

# Summary of Sustainable Environmental Management in Fiscal 2009/ Identification of Risks and Opportunities

Here we report the results of environmental impact reductions and economic value creation in fiscal 2009.

## Reducing environmental impact

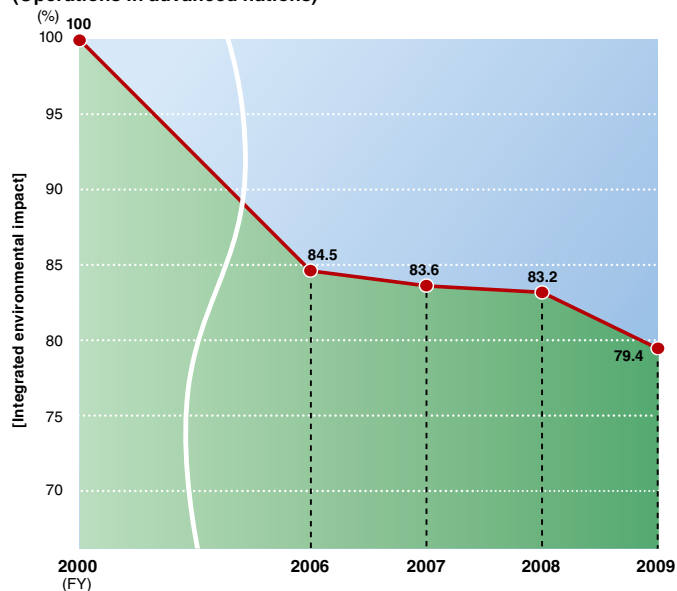
The Ricoh Group has targets to reduce the integrated environmental impact by 20% in fiscal 2010 compared to the levels of fiscal 2000. The integrated environmental impact in fiscal 2009 plunged 20.6% compared with the previous year. Our 16th Environmental Action Plan (fiscal 2008–2010) calls for strategies to encourage greater use at the customer side of energy-saving and duplex-copying functions, such as those to increase resource recycling. Our strategies are steadily producing results. Other contributors to the decline in environmental impact include the effects of the global recession. Energy consumption volume fell in overall business activities and the environmental impact in almost all stages of the lifecycle declined.

## Business results for fiscal 2009 and future goals

The Ricoh Group's consolidated net sales in fiscal 2009 decreased by 3.6% from the previous year to ¥2,016.3 billion. In Japan, the Imaging and Solutions sector, Industrial Products sector and other sectors all saw revenue declines, reflecting the tough economic environment. Total sales slipped by 6.6% in Japan from the previous year. On the other hand, sales increased by 10.9% in the Americas compared with the previous year, as the previous year's acquisition of IKON Office Solutions, Inc. strengthened sales structures and expanded sales channels, ultimately making up for a shrinking market in the region. Sales fell 12.4% in Europe and slipped 2.8% in other regions including China and other Asian markets. Total sales outside Japan dipped by 1.2% from the previous year. As a result, operating income shrank by 11.5% year on year to ¥65.9 billion.

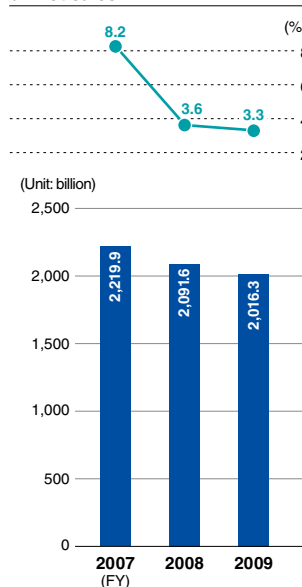
\* For more details on the business results, please see the "Investor Relations" page on our website at: <http://www.ricoh.com/IR/>

Changes in integrated environmental impact  
(Operations in advanced nations)\*

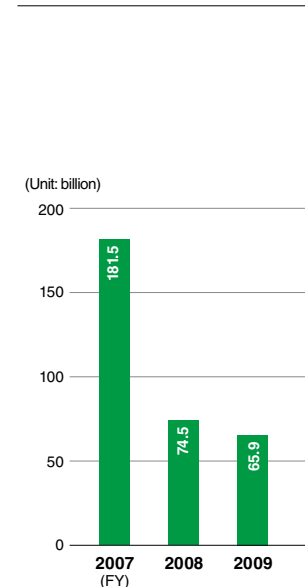


\* The production and printing businesses are not included.

Net sales and operating income  
on net sales



Operating income



## ■ Topics on sustainable environmental management in fiscal 2009

Ricoh Americas Corporation installed a 100% natural energy-powered electronic billboard in New York's Times Square and began lighting the billboard from solar energy on a trial basis (and on a full scale in June 2010). <http://www.ricoh-eco.com/press.asp>

Ricoh participated in the Japan Climate Leaders' Partnership (Japan-CLP). [See page 65.](#)

Ricoh released its first digital full-color copier, the imagio MP C3500RC/2500RC series. [See page 30.](#)

Ricoh signed the Copenhagen Communiqué on Climate Change, which is an initiative led by the Corporate Leaders' Group on Climate Change (CLG) and announced at the 15th Conference of the Parties to the Framework Convention on Climate Change (COP 15) for the early establishment of an anti-climate change framework. [See page 7.](#)

Ricoh released imagio Easy PO Box Printing Type A, a software application for multifunctional digital copiers, that helps reduce misprints. [See page 26.](#)

Ricoh released the imagio MP 6001GP, the world's first multifunctional digital copier using biomass toner. [See page 23.](#)

## The Ricoh Group identifies the risks and opportunities that global environmental problems and the resulting social changes could present to business management, and makes decisions for sustainable environmental management based on the results.

### Identification of risks and opportunities

Humankind is now changing direction significantly to achieve a sustainable society with low environmental impact. The key to forging a new path is to develop environmental technologies that will bring about a dynamic revolution comparable to the Industrial Revolution. When society undergoes dramatic changes, market needs change significantly too. In an extreme instance, the market might begin to demand products with nearly zero environmental impact that can work without consuming any resources or energy. In this age of the “environmental industrial revolution,” the Ricoh Group recognizes that it will face tremendous risks if it cannot respond properly to changes in market needs; for large changes in particular, it is too late to respond to them after they become clear. It is vital that we put ourselves on the alert by predicting future social change. Companies can strengthen their competitiveness and access more chances in the market by identifying and preparing for any possible future environmental risks. Accordingly, the Ricoh Group predicts market needs for a sustainable society with minimal environmental impact, and commits itself to reducing the following environmental impacts to one-eighth (a 87.5% reduction)<sup>1</sup> by 2050 through sustainable environmental management: environmental impact from (1) total CO<sub>2</sub> emissions from its products and services throughout their lifecycles; (2) input of new resources; and (3) the use of chemical substances. <sup>1. See pages 17 and 18.</sup>

The Ricoh Group has identified the following major environmental risks and opportunities in its business operations:

- If the Ricoh Group cannot respond to market needs for products with nearly zero environmental impact, it might not be able to continue in business in the future. Against this risk, we will develop environmental technologies that contribute to reducing the environmental impact of both our business and society as a whole and provide the market with products and services that closely meet its needs, thereby becoming a front runner in the environmental field.
- If resources become more scarce or depleted, the Ricoh Group might not be able to continue its manufacturing operations. To prepare for this risk, we are developing new technologies and alternative resources, improving our product designs, and renovating our production processes.
- We are also committed to identifying the environmental impact of our products throughout their lifecycles and to developing technologies to reduce that impact, believing that we will be able to meet the product specifications that a future society might expect by reducing the environmental impact of our business operations and products throughout their lifecycles.

- In order to reduce the environmental impact of our products throughout their lifecycles, it is essential to cooperate with our partners, shown by the Comet Circle.<sup>2</sup> In other words, if any of our partners has a serious impact on the environment, this could pose a risk to the Ricoh Group, but it could also present a great opportunity for the Group to reduce its environmental impact and costs to collaborate with reliable partners.
- The Ricoh Group has a range of impacts on the global environment in consuming resources and energy, using and emitting environmentally sensitive substances, and recycling products. It faces environmental risks from its past, present and future business activities, which are influenced by environmental laws and regulations. However, the Ricoh Group believes that it is its social responsibility to help society reduce its environmental impact, and for this it is sometimes necessary for companies to adhere to the market mechanism as well as laws and regulations. The Ricoh Group believes that companies that are really committed to solving problems in society should embrace the relevant laws and regulations instead of just regarding them as risk factors.
- The business environment surrounding the Ricoh Group is changing every day, and it exposes us to serious risks. To deal with these risks, the Ricoh Group is implementing total risk management (TRM) by appointing departments to manage each risk on the initiative of the Internal Management & Control Division. In fiscal 2010, the Environment Division will serve as the department that manages the following risk items in implementing TRM.

- **Noncompliance with regard to environmental issues**
- **Product and environmental safety issues**
- **Environmental issues in business operations**
- **Environmental issues for products**

By preparing for these risks and preventing them from materializing (in the form of noncompliance, accidents, and other problems), we will keep the trust of society and our customers, which will in turn help us grow our business.

By identifying these risks and opportunities, the Ricoh Group will set its numerical targets in its Mid- and Long-Term Environmental Impact Reduction Goals<sup>3</sup>, environmental action plan<sup>4</sup>, and others.

<sup>2. See page 15.</sup> <sup>3. See page 17.</sup> <sup>4. See page 19.</sup>