Annual Securities Report

(The 124th Business Term)
From April 1, 2023 to March 31, 2024

3-6, Nakamagome 1-chome, Ohta-ku, Tokyo
Ricoh Company, Ltd.

[Cover]

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[Fiscal Year]	The 124th Business Term (from April 1, 2023 to March 31, 2024)
[Company Name]	Kabushiki Kaisha Ricoh
[Company Name in English]	Ricoh Company, Ltd.
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[Place Where Available for Public Inspection]	Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo)

This is an English translation of the Annual Securities Report filed with the Director of the Kanto Local Finance Bureau via Electronic Disclosure for Investors' NETwork ("EDINET") pursuant to the Financial Instruments and Exchange Act of Japan. The translation of the Independent Auditors' Report is included at the end of this document.

In this document, the term "Ricoh" refers to Ricoh Company, Ltd. and our consolidated subsidiaries or as the context may require, and the term "the Company" refers to Ricoh Company, Ltd. on a nonconsolidated basis. References in this document to the "Financial Instruments and Exchange Act" are to the Financial Instruments and Exchange Act of Japan and other laws and regulations amending and/or supplementing the Financial Instruments and Exchange Act of Japan. References in this document to the "Companies Act" are to the Companies Act of Japan and other laws and regulations amending and/or supplementing the Companies Act of Japan.

Contents

I. OVERVIEW OF THE COMPANY

1. KEY FINANCIAL DATA

Consolidated financial data, etc.

(Millions of yen, unless otherwise stated)

	IFRSs				
Fiscal year	120th business term	121st business term	122nd business term	123rd business term	124th business term
Year end	March 2020	March 2021	March 2022	March 2023	March 2024
Sales	2,008,580	1,682,069	1,758,587	2,134,180	2,348,987
Profit(loss) before income tax expenses	75,891	(41,028)	44,388	81,308	68,202
Profit(loss) attributable to owners of the parent	39,546	(32,730)	30,371	54,367	44,176
Comprehensive income(loss) attributable to owners of the parent	6,949	21,897	90,733	100,564	136,057
Equity attributable to owners of the parent	920,371	920,246	902,042	931,556	1,038,722
Total assets	2,867,645	1,887,868	1,853,254	2,149,956	2,286,175
Equity per share attributable to owners of the parent (yen)	1,270.47	1,281.29	1,416.08	1,529.46	1,722.07
Earnings(loss) per share attributable to owners of the parent, basic (yen)	54.58	(45.20)	45.35	88.13	72.58
Earnings(loss) per share attributable to owners of the parent, diluted (yen)	54.58	(45.20)	45.34	88.10	72.55
Equity attributable to owners of the parent ratio (%)	32.10	48.75	48.67	43.33	45.43
Profit(loss) to equity attributable to owners of the parent ratio (%)	4.27	(3.56)	3.33	5.93	4.48
Price earnings ratio (times)	14.55	—	23.42	11.24	18.62
Net cash provided by operating activities	116,701	126,962	82,462	66,708	125,617
Net cash used in investing activities	(164,591)	(63,559)	(59,355)	(133,939)	(97,822)
Net cash provided by (used in) financing activities	75,757	(4,085)	(131,685)	35,454	(82,922)
Cash and cash equivalents at end of year	263,688	330,344	234,020	210,884	169,639
Number of employees	90,141	81,184	78,360	81,017	79,544

(Notes) 1. Ricoh’s consolidated financial statements have been prepared in accordance with IFRS Accounting Standards.

2. Price earnings ratio are not shown because there were losses per share attributable to owners of the parent for the year 2021.

2. HISTORY

February 1936	Riken Kankoshi Co., Ltd. is formed to manufacture and sell sensitized paper.
March 1938	The Company's name is changed to Riken Optical Co., Ltd. and starts manufacturing and selling optical devices and equipment.
May 1949	The Company lists its securities on the Tokyo and Osaka Stock Exchanges.
April 1954	The Company establishes an optical device and equipment plant in Ohmori, Ohta-ku, Tokyo (now known as the Head office).
May 1955	The Company begins manufacturing and selling desktop copiers.
May 1961	The Company establishes a sensitized paper plant in Ikeda, Osaka (now known as the Ikeda plant).
October 1961	The Company lists its securities on the First Section of each of the Tokyo and Osaka Stock Exchanges.
June 1962	The Company starts operations of a paper plant in Numazu, Shizuoka, which featured a fully-integrated sensitized paper production system (now known as the Numazu plant).
December 1962	The Company establishes Ricoh of America, Inc. (a subsidiary, now known as Ricoh USA, Inc.).
April 1963	The Company changes its corporate name to Ricoh Company, Ltd.
July 1967	The Company establishes Tohoku Ricoh Co., Ltd. in Shibata-gun, Miyagi.
May 1971	The Company completes its manufacturing facility in Atsugi, Kanagawa (now known as the Atsugi plant), to which it transfers some of its office equipment production from the Ohmori plant.
June 1971	The Company establishes Ricoh Nederland B.V. (a subsidiary, now known as Ricoh Europe Holdings B.V.) in the Netherlands.
January 1973	The Company establishes Ricoh Electronics, Inc. (a subsidiary) in the United States.
December 1976	The Company forms Ricoh Credit Co., Ltd. (an affiliate, now known as Ricoh Leasing Co., Ltd.).
December 1978	The Company establishes Ricoh Business Machines, Ltd. (a subsidiary, now known as Ricoh Hong Kong Ltd.).
March 1981	The Company builds the Ricoh Electronics Development Center at the Ikeda plant to develop and manufacture electronic devices.
May 1982	The Company establishes sensitized paper production facilities in Sakai, Fukui (now known as the Fukui plant).
December 1983	The Company establishes Ricoh UK Products Ltd. (a subsidiary).
October 1985	The Company builds a copier manufacturing plant in Gotemba, Shizuoka which takes over some of production from Atsugi plant.
April 1986	The Company opens a research and development ("R&D") facility in Yokohama, Kanagawa (now known as the Yokohama Nakamachidai office) in commemoration of the Company's 50th anniversary, to which it transfers some of its R&D operations from the Ohmori plant.

April 1987	The Company establishes Ricoh Industrie France S.A. (a subsidiary, now known as Ricoh Industrie France S.A.S.).
January 1991	The Company establishes Ricoh Asia Industry (Shenzhen) Ltd. (a subsidiary) in China.
March 1995	Ricoh Corporation acquires Savin Corporation, an American office equipment sales company.
September 1995	The Company acquires Gestetner Holdings PLC (now known as Ricoh Europe PLC), a British office equipment sales company.
January 1996	Ricoh Leasing Co., Ltd. lists its securities on the Tokyo Stock Exchange.
December 1996	The Company establishes Ricoh Asia Pacific Pte. Ltd. (a subsidiary) in Singapore.
March 1997	The Company establishes Ricoh Silicon Valley, Inc. (a subsidiary, now known as Ricoh Innovations Corporation) in the United States.
August 1999	Ricoh Hong Kong Ltd. acquires Inchcape NRG Ltd., a Hong Kong-based office equipment sales company.
January 2001	Ricoh Corporation acquires Lanier Worldwide, Inc., an American office equipment sales company.
October 2002	The Company establishes Ricoh China Co., Ltd. (a subsidiary).
April 2003	Tohoku Ricoh Co., Ltd. becomes a wholly-owned subsidiary of the Company.
October 2004	The Company acquires Hitachi Printing Solutions, Ltd. in Japan.
August 2005	The Company opens Ricoh Technology Center in Ebina, Kanagawa to integrate its domestic development facilities and offices.
November 2005	The Company relocates its headquarters to Chuo-ku, Tokyo.
January 2007	Ricoh Europe B.V. acquires the European operations of Danka Business Systems PLC.
June 2007	Info Print Solutions Company, LLC, a joint venture company of Ricoh and International Business Machines Corporation (“IBM”), commences its operations.
May 2008	The Company establishes Ricoh Manufacturing (Thailand) Ltd. (a subsidiary) in Thailand.
August 2008	Ricoh Elemex Corporation becomes a wholly-owned subsidiary of the Company.
October 2008	Ricoh Americas Corporation acquires all of the outstanding shares of IKON Office Solutions, Inc. (“IKON”, now known as Ricoh USA, Inc.), an American office equipment sales and service company.
July 2010	Seven domestic sales subsidiaries and the marketing group of the Company are merged into one domestic sales subsidiary named Ricoh Japan Corporation.
August 2010	The Company completes the construction of a new building that expands the Ricoh Technology Center located in Ebina, Kanagawa.
October 2011	The Company acquires the PENTAX imaging systems business from HOYA Corporation (now known as Ricoh Imaging Co., Ltd.).
April 2013	The Company transfers part of its engineering functions and operations previously performed by the Company and its manufacturing subsidiaries in Japan to Ricoh Technologies Company, Ltd.

April 2013	The Company transfers part of its production functions and operations previously performed by the Company and its manufacturing subsidiaries in Japan to Ricoh Industry Company, Ltd.
July 2014	Domestic sales and service subsidiaries are merged into Ricoh Japan Corporation.
October 2014	The Company transfers its direct sales of optical equipment and electronic components divisions previously performed by the Company and its manufacturing subsidiaries in Japan to Ricoh Industrial Solutions Inc.
April 2016	The Company opens Ricoh Eco Business Development Center in Gotemba, Shizuoka.
November 2017	The Company establishes Ricoh Manufacturing (China) Ltd.
January 2018	The Company relocates its headquarters to Ohta-ku, Tokyo.
March 2018	The Company transfers 80% of the outstanding shares of Ricoh Electronic Devices Co., Ltd. ("Ricoh Electronic Devices Co., Ltd.", now known as Nisshinbo Micro Devices Inc.), to Nisshinbo Holdings Inc. (The Company transferred all shares to Nisshinbo Holdings Inc. in December 2021.)
August 2018	The Company transfers 66.6% (figures below the second decimal place are omitted) of the outstanding shares of Ricoh Logistics System Co., Ltd. ("Ricoh Logistics System", now known as SBS Ricoh Logistics System Co., Ltd.), to SBS Holdings Co., Ltd.
April 2020	The Company transfers approximately 20% of the outstanding shares of Ricoh Leasing Co., Ltd., to Mizuho Leasing Co., Ltd.
April 2022	The Company moves from the First Section of the Tokyo Stock Exchange to the Prime Market as a result of a review of the Tokyo Stock Exchange market segmentation.
September 2022	The Company acquires PFU Limited (acquires 80% of outstanding shares of PFU and makes it a consolidated subsidiary).

3. DESCRIPTION OF BUSINESS

Ricoh consists of the parent company, Ricoh Company, Ltd., 224 subsidiaries and 18 affiliates as of March 31, 2024.

Ricoh's development, manufacturing, sales and service activities center on the business segments of Digital Services, Digital Products, Graphic Communications, Industrial Solutions and Other.

Ricoh Company, Ltd., the parent company of Ricoh, heads development. The Company and its respective subsidiaries and affiliates maintain an integrated domestic and overseas manufacturing structure.

Ricoh is represented in roughly 200 countries and runs its sales and service activities out of four regional headquarters located in the geographic areas of 1) Japan, 2) the Americas, 3) Europe, the Middle East and Africa and 4) Other, which includes China, South East Asia and Oceania.

Our main product areas and the locations of key subsidiaries and affiliates are listed below.

In addition, the PFU business in Other segment has been reclassified into Digital Services and Digital Products from the current year. Details are presented in "5. OPERATING SEGMENTS" in "V. FINANCIAL INFORMATION Consolidated Financial Statements".

Ricoh changed Operating Segments from this fiscal year. For details of the changes, please refer to "V. Financial Information – Notes to Consolidated Financial Statements – 5. Operating Segments".

Digital services as a business segment are mainly limited to the office services business and the office printing sales business. This segment does not include all digital services, which Ricoh aims to transform into "a digital services company" that connects workplaces and support workers' creativity. "Digital Services" provided as "a digital services company" is included in all the business segments as well as Digital Services business segment.

<Digital Services>

In Digital Services, we sell office imaging equipment such as MFPs and printers, in which we have leading global market shares, and consumables, to our global customer base. We also provide IT-related solutions that support customers' overall workflow reforms and work practice innovations, as well as other services to digitally resolve their management issues and enhance productivity.

<Digital Products>

In Digital Products, we develop and produce (including on an original equipment manufacturing basis) office MFPs, in which we are the global market leader, as well as printers and other imaging equipment and edge devices that support digital communication.

<Graphic Communications>

This segment comprises the commercial printing and industrial printing businesses.

Commercial printing business: We provide digital printing-related products and services for high-mix, low-volume printing, mainly to our customers in the printing industry.

Industrial printing business: We manufacture and sell industrial inkjet printers, inkjet ink, and industrial printers for diverse applications. These include building materials, furniture, wallpaper, signage displays, and apparel fabrics.

[Main Subsidiaries and Affiliates in the above three business segments]

Manufacturing

Japan: Ricoh Industry Co., Ltd. and Ricoh Elemex Corporation

The Americas: Ricoh Electronics, Inc.

Europe: Ricoh UK Products Ltd. and Ricoh Industrie France S.A.S.

Other regions: Shanghai Ricoh Digital Equipment Co., Ltd., Ricoh Manufacturing (China) Ltd. and Ricoh Manufacturing (Thailand) Ltd.

Sales, Service, Support and Other

Japan: Ricoh Japan Corporation and Ricoh IT Solutions Co., Ltd., PFU Limited

The Americas: Ricoh Americas Holdings, Inc., Ricoh Canada Inc., Ricoh USA, Inc., PFU America, Inc., Ricoh Printing Systems America, Inc. and Ricoh South America DC S.A.

Europe: Ricoh Europe Holdings PLC, Ricoh Sverige AB., Ricoh UK Ltd., PFU (EMEA) LIMITED , Ricoh Deutschland GmbH, DocuWare GmbH, Ricoh International B.V., Ricoh Nederland B.V., Ricoh Europe SCM B.V., Ricoh Belgium N.V., Rex-Rotary S.A.S., Ricoh France S.A.S., Ricoh Schweiz AG, Ricoh Italia S.R.L., Mauden S.R.L., NPO Sistemi S.R.L. and Ricoh Espana S.L.U.

Other regions: Ricoh China Co., Ltd., Ricoh Asia Industry Ltd., Ricoh Asia Pacific Operations Ltd., Ricoh Hong Kong Ltd., Ricoh Thailand Ltd., Ricoh Asia Pacific Pte. Ltd., Ricoh Australia Pty, Ltd. and Ricoh New Zealand Ltd.

<Industrial Solutions>

This segment encompasses the thermal and industrial products businesses.

Thermal business: We manufacture and sell thermal paper used for food POS labels, barcode labels, shipping labels, and other labels, and thermal transfer ribbons for printing clothing price tags, brand tags, and tickets.

Industrial products business: We provide precision device components and other products that employ optical and image processing technologies.

[Main Subsidiaries and Affiliates]

Manufacturing

Japan: Ricoh Industrial Solutions Co., Ltd. and Ricoh Elemex Corporation

Other regions: Ricoh Electronics, Inc., Ricoh Industrie France S.A.S. and Ricoh Thermal Media (Wuxi) Co., Ltd.

<Other>

This segment includes new businesses such as the Smart Vision and the Digital Camera-related business.

One is our Smart Vision business that provides platform business, which brings together our 360° cameras with software and cloud services to digitalize real estate, construction, and civil engineering site work. Other examples include our business with PLAiR, new plant-derived material to alternate existing petroleum-derived plastics, and our Healthcare business such as biomedical to support drug discovery with iPS differentiated cells and cell chips. We are addressing social issues, notably by streamlining inspection work for road surfaces, tunnels, slopes, and other infrastructure, and are creating environmental technologies and businesses. This segment also includes our digital camera-related-business, for which we have solid consumer market demand, and businesses that affiliates are expanding.

[Main Subsidiaries and Affiliates]

Manufacturing

Other regions: Ricoh Imaging Products (Vietnam) Co., Ltd.

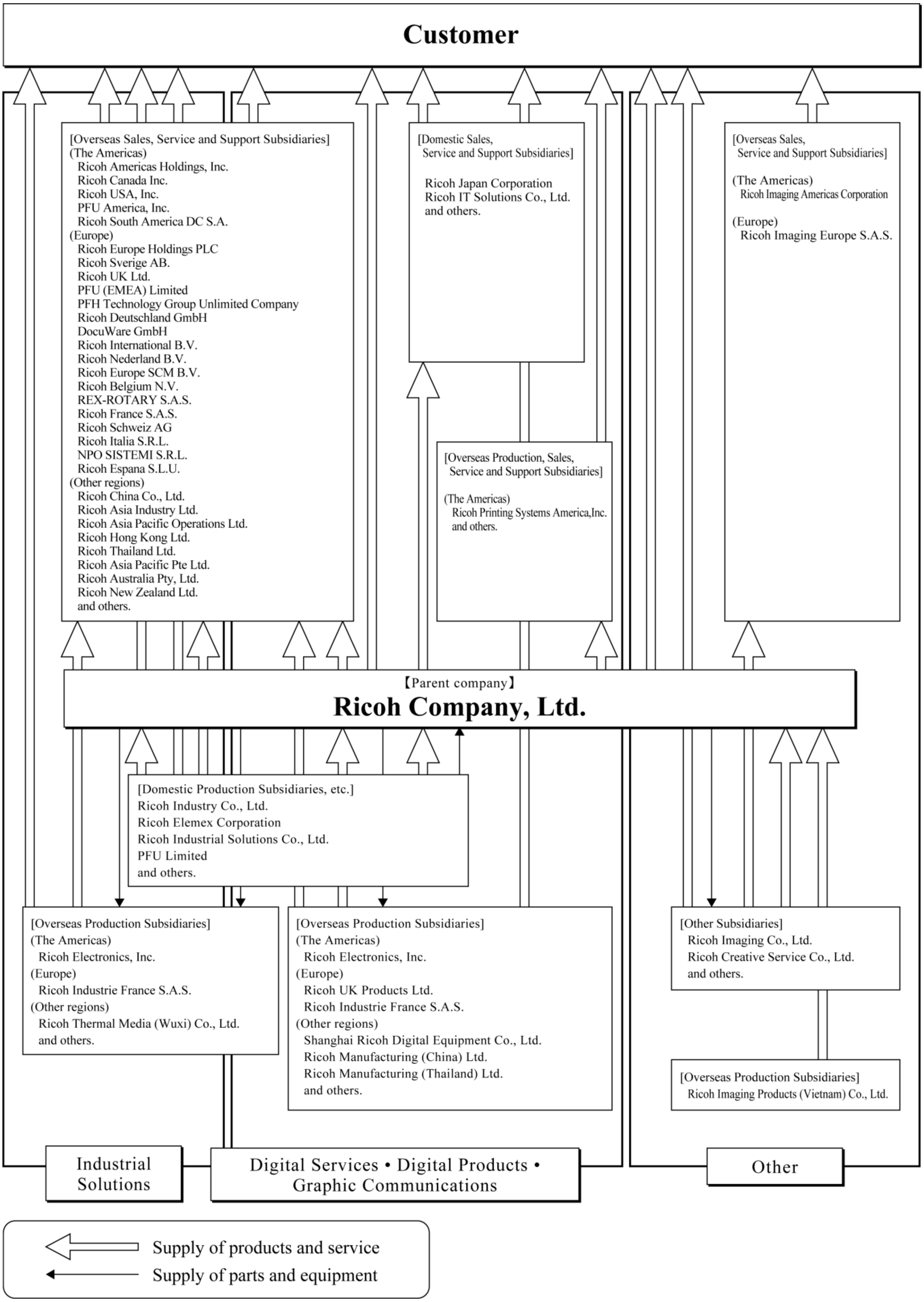
Sales, Service, Support and Other

Japan: Ricoh Imaging Co., Ltd., Ricoh Creative Service Co., Ltd.

The Americas: Ricoh Imaging Americas Corporation

Europe: Ricoh Imaging Europe S.A.S.

<Chart of Operational Flow> The following chart shows the group’s positions.



4. INFORMATION ON AFFILIATES

(As of March 31, 2024)

Company Name	Location	Principal Businesses	Ownership percentage of voting rights (%)
(Consolidated Subsidiaries)			
Ricoh Industry Co., Ltd.	Japan	Production of digital service devices	100.0
Ricoh Elemex Corporation	Japan	Production and sale of digital service devices and precision equipment	100.0
Ricoh Japan Corporation	Japan	Provision of digital services combining devices, applications and maintenance	100.0
Ricoh IT Solutions Co., Ltd.	Japan	Development, construction and sale of network systems	100.0
PFU Limited	Japan	Development, production, sale and maintenance of scanners and industrial computing products, and construction of IT infrastructure	80.0
Ricoh Imaging Co., Ltd.	Japan	Sale of digital cameras	100.0
Ricoh Creative Service Co., Ltd.	Japan	Management of group facility, advertisement and printing	100.0
Ricoh Industrial Solutions Co., Ltd.	Japan	Production and sale of optical equipment and electronic components	100.0
Ricoh Technologies Co., Ltd.	Japan	Development and design of digital service devices	100.0
Ricoh Electronics, Inc.	U.S.A.	Production of digital service devices related supplies and Production and sale of thermal media	100.0 (100.0)
Ricoh UK Products Ltd.	U.K.	Production of digital service devices and related supplies	100.0 (100.0)

Company Name	Location	Principal Businesses	Ownership percentage of voting rights (%)
Ricoh Industrie France S.A.S.	France	Production and sale of thermal media	100.0
Ricoh Thermal Media (Wuxi) Co., Ltd.	China	Production and sale of thermal media	99.0 (10.0)
Shanghai Ricoh Digital Equipment Co., Ltd.	China	Production and sale of digital service devices	100.0 (55.3)
Ricoh Manufacturing (China) Ltd.	China	Production of digital service devices	100.0 (100.0)
Ricoh Imaging Products (Vietnam) Co., Ltd.	Vietnam	Production of digital cameras	100.0 (100.0)
Ricoh Manufacturing (Thailand) Ltd.	Thailand	Production of digital service devices and related supplies	100.0
Ricoh Americas Holdings, Inc.	U.S.A.	Holding company in the U.S.A.	100.0
Ricoh Canada Inc.	Canada	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)
Ricoh USA, Inc.	U.S.A.	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)
PFU America, Inc.	U.S.A.	Sale and maintenance of scanners	80.0 (80.0)
Ricoh Printing Systems America, Inc.	U.S.A.	Sale of inkjet heads	100.0 (3.0)
Ricoh Imaging Americas Corporation	U.S.A.	Sale of digital cameras	100.0 (100.0)
Ricoh South America DC S.A.	Uruguay	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)
Ricoh Europe Holdings PLC	U.K.	Holding company of sales in the European region	100.0
Ricoh Sverige AB.	Sweden	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)
Ricoh UK Ltd.	U.K.	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)

Company Name	Location	Principal Businesses	Ownership percentage of voting rights (%)
PFH Technology Group Unlimited Company	Ireland	Provision of IT services	100.0 (100.0)
PFU (EMEA) LIMITED	U.K.	Sale and maintenance of scanners	80.0 (80.0)
Ricoh Deutschland GmbH	Germany	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)
DocuWare GmbH	Germany	Development and sale of CSP (Contents Service Platform)	100.0 (100.0)
Ricoh International B.V.	Netherlands	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)
Ricoh Nederland B.V.	Netherlands	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)
Ricoh Europe SCM B.V.	Netherlands	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)
Ricoh Belgium N.V.	Belgium	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)
Rex-Rotary S.A.S.	France	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)
Ricoh France S.A.S.	France	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)
Ricoh Imaging Europe S.A.S.	France	Sale of digital cameras	100.0 (100.0)
Ricoh Schweiz AG	Switzerland	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)
Ricoh Italia S.R.L.	Italy	Provision of digital services combining	100.0 (100.0)

Company Name	Location	Principal Businesses	Ownership percentage of voting rights (%)
		devices, applications and maintenance	
NPO Sistemi S.R.L.	Italy	Provision of IT services	100.0 (100.0)
Ricoh Espana S.L.U.	Spain	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)
Ricoh China Co., Ltd.	China	Provision of digital services combining devices, applications and maintenance	100.0
Ricoh Asia Industry Ltd.	Hong Kong, China	Provision of digital service devices for sales bases	100.0
Ricoh Asia Pacific Operations Ltd.	Hong Kong, China	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)
Ricoh Hong Kong Ltd.	Hong Kong, China	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)
Ricoh Thailand Ltd.	Thailand	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)
Ricoh Asia Pacific Pte. Ltd.	Singapore	Holding company of sales in the Asia Pacific region	100.0
Ricoh Australia Pty, Ltd.	Australia	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)
Ricoh New Zealand Ltd.	New Zealand	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)
Ricoh Europe Finance Ltd.	U.K.	Provision of finance management services to Ricoh group companies	100.0 (100.0)
And 173 other consolidated subsidiaries			

(Affiliates)

SBS Ricoh Logistics System Co., Ltd.	Japan	Logistics services and custom clearances	33.3 (33.3)
Ricoh Leasing Co., Ltd.	Japan	General leasing and rental	33.7
And 16 other affiliates			

(Note) The percentage in the parenthesis under "Ownership percentage of voting rights" indicates the indirect ownership out of the total ownership noted above.

5. EMPLOYEES

(1) Consolidated basis

(As of March 31, 2024)

Segment	Number of employees
Digital Services	52,571
Digital Products	13,134
Graphic Communications	5,903
Industrial Solutions	3,013
Other	2,874
All companies (Shared)	2,049
Total	79,544

(Note) Number of employees represents the number of employed workers, but excludes temporary employees.

(2) The Company

(As of March 31, 2024)

Number of employees	Average age	Average length of service (Year)	Average annual salary (Yen)
7,282 (988)	45.7	20.5	8,600,095

Segment	Number of employees
Digital Services	846
Digital Products	2,508
Graphic Communications	1,064
Industrial Solutions	360
Other	497
All companies (Shared)	2,007
Total	7,282

(Note) 1. “Number of employees” represents the number of employed workers, and the numbers within brackets indicate the average number of temporary employees over the current fiscal year (converted at 7.5h/day).

2. Temporary employees include contracted staff after retirement and part time employees, but exclude temporary staff who are contracted through staffing agencies, business consignments and contractors.

3. Average annual salary includes bonuses and extra wages.

(3) Relationship with labor union

A union is organized in the Company and certain subsidiaries. There were no significant labor disputes noted in fiscal year 2023, and the Company believes that it has a good relationship with its employees.

(4) Diversity indicators

Indicators of diversity for the fiscal year ended March 31, 2024 are as follows.

(i) Disclosure based on the Act on the Promotion of Women's Active Engagement in Professional Life and Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members

The Company and consolidated subsidiaries	Ratio of female employees among full-time employees (%)	Female-held managerial position rate (%)	Ratio of male employees taking childcare leave (%)	Wage gap between men and women (%)		
				All employees	Of which, full-time employees	Of which, part-time and fixed-term employees
Ricoh Co., Ltd.	17.3	7.2	93.4	78.6	76.6	84.9
Ricoh Japan Corporation	20.0	7.9	96.5	81.4	78.1	93.9
PFU Limited	20.6	9.8	76.2	77.7	77.1	98.9
Ricoh Industry Co., Ltd.	20.0	5.5	142.9	68.1	76.1	75.7
Ricoh Industrial Solutions Co., Ltd.	21.2	5.1	80.0	69.7	76.1	73.3
Ricoh IT Solutions Co., Ltd.	23.4	11.4	91.7	82.8	83.8	85.7
Ricoh Elemex Corporation	21.0	5.4	50.0	75.8	78.3	77.0
PFU IT Services Limited	6.6	0.0	28.6	76.1	79.1	92.5
Ricoh Technologies Co., Ltd.	12.0	0.8	75.0	72.1	70.9	79.0
Ricoh Creative Service Co., Ltd.	26.6	14.5	42.9	78.6	87.6	71.8
Ricoh Imaging Co., Ltd.	15.0	3.1	66.7	87.1	84.7	74.3
Hasama Ricoh, Inc.	25.9	14.3	—	69.9	87.3	77.4
Softcomm Co., Ltd.	26.3	14.3	0.0	82.0	82.3	86.0
PFU Techno Wise Limited	27.9	18.8	—	67.7	79.6	75.6

(Notes)

1. Companies with 100 or more employees, or companies which received an "Eruboshi" are listed in the table above.
2. The ratio of female employees among full-time employees is as of March 31, 2024. The female-held managerial position rate is as of April 1, 2024.
3. The female-held managerial position rate and the wage gap between men and women are calculated based on the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64, 2015), and seconded employees are counted as employees of the company from which they are seconded. However, seconded employees of PFU Limited, PFU IT Services Limited and PFU Techno Wise Limited are counted as employees of the company to which they are seconded.
4. The rate of male workers taking childcare leave is calculated based on Article 71-4-1 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25, 1991) in accordance with the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76, 1991), and seconded employees are counted as employees of the company from which they are seconded.
In calculating the ratio of male employees taking childcare leave, each condition is as described in the leaflet "Regarding the publication of ratio of male employees taking childcare leave" from the Ministry of Health, Labour and Welfare.
5. "—" indicates that there are no employees eligible.

6. Regarding the wage gap between men and women, treatment is the same for men and women in general, and the differences that currently exist are due to differences in duties, grade, and age structure.

(ii) Consolidated basis

	Ratio of female employees among full-time employees (%)	Female-held managerial position rate (%)	Ratio of male employees taking childcare leave (%)	Wage gap between men and women (%)			
				All employees	Of which, full-time employees	Of which, part-time and fixed-term employees	Managers
The Company and consolidated subsidiaries	29.8	16.5	—	83.3	82.8	88.5	90.1
The Company and domestic consolidated subsidiaries	19.2	7.7	90.2	79.9	79.7	84.7	94.1

(Notes)

1. The ratio of female employees among full-time is as of March 31, 2024. The female-held managerial position rate is as of April 1, 2024.

2. Regarding the female-held managerial position rate, seconded employees are counted as employees of the company from which they were seconded.

However, seconded employees of PFU Limited, PFU IT Services Limited and PFU Techno Wise Limited are counted as employees of the company to which they are seconded.

3. The rate of male workers taking childcare leave in the Company and domestic consolidated subsidiaries is calculated based on Article 71-4-1 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25, 1991) in accordance with the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76, 1991), and seconded employees are counted as employees of the company from which they are seconded.

In calculating the ratio of male employees taking childcare leave, each condition is as described in the leaflet "Regarding the publication of ratio of male employees taking childcare leave" from the Ministry of Health, Labour and Welfare.

4. The ratio of male employees taking childcare leave is indicated as "—", since no data has been collected from overseas consolidated subsidiaries.

5. The wage gap between men and women indicates the ratio of women's wages to men's wages. The wages include base salary and incentives such as bonuses. Treatment is the same for men and women in general, and the differences that currently exist are due to differences in duties, grade, and age structure.

6. The wage gap between men and women in the Company is 95.1% for management positions.

II. BUSINESS OVERVIEW

1. MANAGEMENT POLICIES, MANAGEMENT ENVIORMENTS AND ISSUES TO BE SOLVED

(1) Unchanging Commitments amid Change

Our fundamental commitments remain unchanged. Among them is our commitments to our founding principles, the Spirit of Three Loves: “Love your neighbor, Love your country, Love your work.” On April 1, 2023, we revised our corporate philosophy, The Ricoh Way, to further clarify our vision, based on the Spirit of Three Loves, to be a company that stays close to our customers’ work and helps them attain fulfillment through work. We have redefined “Fulfillment through Work” as our Mission & Vision. By staying close to our customers’ work and continuing to bring about transformation, we aim to support them to make the most of human creativity and help build a sustainable future society.

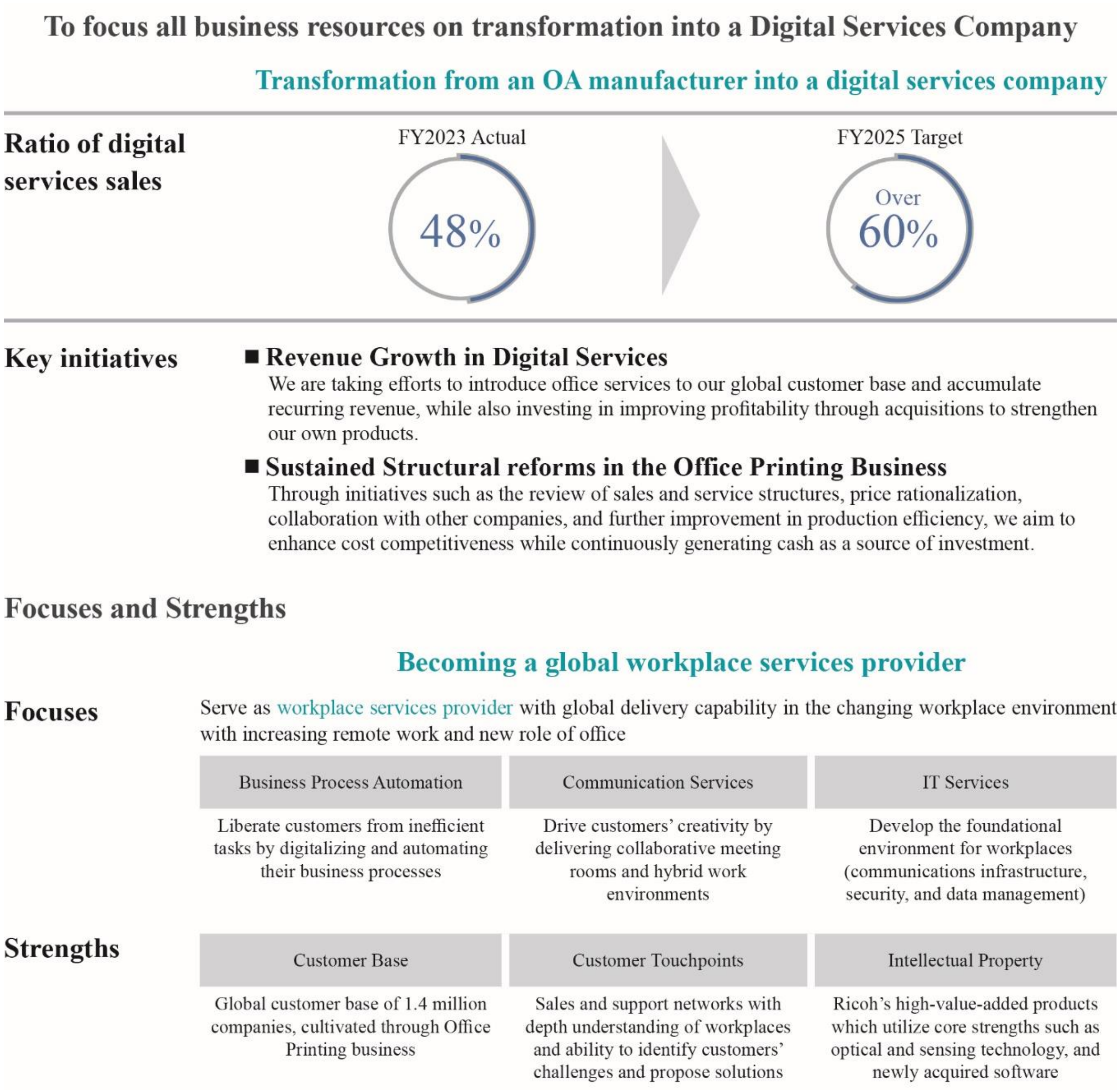
In addition, this section contains forward-looking statements, which are based on our judgments at the end of the period.

(2) Medium-Term Direction

In March 2023, we announced the 21st Mid-Term Management Strategy, which was launched in April 2023. Our goal over the medium through long term is to evolve into a digital services company that supports worker creativity and transforms workplaces in line with our Mission & Vision of Fulfillment through Work.

We focus on three domains, automating business processes to free workers from routine tasks, supplying communication services that boost creativity, and delivering IT services that build robust workplace foundations. We aim to become a workplace services provider, integrating our services for evolving work environments. We tap a global customer base, a sales and service structure that identifies and addresses customer challenges, and our distinctive in-house intellectual property* to reach these goals.

* In-house intellectual property: Intellectual property created through Ricoh’s own efforts that has economic value, such as serving as a source of revenue through licensing fees and other means.



Future Financial (ESG) Perspectives

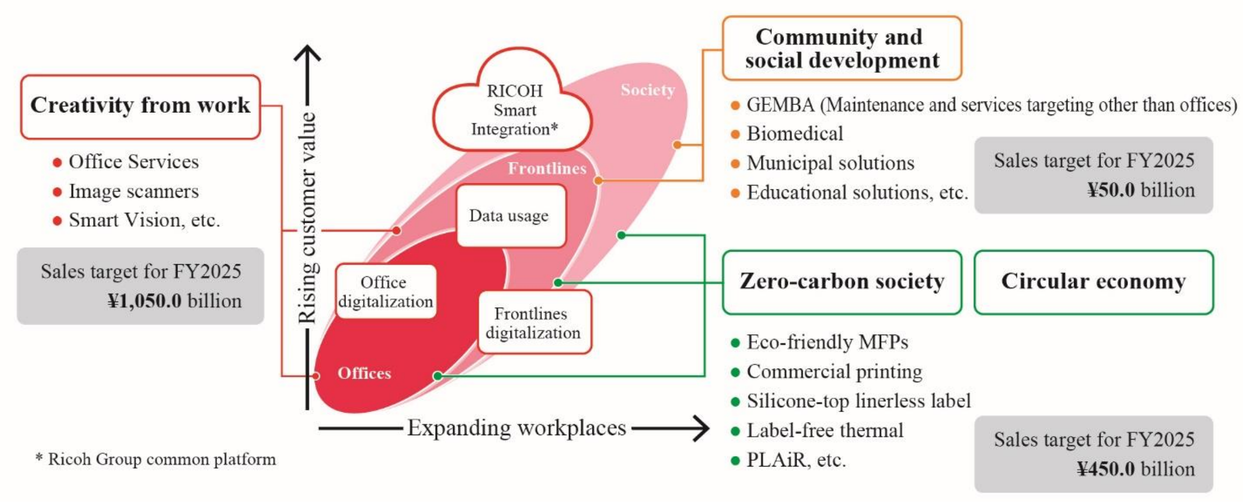
ESG initiatives are vital to generate future finances. We undertake activities covering the entire value chain to cater to the rising ESG demands of stakeholders, such as our customers, shareholders, and investors, aiming to become a "global top ESG company."

In the 21st Mid-Term Management Strategy, we are addressing seven material issues (material social issues), which include resolving four social issues through our business activities and reinforcing three management foundations that support the resolution. We linked these issues to 16 future financial targets that are also ESG goals. We formulated our issues and targets to tackle global ESG trends and better execute our management strategy. We distributed and implemented these targets across our business units and functional organizations.

To help address social issues through business, we will provide digital technologies and services to help customers achieve "Creativity from Work" and support productivity improvement and value creation. We will also continue to focus on achieving a zero-carbon society and circular economy, and combine our technological and customer contact capabilities, a Ricoh Group strength, to contribute to maintaining, developing, and streamlining community and social systems. To establish a stronger management foundation, we will strengthen measures to address human rights issues, secure sufficient number and quality of digital professionals to become a digital services company and improve the quality of digital service-related patents.

In addition, we identified businesses that help resolve social issues and their performance contributions, setting sales targets through fiscal 2025. We will keep accelerating efforts to integrate ESG goals and business growth.

● Sales target for social problem-solving business through the 21st Mid-Term Management Strategy



Basic policies of the 21st Mid-Term Management Strategy

We are pursuing three basic policies to achieve our medium- and long-term goals. These are to reinforce our regional strategies and evolve Group management, build revenue sources in our frontlines and social domains, and leverage global talent.

(1) Reinforce regional strategies and evolve Group management
(2) Build revenue sources in frontlines and social domains
(3) Leverage global talent

Basic Policy (1) Reinforce regional strategies and evolve Group management

We will generate earnings outside Office Printing and build a highly profitable structure. It is accordingly important to improve our customer touchpoint value creation capabilities, demonstrate Group synergies, and adapt to business climate changes so we can continue to improve earnings.

We will transform our revenue structure through three priority value provision areas: business process automation, communications services, and IT services. We are implementing a strategy to accumulate recurring contracts and revenues in our services areas by concentrating resources and tailoring our approach to regional characteristics.

Basic Policy (2) Build revenue sources in frontlines and social domains

Our basic policy for the 21st Mid-Term Management Strategy is to expand digital services and deliver value to a broader range of customers spectrum by building revenue sources in frontlines and social domains. We enjoyed particular success in the Commercial Printing business, where RICOH Graphic Communications' revenues and earnings surged in fiscal 2023.

We will keep striving to build revenue sources in these domains. Concurrently, we will use business portfolio management to pinpoint priority areas and develop appropriate exit strategies for certain businesses.

Basic Policy (3) Leverage global talent

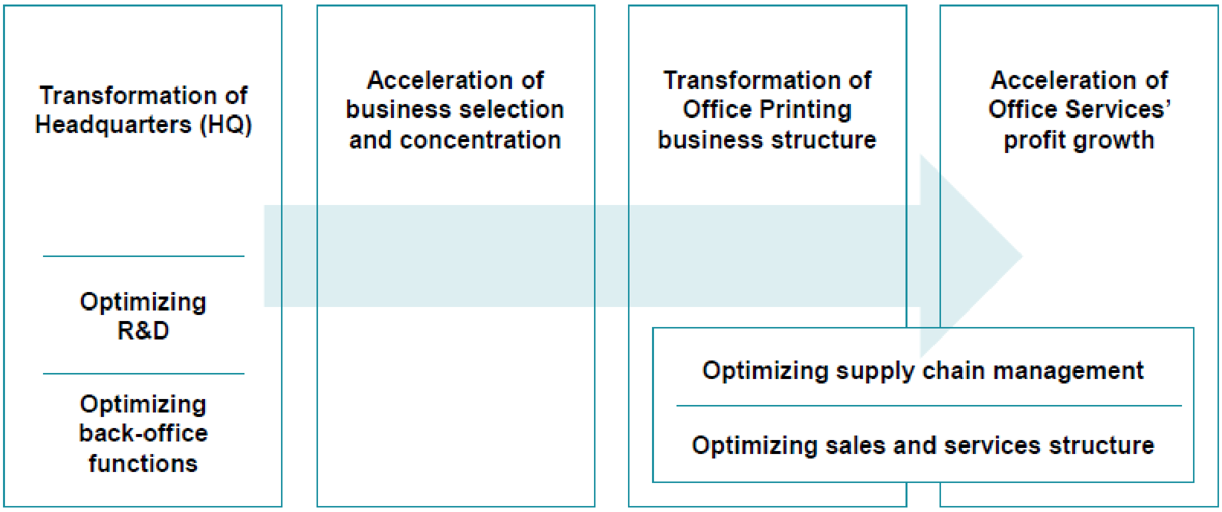
It is vital for our employees to help transform our business structure and expand our value proposition globally. We position employee capabilities as a form of capital. We accordingly formulated a strategy to invest extensively in people.

Corporate Value Improvement Project

We have worked on this initiative since April 2023 to realize our vision. We have explored crucial issues from multiple angles to enhance our corporate value. These efforts have included engaging with shareholders, investors, and analysts, and considering capital market perspectives. Our low price-to-book ratio stems largely from our modest profitability. In transitioning to a digital services company, we are overhauling our earnings structure to better align with our business model.

We are reforming our profit structure in four respects: (i) Transformation of Headquarters, (ii) Acceleration of business selection and concentration, (iii) Transformation of Office Printing business structure, and (iv) Acceleration of Office Services' profit growth.

Overview of Profit Structure Transformation



(i) Transformation of Headquarters: We will focus R&D investments in workplace areas that align closely with our vision to become a digital services company. We will shift the Group management structure to a digital services-oriented organization that lifts customer touchpoint value.

(ii) Acceleration of business selection and concentration: We will further accelerate ongoing business portfolio management initiatives to transition to a digital services company and optimally allocate resources. We will strategically allocate resources to workplaces as a priority domain for employing our strengths. We will consider exit strategies for certain operations as part of business portfolio management.

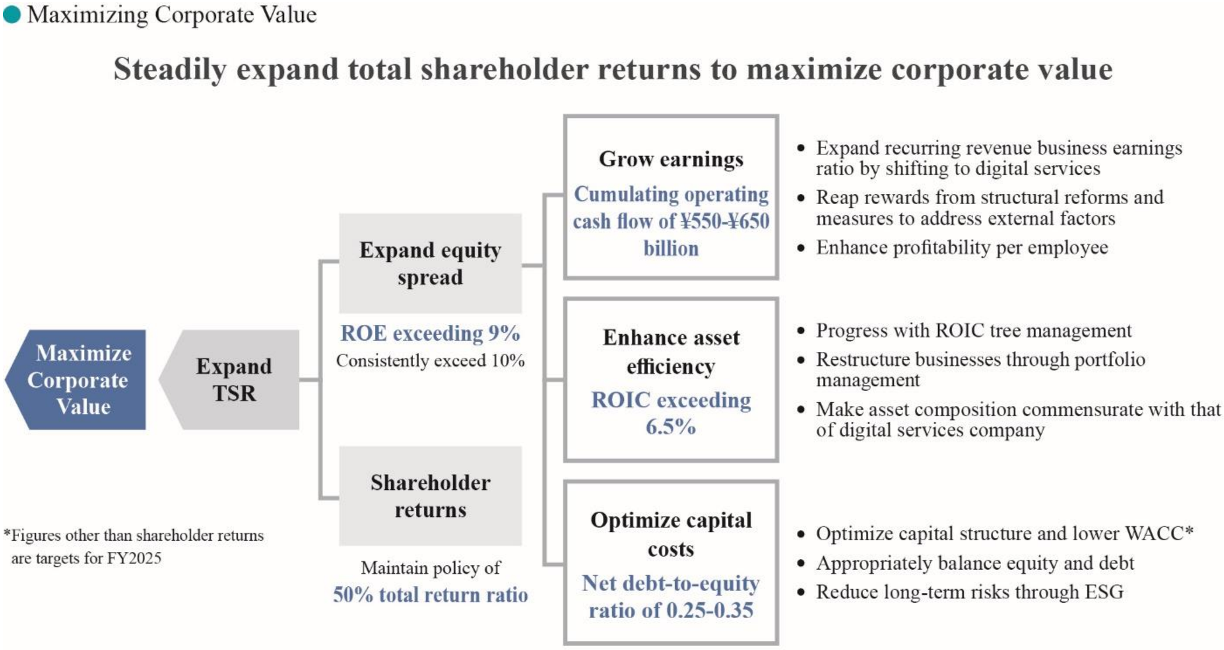
(iii) Transformation of Office Printing business structure: Because we expect the office printing market to shrink, we will bolster our structure to ensure profitability despite declining sales. We will manage our entire value chain from an overarching perspective, including by establishing a joint venture with Toshiba Tec Corporation and optimizing supply chain management.

(iv) **Acceleration of Office Services' profit growth:** For this digital services core, we will strive to constantly improve profitability while remaining aware of the mechanism for profit growth through higher Office Services installations and recurring revenue growth rates among customers.

We will maximize our value proposition by leveraging inside sales and other means in reviewing sales, service, and support and aligning them with a customer-centric digital services company structure. As mentioned earlier, our goal over the medium through long terms is to become a global workplace services provider. These initiatives to reform our earnings structure are important to achieving our objective. Our reforms will be a top priority in fiscal 2024. We will continually enhance corporate value by adopting growth strategies from medium- through long-term perspectives while upholding earnings improvements to ensure consistent profit growth as a digital services company.

Capital Policies Supporting Growth

We aim to maximize shareholder value and corporate value while satisfying stakeholder expectations. We seek to generate returns on capital that exceed capital costs, drawing on experts to assess these costs from multiple approaches and perspectives.



* WACC: Weighted average cost of capital

To maximize corporate value, we rigorously evaluate each business unit using criteria such as return on invested capital (ROIC), marketability, and other factors under strict business portfolio management by Group headquarters. This approach rationalizes judgments and optimizes resource allocation. We enhance traditional measures of profitability and marketability by assessing alignment with digital services. By analyzing from these three perspectives, we objectively evaluate business units and classify them into growth acceleration, earnings maximization, strategic transformation, or business revitalization categories. This classification helps to strengthen the operational foundation that a successful digital services company needs.

Each business unit and department deploys measures using ROIC trees to pursue profitability exceeding capital costs and boost capital profitability that can continuously achieve the medium- to long-term return on equity (ROE) above 10%. We incorporate these key measures in a companywide tree. For Group headquarters measures that are hard to quantify financially, we prepare and regularly monitor a narrative as a Ricoh-style ROIC tree to manage financial targets and measures, as well as KGIs*1 and key performance indicators.

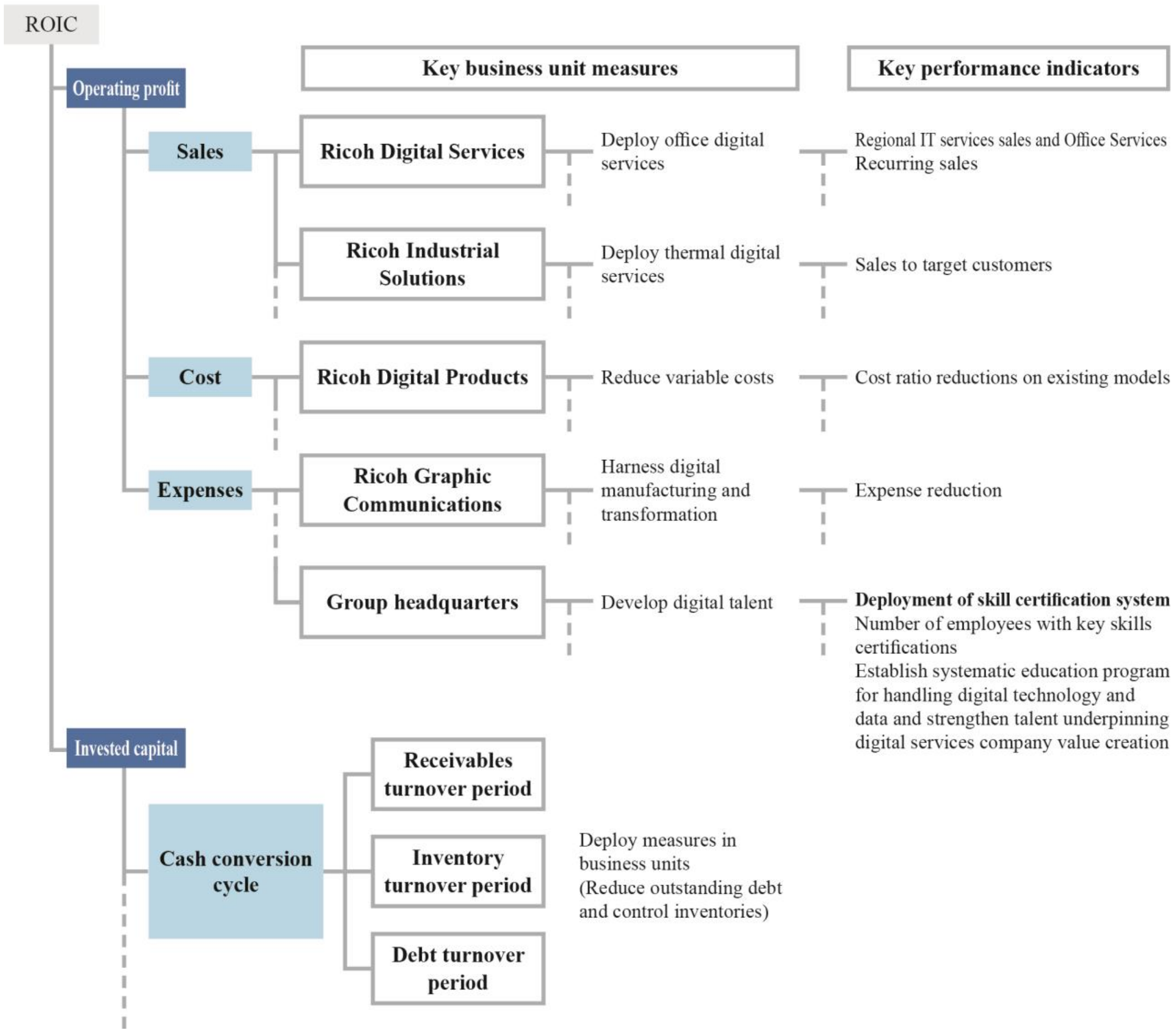
ROIC*2 in the fiscal year 2023 was 3.3%.

*1 KGIs: Key Goal Indicators

*2 ROIC = (Operating profit - Income tax expenses + Share of profit of investments accounted for using the equity method) / (Equity attributable to owners of the parent + Interest-bearing debt)

● Overview of Ricoh-style ROIC tree

We manage key performance indicators from individual organizational and companywide perspectives by setting benchmarks that take the statements of profit or loss and balance sheets into account.



To evolve into a digital services company, we will adopt an appropriate capital structure based on risk assessments and borrow to fund investments, carefully balancing debt and equity in our operations. We will use debt in mature businesses generating stable profit such as office printing while primarily allocating equity capital to growth businesses that pose relatively high risks.

Approaching fiscal 2025, we will secure capital for growth based on the assumption that the business environment will remain uncertain with a capital structure that takes into account credit ratings and fundraising risks. From fiscal 2025 onwards, we plan to flexibly adjust the optimal capital structure, taking into account changes in the business structure associated with the new growth investment strategy in conjunction with the stabilization of businesses in the growth and investment area.

We will thus systematically use operating cash flows generated from business investments to fund further growth and shareholder returns. We have not altered our plan to invest around ¥500.0 billion in growth areas over five years (fiscal 2021 to fiscal 2025), announced in the 20th Mid-Term Management Plan, as growth investment in our drive to become a digital services company. Thus far in fiscal 2023 we have invested consistently in business growth to strengthen IT services, including by acquiring PFH Technology Group in Ireland. We have expanded our Office Services business through acquisitions in communication and application services in Europe and the United States.

Also during the next fiscal year, we will continue investing in growth to maximize corporate value while maintaining financial discipline. We will fund investments primarily with operating cash flow while additionally using interest-bearing debt.

● Cash Allocations

Capital management through cash allocations (FY2021 to FY2025) (Billions of yen)

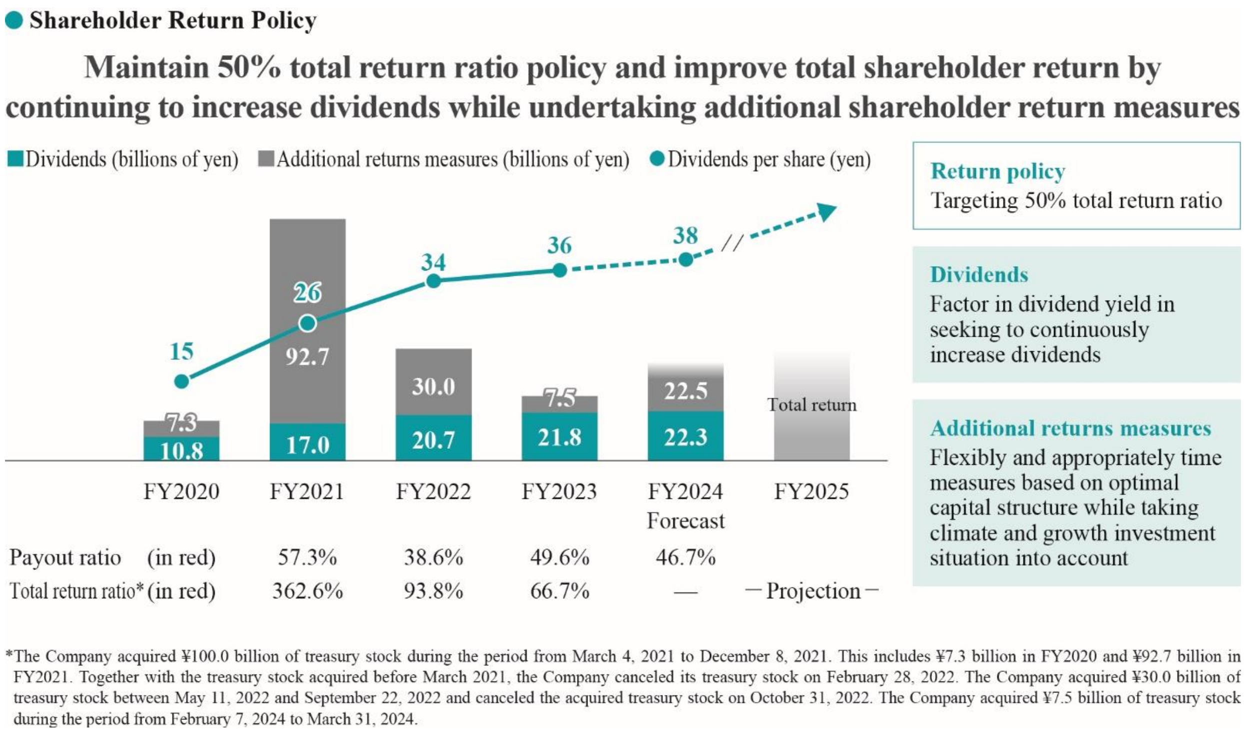
*Those announced by the end of the fiscal year under review

Growth investment framework and progress (Billions of yen)

	20th Mid-Term Management Plan 2 years from FY2021 to FY2022 Actual	Growth investment framework 5 years from FY2021 to FY2025 Plan
Business growth acquisitions	125	325
Robust management infrastructure	40	90
Investments to create new business domains	25	85
Total	190	500

Our shareholder return policy is to maintain a total return ratio of 50%. With the target of a total return ratio of 50%, we look to steadily lift dividends per share in line with annual profit growth, while being conscious of offering attractive dividend yields. We will also implement share repurchases and other additional return measures in a flexible and timely manner, based on our views on the optimal capital structure and factoring in the business environment and progress with growth investments to achieve an improvement in total shareholder return (TSR).

Keeping with this shareholder return policy, we decided in February 2024 to repurchase ¥30 billion in shares and repurchased ¥7.5 billion in shares during the period from February 7, 2024 to March 31, 2024. We also plan to increase dividends per share by ¥2.00, to ¥38.00, in the next fiscal year.



Fiscal 2024 Outlook

Prospects remain uncertain this fiscal year for several reasons. Key among them are persistent global economic stagnation stemming from ongoing international tensions, surging resources price, inflation, and the depreciation of the yen. While the operating climate will remain challenging into the next fiscal year, we are committed to steadily implementing the Corporate Value Improvement Project to make our profit structure suitable for a digital services company.

For fiscal 2024, we forecast ¥2.50 trillion in consolidated sales and ¥48.0 billion in profit attributable to owners of the parent. In addition to expecting continued solid growth in the Office Services business which is our growth segment, this forecast reflects the prospect that excessive inventory in the Office Printing business will be eliminated and that Ricoh Graphic Communications will grow. In July 2024, we plan to establish a joint venture with Toshiba TEC Corporation to integrate development and production. We will execute this integration swiftly and systematically to drive structural reforms in the Office Printing business.

2. OUR APPROACH AND EFFORTS ON SUSTAINABILITY

Ricoh's approach to sustainability and its initiatives are as follows.
Note that matters related to future developments that are mentioned in this section are judgments of Ricoh that were made as of the end of the fiscal year under review.

Basic approach – Leveraging the power of business to materialize sustainable society

Ricoh pursues sustainability through a Three Ps Balance – Prosperity (economic activities), People (society), and Planet (environment) based on the Spirit of Three Loves. To realize this, we will help to reach Sustainable Development Goals (SDGs) through resolving social issues through business, reinforcing management infrastructure and contributing to society.

(1) Governance

We have established the ESG Committee for the purpose of continuously discussing environmental, social, and governance issues faced by Ricoh at a management-level and leading the discussions to the quality enhancement of the entire Group. The committee is a decision-making organization that meets quarterly chaired by the CEO and consists of GMC *1 members including Internal Executive Director and business unit presidents *2.

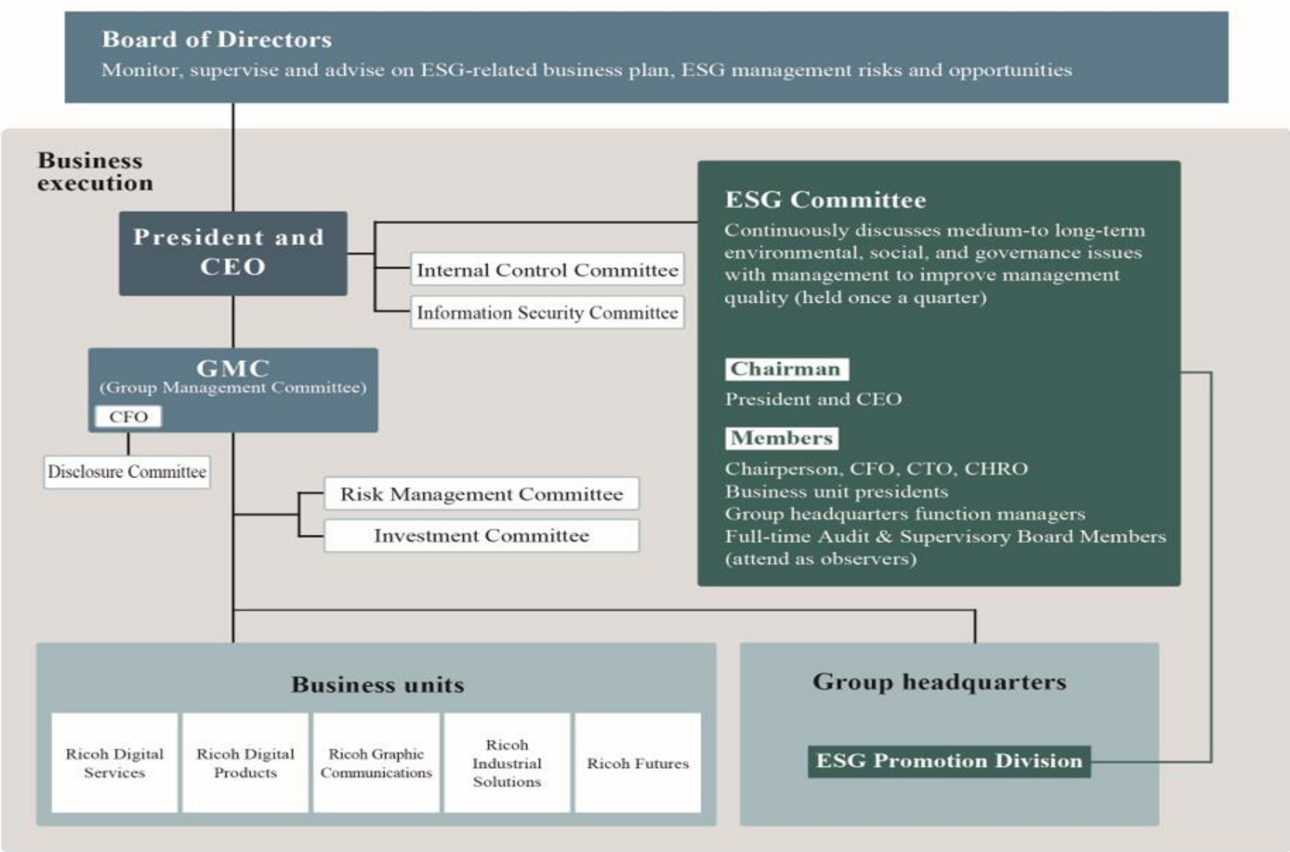
The ESG Committee deliberates on future risks and opportunities for the business in the area of sustainability, identification of material social issues (materiality), and setting of ESG targets. Important matters are decided on with the approval of the Board of Directors.

In addition, ESG indicators are incorporated into the remuneration of Directors and Executive Officers to clarify management responsibility for ESG initiatives and goal achievement. Specifically, the annual DJSI rating is included in the bonus formula for Directors and Executive Officers. Additionally, 20% of the calculation formula for the executive stock compensation program, which applies to Internal Directors and Executive Officers, is linked to the number of achieved ESG targets in order to provide an incentive for ESG efforts. For details of the executive stock compensation program, please refer to "IV. Information on the Company, 4. Corporate Governance, etc., (4) Compensation to Directors and Audit & Supervisory Board Members".

*1 The Group Management Committee (GMC), chaired by the President and Chief Executive Officer and consisting of executive officers who meet defined conditions, has been established as a decision-making body authorized by the Board of Directors.

*2 Full-time Audit & Supervisory Board Members participate as observers.

<Governance Structure of Ricoh>



(2) ESG Strategy

Ricoh has adopted the policy of "Align ESG with business growth," positioning ESG not as non-financial factors but as "future financial" factors that will impact our financial performance in the coming years. Towards the realization of a sustainable society (Three Ps Balance), Ricoh identifies the material issues that it will emphasize particularly in its Mid-Term Management Strategy.

The identification and revision of materiality are made every three years, in line with the Mid-Term Management Strategy, through a four-step process (Step 1 to Step 4), referencing social trends, business strategy, stakeholder perspectives and various guidelines. The ESG Committee, chaired by the CEO, deliberates on the revision of materiality, which is then approved by the Board of Directors along with the Mid-Term Management Strategy and subsequently disclosed.

In the 21st Mid-Term Management Strategy, we identified four social issues to be resolved through business activities and three management foundations to be reinforced to support the resolution as our materiality. For these seven material issues, we have defined their strategic significance (as shown in Figure 2) and set 16 ESG targets as evaluation indicators. Specifically, we have set goals related to climate change and human rights issues, which are common global issues, as well as goals related to digital services-related patents, information security, and digital human resource development, which will be necessary for our transformation into a digital services company. To demonstrate that resolving social issues leads to business growth, for the four material issues, we have identified businesses resolving social issues and set their sales targets by 2025 (as shown in Figure 3). We will continue to accelerate our efforts to fuse ESG and business growth.

＜Figure 1: Process of Identifying and Revising Materiality＞

Step 1 Identifying Issues	Step 2 Prioritizing Issues	Step 3 Management Decision	Step 4 Performance Disclosure
In considering our mid-term management strategy, we evaluate the impact of changes in environmental and social trends, such as climate change and human rights, on our business activities, as well as the impact of our business activities on the environment and society, in terms of risks and business opportunities, and we identify issues that need to be addressed.	Prioritize the identified issues based on international guidelines such as the SDG Compass, GRI standards, and the concept of double materiality, as well as management philosophy, management and business strategies, opinions from external stakeholders, and priority management risks in line with the risk management system. The drafts of materiality and ESG targets are then prepared.	The materiality and ESG goals are deliberated and decided upon by the ESG Committee, which consists of the CEO as the Chairman, all Internal Directors, and Executive Officers. These decisions are made in conjunction with the financial goals of the mid-term management strategy and are approved by the Board of Directors before disclosure.	Annual performance against ESG targets is disclosed annually by the ESG Committee, after confirmation with management.

[Referenced Opinions from Stakeholders]

- Individual meetings with shareholders/investors/analysts
- Feedback from large IR meetings
- ESG requests from customers during negotiations
- Requests in ESG evaluation systems
- Opinions from internal stakeholders
- Dialogues with external organizations such as JCLP and JCI

[Referenced Guidelines]

- SDGs Compass*1
- GRI Standards*2
- European Non-Financial Reporting Directive*3
- Ministry of the Environment Environmental Reporting Guidelines
- TCFD*4
- UN Global Compact's 10 Principles
- ISO26000*5

*1 SDGs Compass: Guidelines for companies to align management strategies with SDGs and measure and manage contributions to SDGs.

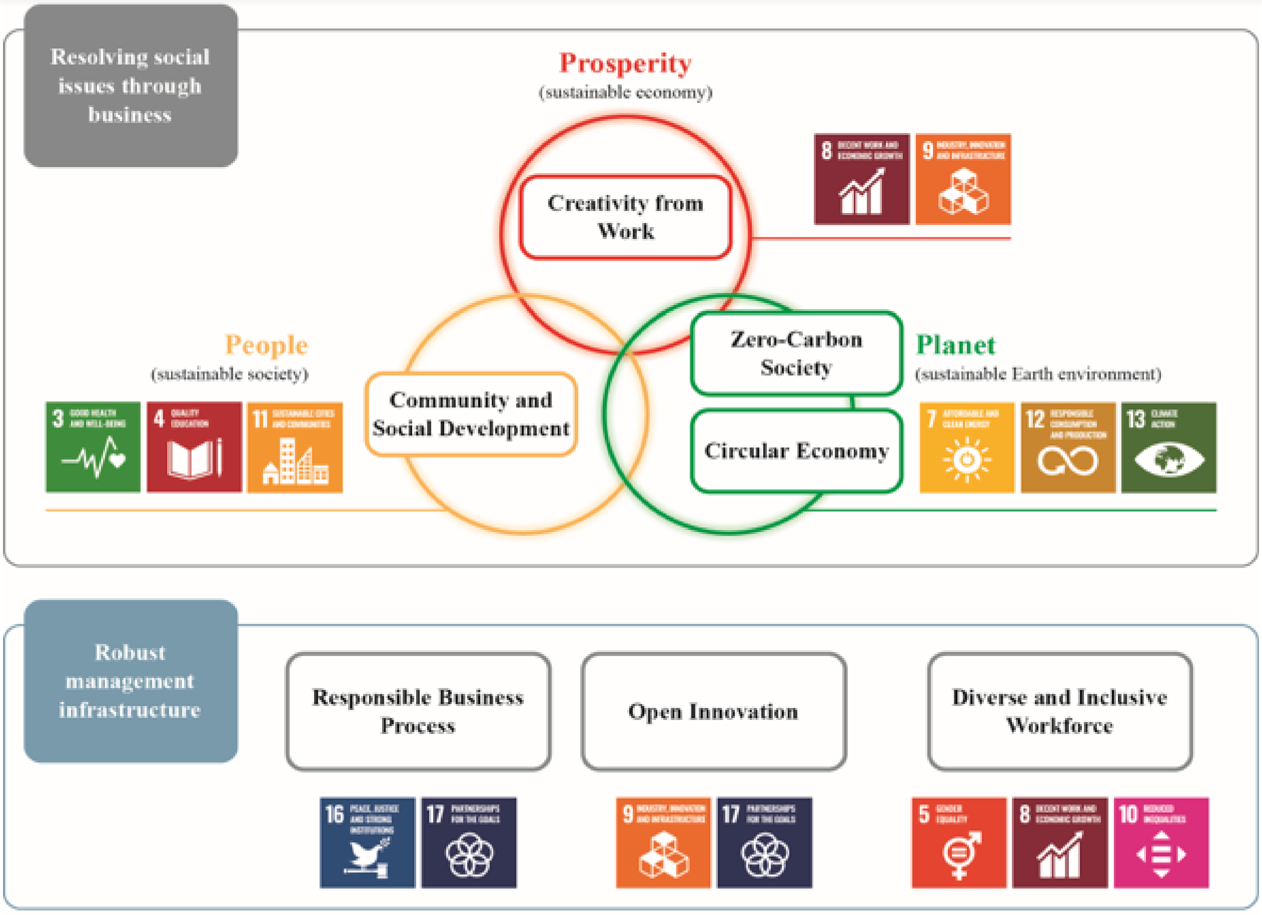
*2 GRI Standards: Standards reflecting international best practices regarding various impacts that organizations have on the economy, environment, and society.

*3 European Non-Financial Reporting Directive: Directive requiring organizations to disclose information in management reports related to the environment, society, employment, respect for human rights, and prevention of corruption and bribery.

*4 TCFD (Task Force on Climate-related Financial Disclosures): Established by the Financial Stability Board (FSB) to promote the disclosure of climate-related risks and opportunities for companies and to stabilize financial markets through a smooth transition to a low-carbon society.

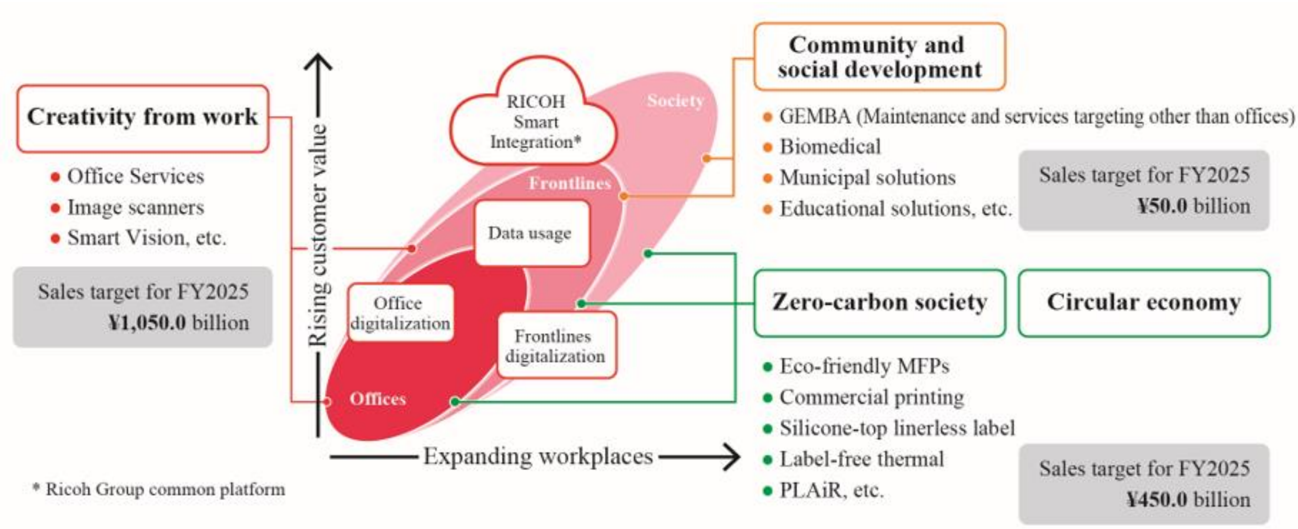
*5 ISO26000: International standard and guidance on the social responsibility of organizations.

＜Figure 2: Seven material issues and their strategic significance＞



	[Materiality]	[Strategic significance]
Resolving social issues through business	Creativity from Work	To provide digital services that transform the way customers work, and help them improve productivity improvement and value creation
	Community and Social Development	To contribute to the maintenance, development, and efficiency of community and social systems. We leverage our technical expertise and customer connections to expand the areas where we provide value.
	Zero-Carbon Society	To decarbonize the entire value chain and create business opportunities by contributing to carbon neutrality
	Circular Economy	To create business opportunities by building a circular economy business mode for ourselves and our customers
Robust management infrastructure	Responsible Business Process	To earn stakeholder trust by taking a holistic view of our supply chain and minimizing ESG risks in our business processes
	Open Innovation	To shift from a self-sufficient approach to a new value creation process that creates businesses to quickly resolve social issues
	Diverse and Inclusive Workforce	To foster a corporate culture where diverse employees can demonstrate their potential and transform themselves and the company into one that is resilient to change

＜Figure 3: Sales target for social problem-solving business through the 21st Mid-Term Management Strategy ＞



(3) Risk Management

Ricoh positions risks that may significantly impact the performance of the company as managerial risks, and risk management is divided into strategic risks and operational risks, depending on the characteristics of the risk.

Given that sustainability-related risks significantly impact a company’s medium- to long-term growth, we have positioned “Response to ESG and SDGs” as one of our strategic risks. We manage risks related to decarbonization, resource recycling, biodiversity and human rights at the company level.

Risk levels are calculated based on their impact and urgency and are evaluated according to our company-wide risk management framework. For details on risk management, please refer to “II. Business Overview, 3. Business Risks”.

(4) Indicators and Goals

The achievements of ESG targets in the 21st Medium-Term Management Strategy are as follows. While there are some delays in progress towards achieving targets by 2025, overall, things are proceeding smoothly.

<16 company-wide ESG targets and progress linked to seven material issues>

Resolving social issues through business

Materiality (Material issues)	2030 targets	Focuses	ESG targets in 21st Mid-Term Management Strategy (at the end of FY2025)	FY2023 achievements	Progress and challenges towards achieving targets by 2025
Creativity from Work	Contribute to "Creativity from Work" of all customers to whom we deliver value	- Office Services - Digital services for printing industry - Thermal media - Industrial Products - Smart Vision	(i) Customer survey scores*1 29%	Japan: 26% NA: 39% LA: 65%*2 Europe: 25% APAC*3: 17%	Sharing and horizontal deployment of best practices between regions
Community and Social Development	Contribute to the enhancement of social infrastructure for 30 million people	- GEMBA*4 - Biomedical - Municipal digitalization solutions - Educational ICT solutions, etc.	(ii) Number of people to whom we have contributed by improving social infrastructure 20 million people	17.94 million people	Progressing as planned
Zero-carbon Society	- Reduce GHG emissions by 63% for scope 1 and 2, and 40% for scope 3 - Switch to 50% renewable electricity	- Eco solutions - Eco-friendly MFPs - Commercial and industrial printing - Label-free printing - PLAiR	(iii) GHG scope 1, 2 reduction rate (vs. 2015) 50%	50.6%*5	
			(iv) GHG scope 3 reduction rate (vs. 2015) 35%	38.5%*5	
			(v) Renewable energy utilization rate 40%	33.6%*5	
			(vi) Avoided emissions 1,400 thousand tons	1,059 thousand tons*5	
Circular Economy	Ensure efficient use of resources throughout the entire value chain and achieve 60% or less of virgin material usage rate		(vii) Virgin material consumption ratio 80% or less	78.9%*5	

*1 The percentage of customers who evaluated us as a digital services company

*2 A survey targeting solution customers in LA

*3 APAC: Asia-Pacific

*4 GEMBA: Maintenance and services business targeting other than offices (e.g., stores and warehouses)

*5 Preliminary data awaiting the ASSURANCE STATEMENT based on third-party verification.

Robust management infrastructure

Materiality (Material issues)	ESG targets in 21st Mid-Term Management Strategy (at the end of FY2025)		FY2023 achievements	Progress towards achieving targets by 2025
Responsible Business Process	(viii) CHRB score[*6]	Top of the ICT sector	Self-assessment completed	Implementation of definite improvement activities for the identified priority issues
	(ix) Compliant with NIST SP800-171 Coverage of Company's Core Business Environment	80% or more	Identification and assessment of information to be protected underway	Early identification and assessment of information to be protected
	(x) Low-compliance risk group companies	80% or more	Pulse survey completed for high-risk organizations	Progressing as planned
Open Innovation	(xi) Contracted joint R&D ratio	25%	23%	
	(xii) Digital services patent application ratio[*7]	60%	54.7%	
Diverse and Inclusive Workforce	(xiii) Ricoh Digital Skills level 2 or above rated employees (Japan)	4,000 people	2,855 people	
	(xiv) Process DX Silver Stage certified employee ratio[*8]	40%	21%	
	(xv) Engagement score[*9]	Global: 3.91 Japan: 3.69 NA: 4.18 LA: 4.14 Europe: 4.01 APAC: 4.15	Global: 3.79 Japan: 3.57 NA: 4.00 LA: 3.90 Europe: 3.92 APAC: 4.03	
	(xvi) Female-held managerial position ratio	20% (Japan: 10%)	16.5% (Japan: 7.7%)	

*6 CHRB (Corporate Human Rights Benchmark) Score: An international human rights initiative established by institutional investors and NGOs. It evaluates approximately 250 global companies from five sectors (food and agricultural products, apparel, extractives, ICT manufacturing, automotive manufacturing)

*7 Ratio of patent applications related to digital services business to total patent applications

*8 Training rate of personnel with process improvement experience based on a Process DX model (Denominator is the total number of personnel in the training target organization of each business unit.)

*9 Uses Gallup's Q12 mean score

External Evaluation

Our ESG initiatives have led to our inclusion in both domestic and international ESG indices.

ESG evaluations and indices	FY2022	FY2023	Remarks
Dow Jones Sustainability Indices	World Index	World Index	World Index for 4 consecutive years
Nikkei SDGs Management Survey	5 stars	5 stars	5 star for 5 consecutive years
CDP*10 (Climate Change)	A	A	Climate Change/Water Security FY2023: AA For Climate Change, A for 4 consecutive years
CDP (Water Security)	A－	A	
EcoVadis*11	GOLD	GOLD	Top 5% [GOLD] for 11 consecutive years
Global 100*12	80th	72nd	The only company selected among Japanese manufacturing companies in FY2023
GPIF6 Indices*13	Selected	Selected	Included in all indices since FY2022 AAA rating from MSCI since FY2023

*10 CDP: An international non-profit organization that promotes corporate environmental disclosure and evaluates efforts in areas such as climate change, water security, and forests

*11 EcoVadis: An international rating agency that evaluates companies on their environmental, social, and governance aspects, with many global companies using its evaluation results for supplier selection

*12 Global 100: An evaluation organization by Canada's Corporate Knights in Canada that assesses companies on their environmental, social, and governance aspects, selecting the 100 most sustainable companies

*13 GPIF 6 Indices: MSCI Japan ESG Select Leaders Index, MSCI Japan Empowering Women Index (WIN), FTSE Blossom Japan Index, FTSE Blossom Japan Sector Relative Index, S&P/JPX Carbon Efficient Index, Morningstar Japan Gender Diversity Tilt Index

(5) Actions on Specific Themes: Environmental Initiatives

(i) Governance and risk management in the environmental field

Ricoh has defined "Zero-Carbon Society" and "Circular Economy" as part of our materiality and engages in environmental response as one of our management issues. We have set medium- to long-term environmental goals with a vision towards 2050 and established ESG targets in the Mid-Term Management Strategy, implementing specific measures to achieve these goals. The progress of the ESG targets is monitored at the management level through the ESG Committee and the Board of Directors. Additionally, we have designated response to the environmental field as one of the seven managerial strategic risks identified as Ricoh's material management risks and manage it accordingly. Below is an outline of our policies, strategies, risks and opportunities, and progress towards the goals in the areas of "decarbonization," "resource conservation," and "biodiversity" that Ricoh is addressing.

(ⅱ) Decarbonization

[Policy]

To achieve a "zero-carbon society," we have set the goal of achieving net-zero greenhouse gas (GHG) emissions across the entire value chain by 2050, based on scientific knowledge from sources such as the Paris Agreement and the IPCC. Following our decarbonization policy, we have formulated medium- to long-term environmental goals (Figure 1) and a decarbonization roadmap, implementing specific measures company-wide.

◆Decarbonization Policy

1. Thorough development of energy-saving and fuel conversion
2. Active and effective use of renewable energy
3. Visualization and reduction of GHG emissions in the supply chain

[Strategy]

To achieve the net-zero emissions targets for GHG Scope 1, 2, and 3(*1) by 2050, we have set ambitious milestone reduction targets. Our 2030 goals have been validated by the international climate initiative SBTi (Science Based Targets initiative) as a 1.5°C level. To meet the 2030 targets, we have developed a decarbonization roadmap that considers changes in Ricoh's business scale and structure, as well as anticipated changes in GHG emission factors for energy and materials based on domestic and international decarbonization policies. We are establishing and promoting specific reduction measures. We are working toward our goals while reviewing them every three years.

Additionally, in March 2024, we have set new targets for 2040, bringing forward our goals by ten years from the original 2050. These targets include achieving net-zero GHG emissions for Scope 1 and 2 and transitioning to 100% renewable energy for electricity used in business activities (achieving RE100*2). Towards 2040 target for Scope 1 and 2, we aim to reduce emissions by 90% from the base year*3 through self-help efforts and offset the residual emissions through internationally recognized methods*4 to achieve net-zero. For Scope 3, we have expanded the target scope from the previous Categories 1 (Procurement), 4 (Transportation), and 11 (Use) to all categories to enhance our measures, setting a new reduction target of 65% from the base year by 2040. Additionally, we have added a numerical target of reducing emissions by 90% from the base year through self-help efforts to the previously set 2050 net-zero target for Scope 1, 2, and 3.

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

*2 RE100: An international initiative comprising companies committed to procuring 100% of the electricity needed for their business operations from renewable energy sources

*3 Base year: FY2015

*4 In accordance with ISO 14068-1:2023, issued in November 2023

<Ricoh environmental goals (decarbonization)>

2050 goals

・ GHG Scope 1, 2, 3: Net zero emissions (90% reduction compared to fiscal 2015; residual emissions are offset via internationally acceptable methods)

2040 goals

・GHG Scope 1, 2: Zero emissions (90% reduction compared to fiscal 2015; residual emissions are offset via internationally acceptable methods)
・ GHG Scope 3: 65% reduction (compared to fiscal 2015; all categories)
・ Renewable energy usage ratio: 100%

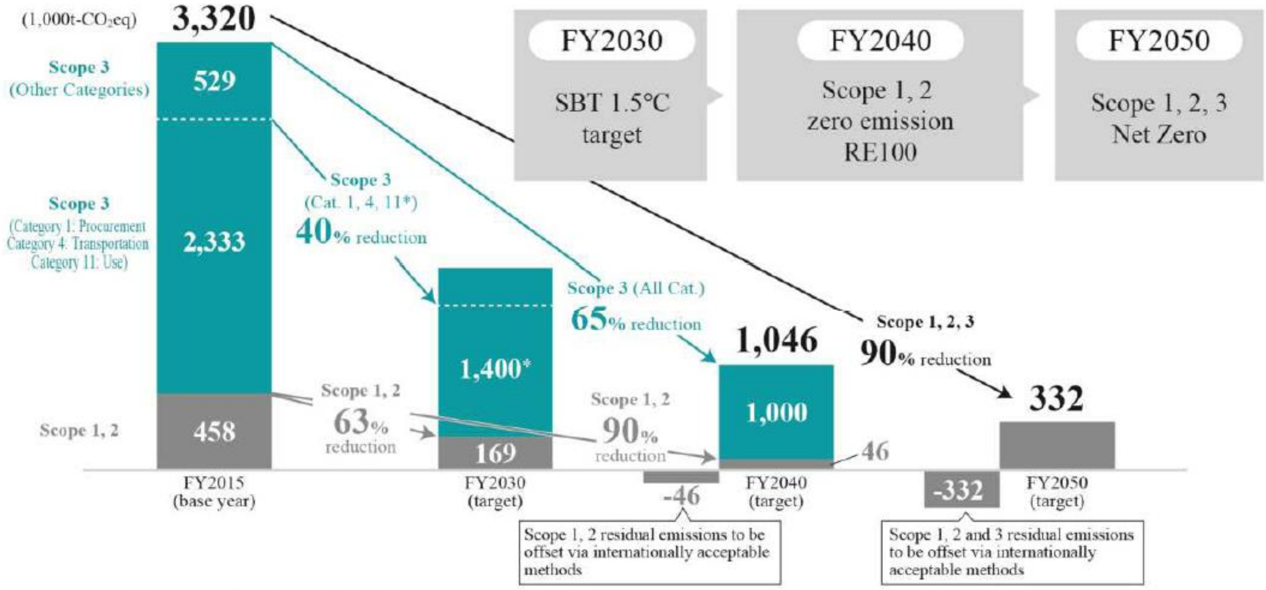
2030 goals

・ GHG Scope 1, 2: 63% reduction (compared to fiscal 2015)

・ GHG Scope 3: 40% reduction (compared to fiscal 2015; procurement, transportation, and use categories)

・ Renewable energy usage ratio: 50%

<Figure 1: Ricoh environmental goals (decarbonization)>



*Focus on reducing categories 1, 4 and 11 with large emissions.

[Risks and opportunities]

We identify risks associated with climate change through scenario analysis in line with the TCFD framework. This analysis evaluates the impact (financial impact) and urgency (time of occurrence) of each risk. In this evaluation, the impact and urgency are indicated in specific amounts and years for the impact to take place in full-scale by comparing each risk with the company-wide risk management framework. Natural disasters, which are increasing year by year, are an urgent issue for Ricoh. In particular, we consider the disruption of supply chains, including our own business locations, as a risk that could have a major impact on our business, and we monitor the situation every year and take appropriate countermeasures.

We recognize that climate change not only leads to business risks, but also to opportunities to increase the value of providing our products and services as well as corporate value, and indicate the achievements we have cultivated over many years in the decarbonization field as opportunities.

＜Decarbonization risks＞

Risks in the Ricoh Group			Impact	Urgency
Transition risks 2°C /1.5°C scenario*1	**Policy & Legal Risk** Carbon taxes and emissions trading systems applied to suppliers	● Carbon pricing (carbon tax/emissions trading) will be applied to all suppliers and the price will be passed on to raw materials, resulting in higher procurement costs ● Impact of carbon pricing (carbon tax/emissions trading) on the Ricoh Group is minimal (Implement systematic reduction of GHG under the SBT of 1.5° C)	Up to ¥20.0 billion	Within 5 years
	Market Risk Response to accelerated transition to decarbonized society by consumers and investors	● Due to demand for achieving the target of 1.5° C and RE100 ahead of schedule, additional costs for implementing measures such as energy saving/renewable energy facility investment and switching to renewable energy are incurred	Below ¥1.0 billion	Within 5 years
Physical risks 4°C scenario*2	**Acute Risk** Rapid increase of natural disasters	● Due to climate change, the severity of weather has become more extreme, causing production stops and sales opportunity losses due to disruption of the supply chain, etc. as a result of greater than expected storms and rain damages to Group production sites and suppliers	Up to ¥20.0 billion	Within 5 years
	Acute Risk Regional epidemics of infectious diseases	● Impact on production plans due to parts supply disruption ● Insufficient inventory due to lower operating rates at production sites ● Decrease in sales opportunities due to difficulty of face-to-face business	Up to ¥20.0 billion	Within 10 years
	Acute Risk Declining forest resources	● Forest damage such as forest fires and increase of pests due to global warming results in deterioration of stable supply of paper raw materials and leads to a rise in paper procurement costs	Below ¥1.0 billion	Within 10 years

*1 2°C /1.5°C scenario: a scenario where the global average temperature increase is below 2°C by 2100

*2 4°C scenario: a scenario where the global average temperature increase is 4°C by 2100

＜Decarbonization opportunities＞

Areas of contribution	Overview of fiscal 2023 results	Financial effect
Contribution to mitigation We will pursue thorough energy-saving performance in our products and services that contribute to the mitigation of climate change.		
	• Sales of eco label-certified products that contribute to the decarbonization of society	Approx. ¥1,230 billion
	• Sales through business negotiations based on ESG performance	Approx. ¥40billion
	• Sales in the products and parts recycling business	Approx. ¥30billion
	• Sales in the energy creation and energy saving businesses	Approx. ¥30billion
	• Contribution through new businesses (sales of eco-friendly paperless labels and foamed PLA sheets)	Approx. ¥6billion
Contribution to adaptation We will strive to develop products and services that avoid or mitigate the impacts of climate change.		
	• Solution sales that support new workstyles (Scrum Package, Scrum Asset*1, LCAW*2)	Approx. ¥170billion

*1 Scrum assets: A packaged solution for mid-sized companies sold in Japan

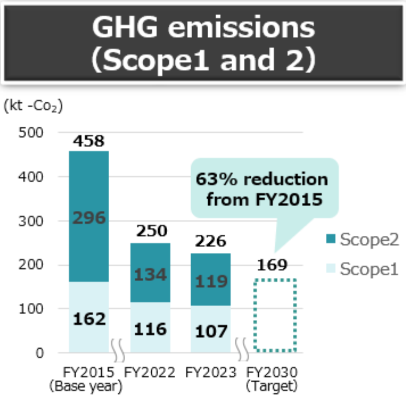
*2 LCAW (Leading Change at Work): A packaged solution sold in Europe

[Progress towards goals]

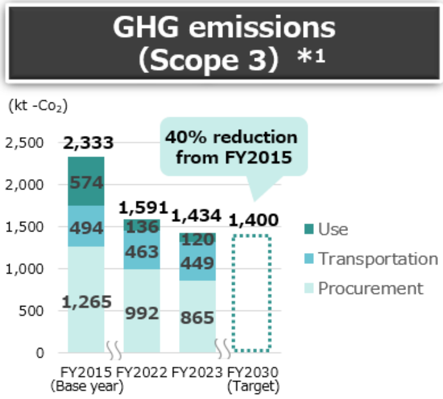
Based on our decarbonization roadmap, we began operating a VPPA* in the fiscal year to increase our renewable energy ratio. Additionally, in response to natural disasters, which are becoming more and more severe, we analyzed natural disaster risks at our major global sites and advanced improvement activities at these sites based on the risk assessment results. The progress towards our 2030 goals is as follows. The calculation of Scope 3 emissions includes estimates, and we are working to improve accuracy by reviewing calculation ranges and methods.

* VPPA: Virtual Power Purchase Agreement

Preliminary data awaiting the ASSURANCE STATEMENT based on third-party verification.

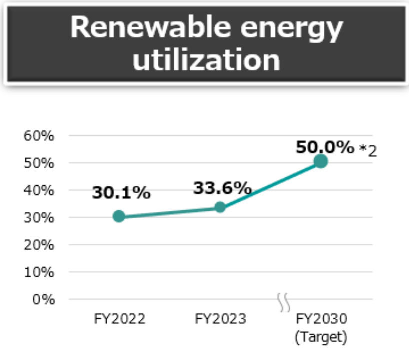


※Figure for FY2022 has been revised due to a review of some regional data.



*1 Procurement, Transportation, and Use categories.

※ Figure for FY2022 has been revised due to a review of some aggregates.



*2 Target of 35% or more for renewable energy with additionality.

※Figure for FY2022 has been revised due to a review of some regional data.

(ⅲ) Resource conservation area

[Policy]

In 1994, Ricoh created the “Comet Circle” concept for materializing a circular economy, fostering effective resources usage across product life cycles. In line with our resource conservation policy and plastic policy, we established goals for 2030 and 2050, and are advancing efforts to use fewer new resources and recycle them and reduce or replace virgin plastics derived from fossil resources.

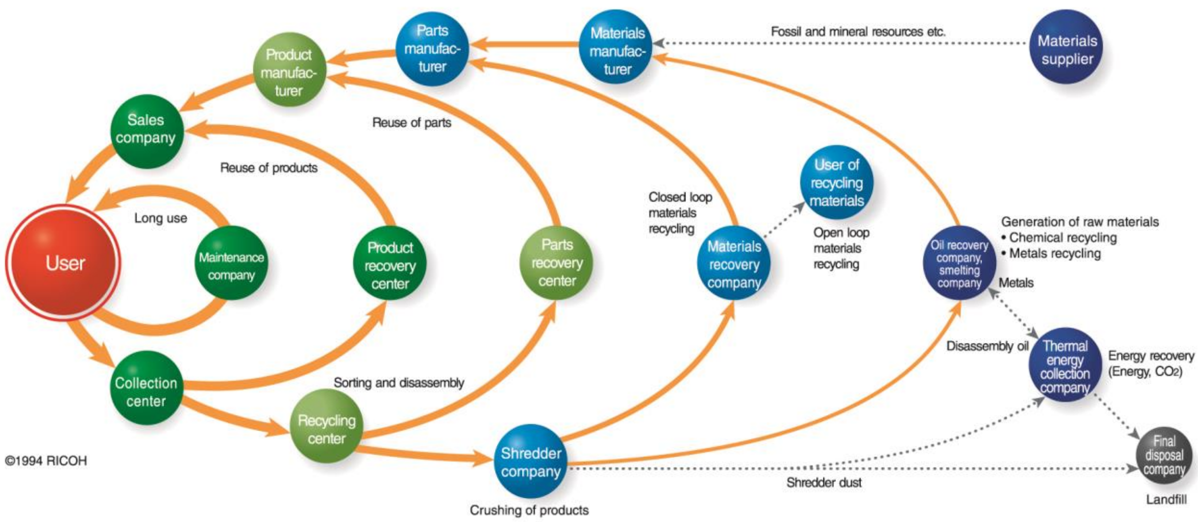
◆Resource conservation activity policy

1. Contribute to realizing a circular economy by promoting the efficient use of natural resources
2. Offer recycled products and promote further use of and conversion to sustainable resources with low environmental impact

◆Ricoh Group Plastic Policy for Products

1. Breakaway from dependence on virgin plastics derived from fossil resources
2. Material recyclable design

Concept of a Sustainable Society: The Comet Circle™



[Strategy]

We have set medium- to long-term goals for reducing the use of new resources and virgin plastics derived from fossil resources in the resource conservation field, and have developed and are promoting a roadmap that includes specific reduction measures such as miniaturizing and lightening products, extending product lifespan, offering recycled products, and adopting recycled materials. Additionally, we have established a Circular Economy Working Group that integrates design, production, and sales to develop products that contribute to resource conservation.

<Ricoh environmental goals (resource conservation)>

2050 goal

・ Virgin material usage ratio*1 in products: 12% or less*2

2030 goal

・ Virgin material usage ratio in products: 60% or less

Plastic goals

・ Use of post-consumer recycled plastics for imaging products Goals for 2030: Post-consumer recycled plastic content rate of 50% or more

・ Reduction in packaging materials for virgin plastics derived from fossil resources Goals for 2030: 50% or more reduction compared to 2020 level

・ Display resin identification code and single material use Goals for 2025: Clearly indicated on all parts and all packaging materials

*1 Virgin material usage ratio: the usage ratio of new resource inputs to total resource inputs of products

*2 Quoted from the National Institute for Materials Science (NIMS) publication. The resource conservation target is set based on the idea that in order to use sustainable resources, it is necessary to reduce the total amount of resources used to 1/8 compared to 2000 level.

[Risks and opportunities]

The risks and opportunities in the resource conservation area recognized by Ricoh are as follows. As the international community accelerates the transition to a circular economy, inadequate efforts in the area of resource recycling pose a risk of damaging our corporate value. On the other hand, by strengthening our efforts, we can enhance the sustainability of our business activities, leading to the attainment of medium- to long-term opportunities and competitiveness.

＜Resource conservation risks＞

Risks in the Ricoh Group		
Transition risks	**Market Risk** Soaring resource prices and widening volatility due to factors such as resource depletion and geopolitical risks	● Rise in procurements costs due to soaring market prices of raw materials required for products and services ● Suspension of production due to reduced or interrupted supply of water resources at production plants
	Reputation Risk Occurrence of environmental pollution and information leaks due to inappropriate disposal of used products and office waste	● Loss of trust in the Ricoh Group and Ricoh Group products due to information leaks and environmental pollution caused by improper disposal of used products and business waste, including illegal dumping ● Administrative penalties, surcharge payment, criminal penalties, and loss of social credibility due to violations of environment-related laws
	Policy and Legal Risks Delay in responding to regulations and customer requests to promote a circular economy	● Decrease in opportunities for business negotiations and loss of business negotiations due to the inability to timely market reused products and products using recycled materials that customers want ● Costs incurred due to product design changes, etc.

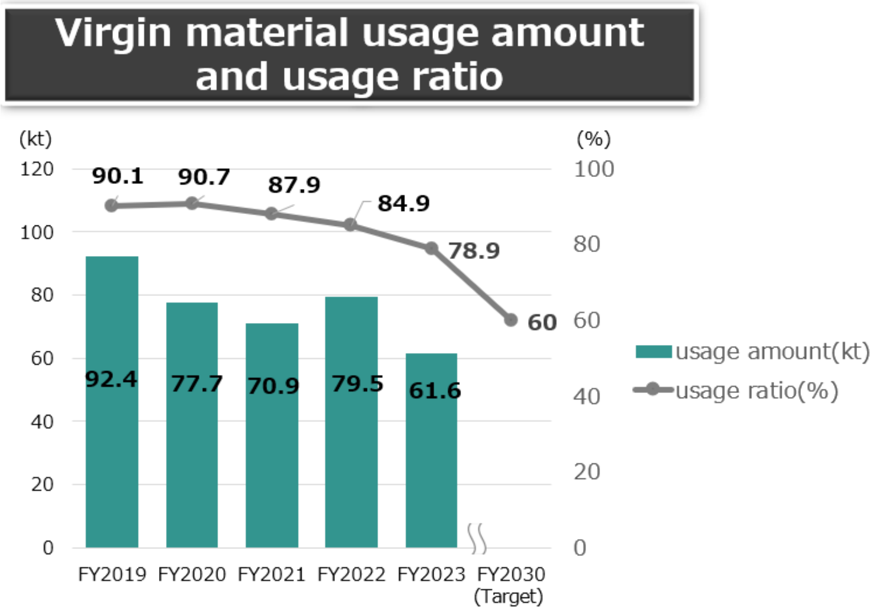
＜Resource conservation opportunities＞

Areas of contribution	
Deepening existing business models －Providing value in the MFP/ printer business through implementation of the Comet Circle™	● Profit generation through the Reuse and Recycling businesses ● Improve corporate brand value through effective use of resources ● Contribute to customers reducing their environmental impact
New businesses creation －Providing value to customer circular economy business	● Profit generation through provision of products and services that contribute to customers' circular economy ● Reduce disposal and management costs by reducing the amount of waste generated
Streamlining business activities －Reducing costs by thoroughly recycling resources in business activities	● Reduce disposal and management costs by reducing the amount of waste generated ● Reduce the purchase of new items by recycling waste generated from business sites ● Control new water intake by recycling water resources

[Progress towards goals]

The progress toward our goals is as follows.

Preliminary data awaiting the ASSURANCE STATEMENT based on third-party verification.



(ⅳ) Biodiversity conservation

[Policy]

Ricoh established the "Biodiversity Policy" in 2009, and based on this policy, we have been engaging in biodiversity conservation activities. Our approach involves first understanding biodiversity risks and then collaborating with various stakeholders to reduce the environmental impact of our business activities and mitigate biodiversity risks. By doing so, we aim to realize a "nature positive" and "zero deforestation" society that halts the loss of biodiversity and puts it on a recovery track.

◆Biodiversity Policy (Basic Policy)

Recognizing the fact that we benefit from the lives of living creatures and operate our business activities while impacting biodiversity, we will engage in activities to reduce our impact on biodiversity and actively contribute to the conservation of biodiversity.

For more details on this policy, please refer to:
https://www.ricoh.com/sustainability/environment/biodiversity#policy

[Strategy]

To clarify the relationship between Ricoh’s business activities and ecosystems, we created a “Map of relationships between businesses and biodiversity” and conducted an evaluation. The evaluation revealed that the procurement of raw materials, such as paper pulp, significantly impacts and poses risks to ecosystems.

To prevent deforestation and consider social aspects like human rights in raw material procurement, we have established the “Regulation of Ricoh Group products made of wood” and the “Paper Procurement Policy” to guide our business activities.

Moreover, we recognize the importance of forest conservation not only for protecting biodiversity but also for preventing global warming and ensuring sustainable community development. To engage in both protecting and expanding forests, we have been participating in the Creating a Million-Tree Forest initiative and the “30by30 Alliance for Biodiversity,” whose founders are 17 organizations from industries, the private sector, and such Japanese government bodies as the Ministry of the Environment. We are also promoting the acquisition of natural symbiosis site* certification.

* Natural symbiosis site: Areas recognized by the national government where biodiversity conservation is achieved through private sector initiatives, etc.

<Biodiversity conservation goal>

・Planting another one million new trees by 2030*

* Ricoh Japan plants one tree in Indonesia and the Philippines for each energy-saving MFP sold.

[Risks]

The biodiversity risks recognized by Ricoh are as follows.

Risks in the Ricoh Group		
Transition risks	**Reputation Risk** The impact on ecosystems from the procurement of raw materials such as paper pulp	● Risks of product supply shortages due to illegal procurement and other impacts of brand image degradation
Physical risks	**Acute Risk** Decrease in forest resources	● Due to global warming, forest damage from wildfires and pests is increasing, leading to instability in the supply of raw materials for paper and rising paper procurement costs

[Progress towards goals]

We planted a total of 453,000 trees from 2020 to the fiscal year under review.

(6) Actions on Specific Themes: Response to Human Capital and Diversity

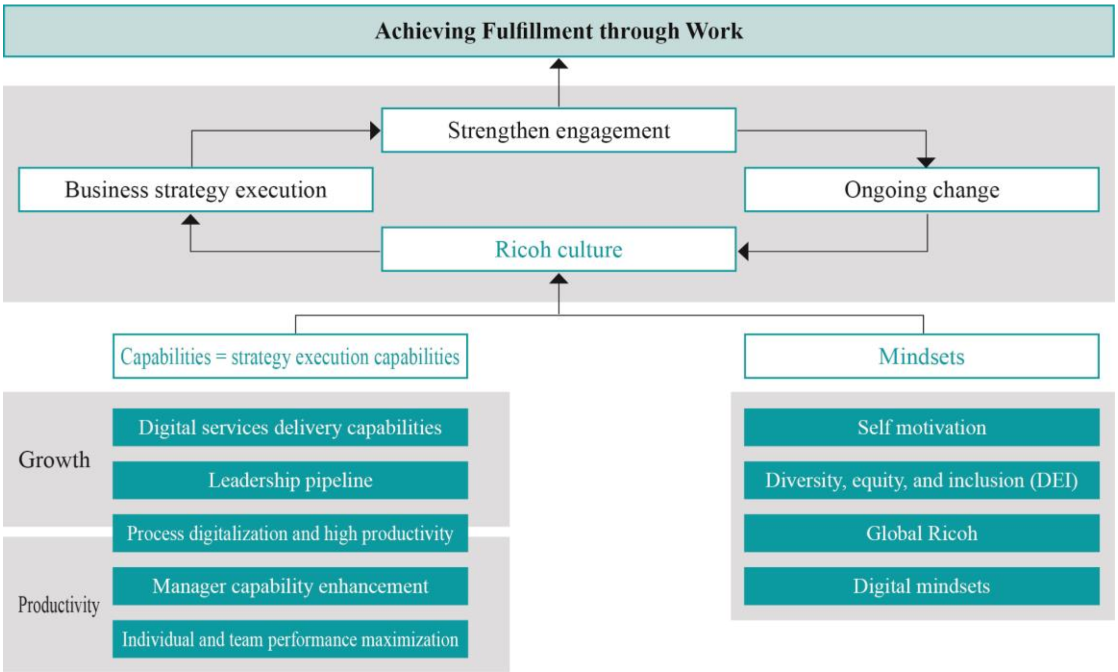
Approach to human capital

To achieve our vision and mission of "Fulfillment through Work," we have established an approach to human capital that consists of a value creation model and three pillars.

1. Human capital value creation model

We perceive the value creation model for forming Ricoh's distinctive human capital as follows. At the core of value creation is the "Ricoh Culture." This culture is created through a combination of capability (strategy execution capabilities) and mindset. For both capability and mindset, we have defined core themes over the timeline of the 21st Mid-Term Management Strategy. By designing and implementing HR measures in line with these themes, we foster an optimized "Ricoh Culture." As we advance specific strategies and measures, employees accumulate successful experiences in achieving their goals, which further enhances their engagement. This enhanced engagement generates the energy needed to drive new changes, resulting in a continuous cycle of evolution and transformation for the Company. At the end of this cycle lies the realization of "Fulfillment through Work." This "Fulfillment through Work" further promotes the growth, achievement, and transformation of each employee. We believe that creating this cycle is the source of success in our corporate activities.

We have defined five key themes for capability from the perspectives of growth and productivity, and four key themes for mindset, as shown in the diagram below. For each theme, we will promote specific HR measures over the three years of the 21st Medium-Term Strategy.



2. Three pillars of approach to human capital

Our human capital measures are founded on three pillars: "Self-motivation," "Growth," and "Fulfillment through Work". By accumulating experiences gained through working at Ricoh, we aim to achieve both the "Fulfillment through Work" for our employees and business growth simultaneously. This is our approach to human capital.

Leverage employee experience components to drive personal and business growth through three pillars

Three pillars	(i) Self motivation Encourage employees to fulfill their potential	(ii) Growth Align personal and business growth	(iii) Enable employees to experience Fulfillment through Work Connect employees experiences to Fulfillment through Work
Strategic elements in the value creation model	Self motivation Individual and team performance maximization Manager capability enhancement	Process digitalization and high productivity Digital mindsets / Digital services delivery capabilities Leadership pipeline	Diversity, equity, and inclusion (DEI) Global Ricoh Strengthen engagement
Employee Experiences	Learning and growth and career development Manager training / Hybrid work policy	Design thinking/ Agility / Process digitalization Basic digital skills / Global leadership program	Co-creation culture*2 / Ricoh Way DEI activities / Engagement surveys
FY2025 key performance indicators	Career development: Transfer rate of over 60% based on IDP	Digital training*1 completion rate: 100%	Female-held managerial position ratio: Global: 20% Japan: 10% Employee engagement score*3: Global 3.91

*1 Digital training: A generic term for training programs encompassing design thinking/agility, process digitalization and digital basics
*2 Co-creation culture: A culture where stakeholders collaborate, acknowledging each other's values and uniqueness, to generate collective power for problem-solving
*3 Employee engagement: Degree of contribution, understanding and other factors toward company that an employee belongs to

(i) Self-motivation: Encourage employees to fulfill their potential

We believe that there are two basic principles for maximizing human capital. First, employees should take the initiative to make the most of their strengths. Second, the Company should put the right people in the right positions. It was to that end that we introduced the Ricoh-style job-based personnel system in the previous fiscal year and expanded our internal recruiting program. For daily work, we are fostering hybrid workstyles that incorporate the benefits of remote and office work to maximize individual and team performances. In addition to creating an environment in which employees can be autonomous and self-motivated, we will continue to encourage employees and their managers to unleash their potential.

(ii) Growth: Align personal and business growth

Ricoh has always been close to the work of customers. We aim to help them leverage digital technology to become more efficient and productive, so they can focus on more creative work. It is therefore essential for our employees to master the digital technologies they need and apply them in their work. By proposing and supplying customers with new work approaches that we have cultivated internally, we will open new vistas to the world of work.

(iii) Fulfillment through Work: Enable employees to experience Fulfillment through Work

We must amass experiences that bring us fulfillment through Work before expecting customers to get the same satisfaction. We want our people to enhance their skills in a diverse, co-creative culture and find pleasure in work. Positive and fulfilling employee experiences empower us to create a robust corporate culture as a digital services company and tackle all sorts of changes.

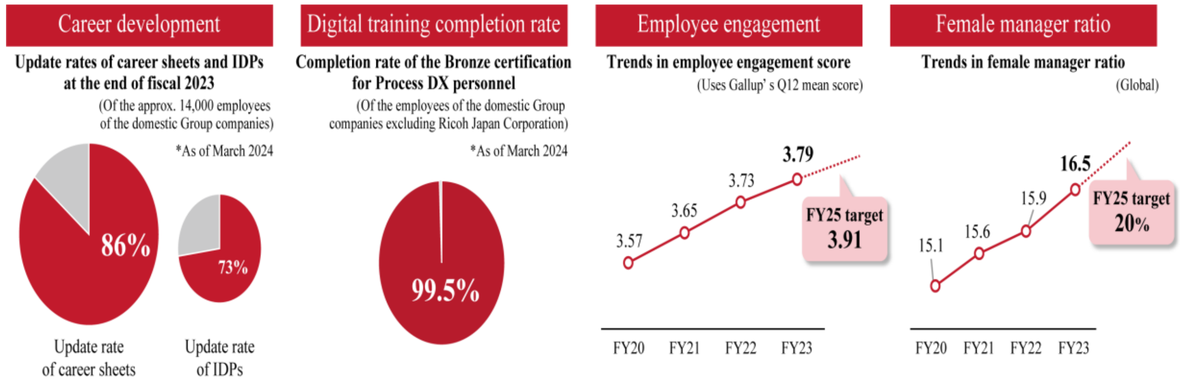
For Ricoh's human capital strategies, we have established KPIs linked to the three pillars mentioned earlier: "Transfer rate based on the Individual Development Plan," "Digital training completion rate," "Employee engagement," and "Female manager ratio".

To improve the "Transfer rate based on the Individual Development Plan," we introduced and expanded a system for creating a "career sheet" that visualizes an employee's career to date and an "Individual Development Plan (IDP)" for future autonomous growth, during the fiscal year under review. As a result, 86% of the eligible employees have updated their career sheets, and 73% have updated their IDPs for future autonomous growth.

Regarding the “Digital training completion rate,” we focused on “Process DX and high productivity,” a strategic element in the above-mentioned value creation model, during the fiscal year under review. We aimed for all employees to be certified by our internal certification system for Process DX personnel*. Ultimately, 99.5% of the employees completed the Bronze certification for Process DX personnel.

“Employee engagement” is a crucial indicator for measuring employees’ continuous trust in the company. Based on the results of the previous fiscal year, we strengthened messaging in each country and business unit. As a result, in the fiscal year under review, employee engagement increased by 0.06 percentage points year-on-year, steadily moving towards our targets for fiscal 2025.

To create a diverse organization, which is important from the perspective of DEI, we have been actively promoting and developing human resources. As a result, for the fiscal year under review, the “Female manager ratio,” a critical indicator, increased by 0.6 percentage points year-on-year, facilitating the transformation into a diverse organization necessary for the shift to digital services.

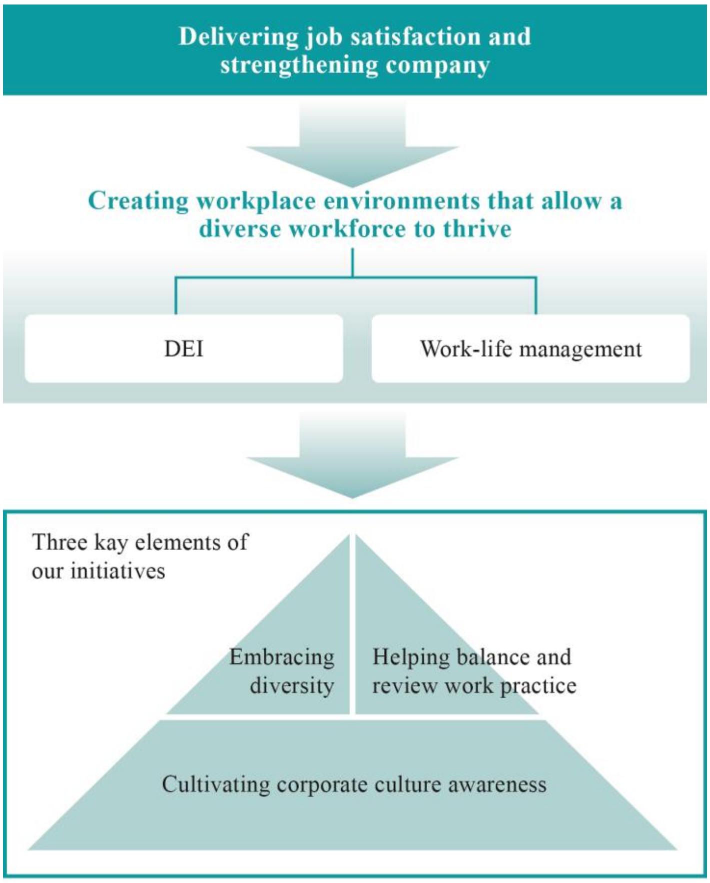


* Internal certification system for Process DX personnel: Ricoh has established a system to learn the concepts and methodologies of “Process DX,” which involves redesigning work and processes using digital technologies, and obtain internal certification. This certification system includes four levels: Bronze, Silver, Gold, and Platinum. The Bronze certification requires understanding of the basic concepts and methodologies necessary to practice Process DX.

Diversity, Equity, Inclusion, and Work-Life Management

Innovation arises when diverse human resources collaborate and utilize their individual abilities. To achieve this, we need an environment where each employee can maximize their performance and thrive. Recognizing this, we have positioned “Diversity, Equity, and Inclusion (DEI)” and “Work-Life Management (WLM)” as one of our management strategies. To proceed with creating an environment where employee diversity is respected and everyone can work vibrantly, we ensure thorough communication among employee, using Ricoh Group Code of Conduct as the foundation of our corporate culture. Furthermore, we have articulated our commitment to embracing all forms of diversity and values, with our global employees working together as one team, through a “Global DEI Statement” available in 22 languages, and established clear behavioral guidelines through a “Global DEI Policy” available in 17 languages. These initiatives aim to foster an environment where every individual’s diversity is acknowledged, and everyone is treated with respect and dignity. Since the fiscal year, we have advanced our focus on Diversity and Inclusion (D&I) by incorporating the concept of “Equity” (fairness), thereby strengthening our efforts under the banner of Diversity, Equity, and Inclusion (DEI). Initiatives include disseminating top-level messages on equity and hosting global company-wide events in conjunction with International Women’s Day (IWD).

In addition, from the perspective of WLM, Ricoh not only has established various systems to assist employees in balancing their work and personal lives but also implements hybrid work. This approach allows employees to work without being tied to a specific location, while still facilitating office communication as needed. By doing so, we are proactively adopting new ways of working.



Global Diversity, Equity, and Inclusion Statement

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

(7) Actions on Specific Themes: Human Rights Initiatives

"Love your neighbor" is pivotal to the Spirit of Three Loves, founding principles that epitomize our respect for human rights. Ricoh, which operates globally, complies with the laws and regulations of each country and is committed to respecting human rights in line with international norms.

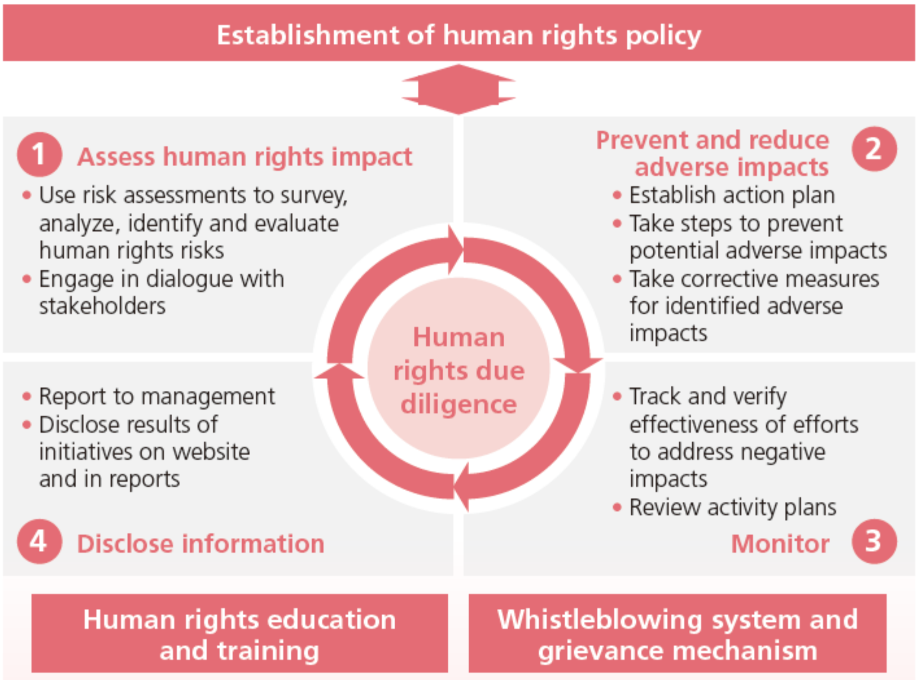
In April 2021, following the "United Nations Guiding Principles on Business and Human Rights," we established the "Ricoh Group's Human Rights Policy". This policy has been communicated to major domestic and overseas Group companies in 10 languages, including Japanese and English. We endeavor to ensure that our suppliers and business partners also support and implement this policy. After establishing the Human Rights Policy, we conducted human rights education for domestic and overseas Group employees in fiscal 2021-2022, with over 77,000 participants (attendance rate: 95%). In 2023, we revised Ricoh Group Code of Conduct to expand content related to human rights. Each officer and employee of domestic Group companies has made a declaration of compliance after fully understanding the importance of human rights-based actions through the communicated new Code of Conduct.

As part of our human rights due diligence*1, we conducted a human rights impact assessment in 2023 for each domestic and overseas Group company to reassess significant human rights issues within Ricoh. To prevent and mitigate human rights issues, we issued the "Ricoh Group Guide for Respecting Human Rights" in 2024, which stipulates the human rights standards to which we must adhere. Additionally, some production sites undergo a biennial third-party audit (RBA VAP*2) to evaluate the effectiveness of corrective actions regularly.

We will continue our human rights due diligence efforts to prevent and reduce human rights risks proactively.

* 1 A process that companies undertake to identify, prevent, and mitigate adverse impacts on human rights

* 2 Validated Assessment Program: A program where third-party audit organizations verify compliance with the Responsible Business Alliance Code of Conduct.



3. BUSINESS RISKS

Matters concerning the status of business and performance that may have a material effect on the decisions of shareholders and investors are as follows.

(1) Ricoh Group’s material management risks (managerial risks)
(2) Significant risks specific to business domain (business unit risks)
(3) Other risks in each functional area (Group headquarters risks)

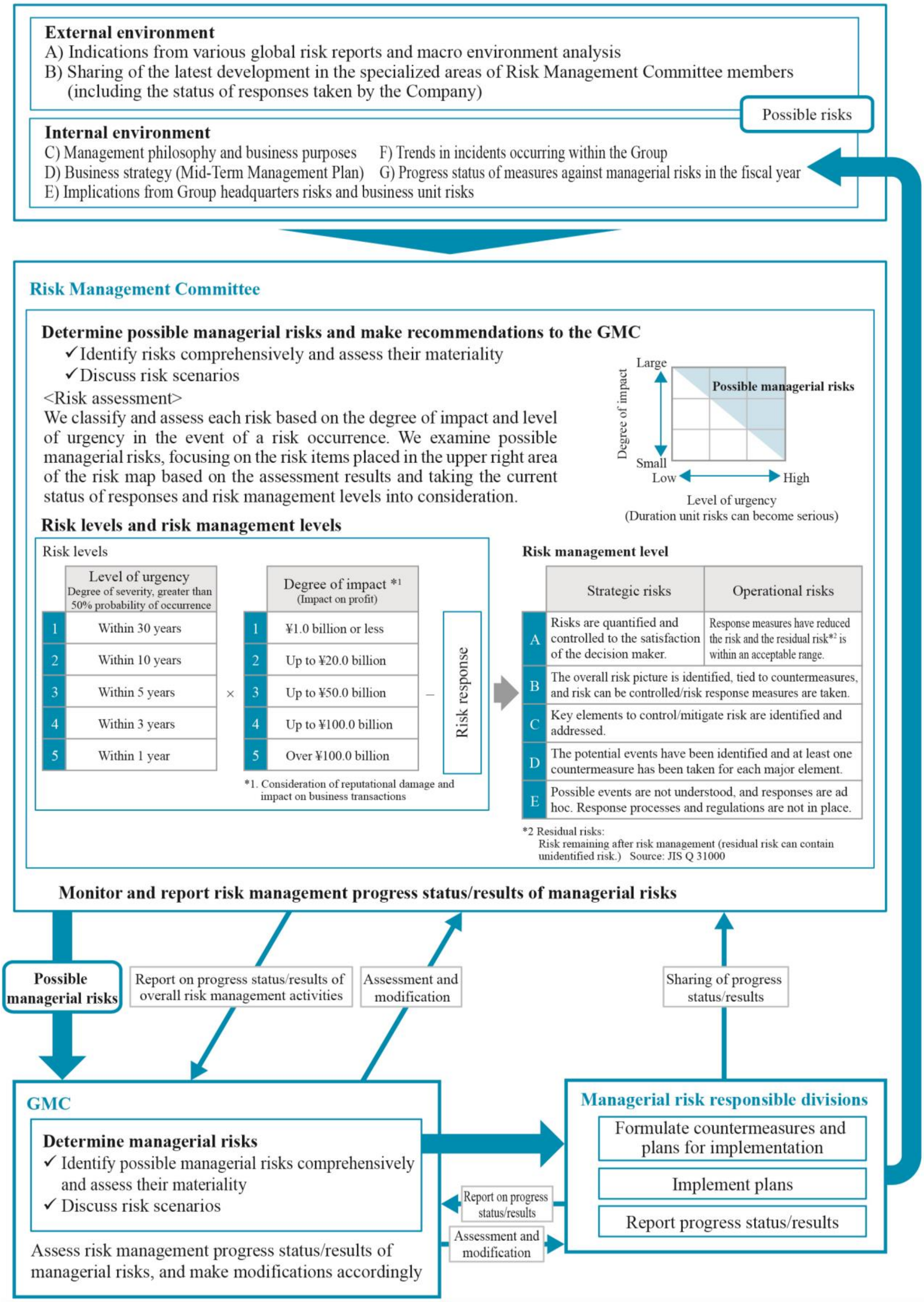
While the risks that management recognizes as having a material impact on the Ricoh Group’s financial position, operating results, and cash flows are discussed on below pages, they are not all-inclusive. There are possibilities that the Ricoh Group’s business may be affected in the future by other risks that are currently unknown or not considered significant. Business and other risks are based on the Ricoh Group’s assessment as of March 31, 2024.

■ Process of determining managerial risks
The GMC and Risk Management Committee determine managerial risks based on a comprehensive assessment of risks that have a significant impact on management, including impact on stakeholders, in light of the Company’s management philosophy and business objective, and are actively involved in responding to these risks. (Figure 1: Process of determining managerial risks)

- Managerial risks are classified and managed as “strategic risks” and “operational risks” based on their characteristics. Strategic risks cover a wide range of risks that affect management, from risks related to the accomplishment of short-term business plans to emerging risks in the medium- to long-term.
- As an advisory body to the GMC, the Risk Management Committee, whose members are experts representing each organization with the specialized knowledges and experiences, engaged in substantial discussions to recognize and assess risks, in order to identify possible managerial risks.

For more information about the Ricoh’s risk management system and the Risk Management Committee, please refer to “IV. Information on the Company, 4. Corporate Governance, etc., (1) Corporate Governance, 2) Reason for adopting current corporate governance structure, (Ⅹ) Risk Management Systems and Risk Management Committee”.

Figure 1: Process of determining managerial risks



Business Risks (Detail)

(1) Ricoh Group's material management risks

Managerial strategic risks

(i) Transition of profit structure as a digital services company

Urgency	Impact	Risk management level
4	4	C

Description	There is a risk of not achieving PBR of 1 if progress in transforming business structure is not enough and business performance is affected by a decrease in printing volume, resulting in delays in achieving the ROE of over 10% which is the Ricoh Group's mid-term goal.
Countermeasure	Based on the analysis result that the low PBR is due to low profitability, the Ricoh Group has launched Corporate Value Improvement Project to transform profit structure by promoting the following themes: • Transformation of headquarters functions to suit a digital services company • Selection and concentration of low-profit businesses and new businesses • Structural transformation of the office printing business • Acceleration of profit growth in the office services business To achieve above, the Ricoh Group will optimize our human resources portfolio and strengthen development of M&A expertise to acquire new resources.

(ii) Acceleration of digital strategy

	Urgency	Impact	Risk management level
Practical digital talent	5	2	C
Promotion of data utilization	4	3	B
Achieving operational excellence	4	3	B

Description	To accelerate the implementation of a digital strategy that leverages digital technology and data, it is crucial for the headquarters and each business unit to work together and continue developing practical digital talent, promoting data utilization in business, and achieving operational excellence. Otherwise, there is a risk that the Ricoh Group's performance and growth will be affected.
Countermeasure	To build resilience amid intensifying global competition, accelerating the implementation of the digital strategy is essential. The Ricoh Group is working to strengthen following measures: • Strengthening human resources portfolio management to promote reskilling programs for practical digital talent. • Expanding business contributions using RSI[*1] Platform Data • Strengthening project management for core system innovation to achieve operational excellence, and expanding the scope of Process DX to improve productivity, etc.

*1 RSI (RICOH Smart Integration): A common platform for the Ricoh Group. A shared cloud infrastructure equipped with essential functions necessary for the development and operation of digital services.

(iii) Establishment of R&D processes as a digital services company

Urgency	Impact	Risk management level
4	3	C

Description	As a digital services company, there is a risk that could prevent us from achieving higher returns on investment in technology by not being able to shift to a market-in/open innovation-based R&D process. There are also risks of losing corporate credibility and missing business opportunities due to lack of ability to respond to ELSI*2 in AI applications.
Countermeasure	The Ricoh Group will proceed to concentrate on R&D investments in focus areas, strengthen governance of investment allocation, and move toward market-in/open innovation-based R&D process. Furthermore, under our program to promote technology ethics, the Ricoh Group will emphasize activities that foster ethical awareness in the value creation process.

*2 ELSI: Ethical, Legal and Social Issues

(iv) Information security

	Urgency	Impact	Risk management level
Compliance with NIST SP800-171	5	3	C
Adaptation of information security	4	2	C

Description

To transform into a digital services company, the Ricoh Group is utilizing and providing various digital services and digitalizing our internal operations. Based on this, the Ricoh Group has established and operates the system to ensure information security, but there are risks such as the following.

- Risk of non-compliance with NIST SP800-171
  Due to the increase and sophistication of cyberattacks, a high level of information protection is required. The United States government has established NIST SP800-171, and the Japanese government has formulated the Defense Industry Cybersecurity Standards (equivalent to NIST SP800-171). These standards are starting to be applied in transactions with private companies. Non-compliance could result in business impacts related to information protection, such as damage to corporate brand value and loss of business opportunities.
- Product security risks
  There is a possibility of incidents occurring due to inadequate security measures in products/services, which could lead to their misuse as platforms for attacks on others.
  Furthermore, to protect customers and companies from the threat of incidents, countries are strengthening security-related regulations. However, failing to comply with changes in these regulations could result in fines and business impacts due to a loss of social trust.
- Corporate security risks
  Due to sophistication and complexity of cyberattacks, there is a risk that the Ricoh Group's business operation system will stop/malfunction or business operations will be affected by data tampering/leakage/destruction, resulting in suspension of business activities.
- Factory security risks
  Traditionally, production factories had limited external connections, resulting in lower cybersecurity risks. However, as DX has progressed in recent years,

external connections via IT networks are becoming essential for production processes. This increases the risk of suspension of business activities due to cyberattacks targeting production systems/facilities, resulting in suspension/malfunctioning, data tampering/leakage/destruction.

- Data privacy risks such as personal data protection
  Laws regarding data privacy and personal information protection (such as the amended personal information protection law and GDPR[*3]) are being enforced in various countries and are being applied to events outside the country (extraterritorial application). When handling personal information/data globally, non-compliance with the laws of each country could result in fines and business impacts due to a loss of social trust.

*3 GDPR (General Data Protection Regulation): European regulation on personal data protection

Countermeasure As countermeasures are being required at the national policy level in each country, it is essential for the Ricoh Group, with its global operational bases, to continuously monitor the ever-evolving information security regulatory environment and consider and promote appropriate countermeasures. This is one of the top priorities.

- Risk of non-compliance with NIST SP800-171
  To provide secure "products and services" to customers worldwide, the Ricoh Group will correspond to international security standards. The Ricoh Group is working on creating a "business environment," and manufacturing while aiming to protect customers' information assets, such as digitalizing workflows and providing added value to customers.
  The Ricoh Group's approach to comply with NIST SP800-171 is not just to satisfy its formal requirements but fundamentally to protect customers' information assets. Our goals are to protect the Ricoh Group's "products and services" that handle information assets customers that need protection from cyberattacks and to safeguard the information assets handled throughout the value chain until these "products and services" are delivered to customers.
  As a provider of digital services, the Ricoh Group conducts security activities with the utmost consideration for our customers' information assets and aims to comply with NIST SP800-171.
- Product security risks
  In addition to further strengthen quality management related to security, the Ricoh Group is checking vulnerabilities in released products/provided services and respond appropriately if vulnerabilities are found. To achieve this, the Ricoh Group is establishing a dedicated counter for security issues, developing product vulnerability response guidelines, and responding to changes in legal regulations around the world.
- Corporate security risks
  Based on information security standards (ISO/IEC[*4], NIST, Ministry of Economy, Trade and Industry guidelines, etc.), the Ricoh Group is building and strengthening systems that considers information security across the entire supply chain of the Ricoh Group. At the same time, we will respond quickly to evaluate security risks related to business systems in each phase of planning, design, purchasing, production, sales, and support, and countermeasures are continuously considered and implemented.
- Factory security risks
  Based on information security standards (ISO/IEC, NIST, Ministry of Economy, Trade and Industry factory guidelines, etc.), at the production factories of the Ricoh Group, security risks related to each production factories are evaluated in a timely manner and countermeasures are continuously considered and implemented.
- Data privacy risks such as personal data protection
  The Ricoh Group is creating response policies and implement countermeasures based on the laws of each country that are being developed, such as revising personal information handling regulations and investigating and correcting the handling status of personal information within the Ricoh Group.

*4 ISO/IEC (International Organization for Standardization/International Electrotechnical Commission): International standards regarding quality, performance, safety, dimensions, testing methods, etc., of products.

(v) Securing, developing, and managing human resources

Urgency	Impact	Risk management level
4	2	C

Description Achieving business transformation into a digital services company and continuing to grow in the medium- to long-term heavily depends on human resources. In particular, if the Ricoh Group does not continue to develop future management personnel, there is a risk that the Ricoh Group's business performance and growth will be adversely affected.

Countermeasure To continuously develop leaders who will drive transformation and growth, the Ricoh Group is comprehensively proceeding with the selection, assessment, and career planning of future leader candidates.

In addition, the Ricoh Group is advancing autonomous career development initiatives by supporting the creation of Individual Development Plans (IDPs)[*5], fostering career development based on IDPs, and creating an autonomous learning environment for employees.

*5 IDP (Individual Development Plan): A development plan to achieve individual career goals.

(vi) Responding to ESG and SDGs

	Urgency	Impact	Risk management level
Human rights	5	2	C
Decarbonization	4	1	C
Resource recycling, biodiversity	4	3	C

Description Responding to ESG/SDGs is an emerging objective with medium- to long-term impacts on the Ricoh's business activities. The Ricoh Group considers human rights, decarbonization, resource recycling, and biodiversity to be particularly significant risks.

If the Ricoh Group does not take these measures to keep up with competitors, it may not only have a negative impact to business such as the loss of business opportunities but also cause a significant damage to the Company such as loss of social credibility and damage to brand value.

Countermeasure The Ricoh Group is strengthening following measures:

- Working to reduce human rights risk by rolling out RBA-based ESG risk assessments to all production sites and strengthening ESG management of key suppliers.
- Formulated an annual renewable energy introduction strategy and roadmap based on social trends, our CO_2 reduction status, and energy usage to support decarbonization activities to maintain the SBT[*6] 1.5°C target.
- Through simulation and management of new resource consumption rates in imaging products, we conducted landing forecasts regularly and promote measures to reduce new resource consumption rates.
- To procure sustainable wood raw materials, established the Regulation of the Ricoh Group Products Made of Wood and the Paper Procurement Policy to help protect biodiversity.

*6 SBT (Science Based Targets): Medium- to long-term greenhouse gas emission reduction targets set by companies in alignment with the levels required by the Paris Agreement

(vii) Geopolitical risks

Urgency	Impact	Risk management level
4	4	C

Description
- As we conduct business activities globally, rising of political, military, and social tensions in countries and areas may significantly affect the Ricoh Group's business.
- There is a risk of losing business opportunities due to geopolitical risks such as tightening of national laws and regulations and geopolitical dynamics between countries.

Countermeasure
To ensure smooth business activities, management will deliberate and take prompt and appropriate actions such as strengthening prevention and response processes, enhancing collection of information on local laws and regulations in each country, and selecting multiple suppliers for important components.

Managerial operational risks

(i) Long-term delay and suspension in supply of products

	Urgency	Impact	Risk management level
Infectious diseases	2	2	C
Earthquakes, volcanic eruptions, typhoons	3	2	B

Description
The occurrence of unpredictable circumstances such as large-scale earthquakes, tsunamis, floods, pandemics, suspension of supply, and geopolitical risk may lead to the following situations and there is risk of losing business opportunities:
- Delay or suspension in the supply of parts
- Delay or suspension of manufacturing by factories
- Delay or suspension of transportation
- Delay or suspension of goods to sales companies

Countermeasure
The Ricoh Group strengthened the following prevention and response processes assuming risk occurrences:
- Securing inventory for contingencies
- Selecting multiple suppliers or alternative parts for critical parts
- Setting and operating alert levels for each area such as purchasing and production
- Conducting BCP drills that assume new work styles such as remote work

In addition, the Ricoh Group regularly conducts not only desk training but also certain amount of practical training. Our measures proved effective after the 2024 Noto Peninsula Earthquake and we were able to continue production and supply. The Ricoh Group will continue to verify and improve the effectiveness of these measures.

(ii) Large-scale disasters / incidents or accidents

	Urgency	Impact	Risk management level
Japan: earthquakes, volcanic eruptions	1	3	C
Japan: wind, flood or snow damage	5	1	C
Outside Japan: major natural disasters, accidents or incidents	3	1	C

Description — The Ricoh Group anticipates the risk of large-scale natural disasters, incidents, and accidents which may occur in Japan and overseas, resulting in human and property damage that could severely impact business.

Countermeasure — In response to these risks, the Ricoh Group is implementing the following measures:

Japan

- The Ricoh Group has built and are continuously reviewing a system to ensure appropriate responses during disaster occurrences.
- To prevent damage from disasters and minimize damage in the event of a disaster, the Ricoh Group regularly conducts joint disaster response drills within Japan, disaster prevention drills at each business site (including night-time evacuation drills) as well as periodic facility inspections, etc.
- In response to flood risks, the Ricoh Group has prepared a recovery action plan in the event of severe flooding and conducted both desk and on-site training based on the plan. In addition, the Ricoh Group implemented necessary construction work at sites with relatively high risk, started operation of a visualization tool for flood risk information, and are developing flood information policies at all Ricoh Group sites to improve employees' response capabilities.
- In response to volcanic eruption risks, we have strengthened our measures against a potential eruption of Mt. Fuji since last fiscal year and are implementing countermeasures based on the expected impact on Ricoh Group sites.

Outside Japan

- The Ricoh Group has established crisis response standards for overseas affiliated companies, defining the basic response policies in the event of natural disasters, incidents, and accidents, while clarifying the roles and responsibilities of each organization.
- The Ricoh Group is enhancing the crisis response capabilities of our overseas affiliates by identifying major natural disaster risks at overseas affiliates, directing necessary responses when discrepancies with third-party information are found, verifying reporting routes during crises, and supporting companies with challenges in BCP development and operation.

(iii) Human resource-related compliance

Urgency	Impact	Risk management level
5	1	C

Description — There is a risk of losing social credibility due to various compliance violations related to human resources.

Countermeasure

- Implementation of training for compliance (including human rights and harassment issues).
- Raising awareness of consultation and reporting when compliance violations are detected.
- Providing labor management training for managers.

- Sharing information on revised labor-related laws and how to handle them across the Ricoh Group.
- Establishment of consultation service for personnel-related compliance violations throughout the Ricoh Group and sharing case studies.

(iv) Risks related to Group governance

Urgency	Impact	Risk management level
5	1	C

Description	In an era of rapid changes in the internal and external environment, the Company believes that strengthening group governance is extremely important to maintain healthy growth. If the governance of the headquarter is not functioning properly, the following risks may arise: ● The Ricoh Group may fail to promptly formulate policies and respond to new risks associated with new businesses and changes in the external environment, which may lead to ethical or compliance violations. ● Inadequate management and supervision of headquarters over the governance structure, operational status and business process of the Ricoh Group may lead to the deterioration of brand image and credibility due to fraud and scandals and increase the risk to the sustainable growth and enhancement of corporate value of the Ricoh Group as whole.
Countermeasure	To reduce group governance-related risks, the Company is redesigning the governance structures of the headquarters functions, business units, and Ricoh Group companies. While further strengthening governance functions, the Ricoh Group will restructure the size and roles of the headquarters functions to align with our position as a digital services company. Regarding the governance of Ricoh Group companies, the headquarters' Supervising Organizations will provide appropriate guidance, management and supervision according to the characteristics and risk management maturity of each individual business, including ETRIA CO., LTD., which is scheduled for establishment on July 1, 2024. In addition, the Ricoh Group will complete the system implementation next fiscal year to leverage technology, and analyze trends based on compliance violations, fraudulent activities, and whistleblowing that has occurred across the Ricoh Group and deploying more effective, data-driven response actions for each organization.

(2) Significant risks specific to business domain

(i) Changes in the environment of the office printing market

Urgency	Impact	Risk management level
4	2	C

Description	There is a risk of adverse impact on performance due to a decline in print volumes, for the increase in remote work and the trend toward paperless operations in the market for MFPs and printers for office use.
Countermeasure	The Ricoh Group aims to improve profitability further by maintaining and expanding the existing customer base of the office printing business, as well as through thorough improvement of SCM efficiency and operational excellence in internal processes. Additionally, in the office services field, the Ricoh Group has identified business process automation and communication services as growth areas and is striving to hedge risks in the office printing domain by accelerating efforts to ensure recurring profit. Furthermore, regarding the supply system for edge devices, including MFPs, the Ricoh Group is collaborating with other companies to establish optimal production

	and development systems. This will enable us to offer competitive products and hedge risks by improving profit margins.

(ii) Securing resources for the growth of digital services

Urgency	Impact	Risk management level
4	2	C

Description	Securing digital talent capable of consulting and integration is the essential driver of growth in digital services. The trend toward business transformation using IoT and AI is intensifying against the backdrop of chronic labor shortages. Competition to secure digital talent is increasing. Therefore, there is a risk that we may not be able to secure enough digital talent.
Countermeasure	To prevent the loss of and attract outstanding digital talent, the Ricoh Group is advancing reforms in our human resource systems, such as establishing a professional HR system. Additionally, the Ricoh Group is formulating a human capital strategy aimed at enhancing the skills of all Group employees. Through the development and implementation of Digital Academy and reskilling programs, the Ricoh Group is working to nurture personnel capable of executing Process DX and digital experts.

(iii) Growth risks in the commercial printing business

Urgency	Impact	Risk management level
4	2	C

Description	There is a risk of downturn in the performance of the enterprise printing business in the commercial printing business domain due to a decrease in demand for large-scale printing within companies, the consolidation and integration of printing volumes by the expansion of remote work and paperless operations.
Countermeasure	To reduce the risk of downturn in the performance in the enterprise printing business, the Ricoh Group is advancing the development of untapped distributors in Europe, North America, and emerging countries. Additionally, by implementing business portfolio management, the Ricoh Group is transforming our business structure by strengthening our resource allocation to high-value-added areas of the commercial printing business, which are expected to continue growing, and to inkjet technology and products.

(iv) Slowing growth and declining profitability in the thermal market

Urgency	Impact	Risk management level
4	2	C

Description	Although the thermal market is growing steadily due to the increase in consumer goods driven by global population growth, commoditization is progressing. There is a risk of deteriorating profitability, excess inventory, and lower equipment utilization rates, as the business expands globally, and delayed economic recovery in various regions may slow growth.
Countermeasure	The Ricoh Group is strengthening our market trend monitoring system, refining demand forecasts, and enhancing daily management systems. In response to demand fluctuations from regional economic trends, the Ricoh Group leverages our global sales network and production infrastructure to optimize production and supply operations in appropriate regions, aiming to minimize performance fluctuation risks. Additionally, by differentiating ourselves with our unique technologies, such as expanding the smart packaging business that prints directly on top seals of

packaging, the Ricoh Group aims to contribute to solve social issues, and stabilize revenue.

(3) Other risks in each functional area

(i) Impairment of goodwill and fixed assets

Urgency	Impact	Risk management level
2	3	B

Description	The Ricoh Group has recorded goodwill arising from corporate acquisitions, as well as various property, plant and equipment and intangible assets for business use. There is a risk for adverse effects on the Ricoh Group’s operating results and financial condition, if these assets fail to generate the expected cash flows due to discrepancies with future performance plans or market changes.
Countermeasure	When acquiring assets, the Ricoh Group follows prescribed procedures based on the investment amount and content, considering various factors such as investment effectiveness to determine the feasibility of execution. Additionally, for external investment projects, the Investment Committee, an advisory body to the GMC, deliberates on the appropriateness of investments from financial, strategic, and risk perspectives, and submits its views to the GMC. For approved investment projects, the committee has established a system to regularly monitor progress, thus implementing measures against risks.

(ii) Deferred tax assets

Urgency	Impact	Risk management level
2	3	C

Description	The Ricoh Group applies tax effect accounting and record deferred tax assets for deductible temporary differences and loss carryforwards. The recoverability of deferred tax assets is assessed based on future taxable income anticipated from business plans. There is a risk of adverse effects on the Ricoh Group’s operating results and financial condition, that if the estimate of future taxable income declines compared to current estimates, the recoverable amount of deferred tax assets decreases, leading to a reduction in deferred tax assets.
Countermeasure	In evaluating deferred tax assets, the Ricoh Group considers the planned realization period of deferred tax liabilities, estimated future taxable income, and tax strategies. Regarding the estimation of future taxable income, each business unit monitors performance progress based on business plans and establishes a system that can autonomously and quickly respond to any factors that may hinder the achievement of these plans.

(iii) Protection of intellectual property rights

Urgency	Impact	Risk management level
2	1	B

Description	The Ricoh Group considers intellectual property rights as important management assets and acquires patents, design rights, trademarks, and other intellectual property rights to protect, differentiate, and expand our current and future business and technologies supporting it. However, there are risks that competitors may develop equivalent technologies, reducing our uniqueness, or that the Ricoh Group may not obtain the desired rights after examination by various countries’ patent offices, leading to insufficient protection. Additionally, there are risks that third parties may allege infringements on their intellectual property rights, make demands for sales injunctions or damages, or even initiate litigation. Furthermore,

	as new businesses are launched and collaborations, joint research, and joint development with other companies become more active, the number of contracts related to intellectual property rights increases, heightening the risk of adverse impacts on our business should any issues arise from these contracts.
Countermeasure	The Ricoh Group conducts thorough prior-art searches before patent applications and strive to improve the accuracy of intellectual property rights acquisition by understanding the laws, examination standards, and processes related to intellectual property in various countries. In addition, before offering our products and services to the market, the Ricoh Group thoroughly investigates third-party intellectual property rights and for possible conflict with our products and services. If there is a risk of infringing on third-party intellectual property rights, the Ricoh Group seeks assessments from external lawyers or patent attorneys and, if necessary, makes design changes, negotiates licenses, or obtains licenses to reduce the risk of disputes with third parties. The Ricoh Group emphasizes "protection of intellectual property rights" as an objective affecting our performance. To prevent troubles and reduce risks, the Ricoh Group has converted past cases of contractual disputes related to intellectual property rights into a developed knowledge base.

(iv) Product quality/product liability

Urgency	Impact	Risk management level
2	2	B

Description	There are risks that the products manufactured and sold by the Ricoh Group may face: • Serious safety problems (casualties, fire damage) • Legal issues related to safety or the environment. • Prolonged quality problems, etc. These risks can lead to a loss of customers' trust and social credibility, damage to the corporate and product brands, and potentially make business continuity difficult.
Countermeasure	The Ricoh Group is strengthening prevention and response processes for "product quality and product liability." • To enhance the reliability and safety of our equipment, the Ricoh Group is improving the accuracy of analyzing the mechanisms that cause breakdowns and accidents. The Ricoh Group incorporates measures for preventing a recurrence of problems into the development process to reduce risks. • The Ricoh Group has established a system to ensure that market responses are prompt and reliable when any problems arise. • To provide products that comply with safety and environmental laws, the Ricoh Group closely collaborates with local entities to establish appropriate standards and guidelines and conduct regular reviews.

(v) Government regulations (import/export management)

Urgency	Impact	Risk management level
5	3	B

Description	During business activities, there are risks of significant damage to the company due to factors such as: • Administrative sanctions, such as export suspension measures for violations of export/import-related laws, which can impact production and sales, lead to loss of business opportunities due to a loss of social credibility, and result in fines or criminal penalties.

	• Violations of export control laws of countries due to external factors such as international emergencies
Countermeasure	• The Ricoh Group is strengthening governance through a group import/export committee structure, led by the Representative Director and President, with a dedicated import/export control division serving as the secretariat. • The Ricoh Group conducts regular training for group executives and employees, internal periodic audits focused on import/export control for business divisions, and promptly disseminate information on revisions to laws and regulations to relevant departments. • The Ricoh Group implements strict compliance with laws and regulations by conducting necessary inspections, including classification and customer inspections, by a dedicated team before exports.

(vi) Government regulations (antitrust /competition law)

Urgency	Impact	Risk management level
5	2	B

Description	During business activities, there is a risk of a significant damage to the company, in case of violation of antitrust and competition laws during business activities. Potential consequences include administrative sanctions such as surcharge payment orders, criminal penalties, suspension of transactions with government agencies, and adverse impacts on business due to loss of social credibility.
Countermeasure	To ensure thorough compliance with antitrust and competition laws in various countries, legal departments in each region take the lead in strengthening adherence to these laws, conducting educational activities, and enhancing response measures in case of violations.

(vii) Government regulations (environment)

Urgency	Impact	Risk management level
5	2	B

Description	During business activities, violations of environment-related laws can lead to significant damage to the company. Potential consequences include impacts on production due to administrative sanctions, burden of surcharges, criminal penalties, and adverse effects on business due to loss of social credibility and damage to brand value.
Countermeasure	The Ricoh Group has established an Environmental Management System to ensure comprehensive compliance with environment-related laws through regular assessments and timely recognition and response to regulatory changes. The Ricoh Group also implements environmental due diligence during M&A activities to prevent risks. Additionally, the Ricoh Group actively discloses collected environmental performance data and ensure transparency and reliability by subjecting key data to third-party verification.

(viii) Exchange rate fluctuations

Urgency	Impact	Risk management level
4	3	C

Description	A considerable portion of our production and sales activities are conducted outside of Japan, in regions such as the United States, Europe, and China. The Ricoh Group's business activities are affected by exchange rate fluctuations in the following ways:

	• Exchange rate fluctuations impact the consolidated statement of profit or loss and consolidated statement of comprehensive income because performance of overseas subsidiaries denominated in local currencies is converted to yen using the average rate for the applicable fiscal year. • Exchange rate fluctuations impact the amounts of assets and liabilities on the consolidated statement of financial position because assets and liabilities denominated in local currencies are converted to yen using the exchange rate as of the closing date of the applicable fiscal year.
Countermeasure	• To minimize the impact of short-term exchange rate fluctuations in major currencies such as the United States dollar, euro, and yen, the Ricoh Group conducts hedge transactions, such as foreign currency contracts, with financial institutions. The companies or organizations authorized to conduct hedge transactions are limited and strictly governed by financial rules. • The Ricoh Group minimizes foreign exchange risk by maximizing netting in settlements across the entire Group. • The Ricoh Group performs currency matching for the assets and liabilities of overseas subsidiaries.

(ix) Defined benefit plan obligations

Urgency	Impact	Risk management level
2	2	B

Description	For plan assets held in defined benefit and retirement benefit plans, the Ricoh Group records these benefit costs based on applicable accounting policies and contributes funds in compliance with government regulations. Although a large amount of funds is not immediately required at this time, there is a risk that if the profitability of plan assets declines due to unexpected and unforeseen movements in the equity and debt markets, additional fund contributions and cost burdens may become necessary.
Countermeasure	The Ricoh Group regularly reviews and implements revised plans as appropriate, in view of government regulations, personnel strategy and personnel systems.

4. ANALYSIS OF CONSOLIDATED FINANCIAL POSITION, OPERATING RESULTS AND CASH FLOWS

The future related matters discussed in this section are determined with the information available as of this fiscal year.

(1) Material Accounting Policy Information

The consolidated financial statements of Ricoh are prepared in accordance with IFRS Accounting Standards under the provisions of Article 93 of the "Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements" issued by the Japanese Financial Services Agency (FSA). Ricoh evaluates its accounting estimates based on historical experience and other assumptions that are believed to be reasonable. For a summary of the material accounting policy information, refer to "V. Financial Information – Notes to Consolidated Financial Statements – 3. Material Accounting Policy Information".

(2) Business results

Economic Climate

The global economy faced increasing stagnation during the term because of factors such as the continued high interest rates and inflation in Europe and the U.S. and the economic slowdown in China as well as the serious situations in Russia/Ukraine and the Middle East . The Japanese economy, however, gradually recovered from the COVID-19 pandemic and saw a steady improvement in corporate performance. On the other hand, advanced countries including Japan grappled with the challenge of securing a workforce amid an aging population, leading to ongoing wage level increases and price hikes through price pass-through.

Against this backdrop, remote work and other aspects of new ways of working became entrenched in our core workplace market, and business processes continued to evolve with advancements in IT. This led to customer challenges and needs changing over time, with a growing demand for digital services. While printing demand remained flat, global business prospects remained uncertain including rising personnel costs that are essential to providing services and solutions, and continued rises in transportation and component costs due to local geopolitical risks.

Regarding the average exchange rates of major currencies, the yen in fiscal 2023 was ¥144.53 to the U.S. dollar, up ¥9.04 from the previous year, and ¥156.74 to the euro, up ¥15.83.

Results for the Year

Ricoh (the Company and its affiliates) launched the 21st Mid-Term Management Strategy in the year under review.

As our medium- to long-term goal, we aim to become a digital services company that supports workers' creativity and provides services to meet changing workplaces in order to achieve our Mission & Vision of "Fulfillment through Work". In the year under review, we initiated the Corporate Value Enhancement Project to achieve our vision. With a primary focus on transforming the profit structure, we advance the strategic allocation of management resources to the workplace domain in order to leverage Ricoh's strengths in customer base and customer contact.

Consolidated sales for the term increased by 10.1% from a year earlier, to ¥2,348.9 billion (an increase of 5.0% excluding foreign currency exchange fluctuations). We experienced an increase in sales primarily in the office services business driven by the resolution of product supply constraints that affected us in the previous fiscal year, the strong performance of the Scrum series in Japan, and acquisition effects in Europe and the U.S. The acquisition of PFU Limited ("PFU") in September 2022, and the depreciation of the yen also contributed to this sales increase.

By region, in Japan, the Scrum series, which provides solutions tailored to customer challenges such as back-office DX*, continued to see double-digit growth against the backdrop of strong demand for responses to law amendments and security-related needs. This led to a significant sales increase in the office services business. Additionally, sales of edge devices in the office printing business also increased. Partly owing to the acquisition of PFU, sales in this region increased by 7.7% from a year earlier.
Overseas, in the Americas, the sales of edge devices in the office printing business increased due to the resolution of supply shortages centered on A4 MFPs. Sales also expanded in the office services business thanks to growth in the communication services domain owing to contributions from Cenero LLC. ("Cenero"), which we acquired in September 2022, as well as the steady growth of outsourcing services for document-related tasks. Additionally, the increase in printing volume due to the rise in the number of market operational units of higher-end production printers contributed to the increase in sales, especially of non-hardware. Partly owing to the acquisition of PFU and the depreciation of the yen, sales in this region increased by 9.8% (an increase of 3.2% excluding foreign currency exchange fluctuations) from a year earlier. In Europe, the Middle East, and Africa, application services and IT services, mainly through acquired companies, experienced steady growth. The acquisition of PFH Technology Group ("PFH") in June 2023 also contributed to an increase in sales, primarily in the office services business. Partly owing to the depreciation of the yen, sales in this region increased by 14.1% (an increase of 2.9% excluding foreign currency exchange fluctuations) from a year earlier. In other regions, sales increased due to higher sales of inkjet heads in China and other factors. Partly owing to the depreciation of the yen, sales in the regions increased by 9.2% (an increase of 5.4% excluding foreign currency exchange fluctuations) from a year earlier.
As a result, overseas sales increased by 11.5% overall year-on-year. Excluding the impact of exchange rate fluctuations, overseas sales are estimated to have increased by 3.4% year-on-year.

Gross profit increased by 10.0% year-on-year to ¥820.0 billion. Despite the impact of production adjustments of MFPs in the office printing business and fluctuations in product mix, profit increased due to growth in the office services business and continued structural reinforcement, as well as the acquisition of PFU and the depreciation of the yen.

Selling, general and administrative expenses increased by 11.9% year-on-year to ¥769.8 billion due to factors such as the acquisition of PFU and others, personnel and other costs that increased amid business growth and inflation, restructuring costs associated with site reorganization, and the depreciation of the yen.

Other income decreased by ¥9.1 billion year-on-year since, in the previous term, we recorded income including a gain on sale of land in Japan.

We posted an operating profit of ¥62.0 billion, a decrease of ¥16.7 billion from the previous fiscal year, as the increase in gross profit was outweighed by the decrease in other income and the increase in selling, general and administrative expenses.

Financial income improved compared to the previous year, mainly thanks to higher foreign exchange gains. The share of profit of investments accounted for using the equity method was lower year-on-year, reflecting a decrease in profits from equity-method affiliates.

We recorded profit before income tax expenses of ¥68.2 billion, a decrease of ¥13.1 billion from the previous fiscal year.

Income tax expenses decreased by ¥1.7 billion year-on-year, owing largely to the decrease in profit before income tax expenses.

We therefore posted profit attributable to owners of the parent of ¥44.1 billion, a decrease of ¥10.1 billion from the previous fiscal year.

Comprehensive income was ¥137.1 billion, owing largely to an increase in exchange differences on translation of foreign operations.

Operating results by segment are as follows:

(Millions of yen)

	Year ended March 31, 2023	Year ended March 31, 2024	Change	%
Digital Services:				
Sales:	1,684,356	1,852,847	168,491	10.0
Unaffiliated customers	1,684,356	1,852,847	168,491	10.0
Operating profit (loss)	31,288	40,802	9,514	30.4
Operating profit (loss) on sales in Digital Service (%)	*1.9*	*2.2*		
Digital Products:				
Sales:	493,440	484,430	(9,010)	(1.8)
Unaffiliated customers	79,648	95,943	16,295	20.5
Operating profit (loss)	34,604	17,376	(17,228)	(49.8)
Operating profit (loss) on sales in Digital Products (%)	*7.0*	*3.6*		

Graphic Communications:				
Sales:	234,843	262,127	27,284	11.6
Unaffiliated customers	234,843	262,127	27,284	11.6
Operating profit (loss)	14,578	15,489	911	6.2
Operating profit (loss) on sales in Graphic Communications (%)	*6.2*	*5.9*		
Industrial Solutions:				
Sales:	116,335	113,587	(2,748)	(2.4)
Unaffiliated customers	113,572	111,743	(1,829)	(1.6)
Operating profit (loss)	3,150	(322)	(3,472)	–
Operating profit (loss) on sales in Industrial Solutions (%)	*2.7*	*(0.3)*		
Other:				
Sales:	40,592	45,616	5,024	12.4
Unaffiliated customers	21,761	26,327	4,566	21.0
Operating profit (loss)	(9,248)	(10,522)	(1,274)	–
Operating profit (loss) on sales in Other (%)	*(22.8)*	*(23.1)*		

a. Digital Services

In the year under review, domestic sales of Scrum packages remained strong, especially among small and medium-sized enterprises, with an increase in sales of solutions supporting the invoicing system and preparing for expected law amendments in fiscal 2024. Scrum assets, which primarily propose solutions for medium-sized enterprises, also saw significant growth due to strong demand for operational services after system implementation and security-related services.

Additionally, the number of contracts for the cloud-based business improvement platform “RICOH kintone plus”, which was jointly developed with Cybozu, Inc., steadily increased.

In the Americas, Cenero, which we acquired in September 2022, proceeded with the implementation of solutions to Ricoh’s existing customers. This led to an increase in contracts for managed AV services* that contribute to recurring revenues, and communication services expanded smoothly. Additionally, outsourcing services for document-related tasks continued to perform well.

In Europe, the Middle East, and Africa, while there were movements in some regions to refrain from investing in ICT products due to the sluggish economic conditions, application services and IT services continued to grow steadily. We continued our efforts to strengthen the office services business through acquisitions. In June 2023, we completed the acquisition of PFH, a leading provider of IT infrastructure, cloud, and managed workplace services in Ireland.

Digital Services sales for fiscal 2023 increased by 10.0% (an increase of 4.8% excluding foreign currency exchange fluctuations) year-on-year to ¥1,852.8 billion.

In the office printing business, supply shortages centered on A4 MFPs were resolved, leading to bulk sales including A3 MFPs. The effects of pricing control measures, such as continued price pass-through of cost increases and value-added sales, were also seen, resulting in year-on-year increase in sales of edge devices. In the office services business, sales increased in various regions due to the deployment of region-specific strategies. Despite increased expenses owing to business growth and inflation, the overall operating profit for Digital Services increased by ¥9.5 billion year-on-year to ¥40.8 billion.

* Managed AV services: Services that provide, manage, and operate audiovisual (AV) equipment, such as microphones, speakers, projectors, and video conferencing systems, as well as their operational systems, for companies and schools.

b. Digital Products

In fiscal 2023, the sales volumes of MFPs fell below the plan, and the impact of production adjustments exceeded the initial plan primarily in the first half of the year. We recovered revenue in the second half by realigning production and sales coordination according to demand fluctuations toward the end of the fiscal year. Simultaneously, we strengthened our product lineup of edge devices that support digital services.

Regarding MFP and printer, we launched products that contribute to high productivity and sustainability. Approximately 50% of their total resin weight consists of recycled plastics, and they excel in energy-saving performance. In particular, the A3 full-color MFP “RICOH IM C7010” launched in January 2024 is a strategic model with a wide range of DX features and compactness comparable to entry-level models despite being a high-speed machine.

Digital Products sales for fiscal 2023 increased by 20.5% year-on-year to ¥95.9 billion. Sales including intersegment sales decreased by 1.8%, to ¥484.4 billion. Despite the positive impact of the acquisition of PFU, sales decreased due to production adjustments aimed at optimizing sales inventory levels of A3 MFPs. We are continuing efforts to improve profitability through structural reinforcement in production and development. However, because of factors such as product mix fluctuations due to the recovery in production volume of A4 MFPs from the previous fiscal year and a decrease in profit margin ratio due to production adjustments for A3 MFPs, the overall operating profit for Digital Products decreased by ¥17.2 billion year-on-year to ¥17.3 billion.

c. Graphic Communications

In the commercial printing market, there is demand for addressing the increase in small batch orders for printed materials due to the digitalization and paperless trend, as well as the increasingly complex work processes for more diversified printed materials. Furthermore, there is a growing awareness of the need for operational efficiency in response to labor shortages in printing facilities. To meet these diversified needs, we completely revamped our product lineup in fiscal 2023.

In August 2023, we launched "RICOH Pro C9500" as a new product in our color production printer lineup. This flagship model offers high image quality and stability, as well as enhanced paper handling capabilities, automation and efficiency features. Additionally, the newly developed control system "RICOH GC OS" allows for configuration and adjustment of various paper types, equipment usage monitoring, and maintenance management without requiring specialized skills. This enables work process optimization and visualization, contributing to reducing the workload and manpower needed for printing operators.

Graphic Communications sales for fiscal 2023 increased by 11.6% (an increase of 4.9% excluding foreign currency exchange fluctuations) year-on-year to ¥262.1 billion. In the commercial printing business, sales of production printers continued to grow, primarily in the Americas. Non-hardware sales also increased because the rise in the number of market operational units of higher-end models contributed to higher printing volume. In the industrial printing business, there was a rise in demand for signage graphic and others, leading to strong growth in sales of inkjet heads. Although expenses increased due to an increase in amortization of capitalized development costs from new product launches and one-time expenditures related to site reorganization, the depreciation of the yen had a positive impact. As a result, the overall operating profit for Graphic Communications increased by ¥0.9 billion year-on-year to ¥15.4 billion.

d. Industrial Solutions

In fiscal 2023, in the thermal business, the Company aimed to expand its label-less thermal business that reduces environmental impact and established a joint venture company, "RICOH NAKAMOTO SMART PACKAGING Co., Ltd." with Nakamoto Packs Co., Ltd. in April 2023 to plan, develop, and sell functional packaging materials. By combining the Company's strengths in thermal technology with

Nakamoto Packs’ strengths in packaging design and functional coating technology as well as its customer base, we aim to introduce new packaging solutions to the functional packaging market.

In the industrial products business, we launched the “RICOH Visual Inspection System 5000” series of vehicle paint appearance inspection systems in December 2023. With its high inspection accuracy and improved productivity, this system contributes to the DX of customers’ on-site operations in the automotive industry.

Industrial Solutions sales for fiscal 2023 decreased by 1.6% (a decrease of 5.3% excluding foreign currency exchange fluctuations) year-on-year to ¥111.7 billion. In the thermal business, sales declined due to customers’ inventory adjustments and weak demand in Europe and the U.S. In the industrial products business, sales of industrial optical components decreased due to reduced demand for projectors in China. Although we strived to secure profits through pricing control and cost reduction, overall Industrial Solutions reported an operating loss of ¥0.3 billion, representing a decrease of ¥3.4 billion year-on-year.

In October 2023, we entered into a share transfer agreement of the optical business, which develops, manufactures, and sells optical lens modules for car stereo cameras and projectors

e. Other

Other segment sales for fiscal 2023 increased by 21.0% (an increase of 17.2% excluding foreign currency exchange fluctuations) year-on-year to ¥26.3 billion. The camera business performed well, resulting in increased revenue and profit. However, due to advance investments in new business creation, overall Other segment reported an operating loss of ¥10.5 billion. (Operating profit (loss) was ¥9.2 billion (loss) in the previous corresponding period.)

* Digital services as a business segment is mainly limited to the office services business and the office printing sales business. This segment does not include all digital services, which Ricoh aims to transform into “a digital services company” that supports workers creativity and provides services to meet changing workplaces. “Digital Services” provided as “a digital services company” is included in all the business segments as well as Digital Services business segment.

1) Production

Production in each segment for the years ended March 31, 2023 and 2024 are as follows:

	Millions of Yen		
	For the year ended March 31, 2023	For the year ended March 31, 2024	Change
Digital Services	—	—	—
Digital Products	473,934	429,701	(9.3%)
Graphic Communications	163,193	176,315	8.0%
Industrial Solutions	114,530	103,780	(9.4%)
Other	30,453	37,984	24.7%
Total	782,110	747,780	(4.4%)

(Note) 1. The amounts are based on sales prices, including intersegment transactions. In addition, production related to services has been excluded from the production and production related to only manufacturing are displayed above.

2. The PFU business in Other segment has been reclassified into Digital Services and Digital Products from the current year. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

2) Orders Received

Not applicable as the production system adopted is based on estimated orders.

3) Sales

Sales in each segment for the years ended March 31, 2023 and 2024 are as follows:

	Millions of Yen		
	For the year ended March 31, 2023	For the year ended March 31, 2024	Change
Digital Services	1,684,356	1,852,847	10.0%
Digital Products	79,648	95,943	20.5%
Graphic Communications	234,843	262,127	11.6%
Industrial Solutions	113,572	111,743	(1.6%)
Other	21,761	26,327	21.0%
Total	2,134,180	2,348,987	10.1%

(Note) 1. All intersegment transactions are eliminated.

2. Information on sales by customer is omitted because no single customer accounted for 10% or more of the total revenues for the years ended March 31, 2023 and 2024.

3. The PFU business in Other segment has been reclassified into Digital Services and Digital Products from the current year. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

(3) Financial positions

Total assets increased by ¥136.2 billion from the end of fiscal 2022, to ¥2,286.1 billion. The yen depreciated from the end of the previous term, producing currency translation differences for foreign assets and boosting the amount of total assets. After excluding the foreign exchange impact, total assets decreased by ¥6.0 billion. The year-end rates for major currencies for the yen at end of fiscal 2023 were ¥151.41 against the U.S. dollar (up ¥17.88 from the previous year) and ¥163.24 against the euro (up ¥17.52).

Cash and cash equivalents decreased by ¥44.8 billion from the end of fiscal 2022. Inventories decreased by ¥13.7 billion due to proper inventory management mainly through production adjustments. On the other hand, trade and other receivables rose by ¥61.6 billion mainly due to the increase in sales towards the end of the term under review and the depreciation of the yen. In addition, goodwill and intangible assets increased by ¥46.0 billion mainly due to the acquisition in Europe and the depreciation of the yen.
In October 2023, we entered into a share transfer agreement of the optical business. As a result, we reclassified the assets and liabilities of the relevant business to assets classified as held for sale and liabilities directly related to assets held for sale.
Total liabilities were up ¥29.1 billion from the end of fiscal 2022, to ¥1,221.0 billion. Bonds and borrowings decreased by ¥13.3 billion. On the other hand, other current liabilities increased by ¥38.9 billion mainly due to acquisitions and the depreciation of the yen.
Total equity increased by ¥107.0 billion from the end of fiscal 2022, to ¥1,065.1 billion. Retained earnings increased by ¥30.4 billion mainly due to an increase in profit. Additionally, exchange differences on translation of foreign operations rose by ¥83.6 billion due to the depreciation of the yen. On the other hand, as part of the shareholder return policy, we repurchased treasury stock, leading to a decrease in equity by ¥7.5 billion.
Equity attributable to owners of the parent was up ¥107.1 billion from the end of fiscal 2022, to ¥1,038.7 billion. The equity attributable to owners of the parent ratio became 45.4% and remained at a stable level.

(4) Cash flows

Net cash provided by operating activities was ¥125.6 billion, up ¥58.9 billion from the previous year, mainly due to a decrease in inventories through proper inventory management.
Net cash used in investing activities decreased by ¥36.1 billion year-on-year to ¥97.8 billion, mainly due to the acquisition of PFU in the previous year.
We accordingly posted a positive free cash flow (net cash provided by operating activities plus net cash used in investing activities) of ¥27.7 billion, up ¥95.0 billion from the previous year.
Net cash used in financing activities increased by ¥118.3 billion year-on-year to ¥82.9 billion, mainly due to proceeds from debt in the previous year and repayments of debt in the year under review. We repurchased ¥30.0 billion of treasury stock in the previous year and ¥7.5 billion in the year under review as part of the shareholder return measures.
Cash and cash equivalents at the end of fiscal 2023 thus totaled ¥169.6 billion, down ¥41.2 billion from the end of fiscal 2022.
We will systematically employ operating cash flows from business investments to invest in further growth and support shareholder returns.
For the detailed contents of capital policies, please refer to “II. BUSINESS OVERVIEW 1.

MANAGEMENT POLICIES, MANAGEMENT ENVIORMENTS AND ISSUES TO BE SOLVED（2）

Medium-Term Direction　Capital Policies Supporting Growth”.

(Reference) Cash Flow Indices

	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2024
Equity attributable to owners of the parent / Total assets	32.1%	48.7%	48.7%	43.3%	45.4%
Market capitalization / Total assets	20.1%	42.8%	36.5%	28.1%	35.7%
Interest bearing debt / Operating cash flow	9.1	1.8	2.9	5.4	2.8
Operating cash flow / Interest expense	25.5	47.1	26.9	13.2	32.3

i. All indices are calculated based on consolidated data.

ii. Operating cash flow is shown in consolidated statement of cash flow. Interest bearing debt are bonds and borrowings.

Cash and Asset-Liability Management

In recent years, Ricoh made efforts to achieve greater efficiencies in utilizing cash balances held by its subsidiaries pursuant to its policy of ensuring adequate financing and liquidity for its operations and growth and maintaining the strength of its financial position. One method that Ricoh has implemented to achieve greater efficiency is building up its group cash management system in each region as well as globally. This cash management system functions as an arrangement in which Ricoh's funds are pooled together and cash resources are lent and borrowed from one group company to another with finance companies located in each region coordinating this arrangement. As part of that, Ricoh introduced a global cash pooling system and realized further improvement of fund operation efficiency globally.

Ricoh also enters into various derivative financial instrument contracts in the normal course of its business and in connection with the management of its assets and liabilities. Ricoh enters into foreign currency contracts to hedge against the potentially adverse impact of foreign exchange fluctuation on local currency-denominated assets and liabilities. Ricoh uses these derivative instruments to reduce its risk and to protect the market value of its assets and liabilities in conformity with Ricoh's policy. Ricoh does not use derivative financial instruments for trading or speculative purposes nor is it a party to leveraged derivatives.

Sources of Funding

Ricoh's principal sources of funding are a combination of cash and cash equivalents on hand, various credit facilities and long-term debt securities. In assessing its liquidity and capital resources needs, Ricoh places importance on the balance of cash and cash equivalents and operating cash flows in the consolidated statement of cash flows.

As of March 31, 2024, Ricoh had ¥169.6 billion in cash and cash equivalents and ¥387.8 billion in credit facilities. Of the ¥387.8 billion in credit facilities, ¥351.0 billion was available for borrowing by Ricoh as of March 31, 2024. The Company has committed credit lines with banks having credit ratings satisfactory to Ricoh in the aggregate amount of ¥150.0 billion. These committed credit line amounts of the Company are included in the ¥387.8 billion figure for credit facilities. Ricoh may also borrow up to its borrowing limit from financial institutions under the interest rates of each respective market.

The Company and certain subsidiaries raise capital by bank borrowings and issuing long-term debt securities in various currencies. Furthermore, Ricoh utilizes a cash management system globally elsewhere to efficiently manage the Ricoh Group funding.

The Company obtains ratings from the following major rating agencies: Standard & Poor's Rating Services ("S&P") and Rating and Investment Information, Inc. ("R&I"). As of June 21, 2024, S&P assigned long-term and short-term credit ratings for the Company of BBB and A-2, respectively, and R&I assigned long-term and short-term credit ratings for the Company of A+ and a-1, respectively.

Cash Requirements and Commitments

Ricoh believes that its cash and cash equivalents, funds expected to be generated from its operations and procurement funds such as bonds and borrowings are sufficient to meet its cash requirements at least through fiscal year ending March 31, 2025. Even if there were a decrease in cash flows from operations as a result of fluctuations in customer demands from one year to another due to unexpected changes in global economic conditions, Ricoh believes that current funds on hand along with funds available under existing credit facilities would be sufficient to finance its operations. In addition, Ricoh believes that it is able to secure adequate resources to fund ongoing operating requirements and investments related to the expansion of businesses and the development of new projects through its access to financial and capital markets. While interest rates of such instruments may fluctuate due to economic trends and other factors in various countries, Ricoh believes that the effect of such fluctuations would not significantly affect Ricoh's liquidity, due mainly to the adequate amount of Ricoh's cash and cash equivalents on hand, stable cash flow generated from its operating activities and group-wide cash management system.

5. **MATERIAL AGREEMENTS, ETC.**

(1) The important patent and licensing agreements

The following table lists some of the important patent and licensing agreements which the Company is currently a party to:

Counterparty	Country and Region	Summary of the Contract	Contract Term
International Business Machines Corporation	USA	Comprehensive cross license patent agreement related to information processing technology (reciprocal agreement)	March 28, 2007 to expiration date of the patent subject to the agreement
Adobe Inc.	USA	Patent licensing agreements related to development of printer software and sales (counterparty as licensee)	January 1, 1999 to March 31, 2025
Lemelson Medical, Education & Research Foundation Limited Partnership	USA	Patent licensing agreement related to computer image analysis and other products (counterparty as licensee)	March 31, 1993 to expiration date of the patent subject to the agreement
HP Inc.	USA	Comprehensive cross license patent agreement related to document processing systems (reciprocal agreement)	October 31, 2011 to expiration date of the patent subject to the agreement
BROTHER INDUSTRIES, LTD.	Japan	Patent licensing agreement related to office equipment (Company as licensor)	October 1, 2019 to September 30, 2024

(2) The conclusion of a business integration agreement and an absorption-type company split agreement

The Company and Toshiba Tec Corporation ("Toshiba Tec") concluded an agreement to set the terms and conditions for integrating businesses of the development and manufacturing of MFPs and other products (the "Business Integration") on May 19, 2023.
In order to implement the Business Integration, the Company entered into an absorption-type company split agreement between the Company and a joint venture company which Ricoh Technologies Co., Ltd. becomes the successor company with the Company and Toshiba Tec as shareholders to develop and manufacture MFPs and

other products (the "Joint Venture") on February 6, 2024 (the "Ricoh Absorption-type Spit Agreement"). Toshiba Tec also entered into an absorption-type company split agreement between Toshiba Tec and the Joint Venture (the "Toshiba Tec Absorption-type Spit Agreement" and together with the "Ricoh Absorption-type Spit Agreement" referred to below as the "Absorption-type Split Agreement") on February 6, 2024.

1. Purpose of the Business Integration and the Absorption-type Split

The Company is committed to transforming itself into a digital services company with its mission and vision of "Fulfillment through Work" to achieve sustainable growth and further development. The Company is working closely with its customers to contribute to the transformation of their business processes and the creation of new value by combining various edge devices and optimal applications.

Toshiba Tec aims to become "a global top solutions partner" that co-creates solutions leading to new value and resolving social issues together with its customers and partners by practicing its corporate philosophy, "Create with You".

To respond to the office printing market changes, the two companies will enter into a joint venture that takes on the role of MFPs' development and manufacturing to realize strengthening competitiveness and business foundations of office printing device manufacturing and Collaborating on the planning and development of new solutions in the frontlines utilizing the technologies and resources of the two companies.

The two companies will provide competitive, high-quality, and high-value-added products created through co-creation to the global market through their respective branded products that pursue their unique user experience. Each of the two companies will provide solutions combined with various software and services through their respective sales channels to help customers enhance their productivity by digitalizing and improving workflows tailored to the needs of each of their operations. Thus, each of the two companies will contribute to resolving social issues by helping customers realize DX in their workplaces.

2. Summary of the Business Integration and the Absorption-type Split

(1) Method of the Business Integration and the Absorption-type Split

The Business Integration covers MFPs' development and the manufacturing operations of the two companies in Japan and overseas. The Business Integration will be implemented mainly by an absorption-type split in order to succeed the two company's covered Business to the Joint Venture.

Ricoh Absorption-type Split is an absorption-type split in which the Company will be the absorption-type split company, and the Joint Venture will be the successor company in the absorption-type split. Toshiba Tec Absorption-type Split is an absorption-type split in which Toshiba Tec will be the absorption-type split company, and the Joint Venture will be the successor company in the absorption-type split.

(2) Details of the allotment related to the Absorption-type Split

The Joint Venture will allot and deliver 55 shares of its newly-issued common shares to the Company as consideration for the Joint Venture's assumption of rights and obligations upon the Ricoh Absorption-type Split becoming effective and 45 shares of its newly-issued common shares to Toshiba Tec as consideration for the assumption of rights and obligations upon the Toshiba Tec Absorption-type Split becoming effective.

As a result, the investment ratio in the Joint Venture after the Business Integration shall be 85% by the Company and 15% by Toshiba Tec.

(3) Schedule of the Business Integration and the Absorption-type Split

Both companies' Board of Directors to approve the conclusion of the Integration Agreement and the Shareholders Agreement	May 19, 2023
Conclusion of the Integration Agreement and the Shareholders Agreement	May 19, 2023
Both companies' Board of Directors to approve the conclusion of the Absorption-type Split Agreement	February 6, 2024
Conclusion of the Absorption-type Split Agreement	February 6, 2024
Effective date of the Absorption-type Split	July 1, 2024

3. Rationale of the allotment in connection with the Company Split

After discussions between the two companies, taking into account their earnings situations, future prospects, and other factors in the Business to be split off from the Company and Toshiba Tec as a result of the Company Split, the two companies have reached an agreement to make the allotment related to the Company Split as described above.

4. Nature of business of the division to be split

The Company	Toshiba Tec
Development, manufacturing and Original Equipment Manufacturing of MFPs, Printers, and those related peripheral equipment and consumables	Development, manufacturing of MFPs, Auto ID system, and those related products

5. Status of the successor company in the absorption-type split after the Absorption-type Split

	Successor Company in Absorption-type split
(1) Company name	ETRIA CO., LTD.
(2) Address	Yokohama-shi, Kanagawa, Japan
(3) Representative name	Katsunori Nakata, President and CEO
(4) Principal business	Development, production, and sales of office machines, industrial equipment, optical equipment, their peripheral devices and consumables, and other products.
(5) Capital stock	500 million yen
(6) Accounting date	March 31

(Note) Status of the successor company as of March 31, 2024 is as follows;

Company name: Ricoh Technologies Company, Ltd.

Address: 2-7-1, Izumi, Ebina Kanagawa, Japan

Representative name: Ryo Tagami, President and CEO

Principal business: Development, design, and sales of office equipment, optical equipment, printing-related peripheral equipment, and those consumables, etc.

Capital stock: 10 million yen

Total Shares Issued: 200 shares

6. RESEARCH AND DEVELOPMENT

In 2023, Ricoh newly established its mission and vision, “Fulfillment through Work”. By staying close to our customers’ work and continuing to bring about transformation, we will support them to make the most of human creativity and help build a sustainable future society. Additionally, to realize becoming a “digital services company,” we have launched the “Corporate Value Improvement Project,” which focuses on fundamental transformations in our revenue structure. In the field of research and development, we are selecting and concentrating on areas with high compatibility with digital services. At the same time, we will cap our innovation exploration efforts, ensuring an appropriate allocation of investments.
In terms of organizational structure, Ricoh is strengthening its internal and external digital and data-based infrastructure and value creation functions. We have defined customer success as the value provided by Ricoh and are strengthening our internal and external data utilization infrastructure and functions to deepen existing business and evolve new customer value, as well as to sustainably enable these activities. We aim to further expand as a digital services company by leveraging our global customer base of approximately 1.4 million companies. In fiscal 2021, we introduced a business unit structure, advancing with an integrated system that encompasses everything from mid- to long-term research for the future to the immediate product development, design, and production in each business domain.
As part of our research domain at the headquarters, research and development of digital infrastructure technology to support RICOH Smart Integration (RSI) is being promoted by the Digital Strategy Department. We are engaged in the development of AI/ICT technology, the development of technology to digitize work, and the training and enhancement of digital human resources involved in these areas to support the expansion of Ricoh as a digital services company. Additionally, research and development that supports the Company's mid- to long-term growth and the development of Ricoh’s common infrastructure technologies are being conducted at the Advanced Technology Center.
As for how we proceed with research and development, we investigate and search for market needs and conduct technological development by taking advantage of the characteristics of each region while deepening cooperation among our global business locations. Moreover, we have established technology centers and customer experience centers around the world to provide feedback to product development on needs identified directly through customer support, thereby developing value co-creation activities together with customers.
In open innovation, the TRIBUS accelerator program, which aims to support the growth of startup companies and internal and external entrepreneurs to co-create businesses, has been implemented since fiscal 2019. In the fiscal year ended March 31, 2024, the fifth year of the program, a contest was held from among 132 external applications and 52 internal applications, and the startup companies and internal themes that passed the contest were eligible to utilize various resources, including approximately 300 supporters registered within Ricoh, with the aim of further fostering a culture that supports and fosters people who take on challenges and encourages the creation of new businesses. Additionally, we established the RICOH Innovation Fund, a corporate venture capital (CVC) fund, to strategically invest in startups leading the latest digital services in the B2B domain.
In addition to our in-house R&D, we are working to accelerate research and development through collaboration and partnerships with external companies.

Ricoh capitalized a portion of its development investments and recorded them as intangible assets in accordance with the application of IFRS Accounting Standards. Research and development investment for the fiscal year ended March 31, 2024, including development costs recorded under intangible assets, amounted to ¥109.8 billion.

(1) Digital Services

Ricoh, through the Corporate Value Improvement Project, will strategically and intensively allocate resources to “workplaces,” where Ricoh’s strengths can be used to effectively address customer challenges. Among them, we have designated “business process automation” and “communication services” as focus areas. As workplaces evolve with trends such as remote work, we aim to accelerate our growth into a “workplace services provider” capable of delivering consistent services globally.
In the area of business process automation, we are working on developing services that bring our customers’ routine tasks close to zero by leveraging Ricoh’s unique AI technology in combination with the document

solution and workflow automation technologies we have cultivated over the years. We offer a variety of services.
In the area of communication services, we are developing services that provide our customers with an optimal "workspace" for hybrid work, supporting their creativity. We also offer services such as "RICOH Spaces." Additionally, we are working on strengthening and expanding the digital service platform "RICOH Smart Integration," which supports the value provided by these services. As a workplace services provider, we will continue to contribute to our customers' business growth and problem-solving by developing these services and infrastructure as well as enhancing value to be provided.
We have also reopened the value co-creation hub "RICOH BUSINESS INNOVATION LOUNGE TOKYO" with the aim of achieving DX by utilizing the latest AI technology. At RICOH BUSINESS INNOVATION LOUNGE TOKYO, we co-create flagship value-providing cases with our customers by combining over 100 customer value scenarios across various industries, leveraging Ricoh's strength in customer touchpoints, with Ricoh's proprietary AI technology, which excels in natural language processing and spatial recognition.

Major achievements in the fiscal year ended March 31, 2024 are as follows.

Provision of various services in the business process automation domain
- Launched DocuWare Version 7.8/7.9 and achieved 10,000 global cloud customers; Strengthened functionality in the invoice processing process, further improved usability, and expanded sales regions
- Launched Axon Ivy Version 11.2. Redesigned notification functions and improved the UI of the process editor to enhance user experience
- Provided new features of RICOH kintone plus, opened the app store, and started recruiting beta monitors; Strengthened the ecosystem with partners, visualized usage, and accelerated customer DX promotion by sharing know-how through the app store

Strengthening of Process DX in maintenance and support operations for equipment through AI utilization
Improving the operational efficiency of customer engineers to minimize the downtime of MFPs and printers
- Developed an information retrieval AI bot to streamline the process for CEs who perform repair work at customer sites to search for appropriate information from vast amounts of data, such as service manuals and past repair cases; Has begun operation in the East Japan region
- Initiated verification of a question-answering AI chatbot to which we have applied a "maintenance domain adaptation model" customized by training on accumulated repair cases and service manuals within the Ricoh, based on Ricoh's proprietary large language model (LLM)

Continuous provision of new features and user experience improvement for RICOH Spaces
Adapting to changes in work styles and hybrid work, and providing a seamless employee experience
- Enhanced the use of data collected by IoT sensors, such as automatic cancellation of space reservations, to improve space utilization efficiency
- Improved convenience through mobile devices, including the ability to monitor office usage while away and support for QR codes

Launch of RICOH Smart Reservation Service for Free Address
A cloud-based solution for efficient utilization and continuous improvement of office environments
- In August 2023, launched RICOH Smart Reservation Service for Free Address, a series product of the conference room reservation management system RICOH Smart Reservation Service for Meeting Rooms

Launch of new features for RICOH Print Management Cloud
A function to send scanned data while maintaining common operability with MFPs from other vendors in the customer environment

・ In June 2023, began offering V3.34, which includes a multi-vendor scan function

Research and development investment in this business segment for the fiscal year ended March 31, 2024 totaled ¥15.6 billion.

(2) Digital Products

The spread of COVID-19, supply constraints of semiconductors and electronic components, and other logistical issues have made it increasingly difficult to predict changes in our surrounding environment. The rapid expansion of generative AI in business applications and changes in the global situation due to geopolitical instability also cannot be ignored. Amid these evolving circumstances, we are pursuing new approaches to development and production. The decision to establish a joint venture company, ETRIA CO., LTD., with Toshiba Tec Corporation announced in May 2023 marks a significant turning point as we begin to engage in cross-industry collaboration.
In the fiscal year ended March 31, 2024, we launched the even faster model of our mainstay A3 color MFPs, “RICOH IM C7010,” which were revamped in the previous fiscal year, as well as the monochrome MFPs “RICOH IM 460F/370F.” These devices, designed as edge devices that can be placed anywhere, contribute to supporting our customers’ DX efforts as their workplaces diversify.

For the production in the office printing field, we are diversifying the production locations of key models and units and establishing stable parts procurement routes that are less susceptible to geopolitical issues in order to build a “resilient production and supply system,” as outlined in our Mid-Term Management Strategy. Additionally, we have been consolidating and streamlining our toner production bases, completing the integration into three bases as of the end of fiscal 2023.
In edge devices outside of printing, as part of the “production process DX” through joint development with TAISEI CORPORATION, we have sophisticated construction site solutions using projection mapping. This process has been introduced at actual construction sites, improving work efficiency and productivity.
Furthermore, at PFU, which became a consolidated subsidiary in fiscal 2022, we are accelerating the release of new products equipped with new technologies. We launched a high-speed A3 scanner with features such as automatic skew correction, staple document detection, a dual-pass structure accommodating thick documents, and advanced output control functions. This has accelerated our contribution to improving the operational efficiency of customers who need to intensively scan large volumes of paper documents.

Major achievements in the fiscal year ended March 31, 2024 are as follows.

Launch of RICOH IM C7010, Ricoh’s first high-speed, high-productivity, and space-saving A3 full-color MFP with a 70 sheets per minute output
Contributing not only to operational DX but also to sustainability with excellent environmental performance

・ Continuous copy speed of 70 sheets per minute, sleep-mode recovery in 11 seconds, and first copy time of 4.2 seconds in full color
・ Compact design equivalent to 20-60 sheets per minute output models, enabling use with a single power outlet despite its high-speed output
・ Supports one-pass duplex ADF (automatic document feeder) for scanning small-sized documents like business cards and receipts
・ Equipped with the latest security features compliant with global standards
・ Contributes to sustainability by using recycled plastic for approximately 50% (by weight) of its total resin weight and adopting low-melting-point toner

Launch of RICOH IM 460F/370F, monochrome A4 MFPs
Contributing to improving the operational efficiency of customers with the smallest* A3-compatible model in its class with enhanced solution capabilities

- Compact A4 MFP size that can be placed next to a desk while supporting A3 output
- Improved continuous copy speed compared to the previous models, contributing to space-saving and speedy operations required in stores and service counters
- Uses recycled plastic for approximately 17% of their total resin weight

*As of July 2023, as an A3-compatible monochrome multifunction printer according to our research

Sophistication of T-iDigital MARKING, a marking technology using projection mapping
Enhancing efficiency and achieving further productivity improvement in construction site marking tasks

- Sophisticated TAISEI CORPORATION's solution supporting marking tasks in construction work through joint development
- Achieved projection accuracy within 2mm using an ultra-short throw 4K projector, expanding the projection area to more than 3.5 times the previous size

[PFU] Launch of RICOH fi-8950, RICOH fi-8930, and RICOH fi-8820, high-speed A3 image scanners to accelerate operational efficiency
The fastest A3 high-capacity flagship models in the fi series

- High-speed, high-capacity models ideal for centralized input tasks in the fields of finance, public sector, healthcare, and BPO
- Fastest in the series with a scanning speed of 150 sheets/300 pages per minute and a high-capacity document tray that can hold up to 750 sheets at once
- Newly equipped with an "automatic skew correction" function that straightens tilted documents one by one before feeding them and a "staple document detection" function
- Equipped with a large 4.3-inch touch panel and network interface (wired LAN connection)

Research and development investment in this business segment for the fiscal year ended March 31, 2024 totaled ¥41.0 billion.

(3) Graphic Communications

Ricoh promotes the digitalization of printing sites by delivering high-quality and highly reliable products and services. This enables labor-saving automation and process visualization, contributing to enhancement of customers' profitability. Additionally, we aim to integrate business growth and social issue resolution, actively working towards achieving SDGs.
In the commercial printing business field, for customers in the printing industry, we are proposing a combination of printers that contribute to higher productivity, special color toners that enable high value-added such as gold and silver, and workflow solutions that enable integrated management of processes from upstream to downstream to accelerate the Offset to Digital and drive the digitalization of the processes of customers in the frontlines.
To this end, we continue to develop electrophotographic technology, supply technology, optical design technology, image processing technology, inkjet technology, next-generation imaging engine element technology, and cutting-edge software technology.

Major achievements in the fiscal year ended March 31, 2024 are as follows.

Launch of RICOH Pro C9500 and RICOH Pro C7500, new color production printers with enhanced paper handling and automation/efficiency features

- Support a wide range of paper thicknesses (40 to 470 g/m2), with improved compatibility for textured or rough-surface paper like embossed paper and kraft paper
- With RICOH GC OS, special skills are not required for setting and adjusting various types of paper, and managing equipment usage and maintenance
- Pro C9500 features the IQCT Expansion Unit, which allows for automatic adjustment/stabilization of colors and monitoring during printing, as well as inspection of image quality, front-back alignment, and color variation, thus improving efficiency and reducing labor for color adjustment and inspection tasks that are highly dependent on individuals and have a high workload
- As its predecessor model, Pro C7500 supports Ricoh's unique special color toners (white, clear, invisible red, gold, silver, neon yellow, and neon pink), enabling richer and more vibrant color expression

Launch of RICOH Pro Z75, Ricoh's first B2-size sheet-fed inkjet printing system
Achieving both low-cost operation and high quality with newly developed water-based pigment ink and drying system

- Contributes significantly to productivity improvement with automatic double-sided printing and simple operability, enabling skill-less operation and addressing labor shortages and skill transfer issues
- The new water-based pigment ink can form droplets with a small amount, allowing for low running cost operation
- The newly developed drying system reduces slight waviness in the paper and improves overall operational efficiency by reducing drying wait times

Launch of RICOH Pro VC80000, the top-end model of a high-speed continuous inkjet printing system
Maximizing productivity through automation of processes such as image quality adjustment during printing

- Achieves a maximum speed of 150m/min (1,200 x 600dpi) and a maximum resolution of 1,200 x 1,200dpi (93m/min), improving by 1.5 times compared to its predecessor
- Newly developed water-based pigment ink, latest print heads, and improved paper transport precision ensure accurate ink placement on the desired position
- Standardly equipped with scanners and sensors to check ink concentration and uniformity, and automatically correct printing accuracy in real-time, eliminating the need to stop the machine for image quality adjustments, and thereby achieving high-quality, stable production and reducing operator workload

In the industrial printing field, we are focusing on the development and commercialization of industrial inkjet printhead technologies to expand our product lineup. MH series heads have been well received by customers for their high durability and wide ink compatibility, primarily used in the sign graphics industry. In addition, the TH series head, which utilizes MEMS (Micro Electro Mechanical System) technology for compact and high-definition printing, has been adopted by an increasing number of new customers. Furthermore, we have introduced two new printer models for the garment printing market.

Major achievements in the fiscal year ended March 31, 2024 are as follows.

Launch of RICOH Ri 4000, a direct-to-garment printer capable of printing on polyester

- Enables direct printing on polyester, previously only possible with high-end equipment, achieving soft feel, high-quality, and durable prints even on sportswear
- Features a built-in mechanism that applies pretreatment only where needed, eliminating the pretreatment process and improving operational efficiency

Announcement of RICOH Pro D1600, RICOH's first direct-to-film system

- Capable of printing on film up to 1600 mm wide at speeds exceeding 20 m2/hour, and equipped with an integrated powder shaker and drying unit, ensuring high overall productivity and enabling mass production of garments through digital printing
- Acquired the international GOTS certification for organic textiles

Research and development investment in this business segment for the fiscal year ended March 31, 2024 totaled ¥26.5 billion.

(4) Industrial Solutions

In the thermal business field, we aim to gain further customer trust by providing high quality products and services, including high value-added thermal paper, which holds an overwhelming share of the global market. In high value-added thermal paper, we have been advancing the sales of products that solve social issues (phenol-free labels with enhanced safety of coloring materials) in the European, Japanese, and North American markets, and expanding them globally, in response to growing environmental awareness in recent years.

To actively accelerate our business transition to digital services and the planning, development, and sales of functional packaging materials, including "label-less thermal*" that reduces environmental impact, we established a joint venture company, "RICOH NAKAMOTO SMART PACKAGING Co., Ltd.," in April 2023. By combining the Company's strengths in thermal technology with Nakamoto Packs Co., Ltd.'s strengths in packaging design and functional coating technology as well as its customer base, we have expanded into the functional packaging market as part of our smart packaging business. In January 2024, we received the "Best Award" at the "2023 Nikkei Excellent Products and Services Awards".

Going forward, we will continue to contribute to the transformation of the packaging industry by offering new packaging solutions in collaboration with a wide range of partners.

* Label-less thermal: Ricoh's printing process that allows variable information such as text and codes to be directly printed onto a printable substrate, without using labels or ribbons. This enables efficiency enhancement and cost reduction in business operations.

Major achievements in the fiscal year ended March 31, 2024 are as follows.

Establishment of RICOH NAKAMOTO SMART PACKAGING Co., Ltd., a joint venture company of the Company and Nakamoto Packs Co., Ltd.

Entering the packaging industry with the new value of label-less solutions

- Contributes to improving productivity for customers and realizing a decarbonized and circular society through unique functional packaging materials and on-demand printing solutions
- Achieves DX in the packaging industry with solutions such as individual package ID management

In the industrial products business field, by combining production technology with cutting-edge technologies such as IoT, AI, and image recognition, we provide inspection line solutions focusing on the integration of various industrial facilities and the appearance of coatings such as vehicle bodies and exterior parts by visualizing information through information conversion through data recognition processing. Our inspection lines that enhance safety and reliability in the fast-growing automotive lithium-ion battery appearance

inspection and vehicle paint appearance inspection fields contribute to reduced manpower and automation at the frontlines.
In December 2023, combining our long-term experience in paint inspection with proprietary image recognition technology, we launched the “RICOH Visual Inspection System 5000” series of vehicle paint appearance inspection systems. They automate the visual inspection of automotive paint, which was conventionally conducted by human eyes, without stopping the production line while maintaining high accuracy. Going forward, we plan to use the data obtained from these inspection systems to offer new value to our customers.

Major achievements in the fiscal year ended March 31, 2024 are as follows.

Launch of the RICOH Visual Inspection System 5000 series of vehicle paint appearance inspection systems
Automating inspections, which were conventionally conducted by human eyes, and enhancing production quality with high accuracy

- Achieve high-accuracy inspections with a hybrid configuration using a gate system for relatively flat side surfaces and a robot system for highly contoured top surfaces, combined with AI technology
- Operate at a standard speed of 170 mm/sec (42 seconds per vehicle and 85 vehicles per hour) and can be adapted for high-speed conveyors
- Allow for quick adjustments with minimal data when changing or adding vehicle models, enabling rapid mass production startups
- The side unit with a fixed gate system and the top unit with a robot system are separate, allowing for partial installation as needed

Research and development investment in this business segment for the fiscal year ended March 31, 2024 totaled ¥3.8 billion.

(5) Other Segments
We are committed to solving social issues by further leveraging Ricoh’s technologies and creating new businesses through open innovation. Simultaneously, we will assess the status of each business to make optimizing management resource allocations and decisions.

■Digital Cameras
Ricoh Imaging Co., Ltd., which is engaged in the digital camera business, is further enhancing the value of its two brands, PENTAX and GR, and connecting directly with customers using digital methods to further sharpen and deepen the appeal of both brands.
Based on the pillars of optical design and optical component processing technologies cultivated over 100 years of camera development history, Ricoh develops digital camera products that achieve excellent tone reproduction and texture depiction in all sensitivity ranges by combining PRIME V and GR ENGINE 6 image processing engines, which incorporate the most advanced digital image processing technologies, with accelerator units I and II, which achieve advanced noise processing. In addition to these technologies, our cameras are equipped with proprietary SR (Shake Reduction) in-body image stabilization mechanism, enabling excellent image stabilization performance, and we have also developed a low-pass selector function and a real resolution function that apply this mechanism. We offer the following series of digital cameras equipped with these technologies to users who are particular about photography.

Major achievements in the fiscal year ended March 31, 2024 are as follows.

Launch of new products with diverse features

- PENTAX K-3 Mark III Monochrome, a digital SLR camera equipped with a new monochrome-only image sensor
- RICOH GR III Diary Edition, a special edition high-end compact digital camera with metallic warm gray coating
- PENTAX WG-90, a compact digital camera capable of shooting at a depth of 14 meters underwater
- HD PENTAX-FA 50mmF1.4 and smc PENTAX-FA 50mmF1.4 Classic, prime lenses for K-mount digital SLR cameras
- PENTAX PF-85EDA, a large-diameter spotting scope (terrestrial telescope)
- Two latest models of the PENTAX A series, binoculars combining high performance with compact and lightweight design

■Smart Vision

Since releasing the RICOH THETA, a camera that can capture 360-degree images in a single shot, we have expanded the scope of our business utilizing 360-degree images and video. Currently, we are developing and strengthening our RICOH360 platform business, which provides solutions that streamline the entire workflow by linking it with cloud services to improve operational efficiency and productivity. We have started co-creation with various partner companies to accelerate DX in the construction industry and other industries and to further expand the RICOH360 platform business.

Major achievements in the fiscal year ended March 31, 2024 are as follows.

Launch of RICOH360 Premium Package to make RICOH THETA and 360-degree images more business-friendly
Seeking partners to co-create new solutions

- Device management to remotely monitor the operating status of RICOH THETA
- Provides 360-degree viewers and image processing technology (media management)
- Rental and support with damage compensation for a set of RICOH THETA main unit and dedicated tripod

■Healthcare

In fiscal 2022, we made into a subsidiary Elixirgen Scientific, Inc., a biotechnology venture. By combining their technology and know-how with Ricoh’s technology, strengths, and resources, we are enhancing our drug discovery support business utilizing iPS cells and establishing a manufacturing infrastructure for mRNA-based therapeutic drugs in Japan. Beyond contributing to people’s health and security, we aim to further strengthen our medical mRNA manufacturing capabilities from the perspective of domestic economic security, supporting drug discovery for mRNA medicines, including vaccines.

Major achievements in the fiscal year ended March 31, 2024 are as follows.

Ricoh concludes a non-exclusive license agreement with ERS Genomics Limited regarding CRISPR/Cas9 genome editing technology
Contributing to drug discovery support by expanding the scope of disease model construction using CRISPR/Cas9 genome editing technology

- Leveraging the digitalization technology and AI technology developed to this point in time, we are expanding the application areas of Elixirgen Scientific, Inc.’s core technology, accelerating personalized medicine, drug discovery, and regenerative medicine research

■Social Infrastructure

The aging of social infrastructure and the increasing frequency and severity of natural disasters have made efficient maintenance and management of infrastructure a major social issue. Ricoh provides high-precision and low-cost services for roads, tunnels, and slopes using its proprietary cameras and analysis AI, contributing to the creation of a safe and secure society through efficient maintenance and management as well as preventive measures against infrastructure aging.
Major achievements in the fiscal year ended March 31, 2024 are as follows.

Our slope monitoring system featured in the Ministry of Land, Infrastructure, Transport and Tourism's "Support Technology Performance Catalog for Earthwork Structure Inspections and Disaster Prevention Inspections"
Labor-saving inspections with a driving system equipped with optimal cameras and sensors

- The high-resolution measurement system can measure wide-ranging slopes at once.
- Multiple line sensor cameras enable the creation of unlimited-length panoramic images of slopes.
- LiDAR records the 3D shapes of slopes simultaneously with their images, allowing for the recording of cross-sectional shapes that are not visible in flat images.
- AI automatically extracts anomalies such as cracks, spalling, and fractures.

■Environment

PLAiR is a new foamed PLA (polylactic acid) sheet made by Ricoh's proprietary technology, which is compostable and derived from natural resources. PLAiR will alternate fossil-derived plastics and contribute to reducing the environmental impact by constructing a new ecosystem. The first application taking advantage of PLAiR's lightness and heat resistance will be food containers. We aim to expand our PLAiR business by co-creating with partners.

Major achievements in the fiscal year ended March 31, 2024 are as follows.

"PLAiR" food containers, new material derived from natural resources were adopted for a demonstration experiment by Ito-Yokado Co., Ltd.

- A sales demonstration experiment of food containers using "PLAiR" molding sheets at store of Ito-Yokado Co., Ltd.
- Using molding sheets developed with Ricoh's proprietary foaming control technology, the containers achieved excellent thermal insulation and heat resistance despite of being made from 99% natural resources.

Research and development investment in this business segment for the fiscal year ended March 31, 2024 totaled ¥7.3 billion.

(6) Fundamental Research

Up until now, Ricoh has been engaged in the following fundamental research fields that lead to product differentiation: data collection and analysis technology to contribute to customers' business efficiency and new ways of working regardless of time and place; and system solution development applying artificial intelligence; as well as advanced sensing and edge device technologies that integrate photonics technology, MEMS, image recognition and image processing technologies; fundamental technologies such as analysis and simulation; technologies such as verification and simulation and functional materials; and applied research and development of printing technology.

While we expand our value provision areas to offices, frontlines, and society, the utilization of AI is required in each domain. To enhance services that support our customers' advanced industries and operations, the

Digital Strategy Department is advancing technology development, including Ricoh's proprietary large language model (LLM).

Major achievements in the fiscal year ended March 31, 2024 are as follows.

Development of a large language model (LLM) with high Japanese accuracy and 13 billion parameters

- The LLM is a language model built using vast amounts of training data and deep learning. Compared to traditional language models, it has a larger data volume and greatly improved accuracy. The Company has developed an LLM with high accuracy in Japanese processing.
- By additional training with data held by companies, customization according to industries and operations is possible. Utilizing the trust within the Company's customer base, we will advance the use of data held by companies.
- Moving forward, we aim to expand the application range by implementing AI agents combined with speech recognition technology and RAG (Retrieval Augmented Generation) functionality.

Trial offer of a no-code development tool for easy creation of company-specific AI models

- As a new service of "AI for Work," which supports operational efficiency improvement and the creation of new value, we have developed a no-code tool for easily creating company-specific AI models, training, and inference.
- To utilize an LLM in business, it is necessary to train the model with company-specific terms and phrases to create a unique AI model for the company. However, this requires specialized knowledge and takes time and effort.
- This tool requires no specialized knowledge. With it, a unique AI model can be built simply by creating sample data of classification information, including company-specific terms, in Excel and uploading the data.

The Advanced Technology Center is developing these technologies as its core, focusing on two areas of value to be provided.

- HDT(Human Digital Twin at Work): Digitalization technology for people working in the workplace. It utilizes technologies such as behavioral sensing and vital sensing, as well as recognition and AI technologies, to support creativity of workers.
- IDPS(Industrial Digital Printing System): Digitalization of manufacturing and production processes through the development of industrial inkjet technology that discharges functional materials instead of ink, leading to dramatic improvements, waste reduction, and energy conservation.

Common fundamental technologies such as analysis and simulation will continue to be rolled out to Ricoh's development and production sites to further improve efficiency and quality.

We are also actively promoting co-creation with collaborative partners. In fiscal 2023, over 24% of our development themes were carried out through joint research and development with our collaborative partners. In addition, we are advancing the expansion of research and development activities on a global level. To serve as an innovation hub that connects the Advanced Technology Center in Japan with companies, startups, and research institutions in Southeast Asia, we established the RICA (Ricoh Innovation Centre in Asia) in Singapore.

Major achievements in the fiscal year ended March 31, 2024 are as follows.

Technology development to achieve HDT (Human Digital Twin at Work)

- The "1-on-1 Dialogue Training System" was announced. Utilizing image analysis technology, language analysis technology, and AI technology, this system allows a trainee to do a 1-on-1 simulation with AI acting as a subordinate, and analyzes the speech content and behavior of the trainee who is carrying the mantle of leader during the simulation. Through post-training reviews, the trainee's dialogue skills in 1-on-1 interactions will be enhanced.
- We have initiated a demonstration experiment of the "spatial data creation and utilization AI solution," which improves the management efficiency of buildings and facilities. By automatically aligning and connecting point clouds and 360-degree images obtained from optical devices such as cameras and laser scanners, we achieved 3D reconstruction that enables virtual tours inside buildings. Through the application

of AI technology, we are developing functions to generate 3D CAD models and support measurement, planning, and simulation within digital buildings.

IDPS (Industrial Digital Printing System)
Technology development aiming to achieve a sustainable society through the expansion of the application areas of inkjet technology

- GELART JET Head, which supports high pressure, was developed. We achieved printing on large and thick surfaces by discharging high viscosity and large drop size paint, printing on curved and uneven surfaces by expanding the flying distance of paint, and discharging large particle-containing materials, and are developing digital painting technology for applications such as on walls, road surfaces, and automobile exteriors.
- We are conducting joint research with Tokyo Institute of Technology on inkjet technology, which includes developing manufacturing methods for perovskite solar cells, which are gaining attention as an alternative to conventional silicon solar cells.

Research and development investment in this business segment for the fiscal year ended March 31, 2024 totaled ¥15.4 billion.

III. PROPERTY, PLANT AND EQUIPMENT

1. SUMMARY OF CAPITAL INVESTMENTS, ETC.

Capital investment in the fiscal year ended March 31, 2024 was ¥53,267 million. A breakdown of capital investment by segment is as follows:

	Millions of yen		
	For the year ended March 31, 2023	For the year ended March 31, 2024	Main purpose of investment
Digital Services	17,467	26,693	Investment in infrastructure relating Digital Services
Digital Products	13,783	13,254	Expansion and renewal of production facilities and improvement of productivity
Graphic Communications	5,772	5,363	Expansion and renewal of production facilities and improvement of productivity
Industrial Solutions	3,872	3,980	Expansion and renewal of production facilities and improvement of productivity
Other	2,176	1,746	Capital investment related to new business development
Corporate	2,389	2,231	Improve information system, etc.
Total	45,459	53,267	

(Notes)

1. These investments were mostly financed with Ricoh’s own capital or borrowings.
2. The PFU business in Other segment has been reclassified into Digital Services and Digital Products from the current year. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

2. MAJOR PROPERTY, PLANTS AND EQUIPMENT

(1) The Company

(As of March 31, 2024)

Facility (Main location)	Segment	Details of major facilities and equipment	Book value (Millions of Yen) Buildings and structures	Machinery and equipment	Land (Area in thousands of m^2)	Right-of-use assets	Total	Number of employees
Tohoku plant at Ricoh Industry Co., Ltd. (Miyagi)	Digital Products and Graphic Communications	Production facilities for digital service devices related supplies	646	1,743	― (―)	―	2,389	―
Head Office (Tokyo)	Corporate, Digital Services, Graphic Communications, Industrial Solutions and Other	Development facilities and other equipment	4,270	107	111 (11)	37	4,525	921
Yokohama Nakamachidai Office (Kanagawa)	Corporate	Other equipment	1,138	254	3,200 (17)	―	4,592	153
Ricoh Technology Center (Kanagawa)	Digital Products, Graphic Communications and Other	Development facilities	16,099	2,587	4,944 (89)	770	24,400	4,212
Atsugi Plant (Kanagawa)	Digital Products and Graphic Communications	Production facilities for digital service devices	2,587	1,723	2,011 (98)	3	6,324	149
Numazu Plant (Shizuoka)	Digital Products, Graphic Communications and Industrial Solutions	Production facilities for digital service devices related supplies	8,541	4,816	1,194 (128)	2	14,553	636
Ricoh Eco Business Development Center (Shizuoka)	Digital Services and Digital Products	Other equipment	2,776	495	2,205 (93)	1	5,477	159
Fukui Plant (Fukui)	Digital Products and Industrial Solutions	Production facilities for digital service devices related supplies	1,175	1,621	1,120 (93)	―	3,916	118
Ikeda Plant (Osaka)	Corporate	Other equipment	1,668	444	98 (19)	―	2,210	79

(2) Domestic subsidiaries

(As of March 31, 2024)

Facility (Main location)	Segment	Details of major facilities and equipment	Book value (Millions of Yen)					Number of employees
			Buildings and structures	Machinery and equipment	Land (Area in thousands of m²)	Right-of-use assets	Total	
Ricoh Industry Co., Ltd. (Kanagawa)	Digital Products and Graphic Communications	Production facilities for digital service devices	6,534	2,994	234 (151)	216	9,928	962
Ricoh Elemex Corporation (Aichi)	Digital Products, Graphic Communications and Industrial Solutions	Production facilities for digital service devices and precision equipment	1,993	2,180	3,244 (546)	45	7,462	450
Ricoh Japan Corporation (Tokyo)	Digital Services and Graphic Communications	Other equipment	4,880	10,141	2,248 (49)	9,010	26,279	15,644
PFU Limited (Ishikawa)	Digital Services and Digital Products	Production facilities for scanners and industrial computing products	3,255	1,748	1,178 (121)	3,287	9,468	3,676
Ricoh Creative Service Company, Ltd. (Tokyo)	Other	Other equipment	68	43	― (―)	1,679	1,790	644
Ricoh Industrial Solutions Co., Ltd. (Tokyo)	Digital Products and Industrial Solutions	Manufacturing facilities for optical equipment and electronic components	2,065	2,540	331 (40)	25	4,961	870

(3) Overseas subsidiaries

(As of March 31, 2024)

Facility (Main location)	Segment	Details of major facilities and equipment	Book value (Millions of Yen) Buildings and structures	Machinery and equipment	Land (Area in thousands of m^2)	Right-of-use assets	Total	Number of employees
Ricoh Electronics, Inc. (U.S.A.)	Digital Products, Graphic Communications and Industrial Solutions	Production facilities for digital service devices related supplies and thermal media	1,191	4,525	379 (289)	794	6,889	630
Ricoh UK Products Ltd. (U.K.)	Digital Products and Graphic Communications	Production facilities for digital service devices related supplies	458	670	417 (210)	—	1,545	473
Ricoh Industrie France S.A.S. (France)	Digital Products and Industrial Solutions	Production facilities for thermal media	822	3,695	65 (209)	—	4,582	555
Ricoh Thermal Media (Wuxi) Co., Ltd. (China)	Industrial Solutions	Production facilities for thermal media	1,736	2,584	— [64]	8	4,328	299
Shanghai Ricoh Digital Equipment Co., Ltd. (China)	Digital Products	Production facilities for digital service devices	973	3,113	— [59]	—	4,086	1,066
Ricoh Manufacturing (China) Ltd. (China)	Digital Products	Production facilities for digital service devices	7,503	7,669	— [93]	—	15,172	2,384
Ricoh Manufacturing (Thailand) Ltd. (Thailand)	Digital Products and Industrial Solutions	Production facilities for digital service devices related supplies	3,381	2,363	589 (121)	19	6,352	2,464
Ricoh USA Inc. and other 32 sales subsidiaries in Americas	Digital Services and Graphic Communications	Other equipment	2,999	13,498	344 (122)	13,653	30,494	17,223
Ricoh Europe Holdings PLC and other 97 sales subsidiaries in Europe	Digital Services and Graphic Communications	Other equipment	987	10,481	— (—)	18,808	30,276	15,460

Ricoh Asia Pacific Pte. Ltd. and other 15 sales subsidiaries in Other area	Digital Services and Graphic Communications	Other equipment	329	7,260	— (—)	7,000	14,589	5,239

(Notes) 1. The tables above do not include construction in progress.

2. Currently there is no material idle equipment.

3. The facilities of the Tohoku plant at Ricoh Industry Co., Ltd. are owned by the Company, but the manufacturing is performed under a consignment agreement with Ricoh Industry Co., Ltd.

4. The disclosures for PFU Limited are based on consolidated figures.

5. The book value of the facilities owned Ricoh Industrial Solutions Co., Ltd. includes the carrying amount of investments included in “Assets classified as held for sale”.

6. The land used by Ricoh Thermal Media (Wuxi) Co., Ltd., Shanghai Ricoh Digital Equipment Co., Ltd. and Ricoh Manufacturing (China) Ltd. are leased from third parties and disclosed within brackets [ ].

3. PLANS FOR CAPITAL INVESTMENT, DISPOSALS OF PROPERTY, PLANT AND EQUIPMENT, ETC.

The amount of capital investment for the fiscal year ending March 31, 2025 will be ¥50,000 million. A breakdown by segment is as follows:

	Millions of Yen For the year ending March 31, 2025	Main purpose of investment
Digital Services	25,500	Investment in infrastructure relating Digital Services
Digital Products	12,000	Expansion and renewal of production facilities and improvement of productivity
Graphic Communications	5,000	Expansion and renewal of production facilities and improvement of productivity
Industrial Solutions	3,700	Expansion and renewal of production facilities and improvement of productivity
Other	1,500	Capital investment related to new business development
Corporate	2,300	Improve information system, etc.
Total	50,000	

(Notes) These investments will be mostly financed with Ricoh’s own capital or borrowings.

IV. INFORMATION ON THE COMPANY

1. INFORMATION ON THE COMPANY'S STOCK, ETC.

(1) Total number of shares, etc.

1) Total number of shares

Class	Total number of shares authorized to be issued (shares)
Common stock	1,500,000,000
Total	1,500,000,000

2) Issued shares

Class	Number of shares issued as of the filing date (shares) March 31, 2024	Number of shares issued as of the filing date (shares) June 21, 2024	Stock exchanges on which the Company is listed	Description
Common stock	609,521,978	609,521,978	Tokyo	The number of shares per one unit of shares is 100 shares
Total	609,521,978	609,521,978	–	–

(2) Information on the stock acquisition rights, etc.

Not applicable

(3) Information on moving strike convertible bonds, etc.

Not applicable

(4) Changes in the total number of issued shares and the amount of common stock and other

Date	Change in total number of issued shares (hundreds of shares)	Balance of total number of issued shares (hundreds of shares)	Change in common stock (Millions of Yen)	Balance of common stock (Millions of Yen)	Change in capital reserve (Millions of Yen)	Balance of capital reserve (Millions of Yen)
February 28, 2022	(1,074,439)	6,374,681	–	135,364	–	180,804
October 31, 2022	(279,462)	6,095,219	–	135,364	–	180,804

(Note)1. The decrease is due to the retirement of treasury shares on February 28, 2022, based on the resolution of the Board of Directors meeting held on February 4, 2022.

2. The decrease is due to the retirement of treasury shares on October 31, 2022, based on the resolution of the Board of Directors meeting held on October 4, 2022.

(5) Shareholder composition

(As of March 31, 2024)

Class of shareholders	Status of shares (one unit of stock: 100 shares)								Number of shares less than one unit (shares)
	Government and municipality	Financial institution	Financial instruments business operator	Other institutions	Foreign corporations, etc.		Individuals and others	Total	
					Non individuals	Individuals			
Number of shareholders	—	65	35	463	721	56	35,933	37,273	—
Share ownership (units)	—	2,278,967	223,617	265,382	2,722,049	251	598,274	6,088,540	667,978
Ownership percentage of shares (%)	—	37.43	3.67	4.36	44.71	0.00	9.83	100.00	—

(Note)1. As for 6,025,595 shares of treasury stock, 60,255 units are included in the “Individual and others” column and 95 shares are included in the “Number of shares less than one unit” column.

2. As for 314,000 shares of the Company held by Board Incentive Plan trust in which beneficiaries include directors and executive officers, 3,140 units are included in the “Financial institution” column.

(6) Major shareholders

(As of March 31, 2024)

Name	Address	Share Ownership (hundreds of shares)	Ownership percentage to the total number of issued shares (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	Akasaka Intercity AIR, 1-8-1 Akasaka, Minato-ku, Tokyo	994,176	16.47
Custody Bank of Japan, Ltd. (Trust Account)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	312,959	5.19
SUNTERA（CAYMAN）LIMITED AS TRUSTEE OF ECM MASTER FUND (Standing proxy: Goldman Sachs Japan Co., Ltd.)	SUITE 3204, UNIT 2A,BLOCK 3,BUILDING D,P.O.BOX 1586,GARDENIA COURT,49 MARKET STREET,CAMANA BAY,KY1-1110,CAYMAN ISLANDS (10-1 Roppongi Hills Mori Tower, Roppongi 6-chome, Minato-ku, Tokyo)	296,114	4.91
Nippon Life Insurance Company	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo	235,531	3.90
BNYMSANV AS AGENT/CLIENTS LUX UCITS NON TREATY １ (Standing proxy: MUFG Bank, Ltd.)	VERTIGO BUILDING-POLARIS 2-4 RUE EUGENE RUPPERT L-2453 LUXEMBOURG GRAND DUCHY OF LUXEMBOURG (7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo)	212,954	3.53
Shinsei Trust & Banking Co., Ltd. ECM MF Trust Account 8299004	4-3, Nihonbashi-Muromachi 2-Chome, Chuo-ku, Tokyo	210,000	3.48
Ichimura Foundation for New Technology	26-10, Kitamagome 1-chome, Ohta-ku, Tokyo	158,395	2.62
CGML PB CLIENT ACCOUNT/COLLATERAL (Standing proxy: Citibank, N.A., Tokyo Branch)	CITIGROUP CENTRE, CANADA SQUARE, CANARY WHARF LONDON E14 5LB (27-30, Shinjuku 6-Chome, Shinjuku-ku, Tokyo)	118,032	1.96
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing proxy: Mizuho Bank, Ltd..)	1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171, U.S.A. (15-1, Konan 2-chome, Minato-ku, Tokyo)	115,460	1.91
J.P. MORGAN SECURITIES PLC FOR AND ON BEHALF OF ITS CLIENTS JPMSP RE CLIENT ASSETS-SEGR ACCT (Standing proxy: Citibank, N.A., Tokyo Branch)	25 BANK STREET, CANARY WHARF LONDON E14 5JP UK (27-30, Shinjuku 6-Chome, Shinjuku-ku, Tokyo)	110,000	1.82
Total	–	2,763,623	45.79

(Notes) 1. Following confirmation of reports of possession of a large volume and of shares reports of changes in possession of a large volume issued on March 22, 2024, the Company has confirmed that Effissimo Capital Management Pte Ltd held shares as set forth below as of March 15, 2024. However, the number of shares is not included in the status of major shareholders above as the Company could not confirm the actual holding of shares at the end of the period.

Contents of Amendment Statement are as follows.

Name	Address	Share ownership (hundreds of shares)	Ownership percentage to the total number of issued shares (%)
Effissimo Capital Management Pte Ltd	260 orchard Road #12-06 The Heeren Singapore 238855	895,517	14.69

2. Following confirmation of reports of possession of a large volume issued on April 21, 2023, the Company has confirmed that Nomura Securities Co., Ltd. and its joint holders, 3 other companies, held shares as set forth below as of April 14, 2023. However, the number of shares is not included in the status of major shareholders above as the Company could not confirm the actual holding of shares at the end of the period.

Contents of Amendment Statement are as follows.

Name	Address	Share ownership (hundreds of shares)	Ownership percentage to the total number of issued shares (%)
Nomura Securities Co., Ltd.	13-1, Nihonbashi 1-chome Chuo-ku, Tokyo	54	0.00
NOMURA INTERNATIONAL PLC	1 Angel Lane, London EC4R 3AB, United Kingdom	3,117	0.05
NOMURA SECURITIES INTERNATIONAL,Inc.	Worldwide Plaza 309 West 49th Street New York, New York 10019-7316	0	0.00
Nomura Asset Management Co., Ltd.	2-1, Toyosu 2-chome, Koto-ku, Tokyo	256,943	4.22

3. Following confirmation of reports of possession of a large volume and of shares reports of changes in possession of a large volume issued on July 22, 2022, the Company has confirmed that Sumitomo Mitsui Trust Bank, Limited and its joint holders, Sumitomo Mitsui Trust Asset Management Co., Ltd. and Nikko Asset Management Co., Ltd., held shares as set forth below as of July 15, 2022. However, the number of shares is not included in the status of major shareholders above as the Company could not confirm the actual holding of shares at the end of the period.

Contents of Amendment Statement are as follows.

Under Article 178 of the Companies Act, the Company's common stock were retired on October 31, 2022.

As a result, the total number of issued shares decreased by 27,946,200 shares to 609,521,978 shares. Ownership percentage to the total number of issued shares was recorded before the retirement.

Name	Address	Share ownership (hundreds of shares)	Ownership percentage to the total number of issued shares (%)
Sumitomo Mitsui Trust Bank, Limited	4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo	47,140	0.74
Sumitomo Mitsui Trust Asset Management Co., Ltd.	1-1, Shiba 1-chome, Minato-ku, Tokyo	207,570	3.26
Nikko Asset Management Co., Ltd.	7-1, Akasaka 9-chome, Minato-ku, Tokyo	124,376	1.95

4. Following confirmation of reports of possession of a large volume of shares reports of changes in possession of a large volume issued on July 9, 2021, the Company has confirmed that MUFG Bank, Ltd. and its joint holders, 3 other companies, held shares as set forth below as of March 22, 2021. However, excluding MUFG Bank, Ltd., the number of shares is not included in the status of major shareholders above as the Company could not confirm the actual holding of shares at the end of the period.

Contents of Amendment Statement are as follows.

Under Article 178 of the Companies Act, the Company's common stock were retired on February 28,2022 and on October 31, 2022.

As a result, the total number of issued shares decreased by 135,390,100 shares to 609,521,978 shares. Ownership percentage to the total number of issued shares was recorded before the retirement.

Name	Address	Share ownership (hundreds of shares)	Ownership percentage to the total number of issued shares (%)
MUFG Bank, Ltd.	7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	107,867	1.45
Mitsubishi UFJ Trust and Banking Corporation	4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo	232,211	3.12
Mitsubishi UFJ Kokusai Asset Management Co., Ltd.	12-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo	56,330	0.76
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	9-2, Otemachi 1-chome, Chiyoda-ku, Tokyo	23,214	0.31

5. Following confirmation of reports of possession of large volume of shares reports of changes issued on February 19, 2021, the Company has confirmed that BlackRock Japan Co., Ltd. and its joint holders, 10 other companies, held shares as set forth below as of February 15, 2021. However, the number of shares is not included in the status of major shareholders above as the Company could not confirm the actual holding of shares at the end of the period.

Contents of Amendment Statement are as follows.

Under Article 178 of the Companies Act, the Company’s common stock were retired on February 28,2022 and on October 31, 2022.

As a result, the total number of issued shares decreased by 135,390,100 shares to 609,521,978 shares. Ownership percentage to the total number of issued shares was recorded before the retirement.

Name	Address	Share ownership (hundreds of shares)	Ownership percentage to the total number of issued shares (%)
BlackRock Japan Co., Ltd.	8-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo	77,898	1.05
BlackRock Financial Management, Inc.	55 East 52nd Street New York, NY, USA	13,827	0.19
BlackRock Investment Management LLC	1 Princeton University Square Drive, New Jersey, USA	8,970	0.12
BlackRock (Netherlands) BV	Amstelplein 1. 1096 HA, Amsterdam, Netherlands	24,991	0.34
BlackRock Fund Managers Limited	12 Throgmorton Avenue, London, UK	13,523	0.18
BlackRock Life Limited	12 Throgmorton Avenue, London, UK	7,285	0.10
BlackRock Asset Management Canada Limited	161 Bay Street Suite 2500, PO Box 614, Toronto, Ontario, Canada	11,355	0.15
BlackRock Asset Management Ireland Limited	2 Ballsbridge Park Ballsbridge Dublin, Ireland	37,238	0.50
BlackRock Fund Advisors	400 Howard Street San Francisco, California, USA	109,324	1.47
BlackRock Institutional Trust Company, N.A.	400 Howard Street San Francisco, California, USA	150,504	2.02
BlackRock Investment Management (UK) Limited	12 Throgmorton Avenue, London, UK	18,988	0.25

6. Following confirmation of reports of possession of a large volume and of shares reports of changes in possession of a large volume issued on April 22, 2020, the Company has confirmed that Mizuho Bank, Ltd. and its joint holders, 3 other companies, held shares as set forth below as of April 15, 2020. However, the number of shares is not included in the status of major shareholders above as the Company could not confirm the actual holding of shares at the end of the period.

Contents of Amendment Statement are as follows.

Under Article 178 of the Companies Act, the Company's common stock were retired on February 28,2022 and on October 31, 2022.

As a result, the total number of issued shares decreased by 135,390,100 shares to 609,521,978 shares. Ownership percentage to the total number of issued shares was recorded before the retirement.

Name	Address	Share ownership (hundreds of shares)	Ownership percentage to the total number of issued shares (%)
Mizuho Bank, Ltd.	1–5–5, Otemachi, Chiyoda–ku, Tokyo	10,000	0.13
Mizuho Securities Co., Ltd.	1–5–1, Otemachi, Chiyoda–ku, Tokyo	768	0.01
Asset Management One Co., Ltd.	1-8-2 Marunouchi, Chiyoda-ku, Tokyo	262,367	3.52
Asset Management One International Ltd.	Mizuho House,30 Old Bailey, London, EC4M 7AU, UK	10,081	0.14

7. Following confirmation of reports of possession of a large volume and of shares reports of changes in possession of a large volume issued on May 8, 2019, the Company has confirmed that Eastspring Investments Co., Ltd. and its joint holder, M&G Investment Management Co., Ltd., held shares as set forth below as of April 30, 2019. However, the number of shares is not included in the status of major shareholders above as the Company could not confirm the actual holding of shares at the end of the period.

Contents of Amendment Statement are as follows.

Under Article 178 of the Companies Act, the Company's common stock were retired on February 28,2022 and on October 31, 2022.

As a result, the total number of issued shares decreased by 135,390,100 shares to 609,521,978 shares. Ownership percentage to the total number of issued shares was recorded before the retirement.

Name	Address	Share ownership (hundreds of shares)	Ownership percentage to the total number of issued shares (%)
Eastspring Investments (Singapore) Co., Ltd.	Marina Bay Financial Center Tower 2, 32-10, Marina Bluebird 10, Singapore	321,461	4.32
M&G Investment Management Co., Ltd.	EC3M 5AG, 10 Fenchurch Avenue, London, UK	17,451	0.23

(7) Information on voting rights

1) Issued shares

(As of March 31, 2024)

Classification	Number of shares (shares)	Number of voting rights	Description
Shares without voting rights	－	－	－
Shares with restricted voting rights (treasury stock, etc.)	＿	＿	＿
Shares with restricted voting rights (others)	＿	＿	＿
Shares with full voting rights (treasury stock, etc.)	Common stock 6,025,500	－	The number of shares per one unit of shares is 100 shares
Shares with full voting right (others)	Common stock 602,828,500	6,028,285	Same as above
Shares less than one unit	Common stock 667,978	＿	Shares less than one unit of 100 shares.
Number of issued shares	609,521,978	－	－
Total number of voting rights	－	6,028,285	－

(Notes) 1. As for the shares of the Company held by Board Incentive Plan trust in which beneficiaries include Directors and Executive Officer, 314,000 shares and 3,140 voting rights are included in the “Shares with full voting right (others)” column.

2. As for the number of treasury stocks, 95 shares are included in the “Shares less than one unit” column.

2) Treasury stock, etc.

(As of March 31, 2024)

Name of shareholder	Address	Number of shares held under own name (shares)	Number of shares held under the names of others (shares)	Total shares held (shares)	Ownership percentage to the total number of issued shares (%)
Ricoh Company, Ltd.	3-6, Nakamagome 1-chome, Ohta-ku, Tokyo	6,025,500	－	6,025,500	0.99
Total	－	6,025,500	－	6,025,500	0.99

(Notes) The above table does not include the shares of the Company held by Board Incentive Plan trust in which beneficiaries include directors and executive officers.

(8) Share ownership plan for directors (and other officers) and employees

The board directors and the executive officers (excluding outside board directors) of the Company are entitled to the performance-linked stock-based compensation (the “Plan”). The Plan was introduced on September 1, 2023 following a partial amendment to the stock-based compensation plan with stock price conditions (the “Former Plan”, hereinafter collectively referred to as the “Plans” together with the Plan) originally implemented in 2019. The details of the plans are provided in “Ⅳ INFORMATION ON THE COMPANY, 4. CORPORATE GOVERNANCE, ETC., (4) Compensation to Directors and Audit & Supervisory Board Members”. The scheme of the stock-based compensation including the plans for executive officers is same to that for board directors.

The Company has adopted Board Incentive Plan trust in which beneficiaries include the directors and executive officers (hereinafter, “the Trust”) as the structure for the plans.

1) The summary of the trust is as follows.

(1) Name	Trust for granting shares to the Company’s Directors	Trust for granting shares to the Company’s Executive Officers
(2) Assignor	Ricoh Company, Ltd.	
(3) Trustee	Sumitomo Mitsui Trust Bank, Ltd. (Re-trustee: Custody Bank of Japan, Ltd.)	
(4) Beneficiaries	Board directors of the Company and executive officers on mandate agreement with the Company who meet the beneficiary requirements	Executive Officers of the Company who have employment contract with the Company and meet the beneficiary requirements
(5) Trust administrator	Akasaka International Accounting	
(6) Non-exercise of voting rights	Voting rights associated with the shares of the Company held in the Trust shall not be exercised at all throughout the Trust period	The trust administrator will issue instructions regarding voting rights associated with the shares held in the Trust
(7) Type of Trust	Trust of money other than money trust (Third party-benefit trust)	

(Note) The beneficiaries of the former plan included in the trust for granting shares to the Company’s Directors are the Company’s board directors who meet the beneficiary requirements, and those included in the trust for granting shared to the Company’s Executive Officers are the executive officers who have employment contract with the Company and meet the beneficiary requirements.

2) The number of shares to be a acquired by the trust for the Company’s directors and the number of shares in the trust for the Company’s executive officers are as follows.

Trust for granting shares to the Company’s Directors:

Former plan: up to 100,000 shares per year

Plan: up to 200,000 shares for one performance evaluation period

Trust for granting shares to the Company’s Executive Officers:

248,900 shares as of the issuance date of this annual securities report

2. INFORMATION ON ACQUISITION, ETC. OF TREASURY STOCK

Class of shares

Acquisition of common stock under Article 155, Item 3 and Item 7 of the Companies Act

(1) Acquisition of treasury stock resolved at the general meeting of shareholders

Not applicable.

(2) Acquisition of treasury stock resolved at the Board of Directors meetings

Classification	Number of shares (shares)	Total amount (Yen)
Details on resolution at the Board of Directors meeting held on February 6, 2024 (Term of validity: February 7,2024 to August 30, 2024)	36,000,000	30,000,000,000
Treasury stock acquired before the fiscal year ended March 31, 2024	–	–
Treasury stock acquired for the fiscal year ended March 31, 2024	5,941,800	7,543,089,784
Treasury stock not acquired for the fiscal year ended March 31, 2024	30,058,200	22,456,910,216
Ratio of remaining treasury stock not acquired as of March 31, 2024(%)	83.5	74.9
Treasury stock acquired during the current period	6,697,000	8,943,209,950
Ratio of remaining treasury stock not acquired as of filing date(%)	64.9	45.0

(Note) The number of shares of treasury stock acquired from June 1, 2024 to the filing date is not included.

(3) Details of acquisition of treasury stock not based on the resolutions of the general meeting of shareholders or the Board of Directors meetings

Classification	Number of shares (shares)	Total amount (Yen)
Treasury stock acquired during the fiscal year ended March 31, 2024	8,078	9,675,731
Treasury stock acquired during the current period	1,030	1,392,644

(Note) 1. The number of shares of treasury stock acquired due to requests to purchase stock of less than one unit of shares from June 1, 2024, to the filing date is not included.

2. The above table does not include the shares of the Company held by Board Incentive Plan trust in which beneficiaries include directors and executive officers.

(4) Status of the disposition and holding of acquired shares of treasury stock

Classification	Fiscal year ended March 31, 2024		Current period (Note)	
	Number of shares (shares)	Total disposition amount (Yen)	Number of shares (shares)	Total disposition amount (Yen)
Acquired treasury stock which was offered to subscribers	–	–	–	–
Acquired treasury stock which was canceled	–	–	–	–
Acquired treasury stock which was transferred due to merger, share exchange or company split	–	–	–	–
Others (acquired treasury stock which was sold due to requests from shareholders holding shares of less than one unit of shares to sell additional shares)	54	57,920	–	–
Total number of treasury stock held	6,025,595	–	12,723,625	–

(Note) 1. The number of shares of treasury stock acquired due to requests to purchase stock of less than one of unit of shares from June 1, 2024, to the filing date is not included.

2. The above table does not include the shares of the Company held by Board Incentive Plan trust in which beneficiaries include directors and executive officers.

3. DIVIDEND POLICY

With regard to shareholder returns, we set the total return ratio to 50% as a guideline and plan to raise dividend and repurchase treasury stock flexibly with an eye on dividend yields. With regard to dividend, we aim to continue increasing dividends in line with growth in profits. With regard to repurchase of treasury stock, we will implement flexibly while taking into account the management environment and state of growth investment and improve Earnings Per Share (EPS).

The dividend per share distributed at interim was ¥18.0, and the dividend per share at year-end was ¥18.0, for a total of ¥36.0.

An appropriation of surplus will be made to shareholders twice a year at interim and year-end. The appropriation of surplus at interim is based upon a resolution of the Board of Directors and the distribution of surplus at year-end is decided upon a resolution at the General Meeting of Shareholders.

The Company provides in its Articles of Incorporation that an appropriation of surplus at interim will be made to shareholders of record as of September 30 of each year by a resolution of the Board of Directors.

The appropriation of surplus for the fiscal year ended March 31, 2024, is as follows:

Date of resolution	Total dividends (Millions of Yen)	Dividend per share (Yen)
Board of Directors Meeting (November 8, 2023)	10,970	18.0
Ordinary General Meeting of Shareholders (June 20, 2024)	10,863	18.0

4. CORPORATE GOVERNANCE, ETC.

(1) Corporate Governance

1) Basic Policies for Corporate Governance

Ricoh, through its corporate activity as a whole, including management activities, is working to improve its governance system to strengthen competitiveness in line with stakeholder expectations, while ensuring management transparency based on business ethics and legal compliance. In this way, Ricoh aims to achieve sustainable growth, and improve shareholder value and corporate value.

Ricoh has established The Ricoh Way as a set of guiding principles and values that serve as the foundation for all of our business activities. The Ricoh Way, which includes our founding principles, Mission & Vision, and Values, is the foundation of our management policy and strategy, and is also the basis of our autonomous corporate governance.

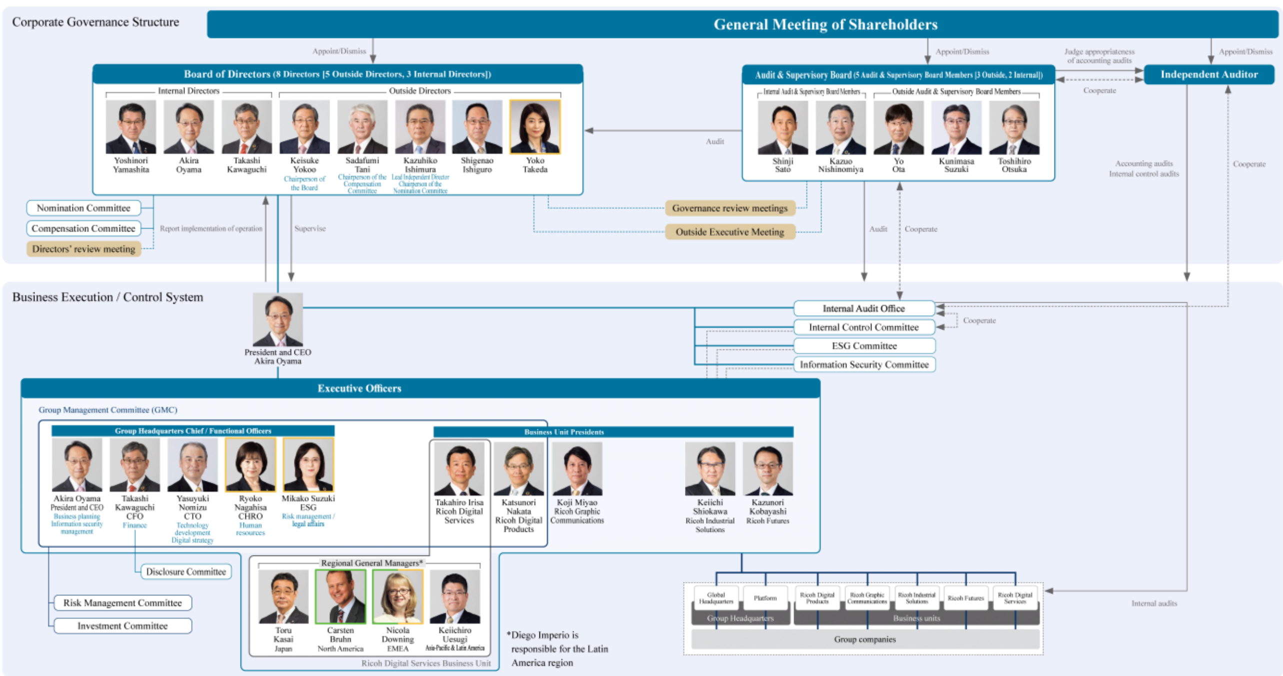
2) Reason for adopting current corporate governance structure

The Company has established a corporate audit system. In addition, the Company is making efforts to strengthen oversight of management by the Board of Directors and improve execution of operations by the executive officer system. Furthermore, by appointing Outside Directors, the Company is making efforts to further improve corporate governance by decision-making and oversight of executive management through discussion from their independent perspectives.

The nomination and compensation of Directors and Executive Officers are considered by the Nomination Committee and the Compensation Committee, advisory bodies that are comprised of a majority of Independent Outside Directors. The recommendations of each committee are reported to the Board of Directors.

Governance structure to enhance supervisory structure for transformation into a digital services company and to facilitate agile decision-making

(Governance structure after the conclusion of the General Meeting of Shareholders on June 20, 2024)

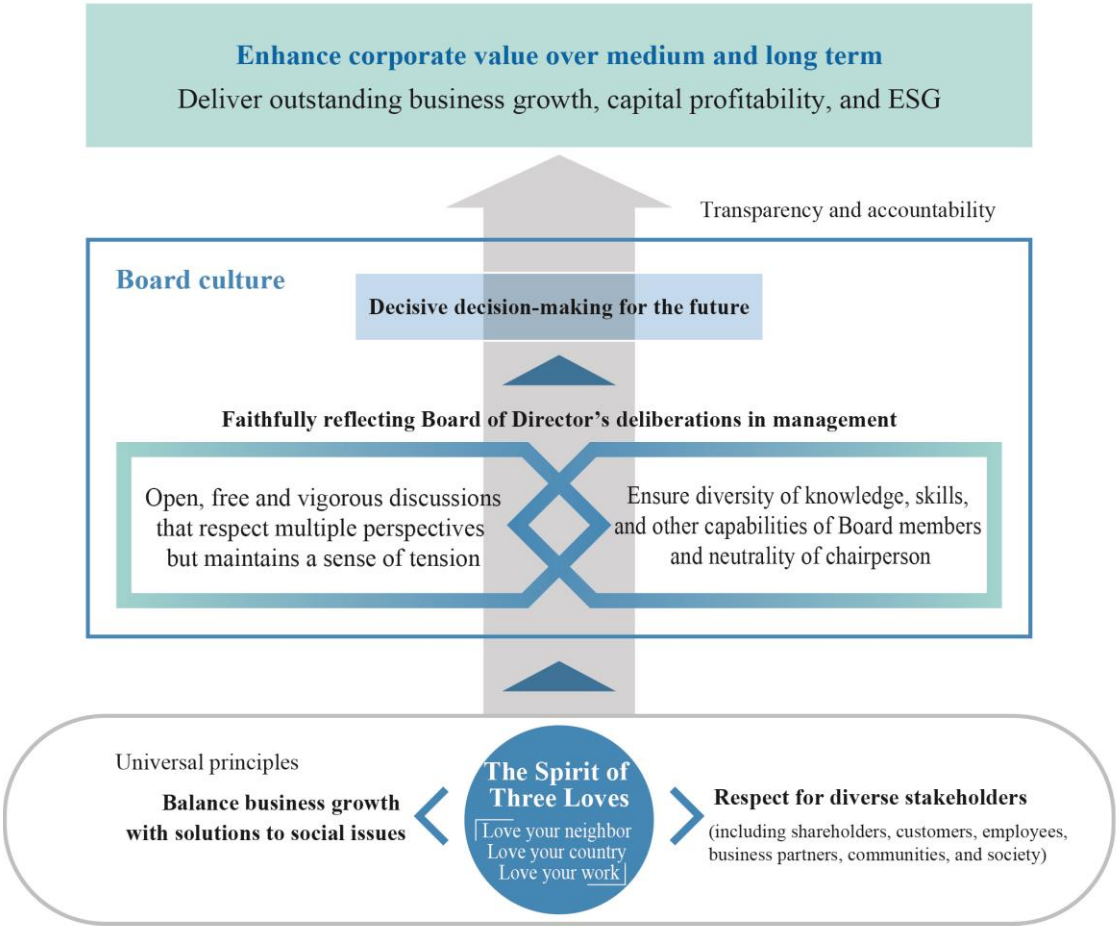


The Board of Directors reflected on Ricoh's founding spirit and discussed the ideas and principles of the Board of Directors and the Directors, which are the basis for deliberations, decisions, and actions that contribute to enhancing corporate value. It accordingly established the "Board Culture," which should be maintained and cultivated by itself explicitly as follows.

The Board of Directors shall:
1. Honoring the Spirit of Three Loves, engage in dialogue with various stakeholders, including shareholders, customers, employees, partner companies, and the community. Through this engagement, we respect their interests and oversee management strategies and plans that contribute to the resolution of social issues.
2. Under the impartial leadership of the chairperson, conduct open, free, vigorous, and constructive discussions that respect a wide range of perspectives from members with a high degree of diversity and independence, and sincerely reflect the results of these discussions in management.
3. Make robust decisions for the future and oversee management's implementation of them based on the solid understanding of its social responsibilities, so that Ricoh can enhance medium- and long-term corporate value through the high-level achievement of its business growth, capital profitability, and ESG goals.

As the business climate and management structure change, the Board of Directors will constantly refer back to "Board Culture" described above in deliberating, making decisions, nominating directors, and engaging with shareholders and other stakeholders.

Conceptual diagram of Ricoh Board culture



Corporate governance system under the business unit structure

On April 1, 2021, Ricoh shifted to a business unit structure in order to transform our business structure into a digital services company and further improve returns on capital. Each business unit and headquarters focus on the following functions to improve Ricoh's overall corporate value.

Business Units:
Autonomous business operations led by the business unit president

Group headquarters:
Planning of medium- to long-term strategies for the entire Group and capital allocation to each business unit
Strict business management based on growth potential and return on capital
Optimization of cross-functional, expertise, and company-wide perspectives

Based on this renewal of the organizational structure, we are proceeding with the following governance related initiatives from the perspectives of oversight, execution, and audit:

1) Oversight
   a) Oversight of each organization's top management
      ・The Board of Directors and the Nomination Committee have carried out performance evaluations of business unit presidents and headquarters function's executive managers.
   b) Oversight of business performance
      ・The Board of Directors deliberates on the performance status of each business unit on a quarterly basis and monitors invested capital and return on capital.
   c) Strengthening of group governance and risk management
      ・The Board of Directors is strengthening its monitoring to ensure that internal controls and risk management are functioning properly after transition to a business unit structure, including the delegation of authority to each business unit and the review of affiliate management.
2) Execution
   a) Monitoring by CEO/general managers of Group headquarters
      The CEO and general managers of Group headquarters monitor the status of each business unit's achievement of targets (return on capital, etc.), share timely topics, and discuss issues and countermeasures at monthly business unit management meetings.
   b) Conducting portfolio management meetings* (annually)
      ・Profits earned by each business unit will be first consolidated on a Group basis. Resource reallocation policy will be decided at the business portfolio management meeting, which is part of the management meeting (Group Management Committee (GMC)).
      ・Each business is analyzed based on the three evaluation criteria of finance, marketability, and compatibility with digital services, and GMC members agree on a business category that establishes resource priorities.
      *Directors attend the portfolio management meeting on a voluntary basis.
   c) Internal control/risk management
      Each business unit
      ・Planning and implementation of autonomous internal control and each business domain's specific risk management
      ・Addressing the Ricoh managerial risks in cooperation with the risk management division of Group headquarters
      Group headquarters
      ・Initiatives to enhance the sensitivity to risk and strengthen risk management capabilities for risk management promoters in each organization
      ・Regular exchanges of information with each business unit and provision of support to resolve individual issues of internal control and risk management identified there
      ・Identification of Ricoh managerial risks and promotion of risk management
3) Audit
   a) Governance by Directors
      ・Confirmation of issue recognition and exchanges of opinions through Board of Directors meetings, Outside Executive Meetings, governance review meetings, etc.
   b) Headquarters functions
      ・Cross-sectional reviews of headquarters functions (HR, general affairs, and legal affairs) distributed across business units
      ・Focus on governance of headquarters functions under the business unit structure through regular meetings with the headquarter functions division head

c) Internal control system
- Monitoring and verification of autonomous internal control, risk management development, operation status, and subsidiary management systems in business units through review of each of the business units and subsidiaries as well as meetings with business unit heads
- Checking the management structure of subsidiaries and business sites that handle business for multiple business units
- Confirmation of internal control initiatives by the management team through attendance at the Internal Control Committee
- Strengthening of audits through collaboration between Audit & Supervisory Board members, the internal audit division and the Independent Auditor (three-way audit)

d) Portfolio management
- Checking decision-making processes for policies and strategies of each business unit, as well as their progress, through attendance to business portfolio management meetings and each business unit's business management meetings

The Board of Directors

Main roles
- Decision-making on important matters concerning the entire Ricoh Group aimed at the Company's sustainable growth and improvement of corporate value
- Oversight of critical management execution across the entire Ricoh Group

Key agenda items
- Medium- to long-term items such as Corporate Value Improvement Project, capital policy, and structural reforms
- ESG-related matters such as progress on non-financial goals, internal control and risk management, and matters reported by the Nomination and Compensation Committees
- Quarterly financial results, consolidated and individual business unit monthly performance, etc.
- Others such as establishment of a JV with Toshiba Tec Corporation, establishment of a CVC* fund, etc.

Composition

Independent Outside Directors: 5
Keisuke Yokoo
Sadafumi Tani
Kazuhiko Ishimura
Shigenao Ishiguro
Yoko Takeda

Internal Directors: 3
Yoshinori Yamashita
Akira Oyama
Takashi Kawaguchi

*CVC (Corporate Venture Capital): An activity organization where a business corporation forms a fund using its own capital, primarily to invest in and support unlisted venture companies

The Board of Directors is responsible for the supervision of management and making important management decisions for Ricoh.
With regards to the composition and operation of the Board of Directors, the Company ensures that Independent Outside Directors on the Board of Directors constitute a majority, and the Board of Directors is chaired by an Independent Outside Director, taking into account the principles and attitudes outlined in our Board Culture. Thus, the Company aims to secure transparency in its management and further improve fair decision-making. In fiscal 2023, five (5) of the eight (8) Directors were Independent Outside Directors. In addition, the Company appoints a Lead Independent Director to enable Outside Directors to better fulfill their roles and functions on the Board of Directors. The Lead Independent Director will be responsible for improving and enhancing governance in collaboration with the Chairperson of the Board of Directors, and will serve as the leader of Independent Outside Directors at the Company. The appointment of the Lead Independent Director will be made as necessary based on the judgment of the Board of Directors considering the Company's management situation and the appointment of the Chairperson of the Board of Directors and the Directors. Appropriate collaboration and division of roles by the Chairperson of the Board of Directors and the Lead Independent Director will ensure the smooth operation of the Board of Directors and the

fulfillment of its functions.
In terms of deliberations of the Board of Directors, by leveraging the expertise and experience of each Director who is not concurrently serving as Executive Officer, centered around Independent Outside Directors and Executive Directors in holding serious discussion on important issues, the Company encourages appropriate decision-making aimed at corporate value improvement, creating a structure that allows for management oversight from the viewpoints of various stakeholders, including shareholders. As a general rule, all Directors must attend at least 80% of meetings of the Board of Directors, and are required to provide an effective supervisory function for corporate management.

<Chairperson>
The Company has appointed a Chairperson in April 2023. In appointing the Chairperson, the Board of Directors and the Nomination Committee carefully deliberated on the role to be played by the Chairperson so that the relationship of the Chairperson's authority and responsibility with those of the CEO would be clear. As a result, the role of the Chairperson in the Company has been defined as an Internal Director who primarily supervises management, does not concurrently serve as Executive Officer, and is not involved in the day-to-day execution of the Company's business. The definition has been clearly stated in the internal rules and regulations. Based on the above roles, the delegation of the Chairperson's duties is based on the perspectives of strengthening the supervisory function, providing support to the business execution, and external activities. By granting representative authority to the Chairperson, we have further strengthened the Chairperson's support to the business execution and external activities, and clarified the position to fulfill his or her responsibilities in order to enhance corporate value. The position and duties of the Chairperson are reviewed annually in light of the business environment and execution. For the position of Chairperson for fiscal 2024, the Nomination Committee and the Board of Directors made deliberations and decisions from December 2023 to February 2024.

Chairperson of the Board	Keisuke Yokoo
Director	Yoshinori Yamashita
Director	Akira Oyama
Director	Takashi Kawaguchi
Independent Outside Director (Lead Independent Director)	Kazuhiko Ishimura
Independent Outside Director	Sadafumi Tani
Independent Outside Director	Shigenao Ishiguro
Independent Outside Director	Yoko Takeda

Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has executed a contract with Mr. Kazuhiko Ishimura, Mr. Keisuke Yokoo, Mr. Sadafumi Tani, Mr. Shigenao Ishiguro and Ms. Yoko Takeda to limit liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, to the higher of ¥10 million or the minimum liability limit amount stipulated in Article 425, Paragraph 1 of the Companies Act.

Attendance for the Board of Directors meetings held during the fiscal year

Position	Name	Attendance rate for the Board of Directors meetings held during the fiscal year
Director	Yoshinori Yamashita	100% (13 out of 13)
Director	Akira Oyama	100% (13 out of 13)
Director	Takashi Kawaguchi*	100% (11 out of 11)
Independent Outside Director (Lead Independent Director)	Kazuhiko Ishimura	100% (13 out of 13)
Independent Outside Director	Keisuke Yokoo	100% (13 out of 13)
Independent Outside Director	Sadafumi Tani	100% (13 out of 13)
Independent Outside Director	Shigenao Ishiguro*	100% (11 out of 11)
Independent Outside Director	Yoko Takeda*	100% (11 out of 11)

* The number of attendances of Director Mr. Takashi Kawaguchi, Mr. Shigenao Ishiguro and Ms. Yoko Takeda are after being appointed and the election at the 123st Ordinary General Meeting of Shareholders held on June 23, 2023.

Audit & Supervisory Board

Main roles

- Monitoring the execution of Directors' duties
- Supervising the Company in collaboration with the Board of Directors
- Conducting audit activities aimed at sustainable company growth, corporate value enhancement, and governance strengthening

Key agenda items

- Audit policies and key audit items
- Audit methods for the head office and subsidiaries
- Review of deliberations at the Board of Directors
- Determination of appointment, dismissal, or reappointment of the Independent Auditor
- Consideration of candidates for Audit & Supervisory Board Members, nomination, and proposal to the Board of Directors
- Content of audit reports

Composition

Independent Outside Audit & Supervisory Board Members: 3
Yo Ota
Kunimasa Suzuki
Toshihiro Otsuka

Internal Audit & Supervisory Board Members: 2
Shinji Sato
Kazuo Nishinomiya

The Audit & Supervisory Board deliberates and decides on audit policies and assignment of duties, audits the execution of duties by Directors, plays a supervisory function on management through cooperating with the Company's Independent Auditor and the internal audit division, and auditing the Company's individual organizations and subsidiaries. In addition to the Board of Directors and its advisory committee meetings, Audit & Supervisory Board Members attend other important meetings and regularly exchange information with the Representative Director and Outside Directors.
The Company has five (5) Audit & Supervisory Board Members, comprising two (2) internal members (fulltime) who are familiar with internal circumstances and three (3) outside members who meet the requirements for independent Audit & Supervisory Board Member set by the Company, and the majority of the members are independent Outside Audit & Supervisory Board Members. In addition, the Audit & Supervisory Board is required to secure requisite knowledge, experience, and specialized abilities in a well-balanced manner in forming the Audit & Supervisory Board. We have built a system that enables comprehensive discussion from an independent and objective perspective, leveraging a wealth of experience and broad insight in the specialized fields of each Audit & Supervisory Board Member.

Audit & Supervisory Board Member	Shinji Sato
Audit & Supervisory Board Member	Kazuo Nishinomiya
Independent Outside Audit & Supervisory Board Member	Yo Ota
Independent Outside Audit & Supervisory Board Member	Kunimasa Suzuki
Independent Outside Audit & Supervisory Board Member	Toshihiro Otsuka

Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has executed a contract with Mr. Yo Ota, Mr. Kunimasa Suzuki and Mr. Toshihiro Otsuka to limit liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, to the higher of ¥5 million or the minimum liability limit amount stipulated in Article 425, Paragraph 1 of the Companies Act.

(III) **Nomination Committee / Compensation Committee**
Decisions regarding the nomination of the CEO and other senior executives, and their compensation, etc. are one of the most important matters for management supervision by the Board of Directors. The Company ensures transparency and objectivity in the appointment and dismissal, and compensation of Directors and Executive Officers, etc. by establishing the "Nomination Committee," which is chaired by an Independent Outside Director, with Independent Outside Directors making up the majority; and the "Compensation Committee". In addition, one (1) Outside Audit & Supervisory Board Member attends the deliberations of the Nomination Committee and Compensation Committee as an observer at each meeting.
For fiscal 2023, the Nomination Committee and Compensation Committee each consisted of four (4) Independent Outside Directors and one (1) Internal Director.

Nomination Committee

Chairman (Lead Independent Director)	Kazuhiko Ishimura
Member (Internal Non-Executive Director)	Yoshinori Yamashita
Member (Independent Outside Director)	Keisuke Yokoo
Member (Independent Outside Director)	Sadafumi Tani
Member (Independent Outside Director)	Shigenao Ishiguro

Compensation Committee

Chairman (Independent Outside Director)	Sadafumi Tani
Member (Internal Non-Executive Director)	Yoshinori Yamashita
Member (Independent Outside Director)	Keisuke Yokoo
Member (Lead Independent Director)	Kazuhiko Ishimura
Member (Independent Outside Director)	Yoko Takeda

(IV) Directors' Review Meeting

Directors' review meetings are held to provide an opportunity for prior discussions by Directors and Audit &Supervisory Board Members to resolve important company issues (such as the mid-term management strategy) at Board of Directors meetings.

Meetings held during fiscal 2023

Composition	Meeting month	Main agenda
Directors Audit & Supervisory Board Members	March 2024	Business plan for the next fiscal year

(V) Governance Review Meeting

Governance review meetings are held to provide a forum for comprehensive discussions on the Ricoh's direction of governance and related issues by Directors, Audit & Supervisory Board Members and other relevant parties. The outline of the review meetings held is disclosed in the Corporate Governance Report and other documents.

Meetings held during fiscal 2023

Composition	Meeting month	Main agenda
Directors Audit & Supervisory Board Members Corporate Executive Officers (in charge of ESG)	September 2023	Management that is conscious of cost of capital and stock price
	March 2024	Managerial risks for the next fiscal year

(Ⅵ) Outside Executive Meeting

Aiming to facilitate information exchange and shared understanding based on an independent and objective perspective, from the viewpoint of active contribution to discussions at meetings of the Board of Directors, the Outside Executive Meeting serves as a forum to share information and exchange opinions among Outside Directors and Outside Audit & Supervisory Board Members, as well as between Outside Directors and Audit & Supervisory Board Members and other executives.

Meetings held during fiscal 2023

Composition	Meeting month	Main agenda
Outside Directors Audit & Supervisory Board Members	May 2023	・Exchange of opinions with the Independent Auditor - Changes in the corporate environment and audit focus areas - Trends in the capital market ・Sharing of issue recognition by the Audit & Supervisory Board Members
	December 2023	Initiatives geared toward advanced cash management

(Ⅶ) Group Management Committee

The Group Management Committee (GMC), chaired by the President and Chief Executive Officer and consisting of executive officers who meet defined conditions, has been established as a decision-making body authorized by the Board of Directors. The GMC facilitates deliberations and renders decisions on Ricoh's overall management to optimize overall results and performance. While items requiring a resolution of the Board of Directors are stipulated in the Board of Directors Regulations, matters for approval or important items related to business execution that do not require Board approval are decided by the GMC. The following items regarding the execution of duties by the GMC are reported to the Board of Directors at least once every three months.

-Important management indicators and the implementation status of important measures related to business strategy

- Items resolved by the GMC and the results of the resolution

Matters to be discussed at the GMC are as follows.

1. Planning of management strategy
   - Management philosophy
   - Medium and long-term management strategy
   - Approval of short-term (annual) management policies and business plans
   - Consolidated financial plans and borrowing facilities
2. Execution of management strategy
   - Review and determination of proposals by Board of Directors
   - Approval of financial decisions based on internal rules and regulations
   - Determination of managerial risk items for Ricoh
   - Important personnel policy matters of Ricoh Company, Ltd.
3. Decision-making and reporting on other important matters

Outside Directors also participate in the GMC as observers in order to deepen their understanding of business operations.

<Participation by Outside Directors as observer in fiscal 2023>

Year and Month held		Number of observer Outside Directors
2023	May	3
	July #1	2
	July #2	1
	August #1	2
	August #2	1
	September	1
	October	2
	November #1	1
	November #2	1
	December	2
2024	January	1
	February #1	1
	February #2	2
	March #1	2
	March #2	1

(Ⅷ) **Disclosure Committee**

The Disclosure Committee appropriately discloses information that may influence the decisions of investors to promote dialogue with shareholders and capital markets by proactively disclosing corporate information that contributes to investment decisions, and thereby seeks to develop relationships of trust with shareholders and capital markets as well as to achieve an appropriate recognition of Ricoh.

This committee is chaired by the CFO, who is responsible for information disclosure, and composed of representatives from different organizations, including the disclosure management department, accounting department, legal department, business planning department, Board of Directors operating department, public relations department, and internal control department.

This committee conducts deliberation on active disclosure and monitoring of disclosing procedures regarding company information that contributes to investors' investment decisions, along with judgments on the appropriateness and accuracy of annual report documents and timely disclosure documents, and judgments on the necessity of information disclosure in disclosure procedures. During fiscal 2023, in addition to conducting this deliberation and monitoring, we reviewed the operational status of the disclosure processes that were improved in the previous fiscal year to enhance effectiveness.

Furthermore, the internal control division regularly evaluates the timeliness of information disclosure, the accuracy and validity of disclosure statements, and the validity of disclosure decisions, etc., and reports its findings to the Board of Directors and the Internal Control Committee.

Fiscal 2023		**Agenda**
First Meeting	April	Disclosure content of the convocation notice
Second Meeting	June	Disclosure content of the annual securities report
Third Meeting	August	Disclosure content of the Ricoh Group Integrated Report
Fourth Meeting		Disclosure content of the Ricoh Group ESG Data Book
Fifth Meeting		Disclosure content of the Ricoh Group Circular Economy Report
Sixth Meeting		Disclosure content of the Ricoh Group TCFD* Report
Seventh Meeting	March	Report on fiscal year results

(Ⅸ) Internal Control Committee

The Internal Control Committee is an organization established under the President and CEO of the Company to deliberate and make decisions on internal control for the entire Ricoh. The committee is chaired by the CEO and comprises GMC members including Internal Directors, and business unit presidents*. As a general rule, it meets once every quarter, but depending on situation, extraordinary or emergency meetings may be held.

The committee deliberates on the following matters.

1. Assessment of the design and operation of internal controls, and their revision
 ・ Assessment of the design and operation of internal control as a whole
 ・ Assessment of the effectiveness of internal controls related to financial reporting
 ・ Assessment of the effectiveness of internal controls related to information disclosure
 ・ Revision of internal controls
2. Determination of policies for internal control activities
 ・ Determination of basic policies for internal controls related to financial reporting
 ・ Determination of internal audit plans for each fiscal year
3. Response to defects in internal control
 ・ Decisions on response in the case of serious incidents
4. Presentation of proposals to the Board of Directors for the amendment of internal control principles
 ・ Presentation of proposals to the Board of Directors for the amendment of internal control principles, in consideration of environmental changes

In the event of serious incidents that could impact the entire Ricoh, the Internal Control Committee confirms details including the background, cause, and measures to prevent recurrence. Where uncertainty remains regarding the validity of measures to prevent recurrence, or issues remain regarding the possibility of recurrence of that incident in Ricoh, the committee promptly determines appropriate countermeasures, and ensures that these are implemented top-down. In addition, taking into consideration internal control issues reported by internal audits and risk management and compliance activities, the GMC discusses and decides on measures to be taken to prevent recurrence.

* Full-time Audit & Supervisory Board Members participate as observers.

Internal Control Committee meetings

Fiscal 2023		Agenda
First Meeting	April	1. [Approval matter] Review of the Internal Control System Basic Policy and inclusion of its operation status in the Business Report 2. [Report] Fiscal 2022 Q4 critical incident report 3. [Report] The number of whistleblowing incidents and analysis 4. [Report] Progress and analysis of the compliance survey 5. [Report] Confirmation of usage records for business contractors 6. [Report] Fiscal 2022 internal audit report 7. [Report] Fiscal 2022 Q4 disclosure audit report
Second Meeting	June	1. [Approval matter] Assessment of the effectiveness of internal control related to fiscal 2022 financial report 2. [Other] Information sharing
Third Meeting	August	1. [Approval matter] Approach toward SOX management evaluation* in fiscal 2023 2. [Report] Fiscal 2023 Q1 internal audit report 3. [Report] Fiscal 2023 Q1 disclosure audit report 4. [Report] Report on Fiscal 2022 SOX management evaluation follow-up items (June Internal Control Committee meeting and June Board of Directors meeting) 5. [Report] Fiscal 2023 1Q critical incident report 6. [Other] Information sharing
Fourth Meeting	November	1. [Report] Fiscal 2023 Q2 internal audit report 2. [Report] Fiscal 2023 Q2 disclosure audit report 3. [Report] Fiscal 2023 Q2 critical incident report 4. [Report] Progress of Compliance Month (October)
Fifth Meeting	February	1. [Approval matter] Internal audit plan for fiscal 2024 2. [Approval matter] Approach toward SOX management evaluation in fiscal 2024 3. [Report] Fiscal 2023 Q3 internal audit report 4. [Report] Fiscal 2023 Q3 disclosure audit report 5. [Report] Fiscal 2023 Q3 critical incident report

*SOX management evaluation: Evaluation of the establishment and operational status of internal control related to financial reporting by management, which is conducted based on Article 24-4-4, Paragraph 1 of the Financial Instruments and Exchange Act

Extraordinary Internal Control Committee meetings

Fiscal 2023		Agenda
First Extraordinary Meeting	November	1. Learning from incidents
Second Extraordinary Meeting	February	1. Learning from incidents

(Ⅹ) Risk Management Systems and Risk Management Committee

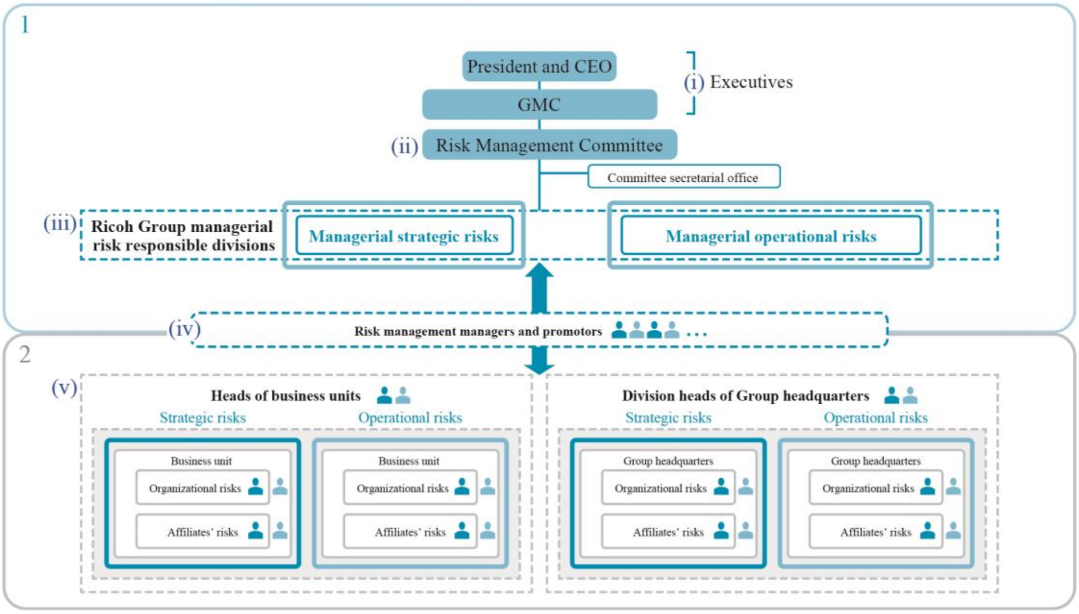
Ricoh's risk management systems can be divided into two primary levels, as shown in Figure 1 below.

1. Managerial risks, which are selected and managed autonomously by the GMC as managed items to be of high importance within the management of Ricoh

2. Important risks managed under responsibilities of heads of Group headquarters and business units (Group headquarters risks and business unit risks)

These two levels clarify the bodies responsible for risk management enabling agile decision-making and swift action in response to each level of risk, and together form an integrated risk management system. The management of some risks may be transferred from one level to the other, due to changes in the level of impact caused by environmental changes.

Figure 1 Ricoh Group's Risk Management System



Main roles involved in promoting risk management	
(i) Executives	・Determine the risk management activity policy for the entire Ricoh Group ・Regularly assess and modify the development and operation of the Group-wide risk management activities
(ii) Risk Management Committee	・Systematically and comprehensively extract and evaluate new risks and make recommendations to the GMC ・Create a highly effective system by reviewing the risk management system ・Enhance risk management activities of the entire Group through cooperation with Group headquarters and business units (hold the "Group Risk Management Collaboration Reinforcement Conference," etc.)
(iii) Heads of responsible divisions for Ricoh Group Managerial risks	・Implement risk management of prioritized management risks ・Collaborate with executives
(iv) Risk management managers and promotors	・Grasp managerial risks, inform and roll out the risks in the division ・Reflect important Group headquarters risks and business unit risks in the entire Group risks ・Share information and exchange opinions to move risk management forward
	・Participate in the "Group Risk Management Collaboration Reinforcement Conference"
(v) Heads of business units / Division heads of Group headquarters	・Initiate Group headquarter risks and business unit risks ・Digest information on relevant subsidiaries' activities and share necessary information with them

The Risk Management Committee is an advisory body to the GMC that was established to strengthen risk management processes across the entire Ricoh. The committee is chaired by the corporate officer in charge of risk management and has experts from each organization as members to ensure comprehensive coverage of risks and substantial discussions, and to propose to the GMC specific risks requiring response or focus in relation to the management of Ricoh.

The committee will review and restructure the risk management system in Figure 1 as necessary, in order to strengthen the effectiveness of risk management across Ricoh. In addition, in order to establish a more effective and integrated risk management system through coordination between management and each organization, we have appointed risk management managers and promoters from each organization of the Company and have established an autonomous risk management system for each organization, including affiliates that we manage and supervise.

Ricoh Risk Management Collaboration Reinforcement Conference, which is mainly aimed for risk management promoters, holds study sessions and information sharing related to risk management and makes continuous efforts to become an organization that can be more responsive to risks.

Fiscal 2023		Agenda
First Meeting	April	1. Consideration of strengthening the rolling planning process for managerial risks 2. Consideration of risk information disclosure
Second Meeting	October	1. Confirmation of changes in the internal and external environment 2. Confirmation of the status of response to managerial risks for fiscal 2023
Third Meeting	December	1. Consideration of plans of managerial risks for fiscal 2024
Fourth Meeting	January	
Fifth Meeting	March	1. Report on the results of the response to managerial risks in fiscal 2023 2. Discussion of promotion plan concerning managerial risks for fiscal 2024

(XI) Investment Committee

The Investment Committee, as an advisory committee to the GMC, verifies investment plans based on financial considerations including capital costs, and strategic considerations such as profitability and growth risks, etc. Members representing different functional organizations perform prior reviews and discussion on diversifying investment and divestment projects to external entities in order to ensure consistency with management strategies and raise the effectiveness of investments while improving the speed and accuracy of investment decisions.

The committee mainly discusses investments from the perspective of strategies, finance, and risks. Its members include a chairperson appointed by the President and CEO, representatives from the business planning, accounting, legal, and internal control functions as specialists for each functional organization, as well as experts with relevant expertise depending on the project. The committee receives prior inquiries from planning departments to provide evaluations and advice after performing comprehensive discussion on the investment value of a project. The committee is not authorized to approve or disapprove any investment project. The Committee’s deliberations will be reported by the chairperson of the Investment Committee to the GMC or the Board of Directors, depending on the project, to assist the decision-maker in making objective decisions.

In order to improve the accuracy of external investment decisions for the Company as a whole, the committee can also deliberate on projects below the GMC’s standard amount for approval, and provides advice on investment decisions and considerations made by the planning department as well as on project negotiations, as necessary.

<Continuous monitoring of investments >
After investments are executed, we will periodically summarize the progress of the investments and provide monitoring reports to the GMC on a semi-annual basis in accordance with the content and timing of the business plan and quantitative indicators (KPI) that have been approved by the GMC and other decision-making bodies after the Investment Committee's deliberation process.

<Initiatives to develop M&A experts>
Since fiscal 2019, we have systematically developed human resources to lead M&A and PMI* to success. By raising the level of planning divisions, we are improving the quality of investment projects and enhancing discussions and deliberations at the Investment Committee.
The training program offers the Company's original program (20 six-month-long courses) based on our past cases. So far, 200 people have earned completion certificates.
In addition, even after the completion of this training program, we will hold courses for corporate value evaluation and financial analysis, as well as specialized courses for different functions, such as human resources, environment, and IT, to provide continuous support to program attendees and help them further improve their abilities.
These efforts have increased the speed and reliability of investment reviews in the planning department.
* PMI (Post Merger Integration):
It refers to the integration process to maximize the integration effect that was initially expected after the M&A. The scope of integration covers all processes related to integration, such as management, business, and awareness.

(Ⅻ) **ESG Committee**
The ESG Committee is a decision-making body that aims to respond promptly and appropriately to the expectations and requests of stakeholders by continuously discussing environmental, social, and governance issues faced by Ricoh at a management-level and leading the discussions to the quality enhancement of the entire Group.
The ESG Committee plays the following specific roles:
1. Supervise and advise on ESG strategy formulation, material issues, and progress in KPIs for each business division throughout the entire Group
2. Identify medium- to long-term ESG risks and opportunities as well as material issues faced by the entire Group
3. Identify ESG issues to be submitted for discussion at the Board of Directors and report them to the Board of Directors
The committee is chaired by the CEO and consists of GMC members including Internal Directors, and business unit presidents *1. The committee, which meets quarterly, has established a system to examine and discuss ESG issues across the Company by inviting representatives of the relevant business divisions according to the theme to be discussed, and other means.
*1 Full-time Audit & Supervisory Board Members participate as observers

Fiscal 2023		Agenda
First Meeting	May	1. Deliberations on disclosure content for the convocation notice of general meeting of shareholders and the annual securities report 2. Report on the results of fiscal 2022 material ESG items
Second Meeting	August	1. Approval of disclosure of sales in businesses resolving social issues 2. Approval of revision to the Ricoh Group Code of Conduct 3. Report in response to CSRD*2
Third Meeting	November	1. Deliberations on revision to decarbonization goals 2. Approval of 2024 renewable energy implementation plan 3. Report on RBA*3 audit results 4. Report on natural symbiosis site certification based on 30by30*4
Fourth Meeting	February	1. Approval of new decarbonization goals 2. Report on future human rights risk reduction measures based on human rights due diligence 3. Report on fiscal 2023 ESG external evaluation results and improvement activities

*2 CSRD (Corporate Sustainability Reporting Directive): Directive for corporate sustainability reporting in the EU

*3 RBA (Responsible Business Alliance): A global business alliance aimed at ensuring corporate social responsibility in global supply chains

*4 30by30: An objective of effectively conserving at least 30% of land and sea as healthy ecosystems by 2030 aimed at achieving the goal of halting and reversing biodiversity loss by 2030 (Nature Positive)

(XIII) Information Security Committee

The Information Security Committee was newly established as a body under the President and CEO to make decisions regarding the security of Ricoh. The committee is chaired by the CEO and comprises GMC members including Internal Directors, and business unit presidents*1 and will meet quarterly beginning in fiscal 2023 as a general rule. The committee mainly reports and deliberates on Ricoh’s security strategy, security governance, security operations, and geopolitical risks. It also identifies security issues requiring review by the Board of Directors and submits them to the Board for consideration.

The risks to information security have been increasing rapidly in recent years. The scope of response by companies is also expanding due to the frequency of cyber-attacks, the diversification and sophistication of malware technologies (ransomware*2, etc.), the tightening and diversification of laws and regulations in various countries, and the emergence of geopolitical risks. In addition, as we aim to transform ourselves into a digital services company, we must not only mitigate security risks in our digital services but also view them as investments for business growth in order to further solidify profitability in our existing businesses. Recently, while companies are aiming to improve their competitiveness through DX, there are also security issues that need to be resolved. To this end, a security department was established under the direct control of the CEO, who is in charge of security management, to plan and implement security and privacy protection strategies for Ricoh as a whole. The department supports the operation of the committee by making prompt management decisions on security and clarifying strategies to comply with the laws and regulations of various countries. From fiscal 2023, we have established divisional security committees in each business unit and division, strengthening our company-wide security governance structure. Additionally, we actively communicated our information security initiatives through our annual securities report and information security report. As a result, we received a Special Award at the Cyber Index Awards 2023 (hosted by Nikkei Inc.), which recognizes corporate best practices. Going forward, we will further enhance global governance, strengthen supply chain risk management, and bolster our workforce through the development of an education system.

*1 Full-time Audit & Supervisory Board Members participate as observers.

*2 Ransomware: A malicious program that infects a computer or smartphone. If corrupted by a ransomware, the files stored on the victim’s computer/smartphone get encrypted (making the files inaccessible) and the attacker demands ransom from the victim to restore the files.

Fiscal 2023		Agenda
First Meeting	April	1. [Report] Establishment of the structure of divisional security committees for each business unit and division
Second Meeting	June	1. [Deliberation] Deliberations on investment in security monitoring services 2. [Report] Rules for the use of generative AI 3. [Report] Awareness of geopolitical risks
Third Meeting	August	1. [Report] Report on the results of security training 2. [Report] Report on endpoint security*3 3. [Report] Sharing of global regulations 4. [Report] Incident report
Forth Meeting	November	1. [Report] Progress report on NIST SP800-171*4 compliance activities 2. [Report] Sharing of geopolitical risks 3. [Report] Progress report on managerial risks “security management/governance enhancement” 4. [Report] Incident report
Fifth Meeting	February	1. [Study session] Study session on geopolitical risks 2. [Report] Data security policy considering data utilization

*3 Endpoint security: Security measures to protect endpoint devices such as PCs, servers, smartphones, and tablets, as well as the information stored on them, from cyberattacks

*4 NIST SP800-171: One of the guidelines issued by the National Institute of Standards and Technology (NIST)

3) Other matters for Corporate Governance

(I) **Policy for constructive engagement with shareholders**

The Company engages dynamically and constructively with shareholders. We maintain a cycle in which we reflect feedback from shareholders in our activities to cultivate trust through mutual understanding. In taking action based on that feedback cycle, we seek to innovate and deliver value benefits everyone, everywhere, helping to enhance their lives and create social sustainability while increasing medium- and long-term corporate value.

Person responsible for dialogue with shareholders:
Representative Director, President and CEO
Department(s)/person(s) in charge:
Depending on the purpose of the dialogue and the number of shares held, this will be conducted by the IR/SR* departments, and by the President and CEO, CFO, business unit presidents, CHRO, ESG officer, and Internal as well as Outside Directors/Audit & Supervisory Board Members.
Main dialogue opportunities:
Large and small meetings such as medium- to long-term strategy briefings, financial results briefings, and business briefings, as well as 1-on-1 individual dialogues are conducted. In addition, briefings are held at externally sponsored IR events and conferences as appropriate.

Feedback to management:
(1) After conducting large meetings such as briefings on quarterly financial results and medium- to long term strategy briefings, we report on reactions from the capital market based on information including dialogue with shareholders and investors and analyst reports.
(2) The views on the Company obtained through dialogue with management and the IR/SR departments, as well as with the capital market through means such as a perception study survey, are shared with management and executives, with the President and CEO and CFO taking the lead in improving disclosure that leads to more constructive dialogue.
(3) We report the opinions of shareholders and investors, mainly when management engages in dialogue with them, unchanged in principle in terms of content, in order to provide feedback to management as clearly and without consistently possible.
Regarding insider information:
To prevent the leak of insider information and ensure fairness in information disclosure, the Company observes a quiet period from the day following the final day of each fiscal year to the day of the annual financial results announcement.
*SR (Shareholder Relations): Activities aimed at building trust with shareholders

Results of dialogue for the current fiscal year
The Company's information dissemination and dialogue results for the current fiscal year are as follows.
Total of 6 large meetings: (2 business briefings / 4 financial results briefings)
Total of 6 small meetings: (6 management* meetings)
Total of 256 1-on-1 meetings: (41 management* meetings [15 IR/ 26 SR] / 212 IR/SR departments / 3 ESG department)
* CEO, CFO, and ESG officer

(II) **Approach to Election of Directors**
Election Criteria for Directors
<Management capabilities>
Superior insight and judgment necessary for management functions
1. Knowledge of a wide range of businesses and functions, and has the ability to think and make decisions appropriately from a company-wide and long-term perspective
2. Insight into the essence of issues
3. Vision to make best decisions on a global level
4. Judgment and insight based on extensive experience, as well as excellent track record leading to significant improvements in corporate value and competitive strength
5. Ability to think and make decisions appropriately from the perspective of various stakeholders including shareholders and customers based on a firm awareness of corporate governance
<Character and personality>
Positive trust relationships between Directors and management team for smooth performance of the oversight function

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

Election criteria for Outside Directors

In addition to the election criteria for Internal Directors stated above, the election criteria for Outside Directors include having excellence in areas such as expertise in different fields, problem discovery and solving capabilities, insight, strategic thinking capabilities, risk management capabilities, and leadership. Outside Directors must also meet the Company's standards for independence of Outside Directors and Outside Audit & Supervisory Board Members. As for the standards the Company established, please refer to "4. CORPORATE GOVERNANCE, ETC. (2) Directors and senior management 2) Outside Directors and Outside Audit & Supervisory Board Members".

Diversity Policy

We believe that the Board of Directors of the Company should be composed of directors with management ability and a rich sense of humanity in addition to various viewpoints and backgrounds, on top of multidimensional sophisticated skills. In addition, it is our policy to select candidates based on their character and knowledge with no distinction made on the basis of race, ethnicity, gender, or nationality or similar attributes, thus ensuring diversity in such attributes.

(III) **Election Process and Evaluation Process for Directors**

The Company is making ongoing efforts to strengthen and enhance corporate governance for the Company's sustainable growth and improvement of shareholder value and corporate value.

<Nomination Committee>

To secure objectivity, transparency, and timeliness for procedures to appoint, dismiss, and evaluate Directors, the CEO, and other members of the management team, the Board of Directors has established the Nomination Committee, which is an advisory body to the Board of Directors.
To increase objectivity and independence, the Nomination Committee is comprised of a majority of Independent Outside Directors, and is chaired by an Independent Outside Director. In addition, one Outside Audit & Supervisory Board Member attends meetings of the committee so as to ensure transparency in deliberation.
(At of the submission date of this report, the committee is chaired by an Independent Outside Director with four Independent Outside Directors, one Internal Non-executive Director, and a majority of Independent Outside Directors.)
The Nomination Committee deliberates on the following matters and reports on the deliberation and conclusions to the Board of Directors.

(Inquiry items from the Board of Directors)

1) Nomination of candidates for CEO and Directors
2) Replacement of the CEO and Directors
3) Evaluation of the performance of the CEO and Executive Directors
4) Confirmation of status of CEO succession plans and development of future CEO candidates
5) Confirmation of appointment/dismissal proposals and reasons therefore for Executive Officers, Advisors, and Fellows*1
6) Request for reconsideration of the President's approval regarding concurrent positions and appointments of Executive Officers, etc.*2
7) Eligibility, approval or disapproval, and conditions for concurrent positions and appointments of Internal Directors
8) Review of the evaluation of Non-executive Directors*3, their positions, and the nature of their assignments
9) Review of the formulation, revision or abolishment of appointment/dismissal systems for Directors and Executive Officers
10) Other matters individually consulted by the Board of Directors

*1 Fellow: The Company defines a "fellow" as a person who holds excellent technological prowess or knowledge recognized in the world, and who is able to further pursue his or her expertise, and lead research activities for utilizing and developing such expertise. Fellows are appointed by resolution of the Board of Directors.

*2 Executive Officers, etc.: The "Executive Officers, etc." as defined in the Company's Regulations on Concurrent Positions and Side Jobs for Employment-type Executive Officers, etc.

*3 Non-executive Director: An Internal Director who does not concurrently serve as Executive Officer and is not involved in the day-to-day execution of the Company's business

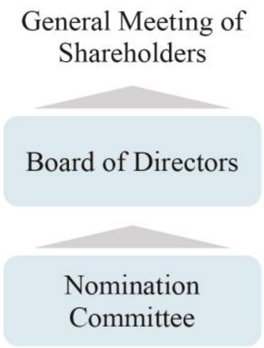
(Other agenda items)

1) Confirmation of reasons for selecting candidates for Audit & Supervisory Board Member based on requests from the Audit & Supervisory Board
2) Confirmation of performance evaluation of Executive Officers
3) Other matters consulted by the CEO

<Election process>

(i) Candidate for Director

Candidate nominations for Director are considered by the Nomination Committee over several sessions, and undergo a strict screening process. The Nomination Committee reports to the Board of Directors after clarifying the basis for nomination.



- Based on reporting from the Nomination Committee, the Board of Directors considers from a shareholder perspective, and then determines which candidates for Director are to be submitted to the General Meeting of Shareholders.

- The Nomination Committee engages in multifaceted assessment of the qualities, experience, skills, diversity, etc. required of the Company's Directors against the basic criteria of management ability, character and personality necessary to fulfill the role and responsibilities of Director.
- It undertakes ongoing deliberation on the composition of the Board and the specializations, experience (skills matrix), etc. required of Directors.

(ii) Executive structure

With the aim of appointing and developing appropriate human resources in terms of the management succession plan, the CEO reports to the Nomination Committee on the selection and training policy of management candidates.

- Using a skills and career matrix that maps out personnel, roles, skills, career experience, etc., the CEO formulates the selection and training policy of management candidates.

<Evaluation process>

Executive Directors are evaluated annually in two steps by the Nomination Committee, in consultation with the Board of Directors. The Nomination Committee's deliberations and conclusions on the evaluation of Directors are reported to the Board of Directors to comprehensively oversee whether the Director in question is suitable to continue in office.

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

- First evaluation: Careful and appropriate deliberations are made on the competence of Directors to continue in their duties, ensuring timeliness of appointment and dismissal.
- Second evaluation: Directors' achievements are evaluated with a multifaceted approach, and their issues are clarified through feedback to improve the quality of management.

<Key items for Director evaluation> for Directors concurrently serving as Executive Officers

Evaluation perspective	Category	Evaluation items (typical items)	Example of item details
Management oversight status	Qualities and abilities	Actions aimed at maximizing shareholder value and corporate value, attitude toward executive oversight and mutual checks and balances among Directors, risk management, and insight necessary for corporate management	
Financial indicators	Performance	Business performance on a consolidated basis	Sales, operating profit, profit, ROE, ROIC, FCF
		Status of annual business plan	By business unit, by region, key measures
		Performance under the Mid-Term Management Strategy	Finance, key measures
		Other	Asset efficiency, productivity, comparison with other companies, etc.
Capital market / shareholder indicators	Capital market	Stock price indicators	Stock price, market capitalization, PBR
		Rating	S&P, R&I
	Shareholder	TSR/shareholder returns	Single-year and multi-year TSR, dividends

TSR, which is used as one of the criteria for “contribution to shareholders and capital market evaluation perspectives” to evaluate Directors concurrently serving as Executive Officers, is calculated based on the average share price for the fiscal year (see table below) to avoid the impact of sudden share price fluctuations.

Holding period	1 year	2 years	3 years	4 years	5 years	6 years
RICOH (incl. dividends)	117.9%	112.4%	163.4%	126.2%	123.1%	133.3%
TOPIX (incl. dividends)	124.5%	126.0%	150.2%	161.7%	157.5%	160.5%

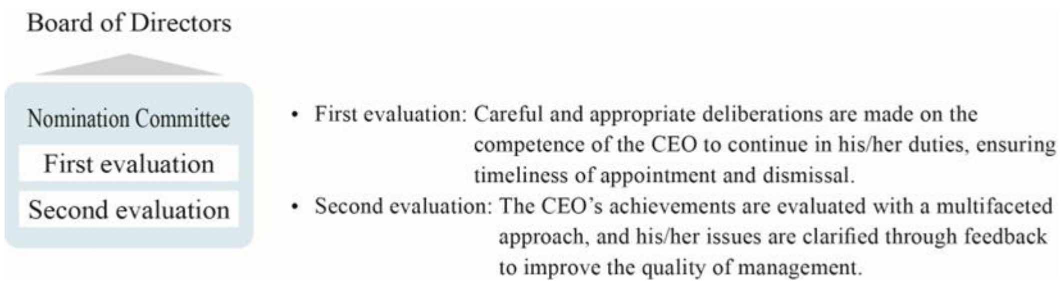
(Notes) 1. March 31, 2024 is the record date for TSR.

2.The TSR is calculated using the average of the daily dividend-included stock price for the year in order to equalize the effect of the share price at the beginning and the end of the period.

(IV) **Evaluation of CEO and CEO Succession Plan**

The CEO succession plan is an important measure for improving shareholder value and corporate value of Ricoh in a continuous manner over the medium to long-term and continuously fulfilling the social responsibilities of Ricoh as a member of society.
From the viewpoint of strengthening corporate governance, Ricoh works to establish a CEO succession plan with procedures that are objective, timely, and transparent.

1) CEO Evaluation



・The CEO is evaluated annually in two stages by the Nomination Committee, at the request of the Board of Directors. As with Directors who concurrently serve as Executive Officers, the CEO is evaluated based on “Management oversight status as Director,” “Financial aspects including key management indicators

regarding business results, return on capital, etc.” and “Contribution to shareholders and evaluation by capital markets” (see above), as well as “Future financial viewpoint” to evaluate his/her overall management supervision and business execution capabilities as CEO.
・The Nomination Committee’s deliberations and conclusions on the evaluation of the CEO are reported to the Board of Directors to effectively monitor the CEO.

Note: Please refer to “(III) Election Process and Evaluation Process for Directors <Evaluation process> <Key items for Director evaluation>”.

<Key items for CEO evaluation>

Evaluation perspective	**Category**	**Evaluation items (**typical items)	Examples of item details
Management oversight status	Qualifications / abilities	Actions aimed at maximizing shareholder value and corporate value, attitude toward executive oversight and mutual checks and balances among Directors, risk management, and insight necessary for corporate management	
Financial indicators	Business performance	Business performance on a consolidated basis	Sales, operating profit, profit, ROE, ROIC, FCF
		Status of annual business plan	By business unit, by region, key measures
		Performance under the Mid-Term Management Strategy	Finance, key measures
		Other	Asset efficiency, productivity, comparison with other companies, etc.
Capital market / shareholder indicators	Capital market	Stock price indicators	Stock price, market capitalization, PBR
		Rating	S&P, R&I
	Shareholders	TSR/shareholder returns	Single-year and multi-year TSR, dividends
Future financial indicators (ESG)	Environment	Environmental performance achievements	Reduction of CO2 emissions, resource efficiency in products, reduction of water usage and waste, pollution prevention
	Employees	Development and use of human resources	Digital training completion rate, female manager ratio
		Global employee awareness survey	Employee engagement
		Safety and health	Number of work-related accidents, initiatives for mental health
	Customers	Material customer incidents	Material product or information security incidents
		Customer satisfaction survey	Third-party investigation results regarding products and services
	Governance	Governance adequacy and enhancement	Governance system reforms and reinforcement
		Compliance	Number of legal violations, number of incident reports

CEO Oyama, who took office on April 1, 2023, was evaluated over a period of approximately nine months from his date of appointment to the second evaluation date during fiscal 2023. The details of this evaluation were reported to the Board of Directors by the Chairperson of the Nomination Committee, and then feedback was provided to Mr. Oyama.

2) Selection, development and evaluation of CEO candidates

<Positioning of the Nomination Committee and the Board of Directors>

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

<Selection of candidates>

CEO candidates are selected according to the following criteria, depending on the timing of the change. The backup candidate in case of accident is determined by resolution of the Board of Directors at the same time as the CEO is selected.

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

<Development of candidates>

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

<Evaluation of candidates>

CEO candidates are evaluated annually, and the CEO reports on the achievements and growth of each candidate during the development period to the Nomination Committee. The Nomination Committee deliberates on the continuation or replacement of CEO candidates and, if necessary, evaluates CEO candidates, seeking advice from outside experts, etc., and reports the results of its deliberations to the Board of Directors. Upon reporting from the Nomination Committee, the Board of Directors evaluates the CEO candidates and confirms the validity of deliberations on which candidates are to be retained or to be replaced, and is actively involved in the process.

(V) **Results Summary of the Evaluation of Effectiveness of the Board of Directors During Fiscal 2023**

On May 7, 2024, the Company evaluated the effectiveness of the Board of Directors during fiscal 2023 (from April 2023 to March 2024), and the results are as outlined below.

I. Outline of Evaluation: Effectiveness of the Board of Directors during fiscal 2023

The evaluation continued to include how the Nomination Committee and Compensation Committee as well as the response of the business executives to Board of Directors, along with the effectiveness of the Board of Directors. A third-party evaluation was also implemented as well in order to ensure objectivity.

[Evaluation process]
The evaluation was carried out at a discussion attended by all Directors and Audit & Supervisory Board Members, after sharing written evaluations by the Directors and the Audit & Supervisory Board Members, as well as the results of questionnaires' analysis by the third-party anonymous survey. Through discussions, participants reviewed and evaluated the performance of the Board of Directors during fiscal 2023, in terms of effectiveness in implementing the basic policies governing operation of the Board of Directors and the three action items outlined below, which were set forth by the Company's Board of Directors in the last evaluation.

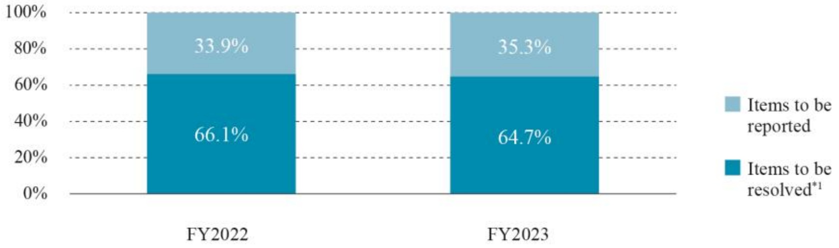
<Basic policies for fiscal 2023 >
1) Discuss and oversee the realization of corporate value that meets stakeholder expectations
2) Monitor and support performance and key measures, from both quantitative and qualitative aspects, to achieve substantive growth with transformation into a digital services company

<Action items for fiscal 2023 >
i) Enhance deliberations on improving corporate value, deepen discussions to a level where concrete measures can be implemented, and provide more effective supervision from the perspective of corporate value
ii) Supervise and support the Company to achieve substantive growth with transformation into a digital services company through steady implementation of the fiscal 2023 business plan
iii) Continuously improve integrated risk management linked to the management system, which enables both sound risk-taking and risk control in order to accelerate the transformation into a digital services company

II. Results summary of the "Evaluation of Effectiveness of the Board of Directors" for fiscal 2023
II-1. Results of operation of the Board of Directors
In fiscal 2023, under the new management structure, we devoted considerable time to deliberations aimed at improving corporate value, deepening discussions from a shareholder perspective, and ensuring the steady implementation of measures through the operation of the Board of Directors. Additionally, as the first year of the 21st Mid-Term Management Strategy, we deliberated and decided on establishing a joint venture, mergers and acquisitions, and the sale of business to accelerate the transformation of our business structure into a digital services company.
Furthermore, we continuously conducted on-site inspections by Outside Directors and Outside Audit & Supervisory Board Members, roundtable discussions with local employees, and participation in management meetings as observers to gain understanding of the Company's actual situation. In addition, we enhanced information sharing with Directors and Audit & Supervisory Board Members through prior briefings, aiming to improve the quality of discussions at Board of Directors meetings and to exercise effective supervisory functions.
The allocation of time to agenda items at meetings of the Company's Board of Directors held in fiscal 2023 is disclosed as follows, for the purpose of ensuring the transparency in the status of deliberations of the Board of Directors.

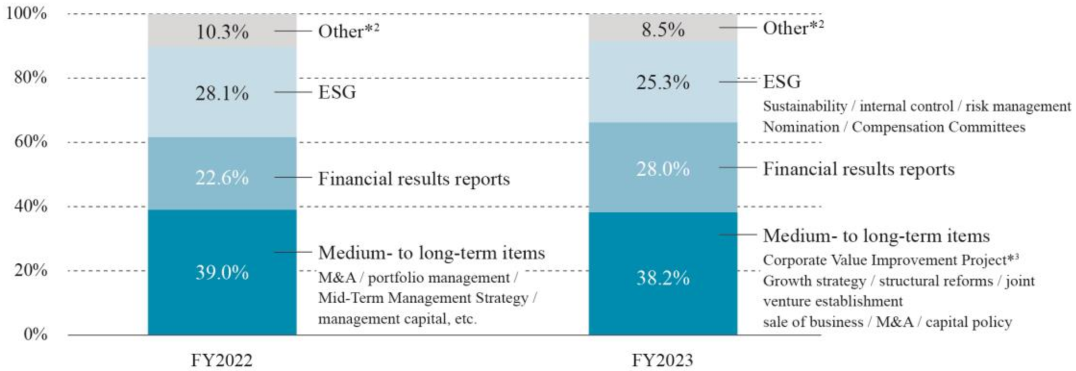
Board of Directors – Time Allocation by Agenda Item

Time allocated for items to be resolved and reported



*1 In addition to agenda items for resolution of the Board of Directors, these include Director's review meetings and governance review meetings held for deliberation in preparation for making a resolution.

<Time allocated by item category>



*2 Resolutions in accordance with the provisions of the Companies Act, personnel matters, other individual proposals, etc.
*3 In addition to the deliberation time of the Board of Directors meetings and review meetings in the graph above, an informal discussion forum was established, where discussions on improving corporate value were held eight times.

II-2 Summary

The following is a summary of the results of discussions among the members of the Board of Directors regarding written evaluations by the Directors and the Audit & Supervisory Board Members, as well as third party evaluations.

- It was concluded that the composition of the Company's Board of Directors, with a majority of Outside Directors possessing diverse expertise, was appropriate under the new structure both in terms of oversight and execution. With appropriate agenda setting and neutral meeting management by the Chairperson of the Board, who was an Outside Director, supervision and decision-making were carried out through free and vigorous discussions from multiple perspectives. The execution team took the Board's discussions seriously as well, reflecting them in management without obscuring issues. Therefore, it was concluded that the effectiveness of the Board of Directors continued to be ensured.
- At the Nomination Committee, the evaluation of the new executive structure, including the CEO, was conducted fairly and rigorously. At the Compensation Committee, after clarifying pending issues, repeated deliberations were conducted on the compensation system aimed at improving corporate value. Both committees, which are chaired by an Outside Director and consist of a majority of Outside Directors, carried out deliberations from a shareholder perspective and were evaluated as effectively functioning as advisory bodies to the Board of Directors.

- On the other hand, it was pointed out that “implementing measures to improve corporate value and generating positive results,” which have been subjects of discussion by the Board of Directors, remain the Company’s most critical issue and need to be strictly supervised from the perspective of stakeholders, including shareholders.
- In addition, it was pointed out that it is necessary to enhance deliberations in order to meet stakeholder expectations for growth, further clarifying the future vision of a company that has achieved a transformation in business and revenue structures as well as the ideal management capital that supports this vision.

<Action items for fiscal 2023 i) and ii)>
- The Corporate Value Improvement Project was launched under the new management structure. The Board of Directors actively engaged from the planning stages of the initiatives, dedicating significant time to discussions, including informal forums, to help effect actionable measures. It was concluded that effective supervision was achieved through suggestions and feedback from stakeholders, including shareholders.
- It was highly valued that, towards the transformation into a digital services company which involves profit growth and improvement of capital profitability, the Board of Directors strove to monitor the progress of key measures of each business unit and supported the transformation of the business portfolio by the establishment of a joint venture, mergers and acquisitions, and sale of business.
- On the other hand, it was pointed out that it is necessary to take the performance results of fiscal 2023 to heart and enhance the ability to respond to environmental changes and build SCM through the monitoring of the fiscal 2024 business plan to strengthen management resilience.
- Additionally, there was a shared recognition that the implementation of measures to improve corporate value and the generation of positive results are the most critical issues. It was suggested that it is necessary to visualize and clarify the growth potential and revenue structure of the digital services business as the Company’s future vision for achieving corporate value improvement, as well as to enhance the management capital, including human resources, that underpin this vision and proceed by having execution and supervision coordinate in order to gain stakeholders’ confidence.

<Action item for fiscal 2023 iii)>
- It was evaluated that the governance system has been strengthened comprehensively by enhancing reports from and discussions with Audit & Supervisory Board Members and promptly improving matters pointed out by the Audit & Supervisory Board concerning organizational structure through sincere discussions by the executive team, Nomination Committee, and Board of Directors.
- On the other hand, it was pointed out that there is a need to conduct integrated risk management to address diversified and complex global risks, and continuously check and improve the headquarters and organizational structure so that it is suitable for a digital services company.

III. Efforts to improve the effectiveness of the Board of Directors in fiscal 2024

Based on the above evaluation, the Company's Board of Directors will operate in accordance with the following basic policies and work to improve the effectiveness of the Board of Directors based on three specific action items.

<Basic policies for fiscal 2024 >

1) Supervise the implementation of measures to improve corporate value and generation of positive results

2) Enhance deliberations and support to further clarify the Company's future vision that can meet stakeholders' expectations

<Action items for fiscal 2024 >

i) Position the execution of various measures for improving corporate value, which were considered extensively in fiscal 2023, as a key issue, and monitor and support the progress of the fiscal 2024 business plan in conjunction with these measures

ii) Deepen discussions to further clarify the Company's future vision that will meet stakeholders' growth expectations, and supervise and support the formulation and implementation of measures aimed at realizing this vision

iii) Enhance management capital, including human resources, optimize organizational structure, and check risk management structure, etc. to accelerate the transformation of business structure, and promote continuous development and improvement

(VI) System to secure appropriateness of operations

The systems to secure the appropriateness of the Company's operations are reviewed on a regular and ongoing basis in response to changes in the business environment, and resolutions are made at the Board of Directors.

Internal Control System Basic Policy

The Ricoh Way, which comprises our founding principles ("The Spirit of Three Love" - love your neighbor, love your country, love your work), Mission & Vision, and Values, is the foundation of the Ricoh's management policy, strategy, and internal control system.

Inspired by the values incorporated in The Ricoh Way, we are working to establish and implement an internal control system aimed at strengthening competitiveness and continuously improving the system while ensuring transparency based on corporate ethics and legal compliance.

(1) Systems to ensure appropriate compliance with laws and Articles of Incorporation concerning the implementation of Directors' and employees' duties

Based on the principle of autonomous corporate governance, the Company promotes a corporate culture that values both a sense of duty to meet the various expectations of stakeholders and high ethics suited to good social conscience.

1) Systems to ensure appropriate compliance with laws and Articles of Incorporation concerning the implementation of Directors' duties

(i) Management transparency and fairness of decision-making are strengthened by the presence of Outside Directors. In addition, the Board of Directors is composed of a majority of Outside Directors to strengthen functions of overseeing from different perspectives.

(ii) The Board of Directors is positioned as the highest decision-making organization for business management and is chaired by an Outside Director, who leads the Board from a neutral position, in order to facilitate in-depth discussions for important matters to reach robust decisions.

(iii) As part of the strengthening of management oversight functions by the Board of Directors, the "Nomination Committee" and the "Compensation Committee", which are chaired by Outside Directors have been established. In each committee, the majority of the members are Outside Directors, so that the transparency and objectivity of the selection of candidates and compensation of Directors and executive officers, etc. is secured.

(iv) Policies regarding disclosure has been established to assure the accuracy, timeliness and completeness of disclosure of corporate information and the "Disclosure Committee", which is chaired by a CFO who is responsible for information disclosure, is established to verify and decide the importance of disclosure of information, necessity of disclosure and validity of the content.

2) Systems to ensure appropriate compliance with laws and Articles of Incorporation concerning the implementation of employees' duties

(i) Regarding CSR (Corporate Social Responsibility) including compliance, in order to thoroughly implement the "Ricoh Group Code of Conduct" which articulates the general rules of conduct for Ricoh and its officers and employees, the Specialty Committee and a reporting line to report incidents and seek advice have been established. Also, various training programs are set up to enhance compliance domestically and overseas. Ricoh prohibits unfavorable treatments of anyone who reports the relevant contact window.

(ii) Efforts are being made to improve business processes and construct a framework for standardized internal control throughout Ricoh, with the goal of "complying with laws, norms and internal rules", "improvement of business effectiveness and efficiency", "maintaining high reliability of financial reporting and statutory disclosure documents including non-financial information", and "securing of assets", including compliance to the Financial Instruments and Exchange Law and other relevant laws and regulations.

(iii) The Company shall establish a specialized department (Risk Management and Legal Center) to comprehensively strengthen and promote above functions.

(iv) To ensure appropriate internal auditing, a division of internal management and control shall be established. The division examines and evaluates business operations based on legal compliance and rational criteria and perform audit for improvement.

(v) To establish and improve an internal control system of Ricoh, the Company shall institute an "Internal Control Committee," which is expected to convene regularly to evaluate, deliberate and decide on development and improvement of internal control.

(2) Systems related to the retention and management of information related to the implementation of Directors' duties

Records and proposals related to decisions by Directors in the course of their duties are created, retained and managed in compliance with applicable laws, regulations and internal rules. Documents are kept so that they can be retrieved and reviewed when a request from Directors and Audit & Supervisory Board Members is made.

(3) Regulations and other systems regarding risk management for losses

(i) The occurrence of losses shall be proactively prevented in compliance with risk management regulations.
(ii) Should losses nevertheless arise, efforts shall be made to minimize damage (loss) based on standards for initial reaction.
(iii) In order to respond to diversifying sources of uncertainty both inside and outside Ricoh, the "Risk Management Committee" assesses critical risks and evaluates responses and devises risk management measures. In addition, a risk management promotion division will be established to deploy risk management activities globally.

(4) System to ensure the efficient implementation of Directors' duties

(i) The executive officer system clarifies its division of duties and speeds up the decision-making process through the delegation of authority to each business unit
(ii) The GMC is a decision-making organization chaired by the President and CEO, delegated by the Board of Directors, and composed of executive officers who meet specific criteria and other members. Within the scope of authority delegated, the GMC will oversee business units and develop optimal strategies for the entire Ricoh which enables the system to be in place for quick deliberation and decision-making from the perspective of overall optimization for the management of the entire Ricoh.
(iii) The "Board of Directors office" is placed to support Board of Directors and ensure robust decision-making and management oversight with high transparency.

(5) Systems to ensure correct business standards at Ricoh and its subsidiaries

Ricoh shall devise a system that ensures adherence to correct business standards to improve business performance and enhance the prosperity of Ricoh, while respecting each other's independence, as follows:
(i) The Company's Board of Directors and the GMC oversee management and make decisions for the entire Ricoh
(ii) The Company establishes its management regulations concerning each Ricoh company and prescribes a system for reporting matters regarding the performance of duties of the Directors of each company, and the Directors' authority for conducting such duties efficiently.
(iii) Each Ricoh Group company conducts risk management for losses relating to the company. Should any incident arise, the company should strive to minimize damage and recover quickly, and promptly report to the Company.

(iv) To ensure that the performance of duties by Ricoh's Directors and employees is in compliance with laws and regulations and Articles of Incorporation, the Ricoh establishes common rules which shall be followed as the Ricoh's common standards known as the "Ricoh Group Standard," and promote compliance across Ricoh.

(6) Systems established to ensure the effective performance of duties by Audit & Supervisory Board Members

1) Matters regarding measures to secure independence of employees whom Audit & Supervisory Board Members request to assist them in the performance of their duties from Directors and efficacy of instructions given to such employees

(i) The Company shall establish an Audit & Supervisory Board office, where assigned employees dedicated to assist Audit & Supervisory Board Members in performing their duties under their command.

(ii) Personnel evaluations regarding said employees shall be made by the Audit & Supervisory Board. Furthermore, personnel changes regarding said employees shall be made only after gaining agreement of the Audit & Supervisory Board.

2) Systems for Directors and employees of Ricoh to report to Audit & Supervisory Board Members and other systems related to the reporting to Audit & Supervisory Board Members

(i) Directors and employees shall promptly report to Audit & Supervisory Board Members concerning risks that may affect the operation or the performance of Ricoh or serious violations of compliance concerning execution of duties.

(ii) Directors shall provide Audit & Supervisory Board Members with opportunities to attend important meetings, view minutes and materials of important meetings, as well as important resolution documents.

(iii) Directors shall report the status of business and assets regularly or occasionally at the request of Audit & Supervisory Board Members.

(iv) The Company prohibits unfavorable treatments of any Directors or employees of Ricoh , who made the report to Audit & Supervisory Board Members due to such reporting.

3) Other systems established to ensure effective performance of duties by Audit & Supervisory Board Members

(i) Audit & Supervisory Board Members may regularly exchange opinions with Representative Directors.

(ii) Directors and employees of Ricoh shall establish an environment for effective auditing of the Company and each Ricoh Group company by Audit & Supervisory Board Members at the time of audit.

(iii) The Company shall create an environment that enables Audit & Supervisory Board Members to conduct effective auditing through mutual cooperation with the Independent Auditor and the internal audit division.

(iv) The Company shall pay expenses incurred from the performance of duties of Audit & Supervisory Board Members and from receiving advice from outside experts as necessary.

(VII) **Approach to Election of Audit & Supervisory Board Members**

Election Criteria for Audit & Supervisory Board Members

Candidates for Audit & Supervisory Board Members are selected for a balance of knowledge, experience, and specialized abilities required of the Audit & Supervisory Board taken into consideration, such as, in particular, the appointment of at least one person with sufficient knowledge of finance and accounting, in addition to the candidate's ability to contribute to the sound and sustained growth of the Company and the medium- to long-term enhancement of its corporate value through the performance of duties as an Audit & Supervisory Board Member.

In selecting candidates for Audit & Supervisory Board Members, the Audit & Supervisory Board has established the following criteria and makes a comprehensive judgment based on these criteria.

[Audit ability]

1. Appropriate experience, ability, and the necessary knowledge regarding finance, accounting and law
2. Professional skepticism and the ability to investigate facts properly, with an earnest attitude, and exercise objective judgement
3. Sense of duty and courage founded on personal beliefs, and the ability to make active and forthright suggestions and proposals to Directors and employees
4. The ability to see matters from a shareholders' perspective, act on this perspective, and engage in audits based on an attitude of learning from actual front lines, actual things and actual facts

[Knowledge background and temperament]

1. Healthy in mind and body, and able to serve for a full four-year tenure as Audit & Supervisory Board Member
2. Always aspires to improve him/herself, with a desire to learn new things
3. Able to communicate with local top management in English

Election Criteria for Outside Audit & Supervisory Board Members

In addition to the criteria above, Outside Audit & Supervisory Board Members are elected based on their high degree of specialist insight in the fields of corporate management, finance, accounting and law, and their extensive experience. The absence of any issues of independence regarding their relationships with the Company, its Representative Director, other Directors and important employees, with reference to the Company's Standards for Independence of Outside Directors and Outside Audit & Supervisory Board Members that be shown in "IV. INFORMATION ON THE COMPANY, 4 CORPORATE GOVERNANCE, ETC., (2) Directors and senior management, 2) Outside Directors and Outside Audit & Supervisory Board Members", is an additional criterion.

Diversity

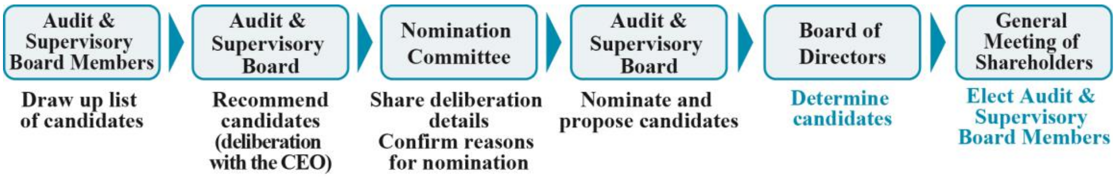
In appointing Audit & Supervisory Board Members, the Company believes that the Audit & Supervisory Board should be composed of Audit & Supervisory Board Members with diverse experiences and perspectives, in addition to the above-mentioned auditing abilities, backgrounds, and personalities.

In addition, no distinction is made on the basis of race, ethnicity, gender, nationality or similar attributes, and candidates are selected based on their character and knowledge, thus ensuring diversity in such attributes.

(VIII) **Election Process for Audit & Supervisory Board Members**

“Recommendation of candidates” and “candidate nomination/proposal” for Audit & Supervisory Board Members are conducted primarily by the Audit & Supervisory Board, with an emphasis on ensuring the independence of Audit & Supervisory Board Members in accordance with the process shown below. Audit & Supervisory Board Members draw up a list of candidates for Audit & Supervisory Board Members based on the election criteria for Audit & Supervisory Board Members in deliberation with the CEO as necessary. Audit & Supervisory Board deliberates, nominates and proposes candidates to the Board of Directors after confirmation by the Nomination Committee.

The Board of Directors passes a resolution for a proposal for the election of Audit & Supervisory Board Members submitted to the General Meeting of Shareholders based on the nomination/proposal of the Audit & Supervisory Board.



(IX) **Related Party Transactions**

If the Company engages in transactions with Directors, the internal rules require a resolution of approval in advance by the Board of Directors. In addition, to supervise conflict-of-interest transactions by executives, all Directors are required to submit a yearly report to the Audit & Supervisory Board Members regarding any transactions conflicting with the Company.

(X) **Number of Directors**

The number of directors is limited to 15 as set out in the Company's Articles of Incorporation.

(XI) **Conditions for Resolution on Appointments of Directors**

The Company's Articles of Incorporation stipulate that a resolution to appoint a director or corporate auditor must be made by the majority vote of attending shareholders holding at least one-third of the voting rights of shareholders who are eligible to exercise voting rights.

(XII) **Acquisition of treasury stock**

Pursuant to the provisions of Article 165, Paragraph 2 of the Corporation Law of Japan, the Company's Articles of Incorporation stipulate that the Company may acquire treasury stock by resolution of the Board of Directors. The aim is to allow management to swiftly exercise capital policies as deemed appropriate in response to changes in the operating environment by allowing the Company to acquire treasury stock through market transactions, etc.

(XIII) **Requirements for Special Resolution by an Ordinary General Shareholders' Meeting**

Pursuant to Article 309, Paragraph 2 of the Corporation Law of Japan, the Company's Articles of Incorporation stipulate that special resolutions by an ordinary general shareholders' meeting must be passed by at least a two-thirds majority vote of attending shareholders holding at least one-third of the voting rights of shareholders eligible to exercise voting rights. The aim is to lower the required quorum for a special resolution of an ordinary general shareholders' meeting to facilitate the smooth operations of the meeting.

(XIV) **Determination of Interim Dividends**

Under the provisions of the Company's Articles of Incorporation, pursuant to Article 454, Paragraph 5 of the Japanese Corporate Law, the Company may through the resolution of the Board of Directors pay an interim dividend with the record date of September 30 each year to allow an expeditious distribution of profits to shareholders.

(XV) **Outline of liability limitation contracts**

The Company amended its Articles of Incorporation regarding liability limitation contracts at the 115th Ordinary General Meeting of Shareholders on June 19, 2015, establishing the provision of contracts to limit liabilities of Directors (excluding Executive Directors) and Audit & Supervisory Board Members. The outline of liability limitation contracts, which the Company concluded only with Outside Directors and Outside Audit & Supervisory Board Members in accordance with the revised Articles of Incorporation, is as follows.
(a) Liability limitation contracts with Outside Directors Under such contracts, the maximum liability of Outside Directors shall be the higher of either of ¥10 million or a minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.
(b) Liability limitation contracts with Outside Audit & Supervisory Board Members Under such contracts, the maximum liability of Outside Audit & Supervisory Board Members shall be the higher of either of ¥5 million or a minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.

(XVI) Outline of directors and officers liability insurance contracts

The Company has entered into a directors and officers liability insurance contract pursuant to Article 430-3, Paragraph 1 of the Companies Act with an insurance company, to insure officers of Ricoh (Directors, Audit & Supervisory Board Members, Executive Officers, etc.), with all insurance premiums at its expense. The insurance contract covers damages and litigation expenses arising from claims made to insured officers during the insurance period as a result of their actions in their capacity as an officer. However, certain damages are not covered by the insurance, including those arising from an action of the insured officer taken with the knowledge that it violates laws and regulations.

(2) Directors and senior management

1) Directors and senior management members

Directors and Audit & Supervisory Board Members of the Company as of June 21, 2024 are as follows:

Men: 12 persons, Women: 1 person (Ratio of women in the Directors and Audit & Supervisory Board Members: 7.7%)

Name (Date of Birth)	Current Position (Function/Business Area)	Date	Business Experience
Yoshinori Yamashita (August 22, 1957)	Representative Director Chairperson Nomination Committee Member Compensation Committee Member	Mar. 1980	Joined the Company
		Feb. 1995	General Manager of Business Planning Division of Ricoh UK Products Ltd.
		Apr. 2008	President of Ricoh Electronics, Inc.
		Apr. 2010	Group Executive Officer
		Apr. 2011	Corporate Senior Vice President General Manager of Corporate Planning Division
		Jun. 2012	Director Corporate Executive Vice President
		Apr. 2014	General Manager of Business Solutions Group
		Apr. 2015	In charge of core business
		Jun. 2016	Deputy President
		Apr. 2017	Representative Director (Current) President CEO (Chief Executive Officer)
		Apr. 2020	CHRO (Chief Human Resource Officer)
		Apr. 2021	Vice Chairperson of Japan Association of Corporate Executives (Current)
		Apr. 2023	Chairperson (Current)
		Jun. 2024	Outside Director of Nomura Real Estate Holdings, Inc. (Scheduled to be appointed) Outside Director of Asahi Kasei Corp. (Scheduled to be appointed)
Akira Oyama (January 6, 1961)	Representative Director CEO (Chief Executive Officer)	Jul. 1986	Joined the Company
		Apr. 2011	President and COO (Chief Operating Officer) of Ricoh Europe Plc
		Aug. 2012	Group Executive Officer General Manager of Europe Marketing Group CEO (Chief Executive Officer) of Ricoh Europe Plc Chairperson of Ricoh Europe B.V.
		Apr. 2014	Corporate Senior Vice President General Manager of Corporate Division
		Apr. 2015	President of Ricoh Americas Holdings, Inc.

Name (Date of Birth)	Current Position (Function/Business Area)	Date	Business Experience
		Jun. 2015	Director
		Sep. 2015	General Manager of New Business Development Division
		Jun. 2016	Corporate Executive Vice President
		Apr. 2017	CFO (Chief Financial Officer) General Manager of CEO office
		Apr. 2018	General Manager of Sales and Marketing Group
		Apr. 2019	CMO (Chief Marketing Officer)
		Apr. 2020	General Manager of Workplace Solutions Business Group
		Apr. 2021	Executive Corporate Officer President of Ricoh Digital Services Business Unit
		Jun. 2021	Director
		Apr. 2022	Director and Chairperson of Ricoh Japan Corporation
		Apr. 2023	CTO (Chief Technology Officer) Representative Director (Current) President (Current) CEO (Chief Executive Officer) (Current)
Takashi Kawaguchi (January 29, 1963)	Director CFO (Chief Financial Officer)	Mar. 1986	Joined the Company
		Jul. 2004	General Manager of Accounting Department of Finance and Accounting Division
		May. 2007	CFO (Chief Financial Officer) of InfoPrint Solutions LLC
		Aug. 2010	SVP (Senior Vice President) of Ricoh Americas Holdings, Inc.
		Oct. 2015	General Manager of Planning Department, Global Capital Management Support Center, Corporate Division
		Apr. 2018	General Manager of Finance Department, Finance and Legal Division and General Manager of CEO office
		Oct. 2018	Executive Officer and General Manager of Corporate Management Division of RICOH LEASING COMPANY, LTD.
		Jan. 2019	Managing Executive Officer and General Manager of Corporate Management Division of RICOH LEASING COMPANY, LTD.
		Jun. 2019	Director of RICOH LEASING COMPANY, LTD.
		Apr. 2020	Director and Corporate Senior Vice President of RICOH LEASING COMPANY, LTD.

Name (Date of Birth)	Current Position (Function/Business Area)	Date	Business Experience
		Jun. 2021	General Manager of Finance and Accounting Division (Current) General Manager of Finance and Accounting Center, Professional Services Division Chairperson and President of Ricoh Americas Holdings, Inc. (Current)
		Apr. 2022	Corporate Officer CFO (Chief Financial Officer) (Current)
		Apr. 2023	Executive Corporate Office (Current)
		Jun. 2023	Director (Current)
Keisuke Yokoo (November 26, 1951)	Outside Director Chairperson of the Board of Directors Nomination Committee Member Compensation Committee Member	Apr. 1974	Joined The Industrial Bank of Japan, Ltd. (Current Mizuho Bank, Ltd.)
		Apr. 2000	General Manager of Nagoya Branch of The Industrial Bank of Japan, Ltd.
		Jun. 2001	Managing Director, Head of Planning Group of Mizuho Securities Co., Ltd.
		Apr. 2007	President of Mizuho Securities Co., Ltd. (Shinko Securities Co., Ltd. and Mizuho Securities Co., Ltd. merged in May 2009 to form Mizuho Securities Co., Ltd.)
		Jun. 2011	Chairperson of Mizuho Securities Co., Ltd.
		Jun. 2012	Advisor of Mizuho Securities Co., Ltd.
		Apr. 2015	Vice Chairperson & President of Japan Association of Corporate Executives
		Oct. 2016	Outside Director of The Dai-ichi Life Insurance Company, Limited (Current)
		Jun. 2017	Outside Director of Nippon Suisan Kaisha, Ltd. (Currently Nissui Corporation)
		May. 2019	Chairperson of Sonar Advisers Inc. (Current)
		Dec. 2019	President, Member of the Board & Chief Executive Officer of Japan Investment Corporation (Current)
		May. 2020	Outside Director of Takashimaya Company, Limited (Current)
		Jun. 2020	Outside Director (Current)
Sadafumi Tani (September 15, 1954)	Outside Director Nomination Committee Member Chairperson of Compensation Committee Member	Apr. 1977	Joined Jiji Press, Ltd.
		Apr. 1988	Staff Correspondent of Washington D.C. Bureau of Jiji Press, Ltd.
		Dec. 2001	Editor in Chief of Economic News of Jiji Press, Ltd.
		Jun. 2004	Director of Kobe Bureau of Jiji Press, Ltd.
		Jun. 2006	Managing Editor of Jiji Press, Ltd.

Name (Date of Birth)	Current Position (Function/Business Area)	Date	Business Experience
		Jun. 2009	Director of General Administration Division of Jiji Press, Ltd.
		Jan. 2010	General Manager of President’s Office of Jiji Press, Ltd.
		Jun. 2010	Director of Jiji Press, Ltd.
		Jul. 2010	Director and Managing Editor of Jiji Press, Ltd.
		Jun. 2013	Executive Director of Jiji Press, Ltd.
		Mar. 2016	Director / Editor in Chief of Nippon.Com
		May. 2016	Audit & Supervisory Board Member of Quants Research Inc.
		Jun. 2016	Executive Director/Editor in Chief of Nippon.com (Current) (Scheduled to retire in June 2024)
		Jun. 2021	Outside Director (Current)
		May. 2022	Advisor and Visiting Researcher of Jiji research Institute, Ltd. (Current)
		Jun. 2024	Adviser of Nippon. com (Scheduled to be appointed)
Kazuhiko Ishimura (September 18, 1954)	Outside Director Lead Independent Director Chairperson of Nomination Committee Member Compensation Committee Member	Apr. 1979	Joined Asahi Glass CO., Ltd. (Current AGC Inc.)
		Jan. 2006	Executive Officer and GM of Kansai Plant of Asahi Glass Co., Ltd.
		Jan. 2007	Senior Executive Officer and GM of Electronics & Energy General Division of Asahi Glass CO., Ltd.
		Mar. 2008	Representative Director, President and COO of Asahi Glass Co., Ltd.
		Jan. 2010	Representative Director, President and CEO of Asahi Glass Co., Ltd.
		Jan. 2015	Representative Director and Chairperson of Asahi Glass Co., Ltd.
		Jun. 2015	Outside Director of TDK Corporation
		Jun. 2017	Outside Director of IHI Corporation
		Jan. 2018	Director and Chairperson of Asahi Glass Co., Ltd.
		Apr. 2018	Vice Chairperson of Japan Association of Corporate Executives
		Jun. 2018	Outside Director of Nomura Holdings, Inc. (Current)
		Mar. 2020	Director of AGC Inc.
		Apr. 2020	President of National Institute of Advanced Industrial Science and Technology.
		Apr. 2021	President and CEO of National Institute of Advanced Industrial Science and Technology. (Current)
		Jun. 2022	Outside Director (Current)

Name (Date of Birth)	Current Position (Function/Business Area)	Date	Business Experience
Shigenao Ishiguro (October 30, 1957)	Outside Director Nomination Committee Member	Jan. 1982	Joined TDK ELECTRONICS CO., LTD. (Current TDK Corporation)
		Apr. 2002	Senior Manager of Planning Group of Europe Sales Group of Recording Media & Solutions Business Group of TDK Corporation
		Apr. 2011	Deputy General Manager of Data Storage & Thin Film Technology Components Business Group of TDK Corporation
		Jun. 2012	General Manager of Data Storage & Thin Film Technology Components Business Group of TDK Corporation
		Jun. 2014	Corporate Officer of TDK Corporation
		Apr. 2015	CEO of Magnetic Heads and Sensors Business Company of TDK Corporation
		Jun. 2015	Senior Vice President of TDK Corporation
		Jun. 2016	President & Representative Director of TDK Corporation
		Apr. 2022	Chairperson & Representative Director of TDK Corporation
		Jun. 2022	Chairperson & Director of TDK Corporation(Current) (Scheduled to retire in June) Outside Director of NTT DATA Corporation (Currently NTT DATA Group Corporation) (Current)
		Jun. 2023	Outside Director (Current)
Yoko Takeda (April 13,1971)	Outside Director Compensation Committee Member	Apr. 1994	Joined the Bank of Japan
		Apr. 2009	Joined Mitsubishi Research Institute, Inc. Senior Economist, Senior Researcher of Research Center for Policy and Economy of Mitsubishi Research Institute, Inc.
		Apr. 2012	Chief Economist (Current) Research Director of Research Center for Policy and Economy of Mitsubishi Research Institute, Inc.
		Oct. 2015	Deputy General Manager of Research Center for Policy and Economy of Mitsubishi Research Institute, Inc.
		Oct. 2017	General Manager of Research Center for Policy and Economy of Mitsubishi Research Institute, Inc.
		Oct. 2020	Deputy General Manager of Think Tank Unit and General Manager of Center for Policy and the Economy of Mitsubishi Research Institute, Inc.
		Dec. 2021	Research Fellow of Mitsubishi Research Institute, Inc. (Current)
		Oct. 2022	General Manager of Planning and Administration Office of Mitsubishi Research Institute, Inc.
		Jun. 2023	Outside Director (Current) Outside Director of FANUC Corporation (Current)

Name (Date of Birth)	Current Position (Function/Business Area)	Date	Business Experience
		Oct.2023	Executive Officer and General Manager of Think Tank Unit of Mitsubishi Research Institute, Inc. (Current)
Shinji Sato (May 2, 1960)	Audit & Supervisory Board Member	Apr. 1983	Joined MITSUI & CO., LTD.
		May. 2010	President and Representative Director of MITSUI & CO. Financial Management, Ltd.
		Apr. 2012	Chief Financial Officer of Asia Pacific Business Unit of MITSUI & CO., LTD. Senior Vice President of MITSUI & CO. (Asia Pacific) Pte. Ltd.
		Apr. 2015	Internal Auditor of Internal Auditing Division of MITSUI & CO., LTD.
		Dec. 2017	Joined the Company Advisor
		Apr. 2018	Corporate Vice President in charge of Financial Affairs General Manager of Finance and Legal Division President of RICOH AMERICAS HOLDINGS, Inc.
		Jun. 2019	Director of RICOH LEASING COMPANY, LTD.
		Apr. 2020	General Manager of Finance and Accounting Division
		Apr. 2021	General Manager of Finance Management Division
		Jun. 2021	Audit & Supervisory Board Member (Current)
Kazuo Nishinomiya (August 22, 1960)	Audit & Supervisory Board Member	Mar. 1983	Joined the Company
		Oct. 2004	General Manager of Production Planning Office of Production Oversight Center of Imaging Production Division
		Jan. 2007	Director and President of RICOH INDUSTRIE FRANCE S.A.S.
		Feb. 2010	Deputy President of PC Unit Products Company
		Apr. 2010	President of PC Unit Products Company
		Apr. 2011	Corporate Vice President
		Apr. 2014	General Manager of Global Procurement Division
		Apr. 2015	Corporate Senior Vice President
		Apr. 2017	Deputy General Manager of Production Division
		Apr. 2018	General Manager of Production Division General Manager of Chemical Technology & Products Division
		Apr. 2021	Corporate Officer General Manager of Professional Services Division

Name (Date of Birth)	Current Position (Function/Business Area)	Date	Business Experience
		Apr. 2024	Advisor
		Jun. 2024	Audit & Supervisory Board Member (Current)
Yo Ota (October 3, 1967)	Outside Audit & Supervisory Board Member	Apr. 2001	A member of staff of Civil Affairs Bureau of The Ministry of Justice (Japanese Commercial Code Group of Counsellor's Office)
		Jan. 2003	Partner of Nishimura & Asahi (Currently Nishimura & Asahi (Gaikokuho Kyodo Jigyo)) (Current)
		Jun. 2005	Outside Auditor of Culture Convenience Club Co., Ltd.
		Jun. 2005	Outside Director of Denki Kogyo Co., Ltd.
		May. 2012	Director of the Japan Association of Corporate Directors (Current)
		Apr. 2013	Professor of Graduate Schools for Law and Politics of the University of Tokyo
		Jun. 2013	Councilor of LOTTE Foundation (Current)
		Jul. 2014	Vice Chairman of Corporate Governance Committee of the Japan Association of Corporate Directors (Current)
		Jun. 2016	Outside Director of Nippon Kayaku Co., Ltd. (Current)
		Jun. 2017	Outside Audit & Supervisory Board Member (Current)
Kunimasa Suzuki (August 7, 1960)	Outside Audit & Supervisory Board Member	Apr. 1984	Joined Sony Corporation (Currently Sony Group Corporation)
		Mar. 1994	CEO of Sony Argentina S.A
		Jan. 2006	Deputy General Manager of VAIO Business Division of Sony Corporation
		Apr. 2008	EVP (executive vice-president) of Sony Electronics Inc. (USA)
		Apr. 2009	Senior Vice President of Sony Corporation
			Deputy President of Sony Computer Entertainment Inc. and General Manager of VAIO Business Division of Sony Corporation
		Apr. 2012	Corporate Executive Officer and EVP of Sony Corporation
		Apr. 2014	EVP of Sony Entertainment Inc. (USA)
		Nov. 2018	Representative Director and President of Intel K.K
		Oct. 2021	Advisor of Scrum Ventures LLC (Current)

Name (Date of Birth)	Current Position (Function/Business Area)	Date	Business Experience
		Jun. 2023	Outside Director of JTB Corp. (Current)
			Director of Japan Volleyball Association (Current)
		Jun. 2024	Representative Director and Chairman of Intel K.K. (Current)
			Outside Audit & Supervisory Board Member (Current)
Toshihiro Otsuka (December 2, 1960)	Outside Audit & Supervisory Board Member	Oct. 1987	Joined Minato Audit Corp. (Currently KPMG Japan)
		Mar. 1991	Registered as a Certified Public Accountant (Current)
		Jul. 1991	Secondment to KPMG LLP (UK)
		Jul. 2003	Representative Partner (Current Partner) of KPMG AZSA & Co. (Currently KPMG AZSA LLC)
		Nov. 2015	Board Member of KPMG AZSA LLC
		Jul. 2017	Senior Executive Board Member of KPMG AZSA LLC (in charge of HR, Corporate Governance CoE, Integrated Reporting CoE, and Sports Business CoE)
		Jul. 2019	Senior Executive Board Member of KPMG AZSA LLC (Audit COO, Head of Tokyo Office, CFO)
		Jul. 2021	Senior Executive Board Member of KPMG AZSA LLC (in charge of Quality, and Risk Management)
			National Head of Audit of KPMG Japan
		Jul. 2023	Partner and Head of Research Department of KPMG AZSA LLC (Current) [Scheduled to retire in June 2024]
		Jun. 2024	Outside Audit & Supervisory Board Member (Current)

Directors and Audit & Supervisory Board Members are elected at a general meeting of shareholders for one year and four years terms, respectively, and may serve any number of consecutive terms. The Board of Directors appoints from among its members a Chairperson and one or more Representative Directors in accordance with the Corporation Law of Japan.

The following table shows the number of shares of common stock owned by each Director and Audit & Supervisory Board Member of the Company as of March 31, 2024. None of the Company’s Directors or Audit & Supervisory Board Members is a beneficial owner of more than 1% of the Company’s common stock.

Name	Position	Number of Shares
Yoshinori Yamashita	Representative Director Chairperson	67,200
Akira Oyama	Representative Director CEO	33,400
Takashi Kawaguchi	Director	10,600
Keisuke Yokoo	Outside Director	4,200
Sadafumi Tani	Outside Director	5,700
Kazuhiko Ishimura	Outside Director	100
Shigenao Ishiguro	Outside Director	600
Yoko Takeda	Outside Director	–
Shinji Sato	Audit & Supervisory Board Member	8,200
Kazuo Nishinomiya	Audit & Supervisory Board Member	17,500
Yo Ota	Outside Audit & Supervisory Board Member	–
Kunimasa Suzuki	Outside Audit & Supervisory Board Member	–
Toshihiro Otsuka	Outside Audit & Supervisory Board Member	–
Total		147,500

The Company maintains an executive officer system under which there are 14 officers.

Executive Officers of the Company as of June 21, 2024 are as follows:

Name	Current Position (Function)	Current Position (Business Area)
Akira Oyama	President	CEO (Chief Executive Officer)
Katsunori Nakata	Executive Corporate Officer	President of Ricoh Digital Products BU
Takashi Kawaguchi	Executive Corporate Officer	CFO (Chief Financial Officer) General Manager of Finance and Accounting Division President and Chairperson of Ricoh Americas Holdings, Inc.
Takahiro Irisa	Senior Corporate Officer	President of Ricoh Digital Services BU Chairperson of Ricoh Japan Corporation
Koji Miyao	Senior Corporate Officer	President of Ricoh Graphic Communications BU
Yasuyuki Nomizu	Senior Corporate Officer	CTO (Chief Technology Officer) General Manager of Management of Technology Division General Manager of Digital Strategy Division President of Ricoh IT Solutions Co., Ltd. Chairperson of Ricoh Software Research Center (Beijing)Co., Ltd.
Carsten Bruhn	Corporate Officer	General Manager of North America Management Division, Ricoh Digital Services BU President and CEO of Ricoh USA, Inc.
Mikako Suzuki	Corporate Officer	General Manager of ESG Strategy Division
Nicola Downing	Corporate Officer	General Manager of EMEA Management Division, Ricoh Digital Services BU CEO of Ricoh Europe PLC
Kazunori Kobayashi	Corporate Officer	President of Ricoh Futures BU
Keiichiro Uesugi	Corporate Officer	General Manager of Asia-Pacific Management Division, Ricoh Digital Services BU President of Ricoh Asia Pacific Pte, Ltd.
Tohru Kasai	Corporate Officer	General Manager of Japan Management Division, Ricoh Digital Services BU President of Ricoh Japan Corporation
Ryoko Nagahisa	Corporate Officer	CHRO (Chief Human Resource Officer) General Manager of Human Resources and General Affairs Division
Keiichi Shiokawa	Corporate Officer	President of Ricoh Industrial Solutions BU

2) Outside Directors and Outside Audit & Supervisory Board Members

The Company has appointed five Outside Directors and three Outside Audit & Supervisory Board Members.

The relationship with Outside Directors and Outside Audit & Supervisory Board Members

Outside Directors

Name	Personal, capital, trading relationships or other special interests between the individuals and the Company
Keisuke Yokoo	Number of the Company's shares held is 4,200 as of March 31, 2024. Mr. Keisuke Yokoo currently serves as Outside Director of The Dai-ichi Life Insurance Company, Limited and Takashimaya Company, Limited. The Company has business relations with each of these companies, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Director. In addition, the Company has business relations with Mizuho Securities Co., Ltd. and Nissui Corporation, where Mr. Keisuke Yokoo had belonged to in the past 10 years, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Director. With the expectation that the Outside Directors can fully fulfill the roles associated with their positions, the Company has executed a contract with Mr. Keisuke Yokoo to limit liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, to the higher of ¥10 million or the minimum liability limit amount stipulated in Article 425, Paragraph 1 of the Companies Act.
Sadafumi Tani	Number of the Company's shares held is 5,700 as of March 31, 2024. The Company has business relations with Jiji Press Ltd. and Quants Research Inc., where Mr. Sadafumi Tani had belonged to in the past 10 years, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Director. With the expectation that the Outside Directors can fully fulfill the roles associated with their positions, the Company has executed a contract with Mr. Sadafumi Tani to limit liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, to the higher of ¥10 million or the minimum liability limit amount stipulated in Article 425, Paragraph 1 of the Companies Act.

Name	Personal, capital, trading relationships or other special interests between the individuals and the Company
Kazuhiko Ishimura	Number of the Company’s shares held is 100 as of March 31,2024. Mr. Kazuhiko Ishimura is an Outside Director of Nomura Holdings, Inc. and President and CEO of the National Institute of Advanced Industrial Science and Technology. The Company has business relations with each of these companies, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Director. The Company has business relations with AGC Inc., TDK Corporation and IHI Corporation, where Mr. Kazuhiko Ishimura had belonged to in the past 10 years, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Director. With the expectation that the Outside Directors can fully fulfill the roles associated with their positions, the Company has executed contracts with Mr. Kazuhiko Ishimura to limit their liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, to the higher of ¥10 million or the minimum liability limit amount stipulated in Article 425, Paragraph 1 of the Companies Act.
Shigenao Ishiguro	Number of the Company’s shares held is 600 as of March 31,2024. Mr. Shigenao Ishiguro is a Chairperson & Director of TDK Corporation and an Outside Director of NTT DATA Corporation. The Company has business relations with each of these companies, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Director. The Company held 2,790 shares of TDK Corporation's stock (as of March 31, 2023), but has since sold all of the shares and currently does not hold any shares in TDK Corporation as of March 31, 2024. With the expectation that the Outside Directors can fully fulfill the roles associated with their positions, the Company has executed contracts with Mr. Shigenao Ishiguro to limit liability for damages, as stipulated in Article 423, Paragraph 1 of the Companies Act, to the higher of ¥10 million or the minimum liability limit amount stipulated in Article 425, Paragraph 1 of the Companies Act.
Yoko Takeda	Ms. Yoko Takeda is an Executive Officer, Research Fellow, and General Manager of the Think Tank Unit of Mitsubishi Research Institute, Inc. and an Outside Director of FANUC CORPORATION. The Company has business relations with each of these companies, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company, which is considered extremely insignificant. Thus, there are no special business relations that could affect her in executing her duties as Outside Director. With the expectation that the Outside Directors can fully fulfill the roles associated with their positions, the Company has executed contracts with Ms. Yoko Takeda to limit liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, to the higher of ¥10 million or the minimum liability limit amount stipulated in Article 425, Paragraph 1 of the Companies Act.

Outside Audit & Supervisory Board Members

Name	Personal, capital, trading relationships or other special interests between the individuals and the Company
Yo Ota	Mr. Yo Ota is an attorney-at-law and Partner at Nishimura & Asahi (Gaikokuho Kyodo Jigyo). Nishimura & Asahi (Gaikokuho Kyodo Jigyo) is one of the law firms that the Company requests the handling of legal affairs on a case-by-case basis. Although the Company has transactions involving consignment of legal affairs, etc., with other attorneys-at-law at Nishimura & Asahi (Gaikokuho Kyodo Jigyo), the relevant transactional amount for the fiscal year under review accounts for less than 1% of the consolidated net sales of the Company and the annual transaction amount of Nishimura & Asahi (Gaikokuho Kyodo Jigyo), respectively, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Audit & Supervisory Board Member. In addition, Mr. Yo Ota serves as an Outside Director of Nippon Kayaku Co., Ltd. The Company has business relations with Nippon Kayaku Co., Ltd. such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and Nippon Kayaku Co., Ltd., respectively, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Audit & Supervisory Board Member. In addition, Mr. Yo Ota serves as a Director of Japan Association of Corporate Directors. The Company pays membership fees to the Japan Association of Corporate Directors, the amount paid, such as the membership fees for the fiscal year under review, totals less than 1% of the consolidated net sales of the Company, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Audit & Supervisory Board Member. The Company has executed a contract with Mr. Yo Ota to limit liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, to the higher of ¥5 million or the minimum liability limit amount stipulated in Article 425, Paragraph 1 of the Companies Act.
Kunimasa Suzuki	Mr. Kunimasa Suzuki is an Outside Director of JTB Corp. The Company has business relations with JTB Corp., such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Audit & Supervisory Board Member. In addition, Company has business relations with Sony Corporation, which Mr. Kunimasa Suzuki had belonged to in the past 10 years, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Audit & Supervisory Board Member. The Company has executed a contract with Mr. Kunimasa Suzuki to limit liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, to the higher of ¥5 million or the minimum liability limit amount stipulated in Article 425, Paragraph 1 of the Companies Act.

Name	Personal, capital, trading relationships or other special interests between the individuals and the Company
Toshihiro Otsuka	Mr. Toshihiro Otsuka is a Partner of KPMG AZSA LLC. The Company has business relations with KPMG Japan, such as advisory services, with the relevant transactional amounts totaling less than 0.5% of the service revenue of KPMG Japan, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Audit & Supervisory Board Member. The Company has executed a contract with Mr. Toshihiro Otsuka to limit liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, to the higher of ¥5 million or the minimum liability limit amount stipulated in Article 425, Paragraph 1 of the Companies Act.

There are no special interests between Outside Directors and Outside Audit & Supervisory Board Members and the Company.
Outside Director, Mr. Keisuke Yokoo, Mr.Sadafumi Tani, Mr. Kazuhiko Ishimura, Mr. Shigenao Ishiguro, and Ms. Yoko Takeda, and Outside Audit & Supervisory Board Members, Mr. Yo Ota, Mr. Kunimasa Suzuki and Mr. Toshihiro Otsuka have been registered as an Independent Director as stipulated in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange.

The functions and roles of Outside Directors and Outside Audit & Supervisory Board Members in the Corporate Governance
Outside Directors

Name	The functions and roles in Corporate Governance
Keisuke Yokoo	Mr. Keisuke Yokoo has made appropriate management decisions and supervised management from the perspective of shareholders and investors by leveraging his broad and extensive experience gained through many years of working in finance and capital markets, as well as his broad knowledge and insights in finance. Additionally, as the Chairperson of the Board of Directors, he has led and operated Board of Directors meetings from a neutral standpoint, leading free, vigorous, and constructive discussions, particularly by eliciting active opinions from Outside Directors. Furthermore, as Nomination Committee Member and Compensation Committee Member, he has engaged in proactive discussions from an independent standpoint, based on his experience as a top executive, contributing to strengthening oversight functions and ensuring objectivity and transparency in the nomination and compensation processes.
Sadafumi Tani	Mr. Sadafumi Tani has made appropriate management decisions and supervised management by leveraging broad experience and insights from his long-standing career as an economic journalist, particularly in global economy and societal issues. Additionally, as the Chairperson of the Compensation Committee, he has led discussions on appropriate officer incentive compensation while considering the perspectives of a wide range of stakeholders such as shareholders and employees. This has contributed to strengthening oversight functions and ensuring transparency in the officer compensation determination process. Moreover, as Nomination Committee Member, he has engaged in discussions focused on ensuring objectivity and transparency in the nomination process.

Name	The functions and roles in Corporate Governance
Kazuhiko Ishimura	Mr. Kazuhiko Ishimura has made appropriate management decisions and supervised management by providing advice and recommendations based on his extensive experience as a management executive of AGC Inc. and his knowledge and insight as President and CEO of the National Institute of Advanced Industrial Science and Technology. Additionally, as the Lead Independent Director, he has collaborated with the Chairperson of the Board of Directors to continuously strengthen governance and led the responsibilities of Independent Outside Directors. Additionally, as the Chairperson of the Nomination Committee, he has facilitated objective discussions from an independent standpoint, contributing to strengthening oversight functions. As Compensation Committee Member, he also has developed discussions focused on ensuring objectivity and transparency in the officer compensation determination process.
Shigenao Ishiguro	Mr. Shigenao Ishiguro has made appropriate management decisions and supervised management by leveraging his broad and extensive experience as an executive of TDK Corporation. Additionally, as Nomination Committee Member, he has engaged in proactive discussions from an independent standpoint, based on his experience as a top executive, contributing to strengthening oversight functions and ensuring objectivity and transparency in the nomination process.
Yoko Takeda	Ms. Yoko Takeda has made appropriate management decisions and supervised management by leveraging her excellent foresight and analytical skills regarding the global economy and social trends, as well as deep insights and knowledge in employment issues and talent development, cultivated over the years as an economist. Additionally, as Compensation Committee Member, she has engaged in proactive and fair discussions from an independent standpoint, contributing to strengthening oversight functions and ensuring objectivity and transparency in the compensation process.

Outside Audit & Supervisory Board Members

Name	Their function and role in Corporate Governance
Yo Ota	Mr. Yo Ota actively made comments at the Audit & Supervisory Board and the Board of Directors based on his extensive track records from his many years of experience as an attorney practicing all areas of corporate law, including M&As, corporate governance, and compliance, and his extensive experience as a specialist in corporate governance. In addition to the above activities, he also participated in audits of divisions and subsidiaries in fields of particular focus in relation to his areas of expertise or importance, and provided advice and recommendations. He also actively engaged in discussions at meetings such as periodic meetings with the Representative Directors, governance review meetings, and outside executive meetings and frankly shared his opinions from a professional perspective. In addition, he is also expected to contribute to ensure the transparency in the nomination process by attending Nomination Committee meetings as an observer.
Kunimasa Suzuki	Mr. Kunimasa Suzuki has accumulated 34 years of experience as an executive in various areas, such as the PC business, entertainment business, and mobile business, since joining Sony Corporation (currently Sony Group Corporation) in 1984, including working in its subsidiaries. He also has experience in management at multiple overseas subsidiaries as well as a high level of know-how in business transformation and global management. Furthermore, with his subsequent experience as Representative Director and President of Intel K.K., he possesses deep knowledge in the digital field and demonstrates managerial skills in both the manufacturing and service industries. With his wealth of knowledge and experience, he is expected to provide precise advice on governance not only for our business transformation but also for our management infrastructure, such as our human resources and management structure, and perform objective and proper audits from an independent standpoint.
Toshihiro Otsuka	Mr. Toshihiro Otsuka possesses know-how in accounting audits from a global perspective through his experience as a certified public accountant and working at auditing firm over 37 years including a stint of work in the UK (working at KPMG LLP (UK)). He became a Representative Partner (currently a Partner) of AZSA & Co. (currently KPMG AZSA LLC) in July 2003 and has been active as an accounting auditor for leading companies in Japan, and he served as Senior Executive Board Member, overseeing corporate governance, quality management, risk management and so on from 2017. He has a wealth of experience as an accounting auditor through these carriers. He is expected to provide precise advice not only in accounting audits but also in the field of corporate governance from a very deep perspective, and perform objective and proper audits from an independent standpoint. He is also expected to contribute to ensure the transparency in the compensation process by attending Compensation Committee meetings as an observer.

The Company engages the election criteria for Outside Directors, as member of the Board of Directors, in “IV. INFORMATION ON THE COMPANY, 4 CORPORATE GOVERNANCE, ETC., (1) Corporate Governance, 3) Other matters for Corporate Governance, (II) Approach to Election of Directors”.
The Company expects the Outside Directors to fully utilize their knowledge and experiences, and to contribute to strengthening the corporate governance through decision-making and supervising of the Company’s management, based on discussions made from an independent and objective standpoint. As for the election criteria for Outside Audit & Supervisory Board Members, in “IV. INFORMATION ON THE COMPANY, 4 CORPORATE GOVERNANCE, ETC., (1) Corporate Governance, 3) Other matters for Corporate Governance, (VII) Approach to Election of Audit & Supervisory Board Members and (VIII) Election Process

for Audit & Supervisory Board Members", the Company places emphasis on ensuring their independence, and confirms the candidates' eligibility from an objective standpoint based on the election criteria.
Furthermore, the Outside Audit & Supervisory Board Members are expected to actively provide proposals and audit, drawing on the respective individual expertise and background.
As each of the Outside Directors and Outside Audit & Supervisory Board Members are performing the function and roles expected, and the independence criteria of the Outside Directors are met, the Company recognizes the appointment of the current Outside Directors and Outside Audit & Supervisory Board Members are appropriate.

The Company established the Company's Standards for Independence of Outside Directors and Audit & Supervisory Board Members as below and confirms these standards to elect Outside Directors and Outside Audit Supervisory Board Members.

1. In principle, Outside Directors and Outside Audit & Supervisory Board Members of the Company should be independent from the Company and should satisfy all of the items set out below.

(i) A person who is not a shareholder holding 10% or more of the total voting rights of the Company (a "major shareholder"), or a person who is not a director, audit and supervisory board member, accounting advisor, executive officer, executive director, corporate officer, manager or any other employee of the major shareholder of the Company.

(ii) A person who is not a director, audit and supervisory board member, accounting advisor, executive officer, executive director, corporate officer, manager or any other employee of a company of which the is a major shareholder.

(iii) A person who is not a director (excluding outside directors who are independent), audit and supervisory board member, accounting advisor, executive officer, executive director, corporate officer, manager or any other employee of the Ricoh Group or a person who was not a director (excluding outside directors who are independent), audit and supervisory board member, accounting advisor, executive officer, executive director, corporate officer, manager or any other employee of the Ricoh Group within 10 years preceding the assumption of the office of Outside Director.

(iv) A person of which the Ricoh Group was not a major business partner (whose sales to the Ricoh Group accounted for 2% or more of its consolidated net sales) in the immediately preceding fiscal year or any of the three fiscal years prior to such fiscal year, or a person who is not a director (excluding outside directors who are independent), executive officer, executive director, corporate officer, manager or any other employee thereof (including its parent company and subsidiaries).

(v) A person who was not a major business partner of the Ricoh Group (to which sales of the Ricoh Group accounted for 2% or more of consolidated net sales of the Ricoh Group) in the immediately preceding fiscal year or any of the three fiscal years prior to such fiscal year, or a person who is not a director (excluding outside directors who are independent), executive officer, executive director, corporate officer, manager or any other employee thereof (including its parent company and subsidiaries).

(vi) A person who is not a consultant, certified public accountant, certified tax accountant, lawyer or any other professional who received money or other property other than executive compensation, either directly or indirectly, from the Ricoh Group in an amount of ¥10 million or more in the immediately preceding fiscal year or per year in average over the past three fiscal years.

(vii) A person who does not belong to an organization, such as a law firm, auditing firm, tax accounting firm, consulting firm or any other professional advisory firm, that received money or other property, either directly or indirectly, from the Ricoh Group in an amount equivalent to 2% or more of its total revenue in the immediately preceding fiscal year or per year in average over the past three fiscal years.

(viii) A person who is not a spouse, a relative within the second degree of kinship or a relative who lives in the same household of a person who falls under the items (i) through (vii).

(ix) A person who is not a director, audit and supervisory board member, accounting advisor, executive officer, executive director, corporate officer, manager or any other important employee of a company, its parent company or subsidiary that has directors dispatched from the Ricoh Group.

(x) A person who is unlikely to cause a substantial conflict of interests with the Company.

2. The Company may appoint a person as Outside Director or Outside Audit and Supervisory Board Member if it determines that the person is qualified for the post, even though he/she fails to satisfy any of the above items (i) and (iv) through (ix) in the preceding paragraph, provided that the Company explains to external parties the reason for its determination that the person qualifies for the post.

3) Cooperation among internal audits, audits by Audit & Supervisory Board Members and accounting audits and relations with internal control departments

Outside directors, as member of the Board of Directors, are responsible for management oversight and important decision making concerning Ricoh's management. Outside Audit & Supervisory Board Members are responsible for auditing the decision making and operations performed by Executive Officers.

Outside Audit & Supervisory Board Members receive quarterly reports on the status of activities from the Internal Audit Office, which is in charge of internal audit, at meetings of the Audit & Supervisory Board, and the External Auditor who is in charge of accounting audits explains audit plans, audit reports, quarterly review results, quality control systems, etc.

Outside Audit & Supervisory Board Members are shared information from full-time Audit & Supervisory Board Members at meetings of the Audit & Supervisory Board regarding the three-way audit meeting which consists of Internal Audit Office and External Auditor and information exchange meetings held regularly by full-time Audit & Supervisory Board Members and External Auditor. The three-way audit meeting is held to exchange views of auditing policies and plans, and to share the findings from the audits performed by each auditor.

Furthermore, Outside Audit & Supervisory Board Members maintain an effective cooperation with Internal Audit & Supervisory Board Members, External Auditor and Internal Management & Control Division. They attend the interviews to Directors performed by External Auditor with Internal Audit & Supervisory board members and the Internal Management & Control Division and perform audits with Internal Audit & Supervisory board members, if necessary.

Through these cooperation and relationships, Outside Directors and Audit & Supervisory Board Members express their opinions in a timely manner from their respective professional standpoints.

(3) Audit

1) Operating Status of Audit & Supervisory Board

a. Audit & Supervisory Board members and the Audit & Supervisory Board

The Audit & Supervisory Board Members comprised 5 members of whom 3 are Outside Audit & Supervisory Board Members. Career etc. for each Audit & Supervisory Board member are as follows.

Position	Name	Career etc.
Audit & Supervisory Board Member (Full-time)	Shinji Sato	He has abundant experience in accounting and finance operations at domestic and overseas offices and affiliates, in addition to abundant experience serving as a president of affiliates and in internal audit operations at the Company and MITSUI & CO., LTD., where he had worked previously. He has considerable insight into finance and accounting.
Audit & Supervisory Board Member (Full-time)	Kazuo Nishinomiya	He has extensive experience and knowledge as a department manager in areas such as production, procurement, supply chain management, and as the general manager of the Professional Services Division, he has insight into the development of the internal control environment through the provision of services to related departments.
Independent outside Audit & Supervisory Board Member	Yo Ota	He has a track record of handling numerous cases as an attorney-at-law specialized in M&A and corporate legal affairs. He has an extensive experience as attorney and expert on corporate governance.
Independent outside Audit & Supervisory Board Member	Kunimasa Suzuki	He has a high level of knowledge in global management and the digital field based on his experience as an executive at Sony Group Corporation and its subsidiaries, as well as the Representative Director and President of Intel K.K..
Independent outside Audit & Supervisory Board Member	Toshihiro Otsuka	As a certified public accountant and a Partner of KPMG AZSA LLC, he has considerable insight into finance and accounting. In addition, he has served as a Senior Executive Board Member, overseeing corporate governance, quality management, and risk management at the audit firm, and has deep experience related to governance.

The Audit & Supervisory Board Office has been established, staffed by four full-time employees dedicated to this office with a certain degree of guaranteed independence from the Business Execution and assists the activities of the Audit & Supervisory Board Members, such as collection and analysis of information globally and support for on-site investigation.

b. Operation of the Audit & Supervisory Board

To ensure effective execution of duties by its members, the Audit & Supervisory Board carries out the activities based on the Audit & Supervisory Board Regulations established by the Audit & Supervisory Board, and makes resolutions, deliberations, reports, and discussions on important matters related to audits.
During the fiscal year, the Audit & Supervisory Board operated as follows.

● Number of meetings held: 14 (average time per meeting:159 minutes)

● Attendance rate

Position	Name	Attendance rate for the Audit & Supervisory Board meetings held during the fiscal year	Attendance rate for the Board of Directors meetings held during the fiscal year
Audit & Supervisory Board Member (Full-time)	Kazuhiro Tsuji	100% (14 out of 14)	100% (13 out of 13)
Audit & Supervisory Board Member (Full-time)	Shinji Sato	100% (14 out of 14)	100% (13 out of 13)
Independent outside Audit & Supervisory Board Member	Yo Ota	100% (14 out of 14)	100% (13 out of 13)
Independent outside Audit & Supervisory Board Member	Shoji Kobayashi	100% (14 out of 14)	100% (13 out of 13)
Independent outside Audit & Supervisory Board Member	Yasunobu Furukawa	100% (14 out of 14)	92% (12 out of 13)

● Agenda items and main content.

17 resolutions: Audit policy, audit plan, and division of duties, selection of the Chairperson of the Audit & Supervisory Board, full-time Audit & Supervisory Board Members, and specific Audit & Supervisory Board Members, audit budgets, Audit & Supervisory Board's Report, reappointment of the Independent Auditor, agreement regarding audit fee paid to the Independent Auditor, selection of candidates for Audit & Supervisory Board Members, internal regulations related to Audit & Supervisory Board Members ("Audit & Supervisory Board Regulations," etc.), prior approval procedures for non-auditing activities of the Independent Auditor, personnel transfers of assistant employees, etc.

29 deliberations: Compensation for Audit & Supervisory Board Members, opinion exchange prior to the Board of Directors meetings and review of the status of deliberations at those meetings, evaluation of the Independent Auditor, self-review of audit performance by Audit & Supervisory Board Members, Notes on the Audit Performance, contents of audit activity reports to the Board of Directors, prior consultation regarding resolutions, etc.

55 reports: Status of execution of duties by full-time Audit & Supervisory Board Members (monthly), status of operation of the Investment Committee, status of creation and operation of the disclosure system, status of non-audit work by the Independent Auditor, contents of securities report, the contents of business report, convocation notices, subsequent events, the results of audits by the Independent Auditor, the status of internal audits, deliberation status at the Nomination Committee and Compensation Committee, etc.

c. Outline of audit activities

We reviewed risks and issues in the five areas, namely (1) Directors, (2) Business execution, (3) Subsidiaries, (4) Internal audit, and (5) Accounting audit, and formulated annual activity plans. Outline of audit activities in each of these areas and division of duties of Audit & Supervisory Board Members are as below. Audit activities are mainly carried out by full-time Audit & Supervisory Board Members, and the contents are shared in a timely manner at the Audit & Supervisory Board meetings. Outside Audit & Supervisory Board Members conduct audits with full-time Audit & Supervisory Board Members and make recommendations, taking advantage of their respective expertise and backgrounds, and express their opinions from the independent standpoint.

<table>
<tr><th rowspan="2">Domain</th><th colspan="2" rowspan="2">Details of main audit activities (★Meeting organized by the Audit & Supervisory Board Members)</th><th rowspan="2">Results</th><th colspan="2">Division of responsibilities</th></tr>
<tr><th>Full-time Audit & Supervisory Board Members</th><th>Outside Audit & Supervisory Board Members</th></tr>
<tr><td rowspan="5">(1) Directors</td><td colspan="2">Attending Board of Directors meetings, monitoring Board of Directors effectiveness improvement measures, and reviewing and following up the agenda items on Board of Directors meetings</td><td>13 times</td><td>●</td><td>●</td></tr>
<tr><td colspan="2">Attending as an observer in the Nomination Committee / Compensation Committee meetings</td><td>8 / 7 times</td><td></td><td>●</td></tr>
<tr><td colspan="2">Holding liaison meetings with Chairperson of the Board of Directors, Lead Outside Director and Representative Director★</td><td>1 time</td><td>●</td><td>●</td></tr>
<tr><td colspan="2">Holding governance review meetings attended by Directors and the Audit & Supervisory Board Members ★</td><td>2 times</td><td>●</td><td>●</td></tr>
<tr><td colspan="2">Holding Outside Executive Meeting (meeting for exchange of opinions by Outside Directors and Audit & Supervisory Board Members)★</td><td>2 times</td><td>●</td><td>●</td></tr>
<tr><td rowspan="10">(2) Business execution</td><td rowspan="3">Reviews by Audit & Supervisory Board Members</td><td>Business units</td><td>All business units</td><td>●</td><td>☐</td></tr>
<tr><td>Group headquarters organizations</td><td>13 organizations</td><td>●</td><td>☐</td></tr>
<tr><td>Principal offices and plants</td><td>2 sites</td><td>●</td><td>☐</td></tr>
<tr><td rowspan="2">Attending important meetings</td><td>Group Management Committee (GMC) / Executive Officer Meeting</td><td>20 / 9 times</td><td>●</td><td>☐</td></tr>
<tr><td>Performance review meetings, business unit operation meetings, Internal Control Committee / ESG Committee / Investment Committee meetings and other important meetings</td><td>91 times</td><td>●</td><td>☐</td></tr>
<tr><td rowspan="4">Holding information sharing meetings★</td><td>CEO, CFO and CHRO (monthly)</td><td>12 times each</td><td>●</td><td rowspan="4">☐</td></tr>
<tr><td>Presidents of business units (5 business units)</td><td>2 times each</td><td>●</td></tr>
<tr><td>Group Headquarters functional officers (6 functions)</td><td>1 time each</td><td>●</td></tr>
<tr><td>Risk management department (monthly)</td><td>12 times</td><td>●</td></tr>
<tr><td colspan="2">Reviewing and confirming important documents (agendas and minutes of important meetings, documents for approval, written agreements, etc.)</td><td>Successively</td><td>●</td><td>☐</td></tr>
</table>

	Auditing business reports, supplementary schedules, and financial statements		Term end	●	●
(3) Subsidiaries	Reviews by Audit & Supervisory Board Members	Domestic subsidiaries	3 companies	●	☐
		Overseas subsidiaries	15 companies	●	
	Exchanging information with Audit & Supervisory Board Members of subsidiaries★	Regular meetings with Audit & Supervisory Board Members of Ricoh Japan (every other month)	5 times	●	
		Information exchange meetings with Audit & Supervisory Board Members of Ricoh Industry and PFU	1 time each	●	
		Holding information exchange meetings among Audit & Supervisory Board Members of Ricoh	2 times	●	☐
(4) Internal audit	Receiving explanation from the internal audit division about the internal audit plan, and reporting the results thereof (quarterly)★		4 times	●	●
	Holding regular meetings with the internal audit division (monthly)★		12 times	●	
	Holding three-way audit meetings (quarterly)★		4 times	●	
(5) Accounting audit	Information exchange meetings with the Independent Auditor★ (held monthly (except for months in which three-way audit meetings are conducted))		8 times	●	
	Receiving explanation about audit plan and reports of quarterly review and audit results from the Independent Auditor		10 times	●	●
	Evaluating the Independent Auditor		2 times	●	●

●: In charge

☐:Voluntarily or partly in charge

d. Areas of focus and actions for fiscal year under review

The Audit & Supervisory Board considered anticipated risks in light of changes in both the internal and external environments, in addition to the Company's business activities for the fiscal year under review. As a result, we have established the following audit policy.

Audit policy

With the start of the 21st Mid-Term Management Strategy under the new management structure, including the transition of the CEO, we will monitor and verify the execution status in alignment with the Mid-Term Management Strategy. This includes focusing on the effectiveness and response to challenges in the transformation into a digital services company, efforts to enhance corporate value, and governance changes such as role allocation and delegation of authority.

Through audit activities, including visiting audits, to be conducted during the term, we report identified and recognized issues to the Board of Directors as needed to support swift and effective management responses.

The areas of focus, activities, and achievements for the fiscal year under review are as follows.

Area of focus: (i) Measures and execution for the transformation into a digital services company

● Confirmation of decision-making processes for various measures and strategies, as well as the management and supervision status after decisions are made

- We attended each business unit's operation meetings, performance review meetings, etc., conducted reviews, and held information sharing meetings with the head of each division to confirm the progress of various measures and strategies aimed at transforming into a digital services company as well as the alignment of each organization's policies and strategies with the 21st Mid-Term Management Strategy.
- We confirmed and exchanged opinions on the governance structure and various preparatory activities for ETRIA CO., LTD., which is scheduled to be formed next fiscal year.

● Confirmation of issues and responses in the Ricoh-style job-based personnel system

- We conducted reviews of the HR department in Ricoh headquarters organizations and the HR functional organization in each business unit to confirm their collaboration status as well as issues and responses in the Ricoh-style job-based personnel system.
- Along with reviews, we conducted roundtable discussions with employees in six Group headquarters organizations and four subsidiaries to exchange opinions about understanding and perceptions of the system, as well as workplace conditions.

● Confirmation of governance status of functions affected by the transition to business unit structure

- In addition to reviewing HR functions, we also conducted reviews on general affairs and legal functions of Group headquarters management organization and each business unit's functional departments to confirm their collaboration status and role distribution.

Area of focus: (ii) Governance under the new management structure

● Confirmation of effects of changes in governance under the new management structure

- We confirmed the role, authority, and structure establishment status of the relevant organizations, as well as concerns arising from the new management structure through reviews and information sharing meetings with the head of each division.
- We shared concerns discussed in the Outside Executive Meeting, such as the dual roles of the CEO and the areas of responsibility for officers under the new management structure, during regular meetings with the CEO and CFO.

● Confirmation of business units' autonomous internal control, risk management, and subsidiary management systems

- We conducted reviews of 18 subsidiaries and each business unit to confirm the establishment status of their internal control systems, the status of management by Supervising Organizations, and their cooperation.

- During the reviews of overseas subsidiaries, we held meetings with local accounting auditors to confirm the audit status and issues.

Area of focus: (iii) Initiatives towards to enhance Corporate Value

● Confirmation of progress in the Corporate Value Improvement Project

- During roundtable discussions with employees, we verified their understanding and perception of the messages from the CEO regarding initiatives to enhance corporate value. The results were then fed back to the management team.
- To realize corporate value improvement, we verified the progress of deliberations by attending important meetings, including the Project. We requested opportunities for pre-briefings to the Board of Directors and the Audit & Supervisory Board. Full-time Audit & Supervisory Board Members regularly attended progress report meetings, and monitored reactions after public announcements and the progress of measures.
- By attending business portfolio management meetings, we verified the content and progress of strategies.

e. Coordination with Independent Auditor and Evaluation

● Content of coordination with Independent Auditor

The Audit & Supervisory Board Members and the Audit & Supervisory Board conduct explanations, reports, and regular meetings throughout the year to share information and exchange opinions, ensuring close collaboration, as well as monitoring whether the Independent Auditor maintain their independence and conduct proper audits.

The content of coordination with the Independent Auditor is as follows.

Content of coordination	Overview	FY2023												FY2024		
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Explanation of audit plan	Audit plan and audit focus areas				■					■			■			
Quarterly review report	Status of review procedure and key matters					■			■			■				
Quality management structure report	Audit quality initiatives and audit structure							■								
Audit results report	Results of Companies Act and Financial Instruments and Exchange Act auditing		■	■											■	■
Internal control audit report	Explanation of audit results			■												■
Regular meetings* (□: Three-way audit meetings)	Sharing of information regarding enactment of and revisions to regulations and laws, other topics related to accounting auditing, the status of auditing, etc.	□	■	■	□	■	■	□	■	■	□	■	■	□	■	■

* Regular meetings are attended by full Audit & Supervisory Board Members, and the content of the meetings is shared and discussed with Outside Audit & Supervisory Board Members at Audit & Supervisory Board meetings.

● Key Audit Matters (KAM)

With regard to the Key Audit Matters (KAM) in the fiscal year under review, the Audit & Supervisory Board confirmed and discussed the status of deliberations on the occasions of the explanations on the Independent Auditor's audit plans, quarterly review reports, etc., and confirm the opinions of the executive side, as well.

f. Self-review of audit performance by Audit & Supervisory Board Members

At the end of the fiscal year under review, each Audit & Supervisory Board Member conducts a review of their audit activities during the term in a questionnaire format. The results, especially the efforts towards the Area of Focus, are analyzed and evaluated by the Audit & Supervisory Board, to identify improvements and the Area of Focus for the next fiscal year, and thereby enhance audit quality.

The performance of various audit activities and operations is detailed in this report.

2) Status of Internal Audit

a. Organization, personnel, and procedures

Internal audits are carried out through a system in which the independent and dedicated Internal Audit Office at the headquarters (comprising 25 members as of the end of March 2024) collaborates with the organization in charge of audits at each global location. Based on the Internal Audit Standard and the Annual Audit Plan, internal audits are conducted on the Ricoh Group's business execution with a risk approach from the viewpoints of legal compliance, effectiveness and efficiency of operations, reliability of reporting and safeguarding of assets. The Internal Audit Office provides advice and recommendations for improvement from a fair and objective standpoint. The results of internal audits are shared in written audit reports with the heads of audited entities and related sections upon completion of each audit. A summary of audit results is reported quarterly to the Internal Control Committee and the Audit & Supervisory Board, and semi-annually to the Board of Directors. The Internal Audit Office has constructed and operates this dual reporting system, which directly reports to the Board of Directors and the Audit & Supervisory Board. Additionally, the Internal Audit Office also evaluates and reports on internal control related to financial reporting under the Financial Instruments and Exchange Act.

b. Mutual Cooperation among internal audits, audits by the Audit & Supervisory Board members and accounting audits, and relations with internal control departments

The results of the internal audit and the contents of the report to the Internal Control Committee, including the annual audit plan, are reported to the Audit & Supervisory Board quarterly by the Internal Audit Office for an exchange of opinions.

In addition, we hold monthly information exchange meetings with the full-time Audit & Supervisory Board members to report the results of internal audits and the status of internal controls. We use a common database to access information, including audit reports, on a day-to-day basis, and conduct audits in close cooperation with each other.

In addition, the Audit & Supervisory Board members, the Internal Audit Office, and the Independent Auditor hold quarterly information exchange meetings (Three-Way Audit Meetings) to exchange opinions on the results of each audit and on the status of internal controls and risk assessments understood by the accounting auditors, and to maintain close cooperation.
The Internal Audit Office and the Independent Auditor exchange information on the status of internal audits and internal control audits every month.
Items pointed out in these audits are reported quarterly to the principal administrative divisions and the risk management division. We are working to strengthen internal controls and improve the quality of business execution through a follow-up cycle in which we review improvements and reconfirm that necessary improvements are being made.

3) Accounting Audit

a. Name of certified public accountants

Deloitte Touche Tohmatsu LLC

b. The length of years the Accounting Auditor has served

Five years

c. Certified public accountants (CPAs) who conducted the audit on the Company’s financial statements

Masato Shoji, Kenjiro Ikehata and Yosuke Nakamoto

d. The numbers of audit assistants involved in the audit

There were total of 95 audit assistants involved in the audit as of March 31, 2024, 18 certified public accountants and 77 others.

e. Policy to select the independent auditor and the reason

The Audit & Supervisory Board has established the following policy to select the independent auditor (policy regarding the decisions to reappointment, dismissal, non-reappointment and appointment the independent auditor).

Policy to select the independent auditor

The Audit & Supervisory Board, by unanimous agreement, will dismiss the independent auditor when confirmed that the independent auditor falls under any item of Article 340, Paragraph 1 of the Companies Act. In this case, the dismissal and its reasons will be reported at the first general meeting of shareholders to be held after the dismissal.

The Audit & Supervisory Board establishes the evaluation criteria for the independent auditor, and considers the selection of the independent auditor every year, taking into account its independence, expertise, quality control system, audit fees and group audit system, whether it is difficult for the independent auditor to properly perform audit duties, etc.

If there are any doubts regarding the reappointment of the independent auditor, or if the engagement becomes a long-term audit engagement, then the Audit & Supervisory Board will periodically listen to proposals from multiple auditing firms and will reappoint the independent auditor or will decide on the contents of resolutions to submit to the General Meeting of Shareholders regarding the dismissal or non-reappointment of the independent auditor, or election of another independent auditor.

The Audit & Supervisory Board confirmed the following based on the “Policy to select the independent auditor (policy regarding the decisions to reappointment, dismissal, non-reappointment and appointment the independent auditor)”.

・Existence of matters that fall under any item of Article 340, Paragraph 1 of the Companies Act.

・Results of the independent Auditor's evaluation, which comprehensively takes into account the independence, expertise, quality control system, audit fees and group audit system, and whether it is difficult for the independent auditor to properly perform audit duties, etc., conducted based on the evaluation criteria for the independent auditor

・Duration of audits by the Accounting Auditor and whether there was no doubt about reappointment

As a result, the Audit & Supervisory Board have determined that it is appropriate to reappoint Deloitte Touche Tohmatsu LLC as the independent auditor for the fiscal year from April 1, 2024 to March 31, 2025.

f. Evaluation of the Independent Auditor by the Audit & Supervisory Board Members and the Audit & Supervisory Board

The Audit & Supervisory Board Members and the Audit & Supervisory Board, in accordance with the “Policy for Selection of Independent Auditor (Policy for Reappointment, Dismissal, and Appointment)” established by the Audit & Supervisory Board, set evaluation items and conduct evaluations of the Independent Auditor.

● Evaluation process

Full year: Monitoring of audit quality

- Throughout the fiscal year, each Audit & Supervisory Board Member monitors the quality of audits by assessing the attitude and approach of the Independent Auditor, as well as their collaboration with overseas accounting auditors, based on the content of coordination described in ‘1) Operating Status of Audit & Supervisory Board - e. Coordination with Independent Auditor and Evaluation’ above.

November to December: Mid-year performance review

- Full-time Audit & Supervisory Board Members conduct interviews with executive divisions (accounting and internal auditing) regarding the performance of the Independent Auditor.
- Based on the results of these interviews and the monitoring of audit quality, a mid-year performance review is performed at Audit & Supervisory Board meetings.
- Requests for the Independent Auditor are collected and organized, and replies to these requests are confirmed.

March to April: Year-end evaluation

- Each Audit & Supervisory Board Member evaluates the Independent Auditor based on the evaluation items.
- Taking into account the evaluation by each Audit & Supervisory Board Member, the Audit & Supervisory Board assesses the appropriateness of the audit methods and results, and decides on the reappointment of the Independent Auditor.
- The Audit & Supervisory Board also considers any requests for improvements and the duration of the audit engagement to determine whether to initiate the selection process for an Independent Auditor.

● Evaluation items

(i) Quality control and external review/inspection results of the audit firm and their response

(ii) Independence, professional skepticism, and appropriate composition of the audit team

(iii) Content and level of audit fees and non-audit fees

(iv) Communication with Audit & Supervisory Board Members and other relevant parties

(v) Relationship with management and other stakeholders

(vi) Group audit (audit status, collaboration, and information gathering among overseas network firms)

(vii) Proper assessment of fraud risk, proper execution of audit plans, and response to indications of fraud

4) Details of Fees for Audit and Non-Audit Services

(1) Fees to certified public accountants

Category	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024	
	Fees for audit services (Millions of Yen)	Fees for non-audit services (Millions of Yen)	Fees for audit services (Millions of Yen)	Fees for non-audit services (Millions of Yen)
The Company	255	29	271	39
Consolidated subsidiaries	133	－	128	－
Total	388	29	399	39

Descriptions of non-audit services to the Company

(Fiscal year ended March 31, 2023)

Non-audit services to the Company were in respect of inspection service related to information security evaluation.

(Fiscal year ended March 31, 2024)

Non-audit services to the Company were in respect of inspection service related to information security evaluation.

Descriptions of non-audit services to consolidated subsidiaries

(Fiscal year ended March 31, 2023)

Not applicable.

(Fiscal year ended March 31, 2024)

Not applicable.

(2) Fees to the same network as the Company’s accounting auditor (excluding (1))

Category	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024	
	Fees for audit services (Millions of Yen)	Fees for non-audit services (Millions of Yen)	Fees for audit services (Millions of Yen)	Fees for non-audit services (Millions of Yen)
The Company	－	96	－	123
Consolidated subsidiaries	1,981	162	2,240	242
Total	1,981	258	2,240	365

Descriptions of non-audit services to the Company

(Fiscal year ended March 31, 2023)

Non-audit services from the same network as the Company’s accounting auditor (Deloitte Touche Tohmatsu Limited) to the Company were in respect of the advisory services on organizational realignment, etc.

(Fiscal year ended March 31, 2024)

Non-audit services from the same network as the Company’s accounting auditor (Deloitte Touche Tohmatsu Limited) to the Company were in respect of the advisory services on organizational realignment, etc.

Descriptions of non-audit services to consolidated subsidiaries

(Fiscal year ended March 31, 2023)

Non-audit services from the same network as the Company’s accounting auditor (Deloitte Touche Tohmatsu Limited) to consolidated subsidiaries were in respect of the tax compliance related services and the advisory services on corporate acquisitions, etc.

(Fiscal year ended March 31, 2024)

Non-audit services from the same network as the Company’s accounting auditor (Deloitte Touche Tohmatsu Limited) to consolidated subsidiaries were in respect of the tax compliance related services, etc.

(3) Other fees

Not applicable.

(4) Policy on determination of audit fees

In determining the amount of audit fees, the Company has a thorough discussion with the certified public accountants, including the scale and characteristics of the businesses.

(5) Reason why the Audit & Supervisory Board agreed to the audit fees etc.

The Audit & Supervisory Board conducted necessary verifications to determine whether the details of the audit plan for auditing by the Independent Auditor, the state of execution of accounting audit duties, and the calculation basis for audit fee estimates are appropriate or not. Upon these verifications, the Audit & Supervisory Board concluded that the amount of audit fee, etc., of the Independent Auditor is reasonable and consent has been given to it.

(4) Compensation to Directors and Audit & Supervisory Board Members

(i) Policy on determination of Compensation for Directors & Supervisory Board Members and its calculation formula

1. Executive Compensation Policy

Executive compensation is used as a concrete incentive to improve the Ricoh Group's corporate earnings and achieve sustainable growth in shareholder value over the medium- to long-term. In addition, from the perspective of strengthening corporate governance, measures are taken to secure objectivity, transparency, and appropriateness in setting up compensation levels and determining individual compensation. The Company determines executive compensation based on the following basic policies:

1) Compensation composition

・Compensation for Internal Directors who concurrently serve as Executive Officers is comprised of three elements: i) basic compensation that reflects expected roles and responsibilities, ii) bonuses that reflect business results (performance-linked compensation), and iii) compensation that reflects medium- to long-term increase in shareholder value.

・Compensation for Internal Directors who do not concurrently serve as Executive Officers is comprised of basic compensation, bonuses and stock-based compensation in light of their role of overseeing business execution as full-time Director with extensive knowledge of the actual situation of the Company.

・Compensation for Outside Directors responsible for management oversight and Audit & Supervisory Board Members responsible for auditing is comprised only of basic compensation in order for them to focus on fair oversight and auditing, thereby ensuring independence from the execution of business.

2) Governance

・The Company will ensure objectivity, transparency and appropriateness in designing the compensation system, setting compensation levels and determining individual compensation through appropriate external benchmarks and ongoing deliberations and monitoring by the Compensation Committee.

・The Compensation Committee and the Board of Directors deliberate on the appropriateness of individual director compensation amounts based on the results of the Nomination Committee's evaluation of Directors and other factors.

2. Compensation, etc. for Directors

(1) How to determine policy regarding decisions on individual compensation, etc. for Directors

The policy is determined by the Board of Directors taking into consideration the deliberation and recommendation of the Compensation Committee, which is an advisory body to the Board of Directors.

(2) Policy regarding decisions on individual compensation, etc., and matters related to performance linked compensation, non-monetary compensation, etc. for Directors for fiscal 2023

1) Process for determining compensation

The Company has established a voluntary Compensation Committee to build a more objective and transparent compensation review process that contributes to increasing profits, enhance corporate value, and strengthen corporate governance through incentives. The Compensation Committee determines each compensation plan for basic compensation, bonuses, compensation for acquiring stock, and performance linked stock-based compensation after multiple deliberations based on the compensation standards for Directors and business performance, as well as the results of the Nomination Committee's evaluation of Directors, and makes recommendations to the Board of Directors.

The Board of Directors deliberates on and decides each compensation plan recommended by the Compensation Committee. With respect to bonuses, the Board of Directors determines the total amount of bonuses to be paid after confirming that the amount of bonuses for each individual Director is appropriate in accordance with the formula for Directors' bonuses, and decides on a proposal for the payment of bonuses to Directors and whether or not to submit the proposal to the General Meeting of Shareholders. After the proposal for payment of bonuses to Directors is approved at the General Meeting of Shareholders, the amount of the individual bonuses determined by the Board of Directors is paid.

2) Policy for determining compensation level

In order to ensure an appropriate link to corporate performance, the Compensation Committee confirms every year whether the target level of the Company's performance has been achieved for each compensation category of basic compensation and short-, medium-, and long-term incentives. The compensation levels of the peer group officers based on the results of a survey by an external professional organization are used as guides, while the payment rate for short-, medium-, and long-term incentives is set to fluctuate according to the Company's performance.

3) Compensation for Directors

Type	Name	Internal Director	Outside Director	Comments
Fixed	Basic compensation	○	○	Compensation based on roles and responsibilities
Variable (short-term)	Performance-linked bonuses	○	-	Linked to achievement of performance targets
Variable (medium- to long-term)	Compensation for acquiring stock	○	-	The entire amount paid is used for the acquisition of Company shares through the Executive Stock Ownership Plan
	Performance-linked stock-based compensation	○	-	Incentive to enhance shareholder value and corporate value over the medium to long term

i) Basic compensation (fixed)

Basic compensation is cash compensation paid monthly during the term of office as compensation that reflects the roles and responsibilities expected of Directors.

The amount of compensation is decided within a range of the total amount of compensation determined at the general meeting of shareholders, and the total amount of compensation paid for fiscal 2023 was ¥281.68 million.

	Composition of compensation	Main method of setting compensation levels
Internal Directors	"Compensation pertaining to management oversight" and "compensation reflecting the importance of individual roles and management responsibilities" as a base, with additional "compensation based on positions, such as Representative Director, member of the Nomination Committee, or member of the Compensation Committee"	• The importance of individual roles and management responsibilities of Directors who concurrently serve as Executive Officers are determined with reference to the job grade framework of external specialized agencies. • Compensation for Directors who do not concurrently serve as Executive Officers is determined in light of their role of overseeing business execution with their extensive knowledge of the actual situation of the Company serving full-time.
Outside Directors	"Compensation pertaining to management oversight" and "compensation pertaining to advice to management" as a base, with additional "compensation based on positions, such as Chairperson of the Board of Directors, Chairperson of the Nomination Committee and Chairperson of the Compensation Committee"	• The amount of compensation is set with reference to objective data from external specialized agencies.

ii) Performance-linked bonuses (short-term)

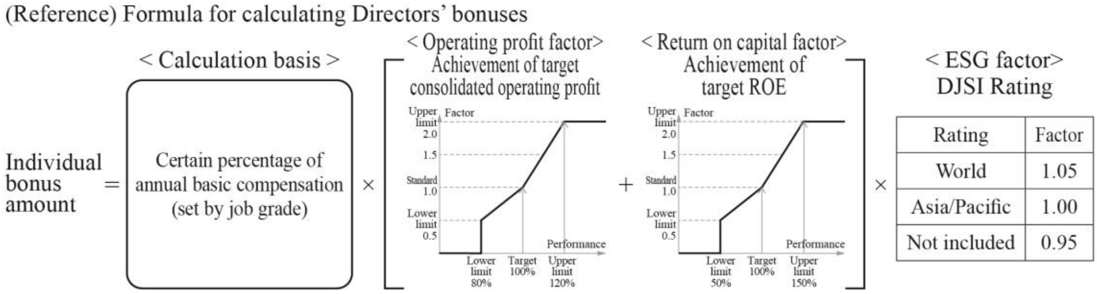
Performance-based bonuses are monetary compensation paid after the end of a fiscal year as compensation that reflects the Company's performance and shareholder value improvements in the target fiscal year. For fiscal 2023, the following indicators were established.

Evaluation indicator	Reason
Achievement of target consolidated operating profit	Clarify that Directors are responsible for increasing earnings and improving profitability by setting operating profit, which correlates with market capitalization and represents achievements in business activities, as an evaluation indicator
Achievement of target ROE	Clarify that Directors are responsible for improving shareholder value by setting ROE, a key indicator for enhancing return on capital, as an evaluation indicator
Annual DJSI* Rating	Provide an incentive for ESG improvement by using the DJSI's annual rating, which is used as a tool for confirming company-wide ESG initiatives, as an evaluation indicator

*Dow Jones Sustainability Index (DJSI):
A share index jointly developed by Dow Jones in the US and S&P Global, a company specializing in research on sustainable investment, the Dow Jones Sustainability Index measures the sustainability of major companies around the world from the three perspectives of economy, environment and society.

In addition, the Compensation Committee deliberates on the appropriateness of individual bonus payment amounts based on the results calculated by the formula for calculating Directors' bonuses below, including the results of the evaluation of Directors by the Nomination Committee, and make recommendations to the Board of Directors, which then decides whether or not to submit a proposal for the payment of bonuses to Directors to the General Meeting of Shareholders.
With regard to bonuses for fiscal 2023, the Compensation Committee's deliberations determined that the results calculated according to the formula for calculating Directors' bonuses are appropriate, and the total amount to be paid is ¥63.85 million.

(Reference) Formula for calculating Directors' bonuses



*Weighted averages for the operating profit factor and the return on capital factor in evaluation indicators are calculated using prescribed weights.

Targets and Results for Evaluation Indicators (fiscal 2023)

	Target	**Results**	**Factor**
Achievement of target consolidated operating profit	¥70.0 billion	¥62.0 billion	0.71
Achievement of target ROE	5.3%	4.5%	0.85
Annual DJSI Rating	World	World	1.05

*The target values are the fiscal 2023 forecast which was briefed in the fiscal 2022 financial results released on May 8, 2023.

iii) Compensation that reflects improvement in shareholder value (medium- to long-term)
Compensation that reflects the stock price consists of the following "compensation for acquiring stock," and "performance-linked stock-based compensation" for the purpose of further strengthening Directors' commitment to improving the Company's corporate value over the medium- to long-term.

(Cash compensation for the purpose of acquiring stock)
Cash compensation for the purpose of acquiring stock is cash compensation intended to steadily increase the number of shares held by Directors and to enable them to share with shareholders the benefits and risks arising from fluctuations in the stock price. Cash compensation for the purpose of acquiring stock is paid monthly as part of fixed salary during the term of office, and the entire amount paid is used for the acquisition of Company shares by the Ricoh Executive Stock Ownerships Plan. The amount is set for each position within

the range of the total compensation decided at the general meeting of shareholders. The total compensation paid for fiscal 2023 was ¥12.07 million.

(Performance-linked stock-based compensation)

The performance-linked stock-based compensation (the "Plan") is a plan under which the Board Incentive Plan Trust (hereinafter referred to as the "Trust") funded by the Company acquires the Company's common stock ("Company Shares") from the stock market (including off-floor trading) and delivers the number of Company Shares equivalent to the number of points granted by the Company to each Director through the Trust. In principle, Directors will receive Company Shares after the completion of each period subject to performance evaluation (each period of three consecutive fiscal years commencing on April 1 of each year). The number of points granted to each Director by the Company will be determined based on the base amount for each job grade in accordance with rules governing performance shares determined by resolution of the Board of Directors and will vary between 0% to 200% by taking into account the evaluation of the Company's TSR relative to the TOPIX (including dividends) TSR growth rate as well as its ranking relative to the TSR of the peer group, and the degree of achievement of ESG targets during the performance evaluation period. Company Shares will be delivered at a rate of one share per point. In addition, preissuance malus-clawback clause has been established to demand the return of stock-based compensation in the event of serious misconduct, etc. that causes an impact on the Company during the Director's term of office.

The Plan was introduced on September 1, 2023 following a partial amendment to the stock-based compensation plan with stock price conditions resolved at the 123rd Ordinary General Meeting of Shareholders held on June 23, 2023. For the plan before the amendments, in principle, the Company will stop granting new points after September 1, 2023, and the number of Company Shares corresponding to the accumulated points will be delivered at retirement in accordance with the provisions of the plan before the amendments. The amount of expenses recorded based on the points granted for the fiscal 2023 under the Plan before the amendments was ¥74.13 million, and shares (8,400 shares) were granted to an internal Director who retired during fiscal 2023 in proportion to the result of the comparison of the Company's stock price growth rate (103.7%) with TOPIX growth rate (138.0%) during the tenure of the Director to the accumulated points (the indicator was selected to have Directors share with shareholders the benefits and risks arising from fluctuations in the stock price).

(Major amendments to the Plan)

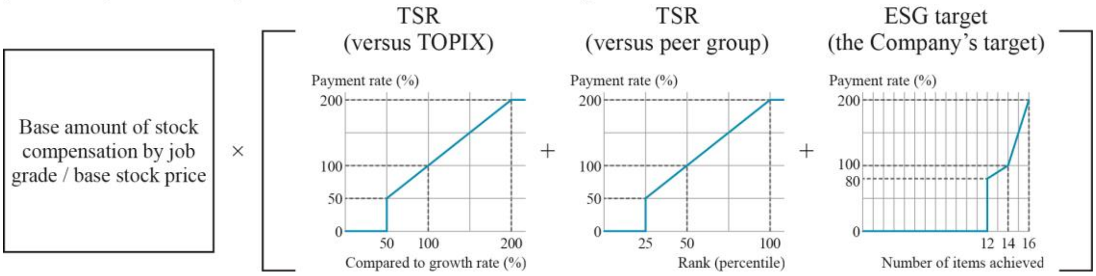
1	Evaluation indicators (Reason and aim for setting indicators)	The evaluation of the Company's TSR relative to the TOPIX (including dividends) TSR growth rate and its ranking relative to the TSR of the peer group, and the degree of achievement of ESG targets during the performance evaluation period (to strengthen the link between management responsibility for increasing shareholder value and achieving sustainable development goals and stock-based compensation)
2	Standard for granting points	Points are granted in a range between 0% to 200% according to the above evaluation criteria based on the base amount of stock-based compensation by job grade and the base stock price
3	Timing of delivery of Company Shares to the eligible Directors	In principle, after the completion of each performance evaluation period (three years after the commencement of the performance evaluation period)

[Reference] Process from grant of rights to delivery of shares under the Plan (image)

Plan	Event ＼ Calendar year	X	X+1 year	X+2 years	X+3 years	X+4 years	X+5 years
X	Grant of rights	☆					
	Period subject to performance evaluation						
	Vesting of rights (determination of the number of points granted, delivery of shares)				★		
X+1	Grant of rights		☆				
	Period subject to performance evaluation						
	Vesting of rights (determination of the number of points granted, delivery of shares)					★	
X+2	Grant of rights			☆			
	Period subject to performance evaluation						
	Vesting of rights (determination of the number of points granted, delivery of shares)						★

The number of points to be granted for fiscal year X is determined on a single fiscal year basis after the evaluation over a performance evaluation period of three fiscal years, including fiscal year X and two subsequent fiscal years (X+1 year and X+2 years) and three years (X+3 years) after the end of the performance evaluation period (three fiscal years), and shares are issued accordingly. Similarly, the number of points to be granted for fiscal year X+1 is determined on a single year basis after the evaluation over a performance evaluation period of three fiscal years, including fiscal year X+1 and two subsequent fiscal years (X+2 years and X+3 years) and three years (X+4 years) after the end of the performance evaluation period (three fiscal years), and shares are issued accordingly.

(Reference)Formula for performance-linked stock-based compensation for Directors

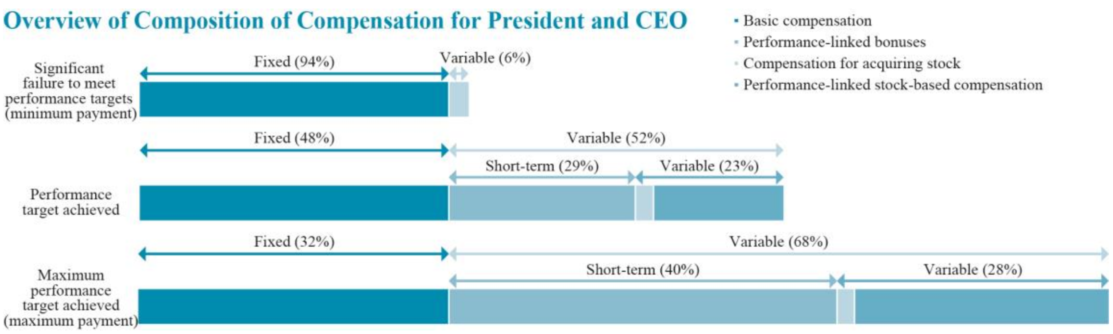


*Weighted averages for the payment rate in evaluation indicators are calculated using prescribed weights.

(3) Policy on determining the ratio of fixed and variable compensation for Directors

In order to clarify responsibility for performance for each role and function, the ratio of fixed compensation (basic compensation) to variable compensation (performance-linked bonus, compensation for acquiring stock, and performance-linked stock-based compensation) is designed so that those with more management responsibility will receive a greater proportion of variable compensation. For the highest-ranking position of President and CEO, the fixed/variable compensation ratio will be approximately 5:5 when the standard performance target for fiscal 2023 is achieved (Operating profit of ¥70.0 billion and ROE of 5.3%), and 3:7 when the maximum performance target is achieved (Operating profit of ¥84.0 billion or more and ROE of 7.95% or higher).

The Company will continue to emphasize the enhancement of shareholder value and corporate value over the medium to long term. It will further increase the ratio of variable compensation linked to shareholder value and business performance. Additionally, it will continue to evaluate the appropriate amount of compensation for each compensation type.



(4) Other important matters regarding decisions on individual compensation, etc. for Directors

1) Regarding performance-linked stock-based compensation, a malus clause and a clawback clause are stipulated in the rules governing performance shares determined by the Board of Directors of the Company. In the event that a Director engages in serious misconduct, etc. that negatively impacts the Company, all or part of the points granted up to that time will be nullified by a resolution of the Board of Directors and the Director subject to the malus clause and the clawback clause will not be eligible for beneficiary rights related to the nullified points.

Furthermore, the Company can demand that those who have already received delivery of Company Shares and delivery of money in lieu of Company Shares to return the amount obtained by multiplying the total number of points by the closing price of the Company Shares on the Tokyo Stock Exchange on the date such request is made.

2) Prohibition of stock trading for a certain period

In compliance with insider trading regulations, even after the delivery of the Company's shares, incentive compensation shares may not be bought or sold until one year has elapsed from the date following the recipient's retirement.

3) Handling of compensation amid significant environmental changes, etc.

In the event of a significant change in the business environment, sudden deterioration of business performance, and quality issues that may damage corporate value, serious accidents, scandals, etc., the compensation for Directors may be temporarily reduced or suspended by resolution of the Board of Directors.

(5) Reasons why the Board of Directors has determined that the content of individual compensation, etc. for Directors is consistent with the policy for determining compensation

In determining individual compensation for Directors in fiscal 2023, the Compensation Committee conducted a multifaceted examination including consistency with the above policy for determining compensation, and the Board of Directors deliberated and made decisions, respecting the recommendation made by the Compensation Committee. On this basis, we have determined that the individual compensation for Directors in fiscal 2023 was consistent with the above policy for determining compensation.

3. Compensation, etc. for Audit & Supervisory Board Members

Compensation for Audit & Supervisory Board Members consists only of basic compensation for their role of appropriately performing audits. Compensation levels are discussed by the Audit & Supervisory Board based on objective data by external specialized agencies and are determined within the remuneration framework for Audit & Supervisory Board Members approved at the 84th Ordinary General Meeting of Shareholders.

4. Matters concerning resolutions at the general meeting of shareholders regarding compensation of officers, etc.

Compensation type	Details	Resolution	Number of recipients at the time of resolution
Compensation for Directors	The amount of basic compensation (including the cash portion of the compensation for acquiring stock): ¥46 million or less per month (including ¥7 million or less per month for Outside Directors)	116th Ordinary General Meeting of Shareholders held on June 17, 2016	11 (including 4 Outside Directors)
	The maximum amount of contribution and the maximum total number of points to be granted to Directors for the stock-based compensation with stock price conditions are ¥300 million in total (¥100 million per fiscal year) and 300,000 points in total (100,000 points per fiscal year) for the initial period (from the fiscal year ended March 31, 2020 to the fiscal year ended March 31, 2022). In the event that the period covered is extended by a resolution of the Board of Directors of the Company for a period not exceeding five fiscal years, the amount shall be ¥100 million multiplied by the number of fiscal years of the extended period, and the number of points shall be 100,000 points multiplied by the number of fiscal years of the extended period.	119th Ordinary General Meeting of Shareholders held on June 21, 2019	3
	The maximum total number of points to be granted to Directors for the performance-linked stock-based compensation is 200,000 points for one performance evaluation period, and the maximum amount of money to be contributed as funds to acquire the number of Company Shares equivalent to the number of points are ¥200 million	123rd Ordinary General Meeting of Shareholders held on June 23, 2023	3
Compensation for Audit & Supervisory Board Members	The amount of basic compensation: ¥9 million or less per month	84th Ordinary General Meeting of Shareholders held on June 29, 1984	4

(ii) The total amount of compensation, etc., total amount of each type and number of persons for each Directors and Audit & Supervisory Board Members Category

Category		Total compensation, etc. (Millions of Yen)	Total amount of each type (Millions of Yen)				Number of Persons
			Fixed	Short-term	Medium to long-term		
			Basic Compensation	Bonuses	Compensation for acquiring stock	Stock-based compensation with stock price conditions	
Directors (excluding Outside Directors)		351	201	63	12	74	4
Audit & Supervisory Board Members (excluding Outside Audit &Supervisory Board Members)		61	61	–	–	–	2
Outside Directors and Audit & Supervisory Board Members	Subtotal	121	121	–	–	–	10
	Outside Directors	79	79	–	–	–	7
	Outside Audit & Supervisory Board Members	41	41	–	–	–	3
Total		534	384	63	12	74	16

Notes:

1. It was decided that aggregate basic compensation of Directors should not exceed ¥46 million per month (including ¥7 million per month for Outside Directors), according to the resolution of the 116th Ordinary General Meeting of Shareholders held on June 17, 2016. It was decided that aggregate basic compensation of Audit & Supervisory Board Members should not exceed ¥9 million per month, according to the resolution of the 84th Ordinary General Meeting of Shareholders held on June 29, 1984.

2. The compensation paid to Directors excludes employee wages for Directors who are also employees.

3. It was decided that stock price-linked compensation was abolished and stock-based incentive with stock price conditions was introduced according to the resolution of the 119th Ordinary General Meeting of Shareholders held on June 21, 2019. In addition, it was decided to continue the partially amended stock-based compensation plan with stock price conditions as the performance-linked stock-based compensation plan, according to the resolution of the 123th Ordinary General Meeting of Shareholders held on June 23, 2023. The above is the amount recorded as an expense in the current fiscal year according to Japanese standards.

(iii) The individual amount of compensation to Directors and Audit & Supervisory Board Members

Name	Total amount of compensation, etc. (Millions of Yen)	Category	Company	Total amount of each type (Millions of Yen)			
				Basic compensation	Bonuses	Compensation for acquiring Stock	Stock-based compensation with stock price conditions
Yoshinori Yamashita	128	Director	Ricoh Company, Ltd.	83	10	4	29
Akira Oyama	156	Director	Ricoh Company, Ltd.	81	40	4	29

Notes: CEO in Fiscal year ended March 31, 2024, and only members who were awarded with consolidated remuneration of ¥100 million or more in total are stated above.

(iv) The portion of an employee’s salary for Directors who concurrently serve as employees

There is no significant amount for the portion of employee’s salary for Directors who concurrently serve as employees.

(5) Information on share holdings

1) Standards and principle of classification of equity securities

The Company classified the securities, which is held for the movement of stock value or dividend income, as pure investment and others are equity securities for purposes other than pure investment.

2) Equity securities held for purposes other than pure investment

a. The holding policy, the methods of evaluation for rational reason and contents of evaluating the worth to verify each issue by the Board of Directors

From the viewpoint of streamlining and strengthening of business alliance and development of collaborative businesses, the Company shall be able to hold shares of the relating partners only when such holding of shares is deemed necessary and effective for the future development of Ricoh, while taking into consideration of the returns such as dividends.

Specifically, the Board of Directors will verify each issue whether the benefits and risks of the holding are worth the capital cost, and if the holding loses significance in the medium- to long-term, they will be reduced accordingly.

b. Number of stock names and Nonconsolidated Statement of Financial Position Amount as of March 31, 2024.

	Number of stock names	Non-consolidated Statement of Financial Position Amount as of March 31, 2024 (Millions of Yen)
Unlisted securities	29	405
Other than unlisted securities	12	11,787

(Stocks increasing shares in year ended March 31, 2024)

Not applicable.

(Stocks decreasing shares in year ended March 31, 2024)

	Number of stock names	Nonconsolidated Statement of Financial Position Amount as of March 31, 2024 (Millions of Yen)
Unlisted securities	1	84
Other than unlisted securities	2	472

c. Information regarding number of shares, amount recorded in Nonconsolidated Statement of Financial Position, specified investment securities and deemed holding securities. Specified investment securities

Stock Name	Fiscal year ended March 31, 2024 Number of Shares (Shares) Nonconsolidated Statement of Financial Position Amount as of March 31, 2024 (Millions of Yen)	Fiscal year ended March 31, 2023 Number of Shares (Shares) Nonconsolidated Statement of Financial Position Amount as of March 31, 2023 (Millions of Yen)	Purpose and effect of holding, overview of business alliance, reason of increasing the number of shares	Share of common stock owned by each company
Cybozu, Inc.	1,740,100	1,740,100	Enhancement of business alliance Acceleration of business development	None
	3,078	5,108		
SAN-AI OBBLI CO.,LTD.	1,113,320	1,113,320	Maintaining and enhancement of stable sales business relationships	Yes
	2,324	1,526		
Sindoh Co., Ltd.	313,748	313,748	Maintaining and enhancement of stable sales and procurement relationships	None
	1,417	1,057		
OTSUKA CORPORATION	390,000	390,000	Facilitation and enhancement of business alliance	Yes
	1,246	1,827		
Ushio Inc.	500,429	500,429	Maintaining and enhancement of stable sales and procurement relationships	Yes
	975	833		
NIDEC CORPORATION	121,976	121,976	Maintaining and enhancement of stable procurement relationships	None
	747	834		
Central Japan Railway Company	200,000	40,000	Maintaining and enhancement of stable sales business relationships The number of shares has increased by split of stock.	None
	745	632		
Tokio Marine Holdings, Inc.	103,500	103,500	Maintaining and enhancement of stable sales and insurance relationships	Yes
	486	263		
HISAMITSU PHARMACEUTICAL CO., INC.	118,100	118,100	Maintaining and enhancement of stable sales business relationships	Yes
	469	446		
Evixar Inc.	200,000	200,000	Facilitation and enhancement of business alliance	None
	240	240		

Sompo Holdings, Inc.	12,403	12,403	Maintaining and enhancement of stable sales and insurance relationships	Yes
	39	65		
STANLEY ELECTRIC CO., LTD.	5,813	5,813	Maintaining and enhancement of stable sales business relationships	Yes
	16	17		
XAVIS.Co.,Ltd.	－	1,701,500	Sold by December 1, 2023	None
	－	482		
TDK Corporation	－	2,790	Sold by December 27, 2023	Yes
	－	13		

Deemed holding securities

Stock Name	Fiscal year ended March 31, 2024 Number of Shares (Shares) Nonconsolidated Statement of Financial Position Amount as of March 31, 2024 (Millions of Yen)	Fiscal year ended March 31, 2023 Number of Shares (Shares) Nonconsolidated Statement of Financial Position Amount as of March 31, 2023 (Millions of Yen)	Purpose and effect of holding, overview of business alliance, reason of increasing the number of shares	Shares of common stock owned by each company
SAN-AI OBBLI CO.,LTD.	5,800,000	5,800,000	Retaining the authority to give instructions on the exercise of voting rights on the retirement benefit trust arrangement	Yes
	12,355	8,084		
Mitsubishi UFJ Financial Group, Inc.	7,790,000	7,790,000	Retaining the authority to give instructions on the exercise of voting rights on the retirement benefit trust arrangement	Yes
	12,264	6,710		
STANLEY ELECTRIC CO., LTD.	1,300,000	1,300,000	Retaining the authority to give instructions on the exercise of voting rights on the retirement benefit trust arrangement	Yes
	3,690	3,837		
Ushio Inc.	1,388,000	1,388,000	Retaining the authority to give instructions on the exercise of voting rights on the retirement benefit trust arrangement	Yes
	2,764	2,369		
Mizuho Financial Group, Inc.	544,500	544,500	Retaining the authority to give instructions on the exercise of voting rights on the retirement benefit trust arrangement	None
	1,681	1,042		

(Notes)

1. Specified investment securities and deemed holding securities are not combined for disclosure of major shareholders.
2. “ - “ means the Company does not have the stocks.
3. “Shares of common stock owned by each company” included the shares of subsidiaries’ if the issuing company controls the subsidiaries management system as their principle business.
4. It is difficult to describe the quantitative effectiveness of holding, due to unable to disclose the business conditions of each issues. However, from the viewpoint of streamlining and strengthening of business alliance and development of collaborative businesses, the Company verify the rationality of

holdings of shares whether effective for the future development of Ricoh, whether the benefits and risks of the holding are worth the capital cost while taking into consideration of the returns such as dividends.

3) Equity securities held for pure investment

Not applicable.

V. FINANCIAL INFORMATION

Consolidated Financial Statements
For the year ended March 31, 2024
With Independent Auditor's Report

Index to Consolidated Financial Statements

Ricoh Company, Ltd. and its Subsidiaries

All schedules not listed have been omitted because they are not applicable or the required information has been otherwise supplied in the consolidated financial statements or the notes thereto.

Consolidated Statement of Financial Position

Ricoh Company, Ltd. and its Subsidiaries

	Millions of Yen	
	As of March 31, 2023	As of March 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents (Note 7)	221,890	177,050
Time deposits (Note 7)	207	271
Trade and other receivables (Note 8)	476,429	538,058
Other financial assets (Note 14 and 15)	93,906	106,948
Inventories (Note 9)	314,368	300,595
Other current assets	68,499	72,655
Subtotal	1,175,299	1,195,577
Assets classified as held for sale (Note 10)	—	7,724
Total current assets	1,175,299	1,203,301
Non-current assets:		
Property, plant and equipment (Note 11 and 13)	196,512	203,568
Right-of-use assets (Note 14)	57,003	62,706
Goodwill and intangible assets (Note 12 and 13)	366,394	412,461
Other financial assets (Note 14 and 15)	135,158	169,649
Investments accounted for using the equity method (Note 37)	83,529	87,397
Other investments (Note 16)	19,359	17,661
Other non-current assets	44,540	62,877
Deferred tax assets (Note 22)	72,162	66,555
Total non-current assets	974,657	1,082,874
Total assets (Note 5)	2,149,956	2,286,175

	Millions of Yen	
	As of March 31, 2023	As of March 31, 2024
LIABILITIES AND EQUITY		
Current liabilities:		
Bonds and borrowings (Note 18)	157,828	152,592
Trade and other payables (Note 17)	312,429	305,280
Lease liabilities (Note 14 and 18)	26,185	22,543
Other financial liabilities (Note 20)	2,582	28,651
Income tax payables	11,864	12,063
Provisions (Note 19)	10,968	10,491
Other current liabilities (Note 21)	307,258	346,225
Subtotal	829,114	877,845
Liabilities directly related to assets held for sale (Note 10)	—	1,430
Total current liabilities	829,114	879,275
Non-current liabilities:		
Bonds and borrowings (Note 18)	205,110	196,974
Lease liabilities (Note 14 and 18)	38,147	47,968
Other financial liabilities (Note 20)	27,566	4,309
Accrued pension and retirement benefits (Note 23)	41,058	37,262
Provisions (Note 19)	8,347	7,679
Other non-current liabilities (Note 21)	24,742	28,000
Deferred tax liabilities (Note 22)	17,790	19,581
Total non-current liabilities	362,760	341,773
Total liabilities	1,191,874	1,221,048
Equity:		
Common stock (Note 25)	135,364	135,364
Additional paid-in capital (Note 25)	158,529	158,455
Treasury stock (Note 25)	(427)	(7,926)
Other components of equity	167,368	251,687
Retained earnings (Note 25)	470,722	501,142
Total equity attributable to owners of the parent	931,556	1,038,722
Non-controlling interests	26,526	26,405
Total equity	958,082	1,065,127
Total liabilities and equity	2,149,956	2,286,175

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Profit or Loss

Ricoh Company, Ltd. and its Subsidiaries

	Millions of Yen	
	For the year ended March 31, 2023	For the year ended March 31, 2024
Sales (Note 5 and 28)	2,134,180	2,348,987
Cost of sales (Note 9, 13 and 21)	(1,388,758)	(1,528,889)
Gross profit	745,422	820,098
Selling, general and administrative expenses (Note 13, 21, 29 and 30)	(688,156)	(769,810)
Other income (Note 21 and 27)	21,544	12,354
Impairment of goodwill (Note 13)	(70)	(619)
Operating profit (loss)	78,740	62,023
Finance income (Note 31)	4,522	9,473
Finance costs (Note 31)	(8,105)	(8,897)
Share of profit (loss) of investments accounted for using the equity method (Note 37)	6,151	5,603
Profit (loss) before income tax expenses	81,308	68,202
Income tax expenses (Note 22)	(25,667)	(23,960)
Profit (loss)	55,641	44,242
Profit (loss) attributable to:		
Owners of the parent	54,367	44,176
Non-controlling interests	1,274	66

	Yen	
	For the year ended March 31, 2023	For the year ended March 31, 2024
Earnings per share (attributable to owners of the parent) (Note 33) :		
Basic	88.13	72.58
Diluted	88.10	72.55

The accompanying notes are an integral part of these consolidated financial statements.

* Gain on sales of property, plant, equipment and others were included in “Other income”.

Consolidated Statement of Comprehensive Income

Ricoh Company, Ltd. and its Subsidiaries

	Millions of Yen	
	For the year ended March 31, 2023	For the year ended March 31, 2024
Profit (loss)	55,641	44,242
Other comprehensive income (Note 32):		
Components that will not be reclassified subsequently to profit or loss:		
Remeasurements of defined benefit plans	5,097	8,671
Net changes in fair value of financial assets measured through other comprehensive income	742	(446)
Share of other comprehensive income of investments accounted for using equity method	(318)	93
Total components that will not be reclassified subsequently to profit or loss	5,521	8,318
Components that will be reclassified subsequently to profit or loss:		
Net changes in fair value of cash flow hedges	(77)	―
Exchange differences on translation of foreign operations	40,591	84,637
Share of other comprehensive income of investments accounted for using equity method	59	(34)
Total components that will be reclassified subsequently to profit or loss	40,573	84,603
Total other comprehensive income	46,094	92,921
Comprehensive income	101,735	137,163
Comprehensive income attributable to:		
Owners of the parent	100,564	136,057
Non-controlling interests	1,171	1,106

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

Ricoh Company, Ltd. and its Subsidiaries

	Millions of Yen					
				Other components of equity		
	Common stock	Additional paid-in capital	Treasury stock	Remeasurements of defined benefit plans	Net changes in fair value of financial assets measured through other comprehensive income	Net changes in fair value of cash flow hedges
Balance as of April 1, 2022	135,364	180,942	(460)	―	4,540	246
Profit (loss)						
Other comprehensive income (Note 32)				5,011	466	(6)
Comprehensive income	―	―	―	5,011	466	(6)
Net change in treasury stock (Note 25)		(21)	(30,006)			
Retirement of treasury stock (Note 25)			30,014			
Dividends declared and approved to owners (Note 25)						
Share-based payment transactions (Note 24)		72	25			
Change in scope of consolidation (Note 6)						
Written put options over non-controlling interests (Note 6)		(22,485)				
Transfer from other components of equity to retained earnings				(5,011)	(159)	
Transfer from retained earnings to additional paid-in capital		21				
Total transactions with owners	―	(22,413)	33	(5,011)	(159)	―
Balance as of March 31, 2023	135,364	158,529	(427)	―	4,847	240
Profit (loss)						
Other comprehensive income (Note 32)				8,635	(408)	(34)
Comprehensive income	―	―	―	8,635	(408)	(34)
Net change in treasury stock (Note 25)			(7,553)			
Dividends declared and approved to owners (Note 25)						
Share-based payment transactions (Note 24)		(74)	54			
Transfer from other components of equity to retained earnings				(8,635)	1,073	
Equity transactions with non-controlling shareholders						
Total transactions with owners	―	(74)	(7,499)	(8,635)	1,073	―
Balance as of March 31, 2024	135,364	158,455	(7,926)	―	5,512	206

	Millions of Yen					
	Other components of equity		Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Total other components of equity				
Balance as of April 1, 2022	121,555	126,341	459,855	902,042	3,783	905,825
Profit (loss)			54,367	54,367	1,274	55,641
Other comprehensive income (Note 32)	40,726	46,197		46,197	(103)	46,094
Comprehensive income	40,726	46,197	54,367	100,564	1,171	101,735
Net change in treasury stock (Note 25)				(30,027)		(30,027)
Retirement of treasury stock (Note 25)			(30,014)	—		—
Dividends declared and approved to owners (Note 25)			(18,635)	(18,635)	(75)	(18,710)
Share-based payment transactions (Note 24)				97		97
Change in scope of consolidation (Note 6)				—	21,647	21,647
Written put options over non-controlling interests (Note 6)				(22,485)		(22,485)
Transfer from other components of equity to retained earnings		(5,170)	5,170	—		—
Transfer from retained earnings to additional paid-in capital			(21)	—		—
Total transactions with owners	—	(5,170)	(43,500)	(71,050)	21,572	(49,478)
Balance as of March 31, 2023	162,281	167,368	470,722	931,556	26,526	958,082
Profit (loss)			44,176	44,176	66	44,242
Other comprehensive income (Note 32)	83,688	91,881		91,881	1,040	92,921
Comprehensive income	83,688	91,881	44,176	136,057	1,106	137,163
Net change in treasury stock (Note 25)				(7,553)		(7,553)
Dividends declared and approved to owners (Note 25)			(21,318)	(21,318)	(1,384)	(22,702)
Share-based payment transactions (Note 24)				(20)		(20)
Transfer from other components of equity to retained earnings		(7,562)	7,562	—		—
Equity transactions with non-controlling shareholders				—	157	157
Total transactions with owners	—	(7,562)	(13,756)	(28,891)	(1,227)	(30,118)
Balance as of March 31, 2024	245,969	251,687	501,142	1,038,722	26,405	1,065,127

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

Ricoh Company, Ltd. and its Subsidiaries

	Millions of Yen	
	For the year ended March 31, 2023	For the year ended March 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit (loss)	55,641	44,242
Adjustments to reconcile profit (loss) to net cash provided by (used in) operating activities		
Depreciation and amortization (Note 5)	97,468	109,027
Impairment losses of property, plant and equipment and intangible assets (Note 13)	37	1,051
Impairment of goodwill (Note 13)	70	619
Other income (Note 27)	(13,128)	(3,248)
Share of (profit) loss of investments accounted for using the equity method (Note 37)	(6,151)	(5,603)
Finance income and costs (Note 31)	3,583	(576)
Income tax expenses (Note 22)	25,667	23,960
(Increase) decrease in trade and other receivables	(39,546)	(24,428)
(Increase) decrease in inventories	(45,536)	34,544
(Increase) decrease in lease receivables	5,852	(19,292)
Increase (decrease) in trade and other payables	22,654	(19,780)
Increase (decrease) in accrued pension and retirement benefits	(10,661)	(3,102)
Other, net	195	14,189
Interest and dividends received	6,004	7,257
Interest paid	(5,512)	(6,925)
Income taxes paid	(29,929)	(26,318)
Net cash provided by (used in) operating activities	66,708	125,617
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of property, plant and equipment	14,340	2,756
Expenditures for property, plant and equipment	(45,459)	(53,267)
Expenditures for intangible assets	(35,156)	(35,138)
Payments for purchases of investment securities	(6,539)	(264)
Proceeds from sales of investment securities	923	1,064
Net (Increase) decrease in time deposits	(122)	(35)
Purchases of business, net of cash acquired (Note 6)	(58,453)	(14,232)
Other, net	(3,473)	1,294
Net cash provided by (used in) investing activities	(133,939)	(97,822)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase (decrease) of short-term debt (Note 18)	24,159	(16,649)
Proceeds from long-term debt (Note 18)	150,027	64,894
Repayments of long-term debt (Note 18)	(44,032)	(59,663)
Repayments of bonds (Note 18)	(13,725)	(10,000)
Repayments of lease liabilities (Note 18)	(32,229)	(31,406)
Dividends paid (Note 25)	(18,635)	(21,318)
Payments for purchases of treasury stock (Note 25)	(30,006)	(7,553)
Other, net	(105)	(1,227)
Net cash provided by (used in) financing activities	35,454	(82,922)
EFFECT OF EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS	8,641	13,882
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(23,136)	(41,245)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	234,020	210,884
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)	210,884	169,639

The accompanying notes are an integral part of these consolidated financial statements.

Notes: The difference in the amount of “cash and cash equivalents” between consolidated statement of financial position and consolidated statement of cash flows represents bank overdrafts.

Notes to Consolidated Financial Statements

Ricoh Company, Ltd. and its Subsidiaries

1. REPORTING ENTITY

Ricoh Co., Ltd. (the “Company”) is a company domiciled in Japan. The consolidated financial statements of the Company as of and for the year ended March 31, 2024, comprise of the Company and its subsidiaries (the “Ricoh” as a consolidated group) and Ricoh's interest in associates.
Ricoh is operating development, manufacturing, sales and service activities on the business segments of Digital Services, Digital Products, Graphic Communications, Industrial Solutions and Other (see Note 5, “Operating Segments”).

2. BASIS OF PREPARATION

(1) Statements of Compliance

Ricoh’s consolidated financial statements have been prepared in accordance with IFRS Accounting Standards based on the stipulations of Article 93 of the “Regulations Concerning Terminology, Form and Method for Preparing Financial Statements”. Ricoh meets all the requirements for “Regulations Concerning Terminology, Form and Preparation Methods of Consolidated Financial Statements” (Ministry of Finance of Japan Regulation No. 28, 1976).

(2) Basis of Measurement

Ricoh's consolidated financial statements have been prepared on the historical cost basis, except for certain assets and liabilities, including financial instruments measured at fair value and retirement benefit assets and liabilities as shown in Note 3, “material accounting policy information”.

(3) Functional and Presentation Currency

The items included in financial statements of each group company are measured by the currency of the primary economic environment in which each group company operates (“functional currency”). The consolidated financial statements are presented in Japanese yen, which is also the Company’s functional currency. All amounts presented in Japanese yen have been rounded to the nearest million.

(4) New Standards and Interpretations

Significant accounting policies which are applied to the Consolidated Statement of Financial Position are consistent with previous fiscal year excepting the table below.

Standards	Title	Summaries of new Standards/amendments
IAS 12	Income Taxes	Clarify accounting for deferred tax related to assets and liabilities arising from a single transaction.
IAS 12	Income Taxes	The requirements to disclose information about the effect of adoption to BEPS 2.0 - Pillar Two income taxes.

The effect of the adoption of the above standards is minor.

The impact of the amendments of IAS 12 Income Taxes (international tax reform-pillar two model rules) is described in Note 22, “Income Taxes”.

(5) Early Adoption of New Standards

Ricoh did not have early adoption of any new standards.

(6) Use of Estimates and Judgments

For the preparation of consolidated financial statements in accordance with IFRS Accounting Standards, it is required that management makes judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods in which the revision affects.

The items on which estimates and assumptions have a significant effect in the consolidated financial statements are impairment losses on tangible assets, intangible assets and goodwill and recognition of deferred tax assets. Ricoh tests goodwill and fixed assets for impairment and evaluates the recoverability of deferred tax assets on the grounds that future business plans are established in accordance with certain estimates and assumptions. Please refer to Note 13 - Impairment losses (impairment losses on tangible assets, intangible assets and goodwill) and Note 22 - Income taxes (recognition of deferred tax assets) for more information.

The following notes include information in respect to uncertainties of judgments and estimates which have a significant risk to cause material adjustments in the next fiscal year.

• Note 14 - Lease (Estimation of lease terms)
• Note 19 - Provisions (Estimation of expenditures required to settle obligations)
• Note 23 - Employee benefits (Estimation of the present value of defined benefit plan obligations)
• Note 26 - Financial Instruments and related disclosures (Estimation of allowance for doubtful receivables, fair value of financial instruments)
• Note 28 - Sales (Estimation of variable considerations for revenue recognition)

3. MATERIAL ACCOUNTING POLICY INFORMATION

(1) Principles of Consolidation

(a) Business Combinations

Business combinations are accounted for using the acquisition method. Goodwill is recognized and measured as the excess of the net of the acquisition date amounts of identifiable assets acquired and liabilities assumed over the aggregate of consideration transferred, the amount of any noncontrolling interests and, in case of business combinations achieved in stages, the acquisition date fair value of the previously held equity interest. If the consideration of the acquisition is lower than the fair value of the identifiable assets and liabilities, the difference is immediately recognized as profit in the consolidated statement of profit or loss. If the amount of initial accounting for a business combination is not determined by the end of the reporting period in which the combination occurs, the provisional amounts for the items for which the accounting is incomplete are reported and are adjusted during the measurement period, which is one year from the acquisition date. The acquisition related costs are charged to expenses as incurred.

Business combinations of entities under common control or business combinations in which all the combined entities or businesses are ultimately controlled by the same party or parties both before and after the business combinations when that control is not transitory are accounted for based on the carrying amounts.

(b) Subsidiaries

Subsidiaries are entities which are controlled by Ricoh. Ricoh controls an entity when Ricoh has exposure, or rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date when control is obtained until the date when it is lost. In case that the accounting policies applied by a subsidiary differ from those applied by the Group, adjustments are made to the subsidiary’s financial statements, if necessary. All intercompany balances and transactions have been eliminated in preparing the consolidated financial statements.

On the disposal of interests in subsidiaries, if Ricoh retains control over the subsidiaries, they are accounted for as equity transactions. Any difference between the adjustment to the noncontrolling interests and the fair value of the consideration received is recognized directly in equity as Ricoh Company, Ltd. shareholders' equity. Any surplus or deficit arising on the loss of control is recognized in profit or loss.

(c) Associates

Associates are entities over which Ricoh has significant influence to govern financial and operating policies, but does not have control them.

Investments in associates are accounted for using the equity method and are recognized at cost on acquisition. The investments include goodwill recognized on acquisition.

Ricoh's share of the income and expenses of the associates accounted for using the equity method and changes in Ricoh's share in such equity are included in the consolidated financial statements from the date when significant influence or joint control is obtained until the date it is lost. The accounting policies of associates accounted for using the equity method have been adjusted to ensure consistency with those applied by Ricoh.

(2) Foreign Currency

(a) Foreign currency transactions

Foreign currency transactions are translated into functional currencies of Ricoh by applying the rate of exchange prevailing at the date of transaction. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are retranslated into functional currencies at the prevailing exchange rate at the reporting date. Nonmonetary assets and liabilities measured at fair value that are denominated in foreign currencies are retranslated using the exchange rate at the date when the fair value was determined. Exchange differences arising from retranslation are recognized in profit or loss.

(b) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising from acquisitions of foreign operations are translated using the exchange rate at the reporting date. In addition, the income and expenses of foreign operations are translated using the average exchange rate for the year excluding those cases in which exchange rates are fluctuating significantly. In the event of significant exchange rate fluctuations, the exchange rate at the date of the transaction is used.

Foreign exchange translation differences are recognized in other comprehensive income. On disposal of the entire interest in foreign operations and on the partial disposal of the interest involving loss of control, significant influence or joint control, the cumulative amount of the foreign exchange translation differences related to such foreign operations is reclassified to profit or loss at the time of such disposal.

(3) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank deposits available for withdrawal on demand and short-term investments which are readily convertible to known amounts of cash, due within 3 months or less and substantially free from any price fluctuation risk.

(4) Inventories

Inventories are measured at the lower value of cost or net realizable value. The cost of inventory includes purchase costs and conversion costs that contain appropriate allocation of fixed and variable overhead expenses. These costs are assigned to inventories mainly by the weighted-average method.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(5) Assets held for sale

A non-current asset (or disposal group) is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The classification requires both of conditions, when the asset (or disposal group) is available for immediate sale in its present condition and when its sale is highly probable. For the sale to be highly probable, management must be committed to a plan to sell the asset (or disposal group) and the sale must be expected to be concluded within one year from the date of the classification.

After the classification, the asset (or disposal group) is measured at the lower of its carrying amount and fair value less costs to distribute and depreciation on the asset (or disposal group) ceases. Regarding the measurement, an impairment loss for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell is recognized through profit or loss. The gain can be recognized up to the amount not in excess of the cumulative impairment loss that has been recognized.

(6) Property, Plant and Equipment

(a) Recognition and measurement

Property, plant and equipment are measured by using the cost model and carried at cost less any accumulated depreciation and any accumulated impairment loss. The cost of items of property, plant and equipment includes costs directly attributable to the acquisition and initial estimate of the costs of dismantling and removing the items and restoring the site on which they are located. When the useful life of each part of an item of property, plant and equipment varies, it is accounted for as a separate item of property, plant and equipment.

(b) Subsequent costs

Ordinary maintenance and repairs are charged to expense as incurred. Major replacements and improvements are capitalized to the extent they enhance the future economic benefit of the Ricoh’s asset.

(c) Depreciation

Depreciation of property, plant and equipment other than land and construction in progress is mainly computed under the straight-line method based on the estimated useful life of each item. The depreciation period generally ranges from 2 to 60 years for buildings and structures, 1 to 20 years for machinery, equipment and vehicles, and 1 to 20 years for tools, furniture and fixtures. The depreciation methods, useful life and residual values are reviewed at the end of each fiscal year and changed when necessary.

(7) Goodwill and Intangible Assets

(a) Goodwill

Goodwill measurements at initial recognition are presented in “(1) Principles of Consolidation (a) Business Combinations”. It is not amortized and is measured by deducting impairment loss from cost.

(b) Intangible Assets

Intangible assets are measured by using the cost model and carried at cost less any accumulated amortization and accumulated impairment loss.

(i) Capitalized software costs

Ricoh capitalizes certain internal and external costs incurred to acquire or create internal use software during the application development stage as well as upgrades and enhancements that result in additional functionality. The capitalized software is amortized on a straight-line basis generally over 2 to 10 years.

(ii) Development assets

An intangible asset arising from development activities (or from the development phase of an internal project) shall be recognized if, and only if, Ricoh can demonstrate all of the following:

• the technical feasibility of completing the intangible asset so that it will be available for use or sale;

• its intention to complete the intangible asset for use or sale;

• its ability to use or sell the intangible asset;

• how the intangible asset will generate probable future economic benefits;

• the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

• its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Amortization of such asset commences on the commercial production date after the completion of an internal project, and the asset is amortized on a straight-line basis over its estimated useful life, generally ranging from 2 to 10 years, that is the period over which it is expected to generate net cash inflows. Other development expenditure and expenditure on research activities are recognized as an expense as incurred.

(iii) Other intangible assets

Intangible assets acquired separately are measured at cost at initial recognition. Intangible assets acquired in a business combination and recognized separately from goodwill are measured at fair value on the acquisition date.

(iv) Amortization (other than development assets)

Intangible assets with definite useful lives are amortized over the estimated useful life and a determination is made as to whether there exists any indication of impairment. Intangible assets consisting primarily of software, customer relationships and trademarks are amortized on a straight-line basis over 1 to 20 years. Intangible assets with indefinite useful lives and intangible assets that are not ready to use are not amortized, but are tested annually for impairment until the asset's life is determined to no longer be indefinite.

(8) Impairment losses of tangible assets, right-of-use assets, goodwill and intangible assets

The Ricoh determines on the last day of each reporting period whether there is indication of impairment in the carrying amount of non-financial assets excluding inventories and deferred tax assets. Upon identifying an impairment indicator, impairment test is conducted with reference to the recoverable amount of the asset.

Goodwill, intangible assets without definite useful lives and intangible assets that are yet to be ready for use are tested for impairment on an annual basis. Cash generating unit which serves as the basis for conducting impairment test, is defined as the smallest group of asset identifiable as source of cash inflow largely independent from the cash inflows of other assets or asset groups. Cash generating units benefiting from goodwill are defined as the smallest units being monitored for the purpose of internal control, within the scope of business segments before aggregation.

Recoverable amount of an asset or a cash generating unit is defined as fair value after deducting disposal cost or value in use, whichever higher. In calculating the value in use, estimated future cash flows are discounted into present value by using a pre-tax discount rate reflecting the asset-specific risk which has not been considered in estimating either the time value of money or future cash flows.

Since corporate assets will not generate independent cash inflow, if an indication of impairment is identified in a corporate asset, impairment test is conducted with reference to the recoverable amount of the cash generating unit to which such corporate asset is attributable to.

Impairment loss is recognized when the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. Impairment loss recognized in relation to a cash generating unit is first allocated to reduce the carrying amount of goodwill allocated to the unit, and then to other assets of the unit in proportion to the carrying amount of each such asset.

For the asset or cash generating unit for which impairment loss was recognized in the past periods, whether there is an indication that warrants reversal of such recognized impairment loss is determined. For the asset or cash generating unit showing an indication that warrants such reversal of impairment loss, its recoverable amount is estimated and the impairment loss is reversed if such estimated recoverable amount is found to exceed the carrying amount. The carrying amount after reversal of impairment loss should not exceed the carrying amount reflecting the depreciations or amortizations up to the reversal had the impairment loss not been recognized. Reversal of impairment loss for goodwill is excluded.

(9) Leases

(a) Leases as lessee

Ricoh assesses whether the contract is or contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

When the underlying asset is real estate, Ricoh allocates the consideration of the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. When the underlying asset is other than real estate, Ricoh elects not to separate non-lease components from lease components, and instead accounts for each lease component and any associated non-lease components as a single lease component.

For a contract that is or contains a lease, Ricoh recognizes right-of-use assets and lease liabilities at the commencement date of the lease. Lease liabilities are measured at the present value of outstanding lease payments discounted using the lessee's incremental borrowing rate at the commencement date. Right-of-use assets are initially measured at the initial measurement amount of the lease liability adjusted for the prepaid lease payments and other factors.

Right-of-use assets are measured at cost and depreciated on a straight-line basis over the shorter of their estimated useful lives and lease terms. Lease payments are apportioned between interest expenses and the reduction of the outstanding liability using the effective interest method.

Interest expenses are presented on the consolidated statement of profit or loss separately from depreciation expenses of right-of-use assets.

Ricoh does not recognize right-of-use assets and lease liabilities for short-term leases (with a lease term of 12 months or less) and leases for low-value assets. Ricoh recognizes the lease payments associated with these leases as expenses on a straight-line basis over the lease term.

(b) Leases as lessor

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. Other leases are classified as operating leases. In circumstances in which the lessor is a manufacturer or dealer, the profit or loss from a finance lease is recognized in accordance with the same revenue recognition policy as that for products sales. Finance income is recognized over the term of the lease using the effective interest method. In circumstances in which the lessor is neither a manufacturer nor dealer, finance income is recognized over the term of the lease using the effective interest method.

The interest rate implicit in the lease is the discount rate that causes the aggregate present value of the minimum lease payments and the unguaranteed residual value to be equaled to the sum of the fair value of the leased asset and any initial direct costs incurred by the lessor.

Income from operating leases is recognized on a straight-line basis over the term of the lease.

(10) Provisions

Provisions are recognized when Ricoh has present obligations as a result of past events, when it is probable that outflows of resources embodying economic benefits will be required to settle the obligations and reliable estimates can be made of the amount of the obligations. Where the time value of money is material, the provision is measured based on the present value using a discount rate that reflects the risks specific to the obligations.

The estimated costs of dismantling, removing and restoring assets and any other expenditures arising from an obligation are recognized as provisions for asset retirement obligation, which is included in the cost of “Property, plant and equipment”. The estimated costs and discount rate are reviewed annually, and where Ricoh considers it is necessary to change them, addition or deduction will be made to the carrying amount of the asset, which is treated as changes in accounting estimates.

The warranties provision corresponds to the cost of product warranties related to after-sales service and is recognized based on the estimated cost of after-sales service during the warranty period. The warranty costs were included in “Cost of sales”.

(11) Government grants

Government grants are recognized at fair value when there is a reasonable assurance that Ricoh will comply with the terms and conditions attached to the grants. Government grants related to income are recognized in profit or loss over the period in which the related costs for which the grants are intended to compensate are recognized, and are mainly deducted in the related expenses. With regard to government grants for the purchase of assets, the amount of the grant is credited to deferred income and recognized in profit over the expected useful life of the relevant assets.

(12) Employee benefits

(a) Post-employment benefits

Ricoh has defined benefit corporate pension plans and defined contribution plans.

The net obligations for defined benefit plans are recognized at the present value of the amount of future benefits that the employees have earned in the current and prior periods less the fair value of any plan assets on a plan-by-plan basis. Actuarial gains and losses arising from defined benefit plans are recognized immediately in other comprehensive income and directly reclassified to retained earnings from other components of equity. Past service costs are recognized in profit or loss.

The contribution to the defined contribution plans is recognized as an expense when the related service is provided by the employee.

(b) Short-term employee benefits

Short-term employee benefits are recognized as expenses when the related service is provided. A liability is recognized for the amount expected to be paid if Ricoh has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be reliably estimated.

(13) Share-based Payment

Ricoh has equity-settled share-based compensation plans and share-based compensation plans with cash alternatives.

Under the equity-settled share-based compensation plan, the amount of services received is measured with reference to the fair value of the granted equity instruments on the grant date and is recognized as an expense over the vesting period. The same amount is recognized as an increase in additional paid-in capital.

The share-based compensation plan with cash alternatives is accounted as a cash-settled share-based payment transaction if, and to the extent that, the entity has incurred a liability to settle in cash or other assets, or as an equity-settled share-based payment transaction if, and to the extent that, no such liability has been incurred. A portion as an equity-settled share-based payment transaction is measured with reference to the fair value of the granted equity instruments on the grant date and is recognized as an expense over the vesting period. The same amount is recognized as an increase in additional paid-in capital. As for a portion as a cash-settled share-based payment transaction, the services received and liability incurred are estimated at the fair value of the liability and are recognized as an expense over the vesting period, and the corresponding amount is recognized as an increase in liabilities.

(14) Financial Instruments

Ricoh classifies the financial assets and liabilities that it holds into the following categories: (i) financial assets measured at amortized cost, (ii) debt instruments measured at fair value through other comprehensive income (iii) equity instruments measured at fair value through other comprehensive income, (iv) financial assets measured at fair value through profit or loss, (v) financial liabilities measured at amortized cost and (vi) financial liabilities measured at fair value through profit or loss.

(a) Initial recognition and measurement

Ricoh initially recognizes trade and other receivables on the date when they are originated. Financial assets purchased or sold in the ordinary course of business are initially recognized on the settlement date. Financial assets measured at fair value through profit or loss are initially measured at fair value. Financial assets measured at amortized cost, debt instruments and equity instruments measured at fair value through other comprehensive income are initially measured at fair value plus transaction costs directly attributable to the acquisition. However, trade receivables that do not contain a significant financing component are initially measured at the transaction price.

(b) Classification and subsequent measurement

(i) Financial assets measured at amortized cost

Financial assets held by Ricoh are measured at amortized cost if both of the following conditions are met:

・The financial asset is held in a business model in which the objective is to hold financial assets in order to collect contractual cash flows; and

・The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, the carrying amounts of the financial assets measured at amortized cost are recognized using the effective interest method less impairment loss, if any. Amortization using the effective interest method and gains and losses on derecognition are recognized in profit or loss for the period.

(ii) Debt instruments measured at fair value through other comprehensive income

Financial assets held by Ricoh are classified as debt instruments measured at fair value through other comprehensive income if both of the following conditions are met.

・The financial asset is held in a business model in which the objective is to hold financial assets in order to collect contractual cash flows and sale the financial asset; and

・The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are measured at fair value after initial recognition, and subsequent changes including foreign exchange, impairment gains or losses, and interest income from debt instrument are recognized as profit or loss. Other changes are included in other comprehensive income. When the debt instruments are derecognized, accumulated other comprehensive income is reclassified to profit or loss.

(iii) Equity instruments measured at fair value through other comprehensive income

Ricoh has made an irrevocable election to present subsequent changes in the fair value of financial assets, except financial assets measured at amortized cost and debt instruments measured at fair value through other comprehensive income and classify them in equity instruments measured at fair value through other comprehensive income.

These financial assets are measured at fair value after initial recognition, and changes in the fair value are included in other comprehensive income. When the fair value significantly declines or the equity instruments are derecognized, accumulated other comprehensive income is reclassified to retained earnings.

Dividends from equity instruments measured at fair value through other comprehensive income are recognized as profit or loss.

(iv) Financial assets measured at fair value through profit or loss

Financial assets other than financial assets measured at amortized cost as well as debt instruments and equity instruments measured at fair value through other comprehensive income are measured at fair value through profit or loss.

These financial assets are measured at fair value after initial recognition, and changes in their fair value are recognized in profit or loss.

(v) Financial liabilities measured at amortized cost

Bonds, borrowings, trade and other payables which Ricoh holds are initially measured at fair value less transaction costs directly attributable to the issuance. After initial recognition, these financial liabilities are measured at amortized cost.

(vi) Financial liabilities measured at fair value through profit or loss

Financial liabilities other than financial liabilities measured at amortized cost are classified as financial liabilities measured at fair value through profit or loss.
Subsequent to initial recognition, these are measured at fair value and the subsequent changes in fair value are included in profit or loss.

(c) Derecognition of non-derivative financial assets and liabilities

Ricoh derecognizes financial assets when the contractual rights to the cash flows from the assets expire or Ricoh transfers the financial assets in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred.

Ricoh derecognizes financial liabilities when contractual obligations are discharged, cancelled or expired.

(d) Impairment of non-derivative financial assets

With respect to impairment of financial assets measured at amortized cost, Ricoh recognizes a loss allowance for expected credit losses on such financial assets. At each reporting date, Ricoh assesses whether the credit risks on the financial assets have increased significantly since initial recognition. The determination of whether a credit risk on the financial assets has increased significantly is based on a change in the default risk, considering past due information and the financial difficulties of the obligors.

If the credit risk on a financial instrument has not increased significantly since initial recognition, the loss allowance for that financial instrument is measured at an amount equal to the 12- month expected credit loss. If a credit risk on a financial instrument has increased significantly since initial recognition, the loss allowance is measured at an amount equal to the lifetime expected credit loss. However, with respect to trade receivables that do not contain a significant financing component, the loss allowance is measured through simplified approach.

The expected credit loss of financial asset is estimated in a way that reflects the following:

- an unbiased and probability-weighted amount determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The amounts of these measurements are recognized in profit or loss. If an event that reduces an impairment loss occurs after the impairment loss has been recognized, the impairment loss will be reversed to the extent of the decrease and credited to profit or loss.

(e) Equity

(i) Ordinary shares

Incremental costs, net of tax, directly attributable to the issuance of equity instruments are deducted from equity.

(ii) Treasury shares

If the Company purchases its own equity instruments (treasury shares), the consideration paid, net of directly attributable transaction costs and tax, is recognized as a deduction from equity. If the Company disposes of treasury shares, any gain or loss arising from the disposal is recognized in equity.

(f) Derivative financial instruments and hedging activities

Ricoh manages its exposure to certain market risks, those primarily related to foreign currency and interest rate, through the use of derivative instruments. As a matter of policy, Ricoh does not enter into derivative contracts for trading or speculative purposes.

Ricoh recognizes all derivative instruments as either assets or liabilities in the consolidated statement of financial position and measures those instruments at fair value. When entering into a derivative contract, Ricoh determines as to whether or not the hedging relationship meets hedge effectiveness requirements. In general, a derivative applicable for hedge accounting may be designated as either (1) a hedge of the exposure to changes in the fair value of a recognized asset or liability ("fair value hedge") or (2) a hedge of the exposure to changes in variability of the expected cash flows associated with an existing asset or liability or a highly probable forecasted transaction ("cash flow hedge").

Ricoh formally documents all relationships between hedging instruments and hedged items as well as its risk management objectives and strategies for undertaking various hedge transactions. This process includes linking all derivatives that are designated as fair value or cash flow hedges to specific assets and liabilities on the consolidated statement of financial position or to specific firm commitments or forecasted transactions.

(i) Fair value hedges

Derivative instruments designated as fair value hedges are measured at fair value. Changes in the fair values of derivatives designated as fair value hedges are recognized as gains or losses and are offset by the gains or losses resulting from the changes in the fair values of the hedged items.

(ii) Cash flow hedges

The effective portion of the gains and losses of hedging instruments in a cash flow hedge are recognized through other comprehensive income. Other comprehensive income is reclassified to profit or loss in the same period during which the hedged expected cash flows affect profit or loss. Changes in the fair values of the ineffective portions of cash flow hedges are recognized immediately in profit or loss.

(iii) Derivatives not designated as hedging instruments

Changes in the fair value of derivative financial instruments which do not qualify for hedge accounting are recognized in profit or loss.

(15) Revenue Recognition

Ricoh recognizes and measures revenue based on a 5-step approach as follows.

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The specific revenue recognition standards are described in Note 28 Sales.

(16) Finance Income and Finance Costs

Finance income mainly comprises dividend income, interest income and foreign currency exchange gain. Dividend income is recognized on the date when the right to receive payment is established. Interest income is recognized when incurred using the effective interest method.

Finance costs mainly comprise interest costs and foreign currency exchange loss. Interest costs are recognized when incurred using the effective interest method.

(17) Income Taxes

Income taxes comprise current taxes and deferred taxes. These are recognized in profit or loss, except for those taxes which are recognized either in other comprehensive income, directly in equity or arising from business combinations.

Current taxes are the expected taxes payable or receivable on taxable profit or loss using the tax rates and tax laws enacted or substantially enacted by the end of the reporting period adjusted by taxes payable or receivable in prior years. Deferred tax assets and liabilities are recognized on temporary differences between the carrying amounts of assets and liabilities for accounting purposes and their tax bases, net operating loss carryforwards and tax credit carryforwards.

Deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of an asset or liability in a transaction which is not related to a business combination and, at the time of transaction, affects neither book basis nor tax basis profits (tax losses). Deferred tax liabilities are not recognized if the taxable temporary difference arises from the initial recognition of goodwill. For certain transactions in which both assets and liabilities are recognized in equal amounts from a single transaction, a deferred tax liability is initially recognized for the taxable temporary difference on the recognized asset and a deferred tax asset is initially recognized for the deductible temporary difference on the recognized liability.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and investments accounted for by the equity method. However, if Ricoh is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not be reversed in the foreseeable future, deferred tax liabilities are not recognized. Deferred tax assets arising from deductible temporary differences associated with investments in subsidiaries and associates accounted for by the equity method are recognized only to the extent that it is probable that there will be sufficient taxable profit against which the benefit of temporary differences can be utilized and the temporary differences will be reversed in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the temporary differences are expected to be reversed based on tax laws that have been enacted or substantively enacted by the end of reporting period. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and income taxes are levied by the same tax authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

Deferred tax assets are recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Ricoh adopt the exception to the requirements to recognize and disclose information about deferred tax assets and liabilities related to BEPS 2.0 - Pillar Two income taxes.

(18) Earnings Per Share

Basic earnings per share are calculated by dividing profit and loss attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the year, adjusted by the number of treasury shares. Diluted earnings per share are calculated by adjusting all the effects of potentially dilutive ordinary shares.

(19) Operating Segments

Operating segments are components of business activities from which Ricoh may earn revenues and incur expenses, including revenues and expenses relating to transactions with other operating segments, and for which discrete financial information for operating results of all operating segments is available and is regularly reviewed by management in order to determine the allocation of resources to the segment and assess its performance.

4. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

New standards and interpretations that were not effective in the reporting period ended March 31, 2024 and which Ricoh has not yet adopted for the preparation of consolidated financial statements are set forth in the table below. The amendments to IAS 1 "Presentation of Financial Statements" and IFRS 16 "Leases" are not expected to have a material impact on the consolidated financial statements. The effect of other new standards and amendments on Ricoh is under consideration.

Standards	Title	Date on or after which the application is required for new reporting periods	Ricoh's applicable reporting period	Summaries of new Standards/amendments
IAS 1	Presentation of Financial Statements	January 1, 2024	Period ending March 2025	Improved information about covenanted long-term debt. Classification of liabilities as current or non-current
IAS 7 IFRS 7	Statement of Cash Flows Financial Instruments	January 1, 2024	Period ending March 2025	Disclosure of supplier finance arrangements
IFRS 16	Leases	January 1, 2024	Period ending March 2025	Additional requirements for subsequent measurement of lease liabilities arising from sale and leaseback transactions
IAS 21	The Effects of Changes in Foreign Exchange Rates	January 1, 2025	Period ending March 2026	When a currency is exchangeable and how to determine the exchange rate when it is not
IFRS 9 IFRS 7	Financial Instruments	January 1, 2026	Period ending March 2027	Amendments to the requirements for classification of financial assets and derecognition of financial liabilities in IFRS 9 "Financial Instruments" and standards related to IFRS 7 "Financial Instruments: Disclosures"
IFRS 18	Presentation and Disclosures in Financial Statements	January 1, 2027	Period ending March 2028	New standard replacing IAS 1, the current accounting standard for presentation and disclosure in financial statements

5. OPERATING SEGMENTS

Ricoh's operating segments are composed of Digital Services, Digital Products, Graphic Communications, Industrial Solutions and Other.

The PFU business in Other segment has been reclassified into Digital Services and Digital Products from the current year. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

The following table presents the content of operating segment.

Segments	Business Domains
Digital Services	Sales of MFPs (multifunctional printers), laser printers, digital duplicators, wide format printers, facsimile machine, scanners, personal computers, servers, network equipment, related parts & supplies, services, support, software and service & solutions related to documents
Digital Products	Production and OEM of MFPs (multifunctional printers), laser printers, digital duplicators, wide format printers, facsimile machine, network equipment, and related parts & supplies, production and sales of scanners, and related parts & supplies and electronic components
Graphic Communications	Production and sales of cut sheet printers, continuous feed printers, inkjet heads, imaging systems, industrial printers, related parts & supplies, services, support and software
Industrial Solutions	Production and sales of thermal paper and thermal media, industrial optical component/module and precision mechanical component
Other	Digital cameras, 360°cameras, environment, healthcare

(Note) Digital services as a business segment is mainly limited to the office services business and the office printing sales business. This segment does not include all digital services, which Ricoh aims to transform into "a digital services company" that supports workers creativity and provides services to meet changing workplaces. "Digital Services" provided as "a digital services company" is included in all the business segments as well as Digital Services business segment.

Segment profit (loss) is based on operating profit (loss) and is used by Ricoh's management in allocating resources and in assessing business performance. Segment profit (loss) excludes certain adjustment such as elimination of unrealized gain or loss on inventories and fixed assets accrued from intersegment transaction.

The following tables present certain information regarding Ricoh's operating segments and geographic areas for the years ended March 31, 2023 and 2024. Intersegment transactions are made at arm's-length prices. No single customer accounted for 10% or more of the total sales for the years ended March 31, 2023 and 2024.

(1) Operating Segment Information

	Millions of Yen	
	For the year ended March 31, 2023	For the year ended March 31, 2024
Segment sales:		
Digital Services	1,684,356	1,852,847
Digital Products	493,440	484,430
Graphic Communications	234,843	262,127
Industrial Solutions	116,335	113,587
Other	40,592	45,616
Intersegment sales	(435,386)	(409,620)
Total segment sales	2,134,180	2,348,987
Segment profit (loss):		
Digital Services	31,288	40,802
Digital Products	34,604	17,376
Graphic Communications	14,578	15,489
Industrial Solutions	3,150	(322)
Other	(9,248)	(10,522)
Total segment profit (loss)	74,372	62,823

	Millions of Yen	
	For the year ended March 31, 2023	For the year ended March 31, 2024
Reconciling items:		
Corporate expenses and elimination	4,368	(800)
Finance income	4,522	9,473
Finance costs	(8,105)	(8,897)
Share of profit of investments accounted for using equity method	6,151	5,603
Profit (loss) before income tax expenses	81,308	68,202

Intersegment sales are primarily from Digital Products to Digital Services.

The following tables represent total assets, capital expenditures, depreciation and amortization for the years ended March 31, 2023 and 2024.

	Millions of Yen	
	As of March 31, 2023	As of March 31, 2024
Total assets:		
Digital Services	1,057,024	1,184,039
Digital Products	362,641	362,371
Graphic Communications	148,347	177,937
Industrial Solutions	90,045	86,652
Other	47,972	52,510
Elimination of intersegment transactions	(22,240)	(25,669)
Corporate	466,167	448,335
Consolidated	2,149,956	2,286,175

	Millions of Yen	
	For the year ended March 31, 2023	For the year ended March 31, 2024
Capital expenditures:		
Digital Services	22,633	34,189
Digital Products	25,108	21,301
Graphic Communications	18,513	13,854
Industrial Solutions	3,899	4,030
Other	2,871	2,644
Corporate	7,591	12,387
Consolidated	80,615	88,405
Depreciation and amortization:		
Digital Services	48,388	53,716
Digital Products	19,667	24,248
Graphic Communications	9,293	11,653
Industrial Solutions	4,973	4,295
Other	6,088	5,950
Corporate	9,059	9,165
Consolidated	97,468	109,027

Assets are allocated to the operating segments which mainly benefited from the assets.

Corporate assets consist primarily of cash and cash equivalents, other financial assets, investments accounted for using the equity method and deferred tax assets that are not related to specific operating segments.

(2) Sales by Product Category

Information for sales by product category is as follows:

	Millions of Yen	
	For the year ended March 31, 2023	For the year ended March 31, 2024
Sales:		
Digital Services	1,684,356	1,852,847
Digital Products	79,648	95,943
Graphic Communications	234,843	262,127
Industrial Solutions	113,572	111,743
Other	21,761	26,327
Total sales	2,134,180	2,348,987

(Note) Each category includes the following product lines:

Digital Services	MFPs (multifunctional printers), laser printers, digital duplicators, wide format printers, facsimile machine, scanners, personal computers, servers, network equipment, related parts & supplies, services, support, software and service & solutions related to documents
Digital Products	OEM of MFPs (multifunctional printers), laser printers, digital duplicators, wide format printers, facsimile machine, network equipment, and related parts & supplies, scanners, and related parts & supplies and electronic components
Graphic Communications	Cut sheet printers, continuous feed printers, inkjet heads, imaging systems, industrial printers, related parts & supplies, services, support and software
Industrial Solutions	Thermal paper and thermal media, industrial optical component/module and precision mechanical component
Other	Digital cameras, 360°cameras, environment, healthcare

(3) Geographic Information

Sales based on the location of customers and noncurrent assets, including property, plant and equipment, right-of-use assets, goodwill and intangible assets were as follows:

	Millions of Yen	
	For the year ended March 31, 2023	For the year ended March 31, 2024
Sales:		
Japan	803,955	865,657
The Americas	600,836	659,783
Europe, the Middle East and Africa	546,462	623,718
Other	182,927	199,829
Consolidated	2,134,180	2,348,987
The United States (included in The Americas)	504,769	553,277

	Millions of Yen	
	As of March 31, 2023	As of March 31, 2024
Non-current assets:		
Japan	298,657	297,997
The Americas	119,756	136,037
Europe, the Middle East and Africa	158,209	193,907
Other	43,287	50,794
Consolidated	619,909	678,735
The United States (included in The Americas)	107,805	121,144

6. BUSINESS COMBINATIONS

(For the year ended March 31, 2023)
(PFU Limited)
1. Outline of business combination
(i) Name and description of acquired business
Name of acquired business : PFU Limited
Description of business : Document scanners, industrial computing products and other hardware; security and document management and other software & services; configuration of IT infrastructure; and multivendor services provided in cooperation with third-party companies

(ii) Reason for the acquisition of shares
This share acquisition is a part of the growth investments outlined in the medium- to long-term plan through FY2025. PFU has the No. 1 share in the global market for document scanners and offers cloud construction and managed security services in Japan. By making PFU a subsidiary of the Company, the Company intends to strengthen edge devices that support digital services by acquiring industry and business scanners that serve as entry points for business workflows, and also intends to fortify its human capital through acquiring software engineers and digital professionals in the field, close to its customers and edge devices including construction and operation of multi-cloud environments and security services. In doing so, the Company intends to achieve digital transformation (DX) for customers and expand Ricoh's the office services business, which is positioned as an area of accelerated growth in its business portfolio management. In addition, PFU has the No. 1 share in the Japanese market for industrial computer boards and boasts an extensive product lineup. The combination of PFU's strengths and the Company's electronics business will create synergies in production, purchasing, and development to increase cost competitiveness, strengthen the industrial computer business, and develop new edge devices that will advance the digitalization of frontlines in fields such as logistics and manufacturing.

(iii) Acquisition date
September 1, 2022

(iv) Percentage of voting equity interests acquired
80%

2. Consideration transferred and each major class of consideration
Cash ¥90,584 million
(Note) Price adjustments after acquisition have been finalized, and the final acquisition cost was determined.

3. Acquisition-related costs

The acquisition-related costs of ¥236 million were included in “Selling, general and administrative expenses” in the consolidated statement of profit or loss.

4. Assets acquired, liabilities assumed, non-controlling interests and goodwill

Millions of Yen

	Provisional fair value	Subsequent revision	Revised fair value
Fair value of the consideration transferred	90,584	－	90,584
Cash and cash equivalents	42,060	－	42,060
Trade and other receivables	19,698	－	19,698
Inventories	24,322	－	24,322
Property, plant and equipment	7,482	(1,882)	5,600
Intangible assets	6,631	36,675	43,306
Other assets	13,885	－	13,885
Trade and other payables	(13,575)	－	(13,575)
Other liabilities	(29,344)	(11,327)	(40,671)
Net assets	71,159	23,466	94,625
Non-controlling interests	(14,487)	(4,517)	(19,004)
Goodwill	33,912	(18,949)	14,963
Total	90,584	－	90,584

Non-controlling interests are measured by the non-controlling interests' proportionate share in the recognized amounts of the acquiree’s identifiable net assets. Goodwill arising from the acquisition of PFU consists primarily of future economic benefits and synergies with existing operations. Ricoh applied the acquisition method to account for the acquisition and the acquisition cost has been allocated to the assets acquired and the liabilities assumed based on the acquisition-date fair values. The initial accounting for the business combination had not been completed as of December 31, 2022 and the amounts disclosed previously were provisional based on the information available at that time. The allocation of the acquisition cost was completed as of March 31, 2023. As it was completed, the amounts of assets acquired, liabilities assumed, non-controlling interests and goodwill were revised as above. The operating results of PFU have been included in the accompanying consolidated financial statements after the acquisition date.

The Company granted written put options to sell the subsidiary shares to the non-controlling shareholder of the acquired company. The present value of the written put options granted to the non-controlling shareholder was recognized as financial liabilities in the amount of ¥22,485 million at the acquisition date, and the same amounts were deducted from additional paid-in capital. The amount of the financial liabilities related to the written put options increased by ¥1,656 million due to the determination of the final acquisition cost.

5. Impact on Ricoh's business results

Sales and profit generated by PFU since the acquisition date amounted to ¥86,888 million and ¥6,347 million, respectively. Assuming the business combination had been conducted at the beginning of the period, the pro-forma information for the year ended March 31, 2023 would have been ¥2,181,265 million in sales and ¥55,550 million in profit for the period, respectively. The amounts are unaudited by the independent auditor.

(Other business combinations)

Business combinations other than the acquisition of PFU Limited that are individually immaterial but are material collectively are disclosed in aggregate.

1. Consideration transferred and each major class of consideration

	Millions of Yen
Cash	11,002
Fair value of the equity interest held immediately before the acquisition date	4,620
Contingent consideration	4,374
Total	19,996

2. Acquisition-related costs

The acquisition-related costs of ¥421 million were included in "Selling, general and administrative expenses" in the consolidated statement of profit or loss.

3. Assets acquired, liabilities assumed, non-controlling interests and goodwill

The acquisition-date fair values of the consideration transferred, assets acquired and liabilities assumed, non-controlling interests and goodwill are as follows:

	Millions of Yen
Fair value of the consideration transferred	19,996
Current assets	7,956
Non-current assets	14,247
Current liabilities	(5,993)
Non-current liabilities	(4,122)
Net assets	12,088
Non-controlling interests	(2,643)
Goodwill	10,551
Total	19,996

Non-controlling interests are measured by the non-controlling interests' proportionate share in the recognized amounts of the acquiree's identifiable net assets. Goodwill arising from the acquisition consists primarily of future economic benefits and synergies with existing operations. Ricoh applied the acquisition method to account for the acquisition and the acquisition cost has been allocated to the assets acquired and the liabilities assumed based on the acquisition-date fair values. The initial accounting for the business combination was incomplete as of March 31, 2023 and therefore, the provisional amounts of intangible assets and goodwill may be adjusted upon the completion of the purchase price allocation. The operating results have been included in the accompanying consolidated financial statements since the acquisition date.

4. Gain on step acquisitions through business combinations
As a result of the remeasurement of the acquisition-date fair value of the equity interest in the acquiree held by Ricoh immediately before the acquisition date, gain on step acquisitions through business combinations of ¥2,401 million was included in “Other income” in the consolidated financial statement of profit or loss.

5. Impact on Ricoh’s business results
Sales and profit for the year of acquirees since the acquisition date and assuming the business combination had been conducted at the beginning of the period, the pro-forma information for the year ended March 31, 2023 are not disclosed since the impact on the consolidated financial statements is immaterial.

(For the year ended March 31, 2024)
(PFH Technology Group Unlimited Company)
1. Outline of business combination
(i) Name and description of acquired business
Name of acquired business : PFH Technology Group Unlimited Company (hereinafter “PFH”)
Description of business : IT infrastructure, cloud and managed workplace services

(ii) Reason for the acquisition of shares
Ricoh Europe Holdings PLC, a wholly owned subsidiary of the Company, acquired all shares of PFH, a leading provider of IT infrastructure, cloud and managed workplace services in Ireland, in order to expand digital services. By acquiring the shares, Ricoh develops IT services based in Ireland, the business hub of Europe and the center of the IT industry, and intends to achieve digital transformation (DX) for customers and expand Ricoh’s office services business, which is positioned as an area of accelerated growth in its business portfolio management, in pan-Europe.

(iii) Acquisition date
June 1, 2023

(iv) Percentage of voting equity interests acquired
100%

2. Consideration transferred and each major class of consideration

	Millions of Yen
Cash	13,123
Contingent consideration	3,444
Total	16,567

(Note) The contingent consideration is calculated on the basis of agreed-upon conditions depending on the achievement of PFH 's performance targets and recognized a potential payment of 23.16 million EURO.

3. Acquisition-related costs
The acquisition-related costs of ¥188 million were included in “Selling, general and administrative expenses” in the consolidated statement of profit or loss.

4. Assets acquired, liabilities assumed and goodwill

The acquisition-date fair values of the consideration transferred, assets acquired and liabilities assumed and goodwill are as follows:

	Millions of Yen		
	Provisional fair value	Subsequent revision	Revised fair value
Fair value of the consideration transferred	17,398	(831)	16,567
Cash and cash equivalents	2,499	―	2,499
Trade and other receivables	4,117	―	4,117
Inventories	3,870	―	3,870
Intangible assets	117	9,429	9,546
Other assets	1,550	―	1,550
Trade and other payables	(1,540)	―	(1,540)
Other liabilities	(9,465)	(886)	(10,351)
Net assets	1,148	8,543	9,691
Goodwill	16,250	(9,374)	6,876
Total	17,398	(831)	16,567

Goodwill arising from the acquisition of PFH consists primarily of future economic benefits and synergies with existing operations. Ricoh applied the acquisition method to account for the acquisition and the acquisition cost has been allocated to the assets acquired and the liabilities assumed based on the acquisition-date fair values. The initial accounting for the business combination had not been completed as of December 31, 2023 and the amounts disclosed previously were provisional based on the information available at that time. The allocation of the acquisition cost was completed as of March 31, 2024. As it was completed, the amounts of assets acquired, liabilities assumed, and goodwill were revised as above. The operating results have been included in the accompanying consolidated financial statements since the acquisition date.

5. Impact on Ricoh's business results

Profit or loss information after the acquisition date, as well as the pro-forma information calculated as if the business combination had been conducted at the beginning of the fiscal year are omitted because the business combination has an insignificant impact on consolidated statement of profit or loss.

The information on the business combinations other than the above is omitted as it is immaterial both individually and in the aggregate.

7. CASH AND CASH EQUIVALENTS

Details of cash and cash equivalents are as follows:

	Millions of Yen	
	As of March 31, 2023	As of March 31, 2024
Cash and cash equivalents		
Cash and deposit	222,097	177,321
Less time deposit over 3 months	(207)	(271)
Total cash and cash equivalents on consolidated statement of financial position	221,890	177,050
Bank overdrafts	(11,006)	(7,411)
Total cash and cash equivalents on consolidated statement of cash flows	210,884	169,639

8. TRADE AND OTHER RECEIVABLES

The components of trade and other receivables are as follows:

	Millions of Yen	
	As of March 31, 2023	As of March 31, 2024
Notes receivables and electronically recorded monetary claims	36,780	40,357
Accounts receivables	369,016	415,862
Other receivables	77,196	89,069
Less allowance for doubtful receivables	(6,563)	(7,230)
Total	476,429	538,058

As of March 31, 2023 and 2024, the amounts expected to be recovered or settled within or after 12 months after the reporting period included in the above table are not material.

9. INVENTORIES

Details of inventories are as follows:

	Millions of Yen	
	As of March 31, 2023	As of March 31, 2024
Goods and products	190,403	175,626
Work in progress and raw materials	123,965	124,969
Total	314,368	300,595

The amount of write-down is as follows:

	Millions of Yen	
	For the year ended March 31, 2023	For the year ended March 31, 2024
Amount of write-down	9,368	7,783

The amount of write-down is included in “Cost of sales” in the consolidated statement of profit or loss.

10. ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES DIRECTLY RELATED TO ASSETS HELD FOR SALE

(For the year ended March 31, 2023)
Not applicable.

(For the year ended March 31, 2024)
Ricoh resolved and concluded the Share Transfer Agreement to transfer its optical business, which develops, manufactures and sells automotive stereo cameras and optical lens modules used in projectors, for the year ended March 31, 2024. As a result, in accordance with IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”, Ricoh reclassified assets and liabilities related to the optical business to “Assets classified as held for sale” and “Liabilities directly related to assets held for sale” due to expected sale within one year. Ricoh measured the disposal group classified as held for sale at the lower of its carrying amount and fair value less costs to sell and classified it at its carrying amount. The reportable segment in which the assets and the liabilities are presented is the Industrial Solutions segment.

Details of assets classified as held for sale and liabilities directly related to assets held for sale as of March 31, 2024 are as follows:

	Millions of Yen
	As of March 31, 2024
Assets classified as held for sale	
Inventories	2,851
Property, plant and equipment	4,076
Other assets	797
Total	7,724
Liabilities directly related to assets held for sale	
Other liabilities	1,430
Total	1,430

11. PROPERTY, PLANT AND EQUIPMENT

The carrying amount, cost, accumulated depreciation and impairment loss of property, plant and equipment are as follows:

Carrying amount

	Millions of Yen					
	Land	Buildings and structures	Machinery and vehicles	Tools, equipment and fixtures	Construction in progress	Total
Balance as of April 1, 2022	24,885	77,981	31,075	45,888	8,610	188,439
Additions	–	3,007	2,807	21,820	17,825	45,459
Acquisitions through business combinations	1,178	3,449	320	1,224	4	6,175
Depreciation expense	–	(8,749)	(8,171)	(25,075)	–	(41,995)
Impairment loss	–	(7)	(16)	(14)	–	(37)
Disposals	(67)	(735)	(640)	(2,010)	(54)	(3,506)
Transfers from construction in progress	–	2,672	5,647	8,508	(16,827)	–
Exchange differences	124	751	497	1,871	298	3,541
Others	(60)	115	74	8	(1,701)	(1,564)
Balance as of March 31, 2023	26,060	78,484	31,593	52,220	8,155	196,512
Additions	–	5,175	3,746	24,233	20,113	53,267
Acquisitions through business combinations	–	86	131	133	–	350
Depreciation expense	–	(8,273)	(8,091)	(27,656)	–	(44,020)
Impairment loss	–	(1)	(17)	(78)	–	(96)
Disposals	(120)	(883)	(674)	(2,110)	(78)	(3,865)
Transfers from construction in progress	–	3,980	6,412	10,427	(20,819)	–
Exchange differences	184	1,656	1,300	3,216	411	6,767
Decrease due to reclassification to assets classified as held for sale	–	(1,516)	(1,551)	(404)	(605)	(4,076)
Others	(5)	(143)	188	88	(1,399)	(1,271)
Balance as of March 31, 2024	26,119	78,565	33,037	60,069	5,778	203,568

Cost

	Millions of Yen					
	Land	Buildings and structures	Machinery and vehicles	Tools, equipment and fixtures	Construction in progress	Total
Balance as of April 1, 2022	26,241	270,971	221,834	425,866	8,610	953,522
Balance as of March 31, 2023	27,416	275,650	224,021	442,013	8,155	977,255
Balance as of March 31, 2024	27,475	276,471	221,618	456,972	5,778	988,314

Accumulated depreciation and impairment loss

	Millions of Yen				
	Land	Buildings and structures	Machinery and vehicles	Tools, equipment and fixtures	Total
Balance as of April 1, 2022	(1,356)	(192,990)	(190,759)	(379,978)	(765,083)
Balance as of March 31, 2023	(1,356)	(197,166)	(192,428)	(389,793)	(780,743)
Balance as of March 31, 2024	(1,356)	(197,906)	(188,581)	(396,903)	(784,746)

12. GOODWILL AND INTANGIBLE ASSETS

The carrying amount, cost, accumulated amortization and impairment loss of goodwill and intangible assets are as follows:

Carrying amount

	Millions of Yen					
	Goodwill	Software	Trademarks and customer relationships	Development assets	Others	Total
Balance as of April 1, 2022	165,865	49,245	9,299	31,552	3,521	259,482
Additions	–	12,634	–	–	88	12,722
Acquisitions through business combinations	25,514	9,564	35,471	–	14,217	84,766
Increase through internal development activities	–	–	–	22,434	–	22,434
Amortization expense	–	(13,219)	(3,777)	(6,229)	(1,375)	(24,600)
Impairment loss	(70)	–	–	–	–	(70)
Disposals	–	(7)	(48)	–	–	(55)
Exchange differences	10,988	1,547	447	–	354	13,336
Others	(1,681)	60	–	–	–	(1,621)
Balance as of March 31, 2023	200,616	59,824	41,392	47,757	16,805	366,394
Additions	–	19,883	–	–	726	20,609
Acquisitions through business combinations	8,159	50	9,763	–	–	17,972
Increase through internal development activities	–	–	–	14,529	–	14,529
Amortization expense	–	(15,436)	(6,548)	(9,313)	(1,784)	(33,081)
Impairment loss	(619)	(955)	–	–	–	(1,574)
Disposals	–	(146)	–	(660)	(1)	(807)
Exchange differences	22,438	3,123	2,349	–	586	28,496
Decrease due to reclassification to assets classified as held for sale	–	(30)	–	–	–	(30)
Others	(1,945)	(13)	1,911	–	–	(47)
Balance as of March 31, 2024	228,649	66,300	48,867	52,313	16,332	412,461

Cost

	Millions of Yen					
	Goodwill	Software	Trademarks and customer relationships	Development assets	Others	Total
Balance as of April 1, 2022	377,678	175,283	99,257	74,521	23,004	749,743
Balance as of March 31, 2023	430,305	194,481	133,369	78,540	37,365	874,060
Balance as of March 31, 2024	488,435	202,909	158,644	78,021	40,873	968,882

Accumulated amortization and impairment loss

	Millions of Yen					
	Goodwill	Software	Trademarks and customer relationships	Development assets	Others	Total
Balance as of April 1, 2022	(211,813)	(126,038)	(89,958)	(42,969)	(19,483)	(490,261)
Balance as of March 31, 2023	(229,689)	(134,657)	(91,977)	(30,783)	(20,560)	(507,666)
Balance as of March 31, 2024	(259,786)	(136,609)	(109,777)	(25,708)	(24,541)	(556,421)

Amortization expense of development assets were included in “Cost of sales”, and amortization expense of other intangible assets were included in “Cost of sales” and “Selling, general and administrative expenses” in the consolidated statement of profit or loss.

13. IMPAIRMENT LOSS

(1) Impairment loss on Property, plant and equipment and goodwill and intangible assets by segment and cash generating units or cash generating unit groups

Impairment loss on Property, plant and equipment and goodwill and intangible assets by segment and cash generating units or cash generating unit group was as follows:

	Millions of Yen	
	For the year ended March 31, 2023	For the year ended March 31, 2024
Office Services Total	70	619
Digital Services Total	70	619
Industrial Printing Total	37	49
Graphic Communications Total	37	49
Other Total	ー	1,002
Impairment loss Total	107	1,670

(2) Impairment loss on Property, plant and equipment and goodwill and intangible assets by class

Impairment loss on Property, plant and equipment and goodwill and intangible assets by class was as follows:

	Millions of Yen	
	For the year ended March 31, 2023	For the year ended March 31, 2024
Buildings and structures	7	1
Machinery and vehicles	16	17
Tools, equipment and fixtures	14	78
Property, plant and equipment Total	37	96
Goodwill	70	619
Software	ー	955
Goodwill and intangible assets Total	70	1,574
Impairment loss Total	107	1,670

Impairment loss for the year ended March 31, 2023 was included in “Cost of sales” in the amount of ¥2 million, “Selling, general and administrative expenses” in the amount of ¥35 million and “Impairment of goodwill” in the amount of ¥70 million, respectively. Impairment loss for the year ended March 31, 2024 was included in “Cost of sales” in the amount of ¥28 million, “Selling, general and administrative expenses” in the amount of ¥1,023 million and “Impairment of goodwill” in the amount of ¥619 million, respectively.

(3) Impairment losses and the background

(For the year ended March 31, 2023)
Ricoh recognized no significant impairment loss.

(For the year ended March 31, 2024)
Ricoh recognized no significant impairment loss.

(4) Impairment test of goodwill

(For the year ended March 31, 2023)
The recoverable amount of goodwill was determined based on the value in use. The value in use is the present value calculated by discounting the estimated cash flows based on projections approved by management and the growth rate after the projection period. The growth rate used is determined by considering the long-term growth rate of the market to which the CGU or CGU group belongs (-4 to 2%). The discount rate used is calculated based on the pre-tax weighted average capital cost of each CGU or CGU group (11 to 15%). Business plans cover a maximum period of 5 years and the growth rate does not exceed the long-term average growth rate for the market in which the asset is used.

As described in Note 2. BASIS OF PREPARATION- (6) Use of Estimates and Judgments, Ricoh assumes that the effect of the surge in resource prices and inflation will persist to a certain extent over the next fiscal year and beyond although the impact on economic activities from COVID-19 and impact on the Ricoh’s performance due to the supply constraints resulting from component shortages and logistics issues are gradually improving.

Ricoh has considered the business impact of the situation in which society will not completely recover to a pre-pandemic normal and of the sales price fluctuations as measures to deal with cost increase of components, in view of the well-received new work style stemming from the downsizing of office spaces and decreasing attendance rate at work as teleworking triggered by the COVID-19 pandemic has taken root.

The Office Printing (Europe, Middle East and Africa sales group) CGU group is exposed to the risk that the carrying amounts of goodwill within the next financial year could require a material adjustment. The recoverable amount in Office Printing (Europe, Middle East and Africa sales group) is determined based on value in use, which fully exceeds its carrying amount. In estimating the value in use, Ricoh considers the sales volume, print output volume and sales price of MFPs, etc., the related cost in the projection, the growth rate after the projection period, and the discount rate are recognized as key assumptions.

Ricoh expects that the carrying amount will not exceed the recoverable amount even if there are reasonably possible changes in the major assumptions underlying the recoverable amount (growth rate, discount rate, etc.) in all CGU or CGU group which goodwill are allocated.

(For the year ended March 31, 2024)
The recoverable amount of goodwill was determined based on the value in use. The value in use is the present value calculated by discounting the estimated cash flows based on projections approved by management and the growth rate after the projection period. The growth rate used is determined by considering the long-term growth rate of the market to which the CGU or CGU group belongs (-3 to 2%). The discount rate used is calculated based on the pre-tax weighted average capital cost of each CGU or CGU group (12 to 18%). Business plans cover a maximum period of 5 years and the growth rate does not exceed the long-term average growth rate for the market in which the asset is used.

As described in Note 2. BASIS OF PREPARATION- (6) Use of Estimates and Judgments, the estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods in which the revision affects.

Office Printing (Europe, Middle East and Africa sales group) CGU group is exposed to a risk of resulting in a material adjustment to the carrying amounts of goodwill within the next financial year. The recoverable amount in Office Printing (Europe, Middle East and Africa sales group) is determined based on value in use, which fully exceeds its carrying amount. In estimating the value in use, Ricoh considers the sales volume, print output volume and sales price of MFPs, etc. of the office printing business, the related cost in the projection, the growth rate after the projection period, and the discount rate are recognized as key assumptions. These assumptions consider the transition of the office printing market into a mature phase and changes in the cost environment, and take into account the effect of pricing controls such as value-added sales.

Ricoh expects that the carrying amount will be not likely to exceed the recoverable amount even if there are reasonably possible changes in the major assumptions underlying the recoverable amount (growth rate, discount rate, etc.) in all CGU or CGU group which goodwill are allocated.

The details of goodwill after recognition of impairment losses by CGU or CGU group are as follows.

	Millions of Yen	Millions of Yen
	As of March 31, 2023	As of March 31, 2024
Office Printing (Common function group excluding sales)	76,517	85,709
Office Printing (Europe, Middle East and Africa sales group)	55,298	62,035
Office Services (Europe software development group)	18,463	21,212
Digital Imaging	―	10,846
Office Printing (Japan sales group)	4,981	4,981
Other CGUs, CGU groups	45,357	43,866
Total	200,616	228,649

Note: “Digital Imaging” relates to a portion of PFU and was included in “Other CGUs, CGU groups” as of March 31, 2023.

14. LEASE

(1) As Lessor

Lease receivables are included in other financial assets.

Ricoh is engaged in the leasing business of Ricoh's products. Most of these leases are accounted for as finance leases.

Residual risk on leased equipment is not significant, because of the existence of a secondary market with respect to the equipment and having sales means such as extension of arrangement with customer.

(a) Finance lease

Future receivables under finance leases are as follows:

	Millions of Yen	
	As of March 31, 2023	As of March 31, 2024
Gross investments in finance leases		
Due in 1 year or less	112,230	131,709
Due after 1 year through 2 years	73,686	88,474
Due after 2 year through 3 years	46,305	58,892
Due after 3 year through 4 years	24,444	33,836
Due after 4 year through 5 years	8,494	11,948
Due after 5 years	930	1,239
Undiscounted lease receivables	266,089	326,098
Unguaranteed residual value	(5,907)	(7,635)
Future finance income	(28,334)	(39,703)
Present value of minimum lease payments receivable	231,848	278,760

The following table presents selling profit or loss and finance income on the net investment in the lease.

	Millions of Yen	
	For the year ended March 31, 2023	For the year ended March 31, 2024
Selling profit or loss	40,865	48,127
Finance income on the net investment in the lease	17,685	20,367

(b) Operating lease

Future receivables under operating leases are as follows:

	Millions of Yen	
	As of March 31, 2023	As of March 31, 2024
Due in 1 year or less	13,886	12,565
Due after 1 year through 2 years	5,885	5,600
Due after 2 year through 3 years	3,697	4,005
Due after 3 year through 4 years	2,284	2,674
Due after 4 year through 5 years	1,154	1,419
Due after 5 years	599	305
Undiscounted lease receivables	27,505	26,568

The following table presents operating lease income.

	Millions of Yen	
	For the year ended March 31, 2023	For the year ended March 31, 2024
Lease income	43,728	45,762
Income relating to variable lease payments	1,274	1,185

(2) As Lessee

Ricoh leases many assets including land, buildings, machinery, equipment and fixtures.

Information on leases, as a lessee, is as follows:

(a) Right-of-use assets

Carrying amount of right-of use assets consists of the follows:

	Millions of Yen	
	As of March 31, 2023	As of March 31, 2024
Land, buildings and structures	48,230	53,221
Vehicles, equipment and other	8,773	9,485
Total	57,003	62,706

The amount of right-of-use assets increased by ¥27,676 million and ¥34,982 million for the year ended March 31, 2023 and 2024, respectively.

Total cash outflow for leases were ¥33,237 million and ¥32,547 million for the year ended March 31, 2023 and 2024, respectively.

(b) Income and expenses relating to right-of use assets

Income and expenses relating to right-of use assets consist of the following:

	Millions of Yen	
	For the year ended March 31, 2023	For the year ended March 31, 2024
Depreciation expenses for right-of-use assets:		
Land, buildings and structures	25,562	25,667
Vehicles, equipment and other	5,311	6,258
Total	30,873	31,926
Expenses relating to short-term lease and lease of low-value assets	3,000	3,156

Income and expenses with sublease and sale and lease back were not material.

Interest expense on lease liabilities is described in Note 31, Finance income and finance costs. Analysis of the contractual maturities of lease liabilities are described in Note 26, Financial instruments and related disclosures - (4) Liquidity risk management.

(c) Extension option and termination options

In Ricoh, each company is responsible for managing its lease contracts, and lease conditions are individually negotiated, resulting in a wide range of contract conditions. Extension option and termination option are mainly included in real estate leases for offices and warehouses. These options are used as necessary for the lease contractor to utilize real estate for business.

15. OTHER FINANCIAL ASSETS

The components of other financial assets are as follows:

	Millions of Yen	
	As of March 31, 2023	As of March 31, 2024
Derivative assets	202	372
Lease receivables	237,755	286,395
Less allowance for doubtful receivables	(8,893)	(10,170)
Total	229,064	276,597
Current	93,906	106,948
Noncurrent	135,158	169,649

16. OTHER INVESTMENTS

The components of other investments are as follows:

	Millions of Yen	
	As of March 31, 2023	As of March 31, 2024
Securities and equity interests	18,972	17,392
Bonds	387	269
Total	19,359	17,661
Current	—	—
Noncurrent	19,359	17,661

17. TRADE AND OTHER PAYABLES

The components of trade and other payables are as follows:

	Millions of Yen	
	As of March 31, 2023	As of March 31, 2024
Notes payables and electronically recorded obligations	9,158	13,977
Accounts payable	208,924	222,377
Other payables	94,347	68,926
Total	312,429	305,280

18. LOANS AND BORROWINGS

Long-term borrowings are as follows:

	Millions of Yen	
	As of March 31, 2023	As of March 31, 2024
Unsecured Bonds:		
0.20% straight bonds, payable in yen, due December 2023, issued by the Company	10,000	–
0.47% straight bonds, payable in yen, due December 2028, issued by the Company	10,000	10,000
6.75% straight bonds, payable in yen, due December 2025, issued by a consolidated subsidiary	1,890	2,147
7.30% straight bonds, payable in yen, due November 2027, issued by a consolidated subsidiary	2,780	3,157
Total bonds	24,670	15,304
Unsecured loans		
From banks and insurance companies		
weighted average interest rate	0.39%	0.71%
due 2032	221,709	247,100
Subtotal	246,379	262,404
Less current maturities included in “Current liabilities”	(41,269)	(65,430)
Total	205,110	196,974

All bonds outstanding as of March 31, 2024 are redeemable at the option of Ricoh under certain conditions as provided in the applicable agreements.

Bonds are subject to certain covenants such as restrictions on additional secured borrowings as defined in the agreements. Ricoh was in compliance with all such covenants as of March 31, 2024.

Short-term borrowings consist of the following:

	Millions of Yen	
	As of March 31, 2023	As of March 31, 2024
Borrowings, principally from banks	86,559	52,162
Commercial paper	30,000	35,000
Total	116,559	87,162

	Weighted average interest rate (*)	
	As of March 31, 2023	As of March 31, 2024
Borrowings, principally from banks	1.5%	4.3%
Commercial paper	0.0%	0.2%

*Weighted average interested rate is the rate on the balance of borrowings at the end of the period.

Movement of liabilities related to financing activities consisted of the following:

	Millions of Yen					
	As of April 1, 2022	Changes arising from cash flows (ii)	Non-cash changes			As of March 31, 2023
			Additions	Exchange differences	Others	
Short-term debt	67,003	40,795	—	4,600	4,161	116,559
Long-term debt (i)	130,491	89,359	—	1,859	—	221,709
Bonds (i)	37,943	(13,725)	—	452	—	24,670
Lease liabilities	67,109	(32,229)	24,800	3,050	1,602	64,332
Total	302,546	84,200	24,800	9,961	5,763	427,270

(i) Including the current portion.
(ii) Proceeds from long-term debt and Repayments of long-term debt indicated in Consolidated Statement of Cash Flow includes the amounts of proceed and repayment of more than 3 months and less than 1 year.

	Millions of Yen					
	As of April 1, 2023	Changes arising from cash flows (ii)	Non-cash changes			As of March 31, 2024
			Additions	Exchange differences	Others	
Short-term debt	116,559	(32,146)	—	7,471	(4,722)	87,162
Long-term debt (i)	221,709	20,728	—	4,663	—	247,100
Bonds (i)	24,670	(10,000)	—	634	—	15,304
Lease liabilities	64,332	(31,406)	32,579	4,954	52	70,511
Total	427,270	(52,824)	32,579	17,722	(4,670)	420,077

(i) Including the current portion.
(ii) Proceeds from long-term debt and Repayments of long-term debt indicated in Consolidated Statement of Cash Flow includes the amounts of proceed and repayment of more than 3 months and less than 1 year.

19. PROVISIONS

The changes in provisions are as follows:

	Millions of Yen				
	Asset retirement obligation	Warranties provision	Restructuring provision	Other provisions	Total
Balance as of April 1, 2023	5,323	2,174	5,625	6,193	19,315
Increase for the year	655	1,365	175	2,516	4,711
Decrease for the year (applied against provisions)	(405)	(463)	(2,539)	(2,050)	(5,457)
Decrease for the year (unused amounts reversed)	(501)	(1,165)	−	(381)	(2,047)
Interest expense for discounting	25	−	−	−	25
Others	146	114	942	421	1,623
Balance as of March 31, 2024	5,243	2,025	4,203	6,699	18,170
Current liabilities	−	2,025	3,378	5,088	10,491
Noncurrent liabilities	5,243	−	825	1,611	7,679

Ricoh recognizes provisions for asset retirement obligation when there is an obligation to dismantle, remove or restore assets at the end of lease contract or obligation to decontaminate certain fixed assets. Future expected outflows of economic benefits are long-term in nature and may be affected by future business plans.

The warranties provision corresponds to the cost of the warranty that the finished goods comply with the agreed-upon specifications and is recognized based on the estimated cost during the warranty period. The warranty costs were included in in “Cost of sales”.

The restructuring provision consists of expenditures on restructuring activities such as fixed costs reductions in order to enhance competitiveness. Restructuring provisions are expected to be utilized mainly within the next fiscal year. However, they may be affected by future business plans.

Other provisions mainly consist of litigation provisions.

20. OTHER FINANCIAL LIABILITIES

Details of other financial liabilities are as follows:

	Millions of Yen	
	As of March 31, 2023	As of March 31, 2024
Derivative liabilities	362	2,427
Contingent consideration	7,245	7,898
Written put option liabilities over non-controlling interests	22,541	22,635
Total	30,148	32,960
Current	2,582	28,651
Noncurrent	27,566	4,309

21. GOVERNMENT GRANTS

Government grants are recognized at fair value when there is a reasonable assurance that Ricoh will comply with the terms and conditions attached to the grants. Government grants related to income are recognized in profit or loss over the period in which the related costs for which the grants are intended to compensate are recognized, and are mainly deducted in the related expenses. With regard to government grants for the purchase of assets, the amount of the grant is credited to deferred income and recognized in profit or loss over the expected useful life of the relevant assets.

Government grants related to income were mainly employment grants related to COVID-19 for the year ended March 31, 2023 and were mainly energy support at foreign subsidiaries for the year ended March 31, 2024. Government grants for the purchase of assets were principally related to capital expenditures on R&D of the Company and the production facility of a manufacturing subsidiary in Japan.

For the year ended March 31, 2023, the amount of government grants recognized in the consolidated statement of profit or loss was ¥4,353 million, which was deducted by ¥1,924 million of “cost of sales” and ¥1,619 million of “selling, general and administrative expenses”, and was included ¥810 million in “other income”.

For the year ended March 31, 2024, the amount of government grants recognized in the consolidated statement of profit or loss was ¥2,255 million, which was deducted by ¥937 million of “cost of sales” and ¥354 million of “selling, general and administrative expenses”, and was included ¥964 million in “other income”.

The total balance of government grants, presented as deferred income in “other current liabilities” or “other non-current liabilities” in the consolidated statement of financial position as of March 31, 2023 and March 31, 2024 was ¥3,210 million and ¥3,621 million, respectively.

There are no unfulfilled conditions or contingencies related to government grants recognized as deferred income.

22. INCOME TAXES

Details of deferred tax assets and liabilities are as follows:

	Millions of Yen	
	As of March 31, 2023	As of March 31, 2024
Deferred tax assets and Deferred tax liabilities:		
Accrued expenses	26,723	27,633
Unrealized profit on inventories	13,386	14,878
Depreciation and amortization	8,050	9,655
Accrued pension and retirement benefits	9,874	4,527
Net operating loss carryforwards	38,695	32,640
Undistributed earnings of subsidiaries and affiliates	(3,671)	(2,298)
Net changes in fair value of financial asset through other comprehensive income	(2,645)	(2,451)
Goodwill and intangible assets	(41,384)	(43,747)
Lease liabilities	17,004	16,798
Right-of-use assets	(16,361)	(15,749)
Other	4,701	5,088
Total	54,372	46,974

As shown in Note 2, "Basis of Preparation (4) New Standards and Interpretations", the amendments to IAS 12 Income Taxes (clarifying accounting for deferred tax related to assets and liabilities arising from a single transaction) are applied for the fiscal year ended March 31, 2024. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

	Millions of Yen	
	For the year ended March 31, 2023	For the year ended March 31, 2024
Beginning of year	77,062	54,372
Recognized in profit or loss	(11,596)	(3,541)
Acquisitions through business combinations	(9,070)	(1,950)
Other	(2,024)	(1,907)
End of year	54,372	46,974

Ricoh assesses the probability that a portion or all of the future deductible temporary differences, net operating loss carryforwards and tax credit carryforwards can be used to offset future taxable profits on recognition of deferred tax assets. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible and whether loss carryforwards are utilizable. Ricoh considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the temporary differences are deductible or loss carryforwards are utilizable, Ricoh believes it is more likely than not that the deferred tax assets of these deductible differences will be realized. The amount of the deferred tax assets considered realizable, however, will be reduced if estimates of future taxable income during the carryforward period are reduced.

As described in Note 2. BASIS OF PREPARATION- (6) Use of Estimates and Judgments, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods affected. Ricoh applies the group tax sharing system in Japan. Most of the recognized deferred tax assets are related to the tax group in Japan. In the business plan in estimating the taxable income of the future sharing group, Ricoh recognizes that the sales of the office services business, the sales price and sales volume of MFPs of the office printing business and consumables such as toner, and the related cost are an important assumptions. The assumption considers the effects of restructuring and other measures to grow the office service business, given that the office printing market is maturing.

Net operating loss carryforwards, deductible temporary differences and foreign tax credit carryforwards for which deferred tax assets have not been recognized are as follows:

	Millions of Yen	
	As of March 31, 2023	As of March 31, 2024
Net operating loss carryforwards	135,158	98,850
Deductible temporary differences	4,396	4,747
Foreign tax credit carryforwards	436	958
Total	139,990	104,555

The expiration date and amounts of net operating loss carryforwards for which deferred tax assets are not recognized are as follows:

	Millions of Yen	
	As of March 31, 2023	As of March 31, 2024
Within 4 years	64,841	6,362
After 5 years and thereafter	70,317	92,488
Total	135,158	98,850

The above amounts do not include net operating loss carryforwards in which deferred tax assets related to local taxes (residence tax and enterprise tax) are not recognized as it is not covered by the group tax sharing system. The amount of net operating loss carryforwards related to residence tax and enterprise tax as of March 31, 2023 were ¥12,972 million and ¥64,563 million, respectively, and as of March 31, 2024 were ¥1,778 million and ¥41,634 million, respectively.

The amounts of recognized deferred tax assets over the amounts of deferred tax liabilities and the recoverability of deferred tax assets are dependent on future taxable profits as of March 31, 2023 and 2024 were ¥49,839 million and ¥37,811 million, respectively. These deferred tax assets were recognized in the Company or some other subsidiaries which recognized tax losses for the year ended March 31, 2023 and 2024. The Company and certain subsidiaries assess the probability that such subsidiaries can utilize deductible temporary differences, net operating loss carryforwards and foreign tax credit carryforwards against future taxable profits.

Deferred tax assets related to the group tax sharing system are included because tax losses are recorded for the fiscal years ended March 31, 2023 and 2024.

Details of current and deferred tax expenses are as follows:

	Millions of Yen	
	For the year ended March 31, 2023	For the year ended March 31, 2024
Current tax expense:		
Current year	14,071	20,419
Total current tax expense	14,071	20,419
Deferred tax expense:		
Origination and reversal of temporary differences	7,791	(467)
Changes due to write-down or reversal of deferred tax assets	3,805	4,008
Total deferred tax expense	11,596	3,541
Total provision for income taxes	25,667	23,960

The amount of the benefits arising from previously unrecognized tax losses, tax credit or temporary differences of a prior period that were used to reduce current tax expenses for the year ended March 31, 2023 and 2024 were ¥5,939 million and ¥2,525 million, respectively, and these benefits were included in the current tax expense.

The Company and its domestic subsidiaries are subject to a number of income taxes, which, in the aggregate, represent a statutory income tax rate of approximately 31% for the year ended March 31, 2023 and 2024.

Reconciliation of the statutory income tax rate to the effective income tax rate is as follows:

	For the year ended March 31, 2023	For the year ended March 31, 2024
Statutory income tax rate	31%	31%
Nondeductible expenses	1	1
Nontaxable income	(0)	(0)
Changes in unrecognized deferred tax assets in previous years	5	6
Income tax exposures	(1)	0
Taxes on undistributed earnings of foreign subsidiaries	5	3
Difference in statutory tax rates of foreign subsidiaries	(6)	(5)
Share of profit (loss) of investments accounted for using the equity method	(2)	(3)
Other, net	(1)	2
Effective income tax rate	32	35

Ricoh does not recognize deferred tax liability on undistributed retained earnings of domestic subsidiaries because dividends from domestic subsidiaries are almost tax-free under the domestic tax law. Ricoh does not recognize deferred tax liability on the taxable temporary differences associated with a portion of undistributed retained earnings in foreign subsidiaries because Ricoh is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

The amount of those taxable temporary differences as of March 31, 2023 and 2024 were ¥434,292 million and ¥525,816 million, respectively.

In March 2023, the government of Japan, where the Company is incorporated, enacted the Pillar Two income taxes legislation effective from January 1, 2024. Under the legislation, the parent company will be required to pay, in Japan, top-up tax on profits of its subsidiaries that are taxed at an effective tax rate of less than 15 per cent. This legislation has not yet been applied to Ricoh. However, even if it were applied in the fiscal year ended March 31, 2024, Ricoh expects the impact on our consolidated financial statements to be minor. In addition, an exception to recognition and disclosure is applied with respect to deferred tax assets and deferred tax liabilities for income taxes arising from such tax laws.

23. EMPLOYEE BENEFITS

(1) Defined benefit plans

Ricoh has defined benefit corporate pension plans and lump-sum payment plans. The benefits of these defined benefit plans are provided based on employees' years of service, compensation level and other terms. Contributions to these plans have been made to provide future pension payments in conformity with actuarial calculations determined by the current basic rate of salary.

The Company and certain subsidiaries have contract-type corporate pension plans based on pension provision. The Company and certain subsidiaries have established Ricoh's group corporate pension provisions stipulating the contents of the pension plan such as eligibility requirements, contents and method for determining benefit payments and burden of contributions by agreement with their employees and have had these plans approved by the Minister of Health, Labour and Welfare. The Company and certain subsidiaries maintain plans by exchanging contracts with trust banks and insurance companies for the payment of contributions and the management of accumulated funds. The trust banks maintain and manage the plan assets while they perform actuarial calculation and payments of annual and lump-sum benefits.

The Company and certain subsidiaries are responsible for operations related to the administration and investment of pension reserves for the participants in compliance with laws and regulations and any orders issued by the Minister of Health, Labour and Welfare. Furthermore, the Company and certain subsidiaries are prohibited from engaging in any actions that could hinder proper administration and investment of the pension reserves for the purpose of furthering their own interests or the interests of third parties other than the participants.

For the year ended March 31, 2023, a pension buyout was implemented in the retirement benefit plan of certain overseas subsidiaries. As a result, Ricoh recognized settlement gain and loss in the consolidated statement of profit or loss for the year ended March 31, 2023.

The changes in the defined benefit obligations and plan assets of the pension plans are as follows:

Domestic plans	Millions of Yen For the year ended March 31, 2023	 For the year ended March 31, 2024
Net defined benefit obligations at beginning of year:	20,275	17,347
Changes in the present value of defined benefit obligations:		
Defined benefit obligations at beginning of year	200,215	198,820
Current service cost	6,735	6,479
Past service cost	380	261
Interest cost	1,319	2,083
Actuarial gain or loss (i)	(6,602)	(4,604)
Benefits paid	(15,511)	(16,796)
Increase due to acquisitions through business combinations	12,284	—
Defined benefit obligations at end of year	198,820	186,243
Changes in plan assets:		
Fair value of plan assets at beginning of year	179,940	181,473
Interest income	1,104	1,794
Income related to plan assets (ii)	(5,467)	13,425
Employer contributions	12,298	12,591
Plan participants' contributions	143	312
Partial withdrawal of plan assets	(570)	(710)
Benefits paid	(15,474)	(16,788)
Increase due to acquisitions through business combinations	9,499	—
Fair value of plan assets at end of year	181,473	192,097
Net defined benefit obligations at end of year (iii)	17,347	(5,854)

Foreign plans	Millions of Yen For the year ended March 31, 2023	 For the year ended March 31, 2024
Net defined benefit obligations at beginning of year:	22,163	11,506
Changes in the present value of defined benefit obligations:		
Defined benefit obligations at beginning of year	251,112	198,751
Current service cost	1,137	1,138
Past service cost	(158)	(340)
Interest cost	7,176	9,278
Plan participants' contributions	378	442
Actuarial gain or loss (i)	(41,214)	(716)
Settlements	(25,872)	—
Benefits paid	(10,166)	(9,633)
Increase due to acquisitions through business combinations	59	—
Exchange differences and other	16,299	27,049
Defined benefit obligations at end of year	198,751	225,969
Changes in plan assets:		
Fair value of plan assets at beginning of year	228,949	187,245
Interest income	6,842	8,974
Income related to plan assets (ii)	(35,243)	(5,511)
Employer contributions	6,188	2,991
Plan participants' contributions	378	442
Partial withdrawal of plan assets	(712)	(994)
Settlements	(23,908)	—
Benefits paid	(10,166)	(9,633)
Exchange differences and other	14,917	25,975
Fair value of plan assets at end of year	187,245	209,489
Net defined benefit obligations at end of year (iii)	11,506	16,480

(i) Actuarial gain and loss for the year ended March 31, 2023 and 2024 arose mainly from changes in financial assumptions.

(ii) Income related to plan assets excludes interest income.

(iii) The amount of retirement benefit asset included in net defined benefit obligations at end of year, presented as "other non-current assets" in the consolidated statement of financial position as of March 31, 2023 and 2024 were ¥12,205 million and ¥26,636 million, respectively.

The weighted average of significant actuarial assumptions used to determine defined benefit obligations are as follows:

	Domestic plans		Foreign plans	
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2023	As of March 31, 2024
Discount rate	1.1%	1.3%	4.4%	4.4%
Rate of compensation increase	2.4%	2.2%	2.1%	2.0%

In situations in which the discount rate changes, the effects on the defined benefit obligation as of March 31, 2023 and 2024 are shown below. The sensitivity analysis is based on the assumption that there are no other changes in the actuarial calculations, but, in fact, other changes in assumptions could possibly affect the defined benefit obligation. Ricoh does not expect any changes in the rate of compensation to increase.

	Millions of Yen	
	For the year ended March 31, 2023	For the year ended March 31, 2024
Increase of 0.5 of a percentage point	(19,375)	(19,429)
Decrease of 0.5 of a percentage point	21,192	21,231

The fair value of plan assets as of March 31, 2023 by asset class is as follows:

	Millions of Yen		
	As of March 31, 2023		
Domestic plans	Assets with quoted market prices in an active market	Assets without quoted market prices in an active market	Total
Equity securities:			
Domestic companies	22,815	—	22,815
Foreign companies	289	—	289
Pooled funds	—	43,337	43,337
Debt securities:			
Domestic bonds	—	—	—
Foreign bonds	96	—	96
Pooled funds	—	62,291	62,291
Life insurance company general accounts	—	18,188	18,188
Other assets	492	33,965	34,457
Total assets	23,692	157,781	181,473

	Millions of Yen		
	As of March 31, 2023		
Foreign plans	Assets with quoted market prices in an active market	Assets without quoted market prices in an active market	Total
Equity securities:			
Domestic companies	—	—	—
Foreign companies	5,757	—	5,757
Pooled funds	—	22,417	22,417
Debt securities:			
Domestic bonds	11	—	11
Foreign bonds	91,128	—	91,128
Pooled funds	—	52,699	52,699
Life insurance company general accounts	—	22,083	22,083
Other assets (i)	(12,204)	5,354	(6,850)
Total assets	84,692	102,553	187,245

The fair value of plan assets as of March 31, 2024 by asset class is as follows:

Domestic plans	Millions of Yen As of March 31, 2024 Assets with quoted market prices in an active market	Assets without quoted market prices in an active market	Total
Equity securities:			
Domestic companies	33,750	—	33,750
Foreign companies	298	—	298
Pooled funds	—	45,973	45,973
Debt securities:			
Domestic bonds	—	—	—
Foreign bonds	—	—	—
Pooled funds	—	65,229	65,229
Life insurance company general accounts	—	17,421	17,421
Other assets	511	28,915	29,426
Total assets	34,559	157,538	192,097

Foreign plans	Millions of Yen As of March 31, 2024 Assets with quoted market prices in an active market	Assets without quoted market prices in an active market	Total
Equity securities:			
Domestic companies	218	—	218
Foreign companies	1,661	41	1,702
Pooled funds	—	25,647	25,647
Debt securities:			
Domestic bonds	10	—	10
Foreign bonds	81,477	—	81,477
Pooled funds	—	62,486	62,486
Life insurance company general accounts	—	52,185	52,185
Other assets (i)	(16,744)	2,508	(14,236)
Total assets	66,622	142,867	209,489

(i) Assets with quoted market prices in an active market represents a portfolio of investments that primarily consists of Liability Driven Investment（LDI）, designated to match the plan assets with a change in the present value of the defined benefit obligation arising from a change in indices such as interest rates and inflation.

Ricoh’s investment objectives are to maximize returns subject to specific risk management policies. Its risk management policies permit investments in mutual funds and debt and equity securities and prohibit speculative investment in derivative financial instruments. Ricoh addresses diversification by utilizing mutual fund investments whose underlying investments are in domestic and international fixed income securities and domestic and international equity securities. These mutual funds are readily marketable and can be sold to fund benefit payment obligations as they become payable.

Ricoh's model portfolio for domestic plans consists of three major components: approximately 40% is invested in equity securities, approximately 35% is invested in debt securities and approximately 25% is invested in other investment vehicles, consisting primarily of investments in life insurance company general accounts.

Outside of Japan, investment policies vary by country, but the long-term investment objectives and strategies remain consistent. Ricoh's model portfolio for foreign plans has been developed as follows: approximately 15% is invested in equity securities, approximately 70% is invested in debt securities and approximately 15% is invested in other investment vehicles, consisting primarily of investments in life insurance company general accounts.

Ricoh expects to contribute ¥16,000 million to its pension plans for the year ending March 31, 2025.

The weighted average duration of defined benefit obligations was 10 years as of March 31, 2024.

(2) Defined contribution plans

The Company and certain subsidiaries have defined contribution plans. The cost of defined contribution plans for the years ended March 31, 2023 and 2024 were ¥ 12,470 million and ¥ 13,838 million, respectively.

(3) Employee benefit expense

The employee benefit expense included in "Cost of sales" and "Selling, general and administrative expenses" in the consolidated statement of profit or loss for the years ended March 31, 2023 and 2024 were ¥ 674,918 million and ¥ 746,516 million, respectively.

24. SHARE-BASED PAYMENT

Share-Based Compensation Plans using Board Incentive Plan trust in which beneficiaries include Directors and Executive Officers of the Company

(a) Details of share-Based compensation plans

The Company has partially amended the stock-based compensation plan with stock price conditions (the "Former plan") which was originally implemented in 2019, and has introduced the performance-linked stock-based compensation (the "Plan", hereinafter collectively referred to as the "Plans" together with the former plan) aiming to enhance common interest and risks between the Company's directors and executive officers and the shareholders as well as to demonstrate the Company's commitment to sustainable growth the Company and enhancement of shareholder value, including appropriate shareholder returns.

The Company has adopted Board Incentive Plan trust in which beneficiaries include the directors and executive officers (herein after, "the Trust") as the structure for the plans. Under the plans, the Company's shares are acquired through the trust using money contributed by the Company as the source of funds. The number of shares to be grated to each beneficiary is abide by the "Rules relating to grant of shares" established by the Company. The details of the plans are provided in "Ⅳ INFORMATION ON THE COMPANY, 1. INFORMATION ON THE COMPANY'S STOCK, ETC., (8) Share ownership plan for directors (and other officers) and employees" and "Ⅳ INFORMATION ON THE COMPANY, 4. CORPORATE GOVERNANCE, ETC., (4) Compensation to Directors and Audit & Supervisory Board Members".

The plan is accounted for as an equity-settled share-based compensation plan and share-based compensation plan with cash alternatives.

(b) Number of points granted during the period and weighed average fair value of points

The fair value of the points on the date of grant is determined by adjusting the market value of the Company's shares taking expected dividends in account.

The number of points granted during the period and the weighted average fair value of the points are as follows:

	For the year ended March 31, 2023	For the year ended March 31, 2024
Number of points granted during the period	106,575	275,379
Weighted average fair value (yen)	1,153	1,141

(c) Share-bases payment expenses

Share-based payment expenses for the year ended March 31, 2023 and 2024 were ¥123 million and ¥314 million, respectively. This expense was presented within Selling, general and administrative expenses in the consolidated statement of profit or loss.

25. CAPITAL AND RESERVES

(1) Common Stock

The numbers of shares authorized and issued are as follows:

	Number of shares	
	For the year ended March 31, 2023	For the year ended March 31, 2024
Authorized:		
Ordinary shares	1,500,000,000	1,500,000,000
Issued:		
Balance, beginning of year	637,468,178	609,521,978
Adjustment for the year	(27,946,200)	−
Balance, end of year	609,521,978	609,521,978

The decrease in the total number of shares issued for the year ended March 31, 2023 was due to the retirement of treasury stock.

(2) Reserves

(a) Additional Paid-in Capital

Under the Company Law of Japan ("the Company Law"), at least 50% of the proceeds of certain issues of common shares shall be credited to common stock. The remainder of the proceeds shall be credited to additional paid-in capital. The Company Law permits, upon approval at the general meeting of shareholders, the transfer of amounts from additional paid-in capital to common stock.

(b) Retained Earnings

The Company Law provides that a 10% dividend of retained earnings shall be appropriated as additional paid-in capital or as a legal reserve until the aggregate amount of the additional paid-in capital and the legal reserve equals 25% of common stock. The legal reserve may be used to eliminate or reduce a deficit or be transferred to retained earnings upon approval at the general meeting of shareholders.

Retained earnings available for dividends under the Company Law is based on the amount recorded in the Company’s general accounting records maintained in accordance with accounting principles generally accepted in Japan.

The Company Law limits the amount of retained earnings available for dividends. Retained earnings of ¥ 90,869 million and ¥ 123,720 million as of March 31, 2023 and 2024, respectively, were not restricted by the limitations under the Company Law.

(3) Treasury stock

The number of shares of treasury stock as of March 31, 2023 and 2024 included in the number of shares issued shown above were 447,171 shares and 6,339,595 shares, respectively. The Company has established the Board Incentive Plan trust in which beneficiaries include directors and executive officers. The number of the shares in the Company owned by the trust as of March 31, 2023 and 2024 were 371,400 shares and 314,000 shares, respectively. The shares owned by the trust were included in the number of shares of treasury stock.

(For the year ended March 31, 2023)
At the meeting of the Board of Directors of the Company held on May 10, 2022, the Company resolved a share repurchase. The share repurchase for the year ended March 31, 2023 is as follows and has been completed on September 27, 2022 (on delivery date basis).

(1) Share category	Common stock
(2) Number of shares	27,946,200 shares
(3) Repurchase cost	¥ 29,999,937,700
(4) Period	May 11, 2022, through September 27, 2022 (on delivery date basis)
(5) Method	Open market purchase on Tokyo Stock Exchange

(Reference)
The matters for resolution at the Board of Directors meeting held on May 10, 2022

(1) Share category	Common stock
(2) Number of shares	Up to 48,000,000 shares (representing 7.5% of issued and outstanding shares excluding treasury shares)
(3) Repurchase ceiling	¥30 billion
(4) Period	May 11, 2022, through September 30, 2022
(5) Method	Open market purchase on Tokyo Stock Exchange

The Company retired treasury shares, as stated below, following an October 4, 2022 Board of Directors resolution.

(1) Class of shares retired	Common stock
(2) Number of shares retired	27,946,200 shares
(3) Retirement date	October 31, 2022

(For the year ended March 31, 2024)
At the meeting of the Board of Directors of the Company held on February 6, 2024, the Company resolved a share repurchase. The share repurchase for the year ended March 31, 2024 is as follows.

(1) Share category	Common stock
(2) Number of shares	5,941,800 shares
(3) Repurchase cost	¥ 7,543,089,784
(4) Period	February 7, 2024, through March 31, 2024
(5) Method	Open market purchase on Tokyo Stock Exchange

(Reference)
The matters for resolution at the Board of Directors meeting held on February 6, 2024

(1) Share category	Common stock
(2) Number of shares	Up to 36,000,000 shares (representing 5.9% of issued and outstanding shares excluding treasury shares)
(3) Repurchase ceiling	¥30 billion
(4) Period	February 7, 2024, through August 30, 2024
(5) Method	Open market purchase on Tokyo Stock Exchange

(4) Dividends

Dividends paid are as follows:

Resolution	Class of shares	Amount of dividends (Millions of Yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary general meeting of shareholders held on June 24, 2022	Ordinary shares	8,286	13.0	March 31, 2022	June 27, 2022
Board of Directors' meeting held on November 4, 2022	Ordinary shares	10,361	17.0	September 30, 2022	December 1, 2022
Ordinary general meeting of shareholders held on June 23, 2023	Ordinary shares	10,361	17.0	March 31, 2023	June 26, 2023
Board of Directors' meeting held on November 8, 2023	Ordinary shares	10,970	18.0	September 30, 2023	December 1, 2023

Note: The total amount of dividends by the resolution of the ordinary general meeting of shareholders held on June 24, 2022 and the board of directors’ meeting held on November 4, 2022 include ¥ 5 million and ¥ 7 million respectively corresponding to the Company’s shares owned by the Board Incentive Plan trust in which beneficiaries include directors and executive officers.
In addition, the total amount of dividends by the resolution of the ordinary general meeting of shareholders held on June 23, 2023 and the board of directors’ meeting held on November 8, 2023 include ¥ 6 million

and ¥ 6 million respectively corresponding to the Company’s shares owned by the Board Incentive Plan trust in which beneficiaries include directors and executive officers.

Dividends whose record date is in the current fiscal year but whose effective date is in the following fiscal year are as follows:

Resolution	Class of shares	Amount of dividends (Millions of Yen)	Source of dividends	Dividends per share (Yen)	Record date	Effective date
Ordinary general meeting of shareholders held on June 20, 2024	Ordinary shares	10,863	Retained earnings	18.0	March 31, 2024	June 21, 2024

Note: The total amount of dividends by the resolution of the board of directors’ meeting held on June 20, 2024 includes ¥ 6 million corresponding to the Company’s shares owned by the Board Incentive Plan trust in which beneficiaries include Directors and Executive Officers.

26. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

(1) Capital risk management

Ricoh’s capital management policy is to maintain a strong financial position, which enables us to procure sufficient funds for business expansions and to build an efficient capital structure in order to achieve continuous growth and increase corporate value.

Ricoh manages net interest-bearing debt, where cash and deposits are deducted from interest-bearing debt, capital (equity attributable to owners of the parent company) and the debt-to-equity ratio (ratio of interest-bearing debt to equity). The amounts as of each year end are as set forth in the table below.

In addition, Ricoh manages net interest-bearing debt, excluding debt from sales financing, for managerial purposes.

	Millions of Yen	
	As of March 31, 2023	As of March 31, 2024
Interest-bearing debt	427,270	420,077
Cash and deposit	(222,097)	(177,321)
Net interest-bearing debt	205,173	242,756
Capital (equity attributable to owners of the parent)	931,556	1,038,722
Debt Equity Ratio	0.22	0.23

(2) Market risk management

(a) Foreign currency exchange rate risk

(i) Foreign currency exchange rate risk management

The financial results, assets and liabilities are subject to foreign exchange fluctuations because of the high volume of Ricoh's production and sales activities in the Americas, Europe and Other, such as China.

Ricoh enters into foreign currency contracts to hedge against the potentially adverse impact of foreign currency fluctuations on those assets and liabilities denominated in foreign currencies.

(ii) Foreign currency contracts

Foreign currency contracts are as follows:

Foreign Currency Contracts

	As of March 31, 2023		
	Exchange rates	Contract amounts (Millions of Yen)	Fair value (Millions of Yen)
U.S. dollar/¥	¥ 133.53	1,647	3
Euro/¥	¥ 145.72	1,749	(29)
Pound/Euro	€ 1.14	42,064	58

	As of March 31, 2024		
	Exchange rates	Contract amounts (Millions of Yen)	Fair value (Millions of Yen)
Euro/¥	¥ 163.24	326	(4)
Baht / Euro	€ 0.03	22,061	255
Pound/Euro	€ 1.17	41,980	(332)

(iii) Sensitivity analysis for foreign currency risk

The following table represents Ricoh's sensitivity analysis of financial instruments for foreign currency risk exposures. The analysis shows the hypothetical impact on profit before income tax expenses in the consolidated statement of profit or loss that would have resulted from a 1 yen appreciation of the Japanese yen against the U.S. dollar and the euro at the end of the year. The analysis is based on the assumption that such balances and interest rates are constant.

Sensitivity analysis for foreign exchange exposure is as follows:

	Millions of Yen	
	For the year ended March 31, 2023	For the year ended March 31, 2024
U.S. dollar	(35)	(16)
Euro	(116)	(155)

(b) Interest rate risk

Ricoh's interest-bearing debt is mainly bonds and borrowings with fixed interest rates. At present, the current level of interest rate risk is minor.

Disclosure of sensitivity analysis for interest rate is omitted as it is immaterial.

(3) Credit risk management

(a) Credit risk of financial assets

Receivables generated from operating activities of Ricoh are exposed to the credit risk of its business partners.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. As for such risk, Ricoh sets a credit limit, conducts surveys on credit and monitoring of the performance of its business partners on an ongoing basis. Ricoh believes that potential risk such as concentration of credit risk needs to be minimized, and therefore, Ricoh makes adjustment to the extent of granting credit based on the results of monitoring. In addition, Ricoh measures and recognizes an allowance for doubtful receivables by estimating future credit losses with consideration for future situations.

Ricoh considers whether credit risk on that financial instrument has increased significantly since initial recognition by evaluating changes in default risk with reference to factors including the decline of counterparty results and delinquency information. Additionally, Ricoh recognizes credit-impaired financial asset if it experiences serious overdue payment such as over 180 days or more and customers with serious financial difficulties. Ricoh directly reduces the gross carrying amount of a financial asset when there are no reasonable expectations of recovering a financial asset in its entirety, such as when receivables are legally extinguished.

When Ricoh uses derivative transactions, financial institutions are limited to those which are highly credible. Therefore, credit risk is recognized to be minimal.

The total carrying amount of financial assets represents the maximum amount of exposure to credit risk.

(i) The measurement of expected credit losses on trade receivables and lease receivables

Ricoh applies the simplified method in which the loss allowance on trade receivables and lease receivables is measured in an amount equal to the lifetime expected credit losses.

(ii) The measurement of expected credit loss on loans and other receivables

When at the end of the reporting period, the credit risk on loans and other receivables has not significantly increased since initial recognition, Ricoh calculates the amount of loss allowance on these financial instruments by estimating the 12-month expected credit loss collectively based upon both historical credit loss experience and forward-looking information such as economic conditions. Ricoh manages loan transactions by ongoing credit evaluations, establishing appropriate credit limits and monitoring accounts periodically to minimize the credit risk of these financial instruments.

(b) Quantitative and qualitative information on expected credit loss

Allowance for doubtful trade receivables and lease receivables is as follows:

	Millions of Yen		
	Non-credit-impaired doubtful receivables	Credit-impaired doubtful receivables	Total
As of April 1, 2022	11,106	7,264	18,370
Net provision	768	(890)	(122)
Charge-offs	(1,588)	(2,425)	(4,013)
Exchange differences and other	738	483	1,221
As of March 31, 2023	11,024	4,432	15,456
Net provision	889	1,804	2,693
Charge-offs	(1,752)	(841)	(2,593)
Exchange differences and other	1,261	583	1,844
As of March 31, 2024	11,422	5,978	17,400

The carrying amount of trade receivables and the allowance for doubtful receivables by the number of days past due is as follows:

(For the year ended March 31, 2023)

	Millions of Yen		
	Carrying amounts of receivables	Expected credit loss	Allowance for doubtful receivables for the entire period
Past due 180 days or less	632,631	1.7%	11,024
Past due 181 days or more	10,920	40.6%	4,432
Total	643,551	2.4%	15,456

(For the year ended March 31, 2024)

	Millions of Yen		
	Carrying amounts of receivables	Expected credit loss	Allowance for doubtful receivables for the entire period
Past due 180 days or less	732,116	1.6%	11,422
Past due 181 days or more	10,498	56.9%	5,978
Total	742,614	2.3%	17,400

(4) Liquidity risk management

Ricoh raises funds through borrowings from financial institutions or issuance of bonds. These liabilities are exposed to the liquidity risk that Ricoh would not be able to repay liabilities on the due date resulting from the deterioration of the financing environment.

The Company and certain subsidiaries have committed limit of borrowing and overdraft facilities with financial institutions as well as commercial paper programs.

Ricoh has implemented a cash management system as a pooling-of-funds arrangement to achieve greater efficiencies in the utilization of liquidity on hand from one group company to another company through finance subsidiaries located in each region.

Ricoh has various funding methods and also has several committed lines of credit with financial institutions in order to reduce the liquidity risk.

An analysis of the contractual maturities of financial liabilities other than guarantee liabilities (including derivative financial instruments) is as follows:

	Millions of Yen							
	As of March 31, 2023							
	Carrying amount	Contractual cash flows	Due within 1 year or less	Due between 1 year and 2 years	Due between 2 years and 3 years	Due between 3 years and 4 years	Due between 4 years and 5 years	Due after 5 years
Non-derivative financial liabilities								
Trade and other payables	312,429	312,429	312,429	—	—	—	—	—
Short-term borrowings	116,559	117,684	117,684	—	—	—	—	—
Long-term borrowings	221,709	225,061	32,115	62,326	38,104	11,339	41,595	39,582
Bonds	24,670	26,254	10,393	378	2,236	250	2,962	10,035
Lease liabilities	64,332	67,557	23,112	15,579	9,453	6,154	3,613	9,646
Contingent consideration	7,245	7,245	2,220	2,859	1,797	369	—	—
Written put option liabilities over non-controlling interests	22,541	22,670	—	22,670	—	—	—	—
Subtotal	769,485	778,900	497,953	103,812	51,590	18,112	48,170	59,263
Derivative financial liabilities								
Foreign currency contracts	362	362	362	—	—	—	—	—
Subtotal	362	362	362	—	—	—	—	—
Total	769,847	779,262	498,315	103,812	51,590	18,112	48,170	59,263

	Millions of Yen							
	As of March 31, 2024							
	Carrying amount	Contractual cash flows	Due within 1 year or less	Due between 1 year and 2 years	Due between 2 years and 3 years	Due between 3 years and 4 years	Due between 4 years and 5 years	Due after 5 years
Non-derivative financial liabilities								
Trade and other payables	305,280	305,280	305,280	–	–	–	–	–
Short-term borrowings	87,162	89,092	89,092	–	–	–	–	–
Long-term borrowings	247,100	251,161	67,066	59,037	32,471	42,496	673	49,418
Bonds	15,304	16,625	422	2,533	277	3,358	10,035	–
Lease liabilities	70,511	74,306	23,673	16,208	11,256	7,574	6,543	9,052
Contingent consideration	7,898	7,898	3,590	2,732	1,477	99	–	–
Written put option liabilities over non-controlling interests	22,635	22,670	22,670	–	–	–	–	–
Subtotal	755,890	767,032	511,793	80,510	45,481	53,527	17,251	58,470
Derivative financial liabilities								
Foreign currency contracts	2,427	2,427	2,427	–	–	–	–	–
Subtotal	2,427	2,427	2,427	–	–	–	–	–
Total	758,317	769,459	514,220	80,510	45,481	53,527	17,251	58,470

The Company and its certain subsidiaries enter into limit of borrowing and overdrafts arrangements with financial institutions. These financial institutions also hold the commercial paper issued by the Company and certain subsidiaries.

The total of credit facilities are as follows:

	Millions of Yen	
	As of March 31, 2023	As of March 31, 2024
Limit of borrowing and overdrafts		
Used	7	1,859
Unused	236,181	240,592
Total	236,188	242,451
Issue limit of commercial paper		
Used	30,000	35,000
Unused	110,059	110,423
Total	140,059	145,423

(5) Fair value of financial instruments by type

The carrying amount and fair value of major financial instruments were as follows:

	Millions of Yen			
	As of March 31, 2023		As of March 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets:				
Lease receivables	228,862	232,006	276,225	281,855
Derivative assets	202	202	372	372
Securities and equity interests	18,972	18,972	17,392	17,392
Bonds	387	387	269	269
Total	248,423	251,567	294,258	299,888
Liabilities:				
Derivative liabilities	362	362	2,427	2,427
Contingent consideration	7,245	7,245	7,898	7,898
Written put option liabilities over non-controlling interests	22,541	22,541	22,635	22,635
Bonds and borrowings	205,110	199,713	196,974	194,047
Total	235,258	229,861	229,934	227,007

Note:

(i) Cash and cash equivalents, time deposits and trade and other payables

These are not included in the table above, as their carrying amounts approximate their fair values due to short-term settlement.

(ii) Trade and other receivables

Trade and other receivables settled in a short period are not included in the table above because the carrying amounts approximate the fair values due to the short maturities of these instruments. Any other receivables that are not material are not included in the table above.

(iii) Lease receivables

The fair value of lease receivables is calculated per each receivable classified per certain period based on the present value of such receivable discounted by the interest rate which takes into account the period to maturity and the credit risk. Lease receivables using the inputs described above are classified as Level 3.

(iv) Derivatives

Derivative instruments include foreign currency contracts. These derivative instruments are classified as Level 2 since the fair values of these instruments are measured mainly by obtaining quotes from brokers or proper valuation methods based on available information.

(v) Securities, equity interests and bonds

Securities, equity interests and bonds include mainly marketable securities and bonds, as well as unlisted securities and equity interests. As the fair value of marketable securities and bonds is measured using quoted prices of identical assets in an active market and is therefore observable, their fair value is classified as Level 1. As the fair value of unlisted securities and equity interests is measured based on valuation techniques using observable indicators such as market prices of comparable companies, as well as unobservable indicators, their fair value is classified as Level 3.

(vi) Bonds and borrowings

Bonds and borrowings expected to be settled in less than 12 months are not included in the table above as the carrying amounts approximate fair values due to the short-term maturities of these instruments.
The fair value of bonds and borrowings are calculated from estimated present values using year-end borrowing rates applied to borrowings with similar maturities derived from future cash flows on a per-loan basis as well as calculated based on market prices. Bonds and borrowings using inputs described above are

classified as Level 2, since they are valued using observable market data.

(vii) Contingent consideration

Contingent consideration is classified as Level 3, since the fair value of contingent consideration is calculated taking into account future performance of acquired companies and payment amounts.

(viii) Written put option liabilities over non-controlling interests

The amount stated as the fair value of written put option liabilities over non-controlling interests is determined by discounting future cash flows at the interest rate taking into account the credit risk at the period to the date of exercise and at the end of the period. Written put option liabilities over non-controlling interests using inputs described above are classified as Level 2, since they are valued using observable market data.

(ix) Measurement of financial instruments

Measurement methods for the financial instruments in accordance with IFRS 9 'Financial Instruments' were as follows.

At amortized cost: trade receivables, lease receivables, bonds (as liabilities) and borrowings, written put option liabilities over non-controlling interests.
At fair value through profit or loss: derivative assets, securities and equity interests, derivative liabilities, contingent consideration.
At fair value through other comprehensive income: securities and equity interests, bonds (as assets).

Ricoh classifies the equity instruments it holds to maintain and strengthen relationships with the companies as the financial assets measured at fair value through other comprehensive income.

The fair values of major investments in the equity instruments measured at fair value through other comprehensive income were as follows:

(As of March 31, 2023)

Company name	Fair value (Millions of Yen)
Cybozu, Inc.	5,108
OTSUKA CORPORATION	1,827
SAN-AI OBBLI CO.,LTD.	1,526
Sindoh Co., Ltd.	1,057
NIDEC CORPORATION	834
Ushio Inc.	833
Central Japan Railway Company	632
XAVIS.Co.,Ltd.	482
HISAMITSU PHARMACEUTICAL CO., INC.	446
Tokio Marine Holdings, Inc.	263

(As of March 31, 2024)

Company name	Fair value (Millions of Yen)
Cybozu, Inc.	3,078
SAN-AI OBBLI CO.,LTD.	2,324
Sindoh Co., Ltd.	1,417
OTSUKA CORPORATION	1,246
Ushio Inc.	975
NIDEC CORPORATION	747
Central Japan Railway Company	745
Tokio Marine Holdings, Inc.	486
HISAMITSU PHARMACEUTICAL CO., INC.	469
Evixar Inc.	240

Ricoh sold and derecognized some of its financial assets measured at fair value through other comprehensive income in consideration for improving assets efficiency as well as revising business relationships with the companies. The total amounts of the fair value of such financial assets at the time of sale and the cumulative gains or losses on the sales are as follows:

	For the year ended March 31, 2023 (Millions of Yen)	For the year ended March 31, 2024 (Millions of Yen)
Fair value	566	805
Cumulative gains (losses)	227	172
Dividend income	5	2

The dividends related to held investments in equity instruments designated at fair value through other comprehensive income for the year ended March 31, 2023 and 2024 were ¥521 million and ¥907 million, respectively.

Ricoh transfers to retained earnings the cumulative gains or losses arising from changes in the fair value if financial assets measured at fair value through other comprehensive income recognized in other components of equity when it disposes of an investment or when the fair value declines significantly. Cumulative gains or losses of other comprehensive income, net of tax, that were transferred to retained earnings for the year ended March 31, 2023 and 2024 were ¥159 million and ¥(1,073) million, respectively.

(6) Fair value measurement applied in consolidated statement of financial position

The analysis of financial instruments subsequently measured at fair value is shown below. The fair value hierarchy of financial instruments is categorized as follows from Level 1 to Level 3:

Reclassification among the levels in the fair value hierarchy is recognized upon the date when the event or change in circumstances causing the reclassification to occur.

Level 1: Fair values measured using quoted prices in active markets with respect to identical assets or liabilities

Level 2: Fair values measured using inputs other than quoted prices that are observable, either directly or indirectly

Level 3: Fair values measured using inputs not based on observable market data

The following tables present the fair-value hierarchy of financial assets and liabilities that are measured at fair value in the consolidated statement of financial position.

	Millions of Yen			
	As of March 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:				
Derivative assets	—	202	—	202
Securities and equity interests	—	—	1,517	1,517
Financial assets at fair value through other comprehensive income:				
Securities and equity interests	14,422	—	3,033	17,455
Bonds	387	—	—	387
Total assets	14,809	202	4,550	19,561
Financial liabilities at fair value through profit or loss:				
Derivative liabilities	—	362	—	362
Contingent consideration	—	—	7,245	7,245
Total liabilities	—	362	7,245	7,607

	Millions of Yen			
	As of March 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:				
Derivative assets	—	372	—	372
Securities and equity interests	—	—	1,302	1,302
Financial assets at fair value through other comprehensive income:				
Securities and equity interests	12,975	—	3,115	16,090
Bonds	269	—	—	269
Total assets	13,244	372	4,417	18,033
Financial liabilities at fair value through profit or loss:				
Derivative liabilities	—	2,427	—	2,427
Contingent consideration	—	—	7,898	7,898
Total liabilities	—	2,427	7,898	10,325

Note:

(i) Derivative instruments include foreign currency contracts. These derivative instruments are classified as Level 2 since the fair values of these instruments are measured mainly by obtaining quotes from brokers or proper valuation methods based on available information.

(ii) Securities, equity interests and bonds include mainly marketable securities and bonds, as well as unlisted securities and equity interests. As the fair value of marketable securities and bonds is measured using quoted prices of identical assets in an active market and is therefore observable, their fair value is classified as Level 1. As the fair value of unlisted securities and equity interests is measured based on valuation techniques using observable indicators such as market prices of comparable companies, as well as unobservable indicators, their fair value is classified as Level 3.

(iii) Contingent consideration is classified as Level 3, since the fair value of contingent consideration is calculated taking into account future performance of acquired companies and payment amounts.

As to financial assets categorized at Level 3, significant changes in fair value are not expected in case that an unobservable input is replaced by a reasonable alternative assumption.

A reconciliation of financial assets categorized at Level 3 from beginning balances to ending balances is as follows:

	Millions of Yen	
	For the year ended March 31, 2023	For the year ended March 31, 2024
Beginning balance	3,011	4,550
Total gains and losses:		
- in profit or loss (i)	(435)	(343)
- in other comprehensive income (ii)	33	81
Purchases	1,960	258
Sales	(235)	(172)
Others	216	43
Ending balance	4,550	4,417

Note:

(i) Total gains and losses included in net profit or loss relate to financial assets held at the end of the period that are restated to fair value through net profit or loss. These are included in “Finance income” and “Finance costs” in the consolidated statement of profit or loss.

(ii) Total gains and losses included in other comprehensive income relate to financial assets at fair value through other comprehensive income held at the end of the period. These are included in “Net changes in fair value of financial assets measured through other comprehensive income” in the consolidated statement of comprehensive income (see Note 32 “Other Comprehensive Income”).

A reconciliation of financial liabilities categorized at Level 3 from beginning balance to ending balance is as follows:

	Millions of Yen	
	For the year ended March 31, 2023	For the year ended March 31, 2024
Beginning balance	―	7,245
Increase due to acquisitions through business combinations and other	7,653	3,522
Settlement	(124)	(1,763)
Changes in fair value	―	(1,348)
Others	(284)	242
Ending balance	7,245	7,898

(7) Derivative financial instruments and hedging activities

Ricoh manages its exposure to certain market risks, those primarily related to foreign currency and interest rate, through the use of derivative instruments. As a matter of policy, Ricoh does not enter into derivative contracts for trading or speculative purposes.

Ricoh recognizes all derivative instruments as either assets or liabilities in the consolidated statement of financial position and measures those instruments at fair value. When entering into a derivative contract, Ricoh determines as to whether or not the hedging relationship meets hedge effectiveness requirements.

In general, a derivative applicable for hedge accounting may be designated as either a hedge of the exposure to changes in the fair value of a recognized asset or liability (“fair value hedge”) or a hedge of the exposure to changes in variability of the expected cash flows associated with an existing asset or liability or a highly probable forecasted transaction (“cash flow hedge”).

The periods in which the cash flows associated with the cash flow hedge derivatives are expected to occur and the periods in which the cash flows are expected to enter into the determination of profit or loss are within 1 year.

Gains and losses resulting from the fair values of derivatives not designated as hedging instruments were ¥1,798 million (gain) and ¥1,921 million (loss) for the years ended March 31, 2023 and 2024, respectively, and are included in “Finance income” and “Finance costs” in the consolidated statement of profit or loss. The gains and losses as noted above were due mainly to the impact of foreign exchange fluctuation.

As of March 31, 2023 and 2024, hedging instruments designated as cash flow hedges were not recorded.

As of March 31, 2023 and 2024, cash flow hedge reserves were not recorded.

27. OTHER INCOME

The components of other incomes are as follows:

	Millions of Yen	
	For the year ended March 31, 2023	For the year ended March 31, 2024
Gain on sale of tangible assets and intangible assets	11,738	1,932
Change in fair value of contingent considerations	—	1,348
Government grants	810	964
Gain on step acquisitions through business combinations	2,401	—
Others	6,595	8,110
Total	21,544	12,354

28. SALES

1. Disaggregation of sales

As described in Note 5, Operating Segments, Ricoh has five business units as reportable segments, namely Digital Services, Digital Products, Graphic Communications, Industrial Solutions, and Other. Sales are based on the location of customers and are disaggregated by geographic region. The relationship between these disaggregated sales and each reportable segment is as follows:

	Millions of Yen				
For the year ended March 31, 2023	Japan	The Americas	Europe, Middle East and Africa	Other	Total
Digital Services	689,248	426,610	451,926	116,572	1,684,356
Digital Products	41,472	19,796	8,713	9,667	79,648
Graphic Communications	27,189	118,027	60,229	29,398	234,843
Industrial Solutions	36,946	31,806	21,946	22,874	113,572
Other	9,100	4,597	3,648	4,416	21,761
Total segment sales	803,955	600,836	546,462	182,927	2,134,180
Revenue from contracts with customers	799,662	531,345	459,560	151,097	1,941,664
Revenue from other sources	4,293	69,491	86,902	31,830	192,516

*1 Figures exclude intersegment sales.

*2 The PFU business in Other segment has been reclassified into Digital Services and Digital Products from the current year. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

*3 Revenue from other sources includes revenue from lease contracts as defined under IFRS 16.

For the year ended March 31, 2024	Millions of Yen Japan	The Americas	Europe, Middle East and Africa	Other	Total
Digital Services	745,087	463,479	521,380	122,901	1,852,847
Digital Products	42,500	30,788	12,410	10,245	95,943
Graphic Communications	25,483	130,993	67,870	37,781	262,127
Industrial Solutions	41,925	29,623	18,014	22,181	111,743
Other	10,662	4,900	4,044	6,721	26,327
Total segment sales	865,657	659,783	623,718	199,829	2,348,987
Revenue from contracts with customers	861,748	579,285	522,192	165,463	2,128,688
Revenue from other sources	3,909	80,498	101,526	34,366	220,299

*1 Figures exclude intersegment sales.

*2 Revenue from other sources includes revenue from lease contracts as defined under IFRS 16.

The timing of revenue recognition is as follows:

	Millions of Yen					
	For the year ended March 31, 2023			For the year ended March 31, 2024		
	Goods or services transferred at a point in time	Goods or services transferred over time	Total	Goods or services transferred at a point in time	Goods or services transferred over time	Total
Digital Services	841,325	843,031	1,684,356	956,215	896,632	1,852,847
Digital Products	79,454	194	79,648	95,506	437	95,943
Graphic Communications	149,258	85,585	234,843	168,924	93,203	262,127
Industrial Solutions	113,572	–	113,572	108,850	2,893	111,743
Other	21,341	420	21,761	25,816	511	26,327
Total segment sales	1,204,950	929,230	2,134,180	1,355,311	993,676	2,348,987

*1 The above revenue includes revenue from other sources than IFRS 15, mainly lease revenue in accordance with IFRS 16.

*2 The PFU business in Other segment has been reclassified into Digital Services and Digital Products from the current year. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

The Ricoh’s business consists of Digital Services, Digital Products, Graphic Communications, Industrial Solutions, and Other, and sells products and provides services in each business.

Sales are measured at the amount of consideration promised in a contract with the customer, after deducting the amount of discounts, rebates based on the volume of purchases, etc. For variable consideration, including variable discounts and rebates, Ricoh estimates the amount of consideration to which it is entitled using all reasonably available information, including historical, current, and projected estimates, and recognizes revenue only to the extent that it is highly probable that a significant reversal will not occur.

In Digital Services and Other, revenue from sales of merchandise in which Ricoh is an agent is recognized at the net amount.

With respect to product warranties, Ricoh accounts for such warranties as a provision, since the customer does not have the option to independently purchase such warranties and Ricoh does not provide services to the customer in addition to the warranty that the finished goods comply with the agreed-upon specifications. There are no significant return and refund obligations and other similar obligations.

Revenue from products in Digital Services (equipment such as multifunctional printers, printers, personal computers and servers), Digital Products (OEM of multifunctional printers and printers, as well as equipment such as scanners) and Graphic Communications (production printer, inkjet heads, imaging systems and industrial printers, etc.) is recognized typically when they have been installed and accepted by the customer, and revenue from related consumables related to these equipment is recognized at the time of delivery, as delivery represent the timing at which legal title and physical possession of the product, significant risks associated with ownership of the product, and economic value are transferred to the customer, and performance obligation of Ricoh is deemed to have been satisfied.

Revenue from the sales of Industrial Solutions (thermal paper, industrial optical components, etc.) and major products of Other is recognized at the time when such equipment, etc., is delivered to the customer, as the customer acquires control over the equipment, etc., at the time of delivery of the equipment, etc., and performance obligation of Ricoh is deemed to have been satisfied.

In the office printing business in Digital Services and the commercial printing business of Graphic Communications, revenue is recognized from maintenance contracts that charge a metered fee based on the customer’s equipment usage, a fixed fee, or a base fee plus a metered fee based on usage. Ricoh has determined that its performance obligation under maintenance contracts is to provide the customer with equipment available at all times in accordance with the contract, and revenue is recognized over a certain period of time as the relevant performance obligation is satisfied. Revenue from maintenance contracts based on a fixed fee is recognized equally over the contract period for the transaction amount related to the contract with the customer. Revenue from maintenance contracts that charge a metered fee based on usage and that charge a base fee plus a metered fee based on usage are recognized based on the amount invoiced to the customer.

In the office services business of Digital Services, sales of software services are mainly divided into two types: license-based services with maintenance services, and cloud-based services. Revenue from license-based services is recognized when the software is provided according to the customer’s specifications and the customer acquires control over the software at the time of delivery, and performance obligation of Ricoh is deemed to have been satisfied. On the other hand, revenue from maintenance services is recognized over time, as maintenance and support services for products are provided over a certain period of time and performance obligation of Ricoh is satisfied over a certain period of time. Similarly, revenue from cloud-based services is recognized over time, as services are provided through applications according to customer’s specifications over a certain period of time.

As receivables under installment sales contracts are billed monthly over the installment payment period, Ricoh makes adjustments with respect to the financing component. For other contracts, Ricoh receives consideration generally within one year after performance obligation of Ricoh is satisfied, and they do not contain a significant financing component.

2. Receivables and liabilities from contracts with customers

The ending balance of receivables and liabilities from contracts with customers were as follows:

	Millions of Yen	
	As of April 1, 2023	As of March 31, 2024
Receivables from contracts with customers	445,253	504,699
Contract liabilities	86,232	105,866

Contract liabilities are included in other current liabilities and other non-current liabilities on the consolidated statements of financial position. Contract liabilities are mainly related to advanced payments from customers for maintenance contracts. For revenues recognized for the year ended March 31, 2023 and 2024, amounts included in contract liabilities at the beginning of the fiscal year were ¥37,805 million and ¥48,072 million, respectively. For the year ended March 31, 2023 and 2024, the amount of revenue recognized from performance obligations satisfied (or partially satisfied) in the previous period was not material.

3. Transaction price allocated to the remaining performance obligation

As of March 31, 2023 and 2024, the remaining performance obligation of the contracts with an initial service period of more than one year at the end of reporting period was ¥222,127 million and ¥231,720 million, respectively. These amounts related mainly to maintenance contracts of machines and included a fixed fee in the contract in which the customer pays a stated fixed fee or a stated base fee plus a variable amount. They do not include the metered fee component for metered fee contracts. The transaction price allocated to the remaining contracts is expected to be recognized as revenue mostly over one to five years. Ricoh does not disclose information about remaining performance obligations that have original expected durations of one year or less.

4. Assets recognized from the costs to obtain or fulfill contracts with customers

Ricoh capitalizes the incremental costs of obtaining contracts with customers as an asset if those costs are expected to be recoverable and records them in “other current assets” and “other non-current assets” in the consolidated statements of financial position. Incremental costs of obtaining contracts are those costs that Ricoh incurs to obtain a contract with a customer that would not have been incurred if the contract had not been obtained. Incremental costs of obtaining contracts recognized as assets by Ricoh are mainly the initial costs incurred related to sales commissions. The related assets are amortized on a straight-line basis over the estimated contract terms.

	Millions of Yen	
	As of April 1, 2023	As of March 31, 2024
Assets recognized from costs to obtain a contract with customers	7,063	7,433

For the years ended March 31, 2023 and 2024, amortization associated with the assets recognized from the costs to obtain contracts with customers were ¥4,594 million and ¥5,008 million, respectively.

29. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Details of selling, general and administrative expenses are as follows:

	Millions of Yen	
	For the year ended March 31, 2023	For the year ended March 31, 2024
Personnel expenses	459,585	498,353
Depreciation and amortization expenses	56,738	60,740
Shipping and handling expenses	34,523	42,441
Rental payments	8,306	9,836
Advertising expenses	4,462	4,968
Impairment losses of property, plant and equipment and intangible assets	35	1,023
Others	124,507	152,449
Total	688,156	769,810

30. RESEARCH AND DEVELOPMENT

Research and development expenses are as follows:

	Millions of Yen	
	For the year ended March 31, 2023	For the year ended March 31, 2024
Research and development expenses	85,315	95,370

31. FINANCE INCOME AND FINANCE COSTS

Details of finance income and finance costs are as follows:

	Millions of Yen	
	For the year ended March 31, 2023	For the year ended March 31, 2024
Finance income		
Dividend income		
Financial assets measured at fair value through other comprehensive income	526	909
Interest income		
Financial assets measured at amortized cost	3,876	4,723
Financial assets measured at fair value through other comprehensive income	20	16
Foreign currency exchange gain, net	―	3,594
Other finance income	100	231
Total finance income	4,522	9,473
Finance costs		
Interest costs		
Financial liabilities measured at amortized cost	4,988	4,342
Lease liabilities	1,008	1,141
Provisions	18	25
Foreign currency exchange loss, net	1,349	―
Other finance costs	742	3,389
Total finance costs	8,105	8,897

32. OTHER COMPREHENSIVE INCOME

The components of other comprehensive income are as follows:

	Millions of Yen	
	For the year ended March 31, 2023	For the year ended March 31, 2024
Remeasurements of defined benefit plans		
Gain (loss) arising during the year	5,097	8,671
Total	5,097	8,671
Net changes in fair value of financial assets measured through other comprehensive income		
Gain (loss) arising during the year	742	(446)
Total	742	(446)
Net changes in fair value of cash flow hedges		
Gain (loss) arising during the year	(241)	(468)
Reclassification adjustments to profit or loss for the year	164	468
Total	(77)	—
Exchange differences on translation of foreign operations		
Gain (loss) arising during the year	40,787	86,654
Reclassification adjustments to profit or loss for the year	(196)	(2,017)
Total	40,591	84,637
Share of other comprehensive income of investments accounted for using equity method		
Gain (loss) arising during the year	(246)	101
Reclassification adjustments to profit or loss for the year	(13)	(42)
Total	(259)	59

Tax effects of other comprehensive income (including those attributable to noncontrolling interests) are as follows:

	Millions of Yen					
	For the year ended March 31, 2023			For the year ended March 31, 2024		
	Pretax amount	Tax benefit (expense)	Net-of-tax amount	Pretax amount	Tax benefit (expense)	Net-of-tax amount
Remeasurements of defined benefit plans	7,106	(2,009)	5,097	13,234	(4,563)	8,671
Net changes in fair value of financial assets measured through other comprehensive income	1,080	(338)	742	(649)	203	(446)
Net changes in fair value of cash flow hedges	(96)	19	(77)	—	—	—
Exchange differences on translation of foreign operations	41,144	(553)	40,591	84,278	359	84,637
Share of other comprehensive income of investments accounted for using equity method	(259)	—	(259)	59	—	59
Total other comprehensive income (loss)	48,975	(2,881)	46,094	96,922	(4,001)	92,921

33. EARNINGS PER SHARE

Basic earnings per share and diluted earnings per share are as follows.

(1) Basic earnings per share

	For the year ended March 31, 2023	For the year ended March 31, 2024
Profit (loss) attributable to owners of the parent (millions of yen)	54,367	44,176
Weighted average number of ordinary shares outstanding (thousands of shares)	616,917	608,641
Basic earnings (loss) per share (yen)	88.13	72.58

(2) Diluted earnings per share

	For the year ended March 31, 2023	For the year ended March 31, 2024
Profit (loss) attributable to owners of the parent (millions of yen)	54,367	44,176
Adjustments (millions of yen)	—	—
Profit (loss) used for calculation of diluted earnings per share (millions of yen)	54,367	44,176
Weighted average number of ordinary shares outstanding (thousands of shares) *	616,917	608,641
Effect of dilutive potential ordinary shares		
Share-based payment (thousands of shares)	158	299
Weighted-average number of ordinary shares diluted (thousands of shares)	617,075	608,941
Diluted earnings (loss) per share (yen)	88.10	72.55

* The shares of the Company held by Board Incentive Plan trust in which beneficiaries include directors and executive officers are deducted from weighted average number of ordinary shares outstanding during the year for the purpose of calculation of basic earnings per share and diluted earnings per share, because those shares are accounted as treasury shares.

34. RELATED PARTIES

1. Transactions with related parties

(For the year ended March 31, 2023)

Related-party transactions (except for transactions that were offset in the consolidated financial statements) during the year are as follows:

Type	Name	Transactions	Transaction volume (Millions of Yen)	Account	Outstanding balance (Millions of Yen)
Associates	Ricoh Leasing Co., Ltd.	Transfer of trade and other payables by factoring	73,304	Trade and other payables	23,876

Note:

Transactions with related parties are determined after price negotiations in consideration of market prices and other factors. There were no collateral or guarantee transactions.

(For the year ended March 31, 2024)

There were no material related-party transactions (except for transactions that were offset in the consolidated financial statements).

2. Remuneration of key management personnel

Directors' remuneration during the year is as follows:

	Millions of Yen	
	For the year ended March 31, 2023	For the year ended March 31, 2024
Remuneration, including bonuses	338	346
Compensation for acquiring stock	10	12
Stock-based compensation with stock price conditions	40	95
Total	388	453

35. CAPITAL COMMITMENTS AND CONTINGENCIES

As of March 31, 2023 and 2024, Ricoh had outstanding contractual commitments for acquisition or construction of property, plant and equipment and other assets aggregating to ¥ 13,222 million and ¥ 16,256 million, respectively.

As of March 31, 2023 and 2024, there were no significant financial guarantee.

36. GROUP ENTITIES

Refer to “4. Information on Affiliates” in “I. Overview of the Company”.

37. ASSOCIATES

1. Material associates

Ricoh’s material associate is Ricoh Leasing Co., Ltd. (referred to as “Ricoh Leasing”) (reporting date: March 31).

Ricoh Leasing is engaged in the general leasing business in Japan, and leases Ricoh’s products to customers.

The following table reconciles summarized financial statements of Ricoh Leasing to the carrying amounts of Ricoh’s equity interests.

	Millions of Yen	
	As of March 31, 2023	As of March 31, 2024
Current assets	704,170	684,428
Non-current assets	577,543	609,471
Current liabilities	295,089	281,397
Non-current liabilities	774,071	789,898
Total equity	212,553	222,604
Percentage ownership interest	33.7%	33.7%
Total equity attributable to Ricoh	71,822	75,218
Consolidation adjustments	279	381
Carrying amount of equity	72,101	75,599

At the time of loss of control of Ricoh Leasing in April 2020, residual investments were valued at fair value reflecting the premium on significant influence. Therefore, carrying amount of equity attributable to Ricoh reflected the premium on significant influence.
The amount calculated by multiplying the number of shares of Ricoh Leasing held by Ricoh by the market prices on the same day were ¥39,547 million and ¥55,325 million for the year ended March 31, 2023 and 2024, respectively.

	Millions of Yen	
	For the year ended March 31, 2023	For the year ended March 31, 2024
Sales	76,709	80,072
Profit	15,801	14,925
Other comprehensive income	(645)	109
Share of:		
Profit	5,339	5,043
Other comprehensive income (loss)	(218)	37
Total comprehensive income	5,121	5,080
Dividends received by Ricoh Leasing	1,350	1,609

2. Individually immaterial associates

Carrying amounts of Ricoh's equity interests in individually immaterial associates were as follows:

	Millions of Yen	
	As of March 31, 2023	As of March 31, 2024
Associates	11,428	11,798

Ricoh's share of total comprehensive income in individually immaterial associates was as follows:

	Millions of Yen	
	For the year ended March 31, 2023	For the year ended March 31, 2024
Share of:		
Profit	812	560
Other comprehensive income (loss)	(41)	22
Total comprehensive income	771	582

38. SUBSEQUENT EVENTS

(Share Repurchase)
At the meeting of the Board of Directors of the Company held on February 6, 2024, the Company resolved a share repurchase. The status of share repurchase after March 31, 2024 is as follows.

The status of share repurchase

(1) Share category	Common stock
(2) Number of shares	8,641,200 shares
(3) Repurchase cost	¥ 11,726,450,547
(4) Period	April 1, 2024, through June 20, 2024
(5) Method	Open market purchase on Tokyo Stock Exchange

(Reference)
1. The matters for resolution at the Board of Directors meeting held on February 6, 2024

(1) Share category	Common stock
(2) Number of shares	Up to 36,000,000 shares (representing 5.9% of issued and outstanding shares excluding treasury shares)
(3) Repurchase ceiling	Up to ¥30 billion
(4) Period	February 7, 2024, through August 30, 2024
(5) Method	Open market purchase on Tokyo Stock Exchange

2. Total number of shares repurchase (as of June 20, 2024)

(1) Total number of shares repurchase	14,583,000 shares
(2) Total repurchase cost	¥ 19,269,540,331

39. AUTHORIZATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were authorized for issue by Akira Oyama, Representative Director and President, and Takashi Kawaguchi, Director and Executive Corporate Officer, on June 21, 2024.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Ricoh Company, Ltd.:

<Audit of Consolidated Financial Statements>

Opinion

We have audited the consolidated financial statements of Ricoh Company, Ltd. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as of March 31, 2024, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of goodwill related to Office Printing (Europe, Middle East and Africa sales group)	
Key Audit Matter Description	How the Key Audit Matter Was Addressed in the Audit
As described in Note 13 to the consolidated financial statements, the Group recorded goodwill related to Office Printing (Europe, Middle East and Africa sales group) in the amount of 62,035 million yen at the end of the current fiscal year. The goodwill arose from the past acquisition aiming to expand the Group's sales and services network and customer base in the Office Printing business, and there is a risk that expected cash flows are not generated due to deviations from the business plan, changes in the market environment, and other adverse changes. In testing goodwill for impairment, the Group measures the recoverable amount of the group of cash-generating units, including goodwill, based on the value in use. The value in use is the present value of the estimated future cash flows based on the business plan prepared by management and the expected growth rate after the periods covered by the business plan. In estimating the value in use, the Group uses the followings as significant underlying assumptions: • The estimated number of units sold, print output volume and sales prices of multi-function printers during the periods covered by the business plan • Costs related to sales • The expected growth rate after the periods covered by the business plan • The discount rate These assumptions can be affected by the transition of the office printing market into a mature phase, pricing controls such as value-added sales in accordance with changes in the cost environment, and others, and involve significant judgments made by management and uncertainties. Therefore, we identified the valuation of goodwill related to Office Printing (Europe, Middle East and Africa sales group) as a key audit matter.	In testing the valuation of goodwill related to Office Printing (Europe, Middle East and Africa sales group), we mainly performed the following procedures. These include procedures performed by component auditors of consolidated subsidiaries under our instructions: 1. Evaluation of Internal Controls • We tested the design and operating effectiveness of internal controls over the processes related to the valuation of goodwill, and mainly focused on the internal controls that evaluate the reasonableness of significant assumptions used in the business plan. 2. Evaluation of Reasonableness of Value in Use • We discussed with management the estimated number of units sold, print volume and sales prices of multi-function printers, costs related to sales and the expected growth rate in the office printing business, as well as the transition of the office printing market into a mature phase, pricing controls such as value-added sales due to changes in the cost environment, and others, and performed a trend analysis using historical results. We also compared the estimated number of units sold and print volume and the expected growth rate with available external information regarding the market forecast. In addition, we examined the consistency of estimated sale prices with historical results and relevant information and evaluated its feasibility. • We evaluated the degree of estimation uncertainty of the business plan and whether management biases existed by comparing the business plan prepared in the past with historical results. • With the assistance of our network firm's fair value specialist, we evaluated the appropriateness of the valuation method and discount rate used by management in estimating the value in use. • We evaluated the effect on the recoverable amount using alternative assumptions which reflected estimation uncertainty in the estimated future cash flows, expected growth rate and discount rate.

Valuation of deferred tax assets related to the tax sharing group in Japan	
Key Audit Matter Description	How the Key Audit Matter Was Addressed in the Audit
Ricoh Company, Ltd. (the "Company") and some of its Japanese subsidiaries (collectively, the "tax sharing group") utilize the group tax sharing system in Japan. On the consolidated financial statements, deferred tax assets were recorded in the amount of 66,555 million yen at the end of the current fiscal year. As described in Note 22 to the consolidated financial statements, most of the deferred tax assets are related to the tax sharing group in Japan. The Company assesses the probability that a portion or all of the future deductible temporary differences, net operating loss carryforwards and tax credit carryforwards can be used to offset future taxable profits on recognition of deferred tax assets related to the tax sharing group. The future taxable profits of the tax sharing group in Japan are estimated based on the business plan prepared by management. Significant assumptions, including sales from the office services business, the estimated number of units sold and sales prices of multi-function printers and consumables, such as toner, related costs, and others in the office printing business are used in preparing the business plan. These assumptions can be affected by the structural reform aiming for growth in the office printing business and others in accordance with the transition of the office printing market into a mature phase, and involve significant judgments made by management and uncertainties. Therefore, we identified the valuation of deferred tax assets related to the tax sharing group in Japan as a key audit matter.	In testing the valuation of deferred tax assets related to the tax sharing group in Japan, we mainly performed the following procedures: 1. Evaluation of Internal Controls • We tested the design and operating effectiveness of internal controls over the evaluation of deferred tax assets related to the tax sharing group in Japan and focused on the internal controls that evaluate the reasonableness of significant assumptions used in the business plan. 2. Evaluation of Reasonableness of Future Taxable Profits • We discussed with management sales from the office services business, the estimated number of units sold and sale prices of multi-function printers and consumables, such as toner, in the office printing business as well as effects of the structural reform aiming for growth in the office printing business and others in accordance with the transition of the office printing market into a mature phase, performed a trend analysis using historical results, and compared the estimated number of units sold and print volume and the expected growth rate with available external information regarding the market forecast. In addition, we examined the consistency of estimated related costs with historical results and relevant information and evaluated its feasibility. • We evaluated the degree of estimation uncertainty of the business plan and whether management biases existed by comparing the business plan prepared in the past with historical results.

Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Annual Securities Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with IFRS Accounting Standards and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with IFRS Accounting Standards, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Audit & Supervisory Board members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Fee-Related Information>

Fees for audit and other services for the year ended March 31, 2024, which were charged by us and our network firms to Ricoh Company, Ltd. and its subsidiaries are disclosed in 4. CORPORATE GOVERNANCE, ETC. 3) Accounting Audit included in II BUSINESS OVERVIEW of the Annual Securities Report.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Deloitte Touche Tohmatsu LLC

June 21, 2024