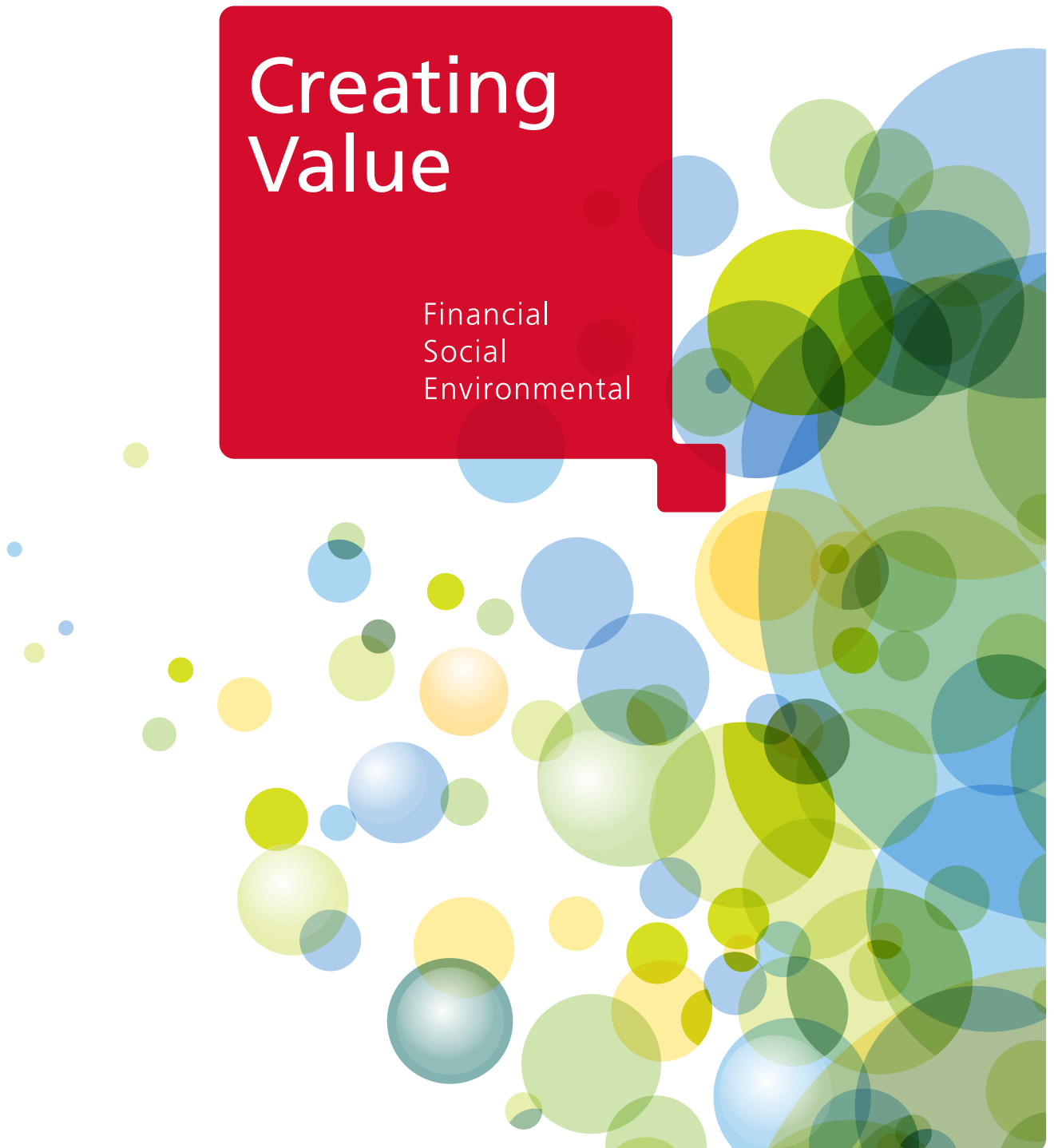


Ricoh Group Integrated Report 2018

**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

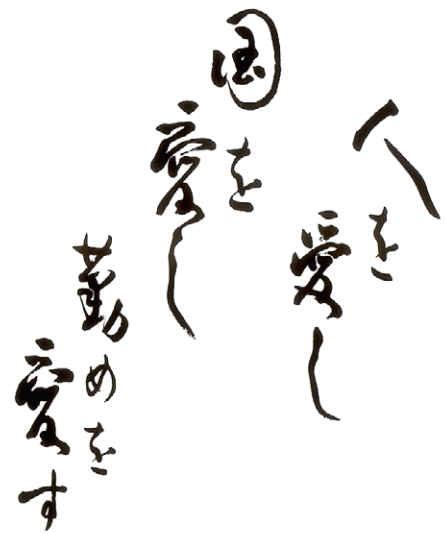
Respect all stakeholders and co-create value

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.

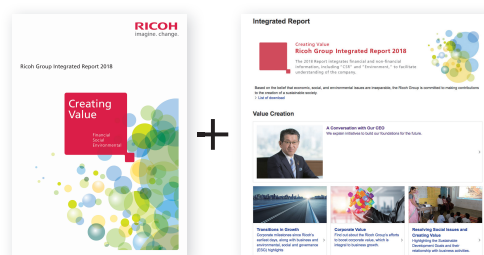
Policy on information disclosure

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.82



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 fiscal year from April 1, 2017 to March 31, 2018; however, some activities from the fiscal year ending March 31, 2019 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 Sustainability Report reflects suggestions from discussions with experts, including institutional investors and think tanks, on improvements to the previous report.

Major organizational changes

• Transfer of shares in San-Ai Kanko Co., Ltd., on December 28, 2017

We transferred 70% of our stake to the Kumamoto Future Creation Fund. We will continue to support San-Ai Kanko to ensure that its operations continue to progress well.

• Transfer of shares in Ricoh Electronic Devices Co., Ltd., on March 1, 2018

We transferred 80% of our holding to Nisshinbo Holdings Inc. We will continue to support that equity method affiliate, by for example providing infrastructure services.

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 material shall be interpreted as a recommendation and/or endorsement by Ricoh.

This material is not an offer or a solicitation to make investments. Please do not rely on this material as your sole source of information for your actual investments, and be aware that you yourself are responsible for decisions regarding investments.

Exchange rates referred to in this report

The translation of Japanese yen amounts into U.S. dollar equivalents as of and for the year ended March 31, 2018 is included solely for the convenience of readers outside Japan and has been made using the exchange rate of ¥106 to US\$1, the approximate rate of exchange prevailing at the Federal Reserve Board at the end of March 2018.

 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 new innovations to the world through its revolutionary optical and imaging equipment. The operating climate has continued to change over the years. Today, issues such as 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 to drive sustainability.

Swift and dynamic reforms are vital for us to continue growing in this rapidly changing world. At the start of 2017, we launched RICOH Resurgent, 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. Under RICOH Resurgent, we have already begun to reform our cost structures and business processes and pursue business selectivity while strengthening governance.

We launched RICOH Ignite, our growth strategy plan at the start of 2018. This strategy sets out how we will drive growth and establishes challenging targets for the second and third years of our mid-term management 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 attain sustainable development goals through business.

We are leveraging 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 2018

Yoshinori Yamashita
President and CEO



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

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.



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)

- Business
- Environmental, social and governance issues

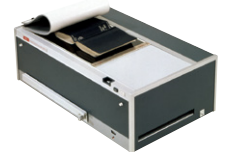
- 1936** ● Establishes Riken Kankoshi Co., Ltd. (the Ricoh Group commences operations).
- 1938** ● Renames company, Riken Optical Co., Ltd.
- 1950** ● Launches the Ricohflex III camera, which spurs the popularization of cameras.
- 1955** ● Enters the office copier field with the Ricopy 101, its first 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 Ricom 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



Ricom 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–

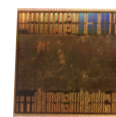
A global company

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 by Ricoh 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.



RICOH Interactive Whiteboard D5500



RICOH PJ WX4130N



RICOH Unified Communication System P3000



PENTAX 645Z



RICOH THETA

RICOH Ignite launched to steer the Group toward growth using an open management approach and by fostering organization-wide efforts to pursue challenging targets



Yoshinori Yamashita
President and CEO

Q1 How did Ricoh fare in the year ended March 31, 2018?

On becoming president and CEO in April 2017, I spoke to stakeholders, including shareholders and other investors, of my determination to make a new start for Ricoh and to challenge conventional wisdom.

I launched RICOH Resurgent, our 19th Mid-Term Management Plan given the very real possibility that without it the Company would be deeply in the red by the year ending March 31, 2020. RICOH Resurgent sets out our internal and external commitment to reviews that would leave no stone unturned. These reviews intend to identify and remove any barriers to growth under our new management framework and to enable the pursuit of our extensive structural reforms. In the year ended March 31, 2018, we had to post a large loss owing to Ricoh India >1 and impairment charges for previous acquisitions. >2

Stakeholders should note, however, that the loss resulted from a review of business assets to enhance their prospects for profitability. This effort was vital to swiftly steer our growth strategy in the right direction.

What is important to note is that when you remove the impairment charges and other extraordinary factors, our underlying operating profit actually rose for the year, attesting to our improved profitability.

The outcome shows that we progressed ahead of schedule in our structural reforms. By reinforcing our earnings power and optimizing assets, we positioned ourselves for a new phase of growth.

At this start of this year, I launched RICOH Ignite, our growth strategy plan. We are leveraging the fruits of the reforms undertaken to date to deploy strategies to reach challenging targets groupwide.

Q2 How would you evaluate RICOH Resurgent initiatives?

Our initiatives in the first year of our 19th Mid-Term Management Plan entailed overhauling our cost structure, reforming business processes, and pursuing business selectivity.

On the cost restructuring front, we reviewed our in-house manufacturing and direct sales and services approaches to integrate or close production sites, pare down model development, and streamline headquarters and back-office tasks. In our core office printing business in particular, we shifted strategically away from pursuing sales and market share to prioritizing profit. To that end, we focused on transforming the organization and optimizing fixed costs and other expenditure. Cost improvements bore fruit in the year ended March 31, 2018, although I hasten to add that efforts to optimize the North American sales structure are ongoing.

Business process reforms focused largely on enhancing productivity using shared services and improving maintenance processes by augmenting the features of our new MFPs. Another key effort was to cut costs by automating production. Such endeavors are essential to improve the organization and make us more robust. We will continue pushing ahead with reforms to enhance our ability to grow and meet the needs of our customers.

We are moving forward with our business selectivity efforts in order to focus resources on a limited number of strategic growth areas. We left no stone unturned in assessing businesses according to whether they could grow with in-house resources, lacked resources that would drive growth, or had no growth prospects. We undertook several divestments in the year ended March 31, 2018. We transferred shares in our electronic devices business to strengthen its competitiveness and make it more agile. We sold our shares in a business that operates

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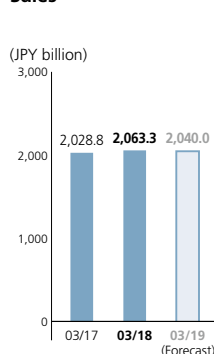
1 The Financial Irregularities at an Overseas Consolidated Subsidiary
P15-16

2 Impairment Losses
P17-18

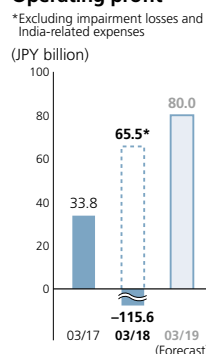
Results

Sales increased 1.7%, to ¥2,063.3 billion. We posted operating loss of ¥115.6 billion. After excluding Ricoh India-related expenses and impairment charges for previous acquisitions, including in the United States, however, we would have increased operating profit by 93%, to ¥65.5 billion.

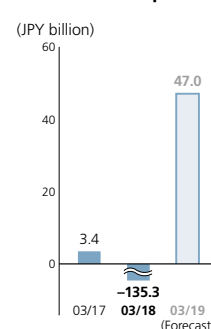
Sales



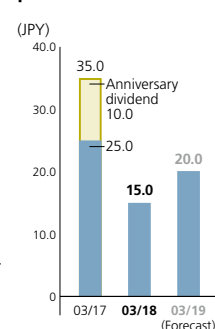
Operating profit



Profit attributable to owners of the parent



Cash dividends per share



in the tourism sector. The public-private fund that acquired the business looks set to invest extensively so that it can leverage its business knowhow with its new sponsor. We also sold all of our shares in Coca-Cola Bottlers Japan Holdings through a tender offer. Then in August 2018, we transferred shares in Ricoh Logistics into a new alliance with a leading logistics firm in order to bolster the Group's logistics capabilities and increase our competitiveness. We will continue to evaluate all our businesses and step up our focus on structural reforms to accelerate our shift toward growth businesses.

On top of all that, we surged forward with specific measures to support our growth strategies by reinforcing and reforming our operational infrastructure. We reorganized our headquarters, deployed a structure for new business creation and rebuilt processes. We strengthened our accounting and finance functions, revamped our structure, and reviewed business management units based on our strategic shift. We additionally embarked on comprehensive efforts to reinforce governance in view of events that took place in Ricoh India. Director terms are now limited to one year, we have a new performance evaluation system for internal directors, we have abolished our management advisory system and have set up a committee to review and enhance global governance.

Also, we stepped up communication with shareholders and other stakeholders. Since taking the helm, I have embraced every opportunity to engage in dialogue to solicit management feedback and guidance from shareholders and other investors in Japan and abroad. We look to solidify the Group's foundations by deepening stakeholder engagement while refocusing management to become more aware of capital efficiency and costs.

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19th Mid-Term Management Plan P19-20

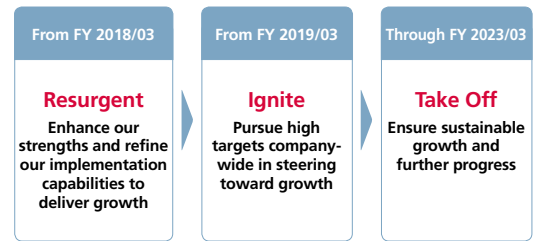
Sustainable development goals (SDGs)

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.

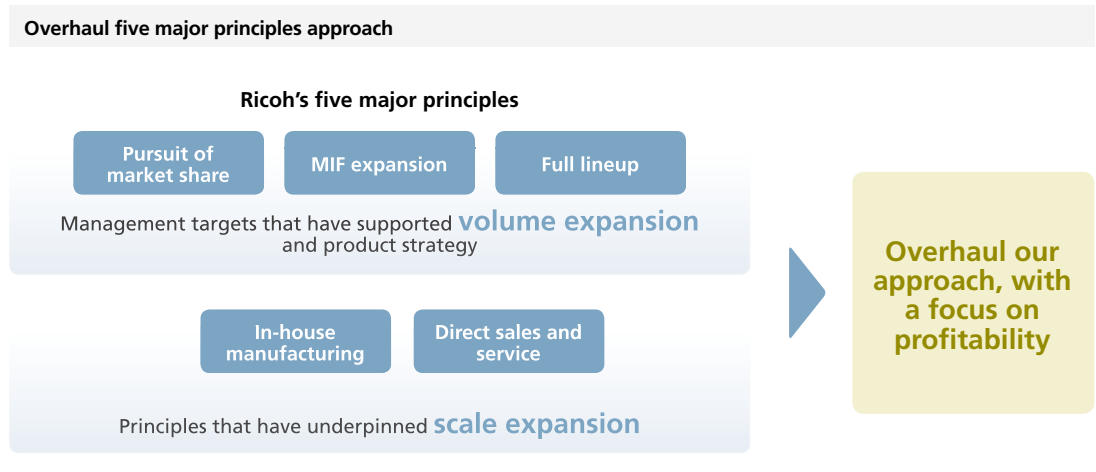
Q3 How is the RICOH Ignite growth strategy progressing?

In the year ended March 31, 2018, the first year of RICOH Resurgent, we devoted energy to enhancing our strengths and refining our implementation capabilities to deliver growth. Over the next two years, we are pursuing our growth strategies as set out in RICOH Ignite. This is our platform for achieving challenging targets companywide and steering toward growth. Up to March 31, 2021, we will work toward sustainable growth and further progress being achieved. > 1

Position "Ignite" as a stage in the growth strategy through FY 2023/03



SDGs > 1 are one element of social megatrends that are shaping the business climate for the Ricoh Group. Companies that fail to help achieve SDGs will not be able to generate sustainable growth. This includes businesses that may be highly profitable but have poor reputations. We must make it our mission to help resolve social issues through business. Another trend is that the diversification of individual lifestyles and values which will likely accelerate in the years ahead. Printing technology should play an increasingly important role as these trends unfold. This technology was one of the great fruits of the Renaissance. In the centuries since, it has played a pivotal part in disseminating and sharing



information and accumulating human knowledge. Recent years have seen MFPs become networked digital devices that process workflows through the cloud. So, I believe that we can continue to innovate by using printing and digital technologies.

At the RICOH Ignite stage, 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, thereby helping to achieve the SDGs. The Group has embarked on five materiality efforts: create knowledge, enhance productivity, improve the quality of life, decarbonize economies, and materialize circular economies. For these five materialities, we will draw on the Group's core competence in pursuing business that helps resolve social issues, thus simultaneously achieving the SDGs and enhancing the Group's corporate value. When we achieve this, I believe that we will truly revitalize the Group and position it for even further growth. Under RICOH Ignite, we will draw on our strengths to meet the on-demand and mass customization needs that our customers expect. We will do this by leveraging our strengths in printing, capturing, and other technologies to connect customers, sales and service networks, and customer devices. We will also champion an open management style which is central to this strategy. By moving away from a go-it-alone approach, we can swiftly deliver value in ways we could not have done before, drawing on external resources and open innovation to create new

businesses. A good example of this has been our collaboration with FANUC to develop machine fault detection sensing systems for machine tools. Another has been a joint development effort with MinebeaMitsumi in bed sensing systems for long-term care. We also look to change work practices within the Ricoh Group through an internal digital revolution so we can apply our practical knowledge to serve customers and provide even greater value for them.

Ricoh must broaden the scope of its products and services to contribute to a sustainable economy, drawing on EMPOWERING DIGITAL WORKPLACES and other tools to deliver new value. RICOH Ignite, which we announced in February 2018, encompasses three growth strategies that draw on our strengths.

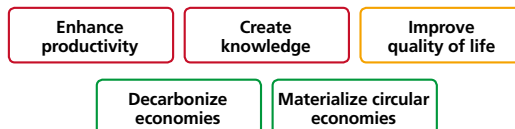
Trends affecting the business climate

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

Ricoh's five materialities > 1

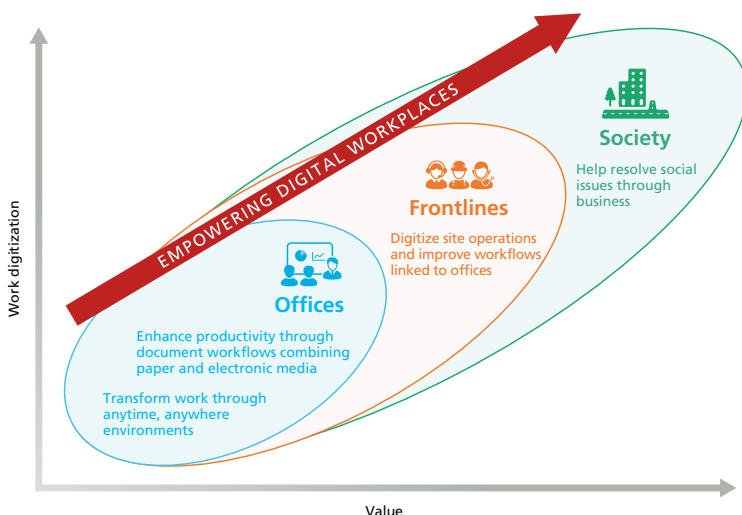


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1 Ricoh Group's materiality P23

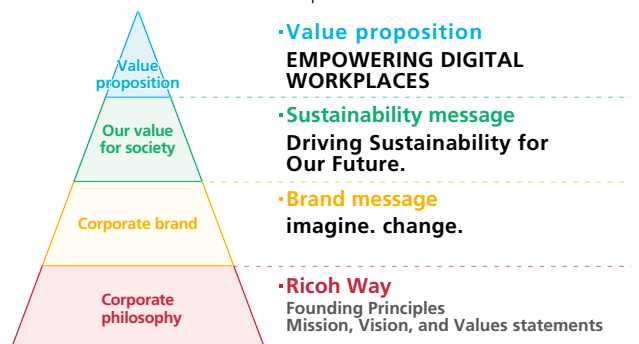
Ricoh's approach

Workplace expansion and our value proposition

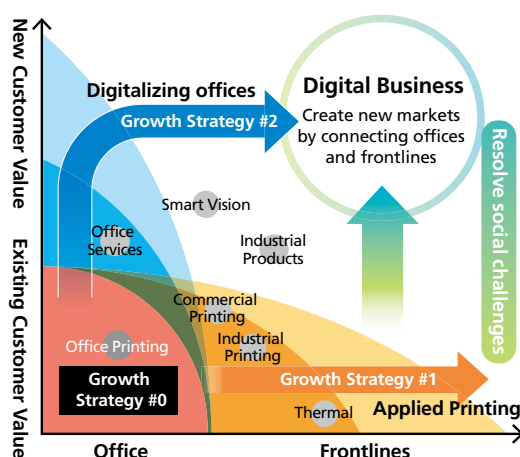


Value proposition positioning

Ricoh formulated its value proposition in keeping with its corporate philosophy and corporate brand message to express the concerted commitment of Ricoh employees everywhere to its customers and the communities in which it operates.



Three growth strategies that draw on our strengths



Growth Strategy #0 covers existing and core businesses, centered on office printing. Here, we will expand customer value and enhance operational efficiency. Core businesses have amassed a plethora of optical, image processing, mechanical, electrical, chemical, control, and other technologies over the years. Under growth strategies #1 and #2, we are leveraging advanced printing capabilities incorporating these technologies and the 1.4 million corporate customers we have worldwide to cultivate businesses and markets as new sources of revenue.

Growth Strategy #0

Creating a robust foundation for our core businesses

We will automate production and streamline maintenance processes by employing robotics, artificial intelligence, and other technologies of the future. We also aim to outsource production and application software development, digitize the supply chain and make it more sophisticated. We aim to reach the lowest operational cost levels in our industry. At the same time, we will take MFPs further up the value curve, evolving them to become core office systems. We will link MFPs and business application software through the cloud to create solutions that make customer workflows more efficient.

Growth Strategy #1

Driving an industrial revolution with printing technology

We will propel advances in commercial and industrial printing technology applications to expand our customer base. This will be achieved by extending printing beyond paper media to encompass display printing, such as on apparel and construction materials. We will also enhance progress in additive manufacturing through 3D printers and in cell lamination through bioprinting. We will ultimately expand printing to play a role in such diverse fields as drug discovery and regenerative medicine.

Outlook for the fiscal year ending March 31, 2019

	FY 2019/03 Forecast	(JPY billion) Change
Sales	2,040.0	-1.1%
Operating profit	80.0	—
Operating margin	3.9%	—
Profit attributable to owners of the parent	47.0	—
EPS (JPY)	64.84	—
ROE	5.0% or more	—
R&D expenditures	110.0	-1.0
Capital expenditures (Property, plant and equipment)	83.0	10.7
Depreciation (Property, plant and equipment)	66.5	-1.9

*Exchange rate: USD/JPY=105.00; EUR/JPY=130.00

Announced on April 27, 2018

The Ricoh Group's financial targets

	FY 2020/03 Target	(JPY billion) FY 2023/03 Target
Sales	2,200.0	2,300.0
Operating profit	100.0	185.0
Operating margin	4.5%	8.0%
ROE	6.9%	9.0% or more
FCEF (Free cash flow excluding finance business)	100.0	250.0
	Total FCEF over three years	Total FCEF over three years

Announced on April 27, 2018

Shareholder returns

Ricoh will set aside internal reserves to strengthen its corporate structure and cultivate new businesses while striving to deliver stable dividends to shareholders. We will do this by considering factors such as medium-term earnings projections, cash flows, and our financial position. We intend to allocate retained earnings to reinforce our core businesses and concentrate investments in businesses offering medium- and long-term growth potential. In the year ended March 31, 2018, cash dividends were ¥15.0 per share. For the year ending March 31, 2019, we plan to raise dividends to ¥20 per share.

Growth Strategy #2

Building value to bring offices and frontlines together

We will enhance customer productivity and create knowledge by providing support through new solutions that combine our digital equipment, the Internet of Things, artificial intelligence, and other advanced technologies. We will evolve MFPs, interactive whiteboards, teleconferencing and Web conferencing systems, the 360° RICOH THETA camera, and other offerings based on our commitment to smarter workplaces. These solutions will deliver reforms that enhance work efficiency wherever people work and help streamline communication. People the world over using such equipment will be able to digitize and collect text, images, audio, and a lot of other information. We will collaborate with powerful players in application software, data infrastructure, artificial intelligence, security, and other areas to accumulate and analyze various data sources. We will offer [edge devices](#) ¹ and applications that contribute to business success for our customers, fostering progress in customer knowledge, productivity and collaboration.

Kindling new possibilities

Ricoh's healthcare business is another key in providing new value to help resolve social issues. One example is our bed sensing system that accurately monitors body movements, respiration, and other biological

information. Another is our magnetoencephalograph that can swiftly identify epilepsy, Alzheimer's disease, and other ailments.

Q4 Commitments to stakeholders

Over the years, the Ricoh Group has delivered value to customers worldwide through office innovations. 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. ¹

I view our growth approaches as pledges to stakeholders. For employees, I want to set up new frameworks and programs that motivate them to pursue new challenges so they can create new customer value. For customers, we will continue to provide new value by delivering top-quality products and services that are safe and secure. We will serve shareholders by delivering corporate value that packages financial and environmental, social, and governance (ESG). Finally, we will contribute to society by helping achieve economic sustainability through business.

These pledges bind us intimately to our stakeholders, and we will achieve our growth strategy, so that we can perpetually safeguard this bond.

Refer to these pages

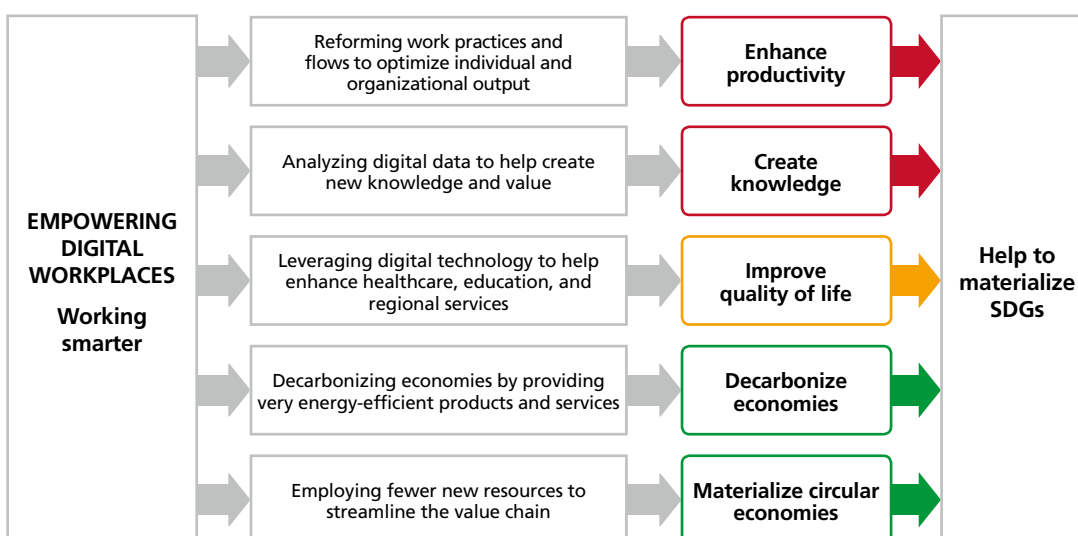
¹ Resolving Social Issues and Creating Value P23-24



1 Edge devices

These are MFPs, cameras, and other networked systems with data processing capabilities that can input and output text, photo, audio, video, and other information.

Contributors to Ricoh materializing its value proposition and SDGs



The Financial Irregularities at an Overseas Consolidated Subsidiary

Regarding the Circumstances and Response to the Financial Irregularities at an Overseas Consolidated Subsidiary and the Subsequent Decision to Terminate Financial Support

The impact on financial results for the fiscal year ended March 31, 2018

In the financial results for the fiscal year ended March 31, 2018, the Ricoh Group posted a loss of ¥11.7 billion in relation to our overseas consolidated subsidiary Ricoh India Limited (“Ricoh India”).

Since signs of the financial irregularities were recognized in 2015, Ricoh India has been trying to effectuate management reforms, cost reductions and other measures for the purpose of rehabilitating its business; however, its business performance has not improved. In these circumstances, in the fiscal year ended March 31, 2018, after reviewing the situation in Ricoh India again, we decided to terminate financial support, and announced this on October 27, 2017. At that point, we posted expenses of ¥6.5 billion in the second quarter ended September 30, 2017 as an allowance for assets not expected to be collected, including debts. Following this, we further examined assets and determined that we cannot expect to make collections in the future for assets such as inventory and accounts receivable, and so recorded an allowance of ¥5.2 billion in the fourth quarter ended March 31, 2018.

Background

Following the filing of its first quarter financial results ended June 30, 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 period and revised their results. Ricoh filed a petition with the National Company Law Tribunal (“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 Chairman of Ricoh India, Ricoh endeavored to normalize accounting and finance functions, execute appropriate reporting of accounts and implement recurrence prevention measures under the new management.

Under these circumstances, the business relationship with Ricoh India’s major IT vendor, Fourth Dimension Solutions (Headquarters: New Delhi, National Stock Exchange of India, “FDS”) has deteriorated. Ricoh India continued negotiations to review its business relationship in order to improve the profitability of several joint projects with FDS, however due to the frequent default of contracts by FDS, part of the contract with FDS was cancelled in March 2017, and negotiations for the return of advanced payments continued.

However, in September 2017, FDS filed a petition with the NCLT to initiate insolvency proceedings for Ricoh India’s insolvency, under the Insolvency and Bankruptcy Code of India. Although the petition was rejected, the dispute with FDS had surfaced. FDS filed the same petition again on October 26, 2017, but the petition was rejected, the same as the first time.

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 have 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.

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 has 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 has deteriorated, and it resulted in default of contracts by the vendor and failure to collect receivables from business partners. Ricoh India announced that, since Ricoh India has reached a position where it is unable to meet its liabilities, it decided to file the application 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, Ricoh will closely monitor the decision of the NCLT of India. We recognize the importance of providing services to our customers, and we will make every effort to continue to provide services to our customers in India and maintain the quality of that service going forward. Any information that needs to be reported regarding future situations will be promptly reported.

* Reconstruction process based on the Insolvency and Bankruptcy Code of India:

After the NCLT admits the application filed under Section 10 of the Code, NCLT will appoint a resolution professional to be vested with the management of corporate debtor and there will be a prescribed time period during which a resolution plan is to be prepared and submitted to the committee of creditors and to NCLT for their approvals. In the event where any resolution plan is not submitted to NCLT within the time period or where other events stipulated in the Code occur, the NCLT will pass an order requiring the corporate debtor to be liquidated.

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-Pacific) were in charge of managing overseas sales subsidiaries in their regions.

Among our overseas subsidiaries, Ricoh India is the only one that is listed on the local stock market, and in accordance with listing rules in India, a management governance system has 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 discover 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 undertaken the following measures to prevent recurrence through strengthening cooperation between Japan headquarters and regional headquarters/overseas subsidiaries.

In January 2018, in light of the fact that Ricoh India filed a petition for initiating corporate insolvency resolution process with the NCLT pursuant to Section 10 of the Insolvency and Bankruptcy Code of India, 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.

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.

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.

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.

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

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

Personnel measures

Ricoh deeply regrets this result concerning Ricoh India. On October 27, 2017, we announced that the Representative Director, President and CEO as well as four directors and one executive officer will voluntarily reduce their base monthly compensation by 15% for three months. The former President and CEO (executive adviser as of October 2017) also voluntarily reduced compensation by 30% for three months and resigned as of March 31, 2018. Shiro Kondo retired due to expiry of his tenure of office, as all outstanding issues which arose under his leadership had been, or were in the process of being satisfactorily resolved.

Impairment Losses

Summary of impairment losses

During the fourth quarter of the fiscal year ended March 31, 2018, the Company posted ¥175.9 billion in asset impairment losses. Broken down by business segment, this consisted mainly of ¥148.7 billion for the Office Printing segment and ¥26.9 billion for the Office Service segment.

The assets that suffered impairment losses were goodwill, tangible fixed assets, and intangible assets primarily located in the United States. In the Office Printing segment, this included goodwill for IKON Office Solutions, Inc (“IKON”), acquired in 2008. In the Office Service segment, this included goodwill for mindSHIFT Technologies, Inc (“mindSHIFT”), acquired in 2014.

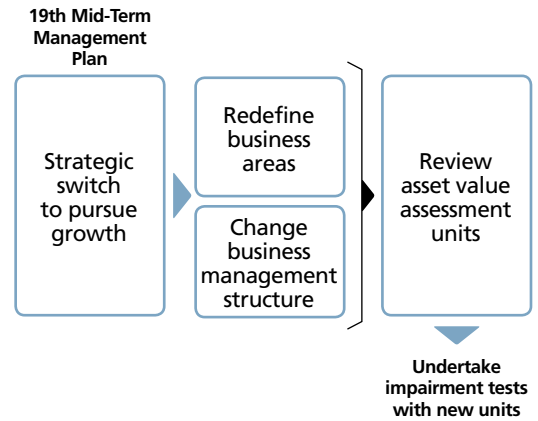
Background of the impairment losses

In the past, the Ricoh Group has managed business based on three disclosed segments: Imaging & Solutions, Industrial, and Other. Of these, Imaging & Solutions was composed of the three categories of Office Imaging, focusing on printers, multifunctional printers and Network System Solutions, which has the same customers and produces sales synergy, and Production Printing, which has some customer overlap and produces technical synergy. Our strategy had been to leverage the synergies of these segments in our core business to expand global sales and achieve growth. Asset evaluation such as goodwill was performed along with these business segment categories.

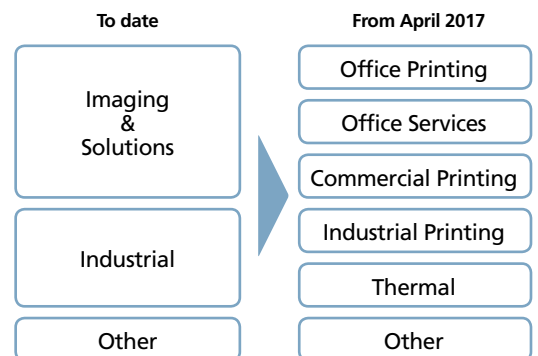
Under the 19th Mid-Term Management Plan, launched in April 2017, our strategy shifted from expanding scale to focusing on profit for the core business segments of Office Printing and Office Service, and we defined a strategic goal of using the cash they created to concentrate investment in growth businesses to change the business structure of the Ricoh Group. In order to carry out business management aligned with this strategy, from the fiscal year ended March 31, 2018, the Company further divided its disclosure segments into Office Printing, Office Service, Commercial Printing, Industrial Printing, Thermal Media, and Other.

At the same time, for each of these six business domains, a system was created that enabled actual management decision-making and business management monitoring using smaller management units. Furthermore, future cash flow was reviewed and asset value was evaluated based on this strategy shift, in the cash generating units newly defined based on management units. As a result, impairment losses were posted.

Impairment tests for new units in line with strategic switch



Redefine business areas



Main companies with impairment losses

Below is a supplementary explanation of the background behind IKON and mindSHIFT, the main companies for which the impairment losses were posted.

[IKON]

IKON, which accounted for a significant portion of the impairment losses, was acquired in 2008. The acquisition of IKON made it possible for the Company to expand Office Printing, Office Service, and Commercial Printing businesses in the U.S. and secure management resources such as a customer base, personnel, and know-how that could be leveraged for future growth. As a result, the acquisition of IKON is recognized as having achieved positive results to a certain extent.

On the other hand, paperless work environments have increased, primarily due to the increase in the use of cloud and mobile technologies and digitization progressing even faster than expected. In North America, competition intensified for Office Printing business, and unit prices continued to decline, with fundamental issues in the revenue structure.

From the 19th Mid-Term Management Plan, Office Printing business in developed countries has switched from a strategy of scale expansion to one comprehensively focused on profit. After reviewing future cash flows, which were based on the assumption of ongoing investment, it became apparent that we needed to recognize impairment losses for goodwill, tangible fixed assets, and intangible assets, primarily related to the acquisition of IKON.

[mindSHIFT]

mindSHIFT was acquired in 2014. The acquisition of mindSHIFT made it possible for the Company to expand Service business in the U.S., develop service offerings (service menu for resolving customers' challenges), resolve customers' issues and secure the personnel and know-how needed to earn customer trust.

However, the rapid growth of cloud services and market environment changes such as the intensified competition increased the likelihood that it would not be possible to achieve the profitability initially forecast.

"RICOH Resurgent" responds to these environment changes by concentrating the existing Office Service segment in businesses with profit contribution potential. In addition, the growth strategy announced in February 2018 (RICOH Ignite) shifts resources to development capable of adding Ricoh-oriented value to the customer base, which is one of the strengths of the Ricoh Group.

After review of future plans that reflect this change in strategy, impairment losses were recognized primarily for goodwill in conventional IT service business acquired under the previous strategy with the purpose of Service business expansion.

Future measures

The Ricoh Group will consider acquisitions as means to acquire management resources for business growth as necessary. However, in response to the posting of impairment losses, we will improve the acquisition process, namely, acquisition targets will be selected more in line with the growth strategy, and acquisition costs will be more rigorously assessed at the time of acquisition. We will also improve headquarters functions for their implementation. In addition, thorough monitoring will be conducted during the integration process after the acquisition as well, with the adequate involvement of the headquarters upon setting KPIs appropriate for each project, instead of leaving it to the discretion of the local offices.

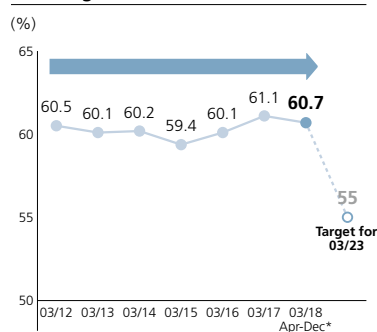
19th Mid-Term Management Plan (April 2017–March 2020)

In the year ended March 31, 2018, we rolled out the RICOH Resurgent strategy to enhance our strengths and refine our implementation capabilities to deliver growth. Over two years through March 31, 2020, we aim to pursue challenging targets companywide in steering toward growth.

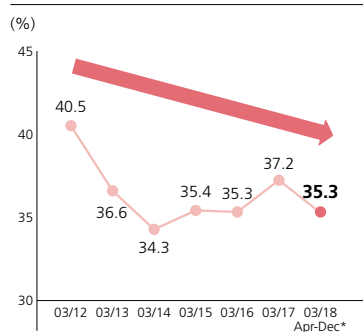
Key RICOH Resurgent initiatives in first year of 19th Mid-Term Management Plan

	Implementation
Cost structure reforms and streamlining <ul style="list-style-type: none"> Reviewed in-house manufacturing focus Revamped direct sales and service 	<ul style="list-style-type: none"> Integrated or closed production sites Rationalized product line-up created in-house Streamlined headquarters and back office operations
Business process reforms <ul style="list-style-type: none"> Improved digitized processes 	<ul style="list-style-type: none"> Enhanced productivity by expanding shared services Improved maintenance processes by enhancing service capabilities across more MFP models Lowered costs through production automation
Business focus No stone left unturned in evaluating businesses based on the following criteria: <ul style="list-style-type: none"> Businesses that can grow with internal resources Businesses with growth potential but without resources Businesses with no growth potential 	<ul style="list-style-type: none"> Transferred shares in electronic devices business (80%) Transferred shares in San-Ai Kanko (70%) Completely divested our stake in Coca-Cola Bottlers Japan Holdings Changed support policy for Ricoh India
Overhaul governance	<ul style="list-style-type: none"> Limit director terms to one year Establish performance evaluation system for internal directors Abolish management advisory system Set up governance review committee
Strengthened and reformed headquarters functions	<ul style="list-style-type: none"> Reorganized Enhanced new business creation structure Rebuilt processes Strengthened accounting and finance capabilities Improved corporate underpinnings Reviewed business management units in keeping with strategic switch Strengthened investor and shareholder relations
Reinforce global governance (Review in light of Ricoh India)	<ul style="list-style-type: none"> Have headquarters accounting department manage financial affairs of overseas subsidiaries and transactions exceeding certain amounts Review criteria for appointing accounting firms of overseas subsidiaries Strengthen internal audit by creating a global audit team structure Replace accounting auditors of Group subsidiaries

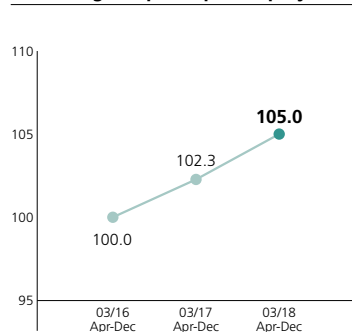
Cost of goods ratio



SG&A ratios



Index of gross profit per employee



*03/18 Apr-Dec: Excluding expense for structural reform and transient gain/expense.

(03/16 Apr-Dec = 100)

From second year of 19th Mid-Term Management Plan: Pursuing Ignite Group growth strategy

Growth Strategy Fundamentals

Develop businesses that leverage our strengths

- Draw on our strengths to cater to on-demand printing and mass customization needs

<Our strengths>

- Customers, sales and service network, and total number of devices
- Print and capture (optical and imaging) technologies embedded in our devices

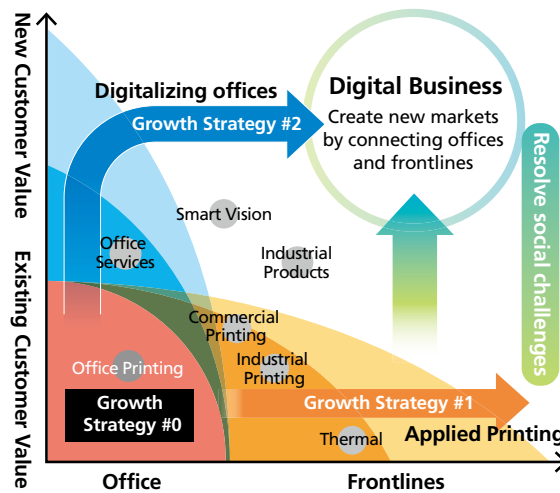
An open management style

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

Focused investments

- Plan to invest more than ¥200 billion in M&A across FY 2019/03 and FY 2020/03

RICOH Ignite Growth Strategy

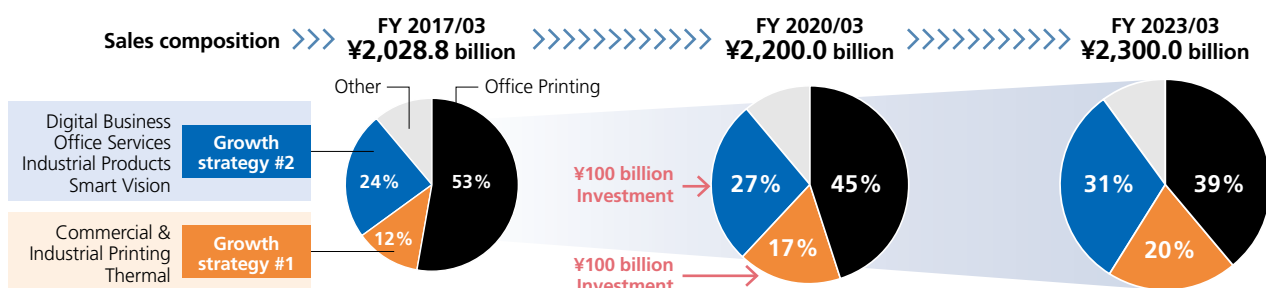


- Growth strategy #0**
Evolve MFP, enhance our operations and secure our customer base
- Growth strategy #1**
Expand customer base by pursuing possibilities of printing technologies
"Display printing" to "Applied printing"
- Growth strategy #2**
Add Ricoh-oriented value to customer base, and connect offices & frontlines

Key Initiatives and KPIs for FY 2019/03

Growth Strategy 0	<ol style="list-style-type: none"> 1. Improve ability to generate earnings through rigorous sales price management 2. Build model plants for digital manufacturing 3. Streamline maintenance service operations 	KPI: MFP sales prices Total A3 and A4 MFP sales divided by number of units sold
Growth Strategy 1	<ol style="list-style-type: none"> 1. Increase of commercial printer MIF by launching new models 2. Set up inkjet head technical support sites 3. Secure external resources through acquisitions and other means 	KPI: Number of new models sold Global units sales of strategic Pro C7200S series and Pro C9200 series
Growth Strategy 2	<ol style="list-style-type: none"> 1. Prioritization based on business and regional characteristics 2. Enrichment of applications on the integrated platform 3. Secure external resources through acquisitions and other means 	KPI: Number of application downloaded units Number of MFPs operating with applications on integrated platform

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



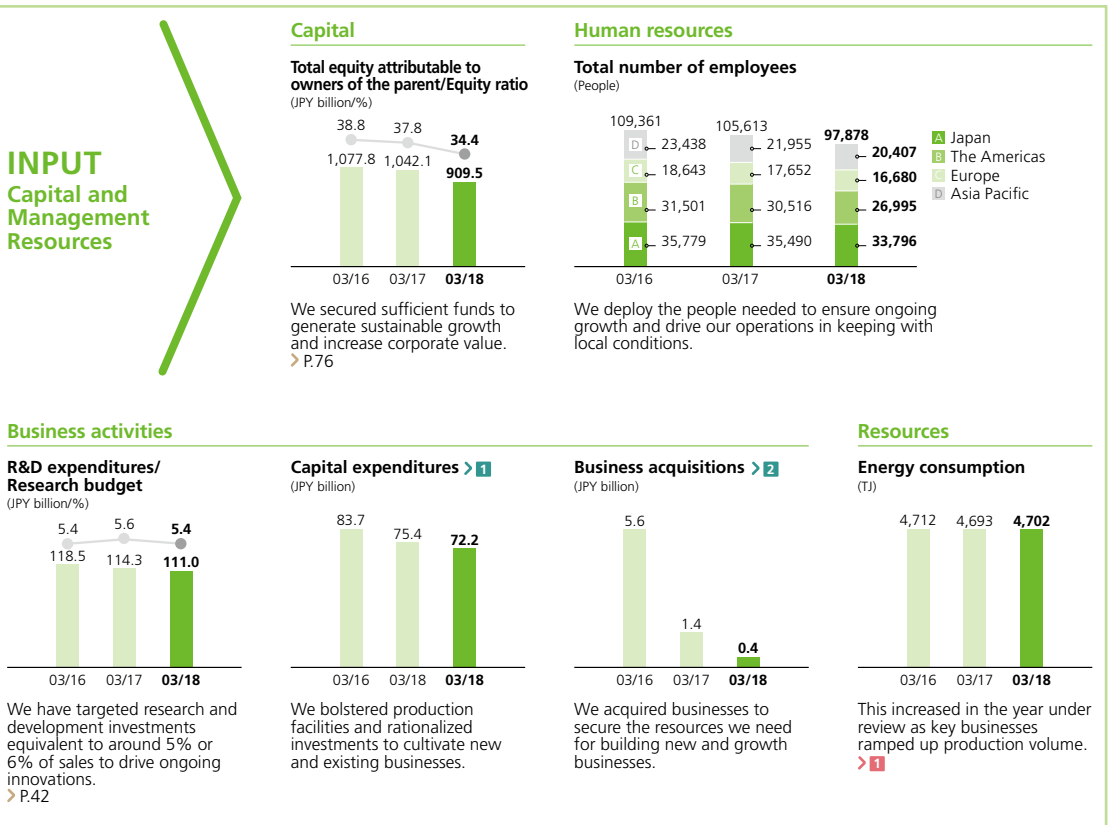
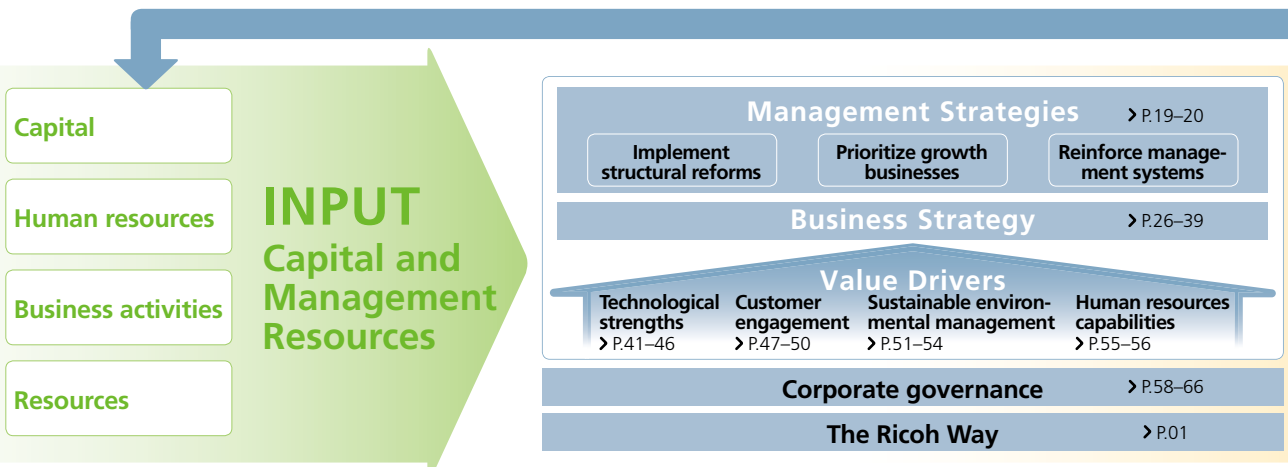
Corporate value integral to business growth

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

1 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 undertake structural reforms, prioritize growth businesses and reinforce management systems.

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

OUTPUT Value Creation

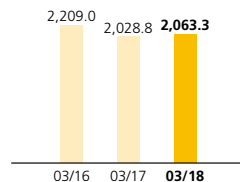
Engaging stakeholders

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

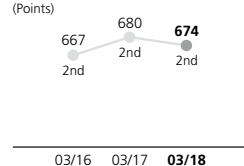
Value to customers

Sales (JPY billion)



Revenues grew on expansions in the Office Services, industrial Printing, and other businesses. A low yen was another factor. > P.68

Results of J.D. Power color copier customer satisfaction surveys¹ (Points)

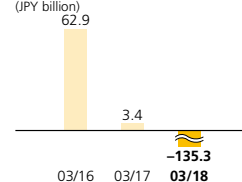


Although our score dropped from a year earlier, we ranked top in our industry on the strength of ongoing efforts to maximize satisfaction with our maintenance services.

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

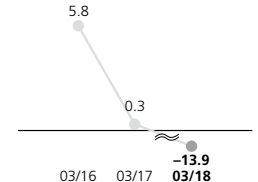
Value to shareholders

Profit attributable to owners of the parent (JPY billion)



We posted a loss that reflected impairment losses on fixed asset goodwill that overshadowed the impacts of lower manufacturing costs and structural reforms. > P.76

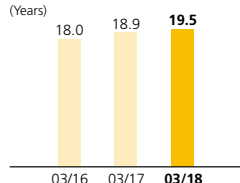
ROE (%)



ROE plummeted owing to impairment losses on fixed asset goodwill.

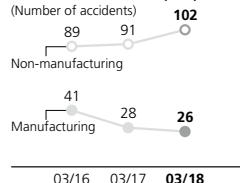
Value to employees

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.

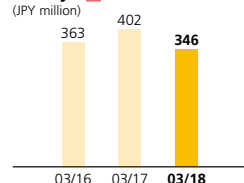
Number of industrial accidents (Ricoch Group (Japan)) (Number of accidents)



Despite analysis and preventive measures, the number of non-manufacturing accidents was up slightly. The number of manufacturing incidents trended downward through risk assessments and other tools. We will continue to pursue improvements. No severe occupational accidents occurred for a second straight year. > P.56

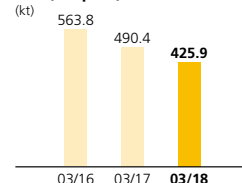
Value to society

Total contributions to society² (JPY million)



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

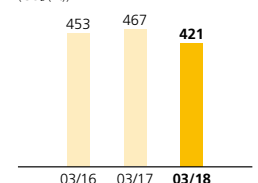
CO₂ emissions during product use (Scope 3) (kt)



The improvement of energy efficient products contributed to a decrease in emissions.

Value to society/customers

CO₂ reduction contribution³ (CO₂ (kt))



Our products and solutions helped cut overall carbon dioxide emissions by society, with the reductions exceeding emissions from all of the Ricoh Group's plants.


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). 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.

 Refer to this page

¹ A Conversation with Our CEO
P.11

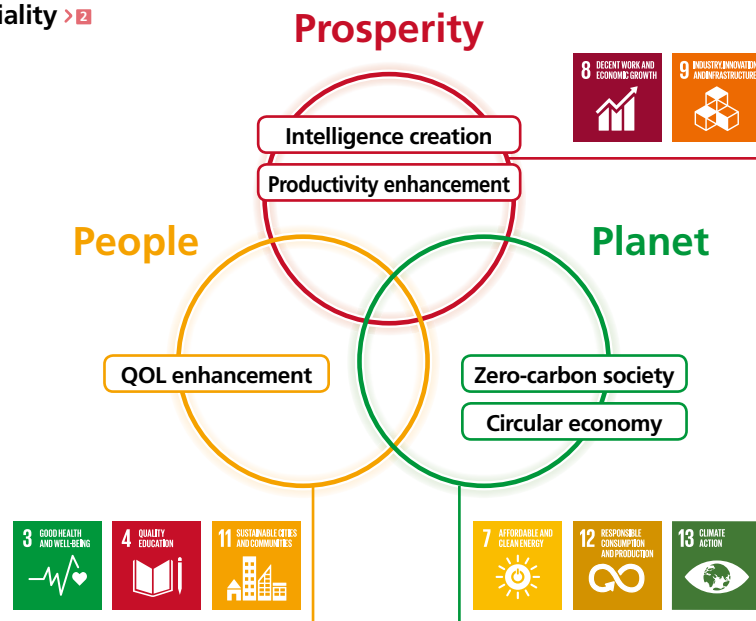



Resolving social issues through business

We focused eight SDGs in which we are leveraging our strengths in business, services, and technologies to resolve social issues from 17. We established five key social issues (materialities) that we are tackling through business by bringing together our corporate philosophy, business strategies, and environmental

management initiatives. We aim to simultaneously resolve social issues and grow our business by expanding the scope of value that we offer to encompass everything from conventional offices to wherever people work. >¹









Ricoh Group's materiality >²



 Refer to our website

¹ Providing value to customers www.ricoh.com/about/empowering-digital-workplaces/
² Materiality for the Ricoh Group www.ricoh.com/sustainability/materiality/

We clarify materiality and SDG areas that contribute to each business, and reinforcing contributions to resolving social issues through our operations.

Materiality	SDGs	Business areas					
		Office Printing Office Service ➤ P.27–30	Commercial Printing Industrial Printing ➤ P.31–34	Thermal ➤ P.35	Industrial Products ➤ P.36	Smart Vision ➤ P.37	New Development ➤ P.38–39
Prosperity Intelligence creation Productivity enhancement	 	Reform work practices by improving office productivity	Enhance the productivity of the entire value chain by leveraging workflow software and remote management	Boost productivity through high-value-added thermal media and laser solutions	Support the industrial infrastructure through optical, image processing, and Internet of Things technologies	Create new value by amassing and analyzing 360° still and video data	Revolutionize production through the additive manufacturing business
People QOL enhancement	  	Support distance learning and telemedicine through visual communication (see example below)	Cater to diverse individual needs through on-demand, apparel, and other value-added printing	Improve access to information through thermal coloring and printing technology	Integrate optical and image processing technologies, support advanced and autonomous driving, and contribute to traffic safety	Contribute to community development, notably by publicizing regional tourism resources with 360° stills and video	Leverage the health care business to extend healthy life spans for people worldwide
Planet Zero-carbon society Circular economy	  	Contribute to a decarbonized and recycling-oriented economy by developing eco-friendly products	Help reduce waste and prevent pollution through on-demand printing	Help reduce waste through on-demand printing	—	—	Contribute to a decarbonized and recycling-oriented economy through the eco solutions business

Case Study:

Delivering quality remote learning in small schools and combined classes in depopulated areas



Background social issues

Population declines are a major issue for the survival of smaller schools in many municipalities in Japan. Schools are vital for maintaining regional vitality, and consolidating or closing them has a great impact on the viability of communities. Some small schools have to instruct students from different streams in the same classrooms. Students may also have limited exposure to diverse opinions and it hard to communicate in a large group, creating issues in fostering the social adeptness, diversity and expressiveness of children.

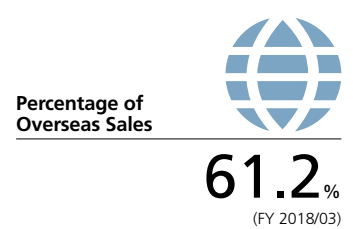
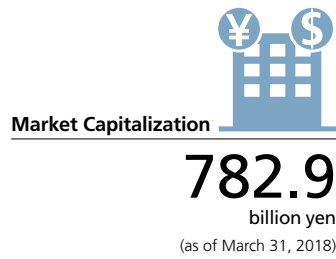
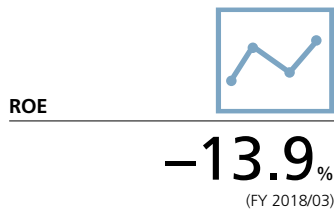
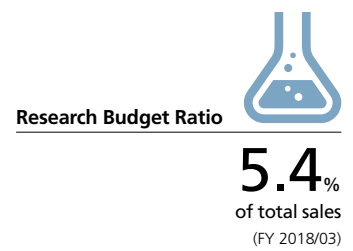
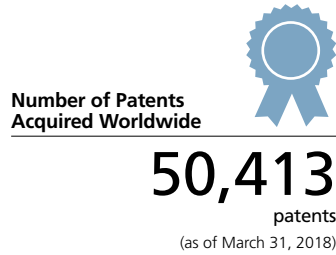
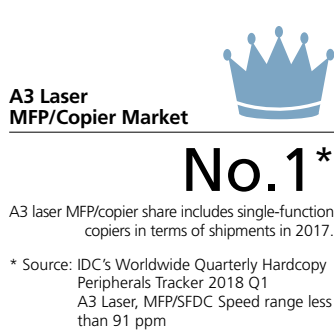
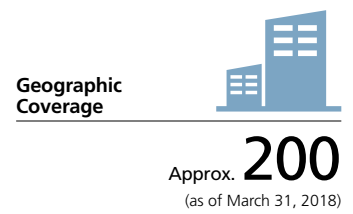
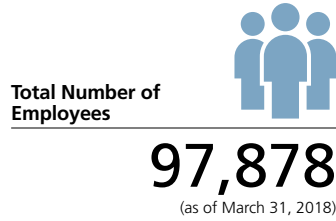
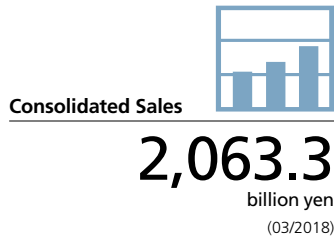
Serving the social good through business

Ricoh's distance learning solutions package, comprising the RICOH Unified Communication System, RICOH Interactive Whiteboard, and projectors, makes it possible to offer remote learning that brings together two or more classes in the same year from different schools. Such a setup increases opportunities for students to encounter diverse views from peers.



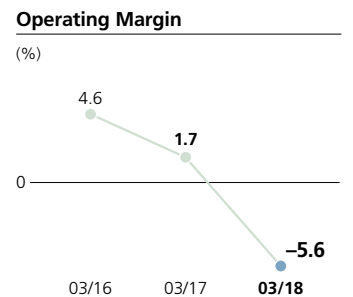
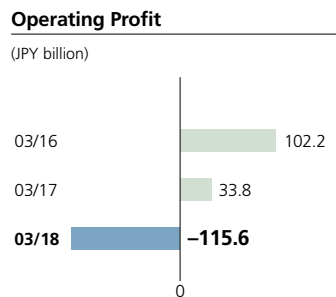
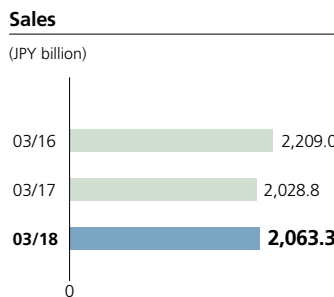
Using RICOH Unified Communication System and projectors in remote classroom activity in Saijo City, Ehime Prefecture

About the Ricoh Group

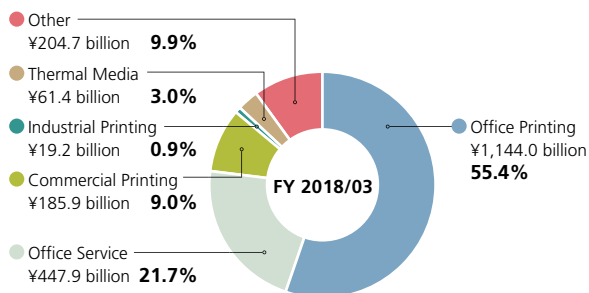


Highlights for the fiscal year ended March 31, 2018

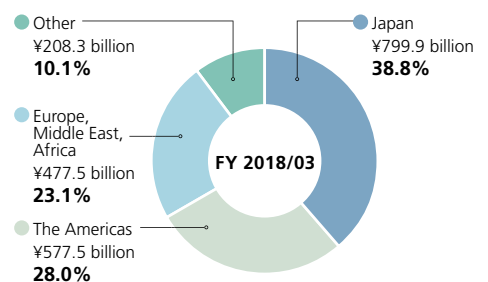
Figures comply with International Financial Reporting Standards.



Sales by Product Category



Sales by Geographic Area



Ricoh redefined its business domains and adopted new operating segments as of April 1, 2017.

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.

27	Offices	(Office Printing/Office Services)
31	Printing	(Commercial Printing)
33		(Industrial Printing)
35		(Thermal)
36	Other	(Industrial Products)
37		(Smart Vision)
38		(New Development)

Providing new value to drive office evolutions

Expanding value to office customers and providing solutions and services that support work practice reforms to offer new office approaches.



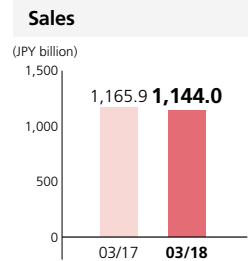
Strategic direction

In imaging equipment and related services in our core business, we are strategically focusing away from scale toward profitability. We will boost profitability through selection and concentration of products, with distribution through suitable sales channels and in the appropriate regions. We will create new customer value and enhance workplace productivity by digitizing processes to produce collaborative workflow improvement solutions.

Seiji Sakata

Director and Corporate Executive Vice President, General Manager of Office Printing Business Group, Ricoh Co., Ltd.

Office Printing Business



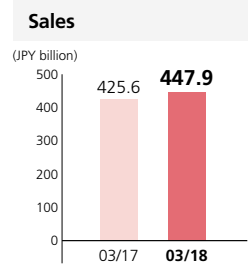
Strategic direction

We help create new knowledge and value that links offices, sites, and society by combining edge devices and services with the Internet of Things and artificial intelligence so people can work smarter.

Yoshinori Sakaue

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

Office Services Business

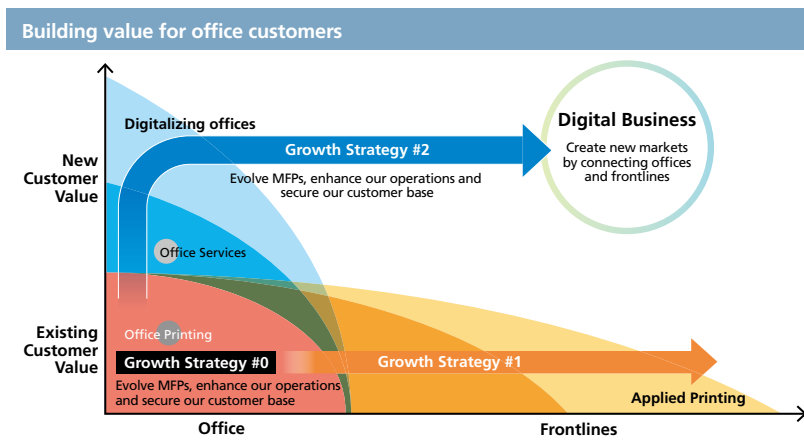


Business environment and growth areas

Our business has traditionally centered on regular offices. Advances in information and communication technology and work practice reforms have transformed the workplace to encompass anywhere in society, including factories, shops, and hospitals. The importance of the communications linking these workplaces have been increasing. We accordingly formulated the **EMPOWERING DIGITAL WORKPLACES** ¹ value proposition to describe what the Ricoh Group offers to its customers.

We are accordingly cultivating office printing and office services businesses to expanding customer value in the office arena. One of our great strengths is our ability to serve office customers worldwide. We have around 1.4 million customers, with about 4 million machines in field. We aim to augment our printing business prowess by providing support for the work practice reforms of customers by providing services that leverage the Internet of Things and other advances. In recent years, we have accordingly endeavored to strengthen sales and marketing structures by industry category. We are reviewing customer's core business processes for the healthcare, education, finance, manufacturing, and other industries while expanding our service business to support sales expansion and customer satisfaction improvement.

We seek to cater to various needs by identifying specific regional requirements and regulations so we can provide comprehensive solutions. We are also endeavoring to deliver value. For example, we offer **managed document services (MDS)** ² and IT services that encompass everything from planning through building and managing office information and communications infrastructures and provide communications services and other value-added offerings that streamline interactions in offices and at frontlines in education, medicine and manufacturing.



Refer to our website

- ¹ **EMPOWERING DIGITAL WORKPLACES** www.ricoh.com/about/empowering-digital-workplaces/
- ² **Managed document services** www.ricoh.com/services/index.html

Solutions services that support customer workflow improvement

Expansion of the cloud service market in recent years has ushered in the development of work environments that are free of time and place constraints, streamlining operational efficiency in various ways. Even in the MFP arena, we are collaborating with development partners to accelerate the development of cloud solutions that address the growing need for solutions from issues arising from changing workstyles. That approach has led to launches since 2016 of mid-range and high-end color MFPs with large full-color touch panels equipped. These systems function input and output devices for cloud services, providing access from the operating panel to application sites on the cloud. This standard feature enables users to install the apps that they need for their businesses. By offering various applications from a simple, user-friendly screen, we can support the workflows of small and medium-sized enterprises and other customers to help them improve their operational productivity.

We are improving convenience for MFP customers by offering the [@Remote](#) office equipment management service around the globe. This service remotely assesses the usage and operational states of equipment online. This setup automatically orders supplies without customers needing to contact Ricoh. It also prevents failures through maintenance, shortening or eliminating downtimes. We cut customer labor costs and enhance productivity through MDS, which handles overall operational tasks relating to documents, not just output. In addition, we are reducing the work cost of our customers and improving productivity through MDS, which undertakes general operation management tasks related to documents as well as output.

We continue to present improvement proposals to customers that range from building information infrastructures to optimizing the designs, deployment, and running of workflows for creating, outputting, and managing documents.

Digitizing workflows to provide task enhance workflows solutions

The Ricoh Group provides new customer value by complementing its MFP cloud solutions that digitize workflows for mid-sized enterprises through large corporations. For example, customers are increasingly

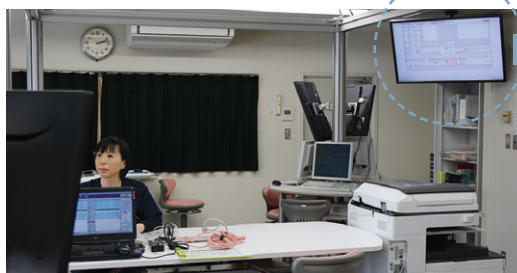
required to expand sales by boosting the productivity throughout the process from sales, order-taking delivery, to after-sales services. We offer solutions that digitize customer workflows and enhance work quality and efficiency by combining edge devices and applications. In such cases, we draw on contents management systems, marketing automation, enterprise resource planning, and other expertise not just from inhouse but from our partners to swiftly resolve customer challenges. We also accumulate data on customer sales activities, applying artificial intelligence and other technologies to it to analyze needs and issues so we can deliver other optimal solutions to customers.



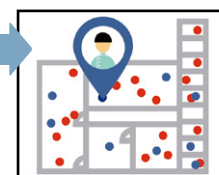
Large MFP touch panel that can access cloud services

Helping to improve productivity based on site sectors and operational characteristics


In 2016, we launched an indoor location information service to cover facilities and underground areas that GPS tracking cannot reach. The service acquires and visualizes positional information on people and objects. We have begun supplying a solution that analyzes that data with supplemental information. One user is Sapporo Dohto Hospital Medical Corporation in Sapporo, Japan. That institution has launched hospital services that locate medical professionals, patients, and medical equipment in real time, optimizing the use of precious time and enhancing operational efficiency. Ricoh will continue to develop business- and industry-specific solutions that leverage the power of digital technology to reform businesses and workplaces.



Positional information (top right) displayed at nurse station



System providing real-time positioning of people and devices at medical institution sites

 Refer to our website

 @Remote www.ricoh.com/remote/

Providing seamless support with visual communications

The rapid development of information and communication technology in recent years has made it easy for people to access information at any time or place. This development has come amid a rising focus on work practice reforms to address shrinking workforces, enhancing work productivity while eliminating long working hours. More companies have diversified work practices, notably by offering telework and holding remote conferences.

As office communication and work practices change, Ricoh provides visual communication systems that foster collaboration across time and space and drive reforms in how people work. Our teleconferencing and Web conferencing systems, for example, enable people to be in touch anywhere. Another offering is RICOH Unified Communication System Advanced, which provides operational flexibility by connection different teleconferencing environments and Web browsers in virtual meeting rooms on the cloud. Our interactive whiteboards help bring creative ideas together. Combining these systems with projectors produces virtual spaces in which people can quickly meet, share information, and make decisions when they need to. We also provide our work efficiency knowhow and solutions that draw on such products. We seek to materialize total support for work environments, thereby providing value that enhances customer productivity.



We will provide business support using visual communication products and cloud services to cater to changes in how and where offices function, examples being telework and satellite offices. Such support ensures accurate communication even between people at remote sites, so they can share materials and serve customers more effectively. Ricoh will continue to support the creation of environments that allow people to communicate anytime and anywhere with anyone through visual communication products.

Visual communication products that transform work practices



Video and Web conference systems
RICOH Unified Communication System P3500

A portable platform that does not require dedicated lines and makes it easy to communicate with multiple sites face-to-face anytime and anywhere.



Interactive whiteboards
RICOH Interactive Whiteboard D8400

Can display personal computer and tablet information and allow handwriting on the board, saving the digital information. Multiple units can be used for remote sharing. Our Interactive Whiteboards offer 4k resolution, making them ideal for large conference rooms, office receptions, and information boards at public facilities.



Projectors
RICOH PJ WX4152N

We offer a diverse lineup of projectors, from ultrashort throw to high-end models to match installation, functional, projection distance, and other requirements.

Case Study:

Co-Creating & Connecting the Future of Higher Education

The Ricoh Group seeks to enhance and digitize customer workplaces, providing value by delivering innovative solutions and services in healthcare, education, finance, manufacturing, and other fields.

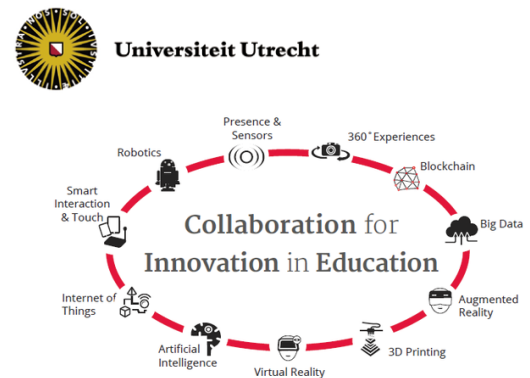
Challenges in higher education include globalization and higher expectations from students that expect their on-campus experience to be flexible and connected. We aim to help higher education institutions evolve by offering state of the art ICT and related services that provides students and faculty with opportunities to teach and learn both on-campus and remotely.

Netherlands

Contributing to collaborative learning environments for students and teachers at Utrecht University

Ricoh is collaborating on Utrecht University's Teaching and Learning Lab. We are testing the effects of technology on teaching and learning and seek to create synergy between educational institutions and the business community.

The Lab draws on our Internet-connected Interactive Whiteboards, RICOH THETA, 360 degree spherical camera and video conferencing software which enable teachers and students to collaborate from anywhere around the world in what feels like a natural classroom environment.



Thailand

Enhancing remote learning for Khon Kaen University to lift national educational standards

The mission of the Faculty of Education at Khon Kaen University is to balance the quality of education between urban and rural areas of Thailand and help develop the nation's educational system. To enhance education for primary school teachers, the university installed Ricoh projectors, teleconferencing and Web conferencing systems, and the Unified Communication System to connect teachers and classrooms across the country. Broadcasts of university lectures go to 150 primary schools through Ricoh P3500M videoconferencing units set up at 10 main high school branches.



Italy

Providing Business to Students – Solutions

Ricoh Italy offers outsourcing solutions for universities through services that reflect student needs. Through the Ricoh myPrint service developed in Europe and the Streamline NX® document management solution, we created a model in which students can use on-demand printing and other services without universities having to incur installation costs, paying solely for what they use. We are rolling this solution out globally, including Europe.



Delivering total print solutions

We will lead the transition from offset to digital printing by combining high-performance solutions with on-demand digital printing presses, and lower the environmental impacts of print production.



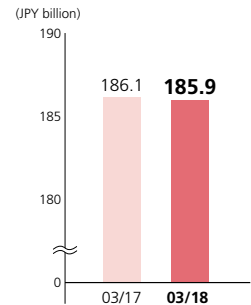
Commercial and Industrial Printing Business

Peter Williams
Corporate Vice President
General Manager of Commercial and Industrial Printing Business Groups
Ricoh Co., Ltd.

Strategic direction

In color cutsheet printers, we cater to diverse customer needs with our lineup's superior image quality, paper capacity, productivity, and operability. Our fast digital continuous feed printers can deliver offset printing quality that can satisfy professional users. We will steadily expand our business by capitalizing on the strong user-friendliness, high operating rates, and cost performance of our equipment, as well as solid customer ratings for our exceptional support.

Sales



Business environment and growth areas

The Ricoh Group fully entered the production printing business in 2007, focusing on the evolving changing needs of the printing market. We expanded our products and services to cater to a range of market requirements, including for intensive in-house and core systems printing and print-on-demand commercial printing.

There is tremendous potential in commercial printing, where key customers are in the advertising, publishing, and other sectors, and needs are diverse. That market is worth an estimated US\$400 to US\$500 billion, including for conventional offset printing.

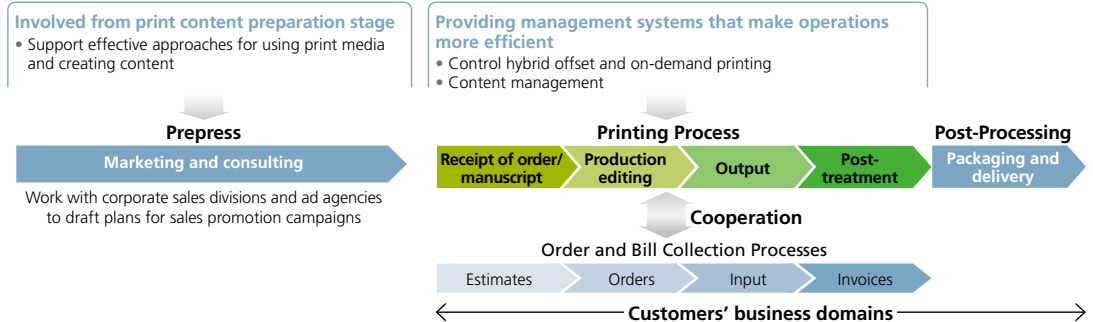
Demand is not just for conventional offset printing, but extends to high-value-added areas, such as on-demand and variable printing allowing small print runs whenever needed.

We responded to these market trends by packaging products and workflow solutions delivering exceptional performance at attractive prices to customers in the printing industry. We aim to drive the offset to digital transition while securing new commercial printing customers.

We are also focusing on proposals for advanced printing processes that bring together our printing technologies and expertise in proposing solutions that help improve the productivity of customers throughout the value chain, encompassing consulting through printing and delivery.

We are drawing on the technologies, functions, and knowhow of MarcomCentral, and Avanti Computer Systems Limited, and other Group companies that have undertaken strategic investments and acquisitions in the past few years to reinforce our structure for providing total business workflow support for our customers.

Total solutions to help print service providers expand operations



Refer to our website

Production printing www.ricoh.com/products/office/

Product lineup offering new value

Color cutsheet printers are driving earnings gains in the commercial printing segment.

The RICOH Pro C7210S and C7200S series, which Ricoh launched in February 2018, provide even higher productivity and image quality than earlier models and offer greatly improved basic features. They retain the same white, clear, fluorescent yellow, and pink special toners that proved so popular on preceding models to deliver vivid, lifelike results. They also automate color adjustment and registration to save labor and stabilize print quality.

The RICOH Pro C9210 and C9200 series, which rolled out in July 2018, also improves basic features, with even higher image quality, exceptional productivity, and much broader paper selections so they can also print banners, catalogs, packaging, and cards.

A recent offering on the fast continuous feed platform front is the RICOH Pro VC70000, which was announced in June 2018. It employs new inks that dramatically enhance productivity and image quality, and should help print service providers to transition from offset printing to digital technology for catalogs and magazines.

Demand is growing in the commercial printing market for systems that provide consistently high quality and productivity and broad paper handling capabilities, and for high-value-added printed matter that can help customers to expand their businesses. We will help customers grow their businesses by meeting such needs.



High-value-added publications in an array of designs



Promotional materials employing white (left) and fluorescent toners

Broadening the potential of commercial printing with customers

In 2016, we set up RICOH Customer Experience Centers in Tokyo, and Rayong Province, 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.

Centers in each of these nations enable customers to immerse themselves in commercial printing workflows. These range from taking orders to editing, pre-processing, printing, post-processing, packing, and shipping. These facilities help customers to optimize print processes and workflows so they can enhance their overall productivity.

Through printing, we better understand customer businesses, reflecting what we learn in development, planning, and production and in creating innovative solutions.

Our RICOH Customer Experience Centers collaborate to share digital printing knowhow and satisfy the diverse requirements of customers while working with customers to shift from offset to digital processes.




Customer Experience Center (Tokyo)



Customer Experience Center (Thailand)

Expand the potential of printing through inkjet technology cultivated over many years

We are helping customers to reform their value chains, providing industrial inkjet printheads , imaging system solutions, and industrial printers. We are helping to lower environmental impacts by promoting the adoption of on-demand printing.



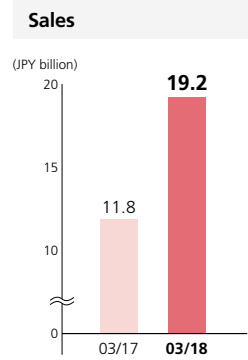
Peter Williams
 Commercial and Industrial Printing Business
 Corporate Vice President
 General Manager of Commercial and Industrial Printing Business Groups
 Ricoh Co., Ltd.

Strategic direction

Sales are solid of inkjet heads based on inks that we developed independently. Sales of the industrial printing business are expanding around 50% annually.

We look to deploy advanced thin-film heads down the track to accommodate a wide range of inks and develop fast, high-quality print applications for various media to further expand our business.

In addition, we aim to further expand our business by strengthening sales in the inkjet module and industrial printer fields that utilize inkjet technology.



Business environment and growth areas

The Ricoh Group has amassed a strong track record in developing industrial inkjet printheads offering outstanding reliability and cost performance and safe and highly functional inkjet inks that customers can choose to match applications. We drew on powerful proprietary technologies accumulated over many years in entering the industrial printing arena.

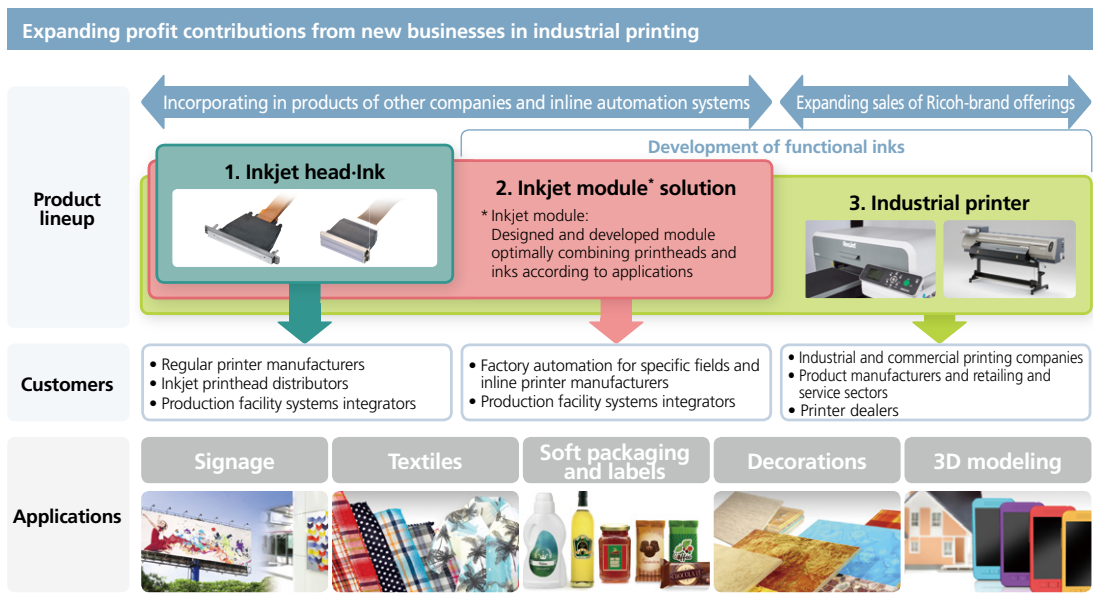
Our products and solutions focus on three businesses. These are inkjet head and inkjet module solutions for the products of other companies and industrial printers.


In the industrial printing market, we expect demand to surge for digital printing that employs inkjet


technologies. This is in view of the diversification of needs and the pursuit of individuality and differentiation, the growth of small runs of multiple print jobs, and a rising awareness of the environment and costs.

Numerous technologies will be required in markets with solid growth prospects. Among these are markets for furniture, wallpaper, building materials, and automotive exteriors, as well as for clothing fabrics, soft packaging and labels, and sign graphics.

We will bring together our print technology strengths and our experience in office digitization to push forward in digital printing with print industry-related customers.



 **Refer to our website**

 **Industrial inkjet** industry.ricoh.com/en/industrialinkjet/

Helping customers to perform better through our printing technology

Areas offering strong growth potential for our printing technologies are inkjet module solutions that integrate heads, inks, and image processing, and industrial printers. We were swift to collaborate with factory automation vendors, systems integrators, and other customers in development, supporting the process reforms of customers through proposals that take advantage of the comprehensive strengths of our technologies and supply chain.

In May 2018, we concluded a partnership agreement with Sweden's Coloreel >1, which is developing an on-demand coloring unit for white embroidery and other threads. We will develop an inkjet module for Coloreel that will be a key technology for that unit. This setup will make it possible to dye yarns during production processes so Coloreel can provide broader value in the textiles, fashion, sportswear, and other sectors.

In the industrial printer business, we have rolled out products in high growth segments. In 2018, we launched the RICOH Pro T7210 in Europe. This large format flatbed printer employs photo-curable inks offering high adhesion on glass, metals, food, and other media, and has attracted great interest from customers in decorative businesses.

We are combining our inkjet heads, inks, and advanced automation facilities technologies to deliver high-precision, high-efficiency print solutions and help customers streamline their operations, and will work with them to create new value for digital printing.

Harnessing proprietary technology to provide industrial inkjet printheads

The industrial inkjet printhead >1 field is poised for growth in view of diversifying needs.

Our inkjet heads are compatible with an array of inks, and are very durable. Released in 2017, the RICOH MH 5421F/5421MF employs our proprietary ink circulation structure and uses a stainless steel housing. This structure enables continuous ink flow directly past the back of the nozzles to prevent dry



RICOH MH5421 Series

nozzle and ink particle sedimentation, offering highly stable jetting performance. We have a high market share for printheads that use photo-curable ink.

We have started sample shipments of thin-film heads, which represent the future of inkjet printing. These heads make high integration and compactness easy, and should enjoy solid demand for high-productivity printers. We aim to expand our business by developing uses with customers in the expanding field for industrial printing applications.

Refer to this page

Technological Strengths
P.43

Compact direct to garment printer that puts the fun into printing unique designs

Textile printing applications that use inkjet technology can deliver shorter production processes than conventional screen printing. This can lower environmental impact by reducing the consumption of energy and chemicals. It is also possible to produce fine patterns.

We launched the high-performance RICOH Ri 3000 and Ri 6000 Direct to Garment printers in North America in May 2017. These were the first such Ricoh-branded printers employing technology from AnaJet LLC, which we acquired in January 2016. These systems offer fast, high-quality printing on T-shirts, hats, tote bags, and other apparel.

The RICOH Ri 100 Direct to Garment printer combines miniaturization and inkjet technologies that stem from developing our office products. It delivers outstanding image quality. Shops and event sites without skilled operators can

easily produce their own T-shirt and tote bags designs. We released this model worldwide in early 2018, and it has gained a solid following among T-shirt printers, as well as among schools and municipal government bodies. It brings fun to printing custom designs of children's drawings, photos, and other images.



Direct to Garment printer
RICOH Ri 100



Refer to our website

Coloreel ricoh-europe.com/news-events/news/ricoh-partners-with-coloreel-to-revolutionise-textile-industry-with-thread-colouring-innovation.html

Diverse products and services to meeting customer needs

We aim to build customer trust through our high-value-added thermal paper, in which we dominate the world market, and our top-quality products and services.



Thermal Media Business

Yasutomo Mori
Corporate Senior Vice President
General Manager of Industrial
Media Solutions Business Group
Ricoh Co., Ltd.

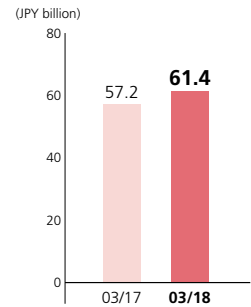
Strategic direction

The thermal business operates globally, focusing on thermal paper and thermal transfer ribbons that offer outstanding heat and abrasion resistance, high print resolution, and preservability.

We will build on our competitive edge to provide products and services that meet the local needs of customers and expand our businesses by enhancing customer satisfaction.

We seek to create new customer value and drive business growth by offering laser printing solutions that combine thermal media and optical systems design technologies that we have amassed over the decades.

Sales



Employing thermal coloring and printing technologies in diverse applications

Thermal media ▶ like paper and films respond to heat for coloring or printing. Thermal paper is used for printing merchandise information and barcodes for such applications as food point-of-sale setups, process management, and delivery labels. Thermal transfer ribbons are used to manage logistics, inventory, specimens, and for apparel price tags, brand tags, and tickets. We have built strong market shares in numerous countries and territories by differentiating ourselves competitively, notably in terms of high image quality and thermal durability. We are also cultivating businesses in Southeast Asia, whose markets offer strong growth potential.

In the consumer market, the need to optimally print or publish personalized information is rising, including through the customization of beverage and food packaging and labels. Ricoh aims to offer a laser printing solution to deliver ultrahigh-speed on-demand printing and custom printing within customer production lines through the integration of proprietary materials technology and equipment employing laser writing technology. In the years ahead, we will commercialize such a setup as a high-value-added service.

Noteworthy thermal paper applications

<p>Food label (POS)</p>	<p>Clothing tags</p>	<p>Receipts</p>	<p>Food point-of-sale labels</p>	<p>Baggage tags</p>	<p>Boarding passes and tickets</p>	<p>Expressway receipts</p>
	Shopping			Travel		
<p>Tickets</p>	<p>Lottery tickets</p>	<p>Process control labels</p>	<p>Chemical labels</p>	<p>Logistics labels</p>	<p>Handy terminal paper</p>	
Leisure		Industry				

[Refer to our website](#)

[Thermal media industry.ricoh.com/en/thermal/](http://thermal.industry.ricoh.com/en/thermal/)

Industrial Products

Creating value in a diverse range of fields

We will develop our businesses, optimizing our cultivated technological strengths in the industrial products field, including the automotive industry, while striving to resolve social issues with our business partners.



Industrial Products Business

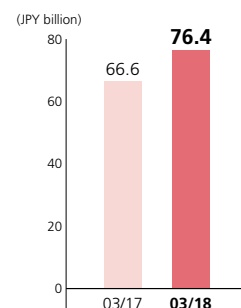
Katsunori Nakata
Corporate Senior Vice President
General Manager of Industrial Product
Business Group
Ricoch Co., Ltd.

Strategic direction

We will contribute to social progress by broadening our business scope through new technologies and products.

We will deepen our involvement in the automotive industry through our optical and image processing technologies. At the same time, we will refine our imaging and Internet of Things technologies to build presences in machine tools and other sectors.

Sales



Note: We removed the electronic devices business from consolidation on March 1, 2018.

Cultivating diverse industrial product businesses

We pursue a range of applications in Industrial Products while endeavoring to expand earnings.

In the automotive business of Ricoh Industrial Solutions, we integrated our optical and image processing technologies to commercialize on-board stereo cameras that offer an advanced driver assistance system and autonomous driving. The camera's 3D image processing technology incorporates proprietary dense stereo matching technology to detect pedestrians, vehicles, guard rails, and other obstacles, as well as slightly uneven road surfaces, processing high-speed data in real time. This means that vehicles can detect free space on road surfaces and use advanced steering control assistance to avoid obstacles.

In the projection module business, we offer high-definition lenses and expand our supply of small short focus and ultra-short focus projector modules to cater to increasing demands for industrial embedded applications.

Our industrial smart systems business provides new value for the Internet of Things by integrating sensing

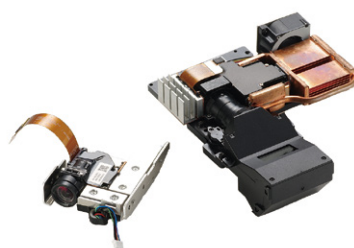
and computing technologies. One fruit of our efforts is a sensing system that combines proprietary sensors and data analysis technology to visualize the vibrations of operating facilities and machinery, thereby preventing incidents or shortening downtimes. In the years ahead, we aim to provide optimal, user-friendly solutions for all operating equipment operators.

In its precision equipment parts business, Ricoh Elemex (REX) mainly focuses on precision automotive components. REX aims to expand its business by continually innovating the precision processing technology that has amassed over many years, and pursues manufacturing innovations that anticipate customer's demand for improved environmental performance of engines.

In the industrial equipment business, we automate production facilities. REX also develops systems that visually inspect metal, painted, and plated parts, and lithium-ion battery inspection equipment, and other equipment so our offerings are even more useful, particularly in the automotive sector.




On-board stereo camera



Short focus and ultra-short focus projector modules



Precision machined parts

 Refer to our website

 Industrial products industry.ricoh.com/en/

Providing new expressiveness for still images and video

Creating new image and video expressiveness with unique and attractive hardware and data use



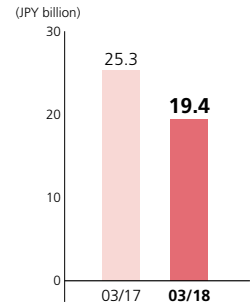
Smart Vision Business

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

Strategic direction

We are expanding our cloud service options as image solutions so consumers and businesses can better use and share 360° still images and movies showcasing atmospheres and locations from the RICOH THETA camera. Our digital camera lineup caters to customers who have long been fans of our offerings. We will contribute to the evolution of the Internet of Things by building a data business that takes advantage of our unique and attractive hardware.

Sales



Providing leading edge device and image data solutions



RICOH THETA V and SC

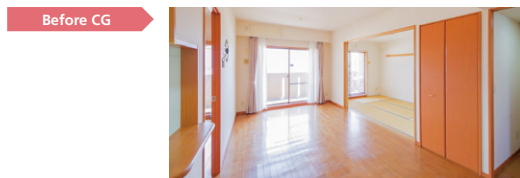
We are focusing on reinforcing our sales structure and services to broaden business applications for the RICOH THETA >1 camera. This model has considerable potential in the restaurant, hotel, tourist facility, construction, and automotive sectors.

One data business is THETA 360.biz, a Web application that makes it easy to save images on the cloud and show them on subscriber websites. Other data businesses are RICOH360-VR Staging, which can display virtual images on THETA 360.biz, and the RICOH360-Ad service for producing, distributing, and storing contents for 360° images used in online advertising. We are also building a platform to accumulate and analyze image and movie data. >2

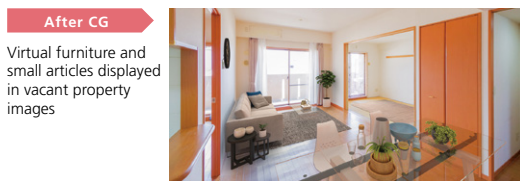
We aim to enhance customer value in marketing, security, and other industry and business applications. They include customer behavior analysis solutions that use face authentication algorithms on our platform.

The RICOH THETA V makes it possible to expand functionality by installing plug-ins. We have made several application programming interfaces and software development kits available for open environments to enable collaboration with external developers on a range of devices and systems.

In conventional digital cameras >3, we maintain a solid lineup of models that match customer interests. These offerings include single lens reflex cameras for professionals, high-performance compact cameras, and action cameras that are waterproof, dustproof, and shock resistant.



Before CG



After CG

Virtual furniture and small articles displayed in vacant property images

RICOH360-VR Staging



PENTAX K-1 II

GR II

RICOH WG-50

Refer to our website

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

New Development

Leveraging our strengths to create value for tomorrow

We will help materialize economic sustainability and prosperity by providing innovative products and services.



New Development Business

Seiji Murakami
Corporate Associate Vice President
General Manager of Business
Development Division
Ricoch Co., Ltd.

Strategic direction

In additive manufacturing (AM), our services are designed to help manufacturing companies to maximize AM technology. In eco solutions, we provide value by helping to decarbonize society. In healthcare, we offer solutions and medical imaging for medical treatment and nursing care, while in the biomedical field, we aim to expand new businesses in a range of areas to promote healthy human lives.

Additive manufacturing (3D printers)

In September 2014, the Ricoh Group launched an additive manufacturing business focusing on 3D printers. > We sell 3D printers from Ricoh and other brands as well as providing solutions from consulting to 3D data design and modeling. RICOH AM S5500P 3D printer launched in October 2015 offers various material options to the customers. Its main users are major automotive companies in Europe for functional prototype testing. We are developing new materials for 3D printers to enhance what we can offer.

We established RICOH Rapid Fab centers in Japan (Atsugi, Shin Yokohama, Osaka, and Nagoya) and in United Kingdom (Telford) so manufacturing companies can talk with Ricoh technicians and see case

studies such as modeled samples, molds, jigs and direct parts. We offer one-stop service for customers from design, print process and consulting. We support manufacturing companies who are looking to transform their business operation utilizing AM technology.



3D printed parts



Ricoch's booth at formnext, an international 3D printing exhibition

Eco solutions

We have started supplying various solutions to materialize a decarbonized, circular economy. In electricity sales services, we suggest ways to lower charges and share our expertise in conserving energy to help customers reduce their overall power consumption. We promote the use of renewable energy and help stabilize their supplies by providing solar power facility operation and maintenance services that leverage our nationwide office equipment sales and service network in monitoring conditions and providing

maintenance. We set up the RICOH Eco Business Development Center > to create new businesses focusing on alleviating environmental issues. We are using this center's knowhow to perform demonstrations and experiments with regional entities such as local governments that drive open innovation. Examples of this approach include a spa that uses heat from wood biomass boilers and a pico-hydropower generation system that harnesses energy from canals and other small water flows.



MFP resource recycling exhibit



Solar power facility operation and maintenance services

Refer to our website

- 1 3D printer www.ricoh.com/release/2015/1027_1.html
- 2 RICOH Eco Business Development Center www.ricoh.com/environment/eco_business_center

Healthcare

The Ricoh Group entered the healthcare field > 1 in 2016 to collaborate with medical and eldercare professionals in enhancing service quality and extending healthy around the world. We aim to expand our business by focusing on healthcare solutions, medical imaging, and biomedicine.

In healthcare solutions, we are undertaking joint development with external partners while collaborating with local government bodies to create products

and services that support digitization and data usage for medical treatment and eldercare. In July 2018, we launched domestic sales of the Ricoh Mimamori Bed Sensor System, which we developed for eldercare facilities with MinebeaMitsumi Inc. We are developing a comprehensive system to provide medical treatment and eldercare in regional Japan. We are also working on a telehealth system for the United States and emerging nations.

In medical imaging, since 2014 we have developed biomagnetic measurement devices that show spinal cord and brain activity. In April 2016, we acquired the brain activity measurement business of Yokogawa Electric Corporation. Our neuro measurement systems thereafter developed the RICOH MEG magnetoencephalography system with the Kanazawa Institute of Technology. This device received clearance from the U.S.

Food and Drug Administration and manufacturing and sales approval in Japan. We began marketing this system in the United States in December 2017 and in Japan in May 2018.

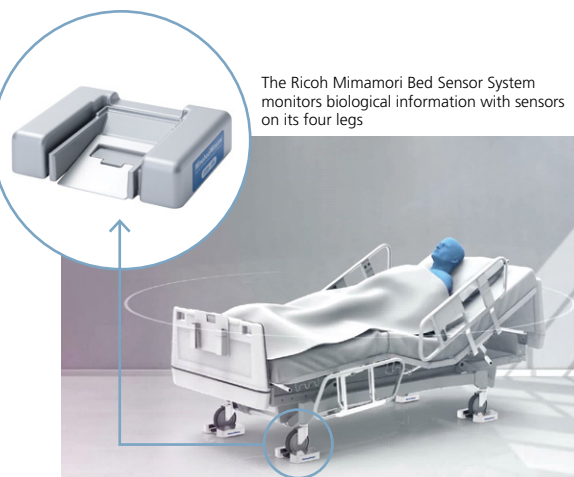
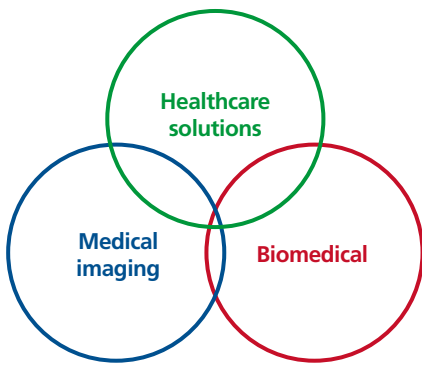
Our open innovation projects with medical institutions have encompassed clinical epilepsy studies with Tohoku University, clinical research into developmental disability with Kanazawa University, clinical spinal cord studies with Tokyo Medical and Dental University, and brain dock research with Hokuto Hospital.

In the biomedical field, we are employing inkjet technologies from our printer business to develop bioprinting technologies and applied products and services that reproduce biological tissue structures by ejecting live cells. We are harnessing this technology in collaboration with the National Agriculture and Food Research Organization and FASMACH Co., Ltd., to develop new DNA reference material for controlling individual DNA molecules. A reference material is one whose component amounts are clearly defined and can be used in quality control for genetic test equipment and reagents. This should enhance precision in inspecting genetically modified foods and in preventing overlooked instances of cancer and infectious diseases.



Magnetoencephalograph showing the neural activity of the brain

Three priority areas

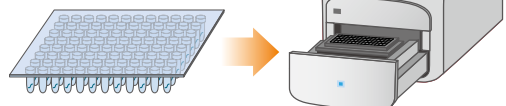



The Ricoh Mimamori Bed Sensor System monitors biological information with sensors on its four legs

A DNA standard plate that controls cells by unit

Genetic testing performance assessment
Evaluating the performance of equipment, reagents, measurement techniques, and managing accuracy

DNA standard plate
Well plate incorporating a fixed DNA number between 1 and 1000



 **Refer to our website**

1 **Healthcare** www.ricoh.com/technology/institute/research/healthcare.html

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.

- 41 **Technological Strengths**
- 47 **Customer Engagement**
- 51 **Sustainable Environmental Management**
- 55 **Human Resources Capabilities**

Continuing to provide new value to society through our core technology 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 electronic circuit 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 artificial intelligence analysis and by optimally combining displays, controls, and other processes.

R&D structure and development process

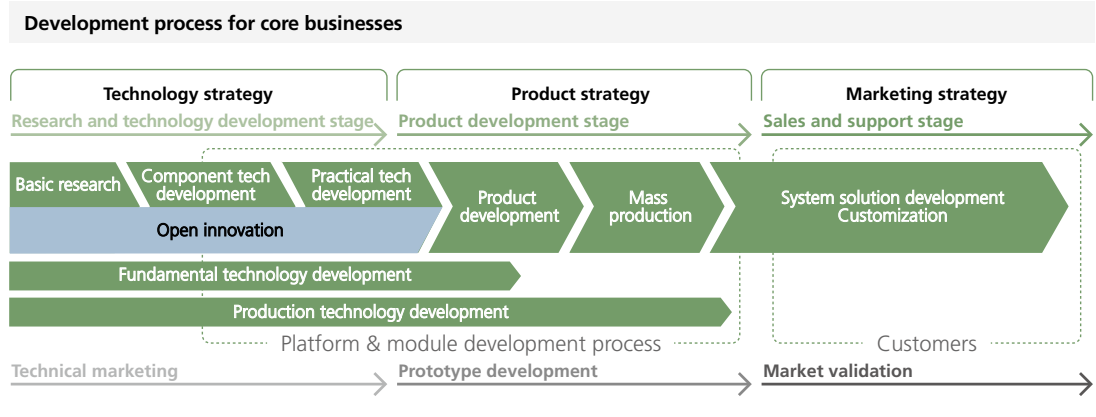
The Ricoh Group has R&D sites in Japan, the United States, India and China. >2 Each site explores market needs and conducts research and technology development attuned to regional characteristics while deepening cooperative connections among global sites. Our corporate map also includes technology centers and printing innovation centers, and we launch 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 >3 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 P13

2 Growth Strategy #2 P14



Refer to our website

- 1 Technology www.ricoh.com/technology/
- 2 Global R&D www.ricoh.com/technology/rd/global.html
- 3 Technology development www.ricoh.com/technology/rd/development.html
- 4 Development process innovation 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

Bioprinting technology > P.39,44

Ricoh collaborated with Japan's National Agriculture and Food Research Organization and Nippon Flour Mills Group subsidiary FASMAC Co., Ltd., to use bioprinting technology to control individual DNA molecules.

Autonomous driving > P.46

We are conducting proving tests with AZAPA Co., Ltd., in Semboku, Akita Prefecture, to identify and resolve potential autonomous driving issues.

Micro granulation > P.44

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. The goal is to bring together that institution's comprehensive research capabilities and our commercialization and technological development clout to explore and share ideas for societies of the future.

In March 2016, we set up a fund to support the establishment of technology ventures that will develop advanced industries.

We aim to contribute to industrial development through the fund by financing technology ventures while helping them launch technology seeds-based businesses and swiftly commercialize their fruits. As of August 2018, we had funded 11 companies, and are supporting start-ups.

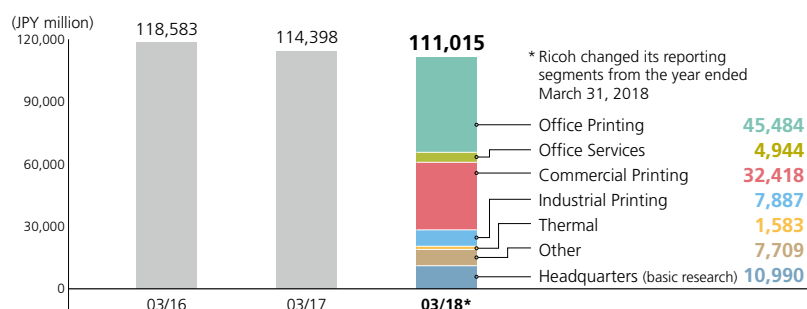
R&D investments and intellectual property initiatives

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, 2018, R&D expenses reached ¥111.0 billion, or about 5.4% of sales. Of this amount, 9.9%, or ¥10.9 billion, went into basic research.

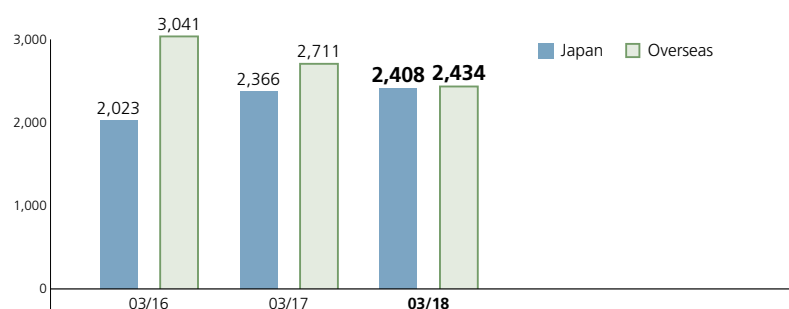
Intellectual property > [IP](#), the fruit of our R&D efforts, is vital to our competitiveness. We therefore encourage efforts that yield valuable intellectual property and seek to acquire and use intellectual property that protects and grows our businesses. We have deployed business and technological strategies to reinforcing core businesses, globalizing by cultivating operations in emerging nations, and launching new businesses to expand our domains.

We have undertaken strategies to expand our domains, reinforcing core businesses, globalizing by cultivating operations in emerging nations, and launching new businesses. We have accordingly continued to secure highly effective patents in Japan and overseas. As of March 31, 2018, 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.

Changes in R&D investment



Number of registered patents worldwide



[Refer to our website](#)

[Initiatives in intellectual property](https://www.ricoh.com/technology/rd/ip.html) www.ricoh.com/technology/rd/ip.html

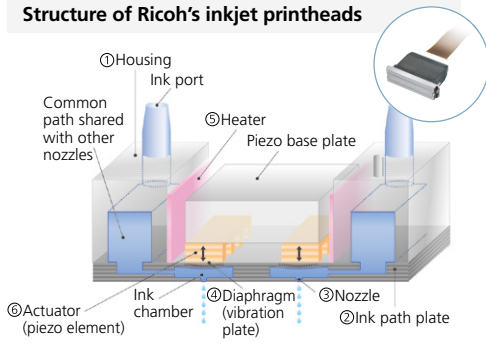
Growth Strategy #1: Broaden the potential of printing technology and create new value

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

Ricoh has three key inkjet technologies that work together to deliver top-quality results. Inkjet heads ensure that droplets of a desired size are applied uniformly and properly to print media. Ink supplies reproduce image quality as applications require. Position controls contribute to print precision. Our inkjet technologies provide new value for such media as apparel, food, medicine, and industry.

Structure of Ricoh's inkjet printheads



This stainless steel housing offers outstanding rigidity and corrosion resistance.

Display printing

Clothes textiles >2

The RICOH Ri 100 employs cassettes that print directly on T-shirts, ensuring comfort and wash fastness.



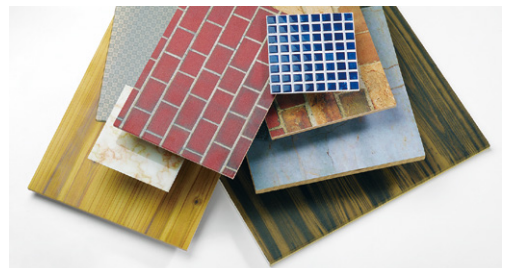
Food packaging and edible printing >3 4

In addition to offering on-demand printing for food packaging, our inkjet heads provide excellent corrosion resistance and employ fluid chambers that are structured so they do not contact piezo elements, and can also print edible inks on food.



Housing interiors and decoration >5

We use inkjet technology for interiors and building materials, which typically have short trend cycles and cater to diverse needs. Our proprietary ink provides excellent adhesion to such substrates as acrylics, glass, wood, aluminum, and steel plate. We also enhance designs with three-dimensional feels and textures.



Pushing the boundaries of inkjet to open new world

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

- 1 The expansion of Ricoh's inkjet technology www.ricoh.com/technology/inkjet/
- 2 Direct to garment printer RICOH Ri 100 www.ricoh.com/garment/ri-100/
- 3 Labels and packages industry.ricoh.com/en/industrialinkjet/application/label.html
- 4 Print designs on confectionery industry.ricoh.com/en/industrialinkjet/application/others.html
- 5 Decoration industry.ricoh.com/en/industrialinkjet/application/decoration.html

Applied printing

Healthcare

Development and applications of bioprinting technologies

> 6 7

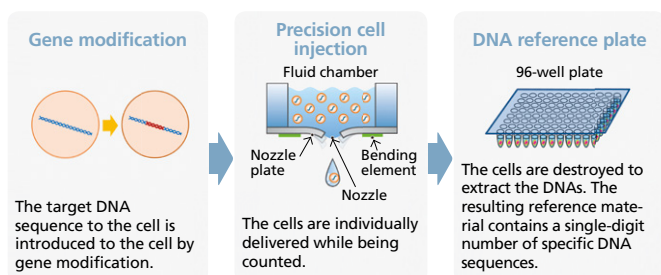
Ricoh develops bioprinting technologies employing proprietary inkjet techniques that precisely deposit live cells.

3D printers using these technologies reproduce the structure of biological tissue, and could ultimately create human tissue models that are near matches for living bodies.

In genetic testing, we jointly developed a technology to manufacture a reference DNA plate, a scale for genetic testing, for determining the number of DNA molecules in a single digit to precisely identify any issues with inspection processes, devices, and reagent.* 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.

*P39, 42

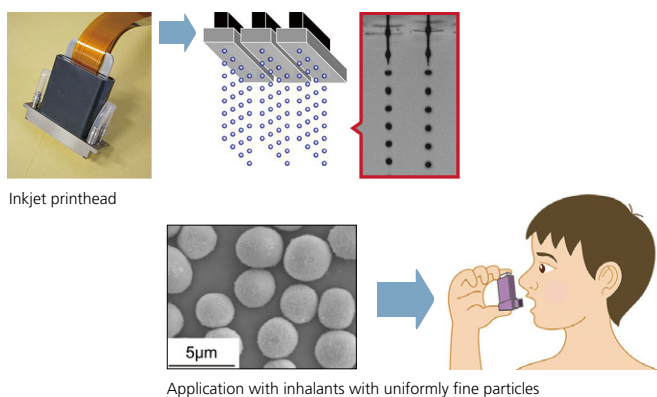
DNA reference material manufacturing process



Micro granulation > 8

Ricoh is using its 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 head jets out very fine droplets at a high frequency, with droplets drying very quickly, making it possible to generate uniformly micron-sized particles. Ricoh's prototype jets out 520 million droplets per second.



Soft material > 9

One application for 3D printers is to use nano-composit hydrogel with a high water content, to create models with the same texture and physical properties as human organs. It is even possible to reproduce hollow structures, which has been challenging to date. Technical development is under way for organ models for use at medical institutions and in training physicians.



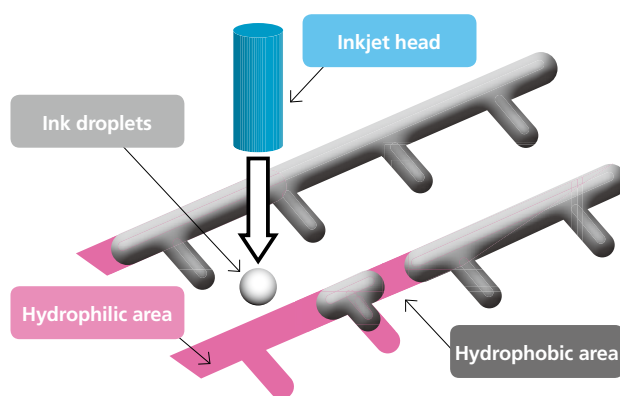
Reproducing the hollow structures of blood vessels makes it possible to simulate catheter manipulation
Photo courtesy of Nagoya University School of Medicine



Simulated surgical procedure offering a realistic feel
Photo courtesy of Yokohama City University School of Medicine

Manufacturing innovation > 10

Ricoh developed the world's first actuator incorporating a piezoelectric thin film, which is just several microns thick. This was the fruit of an inkjet printing technique that ejects raw materials to form the desired pattern. Conventional semiconductor processes form patterns by etching. The inkjet approach forms patterns directly by ejecting ink, greatly reducing costs. Prospective applications for this process include flexible displays, printed electronics, and photovoltaic cells.



Combining numerous technologies to form accurate patterns

Refer to our website

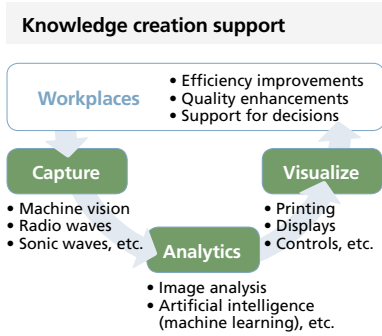
- 6 3D bioprinter www.ricoh.com/technology/institute/research/tech_3d_bio_printer.html
- 7 The manufacturing of reference DNA plates www.ricoh.com/technology/institute/research/tech_dna_reference_plate.html
- 8 Micro granulation www.ricoh.com/technology/institute/research/tech_fine_droplet_drying.html
- 9 Soft material www.ricoh.com/technology/institute/research/tech_soft_materials.html
- 10 Technology applied in developing piezoelectric thin film www.ricoh.com/technology/tech/046_piezo.html

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

Since its foundation, Ricoh 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. Ricoh views such interactions as sources of knowledge creation. The Internet of Things organically links inputs from edge devices, processing through artificial intelligence, and optimized visualization. We are drawing on the Internet of Things and other technologies so we can innovate and energize society.

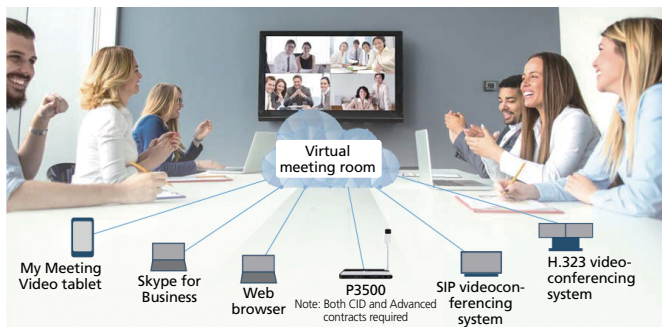


Office communication and artificial intelligence transforming work

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

Visual communication

In October 2017, we launched the RICOH Unified Communication System Advanced. This videoconferencing system enables the use of virtual meeting rooms with different equipment platforms and environments. The system links the equipment of other companies, Web browsers, and smart devices. It makes it possible to invite external guests to sessions and also allows the necessary members to meet whenever they need to. The system greatly reduces the time and expense of moving around, helping to enhance productivity improvement and work practices.

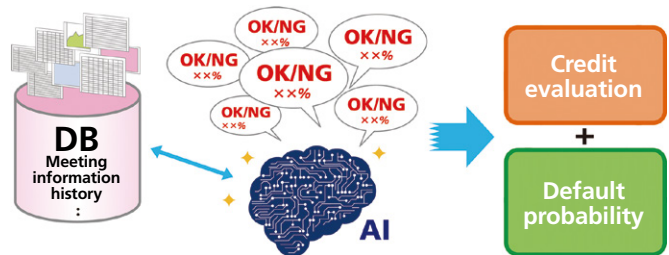


Refer to our website

- 1 Ricoh unified communication system advanced www.ricoh.com/ucs/advanced.html
- 2 Automated credit approval using AI technology www.ricoh.com/technology/institute/research/tech_ai_finance.html
- 3 Vibration data visualization system www.ricoh.com/release/2018/0329_1.html

Automated credit approval using AI technology

We developed "credit model" that replaces people with artificial intelligence. Ricoh Leasing Company, Ltd., is already using that setup, which saves manpower in credit operations and very accurately predicts default rates to aid loss projections.



Frontlines Improving productivity and added value by leveraging visual connections between offices

Things change when you can see what is happening in the frontlines. Ricoh brings together input, processing, and visualization technologies to make situations visible at various frontline sites and increase added value by connecting them with offices.

Vibration data visualization system

This system makes it possible to extract the data needed to detect equipment problems by monitoring equipment and machinery and combined proprietary sensors and data analysis technology. The system prevents failures and shortens downtimes and contributes to maintenance by offering predictions.

FANUC's robotic drills

Tool condition visualization

We can optimally time tool changeovers by identifying vibration changes owing to tool wear.

Initial stage | Mid stage | Late stage

Degradation characteristics apparent in vibrations from tool deterioration

Process condition visualization

Inspecting problems from incomplete setup, unsuitable process conditions, and abnormal vibrations from tool breakage and deterioration, which also benefits quality checks.

Example: Incomplete tool installation spectrum | Example: Spectrum upon breakage

Normal | Abnormal | Breakage

RICOH open remote services

We will leverage our Internet of Things and big data technologies and maintenance services expertise to initiate business support for manufacturing sector customers. Our first offering in this regard will be a remote monitoring service for inspection, processing, and other industrial equipment.

Society Employing technological innovations to bolster security and safety

Road surface inspection system >4

The aging of roads, bridges, and other infrastructure has become a major social issue. We can enhance security and safety by systematically maintaining and managing infrastructure.

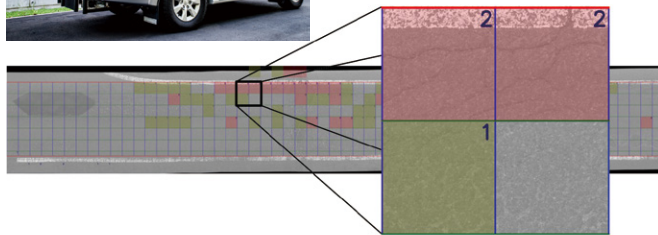
Ricoh developed a road surface condition monitoring system. This vehicle-mounted camera system measures the deterioration of road surfaces. Because it can be mounted on ordinary automobiles, it can be used on residential roads on which it would be hard to measure changes with large specialist vehicles.

The system uses multiple stereo cameras* to assess the rate of cracks, the rutting depths, and the flatness in a single pass. It automatically decodes images through a model based on machine learning to reduce man-hours. Based on the above three data sets, the system calculates a Maintenance Control Index, which is a comprehensive benchmark for determining whether to undertake maintenance and repairs. The system also supports the creation of inspection records. It can also map results to visualize road surface conditions.

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



Capturing images of the road with stereo cameras and using artificial intelligence to automatically measure the extent of cracks



Public infrastructure inspection system >5

We help organize photo taking with spherical shell drones and artificial intelligence to detect damage under bridges and other locations that are hard and dangerous to access, improving worker safety and inspection efficiency.

Our proprietary cameras can take macros and automatically rebuild images to create 3D and panoramic pictures. Our system helps produce records of position information according to inspection procedures.

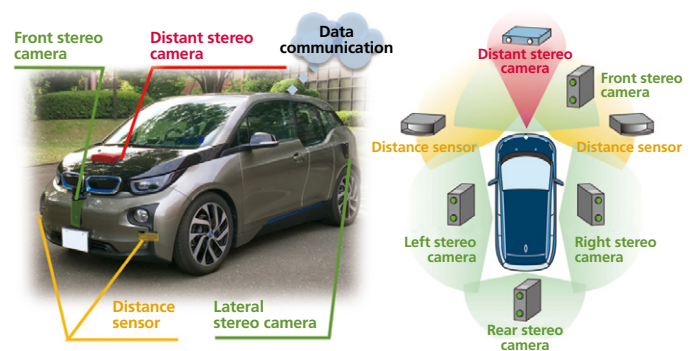


Checking bridge with spherical shell drone

Environmental recognition technology for autonomous driving

We seek to enhance automotive safety by developing a range of stereo cameras, sensing, image analysis, and other technologies on vehicles. In collaboration with AZAPA Co., Ltd., we are undertaking demonstration tests in Semboku, Akita Prefecture, to use our technologies to verify autonomous driving systems and identify potential issues.

Our setup uses multiple stereo cameras and omnidirectional 3D recognition to eliminate blind spots and identify pedestrians, vehicles, and other objects, assisting with driving decisions in complex environments that are packed with obstacles. Based on image attributes, it is possible to calculate how far a vehicle has moved in real time and estimate its position. The technology also recognizes white lines and road shoulders and determines the legally drivable area. This assists with decision-making in complicated situations such as when stopping, overtaking, and entering intersections.



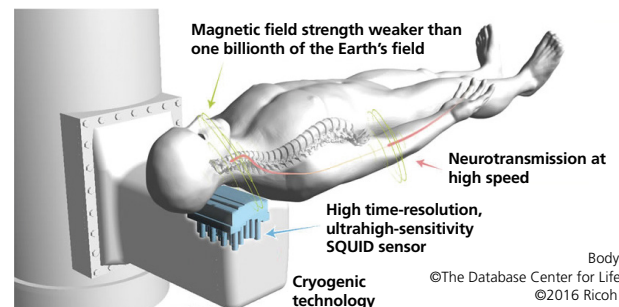
Vehicular all-directional sensors

Biomagnetic measurements >6 7

Our technology will contribute to advances in medical care. With a highly sensitive sensor, we can measure small amounts of magnetism from living bodies and precisely visualize nerve activity through noise removal and signal processing.

Our RICOH MEG magnetoencephalography system helps to diagnose developmental disorders in early stages, which has been very challenging to date. It can also diagnose epilepsy by evaluating a person's neural state. Potential applications for the system include clinical treatment, the identification of complex brain functions, and applied research using neuroscience.

We are also working on neural activity measurements for the spinal cord, whose generated magnetic field is smaller, to confirm neurotransmission without burdening patients.



Spinal cord neural activity measurement system

BodyParts3D,
©The Database Center for Life Science
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Share Alike 2.1 Japan

Refer to our website

- 4 Road surface inspection system www.ricoh.com/technology/institute/research/tech_road_surface_monitoring.html
 5 Public infrastructure inspection system www.ricoh.com/technology/institute/research/tech_inspection_system.html
 6 RICOH MEG www.ricoh.com/about/empowering-digital-workplaces/initiatives/scanning-the-individuality-of-the-brain/
 7 Visualization of neural activity of the spine www.ricoh.com/technology/institute/research/tech_neuro_trans.html

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 established in January 2018. The center shares customer feedback with design and manufacturing units, which use this information in initiatives to swiftly enhance products, services, and internal processes. Another outcome was Customer First events on Ricoh's foundation day

in February 2018. The events shared our commitment to customers around the globe. We will continue to meet customer expectations by marshaling our comprehensive worldwide resources to reflect feedback in our management and operations.



Customer First event as part of Ricoh's foundation day celebrations

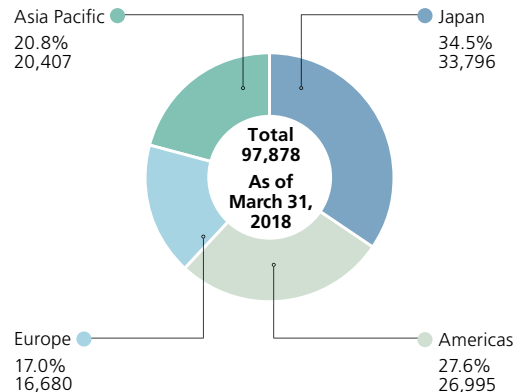
Operating globally and building our supply chain

In sales and services, we have built a global network stretching across some 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



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.

In addition, we identify ways to make our products better by analyzing customer satisfaction surveys ², undertaking improvements to increase user-friendliness and reflecting our findings in manufacturing.

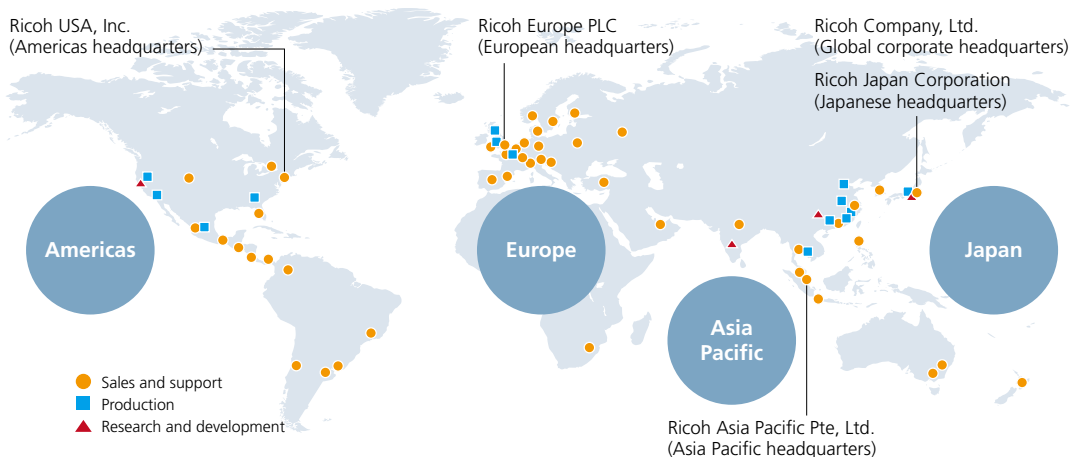
Systems for collecting and applying customer feedback

- CRM databases
- @Remote
- Customer satisfaction surveys
- Call centers
- Customer centers
- Technology centers
- Technology advisory conferences
- Customer First Center

Refer to this page

¹ Results of J.D. Power color copier customer satisfaction surveys P.22

Global network



Refer to our website

- ¹ Supply chain management www.ricoh.com/sustainability/report/action/supplychain.html
- ² Customer satisfaction www.ricoh.com/csr/consumer/
- ³ "RICOH @Remote" for printing devices www.ricoh.com/remotel/

Annual eTAC Another Success in Driving Customer-Centric Innovation

Ricoh held its 12th annual European Technology Advisory Conference (eTAC) in London on June 20 and 21, 2018. The event was again successful in providing insights into the changing needs of customers so the Company can continue progressing with customer-centric innovation.

This key forum for sharing technological knowledge brings together our most valued European and Fortune 500 customers to explore and share common business issues and help Ricoh address them effectively in its technological innovation efforts.

This year's eTAC attracted 40 representatives from 36 of Ricoh's Fortune Global 500 Major and International Account customers. Also attending were delegates from Ricoh operating companies around Europe and Ricoh technology specialists from the United States and Japan.

On the first day, we updated customers on our direction and strategy, Communication Services, and global mobile printing solution. We also discussed

MFP security, enhancements planned for our Streamline NX suite of integrated document management applications and tools, and Ricoh's Digital Workplace Platforms and Services.

The second day highlighted progress in Ricoh's approach to innovation, its IT services portfolio, common challenges in ensuring digital workplace security and print safety, and the future needs of cloud-enabled enterprises. Ricoh also shared its insights into designing solutions that fulfill its corporate social responsibilities.

Throughout eTAC, customers familiarized themselves with Ricoh's latest solutions and learned about planned Smart Operation Panel enhancements. They also got first glimpses of prototypes in office AI, edge devices, smart connectivity and collaboration platforms, and audio/video recognition and fatigue detection systems.

Customer feedback on the event was outstanding, auguring well for Ricoh's customer-centric commitment. An attendee poll found 88% of respondent were satisfied, with 100% expressing interest in participating in future eTAC events.



eTAC 2018 – Plenary session



eTAC 2018 attendees

Case Study:

Developing accessibility applications to enhance the MFP user experience for people with impaired vision

We formed a project team spanning eight countries, led by Ricoh Europe, to provide optimal solutions for visually impaired users of MFPs. This effort was a great success, and led to significant results.

Generating great awareness through external engagement

The project originated with a request from France's Ministry of Finance to Ricoh France (RFR) in May 2015. The ministry wanted a solution that would give visually impaired employees the same opportunities as others to contribute to the workplace.

At the time, RFR knew little about the needs of the visually impaired, and sought the assistance of the French Federation of the Blind and Visually Impaired. RFR learned that most visually impaired people do not use Braille but draw heavily on the voice technology of smartphones and tablets. This was an unexpected insight for RFR's people that contributed significantly to the project's success.

Leveraging feedback from the visually impaired to drive improvements

Ricoh's MFPs currently employ smart operating panels running Android OS. Proprietary applications can be developed for the panels, which can also take advantage of Google TalkBack audio technology with which visually impaired people are familiar. For existing customers that already have panels on their MFPs, RFR sought to provide solutions so they would not have to replace their systems.

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.

A model for the world

In recognition of the value of this application, in October 2016 a Dutch organization for the visually impaired decided to install Ricoh MFPs incorporating it. Following the official launch in January 2017, MFPs running the application won major French public sector orders and garnered attention around the world. The Ricoh Group believes that this application is an excellent example of ways to offer new value.



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 panel design that would become a firm favorite by being user friendly and offering beautiful graphics.



A 2017 Good Design Award reflected a development process that incorporated feedback from visually impaired users and a sense of security from the sensory manipulation.

Sustainable environmental management balancing conservation and business growth

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

Process for setting and achieving new environmental goals

Refer to these pages

1 Resolving Social Issues and Creating Value
P.23-24

RE100

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



2 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)

3 Reduction Goals under Representative Concentration Pathways 2.6 emission scenario as adopted by Intergovernmental Panel on Climate Change

4 Product resource conservation rate

Rate of reduction in new resource inputs to total resource inputs

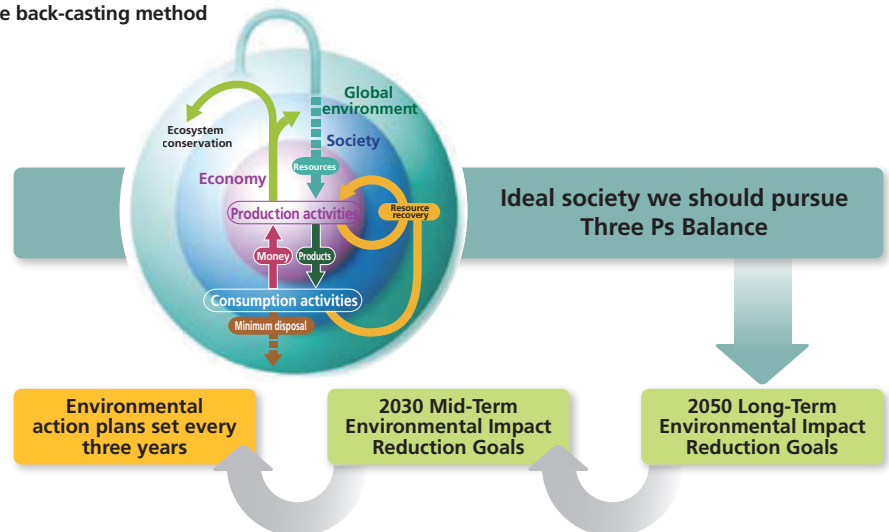
The five materialities that the Ricoh Group set in April 2017 include items for achieving a zero-carbon society and circular economy. > **1**

We accordingly set about reinforcing our efforts by formulating the Ricoh Group Environmental Declaration and environmental goals. We particularly seek to achieve a zero-carbon society, tackling global warming by eliminating greenhouse gas (GHG) emissions across the entire value chain by 2050. We will

reach that goal by conserving energy and using renewable energy. We were the first Japanese company to join RE100 > **1**, an international initiative striving to increase the demand for and delivery of renewable energy.

While striving to enhance the energy efficiency of our products, we will collaborate with business partners and customers to help decarbonize society throughout the value chain. > **1 2**

Setting goals using the back-casting method



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**
- | | |
|--|--|
| <p>2030 goals</p> <ul style="list-style-type: none"> • GHG Scope 1, 2 > 2 30% reduction > 3 • GHG Scope 3 > 2 15% reduction • Product resource conservation rate > 4 : 50% | <p>2050 goals</p> <ul style="list-style-type: none"> • Targeting zero GHG emissions across the entire value chain • Product resource conservation rate: 93% |
|--|--|
- Note: Figures compared with 2015 levels

Refer to our website

- 1 Ricoh sets materiality and environmental goals aimed to resolve social issues** www.ricoh.com/release/2017/0421_1.html
- 2 Ricoh Group Environmental Declaration and Environmental Goals** www.ricoh.com/environment/strategy/target.html

Pursuing decarbonization

We are leveraging strategies to develop technologies that help decarbonize economies, run energy efficiency and renewables businesses that relate to conserving and reusing energy, and decarbonating our operating sites, thereby contributing to corporate and social progress.

Technology development

● Creating and conserving energy

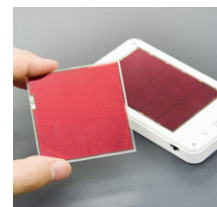
To generate necessary energy for local consumption, technologies that harvest solar and other light, vibration, heat, and other untapped energy sources and convert it into electricity are spotlighted.

Advanced dye-sensitized solar cells > **3** can generate electricity efficiently even under LED or other weak lighting conditions indoors. We have applied organic photoreceptor and supercritical fluid technologies that we amassed in developing multifunction and other products to ensure safety by using only

solid electrolyte structures offering more than double the electrical output of amorphous silicon solar cells.

● Reducing carbon dioxide emissions by providing energy-efficient products

Ricoh's MFPs incorporate proprietary offerings that enable quick recoveries from Energy Saver Mode, including Quick Start Up technology and low-melting-point toner. Color MFPs > **5** that we launched in May 2016 employ a human detection sensor that wakes the system from energy saver mode in just 0.5 second to enable key operations.



Dye-sensitized solar cells



5 Color MFPs launched in May 2016
RICOH MP C6004, C5504, C4504, C3504, and C3004 series

Running energy efficiency and renewables businesses

We are helping to lower carbon dioxide emissions around the world by providing decarbonization solutions.

In the social infrastructure arena, we maintain power sales services and offer customers solutions to enhance energy efficiency by enabling them to visualize their electricity consumption. We are helping to popularize electric vehicles by selling, constructing, operating, and maintaining charger facilities. Our solar power operations and maintenance service stabilizes the running of such facilities and supports business planning and operations in that area so customers can tap renewable energy more consistently and efficiently.

Conducting verification tests for decarbonization solutions through community collaboration

Model for tapping wood biomass heat

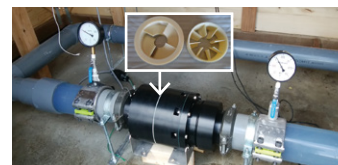
We deployed a local energy production and consumption model bathhouse and other facilities that tap heat from biomass boilers fueled by woodchips from thinned timber.



Wood biomass boiler

Micro hydropower systems

We are conducting verification tests with several municipalities and companies with a micro hydropower system that harnesses water flows from streams, irrigation canals, and building air conditioning. We are enhancing the operational rates of water turbines by employing proprietary technology to hollow their structures.



Decarbonizing business sites

● Stepping up energy conservation efforts

We have rolled out business initiatives to enhance energy efficiency by improving production processes and managing office energy consumption. Our thorough energy conservation activities include installing energy-efficient equipment. In the year ended March 31, 2018, we undertook more than 300 measures that cut our carbon dioxide emissions by around 7,000 metric tons. We deployed energy conservation efforts in-house and with customers as part of worldwide efforts to lower environmental impact.

● Tapping renewable energy

We were the first Japanese company to join to RE100. We have formulated a roadmap to reach RE100 targets and use renewable energy globally.

Usage overview

Our U.S. sales subsidiary and Numazu plant installed solar power systems. Our Asian sales headquarters in Singapore already sources 25% of its electricity from renewables, and looks to lift that rate to 100% by the year ending March 31, 2020. At more than 60 sites in 12 countries, European sales companies had sourced all of their electricity from renewables by the end of the year under review.

Refer to our website

3 Complete solid-state dye-sensitized solar cell www.ricoh.com/technology/tech/066_dssc.html

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.



The RICOH Eco Business Center installed a recovered machine storage management system that uses internally developed color coding.

The facility manages stock levels and location information by using a ceiling-mounted camera to scan recovered machine color codes.

This setup selects machines that are suitable for reconditioning and uses proprietary automated guided vehicles to take machines to production lines.



RICOH MP C4503RC/C3003RC



1 Reconditioned equipment

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

2 New returnable eco packaging for copier products

We currently use this packaging in Japan to take advantage of our collection systems framework and cost structure.

Product initiatives

● Making products smaller and lighter

We pursue designs that consume fewer new resources. For example, the RICOH MPC 6004 color laser MFP occupies 37% less space and is more than 64% lighter than conventional models. This is because we reduced the frame weight and developed a compact and light-weight motor and created thinner plastic parts and metal sheets.

● Reuse

We reuse MFPs from around the world for reconditioned machines >1 and 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, incorporating recycled parts and materials from our products in our offerings.

To create top-quality recycled plastics from recovered equipment, we reviewed collection systems and collaborated with materials manufacturers in developing technologies to restore the quality of collected materials. We thereby lifted the content of recovered materials from 10% to 50% of conventional materials in recycled plastic.

● Using open recycling in adopting recycled plastic for exterior materials

We are augmenting closed recycling by using commercially marketed recycled materials that match the inflammability and strength requirements of our MFPs. We began taking this approach with materials for equipment interiors >1. Through a development effort with Teijin Limited, we have extended open recycling to high-grade plastic products for external use.

Business activity initiatives

We extensively reduce emissions and resource losses and properly use water worldwide.

● 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. In the year under review, we lowered waste discharges as a percentage of sales by 3.8% from a year earlier on the strength of improved toner manufacturing processes.

● 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 using water effectively in view of local and business conditions.

Winning WorldStar Award for new returnable eco packaging for copier products >2 >2

Our award-winning new returnable eco packaging for copier products features an improved shape for stacking and is light and can be used repeatedly, offering greater recycling efficiency and durability than conventional designs. By using less material, this packaging has significantly lowered carbon dioxide emissions and environmental impact.



Recipient of 2018 WorldStar Award from World Packaging Organization

Projections for year ending March 31, 2019

Annual materials consumption reduction:	91.2 metric tons
Annual carbon dioxide emissions decrease:	153.7 metric tons

Refer to our website

- 1 Ricoh to use recycled plastics from commercially recovered material in next generation MFPs www.ricoh.com/release/2016/0530_2.html
- 2 New returnable eco packaging designed for copier products receives the 2018 WorldStar Award www.ricoh.com/info/2018/0508_1.html

19th Environmental Action Plan


We launched this initiative in April 2017 to enhance business growth and corporate value while reinforcing collaboration with society and other stakeholders by establishing priority strategies and targets. One key endeavor is to prevent global warming through companywide projects that seek to eliminate

greenhouse gas emissions from our operations by extensively conserving energy and using renewables.

Under the plan, we will foster environmental management that contributes to sustainable development for society and the Ricoh Group.

19th Environmental Action Plan >

Areas	Initiatives	Progress	
Energy conservation/prevention of global warming	Reduce CO ₂ emissions through eco-friendly products and solutions	Promote product energy saving through Ricoh Sustainable Products Program <ul style="list-style-type: none"> •FY2018/03 achievement rate for voluntary product energy saving standard: 234.1% •Exceeded the yearly target considerably, due to expanded sales of color MFPs equipped with superior energy-saving features. Will continue working to expand sales of products with superior energy-saving features. 	
	Reduce GHG related to business activities	Reduce GHG emissions by process improvement and utilization of electricity from renewable energy sources <ul style="list-style-type: none"> •Reduced the amount of CO₂ emissions (scope 1, 2) by 2.9% from FY2017/03 to 472,000 tons in FY2018/03, thereby achieving the target. 	
Resource Conservation and Recycling	Improve the efficiency of resources by implementing the 3Rs for products	Reduce new resource inputs to achieve 2020 environmental impact reduction goals <ul style="list-style-type: none"> •Increased the resource conservation rate for products to 22.0% for FY2018/03, an improvement from 21.9% for FY2017/03, thereby achieving the target. Will continue working to improve the rate. 	
	Reduce discharged waste in business activities	Reduce waste from business activities <ul style="list-style-type: none"> •Reduced the amount of waste proportionate to sales by 3.8% from FY2017/03, thereby achieving the target. Will continue working to reduce cost and waste of resources alike. 	
	Reduce emissions of water in business activities	Minimize water consumption in business activities <ul style="list-style-type: none"> •Reduced water usage proportionate to sales by 6.1% from FY2017/03, thereby achieving the target. Will continue working to reduce water usage. 	
Pollution prevention	Reduce the amount of environmentally sensitive substances used and emitted in business activities	Reduce & control use/emissions of environmentally hazardous chemical substances <ul style="list-style-type: none"> •Reduced usage of environmentally sensitive substances to below the FY2017/03 level, thereby achieving the target. •Reduced emissions of environmentally sensitive substances to below the FY2017/03 level, thereby achieving the target. •Will continue working to reduce usage and emissions. 	
Biodiversity conservation	Conduct biodiversity conservation and restoration by all of the Ricoh Group	a) Promote forest diversity conservation projects	a) Organized forestation activities in the Yanbaru forest in Okinawa in cooperation with local communities and customers.
		b) Launch & manage 7 biodiversity conservation site projects with stakeholders	b) Selected two sites: Sakai City (Fukui Prefecture) and Nirasaki City (Yamanashi Prefecture). Held a kick-off meeting in Sakai City.
		c) Initiate human capital development to promote biodiversity conservation activities which are engaged with stakeholders	c) Developed and carried out human capital development programs to promote biodiversity conservation activities in cooperation with stakeholders.
		d) Promote biodiversity conservation activities in company-owned forests	d) Launched a new nature experience program for senior high school students. Continued the biology program for elementary school students as planned.
		e) Promote biodiversity conservation activities with stakeholders	e) Presented the number of participating stakeholders and promoted activities.
		f) Proactively use wood-based products carefully in consideration of biodiversity	f) Confirmed that sustainable procurement policies are being complied with regarding Ricoh's wood-based products, such as copy paper and packaging paper. Will continue working to ensure compliance with Ricoh's wood-based products procurement policy.
Enhance the basis for environmental management	Promote the development of environmental technologies	Promote Ricoh Sustainable Products Program <ul style="list-style-type: none"> •As of the end of March 2018, 81.4% of products (imaging products currently marketed in and outside of Japan) are certified with RSP Product Rank, thereby achieving the target for FY2018/03. 	
	Expand environmental business	Global deployment of Sustainability Optimization Program	•Following introduction in Europe, introduced SOP in Asia, Oceania and Canada, to expand proposal activities to reduce TCO and environmental impact at customers' sites. Started preparations for introducing SOP in the United States, Latin America and Japan in FY2017/03, and will start sales force training for this purpose in FY2018/03.
		Promote environmental business development	•Launched a feasibility experiment for oil reclamation using collected PET bottle caps at RICOH Eco Business Development Center. •Signed a comprehensive cooperation agreement with the Gotemba City government primarily for advanced technology development. Started initiative to heat local spa facilities with wood biomass boilers.
	Collaboration with stakeholders	Promote engagement with third parties toward sustainable society development	•Made a presentation to introduce Ricoh's activities in a side event co-hosted by RE100 and CDP at COP23. •Participated in a dialogue session with the Minister of Foreign Affairs, Minister of the Environment and European Commission's climate action department through J-CLP. •Participated in a subcommittee for the Ministry of the Environment's Long-term Low-carbon Vision and the Ministry of Foreign Affairs' climate change expert meetings to present industrial recommendations. •Announced participation in Yokohama City's Smart Zone Alliance.
Raise environment awareness among employees		•Organized the Global Eco Action in June 2017, holding a related symposium and a presentation of employee environmental declaration. Launched the Eco Action Award.	
	Promote activities which help improvement of suppliers' management quality	•The total number of suppliers that have vigorously worked to reduce CO ₂ emissions in FY2018/03 reached five (target achieved). The combined amount of CO ₂ reduced by the five companies totaled 354 tons.	

 Refer to our website

 19th Environmental Action Plan www.ricoh.com/environment/plan/plan19th.html

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

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

Optimizing human resources worldwide

The Ricoh Group comprises around 100,000 people around the world, making it important to maintain a human resources management structure that keeps pace with the accelerating globalization of its operations. We look to put personnel policies in place around the world that empower all employees to

contribute significantly to progress and reward effort and talent. Our top three human resources priorities are to 1) encourage employees to embrace the Ricoh Way, 2) manage outstanding global talent, and 3) foster the global mobility of our people.

Encouraging employees to embrace 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 awards program

We instituted the Ricoh Way awards program in 2015 for all Group employees.

The program honors those whose endeavors contribute conspicuously to new customer value or innovation in keeping with the values statement of Ricoh Way.



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

Managing outstanding global talent

Identifying, cultivating, and harnessing people who can become Group leaders

We have rapidly expanded our international presence through overseas acquisitions and other efforts, so creating a groupwide human resources management system has been a key operational challenge. We have lagged in cultivating prospective managers because we have not systematically identified outstanding people, including at acquired companies or put in place consistent human resources management policies. The Group has thus been unable to benefit fully from its human resources.

We are endeavoring to address these shortcomings by identifying, cultivating, and harnessing people who can become Group leaders.

- Form a pool of outstanding people
- Maintain a training system for exceptional employees
- Set up entities to explore placing the right exceptional people appropriate positions

Diversity and work-life management

Basic approach

By drawing on the individuality of our diverse people and their collective acumen, the Ricoh Group can produce the innovations that are essential to keep growing. We are undertaking efforts to make fostering diversity and work-life management central to our business strategies so an array of people can reach their potential and help boost corporate value.



1 Eijyo College Summit
In 2014, companies from a range of industries launched this collaborative project to foster positive work environments for women in sales positions. In the year ended March 31, 2018, 150 companies were participated in this initiative.

Noteworthy diversity initiatives

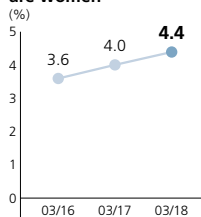
1. Increasing number of female managers in Japan

We have steadily increased the proportion of women in managerial roles at Group companies in Japan. Four of these entities have received recognition in the excellent stage of the Japan's



Ministry of Health, Labour and Welfare Eruboshi certification program for providing equal opportunities to women pursuant to the Act on Promotion of Women's Participation and Advancement in the Workplace. We will continue to foster diversity for women and others.

Percentage of domestic Group managers who are women



2. Women's success promotion event at each region

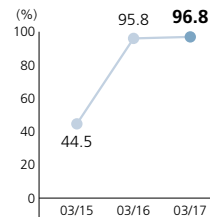
We marked International Women's Day in 2017 by launching events in the Americas, Europe, Japan, and elsewhere in Asia on the theme of better harnessing the contributions of women in the workplace. We have since broadened efforts in this respect to encompass customers. In 2018, we augmented regional initiatives with an event that linked venues in Europe and the United States through our Unified Communication System as part of efforts to immerse employees globally in diversity management endeavors.

Work-Life Management Achievements

1. Maintaining a leave program that reflects social and environmental needs

We reviewed our program to enable employees to meet their professional, childcare, and eldercare commitments. This resulted in all employees better managing work-life balance, with 96.8% of eligible male employees taking childcare leave.

Ratio of male taking childcare leave



2. Reforming work practices in Japan

We maintain a framework and IT environment that are conducive to employees selecting work options that match their work-life needs and optimize their performance. Ricoh Japan has made female employees the focus of its efforts, empowering them to enhance productivity and increase sales even if putting in shorter working hours. That company placed second in the special prize category of the Eijyo College Summit 2017.



Ricoh Japan received second prize in the special prize category of the Eijyo College Summit 2017.

Creating safe and secure workplaces

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, better addressing, and preventing health issues, permanently stationing industrial physicians and nurses at work sites, and building health management systems that use IT to control work and overtime. From the year ended March 31, 2013, we

augmented statutory requirements in health checks for employees over 35 years of age by conducting comprehensive examinations to help prevent lifestyle diseases and detect early-stage cancer. We have also created a management cycle encompassing mental and physical care and work. This setup has gradually reduced health problem incidences every year.

Reinforcing safety management

In early 2000, Ricoh began cultivating a safety-centric culture by acquiring external certifications, primarily for production sites. There is still room for improvement, and affiliates in logistics, sales and service, and with offices set about building a safety infrastructure by undertaking 5S (sort, set in order, shine, standardize, and sustain) initiatives. Research and development units undertook risk assessments to identify and address problem locations and stepped up training to improve safety.

Since the year ended March 31, 2014, we have broadened activities throughout the Group in Japan so we now instantly share information on occupational accidents in our database, including causes and measures to prevent recurrences. We are leveraging this tool to review Group safety standards.

For the year ending March 31, 2019, we are assessing risks based on uniform internal standards, focusing on domestic production sites and other offices.



Refer to this page

1 Number of industrial accidents
P.22

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
60	Assessing effectiveness of Board of Directors
61	Comments from Outside Directors
63	Executives
64	Internal Controls
64	Compliance
65	Risk Management

Corporate Governance

Maintaining Ricoh's corporate value on behalf of all stakeholders

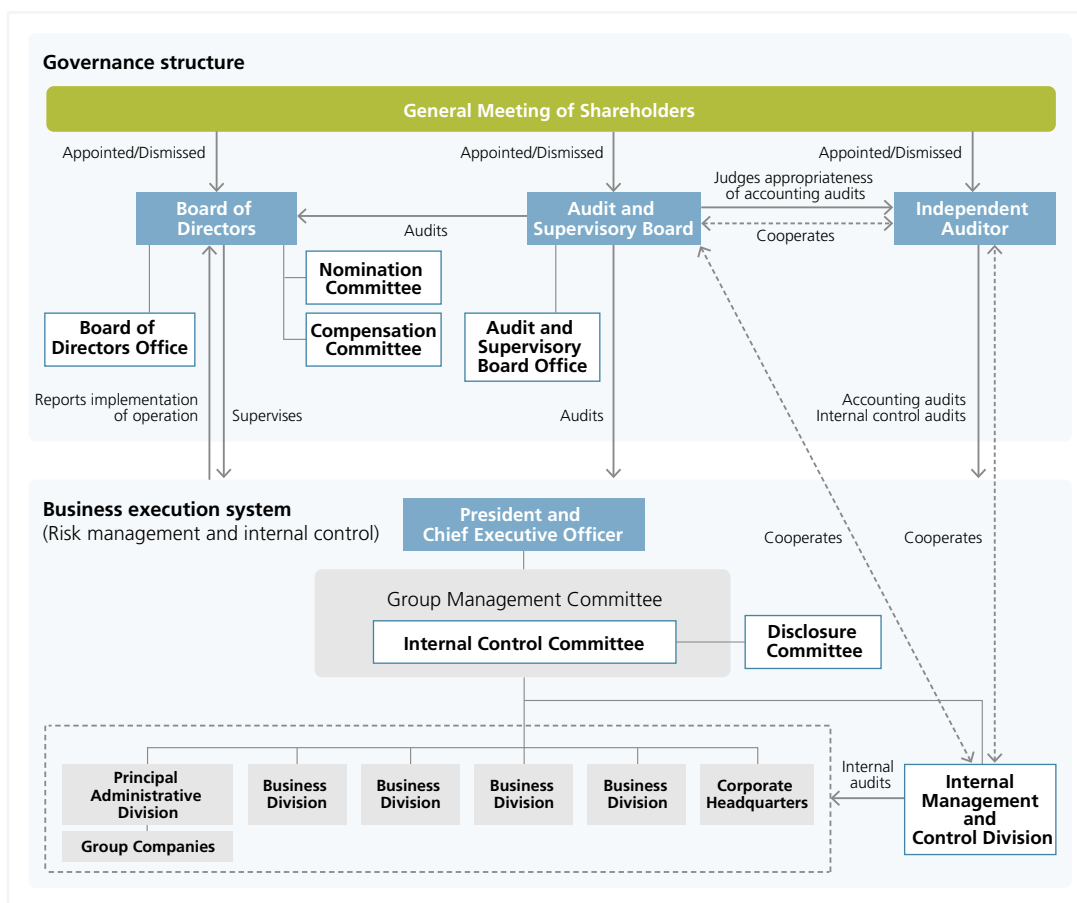
The Ricoh Group established The Ricoh Way as a set of guiding principles and values that serves as the foundation for all our business activities. Abiding by these principles in corporate ethics and compliance and maintaining transparency in management, we continuously strive to improve our governance,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

Corporate governance

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

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

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



Board of Directors and Audit and Supervisory Board

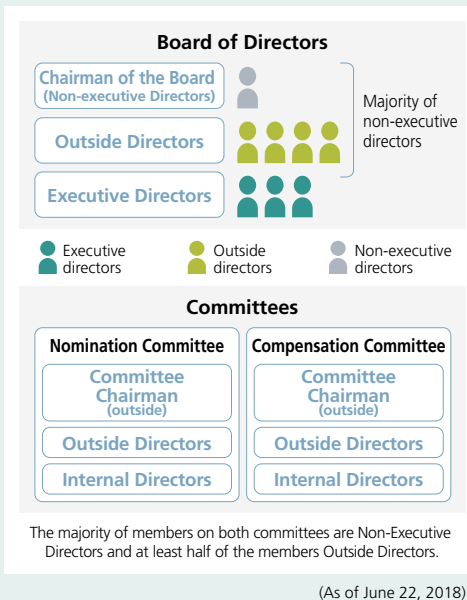
Board of Directors
 Maximum number of directors: 15
 Current number of executives: 8 (including 4 outside directors)
 Term: 1 year

Audit and Supervisory Board
 Maximum number of Audit and Supervisory Board members: 5
 Current number of executives: 5 (including 3 outside Audit and Supervisory Board members)
 Term: 4 years

(As of June 22, 2018)

Corporate governance structure

We fostered new growth challenges by encouraging outside, non-executive, and executive directors to draw on their expertise and experience in deliberating extensively on important matters. We also built a structure to supervise management from the perspectives of shareholders and diverse other stakeholders.



Governance structure

- The Ricoh Group has introduced a corporate audit system.
- The Board of Directors is responsible for management oversight and important decision making concerning Group management. By appointing highly independent outside directors, the Group ensures greater transparency in its management and decision making.
- Four of the Board's 8 directors are outside directors—part of an effort to incorporate various views and opinions and to eliminate arbitrary decision making in management.
- The Board of Directors Office was established to foster resolute decision making and help maintain highly transparent management supervision.
- Audit and Supervisory Board members hold discussions to determine audit and supervising policies and the assignment of duties, and they monitor corporate management.
- Audit and Supervisory Board members attend all important meetings, including but not limited to Board meetings, and exchange information regularly with the representative directors.
- The Audit and Supervisory Board Members Office, with designated support staff, has been established to ensure that the Audit and Supervisory Board members can work effectively.
- Under the executive officer system, the authority to carry out business has been assigned to respective functional departments so as to expedite decision making and clarify the roles of each department.

Nomination and Compensation Committees

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. And the Board of Directors Office was set up to support the Board of Directors, driving robust decision-making and ensuring transparent management oversight.

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.

Internal auditing

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


External auditing

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

Executive compensation

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

The base salary of directors consists of remuneration related to management oversight, remuneration

 **Refer to our website**

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

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

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

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

Executive compensation for the fiscal year ended March 31, 2018

Category	Number	JPY million		
		Total	Total remuneration, etc. by category	
			Base salary	Bonus
Directors (excluding Outside Directors)	6	341	341	—
Audit and Supervisory Board Members (excluding Outside Audit and Supervisory Board Members)	3	57	57	—
Outside Directors and Audit and Supervisory Board Members	8	86	86	—
Outside Directors	4	57	57	—
Outside Audit and Supervisory Board Members	4	29	29	—
Total	17	485	485	—

Assessing effectiveness of Board of Directors

■ Overview of Board of Directors effectiveness assessments in year ended March 31, 2018

Following an effectiveness assessment in the year under review, the Company's Board of Directors formulated basic policies for proceedings and spotlighted two improvement action items. On April 27, 2018, 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, Board of Directors deliberation effectiveness, decision-making, and supervision, and Board of Directors efforts to confirm implementation.

Action items and results of improvement in year under review

Action item 1

Assess and enhance the governance structure encompassing the Board of Directors, the Audit and Supervisory Board, and internal controls in terms of the effectiveness of audits and supervision.

Results of improvement

Effectiveness improved in such respects as shortening director appointments to one year and launching a governance review panel. At the same time, some pointed out that the global governance of affiliated companies needs further work, to which end the risk and crisis management structures and headquarters functions need enhancing.

Action item 2

Encourage and monitor implementation to help position the Company for sustainable growth.

Results of improvement


The Board of Directors took solid steps to address management challenges and encourage implementation, notably through its decisiveness on several key issues and free and vigorous deliberations in the process. At the same time, some noted a need for the Board of Directors to properly monitor progress with growth strategies while sufficiently deliberating such medium- and long-term areas as human resources strategies and R&D policies.


■ Efforts to enhance Board of Directors effectiveness in year ending March 31, 2019

The Board of Directors will endeavor to enhance its effectiveness through improvements in three key areas in keeping with the following basic policies to execute the RICOH Ignite growth strategy.

Improvement agenda for year ending March 31, 2019

1. Monitor progress with growth strategies #0, #1, and #2 and deliberate and provide support as necessary.
2. Assess and improve the governance and risk management underpinning global business activities.
3. Monitor and encourage implementation on remaining key management challenges and thereby foster swift and appropriate action. These challenges are to optimize the North American sales structure and to lower costs.

The Ricoh website presents details of Board of Directors deliberations about effectiveness assessments and a results summary for the year ended March 31, 2018. > 

 Refer to our website

 Corporate governance ricoh.com/governance/governance.html

Comments from Outside Directors

Three outside directors share their views on corporate governance and sustainable growth issues for Ricoh

Prioritizing Concrete Growth Strategies and Implementation to Drive Sustainable Expansion



Makoto Azuma

Currently

Member, Science Council of Japan; Advisory Professor, Tsing Hua University (China); Advisor, TDK Corporation; Councilor, TOSHIBA INTERNATIONAL FOUNDATION

Reason for appointment

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

Activity status

He attended 14 out of 15 Board meetings held in the fiscal year ended March 31, 2018.

Last fiscal year, the Board of Directors engaged in wide-ranging deliberations on the RICOH Resurgent slogan that Yoshinori Yamashita rolled out after he became president and CEO. While the Company experienced considerable pain in tackling its management issues, I believe that it broadly resolved them. In terms of structural reforms and asset impairments in particular, my focus as an outside director was on whether or not management was taking the right path. I think that we all share the view that efforts to step up business selectivity are still a work in progress.

This year, the Company embarked on RICOH Ignite, at the heart of which are growth strategies. The office business market became saturated several years ago, and management accordingly initiated several ideas for new businesses, several of which have already started. But at this stage Ricoh has yet to launch a business that is certain to drive sustainable growth. Looking externally, it is clear that the international notion that growth is

equivalent to mergers and acquisitions has permeated thinking at large corporations in Japan. There have been several instances of Japanese players spending trillions of yen to buy foreign companies. But statistics for the past 10 years show that few such purchases have proven successful. Although I cannot make a sweeping statement, I can say that companies have too often lacked the acumen to evaluate acquisition targets, failing to look closely at the realities of those entities. An easy buy is unlikely to drive growth.

Ricoh's growth strategies are about optimally stretching the value of current businesses and building new customer value. That seems easy at first glance. But it is actually quite hard to successfully formulate and execute specific steps. I think you have to undertake challenges in various respects. Outside directors are supposed to foster a corporate culture that is conducive to employees embracing challenges and aid the process of creating a working environment that empowers action and of building a management structure that assesses achievements fairly.

Comment on the effectiveness of the Board of Directors

In the year under review, the Board of Directors continued to examine growth strategies, structural reforms, and other important matters. I believe that we engaged in vigorous discussions before making decisions and appropriately followed up on these decisions. We will continue to choose agenda items that contribute to improving corporate value and we will reinforce the capabilities of the Board of Directors from shareholder perspectives.

Helping to Formulate Ricoh Group Business Policies and Contribute to Management Decision-Making from Broad and Long-Term Perspectives



Masami Iijima

Currently

Representative Director, Chairman of the Board of Directors, MITSUBISHI & CO., LTD.
Vice President of the general incorporated association KEIDANREN (Japan Business Federation)

Reason for appointment

Mr. Iijima accumulated a wealth of experience as an executive at MITSUBISHI & CO., LTD. He should contribute significantly to decision making at Ricoh through his independent oversight and advice.

Activity status

He attended 13 out of 15 Board meetings held in the fiscal year ended March 31, 2018.

In my view, my role as an outside director is to leverage the broad and long-term perspectives that I accrued in general trading house management to help the Ricoh Group formulate business strategies and contribute to management decision-making.

The Group operates in around 200 countries and territories, so it has to make optimal judgments from broad perspectives in view of the situations in those places. I also note that interest has risen in recent years in the United Nation's SDGs and in ESG investing. It is thus

increasingly important to keep providing new value to society through innovative business activities and to pursue mutual social and corporate sustainability from long-term perspectives.

I will endeavor as an outside director to ensure that the Ricoh Group remains a trusted corporate citizen by continuing to supervise management and help materialize effective corporate governance for shareholders and other stakeholders.

Comment on the effectiveness of the Board of Directors

During the year, we focused more on shareholder perspectives in our deliberations and made decisions accordingly, notably in terms of shortening director terms to one year and holding governance review committee meetings. We look to develop global growth strategies while fostering risk management improvements.

Balancing Diverse Perspectives and Enhancing Business Growth and Sustainability



Mutsuko Hatano

Currently

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

Reason for appointment

Ms. Hatano is a professor in the electrical and electronics fields at the Tokyo Institute of Technology, and has served on numerous committees for government institutions. She should contribute significantly to decision making at Ricoh through her independent oversight and advice.

Activity status

She attended 14 out of 15 Board meetings held in the fiscal year ended March 31, 2018.

It is important to pursue the SDGs of the United Nations' 2030 Agenda to help resolve global social issues. In the years ahead, people will assess companies based on their ability to nimbly tackle worldwide problems and maintain management ethics. The Ricoh Group is a leader in this respect, as it was swift under its 19th Mid-Term Management Plan to set SDG-compatible goals. It will be strategically important to align core and new business innovations with SDGs.

As an outside director, I will leverage my corporate and academic experience and perspectives on diversity that differ from those inside Ricoh to contribute to innovation-driven business growth and help enhance sustainability through the Board of Directors. The Board engages in lively deliberations in an atmosphere in which oversight functions well. To ensure that RICOH Resurgent materializes the goals of the 19th Mid-Term Management Plan, I consider it important to maintain and

evolve speedy and transparent deliberations and decision-making from global perspectives.

It is important for Ricoh's EMPOWERING DIGITAL WORKPLACES efforts to spread not just among conventional offices but also to individuals and society to materialize an ultrasmart society. As the momentum of a sharing economy accelerates companies may eventually no longer have offices. Also, I expect the tipping point for 3D printing to arrive in 2025. Notwithstanding all such developments, there has been little action on the work practice reform front despite a rising awareness in recent years of the need for improvements. Through work practice reforms that have resulted in smarter, more diverse, and more flexible approaches to going business, Ricoh can offer ideas and businesses to society that could generate dramatic growth opportunities.

I believe that through its innovations in creating knowledge Ricoh can contribute to the creation and evolution of a grand social design.

Comment on the effectiveness of the Board of Directors

I believe that we made decisions after appropriately considering important matters that management presented in a timely and accurate manner to the Board of Directors. In the fiscal year ending March 31, 2019, we aim to discuss the development of R&D and human resources that are fundamental to Ricoh's growth strategies over the medium and long terms and to anticipate initiatives that sustainably improve corporate value.

New Outside Director



Kazuhiro Mori

Currently

Outside Director, Isuzu Motors Limited

Reason for appointment

Kazuhiro Mori served in several prominent positions at Hitachi, Ltd., including Representative Executive Officer and Executive Vice President, where he garnered a wealth of managerial experience as well as a deep knowledge of technology and overall sales strategies. He played a key role in reforms at Hitachi.

Mr. Mori is currently an outside director at Isuzu Motors Limited. He should contribute much to enhancing Ricoh's corporate value by making constructive suggestions for corporate activity based on his experience and broad perspectives.

We concluded that with his management acumen and extensive experience, Mr. Mori will be able to reinforce the capabilities of the Board of Directors to objectively oversee operational implementation. He has no conflicts of interest with the Company.

Executives

As of June 22, 2018

Board of Directors



Yoshinori Yamashita

Representative Director and CEO
Member of Nomination and Compensation Committees

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

Currently

President and CEO, Ricoh Co., Ltd.

Formerly

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



Nobuo Inaba

Director
Chairman of the Board
Member of Nomination and Compensation Committees

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

Currently

Director, Ricoh Co., Ltd.

Formerly

Executive Director, Bank of Japan; President, Ricoh Institute of Sustainability and Business



Hidetaka Matsuiishi

Director and CFO

Date of birth: February 22, 1957
Joined the Company: 1981

Currently

Corporate Executive Vice President and General Manager of Business Planning Division, Ricoh Co., Ltd.

Formerly

General Manager, Japan Marketing Group, Ricoh Co., Ltd.; Representative Director, President and CEO, Ricoh Japan Corporation



Seiji Sakata

Director

Date of birth: September 12, 1958
Joined the Company: 1981

Currently

Corporate Executive Vice President, in charge of Technology Development and General Manager, Office Printing Business Group, Ricoh Co., Ltd.

Formerly

General Manager, Human Resources Division, General Manager, Japan Management Division and General Manager, Imaging Systems Development, Ricoh Co., Ltd.



Makoto Azuma

Outside Director
Member of Nomination and Compensation Committees

Date of birth: May 25, 1945
Appointed as Director: June 2014

Currently

Member, Science Council of Japan; Advisory Professor, Tsing Hua University (China); Advisor, TDK Corporation; Councillor, TOSHIBA INTERNATIONAL FOUNDATION



Masami Iijima

Outside Director
Member of Nomination Committee
Chairman of Compensation Committee

Date of birth: September 23, 1950
Appointed as Director: June 2016

Currently

Representative Director, Chairman of the Board of Directors, MITSUI & CO., LTD.; Vice President, the general incorporated association KEIDANREN (Japan Business Federation)



Mutsuko Hatano

Outside Director
Member of Compensation Committee

Date of birth: October 1, 1960
Appointed as Director: June 2016

Currently

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



Kazuhiro Mori

Outside Director

Date of birth: October 7, 1946
Appointed as Director: June 2018

Currently

Outside Director, Isuzu Motors Limited

Audit and Supervisory Board



Katsumi Kurihara

Audit and Supervisory Board Member
* Since June 2016

Date of birth: March 24, 1956
Joined the Company: 1978

Formerly

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



Hiroshi Osawa

Audit and Supervisory Board Member
* Since June 2017

Date of birth: February 28, 1964
Joined the Company: 1988

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

Contributions

Attended 14 of the 15 board meetings held in the term ended March 2018 (attendance rate: 93%). 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 Audit & Supervisory Board Members, Pigeon Corporation

Contributions

Attended 13 of the 15 board meetings held in the term ended March 2018 (attendance rate: 87%). Attended 12 of the 13 auditors' meetings held during the same period (attendance rate: 92%)



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 all of the 13 board meetings held in the term ended March 2018 (attendance rate: 100%). Attended all of the 10 auditors' meetings held during the same period (attendance rate: 100%)

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 Group Management Committee (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.

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

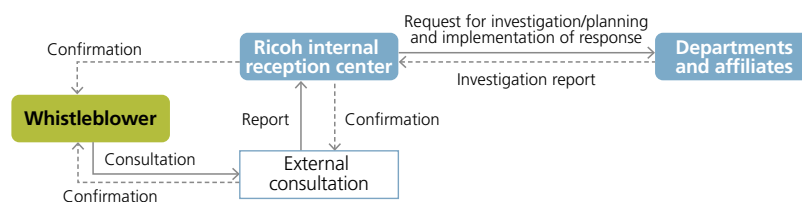
Hotline system

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.



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.

Basic flow of the Hotline system in Japan



Refer to our website

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

In addition, major Group companies worldwide have established and operate a reporting system and advice contacts. We evaluate the hotline system during internal audits.

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

Risk management >

Total risk management (TRM)

Based on the Risk Management Principles stipulated in the Ricoh Group Corporate Management Principles, the GMC/Internal Control Committee has established a risk management area of responsibility for each business risk and implemented thorough risk management in daily execution and business operations. The Group established a unit that is independent of divisions to comprehensively support executives, risk management areas, and all divisions within the Group.

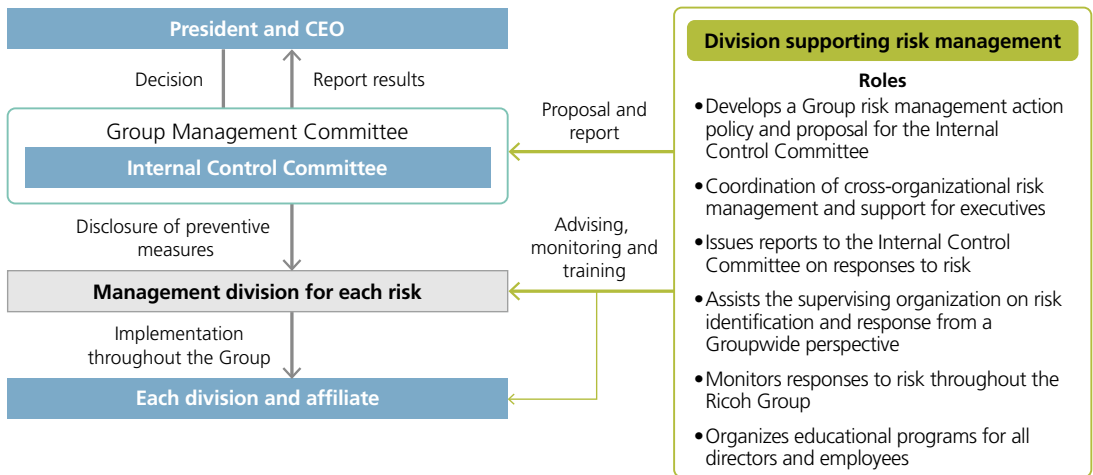
To streamline risk management groupwide, the Group Standard (which defines the Basic Rules for Ricoh Group Total Risk Management) is explained to

major affiliates through the Guidelines for Implementing Affiliated Company Risk Management.

We create risk management journals for specific risks relating to events, factors, preventive measures and advance preparations, and response measures. We accordingly rank implementation items each year, and plan, undertake, and report on them.

From the fiscal year 2018 ending March 31, 2019, the Group has introduced such a new process as the CEO tasks a senior executive to evaluate each management risk in charge and provide feedback on the results of risk management performance over a year following the action plan formulation so that enhanced management actions can be expected.

Risk management process




Focus managerial, managerial and sectoral risks

We undertake risk management PDCA's according to risk levels. We deem sectoral risks managed by Ricoh divisions and Group companies as managerial risks if the impact on human life or society or the monetary damage could be major if such risks materialize. We prioritize focus managerial risks where considering it important to undertake initiatives focusing on them in the relevant fiscal year.

Determining and reviewing managerial risks

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

 Refer to our website

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

Focus managerial risks and managerial risks

In the fiscal year 2018, ending March 31, 2019, we have narrowed down and prioritized risk items and added management team assessment processes so as to further enhance effectiveness of risk management initiatives.

Focus managerial risks

- Information security
- Fraudulent accounting

Managerial risks

- Misappropriation of company asset by employees
- Serious quality problem
- Employment problem
- Harassment issues
- Inability to supply products (long term delay/suspension)
- Violation of export & import related legislation
- Large-scale disaster (quakes, flood, etc.)
- Child labor and other human rights issues
- Software copyright issues
- Competition law infringements
- Risk of strategy/ Management decision (M&A)
- Contracts related with IP and business at initial stage of R&D/business arrangement

Responding to incidents and accidents

Setting down the Ricoh Group Incident Management Standard for all affiliate companies in Japan and overseas, 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 based on the president's policies. TRM 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 TRM 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 fiscal year in light of these reports and incident frequency.

Among the reported incidents, the number of compliance-related TRM incidents (corresponding to GRI G4 SO5 (a)) in the past three years were 16 in the fiscal year ended March 31, 2016, 19 in the fiscal year ended March 31, 2017, and 27 in the fiscal year ended March 31, 2018.

Ricoh Group Code of Conduct Violations

Reports during period (percentages of total)

Total number of incidents in year ended March 31, 2018: 27

	03/16	03/17	03/18
Labor law violation	6		11
Professional misconduct	6		7
Embezzlement or theft	75	63	22
Corruption			4
Information security			4
Fraudulent accounting		5	4
Inappropriate reporting			19
Unfair trade practices			7
Other	13	32	22

Of these compliance-related TRM incidents, there was one major incident [▶1](#) that required disclosures to external organizations in the fiscal year ended March 31, 2016, which was an accounting violation that occurred from India. [▶1](#) [▶2](#) However, there was no major incident in the fiscal year ended March 31, 2017.

We have disclosed information through our website and other channels about accounting irregularities at Ricoh India.

To date, we 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.



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

[1 The Financial Irregularities at an Overseas Consolidated Subsidiary](#)
P.15-16

[Refer to our website](#)

[2 Financial irregularities at Ricoh India](#) www.ricoh.com/governance/risk.html

Data & Profile

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

- 68 **Ricoh Group Consolidated Financial Results for the Fiscal Year Ended March 31, 2018**
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Ricoh Group Consolidated Financial Results for the Fiscal Year Ended March 31, 2018

Operating results

In the year under review, consolidated sales rose 1.7%, to ¥2,063.3 billion. The average exchange rate of the Japanese yen against the U.S. dollar was ¥110.91, down ¥2.52 from a year earlier, while the rate against the euro was ¥129.67, a depreciation of ¥10.85.

The Japanese economy continued to pick up moderately during the term. It was against this backdrop that in the Office Services segment domestic sales climbed for personal computers and other IT infrastructure and for communication services. In other areas, sales expanded for optical equipment and electricity retailing. Sales in Japan overall were therefore up 4.2%.

Overseas, economic conditions in the Americas continued to improve and recovered in Europe, the Middle East, and Africa. While the Chinese economy decelerated, other emerging nations continued to recover. While sales were down overseas in office printing they rose in all other segments. Sales were down 5.2% in the Americas (or 7.3% after factoring out exchange rate fluctuations), up 4.6% in Europe, the Middle East, and Africa (down 4.0% after excluding exchange rate changes), and up 6.4% in China, Asia, and other regions (up 2.4% after factoring out exchange rate fluctuations). Overall, overseas sales increased 0.2%.

Gross profit rose 0.3%, to ¥791.0 billion, reflecting sales growth. Selling, general and administrative expenses increased 3.0%, to ¥777.9 billion. Selling, general and administrative expenses included ¥30.1 billion in impairment losses on intangible and tangible assets in the office printing, office services, and other businesses. Structural reform costs for future growth businesses were admittedly up after factoring out these losses. Despite a large increase in costs, Ricoh lowered expenses from structural reforms bearing fruit earlier than planned, as well as from groupwide cost-cutting initiatives, which included reforming business processes.

Other income was up, owing largely to gains from agreements to transfer customers for the Group's direct sales and services to regional dealers as part of efforts to optimize its direct sales structure in the Americas. Another factor was transfers of shares in such subsidiaries as Ricoh Electronic Devices Co., Ltd. Goodwill impairment losses included ¥145.8 billion in such losses in the office printing and services businesses.

The Company thus posted an operating loss of ¥115.6 billion, compared with an operating profit of ¥33.8 billion a year earlier.

On the finance income and costs front, the Group incurred a higher net foreign currency exchange loss. The Group posted a ¥124.1 billion loss before income tax expenses, compared with a ¥29.9 billion profit before income tax expenses a year earlier.

This led to a loss attributable to owners of the parent of ¥135.3 billion, from a profit attributable to owners of the parent of ¥3.4 billion in the previous term.

Financial position

Assets, liabilities, and equity at year-end

Total assets decreased ¥118.2 billion, to ¥2,641.0 billion, reflecting impairment losses on property, plant and equipment and on goodwill and intangible assets.

Total liabilities increased ¥9.8 billion, to ¥1,652.2 billion. This was despite decreases in other current liabilities and in accrued pension and retirement benefits.


Total equity was ¥988.7 billion, down ¥128.1 billion, reflecting a decline in retained earnings because of the loss attributable to owners of the parent.

Cash Flows

Net cash provided by operating activities increased ¥21.9 billion, to ¥110.2 billion, reflecting a larger decrease in inventories and a smaller increase in lease receivables.

Net cash used in investing activities dropped ¥25.6 billion, to ¥81.0 billion, owing to a decrease in time deposits.

Net cash provided by financing activities increased ¥26.3 billion, to ¥6.4 billion. The prime factors in this increase were decreases in repayments of long-term debt and in dividends paid.

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Annual securities report for the fiscal year ended March 31, 2018 www.ricoh.com/IR/financial_data/securities_report/pdf/AnnualSecuritiesReport_118th.pdf

Flash report for the fiscal year ended March 31, 2018 www.ricoh.com/IR/financial_data/financial_result/data/30/q4_report.pdf

Consolidated Statements of Profit or Loss

Ricoh Company, Ltd. and Consolidated Subsidiaries
For the Years Ended March 31, 2017 and 2018

	Millions of Yen		Thousands of U.S. Dollars
	2017	2018	2018
Sales:			
Products	928,088	922,767	8,705,349
Post sales and rentals	1,001,317	1,017,742	9,601,340
Other revenue	99,494	122,854	1,159,000
Total sales	2,028,899	2,063,363	19,465,689
Cost of sales:			
Products	709,815	715,154	6,746,736
Post sales and rentals	475,752	478,246	4,511,755
Other revenue	54,704	78,957	744,877
Total cost of sales	1,240,271	1,272,357	12,003,368
Gross profit	788,628	791,006	7,462,321
Selling, general and administrative expenses	755,393	777,917	7,338,840
Other income	4,590	17,062	160,962
Other expense	3,945	145,827	1,375,726
Operating profit	33,880	(115,676)	(1,091,283)
Finance income	4,600	4,123	38,896
Finance costs	8,556	12,831	121,047
Share of profit (loss) of investments accounted for using the equity method	31	202	1,906
Profit before income tax expenses	29,955	(124,182)	(1,171,528)
Income tax expenses	20,518	5,457	51,481
Profit	9,437	(129,639)	(1,223,009)
Profit attributable to:			
Owners of the parent	3,489	(135,372)	(1,277,094)
Non-controlling interests	5,948	5,733	54,085
Per share of common stock:	Yen		U.S. Dollars
	2017	2018	2018
Earnings per share attributable to owners of the parent:			
Basic	4.81	(186.75)	(1.76)
Diluted	—	—	—
Cash dividends, applicable to the year	35.00	15.00	0.14
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	4.81	(186.75)	(1.76)
Diluted	—	—	—
Cash dividends, paid	35.00	15.00	0.14

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

To see Critical Accounting Policies and Notes to Consolidated Financial Statements, refer to the URL www.ricoh.com/IR/financial_data/securities_report/

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Flash report for the fiscal year ended March 31, 2018 www.ricoh.com/IR/financial_data/financial_result/data/30/q4_report.pdf
Financial data www.ricoh.com/IR/financial_data/financial_indicators/data5.html
Per share data www.ricoh.com/IR/financial_data/financial_indicators/data7.html

Consolidated Statements of Comprehensive Income

Ricoh Company, Ltd. and Consolidated Subsidiaries
For the Years Ended March 31, 2017 and 2018

	Millions of Yen		Thousands of U.S. Dollars
	2017	2018	2018
Profit	9,437	(129,639)	(1,223,009)
Other comprehensive income (loss):			
Components that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plan	4,555	2,541	23,972
Components that will be reclassified subsequently to profit or loss:			
Net gain (loss) on fair value of available-for-sale financial assets	10,746	17,375	163,915
Net gain (loss) on fair value of cash flow hedges	222	(13,497)	(127,330)
Exchange differences on translation of foreign operations	(25,974)	10,737	101,292
Total other comprehensive income (loss)	(10,451)	17,156	161,849
Comprehensive income (loss)	(1,014)	(112,483)	(1,061,160)
Comprehensive income (loss) attributable to:			
Owners of the parent	(6,705)	(118,072)	(1,113,887)
Non-controlling interests	5,691	5,589	52,727

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Financial data www.ricoh.com/IR/financial_data/financial_indicators/data5.html

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, 2017 and 2018

	Millions of Yen		Thousands of U.S. Dollars
	2017	2018	2018
Assets			
Current assets:			
Cash and cash equivalents	126,429	160,568	1,514,792
Time deposits	8,662	68	642
Trade and other receivables	566,315	589,741	5,563,594
Other financial assets	276,575	291,144	2,746,642
Inventories	202,551	180,484	1,702,679
Other investments	—	55,921	527,556
Other current assets	58,682	50,052	472,189
Total current assets	1,239,214	1,327,978	12,528,094
Non-current assets:			
Property, plant and equipment	271,257	250,005	2,358,540
Goodwill and intangible assets	388,177	217,130	2,048,396
Other financial assets	655,600	689,629	6,505,934
Investments accounted for using the equity method	563	3,703	34,934
Other investments	81,579	26,985	254,575
Other non-current assets	39,210	36,806	347,226
Deferred tax assets	83,687	88,794	837,679
Total non-current assets	1,520,073	1,313,052	12,387,284
Total assets	2,759,287	2,641,030	24,915,378

	Millions of Yen		Thousands of U.S. Dollars
	2017	2018	2018
Liabilities and Equity			
Current liabilities:			
Bonds and borrowings	229,944	223,194	2,105,604
Trade and other payables	295,788	300,724	2,837,019
Other financial liabilities	2,227	453	4,274
Income tax payables	15,149	17,871	168,594
Provisions	9,127	12,235	115,425
Other current liabilities	254,689	234,045	2,207,972
Total current liabilities	806,924	788,522	7,438,888
Non-current liabilities:			
Bonds and borrowings	629,799	658,707	6,214,217
Other financial liabilities	2,178	3,788	35,736
Accrued pension and retirement benefits	120,725	104,998	990,547
Provisions	10,969	12,709	119,896
Other non-current liabilities	61,701	80,174	756,358
Deferred tax liabilities	10,114	3,377	31,858
Total non-current liabilities	835,486	863,753	8,148,612
Total liabilities	1,642,410	1,652,275	15,587,500
Equity:			
Common stock Authorized — 1,500,000,000 shares as of March 31, 2017 and 1,500,000,000 shares as of March 31, 2018 Issued and outstanding — 744,912,078 shares and 724,881,610 shares as of March 31, 2017 and 744,912,078 shares and 724,871,419 shares as of March 31, 2018	135,364	135,364	1,277,019
Additional paid-in capital	186,423	186,463	1,759,085
Treasury stock	(37,318)	(37,329)	(352,160)
Other components of equity	100,194	114,954	1,084,472
Retained earnings	657,443	510,113	4,812,387
Equity attributable to owners of the parent	1,042,106	909,565	8,580,803
Non-controlling interests	74,771	79,190	747,075
Total equity	1,116,877	988,755	9,327,878
Total liabilities and equity	2,759,287	2,641,030	24,915,378

Ricoh's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") from the fiscal year ended March 31, 2014. To see Critical Accounting Policies and Notes to Consolidated Financial Statements, refer to the URL www.ricoh.com/IR/financial_data/securities_report/

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Consolidated Statements of Changes in Equity

Ricoh Company, Ltd. and Consolidated Subsidiaries
For the Years Ended March 31, 2017 and 2018


	Millions of Yen					
	Common stock	Additional paid-in capital	Treasury stock	Other components of equity		
				Remeasurement of defined benefit plan	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, 2016	135,364	186,423	(37,312)	—	23,617	(267)
Profit						
Other comprehensive income (loss)				4,526	10,713	340
Comprehensive income	—	—	—	4,526	10,713	340
Net change in treasury stock			(6)			
Dividends declared and approved to owners						
Transfer from other components of equity to retained earnings				(4,526)		
Acquisition of non-controlling interests						
Total transactions with owners	—	—	(6)	(4,526)	—	—
Balance at March 31, 2017	135,364	186,423	(37,318)	—	34,330	73
Profit						
Other comprehensive income (loss)				2,540	17,251	(13,334)
Comprehensive income	—	—	—	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)		
Acquisition of non-controlling interests		40				
Total transactions with owners	—	40	(11)	(2,540)	—	—
Balance at March 31, 2018	135,364	186,463	(37,329)	—	51,581	(13,261)

	Thousands of U.S. Dollars					
	Common stock	Additional paid-in capital	Treasury stock	Other components of equity		
				Remeasurement of defined benefit plan	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, 2017	1,277,019	1,758,708	(352,057)	—	323,868	689
Profit						
Other comprehensive income (loss)				23,962	162,745	(125,792)
Comprehensive income	—	—	—	23,962	162,745	(125,792)
Net change in treasury stock			(103)			
Dividends declared and approved to owners						
Transfer from other components of equity to retained earnings				(23,962)		
Acquisition of non-controlling interests		377				
Total transactions with owners	—	377	(103)	(23,962)	—	—
Balance at March 31, 2018	1,277,019	1,759,085	(352,160)	—	486,613	(125,104)

	Millions of Yen					
	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, 2016	91,564	114,914	678,424	1,077,813	69,951	1,147,764
Profit			3,489	3,489	5,948	9,437
Other comprehensive income (loss)	(25,773)	(10,194)		(10,194)	(257)	(10,451)
Comprehensive income	(25,773)	(10,194)	3,489	(6,705)	5,691	(1,014)
Net change in treasury stock				(6)		(6)
Dividends declared and approved to owners			(28,996)	(28,996)	(871)	(29,867)
Transfer from other components of equity to retained earnings		(4,526)	4,526	—	—	—
Acquisition of non-controlling interests						
Total transactions with owners	—	(4,526)	(24,470)	(29,002)	(871)	(29,873)
Balance at March 31, 2017	65,791	100,194	657,443	1,042,106	74,771	1,116,877
Profit			(135,372)	(135,372)	5,733	(129,639)
Other comprehensive income (loss)	10,843	17,300		17,300	(144)	17,156
Comprehensive income	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)	(954)	(15,452)
Transfer from other components of equity to retained earnings		(2,540)	2,540	—	—	—
Acquisition of non-controlling interests				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

	Thousands of U.S. Dollars					
	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, 2017	620,670	945,226	6,202,292	9,831,189	705,387	10,536,575
Profit			(1,277,094)	(1,277,094)	54,085	(1,223,009)
Other comprehensive income (loss)	102,292	163,208		163,208	(1,358)	161,849
Comprehensive income	102,292	163,208	(1,277,094)	(1,113,887)	52,727	(1,061,160)
Net change in treasury stock				(104)		(104)
Dividends declared and approved to owners			(136,773)	(136,773)	(9,000)	(145,774)
Transfer from other components of equity to retained earnings		(23,962)	23,962	—	—	—
Acquisition of non-controlling interests				378	(2,038)	(1,659)
Total transactions with owners	—	(23,962)	(112,810)	(136,497)	(11,037)	(147,536)
Balance at March 31, 2018	722,962	1,084,472	4,812,387	8,580,803	747,075	9,327,878

Ricoh's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") from the fiscal year ended March 31, 2014. To see Critical Accounting Policies and Notes to Consolidated Financial Statements, refer to the URL www.ricoh.com/IR/financial_data/securities_report/

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Consolidated Statements of Cash Flows

Ricoh Company, Ltd. and Consolidated Subsidiaries
For the Years Ended March 31, 2017 and 2018

	Millions of Yen		Thousands of U.S. Dollars
	2017	2018	2018
Cash Flows from Operating Activities:			
Profit	9,437	(129,639)	(1,223,009)
Adjustments to reconcile profit for the period to net cash provided by operating activities			
Depreciation and amortization	106,890	108,327	1,021,953
Impairment of property, plant and equipment and intangible assets	5,552	30,140	284,340
Impairment of goodwill	3,945	145,827	1,375,726
Other income	(4,590)	(17,062)	(160,962)
Share of profit (loss) of investments accounted for using the equity method	(31)	(202)	(1,906)
Finance income and costs	3,956	8,708	82,151
Income tax expenses	20,518	5,457	51,481
Increase in trade and other receivables	(12,763)	(17,106)	(161,377)
Decrease in inventories	1,176	22,720	214,340
Increase in lease receivables	(37,741)	(27,922)	(263,415)
Increase in trade and other payables	11,992	5,215	49,198
Decrease in accrued pension and retirement benefits	(9,094)	(11,506)	(108,547)
Other, net	21,099	32,808	309,509
Interest and dividends received	2,947	3,902	36,811
Interest paid	(8,406)	(5,025)	(47,406)
Income taxes paid	(26,588)	(44,354)	(418,434)
Net cash provided by operating activities	88,299	110,288	1,040,453
Cash Flows from Investing Activities:			
Proceeds from sales of property, plant and equipment	14,893	18,484	174,377
Expenditures for property, plant and equipment	(75,447)	(72,285)	(681,933)
Proceeds from sales of intangible assets	—	6,554	61,830
Expenditures for intangible assets	(26,793)	(34,698)	(327,340)
Payments for purchases of available-for-sale securities	(464)	(1,005)	(9,481)
Proceeds from sales of available-for-sale securities	824	186	1,755
Increase in time deposits	(7,519)	8,062	76,057
Purchase of business, net of cash acquired	(1,429)	(458)	(4,321)
Others, net	(10,780)	(5,917)	(55,821)
Net cash used in investing activities	(106,715)	(81,077)	(764,877)
Cash Flows from Financing Activities:			
Net repayments of short-term debt	(35,246)	(21,180)	(199,811)
Proceeds from long-term debt	303,100	134,819	1,271,877
Repayments of long-term debt	(289,452)	(109,877)	(1,036,575)
Proceeds from issuance of bonds	51,567	68,285	644,198
Repayments of bonds	(20,000)	(50,000)	(471,698)
Dividends paid	(28,996)	(14,498)	(136,774)
Payments for purchase of treasury stock	(7)	(11)	(104)
Others, net	(887)	(1,131)	(10,670)
Net cash used in (provided by) financing activities	(19,921)	6,407	60,443
Effect of Exchange Rate Change on Cash and Cash Equivalents	(2,781)	(1,479)	(13,953)
Net Decrease (Increase) in Cash and Cash Equivalents	(41,118)	34,139	322,066
Cash and Cash Equivalents at Beginning of Year	167,547	126,429	1,192,726
Cash and Cash Equivalents at End of Year	126,429	160,568	1,514,792

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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					
		2009	2010	2011	2012	2013	
Related Consolidated Profit and Loss	Sales	2,091,696	2,015,811	1,941,336	1,903,477	1,924,497	
	Cost of sales	1,237,310	1,194,272	1,152,395	1,150,855	1,155,896	
	Gross profit	854,386	821,539	788,941	752,622	768,601	
	Selling, general and administrative expenses	779,850	755,638	730,870	770,690	705,167	
	Operating income (loss)	74,536	65,901	58,071	(18,068)	63,434	
	Income (loss) before income taxes	30,939	57,082	44,169	(31,937)	58,173	
	Provision for income taxes	22,158	28,065	22,410	8,223	20,838	
	Net income (loss) attributable to Ricoh Company, Ltd.	6,530	27,044	18,630	(44,560)	32,467	
	Net income (loss) attributable to Ricoh Company, Ltd. shareholders per share [in yen]						
		Basic	9.02	37.27	25.68	(61.42)	44.78
		Diluted	8.75	36.25	25.15	(61.42)	—
		R&D expenditure	124,406	109,346	110,553	119,027	112,006
		Depreciation for tangible fixed assets	74,886	70,394	67,231	64,984	60,471
	Capital investments	96,958	66,886	66,875	73,271	86,569	
	Free cash flow	(195,684)	97,765	36,730	(101,237)	18,059	
	Debt (Short-term borrowings and Long-term indebtedness)	779,195	684,454	629,624	741,867	702,780	
	Total assets	2,513,495	2,377,983	2,255,564	2,289,358	2,360,697	
	Shareholders' equity	975,373	969,358	925,243	822,704	897,996	
	Exchange rate [yen/US\$]	100.55	92.91	85.77	79.08	83.06	
	[yen/euro]	143.74	131.21	113.28	109.05	107.08	

		Millions of Yen				
Sales by Category	Imaging & Solutions	1,833,098	1,789,717	1,712,630	1,671,100	1,685,391
	Office Imaging	1,598,614	1,614,347	1,381,175	1,323,263	1,329,608
	Production Printing			150,044	148,564	147,040
	Network System Solutions	234,484	175,370	181,411	199,273	208,743
	Industrial Products	115,550	101,692	107,032	98,052	93,094
	Other	143,048	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	938,331	876,498	875,819	886,425	870,397
	Overseas	1,153,365	1,139,313	1,065,517	1,017,052	1,054,100
	The Americas	502,862	558,942	520,000	468,728	496,605
	Europe	523,407	456,563	428,519	421,373	421,740
	Other	127,096	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	2018
Related Consolidated Profit and Loss	Sales	1,811,814	2,108,475	2,151,404	2,209,028	2,028,899	2,063,363	19,465,689
	Cost of sales	1,062,204	1,235,250	1,244,486	1,327,064	1,240,271	1,272,357	12,003,368
	Gross profit	749,610	873,225	906,918	881,964	788,628	791,006	7,462,321
	Selling, general and administrative expenses	676,055	752,880	794,014	799,406	755,393	777,917	7,338,840
	Operating profit	73,555	120,345	115,765	102,295	33,880	(115,676)	(1,091,283)
	Profit before income tax expenses	68,082	118,063	112,297	95,684	29,955	(124,182)	(1,171,528)
	Income tax expenses	24,264	39,611	38,598	28,378	20,518	5,457	51,481
	Profit attributable to owners of the parent	38,915	72,818	68,562	62,975	3,489	(135,372)	(1,277,094)
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)	(1.76)
	Diluted	—	—	—	—	—	—	—
	R&D expenditures	112,006	116,222	118,782	118,583	114,398	111,015	1,047,311
	Depreciation for tangible fixed assets	54,376	63,305	70,924	68,740	68,007	68,436	645,623
	Capital expenditures	79,287	72,993	75,976	83,778	75,447	72,285	681,934
	Free cash flow	15,575	23,956	(40,913)	(4,280)	(18,416)	29,211	275,576
	Interest-bearing debt	702,335	724,164	790,580	852,800	859,743	881,901	8,319,821
	Total assets	2,391,163	2,596,618	2,730,207	2,776,461	2,759,287	2,641,030	24,915,378
	Equity attributable to owners of the parent	913,705	1,029,413	1,084,167	1,077,813	1,042,106	909,565	8,580,803
	Exchange rate [yen/US\$]	83.06	100.29	109.89	120.12	108.39	110.91	—
	[yen/euro]	107.08	134.47	138.85	132.68	118.82	129.67	—

		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	10,792,953
	Office Service	—	—	—	—	425,612	447,973	4,226,160
	Commercial Printing	—	—	—	—	186,110	185,933	1,754,085
	Industrial Printing	—	—	—	—	11,883	19,200	181,132
	Thermal Media	—	—	—	—	52,287	61,458	579,792
	Other	—	—	—	—	182,028	204,746	1,931,567

		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	7,546,264
	Overseas	1,050,929	1,290,511	1,391,824	1,447,438	1,261,377	1,263,459	11,919,425
	The Americas	496,857	589,160	648,545	693,786	609,098	577,559	5,448,671
	Europe, Middle East and Africa	418,418	519,103	532,375	531,002	456,471	477,554	4,505,226
	Other	135,654	182,248	210,904	222,650	195,808	208,346	1,965,528

We have restated the consolidated financial statements due to changing the fiscal year-ends of our subsidiaries from the fiscal year ended March 31, 2012. We also recalculated the figures for the fiscal year ended March 31, 2010 and the fiscal year ended March 31, 2011 for reference purposes.

Product lines included in the product categories were changed from the fiscal year ended March 31, 2013. We also recalculated the figures for the fiscal year ended March 31, 2011 and the fiscal year ended March 31, 2012 for reference purposes.

Middle East and Africa sales have shifted from Other to Europe as of the fiscal year ended March 31, 2013. We also recalculated the figures for the fiscal year ended March 31, 2011 and the fiscal year ended March 31, 2012 for reference purposes.

The compilation method has been changed from the fiscal 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 fiscal year ended March 31, 2014 for reference purposes.

We have retroactively adjusted the IFRS-based data from the fiscal 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 fiscal 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, 2016	Year ended Mar. 31, 2017	Year ended Mar. 31, 2018			
1	Number of outside directors (total number of directors)	Ricoh Co., Ltd.	3 (10)	4 (10)	4 (8)	GRI: 38 ISO26000: 6.2 SDGs: 16	
2	Response rate for CSR self-assessments by suppliers (%) () indicates number of suppliers asked to respond	Japan	100 (13)	—	100 (7)	GRI: HR10, HR11 GC: 1, 2, 4-8 ISO26000: 6.3, 6.4, 6.5, 6.6, 6.7, 6.8	Implemented for important suppliers related to new business (magnetoencephalography) in the year ended March 31, 2018
		China	—	—	—		
		Thailand	—	100 (68)	—		
3	Cases of serious accidents involving products*2	Ricoh Group	0	0	1	GRI: PR1, PR2 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	2	0	0	GRI: PR8 ISO26000: 6.7 SDGs: 16	Number of serious violations of law or incidents and accidents that must be made public Year ended March 31, 2016: TRM cases (theft of a laptop computer on which customer data was stored; service issues owing to system failure)
5	Number of serious violations of law or incidents and accidents*2	Ricoh Group	1	0	0	GRI: SO5, SO7, SO8 GC: 1, 2, 4-8, 10 ISO26000: 6.3, 6.4, 6.5, 6.6, 6.7 SDGs: 16	Number of serious violations of law or incidents and accidents that must be made public Number excludes any serious product accidents noted in 3 above, and any serious information security accidents or incidents noted in 4 above For more details: www.ricoh.com/governance/risk.html
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	4,712	4,693	4,702	GRI: EN3 GC: 7, 8 ISO26000: 6.5 SDGs: 7, 8, 12, 13	Third-party inspection ratio*3: 83%	
8	GHG emissions	Scope1	CO ₂ (kt)	Ricoh Group	147.5	144.8	137.9	GRI: EN15 GC: 7, 8 ISO26000: 6.5 SDGs: 3, 12, 13, 15	Third-party inspection ratio*3: 73%
					GHG from non-energy sources (CO ₂ equivalents)*4	30.7	32.7	35.5	GRI: EN15 GC: 7, 8 ISO26000: 6.5 SDGs: 3, 12, 13, 15
		Scope2	CO ₂ (kt)		320.1	308.6	298.6	GRI: EN16 GC: 7, 8 ISO26000: 6.5 SDGs: 3, 12, 13, 15	Third-party inspection ratio*3: 91%
		Total (kt)	498.3		486.1	472.0	GRI: EN15,16 GC: 7, 8 ISO26000: 6.5 SDGs: 3, 12, 13, 15	Third-party inspection ratio*3: 85%	
9	CO ₂ emissions during product use	Scope3	CO ₂ (kt)	Ricoh Group	563.8	490.4	425.9	GRI: EN17 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)	Global	453	467	421	GRI: EN27 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 Ricoh products and/or solutions	
11	Water use	Total (km ³)	Ricoh Group	4,475	4,542	4,335	GRI: EN8 GC: 7, 8 ISO26000: 6.5 SDGs: 3, 6, 12	Third-party inspection ratio*3: 100%	
12	Wastes	Total amount (t)	Ricoh Co., Ltd. and manufacturing subsidiaries	61,357	60,438	59,161	GRI: EN23 GC: 7, 8 ISO26000: 6.5 SDGs: 3, 6, 8, 12	Third-party inspection ratio*3: 100% Amended waste figures for year ended March 31, 2016	
		Final disposal amount (t)		375	266	91	GRI: EN23 GC: 7, 8 ISO26000: 6.5 SDGs: 3, 6, 8, 12	Third-party inspection ratio*3: 100%	
		Resource recovery rate (%)		98.5	99.2	99.1	GRI: EN23 GC: 7, 8 ISO26000: 6.5 SDGs: 3, 6, 8, 12	Third-party inspection ratio*3: 100%	

*1 Major initiatives GRI: Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (G4), GC: Global Compact, SDGs: Sustainable Development Goals, ISO 26000: International standards for SR

*2,3 Third-party inspections conducted during the fiscal year ended March 31, 2018 by SGS Japan Inc. Coverage rate in Notes column for year ended March 31, 2018
For more details > WEB: www.ricoh.com/environment/data/third.html

*4 GHG from non-energy sources (carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorinated compounds, sulfur hexafluoride, and nitrogen trifluoride)

 For more information about environmental data > WEB: www.ricoh.com/environment/data/

Indicator	Scope of Survey	Performance			Items Relating to Major Initiatives*1	Note		
		Year ended Mar. 31, 2016	Year ended Mar. 31, 2017	Year ended Mar. 31, 2018				
Society								
13	Number of regular employees	Ricoh Group (Japan)	35,799	35,490	33,796	GRI: 9	Item 13 is the total number of employees at 223 companies in the Ricoh Group	
		Ricoh Group (Overseas)	73,582	70,123	64,082			
		Ricoh Group total	109,361	105,613	97,878			
14	Gender ratio (male:female)	Ricoh Co., Ltd.	86:14	85:15	85:15	GRI: 10 GC: 6 ISO26000: 6.4 SDGs: 5, 8	Items 17 and 18 covering 23 domestic subsidiaries. Totals covering almost all Ricoh Group employees	
		Subsidiaries in Japan	84:16	83:17	83:17			
		Ricoh Group (Japan) total	84:16	84:16	83:17			
15	Average years of service	Ricoh Co., Ltd.	Male	17.9	18.3	19.1	GRI: N/A GC: 6 ISO26000: 6.4 SDGs: 5, 8	For item 19, the value for the year ended March 31, 2018, indicated a significant increase year on year, owing to increased use of post-retirement career programs
			Female	18.3	19.5	19.7		
16	Average age	Ricoh Co., Ltd.	Male	43.0	43.5	44.0	GRI: LA10 GC: 6 ISO26000: 6.4 SDGs: 5, 8	Numbers differ from those disclosed in the previous fiscal year, reflecting a change in the scope of data in items 20 and 21 for domestic Ricoh Group businesses
			Female	41.0	41.7	42.2		
			Total	42.7	43.3	43.75		
17	Percentage of female workers in management positions*2	Ricoh Co., Ltd.	3.4	3.5	3.8	GRI: LA12 GC: 6 ISO26000: 6.4 SDGs: 5, 8	Item 22 indicates actual data for companies eligible for the special subsidiary system	
		Subsidiaries in Japan	3.7	4.2	4.7			
		Ricoh Group (Japan) total	3.6	4.0	4.4			
18	Percentage of female workers in executive management positions*2	Ricoh Co., Ltd.	1.7	1.6	1.8	GRI: LA12 GC: 6 ISO26000: 6.4 SDGs: 5, 8	Item 23 covering 30 key subsidiaries	
		Subsidiaries in Japan	1.9	2.1	2.6			
		Ricoh Group (Japan) total	1.8	1.9	2.2			
19	Employee turnover ratio	Ricoh Co., Ltd.	1.9	2.2	5.15	GRI: LA1 ISO26000: 6.4 SDGs: 5, 8		
20	Number of people taking childcare leave	Ricoh Co., Ltd.	140	306	269	GRI: LA3 ISO26000: 6.4 GC: 1 SDGs: 5, 8		
		Subsidiaries in Japan	243	262	362			
		Ricoh Group (Japan) total	383	568	631			
21	Number of people taking nursing care leave	Ricoh Co., Ltd.	9	7	6	GRI: N/A ISO26000: 6.4 GC: 1 SDGs: 8		
		Subsidiaries in Japan	11	14	11			
		Ricoh Group (Japan) total	20	21	17			
22	Employment Rate of Workers with Disabilities	Ricoh (special subsidiary Group application)	2.03	2.18	2.29			
23	Percentage of locally hired presidents	Overseas subsidiaries	61.3	58.1	60.0	GRI: LA12 GC: 6 ISO26000: 6.4 SDGs: 8		
24	Number of major disasters	Ricoh Co., Ltd.	0	0	0			
		Subsidiaries in Japan	0	0	0			
		Ricoh Group (Japan) total	0	0	0			
25	Number of industrial accidents	Ricoh Co., Ltd. (manufacturing)	5	5	4	GRI: LA6 GC: 1 ISO26000: 6.4 SDGs: 3, 8	Item 24 figures include major incidents Item 25 covers 23 domestic subsidiaries. Totals covering almost all Ricoh Group employees	
		Ricoh Co., Ltd. (non-manufacturing)	6	5	11			
		Ricoh Co., Ltd. total	11	10	15			
		Subsidiaries in Japan (manufacturing)	36	23	22			
		Subsidiaries in Japan (non-manufacturing)	83	86	91			
		Subsidiary total in Japan	119	109	113			
		Ricoh Group (Japan) total (manufacturing)	41	28	26			
		Ricoh Group (Japan) total (non-manufacturing)	89	91	102			
Ricoh Group (Japan) total	130	119	128					
26	Implementation rate of employee awareness surveys	Ricoh Group (Japan)	—	—	84.5	GRI: N/A ISO26000: N/A SDGs: 8	Item 26 for the year ended March 31, 2018, data collected from 15 out of 17 major subsidiaries in Japan. It indicates a percentage of the entire personnel	
		Overseas subsidiaries	—	—	—			
		Ricoh Group total	—	—	84.5			
27	Amount of charitable donations (JPY million)	Ricoh Co., Ltd.	126	118	104		• Collected amounts at 66 Ricoh Group companies • Amounts are based on exchange rates for each fiscal year as determined in-house	
		Subsidiaries in Japan	4	6	5			
		Overseas subsidiaries	40	24	53			
		Ricoh Group total	170	148	162			
28	Hours spent for social contribution activities	Ricoh Co., Ltd.	8,592	4,989	2,795	GRI: SO1 ISO26000: 6.8 SDGs: 1-17		
		Subsidiaries in Japan	5,106	2,861	3,164			
		Overseas subsidiaries	14,461	28,453	21,264			
		Ricoh Group total	28,159	36,303	27,223			
29	Total contributions to society (JPY million)	Ricoh Co., Ltd.	200	157	120			
		Subsidiaries in Japan	28	20	37			
		Overseas subsidiaries	135	225	189			
		Ricoh Group total	363	402	346			

Commitment and Recognition

WE SUPPORT



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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
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
April	2017	Becomes the first Japanese company to join the RE100, a collaborative, global initiative of influential businesses

Major Awards and Recognition

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

January	2013	Ricoh's CSR activities are given the 10th Corporate Philanthropy Award
March	2013	Included in the Ministry of Economy, Trade and Industry's Diversity Management Selection 100
July	2013	Designated a Leader in Worldwide Managed Print Services by IDC MarketScape Analysis for the third straight year
January	2014	Receives Bronze Award in RobecoSAM's survey of corporate sustainability
January	2014	Selected as one of the Global 100 Most Sustainable Corporations for the 10th consecutive year
November	2014	Named to "2014 Top 100 Global Innovators" list
November	2014	Ricoh Asia Pacific Pte Ltd. recognized at Singapore Sustainability Awards 2014
December	2014	Awarded 2014 Environment Minister's Award for Global Warming Prevention Activity
December	2014	Remains a constituent under new standards for the FTSE4Good Index Series
January	2015	Receives the Chairman's Prize of ECCJ in the Energy Conservation Grand Prize for excellent energy conservation equipment
January	2015	Recognized as "Prime" on the oekom sustainability rating
April	2015	Receives the Prize for Science and Technology in the Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology
September	2015	Becomes a component of the Dow Jones Sustainability World Indices for socially responsible investment for the third year in a row
November	2015	Recognized by CDP as a leading company in Climate Change Disclosure for the second straight year
January	2016	Selected for the Silver Class in RobecoSAM sustainability ratings for the second consecutive year
March	2016	Named as one of the "2016 World's Most Ethical Companies" by Ethisphere Institute for the seventh time
September	2016	Ricoh Asia Pacific Pte Ltd. won the President's Awards for the Environment 2016
April	2017	Awarded the top "Gold Rating" in EcoVadis supplier survey for the third straight year
July	2017	Included in the FTSE Blossom Japan Index, which measures the ESG practices of Japanese companies, and the MSCI Japan Empowering Women Index
September	2017	Placed first for third consecutive year in two IT-related J.D. Power customer satisfaction survey categories
November	2017	Ricoh Asia Pacific Pte Ltd. received the Singapore Apex Corporate Sustainability Awards 2017
April	2018	Recognized as "Prime" on the oekom sustainability rating
July	2018	Selected for the FTSE4Good Index Series > 2, a socially responsible investment index, for the 15th consecutive year



FTSE Blossom Japan



Refer to our website

1 Commitment to society www.ricoh.com/csr/vision/concept.html

2 FTSE4Good www.ftse.com/products/indices/FTSE4Good

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 >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. Since its inception, the program has raised around £70,000 (about ¥9.8 million) from tool usage revenues and events.



Ricoh Europe is jointly producing Dementia Uncovered, a short film to deepen awareness of this illness.

Ricoh Global Eco Action 2018 >2

Engaging with society in Singapore to deepen understanding of sustainability

In May 2018, Ricoh Asia Pacific Pte, Ltd. brought together government, business, and academic leaders in a roundtable gathering to focus on the United Nation's ninth Sustainable Development Goal and discuss how companies can build a resilient infrastructure and promote an inclusive and sustainable industrialization. The company also held a CSR workshop. These efforts deepened deliberations about corporate sustainability strategies and their implementation. Activities with society stakeholders on the 12th annual Eco Action Day proved very fruitful.

The Group instituted Ricoh Global Eco Action efforts in 2006 to highlight and act on environmental issues on June 5, the date of the United Nations' World Environment Day.



Fostering youth

Intel International Science and Engineering Fair >1

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 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 around the nation.



1 Intel
Intel is a trademark of Intel Corporation in the United States and other countries.

 Refer to our website

1 Printed Memory Program www.printed-memories.com/

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

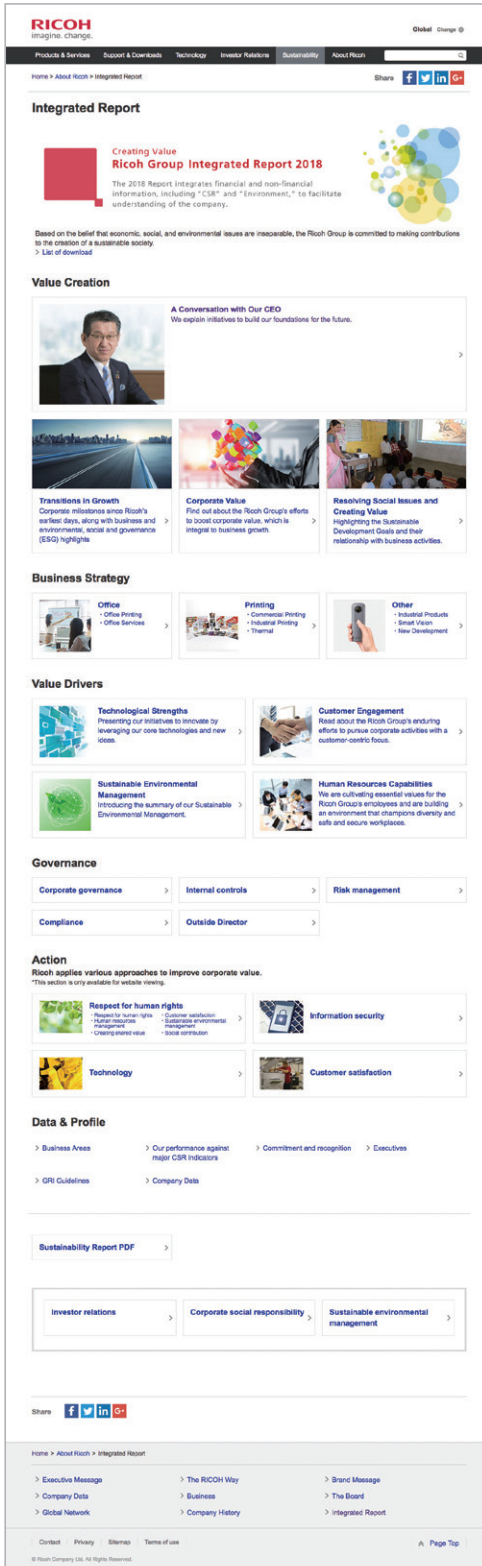
Company Data

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, 2018)
Consolidated Sales	2,063.3 billion yen (year ended March 31, 2018)
Number of Consolidated Companies	222 companies (as of March 31, 2018)
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	97,878 (as of March 31, 2018)
Stock Listings	Tokyo
Independent Public Accountant	KPMG AZSA LLC
Shareholders' Register Agent	Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo
Depository for American Depository Receipts	The Bank of New York Mellon 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: http://www.adrbnymellon.com

Ricoh Group Integrated Report 2018 is issued by the Corporate Communication Center and the Sustainability Management Division of Ricoh Co., Ltd.

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www.rioh.com/sustainability/report/



Value Creation

A Conversation with Our CEO
We explain initiatives to build our foundations for the future.

Transitions in Growth
Corporate milestones since Ricoh's earliest 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
Presenting 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 >

Action
Ricoh applies various approaches to improve corporate value.
*This section is only available for website viewing.

Respect for human rights
Human Resource Management > Environmental Management > Customer satisfaction > Information security >

Information security

Technology > **Customer satisfaction** >





Data & Profile

> Business Areas > Our performance against major CSR indicators > Commitment and recognition > Executives

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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.

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