

**FY2023 -FY2025**

**Mid-Term  
Management Plan**

**May 9, 2023**

**Ricoh Leasing Company, Ltd.**

1. FY2020 -FY2022 Mid-Term Management Plan Review
  - Results and Progress of Business Growth Strategy/Strategy for Enhancement Organizational Strength
  - FY2020 -FY2022 Mid-Term Management Plan Results and Summary
  
2. FY2023 -FY2025 Mid-Term Management Plan
  - Target Vision of Ricoh Leasing
  - Changes in the Business Environment and Our Response to Them
  - Management Strategy
  - Business Growth Strategy
  - Future Business Portfolio
  - Strategy for Enhancement of Organizational Strength
  - HR Strategy
  - System Strategy
  - FY2023 -FY2025 Mid-term Management Plan Scheme to Realize the Target Vision
  - FY2023 -FY2025 Mid-Term Management Plan Financial Targets and Non-Financial Targets
  - Shareholder Return

※As the accounting treatment for the business combination of Welfare Suzuran, which became a subsidiary in the fiscal year ending March 2023, was finalized in the first quarter of the fiscal year ending March 2024, The results and growth rate for the fiscal year ending March 2023 are partially different from the previously disclosed figures for the fiscal year ending March 2023.

# FY2020 - FY2022 Mid-Term Management Plan Review



# FY2020 - FY2022 Mid-Term Management Plan

## Scheme to Realize the Target Vision

By solving social issues through business activities, we aim to achieve our medium- to long-term vision of Become a Circulation-Creating company.

### “Become a Circulation-Creating Company”

Business domains		[E] Environmental circulation	[S] Social & Community	[G] Business & Governance
		Contributing to reasonable environmental circulation and restoration	Contributing to the creation of rich and vigorous communities	Contributing to economic activities — work, commerce, manufacturing
Mid-term Management Plan	Business growth	Contributing to realizing a clean global environment rooted in environmental circulation	Creation of safe, secure and pleasant housing and living environments	Further evolution of vendor leasing and enhancement of value provided to customers
		Reconstruction of the rental business		
	Pioneering new business areas and creating business models Business expansion not dependent on assets Business expansion under alliance with Mizuho Leasing			
Promotion of Sustainability Management	Enhancement of organizational strength	Development of a mission-critical system and operation structure for pursuing high quality and high efficiency	Human resource management that links the employees' happiness with the Company's business expansion	Reinforcement of governance
	Execution of SDGs commitment to realize CSV			

# Results and Progress of Business Growth Strategy/ Strategy for Enhancement Organizational Strength

Strategy	Results & progress
Further evolution of vendor leasing and enhancement of value provided to customers	<ul style="list-style-type: none"> <li>▶ Have supported vendors in more ways, providing inside sales, a Web-based credit scoring system, and a lease agreement output system, among other support tools.</li> </ul>
Creation of safe, secure and pleasant housing and living environments	<ul style="list-style-type: none"> <li>▶ Have selected mainly residential properties and distributing warehouses after careful selection and expanded loans and investments. Have made Welfare Suzuran a subsidiary.</li> </ul>
Contributing to realizing a clean global environment rooted in environmental circulation	<ul style="list-style-type: none"> <li>▶ Have developed many different operations. Have operated the Company's own power plants, introduced an on-site power purchase agreement, and launched a website, Solar Assist.</li> </ul>
Pioneering new business areas and creating business models	<ul style="list-style-type: none"> <li>▶ Have created an ESG investment budget and made investments for business creation. Have formed an alliance with Casa. Have continued to develop services with investees.</li> </ul>
Reconstruction of the rental business	<ul style="list-style-type: none"> <li>▶ Have tapped into needs for diverse IT equipment and achieved significant growth. Have reviewed operations in the Rental Business and made Enplus Inc. a subsidiary.</li> </ul>
Business expansion not dependent on assets	<ul style="list-style-type: none"> <li>▶ Have strengthened the Collection Agency Service by responding to needs for non-face-to-face interactions and avoiding human contact amid the COVID-19 pandemic.</li> </ul>
Business expansion under alliance with Mizuho Leasing	<ul style="list-style-type: none"> <li>▶ Mizuho Leasing started to refer vendors to Ricoh Leasing. They have continued to collaborate in leasing and refer vendors to each other.</li> </ul>
Development of a mission-critical system and operation structure for pursuing high quality and high efficiency	<ul style="list-style-type: none"> <li>▶ Have changed mission-critical systems for different functions one by one. Have increased investment in security to stabilize systems.</li> <li>▶ Have standardized business processes and built a system to share operations among different regions.</li> </ul>
Human resource management that links the employees' happiness with the Company's business expansion	<ul style="list-style-type: none"> <li>▶ Have improved employee engagement scores.</li> <li>▶ Have built systems, such as a work-at-home system and a sideline system, for diverse ways of working.</li> </ul>
Reinforcement of governance	<ul style="list-style-type: none"> <li>▶ Have established a Sustainability Committee and built a system to advance sustainable management.</li> <li>▶ Published integrated reports (from FY2020).</li> </ul>

# FY2020 - FY2022 Mid-Term Management Plan Results

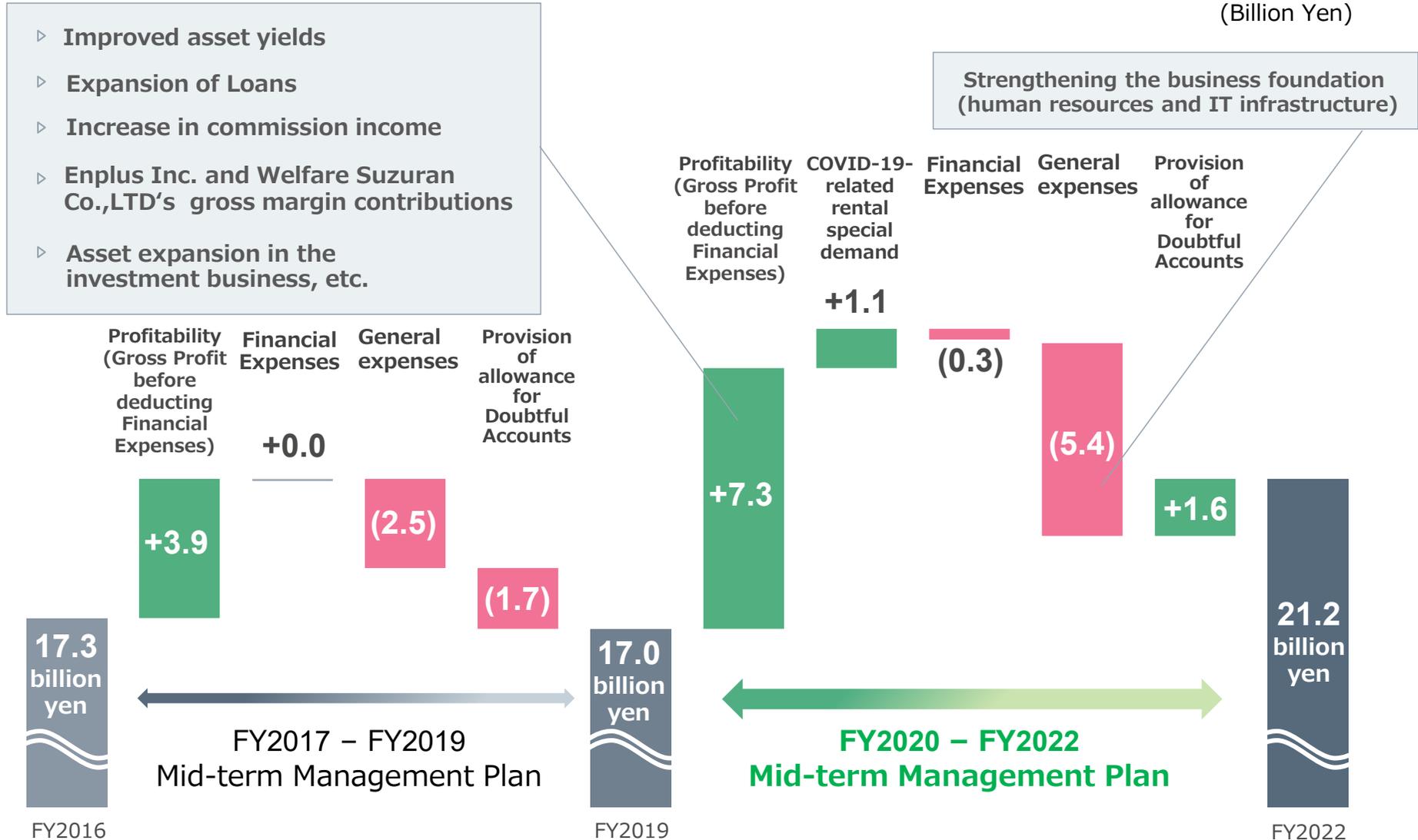
- ▶ Improved profitability and achieved targets except for operating assets.
- ▶ Failed to achieve operating assets targets due to careful selection of deals as prices remained high in the real estate market and disruptions to supply chains caused by the shortage of semiconductors.

	2020/3	2023/3		
	results	Mid-Term management plan Targets	results	CAGR 20/3-23/3
<b>Operating profit</b>	17.0 billion yen	20.0 billion yen	<b>21.2 billion yen</b>	7.6%
<b>ROA</b> (Return on Asset Ratio)	1.08%	1.1% or more	<b>1.23%</b>	—
<b>ROE</b> (Return on Equity Ratio)	6.6%	6.7% or more	<b>7.2%</b>	—
<b>Operating Assets</b> (including securitization of receivables)	1,019.1 billion yen	1,200.0 billion yen	<b>1,090.2 billion yen</b>	2.3%
<b>Dividend Payout Ratio</b>	23.5%	30.0%	<b>30.1%</b>	—

# FY2020 - FY2022 Mid-term Management Plan

## Operating Profit Comparison

Profitability improved steadily, and we accelerated investment in the business foundation for growth.





## 1 Profitability

Continued to emphasize profitability in each business and profitability improved.

## 2 Growth investment

Used the ESG investment budget. Made human capital investments and IT investments. Made steady progress in preparations for business creation beyond financing.

## 3 Circulation creation

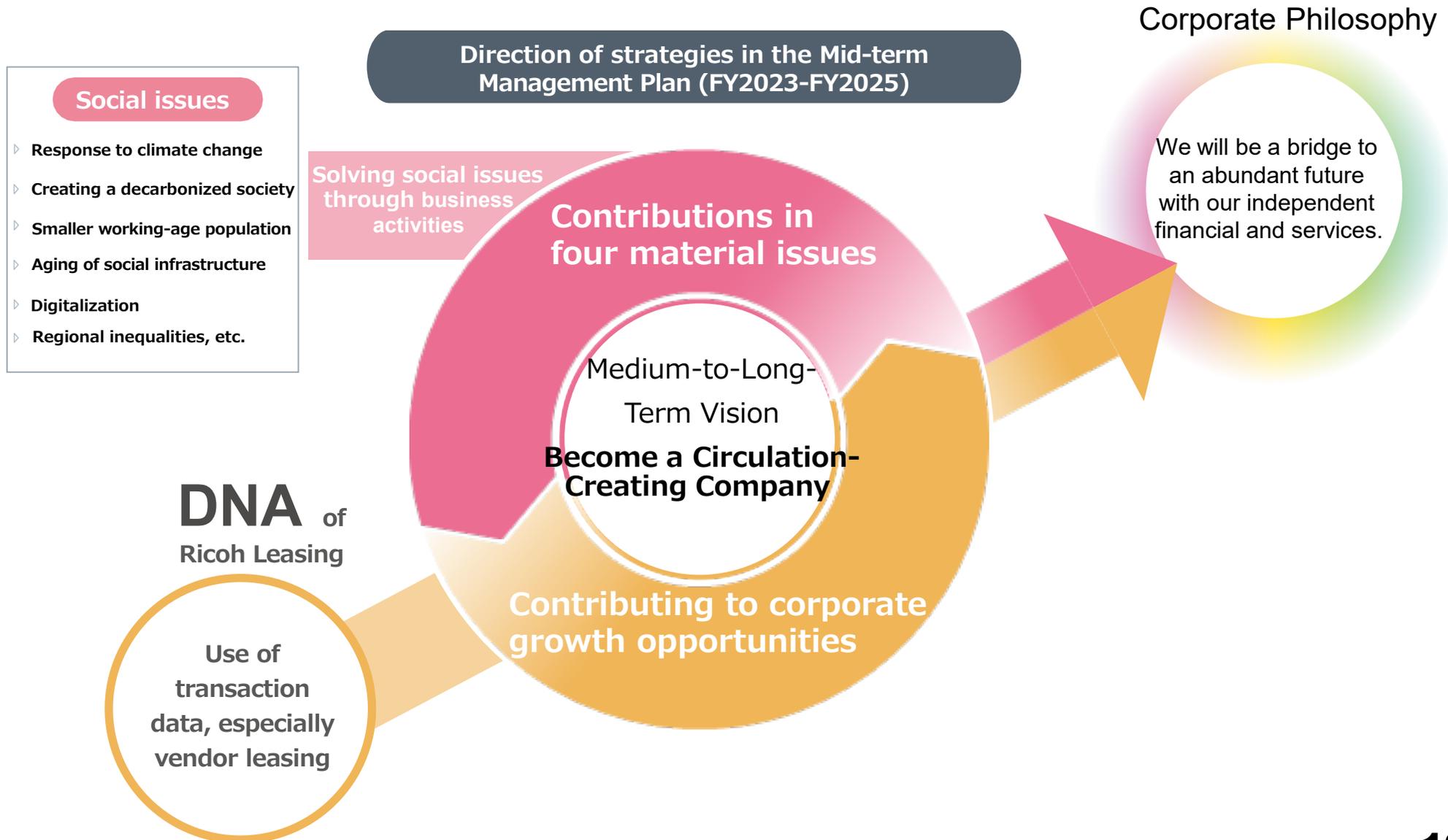
Laid the foundation for a Circulation-Creating Company through the promotion of sustainable management.

**Various external evaluations  
Selected as**

- ▶ FTSE Blossom Japan Index
- ▶ Nikkei “SDGs Management” survey 2022 4 Stars
- ▶ Health & Productivity Stock Selection 2023 (6th consecutive year since 2018)

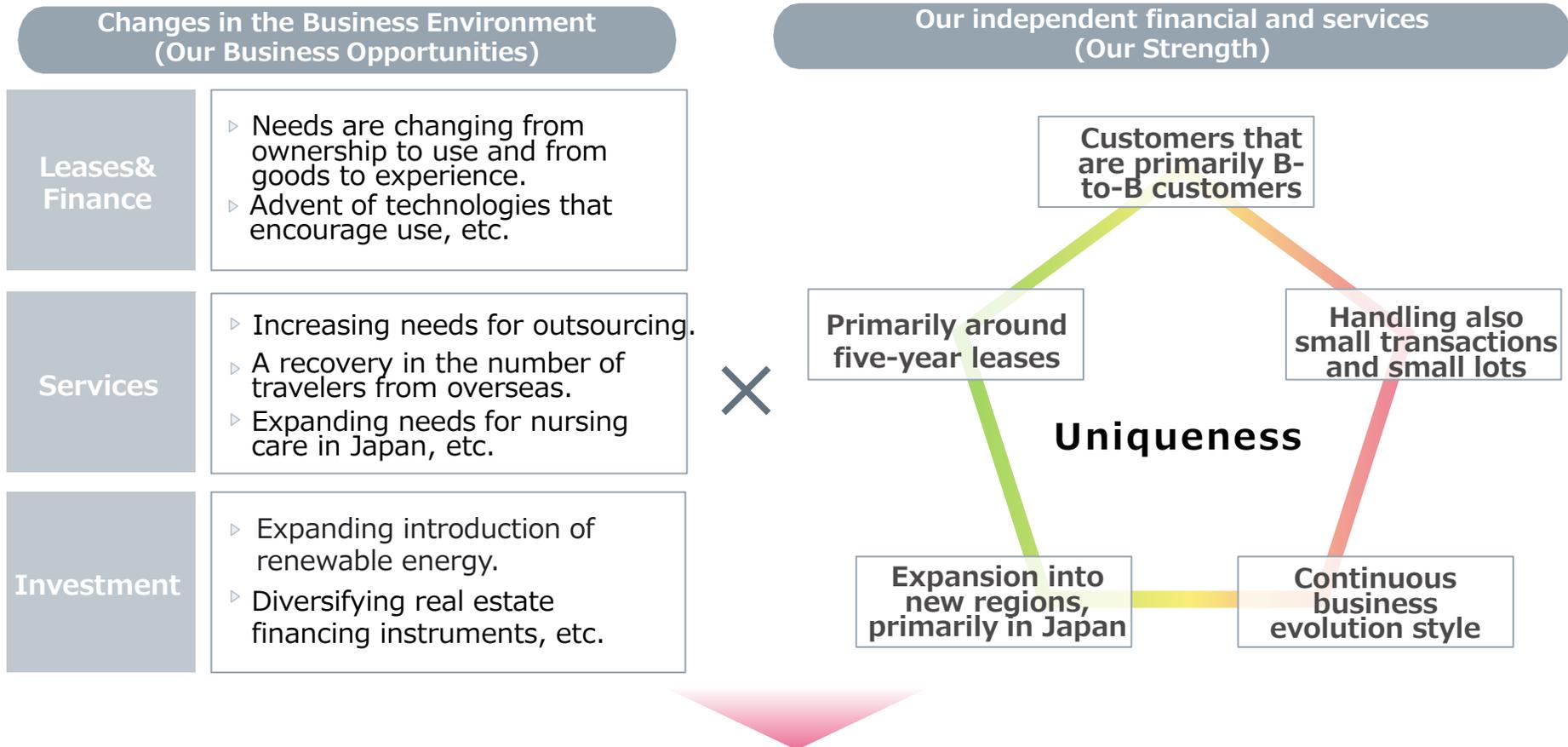
# FY2023 - FY2025 Mid-Term Management Plan

# Target Vision of Ricoh Leasing



# Changes in the Business Environment and Our Response to Them

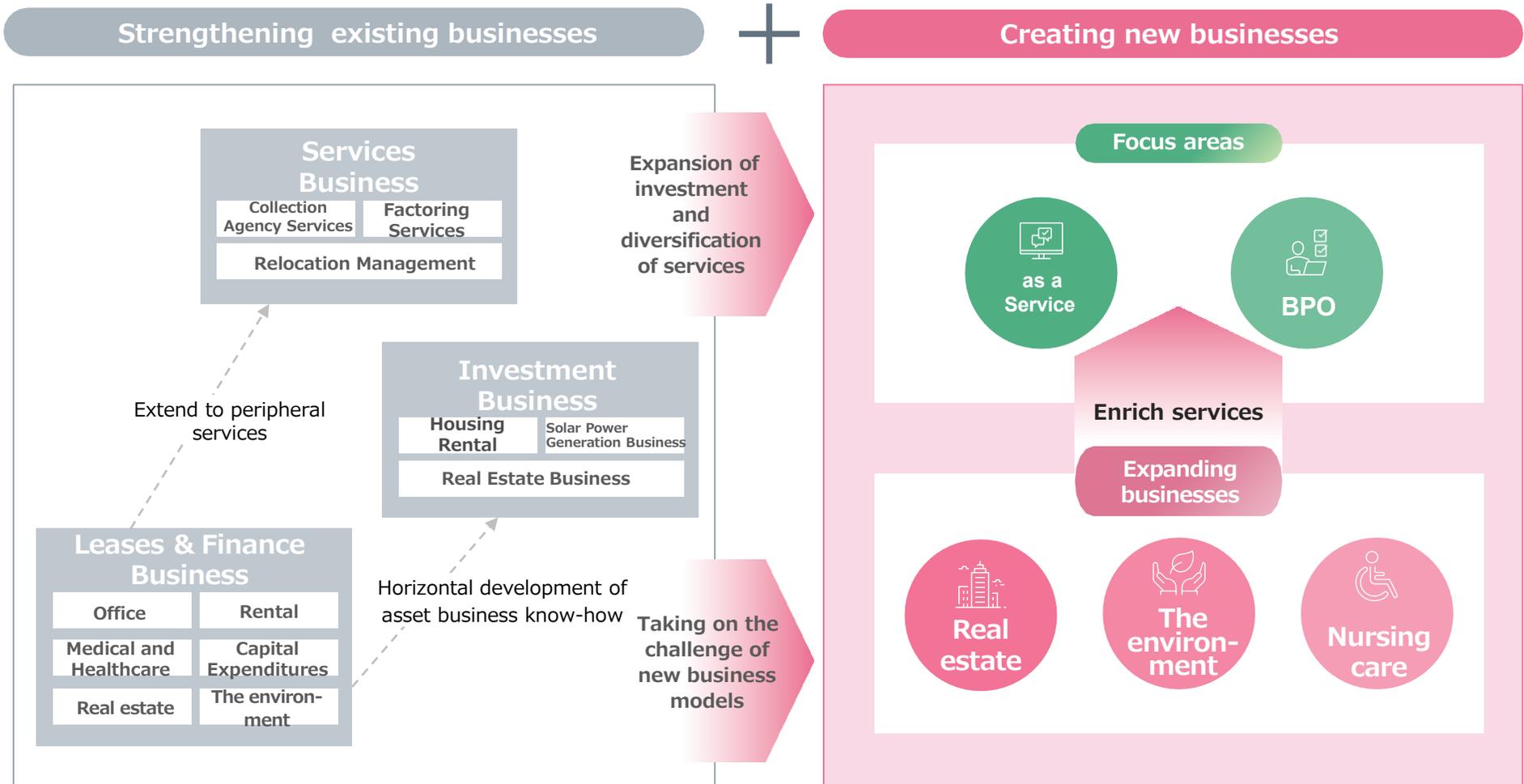
Considering changes in the business environment as opportunities and working to achieve business growth based on our uniqueness.



**We aim to strengthen existing businesses and create new businesses, taking advantage of opportunities and our strengths.**

# Management Strategy

Strengthening existing businesses, emphasizing efficiency, and creating new businesses continually to create a new cycle.



# Business Growth Strategy

Allocating resources to highly profitable fields where there are greater opportunities to build the next core businesses.

Strategy	Business field	Measures
Taking on the challenge of a new business model	 as a Service	<ul style="list-style-type: none"> <li>▶ Providing DaaS (Device as a Service) and value to major customers</li> <li>▶ Strengthening alliances to provide primarily lease products as a service</li> </ul>
	 BPO	<ul style="list-style-type: none"> <li>▶ Increasing the transaction volume in the Collection Agency Service and expanding settlement-related services</li> <li>▶ Expanding services, taking advantage of demand for business travel from overseas</li> </ul>
Diversification through the addition of businesses and services	 Real estate	<ul style="list-style-type: none"> <li>▶ Accumulating diverse assets and developing services that will enhance asset value</li> </ul>
	 The environment	<ul style="list-style-type: none"> <li>▶ Diverse businesses, including asset management services for power plants</li> <li>▶ Developing other power sources business operations and conducting research in the storage battery field</li> </ul>
	 Nursing care	<ul style="list-style-type: none"> <li>▶ Business operation at Welfare Suzuran and accumulation of expertise in the industry</li> </ul>

The most important foundations that underpin the Company's growth

Expansion and improved efficiency

 Office

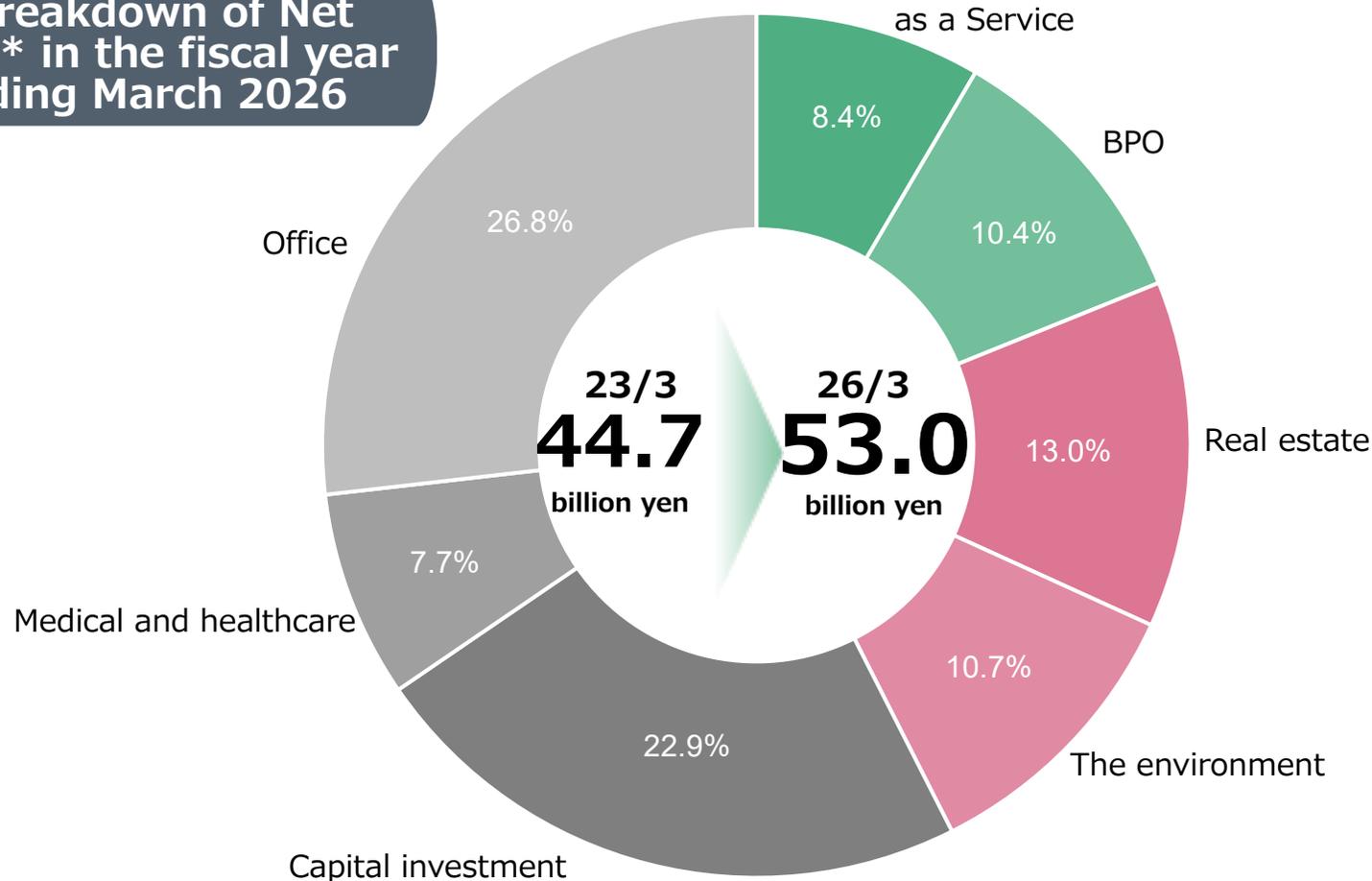
 Medical and healthcare

 Capital investment

# Future Business Portfolio

Building a diverse business portfolio by strengthening existing businesses and expanding new businesses.

A breakdown of Net profit\* in the fiscal year ending March 2026



\*Net profit = Gross profit before deducting Financial Expenses



# Strategy for Enhancement of Organizational Strength

Seeking to strengthen organizational capability and governance, which will underpin business growth.

Strategy	Measures
<b>Encouraging employees to take on challenges, which will result in business growth, and revitalizing the organization</b>	<ul style="list-style-type: none"><li>▶ Strengthening systems that will contribute to cultivating human resources that take on challenges and creating a corporate culture that encourages employees to take on challenges</li><li>▶ Building systems that will flexibly respond to changes in the external environment and creating an organization where diverse human resources can participate actively</li></ul>
<b>Building flexible systems and operational structures that reflect social changes</b>	<ul style="list-style-type: none"><li>▶ Replacing business systems related to leases one by one for automation and improved efficiency</li><li>▶ Innovating infrastructure and strengthening cyber security</li><li>▶ Strengthening IT governance by improving IT management and control</li></ul>
<b>Strengthening governance, including governance at affiliates</b>	<ul style="list-style-type: none"><li>▶ Evolving sustainable management by communicating externally</li><li>▶ Strengthening cooperation with Group companies and expanding business through the integration of strategies</li></ul>

The organizational capability required to execute management strategies

**Improving the empowerment of human resources and organizations through human resources management that will create evolution.**

## Initiatives to enhance organizational capability

	Human resource development	Recruitment	Human resources management
Policy	<ul style="list-style-type: none"> <li>▶ Enabling human resources to acquire new strengths and additional expertise and providing them with skills and opportunities that can bring about change</li> </ul>	<ul style="list-style-type: none"> <li>▶ Hiring human resources who support the corporate philosophy and who can continue to drive change</li> </ul>	<ul style="list-style-type: none"> <li>▶ Allocating human resources appropriately to areas and positions that will create and change businesses and strengthening management</li> </ul>
Measures	<ul style="list-style-type: none"> <li>▶ Cultivating human resources having an entrepreneurial mindset that may lead to business creation</li> <li>▶ Strengthening DX education company-wide</li> <li>▶ Providing opportunities for self-improvement and recurrent education</li> </ul>	<ul style="list-style-type: none"> <li>▶ Hiring innovative persons</li> <li>▶ Actively hiring highly qualified professionals</li> </ul>	<ul style="list-style-type: none"> <li>▶ Developing a personnel system that will bring about changes in human resources</li> <li>▶ Allocating human resources by establishing a process for allocating resources</li> <li>▶ Building a system that will enable diverse human resources to participate actively</li> </ul>

What is achieved under human resources strategies

**Enhancing existing businesses, the creating new businesses, and achieving employee happiness, which are included in the management strategy**

**Social changes  
related to IT**

Response to  
Society 5.0

Advancing DX

Increasing  
threats to  
information  
security

Shortage of IT  
personnel

## Actions to respond to the changes

### 1 Digitalizing business systems

- Changing business systems related to leasing, which are base systems, for different functions one by one to drive digitalization
- Building an integrated platform for the settlement business and accelerating the pace of business

### 2 Innovating infrastructure

- Changing to an environment where the cloud plays a central role
- Changing networks to respond to diverse ways of working, including remote work
- At the same time, further strengthening cyber security

### 3 Improving IT governance

- Strengthening IT management, control, and checks
- Changing the ratio of IT personnel by increasing the number of new employees and providing digital transformation education for employees

What is achieved  
under system  
strategies

"More flexible and stable" and "more efficient and higher quality" system evolution will result in expansion of the business.

# FY2023 - FY2025 Mid-term Management Plan

## Scheme to Realize the Target Vision

Corporate  
Philosophy

We will be a bridge to an abundant future with  
our independent financial and services

Medium-to-Long-Term Vision  
Become a **Circulation-Creating**  
Company

Business Growth  
Strategy

Taking on the  
challenge of a new  
business model

Diversification through the  
addition of businesses and  
services

Expansion and improved  
efficiency

as a  
Service

BPO

Real  
estate

The  
environ-  
ment

Nursing  
care

Office

Medical  
and  
healthcare

Capital  
invest-  
ment

Strategy for  
Enhancement of  
Organizational  
Strength

Encouraging employees  
to take on challenges,  
which will result in  
business growth, and  
revitalizing the  
organization

Building flexible systems  
and operational  
structures that reflect  
social changes

Strengthening  
governance, including  
governance at affiliates

Axes in strategic  
planning

Corporate growth  
opportunities

×

Four material issues

DNA of Ricoh Leasing  
Use of transaction data, especially  
vendor leasing

Social issues  
Solving social issues through  
business activities

# FY2023 - FY2025 Mid-Term Management Plan Financial Targets

		FY2022			FY2025 Mid-Term Management Plan Targets
		Previous Mid-Term Management Plan Targets	Results	Results excluding special factors	
Financial Targets	Operating profit	20.0 billion yen	21.2 billion yen	20.0 billion yen	<b>23.5 billion yen</b>
	Net Income	-	14.8 billion yen	14.0 billion yen	<b>16.0 billion yen</b>
	ROA (Return on Asset Ratio)	1.1% or more	1.23%	1.17%	<b>1.1% or more</b>
	ROE (Return on Equity Ratio)	6.7% or more	7.2%	6.8%	<b>7% or more</b>
	Dividend Payout ratio	30.0%	30.1%	-	<b>35%</b>
	Operating Assets (including securitization of receivables)	1,200.0 billion yen	1,090.2 billion yen	-	-

Operating profit in the fiscal year ended March 31, 2023 excluding a special factor, special rental demand related to COVID-19 (revenue from extension of the rental period: 1.1 billion yen), was 20.0 billion yen.

# FY2023 - FY2025 Mid-Term Management Plan

## Non-Financial Targets

	Material issue	Item	FY2025 Targets	Remarks
Non-Financial Targets	Contribute to a clean global environment	To the environmental field cumulative investment amount ※1	<b>400.0 billion yen</b> (Through FY2025)	Results through FY2022 270.3 billion yen
	Enhance quality of Life	Number of Collection Agency operation services	<b>20,000services</b>	FY2022 Results 16,682 services
	Develop a virtuous cycle for a sustainable economy	Executed contract volume in three priority fields ※2 (Agriculture , Vehicles and Construction machinery)	<b>45.0 billion yen</b>	FY2022 Results 32.0 billion yen
	Create a happiness Company and society※3	Engagement score (Annual average)	<b>75point</b>	FY2022 Results 72 point
		Percentage of Female Managers	<b>25%</b>	FY2022 Results 23.0%
		Cost of education per person	<b>55,000yen</b>	FY2022 Results (39,730 yen) 1.4 times ratio

\*1 Cumulative total of leasing and installment sales contracts in the field of renewable energy and solar power generation business and equity investments

\*2 Leases: cost of acquisition of assets for lease; installment sales: installments receivable minus unrealized profit on installment sales

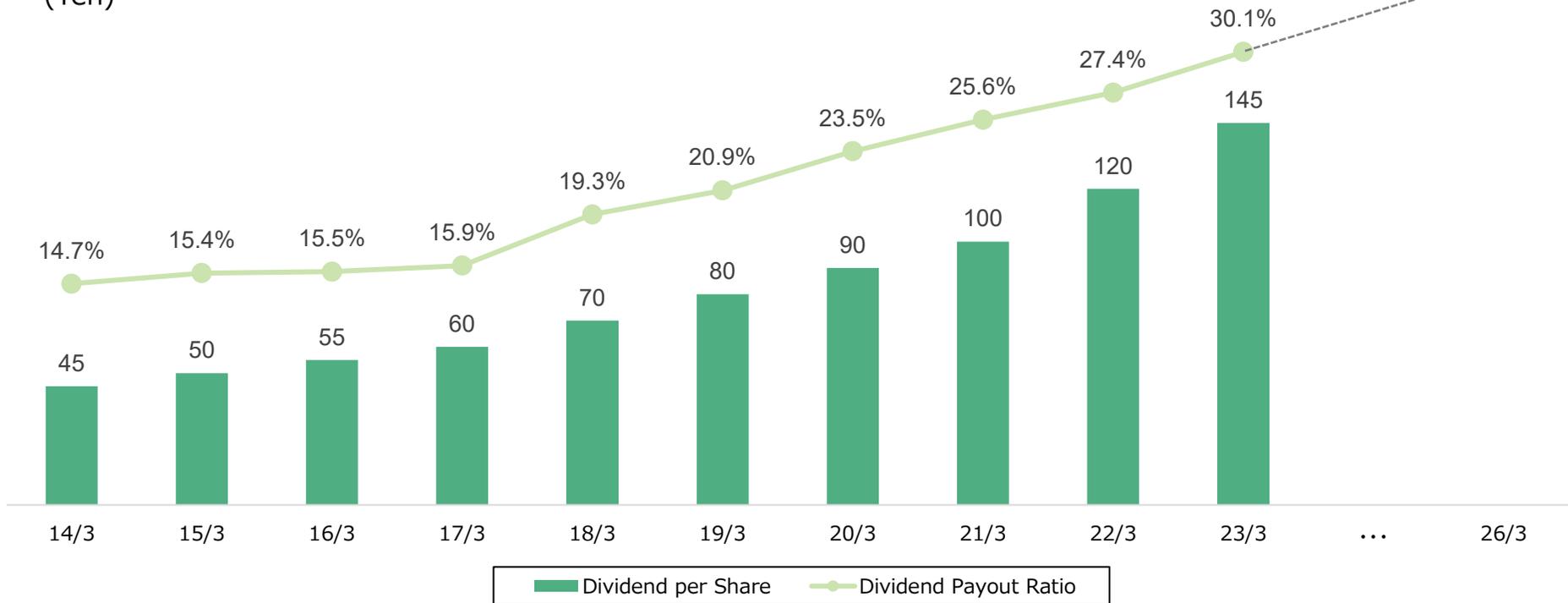
\*3 Results and targets are non-consolidated results and targets at Ricoh Leasing.

## Basic Policy for Shareholder Return

Our basic policy is to provide stable shareholder returns over the medium to long term, and steadily increase shareholder dividends while working to achieve sustainable growth, appropriate capital structure and a strengthened financial position. Our mid-term management plan target for shareholder returns is a dividend payout ratio of 35%.

Mid-term management plan target  
**35%**

(Yen)



Forward-looking statements including earnings forecasts contained in this document are based on certain assumptions deemed to be rational in light of the information available to the Company at the time of preparing the document, and are not intended to be guarantees of future performance. Actual results may differ significantly from plans and forecasts due to a variety of factors.

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

<Contact>

**Ricoh Leasing Company, Ltd.**

RICOH LEASING COMPANY,LTD.

Corporate Planning Department

Tel : 050-1702-4203

Email : [ir@rle.ricoh.co.jp](mailto:ir@rle.ricoh.co.jp)

URL : <https://www.r-lease.co.jp>