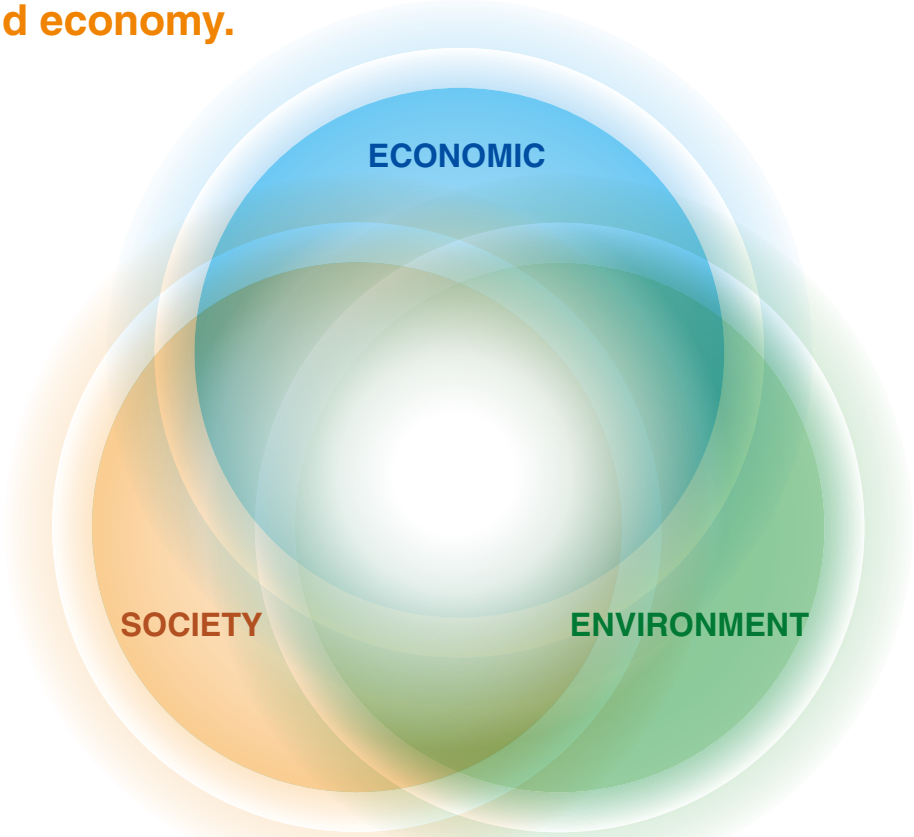
RICOH

RICOH GROUP SUSTAINABILITY REPORT 2011

(CORPORATE SOCIAL RESPONSIBILITY)

As a good corporate citizen, the Ricoh Group continues to increase its corporate value with a three-pronged focus on society, environment, and economy.

Based on the belief that social, environmental, and economic objectives are not incompatible, the Ricoh Group is committed to making meaningful contributions to the creation of a sustainable society. In the course of business activities undertaken toward this end, we communicate with our stakeholders and seek their understanding and support through appropriate and timely disclosure of information on what we do and how we do it. We also listen carefully to stakeholders and incorporate their voices into our efforts to improve our business and build greater corporate value. As part of these efforts, we publish this report for the purpose of providing information on the Ricoh Group's socially-responsible management.



RICOH 2011
(CORPORATE PROFILE)

http://www.ricoh.com/about/

- Corporate profile

Sustainability Report (Corporate Social Responsibility) 2011

http://www.ricoh.com/csr/

- Concept of CSR
- Integrity in corporate activities
- Harmony with the environment
- Respect for people
- Harmony with society

Sustainability Report (Environment) 2011

http://www.ricoh.com/environment

- Concept of sustainable environmental management
- Improving our products
- Improvements made at business sites
- Basis for sustainable environmental management
- Environmental communication/ Conservation of biodiversity

Sustainability Report (Economic) 2011

http://www.ricoh.com/IR/

- Management policy
- Management results
- Financial status

For information related to this report, please also visit	● Information security http://www.ricoh.com/about/security/index.html

■ Guidelines used for reference

GRI Sustainability Reporting Guidelines (G3)
The Japanese Ministry of the Environment's Environmental Reporting Guidelines 2007
United Nations Global Compact Communication on Progress Policy
The Japanese Ministry of Economy, Trade and Industry's Information Security Reporting Model

■ Reporting period

This report covers the period from April 1, 2010, to March 31, 2011.
However, some activities from year 2011 period are also covered.

■ Date of issue

Sustainability Report (Corporate Social Responsibility)
The Report is issued in Japanese in July.
The Report is scheduled to be issued in English and Chinese in September.

■ Important changes to the organization occurred during the reporting period

● Established the Ricoh Institute of Sustainability and Business (April 1, 2010)

The institute was established as an in-house organization aimed at contributing to "business growth" and "the realization of a sustainable economic society." The research results will be reflected in Ricoh's medium-to-long term business strategy.

● Launched Ricoh Japan Corp. (July 1, 2010)

Seven sales subsidiaries in Japan and Ricoh's Marketing Group were reorganized into a new company, Ricoh Japan Corp. The objective of the reorganization was to establish a sales network that enables us to make quick decisions to meet the diversified needs of our customers and to improve the effectiveness of our business.

● New tower completed at the Ricoh Technology Center (November 18, 2010)

Since its inception in 2005, the Ricoh Technology Center (RTC) has strived to create the best production engineering environment by consolidating under one roof all functions relating to manufacturing, including development, design, production preparation, procurement, and evaluation. With the completion of the new tower, RTC now houses more than 5,000 employees and has started a new chapter as a core facility of the Ricoh Group's production engineering.

Editorial Policy of the Ricoh Group

◎Our approach to reporting

Information and reports on our socially responsible business management activities are made available on our website promptly and in an environmentally friendly way.

We will no longer produce printed copies of our reports. Instead, we will provide PDF files in easy-to-read handbook format. The PDFs will be created in three languages (Japanese, English and Chinese) and be easily accessible worldwide from our global web site.

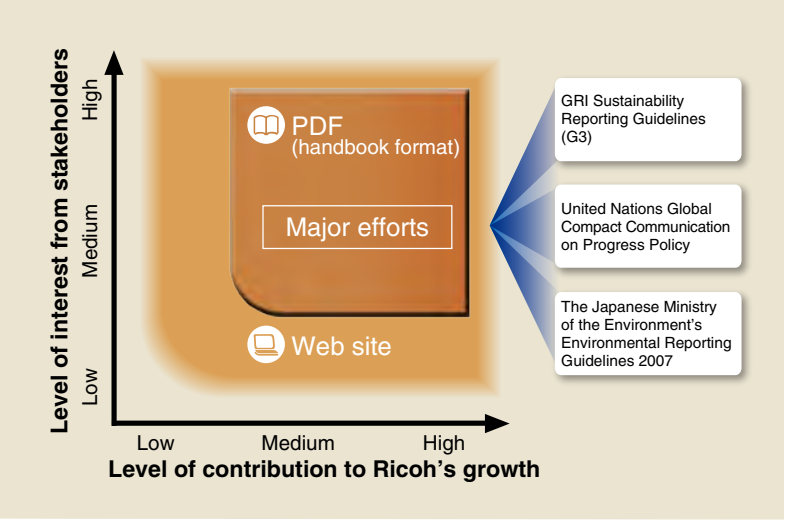
The information targets stakeholders such as customers, shareholders, employees, partner companies, and society at large.

◎Thoughts on reporting content

In compliance with the Ricoh Group CSR Charter, the Group reports CSR activities in four areas (integrity in corporate activities, harmony with the environment, respect for people, and harmony with society) in a systematic and comprehensive manner, to enable readers to easily understand the disclosed information.

The focus of our reporting is on areas of interest from our stakeholders (level of interest from stakeholder) and on our efforts for growth (level of contribution to Ricoh's growth). All the information is carefully reviewed taking into account materiality and made available as PDF documents.

We also referenced the GRI Sustainability Reporting Guidelines (G3) and United Nations Global Compact Communication on Progress Policy to maintain reliability and transparency as a sustainability report.



Contents

Sustainability Report (Corporate Social Responsibility) and Other Reports — 1
Editorial Policy — 2
Message from the President — 3

Highlight

Highlight 1 Value-Creating CSR — 7
Highlight 2 Diversity and Work-Life Management — 11

CSR Management

The Ricoh Group's Socially Responsible Management — 15
Corporate Governance — 18
The Ricoh Group's Approach to the Concept of CSR — 19
Achievements and Results of the CSR Activities in the 16th Mid-Term Management Plan — 21
Response to the Higashi Nihon Daishinsai — 22

Integrity in Corporate Activities

RICOH Quality to maximize customer trust — 23
Delivery of more values throng services — 27
Providing human-friendly products and services — 29
Towards a more secure information society — 31
Risk management and compliance — 32
Expanding CSR activities into the value chain — 33

Harmony with the Environment

Sustainable environmental management — 35

Respect for People

Corporate activities based on respect for people – Organization of dialogues — 41
Creating a corporate culture that motivates diverse employees — 43
Building a healthy, safe and pleasant workplace — 45

Harmony with Society

An active member of the community — 47

Business Overview

Ricoh Group Outline — 53
Highlights of Fiscal 2010 (Ended on March 31, 2011) Results — 54
Major CSR Indicators and Our Performance — 55
Framework of Corporate Activities — 57
Commitment to Society — 58
Major Awards and Recognition — 59
Third Party Review — 60

Selection of articles that incorporate the seven core subjects of ISO 26000

In selecting articles to be published in the report, Ricoh Group reviewed and evaluated its major efforts in fiscal 2010 during the editorial process based on the seven core subjects of ISO 26000, the international standard published in 2010 (see the graphic on the right).

In addition to reports on the four areas of the CSR Charter as in previous years, we have looked at issues from the perspective of these seven core subjects to respond to issues of interest from stakeholders.

Message from the President

Shiro Kondo

Representative Director
President and CEO

Our relief activities in areas affected by the Higashi Nihon Daishinsai (The Great East Japan Earthquake) that occurred on March 11, 2011

After the first decade of the 21st century, businesses are increasingly expected to think and act for the benefit of society and the Earth. Just as we entered the second decade, a disastrous earthquake hit the Tohoku region. Let me first of all take this opportunity to express my deep sympathies to all the people affected. We sincerely hope that your lives are made secure and that you recover from the disaster as soon as possible.

Ricoh Group set up a recovery task force at headquarters immediately after the earthquake to carry out organizational relief activities in line with its basic policy of providing aid to disaster-affected areas.

Two days after the earthquake hit the region, we announced a total of 300 million yen in aid for municipal governments affected by the disaster and NPOs engaged in relief activities. This aid included emergency supplies, such as battery-powered printers and waterproof and dustproof digital cameras, which we delivered promptly by utilizing our logistics network.

The disaster also caused damage to Ricoh's buildings and manufacturing facilities of its strategically important subsidiaries that supply products and parts around the world, including Tohoku Ricoh, Hasama Ricoh, and Ricoh Optical Industries. However, thanks to the dedicated efforts of employees and staff, restoration of these facilities was completed on April 15 and we were able to resume all operations. When I visited the plants and saw the manufacturing

Ricoh will accommodate change, promote innovation, and continue working for the benefit of society and the Earth.

Ricoh generates new value from the interaction between people and information.
Ricoh continues focusing its efforts on protecting our Earth and building a sustainable society in this constantly-changing and challenging global market.

lines running, I was impressed by and felt proud of our employees' determination to protect their workplaces and their untiring efforts, without which such an early restoration would not have been possible. Each office has also started its own relief activities that include fundraising and supplying relief goods. I am proud of Ricoh employees and staff who promptly initiated relief efforts. Soon after the disaster we have also received messages of encouragement from employees of Ricoh Group companies around the world. In their communications, I find that a strong bond exists among the 110,000 employees of the Ricoh Group, which I found very encouraging.

In addition to short-term relief supplies, the Ricoh Group considers it important to provide longer-term continuous support by promoting employment in affected areas. To meet this goal, we are discussing a plan to construct a new recycling plant in the Tohoku region. Our belief is that the primary objective of corporate social responsibility is to work for people and society through our business activities. The Ricoh Group's philosophy is "The Spirit of Three Loves," a phrase advocated by Kiyoshi Ichimura, the founder of the Ricoh Group in the chaotic post World War II period to emphasize the importance of dedication to country and society and to encourage employees to work together for the benefit of society. Based on this philosophy, all our Group companies are determined to make concerted efforts to find new hope and fulfillment in the midst of this national catastrophe.

Imagining the future life of our customers and bringing innovation

The history of Ricoh since its foundation has been one of constant innovation. I understand the meaning of innovation as "creating and providing new value that is truly needed by our customers and society." I started my career as a developer of technology. While it is of course important to improve existing technologies, I believe that there exists new value that cannot be generated merely by technological improvement. For example, no matter what improvements you make to cassette tapes, you cannot create CDs. Even if you go to an airport and ask a business person what kind of problems he or she has, you cannot come up with the idea of videoconferencing to replace flying to meetings. Innovation is creating future customer value through technological innovation and providing it to customers.

Imagination plays an important role in developing innovation: you have to have a vision of how your customers' future will change. For example, in the future it may not be necessary to commute to work. If you work at home instead of commuting every day to the office, for what reason will employees need to come to the office? They may need to show up at the office for a meeting, but not for work. If this "officeless" trend becomes the norm, there will be fewer opportunities for employees to see each other. It will then become more important for them to communicate with each other. What kind of tools and devices would then be necessary to make this officeless work environment comfortable? I call a product that starts from a small idea "a grain of sand." Ricoh is now generating grains

Message from the President

Shiro Kondo

Representative Director
President and CEO

of sand one by one. They may seem to be distributed randomly, but when combined with the glue of network, they are made into concrete objects, and it is these objects that will present an image of a future office.

Ricoh manufactures printers and multifunctional copiers but I do not think we should be content to remain a manufacturer. The highest priority in our business should not be put on our products but on the users of our products. We need to be aware of how relationships and the interaction between people and information is changing, and it is important to use our imagination to see what the future could look like for our customers. Through active involvement in a changing world, rather than just passive observation, we can add new value to the world. Manufacturing products that meet future needs ahead of times will enhance Ricoh's corporate value. I believe that opportunity lies in change.

Contributing to society and being fostered by society

As a global company, we keep an eye on the future and shape the future. We cannot shape the future on a global scale unless we get involved in current issues at the local level through our business. In emerging countries, for instance, they sell battery-powered TV sets. This is because of the frequent power outages. I think it is important for Ricoh to develop products that meet local needs. Most products originate in the Earth, and are made out of our common assets. If such products are owned exclusively by the people of the developed countries, the future of this planet will be limited. Ricoh is focusing its efforts on creating more opportunities for people to receive the benefits of our Earth.

The creation of local employment opportunities may play a role in these efforts. The BOP project in India is one example that developed out of our belief that items produced locally should be consumed locally. In this project, Ricoh's employees stay in a farming village on a long-term basis in order to understand local needs. What lies behind this project is our wish to "work for the benefit of local communities." In India, the old and the new exist side by side haphazardly, and lifestyles and the standard of living differ significantly from region to region. It is our hope that providing continued assistance with improving this kind of situation through our business activities will enable as many people as possible can live a comfortable life. We are now considering launching a new project that developed out of an idea that would never have occurred to someone not living there.

We must remember that our society forms the fabric of our existence. For this reason, our mission is to serve local communities through our activities. Our reward is in knowing that stakeholders in different communities around the world support Ricoh and need what our company can offer.

Developing into a global brand involves meeting the high expectations people have that we will grow and become even more successful.

In the business market, there is a growing need to reduce the use of paper. The reason behind this demand is an increasing awareness on the part of our customers of the importance of reducing environmental impact wherever possible. Ricoh provides products and services that have a low impact on the environment and that also help our customers to reduce their own environmental impact when using our products. When we satisfy all the individual needs of our customers, we will deserve their support and continue to grow as a company.

I believe that a global company should develop together with society by meeting people's needs around the world and by continuously proposing the new value that is needed to develop a sustainable society. This is how we can develop as a respected enterprise. Ricoh does business in about 180 countries around the world. Our efforts as a global company will continue to be focused on creating value that benefits the economy, society and the environment. We want to be recognized as a brand that people around the world prefer and trust through technological innovation and innovation that creates new business models.

I think that the employees of a truly global company can build their careers through activities that transcend national borders and regions and can thus create their own future. Individuals who make untiring effort to change, managers of organizations and human resources who help employees become more motivated and improve team productivity, and leaders with the ability to innovate—if these kinds of people continue to pursue business operations in competitive and constantly-changing global markets regardless of past successes, Ricoh will be able to make positive changes. To further accelerate progress toward becoming a truly global company, I want to encourage every one of Ricoh's employees to engage in business that to transcends national and regional boundaries and to see their own growth and the growth of the company as one thing. I believe this will inject new energy into society and make them feel proud to work for Ricoh.

Spreading the notion of acting in harmony with the Earth and society to Ricoh Group's employees around the world

In 2011, which is a turning point for many reasons, Ricoh established "The RICOH Way" to restate its determination to work in a way that is in harmony with the Earth and society more than ever before. The RICOH Way consists of guidelines based on "The Spirit of Three Loves" with emphasis on sustainable development for both the Earth and society. Serving society is precisely what our corporate philosophy "The Spirit of Three Loves represents: love your neighbor, love your country, and love your work." To convert this into present value, we need to add our responsibility for providing new value to our customers, and more importantly, protecting our precious Earth and building a sustainable society.

Our wish to spread this corporate philosophy widely among Ricoh Group's employees around the world is to encourage each one of them to play an active role as a member of a global company. I believe that to act in ways that take into account the future of our customers and transcend the framework of our job descriptions will help Ricoh in its restructuring efforts. In order to motivate employees to take an active role, we should offer them psychological support and show them what attitude they should take in their business activities. I believe that The RICOH Way will serve as a compass for Ricoh Group's employees in sailing out onto the open sea and create new customer value.

*This article is based on an interview conducted on April 27, 2011.

Value-Creating CSR

Contributing to society, which is the starting point of our business

Ricoh implements value-creating CSR projects that address local social issues from local perspectives by utilizing our business resources to help develop a sustainable society.

BOP project members holding an interview session with local entrepreneur candidates (February 2011)

The Ricoh Group aims to both address social issues and grow as a business. Following are two specific efforts to address social issues in a developing country using the Ricoh Group's resources.

Two projects that address social issues

Ricoh is implementing the following two projects in India as part of its efforts to contribute to society while achieving growth: the Education Support Program and BOP (Base of the Pyramid) project. While the education support program aims to improve the educational environment and expand the market by taking advantage of existing business, the BOP project addresses issues facing the poor and creates new business opportunities on a long-term basis, transcending the framework of existing Ricoh business.

Differences between the two projects

	Education Support Program	BOP project
Objective	Contributing to improving the educational environment and develeping new markets.	New business that will contribute to developing the local community will be created.
Target market	Schools in rural areas	The poor in rural areas
Process	Donating digital duplicators to schools ▼ We utilize printing machines to improve the educational environment and survey the need for printing at the same time.	Employees stay in a village. ▼ Developing new business ideas with local people.

Supporting education in the developing world

Creating an educational network using Ricoh products

Integrating social contributions and marketing

Ricoh held a dialogue on bridging the digital divide to explore the possibility of social contribution through business activities in February 2010, inviting an international organization, NGOs and leading companies. After discussion, we came up with some plans, among which we selected "education support" as a key concept because of its association with "providing sound values to young people" on which Ricoh places high priority in its social contribution activities. We also considered that education support activities would allow us to contribute to achieve the UN millennium development goals (MDGs). As a result of further discussion on how we can use our products and create marketing opportunities, we decided to provide education support in India where there are many children who cannot go to school or drop out of school. There are many reasons for this, including low educational awareness, poor educational quality, and insufficient infrastructure. Taking this situation into account, we thought we could contribute to improving the educational environment by using Ricoh's digital duplicators to print materials and documents used at schools. At the same time, based on our findings on how printing machines are used in schools, we can develop a new market.

A system that helps local communities to improve their educational environment on their own

An education support program scheduled to run from May 2011 to March 2013 in Medak, Andhara Pradesh in India was started in cooperation with Save the Children. At the end of January 2011, Ricoh staff visited schools and local educational bureaus to survey the local situation. Interviews not only with government staff but also with teachers and children in schools revealed that many schools badly need printing machines. We also found that children are absent from school during the farming season, and it is important to raise community awareness about education.

In 2011, the first year of the program, we donated digital duplicators for printing documents and materials to 10 organizations including schools, child resource centers, and local educational bureaus. At two child resource centers that play a leading role in the region, we organized awareness raising activities aiming at improving the learning environment, including intensive training sessions for school management committees and establishing children's groups. Efforts are focused on strengthening the network among local educational bureaus, schools, communities and children so that local people can eventually improve their educational environment sustainably on their own.

Website for information on the education support program in India
http://www.ricoh.com/csr/india_edu/

Children at a school under the education support program

(C) Save the Children Japan

Combining NGO and corporate strength

Save the Children JAPAN

Hideki Kaji Corporate Partnership Department (Acting Director of Osaka Office)
Save the Children Japan (SCJ)

All those involved in this program share the same objective of improving the quality of education from the planning phase and have communicated with each other to find a strategic framework that would enable us to generate sustainable results while benefiting both business and society. In addition to constructing an IT infrastructure, we will train and develop specialists who can operate and manage the established infrastructure through coordination with the education support activities of Save the Children. It is expected that this kind of concerted effort will make possible what has been impossible up to now. Ricoh's program is a new and challenging project also for Save the Children Japan. We look forward to continuing to work together with Ricoh as partners, taking advantage of the strengths of both the NGO and the company in such a way as to improve children's educational environment.

Value-Creating CSR

BOP Project

Creating new business opportunities to address local issues

While significant economic growth is occurring in developing countries, the poor who form the base of the pyramid (BOP) in these countries still face many social issues. Merely bringing products that have been developed to market in developed countries will not solve these issues. Ricoh therefore started its efforts by understanding the issues that poor people are facing. Ricoh staff stay in a local community to experience life there and build trusting relationships with local people. We believe that we can contribute to sustainable development in local communities only after understanding their culture and customs and identifying their problems and by making a concerted effort to find solutions. Ricoh's BOP Project was started with the aim of creating new business opportunities transcending the framework of existing business.

The first stay with emphasis on building trusting relationships with the local community

Before starting the stay, Ricoh conducted a pre-project survey in cooperation with a local company. A rural village in Bihar state located in the northeast of India was selected as a target village. Employees selected from among more than 100 volunteers stayed in the village twice, for a month each time. During the first stay (October-November 2010), emphasis was placed on building relationships with villagers. Local people do not speak frankly about their problems if you suddenly turn up to conduct a survey, so we organized events including cricket, debates, sing songs and painting exhibits, with the hope of spreading information on Ricoh so that as many people as possible become familiar with our company. The staff staying there visited local people many times to talk with them and tried to understand their culture and how they think. This kind of continual face-to-face communication fosters a sense of security, making it easier to observe their living environment. After taking sufficient time to build trusting relationships with villagers, group interviews and other surveys were conducted to gather information, which was classified and organized. In the second stay, a more focused survey was conducted.

Stay area

The stay and survey was conducted in a village in Bihar located in the northeast of India, where about 6,200 people live in an area of around four square kilometers.

Steps in project activities

The village where Ricoh's employees stayed

Interview with villagers

Wearing an ethnic costume to build friendship

Second stay when interviews were conducted in priority fields and an ideas competition was held

Two approaches to assessing the possibility of new business opportunities

Even if we stay in the target area, the amount of information we can gather is still limited. Ricoh therefore took the following two approaches to avoid complacency in identifying new business opportunities:

●Approach 1

Developing business ideas generated by Ricoh based on local survey results

Information gathered in the first stay was carefully reviewed to select business fields for which an additional survey was conducted. Through these activities, business ideas that would benefit the local community were selected. We are going to discuss with local partner company to develop specific business plans so that the selected business ideas can help solve local problems and create local employment.

●Approach 2

Developing business ideas to support local entrepreneurs

An ideas competition was held to identify business ideas generated by villagers and future entrepreneurs. Among 31 proposed ideas (13 from female applicants, 18 from male), three were selected using the following screening criteria: entrepreneurial passion, how determined the applicant is to start a business, the possibility of developing the business, and its contribution to local employment. We provided them with training on business management, marketing and other knowledge and skills required for starting business. Since May, some have started their own small businesses. While helping these entrepreneurs to make their new businesses successful, Ricoh will continue to search for more ideas to support their businesses.

■A candidate entrepreneur selected in the ideas competition

■Interviewing an applicant for the ideas competition

After participating in the BOP Project

Izumi Kutsuwada Product Marketing Center
Ricoh Global Marketing Department

Through my experience of being immersed in the life of a farming village for one month, I was able to understand the villagers' aspirations, thoughts and needs, that I had never imagined in Japan. Some things you can't find out until you talk to the people: for example, many women are interested in skin whitening and people there enjoy singing and dancing along to music from a cell phone. While I lived there, my wish to help them realize their dreams and to provide them with what they need grew stronger. The experience made me believe strongly that what needs to be done in BOP markets is the same as what needs to be done in existing business projects: always be ready to listen to the market and your customers; ask yourself what you should do for your customers; and make proposals to respond to their needs. I am determined to become this kind of marketer.

Diversity and Work-Life Management

A company that puts diversity to work

The Ricoh Group focuses its energies on diversity and work-life management in order to further accelerate innovation based on many different ideas and to increase productivity.

As globalization progresses, customers' values and needs become diversified. This feature article reports how Ricoh creates a working environment that is friendly to all its employees so that the company may thrive in an increasingly competitive market, seize new business opportunities, and promote innovation.

Diversity and work-life management—the aim of the Ricoh Group

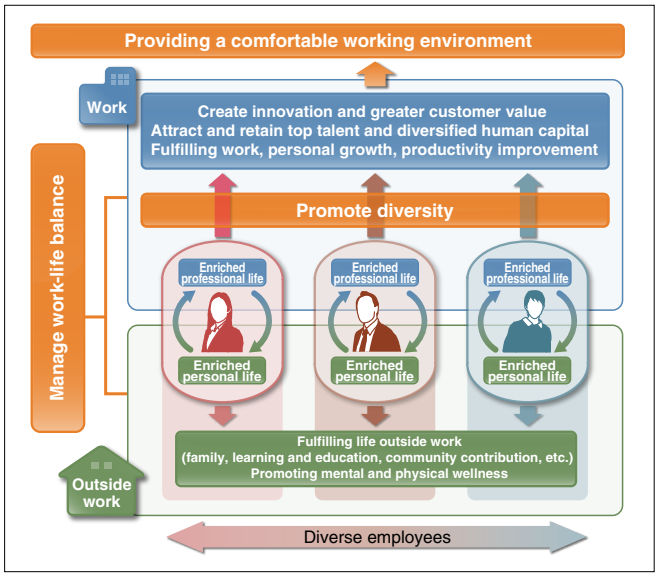
Greater contributions from female employees in Japan

Corporate activities are becoming more globalized and companies are expected to understand the differences in cultures and values around the world. In this context, it has become important to build a diversity management system that allows diverse employees to play active roles in their workplace regardless of nationality and gender. In response, the Ricoh Group focuses its efforts simultaneously on promoting diversity and work-life management.

In an effort to promote diversity, we make full use of the diversity of our individual employees (characteristics, values, attributes, etc.) to enhance the performance of our teams, thereby developing new value. One of the most critical challenges in Japan is the more active involvement of female employees in management. To offer more opportunities for women to play leading roles, we not only have to change our awareness but also need a well-developed system to provide them with appropriate opportunities on a global basis.

As we promote work-life balance, employees are encouraged to work effectively to improve productivity, while making time to enjoy a fulfilling life so that they can use the energy generated from this fulfilling life to take on more challenging jobs. We eventually want to create a virtuous circle among our employees. In managing work-life balance, people tend to emphasize how to allocate time between work and private life. However, we put more focus on assessing how successfully and positively individual employees manage their work and private lives so that both are fulfilling. This is how we understand the concept of work-life management.

Workforce diversity and work-life balance management at Ricoh



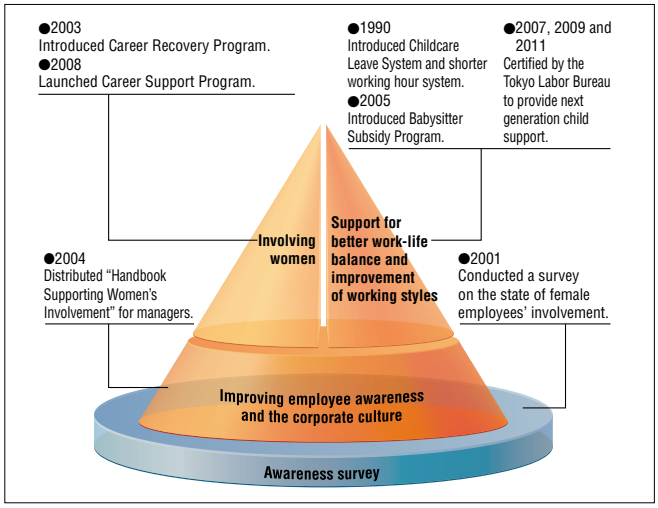
Adopting various measures to help raise awareness of the work environment to make the company a more comfortable place to work in

Raising awareness of workplace issues

Since 2002, Ricoh has also focused its efforts on promoting a corporate culture that provides more opportunities for individuals to play more active roles according to their abilities and achievements regardless of gender. Our three major objectives are to change attitudes and increase awareness, greater involvement of women, and support for a better work-life balance. Specific examples include the inclusion of equal opportunity-related issues in our annual awareness survey of employees and the provision of information on gender equality to employees to raise their awareness. In addition, the question "Does he/she provide equal opportunities to employees regardless of gender?" was included in the 360 degree evaluation for executives, and a "Handbook Supporting Women's Careers" was distributed to raise managers' awareness and change their attitudes toward women. Departmental Managers were provided individually with explanations of these efforts. They also took part in an interview survey. These efforts have yielded concrete results, including the introduction of a "Career Recovery Program" (explanation provided on p. 13), which allows childcare leave without penalties.

From 2008 onwards, efforts to promote diversity and manage work-life balance were strengthened and expanded from a global perspective. To improve employees' awareness and the corporate culture, the website "Diversity & Work-Life Management" was launched on the corporate portal site accessible by all group companies to provide information to all group companies on Ricoh's principles, the direction Ricoh should take, and specific examples of current efforts. In addition, an awareness survey of employees exclusively on work-life management was also conducted with the aim of giving these systems higher recognition, improving employee awareness, and understanding their needs.

Providing a working environment where all employees are respected



A pioneer in supporting a better work-life balance

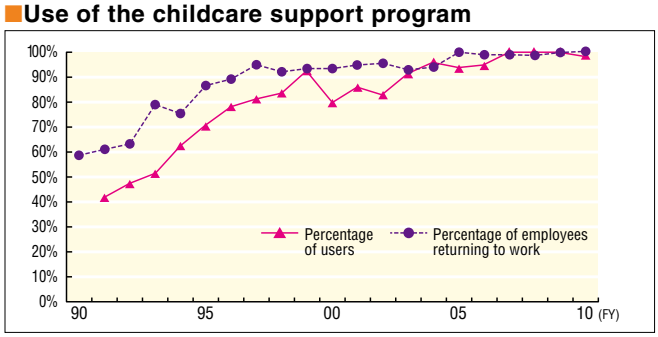
Ricoh began its efforts to make the company a more comfortable place to work more than twenty years ago. Specifically to support employee work-life balance, we introduced childcare leave and shorter working hour programs in 1990, before the enactment of the Child Care and Family Care Leave Law by the Government.

The childcare leave program is applicable to employees with children aged two and under. The shorter working hour program, applicable until eligible employees' children complete third grade at elementary school, provides three options for different working hours.

A database site "Employee Support Program Handbook" is available on the corporate intranet which provides a wide range of information, including how to use these programs and reports from male employees who use them. Employees on child care leave are also allowed to access the corporate intranet to alleviate any anxiety over returning to work. In addition, in order to assure a successful return to work, the company has prepared "Communication Guidelines" designed for supervisors and a "Communication Guidebook" designed for users of the programs, which provide detailed information on the programs both to supervisors and users and promote communication in the workplace.

The number of employees who use these programs started to increase during the late 1990s and reached almost 100% in 2004, and this has been maintained. The percentage of employees returning to work after childcare leave has remained at 100%. These figures indicate that the efforts to adopt practices to ensure a good work-life balance we started at an early stage have raised employee awareness and helped the programs to be widely recognized.

Use of the childcare support program



*percentage of users = number of female employees using the childcare support program/ number of female employees expecting a baby *Percentage of employees returning to work = number of female employees returning to work from childcare leave/ number of female employees using the program *Number of users gives the total number of employees who actually used the program in each fiscal year.

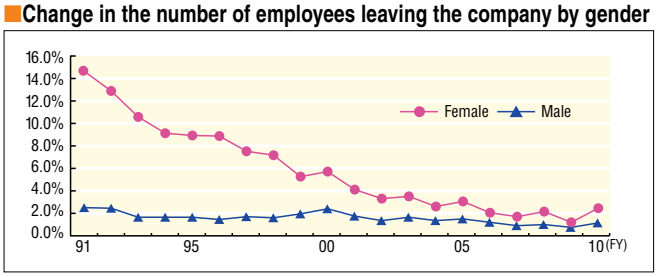
Diversity and Work-Life Management

Career Resumption Program to eliminate the demerits of taking childcare leave

The Career Recovery Program introduced in 2003 was revised so that the performance appraisal result of employees during their (childcare) leave would not adversely affect their prospects for promotion: in making decisions on the promotion of employees, performance appraisal results from both before and after (childcare) leave must be taken into account. This revision has allowed those returning from leave of absence to be promoted soon after their return. The number of male employees who take childcare leave has been increasing in recent years, which can be attributed to the revised Career Resumption Program.

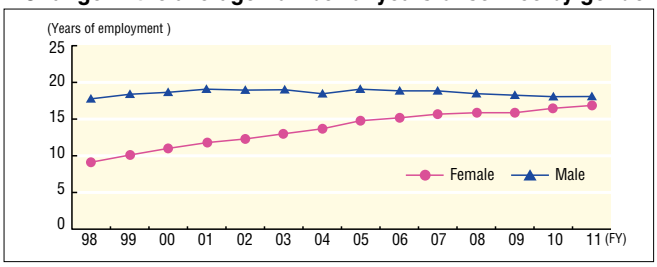
These various efforts over many years have also led to lengthening the number of years women stay at Ricoh and a decrease in the number of female employees leaving the company. The increase in the years of service for female employees has been particularly significant and, as of April 2011, there is hardly any difference with the figures for male employees.

Change in the number of employees leaving the company by gender



* The number of those who left the company for personal reasons alone was used in calculating the rates.

Change in the average number of years of service by gender



* The number of employees on the payroll in April for each year was used for the calculation.

Steady reduction in overtime through consistent and persistent efforts

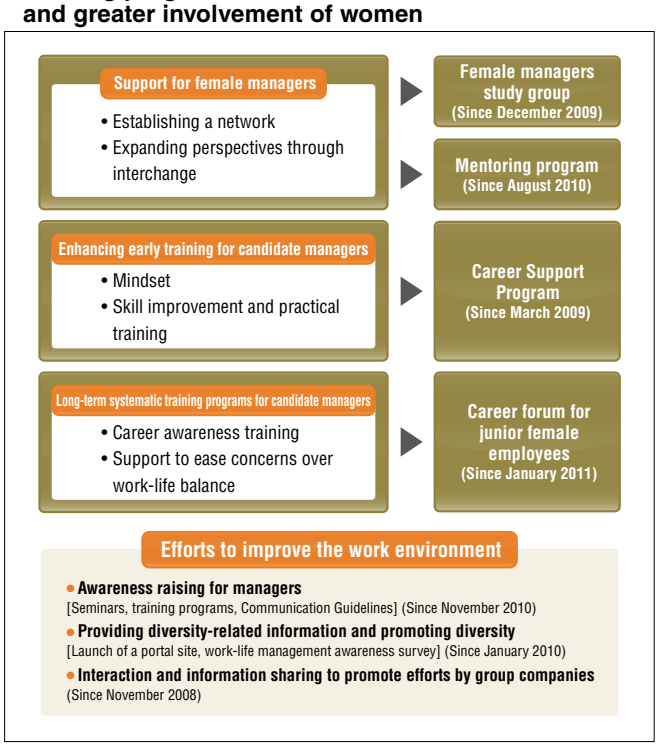
In addition to support for maintaining a better work-life balance, our efforts since 2004 have also been focused on reducing working hours, including improving working styles. Training on human affairs and labor issues for managing employees has been provided to all managers, including top executives, on a regular basis. If there are any employees who have worked at least 40 hours of overtime in a month, a warning is issued to their manager not to allow them to work more than 53 hours overtime per month, the maximum permitted by Ricoh. Another specific effort is the "no overtime day," which is implemented twice a week at all offices and plants. Since 2005, all offices and plants are required to conduct a one-month campaign twice a year to encourage employees to take annual paid holidays. If there are any employees who have not used all of their paid holidays, the company urges their manager to change the working environment to make it easier for those employees to take paid holidays.

Creating a working environment where women can shine

One of the objectives of Ricoh's efforts to promote diversity is to expand opportunities for women in the workplace. The "mentoring program" for female managers is one of these programs. Under this program, one executive member is assigned as mentor for every two female employees who were appointed to a departmental manager's position two to three years ago. The mentor provides advice to help the female managers improve their skills, better understand their own goals as a manager, and develop their career vision from a higher perspective. For candidate managers, career support programs designed to enhance their mindset and improve their skills are available for different levels. These efforts have gradually started to yield positive results, leading to a steady increase in the number of female managers.

In addition to the training programs mentioned above, the

Training programs for motivated and talented women and greater involvement of women



company also puts emphasis on improving the workplace environment. As one of the efforts aimed at improving the workplace, a "Ricoh Group Diversity Promotion Meeting" has been held since 2008 two to three times by 11 group companies in Japan year in turn. In these meetings, information on best practices from other companies and reports on efforts being made in group companies are provided and discussed by participants. The meetings have enhanced the efforts made by these companies.

The Seventh Ricoh Group Diversity Promotion Meeting

Lecture: Sandy Smith

Senior Vice President of Human Resources & Education
(formerly) InfoPrint Solutions Company (United States)

At the Seventh Ricoh Group Diversity Promotion Meeting held on February 8, 2011, Sandy Smith, Senior Vice President for Human Resources and Education at the head office of InfoPrint Solutions Company (now RPPS), was invited to give a lecture on diversity. InfoPrint Solutions Company was formerly a joint venture between IBM and Ricoh where the progressive approaches of IBM have been transferred and adopted in an effort to promote diversity. As cross-cultural coexistence has increasingly become recognized as common sense, it has become more and more important to welcome individual differences particularly for companies that wish to remain competitive. RPPS promotes the concept of "diversity and inclusion" in daily decision making and workplace practices. This is a concept that is one step beyond the acceptance of diversity—a concept that encourages employees to understand different ways of thinking and seeing the reasons behind the differences. About 60 employees from group companies in Japan attended the lecture, and following the lecture there was a lively discussion.

A reputation as a fulfilling place to work for

Ricoh's efforts to make its work environment comfortable for employees have attracted attention from external parties and have been positively received. Our continuing efforts will be focused on further improving the work environment so that all employees can enjoy working for the company.

[External awards and rankings]

- Received "the Tokyo Labor Bureau Director's Award for Excellence for Companies Promoting Gender Equality" of the Ministry of Health, Labour and Welfare (2005).
- Ranked 30th in the Nikkei's list of most comfortable companies to work for (2010).
- Ranked 9th in the Nikkei Women's list of 100 best companies for women to work for (2011).
- Certified by the Tokyo Labor Bureau to provide next generation child support (2007, 2009 and 2011).

2010 Nikkei Award for Best Companies Supporting Child-Rearing (2010)

Ricoh received the Nikkei Award for Best Companies Supporting Child-Rearing in 2010 for its well-balanced efforts to reduce overtime work and implement programs that facilitate return to work after childcare leave, and for the high rate of use of the childcare leave program both by men and women. This award was launched in 2006 by Nikkei Inc., which invites companies and organizations to apply for the award and selects those with the best programs for supporting child-rearing.

Socially responsible management aimed at achieving business growth and building a sustainable society

The RICOH Way, the basic concept behind all our business activities

The Ricoh Group originated in Riken Kankoshi Co., Ltd., which was established in 1936. For the more than 70 years since its foundation, the company has been engaged in business supported by "The Spirit of Three Loves," the philosophy advocated by Kiyoshi Ichimura, the founder of the company. Based on this philosophy, the company developed a management philosophy that encourages employees to provide new value, products and services that meet the needs of the times.

As a result of accelerated globalization of business operation in recent years, the Ricoh Group has grown into a large group of companies with about 110,000 employees around the world. The RICOH Way shows the direction that employees should take to strengthen cooperation within the group, enhance competitiveness, and meet our social responsibilities in building a sustainable society.

Mission, Vision, and Values

Mission Statement

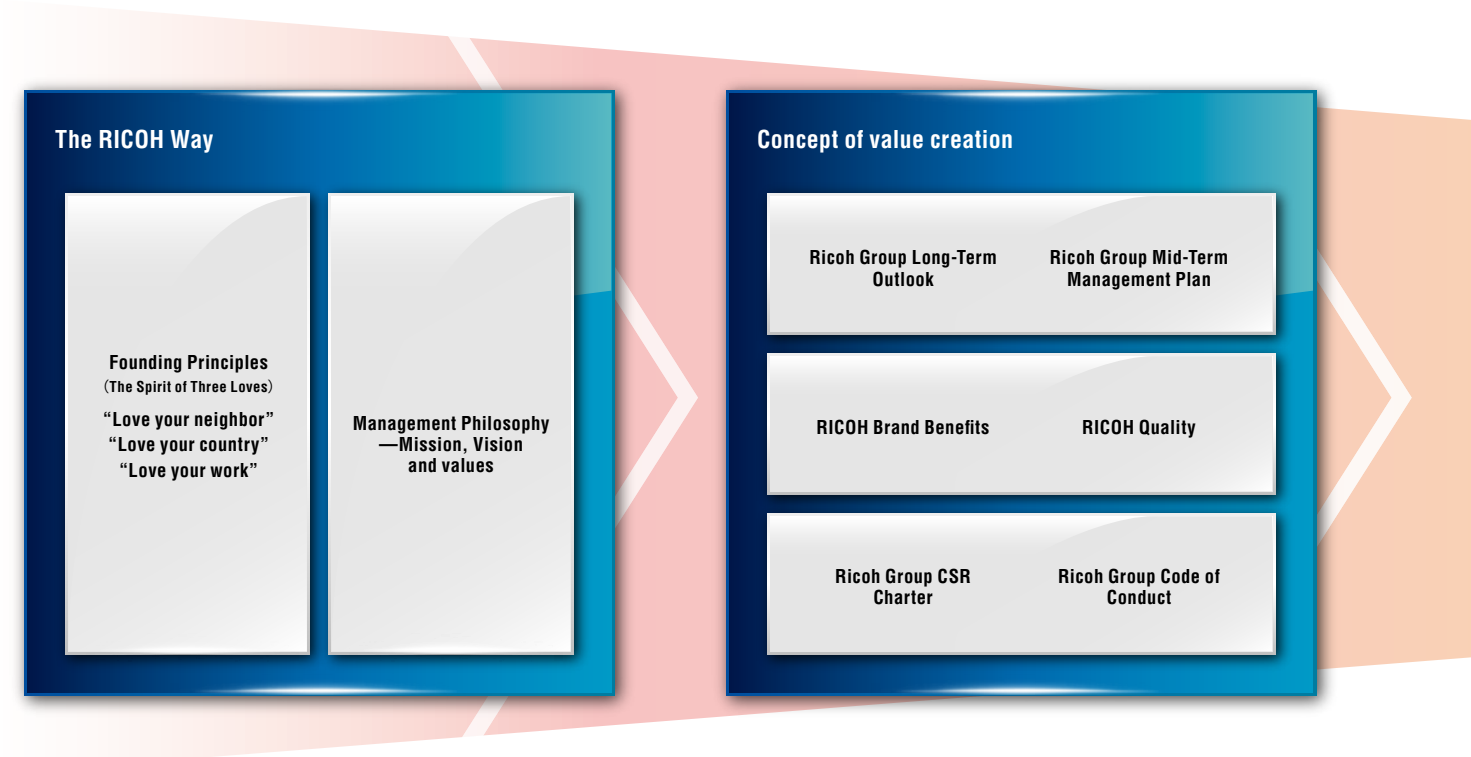
- At the Ricoh Group, we are committed to providing excellence to improve the quality of living.

Vision Statement

- To be the most trusted brand with irresistible appeal in the global market.

Values Statement

- To be one global company, we must care about people, our profession, our society, and our planet.
  We must dedicate our winning spirit, innovation and teamwork to sharpen our customer centric focus, and we also must commit to the highest standards of ethics and integrity.



*RICOH Brand Benefits are the following three brand benefits we provide: harmonize with the environment, simplify your life and work, and support knowledge management.
*For details on RICOH Quality, please refer to pages 23 through 26.
*For details on the Ricoh Group CSR Charter and the Ricoh Group Code of Conduct, please refer to page 57.

The RICOH Way is the principle and values (The Spirit of Three Loves, management philosophy) behind the Ricoh Group's business activities. Its management plans and activities, including RICOH Quality and CSR activities, reflect the concept behind The RICOH Way.

CSR concept embraced and implemented by each employee and reflected in our business activities

There are many issues facing us that must be addressed by the whole of society.

The Ricoh Group hopes to help solve these issues through its corporate activities to contribute to building a sustainable society.

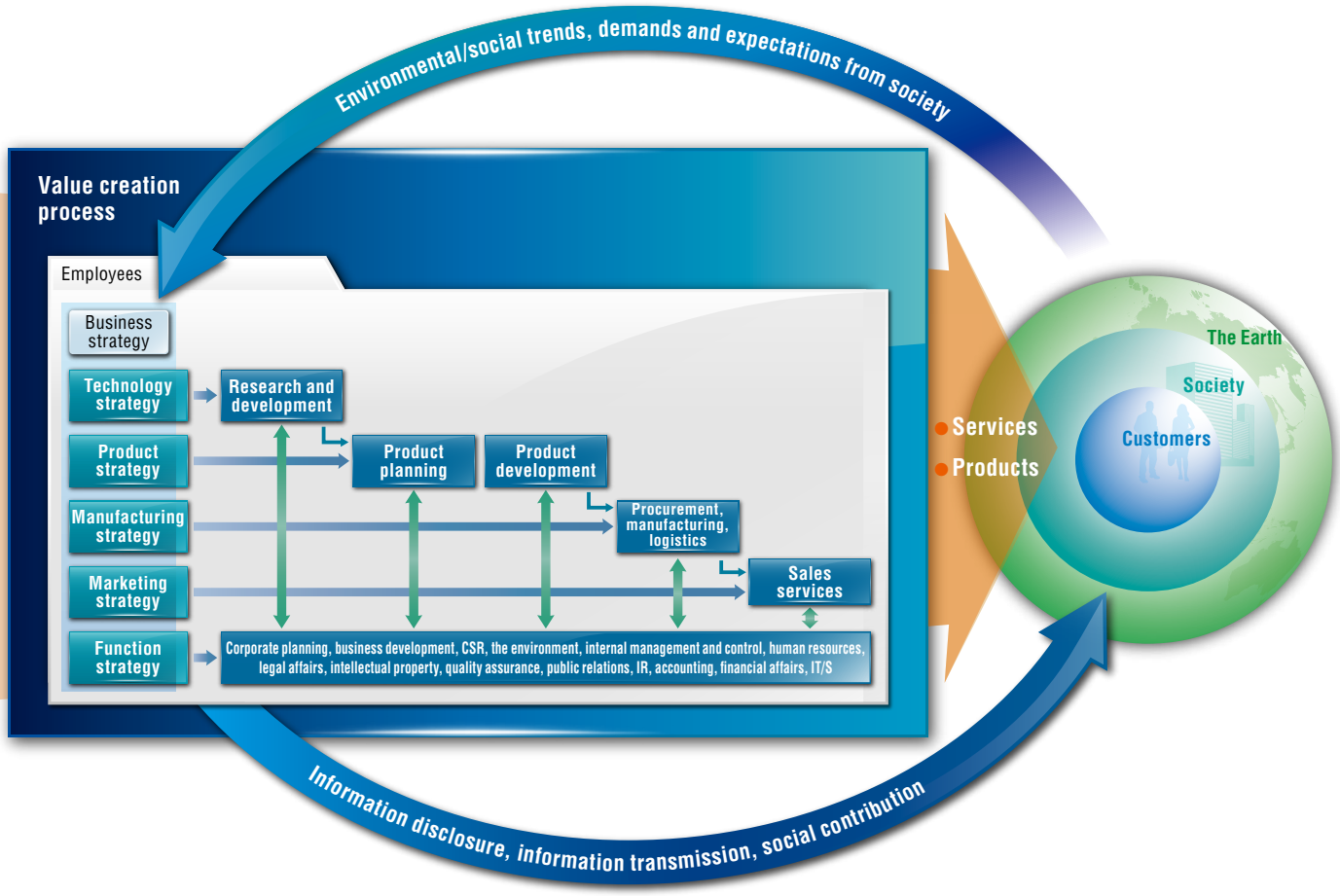
To fulfill this objective, it is necessary to cope with changes in society promptly, and in addition, it is important to provide new value to meet the needs of society and contribute to the development of society. Through these efforts, we believe that we will continue to be looked at favorably by society and that there will be high expectations for us to grow and develop.

A full understanding and implementation of this concept by individual employees will allow the entire group and individual offices and departments to achieve our CSR management objectives. Continuous efforts by our employees to improve will eventually steadily enhance our corporate values through new technological innovation that takes into account the economy, society and the environment in concert with each other and also through innovation that creates new business models.

Promoting social responsibility in the value chain

It is our belief that in order to build a sustainable society we need to incorporate not only our group companies but also the entire value chain including suppliers and our partner marketing companies in our activities.

We are confident that such activities will help facilitate a more harmonious coexistence with the Earth and society and that intensified efforts to achieve more challenging goals will allow the Ricoh Group to achieve business growth and help to build an affluent and sustainable society.



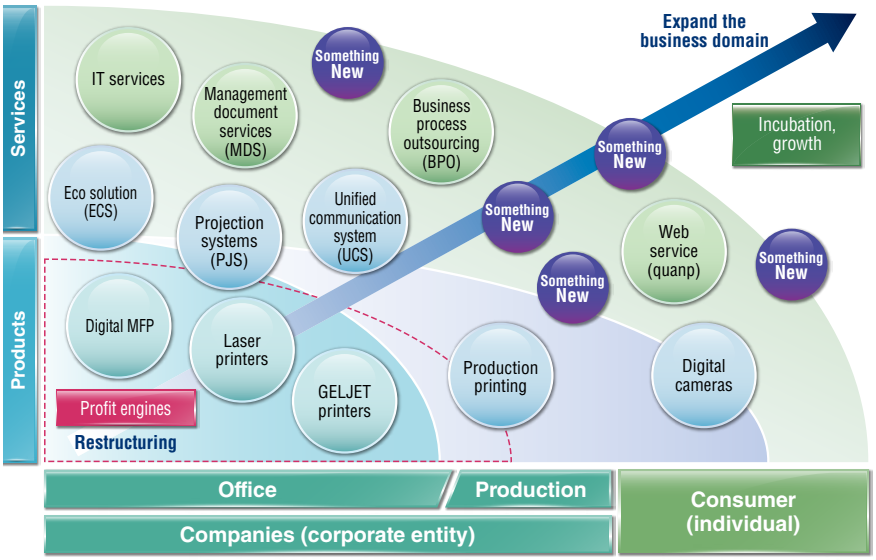
New values for customers provided by expanding business fields

More efforts made to provide value through services in addition to concrete products

The Ricoh Group has continued to create new value that bring innovation to offices and we have grown together with our customers. Since the 1990s, the company has advanced at an accelerated pace, providing more value across a wider range of fields from digitalization to network building and on to document solutions using our superior image processing technology and well-established customer network. In response to an increasing need for services, in addition to customers owning products, we are currently expanding our efforts to provide value through services.

Our recent focus is on our services business, including managed document services, which offer outsourced management of documents where often overlooked aspects of jobs are visualized and analyzed and proposals for improvement made, and IT services ranging from assistance in introducing and applying information technology to information security and to solutions for business succession. While expanding its business fields to include production printing and general consumers, rather than merely providing conventional services to offices, the Ricoh Group will put intensive management resources into developing its business in emerging markets where significant growth is expected.

■Business creation and integration



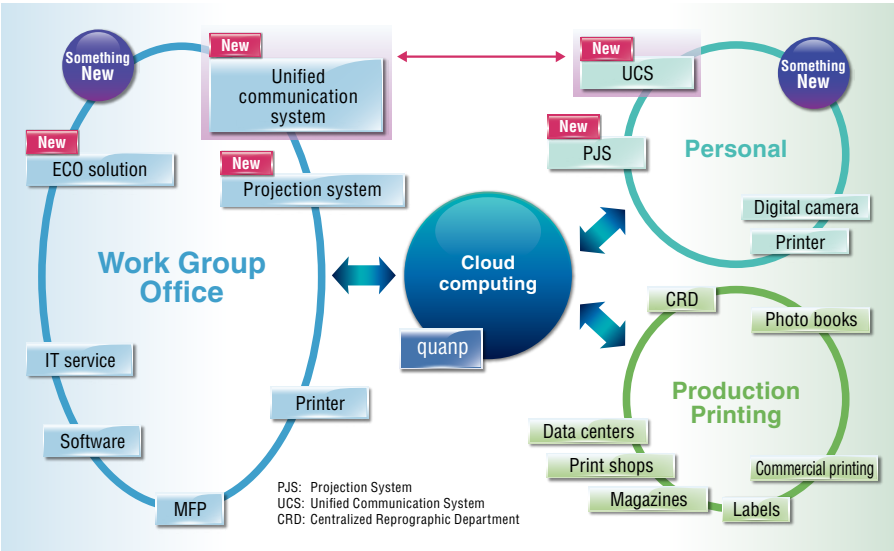
Creation of new business opportunities

Ricoh Group put its efforts into developing new business opportunities that will allow the company to achieve long-term growth.

For production printing, our efforts are focused on expanding and improving product groups while enhancing marketing functions to accelerate the growth.

We have also launched a unified communication system (UCS) business to provide systems for effective communications by integrating diverse information sources such as image and voice. We have also launched an ECO solutions (ECO) business to provide product groups with lower environmental impact and solutions using these products. The first step in our ECO business is entry into the LED illumination market. Technologies developed by Ricoh and its global sales and service network will be fully used to develop these new business projects.

■Network appliances



Corporate governance aimed at strengthening competitiveness while ensuring transparent management

The Ricoh Group's corporate governance

The Ricoh Group established The RICOH Way as principles and values to serve as the foundation of all business activities. Based on The RICOH Way and in compliance with corporate ethics and laws and regulations, we are building corporate governance that will strengthen our competitiveness while ensuring transparent management.

In the Ricoh Group, we strongly believe that in global corporate activities a corporate culture that embraces both a sense of mission to meet expectations of diverse stakeholders and a lofty sense of ethics that remain in line with the common sense values of society provides us with a discipline to guide our actions. Based on this belief, we maintain and improve our corporate culture based on The RICOH Way.

Continuous efforts will be placed on enhancing and promoting corporate governance aimed at sustainable growth and improved corporate values.

●Outline of the organization

Our company adopts a corporate audit system. The board of auditors discusses and decides auditing policies, job allocations and other issues to monitor our business management. To supervise management and improve business execution, we are enhancing the functioning of the board of directors and adopting an executive officer system.

The board of directors is responsible for important decision making related to business management supervision and group business management. To ensure the transparency of our business management and fair decision making, we also appoint outside directors who are independent from our company.

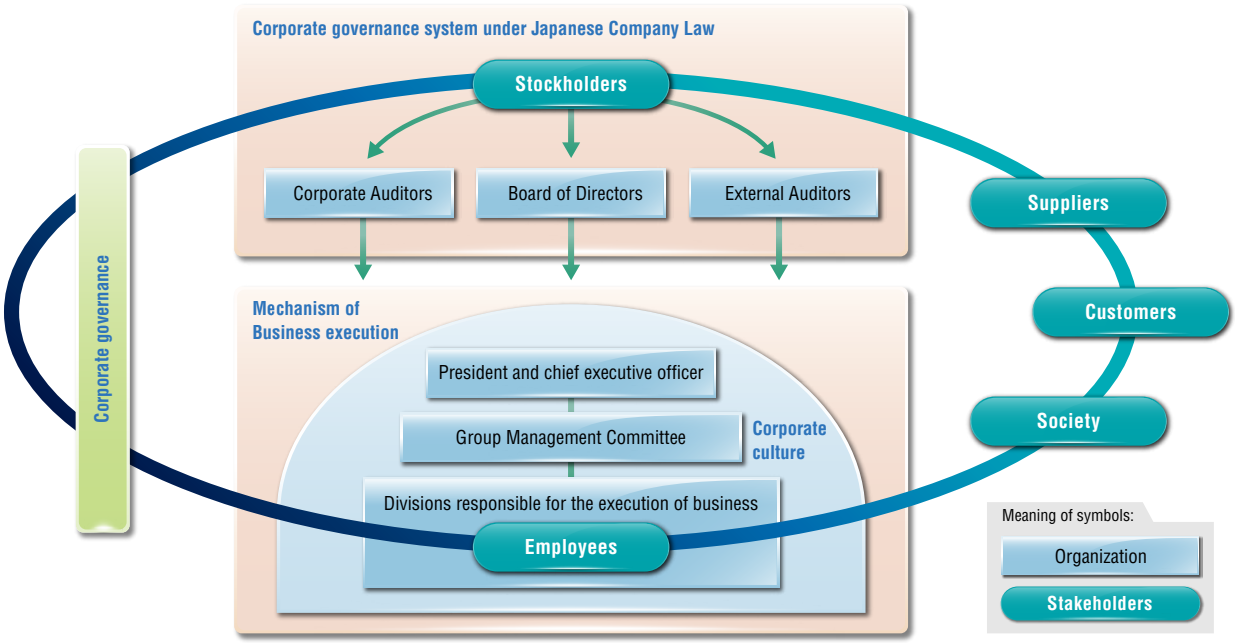
Under the executive officer system, the authority for business execution is transferred to each business execution department to clarify individual roles and allow quick decision making.

In addition, there is the Group Management Committee, consisting of executive officers who meet certain requirements. This is a decision-making body with authority delegated by the board of directors to allow discussions from the viewpoint of total optimization and faster decision making in business management throughout the group. The Nomination Committee, which is responsible for nominations and compensations, is part of our efforts to strengthen the functioning of the board of directors in overseeing the management of the business. This is a permanent committee unique to our company that consists of outside directors and some inside directors. The major responsibilities of the committee are planning systems used to select and dismiss board members, executive officers, and other members and compensation systems. The committee also makes all decisions relating to these systems.

An Internal Control Committee is established within the Group Management Committee with the aim of strengthening the internal control system.

The Internal Management & Control Division, an organization directly reporting to the president, is responsible for compliance, risk management, and internal auditing.

■The Ricoh Group's corporate governance



The Ricoh Group's specific efforts on value-creating CSR from a long-term perspective

Framework of CSR activities

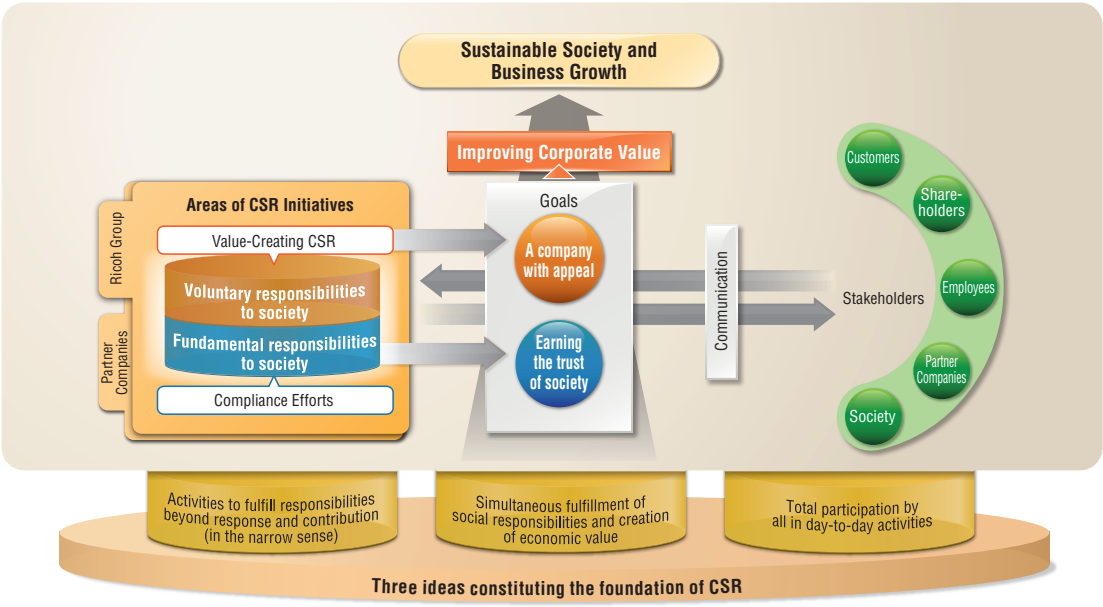
The Ricoh Group is engaged in "two-tier" CSR activities based on the three basic principles of its CSR: the first tier involves basic social responsibilities and the second tier involves voluntary social responsibilities. CSR activities are being undertaken mainly in the four areas specified in the CSR Charter.

We aim to build public trust through our first tier activities and enhance our attractiveness through second tier activities and by achieving these goals simultaneously to increase the value of the company. Through these efforts we hope to achieve the objectives of our management philosophy.

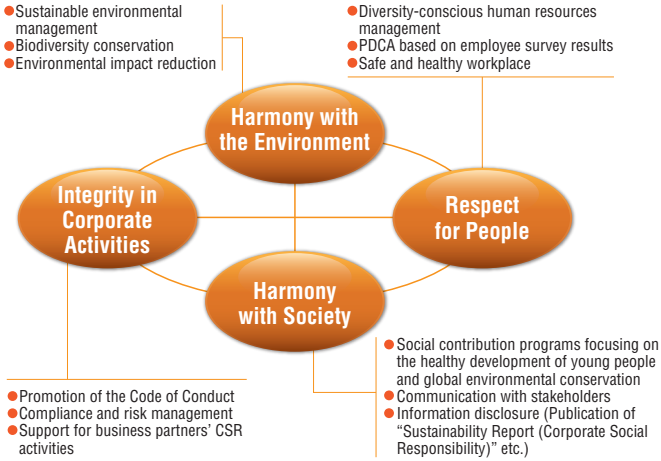
It is also our aim to share Ricoh's values not only with its group companies but also with partner companies that constitute our value chain so that through concerted efforts, the management culture of each company will be improved and a sustainable society will be created, allowing the company to further grow its business.

Communication is essential to the success of these efforts. More effort will therefore be put into improving mutual communication with various kinds of stakeholders surrounding the Ricoh Group to further promote our activities.

■Framework of the Ricoh Group's CSR



■Target fields and outline of CSR activities



Integrity in Corporate Activities	We are in constant pursuit of improvements in the quality, safety, information security and credibility when providing products and services to provide satisfaction and fulfillment to as many stakeholders as possible.
Harmony with the Environment	Efforts are made to further enhance and accelerate sustainable environmental management through parallel efforts to reduce environmental impacts and conserve biodiversity to simultaneously ensure both environmental conservation and profits.
Respect for People	With the aim of making the company attractive to many different employees, efforts are mainly focused on promoting diversity and improving work-life management to create a safer and healthier work environment.
Harmony with Society (Coexistence with local communities)	Social contribution activities are designed to respect the culture of each country and local community and through close communication with local people in a way that can contribute to their development.
Harmony with Society (Stakeholder communication)	Outcomes from communicating with a variety of stakeholders in different sectors of society are reflected in our CSR activities in order to improve the quality of these activities and our overall performance.

The Ricoh Group's value-creating CSR

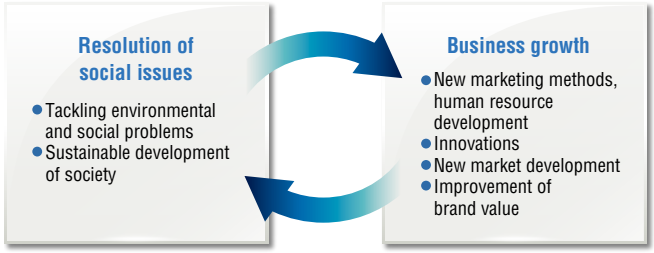
In the global community surrounding us, there are many issues that must be addressed by the whole of society, including issues concerning global environment, poverty, and human rights.

These social issues involve various factors that are intricately intertwined. Because of their complexity, it has become more and more difficult for governments and other nonprofit social sector organizations such as NGOs and NPOs alone to solve them. If we look into these issues, we can find that there are many things that companies should and can do to help solve them. The Ricoh Group regards CSR as a growth strategy aimed at achieving both resolution of social issues and its own growth simultaneously. In line with this growth strategy, we are expanding the scope of our activities by making best use of our own technology, products, services and personnel.

We encourage individual employees to raise their awareness of and sensitivity toward social issues and voluntarily involve themselves in addressing these issues. To establish a corporate culture that facilitates their activities, the company is putting more efforts than before into spreading the concept of "value-creating CSR" widely among employees and providing them with education on the concept. The "CSR Workshop" initiated in fiscal 2009 has been incorporated into the educational system since this fiscal year as an "innovation training" program for newly employed technicians.

Another effort by the Kokorozashi Team to explore the possibilities of BOP business opportunities has received attention also from other companies as an activity transcending the conventional framework. The Ricoh Group is a large global company with about 110,000 employees around the world. We consider that the concerted and integrated efforts of our group companies will enable us to contribute significantly to solving social issues.

■Value-creating CSR: Simultaneous pursuit of social contribution and corporate growth



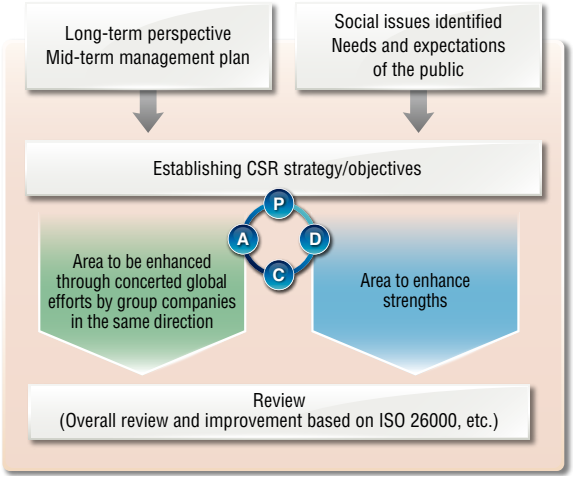
Objectives of value-creating CSR from the long-term perspective

Our CSR strategy is developed on a mid-term basis reflecting the requirements to achieve the objective over a long period (up to 2016) and based on global trends and the needs and expectations of the public that have been identified through stakeholder dialogue and from other sources. Priority plans for implementing our CSR strategy are determined annually.

After reviewing our past activities, the CSR activities were narrowed down into two areas: one area to be enhanced through concerted global efforts by group companies in the same direction, and another area to enhance our strengths. Specific plans are developed for each area and reflected in our action plans.

In the 17th mid-term management plan starting in fiscal 2011, the objectives of value-creating CSR listed below have been established and are being implemented strategically.

More efforts will be focused on enhancing value-creating CSR activities, based on an accurate understanding of the roles of global companies expected by the public, and with the aim of promoting the growth of the company through corporate activities as well building a sustainable economy.



Objectives of value-creating CSR

1. A business model incorporating CSR is reflected in our business activities.
2. The confidence of the international community has been gained through transparent and ethical activities and the promotion of social responsibility in the supply chain.
3. Social contribution activities unique to the Ricoh Group have received recognition and support from stakeholders throughout the world.
4. A corporate culture that encourages employees to address issues from "customer-oriented + community-oriented" perspectives has been established.

Achievements and Results of the CSR Activities in the 16th Mid-Term Management Plan (Fiscal Years 2008 through 2010)

	Description	Description of self-evaluation marks	Self evaluation
Integrity in Corporate Activities			
Quality management	● Continuing efforts to maintain and improve the quality management of the Ricoh Group by offering opportunities and building systems to enhance product quality, focusing on becoming more competitive in order to continually provide customers with high value products and services	● Fundamental technology to improve the reliability of electrophotography and ink jet engines was developed and used in product development. ● Product safety management systems were assessed globally to improve risk management.	○
Customer Satisfaction activities (Improvement in customer satisfaction)	● Implementing improvement and reforms to create value for customers and a cycle in which PDCA functions effectively and is autonomously established through the management system	● The indicators system was restructured globally in order to improve customer value. ● The company has maintained its high ranking in a domestic customer satisfaction survey conducted by a third-party evaluator.	○
Creation of user-friendly products	● Offering designs that take into consideration customers' feelings and ease of use, to increase customers' satisfaction levels while retaining market competitiveness	● Multifunctional copiers and laser printers based on the concept of "human friendly product manufacturing" were launched. ● The usability design guidelines were improved.	◎
Information security management	● Established an information security culture within the Group, affording strength to our business activities, and receiving high evaluation ● Establishing group-wide cooperation through the Business Continuity Plan (BCP) to establish and review the Group's infrastructure	● Unified ISMS certification on a global level was obtained for 41 domestic and 44 overseas companies. ● The Business Continuity Plan for the new-type influenza and maintenance and supplies in Japan has been almost completed. Assumed risks and the scope of activities that should be continued still need to be reviewed.	○
Risk management and internal control	● Each employee acting in accordance with the Code of Conduct; the effective operation of TRM to prevent management risks	● The Ricoh Group's Code of Conduct was introduced to affiliates both in Japan and abroad and training was provided to all employees. ● The number of incidents of risk that could cause significant harm to our business: Zero	○
	● Standardizing the internal control system of the Group to contribute to an improvement in management efficiency, thereby creating an effective mechanism for preventing acts of dishonesty and accidents	● Establishment of the Hierarchical Integrated Internal Audit system was completed. ● No material weakness reported under U.S. SOX 404 Act.	○
Expansion of CSR to our partner companies	● The understanding of Ricoh's CSR concepts and the voluntary development of related activities by our major partner companies	● One PDCA cycle was completed in 224 major suppliers in Japan. ● The self-assessment program was introduced in major suppliers in China. Self-assessment was conducted in a total of 50 companies and feedback on assessment outcomes was completed. ● The corporate value improvement support program with major emphasis on self-assessment was implemented by our major dealers. A cumulative total of 11 companies have completed the program.	○
Harmony with the Environment			
Efficient use of resources toward a resource-circulating society	● Reducing the total environmental impact due to the effective use of resources, and resources that are consistently being circulated	● Reuse and recycling better than planned were achieved by ensuring collection and recycling of products in five regions around the world.	○
Implementation of advanced environmental technology development to address climate change; promotion of reduced energy use by business operations	● Due to the implementation of advanced environmental technology and reduced energy use by business operations, CO_2 emission volumes are falling and reducing environmental impacts which cause climate change	● Each department implemented energy saving measures, resulting in a higher reduction in CO_2 emissions than planned. However, the total result was slightly lower than the target because the company failed to absorb the excess of CO_2 emissions produced by business growth.	△
Strengthening chemical substance control to create highly environmentally-safe products and business operations	● Reducing risks of contamination by strengthening the control system for creating highly environmentally-safe products and business operations	● A "notification" under the EU REACH regulation was filed. "Information delivery" was completed for most models (delayed for some models).	△
		● A global risk management system for chemical substances emitted into the atmosphere from plants was established.	○
Biodiversity conservation	● Promoting activities to conserve the ecosystem, aimed at improving the self-recovery capabilities of the global environment	● The Ricoh Group Biodiversity Policy was established. (March 2009) ● Local community contribution activities aimed at biodiversity conservation were implemented by Ricoh Group companies throughout the world. (1,737 projects) ● Biodiversity issues were included in the content of environmental education (e-learning), which were used for training for employees (in Japan).	○
Respect for People			
Building a healthy corporate culture that embraces diversity	● Completing creation of an organization where each individual—regardless of gender, age, employment contract or nationality—can fully exert his/her skills	● Support programs to promote women's involvement, such as the Career Support Program, a study group for managers, and career forums, were improved. ⇒ Increase in the ratio of female managers (1.0% in 2008 to 2.2% in 2011) ● Support programs for better work-life balance were improved (shorter working hour system for childcare, partially paid childcare leave, support system for nursing care, etc.) and more efforts were focused on encouraging employees to use these programs. In addition, measures to encourage male employees to participate in childrearing were adopted. ⇒ Received the Nikkei Award for Best Companies supporting Child-Rearing in 2010.	◎
Creating a safe, healthy and comfortable working environment	● Establishing a safe and healthy working environment for the employees of the Ricoh Group, in which they can exercise their abilities to the full, in turn improving business performance	● Group-wide safety standards were established. Measures to prevent similar accidents from recurring were implemented. An information sharing tool for visualizing safety information was developed. ● A new health management system was introduced to improve the environment for unifying health information of employees in Group companies. ● A common mental health program was established in all group companies.	○
Promoting autonomy and creativity in the workplace	● Achieving effective functioning of the motivation cycle at Group companies in and outside Japan; and each Ricoh employee setting higher goals and taking on challenges responsibly. This in turn contributes to the performance of the company and its organizations, enhancing employee satisfaction and creating a sense of growth ● Obtaining and developing human resources to foster leaders in and outside Japan toward the growth of the global market; their nurturing, positioning and optimal utilization for the whole Group ● Establishing a system for handing down technologies, skills and know-how	● Training programs based on seven categories of human resources, which serve as the key to achieving our growth strategy, were improved. ● The training system for young employees was improved (review of the BLA system, establishment of training for employees in their third year of employment, etc.). ● A structure to support career development was established: training interview by the supervisor, career design training, career counseling service, etc. ● The technological inheritance database was released as an effort to establish a system to improve the corporate culture and promote the transfer of technical and engineering skills.	○
Harmony with Society			
Social contribution activities	● Improving the visibility and participation rate of FreeWill, a social contribution activity, across the Ricoh Group	● In the 2009 FreeWill recognition survey, the recognition rate was 86.1%, higher than the target. ● The participation rate was 23.5%, which failed to meet the target of 40%. One of the most important issues to be addressed will be to review how activities should be (review of the indicators).	△
	● Employees participating in the Ricoh Science Caravan, in which Ricoh acts in cooperation with local communities, taking advantage of its corporate power, and the wide development of this program across Japan	● Training was provided to develop key persons throughout Japan. A nationwide system for promoting the project was established. ● The number of children who experience the caravan exceeds the target significantly every year. There was more than a five-fold increase compared with around 3000 children in the 15th mid-term management plan period. ● The public's evaluation of the program improved, including receipt of an award from a community where the caravan was implemented.	◎
	● Subsidiaries and business sites in Japan and overseas sharing activities, creating social contribution in harmony with local communities	● The "CSR HIKARIMONO" program enabled us to share information on various kinds of activities conducted overseas. One of the future issues will be how to integrate this program with the system to gather information about our activities in Japan.	△
Communication	● Establishing and implementing Ricoh's unique communication style	● Communication with stakeholders was improved through dialogues that were designed for different audiences and purposes, study tours of plants for shareholders, and other events.	○
Value-Creating CSR	● Developing color universal design (CUD) initiatives to offer the benefits of colors to society, the CUD concept being reflected in our products and communication tools	● CUD certification was obtained for various products in the imaging and solutions area and digital cameras. ● The first CUDMS certification in Japan was obtained for our show rooms. ● Overall assessment of the use of CUD in displays in terms of safety and security was made at all offices and plants, and necessary improvements were made.	○
	● Implementing activities aimed at earning the public trust in each Ricoh Group company in the field of user-friendliness	● Activities under selected themes were completed at Tohoku Ricoh, Ricoh Technosystems and Ricoh Elemex.	○
	● Creating products, services and solutions that contribute to realizing a sustainable society	● BOP project activities were conducted in India. Business plans based on ideas from local entrepreneurs and Ricoh were proposed.	○

Self-evaluation ◎: Exceeded plan ○: Achieved plan △: Partially achieved plan

Response to the Higashi Nihon Daishinsai (The Great East Japan Earthquake)

Support for and response to those affected

Swift disaster relief activities and provision of support

Ricoh Group set up a "Disaster Aid Center" immediately after the earthquake, with the President and CEO of Ricoh as its Director, to implement organizational relief activities in line with its basic policy to provide aid to disaster-affected areas.

Two days after the earthquake hit the region, we announced a total of 300 million yen in aid. A total of 200 million yen was contributed to NPOs engaged in relief activities in affected areas and disaster aid centers of Miyagi, Iwate and Fukushima Prefectures, which were particularly severely affected. In addition, we also promptly delivered emergency supplies using our logistics network, including water, food, daily necessities and Ricoh products (dustproof and waterproof digital cameras with built-in GPS; battery-powered GJ printers, etc.).

In cooperation with the Junior Chamber International Japan, we provided storage space for supplies collected by junior chambers and support in delivering these supplies to affected areas.

In addition to a monetary donation from the company, 10 million yen was donated independently by the "Social Contribution Club FreeWill." The company also invites donations from its group companies' employees in Japan and abroad and Ricoh executives.

Relief activities through cooperative efforts between the company and its employees have also been organized. In one such effort, our employees have been sent as volunteers to affected areas under a volunteer program sponsored by the Keidanren's 1% Club.

Establishing the Tohoku Reconstruction Support Office to offer continuous support

The Tohoku Reconstruction Support Office was established within the CSR Division as of June 1, 2011 as a unit dedicated to providing continuous support to the affected. The office will play a leading role in enhancing continuous support to those affected by making full use of resources and business models of the Ricoh Group.

Information will be provided to residents and their children in the affected areas, carefully taking into account the on-site situation. Specific efforts include a "community visiting service for information printing" to provide printed information on government services available on the Internet, and programs to support children's education.

Ricoh has provided copiers, GELJET printers, digital cameras and other products as part of its emergency and recovery assistance. We are now implementing measures proposed by the Tohoku Reconstruction Support Office and, hoping for an early recovery in the Tohoku Region, are also considering facility investment using local companies as much as possible, including expanding the Tohoku Recycling Plant and constructing a new toner manufacturing plant at Tohoku Ricoh to help promote employment.

To aid the recovery of the affected areas, we will determine what value Ricoh can provide and include implementing continuous support activities that are effective both for the people affected and for the company.

Impacts on the Ricoh Group and measures taken to address them

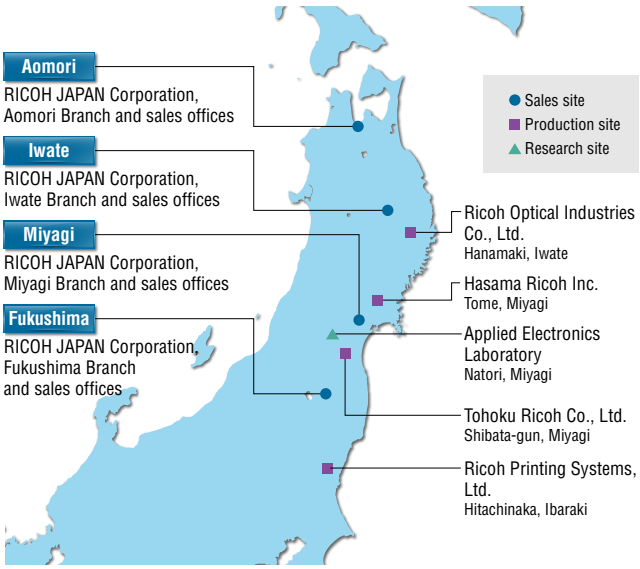
Resumption of all production lines affected by the earthquake

The affected production sites (four production facilities) resumed operation one by one, and by May 10 when the production of toner resumed at Tohoku Ricoh, the resumption of all affected lines was completed.

Summer energy-saving drive

In line with the government policy for energy saving, we are planning to reduce the consumption of electricity by 15% from the same period last year at Ricoh Group's offices and plants within the service areas of Tokyo Electric Power Company and Tohoku Electric Power Co., Ltd. during the peak period this summer. To achieve this goal, in addition to our usual energy-saving measures, it is planned to adopt a system under which offices and plants take a summer vacation on a rotation basis and introduce a summer time system from July through September. In these circumstances, our efforts have focused on continuing our manufacturing activities, receiving and shipping management, call center activities, data center operations, and other services that help customers continue their business activities.

■Major sites located in the areas affected by the Higashi Nihon Daishinsai (along the Pacific coast)



Ricoh provides quality in the process of providing products and services that consistently delight and inspire customers, and of co-creating value.

To ensure that customers are delighted and inspired by our products, our activities are focused on improving the quality of products and services offered to customers, improving quality in all processes from design to delivery to our customers, and improving quality in the process of working with our customers to co-create value. This is the concept that we call RICOH Quality. All employees in the Ricoh Group share the same values, embody distinctive values unique to Ricoh in their individual jobs, and dedicate themselves, not just to making our customers satisfied with our products, but to delighting them.

Establish processes to strengthen basic quality and create new value

Give more consideration to customers

To achieve the objectives of our RICOH Quality Statement announced in March 2010, we established two mechanisms last year: one to strengthen basic quality and the other to delight our customers. In addition, we introduced activities in line with RICOH Quality to identify what values are important to customers and incorporate the values we identified into our products and services.

Strengthen basic quality

Recognizing the importance of safety in the development and design phases to provide safe products and services to customers, the Ricoh Group is consistently revising its product safety standards and requires employees to comply with these standards in order to improve basic quality. In this way, we prevent accidents from occurring and satisfy customers with the functions they expect. We have also established Ricoh product liability standards (safety and reliability) to complement laws and regulations. Our activities also focus on improving the management of information about market quality to understand and address relevant issues from various aspects.

Create new value

To delight customers, we will focus more on cooperating with customers to create the kind of value that they seek. We aim to produce value that exceeds customer expectations through concerted efforts by all organizations and employees in the Ricoh Group. We hope that our customers feel satisfied and will continue to use Ricoh's products and services to the point that they cannot help feeling pleased with us. We hope to retain the trust of our customers by providing them with a positive experience from using our products and services.

Prepare for RICOH Quality activities

To spread the concept of RICOH Quality, we held a "RICOH Quality Activities Contest" in Japan to collect current information on activities that have been implemented successfully. In March 2011, indicators and targets commonly applied to all Ricoh Group companies were presented so that we could visualize the progress of our efforts to achieve the objectives of RICOH Quality and to ensure constant improvement of our activities. These indicators are a combination of basic indicators for safety, reliability and other factors and indicators for customer trust and satisfaction. Departments and major companies throughout the Ricoh Group are planning, implementing and developing their own measures to meet these indicators.

■ How we position RICOH Quality

Example of our activities to strengthen basic quality

"Product liability (safety and reliability)" by ensuring strict compliance with laws, regulations and Ricoh standards

In 2009, Ricoh improved the system which ensures that employees comply with laws, regulations and official standards on a global level by introducing a compliance check sheet for use in product development and design.

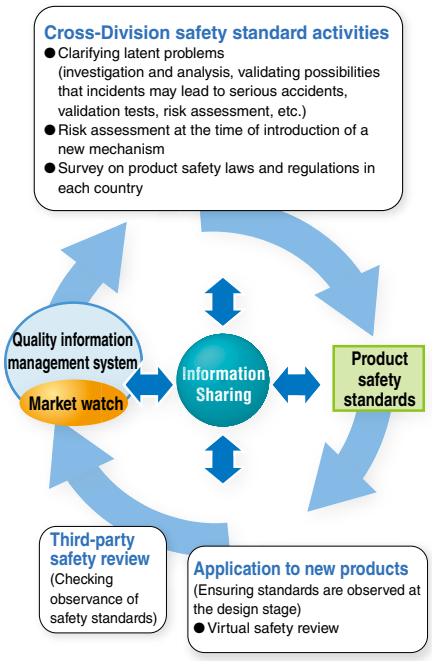
Since legal compliance is essential for successful global marketing, the database for the compliance check sheet is consistently updated to reflect the latest information on laws and regulations in countries where Ricoh products are marketed.

In addition to complying with official laws and regulations, we continue to improve Ricoh regulations which set even stricter standards.

Concurrent activities ensure safety for children, elderly people and other socially vulnerable groups.

New technologies and business projects for which product safety standards have not yet been established require a system to identify possible risks.

Ricoh is expanding upon its "product safety risk assessment" method as an effective means of ensuring the product safety of new products as well as new technologies or mechanisms added to existing products. Combining this with the product safety standards developed for products such as digital copiers, serious effort is being applied to ensure the safety of new business products.



Multilateral market quality information management to enhance basic quality

In managing information on market quality, we are using the following three databases.

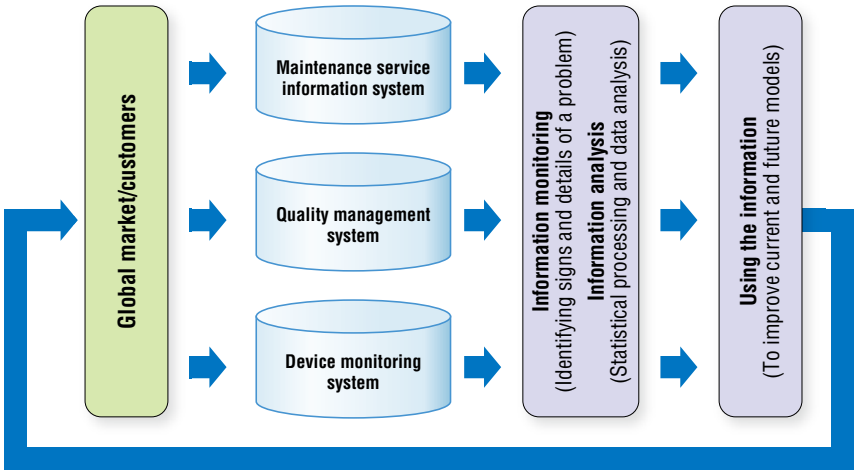
First, the database for our maintenance service information system, which contains all the historical information on machine failures that were confirmed by customer engineers and the maintenance services we offered.

Second, the database for our quality management system, linking the data obtained in Japan to the data obtained in various regions in the world. When a quality-related problem occurs, the Design and Manufacturing Department discuss what action to take based on information in the database and promptly feed back the result to those involved.

Third, the database for our device monitoring system, which allows us to obtain information on how customers use our equipment on a daily basis through @Remote, our global remote device management service.

Ricoh Group uses these systems in an integrated way to understand market information from multiple aspects. Based on the information gathered, problems are identified and then addressed. After the problems are solved, action is taken to prevent any similar problems from occurring and to improve basic quality.

■ **Market quality information management process (Flow from information gathering to use)**



Example of creating new value

Improve the use of multifunctional digital copiers

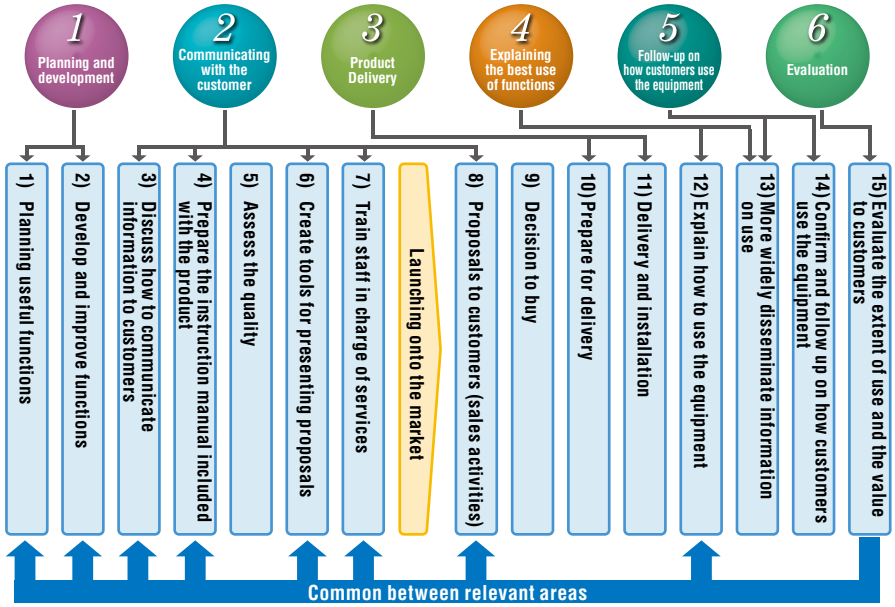
● Awareness of mistakes in accurately conveying attractive features of products

According to our customer satisfaction survey in 2006, we failed to achieve the expected results for new products equipped with advanced functions. This led us to ask ourselves: "Do we successfully convey the advantages of our products to the user?" To answer this question, Ricoh analyzed interviews with its own employees, and survey data. This revealed that customer satisfaction depends largely on the quality of the explanation of product functions provided when delivering the product to the customer as well as the extent to which the customer uses a particular function. In addition, analysis of data from @Remote on the use of devices by customers revealed that some of the functions on our multifunctional digital copiers are used infrequently. For example, many customers do not use the double-sided printing function, despite its effectiveness in reducing environmental impact and cost. These findings suggested that we need to establish a way to more accurately convey the attractive features of our products to customers.

● Establish a process to convey the attractive features of our products to customers

In fiscal 2008, Ricoh decided to establish a process to convey information about specific methods of using equipment functions and their advantages to customers as well as another process to evaluate the effectiveness of that information in affecting how customers use the functions. The goal is to improve the communication process with the customer about the advantages of using the functions. A group of representatives from the planning, development, sales and service departments discussed what we can do at each step, from manufacturing, sales, delivery, installation and follow-up to evaluation, in order to establish a mechanism for communicating the advantages of using the functions (see figure below). We then established a process based on the results from discussions. Our activities have used this process since fiscal year 2009.

■ Steps to improve the use of a new product in its development stage



Major activities

1. Improving after-process activities: Greater focus on ensuring that information on functions considered useful to customers is communicated accurately from the sales staff to the service staff so that a more appropriate explanation of the function can be provided to the customer when the equipment is delivered and installed and throughout the after-sales service process.
2. Improving the instruction manual provided with the product: A detailed explanation of how to use functions and more information on their advantages is included in the instruction manual packaged with the product to more clearly communicate information about the value of the function to the customer.
3. Improving the skills of service staff: A systematic training program for service staff throughout Japan has been developed. The program is designed to improve staff skills in explaining how to use functions and their advantages when presenting proposals to customers.
4. Assessing the effects: The Manufacturing Department focuses on improving the processes that assess whether the use of functions and their advantages have been communicated to customers and whether the functions are being used effectively, and subsequently to make better use of the assessment results when manufacturing new products.

Skill improvement training for service staff

The above efforts have made sure that information on the usefulness of products, such as the double-sided printing function and the scanner function for multifunctional copiers, is widely recognized by customers to improve the extent to which they are used.

Example of activities to foster the RICOH Quality mindset

Activities to educate all employees about RICOH Quality

In 2010, Ricoh started airing a commercial with the catch phrase "Aisuru-wo Hinshitsu-ni (Devoted to Quality)," showing that our employees commitment to pursuing RICOH Quality is motivated by our devotion to our customers and our devotion to our jobs that support our customers. The company concurrently established a system that will allow the 110,000 employees of Ricoh group companies to share this mindset.

One of the efforts to achieve this objective is the "Aisuru-wo Hinshitsu-ni contest." As a beginning, in fiscal year 2010 we invited the Manufacturing, Customer Service and Staff Departments to report daily activities and episodes that demonstrate their devotion to the customer and their job of providing quality products, services and processes. The cases reported were introduced to all divisions and group companies so that they could use them in training. This is also an opportunity for us to take another look at our quality improvement activities from the customer viewpoint, resulting in further reforms. Future activities include expanding this system to Ricoh group companies outside of Japan.

Winners of the "*Aisuru-wo Hinshitsu-ni* contest" with their award certificates

Future RICOH Quality activities

Activities to delight customers

● Global customer trust and satisfaction surveys

More emphasis is being placed on customer trust and satisfaction surveys (opinions about general issues, products, sales and service) for Ricoh products and services in Japan, America, Europe, China and Asian Pacific countries. Plans are in place for a fiscal year 2011 global survey on multifunctional digital copiers. The goal is to establish a system to review customer evaluations from the survey results and feed the results back to manufacturing, sales and service divisions.

● Sharing information about successful examples of delighting customers by identifying unrecognized expectations

The Ricoh Group is more focused on satisfying customer demand and better understanding customers so that we can present proposals designed to satisfy and delight each customer. To promote these activities within the group, we gather examples and identify issues on which to focus. We share examples to learn from each other.

Activities to strengthen basic quality

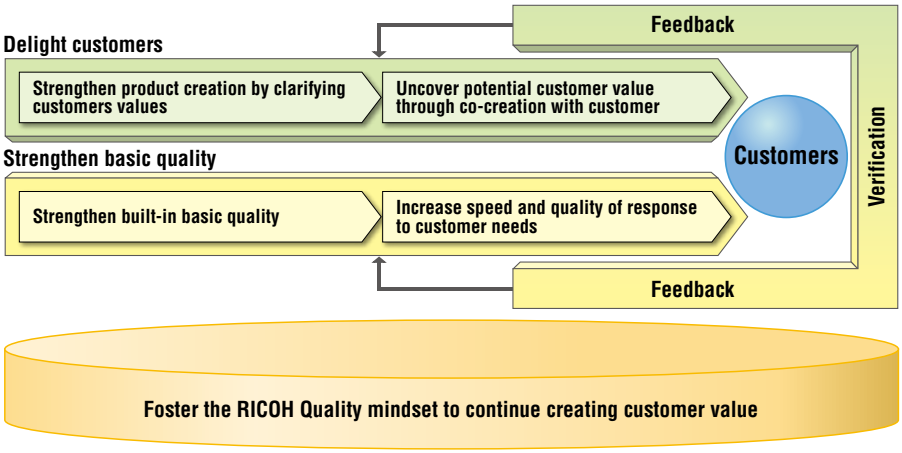
● Strengthen our global quality information management system

We are rebuilding the infrastructure for gathering global quality information. However, we encounter cases in which data in the information infrastructure alone is insufficient to thoroughly and promptly address a quality issue or even understand the issue itself. Our goal is to create a system that allows us to see the market situation more clearly and make best use of the information. We expect this system to further strengthen quality-related operations within each region, leading to prompt responses to quality issues and prevention of recurrences.

● Strengthen the solution quality validation process

To provide solutions to customers' problems, we propose systems combining equipment and software specifically tailored to meet the particular needs of each customer. This requires ensuring the quality not only of individual products, but also of the entire system so that the customer can rely on the system. The Ricoh Group continues to emphasize improving the solution quality validation process for each system to facilitate flexible cooperation among the design, manufacturing, sales and service departments.

■ Conceptual diagram of strengthening and expanding RICOH Quality activities



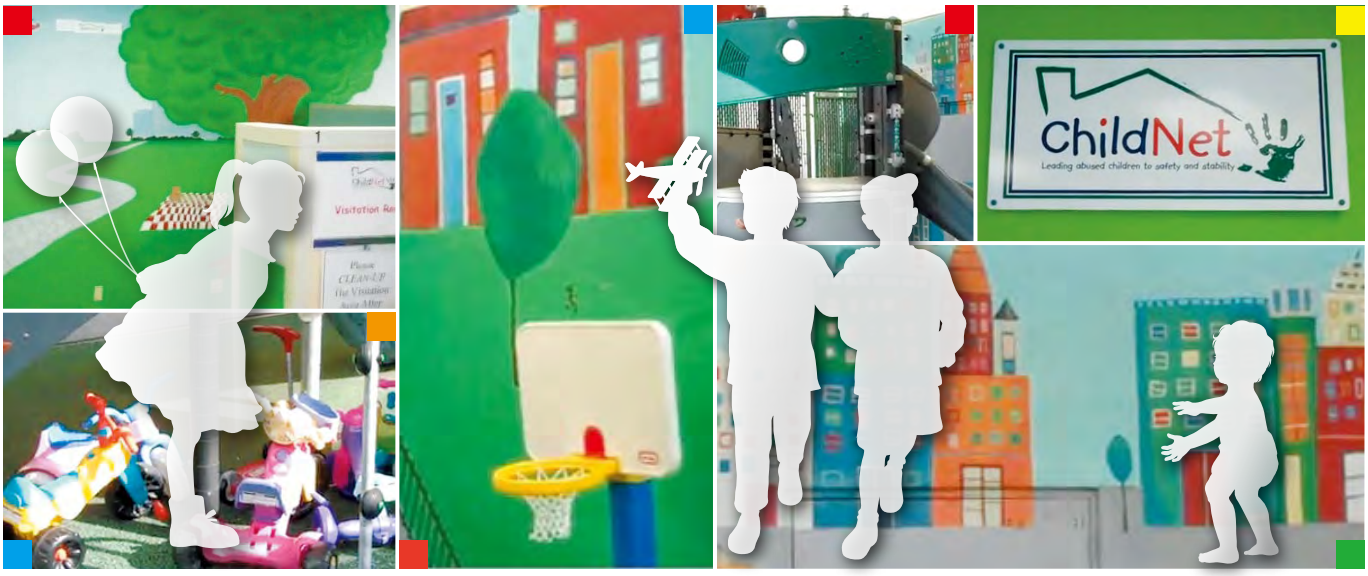
Consumer issues

ISO26000

We are building on our powerful product position by deploying services to broaden our business horizons.

Ricoh's MDS* streamlines core business processes by focusing on process, people, technology and innovation to create a state of continuous improvement. Ricoh helps organizations better manage and leverage information for improved business outcomes through a flexible, partnership-led approach. Services management is the fundamental pillar to govern the print and document services program, aided with expert consultancy as well as proven project and change management methodologies.

***Managed Document Services**



Helping ChildNet Cut Paperwork and Reunite Families

About ChildNet

ChildNet is a private, not-for-profit organization created to manage the child welfare system in Broward County, Florida. Since 2004, the agency has protected abused, abandoned, and neglected children in the area by providing case management, independent living, and adoption services.

Challenges

The governor and legislature of Florida created ChildNet in response to a failing child welfare system in Broward County and throughout Florida. ChildNet is one of 20 community-based agencies that now manage the state's child welfare system.

ChildNet has made progress in the past 8 years, lowering the average length of a child's stay within their care to 11 months; the national average is 28 months. Overall, the child welfare system in Broward has improved during this time. The number of children dependent on the system has dropped from 3,188 to 1,972, the length that a child stays in a shelter decreased by 87 percent and the number of children that need out-of-home care went down by 67 percent.

Despite this progress, these numbers could be lower if it were not for a slew of paperwork that impedes a case worker's ability to do more for the children and families they serve.

Case workers at ChildNet are overwhelmed with paperwork, spending about 40-50 percent of their day processing files. Each child's records are kept in binders that hold 550 pages each. On average, a child has five binders—and one child in ChildNet's care had 79 binders. On top of that, there are 415 different forms used in child welfare

previous "Binder Library"

cases. Cumulatively, the time it takes case workers to locate a form or vital piece of information about a case is time that could be spent with a family.

Solutions

Emilio Benitez, ChildNet's CEO, was convinced that a paperless solution was vital to improve efficiency and service. So, he issued a request for paperless solution proposals in 2010. ChildNet chose Ricoh as the sole candidate offering to customize its systems.

Ricoh set about learning how ChildNet operated, meeting with care workers and supervisors. The company shadowed one case worker to see what that person did every single day and to learn about ChildNet's system of care.

Ricoh's professional services consultants drew on findings from this process to tailor a managed document system to ChildNet's specific needs. Ricoh on-site staff scanned in a backlog of three million documents in the first six months, saving them electronically on ChildNet's server.

Ricoh created a process to train the system to recognize 415 distinct forms, and collaborated with ChildNet to create a unique indexing system based on case worker demands, making it easy to quickly retrieve all documents.

Ricoh's Managed Document Services program improved workflow and slashed time wasted searching for files. Another key achievement was to make ChildNet fully compliant with the Health Insurance Portability and Accountability Act and other Federal laws. This was by preventing document misplacements and eliminating the potential for leaving highly confidential information at a printer or copier.

Ricoh on-site staff

Results

ChildNet is the only child welfare system in the United States that has attempted to incorporate an MDS program of this size. The system it can immediately create electronic files for an estimated 100 children a month who come into its care. It can also accurately recognizes and retrieves all documents. Case workers in the field can access all files from laptop computers, smart phones, tablets, and other digital devices instead of having to carry around heavy binders. They can submit all forms electronically.

Ricoh's program has produced numerous measurable results. It has cut ChildNet's costs by around $400,000 by greatly reducing printing expenses. It has lowered time spent on paperwork by more than 10%, so case workers can devote more hours directly to the children and families.

ChildNet aims to reduce the average 11 months of foster care to nine months. It also seeks to connect judges to its system so they can immediately view files, further reducing case times.

The partnership between Ricoh and ChildNet will continue to evolve. It will make more financial differences. More important, it will help case workers make positive differences in the lives of children who have been abused, abandoned, and neglected.

COLUMN

Financial perspectives are important to us as a private not-for-profit organization. But our bottom line is probably the most important asset—the lives of children, particularly those who have been abused and abandoned and neglected. Our partnership with Ricoh has given us the ability to make a difference financially and on how our caseworkers actually perform their work out on the field. Ricoh actually learned how we did our business. Ricoh's assistance and its technologies have revolutionized the way we manage our business so we can significantly lower the average length of stay for a child in our care. It is amazing what is going on. We're very pleased with the partnership that we've developed with Ricoh and look for it to continue.

Emilio Benitez
President and CEO
ChildNet, Inc.

MDS benefits

- A revolutionized workflow and new document management system
- Three million files scanned into the system in just six months
- System programmed to recognize 415 distinct forms
- All forms indexed for easy access
- Full regulatory compliance achieved
- Potential for misplacing or leaving files around eliminated

Improved efficiencies and service

- Paperwork reduced by more than 10%
- Costs cut by around $400,000 through lower printing expenses
- ChildNet stands to decrease an average 11 months of foster care to nine months

Ricoh pursues products and services that simplify your life and work based on an understanding of social issues and taking diversity into account.

As information equipment becomes more sophisticated and multifunctional, it has become very important to help customers use and understand the built-in functions. The Ricoh Group is committed to taking responsibility for its products and services in a way that will build a society where as many people as possible can enjoy fulfilling work and a comfortable living environment through the benefits of information technology. One of our efforts to achieve this goal is the development of products and services in line with one of RICOH Brand Benefits: "Simplify your life and work," which emphasizes human-friendliness.

RICOH Brand Benefits

How we understand accessibility and a system for our activities

Ricoh's products are already uniquely qualified to simplify your life and work. Now we're taking things even further.

Ricoh's products and services, including multifunctional digital copiers, are always being improved and are used by more and more people. Some users, however, are not familiar with how to use them or how to remove jammed paper from copiers, which sometimes inconveniences them.

Much of today's sophisticated, increasingly multifunctional technology can only be mastered by users who are highly IT literate. That's why Ricoh is focusing more than ever on accessibility. We want more people— with or without disabilities, young and old— to benefit from the intuitive operability and convenience of our products.

● We're giving our products more functions. Functions that more people can easily operate.

Going beyond delivering the high level of functionality and reliability that satisfies our customers, Ricoh determined to go the extra mile in user-friendliness as well. Our efforts have produced thoughtful, high-performance accessibility enhancements designed to simplify your life and work. For example, to enhance user interaction with Ricoh devices, we've implemented easy-to-read large 8.5-inch, full-color LCD panels. Also a simplified display settings are implemented for older people and others with less-than-perfect eyesight. And on the rare occasions when it may be required, guidance on clearing paper jams and other troubleshooting is provided with easy-to-understand animated icons. We're innovating to save customers time and effort in other ways too, with bottle-shaped toner cartridges, designed to be replaceable with one hand, and a detachable scanner unit that can be comfortably operated even by wheelchair-users.

● Thorough verification from the user's perspective: Continuous pursuit of advanced user-friendliness

Intent on delivering advanced user-friendliness, Ricoh looks at things from the perspective of the customer, not the manufacturer. Our manufacturing processes are customer-driven: we study how customers actually use our products, and reflect our findings in ongoing research and development. For example, we perform, repeated tests to determine the exact strength needed to pull a paper-feed tray out smoothly, and to ensure that our devices can be operated by people with various physical disabilities. To verify the accessibility of our products, we distribute questionnaires to users. These efforts all help us to improve our products. More efforts will be focused on pursuing the more challenging goal of providing customers with products and services that simplify their life and work.

Simplified screen functions deliver enhanced operability

Easy-grip toner bottle

Easy-pull-out paper-feed tray

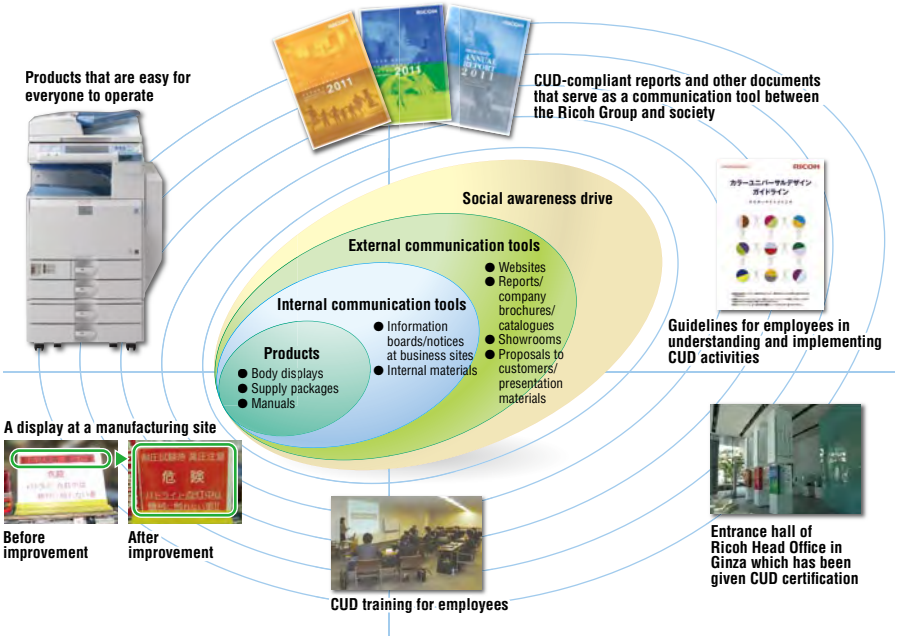
Concept and examples of color universal design activities

Efforts to build a society where the diversity in different people's color vision is addressed in a way that allows anybody to access information comfortably

Ricoh is promoting "colorization" of office documents ahead of other companies in the industry. The focus of our business is on introducing multifunctional color copiers and color printers to the market so that people can enjoy all the benefits and make good use of the effects of colors in conveying information in a variety of ways. However, it is also true that many people with imperfect color vision face obstacles with increased colorization. In this context, we set the introduction of color universal design (CUD), which is exactly in line with our efforts to promote the colorization of information, as a common theme for the Ricoh Group's CSR activities.

Continuing efforts will be dedicated to promoting CUD activities in the development of communication and other products with the aim of building a society where as many people as possible can enjoy the benefits of colorization.

■ **Expansion of color universal design activities in the Ricoh Group**



Efforts to incorporate CUD features into products at the development phase and activities at offices and plants

<Ricoh Group/Japan>

At the product engineering phase, we incorporate CUD features mainly in designing image solution products such as multifunctional copiers, digital cameras and clocks. For example, we equipped some models of multifunctional copiers with a CUD-compliant printing function, which allows users to convert colors that are difficult for people with imperfect color vision that are easier to differentiate with an easy operation before printing. Ricoh introduces more and more products equipped with these advanced functions that comply with CUD standards every year.

Regarding communication tools, the showroom at Ricoh Head Office received CUD certification in 2008 for the first time in Japan, followed by the photo gallery "RING CUBE." All the displays and signs at each office and plant were inspected in terms of security, safety and absolute quality, and improvements were made.

Successfully establishing a human-friendly office environment through our efforts to incorporate CUD features from the construction phase

<Ricoh Technology Center/Japan>

A new building at the Ricoh Technology Center (Ebina, Kanagawa) was completed in fiscal 2010. Its main feature is a comfortable, easy-to-work-in, and human-friendly office environment and efforts to incorporate this feature started at the construction phase. For example, the direction displays, floor number displays and operating buttons in elevators, and lighting switches were made to comply with CUD standards. Barrier free features, such as multipurpose washrooms, slopes, parking lots for the handicapped, and flat floors, were also incorporated. These efforts were highly evaluated, resulting in being awarded the "Third Kanagawa Barrier Free Urban Development Award (Hardware Division)" in January 2011.

Ricoh Technology Center

Expanding our internal CUD activities to the whole of society

<Ricoh Group/Japan>

As one of its Customer Innovation Support Service (CIS) programs to introduce and provide internal activities to customers, Ricoh organizes seminars on CUD activities and accepts benchmarking for these activities. We believe that these efforts will raise customer awareness of the importance of CUD activities and help share information on our activities, eventually spreading the concept widely among the general public.

Using our experience of company practices to ensure the secure use of information, thus contributing to building a secure global information society

As a member of the global information society, the Ricoh Group has been promoting the use of information in its business activities. In our efforts to focus on the usefulness of information, we regard information security as an essential factor in providing reliable products and services. In this context, being well aware of the importance of all information assets, including personal information about customers, we are establishing an information security management system, aiming at improving corporate ethics based on compliance with laws and regulations and at ensuring safety and reliability in the information society.

The Ricoh Group's information security

Ricoh's security solutions fostered by "information use" and "company practices"

Ricoh aims to establish an information security management system (ISMS) involving all employees while maintaining a good balance between "information use" and "information protection." To propose this Group ISMS to stakeholders as a new value, we believe it is important to make effective use of information assets in our corporate activities in a way that will improve our corporate value.

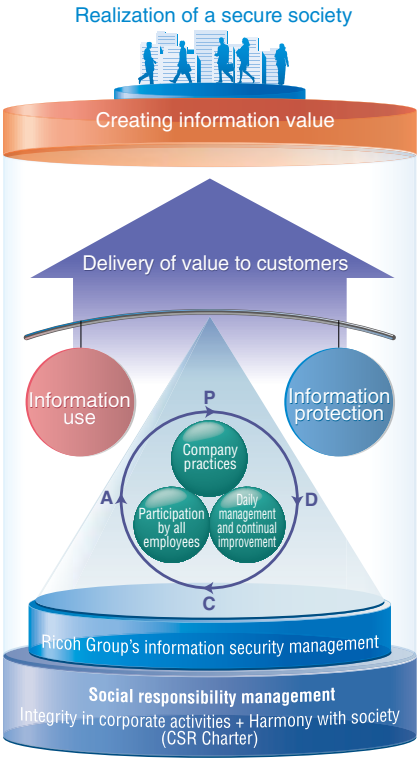
For example, Ricoh has internally implemented the diverse know-how obtained through the establishment of its ISMS and confirmed its usefulness. In addition, based on the experiences of solving issues identified through flexibly responding to changes in the social environment and implementing our know-how in actual business settings, we have been providing a new value, "information security solution," to our customers. This is how Ricoh is contributing to building a secure society.

Three basic concepts behind our activities

1) **Participation by all employees**
Concerted efforts by all employees from executives to regular employees and the employees of our partner and affiliated companies

2) **Daily management and continual improvement**
Continual improvement by repeating the PDCA cycle at the management level for each management layer

3) **Company practices**
Our own information security products and solutions are used to improve the level of our own information security so that we can confirm their usefulness, accumulate know-how on using them effectively, and to improve these products and services.



Completion of the second renewal audit for ISMS through consistent efforts of all group companies <Ricoh Group/Global>

Since it obtained ISMS certification in 2004, Ricoh has successfully completed the annual continuing assessment. In addition, the company passed the once-in-three-years renewal audit in 2007 and 2010. The review in 2010 was from August 18 through November 17 at offices and group companies at different locations and the certification was renewed for the second time on December 9. Successful renewal indicates that the information security management system we have established has been reviewed continuously to determine whether it meets the objectives and that improvements to problem areas have been managed properly.

The achievements Ricoh Group has made in its information security activities over the last seven years are due to its commitment to maintaining and improving the level of information security by implementing unique and innovative measures to ensure security within the group, including establishing group-wide standards and complete training programs on relevant issues.

Implementing risk management to address risks that exert a significant influence on business and improving compliance

The Ricoh Group has established a mechanism for effective and efficient risk management in order to appropriately manage risks that may exert a significant influence on its business. The group also maintains a "sound internal control environment (values fostered within the group, organizational structure and other basic systems)" in order to strengthen compliance with laws and regulations.

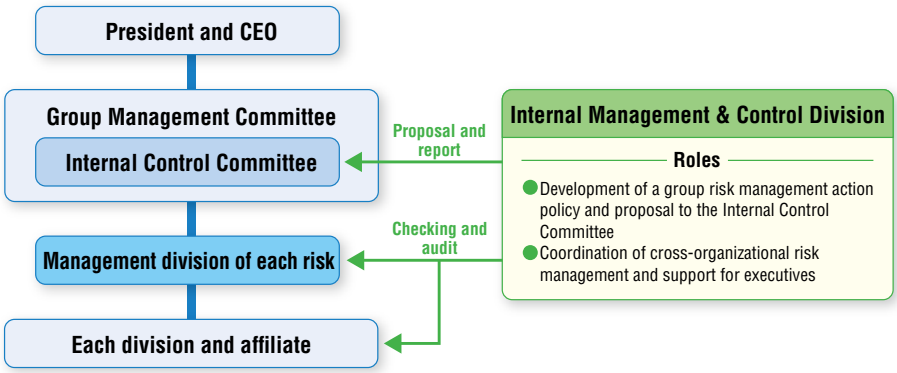
Risk management

The Ricoh Group is operating a total risk management (TRM) mechanism, which allows us to understand, sort out, and address risks it faces in a comprehensive and across-the-board manner in order to achieve effective and efficient integrated risk management. The TRM Basic Regulation, which is a rule common to group companies designed to achieve this goal, defines a TRM promotion system, which includes the Internal Control Committee, a decision-making body on business execution, and its support unit, the Internal Management & Control Division. Efforts are also focused on identifying risks that could exert a significant influence on the Group's business operations. Risk management is done mainly by the management division assigned to each risk while conducting daily business activities. These efforts prevent the occurrence of risks that may adversely affect the Ricoh Group's corporate activities in any significant way.

We have also developed a business continuity plan (BCP) in preparedness for natural disasters such as earthquakes and epidemics including new strains of influenza. The BCP defines measures to minimize any possible damage and achieve prompt recovery and business continuity.

An integrated internal audit (U.S. SOX Act-compliant, business audit, TRM audit, etc.) has been conducted since fiscal 2007 to confirm that the risk management activities described above have been implemented, ensure the reliability of our financial reports, improve job efficiency, and ensure compliance with laws and regulations.

■ **Risk management**



Compliance

The Ricoh Group has developed and implemented the Ricoh Group Code of Conduct to ensure compliance with laws, regulations, and corporate ethics. It is one of the most important objectives of internal management. To fulfill this objective, it is important for individual employees to act in compliance with the Ricoh Group's Code of Conduct based on a full understanding of its contents. We therefore provide all employees with training programs, including e-learning, on a regular basis. In addition, a "Hotline" system (internal reporting system) is available for all group companies in Japan. For group companies in Japan and abroad, we have prepared an internal reporting system that meets the requirements of each region and company.

For our environmental risk management, please refer to the Ricoh Group Sustainability Report (Environment) 2011.

Recognizing the scope of the Ricoh Group's influence and improving social responsibility in the value chain

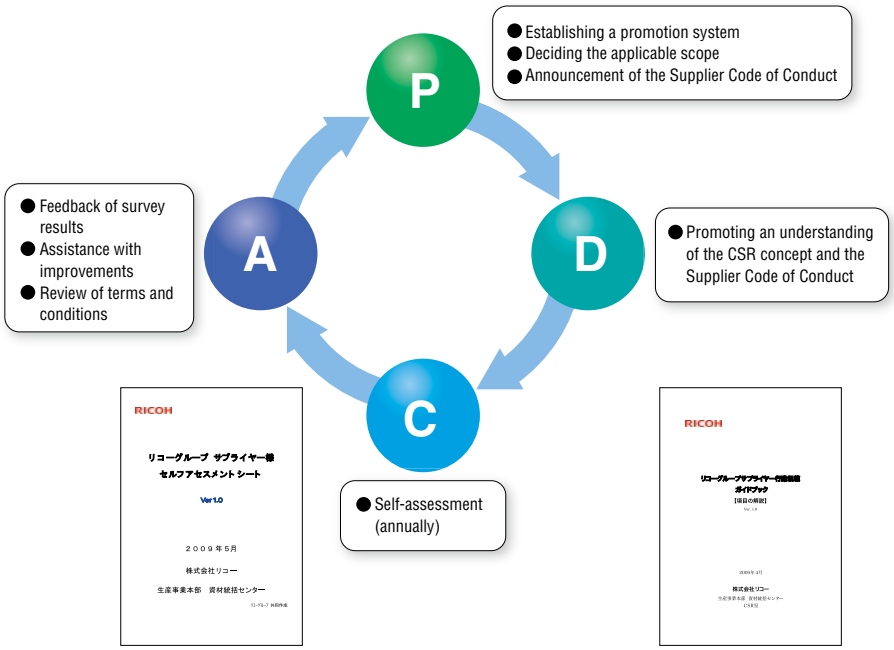
The Ricoh Group's extensive business activities have a variety of impacts on society. These social impacts may sometimes affect the activities of the companies involved and the behavior of the people involved, and these companies and people are regarded to be within the scope of the Ricoh Group's influence. We must therefore avoid or minimize unintended negative outcomes that could be caused by the value chain from procurement to sales. To do this, the Ricoh Group ensures that all companies and organizations included in the value chain act ethically and tries to raise their awareness of the importance of taking responsibility for society and the environment.

Promoting CSR activities at suppliers

Ensuring implementation and improvement of the supply chain management system

In CSR procurement, the Ricoh Group Supplier Code of Conduct, containing CSR-related standards for human rights, such as the prohibition of child labor, and environmental and other issues, was established in January 2006. We request all of our suppliers to comply with these standards. We also prepared and provided a guidebook to help suppliers better understand our Code of Conduct. In 2009, we held an explanatory meeting on the Ricoh Group's CSR activities, inviting all the major suppliers in Japan, with the aim of improving their understanding of the Code of Conduct and sharing our values. Also in 2009, a newly developed self-assessment system for monitoring the level of compliance with the Supplier Code of Conduct was first introduced in Japan. Based on the assessment results reported to the Ricoh Group, activities that need to be improved are identified and the results are fed back to the suppliers. This system helps suppliers to implement the PDCA cycle by themselves, and this will eventually enable them to meet society's needs and requests. In 2010, a second self-assessment was performed.

■ **CSR procurement: A mechanism for repeating the PDCA cycle**



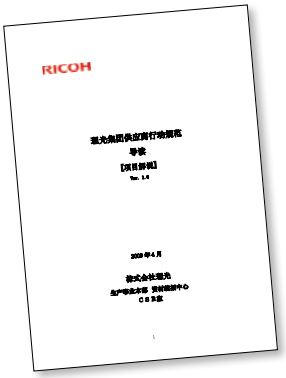
Promoting efforts to address child labor issues

The Ricoh Group has already surveyed the compliance with laws that prohibit child labor by manufacturing sites in Japan and abroad. The survey results have confirmed that there have been no violations. The self-assessment results from supplier companies have also confirmed that there have been no reports of child labor violations.

In our TRM efforts in 2010, child labor was one of the priority issues, leading to specific projects that have already been initiated by relevant departments. Supplier companies will be continuously encouraged to implement self-assessment to monitor child labor violations.

Expansion of CSR activities into supplier companies in China

The first explanatory meeting in China was held in October 2010, inviting 50 local suppliers in South and East China regions. We provided them with the guidebook (Chinese version) to help them better understand the Supplier Code of Conduct and requested them to answer our self-assessment questionnaire on the website. The questionnaire consists of issues related to product safety, corporate confidentiality, intellectual property, the environment, human rights/labor (including prohibition of child labor), and safety and health. The response rate was a high 99%. Self-assessment results were fed back to each supplier along with our analysis of those activities that they need to improve. Based on these results, suppliers are required to implement the PDCA cycle themselves, which will eventually enable them to meet society's needs and requests.



Explanatory meeting in South China

Explanatory meeting in East China

Promoting CSR activities with our sales partners

Helping major dealers in Japan boost their corporate value <Ricoh Group/Japan>

Increasing efforts have been focused on helping major dealers improve their corporate value to enable us, together with our sales partners, to achieve further growth. The self-assessment in terms of CSR, which was started in 2009, was conducted in 10 companies this year, more than in previous years.

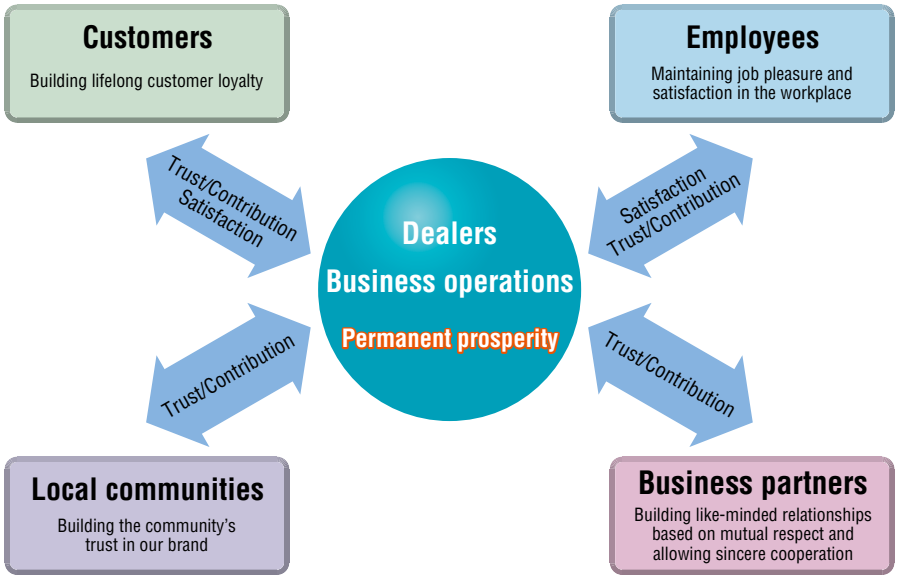
To achieve a successful expansion into partner companies, the Ricoh Group needed to internally train staff who can promote activities to improve corporate value together with dealers. We therefore provided a parallel training program designed to acquire basic business knowledge and another designed to improve the ability to solve business problems. These efforts have improved not only the corporate value of dealers but also the corporate value of the Ricoh Group.

Measures that were only used to achieve business targets have been improved to a level where we can use them to analyze the current situation, including society and employees, and can act based on the analysis results. This has been well accepted by our dealers, resulting in strengthened relationships between the Ricoh Group and its dealers. As part of our efforts to help dealers improve their corporate value, we also provided dealers with our e-learning programs and information on examples of our social contribution activities so that individual employees at our dealers can expand their knowledge effectively.

The Ricoh Group will continue its efforts, mainly through self-assessment, to identify issues that should be addressed from a range of perspectives. In fiscal 2011, we will start CS study sessions, where specific plans to solve problems will be made so that we can better respond to customers.

We will use the results from these CS study sessions combined with CS survey results, which are conducted regularly, to understand customer expectations and evaluation, based on which we will identify issues that need to be addressed to improve customer loyalty in cooperation with individual dealers.

■ **Relationships between dealers and stakeholders**



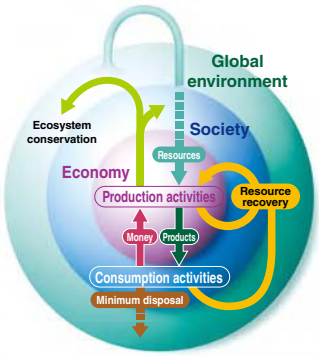
Simultaneously achieving environmental conservation and profits

Amid environmental crises, companies are required to exercise their leadership in order to transform society. The Ricoh Group pursues environmental conservation and profit generation through its business. This is how we conduct business as a valued and respected member of society. Going forward, we will focus on cross-sectional environmental technology development and conserving biodiversity that supports the earth's regenerational ability.

Pursuing an environment ideal

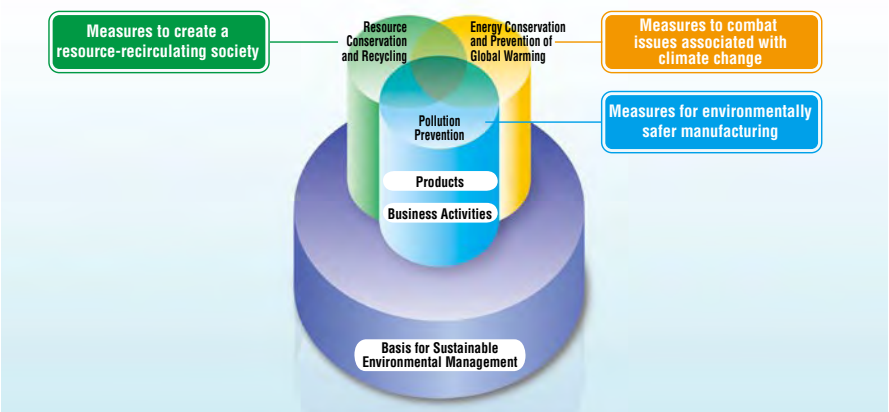
The purpose of environmental conservation activities is to reduce environmental impact to a level that the Earth's self-recovery capability can deal with and sustain the global environment. The Ricoh Group, by considering how the relationship among the three Ps (planet, people, and profit) in environmental, social, and economic activities has changed over time, defines the kind of society we should pursue and carries out its responsibility as a company to create such a society.

■ **Three Ps Balance™: Representing the relationship between the global environment and society**



Pursuing the Ideal Society
Environmental impact remains within the self-recovery capabilities of the global environment.

■ **Overall picture of the Ricoh Group's sustainable environmental management (basis and three Pillars)**



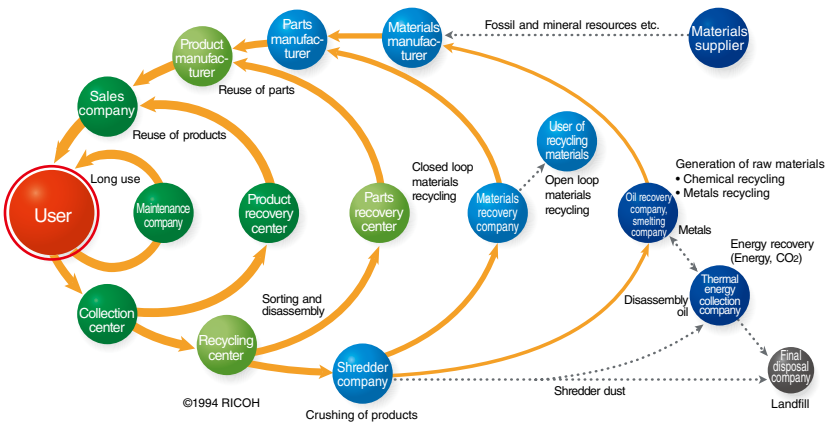
Contributing to the development of a sustainable society based on the Comet Circle concept

For the Ricoh Group to become the type of organization we envision, not only does the Group need to realize change towards the creation of a sustainable society but society as a whole also needs to realize such change. In 1994, we established the Comet Circle as the basis to encourage such change. The Comet Circle expresses the greater picture of our environmental impact reduction scheme, which includes not only the scope of the Ricoh Group as a manufacturer and sales company but also the entire lifecycle of our products, including upstream and downstream of our business activities.

Being well aware that product manufacturers like Ricoh, because of their involvement in the early phases of a product's lifecycle, can make the greatest contribution to reducing environmental impact, we engage in all business taking into account the Comet Circle.

1. Identifying and reducing the total environmental impact at all stages of the lifecycle
2. Putting priority on inner loop recycling and promoting a multitiered recycling system
   2-1 More economically rational recycling
   2-2 Reducing the needs of new resources with greater use of recovered resources
3. Establishing a partnership at every stage

■ **Concept of a sustainable society: the Comet Circle™**



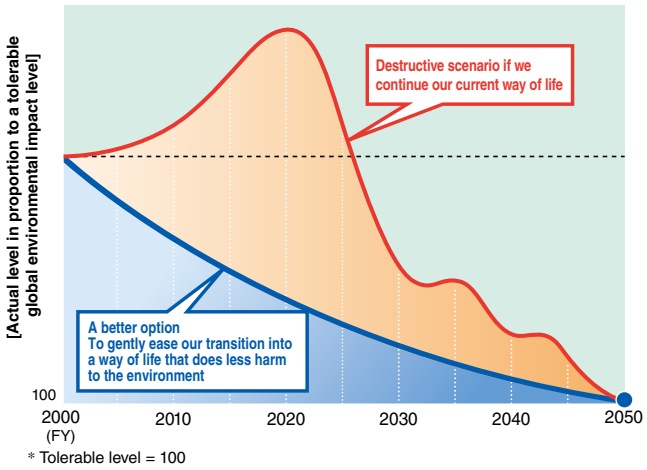
* For more information, please visit http://www.ricoh.com/environment/management/concept.html

For details, refer to the Ricoh Group Sustainability Report (Environment) 2011 on our website.

Striving to achieve environmental impact reduction goals for 2050 which was set first in the world in three areas: energy conservation, resource conservation, and pollution prevention

In a bid to make long-term efforts towards its ideals, the Ricoh Group has projected how the world will look in 2050 based on an analysis of a wide range of data. In 2050, the global population will have grown to more than nine billion people. Fossil and mineral resources will have become depleted and the amount of useful land will have decreased. People must switch from petroleum to other energy sources to prevent global warming and there will inevitably be drastic changes in business models and the structure of society. If the environmental impact we generate will continues to rise by continuing the present business operation style, humankind will eventually be faced with a devastating future. Taking this into consideration, the Ricoh Group established the Year 2050 Long-Term Environmental Vision in 2005, on the understanding that advanced nations needed to reduce their environmental impact to one-eighth of fisical 2000 by 2050. In March 2009, we followed up on these efforts by establishing Mid- and Long-Term Environmental Impact Reduction Goals which identify specific steps to be taken to achieve our vision. With 2020 and 2050 being key years, the targets are set in three different areas—energy conservation and global warming prevention, resource conservation and recycling, and pollution prevention—making them the first of their kind for business in the world. The numerical targets will be incorporated into the Environmental Action Plan formulated every three years, and effective activities will be developed in each area to achieve the targets. In parallel with these efforts to reduce our adverse impact on the environment, we are also working to help the global environment restore and maintain its self-recovery capability. This commitment of ours to give consideration to biodiversity in conducting businesses is declared in the Ricoh Group Biodiversity Policy we established in March 2009.

■ Two scenarios for reducing global environmental impact



* Tolerable level = 100

■ Major ideas in the Ricoh Group mid- and long-term environmental impact reduction goals

Mid- and Long-Term Goals		Concept	Major activities
Energy Conservation and Prevention of Global Warming	Reduce the total lifecycle CO_2 emissions by the Ricoh Group (including emissions of the "five gasses" converted into CO_2) by 30%* by 2020 and by 87.5% by 2050 from the fiscal 2000 level. * Equal to 34% reduction from the fiscal 1990 level (for domestic CO_2).	• Set targets for the entire lifecycle with the aim of achieving the reduction levels set for society as a whole based on the warnings of IPCC. • Reduce the CO_2 directly emitted from business activities by setting targets for each stage, including production and distribution. • Reduce electricity consumption of the products in an active manner by setting high targets. • Collaborate with suppliers at the procurement stage.	• Develop technologies that improve the environmental functions of products and facilitate the use of such products. • Make suggestions to customers to help them fully enjoy the environmental functions of our products. • Realize "low carbon manufacturing" through innovation of production processes. • Actively use solar power and other renewable energies for electric generation. • Reduce CO_2 emissions at the procurement stage by making products smaller and their lives longer and by recycling more products. • Support suppliers in their environmental impact reduction measures. • Obtain more accurate information on CO_2 emissions during the distribution stage, increase distribution efficiency, and promote a modal shift.
Resource Conservation and Recycling	(1) Reduce the new input of resources by 25% by 2020 and by 87.5% by 2050 from the fiscal 2007 level. (2) Reduce the use of or prepare alternative materials for the major materials of products that are at high risk of depletion (e.g., crude oil, cupper and chromium) by 2050.	• Discourage new input of resources and promote efficient use of the limited resources in business activities. • Recognize that resource conservation measures directly reduce production costs and help avoid risks accompanied by possible increases in resource prices and to ensure stable supplies of products in the future. Position the measures as a central part of management.	• Develop technologies to make products/parts smaller and lighter. • Develop technologies to improve reliability of products/parts, such as technologies to make product life longer. • Increase recovery rates of used products. • Increase recycling rates of products/parts/materials by developing technologies for recycling and efficient use of recycled items. • Reduce the use of materials at a high risk of depletion or replace them with other materials, such as biomass plastics and toner inks.
Pollution Prevention	Reduce the impact of chemical substances on the environment by 30% by 2020 and 87.5% by 2050 from the fiscal 2000 level.	• Implement risk management that covers not only impact on the environment but also impact on human health. • Carry out risk management taking information on consumption, emissions, hazards, and exposure of chemical substances into consideration. • Give priority to the high-risk chemical substances in reduction and replacement in order to prevent possible pollution.	• Increase the level of chemical substance management system to improve risk management. • Promote reduction and replacement of high-risk chemical substances.

* Targets are set based on the business areas and market share for fiscal 2000 (see the news release at http://www.ricoh.com/info/090501.html).

Ricoh Group's 16th Mid-Term Environmental Action Plan (Fiscal 2008 to Fiscal 2010) (extract)

*For items that do not specify a target year for achieving a goal, the target year is fiscal 2010.

1 Using resources effectively to realize a resource-recirculating society

■ Develop environmental technologies to reduce environmental impact.

Details of plan: Develop environmental technologies to reduce environmental impact on business and society as a whole.

Progress: The targets for the ten themes in the action plan (potential reduction of 809,000 tons with next-generation color QSU, low-temperature fixing toner, etc.) were achieved. The important technical themes in the 16th Mid-Term Management Plan progressed as planned and the initial targets for the potential reduction in environmental impact are expected to be met. (Some products already incorporate the technologies.)

■ Increase recirculation of resources and use resources effectively to reduce the use of new resources in products.

● Promote the reuse of parts.

Details of plan: Increase the use of reusable parts recovered from used products to 1,910 tons by fiscal 2010 (Japan).

Progress: Weight of parts reused reached 1,876 tons.

Details of plan: Increase the use of reusable parts recovered from used products to 6,000 tons by fiscal 2010 (outside Japan).

Progress: Weight of parts reused reached 7,672 tons.

■ Reduce waste generated by production activities.

● Reduce waste of resources in the thermal media business.

Details of plan: Reduce the amount of waste generated by 10%, compared to fiscal 2006 figures.

Progress: 8.6% increase in waste generation

● Reduce waste of resources relating to packaging materials.

Details of plan: 30% reduction in waste packaging material per production volume from manufacturing imaging products in Japan compared with fiscal 2006

Progress: Ricoh Gotemba Plant: Achieved a 31.3% reduction, Tohoku Ricoh Co., Ltd.: Achieved a 18.4% reduction, Ricoh Elemex: Achieved a 2.1% reduction

Details of plan: 30% reduction in waste packaging material per production volume from manufacturing imaging products overseas compared with fiscal 2007

Progress: REI: 23.1% reduction, RIF: 14.1% reduction, RPL: 20.3% increase

● Reduce waste generated in the manufacturing of polymerized toners.

Details of plan: Reduce waste generated per production volume by 17%, compared to fiscal 2007 figures.

Progress: Reduced by 19.5%.

2 Developing frontier environmental technologies to cope with climate change problems and promoting business activities that reduce energy consumption

■ Reduce greenhouse gas emissions in production activities.

Details of plan: Reduce CO_2 emissions by 12% by fiscal 2010 (Ricoh and manufacturing subsidiaries in Japan) compared to fiscal 1990 figures.

Progress: CO_2 emissions at production sites in Japan decreased by 14.1% compared with fiscal 1990, meeting the target for fiscal 2010. Including the emissions from Ricoh Printing Systems and Yamanashi Electronics, which joined the Ricoh Group after the reference year (1990), overall emissions decreased by 9.6%. Total emissions for all companies in the Ricoh Group in Japan in the reference year met the targeted 12% decrease over fiscal 1990, but the total including emissions from companies that joined Ricoh Group after the reference year was 4,279 tons short of the target. CER credits equivalent to this amount were transferred to the government.

Details of plan: Reduce CO_2 emissions by 10% by fiscal 2010 (manufacturing subsidiaries outside of Japan) compared to fiscal 1998 figures.

Progress: 20.3% increase in CO_2 emissions. While an average annual reduction of $\geq$4% was achieved, we failed to meet the target due to significant business growth in the thermal media business and the shifting of production to China.

Details of plan: Reduce emissions of greenhouse gases other than CO_2 by 10% by fiscal 2010 (semiconductor business sector) compared to fiscal 1995 figures.

Progress: 45% reduction in emissions of greenhouse gases other than CO_2. In addition to introducing decontamination equipment for gases such as PFC, we started to reduce actual use, resulting in a significant reduction.

■ Expand CO_2 emission reduction efforts to involve suppliers.

Progress: We collected information on CO_2 emission reduction projects that have been conducted in cooperation with model suppliers since fiscal 2009. We also gathered information on CO_2 emission reduction efforts by other suppliers.

■ Contribute to the reduction of environmental impact at customers' sites.

● Survey the frequencies of energy-saving and duplex copying functions used and raise their rates of use.

Progress: We provided customers with proposals that help them use the energy saving mode more frequently. In 2011, as part of our efforts to reduce environmental impact, we will continue making proposals to customers both in Japan and abroad on how to reduce their environmental impact.

3 Upgrading chemical substance control aiming at environmentally safer manufacturing and business activities

■ Upgrade risk management relating to chemical substances.

● Establish a global system for management of risks from chemical substances.

Progress: We reviewed the systems for evaluating the environmental risks of emitting chemical substances into the atmosphere.

● Reduce environmentally sensitive substances.

Details of plan: Reduce the amount of environmentally sensitive substances used by at least 30% (Ricoh production sites and manufacturing subsidiaries) compared to fiscal 2000 figures.

Progress: Reduced the amount used by 72.9%.

Details of plan: Reduce environmentally sensitive substance emissions by at least 80% (Ricoh production sites and manufacturing subsidiaries) compared to fiscal 2000 figures.

Progress: Reduced emissions by 87.9%.

4 Conserving biodiversity

■ Promote ecosystem conservation activities to enhance the self-recovery capabilities of the global environment.

Progress: All the Ricoh Group's targeted organizations (99) conducted biodiversity conservation activities.

Ricoh Group's 17th Mid-Term Environmental Action Plan (Fiscal 2011 to Fiscal 2013)

		Target (Level to be attained)
1 Energy Conservation/ Prevention of Global Warming	**1) Reduce greenhouse gas emissions caused by production activities.**	
	- Reduce CO_2 emissions related to energy use.	- Reduce to the fiscal 2010 level or below (298,000 tons-CO_2 or less).
	- Reduce emissions of greenhouse gases other than CO_2.	- Reduce by 38% compared with the fiscal 2000 level to less than 25,200 tons-CO_2, even accounting for increases related to the expansion of business.
	2) Reduce greenhouse gas emissions caused by logistics activities.	
	- Reduce the total amount of greenhouse gases emitted by Ricoh Logistics System in connection with its operations.	- Reduce by 21% compared with the fiscal 2000 level to less than 7,600 tons.
	3) Reduce greenhouse gas emissions caused by sales and maintenance activities.	
	- Reduce the amount of CO_2 emitted in relation to the use of energy in sales and maintenance activities.	- Reduce by 21.5% compared with the fiscal 2000 level to less than 38,000 tons.
	- Monitor the amount of CO_2 emitted in relation to the use of energy in sales and maintenance activities and establish reduction targets by the end of fiscal 2011. - Attain the established targets above.	- Monitor the amount of CO_2 emitted in relation to the use of energy in sales and maintenance activities and establish reduction targets by the end of fiscal 2011. - Attain the established targets above.
	4) Reduce CO_2 emissions related to energy consumption of Ricoh products.	
	- Develop products that can meet the mid-term environmental impact reduction goals.	- Attain the total CO_2 emissions reduction targets set for fiscal 2013 related to product energy consumption.
	- Encourage customers to use the energy-saving mode.	- Conduct activities to promote use of the energy-saving mode.
	5) Reduce CO_2 emissions by encouraging the effective use of paper resources in relation to product use.	
	- Improve paper use reduction rate by promoting duplex and multiple-page function utilization.	- Conduct activities to promote duplex and multiple-page function utilization.
	6) Develop environmental technologies aimed at reducing mid- and long-term environmental impact.	
	- Develop energy-saving technologies to help achieve the Year 2020 Mid-Term Environmental Impact Reduction Goals.	- Engage in the development of energy-saving technology with the potential to contribute to achieving the Year 2020 Mid-Term Environmental Impact Reduction Goals. (Reduce the total lifecycle CO_2 emissions by the Ricoh Group by 30% from the fiscal 2000 level.)
2 Resource Conservation and Recycling	**1) Achieve greater reduction in input of new resources.**	
	- Reduce input of new resources by implementing 3Rs and switching to alternative resources.	- Increase reduction amount fivefold or more compared to the fiscal 2007 level.
	2) Contribute to reduction in input of new materials and parts by conducting sales activities for recycled products.	
	- Increase reuse of products both in Japan and overseas.	- 14,000 t/year in fiscal 2013 (global total)
	- Improve product recovery rates.	- Conduct activities to promote product recovery. Disclose recovery data.
	3) Reduce waste.	
	- Reduce waste generated from the thermal media business.	- Reduce waste proportionate to production volume by 26% from the fiscal 2007 level.
	- Reduce waste in manufacture of polymerized toners.	- Ricoh Numazu Plant: 3.88 t/t (waste/production) - Tohoku Ricoh Co., Ltd.: Develop plans (in fiscal 2011) and achieve goals (in fiscal 2013)
	- Reduce packaging material waste (cardboard).	- Improve by 6% from the fiscal 2010 result.
3 Pollution Prevention	**1) Establish a more comprehensive risk assessment system by evaluating risks related to chemicals, including environmental and ecological impact.**	
	- Establish a risk management system for chemical substances that is applicable worldwide.	- Establish risk assessment techniques to estimate risks to ecosystems posed by chemical substances emitted into the environment during the manufacturing process. Based on the findings, take measures to manage and reduce the risks.
	2) Reduce the use and emission of environmentally sensitive substances.	
	- Reduce the amounts of environmentally sensitive substances used and emitted.	- Objective 1: Reduce the converted use and emission by 75% and 90%, respectively, from the fiscal 2000 levels. - Objective 2: Establish a weighting method for hazard levels set in GHS* and establish reduction targets for the converted use and emissions based on the GHS. * The Globally Harmonized System of Classification and Labeling of Chemicals
	3) Improve environmental functions of products.	
	- Reinforce measures to reduce chemical emissions.	- Comply with the Ricoh Standards for ozone, dust and VOCs. These standards meet the Blue Angel requirements.
4 Biodiversity Conservation	**1) Contribute to maintaining and restoring the Earth's self-recovery capabilities.**	
	- Implement corporate social responsibility programs to preserve biodiversity.	- Implement corporate social responsibility programs within the Ricoh Group.
	2) Implement programs to care for biodiversity within the premises of Ricoh plants.	
	- Identify impact on biodiversity within the premises of Ricoh plants and reduce the impact.	

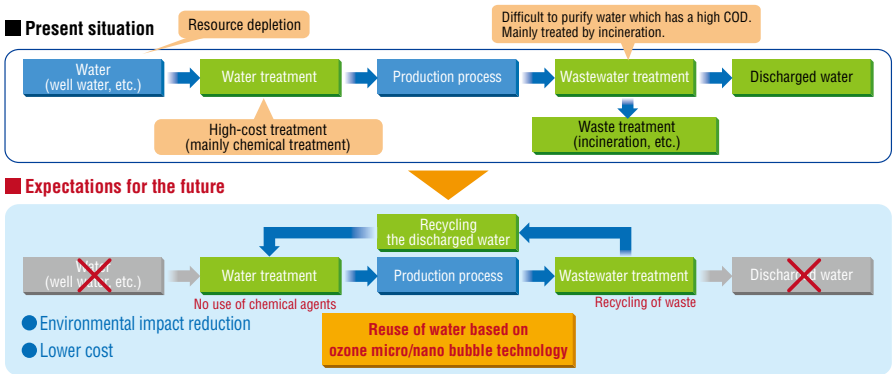
Development of environmental technologies

Developing a next-generation water treatment technology based on ozone micro/nano bubble technology <Ricoh Co., Ltd./Japan>

Ricoh has been developing production process/recycling technologies to reduce the environmental impacts of its production processes. As part of this effort, and specifically to solve the problem of wastewater from the polymerized toner production process, and also in consideration of the risk of possible depletion of water resources in the future, Ricoh began conducting a joint project to develop and make practical use of a technology to recycle water used in manufacturing with REO Research Institute and the Research Institute for Environmental Management Technology of the National Institute of Advanced Industrial Science and Technology. This project was completed in 2010. The next-generation water treatment technology developed in the project by applying REO Research Institute's ozone micro-nano bubble technology can purify waste water from the polymerized toner production process by using energy derived from the bursting of fine ozone bubbles (below 300 nano-meters* in diameter). Water treated through this technology can be reused in the production process, thus providing a closed water recycling system. At present, some wastewater from Ricoh's polymerized toner production process has to be incinerated because it is difficult to break down the water, which contains some very persistent organic matters, by chemical agents. In the closed water recycling system, however, the thermal treatment of the highly concentrated wastewater that is now conducted prior to the purification process will become unnecessary, and both the use of underground water and the amount of water eventually wasted from the process will be substantially reduced. The technology is expected to be applied to a range of production systems as an innovative environmental technology to save water resources and reduce CO_2 emissions. Ricoh aims to complete the closed recycling system for the polymerized toner production process within fiscal 2012.

*Nano-meter: 10^{-9} meters = one-billionth meter

■ **Establishment of technology for recirculating and reusing industrial water with the ozone micro/nano bubble technology**



At the Eco-Products 2010 exhibition held in Tokyo Big Sight in December 2010, Ricoh displayed an aquarium in which carp (freshwater fish) and sea bream were swimming together. The nano bubble technology gives unlimited new possibilities to water.

Products designed to help save energy and prevent global warming

Evolution of QSU energy-saving technology

QSU (Quick Start-up), Ricoh's original energy saving technology, was developed to achieve effective energy conservation for copiers. It enables quick recovery from the energy-saving mode, allowing users to make copies whenever they need to. The use of the energy-saving mode helps reduce environmental impact, but the longer it takes to recover from the mode, the less it is used by customers. Ricoh focused its efforts on developing energy saving technologies in a way that satisfies both user-friendliness and energy conservation so that our customers will use the energy-saving mode more often. In 1997 we established an energy-saving committee to accelerate the development of such technologies, and developed QSU technology. In 2001, we launched the imagio Neo 350 series, the first multifunctional monochrome copiers equipped with QSU, and this product, which recovers from the energy-saving mode in only 10 seconds (30 seconds or more for previous models), received the Minister of Economy, Trade and Industry Prize, the highest prize of the Energy Conservation Grand Prizes presented by the Ministry in Japan. Following that, we introduced HYBRID QSU, an integration of traditional QSU technology and capacitors (electric storage devices), in high-speed multifunctional monochrome digital copiers, and have since reinforced the lineup of QSU-equipped products.[1]

In fiscal 2006, Ricoh developed Color QSU technology, which adopts the IH[2] fusing system and successfully reduces recovery time from the energy-saving mode for multifunctional color copiers, which had been a difficult challenge. The imagio MP C3301/C2801 series, released in November 2010, offers higher thermal efficiency due to the Color QSU technology and the color PxP toner with a lower melting point. These are the first color copiers that recover from the energy-saving mode in 9.9 seconds, as fast as monochrome copiers. Also, for typical electricity consumption (TEC)[3] we have achieved a reduction of around 50% compared with previous models.

imagio MP C3301/2801 series

In addition, we also developed energy-saving printers that use our GELJET technology, including the IPSiO GX e2600 series launched in December 2009, which boasts a very low power requirement: average power consumption in operation of less than 36 watts, equivalent to the energy consumption of a fluorescent light; and power consumption in energy-saving mode of less than 1.4 watts.

1 Capacitors are incorporated only in the 100 V machines marketed in Japan.
2 IH stands for "Induction Heating," a technology that heats metal instantly using the magnetic field generated by an electric current passing through a coil. This technology is also widely incorporated in electric rice-cookers and stoves.
3 Figures measured using the method designated under the international Energy Star Program.

Environmental impact reduction in cooperation with customers

Our managed document service being used at COP 10
<Ricoh Co., Ltd./Japan>

Ricoh provided outsourced document output management services during COP 10 (the Tenth meeting of the Conference of the Parties to the Convention on Biological Diversity) and COPMOP 5 (the Fifth meeting of the Conference of the Parties serving as the meeting of the Parties to the Cartagena Protocol on Biosafety) held in Nagoya in October 2010. Ricoh was selected to provide outsourced services because of the high quality of its global managed document services (MDS)*, and the following endeavors by the Group to be environmentally responsible: 1) significant efforts to reduce environmental impact in line with its sustainable environmental management strategy and concurrent efforts over many years to conserve biodiversity to improve the Earth's capabilities to recover and 2) efforts to reduce environmental impact not only by improving the environmental performance of its products but also through various measures at every stage of the lifecycle. We provided 114 copiers and other equipment for these meetings, including multifunctional digital copiers and printers equipped with energy-saving technology. Cooperation between Ricoh, Ricoh Japan, Ricoh Technosystems and Ricoh Logistics System, enabled us to install equipment in locations that would allow documents to be output efficiently with the least number of units. Maintenance support was provided around the clock to assist the smooth operation of COP 10. Our services included collection and destruction of classified documents to ensure security. The Ricoh Group will make good use of the experience and expertise gained in these large-scale conferences to build networks and expand its business to IT services so that it can contribute to the effective running of conferences and meetings both in Japan and abroad and to reducing environmental impact.

* Managed Document Services (MDS) is a service that advises companies on how to improve the efficiency of their document printing services, including a document workflow solution: Based on a detailed analysis of how customers input and output documents at their offices, proposals for the optimum locations of devices and the most effective workflow are made; and operation and management of the proposed printing environment as a whole are handled by the service provider. The Ricoh Group provides MDS globally.

Ricoh Group employees running document output services at COP 10

Saving energy and preventing global warming in business activities

Highly productive, low environmental impact and highly flexible manufacturing—Ricoh's original cart production line
<Ricoh Co., Ltd./Global>

As of 2011, the Ricoh Group's production system is spread over 29 (major) production sites in five global regions: Japan, the Americas, Europe, China, and the Asia-Pacific region. The year 1985, when the Ricoh Gotemba Plant began operating as a core production site for imaging equipment such as copiers and printers, was a period of expansion for OA equipment, and mass production was started as conveyor lines that gave high production efficiency through automation were installed at production sites. However, copiers subsequently acquired many additional functions, including printing, scanning, and network functions, and in response to diversifying customer needs there was a large increase in the variety of copier models, with the industry entering a period of high-mix low-volume production. The conveyer manufacturing system was suitable for low-mix high-volume production, but not for production equipment model changes or high-mix low-volume production. In 1999, Ricoh began gradually eliminating fixed conveyor lines and introducing a layout-free production system capable of responding flexibly to production volume and equipment model changes. In an example of this, the "cart production line," multiple carts are lined up in a row and powered by air cylinders. The carts move along the production line carrying products. Because huge, high-energy consuming conveyors are not required, this system has brought huge reductions in environmental impact and energy costs;* moreover, because the layout can be freely changed, the formation can be rearranged on a case-by-case basis to suit equipment models and production volumes. In-process inventory, lead time, space, and maintenance are all reduced by 70–80%. In addition, because of the reduction in space, reductions in air-conditioning and lighting costs are also achieved. This cart production line has been improved to be used as a model for introducing the layout-free production system in other production sites around the world.

* Air cylinders are used to move the carts, enabling a reduction in electricity consumption of 99% compared with conventional conveyor line motors.

Cart production line

Environmental communication

Installing a 100% renewable-energy powered billboard in London
<Ricoh Group/Global>

Eco billboard in London

On June 28, 2001, Ricoh unveiled an advertising billboard powered by 100% renewable energy. Located about halfway between Heathrow Airport and central London, it is the company's second eco billboard, following the fully solar-powered billboard installed in New York's Times Square in April 2009. Designed under Ricoh's sustainable environmental management initiatives, the purpose of these two billboards is to demonstrate the company's commitment to renewable energy. The new billboard, three meters high by 12 meters across, is powered by an efficient combination of solar and wind energy generated by 96 solar panels and five wind propellers, which average approximately 12,612 Wh/day. The amount of power generated will vary from day to day depending on the weather, meaning that on some days the board will not be lit up while on others surplus energy can be stored in the battery.

New learning and awareness of human rights through dialogue with well-informed experts with a global perspective

Human rights issues are profound and involve an extensive range of fundamental issues. In recent years, respect for human rights has become one of the most important issues for companies to address. The Ricoh Group stipulates in its code of conduct that we should always pay close attention to basic human rights, which form a premise for mutual understanding, and that we should not discriminate based on race, belief, gender, social status, nationality, disease, handicap and other factors. Believing that healthy and prospering individuals, both psychologically and materially, help to develop our society, we have renewed our awareness of the importance of human rights.

Past activities

ISO 26000, the international standard for guidance on social responsibility, was published in 2010. One of the issues it emphasizes is awareness of human rights and our conduct. In particular, companies engaged in global business operations need to understand human rights in line with the framework of international standardization and implement CSR management that incorporates aspects of human rights. The Ricoh Group is currently seeking to expand into new markets globally. In some of the countries where we conduct business, public awareness of human rights is still low. Because overseas employees currently account for two-thirds of all employees in the Ricoh Group, another issue we are facing is respect for the cultures and customs of different countries and regions. Our efforts are constantly directed toward establishing various human rights-related policies, developing promotional tools, and providing training courses for individual qualifications from the newly employed to executives and e-learning. We will enhance our awareness of the importance of human rights from a global perspective and renew our efforts to introduce new activities.

Guidebook for enlightenment on human rights, entitled "*Hito-o Aisu* (Love your neighbor)," one of our Spirit of Three Loves

■ The Ricoh Group's past activities related to human rights

- November 1991 Human Rights Enlightenment Committee was established. Staff in charge of human rights enlightenment assigned to each office and plant and the Business Assistance Division.
- April 1993 The Ricoh Business Code of Conduct was published, stipulating a respect for basic human rights.
- April 1994 Guidebook for enlightenment on human right "*Hito-o Aisu* (Love your neighbor)" was issued and great efforts were focused on educating people on human rights.
- November 2003 Respect for basic human rights was clearly stipulated in the Ricoh Group CSR Charter and the Ricoh Group Code of Conduct.
- December 2004 Human rights-related issues were incorporated in our total risk management and proactive criteria to prevent violations.
- January 2006 The Ricoh Group Supplier Code of Conduct was established, requesting suppliers to respect basic human rights.
- April 2007 Diversity & work-life management activities were enhanced. Color universal design activities were initiated.
- December 2008 The 60th anniversary of the Universal Declaration of Human Rights of the United Nations Global Compact. The company signed the CEO Statement.
- March 2011 A stakeholder dialogue on human rights was held.

Organization of dialogue to better understand the current state of human rights

Ricoh Group organizes annual dialogue meetings in various forms in order to accurately understand the demands and expectations of society and stakeholders' needs, and to promptly address them.

In fiscal 2010, a dialogue meeting was held on March 25, inviting experts with knowledge of human rights and ISO 26000 and with rich experience in various areas. Before the meeting, we provided the participants with information on the Ricoh Group's business and its past activities. At the meeting, we sought participants' views on three themes based on a full understanding of the above information.

Participants from Ricoh

Takashi Nakamura	(Corporate Executive Vice President, General Manager of Human Resources Division, Director in charge of CSR)
Kenichi Kanemaru	(Corporate Senior Vice President, General Manager of Production Business Group)
Soichi Nagamatsu	(Corporate Senior Vice President, Director of Corporate Planning Division)
Hiroshi Funabiki	(Deputy General Manager of Business Planning Center, Global Marketing Group)
Minoru Saito	(Director of Corporate Communication Center)
Yukihiko Yamanaka	(General Manager of Internal Management & Control Division)
Hiroharu Yamada	(General Manager of Global HR Management Department, Human Resources Division)
Kenichi Sugiura	(General Manager of Human Relations Promotion Department, Human Resources Division)
Mariko Azuma	(General Manager of CSR Office)

*Titles at the time of the dialogue (March 2011)

Yozo Yokota
Director, Center for Human Rights Affairs
Professor, Chuo University

Shinichi Hasegawa
Regional Director, ILO Office in Japan

Makoto Teranaka
Secretary General,
Amnesty International Japan

Kaori Kuroda
Co-Director, CSO Network Japan
Expert, ISO 26000 Workshop

Masao Seki
Associate Director, Sompo Japan Insurance Inc.
Chief CSR Officer
Expert, ISO 26000 Workshop

Theme 1 Noteworthy activities and concerns (issues needing to be addressed) in human rights-related areas in the Ricoh Group's business activities in Japan and abroad

● I highly appreciate your incorporating CSR activities, including issues related to human rights, into your entire corporate activities. What I am concerned about is how you analyze actual past cases both in Japan and abroad and how you share information on these cases within your organization. In addition, since your business is expanding not only into the USA and Europe but also into China and other Asian countries, I think what matters is how you give consideration to human rights issues, including the supply chain. (Hasegawa)

● Human rights are challenging issues to deal with and so I think it is commendable for you to take the opportunity to discuss these issues at a stakeholder dialogue meeting. I also highly appreciate your efforts to fully and meaningfully interpret ISO 26000 and identify issues related to human rights from other subjects than human rights. Practicing color universal design is another commendable effort of your company. "Human rights" are not issues to be addressed only by the Human Resources Division. They should be regarded as across-the-board issues for which all the departments engaged in business activities should be responsible. (Seki)

● The company's policies on human rights are stipulated in the CSR Charter and the Ricoh Group Code of Conduct and efforts are made to establish a mechanism for addressing human rights violations and to provide education on human rights, which I appreciate. What needs to be improved by the company is to provide a better mechanism for investigating and evaluating the occurrence of human rights problems on a regular basis and one for continuous due diligence. (Kuroda)

Theme 2 Recent topics and future trends in human rights-related areas on which companies should be informed

● The United Nations monitors human rights around the world and efforts by Japanese companies are also monitored. In recent years, there are quite a few serious cases of human rights violations that are taken to court domestically and internationally. Companies should always pay attention to such violations and gather information on them in order to be prepared to take appropriate action in the event of any incidents. (Yokota)

● The United Nations is currently discussing the development of a framework for protecting, respecting and remedying human rights. This is based on the Ruggie Report* which I think will serve as one of the most important standards for corporate activities in the future. I think companies will be required to understand the structure of this framework before establishing their policies on human rights. (Teranaka)

* Ruggie Report: The final report "Protect, Respect and Remedy: a Framework for Business and Human Rights" presented to the UN Human Rights Council by John Ruggie, Professor at Harvard University, who also contributed to establishing the UN Global Compact.

Theme 3 What is expected of Ricoh and the Ricoh Group in human rights-related areas in the future?

● I encourage you to be a top runner among Japanese companies in the human rights area and show good examples in line with ISO 26000. I expect you to lead efforts by the supply chain, all Japanese companies, and global companies. (Seki)

● You should be aware that, in expanding your business activities globally, what is common sense in Japan may not be common sense in another country in the world. I hope you will always address human rights issues from the perspective of each country. (Hasegawa)

● One of the concepts in line with international trends that is recently attracting people's attention is the "mainstreaming of human rights." The aim of the concept is to ensure human rights not only in specific departments but in all departments. It is hoped that the Ricoh Group also implements the mainstreaming of human rights as a company. (Yokota)

● The Ricoh Group prevents, prohibits and monitors child labor in the supply chain. Your efforts are also expected to address other basic rights for labor set out by the ILO. It is also recommended that the company continue its efforts to establish diversity policies. (Kuroda)

● Policies on human rights should not remain as theory but should be implemented in corporate activities in a specific manner. I think companies will be required to ensure compliance with their human rights policies in their business activities and ensure the rights of their workers globally. It is important for the Ricoh Group to take the initiative in presenting specific measures to address these issues to stakeholders and implement these measures. (Teranaka)

In this dialogue meeting, participants from Ricoh, including top management and representatives from various departments, received valuable opinions and advice on human rights issues directly from the experts. To become a global company in a true sense, the Ricoh Group will make full use of their opinions and advice in its efforts to address a wide range of human rights issues, including labor practices, manufacturing, marketing, and involvement with communities.

Reforming human resources management to meet the requirements of the next generation and creating a vibrant workplace where employees can grow and take on challenges.

The Ricoh Group aims to provide every one of its employees with opportunities to commit themselves to challenging goals regardless of nationality, gender, or age, thereby helping them grow and achieve self-fulfillment. To accomplish this objective, we are reforming our human resources management system in such a way as to establish an educational system that is easy for employees to access and a corporate culture that enhances individual potential, so as to encourage the pursuit of ambitious goals. To fulfill our growth strategy, we will put more effort into training employees who can accelerate our global business, optimize the use of talented employees, and nurture employees who take responsibility for growth projects.

Systematic development and use of human resources

Maximizing talent is key to growth

We categorize human resources into seven types, including business leaders with a management perspective, leaders who create new value, professionals with advanced expertise, and managers responsible both for achieving the mission and developing human resources for the organization. Our training programs are diverse and systematic, and are constantly being improved to better adjust to employee needs.

Developing a global mindset

The Ricoh Group's growth strategy includes establishing a strong global brand for which the development of human resources has an important role to play. In their daily business activities, our employees in Japan frequently need to communicate with overseas colleagues and customers. As globalization progresses, there are increasing opportunities for them to work with people from overseas. It is therefore important to nurture employees with a global perspective. Our education and capability-building systems incorporate a systematic curriculum from early career stage designed to develop a global mindset from a mid- to long-term perspective and enhance employee awareness. This features among others, a "cross-cultural communication" program.

Optimizing diversity

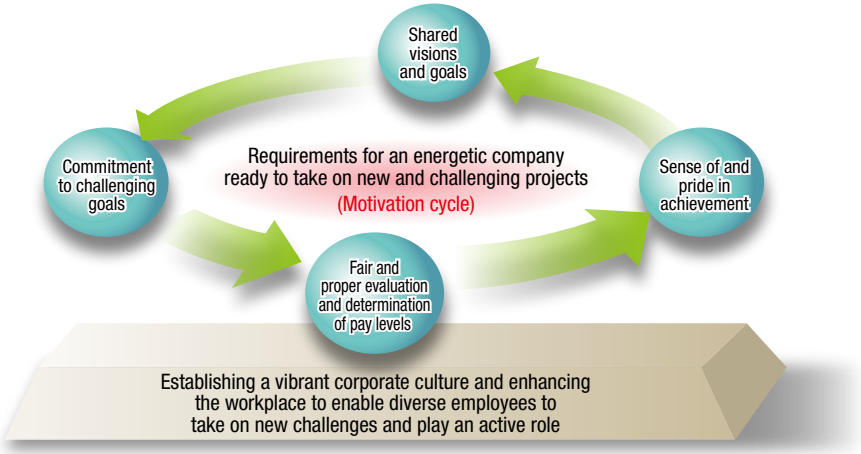
Because we regard group companies in Japan and abroad as an HR talent pool, we appoint the right person to the right job. For example, we might provide a top executive of an overseas group company with an opportunity to join the management of the Ricoh Group and invite employees from overseas group companies to Japan to work on a joint project. In order to strengthen our global competitiveness, more employees from overseas corporations will be invited to work at the Ricoh Group's Head Office. We are now building a mechanism that will allow overseas employees to play a leading role in Japan.

Recruiting people who can play a leading role globally and create new value

In Japan increasing emphasis is placed on HR public relations to provide information on the Ricoh Group to students with a high language proficiency and a global mindset and those who are eager to be create new value and who are unconventional in their thinking. Information provided includes the Ricoh Group's philosophy and values, business activities and new directions on a global basis to give them a good overview of the company.

Ricoh understands that these educational systems and the mechanism for deploying human resources should be applied laterally across the entire Ricoh Group. At the same time, Ricoh is ready to learn from its group companies on well-designed training systems and better use of human resources in order to achieve its objective of making the company more competitive.

■ **Conceptual structure of a company where employees are comfortable to work in**



Examples of efforts to promote globalization

Training programs including a curriculum designed to develop a global mindset for all levels of employees, including new recruits <Ricoh Co., Ltd./Japan>

Ricoh has included a curriculum for "cross-cultural communication" in the training program for new employees since April 2011. We are planning to include "basic cross-cultural understanding" and "TOEIC" in the assessment items for the BLA (Basic License Assessment) system* from July 2011.

These are part of the efforts to help young employees develop a global mindset from an early stage in their careers.

Newly hired employees taking part in a "basic cross-cultural understanding" training program session

* BLA system: Basic License Assessment system
A system to identify a specialized area in which employees are interested and encourage them to acquire knowledge they need early in their careers. This system requires employees to study the following three subjects: a subject that all Ricoh employees need to know, which is common to all group companies; a subject common to all the following areas: techniques, skills, sales, and general administration; a subject required for each specialized job.

The role of human resources management in globalization efforts <Ricoh Group/Global>

To establish a strong global brand, the Ricoh Group started 1) enhancing top talent management, 2) promoting collaboration within the Group and 3) sharing the concept of The RICOH Way. In December 2010, a "Global Executive Summit" was held where Group operating officers and Group directors who serve as executives in overseas group companies gathered to discuss future global strategies with top management. At the summit meeting, participants also discussed Ricoh's corporate and management philosophies to better promote the principles and values that Ricoh stands for.

More efforts will be made to promote greater collaboration and communication across the group as well as set up a more nimble infrastructure to facilitate personnel exchanges. The Ricoh Group is committing the whole of its intellectual capital to increasing its global competitiveness.

Anual global HR conference <Ricoh Group/Global>

In October 2010, managers responsible for personnel affairs from five regions around the world gathered and discussed human resources management strategy. In the meeting, participants exchanged opinions and share information on top talent management and The RICOH Way. They also discussed issues that need to be addressed. This was an opportunity to strengthen our network of human resources managers around the world.

Developing talent in various spheres

Development of employees who can take charge of new business <Ricoh Co., Ltd./Japan>

Ricoh devoted a lot of energy to training future leaders who can initiate and develop new business opportunities on their own. One such effort is the training program jointly provided since fiscal 2010 with the New Business Development Center. This program is designed to give participants an opportunity to create their own business idea and develop a business plan to make it into a reality. The best plans proposed by program participants that are regarded as potentially developing into profitable businesses remain on the agenda for further discussion.

Career development support for individual employees <Ricoh Co., Ltd./Japan>

Ricoh provides employees with career development support to facilitate the "motivation cycle" and optimal career development. An annual interview is held between individual employees and their supervisor to clarify their career plan and what they need to do to achieve the plan. Through discussion, the supervisor encourages his/her subordinates to take the initiative in their work and develop competence. In addition, at the age of 30, 40 and 52, employees are provided with "Career Design Training," which is designed to help them improve their career awareness by taking into account characteristics and issues that match their age group.

Targeting foreign students and female students specializing in technical and scientific fields <Ricoh Co., Ltd./Japan>

We have been employing an increasing number of foreign students and Japanese students with experience of studying abroad for many years and the ratio of these students to all new employees has been increasing every year. In 2010, we participated in an employment event held in Boston, in the US. This opportunity helped us increase the number of students with diversified backgrounds we employ, which would not have been possible in any event in Japan. We also consider that female engineers should play a more important role in the future to create new value for products and services based on innovative ideas. For this reason, recruiting activities targeting female students in technical and scientific fields, will be increased.

Labor practices
ISO26000

Maintaining a healthy and safe work environment

The Ricoh Group puts the highest priority on health and safety. Based on this, we are committed to creating a healthier and safer work environment that allows diverse employees to play an active role.
Initiatives include support for employees' health care, child-rearing, and work-life balance. In addition, the Ricoh Group presents examples of safety- and health-related improvements and discloses relevant information as much as possible, hoping to contribute to improving community activities related to safety and health.

Efforts commonly undertaken by the entire Ricoh Group

All Ricoh Group companies, offices and plants are hard at work developing the optimal mechanism to ensure a safe and healthy work environment.

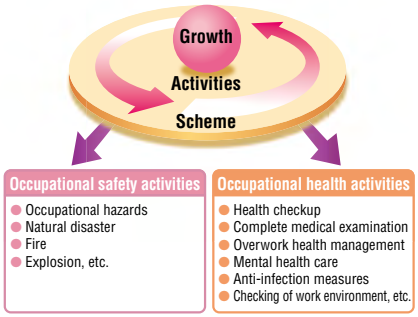
Health management system covering all employees

In cooperation with the health insurance union, the Ricoh Group has developed an IT system and is improving the industrial health system in order to provide an extensive health management program to ensure mental and physical health through prevention, early detection and follow-up of employees with health problems. In fiscal 2011, staff involved in mental healthcare, physical healthcare and labor issues will cooperate with each other to establish and implement a management cycle throughout Group companies.

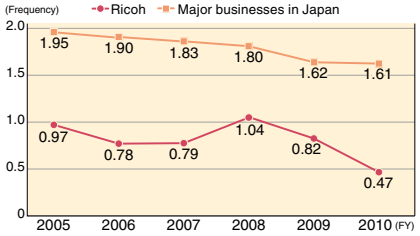
Enhancing safety management

The Ricoh Group adopted an Occupational Safety and Health Management System (OSHMS) approach and the concept of risk assessment earlier than any other company. It has also been constantly improving its safety standards. The group uses a database of occupational accidents that have happened within the group to share information on causes and measures to prevent recurrence, and also to develop and implement group-wide safety standards. In fiscal 2011, more efforts will be made to eliminate accidents involving falls and to extend the adoption of the risk assessment approach.

■ Conceptual diagram of health and safety activities



■ Frequency of work-related accidents (Ricoh)



* Frequencies have been calculated by the following formula.
Frequency = (Toll of the dead or injured in work-related accidents [took or did not take leave from work]/ Total of actual working hours) × 1,000,000

GRAM received the Healthy Working Lives Award for its health promotion activities participated in by all employees

<GR Advanced Materials Limited/ Scotland>

GR Advanced Materials Limited (GRAM), a manufacturing subsidiary of Tohoku Ricoh, received the Silver Award from the Scottish Centre for Healthy Working Lives (HWL*). The award was given for GRAM's "Change Program," a health promotion activity conducted from April 2010 to May 2011, which was highly commended. The program to review employees' lifestyles and support their fitness efforts, which was implemented in collaboration with HWL, provides a long-term plan for improving employees' lifestyles by losing excess weight to reach the ideal healthy weight. GRAM has always focused its efforts on building a caring culture and will continue to focus on maintaining a healthy work environment and further improving the quality of its health promotion activities.

* HWL operates as part of the UK's National Health Service.

The Silver Award Certificate received by GRAM

Interview

Interview with Dr. Morita, M.D., Chief occupational physician for the Ricoh Group, on recent efforts to promote a safe and healthy work environment

Dr. Tetsuya Morita, M.D.
Chief Occupational Physician

Concerted efforts by industrial healthcare staff to implement carefully planned health management

Each Ricoh office and plant is staffed by a group of industrial healthcare staff, consisting of an occupational physician and public health nurse/nurses, who are responsible for managing the health of its employees. Monthly regular meetings of occupational physicians from all offices and plants are held to share information. Under this system, Ricoh provides health support that is tailored to the characteristics of each facility. For example, in manufacturing departments, it is important to take into account the impact of the work environment and working methods. In cases where new chemicals are used in developing toners, it is necessary to take precautions by assessing their impact on health and pay careful attention when handling them. Occupational physicians are involved in such highly specialized healthcare issues.

Individual interviews with new employees help them to understand the importance of managing their own health

Healthcare staff also give carefully planned support for health management to new employees. In training new employees, they provide education on safety, health, health maintenance, and stress management to help employees understand the importance of an orderly life as a member of society and the importance of self-care. The most important objective of this training is to convey a clear message to new employees that there is somebody in the company who cares about their health. We inform them that there is a place where they can consult us on their problems. At the medical check-up they receive on joining the company, an occupational physician and a public health nurse interview every new employee individually and give them a medical examination, and this also gives the employee and the health professional an opportunity to get to know each other. This interview also helps healthcare staff identify those who need healthrelated support at an early stage. A second interview with them is conducted when they go for their posting interview. In this interview, the occupational physician or public health nurse presents the results of the medical examination conducted at the previous interview and also gives advice based on individual needs. In fiscal 2011, we interviewed about 250 new employees, which took four days. These interview sessions have been conducted over the last three years, and are starting to show positive effects in terms of mental healthcare.

A mechanism for providing a healthier and safer work environment for all Ricoh Group's employees

Efforts will focus on improving the health management system covering the whole of the Ricoh Group. With mental healthcare, while continuing the current services, we will improve the system to make employees feel more comfortable in talking to the counselor attached to each office and plant. Our physical healthcare services will also be reviewed. For example, we are considering establishing a new medical check-up program designed specifically for cancer prevention, which encourages employees to receive cancer screening individually at the appropriate time, rather than making a uniform recommendation. Early detection will help reduce the number of work days lost due to long-term sickness and may make it possible for cancer patients to continue working while receiving advanced medical treatment.

Before concluding, I wish to add that we provided the employees who volunteered for rescue work at sites affected by the Higashi Nihon Daishinsai (The Great East Japan Earthquake) with special care to protect them from the hazards of dust, and provided care for the health and safety of those employees who visited affected sites in response to requests for maintenance and other services involving our products. Based on our experience this time, we will continue our efforts to implement the best possible approach to managing the health of our employees.

Occupational physicians attached to offices and plants

Continuing to be an active member of the community while contributing to the passing on of sound values to young people, environmental conservation, and the achievement of the Millennium Development Goals in various parts of the world

The Ricoh Group has been engaged in social contribution activities based on this basic principle: with a proper understanding of our role as a corporate citizen, we must take positive action to contribute to society in cooperation with those who share our objectives. To this end, under the corporate philosophy of "The Spirit of Three Loves," we are undertaking various initiatives while placing special emphasis on the principle of respecting human beings and respecting the Earth. Specifically, this involves pouring our energies into environmental conservation and helping young people all over the world to acquire sound values. Furthermore, our Group companies have been pressing ahead with projects that extend beyond the bounds of their operational territories to contribute to the achievement of the United Nations Millennium Development Goals (MDGs). The Ricoh Group aims to maintain a state of harmony with the countries and communities in which it operates and implements social activities involving all employees working together to leverage the Group's expertise and human and other resources to best advantage.

Policy and overview of social contribution activities by region

Japan

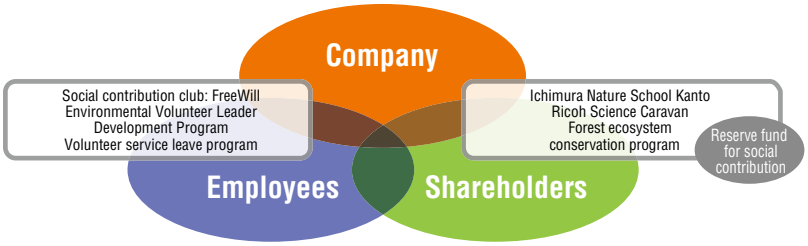
Norimitsu Hatakeyama
CSR Office
Ricoh Co., Ltd.

Promoting activities through company-shareholder-employee cooperation

● Ricoh and its shareholders

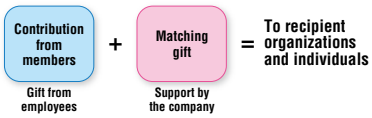
Ricoh's social contribution reserve system aims to provide a financial base for stable and ongoing social contribution activities. In accordance with this system, which was approved at the 1998 shareholders meeting, the Board of Directors approved a measure to allocate a portion of profits toward social contribution activities related to the two focus areas. Such activities include the Ichimura Nature School Kanto, the Ricoh Science Caravan, and the forest ecosystem conservation program.

■ Social contribution program linking Ricoh, its employees and its shareholders



● Ricoh and its employees

The social contribution club FreeWill is an employee-led endeavor formulated in January 1999. It aims to raise a sizable amount of money to fund social contribution activities by mobilizing the participation of large numbers of employees on an ongoing basis. FreeWill members contribute a percentage of their monthly salaries and bonuses to support nonprofit organizations and nongovernmental organizations seeking solutions to social issues across a wide range of fields. Ricoh matches the amounts raised and donates the money to organizations and individuals nominated by Ricoh Group employees.



In addition to these corporate programs, Ricoh Group companies and business sites are engaged in a variety of their own activities within their local communities.

The United States

Donna Venable
Senior Vice President
Human Resources
Ricoh Americas Corporation

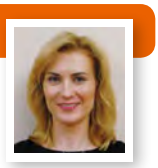
Undertaking voluntary activities in their own communities

Ricoh Americas Corporation (RAC) encourages its employees to participate in volunteer CSR activities within their local communities to demonstrate initiative and give back. These activities include environmental initiatives, working with underprivileged communities, as well as fund-raising campaigns which help develop an awareness of community needs and opportunities.

<Outline of activities>

Ricoh Americas employees in the US joined forces with the United Way, a global non-profit organization, to advance the common good and create opportunities for a better life. In 2010, the first national US-based Ricoh/IKON United Way campaign was launched, which raised over $1.1 million. In addition, 771 employees and their families and friends, gave back to their communities by volunteering over 2,300 hours during the United Way National Volunteer Day on October 23.

Europe



Patrycja Janczewska
CSR Coordinator
Corporate Social Responsibility
Ricoh Europe PLC

Undertaking various activities based on its own policy

As per the guidelines issued by Ricoh Europe B.V., European sales subsidiaries are engaged in a wide range of social contribution activities designed to meet the expectations of the respective communities in which they operate. At the same time, they take on additional, larger-scale challenges, including poverty, that extend beyond their national borders and they are also involved in social contribution activities outside Europe. For these programs, Ricoh Europe takes a leadership role and implements community-oriented projects in cooperation with sales subsidiaries in the concerned areas based on the "policies for social contribution outside operational territories," a principle largely formulated by the European headquarters.

Volunteer work at schools

<Outline of activities>

Ricoh Europe's policy on assistance projects that aim to tackle significant social challenges contains the following selection criteria: (1) the project will complement the core activities and/or core values of Ricoh Europe, and (2) the project will contribute to the education of young and/or underprivileged people and/or make a positive impact on the natural environment, and will involve the active participation of Ricoh employees (which can help enhance their commitment). Under the Ricoh Europe CSR Steering Committee, staff in charge from concerned companies in Europe meet and hold discussions to find the best ways of implementing their assistance projects.

China

Nobuo Takenaka
Chief of President Office
President Office
Ricoh China Co., Ltd.

Contributing to other companies and local communities through focusing on sustainable environmental management activities

Ricoh China Co., Ltd. (RCN) has been proactively undertaking environmental conservation activities in cooperation with its group companies, which are respectively engaged in design/development, production/procurement, marketing/service, and distribution. In particular, RCN is disseminating its know-how in regard to sustainable environmental management not only to the Group companies and suppliers, but also to its clients at the business fairs and seminars it organizes across China. To our great delight, these efforts have won the recognition and praise of society. We are committed to contributing to society in China, particularly to the country's effort to transform itself into a low carbon and "recycling-based" society. More specifically, our activities include: further enhancing environmental conservation activities especially in the marketing section, which has a direct and close relation with local communities; strengthening the staff training system in the aim of ensuring that all employees are fully aware of the importance of environmental conservation; and pursuing the establishment of a "recycling-based" business model through marketing recycled products.

RCN is a gold award recipient of the Harvard Business Review China "Management Action Award" (left), and was also chosen as one of the "Best Low-Carbon Enterprise in China" by the Economic Observer (right).

Asia-Pacific

Seetho-Lim
HR & Administration Manager
Corporate Finance & Admin
Ricoh Asia Pacific Pte Ltd.

Primary focus is to transfer sound values to young people, help the less fortunate and conserve the environment.

Under the strong leadership of Ricoh Asia Pacific management, employees of all sales subsidiaries have been actively engaging in activities in accordance with Ricoh Group's focus, on contributing and transferring sound values to young people, helping the less fortunate and conserving the environment. To date, every Ricoh company within Asia Pacific region has been undertaking various projects tailored to meet the needs and expectations of its local community.

Participating in a charity walk

Enhancing social contribution activities by sharing information about specific examples across the Group

Ricoh Group companies undertake activities that seek to meet the needs of the respective communities in which they operate. In doing so, they collaborate across sectors. For instance, a manufacturing plant might work together with a sales subsidiary based in the same area to respond to a request from the local community. Information about specific activities is communicated to every Group company through the CSR Best Practice "Hikarimono" Recognition and the Information-Sharing Scheme on CSR Activities, with the aim of enhancing the quality of social contribution activities by sharing expertise.

CSR Best Practice "Hikarimono" Recognition certificate

Continuously pouring its energies into passing on sound values to young people

To successfully address various issues concerning young people around the world the whole community needs to get onboard, including the corporate sector. Supporting the healthy development of children, who hold the future in their hands, is one of the most important tasks in realizing a sustainable society. Ricoh Group's programs for passing on sound values to young people place an emphasis on "willingness and responsibility" and "steady and ongoing activities." The contents and results of these programs are regularly reviewed in order to identify ways of enhancing their quality.

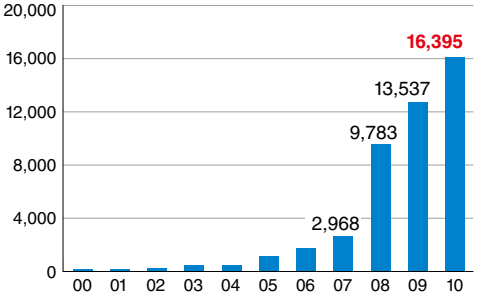
Discovering the wonder of science with the Ricoh Science Caravan <Ricoh Group/Japan>

The Ricoh Science Caravan is a hands-on program designed to help children develop an interest in science. At each Caravan event, employees from nearby Ricoh Group offices who enjoy interacting with children take charge of organizing activities on a voluntary basis.

"Pretend you are a copier" is a popular program that lets children learn about the six-step copying procedure (the mechanism by which an image is duplicated through the use of static electricity) through experiments.

As we receive more and more requests to run this program, the number of children who participate increases every year. In fiscal 2010, the program attracted 16,000 students, roughly five times as many as 2007, when the program was amended. Leveraging the Group's technologies, human resources, and expertise and working in cooperation with local communities, this program has evolved to become one of Ricoh's benchmark social contribution activities. Science Caravan on the Web reports on the activities throughout Japan and responds to children's questions in its "Q&A on the Mysteries of Copiers" section.

■ A participant in the Ricoh Science Caravan



Developing a zest for living from farm work and communal life <Ricoh Group/Japan>

The Ichimura Nature School was established in 2002 to commemorate the 100th anniversary of the birth of Ricoh's founder, Kiyoshi Ichimura. Based on the concept of "learning how to live from Mother Nature," the school offers a 18-stage program designed to help children develop three values—caring for nature, caring for others and cooperation—as well as the twin capacities for independent action and awareness of safety and danger. Under the programs, children of various ages spend every other weekend from March to November at the school, engaging in agricultural activities such as sowing seeds and harvesting a crop. In addition to the permanent staff members, Ricoh employees also serve as volunteer instructors at the school. All instructors follow a few basic principles designed to foster within the children a sense of independence, responsibility and cooperation: don't give them too many instructions, don't give them too many orders, don't try too hard to teach them something, and don't coddle them.

Ichimura Nature School has offered this program for 10 years, over which time approximately 500 children have taken part.

In May 2011, the Shonan Bellmare professional football team organized a program to give children from the disaster area an opportunity to enjoy the Golden Week holidays. Joining in with the intent of the program, Ichimura Nature School invited the members of a junior league football team from Iwaki in Fukushima Prefecture, along with their parents, to stay in the Nature School Kanto schoolhouse and enjoy meals made from vegetables harvested from the school field. The school's substantial eight-month program has received considerable attention, with both Ricoh shareholders and education experts having visited the school on inspection tours.

Promoting the sound development of children traumatized by war
<Ricoh Netherlands/The Netherlands>

Ricoh's sales subsidiary, Ricoh Netherlands B.V., has been working together with War Child, a global network of non-governmental organizations, since 2004. War Child aims to support children who have been traumatized by war, help them recover from the negative psychological effects and promote their sound development. In fiscal 2010, 250 Ricoh employees participated in activities organized by War Child and also donated 25 euros per person to the organization. War Child used these funds to cover the printing costs of its annual reports to be sent to supporters, while documentation services for the publication of the reports were donated by Ricoh. Ricoh's employees then volunteered to help send out the reports. Furthermore, the company has been engaged in a variety of activities based on proposals submitted by employees, including a clothing collection drive designed to encourage the broad participation of employees' families in support initiatives.

Sending out the report

Consolidating the efforts of employees and customers to support children suffering from heart disease
<Ricoh France/France>

French organization Mécénat Chirugie Cardiaque Enfant du Monde (MCC) provides support to disadvantaged children with heart malformations who cannot receive appropriate medical assistance in their own countries. Specifically, the special organization provides funding for those children to come to France and undergo surgery. Ricoh France S.A., a sales subsidiary, worked together with both its employees and customers to conduct projects to assist MCC. One of these projects was a fund-raising drive involving the Les Cyclistes du Cœur team that was conducted in parallel with the Tour de France bicycle race. They collected enough money to cover the costs of operations for five children. The French subsidiary also took over the administration of MCC's email newsletter, through which they solicited 70,000 euros in donations from 15,000 readers, which is enough to pay for operations for seven children. This is just one example of activities that are being steadily expanded beyond the company with the aim of gaining the support of customers.

At the Tour de France

Educational activities for young people, the future drivers of manufacturing and environmental conservation
<Ricoh UK Products/UK>

Every year around 15 students from six schools visit Ricoh UK Products Ltd. (RPL), a manufacturing subsidiary. During the tour, RPL staff introduce their products and explain the role of the manufacturing industry to the students, who have either expressed an interest in pursuing careers in manufacturing or are simply trying to gauge what kinds of jobs might be available in the future. The company also runs trainee programs for 15 to 16-year-old students and dispatches employees to primary, middle and vocational schools and colleges to provide students with on-site skills training. The curriculum for the training courses provided in fiscal 2010 focused on environmental management, with particular attention given to lean management*, sustainability, and resource security. Through such activities, RPL seeks to contribute to the sound development of children and young people, who will drive the future growth of the industry, by deepening the connections between business and education.

* A manufacturing practice that seeks to eliminate the wasteful use of resources

On a plant tour

Holding an open-entry art contest that nurtures young artists in cooperation with local communities
<Ricoh Italia/Italy>

Ricoh Italia S.p.A., a sales subsidiary, recently held its first "Ricoh Award for Young Artists." This event is designed to provide young artists with an opportunity to receive public recognition for their talents. The first contest, aimed at contributing to the discovery and development of young artists, received as many as 480 entries. The winner was chosen by a panel of distinguished judges from the art and business worlds, with the selected work being accepted into the Ricoh Art Collection. Artworks not selected were sold through auctions with the proceeds given to the artists or donated to charity funds. This event was organized in cooperation with the Youth Policies Department of the province of Milan, city museums, and the events agency Business Art. As this example indicates, Ricoh Italia's social contribution activities are designed to fit in well with Italian society, where the general public has a great love for the arts.

The judges and winner of the Ricoh Award for Young Artists

Environmental Conservation Activities

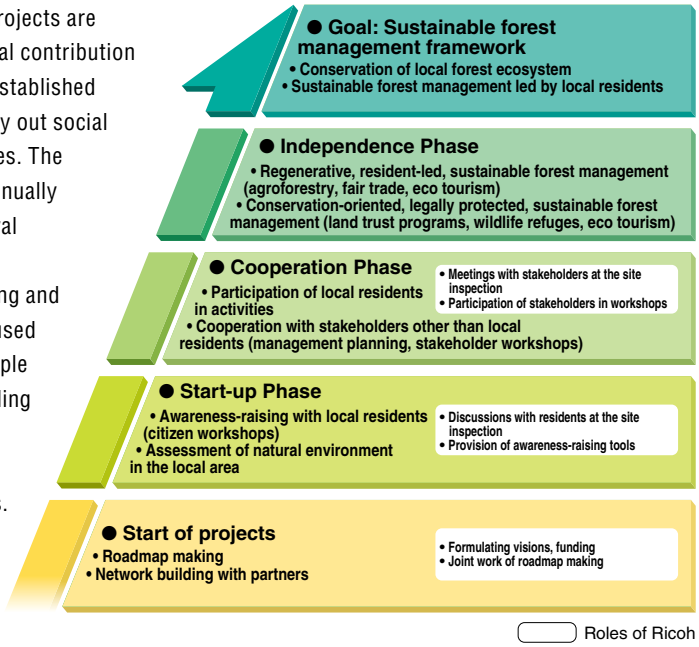
The Ricoh Group regards environmental conservation as an integral part of all its business activities and engages in environmental conservation based on its General Principles on the Environment, formulated in 1992. Efforts to conserve the environment, however, involve not only the important work of reducing environmental impact but also the maintenance and strengthening of the earth's ability to regenerate. In recognition of the essential foundation ecological services provide all of its corporate activities and, further, the importance of biodiversity in maintaining the viability of such services, the Ricoh Group has also devised a Biodiversity Policy. This policy commits us to reducing the impact of our groupwide business operations on biodiversity and contributing to biodiversity preservation while continuing our forest ecosystem conservation projects and other voluntary employee efforts.

Forest Ecosystem Conservation Projects

<Ricoh Co., Ltd./Global>

Various flora and fauna habitats exist, and unique ecosystems are maintained in forests, lakes and ponds, coral reefs, and oceans. If these ecosystems are damaged, the natural environment that is indispensable for maintaining the life of human beings will be harmed. Ricoh places priority particularly on forest ecosystems with rich biodiversity and has been promoting forest ecosystem conservation projects since fiscal 1999 in partnership with environmental NGOs and local communities. Unlike simple afforestation, the main aims of these activities are to protect the habitats of indigenous species and the life of residents, and to establish a system for sustainable forestry management. The projects are financed by the social contribution reserve that Ricoh established to continuously carry out social contribution activities. The reserve is funded annually based on the approval of Ricoh's general shareholders' meeting and the reserve fund is used for addressing multiple global issues, including global environment conservation and youth-related issues.

■ Steps to achieve the project goal



Supporting forest recovery projects

<Ricoh Co., Ltd./Japan>

Ricoh has been supporting the Afan Forest Project since November 2001 as one of its forest ecosystem conservation projects. The project, organized by the C.W. Nicol Afan Woodland Trust since its founding in 2002, aims to create forests in which a wide variety of species and humans can maintain harmonious relationships. The trust accordingly conducts ecological surveys and research and conservation activities in a roughly 100,000 square-meter forest in Kurohime, Nagano prefecture. Once degraded, forest ecosystems cannot easily recover—sometimes it requires hundreds of years if left to natural capacities only. It is therefore, important for us to help forests recover from their wounds. Envisioning the woodland 100 years from now, the project has been working to restore the ecosystem in the forest by selecting priority trees and facilitating the natural regeneration process. As a result, the variety and the population of forest inhabitants, including Glirulus japonicas (Japanese Dormouse) and other endangered species, have been increasing at a steady pace.

Our recent support activities include a visit to the Afan Forest on June 12, 2010. Early in the morning of a clear sunny day, 13 members of Ricoh's Corporate Environment Division hopped on the Nagano Shinkansen bullet train and arrived at the woodland. Under the instruction of trust staffers, the Ricoh employees created a 300-meter woodchip trail in the forest. This environmental volunteer activity provided the participating employees, who are responsible for promoting Ricoh's environmental activities, with first-hand experience to reaffirm the importance of biodiversity.

Some of the participants have participated in previous forest conservation activities, which made the work go much faster than expected.

Leveling out woodchips

Contributing to the achievement of the Millennium Development Goals

There are only few years left until 2015, the year targeted for the achievement of the United Nations Millennium Development Goals, one of which is to halve the proportion of people whose income is less than $1 a day. While a certain level of progress has been made in some areas, in others the situation has been worsening rather than improving. The Ricoh Group has been summoning its energies to contribute to achieving as many of the MDGs as possible and is engaged in a variety of related activities, in addition to its worldwide initiatives for passing on sound values to young people and promoting environmental conservation, as it seeks to fulfill its responsibilities as a global corporation.

Millennium Development Goals (MDGs)

Global goals adopted by the United Nation's Millennium Summit, calling for their achievement by 2015

1. Eradicate extreme poverty and hunger
2. Achieve universal primary education
3. Promote gender equality and empower women
4. Reduce child mortality
5. Improve maternal health
6. Combat HIV/AIDs, malaria, and other diseases
7. Ensure environmental sustainability
8. Develop a global partnership for development

* The pictograms above were designed by Hottokenai Sekai no Mazushisa (GCAP Japan)

Some 3,500 Group employees "stood up" to fight against world poverty

<Ricoh Group/Japan>

For three days from September 17 to 19, 2010, the Ricoh Group participated in "Stand Up and Take Action." This is a global action initiative joined by people all over the world to "stand up" and urge world political leaders to take aggressive action to fight against world poverty and achieve the Millennium Development Goals. In Japan, 18,240 people participated in the movement, sending a strong message to the world.

The Ricoh Group first joined the global movement in 2008 to promote employee awareness of the MDGs, a set of key global agenda, and show them how they can help solve contemporary problems by applying Ricoh's technological, human and other resources. In 2010, the number of participants from the seven Ricoh Group companies nearly doubled from the previous year to 3,518, the largest group from a single corporate participant (approx. 20% of the entire Japanese participants).

In cooperation with partners who share the same objectives, the Ricoh Group has been engaged in various activities to contribute to achieving the MDGs.

<Ricoh Americas Corporation/ The Americas>

Ricoh Americas Corporation (RAC), the regional headquarters for the Americas, has long been partnering with United Way, an NGO engaged in activities to help people from the three broad perspectives of education, income, and health. For example, RAC has been supporting United Way in its work to eradicate extreme poverty and hunger, specifically targeting the halving, between 1990 and 2015, the proportion of people whose income is less than $1 a day, one of the MDGs. In addition, the NGO is making efforts to contribute to meeting two other goals, namely, universal primary education and reducing child mortality. RAC conducts various activities to support United Way, including holding silent auctions, car washes, baked goods sales, casual clothes days, golf competitions, and others, drawing upon a pool of different ideas with the intention of encouraging participation by as many people as possible.

Fundraising carwash event

Giving the gift of life by establishing a safe blood transfusion system

<Ricoh Thailand/Thailand>

As the worldwide demand for transfusions of blood products grows, Thailand suffers increasingly from a chronic shortage of blood, which is needed during operations to treat cancer patients, traffic accidents victims, and others. Ricoh Thailand (RTH) Ltd., a sales subsidiary, has recognized this situation as a serious and urgent challenge for the nation and has established a safe system for donating blood to help secure a steady supply. Specifically, RTH conducted community-based PR activities to enhance public understanding of what blood donation involves. As a part of these efforts, the company established a partnership with the Thai Red Cross Society. Furthermore, RTH has also worked to secure related facilities and has instituted a regular blood drive every four months, calling upon employees of nearby companies and local residents to donate blood alongside RTH personnel. Through these kinds of activities, RTH's blood donation center has become well known in the surrounding area. We are very proud to note that RTH was presented with an award by Princess Soamsawali for its efforts.

Business Overview

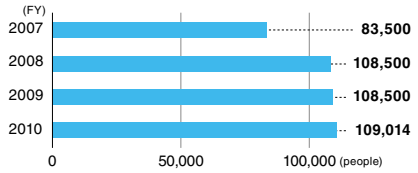
Ricoh Group Outline

Ricoh Co., Ltd., was established in Tokyo, Japan on February 6, 1936. The Ricoh Group consists of Ricoh Co., Ltd., 227 subsidiaries, and 7 affiliates,* with a combined total of approximately 109,000 employees worldwide. The Group offers imaging equipment products, such as digital copiers and printers, and other products as well as associated services and solutions in five regions around the world (Japan, the Americas, Europe, China, and the Asia-Pacific region).

* This definition of a subsidiary/affiliate follows the U.S. Generally Accepted Accounting Principles (U.S. GAAP), which differ slightly from the definition given in Japan's GAAP.

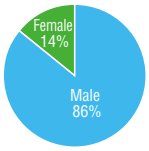
Ricoh Head Office
Ricoh Bldg., 8-13-1, Ginza, Chuo-ku, Tokyo
104-8222, Japan
Main number: +81-3-6278-2111
http://www.ricoh.com/

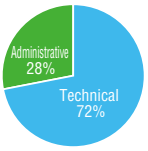
■ Number of employees of the Ricoh Group (global)



[Japan]

- Number of Employees (Ricoh Group): 40,072
- Average Yearly Salary (Ricoh): 7.30 million yen
- Average Age (Ricoh): 41.7
- Male to Female Ratio (Ricoh)
- Ratio of staff category (Ricoh)





[Outside of Japan]

- Number of Employees: 68,942
  (the Americas: 34,139, Europe: 17,350, China: 11,808, Asia-Pacific: 5,645)

■ Scope of the report (extract)

Japan

RICOH COMPANY, LTD.
TOHOKU RICOH CO., LTD.; RICOH ELEMEX CORPORATION; RICOH UNITECHNO CO., LTD.
HASAMA RICOH, INC.; RICOH MICROELECTRONICS CO., LTD.; RICOH KEIKI CO., LTD.
RICOH PRINTING SYSTEMS, LTD.; RICOH JAPAN CORPORATION
RICOH TECHNOSYSTEMS CO., LTD.; RICOH IT SOLUTIONS CO., LTD.
RICOH LEASING COMPANY, LTD.; RICOH LOGISTICS SYSTEM CO., LTD.
RICOH CREATIVE SERVICE COMPANY, LTD.

Americas

RICOH ELECTRONICS,INC.; RICOH AMERICAS CORPORATION; RICOH CANADA INC.
Ricoh Production Print Solutions LLC; IKON Office Solutions,Inc.

Europe

RICOH UK PRODUCTS LTD.; RICOH INDUSTRIE FRANCE S.A.S.; RICOH EUROPE HOLDINGS PLC
RICOH UK LTD.; RICOH DEUTSCHLAND GmbH; RICOH FRANCE S.A.S.; RICOH NEDERLAND B.V.
RICOH BELGIUM N.V.; RICOH ESPANA S.L.U.; RICOH ITALIA S.R.L.; RICOH SCHWEIZ AG
RICOH SVERIGE AB.

Others

RICOH ASIA INDUSTRY (SHENZHEN) LTD.; SHANGHAI RICOH DIGITAL EQUIPMENT CO.,LTD.
RICOH MANUFACTURING (THAILAND) LTD.; RICOH COMPONENTS & PRODUCTS (SHENZHEN) CO., LTD.
RICOH CHINA CO.,LTD.; RICOH HONG KONG LTD.; RICOH ASIA INDUSTRY LTD.
RICOH ASIA PACIFIC OPERATIONS LTD.; RICOH COMPONENTS ASIA (HONGKONG) CO.,LTD. RICOH ASIA PACIFIC PTE LTD.; RICOH (THAILAND) LIMITED; RICOH INDIA LIMITED
RICOH AUSTRALIA PTY,LTD.; RICOH NEW ZEALAND LTD.

■ Major product lines

Imaging & Solutions

● Imaging Solutions
Digital copiers, color copiers, printing machines, facsimiles, analog copiers, Diazo copiers, scanners, multifunctional printers (MFPs), printers, and related supplies and maintenance services, related software, and others

● Network System Solutions
Personal computers and servers, network devices, network-related software, applications, services and support, and others

Industrial Products

Thermal media, optical devices, semiconductors, PC unit products, measuring instruments, and others

Other

Digital cameras and others

Copiers, multifunctional copiers

Printers

Digital cameras

Ricoh Group Main Brands

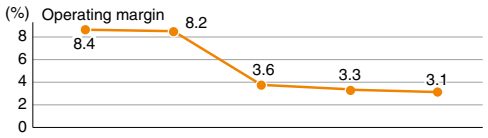
The Ricoh Group provides products and services under the brand names given on the right.

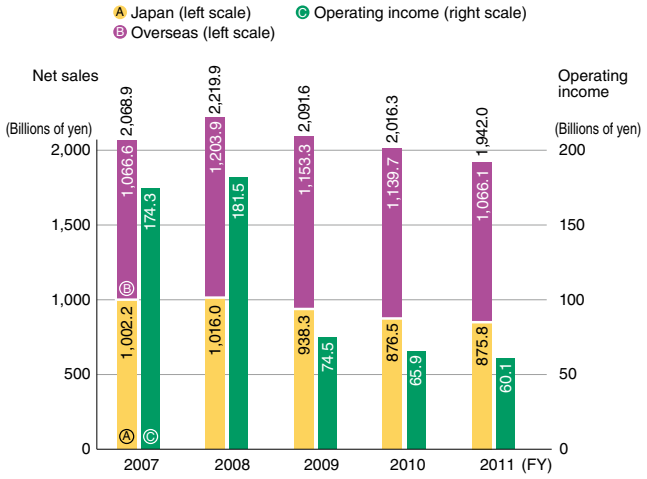
RICOH
savin
LANIER
nashuatec
Rex-Rotary
Gestetner
infotec
RICOH InfoPrint Solutions

Highlights of Fiscal 2010 (Ended on March 31, 2011) Results

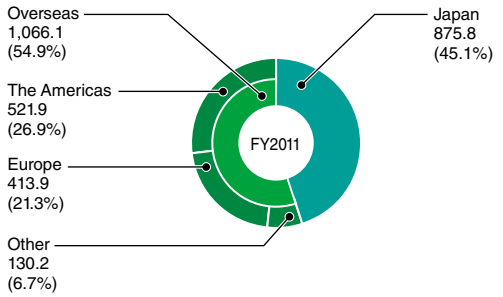
■ Net sales, operating income, and operating margin

As a result of the yen's rapid appreciation and the adverse effects and impact of the Great East Japan Earthquake, the Ricoh Group's overall sales decreased 3.7% from the previous year to 1,942 billion yen, although the business had been showing signs of a slow recovery. Sales in Japan decreased 0.1% to 875.8 billion yen, and overseas sales decreased by 6.5% to 1,066.1 billion yen. Operating income decreased 8.8% to 60.1 billion yen, as positive contributions, including cost reductions through group-wide structural reforms and continued efforts to reduce manufacturing costs, were not sufficient to offset weaker sales and the impact of the stronger yen.

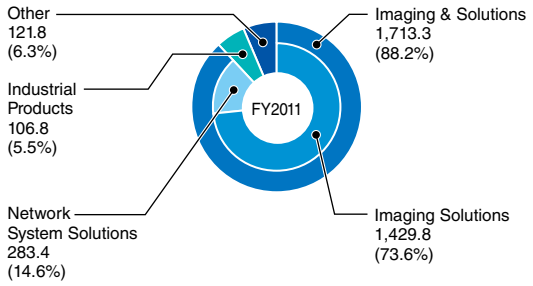




● Sales by area (billions of yen)

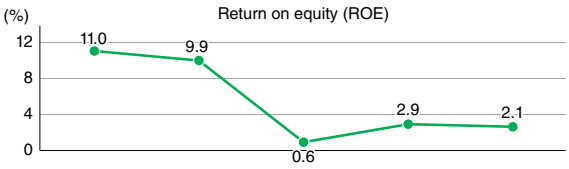


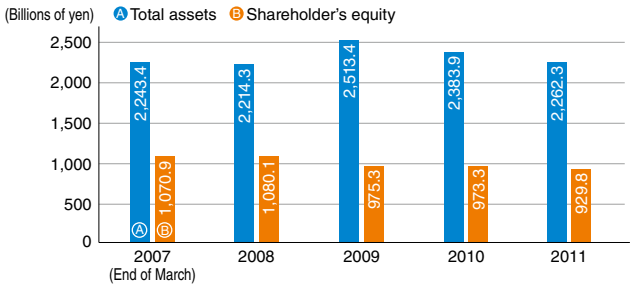
● Sales by category (billions of yen)



■ Total assets, shareholder's equity, and return on equity (ROE)

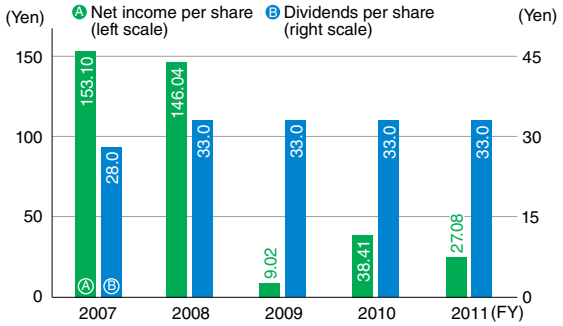
Total assets decreased by 121.5 billion yen from the previous year to 2,262.3 billion yen due to the decline in cash and cash equivalents from the repayment of interest-bearing liabilities and the reduction in value of foreign currency-denominated assets when translated into Japanese yen at the end of the fiscal term attributed to continued appreciation of the yen. Interest-bearing liabilities, especially those held abroad, were reduced by 54 billion yen to 630.4 billion yen. Shareholder's equity decreased by 43.4 billion yen to 929.8 billion yen. Return on equity declined to 2.1%, compared with 2.9% in the previous year.





■ Net income per share and dividends

Ricoh maintained its declared annual dividend of 33.0 yen per share at the same level as the previous year, which includes an interim dividend issued of 16.5 yen per share.



For details, please refer to the Annual Report 2011.

Major CSR Indicators and Our Performance

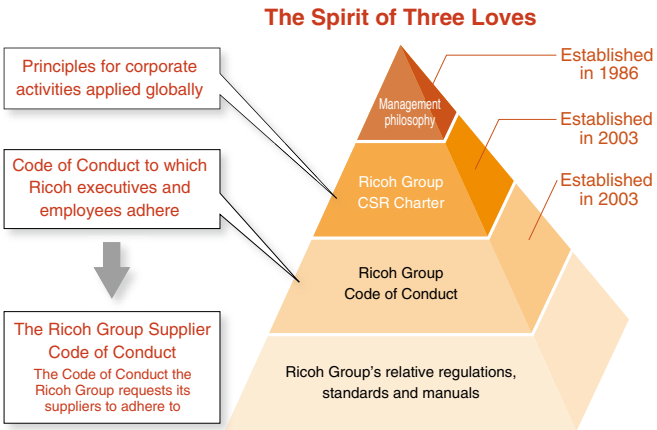
CSR Charter	Indicator	Scope of Survey	Performance Fiscal 2008	Performance Fiscal 2009	Performance Fiscal 2010	Items Relating to Major Initiatives*	Note
Integrity in Corporate Activities							
1	Ratio of outside directors	Ricoh Company, Ltd.	18%	18%	18%	GRI: Organizational Profile 4.3 ISO26000: 6.2	
2	Number of important notices issued	Ricoh Company, Ltd.	4	1	2	GRI: PR2 ISO26000: 6.7	Refer to Ricoh's website for details of two cases of product defects and safety precautions for 2010.
3	Cases of serious accidents involving consumer products	Japan and overseas	0	0	0	GRI: PR1, PR2 ISO26000: 6.7	Incidence of serious accidents involving consumer products, which jeopardize the life or physical health of consumers (which may result in death, serious injury, residual disorder, or cause carbon monoxide poisoning or fires, etc.)
4	Code of conduct e-learning program implementation rate	Ricoh Company, Ltd.	100%	100%	100%	GRI: HR3, SO3 GC: Principle 1-10 ISO26000: 6.3, 6.6, 6.7	
		Affiliates in Japan	100%	100%	100%		
5	Response rate for CSR self-assessments conducted by suppliers	Japan	—	98%	100%	GRI: HR2, SO2 GC: Principle 1-10 ISO26000: 6.3, 6.6, 6.7	Japan started self-assessments in 2009 and China in 2010.
		China	—	—	99%	GRI: HR2, SO2 GC: Principle 1-10 ISO26000: 6.3, 6.6, 6.7	
6	Number of ISMS-certified companies	Japan and overseas	98	98	85	GRI: PR8 ISO26000: 6.7	The number of companies dropped in 2010 due to business integration (41 companies in Japan, 44 companies overseas).
Environment Refer to the Sustainability Report (Environment) for the details on environment-related data.							
7	Amount of reused parts recovered from collected used products (tons)	Japan (target: 1,919 tons by fiscal 2010)	1,735 t	1,703 t	1,876 t	GRI: EN2 GC: Principles 7, 8; MDG 7 ISO26000: 6.5	
		Overseas (target: 6,000 tons by fiscal 2010)	4,898 t	6,934 t	7,672 t	GRI: EN2 GC: Principles 7, 8; MDG 7 ISO26000: 6.5	Refer to our Sustainability Report (Environment) 2011 for details on and boundaries for environmental data (items 6-15).
8	Amount of recycled parts recovered from collected products (sum of reused amount + recycled amount) (tons)	Overseas (target: 16,000 tons by fiscal 2010)	13,623 t	24,712 t	28,161 t	GRI: EN2 GC: Principles 7, 8; MDG 7 ISO26000: 6.5	
9	Copiers – Units collected	Japan and overseas	264,899	305,365	327,466	GRI: EN27 GC: Principles 7, 8; MDG 7 ISO26000: 6.5	Fiscal 2008 performance does not include the Americas, which experienced a computer systems failure. Fiscal 2010 performance does not include our performance in the Americas for latter half of the year due to a computer systems failure.
	Copiers – Percentage of recycling	Japan and overseas	98.7%	98.6%	98.9%	GRI: EN27 GC: Principles 7, 8; MDG 7 ISO26000: 6.5	
10	Toner cartridges – Amount collected (tons)	Japan and overseas	982.6 t	951.8 t	920.0 t	GRI: EN27 GC: Principles 7, 8; MDG 7 ISO26000: 6.5	
	Toner cartridges – Percentage of recycling	Japan and overseas	99.0%	99.5%	99.6%	GRI: EN27 GC: Principles 7, 8; MDG 7 ISO26000: 6.5	
11	Use of major energy across the Ricoh Group (heat units: TJ)	Manufacturing subsidiaries in Japan	2,203 TJ	2,058 TJ	2,252 TJ	GRI: EN3 GC: Principles 7, 8; MDG 7 ISO26000: 6.5	
		Overseas manufacturing subsidiaries	944 TJ	992 TJ	1,052 TJ	GRI: EN3 GC: Principles 7, 8; MDG 7 ISO26000: 6.5	
12	CO_2 emission in logistics (tons)	Ricoh Group companies in Japan	24,963 t	24,787 t	25,800 t	GRI: EN16 GC: Principles 7, 8; MDG 7 ISO26000: 6.5	
13	CO_2 emission reduction (%)	Manufacturing subsidiaries in Japan (target: 12% reduction compared to the fiscal 1990 level)	9.6% reduction	13.5% reduction	12.0% reduction	GRI: EN16 GC: Principles 7, 8; MDG 7 ISO26000: 6.5	
		Overseas manufacturing subsidiaries (target: 10% reduction compared to the fiscal 1998 level)	9.6% reduction	9.2% reduction	20.3% increase	GRI: EN16 GC: Principles 7, 8; MDG 7 ISO26000: 6.5	Performance of overseas manufacturing subsidiaries was obtained based on the same boundaries used for the 15th Environmental Action Plans. Their overall CO_2 emissions, including the growth categories, increased by 7.6%.
14	Ecosystem conservation projects to improve the planet's regenerative capacity	The Ricoh Group's target organizations (99)	—	99 organizations	99 organizations	GRI: EN14 GC: Principles 7, 8; MDG 7 ISO26000: 6.5	
15	Reduction in packaging material waste used for transporting parts for the manufacture of imaging products (reduction in the ratio of cardboard boxes used to the output)	Manufacturing subsidiaries in Japan (target: 30% reduction compared to the fiscal 2006)	8% reduction at Gotemba Plant 6% increase* at Tohoku Ricoh 20% increase* at Ricoh Elemex	24.4% reduction at Gotemba Plant 16.3% reduction at Tohoku Ricoh 26.9% reduction at Ricoh Elemex	31.3% reduction at Gotemba Plant 18.4% reduction at Tohoku Ricoh 2.1% reduction at Ricoh Elemex	GRI: EN22 GC: Principles 7, 8; MDG 7 ISO26000: 6.5	*Since the ratio of parts procured from China rose, the volume of packaging waste increased in 2008.
		Overseas manufacturing subsidiaries (target: 30% reduction compared to the fiscal 2007)	—	3.3% reduction at RIF 5.6% increase at RPL 20.3% reduction at REI	23.1% reduction at REI 14.1% reduction at RIF 20.26% increase at RPL	GRI: EN22 GC: Principles 7, 8; MDG 7 ISO26000: 6.5	

CSR Charter	Indicator	Scope of Survey		Performance Fiscal 2008	Performance Fiscal 2009	Performance Fiscal 2010	Items Relating to Major Initiatives*	Note
Respect for People								
16	**Number of regular employees**	Japan	Ricoh Company, Ltd.	11,673	12,173	12,187	GRI: Organizational Profile 2.8 GRI: LA1	*The following Ricoh Group companies were subjects of the survey, data from which was used for items 17-21 (the data covers 61% of the total number of Ricoh employees: 109,014). RICOH COMPANY, LTD. Overseas manufacturing subsidiaries: RICOH UK PRODUCTS LTD. (RPL), RICOH INDUSTRIE FRANCE S.A.S. (RIF), RICOH ELECTRONICS, INC (REI), RICOH ASIA INDUSTRY (SHENZHEN) LTD. (RAI), RICOH MANUFACTURING (THAILAND) LTD. (RMT) *RMT has been a subject of the survey since fiscal 2009 after its foundation in 2008. Overseas regional headquarters: RICOH EUROPE PLC (RE), RICOH AMERICAS CORPORATION (RAC), RICOH ASIA PACIFIC PTE LTD. (RA), RICOH CHINA CO., LTD. (RCN) Overseas sales subsidiaries: 21 companies in Europe and 9 companies in Asia
		Europe	Manufacturing subsidiaries	1,510	1,555	1,526		
			Regional headquarters and sales subsidiaries	9,585	12,080	15,690		
		Americas	Manufacturing subsidiaries	1,013	912	831		
			Regional headquarters	28,155	28,163	27,533		
		Asia Pacific	Manufacturing subsidiaries	—	250	477		
			Regional headquarters and sales subsidiaries	3,885	3,829	4,019		
		China	Manufacturing subsidiaries	3,817	3,682	3,650		
			Regional headquarters and sales subsidiaries	641	630	787		
17	**Annual working hours per regular employee**	Ricoh Company, Ltd.		1,968 hours	1,863 hours	1,998 hours	GC: Principle 4 ISO26000: 6.4	Including overtime work, etc.
		Overseas manufacturing subsidiaries		2,249 hours	2,137 hours	2,169 hours		RMT has been a subject of the survey since fiscal 2009. (only 3 years after its foundation)
		Overseas regional headquarters and sales subsidiaries		2,007 hours	1,996 hours	1,985 hours		
18	**Sex ratio (male: female)**	Ricoh Company, Ltd.		86 : 14	86 : 14	86 : 14	GRI: LA13 GC: Principle 6; MDG 3 ISO26000: 6.3, 6.4	
		Overseas manufacturing subsidiaries		46 : 54	46 : 54	45 : 55		
		Overseas regional headquarters and sales subsidiaries		69 : 31	68 : 32	69 : 31		
19	**Ratio of female workers in management positions**	Ricoh Company, Ltd.		1.0%	1.5%	1.9%	GRI: LA13 GC: Principle 6; MDG 3 ISO26000: 6.3, 6.4	Senior specialist or higher
		Overseas manufacturing subsidiaries		17.8%	19.5%	20.1%		Manager or higher
		Overseas regional headquarters and sales subsidiaries		25.5%	24.9%	25.2%		
20	**Ratio of female workers in executive management positions**	Ricoh Company, Ltd.		0.5%	0.5%	0.6%	GRI: LA13 GC: Principle 6; MDG 3 ISO26000: 6.2, 6.3, 6.4	Senior management or higher
		Overseas manufacturing subsidiaries		15.0%	13.6%	9.5%		Vice president or higher
		Overseas regional headquarters and sales subsidiaries		8.9%	10.4%	9.5%		
21	**Ratio of locally-hired presidents**	Ricoh Group companies overseas		—	—	73.7%	GRI: EC7; GC: Principle 6 ISO26000: 6.2, 6.3, 6.4	Out of the 38 companies which were the subjects of the survey, 28 non-Japanese presidents are at the helm. The survey does not cover the years before fiscal 2009 due to corporate mergers and for other reasons.
22	**Average years of service**	Ricoh Company, Ltd.	Male	18.1	17.8	17.8	GRI: LA12, LA13 GC: Principle 6; MDG 3 ISO26000: 6.3, 6.4	
			Female	15.7	15.9	16.4		
		Overseas manufacturing subsidiaries	Male	9.8	9.7	9.6		RMT has not been a subject of the survey. (only 3 years after its foundation)
			Female	8.5	8.2	7.6		
		Overseas regional headquarters and sales subsidiaries	Male	9.6	9.9	9.9		
			Female	6.6	7.1	7.4		
23	**Annual average hours of training per regular employee**	Ricoh Company, Ltd.		—	39.9 hours	39.9 hours	GRI: LA10 ISO26000: 6.4	Data for fiscal 2008 was not calculated.
		Overseas manufacturing subsidiaries		27.4 hours	29.5 hours	20.9 hours		RMT has been a subject of the survey since fiscal 2010.
		Overseas regional headquarters and sales subsidiaries		29.0 hours	30.6 hours	26.7 hours		
24	**Percentage of companies that have conducted human rights education**	Ricoh Company, Ltd.		100%	100%	100%	GRI: HR3 GC: Principle 1 ISO26000: 6.3	Educational sessions on the Code of Conduct and other training given separately to employees in different positions deal with human rights issues.
		Overseas manufacturing subsidiaries		80%	80%	80%		Percentage of companies that responded "Conducting human rights education"
		Overseas regional headquarters and sales subsidiaries		66%	67%	69%		Percentage of companies that responded "Conducting human rights education"
Harmony with Society								
25	**Amount of charitable donations**	Ricoh Company, Ltd.		164 million yen	127 million yen	133 million yen	GRI: EC1 MDG 1 ISO26000: 6.8	Based on the report submitted to Nippon Keidanren's One Percent Club (monetary donations, contributions of goods, loaning of facilities).
		European headquarters and sales subsidiaries		425 thousand euros	684 thousand euros	591 thousand euros		Aggregate achieved by regional headquarters, RE and 21 sales subsidiaries
		The Americas regional headquarters		—	—	1.11 million dollars		Achievement by regional headquarter, RAC
26	**Hours spent for social contribution activities**	Ricoh Company, Ltd.		27,900 hours	34,200 hours	40,300 hours	MDG 1 ISO26000: 6.8	Total hours spent by employees
		European headquarters and sales subsidiaries		6,700 hours	10,000 hours	10,500 hours		Aggregate achieved by regional headquarters, RE and 21 sales subsidiaries
		The Americas regional headquarters		—	—	2,300 hours		Achievement by regional headquarter, RAC
27	**Number of cases of donations to organizations engaged in social contribution through Ricoh's FreeWill club**	Ricoh Company, Ltd.		20	45	49	MDG 1 ISO26000: 6.8	
28	**Number of children who "graduated" from the Ichimura Nature School**	Ricoh Company, Ltd.		351	407	463	ISO26000: 6.8	
29	**Number of times Ricoh Science Caravan was held (number of children who participated in the program)**	Ricoh Company, Ltd.		19 times (9,783 children)	23 times (13,537 children)	29 times (16,395 children)	ISO26000: 6.8	Numbers indicate the number of times Ricoh Science Caravan took place and the number of participants in each fiscal year.
30	**Number of projects for assisting community development in developing countries**	Ricoh Company, Ltd.		8	9	8	MDG 8 ISO26000: 6.8	Forest Ecosystem Conservation Projects (8 projects in 2008, 8 projects in 2009, and 6 projects in 2010); assistance with the initiative to build schools in Nepal (2009); India BOP project (2010); India education project (2010)

*[Initiatives related to the indicators] GRI: Global Reporting Initiative GC: The UN Global Compact MDGs: The UN Millennium Development Goals ISO26000: International Standard for Social Responsibility

As a result of the self-assessment conducted in accordance with the GRI guidelines, it is confirmed that this report includes profile information, information on our management approach and details of more than 20 performance indicators. Accordingly, we declare that the GRI Application Level of this report is B.

Framework of Corporate Activities



■ The Ricoh Group Code of Conduct

The Ricoh Group Code of Conduct is intended to establish the basic standards to ensure that Officers and Employees of the company, when engaging in corporate activities to advance the Ricoh Group, shall act in accordance with social ethics and in full compliance with the law.

[Integrity in Corporate Activities]

1. Providing customer-centric products
2. Free competition and fair trading
3. Banning insider trading
4. Managing corporate secrets
5. Limits on entertainment and gifts
6. Doing business with public bodies and making political contributions
7. Strict control of exports and imports
8. Protection and use of intellectual properties
9. Participation in anti-social actions
10. Individual actions against the interests of the company
11. Protection of corporate assets

[Harmony with the Environment]

12. Respecting the global environment

[Respect for People]

13. Respect for human rights

[Harmony with Society]

14. Practical contributions to society
15. Harmonizing with society

* Only the items are listed. See our website for details.
http://www.ricoh.com/csr/index.html

[Ricoh Group CSR Charter]

To grow as a respected enterprise, the Ricoh Group must fully discharge its corporate social responsibilities (CSR) from a consistent global perspective and throughout every aspect of its operations. To ensure this, the following principles are to be observed, with the proper social awareness and understanding, compliant with both the letter and the spirit of national laws and the rules of international conduct.

● Integrity in Corporate Activities

1. Every company in the Ricoh Group will develop and provide useful products and services, with high quality, reliability and ease of use, while maintaining security of information and giving proper consideration to the environment.
2. Every company in the Ricoh Group will compete fairly, openly and freely, maintaining normal and healthy relationships with political institutions, government administration, citizens and organizations.
3. Every company in the Ricoh Group will take responsibility for managing and safeguarding its own information and that of its customers.

● Harmony with the Environment

4. Every company in the Ricoh Group will take responsibility, as a citizen of the world, working voluntarily and actively to preserve the environment.
5. Every company in the Ricoh Group, and all employees of each company, will seek to implement technological innovations that reflect environmental concerns and will participate in ongoing activities to preserve the environment.

● Respect for People

6. Every company in the Ricoh Group will, apart from corporate group activities, maintain a working environment that is safe and that makes it easier for its staff to perform their duties, respecting their richly individual characteristics and encouraging their autonomy and creativity.
7. Every company in the Ricoh Group will respect the rights of all those connected with it, and will seek to create a cheerful working environment, free of discrimination.
8. No company in the Ricoh Group will permit forced labor or child labor, and none will tolerate infringement of human rights.

● Harmony with Society

9. Every company in the Ricoh Group will, as a good corporate citizen, actively engage in activities that contribute to society.
10. Every company in the Ricoh Group will respect the culture and customs of its country or region, and will operate so as to contribute to their development.
11. Every company in the Ricoh Group will engage in the fullest possible communication with society, actively seeking to provide proper and unbiased disclosure of corporate information.

■ The Ricoh Group Supplier Code of Conduct

Devised in January 2006 to encourage the Ricoh Group's partner companies to observe action guidelines conforming to the Ricoh Group Code of Conduct.

* See our website for details.
http://www.ricoh.com/csr/index.html

Date of Signing	Titles of Initiatives	
April 2002	The UN Global Compact*	The UN Global Compact advocates ten principles in the areas of human rights, labour, the environment and anti-corruption. Ricoh is the second Japanese company that has signed up to the global initiative.
April 2008	Japan Business Initiative for Biodiversity (JBIB)	As an aggressive joint effort for the conservation of biological diversity, the private sector launched the Japan Business Initiative for Biodiversity (JBIB). Ricoh has participated in the initiative as one of the key players from the initial stages.
May 2008	Business and Biodiversity Initiative	Ricoh signed the Leadership Declaration on the Business and Biodiversity Initiative at the Ninth Meeting of the Conference of the Parties to the Convention on Biological Diversity (COP9), held in Germany. We are thereby committed to assessing and analyzing the impact of our business activities on biodiversity and to making efforts to conserve it.
November 2008	CEO Statement for the 60th Anniversary of the Universal Declaration of Human Rights	To show our public commitment to human rights, Ricoh signed a CEO Statement advocated by the United Nations on the occasion of the 60th anniversary of the Universal Declaration of Human Rights.
July 2009	Japan Climate Leaders' Partnership (Japan-CLP)	Ricoh announced its participation in the Japan Climate Leaders' Partnership (Japan-CLP) as one of the founding members.
December 2010	Cancun Communiqué on Climate Change	Ricoh announced its support for the Cancun Communiqué on Climate Change, which was proposed by the Corporate Leaders' Group on Climate Change (CLG), an organization developed by His Royal Highness The Prince of Wales and managed by the University of Cambridge.
February 2011	The Women's Empowerment Principles	Ricoh signed a CEO Statement of support for the Women's Empowerment Principles, collaboratively developed by UN Women and the UN Global Compact.

* The UN Global Compact (GC)

The UN Global Compact, launched in July 2000, proposes ten principles in the fields of human rights, labour, environment and anti-corruption. Ricoh joined the Compact in 2002 as one of the first Japanese companies to do so and has been serving as one of the directors on the Global Compact Japan Network since fiscal 2008.

The Ten Principles

[Human Rights]
- Businesses should support and respect the protection of internationally proclaimed human rights; and
- make sure that they are not complicit in human rights abuses.

[Labour]
- Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- the elimination of all forms of forced and compulsory labour;
- the effective abolition of child labour; and
- the elimination of discrimination in respect of employment and occupation.

[Environment]
- Businesses should support a precautionary approach to environmental challenges;
- undertake initiatives to promote greater environmental responsibility; and
- encourage the development and diffusion of environmentally friendly technologies.

[Anti-Corruption]
- Businesses should work against corruption in all its forms, including extortion and bribery.

Major Awards and Recognition

Date	Subject	Organizer	Remarks
November 2010	Nikkei Award for Best Companies Supporting Child-Rearing	Nikkei Inc.	Ricoh received an award in recognition of its outstanding child rearing support measures.
January 2011	The new Ricoh Technology Center building won the Third Kanagawa Barrier-free Urban Development Award.	Kanagawa Prefecture	Our new building was highly commended by the Kanagawa government for the building's color-universal and barrier-free design and received an award in the category of buildings (Hardware Division) designed to be easy to use for everyone.
February 2011	Won the Excellence Award at the 14th Environmental Communication Awards (Ministry of the Environment Award).	The Japanese Ministry of the Environment, and the Global Environmental Forum	Ricoh Group Sustainability Reports 2010 (Environmental Report, Corporate Social Responsibility Report, Annual Report, and RICOH 2010)
	Selected as one of the Global 100 Most Sustainable Corporations in the World for the 7th consecutive year.	Corporate Knights Inc.	Corporate Knights Inc. of Canada evaluated the sustainability of the businesses surveyed.
March 2011	Selected as one of the World's Most Ethical Companies for the third straight year.	Ethisphere Institute	Based on the results of numerous evaluation procedures, including comparisons with industry rivals.
	World's Most Admired Companies 2011 by Industry (Ricoh is ranked 8th)	FORTUNE Magazine	In the computer industry

Ricoh Stocks Included in Leading SRI Indices*

In Japan, Ricoh's stocks are included in many eco funds and SRI funds. Also, the Morningstar Socially Responsible Investment Index has included Ricoh since its establishment in 2003. In addition, Ricoh has been selected for inclusion in the FTSE4Good Global Index for eight years in a row. The index is published by FTSE Group, a joint venture between The Financial Times (U.K.) and the London Stock Exchange.

* As of May 1, 2011

Third Party Review

Peter D. Pedersen Chief Executive, E-Square Inc.

In November 2010, ISO 26000 was established as an international standard for social responsibility. For the Ricoh Group, this standard clarified the environmental and social agendas that need to be shared and tackled globally across the organization. In response, the Ricoh Group Sustainability Report 2011 takes a hybrid approach by integrating the conventional structure—comprised of sections on "CSR Management," "Integrity in Corporate Activities," "Harmony with the Environment," "Respect for People," and "Harmony with Society"—with elucidations on the relevance to the seven core subjects of ISO 26000.

Profile

Born in Denmark in 1967. Graduated from the University of Copenhagen in 1995 with a degree in cultural anthropology. Offers environmental management consulting services and coordinates international symposiums as a business consultant. Established E-Square Inc. in 2000 and assumed the post of Chief Executive. Capitalizing on his global perspective on CSR and his ability to facilitate the creation of corporate visions, he provides strategic consulting services to global companies. Major publications include *The Fifth Competitive Axis* (The Asahi Shimbun Company) and *LOHAS ni kurasu* ("LOHAS lifestyle") (Business-sha Co., Ltd.).

Positive findings of particular note

The following are two of the particularly notable positive findings regarding the Group's report and CSR activities.

● Concrete initiatives described in the feature article

The feature article, which discusses the Group's initiatives for education support and BOP in India as well as its measures to create a workplace environment that fully accommodates a diverse workforce, provoked great interest. Of note, the report elaborates on how the Group's employees are dispatched to rural farming villages in India to identify local needs and probe business ideas. Such examples of concrete initiatives help us understand the Group's determined practice of tackling issues head on.

● Further analysis of human rights protection

The protection of human rights is an issue that all businesses must treat with utmost seriousness, as signaled by the incorporation of the issue into each of the seven principles and seven core subjects of ISO 26000. With a view to further analyzing how human rights can be protected, Ricoh hosted a dialogue with leading experts in human rights and succeeded in enhancing the awareness of the Group's senior management. I look forward to seeing the Group actually integrate the outcome of this analysis stage into specific corporate activities.

Areas for further improvement

● Report on progress in management plan

Specific CSR activities and achievements under the 16th Mid-Term Management Plan are shown at a glance. A close reading of each item makes clear to the reader the earnest manner in which the Group tackles each issue. There still remains, however, a modicum of room for improvement in terms of presenting the targets and achievements in a form that is even easier to understand. The same applies to the presentation of the 16th Mid-Term Environmental Action Plan.

● Workforce reduction

In addition to the human rights initiative mentioned above, the report introduces a wide spectrum of activities aimed at fostering a global mindset and enhancing motivation among employees as well as creating a comfortable workplace environment. I was, however, somewhat disappointed about the lack of explanation on the planned workforce reduction announced at the end of June, which is expected to affect 10,000 employees across the Group. Such negative information must be provided in the same transparent way as positive information.

● Differentiation from website

In the message from President and CEO Shiro Kondo at the beginning of the report, he discusses the Group's provision of services that meet growing needs in the business community to minimize paper output so as to reduce environmental impact to the maximum extent possible. In line with this trend, with respect to a sustainability report, it will become important to make judgments about what information to provide on paper and what information to provide online. For example, when presenting a set of indices and achievements, a summary of the information can be given in a paper-based report, while detailed data can be posted on a website. This way, the number of paper pages can be reduced while searchability is enhanced to achieve more user-friendly communication tools.

A proposal for enhancing CSR management

With its abundant experience, the Ricoh Group has been a leader in Japanese corporate environmental management. In CSR management, the Group not only conducts compliance activities, among others, under the heading of "fundamental responsibilities to society," but also strives to promote activities it terms "voluntary responsibilities to society" by addressing social issues through innovation, with the aim of strengthening value-creating CSR from a long-term perspective. It would be advisable for the Group to present a roadmap and milestones based on this CSR management framework, outlining the direction in which it is aiming to progress.

Response to the Third Party Review

It is extremely encouraging for us to hear that our educational and BOP initiatives in India as well as our human rights dialogue are regarded as particularly notable positive findings. We intend to further reinforce these initiatives. With respect to "areas for further improvement," we understand the advice regarding the fundamental ways in which we should disclose information in the report, including the period and scope to be covered and the use of different media, and will work to make further improvements in the next report.

With regard to the specific point regarding the lack of explanation of our planned workforce reduction, while we could not provide the explanation in this report due to disclosure timing differences, we make a point of promptly disclosing information as appropriate through our news releases and will continue to strive to accurately communicate important information.

Mariko Azuma, General Manager, CSR Office

Please send all comments and inquiries regarding this report to:

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This report deploys principles of Universal Design
in consideration of people with various types of color vision.

THE GLOBAL COMPACT
WE SUPPORT

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact.**

We welcome feedback on its contents.