse

Workplaces could be anywhere and personalization will increase

The role of printing technologies will expand

Innovations replacing existing technologies

*SDGs: Sustainable Development Goals
In September 2015, the United Nations Summit adopted 17 Sustainable Goals and 169 targets as part of a universal agenda to ensure that nobody is left behind in the drive to free humanity from poverty and hunger and improve the human condition in terms of such areas as health, sanitation, economic development, and the environment by 2030.

Opportunities for printing technology

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Issues	Possible solution using printing technologies
Clothes : Textiles ■ Existing need for "Short run with greater variety, Large variety" (e.g. Fast fashion) ■ Environmental pollution/A large amount of waste water (Over 2.5 billion tons in China)	■ Wash-less production by water-based ink ■ Less inventories thanks to on-demand digital printing
Food : Packaging ■ Need for multi-lingual information due to an increasingly borderless food culture ■ Huge wastes caused by seasonal packaging	■ Deliver short run with greater variety capability to food packaging using safe and secure production
Housing : Interior decoration ■ Wallpaper and flooring materials may generate a large number of waste due to seasonal/fashion trend changes	■ Aim to achieve zero stock /waste by providing inks that are superior in safety and durability
Medical care : Human tissue ■ Current technology can't produce human tissue modeling close enough for medical test	■ Provide human tissue that can replicable biological functions, control the number of cells and position of cells
Industry : Manufacturing innovation ■ Long lead times for mold creation ■ Increase of the number of parts due to complicated manufacturing	■ Simplify complicated manufacturing process by 3D printing ■ Lead time reduction

Reduce waste by building an efficient value chain, and contribute to
solving social issues
by promoting strategies for security and safety

Increase consumer choice by responding to their
diversified needs
through mass customization

Commitments to Stakeholders

Commitments to Stakeholders		
	Employees	Create a vibrant workplace and corporate culture
	Customers	Deliver on EMPOWERING DIGITAL WORKPLACES
	Shareholders	Corporate value enhanced through ESG+F(Finance)
	Society	Drive Sustainability for Our Future

The tireless pursuit of working smarter.
The expansion of printing technologies.
The contribution to achieving SDGs through our business.

Ricoh's five materiality challenges to deliver on SDGs*

Enhance productivity	Create knowledge	Improve quality of life	Decarbonize economies	Materialize circular economies

*The five materialities
Ricoh formulated these materialities as part of its focus on attaining SDGs through a principle of balancing its approach to prosperity, people, and the planet.

Consolidated Financial Targets

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(Fiscal Year ending March)

(Billions of yen)	FY 2017	FY 2020	FY 2023
Sales	2,028.8	2,200.0	2,300.0
Operating profit	33.8	100.0	185.0
Operating margin	1.7%	4.5%	8.0%
Return on equity	0.3%	6.9%	9.0%~
FCEF *	–	100.0 Total FCEF over three years	250.0 Total FCEF over three years

*Free cash flow excluding finance business

Growth Strategy Fundamentals

Develop businesses that leverage our strengths

- Draw on our strengths to cater to on-demand printing and mass customization needs
  - Customers, sales and service network, and total number of devices
  - Print and capture (optical and imaging) technologies embedded in our devices

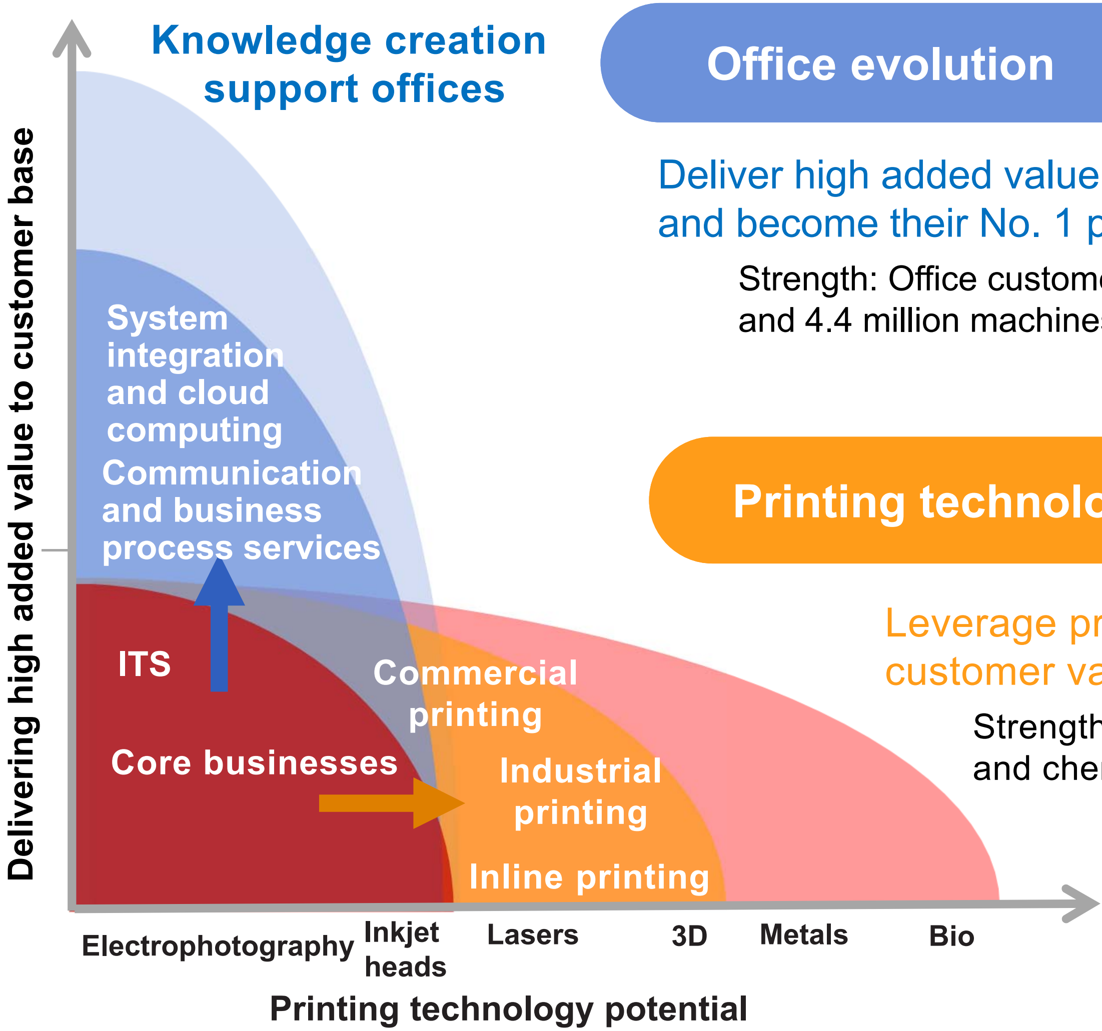
An open management style

- Eliminate self-sufficiency by creating new businesses harnessing open innovation and external capital
- Launch improved digitized processes by leveraging cloud-based groupware worldwide and making communications more open

Focused investments

- Plan to invest more than ¥200 billion in M&A across Fiscal March 2019 & 2020

RICOH Resurgent: Growth through Strengths



Office evolution

Deliver high added value to customers and become their No. 1 partner

Strength: Office customer base of 1.4 million companies and 4.4 million machines in field

Printing technology applications

Leverage printing technology to help build customer value

Strength: Printing technologies (optics, mechatronics, and chemicals, etc.)

RICOH Ignite Growth Strategy

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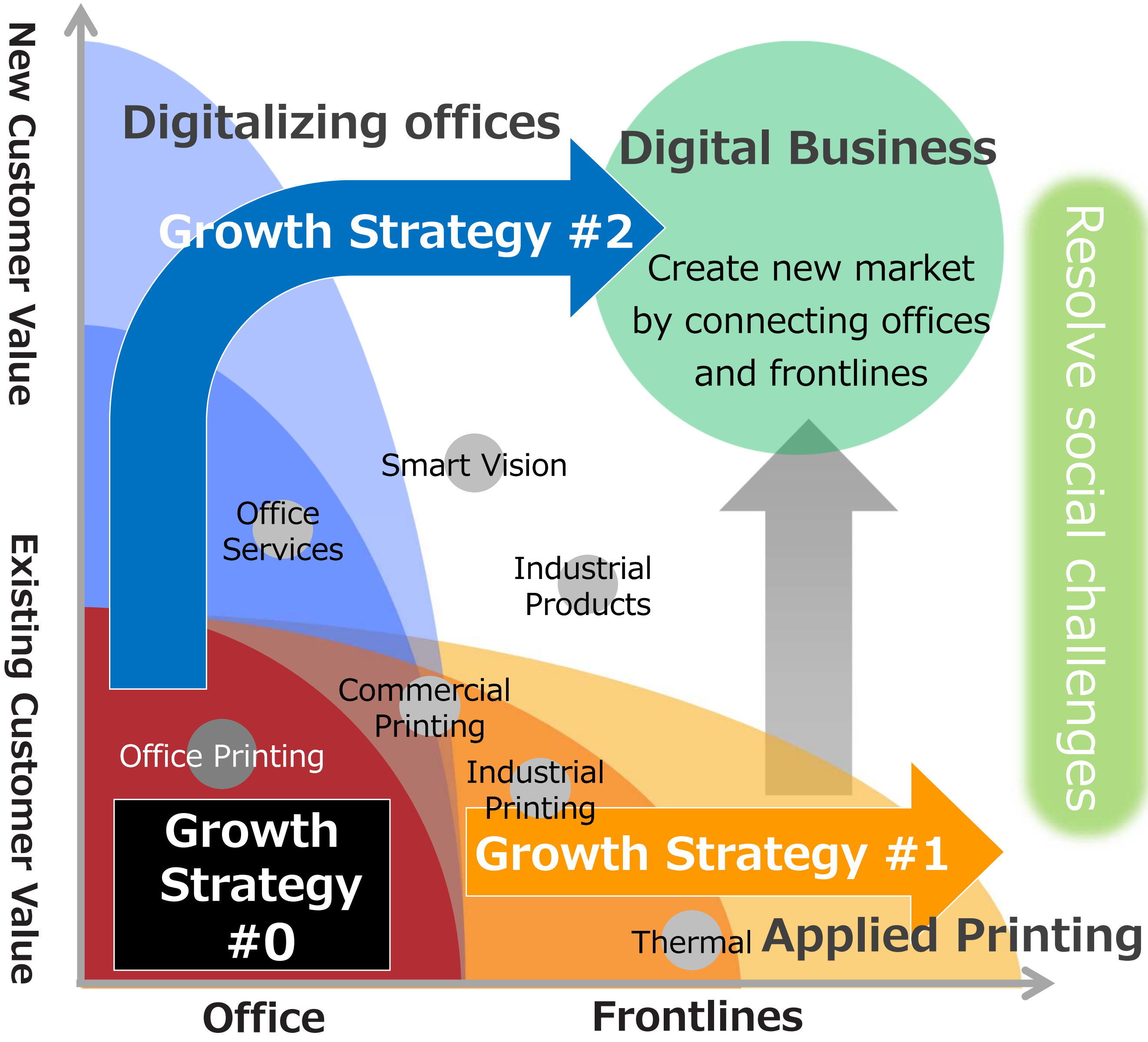

Growth strategy #0

Evolve MFP, enhance our operations and secure our customer base

Growth strategy #1

Expand customer base by pursuing possibilities of printing technologies

"Display printing" to "Applied printing"

Growth strategy #2

Add Ricoh-oriented value to customer base, and connect offices & frontlines

Business portfolio transformation

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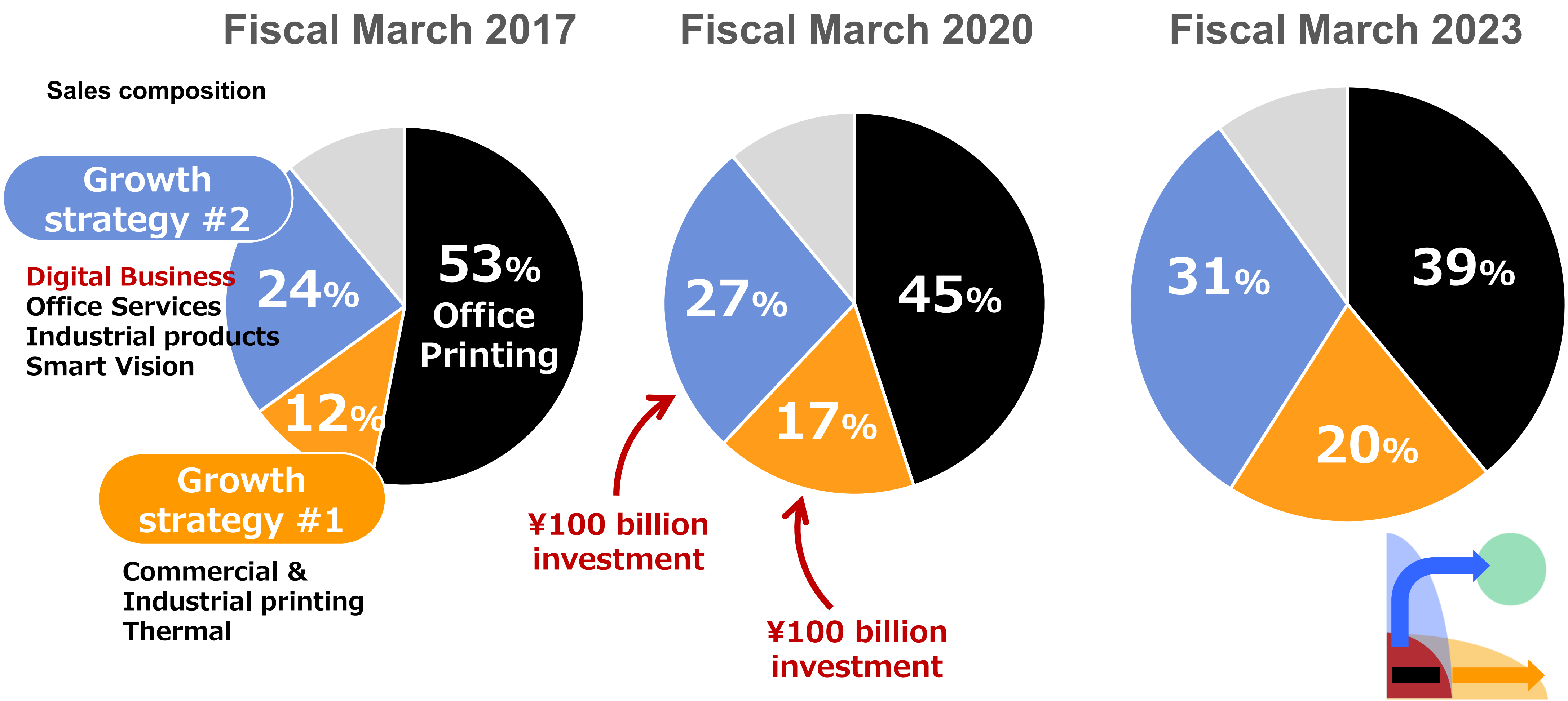
Invest ¥100 billion in each of growth strategy #1 and #2
to diversify our business portfolio



Ignite a Revolution in Manufacturing with Printing Technology

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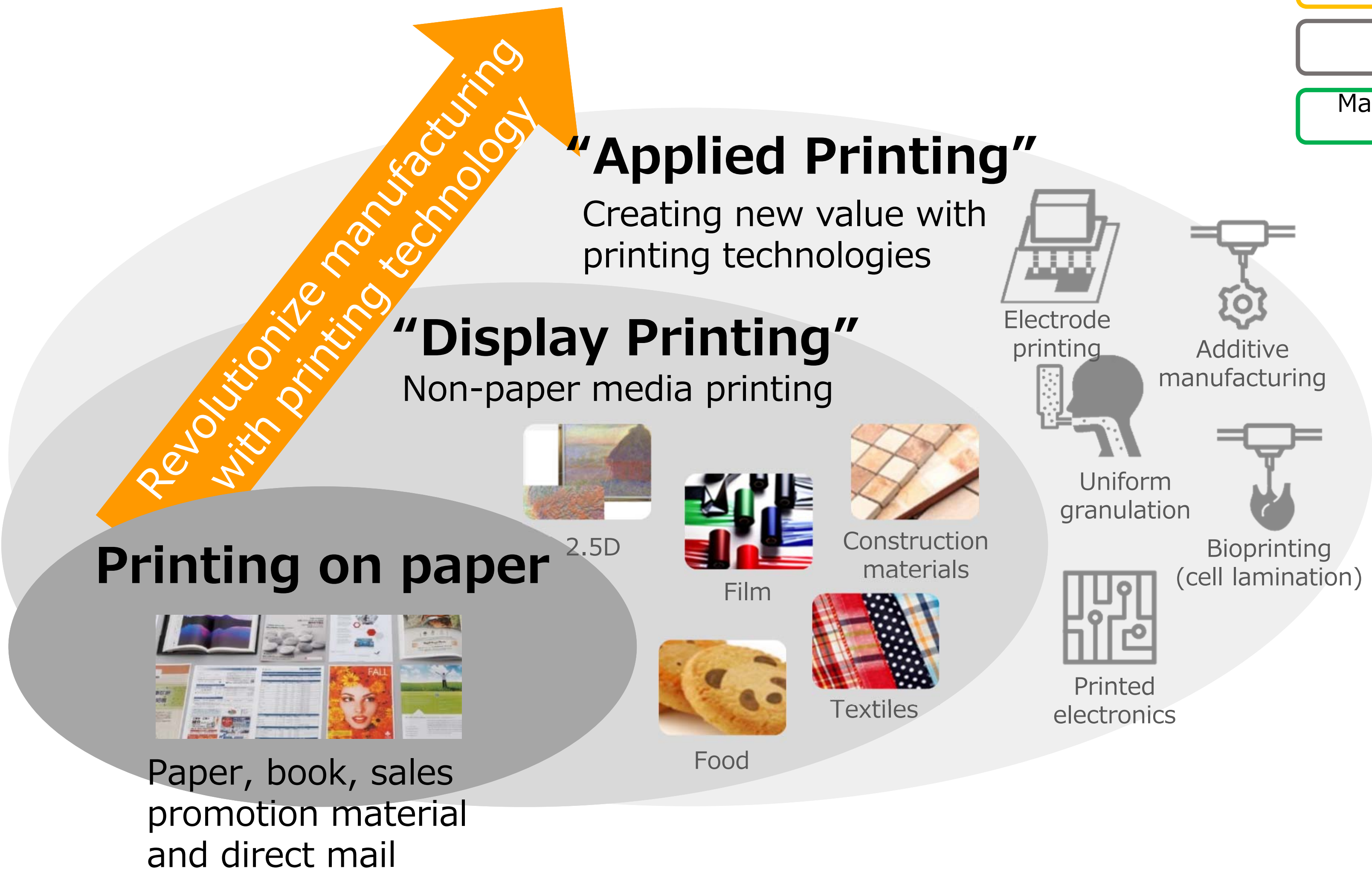
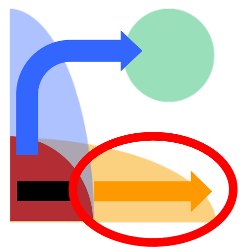
Expand our business domains with “Display Printing” & bring industrial innovation with “Applied Printing”

- Enhance productivity
- Create knowledge
- Improve quality of life
- Decarbonize economies
- Materialize circular economies

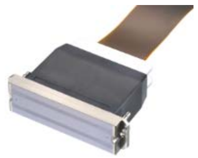




Display printing : Inkjet applications

A wide variety, from office printing to industrial decor.

Head



MH54xx

MH52xx

MH24xx

GH xxxx

Ink

UV | Latex | Water-based

Printer

Pro T7210

Pro L4160

VC60000

Ri 3000/6000

Ri 100

GELJET printer

Application

Product décor/
plastic sheet

Soft Signage/film

Garment print/
textile

Office print/
plain paper

Growth Strategy #1

Applied Printing

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New value by printing technologies (material +process)

Material

Design

- **Polymer Material Design**
- **Ink Formulation Design**

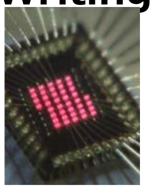
Particle Technology

- **Atomization**
- **Atomization dispersion**

Process

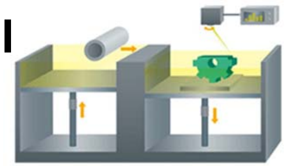
Electronic Photo Process

Laser Beam Writing



Powder control

Film Deposition

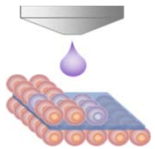


Feedback Control

Inkjet Process

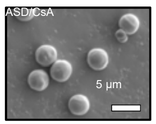
Ink Ejection

Laminated



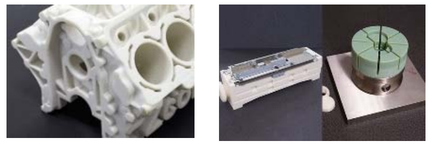
Position control

Uniform pelletization

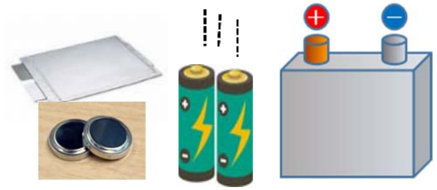


Applications

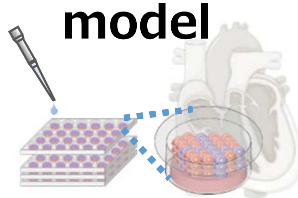
3D Manufacturing



Secondary battery



Cell tip/ Man-organ model



Inhaled drug

Create Customer Value by Linking Offices to the Frontlines

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Combine edge devices with applications to create new value

- Enhance productivity
- Create knowledge
- Improve quality of life
- Decarbonize economies
- Materialize circular economies

Integrate and use stored data

Generate value through data by linking offices to the frontlines

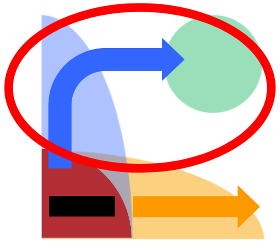
・Concierge service
・Social infrastructure inspections

Evolutions in Intellectual productivity and collaboration

・AI-OCR
・AI＋IWB

Office Workflow Reforms
(small and medium-sized businesses)

Office Communication Reforms
(large corporations)



Growth Strategy #2

Open Business-to-Business Platform

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Combine Ricoh's strength and external insight to enhance platform's value

Customers

Partners

Edge Devices

Value source

・Connect offices and frontlines (MFP、IWB、UCS、THETA、Stereo Camera)

Applications/solutions

Value source

・Solutions from Ricoh and partners

Paltform

Value source

・PFs by data source

-Unified PF to enable date transaction

Unified platform **RICOH Smart Integration**

Partner	Charging system	RSoT*	AI applications

DS-PF	CS-PF	SV-PF

Customer access/support

Value source

・Customer base (1.4M/Worldwide)＋sales/support network

*Offering as "RICOH Open Remote Services" to build remote monitoring environment for industrial equipment.

Growth Strategy #0

Ignite Core Business

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Enhance the value of our MFPs and printers (hardware and after service) and remain #1 in Customer Satisfaction

- Enhance productivity
- Create knowledge
- Improve quality of life
- Decarbonize economies
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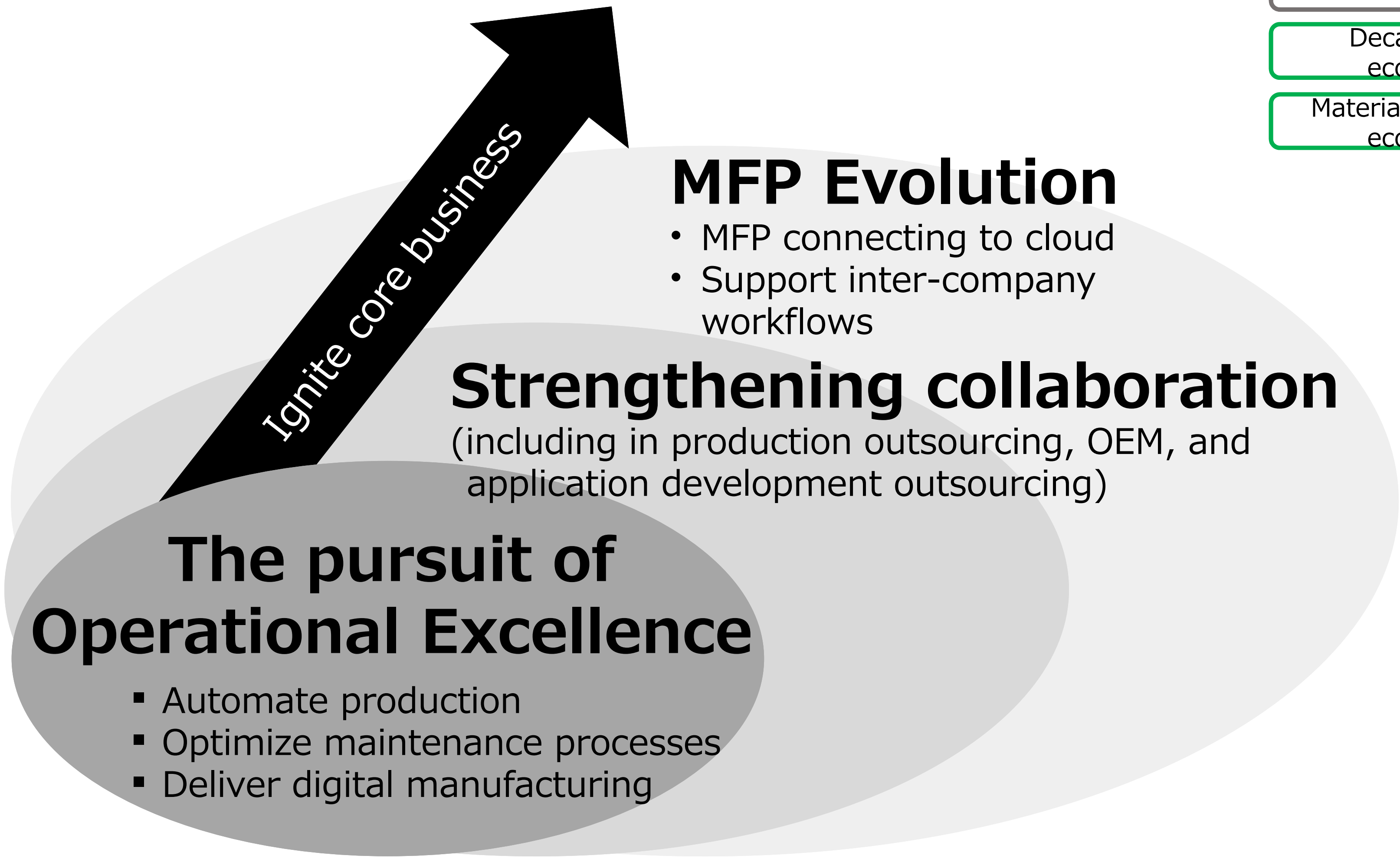

RICOH Ignite Growth Strategy

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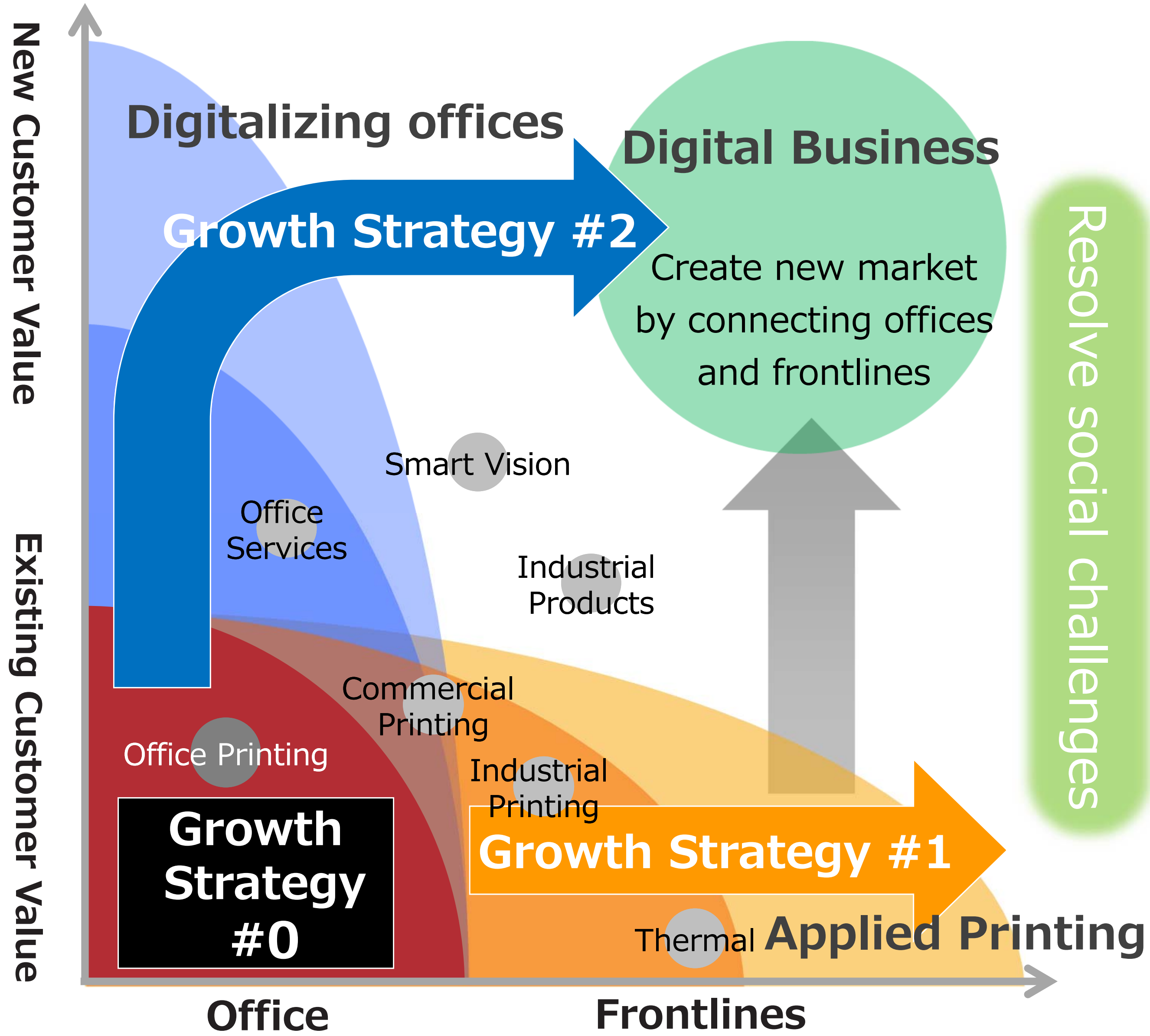

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Global Deployment

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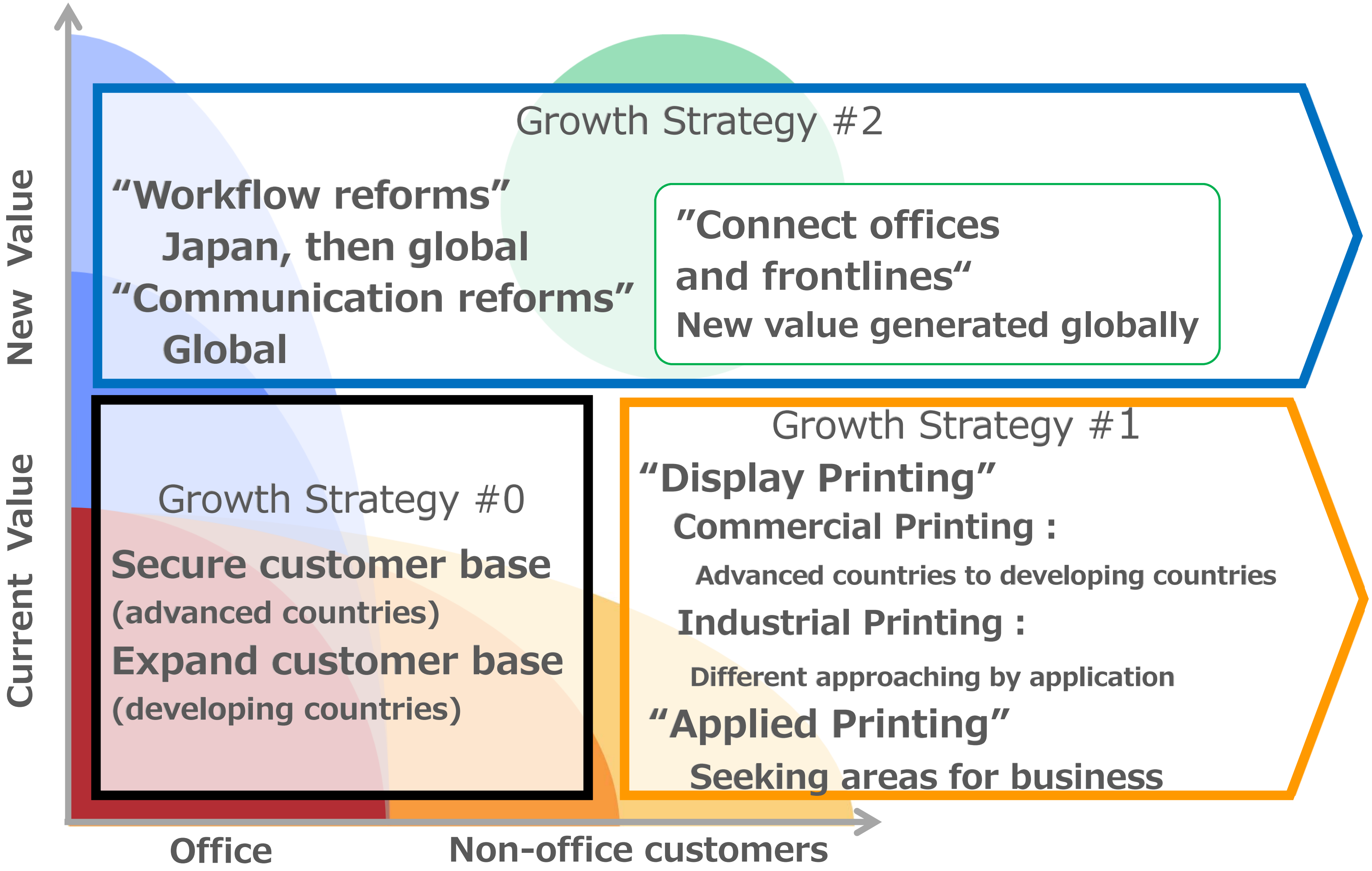

Embracing the Challenges of Change

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Ricoh has delivered customer value over the years by innovating.

The transformation of society is making it vital for corporate activities to address emerging social issues.

Ricoh seeks to make a real difference by embracing the challenges of change—creating new value in fields where it can help resolve social issues.

Left: The cylindrical, glass-covered San-ai Dream Center in Tokyo's glittering Ginza area was a sensation when Ricoh Kiyoshi Ichimura founder established it in the early 1960s, and affirms the company's enduring quest to making the impossible possible.

Resolving Social Issues Related to Workplace Expansion

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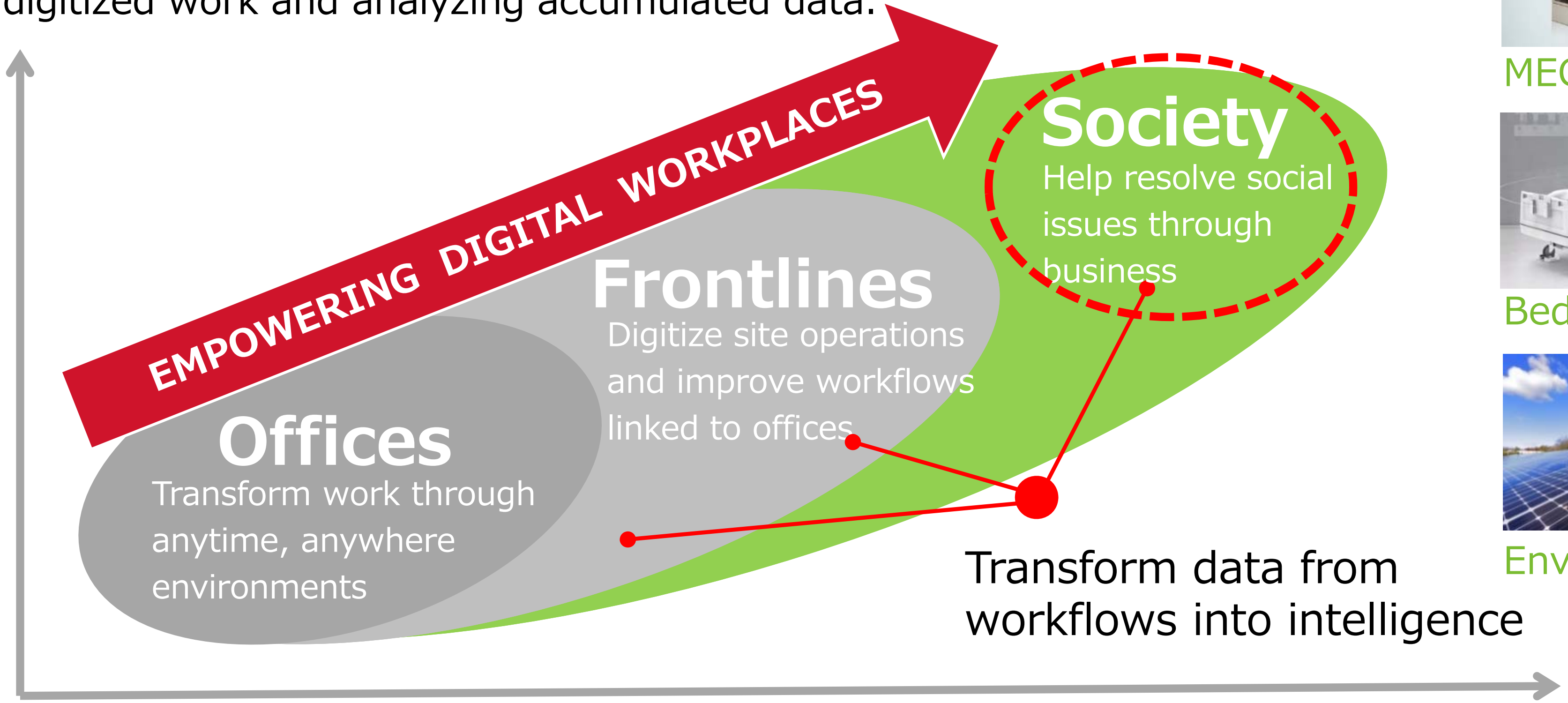
Work digitization scope

Digitize workplace tasks. Support customers by connecting digitized work and analyzing accumulated data.



MEG

Bed Sensor

Environment

Value proposition expansion

From conventional offices to wherever people work and to society.

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Management style to generate new business

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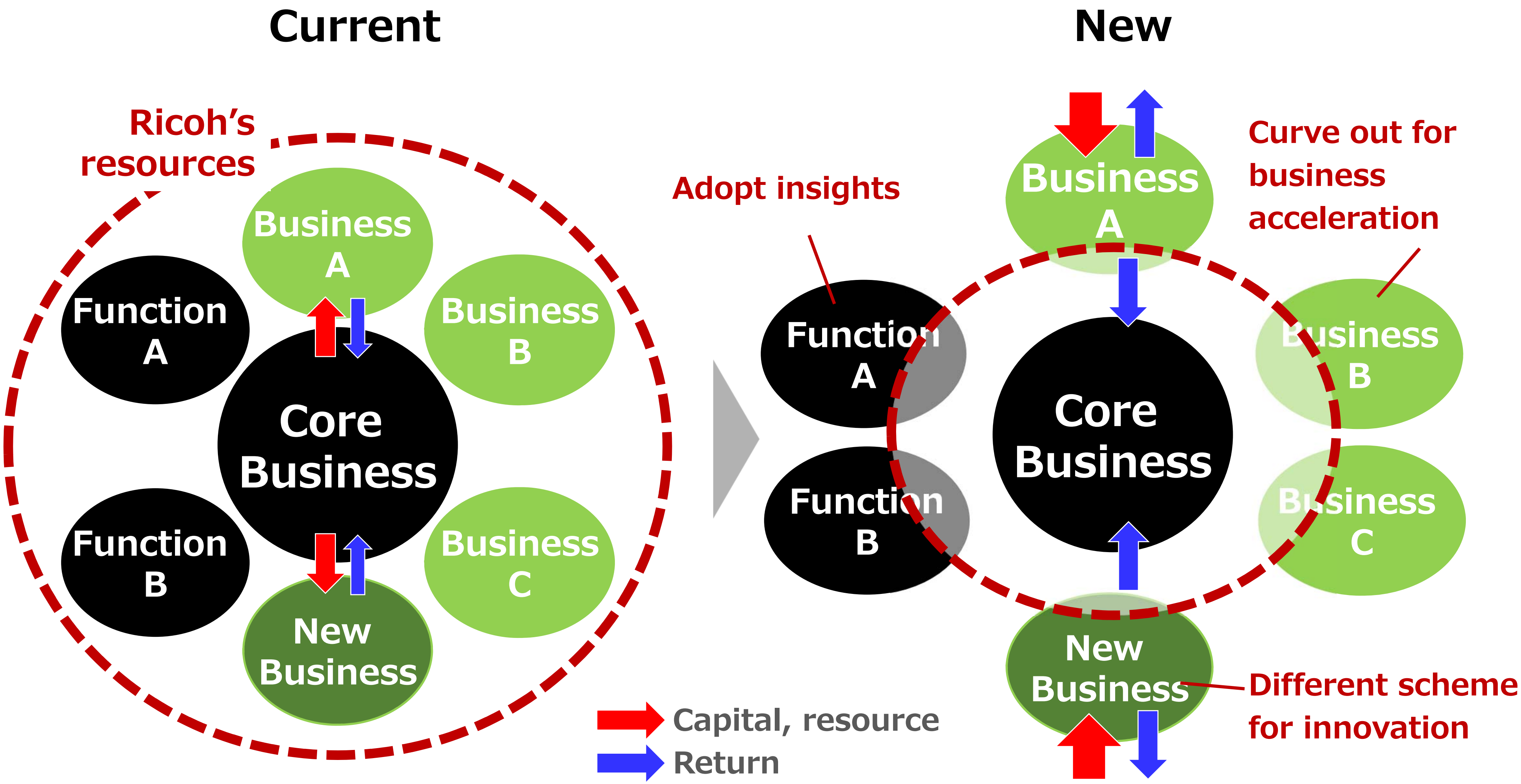
Open innovation, leveraging external capital/insight for speeding up



All Business Contributing to SDGs

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Ricoh's businesses and strategies

- Office printing
- Commercial printing
- Industrial printing
- Thermal media
- Functional and 3D printing
- Office services
- Industrial products
- Smart Vision
- Digital business
- Business development

Growth Strategy #0

Growth Strategy #1

Growth Strategy #2

New Challenges

Materiality and SDGs through business

SUSTAINABLE DEVELOPMENT GOALS

Prosperity

Enhance productivity

Create knowledge

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

People

Improve quality of life

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

11 SUSTAINABLE CITIES AND COMMUNITIES

Planet

Decarbonize economies

Materialize Circular economies

7 AFFORDABLE AND CLEAN ENERGY

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

Forward-Looking Statements

The plans, prospects, strategies and other statements, except for the historical events, mentioned in this material are forward-looking statements with respect to future events and business results. Those statements were made based on the judgment of Ricoh's Directors from the information that is now obtainable. Actual results may differ materially from those projected or implied in such forward-looking statements and from any historical trends. Please refrain from judging only from these forward-looking statements with respect to future events and business results. The following important factors, without limiting the generality of the foregoing, could affect future results and could cause those results to differ materially from those expressed in the forward-looking statements:

a. General economic conditions and business trend
b. Exchange rates and their fluctuations
c. Rapid technological innovation
d. Uncertainty as to Ricoh's ability to continue to design, develop, produce and market products and services that achieve market acceptance in hot competitive market

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