Creating Value

Financial
Social
Environmental

RICOH
imagine. change.

Ricoh Group Sustainability Report 2014

Creating new value and business growth while working toward a sustainable society

The RICOH Way constitutes the basis of all corporate activities of the Ricoh Group. It is comprised of the Founding Principles ("Love Your Neighbor, Love Your Country, Love Your Work"—or The Spirit of Three Loves) and the Mission, Vision, and Values stated below. With these ideals to guide us, we create the Ricoh brand benefits: "Harmonize with the environment,""Simplify your life and work" and "Support knowledge management."

The RICOH Way

Founding Principles

Love your neighbor,
Love your country,
Love your work

(The Spirit of Three Loves)

Mission, Vision, and Values

Mission Statement

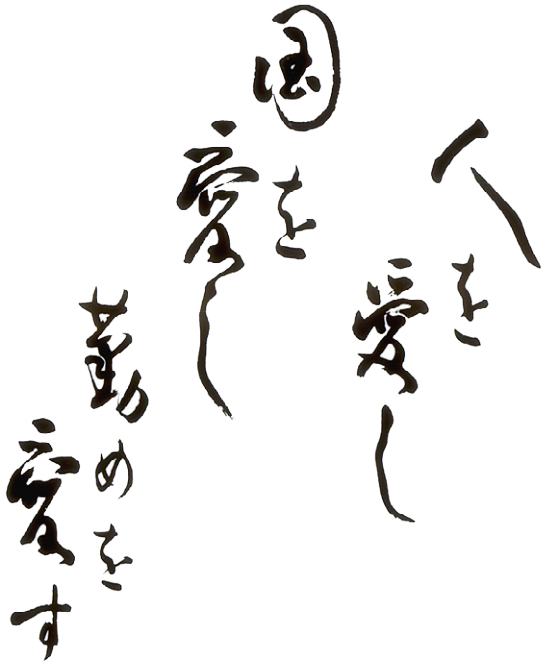
At the Ricoh Group, we are committed to providing excellence to improve the quality of living.

Vision Statement

To be the most trusted brand with irresistible appeal in the global market.

Values Statement

To be one global company, we must care about people, our profession, our society, and our planet. We must dedicate our winning spirit, innovation and teamwork to sharpen our customer-centric focus, and we also must commit to the highest standards of ethics and integrity.



Ricoh founder Kiyoshi Ichimura formulated The Spirit of Three Loves in 1946. These Principles inform how we do business, encouraging us to constantly improve so that we may contribute to the wellbeing of all our stakeholders. The principles embody Mr. Ichimura's dedication by championing mutual respect, contributing to society by cherishing the planet, and encouraging our people to find meaning in work and passionately take on new challenges.

Signatory to the UN Global Compact

Ricoh was among the first wave of Japanese companies to sign on to the United Nations (UN) Global Compact launched in 2000. Since 2008, Ricoh has been serving as one of the directors on the Global Compact Japan Network.

THE GLOBAL COMPACT
COMMUNICATION ON PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

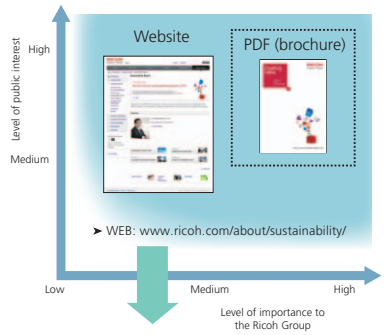
The Ten Principles of the UN Global Compact

Human Rights	• Businesses should support and respect the protection of internationally proclaimed human rights; and • make sure that they are not complicit in human rights abuses
Labour	• Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; • the elimination of all forms of forced and compulsory labour; • the effective abolition of child labour; and • the elimination of discrimination in respect of employment and occupation
Environment	• Businesses should support a precautionary approach to environmental challenges; • undertake initiatives to promote greater environmental responsibility; and • encourage the development and diffusion of environmentally friendly technologies
Anti-Corruption	• Businesses should work against corruption in all its forms, including extortion and bribery

Policy on information disclosure

We take a proactive and fair approach to providing society with timely information and ensure that as many people as possible understand what the Ricoh Group is all about.

The purpose of the Sustainability Report is to enable stakeholders to fully understand our activities, not only financial information, such as business performance and other numerical results, but also non-financial information, such as policies, strategies and underlying ideas.



Web pages related to sustainability

Corporate information [About the Ricoh Group]
➤ WEB: www.ricoh.com/about/

[Investor Relations]
➤ WEB: www.ricoh.com/IR/

[CSR Management]
➤ WEB: www.ricoh.com/csr/

[Environmental Management]
➤ WEB: www.ricoh.com/environment/

Target readership
Current and future stakeholders of the Ricoh Group.

Scope of coverage
Ricoh Co., Ltd. and its consolidated subsidiaries.

Reporting period
This report covers the fiscal year from April 1, 2013 to March 31, 2014, however some activities from the fiscal year ending March 2015 are also included.

Compilation based on the seven core themes of ISO 26000
In compiling this report, the Ricoh Group reviewed and evaluated its major activities during the reporting period based on the seven core themes of ISO 26000, the international standard for social responsibility (right). This report is structured according to the seven themes, and specific topics and activities have been selected for each theme to meet the diverse interests of our stakeholders.

Guidelines
The following guidelines have been used for reference to ensure topics are appropriately selected and organized:
- GRI Sustainability Reporting Guidelines (G3.1)
- The Japanese Ministry of the Environment's Environmental Reporting Guidelines 2007
- United Nations Global Compact Communication on Progress Policy

This version of the Sustainability Report reflects the opinions of experts, including investors and think tanks, who offered their thoughts on how the previous report could be improved.

The seven core themes of ISO 26000
- Organizational governance
- Human rights
- Labor practices
- The environment
- Fair operating practices
- Consumer issues
- Community involvement and development

Major organizational changes

- Established Ricoh Technologies Company, Ltd. (April 1, 2013)
  The design functions of Tohoku Ricoh Co., Ltd., Ricoh Unitechno Co., Ltd. and Ricoh Elemex Corporation, along with some of the design functions of Ricoh Co., Ltd., were merged in the new company, Ricoh Technologies. This reorganization is meant to maximize design efficiency and development capabilities by creating a cross-organizational development system.
- Established Ricoh Industry Company, Ltd. (April 1, 2013)
  The production functions of Tohoku Ricoh Co., Ltd., Ricoh Unitechno Co., Ltd. and Ricoh Printing Systems, Ltd., along with some of the production functions of Ricoh Co., Ltd., were merged in the new company, Ricoh Industry. Through this reorganization, we will optimize management resources and lower manufacturing costs.
- Acquired U.S.-based mindSHIFT Technologies, Inc. (February 1, 2014)
  mindSHIFT Technologies, with expertise in high-level managed IT, cloud and data center services, will enrich Ricoh's menu of IT services for small and mid-sized organizations in major U.S. cities.
- Reorganized domestic sales subsidiaries into Ricoh Japan Corporation (July 1, 2014)
  Ricoh Technosystems Co., Ltd., and Ricoh Business Expert Co., Ltd., and some of the functions of Ricoh IT Solutions Co., Ltd., were integrated into Ricoh Japan Corporation. Integrating sales, service, administration and solutions functions will enable us to create new customer value utilizing the comprehensive capabilities of the Ricoh Group.

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 judgement of Ricoh directors from the information that is now obtainable. Actual results may differ materially from those projected or implied. No assumptions concerning future events and business results should be made based on these forward-looking statements. The following important factors, without limiting the generality of the foregoing, could cause actual results to differ materially from those expressed in the forward-looking statements:
a. General economic conditions and business trends
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
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. Please do not rely on this material as your sole source of information for your actual investments, and be aware that you yourself are responsible for decisions regarding investments.

Exchange rates referred to in this report
The translation of Japanese yen amounts into U.S. dollar equivalents as of and for the year ended March 31, 2014 is included solely for the convenience of readers outside Japan and has been made using the exchange rate of ¥103 to US$1, the approximate rate of exchange prevailing at the Federal Reserve Board on March 31, 2014.

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Aims and results of the 17th mid-term management plan | Key strategies of the 18th mid-term management plan | Social issues to be addressed over the medium to long term materiality for the Ricoh Group

Activities that typify the efforts of the Ricoh Group to improve corporate value are presented in the following three feature sections.

Feature 1

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Creating New Customer Value

The Ricoh Group strives to create new customer value matched to the times and evolving social demands.

Feature 2

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On a Quest for New Business Domains

The Ricoh Group works to anticipate tomorrow's market needs and pinpoint technology trends to provide solutions to social concerns and customer requirements in new business fields.

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In Pursuit of a Sustainable Society

The Ricoh Group recognizes the role that corporate citizens must play in dealing with global environmental issues and strives to protect the environment while generating profits.

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About the Ricoh Group

The Ricoh Group has business operations in approximately 200 countries and regions of the world. Our portfolio ranges from products designed to help people interact with information—including office imaging equipment (MFPs, printers, etc.), production printers, supplies, digital cameras and industrial products such as thermal-based media, semiconductors and factory automation cameras—to services and solutions such as Managed Document Services (MDS) and IT solutions.

In addition to technology, the Ricoh Group is known for its customer-centric approach. As a responsible global citizen, we are also working proactively to build a sustainable society through our business activities.

Consolidated Sales

2,195.6 billion yen

(FY2014)

Total Number of Employees

108,195 people

(as of March 31, 2014)

Geographic Coverage

Approx. 200 countries and regions worldwide

(as of March 31, 2014)

A3 Color MFP Market

No. 1

A3 color MFP share includes single-function copiers in terms of shipments in 2013
Source: IDC's Worldwide Quarterly Hardcopy Peripherals Tracker 2014 Q2

Number of Patents Acquired Worldwide

48,446 patents

(as of March 31, 2014)

Research Budget

5% of total sales

(FY2014)

ROE

7.5%

(FY2014)

Market Capitalization

886.4 billion yen

(as of March 31, 2014)

Percentage of Overseas Sales

58.3%

(FY2014)

Major Awards and Recognition

GLOBAL100

The Global 100 Most Sustainable Corporations in the World: Selected for 10 consecutive years

Corporate Knights, Inc. (Canada)

FTSE4Good

FTSE4Good Index Series: A component for 11 consecutive years

FTSE International Limited (UK)

MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM

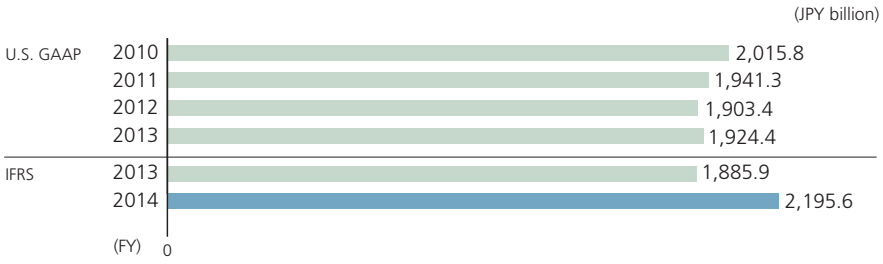
Dow Jones Sustainability World Indices: A component

S&P Dow Jones Indices (USA)
RobecoSAM (Switzerland)

FY2014 Highlights

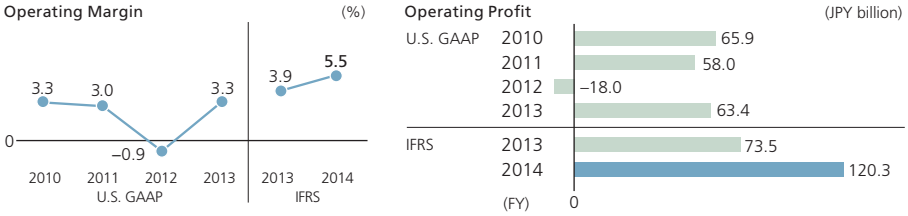
Sales

Consolidated sales for fiscal 2014 (ended March 31, 2014) were 2,195.6 billion yen, an increase of 16.4% from the previous fiscal year. Sales were up 9.7% in Japan and up 21.8% overseas.



Operating Margin/ Operating Profit

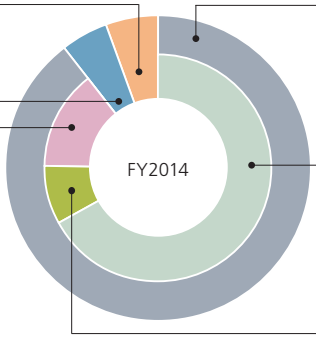
Due to structural reforms, operating profit rose significantly to 120.3 billion yen.



Sales by Category

Other
¥120.8 billion
5.5%

Industrial Products
¥105.0 billion
4.8%



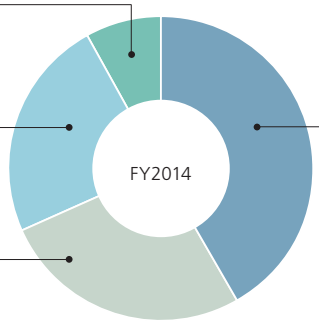
Imaging & Solutions
¥1,969.8 billion
89.7%

Office Imaging
¥1,476.7 billion
67.3%

Network System Solutions
¥308.0 billion
14.0%

Production Printing
¥185.0 billion
8.4%

Sales by Geographic Area



Other
¥171.7 billion
7.8%

Europe, Mid-East, Africa
¥519.1 billion
23.7%

The Americas
¥589.1 billion
26.8%

Japan
¥915.7 billion
41.7%

To Our Stakeholders

Since its establishment in 1936, Ricoh has helped raise office productivity with its innovative technology. Today, the Ricoh Group offers products—including a diverse line of office imaging equipment—as well as related solutions and services in approximately 200 countries and regions around the world. In recent years, the Group's operating environment has changed significantly. Consequently, the imaging and solutions domains—Ricoh's core businesses—are approaching a key turning point.

Against this backdrop, Ricoh worked to reform the business structure of the Group itself. During the 17th Mid-term Management Plan, which ran from April 2011 through March 2014, we were able to shift to a new profit model that provides customers with greater value by transforming a traditional product-based business into a new model composed of both products and services. In addition, we were able to expand business in emerging markets, grow our new production printing business, and create other new businesses, with an emphasis on industrial products.

Building on these results, the 18th Mid-term Management Plan, which began in April 2014, looks toward 2020 and beyond and guides us toward our future ideal—a corporate group making customers feel "confident, comfortable and convenient." To reach this goal, we will emphasize businesses in the office business domain and accelerate approaches in growth fields, namely, the commercial printing business domain, industrial business domain and consumer business domain. We will reinforce technological strengths and the close relationship we have built with our customers, and anticipate market changes to spur new value creation.

With today's rapidly changing world, the Ricoh Group will implement reforms that deliver a level of speed and dynamism to outlive and outlast the changes that characterize the operating environment. We stride with confidence toward the future, encouraged by the corporate tagline "imagine. change."—an expression reflecting power, generated by leveraging the collective imagination of individuals, to change the future. Our vision extends beyond prevailing customer needs; we seek to anticipate future requirements that customers themselves may not yet be aware of and create new lifestyles. Naturally, the Ricoh Group will continue to emphasize profit creation. But ultimately, the goal is to be well-trusted by customers and society as a whole, and we will articulate the type of company we want to be in the future and constantly evolve to reach that status to ensure corporate sustainability and growth.

September 2014

Shiro Kondo
Chairman

Zenji Miura
President and CEO

A Conversation with Our CEO

Let’s transform now for future growth

Zenji Miura
President and CEO

Q: What kind of group does the Ricoh Group aspire to be?

The most basic concept guiding the business activities of the Ricoh Group is The RICOH Way, which incorporates The Spirit of Three Loves—our Founding Principles—and our Management Philosophy (Mission, Vision and Values). The RICOH Way transcends time, leading us in a clear direction on the decisions and actions we should take to deal with the complex, high-level issues that we face as a corporate group. Mission, Vision and Values describe our mission to customers and our mission to society, and these act as a compass, setting us on the path toward the place where we want to be as a corporate group. P.1

In recent years, the issues that challenge society have become intricately intertwined and increasingly diverse due to continued trends in globalization. The business environment that surrounds the Ricoh Group is also constantly changing, and the speed at which these changes occur keeps accelerating. In line with the trend, we seek to expand corporate value over time and be an effective force in efforts to solve the various problems that trouble society. Toward this end, we will of course be quick to respond to changes in society, but it is also important for us to clearly define our future ideal—the kind of group we aspire to be—and to transform now by embracing this ideal.

Turning to the society of tomorrow, it will look much different due to evolving trends, including digitization and networking, urbanization, lingering environmental problems, and diversifying lifestyles and personal value perceptions. Focusing on 2020 and beyond, following our next mid-term management plan and given the changing business environment (megatrends), we see our VISION 2020 as an environment-friendly corporate group that makes customers feel "confident, comfortable and convenient" beyond expectations in supporting lifestyle transformations. This presence will be underpinned by an ability to draw on technological strengths and the close relationship we have built with our customers. P.28

Q: What approaches will you take?

Broadly speaking, there are two.

First, in our core office business, we will reinforce the current business model and promote business growth.

In the office market, customer needs are rapidly shifting from "possessing" equipment to "using" it. That is, a progression to "products" + "services." Also, the exchange of information in offices has been paper-based but, increasingly, the process is involving digital data, including voice and images. Such information is used not only in an office environment but also in the ubiquitous approach of today's networked, information-based workstyles. I see this as an opportunity for us to really demonstrate our strengths. I think that by providing various one-stop products and services to customers as they adopt new workstyles, the Ricoh Group will be able to reinforce its earnings platform. Also, the use of multifunctional printers (MFPs) and other imaging equipment is becoming more prevalent in emerging markets. In these regions, interest in mobile phones began to spread all of a sudden, and like this, the nearly concurrent spread of imaging equipment will undoubtedly require leading-edge services and communication systems. Being quick to respond to these market needs should enable us to achieve considerable growth in emerging markets.

The second approach is to establish new pillars of business.

As society goes through changes, business opportunities will appear that allow us to utilize our strengths and provide new value to customers outside the office market. To capitalize on these opportunities, we will take the expertise accumulated by providing products and services to address customer issues in the office market and apply this expertise to the industrial business market and the consumer business market and then branch out to public sector and infrastructure markets to cultivate new business pillars. P.21, 27

An environment-friendly corporate group that makes customers feel "confident, comfortable and convenient" beyond expectations in supporting lifestyle transformations

Q: The 17th Mid-term Management Plan (MTP), integral to the realization of Ricoh's future ideal, is over. What was accomplished?

Before looking back on the 17th MTP (April 2011–March 2014), a point that must be revisited is the global financial crisis of 2008, the year we embarked on the 16th MTP. We were exposed to challenges in a business environment characterized by sudden yen appreciation and reduced demand. In 2011, just as brighter prospects were emerging, Japan was struck by the Great East Japan Earthquake, which had a huge impact on product manufacturing and supply. Later that year, Thailand was inundated by large-scale floods. We had only just welcomed the start of operations at a new production facility there, right after the 17th MTP went into force. If I may say, I don't remember a time when there has been a succession of events of such unprecedented magnitude.

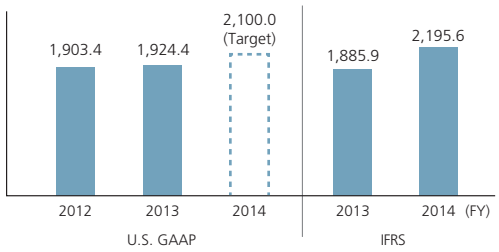
Amid these turbulent times, we pursued the two fundamental strategies outlined in the 17th MTP—business creation and integration, and establishment of highly efficient management—and we executed the required investments to build for the future. However, market recovery failed to materialize as expected, delaying returns on our investments and inevitably leading to an operating loss. I know this situation must have been very disconcerting to our shareholders. But I believe the investments we made have achieved a certain degree of success that will translate into growth down the line.

Now on the theme of business creation and integration, we were able to shift to a new profit model that provides customers with greater value by transforming a traditional product-based business into a new model composed of both products and services—solutions that address our customers' needs. In addition, we were able to expand business in emerging markets, grow our new production printing business, and create new businesses, with an emphasis on industrial products.

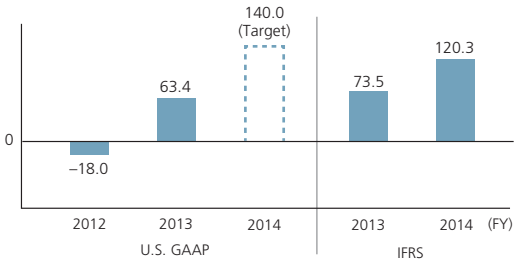
As for the second theme, which highlights the establishment of highly efficient management, we made progress on our transformation, achieving a reduction in expenses, implementing changes in the development of human resources and re-engineering business processes. With these improvements, we have built the foundation for a robust management structure with the capacity to achieve performance targets even when the business environment presents challenges.

P.16

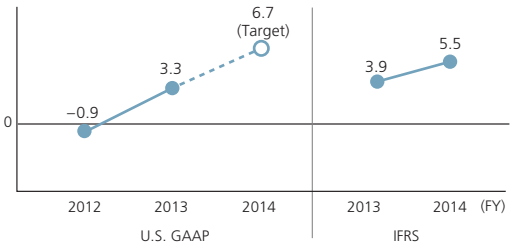
• Sales
(JPY billion)



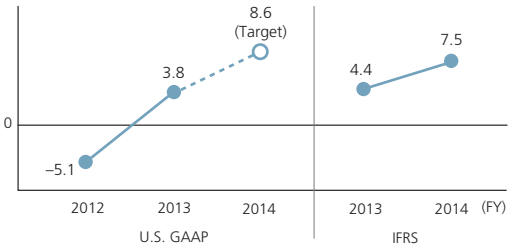
• Operating Profit
(JPY billion)



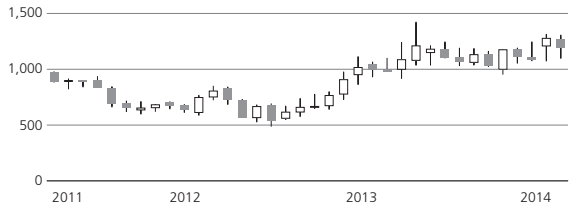
• Operating Margin
(%)



• ROE
(%)



• Stock Price
(JPY)



Q: Can you outline the 18th MTP?

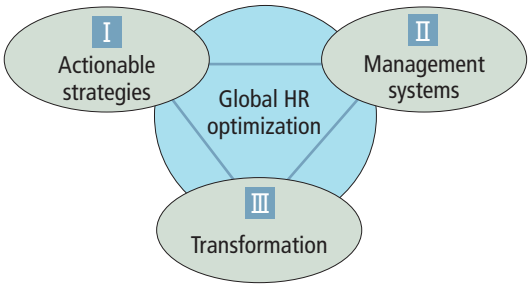
The 18th MTP sets the three years from April 2014 through March 2017 as a time to ensure the Group's long-term growth and achieve higher corporate value. During the 17th MTP, we were not able to reach our financial targets, but we determined that the main reason we fell short was a lack of the speed necessary to respond to customers' changing needs in the wake of several unforeseen events.

Given our results and the underlying reasons for them, we will use the next three years to enhance a robust structure that will not buckle even if external factors change and we will thereby achieve our ultimate goals. We aim to create a platform as an innovative group that constantly delivers new value to society.

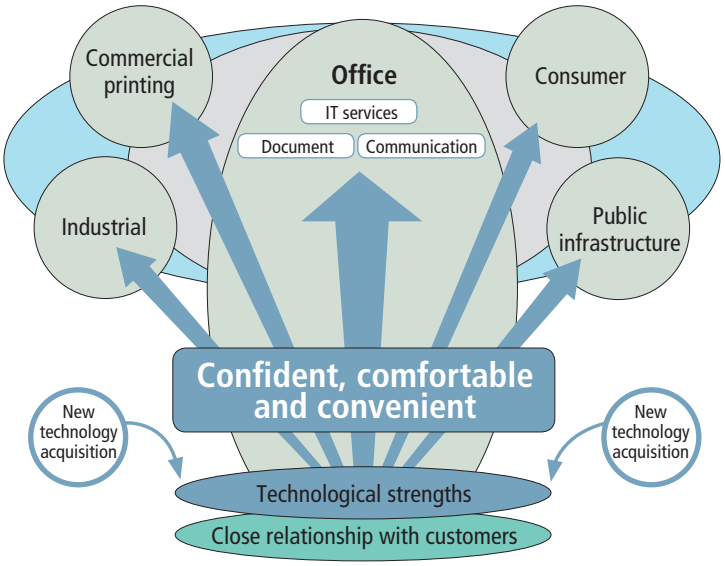
Toward this end, we will pursue the combined effects of reforms in three areas: actionable strategies, management systems and transformation.

We have laid out two basic business strategies: reinforce and develop earning power of core businesses, and achieve growth by creating new profit generators. In addition, we identified business domains emphasizing our objective to provide customers with value. We will pursue activities in four domains—the office business, commercial printing business, industrial business and consumer business—and expedite decision making to facilitate growth in these domains. P.17

• Three Fundamental Transformation Initiatives of the 18th MTP



• Ricoh's Direction for 2020 and the Future Beyond



Q: Please describe the business strategies under the 18th MTP.

The first of the two basic strategies is to reinforce and develop earning power for core businesses. To do this, we will first enhance the performance of products, such as MFPs and printers, and sharpen cost competitiveness to increase market share. At the same time, we will cultivate sales through new channels to expand market presence. In addition, we aim to establish a new profit model for growth in our core businesses, by enhancing our value of managed document services (MDS) and IT services, and by enriching our visual communication offerings. Meanwhile, in emerging markets, we will acquire a larger earning capability by reinforcing our sales and marketing structure and accelerating investment in products and services geared to regional requirements.

The second basic strategy is to achieve growth by creating new pillars of business. Here, our focus will be on three growth domains—commercial printing business, industrial business, and consumer business—and we will strive to anticipate customer needs and create new value for them. We will steadily pursue new business opportunities and develop then into complementary pillars of corporate growth.

In addition to these efforts, we are keen to tackle three more areas in new markets where our strengths can be put to good use. These markets are based on megatrends that prevailed when our future ideal was envisioned. Specifically, we will undertake strategic investment in smart sensing, which keeps society safe and secure, visual revolution, which extends the range of human senses, and additive manufacturing, i.e., commercial 3-D printing. These investments will fuel the development of new business pursuits and build businesses for the future. P.21, 27

Q: What is happening with the management systems and organizational improvements?

The goal of management systems reform is to accelerate management and business decisions, make management and business practices more efficient, and reinforce on-site support. Toward this end, we are emphasizing the following three measures. First, we will reorganize the divisional structure, enhance our capabilities to feed customer requests back to marketing, design and R&D with more speed and accuracy. Then, we will restructure the role of the head office, strengthen strategy-formulating capabilities, and create a better structure that is easier to support sales on a global basis. And finally, we will rebuild the technology management structure and bring resources together to permit a better read of not only customer needs but also technology trends and to facilitate progressive technology development.

Meanwhile, the goal of transformation is to establish a more robust management structure. We will continue to build a better structure so that greater efficiency and business process reforms unfold autonomously and continuously. Toward this end, we will first meticulously eliminate waste in resource allocation and expedite a shift toward growth fields.

In addition, we will develop and utilize the skills of people with a trailblazing spirit, who will take global management and new businesses to a different dimension of growth. We will raise the expertise of each and every employee and maximize capabilities. We will direct concerted efforts into the creation of a structure that puts the right person in the right job by promoting global mobility so that everyone is in a position where they can demonstrate their full potential.

• FY2017 Financial Targets

Sales	2,500 billion yen or higher
Operating profit	200 billion yen or higher
Operating margin	8.0% or higher
ROE	10.0% or higher
Total return ratio*	30.0% or higher

* Total return ratio: Dividends and share buybacks
(Exchange rate: 1 US dollar = 100 yen; 1 euro = 140 yen)

Q: Why are you so enthusiastic about the future?

The last year—2016—of the 18th MTP will mark Ricoh's 80th anniversary. Looking back over the last few decades, I know the changes that have shaped today's society. They have zoomed by at an alarming pace. The fact that we—the Ricoh Group—have grown and developed amid this crushing pace of change is proof that our products and services provide solutions for our customers. The enduring support of customers is what fuels corporate sustainability. We have that kind of customer loyalty, and we are truly grateful for it.

Going forward, we will not rest on our laurels but rather work toward growth, for ourselves and for society, by articulating the type of company we want to be in the future and constantly changing to reach that status.

Looking even further ahead, to our 100th anniversary, we will strive to demonstrate our own full potential as "One Global Ricoh" so that we may contribute to the realization of a sustainable society and be seen by society as a vital corporate citizen.

Raising stakeholder and corporate value

Corporate value is a concept that embodies overall improvement, matched to the expectations of all stakeholders, by raising value for shareholders, customers, society and employees. Constantly providing new value, being part of the solution to global environmental concerns and problematic social issues, and fulfilling a responsibility to build a sustainable society—all of these corporate activities, if pursued with steadfast conviction, will lead to higher corporate value, which is integral to business growth.

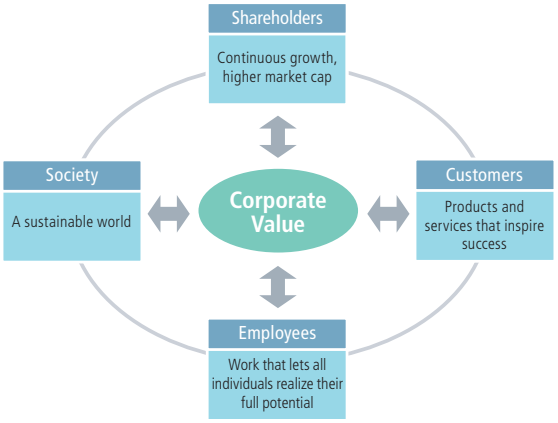
The Ricoh Group adheres to The RICOH Way, which comprises Ricoh's Founding Principles—The Spirit of Three Loves—and its Management Philosophy (Mission, Vision, and Values). This is the most fundamental aspect of our corporate being, infusing all corporate activity and guiding our decisions and actions to deal effectively with the complex, high-level issues that we face as a corporate group.

Putting The RICOH Way into practice generates new value, which sets society and business conditions on a better course, and inevitably allows us to grow our businesses and enhance corporate value. P.1

We will adhere to The RICOH Way, as it forms the basis of a corporate culture with high ethical standards that promotes good sense from a social perspective, and we will maintain management transparency. Furthermore, we will build a governance structure designed to hone a sharper competitive edge. P.37

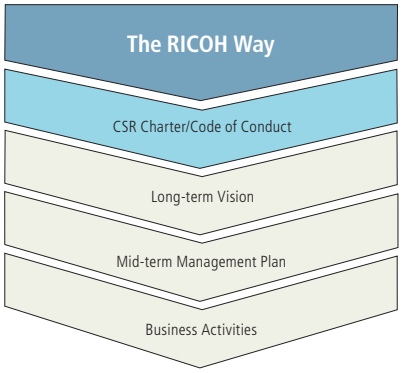
In regard to business strategies, we laid out a long-term vision, shaped by anticipated changes in the business environment, while identifying priority social issues (materiality) that the Ricoh Group must address. To achieve this vision, we formulate mid-term management plans every three years and pursue business activities in line with these plans. P.20

• Raising Corporate Value



• Corporate Activities Based on The RICOH Way

➤ WEB 1, 2, 3



• Engaging Stakeholders

Customers	• Increase customer value by offering products and services that embody the RICOH brand benefits • Offer safe and reliable products and services
Shareholders and investors	• Increase corporate value by achieving sustained business growth • Timely and appropriate information disclosure and communication
Business partners	• Build partnerships based on mutual trust and fair trade • Promote socially responsible activities across the value chain
Society	• Contribute to solving social issues through social contributions and business activities • Respect the cultures and customs of the countries and regions in which we operate, and contribute to their development
Employees	• Promote workplace health and safety and develop human resources • Promote respect for employee diversity and work-life balance
Global environment	• Conduct business activities in an environmentally friendly manner and contribute to the reduction of environmental impact • Contribute to the maintenance and restoration of the Earth's self-recovery capabilities

➤ WEB 1 The RICOH Way: www.ricoh.com/about/commitment/philosophy/
➤ WEB 2 CSR Charter: www.ricoh.com/csr/concept/charter.html
➤ WEB 3 Ricoh Group Code of Conduct: www.ricoh.com/csr/concept/code_of_conduct/

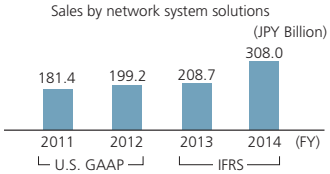
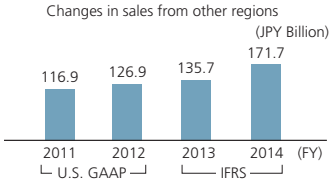
Aims and Results of the 17th Mid-term Management Plan (MTP)

During the 17th MTP, we worked on two core strategies: "business creation and integration," and the "establishment of highly efficient management." In business creation and integration, we extended the reach of our IT services to optimize installation of managed document services (MDS), which relieve customers of the burden associated with operating and managing document-related tasks, and network environments. We also expanded the scope of communications-related solutions that support video conferencing and other business interactions. In emerging markets, we enriched our lineup of MFPs and printers and reinforced the sales structure.

In production printing, we enhanced the lineup of products and solutions in the in-house printing business and acquired a firmer footing in the commercial printing domain. In the industrial business, our efforts yielded the buds of new businesses, including factory automation cameras and rewritable laser systems.

• 17th MTP

Business creation and integration

Strategy	Performance	Results
In core businesses, secure and maintain share, and simultaneously achieve higher efficiency	• Revamped A3 color MFP lineup, with cloud-compatible and better environmental performance • Enhanced A4 MFP printer lineups	• No. 1 in global A3 color MFP share includes single-function copiers in term of shipment in 2013[1] • Higher operating margin in core business Imaging & Solutions operating margin 7.7% (FY2011)→9.4% (FY2014)
In developed markets, accelerate business structure shift to service business	• Reinforced MDS and IT service structures and expanded business activities <Yearly investments to broaden the scope of services provided> MDS 2011: Print Solutions Group (Australia) 2012: HSSK Forensics, Inc. (USA) IT services 2011: Momentum Infocare Private Limited (India) 2012: ADA-Das SystemHaus GmbH (Germany) 2012: IMC Communications (Australia) 2012: 01 Innovations Pte Ltd. (Singapore) 2013: Aventia (Spain) 2014: mindSHIFT Technologies, Inc. (USA) 2014: FutureTech Ltd. and FutureWare Ltd. (South Korea)	• A leader in global MPS market[2, 3] (2013) • Network System Solutions' sales expanded P.25 Sales by network system solutions 
Achieve business growth in emerging markets	• Expanded sales channels and business activities <Yearly investments to enhance sales and service structures in emerging markets> 2011: Established Ricoh Vietnam Company Limited (Vietnam) 2013: Established Ricoh Korea Co., Ltd. (South Korea) 2014: Acquired Saral Buro Pazarlama Limited Sirketi, Merkezi (Turkey) 2014: Acquired Ofisteknik A.S. and Ofisteknik LTD. (Turkey) • Enriched lineup of products, such as A4 MFP, for customers in emerging markets	• Higher sales in Asia-Pacific and China region Changes in sales from other regions 
Realize contribution to sales from production printing business as quickly as possible	• Reinforced production printing product portfolio with debut of light volume production printing systems and printers to support large paper sizes	• Dramatic increase in sales in final year compared with first year of the 17th MTP Annual average growth rate of production printing 7.2% (FY2011–FY2014)
Expand new businesses	• Expanded product range in new fields, including projection system, unified communication system and interactive whiteboard • Constantly nurtured new business pursuits	• New business sales ratio exceeded target for 17th MTP New business sales ratio 25% (target)→28% (FY2014)

Establishment of highly efficient management

Strategy	Performance	Results
Realize streamlined business structure conducive to growth	• Promoted "development process innovation," that is, to create products without relying prototypes • Executed consolidation and closure of production sites in Japan and overseas • Reorganized domestic sales structure and integrated production printing sales structure • Established Business Solutions Group, and reorganized office business structure • Reviewed unprofitable businesses, such as transfer of measurement device business • Implemented measures to optimize human resources and redeploy personnel, including shift to new business fields	• Profit created through Groupwide approaches Amount generated (three-year total) ¥79.2 billion (Total costs: ¥61.7 billion) • Review of unprofitable businesses led U.S. operations and electronic devices business to considerable improvements in profit

[1] Source: IDC's Worldwide Quarterly Hardcopy Peripherals Tracker 2014 Q2
[2] Source: Gartner, "Magic Quadrant for Managed Print Services, Worldwide" Ken Weilerstein et al, 21 October 2013
[3] Source: IDC, Sep 2014 "IDC MarketScape: Worldwide Managed Print and Document Services 2014 Hardcopy Vendor Assessment - Focus on Managed Workflow Services"(#250631)

Key Strategies of the 18th Mid-term Management Plan

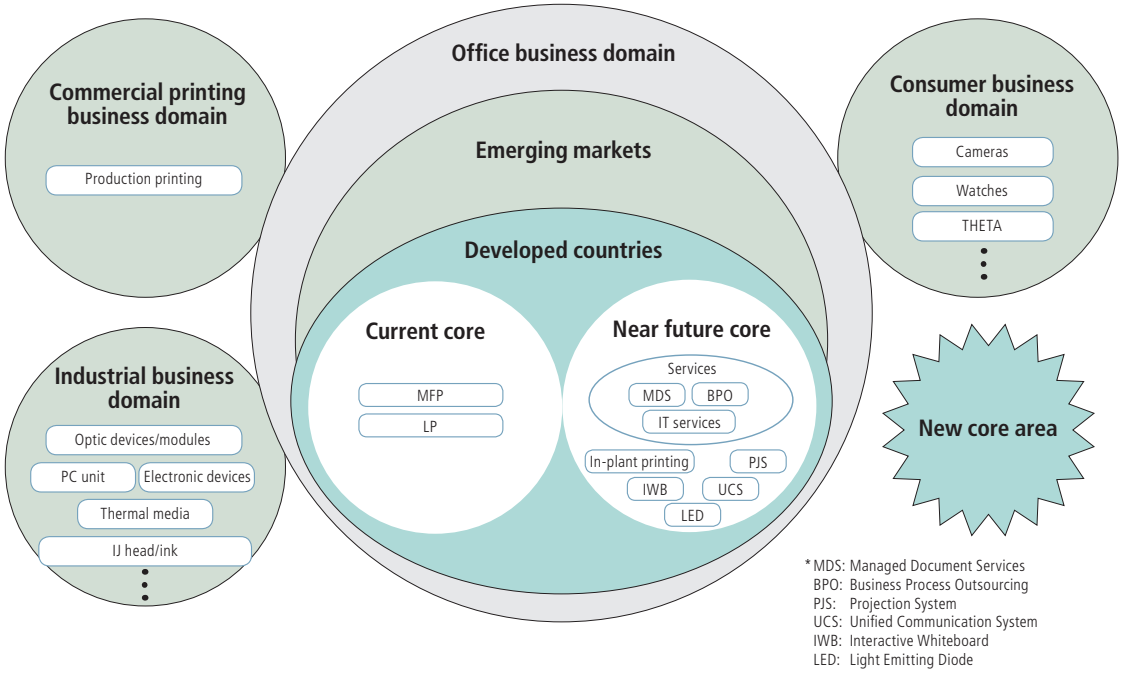
The 18th MTP sets the three years from April 2014 as a time to enhance corporate value and ensure long-term growth of the Ricoh Group. Guided by this plan, we will pursue overall reform emphasizing three building blocks—actionable strategies, management systems and transformation—to forge a resilient organizational structure impervious to whatever external factors it may face.

Four new business domains

During the 18th MTP, we will emphasize four new business domains. We will roll out strategies in each domain and cultivate business activities by anticipating market needs and attracting the interest of new customers.

In the office business domain, we will complement our current core business, which centers on printers and other imaging equipment, with businesses that present growth potential and showcase new products and services, such as our projection system, unified communication system, interactive whiteboard and LED lighting, to expand our business presence. In emerging markets, we will capitalize on wider demand for imaging equipment while establishing a strong business structure and expanding business scale, with a view to transitioning to services. In addition, we will build new business pillars in the commercial printing business, namely production printing, as well as the industrial business and the consumer business. We also intend to enter completely new fields that go beyond current business borders to develop new core areas.

• Business Domains in the 18th MTP



* MDS: Managed Document Services
BPO: Business Process Outsourcing
PJS: Projection System
UCS: Unified Communication System
IWB: Interactive Whiteboard
LED: Light Emitting Diode

Business strategy targets

Broadly speaking, we have two objectives. The first is to reinforce and develop the profitability of core businesses, which are the current source of profits, and redirect the profits to cultivate new growth domains. Specifically, we will continue to hone a sharper competitive edge in the office business—products as well as services—while using communications products and services to present different workstyles and thereby capture new business opportunities. The second objective is to achieve growth by creating new pillars of business, and we aim to extend greater value to customers in the industrial, consumer and public sector and infrastructure markets. P.21, 27

Reinforce and develop earnings power for core businesses

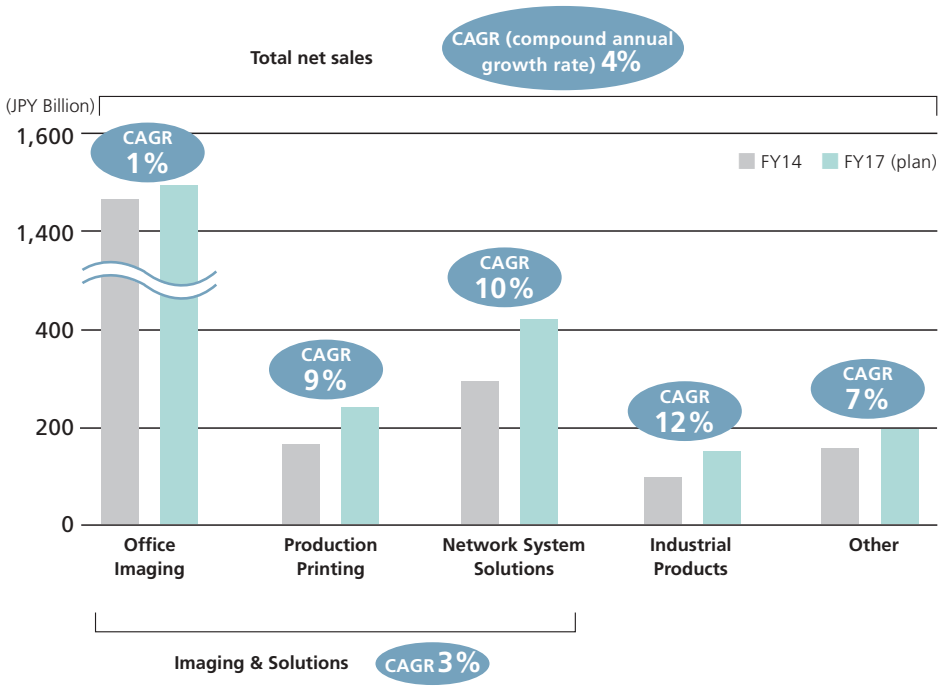
- Achieve an MIF* growth ratio of 2%
- Double office business sales for emerging markets
- Increase sales of IT services and new product-related sales by 130%

Achieve growth by creating new profit generators

- Increase sales in the industrial business domain by 150% in three years
- Launch three or more new businesses worth 10 billion yen for 19th MTP

* MIF: Number of MFPs in operation in the market

• **Net Sales Growth Scenario by Business Segment**

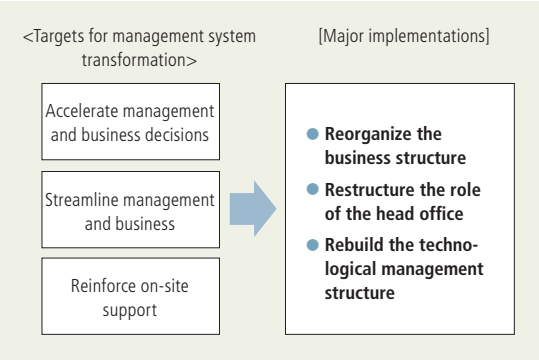


Build robust management structure

On the management system front, we will reorganize operations in four domains—the office business, commercial printing business, industrial business and consumer business—and continue to take innovative approaches that include restructuring the Tokyo headquarters and the technology management system.

As for the structural improvement front, we will promote initiatives for continuous and self-sustained development of all corporate structures, and make highly efficiency management an inherent component of the Ricoh Group.

• Creating Corporate Robustness: Management Systems



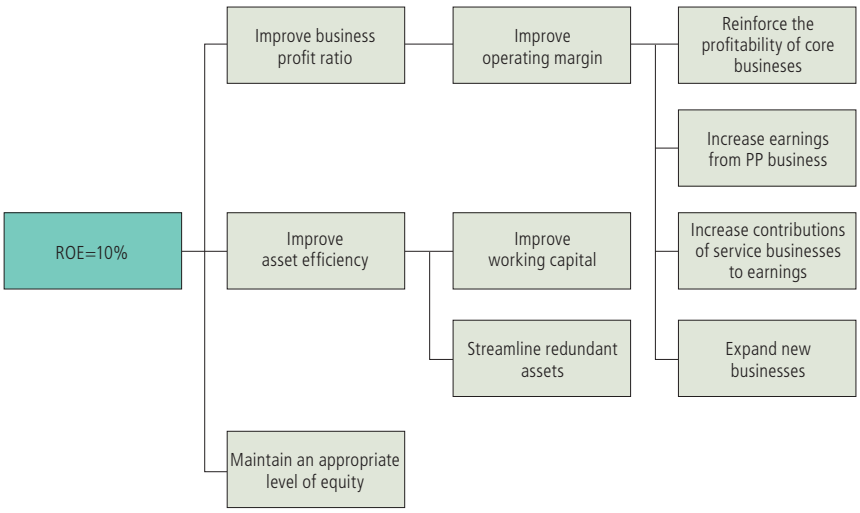
Higher shareholder value

In the pursuit of higher shareholder value, our goal is to achieve return-on-equity of 10% by enhancing business profits and boosting asset efficiency. We will maintain an appropriate level of equity and consider such factors as return to shareholders in our calculations.

Thoughts on return to shareholders

We seek to enrich retained earnings to maintain a firm financial footing and to support new business development. At the same time, we recognize the importance of a good return of profits to shareholders and endeavor to provide a stable dividend based on a total consolidated payout ratio in the vicinity of 30%.

• Measures to Improve ROE



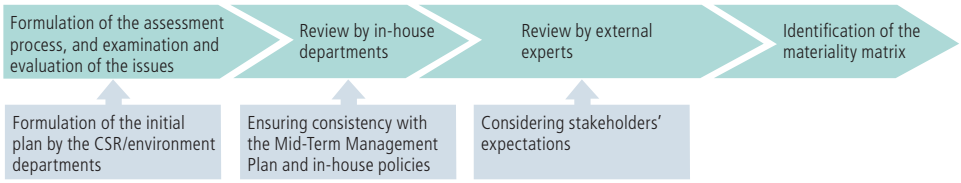
The Medium- to Long-Term Social Issues to be Addressed for the Ricoh Group's "Materiality"

The Ricoh Group pursues its business growth while also working to make contributions to the sustainable development of the Earth and society. To this end, we have clarified the Ricoh Group's sustainable issues of materiality in consideration of the expectations of our stakeholders, and are implementing CSR and environmental measures with a focus on these issues. ➤ WEB

Process of Materiality Analysis and the PDCA Cycle

From among the issues that we deem important for the creation of a sustainable society in reference to the trends of the global society, we identified the issues for the Ricoh Group and its stakeholders. We evaluated them in terms of their importance for the Ricoh Group's business and in consideration of our stakeholders' expectations for the Ricoh Group. In making this evaluation for the purpose of mapping, we incorporated the opinions of the related in-house departments, and had the evaluation method and results reviewed by external experts.

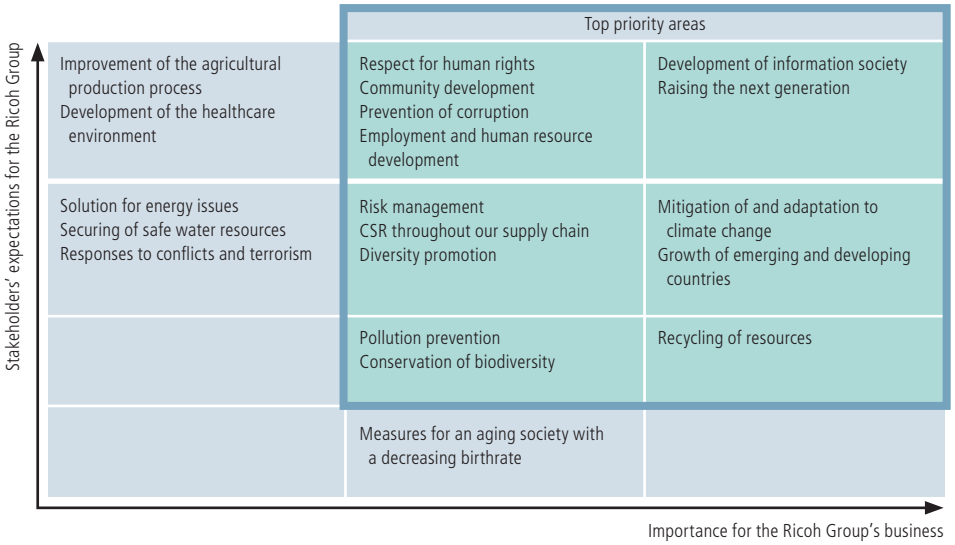
• Process of Materiality Analysis



Materiality Matrix

We launched the 18th MTP in 2014, in which we set our CSR measures based on the issues of materiality specified through the process. We will set key performance indicators for each of the issues and enforce a PDCA cycle, including conducting relevant reviews at our overseas bases, thereby making improvements on the issues of materiality and the CSR measures set based on these issues.

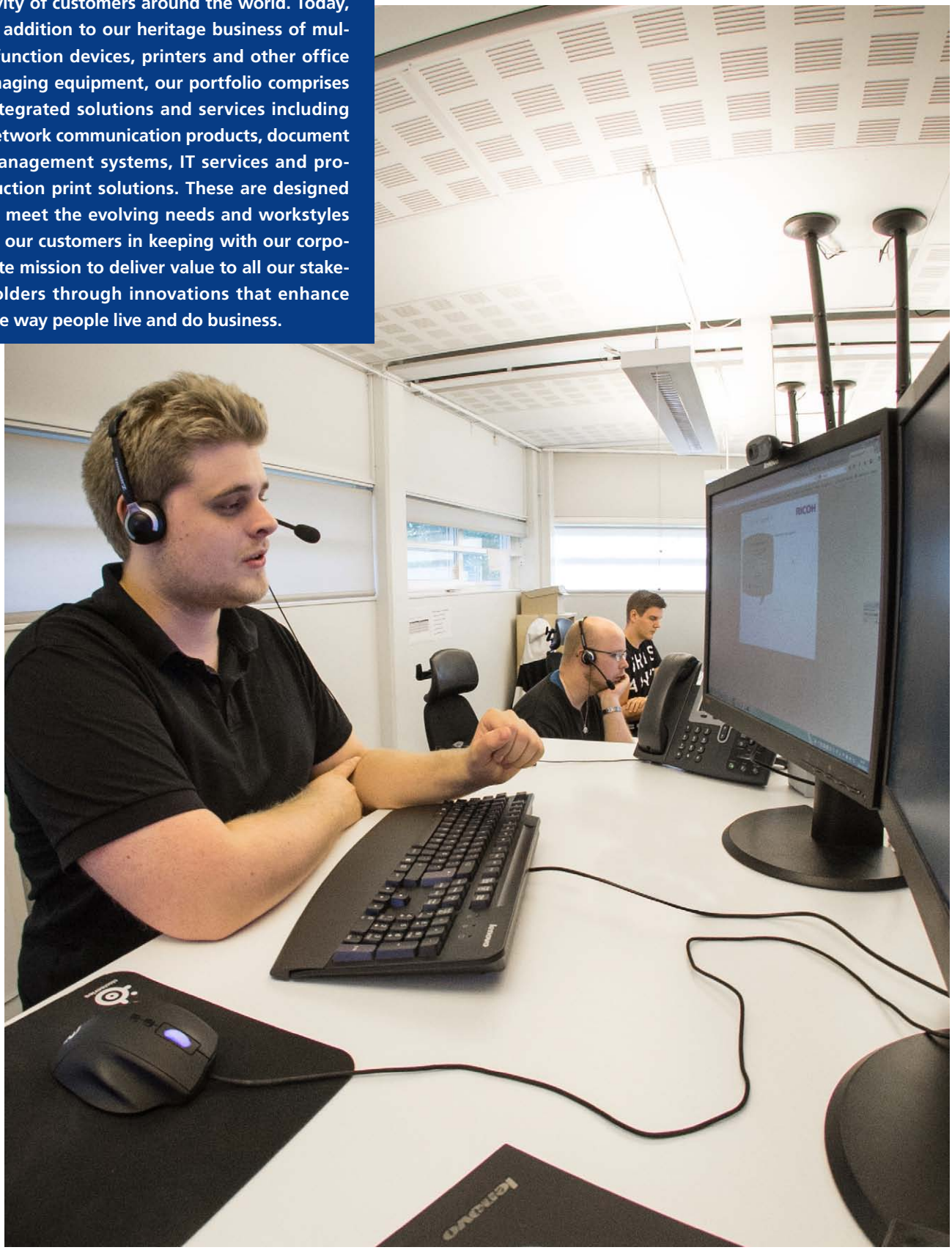
• Materiality Matrix



➤ WEB Materiality for the Ricoh Group: www.ricoh.com/csr/concept/materiality.html

Feature 1
Creating New Customer Value

The Ricoh Group offers a diverse range of products and services that raise the productivity of customers around the world. Today, in addition to our heritage business of multifunction devices, printers and other office imaging equipment, our portfolio comprises integrated solutions and services including network communication products, document management systems, IT services and production print solutions. These are designed to meet the evolving needs and workstyles of our customers in keeping with our corporate mission to deliver value to all our stakeholders through innovations that enhance the way people live and do business.

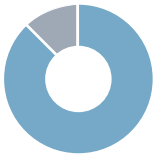


Shared Service Center at Ricoh Sverige AB. P.26

Ricoh's core businesses at a major turning point

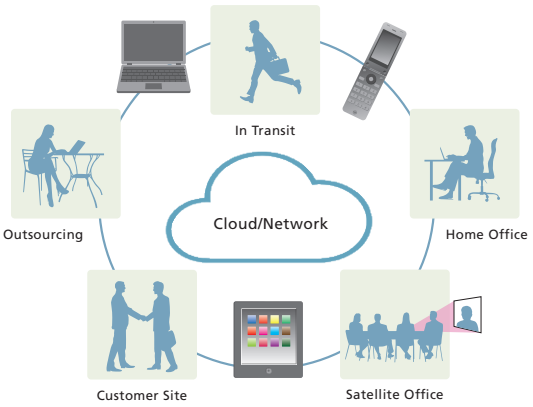
The core business of the Ricoh Group is Imaging & Solutions, which generates about 90% of consolidated sales. We have built an extensive lineup of products in this segment, showcasing equipment for commercial printing, such as production printers, and a large selection of MFPs, printers and other imaging equipment for office use. This all-round assortment of products and associated solutions are directed primarily toward corporate customers.

Today, Imaging & Solutions is on the verge of a huge transformation, spurred by changes in the demand market. Customer needs and workstyles are evolving, a process that reflects the vigorous pursuit of M&A opportunities and restructuring to achieve a sharper competitive edge as well as the appearance of new trends in society. As a group, we are quick to respond to emerging developments, but we also cast a corporate eye to the future, and by anticipating possible demand scenarios before customers themselves may be aware of them, we are able to provide value that exceeds expectations. This customer-oriented perspective is what fuels corporate growth.



Imaging and Solutions
89.7%
1,969.8 billion yen
(FY2014)

• New workstyles and venues



Changing customer needs and workstyles

Today's socio-economic environment is so much different than it once was, driven by increased globalization, growth of emerging economies and a wider embrace of network technologies.

Customers' business environments are also changing, which necessitates a different set of responses, as management concentrates energy into new directions, be it more efficient operations or higher productivity. Against this backdrop, customers are seeking another kind of value, shifting from "ownership of products" to "use of services." This presents us with the potential to expand our market presence by going beyond products to new businesses derived from services and solutions.

In addition, the workplace is being redefined by innovative methods of communication utilizing video, audio, images and other data formats, reflecting widespread use of mobile devices—namely, smartphones and tablet PCs—and a heightened use of cloud computing. In this new workplace, people want to access and share required information and print it out anywhere as easily and securely as they would in a conventional office.

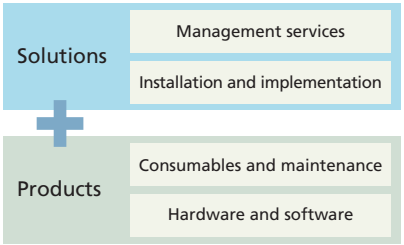
Upgrading business model to fuel growth

Ricoh understands these market changes and is working to upgrade its business model for continued success. We will draw on the global network we have built so far—a network that encompasses some 200 countries—and our close relationships with customers to provide products and solutions for document-related operations and beyond. This will lead to a stronger and wider revenue base.

For example, in developed countries, workstyles are evolving at an accelerated pace, which presents a different set of management issues for our customers to tackle, from workflow reforms and reduced total cost of ownership to enhanced compliance practices. We are working on a revenue model that enables us to provide solutions and services that effectively address these customer issues.

Meanwhile, in emerging markets that continue to exhibit tremendous growth, we are expanding our presence by making MFPs and printers more appealing to local customers and by raising cost-competitiveness while reinforcing our sales and service networks. In addition, emerging markets are likely to undergo rapid changes similar to those that have taken place in developed countries, and we are keen to establish a platform that will support the shift to solutions and services.

• New business model

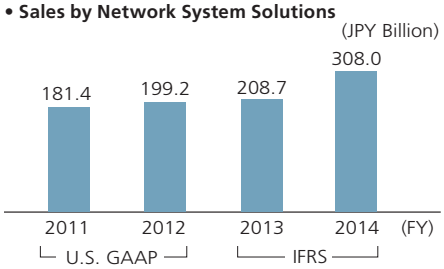


One-stop solutions in new business territory

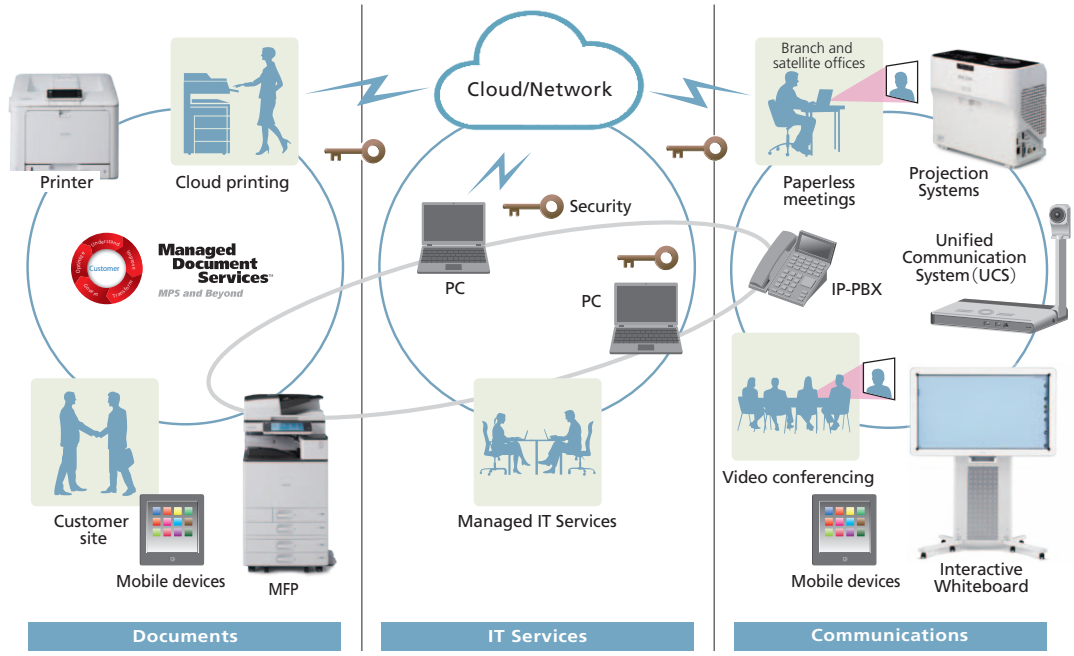
The Ricoh Group offers one-stop services that support customers' business activities in many situations. Our managed document services (MDS) free customers from all document-related workflow and operation and management tasks, and our IT services ensure appropriate equipment layout, PC and network environment configuration, and installation of office management systems with thought given to the placement of equipment and traffic flow in the office. We have also ventured into domains where our expertise makes communication processes more comfortable and convenient.

Sales by the network system solutions business—the segment covering IT services and communications—continues to demonstrate high growth.

• Sales by Network System Solutions



• Expansion of Ricoh's business areas P.51-52 ➤ WEB 1, 2, 3, 4



Creating customer value through "One Global Ricoh"

The ability to accurately identify customer needs and create new value is supported by forward-looking R&D, a structure for harnessing technologies cultivated through the imaging equipment business and generating new technologies, a concerted effort to listen to customers and utilize valuable feedback, and global R&D, sales and service networks. By interlinking these individual approaches, we can respond quickly to customer needs and, ultimately, meet future needs even before customers themselves are aware of them. Going forward, we will continue to create a steady stream of customer value by bringing together all the capabilities of "One Global Ricoh." P.48-50, 55, 60

Forward-looking R&D

At Ricoh, we tackle R&D from a perspective that anticipates how changes in society will affect the evolution of office environments and workflows. We also strive to cultivate businesses in new markets where our strengths can be put to good use in building the foundation for communities that are safe, comfortable and offer convenience to those who live and work there. P.28, 48

For more information
• Innovation: P47-52
• Customer Satisfaction: P53-56
• SCM: P57-62

➤ WEB 1 MDS: mds.ricoh.com/services/managed-document-services
➤ WEB 2 IT infrastructure services: services.ricoh.com/services/it-infrastructure-services
➤ WEB 3 Collaboration (White Paper): www.ricoh.com/about/company/technology/whitepaper/pdf/wp_ruc.pdf
➤ WEB 4 Future Cloud Services (White Paper): www.ricoh.com/about/company/technology/whitepaper/pdf/wp_rcs.pdf

Harnessing accumulated technologies

Ricoh has harnessed the core technologies incorporated in the cameras, diazo copiers, photo-sensitive paper, plain paper copiers, facsimiles, MFPs and other products and solutions sold to customers. Our emphasis is on technologies related to optics, chemical materials, electrophotography, mechatronics, telecommunications, semiconductors, inkjet printing, image processing, software and IT.

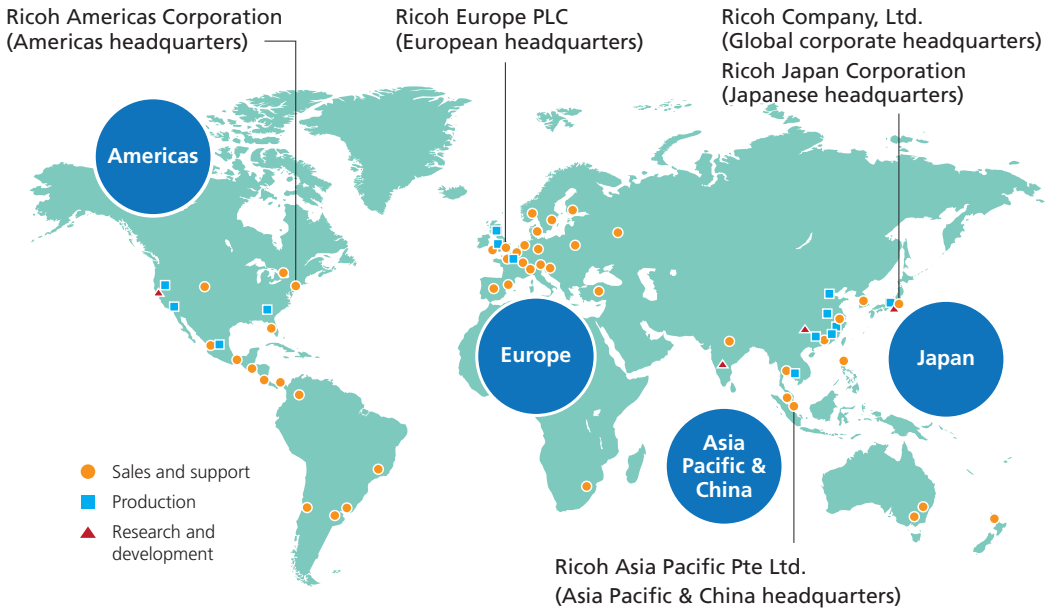
The results we have achieved through these R&D pursuits have yielded 48,446 patents worldwide, as of March 31, 2014. P.50

Systems for seeking and incorporating customer feedback

To see things from a customer perspective and respond swiftly to changing customer needs, we utilize our customer relations management (CRM) database and customer satisfaction surveys. We also maintain call centers, customer helpdesks, technology centers and other points of contact all over the world, through which we garner insights about customer needs and wants. We implement fine-tuned responses matched to actual conditions in each country and utilize customer feedback on products, sales, services and R&D to enhance our lineups. In addition, we have a process in place to facilitate timely delivery of products and services customized to user needs, such as the configuration of settings into equipment prior to delivery so that it is customer-ready upon arrival. P.55, 61

Global R&D, sales and service networks

To ensure that we are able to provide leading-edge technologies to customers around the world, we have laid out a global R&D structure and pursue activities that draw on and interconnect local aspects. Our sales and service activities center on four regional headquarters—Japan, the Americas, Europe, and Asia Pacific and China—and extend across approx. 200 countries. We strive to meet local needs while ensuring consistency in our global strategies. We are constantly reinforcing these structures through various approaches, including M&As, to expand the solutions business. P.49



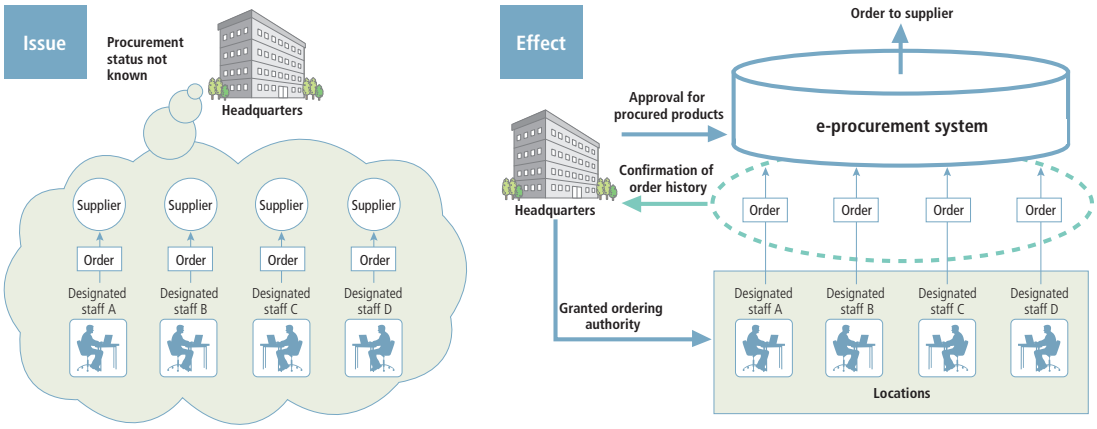
An indispensable brand for society now and tomorrow

The key to further growth lies not only in excellent products and services at competitive prices as well as a strong support network, but also in solutions that we, as a partner in dealing with issues of concern, fine-tune to customer circumstances. By fulfilling our social responsibility as a corporate citizen and striving to improve corporate value, we will meet customer demands and maintain their trust. Tomorrow, as today, we aim to be relevant—our products, services and solutions needed by customers and society at large—and toward this end we will upgrade our business model and tackle reforms to grow along with our customers.

Creating New Customer Value
Value Model 1: e-procurement system ensures governance function in procurement operations

Globalization has heightened the need for companies to consolidate control of purchases as part of risk management in procurement processes. Ricoh offers customers dealing with this issue an e-procurement system that facilitates purchase management.

Our e-procurement system manages imaging equipment purchases over a network, making it possible to optimize procurement costs. The system can also be preset for individuals placing orders and those approving them, which ensures blanket control in the ordering process. Order status can be confirmed in real-time at locations around the world, which preempts mistakes in volume and ordering and also effectively demonstrates a reduction in the workload of people responsible for procurement, and by extension promotes greater human resource efficiency. When suppliers select Ricoh, which undertakes its own CSR management practices, they make it possible to achieve CSR procurement for themselves.



Creating New Customer Value
Value Model 2: Ricoh's MDS strengthens customers' management capabilities

With Ricoh's Managed Document Services (MDS), customers have one-stop support for all document-related workflows, not only printing, as we assume round-the-clock operation and management of all tasks. This allows customers to boost productivity and cut administrative costs. ➤ WEB 1

We handle everything from operation and maintenance of equipment to document-related administration on behalf of our customers, which frees them to concentrate their efforts on core business activities. MDS supports enhanced office productivity while shrinking equipment ownership costs, thereby contributing to stronger management capabilities. In addition, suggestions for optimizing business processes related to administrative tasks and for lowering costs and raising productivity have resulted in a high level of customer satisfaction. Indeed, our customers see us as a partner in achieving streamlined, efficient office operations. Going forward, we will dig deeper into our assessment of customers' office environments to provide tailored workstyle-revolutionizing solutions, such as support for document usage not only in office environments but in mobile environments as well.

Ricoh Positioned as a "Leader" in 2013 Gartner Magic Quadrant Report for Managed Print Services Worldwide for 4 years in a row
Source: Gartner, Inc.*

Gartner, "Magic Quadrant for Managed Print Services, Worldwide" Ken Weilerstein et al, 21 October 2013

A leader in worldwide Managed Print and Document Services for fourth time

Source: IDC, Sep 2014 "IDC MarketScape: Worldwide Managed Print and Document Services 2014 Hardcopy Vendor Assessment - Focus on Managed Workflow Services"(#250631)

➤ WEB 1 MDS: mds.ricoh.com/services/managed-document-services

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Creating New Customer Value

Value Model 3: Ricoh's UCS facilitates videoconferencing anytime, anywhere

Global management requires close communication among business sites, but traveling from one place to another to achieve this purpose consumes huge amounts of time and money. Seeking a solution, Ricoh offers the Unified Communication System (UCS) and promotes a value model utilizing UCS for visual communication, linking places all over the world in real-time. ➤ WEB 2

Ricoh's UCS enables a quick and easy start to videoconferencing, as long as there is an Internet connection. Locations previously hard to connect with because of a poor communication infrastructure environment can easily be added to a videoconference schedule now, and the time and costs previously involved in sending employees on business trips to meet with customers and colleagues can be reduced. This environment, conducive to communication anytime, anywhere, also contributes to faster management processes. We established a Shared Service Center at Ricoh Sverige AB. in Sweden that, in conjunction with local helpdesks, forwards updates to headquarters on problems that have occurred at customer sites so that we have a thorough overview of support across all sites. P.21

* When using RICOH Unified Communication System P3000

• **Example of display configurations**
Various configurations are possible, including connection with up to 20 sites and display of nine sites*

1	2	3
4	5	6
7	8	9

Uniform display of nine sites

2	1		3
4			5
6	7	8	9

Speaker 1 automatically displayed larger

Videoconferencing with UCS

➤ WEB 2 UCS: www.ricoh.com/ucs/

Feature 2
On a Quest for New Business Domains

Since its earliest days, Ricoh has perfected its technological expertise while producing unique, leading-edge technologies across diverse fields, including optics and image-processing. Blending this technological expertise with new ideas and external resources, we have created new value for the world and successfully addressed the diversifying needs of customers.

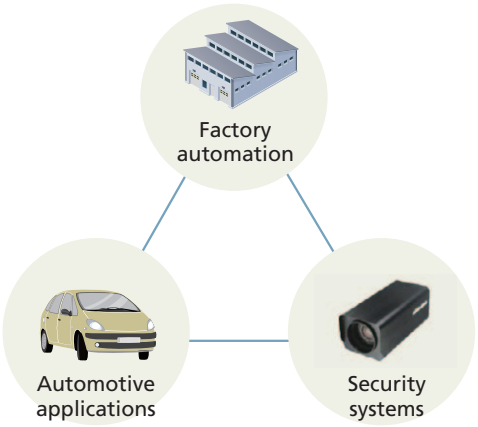
In the industrial domain, especially, new opportunities are forming that will develop into businesses. As a group, we strive to anticipate future needs and offer value that accurately matches evolving social and technological trends, while contributing solutions to social issues and customer concerns.

Aerial photo taken by RICOH THETA

Leveraging strengths to create new businesses

The Ricoh Group tracks changing customer needs, which evolve as the social landscape changes, and works to build new pillars of business within the Group that draw on inherent strengths of technological expertise and a solid connection to customers. The industrial market is of special interest to us, and we have tapped this domain as a new field of pursuit where we will strive to anticipate customer needs while fully utilizing the image-processing and optics technologies we have accumulated over many years in developing such products as copiers and cameras. We are particularly keen to expand our presence in three areas: factory automation, on-board automotive devices, and security systems. We have already marked solid progress, with factory automation cameras and rewritable laser systems, and expect to broaden the scale of new businesses by 1.5 times over the next three years. P.48

• Areas of focus in industrial business



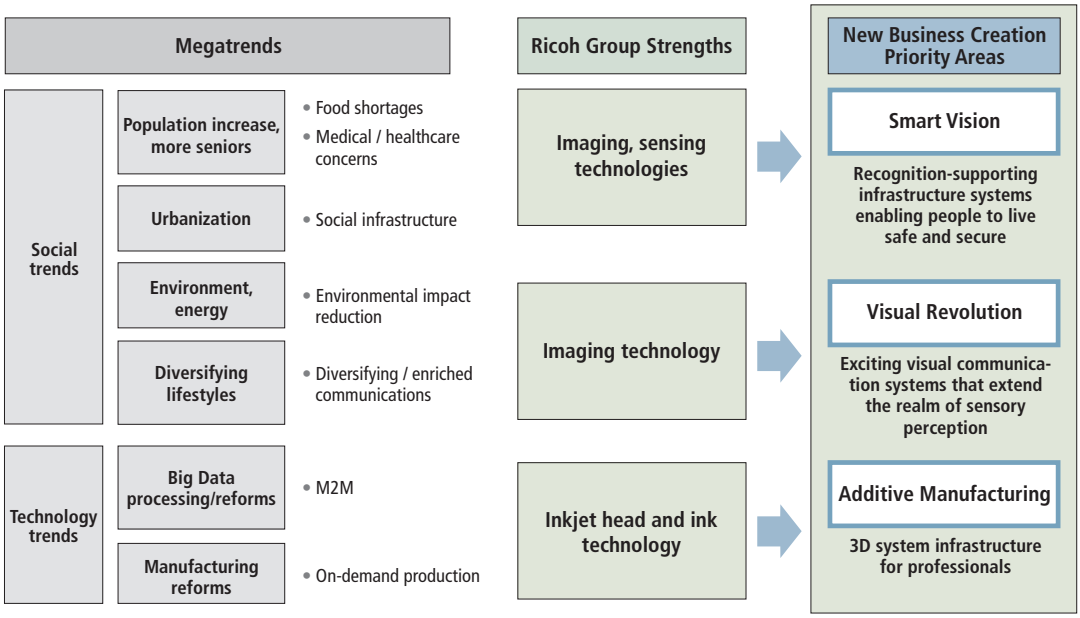
Establishing new businesses with an eye to the future

To establish new businesses with an even longer perspective into the future, we consider the changing social landscape—megatrends—and identify areas where the strengths of the Ricoh Group can be utilized, and we also set a framework for creating new businesses.

Looking ahead to the society of tomorrow, we can imagine vastly different lifestyles and value perceptions and, due to these changes, greater diversification in customer needs. At the same time, industries are increasingly keen to apply Big Data in their business strategies and are rolling out global manufacturing reforms, which herald expansion in areas where Ricoh can showcase new value.

We have identified three priority areas where inherent strengths of the Group will be an advantage in capitalizing on these major demand currents. Going forward, our strategies will center on these priority areas, and we will promote innovations that present solutions to social issues and customer concerns and underpin the establishment of new businesses. P.30

• Ricoh Group's priority areas, based on megatrends

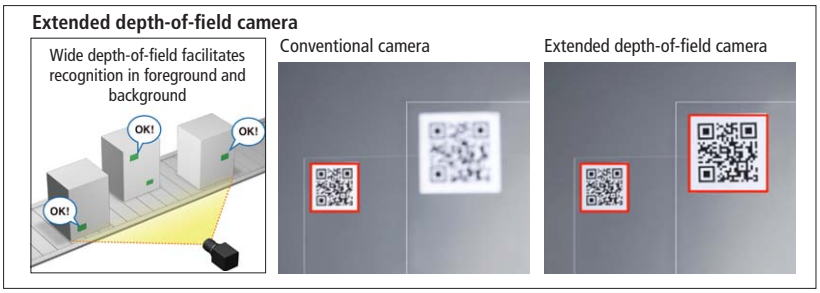


Providing new value for the industrial market
Example 1: Machine vision, indispensable to social infrastructures

Since the latter half of the 1970s, we have promoted in-house development of automated production facilities, and through such approaches as the installation of sensor modules to inspect products, we have elevated the accuracy of machine vision technology, which assesses situations and responds without human involvement. Although our emphasis was on the development of optical modules for factory automation cameras and sensors to accelerate automation at our own production sites, we provided some of our results to customers across a wide range of industry sectors, including automotive, security and distribution and earned high marks, for application in their own operations.

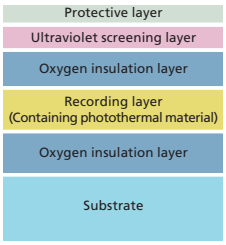
Machine vision not only offers performance incredibly close to that of human sight, it also has the capacity to instantaneously identify two- and three-dimensional information as well as information that are imperceptible to the human eye. Consequently, machine vision facilitates automation in areas where manufacturers have always had to rely on human workers, and it will become indispensable to the social infrastructures of tomorrow. ➤ WEB 1, 2, 3

• Factory automation camera application



• Original technology point

Protective layer is put on the front of the medium to block out oxygen and ultraviolet light



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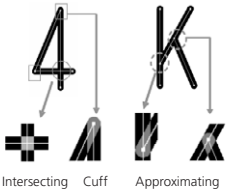


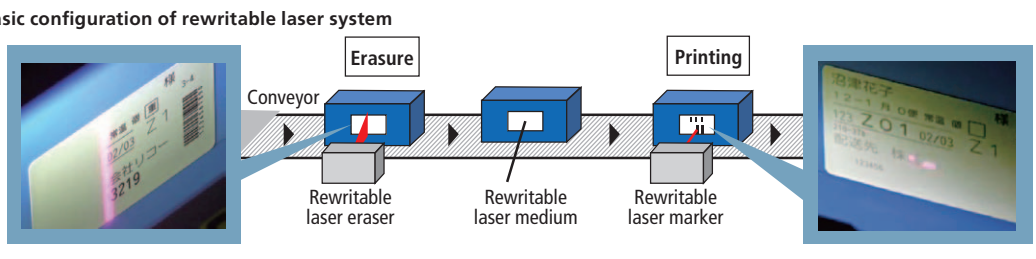
Providing new value for the industrial market
Example 2: Rewritable laser system contributes to higher operating efficiency in distribution sector

Rewritable recording technology is a technical field attracting considerable attention from the perspective of convenience and reduced environmental impact. Ricoh was quick to put into practical application a thermal rewritable recording medium using heat, and the associated system featuring a thermal printhead as the recording mechanism has been widely adopted for cards, particularly loyalty cards and IC cards, showing numbers and expiry dates. The labels can be used repeatedly, helping to mitigate environmental impact because wasted label volume is lower and label-related tasks are deemphasized.

Currently, this rewritable recording technology is used in industrial applications, such as factory automation and distribution. In the distribution sector, where delivery labels are affixed to returnable tote containers on regular service routes, the use of rewritable labels can lead to a huge improvement in operating efficiency. The use of rewritable recording technology obviates the need for removal of old labels and reapplication of new ones and thereby cuts associated personnel costs.

In addition, this contactless, high-speed rewriting technology from Ricoh allows labels to be reused about 1,000 times, which extends label life to five years or more. ➤ WEB 4

• Rewritable laser system boasting high speed and high durability can be used outdoors as well as indoors



➤ WEB 1 Extended Depth-of-Field Camera: www.ricoh.com/about/company/technology/tech/050_edof.html
➤ WEB 2 Stereo camera: www.ricoh.com/about/company/technology/tech/045_stereocamera.html
➤ WEB 3 Ricoh's Next-Generation Machine Vision (White paper): www.ricoh.com/technology/whitepaper/pdf/wp_mv.pdf
➤ WEB 4 Rewritable Laser System: www.ricoh.com/technology/tech/062_laserrewritable.html

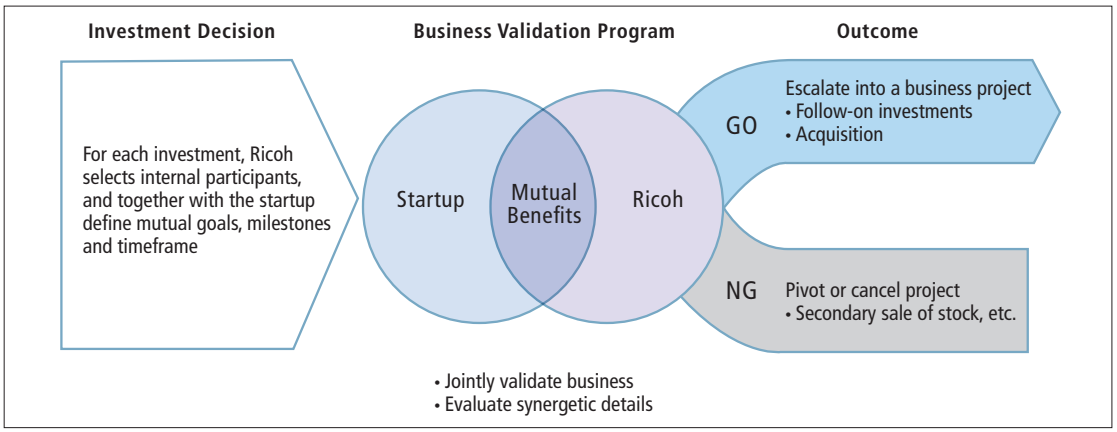
Framework for new business creation delivering up technology as new value

To create new businesses, the keys are to pinpoint a technology theme with solid business potential and to connect the right aspects of that technology to achieve reliable business results. Toward this end, Ricoh's approach to developing new businesses is completely different from that for core, existing businesses. Broadly speaking, new business development comprises two stages: business creation and business trial. The business creation stage is primarily a time to explore ideas for potential businesses, and the business trial stage is where we articulate a plan for business growth while verifying the business model. Also, in selecting technology themes, we emphasize business potential, looking at the practicality of application, not at how excellent a particular technology may be. The people who determine the feasibility of a technology as a potential business must have the right skills and experience. Therefore, the role may be assigned outside the Ricoh Group. We set up Ricoh Innovation Bridge, a program for effectively verifying business potential, and strive to discover business opportunities with growing uncertainty and accumulated experience, and further improve expertise in business development.

RICOH THETA, a fully spherical imaging device, is the result of this approach to new business development that actually turned technology into a new business.

*RICOH THETA was not delivered through Ricoh Innovation Bridge program.

• Ricoh Innovation Bridge



Creating new businesses
Example: Fully spherical camera RICOH THETA

RICOH THETA, launched in November 2013, trumped prevailing ideas that cameras merely shoot or record clipped scenes within a frame. This device captures two-dimensional images, incorporating all the space surrounding the photographer with just one click. This was achieved by fusing original optical techniques and image-processing technology. With technology featuring two superwide-angle lenses—fish-eye lenses—RICOH THETA allows photographers to capture not just the target of their pictures but all around that point for total spherical coverage.

Each picture communicates the atmosphere of the scene and visual content in all directions. There are essentially no blind spots, so the image extends the five senses of perception and fosters a sense of the unknown.

RICOH THETA's spherical camera technology has the potential to provide greater value with the addition of a GPS (global positioning system) function or with network or cloud connectivity. For example, in medical and nursing care fields, RICOH THETA can be used to check on routine movements, behavior and actions of patients and the elderly, and steps can be taken immediately if something unusual or dangerous is dectected. In the safety and security fields, RICOH THETA could help in the early discovery or complete prevention of criminal activity through application in crime-prevention and surveillance systems. RICOH THETA offers tremendous potential for providing new value in safety and security. P.52 ➤ WEB 5

RICOH THETA

This is the world's first imaging device capable of capturing fully spherical images around the photographer with a single shutter release. By uploading images to the Internet, users can share the fun of a new imaging experience and innovative, fully spherical images with others around the world.

RICOH THETA was recognized with the 2014 Camera Grand Prix Award from the Camera Journal Press Club of Japan as a new product with excellent topicality and progressive features.

➤ WEB 5 Fully spherical camera RICOH THETA: www.ricoh.com/about/company/technology/tech/065_theta.html

Feature 3
In Pursuit of a Sustainable Society

At Ricoh, we were quick to recognize the role that companies should fulfill with regard to the environment, including climate change, natural resource depletion etc., and since the 1990s, we have embraced sustainable environmental management, seeking to conserve resources while at the same time generating profits. Taking a long-term perspective, we shaped a vision, set medium- and long-term targets along the way, and continue to draft three-year environmental action plans to get us steadily closer to our targets. In formulating specific approaches, we look not only at the impact on the environment but also at the impact on business, from several angles including the needs of customers who use our products, future business growth, trends in international environmental standards, our reputation, and ratings for socially responsible investments.

Recycled products ready for shipping at Ricoh UK Products Ltd.

Corporate responsibility for a sustainable society

Economic growth in emerging nations continues, paralleling the steady advance of globalization. Urbanization is progressing in these nations, and new markets are appearing one after another, as the people's standard of living begins to improve. However, along with positive aspects of globalization come social issues of global scale, notably, population growth and, due to urbanization, environmental problems and shortages of food, water and energy. Such developments prompt concerns about the sustainability of society.

No company can make light of these issues when laying out a growth path into the future. A factor indispensible to sustainable growth for any company is the pursuit of business activities that take sustainability into account. This requires an approach that breaks away from the conventional consumption-style economic structure in favor of a transformed business model that supports realization of a sustainable society.

Ricoh Group's future ideal

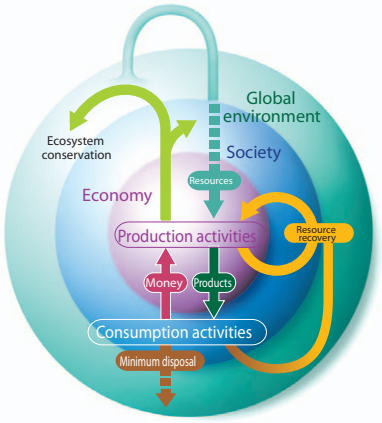
To the Ricoh Group, a sustainable society is one that balances Planet (environment), People (society) and Profit (economic activities), and reduces the environmental impact of society to a level that the Earth's own recovery capabilities can manage.

Two approaches that support this future ideal highlight activities to reduce the environmental impact exerted on our planet through such processes as resource extraction, energy consumption and discharge of chemical substances, and activities to protect the biodiversity that boosts the Earth's own recovery capabilities. Through these approaches, we aim to expand the Earth's capacity for renewal so that the planet can compensate for the environmental impact caused by society.

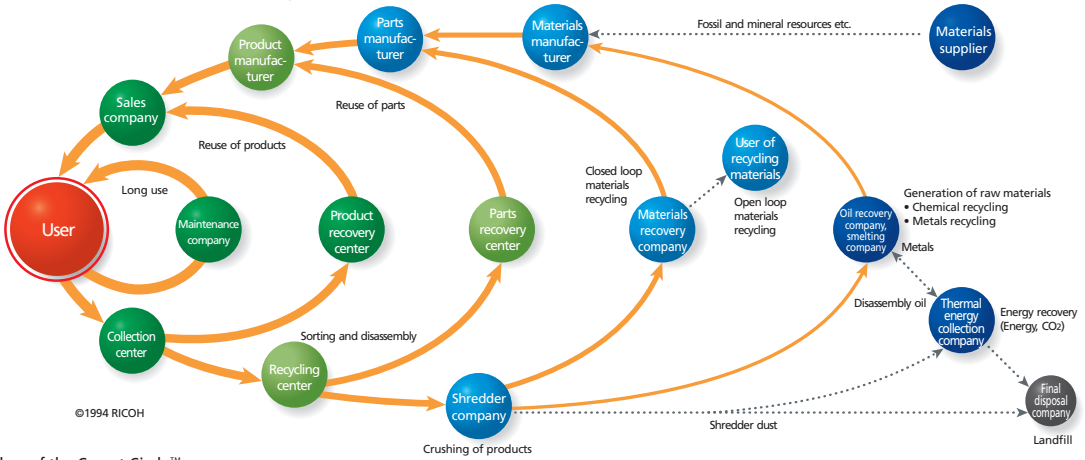
Also, we know that a company only taking responsibility for the impact that its own business activities have on the environment will never reduce the environmental impact of society as a whole and will do little to achieve the future ideal. So, in 1994, we formulated the Comet Circle™, a concept to support realization of a sustainable society. It looks beyond the domains of the Ricoh Group, making and marketing products, and embraces the idea of reducing environmental impact over the entire product lifecycle, including associated upstream and downstream processes.

We are aware that the biggest impact on the environment is people, because it is we who hold the reins of basic design in product development. We will maximize the value of resources across the lifecycle of our products, promote manufacturing that dramatically limits the consumption of newly acquired resources, and keep the Comet Circle™ in constant orbit. ➤ WEB 1, 2, 3

• Society with balanced relationship between Planet, People and Profit (Three Ps Balance)



• Concept of a sustainable society: The Comet Circle™



Flow of the Comet Circle™

Each circle in the chart above represents Ricoh partners that can help develop a sustainable society. Moving from right to left along the upper path, natural resources provided by a supplier (upper right) are turned into products, and finally reach the users (customers). Used products travel in reverse, following the path below from left to right. The Ricoh Group emphasizes the reuse and recycling of products and parts, expressed as the inner loops of the Comet Circle™.

➤ WEB 1 Three Ps Balance: www.ricoh.com/environment/management/earth.html
➤ WEB 2 Toward the realization of a sustainable society: www.ricoh.com/environment/vision/approach.html
➤ WEB 3 The Comet Circle™: www.ricoh.com/environment/management/concept.html

Creating profits through environmental conservation activities

The Ricoh Group's environmental conservation efforts have progressed through three stages: passive, proactive and now, responsible. During the first stage, we coped with social pressures by adhering to environmental laws and regulations. During the proactive stage, while continuing to fulfill external (legal and social) requirements, we voluntarily set our own goals based on our sense of mission as a global corporate citizen. In 1998, we pioneered the concept of sustainable environmental management—the responsible stage.

This concept is often interpreted as a business strategy designed to strike a balance between activities that generate profit with greener practices. But our vision for sustainable environmental management goes deeper, as we continuously promote environmental conservation as part of our business processes.

• Three stages in environmental conservation activities (from the passive, to proactive to responsible stage)

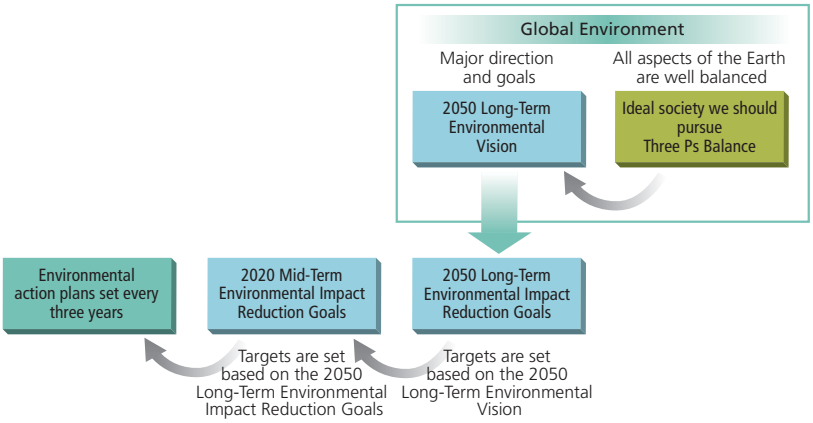
	Passive Stage	Proactive Stage	Responsible Stage
Purpose	Coping with external requirements • Laws and regulations • Competition • Customers	Carrying out its mission as a global citizen • Self-imposed responsibility • Voluntary planning • Voluntary activities	Simultaneously achieving environmental conservation and profits
Activities	Passive measures to meet laws and regulations, competing with other companies, and satisfying customer needs	1. High-aiming, aggressive activities to reduce environmental impact • Energy conservation • Resource conservation and recycling • Pollution prevention 2. Improved awareness of all employees	1. Environmental conservation activities (QCD activities*) E.g.: • Reduced number of parts • Reduced number of process steps • Improved yield and operation rate 2. Environmental technology development * Activities to improve quality, control costs, and manage delivery times

Sustainable environmental management from a very long-term perspective

Continuous efforts from a long-term perspective are required to achieve steady results in environmental conservation activities. Throughout the Ricoh Group, goals for sustainable environmental management activities are set using the back-casting method, wherein ultimate goals are envisioned first and then target values are determined as mileposts along the journey toward these goals. We believe this approach delivers a higher success rate than the conventional build-up method.

Specifically, we drew up our 2050 Long-Term Environmental Vision to realize an ideal society from the "Three Ps Balance" approach and then established Mid- and Long-Term Environmental Impact Reduction Goals, followed by detailed environmental action plans every three years. ➤ WEB 1, 2

• Setting goals using the back-casting method



• Ricoh Group Mid- and Long-term Environmental Impact Reduction Goals

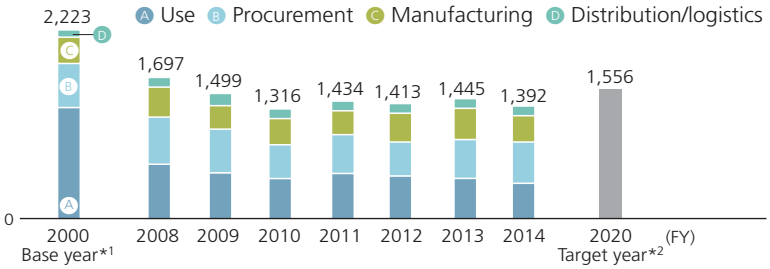
Energy conservation and prevention of global warming	Reduce the total lifecycle CO_2 emissions by the Ricoh Group by 30% by 2020 and by 87.5% by 2050 from the 2000 level
Resource conservation and recycling	1. Reduce the new input of resources by 25% by 2020 and by 87.5% by 2050 from the 2007 level 2. Reduce the use of or replace the major materials of products that are at high risk of depletion (e.g., crude oil, copper and chromium) by 2050
Pollution prevention	Minimize risks of chemical substances throughout the product lifecycle by 2020 in compliance with the Strategic Approach to International Chemicals Management (SAICM) * Revised in March 2012

➤ WEB 1 Long-Term Environmental Vision and Goals: www.ricoh.com/environment/management/vision.html
➤ WEB 2 Mid- and Long-Term Environmental Impact Reduction Goals: www.ricoh.com/environment/strategy/target.html

Progress on Mid-Term Environmental Impact Reduction Goals

We established Mid-Term Environmental Impact Reduction Goals in three areas—energy conservation and prevention of global warming, resource conservation and recycling, and pollution prevention—as 2020 mileposts toward our long-term destination. Based on these goals, we prioritize activities according to such criteria connected to business strategies and future growth potential, and promote practical activities throughout the Ricoh Group.

• **Change in lifecycle CO_2 emissions** (Thousand tons)



Energy conservation and prevention of global warming

We seek to reduce total lifecycle CO_2 emissions by 30% (from the 2000 level) by 2020, and we surpassed the goal in fiscal 2014, with a reduction of 37.3%. While production and sales volumes have expanded, determined efforts, particularly in the development and sale of energy-saving products, have squeezed the inevitable increase in emissions, leading to the achievement of the mid-term goal well ahead of the 2020 timeframe.

Resource conservation and recycling

We aim to reduce the input of new resources in product manufacturing by 25% (from the 2007 level) by 2020. In fiscal 2014, our efforts culminated in a decrease of 19%, reflecting success in producing smaller and lighter products, the wider use of electric-furnace steel sheets and reclaimed resin in products, and expanded sales of recycled products.

Pollution prevention

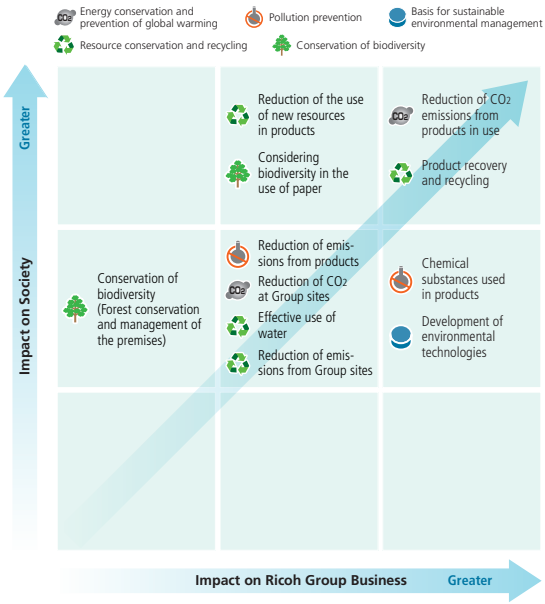
Our goal is to minimize risks from chemical substances throughout the product lifecycle by 2020, in compliance with the Strategic Approach to International Chemicals Management (SAICM), a global policy framework to foster the sound management of chemicals. We constantly improve our compliance program to apply the SAICM concept to various national and international regulations, including REACH, the Framework for the Registration, Evaluation, Authorisation and Restriction of Chemicals, established by the European Union. As a result of our efforts, in fiscal 2014 we achieved a zero incident rate. In addition, we evaluate the risk of chemical release into the air and areas of water during product manufacturing, and confirmed zero risk. Going forward, we will consider risk evaluation techniques for each stage of the product lifecycle and strive to minimize risk.

Progress on selected points of materiality (priority issues)

In the Ricoh Group, we select points of materiality (priority issues) based on our concept of sustainable environmental management.

This selection process begins by identifying the environmental impact caused by each stage of our business activities, based on the Eco Balance*3 scheme, and then extracting issues to be addressed from an environmental conservation or protection perspective. Next, we analyze these issues from the standpoint of customers who use our products, future growth potential, trends in environmental standards around the world, and corporate valuation based on rating agencies and socially responsible investments. Based on these results, we estimate the impact that selected issues have on the planet, people and our own profits. Using this, we prioritize the issues, determine appropriate targets for our environmental action plans, and shape concrete strategies for achieving these targets. ➤ WEB 3

• **Issues of materiality for sustainable environmental management**



*1 Actual results of fiscal 2001
*2 Equivalent to results forecast for fiscal 2021
*3 Eco Balance (material balance) refers to the preparation of a list of input and output data on environmental impact to identify, quantitatively measure and report the environmental impact that companies have—such as CO_2 emissions, resource usage, environmentally sensitive substances contained in products and pollution. Based on the same concept as LCA (lifecycle assessment), Eco Balance includes the calculation of both direct and indirect environmental impact. ➤ WEB 4

➤ WEB 3 Environmental Materiality: www.ricoh.com/environment/management/materiality.html
➤ WEB 4 Eco Balance: www.ricoh.com/environment/management/eco.html

Formulating environmental action plan applying overall value chain as key management strategy

With the start of its 18th MTP, Ricoh formulated the 18th Environmental Action Plan (April 2014 to March 2017) for the Ricoh Group, which accounts for the overall value chain. This environmental action plan is actually a key management strategy, one that will underpin business growth for the future, contribute to further reduction in the environmental impact exerted by society as a whole, and ultimately improve corporate value.

In addition to measures designed to reduce environmental impact from our own business activities, the newest environmental action plan places a special emphasis on initiatives to reduce environmental impact exerted by our customers, enhance cooperation with stakeholders and expand environment-related businesses. Specific content of the action plan is described below. This content will form the basis of approaches to promote sustainable environmental management supporting the sustainable development of society as well as the Ricoh Group.

• 18th Environmental Action Plan ➤ WEB 1

Areas	Objectives	
Energy Conservation/ Prevention of Global Warming	• Reduce CO_2 emissions in the product lifecycle	• Reduce the amount of CO_2 emissions in product lifecycle to achieve 2020 Environmental Impact Reduction Goals
	• Reduce CO_2 emissions through eco-friendly products and solutions	• Reduce CO_2 emissions in society overall by developing and providing environmentally friendly products and solutions
	• Reduce CO_2 emissions in business activities	• Reduce greenhouse gas emissions caused by production activities (manufacturing subsidiaries in and outside Japan) • Reduce the amount of CO_2 emissions in sales and distribution processes (non-manufacturing subsidiaries in and outside Japan) • Improve the energy management system
Resource Conservation and Recycling	• Improve the efficiency of resources by implementing the 3Rs for products	• Reduce input of new resources for products to achieve 2020 Environmental Impact Reduction Goals
	• Reduce waste and water use in business activities	• Reduce waste generated from business activities • Reduce the amount of water used in business activities
Pollution Prevention	• Reduce the amount of environmentally sensitive substances used and emitted in business activities	• Reduce the amount of environmentally sensitive substances used and emitted
Biodiversity Conservation	• Conduct biodiversity conservation and restoration by the entire Ricoh Group	• Use wood-based products carefully in consideration of biodiversity • Consider biodiversity at all Ricoh Group operational sites • Conduct biodiversity conservation activities with local societies, using company forests • Develop preservation activities for forest ecosystems • Conduct biodiversity conservation activities in cooperation with stakeholders
Enhance the Basis for Environmental Management	• Promote development of environmental technologies	• Promote the development of environmental technologies to create a sustainable society
	• Expand environment-related businesses	• Expand the resource-recirculating business • Expand the provision of customer values from an environmental point of view
	• Collaborate more closely with stakeholders	• Collaborate with external groups to help bring about a sustainable society • Promote environmental consciousness in society through environmental activities of employees • Consider the environment in supply chains in cooperation with suppliers

Reduce environmental impact exerted by our customers

Looking at CO_2 emissions over the lifecycle of Ricoh products, one of the biggest sources of CO_2 is from products and associated services used at customer sites. As described under materiality for sustainable environmental management, this large component of CO_2 emissions is a focus of environmental impact reduction activities, and hammering out measures, such as ways to reduce the CO_2 emissions our products generate, is vital to any effort intended to curb CO_2 emissions.

Also, recently, customers themselves have become increasingly keen to reduce their lifecycle CO_2 emissions. In addition, with soaring electricity rates, domestic customers have initiated energy management from the perspective of cost reduction. In the 18th Environmental Action Plan, we address these customer needs and will vigorously present new workstyles that translate into reduced environmental impact. Through this approach, we expect to minimize lifecycle CO_2 emissions while maximizing the richness and economic value that these products offer. P.70

➤ WEB 1 18th Environmental Action Plan: www.ricoh.com/environment/plan/plan18th.html

Enhance cooperation with stakeholders

To reduce the environmental impact of society, our efforts alone are not enough. The ring of activities must expand to include stakeholders. For example, Ricoh Global Eco Action, launched in 2006, is a campaign held on the United Nations' World Environment Day and encourages Group companies and all their employees to be eco active through simple actions, such as turning off advertising billboards and office lights, pedaling to work, and leaving the office at quitting time. To date, the scope of this campaign has extended to the families of employees and to neighboring businesses, governments, communities and customers, and the ring of participation is spreading around the world.

In addition, since 2009 Ricoh has participated as a founding corporate member of Japan–CLP (Japan Climate Leaders' Partnership). This is Japan's first business coalition formed on the understanding that the industrial community should recognize the urgency of addressing the issue of climate change and act accordingly. Japan–CLP creates opportunities for dialogue among various parties, including policymakers, industry and citizens, and promotes initiatives with corporations in Asia.

During the 18th Environmental Action Plan, we will enhance cooperative activities, such as these, with stakeholders, and work diligently to convey the sustainable environmental management concepts and actions of the Ricoh Group to lots of people and thereby spread the ring of activities even wider. ➤ WEB 2

Expand environment-related businesses

To date, the Ricoh Group has been engaged on two fronts, emphasizing both business growth as well as reduced environmental impact for society as a whole, by improving the energy-saving features of Ricoh-brand products and building demand for reused and recycled products around the world. Going forward, we will strengthen environment-related pursuits, especially provision of paperless solutions and global optimization of the reused and recycled products business. In addition, we will strive to boost corporate value still higher through the creation of environment-related businesses. P.69-72

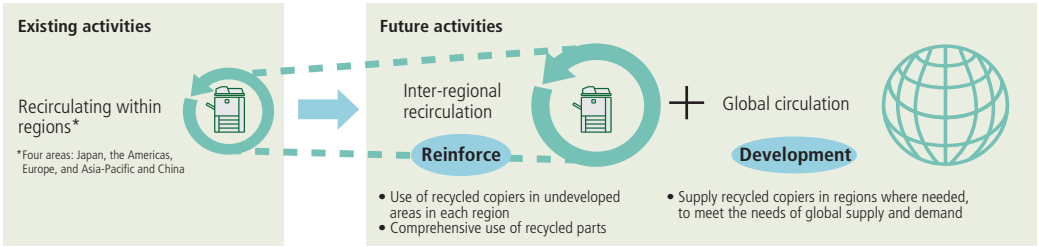
Expand environmental business
Example: Build a global, resource-recirculating business model

During the 18th Environmental Action Plan, we aim to optimize the reused and recycled products business on a global basis. Behind this is the shift in customer needs from products to services. In recent years, we have seen an increase in demand for MDS, which puts each corporate customer's entire printing environment into our hands, so to speak, while payment for whatever is printed, without ownership of the imaging equipment, has become a popular transaction format. In addition, in emerging markets, customers are still keen to keep costs down and look to rental and more reasonably priced equipment. The Ricoh Group will respond to such business environments and customer needs, and will expand production of reconditioned products, recycled supplies and replacement parts in markets with the potential for big demand.

First of all, we utilize recycling center know-how accumulated over many years of product-recirculating activity and are thus able to set up quickly in each area by packaging this experience into practical applications. Then, we supply products from developed countries, where most pre-owned equipment is collected, to markets in emerging countries, to optimize supply–demand conditions on a global basis. We will centralize the recycled products management system, used to date in each country and region, to promote planned production of reconditioned products. We will also address country-specific laws and regulations related to the import and export of collected and reconditioned products and strive to establish a stable value chain.

By reinforcing the reused and recycled products business, the Ricoh Group will accelerate progress toward reduced input of new resources into manufacturing operations and thereby ensure achievement of Mid-term Environmental Impact Reduction Goals.

• Global circulation of product reuse



➤ WEB 2 Ricoh Global Eco Action: www.ricoh.com/environment/communication/stakeholders/ecoaction.html

Maintaining Ricoh's corporate value on behalf of all stakeholders

The Ricoh Group established The RICOH Way as a set of guiding principles and values that serves as the foundation for all our business activities. Abiding by these principles in corporate ethics and compliance and maintaining transparency in management, we continuously strive to improve our governance, and in doing so ultimately enhance our corporate value.

Corporate Governance

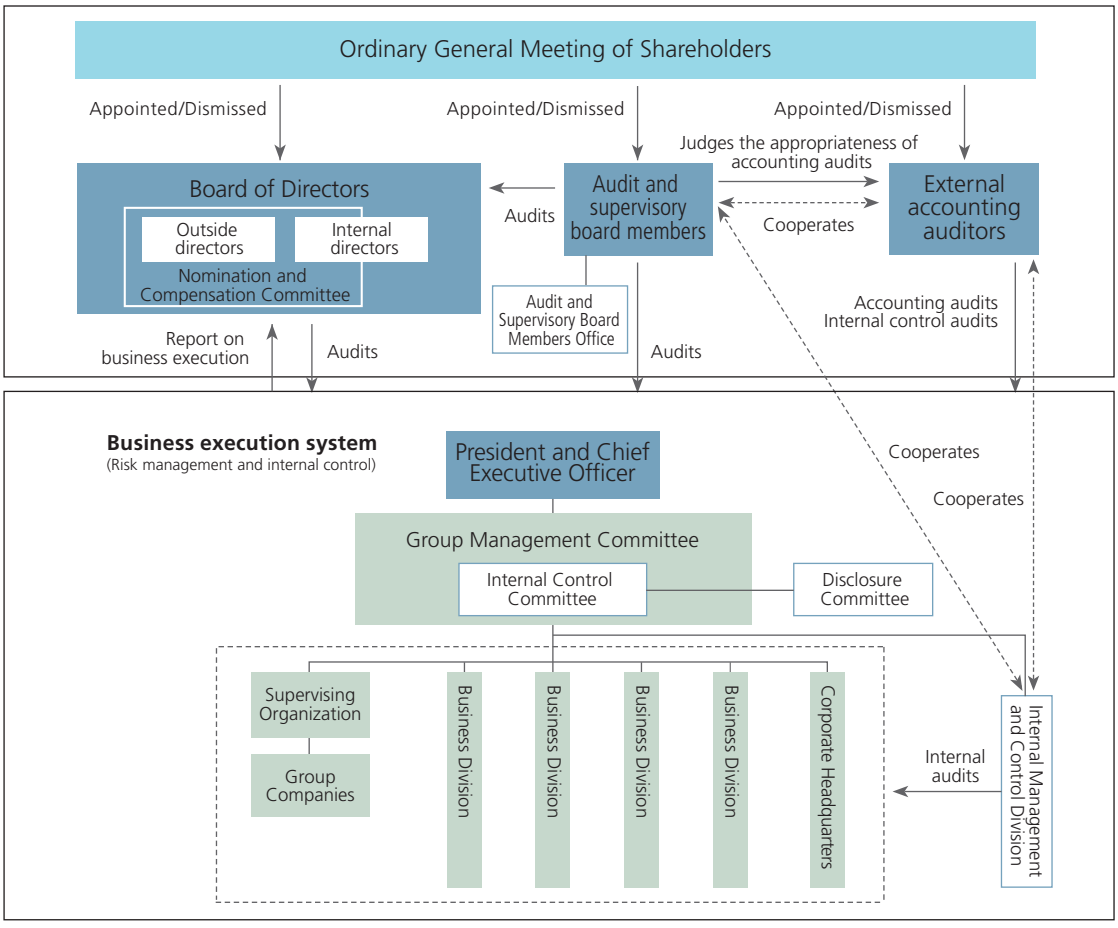
We strongly believe that responsible global citizenship calls for a corporate culture that embraces a sense of mission to meet the expectations of diverse stakeholders—a culture that is committed to operating under the highest ethical standards in line with the expectations of society as a whole.

Based on this belief, we advance the operations of the entire Group under The RICOH Way, strengthening our governance and ceaselessly promoting a culture of integrity while working toward sustainable corporate growth.

The Ricoh Group has also introduced a corporate audit system, in which audit and supervisory board members strengthen the effectiveness of audits and the monitoring of top management, while the Board of Directors, including outside directors, maintains strict oversight over the decision-making process to make sure it is always transparent and fair. Furthermore, by expanding the executive officer system, the segregating of duties between oversight and business execution is clarified, resulting in speedier decision-making.

The Group has also implemented an integrated risk management system for both business opportunities and business execution, and follows internal control procedures to achieve the success of our corporate strategies and business targets.

• Governance structure



Comments from Outside Directors

External perspective vital in creating new core businesses

Mochio Umeda

Date of birth: August 30, 1960
Director (outside)
- Member of Nomination and Compensation Committee
Since June 2010

(Currently)
President, MUSE Associates, LLC. (U.S.A.); Managing Director, Pacifica Fund I, LP.; Outside Director, ASATSU-DK INC.; Representative Director and President of MUSE ASSOCIATES INC.; Director, β innovation, Co., Ltd.

In today's business environment, there are a number of companies that operate with a sense of speed and dynamism and there are just as many that race ahead in bursts of explosive movement seeking immediate gains rather than permanence and stability. Both of these approaches, however, are completely different from the way most Japanese companies operate. Globalization has all these companies seeking to survive through competition and cooperation in various places all over the world.

Ricoh's Board of Directors pursues free and open-minded discussions, albeit in an ultra-alert environment, and I feel the supervisory function is working well. As an outside director, I always strive to provide a perspective that might be difficult to see from the inside. I consider issues from a shareholder's perspective while keeping world affairs and the operations of rival businesses in mind. I identify the substance behind every proposal submitted to the Board and pose questions on issues that I believe require attention.

Ricoh has established solid core businesses over many years. But it is time for the company to reinforce the corporate foundation by honing these businesses to an even greater degree and by working toward the creation of new core businesses. From experience, I know a key ingredient for success is decision making based on different concepts. An external perspective is extremely vital in this regard as well.

Mr. Umeda has advanced knowledge of information technology and experience in global business. This gives him expert ability to analyze our decision-making process and offer valuable recommendations from an outside perspective. He attended 10 out of 11 Board meetings held in fiscal 2013.

Three points to remember to ensure sustainable growth and higher corporate value

Kunio Noji

Date of birth: November 17, 1946
Director (outside)
- Member of Nomination and Compensation Committee
Since June 2012

(Currently)
Chairman of the Board, Komatsu Ltd.; Outside Director, NEC Corporation

In my capacity as the head of a major corporation, I conduct business fully aware of corporate social responsibility, placing emphasis on the workplace and global teamwork in a tough and rapidly changing business environment that has included the global financial crisis, the Great East Japan Earthquake and the extremely strong yen. From experience, I believe it is important for top management to remember the following three points:

First, "Initiate communication with employees and business partners." This requires management to convey current issues as well as the company's charted course and strategies directly to employees and business partners and thereby align all corporate activities in the same direction. Second, "Never put off dealing with risks." When risk comes to light, it must be reported immediately, and measures—immediate and thorough—must be taken to prevent recurrence. Third, "Top priorities: safety, environment and compliance." To create this kind of corporate culture, the priorities must become part of daily operations. For example, reports might start off with a description of safety, environmental and compliance issues before moving on to business performance.

I intend to continue with constructive participation at Board meetings as an outside director so that I can contribute to enhanced corporate value at Ricoh.

Mr. Noji was president and CEO of Komatsu Ltd. He has abundant experience and expertise as a member of top management of one of the leading companies in Japan. We believe that this wealth of experience and knowledge will greatly benefit our decision-making process, and Mr. Noji will be able to offer us useful advice and counsel from an independent perspective. He attended all 11 Board meetings held in fiscal 2013.

Master the "flamingo pose" but work on building another leg to stand on, too

Makoto Azuma

Date of birth: May 25, 1945
Director (outside)
- Member of Nomination and Compensation Committee
Since June 2014

(Currently)
Professor, Graduate School of Innovation Studies, Tokyo University of Science; Advisory Professor, Tsing Hua University (China)

After some eight years in management at a major corporation, I took a position as an instructor at the Tokyo University of Science Graduate School of Innovation Studies. All my students are already in the workforce and belong to various industries, so lectures and seminars are greater opportunities for me to learn a little about a lot of companies. From this perspective, I see Ricoh as a company specializing in office equipment, particularly copiers. I liken it to a company in a flamingo pose, so to speak—a company balanced on one business leg. For these companies, the management issue of greatest importance is to work out strategies to strengthen and develop this one-leg business and then steadily implement the necessary steps.

In reviewing many corporate histories, I have found evidence of longevity in a single business. But to ensure longevity in one business, a company must be able to embrace change. For 40 years in the latter half of the 20th century, cathode-ray tubes were essential to television manufacturing, but today they have been entirely superseded by liquid crystal panels. Consequently, industry players are completely different from those in the past. Companies must always be ready for the appearance of disruptive technology. No company can stand on a single leg, not indefinitely, anyway. Management should not avoid investing in a complementary pillar of operations. It will be my role to actively suggest approaches to the Board of Directors to channel investment into the right R&D pursuits and the right technology acquisitions.

Mr. Azuma was senior vice president and executive officer and CTO (chief technology officer) of Toshiba Corporation and is currently a professor at Tokyo University of Science Graduate School of Innovation Studies. His wealth of knowledge regarding technology strategy and managerial expertise will help shape and integrate our decision making and guide our efforts with an objective, expert perspective.

Management structure

- The Ricoh Group has introduced a corporate audit system.
- The Board of Directors is responsible for management oversight and important decision making concerning Group management. By appointing highly independent outside directors, the Group ensures greater transparency in its management and decision making.
- Three of the Board's nine directors are outside directors—part of an effort to incorporate various views and opinions and to eliminate arbitrary decision making in management.
- To ensure a clear separation between management oversight and business execution, internal regulations stipulate that the chairman of the company—who in principle is not involved in the management of the business—serves as the chair of the Board of Directors.
- Audit and Supervisory Board members hold discussions to determine audit and supervising policies and the assignment of duties, and monitor corporate management.
- Audit and Supervisory Board members attend all important meetings, including but not limited to Board meetings, and exchange information regularly with the representative directors.
- The Audit and Supervisory Board Members Office, with designated support staff, has been established to ensure that the Audit and Supervisory Board members can work effectively.
- Under the executive officer system, the authority to carry out business has been assigned to respective functional departments so as to expedite decision-making and clarify the roles of each department.

• Board of Directors and Audit and Supervisory Board

Board of Directors

Maximum number of directors: 15

Current number of executives: 9 (including 3 outside directors)

Term: 2 years

Audit and Supervisory Board

Maximum number of Audit and Supervisory Board members: 5

Current number of executives: 4 (including 2 outside Audit and Supervisory Board members)

Term: 4 years

(As of June 20, 2014)

Group Management Committee

The Group Management Committee (GMC) consists of executive officers and is a decision-making body empowered by the Board of Directors. The GMC facilitates deliberations and renders decisions on the Group's overall management from the perspective of total optimization.

Nomination and Compensation Committee

The Nomination and Compensation Committee—a unique permanent body consisting of three outside directors and two internal directors—plans the appointment/dismissal policy of directors and executive officers as well as their compensation packages.

Internal auditing

The Internal Management and Control Division, which is in charge of internal auditing, objectively reviews and assesses the status of business execution by respective business divisions according to clearly defined rules to ensure legal compliance and adequacy of execution practices. It also provides advice and recommendations for improvement. The results are regularly reported to the GMC's Internal Control Committee.

External auditing

Ricoh has formulated a set of guidelines called the "Policy and Procedures for Prior Approvals for Audit and Non-audit Services." In accordance with these guidelines, advance approval must be obtained from the Audit and Supervisory Board members concerning the details of and fees for auditing contracts.

Executive compensation

In its pursuit of increased shareholder value, the Ricoh Group employs executive compensation as an effective incentive to achieve a sustainable increase in corporate earnings over the medium and long term.

The base salary of directors consists of remuneration related to management oversight, remuneration reflecting the importance of individual roles and responsibilities, remuneration for the purpose of purchasing treasury stocks (except for outside directors), and variable remuneration linked to stock price performance during the relevant fiscal year. The Ricoh Group has been strengthening incentives for executives to increase shareholder value over the long term by allocating a portion of remuneration for stock repurchase so that executives will have a common interest with shareholders.

The amount of bonuses paid to directors is based on the attainment of key performance indicators—such as sales, operating income and ROA—that pertain to shareholder value and the company's competitiveness. Proposed bonuses for directors are brought before the general shareholders meeting for approval.

Compensation paid to the Audit and Supervisory Board members is composed solely of remuneration for their auditing duties.

• Executive compensation

	Number (People)	Base salary (¥ million)	Bonus (¥ million)	Total (¥ million)
Directors	11	550	—	550
Outside Directors	2	21	—	21
Audit and Supervisory Board Members	6	67	—	67
Outside Audit and Supervisory Board Members	3	14	—	14
Total	17	617	—	617

Payments between April 1, 2013 and March 31, 2014

[Compensation for external accounting auditors]

Ricoh verifies the appropriateness of time spent on auditing together with audit firms and certified public accountants (CPAs), taking into consideration the scale and characteristics of our businesses to determine final compensation for auditing services.

• Compensation for auditing by external accounting auditors

	¥ million
Compensation for auditing services	1,555
Compensation for non-auditing services	69
Total	1,624

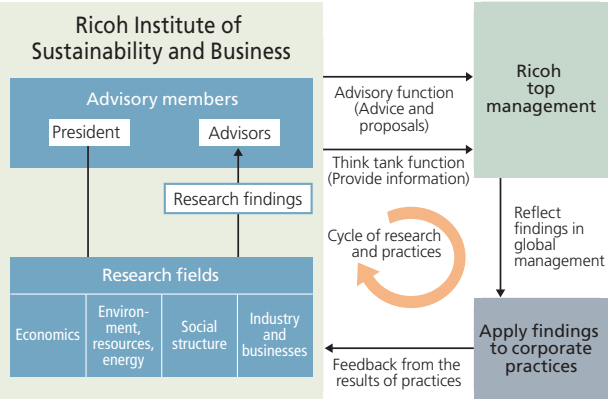
Payments between April 1, 2013 and March 31, 2014

➤ WEB Securities Reports: www.ricoh.com/IR/financial_data/sec_filings/

Ricoh Institute of Sustainability and Business

The Ricoh Institute of Sustainability and Business has two think tank functions: to anticipate future socioeconomic trends and gauge their potential impact on corporate management; and to raise issues and offer advice, based on its research, to the top management of Ricoh. The Institute pinpoints structural transformations taking place in society with regard to ongoing changes in the business environment while conducting independent analyses highlighting business conditions specific to Ricoh. In addition, the Institute explores new growth models, addressing such issues as corporate objectives for contributing to the resolution of universal problems, such as global warming, and how the Company should respond to global competition. Results are reflected in medium- and long-term management strategies. Through this cycle of research tied to corporate initiatives, we seek to sharpen our competitive edge while gaining further trust from the international community. ➤ WEB 1

• Structure of Institute



• RICOH Quarterly HeadLine

This publication highlights topics related to fields of research and features columns and reports written by researchers at the Institute who describe difficult economic and social issues in easy-to-understand terms so that the information can reach beyond the borders of the Ricoh Group.

Interacting with shareholders and investors

[General meeting of shareholders]
We review and revise our notifications of shareholder meetings and other materials as necessary to deepen shareholder understanding of our business activities. We subscribe to the online Electronic Proxy Voting system to make voting more convenient for shareholders. After each general meeting of shareholders, we hold a business briefing where the CEO describes the mid-term management plan as well as a social gathering where executives and shareholders can speak directly with each other.

[Various explanatory meetings]
We hold meetings, as necessary, where the CEO explains our mid-term management strategy and progress on the implementation of associated measures. We also hold meetings each quarter to present financial results.

[IR site expansion]
Materials related to general meetings of shareholders, investor meetings and financial announcements are uploaded on our investor relations (IR) site as they become available for the benefit of shareholders and investors unable to attend related events. Ricoh's IR site has been recognized for excellence by several external organizations, including Daiwa Investor Relations Co., Ltd. ➤ WEB 2, 3, 4

[Communicating with shareholders and investors]
In addition to social gatherings for shareholders, Ricoh organizes various other events, including camera seminars, so that shareholders and investors have an opportunity to gain a deeper understanding of the Group's activities. These kinds of events were held eight times in fiscal 2014. We also hold meetings with over 400 worldwide institutional investor firms annually.

[Number of *tangen* shares]
The number of shares constituting one unit (*tangen*) of shares was reduced from one thousand (1,000) shares to one hundred (100) shares, effective January 2014.

➤ WEB 1 Ricoh Institute of Sustainability and Business: www.ricoh.com/RISB/
➤ WEB 2 Investor Relations: www.ricoh.com/IR/
➤ WEB 3 The 114th Ordinary General Meeting: www.ricoh.com/IR/events/gm_20140620.html
➤ WEB 4 IR Presentations: www.ricoh.com/IR/events/index2.html

Internal Controls

The Ricoh Group aims for continuous improvement based on the values embodied in The RICOH Way. This includes operating an internal control system designed to strengthen competitiveness while maintaining transparency based on principles of corporate ethics and legal compliance. Ricoh has established the Ricoh Group Corporate Management Principles as a set of guidelines for corporate activities, and follows the Internal Control Principles included therein.

- The Ricoh Group established the Group Management Committee (GMC) to oversee the Group's overall business operations and to enable quick analysis and decision making from the perspective of the best result for the Group as a whole.
- The Internal Control Committee was established within the GMC to determine action policies, report incidents, and evaluate and correct the control system regarding internal controls, risk management and compliance, in particular.
- Corporate Management Regulations for Ricoh Affiliates stipulate the establishment of a supervising organization to oversee risk at all Ricoh Group companies.
- Ricoh has established a set of common rules that must be followed — the Ricoh Group Standards (RGS) — and ensures adherence to these rules across the Group.
- Ricoh has developed a basic disclosure policy to ensure that the corporate information it releases is accurate, timely and comprehensive. We have also set up the Disclosure Committee, an independent body charged with verifying the process, to prepare the information to be disclosed.
- Integrated internal audits (J-SOX* audit, financial audit, operational audit, etc.) are conducted to ensure the reliability of our financial reports, improve operational efficiency, confirm compliance with laws and regulations, and confirm that risk management measures are being implemented properly.
- The Ricoh Group has deployed its own Fraud Risk Management (FRM) program that includes a check for fraud risk. We have adopted a check sheet and use tools to detect anomalies within large volumes of data in the integrated internal audit.

* The Financial Instruments and Exchange Law of Japan requires listed companies to disclose their assessment of the effectiveness of their internal controls over financial reporting. The legislation is regarded as the Japanese version of the Sarbanes–Oxley Act (SOX), enacted in the United States and it is known as "J-SOX."

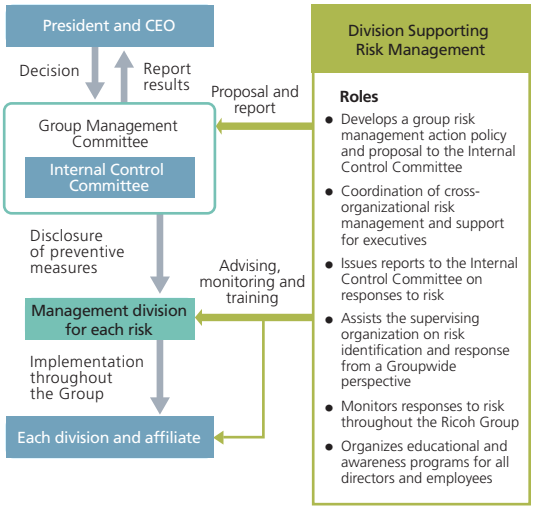
➤ WEB Risk management: www.ricoh.com/about/governance/risk.html

Risk Management

Total risk management (TRM) system

Based on the Risk Management Principles stipulated in the Ricoh Group Corporate Management Principles, the GMC/Internal Control Committee has established a risk management area of responsibility for each business risk and implemented thorough risk management in daily execution and business operations. In addition, the Group has established a division supporting risk management, which provides comprehensive support for executives, risk management areas, and all divisions within the Group.

• Risk management process



Determining and reviewing managerial risks

The Group assigns a risk value based on frequency and degree of impact for external risks such as world trends, incidents and accidents, as well as for internal risks such as changes in the business structure, and creates a two-dimensional risk map to define managerial risks. This is reviewed annually at the time the business plan is being created.

Major risks

The Ricoh Group pays particular attention to the following types of risk to prevent incidents that may have a major negative impact on corporate business activities, and to minimize the damage in the event that they do occur.

• Natural disasters • Serious accidents • Exchange rate fluctuations • Serious quality problems • Difficulty in acquiring raw materials • Leaks of personal information and corporate secrets • Bribery • Insider trading • Violation of environmental regulations • Violation of import/export regulations • Human rights issues • Fraud in relation to business operations, etc.

➤ WEB

Responding to incidents and accidents

To respond quickly and appropriately in the event an incident arises, we clarify areas of management responsibility and reporting levels according to the nature of the incident. At the same time, we propose the implementation sequence of emergency response procedures and reports to the president and relevant executives based on the president's policies as applied to the RGS.

In fiscal year ending in March 2014, there were no major incidents that required disclosures to external organizations.

Business continuity plan

The Ricoh Group has created a business continuity plan (BCP) to enable the business to quickly recover and continue and to minimize the degree of damage in the event of an unanticipated disaster or accident. The BCP has been implemented throughout the Group to ensure a common response to new strains of influenza and widespread natural disasters in Japan.

BCP encompassing supply chain

Many of the parts for Ricoh's products come from outside suppliers in various locations. From the experience of the Great East Japan Earthquake, the Ricoh Group has been working on a business continuity management system (BCMS) throughout the entire supply chain that will underpin the stable supply of products even in times of disaster.

According to the survey conducted by the Ricoh Group, 70% of the Group's suppliers now have substitute production facilities. However, less than 20% of the suppliers have the ability to meet the Group's required timing of deliveries. These results prompted Ricoh to implement BCP seminars for suppliers in Japan, beginning in December 2013, to facilitate the resumption of operations as quickly as possible on both Ricoh and supplier sides in the event of a disaster. These seminars were held at five locations in Japan and approximately 100 companies attended. Ricoh representatives explained the Company's BCP policy and rolled out activities, such as drills assuming an emergency situation that engaged participants in a simulation running from initial responses through to the resumption of operations.

Participants gained a renewed appreciation for the importance of BCP.

In the simulated emergency, participants split up into teams to consider countermeasures.

Compliance

We believe that it is important for every employee to adhere strictly to laws, company regulations and corporate ethics in their daily activities.

All Ricoh Group executives and employees in Japan receive annual training via e-learning on the Ricoh Group Code of Conduct, which provides principles of conduct in daily activities. Equivalent training is given to all overseas Ricoh Group companies.

An integrated internal audit checks the status of compliance in every organization. ➤ WEB 1

Anti-corruption initiatives

The Ricoh Group stipulates its basic anti-corruption policy in the Ricoh Group Code of Conduct and promotes it across the Group through Code of Conduct education. In 2013, the Ricoh Group Standard for Bribery Prevention became a part of the RGS to help ensure total compliance with laws and regulations that prevent illegal transactions, such as the Foreign Corrupt Practices Act of the United States and the Bribery Act (2010) of the United Kingdom. In addition, the Ricoh Group Bribery Prevention Guidelines for Third Parties has been enacted as a means to prevent corruption among Ricoh Group business partners*. ➤ WEB 2

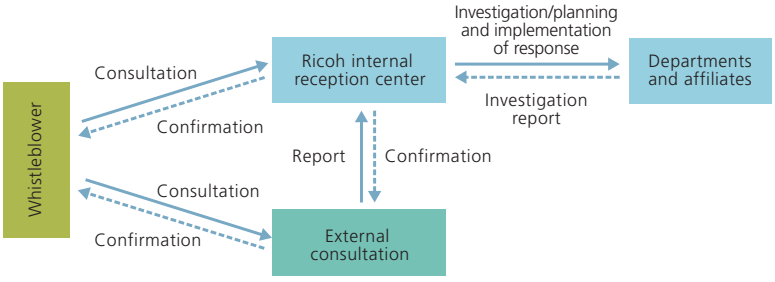
* "Business partners" refers to organizations and individuals outside the Ricoh Group which perform services that contribute to the profits of any Ricoh Group company or that represent any Ricoh Group company.

Hotline system

The Ricoh Group Hotline has been in operation since April 2003 in Japan as a contact point for employees wishing to report incidents or seek advice. Independent external contacts have also been established to supplement the internal contacts. To make the Hotline easier for employees to use, we continuously review its hours of operation and procedures. In addition, major Group companies worldwide have established and operate reporting and advice contacts.

Whistleblowers are protected from retaliation by rules prohibiting discriminatory acts against those who have contacted the Hotline.

• Basic flow of the Hotline system in Japan



➤ WEB 1 Compliance: www.ricoh.com/about/governance/compliance.html
➤ WEB 2 Bribery Prevention Guidelines: www.ricoh.com/ja/governance/trm/pdf/bribery3rd.pdf

Respect for human rights as a fundamental corporate stance

The global community expects companies to operate with due respect for human rights. Beyond meeting regulatory requirements and social expectations in countries and regions in which we operate, we are strengthening our commitment to human rights by proactively introducing more rigorous international standards such as the United Nations Global Compact and ISO 26000.

Strengthening human rights initiatives

Human rights are the basic rights that every individual is entitled to, and the issues related to them are both far-reaching and complex.

Ricoh's respect for human rights stretches back to our company's foundation, when "love your neighbor" was set as one of the key components of our corporate philosophy, The Spirit of Three Loves.

Exemplifying the continued application of this tenet are measures we take to ensure there is no child labor or forced labor, not only within our own organization but within our supply chain as well. We mandate the Ricoh Group Supplier Code of Conduct and regularly monitor our suppliers to make certain they are complying with the code through CSR self-assessment reports. Deviations from the code are expected to be corrected immediately.

We have also reinforced our approach to dealing with conflict minerals*—a particularly controversial topic—by launching a cross-organizational working group. P.59-60

Our respect for human rights also extends to the health, security and safety of our customers. We pursue this objective in various ways, from making products easier to use to promoting "color universal design," which takes into account the diversity of color vision among the people of the world.

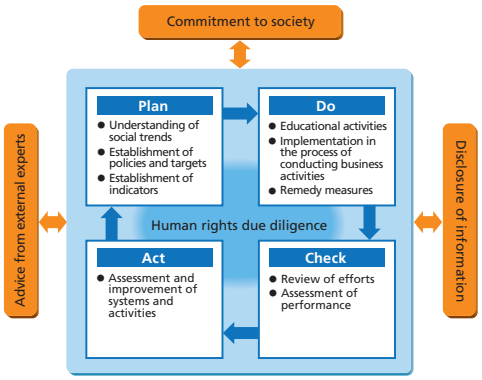
We will continue to strengthen our commitment to human rights, as it is at the core of our social responsibility as a global business.

* "Conflict minerals" are raw materials mined in certain parts of the world under conditions of armed conflict and human rights abuses, whose trade finances illegal armed groups and sustains conflict. In the United States, under the 2010 Dodd–Frank Wall Street Reform and Consumer Protection Act, businesses are required to disclose their use of tin, tantalum, tungsten, gold and other materials designated by the Department of State as "conflict minerals" sourced from the Democratic Republic of the Congo or adjoining countries.

• Two elements in addressing human rights issues

Risk avoidance	Corporate value improvement
1. Human rights due diligence	1. Protection of consumers
2. Recognition of the extent of influence	2. Respect for diversity
3. Avoidance of taking part in conspiracy	3. Coexistence with communities

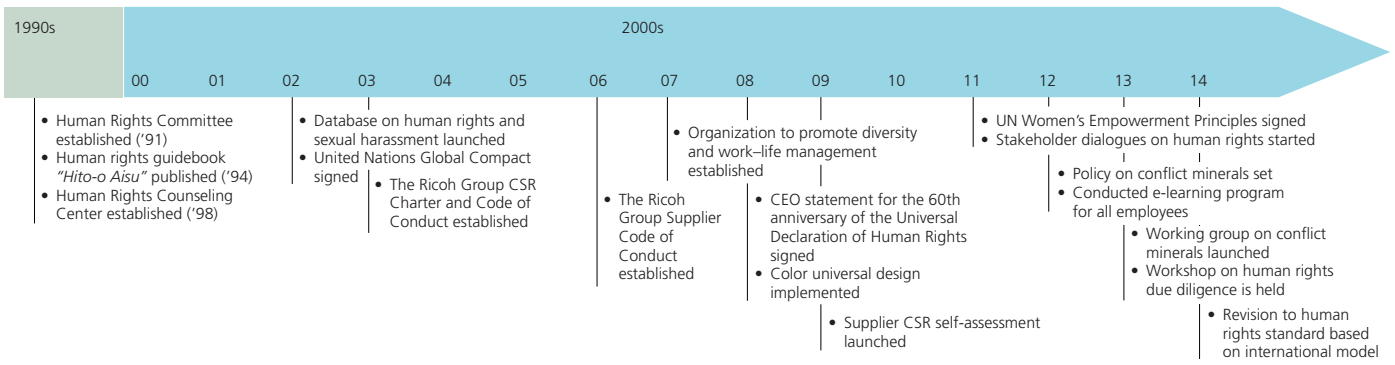
• Ricoh Group's framework for promoting respect for human rights



• Major international standards and regulations implemented by the Ricoh Group

- Universal Declaration of Human Rights
- The 10 principles of the United Nations Global Compact
- Human rights guidelines based on the United Nations Guiding Principles on Business and Human Rights (the Ruggie Framework)
- Children's rights and business principles
- ISO 26000 (social responsibility standard)
- OECD Guidelines for Multinational Enterprises
- ILO international labor standards

• Timeline of Ricoh Group human rights initiatives



Fostering awareness of issues in daily business activities

Our respect for human rights prioritizes due consideration for all stakeholders associated with corporate activities and requires that each and every employee who is involved in daily operations has a proper understanding of human rights and a deep awareness of human rights issues. As a second step in promoting this ideal, in August 2013, we brought together a total of 18 managers familiar with personnel and labor affairs from seven divisions where enhanced capabilities will be a priority going forward to participate in the Ricoh Group's first human rights workshop. Of note, in developing this human rights workshop, we garnered the support of Hideki Wakabayashi, Executive Director of the non-governmental organization Amnesty International Japan.

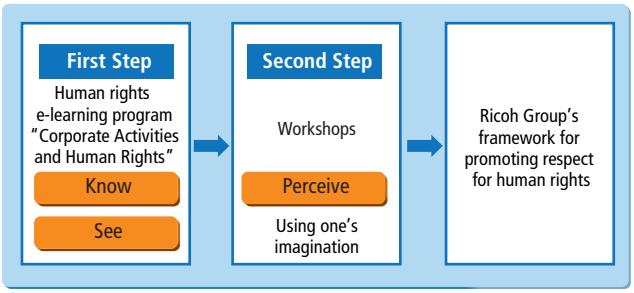
■ Workshop objectives

1. Discover elements of human rights concealed within business processes (using one's imagination), and identify points to keep in mind.
2. Get participants to think about issues that will instill a greater sense of due diligence into everyday business processes in each division, and promote activities toward this end throughout the respective division.

■ Comments from participants (excerpts)

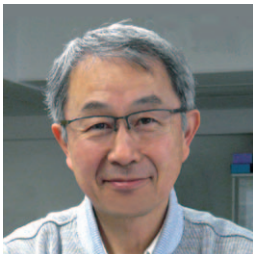
- I thought my team had done enough, but when I heard the other teams' presentations, I realized we fell short in some areas.
- With several divisions participating, we gained different perspectives for discussion and covered a lot of processes.
- I came away with a concrete understanding about all sorts of information on human rights. This was far more useful than a typical lecture.

Human rights education workshop



A Message from Hideki Wakabayashi, Executive Director of Amnesty International Japan*

Workshops are an effective learning tool for discovering new perceptions



Hideki Wakabayashi
Executive Director
Amnesty International Japan

The purpose of human rights education is to draw out latent ability within employees, help them acquire knowledge they might not necessarily get through daily work activities, as well as judgment skills and a deeper sense of morality, and finally, elicit an awareness of human rights so that they are able to apply it to corporate activities that do indeed respect human rights.

However, listening to lectures and seminar presentations is a one-way process, and does not leave much of a lasting impression. The way to achieve results is by augmenting the human rights e-learning offered to date with workshops, which go a step further. The retention rate is extremely high when people are engaged because the practical activities reinforce whatever has been said.

This time around, the discussions about what kind of stakeholders exist on the corporate value chain and what kind of human rights issues are found there—this must certainly have fostered new perceptions about human rights. I look forward to seeing a wider group of people involved in the workshops, and human rights due diligence becoming more firmly entrenched within the Ricoh Group.

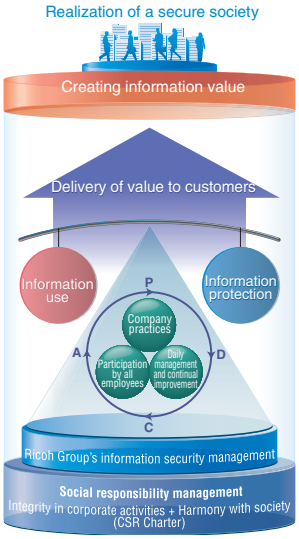
* Amnesty International Japan is the Japanese branch of the world's biggest international non-governmental organization for human rights, London-based Amnesty International Limited, which tackles human rights issues around the world through a network of more than three million supporters in more than 150 countries and territories. (Amnesty International won the Nobel Peace Prize in 1977.)

Information Security

A brand trusted by the information society

For the Ricoh Group, with its business emphasis on the information sector, efforts to protect information are indispensable if customers are to use Ricoh products and services with peace of mind. Therefore, we involve all employees in efforts to ensure information security. Measures are in place to encourage continuous improvement in daily information security management in each organization within the Group and to actively utilize Ricoh products and services for in-house use. In addition, the Ricoh Group develops and provides functions to maintain information security and protect customers from exposure to various risks during the use of Ricoh products.

• **The Ricoh Group's information security framework**



Information security management

To validate the trust that society places in us, the Ricoh Group involves all its employees in continuous improvement of information security management. Our aim is to balance utility and protection, simplifying the secure use of information by people with legitimate access rights—including business partners—while preventing unauthorized access and leaks.

In the present business environment, the way information is processed with evolving information and communication technology has led to the appearance of previously unknown information risks. The Ricoh Group promotes effective information security activities and will, through ingenuity and improvements in IT technology packaging and operation methods, respond to new threats to the security of information while seeking to promote creative and original use and application of information.

Reinforcing our information security culture

The primary goal of the Ricoh Group's Information Security Management System (ISMS) is to have all employees engage in proactive, security-conscious behavior as a matter of course, beyond simply following legal requirements or rules. We call this our "information security culture," and reinforce it in three ways: (1) participation by all employees, (2) daily management and continuous improvement, and (3) company practices.

In particular, daily use of our products and services becomes in effect a continuous exercise in solving problems related to information security, and allows us to confirm the results of our efforts. The processes we achieve in this way are then passed on to our customers.

In addition, we run e-learning programs for all Ricoh Group employees in Japan, and about 40,000 people have taken part in these educational opportunities. These programs feature content related to adherence of existing basic rules as well as enforcement of rules pertaining to new fields of application, such as social networking services, which have emerged along with advances in IT.

In response to changing social conditions, the Ricoh Group revises its Ricoh Group Standard and Common Standard for Information Security, promotes awareness through e-learning, verifies status through internal audits and then makes corrections as necessary. The Group cycles through an integrated PDCA management system, driving information security upward to a higher level.

ISMS certification status

The Ricoh Group obtained uniform ISMS certification (ISO 27001) in December 2004. Since then, we have maintained our certification through annual inspections by external organizations and recertification inspections every three years. In December 2013, we underwent our third recertification inspection. As of December 2013, a total of 70 companies—23 within Japan and 47 overseas—have received ISMS certification.

Over the past, we have carefully tracked world trends, from the configuration of information security systems to the establishment of global management systems, constantly improving upon a variety of issues. Going forward, we will promote certification overseas, ensure thorough compliance through our Common Standard for Information Security, and strive to enhance efficiency. Through such initiatives over the next 10 years, we will shift to ISO/IEC 27001:2013 (JIS Q 27001:2014). ➤ WEB 1

Information security incidents

In the fiscal year ended March 31, 2014, there was one major information security incident that required disclosure to an external organization.

➤ WEB 1 Scope of Ricoh ISMS registration: www.ricoh.com/about/security/management/activity/

Security in products and services: MFPs

As the information society grows, we are increasingly exposed to a variety of new external threats, such as computer viruses, leaks of personal information and unauthorized access to systems. For MFPs, one of many different kinds of IT machines that also connect to networks, the Ricoh Group was quick to tackle measures to prevent incidents, such as leaks of important information assets used by customers and falsification of data. We consider all possible threats that may affect documents—digital and paper-based—from the creation of a document through to its processing, storage, preservation and disposal, and develop and build into our products certain functions to protect documents from such threats and ensure security while maintaining ease of use.

In our efforts to make customers feel more secure and comfortable in their choice of Ricoh products, we are keen to obtain international certification and qualifications, including ISO/IEC 15408 the security function certification backed by an objective third party, and Common Criteria (CC)*.

The Ricoh Group provides customers with products matched to respective office environments and security policies while promoting various approaches, such as the creation of secure network environments and the solutions to support such environments, which underpins safe and secure office environments. ➤ WEB 2

Approach to CC certification

In February 2010, the Ricoh Group marked a world's first, obtaining Common Criteria certification conforming to international security function standards (IEEE 2600.1) for an MFP, the imagio MP 5000SP/4000SP (launched in February 2008), thereby validating the security functions built into our MFPs and printers. Since then, we have continued to expand the menu of products conforming to stated standards and have developed a broad lineup of CC-certified products.

• Security threats in offices

Unauthorized access via networks

Unauthorized access via telephone lines

Tapping and alteration of information over the network

Unauthorized access via the device's operator panel

Information leaks from storage media

Information leaks via hard copies

Information leaks due to carelessness

Award-winning RICOH ProcessDirector Delivering Results

CCS Printing taps Ricoh for secure delivery of two million pages per month

CCS Printing, a U.S. company that provides digital and offset print, graphic design and web development, needed the right security solution for two million documents each month. Eventually, the company chose Ricoh Production Print Solutions LLC (RPPS), a U.S. subsidiary, because of Ricoh's leadership in the software print environment.

Kevin Sullivan
President
CCS Printing

Underpinning Ricoh's success in this field is the award-winning RICOH ProcessDirector work solution, a key component of Ricoh's industry-first centralized critical communications suite of solutions. This recently enhanced solution also features a redesigned visual interface for workflow building as well as new printer connections. The enhancements support RICOH ProcessDirector to streamline print operations, improve process integrity, increase operator productivity and lower costs.

CCS Printing's decision to go with RPPS was based on the technological superiority of RICOH ProcessDirector. The technology allows the company to track and report in real-time on the more than two million documents it processes each month. Moreover, these seamless capabilities help CCS Printing meet Health Insurance Portability and Accountability Act (HIPAA) requirements, ensuring that each document ends up in the correct envelope.

"We've had a long, successful relationship with the Ricoh team, so when we began our search for a software solution, we didn't have to look very far. We evaluated the competition, but they were no match for RICOH ProcessDirector," said Kevin Sullivan, president of CCS Printing. "At CCS Printing, we feel very confident working with a company that not only understands our core business, but also the transactional environment. Ricoh has proven to be that company for us."

CCS Printing headquarters

RICOH ProcessDirector also addresses security concerns, boasting state-of-the-art features to ensure that no sensitive materials are ever at risk.

*** CC: Common Criteria for information technology security evaluation (ISO/IEC 15408)**

Common Criteria is an international standard for information security that provides assurance that the process of specification, implementation and evaluation of a computer security product has been conducted in a rigorous and repeatable manner. Customers can use CC to confirm that a product meets their security requirements and compare security specifications across different products.

➤ WEB 2 Security threats and countermeasures: www.ricoh.com/about/security/products/mfp/countermeasure/

Innovating from future standpoint

"At the Ricoh Group, we are committed to providing excellence to improve the quality of living" is our Mission Statement and part of The RICOH Way. Since its founding in 1936, Ricoh has been an innovator in products and services for information and communication, beginning with photosensitive paper and progressing to cameras, copiers, MFPs and IT services. And we remain as committed to innovating as ever.

We start by anticipating how societies and workstyles may change in the future, then consider what we can do to offer our customers new value and contribute to sustainability. The foundation for these innovations is Ricoh's wide variety of resources fostered over the many years of evolving our major products in the field of imaging equipment. These include technologies that range from electrophotography, image processing and chemistry, to optics, networks and software. We believe that by combining these highly developed technologies with new ideas, we can create unprecedented value. ➤ WEB 1

Brainstorming at Ricoh Innovations Corporation, Silicon Valley

Daring to innovate

A host of contemporary social issues, such as overpopulation, the depletion of energy and natural resources, and the effects of climate change, are impacting global corporate activities. Simultaneously, IT networks enable the fluid exchange of information and the cultivation of ideas that can be turned into intellectual properties. These trends require a more diverse and flexible workstyle than ever before. To sustain their business activities, companies must address all the prevailing issues and move with the evolving trends. Ricoh's R&D focuses on these issues and trends in its quest for innovation that drives new solutions forward.

R&D geared to trends in transforming the office

Ricoh has consistently provided new value for working people by improving the way they interact with information, pioneering office automation in the 1950s.

We start from a vision of the office of the future, then draw an R&D road map to get there.

Our definition of the "office" is the totality of the way people work, their business processes and work environment. Based on this definition and changes in society, we have projected six trends that will transform the office and our concept of working in it.

➤ WEB 2

Anticipating demand fueled by these trends, Ricoh concentrates its R&D on technologies that revolutionize customer workstyles and minimize environmental impact to provide new products and services that meet market needs.

P.51-52

• Trends transforming the office

Non-core business outsourcing

Workflow collaboration

Emerging markets

Anytime anywhere

Environmental conservation

Security and safety

Seeking to build an infrastructure that is confidence, comfort, and convenience

As IT grows more prevalent, becoming safer and easier for everyone to use, we can expect society to benefit from higher productivity and become more prosperous. So, Ricoh is steadily extending its reach beyond the "office" environment to new business domains. The industrial products market, in particular, is an area in which we can capitalize on our technological expertise.

Examples of innovative industrial products

- Extended depth-of-field camera with wide-ranging applications, including factory automation and security; and a multi-spectroscopic camera capable of acquiring color information about a subject in real time
- System to recirculate energy that had previously been left untapped at manufacturing sites
- Dry (water- and solvent-free) washing technology that dramatically reduces environmental impact in the production and recycling washing processes.
- Rewritable recording technology that facilitates high-quality, repetitive rewriting for wider applications in production control and physical distribution

[Greater innovation in new business domains]

Looking into the future, we have begun collaborating in new ways on technologies cultivated within the Ricoh Group. We are keen to create businesses that contribute to confidence, comfort, and convenience in such fields as healthcare, with systems that help prevent diseases and promote good health, as well as the Advanced Driver Assistance System (ADAS). Particularly, the ADAS showcases some of our proprietary technologies in laser scanning, projection and imaging optics, image processing, and image correction and recognition.

➤ WEB 1 Technology: www.ricoh.com/about/company/technology/
➤ WEB 2 Research on the Office of the Future: www.ricoh.com/about/company/technology/rd/office.html

Structure for creating innovation

Technology development process

The Ricoh Group's R&D is structured to realize comfortable 21st-century workstyles while gathering customer information and anticipating the future based on global economic, social and technological trends.

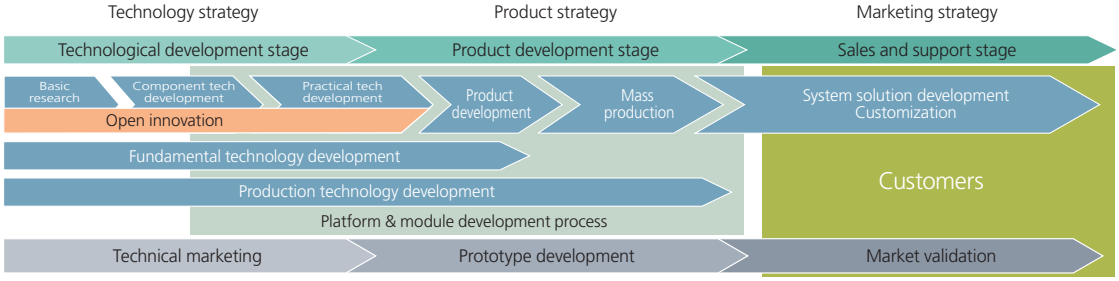
We call the value we provide "RICOH Brand Benefits" and develop innovative technologies to provide products and services that delight our customers.

The process from R&D to product design and marketing begins with an R&D strategy aimed at creating new businesses and revamping existing ones. In creating new businesses, we establish processes different to those that have been applied to existing businesses and consider technology-based commercialization right from the outset. P.30

At the product development stage, we espouse the approach "Development Process Innovation," developing products without relying on prototypes, in line with a product management system and product strategy, and we seek efficiency by utilizing platform and module development processes and 3D simulation technology. ➤ WEB 1

Our marketing strategy at the sales and support stage involves our customers in creating value together. Initiatives include our developer program and, at Technology Centers around the world, system solution development and customized development. P.55

• Development process for core businesses



Research and development infrastructure

[Global technology development system]

The Ricoh Group has R&D sites worldwide, including in Japan, the USA, India and China. Each site studies market needs and conducts research, technology development and design suited to the region. Technology Centers and Printing Innovation Centers worldwide are part of a system that taps market needs directly through customer support.

[Open innovation]

We practice open innovation, actively collaborating with universities, research institutes and companies.

We participate in the Japanese government's Funding Program for World-Leading Innovative R&D on Science and Technology and in joint R&D activities with universities and incorporated administrative agencies. We build win-win relationships through flexible approaches with partners in different business fields and industries, while developing leading-edge technologies and accelerating innovation.

• Principal research centers of the Ricoh Group ➤ WEB 2

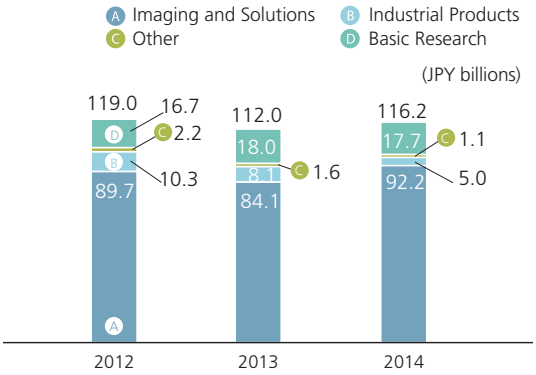
Location	Name	Year established	Main functions	Research subjects
Japan (Kanagawa, Miyagi, others)	Ricoh Co. Ltd. (R&D headquarters, others)	1986	Worldwide R&D integration with research and development from basic to practical core competences for pioneering new markets.	Basic, component and environmental technologies, applied research design and education development, etc.
USA (Silicon Valley)	Ricoh Innovations Corporation	1997	Produce innovative Silicon Valley technologies and new business ideas that seamlessly connect all things and people all the time.	Intelligent sensing, computational optics, image processing, wireless communication, cloud collaboration, etc.
China (Beijing)	Ricoh Software Research Center (Beijing) Co., Ltd.	2004	Promote R&D in IT supported by abundant human resources.	Image and video processing, embedded system, wireless network, system control, data mining, etc.
India (Bangalore)	Ricoh Innovations Private Limited	2012	Create new IT solutions onsite by leveraging core technologies developed at the Ricoh Group and adapting them to local needs.	IT solutions for education, media and entertainment, healthcare.

➤ WEB 1 Development Process Innovation: www.ricoh.com/about/company/technology/rd/manufacture.html
➤ WEB 2 Global R&D: www.ricoh.com/about/company/technology/rd/global.html

Continuous investment in R&D

The Ricoh Group consistently invests around 5% to 6% of sales in R&D to continue bringing forth innovations. R&D expenses for fiscal 2014 (ended March 31, 2014) were 116.2 billion yen (about 5.3% of sales). Over 15% of this investment, or 17.7 billion yen, went to basic research.

• Changes in R&D investment



Initiatives in intellectual property

Intellectual property—the fruit of our R&D—is one of our most valuable resources and a vital component of RICOH Brand Benefits. We are also active in acquiring and exploiting intellectual property that protects and grows our business.

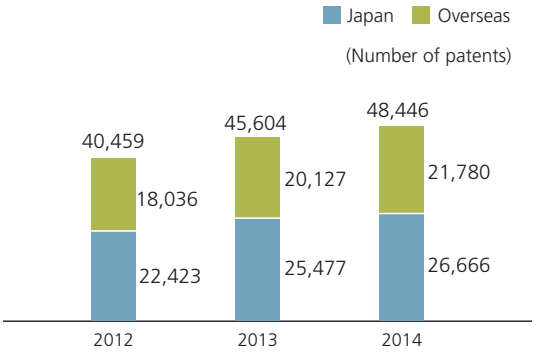
Our intellectual property activities began with a camera patent application in 1947. Our first patent management section was set up in 1958, with a first patent specialist. Since then, we have reinforced the intellectual property department, expanding it as business grew. Intellectual property experts, who handle the intellectual property needs of operating and R&D divisions, keep close contact with key R&D divisions globally to facilitate activities that lead to the quick and timely application for patents and resulting rights over an invention.

In fiscal 2014, about 4,180 patent applications of Ricoh were published in Japan and, as of March 31, 2014, Ricoh retains rights to more than 26,000 patents in Japan and more than 21,000 patents overseas. ➤ WEB 3

We will continue to promote patent acquisition, paralleling entry into new domains as well as globalization through business expansion in emerging markets.

In addition, we aim to enhance the organizational capabilities that support intellectual property activities through training programs. These matched to engineers' years of experience will raise the overall level of such activities. Those people tasked with intellectual property activities will improve their skills and create opportunities to boost global intellectual property skills through overseas postings.

• Number of patents registered in Japan and overseas



White papers

Ricoh publishes white papers that reveal our approach to innovation, as well as background on our products, services and R&D initiatives. They also provide our views on various topics, including technology and market trends. These publications help our customers and partners better understand the value the Ricoh Group provides. ➤ WEB 4

- Development Process Innovation - A Concept for Increasing Customer Value
- Creating a Sustainable Society through Environmental Management
- Ricoh's Unified Communication Brings Renomination to Collaboration
- Ricoh's Next-Generation Machine Vision: A Window on the Future

➤ WEB 3 Initiatives in intellectual property: www.ricoh.com/about/company/technology/rd/ip.html
➤ WEB 4 White Paper: www.ricoh.com/about/company/technology/whitepaper/

Trends transforming the office: R&D case studies

Non-core business outsourcing

[IT services, document management]

We provide one-stop support, as a single source for multivendor products, for building and managing IT environments that require a specialized approach. We offer @Remote, which tracks equipment status remotely and collects information, such as the need to replace expendables, thereby freeing customers from the trivial details of equipment operation. We also analyze trends in equipment use by sector, gleaned from @Remote, and apply these insights to deliver and develop better solutions. P.53

Our Managed Document Services (MDS) facilitates all document-related workflows and administration, and we are augmenting the menu with additional services.

Workflow collaboration

[Enhanced MFP with improved cloud connectivity and other functions]

Enhanced cloud connectivity makes it easy to execute various workflows via the MFP. With services, such as cloud print and cloud scan, we provide environments that enable flexible printing in-house and easy document access from outside.

[Remote communication]

The RICOH Interactive Whiteboard D5500, which enables users—even those at remote locations—to share displayed and handwritten content in real-time, and the RICOH Unified Communication System for portable videoconferencing allow for smooth communication among distant sites worldwide. P.26

Emerging markets

In 2012, we opened an advanced IT research laboratory in the southern Indian city of Bangalore to provide leading-edge IT core technologies to meet the needs of emerging markets. Having a local presence in India has demonstrated the adaptability of our core technologies to solutions in the fields of education and healthcare. Moreover, in April 2013 we endowed a course at the Indian Institute of Technology Gandhinagar for joint academic-industrial projects and research on IT usage and user interfaces.

We are also looking to the potential of reverse innovation—the process by which solutions built for new markets breed innovations in advanced economies.

Anytime anywhere

[Portable videoconferencing system and webconferencing system]

The RICOH Unified Communication System, which integrates video and voice over the Internet, is an easy way to realize remote communications, such as videoconferencing, without designating specific locations.

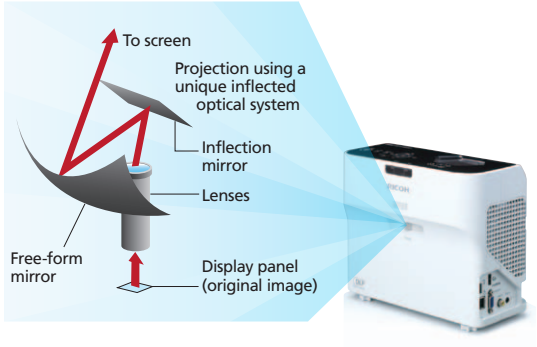
Proprietary M2M communications platform technology supports this kind of Internet connectivity. We build ideal platforms on the cloud, enabling real-time, two-way video and voice communications and multi-location communications. Complementing the P3000 and Apps for PC, iPad and iPhone, we added the P1000, a display-type model with built-in battery, to make mobile work more efficient. ➤ WEB 1

[Paperless conferences]

Amid the spread of tablets as well as heightened environmental awareness, we developed the RICOH Smart Presenter as a way to support communications and make it easy to share information at paperless meetings. Materials are simply uploaded to a dedicated server and then automatically converted to PDF files, and when participants opt to attend a meeting, the necessary materials are then displayed on the participants' terminals. A page displayed on every tablet can be synchronized with the presenter's page.
P.70 ➤ WEB 2

[Ultra-short-throw projector]

This projector offers a unique solution in various situations, such as digital signage, videoconferencing and paperless meetings, where space is limited. It features Ricoh's innovative optical technology to keep both the projector footprint and weight to a minimum while enabling ultra-close-image projection.
➤ WEB 3



* iPad and iPhone are trademarks of Apple Inc., registered in the U.S. and other countries.

➤ WEB 1 Unified Communication System: www.ricoh.com/about/company/technology/tech/039.html
➤ WEB 2 RICOH Smart Presenter: www.ricoh.com/software/smartpresenter/
➤ WEB 3 Ultra-short-throw projector: www.ricoh.com/about/company/technology/tech/040_projection.html

Environmental conservation

[Continuous improvement of the environmental performance of MFPs]
P.69, 71

[Office energy management]
Ricoh is developing office energy management solutions using technology that visualizes energy consumption per office floor, technology to automatically control LED lighting and office equipment, and technology that detects people to adjust power settings to an optimum level.

[Stand-alone power source: complete solid-state dye-sensitized solar cell] P.69

[New applications for rewritable media]
We put a layer on rewritable media to block oxygen and ultraviolet light and developed an algorithm to eliminate character crossing points, which cause media to deteriorate. Our rewritable laser system, which can rewrite 1,000 times with laser contactless technology, has been adapted to a large logistics site. This technology has led to the winning of an award, given by the Imaging Society of Japan in fiscal 2012. ➤ WEB 4

Security and safety

P.46 ➤ WEB 5

[Common Criteria certification initiatives]
In 2010, Ricoh MFPs became the first to earn Common Criteria certification (ISO/IEC 15408), meeting international standards for security. A wide range of models have subsequently earned the certification.

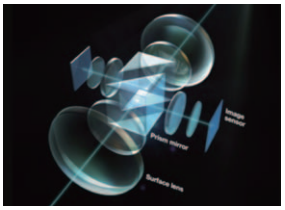
[Hard disk security functions]
In MFPs, printers and production printers with the built-in TPM (Trusted Platform Module) security chip, encryption keys come in pairs, which are used to encrypt, for example, hard disk data. This protects data stored on the hard disk inside the product and ensures a high level of hardware security. In addition, user authentication and a filtering function thwart unauthorized network access, thereby preventing the risk of information leaks.

Innovation in new business domains

Ricoh's unique optical and image processing technologies led to the development of RICOH THETA, which captures images a full 360˚ around the photographer.

Optical technology enables compact device

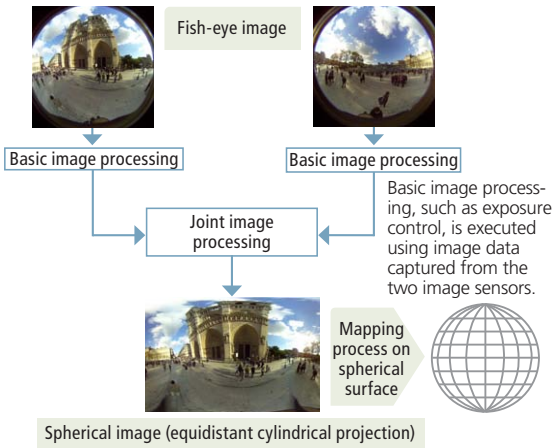
The RICOH THETA features symmetrically positioned, inflection optical systems. We placed a prism in each optical system, and by bonding both prisms together, we significantly reduced the parallax influence between two points of observation (superwide-angle [fish-eye] lenses on both faces of the device), which facilitated the creation of a very compact device. This is a proprietary micro-twin-lens inflection optical system.



Incident light from the superwide-angle lens is reflected by a prism mirror, angled 90 degrees, and received by the image sensor.

Image processing technology generates spherical image in real-time

The RICOH THETA joins two images to create a single spherical image. In joint image processing, respective areas in each of the two images are pattern matched to pinpoint jointing points, and then the two images are converted into a spherical-image format, taking into account the detected jointing points and lens properties of each optical system. By blending the two images, it is possible to create a single spherical image in real time that the user can browse with a dedicated app.
P.30 ➤ WEB 6



➤ WEB 4 Rewritable Laser System: www.ricoh.com/about/company/technology/tech/062_laserrewritable.html
➤ WEB 5 Security for Multifunction Products: www.ricoh.com/about/security/products/mfp/
➤ WEB 6 Spherical Imaging Device, RICOH THETA: www.ricoh.com/about/company/technology/tech/065_theta.html

Customer Satisfaction

The customer drives our approach to value creation

Customer satisfaction is at the core of everything we do, beginning with the acquisition of a deep understanding of what the customer needs. Beyond simply listening to their feedback, we strive to perceive feelings and expectations that customers may not be able to articulate. We then propose solutions based on the customer's perspective.

Our aim is to offer RICOH Quality that delights our customers. This commitment is embedded in the corporate values that all Ricoh Group employees are expected to uphold so that they will act with full awareness that ensuring quality and customer satisfaction is their most important mission.

Presenting tablet-based solutions (Ricoh Japan)

Initiatives for customer satisfaction

The Ricoh Group undertakes activities in pursuit of customer satisfaction to ensure RICOH Quality, which aims to "consistently delight and inspire our customers" by strengthening basic quality—such as safety and reliability—based on continuous communication with customers. In addition to efforts aimed at fulfilling social responsibilities, we actively invite customer comments so that we can better understand our customers. The customer perspectives thus gained are applied to our products and services to provide customers with truly useful value.

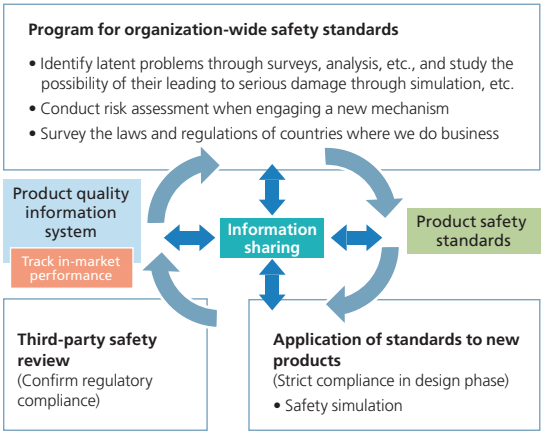
In pursuit of product safety and reliability

Building in safety from the design and development stage is crucial to ensuring that customers can use our products and services with confidence. The Ricoh Group regularly reviews product safety standards, strictly adhering to them and continually upgrading quality. This procedure is formulated in our Basic Policy for Product Safety Activities and our Action Policy for Product Safety Activities.

In 2009, we improved our structures for product compliance with laws, regulations and official standards on an international level. We introduced controls using target management tables for the product design and development stage. Since meeting each country's regulatory requirements is mandatory, the database for compliance check sheets is constantly updated with the latest data on national and international rules.

In addition, we continue to step up Ricoh's own (and more rigorous) standards to ensure safety for children, elderly people and other vulnerable members of society.

As new technologies and businesses for which product safety standards do not yet exist require a framework to identify possible risks, Ricoh is expanding its Product Safety Risk Assessment program. This is an effective means of confirming the safety of products in new business areas and in existing products to which new technologies or mechanisms have been added. Through this combination of standards, we are doing our utmost to ensure the safety of every new product we bring to market. P.95



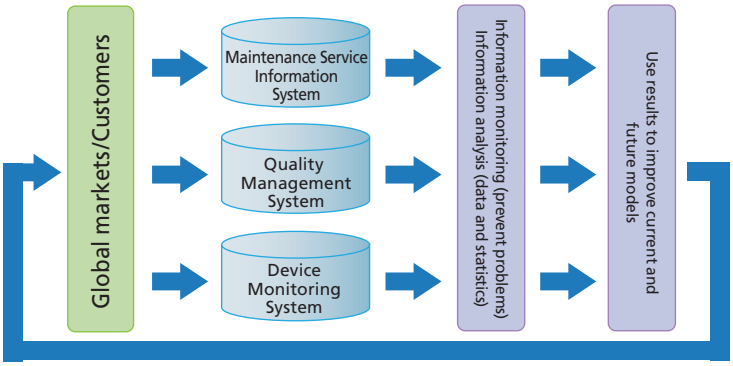
➤ WEB @Remote: www.ricoh.com/remote/

Quality assurance data

The Ricoh Group employs three market information databases related to product quality.

The Maintenance Service Information System contains historical information on machine failures confirmed by customer engineers, along with the maintenance services we provided. The Quality Management System links data obtained in Japan on product quality issues to data from our other markets around the world. If a quality-related problem occurs, the Design and Manufacturing Department discusses what action to take based on information in this database, and provides prompt feedback to those involved. Finally, the Device Monitoring System allows us to obtain statistics on how customers use our equipment on a daily basis through @Remote™, our global remote device management service.

The Ricoh Group uses these systems in an integrated way to obtain market information from multiple aspects. Based on this data, we can immediately identify and address problems, and take action to prevent similar problems from occurring in the future.



@Remote™ for Worry-Free Equipment Use

Ricoh's @Remote™ technology is an Internet-based management system for monitoring customer device data. The @Remote™ service automatically collects and uploads meter readings daily from MFPs and printers, keeping track of their usage status, maintenance records and machine conditions. This enables us to provide essential services (like replenishing supplies and dispatching maintenance personnel) promptly, without the customer having to contact us.

We offer @Remote™ globally so that customers can use their equipment with confidence at all times. ➤ WEB

Advantages of @Remote™

- Prevents equipment failure
- Quick action cuts downtime
- Useful equipment management tool
- Information obtained can be used in consultations

Quality management system

Ricoh Group sales companies around the world improve quality based on our quality management system and the ISO 9001 standard. Most of our production sites and sales companies have earned ISO 9001 certification in our drive to enhance the quality of everything we do, from manufacturing through sales to customer service.

Our service personnel in Japan take part in skills competitions and certification exams, while overseas we have instituted a variety of similar programs to raise service standards.

Turning customer feedback into products and services

In our continual pursuit of RICOH Quality, we reflect feedback from customers and rapidly respond to their changing needs. This allows us to provide customers around the world with value that is unique to Ricoh. We also look ahead to anticipate what new values customers will require in the future, and engage in customer-centric improvement initiatives.

CRM databases enable us to propose solutions suited to the customer's business

In the approximately 200 countries and regions where we operate, Ricoh Group sales and support companies establish close ties to the local market while maintaining a consistent global strategy.

Sales companies in each country within our four major business regions—Japan, the Americas, Europe and Asia, Oceania and China—have direct contact with customers, operate and oversee customer relationship management (CRM) databases and track customer data such as equipment information and maintenance histories.

Customers look to us for solutions tailored to their specific needs or industry sector, using their CRM databases to seek a higher level of customer support. Apart from national CRM databases, the Ricoh Group has centrally and globally managed information on customers around the world that covers not only sales and equipment information but also histories of special orders and customizations.

Customer satisfaction surveys

The Ricoh Group periodically conducts customer satisfaction surveys worldwide to gauge how successful we are at achieving RICOH Quality. We also distribute unique new product, sales and service satisfaction surveys for assessing each aspect of *monozukuri* (craftsmanship), sales and services. Feedback is applied to service improvement programs. P.95

Making full use of customer comments

We listen closely to customer comments and have programs in place to apply this vital input to the development of our products and services.

Our marketing staff tracks customer needs and feeds this information back to development personnel, who use it for R&D and product improvements. Sales and product development staff also share data and observations whenever we launch a new product or develop a new market.

Serious quality issues are dealt with according to Ricoh's Major Quality Problem Response Rules, which dictate listening to the immediate involvement of our risk management staff.

Listening to customer voices

Call Centers
Call Centers in more than 60 locations worldwide respond attentively and in a manner appropriate to regional conditions, channeling customer input to those working to improve products, sales and service.

Customer Centers
Sales companies in each country give us direct contact with customers, but the Ricoh Group also has independent Customer Centers that customers can contact directly. Customer requests, complaints and claims are fed back to relevant departments within our organization.

Technology Centers and Printing Innovation Centers
The Ricoh Group has Technology Centers in seven countries and Printing Innovation Centers in 10 countries around the world. These on-the-ground facilities are extremely useful in picking up customer needs that can lead to the creation of new technology.

Case study: Creating new customer value through our initiative

The Ricoh Group aims to understand our customers, meet their requests, devise solutions, and ultimately delight those who use our products and services.

Technical advisory meeting helps in visualizing customer needs

We believe that anticipating the future, going one step beyond to provide new value exceeding customers' expectations, is what enables the Ricoh Group to grow. With this in mind, we develop activities that involve our customers and thereby fuel the creation of new value.

One such activity is the technical advisory meeting, an event that involves the participation of Ricoh Group customers. Invitations are extended to people in charge of IT infrastructure at customer companies. The group discussion format among peers facilitates the exchange of information constructive for enhancing administrative procedures and also highlights topics of common concern. Themes include network configuration, security, cloud use, new workstyles, and visual communications. Our goal is to utilize group discussions to reveal latent customer needs and apply opinions from a customer perspective to the development of new products. In addition, these meetings provide an ideal venue to demonstrate next-generation Ricoh equipment being considered for a market debut and to collect opinions and requests. This valuable customer feedback is forwarded to product planning and development departments and reflected in new technology developments and better products.

Examples of functions that have been turned into products, thanks to customer input, include the addition of optical character recognition (OCR) for electronic documents to a multifunction printer, as well as an app to print data stored on smart devices from a multifunction printer.

Another approach is individual interviews with representatives at customer companies at the management level. Through this activity, which targets corporations that have chosen the Ricoh Group as a business partner, we inquire about changes at customer companies, such as new business directions and IT and global strategies. We ask where we stand in terms of customer satisfaction and what we can do going forward to meet customers' evolving needs. We expect customers to be frank and honest about what they want from us. Using the results of these interviews, we consider responses that we, as a partner to our customers, can apply to support their respective business directions and management issues. We analyze potential responses and strive to create new value that fuels growth to both sides of the sales equation—for customers and for ourselves. The results are then utilized in medium- and long-term product development and sales strategies for the Ricoh Group.

These two approaches—the technical advisory meetings and individual interviews—are vital, helping to build stronger bonds between us and our customers and facilitating growth on both sides.

Technical advisory meeting at Ricoh Europe PLC

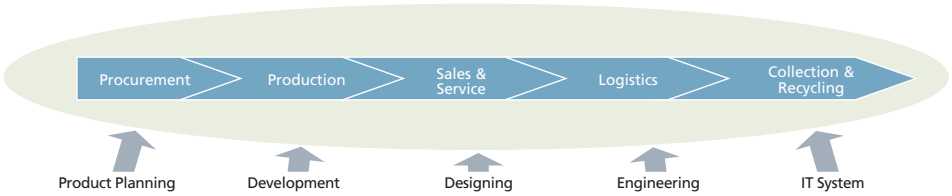
Global SCM reorganization brings us closer to the customer and raises profitability

The Ricoh Group has 21 major production bases across Japan, the Americas, Europe, the Asia-Pacific region and China. In close collaboration with their respective sales teams, they deliver products and services designed to meet customer specific needs efficiently and sustainably. Ricoh has reorganized its supply chain management (SCM) across the Group, coordinating design, information systems and more with functions covering everything from procurement to collection and recycling. By aligning processes and embedding a customer-driven approach, our SCM structural reform has advanced our goal of creating value while fulfilling our social responsibility, enhancing our business in ways that bring benefits to both society and the planet.

Ricoh European Production Centre in Netherlands P.58

Group-wide SCM structural reform

The Ricoh Group works continuously to upgrade its manufacturing process at every stage, from procurement through production, sales & service to logistics and collection & recycling. Our supply chain system integrates product planning, development, design, technology and information systems to encompass all our business functions, and it coordinates all major regions and departments to enable Group-wide improvements.

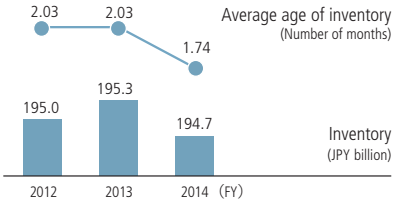


Optimization of global inventory

Our supply chain is handling an ever-growing number of products as Ricoh expands into new territories and emerging markets. Even as our business grows, however, we are limiting the size of our inventory to make procurement and management systems more efficient. Our goal is to have a supply chain nimble enough to increase production flexibility while meeting customer requirements precisely.

• Inventory and average age of inventory

We aim to maintain just the right amount of inventory across the Group, regardless of any increase in the number of products, and are reducing the average age of inventory.



Optimizing procurement and minimizing purchasing costs

In response to the growth of Asian markets, we are stepping up our production capacity in the ASEAN region—centered in our Thailand plant—to realize our plan to create strategic products there. Together with this manufacturing shift, we are working to lower purchasing costs and reorganize our parts production network throughout Asia.

Lowering logistics costs

The Ricoh Group is simultaneously lowering logistics costs and environmental impact by reducing waste in five areas: packaging, transportation, space utilization, transshipment and storage. Our global initiatives include improving the space utilization of containers and optimizing transportation routes and logistics base locations.

Cost and energy savings through production process innovation

We are tackling production process innovation from the perspective of lower production costs and reduced environmental impact. With the capacity to respond flexibly to production volume and model changes, we are moving ahead with the implementation of production systems with low environmental impact and switching to energy-saving manufacturing equipment and using renewable energy and natural gas.

In addition, by providing the know-how and systems acquired through production process innovation, we will contribute to reduced environmental impact of society itself.

Expanding SCM to growth regions

To expand our business, we are bolstering our procurement and production systems and reorganizing and optimizing our logistics network among the high-growth BRICS (Brazil, Russia, India, China and South Africa) and ASEAN nations.

Adds Configuration Point to Logistics Grid, Cuts Transportation Costs and Shortens Lead Times

Establishes Ricoh European Production Centre

The Ricoh European Production Centre (REPC) was set up in January 2014 at the European Distribution Centre, our Netherlands-based logistics hub for Europe. The new production center is an MB&R-type facility.

To date, Ricoh Industrie France S.A.S. and Ricoh UK Products Ltd.—configuration centers in consuming regions—took basic modules produced at intensive production sites in Thailand and China and turned out finished products matched to customer specifications. From there, the products were shipped to the European Distribution Centre for delivery to customers in Europe. By connecting sales and production divisions, coupled with our new operation at the REPC, we have centralized the function of configuration centers in consuming regions on the logistics grid while trimming transportation costs and shrinking lead times. P.60

Business continuity management (BCM)

As our sales territory expands, so does our supply chain. This expansion brings with it a variety of risks, both natural and political, and the Ricoh Group is responding by strengthening the risk management of the supply chain.

A key takeaway of the Great East Japan Earthquake is the need to possess enough production capacity to avoid having to halt or slow down our customers' business operations, since MFPs, printers, fax machines and other equipment collectively represent a means of communication that society depends upon, even during times of disaster.

The Ricoh Group's policy is to ensure that customers never have to suspend their work, and we have made our support of social infrastructure operations a high priority. We, therefore, require our suppliers to strengthen their BCM by maintaining redundant production bases and parts procurement channels, and to increase their stocks of materials and components in case of widespread disasters such as those caused by earthquakes, tsunami, floods, fire, accidents or new strains of influenza. P.42

Social responsibility within the supply chain

Our business activities give us a large sphere of influence when it comes to social accountability, so it is crucial for the many companies and individuals along our supply chain to help the Ricoh Group avoid or minimize unintended negative effects. To that end, we make sure not only our employees, but also the employees of our suppliers, always act ethically. We spotlight this concern in our international guidelines on human rights, labor, the environment and more, and are working continuously to raise our initiatives to the next level. ➤ WEB 1

Initiatives against child labor

A critical TRM (total risk management) issue is underage labor. All Ricoh Group production sites are monitored for compliance with laws banning child labor, and periodic CSR self-assessment is employed among our suppliers.

We have been able to verify that there have been no violations of child labor laws anywhere along our supply chain, and we will continue rigorous monitoring.

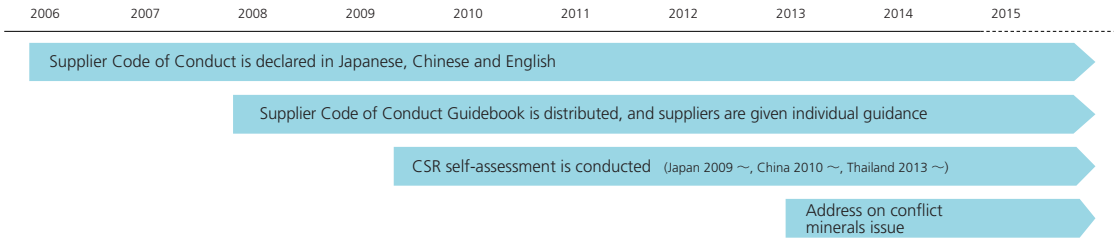
Procurement

Since procurement is integral to the Ricoh strategies of "intensive production" and "local production for local consumption," we have implemented a global online procurement system that optimizes costs, suppliers and other factors. Our environmentally and socially responsible methods of procurement are given further support by the strong, cooperative ties we have with our suppliers.

Purchasing policy

We work closely with suppliers to ensure our purchasing is socially responsible throughout the supply chain. Ricoh's policy focuses on: 1) establishing long-term, cooperative, reliable relationships with suppliers that emphasize mutual benefit; 2) fairness of transactions (comprehensive evaluations of suppliers based on their participation in economically rational corporate social responsibility activities); 3) devising an environmental management system and reducing our environmental burden through the purchase of eco-friendly products; 4) compliance with the law; and 5) respect for ethics. ➤ WEB 2-4

• Rollout of supply chain CSR



➤ WEB 1 CSR throughout our supply chain: www.ricoh.com/csr/activity/integrity/supply_chain.html
➤ WEB 2 Basic policy on purchasing activities: www.ricoh.com/csr/concept/supply.html
➤ WEB 3 Supplier Code of Conduct: www.ricoh.com/csr/data/pdf/supplier.pdf
➤ WEB 4 Green procurement: www.ricoh.com/environment/guideline/

Supplier CSR procurement self-assessment

Our suppliers are expected to comply with The Ricoh Group Supplier Code of Conduct, which contains rules related to environmental conservation and human rights, such as the prohibition of child labor.

The Ricoh Group Supplier Code of Conduct Guidebook is distributed to all our suppliers, and in 2009 we invited all major suppliers to a meeting at which they were presented the Ricoh Group's CSR activities. Our aim was to have them share our values by raising their awareness of the importance of CSR and the Code of Conduct.

Also in 2009, we introduced a CSR Self-Assessment System that helps suppliers implement a "plan, do, check, act" (PDCA) cycle by themselves. The system was initially rolled out in Japan and has since been gradually extended to other countries. Company activities that require improvement are identified by these assessments, with the results fed back to the suppliers together with advice and support on ways to meet society's needs and expectations. The CSR Self-Assessment System has been used by local suppliers in China since 2010, and was introduced to Thailand in 2013. P.95

Conflict Minerals Issue

The Ricoh Group believes the Conflict Minerals Issue*1 is crucial. We are constantly working with our business partners to improve transparency in the supply chain to ensure responsible mineral sourcing practices. In 2013, we identified as best we could the parts and materials used in the products we make or outsource for production, and conducted a survey of all the suppliers around the world who provide these parts and materials. We received detailed responses from more than 90% of the targeted suppliers. Going forward, we will continue to ask for the understanding and cooperation of suppliers so that we can sustain responsible mineral sourcing practices. ➤ WEB 5

*1 The "Conflict Minerals Issue" is a issue in which the profits from minerals mined or traded finance armed groups and foster conflicts, and often involves human rights abuses, labor issues and environmental destruction, etc. The Dodd-Frank Wall Street Reform and Consumer Protection Act, enacted in July 2010, requires specified companies to report the use of conflict minerals—tin, tantalum, tungsten, and gold—and any other minerals determined by the U.S. Department of State which originated in the Democratic Republic of Congo and/or an adjoining country.

Sharing information with suppliers

In 2001, the Ricoh Group launched RaVenderNET, a network for sharing information on production and environmental impact caused by raw materials and parts. RaVenderNET was expanded in 2005 to include overseas vendors. The network, which is maintained jointly with our suppliers, has streamlined the process of confirming the compliance of purchase orders with Ricoh standards from two or three days to just half a day, substantially shortening production lead times. The system has also been used to share information on socially responsible procurement since 2010.

Production

Procurement | Production | Sales & Service | Logistics | Collection & Recycling

The Ricoh Group aims to have all its products locally produced and locally consumed, as this not only improves production efficiency but also minimizes environmental impact. We are constantly innovating production processes and introducing high-efficiency equipment at all production sites to curb our global CO_2 emissions. ➤ WEB 6

Flexible production line

Starting in 1999, Ricoh gradually began eliminating fixed conveyor lines and replacing them with free form production channels that can be dynamically reconfigured to handle changes in production volume and models.

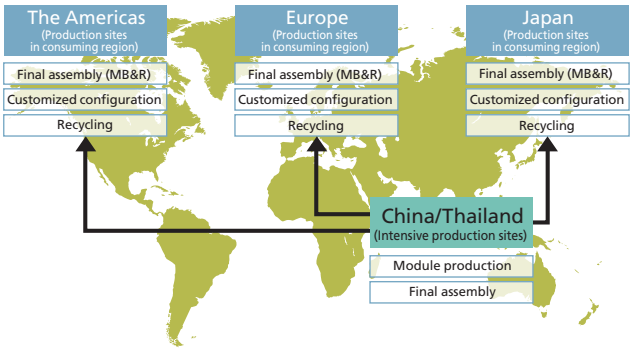
One example is the cart production line, in which multiple carts powered by air cylinders are lined up in a row. The carts move down the line carrying products being assembled. Since conveyors—which consume high amounts of energy—are unnecessary, our unique system significantly reduces environmental impact and energy costs while boosting productivity.

Cart production line

Efficient production closer to the customer

Local production for local consumption allows us to reduce inventories of finished goods and management expenses as well. The production sites in our four regions of operation are all situated to maximize the efficiency of our MB&R (Modular Build & Replenishment)*2 system, which utilizes manufacturing hubs and configuration centers to optimize quality and productivity while minimizing costs. Being close to the customer, the configuration centers can promptly fulfill orders within their region.

*2 The MB&R (Modular Build & Replenishment) production method relies on final assembly at the last possible step of the production process. We make modules at lower cost at intensive manufacturing sites (China and Thailand) and assemble finished products at configuration centers in consuming regions (Japan, the Americas, Europe). This allows us to market model types best suited to regional needs or to respond quickly to changing demands.



➤ WEB 5 Conflict Minerals Issue: www.ricoh.com/info/120830.html
➤ WEB 6 Logistics reform: www.ricoh.com/environment/office/

Sales and service

Procurement > Production > **Sales & Service** > Logistics > Collection & Recycling

To quickly and efficiently provide the products and services that customers need, the Ricoh Group shares usage and customization information with its entire supply chain.

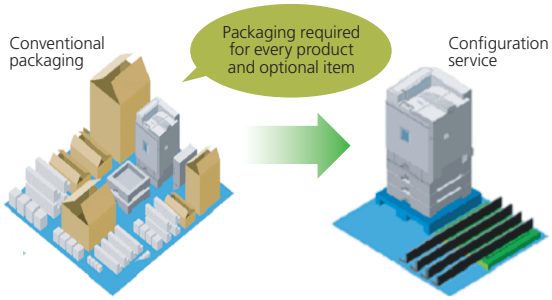
Database for direct response

Personnel from sales to production can access a newly developed customer information database that catalogs both the equipment used by individual customers and their customization details (such as combinations of built-in and external options). This data helps prevent mistaken orders and assists factories to build-to-order and deliver products by the customer's designated date.

Customization on the production line

In accordance with customer preferences, our factories install memory, double-sided units, expansion trays and more onto products while they are still on the production line. IP addresses and system and program settings can also be customized during assembly so that equipment can be quickly integrated into a network environment. Products also undergo an operating check under the customer's actual usage conditions while still on the line. The end result is reliable products that can go to work immediately upon installation.

• Traditional method versus configuration on the production line



Products and optional items are packaged individually and customers configure their settings

Optional items are installed at the factory, then delivered to the customer using resource-recirculating eco packaging

Logistics

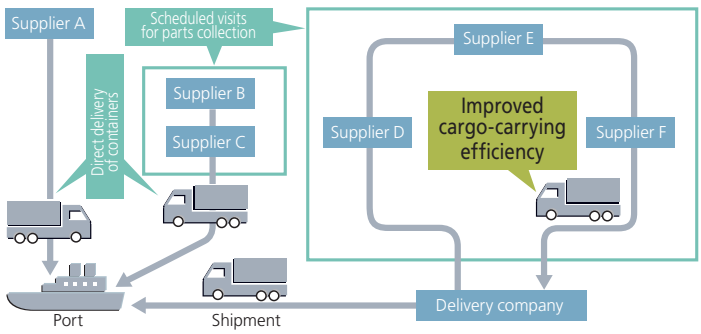
Procurement > Production > Sales & Service > **Logistics** > Collection & Recycling

The Ricoh Group is lowering both costs and environmental burden by reducing waste in five areas of the logistics process: packaging, shipping, space, transshipment and storage. Global initiatives include increasing loading efficiency, practicing modal shift and optimizing transportation routes. ➤ WEB 1

The milk run system

In the milk run system, a single truck collects parts from multiple suppliers after the type and number of parts to be provided by each supplier has been compiled. This raises efficiency by reducing the distance the truck has to travel.

• How the milk run system moves cargo more efficiently



Reducing waste and environmental impact with eco packaging

Eco-friendly packaging requires less cardboard. Since 2001, the Ricoh Group has adopted resinbased resource-recirculating packaging that can be used repeatedly. This is employed primarily in Japan for reconditioned products. In addition, the Ricoh Logistics Group has adopted radio-frequency identification (RFID) for managing and recovering resource-recirculating eco packaging. RFID tagging helps us manage a series of arterial (delivering goods to customers) and venous (collecting used products from customers for recycling or safe disposal) logistics flows that ensure proper recovery and reuse. ➤ WEB 2

Resource-recirculating eco packaging

➤ WEB 1 Reducing environmental impact in logistics: www.ricoh.com/environment/office/energy/06_01.html
➤ WEB 2 Recyclable eco packaging: www.ricoh.com/environment/product/resource/02_01.html

Collection and recycling

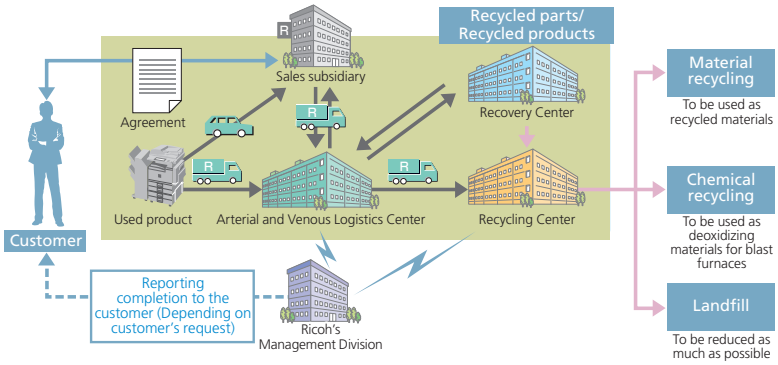
Procurement > Production > Sales & Service > Logistics > Collection & Recycling

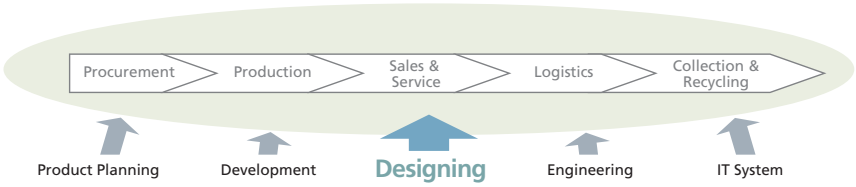
Having promoted recycling-oriented businesses since the 1990s, our product recovery network is highly efficient today. We have refined our entire logistics process and reduced our environmental impact by continuously refining our arterial and venous logistic flows.

Product collection (reverse logistics)

Our logistics system integrates both arterial flows that deliver products to our customers and venous flows that collect used products.

In the reverse logistics of our collection process, information stored in a product's bar code is read into a product recycling database that compiles the number and ratio of recovered products and parts. This data is then used to develop plans for the sale of recycled products or reuse of parts.





Designing

The Ricoh Group's design and development is integrated with our supply chain to fulfill increasingly diverse customer needs while raising development efficiency and lowering product costs. We have innovated our entire design process from procurement to recovery and recycling.

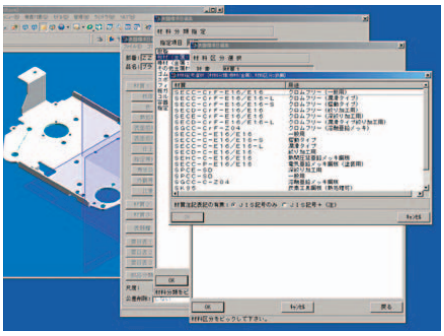
Platform- & Module-type Development

Our Platform- & Module-type Development System uses modules with flexible specifications in the creation of new products.

By minimizing the need for new modules to upgrade product specifications, the system leads to improved quality while making design work more efficient. It also lets Ricoh channel resources to create highly advanced new technology and to plan several generations in advance for the inclusion of recycled components in new models.

ΣE System reduces total parts by more than 90%

The ΣE System, developed from 1996 to 2006, makes the selection of electronic parts more efficient, lowers procurement costs and shrinks inventories. It has helped us cut the number of discrete parts used in Ricoh products from 35,000 to just 3,000. Parts that are registered in the ΣE System database have their QCDE (quality, cost, delivery, ecology) certified by a group of specialists and are cleared for use by Ricoh engineers. The system accelerates parts selection in the upstream phase of the design process, ensures quality and reduces procurement costs and inventories.



ΣE System

Employee development and mobility: Key drivers of our global operations

In our rapidly changing, intensely competitive environment, we need responsive and adaptable human resource (HR) management that helps create new value by cultivating talented people who can make smart and timely decisions from a global perspective, and by conducting strategic cross-border staff allocations. Fostering the true potential of all employees is an investment in our business and the aim of the Ricoh Group's HR management, together with advancing our business in ways that benefit both society and the planet.

Maximize value of personnel assets—some 110,000 employees—worldwide

When employees—key corporate assets—can fully demonstrate their capabilities and contribute to maximum corporate value, the development of society and the happiness of individuals align. To accomplish this requires an HR management system that goes beyond traditional paradigms and mirrors the evolution of society and the world of work.

At the Ricoh Group, we encourage our global workforce of approximately 110,000 employees to share the values of "The RICOH Way," the core of our corporate philosophy. Common understanding and practice of The RICOH Way is how we are able to deliver consistent value to customers in whatever country or region they are located. In addition, we actively promote a good work–life balance and have been successful in maintaining the right equilibrium because we respect diversity, which allows employees with different backgrounds and ideas to show their personality and capabilities, and we strive to make careers highly compatible with individual lifestyles. We also seek to create safe and healthy places for our people to work. P.96

Global Human Resource Management

Through M&A and other strategic consolidations, the Ricoh Group now employs approximately 110,000 people. The accelerating pace of changes in global management and business environments requires a human resource management response with a global perspective. Therefore, within the Ricoh Group, each and every employee around the world is given the opportunity to thrive, and personnel policies are in place on a global scale to enable employees with the requisite skills and motivation to achieve individual success.

In October 2011, we finalized the Ricoh Group Human Resources Management Policy. Priorities are: 1) wide dissemination of The RICOH Way; 2) training for top global talent; 3) global mobility; 4) identification of top talent throughout the world; and 5) a global system of personnel management. In line with this policy, we aim first to put the right people in the right place, wherever in the world that may be, as quickly as possible so that these people, particularly top talent, can fully demonstrate their skills. Toward this end, are working to establish a global evaluation standard and build a human resources database. Also, to facilitate smooth personnel rotation across national and regional borders, we are currently formulating global assignment procedures. Going forward, the headquarters and personnel departments at each Group company will coordinate efforts more closely to clarify delegation of authority and institute a global personnel structure, which will reinforce human resource management.

Bringing a "global mobility" perspective from overseas points into Japan

Helping to transform Ricoh into a truly global entity

Max McFarland
Assistant General Manager,
The 4th Development Department,
WS Development Division
Joined the head office in June 2011, from Ricoh Innovation Corporation

I find that people at Ricoh in Japan are always willing to try new things, although one of the big challenges is for me to explain how changes fit into existing processes. I've noticed the younger engineers particularly embrace change and become incredibly agile. My job as a manager is to help engineers fulfill their potential in driving cutting-edge technology, and I find that rewarding.

I've experienced a lot of differences in communication style between Silicon Valley, where people feel like they must express their opinions or disagree, and in Japan, which seems much more polite.

I consider it part of my mission to help Ricoh transform itself from being a multinational into a truly global company. If all our employees worldwide had unfettered access to each other and could tap into all of Ricoh's international assets it would become even more powerful and innovative because it could fully utilize all of Ricoh's collective brains.

Focusing priorities to add value for the regions

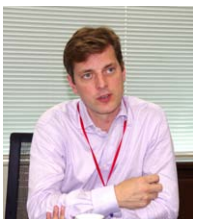
Steven Burger
General Manager,
International Business,
Business Solutions Group
Joined the head office in January 2013, from Ricoh Americas Corporation

Before coming to Japan, I managed technology marketing at Ricoh Americas Corporation, leveraging our technology to optimize customer solutions. Ricoh then wanted me to support marketing for operations in the Asia Pacific, Europe, and the Americas. A lot of my work in Japan is about conveying regional needs, accelerating the time to market, and helping top management better understand regional requirements.

In Japan, I've been able to break through barriers and get quicker decisions, which are win-wins for everyone. I've found that headquarters has long been keen to support the regions but hasn't always been able to focus its efforts. Here, I can help everyone to focus priorities. And by understanding regional needs we're changing the way we launch products. My motto is, "Always add value every day." I emphasize to my team that we in Japan must do our level best to add value for the regions.

What I find great about Ricoh is its people, the communications, global climate, and our technologies. It's great to work for a leader, knowing that the competition has some way to go to catch up.

Leveraging headquarters' willingness to understand customers and improve



Edward Hamilton
General Manager,
Ricoh Global Services,
Business Solutions Group
Joined the head office in September 2013,
from Ricoh Europe PLC

I'm excited about my role at Ricoh headquarters because it gives me a great opportunity to work with our global teams to redefine how we structure our global accounts business and to use the voice of the customer to help shape our strategic direction.

We are seeing a shift towards Global HR Management which I believe will have a very positive impact across the Group both in terms of employee satisfaction and in the execution of our business strategy. Over time, I believe we need to find the right balance between opportunities for functional and geographic rotation while also building the depth of expertise that is required in a services-led company. Looking at my team also, it is great to see a diverse and passionate group of employees.

What's impressed me most about working here is the commitment to having a clear understanding as to the voice of our customer as well as how we respond to this and improve ourselves every day. Since I moved to Japan last year, I have also been struck by the efforts to help me settle both at work and with my family—the level of hospitality has been humbling.

Wide Dissemination of The RICOH Way

Sharing philosophy and a sense of values on a global scale

We formulated The RICOH Way in April 2011 and have promoted awareness and acceptance of it to all companies under the Ricoh Group umbrella. The goal is to encourage approximately 110,000 employees throughout the Group to embrace a shared management philosophy and set of values, which underpin the core operations of the Group, and lay a foundation for decisions that support daily business activities and corporate conduct. The RICOH Way is actually quite essential overseas, given the rapid increase in new employees through business expansion and acquisitions, because it defines who we are and what we do, showcases our priorities and reinforces the perception of solidarity as One Global Ricoh.

In all parts of the world, The RICOH Way goes beyond job description, be it sales, service or production, and permeates employees to their core. At each company, the set of values espoused in The RICOH Way are reflected in such aspects as the hiring process, training and commendation as well as personnel performance appraisal. In each region and at each company, a touch of originality is added, as local employees put The RICOH Way into practice. P.1

The RICOH Way spreads around the world

Sharing a set of values, forming the cornerstone of business activities

Ricoh Americas Corporation (RAC) has expanded the scope of its services and solutions business, while pursuing M&As, restructuring its dealer office network, and growing into a company epitomizing diversity in its people and its set of values.

Martin Brodigan, chairman and CEO of RAC, has been personally involved from a leadership perspective in efforts to firmly instill the principles of The RICOH Way to share synergies and demonstrate the company's full potential. Specifically, he was behind the creation of a system that reflects the ideas of The RICOH Way in information distributed through in-house portals and in personnel and performance evaluations. He pushed for the development of grassroots leaders. Its concept was broken down into four components—1) Customer First, 2) Business Integrity, 3) Diversity and Social Responsibility, and 4) Employee Engagement—with easy-to-understand definitions. Efforts to evaluate each other on the extent to which The RICOH Way has been put into practice and the results are reflected in the awards system. This approach helps change perceptions in a positive direction and boost motivation.

When employees with diverse backgrounds share a set of values common to all Ricoh Group employees, they learn to understand each other and respect each other. They build bonds of trust, and this forms the cornerstone of better corporate activity all around.

The RICOH Way disseminated to all RAC employees

The RICOH Way supports the characteristic Ricoh-style of manufacturing

Similarly, Ricoh Electronics, Inc. (REI) in the United States, is a key production site for MFPs, printers and consumable supplies. REI launched an activity that would help each and every employee gain a fuller understanding of The RICOH Way from a manufacturing perspective. The company created "The RICOH Way Production System" to make knowledge, technology and techniques specific to a production site somehow tangible and easier to convey to employees on site.

"The RICOH Way Production System" is already being rolled out to Group production sites around the world, where it is cementing a stronger commitment to the Ricoh-style of manufacturing. As each and every employee recognizes the significance of The RICOH Way and puts the concept into practice on a daily basis, they reinforce the foundation of the Group as One Global Company.

REI employees with "The RICOH Way Production System" in hand

Other locations also promoting unique activities

Ricoh Latin America, Inc., initiated a program coinciding with the World Cup in Brazil to elicit greater awareness of The RICOH Way.

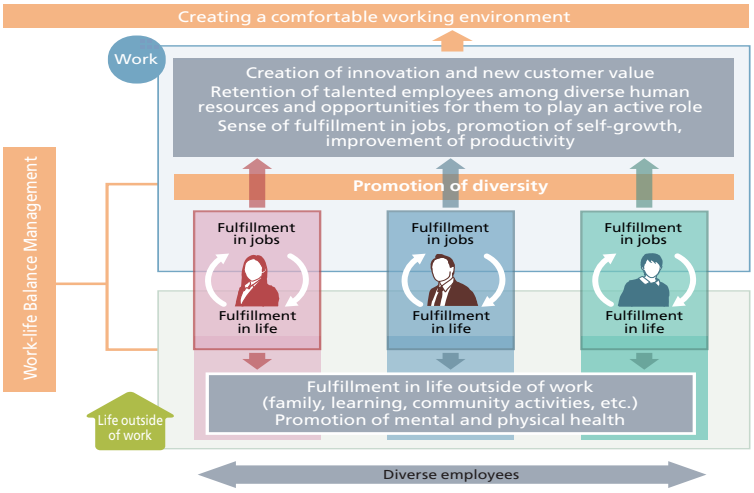
Ricoh Hong Kong Ltd. and Ricoh Asia Pacific Operations Limited utilized a poster program and an original honeybee character to build awareness in-house.

Diversity and Work–Life Balance Management

For the Ricoh Group to keep growing, we will need the higher added value that innovation can provide.

A diverse workforce aids innovation by bringing many perspectives and knowledge bases into play. The Ricoh Group places a priority on measures to support diversity and enhance work–life balance management so human resources with varied backgrounds are able to show their individuality and fully demonstrate their capabilities, which serve to improve corporate value. We know that the key to competitiveness is in how well we develop the skills of our human resources and how they apply their expertise. Given this, we are prioritizing measures to encourage women to be more active within the organization, and nurture new potential for enhanced corporate capabilities. ➤ WEB 1

• Correlation between diversity promotion and work–life balance management



Occupational Safety and Health

A safe and healthy place to work

The Ricoh Group places high priority on the health and safety of all its employees. Initiatives that include a healthy working environment, child care and a commitment to work–life balance make the companies of the Ricoh Group places where people from diverse backgrounds can fully exercise their abilities.

Moreover, we provide full disclosure of our safety record and present information about related programs to the public so as to raise the general standard of welfare in the communities where we operate.

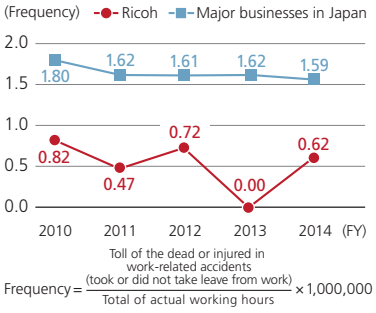
Managing the health of all employees

With the cooperation of the health insurance union, the Ricoh Group has developed an IT system to manage mental and physical health through the prevention and early detection of problems, with check-ups following treatment. We supplemented diagnostic programs with examinations for lifestyle-related illnesses and early detection of cancer for all employees over the age of 35. Our total health management covers all group companies and involves the collaboration of staff who work on mental health, physical health, and labor issues.

Strengthening our programs

The Ricoh Group adopted an Occupational Safety and Health Management System, and safety standards are constantly being improved. Regarding occupational accidents that have occurred within the Group, we share information on causes as well as measures to prevent recurrence, and to implement safety standards. A priority for the entire Group in 2014 is to eliminate accidents that cause operations to stop. ➤ WEB 2

• Frequency of work-related accidents (Ricoh)



Communication with employees

Ricoh global employee

We aspire to build the Ricoh Group into a truly global organization—One Global Company—with a framework built upon a common foundation, The RICOH Way. each and every employee can demonstrate his or her capabilities to the fullest extent possible and work independently and enthusiastically at assigned tasks, in keeping with The RICOH Way. To achieve this, we regularly implement employee engagement surveys to pinpoint employee awareness and promote more desirable reforms, from the perspective of The RICOH Way. In fiscal 2014, we conducted our first global employee survey at 69 companies within the Ricoh Group—20 companies in Japan and 49 companies overseas—garnering responses from about 90% of the roughly 85,000 people surveyed.

The survey results, which were announced on our intranet and in-house publication, will be used to plan measures for improvement.

Employee Council

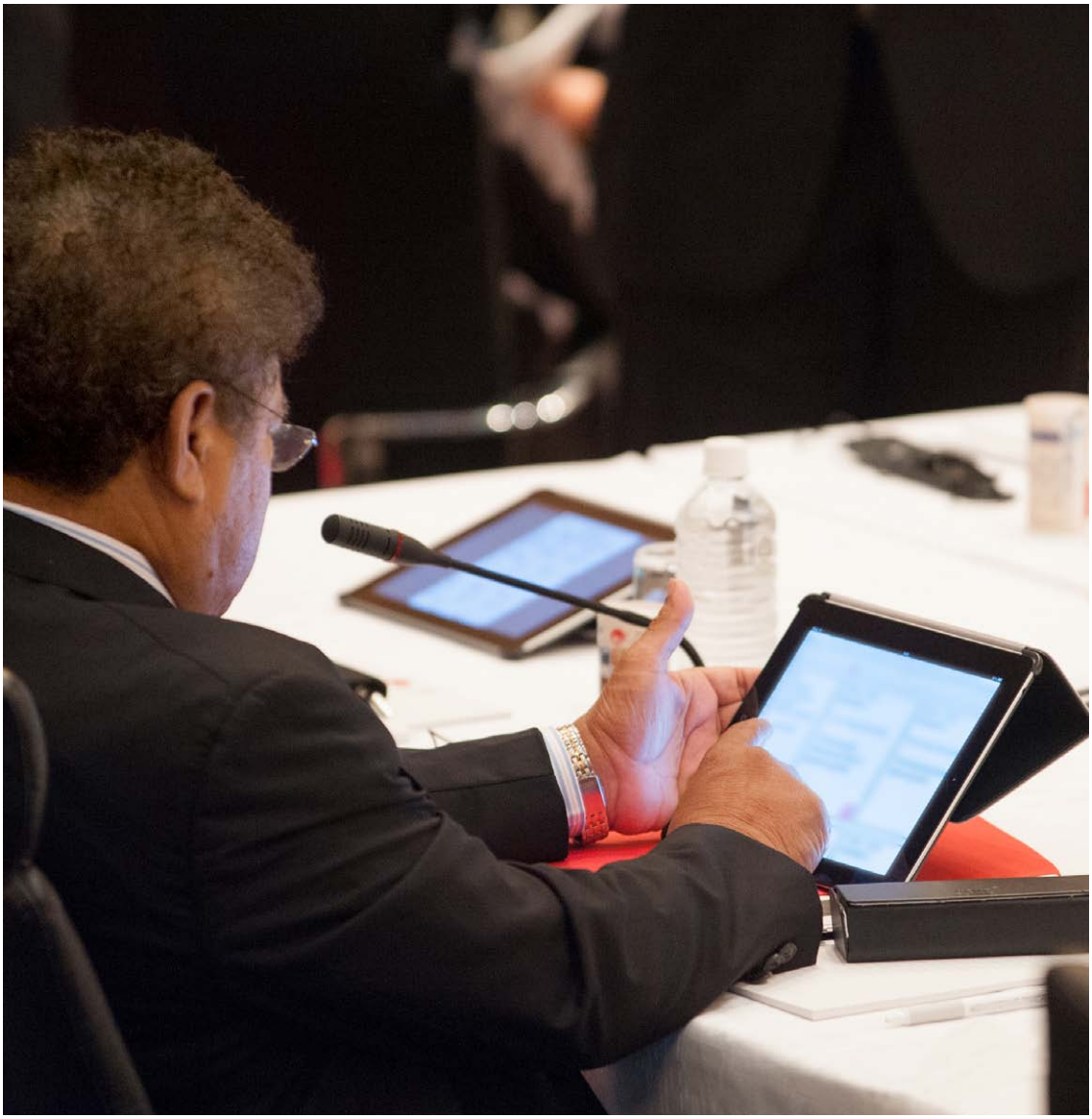
Ricoh Employee Council meetings are manifestations of our belief that employees are collaborators in the growth of our business. The Council's central meetings serve as a forum for communication between senior executives and other employees, with top management sharing information concerning the current state of the company and their management policies with representatives from 14 offices.

The information is subsequently conveyed to all employees through workplace meetings as well as through the Council's newsletters. In addition, issues requiring top management consultation, such as pay raises, bonus payments and the Company's annual plans, are discussed in special committees by members of the central meeting, and the results are passed along to top management.

➤ WEB 1 Diversity and Work–Life Balance Management: www.ricoh.com/csr/activity/respect/diversity.html
➤ WEB 2 Occupational safety and health: www.ricoh.com/csr/activity/respect/safety.html

Business model for a sustainable society

Global environmental issues, particularly climate change, depletion of natural resources and degradation of ecosystems, are causing various changes to society and to the economy and also to the business landscape of Ricoh Group customers. These changes can become management risks but they simultaneously present new opportunities. With this in mind, the Ricoh Group puts sustainable environmental management into practice, seeking to protect the environment and conserve precious resources while at the same time generating profits. During the 17th Environmental Action Plan, launched in the fiscal year ended March 2012, we directed concerted efforts toward shrinking the environmental footprint of our customers through the development of energy-saving products and proposals for alternate workstyles that successfully address the need for enhanced operating efficiency while saving energy. In addition, we aim to limit environmental impact and minimize business risks, mainly by cutting costs through energy- and resource-saving measures and by trimming the amount of chemical substances used and generated in manufacturing and operating Ricoh-brand products. ➤ WEB 1



Large-scale paperless meeting where participants used the RICOH Smart Presenter (APEC Transportation Ministerial Meeting) P.70

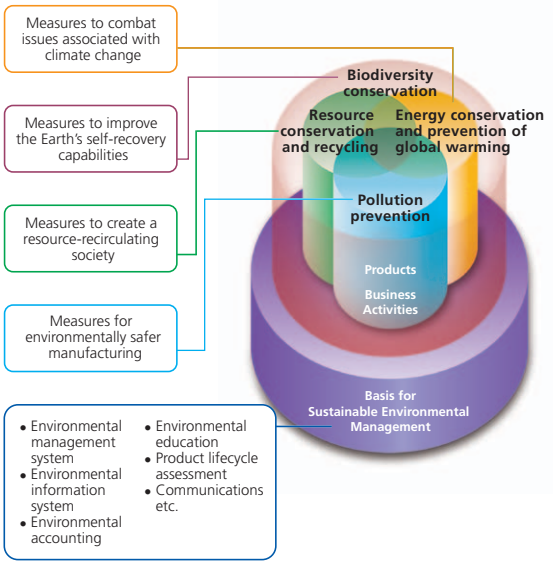
Activities underpinned by four pillars of sustainable environmental management

Our efforts at sustainable environmental management are supported by four pillars. Three of them—conserving energy and preventing global warming; conserving natural resources and encouraging recycling; and preventing pollution—support reduced environmental impact from our own business pursuits, and the fourth—protecting biodiversity—is vital for the planet to raise its capacity for self-recovery. These pillars are built upon a basis for sustainable environmental management, forming an infrastructure for effective and efficient activities across the board.

Results of the 17th Environmental Action Plan

Over the three years of the 17th Environmental Action Plan, launched in April 2011, we worked to establish a solid foothold from which we would move steadily toward the Mid-term Environmental Impact Reduction Goals we aim to achieve by 2020. We were generally successful in reaching our stated objectives.

• Overall picture of the Ricoh Group's sustainable environmental management



• Ricoh Group's 17th Environmental Action Plan Summary and Results (FY2012–FY2014) ➤ WEB 2

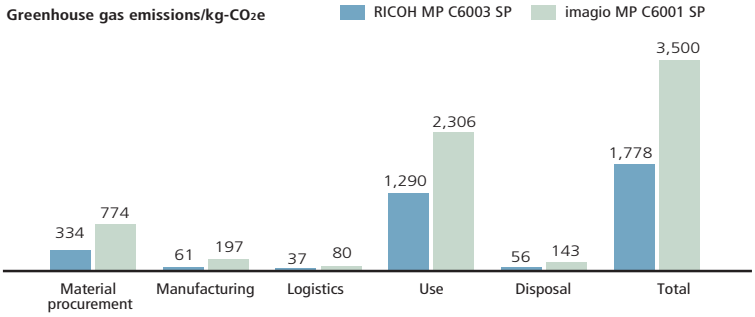
Areas	Objectives	Results
Energy Conservation/ Prevention of Global Warming Debuted top energy-efficient product that reduces CO_2 emissions during use. Also, in all activity stages, except logistics, we achieved CO_2 emission targets largely through innovation in production processes.	• Reduce greenhouse gas emissions caused by production activities	Reduced CO_2 emissions to 297,000 tons and greenhouse gases other than CO_2 to 25,100 tons, reaching stated targets in both areas.
	• Reduce greenhouse gas emissions caused by logistics activities	Reduced to 9,700 tons, but short of the target of 7,600 tons.
	• Reduce greenhouse gas emissions caused by sales and maintenance activities	In Japan, reduced level to 31,000 tons-CO_2, surpassing target of 38,000 tons-CO_2. Overseas, will set target and work to reduce emissions accordingly.
	• Reduce CO_2 emissions related to energy consumption of Ricoh products	Reached target by bringing to market products with high energy-saving functions.
	• Reduce CO_2 emissions by encouraging the effective use of paper resources in relation to product use	Presented approaches, such as paperless meetings, that promote more efficient use of paper at customer sites.
	• Develop environmental technologies aimed at reducing mid- and long-term environmental impact	Pursued development of energy management technologies geared toward realization of smart offices.
Resource Conservation and Recycling We expanded interest in reused and recycled products to reduce new resources input and marked an industry first with products built using electric-furnace steel sheets. Also, with the exception of only the thermal media business, we were able to reach targets for reduced waste generated during the manufacturing stage.	• Achieve greater reduction in input of new resources	Increased 2.5 times in fiscal 2014, falling considerably short of the target of a fivefold reduction from the fiscal 2008 level.
	• Contribute to reduction in input of new materials and parts by conducting sales activities for recycled products	Reduced by 8,900 tons in fiscal 2014, falling significantly short of the target of a 14,000-ton reduction.
	• Reduce waste	Thermal media business failed to meet target. The polymerized toner business achieved its target by a wide margin. Packaging material waste decreased, significantly exceeding the stated target.
	• Promote appropriate use of water	Water use in fiscal 2014 amounted to 4,087,000 tons, fully meeting the target of 4,400,000 tons or less.
Pollution Prevention We achieved our goal to reduce environmentally sensitive substances at production sites and also achieved our goal to cut chemicals in dust and ozone in imaging equipment.	• Establish a more comprehensive risk assessment system by evaluating risks related to chemicals, including environmental and ecological impact	Considered risk assessment techniques for each stage of the lifecycle.
	• Reduce the use and emission of environmentally sensitive substances	Reduced amount of chemicals used and released by 79.9% and 93.4%, respectively, compared with 2000, mainly by recycling solvents, and reached stated target.
	• Improve environmental functions of products	Set Ricoh standards for release of ozone, dust and VOCs by MFPs and printers, and achieved targets.
Biodiversity Conservation We continued efforts to protect biodiversity at sites around the world and undertook grounds maintenance accordingly, with targets being met.	• Contribute to maintaining and restoring the Earth's self-recovery capabilities	Conducted biodiversity protection activities, including protection of rural landscapes, river/forest/coastal cleanup, and removal of identified invasive species, in 23 countries.
	• Implement programs to care for biodiversity within the premises of Ricoh plants	Determined actual conditions regarding biodiversity status at business sites and continued to reduce impact. Achieved stated objective at 16 locations, where only IPM*-compliant pesticides were used in the grounds maintenance or no chemical pesticides were used at all. * Pesticides with a minimal negative impact on the ecosystem, according to the IPM (Integrated Pest Management) concept.

➤ WEB 1 Environmental Policy: www.ricoh.com/environment/
➤ WEB 2 Ricoh Group's 17th Environmental Action Plan: www.ricoh.com/environment/plan/

Energy Conservation and Prevention of Global Warming

The Ricoh Group is rolling out environmental impact reduction activities covering the lifecycle of business processes, from procurement through recycling, with a view to reducing total lifecycle CO_2 emissions by 30% by 2020 compared with the level in 2000. The stage of a product's life where it has a particularly large impact on the environment is when the product is in use at the customer site. Given this reality, we develop products, especially core imaging equipment, with high energy-saving features, and we also provide services and solutions that help customers shrink their environmental footprint and support them in their efforts to reduce environmental impact.

• Comparison of environmental impact by lifecycle stages for RICOH MP C6003 SP and predecessor product



Calculation conditions: 35,840 sheets per month; full-color ratio: 50%; five-year service life; packaging types: RICOH MP C6003 SP, cardboard, imagio MP C6001 SP, resource-recirculating eco packaging; site of production: RICOH MP C6003 SP, China, imagio MP C6001 SP, Japan; country of sale: Japan, for both products

Debut of energy-saving top runners that draw just 0.5W in sleep mode with recovery in as little as 5.1 seconds*1

The RICOH MP C6003/C5503/C4503/C3503/C3003 MFP series, released in June 2013, boasts fast recovery from sleep mode, largely thanks to Ricoh's original energy-saving technologies—Color QSU (Quick Start-Up)*2 (DH fixing system) and a low melting point toner Color PxP-EQ. In addition, with the development of ASIC (application specific integrated circuits) that can operate under low electric power, these printers boast industry-leading*3 low energy consumption, under 0.6W, in sleep mode.

The RICOH MP C3503/C3003 delivers a huge improvement over previous models*4 with regard to sleep mode, drawing just 0.5W of power, down 58%, while connected to the network, and recovering in a mere 5.1 seconds, or 2.7 seconds faster. These models achieve incredibly high performance in terms of user-friendliness and energy conservation. Meanwhile, the RICOH MP C6003 exhibits high productivity—60 sheets per minute for color prints or black-and-white, while maintaining low power consumption of 0.6W, and easily clears even the tougher criteria of International ENERGY STAR Program Ver2.0, revised in January 2014.

RICOH MP C6003 won the Energy Conservation Center Chairman's Award in the product and business model category at the 2013 Energy-Saving Awards in Japan.

Well-regarded for both user-friendly and energy-saving features, this series scored the Energy Conservation Center Chairman's Award*5 in the product and business model category at the 2013 Energy-Saving Awards in Japan.

Develops stand-alone power source, perfect for indoor lighting

The IoT (Internet of Things) society*6, linking various things around us with communication capabilities to networks, is coming. In this society, all sorts of things will acquire sensing capabilities, and stand-alone power source technology will become all the more important to facilitate communication even in places where power sources are difficult to maintain.

Ricoh successfully developed a complete solid-state dye-sensitized solar cell (DSSC) that delivers good power-generating performance even in weak indoor lighting from such sources as light-emitting diodes. Applying organic photoconductor technology accumulated in the development of imaging equipment and supercritical fluid technology, we created a DSSC consisting only of solid state material, thereby overcoming issues with safety and durability that plagued previous candidates using liquid electrolytes. Our solar cell demonstrates more than twice the electric output of prevailing amorphous silicon solar cells, which are currently well-regarded for high performance. Going forward, we will promote further application of this DSSC as a stand-alone power source that should be able to contribute to a sustainable society. ➤ WEB 1

*1 RICOH MP C3503

*2 QSU (Quick Start-Up): A technology that quickly "wakes" a multifunction printer from energy-saving (sleep) mode. Direct heating (DH) is the newest color QSU technology for heating the fusing roller

*3 RICOH MP C3302/C2802

*4 As of August 5, 2014; Survey by Ricoh

*5 Sponsor: Energy Conservation Center, Japan, with support from Ministry of Economy, Trade and Industry

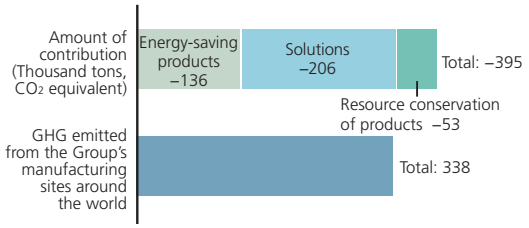
*6 IoT (Internet of Things) society: Society of the near future, where all things will be equipped with sensors and telecommunication functions, and where big data analysis of mass intelligence emitted by sensors will be conducted for harnessing

➤ WEB 1 Complete Solid-State Dye-Sensitized Solar Cell: www.ricoh.com/about/company/technology/tech/066_dssc.html

Quantifying our "reduction contribution"

The Ricoh Group calculates the lighter environmental impact that society achieves through the use of Ricoh products and solutions as its "reduction contribution." In fiscal 2014, the reduction contribution reached the equivalent of 395,000 tons of CO_2, which surpasses aggregate CO_2 emissions generated by the Ricoh Group's manufacturing sites around the world. Going forward, we will continue to boost our reduction contribution, while steadily working to minimize the environmental burden caused by our own business activities, and thereby help to minimize the impact that society as a whole exerts on the environment. ➤ WEB 2

• Reduction contribution results in FY2014



Offering new approaches to work through fusion of paper and electronic documents

Within the Ricoh Group, we have developed various technologies, such as two-sided and intensive-copying features as well as rewritable media applications, and offer products incorporating these technologies to our customers to reduce the environmental impact caused by paper use at offices and in meetings. We are presenting customers with the idea of paperless conferences as a new approach to work that fuses paper and electronic documents.

At the 67th annual meeting of the International Monetary Fund (IMF) and the World Bank Group, held in Tokyo in October 2012, and at the 8th APEC Transportation Ministerial Meeting, held in September 2013, Ricoh was tasked with installation and management of the document environment, combining new projection systems and visual communication products and applications to run meetings that cut way back on paper use. Over the three-day APEC meeting, paper usage was down by about 12,000 sheets, equivalent to 55kg of CO_2 emissions.

We have also embraced the paperless method in-house, at management meetings, and cut paper usage by 120,600 sheets over the year in review, for a reduction effect equivalent to 553kg of CO_2 emissions. We will continue to actively encourage our customers to follow our lead, because if more companies conduct paperless meetings, we will see a bigger decrease in environmental impact from business activities. P.67

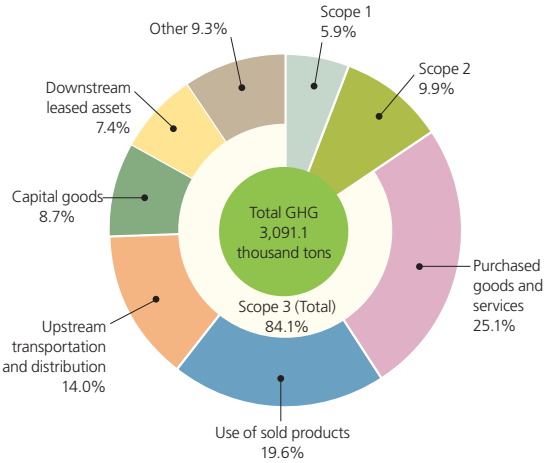
Scope 3 disclosure

We pinpoint the overall effect of our business activities as a corporate group on the environment and, seeking to successfully shrink our footprint, we began using the Eco Balance method in fiscal 1999 to evaluate product lifecycle environmental impact and disclose the results. In recent years, heightened social awareness of environmental issues has manifest a need to assess and disclose emissions across the entire supply chain, not just those generated through our own operations. This has become a component of how a company is perceived by society. Since fiscal 2013, we have undertaken Scope 3 disclosure, following the calculation standards of various major guidelines*7.

In fiscal 2014, Scope 3 emissions accounted for 84.1% of total greenhouse gas emissions associated with Ricoh Group business activities. Going forward, we will continue to pinpoint and disclose Scope 3 emission status and strive to reduce emissions in key categories.

Ricoh Lease, a member of the Ricoh Group, calculates its own Scope 3 emissions, and marked a first among non-manufacturing companies in Japan with full-category disclosure in September 2013. The results led to the discovery that emissions from products and services purchased through leasing contracts and from customer use of leased products are extremely high. Going forward, Ricoh Lease's goal will be to bring these levels down, and in cooperation with vendors it will reinforce activities, especially efforts to encourage small and midsized corporate customers to select energy-saving products. This should lead to a reduction in CO_2 emissions. ➤ WEB 3

• Ratio of greenhouse gas emissions across Ricoh Group's supply chain



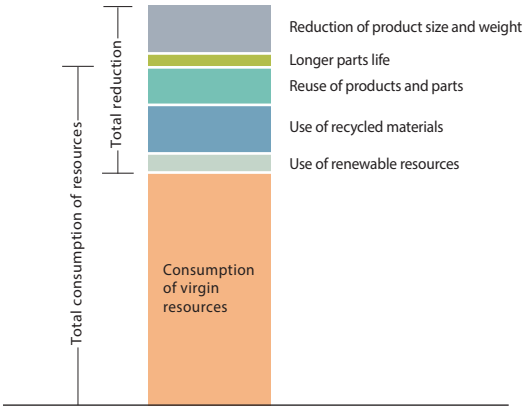
*7 Calculations in accordance with the Greenhouse Gas Protocol's corporate value chain (Scope 3) accounting and reporting standard and guidelines published by Japan's Ministry of the Environment and the Ministry of Economy, Trade and Industry on supply chain greenhouse gas emission accounting

➤ WEB 2 Evaluation of contribution: www.ricoh.com/environment/management/reduction.html
➤ WEB 3 Ricoh Group Scope 3 emissions: www.ricoh.com/environment/data/scope3.html
➤ WEB Products—Energy Conservation / Prevention of Global Warming: www.ricoh.com/environment/product/energy/

Resource Conservation and Recycling

Our goal is to reduce the consumption of new resources by 25% by 2020 (from the 2007 level). To reach that goal, we utilize materials in the most effective way possible, including minimization of new inputs. We are making our products smaller and lighter, employing parts with longer lifecycles, recycling and reusing parts and products, and expanding the use of renewable resources.

- **Resource input structure and five reduction measures**



Smaller and lighter products

Weight reduced by 65% and dimensions by 37%

The full-color MFPs in the RICOH MP C6003/C5503/C4503/C3503/C3003 series (launched June 2013) are more than 65% lighter than previous models in their class. The series features thinner resin and metal plates, as well as a new, lightweight frame equipped with reinforced surfaces and corners for cabinet solidity.

After repeated simulations to test strength and shock resistance, we successfully lowered body weight from 298 kg to 102 kg. And by redesigning the paper-feed, we were able to integrate a side cabinet with the main unit, resulting in a 37% reduction of the dimensions. Overall, by making it lighter and more compact—and by using recycled and biomass plastic—we have created a product that uses resources more efficiently to place less of a burden on the environment.

Use of recycled materials

Products made from electric-furnace steel sheets

The Ricoh Group is maximizing use of renewable resources by developing new kinds of recycled materials suitable for imaging equipment.

Most imaging equipment primarily uses steel sheets made in blast furnaces (i.e. sheets made from iron ore), due to the need for thinness, conductivity and ease of processing. Steel sheets produced in electric furnaces (i.e. sheets made principally from steel scrap) are used mainly as construction material. The Ricoh Group, in cooperation with Tokyo Steel Co., Ltd., developed an industry first: electric furnace-made steel sheets that have properties similar to those of blast-furnace steel sheets. These new sheets—comprised of 100% recycled steel scrap—are suitable for imaging machines.

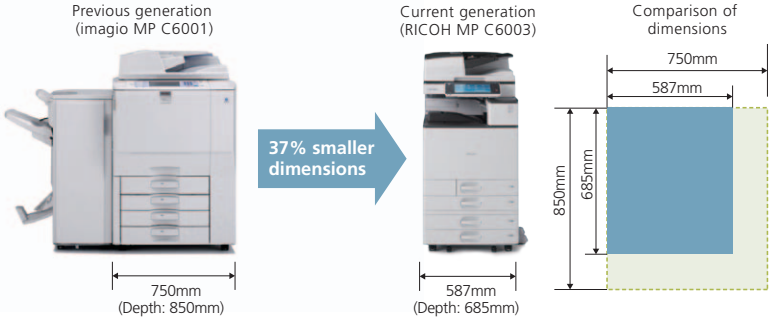
We first used electric-furnace steel sheets to make parts for the imagio MP 9002/7502/6002/6002GP series released in July 2012. In 2013, parts made from electric-furnace steel sheets were also being used in other Ricoh machines sold throughout the world—RICOH MP C8002 SP/C6502 SP.

We are continuing efforts to increase the use of recycled steel in our machines so as to reduce the need for new resources and cut the cost of procurement. To that end, the Ricoh Group has established a "closed loop materials recycling" system for iron*1. This allows us to sell iron recovered from used Ricoh products to steel manufacturers and secure a stable supply of steel sheets.

We are preparing for this possibility by creating more uses for electric-furnace steel sheets. This will allow us to take advantage of scrap iron surpluses and make the program less vulnerable to price fluctuations. ➤ WEB 1

*1 Due to the gap between the total volume produced annually by the steel industry (millions of tons) and the amount Ricoh consumes annually, not all the scrap iron we recycle will find its way back into metal sheets used in our products. We believe we have turned this situation into a virtual closed loop through cooperation with a steel manufacturer. By managing processes from the collection of scrap iron to the production of metal sheets in electric furnaces, we can compensate for the difference between the amount of scrap iron we supply and the amount of metal sheets we purchase.

- **Reduction of MFP size: Current and previous generations compared**



➤ WEB 1 FrontRunner: www.ricoh.com/about/company/technology/rd/f_runner/fr12/

Reuse of products and parts

Marketing recycled products in Japan and Europe

At Ricoh, resource conservation and recycling has been a pillar of our environmental conservation activities since the early 1990s, and we have emphasized measures to recirculate resources, primarily MFPs collected from the market as well as printers, toner cartridges, ink cartridges and consumable parts. About 170,000 used Ricoh products are collected each year in Japan and all are reused or reapplied*2, mainly as recycled equipment or recycled materials, to effectively utilize resources. Since the sale of our first recycled product in 1997, we have led the industry in expanding the lineup of recycled office equipment. Currently, we are able to meet diverse customer needs with a selection of 17 models from nine series, delivering output from 28 to 50 pages per minute in color and from 25 to 75 pages in black-and-white. In 2011, we began enhancing our domestic recycling sites and have steadily increased the number of recycled products sold.

We are also working to globalize the product reuse business to address the needs of customers not only in Japan but around the world and to provide recycled products matched to specific market requirements. Ricoh Europe PLC, our European sales headquarters, is actively engaged in the sale of pre-owned products. The company offers its customers the GreenLine series of MFPs, which are collected, selected and renewed according to a common standard before being placed with customers again. The number of recycled products sold is steadily increasing. The quality standard for these products is set at a level consistent with the same models currently available on the market, and each and every collected product is carefully checked to ensure quality. Necessary parts are replaced and software is appropriately updated, and only products that meet the established quality standard are certified with the GreenLine label before shipping out to new customers. The GreenLine recycling process has been audited and certified by the global business standards company BSI*3, underpinning external confirmation of product reliability. In addition, the process has been highly rated, including recognition as a best practice for sustainable businesses as reported by the consulting firm McKinsey & Company in its "Towards the Circular Economy" report*4. P.31

GreenLine label

*2 Recycling rate for MFPs and printers exceeds 99.5%. The volume of parts that cannot be recycled is reduced, averting the landfill, and properly disposed of.

*3 The British Standards Institution

*4 Published by the Ellen MacArthur Foundation

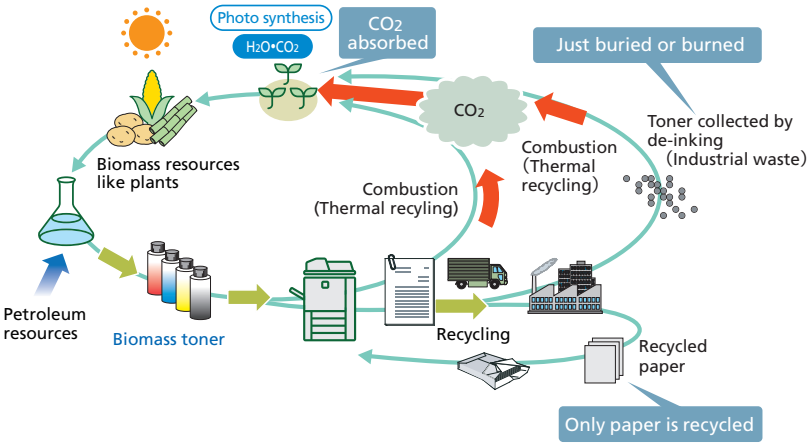
*5 Biomass resources are organic resources that are biologically reproducible, excluding fossil resources.

*6 The percentage of plant-derived resins contained in parts is considered biomass and is denoted as "%."

Use of renewable resources

Biomass toner

Ricoh has been working for several years on biomass*5 toner, which uses recyclable, plant-based resin as a primary material in the toner for multifunctional copiers. In November 2009, Ricoh released the world's first MFP equipped with biomass toner—the "for E toner"—with a biomass content*6 of 25%. Creation of the biomass toner involved the development of a new plant-based resin, since unlike conventional plant-based resins used for plastic parts, the resin used for toners must have excellent chargeability and fluidity as well as low-temperature fixing and heat resistance.



➤ WEB Products—Resource Conservation/Recycling: www.ricoh.com/environment/product/resource/

Pollution Prevention

To offer products with minimal adverse impact on environmental and human health, we identify and manage chemical substances following the SAICM*1 approach that lets us reduce the risks from the chemical substances that fill our lives. In addition, we work to minimize emissions of ozone, dust and volatile organic compounds (VOCs). These controls extend to our suppliers, who are also expected to carefully manage sensitive substances.

Management of chemical substances in equipment

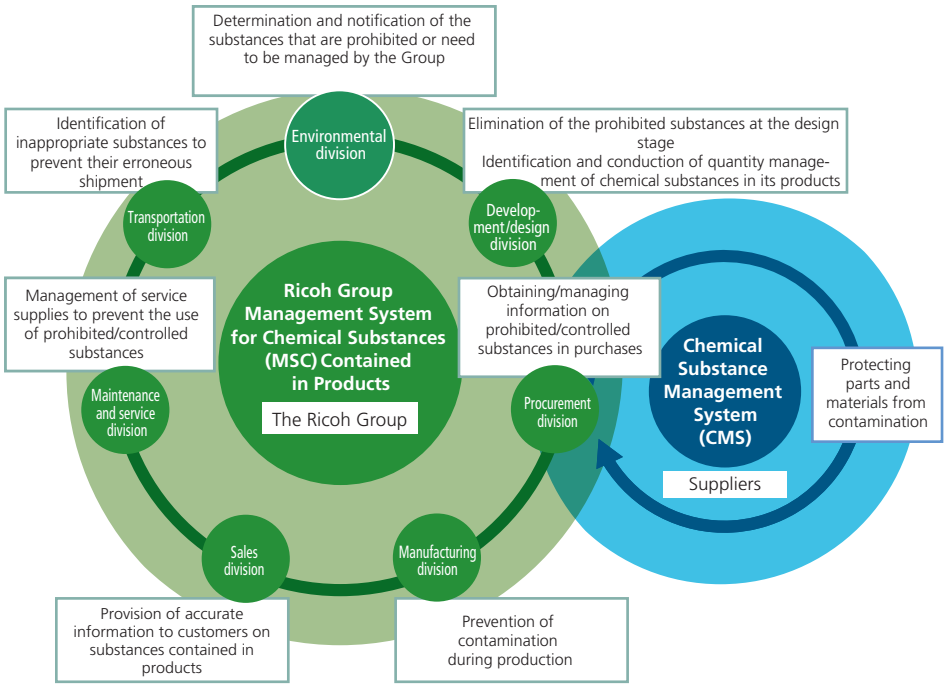
In 1993, Ricoh set in-house standards that restrict the use of environmentally sensitive substances in our products. By 2006, we had completed a chemical substance management system (CMS) for suppliers and a management system for chemical substances (MSC) contained in the products of the Ricoh Group. These systems are a reliable mechanism for reducing and managing environmentally sensitive substances across the entire manufacturing process both at the Ricoh Group and our suppliers.

Our system uses an information database linked to the Joint Article Management Promotion-consortium (JAMP) system to determine levels of substances contained in different parts of a product. This allows us to take precise action to comply with various national and international regulations such as REACH*2 and react quickly to regulatory changes.

*1 Adopted by the International Conference on Chemicals Management (ICCM) in 2006, the Strategic Approach to International Chemicals Management (SAICM) is a policy framework to foster the sound management of chemicals.

*2 REACH: Framework for the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) established by the European Union. It requires the registration and management of all chemical substances used in business to conform to safety standards. REACH came into force on June 1, 2007.

• Framework for chemical substance control (MSC and CMS)



➤ WEB Pollution Prevention: www.ricoh.com/environment/product/risk/

Managing chemical substances in supplies

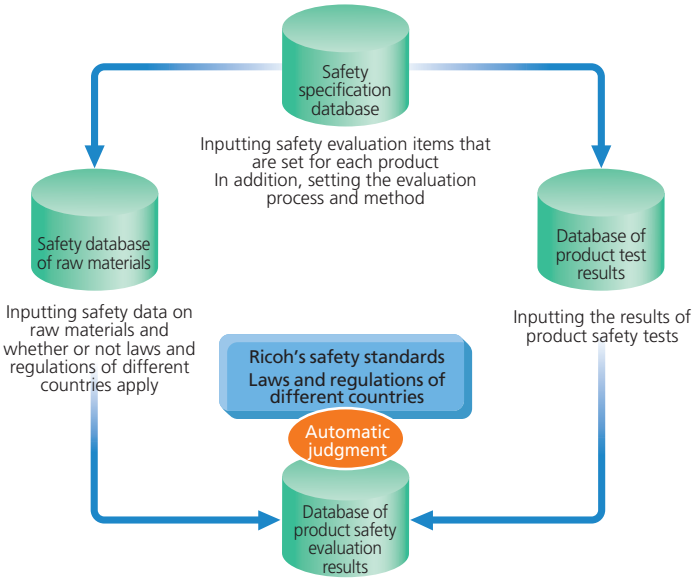
Toner, developer and other supplies contain a variety of chemical substances. As product safety is a fundamental part of our customer satisfaction policy, the Ricoh Group effectively controls chemical substances in its products with RECSIS*3, a Ricoh-developed information system that automatically evaluates the safety of supplies. RECSIS generates a Material Safety Data Sheet (MSDS) and other safety specifications for Ricoh products and verifies their conformation to the regulations of various countries.

Reducing environmentally sensitive substances generated during the use of our products

The Ricoh Group has established its own controls and standards for chemical emissions*4 generated by products while in use. We measure the chemical substances emitted by products like copiers and printers in the Ricoh testing laboratory, which has been certified by Germany's BAM (Bundesanstalt für Material-forschung und-prüfung; Federal Institute for Materials Research and Testing). We also obtained ISO/IEC 17025-based accreditation for technical competence of our testing and calibration laboratories in February 2012. Such third-party recognition enables us to submit authoritative test results when we are seeking environmental labels and other certifications from independent accreditation bodies, helping us bring environmentally friendly products to market more quickly and efficiently.

Moreover, under ISO/IEC 17025, we are qualified to test fine and ultrafine particles*5, for which there is increasing demand for international standardization.

• Safety evaluation system for supplies



The system and efficiency of product safety evaluations improved by automatic judgment

*3 RECSIS: Ricoh Environmental & Chemical Safety Information System

*4 Chemical emissions are chemical substances emitted by products and include ozone, dust and volatile organic compounds (VOCs).

*5 Fine particles: ranging from 0.1 µm to 2.5 µm in diameter; ultrafine particles: less than 0.1 µm in diameter (Source: ECMA-328 Determination of Chemical Emission Rates from Electronic Equipment, fifth edition [December 2010])

Emission-measuring testing laboratory (Ricoh Ohmori office)

Conservation of Biodiversity

Environmental conservation requires us to not only reduce our environmental impact but also to maintain and enhance the planet's ability to renew itself. Recognizing that our businesses depend on the global ecosystem, and that biodiversity is indispensable to the health of that ecosystem, we formulated the Ricoh Group Biodiversity Policy in March 2009. This directive aims to preserve our planet's ecosystem through both proactive initiatives and reduction of the adverse impact of our business activities on biodiversity. ➤ WEB 1

Ricoh Group Biodiversity Policy

All of us depend on the Earth's ecosystem, but collectively we have become a huge burden on it. Over the past 50 years, global biodiversity has been so badly degraded that if we do not act now, the way we live may be at risk.

To articulate the need to conserve biodiversity as well as natural resources, the Ricoh Group laid down the Ricoh Group Biodiversity Policy in March 2009. The Policy combines pre-existing environmental guidelines with new biodiversity conservation measures to enhance our efforts towards realizing an affluent society built on a sustainable way of life.

• Ricoh Group Biodiversity Policy

Basic Policy

Given that we gain a lot of benefit from living things and pursue business activities that have an impact on biodiversity, we will reduce the impact of our activities on biodiversity and engage proactively in its protection.

1. Management tasks	Treat biodiversity protection as essential for ensuring the sustainable growth of the company, and implement sustainable environmental management.
2. Understanding and reducing impact	Assess, grasp, analyze, and set numerical targets for the impact on biodiversity of all our business activities, including raw materials procurement, and work continuously to reduce this impact.
3. Implementation	Give priority to measures with a high degree of impact and effectiveness from a biodiversity and business perspective.
4. Developing new technologies	Aim to realize a sustainable society, develop technologies that make use of biological resources, learn from the mechanisms of ecosystems and the nature of living things, and employ the knowledge gained to develop technologies and sustainable production processes.
5. Working with local communities	From the perspective of sustainable development, work not only with government organizations, but also with local residents, NGOs, and other stakeholders to promote the protection of the precious global ecosystems and of the biodiversity of countries and regions where we conduct business.
6. Involving each person	By getting executives to take the lead and implementing Group-wide educational initiatives, enhance recognition of the importance of biodiversity among all employees to enable them to act independently.
7. Expanding the scope of our activities	By collaborating with customers, suppliers, other companies, NGOs, international organizations, and so on, share information of our activities, knowledge and experience concerning biodiversity, and expand the scope of our protection activities.
8. Communication	Contribute to raising awareness of biodiversity protection among people at large by sharing the experience of our activities and achievements proactively.

Regulation of all wood-based products

In February 2010, the Ricoh Group established *Regulation of Ricoh Group Products Made of Wood.*

Applicable to all Group companies, the 2010 rules extend our 2003 Environmental Standards for Paper Product Procurement to encompass all wood-based products, from Ricoh brand plain copier paper and heat-sensitive paper to manuals, packaging, cushioning, and pallets.*1

The regulations prohibit the use of wood sourced from High Conservation Value Forests (HCVFs)*2 as raw material. HCVFs play a critical role in biodiversity.

The rules are applicable to all Group companies and suppliers, and include provision for the suspension of business with noncompliant suppliers.

This is another example of how we are minimizing the impact our procurement process has on the global ecosystem.

*1 Recycled materials, including used paper, leftover wood and wood chips, are excluded, as it is difficult to trace the original source of recycled materials.

*2 High Conservation Value Forests (HCVFs) are defined as any forest that falls under the following categories: (1) Old-growth forests, (2) Primary/virgin forests, (3) Natural forests containing habitats of endangered species, (4) Forests for which multiple environmental groups claim protective measures.

➤ WEB 1 Conservation of Biodiversity: www.ricoh.com/environment/biodiversity/

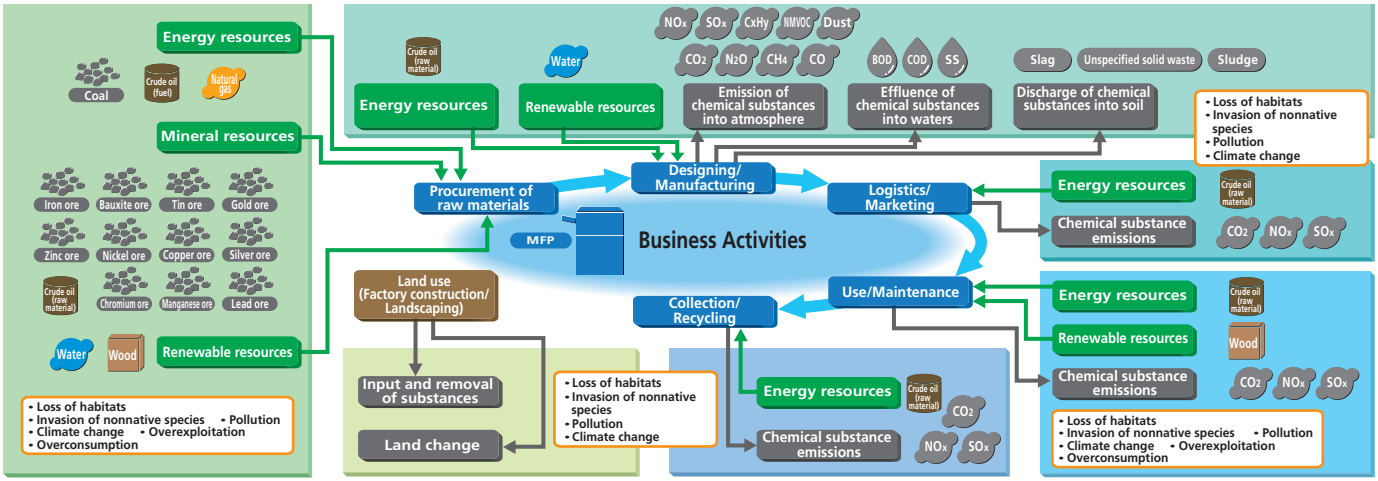
Mapping the relationship between business and biodiversity

The Map of Corporate Activities and Biodiversity (below) pictures the relationship between the effects of our corporate activities and biodiversity.

The map reveals that MFPs have a large impact on the ecosystem as they consume raw materials such as pulp and metals during their manufacturing process and consume natural resources in the form of paper.

Mapping these diverse activities is a great help when it comes to coordinating our biodiversity conservation efforts. During the 17th Environmental Action Plan, we implemented biodiversity-conscious green space and shrubbery maintenance using the integrated pest management (IPM) approach. ➤ WEB 2

•Map of Corporate Activities and Biodiversity (based on recycled copiers)



Activities aimed at conserving biodiversity

Since 2002, Ricoh has tackled biodiversity issues on a global basis by setting out activities in its environmental action plans that encourage Group companies to conserve biodiversity in respective regions and communities. Activities have expanded at home and abroad, and during the 17th Environmental Action Plan employees took part in all sorts of events, from tree-planting and rural landscape maintenance to river, forest and coastal cleanup, in 23 countries. In fiscal 2014, members of the Ricoh Group organized 365 events and a total of 9,589 people took part.

Since 2007, the Kanagawa Branch of Ricoh Japan has undertaken activities, such as forest conservation and beach cleanup, with the objective of passing along the importance of environmental conservation to the next generation. These activities are designed to attract interest beyond the branch, prompting involvement from employees at customer companies and authorized dealers as well as their families, and thereby extending the ring of participation laterally (stakeholders) as well as vertically (the next generation). Summer activities take place at Tsujido Beach in Fujisawa, Kanagawa Prefecture, and include environmental education picture story shows, the opportunity to draw in a fishing net, and coastal cleanup campaigns. In the autumn, activities take place in various locations, with participants venturing out to the mountains and rivers to learn about different aspects of nature. In 2013, autumn activities were held in the Izumi-no-Mori Park in Yamato, Kanagawa Prefecture, where the program showcased biodiversity conservation through outdoor classrooms and nature workshops. The activities undertaken in fiscal 2014 attracted interest from 409 people, including Ricoh employees, customers and authorized dealers.

We will continue to expand the ring of biodiversity conservation activities through programs that involve many stakeholders, in line with the Ricoh Group Biodiversity Policy. ➤ WEB 3, 4

A total of 271 people participated in an environmental conservation event at Tsujido Beach.

➤ WEB 2 Managing office and factory premises using the IPM method: www.ricoh.com/environment/biodiversity/business_related/01_01.html
➤ WEB 3 List of biodiversity conservation activities in Japan: www.ricoh.com/environment/biodiversity/contribution/02_01.html
➤ WEB 4 List of biodiversity conservation activities outside Japan: www.ricoh.com/environment/biodiversity/contribution/03_01.html

Committed to a sustainable future for the Earth, society and our business

The Ricoh Group believes in growing together with society. We have made it our mission to address the issues society faces, going beyond simply responding to a constantly changing world to create new value that can realize sustainable growth.

Our employees are dedicated to raising awareness of social issue and to contributing to solving those issues through business operations, putting into action ideas that promise a sustainable future for all.

© Save the Children Japan

Lesson using a projector at a school in India, provided by education support program

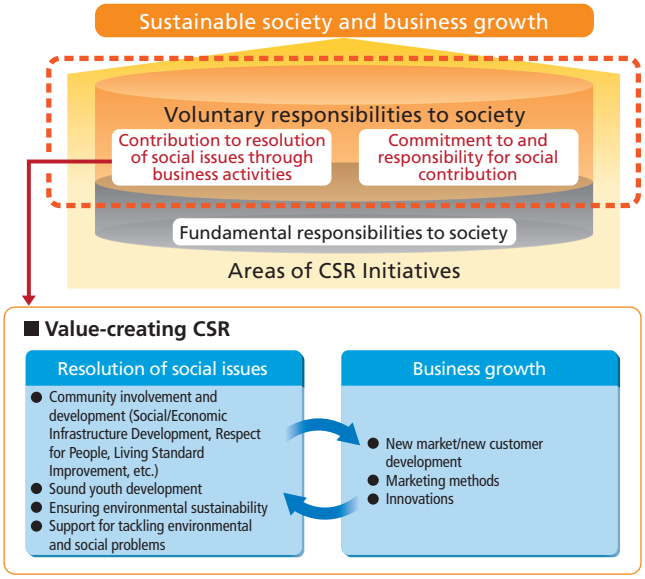
Contributing to solving social challenges

The Ricoh Group prioritizes both "commitment to and responsibility for social contribution" and "contribution to the resolution of social issues through business activities" to solve global social problems.

Our commitment to and responsibility for social contribution demands persistent implementation of social contribution activities within our business domains and beyond. These activities exceed direct participation by the Company and employees to include providing support to NPOs and NGOs seeking to solve prevailing issues.

Our efforts to solve social issues through business activities draw on resources—proprietary technology, products, services and employees—and target activities under a concept of value-creating CSR. We defined the key areas of value-creating CSR in 2008, leading to a deeper understanding of social issues and approaches including collaboration with stakeholders that not only lead to practical solutions but also enable us to tap into new markets, find new customers and drive innovations that resolve or mitigate global concerns. Recently, CSV* has attracted attention as a new current in the CSR movement. To us, CSV has much in common with value-creating CSR, and we will maintain activities that embrace both concepts.

To lay a cornerstone for these activities, we endeavor to instill widespread awareness of social issues in each and every employee. This serves to elicit interest in and foster sensitivity to social issues and cultivate a corporate culture that encourages involvement in achieving solutions.

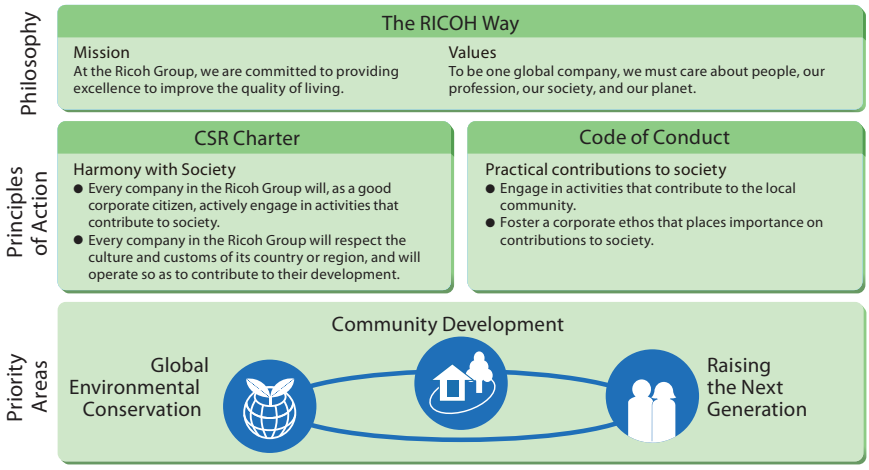


Global policy on social contribution activities

The Ricoh Group has set fundamental principles on social contribution by which all Group companies around the world abide. We believe that by conducting social contribution activities based on a common concept, we can maximize the effects of our contributions toward solving challenges. Under these principles, individual Group companies are implementing measures by leveraging the Group's strengths in human and other resources.

The Ricoh Group's global policy on social contribution activities

The Ricoh Group, mindful of its responsibility as a corporate citizen, respects the cultures and customs of all countries and regions, joining in active partnership with like-minded people and inspiring employees to contribute to the development of a sustainable society and planet. Reflecting a deep understanding of social issues in various parts of the world, Ricoh Group companies carry out social activities focusing on several priority areas.



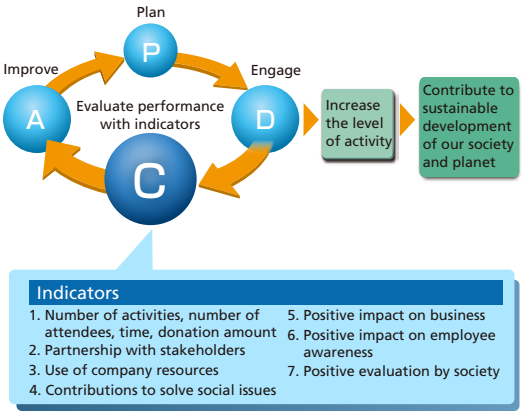
* Only relevant parts from The Ricoh Way, CSR Charter and Code of Conduct are cited

➤ WEB CSR management: www.ricoh.com/csr/

PDCA cycle for social contribution activities

To ensure the effectiveness of the Group's social contributions, we have created an original PDCA cycle for their evaluation and improvement.

Evaluation items include the scale and outcome of activities as well as "cooperation with stakeholders" and "effects on business activities." This creates an upward spiral in our ability to share knowledge and evolve social contribution activities throughout the Group.



Major corporate programs

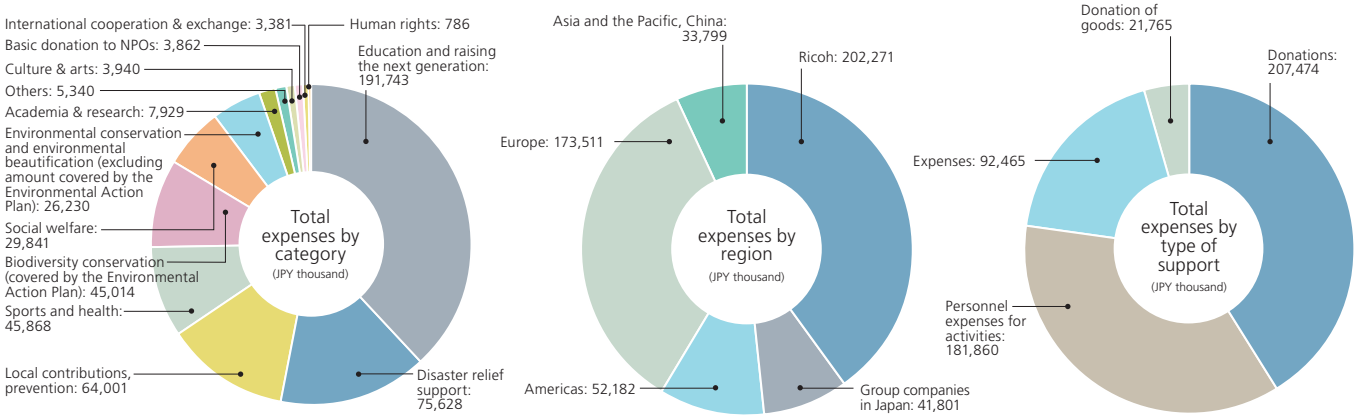
We are engaged in a variety of social contribution programs that fall under the category of "commitment to and responsibility for social contribution" or "contributions to resolution of social issues through business activities."

Contribution to resolution of social issues through business activities	Commitment to and responsibility for social contribution
Education support program in India (p80)	Ichimura Nature School Kanto* (p82)
BOP project (p81)	Ricoh Science Caravan* (p82)
Support activities for people and areas affected by the Great East Japan Earthquake (p83)	Forest ecosystem conservation projects* (p84)
	Environmental volunteer leader activities
	"FreeWill" Social Contribution Club (p84)

*Programs marked with an asterisk are funded by Ricoh's social contribution reserve system, established to ensure stable, long-term social engagement. Following approval at the 1998 shareholder's meeting, Ricoh introduced the social contribution reserve system, under which a portion of profits is disbursed to the reserve's fund after approval by the board of directors. Currently, the fund is being applied to three programs: Ichimura Nature School Kanto, Ricoh Science Caravan, and the Forest Ecosystem Conservation projects.

Ricoh Group social contribution activities and achievements

Employee participation in activities as well as donation accounts for large portion of the Ricoh Group's social contribution. In every region, Group companies support their employees in the planning and implementation of community activities and biodiversity conservation programs.



During the fiscal year ended March 2014, the Ricoh Group collectively made financial contributions of 503,564,000 yen. This amount includes monetary donations plus labor (man-hours) and donated goods converted into their monetary value.

Value-creating CSR

A growth strategy given priority within the Ricoh Group is "value-creating CSR," which achieves two goals at the same time: solutions to social problems as well as corporate growth. We conduct collaborative activities with stakeholders to become part of the solutions for social issues, and in doing so, we not only address global concerns but also simultaneously utilize our technologies, products and services, and human resources to build new markets, attract new customers and introduce innovation.

Education support program in India

In India, which has the world's largest population of children, many children either cannot attend school at all or drop out before completing the minimum level of education offered. Various factors are to blame, including low-quality educational services and a lack of necessary infrastructure and supplies. So Ricoh, which provides products and services that support learning environments, decided to draw on these strengths to help remedy the situation. In 2011, we launched a program in cooperation with Save the Children to contribute to education in India and thereby build a platform for national development.

In May that year, we began an education support program in the state of Andhra Pradesh, in southern India. We donated duplicators to schools, authorities and NGOs and conducted workshops on the use of duplicators to effectively raise the quality of lessons and to share information. Also, seeking to improve the learning environment in this region, we encouraged school management committees, teachers and communities to raise awareness regarding education and to cultivate the necessary expertise, promoted club activities for children, and developed a network of people involved in education to provide a better environment for teaching and learning. Through these activities, we laid the foundation to improve standards in an independent and consistent manner so that more children are able attend school regularly.

Looking at results achieved over the past three years, we found that the enrollment rate in the region rose to 88%, from 81%, and classroom attendance for sixth graders jumped to 90%, from 84%. The government has also recognized the value of duplicators and now allocates a budget for buying ink and other supplies to keep duplicators in running order.

In April 2014, we began a program to enhance education quality through the use of projectors and digital teaching materials in the classroom, designed to make the learning process more fun and thereby encourage greater student input. We packaged teacher training materials with the digital teaching materials and asked each local government to provide widespread teacher training on the use of projectors and digital teaching materials. This should support steady improvement in the quality of classroom education. Some aspects of this program are linked to a preliminary survey on an educational service business, which is utilized as part of a preliminary survey on prospective cooperative projects—to promote business models for Base of the Pyramid (BOP) businesses—with the Japan International Cooperation Agency (JICA).

The Ricoh Group hopes that this program will lead to a higher attendance ratio, improve students' comprehension level, and enable schools and teachers to steadily enhance education quality on their own. ➤ WEB 1, 2

Education support program and BOP project implemented in three areas (P.81)

Children enjoy workshop activity

Projector training seminar

➤ WEB 1 Indian Education Program: www.ricoh.com/csr/india_edu/
➤ WEB 2 Preparatory Survey for Educational Service Business: www.ricoh.com/release/2013/1119_1.html

BOP project

Under the shadow of economic progress in emerging and developing countries, an impoverished class—often referred to as the BOP (Base of the Pyramid)—still exists. These people endure a wide range of social challenges. Seeking to help solve the issues that these people face while cultivating new businesses, Ricoh has contributed to a project in a rural village in the state of Bihar, India, since 2010.

Our approach to this project did not start off with a search for issues and needs that could be addressed by Ricoh's resources; rather, we sent staff to actually live with the people and build trust, and thereby gain an understanding of the local customs and culture. In the process, we identified the real issues that trouble the community, worked with the people there to find solutions, and explored new businesses utilizing our resources to expedite these solutions.

Our partner in this project is Drishtee, a social enterprise. The task of considering ideas for sustainable businesses fell to local residents, largely project members living in the area. In the end, two ideas were selected: Photo Print Shop, which provides Ricoh's resources to photo-loving villagers; and Women's Shop, a woman-to-woman business offering everyday items. For both businesses, we provided the local entrepreneurs with the necessary training and support to open and run their shops. Through these businesses, we are contributing to better income potential in the village as well as the empowerment and independence of women.

As of July 2014, two Photo Print Shop locations and 18 Women's Shop locations had been opened in the states of Bihar and Uttar Pradesh. We support the operation of these shops as we look into the development of products and services that will contribute to the development of their businesses. In this way, we will build new business models in rural areas. ➤ WEB 1

Physiology class at a Women's Shop event

Comment from a Women's Shop owner

"My days are more rewarding since I opened the shop."

There are three reasons why I opened the shop. First, a shop in the village would mean that the women here would not have to go shopping at the store four kilometers away. Second, I could do my own shopping right here. And third, I could bring in some money for my family.

Since the shop opened its doors for business, I've handled lots of products and I've been able to talk to a variety of people. I just love it. The village women say the shop is so convenient. They really appreciate having a shop right in the neighborhood where they can buy an item that they suddenly run out of or pick up a small gift to take if they suddenly have to pay a visit to someone.

Before I had the shop, I just whiled away my time at home, not doing anything of particular importance. But now, I spend time working, and I can chat with my customers. My days are much more rewarding. I'm now making profit of several thousand rupees a month. If I can boost sales higher, I'd like to expand the shop. Then, when the kids are older, I'd like to get qualifications to be a beauty professional and that should bring in more customers.

Entrepreneur Anjana Thakur, who opened her shop in November 2012

➤ WEB 1 BOP Project: www.ricoh.com/csr/activity/soc_harmony/bop.html

Commitment to and responsibility for social contribution

The Ricoh Group is committed to carrying out socially beneficial activities in a steady, responsible manner, both within and outside of our business functions. These activities include initiatives the Group and its employees lead as well as support given to nonprofit and nongovernmental organizations.

The Ichimura Nature School Kanto

The Ichimura Nature School Kanto gives children a chance to "learn how to live from Mother Nature" in an agricultural community. The program runs for nine months, or one entire agricultural season from planting in March to harvesting in November.

Every other week Friday after school, 28 boys and 28 girls come to the Nature School and work the fields until Sunday afternoon, growing some 40 different kinds of vegetables. In this way, they learn how to "develop yourself by thinking together, using each other's ideas, and doing field work together with the blessing of nature."

Since the school opened in 2002, it has earned a stellar reputation for activities sustained for more than 10 years. In 2012, the school's efforts were recognized by the Japan Philanthropic Association with an award—the 10th Corporate Philanthropic Award—and in 2013, the school was honored with the Minister of Education, Culture, Sports, Science and Technology Award in the newly established category that recognizes companies promoting hands-on activities for youth.

We have started introducing new programs for graduates, such as alumni farms and are also enhancing existing programs, such as general meetings and summer camps, spearheaded by Daichi no Kai (the Earth Club), a group voluntarily established by alumni of the program. We will continue to support the development of students, including some 600 children who have graduated from the Ichimura Nature School to date, as they take their place in society.

Students harvesting potatoes

Ricoh Science Caravan

When it came to Ricoh's attention that children were losing interest in science, a program—Ricoh Science Caravan—was launched to provide opportunities for children in Japan to develop a love for science. The caravan travels to educational facilities, mainly science halls and schools throughout Japan, engaging children in science experiments.

The program touches on topics that are easy for elementary school children to understand, such as the basic principles of electrostatography, and the presenters are volunteers from local Ricoh Group companies nationwide. This showcases the Ricoh Group's unique efforts to contribute to society.

In fiscal 2013, the caravan rolled out 42 times, and a total of 23,381 children experienced the mysteries and joys of science. In 2014, we plan to start a new program using color copiers and digital cameras.

Children listening to a presentation by a Ricoh employee

Support activities for people and areas affected by the Great East Japan Earthquake

Third consecutive year of new employee support in communities hit by the tsunami

Activities to help re-establish the fishing industry in Minamisanriku, a town in Miyagi Prefecture that was hit hard by the tsunami, have been part of Ricoh's training program for new employees for three years now. These activities contribute to community rebuilding in the disaster area and also serve an educational purpose as new employees are able to gain a different perspective and learn a different skill while lending a helping hand.

In fiscal 2013, we divided a total of 224 people into two groups across nine places along the coast. Each group went to work alongside members of the local fishing industry for four days. Involved in the program now for three years, the fishermen look forward to the interaction with Ricoh's new employees. There were many happy scenes, with one person remarking that "lots of the young folks willingly start up conversations with us." Ricoh's presence is really being felt here, and a bond of trust between the Company and the community has developed as a result. On the surface, the program is a way for new employees to experience support activities first-hand. But the true stars of the program, so to speak, are ultimately the local folks who benefit by Ricoh's decision to play a role in the reconstruction process.

Supporting Tohoku Future Creation Initiative

Since August 2013, two Ricoh employees have been involved in disaster reconstruction support activities as special staff of the city of Kamaishi, in Iwate Prefecture. They are members of the organization Kamaishi Satellite, which helps drive the Tohoku Future Creation Initiative, a cooperative, cross-sector effort encompassing industry, government, academia, and the public, with a mission to create a new future in the area destroyed by the great earthquake and devastating tsunami of March 11, 2011. Based in Kamaishi, the employees tackle two issues: developing young businesspeople on whose shoulders rest the future of the Kamaishi-Otsuchi region; and promoting concrete reconstruction plans for Kamaishi. Below, they talk about the local activities they have had a hand in so far.

Q What activities were implemented in the past year, and where do things stand now?

A year ago, I was a total stranger here. I was so anxious and apprehensive about everything. But through our involvement in the first term of the Future Creation School, a program to develop the future leaders of Kamaishi, and the First Kamaishi Hyakunin Kaigi (Council of 100 People), which emphasizes increased participation by young people and the realization of citizen-led community building, we met lots of like-minded people who have talked about the future of Kamaishi with us. We now feel that our efforts here have meaning. We busy ourselves every day with preparations for the second term of the School and the Second Council to lay the cornerstone for the foundation of tomorrow's Kamaishi.

First-term graduation ceremony at Future Creation School

Participating as support staff in Kamaishi Yoisa, a local festival

Q What was your most memorable moment of the past year?

It was the first-term graduation ceremony for the Future Creation School. At the graduation ceremony, the 10 graduating students—all keen to become local entrepreneurs—spoke in front of a huge crowd, including the mayor of Kamaishi. They each described a vision for the region and the business concept that they had fine-tuned with the help of their instructors to realize that vision. I was impressed by their business concepts, which were inspiring, pointing a path to the future. Hearing the students' comments, I was very pleased to be working in this office.

Q Going forward, what does the community need?

The area devastated by disaster is in transition, moving out of the restoration phase and into the reconstruction phase. This shift will probably bring about a noticeable decrease in support and assistance from across the nation. The people here must realize it, too. Still, I feel it is important to reemphasize the idea that a community is cared for and developed by its people, so more citizens should take part in the process and ensure a future for Kamaishi and the rest of the area.

Q What kind of activities would you like to see happen next?

By the time I leave Kamaishi a year from now, it would be great if the cornerstone for the foundation of tomorrow's Kamaishi were in place. The Future Creation School will continue, along with the Kamaishi Hyakunin Kaigi, and we will meet more people with great ideas for the future. These people need support to take that vital first step into business, and I hope we can create the necessary opportunities for promoting development toward their independence.

Forest ecosystem conservation projects

All sorts of creatures exist in places all over the world, from forests to lakes and marshes and further to coral reefs and oceans, and each of these places exhibits a unique ecosystem. The destruction of these ecosystems could spell the end of the natural environment that is indispensable for sustaining human life, as well. Forest ecosystems, which present particularly rich biodiversity, are of special interest to Ricoh, and the Company has been promoting forest ecosystem conservation projects in five countries and six regions since 1999 in partnership with environmental NGOs and local communities.

Unlike simple afforestation, the primary objectives of these activities are to protect the habitats of indigenous species and the life of residents and to establish a system for sustainable forestry management. ➤ WEB 1

- **Forest ecosystem conservation projects (as of March 31, 2014)**

Inception date	Country	Project name/NGO partner
November 2001	Japan	Nagano Kurohime Afan Forest Conservation/C.W. Nicol Afan Forest Foundation
November 2001	Japan	Conservation of the Yanbaru Forest in Okinawa/Yanbaru Forest Trust
May 2004	Russia	Conservation of the Taiga, home of the Siberian tiger/Global Environment Forum
August 2007	China	Conservation of the biodiversity of the Three Parallel Rivers, a World Heritage Site/ Asia Green-Culture Association
August 2007	Brazil	Restoration of the Boa Nova lowland tropical forests on the Atlantic coast/BirdLife International Tokyo
July 2011	Malaysia	Revitalization of mangrove forests on the north-central Selangor coast/BirdLife International Tokyo

SAVE Brasil, a Ricoh partner, wins 2014 Prêmio Muriqui award

SAVE Brasil, a partner organization of Ricoh's engaged in forest restoration in Brazil, won the 2014 Prêmio Muriqui. This award, recognized as one of the highest tributes to environmental action in Brazil, is granted by the Atlantic Forest Biosphere Reserve Council (which is part of the UNESCO World Network of Biosphere Reserves) to public or private institutions that stand out in their work, particularly for biodiversity protection and sustainable development. A prime example of the organization's results is the identification of 237 Important Bird and Biodiversity Areas in Brazil. Through this forest restoration project, the organization has contributed to the creation of five protected regions covering a total of 60,000 hectares.

Winning 2014 Prêmio Muriqui award

FreeWill, Ricoh's Social Contribution Club

FreeWill is an employee-led endeavor launched in 1999 that seeks to turn individual donations into a sizable fund for social contribution activities underpinned by greater participation and sustained involvement in the movement. Employees who belong to FreeWill donate a portion of their salary, with the collected funds going to non-profit organizations that promote solutions to social problems.

As of March 31, 2014, FreeWill participation had expanded to include employees at nine Group companies including Ricoh, and membership topped 8,000. The club invites suggestions from members on which organizations and activities to support, and during the fiscal year ended March 31, 2014, donations were extended to 43 organizations. Funds were applied to such events as cherry tree planting along the path that the tsunami took in the city of Rikuzentakata, in Iwate Prefecture, which suffered immense damage from the catastrophic wave that followed the great earthquake of March 11, 2011. Funds were also directed toward the FreeWill Picture Book Project: Deliver to the World!, which sends picture books with a Bengali translation to children in Bangladesh.

Through these activities undertaken by FreeWill, a great many members have contributed to local communities as well as society at large.

Bangladeshi children reading picture books sent by FreeWill

➤ WEB 1 Forest ecosystem conservation projects: www.ricoh.com/environment/biodiversity/contribution/forest_ecosystem.html

Seeking to boost brand strength, which leads to unshakably strong corporate value

To continuously provide value to all stakeholders, a company must accurately convey its philosophy, its chosen direction and the results of its corporate activities, while always striving to hone its brand power. Through these efforts, a company will earn the trust and understanding of its stakeholders.

The Ricoh Group uses common group-wide indicators to gauge brand power. Long-term goals are set, based on these indicators, and the Group works to achieve these targets by boosting brand power all over the world.

Eco-Billboard

The Ricoh Group's billboards in cities around the world light up with 100% renewable energy. Ricoh realizes that weather conditions can sometimes adversely affect the supply of electrical power, and its billboards may not always be lit up as a result. In view of this situation, the Company recognizes that a dark billboard is further proof of its steadfast commitment to sustainability. ➤ WEB 1

New York

Tokyo

Sydney

London

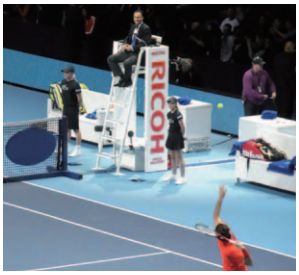
➤ WEB 1 Eco-Billboard: www.ricoh.com/about/company/promotions/eco-billboards/

Sponsorship

The Ricoh Group actively supports sports and cultural activities through sponsorship of events, venues and the next-generation of athletes and artists around the world. Sponsorship influences the dreams and inspirations of many people through the events they experience and it cultivates good relationships between the Ricoh Group and its stakeholders. ➤ WEB 2

Ricoh Coliseum, Canada © Makoto Hirata

Ricoh Arena, UK



ATP (Association of Tennis Professionals) Tournaments, Europe and Asia-Pacific

National Museum of Emerging Science and Innovation, Japan

LPGA Tour Championship Ricoh Cup, Japan

A.C. Milan, Italy

Ricoh Women's British Open, UK

Social contribution initiative "Plant a Tree for Africa"

Our sponsorship of the Ricoh Woman's British Open promotes a participation-style initiative—Plant a Tree for Africa—to reduce carbon footprints. Under this initiative, we plant trees in Bukina Faso based on golfer performance in the tournament. Another environmental campaign encourages tournament spectators and visitors to the website during the tournament to make pledges to reduce CO_2 emissions. We then plant trees according to the total eco-actions (ECO Declaration Pledges). We planted 6,752 trees as a result of the 2014 Ricoh Women's British Open. The Plant a Tree for Africa initiative has featured at the Japan LPGA Tour Championship Ricoh Cup since 2013.

➤ WEB 2 Sponsorship: www.ricoh.com/about/feature/story10/

Ricoh Group Consolidated Financial Results for Fiscal 2014

(Year ended March 31, 2014)

(1) Operating Results

Consolidated sales for fiscal year 2014 (April 1, 2013 to March 31, 2014) increased by 16.4% to ¥2,195.6 billion compared to the previous corresponding period. During this period, the average exchange rates of the Japanese yen against the U.S. dollar and the euro were ¥100.29 (down by ¥17.23 from previous year) and ¥134.47 (down by ¥27.39 from previous year) respectively.

The Japanese economy continued to maintain its gradual recovery largely due to the depreciation of the yen and the increase in stock prices achieved through the expansive measures taken by the central bank and government along with the surge in demand ahead of the April 1 consumption tax increase.

In the domestic market, sales increased in all three business segments (Imaging & Solutions, Industrial Products and Other) and the overall domestic sales increased by 9.7%.

As for the overseas market, the U.S. economy continued its modest recovery, even though the outlook of the economy remains unpredictable as the U.S. scales back its quantitative easing program. The European economy, although having remission in the European debt crisis, is still faced with the risk of a prolonged period of economic stagnation. China and the rest of the emerging markets also appear to be showing signs of a slowdown after maintaining consistently strong growth in recent years.

Despite the challenging economic environment, the weakening trend of the yen during the year contributed to the overall increase in sales overseas. As for overseas sales by region, sales in the Americas increased by 18.6%, sales in Europe, Middle East and Africa increase by 24.1% and sales in the Other region, which includes China, South East Asia and Oceania increased by 26.6%. As a result, sales in the overseas market increased by 21.8%.

Gross profit increased by 16.5% to ¥873.2 billion, mainly due to an increase in sales, cost reductions and the weakening of the yen.

Although group-wide activities to streamline costs have contributed in controlling selling, general and administrative expenses, these expenses have increased by 11.4% to ¥752.8 billion due to the depreciation of the yen.

As a result, operating profit increased by 63.6% to ¥120.3 billion compared to the previous corresponding period.

Finance income increased due to gain on sale of securities. Profit before income tax expenses increased by 73.4% to ¥118.0 billion compared to the previous corresponding period.

As a result, profit attributable to owners of the parent increased by 87.1% to ¥72.8 billion.

Ricoh has adopted IFRSs for reporting its consolidated financial statements from the fiscal year ended March 31, 2014, in place of U.S. GAAP previously adopted. Thus, all amounts, including prior year amounts for comparison of the current year conform to IFRSs.

(2) Financial Position

A) Assets, Liabilities, and Equity at Year-End

For Assets, finance receivables increased due to increase in lease contracts. The yen equivalent of foreign-currency-denominated assets increased due to the weakening of the Yen. As a result, total assets increased by ¥200.1 billion, to ¥2,591.3 billion as compared to the previous corresponding period.

For Liabilities, the surge in demand ahead of the consumption tax increase during the end of the fiscal year led to increase in trade payables.

As a result, total liabilities increased by ¥79.8 billion, to ¥1,496.9 billion.

For Total Equity, the accumulated other comprehensive loss decreased due primarily to the increase of cumulative translation adjustments reflecting exchange fluctuation from the end of the previous period. As a result, Total Equity increased by ¥120.3 billion from the end of the previous fiscal year, to ¥1,094.3 billion.

B) Cash Flows

Net cash provided by operating activities increased by ¥9.5 billion to ¥146.8 billion primarily due to the increase in profit and trade and other payables.

Even though expenditures for property, plant and equipment decreased and proceeds from sales of available-for-sale securities increased, the acquisition cost incurred during the fiscal year affected the overall net cash used in investing activities. The net cash used in investing activities increased by ¥1.1 billion to ¥122.9 billion.

As a result, free cash inflows generated by operating and investing activities increased by ¥8.3 billion to ¥23.9 billion compared to the previous corresponding period.

Net cash used in financing activities in this period amounted to ¥9.2 billion, primarily due to increases in repayments of bonds and dividends paid, which were partially offset by proceeds from interest-bearing debt.

As a result of the above, cash and cash equivalents as at end of this fiscal year increased by ¥22.9 billion from the end of previous corresponding period to ¥140.0 billion.

➤ WEB Securities Report for the fiscal year ended March 31, 2014: www.ricoh.com/IR/financial_data/sec_filings/pdf/AnnualSecuritiesReport_114th.pdf
➤ WEB FY2014 Flash Report ended March 31, 2014: www.ricoh.com/IR/financial_data/financial_result/data/26/flash_IFRS.pdf

Consolidated Statement of Profit or Loss

Ricoh Company, Ltd. and Consolidated Subsidiaries For the Years Ended March 31, 2013 and 2014	Millions of Yen		Thousands of U.S. Dollars
	2013	**2014**	**2014**
Sales:			
Products	¥ 864,699	**¥ 1,041,794**	**$ 10,114,505**
Post sales and rentals	941,610	**1,064,555**	**10,335,485**
Other revenue	79,686	**89,347**	**867,447**
Total sales	1,885,995	**2,195,696**	**21,317,437**
Cost of sales:			
Products	644,165	**776,834**	**7,542,077**
Post sales and rentals	446,236	**494,647**	**4,802,398**
Other revenue	45,984	**50,990**	**495,049**
Total cost of sales	1,136,385	**1,322,471**	**12,839,524**
Gross profit	749,610	**873,225**	**8,477,913**
Selling, general and administrative expenses	676,055	**752,880**	**7,309,515**
Operating profit	73,555	**120,345**	**1,168,398**
Finance income	3,104	**6,872**	**66,718**
Finance costs	8,608	**9,121**	**88,553**
Share of profit (loss) of investments accounted for using the equity method	31	**(33)**	**(320)**
Profit before income tax expenses	68,082	**118,063**	**1,146,243**
Income tax expenses	24,264	**39,611**	**384,573**
Profit	43,818	**78,452**	**761,670**
Profit attributable to:			
Owners of the parent	38,915	**72,818**	**706,971**
Non-controlling interests	¥ 4,903	**¥ 5,634**	**$ 54,699**

	Yen		U.S. Dollars
Per share of common stock:	2013	**2014**	**2014**
Earnings per share (attributable to owners of the parent):			
Basic	53.67	**100.44**	**0.98**
Diluted	—	**—**	**—**
Cash dividends, applicable to the year	¥21.00	**¥ 33.00**	**$0.32**

Per American Depositary Share, each representing 5 shares of common stock:	Yen		U.S. Dollars
Earnings per ADR share attributable to owners of the parent:			
Basic	268.35	**502.20**	**4.87**
Diluted	—	**—**	**—**
Cash dividends, paid	¥105.00	**¥165.00**	**$1.60**

Consolidated Statement of Comprehensive Income

Ricoh Company, Ltd. and Consolidated Subsidiaries For the Years Ended March 31, 2013 and 2014	Millions of Yen		Thousands of U.S. Dollars
	2013	**2014**	**2014**
Profit	¥43,818	**¥ 78,452**	**$ 761,670**
Other comprehensive income:			
Components that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plan	(2,500)	**5,352**	**51,961**
Total components that will not be reclassified subsequently to profit or loss	(2,500)	**5,352**	**51,961**
Components that will be reclassified subsequently to profit or loss:			
Net gain on fair value of available-for-sale financial assets	5,544	**1,893**	**18,379**
Net gain on fair value of cash flow hedges	474	**854**	**8,291**
Exchange differences on translation of foreign operations	49,356	**58,580**	**568,738**
Total components that will be reclassified subsequently to profit or loss	55,374	**61,327**	**595,408**
Total other comprehensive income	52,874	**66,679**	**647,369**
Comprehensive income	96,692	**145,131**	**1,409,039**
Comprehensive income attributable to:			
Owners of the parent	91,647	**139,771**	**1,357,000**
Non-controlling interests	5,045	**5,360**	**52,039**

Ricoh's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") from the fiscal year ended March 31, 2014.
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➤ WEB Financial Statements: www.ricoh.com/IR/financial_statement/financial.html
➤ WEB Per Share Data: www.ricoh.com/IR/financial_data/financial_indicators/data6.html

Consolidated Statement of Financial Position

Ricoh Company, Ltd. and Consolidated Subsidiaries March 31, 2013 and 2014 Assets	Millions of Yen			Thousands of U.S. Dollars
	Transition to IFRS April 1, 2012	2013	**2014**	**2014**
Current assets:				
Cash and cash equivalents	¥ 156,210	¥ 117,051	**¥ 140,047**	**$ 1,359,680**
Time deposits	2,461	3,280	**4,057**	**39,388**
Trade and other receivables	440,324	476,605	**544,725**	**5,288,592**
Other financial assets	225,484	231,380	**249,682**	**2,424,097**
Inventories	195,009	196,696	**194,171**	**1,885,155**
Other current assets	26,476	30,325	**29,060**	**282,137**
Total current assets	1,045,964	1,055,337	**1,161,742**	**11,279,049**
Non-current assets:				
Property, plant and equipment	243,431	266,353	**270,702**	**2,628,175**
Goodwill and intangible assets	334,701	361,925	**399,354**	**3,877,223**
Other financial assets	479,462	492,256	**560,892**	**5,445,553**
Investments accounted for using the equity method	99	689	**1,074**	**10,427**
Other investments	45,265	54,020	**50,724**	**492,466**
Other non-current assets	45,083	45,759	**40,420**	**392,428**
Deferred tax assets	115,966	114,824	**106,453**	**1,033,524**
Total non-current assets	1,264,007	1,335,826	**1,429,619**	**13,879,796**
Total assets	¥2,309,971	¥2,391,163	**¥2,591,361**	**$25,158,845**

Consolidated Statement of Financial Position

Ricoh Company, Ltd. and Consolidated Subsidiaries March 31, 2013 and 2014 Liabilities and Equity	Millions of Yen			Thousands of U.S. Dollars
	Transition to IFRS April 1, 2012	2013	**2014**	**2014**
Current liabilities:				
Bonds and borrowings	¥ 215,032	¥ 227,744	**¥ 271,768**	**$ 2,638,524**
Trade and other payables	217,584	219,711	**281,957**	**2,737,447**
Other financial liabilities	5,158	10,744	**18,140**	**176,117**
Income tax payables	13,448	12,091	**14,435**	**140,146**
Other current liabilities	212,868	230,531	**244,134**	**2,370,232**
Total current liabilities	664,090	700,821	**830,434**	**8,062,466**
Non-current liabilities:				
Bonds and borrowings	523,977	474,591	**452,396**	**4,392,194**
Other financial liabilities	5,047	12,576	**1,014**	**9,845**
Accrued pension and retirement benefits	168,005	167,973	**124,554**	**1,209,262**
Other non-current liabilities	44,712	49,695	**74,614**	**724,408**
Deferred tax liabilities	10,871	11,505	**13,953**	**135,466**
Total non-current liabilities	752,612	716,340	**666,531**	**6,471,175**
Total liabilities	1,416,702	1,417,161	**1,496,965**	**14,533,641**
Equity:				
Common stock Authorized — 1,500,000,000 shares as of March 31, 2013 and 1,500,000,000 shares as of March 31, 2014 Issued and outstanding — 744,912,078 shares and 725,036,416 shares as of March 31, 2013 and 744,912,078 shares and 742,916,364 shares as of March 31, 2014	135,364	135,364	**135,364**	**1,314,214**
Additional paid-in capital	186,083	186,083	**186,083**	**1,806,631**
Treasury stock	(37,117)	(37,146)	**(37,278)**	**(361,922)**
Other components of equity	3,290	58,614	**119,904**	**1,164,116**
Retained earnings	549,700	570,790	**625,340**	**6,071,262**
Total equity attributable to owners of the parent	837,320	913,705	**1,029,413**	**9,994,301**
Non-controlling interests	55,949	60,297	**64,983**	**630,903**
Total equity	893,269	974,002	**1,094,396**	**10,625,204**
Total Liabilities and equity	¥2,309,971	¥2,391,163	**¥2,591,361**	**$25,158,845**

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➤ WEB Financial Statements: www.ricoh.com/IR/financial_statement/financial.html

Consolidated Statements of Changes in Equity

Ricoh Company, Ltd. and Consolidated Subsidiaries
For the Years Ended March 31, 2013 and 2014

	Millions of Yen					
				Other components of equity		
	Common stock	Additional paid-in capital	Treasury stock	Exchange differences on translation of foreign operations	Net gain on fair value of available-for-sale financial assets	Net gain (loss) on fair value of cash flow hedges
Balance at April 1, 2012	¥135,364	¥186,083	¥(37,117)	¥ —	¥ 4,494	¥(1,204)
Profit						
Other comprehensive income (loss)				49,486	5,495	343
Comprehensive income	—	—	—	49,486	5,495	343
Net change in treasury stock			(29)			
Dividends declared and approved to owners						
Transfer from other components of equity to retained earnings						
Total transactions with owners	—	—	(29)	—	—	—
Balance at March 31, 2013	¥135,364	¥186,083	¥(37,146)	¥ 49,486	¥ 9,989	¥ (861)
Profit						
Other comprehensive income (loss)				**58,791**	**1,859**	**640**
Comprehensive income	**—**	**—**	**—**	**58,791**	**1,859**	**640**
Net change in treasury stock			**(132)**			
Dividends declared and approved to owners						
Transfer from other components of equity to retained earnings						
Total transactions with owners	**—**	**—**	**(132)**	**—**	**—**	**—**
Balance at March 31, 2014	**¥135,364**	**¥186,083**	**¥(37,278)**	**¥108,277**	**¥11,848**	**¥ (221)**

	Thousands of U.S. Dollars					
				Other components of equity		
	Common stock	Additional paid-in capital	Treasury stock	Exchange differences on translation of foreign operations	Net gain on fair value of available-for-sale financial assets	Net gain (loss) on fair value of cash flow hedges
Balance at March 31, 2013	$1,314,214	$1,806,631	$(360,641)	$ 480,447	$ 96,980	$(8,359)
Profit						
Other comprehensive income (loss)				**570,786**	**18,048**	**6,214**
Comprehensive income	**—**	**—**	**—**	**570,786**	**18,048**	**6,214**
Net change in treasury stock			**(1,281)**			
Dividends declared and approved to owners						
Transfer from other components of equity to retained earnings						
Total transactions with owners	**—**	**—**	**(1,281)**	**—**	**—**	**—**
Balance at March 31, 2014	**$1,314,214**	**$1,806,631**	**$(361,922)**	**$1,051,233**	**$115,028**	**$(2,145)**

	Millions of Yen					
	Other components of equity					
	Remeasurement of defined benefit plan	Total other components of equity	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance at April 1, 2012	¥ —	¥ 3,290	¥549,700	¥ 837,320	¥55,949	¥ 893,269
Profit			38,915	38,915	4,903	43,818
Other comprehensive income (loss)	(2,592)	52,732	—	52,732	142	52,874
Comprehensive income	(2,592)	52,732	38,915	91,647	5,045	96,692
Net change in treasury stock			(7)	(36)		(36)
Dividends declared and approved to owners			(15,226)	(15,226)	(697)	(15,923)
Transfer from other components of equity to retained earnings	2,592	2,592	(2,592)	—		—
Total transactions with owners	2,592	2,592	(17,825)	(15,262)	(697)	(15,959)
Balance at March 31, 2013	¥ —	¥ 58,614	¥570,790	¥ 913,705	¥60,297	¥ 974,002
Profit			**72,818**	**72,818**	**5,634**	**78,452**
Other comprehensive income (loss)	**5,663**	**66,953**	**—**	**66,953**	**(274)**	**66,679**
Comprehensive income	**5,663**	**66,953**	**72,818**	**139,771**	**5,360**	**145,131**
Net change in treasury stock			**(6)**	**(138)**		**(138)**
Dividends declared and approved to owners			**(23,925)**	**(23,925)**	**(674)**	**(24,599)**
Transfer from other components of equity to retained earnings	**(5,663)**	**(5,663)**	**5,663**	**—**		**—**
Total transactions with owners	**(5,663)**	**(5,663)**	**(18,268)**	**(24,063)**	**(674)**	**(24,737)**
Balance at March 31, 2014	**¥ —**	**¥119,904**	**¥625,340**	**¥1,029,413**	**¥64,983**	**¥1,094,396**

	Thousands of U.S. Dollars					
	Other components of equity					
	Remeasurement of defined benefit plan	Total other components of equity	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance at March 31, 2013	$ —	$ 569,068	$5,541,650	$8,870,922	$585,408	$ 9,456,330
Profit			**706,971**	**706,971**	**54,699**	**761,670**
Other comprehensive income (loss)	**54,981**	**650,029**	**—**	**650,029**	**(2,660)**	**647,369**
Comprehensive income	**54,981**	**650,029**	**706,971**	**1,357,000**	**52,039**	**1,409,039**
Net change in treasury stock			**(58)**	**(1,339)**		**(1,339)**
Dividends declared and approved to owners			**(232,282)**	**(232,282)**	**(6,544)**	**(238,826)**
Transfer from other components of equity to retained earnings	**(54,981)**	**(54,981)**	**54,981**	**—**		**—**
Total transactions with owners	**(54,981)**	**(54,981)**	**(177,359)**	**(233,621)**	**(6,544)**	**(240,165)**
Balance at March 31, 2014	**$ —**	**$1,164,116**	**$6,071,262**	**$9,994,301**	**$630,903**	**$10,625,204**

Ricoh's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") from the fiscal year ended March 31, 2014.
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Consolidated Statements of Cash Flows

Ricoh Company, Ltd. and Consolidated Subsidiaries For the Years Ended March 31, 2013 and 2014	Millions of Yen		Thousands of U.S. Dollars
	2013	**2014**	**2014**
Cash Flows from Operating Activities:			
Profit	¥ 43,818	**¥ 78,452**	**$ 761,670**
Adjustments to reconcile profit to net cash provided by operating activities			
Depreciation and amortization	95,916	**106,230**	**1,031,359**
Share of profit (loss) of investments accounted for using the equity method	(31)	**33**	**320**
Finance income and costs	5,504	**2,249**	**21,835**
Income tax expenses	24,264	**39,611**	**384,573**
Increase in trade and other receivables	(7,882)	**(31,702)**	**(307,786)**
Decrease in inventories	12,681	**15,814**	**153,534**
Increase in lease receivables	(430)	**(67,758)**	**(657,845)**
Increase (decrease) in trade and other payables	(3,947)	**54,209**	**526,301**
Decrease in accrued pension and retirement benefits	(11,115)	**(33,702)**	**(327,204)**
Other, net	3,696	**9,967**	**96,767**
Interest and dividends received	3,048	**2,588**	**25,126**
Interest paid	(8,579)	**(8,308)**	**(80,660)**
Income taxes paid	(19,625)	**(20,789)**	**(201,835)**
Net cash provided by operating activities	137,318	**146,894**	**1,426,155**
Cash Flows from Investing Activities:			
Proceeds from sales of property, plant and equipment	1,712	**558**	**5,417**
Expenditures for property, plant and equipment	(79,287)	**(72,993)**	**(708,670)**
Expenditures for intangible assets	(34,784)	**(35,030)**	**(340,097)**
Payments for purchases of available-for-sale securities	(93)	**(99)**	**(961)**
Proceeds from sales of available-for-sale securities	208	**10,034**	**97,417**
Increase in time deposits	(374)	**(445)**	**(4,320)**
Purchase of business, net of cash acquired	(2,774)	**(16,850)**	**(163,592)**
Others, net	(6,351)	**(8,113)**	**(78,767)**
Net cash used in investing activities	(121,743)	**(122,938)**	**(1,193,573)**
Cash Flows from Financing Activities:			
Net proceeds (repayments) of short-term debt	(59,046)	**12,689**	**123,194**
Proceeds from long-term debt	155,845	**149,340**	**1,449,903**
Repayments of long-term debt	(162,677)	**(114,694)**	**(1,113,534)**
Proceeds from issuance of bonds	20,000	**40,000**	**388,350**
Repayments of bonds	—	**(71,841)**	**(697,485)**
Dividends paid	(15,226)	**(23,925)**	**(232,282)**
Payments for purchase of treasury stock	(39)	**(143)**	**(1,388)**
Others, net	(694)	**(662)**	**(6,427)**
Net cash used in financing activities	(61,837)	**(9,236)**	**(89,669)**
Effect of Exchange Rate Change on Cash and Cash Equivalents	7,103	**8,276**	**80,350**
Net Increase (Decrease) in Cash and Cash Equivalents	(39,159)	**22,996**	**223,263**
Cash and Cash Equivalents at Beginning of Year	156,210	**117,051**	**1,136,417**
Cash and Cash Equivalents at End of Year	¥ 117,051	**¥ 140,047**	**$ 1,359,680**

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Selected Financial Data

U.S. GAAP

Related Consolidated Profit and Loss

Ricoh Company, Ltd. and Consolidated Subsidiaries
For the Years Ended March 31

Millions of Yen

	2005	2006	2007	2008	2009	2010
Net sales	¥1,807,406	¥1,909,238	¥2,068,925	¥2,219,989	¥2,091,696	¥2,015,811
Cost of sales	1,058,232	1,114,238	1,206,519	1,292,262	1,237,310	1,194,272
Gross profit	749,174	795,000	862,406	927,727	854,386	821,539
Selling, general and administrative expenses	618,065	646,416	688,026	746,221	779,850	755,638
Operating income (loss)	131,109	148,584	174,380	181,506	74,536	65,901
Income (loss) before income taxes	130,983	152,766	174,519	174,669	30,939	57,082
Provision for income taxes	48,840	56,165	64,326	63,396	22,158	28,065
Income (loss) from continuing operations	80,537	95,022	106,224	106,463	6,530	27,044
Income from discontinued operations, net of tax	2,606	2,035	5,500	—	—	—
Net income (loss) attributable to Ricoh Company, Ltd.	83,143	97,057	111,724	106,463	6,530	27,044
Net income (loss) attributable to Ricoh Company, Ltd. shareholders per share (in yen and dollars)						
Basic	112.64	132.33	153.10	146.04	9.02	37.27
Diluted	112.64	132.33	151.89	142.15	8.75	36.25
R&D expenditure	110,478	110,385	114,985	126,033	124,406	109,346
Depreciation for tangible fixed assets	66,796	67,468	72,432	72,762	74,886	70,394
Capital investments	84,701	102,054	85,800	85,215	96,958	66,886
Free cash flow	33,089	53,428	51,865	(3,987)	(195,684)	97,765
Debt (Short-term borrowings and Long-term indebtedness)	410,085	381,277	415,648	384,372	779,195	684,454
Total assets	1,953,669	2,041,183	2,243,406	2,214,368	2,513,495	2,377,983
Shareholders' equity	862,998	960,245	1,070,913	1,080,196	975,373	969,358
Exchange rate [yen/US$]	107.58	113.26	117.02	114.40	100.55	92.91
[yen/EURO]	135.25	137.86	150.08	161.69	143.74	131.21

Note: As a result of the sale of a business during the first quarter of fiscal year 2007, the operating results from the discontinued operations have been reclassified in accordance with Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" from fiscal 2005 to fiscal 2006.

Sales by Category

Millions of Yen

Imaging & Solutions	¥1,531,428	¥1,637,228	¥1,774,467	¥1,909,573	¥1,833,098	¥1,789,717
Office Imaging	1,332,299	1,446,635	1,580,155	1,709,491	1,598,614	1,614,347
Production Printing						
Network System Solutions	199,129	190,593	194,312	200,082	234,484	175,370
Industrial Products	119,408	120,636	133,387	144,340	115,550	101,692
Other	156,570	151,374	161,071	166,076	143,048	124,402

Sales by Geographic Area

Millions of Yen

Japan	¥966,273	¥966,224	¥1,002,251	¥1,016,034	¥ 938,331	¥ 876,498
Overseas	841,133	943,014	1,066,674	1,203,955	1,153,365	1,139,313
The Americas	325,597	387,412	426,453	434,799	502,862	558,942
Europe	408,906	434,800	507,158	603,219	523,407	456,563
Other	106,630	120,802	133,063	165,937	127,096	123,808

	Millions of Yen		
	2011	2012	2013
	¥1,941,336	¥1,903,477	¥1,924,497
	1,152,395	1,150,855	1,155,896
	788,941	752,622	768,601
	730,870	770,690	705,167
	58,071	(18,068)	63,434
	44,169	(31,937)	58,173
	22,410	8,223	20,838
	18,630	(44,560)	32,467
	—	—	—
	18,630	(44,560)	32,467
	25.68	(61.42)	44.78
	25.15	(61.42)	—
	110,553	119,027	112,006
	67,231	64,984	60,471
	66,875	73,271	86,569
	36,730	(101,237)	18,059
	629,624	741,867	702,780
	2,255,564	2,289,358	2,360,697
	925,243	822,704	897,996
	85.77	79.08	83.06
	113.28	109.05	107.08

	Millions of Yen		
	¥1,712,630	¥1,671,100	¥1,685,391
	1,381,175	1,323,263	1,329,608
	150,044	148,564	147,040
	181,411	199,273	208,743
	107,032	98,052	93,094
	121,674	134,325	146,012

	Millions of Yen		
	¥ 875,819	¥ 886,425	¥ 870,397
	1,065,517	1,017,052	1,054,100
	520,000	468,728	496,605
	428,519	421,373	421,740
	116,998	126,951	135,755

International Financial Reporting Standards (IFRS)

Related Consolidated Profit and Loss

Ricot Company, Ltd. and Consolidated Subsidiaries For the Years Ended March 31	Millions of Yen		Thousands of U.S. Dollars
	2013	**2014**	**2014**
Sales	¥1,885,995	**¥2,195,696**	**$ 21,317,437**
Cost of sales	1,136,385	**1,322,471**	**12,839,524**
Gross profit	749,610	**873,225**	**8,477,913**
Selling, general and administrative expenses	676,055	**752,880**	**7,309,515**
Operating profit	73,555	**120,345**	**1,168,398**
Finance income	3,104	**6,872**	**66,718**
Finance costs	8,608	**9,121**	**88,553**
Share of profit (loss) of investments accounted for using the equity method	31	**(33)**	**(320)**
Profit before income tax expenses	68,082	**118,063**	**1,146,243**
Income tax expenses	24,264	**39,611**	**384,573**
Profit	43,818	**78,452**	**761,670**
Profit attributable to:			
Owners of the parent	38,915	**72,818**	**706,971**
Non-controlling interests	4,903	**5,634**	**54,699**
Earnings per share (attributable to owners of the parent):			
Basic	53.67	**100.44**	**0.98**
Diluted	—	**—**	**—**
R&D expenses	89,426	**94,372**	**916,233**
Depreciation for property, plant and equipment			
Capital investments	79,287	**72,993**	**708,670**
Free cash flow	15,575	**23,956**	**232,582**
Interest-bearing debt	702,335	**724,164**	**7,030,718**
Total assets	2,391,163	**2,591,361**	**25,158,845**
Total equity	974,002	**1,094,396**	**10,625,204**
Exchange rate [yen/US$]	83.06	**100.29**	**—**
[yen/EURO]	107.08	**134.47**	**—**

Sales by Category

	Millions of Yen		Thousands of U.S. Dollars
Imaging & Solutions	¥1,682,008	**¥1,969,878**	**$19,125,029**
Office Imaging	1,326,225	**1,476,797**	**14,337,835**
Production Printing	147,040	**185,081**	**1,796,903**
Network System Solutions	208,743	**308,000**	**2,990,291**
Industrial Products	93,094	**105,018**	**1,019,592**
Other	110,893	**120,800**	**1,172,816**

Sales by Geographic Area

	Millions of Yen		Thousands of U.S. Dollars
Japan	¥ 835,066	**¥ 915,714**	**$ 8,890,427**
Overseas	1,050,929	**1,279,982**	**12,427,010**
The Americas	496,857	**589,160**	**5,720,000**
Europe, Middle East and Africa	118,418	**519,103**	**5,039,835**
Other	135,654	**171,719**	**1,667,175**

We have restated the consolidated financial statement due to changing the fiscal year-ends of our subsidiaries from fiscal 2012.
We also recalculated the figure of fiscal 2010 and fiscal 2011 for reference.
Product lines included in product category was changed from fiscal 2013. We also recalculated the figure of fiscal 2011 and fiscal 2012 for reference.
Middle East and Africa sales have shifted from Other to Europe as of fiscal 2013. We also recalculated the figure of fiscal 2011 and fiscal 2012 for reference.

➤ WEB Key Financial Figures: www.ricoh.com/IR/financial_data/financial_indicators/data5.html
➤ WEB Per Share Data: www.ricoh.com/IR/financial_data/financial_indicators/data6.html
➤ WEB Sales by Categories: www.ricoh.com/IR/financial_data/financial_indicators/data7.html

Our Performance Against Major CSR Indicators

CSR Charter Indicator				Scope of Survey	Performance Year ended Mar. 31, 2012	Performance Year ended Mar. 31, 2013	Performance Year ended Mar. 31, 2014	Items Relating to Major Initiatives[1]	Note
Integrity in Corporate Activities									
1	Number of outside directors (total number of directors)			Ricoh Co., Ltd.	2 (12)	2 (11)	2 (10)	GRI: 38 ISO 26000: 6.2	
2	Response rate for CSR self-assessments by suppliers (%) ( ) indicates number of suppliers asked to respond			Japan	100 (115)	—	—	GRI: HR10, HR11 GC: 1, 2, 4-8 ISO 26000: 6.3, 6.4, 6.5, 6.6, 6.7, 6.8	Intended to implement every other year, but results and enhanced level of improvement prompted review of implementation frequency
				China	—	100 (199)	—		Scope to be expanded, based on FY2013 results, with the next assessment to run in FY2015
				Thailand	—	—	100 (70)		First assessment ran in July 2013. Schedule for next assessment will be based on results of first assessment.
3	Cases of serious accidents involving consumer products			Ricoh Group	0	0	0	GRI: PR1, PR2 ISO 26000: 6.7	Number of serious accidents involving consumer products, which jeopardize the life or physical health of consumers (which may result in death, serious injury, residual disorder, or cause carbon monoxide poisoning or fires, etc.)
4	Number of serious incidents and accidents involving information security			Ricoh Group	0	0	1	GRI: PR8 ISO 26000: 6.7	The number of serious incidents and accidents involving information security, both of which are required to be made public
5	Number of serious violations of law or incidents and accidents			Ricoh Group	0	0	0	GRI: SO5, SO7, SO8 GC: 1, 2, 4-8, 10 ISO 26000: 6.3, 6.4, 6.5, 6.6, 6.7	Number of serious violations of law or incidents and accidents that must be made public. Number excludes any serious product accidents, noted in 3 above, and any serious information security accidents or incidents, noted in 4 above.
Harmony with the Environment									
6	Energy consumption	Total calories (TJ)		Ricoh Group	4,887	5,079	5,027	GRI: EN3 GC: 7, 8 MDGs: 7 ISO 26000: 6.5	Third-party inspection ratio*2: 80.8%
7	GHG emissions	Scope 1	CO_2 (kt)	Ricoh Co., Ltd.	47.4	46.8	47.3	GRI: EN15 GC: 7, 8 MDGs: 7 ISO 26000: 6.5	Third-party inspection ratio*2: 100%
			5 gases (kt)		20.3	17.7	21.9	GRI: EN15 GC: 7, 8 MDGs: 7 ISO 26000: 6.5	Third-party inspection ratio*2: 100% CO_2 equivalent
		Scope 2	CO_2 (kt)		86.5	82.7	104.2	GRI: EN16 GC: 7, 8 MDGs: 7 ISO 26000: 6.5	Third-party inspection ratio*2: 100%
		Total (kt)			154.2	147.2	173.4	GRI: EN15, 16 GC: 7, 8 MDGs: 7 ISO 26000: 6.5	Third-party inspection ratio*2: 100%
		Scope 1	CO_2 (kt)	Ricoh Group	161.9	158.9	158.4	GRI: EN15 GC: 7, 8 MDGs: 7 ISO 26000: 6.5	Third-party inspection ratio*2: 69.4%
			5 gases (kt)		21.4	18.5	25.1	GRI: EN15 GC: 7, 8 MDGs: 7 ISO 26000: 6.5	Third-party inspection ratio*2: 100% CO_2 equivalent
		Scope 2	CO_2 (kt)		261.6	278.5	307.5	GRI: EN16 GC: 7, 8 MDGs: 7 ISO 26000: 6.5	Third-party inspection ratio*2: 89.2%
		Total (kt)			444.9	455.8	491.0	GRI: EN15, 16 GC: 7, 8 MDGs: 7 ISO 26000: 6.5	Third-party inspection ratio*2: 83.3%
8	CO_2 emissions during product use	Scope 3	CO_2 (kt)	Ricoh Group	(447.4)	515.4 (440.1)	606.0 (473.6)	GRI: EN17 GC: 7, 8, 9 MDGs: 7 ISO 26000: 6.5, 6.7	Third-party inspection ratio*2: 97.8% CO_2 emissions based on lifecycle estimations of equipment sold in each year*3
9	CO_2 reduction contribution	CO_2 (kt)		Global	—	353.0	395.0	GRI: EN27 GC: 7, 8, 9 MDGs: 7 ISO 26000: 6.5, 6.7	Reduction of CO_2 emissions due to the use of Ricoh products and/or solutions
10	Water use	Total (km^3)		Ricoh Group	3,849	4,155	4,087	GRI: EN8 GC: 7, 8 MDGs: 7 ISO 26000: 6.5	Third-party inspection ratio*2: 100% The values for FY2012 and FY2013, ended March 31, 2012 and 2013, respectively, are different than those reported in last year's table of performance indicators, because calculation errors were since caught and corrected.
11	Wastes	Total amount (t)		Ricoh Co., Ltd. and manufacturing subsidiaries	66,984	66,095	64,949	GRI: EN23 GC: 7, 8 MDGs: 7 ISO 26000: 6.5	Third-party inspection ratio*2: 100%
		Final disposal amount (t)			310	370	390	GRI: EN23 GC: 7, 8 MDGs: 7 ISO 26000: 6.5	Third-party inspection ratio*2: 100%
		Resource recovery rate (%)			99.3	99.3	98.6	GRI: EN23 GC: 7, 8 MDGs: 7 ISO 26000: 6.5	Third-party inspection ratio*2: 100%

*1 Primary initiatives: Global Reporting Initiative (GRI), FY2014, GRI Sustainability Reporting Guidelines (G4), Global Compact (GC), United Nations Millennium Development Goals (MDGs), ISO 26000 international standards for CSR

*2 Third-party inspections conducted during FY2013 by Bureau Veritas Japan K.K. (The ratios listed in the "Note" column are for FY2014, ended March 31, 2014.)

*3 Starting in FY2013, we are measuring CO_2 emissions from projectors, videoconferencing, web-based conferencing systems and LED lights in addition to imaging equipment. Numbers in parentheses indicate CO_2 emissions from imaging equipment only.

- For further information about environmental data ➤ WEB: www.ricoh.com/environment/data/

CSR Charter	Indicator	Scope of Survey	Performance: Year ended Mar. 31, 2012	Performance: Year ended Mar. 31, 2013	Performance: Year ended Mar. 31, 2014	Items Relating to Major Initiatives[1]	Note
Respect for People							
12	Number of regular employees	Japan	38,519	37,401	36,873	GRI: 9	Item 12 represents the total number of employees in all 223 companies in the Ricoh Group. Items 13 through 23 are data for the companies listed below.
		Overseas	70,722	70,030	71,322		
		Ricoh Group in total	109,241	107,431	108,195		
13	Gender ratio (male: female)	Ricoh Co., Ltd.	86:14	86:14	86:14	GRI: 10 GC: 6 MDGs: 3 ISO 26000: 6.4	Ricoh Co., Ltd.
		Domestic subsidiaries	84:16	83:17	83:17		• **Domestic Subsidiaries** Ricoh Japan, Ricoh Technosystems, Ricoh IT Solutions, Ricoh Business Expert, Ricoh Technologies, Ricoh Creative Service, Ricoh Lease, Ricoh Logistics, Ricoh Industries (formerly Tohoku Ricoh, Ricoh Printing Systems, Ricoh Unitechno), Ricoh Optical, Yamanashi Electronic Industry, Hasama Ricoh, Ricoh Microelectronics, Ricoh Elemex, Ricoh Imaging (formerly Pentax Ricoh Imaging)
		Overseas subsidiaries	63:37	63:37	64:36		
14	Average years of service (regular employees)	Ricoh Co., Ltd.	Male 17.1 / Female 16.3	Male 17.4 / Female 16.9	Male 17.5 / Female 17.5	GRI: N/A GC: 6 MDGs: 3 ISO 26000: 6.4	
		Domestic subsidiaries	Male 18.6 / Female 13.1	Male 19.2 / Female 14.0	Male 18.5 / Female 14.1		
		Overseas subsidiaries	Male 9.8 / Female 6.8	Male 9.6 / Female 6.6	Male 10.0 / Female 6.4		
15	Average age by gender	Ricoh Co., Ltd.	Male 41.6 / Female 38.4	Male 41.6 / Female 38.6	Male 42.4 / Female 39.7	GRI: LA10 GC: 6 MDGs: 3 ISO 26000: 6.4	• **Overseas Subsidiaries** **Overseas Manufacturing Subsidiaries** Ricoh UK Products Ltd. (RPL), Ricoh Industrie France S.A.S. (RIF), Ricoh Electronics, Inc. (REI), Ricoh Asia Industry (Shenzhen) Ltd. (RAI), Ricoh Components & Products (Shenzhen) Ltd. (RCP), Shanghai Ricoh Digital Equipment Co., Ltd. (SRD), Ricoh Thermal Media (Wuxi) Co., Ltd., Ricoh Manufacturing (Thailand) Ltd.
		Domestic subsidiaries	Male 42.0 / Female 36.8	Male 43.0 / Female 37.7	Male 43.8 / Female 38.9		
		Overseas subsidiaries	Male 40.2 / Female 35.9	Male 40.4 / Female 35.8	Male 41.2 / Female 36.2		
16	Percentage of female workers in management positions	Ricoh Co., Ltd.	2.5	2.8	3.0	GRI: LA12 GC: 6 MDGs: 3 ISO 26000: 6.4	**Overseas Regional Headquarters** Ricoh Europe PLC (RE), Ricoh Americas Corporation (RAC), Ricoh Asia Pacific Pte Ltd. (RA)
		Domestic subsidiaries	2.6	2.8	3.3		**Overseas Sales Subsidiaries** Americas: 3 companies, Europe: 20 companies Asia-Pacific and China: 11 companies
		Overseas subsidiaries	25.0	25.0	37.0		**Overseas R&D Subsidiaries** RICOH Imaging Technology (Shanghai) Co., Ltd.
17	Percentage of female workers in executive management positions	Ricoh Co., Ltd.	0.6	1.0	1.3	GRI: LA12 GC: 6 MDGs: 3 ISO 26000: 6.4	Percentage of female workers in management positions, Item 16, was revised at Ricoh for FY2012 and FY2013, and percentage of female workers in executive management positions, Item 17, was revised at Ricoh for FY2013.
		Domestic subsidiaries	1.2	1.5	1.6		
		Overseas subsidiaries	13.0	13.0	18.0		
18	Percentage of locally hired presidents	Overseas subsidiaries	80	75	89	GRI: LA12 GC: 6 ISO 26000: 6.4	Rates for employment of the handicapped are based on Japanese regulations concerning promotion of handicapped workers.
19	Percentage of employees with disabilities	Ricoh Co., Ltd.	2.06	1.89	2.03	GRI: LA12 GC: 6 ISO 26000: 6.4	Calculation method for annual working hours per regular employee, Item 20, was revised at Ricoh, and values for FY2012 and FY2013 were changed.
20	Annual working hours per regular employee	Ricoh Co., Ltd.	1,869	1,859	1,873	GC: 4 ISO 26000: 6.4	All Ricoh subsidiaries in Japan fall under category of domestic subsidiaries in Item 24. For Ricoh and its overseas subsidiaries, the same shall apply in Items 13-23.
		Domestic subsidiaries	1,891	1,888	1,901		
		Overseas subsidiaries	2,061	2,037	2,067		
21	Annual average hours of training per regular employee	Ricoh Co., Ltd.	41.3	41.2	41.2	GRI: LA9 ISO 26000: 6.4	Indices are based on the 106,518 employees. (The data for the year ended March 31, 2014 covers 98% of the total number of Ricoh Group employees, which stands at 108,195.)
		Domestic subsidiaries	46.7	40.1	28.4		
		Overseas subsidiaries	54.8	38.4	19.8		
22	Number of people taking childcare leave	Ricoh Co., Ltd.	76	87	120	GRI: LA3 ISO 26000: 6.4 GC: 1	
		Domestic subsidiaries	303	312	383		
23	Number of people taking nursing care leave	Ricoh Co., Ltd.	4	2	6	GRI: N/A ISO 26000: 6.4 GC: 1	
		Domestic subsidiaries	6	4	5		
24	Number of industrial accidents	Ricoh Co., Ltd.	11	9	8	GRI: LA6 ISO 26000: 6.4 GC: 1	
		Domestic subsidiaries	74	46	48		
		Overseas subsidiaries	34	45	56		
Harmony with Society							
25	Amount of charitable donations (JPY millions)	Ricoh Co., Ltd.	439	113	126	GRI: SO1 MDGs: 1 ISO 26000: 6.8	• Donations in FY2012 were greatly increased because of donations for the recovery of areas affected by the Great East Japan Earthquake. • Numbers for overseas for FY2012 are for Europe + Americas only. Numbers include Asia-Pacific and China from FY2013. • FY2013 results were revised.
		Domestic subsidiaries	209	4	6		
		Overseas subsidiaries	212	23	75		
26	Hours spent for social contribution activities	Ricoh Co., Ltd.	52,574	13,838	8,770	GRI: SO1 MDGs: 1 ISO 26000: 6.8	• Donations in FY2012 were greatly increased because of donations for the recovery of areas affected by the Great East Japan Earthquake. • Numbers for overseas for FY2011 and FY2012 are for Europe + Americas only. Numbers include Asia-Pacific and China from FY2013. • FY2013 results for Ricoh Co., Ltd. and domestic subsidiaries were revised.
		Domestic subsidiaries	107,891	6,257	6,979		
		Overseas subsidiaries	16,754	39,469	29,716		
27	Total contributions to society (JPY millions)	Ricoh Co., Ltd.	789	232	202	GRI: SO1 MDGs: 1 ISO 26000: 6.8	• FY2013 results were revised.
		Domestic subsidiaries	808	50	42		
		Overseas subsidiaries	—	262	259		

History of the Ricoh Group

Ricoh began by marketing sensitized paper and cameras. Ever since then, we have continued to help people share information with innovations in image processing technologies.

The early years

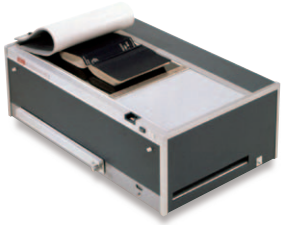
Ricoh's origins date back to a decision of the Institute of Physical and Chemical Research to commercialize the fruits of its R&D by setting up Rikagaku Kogyo Co., Ltd. In 1936, the institute established Riken Kankoshi Co., Ltd. (renamed Riken Optical Co., Ltd. in 1938, and Ricoh Company, Ltd. in 1963) to manufacture and sell sensitized paper. In 1950, the company popularized cameras among consumers by mass producing them for the first time in Japan, and in 1955 entered the business machine field with the introduction of the Ricopy 101.

1936 Riken Kankoshi Co., Ltd. established to make and market sensitized paper, with Kiyoshi Ichimura appointed executive managing director.
1936 Renamed Riken Optical Co., Ltd. (until 1963).
1946 Kiyoshi Ichimura becomes president.
1950 Launches the Ricohflex III camera, which spurred the popularization of cameras.
1955 Enters office copier field with the Ricopy 101, its first diazo model.
1957 Wins Ohkochi Memorial Production Prize for establishing mass-production system for cameras.
1960 Introduces the Ricoh Offset B4, the first offset printer for office use.
1962 Launches the Ricoh Auto Half, a half-frame model that proves a massive hit.
Establishes Ricoh Industries, U.S.A. Inc., a sales subsidiary.
1963 Renamed Ricoh Company, Ltd.
1965 Introduces the Ricopy BS-1 as its first electrostatic copier.
1968 Kiyoshi Ichimura passes away.

Kiyoshi Ichimura

Ricohflex III

Ricopy 101



Ricopy BS-1

OA pioneer

In 1974, Ricoh launched the Rifax 600S, the world's first high-speed office facsimile. In 1977, it coined the acronym OA for "office automation." During the 1980s, the company extended its support for office productivity by rolling out a lineup that included computers and word processors, optical filing systems and laser printers.

1970 Ricoh Pavilion at Japan Expo '70 highlights the theme of a "Better Vision for Humanity."
1971 Introduces the Ricom 8, its first office computer.
Establishes Ricoh Nederland B.V., a sales subsidiary in the Netherlands.
1972 Launches the Ricoh PPC 900, its first dry-electrostatic-transfer plain paper copier.
1973 Rifax 600S, the first high-speed facsimile machine for offices, succeeds in transmission between Tokyo and New York via satellite communications.
Establishes Ricoh Electronics, Inc., a manufacturing subsidiary in the U.S.
1975 Commercializes the Ricopy DT1200, a wet process-based plain paper copier that becomes the world's top-selling copier.
Becomes the office automation industry's first recipient of the Deming Prize.
1976 Establishes the Environmental Promotion Section.
Rifax 600S adopted for use in the Montreal Olympic Games.
1977 Coins the acronym OA for "office automation."
1981 Starts marketing Ricoh brand dry process plain paper copiers in Europe and North America.
1982 Introduces Ricopy FT4060, the first A3 plain-paper copier.
1983 Establishes Ricoh UK Products Ltd., a manufacturing subsidiary.
1984 The Rifax 1300HS receives a Nikkei Product Excellence Prize.

Rifax 600S

Ricopy DT1200

The digital revolution

In 1987, Ricoh pioneered MFPs with the IMAGIO 320. In 1996, it helped popularize digital models by launching the imagio MF200, a compact and highly affordable MFP. The company subsequently released networked and color offerings.

1985 Receives the Ohkochi Memorial Production Prize for developing a multi-product production system for MFPs.
Develops speech recognition and optical character recognition technology.
1986 Adopts a new corporate logo in celebration of its 50th anniversary.
1987 The OHP313R overhead projector wins the Good Design Grand Award.
Establishes Ricoh Industrie France S.A., a manufacturing subsidiary.
1989 Signs a Worldwide Sponsorship contract in the facsimile machine category for the 1992 Barcelona Olympic Games.
1991 The Ricoh California Research Center develops the world's fastest color imaging compression algorithm.
Establishes Ricoh Asia Industry (Shenzhen) Ltd., a manufacturing subsidiary, in China.
1992 Implements the Ricoh General Principles on the Environment that defines the Group's conservation policy.
1993 Ricoh UK Products Ltd. is the first recipient of the Queen's Award for Environmental Achievement.
Establishes GR Advanced Materials, Ltd., a manufacturing subsidiary in the U.K.
1994 Ricoh UK Products Ltd. receives a Highly Recommended prize from the European Better Environment Awards for Industry for its chlorofluorocarbon-free recycling system.
1995 Launches its first digital camera, DC-1.
Acquires Gestetner Corporation (U.K.) and Savin Corporation (U.S.).
1996 Ricoh Corporation receives the first of five straight ENERGY STAR awards from the Environmental Protection Agency of the U.S.
Establishes Ricoh Asia Pacific Pte Ltd., a sales subsidiary in Singapore.
1997 Establishes Ricoh Silicon Valley, Inc., an R&D facility in the U.S.
1999 Ricoh awarded Minister of International Trade and Industry Prize in eighth annual Global Environment Awards from Japan Industrial Journal.
Ricoh receives Japan Quality Award.
2000 Receives the first Eco Mark for an MFP.

imagio MF200

DC-1

A Global Company

Ricoh's overseas expansion began in the early 1970s, when the Company began selling on an original equipment manufacturer basis. The Company has actively pursued global expansion through the establishment of a global sales support structure, a process kick-started in 1995 when U.K.-based Gestetner became part of the Ricoh Group. The Company has steadily extended the scope of its operations, including entry into the production printing market and efforts to reinforce the solutions business.

2001 imagio Neo 350 series wins the Energy Conservation Grand Prize from the Ministry of Economy, Trade and Industry.
Acquires Lanier Worldwide, Inc. (U.S.).
2002 Given the world's highest ranking for corporate social responsibility by oekom research AG (also in 2005 and 2006).
Signs the United Nations Global Compact.
2003 The Ricoh Group receives a Gold Medal from the World Environment Center.
Establishes Ricoh China Co., Ltd.
2004 Acquires Hitachi Printing Solutions, Ltd., which is renamed Ricoh Printing Systems.
2005 Given highest (AAA) evaluation in the environmental ranking organized by Deloitte Tohmatsu Evaluation and Certification Organization (also in 2006).
Given the world's highest ranking for corporate social responsibility by oekom research AG (also in 2005 and 2006).
2006 Lights up a major billboard atop the San-Ai Dream Center in Ginza, Tokyo.
2007 InfoPrint Solutions Company, a Ricoh-IBM joint venture, starts operation.
2008 Introduces the RICOH Pro C900 color production printer.
Acquires IKON Office Solutions, Inc. (U.S.).
2009 Releases its first reconditioned color MFP, the MP C3500RC/C2500RC series, in Japan.
Produces the world's first commercial biomass toner, used in the MP 6001GP MFP.
Establishes Ricoh Manufacturing (Thailand) Ltd.

RICOH Pro C900

San-Ai Dream Center

Creating New Customer Value

With rapid evolution in customer workstyles, Ricoh's range of value provided to customers has begun to expand significantly. By launching the Projection System business and the United Communication System, coupled with the introduction of various network appliances linked to cloud services, Ricoh has created new value for its customers.

2010 Sets up a 100% eco-powered billboard in New York's Times Square.

Launches the Projection System business.

2011 Launches the Unified Communication System that seamlessly integrates video, voice and other forms of data.

Establishes PENTAX Ricoh Imaging Company, Ltd.

Receives an award from the Ministry of Economy, Trade and Industry for dry washing technology that removes residue without the use of solvents or water.

2012 Selected by oekom research AG as the world's best performing business for sustainability in the IT industry.

Establishes Ricoh Innovations Private Limited, an R&D facility, in India.

Releases MP 9002/7502/6002/6002GP series, the industry's first digital high-speed monochrome MFPs to feature parts made from steel scrap.

Ricopy 101, the diazo copier launched in 1955, is included in the list of Japan's Mechanical Engineering Heritage.

2013 Releases RICOH Interactive Whiteboard D5500, which allows remote sites to share display-based handwritten content.

Ichimura Nature School Kanto wins Philanthropy Grand Prize.

Selected as one of the World's Most Ethical Companies by Ethisphere Institute (U.S.) for the fifth consecutive year.

Restructures design and production functions in Japan.

Establishes Ricoh Technologies Company, Ltd., and Ricoh Industry Company, Ltd.

Releases RICOH THETA, world's first camera capable of taking fully spherical pictures.

2014 RICOH MP C6003/C5503/C4503/C3503/C3003 series receives Energy Conservation Center Chairman's Prize for energy-saving features.

Included in the Global 100 Most Sustainable Corporations in the World by Corporate Knights (Canada) for the 10th year in a row.

Ichimura Nature School Kanto wins Minister of Education, Culture, Sports, Science and Technology Award.

Selected for FTSE4Good Index, a socially responsible investment index, for the 11th consecutive year.

Selected for FTSE4Good Index, a leading stock index for sustainability investment, for the 11th year in a row.

Reorganizes sales subsidiaries in Japan. Parts of Ricoh Technosystems Co., Ltd., Ricoh Business Expert Co., Ltd., and Ricoh IT Solutions Co., Ltd. are integrated into Ricoh Japan Corporation.

Installs 100% eco-powered electronic billboard at Ginza 4-chome crossing in Tokyo.

Rifax 600S registered under Essential Historical Materials for Science and Technology by the National Museum of Nature and Science in Japan.

Becomes a component of the Dow Jones Sustainability World Indices for socially responsible investment for the second year in a row.

*Consumer product noted for ability to capture fully spherical images, rather than panoramic or semi-spherical images, with a single shutter release (based on RICOH research, as of October 2013).

RICOH THETA

PENTAX 645Z

RICOH PJ WX4141NI

RICOH Interactive Whiteboard D5500

RICOH Unified Communication System P3000

Commitment and Recognition

Commitment to Society ➤ WEB 1

A signatory to international agreements and policy guidelines, the Ricoh Group is fully committed to achieving a sustainable society.

April 2002	Becomes the second Japanese company to sign the UN Global Compact
June 2007	Signs Caring for Climate: the Business Leadership Platform of the UN Global Compact
May 2008	Signs the Japan Business Initiative for Biodiversity
December 2008	Signs the CEO Statement for the 60th Anniversary of the Universal Declaration of Human Rights by the UN
July 2009	Participates in the Japan Climate Leaders' Partnership as a founding member
December 2010	Announces its support for the Cancun Communiqué on Climate Change
February 2011	Signs a statement of support for the Women's Empowerment Principles by the UN Global Compact
November 2012	Participates in the Carbon Price initiative to counter climate change
September 2014	Announces its support for the World Bank Group's Put a Price on Carbon Statement
September 2014	Announces its support for the Trillion Tonne Communiqué, a call to keep cumulative CO_2 emissions below a trillion tonnes

Major Awards and Recognition

Many international awards attest to the excellence of Ricoh Group products and business operations.

January 2012	Selected by oekom research AG as the world's best performing business for sustainability performance in the IT industry ➤ WEB 2
January 2012	RICOH Pro C901/C901S receives the Chairman's Prize of ECCJ in the Energy Conservation Grand Prize for excellent energy conservation equipment
January 2012	Receives the Excellence Award in the 15th Environmental Report Award in Japan
August 2012	Recognized by global consulting firm Deloitte as one of the top six global organizations ready for a "green and inclusive economy"
October 2012	Ricoh's reconstruction support activities in the wake of the Great East Japan Earthquake are given the International Association for Universal Design Award
October 2012	Receives the highest rank for environmental contributions from the Development Bank of Japan
October 2012	Recognized by the Carbon Disclosure Project for publication of information concerning climate change
November 2012	Awarded by the Japan Environmental Management Association for Industry for ecologically-sound packaging
December 2012	Selected as one of the Top 100 Global Innovators by Thomson Reuters
January 2013	Ricoh's CSR activities are given the 10th Corporate Philanthropy Award
March 2013	Selected as one of the World's Most Ethical Companies by Ethisphere Institute (U.S.) for the fifth year in a row
March 2013	Included in the Ministry of Economy, Trade, and Industry's Diversity Management Selection 100
July 2013	Designated a leader in MPS by IDC for the third year in a row
January 2014	Receives Bronze Award in RobecoSAM's survey of corporate sustainability
January 2014	Selected as one of the Global 100 Most Sustainable Corporations for the 10th consecutive year
May 2014	Selected for inclusion in the FTSE4Good Global Index, a leading stock index for sustainability investment for 11 years in a row ➤ WEB 3
September 2014	Becomes a component of the Dow Jones Sustainability World Indices for socially responsible investment for the second year in a row

Sponsorships to Develop Future Leaders

The Ricoh Group is a leading sponsor of student technology competitions.

RICOH & Java™ Developer Challenge 2013 (Japan)

Intel ISEF (International Science & Engineering Fair) U.S. ➤ WEB 4

➤ WEB 1 Commitment to society: www.ricoh.com/csr/concept/guideline.html
➤ WEB 2 oekom research: www.oekom-research.com ➤ WEB 3 FTSE4Good: www.ftse.com/products/indices/FTSE4Good
➤ WEB 4 Intel ISEF: www.ricoh.com/environment/communication/stakeholders/05_01.html

Executives

(as of September 1, 2014)

Board of Directors

Shiro Kondo

Chairman of the Board

- Member of Nomination and Compensation Committee

Date of birth: October 7, 1949
Joined the Company: April 1973

(Currently)
Chairman, Ricoh Co., Ltd.

(Formerly)
General Manager, Imaging System Business Group and General Manager, MFP Business Group, Ricoh Co., Ltd.

Zenji Miura

President and CEO

- Member of Nomination and Compensation Committee

Date of birth: January 5, 1950
Joined the Company: April 1976

(Currently)
President and CEO, Ricoh Co., Ltd.

(Formerly)
President, Ricoh France S.A.S.; General Manager, Finance and Accounting Division and General Manager, Corporate Planning, Ricoh Co., Ltd.

Nobuo Inaba

Director

Date of birth: November 11, 1950
Joined the Company: May 2008

(Currently)
Corporate Executive Vice President, Ricoh Co., Ltd.; President, Ricoh Institute of Sustainability and Business

(Formerly)
Executive Director, Bank of Japan

Yohzoh Matsuura

Director

Date of birth: April 15, 1956
Joined the Company: 1980

(Currently)
Corporate Executive Vice President and General Manager, Imaging Systems Development Division, and Ricoh Institute of Technology, Ricoh Co., Ltd.

(Formerly)
General Manager, Imaging Engine Development Division and General Manager, Controller Development Division, Ricoh Co., Ltd.

Yoshinori Yamashita

Director

Date of birth: August 22, 1957
Joined the Company: 1980

(Currently)
Corporate Executive Vice President and General Manager, Business Solutions Group, Ricoh Co., Ltd.

(Formerly)
President, Ricoh Electronics, Inc.; General Manager, Corporate Planning, Ricoh Co., Ltd.

Kunihiko Satoh

Director

Date of birth: October 21, 1956
Joined the Company: 1979

(Currently)
Corporate Executive Vice President and General Manager, Japan Marketing Group, Ricoh Co. Ltd.; Representative Director, President and CEO, Ricoh Japan Corporation; Director, Ricoh Leasing Co., Ltd.

(Formerly)
Representative Director and President, Ricoh Kansai Co., Ltd.

Mochio Umeda

Director (outside)

- Member of Nomination and Compensation Committee

* Since June 2010

Date of birth: August 30, 1960

(Currently)
President, MUSE Associates, LLC. (U.S.A.); Managing Director, Pacifica Fund I, LP.; Outside Director, ASATSU-DK INC.; Representative Director and President, MUSE ASSOCIATES INC.; Director, B innovation, Co., Ltd.

Kunio Noji

Director (outside)

- Member of Nomination and Compensation Committee

* Since June 2012

Date of birth: November 17, 1946

(Currently)
Chairman of the Board, Komatsu Ltd.; Outside Director, NEC Corporation

Makoto Azuma

Director (outside)

- Member of Nomination and Compensation Committee

* Since June 2014

Date of birth: May 25, 1945

(Currently)
Advisory Professor, Tsing Hua University (China); Professor, Graduate School of Innovation Studies, Tokyo University of Science

Audit and Supervisory Board

Kunihito Minakawa

Audit and Supervisory Board Member

Date of birth: August 15, 1954
Joined the Company: 1978

(Formerly)
General Manager, Finance and Accounting Division, Ricoh Co., Ltd.

Mitsuhiro Shinoda

Audit and Supervisory Board Member

Date of birth: November 23, 1953
Joined the Company: 1978

(Formerly)
General Manager, Finance Department, Finance and Accounting Division and General Manager, Internal Management & Control Division, Ricoh Co., Ltd.

Takao Yuhara

Outside Audit and Supervisory Board Member

* Since June 2008

Date of birth: June 7, 1946

(Currently)
Outside Audit and Supervisory Board Member of mofiria Corporation; Outside Audit and Supervisory Board Member of KAMEDA SEIKA Co., LTD.

(Contributions)
Attended 11 of the 11 board meetings held in the term ended March 2014 (attendance rate: 100%). Attended 11 of the 11 auditors meetings held during the same period (attendance rate: 100%).

Kimitoshi Yabuki

Outside Audit and Supervisory Board Member

* Since June 2013

Date of birth: August 22, 1956

(Currently)
Yabuki Law Office

(Contributions)
Attended 9 of the 9 board meetings after he assumed his position (attendance rate: 100%). Also, attended 8 of the 8 auditors' meetings held during the same period (attendance rate: 100%)

Company Data

Company Name	Ricoh Company, Ltd.
Date of Establishment	February 6, 1936
Head Office	Ricoh Building, 8-13-1 Ginza, Chuo-ku, Tokyo 104-8222, Japan Phone: +81-3-6278-2111
Representative Directors	Shiro Kondo Chairman Zenji Miura President and CEO
Capitalization	135.3 billion yen (as of March 31, 2014)
Consolidated Net Sales	2,195.6 billion yen (Year ended March 31, 2014)
Number of Consolidated Companies	223 companies (as of March 31, 2014)
Main Business	Imaging and Solutions • **Office Imaging** MFPs (multifunctional printers), copiers, laser printers, digital duplicators, facsimiles, scanners, related parts and supplies, services, support and software • **Production Printing** Cut sheet printer, continuous feed printer, related parts and supplies, services, support and software • **Network System Solutions** Personal computers, servers, network equipment, related services, support and software Industrial Products Thermal media, optical equipment, semiconductor devices and electronic components Other Digital cameras
Number of Employees	108,195 (as of March 31, 2014)
Stock Listings	Tokyo, Nagoya, Fukuoka, Sapporo
Independent Public Accountants	KPMG AZSA LLC
Shareholders Register Agent	Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo
Depository for American Depository Receipts	The Bank of New York Mellon 101 Barclay Street, New York, NY 10286, U.S.A. Phone: +1-201-680-6825 US toll free: +1-888-269-2377 (1-888-bny-adrs) Website: http://www.adrbnymellon.com

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- For comments and inquiries concerning this report, please contact us at the address below.

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