

Ricoh Group Integrated Report 2022

RICOH
imagine. change.

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

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Ricoh Way

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

Founding Principles

The Spirit of Three Loves

"Love your neighbor"
"Love your country"
"Love your work"

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



Kiyoshi Ichimura, Founder
(1900-1968)



Mission

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

Vision

To be the most trusted global company.

Values

CUSTOMER-CENTRIC

Act from the customer's perspective

PASSION

Approach everything positively and purposefully

GEMBA

Learn and improve from the facts

INNOVATION

Break with the status quo to create value without limits

TEAMWORK

Respect all stakeholders and co-create value

WINNING SPIRIT

Succeed by embracing challenges through courage and agility

ETHICS AND INTEGRITY

Act with honesty and accountability

Work can be stressful at times.

But also incredibly fulfilling when you overcome a challenge.

Fulfillment through Work. The foundation of this is the "Spirit of Three Loves" that Ricoh has pursued tirelessly since the company was established in 1936. We launched office automation in 1977. We wanted to revolutionize work by releasing workers from the tedium of endless repetitive tasks so that they could enjoy that feeling gained from achievement and self-development one gains from completing more engaging tasks.

By 2017, this had developed further to become our value proposition, "EMPOWERING DIGITAL WORKPLACES," where we empower worker's creativity and improve workplaces.

Ricoh provides services to enable individuals to work wherever and whenever they want. We want to provide a future where all workers, workplaces, and workflows will be connected and thus contribute to a more sustainable society where people are empowered to innovate.

Ricoh is changing this moment in time by imagining the future, and by providing fulfillment through work, we will enhance the quality of life.

Vision for 2036

Fulfillment through Work



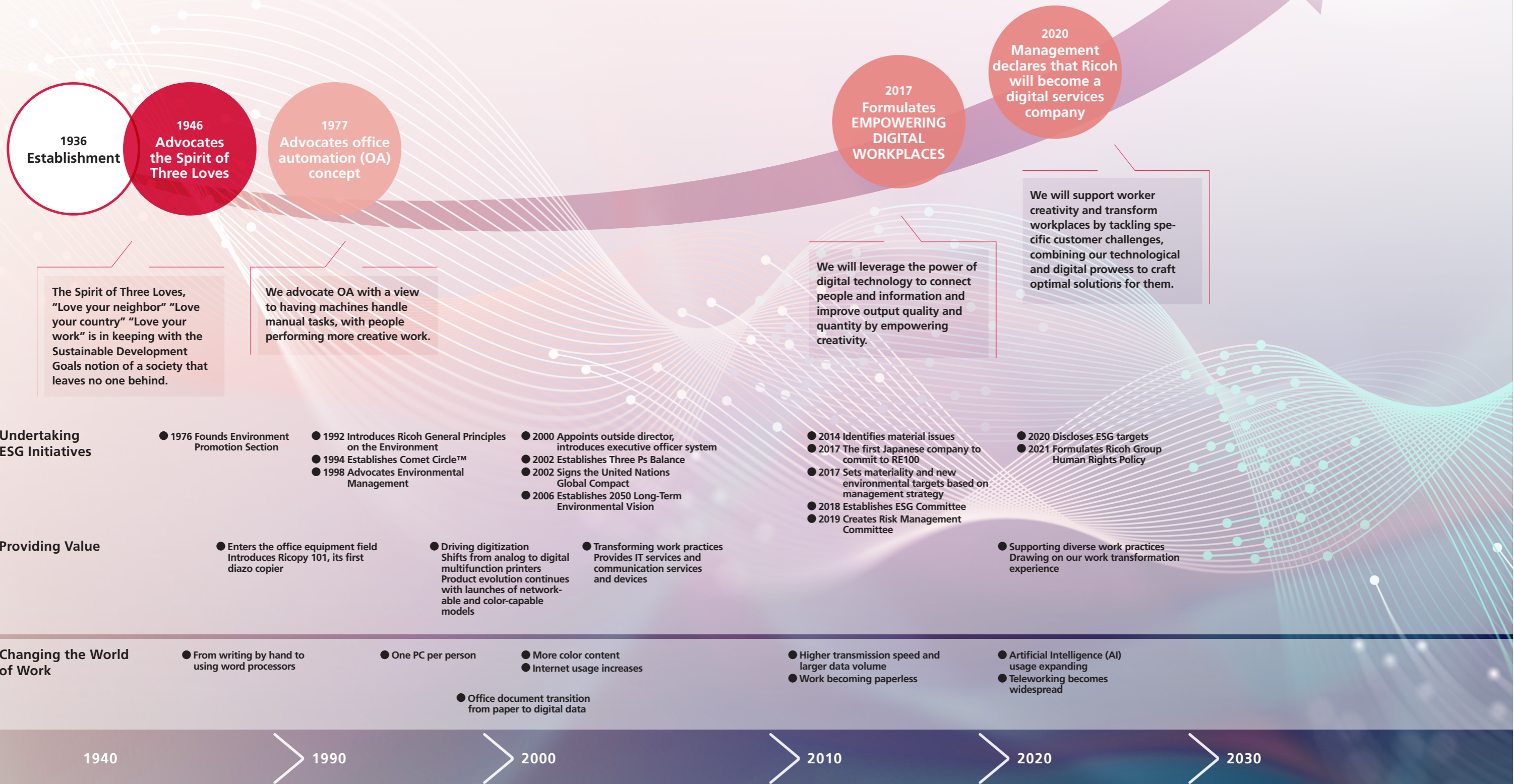
We brought out our office automation concept in the conviction that machines should handle manual tasks, with people performing creative work. We believe that Fulfillment through Work comes from completing more engaging tasks that only people can perform and empowers worker's creativity.

We made Fulfillment through Work central to our vision for 2036. That is because in the course of serving the working needs of our customers, we have helped them streamline tasks and enhance productivity. In so doing, we have empowered their workers to gain a sense of satisfaction, achievement, and self-realization.

Evolving and Growing

Ricoh has focused relentlessly on the work requirements of customers since its establishment, continuing to deliver new value that caters to their ever-evolving needs. We have long endeavored to help materialize a sustainable society. We were swift to undertake environmental management initiatives that equate conservation with producing profits.

Such efforts are in keeping with the Spirit of Three Loves, our founding principles. We will continue to resolve social issues through business to materialize our vision of Fulfillment through Work.



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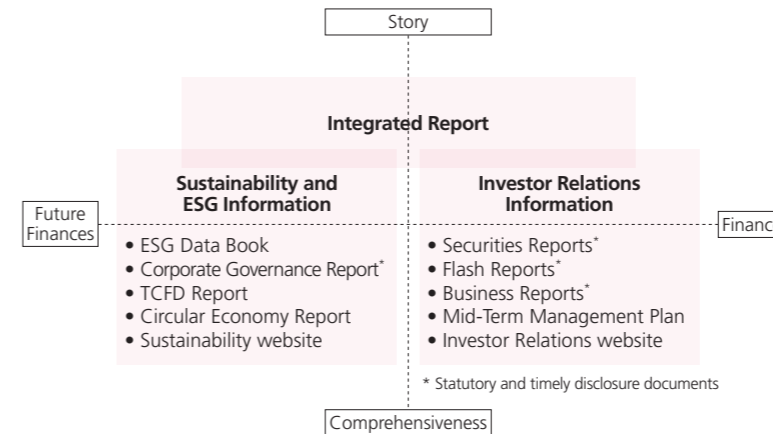
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Information Disclosure Outside This Report

Disclosure Framework



The Ricoh Group provides comprehensive disclosure of ESG information through the ESG Data Book, TCFD Report, and Circular Economy Report, in addition to the Integrated Report, which outlines the overall Ricoh Group's initiatives.



Our website, ESG Data Book, and other vehicles present the following information.

		Website	ESG Data Book	Other vehicles
		Note: The PDF version of this report includes website links for content.		
ESG information	ENVIRONMENT	Vision and basic policy	○	TCFD Report Circular Economy Report
		• Pursuing the Ideal Society (Three Ps Balance)		
		• Ricoh Group Environmental Principles		
		Environmental Action Plan		
		Environmental Management System	○	
		Acquisition of ISO 14001 Certification	○	
	SOCIAL	Third-party verification of environmental and social data	○	
		Ricoh Way and Human Resource Management	○	
		Occupational Safety and Health	○	
		Communication with employees (Employee Council)		
		Human Rights	○	
	GOVERNANCE	• Strengthening human rights initiatives		
		• Implementation of human rights due diligence		
Supply Chain Management		○		
• Ricoh Group supply chain				
• Supply chain Business Continuity Management (BCM)				
Risk Management	○			
Internal Controls	○	Corporate Governance Report (in Japanese) Convocation notice		
Compliance	○			
IR information	Investor Relations		Flash Report Presentation of consolidated results	
Technology	Technology/Open Innovation Intellectual Property RicoH Design			
Customer satisfaction	Pursuit of product safety and reliability Utilizing customer feedback to products and services Customer satisfaction survey in each geographical area			
Company history	Company History			
Company profile and data	Company Data Performance Against Major CSR Indicators	○		



Jake Yamashita
President and CEO

Our growth is the sum total of employee growth: striving groupwide to deliver Fulfillment through Work

Tackling tough times

Fiscal 2021, which ended March 31, 2022, reminded me as never before of the enduring truth that “Uncertainty is the only certainty there is.” During the year, life with COVID-19 became a certainty of sorts in the daily lives and behavioral patterns of many. In Japan, people seemed to have begun taking the pandemic in stride. They also had to deal with the impacts of ongoing shortages of semiconductors and plastics and rising prices for all sorts of goods and services. Then along came global price hikes and goods shortages associated with Ukraine invasion and a lockdown in Shanghai. And even when manufacturing was possible in China, dockworker and truck driver shortages in the United States significantly delayed goods shipments to customers.

These piled on and protracted developments completely unimaginable. We can no longer be certain that the past will predict the future. Preparing for tomorrow

is fraught with difficulty. We have naturally deliberated everything exhaustively from business continuity planning perspectives. Having specifics in place for the next steps rather than armchair theoretics is vital for us if we are to avoid falling by the wayside. It is a reminder of the importance of maintaining a management structure that fosters decision-making and zero-based thinking and broadens our options.

The year under review also amply demonstrated that peace is essential for globalization to progress. Efforts to become more competitive mean that supply chains for companies everywhere, us included, tend to be long and complex. This all works well when things are peaceful and logistics are stable, but falls apart amid disruptions to such stability. Pursuing the supply chain holy grail of quality, cost, delivery, and service is great. Lose control over delivery, however, and the whole structure can come crashing down. That is the reality we confront, and we must establish better processes. There is no time to waste.



Pursuing the 20th Mid-Term Management Plan with confidence and certainty

We positioned fiscal 2020 as a year for responding to the emergency resulting from the pandemic and gearing up for the future. We overcame the difficulties through companywide efforts. In fiscal 2021, we embarked on the 20th Mid-Term Management Plan (20th MTP) ^①, a two-year initiative. Perhaps our most significant challenge was adopting a business unit structure in April 2021. The original intention was to complete this over two or three years, so finishing it in just a single year underscores our ability to accelerate reforms. In establishing five domain-specific business units and delegating authority to BU presidents, we enabled prompt decision-making and accelerated responsiveness to customer changes.

All of our frontline salespeople are exceedingly diligent. Direct sales account for a large portion of our revenues. So, these people have frequent opportunities to engage directly with customers, who often seek our assistance with a range of issues. The pandemic acted as a tailwind to drive Japan's workstyle reform forward, and our salespeople learned that customers face unique work challenges along the way. One way to help customers has been to offer an extensive range of Scrum packages that are easy to deploy, even with limited budgets.

Print volumes have fallen as work practices have changed. I am sure that many customers found they were printing things unnecessarily. Even if the economy recovers and more people return to offices, those volumes will never return to what they were. Even prior to the pandemic, we were already exploring

countermeasures given a predicted eventual decline in print volumes. The drop was several years earlier than we envisioned. The situation was very serious. That is where our robust customer connections came to the fore. We turned the challenge into an opportunity to leverage online tools to keep presenting new proposals to customers. While it will take some more time to regain our footing, I am confident we are heading in the right direction. I believe helping customers work smarter will sharpen our competitive edge, propelling progress with the 20th MTP and pave the way for better tomorrows.

RICOH Graphic Communications, RICOH Industrial Solutions, and RICOH Futures play pivotal roles in digitalizing workplaces. While admittedly smaller than RICOH Digital Services and RICOH Digital Products, they cultivate important fields for our future. These business areas often engage in advanced technological and conceptual areas, so they need to identify growth at a faster pace. Management has an important responsibility to swiftly determine the quickest path toward success, whether by going it alone or collaborating with other companies.

The value of working and our approach

When we committed to becoming a digital services company focusing on the world of work, people sometimes asked if we were forsaking our manufacturing roots. Some companies certainly have adopted a strategy of outsourcing hardware production and specializing in services. Our approach, however, is to partner with customers. Edge devices are central to achieving our goals.

People produce all sorts of data from work. It is vital to capture the necessary and valuable data from the enormous volumes generated through work. High-quality data enhances analysis and artificial intelligence-based work's effectiveness. Even if you build a great platform, without good edge devices, you will only get meaningless information, and it will be difficult to create an ecosystem where data can bring value. Our RICOH Smart Integration co-creation platform ^② serves as a common global service delivery platform. Further enhancing the functionality and performance of edge devices will become even more invaluable.

Because people are central to work processes, it is essential for them to be creative, come up with constructive ideas, and broaden their perspectives. Humans are analog beings in an increasingly digital world. So, we need to make artificial intelligence, systems and networks, and other digital platforms more accessible and user-friendly for people. I believe that the Ricoh Group can make this happen. Although AI and other machines were traditionally limited in capabilities, the possibilities have expanded greatly as they have evolved rapidly.

We adopted Robotic Process Automation (RPA) in 2018. In overhauling our business processes, we began rethinking the tasks that people should perform. Assume for a moment that one robot can automate one business process. If 70 robots and 50 employees can together do what 100 people handled before, will the other 50 people have nothing to do? Should we be happy that we can halve the labor costs? No. We should be delighted to have freed those people up to take on new and creative work. We should invest in educating and reskilling these people accordingly.

① For more information, refer to the following pages: ① Medium- to Long-Term Outlook and the 20th Mid-Term Management Plan: Ricoh Lift Off P. 19-20

② For more information, refer to the following page: ② Ricoh's co-creation platform RICOH Smart Integration P. 28

By and large, companies have traditionally structured themselves around tasking employees to drive corporate growth. Going forward, corporate growth should be an extension of employees' growth and both aligned. These people should clearly envision what work they want to pursue. As well as identifying skills and ideas of our employees through the talent management system, we now have more opportunities to follow their growth through surveys and other vehicles. Self-motivated employees who can sharpen their capabilities and want to tackle new challenges will drive corporate growth.

Empowering all employees to shine and grow

The pandemic provided new opportunities to transform employee communications and education. To cite my own experience, the resulting spread of teleworking has increased the number of roundtables with employees in Japan and across the globe. We are also



Roundtable session with employees

continuing individualized new employee welcome ceremonies in Japan that we initiated in April 2020, where I greet the new employees one by one. Traditionally, all of them assembled in a venue together, but we look to maintain this new format, even post pandemic. I was long concerned that remote working could leave some employees behind. But even before the pandemic, we had been reforming work practices. We learned much from this experience, which enabled us to overcome crises and brought us to where we are today.

Our human resources development commitment culminated in us opening the Ricoh Digital Academy in Japan in April 2022. Those accustomed to working remotely find studying through the Academy very rewarding. Certainly there are differences from person to person, so we will offer more learning options and support their pursuit of new challenges.

The pandemic forced all of us in Ricoh to revisit what we had always taken for granted. We stopped doing some unnecessary tasks and devised and tried new and more effective ways to do things that need to be done. I think that these insights and experiences are useful in the business frontlines.

Always close to our customers —our tireless challenges

Many people readily associate Ricoh with copiers or the environment. We appreciate this, as it testifies to the concerted efforts of our management and employees over the years. We have advocated environmental management since 1998. Our accumulated endeavors since in a progressive approach to ESG have



been the reason customers and dealers worldwide select us as their preferred partner. This is why we refer to ESG as future finance.

We know for certain that our past investments and accomplishments are paying off. We will capitalize that data in looking ahead. Also, investments in current and future finances through ESG activities must take us closer to our goals. If they do not, then we should halt such investments. Shareholders and other investors would never tolerate activities that have no rationale, and these efforts might achieve little to show for it. We will keep this in mind while deliberating our next MTP.

I reflected on how we would like customers to view us in coming years based on all of this. I would be delighted if they concluded that Ricoh is always there for them, ready to lend a helping hand for their work needs. Of course, we take pride in the fact that we

have always been there for our customers, and we hope to continue to use the power of digital technology to solve our customers' problems and be a visible presence for them. We will endeavor to direct all investments, human resource development, and management decision-making toward that goal, and we will continue striving to deliver outstanding products and services.

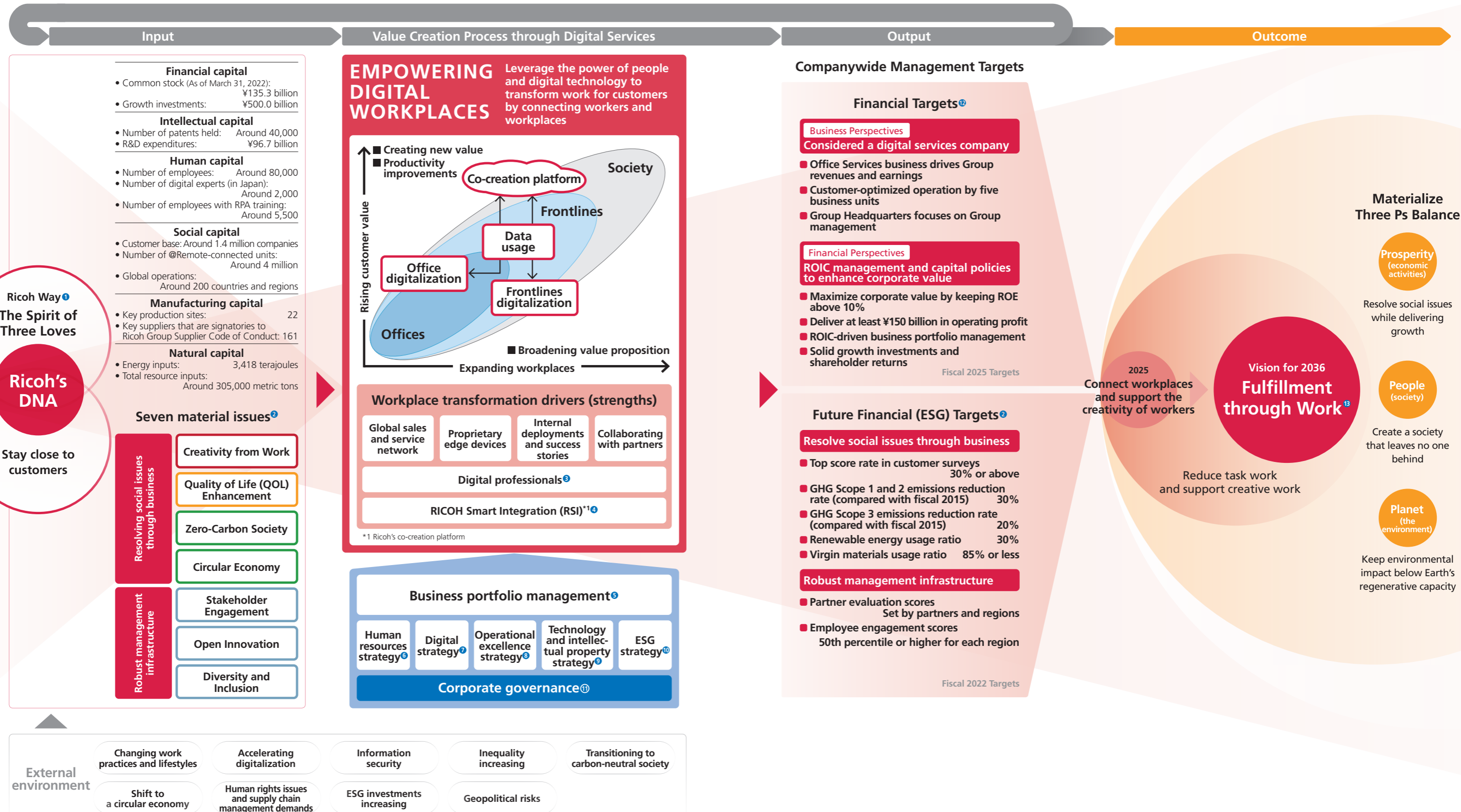
It is precisely because we are facing difficult times that we are boldly taking on new challenges with our eyes fixed on the opportunities that lie ahead. The Ricoh Group will continue its efforts to realize Fulfillment through Work ¹ so that our stakeholders will recognize our efforts with high expectations.

● For more information, refer to the following page: ● Vision for 2036: Fulfillment through Work P.2

Value Creation Process

The Ricoh Group aims to become a digital services company that connects workplaces and supports worker creativity. Pursuing business growth and ESG-centric management will be pivotal to realizing Fulfillment through Work, our vision for 2036.

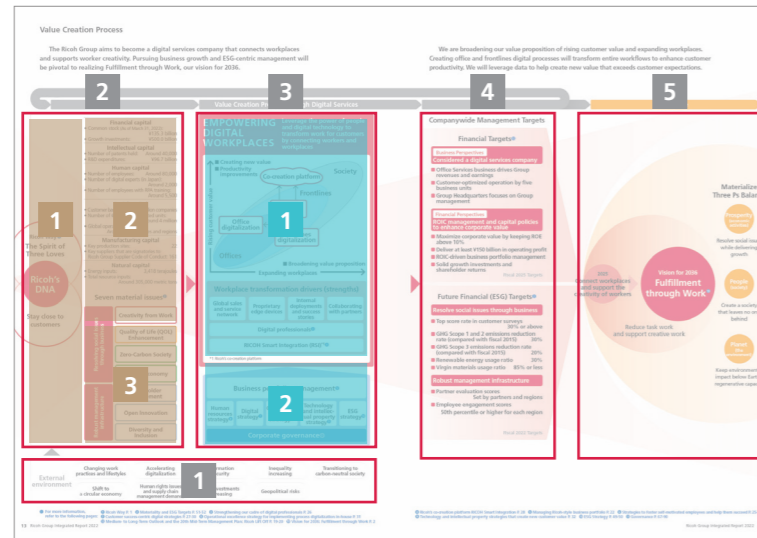
We are broadening our value proposition of rising customer value and expanding workplaces. Creating office and frontlines digital processes will transform entire workflows to enhance customer productivity. We will leverage data to help create new value that exceeds customer expectations.



① For more information, refer to the following pages: ② Ricoh Way P. 1 ③ Materiality and ESG Targets P. 51-52 ④ Strengthening our cadre of digital professionals P. 26 ⑤ Customer success-centric digital strategies P. 27-30 ⑥ Operational excellence strategy for implementing process digitalization in-house P. 31 ⑦ Medium- to Long-Term Outlook and the 20th Mid-Term Management Plan: Ricoh Lift Off P. 19-20 ⑧ Vision for 2036: Fulfillment through Work P. 2

⑨ Ricoh's co-creation platform RICOH Smart Integration P. 28 ⑩ Managing Ricoh-style business portfolio P. 22 ⑪ Strategies to foster self-motivated employees and help them succeed P. 25-26 ⑫ Technology and intellectual property strategies that create new customer value P. 32 ⑬ ESG Strategy P. 49-50 ⑭ Governance P. 67-90

Value Creation Process



- 1 External Environment**
Set from triple bottom line of environmental, social, and economic perspectives
- 2 Inputs**
Value creation sources
- 3 Value Creation Process through Digital Services**
Ricoh's unique, customer-centric digital services and transition to business structure underpinning these services
- 4 Outputs**
Fruits of value creation process
- 5 Outcomes**
Ricoh's global value proposition

1 External Environment

External environment changes affecting Ricoh management and operations from environmental, social, and economic perspectives

(1) Changing work practices and lifestyles

The COVID-19 pandemic transformed the world and people's lives, forcing them to adopt new work practices. While work without having to come to the office has reduced print volumes, it has generated new business opportunities. These include heightened security requirements and teleworking support demand.

(2) Accelerating digitalization

Although accelerating digital transformations in offices, front-lines, and other workplaces are fueling business opportunities, they also necessitate more robust measures to tackle cybersecurity risks.

(3) Information security

Companies have to safeguard their information assets from threats to confidentiality, integrity, and availability.

(4) Inequality increasing

Disparities in access to healthcare, education, and community services are widening. We can help bridge these gaps with digital technology for everyone to enjoy equal access to public services.

(5) Transitioning to a carbon-neutral economy

As the impacts of climate change become more evident and a global transition to a decarbonized economy accelerates, we can help resolve social issues by undertaking industry-leading initiatives.

(6) Shift to a circular economy

The shift from the unidirectional mass production, consumption, and disposal model, revolutionized by digital technology, will enable the change to a circular economy model.

(7) Human rights issues and supply chain management demands

Growing concerns about child and forced labor and other human rights risks in supply chains have driven demands to address them across those chains, including among suppliers and partners.

(8) ESG investments increasing

ESG has become vital non-financial information for ensuring future earnings, so companies face rising pressures to disclose both financial and non-financial information.

(9) Geopolitical risks

We must urgently tackle environmental changes and other threats to safety and security that stem from greater political, military, and social tensions, economic uncertainties, and swings in commodity prices.

2 Inputs

1 Ricoh's DNA

Founding principles and close ties to customers are central to our corporate DNA

We particularly treasure two enduring commitments. The first is to resolve social issues based on the founding principles of the Spirit of Three Loves. Those principles are compatible with the Sustainable Development Goals notion of a society that leaves no one behind. The second is to continue to be close to the changing "work" of customers.

2 Capital As of end-fiscal 2021

Financial Capital

Seek to generate returns exceeding the cost of capital and leverage debt and equity to invest in growth

We aim to generate returns on our ¥135.3 billion in common stock that exceeds capital costs. We will allocate capital primarily to relatively high-risk growth businesses and fund stable businesses with debt. We will constantly verify and improve cash flow allocation to optimize our capital structure. We will invest ¥500 billion in growth over the next five years.

Investment components:

- Around ¥300 billion in mergers and acquisitions for business growth
- Around ¥100 billion to strengthen business infrastructure
- Around ¥100 billion to create new business domains

Intellectual Capital

Device development capabilities, co-creation platform, and know-how cultivated from in-house implementation

Edge device technological capabilities (image processing and optical technologies) and development and production capabilities that we have cultivated to date are key as a digital services company to deliver edge devices that convert customer work into data. We will reinforce the RICOH Smart Integration platform to foster the use of digital technology and data.

We have long helped improve office productivity for customers by drawing on our experience in undertaking companywide business process reforms that leverage digital technology, not only for back-office operations but for also development, production, and other sites.

We foster the creation of valuable intellectual property based on our business and technology strategies. We are acquiring and leveraging intellectual property that helps protect and expand our business.

- Number of patents held: Around 40,000
- R&D expenditures: ¥96.7 billion

Human Capital

Our 80,000 employees embrace the Ricoh Way. We attract and develop digital professionals to help customers adopt digital processes

Our 80,000 employees around the world understand the Ricoh Way (which encompasses the Spirit of Three Loves), and base daily decision-making on it.

The Ricoh Group was an early adopter of teleworking and other new work practices. As an entity that has provided digital services that support worker creativity and transform diverse customer workplaces, even during the pandemic, we also deploy internal initiatives for new work practices.

We maintain five business units and a Group headquarters to ensure that we are closer than ever to customers and accelerate new value creation and decision making.

- We attract and develop digital professionals (around 2,000 digital experts in Japan with IPA ITSS Level 3 or higher certifications) to contribute to digitalization for customers
- Outside members constitute the majority of the Board of Directors
- Around 5,500 employees have received robotic process automation training, running about 2,000 processes through such automation

Social Capital

Combining close customer contacts with devices in deploying digital services

We have a global customer base of around 1.4 million companies and 4 million devices using our @Remote maintenance services, for which we have built a structure that enables us to deliver customized services and solutions that cater to customer challenges. As we provide direct sales, service, and support of devices to customers, the close bonds we have with our customers enable us to deliver necessary new services that benefit their customers.

We can offer solid value that resolves customer issues by collaborating with partners.

We have built brand recognition in the following respects as an office equipment manufacturer.

- Image processing, optical, and other technological capabilities
- In-house productivity innovations
- Exceptional environmental management expertise
- Uniform global support structure

Manufacturing Capital

Ongoing support for local customers through global production sites

Our 22 key production sites in Japan, Europe, the Americas, and elsewhere in Asia ensure a supply chain that meets regional requirements.

We require suppliers to sign the Ricoh Group Supplier Code of Conduct, which covers labor, health and safety, the environment, ethics, and management systems. To date, 161 key suppliers have signed.

In Japan, 15 partners (including nine manufacturers) have started joint last-mile deliveries. This setup helps eliminate low load factors, overcome driver shortages, foster highly labor-friendly and productive logistics, reduce carbon dioxide emissions, and constrain rising transportation costs.

■ Natural Capital

We minimize our reliance and extraction of natural resources in course of business

In fiscal 2021, our businesses consumed 3,418 terajoules of energy. Our total resource inputs were around 305,000 metric tons.

3 Value Creation Process through Digital Services

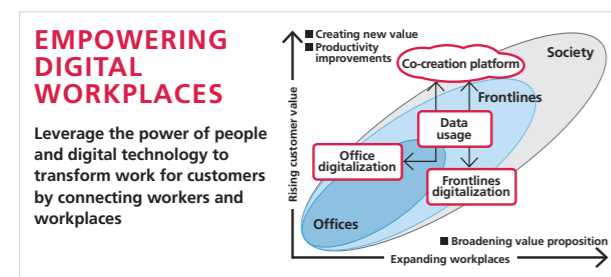
Our unique, customer-centric digital services embody **EMPOWERING DIGITAL WORKPLACES** to deliver customer success. By continuing this process, we will increase the value of our services

By 2025, we aim to become a digital services company that connects people and workplaces and supports worker creativity.

We leverage the power of people and digital technology to transform work for customers by connecting workers and workplaces (the value that our unique digital services provide) to realize **EMPOWERING DIGITAL WORKPLACES**.

We maximize effectiveness and achieve customer success by repeating the process of providing optimal solutions to each customer's unique challenges and providing ongoing support.

Continuing this process by drawing on our long history of remaining close to customers enables us to further enhance and evolve the value we deliver.



3 Seven Material Issues

We identified seven material issues amid a changing external environment to help attain our Three Ps Balance goals

In keeping with our pursuit to help realize a sustainable society in which the three Ps (Prosperity, People, and Planet) are balanced, we identified seven material issues that reflect SDGs, the expectations of stakeholders, our management philosophy, and our mid-term management plan. We are striving to resolve these issues through business.

We formulated 17 ESG targets associated with these material issues to make our activities more effective.

Work is evolving in the dual axes of expanding workplaces and rising customer value. We will realize **EMPOWERING DIGITAL WORKPLACES** through digital services

■ Rising Customer Value

Boosting productivity by digitalizing offices and workplaces

We provide offices with a range of edge devices that digitize text, voice, facial expressions, movements, and other analog information. We can streamline operations and boost productivity by combining industry and task application software and services.

We provide robust and portable edge devices for various workplaces. We can transform entire workflows by digitalizing frontlines and connecting offices to them.

Creating new value through data-driven businesses

The cloud-based RICOH Smart Integration platform stores data digitized in offices and frontlines, utilizing the data to help deliver advanced business processes and automation. We will continue helping to create new value that surpasses customer expectations by using artificial intelligence and other technologies to analyze data.

■ Expanding Workplaces

By digitally connecting people, offices and workplaces, we transform work for customers and help materialize a sustainable economy.

1 Workplace Transformation Drivers (Strengths)

Our unique strengths include our global customer network and practical internal expertise

We will accelerate workplace transformation by leveraging the following strengths:

- A global sales and service network that underpins trust with customers
- An array of edge devices employing proprietary technologies in such fields as optics, image processing, and printing
- Expertise based on internal deployments and customer successes
- Collaborating with business partners that offer expertise in various industries
- Digital experts who are close to customers
- The RICOH Smart Integration platform

2 Strategies Supporting Our Value Creation

While optimally allocating resources through business portfolio management, Ricoh strengthens its management foundation through five strategies. Corporate governance enhances transparency and helps implement the value creation process

4 Outputs

As well as pursuing financial objectives that reflect a focus on capital efficiency, we have set companywide management goals as future financial (ESG) targets

We have established not only financial targets but also future financial (ESG) targets as companywide management objectives.

5 Outcomes

The value we seek to offer the world is through our 2036 vision of providing Fulfillment through Work and by attaining the Three Ps Balance

We will continue to undertake sustainable corporate activities to help create a society that realizes the Three Ps Balance (Prosperity, People, and Planet) for the economic activities, society, and the environment.

Economic activities: Resolve social issues while delivering growth

Society: Create a society that leaves no one behind

The environment: Keep our environmental impact below the Earth's regenerative capacity

By managing our business portfolio, we will transform our business structure by optimally allocating management resources to boost corporate value.

Group headquarters will accelerate our transformation into a digital services company by carefully managing our business portfolio. We will manage each business based on such factors as returns on invested capital and marketability assessments, optimizing resource allocations through rational evaluations and decision-making.

Additionally, we are concentrating on reinforcing the management infrastructure we need to become a digital services company, pushing ahead with the following strategies: human resources strategy, digital strategy, operational excellence strategy, technology and intellectual property strategy, and ESG strategy.

We are ensuring that management and all other corporate activities adhere to social norms and match the expectations of diverse stakeholders. These are done by striving to enhance corporate governance to deliver management transparency and become more competitive in keeping with our commitment to high corporate ethics and compliance.

We are endeavoring to further reinforce corporate governance as the foundation for our sustainable growth while creating value.

We will undertake activities across the entire value chain to meet the rising ESG demands of customers and investors. Thereby, we aim to earn recognition as a top-level global ESG company.

Financially, we will keep expanding our existing Office Services business to propel companywide results and attain a management structure that enables us to consistently generate a return on equity exceeding 10% by fiscal 2025.

2025: A digital services company that connects workplaces and supports the creativity of workers

The value of work is shifting from improving efficiency and productivity to unleashing human creativity. Ricoh will become a company that reduces task work and supports creative work.

Vision for 2036: Fulfillment through Work

We aim to contribute to a world in which individuals can work whenever and wherever they want.

We want to provide a future where all workers, workplaces, and workflows will be connected and thus contribute to a more sustainable society where people are empowered to innovate.

Ricoh is changing this moment in time by imagining the future, and by providing fulfillment through work, we will enhance the quality of life.

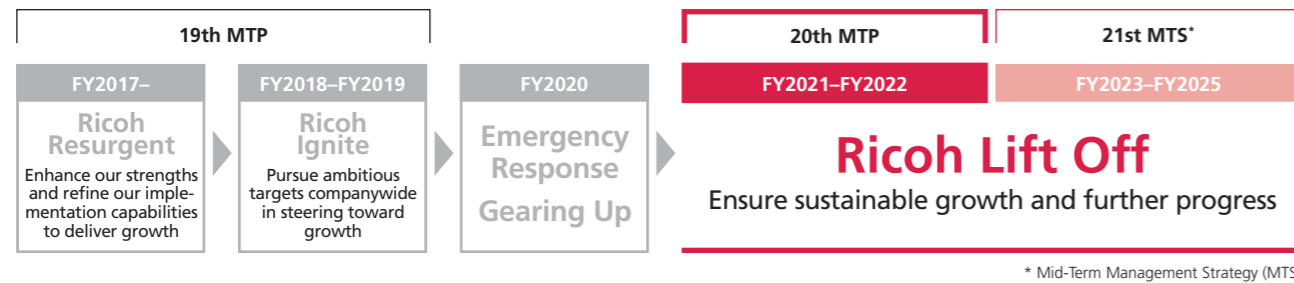
Medium- to Long-Term Outlook and the 20th Mid-Term Management Plan

Ricoh Lift Off

The 20th Mid-Term Management Plan (20th MTP) is a two-year initiative that we rolled out in fiscal 2021. We have positioned the five years through fiscal 2025, which encompass that initiative, as Ricoh Lift Off. By fiscal 2025, we aim to become a digital services company that supports worker creativity and connects workplaces. From a future financial (environmental, social, and governance (ESG)) perspective, we will undertake initiatives across the entire value chain to serve the growing ESG requirements of customers and investors, in keeping with a commitment to maintaining a top worldwide reputation.

On the financial front, we look for the Office Services business to continue growing and driving our overall performance. We aim to achieve a business structure target that can generate a return on equity (ROE) of 7%* in fiscal 2022, the final year of our 20th MTP, with returns consistently exceeding 10% by fiscal 2025.

* On May 10, 2022, we lowered our operating profit target for fiscal 2022, the final year of the 20th MTP, from an initial ¥100 billion to ¥90 billion, to reflect the recent pace of a recovery from the pandemic and the operating climate. We accordingly lowered our ROE target from at least 9%, to 7%.

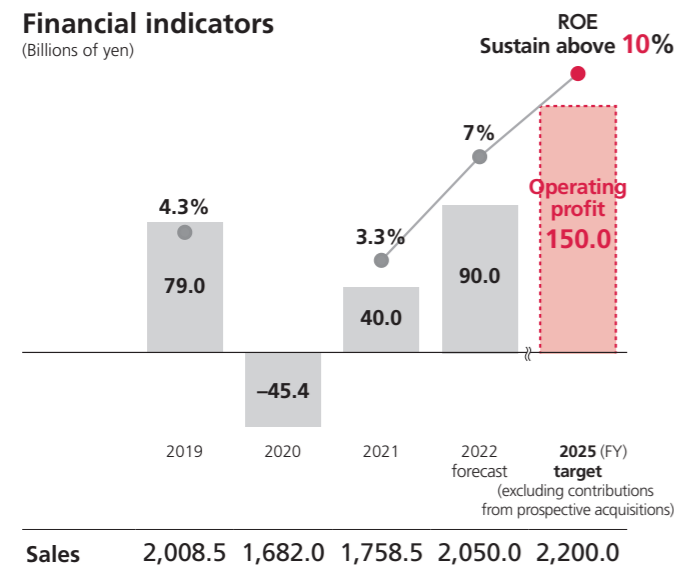


* Mid-Term Management Strategy (MTS)

Medium- to long-term targets for 2025

Financial indicators

(Billions of yen)



World-class sustainability and ESG ratings

Business Acknowledged as a digital services company

- Office Services business drive revenues and profits
- Five business units operate optimally for customers
- Headquarters focuses on group management

Finance ROIC management and capital policy for improved corporate value

- Maximize corporate value by keeping ROE above 10%
- Generate at least ¥150 billion in operating profit
- Manage ROIC-driven business portfolio
- Invest in growth and produce solid shareholder returns

20th MTP

Our 20th MTP objective is to become a digital services company that supports worker creativity and connects workplaces. We seek a return on equity of 7%. Financial targets to reach that goal include generating ¥90 billion in operating profit and ¥2.05 trillion in sales. Against this backdrop, we will pursue growth in Office Services under our new business unit structure by distinguishing investments in high-priority regions from those in other regions. In Office Printing, we will

reinforce the business structure to overcome a print-volume downturn through operational excellence. We will steadily strengthen our business foundations, primarily at Group headquarters. For future Financial (ESG) targets, which are as important as financial benchmarks, we have set 17 goals for our seven material issues and will endeavor to reach them.

Transform to a digital services company

Fiscal 2022: ROE 7%

By expanding businesses growth and improving capital profitability

Financial targets		Future financial (ESG) targets	
Financial indicators	Fiscal 2022	Targets per stakeholder (from 17 ESG targets)	Fiscal 2022
Operating profit	¥90 billion	Customers Top score from customers	30%
Sales	¥2.05 trillion	Society GHG Scope 1 and 2 (down from fiscal 2015 levels)	30%
ROIC	5% or more	Society GHG Scope 3 (down from fiscal 2015 levels)	20%
		Society Electricity from renewable energy sources	30%
		Society New resource content in products	85% or less
		Employees Employee engagement score	50th percentile in each region
		Partners Evaluation scores given by each partner	Set per partner and region
		Shareholders ROE	7%

Basic policies for 20th MTP initiatives

Our basic policies for 20th MTP initiatives are to become more competitive, strengthen our management underpinnings, and improve returns on capital.

To enhance business competitiveness, we adopted a business unit structure to accelerate decision-making and streamline capital management. We look for each business to independently help create value for customers.

To strengthen our management underpinnings, we set up a

small but robust Group headquarters. We will develop suitable strategies for operational resource allocation, research and development, human resources, and other areas to support business competitiveness.

We will improve returns on capital by maximizing corporate and shareholder values, formulating and implementing capital policies based on an optimal capital structure to ensure returns that exceed capital costs.



1 Enhance business competitiveness
Grow businesses and strengthen corporate structure, adopting business unit setup to increase autonomy of these operations and adapt swiftly to customer changes



2 Strengthen management underpinnings
New Group headquarters aims to reinforce human resources, infrastructure, and technology underpinnings



3 Improve capital returns
Sustainably increase corporate value through policies based on an optimal capital structure

20th MTP Policy
1

Enhance business competitiveness

To achieve our financial targets, we are pushing ahead with PDCA* cycles under our new business unit structure and manage a unique business portfolio in line with circumstances. We will thereby align digital services growth with the work needs of our customers.

* PDCA: Plan-Do-Check-Act cycles are tools for constantly improving product and service processes.

Deploying PDCA cycles under the new business unit structure

In April 2021, we adopted a structure of five business units and a Group headquarters to streamline capital management and accelerate decision-making by delegating authority to those units. We assessed the benefits and issues with this structure and are deploying PDCA cycles to drive improvements.

Delegating authority to business units has enabled them to respond flexibly and swiftly to changes in the business climate and overcome crises. Transitioning to a setup that integrates everything from development to production and sales has reinforced coordination between functions. This has enabled us to update pricing based on higher costs, modify designs to accommodate common parts, and reflect changes in production.

Business unit structure benefits and issues

The autonomy of business units has begun to bear fruit, and we will continue to deploy PDCA cycles to foster improvements.

- Benefits** Business units are able to tackle and overcome crises
- Issues** Further strengthening integrated structures within business units and refining headquarters functions

Business units	Key achievements during year-to-date
RICOH Digital Services	RDS <ul style="list-style-type: none"> Japan: Expanded scrum assets sales Europe: Undertook acquisitions and transferring personnel to reinforce digital services infrastructure Enhanced global software portfolio and expanded sales
RICOH Digital Products	RDP <ul style="list-style-type: none"> Cultivated operational excellence by reinforcing manufacturing structure and cutting costs Pursued collaboration within industry, such as by jointly developing modules and parts
RICOH Graphic Communications	RGC <ul style="list-style-type: none"> Brought forward structural reforms, particularly in Commercial Printing Capitalized on print-demand recovery
RICOH Industrial Solutions	RIS <ul style="list-style-type: none"> Evaluated digital services for Thermal Media Accelerated business selection and concentration
RICOH Futures	RFS <ul style="list-style-type: none"> Expanded social infrastructure business by beginning to collaborate with local governments Business potential of PLAiR, a new plant-derived material, etc.
Group headquarters	<ul style="list-style-type: none"> Began business portfolio management Transformed human capital to become job- and digitally-based, switched to cloud computing for IT infrastructure, and overhauled R&D

Managing Ricoh-style business portfolio

We will accelerate efforts to reduce our dependence on the Office Printing business and become a digital services company, with the Group headquarters carefully managing the business portfolio.

Under our business portfolio management setup, we augmented the portfolio elements of profitability and marketability with digital services compatibility. It is from these three perspectives that objectively assesses businesses and allocates them to four categories; growth acceleration, profit maximization, strategic transformation, and business revitalization.

Initiating Ricoh-style business portfolio management

Four business categories (roles and direction)	Key relevant businesses and business units	Profitability [ROIC and earnings]	Marketability		Digital services compatibility [Compatibility and contributions]
			Success scenario	Market growth	
Growth Acceleration Drive Ricoh's growth	Office Services (RDS) Commercial Printing (RGC)	Meeting criteria	Success likely	Growth	High
Profit Maximization Stably generate cash as fund source	Office Printing (RDP and RDS)	Meeting criteria	Success likely	Low growth	Low
Strategic Transformation Maximize value through this shift	Thermal Media (RIS)	Meeting criteria	Success likely	N/A	Low
	Enterprise Printing (RGC)	Meeting criteria	Success unlikely	Low growth	High
Business Revitalization Explore ways to contribute to value	Industrial Products (RIS)	Meeting criteria	Unlikely		Low
	Cameras (Group headquarters)	Low	Unlikely		Low

* New business will be nurtured, selected and focused separately at RFS.

The two businesses in the Growth Acceleration category are Office Services and Commercial Printing. They are very profitable, and their markets are expanding. We are reinforcing these businesses to drive growth because they can leverage Group strengths and are highly compatible with digital services.

The Office Printing business is in the Profit Maximization category, as it aims to keep stably generating cash while remaining highly profitable.

The Strategic Transformation category covers the Thermal Media and Enterprise Printing businesses. While their circumstances differ, they will endeavor to maximize value through this transformation where market expansion is unlikely or where there is little compatibility with digital services.

The Industrial Products and Cameras businesses are in the Business Revitalization category. They will explore ways to contribute to value.

20th MTP Policy
2

Strengthening management underpinnings

Ricoh Group digital services

Our business portfolio management goal is to boost corporate value by propelling digital services growth.

Our digital services will help customers be more productive by digitalizing processes to connect offices and frontlines and

transform entire workflows. Our business units will leverage their digital technology and edge device* strengths and services aligned with customer work to help create new value that exceeds customer expectations.

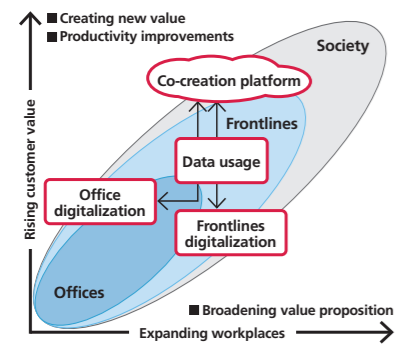
* Edge devices are MFPs, cameras, and other networked systems with data processing capabilities that can input and output text, photos, audio, video, and other information.

Our digital services

Each business unit tackles the growth of digital services that support our customers' "work" based on digital technology and devices.

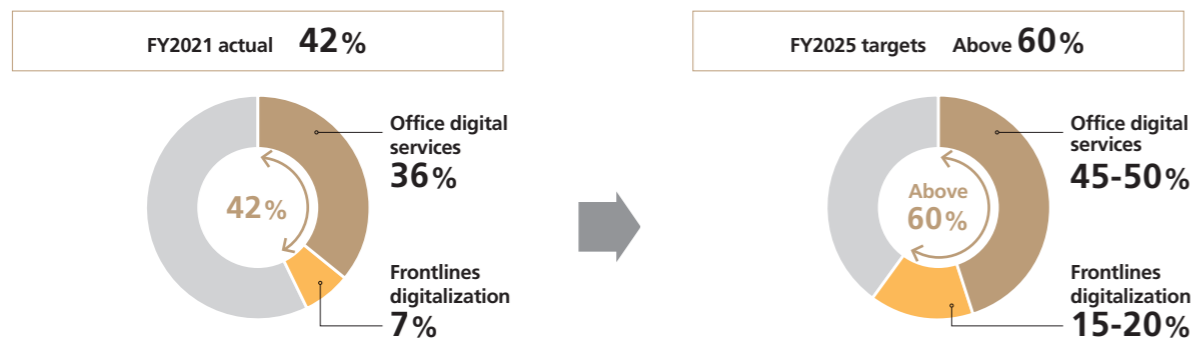
EMPOWERING DIGITAL WORKPLACES

Leverage the power of people and digital technology to transform work for customers by connecting workers and workplaces



Business units		Businesses contributing to digital services
RICOH Digital Services	Resolve working people's challenges and deliver digital services to connect office and frontline people	Office Services
RICOH Digital Products	Manufacture products supporting digital services	Office Printing * Only devices connected to RICOH Smart Integration platform Edge devices
RICOH Graphic Communications	Deliver digital solutions for frontline people at printing sites	Commercial Printing Industrial Printing
RICOH Industrial Solutions	Provide digital solutions to challenges of frontline people at logistics, manufacturing and industrial sites	Thermal Products * Shifting to digital services
RICOH Futures	Create new businesses to resolve social issues through digital solutions	Smart Vision Social Infrastructure
Group headquarters	Strengthen business foundation to support digital services	

Digital services sales ratio target



Note: Office digital services and frontlines digitalization include the following businesses.
Office digital services: Office services, office printing¹, and edge devices
Frontlines digitalization: Commercial printing², industrial printing, thermal media, Smart Vision, and social infrastructure
Figures factor in the impact of discontinuous growth.

*1 Only devices connected to RICOH Smart Integration platform
*2 Excludes enterprise printing

Strengthening management underpinnings

We are transforming and repositioning ourselves from office automation equipment manufacturing to becoming a digital services company. The mass production and consumption era necessitated efficient manufacturing while retaining consistently high quality.

In today's more information-intensive world, decisions are on smaller scales, and business moves faster.

For example, it used to be important for employees to perform specific roles along the value chain. In the years ahead, workers would ideally take the initiative to identify and resolve issues. The skills needed in the new world of work differ from those required traditionally. A steady evolution in human capital is therefore important.

To support this evolution, we are (A) providing training and hiring digital professionals, in addition to (B) adopting a Ricoh-style job-based personnel structure in Japan that gives employees greater autonomy. We are also (C) upgrading about 70% of enterprise systems.

Significance of robust digital services company infrastructure

Steadily transform human capital through a robust management infrastructure to become a digital services company

Office equipment manufacturer work approach		Digital services company work approach
Deliver world-class products and services developed in-house	Bolstering management infrastructure to transform human capital	Create and deliver value to customers as directly as possible
People perform assigned roles along the value chain		Leverage teamwork in which workers take the initiative to identify and resolve issues
Employees trained as needed for their positions and fields		Provide opportunities for growth so people realize their potential
Systems optimized for relevant regions and fields combined with those needed globally		Give workers open access to information and data

- (A) Cultivate and acquire digital professionals
- (B) Encourage employee initiative by adopting a Ricoh-style job-based personnel structure (Japan)
- (C) Upgrade around 70% of internal systems by migrating enterprise systems to the cloud
Other plans and implementation include visualizing employee skills, building a business database, internally adopting digital processes, and upskilling employees

Strategies to foster self-motivated employees and help them succeed

Transformation from an office automation manufacturer to a digital services company requires a change in mindset and skills. Accordingly, it is vital to encourage adherence to the Ricoh Way, which champions customer-centricity and innovation and empowers employees to upskill. In Japan, we deployed a Ricoh-style job-based personnel system in April 2022 to encourage self-starters who have refined their capabilities to pursue new challenges. We are also visualizing the requirements and skill levels of the digital experts we need to become a digital services company, and are developing and attracting such people.

Workstyle at a digital services company

The notions of disrupting the status quo and applying digital tools in work are the twin foundations for leveraging digital technology to increase creativity and thereby foster autonomy. Remote work became the norm amid the pandemic. Having people manage their own work performances in this environment was the first step toward their autonomy.

We are focusing on team productivity and creating new norms of communicating, conducting business, and becoming more productive.

The roles of supervisors must accordingly focus away from administration and controls to helping employees take the initiative to think and act.

Message from the Chief Human Resources Officer



Mayuko Seto
CHRO

One of our biggest strengths is the direct connection between how our people work and our services to customers. Our HR mission is to create and maintain work environments where employees can pursue digital innovations and find fulfillment from work for themselves and our customers. This

environment comprises three elements—people, corporate culture, and systems and frameworks—all of which relate closely to human resources policies. Consistently and reliably implementing policies for each of those elements will accelerate our transformation into a digital services company. We will need to shift from manufacturing-oriented training to cultivating digital professionals who can create new businesses. The corporate culture must change from a pyramid-style organization based on unification and control of decision-making to an externally focused culture that champions diversity and self-motivation. That is because it is vital to respond swiftly to dramatic market changes. We transitioned our personnel system from emphasizing functional classifications and experience to a job-based setup that puts the right people in the right positions. We have adopted a hybrid work model. We are continuing to change and evolve our human resources approach.

Embracing the challenges of change offers new opportunities for us to build a far more robust organization and leadership and better execute our corporate strategies.

Our corporate goal is to help customers achieve fulfillment through work. Such satisfaction comes from unleashing creativity. Our digital services liberate people from tedious tasks and empower them to be creative. The keys to inventiveness

and generating new value are work environments that enable diversity to flourish and corporate cultures that allow everyone to unhesitatingly express their ideas.

Ricoh-style job-based personnel system

We adopted this system in Japan in April 2022 to enable employees to enhance their skills to keep pace with constantly changing market needs in providing digital services and encourage particularly talented employees to shine. Some Japan-based Group companies plan to also roll out such a system by April 2023.

This is called “Ricoh-style” because it augments conventional job-based setups with flexible company-requested personnel transfers and fosters personnel development in-house over the medium to long term.

The goals of this system are: first is to flexibly place the

right people in the right positions based on ability and motivation, and second is to offer performance-based remuneration. The third is to provide career paths for employees based on expertise, regardless of their job position.

After clarifying the positions needed to reach organizational objectives, we assign the most suitable people to them. We evaluate and promote them according to their ability to undertake challenges and the extent to which they contribute to the organization. By clarifying the roles and responsibilities of the positions, employees can consider their career and take self-motivated action to acquire the necessary skills and abilities.

Strengthening our digital professional workforce

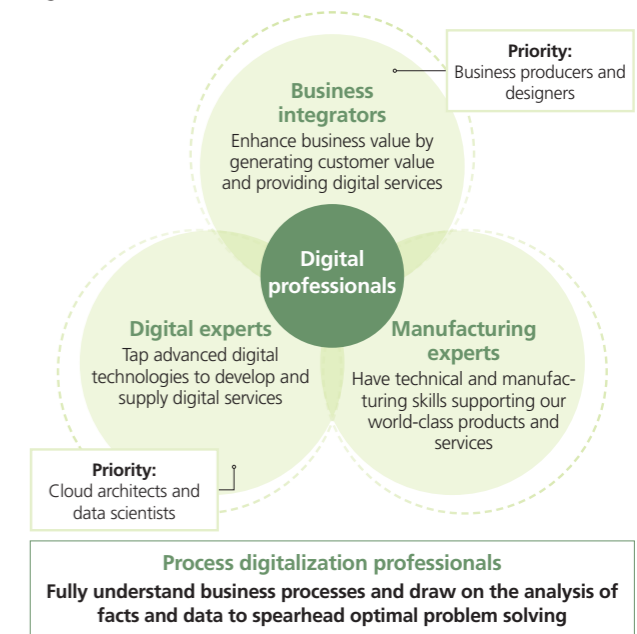
We define digital professionals as those who can use digital technology and data to create and accelerate our digital services. Digital professionals include business integrators and digital and manufacturing experts. We particularly aim to strengthen the digital proficiency of business producers and designers, cloud architects, and data scientists.

By continuing to upskill people to become digital professionals, all employees will be able to identify issues and stay close to customers, providing optimal solutions that draw on our unique technological capabilities. We established the Ricoh Digital Academy in April 2022 as a training platform.

We initiated process digitalization in fiscal 2018 to resolve issues discovered by analyzing our business practices. The Ricoh Digital Academy is rolling out process digitalization training to all Group employees.

Our digital professionals

Harness digital technology and data to create and accelerate our digital services



Customer success-centric digital strategies

We create a specialized structure to propel and implement digital strategies and optimize groupwide synergies.

Message from the Chief Digital Innovation Officer

Ricoh is becoming a digital services company that transforms how people work by focusing on customer success as we stay close to customers. We will use digital technology and data to provide a co-creation platform, which generates value by connecting RICOH Smart Integration (RSI) and customers. RSI connects workplaces, supports workers' creativity, produces new value, and fulfills our commitment to driving sustainability.

Toyohito Tanaka
CDIO



technologies based on our operational excellence strategy¹ to streamline operations and enhance productivity.

We are bolstering existing businesses and generating new customer value by focusing on success for our customers. We will use a co-creation platform to produce solutions using digital technology and data, covering everything from issue discovery to resolution.

The Ministry of Economy, Trade and Industry, and the Tokyo Stock Exchange recognized our efforts in this regard by selecting us as one of the Digital Transformation Stocks 2022.² We will keep progressing with our digital strategy.

Digital strategy direction

We are striving to attain our vision of Fulfillment through Work by pursuing a digital strategy to automate routine tasks, so people can focus on more creative work.

We must accordingly keep transforming our business processes and have established five key elements for accelerating our transformation.

The Ricoh Digital Academy reinforces digital professional development groupwide to support that transformation. We are creating the environment to maximize the value of our people.

In addition, we are moving forward with cloud migration, data infrastructure construction, and utilization, including updating legacy systems.

As well as strengthening this infrastructure, we are transforming back-office tasks at production and development sites by leveraging robotic process automation and artificial intelligence

Five key elements for accelerating transformation

1 Corporate culture and human resources

Transform Group employee mindsets and corporate culture and cultivate digital professionals

- (1) Maximize value of human resources through Ricoh Digital Academy
- (2) Increase design thinking and agility uptake

2 Digital infrastructure

Integrate and develop common infrastructure for IT, RSI, and AI and information and communications technology to materialize a co-creation platform

- (1) Upgrade Group IT infrastructure
- (2) Strengthen and employ RSI platform for digital services in each business
- (3) Reinforce information security

3 Data utilization

Help customers succeed by maximizing data usage

- (1) Prepare common master data and build data usage environments
- (2) Amass and use data by adopting digital office and frontlines processes

4 Internal process transformation

Optimize workflows and establish new work practices that tap digital technology

- (1) Innovate processes based on data usage and business visualization
- (2) Develop business savvy digital human resources through in-house implementations with business tasks and who use digital technology

5 Customer value creation

Generate customer value by using digital technology and data

- (1) Reorganize value creation process and foster its usage while amassing success stories
- (2) Develop and implement mechanisms to accelerate co-creation

¹ For more information, refer to the following pages: ¹ Operational excellence strategy for implementing process digitalization in-house P. 31 ² Digital Transformation Stocks 2022 P. 92

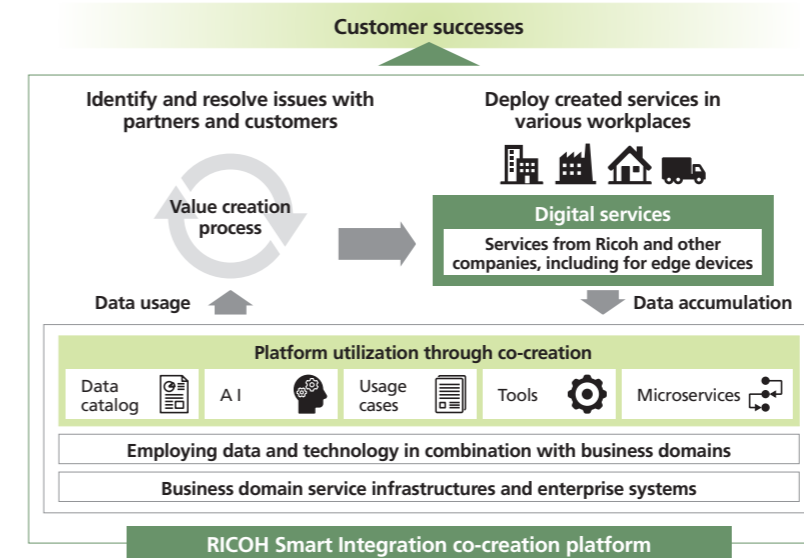
Ricoh's co-creation platform RICOH Smart Integration

We have set a goal for digital services to account for 60% of sales by fiscal 2025, by providing digital services that identify and resolve workplace issues at offices, frontlines and society. RSI will play a pivotal role in reaching that target by enabling us to use digital technology and data to create new value with customers and partners.

To date, we have primarily used RSI to connect MFPs and applications and digitize paper. Thus, we can link with customers' mission-critical systems and service infrastructures

to help reduce manual tasks by automating document handling workflows.

We will extend our office value proposition to frontlines and society and co-create with partners and customers. RICOH BUSINESS INNOVATION LOUNGE Tokyo is a place where Ricoh Group's digital services and customers' insights and ideas are fused to create new value. Customers from the private and public sectors use this venue, expanding our partnerships and providing more co-creation opportunities.



We resolve issues by remaining close to our customers, combining edge devices and services that draw on the strengths of our partners and Ricoh. We accelerate our value creation process cycle by using RICOH Smart Integration to maintain and enhance our data catalog, artificial intelligence, usage cases, tools, and microservices.

Through trial and error, we create more digital services, producing service menus that we deploy in customer workplaces.

By reusing data that RSI accumulates, we will build a circular data ecosystem that gives it more value and promotes data utilization.

Artificial Intelligence: focus on technology enhancement

Artificial intelligence is one of the priority technologies we identified to resolve customer workplace issues. We established a specialist unit in 2017 to train experts in this field and develop offerings such as AI for Business. This service uses proprietary natural language processing AI to support business operations.

We also deployed AI at toner plants to automate processes and improve quality, leading to higher employee satisfaction.

The pandemic made it hard for our real estate customers to serve their clients face-to-face and for construction sector customers to go to work sites. We set about creating customer value by combining images captured using our RICOH THETA 360° camera with our proprietary image correction, video generation, automatic computer graphics placement, and other AI functions so that customers could tour properties or check construction progress online.

We analyze and employ secondary usage of their data collected through this effort, leading to customer success.

Developing digital professionals to support transformation

Ricoh's transformation into a digital services company will depend on employees keeping up the effort to acquire knowledge. It will also be essential for us to draw on a human capital management approach that continues creating work environments that maximize the value of our people.

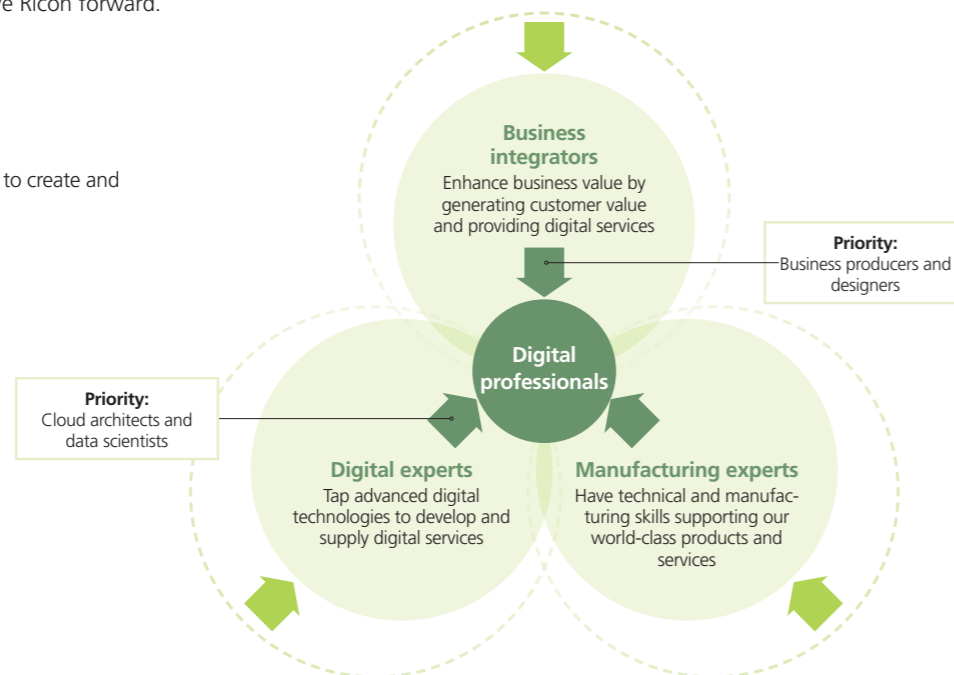
The Ricoh Digital Academy helps employees draw on their strengths and experiences and improve their skills to become digital professionals who will drive Ricoh forward.

To date, most employees have simply taken management-directed training courses.

The academy enables these people to take the initiative to refine their skills that will help identify and resolve specific customer issues.

Our digital professionals

Harness digital technology and data to create and accelerate our digital services



Ricoh digital academy

We are empowering employees to upskill and enhance their digital knowledge.

Proficiency level	Eligibility	Goals
Enhancing Professional Competence	Selected employees	Further develop employees with digital expertise to create digital services
Digital Knowledge	Optional for all employees	Offer wide variety of courses for all employees to acquire digital technology skills and use data.
Digital Literacy	Mandatory for all employees	Encourage employees to undertake continuous learning

Instilling and practicing design thinking and agile methods

It is vital to instill and practice design thinking and agile approaches to join with customers in exploring issues, identifying what is valuable for them, and helping them succeed. We will foster a corporate culture in which all employees can leverage design thinking to identify and swiftly address customer needs. The Ricoh Digital Academy offers a range of training programs and workshops for that purpose.

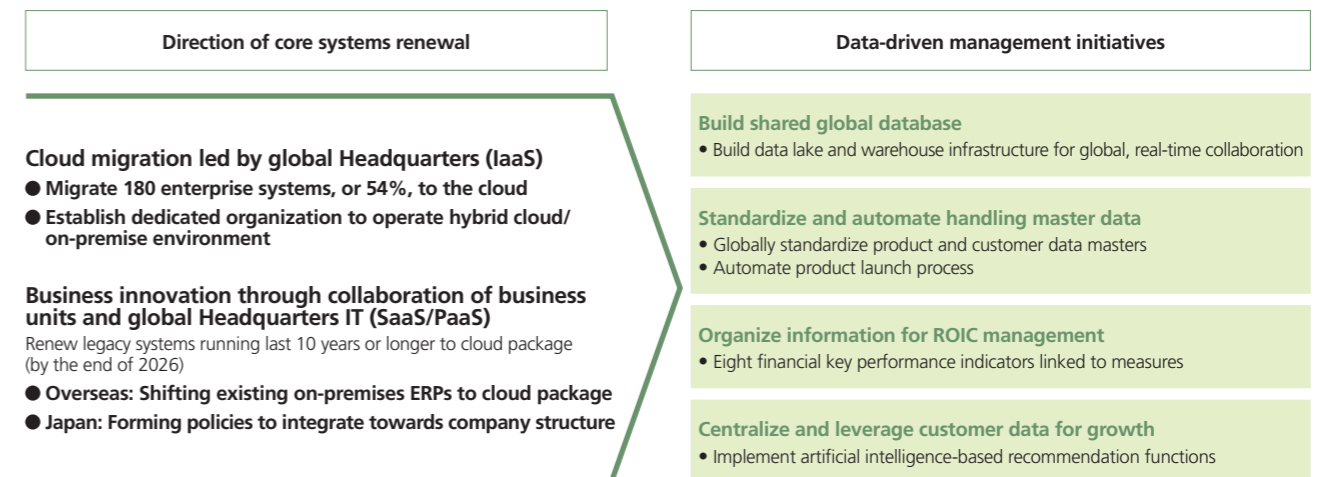
We launched the Design Thinking and Agility for All community to help employees who have studied at the Ricoh Digital Academy apply their knowledge in the frontlines. The

community is open to anyone at any skill level. It conducts regular workshops and events. Many participants share their issues with each other, solve them one by one, thus improving their productivity and cementing connections with colleagues.

We disseminate examples of our successful and unsuccessful initiatives, both internally and externally, employees understand the benefits of design thinking and agility for their work and personal growth and encourages interested outsiders to join our community.

Strengthening IT infrastructures to support a digital services company

We will upgrade around 70% of our enterprise systems, migrating some to the cloud, to ensure IT mobility and optimize costs. We are pursuing data-driven management, including building a shared global database management infrastructure.



Cloud migration led by global Headquarters (IaaS)

- Migrate 180 enterprise systems, or 54%, to the cloud
- Establish dedicated organization to operate hybrid cloud/on-premise environment

Business innovation through collaboration of business units and global Headquarters IT (SaaS/PaaS)

- Renew legacy systems running last 10 years or longer to cloud package (by the end of 2026)
- Overseas: Shifting existing on-premises ERPs to cloud package
 - Japan: Forming policies to integrate towards company structure

Build shared global database

- Build data lake and warehouse infrastructure for global, real-time collaboration

Standardize and automate handling master data

- Globally standardize product and customer data masters
- Automate product launch process

Organize information for ROIC management

- Eight financial key performance indicators linked to measures

Centralize and leverage customer data for growth

- Implement artificial intelligence-based recommendation functions

Operational excellence strategy for implementing process digitalization in-house

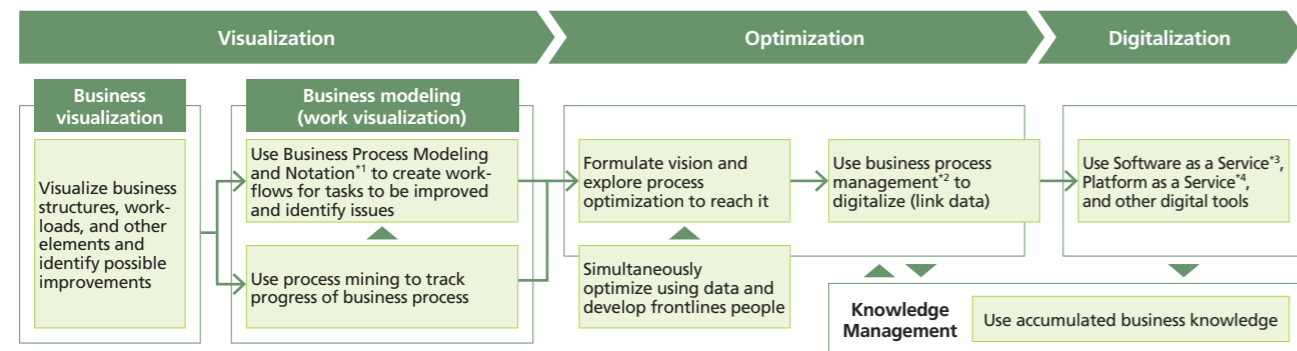
Process optimization and digital technology are essential for operational excellence. We are deploying this process of digital transformation in-house.

Implementing process digital transformation in-house

We formulated a policy of transforming entire processes, not just parts of them, to attain operational excellence. We defined a template for more routine and efficient process digitalization and effectively visualize and optimize operations

and processes using digital technology. We are cultivating people who can lead these activities.

We will manage business processes by enhancing our models, standardizing processes, and building our knowledge base.



*1 Business Process Modeling and Notation conforms with ISO 19510, an international standard.
 *2 Business process management identifies and constantly improves the processes companies use to do business.
 *3 Software as a Service is a model for supplying software through the cloud.
 *4 Platform as a Service is a model for supplying servers, operating systems, and middleware needed for applications to run on the cloud.

Technology and intellectual property strategies that create new customer value

We allocate around ¥100 billion yearly to R&D to build tomorrow's businesses. In becoming a digital services company, we will focus on developing technologies to create digital services and unique edge device technologies that underpin those services.

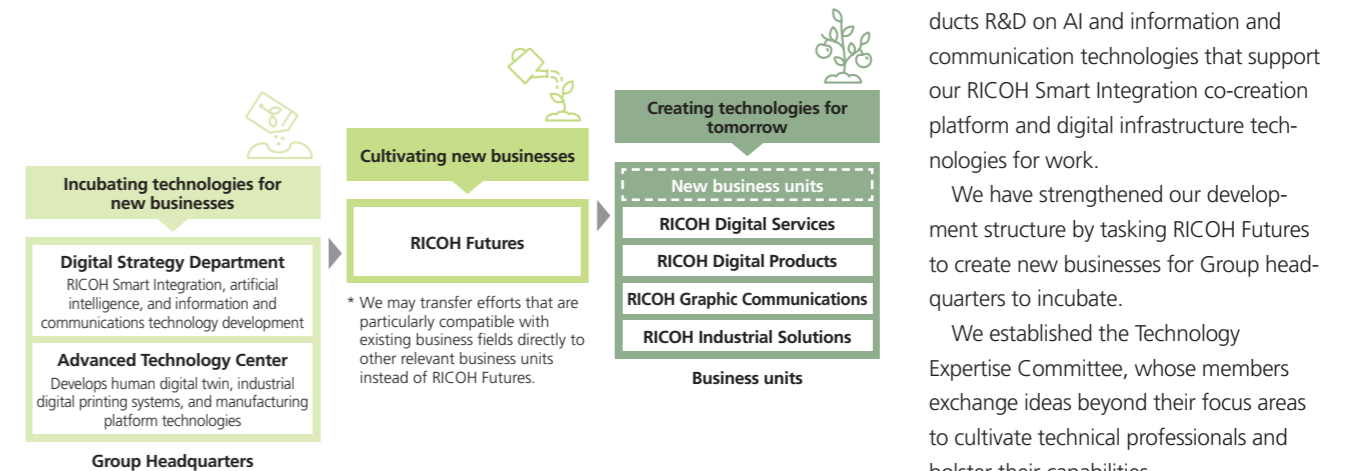
Technology development efforts

In fiscal 2021, we adopted a business unit structure to consolidate and employ resources according to customer and product categories. We accordingly have changed our R&D structure to one in which each business unit oversees everything from medium- to long-term research through prevailing current product development, design, and production.

The role of Group headquarters is to provide digital services that enable customers to employ new work practices. We established the Advanced Technology Center and the Digital Strategy Department. The Advanced Technology Center focuses on human digital twin and industrial digital printing systems technologies.

Human digital twin technology captures and converts emotions and other data in addition to the five senses, and uses recognition and AI technologies to systematize actions and thoughts. By linking this digital twin setup to workflows, we seek to maximize worker creativity.

Industrial digital printing systems use inkjets to form a variety of functional materials, such as metallic and ceramic materials and even cells. This technology digitalizes manufacturing while enabling production processes that eliminate waste, conserve energy, or otherwise help resolve social issues.



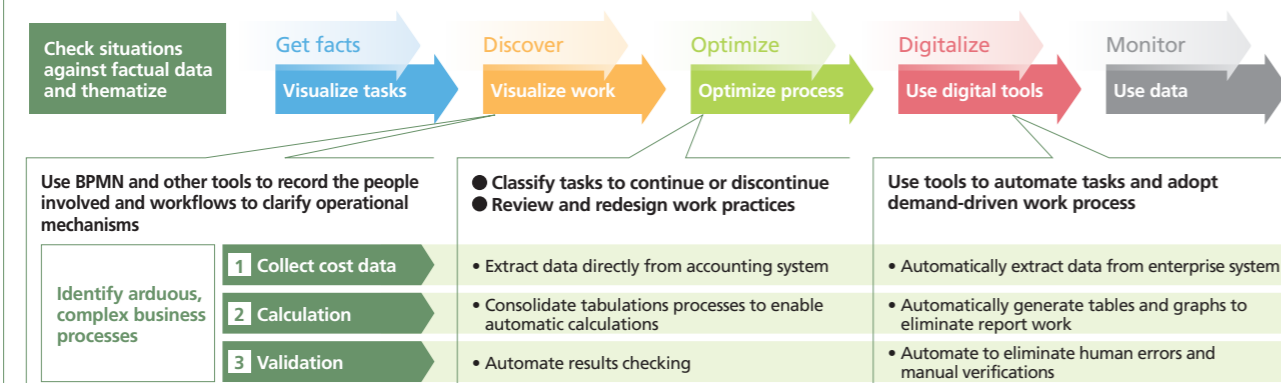
The Digital Strategy Department conducts R&D on AI and information and communication technologies that support our RICOH Smart Integration co-creation platform and digital infrastructure technologies for work.

We have strengthened our development structure by tasking RICOH Futures to create new businesses for Group headquarters to incubate.

We established the Technology Expertise Committee, whose members exchange ideas beyond their focus areas to cultivate technical professionals and bolster their capabilities.

Case study | Improving expense calculations process

An area targeted for back-office improvement was expense calculations. There were multiple conflicting procedures with various staff responsible for different areas. Calculating expenses required manually-intensive collecting, integrating, and processing data from each site. We reviewed each process and established an optimal flow, enabling us to create an optimal system so that actual expenses could be reported to each department accurately and timely with much less effort.



Intellectual property initiatives

With the transition to a business unit structure, we reorganized our intellectual property functions. The IP functions of business units are to formulate and implement specifically optimized strategies. At Group headquarters, the focus is on bolstering governance and frontline IP activities by formulating relevant companywide strategies and providing related in-house services to business units. The CTO oversees these activities, which management and the Board of Directors decide on in meetings for management implementation.

We have established two areas where we are reinforcing our

IP strategy. One is digital services, for which we need to create and employ IP for innovations we pursue by co-creating and collaborating with diverse stakeholders in countries where we do business. To do this with a higher precision, we are enhancing information analysis and undertaking IP efforts that lead to very valuable patents.

The other area is edge devices, for which we use patents and expertise to protect our technological strengths, particularly for the core technologies we amassed over the years. Such efforts help us to maintain and enhance our competitive lead.

20th MTP Policy
3

Improve capital returns

Reinforcing capital policies

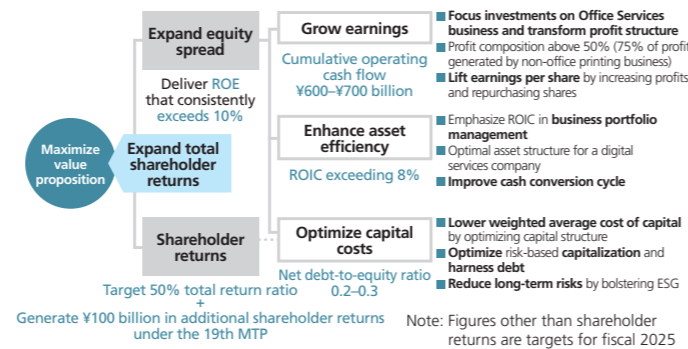
Corporate value maximization and capital policy stances

We aim to maximize corporate and shareholder value while satisfying stakeholder expectations. We accordingly seek to generate returns that exceed capital costs.

In fiscal 2021, all business units overcame a challenging business climate to undertake structural reforms. At the same time, they deployed measures to recover from product shortages and the impacts of such external factors as raw material and ocean transportation costs. On the balance sheet management front, our equity ratio was high owing to the April 2020 deconsolidation of Ricoh Leasing Company, Ltd. We aim to attain an appropriate risk assessment-based capital structure to transform Ricoh into a digital services company. We will primarily allocate capital to relatively high-risk growth businesses while using debt in the Office Printing business and

other stable businesses. We will continuously verify and improve our cash flow allocations to optimize our capital structure.

Steadily deploy measures to enhance corporate and shareholder value



Growth investment approach

We are maintaining our policy of investing ¥500 billion in growth investments by fiscal 2025. We established and are pushing ahead with priority areas, which are for business growth M&A investments, strengthening of business foundations, and investment for new business domain creation.

As part of becoming a digital services company, we acquired several information and communications technology (ICT) companies in Europe. We are steadily investing in acquisitions for business growth in Japan, including the April 28, 2022 decision to make PFU Limited a consolidated subsidiary. We are bolstering our management infrastructure by upgrading our core systems and investing in human capital.

We will systematically allocate operating cash flows from business investments to further invest in growth and generate

shareholder returns. Investment will be made strategically and in a balanced manner by actively utilizing interest-bearing debt as well as capital, mainly from operating cash flow as described in the section above.

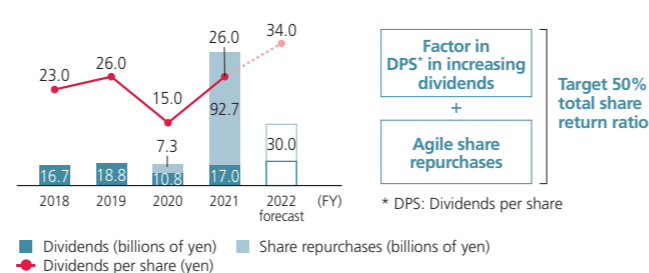
	Priority segments	¥500 billion in growth investments through FY2025
M&A investments for business growth	Office services in Japan and Europe	Approx. ¥200 billion (top priority)
	Office services software	
	Edge devices that drive digital services	
Strengthen business foundations	Frontlines digitalization	Approx. ¥100 billion (Prepare as additional investment)
	Acquire and train digital professionals Upgrade enterprise systems	
New business domain creation	Develop advanced technologies	Approx. ¥100 billion
	Create businesses that resolve social issues	

Shareholder return policy

We are maintaining our policy of delivering a 50% total return ratio. In fiscal 2021, we endeavored to enhance returns on capital by repurchasing and retiring ¥100 billion in shares in light of achievements under our 19th Mid-Term Management Plan. We paid an annual dividend of ¥26 per share, as forecasted.

For fiscal 2022, we aim to lift dividends by ¥8 per share, for an annual total of ¥34 per share that factors in the dividend yield. We plan to buy back up to ¥30 billion in shares in the first half of the year and retire all repurchased shares. We will keep striving to improve shareholder value, including flexibly

repurchasing shares while factoring in business plan and growth investment progress.



Message from the CFO

In fiscal 2020, the first year of our 20th Mid-Term Management Plan, the COVID-19 pandemic significantly affected our operations, particularly MFPs in our Office Printing business. We accordingly positioned that year as one of tackling the crisis stemming from the pandemic and gearing up for the future. With infections spreading during the year, we reviewed the remaining two years of that plan, including rebuilding measures to drive business growth and undertaking structural reforms. We planned several business management and capital policy changes as part of that process.

Progress with business unit structure and ROIC management

We adopted a business unit structure in April 2021. One anticipated outcome in integrating everything from development through production and sales was that cost-cutting and efficiency gains would be comprehensive and swifter than under a function-based organization. The pandemic's impacts increased in fiscal 2021. In particular, we experienced parts shortages and soaring raw material and ocean freight costs, especially after the summer. We quickly implemented recovery measures. Efforts included bringing forward or augmenting structural reform initiatives and flexibly controlling costs. We could not have taken these actions under our previous organizational structure.

We also began basing business management on returns on invested capital (ROIC). We are breaking down ROICs into measures and key performance indicators and connecting them to a ROIC tree to better link companywide and operational or business unit ROICs. The ROIC tree is also leveraged to track profitability and efficiencies in production, sales, maintenance, and other processes. It has been demonstrated that the work of individual employees such as maintaining proper inventory turnover periods, improving receivables processes from credit management through collections, and automating business processes using low-code applications, is either directly or indirectly improving ROIC.

We aim to assess and monitor each business unit to optimally allocate resources for growth and overhaul operations by augmenting ROIC with business portfolio management that combines marketability and compatibility with the digital services we seek to offer. We are also building a management structure that is conscious of capital profitability.

Takashi Kawaguchi
CFO



Growth investments and capital policies

As mentioned earlier, our three investment categories are M&A investments for business growth, strengthen business foundations, and investment for new business domain creation. We aim to make ¥500 billion in growth investments by fiscal 2025. We are cultivating digital professionals to reinforce our business structure. As a digital services company, we view sufficient investment in digital professionals not as a mere expense, but as an essential investment for generating future financials. Such investments include developing multi-skilled maintenance services and sales personnel near customer frontlines and adopting digital manufacturing processes. Investments are also important to ensuring acquisitions succeed and creating new business domains. In the coming years, we will increase corporate value by cultivating people who can generate high added value at key customer contact points.

On the cash flow allocation front, we have retained our approach of assigning capital to investments in growth businesses and leveraging interest-bearing debt to invest in stable business fields. We will strive to optimize our capital structure with net assets of around ¥1 trillion by fiscal 2025 while temporarily employing capital to cover business risks in uncertain times and help us transition to a digital services company.

Our shareholder returns policy under the 20th Mid-Term Management Plan is to generate a total return ratio of 50%. We look to lift our dividends per share by ¥8, to ¥34, in fiscal 2022. We seek to continue increasing dividends, boost corporate value, and improve earnings per share by flexibly undertaking measures that deliver additional returns.

Business performance

Under the 20th Mid-Term Management Plan (20th MTP), which started in fiscal 2021, Ricoh aims to become a digital services company that is a work productivity innovator.

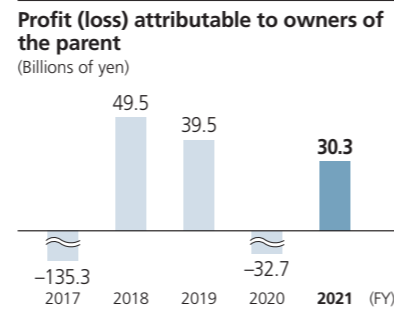
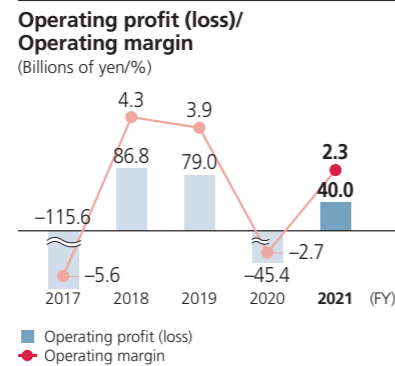
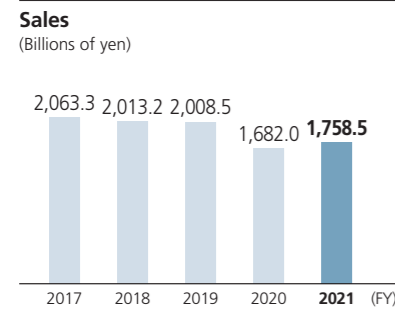
While the pandemic again affected the Office Printing and Commercial Printing businesses in the year under review, economic activity resumption in Europe and the United States put us on track for a recovery, particularly in non-hardware. We reinforced our structure by optimizing our development, production, services, and other structures while taking major steps toward growth and reaching our 20th MTP goals. We endeavored to enhance corporate value by expanding in the office services business and other digital services areas and improving capital returns.

Consolidated sales for the term increased 4.5% from a year earlier, to ¥1,758.5 billion. This was despite various external factors hampering business activities. Among them were lost sales opportunities and production stoppages stemming from a global resurgence in COVID-19 infections, as well as container ship shortages and limited supplies owing to a lack of

components. In the Office Printing business, non-hardware sales rose everywhere except in Japan. This was despite a hardware sales recovery delay due to product supply shortages. The Office Services business suffered from shortages of MFPs and IT products that we include in our services. Sales were up, however, on solid demand for software and other packages.

Supplies shortages, higher logistics costs, the spread of new COVID-19 variant infections, and other external factors dampened operating profit by a combined ¥57.0 billion. Our new business unit structure enabled us to overcome these challenges. That is because delegating decision making to those units encouraged them to reinforce their structures and better control expenses. As a result, operating profit increased ¥85.4 billion from a year earlier, to ¥40.0 billion.

We recorded a ¥30.3 billion profit attributable to owners of the parent, compared with a ¥32.7 billion loss attributable to owners of the parent in the previous year.



For more information, refer to the following pages: Business Overview by Business Unit P. 37-38

WEB Refer to our website: Annual securities report for the year ended March 31, 2022; Flash report for the year ended March 31, 2022

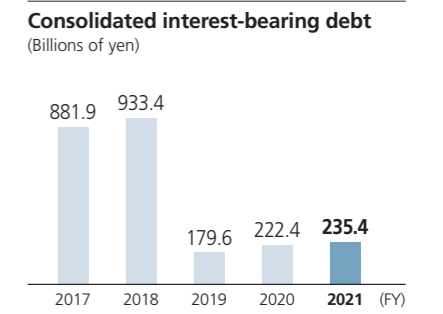
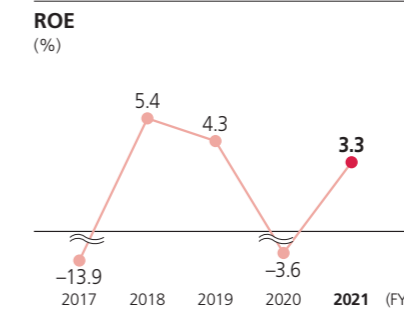
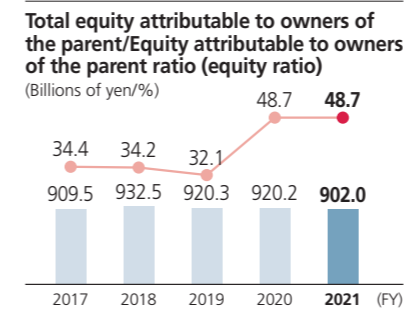
Financial position

Total assets decreased ¥34.6 billion from the end of fiscal 2020, to ¥1,853.2 billion. The yen depreciated significantly from the end of the previous term, producing translation differences for foreign assets. After excluding a foreign exchange impact, total assets declined ¥113.7 billion.

Total liabilities were down ¥16.5 billion, to ¥947.4 billion. After excluding the impact of foreign exchange rate fluctuations, these liabilities were down ¥49.4 billion. Trade and other payables decreased by ¥18.6 billion owing to shorter payment terms after reviewing conditions with suppliers. Accrued pension and retirement benefits declined ¥24.7 billion. This was due largely

to higher discount rates from interest rate rises.

Total equity decreased by ¥18.0 billion, to ¥905.8 billion. Equity declined ¥92.7 billion in line with treasury stock repurchases that the Board of Directors approved on March 3, 2021. We retired ¥137.2 billion in treasury stock on February 28, 2022, comprising these and the shares repurchased before March 2021. As a result of the yen's depreciation, exchange differences on translation of foreign operations rose by ¥46.8 billion. Total equity attributable to owners of the parent was down ¥18.2 billion, to ¥902.0 billion. The equity ratio stayed stable, at 48.7%.

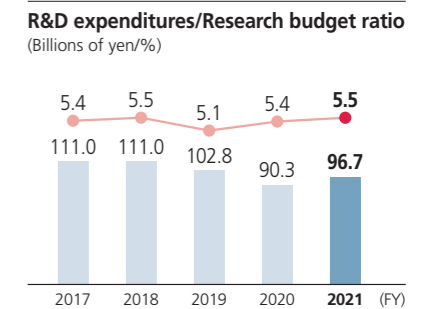
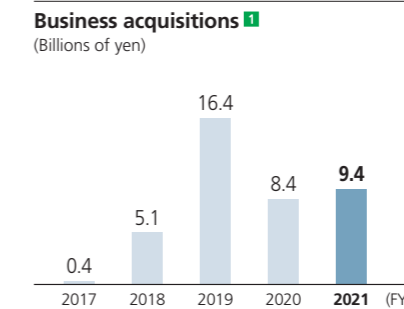
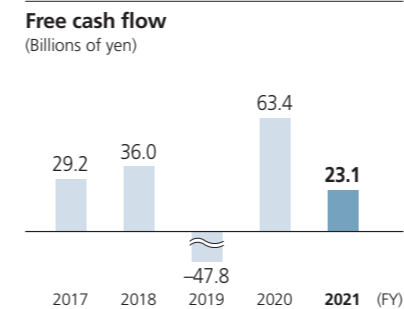


Legend: ■ Total equity attributable to owners of the parent, ● Equity attributable to owners of the parent ratio (equity ratio)

Free cash flow

Net cash provided by operating activities was ¥82.4 billion, down ¥44.5 billion from a year earlier. This was despite a significant earnings improvement, and reflected an increase in inventories. Net cash used in investing activities decreased

¥4.2 billion, to ¥59.3 billion. This reflected ongoing business expansion investments that offset higher cash inflows from sales of property, plants and equipment. The free cash flow was thus ¥23.1 billion, down ¥40.2 billion.



Legend: ■ R&D expenditures, ● Research budget ratio

INFO

Business acquisitions

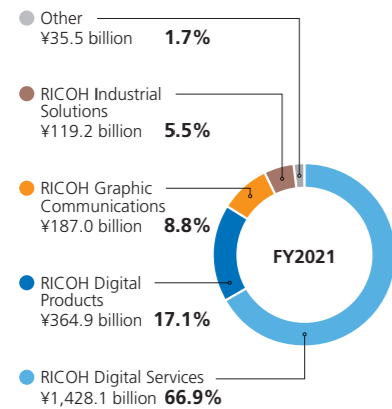
Amount recorded under cash flows from investing activities in the consolidated statements of cash flows

Business Overview by Business Unit

Fiscal 2021 financial highlights

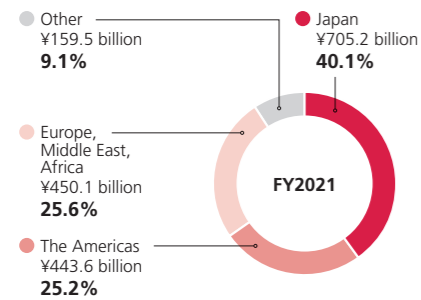
Figures comply with International Financial Reporting Standards.

Sales by business



Note: Sales include those from external customers and intersegment transactions.

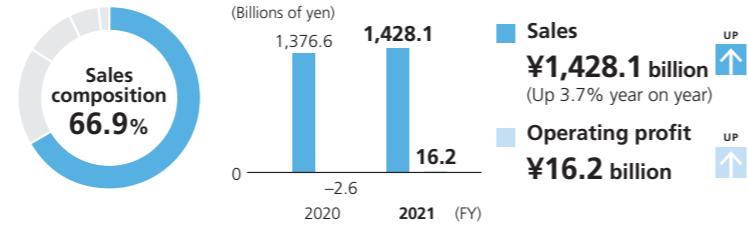
Sales by geographic area



Office Services	RICOH Digital Services
Office Printing	RICOH Digital Products
Commercial Printing	RICOH Graphic Communications
Industrial Printing	
Thermal Media	RICOH Industrial Solutions
Industrial Products	

* Effective April 1, 2021, we adopted a business unit structure and changed business segments.

RDS RICOH Digital Services



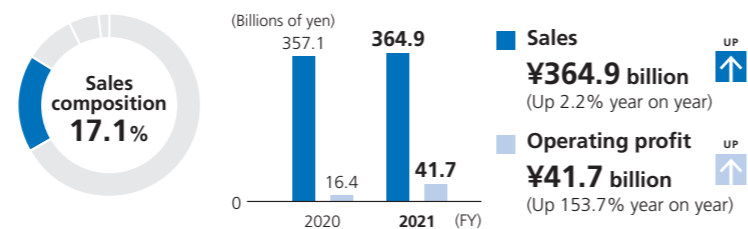
Business outline

Digital Services business: We sell office imaging equipment and consumables. These include MFPs and printers, with leading global market shares. We draw on our global customer base to offer IT-related solutions that support customers' overall workflow reforms and work practice innovations. We also provide other services to digitally resolve management issues and enhance customer productivity.

Business report

Segment sales increased 3.7%, to ¥1,428.1 billion. In the Office Services business, package deployments remained robust in Japan and Europe despite global shortages of such IT products as PCs, servers, and network equipment, which reduced sales opportunities. In the Office Printing business, materials shortages hampered a recovery in sales of MFPs, printers, and other edge devices. Non-hardware sales nonetheless recovered as people returned to offices in line with progress with COVID-19 vaccination uptakes. Segment operating profit was ¥16.2 billion, from an operating loss of ¥2.6 billion a year earlier. This turnaround reflected improved profitability and margins in the office services business. Other key contributions were from the Office Printing business, for which we reinforced our maintenance services setup and undertook other structural reforms and reduced costs.

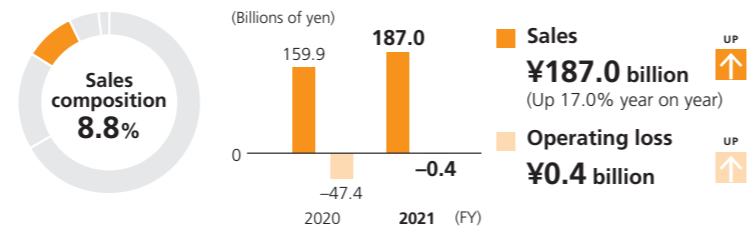
RDP RICOH Digital Products



Digital Products business: We develop and produce (including on an OEM 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.

Segment sales rose 2.2%, to ¥364.9 billion. We are striving to cut costs by lowering variable expenses and revamping our manufacturing structure. In fiscal 2021, while materials price hikes hampered efforts to reduce variable expenses, we progressed steadily with efforts to standardize parts and leverage AI to automate production. As for revamp of our manufacturing structure during the term, we extensively digitalized design tasks, consolidated and reorganized production plants, and collaborated extensively with other companies to cut development costs. While production suffered greatly from parts and materials shortages and the pandemic's impact near overseas production sites, operating profit increased ¥25.2 billion, to ¥41.7 billion. Factors included such structural reforms as reducing product costs, improving development and production efficiency, and gains on U.S. subsidiary land sales.

RGC RICOH Graphic Communications

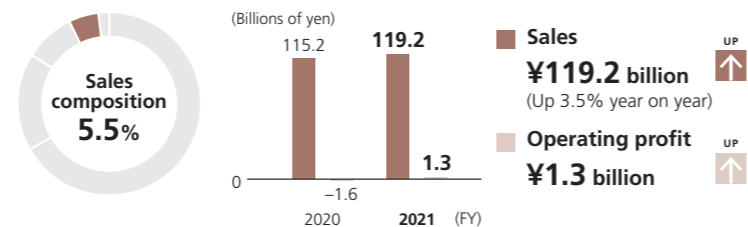


Commercial Printing business: We provide digital printing-related products and services for high-mix, low-volume printing to our customers in the printing industry.

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

Segment sales were up 17.0%, to ¥187.0 billion. Our Commercial Printing business recovered on resumption of economic activity in the key U.S. and European markets. Non-hardware sales enjoyed a particularly solid improvement. Growth was significant in industrial printing, especially in inkjet heads, in which we are a powerful competitor. We progressed steadily in cost reduction by deploying digital development and production processes while streamlining service activities. We posted an operating loss of ¥0.4 billion, a significant improvement over the ¥47.4 billion in red ink of a year earlier. The loss in the previous term reflected impairment losses on goodwill, property, plant and equipment, and intangible assets relating to the Commercial Printing business.

RIS RICOH Industrial Solutions

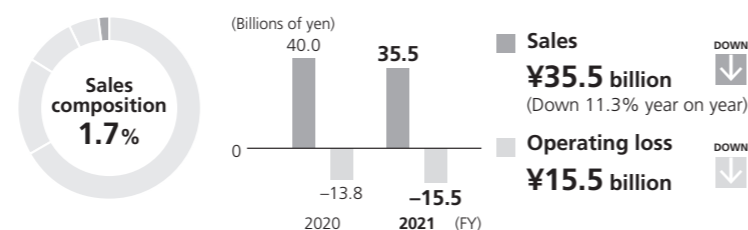


Thermal Media business: We manufacture and sell thermal paper for point-of-sale, barcode, delivery, and other labels for food products, and thermal transfer ribbons for clothing price tags, brand tags, and tickets.

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

Sales climbed 3.5%, to ¥119.2 billion. In the Thermal Media business, demand has risen solidly on growth in e-commerce, which has driven demand expansion worldwide for delivery labels. Against this backdrop, we have drawn on the materials technologies we amassed to expand our business steadily over the years. This is notably by supplying thermal paper, thermal transfer ribbons, and other products that ensure outstanding heat and abrasion resistance, deliver superior print definition and storage capabilities, and are environmentally friendly. In the Industrial Products business, we are expanding our customer base by providing stereo cameras and other optical devices to the automotive sector, in which safety driving assistance systems are increasingly ubiquitous. Automotive customer production adjustments significantly affected the Industrial Products business. Operating profit was ¥1.3 billion, from an operating loss of ¥1.6 billion a year earlier.

Other



Smart Vision business: We are strengthening our platform business, which brings together our 360° RICOH THETA cameras with software and cloud services to streamline real estate, construction, and architectural site work.

Other businesses: We are expanding new business opportunities in various fields. These include digital camera-related businesses, our business with PLAiR, a new plant-derived material that is an alternative to plastic, healthcare business, and social infrastructure and environmental businesses.

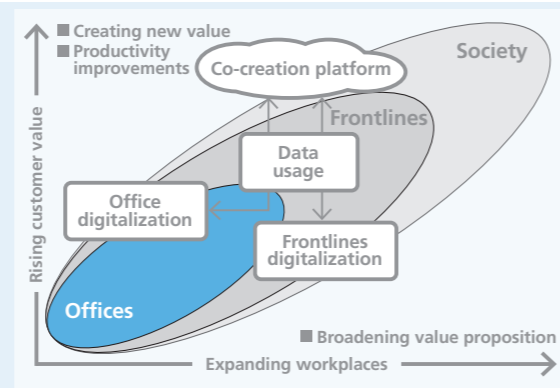
Sales for the term decreased 11.3%, to ¥35.5 billion, owing primarily to Ricoh Leasing Company, Ltd., becoming an equity-method affiliate. After excluding this factor, we benefited from solid sales of new products in the camera business and sales increased from the previous year. We posted a ¥15.5 billion operating loss in this segment, stemming partly from up-front investments in new businesses.

In keeping with our commitment to helping resolve social issues, we are capitalizing on new opportunities by creating business models that leverage digital technology and our expertise in patents and other aspects of intellectual property. We leverage open innovation to create new value we could not generate ourselves.

RDS RICOH Digital Services

Business unit role

We leverage robust customer touchpoints by using technology to connect workplaces, extending from offices to remote locations and frontlines. We help customers build digital workflows and streamline business processes.



Message from Business Unit President

RICOH Digital Services provides sales and support in around 200 countries and regions around the world through regional headquarters in Japan, the Americas, Europe, and Asia-Pacific. We are expanding digital services, as a service integrator, by drawing on our global customer touchpoints and strengths in integrating an array of applications, services, and edge devices. We deliver customer value in four key areas. These are IT

infrastructure, digitizing workflows, digitalizing frontlines, and new workstyles. We are focusing on strengthening RICOH Smart Integration (RSI), a cloud-based co-creation platform that combines devices and applications to support these areas.

The need for digital transformation in customer workplaces increasingly extends beyond offices to encompass remote work environments and frontlines. We have responded in various ways to such changes in recent years by investing in evolving RSI further. This includes the acquisition of DocuWare and Axon Ivy, global software providers, formed a business alliance with Cybozu, and the acquisition of PFU, and are expanding our services to help our customers digitalize their business workflows.

RICOH Digital Services profits by helping customers around the world succeed. We will offer services that support human creativity in all sorts of workplaces and continue pursuing customer success to accelerate our growth and become more profitable simultaneously.



Akira Oyama
President of RICOH Digital Services Business Unit

CASE STUDY 01

Digitizing workflows to enhance corporate value

DocuWare

Ricoh acquired content service platform provider DocuWare GmbH in 2019. The company serves over 15,000 customers in more than 100 countries.

One of these customers is WSM Personal GmbH, a German mid-sized temp staff agency. The firm recruits personnel from Central and Eastern Europe, primarily for the manufacturing industry.

The human resources services sector is a prolific producer of records. These include employment contracts, vacation requests, and pay stubs. WSM Personal managed all documents from the outset on its own file server. However, they adopted cloud-based DocuWare in 2015 because it became necessary to access documents swiftly, anytime, anywhere.

The system now stores 80,000 documents.

Since 2020, they have been working on workflow automation by connecting multiple external systems with DocuWare at the center. Remote signing contract is one example. First, an employment contract created by ERP is emailed to the temporary employee. Then, the e-signature service provided by Validated ID S.L. sends a one-time password text message to the employee's smartphone. This two-step verification mechanism allows for secure and speedy contract signing between different countries without paper or human intervention.

DocuWare has helped WSM Personal to keep evolving its business processes and solidify its position in the human resources services sector.



We boost our process through digitization – DocuWare plays a key role in this. Signatures integrated into DocuWare increases our speed and agility, especially when managing employment contracts in different countries. Without the DMS, we would undoubtedly need more administrative staff.

Markus Maier
Managing Director, WSM Personal GmbH

CASE STUDY 02

Sharing Ricoh workplace innovations with customers

Scrum Assets

RICOH Smart Apps included in Scrum Assets is a suite of business applications linked to Microsoft 365*. Ricoh responded to the need to embrace telecommuting and other work approaches by commercializing a groupwide communication framework for customers.

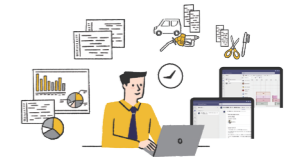
The Microsoft Teams* app streamlines team schedule management, work reporting, and other communications between employees, even when they are at distant locations. SharePoint* apps combine portal, bulletin board, and other groupware functions.

Customers deploying Ricoh's setup have commented that it has enhanced work efficiency and transformed work in ways they thought impossible.

Around 480 certified "Microsoft* Solution Evangelists" are offering value-added proposals utilizing Microsoft's* cloud computing throughout Japan, leveraging their knowledge and experience in coordinating a wealth of customer support services. Ricoh Japan received the Modern Workplace for SMB Award at the Microsoft Japan Partner of the Year 2022 Awards in recognition of these efforts.

We will keep developing products to digitalize operations and help customers grow their businesses.

* Microsoft 365, Microsoft Teams, SharePoint and Microsoft are registered trademarks or trademarks of Microsoft Corporation in the United States and other countries.



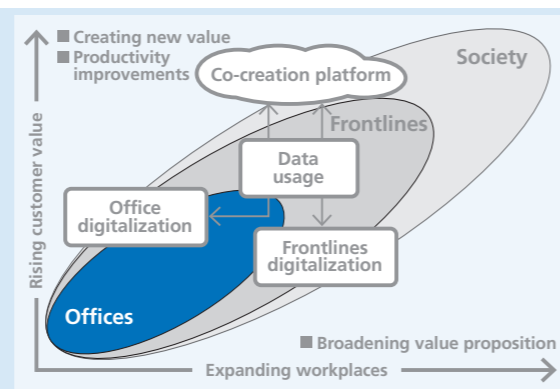
We offer customers nationwide RICOH Smart Apps that constantly update work processes and co-create frameworks to materialize these processes. We will keep collaborating with Ricoh Japan's many customers to design new teamwork practices and contribute to enhancing their job satisfaction.

Shotaro Takano
Group Leader, DX Office, ICT Business Headquarters, ICT Technology Division
RicoH Japan Corporation

RDP RICOH Digital Products

Business unit role

We support the Group's digital services by developing edge devices that contribute to productivity in customer workplaces, including the frontlines. Offerings include multifunction printers (MFPs), the core edge devices in offices.



Message from Business Unit President

Ricoh Digital Products remains a manufacturing business unit. A key mission is to keep creating and supplying compelling edge devices that enable Ricoh to deliver advanced digital services to customers. We reinforced our manufacturing structure in various ways in fiscal 2021. For example, we established an integrated structure from development through manufacturing and sales to develop and produce our offerings faster and more efficiently. We will continue pursuing operational excellence while striving to expand our business further and capitalize on incremental growth opportunities.

External factors hampered production in fiscal 2021. Among them were shortages of semiconductors and other electronic components and surging raw materials and logistics costs. We must therefore create a manufacturing structure that is impervious to external changes. One effort will be to deploy development methodologies it incorporates into the design plans include measures to tackle potential difficulties in securing parts at the development stages. Another will be to have redundant manufacturing so identical products can be made in multiple plants.

We will collaborate with external stakeholders in these endeavors, such as by jointly developing products with industry peers or sharing modules or plant facilities.

Ricoh's flagship A3 color MFPs are particularly eco-friendly, outperforming the competition in a range of benchmarks, including through energy-saving functions and recycled materials usage rates. We will continue to innovate compelling edge devices that support Ricoh's unique digital services. These offerings will include communication devices whose high-quality video and audio alleviate some of the frustrations of what has become routine teleconferencing since the pandemic struck, scanners that accelerate customer digital transformation efforts, and peripherals that streamline frontlines tasks.



Katsunori Nakata
President of RICOH Digital Products Business Unit

CASE STUDY 01

Analyzing production, logistics, and sales information to understand and resolve issues

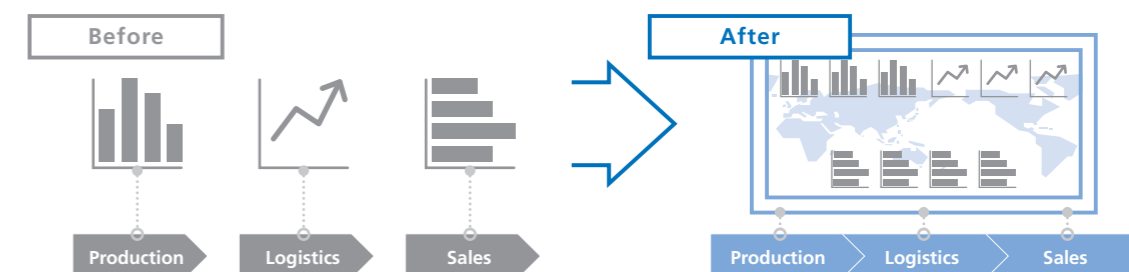
Product logistics monitoring

It is essential to review product supply plans and quickly respond to logistics disruptions caused by recent parts shortages in order to ensure a stable supply of products to our customers. Our production, logistics, and sales departments manage masses of information covering everything from production sites to global delivery. We created a new framework to consistently collect, integrate, visualize, and track inventory levels daily across our entire supply chain. This means we can efficiently monitor supply stability through a single screen.

We also established a setup to analyze operational status, including defect information, sending it in real-time to plants. This setup enables us to swiftly manufacture top-quality products that satisfy customers, slashing after-service times.

We look to share this analytical data with parts manufacturers to build a supply chain that further improves quality.

We also aim to provide these systems to customers.



CASE STUDY 02

Transforming web conferencing RICOH Meeting 360 V1

RICOH Meeting 360 V1 is an all-in-one teleconferencing device incorporating a 360° camera, microphone, and speakers.

The unit employs proprietary 360° image correction technology that adjusts brightness to optimally show all participants' facial expressions and automatically focuses on the person speaking. The microphone sound pickup technology we honed in developing our videoconferencing system captures audio clearly from considerable distances. We will leverage these technologies to keep transforming web conferencing in the coming years.

We plan a range of additional features, including minutes-taking support, speaker identification, and record searches.

Converting analog audio and video into digital data will help companies resolve various issues and materialize new work practices by making it far more efficient for them to maintain and access information assets.



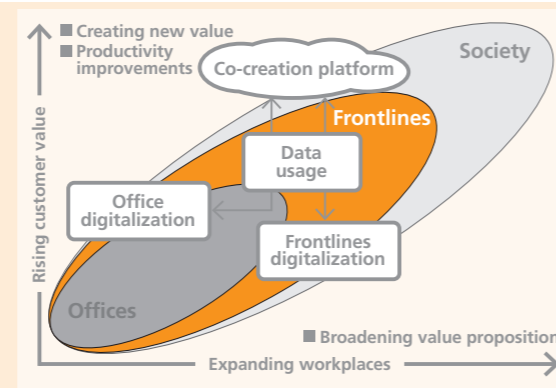
We have tuned the system with a focus on customer usability, such as the sensitivity of the automatic focus switching of the speaker, sound collection from a distance, and the ability to reduce echoes when a speaker's voice overlaps with another person in the web conference.

Kunihiko Nishioka
Development Group I, NED Business Office, SC Business Department
RicoH Digital Products Business Unit

RGC RICOH Graphic Communications

Business unit role

We support customers in digitalizing their printing sites. We help them transform work practices and expand their businesses by providing digital printing solutions, automating print site production processes, and providing marketing communications tools that integrate paper and electronic media.



Message from Business Unit President

We aim to help commercial, industrial, and enterprise printing customers and brand owners to improve on-site digital transformation and work practice approaches and expand their businesses. We also seek to maximize customer value and resolve social issues.

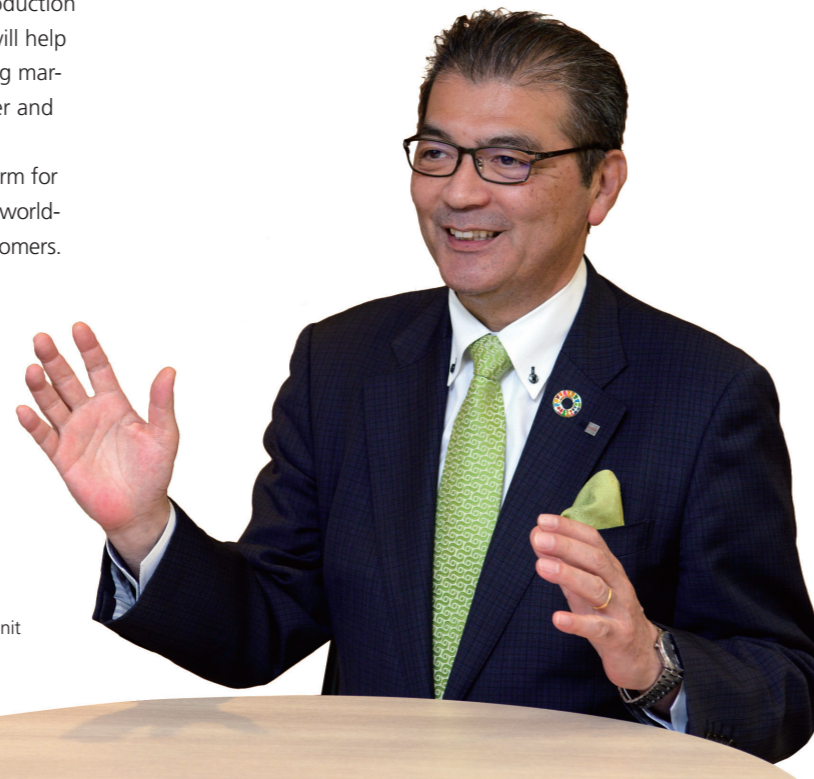
Specifically, through promoting digital printing, we will offer customers high-value printed materials on-demand that meet their needs, thereby helping them to expand their businesses and reducing their carbon footprint by curtailing mass printing and disposal.

We will help resolve labor shortages by providing workflows that automate and digitalize print production processes and alleviate manual workloads. We will help brand owners expand their businesses by offering marketing communications tools that integrate paper and electronic media.

We developed RICOH Business Booster, a platform for creating value with printers and business partners worldwide to collaborate more with printing sector customers.

This platform makes it possible to co-create new printing applications, automate production processes, and support business development. More than 5,000 customers have already become co-creation partners.

We aim to drive customer digital transformation efforts by attentively listening to their needs and solving their problems, becoming a comprehensive partner for Graphic Communications.



Sergio Kato
President of RICOH Graphic Communications Business Unit

CASE STUDY 01

Driving a digital transformation on printing frontlines RICOH Pro VC70000, RICOH Pro Scanner, and other offerings

The Sattler Media Group is a leading commercial printing company in Germany, producing direct mail, catalogs, and magazines. The catalogs include product information, technical information, manuals, and many other types—some exceeding 400 pages—and are produced in a variety of versions and languages.

In response to Sattler Media Group's need for a highly-automated digital production, the Ricoh Group met the customer's expectations with the Ricoh Pro VC70000, a high-speed digital inkjet that delivers high image quality, high productivity, and support for a wide variety of paper stocks.

Ricoh automated the roll-changing process with the AutoSplicer from Ricoh partner Tecnaue SRL. The RICOH Pro Scanner option with this platform leverages artificial intelligence and machine learning technology to automate print-related tasks and maintain consistent quality. This setup has significantly reduced operator workloads.

Investing in digital inkjet technology has helped Sattler Media Group develop an innovation-centric corporate culture. Adopting the RICOH Pro VC70000 and sophisticated automation tools has positioned Sattler Media Group as a trailblazer among German production printing companies and will help them to attract and retain talent.



The RICOH Pro VC70000 and its automation technology have significantly contributed to our business. Ricoh Group is an important partner for Sattler Media Group in promoting digital transformation in the graphics industry.

Arndt-Friedrich Wille
Business Development Manager, Sattler Media Group

CASE STUDY 02

Helping expand digital printing businesses Printhead Technology

Ricoh agreed to a landmark multi-year printhead technology deal totaling €50 million to extend its successful collaboration with Durst Group AG. Headquartered in Italy, Durst Group AG is a world-leading inkjet printer manufacturer that develops and markets printers, software, and inks with various industrial applications. Strict criteria are used in the selection of printheads, which are ultimately determined by their application suitability and technical performance.

We entered the digital textile market several years ago by supplying printheads to Durst Group AG. Ricoh's outstanding print quality, productivity, and printhead reliability prompted Durst Group AG to use more Ricoh technology in multiple industrial applications across its portfolio. Ricoh will continue to provide new value to customers worldwide by developing and supplying printheads.



Our deal with Ricoh enabled us to deliver new printers to market faster. Our collaboration with Ricoh has perfected the interplay of printheads, inks and substrates, all optimizing print quality and performance and improving reliability for extended printer life.

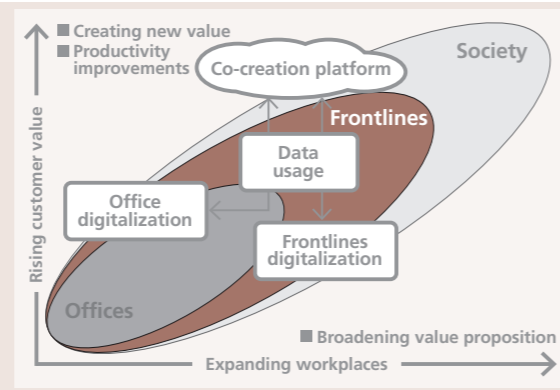
Christoph Gamper
CEO and co-owner, Durst Group AG

RIS RICOH Industrial Solutions



Business unit role

We enhance customer productivity by digitalizing customer workplaces in the manufacturing and logistics sectors. We create new value by delivering total solutions that incorporate utilization of data.



Message from Business Unit President

RICOH Industrial Solutions' five businesses all derive from the company's core technologies. The Industrial Media Solutions business uses Ricoh's chemical formulation and coating technology for diazo photosensitive paper. The Precision Components business applies Ricoh's precision processing technology in watches. The Industrial Equipment business utilizes Ricoh's MFPs production technology. The Electronics business harnesses Ricoh's MFPs electrical circuit board design technology. The Optical business leverages Ricoh's camera optics technology.

Each business pursues two strategies under the 20th MTP. One is to expand growth in targeted segments, reinforcing the management structure to maximize earnings. The other is to create digital services that deliver new customer value.

We will mobilize the Ricoh Group's industrial business resources to take on the challenges of digital transformation. We will also integrate Industrial Media Solutions and the other four industrial product businesses to make them key contributors to the Ricoh Group. We will create new digital services by taking advantage of cutting-edge technologies beyond the scope of these five businesses.

We will resolve issues by providing total solutions that integrate media, hardware, and systems while maintaining close connections with customer production sites, delivering fulfillment through work for them and ourselves alike. We will keep pushing forward in this direction with the firm belief that it will enable us to achieve continuous growth.



Yasutomo Mori
President of RICOH Industrial Solutions Business Unit

CASE STUDY 01

In-line high-speed printing solutions to materialize variable information printing RICOH FC-LDA Printer 500

The RICOH FC-LDA Printer 500 is a high-speed printing solution for production processes. We developed it by drawing on the Group's strengths in optical and thermal printing technologies. Its 192 lasers modulate independently at high speeds to print variable information on-demand at up to 300 meters per minute, a world record for such platforms (source: Ricoh research as of June 13, 2022). We have thus improved print efficiency for food, consumer goods, and other mass-



Serial numbers and QR codes* are printed on the back of the shrink labels for bottles of Kao Healthya Green Tea Alpha and Healthya Green Tea Umami Luxury Tailoring

produced offerings while providing variable printing that can change printing content to cater to different customer needs.

Fuji Seal, Inc. was the first company to commercially apply this solution, using it to print unique serial numbers and QR codes* for giveaway entries on the backs of shrink labels on Kao Corporation's Healthya beverages in plastic bottle

packaging. This enables Kao to obtain the detailed data needed to serve consumers better. It also helps Kao to innovatively reduce its use of flashy plastic stickers in keeping with its ESG strategy.

By assigning individual product IDs through variable printing, companies can enhance traceability and determine authenticity to bolster food and product safety. They can also leverage this printing for digital marketing, collect more detailed consumer purchasing data, and digitalize processes in the daily necessities, food manufacturing, and retailing sectors. We also take on variable printing challenges for various packaging materials to match customer demands. This allows the acquisition and analysis of detailed data from variable information at many sites. Ricoh will continue exploring ways to add more value to digital services to meet customer needs.

The RICOH FC-LDA Printer 500 won an Encouragement Award in the 14th Laser Society of Japan Industry Award for 2022 for contributing to industrial progress in Japan through laser technology.



* QR Code is a registered trademark of Denso Wave Incorporated



Combining the Ricoh Group's proprietary thermal technology and thermal ink enabled us to offer a technology that can do much to resolve environmental issues. We will apply this technology to traceability and digital marketing and cultivate services that enable customers to adopt digital processes at their work sites.

Nobuyuki Arai
DS Business Development Group, SDGs Business Office, Industrial Media Solutions Marketing Center
RICOH Industrial Solutions Business Unit

CASE STUDY 02

Helping digitalization of vehicle exterior inspection sites Vehicle Exterior Inspection Equipment

Our proprietary image capture and processing techniques incorporating time correlation technology have made it possible to automate the inspections of objects with gloss finishes. This process has traditionally been notoriously difficult. Our automatic inspection equipment acquires digital data to enhance product traceability and swiftly addresses the causes of defects. Adopting digital processes at manufacturing sites eliminates two key issues with visual inspection by people. One is differences in inspector skills. Another is the unintentional changes in standards due to the passage of time or fatigue. Digital processes help alleviate inspection process workloads and labor shortages while ensuring consistent quality worldwide.

We are jointly developing the vehicle exterior inspection system with a leading Japanese automaker. This will enable a broader range of inspections by combining our expertise in conventional inspection equipment and automated equipment design technology cultivated over the past half century. The

system will be able to capture images when it, or the target vehicle, is moving for far shorter inspection times than with stationary setups.

The inspection results can be stored as digital data in the form of images and information obtained from them (defect locations, sizes, etc.), enabling the digitalization of the work site at the same time that the equipment is deployed. As well as visualizing facilities operations and quality, we are building digital services that identify defect causes by feeding back inspection results to upstream processes. This will contribute to better production efficiency through process improvements.

We also look to expand our vehicle exterior inspection equipment business to overseas markets to achieve business growth.

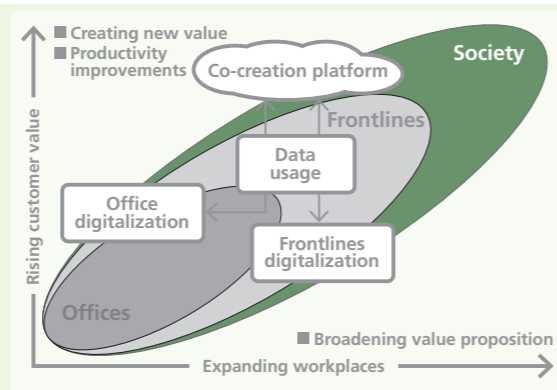


Vehicle exterior inspection example

RFS RICOH Futures

Business unit role

We create new businesses and value for tomorrow by innovating to resolve social issues. We also help improve the quality of life and contribute to a decarbonized, circular economy.



Message from Business Unit President

RICOH Futures is striving to create future value through incubation initiatives that help resolve social issues. We aim to create a business structure whose growth leads to a better world.

I believe there are three elements businesses to be viable. First, it must benefit the world. It must be able to help resolve social issues, and draw on a solid, consistent, and ongoing commitment to such progress. Second, corporate strengths are essential and without that strength one cannot generate value. Building a business model using one's proprietary technologies, patents, and other intellectual property are important to resolve issues in an ever-changing world. Third, co-creation is essential to resolving issues because there are limits to the value that a single company can generate. I believe you have to be able to formulate rules for expanding business with co-creation partners. Organically linking these three elements is vital to establishing a business.

We have a certain way of achieving these goals. That is being a thinker, rather than a doer. In order to create and grow new businesses, our employees must be "doers" who act independently. All of us at Ricoh Futures are committed to practicing "doer" behavior to resolve social issues and create value for our customers.



Takahiro Irisa
President of RICOH Futures Business Unit

CASE STUDY 01

Leveraging 360° camera and images RICOH360 Service

We provide services leveraging the RICOH THETA camera and its 360° images that tackle people's need to communicate while maintaining social distancing and overcoming a shrinking workforce. Companies in the real estate and tourism sectors use THETA360.biz and RICOH360 Tours, a virtual tour production service. Construction industry players use RICOH360 Projects to transform work by making it possible to seamlessly capture, organize, and share 360° images of onsite conditions. We will draw on our unique strengths in developing cameras and digital

services to deliver higher-value-added services that employ 360° image data and the artificial intelligence of RICOH360 image processing API (application programming interface).

The Condominium Business Division of Daiwa House Industry Co., Ltd., Japan's biggest homebuilder, adopted THETA360.biz in February 2020. In addition to the floor plans, the company is also using VR staging to create attractive spaces by decorating 360-degree images with furniture and accessories using computer graphics technology, in addition to providing a virtual tour of the view from balconies.



Salespeople across Japan take advantage of easy use of photography using the RICOH THETA. THETA360.biz is very user-friendly, making it simple and swift to create content and helping to streamline tasks. Our website presents virtual tours for condominiums for sale, in email responses to inquiries, and in other approaches salespeople take to serve those unable to visit locations in person because of the pandemic. Salespeople around Japan frequently ask for virtual reality-based staging support, as it makes it easier for them to show what properties will look like after people move in. Another advantage of this staging is that it can customize furniture styles according to family and price ranges.

Tomohiro Kishishita
Condominium Business Division
Daiwa House Industry Co., Ltd.

WEB Refer to our website: THETA.biz

CASE STUDY 02

Enhancing social infrastructure safety by visualizing road status Road surface inspection system

It has become increasingly important to maintain and manage public infrastructure, given incidents from aging, heavy rainfalls, and other natural disasters. It requires a lot of labor and time, making it a major social issue in Japan.

The inspection of roads, tunnels, and slopes by making it possible to use regular vehicles fitted with proprietary photographic systems that capture images while driving, digitizing these images. Artificial intelligence platforms analyze the data to assess the damage and output various reports. We brought out the Ricoh Road Monitoring Service in 2019 and launched the Ricoh Tunnel Monitoring

Service in 2020. In February 2022, we began jointly testing the Roadside Slope Monitoring System with Miyazaki Prefecture, Japan.

We will contribute to preventing accidents and disasters by leveraging digital technology to streamline inspections, pinpointing high-risk areas needing urgent repairs. In coming years, we will link an array of data to undertake multifaceted inspections, enhancing the safety and security of public infrastructure by precisely identifying signs of deterioration and linking the information to undertake the right disaster prevention measures.



Vehicle fitted with road surface inspection system



View of tunnel interior



Image of slope surface

Basic approach

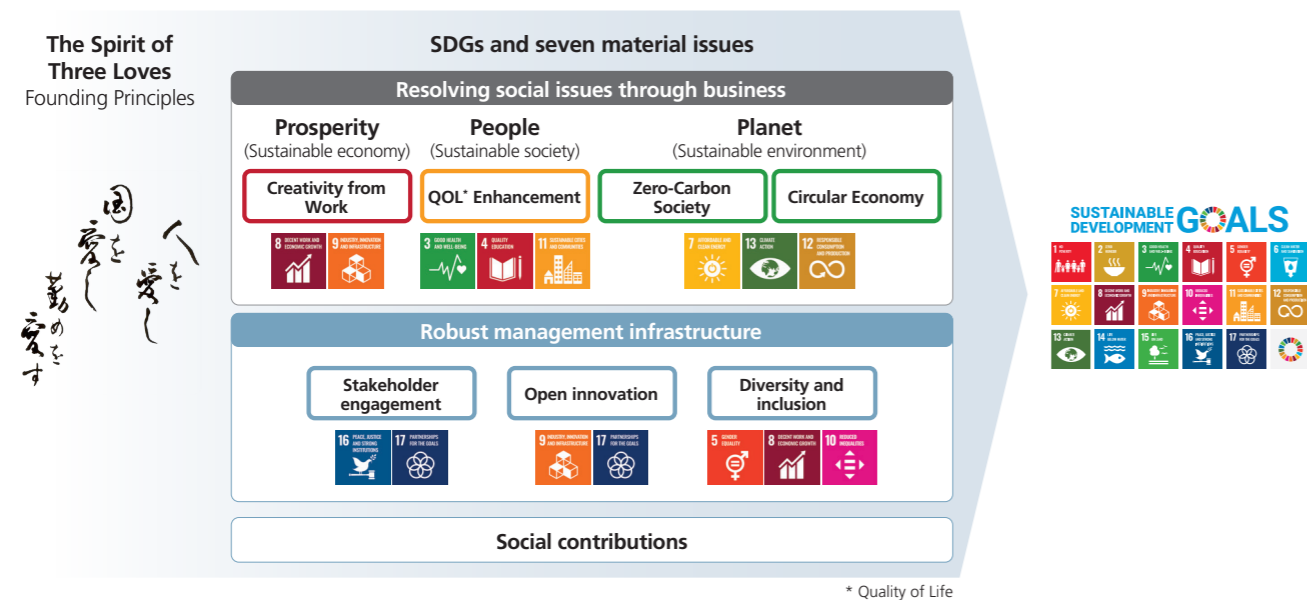
Leveraging the power of business to materialize sustainable society

We are undertaking a range of initiatives in keeping with our sustainability message, which is Driving Sustainability for Our Future. The message conveys our determination to create new value to resolve social issues and help materialize a sustainable society through business.

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

* Sustainable Development Goals
This set of universal priorities and goals through 2030 under an accord with the United Nations comprises 17 goals and 169 targets.

Overall sustainability initiatives



Integrating ESG into management strategy

Setting management goals that bring finance and ESG together

We position ESG initiatives as future financial targets to help avoid risks and capitalize on business opportunities. From fiscal 2020, we set dual companywide management targets. These are regular financial goals and ESG targets set from future financial perspectives.

Materiality (key social issues) and ESG targets

In view of trends in the international community, stakeholder expectations, and operational importance, we identified four material issues for resolving social issues through business and another three that relate to robust management infrastructure. We formulated 17 ESG targets associated with these seven material issues, disclosing the results of efforts in those regards.

Materiality identification and ESG goal formulation process

STEP 1 Identifying issues

While assessing the mid-term management plan, we evaluated the social impacts of our businesses across the entire value chain. We identified social issues to resolve through business and scrutinized business models toward 2030.

STEP 2 Prioritizing issues

We selected SDGs that Ricoh Group should focus on based on stakeholder feedback regarding the above issues and our business model. The Corporate Planning and ESG divisions jointly explored the first materiality proposal aligned with our management philosophy, business strategies, and environmental management initiatives and developed a rough draft that reflected advice from external experts.

STEP 3 Management decision

The Group Management Committee and the Board of Directors reviewed the draft, determined priority material issues and formulated ESG targets.

STEP 4 Alignment with business unit and Group headquarters strategies

We broke down companywide ESG targets for each business unit and the Group headquarters plans in order to align these goals with business strategies more closely.

ESG Committee

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

The committee is chaired by the CEO and consists of Group Management Committee members, Audit & Supervisory Board Members and an Executive Officer in charge of ESG. The committee, which meets quarterly, invites representatives of the relevant business divisions according to the theme to be discussed, and has an established system to examine and discuss sustainability issues across the Company.

Linking ESG to executive compensation

Executive compensation has incorporated ESG indicators since fiscal 2020 to hold management more accountable for undertaking ESG initiatives and achieving goals.

Factoring ESG into bonuses for directors and executive officers

The annual Dow Jones Sustainability Indices Rating serves as a tool to confirm companywide ESG initiatives. We use this rating as an assessment benchmark for incentivizing ESG initiatives.

Linking ESG targets to executive officer evaluations

The executive evaluation system compiles basic information for calculating executive officer bonuses. It links to assessments of progress in reaching performance and priority measure targets in areas that executives oversee. It also connects progress toward materiality-linked ESG goals. We are fortifying our commitment to attaining business unit and Group headquarters ESG objectives.

Agenda for fiscal 2021

Fiscal 2021	Month	Agenda
First Meeting	May	<ul style="list-style-type: none"> Report on the results of company-wide ESG targets for fiscal 2020 Approval of the Human Rights Due Diligence Development Plan Pollution prevention measures Status of response to ESG evaluation/improvement Fiscal 2021 integrated report
Second Meeting	July	<ul style="list-style-type: none"> Climate change risks and opportunities (comply with TCFD) Harmonization of GHG (greenhouse gas) reduction scenarios for decarbonization activities Report on the progress of Human Rights Due Diligence Development Plan
Third Meeting	December	<ul style="list-style-type: none"> ESG external evaluation results report Progress of decarbonization activities Progress of human rights initiatives
Fourth Meeting	March	<ul style="list-style-type: none"> Strengthen supply chain ESG initiatives Report on the progress of Human Rights Due Diligence Development Plan Issues and responses to ESG evaluation Planning of the integrated report for fiscal 2022

Formula for directors' bonuses (fiscal 2021)

Individual bonus amount (thousand) = Base points × Profit factor × Return on capital factor × ESG factor

Base points: Position points (Factor = operating profit / 20,000)

Profit factor: Factor determined based on consolidated operating profit

Return on capital factor: Achievement of target ROE in the current fiscal year = Result / target

ESG factor: DJSI Rating

Degree of achievement	Factor	Rating	Factor
110% or more	1.2	World	1.05
105% or more and less than 110%	1.1	Asia-Pacific	1.00
100% or more and less than 105%	1.0	Not included	0.95
95% or more and less than 100%	0.9		
Less than 95%	0.8		

Director's position	Position points
President	6,470
Corporate Executive Vice President	3,440–3,470
None	1,680

Message from corporate officer overseeing ESG and risk management

We advocated the environmental management concept in 1998, through which we committed to simultaneously balancing environmental conservation and business growth. To further accelerate our efforts and contribution to resolving social issues, we formulated management targets that align finance and ESG in fiscal 2020. We identified four material issues for resolving social issues through business and three related to robust management infrastructure. We formulated 17 ESG targets associated with these seven material issues. While it is common to consider ESG initiatives non-financial indicators, we see them as future financial indicators for activities to help avoid risks and capitalize on business opportunities. We link ESG targets to executive compensation to reinforce our commitment to achieving them.

We view external assessments of our initiatives as a health checkup for Ricoh Group. We are constantly improving our performance. We have been part of the Dow Jones Sustainability Indices World Index for two consecutive years. Nikkei SDGs



Mikako Suzuki
Corporate Officer in charge of ESG and Risk Management

Management Grand Prix has given us a perfect five-star rating for three straight years. We will continue helping to create a sustainable society and enhance our corporate value.

INFO

1 Group Management Committee
The president and CEO chairs this body, to which the Board of Directors delegates authority to review and make decisions to optimize companywide management

2 Task Force on Climate-related Financial Disclosures
The Financial Stability Board established this entity to foster corporate disclosure of climate-related risks and opportunities and stabilize financial markets to help smooth the transition to a more sustainable, low-carbon economy

3 Dow Jones Sustainability Indices
Dow Jones & Company of the United States and sustainability investment research firm S&P Global jointly developed these indices, analyzing corporate sustainability from economic, environmental, and social perspectives

Materiality and ESG Targets

Review of fiscal 2021

We are broadly on track to reach all of the ESG targets of the 20th Mid-Term Management Plan in fiscal 2022.

We have exceeded fiscal 2022 ESG targets for the number of people benefiting from social infrastructure improvements, which relates to Quality of Life (QOL) enhancement materiality. With relation to zero-carbon society goals, we have surpassed the year's targets for reduction rates in Scopes 1, 2, and 3 greenhouse gas emissions (GHG).

Regarding ESG targets related to stakeholder engagement, we were included in the Dow Jones Sustainability World Index and CDP Climate Change A list for the second consecutive year. Our employee engagement score related to diversity and inclusion exceeded our fiscal 2022 ESG target in Japan.

Fiscal 2022 outlook

Regarding stakeholder engagement, the Ministry of Economy, Trade and Industry (METI) selected us as a Digital Transformation stock in June 2022, thus reaching our fiscal 2022 target.

We are pushing ahead to reach all of our other ESG targets.

On the zero-carbon society front, we expect to reach our Scope 1 and 2 GHG emissions reduction rates in fiscal 2022 despite the possibility of them rising during the year as parts shortages become fewer and economic activity picks up. We will succeed by stepping up our ongoing efforts to conserve energy and deploy renewables.

Ricoh's approach to seven material issues and ESG targets

Resolving social issues through business						
Materiality (Material issues)	2030 targets	Resolution of social issues and business strategies	ESG targets		FY2021 results	Efforts/topics
			KPIs	FY2022 targets (Mid-Term Management Plan)		
Creativity from Work 	Contribute to Creativity from Work of all customers to whom we deliver value	Social issues For sustainable development, companies need to reform employees' work styles, boost productivity using IT, and increase employee work satisfaction. Business strategies We will help customers achieve Creativity from Work by providing them with digital technologies and services.	Top score rate ^{*1} in customer surveys	30% or more	Japan: 33% Europe: 28% APAC: 36% Americas: 82%	Customer surveys were used to calculate overall satisfaction of major customers in each region. The scopes and survey methods varied by region, so these scores are not inter-regional comparative scores. In the U.S., we earned high satisfaction rate by performing detailed follow-up through monthly meetings with all customers surveyed (approximately 650 companies).
QOL Enhancement 	Contribute to the enhancement of social infrastructure for 30 million people	Social issues It is necessary to eliminate disparities in medical, educational, and regional services between developed and developing countries, and between urban and rural areas. Business strategies We will help improve medical, educational, and regional services by utilizing the digital technologies and know-how that we have accumulated for office solutions.	Fulfilling value proposition for customers ^{*2}	15% ^{*3}	13%	In FY2021, we sold 76,000 Scrum packages, and cumulative sales surpassed 210,000 packages since their launch in 2017.
Zero-Carbon Society 	Reduce GHG emissions by 63% for Scope 1 and 2, and 40% for Scope 3 Switch to 50% renewable electricity	Social issues As the impact of climate change is becoming more severe, it is necessary to enhance and speed up countermeasures. Business strategies Upholding the SBT ^{*5} of 1.5°C, we will work to reduce GHG emissions substantially and supply products and solutions that contribute to the decarbonization of society as a whole.	Digital specialist development	IPA ITSS L3 ^{*4} 1.5 times	1.28 times	We are visualizing the skills of digital experts to raise the level of expertise through Groupwide deployment of online courses and other programs as part of the improvement of a training platform that allows employees to continue learning to become digital experts proactively.
Circular Economy 	Ensure efficient use of resources throughout the entire value chain and achieve 60% or less of virgin material usage rate	Social issues For sustainable use of natural resources, it is necessary to foster recycling and reduce the use of new resources. Business strategies We will further enhance our 3Rs (reduce, reuse, and recycle) measures, reduce the use and foster the substitution of plastic materials, and provide on-demand printing services, helping customers make efficient use of resources.	Number of people to whom we have contributed by improving social infrastructure	10 million people	10.82 million people	We have received orders for Road Surface Inspection System in several prefectures and major cities, contributing to the improvement of infrastructure through more efficient road inspections. In February 2022, we also began slope inspection verification testing. We plan to gradually expand the inspection range to include roads, tunnels, slopes, and more, helping to create safe and secure cities.
			GHG Scope 1 and 2 reduction rate (vs. FY2015)	30%	42.6%	Through the active use of renewable energy, such as the introduction of onsite PPA in Japan and overseas, we have reduced our GHG Scope 1 and 2 emissions by 26.4kt year-on-year. For Scope 3, we are reducing emissions through the use of shipping company eco-delivery services and the promotion of ENERGY STAR compliant imaging products.
			GHG Scope 3 reduction rate (vs. FY2015)	20%	28.5%	
			Renewable energy usage ratio	30%	25.8%	
			Virgin material usage ratio	85% or less	88.5%	We significantly increased the percentage of post-consumer recycled plastics used in six of our main models of MFPS and printers.

Robust management infrastructure						
Materiality (Material issues)	Resolution of social issues and business strategies	ESG targets		FY2021 results	Efforts/topics	
		KPIs	FY2022 targets (Mid-Term Management Plan)			
Stakeholder Engagement 	Requests from society For the sustainable development of society, companies are required to enhance the sustainability of their entire global value chains. Management strategies We will strengthen collaboration with our business partners and build a Win-Win-Win relationship between our company, business partners, and society.	Production sites with RBA ^{*5} certification	6 sites	3 sites in total	At the sites for which we plan to obtain certification in FY2022, we established systems, held explanatory meetings, formulated plans, conducted internal audits, and carried out other measures, progressing according to our Mid-Term Management Plan.	
		Suppliers signing on RICOH Group Supplier Code of Conduct	100% signed	86% signed	We established a new purchasing management organization and promoted the signing of codes of conduct by major suppliers of each business unit.	
		International security standard	Bolstered security based on ISO/IEC ^{*7} , NIST ^{*8}		Undisclosed	
		Evaluation scores given by each partner ^{*9} (suppliers, distributors/dealers, development partners)			Undisclosed	
		Attain top levels for primary ESG external evaluations	DJSI, CDP ^{*10} , etc.	DJSI: World CDP: A-List	We were selected by the DJSI World Index for the second consecutive year. We claimed the top score in our sector and, in the S&P Global Sustainability Awards, were selected for the Gold Class, the highest level of distinction.	
		Selected as Digital Transformation stock by Ministry of Economy, Trade and Industry (METI)	Selected	Not selected	Digital Strategy Meetings were held every other month and attended by the CEO and other senior management. At these meetings, participants discussed how to deal with DX-specific management issues. Every other week, meetings regarding strategies, measures, and implementation were conducted with the DXOs of individual business units and the implementation of strategies was accelerated.	
Open Innovation 	Requests from society For sustainable development, innovation needs to be promoted across a range of industrial sectors. Management strategies We will attribute importance to open innovation with universities, research institutes, other companies, and business partners and foster collaboration with these partners to resolve social issues through efficient research and technological development and to create new value.	Increase rate of patent ETR ^{*11} score (vs. FY2020)	20%	7%	We were selected for Clarivate Top 100 Global Innovators 2022.	
Diversity and Inclusion 	Requests from society For sustainable development and innovation, it is necessary to promote decent work, which gives satisfaction and is humane, and respect diversity in society. Management strategies We will respect the diversity of employees, uphold the empowerment of self-motivated employees in our management policy, and strive to create workplaces where employees can work with vigor.	Ricoh Family Group engagement score	50th percentile or above in each region	Japan: 51st percentile Americas: 42nd percentile Europe: 29th percentile APAC: 33rd percentile	We held online classes for managers in all group companies in Japan. At offices worldwide, we held training and took actions to improve employee engagement. (Note: Percentile data is based on different benchmark scopes in different regions, and therefore these scores are not inter-regional comparative scores.)	
		Woman-held managerial position rate	Global: 16.5% or more (Japan: 7.0% or more)	Global: 15.6% (Japan: 6.3%)	In October 2021, we formulated our Global D&I Policy, and top management made announcements on the occasion of the policy's formulation. We also reinforced our talent management for women and young employees.	

*1 Top score rate: Highest score selecting rate

*2 Scrum package customers rate in Japan

*3 Target revised from 20% owing to shortages of information and communication technology (ICT) products

*4 IPA: Information-technology Promotion Agency, Japan. ITSS is the IT skill standard that this agency defines. There are seven levels, from 0 to 6.

*5 SBT: Science-Based Targets

*6 RBA: Responsible Business Alliance

*7 ISO/IEC: International Organization for Standardization/International Electrotechnical Commission

*8 NIST: National Institute of Standards and Technology

*9 Evaluation score: These are results of partner assessments of Ricoh.

*10 CDP: Evaluations from international non-government organizations working on climate change and other environmental fields.

*11 ETR: External Technology Relevance. Scores show the number of patents cited by other companies.

Environment



Roof of Ricoh Manufacturing (Thailand) Ltd. plant

The Ricoh Group considers it essential to simultaneously protect the environment while generating profits. We accordingly practice environmental management **1**, through which we strive to reduce our eco-footprint and improve the Earth's regenerative capabilities Groupwide. We seek to materialize social sustainability by tackling material issues **2** of contributing to carbon neutrality and a circular economy. We have set environmental goals for 2030 and 2050. We have also formulated ESG targets linked to material issues, and are deploying measures to reach them under mid-term management plans.

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

WEB Refer to our website: **1** Environment **2** Materiality

Key moves

- Steadily reduced Scope 1, 2, and 3 greenhouse gas emissions in line with the decarbonization roadmap to reach 2030 targets
- Improved energy efficiency by using power purchase agreements at four domestic and overseas sites and Ricoh-owned facilities
- More swiftly identified environmental impact reductions by reinforcing product lifecycle assessment structure
- Published TCFD Report and Circular Economy Report overviewing Ricoh's efforts to address climate change and contribute to a circular economy (the latter was a first for a Japanese company)

Achieving a Zero-Carbon Society

We aim to virtually eliminate greenhouse gas (GHG) emissions across our value chain by 2050. By 2030, we seek to cut Scope 1 and 2 GHG emissions by 63% from fiscal 2015 levels. This ambitious target satisfies the criteria of the Science Based Target Initiatives **1**, a global initiative, for limiting the rise in global temperature to 1.5°C above pre-industrial levels. We

also look to lower Scope 3 supply chain GHG emissions by 40% by 2030 from fiscal 2015 levels and obtain 50% of our electricity from renewable sources. We are pursuing these goals through a sustainability-linked loan agreement we concluded with Mizuho Bank, Ltd., under the Mizuho Eco Finance program.

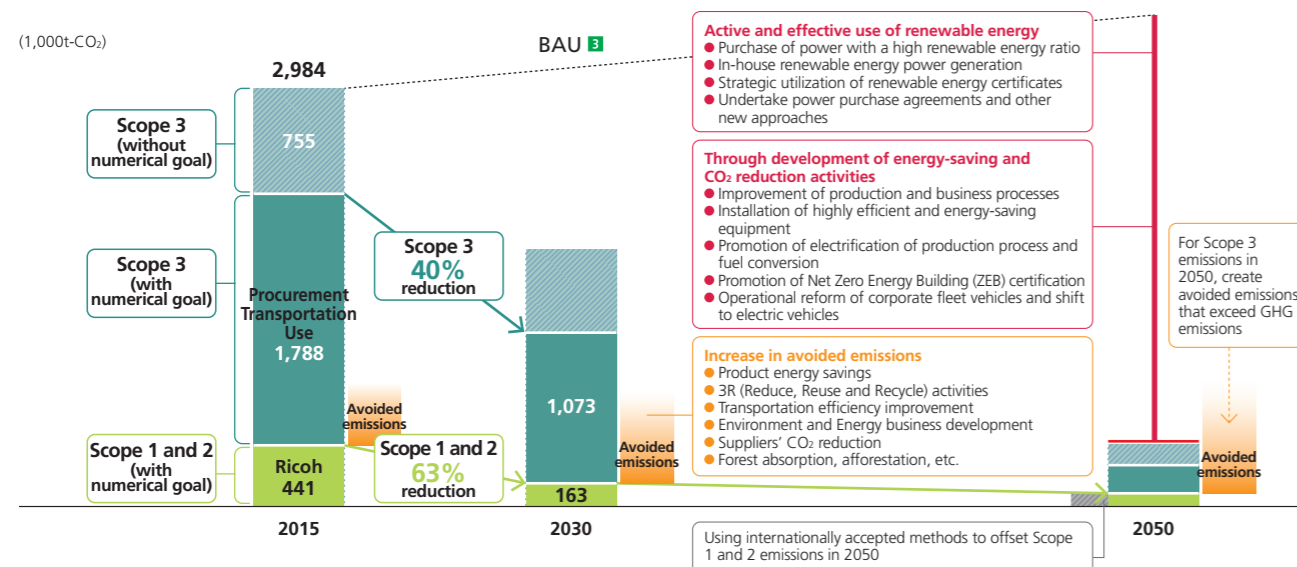
Ricoh Group environmental goals (zero-carbon)

Goals for 2030

- GHG Scope 1 and 2: **63% reduction** **2** vs. FY2015
- GHG Scope 3: **40% reduction** **2** vs. FY2015 (procurement, use, and transportation categories)
- Switch 50% of electricity used in business operations to renewable energy

Goals for 2050

- Achieve zero GHG emissions across the entire value chain
- Switch 100% of electricity used in business operations to renewable energy



INFO

1 Science Based Targets Initiative

This global initiative certifies that companies' GHG reduction goals are in keeping with scientific evidence

2 GHG Scope 1, 2 and 3

- GHG Scope 1: GHG directly emitted by Ricoh Group factories, offices, vehicles, etc.
- GHG Scope 2: GHG produced by heat/power purchased by the Ricoh Group
- GHG Scope 3: Supply chain emissions from corporate activities (excluding GHG Scope 1 and 2)

3 BAU

Business As Usual, representing emissions levels in the absence of additional initiatives

Endeavors and achievements for Zero-Carbon society in fiscal 2021

We have conserved energy and tapped renewables at domestic and overseas sites to help restrict the global temperature rise to 1.5°C. Efforts have included formulating a GHG reduction roadmap to 2030 and streamlining production processes to consume less energy. We have deployed highly efficient, energy-saving equipment, acquired Net Zero Energy Building **4** certification at domestic business sites, purchased electric corporate fleet vehicles, and reviewed logistics processes. We are striving to increase renewables in our energy mix by strategically deploying measures that match local circumstances. For example, we have augmented our solar power facilities by employing PPA models at four sites in Japan and abroad. We maintain renewable power contracts with retail electricity providers and procure renewable power certificates. We plan to switch to entirely renewable energy at our overseas sites by 2030. We use 100% renewable electricity to manufacture our A3 MFPs worldwide. We are focusing on measures to reduce GHG emissions from our supply chain. Efforts include various

initiatives, such as making products smaller and lighter, reducing, reusing, and recycling, designing products for long-term use, launching products with exceptional energy-saving performances, and overhauling logistics.

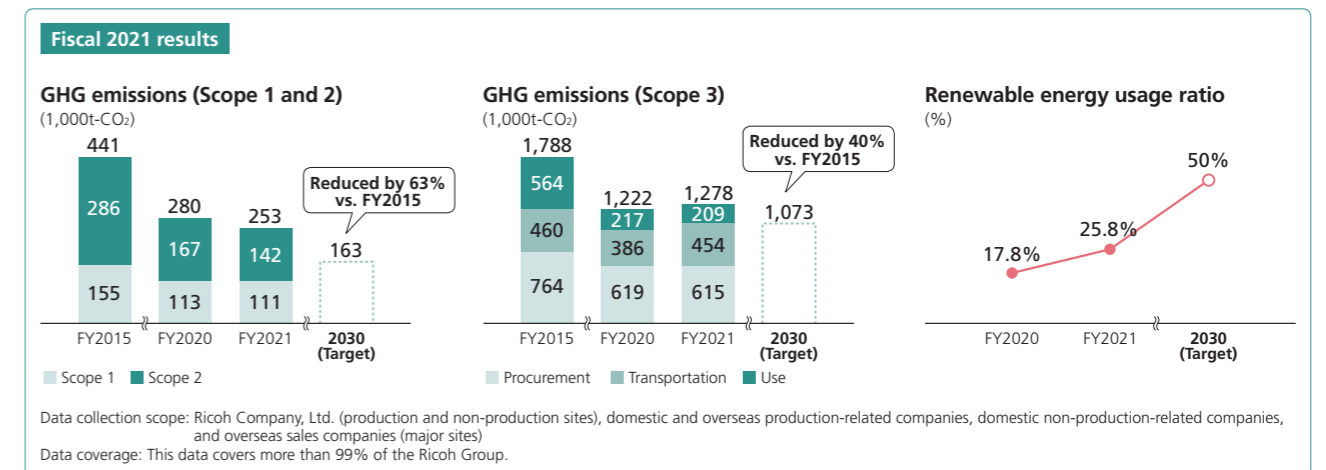
As a result of our efforts, our combined direct (Scope 1) and indirect (Scope 2) GHG emissions totaled 253,300 metric tons in fiscal 2021; this was 9.5% less than a year earlier and 42.6% down from fiscal 2015. Renewables represented 25.8% of our electricity usage in the period under review, up 8.0 percentage points from the previous term. GHG emissions from the supply chain, encompassing procurement, transportation, and use category (Scope 3), were 1,278,000 metric tons in fiscal 2021, down 28.5% from the fiscal 2015 base year. We aim to cut Scope 1 emissions by increasing the proportion of electric models in our vehicle fleet and electrifying boilers and other production equipment. Scope 2 reductions will entail accelerating renewable electricity deployments at domestic sites after completing that process at overseas operations.

Life cycle assessment initiatives

We undertake life cycle assessments (LCAs) every year to calculate avoided carbon emissions from our products and solutions. The emissions avoided from using our offerings totaled 1,033,000 metric tons in fiscal 2021. We initiated LCAs in the 1990s, primarily for our imaging products. We have presented qualitative information about our products since the EcoLeaf environmental label launch in 2002 in conformity with the Type III environmental declarations of ISO 14025. We are disclosing information in line with EcoLeaf calculation and disclosure standards for key imaging North America products.

LCA disclosure will extend to products we sell in Japan and Europe. Customers have stepped up efforts to lower Scope 3 emissions since the Paris Agreement. They have increasingly asked us about our products and services' decarbonization and carbon offset benefits.

The LCA Usage Working Group launched in fiscal 2021 to strengthen this initiative. Key persons were appointed in each business unit to promote internal LCA development. We will utilize LCA in new businesses, products, and services to expand our groupwide reduction contribution.



INFO

4 Net Zero Energy Buildings

These structures consume less energy every year. These structures conserve more than 100% of their standard primary energy. The savings for Nearly ZEB and ZEB Ready are 75% or 50% or more, respectively. ZEB Oriented refers to buildings designed to be ZEB Ready through measures to save more energy, such as high-performance exteriors, and very efficient, energy-saving equipment.

Information disclosure based on TCFD framework ^D

Climate change is one of Ricoh's critical management issues. We identify associated risks and undertake Zero-Carbon initiatives in keeping with the Task Force on Climate-related Financial Disclosures (TCFD) framework.

As an environmental management pioneer, we have focused on providing products and solutions to help customers decarbonize while creating businesses in response to climate change.

The Ricoh Group TCFD Report ^B has been published since fiscal 2021. It includes recognition of climate change risks and opportunities based on scenario analysis, specific plans and achievements in line with the decarbonization roadmap, and case studies.



^D WEB Refer to our website: ^D Information disclosure based on TCFD framework ^B Ricoh Group TCFD Report

Climate change risks and Ricoh's countermeasures

Transition risks: Analyzed based on 2°C/1.5°C scenario^{*1} Physical risks: Analyzed based on 4°C scenario^{*2}

	Impact on Ricoh Group's business	Impact ^{*3} Urgency ^{*3} Ricoh's actions
Transition risks	Carbon taxes and emissions trading systems applied to suppliers	<ul style="list-style-type: none"> Carbon pricing (carbon tax/emissions trading) will be applied mainly to material suppliers with high GHG emissions, and the price will be passed on to raw materials, resulting in higher procurement costs. <p>2 3</p> <ul style="list-style-type: none"> Reducing new resource inputs by selling refurbished devices and using recycled materials Actively supporting suppliers' decarbonization activities and addressing the risk of rising procurement costs
	Response to accelerated transition to a decarbonized society by consumers and investors	<ul style="list-style-type: none"> Due to demands for achieving ahead of schedule the target of 1.5°C and achieving RE100, additional costs for implementing measures such as energy-saving/renewable energy facility investment and switching to renewable energy are incurred. <p>1 3</p> <ul style="list-style-type: none"> Actively promoting energy-savings and renewable energy initiatives that contribute to SBT 1.5°C targets (strategic use of renewable energy certifications, deployment of PPA model, etc.) Financing using sustainability-linked loans
Physical risks	Rapid increase of natural disasters	<ul style="list-style-type: none"> Due to climate change, extreme weather has become more severe, causing production stops and sales opportunity losses due to disruption of the supply chain, etc. <p>Domestic offices 1 5</p> <p>Overseas offices 2 3</p> <p>Supply chain 3 1</p> <ul style="list-style-type: none"> Addressing supply chain risks Enhancing risk countermeasures for domestic sites
	Regional epidemics of infectious diseases	<ul style="list-style-type: none"> 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 <p>2 2</p> <ul style="list-style-type: none"> Reinforcing infectious disease BCP Digitization of operation and negotiation, decentralization of production bases/automation of processes, additional stocking of parts and products
	Declining forest resources	<ul style="list-style-type: none"> Global warming causes increased forest damage from wildfires, pests, etc., worsening the stable supply of raw materials for paper and increasing the cost for paper procurement. <p>1 2</p> <ul style="list-style-type: none"> Reducing base paper usage by using environmentally friendly linerless labels Promoting forest conservation activities

*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

*3 For impact and urgency, please refer to "risk levels" on page 86.

Opportunities associated with climate change

Areas of contribution	Overview of FY2021 results
Contributions to climate change mitigation	<p>Approx. ¥1,000 billion</p> <ul style="list-style-type: none"> Sales of products that contribute to decarbonization (environmental label certification) Sales from negotiations involving ESG response Sales in products and parts reuse and recycling businesses Sales in energy saving and energy creation businesses Contributions of new businesses (sales of environmentally-friendly linerless labels, sales of PLAIR) <p>Approx. ¥930 billion</p> <p>Approx. ¥20 billion</p> <p>Approx. ¥30 billion</p> <p>Approx. ¥20 billion</p> <p>—</p>
Contributions to climate change adaptation	<p>Approx. ¥90 billion</p> <ul style="list-style-type: none"> Sales of solutions that support new workstyles (Scrum package solutions and Scrum assets^{*1}/WTA^{*2}) Contributions of new businesses (sales of energy harvesting^{*3} products, etc.) <p>Approx. ¥90 billion</p> <p>—</p>

*1 Scrum assets: An issue adaptation-type solution model for SMEs sold in Japan
*2 WTA (Work Together, Anywhere): A packaged solution sold in Europe

*3 Energy harvesting: Environmental power generation that generates electricity from light, heat, and vibration present in the surrounding environment

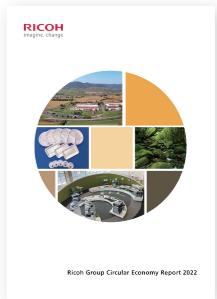
Realizing a circular economy

Interest in a circular economy has been surging in recent years. In 1994, the Ricoh Group created the Comet Circle™ concept for materializing such an economy. We have drawn on its principles to foster effective resources usage across the product life cycles.

We established goals for 2030 and 2050, and are stepping up efforts to use fewer new resources and recycle them and reduce or replace plastics from fossil resources.

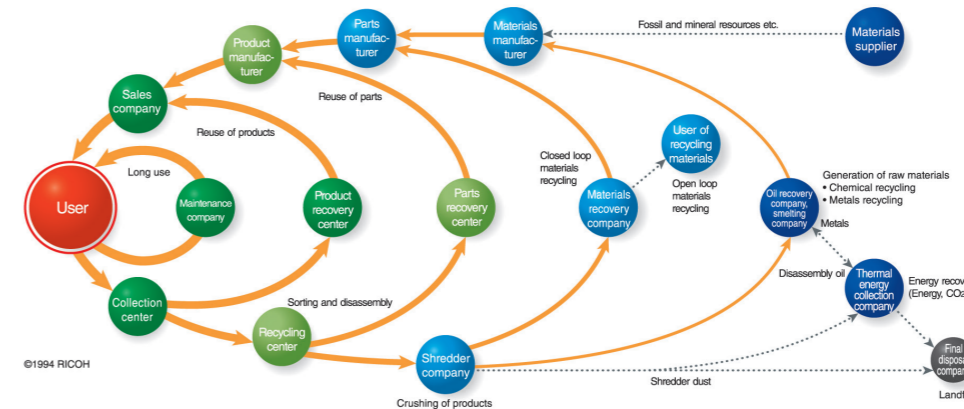
In March 2022, we published the Ricoh Group Circular Economy Report 2021 ^B. We were the first Japanese company to publish

such a document. We presented activities in line with the Disclosure and Engagement Guidance to Accelerate Sustainable Finance for a Circular Economy, which Japan's Ministry of Economy, Trade and Industry and Ministry of the Environment published in January 2021.



^D WEB Refer to our website: ^B Ricoh Group Circular Economy Report

Comet Circle™ concept for realizing a circular economy



Comet Circle™

Four Action Guidelines

- (1) Identify and reduce environmental impacts from lifecycle perspectives
- (2) Deploy reuse and recycle practices with lower environmental impacts
- (3) Establish a circular business model
- (4) Partner with stakeholders

Ricoh Group environmental goals (resource conservation)

Goals for 2030

- Virgin material usage ratio for products **1**: 60% or less

Goals for 2050

- Virgin material usage ratio for products: 12% or less

Ricoh Group Plastic Policy for products

Ricoh has set targets for resource conservation for the realization of a circular economy. We are promoting a comprehensively efficient use and recycling of resources and switching to sustainable resource use to achieve this. In addition, while aiming to address social issues by shifting to a circular economy and tackling ocean micro-plastic pollution, we established a plastic policy for products and packaging materials as shown below and are developing relevant business activities.

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

Specific targets and goals for plastic

- 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 plastic derived from fossil resources
Goals for 2030: 50% or more, compared to 2020 level
- Display resin identification code and single material use
Goals for 2025: Clearly indicated on all parts and all packaging materials

Water Policy

1. We base our actions on the recognition that all people have the right to use safe and secure water resources.
2. We understand our business impact on water resources, factoring in regional characteristics and setting activity targets.
3. We manage water resources in compliance with laws and regulations, international standards and initiatives, and public policies.
4. We innovate technologies to help resolve internal and external water resource issues.
5. We endeavor to raise awareness among all employees, with each of them engaging with stakeholders to help resolve community water resource issues.
6. We consider resource conservation, climate change, and pollution prevention when procuring raw materials, products and services, and equipment.

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1 Virgin material usage ratio for products
Ratio of virgin material use to total resource input

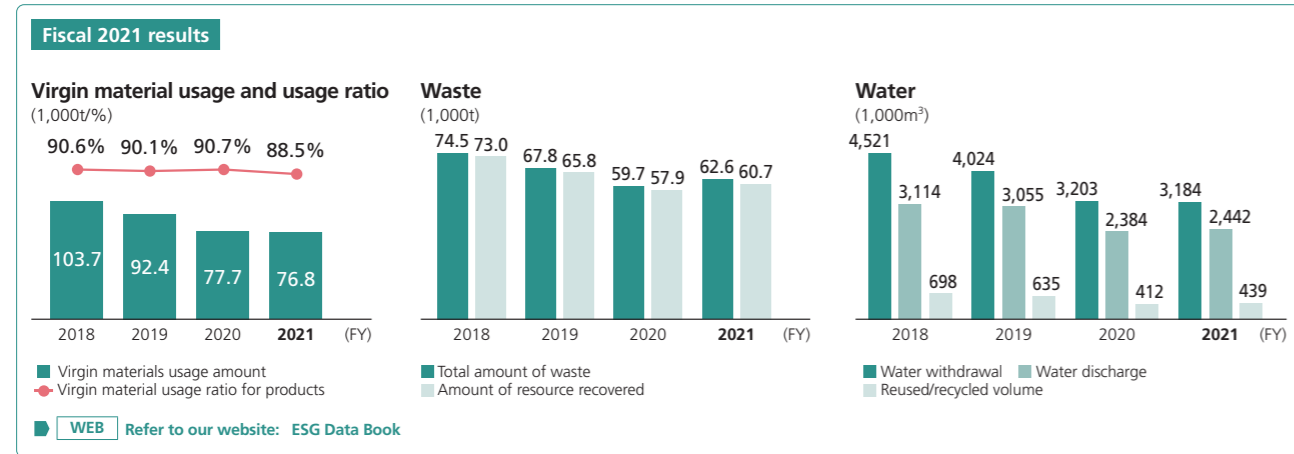
Resource conservation initiatives and fiscal 2021 results

In product initiatives, cross-organizational working group activities are promoting efforts to achieve resources conservation targets for 2030 and 2050.

In fiscal 2021, worldwide sales of recycled machines were higher than a year earlier. During the term, we started a program in Japan to disassemble, clean, refill, and ship used toner bottles to customers. The aggregate weight of toner shipped in reused bottles increased 12% from previous year. We will broaden business continuity planning to include recycling parts to mitigate the impact of shortages. We increased the total weight of recycled materials used by 32% in fiscal 2021. We did that by incorporating at least 5% of recovered plastic materials by weight in mainstay MFPs and printers. As a result, the new resource usage ratio for fiscal 2021 was 88.5%, and the new resource usage volume was 76,800 metric tons.

We collect used products for reuse and recycling in line with our

Comet Circle™ concept. We have kept our incineration and landfill rates below 4% worldwide since early this century. We are working on production processes and setups that minimize resource losses and thereby streamline manufacturing while lowering emissions. In fiscal 2021, our emissions rose 4.7% from a year earlier because our operations recovered from the impact of the pandemic. However, the waste recycling rate from our sites was around 98%. In addition, we actively minimize contamination risk by regularly visiting waste contractors to confirm that waste is disposed properly. We also regularly audit waste storage on our own sites. We recognize that water resources are vital for business and that everyone has the right to safe and secure water. We monitor water consumption at all of our plants. We assess risks using the Aqueduct Water Risk Atlas of the World Resources Institute, an international environmental nongovernment organization. We reflect regional characteristics and public policies in endeavoring to use water responsibly.



Pollution prevention initiatives

We formulated Basic Rules for the Management of Chemical Substances to help safeguard human health and the environment. We aim to reduce the risks of such chemicals by using them properly in our operations and products.

Basic policy on chemical substances management

- (1) Comply with laws and regulations
- (2) Manage substances across entire lifecycles
- (3) Minimize risks through preventive measures
- (4) Develop and deploy technologies
- (5) Consider and address risk tradeoffs
- (6) Engage with communities
- (7) Constantly enhance employee skills

Reducing risks related to business growth

When obtaining land or buildings through business acquisitions, we conduct environmental due diligence in line with internal rules to assess risks. These risks include soil and

groundwater contamination, polychlorinated biphenyl, and asbestos. We assess potential impacts on our business growth and act accordingly.

[WEB](#) Refer to our website: [Promotion of sustainable environmental management—Working on pollution prevention](#)

Conserving biodiversity

We established the Ricoh Group Biodiversity Policy in fiscal 2009 to help create a prosperous and sustainable economy. We formulated the Regulation of Ricoh Group Products Made of Wood* in fiscal 2010 to prevent deforestation and procure raw materials. We consider labor and other social aspects.

We undertake initiatives based on our policies and rules to lower the environmental impacts of our operations while maintaining and enhancing the Earth's regenerative capacity.

* We based these regulations on our 2003 Environmental Standards for Paper Product Procurement.

Biodiversity Policy

Society has developed thanks to the earth's abundant natural resources. However, we recognize that the very diversity of life that has supported our environment is in decline; so, in response, we have formulated this biodiversity policy.

Basic Policy

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

Regulation of Ricoh Group Products Made of Wood

From the viewpoint of global environmental conservation and biodiversity protection, this provision shall be established to confirm that the wooden raw materials used in Ricoh brand products and their accessories are legally obtained with consideration for the sustainability of the place of origin in environmental and social aspects prior to the decision of procurement.

Scope

It shall apply to paper products marketed under the Ricoh Group brand (PPC paper, thermal paper, etc.) as well as materials made of wood, which accompany with Ricoh Group brand products (seals, manuals, packaging material, cushion material, etc.).

Requirements for raw materials

1. Confirmation of legality of lumber in the country of origin at the time of production.
2. Wood produced from a forest where sustainable forest management is practiced without adverse environmental or social impact at the time of production.
3. The products delivered to the Ricoh Group do not use wood procured by a "Supplier with Problems."

Protecting Tomorrow through the One Million Trees Project

Conserving forests is essential to protect biodiversity, prevent global warming, and ensure sustainable community development. We undertake extensive efforts to those ends, striving to conserve forests and increase tree numbers. We collaborate with diverse stakeholders. These include environmental nongovernment organizations, local governments, community residents, and other experts. To further accelerate these efforts, we joined

the "30by30 Alliance for Biodiversity" in April 2022, founded by 17 organizations from industry, the private sector, and government, including Japan's Ministry of the Environment.

Goal	Progress
● Plant one million trees from fiscal 2020 through 2030	● 241,000 trees planted thus far: 92,000 in fiscal 2020 and 149,000 in fiscal 2021



Ricoh Japan helps safeguard ecosystems by planting mangroves in Indonesia and the Philippines in proportion to unit sales of energy-efficient MFPs.

We planted 135,000 trees in fiscal 2021.



We own Ena Forest in Gifu Prefecture, Japan. There, we undertake regular activities with the local community to protect endangered animals.

We undertook 12 conservation projects in fiscal 2021.

[WEB](#) Refer to our website: [Promotion of sustainable environmental management—Conservation of biodiversity](#)

Social

We aim to meet society's expectations and take the initiative in contributing to a sustainable society by creating diverse and positive work environments that foster innovation. We are pursuing sustainable development and contributing to social progress that leaves no one behind by respecting human rights and ensuring fair business practices across our entire value chain.

Key moves

- Issued Global Diversity and Inclusion Policy
- All eligible male employees took childcare leave (the third consecutive year since 2019)
- Assessed human rights impact within the Group and identified salient human issues
- Ricoh Science Caravan received award from Japan's Ministry of Education, Culture, Sports, Science and Technology

Diversity and inclusion and work-life management

Innovation comes from diverse people pooling their talents in teams. We accordingly need environments in which these individuals can perform at their best.

To realize such an environment, we incorporated diversity and inclusion and work-life management in our management strategy. The Ricoh Group Code of Conduct underpins our corporate culture as a commitment to creating work environments that motivate employees and respect diversity.

We formulated our Global Diversity & Inclusion Statement, disseminating it in 22 languages, to underscore the complete commitment of all employees to mutual respect and teamwork. In fiscal 2021, we established the Global Diversity & Inclusion Policy, which we disseminate in 17 languages for employees and all stakeholders. We will step up efforts to embrace diversity and create work environments that respect and value all people.



Principal initiatives

Cultivating corporate culture awareness	<ul style="list-style-type: none"> Disseminate information on diversity and work-life management Educational seminars Produce a diversity and inclusion video 	<ul style="list-style-type: none"> Disseminate a common global statement Formulate Global Diversity & Inclusion Policy
Embracing diversity	<ul style="list-style-type: none"> Study groups and networking sessions for female managers Early training for female managerial candidates Career forums for young women 	<ul style="list-style-type: none"> International Women's Day events Broaden work scope for employees with disabilities Career support for older workers Seminars and e-learning about lesbian, gay, bisexual, and transgender (LGBT) people, and other topics Apply same-sex and other de facto marriages to human resources system in Japan
Helping balance and review work practices	<ul style="list-style-type: none"> Childcare and long-term care support program (leave and shorter working hours) Family support work-leave program (including for nursing and long-term care, infertility treatment, and personal injury) Fostering hourly-paid leave and accumulation of paid leave Working from home or satellite offices 	<ul style="list-style-type: none"> Flextime program Shorten work time program (Shortened hours, fewer days) Special long-term leave for spouse transfers Special long-term leave for volunteer activities Balanced support communication guide (for supervisors and program users) Return-to-work support and nursing care seminars, family days, and other initiatives

Diversity and inclusion

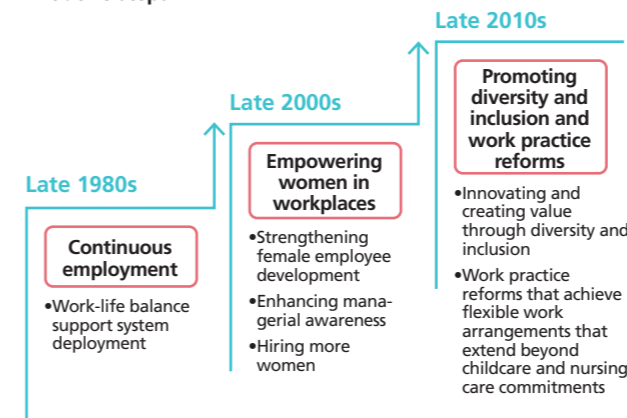
● Empowering women

We empower women in workplaces as part of our commitment to diversity. Early this century in Japan, we prioritized formulating measures and creating work environments that empower women. In fiscal 2020, we set an ESG target female manager ratio and are stepping up efforts to reach it. We are undertaking initiatives that adapt to regional conditions. We seek to increase that ratio to at least 7% in Japan and more

Women as a percentage of full-time employees	Global 29.3%	Ricoh Company, Ltd. 16.3%
Female manager ratio	Global 15.6%	Ricoh Company, Ltd. 6.0%

Fiscal 2021 * Women manager ratio as of April 1, 2022

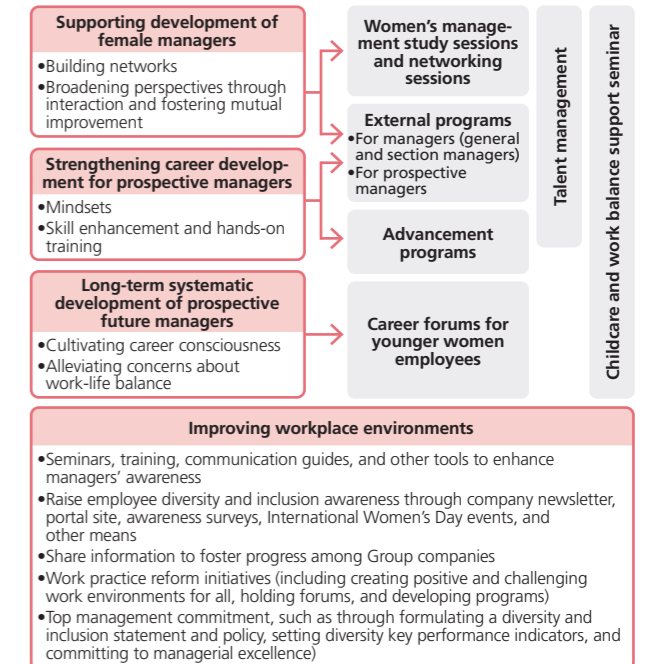
Initiative steps



than 16.5% worldwide by the end of fiscal 2022. We declared in 2020 that we would increase the percentage of women in managerial positions from 9.8% to 18% by 2030. The percentage as of June 2022 was 15.4%.

The number of female managers is steadily increasing thanks to ongoing initiatives for developing human resources, support for work-life balance, and flexible work styles. We will further accelerate our efforts in the years ahead.

Major initiatives to promote development and advancement of talented and motivated women



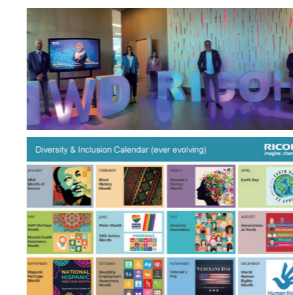
* Ricoh Company, Ltd.

Diversity and inclusion case study

Global diversity and inclusion initiatives

We commemorated International Women's Day on March 8 by holding events and disseminating women's empowerment information worldwide. Groupwide global content included video messages from the CEO and CHRO, employee declarations, and success stories of female employees. We held events around the Americas with approximately 2,800 participants, including customers. We also donated to a nonprofit organization that supports female students and held an awards ceremony to recognize influential women. This activity has taken root as a business activity to expand the circle of connection between the Ricoh Group and its customers, as well as between employees.

Additional efforts are underway to deepen understanding of diversity and inclusion globally and foster its implementation in workplaces.



Connecting business with support for people with disabilities

We provide inclusive workplaces for people with disabilities by ensuring barrier-free access, offering support from occupational physicians, and using voice-to-text tools. We refined automated transcription technology for employees with hearing issues and commercialized it as a new service for office workers. This is one example of how we are leveraging diversity and inclusion to create new business opportunities.

WEB Refer to our website: International Women's Day event

Work-life management

● Helping balance childcare and eldercare obligations and work commitments

We rolled out a childcare leave and shorter working hours program in 1990. This was before the Japanese government enacted the Childcare Leave Law. Our goal was to help employees balance their work commitments and childcare and eldercare obligations. We update our programs to better cater to employee needs and changes in the social landscape. We create workplace environments that make these initiatives more accessible.

For example, we encourage men to play more active roles in childcare and can transform workplace practices entirely by raising their own awareness.

Our intranet disseminates and promotes understanding of the company's policies, goals, and specific programs and initiatives. For managers, we provide diversity management in 360° assessments* and seminars to raise managers' awareness and behavior.

Through these efforts, women's utilization of childcare leave and return to work rates have increased to almost 100%. Since fiscal 2015, the average years of service by women have exceeded those of men. In addition, the number of male employees using childcare leave has also increased significantly, reaching 100% for the third consecutive year.

* A system in which supervisors, peers, and subordinates, and others assess a person's performance from various perspectives.

● Work practice reform initiatives

We have undertaken work practices and program reforms since the 1990s.

In fiscal 2017, overhauling work practices became a pivotal companywide priority. We are taking on a range of challenges, from creating comfortable work environments through developing rules and tools and improving job satisfaction by change in awareness and the corporate culture.

● Cutting total working hours

We encourage employees to focus entirely on their tasks while working and get sufficient rest.

Specifically, the Company is working to reduce overtime by improving business processes using digital tools (Process DX), introducing an interval working system, alerting supervisors of employees' excessive overtime, providing labor management training, and establishing no-overtime work days.

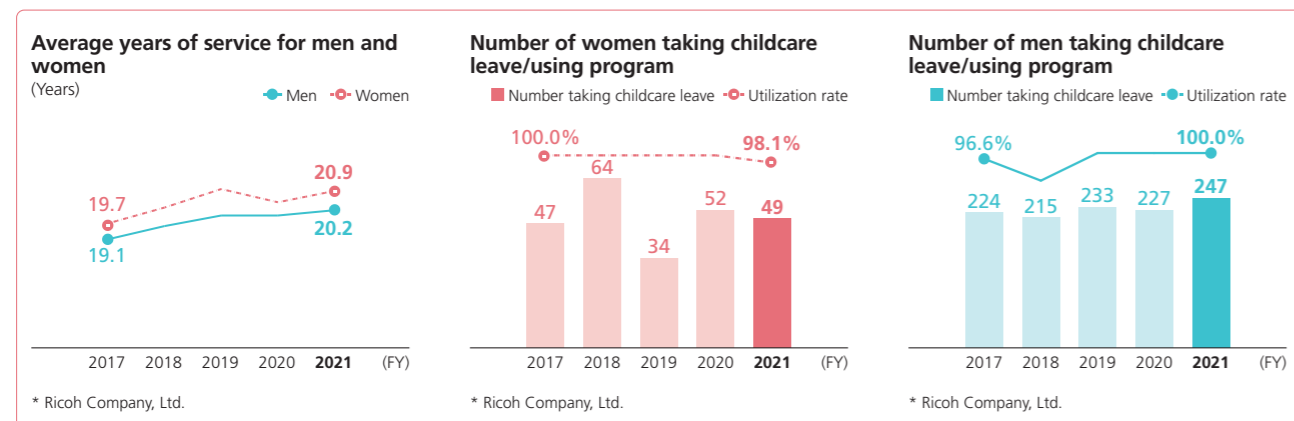
In Japan, we define months and days for which we encourage employees to take paid leave, making it easier to take time off. We recommend a five-day consecutive vacation rest and offer hourly-paid leave.

Ricoh's overtime hours in fiscal 2021 averaged 14.6 hours per month, with 72.1% of employees taking annual leave, totaling 1,821.2 hours of actual work time. (Annual prescribed working hours were 1,800 hours.)

● Fostering flexible work

In addition to eliminating core hours from the flextime system and removing restrictions on the number of days and location of remote work, we have expanded satellite offices and promoted digital tools to create a more productive environment. We have realized a flexible work style that allows employees to choose their own time and place according to the type and nature of work, making workcations and single-person relocations unnecessary.

Under the in-house second job program launched in fiscal 2019, employees can devote up to 20% of their regular working hours to internal tasks or initiatives that are out of scope of their job description but would like to tackle. The program has taken hold as a vehicle for diverse people to develop their careers as part of a corporate culture that encourages success.



Work-life management success story

Connecting with communities through a work practice model project

Our workcation trial program that we created with Furano Field School, a nonprofit organization in Hokkaido, was selected by the Japan Tourism Agency as a model project for a campaign to promote new types of travel. We conducted training through this voluntary program twice in November 2021 for 12 employees who had joined the Company as new graduates in April 2020. Participants teleworked from the site and learned about environmental and local issues through activities that Furano Field School organized and by engaging with local residents. Another benefit of the program was that it helped these employees to get to know each other better, as the pandemic hampered such relationship building when they joined Ricoh.



Employee engagement

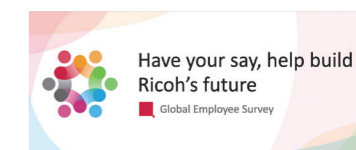
Basic stance

Ricoh's 80,000-plus employees work in around 200 countries and regions. We maintain a global personnel management policy that fosters self-starters. We also create energetic work environments that respect diversity. Thereby, we increase employee engagement, which is essential to drive corporate growth.

Global employee engagement survey

We created a global survey system in fiscal 2020 as part of efforts to increase employee engagement. We have conducted surveys semiannually since fiscal 2021 to monitor progress. We publish companywide findings on our intranet. Business unit and divisional heads also receive results for areas under their purview. We implement measures to improve engagement. In Japan, for example, all Ricoh Group managers take an e-learning program on basic engagement knowledge. One department inaugurated the monthly Doer Award to recognize exemplary initiatives. In Europe, we increased opportunities for management to interact with employees and also launched "The imagine. change. Awards." The region also offers manager training for participants to acquire the skills and tools vital for managers of a digital services company.

Note that the Ricoh Family Group engagement score, one of the ESG benchmarks, is based on a global employee awareness survey. We link ESG targets to executive compensation to clarify management accountability.



Metric	Fiscal 2022 targets (MTP target)	Fiscal 2021 results
Ricoh Family Group engagement score	At least 50th percentile in each region	Japan: 51st percentile Americas: 42nd percentile Europe: 29th percentile Asia-Pacific: 33rd percentile

Global human resources management

We are combining a range of global and local measures to give all employees opportunities to play active roles in our organization and empower motivated and talented individuals to grow and flourish. Senior management reviews early personnel development and succession plans for leader candidates as part of efforts to identify outstanding individuals in

Japan and abroad and develop talent. We undertake activities to drive Ricoh Way awareness among employees and deploy a global program for new graduate and mid-career employees. We will support our transformation into a digital services company by instilling a sense of belonging among employees and deepening their understanding of our values.

Human rights ^D

Basic stance

“Love your neighbor” is one of the principles of Spirit of Three Loves, our founding principles embodying our respect for human rights. We are committed to respecting human rights in line with national regulatory requirements and international norms*. We support the ten principles of the United Nations Global Compact, of which we are a signatory. We strive to enhance corporate value by respecting the human rights of all stakeholders while endeavoring to prevent human rights violations.

* Including the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the Guiding Principles on Business and Human Rights of the United Nations.

Ricoh Group’s Human Rights Policy ^D

In April 2021, we established the Ricoh Group’s Human Rights Policy per the United Nations Guiding Principles on Business and Human Rights.

This policy is positioned above all human rights-related regulations within the Ricoh Group, which aim to prevent human rights violations. It applies to all executives and employees of Ricoh Group companies. This policy is a commitment to respect human rights by the Ricoh Group, which was organized based on the opinions of internal and external experts, deliberated by the ESG Committee, and approved by the CEO. We have been committed to respecting human rights by the Ricoh Group Code of Conduct. Still, in light of the broadening range of human rights issues in the international community, we will strengthen our efforts to comply with international norms based on this policy.

The policy has been disseminated in 10 languages, including Japanese, English and Chinese, to all major group companies globally. We will work to ensure that our suppliers and all forms of business partners also support and implement the policy.

Ricoh Group’s Human Rights Policy (established on April 6, 2021)

1. Position of the policy and scope
2. Conforming to international principles and standards
3. Respect for human rights of stakeholders
4. Human rights due diligence
5. Remedy
6. Education and training
7. Dialogue
8. Transparency

^D WEB Refer to our website: ^D Human rights ^D Ricoh Group’s Human Rights Policy

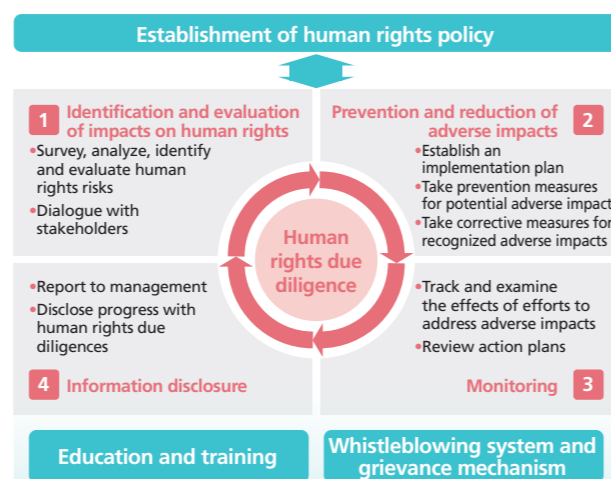
Human rights due diligence

● Human rights impact assessments

We identify human rights issues for each stakeholder by assessing the adverse impacts on human rights of our business activities.

In 2015, we organized the relevance of identified risks and stakeholders. In fiscal 2021, we responded to the growing complexity of human rights issues by conducting related impact assessments. We are basing them on key international human rights rules and frameworks and drew on advice from external experts. Our first evaluation was of parent company and Group manufacturing affiliate worker protections. After consulting with top management, we identified seven salient human rights issues and have addressed them.

We will continue regular assessment of human rights impacts. We promote efforts to minimize or prevent adverse impacts towards these identified issues.



* Human rights due diligence is a process that companies undertake to identify, prevent, and mitigate any adverse impact on human rights and examine the effects of efforts and disclose information.

Salient human rights issues and stakeholder relevance

Salient human rights issues	Examples of possible adverse impact	Adversely affected stakeholders			
		Employees	Suppliers and business partners	Peoples in the local community	Customers
Forced labor	• Recruitment-related charges and retention of identification documents				
Excessive and unreasonable working hours	• Overtime work outside statutory hours and continuous work	✓	✓		
Occupational health and safety	• Adverse physical and mental effects such as industrial accidents caused by inadequate safety and health environment				
Child labor and young worker	• People under 18 engaging in overtime, late-night, and hazardous work	✓	✓	✓	
Discrimination and harassment	• Inadequate consideration for diversity and minorities (resulting in sexual, power, maternity, paternity, caregiver, and other forms of harassment)				
Rights to privacy	• Acquisition of sensitive personal information, provision to third parties without consent and unintentional leaks	✓	✓	✓	✓
Human rights issues in the supply chain	• Direct and indirect involvement in human rights violations* in the supply chain				

* Serious risks such as forced labor, child labor, and poor working conditions

● Preventing and mitigating adverse impacts

We take corrective action to prevent or mitigate the adverse impacts of significant human rights issues.

In fiscal 2020, for example, a production-related company in China voluntarily participated in the Responsible Business Alliance (RBA) Validated Assessment Program audit. The alliance is the world’s largest industry coalition dedicated to corporate social responsibility in global supply chains. The audit revealed that some temp staffing agencies the company contracted had charged workers some recruitment fees. The company reimbursed those people. Later that year, Ricoh ordered the prohibition of charging workers recruitment fees.

● Monitoring

We constantly monitor plants because we recognize that there are particularly high human rights risks.

In fiscal 2020, we used the RBA’s self-assessment questionnaires to evaluate risks at key Group plants. We started annual risk assessments at 21 sites in fiscal 2022.

For these key plants, we undertake Validated Assessment Program audits biennially to ascertain the effectiveness of preventive, mitigation, and corrective measures. Audits in fiscal 2021 confirmed that there were no critical human rights non-conformities and all audited sites received RBA certification.

Also, we assessed major suppliers in line with RBA standards during the year. While these evaluations found no significant human rights risks among suppliers, concerns in some cases prompted us to urge remedial action. We will monitor the effectiveness of response measures for human rights risks and disclose progress with transparency.

● For more information, refer to the following page:
^D Responsible Business Alliance P.65

Specific initiatives

● Education and training

Human rights education was conducted for all executives and employees in 2021, as it has continuously since 2012. We held executive study sessions in which external experts shared their insights about the connections between business and human rights.

Education overview

Title	Attendance rate	Targets
Business and Human Rights Ricoh Group’s Human Rights Policy (e-learning)	94%	All 33,000 Ricoh Group executives and employees in Japan

● Remedies

We maintain a whistleblowing and response framework that enables stakeholders to report human rights concerns without fearing retaliation. We promptly investigate human rights violation allegations and take remedial steps when a concern is reported.

● Supporting LGBT people

We conduct seminars and provide e-learning training for Group employees to promote understanding and ensure supportiveness for LGBT people and established an LGBT support desk.

● Complying with Modern Slavery Act

Group companies in the United Kingdom and Australia have issued statements on the act. Operations in other countries are also considering taking action.

Supply chain management ^D

Basic stance

Suppliers are essential business partners with whom we pursue mutual progress in serving society across the supply chain. We engage in business activities based on the trust we build by sharing policies and visions. The Ricoh Group Purchasing Regulation governs our fundamental approach to procurement in compliance with laws and regulations and in consideration of fairness and environmental and societal impacts.

^D ^{WEB} Refer to our website: ^D CSR throughout Our Supply Chain

Purchasing Regulation

Fair transactions

We will purchase fairly, equitably, rationally, and openly in Japan and abroad.

Environmental conservation

As good corporate citizens, we engage in purchasing that helps maintain and improve the environment.

Corporate social responsibilities

We ensure legal and ethical purchasing.

Prospering with partners

We move forward with suppliers by ensuring that they and we act in good faith.

Building trust with suppliers

● Joining Responsible Business Alliance

We joined the Responsible Business Alliance in November 2019 and are committed to its corporate social responsibility ethos across our supply chain. In fiscal 2021, 161 global suppliers in China, Thailand, Japan, and other countries were assessed in accordance with RBA standards to determine risk. Improvement activities will be implemented for those suppliers identified for improvement.

● Ricoh Group Supplier Code of Conduct

We formulated the Ricoh Group Supplier Code of Conduct in fiscal 2005. It is available in Japanese, English, and Chinese. Through it, we aim to keep working with suppliers to benefit society and the environment and develop sustainably. We revised our code in fiscal 2020 to conform to the RBA Code of Conduct, which derives from the Guiding Principles on Business and Human Rights and other key international standards. We ask suppliers to sign our code to confirm that their working environments are safe, they respect their workers, and they operate ethically and fulfill their environmental responsibilities.

● Holding procurement policy and ESG briefings

We conduct Ricoh Group Purchasing Policy briefings annually to explain our procurement and ESG policies to suppliers and ensure that our entire supply chain is on board with us. We additionally hold ESG briefings for key suppliers and conduct assessments based on RBA standards to share issues. If there are numerous issues, we discuss them individually and push ahead with improvements. Since fiscal 2020, we have stayed in touch with suppliers in China, Thailand, and Japan through online briefings.

● Maintaining Supplier Hotline

Suppliers can report Ricoh Group director, officer, or employee violations of laws and regulations, the Ricoh Group Code of Conduct, or contracts to this hotline. There were no reports on it in fiscal 2021.

● Helping suppliers to decarbonize

Decarbonizing society depends significantly on cutting greenhouse gas emissions across supply chains. In fiscal 2021, we began holding ESG briefings on decarbonization for key suppliers, asking them to set emissions reduction targets matching those of the Paris Agreement.

Addressing conflict minerals issues

We have surveyed our raw materials and parts suppliers annually since 2013 to learn whether their offerings contain tantalum, tin, tungsten or gold and whether they source these four minerals from conflict zones or high-risk areas. We added cobalt to our survey list in fiscal 2020. The fiscal 2021 response rates to surveys about all of these minerals were 95%.

	Fiscal 2021 survey findings	
	Four conflict minerals	Cobalt
Total number of smelters and refineries	332	63
Number of RMAP-certified* conflict-free smelters and refineries	229	30
Percentage of RMAP-certified smelters	69%	48%
Survey responses rates	95%	95%

* The Responsible Minerals Assurance Process (RMAP) is a smelter and refinery accreditation program of the Responsible Minerals Initiative, an American entity that supports responsible mineral production and sourcing globally.

Contributing to society ^D

Basic stance

We are helping reach SDGs by addressing seven material issues through our operations. Sustainably enhancing corporate value by resolving social issues is a top management priority in these efforts. We are undertaking social contribution activities in keeping with our management strategy and SDGs. We have established priority areas based on material issues and global requirements.

Inclusion at work

Digital support program for young people (launched in fiscal 2021)

We support young people whose poor access to information and communications technology makes it hard for them to find and retain jobs in an increasingly digital economy. Our program introduces workplaces where people can immerse themselves in changing work practices and participate in image production. In fiscal 2021, 41 people participated in the program, with 40 Ricoh volunteers assisting them.



QOL enhancement (education, health-care, and community development)

Ricoh Science Caravan (launched in fiscal 2007)

The Ricoh Science Caravan offers children a chance to acquire a love for science by experimenting with copiers and digital cameras. We began developing inquiry-based and other learning programs under this initiative from fiscal 2020. In recognition of these achievements, we received a Judges' Commendation in the Ministry of Education, Culture, Sports, Science and Technology's Award for Companies Promoting Experience-based Learning Activities for Youth 2021. (715 people participated in the Ricoh Science Caravan during the year, bringing the cumulative total to 173,829)



The Ichimura Nature School Kanto (started in 2001)

This institution fosters growth and understanding among children about the power of nature through practical experiments focused on agriculture and communal living across a year. It held an event in 2021 to commemorate its 20th anniversary. (18 students graduated in fiscal 2021, bringing the cumulative total to 979)



Response to climate crisis and biodiversity

One Million Trees Project (launched in fiscal 1999)

Forest conservation is vital to protect biodiversity, prevent global warming, and ensure sustainable community development. We hold regular nature classes for local children in the Ena Forest, which we own. (525 students participated in the Ena Forest nature classes in fiscal 2021, bringing the total since fiscal 2011 to 3,400)



^D ^{WEB} Refer to our website: ^D Social Contribution Activities

Governance

The Ricoh Group is committed to enhancing corporate governance to strengthen its competitiveness while ensuring management transparency based on corporate ethics and legal compliance. We will ensure that management initiatives and all our other corporate activities align with social norms and satisfy the expectations of our diverse stakeholders to achieve sustainable growth and enhance corporate and shareholder value.

In line with adopting a business unit structure in fiscal 2021, we implemented monitoring of each operation and affiliate. We prioritize growth and capital returns in overseeing Ricoh's business portfolio and operations and enhanced the sophistication of our risk management.

Key moves

- Evaluated performances of senior executives, including business unit presidents
- Reinforced monitoring of capital investments and returns on capital through business portfolio deliberations in Board of Directors meetings
- Strengthened risk management for the new structure and management operation (delegation of authority to BUs and review of affiliate management)

Outside director dialogue

In May 2022, we asked the lead outside director and the Board of Directors Chairperson about their reflections on fiscal 2021 and future expectations for the Ricoh Group.

Looking back on fiscal 2021

Iijima Ricoh posted an operating profit of ¥40 billion in fiscal 2021; the target was ¥50 billion. This performance was amid a range of downside factors, including the pandemic's impact, surging marine freight charges, higher procurement costs due to semiconductors and components shortages, and geopolitical risks. Still, there was a solid upside—Ricoh recovered from an operating loss in the previous term. I will remain vigilant in overseeing management in the year ahead. It is gratifying to note that Office Services now account for 40% or so of operating profit. I feel that Ricoh is now well-positioned as a digital services company.

Hatano Adopting a business unit structure ahead of schedule was laudable. Each business unit president now submits a report at the Board meeting, and the Board can now share on resolving common issues.

Iijima Other key contributors to Ricoh's performance in fiscal 2021 included share repurchases and other aspects of capital policies, as well as the strong performances of

acquired companies. While the pandemic posed risks, it also presented opportunities. For example, it accelerated digitalization and prompted the Company to become greener. The publication of the Ricoh Group Circular Economy Report 2021 was another excellent achievement.

At the same time, each business unit needs to define their digital services company value propositions better. Other challenges include: reflecting the higher costs of resources, materials, and transportation into product pricing and building a supply chain impervious to global risks. I believe that our mission as outside directors is to oversee and advise the Board and help it overcome the challenges of volatility, uncertainty, complexity, and ambiguity.

Hatano Ricoh also needs to develop technologies that will be important over the medium through the long term and retain and train the right people. In this way, we will be better equipped to tackle unexpected changes in the operating climate and manage risks. It will be challenging to develop and increase the engagement of self-motivated professionals while dynamically transforming the human resources portfolio in response to global issues and risks. We adopted a director compensation structure that incentivizes risk-taking. I believe it is necessary to explore extending such a setup to employees in the coming years.



Masami Iijima
Lead Outside Director

Mutsuko Hatano
Chairperson of the Board of Directors

Approach to board meeting deliberations

Iijima The Board of Directors has an excellent composition of expertise, diversity, experience, and knowledge. The chairperson is a non-executive director who conducts the proceedings objectively. I feel that the "Spirit of Three Loves" is firmly rooted in and shared among the Board of Directors, and that decision-making, supervision, monitoring, and advice are guided by this spirit. The speed of decision making has improved and is lightning fast these days. We are now quickly able to convene review meetings with outside directors, greatly enhancing the efficiency of the Board.

Hatano I also appreciate the fact that the staff prepares well and briefs the Board of Directors in advance, and that questions can be sorted out and addressed at the Board meetings. I feel that I can express my opinions without hesitation on areas where our ideas differ, and address any doubts in a stress-free manner through the discussions.

Iijima Since becoming an outside director at Ricoh, I have found the deliberations lively and conducive to freely exchanging opinions. Directors have noted those qualities in annual effectiveness evaluations.

Hatano I sometimes ask frank questions from a gender and academia perspective that may be different from my fellow board members. I believe that the company sincerely discusses and responds to my questions. I feel that the degree of how freely we can discuss has increased dramatically since Mr. Yamashita took the helm at Ricoh.

Iijima Another significant change has been how we formulate mid-term management plans. These plans used to be basically extensions of their predecessors. The 20th Mid-Term Management Plan (20th MTP) took a fresh approach, backcasting from our long-term vision. We now regularly check and review progress given the changing social and environmental circumstances.

Hatano I think that risk management will become even more crucial under our new business unit structure to reach 20th MTP goals. We will need to build frameworks to identify and address issues earlier.

Iijima Thus, it will be essential to leverage regular PDCA procedures to assess the plan's progress. We must probe the causes of delays or anomalies and discuss how to overcome them.

After the Ordinary General Meeting of Shareholders in June 2022, the ratio of outside directors now exceeds 50%, and more time will be necessary, discussions by outside directors. As executive officers and others attend board meetings as observers when necessary. Discussions will not deteriorate and will be more in-depth than in the past.

Hatano While we formulate management plans for the medium term, we need long-term perspectives for human resources. We are assessing the types of people we need as a digital services company, and how best to recruit and train



them. We are sharing information with the HR Department. There is much competition for digital experts, so we need to clarify job descriptions and communicate what kind of human resources we need. It will also be important for all our employees to design their careers for the next five to ten years.

Mr. Yamashita is increasingly sending out messages internally and externally regarding human resources. I believe that employees will be aware of what is expected of them and enable them to see the reactions of investors and others outside the company, leading to positive feedback.

Lead outside director and chairperson of the Board of Directors stances on issues

Iijima Although more than half of the Board members are outside directors, we must continue to consider the composition of the Board and the skills of those who will be invited to join. We need to consider Board size, the number, and the selection process for outside directors to ensure a balanced skill matrix that allows for free, vigorous, and in-depth discussions.

Hatano We now have a job-based employment system and a coherent executive compensation setup. So, we anticipate the need for systems that enable us to assess and develop individual employees properly. It isn't easy to set objective benchmarks, but we must make a start. We hope to demonstrate transparency of executive remuneration to shareholders and other investors and help enhance governance and employee engagement.

We also must leverage our job-based employment system and year-round hiring program to build a mechanism that offers attractive compensation packages to digital experts and other highly talented candidates.

Iijima As the lead outside director, I look to collaborate and communicate more than ever with Ms. Hatano, Mr. Yamashita, and other directors and auditors. I additionally seek to engage more with shareholders, employees, and other stakeholders to help enhance Ricoh's corporate value.

Hatano Obviously, I cannot expect people to consider Ricoh as being advanced in diversity just because I chair the Board of Directors. As a chair, it is my mission to encourage more objective and robust deliberations and draw as much as possible on the expertise and talents of Board members. I will endeavor to make discussions more efficient and in-depth, carefully selecting the agenda and allocating sufficient discussing time that creates opportunities for everyone to speak.

Ricoh Group prospects

Iijima As outside directors, we always approach board meetings with a sense of responsibility, keeping in mind that our decisions will affect the Ricoh Group five to ten years down the road.

Hatano We must leave a positive legacy. I also think it is important for all employees to be happy and proud of being part of the Ricoh Group. I am a devotee, although I have to set that feeling aside when helping shape management decisions. We must keep treasuring an environment in which we can exchange honest views based on trust.

Iijima The Spirit of Three Loves and the Three Ps Balance ① are essential foundations for us. We should keep propagating them. Acting on them should enable Ricoh to achieve business growth and fortify its ESG position.

In terms of global management, it may not be enough to fully leverage local personnel. When appointing such people to head local subsidiaries, for example, there may be cases where headquarters provides support until they are up to speed.

Hatano Our first diversity priority is to reach our targets for women in managerial positions. They account for 15.1% of Ricoh's executive pool globally. We would need to achieve around 30% for organizational changes to take hold. We naturally need to endorse both female and employees from other countries to be successful and focus on creating an inclusive work environment.



We are still developing our human resources approach and we need to proceed with caution to not make rash decisions that could have an unforeseen impact. I expect Ricoh to lead the way in diversity. Given its Fulfillment through Work vision, the Ricoh Group strives to showcase its commitment to positive work practices. We are on the cusp of an era in which advanced technology will make it possible to keep a check on what workers do. It will become necessary to further debate what being people-centric is all about.

● For more information, refer to the following page:
① Value Creation Process Outcome P.18

Messages from outside directors



Roles
Lead Outside Director
Chairperson of the Nomination Committee
Compensation Committee Member

Major contributions
Mr. Iijima drew on his extensive executive expertise and insights to advise on controlling global risks, managing business portfolios, deploying human resources strategies, undertaking growth investments, and implementing capital policies in view of rapidly changing world affairs and regional characteristics.

Attendance at Board of Directors meetings
Attended all 12 gatherings in fiscal 2021

Urgently important to tackle such supply chain issues as materials shortages and logistics slowdowns

Masami Iijima

Despite progress with vaccination and other measures in numerous countries, the COVID-19 pandemic continues to cast a shadow over the world. People and companies adapt to the situation, gradually finding ways to stem infections and maintain operations. Digital technologies have played a vital role in such efforts.

March 2020 saw the Ricoh Group announce that it would become a digital services company. We began discussing such a move well before the pandemic. We see daily reminders that it was a correct and timely decision. We have entered a phase where this policy is taking shape in our businesses. At the same time, the pandemic's aftermath has beset the marketplace with pressing supply chain issues. These have included shortages of semiconductors and other components and materials and logistics delays.

I realize my role as an outside director is to assess changing times and environmental developments from the medium- to long-term perspective and leverage the broad perspectives I amassed as a Mitsui & Co. executive. To ensure that the Ricoh Group continues to be a company that contributes to society through digital technology, I will continue to strengthen the supervisory function of the Board and work to achieve corporate governance that meets the expectations of our shareholders and other stakeholders.



Roles
Chairperson of the Board of Directors
Chairperson of the Nomination Committee
Compensation Committee Member

Major contributions
Ms. Hatano harnessed her deep knowledge and insights in science and technology and talent development to advise on technology and intellectual property, new business strategies for Ricoh's transformation to a digital services company, and digital and human resources strategies for securing diverse, highly talented specialists.

Attendance at Board of Directors meetings
Attended all 12 gatherings in fiscal 2021

Global perspectives, transparent deliberations, and fast decision-making are vital to serving the growing need to nurture innovation

Mutsuko Hatano

The Ricoh Group honors the Spirit of Three Loves and seeks to expand its business while helping reach SDG objectives. It is accelerating reforms from medium- and long-term perspectives by returning to discussing the fundamentals of what Ricoh should accomplish in the global society. During the year under review, the Board of Directors discussed and deployed growth strategies, improved returns on capital, and overhauled corporate governance. The Company smoothly transitioned to a business unit structure. Its self-motivated employees continue to grow under Mr. Yamashita's steadfast leadership.

At the same time, geopolitical risks grew beyond imagination, necessitating far more comprehensive discussions about rapidly changing conditions. We are also seeing global social issues come to the fore. Expectations are growing to accelerate SDGs contributions and digital and green transformations and to generate value that enriches the social landscape. Another development is that work practices are changing as jobs require greater creativity. It is increasingly important to nurture innovation. We need to further evolve transparent deliberation and decision-making with a global perspective and a sense of speed.

I will leverage my corporate and academia experience and perspectives and ideas that are diversely different from those inside Ricoh to encourage innovation-driven business growth and sustainability. I will support the Ricoh Group to grow sustainably and enhance its corporate value by continuing to bolster corporate governance from the perspectives of all stakeholders.



Roles
Chairperson of the Compensation Committee
Nomination Committee Member

Major contributions
Mr. Yokoo advised from the perspectives of shareholders and other investors regarding corporate finance, engaging with capital markets, capital policies, digital and human resources strategies, and growth investments.

Attendance at Board of Directors meetings
Attended all 12 gatherings in fiscal 2021

Strive to build a portfolio of businesses that can compete successfully on the global stage by having them run autonomously, clarifying their operational profitability, and allocating management resources efficiently

Keisuke Yokoo

Ricoh declared its commitment to beginning anew by becoming a digital services company. Accordingly, we are striving to enhance our corporate value over the medium through long terms. Priorities include undertaking structural reforms to bolster profitability, overhauling businesses, improving productivity, and pursuing ESG objectives. We made several moves in the year under review as part of our transition to a business unit structure. These included bringing out a framework for businesses to run autonomously, clarifying operational profitability, and allocating management resources efficiently to build a portfolio of businesses that can compete successfully in the global market. We look for particularly solid growth in Office Services, which should become a core business in the coming years. We will endeavor to capture digitalization demand while drawing on strengths from undertaking a balanced global rollout and a customer base and brand impact that have enabled us to capture the top share of the global MFP market.

My role is to monitor the Board of Directors objectively, offer useful advice, and ensure that management discloses information appropriately. Furthermore, by leveraging the long-term perspectives and vision accumulated through 48 years of experience in various financial businesses, I will work to achieve better corporate governance—always with stakeholders and shareholders in mind—so that Ricoh can increase corporate value and pursue sustainability.

Whenever shortcomings emerge with new organizations or systems, it is essential to diagnose and fix them swiftly

Sadafumi Tani



Roles
Compensation Committee Member

Major contributions
Mr. Tani advised from the perspectives of shareholders and other investors on communicating capital markets, disseminating information, enhancing capital returns, and formulating human resources strategies.

Attendance at Board of Directors meetings
In fiscal 2021, attended all ten gatherings subsequent to being appointed at General Meeting of Shareholders

I have taken part in board and other meetings since becoming an outside director in June 2021. I think that Ricoh's governance is functioning well, offering sufficient time for deliberations and covering very worthwhile topics.

We adopted a business unit structure to accelerate decision-making. While that setup will benefit us in all sorts of ways, some shortcomings may emerge that call for swift assessment and fix. We will roll out a Ricoh-style job-based employment system in fiscal 2022 in Japan. I wrote in my message to shareholders a year ago that people are the greatest asset for any organization. Overhauling our employment system will reshape Ricoh's future. I will keep monitoring progress to ensure that the new approach fully incentivizes its valuable employees and fosters their talents. It will also be essential to increase diversity by hiring and training female and talent from multiple countries. Having more people with wide-ranging perspectives will make management more flexible and resilient.

Such external factors as the past two-plus years of the pandemic and the Ukraine invasion promptly and profoundly impact Ricoh's operations. The challenge in such times is to determine how best to obtain and organize accurate information and apply it swiftly to management. I will offer recommendations for setting up and monitoring a nimble crisis management system.

New outside director

Contributing to governance and a corporate transformation amid Ricoh's drive to deliver new growth

Kazuhiko Ishimura



Roles
Nomination Committee Member

I have strong credentials in global manufacturing, as does Ricoh. I have found that it is impossible to compete in the worldwide market by just offering quality products and services at a low cost. Meeting quality, cost, and delivery requirements, delivering customer value while avoiding cost competition, and generating social value that contributes to ESG and SDG progress are vital to gaining stakeholder trust.

To date, Ricoh has grown globally on the strength of its top-notch products and services, centered on office MFPs. It has earned a stellar reputation in ESG. We have made a major shift in our journey to become a digital services

company that achieves new growth. As a new director, I will assist in efforts to build a suitable governance structure and contribute to Ricoh's transformation.

Finally, I believe in the power of people. During my career, I have experienced countless crises where people came together to overcome those challenges and bring about meaningful change. Ricoh has a longstanding history of treasuring people. I share that ethos. I will help leverage the power of Ricoh's people to drive its transformation into a more valuable enterprise as a digital services company.

Summary of Board of Directors effectiveness assessment for fiscal 2021

Fiscal 2021 evaluation of effectiveness of Board of Directors

Our evaluation focused not just on the effectiveness of the Board of Directors but also on how executives responded to requests from the Nomination Committee, Compensation Committee, and Board of Directors. In addition, a third-party evaluation was implemented to ensure objectivity.

● Evaluation process

The evaluation was conducted through discussions attended by all Directors and Audit and Supervisory Board Members, after sharing their written assessments and the analysis of third-party questionnaires to ensure anonymity. Through the discussions, participants reviewed and evaluated the Board's performance during fiscal 2021, in terms of the basic policies on the operation of the Board of Directors and the three improvement items, which were set forth by the Board in the previous effectiveness assessment.

〈Basic policies for fiscal 2021〉

1. Monitor and support efforts to steadily implement the 20th Mid-Term Management Plan and reach fiscal 2021 business plan goals
2. Step up deliberations about management infrastructure and strategies to accelerate sustained growth after an emergency (the COVID-19 pandemic)

〈Fiscal 2021 action items〉

1. Monitor business performance (including non-financial targets) and progress in developing measures to increase the certainty of achieving the fiscal 2021 business plan, and encourage appropriate action.
2. Enhance supervision and deliberations to reach goals over medium and long terms for transforming the business structure, improving returns on capital, and optimize resource allocations, structure, and operations.
3. Deepen discussions about human, technological, and intellectual capital, growth and digital transformation strategies, and other components of management infrastructure in anticipating a post-pandemic business climate.

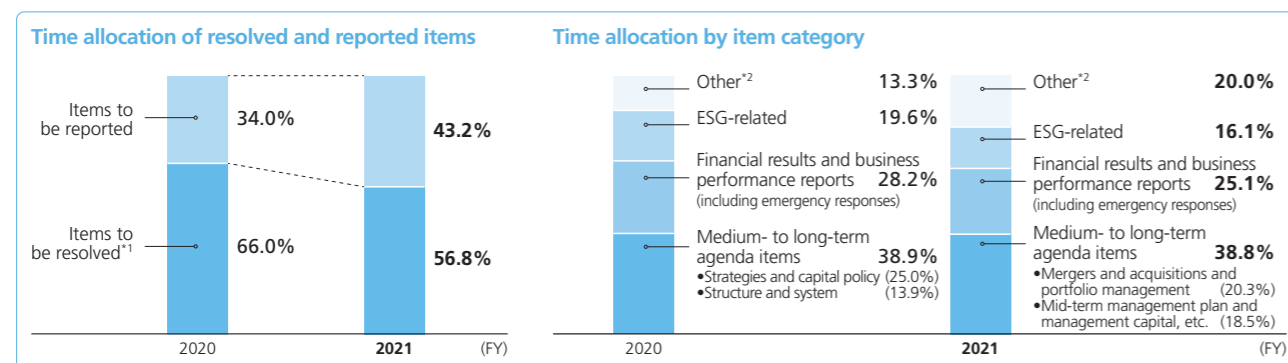
Summary of the results of the fiscal 2021 Board of Directors Effectiveness Assessment

● Board of Directors' operational performance results

In fiscal 2021, we monitored and supported business unit performances and measures under our new business unit structure. At the same time, we ensured that the Board of Directors suitably discussed human capital, digital strategies, and other aspects of the management infrastructure to accelerate sustainable growth. For example, the Board of Directors determined priority issues and followed an annual reporting and deliberation schedule. As well as arranging outside director meetings, we had these directors attend management gatherings as observers. We also enhanced information sharing with directors and members of the Audit and Supervisory Board by improving advance briefings about mergers and acquisitions and other important topics.

In order to ensure transparency of deliberations at the Board of Directors meetings, the following disclosure regarding time allocated for the agenda items for the fiscal 2021 Board of Directors meetings is provided.

Board of Directors—Time allocation by agenda item



*1 Items to be resolved: In addition to agenda items for resolution by the Board of Directors, these include Directors' review meetings and governance review meetings held to prepare for deliberations.
 *2 Other: Resolutions in keeping of the provisions of the Companies Act, personnel matters, other individual proposals, and other factors.

● Summary

The following summarizes the results of Board of Directors deliberations regarding written evaluations from directors and members of the Audit and Supervisory Board and third-party evaluations.

The Board of Directors unanimously concluded that this entity has a suitable composition and is effective. That is because the Board is fulfilling its oversight and decision-making with respect to management issues. These include addressing the business environment and strengthening the management structure and infrastructure.

The Board of Directors continued to improve supervision by ensuring that executives provide timely and appropriate business progress reports. It deliberated and provided support based on accurately understanding business situations in light of external factors. Among them were the prolonged pandemic, semiconductor shortages, and logistics cost hikes.

Outside directors chair and account for majorities of members of the Nomination and Compensation committees. The assessment of these entities was that they properly advised the Board of Directors by enhancing committee-led deliberations on major themes. These included implementing an objective CEO succession plan and framing compensation incentives from shareholder perspectives.

At the same time, some pointed out ways to make the Board of Directors more effective. One was to keep exploring optimal composition from the perspectives of diversity and expertise. Others were to develop specific growth strategies, including terms of discontinuity, based on business portfolio discussions, and to keep considering capital and other management infrastructure elements. Others also noted the importance of fully harnessing the knowledge of outside directors and enhancing open debate to deepen these deliberations.

From supervisory perspectives, others noted a need to take a range of measures. Among them were monitoring the business unit structure to improve business administration and risk management and conducting fixed-point evaluations of risks that could affect management.

Fiscal 2021 action items 1 and 2

Under our new organizational structure, business unit heads provided regular progress reports that the Board of Directors monitored constantly to encourage action in response to external factors.

The Board of Directors oversaw and supported measures to drive business growth and improve returns on capital and discussed business portfolios to reinforce the corporate structure. It enhanced deliberations about ESG initiatives, and personnel system reforms, and other matters related to future finances and the management infrastructure.

On the other hand, in addition to the need for continuous improvement to manage the progress of the business plan and appropriately respond, points were made regarding the need for further specificity in the digital services of each business unit to accelerate the transformation of the business structure, as well as for ongoing deliberations to establish a business portfolio and ROIC management.

Fiscal 2021 action item 3

The Board of Directors deliberated on the policies and measures for management infrastructure, including management capital (human resources, technology, intellectual property, liquid assets, etc.) and growth/DX strategies, as outlined in the 20th MTP, and provided timely and appropriate comments and support.

The Board also held several discussions about tapping human resources and developing digital professionals, verifying issues from various perspectives to pave the way for the adoption of a new personnel system.

The need to identify personnel attributes needed for the medium and long terms and strengthening human capital, comprehensively bolster risk management to address a changing business environment, and scrutinize and constantly improve the governance structure and systems under a business unit structure was pointed out.

Fiscal 2022 efforts to improve effectiveness of Board of Directors

In view of the above considerations and fiscal 2022 being a year for formulating Ricoh's next-mid-term management plan, the Board of Directors will function in line with the following Basic Policy and endeavor to become more effective, focusing on three specific action items.

● Basic policies for fiscal 2022

1. Monitor and support key measures to reach targets for the final year of the 20th Mid-Term Management Plan
2. Discuss and support the formulation of the 21st Mid-Term Management Strategy (21st MTS) to maximize corporate value as a digital services company

● Action items for fiscal 2022

1. Achieve fiscal 2022 business goals in a highly uncertain business climate by monitoring progress with key management indicators and measures and follow up as needed to ensure implementation.
2. Maximize corporate value as a digital services company by further discussing such management infrastructure matters as transforming the business structure, improving returns on capital, and human capital underpinnings, reflecting those conclusions into the 21st MTS.
3. Continuously improve corporate governance, as well as examine and supervise the business unit, risk management system, new personnel system, ESG (future financials), etc., to create an environment for sustainable growth.

This effectiveness evaluation also encompassed discussing and disclosing concepts, perspectives, underlying philosophies, and other components of Board of Directors efforts to enhance corporate value.

● For more information, refer to the following page: ● Board culture P. 78

Directors and Audit and Supervisory Board Members

As of June 29, 2022

Board of Directors



Yoshinori Yamashita
Representative Director
CEO
Nomination Committee Member
Compensation Committee Member
Date of birth: August 22, 1957
1980: Joined the Company

Currently
President, Ricoh Company, Ltd.

Formerly
President, Ricoh Electronics, Inc.
General Manager, Corporate Planning Division,
Rico Company, Ltd.



Seiji Sakata
Director
CTO
Date of birth: September 12, 1958
1981: Joined the Company

Currently
Executive Corporate Officer, Ricoh Company, Ltd.

Formerly
General Manager, Human Resources Division,
General Manager, Japan Management Division, and
General Manager, Imaging Systems Development Division,
Rico Company, Ltd.



Akira Oyama
Director
Date of birth: January 6, 1961
1986: Joined the Company

Currently
Executive Corporate Officer and President,
Rico Digital Services Business Unit, Rico Company, Ltd.
Director and Chairperson, Rico Japan Corporation

Formerly
General Manager, Europe Marketing Group,
Rico Company, Ltd., President, Rico Europe Plc



Masami Iijima
Outside Director
Lead Independent Director
Chairperson of the
Nomination Committee
Compensation Committee
Member
Date of birth: September 23, 1950
June 2016: Appointed as Director

Currently
Counsellor, MITSUI & CO., LTD.
Outside Director, SoftBank Group Corp.
Counsellor, Bank of Japan
Director, Isetan Mitsukoshi Holdings Ltd.
Outside Director (Chairperson of the Board meeting),
Takeda Pharmaceutical Co., Ltd.



Mutsuko Hatano
Outside Director
Chairperson of the Board
Nomination Committee
Member
Compensation Committee
Member
Date of birth: October 1, 1960
June 2016: Appointed as Director

Currently
Professor at the Department of Electrical and
Electronic Engineering, School of Engineering,
Tokyo Institute of Technology
Senior Aide to the President, Tokyo Institute of Technology
Member, Science Council of Japan
Executive Member, Council for Science, Technology and
Innovation



Keisuke Yokoo
Outside Director
Nomination Committee
Member
Chairperson of
Compensation Committee
Date of birth: November 26, 1951
June 2020: Appointed as Director

Currently
President, Member of the Board & Chief Executive Officer,
Japan Investment Corporation
Outside Director, The Dai-ichi Life Insurance Company,
Limited
Chairperson, Sonar Advisers Inc.
Outside Director, Takashimaya Company, Limited



Sadafumi Tani
Outside Director
Compensation Committee
Member
Date of birth: September 15, 1954
June 2021: Appointed as Director

Currently
Executive Director/Editor in Chief, Nippon.com
Advisor, Jiji Research Institute, Ltd.



Kazuhiko Ishimura
Outside Director
Nomination Committee
Member
Date of birth: September 18, 1954
June 2022: Appointed as Director

Currently
President and CEO, the National Institute of Advanced
Industrial Science and Technology
Outside Director of Nomura Holdings, Inc.
Vice Chairperson, Japan Association of Corporate Executives
(KEIZAI DOYUKAI)

Audit and Supervisory Board



Kazuhiro Tsuji
Audit and Supervisory Board
Member
Date of birth: January 25, 1961
1984: Joined the Company
June 2020: Appointed as Audit
and Supervisory Board Member

Formerly
General Manager, Human Resources Division and
Corporate Vice President, Rico Company, Ltd.



Shinji Sato
Audit and Supervisory Board
Member
Date of birth: May 2, 1960
2017: Joined the Company
June 2021: Appointed as Audit
and Supervisory Board Member

Formerly
General Manager, Finance and Legal Division and
Corporate Vice President, Rico Company, Ltd.



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

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



Shoji Kobayashi
Outside Audit and
Supervisory Board Member
Date of birth: December 29, 1953
June 2020: Appointed as Audit
and Supervisory Board Member

Currently
Member, Contract Monitoring Committee, National
Institute of Technology and Evaluation (NITE)
Director in charge of Control Group (Part-time),
SAIWAI TRADING CO., LTD.



Yasunobu Furukawa
Outside Audit and
Supervisory Board Member
Date of birth: October 11, 1953
June 2020: Appointed as Audit
and Supervisory Board Member

Currently
Outside Director, Keisei Electric Railway Co., Ltd.
Outside Director (Audit & Supervisory Committee Member),
Saitama Resona Bank, Limited

Skill matrix

The compositions of the Board of Directors and Audit and Supervisory Board, as well as expertise of each Director and Audit and Supervisory Board Member are as follows.

The tables below represent skills possessed by each Director and Audit and Supervisory Board Member that are deemed exemplary, and does not represent all of their knowledge and experience.

Positioning of key skills and noteworthy fields of expertise

- We have listed the key skills that at least one director or Audit and Supervisory Board member should possess in view of the operating climate and business strategies. These individuals should also be exceptionally proficient in their notable fields of expertise, shown in the tables below, to address increasingly complex business challenges.

Reasons for selecting key skills

- We have positioned expertise in corporate management and business operations as a key skill to ensure appropriate decision-making and oversight regarding global operational issues. We similarly made governance and risk management expertise a key skill to ensure accountability and transparency with diverse stakeholders and address increasingly complex business risks. To sustainably enhance corporate and shareholder value in view of Ricoh's listing on the Tokyo Stock Exchange's Prime Market, we included finance and accounting in key skills to support our capital policy and engagement with capital markets. We chose technology and R&D as a key skill underpinning Ricoh's transformation into a digital services company that leverages unique edge devices*.

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

Directors

Name	Gender	Years of Board service	Nomination Committee	Compensation Committee	Skills			Notable fields of expertise
					Corporate management/business operation	Governance/risk management	Finance/accounting	
Yoshinori Yamashita	Male	10 years	●	●	●	●		Supply chain management and marketing
Seiji Sakata	Male	4 years			●		●	Technology and product development
Akira Oyama	Male	1 year			●		●	Global marketing
Masami Iijima	Male	6 years	● Chairperson	●	●	●		Global business
Mutsuko Hatano	Female	6 years	●	●	●		●	Cutting-edge technology research and education
Keisuke Yokoo	Male	2 years	●	● Chairperson	●		●	Finance and investment management
Sadafumi Tani	Male	1 year		●	●			Information analysis and distribution and communication
Kazuhiko Ishimura	Male	-	●		●		●	Sustainability and technology management

Audit and Supervisory Board Members

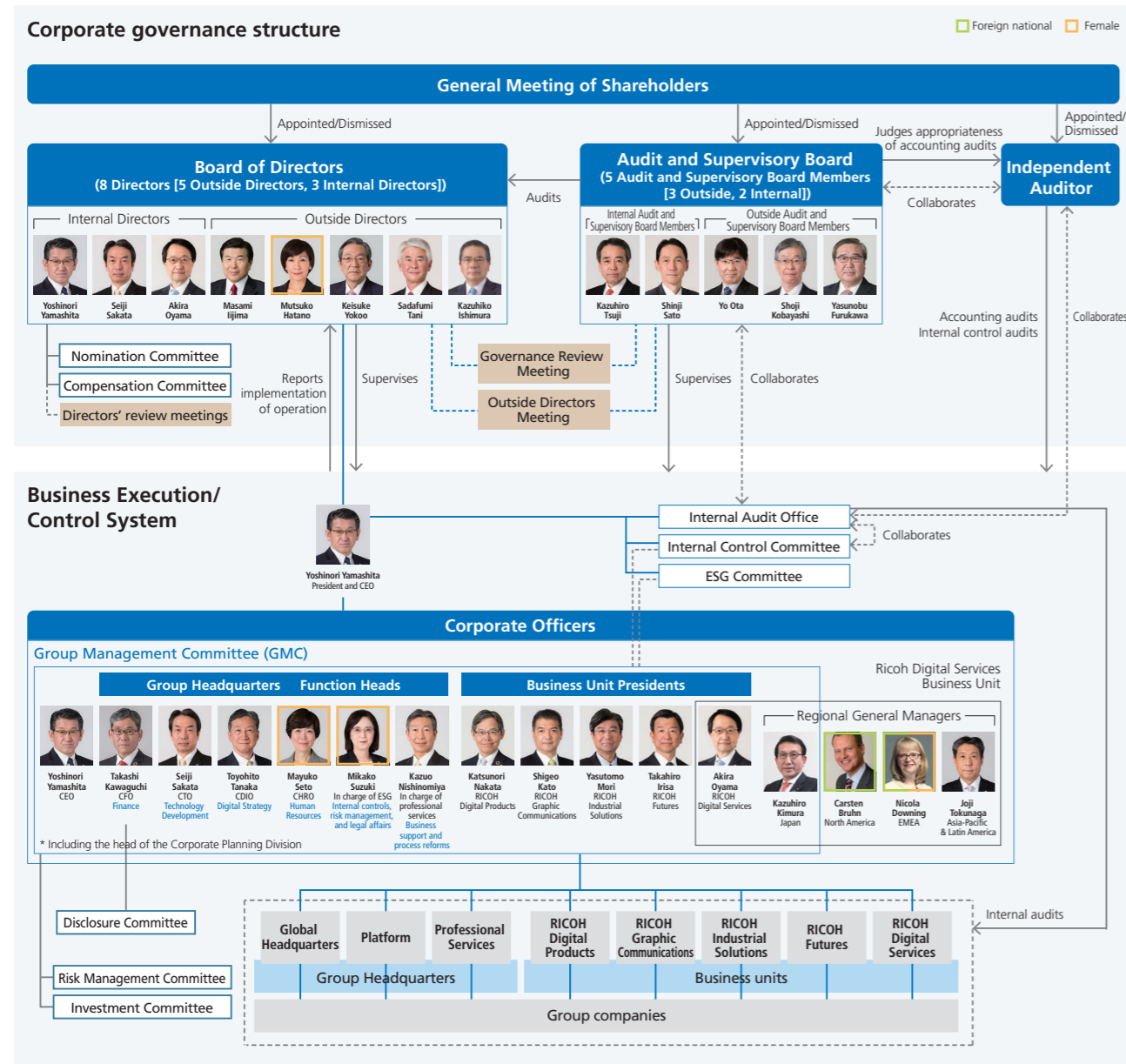
Name	Gender	Years of Board service	Nomination Committee	Compensation Committee	Skills			Notable fields of expertise
					Corporate management/business operation	Governance/risk management	Finance/accounting	
Kazuhiro Tsuji	Male	2 years			●			Human resources and personnel development
Shinji Sato	Male	1 year			●	●		Finance and accounting
Yo Ota	Male	5 years			●	●		Corporate legal affairs
Shoji Kobayashi	Male	2 years	● Observer		●		●	Technology development and R&D
Yasunobu Furukawa	Male	2 years		● Observer	●	●		Accounting audit

Corporate governance structure

Ricoh employs a corporate audit system. In addition, the Group is making efforts toward enhancing oversight of executive management by the Board of Directors and enhancing the execution of business management through the executive officer system. Furthermore, by appointing Outside Directors, the Group is working to further improve corporate governance by decision-making and oversight of executive management through discussion from their independent perspectives. The nomination of Directors and Executive Officers and their compensation are deliberated by the Nomination Committee and the Compensation Committee, advisory bodies which comprise a majority of Independent Outside Directors. The results are reported to the Board of Directors.

[WEB](#) Refer to our website: [Corporate governance](#)

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



Board of Directors

The Board of Directors is responsible for management oversight and essential decision-making for Group governance. By appointing highly independent outside directors, the Group ensures greater transparency in its management and fair decision-making.

We have established a system in which non-executive directors, including independent outside directors, and directors in charge of execution, utilize their expertise and experience to engage in in-depth discussions on important issues. This encourages new challenges that lead to growth while simultaneously supervising management from the perspective of shareholders and other stakeholders. As a rule, all directors must attend at least 80% of Board of Directors meetings. They must also supervise corporate management effectively. In fiscal 2021, five of the 10 members of that body were outside

directors. This was in keeping with an ongoing effort to incorporate diverse views and opinions and to eliminate arbitrary decision-making in management.

Ricoh decided to increase the ratio of outside Board of Directors members from at least one-third, to a majority, effective from fiscal 2022. It also appointed a lead outside director, so outside directors could better perform their roles and functions. The lead outside director is responsible for enhancing governance in collaboration with the Board chairperson. Lead outside director appointments will be made as needed based on Board judgments, in view of operational situations and chairperson and director appointments. The chairperson and lead outside director will ensure suitable collaboration and role allocations to help the Board function smoothly and fulfill its roles.

Board culture

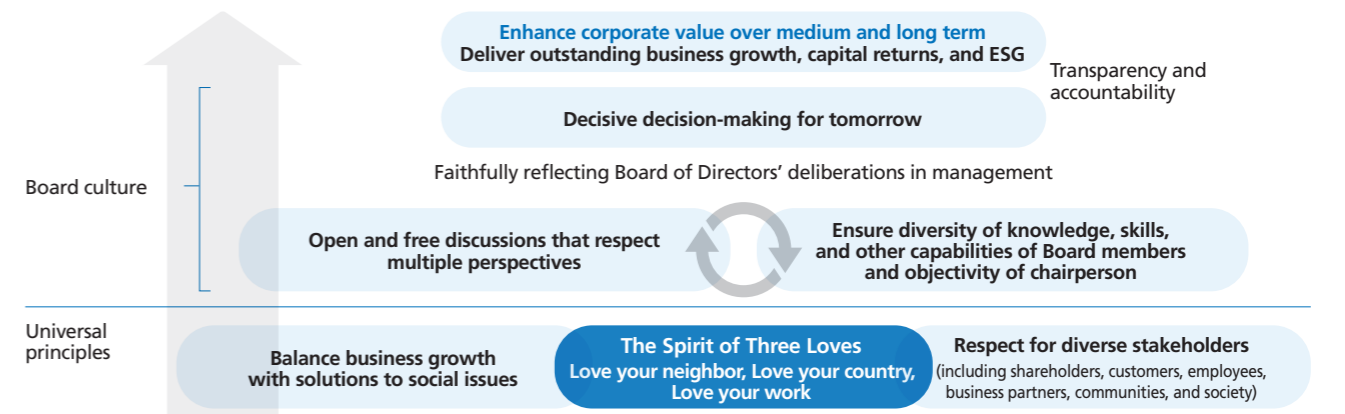
The Board of Directors reflected on Ricoh's founding spirit to discuss the ideas and stances that underpin that body's deliberations, decisions, and actions to help enhance corporate value. It accordingly defined the following Board culture.

The Board of Directors shall:

- Honor **the Spirit of Three Loves**, engaging with and **respecting the interests** of shareholders, customers, employees, partner companies, communities and society, and other **stakeholders** while overseeing management strategies and plans that help **resolve social issues**.
- The chairperson shall **objectively lead diverse and highly independent** Board members in engaging and constructive deliberations that **value a diversity of open and free viewpoints**. Management shall **faithfully reflect** the results of deliberations.
- Board members shall understand their social responsibilities, **make robust decisions for the future**, and oversee management's implementation of decisions, so Ricoh can **enhance medium- and long-term corporate value** by delivering **exceptional business growth, capital profitability, and ESG performances**.

With the business climate and management structure changing, the Board will constantly refer back to the culture described above in deliberating, making decisions, choosing directors, and engaging with shareholders and other stakeholders.

Conceptual diagram of Ricoh Board culture



Approach to electing Directors

● Election criteria for Directors (Management capabilities)

Superior insight and judgment necessary for management functions

1. A wide range of knowledge about businesses and functions and the ability to think and make decisions appropriately from companywide and long-term perspectives
2. Keen insight to discern the essence and clarify issues
3. Vision to make best decisions at a global level
4. A broad range of experiences as a basis for judgment and insight and a proven track record in dramatically improving corporate value and competitiveness
5. A solid understanding of corporate governance and the ability to think and make appropriate judgments from the perspective of diverse stakeholders, including shareholders and customers

⟨Character and personality⟩

Mutual trust between Directors and management team for the smooth execution of oversight functions

1. Integrity; 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. Has a deep understanding and accepts diverse values and ideas, and sets an example through decisions and actions that respect individuality.

● Election criteria for Outside Directors

The above criteria applies to both inside and outside directors. Outside directors should also have expertise in different fields, be able to identify and resolve problems, provide insights, be able to think strategically, manage risks, and lead. They must also satisfy Ricoh's Criteria for Independence of Outside Directors and Outside Corporate Auditors.

● Diversity policy

We believe that the Company's Board of Directors should comprise of directors with management ability, character and personality, and diverse viewpoints and backgrounds, in addition to sophisticated multilateral skills. We maintain a policy of selecting candidates based on their character and knowledge without distinction as to race, ethnicity, gender, or nationality and to ensure diversity relating to these attributes.

● Director election and evaluation processes (Nomination Committee)

The Board established the Nomination Committee, which ensures that procedures for appointing, evaluating, and dismissing Directors, the CEO, and other management team members are objective, transparent, and timely. We enhance objectivity and independence by having an independent outside director chair the committee, with independent outside directors constituting a majority of the committee. One outside auditor attends committee meetings so deliberations are transparent.

⟨Election process⟩

In order to maintain a Board of Directors structure that enables appropriate and effective management decision-making and supervision of business execution, the Nomination Committee undertakes ongoing deliberation on the composition of the Board and the specializations, experience (skill matrix), etc., required of Directors. Candidate nominations for Director are deliberated by the Nomination Committee over several sessions and undergo a strict screening process. Based on the reporting from the Nomination Committee, the Board of Directors deliberates from shareholder perspectives and submits candidates to the General Meeting of Shareholders.

⟨Evaluation process⟩

The Nomination Committee consults with the Board to conduct two-stage evaluation of directors annually. The first assessment encompasses whether directors are sufficiently competent to keep performing their duties and ensures timely appointments and dismissals. The second assessment looks at performance from multiple perspectives, clarifying issues, and providing feedback to the evaluated directors to enhance management. The Nomination Committee submits reports on its director evaluation deliberations and conclusions to the Board, which carefully oversees the ability of directors to keep discharging their duties.

Key items for Director evaluations

* Excluding Non-Executive and Outside Directors

Evaluation perspectives	Categories	Key evaluation items	Item details and supplementary information
Management oversight	Qualities and abilities	Actions to maximize corporate and shareholder value, stances on executive oversight and mutual checks and balances among directors, risk management, and vital insights for corporate management	
		Consolidated results	Sales, operating profit, profit attributable to owners of the parent, return on equity, return on invested capital, and free cash flow
Financial indicators	Results	Progress with fiscal 2021 business plans	Key measures by business unit and region
		Performance under 20th Mid-Term Management Plan	Finance and key measures
		Share price indicators	Share price, market capitalization, and price-to-book ratio
Capital market and shareholder indicators	Capital markets	Ratings	
		Shareholders	Total shareholder returns

In evaluating directors, we use total shareholder returns, a criterion for contributing to shareholders and capital market evaluation perspectives. We base the calculation on the average share price for the fiscal year to avert the impact of sudden share price fluctuations.

Evaluation of CEO and CEO succession plan

The CEO Succession Plan is an important initiative for continuously improving shareholder value and corporate value of the Ricoh Group over the medium to long term and fulfilling its social responsibilities as a member of society.

The CEO succession plan is being continuously improved through procedures that are objective, timely, and transparent in order to strengthen corporate governance.

● CEO evaluation

The Board of Directors advises the Nomination Committee, which consults with the Board in evaluating the CEO at two stages each year. In the first assessment, careful and appropriate deliberations are made on the soundness of the CEO, ensuring timeliness of appointment and dismissal. In the second assessment, the CEO's achievements are evaluated with a multifaceted approach, and clarifying issues and providing feedback to improve the quality of management. The Nomination Committee's deliberations and conclusions on the evaluation of the CEO are reported to the Board of Directors to oversee the CEO effectively.

Key items for the CEO evaluation

Evaluation perspectives	Category	Key evaluation items	Item details and supplementary notes	
Management supervision	Same categories and evaluation items as for directors			
Financial indicators	As above	Environment	Environmental management initiatives	
		Society	SDG initiatives	
Capital market and shareholder indicators	As above	Governance	System, disclosure, investor relations, and compliance	
		Future finance indicators	Development and use of human resources	Personnel systems and work environment
		Employees	Employee engagement	External surveys
Customers	Customer satisfaction	Safety and health	Workplace safety and health management	
		Serious incidents	Product and information security	
		Customer satisfaction	External surveys	

● Selection, development, and evaluation of CEO candidates

Once a year, the CEO prepares a candidates list of their potential successors and a development plan for them. The proposed CEO candidates and the development plans are presented at the Nomination Committee meeting in November. The Nomination Committee deliberates on the validity of the CEO candidates list and development plans, provides advice to the CEO on candidate development, and reports the findings to the Board of Directors. The Board of Directors confirms the validity of the candidate selection and development plans upon reporting from the Nomination Committee and is actively involved in selecting and developing CEO candidates.

⟨Candidate selections⟩

CEO candidates are selected based on the assumption that the CEO will be replaced at the end of each term. In the event of an unforeseen incident, a replacement candidate is selected by resolution of the Board of Directors when the CEO is appointed.

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

⟨Candidate development⟩

The Nomination Committee deliberates on the development plan for future CEO candidates. It provides guidance to the CEO, who offers growth opportunities suited to each candidate according to their individual targets during the next fiscal year, allowing them to gain experience. The CEO also directly mentors the candidates to promote their development based on individual assessment.

⟨Candidate evaluations⟩

CEO candidates receive annual evaluations. The CEO reports on the achievements and growth of each candidate during the development period (April to March next year) to the Nomination Committee in early November (the evaluation period is from April to October, which is the month before the Nomination Committee meets). The Nomination Committee deliberates whether to maintain or replace individuals on the CEO candidate list. Where necessary, it assesses candidates, tapping advice from outside experts and other sources, reports on its findings to the Board of Directors. Upon reporting from the Nomination Committee, the Board of Directors evaluates the CEO candidates. It confirms the validity of deliberations on which candidates are to remain and is actively involved in the process.

Matters concerning compensation for Directors and Audit and Supervisory Board Members, etc.

● Policy determination on the content of individual compensation, etc.

The policy is decided by the Board of Directors considering the deliberation and recommendation by the Compensation Committee, which is an advisory body to the Board of Directors.

● Compensation policy

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

Compensation components	<ul style="list-style-type: none"> This comprises a base amount reflecting expected roles and responsibilities, a bonus ample for corporate performance, and compensation that reflects shareholder value improvements over the medium through long terms. Compensation for internal non-executive directors comprises just a base amount and bonuses in view of their full-time roles to oversee business implementation by drawing on extensive knowledge about in-house situations. Compensation for outside directors overseeing management and Audit and Supervisory Board members responsible for auditing comprises just basic compensation, so these members can focus on fair oversight and auditing, thereby ensuring that they are independent from business implementation.
Governance	<ul style="list-style-type: none"> Ensure objectivity, transparency, and suitability in designing the compensation system, setting compensation levels, and basing individual compensation on appropriate external benchmarks and the Compensation Committee's ongoing deliberations and monitoring. The Compensation Committee and the Board of Directors shall deliberate whether compensation levels for individual directors are appropriate in light of the Nomination Committee's director evaluations and other factors.

● Policy on deciding the content of individual compensation, etc., and matters related to performance-linked compensation, non-monetary compensation, etc., for fiscal 2021

1. Process for determining compensation

The Company has established a Compensation Committee to build a more objective and transparent compensation review process that helps increase profits, enhance corporate value, and strengthen corporate governance through incentives. The Compensation Committee determines base compensation, bonuses, compensation for acquiring stock, and stock-based compensation with stock price conditions following multiple deliberations based on the compensation standards for directors and business performance and on the Nomination Committee's evaluation of directors, and presents recommendations to the Board of Directors.

The Board of Directors assesses and approves remuneration plans from the Compensation Committee. The Board of Directors determines the total bonus pool after confirming that amounts for each director are in line with the formula for such bonuses, and decides whether to submit a director bonus payment proposal at the General Meeting of Shareholders. Payments are subject to shareholder approval in that gathering of the proposal.

2. Policy for determining compensation levels

Each fiscal year, the Compensation Committee confirms whether remuneration targets match corporate performance levels for each compensation category. The goal is to properly link corporate performance and compensation. Basic compensation refers to the compensation level of officers of the benchmark company group* based on survey results of external specialized agencies. Short-term and medium- to long-term incentives are set at a higher level among the benchmark company group if our operating profit level is higher than the performance of the benchmark company group, and at a lower level among the group when the operating profit level is lower.

* We select around 20 office automation competitors, electrical equipment manufacturers, and similarly sized global companies (such as in terms of revenues and employee numbers).

3. Compensation for Directors

Compensation category	Compensation program	Internal Directors		Outside Directors	Comments
		Executive	Non-Executive		
Fixed	Basic compensation	●	●	●	Compensation based on roles and responsibilities
Variable (short-term)	Performance-linked bonuses	●	●	—	Linked to performance target achievements
Variable (medium and long terms)	Compensation for acquiring stock	●	—	—	All payments used to acquire Ricoh shares through Executive Stock Ownership Plan
	Stock-based compensation with stock price conditions	●	—	—	Incentive to enhance corporate and shareholder values over medium through long terms

(1) Basic compensation (fixed)

Basic compensation is monetary remuneration 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 the range of the total amount of compensation determined at the general meeting of shareholders. The total amount of compensation paid for fiscal 2021 was ¥296.15 million.

Compensation composition		Prime methods for setting compensation levels
Internal Directors	Centering on compensation for management oversight roles and compensation reflecting the importance of management roles and responsibilities, with additional compensation for those in representative director, Board of Directors chairperson, and other roles.	<ul style="list-style-type: none"> Weightings of management responsibilities and roles of directors serving concurrently as executive officer determined with reference to job grade frameworks of external professional institutions. Compensation for non-executive directors based on roles in overseeing business implementation by drawing on extensive knowledge of in-house situations from full-time service with Company.
Outside Directors	Centering on compensation for management oversight roles and compensation for advice to management, with additional compensation for those in Nomination Committee and Compensation Committee chairperson and other roles.	<ul style="list-style-type: none"> Compensation levels set after referring to objective data from external professional institutions.

● For more information, refer to the following page: ● Linking ESG to executive compensation P. 50

(2) Short-term performance-linked bonuses

The Company pays these bonuses after fiscal year-end in line with operating results and shareholder value improvements during the fiscal year. Ricoh adopted the following indicators in fiscal 2021.

Evaluation indicators	Purposes of objectives
Consolidated operating profit	Hold directors accountable for increasing earnings and improving profitability by using operating profit, which correlates with market capitalization and demonstrates progress with business activities, as an evaluation indicator.
Reaching ROE target in year under review	Hold directors accountable for improving shareholder value by using ROE, a key benchmark for enhancing returns on capital, as an evaluation indicator.
Annual Dow Jones Sustainability World Index* rating	Incentivize ESG improvements by using the annual Dow Jones Sustainability World Index rating, a tool for confirming company-wide ESG efforts, as an evaluation indicator.

The Compensation Committee discusses the suitability of individual bonus payment amounts based on results calculations with the formula below, including for Nomination Committee assessments of directors. It then makes recommendations to the Board of Directors, which decides whether to submit a director bonus payment proposal at the General Meeting of Shareholders.

For fiscal 2021, the Compensation Committee concluded that results calculated according to the formula below were appropriate, and the total bonus payments were ¥29.69 million.

* Dow Jones Sustainability Indices: Dow Jones & Company of the United States and sustainability investment research firm S&P Global jointly developed these indices, analyzing corporate sustainability from economic, environmental, and social perspectives

(3) Compensation reflecting shareholder value improvements over medium through long term

This comprises compensation for acquiring stock and stock-based compensation with stock price conditions.

Compensation program	Program overview	Fiscal 2021 results
Compensation for acquiring stock	This compensation aims to encourage directors to steadily increase their shareholdings in Ricoh and share the benefits and risks of stock price swings with shareholders. We pay a fixed amount each month during the terms of directors, who use the entire amount to purchase Ricoh shares through the Executive Stock Ownership Plan.	The compensation amount is position-based within the total remuneration that shareholders determine at the Ordinary General Meeting of Shareholders. The total payment in fiscal 2021 was ¥11.73 million.
Stock-based compensation with stock price conditions	This program seeks to enhance director awareness of the need to help improve corporate and shareholder value over the medium through long terms. Under this setup, a Ricoh-established share delivery trust acquires the Company's from the stock market. It provides a number of Ricoh shares equivalent to the points granted to directors upon their resignations. Point numbers vary according to results of comparisons between Ricoh's share price and the TOPIX growth rate during the director terms.	Expenditure in fiscal 2021 based on points granted for stock-based compensation with stock price conditions was ¥14.74 million. We are not disclosing the actual growth rate for Ricoh's share price during fiscal 2021 because no directors resigned during the term.

● Revising Director bonus formula

Ricoh will change the formula to hold directors accountable for achieving companywide results and motivate them to achieve goals. Ricoh previously used ROE as a key factor added to or subtracted from consolidated operating profit achievements. By switching from a profit allocation to target achievement formula, the Company is clarifying key performance indicator requirements and more closely aligning bonus payments with results. It will set a steeper incentives curve for exceeding companywide performance targets.

4. Compensation for Audit and Supervisory Board Members

Compensation for Audit and Supervisory Board Members consists only of basic compensation for their roles of appropriately performing audits. The Audit and Supervisory Board discusses remuneration levels based on external benchmarking and within the approved range of remuneration amount at the 84th Ordinary General Meeting of Shareholders.

● Policy on determining fixed and variable compensation ratio

Ricoh clarified performance accountabilities for roles and functions by designing the ratio of base compensation to variable compensation (performance-linked bonus, compensation for acquiring stock, and stock-based compensation with stock price conditions) such that the variable component is higher for those with greater management responsibilities. We revised the formula for director bonuses in fiscal 2022. The base to variable compensation ratios for the president and CEO are 5:5 and 4:6 for reaching the standard and maximum performance targets, respectively.

The Company will keep emphasizing corporate and shareholder value improvements over the medium and long terms. It will further increase proportions of variable compensation linked to shareholder value and business performance. It will continue to discuss appropriate remuneration levels for compensation categories.

(4) Director compensation revision for fiscal 2022

On March 2, 2022, the Board of Directors decided to revise the base compensation and bonus formula for directors as of fiscal 2022 to foster a sustainable increase in corporate value from Ricoh becoming a digital services company.

● Revising base compensation for Directors concurrently serving as Executive Officers

The Company will switch from position-based to job grade-based compensation. It refers to external professional organizations in determining job grades according to the duties of directors concurrently serving as executive officers and responsibility and difficulty levels.

Committees

● Nomination Committee and Compensation Committee

We established the Nomination Committee, whose chair and members are largely outside directors, and the Compensation Committee, to transparently and objectively select and dismiss directors and executive officers and remunerate them. In addition, one Outside Audit and Supervisory Board Member attends the deliberations of the Nomination Committee and Compensation Committee as an observer each time.

● Governance and Directors' review and Outside Executive Meetings

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

Directors' review meetings provide an opportunity and time for Directors and Audit and Supervisory Board members to thoroughly discuss important corporate themes (such as the mid-term management plan) in advance of the Board of Directors resolution.

Outside Executive Meetings are forums to contribute to the deliberations of the Board of Directors by sharing information and views between outside directors and members of the Audit and Supervisory Board based on independent and objective perspectives.

● Group Management Committee

The Board of Directors delegates the president and CEO to authorize the creation of the Group Management Committee, which comprises executive officers with certain qualifications and the head of the Corporate Planning Division.

● Disclosure Committee

This committee comprises representatives from the Disclosure Management, Accounting, Legal, Corporate Planning, Board of Directors Operating, and Communication Strategy divisions, information generation and recognition departments, principal administrative divisions managing affiliates, the Internal Control Division, and the CFO, who oversees information disclosure.

● Internal Control Committee

The president and CEO directly oversees this decision-making body. It determines Group policies in line with Internal Control Principles, and regularly assesses and updates these controls. It comprises Group Management Committee members and the director overseeing ESG, and meets quarterly or as necessary.

● Investment Committee

This advisory body to the Group Management Committee scrutinizes investment plans in financial perspective terms in view of capital costs and in terms of profitability and growth risks from business strategy perspectives. The committee aims to accelerate and improve investment decision-making for diverse external investment and funding projects through its experts engage in preliminary assessments and discussions to be more consistent with management strategies and improve investment effectiveness.

● ESG Committee

The president and CEO chairs this body, which comprises members of the Group Management Committee, the Audit and Supervisory Board and the executive officer overseeing ESG. It meets quarterly, invites representatives of relevant business divisions to participate in discussions, and evaluates companywide sustainability issues.

● Risk Management Committee

The Risk Management Committee was established as an advisory body to the Group Management Committee to strengthen risk management processes across the entire Ricoh Group. 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 propose to the GMC specific risks requiring response and focused on the management of the Ricoh Group. In addition, the committee reviews and restructures the Group's risk management system as needed.

The committee appointed officials from all business units to set up and oversee risk management structures within each of those units to integrate and streamline risk management coordination between them and top management.

The Group Risk Management Collaboration Reinforcement Conference for risk management officials holds study sessions and shares information as part of ongoing efforts to reduce the Group's risk exposure.

Fiscal 2021	Month held	Agenda of the Risk Management Committee
First meeting	July	<ul style="list-style-type: none"> Transition to business unit structure and check and review situation with key risk omissions and responses (in terms of such areas as information security and supply chain governance) toward transitioning into a digital services company
Second meeting	December	<ul style="list-style-type: none"> Confirm changes in internal and external environments Confirm progress with responses to key managerial risks for fiscal 2021
Third meeting	December	<ul style="list-style-type: none"> Review and determine key managerial risks for fiscal 2022
Fourth meeting	February	<ul style="list-style-type: none"> Risks associated with fast-changing international situation (such as situations in Russia and Ukraine)
Fifth meeting	March	

Addressing geopolitical risks

The Ricoh Group operates globally. Rising political, military, and social tensions across countries and regions could significantly affect its business. In July 2020, we established a specialist unit to gather and analyze information and manage risks, focusing on economic security management. We update our security management policy document semiannually and disseminate it within the Group to ensure awareness and its implementation.

A humanitarian crisis has befallen Ukraine and surrounding regions since February 2022. We set up a crisis management team that makes safety a top priority in caring for employees and their families in those surrounding areas. We donated ¥100 million to the Japanese Red Cross Society to support people whom the crisis has affected. We also encouraged Group employees in Japan to donate to Save the Children Japan, an international nongovernment organization. We are undertaking similar assistance initiatives around the world.

Management will continue to discuss geopolitical risks and take prompt and appropriate actions to prevent business disruptions.

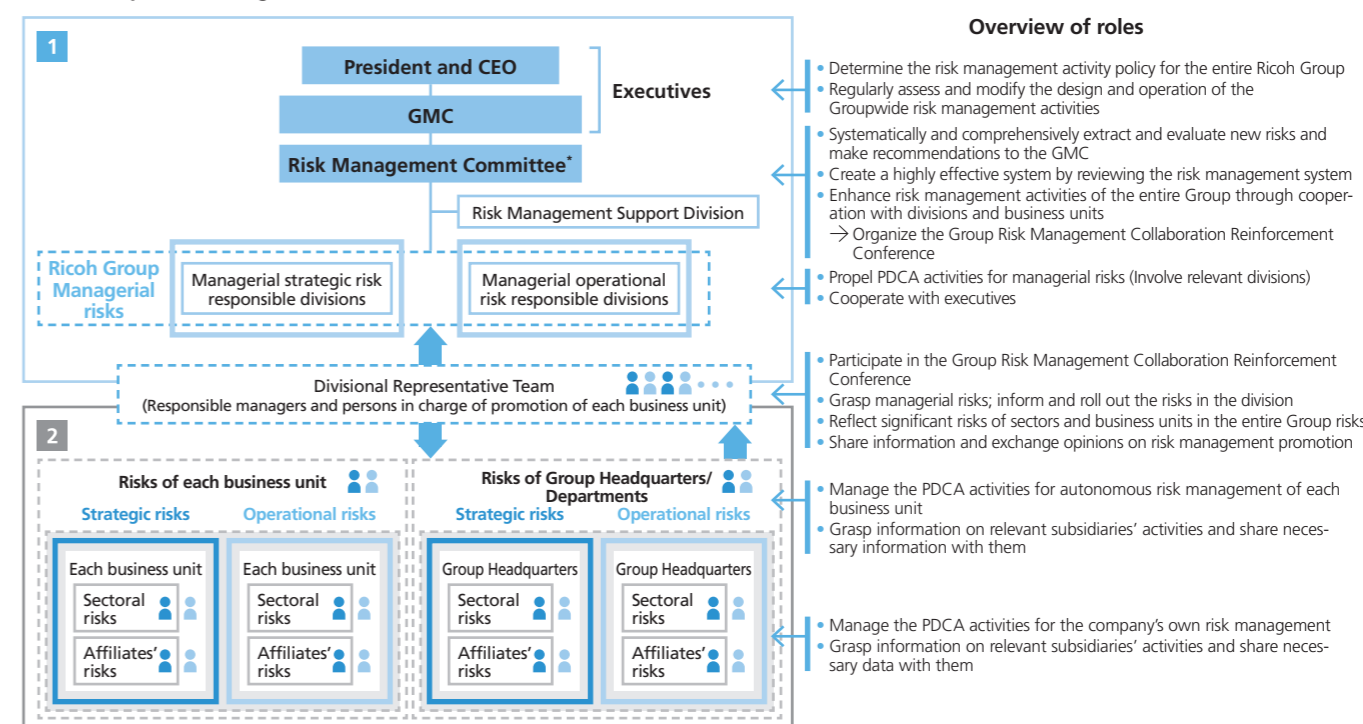
The Ricoh Group's risk management systems

The Ricoh Group's risk management systems can be divided into two main levels, as shown in the figure below.

- 1 The GMC independently selects and manages priority management risks that it considers to be of high importance to the Ricoh Group's management.
- 2 Divisional or company-specific risks managed by each organization, under the responsibility of each business section

These two levels exist to clarify bodies responsible for risk management to facilitate 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 shifts in the level of impact caused by environmental changes. The role of each risk management body is shown on the right-hand side of the risk management structure.

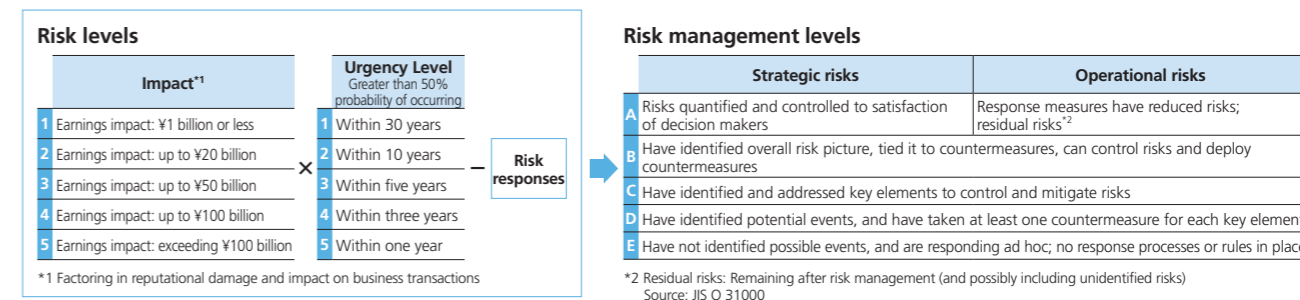
Ricoh Group's risk management structure



* Chaired by Executive Officer, Fellow, or a person in a higher role.

Business risks

Category	Risks	Risk descriptions	Impact	Urgency	Risk management levels	
Operating climate	COVID-19	Business activity restrictions from supply constraints stemming from production line stoppages and container vessel and component shortages owing to a worldwide resurgence in COVID-19 infections	3	5	C	
	Economic situations in key markets	<ul style="list-style-type: none"> U.S.-China trade friction, the situations in Russia and Ukraine, and other key geopolitical risks compound the pandemic impact Potentially rapid economic downturns in major countries owing to unexpected developments 	3	5	D	
	Intensifying competition	<ul style="list-style-type: none"> Competitors' product launches Intensifying price competition and shifting demand Changing competitive landscape and situations owing to COVID-19 pandemic and other factors 	3	4	C	
	Fluctuations in costs of parts and materials and foreign exchange rates	<ul style="list-style-type: none"> Materials market fluctuations Impacts of foreign exchange swings on local currency-denominated results of foreign subsidiaries Impact of foreign exchange rate movements on assets and liabilities in local currencies 	3	4	C	
	Alliances with other entities and strategic investments	<ul style="list-style-type: none"> Terminations of alliances owing to conflicts of interest Difference in aims due to insufficient information for consideration Difficulties in such respects as integrating businesses, technologies, and products 	2	3	B	
	Tackling technological changes	<ul style="list-style-type: none"> Collecting information and predicting technological changes Establishing priorities for strengthening of technologies in response to appropriately changing resource allocation Strengthening technological capabilities in new areas 	2	2	C	
	Securing human resources	Inability to secure sufficient: <ul style="list-style-type: none"> Managerial human resources to lead business transformations Digital process experts Self-driven individuals 	3	3	C	
	Finance business	<ul style="list-style-type: none"> Credit recovery rates extended Interest rate gaps between fixed-rate long-term operating receivables executed with customers and some Ricoh Group floating-rate short-term borrowings 	2	5	B	
	Business operations	Information security	Risks from constantly changing information security situations, as countries are deploying and reinforcing measures, to create national legislation: <ul style="list-style-type: none"> Product security risks: Damage to brand value from such incidents as leaks, falsifications, or destruction of important information, or suspicions about product security Corporate security risks: Such threats as system shutdowns, personal information leaks, and ransom demands from cyberattacks (including targeted and vulnerability attacks, unauthorized access, phishing, and load attacks), which have increased in recent years, a particular concern being damaged escalating after system breaches, ultimately affecting business continuity or management Data privacy policy risks, including personal information protection: Risks of customer privacy breaches, cyber-attacks, lawsuits, and other incidents attributable to the Ricoh Group Factory security risks: Such security incidents as virus infections from PCs or measuring systems with outdated and non-maintainable operating systems, operational incidents from inadequate edge device management, and risks of production stoppages or environmental damage owing to incidents 	2	5	C



Category	Risks	Risk descriptions	Impact	Urgency	Risk management levels	
Business operations	Product liability	For Ricoh Group products and goods: <ul style="list-style-type: none"> Serious safety problems (casualties and fire damage) Legislative issues related to safety or the environment Prolonged quality problems that could cause customers and society to lose confidence in the Company, damaging the corporate and product brands 	2	2	B	
	Long-term delays and suspensions in product supplies	Ongoing pandemic	Risk of losing business and opportunities owing to unpredictable circumstances, including major earthquakes, tsunamis, political changes and turmoil, floods, pandemics, supply suspensions, and geopolitical risk:	3	5	D
		Geopolitics	<ul style="list-style-type: none"> Delays or suspensions in parts supplies Plant production delays or suspensions Distributor delays or operational suspensions Delays or suspensions in supplies to sales Earthquakes, volcanic eruptions, typhoons, and floods	3	5	D
	Intellectual property rights protection		<ul style="list-style-type: none"> Failing to obtain intellectual property rights related to Ricoh products and services and being unable to protect its business Attacks, litigation and license fee payments for intellectual property rights of third parties Contractual issues relating to intellectual property rights from collaborating more with other companies in new businesses, and joint research and development 	1	2	B
		Government regulations (import/export management)	<ul style="list-style-type: none"> Impacts on production and sales from administrative sanctions, including export suspensions from violations of import and export laws, lost business opportunities from eroding social trust, and fines and criminal penalties Violating national export control owing to international emergencies and other external factors 	3	5	B
		Government regulations (legal)	Becoming subject to fines (administrative dispositions), criminal penalties, business suspensions with government agencies, and lost social trust, and other issues from violating anti-monopoly, competition, and other laws	2	5	B
	Government regulations (personnel)	Losing social trust from compliance issues with personnel, including harassment and employment- or human rights-related issues	1	5	C	
	Government regulations (environment)	Becoming subject to administrative dispositions, fines, criminal penalties and lost social trust, and other negative outcomes from violating environmental and other laws	3	5	B	
	Accounting systems	Impairment of goodwill and fixed assets	Impairment of goodwill, property, plant and equipment and intangible assets for businesses arising from corporate acquisitions and other developments	2	2	B
		Defined benefit plan obligations	Including unexpected movements in equity and debt markets related to plan assets for defined benefit plan obligations and retirement plans (causing proceeds from plan assets to decline)	2	2	B
Environment and disasters	Climate change-related impacts	<ul style="list-style-type: none"> Increasing costs and declining market competitiveness from late responses to transition to decarbonized economy Higher prices of raw materials or supply chain disruptions from natural disasters, including torrential rains, flooding, and forest fires, as well as impacts of infectious diseases 	3	5	B	
	Impacts of disasters and other unpredictable events	In Japan: Earthquakes	3	1	C	
		In Japan: Wind, flood, and snow damage	1	5	C	
Overseas: Natural disasters and accidents	2	3	D			

Audit and Supervisory Board

The Audit and Supervisory Board discusses 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 audits internal departments and subsidiaries. Audit and Supervisory Board Members attend important meetings, including but not limited to the Board of Directors meetings, and exchange information regularly with Representative Directors.

We have five Audit and Supervisory Board Members, comprising two full-time members familiar with internal circumstances and three outside members who meet the requirements for independent Audit and Supervisory Board Member set by the Ricoh Group, and the majority of the members are independent Outside Audit and Supervisory Board Members. In addition, the Audit and Supervisory Board is required to secure the necessary knowledge, experience, and expertise in a well-balanced manner to form the Board. We have built a system that enables deep

discussions from an independent and objective perspective, capitalizing on a wealth of experience and wide-ranging insight in the specialized fields of each Audit and Supervisory Board Member.

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



Audit and Supervisory Board activities and disclosure

This body reviews risks and issues in five areas and formulates annual activity plans. These areas are 1) Directors, 2) Business execution, 3) Subsidiaries, 4) Internal audits, and 5) Accounting audits. The chart below outlines audit activities in each area. The Audit and Supervisory Board highlights issues and provides recommendations to directors and business divisions regarding matters brought to its attention through audits.

Fiscal 2021 saw Ricoh adopt a business unit structure. The Audit and Supervisory Board scrutinized operational risks associated with the transition to the new organization. In addition to the activities below, it designated auditing internal control systems, risk management, and subsidiary management systems for each business unit and auditing the governance effectiveness of Group Headquarters as key activities for fiscal 2021.

Outline of audit activities by Audit and Supervisory Board Members

	* Meetings organized by Audit and Supervisory Board Members	Full-time Audit and Supervisory Board Members	Outside Audit and Supervisory Board Members
1. Directors	Attending the Board of Directors meetings Observing Nomination Committee and Compensation Committee meetings Holding regular meetings with Chairperson of the Board and Representative Director (quarterly)* Holding governance review meetings attended by Directors and the Audit and Supervisory Board Members* Outside directors meetings (for them and auditors to exchange opinions)* Collaboration with lead outside director	●	●
2. Business execution	On-site and remote headquarters and office inspections Attending GMC meetings Attending performance review, business unit management, investment committee, and other important meetings Holding separate regular meetings with the CEO and the CFO respectively (monthly)* Sharing information and monitoring audit results with business unit and Group headquarters functional heads* Reviewing and confirming important documents (agendas and minutes of important meetings, documents for approval, written agreements, etc.) Holding monthly meetings with the Risk Management Department* Auditing business reports and supporting materials, and financial statements, and undertaking other year-end audits	●	○
3. Subsidiaries	On-site and remote subsidiary inspections Holding regular meetings with Audit and Supervisory Board Members of subsidiaries (monthly)* Holding information exchange meetings among Audit and Supervisory Board Members of the Group*	●	○
4. Internal audit	Receiving explanations from internal audit divisions about the internal audit plan and reporting the results thereof (quarterly)* Holding regular meetings with the internal audit division and risk management division (monthly)* Holding three-way audit meetings (quarterly and as needed)*	●	●
5. Accounting audit	Exchanging information as needed with auditors Receiving explanation about audit plan and reports of quarterly review and audit result Evaluating Independent Auditor	●	●

● In charge
○ Voluntary or partly in charge

Key audit issues for fiscal 2022

The Audit and Supervisory Board, and each of its members, reviewed audit findings and discussed key audit issues for fiscal 2022. The Audit and Supervisory Board priorities for fiscal 2022 encompass optimal headquarters governance for a digital services company; business unit internal controls, risk management, and subsidiary management; and control environments for employees, working environments, and organizations.

Notes on the audit performance

As independent agents, Audit and Supervisory Board Members are charged by our shareholders with responsibility for auditing the execution of duties by Directors and ensuring the establishment of systems of good corporate governance to respond to the trust placed in Ricoh by society. Since fiscal 2017 the Audit and Supervisory Board has voluntarily prepared these Notes as complementary material to the Audit and Supervisory Board's Report. The Notes are to enhance the effectiveness of dialogue with stakeholders, including shareholders, based on the belief that a more concrete explanation of the Audit and Supervisory Board's activities will lead to enhanced audit transparency.

Internal controls

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

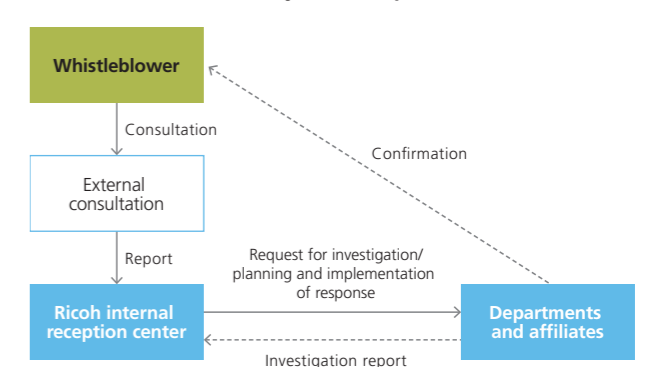
Compliance

The Ricoh Group considers compliance to mean observing not only laws and regulations but also internal rules and social ethics. The Group Code of Conduct, which sets forth the principles and basic code of conduct for officers and employees, is thoroughly communicated to all Group employees, and everyone is expected to comply with it in their daily activities.

Hotline system

The Ricoh Group Hotline is available to all Ricoh Group officers and employees in Japan (including part-time and temporary staff and retirees (within one year after retirement)) for whistleblowing and consultation regarding compliance violations. In addition to the hotline, major subsidiaries in Japan and overseas have established their own local contact for whistleblowing and consultation according to their organizational and regional characteristics. In addition, in November 2018, the Ricoh Group established the Ricoh Group Global Whistleblowing System, which is available to all Directors and employees at Ricoh Group companies in Japan and overseas. We have built a system through which workers can report directly via Ricoh's Audit and Supervisory Board website. In May 2020, we established the Supplier Hotline, which allows Ricoh Group suppliers globally to report issues through this website.

Basic flow of the hotline system in Japan



WEB Refer to our website: 1 Notes on the Audit Performance 2 Internal controls 3 Compliance 4 Ricoh Group Code of Conduct 5 Supplier Hotline

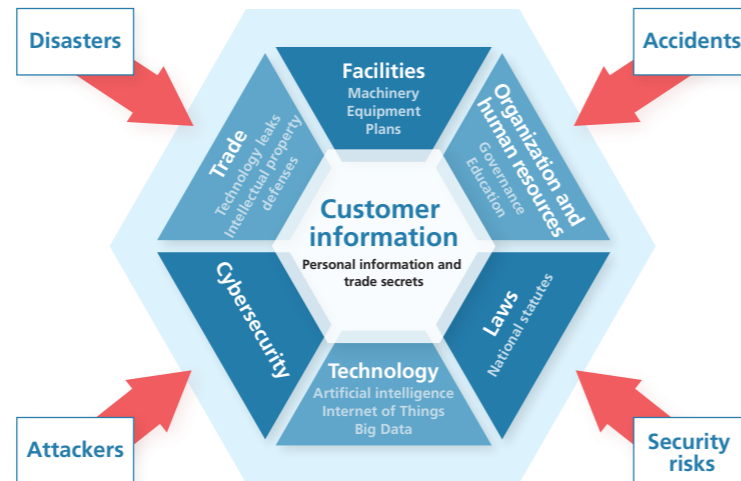
Information security

Information security initiatives ^D

In 2020, the Ricoh Group declared that it would become a digital services company. We will build IT infrastructure for workplaces (offices and frontline site + home), digitalize and connect workflows, and support new ways of working.

As a digital services company, we will fuel worker creativity and change workplaces by providing optimal customer solutions that combine our technological and digital capabilities. Our efforts will take into account issues that vary across industries, regions, and countries.

We consider information security vital to safeguard customer information, and implement a range of measures accordingly.



^D [WEB](#) Refer to our website: ^D [Information Security at the Ricoh Group](#)

Product and services security

● Security by Design

We ensure that customers can trust our products and services through our commitment to security by design. This ensures information security from the planning and design stages. We established and are applying internal regulations based on ISO/IEC27034-1, the international standard for secure development.

● Security risk initiatives

The development of an information-intensive economy makes it vulnerable to a range of threats. These include computer viruses, personal information breaches, and unauthorized external access. Threats are diversifying beyond PCs, servers, and networks. Security measures have become key challenges for customers. To mitigate security threats, we recommend that Ricoh Group products and services be properly configured and operated. In addition, we take immediate action on vulnerability countermeasures in accordance with international standards, which are ISO/IEC 29147 and 30111. Specifically, we alert the public on our response status and alerts to high cyberattack risks, set up a contact point to handle security researchers' vulnerability reports, and provide information on countermeasures.

Corporate security

As cyberattacks targeting companies such as ransomware become more sophisticated and complex, the Ricoh Group is promoting strategic cyber security measures globally.

● Global initiatives

Because we operate globally, we believe that security measures must be consistent across regions. Since 2015, we have been building a community within the Group to strengthen security and accelerate cooperation worldwide among security personnel.

● Setting up and running Computer Security Incident Response Team

We created the RICOH-CSIRT^{*} in fiscal 2013 to analyze threats based on incident reports from the Security Operation Center (SOC) and external CSIRT organizations, and information from security information websites. It takes the lead promptly and optimally responding to threats, such as by preserving evidence, analyzing attacks, investigating causes, and preventing and containing spreads.

^{*} CSIRT: Computer Security Incident Response Team

● Establishing and running Security Operation Center

We set up the Security Operation Center to constantly monitor Group IT systems. We can quickly detect unauthorized intrusions from outside and unauthorized use from within, collaborating with CSIRT to quickly detect incidents.

Data privacy

Progress with digitization and the growing use of big data has heightened concerns about data privacy and personal data protection. That said, rules for using personal data remain unclear, including as to the appropriate usage levels. Customers worry about personal data handling and privacy protection.

It is against this backdrop that we launched our data business division. We aim to comply with the laws and regulations concerning customer information. We defined a data privacy policy for all personal data, including the personal information of customers, and are managing information accordingly.

Message from the Information Security Officer

As part of Ricoh's transition to become a digital services company, we position security as one of the corporate values. This is not only to mitigate geopolitical risks in digital services, but also to enhance the profitability of our existing businesses. A good example of this was our entry into the data business in 2021 by launching AI for Business series services that use proprietary natural language processing AI and other operational support technologies.

That year, we also set up the Information Security Management Center to reach swift business decisions about companywide information security, clarify strategies to comply with national laws and regulations, and link security to enhancing corporate value.

We will closely monitor changes in the operating climate, such as stronger security standards in the public and private

Yasuyuki Nomizu
General Manager
Information Security
Management Center
Ricoh Company, Ltd.



sectors to operate flexibly as a digital services company, and will continue to bolster security and accordingly reinforce our information security structure.

Commitment and Recognition

Commitment to Society

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

April	2002	Becomes the second Japanese company to sign the UN Global Compact
June	2007	Signs Caring for Climate: The Business Leadership Platform of the UN Global Compact
May	2008	Signs the Japan Business Initiative for Biodiversity
December		Signs the CEO Statement for the 60th Anniversary of the Universal Declaration of Human Rights by the UN
July	2009	Participates in the Japan Climate Leaders' Partnership as a founding member
December	2010	Announces its support for The Cancun Communiqué on Climate Change
February	2011	Signs a statement of support for the Women's Empowerment Principles of the UN Global Compact
November	2012	Announces its support for The Carbon Price Communiqué to counter climate change
September	2014	Announces its endorsement of the Initiative to Support the World Bank Group's Carbon Pricing Announces its support for The Trillion Tonne Communiqué, a call to keep cumulative CO ₂ emissions below a trillion tons
April	2017	Becomes the first Japanese company to join the RE100, a collaborative, global initiative of influential businesses
August	2018	Commits to recommendations of Task Force on Climate-Related Financial Disclosures
October		Signs Japan Climate Action Summit Declaration
August	2019	Becomes the first Japanese company to participate in the Business for Inclusive Growth initiative
November		Joins the Responsible Business Alliance, the world's largest industry coalition dedicated to CSR in global supply chains
December		Ricoh Japan registers as Net Zero Energy Building leading owner
January	2020	Ricoh joins Ikuboss Alliance, with Ricoh Japan and Ricoh Industrial Solutions joining in 2017 and 2018, respectively
March		Science Based Targets Initiative approves Ricoh's new environmental goals which align with their 1.5°C criteria
June		Endorses Uniting Business and Governments to Recover Better
October		Commits to Business Ambition for 1.5°C campaign
November		Joins 30% Club Japan, which aims to increase the ratio of women executives in companies
March	2021	Joins WIPO GREEN, an international framework for exchanging environment-related technologies
April	2022	Joins 30by30 Alliance for Biodiversity

[WEB](#) Refer to our website: [Commitment to Society](#)



United Nations Global Compact
This voluntary, worldwide initiative encourages companies and organizations to act as good members of society by being responsible and creative leaders and helping to achieve sustainable growth. Companies are encouraged to implement and comply with this initiative's Ten Principles, covering such areas as human rights, labor, the environment, and anti-corruption.



RE100
The Climate Group, a U.K.-based international environmental nongovernment organization, launched this global corporate initiative in 2014 to bring together companies committed to 100% renewable energy.

Major Awards

Domestic and international awards attest to the Ricoh Group's excellence.

April	2022	Ricoh GR Illx wins iF Design Award 2022
June		Nikkei Asia, the Financial Times, and German research provider Statista include Ricoh in inaugural Climate Leaders Asia-Pacific 2022 list
September		J.D. Power rates Ricoh No. 1 in 2022 color laser printer customer satisfaction study for fifth consecutive year
November		Ricoh Japan places first for eighth consecutive year in two J.D. Power IT-related customer satisfaction study categories Earns perfect five stars in 6th Nikkei Smart Work Management Survey for third straight year Receives Environmental Value Award for second time in 4th Nikkei SDGs Management Grand Prix
December		Becomes recipient in Awards of Minister for Internal Affairs and Communications for Top Hundred Telework Pioneers Obtains highest rating in 11th Quality Management Level Research of Union of Japanese Scientists and Engineers Ricoh Japan wins special award in Telework Promotion category of Japan Telework Association's Japan Telework Award 2022
February	2023	Named in Clarivate Top 100 Global Innovators 2023 list for excellence at the top of the global innovation ecosystem Wins the Innovation Prize at the NIKKEI Smart Work Awards 2023 Japan's Government Pension Investment Fund (GPIF) chooses Ricoh Group Integrated Report as excellent integrated report, with the votes from six asset managers
March		Four Ricoh Group companies recognized under 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program Domestic equity managers of Japan's GPIF select Ricoh Group for Excellent TCFD Disclosure



ESG Index Inclusion and Recognition

The Ricoh Group is highly regarded for its environmental, social, and governance (ESG) initiatives. ESG indices in Japan and abroad have included Ricoh's stock.

As of March 2023

Dow Jones Sustainability Indices

Included in the Dow Jones Sustainability World Index since 2020
Included in Asia Pacific Index since 2018



S&P Global Sustainability Yearbook

Rating agency S&P Global chooses Ricoh as member of Sustainability Yearbook 2023

CDP

Included in CDP climate change A List for third straight year



Placed on CDP2022 Supplier Engagement Rating Leaderboard for third consecutive year

EcoVadis

Awarded Gold Rating in EcoVadis supplier assessment since 2014



FTSE4Good Index Series

Selected for the FTSE4Good Index Series, a socially responsible investment index, for the consecutive years since 2004



FTSE Blossom Japan Index

Included in the FTSE Blossom Japan Index, which measures the ESG practices of Japanese companies since 2017

FTSE Blossom Japan Sector Relative Index

Selected as a constituent stock in new FTSE Blossom Japan Sector Relative Index, which measures the ESG practices of Japanese companies



MSCI Japan ESG Select Leaders Index

Included in MSCI Japan ESG Select Leaders Index



MSCI Japan Empowering Women Index

Included in MSCI Japan Empowering Women Index since 2017



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S&P/JPX Carbon Efficient Index

Included in the S&P/JPX Carbon Efficient Index since the benchmark's inception in 2018



ISS ESG CORPORATE RATING

Continued Prime rating in ISS ESG Corporate Rating



Digital Transformation Stocks

Selected as one of Digital Transformation (DX) Stocks 2022 by Japan's Ministry of Economy, Trade and Industry and Tokyo Stock Exchange



Global 100 Most Sustainable Corporations

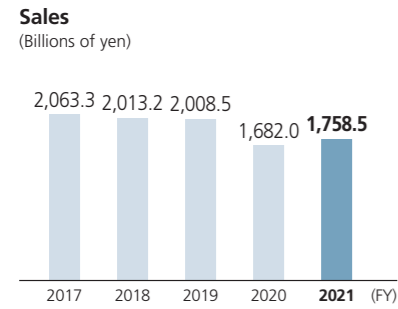
Corporate Knights selects Ricoh as one of 2023 Global 100 Most Sustainable Corporations



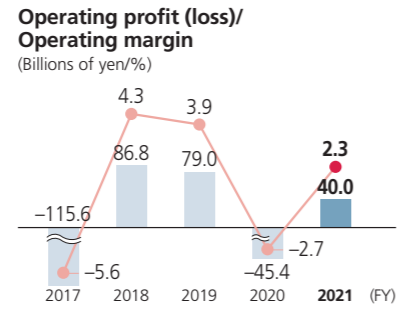
[GPIF's ESG Indices](#) Japan's Government Pension Investment Fund (GPIF) maintains one of the world's largest pension fund management organizations. Ricoh has been selected as a constituent of all five ESG indices covering Japanese equities.

[WEB](#) Refer to our website: [1](#) Dow Jones Sustainability Indices [2](#) S&P Global Sustainability Yearbook [3](#) CDP [4](#) EcoVadis [5](#) FTSE4Good Index Series [6](#) FTSE Blossom Japan Index [7](#) FTSE Blossom Japan Sector Relative Index [8](#) MSCI Japan ESG Select Leaders Index [9](#) MSCI Japan Empowering Women Index [10](#) S&P/JPX Carbon Efficient Index [11](#) ISS ESG CORPORATE RATING [12](#) Digital Transformation Stock [13](#) Global 100 Most Sustainable Corporations

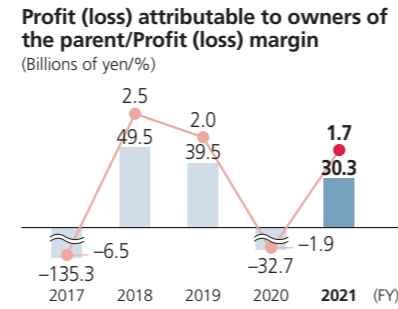
Financial and Future Financial Highlights



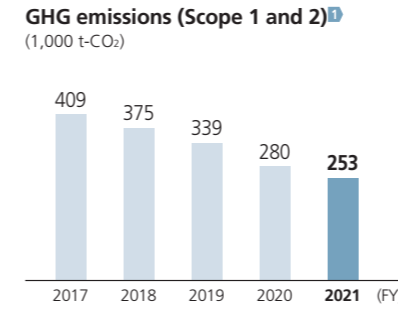
Rose 4.5%, to ¥1,758.5 billion



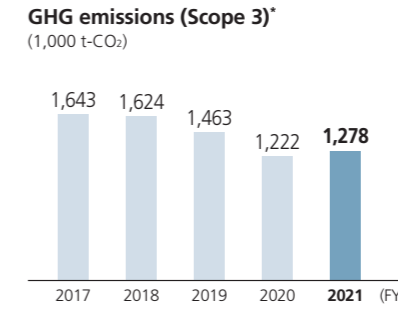
An ¥85.4 billion turnaround



An increase of ¥63.1 billion from the previous fiscal year

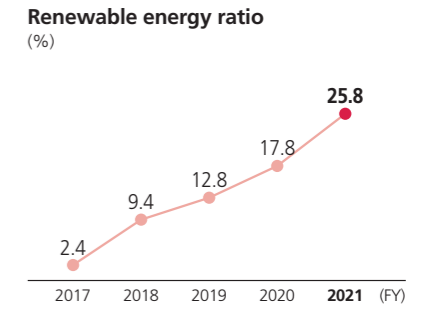


Promoted renewable energy through on-site power purchase agreements in Japan and abroad

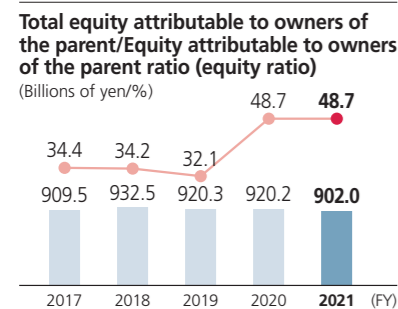


* Procurement, use, and logistics categories

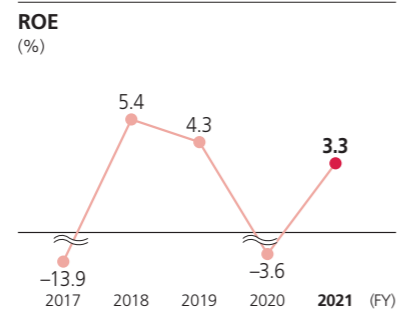
Reduction through efforts such as pursuing Energy Star certification for imaging products



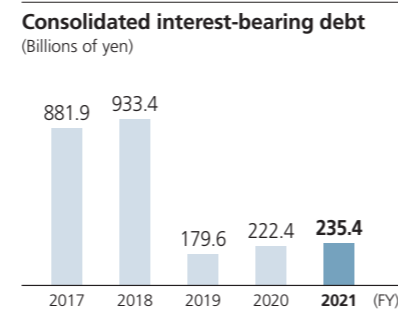
100% renewable energy ratio of electricity used was achieved by 31 companies in 24 countries



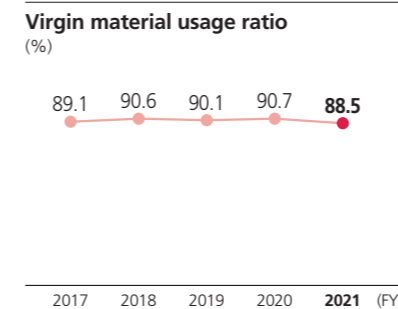
Equity attributable to owners of the parent ratio remained solid at 48.7%



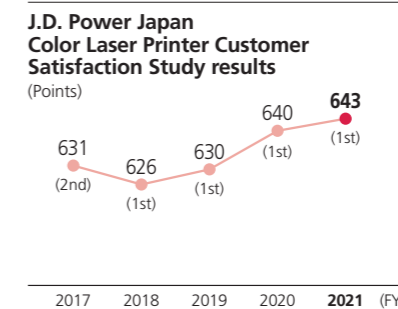
Significant improvement from the prior year, reflecting business portfolio, stockholding, and asset reviews



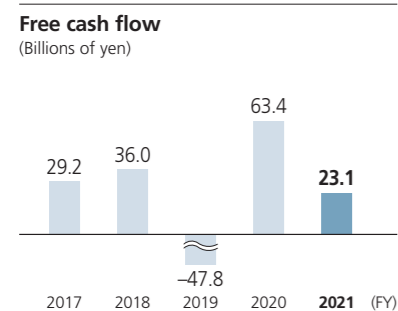
Up ¥13.0 billion, largely through short-term transfers of long-term debt



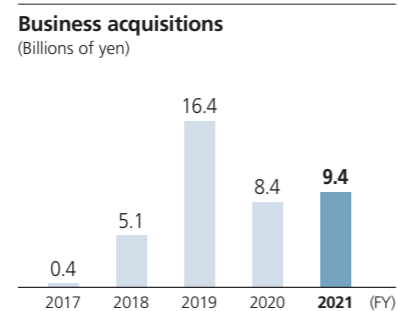
Increased ratio of plastic recovery materials used in six flagship MFPs and printers



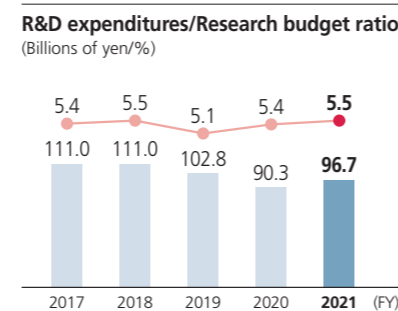
Maintained the industry's top satisfaction rating since FY2018



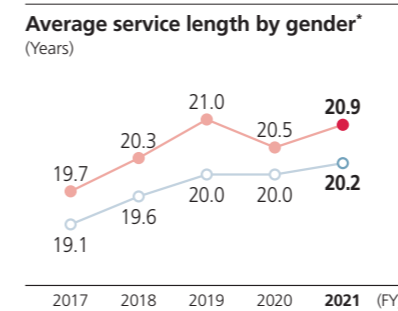
Down ¥40.2 billion, to ¥23.1 billion yen



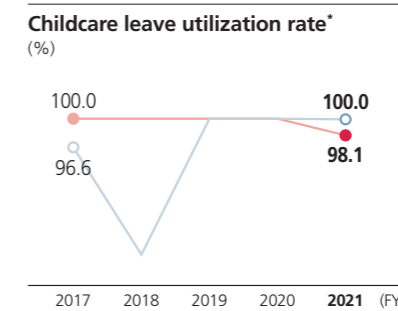
Flexibly secured resources needed for business growth



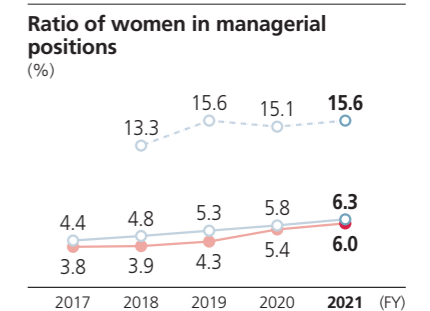
Invested to drive ongoing innovations



* Ricoh Company, Ltd.
New rules, mindset and corporate culture improvements were among work practice reform efforts resulting in average years of service among women exceeding level for men



* Ricoh Company, Ltd.
Utilization rate for men remains at 100% for the third year in a row



Steadily increasing number of women in managerial positions through initiatives to cultivate talented and motivated individuals

WEB Refer to our website: ¹⁾ Environmental performance data: Energy conservation

Consolidated Statements of Financial Position

Ricoh Company, Ltd. and consolidated subsidiaries

	The Year Ended March 31 (Millions of Yen)					Thousands of U.S. Dollars
	2018	2019	2020	2021	2022	2022
Assets						
Current assets:						
Cash and cash equivalents	160,568	240,099	262,834	334,810	240,308	1,986,017
Time deposits	68	70	50	238	81	669
Trade and other receivables	589,741	604,804	392,780	392,132	397,148	3,282,215
Other financial assets	291,144	294,351	87,226	92,823	92,293	762,752
Inventories	180,484	207,748	201,248	192,016	232,558	1,921,967
Other investments	55,921	—	—	—	—	—
Other current assets	50,052	40,107	36,428	46,725	50,034	413,504
Subtotal	1,327,978	1,387,179	980,566	1,058,744	1,012,422	8,367,124
Assets classified as held for sale	—	2,583	1,125,582	—	—	—
Total current assets	1,327,978	1,389,762	2,106,148	1,058,744	1,012,422	8,367,124
Non-current assets:						
Property, plant and equipment	250,005	250,287	201,569	191,963	188,439	1,557,347
Right-of-use assets	—	—	59,425	63,653	57,730	477,107
Goodwill and intangible assets	217,130	219,806	231,898	225,510	259,482	2,144,480
Other financial assets	689,629	708,295	139,181	136,093	128,321	1,060,504
Investments accounted for using the equity method	3,703	12,521	14,305	79,504	81,396	672,694
Other investments	26,985	22,443	14,951	18,504	12,329	101,893
Other non-current assets	36,806	38,006	29,550	29,773	31,942	263,983
Deferred tax assets	88,794	84,012	70,618	84,124	81,193	671,017
Total non-current assets	1,313,052	1,335,370	761,497	829,124	840,832	6,949,025
Total assets	2,641,030	2,725,132	2,867,645	1,887,868	1,853,254	15,316,149

	The Year Ended March 31 (Millions of Yen)					Thousands of U.S. Dollars
	2018	2019	2020	2021	2022	2022
Liabilities and Equity						
Current liabilities:						
Bonds and borrowings	223,194	266,957	51,492	82,731	114,395	945,413
Trade and other payables	300,724	306,189	246,055	287,160	268,534	2,219,289
Lease liabilities	—	—	27,230	25,475	22,665	187,314
Other financial liabilities	453	521	—	1,669	2,079	17,182
Income tax payables	17,871	15,455	9,455	7,213	11,143	92,091
Provisions	12,235	12,277	11,686	12,946	9,941	82,157
Other current liabilities	234,045	242,799	233,909	240,322	264,691	2,187,529
Subtotal	788,522	844,198	579,827	657,516	693,448	5,730,975
Liabilities directly related to assets held for sale	—	—	969,069	—	—	—
Total current liabilities	788,522	844,198	1,548,896	657,516	693,448	5,730,975
Non-current liabilities:						
Bonds and borrowings	658,707	666,462	128,172	139,676	121,042	1,000,348
Lease liabilities	—	—	38,741	46,737	44,444	367,306
Other financial liabilities	3,788	3,420	—	—	—	—
Accrued pension and retirement benefits	104,998	105,288	99,795	70,463	45,728	377,917
Provisions	12,709	6,610	6,458	11,413	9,607	79,397
Other non-current liabilities	80,174	77,619	34,143	34,469	29,029	239,909
Deferred tax liabilities	3,377	2,547	2,913	3,742	4,131	34,140
Total non-current liabilities	863,753	861,946	310,222	306,500	253,981	2,099,017
Total liabilities	1,652,275	1,706,144	1,859,118	964,016	947,429	7,829,992
Equity:						
Common stock	135,364	135,364	135,364	135,364	135,364	1,118,711
Authorized —						
1,500,000,000 shares as of March 31, 2018						
1,500,000,000 shares as of March 31, 2019						
1,500,000,000 shares as of March 31, 2020						
1,500,000,000 shares as of March 31, 2021						
1,500,000,000 shares as of March 31, 2022						
Issued and outstanding —						
744,912,078 shares and 724,871,419 shares as of March 31, 2018						
744,912,078 shares and 724,862,648 shares as of March 31, 2019						
744,912,078 shares and 724,433,550 shares as of March 31, 2020						
744,912,078 shares and 718,219,946 shares as of March 31, 2021						
637,468,178 shares and 636,999,478 shares as of March 31, 2021						
Additional paid-in capital	186,463	186,086	186,173	186,231	180,942	1,495,388
Treasury stock	(37,329)	(37,394)	(37,795)	(45,024)	(460)	(3,802)
Other components of equity	114,954	73,645	41,768	82,097	126,341	1,044,140
Other comprehensive income related to disposal group held for sale	—	—	130	—	—	—
Retained earnings	510,113	574,876	594,731	561,578	459,855	3,800,456
Equity attributable to owners of the parent	909,565	932,577	920,371	920,246	902,042	7,454,893
Non-controlling interests	79,190	86,411	88,156	3,606	3,783	31,264
Total equity	988,755	1,018,988	1,008,527	923,852	905,825	7,486,157
Total liabilities and equity	2,641,030	2,725,132	2,867,645	1,887,868	1,853,254	15,316,149

Ricoh's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) since the year ended March 31, 2014. For Critical Accounting Policies and Notes to Consolidated Financial Statements, please refer to www.ricoh.com/ir/financial_data/securities_report/

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Consolidated Statements of Profit or Loss

Ricoh Company, Ltd. and consolidated subsidiaries

	The Year Ended March 31 (Millions of Yen)					Thousands of U.S. Dollars
	2018	2019	2020	2021	2022	2022
Sales	2,063,363	2,013,228	2,008,580	1,682,069	1,758,587	14,533,777
Cost of sales	1,272,357	1,246,345	1,287,003	1,109,762	1,135,920	9,387,769
Gross profit	791,006	766,883	721,577	572,307	622,667	5,146,008
Selling, general and administrative expenses	777,917	702,912	658,435	619,740	600,269	4,960,901
Other income	17,062	23,449	15,911	5,791	17,960	148,430
Impairment of goodwill	145,827	581	13	3,787	306	2,529
Operating profit (loss)	(115,676)	86,839	79,040	(45,429)	40,052	331,008
Finance income	4,123	4,598	4,926	4,373	2,532	20,926
Finance costs	12,831	7,965	8,319	3,617	3,800	31,405
Share of profit of investments accounted for using the equity method	202	492	244	3,645	5,604	46,314
Profit (loss) before income tax expenses	(124,182)	83,964	75,891	(41,028)	44,388	366,843
Income tax expenses	5,457	28,587	31,478	(8,364)	13,763	113,744
Profit (loss)	(129,639)	55,377	44,413	(32,664)	30,625	253,099
Profit (loss) attributable to:						
Owners of the parent	(135,372)	49,526	39,546	(32,730)	30,371	251,000
Non-controlling interests	5,733	5,851	4,867	66	254	2,099
	The Year Ended March 31 (Yen)					U.S. Dollars
Per share of common stock:	2018	2019	2020	2021	2022	2022
Earnings per share attributable to owners of the parent:						
Basic	(186.75)	68.32	54.58	(45.20)	45.35	0.37
Diluted	—	—	54.58	(45.20)	45.34	0.37
Cash dividends, applicable to the year	15.00	23.00	26.00	15.00	26.00	0.21
Per American Depositary Share, each representing 1 share of common stock:	Yen					U.S. Dollars
Earnings per ADR share attributable to owners of the parent:						
Basic	(186.75)	68.32	54.58	(45.20)	45.35	0.37
Diluted	—	—	54.58	(45.20)	45.34	0.37
Cash dividends, paid	15.00	23.00	26.00	15.00	26.00	0.21

Consolidated Statements of Comprehensive Income

Ricoh Company, Ltd. and consolidated subsidiaries

	The Year Ended March 31 (Millions of Yen)					Thousands of U.S. Dollars
	2018	2019	2020	2021	2022	2022
Profit (loss)	(129,639)	55,377	44,413	(32,664)	30,625	253,099
Other comprehensive income (loss):						
Components that will not be reclassified subsequently to profit or loss:						
Remeasurement of defined benefit plan	2,541	(6,389)	(2,481)	13,804	14,515	119,960
Net change in fair value of financial assets measured through other comprehensive income	—	(1,929)	(946)	2,868	(1,851)	(15,298)
Share of other comprehensive income of investments accounted for using equity method	—	—	—	197	187	1,545
Total components that will not be reclassified subsequently to profit or loss	2,541	(8,318)	(3,427)	16,869	12,851	106,207
Components that will be reclassified subsequently to profit or loss:						
Net gain (loss) on fair value of available-for-sale financial assets	17,375	—	—	—	—	—
Net changes in fair value of cash flow hedges	(13,497)	56	190	(827)	590	4,876
Exchange differences on translation of foreign operations	10,737	(10,979)	(29,562)	38,594	46,775	386,570
Share of other comprehensive income of investments accounted for using equity method	—	—	—	81	99	818
Total components that will be reclassified subsequently to profit or loss	14,615	(10,923)	(29,372)	37,848	47,464	392,264
Total other comprehensive income (loss)	17,156	(19,241)	(32,799)	54,717	60,315	498,471
Comprehensive income (loss)	(112,483)	36,136	11,614	22,053	90,940	751,570
Comprehensive income (loss) attributable to:						
Owners of the parent	(118,072)	30,304	6,949	21,897	90,733	749,859
Non-controlling interests	5,589	5,832	4,665	156	207	1,711

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Consolidated Statements of Cash Flows

Ricoh Company, Ltd. and consolidated subsidiaries

	The Year Ended March 31 (Millions of Yen)					Thousands of U.S. Dollars
	2018	2019	2020	2021	2022	2022
Cash Flows from Operating Activities:						
Profit (loss)	(129,639)	55,377	44,413	(32,664)	30,625	253,099
Adjustments to reconcile profit for the period to net cash provided by operating activities						
Depreciation and amortization	108,327	94,288	120,688	104,618	90,479	747,761
Impairment of property, plant and equipment and intangible assets	30,140	2,138	909	24,879	762	6,298
Impairment of goodwill	145,827	581	13	3,787	306	2,529
Other income	(17,062)	(23,449)	(6,748)	(1,502)	(13,299)	(109,909)
Share of profit (loss) of investments accounted for using the equity method	(202)	(492)	(244)	(3,645)	(5,604)	(46,314)
Finance income and costs	8,708	3,367	3,393	(756)	1,268	10,479
Income tax expenses	5,457	28,587	31,478	(8,364)	13,763	113,744
(Increase) decrease in trade and other receivables	(17,106)	(6,595)	16,408	29,727	13,448	111,140
(Increase) decrease in inventories	22,720	(30,097)	3,158	16,413	(28,533)	(235,810)
(Increase) decrease in lease receivables	(27,922)	(13,527)	(33,953)	15,572	23,285	192,438
Increase (decrease) in trade and other payables	5,215	10,024	(18,987)	(4,712)	(26,212)	(216,628)
Increase (decrease) in accrued pension and retirement benefits	(11,506)	(6,937)	(6,805)	(12,315)	(9,306)	(76,909)
Other, net	32,808	553	(4,966)	14,056	13,907	114,934
Interest and dividends received	3,902	4,123	4,557	3,418	3,457	28,570
Interest paid	(5,025)	(5,007)	(4,429)	(3,259)	(3,795)	(31,364)
Income taxes paid	(44,354)	(30,987)	(32,184)	(18,291)	(22,089)	(182,554)
Net cash provided by operating activities	110,288	81,947	116,701	126,962	82,462	681,504
Cash Flows from Investing Activities:						
Proceeds from sales of property, plant and equipment	18,484	9,707	8,615	4,823	15,062	124,479
Expenditures for property, plant and equipment	(72,285)	(72,462)	(86,596)	(42,155)	(37,359)	(308,751)
Proceeds from sales of intangible assets	6,554	969	221	60	—	—
Expenditures for intangible assets	(34,698)	(29,589)	(27,188)	(24,779)	(33,683)	(278,372)
Payments for purchases of available-for-sale securities	(1,005)	(8,639)	(14,982)	(1,052)	(442)	(3,653)
Proceeds from sales of available-for-sale securities	186	63,830	3,985	491	6,327	52,289
Net increase of time deposits	8,062	458	12	(168)	162	1,339
Purchase of business, net of cash acquired	(458)	(5,133)	(16,462)	(8,431)	(9,422)	(77,868)
Net increase due to loss of control of subsidiaries	7,788	10,223	—	7,846	—	—
Others, net	(13,705)	(15,295)	(32,196)	(194)	—	—
Net cash used in investing activities	(81,077)	(45,931)	(164,591)	(63,559)	(59,355)	(490,537)
Cash Flows from Financing Activities:						
Net proceeds (repayments) of short-term debt	(21,180)	26,236	6,068	(19,428)	15,990	132,149
Proceeds from long-term debt	134,819	152,234	292,885	98,482	37,140	306,942
Repayments of long-term debt	(109,877)	(139,399)	(200,950)	(12,817)	(46,664)	(385,653)
Proceeds from issuance of bonds	68,285	50,000	72,119	—	—	—
Repayments of bonds	(50,000)	(35,000)	(42,148)	(12,413)	—	—
Repayments of lease liabilities	—	—	(30,065)	(35,728)	(31,146)	(257,405)
Dividends paid	(14,498)	(12,685)	(18,841)	(14,851)	(14,058)	(116,182)
Payments for purchase of treasury stock	(11)	(10)	(401)	(7,296)	(92,717)	(766,256)
Proceeds from purchase of investments in subsidiaries without change in scope of consolidation	—	3,006	—	—	—	—
Others, net	(1,131)	(1,958)	(2,910)	(34)	(230)	(1,901)
Net cash provided by (used in) financing activities	6,407	42,424	75,757	(4,085)	(131,685)	(1,088,306)
Effect of Exchange Rate Change on Cash and Cash Equivalents	(1,479)	1,091	(4,278)	7,338	12,254	101,273
Net Increase (Decrease) in Cash and Cash Equivalents	34,139	79,531	23,589	66,656	(96,324)	(796,066)
Cash and Cash Equivalents at Beginning of Year	126,429	160,568	240,099	263,688	330,344	2,730,116
Cash and Cash Equivalents at End of Year	160,568	240,099	263,688	330,344	234,020	1,934,050

Note 1: Income tax payment for year ended March 31, 2018, included U.S. subsidiary's additional payment based on transfer pricing taxation.

Note 2: The difference in the amount of cash and cash equivalents between consolidated statement of financial position and consolidated statement of cash flows represents a reclassification to assets classified as held for sale at the year ended March 31, 2020 and bank overdrafts at the year ended March 31, 2021.

Note 3: 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 at the year ended March 31, 2022.

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Selected Financial Data

Ricoh Company, Ltd. and consolidated subsidiaries

International Financial Reporting Standards (IFRS)	The Year Ended March 31 (Millions of Yen)					Thousands of U.S. Dollars
	2018	2019	2020	2021	2022	
Related Consolidated Profit or Loss						
Sales	2,063,363	2,013,228	2,008,580	1,682,069	1,758,587	14,533,777
Cost of sales	1,272,357	1,246,345	1,287,003	1,109,762	1,135,920	9,387,769
Gross profit	791,006	766,883	721,577	572,307	622,667	5,146,008
Selling, general and administrative expenses	777,917	702,912	658,435	619,740	600,269	4,960,901
Operating profit (loss)	(115,676)	86,839	79,040	(45,429)	40,052	331,008
Profit (loss) before tax	(124,182)	83,964	75,891	(41,028)	44,388	366,843
Income tax expenses	5,457	28,587	31,478	(8,364)	13,763	113,744
Profit (loss) attributable to owners of the parent	(135,372)	49,526	39,546	(32,730)	30,371	251,000
Earnings per share attributable to owners of the parent [in yen and US\$]						
Basic	(186.75)	68.32	54.58	(45.20)	45.35	0.37
Diluted	—	—	54.58	(45.20)	45.34	0.37
R&D expenditures	111,015	111,013	102,851	90,387	96,721	799,347
Depreciation for tangible fixed assets	68,436	65,437	62,528	45,389	39,851	329,347
Capital expenditures	72,285	72,462	86,596	42,155	37,359	308,751
Free cash flow	29,211	36,016	(47,890)	63,403	23,107	190,967
Interest-bearing debt	881,901	933,419	179,664	222,407	235,437	1,945,761
Total assets	2,641,030	2,725,132	2,867,645	1,887,868	1,853,254	15,316,149
Equity attributable to owners of the parent	909,565	932,577	920,371	920,246	902,042	7,454,893
Exchange rate [yen/US\$]	110.91	110.95	108.80	106.05	112.36	—
[yen/euro]	129.67	128.46	120.90	123.70	130.55	—

Sales by Category	Millions of Yen					Thousands of U.S. Dollars
	2018	2019	2020	2021	2022	
Office Printing	1,144,053	1,086,428	1,006,274	815,895	—	—
Office Service	447,973	481,392	568,955	532,307	—	—
Office Total	—	—	—	1,348,202	—	—
Commercial Printing	185,933	185,292	178,396	134,661	—	—
Industrial Printing	19,200	20,692	23,006	24,689	—	—
Thermal Media	61,458	66,368	61,896	56,874	—	—
Other	204,746	173,056	170,053	117,643	—	—
Digital Service	—	—	—	—	1,428,192	11,803,240
Digital Products	—	—	—	—	364,968	3,016,264
Graphic Communications	—	—	—	—	187,082	1,546,132
Industrial Solutions	—	—	—	—	119,259	985,612
Other	—	—	—	—	35,554	293,835

Sales by Geographic Area	Millions of Yen					Thousands of U.S. Dollars
	2018	2019	2020	2021	2022	
Japan	799,904	805,799	872,378	753,041	705,242	5,828,446
Overseas	1,263,459	1,207,429	1,136,202	929,028	1,053,345	8,705,331
The Americas	577,559	567,442	534,181	386,609	443,647	3,666,504
Europe, Middle East and Africa	477,554	458,856	436,458	393,409	450,178	3,720,480
Other	208,346	181,131	165,563	149,010	159,520	1,318,347

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Updated Information

The information below is subsequent to the publication of the Ricoh Group Integrated Report.

Updated on January 6, 2023

Ricoh included in Dow Jones Sustainability World Index for third consecutive years

Member of Dow Jones Sustainability Indices
Powered by the S&P Global CSA

U.S. firm S&P Dow Jones Indices compiles the Dow Jones Sustainability World Index (DJSI World), which assesses corporate sustainability from economic, environmental, and social perspectives. In 2022, the firm surveyed around 3,500 companies worldwide, selecting 332 for DJSI World. Ricoh was among 36 Japanese entities chosen.

Ricoh received the highest score* among 36 companies

in the Computers & Peripherals and Office Electronics industry in seven areas. These were Materiality and Business Ethics in the governance and economics fields, Environmental Reporting, Environmental Policy & Management Systems in the environmental field, and Social Reporting, Talent Attraction & Retention, and Corporate Citizenship & Social Contribution in the social field.

* As of December 10, 2022

Ricoh featured in CDP's 2022 Climate Change A List for third straight year



CDP* included Ricoh in its Climate Change A List in 2022. CDP is a nonprofit organization that maintains the leading global disclosure system for environmental impact management. For 2022, CDP scored the climate change initiatives and disclosure efforts of almost 10,000 companies. It chose 283 companies for its A List, including Ricoh and 73 other Japanese entities.

Ricoh positions a zero-carbon society as one of its seven material issues. It accordingly aims to reduce Group company and supply chain (in procurement, use, and

transportation) greenhouse gas emissions by 63% and 40%, respectively, from 2015 levels by 2030. These goals meet Science Based Targets Initiative criteria for helping limit the rise in global temperature to 1.5°C above pre-industrial levels. The CEO's extensive engagement in climate change initiatives and the views he has exchanged with the Japanese government contributed to Ricoh winning high marks for its endeavors and disclosure relating to climate change issues.

* CDP is a global non-profit organization that drives companies and governments to reduce their greenhouse gas emissions, safeguard water resources and protect forests. In 2022, over 680 investors with over US\$130 trillion in assets and 280 major purchasers with US\$6.4 trillion in procurement spend requested companies to disclose data on environmental impacts, risks and opportunities through CDP's platform, and a record-breaking over 18,700 companies responded. A detailed and independent methodology is used by CDP to assess these companies, allocating a score of A to D- based on the comprehensiveness of disclosure, awareness and management of environmental risks and demonstration of best practices associated with environmental leadership, such as setting ambitious and meaningful targets. Those that don't disclose or provided insufficient information are scored an F. Fully TCFD aligned, CDP holds the largest environmental database in the world, and CDP scores are widely used to drive investment and procurement decisions towards a zero carbon, sustainable and resilient economy. CDP is a founding member of the Science Based Targets initiative, We Mean Business Coalition, The Investor Agenda and the Net Zero Asset Managers initiative.

Ricoh received Environmental Value Award for second time in 4th Nikkei SDGs Management Grand Prix



The Nikkei SDGs Management Grand Prix recognizes corporate efforts to help resolve social, economic, and environmental issues by linking SDGs to operations, thereby boosting corporate value. Nikkei Inc. conducts the Nikkei SDGs Management Survey, tasking an external review committee to comprehensively assess companies and choose winners. In 2022, Ricoh was one of 886 companies, including other listed entities in Japan, that took part in the survey. It received five stars, the top ranking, for the fourth consecutive year.

Ricoh received its third award under this program in

2022. Its previous wins were the Environmental Value Award in 2019 and the Grand Prix in 2020.

The Environmental Value Award comprehensively assesses corporate endeavors in such areas as climate change, resources, and biodiversity. The award recognized Ricoh's ongoing efforts since declaring its commitment to carbon neutrality to steadily reducing greenhouse gas emissions by including Scope 1, 2, and 3 in its disclosures. Another factor in Ricoh's favor was that it led other companies in complying with Task Force on Climate-Related Financial Disclosures requirements.

Attained perfect five-star rating for third straight year in 6th Nikkei Smart Work Management Survey



Ricoh received a perfect five stars (placing it among the top 3% of companies) for the third straight year in the 6th Nikkei Smart Work Management Survey. This survey chooses companies leading the way in revolutionizing productivity through work practice reforms.

Nikkei Inc. has been conducting this survey since 2017. The poll defines smart work management as initiatives to optimize organizational performance by attaining diverse and flexible work practices, deploying frameworks to create new businesses, and being able to develop markets.

A five-star scale evaluation covers those three elements, as well as corporate governance and other management underpinnings. The survey targets listed companies and leading unlisted companies around Japan. Overall assessments draw on responses to questionnaires measuring companies' ability to tap talent, innovate, and develop markets and external data. Of the 813 companies surveyed in 2022, Ricoh was one of 24 five-star recipients. It also secured top scores of S++ (also putting it among the top 3% of companies) in all three assessment categories.

Updated Information

The information below is subsequent to the publication of the Ricoh Group Integrated Report.

Updated on March 31, 2023

New President and CEO appointed

At a meeting on January 30, 2023, the Board of Directors resolved to appoint a new president and CEO, effective April 1, to bolster the Group's management structure and thereby boost corporate value and drive sustainable growth.

Name	New	Current
Yoshinori Yamashita	Representative Director Chairperson	Representative Director President and Chief Executive Officer
Akira Oyama	Representative Director President and Chief Executive Officer Chief Technology Officer	Director Executive Corporate Officer President of RICOH Digital Services Business Unit



Akira Oyama

Ricoh reviewed its 20th Mid-Term Management Plan and announced its 21st Mid-Term Management Strategy at an investors' meeting on March 7, 2023. Below is an overview of the meeting.

Review of 20th Mid-Term Management Plan

Ricoh expects sales to exceed the 20th Mid-Term Management Plan's initial target of ¥2 trillion. At the same time, operating profit will likely be significantly less than anticipated.

A prime factor would be the impact of parts shortages on activities to cut manufacturing costs. Others would be slower growth in the Office Services business because of IT equipment shortages and a non-hardware recovery being slower than expected in the Office Printing business in a post-pandemic climate.

It is in view of that situation that management lowered its operating profit target of ¥90 billion as of the second quarter to ¥85 billion.

Steps to reinforce the management infrastructure progressed well. We made steady progress toward becoming a digital services company. Ricoh was on track with future financial targets.

Key financial targets

(Billions of yen)

Financial indicators	Initial FY2022 targets	FY2022 forecasts
ROE	More than 9.0%	6.0%
Sales	2,000	2,100
Operating profit/margin	100/5%	85/4%
ROIC	6.5%	More than 5%

Steps taken to reinforce management infrastructure

- ✓ Adopted business unit structure
- ✓ Initiated business portfolio management
- ✓ Instituted Ricoh-style job-based personnel system
- ✓ Developed and upskilled digital professionals
- ✓ Revamped IT infrastructure
- ✓ Determined R&D direction
- ✓ Invested in growth
- ✓ Steadily implemented capital policy

Future financial targets

Future financial targets	Initial targets	FY2022 forecasts
Top score rate in customer surveys	30%	36.7% in Japan (Currently aggregating for other regions)
Number of people to whom we have contributed by improving social infrastructure	10 million	11.68 million
Greenhouse gas Scope 1 and 2/Scope 3 reduction rates	30% / 20%	44% / 25%
Renewable energy utilization ratio	30%	30%
Virgin material usage ratio	85% or less	85% or less
Suppliers signing on RICOH Group Supplier Code of Conduct	Completed for key suppliers	Completed
Increase rate of patent ETR score	20%	20%
Engagement score	50th percentile or higher	Percentiles: 54th in Japan, 45th in Americas, 38th in Europe, and 39th in APAC

Key initiatives

(Operating profit increases from FY2020 in billions of yen)

Key initiatives	Initial FY2022 targets	FY2022 forecasts
Office Services business growth	+27	+18.6
Structural reforms in printing business	+54	+47.1
Printing frontlines digitalization field growth and structural reforms	+17	+16.1

Overview of 21st Mid-Term Management Strategy

Key reinforcements under 21st Mid-Term Management Strategy

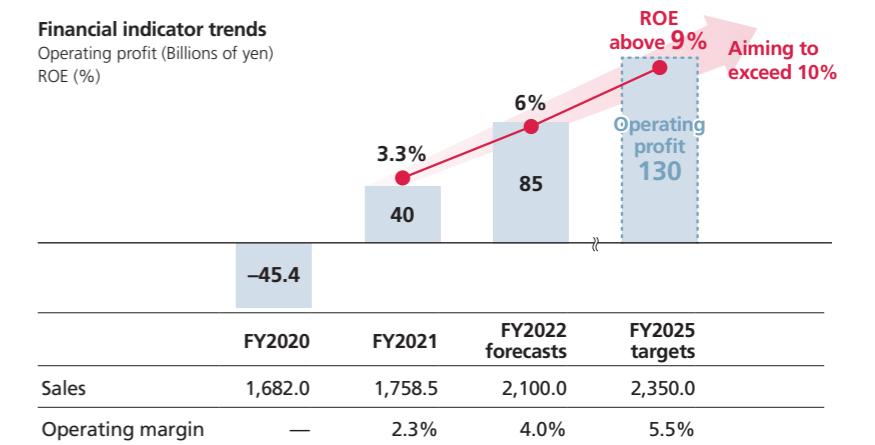
- Improve customer touchpoint value creation capabilities
- Enhance Group and global management
- Step up business model transformation and expand recurring revenues
- Build more change-responsive organizational processes
- Make management more capital efficient
- Keep investing in growth
- Balance corporate growth and employee self-development
- Become global ESG leader by lifting corporate value sustainably

21st Mid-Term Management Strategy financial targets

When we announced the 20th Mid-Term Management Plan, we targeted an operating profit of ¥150 billion and a return on equity exceeding 10%. But the business climate changed unexpectedly in recent times, prompting us to conclude that a non-hardware recovery in the Office Printing business would not be as expected. So, we pushed back initial targets. The financial targets of the 21st Mid-Term Management Strategy are accordingly ¥130 billion in operating profit and a return on equity exceeding 9%. We will keep striving to deliver a return on equity of over 10%.

Financial indicator trends

Operating profit (Billions of yen)
ROE (%)



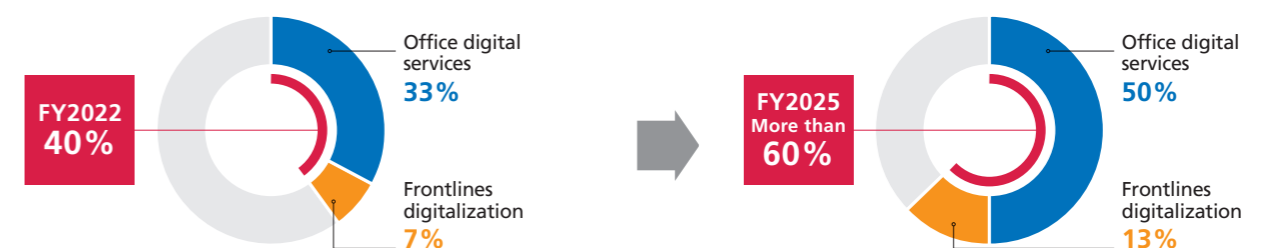
Segment sales and operating profit targets

We will retain our structure of five business units. RICOH Digital Services, which oversees the office domain, will continue to drive growth. We also seek steady expansion in the frontlines and social areas.

As of fiscal 2022, digital services accounted for around 40% of sales. Management looks to boost that figure to more than 60% by fiscal 2025.

		FY2025 targets		Key businesses
		Sales (CAGR)	Operating profit (Changes from FY2022)	
RDS	RICOH Digital Services	1,750.0 (3.0%)	60.0 (+33.0)	Office Services Office Printing Edge Devices
RDP	RICOH Digital Products	420.0 (-3.0%)	34.0 (-3.7)	
RG	RICOH Graphic Communications	280.0 (5.3%)	18.0 (+4.0)	Commercial Printing Industrial Printing
RIS	RICOH Industrial Solutions	160.0 (8.4%)	12.0 (+4.9)	Thermal Products Industrial Facilities
RFS	RICOH Futures			PLAIR Biomedical business
	Others + Companywide and eliminations			
Group headquarters		-260.0	6.0	
Total		2,350.0 (3.8%)	130.0 (+45.0)	

Changes in digital services sales (excluding Other businesses)



Editorial Policy

This integrated report aims to deepen our stakeholders' understanding of Ricoh Group efforts to increase long-term corporate value by producing and disclosing management policies and financial and ESG information.

The Ricoh Group continues to evolve in keeping with its goal of becoming a digital services company by 2025 that connects workplaces and supports worker creativity. This report presents value creation processes and specific examples of initiatives across the medium through long terms to enhance corporate value. We encourage all employees to understand how they can help create value and contribute to social progress. We also want them to remain aware of how their jobs relate to society and embody our concept of Fulfillment through Work.

In producing this report, we referred to the International Integrated Reporting Framework of the International Integrated Reporting Council and the Guidance for Collaborative Value Creation of Japan's Ministry of Economy, Trade and Industry. We also interviewed institutional investors regarding last year's report and made improvements based on their feedback.

Target readership

Current and future stakeholders of the Ricoh Group

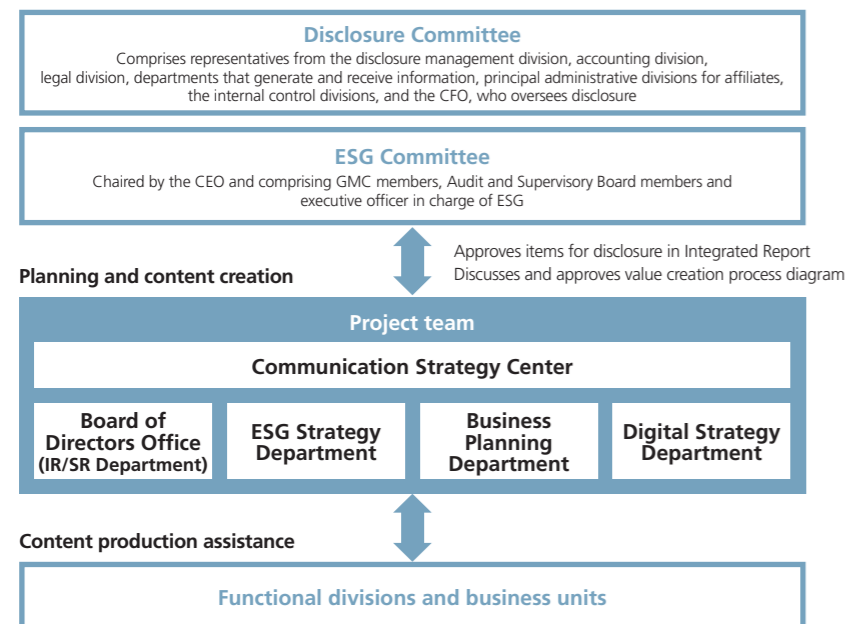
Scope of coverage

Ricoh Company, Ltd. and its consolidated subsidiaries

Reporting period

This report covers fiscal 2021 (April 1, 2021, to March 31, 2022). It also presents some activities after that period.

Editorial Structure



The Communication Strategy Center takes the lead in planning and developing the overall structure of this report. It collaborates with the Board of Directors Office (IR/SR Department), the ESG Strategy Department, the Business Planning Department, and the Digital Strategy Department.

We draw on assistance from functional divisions and business units, and discussions in the ESG Committee and other management-level meetings.

Disclosure was based on approval from the ESG Committee and Disclosure Committee.

Major Organizational Changes

None

Exchange Rate Used in this Report

The translation of yen-denominated amounts into U.S. dollar equivalents as of March 31, 2022 and for fiscal 2021, is solely for the convenience of readers outside Japan. We used an exchange rate of ¥121 = US\$1, the Federal Reserve Board's approximate prevailing rate on March 31, 2022.

Cautionary note regarding forward-looking statements

The data and projections in this Integrated Report are based on information available as of the publication date. They are subject to a range of factors. Results may differ materially from forecasts. Accordingly, do not rely unduly on these forward-looking statements. We assume no obligation to update these statements based on new information or future events.