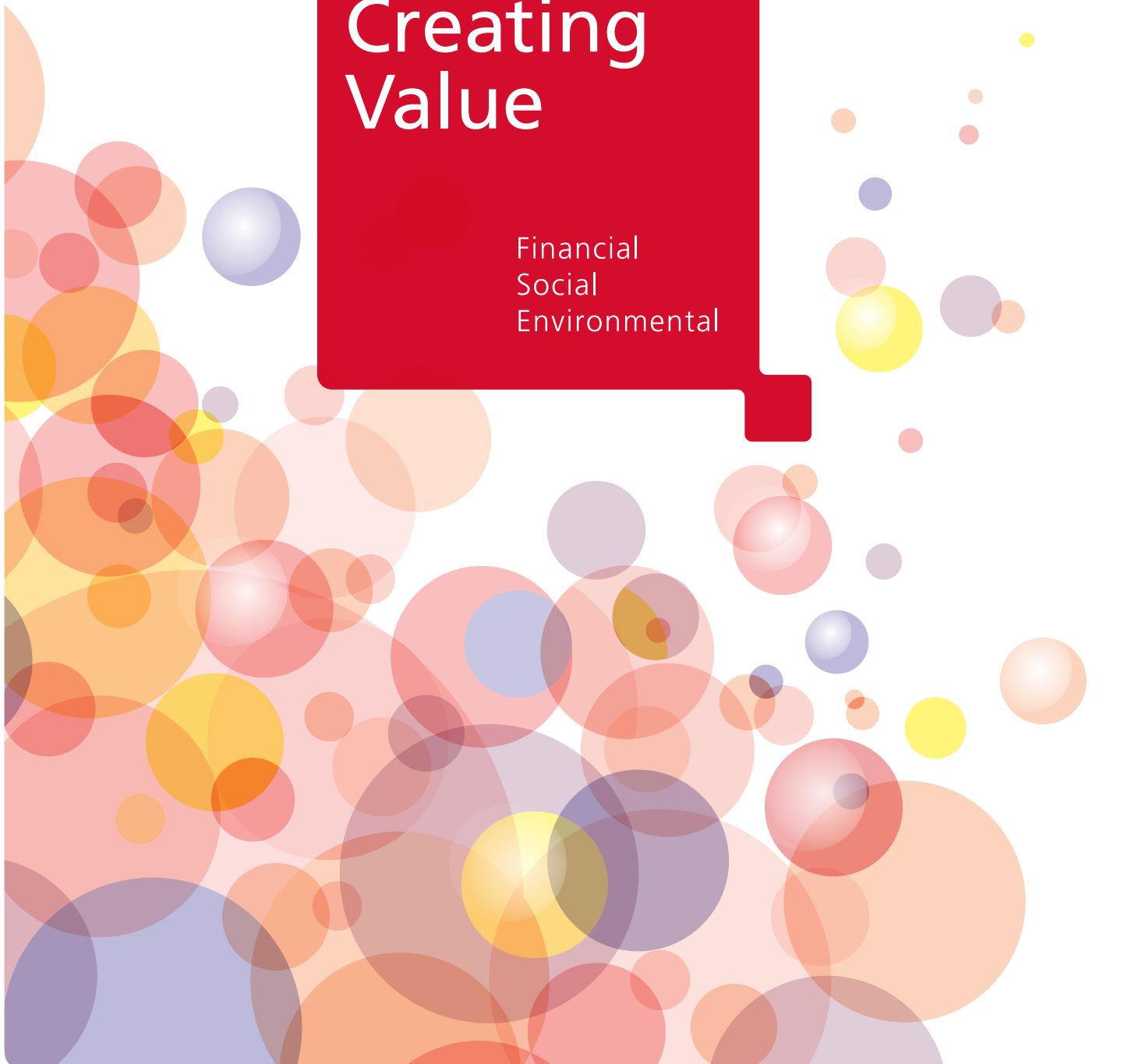


Ricoh Group Integrated Report 2019

**Creating
Value**

Financial
Social
Environmental



Ricoh Way is our corporate philosophy and is our essential guide to each daily decision and activity

Founding Principles

The Spirit of Three Loves by Kiyoshi Ichimura, Founder

“Love your neighbor”
“Love your country”
“Love your work”

Mission

We are committed to providing excellence to improve the quality of living and to drive sustainability.

Vision

To be the most trusted global company.

Values

CUSTOMER-CENTRIC

Act from the customer's perspective

PASSION

Approach everything positively and purposefully

GEMBA

Learn and improve from the facts

INNOVATION

Break with the status quo to create value without limits

TEAMWORK

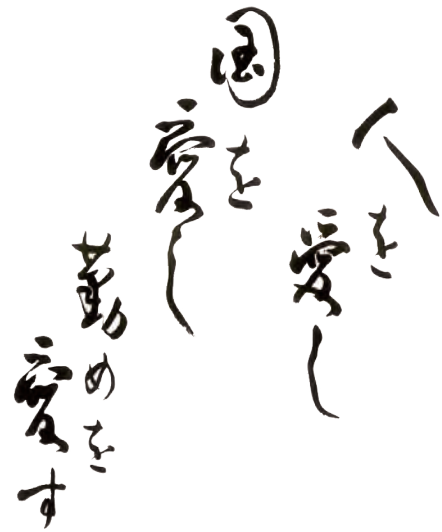
Respect all stakeholders and co-create value

WINNING SPIRIT

Succeed by embracing challenges through courage and agility

ETHICS AND INTEGRITY

Act with honesty and accountability



Kiyoshi Ichimura formulated the Ricoh Group's Founding Principles in 1946. They inform how we do business, encouraging us to constantly improve and contribute to the wellbeing of all stakeholders, including our families, customers, and society at large.

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 Report is to enable stakeholders to fully understand activities undertaken by the Ricoh Group to raise corporate value over the long term through a concise mixture of financial information, such as business performance and numerical results, and non-financial information, such as policies, strategies and underlying concepts.

The booklet version (printed and PDF*) of the Report briefly presents stories and measures about efforts to boost corporate value. The online version features specific initiatives to attain objectives and associated results.

> P.93



Booklet version (printed and PDF*)

Concise presentation of stories and measures aimed at boosting corporate value

Online version

Details on activities and results, categorized by theme

* Adobe PDF is a trademark or a registered trademark of Adobe Systems Incorporated in the United States and other countries.

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 year from April 1, 2018 to March 31, 2019; however, some activities from the year ending March 31, 2020 are also included.

Guidelines

The following guidelines have been used for reference to ensure topics are appropriately selected and organized:

- GRI Standards > **1**
- The Japanese Ministry of the Environment's Environmental Reporting Guidelines 2012
- United Nations Global Compact Communication on Progress Policy
- IIRC International <IR> Framework

This version of the Integrated Report reflects suggestions from institutional investors and think tanks, on improvements to the previous report.

Major organizational changes

Transfer of shares in Ricoh Logistics System Co., Ltd., on August 1, 2018

Ricoh transferred 66.6% (rounded down to one decimal point) of the issued and outstanding shares of Ricoh Logistics System Co., Ltd. (now called SBS Ricoh Logistics System Co., Ltd.), to SBS Holdings, Inc. SBS Ricoh Logistics System will continue to support the Ricoh Group as an equity method affiliate through logistics that helps reinforce core operations.

Forward-looking statements

The plans, prospects, strategies and other statements, except for the historical events, mentioned in this report are forward-looking statements with respect to future events and business results. These statements were made based on the judgment of Ricoh directors from the information that was obtainable at the time. 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:

- General economic conditions and business trends
 - Exchange rates and their fluctuations
 - Rapid technological innovation
 - 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 report shall be interpreted as a recommendation and/or endorsement by Ricoh.

This report is not an offer or a solicitation to make investments. Please do not rely on this report 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, 2019 is included solely for the convenience of readers outside Japan and has been made using the exchange rate of ¥111 to US\$1, the approximate rate of exchange prevailing at the Federal Reserve Board at the end of March 2019.

 Refer to our website

 GRI Standards www.ricoh.com/sustainability/report/gr_guideline/

The Ricoh Group has continued to progress alongside its customers since its inception in 1936, bringing innovations to the world through its revolutionary optical and imaging equipment. The operating conditions have continued to change over the years. Today, climate change, globalization, the development of emerging economies, and the elimination of poverty as well as the promotion of human rights are among the key issues on everyone's agenda.

It was against this backdrop that we reinforced our dedication to our Founding Principles of Love your neighbor, Love your country, Love your work under our Mission Statement, through which we are committed to delivering new value to improve the quality of living and drive sustainability.

Swift and dynamic reforms are vital for us to continue growing in this rapidly changing world. At the start of the year ended March 31, 2018, we launched RICOH Resurgent under our 19th Mid-Term Management Plan. This symbolized our determination to embark on a new start by casting aside the traditions and precedents that hinder progress. In the year ended March 31, 2019, we rolled out RICOH Ignite, under which we boosted profitability in core businesses while expanding new businesses. In the final year of our 19th Mid-Term Management Plan, we are striving to further enhance profitability in businesses that we have turned around and reach the targets of that plan.

EMPOWERING DIGITAL WORKPLACES is our new unified global value proposition which defines how all Ricoh Group employees bring value to our customers. It underpins our efforts to help people leverage their individuality to work smarter and grow. At the same time it broadens the value we seek to provide to organizations and society at large so we can help resolve social issues through business.

We will continue to leverage our corporate tagline of "imagine. change." in the approximately 200 countries and regions in which we operate to imagine the future and change what we do today. We will continue striving to satisfy our customers and all stakeholders by creating unique value beyond their expectations.

September 2019



Yoshinori "Jake" Yamashita

President and CEO

01	Ricoh Way
02	Policy on information disclosure/Major organizational changes
03	To Our Stakeholders
05	Contents

06 Value Creation

07	Transitions in Growth
09	A Conversation with Our CEO
15	Regarding the Circumstances and Response to the Financial Irregularities at a Sales Subsidiary in India and the Subsequent Conditions
17	19th Mid-Term Management Plan (April 2017–March 2020)
19	Corporate Value
21	Resolving Social Issues and Creating Value —SDGs and Materiality—
23	About the Ricoh Group

24 Business Strategy

25	Offices (Office Printing/Office Services)
29	Printing (Commercial Printing/Industrial Printing/Thermal)
34	Industrial Products/Smart Vision/New Development

38 Value Drivers

39	Technological Strengths
45	Customer Engagement
49	Sustainable Environmental Management
53	Human Resources Capabilities

57 Governance

58	Corporate Governance
65	Message from Executives
69	Audit and Supervisory Board
71	Internal controls/Compliance
72	Risk Management

77 Data & Profile

78	Ricoh Group Consolidated Financial Results for the Year Ended March 31, 2019
80	Financial Statements
87	Our Performance Against Major CSR Indicators
89	Commitment and Recognition
91	Social Contribution
92	Company Data
93	Featured Information in Online Version of Integrated Report

Value Creation

The Ricoh Group has continued to resolve social issues by accommodating social needs through business since its establishment.

Here, we underscore that approach by presenting progress to date, current business conditions, and endeavors to build value for tomorrow.

- 07 **Transitions in Growth**
- 09 **A Conversation with Our CEO**
- 15 **Regarding the Circumstances and Response to the Financial Irregularities at a Sales Subsidiary in India and the Subsequent Conditions**
- 17 **19th Mid-Term Management Plan (April 2017–March 2020)**
- 19 **Corporate Value**
- 21 **Resolving Social Issues and Creating Value —SDGs and Materiality—**
- 23 **About the Ricoh Group**

Always delivering new value to meet the expectations of our customers and society



Ricoh founder, Kiyoshi Ichimura, oversaw the business based on the principles of "Love your neighbor, Love your country, Love your work"—The Spirit of Three Loves.

Founder, Kiyoshi Ichimura (1900–1968)

1936–

The early years

Started out in the sensitized paper business and then branched out into the camera business, creating the first mass production structure for cameras in Japan and driving widespread interest in cameras among consumers. Entered the business machine field as well.

- Business
- Environmental, social and governance issues

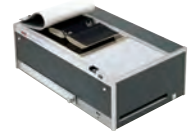
- 1936 ● Establishes Riken Kankoshi Co., Ltd. (the Ricoh Group commences operations).
- 1938 ● Renames company, Riken Optical Co., Ltd.
- 1950 ● Launches the Ricohflex III camera, which spurs the popularization of cameras.
- 1955 ● Enters the office copier field with the Ricopy 101, its first diazo model.
- 1962 ● Launches the Ricoh Auto Half, a half-frame camera that proves a massive hit.
 - Establishes Ricoh Industries, U.S.A., Inc., a sales subsidiary.
- 1965 ● Introduces the Ricopy BS-1, its first electrostatic copier.
- 1967 ● Launches the Ricomac 201 electric calculator.



Ricohflex III



Ricopy 101



Ricopy BS-1

1970–

OA pioneer

Industry debut of office automation (OA). Launched various machines, including plain paper copiers (PPC), to support enhanced office productivity.

- 1971 ● Introduces the RICOH 8, its first office computer.
- 1972 ● Launches the Ricoh PPC 900, its first dry-electrostatic-transfer plain paper copier.
- 1973 ● Establishes Ricoh Electronics, Inc., a manufacturing subsidiary in the U.S.
- 1974 ● Launches the RIFAX 600S, the world's first high-speed office facsimile machine.
- 1976 ● Establishes the Environmental Promotion Section.
- 1977 ● Coins the acronym OA for "office automation."
- 1979 ● Establishes Ricoh Systems, Inc. in the U.S. to carry out R&D.
- 1980 ● Introduces Ricoh Thermal Paper Type 110LA for a food POS system.
- 1983 ● Launches the RICOH LP4120 laser printer.



RIFAX 600S



RICOH 8



RICOH LP4120

1985–

The digital revolution

Shifted from analog to digital in the multifunction printer (MFP) domain, helping to popularize digital models. Continued product evolution with the launch of networkable and color-capable models.

- 1987 ● Launches the IMAGIO 320 digital copier.
- 1990 ● Introduces the Artage 8000 digital color PPC.
- 1991 ● Establishes Ricoh Asia Industry (Shenzhen) Ltd., a manufacturing subsidiary, in China.
- 1992 ● Implements the Ricoh General Principles on the Environment, obtains ISO 9002 certification.
- 1995 ● Gotemba Plant obtains the first ISO/DIS 14001 certification from Japan Quality Assurance Organization.
- 1995 ● Acquires Savin Corporation (U.S.) and Gestetner Corporation (U.K.).
 - Launches the DC-1, its first digital camera.
- 1996 ● Launches the world's first CD-Rewritable disc.
- 1999 ● Receives Japan Quality Award.



Artage 8000



DC-1



CD-RW discs

2000–

A global company

Introduced a global sales structure and achieved an overseas sales ratio exceeding 50%. Concurrently, as a global company, Ricoh initiated earnest efforts to fulfill corporate social responsibility (CSR) goals, exemplified by the establishment of the CSR Section.

- 2000** ● Appoints an outside director, introduces the executive officer system.
- 2001** ● Introduces the world's first JPEG 2000-compliant LSI, which is capable of processing moving images.
- 2002** ● Signs the United Nations Global Compact.
- 2003** ● Establishes the CSR Section.
 - Establishes the Ricoh Group CSR Charter.
 - Establishes the Ricoh Group Code of Conduct.
 - The Ricoh Group receives a Gold Medal from the World Environment Center (WEC).
- 2004** ● Acquires Hitachi Printing Solutions, Ltd.
- 2006** ● Establishes 2050 Long-Term Environmental Vision.
- 2007** ● InfoPrint Solutions Company, a Ricoh-IBM joint venture, commences operations.
- 2008** ● Introduces the RICOH Pro C900 color production printer.
 - Acquires IKON Office Solutions, Inc. (U.S.).
- 2009** ● Establishes the Ricoh Group Biodiversity Policy.



WEC Gold Medal



JPEG 2000-compliant LSI



RICOH Pro C900

2010–

Creating new customer value

The range of value provided to customers expanded significantly with rapid evolution in customer workstyles.

- 2011** ● Establishes PENTAX Ricoh Imaging Company, Ltd. (currently RICOH IMAGING COMPANY, LTD.)
 - Introduces the RICOH PJ WX4130N ultra-short-throw projector.
 - Launches the RICOH Unified Communication System P3000 videoconferencing system.
- 2013** ● Releases the RICOH Interactive Whiteboard D5500.
 - Launches the RICOH THETA 360° spherical camera.
- 2014** ● Enters the additive manufacturing business.
- 2015** ● Opens RICOH Eco Business Development Center.
 - Opens RICOH Future House.
- 2016** ● Enters the healthcare solutions field.
- 2017** ● Sets new environmental goals.
- 2018** ● Establishes ESG Committee.
- 2019** ● Sets up Risk Management Committee.
- 2019** ● Launches RICOH IM C series of intelligent MFPs.



RICOH Interactive Whiteboard D5500



RICOH Unified Communication System P3000



RICOH PJ WX4130N



RICOH THETA



RICOH IM C6000

Opening bright new vistas by surpassing customer expectations through innovations in technology and services



Yoshinori "Jake" Yamashita
President and CEO

Q1

How did Ricoh fare in the year ended March 31, 2019?

Customer value perceptions and demand trends have transformed amid recent progress in digital technologies and the dramatically accelerating pace of technological innovations. Companies worldwide face rising pressure to help resolve social issues. No matter how profitable they may be, businesses that fail to help materialize Sustainable Development Goals (SDGs) > **1** cannot hope to build their marketplace reputations or generate sustainable growth. The lifestyles and values of individuals have diversified considerably. The Internet of Things (IoT) and other advances have removed constraints on where people work, driving the acceleration of personalized work practices. Such changes in the operating climate have made it a pressing challenge to overhaul existing systems and business processes to align them with future business environments.

I delivered a keynote speech during the opening ceremony of Climate Week NYC on September 24, 2018. I was invited to do so in view of the Ricoh Group earning a solid reputation for its achievements, one of them being that it was the first Japanese company to commit to RE100 > **2**, a collaborative, global initiative of influential businesses. My speech reviewed the Ricoh Group's endeavors over the years and noted that change is only possible through action. I noted that leadership, action, and collaboration are essential to protect the environment. I also shared my view that it is vital to keep pursuing new challenges for better tomorrows.

Trends affecting the business climate

Businesses that do not contribute to SDGs will be eliminated

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

The needs of individuals will be more diverse

Workplaces could be anywhere and personalization will increase

The role of printing technologies will expand

Innovations replacing existing technologies

Q2

How do you sum up your performance in the year ended March 31, 2019?

Overall, it was a year in which we did more than ever under the 19th Mid-Term Management Plan that we rolled out a year earlier to improve our profitability and execute our growth strategies to position ourselves for growth in the years ahead. While consolidated sales were down 2.4% from a year before, to ¥2,013.2 billion, we progressed steadily on the earnings front. We generated ¥86.8 billion in operating profit and ¥105.1 billion in profitability (operating profit after excluding special and transient factors).

In our core Office Printing business, we engineered a dramatic earnings turnaround as a result of structural reforms, although hardware and consumables sales were down, especially overseas. In Office Services, one of our growth fields, we continued to steadily expand earnings. It was against that backdrop that we invested strategically to secure resources to expand Office Services and Industrial Printing businesses.

In another business selectivity move, we transferred our shares in Ricoh Logistics System Co., Ltd., to SBS Holdings Co., Ltd., a third-party logistics services provider that has become a new partner in efforts to reinforce our supply chain management capabilities.

Business process reforms bore steady fruit. After deploying logistics process automation in Japan and abroad, for example, we automated 60 internal processes and reduced annual workloads

i

1 Sustainable Development Goals (SDGs)

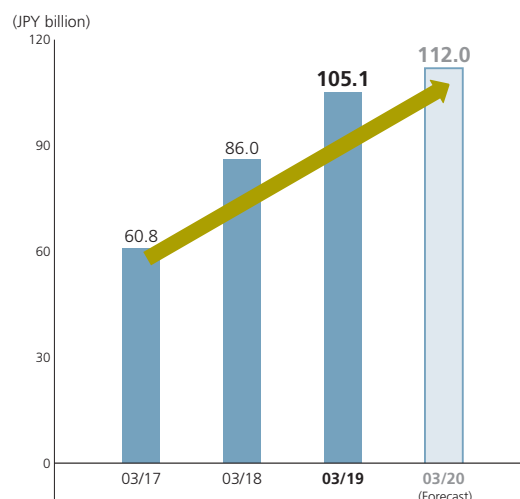
September 2015 saw the adoption of 17 goals and 169 targets at a United Nations Summit as part of a universal agenda to ensure that nobody is left behind in the drive to free humanity from poverty and hunger and improve the human condition in terms of such areas as health, sanitation, economic development, and the environment by 2030.

2 RE100

Companies collaborating in this global initiative seek to source 100% renewable electricity.



Profitability trends



Refer to these pages

1 19th Mid-Term Management Plan
P.17-18

significantly. We will keep reviewing and automating tasks in the year ending March 31, 2020. Under our 19th Mid-Term Management Plan **▶1**, a three-year initiative ending in the year ending March 31, 2020, we aim to generate ¥100 billion in savings from the year ended March 31, 2017 levels through structural reforms. We have left no stone unturned in optimizing fixed and other costs, producing accumulated savings of ¥88.5 billion by the year ended March 31, 2019.

We have done much to boost corporate governance. In the year ended March 31, 2019, we changed the way to evaluate the performance of the CEO. Such assessments are from financial, shareholder and capital market, and nonfinancial perspectives. We adopted total shareholder returns to evaluate the CEO's contributions to shareholders and market assessment perspectives. In the five years through the year ended March 31, 2018, our operating results were below the capital market's expectations amid persistently adverse operating conditions, and our total shareholder returns during that time underperformed TOPIX (including dividends). These returns have trended upward since April 2017, however, and have recently outperformed the market. It is also worth noting that Ricoh decided to introduce a performance-based stock compensation plan for directors **▶2** to incentivize shareholder-centric efforts to enhance corporate value over the medium and long terms.

Refer to this page

2 Performance-based stock compensation plan for directors
P.63

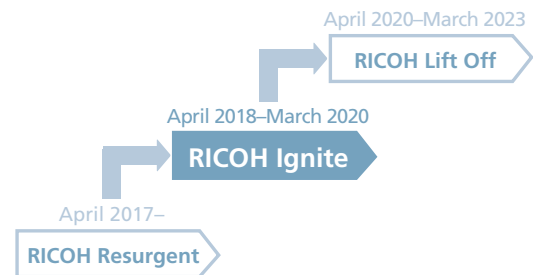
Q3

How has the RICOH Ignite growth strategy progressed?

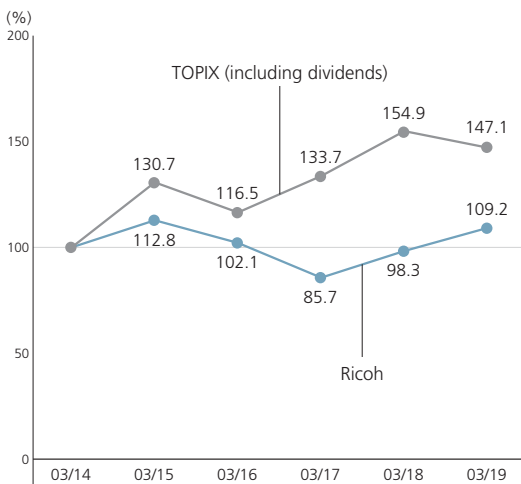
We established three stages to drive sustainable growth. Under RICOH Resurgent, launched in the year ended March 31, 2018, we devoted energy to enhancing our strengths and refining our implementation capabilities to deliver growth. We also embarked on five materiality efforts. These were to enhance productivity, create knowledge, improve the quality of life, decarbonize economies, and materialize circular economies. In the year ended March 31, 2019, we launched, RICOH Ignite, a platform for steering toward growth and achieving challenging targets companywide over two years. It is in this stage that we are helping customers to work smarter through our EMPOWERING DIGITAL WORKPLACES value proposition.

We look to broaden the value we deliver through business to cover everything from conventional offices through frontlines and society at large. We are

Stages toward ongoing growth



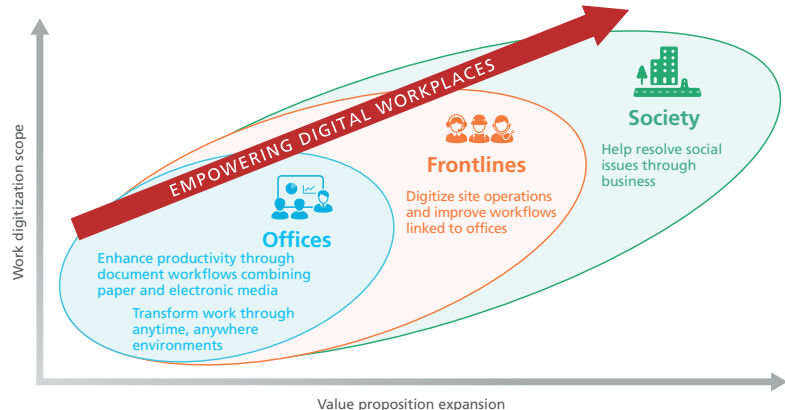
Total shareholder returns and comparative benchmarks over past five years



Closing price on March 31, 2014 = 100

Ricoh Group's approach

Workplace expansion and our value proposition



drawing on the Group's core competence in pursuing business that helps resolve social issues, thus simultaneously achieving the SDGs and enhancing our corporate value. As well as formulating business strategies to ensure the success of our five materialities, we launched a program to set and manage key performance indicators that guide business units in attaining their SDGs.

By moving away from being self-sufficient, we can swiftly deliver value in ways we could not have done before, drawing on external resources and open innovation to create new businesses. We are also changing work practices within the Group through an internal digital revolution so we can apply our practical knowledge to serve customers and provide even greater value for them.

We will endeavor to eliminate all greenhouse gases from our value chain by 2050 to materialize a decarbonized economy, which is an increasingly vital social need. In addition, we have expressed our support for the [Task Force on Climate-Related Financial Disclosures \(TCFD\)](#) [P.49](#), which the Financial Stability Board set up to encourage companies to disclose risks and opportunities stemming from climate change and stabilize financial markets to streamline transitions to low-carbon economies. We disclosed our risks and opportunities stemming from climate change.

We fully pushed forward with three RICOH Ignite growth strategies from the year ended March 31, 2019, undertaking initiatives to expand our businesses.


Growth Strategy #0

Creating a robust foundation for our core businesses

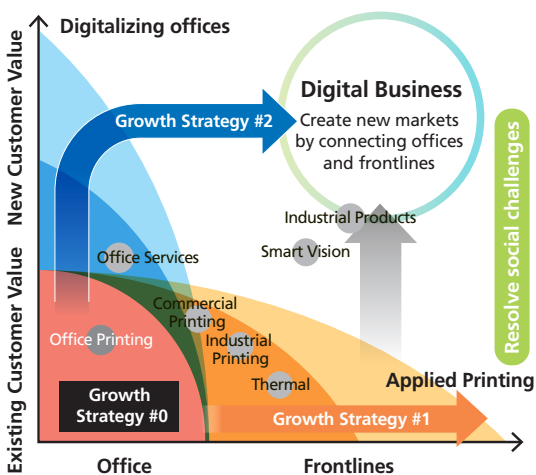
Under Growth Strategy #0, we are endeavoring to become more profitable in our Office Printing business. In the year ended March 31, 2019, we continued efforts from the previous year to systematically streamline operations while generating added value by combining price management and solutions to thereby boost profits on each business deal.

To streamline operations, we moved away from doing everything in-house, narrowing down the number of models under development and outsourcing production to significantly enhance quality and cost competitiveness. We also reduced costs, so while Office Printing sales were down from a year earlier we increased operating profit from that business area.

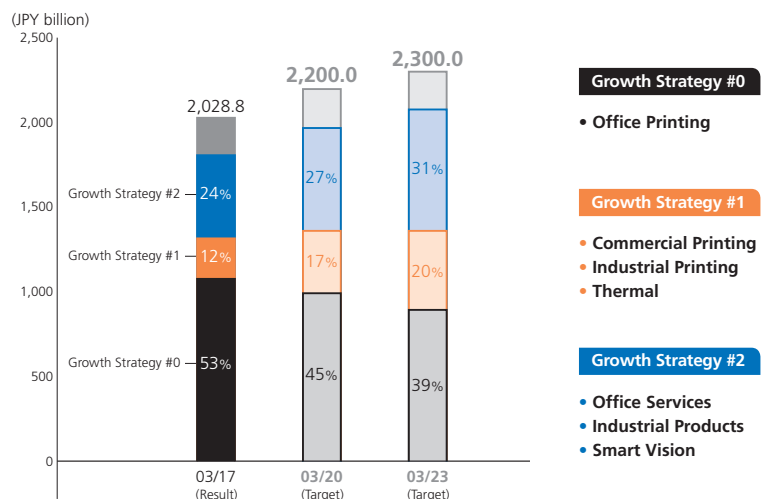
While revenues in the Office Printing business should continue to decline somewhat in developed nations, we expect demand to keep growing for color and A4 MFPs. It is against that backdrop that we will accelerate efforts to streamline all of our operations throughout the supply chain, from development through production, sales, and maintenance services. We aim to expand in China and other growth markets. On top of that, we will further enhance our MFPs and provide products and services that anticipate changes in customer information technology and environments, such as in cloud computing, thereby establishing a new earnings platform.

 Refer to this page
[TCFD](#)
P.49

Three growth strategies leveraging strengths



Sales: Business structure reform



Growth Strategy #1**Driving an industrial revolution with printing technology**

In the Commercial Printing business, we envisage that demand will expand for printing on demand and digitization in analog printing, principally in offset processes. Because we anticipate that increases in the number of machines in the field will drive earnings expansion, we have positioned Commercial Printing as vital to our profitability. We have rolled out a number of new models from 2018 that have sold well. We look to expand sales in the year ending March 31, 2020 by highlighting the on-demand printing advantages that digital technology can uniquely deliver.

The environmental impacts of what are largely analog mass printing processes have become a social issue worldwide. Our Industrial Printing business can draw on our strengths in industrial inkjet technology to deliver digital printing solutions and thereby contribute to greater safety and reliability in the clothing, food, and housing environments.

Our Thermal business should continue to expand solidly in view of growing demand worldwide for thermal labels used in displaying raw materials information and for shipping labels used in a growing Internet shopping market. In the year ended March 31, 2019, we increased sales and secured operating profit despite rising raw materials costs. We raised production capacity in North America and Europe to position ourselves for demand growth in the years ahead. We are building a new business structure, notably through fast laser printing systems that enable direct rewriting of labels on products as they progress through production lines.

We will continue to cultivate new potential for printing in and beyond such display printing areas. Such efforts will encompass additive manufacturing that applies inkjet technology and bioprinting and other functional printing.

Growth Strategy #2**Building value to bring offices and frontlines together**

In the Office Services business, we have captured IT investment demand among small and medium-sized enterprises while streamlining operations. We have undertaken business and capital alliances to build capacity for our business expansion. In our office area, we have transformed workflows and communications in regular offices while extending our focus to business-to-business workflows and frontline needs in delivering value for digitizing site work. We will broaden the value we deliver by offering workflows that link offices and frontline tasks. We will reinforce the proprietary RICOH Smart Integration platform and provide a range of workflow solutions.

In the industrial products business, we have greatly expanded sales of stereo cameras used in automotive safety support systems. The THETA 360.biz service of the Smart Vision business has broadened the applications of our 360° cameras, and our virtual property tour application has won high regard in the marketplace. In the years ahead, we will strengthen ties with the RICOH Smart Integration platform that provides services for these businesses, expanding the number of users and making the platform even more attractive.

Outlook for the year ending March 31, 2020

	03/20 Forecast	(JPY billion) Change
Sales	2,010.0	-0.2%
Operating profit	100.0	15.2%
Operating margin	5.0%	0.7%
Profit attributable to owners of the parent	62.0	25.2%
EPS (JPY)	85.53	17.21
ROE	6.5% or more	1.1%
R&D expenditures	112.0	0.9
Capital expenditures (Property, plant and equipment)	74.0	1.5
Depreciation (Property, plant and equipment)	67.0	1.5

*Exchange rate: USD/JPY=110.02; EUR/JPY=124.64

Announced on July 31, 2019

Mid-term financial targets

	(JPY billion) 03/23 Target
Sales	2,300.0
Operating profit	185.0
Operating margin	8.0%
ROE	9.0% or more
FCEF (Free cash flow excluding finance business)	250.0 Total FCEF over three years

Announced on February 6, 2018

Kindling new possibilities

Employing the Ricoh Group's core competence to resolve social issues

We will cultivate new businesses to ensure that we can grow over the medium and long terms. We are broadening our presence in the healthcare field by leveraging our image and data processing technologies to support the treatment of nervous system illnesses. Contributions include magnetoencephalographs and spinographs and DNA standard plates that result from applying inkjet technology to precisely eject live cells. Also, using our inkjet technology is the additive manufacturing business, through which we provide simple prototype production and other design support services as part of modeling services. By materializing small-lot, multi-product manufacturing at low costs, we are exploring ways to overhaul conventional manufacturing processes based on mass production approaches using molds and plates.



What steps will the Ricoh Group take to create value?

Globalization and advances in information technology are redefining the challenges that we all face. It is thus important to focus on tasks that individuals or individual communities cannot address in order to truly contribute to society. We will take on the challenge of creating new value by broadening our value proposition beyond offices to encompass frontlines and society, fully harnessing our strengths.

The Group can only continue pursuing this challenge if each employee is a party to change and acts without fear of failure. To succeed, we must maintain a corporate culture that fosters individual and team excellence. Our Group work practice reforms > > thus aim at better motivating employees. We have accordingly brought out a range of programs that encourage employees tackling new challenges as well as special measures for our younger workers.

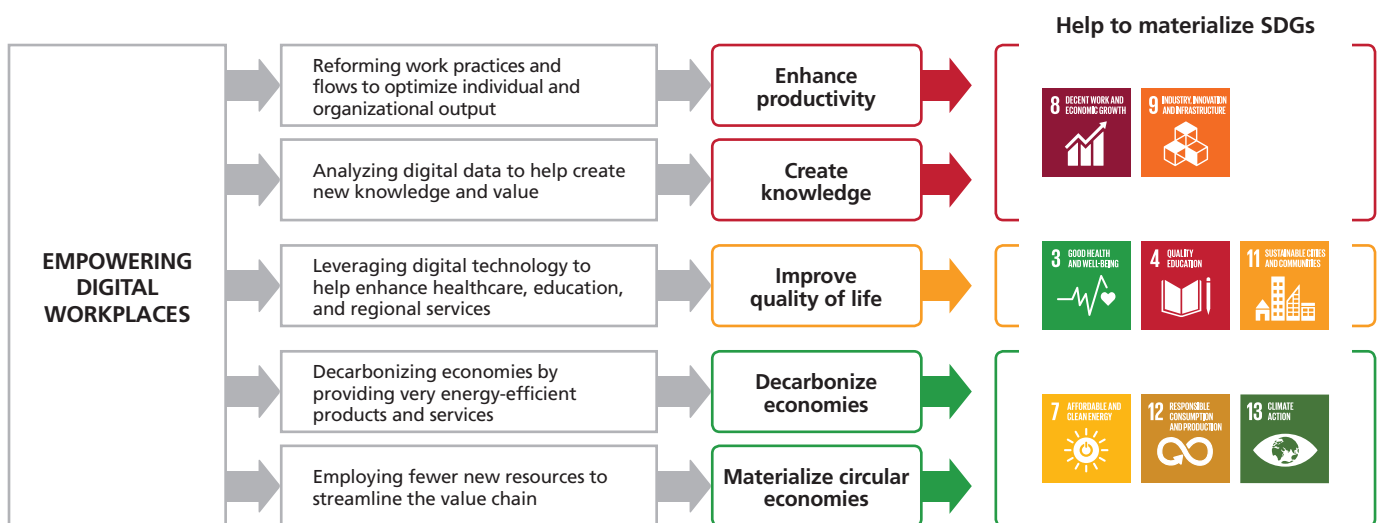
We will accordingly continue to drive innovation and transform our operating foundations so we can keep creating new businesses.

We will continue striving on your behalf to pave the way to success through our growth strategies in the months and years ahead.

Refer to these pages

Human Resources Capabilities P.53-56

Contributors to Ricoh Group materializing its value proposition and SDGs



Refer to our website

Human Resources Capabilities www.ricoh.com/sustainability/society/labor/index.html

Regarding the Circumstances and Response to the Financial Irregularities at a Sales Subsidiary in India and the Subsequent Conditions

The impact on financial results for the year ended March 31, 2019

In the consolidated financial results for the year ended March 31, 2019, the Company posted a loss of ¥14.9 billion in relation to our overseas consolidated subsidiary Ricoh India Limited (“Ricoh India”).

On January 29, 2018, Ricoh India filed an application to initiate the corporate insolvency resolution process with the National Company Law Tribunal, Mumbai (NCLT), pursuant to Section 10 of the Insolvency and Bankruptcy Code of India, 2016^(*). The NCLT admitted the insolvency petition on May 14, 2018 and directed initiation of the corporate insolvency resolution process of Ricoh India.

Pursuant thereto, a moratorium^(**) was imposed by the NCLT, and a Resolution Professional was appointed to manage Ricoh India's affairs. The Resolution Professional invited applicants to submit resolution plans. Since May 2018, after the appointment of the Resolution Professional, Ricoh India has no longer been a part of our consolidated company, even though Ricoh Group owns 73.6% shares of Ricoh India.

Then on February 15, 2019, the Committee of Creditors (COC) of Ricoh India approved one of the plans, amongst the several resolution plans submitted. The Resolution Professional filed this Resolution Plan with the NCLT for its approval. The submitted resolution plan is presently pending consideration of the NCLT.

At this stage, Ricoh Company, Ltd. estimates that if the submitted resolution plan is approved by the NCLT the credits of Ricoh India are likely to become uncollectible, thus it has allocated additional losses of ¥14.9 billion.

Moving forward, if the necessity arises, we will disclose information in a timely manner, including changes based on legal proceedings.

Notes:

*1 About the Insolvency and Bankruptcy Code of India, 2016:

After the NCLT admits an application filed under Section 10 of the Code, it appoints a resolution professional to be vested with the management of the company and there is a prescribed time period during which a resolution plan is to be prepared and submitted to the committee of creditors and to the NCLT for their respective approvals. In the event a resolution plan is not submitted to the NCLT within the time period, or where the NCLT does not approve the plan, the NCLT will pass an order requiring the corporate debtor to be liquidated.

**2 About the moratorium:

The NCLT issues a moratorium simultaneously with the decision to commence the corporate insolvency resolution process for a period of 180 days, and which may be extended to 270 days. During the moratorium period, actions such as the recovery of assets owned by debtors, judicial or other procedures against debtors, granting of security interest, and the disposal of debtors' assets or rights are prohibited.

Background

Following the filing of its first quarter financial results for the year ended March 31, 2015 to the Bombay Stock Exchange, Ricoh India, in line with good governance, changed its auditors. In order to meet its required reporting obligations with the Bombay Stock Exchange, the auditors undertook a limited review of the results for the second quarter ended September 30, 2015 as part of their new auditor processes. During this review the auditors raised concerns with Ricoh India's management and Ricoh India's audit committee regarding financial irregularities. While the Ricoh India's audit committee appointed external experts to conduct an in-house investigation, new senior management were appointed on April 13, 2016 to make the necessary changes to the operating structure of the business. The delayed results for the second quarter ended September 30, 2015 were filed on May 18, 2016 to the Bombay Stock Exchange.

Following this, Ricoh India continued to investigate the financial irregularities. On July 19, 2016, Ricoh India disclosed the expected loss for the year and revised their results. Ricoh filed a petition with the NCLT in India regarding a capital increase with the aim of restructuring Ricoh India's business (the capital increase was executed on October 15 of the same year).

In addition, by dispatching a new executive officer from Ricoh as Chairperson of Ricoh India, we endeavored to normalize accounting and finance functions, execute appropriate reporting of accounts and implement

recurrence prevention measures under the new management. Under these circumstances, Ricoh India's relationship with its major vendor deteriorated, and further disputes with this vendor began to surface.

Given these circumstances, in April 2017, under Ricoh's newly-appointed President and CEO, Yoshinori Yamashita, and based on the “RICOH Resurgent” policy, which aims to implement global structural reform across each and every business unit, without exception, we reevaluated our support to Ricoh India. As a result, we decided not to provide any additional financial support going forward, to minimize the consolidated losses of the Ricoh Group, and disclosed this fact on October 27, 2017. At the same time, the Company took this incident related to Ricoh India gravely, and made disciplinary actions to partially reduce the monthly basic compensation of the Representative Director and President as well as three Directors and one Corporate Vice President, and reduce the compensation of the former Representative Director and President.

As stated above, on January 29, 2018, Ricoh India made a resolution and filed an application to initiate corporate insolvency proceeding with the NCLT pursuant to Section 10 of the Insolvency and Bankruptcy Code of India.

Ricoh India had been trying to effectuate management reforms, cost reductions and other measures for the purpose of rehabilitating its business; however, Ricoh India's relationship with its major vendor had deteriorated, and it resulted in default of contracts by the vendor and failure to collect receivables from business partners. Subsequently, Ricoh India announced that, since Ricoh India had now reached a position where it was unable to meet its liabilities, it decided to file the application to initiate corporate insolvency proceeding in the best interests of its customers, employees, minority shareholders, creditors and all other stakeholders.

As the largest supplier, creditor and shareholder of Ricoh India, the Company has been working together with the Resolution Professional to ensure that we may continue to provide products and services to our customers in India and maintain the quality of those services, while closely monitoring the decisions of the NCLT.

On February 15, 2019, the COC of Ricoh India approved one of the plans, amongst the several resolution plans submitted. The Resolution Professional filed this Resolution Plan with the NCLT for its approval. The submitted resolution plan is presently pending consideration of the NCLT.

Under these circumstances, the Company allocated expenses which relate to Ricoh India of ¥6.9 billion, ¥11.7 billion and ¥14.9 billion in consolidated operating results for the years ended March 31, 2017, 2018 and 2019, respectively. As a result of allocating an additional loss in the consolidated operating results for the year ended March 31, 2019, the Ricoh Group has allocated all the credits of Ricoh India.

Factors behind the issues in Ricoh India

Unlike other emerging countries, India has a market expanding around IT services, and our sales grew without an adequate understanding of the regional characteristics and business models. This led us to believe that the business was successful, and we did not recognize the rapid expansion of business to be unnatural growth, resulting in the delay of the discovery.

Also, regional headquarters which had authority delegated to them by the headquarters (4 HQs: Japan, the Americas, Europe, Asia) were in charge of managing overseas sales subsidiaries in each region.

Among them, Ricoh India is our only overseas subsidiary that is listed on the local stock market, and in accordance with listing rules in India, a management governance system had been put in place. As such, unlike other overseas subsidiaries, it is our understanding that checks by regional headquarters became lenient.

In addition, as Ricoh India did not have its mission critical system unified, it was difficult to find this fraud. Furthermore, our whistleblowing system did not have a mechanism for making direct reports from overseas subsidiaries to the headquarters in Japan.

Efforts to prevent recurrence

As we disclosed in October 2017, we acknowledge the gravity of the situation of having to change the financial support policy for Ricoh India, and, with the aim of strengthening group governance, we have been undertaking the following measures to prevent recurrence through strengthening cooperation between Japan headquarters and regional headquarters/overseas subsidiaries.

In addition, in January 2018, in light of the fact that Ricoh India filed a petition for initiating corporate insolvency resolution process with the NCLT, we are working on the following measures to prevent recurrence, from the viewpoint of business management and organizational enhancement.

1) Strengthen business management

- (A) Establishing a mechanism to review risk evaluation items with awareness of regional and business characteristics when planning and approving mid-term management plans and business plans.
- (B) Managing subsidiaries in a way that corresponds to the emerging country business risks and risks of new and growing businesses that they are exposed to.
- (C) Strengthening business management of overseas subsidiaries and globally standardizing purchasing processes.
- (D) Building frameworks to expose shortcoming and implement best practices in new business domains.

[Progress]

We set forth risk evaluation items for the year ended March 31, 2019, and established a mechanism to review them. Since the year ended March 31, 2018, businesses in emerging countries are under the direct control of headquarters through the Focused Region Marketing Division.

In the year ended March 31, 2018, we began the formulation and application of operational standards in the purchasing process and issued guidelines to share failure cases and implement best practices in the year ended March 31, 2019. Each sales subsidiary has completed the establishment of its own operational system. In addition to that, we established the Investment Committee in the year ended March 31, 2019 and conduct regular monitoring to manage subsidiaries according to the business risks of investment projects.

2) Business administration enhancement

- (A) Strengthening the management of overseas subsidiaries under the unified effort of regional headquarters, the supervisory department for subsidiaries and affiliates, and the accounting department of Japan headquarters.
- (B) Establishing a mechanism that enables the headquarters function to check the status of business in each country.

[Progress]

In the year ended March 31, 2018, we established control items in each country for financial statements such as balance sheets and cash flows, and constructed a mechanism to implement monthly reviews. Furthermore, we created and subsequently operate a mechanism to visualize and share detailed information on sales per business and sales subsidiary.

3) Strengthen the organizational structure

- (A) Establishing an organization to control sales subsidiaries in the headquarters, and redefining the scope of responsibilities and roles between the new organization, the regional headquarters and sales subsidiaries.
- (B) Integrating the headquarters accounting and finance functions to clarify the report line and management responsibility.

[Progress]

From April 2017, we established the Focused Region Marketing Division in headquarters to control the Sales and Marketing Group that manages HQs and sales subsidiaries and the regional efforts in emerging countries, and redefined the scope of responsibilities and roles. In addition to that, we integrated the reporting line to the Chief Marketing Officer (CMO) from the year ending March 31, 2020. Furthermore, we established the Finance and Legal Division in April 2018 to integrate accounting and finance functions, and have clarified the division of management responsibility.

4) Compliance enhancement

- (A) Educating those seconded to our overseas subsidiaries as senior officers with particular emphasis on compliance and internal control, and clarification of their roles and responsibilities.
- (B) Strengthening the evaluation and supervision of senior management through the establishment of a nomination and compensation committee in the Asia Pacific region.
- (C) Enhancing the development of a whistleblowing system in group companies and thoroughly notifying all employees accordingly, as well as establishing a shared internal reporting desk enabling all group employees to report directly to the headquarters.

[Progress]

From the year ended March 31, 2018, we provided prior training to those to be seconded as senior officers, and from the year ended March 31, 2019 we provided the same training for employees to be newly stationed.

Through the nomination and compensation committee established at the Asia Pacific HQ in March 2016, we strengthened the process of evaluation for senior management in the region. In October 2018 we established and began operating a shared internal reporting desk enabling direct reporting to the headquarters, offering support in multiple languages.

5) Audit enhancement

- (A) Conducting internal audits by the global audit team to improve the effectiveness of internal audits, such as checking transaction details.
- (B) Unifying the independent auditor of overseas subsidiaries into those affiliated with the auditing firm adopted by Japan headquarters and strengthening cooperation with the independent auditor of overseas subsidiaries.

6) IT governance enhancement

Implementing assessments of the core system in the Asia-Pacific region and reconstructing the system with effective IT governance.

[Progress]

We completed IT assessments of all nine sales subsidiaries under the Asia Pacific HQ, and started integrating the ERP system to maintain IT governance in the year ended March 31, 2019.

Moving forward

The Company respects the decision of the NCLT and will proceed with necessary procedures. We believe that it is crucial that services to customers currently using our products and services not be impaired, and will make every effort to continue to provide services to our customers in India and maintain their quality.

India is one of the most important markets for us. The Company will identify business areas that would benefit from Ricoh's strengths and develop optimal market and channel strategies. Any information that needs to be reported regarding future situations will be promptly reported.

19th Mid-Term Management Plan (April 2017–March 2020)

With the announcement of RICOH Ignite in the year ended March 31, 2019, we steered toward fiscal growth and steadily regained profitability. The year ending March 31, 2020 will be the final year of RICOH Ignite, an important time for us to prepare for RICOH Lift Off, our next growth stage.

Sustainable growth stages



RICOH Ignite

Ricoh is progressing with efforts to deploy growth strategies, enhance returns on capital, and reform corporate governance to materialize RICOH Lift Off from the year ending March 31, 2021.

Growth strategies deployment

Implement RICOH Ignite growth strategies, reaching targets for the year ending March 31, 2023 and generating sustainable growth thereafter

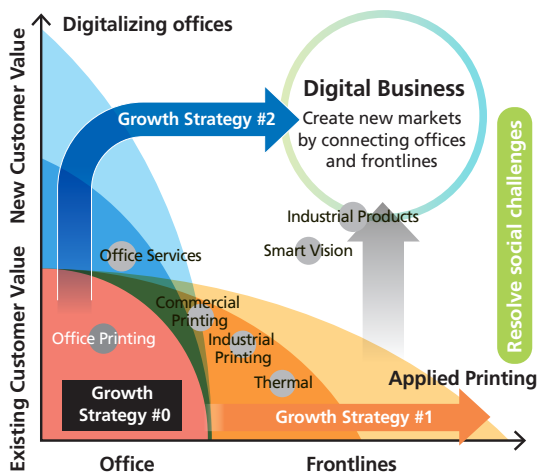
Enhance returns on capital

Enhance returns on capital and materialize growth strategies by deploying appropriate capital policies and investments

Corporate governance reforms

Driving growth strategies by properly evaluated and incentivized corporate governance system

Three growth strategies leveraging strengths



Key initiatives and KPIs for the year ended March 31, 2019

Growth Strategy #0	Improve ability to generate earnings through rigorous sales price management	Bolstered profitability of Office Printing business by managing selling prices MFP price management progressed as planned Boosted unit selling prices in Europe and United States
Growth Strategy #1	Increase of commercial printer MIF >1 by launching new models	Increased unit sales of RICOH Pro C7200 and RICOH Pro C9200 series from a year earlier An increase in operating units contributed to improved non-hardware earnings
Growth Strategy #2	Enrichment of applications on the integrated platform	Launched advanced MFPs and applications that enhance customer business efficiency



Growth strategies deployment

Toward the year ending March 31, 2023

Growth Strategy #0 > P.25

Increase profitability by evolving MFPs and pursue operational excellence

- 1 Strengthen efforts in growth areas
Expand sales of advanced IM C series MFPs
- 2 Pursue operational excellence
Launch new production site in southern China and enhance service efficiency with new models
- 3 Establish new earnings model
Encourage customers to secure Ricoh Smart Integration > IIDs and shift to the platform business

Growth Strategy #1

Grow Commercial Printing and Thermal businesses earnings and invest heavily to drive Industrial Printing business growth

Commercial Printing > P.29

- 1 Increase non-hardware sales portion by establishing MIF base
- 2 Customer-oriented O2D transition
- 3 Reinforce dealer channel and emerging countries

Industrial Printing > P.31

- 1 Establish MIF base for profitability
- 2 Expand textile business
- 3 Reinforce capabilities by M&A

Thermal > P.33

- 1 Grow food labeling and e-commerce businesses with demand increase (DT)
- 2 Expand market share in emerging countries (TTR)
- 3 Launch Laser Solution business

Growth Strategy #2

Expand Office Services business earnings and create new businesses that leverage core technologies

Industrial Products > P.34

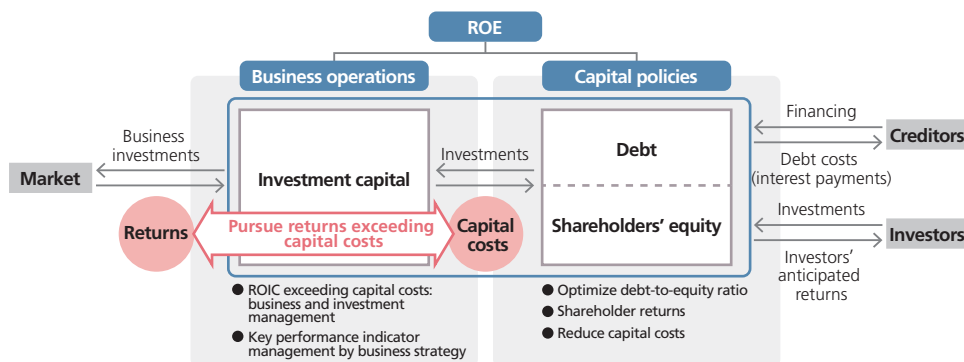
- 1 Increase the number of vehicle models using Ricoh's stereo camera
- 2 Gain share of large screen laser Head-up Display (HUD) market
- 3 Reinforce sensing business in industrial vertical

Smart Vision > P.35

- 1 Promote THETA in B2B businesses
- 2 Expand customer base of data services (THETA 360.biz)
- 3 Improve profitability of the digital camera business

Enhance returns on capital

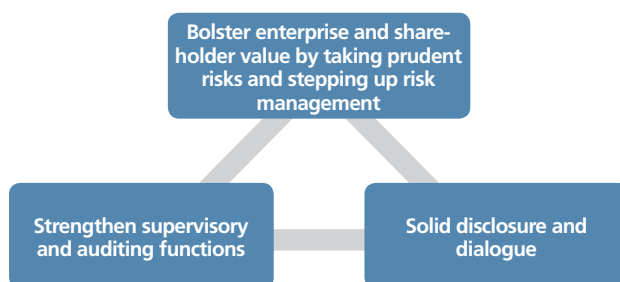
Returns on capital-centric business operations and capital policies



In preparation for the 20th Mid-Term Management Plan, we are managing investments by instituting business unit ROIC requirements and departmental KPI management to drive profitability. We will maximize ROIC and corporate value while keeping close tabs on our capital costs and financial health.

Corporate governance reforms

Basic Stance on Governance



We pursue world-class governance reforms as befitting a global player. It is accordingly important to eschew the superficial and engage in practical and effective corporate governance. Our approach has drawn on the three concepts on the left.

- RICOH Ignite Initiatives
 - Reinforced executive officer appointment and dismissal process
 - Introduced stock price-linked remuneration
 - Increased independence of auditor appointments
 - Established Risk Management Committee

Refer to this page

1 RSI
P.25

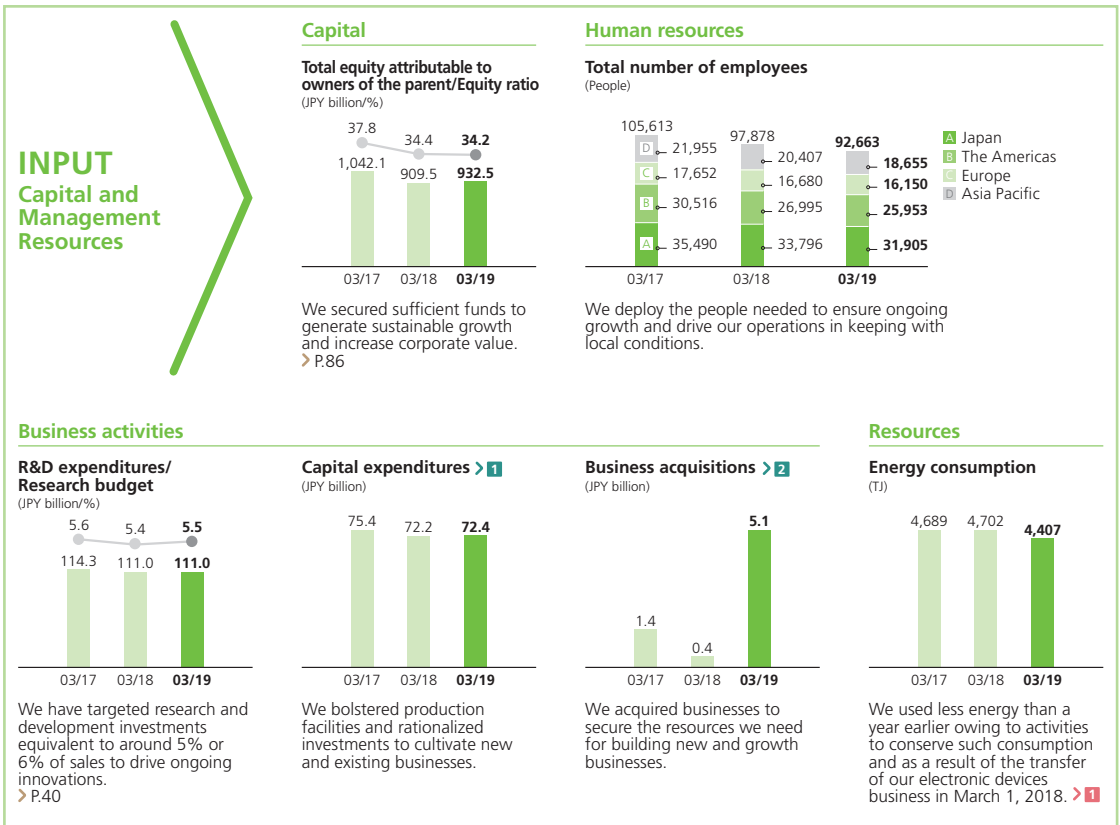
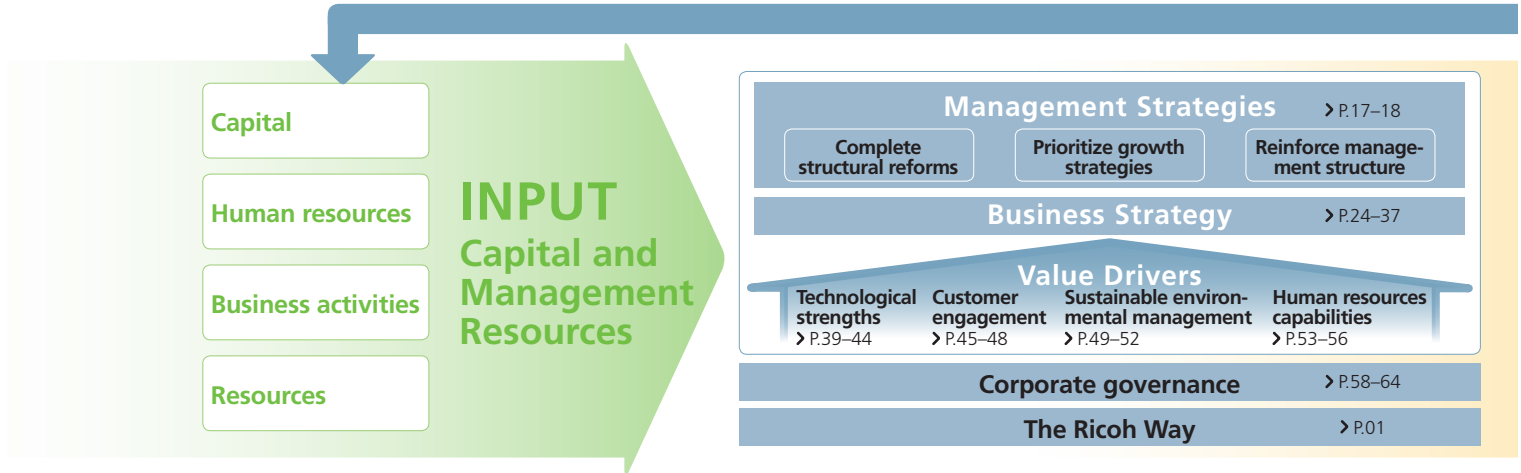
Corporate value integral to business growth

The Ricoh Group is always working to provide new value to stakeholders through corporate activities and to be a constructive part of solutions to issues that concern customers and society as a whole. As a group, we will strive to achieve continuous business growth and raise corporate value ever higher.

Cycle of improvement for corporate value

Companies invest copious amounts of capital and management resources to run their businesses and generate all sorts of value.

To us, at Ricoh, corporate value means responding to the various expectations of stakeholders and delivering value that extends to all stakeholders, including customers, shareholders, employees and society at large, and by raising value for each stakeholder we ultimately raise corporate value as well.



1 Capital expenditures
Expenditures for property, plant and equipment

2 Business acquisitions
Amount recorded under Cash Flows from Investing Activities in the Consolidated Statements of Cash Flows

Refer to our website

Environmental performance data: Energy Conservation www.ricoh.com/environment/data/pfm_energy.html#energy

To boost corporate value, we undertake activities in accordance with management strategies based on core value perceptions and structures. A key element in the equation is The Ricoh Way, which establishes the value perceptions that form the foundation for all we do. Corporate governance, with The Ricoh Way as a cornerstone feature, accords us the ability to ensure that business activities are being properly executed, and it underpins sound and highly transparent management practices. Then there are our value

drivers—technological strengths, customer engagement, sustainable environmental management and human resources capabilities—that fuel our business growth, and we will apply these drivers in promoting activities to realize the three basic business strategies of the 19th MTP, which are to complete structural reforms, prioritize growth strategies and reinforce management structure.

By reinvesting surplus capital and management resources derived through these efforts, we perpetuate the cycle that constantly drives corporate value higher.

OUTPUT Value Creation

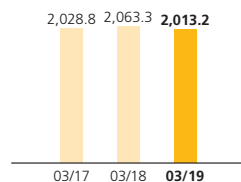
Engaging stakeholders

Value to customers	Customers	<ul style="list-style-type: none"> • Increase customer value through products and services • Offer safe and reliable products and services
	Business partners	<ul style="list-style-type: none"> • Build partnerships based on mutual trust and fair trade • Promote socially responsible activities across the value chain
Value to shareholders	Shareholders and investors	<ul style="list-style-type: none"> • Increase corporate value by achieving sustained business growth • Provide timely and appropriate information disclosure and communication
Value to employees	Employees	<ul style="list-style-type: none"> • Provide workplaces that motivate our diverse employees • Maintain a culture that fosters personal development and fair treatment
Value to society	Society	<ul style="list-style-type: none"> • Contribute to solving social issues through social contribution and business activities • Respect the cultures and customs of the countries and regions in which we operate, and contribute to their development
	Global environment	<ul style="list-style-type: none"> • 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

OUTPUT Value Creation

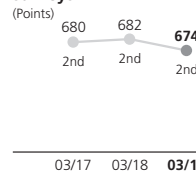
Value to customers

Sales (JPY billion)



Key factors in lower sales were removals from consolidation following transfers of shares in semiconductor and logistics subsidiaries. Sales expanded steadily in Office Services and other growth businesses. > P.80

Results of J.D. Power color copier customer satisfaction surveys¹

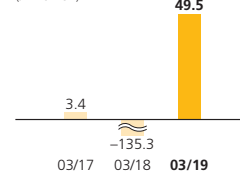


Although our ranking remained the same, we ranked top in our industry on the strength of ongoing efforts to maximize satisfaction with our IT maintenance services. > P.46

¹ Covering large and middle office markets (enterprises with more than 30 employees nationwide)

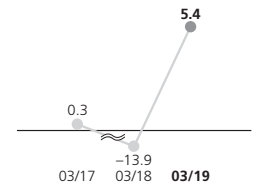
Value to shareholders

Profit attributable to owners of the parent (JPY billion)



Earnings rose significantly on Office Services expansion, outcomes from companywide structural reforms, and gains from transfers of shares in consolidated subsidiaries, compared with a year earlier, in which we posted a loss that reflected impairment losses on fixed asset goodwill. > P.80

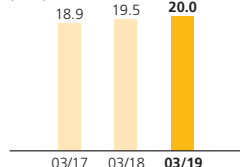
ROE (%)



This improved owing to efforts during the term to push ahead with reviews of our business portfolio and stock and asset holdings and as a result of higher earnings.

Value to employees

Average years of service (Ricoch Co., Ltd.) (Years)



The average has grown over the years on the strength of efforts to enhance programs that help female employees meet their childcare and eldercare commitments.

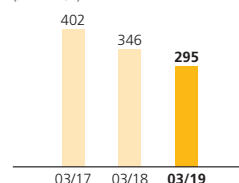
Number of industrial accidents (Ricoch Group (Japan)) (Number of accidents)



The number of manufacturing and non-manufacturing accidents declined. We will continue undertaking risk assessments to prevent recurrences and improve our record. > P.56

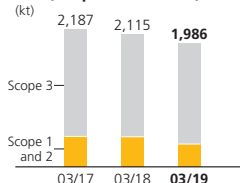
Value to society

Total contributions to society > 2 (JPY million)



Employee participation in regional activities was down slightly. We will continue to support individuals engaging in such initiatives activities.

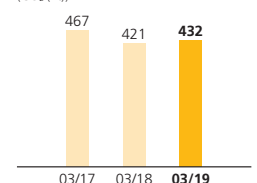
CO₂ emissions during product use (Scope 1, 2 and 3*) (kt)



Greenhouses gases from our value chain overall declined owing to internal and external energy-saving activities and the transfer of our electronic devices business. * Procurement, usage, and logistics categories

Value to society/customers

CO₂ reduction contribution > 3 (CO₂, kt)



We count the overall greenhouse gas reductions of society by providing our products and solutions consuming fewer resources as the CO₂ reduction contribution amount. In the year ended March 31, 2019, the impact of energy-saving products was higher than a year earlier.

Refer to our website

2 Social contribution activities and achievements www.ricoh.com/csr/community/performance.html

3 Sustainable environmental management indicators—Evaluation of contribution www.ricoh.com/environment/management/reduction.html

Leveraging the power of business to materialize social sustainability

The Ricoh Group pursues such sustainability through a **Three Ps Balance**—Prosperity (economic activities), People (society), and Planet (environment) > **1**. We accordingly endeavor to resolve social issues through business, reinforce our operational underpinnings, and contribute to society, and will help to reach Sustainable Development Goals (SDGs) > **1** agreed to by the international community.

1 Refer to this page
1 A Conversation with Our CEO
 P.09



Resolving social issues through business









We are integrating operations so we can help resolve social issues through all business activities and clarify the work of each employee and their contributions to society, thereby raising the job satisfaction and engagement of our people.

In June 2019, we formulated objectives for 2030 for our five materialities to accelerate initiatives. We plan to

disclose progress annually in pushing ahead with business activities to reach 2030 targets. We will keep modifying our targets, benchmarks, and evaluation methods in view of social needs and international circumstances and feedback from customers, communities, experts, and other stakeholders. We will reflect our initiatives in business activities and expand our social contributions.

1. The Ricoh Group's activities, framework for sustainability, and 2030 goals

For each of the areas related to economic sustainability, society and the environment, we have set the three objectives: realization of the ideal society; resolution of material issues; and achievement of goals 2030. The goals represent our contribution to our customers, the number of people that use the medical, educational, and community services incorporating Ricoh technology and the environmental impact throughout the value chain that is a result of business divisions' activities.

	Prosperity Sustainable Economy Sustainable development of business	People Sustainable Society Enhancement of social infrastructure	Planet Sustainable Environment Environmental impact reduction throughout the value chain
Ideal society			
Materiality	 	  	  
	<div style="border: 1px solid #0070C0; padding: 5px; display: inline-block;">Productivity Enhancement</div> <div style="border: 1px solid #0070C0; padding: 5px; display: inline-block; margin-left: 10px;">Intelligence Creation</div>	<div style="border: 1px solid #0070C0; padding: 5px; display: inline-block;">QOL Enhancement</div>	<div style="border: 1px solid #0070C0; padding: 5px; display: inline-block;">Zero-carbon Society</div> <div style="border: 1px solid #0070C0; padding: 5px; display: inline-block; margin-left: 10px;">Circular Economy</div>
Long-term goals for 2030	<div style="border: 1px solid #0070C0; padding: 5px; display: inline-block; width: 45%;">Contribute on productivity enhancement of all our customers</div> <div style="border: 1px solid #0070C0; padding: 5px; display: inline-block; width: 45%;">Contribute on new intelligence creation of all workers at our customers</div>	<div style="border: 1px solid #0070C0; padding: 5px; display: inline-block; width: 100%;">Help to enhance social infrastructure for more than 30 million people</div>	<div style="border: 1px solid #0070C0; padding: 5px; display: inline-block; width: 45%;">Reduce GHG emissions by 30% for Scope 1 and 2, and 15% for Scope 3</div> <div style="border: 1px solid #0070C0; padding: 5px; display: inline-block; width: 45%;">Ensure efficient use of resources and achieve 50% of product resource conservation throughout the entire value chain</div>
KPI	<ul style="list-style-type: none"> • Rate of contribution to our customers' productivity enhancement and the creation of intelligence (conduct customer surveys) • Number of customer companies 	<ul style="list-style-type: none"> • Number of people that use the medical, educational, and community services incorporating the Ricoh Group's technologies 	<ul style="list-style-type: none"> • Total amount of GHG emissions across the entire value chain • Resource conservation rate of products
Value proposition	EMPOWERING DIGITAL WORKPLACES		

1 Refer to our website

1 Three Ps Balance www.ricoh.com/sustainability/environment/management/earth

Process for setting 2030 targets

1. Combining two opposing approaches: the backcasting method with the ideal society achieved through the SDGs set as the final goal; and the forecasting method based on business strategies (EMPOWERING DIGITAL WORKPLACES)
2. Mapping out what part of and how much our business activities will produce an effect on society
3. Discussed by the management team and reviewed by experts before being finalized by the [ESG Committee](#) >2

2. Materiality and SDG Contributions by Business >3

Materiality	SDGs	Business areas						
		Office Printing Office Service > P.25–28	Commercial Printing > P.29–30	Industrial Printing > P.31–32	Thermal > P.33	Industrial Products > P.34	Smart Vision > P.35	New Development > P.36–37
Prosperity Productivity enhancement Intelligence creation	SDG 8: ECONOMIC GROWTH SDG 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE	Enhancing office work productivity through automation and other labor savings	Enhancing overall printing industry value chain	Helping transform value chains by supplying industrial inkjet printheads, imaging system solutions, and industrial printers	Enhancing productivity by automatically identifying information through barcode printing on thermal paper and thermal transfer ribbons	Contributing to industrial innovation through optical, image processing, and IoT technology	Using 360° image contents and artificial intelligence (AI) and image analysis to streamline operations and deliver high added value	Contributing to production innovations through the additive manufacturing business
People QOL enhancement	SDG 3: GOOD HEALTH AND WELL-BEING SDG 4: QUALITY EDUCATION SDG 11: SUSTAINABLE CITIES AND COMMUNITIES	Leveraging information and communication technology and distance learning to foster new learning approaches	Catering to diverse needs through value-added printing	Providing safe and secure clothing, food and living environments worldwide	Enhancing information access through QR code printing	Contributing to traffic safety by supporting advanced and automated driving	Harnessing 360° image contents to help improve education	Extending healthy life expectancies worldwide of people through the healthcare business
Planet Zero-carbon society Circular economy	SDG 7: AFFORDABLE AND CLEAN ENERGY SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION SDG 13: CLIMATE ACTION	Lowering environmental impact by developing and supplying products that contribute to power and resource savings and recycling	Cutting inventory waste through on-demand printing	Employing on-demand printing to reduce water consumption and inventory waste	Cutting waste paper by supplying labels that do not need mounting and rewritable printing processes	—	—	Contributing to zero-carboned and circular economies through environmental and energy businesses

Case Study

Tackling SDG Challenges

It is vital to collaborate with customers and communities to attain SDGs. Domestic sales affiliate Ricoh Japan markets a range of products and services that help customers contribute to SDGs and broadens its SDG activities.

The SDG Communication Book published in 2019 helps small- and medium-sized enterprises to resolve their issues and presents case studies of efforts at Ricoh Japan to decarbonize its business sites. It also shows in-house how to undertake SDG initiatives.

Ricoh Japan has also enhanced and expanded its endeavors by devoting a whole month twice to reinforcing SDG proposals while appointing key SDG leaders in each business unit.

A full 99% of Ricoh Japan employees are SDG-aware, recognizing that they can help resolve social issues in the course of their work. Enhancing employee awareness fosters efforts to collaborate with customers and communities to resolve those issues.

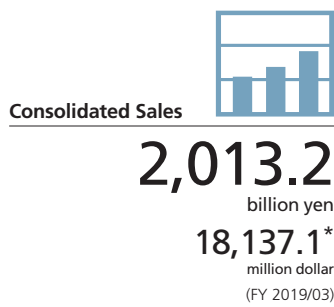


Introducing examples of contributions to resolving the issues of small- and medium-sized enterprises

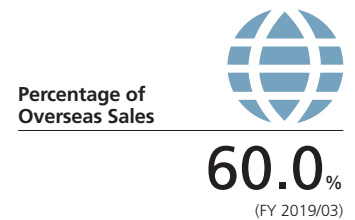
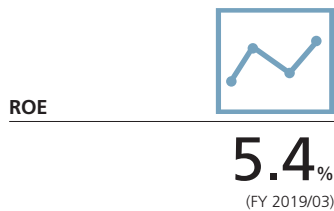
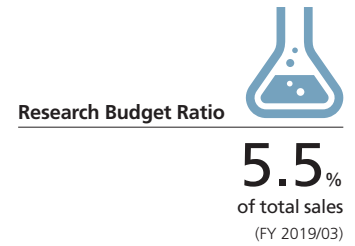
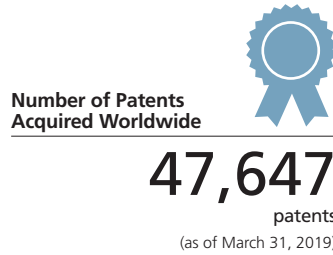
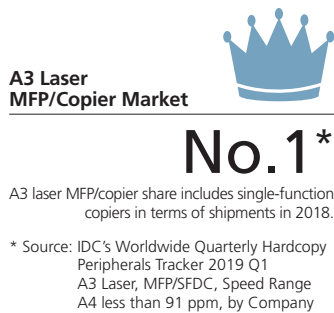
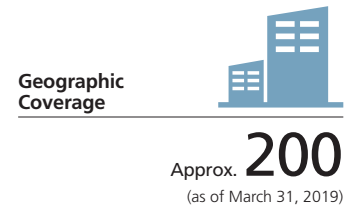
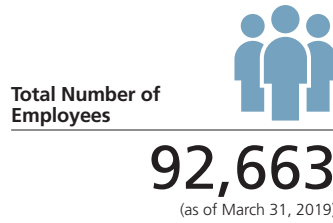
Refer to our website

2 ESG Committee www.ricoh.com/sustainability/governance/governance.html
 3 Materiality for the Ricoh Group www.ricoh.com/sustainability/materiality

About the Ricoh Group

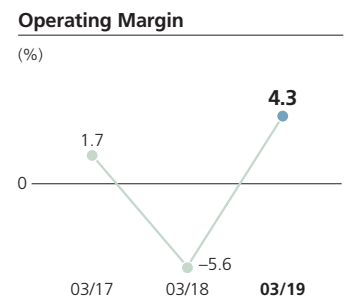
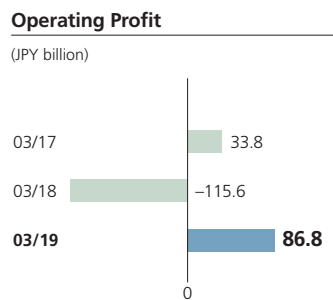
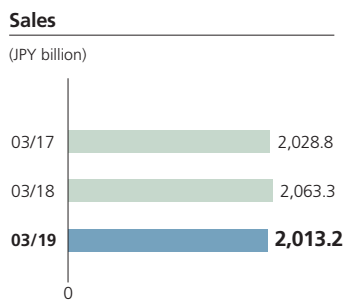


* Exchange rate:
1USD=111.00JPY

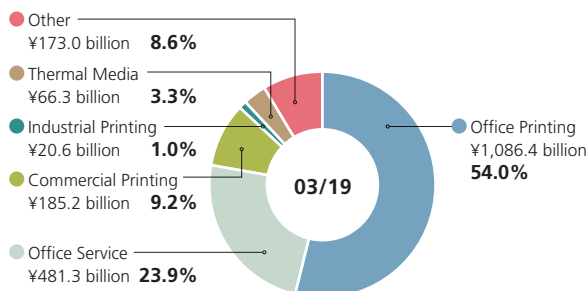


Highlights for the year ended March 31, 2019

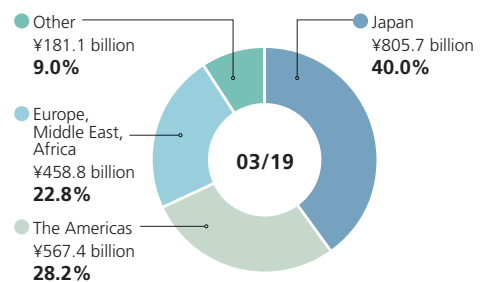
Figures comply with International Financial Reporting Standards.



Sales by Product Category



Sales by Geographic Area



Business Strategy

The Ricoh Group's businesses grow by constantly anticipating and adapting to social trends and needs.

Here, we explain where we are headed with key businesses and present products and case studies to highlight our achievements.

25	Offices (Office Printing)	Growth Strategy #0
	(Office Services)	Growth Strategy #2
29	Printing (Commercial Printing)	Growth Strategy #1
31	(Industrial Printing)	Growth Strategy #1
33	(Thermal)	Growth Strategy #1
34	Other (Industrial Products)	Growth Strategy #2
35	(Smart Vision)	Growth Strategy #2
36	(New Development)	

Growth Strategy #0 Connecting people. Improving their workstyles.

• Office Printing

It is often difficult to communicate exactly what you want or need to say. Which is why it's so fulfilling when finally making yourself understood.

Ricoh's mission is to bridge these two extremes.

Connecting people and information seamlessly to create new value.

Ricoh's history is the story of realizing different means of helping businesses communicate whatever they wish to say and however they wish to say it.

Over time, we have delivered various office printing devices and office automation solutions to more than 1,400,000 customers in over 200 countries and regions.

Leveraging our innovative technologies and strong customer relationships, we continue to develop new ways of communicating and contributing to a major evolution in workstyles.

Our aim is to improve productivity in every workplace, and by doing so, help solve many social problems.

Meeting our commitment to a more sustainable society by transforming "wish we could" thinking into "of course we can" solutions.

Growth Strategy #1 Printing Beyond Print.

- Commercial Printing
- Industrial Printing
- Thermal

Faced with digital transformation, what opportunities are there for printing in the future?

At Ricoh, we believe printing will bring more value deeper into people's lives.

We see digital printing's potential to inspire the power of the human imagination, help fulfill people's dreams, and solve many of the World's challenges.

We are giving 'display printing' the ability to move people's hearts and minds.

We are enabling communication to generate new value not just on paper, but on all kinds of media such as fabrics, building materials and even food.

And we're giving 'applied printing' the power to literally change people's lives. With innovation in digital printing that can form battery parts, medicines and even biological cells.

Using digital expertise and our eighty-year heritage in technology innovation to deliver a more sustainable and abundant future for everyone, Ricoh creates Printing Beyond Print that brings new opportunities to every aspect of people's lives.

Growth Strategy #2 New digital possibilities for business and society.

- Office Services
- Industrial Products
- Smart Vision

The digital evolution of your workplace may be pretty advanced, but it's next to meaningless if you can't make the most of it. Data becomes valuable information only when it touches human emotions.

Connecting offices and frontlines and digitizing workflows and communications to reform the entire work process makes individuals feel productive, valued and in control.

And by helping them to be better informed and in control by transforming workplace conversations and movements into visible information that everyone can easily see and instantly use.

Ricoh is opening up new ways to connect individuals and information, highlighting the possibilities hidden in every business field and society by opening eyes and minds to the commercial and creative potential of improved workflow and communication.

Ricoh unlocks the advantages of digital possibilities to support new styles of working, leading to greater collaboration, interaction and solutions that will ensure a sustainably prosperous future for us all.

Providing diverse value to drive a work evolution

Materializing greater efficiency and productivity and supporting business processes and work practice reforms.



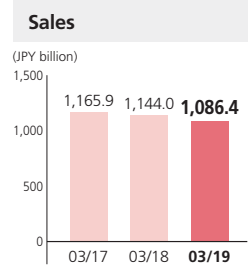
Strategic direction: Office Printing

This core business focuses on imaging equipment. Here, we continue to deploy earnings-centric strategies and enhance profitability through selection and concentration with products, sales channels, and regions. We will bolster solutions that bring together cloud collaboration and software that help customers reform workstyle innovation and drive productivity innovations.

Office Printing Business

Katsunori Nakata

Corporate Senior Vice President, General Manager of Office Printing Business Group, Ricoh Co., Ltd.



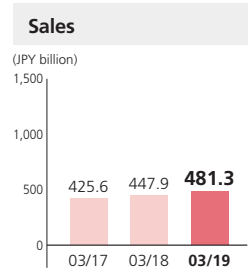
Strategic direction: Office Services

We will accelerate business growth by globally deploying successful models and creating new value by harnessing RICOH Smart Integration (RSI). We will expand business areas by investing extensively in digital businesses, cultivating partner strategies, and developing IoT devices.

Platform Business

Yasuyuki Nomizu

Corporate Senior Vice President, General Manager of Platform Business Group, Ricoh Co., Ltd.



Providing value to society (Office Printing/Office Services)

We will automate corporate business workflows and cut labor costs so customers can improve productivity and secure more time to create new knowledge.

Business environment and growth areas

Working spaces for our customers today increasingly extend well beyond conventional offices. The Ricoh Group accordingly formulated its **EMPOWERING DIGITAL WORKPLACES** ¹ value proposition to help people work smarter. We are developing businesses in the Office Printing and Office Services domains.

In recent years, large corporate customers have explored the deployment of Software as a Service cloud and mobile services that support remote work in the process of rolling out productivity-enhancing equipment, reforming work practices, and catering to diverse workstyles. The priority for small and medium-sized enterprises customers is to increase work efficiency and security by digitizing traditionally paper-based workflows. The Ricoh Group has responded to such trends by developing MFPs that function well with cloud and mobile services. It has also created such office equipment and integrated platforms as RICOH Interactive Whiteboards (IWB) and the RICOH Unified Communication System (RICOH UCS). Customers can draw on RSI, which

enables them to connect the Ricoh Group and partner devices, and monthly subscriptions that give them access to the latest services while minimizing initial investments.

We improve customer convenience through **@Remote** ², which we offer around the globe to remotely assess the usage and operational states of equipment online. It also orders supplies and arranges maintenance without customers needing to contact Ricoh. We are endeavoring to further reduce downtimes by analyzing equipment data and by providing predictive maintenance and support before failures occur.

From the year ended March 31, 2019, we began investing in business expansion, notably through collaborations in digital business areas, and are pushing ahead with capital and business alliances. We are proposing ways for customers to transform document- and communications-related business processes beyond traditional frameworks for improving internal business productivity.

Refer to our website

¹ **EMPOWERING DIGITAL WORKPLACES** www.ricoh.com/about/empowering-digital-workplaces/

² **@Remote** www.ricoh.com/products/printers-and-copiers/at-remote/index.html

Supporting workflows with advanced MFPs

In January 2019, we rolled out the RICOH IM C series of advanced MFPs, which draw on state-of-the-art cloud services and AI to automate work processes and cut labor costs by digitizing documents. Customers can use large touch panels to access cloud services and select and install the applications they need. We offer services that save scanned and PC documents to private clouds for easier viewing and sharing. Other services simplify data sharing with

projectors, IWB, smartphones, tablets, and other devices. MFPs function as hubs. They help small and medium-sized enterprises increase their use information technology by offering easy access to cloud services. In providing solutions that foster organizational productivity innovations by combining a range of cloud services through advanced MFPs and the RSI cloud platform, we help these customers transform their business processes.



RICOH IM C6000

Tailoring Office Services to local needs

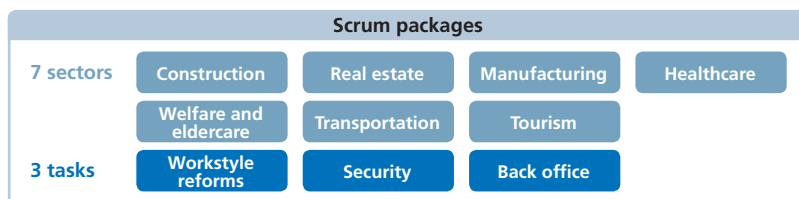
We offer Office Services that cater to local needs the world over. We set up the Service Operations Centre in Warsaw as part of that approach in 2017. This facility enables us to remotely monitor customer networks and applications for customers around Europe and provide managed services for outsourcing IT infrastructure and assets operations. In Communication Services, customers visit Ricoh Europe Holdings PLC, our European headquarters, to immerse themselves in work practice reforms and get assistance in resolving their issues.

In the United States, we provide document-related outsourcing services, primarily for large corporations. We propose optimal document services, improving operational efficiency and adding value.

In Japan, we offer Scrum packages. These solutions resolve issues in the construction, real estate, and five other sectors by enhancing common work practice reforms, security, and back office tasks.

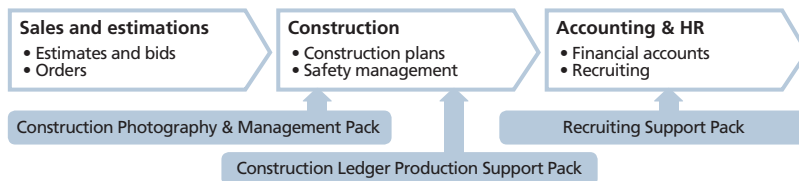
Our partner programs encompass strengthening collaboration with information and communication equipment manufacturers, application vendors, and other entities. By drawing on the strengths of partners knowledgeable about specific Industries and

business issues and the capabilities of the Ricoh Group, we can strengthen tailored solutions development. This helps customers to automate worksite and office operations and cut labor costs. We can also contribute to customer productivity reforms, centered on small and medium-sized enterprises. We plan to expand our partner programs worldwide in the years ahead.



Construction industry example

Visualize construction workflows and problems and packaging and providing optimal solutions



Collaborating

We are collaborating with partners to enhance the value customers get from working smarter. In July 2018, we started working with two startup companies in that regard. They are speech recognition firm Hmcomm Inc. and hands-free communication device company BONX Inc. We are leveraging our customer ties to expand sales through solutions that draw on

Hmcomm's Deep Learning-based speech recognition AI and through communication tools that combine the proprietary BONX Grip headset and smartphone apps. We are incorporating these technologies in our IWB and other edge devices to help customers overhaul work practices.

In October 2018, we acquired all the issued and outstanding shares of MakeLeaps Corporation, an online quoting and invoicing system, to help streamline business-to-business transactions. Down the track, we plan to integrate MakeLeaps with Ricoh

MFPs and customer management, accounting, and sales management systems from various vendors to further support the digitization of in-house workflows and inter-company transactions.

Connecting offices and frontline sites and transforming business processes

In May 2019, we launched RICOH Unified Communication System (UCS) 360 VR Live, a multi-site interactive communication system that allows users to share site spaces with remote locations. This setup combines the RICOH UCS video and web conferencing system with the RICOH THETA 360° still and



RICOH Unified Communication System 360 VR Live setup

video camera and links in real time to specialized equipment, smartphones, and PCs to distribute 360° images. Because there is no need to install dedicated lines or multipoint control units, RICOH THETA cameras can be installed at sites and connected to RICOH UCS 360 VR Live to show what is happening. Viewers can change views with their devices and zoom in and out. Offices, shops, plants, classrooms, hospitals, construction sites, and accident and disaster sites can swiftly connect to enable support from remote locations.

RICOH UCS 360 VR Live helps customers transform workflows by linking applications and such edge devices as advanced MFPs, RICOH IM C series, IWBs, the RICOH UCS, and the RICOH THETA, through a cloud platform.

Solutions success stories

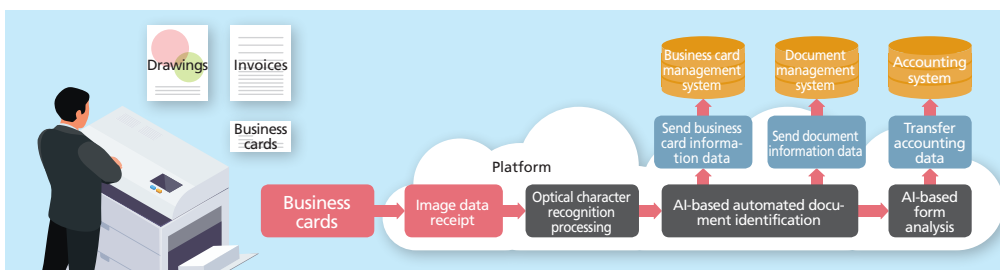
Providing platforms for people to work smarter

We develop and provide platforms to expand new value to customers. We support productivity innovation in various industries and operations through these platforms.

Office document management

In offices, data scanned by scanning machines, MFPs, and other devices can be automatically identified through optical character recognition, for distribution and registration in business card, document, and accounting information systems.

A good example of such a setup is invoices that use AI to automatically recognize information and register it in accounts systems. This automates tasks that have been traditionally time-consuming and labor-intensive, alleviating systems input workloads or eliminating tasks.



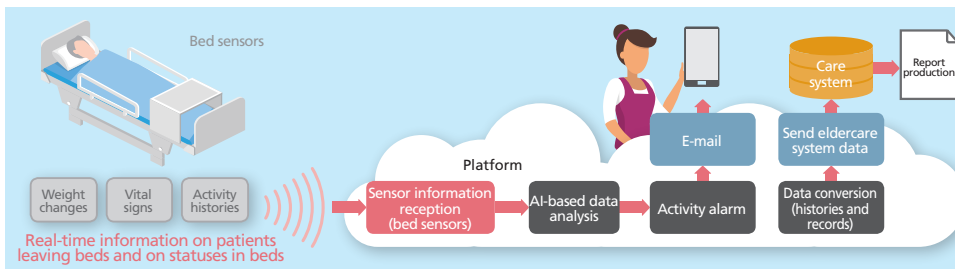
Solutions success stories

● **Acquiring and sharing information from eldercare and welfare sites**

Eldercare and welfare sites can acquire information from sensors installed on beds to provide real-time information to caregivers on patients leaving their beds or on their statuses in beds. Patient activity histories, vital signs, and weight changes are converted to suitable data formats and automatically registered in

eldercare systems.

Access to real-time information alleviates caregiver workloads by making it possible to patrol areas less frequently while reducing numbers of near-miss incidents. Another benefit is that automated inputting into eldercare systems is labor-saving, enabling caregivers to focus better on their work.



Productivity innovations

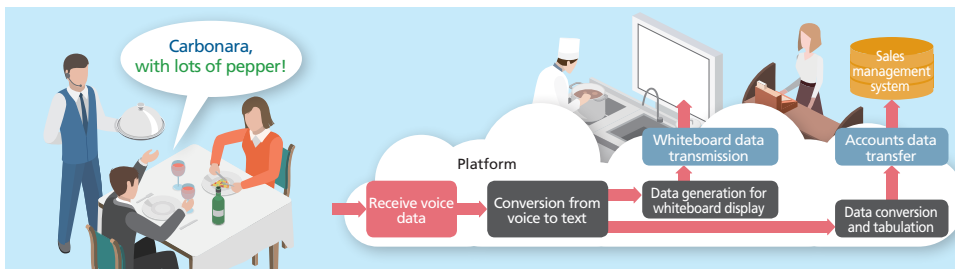


● **Service industry communications**

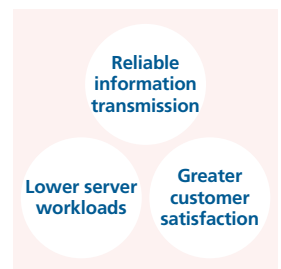
In restaurants and other service businesses, servers wearing headset microphones can simply state customer orders. Voice recognition software automatically converts this information to text for real-time display on electronic whiteboards in kitchens. Order information can be converted into suitable data formats for

sales management systems, tabulated, and automatically registered. Invoices, accounts, and payments can be automated and employed in accounting systems.

Innovations in communication between employees and automation and labor savings for servers frees everyone to focus on building caring customer satisfaction.



Productivity innovations



Feedback from developer using platform

This platform empowers us to provide solutions delivering new synergies

PFU sells image scanners worldwide and offers optical character recognition and other operational improvements for documents. A great attraction of this platform is that it is easy to combine a range of components to create business flows. With components being prepared on the platform, you can develop business flows in a few hours, one example being to save image scanned data to cloud services. We developed links with PFU image scanners, and completion after receiving specifications was around seven days. Also, partners can add components themselves, so we can provide solutions with brand new synergies when selecting customized components. All companies have solid strengths, not just PFU, and I would like to integrate them to deliver new customer value.

Yu Okuno
 Planning Department
 Business Promotion Division
 Imaging Business Group
 PFU Limited



Delivering total printing solutions

We provide digital printing-related products and services that enable print business operators to engage in high-mix, low-volume production.



Commercial printing head

Sergio Kato
Corporate Senior Vice President
General Manager of Commercial
Printing Business Group
Ricoh Co., Ltd.

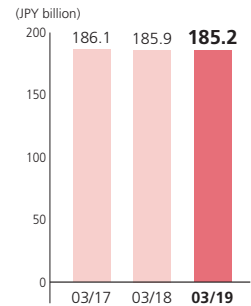
Strategic direction

We have combined our core electrophotographic and inkjet technologies to bolster solutions for various market needs, including for core, enterprise, and commercial printing, and to support their printing businesses.

Providing value to society

We will contribute to a carbon-free, recycling-oriented economy by promoting on-demand printing as a vehicle for cutting excess inventories from print production.

Sales



Business climate and growth strategies

The Ricoh Group has expanded its products and services to cater to a range of market needs, notably for enterprise and commercial print on demand (POD) printing. ▶

The upside potential for digital printing is exceptional in the commercial arena, which encompasses advertising and publishing customers. Beyond regular offset printing, demand is rising for high value-added on-demand and variable printing, which offers job runs in the volumes needed.

We are catering to such market developments by packaging high-performances, attractively priced products and workflow solutions—a Ricoh strength—to print business customers. We thereby create new customer value with digital technology while cultivating major commercial printing customers.

We offer advanced printing processes that combine our printing technologies and expertise. We also focus on marketing solutions encompassing everything from consulting to printing and delivery to help lift overall productivity in customer value chains.

We offer digital application, high-productivity, and workflow products and solutions to cater to three distinct customer market segments. First, our digital application solutions make it possible to create high-value-added applications with top-quality models that support diverse paper stock and cutsheet printers that can handle special colors to add impact to printed matter. Second are high-productivity solutions for the commercial printing market through top-quality, high-productivity continuous feed printers. Third, we offer workflow solutions that optimally streamline offset and other print operations. The Ricoh Group is pushing ahead in overhauling its earnings structure so it can combine optimal products and solutions and generate sustainable growth.

Key products and solutions

Digital application solutions

Cutsheet printers



RICOH Pro C7200S

Harnessing special colors to deliver vivid results



RICOH Pro C9200S

Top-quality flagship model handles an array of papers

High-productivity solutions

Continuous feed printers



RICOH Pro VC40000

High-speed transaction printer



RICOH Pro VC70000

Delivers outstanding image quality and speed with offset papers

Workflow solutions

Avanti-MIS Business workflow management
Ricoh Process Director Print production workflow management



TotalFlow series Print job optimization

Ricoh Supervisor
IoT management

[Refer to our website](#)

[Production printing www.ricoh.com/products/productions-printers/](http://www.ricoh.com/products/productions-printers/)

Supplying digital printers for diverse needs

We rolled out the RICOH Pro C9210/9200 in July 2018 as a flagship model of color cutsheet printers offering essential capabilities for successful offset-to-digital migration among commercial printers. They handle corrugated paper, long sheets, and other special media, and can print catalogs, posters, professionally designed book covers, and business cards. The series also streamlines operations with its high image quality and stability. Its new Inline Quality Control Technology for High End capability employs internal sensors to automate color and image position adjustments and other tasks that would normally be the preserve of skilled operators. Also installed is a

new function that automatically controls color fluctuations during print runs, conserving labor while stabilizing quality.

In May 2019, we began domestic sales of the RICOH Pro VC70000, which we earlier rolled out overseas. This high-speed continuous feed inkjet printing system features new drying technologies and inks > 1 to dramatically improve productivity in jobs with coated paper. This system can greatly enhance sales per unit of time. With its high density and extended color gamut, this system can handle print jobs demanding high image quality and make it possible to efficiently operate dual offset and digital facilities.

Refer to this page
1 Technological Strengths
 P.39



Corrugated paper print samples



Long-sheet print samples



RICOH Pro VC70000

Collaborating with customers to broaden the potential of commercial printing

In 2016, we set up RICOH Customer Experience Centers > 2 in Ota Ward, Tokyo and Rayong, Thailand. These facilities augment counterparts in the United Kingdom and the United States. We thus maintain such centers in all four of our operating regions.

These setups offer first-hand access to our latest products and solutions and help enhance the overall productivity of customer print processes. Through printing, we better understand customer businesses, reflecting what we learn in development, planning, and production and in creating innovative solutions.

RICOH Customer Experience Centers collaborate to share digital printing knowhow and satisfy the diverse requirements of customers.

Customer Experience Centers



UK



USA



Thailand



Japan

Refer to our website

2 RICOH Customer Experience Center www.ricoh.com/about/global-network/

Contributing to safer and more reliable clothing, food, and housing

We are harnessing the inkjet technology we have cultivated to broaden the potential of printing, transform customer value chains, and help resolve social issues.



Industrial Printing Business

Tetsuya Morita
Corporate Vice President
General Manager of Industrial
Printing Business Group
Ricoh Co., Ltd.

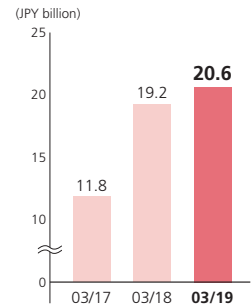
Strategic direction

In the industrial printing business, we provide a range of solutions that contribute to safer and more reliable clothing, food, and housing. This is through [inkjet printheads](#) ¹ compatible with diverse, highly durable inks, inks providing outstanding safety and functionality in printing on various media, and our image processing technology. We will open new vistas for industrial printing by expanding customer value and lowering environmental impacts worldwide.

Providing value to society

By switching from analog printing in an array of fields to digital inkjet printing, we can reduce water pollution and inventory losses through high-mix, small lot production as a leading contributor to circular economies and safer and more reliable clothing, food and housing all over the world.

Sales



Business environment and growth areas

In industrial printing, the great environmental impact of volume-driven conventional analog printing has become a global issue. Other considerations are diversifying needs and the pursuits of individuality and differentiation that are driving demand for high-mix, small-lot production.

The Ricoh Group maintains three product groups in industrial inkjet technology, a key strength.

Our offerings make inkjet-based digital printing possible in various ways and help lower the environmental impacts of clothing, food, and housing through high-mix, small-lot runs.

With the clothing, food and housing markets expected to grow, we are expanding businesses strategically by concentrating on textiles (fabrics and clothing), soft packaging and labels, decorative

applications (including wallpaper, building materials, furniture and interiors, and automotive interiors and exteriors), and sign graphics.

In the year ended March 31, 2019, we collaborated with Sweden's [Coloreel](#) ², which develops on-demand thread dyeing for embroidery. We acquired LAC Corporation (since renamed Ricoh Digital Painting Company, Ltd.), which has inkjet technology for printing on the sides of automobiles, aircraft, and other objects. We also purchased ColorGATE Digital Output Solutions GmbH, a leading software provider with strengths in color management. We are drawing on the comprehensive capabilities of those entities to collaborate with industrial printing customers to create new digital printing value.

Expanding profit contributions from new businesses in industrial printing



Refer to our website

¹ [Inkjet printheads](http://inkjet.printheads.industry.ricoh.com/en/industrialinkjet/) industry.ricoh.com/en/industrialinkjet/

² [Coloreel](http://www.ricoh-europe.com/news-events/news/ricoh-partners-with-coloreel-to-revolutionise-textile-industry-with-thread-colouring-innovation.html) www.ricoh-europe.com/news-events/news/ricoh-partners-with-coloreel-to-revolutionise-textile-industry-with-thread-colouring-innovation.html

A range of solutions that help customers to grow their businesses and shrink their environmental footprints

Inkjet printheads >

Leveraging proprietary technologies to deliver high durability and ink compatibility

One key offering is MH series heads, which have captured high market shares among UV-curable inkjet printers. That is because they stably discharge high-viscosity UV-curable and other inks, employ built-in heaters and push-mode piezo, and also offer durable stainless steel housings. We have taken advantage of our strengths to expand our business, capitalizing on China's expanding demand for sign graphics. Our fifth-generation MH series heads dominate the Chinese market, with a 45% share.

We developed a head with a proprietary ink recirculation structure that enables constant flows to nozzles, stopping them from drying and preventing ink particle sedimentation, for very stable ejection. In 2019, we rolled out sixth-generation MH series heads. We bolster support for application inks.

From the year ending March 31, 2020, we started shipping samples of advanced Piezoelectric thin-film inkjet printheads. They are highly integrated and easy to miniaturize, so we anticipate solid demand for use in highly productive industrial printers. We will continue to develop applications with customers in the growing industrial printing arena, and look to expand our business.

Inkjet module solutions

Using printing technologies to help customers improve processes

Imaging system solutions that combine heads and inks according to applications and provide image processing technology modules should expand in the years ahead, broadening the potential of print technology. We collaborate with factory automation vendors, system integrators, and other cooperate customers from the early development stages and help customers transform processes by offering proposals that harness our technological capabilities and the comprehensive strengths of our value chain.

Since agreeing to partner with us in May 2018, Coloreel has been developing machinery that uses inkjet technology in coloring white base thread on demand during embroidering. The Ricoh Group develops and provides inkjet printing modules that are key technologies for such a setup. This makes it possible to dye yarns during production processes so Coloreel can provide broader value in the textiles, fashion, sportswear, and other sectors.

Industrial printer

Extensively launching new offerings in a fast-growing segment

We rolled out the RICOH Pro T7210 UV and RICOH Pro TF6250 in 2018 and 2019, respectively. These large format flatbed printers employ UV-curable inks offering high adhesion on glass, metals, wood, and other media, and have attracted great interest from customers in decorative and sign graphics businesses.

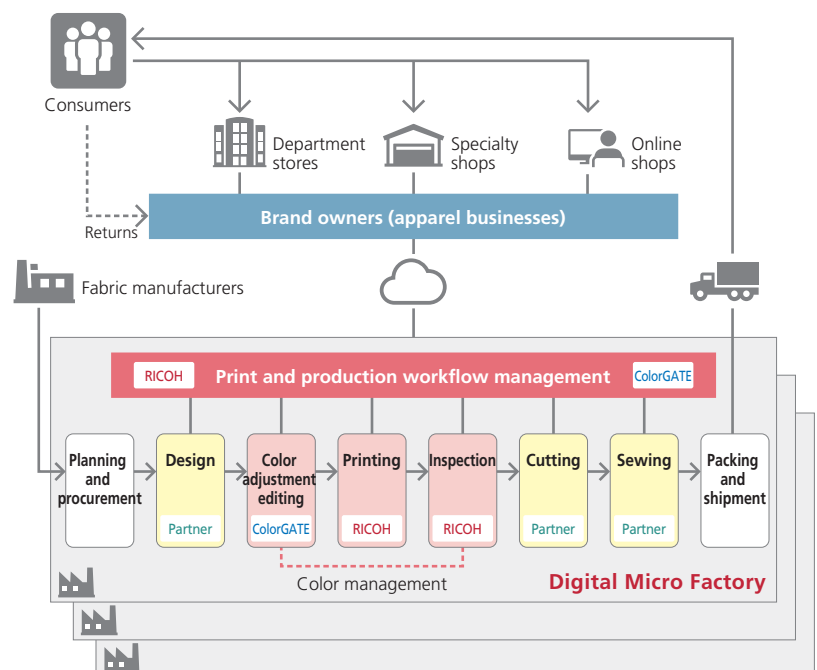
The RICOH Pro L5160, a roll media printer that we launched in Europe and the United States in 2019, is a high-productivity setup that employs our proprietary bright, and high-adhesion latex inks. It can thus handle everything from paper and fabrics to polyvinyl chloride, tarpaulins, and polyethylene terephthalate media for such applications as wallpaper, banners, posters, and large signs.

For textiles, we brought out the RICOH Ri 1000 in Europe and the United States in 2019. This direct-to-garment printer harnesses the technology of AnaJet LLC, which we acquired in 2016.

Refer to this page
Technological strengths
P.39

Transforming the value chain and lowering environmental impact

We contribute to effective apparel product creation by offering solutions that link supply chains. We aim to realize our Digital Micro Factory Concept to streamline operations throughout the textile arena while lowering environmental impact. We will specifically expand printing technology in the textiles field and employ software that efficiently manages workflows to transform the textile market value chain.



Contributing to streamline retails, logistics and manufacturing sites worldwide

We will take advantage of the competitiveness of our Thermal business (thermal paper and transfer ribbons) to maximize earnings while building new customer value and expanding in our new laser printing solutions business.



Thermal Media Business
Keiichi Shiokawa
 General Manager of Industrial Media Solutions Business Group
 Ricoh Co., Ltd.

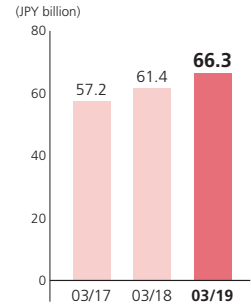
Strategic direction

We draw on thermal media technologies (for chemicals formulation and coatings) that we have cultivated over many years to attain world-class quality and supply stability, helping enhance the efficiency of retail and logistics sites. We are using our laser solutions that are a combination of thermal media technologies and optical system design technologies to create new customer value and drive further growth. These solutions comprise rewritable laser systems and high-speed laser printing systems.

Providing value to society

We will cut paper usage by supplying liner-less labels and rewritable printing processes, and will help materialize a decarbonized, circular economy.

Sales



Supplying media and systems for printing variable information that identifies individuals at retail, logistics and manufacturing sites

The Ricoh Group supplies thermal paper that has set the industry standard for quality. This coated media produces prints by changing color when exposed to heat. We have a roughly 50% share of the global market for thermal label applications. We aim to expand our business in this area in view of tighter mandatory requirements for presenting allergy and nutritional information to enhance food safety and growth in the e-commerce market.

Our prime customers for thermal transfer ribbons are manufacturers and logistics firms. We look to set up production, sales, and marketing units in locations near our customers, notably in India, Indonesia,

Thailand, and Vietnam, and provide prompt deliveries and technical service.

Our rewritable laser system enables the reuse of labels on returnable boxes and plastic containers in manufacturing and logistics. The system eliminates a lot of time spent affixing labels while contributing to the environment by reducing label waste.

Our high-speed laser printing system can print variable information on plastic bottles and at food production sites at up to five meters a second without lowering productivity. This performance is impossible with conventional inkjet and thermal printing setups. We will harness this technology to provide new customer value.

Examples of application



Apparel care labels

Thermal paper

Thermal labels for outputting variable information color on scale and barcode printers



Food portion labels Shipping labels Medical wristbands Lottery and other tickets

Thermal transfer ribbons

Barcode printer ink ribbons that print variable information on paper and film



Process control labels Apparel care labels Merchandise management labels Date coding

Laser solutions

Rewritable laser system

This system can repeatedly print and delete variable information



Returnable boxes Inter-plant transport trays Medicine delivery trays in hospitals

High-speed laser printing system

An on-demand setup for printing at up to 5 meters a second



Customized labels for plastic beverage bottles (printing speeds of 3 to 5 meters per second)

Refer to our website

Thermal media industry.ricoh.com/en/thermal/

Industrial Products

Integrating core and advanced technologies to deliver new value

We are harnessing our accumulated technological strengths while cultivating our businesses to contribute to industrial innovations.



Industrial Products Business

Yasutomo Mori
Corporate Senior Vice President
General Manager of
Industrial Products Business Group
Ricoch Co., Ltd.

Strategic direction

The Industrial Products business encompasses a range of industrial application fields, and contributes to social progress.

We offer opto modules that draw on our optical technology strengths to increase customer value. Our industrial smart systems combine advanced sensing technology with IoT and AI technologies. In precision equipment parts, we develop and sell precision machine parts, primarily for automobiles, and aim to expand our business.

Providing value to society

We integrate optical and image processing technologies to visualize information while combining control technologies and parts to contribute to safer and more secure societies through advanced vehicles and autonomous driving.

Driving innovations in the automotive sector and other areas of the industrial product field

In opto modules, we integrated our optical and image processing technologies to cultivate a range of products, centered on offerings for advanced driving assistance systems and autonomous driving.

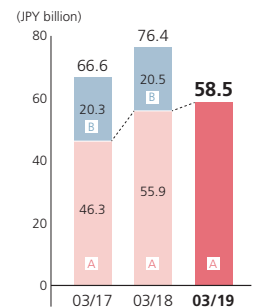
We manufacture the world's smallest vehicular stereo cameras, with which we have top share in the Japanese compact car market. We are building a development and mass production structure for the world's first laser scanning head-up displays (HUDs), which employ our proprietary laser technologies to deliver outstanding color reproduction and visibility. In the projection business, our strengths are in ultra-short focus and high-precision molding technologies. We offer projection lenses for offices and educational institutions. We are expanding our supply of small-short and ultra-short focus projector modules to cater to rising demand for industrial embedded applications.

In industrial smart systems, we provide new value for IoT by integrating sensing and computing technologies. For example, we developed a system that combines proprietary sensors and data analysis technology to map the vibrations of operating facilities and machinery, preventing accidents and shortening downtimes. We supply top-quality industrial embedded computers that cater to the operational stability needs of robots and medical and financial equipment.

In precision equipment parts, we draw on precision machining technology that we cultivated over many years in our watch business. We are focusing on precision automotive components, as well as precision machines parts that enhance the environmental performances of engines.

In industrial equipment, we offer production facilities and image inspection equipment that automate manufacturing processes and cut labor costs, centered on the fast-growing lithium-ion battery-related market.

Sales



■ Industrial Products
■ Electronic devices (semiconductor devices)

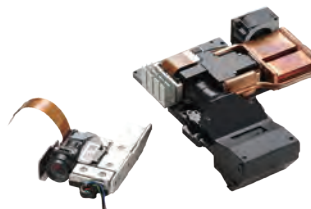
Note: Sales for the year ended March 31, 2019 does not include revenues from the electronic devices business, which we transferred.



On-board stereo camera



Laser-scanning HUD



Short focus and ultra-short focus projector modules



Precision machined parts

Creating unique imaging value

We are drawing on our core technologies to deliver value through new imaging and data service businesses.



Smart Vision Business

Wataru Otani
Corporate Vice President
General Manager of Smart Vision
Business Group
Ricoch Co., Ltd.

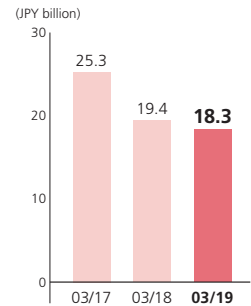
Strategic direction

Consumers and businesses alike can take advantage of the 360° still images and movies of the RICOH THETA camera. We offer cloud services for businesses using this imaging platform. We draw on artificial intelligence and image processing technology amassed from the accumulated data to create new value and bolster our services range to broaden customer business potential. We will step up efforts to create digital cameras that find favor among customers for perfectly matched usage requirements.

Providing value to society

We seek to streamline corporate operations by leveraging image bundling technologies and our expertise in developing and managing business cloud services to provide more convenience and help enhance quality of life for customers.

Sales



Providing solutions that bring together 360° images with the latest image processing and artificial intelligence technologies

We launched the THETA 360.biz official partner program in July 2018 to expand the usage of images from the RICOH THETA 360° camera. THETA 360.biz is a corporate cloud service that we initiated in October 2014 that dynamically displays images from this camera on customer websites. Companies in the real estate business, for example, can use what has proven a very popular augmented reality application for tours that link multiple 360° images with room floor plans. With the number of customers using our setup steadily increasing, we plan to extend services to used car sales, hotels, tourism and construction sites.

In Web advertising, we offer a service to distribute and display 360° banner ads that employ artificial intelligence learning. The service helps to triple click

rates of still image banners. We aim to increase customer value in marketing, security, and other fields with various tools. One is our deep learning-based image recognition technology, which makes it possible to map the numbers of people in offices or popular areas. Another is client behavior analysis solutions that employ face authentication algorithms. We also seek to provide new value by incorporating various devices and ideas in our service, expanding functions with plug-ins and releasing multiple application programming interfaces and software development kits to offer an open environment for developers.

In February 2019, we opened the RICOH 360 portal, which integrates a range of solutions services employing 360° images. The portal uses accumulated 360° still image, video, and log data and unique data processing technology to offer value unique to 360° imaging. It also provides customer success story content.

We maintain a solid lineup of conventional digital cameras that match customer interests. These offerings include the high-end RICOH GR III compact camera and action models that are waterproof, dustproof, and shock resistant.



RICOH THETA Z1



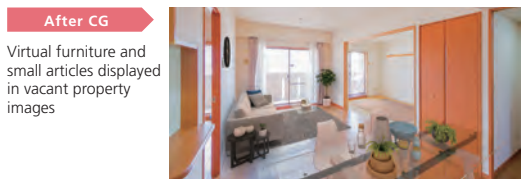
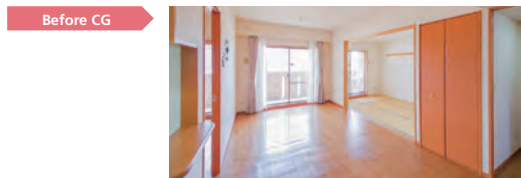
PENTAX K-1 II



RICOH GR III



RICOH WG-60



Virtual furniture and small articles displayed in vacant property images

RICOH-VR Staging

Refer to our website

- 1 RICOH THETA theta360.com/en/
- 2 Digital cameras www.ricoh-imaging.co.jp/english/products/index.html

New Development

Driving future growth through proprietary technologies and solutions

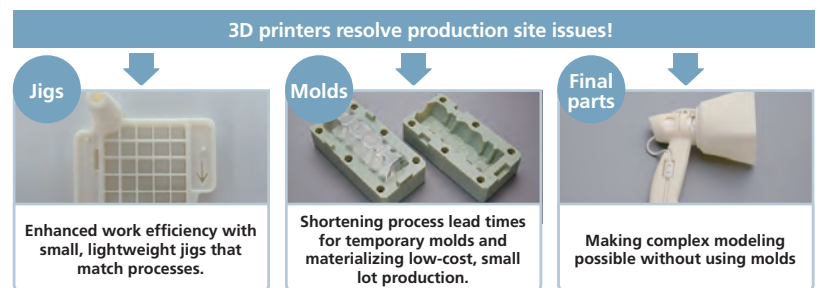
Additive Manufacturing (3D printers)

September 2014 saw the Ricoh Group launch its Additive Manufacturing business. This business focuses on 3D printers , which enable on-demand parts production. We have been selling 3D printers from Ricoh and other brands as well as providing comprehensive solutions that include materials and modeling services. We have thereby helped to resolve workflow issues while contributing to manufacturing innovations.

We established RICOH Rapid Fab centers in Japan (Atsugi, Shin Yokohama, Osaka, and Nagoya) and in the United Kingdom (Telford) so customers in manufacturing can talk with the Ricoh Group's technicians. Discussions cover regular prototyping and case studies relating to direct parts, molds, and jigs.

Our modeling services include one-stop design support for customers looking to create prototypes and final parts. We plan to roll out full-fledged contract manufacturing services for final products.

We intend to launch in-house-developed 3D printer for simple prototyping during the year ending March 31, 2020. We aim to further expand our business by bringing out models incorporating proprietary technology that offer high quality and shorten lead times.



Eco solutions

We assist customers with environmental management, and have started providing a range of solutions through which we can collaborate with them in materializing a decarbonized, circular economy.

In electricity sales services, we suggest ways to help customers reduce their overall power consumption. We promote the use of renewable energy through our solar power facilities operation and



Solar power facility operation and maintenance services

maintenance services that leverage our nationwide office equipment sales and service network in monitoring conditions and providing maintenance. We thereby help stabilize renewable energy supplies.

In May 2019, we began offering the RICOH Smart MES lighting and air-conditioning system in selected regions. This system employs our sensing and cloud technologies. The system uses sensing technology and cloud technology to detect the locations of people and light levels and room temperatures in each area. It automatically controls lighting, air-conditioning, and demand monitoring devices to conserve energy and maintain comfort. It realizes conservation and convenience at the same time. The system also makes it possible to collect data whether individuals are present or not and evaluates space usage. This helps to enhance workplace comfort by contributing to more comfortable work areas and optimal layouts.

 Refer to our website

 3D printer www.ricoh.com/release/2015/1027_1.html

Healthcare

Japan has the most aged society among developed nations. Around 30% of its population will be above the age of 65 by 2020. The difference between average life expectancies and healthy lifespans is around 10 years. There is an urgent need to shrink that gap and alleviate rising medical spending and the workloads of medical professionals.

Ricoh entered the [healthcare field >1](#) in 2016. It focuses on the biomedical, medical imaging, and healthcare solutions fields. We aim to create new value by helping prevent illnesses, swiftly identify them, and rapidly treat them.

We are especially targeting brain and neurological disorders, and are cultivating operations that encompass diagnostics through drug discovery and regenerative medicine.

In the biomedical field, we employ inkjet technologies from our printers to develop bioprinting technologies, products, and services that reproduce biological tissue structures by ejecting live cells. In June 2019, [we entered into an agreement with Elixigen Scientific, Inc., to engage in joint biomedical operations supporting drug discovery based on cells differentiated >1 from induced pluripotent stem \(iPS\) cells >2. >2](#) We will launch a business centered on North America, and we will expand our drug discovery business, by making and selling iPS cell-derived cells and [cell chips >3 seeded >4](#) with precisely differentiated cells. We will also support new drug development through outsourced evaluation services and drive drug discovery innovations with iPS cells.

In medical imaging, we began developing biomagnetic imaging systems in 2014. In April 2016, we acquired the MEG (magnetoencephalography) business of Yokogawa Electric Corporation.



Magnetoencephalograph measurements

We inaugurated sales in North America in October 2017. The domestic debut was in May 2018. In January 2019, we initiated brain functional checkup research with Hokuto Hospital.

Since 2014, we have collaborated with Tokyo Medical and Dental University and the Kanazawa Institute of Technology in developing a system to visualize nervous activity in spinal cords by noninvasively measuring the magnetic field with a view to commercialization. In July 2019, combined developments in hardware, software, and diagnostic techniques [overcame what had been a daunting challenge of measuring the magnetic fields in the cervical and lumbar segments of the spinal cord. >3](#) We also succeeded in measuring the neuromagnetic fields in such peripheral nerves as the carpal tunnel and brachial plexus. These achievements have broadened clinical applications of MSG (MagnetoSpinoGraphy) in a major step toward practical application.

In healthcare solutions, we develop products and services that support digitization and data usage for medical treatment and elderly care. In July 2018, we commercialized the Ricoh Mimamori Bed Sensor System for nursing home or nursing care facility. In January 2019, we launched RICOH Regional Health Net, an integrated medical care system. We are helping create a comprehensive community care system through this setup. That is because it provides uninterrupted support to patients by using cloud systems to manage and share a range of medical treatment, examinations, prescriptions, and nursing care information from local medical institutions, pharmacies, and nursing care facilities.

i

1 Differentiation (induction)

Producing target cells from iPS and embryonic stem cells.

2 iPS cells (induced pluripotent stem cells)

Introducing several gene types into somatic cells makes it possible to differentiate embryonic stem cells and numerous other types of cell. The cells are self-replicating as they can repeatedly divide and proliferate.

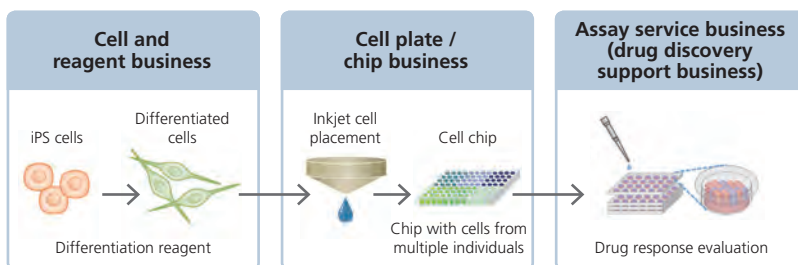
3 Cell chip

A device that can arrange tens to thousands of cells on a substrate for observing reactions and changes in individual cells.

4 Seeding

Seeding cells.

Drug discovery business steps



Refer to our website

[1 Healthcare](#) www.ricoh.com/technology/institute/research/healthcare.html

[2 Joint biomedical operations](#) www.ricoh.com/release/2019/0619_1/

[3 Biomagnetic measurement of lumbar, cervical, and peripheral nerves using magnetospinography](#) www.ricoh.com/release/2019/0724_1/

Value Drivers

Our technological strengths, close customer contacts, and environmental management drive our efforts to create value.

We are leveraging those strengths and will further enhance corporate value.

- 39 **Technological Strengths**
- 45 **Customer Engagement**
- 49 **Sustainable Environmental Management**
- 53 **Human Resources Capabilities**



Continuing to provide new value to society through our core technologies and unique ideas

We will create products and technologies that help transform customer workplaces and resolve social issues.

Providing new value for diverse workplaces

We have brought out ideas for innovative work styles since entering the business machine field in the 1950s. We are now broadening the scope of the value we create from regular offices to worksites in various industries and locations. By digitizing work in various places, we are helping customers work smarter. By providing new value to individuals, organizations and society, we can resolve social issues while generating new growth opportunities.

We are helping to change workplaces and society and continuing to provide value to customers by driving ahead with ongoing workplace innovations through our EMPOWERING DIGITAL WORKPLACES value proposition, in which individuals, teams, and organizations leverage digital technologies everywhere they do business. > [1](#)

Seeking to create value in new areas

We are leveraging two growth strategies to discover new ways to resolve social issues. The first is Growth Strategy #1 > [1](#), through which we are cultivating “applied printing” that drives printing technology further forward, and we are also pursuing other industrial innovations. The second is Growth Strategy #2 > [2](#), through which we are digitizing offices.

In printing technology, the focus of Growth Strategy #1, applications have expanded to encompass commercial printing, industrial printing, and healthcare. We are going beyond printing on paper to push ahead

with inkjet printhead applications for other media, notably for bioprinting and secondary battery printing.

Under Growth Strategy #2, we seek to support customer knowledge creation by innovating workplaces. We are doing this by using machine vision and other inputs as well as AI analysis and by optimally combining displays, controls, and other processes.

R&D structure and development process

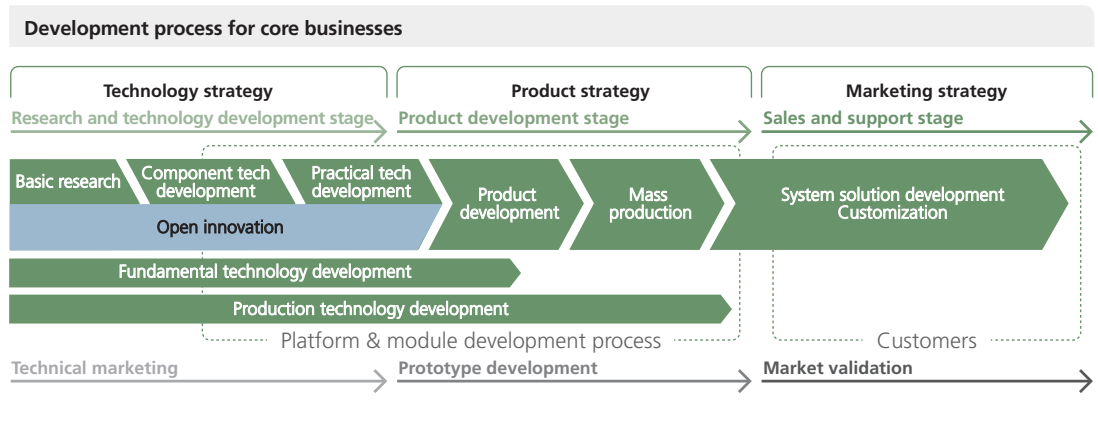
The Ricoh Group has R&D sites in Japan, the United States, India and China > [3](#). Each site explores market needs and conducts research and technology development attuned to regional characteristics while deepening cooperative connections among global sites. Our corporate map also includes RICOH Global Technology Centers and RICOH Customer Experience Centers, and we have launched value creating activities involving our customers through a framework for gathering feedback on market needs ascertained directly through customer support activities to enhance future product development.

Ricoh’s technology development process > [4](#) for core businesses is broken down into three stages—research and technology development, product development, and sales and support. We emphasize system solutions development and customized development to fuel more robust responses, from the development of key technologies based on technology strategy through efficient product development without relying on prototypes > [4](#), and then to customer needs.

Refer to these pages

[1](#) Growth Strategy #1 P.13

[2](#) Growth Strategy #2 P.13



Refer to our website

- [1 Technology](http://www.ricoh.com/technology/)
- [2 Global R&D](http://www.ricoh.com/technology/rd/global.html)
- [3 Technology development](http://www.ricoh.com/technology/rd/development.html)
- [4 Development process innovation](http://www.ricoh.com/technology/rd/manufacture.html)

Engaging in open innovation

We are drawing on open innovation with universities, research institutions, and enterprises to accelerate efforts to help resolve social issues and streamline the development of advanced technologies.

We are applying our inkjet, machine vision, image processing, and other technologies in diverse initiatives. They include the Japanese government supported Funding Program for World-Leading Innovative R&D on Science and Technology and joint R&D with universities and independent administrative corporations. We are reinforcing relationships with start-up enterprises to accelerate the creation of new businesses.

Open innovation case study

Super telephoto stereo camera > 3

We are undertaking joint research and development with the University of Tokyo into advanced automated flight control systems as part of a project of Japan's New Energy and Industrial Technology Development Organization that focuses on practical applications for advanced aircraft systems. We are also engaging in R&D for Horizon 2020 VISION (the Validation of Integrated Safety-enhanced Intelligent flight cONtrol), a Europe-Japan collaborative research project.

Biomagnetic measurement system (magneto-spinography system) > 4

We look to commercialize this system with Tokyo Medical and Dental University and the Kanazawa Institute of Technology.

Micro granulation > 5

We aim to foster innovations in pharmaceuticals production by collaborating with the University of Shizuoka and by participating in the Pharma Valley Project of the Pharma Valley Center of the Shizuoka Organization for Creation of Industries.

In November 2017, we concluded a comprehensive collaborative research accord with Chiba University to pursue wide-ranging innovations. We look to take part in an innovation business that leading Japanese research institution RIKEN plans to set up.

In April 2019, we launched RICOH ACCELERATOR 2019 as a business cocreation program that supports startups. We conduct comprehensive business contests for selected internal and external teams. At the same time, we support activities by providing environments for the open usage of resources, and seek to help create new businesses through the efforts of participants and exchanges between people.

In March 2016, we established a fund to support the creation of technology ventures and foster future industries. The fund had assisted 13 companies through June 2019.

R&D investments and intellectual property initiatives

The Ricoh Group consistently earmarks 5% to 6% of consolidated sales for R&D to ensure a steady stream of innovation. In the year ended March 31, 2019, R&D expenses reached ¥111.0 billion, or about 5.5% of sales. Of this amount, 13.3%, or ¥14.8 billion, went into basic research.

Intellectual property > 5, the fruit of our R&D efforts, is vital to our competitiveness. We therefore encourage efforts that yield valuable intellectual property and seek to acquire and use intellectual property that protects and grows our businesses.

We have accordingly continued to secure highly effective patents in Japan and overseas. As of March 31, 2019, the number of registered patents overseas exceeded the number in Japan in the year ended March 31, 2015. We are conducting a review of maintained patent rights by assessing future market and business conditions and determining whether to abandon any unnecessary patent rights.

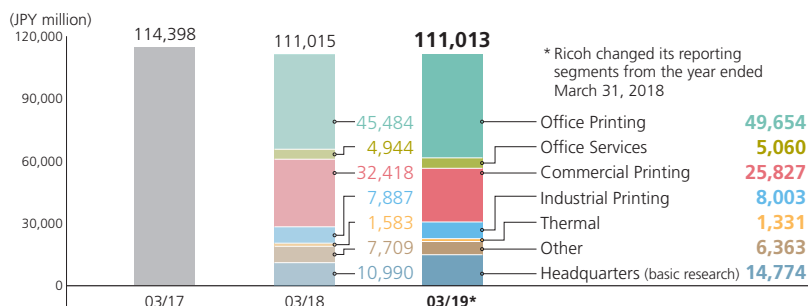
Refer to these pages

3 Super telephoto stereo camera P.44

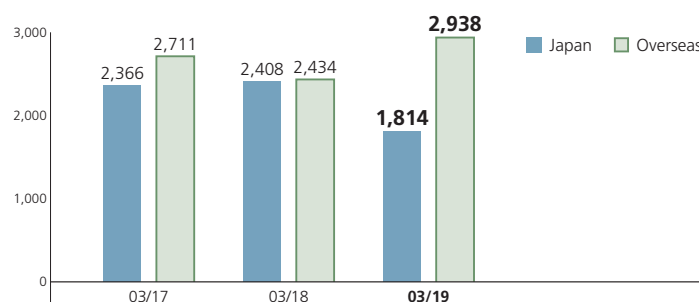
4 Biomagnetic measurement system (magneto-spinography system) P.37, 44

5 Micro granulation P.42

Changes in R&D investment



Number of registered patents worldwide



Refer to our website

5 Initiatives in intellectual property www.ricoh.com/technology/rd/ip

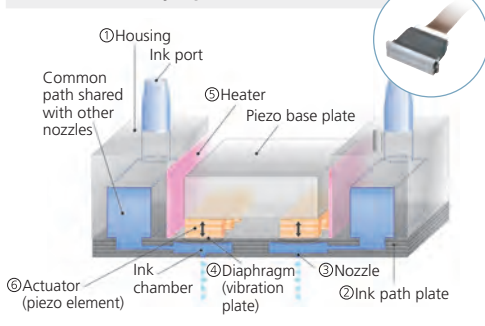
Growth Strategy #1: Broaden the potential of printing technology and create new value

We have broadened the application of technologies that originated in office printing to encompass commercial and industrial printing, as well as “applied printing.”

The expansion of inkjet technology > 1

The Ricoh Group has key inkjet technologies that work together to deliver top-quality results. Inkjet printheads ensure that droplets of a desired size are applied uniformly and properly to print media. Ink supplies reproduce image quality as applications require. Printing system controls precisely. Our inkjet technologies for various media provide new value in fields such as apparel, food, medicine, and industry.

Structure of inkjet printheads



This stainless steel housing delivers outstanding safety through its excellent rigidity and resistance to corrosion and contamination.

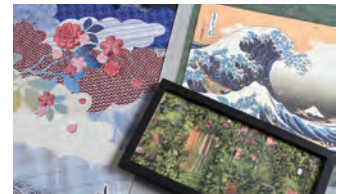
Printing for clothing, food, and housing

Advances in inkjet printheads and inks have enabled the application of inkjet printing technologies with an array of media, from paper to food labels and packaging, packaging, textiles, T-shirts, construction materials, furniture, automobiles, and decoration on food and other items.

The RICOH Ri 100 garment printer > 2 can print high-definition images on T-shirts and other garments, ensuring comfort and wash fastness. For printing labels used on bottles and packaging, this model employs high-viscosity UV curable inks that cure quickly and resist friction and deliver fine droplets for high-quality on-demand printing.



Expresses the texture when printing on such building materials as glass, metal, and wood

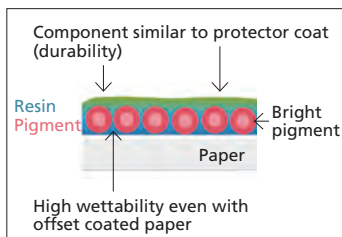


Printing directly on wallpaper and canvas

Display printing

Offset coated paper ink and new dryer

The RICOH Pro VC70000 > 2 is a high-speed continuous feed inkjet printing system with a dramatically extended gamut and advanced drying capabilities, and employs inks for production on an array of stocks and eliminates the need for undercoats or protector coats. A new dryer incorporating small heat rollers virtually eliminates cockling with dense images and lightweight papers.



Cross section of printed paper



Cockling correction with heat rollers

Handy printer

The portable RICOH Handy Printer weighs just 315 g. It can print by being swiped over a wide range of media otherwise inaccessible to most printers. Such media includes cardboard, labels, envelopes, postcards, wood, and cloth.

This model employs a sensor to detect hand motion speed and the surface condition of print media and uses a new discharge technology harnessing an algorithm to predict printer movements and accurately jet the ink. We miniaturized parts and optimized the layout in keeping with compact dimensions. This high-definition printer can output barcodes and QR codes and delivers instant results with quick-dry ink.



Refer to our website

- 1 The expansion of Ricoh's inkjet technology www.ricoh.com/technology/inkjet/
- 2 Features of RICOH Pro VC70000 www.ricoh.com/technology/tech/084_ink_for_offset_coated_paper
www.ricoh.com/technology/tech/085_new_drying_technology
- 3 Direct to Garment Printer RICOH Ri 100 www.ricoh.com/products/garment-printers/ri-100/

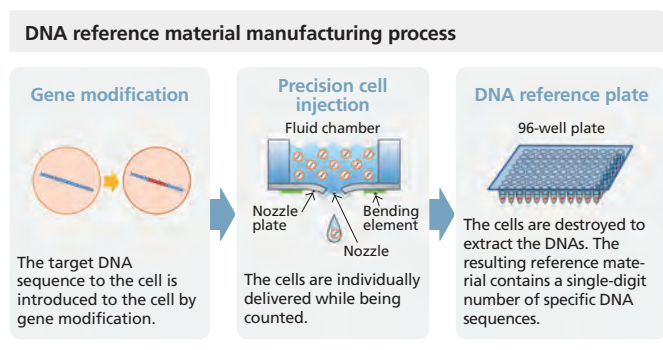
Applied printing

● Healthcare

Reference DNA plate >4

In genetic testing, we developed a manufacturing technology for reference DNA plates, a reference material for controlling individual DNA molecules to accurately confirm issues with testing processes, equipment, and reagents.

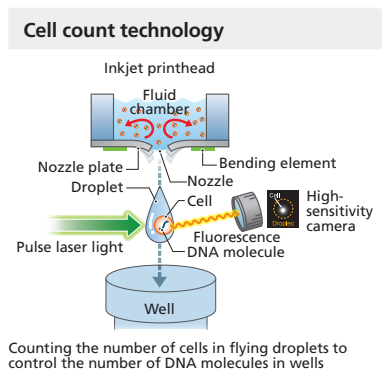
This plate is a benchmark for measurements in which the components of ingredients are clearly specified, and can be used in controlling precision for genetic testing equipment and reagents.



Developing and applying bioprinting technology

We develop bioprinting technology that employs a unique inkjet technique to accurately discharge live cells.

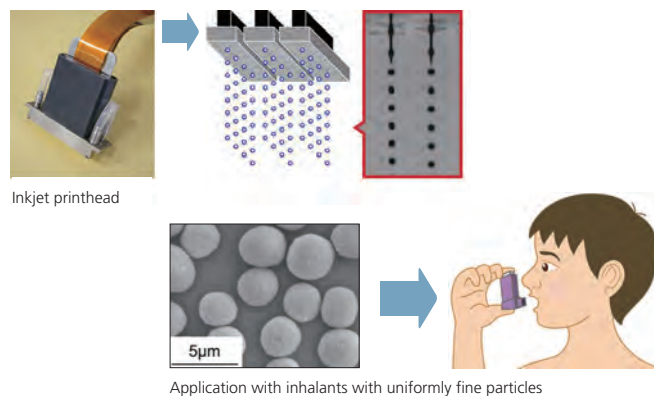
Reference DNA plate manufacturing process requires fixed numbers of cells to enter each well. Ricoh thus developed an inkjet printhead to eject cells for bioprinting. This simple configuration eliminates the flow path and makes it possible to form droplets with small solution amounts. We additionally developed a new technology to count cells in droplets by synchronously irradiating pulsed lasers with droplet ejection and observing fluorescence from cells. It is therefore possible to strictly control cell numbers.



Micro granulation >5

We are using our inkjet technology to develop techniques for creating micro particles of uniform size. One potential benefit of applying this technology to inhalants and other medicines is that they could reach targeted parts of the body and suppress side effects.

An inkjet printhead jets out very fine droplets at a high frequency, with Fine Droplet Drying technology drying very quickly, making it possible to generate uniformly micron-sized particles.

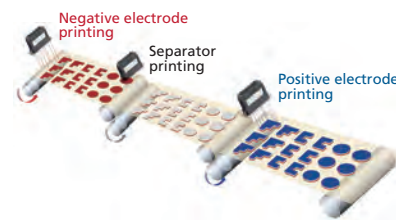


● Manufacturing innovation

Secondary battery digital printing manufacturing

In January 2019, we announced the world's first inkjet technique-based technology to manufacture lithium-ion secondary batteries in desired shapes.

We materialized the production of low-viscosity, high-density electrode material ink that can be ejected from inkjet printheads. We created ink from most electrode materials and separator materials used in lithium-ion secondary batteries. These battery materials are digitally printed on target location using inkjet technology, simplifying processes and enabling multi-product manufacturing. This approach minimizes electrode material waste, as materials are printed only on necessary parts.



Pushing the boundaries of inkjet technology to open new worlds

Our website showcases the broad applications of our inkjet technologies. It also presents our core technologies, as well as our history in this field, and details of our innovations.



www.ricoh.com/technology/inkjet/

Refer to our website

4 The manufacturing of reference DNA plates www.ricoh.com/technology/institute/research/tech_dna_reference_plate

5 Micro granulation www.ricoh.com/technology/institute/research/tech_fine_droplet_drying

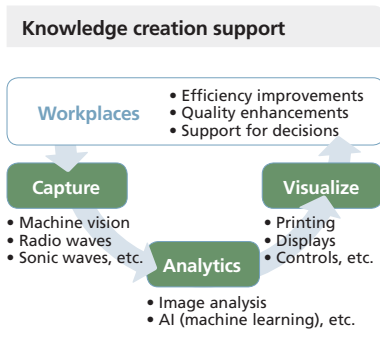
Growth Strategy #2: Creating knowledge to drive innovation in offices, on frontlines, and in society at large

Since its foundation, the Ricoh Group has provided value to customers in various fields. We currently support knowledge creation for more than 1.4 million customers. We are developing technologies that help create new value for customers by digitally linking offices, frontlines, and society at large.

Supporting knowledge creation in diverse workplaces and energizing society

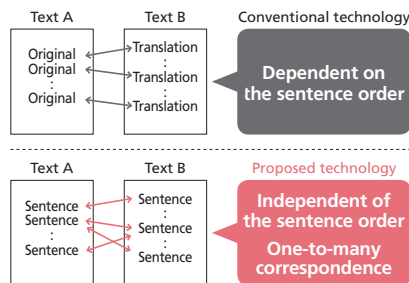
Workplaces vary among different businesses and fields and are expanding everywhere. With globalization, people in different locations and time zones are connecting digitally and are constantly exchanging information. The Ricoh Group views such interactions as

sources of knowledge creation. The Internet of Things organically links inputs from edge devices, processing through AI, and optimized visualization. We are drawing on the Internet of Things and other technologies so we can innovate and energize society.



AI-based clause checking tool > 2

One option in our RICOH Contract Workflow Service is an AI-based clause check tool that uses Deep Alignment. This proprietary technology incorporates Ricoh's natural language processing to automatically align two documents to associate sentences and paragraphs with similar content with each other. Synthesizing the meanings of phrases through Deep Alignment makes it possible to precisely associate meaning. Deep Alignment can be applied to



one-to-many associations, where one sentence with multiple meanings is associated with multiple different sentences, or even to tasks where association counterparts are missing.

Office Office communication and AI transforming workstyle

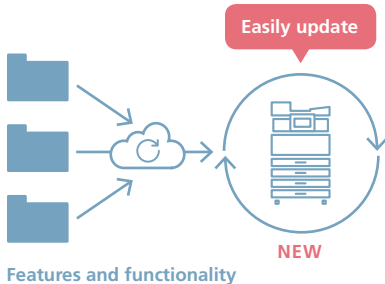
Companies need to seek ways to become more competitive as people's perceptions about the value of work change. The Ricoh Group is drawing on visual communication and AI technologies to offer productivity, economic viability, and work practice solutions.

RICOH Always Current Technology > 1

Since 2019, we have installed RICOH Always Current Technology on new MFP and printer models to keep their device software up to date.

This setup enables customers to access the latest features and functionality available on the latest models whenever they purchase

systems, including newly developed functions. They can also add functions that match industry requirements to enhance workflows, while security features also remain up to date.



Frontlines and society Materializing safe and secure frontlines and societies by drawing on diverse inputs and outputs

The Ricoh Group combines information inputting, processing, and visualization technologies to visualize situations in various frontlines and societies and enhance added value.

Leveraging acoustic communications > 3

Disruptions or delays with information services through cellular phones, Wi-Fi™, and other public communications tools could occur following disasters. Situations in the field could make television or radio broadcasts unsuitable for bulletins. So, we developed a technology to acoustically transmit multilingual text and audio information to smartphones and other personal devices through



existing broadcasting equipment. This setup employs an audible watermark below 10 kHz and sends identifiers associated with a range of messages. User apps can display and output audio of disaster information in Japanese, English, Chinese, or Korean and show related information anywhere at any time.

Refer to our website

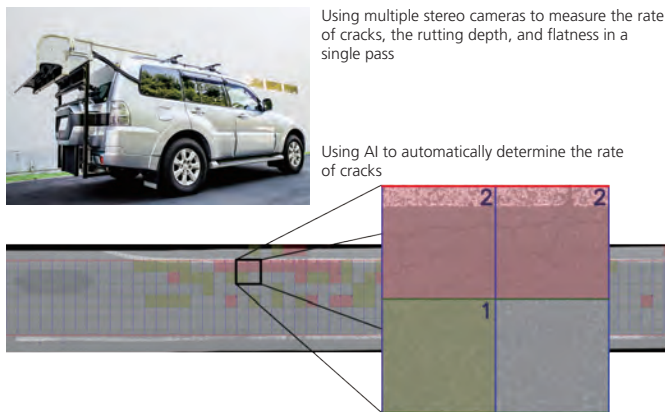
- 1 RICOH Always Current Technology www.ricoh.com/products/printers-and-copiers/always-current-technology/
- 2 Natural language processing for document solutions www.ricoh.com/technology/institute/research/tech_deep_alignment
- 3 Transmitting Information using Acoustic communication www.ricoh.com/technology/tech/086_acoustic_communication

Our technology is one way in which we are helping overcome growing social issues posed by the aging of roads, tunnels, and other infrastructure. Systematically maintaining such structures will enhance social safety and security.

Road surface monitoring system >4

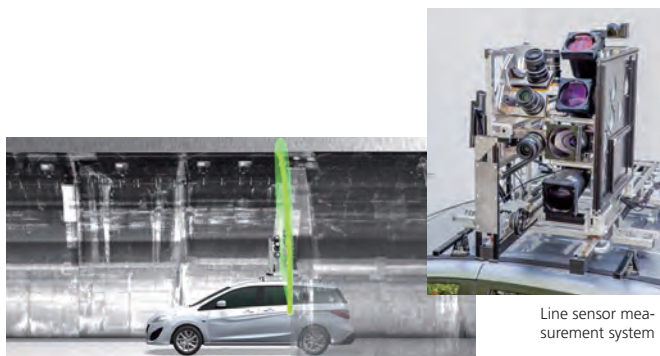
We developed a vehicle-mounted system with stereo cameras to evaluate road surfaces. In September 2018, our setup became the first employing stereo cameras to pass a performance confirmation of Japan's Public Works Research Center. We commercialized the Ricoh Road Surface Monitoring Service in August 2019. Because it can be mounted on ordinary automobiles, it can be used on residential roads on which it would be hard to measure changes with large specialist vehicles.

Stereo cameras: Obtaining depth (three-dimensional) information on objects ahead by using the parallax of two cameras aligned left and right.



Tunnel monitoring system >5

We developed a photographing system for mounting on a standard motor car that can measure the conditions of a tunnel while driving at normal traffic speeds. A line sensor-type measurement system employing a unique extended depth-of-field camera captures images clearly, even in dimly lit tunnels. It is possible to optimally illuminate the tunnel wall with line lights. This compact configuration means that only the measurement system can easily be detached, making it easy to transport to other locations.



Imaging the entire length of tunnels just by traveling along them

Line sensor measurement system

Super telephoto stereo camera >6

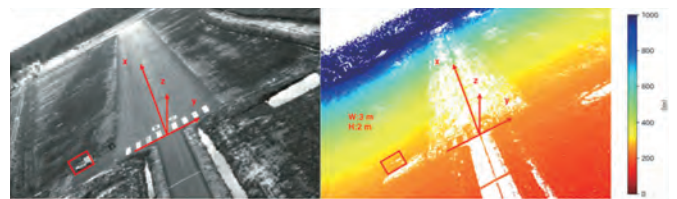
We developed the world's first super telephoto stereo camera that can measure objects up to 1,000 meters away in real time and perform real-time stereo ranging processing in 4K resolution.

We ensured accurate distance measurement by optimizing our proprietary optical design and calibration technology. We optimized our image processing technology to swiftly deliver 4K stereo image processing output in real time and at high speed.

Potential applications include allowing fast-traveling aircraft to estimate their own positions and detect obstacles or monitoring distant objects of unknown sizes in real time.



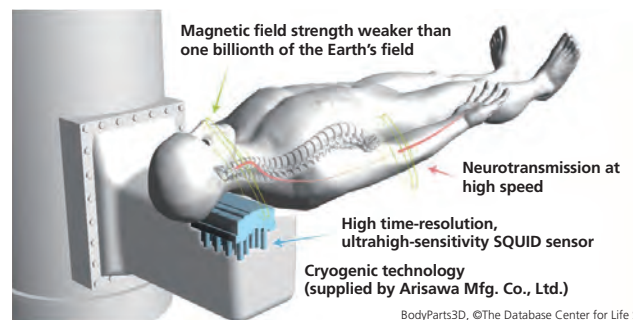
Super telephoto stereo camera mounted on unmanned aircraft



Biomagnetic measurement system (magnetospinography system) >7

The human body's magnetic field from spinal cord activity is only around one billionth that of Earth's, while neural conduction is around 60 meters per second. High-performance magnetic shields, highly sensitive sensors and advanced signal processing technology are needed to measure nerve activity. The Kanazawa Institute of Technology developed a SQUID (for superconducting quantum interference device) that can measure weak signals in several dozen microseconds. The Ricoh Group created a system to process the detected signals and display the spinal activity information over morphological images. Tokyo Medical and Dental University undertook research to establish diagnostic techniques.

We developed hardware, software, and diagnostic techniques to successfully measure magnetic fields of the lumbar spinal nerves in addition to the cervical spinal cords. We were also able to measure neuromagnetic fields in peripheral nerves, notably for the palm and brachial plexus. Clinical applications are expanding, and we are progressing well toward commercialization.



Magnetospinography system

BodyParts3D, ©The Database Center for Life Science
© 2016 Ricoh Co., Ltd.
licensed under CC Attribution Share Alike 2.1 Japan

Refer to our website

4 Road surface inspection system www.ricoh.com/technology/institute/research/tech_road_surface_monitoring

5 Tunnel monitoring system www.ricoh.com/technology/tech/087_tunnel_monitoring

6 Super telephoto stereo camera www.ricoh.com/technology/tech/083_super_telephoto_stereo_camera

7 Visualization of neural activity of the spine (magnetospinography system) www.ricoh.com/technology/institute/research/tech_neuro_trans
www.ricoh.com/release/2019/0724_1

Knowing and growing with our customers

Customer benefits underpin all of our decision-making. From product development through manufacturing, sales, service, and support, we constantly seek to provide new value that puts customers first.

Identifying potential customer needs and innovating

Today's socio-economic environment is vastly different from what it used to be and the transformation process continues, driven by increased globalization, growth of emerging economies and a wider embrace of network technologies. Customer business environments and needs are changing, with management focusing on everything from transforming workflows and cutting the total costs of ownership to ensuring compliance with laws and ordinances.

That said, it is not always clear what customers want. We seek to stay ahead of customers in uncovering needs that they have yet to notice. We have to look beyond what they tell us to identify what they truly need. To that end, we encourage all employees to engage in decision making and ongoing activities that focus on being useful for customers, and we are building a framework to make the interests of customers a top priority. One fruit of that effort is the Customer First Center, which we set up in 2018 with a mandate to report directly to the president. This facility aims to satisfy customers by responding to swiftly diversifying market climates while building customer-centric manufacturing processes. We created this entity by absorbing the Contact Center of sales subsidiary Ricoh Japan Corporation. The center shares customer feedback with design and manufacturing units, which use this information in initiatives to swiftly enhance products, services, and internal processes.

We will continue to meet customer expectations by marshaling our comprehensive worldwide resources to reflect feedback in our management and operations.

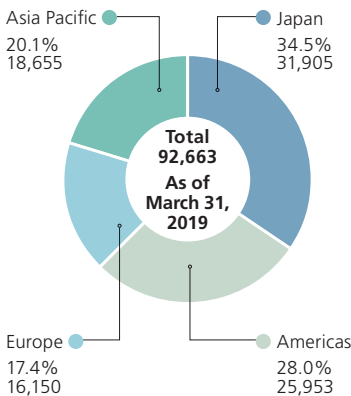
Operating globally and building our supply chain

In sales and services, we have built a global network stretching across approximately 200 countries and regions and maintain a four-point regional headquarters structure—Japan, the Americas, Europe and Asia Pacific. We are pushing ahead with management that integrates everything from development to sales and service and are making frontlines close to customers to strengthen our structure for developing products with them. We have additionally set up a sales headquarters to assist and oversee regional sales units from the best global perspectives, allocating resources to priority growth markets.

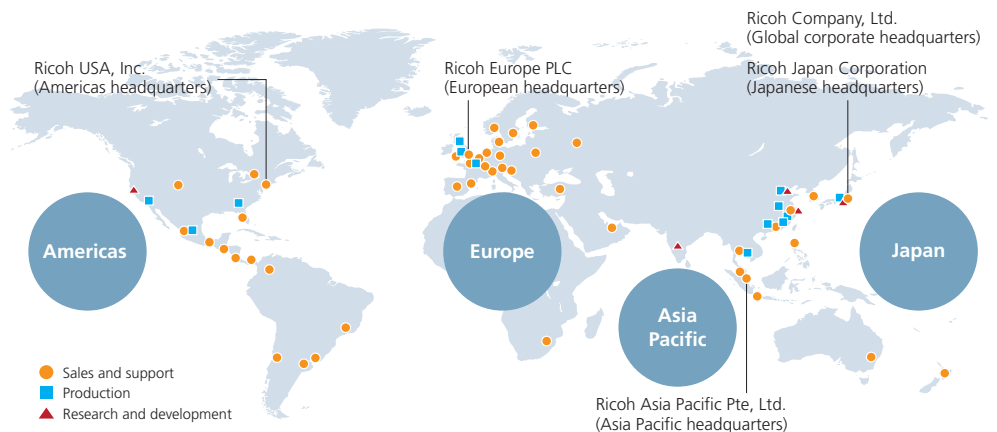
We undertake globally strategic technical development through R&D hubs in Japan, the United States, China, and India and pursue development of technologies attuned to local market characteristics so we can deliver customer and social solutions.

Ricoh supplies products and services to customers through four global production hubs. We are reducing labor requirements for assembly processes and deploying the latest robotics technologies, including those to automate on-site logistics. At the same time, we are endeavoring to enhance manufacturing operations to swiftly deliver highly cost-competitive offerings to our customers.

Composition of workforce by region



Global network



We have built a supply chain that minimizes interruptions to customer operations in the event of disasters or other emergencies. Within the Ricoh Group, we ask suppliers to reinforce business continuity capabilities through redundant production bases and parts procurement channels and larger material and component inventories, and we encourage them to be socially responsible and take a rigorous stance on CSR procurement and issues of child labor and conflict minerals. These efforts underpin our commitment to customer satisfaction through [supply chain management](#) **> 1** implemented from a customer perspective while simultaneously pursuing profit opportunities.

Products that consistently delight and inspire customers

The Ricoh Group believes it is important to provide products and services that customers can use with confidence and that deliver a sense of value that exceeds expectations. The RICOH Quality declaration embodies that ideal in stating that we will “consistently delight and inspire our customers,” and we strive to ensure quality, particularly in terms of safety and reliability.

Standards/Frameworks to ensure confidence and safety

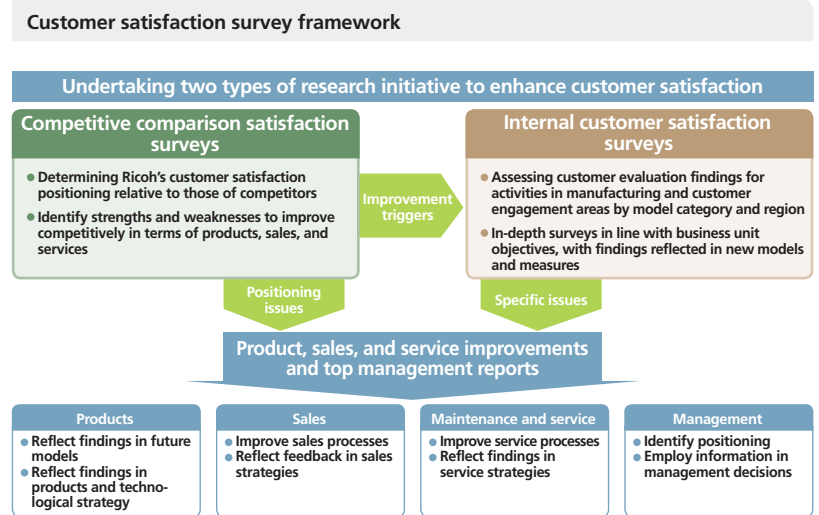
- Basic policy on product safety activities
- Action policy on product safety activities
- Multifaceted market quality information management
- Quality management system

Constant improvements in pursuit of customer satisfaction **> 2**

Sales companies in each country have opportunities for direct contact with customers. It is these companies which operate and maintain customer relationship management (CRM) databases and track customer equipment information and maintenance histories. Customer contact sites use CRM databases, repeatedly survey and analyze needs, pinpoint issues, and suggest products and solutions based on projected needs. Our support continues after delivery, as well, through the 24-hour [@Remote](#) **> 3** onsite maintenance and remote monitoring system, which executes automatic diagnostics and enables quick servicing for worry-free equipment use with little to no downtime for customers. With @Remote, we can verify the operating status of equipment and provide continuous improvements and fine-tuned suggestions

based on captured status data, which contributes to greater management efficiency at customer sites.

We undertake two types of regular survey worldwide to enhance their satisfaction. One covers competitive comparisons of customer satisfaction. The other looks solely at satisfaction with the Ricoh Group. Third-party organizations conduct the competitive satisfaction surveys to highlight the Group's positioning, strengths, and weaknesses relative to rival players. The polls we conduct ourselves cover specific functions and business units, and we identify more specific improvement issues from them. We share findings from these surveys with management and reflect them in companywide decision making while using them in new product development and sales and services initiatives.



J.D. Power satisfaction survey rankings in Japan

	IT solutions ^{*1}	IT equipment maintenance services ^{*2}	Color copiers ^{*3}	Color printers ^{*4}	Call centers ^{*5}		
					Copiers/printers	Servers	PCs/ Tablets
2016	1st place	1st place	2nd place	1st place	2nd place	1st place	2nd place
2017	1st place	1st place	2nd place	2nd place	1st place	2nd place	1st place
2018	1st place	1st place	2nd place	1st place	3rd place	1st place	1st place

J.D. Power customer satisfaction surveys for 2016 to 2018

*1 IT solution providers (independent, users, and office equipment systems integrators)

*2 IT model maintenance services (servers)

*3 Color copiers (large and mid-sized office markets)

*4 Color laser printers

*5 Technical support call centers for corporation

Systems for collecting and applying customer feedback

- CRM databases
- @Remote
- Customer satisfaction surveys
- Call centers
- Customer centers
- Global Technology Centers
- Technology Advisory Conferences
- Customer Experience Center

[Refer to our website](#)

1 Supply chain management www.ricoh.com/sustainability/report/action/supplychain.html

2 Customer satisfaction www.ricoh.com/sustainability/society/consumer/index.html

3 @Remote www.ricoh.com/products/printers-and-copiers/at-remote/index.html

How eTAC 2019 helped us to Empowering Digital Workplaces and get closer to the frontline

A key part of our 19th Mid-Term Plan (MTP) involves getting closer to the frontlines and understanding our customers' needs.

An important event that helps us achieve this is the annual European Technology Advisory Conference (eTAC). The 13th eTAC, held in London on June 26 and 27. This conference invites Ricoh's customers to directly influence the design and innovation of our products, solutions and services, ensuring their business needs are understood and met. It gives us insight into our customers' changing needs and ensures a customer-centric approach to our innovation.

This year's conference was attended by 58 representatives from 40 of Ricoh's Fortune Global 500 Major and International Account customers, delegates from Ricoh operating companies around Europe and Ricoh technology specialists from China and Japan. Prestigious customers in attendance included Arla Foods, Bayer, Bertelsmann, BNL, BNYM, BNP Paribas, Booking.com, CEVA, Deutsche Post-DHL, Etihad Airways, GSK, KfH, Lufthansa, Nutreco, Ratiodata, Regus, Saint-Gobain, Schneider Electric, Siemens, Unilever, Vestas, Vodafone, Wavin and Zurich to name a few.

On day one, customers received an update on Ricoh's direction and strategy, Communication Services, the newly launched Ricoh Intelligent devices, Streamline NX (SLNX) enhancements and Industrial Printing. They also

discussed how to improve document security with multi-factor authentication methods, stealth printing/scanning with Near-IR (NIR) technology, proactive intelligent support using ARMS/CBM systems and quick device configuration, as well as current and future developments on IWB value-add collaboration services.

On day two of the event, the customers were updated on Ricoh's approach to Innovation, the latest IT services portfolio, Smart-locker services, Healthcare business, and Intelligent Workflow Automation (IWA) from the Business Process Outsourcing team. The customers also exchanged views about Industry 4.0 and their journey from digital transformation to servitization, got a glimpse of our recently integrated office workflow solutions for Enterprise printing and saw in action our increasing range of digital competencies in action at the Service Operations Centre.

Throughout the duration of the event, customers also had the opportunity to familiarise themselves with Ricoh's latest solutions, products (e.g. handheld printer) and they got the very first glimpse of early prototypes in smart vision activities, the world's first laser scanning Head-Up Display (HUD), which delivers outstanding color reproduction and visibility, solar-plant inspection using UAVs, as well as Intelligent Multilingual Document Processing.

Customer feedback on the event has been excellent: 90% of attendees were satisfied and 98% would like to participate again next year. This is a brilliant example of how we are getting closer to the frontlines and focusing on Customer First.



eTAC 2019 attendees



eTAC 2019 – Plenary session

Case Study

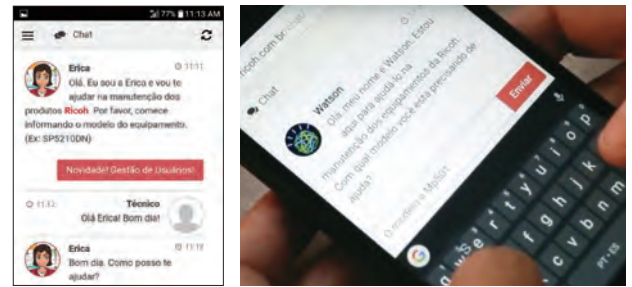
Streamlining maintenance with AI support

Ricoh Brasil, S.A., uses IBM Watson's AI-based cognitive tools to develop Enterprise Ricoh Intelligent Cognitive Assistant (ERICA) for customer engineers.

This system employs technology that understands natural language. When a user accesses ERICA through a smartphone and enters a customer's model number or displays an error code on a chat display, ERICA can answer technical questions, and swiftly provide relevant manuals, technical reports, parts lists, and other information. Using ERICA can shorten troubleshooting time and lower service costs while streamlining the maintenance tasks of customer engineers. This system is particularly useful in large countries like Brazil.

The use of ERICA is expanding beyond Ricoh Brasil and some dealers to encompass customers to which the company sells

directly. A sister system is ERICA Corporate, which is for human resources, IT, and other back office operations. People without AI technology expertise can draw on this system to monitor and provide guidance on tools used.



Using ERICA with a smartphone

Developing applications enabling MFP access to the visually impaired

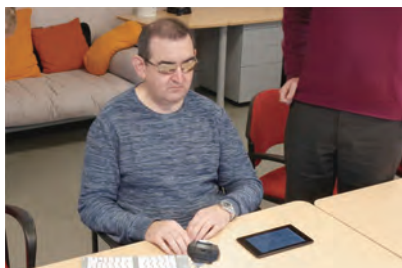
In May 2015, France's Ministry of Finance asked Ricoh France to come up with a solution that would give visually impaired employees the same opportunities as others to contribute to the workplace. Ricoh France S.A.S. sought the assistance of the French Federation of the Blind and Visually Impaired. The company learned that most visually impaired people use the voice technology of smartphones and tablets instead of Braille.

Our MFPs currently employ smart operating panels running Android OS. These panels can take advantage of Google Talk-Back technology with which visually impaired people are familiar. A project team started up in summer 2015, with prototype development beginning in October that year. In the process,

the team collaborated with nonprofit organizations, drawing on feedback from visually impaired people at all design stages to drive improvements.

The accessibility application that resulted uses cards and other personal authentication to read user profiles, automatically presenting the right interfaces for each user. TalkBack is for the blind. There is a user interface with a strong contrast for those with weak eyesight, and there is a standard user interface for other people.

The new application runs on the latest RICOH IM C series MFPs, and has garnered attention around the world as a vehicle for delivering new value through MFPs.



We were able to reflect diverse user perspectives in a proof-of-concept trial with the cooperation of nonprofit organizations in France, Spain, and the Netherlands.



The team sought to create a panel design that would become a firm favorite by being user friendly and offering beautiful graphics.

Balancing conservation and business growth

We will transform our business model from long-term perspectives and contribute to social sustainability improvements.

Setting targets and formulating action plans in implementing environmental management

The Ricoh Group considers it important to undertake environmental conservation and profit generation simultaneously. We practice environmental management, through which we proactively endeavor groupwide to lower our environmental impact and improve the Earth's regenerative capabilities.

We have leveraged backcasting to materialize a sustainable society, setting environmental goals for

2030 and 2050 in the areas of preventing global warming and conserving resources. We include these goals in environmental action plans set every three years, and undertake highly effective initiatives in each area to achieve our goals. In keeping with the 19th Environmental Action Plan, which we launched in April 2017, we pursue sustainable progress for society and the Ricoh Group. >1



1 GHG Scope 1, 2 and 3

- GHG Scope 1: All direct GHG emissions from our manufacturing plants, offices, vehicles etc.
- GHG Scope 2: Indirect GHG emissions from the consumption of electricity and heat that we purchase
- GHG Scope 3: Emissions in the supply chain from business activities (excludes GHG Scope 1 and 2)

2 Reduction goals in keeping with Representative Concentration Pathway (RCP) 2.6 emission scenario as adopted by Intergovernmental Panel on Climate Change

3 Product resource conservation rate

Rate of reduction in new resource inputs to total resource inputs

Ricoh Group environmental declaration

We proactively reduce environmental impact and strive to improve the Earth's self-recovery capabilities to achieve a zero-carbon society and a circular economy through business.

Ricoh Group environmental goals

2030 goals

- GHG Scope 1, 2* >1 30% reduction >2
- GHG Scope 3* >1 15% reduction
- Product resource conservation rate >3 : 50%

* Figures compared with 2015 levels

2050 goals

- Targeting zero GHG emissions across the entire value chain
- Product resource conservation rate: 93%

19th Environmental Action Plan highlights in the year ended March 31, 2019 >2

1. Conserving energy and preventing global warming	<ul style="list-style-type: none"> • We expanded the sales ratio of color MFPS offering outstanding energy savings, greatly exceeding our yearly targets of voluntary product energy savings standards • The Group significantly increased its renewable energy ratio by switching to such energy at its French plant
2. Conserving resources and recycling	<ul style="list-style-type: none"> • We improved our resource conservation rate by expanding the use of recycled plastics in products and making products smaller and lighter
3. Preventing pollution	<ul style="list-style-type: none"> • We boosted the reduction amounts both in the use and the emissions of environmental impact substances by reorganizing business sites and improving product defect rates
4. Conserving biodiversity	<ul style="list-style-type: none"> • We steadily expanded the number of forestation activities and participation in them by collaborating with stakeholders while enhancing these initiatives
5. Enhancing the basis for environmental management	<ul style="list-style-type: none"> • By the end of the term, 94.2% of our offerings were certified under the Ricoh Sustainable Products Program • Suppliers harnessed independent power producer electricity, while we initiated activities to map CO₂ emissions reductions stemming from production process improvements



Information disclosure based on TCFD framework >3 >4

We operate in keeping with the belief that climate change presents both operational risks and opportunities. We are accelerating decarbonization efforts while keeping stakeholders informed of our endeavors based on the Task Force on Climate-Related Financial Disclosures (TCFD) framework.



4 TCFD

The Financial Stability Board established this entity to manage the physical and transition risks associated with climate change. The TCFD encourages businesses and organizations committed to its principles to disclose the risks and opportunities of climate change. It also aims to stabilize financial markets to streamline transitions to low-carbon economies.

Overview of scenario analysis findings

In analyzing scenarios based on the TCFD framework, we confirmed that even if the international community decarbonizes rapidly the risks for the Ricoh Group associated with such a transformation will not be all that great. That is because we have long practiced environmental management. We learned that there are opportunities to deliver products and solutions that draw on energy-saving

technologies in our printing business and services to help customers decarbonize. There is also tremendous potential for expanding environmental and energy businesses and creating new businesses. At the same time, we confirmed that the Ricoh Group faces risks in its business from the impacts on the entire supply chain of frequent and more extreme weather if global warming continues unabated.

Refer to our website

- 1 Environment www.ricoh.com/sustainability/environment
- 2 Ricoh Group's 19th Environmental Action Plan (the year ended March 31, 2018 to the year ending March 31, 2020) www.ricoh.com/sustainability/environment/plan/plan19th
- 3 Information disclosure based on TCFD framework www.ricoh.com/sustainability/environment/management/tcfd

It is in view of our findings that we began reviewing our long-term environmental goals to contribute to a swift switch to a decarbonized economy in accordance with the Intergovernmental Panel of Climate Change's

(IPCC) Special Report on Global Warming of 1.5°C. We are also strengthening the resilience of our business continuity plans in preparation for extreme weather while endeavoring to expand our environmental and energy businesses.

Governance

In April 2018, we set up the ESG Committee to support ongoing management deliberations about Group challenges over the medium and long terms on the environmental, social, and governance fronts and enhance the Group's overall operations. > 1

Refer to this page
1 ESG Committee
P.61

Strategies

We analyzed scenarios in keeping with the following steps. These were to assess climate-related materiality, identify and determine scenarios, and evaluate and identify business impacts (risks and opportunities). We accordingly identified risks and opportunities relating to climate change.

Scenario analysis and preconditions

- We have categorized key events associated with climate change as transition risks (encompassing policies and regulations, technology, market, reputation) and physical risks (acute and chronic).
- We adopted the IPCC's RCP 2.6, a representative scenario that assumes a 2°C increase in the world's average temperature for transition risks, and the IPCC's RCP 8.5, a scenario for a 4°C temperature rise for physical risks. In addition, we considered the IPCC's Special Report on Global Warming of 1.5°C (SR15).

Risks and opportunities

	Category	Business impact	Impact level High: 10 billions of yen; Medium: billions of yen; Low: 100 millions of yen
Risks	Transition risks (2°C/1.5°C scenario)	● Procurement costs increased due to carbon taxes and emissions trading systems applied to suppliers	Medium
		● Increase in costs required to respond to accelerated transition to decarbonized society	Low
	Physical risks (4°C scenario)	● Procurement costs increased due to declining forest resources	Medium
		● Impact on business activities from increased natural disasters	Medium
Opportunities	[Products/Services] ● Expand sales of services to support customers' decarbonization efforts		
	[Markets] ● Expand/create new businesses in the environment and energy sectors (energy creation/storage/conservation)		

Risk management

We have positioned the impact of climate change a key operational risk. We control such risks within a companywide risk management framework. > 2 > 4

Refer to this page
2 Risk Management Committee
P.60

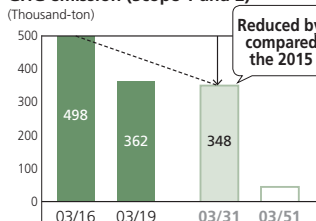
Metrics and targets

We globally promote our activities to achieve a zero-carbon society based on the Ricoh Group environmental goals. > 3

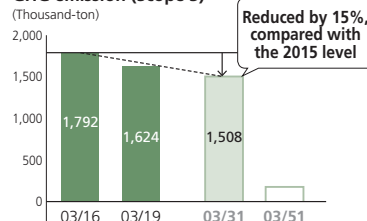
Ricoh Group environmental goals
P.49

[Results of the year ended March 31, 2019]

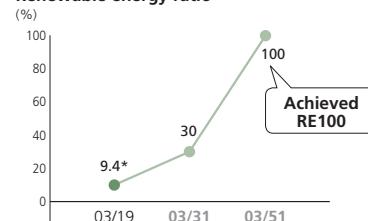
GHG emission (Scope 1 and 2)



GHG emission (Scope 3)



Renewable energy ratio



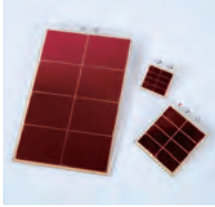
* The ratio including renewable energy from electric power company electricity supply sources is 18%. > 3

Refer to our website

4 Risk Management Committee www.ricoh.com/sustainability/governance/risk

Pursuing decarbonization

We are leveraging three strategies which help decarbonize economies to contribute to corporate and social progress. The strategies are developing technologies, providing energy efficiency and renewables businesses, and decarbonating our operating sites.



Dye-sensitized solar cells



1 Energy harvesting technologies

These technologies harvest small amounts of energy from such sources as sunlight, indoor light, vibration, and heat, and convert it into electricity.

Technology development

● Dye-sensitized solar cells

Technology that harvests energy >1 to power IoT and other devices has attracted great attention.

It is against this backdrop that we successfully created a solid electrolyte material for dye-sensitized solar cells >1. This setup enhances safety and durability by eliminating liquid electrolyte, which could leak and cause corrosion, and boosts generating performance. The cells can generate power efficiently under LED lights and other weak indoor illumination.

Ricoh's first energy-harvesting offering was an indoor solar panel in the battery-fitted LOOPLINE T1 desk.

● Reducing carbon dioxide emissions by providing energy-efficient products

Our MFPs incorporate proprietary offerings that enable quick recoveries from Energy Saver Mode, including Quick Start-Up technology and low-melting-point toner. Color MFPs that we launched in January 2019 employ a human detection sensor that wakes systems from energy saver mode in just 0.5 second to enable key operations.

Running energy efficiency and renewables businesses

Conducting verification tests for decarbonization solutions

Model for tapping wood biomass heat

We deployed a local energy production and consumption model that taps heat from biomass boilers fueled by woodchips from thinned timber.



Wood biomass boilers

● RICOH Smart MES lighting and air-conditioning system

In May 2019, we began offering the RICOH Smart MES lighting and air-conditioning system. This setup automatically and centrally controls lighting, air-conditioning, and demand monitoring devices to conserve energy and maintain comfort and convenience.

The system makes it possible to fine-tune lighting and air-conditioning controls, notably by turning lights off and putting air-conditioning in energy-saving modes when nobody is in an area or by adjusting light near the windows on bright days.



2 Nearly ZEB

The Agency for Natural Resources and Energy of Japan's Ministry of Economy, Trade and Industry defined a nearly ZEB structure as conserving 75% or more of its standard primary energy, or more than 50% after factoring out renewable energy.



Solar panels at Gifu Branch

Decarbonizing business sites

We engage in thorough energy conservation activities and participate in RE100. We seek to leverage 100% renewable energy in our business activities.

● In-house 100% renewable energy certification program

We have certified 74 Group business sites under this initiative as of August 2019.

● Renewable energy usage at Shanghai Ricoh Digital Equipment Co., Ltd.

From December 2018, this Chinese production subsidiary began sourcing power from solar panels installed at its facilities, and looks to lower its carbon dioxide emissions by around 336 metric tons annually.

● Energy conservation at new Ricoh Japan site

March 2019 saw the Gifu branch of Ricoh Japan Corp. obtain Nearly ZEB (for Net Zero Energy Building) certification for its new office for extensively conserving energy >2 and employing solar generation and power storage equipment.

● Sourcing 100% renewable electricity for MFP assembly

From the year ending March 31, 2020, all facilities assembling A3 MFPs in China, Thailand, and Japan use electricity sourced wholly from renewable energy.



Refer to our website

1 Complete Solid-State Dye-Sensitized Solar Cell www.ricoh.com/technology/tech/066_dssc

Materializing a circular economy

Recycling and reduction are key concepts for reaching this goal. We are accordingly constraining the use of new resources in our offerings, recycling products, and using recycled resources to enhance resource efficiency in our operations.

Product initiatives

● Making products smaller and lighter

We set weight targets for each product, which has enabled us to use resources more efficiently and lower environmental impact by making products smaller and lighter.

We carried out extensive strength and impact simulations for digital full-color MFPs that we rolled out in January 2019 >3. These efforts enabled us to create thinner plastic parts and metal sheets while developing new lightweight frames with stronger surfaces and corners, making these models more than 65% lighter than conventional offerings.

● Implementing eco design

In 1993, we formulated responsive design principles based on recycling. We accordingly display the grades of plastic on molded parts, ensure that design strengths are compatible with reusability, reuse high value-added components, recycle high-quality materials, improve dismantling and separability. We also enhanced our expertise, notably through more robust engineering to reduce packaging materials.

● Reuse

The MFPs that we collect are reused globally as reconditioned machines >4 and for parts. In Japan, we

maintain an efficient, wide-ranging collection setup. It includes a system that predicts MFP collection times and quantities and a stock management system that shows the conditions and quantities of collected products.

● Proactive use of recycled materials

We take a closed recycling approach to recycled plastics from recovered MFPs. We have developed technologies as part of an open recycling approach to reusing Styrofoam and other collected conventional plastics in our products. We optimally use recycled plastics in keeping with quality requirements, not just from office equipment exterior and interior parts but also toner containers as part of efforts to cultivate an array of products incorporating recycled parts and materials.

Developing technologies that help reduce plastic waste

We have developed laser technology to write text and designs directly on plastic bottles and eliminate labels.



3 Digital full-color MFP models that we launched in January 2019

RICOH IM C6000/C5500/C4500/C3500/C3000/C2500



Reused plastic exterior materials

4 Reconditioned machines

This offers quality equivalent to that of new models while employing an average of 77% of parts from recovered products.

Business activity initiatives

We are endeavoring to improve quality and yields and thereby cut resource losses by separating wastes and reusing them as resources while undertaking ongoing management to ensure proper treatment.

● Constraining waste discharges

Our efforts focus on areas associated with the greatest such discharges, notably polymerized toner production, thermal media operations, and production packaging materials for shipments between domestic and overseas business sites.

● Waste management firm auditing program >2

We established a program in Japan to audit industrial waste management firms to ensure that we only use trusted partners to treat our waste. This is part of

efforts to strengthen our commitment to our obligations as a waste producer. In the year ended March 31, 2019, we audited the 183 sites around the nation.

● Evaluating water risks and ensuring effective usage

We tackle water issues, which are a growing focus around the globe, by assessing water risks at each business site and focusing on environmental protection while formulating and effectively leveraging groupwide targets.

Refer to our website

2 Auditing waste disposal service providers www.ricoh.com/sustainability/environment/office/resource/03_01

Enhancing human resources capabilities group-wide as a source for creating corporate value

We are cultivating essential values for Ricoh Group employees and are building an environment that champions diversity and safe and secure workplaces.

Human resource management



1 System and structure encouraging employees to pursue new challenges

1. RFG CHALLENGE
2. RISP
3. Internal side job program

Young employee encouragement measures

1. 3 LOVES PROJECT
2. FW: D-PT
3. F Project

Creating positive work environments

1. Workstyle reforms
2. Internal digital revolution

● Responding to change

It is essential to build human resources management systems that can foster ongoing business growth amid dramatic social changes worldwide and intensifying competition.

Group employees worldwide make decisions and act in keeping with the guiding principles of The Ricoh Way. On top of that, we continue to foster business leaders who can create new value and make appropriate judgments based on global standards, allocating these people strategically across the countries and territories in which we operate in line with efforts to build a global management system.

● Employees play key roles

Each employee plays a key role in RICOH Ignite. It is essential to create a structure and corporate culture that motivates employees. We encourage our people to meet new challenges and fulfill their potential, maximizing value through such setups as the Ricoh Family Group CHALLENGE, the Ricoh Internal Startup Program, and our in-house second job program. We evaluate attainments fairly and are endeavoring to enhance and reform employee benefits. >1

We are committed to diversity and inclusion, as well as to work-life management.

Four employee motivational reforms



Kazuhiro Tsuji
Corporate Vice President
General Manager of
Human Resources Division

Employee enthusiasm is paramount to our organization. Motivated people produce great results through teamwork, driving further growth and generating new value. This, in turn, enhances motivation in what is essentially a virtuous cycle.

We instituted four reforms to build a positive corporate culture.

First, we overhauled our work systems. With increasing restrictions on work hours and locations, the nature of work is varying, and work practices to enhance performance are diversifying. We have therefore expanded opportunities for remote work so people more flexibly choose where, when, and how to perform their tasks.

Second, we undertook management reforms. From the year ended March 31, 2017, we rolled out one-on-one meetings so managers could communicate better with their people, build trust, and support growth.

Third, we transformed our evaluation systems so we can assess ongoing achievements and efforts and establish roles, targets, and behavioral expectations. Employees can thus communicate more clearly with supervisors regarding progress and results.

Fourth, we bolstered our framework for encouraging people to take on new challenges. We expanded internal recruiting so employees can pursue new areas of work in keeping with their life stages and career plans.

We look to deploy similar initiatives among Group business units worldwide to create work environments that are more effective and conducive to personal and organizational growth.

Instilling the Ricoh Way >

● Sharing values through the Ricoh Way

We undertake such efforts to ensure that all employees share our universal set of values. Ricoh Way underpins everything we do, and is the basis for delivering on those values to customers around the world. We are fostering a corporate culture in which in keeping with our values our diverse people can demonstrate their individual capabilities from customer perspectives, respect each other, produce flexible and innovative ideas, and continue to create new customer value.

● Ricoh Way Recognition Program

We instituted the Ricoh Way Recognition Program in the year ended March 31, 2016 for all Group employees. The program honors those whose endeavors contribute conspicuously to new customer value or innovation in keeping with mission, vision and values of the Ricoh Way.



Ricoh Way Excellence Award winners and President and CEO Yoshinori Yamashita (front left)

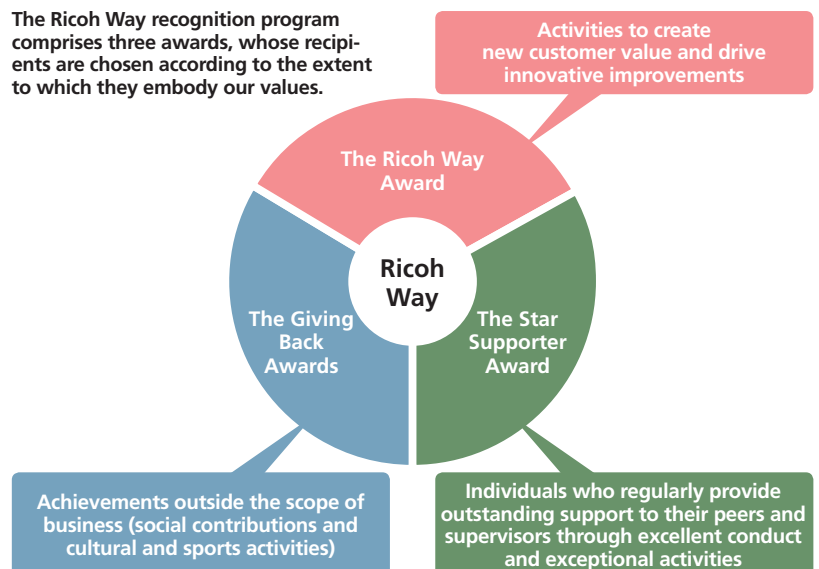
The numbers of applicants and recipients have grown every year, contributing to a corporate culture that recognizes and respects individuals.

● Global employee engagement surveys

To be One Global Company based on a shared commitment to the Ricoh Way, we regularly survey employees to learn their views from Ricoh Way perspectives and foster reforms.

We publish survey findings on our intranet and in internal newsletters. We draw on these results to formulate and execute improvement action plans for the whole group and individual business units.

The Ricoh Way recognition program comprises three awards, whose recipients are chosen according to the extent to which they embody our values.



Global top talent management

The Ricoh Group's workforce rapidly reached around 90,000 people as a result of business expansions and mergers and acquisitions. Such growth made it vital to tailor our human resources management structure to the realities of accelerating globalization and give all employees opportunities to play meaningful roles in our organization.

The Ricoh Group Human Resources Management Policy accordingly prioritizes our enduring respect for basic human rights, and focuses on identifying and developing top talent throughout the world, including by instilling the Ricoh Way. The parent and Group companies will continue collaborating to strengthen our human resources management systems.

 Refer to our website

1 Ricoh Way and Human Resources Management www.ricoh.com/sustainability/society/labor/

Workstyle reforms

The Ricoh Group endeavors to create positive work environments for its people. We will encourage workstyles in which employees can continue to create new value by doing their very best as individuals and team players.

● Ricoh Internal Startup Program (RISP)

We are implementing programs to cultivate new businesses in-house. February 2019 saw the creation of our first RISP, an energy harvesting business. We are accelerating business development by delegating authority to new business teams and enhancing our headquarters backup structure.

● Internal side job program

We augmented our traditional external side job program with a setup that enables employees to

apportion up to 20% of their regular working hours to take on jobs in other departments. Our goals are to foster career advancement, growth among young employees, and expand contributions from experienced employees.

● Internal digital revolution

We brought out companywide business process reforms employing RPA and AI as part of global Kaizen initiatives to implement smart work practices harnessing digital technology. We are harnessing RPA to automate work processes and to foster operational efficiencies at development and production sites and harness the time gained to shift work to areas delivering high added value, thereby enhancing employee motivation.

Diversity and work-life management

We embrace diversity at Ricoh, drawing on the individuality and talents of our people and their collective acumen to drive innovations.

It is accordingly vital to create a diversity-driven workplace where employees from many cultures and backgrounds can perform productive work at their full capacity while also leading fulfilling lives away from their work and career.

● Diversity initiatives

By fostering diversity, we seek to fully leverage the individuality and talents and bring them together to create new value.

We have exemplified this commitment since 2017 by holding events on March 8, International Women's Day, in each of our operating regions to highlight themes on women's advancement. We also drew on collaborations with customers and connections between employees to champion diversity in the course of business. In 2019, the Ricoh Group held diversity events at 46 locations in 31 countries.

As part these efforts, we formulated a Global Diversity & Inclusion Statement that represents our collective commitment to global teamwork and acceptance of all diverse people and values. We have translated the statement into 22 languages.

International Women's Day events worldwide



United States



Uruguay



Spain

Global Diversity & Inclusion Statement

At Ricoh, we embrace and respect the collective and unique talents, experiences, and perspectives of all people. Together, we inspire remarkable innovation. That's how we live the Ricoh Way.

● Work-life management

● Implementing work practice diversity

We have instituted a range of job programs that free employees from the constraints of time and place to encourage efficiency and high productivity. These include options for flextime, remote work, and short working hours and days. Our people can choose working in ways that cater to personal commitments, notably for providing childcare, eldercare, and getting treatment, or they can adopt workstyles matching their career goals and values to enhance their professional and private lives.

We support employees in these regards by creating efficient work environments, notably by expanding our satellite office network and developing communication tools.

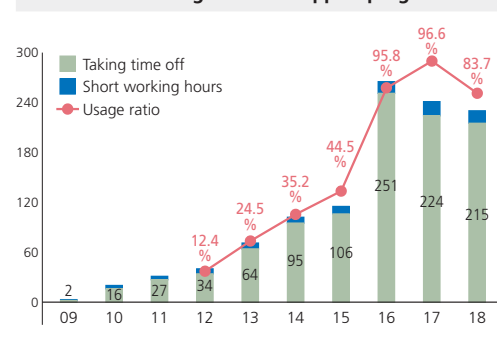
● Support system that both men and women can access

We reviewed this program to meet employee needs and reflect changes in the social environment so our people can balance work and childcare and eldercare commitments.

The number of program users has increased significantly in recent years owing to support program revisions

and greater encouragement to male employees to take childcare and contribute more to family life in Ricoh. In the year ended March 31, 2019, 83.7% (solo Ricoh Co., Ltd.) of males eligible for such leave, or 215 individuals, took an average of 24.3 days off for that purpose in Japan.

Ratio of male using childcare support program



Case study: Ricoh Japan Female Sales Representative Networking Forum

At Ricoh Japan Corporation, a sales subsidiary in Japan, women account for around 10% of sales positions. Many of them experience a range of challenges because they are so few, examples being a shortage of role models, sales-specific issues, life events and concerns about the ability to balance professional and private commitments. Ricoh Japan therefore aims to foster an environment in which female salespeople can achieve long-term success by networking with each other around Japan to identify and address concerns and issues.

In the year ended March 31, 2019, 150 employees from around the nation took part in the Ricoh Japan Female Sales Representative Networking Forum.

Occupational health and safety > 1

The Ricoh Group comprises subsidiaries and affiliates in Japan and around the world. We build Ricoh's unique health and safety management system commensurate with industry and business categories.

● Case study: Supporting construction of occupational health and safety program of a manufacturing company in Vietnam

In the year ended March 31, 2019, we began supporting Ricoh Imaging Products (Vietnam) Co., Ltd., strengthen its occupational health and safety management at its production facilities, primarily focusing on the chemical substances management.

Vietnam will likely strengthen its occupational health and safety regulations in the years ahead, and we based our assistance on Japanese laws in that regard to guide progress. With remote support from Japan, RIMV began to improve its working environment and also developed and established processes for deploying new chemical substances. In the year ending March 31, 2020, we plan to reconfirm site conditions and provide ongoing support.

● Creating a proper health management framework

In 2006, Ricoh started full-fledged efforts to maintain the physical and mental health of employees by swiftly identifying and addressing issues. From the year ended March 31, 2013, we have conducted examinations to detect early-stage cancer and help prevent lifestyle-related diseases in addition to the statutory health check. From the year ended March 31, 2016, we undertook efforts to maintain and improve employee health, including through smoking cessation measures.

From the year ended March 31, 2017, we have been distributing smartphone and PC information to employees on their health statuses and concerns and health promotion efforts. We also offered point-based incentives to encourage health enhancement efforts.

Japan's Ministry of Economy, Trade and Industry recognized Ricoh for its efforts in 2019 by including the Company among large organizations in the Certified Health and Productivity Management Organization Recognition Program, also known as White 500.



Respecting human rights

We remain committed to best practices under Article 4 of the Human Rights Violation Prevention Standard of the Ricoh Group. > 2

We established the Ricoh Group Global Whistle-blowing System, which all directors and employees in Japan and overseas can use to report incidents directly to Ricoh's audit and supervisory board members. > 3

Refer to our website

1 Occupational health and safety www.ricoh.com/sustainability/society/safety/

2 Human rights (Initiatives for child labor and conflict minerals issues) www.ricoh.com/sustainability/society/human-rights/

3 Whistle-blowing system www.ricoh.com/sustainability/governance/compliance.html

Governance

Robust foundations are pivotal to continuing to build value and grow as a corporate group. This section presents our stance on the construction of our governance structure and overviews its components.

- 58 **Corporate Governance**
- 65 **Message from Executives**
- 69 **Audit and Supervisory Board**
- 71 **Internal controls/Compliance**
- 72 **Risk Management**



Corporate Governance

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.

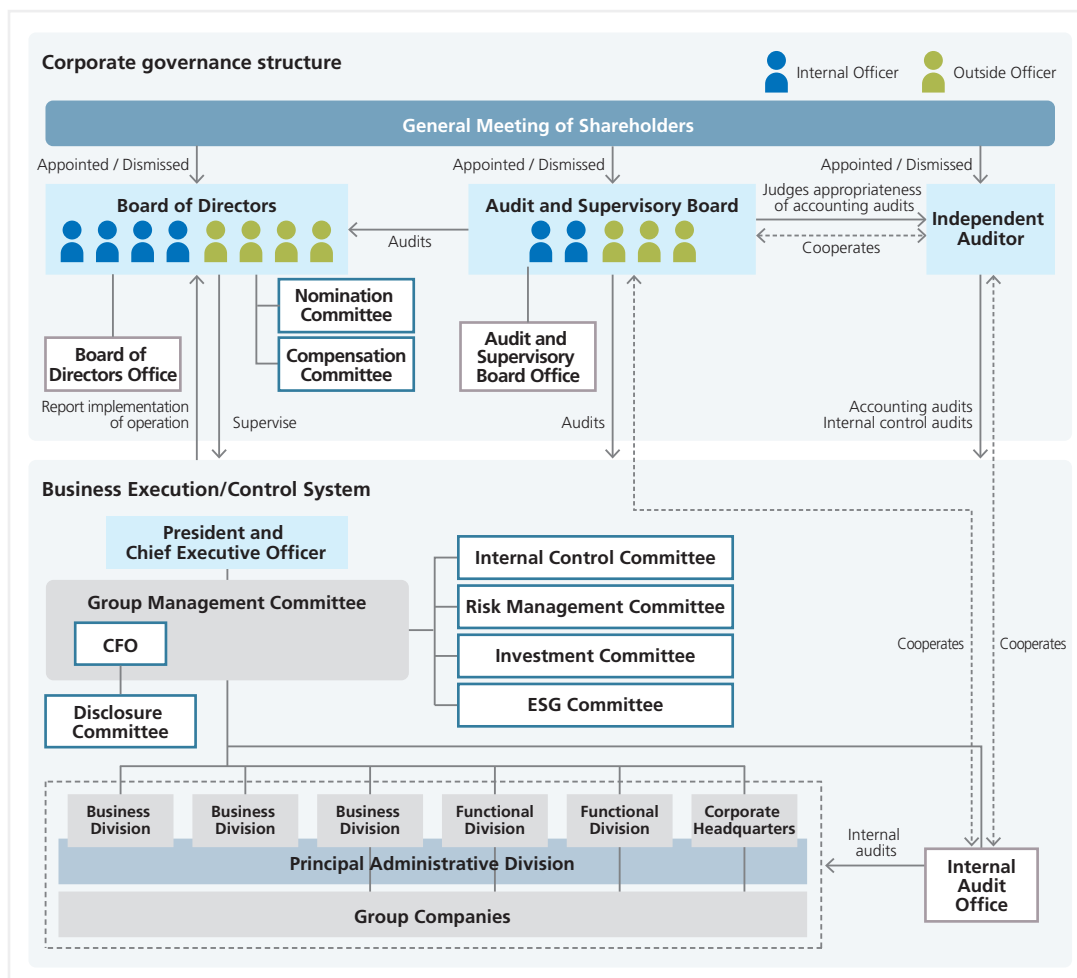
Corporate governance >1

The Ricoh Group is working to enhance its governance system in accordance with social awareness and various stakeholders aimed at strengthening competitiveness and continuously improving the system while ensuring transparency based on corporate ethics and legal compliance. In this way, the Ricoh Group will achieve continuous growth, and improve corporate value and shareholder value.

The Ricoh Group has introduced a corporate audit system. In addition, the Group is making efforts toward enhancing oversight of executive management by the

Board of Directors and enhancing execution of operations by the executive officer system. Furthermore, by appointing Outside Directors, the Group is making efforts toward further enhancement of corporate governance by decision-making and oversight of executive management through discussion from their independent perspectives.

The nomination of Directors and Executive Officers and their compensation are deliberated by the Nomination Committee and the Compensation Committee, advisory bodies which comprise a majority of Outside Directors. The results are reported to the Board of Directors.



 Refer to our website

1 Corporate governance www.ricoh.com/sustainability/governance/governance.html

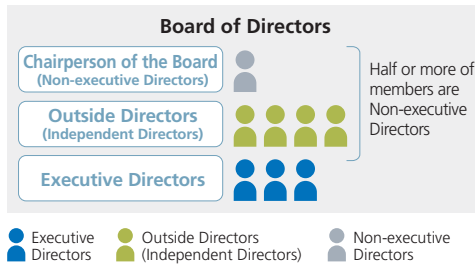
Board of Directors structure

Maximum number of Directors:	15
Current number of Directors: (including 4 Outside Directors)	8
Term:	1 year

As of June 21, 2019

Board of Directors

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. By leveraging the expertise and experience of each Outside Director, Non-executive Director, and Executive Director in holding profound discussions on important issues, the Company encourages challenges in new areas of growth, creating a structure that allows for management oversight from the viewpoints of various stakeholders, including shareholders. Four of the Board's eight Directors are Outside Directors (Independent Directors) – part of an effort to incorporate various views and opinions and to eliminate arbitrary decision-making in management.



Board of Directors meeting

Audit and Supervisory Board structure

Maximum number of Audit and Supervisory Board Members:	5
Current number of Audit and Supervisory Board Member: (including 3 Outside Audit and Supervisory Board Members)	5
Term:	4 years

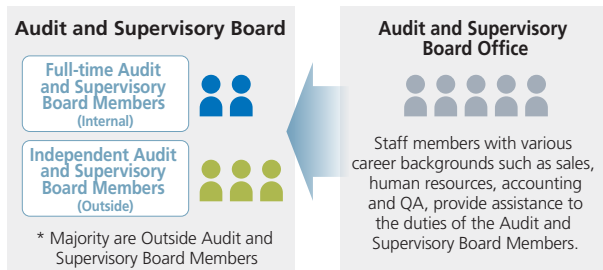
As of June 21, 2019

Audit and Supervisory Board

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 important meetings, including but not limited to the Board of Directors meetings, and exchange information regularly with the representative director.

Framework for the Audit and Supervisory Board Office to assist the execution by Audit and Supervisory Board Members

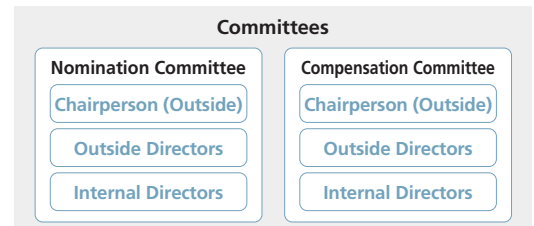


Nomination Committee/Compensation Committee

As part of the strengthening of management oversight functions by the Board of Directors, the "Nomination Committee," which is chaired by a Non-executive Director, and the "Compensation Committee," which is chaired by an Outside Director, with the majority of members on both committees being Non-executive Directors and at least half of the members being Outside Directors, were established to ensure transparency and objectivity of nomination, dismissal, and compensation of Directors and executive officers, etc.

For the year ended March 31, 2019, the Nomination Committee was comprised of three Outside Directors,

one Internal Non-executive Director, and one Internal Executive Director; and the Compensation Committee was comprised of four Outside Directors, one Internal Non-executive Director, and one Internal Executive Director, and both committees were comprised of a majority of Outside Directors chaired by an Outside Director.



Non-executive Directors account for a majority of the members of each Committee, and more than half of them are Outside Directors.

As of June 21, 2019

Refer to our website

Securities reports www.rioh.com/IR/financial_data/securities_report/

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.

Disclosure Committee

The Disclosure Committee performs appropriate disclosure of information which may influence the decisions of investors in addition to promoting dialogue with shareholders and capital markets by proactively disclosing corporate information that contributes to investment decisions, and thereby seeks to develop relationships of trust with shareholders and capital markets as well as to achieve an appropriate recognition of the Ricoh Group. This committee is composed of representatives from the disclosure management division, accounting division, legal division, information-generating and acknowledging departments, the principal administrative divisions managing affiliates, the internal control division, and the CFO, who is responsible for information disclosure.

The Disclosure Committee makes decisions on the necessity of information disclosure through the disclosure procedures and the appropriateness and accuracy of disclosed content and it monitors the decisions of the CFO, who is responsible for information disclosure. Furthermore, the internal control division regularly evaluates the timeliness of information disclosure, the accuracy and validity of disclosure statements, and the validity of disclosure decisions, etc., and reports its findings to the Internal Control Committee and the Board of Directors.

Internal Control Committee

The Internal Control Committee is an organization to deliberate and make decisions on the internal control system of the whole Ricoh Group.

This committee is composed of GMC members and is chaired by the CEO. Delegated by the CEO, the committee determines the policies for internal control activities of the entire Ricoh Group in accordance with internal control principles, and periodically evaluates and rectifies the internal control development and operation status. In consideration of environmental changes, the committee makes proposals to the Board of Directors to revise the internal control principles as necessary.

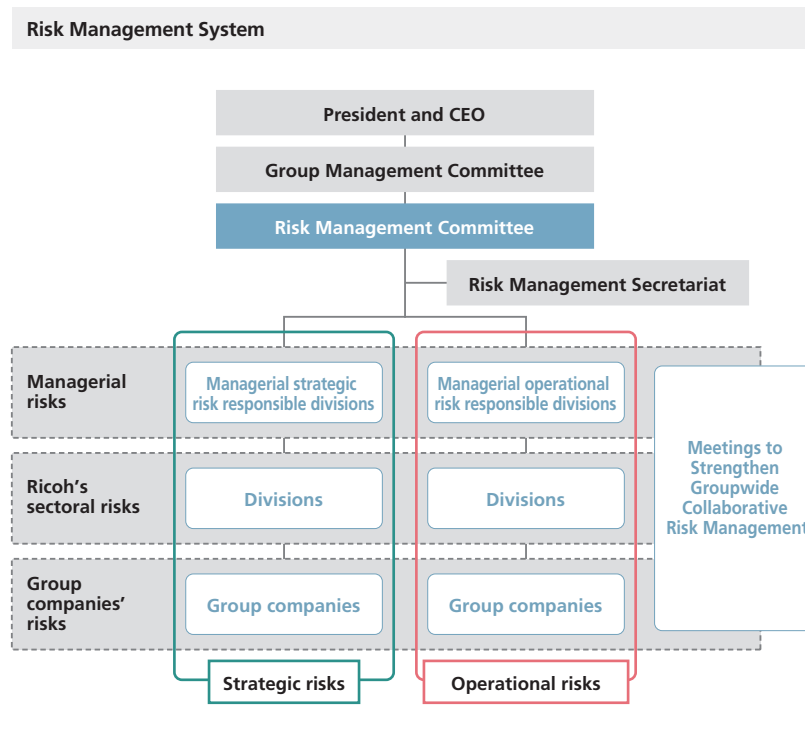
Risk Management Committee

The Risk Management Committee is positioned as an advisory committee to the GMC and supports the decision-making of the GMC in the Group's risk management activities. It also promotes risk management activities of the entire Group and creates a highly feasible mechanism in line with the actual conditions by periodically revising the risk management system.

The committee is comprised of a chairperson appointed by the CEO, and representatives from each organization mainly undertaking the headquarters function. With its basic stance of "always be open to risks," the committee convenes meetings as needed, and makes recommendations to the GMC even if risks are implied by parties outside the committee.

[Roles of the Risk Management Committee (Chairperson) in the risk management system]

1. Risks are roughly classified into 1) management issues faced during the execution of strategies amid the diversifying business environment (strategic risks), and 2) risks that may arise during the operation of business (operational risks). After systematically and comprehensively extracting and evaluating risk factors, the committee proposes a list of potential "management priority risks" to the GMC and provides support on its subsequent decisions.
2. The committee sets up a response division for each "managerial risk" and supports the risk management PDCA activities of the division. The committee also assigns a GMC member respectively to each "managerial risk" to evaluate these activities, and promotes the evaluation and proposal process of each risk management activity, that is pursuing both the management team's involvement in risk management as well as the effectiveness of the countermeasures.
3. In addition to "managerial risks," the committee cooperates with the risk management systems of each division and Group company to identify individual risks, share and roll out "managerial risks," and lead enhanced risk management activities of the entire Group.



Investment Committee

The Investment Committee is positioned as an advisory committee to the GMC, and verifies investment plans based on the validity of financial aspects including capital costs, and strategic aspects such as profitability and growth risks, etc. Members with expertise review and discuss diversifying investment projects to external entities in order to ensure consistency with management strategies and raise the efficacy of the investment while improving the speed and accuracy of investment decisions.

The committee mainly discusses investments from the aspects of strategies, finances, and risks, and its members include a chairperson appointed by the CEO, representatives from the business planning, accounting, legal, and internal control sections as specialists on each aspect as well as various experts depending on the project. The committee receives prior inquiries from planning departments to provide evaluations and advice after performing comprehensive discussion on the investment value of a project. Although the committee is not authorized to approve or disapprove of any investment projects, it assists the decision-maker in making objective decisions by clarifying the results of the committee's discussions on each project.

In order to improve the accuracy of decisions made in the entire Group to invest in external entities, the committee, which is an advisory body to the GMC, also handles projects below the minimum investment amount set out by the GMC. This is intended to strengthen the investment decision-making capabilities of the planning department as well as

maintaining the flexibility of amending the minimum investment amount through recommendations to the GMC as necessary.

ESG Committee

The ESG Committee aims to respond promptly and appropriately to the expectations and needs of stakeholders by continuously discussing medium- to long-term environmental, social, and governance issues faced by the Ricoh Group at a management-level and leading the discussions to the quality enhancement of the entire Group. The ESG Committee has the following specific responsibilities:

1. Formulate the Ricoh Group Sustainability Strategy to resolve social issues through business, such as initiatives toward achieving SDGs, into the foundation of the Company's management
2. Identify medium- to long-term sustainability risks and opportunities as well as material issues faced by the entire Group (including those regarding investment decisions on risks and opportunities related to climate change recommended by the [TCFD](#) > [1](#) > [1](#))
3. Supervise and advise on sustainability strategies, material issues, and progress on KPIs for each business division throughout the entire Group
4. Identify sustainability issues to be submitted for discussion at the Board of Directors meetings

The committee is chaired by the CEO, and is composed of GMC members, an Audit and Supervisory Board Member, and the General Manager of the Sustainability Management Division. The committee convenes quarterly and invites representatives of the business divisions associated with the subject of discussion, and provides a system to examine and discuss sustainability issues across the board.



TCFD

Task Force on Climate-related Financial Disclosures. Established by the Financial Stability Board (FSB), the TCFD provides stability to financial markets by promoting information disclosure of climate-related risks and opportunities by companies, and facilitating a smooth transition to a low-carbon society.



Refer to this page

Disclosure based on TCFD framework P.49

Approach to Election of Directors

● Election Criteria for Directors

<Management capabilities>

Superior insight and judgment necessary for management functions

1. Knowledge of a wide range of businesses and functions, and the ability to think and make decisions appropriately from a company-wide and long-term perspective
2. Insight into the essence of issues
3. Vision to make best decisions on a global level
4. Judgment and insight based on extensive experience, as well as excellent track record leading to significant improvements in corporate value and competitive strength
5. Ability to think and make decisions appropriately from the perspective of various stakeholders including shareholders and customers based on a firm awareness of corporate governance

<Character and personality>

Positive trust relationships between Directors and management team for smooth performance of the oversight function

1. Integrity (honesty, moral values and ethics); exemplifies fair and honest decisions and actions based on a high sense of morality and ethics in addition to the strict observance of laws, regulations, and internal rules.
2. Ability to interact with others with deference and trust based on a spirit of respect for humanity and set an example for decisions and actions that respect the personality and individuality of others based on a deep understanding and acceptance of diverse values and ideas.

● Election criteria for Outside Directors

In addition to the same election criteria as for Internal Directors stated above, the election criteria for Outside Directors include expertise in different fields, problem discovery and solving capabilities, insight, strategic thinking capabilities, risk management capabilities, and leadership qualities.

● Diversity

Candidates for Directors shall not be excluded from selection due to their attributes such as their race, ethnicity, gender or nationality.

Election Process and Evaluation Process for Directors

We are making ongoing efforts to strengthen and enhance corporate governance for our sustainable growth and improvement of corporate and shareholder value.

<Nomination Committee>

To secure objectivity, transparency, and timeliness for procedures to appoint, dismiss, and evaluate Directors, the CEO, and other members of the management team, the Board of Directors has in place the Nomination Committee, which is an advisory body to the Board of Directors.

To increase objectivity and independence, the Nomination Committee comprises a majority of Non-executive Directors with at least half of the Members being Outside Directors, and is chaired by a Non-executive Director. (During the year ended March 31, 2019, the committee was chaired by an Outside Director with three Outside Directors, one Internal Non-executive Director, one Internal Executive Director, and a majority of Outside Directors.)

The Nomination Committee deliberates on the following inquiries and reports on the deliberation and conclusions to the Board of Directors.

(Inquiry items)

- 1) Nomination of candidates for CEO and Directors
- 2) Evaluation of the soundness of the CEO and Directors to continue in their duties
- 3) Evaluation of achievements of the CEO and Directors
- 4) Confirmation of status of CEO succession plans and development of future CEO candidates
- 5) Confirmation of appointment/dismissal proposals and reasons thereof for Corporate Vice Presidents, Group Executive Officers, Advisors, and Fellows
- 6) Approval or disapproval on the formulation, revision or abolishment of appointment/dismissal systems for Directors, Corporate Vice Presidents, and Group Executive Officers

<Election process>

Director candidates are nominated based on management ability, personality, and character, with emphasis on qualities that will improve the oversight functions of the Board of Directors. The Nomination Committee deliberates twice on the qualification of the candidates, and reports to the Board of Directors clarifying the basis for nomination. Subsequently, based on the reporting from the Nomination Committee, the Board of Directors deliberates from a shareholder perspective, and determines the candidates to be submitted to the General Meeting of Shareholders.

<Evaluation process>

Directors are evaluated annually by the Nomination Committee. From the year ended March 31, 2019, the former one-step evaluation was modified to a two-step evaluation. In the first evaluation, careful and appropriate deliberations are made on the soundness of Directors to continue in their duties, ensuring timeliness of appointment and dismissal. In the second evaluation, Directors' achievements are evaluated with a multifaceted approach, and their issues are clarified through feedback in an effort to improve the quality of management. The Nomination Committee's deliberations and conclusions on the evaluation of Directors are reported to the Board of Directors to thoroughly oversee whether the Director is sound to continue in the role.

Furthermore, evaluations are based on such standards as "Management oversight status as a Director," "Financial aspects including key management indicators regarding business results, return on capital, etc.;" and "Contribution to shareholders and evaluation by capital markets."

Evaluation of CEO and CEO Succession Plan

The CEO succession plan is an important initiative for improving shareholder value and corporate value of the Ricoh Group in a continuous manner over the medium to long-term and continuously fulfilling the social responsibilities of the Group as a member of the society.

From the viewpoint of strengthening corporate governance, the Group works to establish a CEO succession plan with procedures that are objective, timely, and transparent.

1) CEO Evaluation

The CEO is evaluated annually by the Nomination Committee. From the year ended March 31, 2019, a two-step evaluation has been adopted. In the first evaluation, careful and appropriate deliberations are made on the soundness of the CEO to continue in his/her duties, ensuring timeliness of appointment

and dismissal. In the second evaluation, the CEO's achievements are evaluated with a multifaceted approach, and his/her issues are clarified through feedback in an effort to improve the quality of management. The Nomination Committee's deliberations and conclusions on the evaluation of the CEO are reported to the Board of Directors to effectively oversee the CEO.

Key items for the CEO evaluation

(1) Financial viewpoint	Business results, return on capital, other key management indicators, etc.
(2) Shareholder and capital market viewpoint	Stock-related indicators including TSR, analyst evaluations, etc.
(3) Non-financial viewpoint	ESG measures, customer and employee satisfaction, safety and product quality, etc.

2) Selection, development and evaluation of CEO candidates

Once a year, the CEO prepares a list of potential future CEO candidates together with a development plan for them and elaborates on the proposals at the Nomination Committee. The Nomination Committee deliberates on the validity of the CEO candidate list and development plans, provides advice to the CEO on candidate development, and reports the findings to the Board of Directors. The Board of Directors confirms the validity of the candidate selection and development plans upon reporting from the Nomination Committee and is actively involved in the selection and development of CEO candidates.

Terms	Number of persons selected
Backup candidate in case of accident	One
First candidate in line	Several
Second candidate in line	Several

<Selection of candidates>

CEO candidates are selected by terms in the table on the left according to the timing of the change. The backup candidate in case of accident in the table on the left is determined via resolution of the Board of Directors at the same time the CEO is selected.

<Development of candidates>

The Nomination Committee deliberates on the development plan for future CEO candidates and gives guidance to the CEO, who provides growth opportunities suited to each candidate according to their individual targets, allowing the candidates to accumulate experience. The CEO also gives direct guidance to promote the candidate's development based on individual assessment.

<Evaluation of candidates>

CEO candidates are evaluated annually, and the CEO reports to the Nomination Committee regarding the status of achievements and growth of the CEO candidates. The Nomination Committee reviews the selection of CEO candidates, and reports the results to the Board of Directors. Upon reporting from the Nomination Committee, the Board of Directors evaluates the CEO candidates and confirms the validity of deliberations on which candidates are to remain, and is actively involved in the process.

Policy of Compensation for Directors

Director compensation is used as an effective incentive to achieve sustainable increases in corporate earnings for the medium- to long-term, in the pursuit of increased shareholder value. In addition, from the viewpoint of strengthening corporate governance, measures to secure objectivity, transparency, and validity are taken in setting up compensation levels and determining individual compensation. The Company determines executive compensation based on the following basic policies:

1. Compensation is composed of three elements: i) basic compensation that reflects roles and performance of Directors, ii) bonuses that reflect business results (performance-linked compensation), and iii) compensation that reflects medium- to long-term increase in shareholder value.
2. When compensation levels are set up and individual compensation are determined, objectivity, transparency and validity must be secured through proper external benchmarks and deliberation by the Compensation Committee.

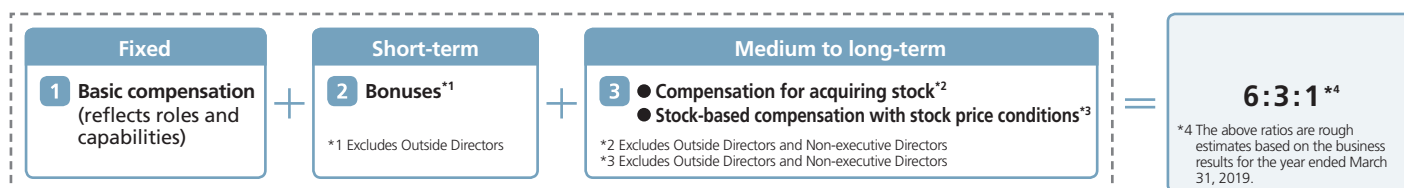
Outside Directors with positions that are independent from business execution are only paid basic compensation, and they do not receive contingent compensation such as performance-linked compensation.

The retirement benefit plan was abolished as of the date of the 107th Ordinary General Meeting of executive Shareholders held on June 27, 2007. Total compensation amount for Directors paid in the year ended March 31, 2019 was ¥394,000,000.

Executive compensation for the year ended March 31, 2019

Category	Total compensation, etc. (Millions of Yen)	Total amount of each type (Millions of Yen)				Number of Persons
		Fixed Basic compensation	Short-term Bonuses	Medium to long-term		
				Compensation for acquiring stock	stock price-linked compensation	
Directors (excluding Outside Directors)	310	218	68	11	11	8
Audit and Supervisory Board Members (excluding Outside Audit and Supervisory Board Members)	57	57	—	—	—	2
Outside Directors and Audit and Supervisory Board Members	86	86	—	—	—	8
Outside Directors	57	57	—	—	—	5
Outside Audit and Supervisory Board Members	28	28	—	—	—	3
Total	454	362	68	11	11	18

Breakdown and ratio of Director compensation



1 Basic compensation consists of compensation pertaining to management oversight and compensation reflecting the importance of individual roles and management responsibilities. In addition, compensation based on positions is additionally provided for the Representative Director, Chairperson of the Board, Chairperson of the Nomination Committee and the Compensation Committee, etc. A total of ¥276,300,000 was paid in the year ended March 31, 2019.

2 The amount of bonuses paid to Directors is determined based on operating income. By setting operating income as the key performance indicator, which is strongly correlated with market capitalization, it further clarifies responsibilities of Directors for the business results of the entire Ricoh Group and the improvement of shareholder value. In addition, regardless of the results calculated through this framework, whether or not a bonus will be paid reflecting the status of governance and non-financial factors will be discussed by the Compensation Committee and decided by the Board of Directors. (Reference)

The amount of bonuses is calculated by the following formula, which has been judged as appropriate and determined through deliberation by the Compensation Committee.
 Directors' bonuses = Base compensation for calculation (Basic monthly compensation) × Profit factor (Number of months determined in accordance with consolidated operating income^{*5})

^{*5} Number of months = consolidated operating income (millions of yen) / 20,000

3 Among compensation that reflects the stock price, compensation for acquiring stock is allocated in full for the acquisition of stock in the Ricoh Executive Stock Ownerships Plan as an incentive for increasing shareholder value over the medium- to long-term. Pursuant to a resolution at the 119th Ordinary General Meeting of Shareholders on June 21, 2019, the subsequent provision of stock price-linked compensation will be abolished, and stock-based incentive with stock price conditions will be introduced. At the same time, in the event of any misconduct that may harm the Company during the office of a Director, stock-based incentive may be taken back upon a Board of Directors resolution and other necessary procedures as stipulated in the so-called clawback provision. Compensation for acquiring stocks and stock price-linked compensation are paid to Directors in cash. As for the year ended March 31, 2019, a total of ¥23,250,000 was paid.

Future revisions to Director Compensation

We place emphasis on securing objectivity, transparency, and suitability of elements such as Directors' compensation levels and ratio of basic compensation to variable compensation. The Compensation Committee deliberates on the matter including peer company benchmarks for Director Compensation in October each year and considers revising compensation levels and ratios as required.

Compensation Evaluation Process

We have established a voluntary Compensation Committee in order to build an objective and transparent compensation valuation process in order to improve competitiveness corporate value, and corporate governance. The Compensation Committee decides (i) the individual compensation amount regarding basic compensation, compensation for acquiring stock and stock price-linked compensation (excluding bonuses), and (ii) the individual compensation plan for bonuses, based on corporate performance, the compensation criteria for Directors and individual evaluations after holding several

discussions. Subsequently, with regard to bonuses, following discussions by the Board of Directors, it is determined whether or not to submit a proposal on the payment of bonuses to Directors to the General Meeting of Shareholders. The new stock-based incentive with stock price conditions will be determined by the Compensation Committee upon setting the individual number of shares to be delivered based on comparison of the compensation levels of Directors and Ricoh's share price growth rate relative to that of TOPIX.

Assessing effectiveness of the Board of Directors

Overview of the Board of Directors' effectiveness assessments in the year ended March 31, 2019

Following an effectiveness assessment in the year ended March 31, 2018, the Company's Board of Directors formulated basic policies for proceedings and spotlighted three improvement action items. On May 9, 2019, the Board of Directors and the Audit and Supervisory Board assessed, shared, and deliberated on comments that all members had prepared. The evaluations covered such areas as goal attainment levels, the Board of Directors' deliberation effectiveness, decision-making, and supervision, and the Board of Directors' efforts to confirm implementation.

Action items and results of improvement in year under review

Action item 1

Monitor the progress of our Growth Strategies #0, #1 and #2, and conduct appropriate discussions and support according to circumstances.

Results of improvement

Appreciated for the fact that the following points crucial in developing the growth strategies were identified and steadily determined/implemented through the deliberation of the Board of Directors.

- Organizational reform and clarification of the person responsible for each business area to implement the growth strategies.
- Continuous enhancement of governance and headquarter function to support the growth strategies.

Meanwhile, there were remarks on needs to improve discussions of personnel strategies, technological strategies, and sustainable enhancements of corporate value based on a medium- to long-term stand point.

Action item 2

Inspect and improve governance and risk management to support global business activities.

Results of improvement

Appreciated for reviewing the appointment and dismissal process of the CEO and officers, and enforcing the governance system from a shareholder perspective by introducing the stock compensation system. There were also good feedback on risk management, being inspected and streamlined, and also on its prompt decision making and execution of system development, such as the establishment of its expert committee.

Meanwhile, there were remarks on the importance of continuing defense measures such as the inspection and improvement of the governance and risk management systems as well as offense measures such as discussion to maximize corporate value for the Ricoh Group.

Action item 3

Promote prompt and accurate response to remaining major management issues such as optimization of our North American sales structure and cost reduction, through monitoring and encouragement of execution.

Results of improvement

Appreciated for the optimization and performance recovery of the North American sales structure as a result of appropriate monitoring based on detailed reporting from frontline managers, as well as the prompt decisions and implementation of important structural reform themes such as business reorganization of the Ricoh Group following the previous year. Meanwhile, there were remarks that the Board of Directors needs to continue monitoring cost reductions as an effort that can immediately address changes in business structure and earnings structure.

Efforts to improve the effectiveness of the Board of Directors in the year ending March 31, 2020

The Board of Directors works to improve its effectiveness by establishing a basic policy for the year ending March 31, 2020, and has set three improvement items outlined below in order to enhance the corporate value through execution of the 19th MTP and formulation of the 20th MTP.

Basic policies for the year ending March 31, 2020

- 1) Monitor and support the achievement of our mid-term goals as the final year of the 19th MTP.
- 2) Formulate the 20th MTP with emphasis on discussion with a medium- to long-term perspective to enhance corporate value.

Improvement items for the year ending March 31, 2020

- i) Monitor the progress of the priority measures in the 19th MTP, the achievement level of financial and non-financial targets as well as key management indicators, and conduct appropriate discussions and support according to circumstances.
- ii) Continue discussions from a medium- to long-term perspective on important themes, such as growth, human resources and technological strategies, and reflect them in the 20th MTP.
- iii) Monitor the continuous improvement of the management system targeted towards the 20th MTP, creating an environment for the full-scale development of growth strategies.

The Ricoh website presents details of the Board of Directors deliberations about effectiveness assessments and a results summary for the year ended March 31, 2019.

Message from Executives

(As of June 21, 2019)

Directors (Internal)



Responsibilities as a Director of the Company

Nomination Committee Member/
Compensation Committee Member

Responsibilities as an Executive Officer of the Company

CEO

Yoshinori Yamashita

(August 22, 1957)

■ Attended all of the 12 board meetings held in the year ended March 31, 2019.

Brief personal profile

Mar 1980 Joined the Company
Apr 2008 President of Ricoh Electronics, Inc.
Apr 2010 Group Executive Officer, Corporate Vice President
Apr 2011 Corporate Senior Vice President
General Manager of Corporate Planning Division
Jun 2012 Director
Corporate Executive Vice President
Apr 2013 In charge of Internal Management and Control
Apr 2014 General Manager of Business Solutions Group
Apr 2015 In charge of core business
Jun 2016 Deputy President
Apr 2017 Representative Director (Current)
President (Current)
CEO (Current)

Under the "RICOH Resurgent" strategy in the year ended March 31, 2018, we prioritized business structural reforms, and as a result, we were able to lay the foundations for transitioning to a more stable earnings structure.

In the year ended March 31, 2019, we built on those foundations and further solidified the recovery in business profitability. In addition, we worked on the execution of each growth strategy under "RICOH Ignite," which shows our direction in the future, by utilizing external resources through M&A and capital alliances as strategic moves for growth and "Lift Off."

In the year ending March 31, 2020, we will accelerate the realization process of our growth strategy by proceeding with business investments that benefit the Company's focus areas while shifting to a management structure that is more conscious of capital costs. In addition, we will strengthen our efforts to achieve future sustainable growth through a variety of measures, such as training the leaders of the next-generation and reforming our corporate structure. We will promote innovation and transition to a management structure that can continuously generate new business by continuing to tap into the strengths of our employees through measures such as expanding our in-house venture system. We will further enhance our corporate value so that the Ricoh Group can continue to survive and grow supported by the expectations of our stakeholders.



Responsibilities as a Director of the Company

Chairperson of the Board/
Nomination Committee Member/
Compensation Committee Member

Nobuo Inaba

(November 11, 1950)

■ Attended all of the 12 board meetings held in the year ended March 31, 2019.

Brief personal profile

Apr 1974 Joined the Bank of Japan
May1992 Director, Head of Securities Division, Credit and Market Management Department of the Bank of Japan
May1994 Director, Head of Planning Division Policy Planning Office of the Bank of Japan
May1996 Deputy Director-General, Policy Planning Office of the Bank of Japan
Apr 1998 Deputy Director-General (Adviser), Policy Planning Office of the Bank of Japan
Apr 2000 Adviser to the Governor Monetary Policy Studies Department, Policy Planning Office of the Bank of Japan
Jun 2001 Director-General, Information System Services Department of the Bank of Japan
Jun 2002 Director-General, Bank Examination and Surveillance Department of the Bank of Japan
May2004 Executive Director of the Bank of Japan
May2008 Joined the Company
Executive Adviser
Apr 2010 President of Ricoh Institute of Sustainability and Business
Jun 2010 Director (Current)
Corporate Executive Vice President
Jun 2012 CIO (Chief Information Officer)
Sep 2015 In charge of corporate governance promotion
Apr 2017 Chairperson of the Board (Current)

Leveraging our printing and optical future technologies, we established our growth strategies not only in the office segment but also in the application areas of infinite potential such as commercial and industrial printing, 3D printers, vehicle-mounted stereo cameras, medical devices etc. I am confident that we can strive to further enhance corporate value and our stock value in a sustainable manner through appropriate resource allocation and management.

With the belief that companies cannot survive without a sustainable society, we will contribute to society by solving global environmental issues and by implementing ESG initiatives ahead of other major companies following the Ricoh Group's tradition.

The Board of Directors is made up of four Internal Directors and four Outside Directors, with a majority being Non-executive Directors. The Nomination Committee and Compensation Committee are primarily composed of Outside Directors and a majority of the Audit and Supervisory Board Members are Outside Audit and Supervisory Board Members. In this way, we will perform oversight functions and capitalize on the fruits of our past governance reforms. As such, I believe it is important to (1) firmly support resolute decision-making and execution by the management team, provide them with support and sometimes make strong remarks to demonstrate oversight functions and (2) disclose as accurately as possible the Company's situation and decision-making process to enhance dialogue with stakeholders. We will enhance corporate value and realize sustainable growth by committing to a management cycle that directly reflects your feedback.



Responsibilities as an Executive Officer of the Company
CFO/General Manager of Business Planning Division

Hidetaka Matsuishi
(February 22, 1957)

■ Attended all of the 10 board meetings held in the year ended March 31, 2019. (Appointed in June 2018)

Brief personal profile

Apr 1981 Joined the Company
Oct 2000 General Manager of SCM Innovation Center, Marketing Group
Jan 2003 President of Nishi Tokyo Ricoh Co., Ltd.
Apr 2005 President of Ricoh Tohoku Co., Ltd.
Apr 2008 General Manager of Business Strategy Center, Marketing Group
Apr 2009 General Manager of Major Accounts Marketing Division, Marketing Group
Jul 2009 Representative Director and President of Ricoh IT Solutions Co., Ltd.
Apr 2014 Group Executive Officer (Corporate Senior Vice President)
Representative Director, President and CEO of RICOH LEASING COMPANY, LTD.
Jun 2016 Corporate Senior Vice President
General Manager of Japan Marketing Group
Representative Director, President and CEO of RICOH JAPAN CORPORATION
Apr 2018 Corporate Executive Vice President and CFO (Current)
General Manager of Business Planning Division (Current)
Jun 2018 Director (Current)

Since taking office as a Director in June 2018, while serving as a CFO and taking charge of Corporate Planning, I have worked to revise the performance management process and raise the effectiveness of business administration in order to speed up management decisions. In addition, with the goal of promoting a management structure taking into consideration capital costs, I proceeded with initiatives including the launch of the Investment Committee and studies to adopt return on invested capital (ROIC) as a management indicator and revision of the risk management system. Furthermore, as a CFO, I was actively involved in enhancing information disclosure to shareholders and investors and conducting dialogue with them.

The business environment surrounding us is about to change dramatically. In this so-called Fourth Industrial Revolution, the digital revolution is globally expanding with ICT technologies such as AI, IoT and 5G regardless of business or industry. Amid a whirlwind of changes, future growth depends on our ability to foresee changes and respond in a timely manner. To achieve this, it is increasingly vital to conduct management heeding the voices of employees and customers. Drawing on my experience managing affiliated companies in the areas of sales, marketing and operations, I will strive to contribute to the realization of the Ricoh Group's medium- to long-term sustainable growth and improved corporate value.



Responsibilities as an Executive Officer of the Company
CTO (Chief Technology Officer)

Seiji Sakata
(September 12, 1958)

■ Attended all of the 10 board meetings held in the year ended March 31, 2019. (Appointed in June 2018)

Brief personal profile

Apr 1981 Joined the Company
Apr 2006 General Manager of 1st Design Center, MFP Business Group
Apr 2008 Deputy General Manager of MFP Business Group
Apr 2009 General Manager of Controller Development Division and Deputy General Manager of MFP Business Group
Apr 2010 Corporate Vice President
Apr 2011 General Manager of Human Resources Division
Apr 2012 Corporate Senior Vice President
Apr 2014 General Manager of Japan Management Division
Feb 2015 General Manager of Japan Management Division and General Manager of Imaging Systems Development Division
Apr 2017 General Manager of Office Printing Development Division, Deputy General Manager of Office Printing Business Group
Apr 2018 Corporate Executive Vice President (Current)
General Manager of Office Printing Business Group
Jun 2018 Director (Current)
Apr 2019 CTO (Current)

Workstyle reforms are accelerating worldwide, and customer expectations on the Ricoh Group are becoming even greater. Under these circumstances, we named the value the Ricoh Group provides to customers "EMPOWERING DIGITAL WORKPLACES" in our resolution to make our customers "work" smarter and revolutionize their workplaces.

In order to improve the corporate value of the Ricoh Group, we must first secure stable earnings in the office printing business, which is our current core business. In the year ended March 31, 2019, as the supervisor of the office printing business, I worked on the launch of a new-generation multifunction printer that links workplaces and the cloud seamlessly and without boundaries, providing an environment that promotes "workstyle reform" regardless of where and when our customers work. Furthermore, striving to increase earnings by offering new value to working customers, we linked the cloud platform "RICOH Smart Integration" with printers, which accelerates digitalization not only for customers working in an office, but also customers working on various frontlines such as logistics, education, manufacturing and retail.

In the year ending March 31, 2020, as CTO, drawing on years of experience in R&D and human resources, I will actively promote not only the stable growth of the core businesses but also the discovery and launch of new businesses in order to realize the "Lift Off" of the Ricoh Group, perform management oversight and decision-making from a shareholder perspective and strive to improve the corporate value of the Ricoh Group.

Directors (Outside)



Responsibilities as a Director of the Company

Nomination Committee Member/
Chairperson of the Compensation Committee

Significant concurrent positions

Member of Science Council of Japan/
Advisory Professor of Tsing Hua University
(China)/Councilor of TOSHIBA
INTERNATIONAL FOUNDATION

Makoto Azuma

(May 25, 1945)

Major activities

He can draw on achievements and experience based on his service as Executive Officer, Corporate Executive Vice President and Chief Technology Officer of TOSHIBA CORPORATION and as a professor at the Graduate School of Innovation Studies of Tokyo University of Science to advise in various areas, including in terms of Ricoh's technological and long-term management strategies.

Attended all of the 12 board meetings held in the year ended March 31, 2019.

Brief personal profile

Apr 1972 Joined TOSHIBA CORPORATION
Apr 1989 Director of Basic Research Laboratory, Research and Development Center of TOSHIBA CORPORATION
Apr 1994 Director of Materials and Devices Laboratory, Corporate Research & Development Center of TOSHIBA CORPORATION
Jul 1998 Chief Technology Executive of Storage Media Business Group of TOSHIBA CORPORATION
Apr 1999 Director of Corporate Research & Development Center of TOSHIBA CORPORATION
Jun 2000 Corporate Vice President (Director of Corporate Research & Development Center) of TOSHIBA CORPORATION
Jun 2003 Executive Officer, Corporate Senior Vice President (General Executive of Technology) of TOSHIBA CORPORATION
Jun 2005 Executive Officer, Corporate Executive Vice President (Chief Technology Officer) of TOSHIBA CORPORATION
Dec 2005 Advisory Professor of Tsing Hua University (China) (Current)
Jun 2008 Adviser to TOSHIBA CORPORATION
Aug 2008 Councilor of TOSHIBA INTERNATIONAL FOUNDATION (Current)
Apr 2010 Advisor of TDK Corporation
Jun 2011 Professor of Graduate School of Innovation Studies, Tokyo University of Science
Oct 2011 Member of Science Council of Japan (Current)
Jun 2014 Outside Director (Current)

Many past examples have taught us that corporate sustainability cannot be achieved simply by maintaining the status quo. For a company to survive, it should implement various measures such as new market development, selection of business, and business process reform. It is essential to create new businesses and foster innovation for a company to continue growing on top of survival.

The Ricoh Group has been taking on a variety of challenges since the year ended March 31, 2018 under "RICOH Resurgent" and "RICOH Ignite." As an Outside Director, I oversaw management from the perspective of whether or not top management is making fair decisions and boldly tackling challenges for the future. The efforts of employees including the management team have solved the greater part of our challenges, and now we can see our future path.

On the other hand, I understand that the growth strategies at the center of "RICOH Ignite" are still in progress. I hope my experience as a corporate Chief Technology Officer (CTO) and a graduate school professor in technology management will contribute to taking on this challenge. Fortunately, the Ricoh Group has excellent technological assets and human resources. In addition, we have approached open innovation with external organizations from various aspects. By actively supporting these efforts, I will strive to contribute to the Ricoh Group in its transformation to a company that constantly pursues the creation of new value.



Responsibilities as a Director of the Company

Chairperson of the Nomination Committee/
Compensation Committee Member

Significant concurrent positions

Representative Director, Chairperson of the Board of Directors of MITSUI & CO., LTD./
Outside Director of SoftBank Group Corp./
Counsellor of Bank of Japan

Masami Iijima

(September 23, 1950)

Major activities

He has accumulated outstanding achievements and extensive experience as an executive of Mitsui & Co., Ltd., which operates on a global scale. He can therefore advise in such areas as global governance and risk management.

Attended all of the 12 board meetings held in the year ended March 31, 2019.

Brief personal profile

Apr 1974 Joined MITSUI & CO., LTD.
Jun 2000 General Manager of Ferrous Raw Materials Division, Iron & Steel Raw Materials Business Unit of MITSUI & CO., LTD.
Apr 2004 General Manager of Metals Administrative Division of MITSUI & CO., LTD.
Apr 2005 General Manager of Metals & Energy Administrative Division of MITSUI & CO., LTD.
Apr 2006 Managing Officer, Chief Operating Officer of Iron & Steel Raw Materials and Non-Ferrous Metals Business Unit of MITSUI & CO., LTD.
Apr 2007 Managing Officer, Chief Operating Officer of Mineral & Metal Resources Business Unit of MITSUI & CO., LTD.
Apr 2008 Executive Managing Officer of MITSUI & CO., LTD.
Jun 2008 Representative Director, Executive Managing Officer of MITSUI & CO., LTD.
Oct 2008 Representative Director, Senior Executive Managing Officer of MITSUI & CO., LTD.
Apr 2009 Representative Director, President and Chief Executive Officer of MITSUI & CO., LTD.
Apr 2015 Representative Director, Chairperson of the Board of Directors of MITSUI & CO., LTD. (Current)
Jun 2016 Outside Director (Current)
Jun 2018 Outside Director of SoftBank Group Corp. (Current)
June 2019 Counsellor of Bank of Japan (Current)
June 2019 Director of Isetan Mitsukoshi Holdings Ltd. (Current)

My role as an Outside Director is to conduct management oversight and guidance to the management of the Ricoh Group from a shareholder perspective with the breadth and long-term viewpoint I developed in managing MITSUI & CO., LTD.

As the Group operates business globally in approximately 200 countries and regions world-wide, we need to keep up with various events around the world and maintain a broad perspective to make the best decisions. In recent years, there are rising calls for companies to contribute to the sustainability of society as exemplified by the "Sustainable Development Goals (SDGs)" set out by the United Nations. Providing new value and contributing to society through digital transformation and innovative business activities is directly linked to the sustainability of the Ricoh Group.

As an Outside Director, I will continue to commit myself to carrying out oversight functions as a member of the Board of Directors so that the Ricoh Group may be a company that is always trusted by society, and will work to realize effective corporate governance for our shareholders and stakeholders.



Responsibilities as a Director of the Company

Compensation Committee Member

Significant concurrent positions

Professor at the Department of Electrical and Electronic Engineering, School of Engineering, Tokyo Institute of Technology/
Council Member of Science Council of Japan

Mutsuko Hatano

(October 1, 1960)

Major activities

She has amassed a wealth of attainments and experience as a professor at the Department of Electrical and Electronic Engineering, Graduate School of Science and Engineering of Tokyo Institute of Technology, and as a committee member of many administrative bodies. She can thus offer multifaceted and extensive advice in such areas as technology, education, and policy.

Attended all of the 12 board meetings held in the year ended March 31, 2019.

Brief personal profile

Apr 1983 Joined Hitachi, Ltd.
Sep 1997 Visiting Researcher at the University of California, Berkeley (until August 2000)
Apr 2005 Chief Researcher of Central Research Laboratory, Hitachi, Ltd.
Jul 2010 Professor at the Department of Electrical and Electronic Engineering, School of Engineering, Tokyo Institute of Technology (Current)
Oct 2014 Council Member of Science Council of Japan (Current)
Jun 2016 Outside Director (Current)

In the year ended March 31, 2019, after much discussion at the Board of Directors to make it a year of improving earning power and vastly advancing the growth strategy “RICOH Ignite,” we made progress in reforming the management foundation to support our growth strategies, including strengthening governance and the business administration system. We exchanged opinions outside of the Board of Directors as well, which led me to rediscover the potential of the Ricoh Group. I think this is because the aspirations of all employees to provide new value to global society through the Group have come together as a single force. The demand for and role of printing is changing, global trade friction and commotion in the EU are causing uncertainties, and contributions to achieving SDGs as well as workstyle reforms are called for. Amid such drastic changes in the environment and social challenges, it is essential to create and expand new businesses that lead to the next stage “RICOH Lift Off” with a framework to make that happen, such as management speed and a consistent process from R&D to marketing and sales. In addition, I believe that it is necessary to continue to promote fast-paced and highly-transparent discussions and decision-making from a global perspective.

As an Outside Director, based on my corporate and academic experience, I will strive to contribute to business growth through innovation that is compatible with improvement of sustainability through the Board of Directors, and offer a diverse perspective and insight different from those within the Company. I am confident that Ricoh has a grand design for society through true innovation, and will achieve sustainable growth and further development.



Responsibilities as a Director of the Company

Nomination Committee Member/
Compensation Committee Member

Significant concurrent positions

Trustee of Toyo University

Kazuhiro Mori

(October 7, 1946)

Major activities

As a manager of the Hitachi Group who has served in various posts including Representative Executive Officer, Executive Vice President and Executive Officer of Hitachi, Ltd., he can leverage his extensive experience in sophisticated management decision making and guidance to offer recommendations in such areas as our global business development.

Attended all of the 10 board meetings held in the year ended March 31, 2019. (Appointed in June 2018)

Brief personal profile

Apr 1969 Joined Hitachi, Ltd.
Feb 1999 General Manager of Chubu Area Operation, Hitachi, Ltd.
Jun 2003 Executive Officer, Hitachi, Ltd.
Apr 2004 Vice President and Executive Officer, General Manager of Electronics Group & CEO, Hitachi, Ltd.
Aug2005 Vice President and Executive Officer, Hitachi, Ltd. President and Director, Hitachi Displays, Ltd.
Apr 2006 Senior Vice President and Executive Officer, Hitachi, Ltd.
Jan 2007 Representative Executive Officer, Executive Vice President and Executive Officer, Hitachi, Ltd. (until March 2012)
Jun 2007 Outside Director, Hitachi Capital Corporation
Jun 2010 Chairperson of the Board, Outside Director, Hitachi Capital Corporation
Outside Director, Hitachi Medical Corporation
Apr 2011 Director, Hitachi Maxell, Ltd. (Current Maxell Holdings, Ltd.)
Apr 2012 Executive Vice President and Executive Officer, Hitachi, Ltd.
Jun 2013 Chairperson of the Board, Outside Director, Hitachi High-Technologies Corporation
Outside Director, Hitachi Transport System, Ltd.
Jun 2014 Outside Director, Isuzu Motors Limited
Jun 2018 Outside Director (Current)
Dec 2018 Trustee, Toyo University (Current)

While uncertainties in the global economy are mounting with concerns over the emergence of currency exchange and geopolitical risks, globalization and digital transformation have steadily progressed. In the copier industry, the market is sluggish and competition is intensifying, with developed countries going paperless and emerging countries seeing pressures on prices.

Responding to such changes in the business environment, the Ricoh Group formulated a mid-term business plan starting the year ended March 31, 2018, and has been making steady progress under the strong leadership of the CEO, Yoshinori Yamashita. We have improved our earning capability through structural reforms in the year ended March 31, 2018, and are changing gears to the growth strategy “RICOH Ignite” in the year ended March 31, 2019.

In terms of governance, we have been assisting in strengthening risk management in response to the globalization of business as well as monitoring and decision-making to achieve management indicators. In addition, Outside Directors have been playing an important role in the voluntary committees established for the nomination and compensation of Directors, at which the Outside Directors drive active and constructive discussions.

In this highly competitive environment, in order to give appropriate returns to shareholders, we need to stably improve profitability in our core businesses and achieve growth to generate profit. To that end, we are striving to ensure effective oversight and recommendations to management from an independent and objective standpoint, along with timely and appropriate information disclosure.

I will strive to contribute to management oversight and decision-making from a shareholder perspective, drawing on my experience in business execution at an electronics manufacturer and management experience as an outside director in various industries including automobile manufacturing with an aim to achieve sustainable growth and increase corporate value over the medium- to long-term.

Audit and Supervisory Board Members



Katsumi Kurihara
Audit and Supervisory Board Member

Date of birth:
March 24, 1956
1978: Joined the Company
June 2016: Assumed the position of Audit and Supervisory Board Member

Formerly

Corporate Senior Vice President and General Manager, Manufacturing Quality Assurance Center, Manufacturing Division, Ricoh Co., Ltd.



Hiroshi Osawa
Audit and Supervisory Board Member

Date of birth:
February 28, 1964
1988: Joined the Company
June 2017: Assumed the position of Audit and Supervisory Board Member

Formerly

Executive Vice President, Ricoh Europe Plc; General Manager, Business Management Department, Corporate Strategy & Planning Center, Corporate Division, Ricoh Co., Ltd.



Takashi Narusawa
Outside Audit and Supervisory Board Member

Date of birth:
December 8, 1949
Appointed as Audit and Supervisory Board Member: June 2016

Currently

Outside Director, The Nishin Oillio Group, Ltd.; Outside Director, Hirata Corporation
Outside Director, LOTTE Co., Ltd.

Contributions

Attended all of the 12 board meetings held in the term ended March 2019 (attendance rate: 100%).
Attended all of the 13 auditors' meetings held during the same period (attendance rate: 100%)



Shigeru Nishiyama
Outside Audit and Supervisory Board Member

Date of birth:
October 27, 1961
Appointed as Audit and Supervisory Board Member: June 2016

Currently

Professor, Graduate School of Business & Finance, Waseda University; Outside Director (Audit and Supervisory Committee Member), UNIPRES CORPORATION; Outside Director, Macromill, Inc.

Contributions

Attended all of the 12 board meetings held in the term ended March 2019 (attendance rate: 100%).
Attended all of the 13 auditors' meetings held during the same period (attendance rate: 100%)



Yo Ota
Outside Audit and Supervisory Board Member

Date of birth:
October 3, 1967
Appointed as Audit and Supervisory Board Member: June 2017

Currently

Partner, Nishimura & Asahi; Outside Director, Denki Kogyo Co., Ltd.; Director, the Japan Association of Corporate Directors; Councilor, LOTTE Foundation; Vice Chairman, Corporate Governance Committee, the Japan Association of Corporate Directors; Outside Director, Nippon Kayaku Co., Ltd.

Contributions

Attended 11 of the 12 board meetings held in the term ended March 2019 (attendance rate: 92%). Attended 12 of the 13 auditors' meetings held during the same period (attendance rate: 92%)

Independent Auditor

As KPMG AZSA LLC had served as our independent auditor for an extended time, the Audit and Supervisory Board considered several candidates. Deloitte Touche Tohmatsu LLC was selected as the replacement at Ricoh's 119th Ordinary General Meeting of Shareholders on June 21, 2019. Ricoh looks to this new independent auditor to ensure accounting audits are performed appropriately by drawing on its global audit structure, independence, expertise, and efficiency, and provide new perspectives in audits, helping strengthen the Ricoh Group's governance.

The name, main office location, history, and other information on the new independent auditor are as follows.

Although Deloitte Touche Tohmatsu LLC has received fees, etc., relating to advisory services which are services other than those defined in Article 2, Paragraph 1 of the Certified Public Accountants Act (non-audit services) from Ricoh and its subsidiaries during the past two years, we have not concluded non-audit service agreements that impair the independence of that firm.

As of February 28, 2019

Name	Deloitte Touche Tohmatsu LLC	
Office	Main office: Marunouchi Nijubashi Building, 2-3, Marunouchi 3-chome, Chiyoda-ku, Tokyo	
History	May 1968: Tohmatsu Awoki & Co. established	
	May 1975: Joined Touche Ross International (TRI) (currently Deloitte Touche Tohmatsu Limited (DTTL)) alliance	
	Feb. 1990: Changed name to Tohmatsu & Co.	
	July 2009: Transitioned to a limited liability company and changed name to Deloitte Touche Tohmatsu LLC	
Summary	Capital:	¥1,007 million
	Partners (CPAs):	532 persons
	Non-CPA partners:	54 persons
	Staff CPAs:	2,797 persons
	Successful CPA exam candidates, etc.:	1,143 persons (including junior accountants)
	Other specialists:	2,125 persons
	Other staff:	166 persons
	Total:	6,817 persons
	Companies involved in audits:	3,339 companies (as of May 31, 2018)





Outline of audit activities


The Audit and Supervisory Board reviewed risks and issues in the four areas, namely (1) Directors, (2) Business execution, (3) Internal audit, and (4) Accounting audit, and formulated annual activity plans. Outline of audit activities in each of these areas are illustrated as follows. Audit and Supervisory Board Members pointed out the issues and provided suggestions to Directors and business divisions, concerning the matters brought to our attention through these audit activities. With respect to the issues regarding the circumstances and response to the financial irregularities at a sales subsidiary in India and the subsequent conditions, etc., Audit and Supervisory Members made sure to stay updated on the latest development, by requesting explanation from the Directors, Executive Officers, and the employees concerned, etc., as well as attending the relevant meetings, in addition to the audit activities as illustrated as follows.

Notes on the Audit Performance

The Audit and Supervisory Board prepared the Audit Report on the following; (i) Methods and contents of the Audit employed by the Audit and Supervisory Board Members and the Audit and Supervisory Board, and (ii) Audit results. With respect to (i) Methods and contents of the Audit employed by the Audit and Supervisory Board Members and the Audit and Supervisory Board, the Board decided to voluntarily prepare and disclose these Notes in the year ended March 31, 2018, as complementary material to the Audit Report, in order to enhance the effectiveness of the dialogue with stakeholders including shareholders, based on the belief that it is crucial to provide more concrete explanation, to enhance audit transparency.

★ Meetings organized by Audit and Supervisory Board Members

	Directors	<p>Attending the Board of Directors meetings (Full-time Audit and Supervisory Board Members: attendance rate 100%) > 1</p> <ul style="list-style-type: none"> ★ Holding regular meetings with Chairman of the Board and Representative Director (quarterly) ★ Holding governance review meetings attended by Directors and the Audit and Supervisory Board Members (semi-annually)
	Business execution	<p>Auditing headquarters, principal offices, plants and each company of the Ricoh Group</p> <p>Attending GMC (Full-time Audit and Supervisory Board Members: attendance rate 100%)</p> <p>Attending performance review meetings, Global Meetings, Investment Committee meetings and other important meetings</p> <ul style="list-style-type: none"> ★ Holding separate regular meetings with the CEO and the CFO respectively (monthly) <p>Reviewing and confirming important documents (agendas and minutes of important meetings, documents for approval, written agreements, etc.)</p>
	Internal audit	<p>Receiving explanation from internal audit divisions about the internal audit plan, and reporting the results thereof</p> <ul style="list-style-type: none"> ★ Holding regular meetings with Internal Management and Control Division (monthly) ★ Holding regular meetings with Audit and Supervisory Board Members of subsidiaries (monthly) ★ Meetings with Independent Auditor and Internal Management and Control Division (monthly)
	Accounting audit	<p>Receiving explanation about audit plan and reporting the quarterly review and audit result from Independent Auditor</p> <p>Evaluating Independent Auditor</p>

 Refer to this page

1 Attendance rate of Independent Audit and Supervisory Board Member P.69


Audit and Supervisory Board Members

Internal controls > 1

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 GMC was established to oversee the Group's overall business operations and to enable quick analysis and decision making to ensure the best results 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.
- The Ricoh Group Standards (RGS) have been established as a set of common rules for all Ricoh Group employees to follow, and adherence to these rules across the Group is ensured.
- A basic disclosure policy ensures that corporate disclosure is accurate, timely and comprehensive. The CFO also oversees disclosure and chairs the Disclosure Committee, which determines the importance and need for disclosure and 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 Fraud Risk Management (FRM) program of the Ricoh Group has been deployed to prevent fraud risk. The FRM utilizes a check sheet and tools to detect anomalies within large volumes of data in the integrated internal audit.

Compliance > 2

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 > 3](#), 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.



1 Business partners

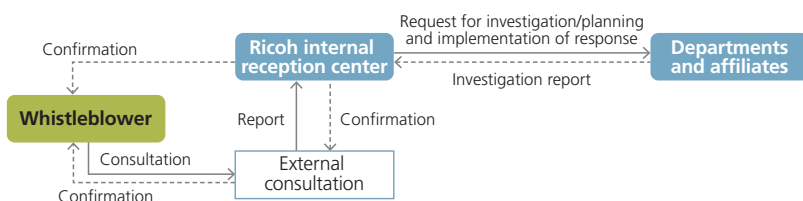
refer to organizations and individuals outside the Ricoh Group which perform services that contribute to the profits of any Ricoh Group company or that represent any Ricoh Group company.

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 > 4](#) for third parties has been enacted as a means to prevent corruption among Ricoh Group business partners. > 1

Basic flow of the Hotline system in Japan



Hotline system

The Ricoh Group Hotline has been in operation since April 2003 in Japan as a contact point for all directors and employees wishing to report incidents or seek advice. Independent contact points have also been established externally as the first point of contact. To make the Hotline easier for employees to use, we continuously review its hours of operation and procedures.



Refer to our website

- 1 Internal controls www.ricoh.com/sustainability/governance/system.html
- 2 Compliance www.ricoh.com/governance/compliance.html
- 3 Ricoh Group Code of Conduct www.ricoh.com/sustainability/society/vision/code_of_conduct.html
- 4 Ricoh Group Bribery Prevention Guidelines www.ricoh.com/-/Media/Ricoh/Sites/com/governance/trm/pdf/bribery3rd.pdf

Risk management > 5

As the environment surrounding the company becomes more complex and diverse, the Ricoh Group positions risk management as essential to controlling internal and external uncertainties relating to its business and in implementing management strategies and achieving business objectives. The Company accordingly launched the Risk Management Committee > 1 to oversee such efforts.

Meeting for Strengthening Groupwide Collaborative Risk Management

Regular meetings will be held to strengthen collaboration among the various divisions and business units throughout the Ricoh Group and to increase the effectiveness of risk management at each division of Ricoh and each Group company. The chairperson of the risk management committee will set up these regular meetings, and risk management promoters who are appointed by the head of each business unit will attend them. The main objectives of these meetings are as follows.

1. Sharing information to determine focus managerial risks for the entire Ricoh Group and promoting and developing risk awareness in each business unit.
2. Gathering information about important risks identified in each business unit (each division of Ricoh and each Group company) and reflecting them in focus managerial risks for the entire Ricoh Group.
3. Information sharing and implementation of interactive opinion exchanges, regarding the promotion of risk management.

Responding to incidents and accidents

Setting down the Ricoh Group Incident Management Standard for all affiliate companies in Japan and overseas and based on the president's policies, the Ricoh Group has created a system to deal with incidents that may have a negative impact on corporate business activities and to prevent reoccurrence. Serious incidents are to be reported from the division in which the incident occurred through the management division primarily responsible for each incident, to the Ricoh President, the Internal Control Directors, a unit that oversees disclosure, officers connected to the case, and Audit and Supervisory Board Members. A summary of serious incidents that have occurred during the most recent six months, together with a description of how they were dealt with and the measures taken to prevent reoccurrence, as well as changes in the numbers of occurrences classified by incident, are reported to the GMC and Board of Directors every six months. The GMC reviews management risks for the next year in light of these reports and incident frequency.

Among the reported incidents, the number of compliance-related serious incidents (corresponding to GRI G4 SO5 (a)) in the past three years were 19 in the year ended March 31, 2017, 27 in the year

Ricoh Group Code of Conduct Violations

Reports during period (percentages of total)

Total number of incidents in the year ended March 31, 2019: 33

	03/17	03/18	03/19
Labor law violation		11	13
Professional misconduct		7	36
Embezzlement or theft	63	22	36
Corruption		4	
Information security		4	
Fraudulent accounting	5	4	6
Inappropriate reporting		19	3
Unfair trade practices		7	3
Other	32	22	3
Total	100	100	100

ended March 31, 2018, and 33 in the year ended March 31, 2019.

Of these compliance-related serious incidents, there was one major incident > 1 that required disclosures to external organizations in the year ended March 31, 2016, which was an accounting violation that occurred from India. > 2 > 3 However, there was no major incident in the year ended March 31, 2017. We have disclosed information through our website and other channels about accounting irregularities at Ricoh India.

To date, we have reinforced the operational management of subsidiaries, assessed the fitness of external auditors, enhanced the effectiveness of internal audits, bolstered global collaboration between internal auditing units, and have stepped up compliance training. We will continue to roll out measures to prevent a recurrence of such irregularities and strengthen governance in the Group.

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.

In addition to the BCP itself, measures are in place throughout the Ricoh Group to facilitate responses within the scope of business continuity management (BCM), covering implementation, application, education, training, correction and revision of prevailing BCPs, which include the current BCP implemented throughout the Group to ensure a common response to new strains of influenza and widespread natural disasters in Japan.

Refer to this page

1 Risk Management Committee
P.60



1 Criteria for determining major legal violations

The Ricoh Group employs the following four criteria in determining major legal violations:

1. Incidents matching those described in (b) through (d) of Indicator SO5 of the G4 Sustainability Reporting Guidelines issued by the Global Reporting Initiative
2. Incidents matching important reporting information criteria in the Tokyo Stock Exchange's material facts list.
3. Government directives presented on the websites of Ricoh or the authorities
4. Other major matters that Ricoh's Internal Control Committee deems necessary to disclose

Refer to these pages

2 The Financial Irregularities at a Sales Subsidiary in India and the Subsequent Conditions
P.15-16

Refer to our website

5 Risk management www.ricoh.com/sustainability/governance/risk.html

6 Financial irregularities at Ricoh India www.ricoh.com/sustainability/governance/risk.html

Business risks and countermeasures

In the year ending March 31, 2020, we set up a groupwide risk management structure system and established priority areas in which to reinforce countermeasures. The global economic and business climates are constantly changing. Some risks accordingly necessitate timely responses. So, not all of the risks greatly affecting business performance, listed in

the table below, are priority areas for Group risk management. We have presented priority area risk items and descriptions below. We have also recorded the impacts on operating results and other areas of risks materializing and our countermeasures.

The forward-looking statements in the text were based on the Group's judgment as of end of the year ended March 31, 2019.

Risks that have a large impact on performance

S = Strategic risk **O** = Operational risk

1. Business environment

- Economic situation in major markets
- More competitive markets
- Fluctuations in price of parts materials and/or foreign currency exchange rate
- Alliances with other entities, strategic investment **S**
- Responding to technological changes **S**
- Securing and retaining skilled personnel **S**
- Finance business

2. Business operation

- Information security **O**
- Product liability **O**
- Long-term delay/suspension in supply of products **O**
- Protection of intellectual property rights **O**
- Responding to government regulations (including environmental regulations) **O**

3. Accounting system

- Impairment of goodwill and fixed assets
- Defined benefit plan obligations

4. Environment, disasters

- Climate-related effects **O**
- Effects of disasters and other unpredictable events **O**

5. Individual events


- Ricoh India
See page 15

Risk category	Risks	Description of risks	Countermeasures for risks	Growth strategy effects
1. Business environment	Economic situation in major markets	The Ricoh Group develops business globally, and the economic conditions of its major markets, Japan, the United States, and Europe, affect its business. In particular, <ul style="list-style-type: none"> · Sino-American trade friction · Brexit The Group recognizes that the movement of each country due to the rise of protectionism is the main risk that may affect the business results.	The Ricoh Group carefully monitors changes in the global economic situation and takes measures to respond appropriately. <ul style="list-style-type: none"> · With regard to Sino-American trade friction, we are promoting measures to reduce customs risk, such as transferring some product production for the United States from China to a factory in Thailand, using the conventional BCP measures (parallel production). As a result, we will be able to prevent the impact on business performance that is expected to be several billion yen in response to the decree on the fourth phase of sanctions and customs measures against China. We will continue to respond to changes in the situation. · With regard to Brexit, we assume there will be confusion due to No-deal Brexit, and we will increase the stock of necessary materials and products at our European bases. In addition, the majority of our products is subject to ITA products, and we believe that even if no-deal exit happen, the adverse effects of customs duties on business impacts will not be significant. 	Mainly <ul style="list-style-type: none"> Growth Strategy #0 Growth Strategy #1
	More competitive markets	The Ricoh Group continually faces the risk of fierce competition. Below are considered as risks. <ul style="list-style-type: none"> · Competitive new products by competitors. · Increased price competition · Shift in demand to low-priced products 	The Ricoh Group plans to continuously introduce new products that enhance customer value in each business area. The Group will always aim to gain competitive advantage by high-quality, high-value-added products that can improve customer workflows from value provision by hardware. <p>With regard to price competition, we will continue to conduct appropriate selling price management. By freeing ourselves from scale expansion competition and providing high-quality, high-value products that go into workflow solutions, we will aim to get customer satisfaction without lowering selling prices.</p>	<ul style="list-style-type: none"> Growth Strategy #0 Growth Strategy #1 Growth Strategy #2
	Fluctuations in the price of parts, materials and/or foreign currency exchange rate	A substantial portion of the Ricoh Group's manufacturing and sales activity is conducted outside of Japan, including in the United States, Europe, and in Other region, such as China. Below are considered as risks. <ul style="list-style-type: none"> · Direct impact of material market fluctuations · The impact of exchange rate fluctuations on consolidated statement of profit or loss and consolidated statement of comprehensive income as a result of converting local business results of overseas subsidiaries into yen using the average rate for each year. · The impact of exchange rate fluctuations on consolidated statement of financial position due to the fact that assets and liabilities denominated in local currency are converted into yen using the exchange rate as of each account closing date. 	In order to respond flexibly to fluctuations in the material market, the Ricoh Group promotes the study of alternative materials during product development and after shifting to mass production, promotes multiple purchasing in procurement of materials, and regarding market fluctuations that cannot be absorbed, the Group is striving to reflect selling prices appropriately while looking at competitors' situation.	<ul style="list-style-type: none"> Growth Strategy #0 Growth Strategy #1 Growth Strategy #2

Risk category	Risks	Description of risks	Countermeasures for risks	Growth strategy effects
1. Business environment	<p>Alliances with other entities, strategic investment</p> <p>S</p>	<p>The Ricoh Group engages in alliances with entities to create various products and services to fulfill customer demand. The Group believes that alliances with other entities, joint ventures and strategic investment are effective for the timely development of new technology and products using management resources of both parties. However due to various reasons described below, these alliances may adversely affect the Group's future growth and profitability as well as its financial results and condition.</p> <ul style="list-style-type: none"> · The Group's interest differs from other parties' interests due to financial or other reasons, so the Group may be unable to maintain the alliance. · Failure to acquire an exact interest due to lack of information and enough deliberation. · Such strategic investments may not necessarily lead to the expected outcome or performance and may result in increased time and expenses being incurred due to the integration of businesses, technologies, products and/or personnel necessitated by such investments. 	<p>In order to flexibly respond to various customer demand, the Ricoh Group believes that these types of management decisions are more significant on the future performance of the Group. That is why the Group sets this risk as "managerial strategic risk" and makes efforts to strengthen decision making process for this matter.</p> <p>The Investment Committee is established and positioned as an advisory committee to the GMC, and verifies investment plans based on the validity of financial aspects including capital costs, and strategic aspects such as profitability and growth risks, etc. Members with expertise perform prior reviews and discussion on diversifying investment projects to external entities in order to ensure consistency with management strategies and raise the efficacy of the investment while improving the speed and accuracy of investment decisions.</p> <p>The committee chairperson attends and shares the results of the committee's discussions on each project in GMC so as to assist the decision-maker in making objective decisions. Also, the committee monitors each project's progress and learns from it so that continuous PDCA process runs effectively.</p>	<p>Mainly</p> <p>Growth Strategy #1</p> <p>Growth Strategy #2</p>
	<p>Ability to respond to rapid technological changes</p> <p>S</p>	<p>Ability to appropriately respond to rapid technological changes are fundamentals of the Ricoh Group's products/services competitiveness. The Group's failure to respond to any risks described below, may adversely affect the Group's future growth and profitability as well as its financial results and condition.</p> <ul style="list-style-type: none"> · Prediction to technological changes and actions for it · Set focus technological development area and resource allocation for it · Set new business area and technological development for it 	<p>With advancements in innovation across all sectors globally, it is becoming increasingly important to develop technologies that are able to resolve issues facing customers and society at large quickly. That is why the Ricoh Group sets this risk as "managerial strategic risk" and makes efforts to strengthen decision making process for this matter.</p> <p>The Group provides products and services to customers in a global market. To accomplish this, the Group runs research facilities in Japan, the United States, India and China, promoting deep collaboration among our facilities worldwide, while utilizing regional characteristics. In order to respond to the rapid business environment changes in timely fashion, it is not always best to conduct R&D activities internally. The Group promotes open innovation to accelerate R&D activities by proactively cooperating with universities, institutes and companies around the world.</p> <p>The Group's established "Innovation Division" in 2019, and is integrating all new-growth-area related processes (such as prioritization, incubation, operationalization as a business). Also, the Group has assigned a CTO (Chief Technology Officer) to decide technological prior development areas, and proper resource allocations so that accelerate the Group's technological activities.</p>	<p>Growth Strategy #0</p> <p>Growth Strategy #1</p> <p>Growth Strategy #2</p>
	<p>Securing and retaining skilled personnel</p> <p>S</p>	<p>The Ricoh Group believes that in order to maintain mid- to long-term competitiveness, securing and retaining highly skilled personnel at the right time is essential. The Group's failure to respond to any risks described below, may adversely affect the Group's future growth and profitability as well as its financial results and condition.</p> <ul style="list-style-type: none"> · Failure to recruit qualified personnel in appropriate timing · Failure to train up highly skilled personnel · The loss of key employees 	<p>A reduced workforce due to a declining birthrate and an aging population is leading to a war for talent in critical areas (such as AI, IoT) making recruiting more difficult. That is why we set this risk as "managerial strategic risk" and place emphasis on securing and retaining qualified personnel.</p> <ul style="list-style-type: none"> · Deploying Job-matching recruiting and ensuring highly trained person to get the career that they expect. · Promoting not only fresh graduate recruiting but mid-career recruiting · Enhancing various systems in order to support work-life management and diverse workforce · Enhancing systems to secure and train managing staff 	<p>Growth Strategy #0</p> <p>Growth Strategy #1</p> <p>Growth Strategy #2</p>
	<p>Finance business</p>	<p>The Ricoh Group provides financing to some of its customers in connection with its equipment sales and leases.</p> <ul style="list-style-type: none"> · Despite the Group monitor the creditworthiness and the amount of credit, no assurances can be made that the Group will be able to fully collect on such extensions of credit due to unforeseeable defaults by its customers. · These financing arrangements that the Group enters into with its customers result in long-term receivables bearing a fixed rate of interest. The Group finances a part of these financing arrangements with short-term borrowings. As a result, there is a risk that operating profit may be affected by interest rate fluctuations. · The Group develops its business based on the current law, tax and accounting regulations. If these regulations are changed significantly, there is a risk of affecting the performance of the Group. In terms of accounting standard, the adoption of IFRS 16 "Lease" is expected to have some impacts on the finance business, such as changes in customers' purchasing behavior in countries to which the standard is applied. 	<ul style="list-style-type: none"> · The Ricoh Group evaluates the creditworthiness and the amount of credit extended to a customer prior to the financing arrangement and during the financing term on a regular basis. Depending on such evaluations, the Group makes adjustments to such extensions of credit as it deems necessary to minimize any potential risks of concentrating credit risk or nonpayment. · The Group finances these financing arrangements with short-term borrowings subject to variable interest rates along with borrowings subject to fixed interest rates whose terms are matched with the term of the financing arrangements for the purpose of hedging the interest rate risk. 	<p>Mainly</p> <p>Growth Strategy #0</p> <p>Growth Strategy #2</p>

Risk category	Risks	Description of risks	Countermeasures for risks	Growth strategy effects
<p>2. Business operation</p>	<p>Information security ○</p>	<p>When building information security systems, the Ricoh Group plans for these risks described below,</p> <ul style="list-style-type: none"> · Malicious cyber-attack cause the Group's system trouble, information security problem and loss. · Cyber-attack makes the Group an attacker-side, and the Group server is used for bad ends involuntarily. That results the Group's bad reputation and the Group will be excluded from customer supply chain. · The Group products has big information security problem and get exclusion from market, which adversely affect the Group's future growth and profitability as well as its financial results and condition. 	<p>Now is the time that each country demands country-level countermeasure for information security, the Ricoh Group watches new threat/movement carefully and consider/ promote proper countermeasure for it.</p> <ul style="list-style-type: none"> · Based on international information security standard, the Group establishes comprehensive control organization accordingly for covering the Group global information security and it enhances its systems continuously. · The Group makes countermeasures for risks which occurs to factory/equipment systems to be cyber-attacked. 	<p>Growth Strategy #0 Growth Strategy #1 Growth Strategy #2</p>
	<p>Product liability ○</p>	<p>The Ricoh Group may be held responsible for any defects that occur with respect to its products and services. Depending on the defect described below, the Group may be liable for significant damages which may adversely affect its financial results and condition.</p> <ul style="list-style-type: none"> · Significant product liability (Burnout, Human damage) · Violation for safety/environmental regulations · Prolongation for quality problem in market etc. <p>In addition, negative publicity concerning these defects could make it more difficult for the Group to attract and maintain customers to purchase the Group products and services. As a result, the Group's financial results and condition may be adversely affected.</p>	<p>For enhancing safety/reliability of products, the Ricoh Group analyzes mechanism of each breakdown/incident carefully, and reflect it in products development process.</p> <p>If any problems happen in the market, the Group has systems to respond it promptly.</p> <p>In order to provide products aligned with each country's safety/environmental regulations correctly, the Group reviews own operational standard/guide with confirming each local market update.</p>	<p>Growth Strategy #0 Growth Strategy #1 Growth Strategy #2</p>
	<p>Long-term delay/suspension in supply of products ○</p>	<p>If the Ricoh Group faces to earthquake, Tsunami, political turmoil, flood, pandemic or supply-chain disruption, which causes risks described below.</p> <ul style="list-style-type: none"> · Delay or disruption of parts supply · Stop manufacturing for products · Disruption of transportation, freight <p>These risks may cause opportunity loss and adversely affect the Group's financial results and condition.</p>	<p>The Ricoh Group keeps some amount of inventory for BCP, also has multi-supply route for key parts as preparations for accidents. Based on each risk-case assumption, the Group plans actions when it happens and does training, also evaluates effectiveness and improves its process.</p>	<p>Mainly Growth Strategy #0 Growth Strategy #1</p>
	<p>Protection of intellectual property rights ○</p>	<p>Since alliance/joint-R&D with other parties are getting increased, the Ricoh Group may be involved in contract conflict/trouble, which may adversely affect the Group's financial results and condition.</p>	<p>The Ricoh Group has accumulated learnings from trouble what the Group experienced in the past, then developed assessment method. The method is utilized for risk assessment for new business development and take measures based on that assessment results.</p>	<p>Growth Strategy #0 Growth Strategy #1 Growth Strategy #2</p>
	<p>Responding to government regulations (including environmental regulations) ○</p>	<p>The Ricoh Group is subject to various governmental regulations and approval procedures in the countries in which it operates. If the Group is unable to comply with any of these regulations described below or fails to obtain the requisite approvals, the Group's activities in such countries may be restricted. In addition, even if the Group is able to comply with these regulations, compliance can result in increased costs. In either event, the Group's financial results and condition may be adversely affected.</p> <ul style="list-style-type: none"> · Human resources related compliance (Harassment, Employment, Human rights, etc) · Export regulations and tariffs as well as rules which may constrain production/sales activities · Regulations relating to commerce, antitrust, patent, consumer and business taxation · Environmental and recycling related laws. 	<p>The Ricoh Group has defined "Ricoh Business Conduct Guideline" to heighten awareness of the importance of corporate social responsibility through implementing "Ricoh Way." The Group involves its employees in various activities designed to ensure compliance with applicable regulations as part of its overall risk management and compliance program.</p> <ul style="list-style-type: none"> · Regarding Human Resources related Implement timely internal training and define emergency response framework, supplier periodic assessment for human rights compliance · Regarding export regulations Implement timely internal training, announce all the Group business related regulations change or update · Regulations relating to commerce, antitrust, etc. Legal division leads internal training and strengthen systems continuously with considering a case if any violation happens. · Regarding environmental and recycling related laws, the Group has introduced environmental management system and does periodic assessment to ensure environmental laws compliance. 	<p>Growth Strategy #0 Growth Strategy #1 Growth Strategy #2</p>

Risk category	Risks	Description of risks	Countermeasures for risks	Growth strategy effects
3. Accounting system	Impairment of goodwill and fixed assets	The Ricoh Group recognizes goodwill in relation to acquisitions and various tangible assets or intangible assets for business operation. There might be harmful effects on business results or financial positions of Ricoh when expected cash flows could not be generated by failure to meet the target or other reasons.	As mentioned in risk "Alliances with other entities, strategic investment", we deliberate on the appropriateness of the acquisition amount at the Investment Committee. We monitor progress after investment and have established a system to execute and manage business.	Growth Strategy #0 Growth Strategy #1 Growth Strategy #2
	Defined benefit plan obligations	With respect to its employee benefit obligations and plan assets, the Ricoh Group accrues the cost of such benefits based on applicable accounting policies and funds such benefits in accordance with governmental regulations. Currently, there is no immediate and significant funding requirement. However, if returns from investment assets continue to decrease and/or turn negative due to market conditions, such as with fluctuations in the stock or bond markets, additional funding and accruals may be required. Such additional funding and accruals may adversely affect the Group's financial position and results of operations.	The Ricoh Group has reviewed and implemented systems as appropriate based on government regulations, human resource strategies and personnel systems.	Growth Strategy #0 Growth Strategy #1 Growth Strategy #2
4. Environment, disasters	Climate-related effects O	The Ricoh Group recognizes climate change as a significant concern that may have an extensive impact on the entire world regardless of country and region, and therefore as a crucial issue that may affect its global operations. We carry out a range of measures against risks identified based on the above recognition. Despite this, we still face a number of potential risks as described below, which may arise as a result of inadequate or delayed actions. (Transition risks) · Risks of increased costs, lost sales opportunities and damaged corporate brand resulting in decreased corporate value, as a result of failure to effectively respond to an extremely fast transition toward a decarbonized society. (Physical risks) · Risks of the business being affected by surging prices of raw materials for paper and others as a result of extreme climate events. · Risks of product/service supplies being interrupted through suspended factory operations and disrupted supply chains as a result of delayed actions to address damage caused by extreme climate events.	To deal with each of the described risks, we have developed the following measures: (Transition risks) · To effectively respond to the transition toward a decarbonized society, we have set up an ESG Committee, chaired by the president and CEO, as a system to monitor trends in international environmental requirements so that we can review our environmental goals and prevent risks from arising or address actualized risks in a timely manner. · In 2019, climate change related issues have been newly added to the Total Risk Management (TRM) system in order to enhance activity to cope with climate change transition risks. (Physical risks) · We are enhancing risk management involving the supply chain; sourcing from multiple suppliers and securing extra materials and parts stock. We also work with suppliers to improve business continuity management. · For actions against damage caused by extreme climate events, please refer to the sections for risks within "large-scale disasters," and "delayed and disrupted supplies of products over a prolonged period of time." > 1	Mainly Growth Strategy #0 Growth Strategy #1
	Effects of disasters and other unpredictable events O	The Ricoh Group will do its utmost to ensure the continuation of business activities, secure employee's and their family's safety, and fulfill its social responsibilities as a corporate citizen in the case of the event described below, · Natural disaster (earthquake, tsunami, hurricane, flood, snowstorm, eruption, etc.) · Accident (Fire, eruption, Leak of hazardous materials, big accident of public transportation etc.) · Drastic situation change (Domestic warfare, International war, radical social movement etc.) · Incident (Terror, abduction, intimidation etc.)	The Ricoh Group has internal common regulations "Ricoch Group Standard" and has specified actions that Ricoh employee should take in emergent situation, such as reporting structure, and the establishment of emergency headquarters and the roles so that every location can behave properly in emergency. Measures taken to mitigate such risks include periodic inspections of equipment and facilities, conducting disaster drills, implementation of systems to confirm employee safety and formation of a business continuity plan.	Growth Strategy #0 Growth Strategy #1 Growth Strategy #2
5. Individual events	Ricoh India Limited	On January 29, 2018, Ricoh India filed an application to initiate the corporate insolvency resolution process with the National Company Law Tribunal, Mumbai (NCLT), pursuant to Section 10 of the Insolvency and Bankruptcy Code of India, 2016. The NCLT admitted the insolvency petition on May 14, 2018.	We allocated expenses which relate to Ricoh India of ¥6.9 billion, ¥11.7 billion and ¥14.9 billion in consolidated operating results for the years ended March 31, 2017, 2018 and 2019, respectively. As a result of allocating an additional loss in the consolidated operating results for the year ended March 31, 2019, we have allocated all the credits of Ricoh India. > 1 > 2	—

 Refer to these pages

1 The Financial Irregularities at a Sales Subsidiary in India and the Subsequent Conditions
P.15-16

 Refer to our website

1 Risk factors www.ricoh.com/IR/risk.html

2 Financial irregularities at Ricoh India www.ricoh.com/sustainability/governance/risk.html

Data & Profile

The information in this section enhances understanding of what we do.

- 78 **Ricoh Group Consolidated Financial Results for the Year Ended March 31, 2019**
- 80 **Financial Statements**
- 87 **Our Performance Against Major CSR Indicators**
- 89 **Commitment and Recognition**
- 91 **Social Contribution**
- 92 **Company Data**
- 93 **Featured Information in Online Version of Integrated Report**

Ricoh Group Consolidated Financial Results for the Year Ended March 31, 2019

Operating results

Consolidated sales in the year ended March 31, 2019, decreased 2.4%, to ¥2,013.2 billion. Sales were down 2.1% after excluding the impact of foreign exchange fluctuations.

The Japanese economy continued to pick up moderately during the term. It was against this backdrop that the Company posted solid performances, particularly in Office Services, on higher demand for IT equipment in line with efforts to drive corporate work practice reforms, as well as higher sales of business solutions services. Sales in Japan overall were therefore up 0.7%.

Overseas, the U.S. economy continued to expand moderately. European economic growth was generally solid despite uncertainties about prospects owing to Brexit and a crisis in Turkey. It was under these circumstances that overseas sales decreased. This reflected a downturn in the Office Printing field, and was despite Office Services and Commercial Printing gains in the Americas, Europe, the Middle East, and Africa. Sales in the Americas dipped 1.8% (also 1.8% after stripping out the foreign exchange impact). Sales in Europe, the Middle East, and Africa decreased 3.9% (or 3.0% without foreign exchange fluctuations). In other regions, sales declined 13.1% (11.9% after excluding foreign exchange fluctuations) owing to a downturn in the Office Printing field and the removal of Ricoh India Limited from consolidated results in the Office Services. Overseas sales were thus down 4.4%.

Gross profit was down 3.0%, to ¥766.8 billion. Selling, general and administrative expenses fell 9.6%, to ¥702.9 billion. This stemmed from progress in constraining expenditure through structural and business process reforms. Ricoh posted ¥19.3 billion in structural reform expenses in the year under review. Structural reforms proceeded swiftly, generating savings of ¥46.9 billion. Ricoh progressed faster than anticipated in generating a total of ¥100 billion in savings from structural reforms over three years from the year ended March 31, 2018. The

Company posted ¥14.9 billion in Ricoh India expenses that include a provision for doubtful accounts relating to Group holdings of Ricoh India receivables at the end of the year under review.

Other income was up greatly from a year earlier, owing largely to gains on the transfer of shares in Ricoh Logistics System Co., Ltd. Goodwill impairment losses were far lower than ¥145.8 billion posted a year earlier. As a result of these factors, operating profit was ¥86.8 billion, compared with an operating loss of ¥115.6 billion a year earlier. Operating profit after factoring out structural reform charges and transient earnings was ¥105.1 billion, testament to steady improvements in underlying profitability from a year earlier.

On the finance income and costs front, interest paid and the net foreign currency exchange loss were lower. Profit before income tax expenses was ¥83.9 billion, from a loss before income tax expenses of ¥124.1 billion a year earlier.

As a result of these factors, profit attributable to owners of the parent was ¥49.5 billion, compared with a ¥135.3 billion loss attributable to owners of the parent a year earlier.

Analysis of financial position

Assets, liabilities, and net assets

Other investments declined in line with a planned divestment of shares in Coca-Cola Bottlers Japan Holdings Inc., while cash and cash equivalents increased owing to the transfer of shares in Ricoh Logistics System. Inventories were higher, reflecting initial stockpiling for MFPs launched in the fourth quarter and additions to available supplies of consumables to cover the impact of Sino-American trade friction and the prospective exit of the United Kingdom from the European Union. Leased assets were up on the ongoing expansion of the finance business, particularly in Japan, while other financial assets increased. Total assets thus rose ¥84.1 billion from the end of the previous year, to ¥2,725.1 billion.

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 Flash report for the year ended March 31, 2019 www.ricoh.com/-/Media/Ricoh/Sites/com/IR/financial_data/financial_result/data/31/q4_report.pdf

Bonds and borrowings were up from a year earlier, as we repaid long-term debt that had matured and undertook extensive reborrowing. Another factor was that debt from affiliated companies increased with finance business expansion. Total liabilities were up ¥53.8 billion, to ¥1,706.1 billion. Retained earnings were up from the end of the previous year as a result of higher earnings and changes in accounting policy.

Total Ricoh shareholders' equity therefore advanced ¥23.0 billion, to ¥932.5 billion. The equity ratio was again stable, at 34.2%.

In the year under review, we endeavored to raise ROE to more than 5.0%. Profit attributable to owners of the parent company increased well beyond our initial forecast, as we strengthened profitability in core businesses and generated growth in new businesses while bearing fruit from structural reform efforts earlier than planned. Our ROE for the year thus exceeded our target, at 5.4%.

Cash flows

At the end of the year under review, net cash provided by operating activities was ¥81.9 billion, down ¥28.3 billion. A key factor was a major earnings turnaround that stemmed from a profitability gain in the core Office Printing field and higher income in the Office Services and other growth areas. Another element was an increase in inventories from a year earlier.

Net cash used in investing activities was ¥45.9 billion, down ¥35.1 billion. This reduction reflected income from transfers of shares in subsidiaries as a result of structural reform activities, which offset the impacts of capital investments to expand and upgrade production facilities, ongoing investments in information technology, and acquisitions to drive growth.

Free cash flow (net cash provided by operating activities plus net cash used in investing activities) totaled ¥36.0 billion, up 6.8 billion, reflecting greater business profitability from structural reform initiatives and operational reviews. Free cash flow excluding the finance business was ¥85.4 billion. Consequently, we produced ¥151.3 billion in free cash flow excluding the finance business in the first two years of our current mid-term management plan, so we are well positioned to exceed or match ¥100 billion targeted by the end of the year ending March 31, 2020.

Net cash provided by financing activities was ¥42.4 billion, up ¥36.0 billion. On the liabilities front, we repaid long-term debt that had matured and undertook extensive reborrowing. On top of that, debt from affiliated companies increased with finance business expansion. We paid cash dividends as initially planned in light of results, cash flows, and growth investments.

As a result of the above factors, cash and cash equivalents at the end of the period were ¥240.0 billion, up ¥79.5 billion from a year earlier.

Consolidated Statements of Profit or Loss

Ricoh Company, Ltd. and Consolidated Subsidiaries
For the Years Ended March 31, 2018 and 2019

	Millions of Yen		Thousands of U.S. Dollars
	2018	2019	2019
Sales	2,063,363	2,013,228	18,137,189
Cost of sales	1,272,357	1,246,345	11,228,333
Gross profit	791,006	766,883	6,908,856
Selling, general and administrative expenses	777,917	702,912	6,332,541
Other income	17,062	23,449	211,252
Impairment of goodwill	145,827	581	5,234
Operating profit (loss)	(115,676)	86,839	782,333
Finance income	4,123	4,598	41,424
Finance costs	12,831	7,965	71,757
Share of profit (loss) of investments accounted for using the equity method	202	492	4,432
Profit before income (loss) tax expenses	(124,182)	83,964	756,432
Income tax expenses	5,457	28,587	257,540
Profit (loss)	(129,639)	55,377	498,892
Profit (loss) attributable to:			
Owners of the parent	(135,372)	49,526	446,180
Non-controlling interests	5,733	5,851	52,712
Per share of common stock:	Yen		U.S. Dollars
Earnings per share attributable to owners of the parent:	2018	2019	2019
Basic	(186.75)	68.32	0.62
Diluted	—	—	—
Cash dividends, applicable to the year	15.00	23.00	0.21
Per American Depositary Share, each representing 1 share of common stock:	Yen		U.S. Dollars
Earnings per ADR share attributable to owners of the parent:			
Basic	(186.75)	68.32	0.62
Diluted	—	—	—
Cash dividends, paid	15.00	23.00	0.21

Consolidated Statements of Comprehensive Income

Ricoh Company, Ltd. and Consolidated Subsidiaries
For the Years Ended March 31, 2018 and 2019

	Millions of Yen		Thousands of U.S. Dollars
	2018	2019	2019
Profit (loss)	(129,639)	55,377	498,892
Other comprehensive income (loss):			
Components that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plan	2,541	(6,389)	(57,559)
Net change in fair value of financial assets measured through other comprehensive income	—	(1,929)	(17,378)
Total components that will not be reclassified subsequently to profit or loss	2,541	(8,318)	(74,971)
Components that will be reclassified subsequently to profit or loss:			
Net gain (loss) on fair value of available-for-sale financial assets	17,375	—	—
Net gain (loss) on fair value of cash flow hedges	(13,497)	56	505
Exchange differences on translation of foreign operations	10,737	(10,979)	(98,910)
Total components that will be reclassified subsequently to profit or loss	14,615	(10,923)	(98,450)
Total other comprehensive income (loss)	17,156	(19,241)	(173,342)
Comprehensive income (loss)	(112,483)	36,136	325,550
Comprehensive income (loss) attributable to:			
Owners of the parent	(118,072)	30,304	273,009
Non-controlling interests	5,589	5,832	52,541

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Annual securities report for the year ended March 31, 2019

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Per share data www.ricoh.com/IR/financial_data/financial_indicators/data7.html

Consolidated Statements of Financial Position

Ricoh Company, Ltd. and Consolidated Subsidiaries
March 31, 2018 and 2019

	Millions of Yen		Thousands of U.S. Dollars
	2018	2019	2019
Assets			
Current assets:			
Cash and cash equivalents	160,568	240,099	2,163,054
Time deposits	68	70	631
Trade and other receivables	589,741	604,804	5,448,684
Other financial assets	291,144	294,351	2,651,811
Inventories	180,484	207,748	1,871,604
Other investments	55,921	—	—
Other current assets	50,052	40,107	361,324
Subtotal	1,327,978	1,387,179	12,497,108
Assets classified as held for sale	—	2,583	23,270
Total current assets	1,327,978	1,389,762	12,520,378
Non-current assets:			
Property, plant and equipment	250,005	250,287	2,254,838
Goodwill and intangible assets	217,130	219,806	1,980,234
Other financial assets	689,629	708,295	6,381,036
Investments accounted for using the equity method	3,703	12,521	112,802
Other investments	26,985	22,443	202,189
Other non-current assets	36,806	38,006	342,396
Deferred tax assets	88,794	84,012	756,865
Total non-current assets	1,313,052	1,335,370	12,030,360
Total assets	2,641,030	2,725,132	24,550,738

	Millions of Yen		Thousands of U.S. Dollars
	2018	2019	2019
Liabilities and Equity			
Current liabilities:			
Bonds and borrowings	223,194	266,957	2,405,018
Trade and other payables	300,724	306,189	2,758,459
Other financial liabilities	453	521	4,694
Income tax payables	17,871	15,455	139,234
Provisions	12,235	12,277	110,604
Other current liabilities	234,045	242,799	2,187,378
Total current liabilities	788,522	844,198	7,605,387
Non-current liabilities:			
Bonds and borrowings	658,707	666,462	6,004,162
Other financial liabilities	3,788	3,420	30,811
Accrued pension and retirement benefits	104,998	105,288	948,541
Provisions	12,709	6,610	59,550
Other non-current liabilities	80,174	77,619	699,269
Deferred tax liabilities	3,377	2,547	22,946
Total non-current liabilities	863,753	861,946	7,765,279
Total liabilities	1,652,275	1,706,144	15,370,666
Equity:			
Common stock Authorized — 1,500,000,000 shares as of March 31, 2018 and 1,500,000,000 shares as of March 31, 2019 Issued and outstanding — 744,912,078 shares and 724,871,419 shares as of March 31, 2018 and 744,912,078 shares and 724,862,648 shares as of March 31, 2019	135,364	135,364	1,219,495
Additional paid-in capital	186,463	186,086	1,676,450
Treasury stock	(37,329)	(37,394)	(336,883)
Other components of equity	114,954	73,645	663,469
Retained earnings	510,113	574,876	5,179,063
Equity attributable to owners of the parent	909,565	932,577	8,401,594
Non-controlling interests	79,190	86,411	778,478
Total equity	988,755	1,018,988	9,180,072
Total liabilities and equity	2,641,030	2,725,132	24,550,738

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Consolidated Statements of Changes in Equity

Ricoh Company, Ltd. and Consolidated Subsidiaries
For the Years Ended March 31, 2018 and 2019

Millions of Yen

	Other components of equity						
	Common stock	Additional paid-in capital	Treasury stock	Remeasurement of defined benefit plan	Net gain (loss) on fair value of financial assets measured through other comprehensive income	Net gain (loss) on fair value of available-for-sale financial assets	Net gain (loss) on fair value of cash flow hedges
Balance at April 1, 2017	135,364	186,423	(37,318)	—	—	34,330	73
Profit (loss)							
Other comprehensive income (loss)					2,540	17,251	(13,334)
Comprehensive income (loss)	—	—	—	—	2,540	17,251	(13,334)
Net change in treasury stock			(11)				
Dividends declared and approved to owners							
Transfer from other components of equity to retained earnings				(2,540)			
Equity transactions with non-controlling shareholders		40					
Total transactions with owners	—	40	(11)	(2,540)	—	—	—
Balance at March 31, 2018	135,364	186,463	(37,329)	—	—	51,581	(13,261)
Cumulative effects of changes in accounting policy						10,432	(51,581)
Opening balance reflecting changes in accounting policy	135,364	186,463	(37,329)				32
Profit (loss)							
Other comprehensive income (loss)					(6,385)	(2,001)	27
Comprehensive income (loss)	—	—	—	—	(6,385)	(2,001)	27
Net change in treasury stock			(10)				
Dividends declared and approved to owners							
Transfer from other components of equity to retained earnings					6,385	(616)	
Equity transactions with non-controlling shareholders		(377)					
Other			(55)				
Total transactions with owners	—	(377)	(65)	6,385	(616)	—	—
Balance at March 31, 2019	135,364	186,086	(37,394)	—	7,815	—	59

Thousands of U.S. Dollars

	Other components of equity						
	Common stock	Additional paid-in capital	Treasury stock	Remeasurement of defined benefit plan	Net gain (loss) on fair value of financial assets measured through other comprehensive income	Net gain (loss) on fair value of available-for-sale financial assets	Net gain (loss) on fair value of cash flow hedges
Balance at March 31, 2018	1,219,495	1,679,847	(336,297)	—	—	464,694	(119,468)
Cumulative effects of changes in accounting policy						93,982	(464,694)
Opening balance reflecting changes in accounting policy	1,219,495	1,679,847	(336,297)				288
Profit (loss)							
Other comprehensive income (loss)					(57,523)	(18,027)	243
Comprehensive income (loss)	—	—	—	—	(57,523)	(18,027)	243
Net change in treasury stock			(90)				
Dividends declared and approved to owners							
Transfer from other components of equity to retained earnings					57,523	(5,550)	
Equity transactions with non-controlling shareholders		(3,397)					
Other			(496)				
Total transactions with owners	—	(3,397)	(586)	57,523	(5,550)	—	—
Balance at March 31, 2019	1,219,495	1,676,450	(336,883)	—	70,405	—	532

Millions of Yen

	Other components of equity						
	Exchange differences on translation of foreign operations	Total other components of equity	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity	
Balance at April 1, 2017	65,791	100,194	657,443	1,042,106	74,771	1,116,877	
Profit (loss)			(135,372)	(135,372)	5,733	(129,639)	
Other comprehensive income (loss)	10,843	17,300	17,300	17,300	(144)	17,156	
Comprehensive income (loss)	10,843	17,300	(135,372)	(118,072)	5,589	(112,483)	
Net change in treasury stock				(11)		(11)	
Dividends declared and approved to owners				(14,498)	(14,498)	(15,452)	
Transfer from other components of equity to retained earnings			(2,540)	2,540		—	
Equity transactions with non-controlling shareholders				40	(216)	(176)	
Total transactions with owners	—	(2,540)	(11,958)	(14,469)	(1,170)	(15,639)	
Balance at March 31, 2018	76,634	114,954	510,113	909,565	79,190	988,755	
Cumulative effects of changes in accounting policy		(27,856)	33,691	5,835		5,835	
Opening balance reflecting changes in accounting policy	76,634	87,098	543,804	915,400	79,190	994,590	
Profit (loss)			49,526	49,526	5,851	55,377	
Other comprehensive income (loss)	(10,863)	(19,222)		(19,222)	(19)	(19,241)	
Comprehensive income (loss)	(10,863)	(19,222)	49,526	30,304	5,832	36,136	
Net change in treasury stock				(10)		(10)	
Dividends declared and approved to owners			(12,685)	(12,685)	(1,101)	(13,786)	
Transfer from other components of equity to retained earnings		5,769	(5,769)	—		—	
Equity transactions with non-controlling shareholders				(377)	2,490	2,113	
Other				(55)		(55)	
Total transactions with owners	—	5,769	(18,454)	(13,127)	1,389	(11,738)	
Balance at March 31, 2019	65,771	73,645	574,876	932,577	86,411	1,018,988	

Thousands of U.S. Dollars

	Other components of equity						
	Exchange differences on translation of foreign operations	Total other components of equity	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity	
Balance at March 31, 2018	690,397	1,035,623	4,595,612	8,194,280	713,423	8,907,703	
Cumulative effects of changes in accounting policy		(250,955)	303,523	52,568		52,568	
Opening balance reflecting changes in accounting policy	690,396	784,667	4,899,135	8,246,847	713,423	8,960,270	
Profit (loss)			446,180	446,180	52,712	498,892	
Other comprehensive income (loss)	(97,864)	(173,171)		(173,171)	(171)	(173,342)	
Comprehensive income (loss)	(97,864)	(173,171)	446,180	273,009	52,541	325,550	
Net change in treasury stock				(90)		(90)	
Dividends declared and approved to owners			(114,279)	(114,279)	(9,919)	(124,198)	
Transfer from other components of equity to retained earnings		51,973	(51,973)	—		—	
Equity transactions with non-controlling shareholders				(3,397)	22,433	19,036	
Other				(496)	1	(495)	
Total transactions with owners	—	51,973	(166,252)	(118,262)	12,515	(105,748)	
Balance at March 31, 2019	592,533	663,469	5,179,063	8,401,594	778,478	9,180,072	

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Consolidated Statements of Cash Flows

Ricoh Company, Ltd. and Consolidated Subsidiaries
For the Years Ended March 31, 2018 and 2019

	Millions of Yen		Thousands of U.S. Dollars
	2018	2019	2019
Cash Flows from Operating Activities:			
Profit (loss)	(129,639)	55,377	498,892
Adjustments to reconcile profit for the period to net cash provided by operating activities			
Depreciation and amortization	108,327	94,288	849,441
Impairment of property, plant and equipment and intangible assets	30,140	2,138	19,261
Impairment of goodwill	145,827	581	5,234
Other income	(17,062)	(23,449)	(211,252)
Share of profit (loss) of investments accounted for using the equity method	(202)	(492)	(4,432)
Finance income and costs	8,708	3,367	30,333
Income tax expenses	5,457	28,587	257,541
Increase in trade and other receivables	(17,106)	(6,595)	(59,414)
(Increase) decrease in inventories	22,720	(30,097)	(271,144)
Increase in lease receivables	(27,922)	(13,527)	(121,865)
Increase in trade and other payables	5,215	10,024	90,306
Decrease in accrued pension and retirement benefits	(11,506)	(6,937)	(62,495)
Other, net	32,808	553	4,981
Interest and dividends received	3,902	4,123	37,144
Interest paid	(5,025)	(5,007)	(45,108)
Income taxes paid	(44,354)	(30,987)	(279,162)
Net cash provided by operating activities	110,288	81,947	738,261
Cash Flows from Investing Activities:			
Proceeds from sales of property, plant and equipment	18,484	9,707	87,450
Expenditures for property, plant and equipment	(72,285)	(72,462)	(652,811)
Proceeds from sales of intangible assets	6,554	969	8,730
Expenditures for intangible assets	(34,698)	(29,589)	(266,568)
Payments for purchases of available-for-sale securities	(1,005)	(8,639)	(77,829)
Proceeds from sales of available-for-sale securities	186	63,830	575,045
Decrease in time deposits	8,062	458	4,126
Purchase of business, net of cash acquired	(458)	(5,133)	(46,243)
Proceeds from sales of investments in subsidiaries	7,788	10,223	92,099
Others, net	(13,705)	(15,295)	(137,792)
Net cash used in investing activities	(81,077)	(45,931)	(413,793)
Cash Flows from Financing Activities:			
Net proceeds (repayments) of short-term debt	(21,180)	26,236	236,360
Proceeds from long-term debt	134,819	152,234	1,371,477
Repayments of long-term debt	(109,877)	(139,399)	(1,255,847)
Proceeds from issuance of bonds	68,285	50,000	450,450
Repayments of bonds	(50,000)	(35,000)	(315,315)
Dividends paid	(14,498)	(12,685)	(114,279)
Payments for purchase of treasury stock	(11)	(10)	(90)
Proceeds from purchase of investments in subsidiaries without change in scope of consolidation	—	3,006	27,081
Others, net	(1,131)	(1,958)	(17,639)
Net cash provided by financing activities	6,407	42,424	382,198
Effect of Exchange Rate Change on Cash and Cash Equivalents	(1,479)	1,091	9,829
Net Increase in Cash and Cash Equivalents	34,139	79,531	716,495
Cash and Cash Equivalents at Beginning of Year	126,429	160,568	1,446,559
Cash and Cash Equivalents at End of Year	160,568	240,099	2,163,054

Note: The additional payment of corporate taxes based on the transfer pricing taxation paid by the subsidiary in the United States is included in "Income taxes paid" for the year ended March 31, 2018.

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Selected Financial Data

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

U.S. GAAP

		Millions of Yen				
		2010	2011	2012	2013	
Related Consolidated Profit and Loss	Sales	2,015,811	1,941,336	1,903,477	1,924,497	
	Cost of sales	1,194,272	1,152,395	1,150,855	1,155,896	
	Gross profit	821,539	788,941	752,622	768,601	
	Selling, general and administrative expenses	755,638	730,870	770,690	705,167	
	Operating income (loss)	65,901	58,071	(18,068)	63,434	
	Income (loss) before income taxes	57,082	44,169	(31,937)	58,173	
	Provision for income taxes	28,065	22,410	8,223	20,838	
	Net income (loss) attributable to Ricoh Company, Ltd.	27,044	18,630	(44,560)	32,467	
	Net income (loss) attributable to Ricoh Company, Ltd. shareholders per share [in yen]					
		Basic	37.27	25.68	(61.42)	44.78
		Diluted	36.25	25.15	(61.42)	—
		R&D expenditure	109,346	110,553	119,027	112,006
		Depreciation for tangible fixed assets	70,394	67,231	64,984	60,471
		Capital investments	66,886	66,875	73,271	86,569
		Free cash flow	97,765	36,730	(101,237)	18,059
	Debt (Short-term borrowings and Long-term indebtedness)	684,454	629,624	741,867	702,780	
	Total assets	2,377,983	2,255,564	2,289,358	2,360,697	
	Shareholders' equity	969,358	925,243	822,704	897,996	
	Exchange rate [yen/US\$]	92.91	85.77	79.08	83.06	
	[yen/euro]	131.21	113.28	109.05	107.08	

		Millions of Yen			
Sales by Category	Imaging & Solutions	1,789,717	1,712,630	1,671,100	1,685,391
	Office Imaging	1,614,347	1,381,175	1,323,263	1,329,608
	Production Printing		150,044	148,564	147,040
	Network System Solutions	175,370	181,411	199,273	208,743
	Industrial Products	101,692	107,032	98,052	93,094
	Other	124,402	121,674	134,325	146,012
	Office Printing	—	—	—	—
	Office Service	—	—	—	—
	Commercial Printing	—	—	—	—
	Industrial Printing	—	—	—	—
	Thermal Media	—	—	—	—
	Other	—	—	—	—

		Millions of Yen			
Sales by Geographic Area	Japan	876,498	875,819	886,425	870,397
	Overseas	1,139,313	1,065,517	1,017,052	1,054,100
	The Americas	558,942	520,000	468,728	496,605
	Europe	456,563	428,519	421,373	421,740
	Other	123,808	116,998	126,951	135,755

Refer to our website

Investor relations www.ricoh.com/IR/

Key financial figures www.ricoh.com/IR/financial_data/financial_indicators/data5.html

Per share data www.ricoh.com/IR/financial_data/financial_indicators/data7.html

Sales by product category and area www.ricoh.com/IR/financial_data/financial_indicators/data6.html

International Financial Reporting Standards (IFRS)

		Millions of Yen							Thousands of U.S. Dollars	
		2013	2014	2015	2016	2017	2018	2019	2019	
Related Consolidated Profit and Loss	Sales	1,811,814	2,108,475	2,151,404	2,209,028	2,028,899	2,063,363	2,013,228	18,137,189	
	Cost of sales	1,062,204	1,235,250	1,244,486	1,327,064	1,240,271	1,272,357	1,246,345	11,228,333	
	Gross profit	749,610	873,225	906,918	881,964	788,628	791,006	766,883	6,908,856	
	Selling, general and administrative expenses	676,055	752,880	794,014	799,406	755,393	777,917	702,912	6,332,541	
	Operating profit (loss)	73,555	120,345	115,765	102,295	33,880	(115,676)	86,839	782,333	
	Profit (loss) before tax	68,082	118,063	112,297	95,684	29,955	(124,182)	83,964	756,432	
	Income tax expenses	24,264	39,611	38,598	28,378	20,518	5,457	28,587	257,540	
	Profit (loss) attributable to owners of the parent	38,915	72,818	68,562	62,975	3,489	(135,372)	49,526	446,180	
	Earnings per share attributable to owners of the parent [in yen and US\$]									
	Basic		53.67	100.44	94.58	86.87	4.81	(186.75)	68.32	0.62
	Diluted		—	—	—	—	—	—	—	—
	R&D expenditures		112,006	116,222	118,782	118,583	114,398	111,015	111,013	1,000,117
	Depreciation for tangible fixed assets		54,376	63,305	70,924	68,740	68,007	68,436	65,437	589,523
Capital expenditures		79,287	72,993	75,976	83,778	75,447	72,285	72,462	652,811	
Free cash flow		15,575	23,956	(40,913)	(4,280)	(18,416)	29,211	36,016	324,468	
Interest-bearing debt		702,335	724,164	790,580	852,800	859,743	881,901	933,419	8,409,180	
Total assets		2,391,163	2,596,618	2,730,207	2,776,461	2,759,287	2,641,030	2,725,132	24,550,738	
Equity attributable to owners of the parent		913,705	1,029,413	1,084,167	1,077,813	1,042,106	909,565	932,577	8,401,594	
Exchange rate [yen/US\$]										
		83.06	100.29	109.89	120.12	108.39	110.91	110.95	—	
[yen/euro]										
		107.08	134.47	138.85	132.68	118.82	129.67	128.46	—	

		Millions of Yen							Thousands of U.S. Dollars
Sales by Category	Imaging & Solutions	1,611,210	1,877,668	1,916,676	1,974,510	1,792,064	—	—	—
	Office Imaging	1,264,286	1,406,736	1,439,723	1,432,065	1,274,888	—	—	—
	Production Printing	147,040	180,092	191,991	223,815	206,202	—	—	—
	Network System Solutions	199,884	290,840	284,962	318,630	310,974	—	—	—
	Industrial Products	93,094	110,007	117,772	125,465	124,886	—	—	—
	Other	110,893	120,800	116,956	109,053	111,949	—	—	—
	Office Printing	—	—	—	—	1,165,979	1,144,053	1,086,428	9,787,640
	Office Service	—	—	—	—	425,612	447,973	481,392	4,336,865
	Commercial Printing	—	—	—	—	186,110	185,933	185,292	1,669,297
	Industrial Printing	—	—	—	—	11,883	19,200	20,692	186,414
	Thermal Media	—	—	—	—	52,287	61,458	66,368	597,910
	Other	—	—	—	—	182,028	204,746	173,056	1,559,063

		Millions of Yen							Thousands of U.S. Dollars
Sales by Geographic Area	Japan	760,885	817,964	759,580	761,590	767,522	799,904	805,799	7,259,450
	Overseas	1,050,929	1,290,511	1,391,824	1,447,438	1,261,377	1,263,459	1,207,429	10,877,739
	The Americas	496,857	589,160	648,545	693,786	609,098	577,559	567,442	5,112,090
	Europe, Middle East and Africa	418,418	519,103	532,375	531,002	456,471	477,554	458,856	4,133,838
	Other	135,654	182,248	210,904	222,650	195,808	208,346	181,131	1,631,811

We have restated the consolidated financial statements due to changing the year-ends of our subsidiaries from the year ended March 31, 2012. We also recalculated the figures for the year ended March 31, 2010 and the year ended March 31, 2011 for reference purposes. Product lines included in the product categories were changed from the year ended March 31, 2013. We also recalculated the figures for the year ended March 31, 2011 and the year ended March 31, 2012 for reference purposes. Middle East and Africa sales have shifted from Other to Europe as of the year ended March 31, 2013. We also recalculated the figures for the year ended March 31, 2011 and the year ended March 31, 2012 for reference purposes. The compilation method has been changed from the year ended March 31, 2015, such as the reclassification of certain products, e.g., from Production Printing to Industrial Products. We also recalculated the figures for the year ended March 31, 2014 for reference purposes. We have retroactively adjusted the IFRS-based data from the year ended March 31, 2013 due to the change in reporting of some lease transactions from a gross basis to a net basis as of the year ended March 31, 2016.

Our Performance Against Major CSR Indicators

Indicator	Scope of Survey	Performance			Items Relating to Major Initiatives*1	Note
		Year ended Mar. 31, 2017	Year ended Mar. 31, 2018	Year ended Mar. 31, 2019		
1	Number of outside directors (total number of directors)	Ricoh Co., Ltd.	4(10)	4(8)	4(8)	GRI: 102-22 ISO26000: 6.2 SDGs: 16
2	Response rate for CSR self-assessments by suppliers (%) () indicates number of suppliers asked to respond	Japan	—	100(7)	—	GRI: 308-2, 414-2 GC: 1, 2, 4-8 ISO26000: 6.3, 6.4, 6.5, 6.6, 6.7, 6.8 Collected from key suppliers
		China	—	—	100(8)	
		Thailand	100(68)	—	100(4)	
3	Cases of serious accidents involving products*2	Ricoh Group	0	1	1	GRI: 416-2 ISO26000: 6.7 SDGs: 16 Number of serious accidents involving 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.) An MFP caught fire in the United States
4	Number of serious incidents and accidents involving information security	Ricoh Group	0	0	0	GRI: 418-1 ISO26000: 6.7 SDGs: 16 Number of serious violations of law or incidents and accidents that must be made public
5	Number of serious violations of law or incidents and accidents*2	Ricoh Group	0	0	0	GRI: 419-1 GC: 1, 2, 4-8, 10 ISO26000: 6.3, 6.4, 6.5, 6.6, 6.7 SDGs: 16
6	Customer satisfaction	Japan	Second	Second	Second	GRI: G4, PR5 ISO26000: 6.7 Results of J.D. Power Japan Color Copier Customer Satisfaction Survey* *Large and midsized office market (companies with more than 30 employees nationwide)

Environment

7	Energy consumption	Total calories (TJ)	Ricoh Group	4,689	4,702	4,407	GRI: 302-1 GC: 7, 8 ISO26000: 6.5 SDGs: 7, 8, 12, 13 Third-party inspection ratio*3: 74%	
8	GHG emissions	Scope1	CO ₂ (kt)	Ricoh Group	144.8	137.9	136.1	GRI: 305-1 GC: 7, 8 ISO26000: 6.5 SDGs: 3, 12, 13, 15 Third-party inspection ratio*3: 68%
					GHG from non-energy sources (CO ₂ equivalents)*4	32.7	35.5	1.5
		Scope2	CO ₂ (kt)		308.6	298.6	224.9	GRI: 305-2 GC: 7, 8 ISO26000: 6.5 SDGs: 3, 12, 13, 15 Third-party inspection ratio*3: 93%
		Total (kt)	486.1		472.0	362.4	GRI: 305-1, 305-2 GC: 7, 8 ISO26000: 6.5 SDGs: 3, 12, 13, 15 Third-party inspection ratio*3: 84%	
9	CO ₂ emissions during product use	Scope3	CO ₂ (kt)	Ricoh Group	490.4	425.9	375.1	GRI: 305-3 GC: 7, 8, 9 ISO26000: 6.5, 6.7 SDGs: 3, 12, 13, 15 Third-party inspection ratio*3: 100% CO ₂ emissions based on lifecycle estimations of equipment sold in each year (Subject products: imaging equipment, projectors, videoconferencing/webconferencing systems, LED lighting)
10	CO ₂ reduction contribution	CO ₂ (kt)	Ricoh Group	467	421	432	GRI: 305-5 GC: 7, 8, 9 ISO26000: 6.5, 6.7 SDGs: 6, 8, 12, 13, 15 Reduction of CO ₂ emissions due to the use of products and/or solutions	
11	Water use	Total (km ³)	Ricoh Co., Ltd. and Ricoh Group	4,829	4,575	4,518	GRI: 303-1 GC: 7, 8 ISO26000: 6.5 SDGs: 3, 6, 12 Third-party inspection ratio*3: 95.8%	
12	Wastes	Total amount (t)	Ricoh Co., Ltd. and Ricoh Group	74,358	71,455	68,084	GRI: 306-2 GC: 7, 8 ISO26000: 6.5 SDGs: 3, 6, 8, 12 Third-party inspection ratio*3: 88.8%	
		Final disposal amount (t)		1,597	763	614	GRI: 306-2 GC: 7, 8 ISO26000: 6.5 SDGs: 3, 6, 8, 12 Third-party inspection ratio*3: 88.8%	
		Resource recovery rate (%)		97.3	97.5	96.0	GRI: 306-2 GC: 7, 8 ISO26000: 6.5 SDGs: 3, 6, 8, 12 Third-party inspection ratio*3: 88.8%	

*1 Major initiatives GRI: Global Reporting Initiative (GRI) Sustainability Reporting Standards, GC: Global Compact, SDGs: Sustainable Development Goals, ISO 26000: International standards for SR

*2,3 Third-party inspections conducted during the year ended March 31, 2019 by SGS Japan Inc. Coverage rate in Notes column for year ended March 31, 2019

For more details > WEB: www.ricoh.com/sustainability/environment/data/third.html

*4 GHG from non-energy sources (carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorinated compounds, sulfur hexafluoride, and nitrogen trifluoride)

*5 The coverage is 89.9%

 For more information about environmental data > WEB: www.ricoh.com/sustainability/environment/data/index.html

Indicator	Scope of Survey	Performance			Items Relating to Major Initiatives*1	Note		
		Year ended Mar. 31, 2017	Year ended Mar. 31, 2018	Year ended Mar. 31, 2019				
Society								
13	Number of regular employees	Ricoh Group (Japan)	35,490	33,796	31,905	GRI: 102-7		
		Ricoh Group (Overseas)	70,123	64,082	60,758			
		Ricoh Group total	105,613	97,878	92,663			
14	Gender ratio (male:female)	Ricoh Co., Ltd.	85:15	85:15	85:15	GRI: 102-8 GC: 6 ISO26000: 6.4 SDGs: 5, 8		
		Ricoh Group (Japan) total	84:16	83:17	83:17			
		Ricoh Group total	—	—	67:33			
15	Average years of service	Ricoh Co., Ltd.	Male	18.3	19.1	19.6	GRI: N/A GC: 6 ISO26000: 6.4 SDGs: 5, 8	
			Female	19.5	19.7	20.3		
16	Average age	Ricoh Co., Ltd.	Male	43.5	44.0	44.5	GRI: 405-1 GC: 6 ISO26000: 6.4 SDGs: 5, 8	
			Female	41.7	42.2	43.0		
			Total	43.3	43.8	44.3		
17	Percentage of female workers in management positions	Ricoh Co., Ltd.*2	3.5	3.8	3.9	GRI: 405-1 GC: 6 ISO26000: 6.4 SDGs: 5, 8	Item 13 is the total number of employees at 221 companies in the Ricoh Group	
		Ricoh Group (Japan) total*2	4.0	4.4	4.8			
		Ricoh Group total*5	—	—	15.7			
18	Percentage of female workers in executive management positions	Ricoh Co., Ltd.*2	1.6	1.8	2.2	GRI: 405-1 GC: 6 ISO26000: 6.4 SDGs: 5, 8	Item 20 is the total number of male and female regular employees taking childcare leave	
		Ricoh Group (Japan) total*2	1.9	2.2	2.1			
		Ricoh Group total*5	—	—	3.4			
19	Employee turnover ratio	Ricoh Co., Ltd.	2.2	5.2	3.8	GRI: 401-1 ISO26000: 6.4 SDGs: 5, 8	Item 21 is the total number of male and female regular employees taking nursing care leave	
20	Number of people taking childcare leave	Ricoh Co., Ltd.	306	269	279	GRI: 401-3 ISO26000: 6.4 GC: 1 SDGs: 5, 8	Item 23 covering 30 key subsidiaries	
		Subsidiaries in Japan	262	362	363			
		Ricoh Group (Japan) total	568	631	642			
21	Number of people taking nursing care leave	Ricoh Co., Ltd.	7	6	6	GRI: N/A ISO26000: 6.4 GC: 1 SDGs: 8		
		Subsidiaries in Japan	14	11	5			
		Ricoh Group (Japan) total	21	17	11			
22	Employment Rate of Workers with Disabilities	Ricoh (special subsidiary Group application)*2	2.18	2.29	2.32			
23	Percentage of locally hired presidents	Overseas subsidiaries	58.1	60.0	53.3	GRI: N/A GC: 6 ISO26000: 6.4 SDGs: 8		
24	Number of major disasters	Ricoh Co., Ltd.	0	0	0		Item24 Odor suction exposure from painting work (outside the work area) of domestic establishments	
		Subsidiaries in Japan	0	0	1			
		Ricoh Group (Japan) total	0	0	1			
25	Number of industrial accidents	Ricoh Co., Ltd. (manufacturing)	5	4	8	GRI: 403-2 GC: 1 ISO26000: 6.4 SDGs: 3, 8	Item 25 covers 23 domestic subsidiaries. Totals covering almost all Ricoh Group employees	
		Ricoh Co., Ltd. (non-manufacturing)	5	11	19			
		Ricoh Co., Ltd. total	10	15	27			
		Subsidiaries in Japan (manufacturing)	23	22	13			
		Subsidiaries in Japan (non-manufacturing)	86	91	75			
		Subsidiary total in Japan	109	113	88			
		Ricoh Group (Japan) total (manufacturing)	28	26	24			
		Ricoh Group (Japan) total (non-manufacturing)	91	102	91			
Ricoh Group (Japan) total	119	128	115					
26	Implementation rate of employee awareness surveys	Ricoh Group (Japan)	—	84.5	85.0	GRI: N/A ISO26000: N/A SDGs: 8	For the year ended March 31, 2019, data collected from 12 out of 13 major subsidiaries in Japan. Overseas data covers four subsidiaries only (we plan to collect data overseas and elsewhere in the year ended March 31, 2020)	
		Overseas subsidiaries	—	0	54.5			
		Ricoh Group total	—	84.5	79.7			
27	Amount of charitable donations (JPY million)	Ricoh Co., Ltd.	118	104	107			
		Subsidiaries in Japan	6	5	7			
		Overseas subsidiaries	24	53	28			
28	Hours spent for social contribution activities	Ricoh Co., Ltd.	4,989	2,795	1,737	GRI: N/A ISO26000: 6.8 SDGs: 1-17	<ul style="list-style-type: none"> • Collected amounts at 63 Ricoh Group companies • Amounts are based on exchange rates for each year as determined in-house 	
		Subsidiaries in Japan	2,861	3,164	2,896			
		Overseas subsidiaries	28,453	21,264	15,929			
29	Total contributions to society (JPY million)	Ricoh Co., Ltd.	157	120	124			
		Subsidiaries in Japan	20	37	22			
		Overseas subsidiaries	225	189	149			
		Ricoh Group total	402	346	295			

Commitment and Recognition

Commitment to Society > 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 (Ricoch)
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	Announces its support for The Carbon Price Communiqué to counter climate change
September	2014	Announces its endorsement of the Initiative to Support the World Bank Group's Carbon Pricing
September	2014	Announces its support for The Trillion Tonne Communiqué, a call to keep cumulative CO ₂ emissions below a trillion tonnes
February	2017	Joins Ikuboss Alliance (Ricoch Japan)
April	2017	Becomes the first Japanese company to join the RE100, a collaborative, global initiative of influential businesses
August	2018	Commits to recommendations of Task Force on Climate-Related Financial Disclosures
October	2018	Signs Japan Climate Action Summit declaration*
November	2018	Joins Ikuboss Alliance (Ricoch Industrial Solutions)
August	2019	The first Japanese company to participate in the Business for Inclusive Growth initiative (Ricoch)



United Nations Global Compact
This voluntary worldwide initiative encourages companies and organizations to act as good members of society by being responsible and creative leaders and help materialize achieve sustainable growth. Companies are encouraged to implement and comply with this initiative's Ten Principles, covering such areas as human rights, labor, the environment, and anti-corruption.



RE100
The Climate Group launched this global corporate initiative in 2014 to bring together companies committed to 100% renewable energy. That U.K.-based international environmental nongovernment organization had 164 corporate members worldwide as of February 2019.







* Japan Climate Action Summit declaration

This event was in October 2018, ahead of the 24th Conference of the Parties to the United Nations Framework Convention on Climate Change, convened in December that year. The summit was held to issue a strong message from the attending 157 Japanese companies and government and other bodies on measures to combat global warming.

ESG Index Inclusion and Recognition

(as of September 2019)

The Ricoh Group has earned regard externally for its environmental, social, and governance (ESG) initiatives. ESG indexes in Japan and abroad have included Ricoh's stock.

April	2018	Recognized as "Prime" on the oekom sustainability rating		oekom research This is one of the world's leading rating agencies for sustainable investments. The Ricoh Group received a "Prime" sustainability rating from that institution.
July	2018	Selected for the FTSE4Good Index Series > 2, a socially responsible investment index, for the 15th consecutive year		FTSE4Good Index Series FTSE Russell developed the FTSE4Good Index. Since 2001, that wholly owned subsidiary of the London Stock Exchange Group has selected companies with strong environmental, social, and governance practices for inclusion in that benchmark.
July	2018	Continued to be included in the FTSE Blossom Japan Index, which measures the ESG practices of Japanese companies for a second straight year		FTSE Blossom Japan Index This benchmark was created in 2017 to focus on Japanese companies. The Government Pension Investment Fund of Japan has since adopted that benchmark as its share price index for environmental, social, and governance investments.
September	2018	Awarded Bronze Class in sustainability ratings of RobecoSAM, a basis for inclusion in Asia Pacific Index of Dow Jones Sustainability Indices		Dow Jones Sustainability Indices S&P Dow Jones Indices of the United States and RobecoSAM of Switzerland jointly developed the Dow Jones Sustainability Indices, conducting an annual analysis of corporate sustainability from environmental, social, and governance perspectives to rank outstanding companies comprehensively on the basis of sustainability and market capitalization.
November	2018	Awarded the top "Gold Rating" in EcoVadis supplier survey for the fourth straight year		EcoVadis This entity assesses suppliers from 155 countries and across 198 business sectors on corporate policies, initiatives and achievements in areas concerning the environment, labor and human rights, ethics, and sustainable procurement. The Ricoh Group ranked within the top 5% of all EcoVadis surveyed companies in 2018.
June	2019	Included in MSCI Japan Empowering Women Index for a second straight year		MSCI Japan Empowering Women Index This index calculates scores for companies based on disclosure relating to the proportions of women hired and managerial positions held by women and diversity initiatives. It includes companies with long-term sustainable growth prospects. Japan's Government Pension Investment Fund uses this benchmark in selecting equities for investment.

 Refer to our website

- 1 **Commitment to society** www.ricoh.com/sustainability/society/vision/concept.html
- 2 **FTSE4Good** www.ftserussell.com/products/indices/ftse4good

Major Awards

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

April	2018	Receives 2017 Environment Minister's Award for Global Warming Prevention Activity
April	2018	RICOH SC-10A (H) work assistance camera system wins bronze price in 15th Image Information Awards (Ricoch Industrial Solutions)
May	2018	New returnable eco packaging for copier machines receives the 2018 WorldStar Award (Ricoch Technologies)
August	2018	Receive 5th Female Engineer Training Success Award
August	2018	No. 1 in J.D. Power 2018 Color Laser Printer Customer Satisfaction Survey (Ricoch Japan)
September	2018	Placed first for fourth consecutive year in two IT-related J.D. Power customer satisfaction survey categories (Ricoch Japan)
September	2018	Ricoch products chosen as finalists at US-based IDEA 2018
October	2018	PENTAX K-1 Upgrade Service receives Good Design Best 100 award
October	2018	Receives Buyers Lab 2019 PRO Awards for its color production printers
October	2018	Ricopy 101, released in 1955, is first copier machine to receive Mechanical Engineering Heritage certification
November	2018	RICOH THETA 360° camera wins Patent Office Commissioner Prize in the Kanto Regional Invention Awards (Ricoch)
November	2018	Receives Director-General for Technology Policy Coordination and Industrial and Product Safety prize in 2018 Product Safety Awards of Ministry of Economy, Trade and Industry
December	2018	RICOH Eco Business Development Center wins New Energy Foundation Chairman's Award in 2018 New Energy Awards
January	2019	Wins Silver and Special Jury prizes in 70th National Calendar Contest
February	2019	Receives Grand Award in nano tech Awards 2019
February	2019	Receives Environmental Report Excellence Award in 22nd Environmental Communication Awards
February	2019	Recognized under 2019 Certified Health & Productivity Management Outstanding Organizations Recognition Program, also known as White 500 (Ricoch, Ricoch Leasing, Ricoch Japan)
March	2019	Gifu Branch of Ricoch Japan acquires Nearly ZEB certification for using renewable energy and conserving energy (Ricoch Japan)
April	2019	High-end RICOH GR III compact digital camera and RICOH THETA Z1 win prizes in their categories in 2019 TIPA Photo & Imaging Awards (Ricoch Imaging)
April	2019	Receives Contribution Award in 51st Ichimura Technology Awards for creating slim 360° camera employing twin lens folded optics
May	2019	Receives Special Encouragement Award in Nikkei DUAL's Childraising-Friendly Companies Grand Prix 2019
June	2019	RICOH Pro VC70000 wins EDP Award 2019



WorldStar Award

The World Packaging Organization bestowed the 2018 award in recognition of returnable eco packaging that Ricoch Technologies Co., Ltd., developed for copiers. That organization gives this preeminent international award in packaging to promote selected products that have already received recognition from packaging organizations around the world. Key award selection factors are protection and conservation, usability, design, economy, and environmental friendliness.



BLI Awards

Buyers Lab (BLI) of the United States, a unit of Keypoint Intelligence, has been the world's leading independent evaluator of document imaging software, hardware, and services for more than 50 years. Ricoch received two Buyers Lab 2019 PRO Awards for color production printers. These awards recognize production printer excellence based on rigorous BLI field tests of productivity, image quality, paper compatibility, and operability.



Social Contribution

We maintain a groupwide basic policy and prioritize key areas for social contributions to help resolve social issues as a good corporate citizen.

We leverage the strengths of Group companies and our human resources to build partnerships with likeminded stakeholders while undertaking initiatives to pursue sustainable social progress.

Printed Memory Program (Europe) >1

Ricoh Europe PLC launched this program in September 2017 to assist those with Alzheimer's Disease and dementia.



Under this initiative family members and friends can upload digital photos to obtain tools to create picture postcards for sufferers. The cards remind recipients of people close to them. Proceeds from sales go to fund Alzheimer's Disease research. In 2018, more than 800 employees took part in the program, raising about £100,000 (about ¥13.3 million).

Ricoh Europe is jointly producing Dementia Uncovered, a short film to deepen awareness of this illness.

Ricoh Global SDGs Action (Singapore) >2

Ricoh Asia Pacific Pte, Ltd. held its Eco Action Day Roundtable in May 2019. This event brought together representatives of the public and private sectors to focus on pursuing zero waste in keeping



with SDG 13: Climate Action. The gathering called on individuals and organizations to pledge positive actions for the environment.

The Ricoh Group initiated Global Eco Action events in 2006 to commemorate World Environment Day, which was established by the United Nations in 1972 and is celebrated on June 5 each year. In 2019, we renamed our events Ricoh Group Global SDGs Action to underscore efforts not just to decarbonize economies but also to foster concerted efforts among all Group employees to help resolve diverse social issues and thereby accelerate contributions to attaining SDGs.

Fostering youth

* Intel
Intel is a trademark of Intel Corporation in the United States and other countries.

Intel* International Science and Engineering Fair

Since 2005, Ricoh USA, Inc. has been a major sponsor of this technology contest to encourage young people to create new knowledge, offering awards and scholarships for research excellence.



Ichimura Nature School Kanto


This institution in Japan fosters growth and understanding among children of the power of nature through practical experiments focused on agriculture and communal living.



Ricoh Science Caravan

We leverage our personnel and technologies in developing and running this program to provide opportunities to interest children in the sciences, holding classes at science museums across Japan.



 Refer to our website

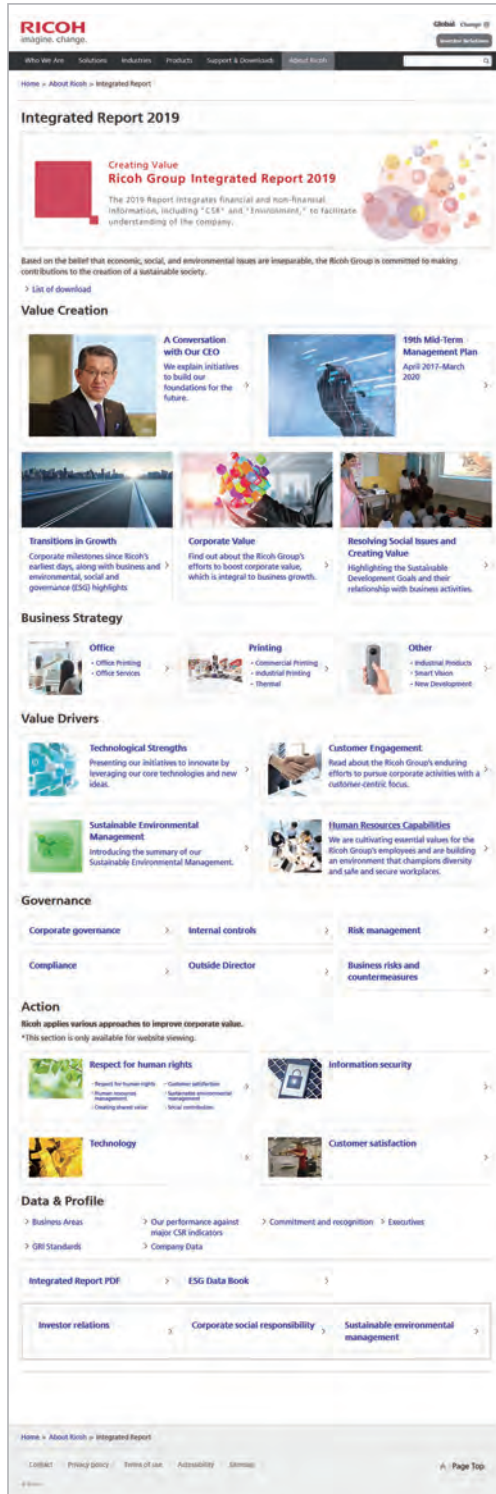
- 1 Printed Memory Program www.printed-memories.com/
- 2 Ricoh Global SDGs Action 2019 www.ricoh.com/info/2019/0530_1/

Company Data

Company Name	Ricoh Company, Ltd.
Date of Establishment	February 6, 1936
Head Office	3-6, Nakamagome 1-chome, Ohta-ku, Tokyo 143-8555, Japan Phone: +81-3-3777-8111
Representative Directors	Yoshinori Yamashita President and CEO
Capitalization	135.3 billion yen (as of March 31, 2019)
Consolidated Sales	2,013.2 billion yen (year ended March 31, 2019)
Number of Consolidated Companies	220 companies (as of March 31, 2019)
Main Business	<p>Office Printing MFPs (multifunction printers), copiers, laser printers, digital duplicators, wide format printers, facsimile, scanners, related parts & supplies, services, support and software</p> <p>Office Service Personal computers, servers, network equipment, related services, support, software and service & solutions related to document</p> <p>Commercial Printing Cut sheet printer, continuous feed printer, related parts & supplies, services, support and software</p> <p>Industrial Printing Inkjet head, imaging systems and industrial printers</p> <p>Thermal Media Thermal media</p> <p>Other Optical equipment, electronic components, semiconductor devices, digital cameras, industrial cameras, 3D printing, environment and healthcare</p> <p><small>Ricoh redefined its business domains and adopted new operating segments as of April 1, 2017.</small></p>
Number of Employees	92,663 (as of March 31, 2019)
Stock Listings	Tokyo
Independent Public Accountant	Deloitte Touche Tohmatsu 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 240 Greenwich Street, New York, NY 10286, U.S.A. Phone: +1-201-680-6825 U.S. toll free: +1-888-269-2377 (1-888-bny-adrs) Website: www.adrbnymellon.com

Featured Information in Online Version of Integrated Report

 **Online version** >
www.ricoh.com/about/integrated-report/



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Integrated Report 2019

Creating Value
Ricoh Group Integrated Report 2019
 The 2019 Report integrates financial and non-financial information, including "CSR" and "Environment," to facilitate understanding of the company.

Based on the belief that economic, social, and environmental issues are inseparable, the Ricoh Group is committed to making contributions to the creation of a sustainable society.

> List of download

Value Creation

A Conversation with Our CEO
 We explain initiatives to build our foundations for the future.

19th Mid-Term Management Plan
 April 2017-March 2020

Transitions in Growth
 Corporate milestones since Ricoh's earlier days, along with business and environmental, social and governance (ESG) Highlights.

Corporate Value
 Find out about the Ricoh Group's efforts to boost corporate value, which is integral to business growth.

Resolving Social Issues and Creating Value
 Highlighting the Sustainable Development Goals and their relationship with business activities.

Business Strategy

Office
 Office Printing
 Office Services

Printing
 Commercial Printing
 Industrial Printing
 Thermal

Other
 Industrial Products
 Smart Vision
 New Development

Value Drivers

Technological Strengths
 Promoting our initiatives to innovate by leveraging our core technologies and new ideas.

Customer Engagement
 Read about the Ricoh Group's enduring efforts to pursue corporate activities with a customer-centric focus.

Sustainable Environmental Management
 Introducing the summary of our Sustainable Environmental Management.

Human Resources Capabilities
 We are cultivating essential values for the Ricoh Group's employees and are building an environment that champions diversity and safe and secure workplaces.

Governance

Corporate governance > **Internal controls** > **Risk management** >

Compliance > **Outside Director** > **Business risks and countermeasures** >

Action

Ricoh applies various approaches to improve corporate value.
 *This section is only available for website viewing.

Respect for human rights
 Respect for human rights
 Human resources management
 Diversity management
 Supplier satisfaction
 Sustainable environmental management
 Social contribution

Information security

Technology

Customer satisfaction

Data & Profile

> Business Areas > Our performance against major CSR indicators > Commitment and recognition > Esourtes

> GRI Standards > Company Data

Integrated Report PDF > **ESG Data Book** >

Investor relations > **Corporate social responsibility** > **Sustainable environmental management** >

Home > About Ricoh > Integrated Report

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Page Top

Beginning in 2015, the Ricoh Group Integrated Report (Sustainability Report) is available in a booklet version (printed and PDF*), which offers a concise account of stories and measures aimed at boosting corporate value, with specific activities and systems for realizing these objectives as well as associated results described in the online version.

Our objective is to provide readers with effective access to information and enable them to gain cross-sectional insight into the financial and non-financial activities of the Ricoh Group.

* Adobe PDF is a trademark or a registered trademark of Adobe Systems Incorporated in the United States and other countries.

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

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