

# Creating Value



# To more effectively communicate its corporate policy and business activities, the Ricoh Group introduces an integrated financial, social and environmental report.

Based on the belief that economic, social, and environmental issues are inseparable, the Ricoh Group is committed to making contributions to the creation of a sustainable society.

To communicate its corporate stance and structure underpinned by this concept as well as the business activities undertaken towards the above end, the Group has annually published three reports—the Annual Report, Sustainability Report (Corporate Social Responsibility), and Sustainability Report (Environment)—each of which focuses on a different area. This time, however, we have integrated these reports in order to more effectively offer an overall picture of our policies and activities. The Ricoh Group Sustainability Report 2012, the first report created under the new policy, has also been designed to be more than just a report of the results of our activities. The new report includes a more detailed description of the underlying ideas, policies and strategies, aiming to help stakeholders deepen their understanding of and support for the Group's efforts.



## ■ Signing the UN Global Compact

Ricoh was amongst the first wave of Japanese companies to sign on to the United Nations (UN) Global Compact that was launched in 2000. Since 2008, the Company has been serving as one of the directors on the Global Compact Japan Network.



The Ten Principles of the UN Global Compact	
<b>Human Rights</b>	<ul style="list-style-type: none"> <li>• Businesses should support and respect the protection of internationally proclaimed human rights; and</li> <li>• make sure that they are not complicit in human rights abuses.</li> </ul>
<b>Labour</b>	<ul style="list-style-type: none"> <li>• Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</li> <li>• the elimination of all forms of forced and compulsory labour;</li> <li>• the effective abolition of child labour; and</li> <li>• the elimination of discrimination in respect of employment and occupation</li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>• Businesses should support a precautionary approach to environmental challenges;</li> <li>• undertake initiatives to promote greater environmental responsibility; and</li> <li>• encourage the development and diffusion of environmentally friendly technologies.</li> </ul>
<b>Anti-corruption</b>	<ul style="list-style-type: none"> <li>• Businesses should work against corruption in all its forms, including extortion and bribery</li> </ul>

## ■ Compilation based on the seven core subjects of ISO 26000

In compiling this report, the Ricoh Group reviewed and evaluated its major efforts made during the reporting period based on the seven core subjects of ISO 26000, the international standard for social responsibility (below). Under this editorial policy, this report has been organized in accordance with these seven themes, for each of which, specific topics and activities have been selected to meet the interest of various stakeholders.



## ■ Guidelines used for reference

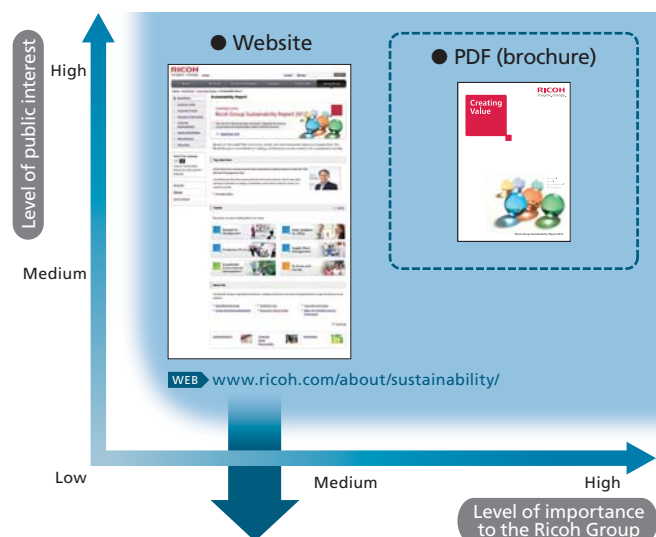
The following guidelines have been used for reference in compiling this report, particularly to ensure that the reporting items are appropriately selected and organized.

- GRI Sustainability Reporting Guidelines (G3.1)
- The Japanese Ministry of the Environment's Environmental Reporting Guidelines 2007
- United Nations Global Compact Communication on Progress Policy

## Policy for information provision

The Ricoh Group believes that adequate communication is essential to building and deepening mutual understanding between corporations and society. With this belief, we will work to provide relevant information in a timely and fair manner, aiming to expand understanding of the Group among the many people in society.

### ■ Publicity tools



### ■ Structure of sustainability-related webpages

<b>Corporate information</b> <b>[About Ricoh Group]</b> <a href="http://www.ricoh.com/about/">WEB www.ricoh.com/about/</a>
<b>[Investor Relations]</b> <a href="http://www.ricoh.com/IR/">WEB www.ricoh.com/IR/</a>
<b>[CSR management]</b> <a href="http://www.ricoh.com/csr/">WEB www.ricoh.com/csr/</a>
<b>[Environmental management]</b> <a href="http://www.ricoh.com/environment/">WEB www.ricoh.com/environment/</a>

### ■ Target readers

Current and future stakeholders of the Ricoh Group

### ■ Scope of reporting

Ricoh Co., Ltd. and its consolidated subsidiaries

### ■ Reporting period

This report covers the year ended March 2012 (from April 1, 2011 to March 31, 2012). However, some activities from the year ending March 2013 are included.

### ■ Important organizational changes made during the reporting period

- On April 1, 2011, Ricoh Production Print Solutions LLC was established, the result of integrating InfoPrint Solutions Company and Ricoh's Production Printing division, with the aim of strengthening the production printing business.
- On October 1, 2011, PENTAX Ricoh Imaging Company Ltd. was established following Ricoh's acquisition of PENTAX Imaging Systems Business from HOYA Corporation. The new company aims to offer an enhanced product/service lineup by combining the strength of the acquired business and Ricoh's digital camera business.

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### ● Forward-looking statements

The plans, prospects, strategies and other statements, except for the historical events, mentioned in this material are forward-looking statements with respect to future events and business results. Those statements were made based on the judgment of Ricoh Directors from the information that is now obtainable. Actual results may differ materially from those projected or implied in such forward-looking statements and from any historical trends. Please refrain from judging only from these forward-looking statements with respect to future events and business results. The following important factors, without limiting the generality of the foregoing, could affect future results and could cause those results to differ materially from those expressed in the forward-looking statements:

- General economic conditions and business trend
- Exchange rates and their fluctuations
- Rapid technological innovation
- Uncertainty as to Ricoh's ability to continue to design, develop, produce and market products and services that achieve market acceptance in hot competitive market

### Risk factors [WEB www.ricoh.com/IR/risk.html](http://www.ricoh.com/IR/risk.html)

No company's name and/or organization's name used, quoted and/or referenced in this material shall be interpreted as a recommendation and/or endorsement by Ricoh.

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

### ● Exchange rates referred to in this report

The translation of Japanese yen amounts into U.S. dollar equivalents as of and for the year ended March 31, 2012 is included solely for the convenience of readers outside Japan and has been made using the exchange rate of ¥79 to US\$1, the approximate rate of exchange prevailing at the Federal Reserve Board on March 31, 2012.

## To Our Stakeholders and Customers

Since its foundation in 1936, the Ricoh Group has consistently endeavored to develop and provide innovation-driven products and services mainly in offering printing and document management solutions to an increasing number of customers.

To facilitate this commitment and growth, the Group has established The RICOH Way, a set of guiding principles and values that inform customers of its business activities, aiming to earn even greater trust and confidence from its customers as a reliable partner for productivity improvement and knowledge management. At the same time, we are working to make social and environmental contributions to sustainable development of society.

With globalization expanding and deepening in recent years, issues facing society are becoming increasingly complicated and diversified. In tandem with this social change come consistently increasing changes in the business environment. In this situation, corporations are expected to make meaningful contributions to overcoming multiple social issues while also seeking to create economic value. We believe these corporate efforts will drive innovation, thereby creating additional value.

With this view, the Group has launched the 17th Mid-Term Management Plan (17th MTP) that defines “business creation and integration” and “establishment of highly efficient management” as its two basic strategies. The three-year management plan is designed to enhance operational efficiency across the board to develop a robust corporate structure. At the same time, we are strengthening and expanding our core businesses while developing new business projects, thereby increasing the corporate value of the Group.

The year 2011 saw Japanese and global economies continuously plagued by a series of adverse factors, including the Great East Japan Earthquake, the Thai flooding, Europe’s debt crisis and fluctuating exchange rates. The resulting severe business environment, combined with expenses accrued for impairment of long-lived assets, as well as our structural reform efforts to achieve greater efficiency, forced the Ricoh Group to post an unavoidable net loss, its first on a consolidated basis, for the fiscal year ended March 2012. Notwithstanding this result, we are pressing ahead with structural reform initiatives to develop new business structures and processes to create new customer value, and we are seeing encouraging improvement in efficiency as we head back onto the track of recovery and expansion.

As part of the above efforts, in April 2012 the Ricoh Group introduced a new global brand tagline “imagine. change.” to express the concept that collective imagination can pave the way for change into the future.

With this new corporate message, the Group will continue its concerted efforts to drive innovation to a broader extent than customers’ expectations, aiming to remain their most valued and trusted business partner.

September 2012



**Masamitsu Sakurai**  
Chairman

**Shiro Kondo**  
President and Chief Executive Officer



## About the Ricoh Group

### We deliver “Ricoh value” to customers around the world

In about 200 countries and regions in which it operates, the Ricoh Group delivers RICOH Brand Benefits, its brand-defining benefits that include: “Harmonize with the environment,” “Simplify your life and work” and “Support knowledge management.”

Our specialties range from products designed to improve the interaction between people and information, including office imaging equipment, production printing solutions and supplies; industrial products, including thermal-based media, and FA cameras; to other office support businesses such as Managed Document Services (MDS) and IT solutions.

Through our products and services, the Ricoh Group is known for the quality of its technology, the exceptional standard of its customer service, and sustainability initiatives.

#### Sales and support

Our five regional headquarters develop sales and support strategies that effectively meet the local needs of respective areas, ensuring the balance between worldwide reach and local expansion.

#### Production

Ricoh bases its global manufacturing and supply chain system on two key concepts. One is to site plants where the overriding considerations are efficiency and quality. The other is to manufacture where the prime requirement is to accommodate the demands of local customers more swiftly.

[See page 59](#)

#### Research and development

We built a global research and development structure that harnesses outstanding talent and technical assets to innovate leading-edge technologies for worldwide customers. We draw on local capabilities in R&D collaboration and swiftly reflect customer requirements in our products and services.

[See page 37](#)



**1,903.4** billion yen  
FY 2012  
Consolidated net sales

Approx. **200**  
countries and regions  
worldwide  
Marketing areas

Global No. **1\***  
A3 MFP Share (including  
single function copiers)  
In 2011, in terms of shipments  
MFP (A3) share

**109,241** people  
As of March 31, 2012  
Total number of  
employees

**-87.5%**  
Total lifecycle CO<sub>2</sub> emissions  
from the 2000 level  
Environmental impact  
reduction target for 2050

**39,254** patents  
As of March 31, 2012  
Number of patents  
acquired worldwide

\* Source: IDC's Worldwide  
Quarterly Hardcopy Peripherals  
Tracker 2012 Q2

## Commitment to Society

Through signing and participating in international statements and guidelines, the Ricoh Group is fully committed to achieving a sustainable society.

April 2002	Became the second Japanese company to sign the UN Global Compact
June 2007	Signed the Caring for Climate: the Business Leadership Platform of the UN Global Compact
May 2008	Signed the Japan Business Initiative for Biodiversity
December 2008	Signed the CEO Statement for the 60th Anniversary of the Universal Declaration of Human Rights by the UN
July 2009	Participated in the Japan Climate Leaders' Partnership as a founding member
December 2010	Announced its support for the Cancun Communiqué on Climate Change
February 2011	Signed a statement of support for the Women's Empowerment Principles by the UN Global Compact

For more details [WEB www.ricoh.com/csr/data/](http://www.ricoh.com/csr/data/)

## Major Awards and Recognition

The many Japanese and international awards and accompanying recognition that the Ricoh Group has received represent the excellence of our products and business operations.

October 2011	Received the Award of Director-General of the Industrial Science And Technology Policy and Environment Bureau, Ministry of Economy, Trade and Industry for its dry washing technology that removes residue without solvents or water
November 2011	GR DIGITAL camera series received the Good Design Long Life Design Award
January 2012	Selected by oekom research AG as the world's best performing business for sustainability performance in the IT industry
January 2012	IDC named Ricoh as a Leader in its Worldwide Managed Print Services 2011 Hardcopy Vendor Analysis
January 2012	RICOH Pro C901/C901S received the Chairman's Prize of ECCJ in the Energy Conservation Grand Prize for excellent energy conservation equipment
January 2012	Received the Excellence Award in the 15th Environmental Report Award in Japan
January 2012	Selected as one of the Global 100 Most Sustainable Corporations in the World for the eighth consecutive year (by Corporate Knights, Inc., Canada)
March 2012	Selected as one of the World's Most Ethical Companies for the fourth straight year (by Ethisphere Institute, an American think tank)
July 2012	Ranked among Fortune Global 500 companies (461st place)
August 2012	Recognized by global consulting firm Deloitte as one of the top six global organizations ready for a "green and inclusive economy"
October 2012	Ricoh's reconstruction support activities in the wake of the Great East Japan Earthquake received the His Imperial Highness Prince Tomohito of Mikasa Prize under the International Association for Universal Design Award

For more details [WEB www.ricoh.com/news/](http://www.ricoh.com/news/)



[WEB www.oekom-research.com/index\\_en.php](http://www.oekom-research.com/index_en.php)



FTSE4Good

[WEB www.ftse.com/ftse4good/index.jsp](http://www.ftse.com/ftse4good/index.jsp)



[WEB www.morningstar.co.jp/sri/](http://www.morningstar.co.jp/sri/)

## Sponsorships to Develop Future Leaders

For more information about sponsorship [See page 88](#)

The Ricoh Group has been a leading sponsor of a student technology competition that discovers and nurtures young talent who will lead intellectual advancement of society in the future.



Host of the RICOH & Java™ Developer Challenge 2011 in Japan



Major sponsor of the Intel ISEF (International Science & Engineering Fair) in the United States

[WEB www.ricoh.com/environment/communication/stakeholders/05\\_01.html](http://www.ricoh.com/environment/communication/stakeholders/05_01.html)

## Business Areas

The Ricoh Group operates in its core business areas of Imaging and Solutions, Industrial Products, and Others to provide products and services that are designed to deliver value to its customers worldwide. The Group is known for the quality of its technology, the exceptional standard of its customer service and its sustainability initiatives.

### Imaging and Solutions

To provide effective solutions to various document-related challenges in the office, the Ricoh Group offers a wide range of hardware products in combination with related support and services. The former group—equipment designed to improve customers' productivity—includes multifunctional printers (MFPs), desktop printers and other office imaging equipment, as well as production printers. The latter group includes software, consumables, and a wide variety of services such as managing services for information technology environments, maintenance services, and user support.

#### ● MFPs

##### MP C5002



Medium- and high-speed MFPs help enhance the operational efficiency of customers. By featuring new Ricoh technologies that ensure fast startups and low-temperature fusing, they deliver high productivity while conserving energy.

#### ● Laser Printers

##### SP C241



Despite its small footprint, this compact laser printer boasts high productivity, delivering 20 color and monochrome pages per minute. This model's outstanding usability and functions that allow energy conservation and cost reduction will enhance the efficiency of document work in diverse office types.

#### ● Projectors

##### PJ WX4130N

This ultra-short-throw projector incorporates Ricoh's proprietary free-form mirror and can deliver 48-inch coverage from as near as 4.6 inches to a screen. This model is also highly portable, weighing around 3.0 kg, and can be set up in the tightest locations.



#### ● Software

##### TAMAGO Presenter

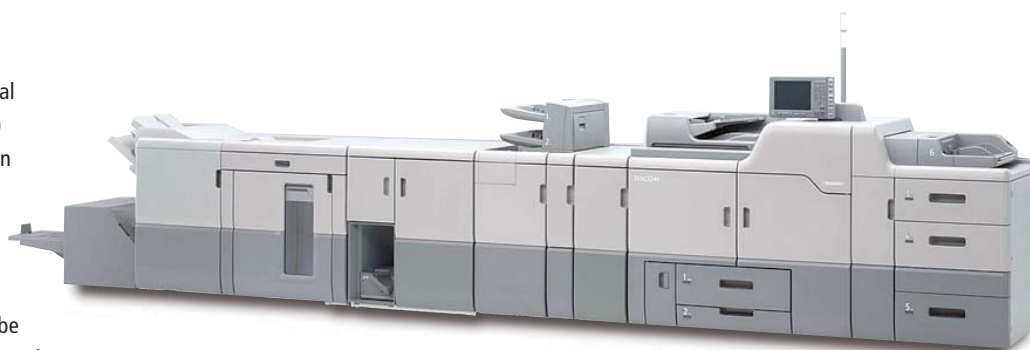
This tablet application for paperless meetings and presentations was born from our efforts to develop a truly useful application by listening to customers and incorporating their feedback into our development processes.



#### ● Production Printing

##### Pro C751EX

Featuring Ricoh's revolutionary Vertical Cavity Surface Emitting Laser (VCSEL) technology, this production printer can meet customer demands for excellent image quality. It can also accommodate paper of various types and thickness, and a spectrum of optional functions can be combined to optimally support automated office document operation.





## Industrial Products

We manufacture and market thermal media, as well as semiconductors, electrical components, and FA cameras.

### ● Electronic Devices



Developing and marketing image processors, power management ICs, communications ICs, and other devices that deliver advanced features and conserve power for customers' systems, we help customers improve the performance and energy efficiency of their information technology systems.

### ● Embedded Components

#### FB19M



FB19M, a micro-ATX motherboard with distinctive reliability, will support our customers to stably supply products, thereby boosting their competitive edge.

### ● Rewritable Hybrid Media

#### RECO-View RF Tag series

This series, integrating Ricoh's proprietary thermal rewritable technology and radio frequency identification (RFID) tags, is ideal for parts management, purchasing logistics, and numerous other occasions where information presented is required to be instantly checked against the corresponding physical materials or products.



### ● FA Security Cameras & Lens

We offer high-quality factory automation (FA) cameras and lenses to help customers' production lines achieve even higher efficiency and reliability, as well as surveillance camera lenses and other security-related products.



## Other

We are engaged in manufacturing and marketing digital cameras as well as offering services such as logistics and leasing.

### ● Digital Cameras & Lens

With Ricoh's and PENTAX's camera businesses integrated into a single unit, we have beefed up the capability of accommodating the diverse needs of customers. Our consumer line-up ranges from medium format cameras through single-lens reflex cameras, mirrorless cameras and compact digital cameras to a variety of distinct high performance lenses.

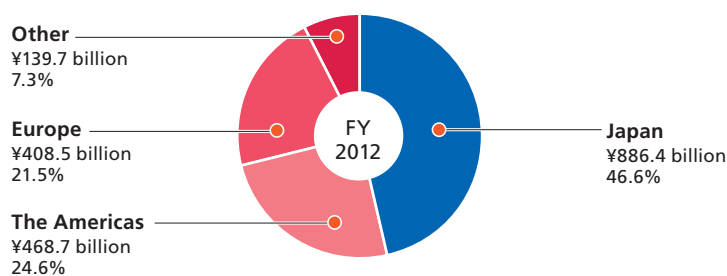


## Highlights of FY 2012 Results

Net sales	Consolidated net sales declined 2.0% from the previous year to 1,903.4 billion yen. Domestic net sales saw a 1.2% increase and overseas net sales posted a 4.5% decline.	 <p>(FY) 0 500 1,000 1,500 2,000 2,500 (Billions of yen)</p> <table><thead><tr><th>FY</th><th>Japan (A)</th><th>Overseas (B)</th><th>Total</th></tr></thead><tbody><tr><td>2008</td><td>-</td><td>-</td><td>2,219.9</td></tr><tr><td>2009</td><td>-</td><td>-</td><td>2,091.6</td></tr><tr><td>2010</td><td>-</td><td>-</td><td>2,015.8</td></tr><tr><td>2011</td><td>-</td><td>-</td><td>1,941.3</td></tr><tr><td>2012</td><td>886.4</td><td>1,017.0</td><td>1,903.4</td></tr></tbody></table>	FY	Japan (A)	Overseas (B)	Total	2008	-	-	2,219.9	2009	-	-	2,091.6	2010	-	-	2,015.8	2011	-	-	1,941.3	2012	886.4	1,017.0	1,903.4
FY	Japan (A)	Overseas (B)	Total																							
2008	-	-	2,219.9																							
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2011	-	-	1,941.3																							
2012	886.4	1,017.0	1,903.4																							
Operating margin/ Operating income	Reflecting decreased income due to the effects of currency rate changes and other causes and increased expenses incurred for structural reforms and other initiatives, operating loss was 18 billion yen while operating margin decreased by 3.9% points to negative 0.9%.	 <p>(%)</p> <table><thead><tr><th>FY</th><th>Operating margin (%)</th></tr></thead><tbody><tr><td>2008</td><td>8.2</td></tr><tr><td>2009</td><td>3.6</td></tr><tr><td>2010</td><td>3.3</td></tr><tr><td>2011</td><td>3.0</td></tr><tr><td>2012</td><td>-0.9</td></tr></tbody></table>  <p>(Billions of yen)</p> <table><thead><tr><th>FY</th><th>Operating income (Billions of yen)</th></tr></thead><tbody><tr><td>2008</td><td>181.5</td></tr><tr><td>2009</td><td>74.5</td></tr><tr><td>2010</td><td>65.9</td></tr><tr><td>2011</td><td>58.0</td></tr><tr><td>2012</td><td>-18.0</td></tr></tbody></table> <p>(FY) 0 50 100 150 200</p>	FY	Operating margin (%)	2008	8.2	2009	3.6	2010	3.3	2011	3.0	2012	-0.9	FY	Operating income (Billions of yen)	2008	181.5	2009	74.5	2010	65.9	2011	58.0	2012	-18.0
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Return on equity (ROE)	ROE recorded a 7.1% point decrease to negative 5.1%.	 <p>(%)</p> <table><thead><tr><th>FY</th><th>ROE (%)</th></tr></thead><tbody><tr><td>2008</td><td>9.9</td></tr><tr><td>2009</td><td>0.6</td></tr><tr><td>2010</td><td>2.8</td></tr><tr><td>2011</td><td>2.0</td></tr><tr><td>2012</td><td>-5.1</td></tr></tbody></table> <p>(FY) 2008 2009 2010 2011 2012</p>	FY	ROE (%)	2008	9.9	2009	0.6	2010	2.8	2011	2.0	2012	-5.1												
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2008	9.9																									
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Net income per share	Net income per share posted a decline of 87.1 yen to negative 61.42 yen, compared to 25.68 yen in the previous year.	 <p>(Yen)</p> <table><thead><tr><th>FY</th><th>Net income per share (Yen)</th></tr></thead><tbody><tr><td>2008</td><td>146.04</td></tr><tr><td>2009</td><td>9.02</td></tr><tr><td>2010</td><td>37.27</td></tr><tr><td>2011</td><td>25.68</td></tr><tr><td>2012</td><td>-61.42</td></tr></tbody></table> <p>(FY) -100 -50 0 50 100 150</p>	FY	Net income per share (Yen)	2008	146.04	2009	9.02	2010	37.27	2011	25.68	2012	-61.42												
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Free cash flow	Free cash flow, generated by operating activities and investment activities, was negative 101.2 billion yen, a decrease of 137.9 billion compared to the previous year.	 <p>(Billions of yen)</p> <table><thead><tr><th>FY</th><th>Free cash flow (Billions of yen)</th></tr></thead><tbody><tr><td>2008</td><td>-3.9</td></tr><tr><td>2009</td><td>-195.6</td></tr><tr><td>2010</td><td>97.7</td></tr><tr><td>2011</td><td>36.7</td></tr><tr><td>2012</td><td>-101.2</td></tr></tbody></table> <p>(FY) -200 -150 -100 -50 0 50 100 150</p>	FY	Free cash flow (Billions of yen)	2008	-3.9	2009	-195.6	2010	97.7	2011	36.7	2012	-101.2												
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For more details See page 89

### ■ Sales by Geographic Area



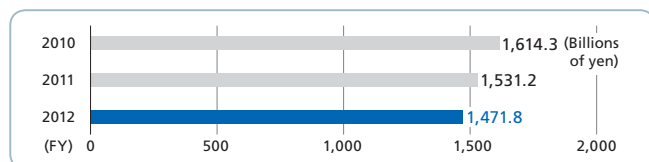
## Sales by Product Category

## Imaging &amp; Solutions

## ● Imaging Solutions

[Net sales] **¥1,471.8 billion**

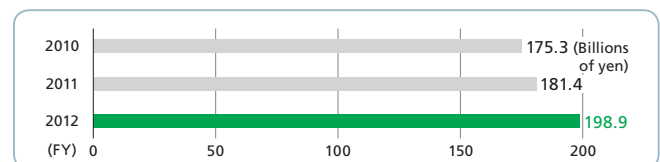
Net sales decreased 3.9% from the previous fiscal year to 1,471.8 billion yen, primarily due to a decline in sales of monochrome MFPs and to currency rate changes, which more than offset sales growth of color MFPs and color production printers.



## ● Network System Solutions

[Net sales] **¥198.9 billion**

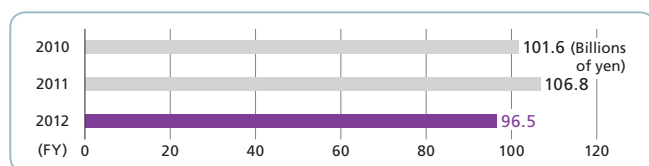
Net sales increased 9.7% to 198.9 billion yen, mainly attributable to the growth of software and IT services, particularly in European markets.



## Industrial Products

[Net sales] **¥96.5 billion**

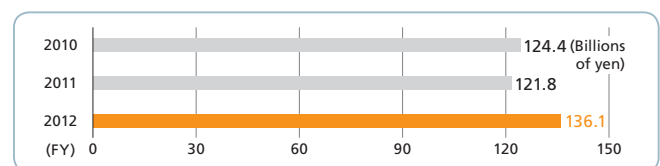
Net sales declined 9.6 % to 96.5 billion yen, reflecting decreased sales of the semiconductor and thermal media businesses.



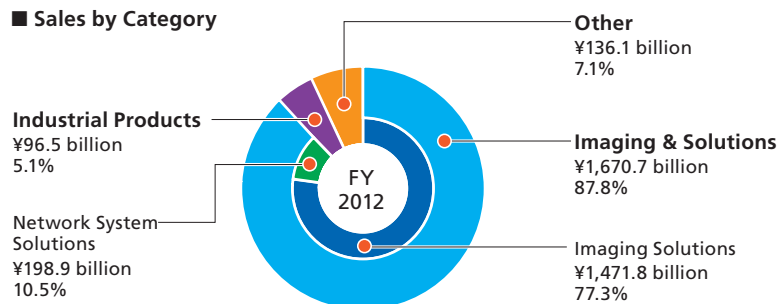
## Other

[Net sales] **¥136.1 billion**

Net sales of this category grew 11.7% to 136.1 billion yen, due primarily to the acquisition of the PENTAX imaging systems business.



## ■ Sales by Category



# Achieving further business growth and development of sustainable society under the 17th MTP

Under the 17th Mid-Term Management Plan (17th MTP) launched in April 2011, the Ricoh Group is endeavoring to “strive for a global brand, create a future with new innovation and achieve ‘growth’ and ‘restructuring’ simultaneously.” By effectively responding to drastic changes in our business environment due to various factors, including massive natural disasters and global economic crises, we will develop innovation-driven products and services that can deliver new value, aiming to contribute to creating a sustainable society while working to achieve our business growth.

## Toward a sustainable society

### Values we advocate in “The RICOH Way”

In 1936, the first Ricoh Group company, Riken Kankoshi Co., Ltd., was born. After more than 70 years of business development, that company has now become a global enterprise with annual sales of 2 trillion yen. The spiritual foundation of our corporate activities during these years has always been our Founding Principles, “The Spirit of Three Loves,” advocated by our founder, Kiyoshi Ichimura. In addition, we follow the Management Philosophy, statements laid down based on the ideas of the Founding Principles, to develop products and services that offer new value to our customers. Based on these ideals, we have been able to develop strong trust with our customers as well as with society.

Also read “History of the Ricoh Group.” See page 85

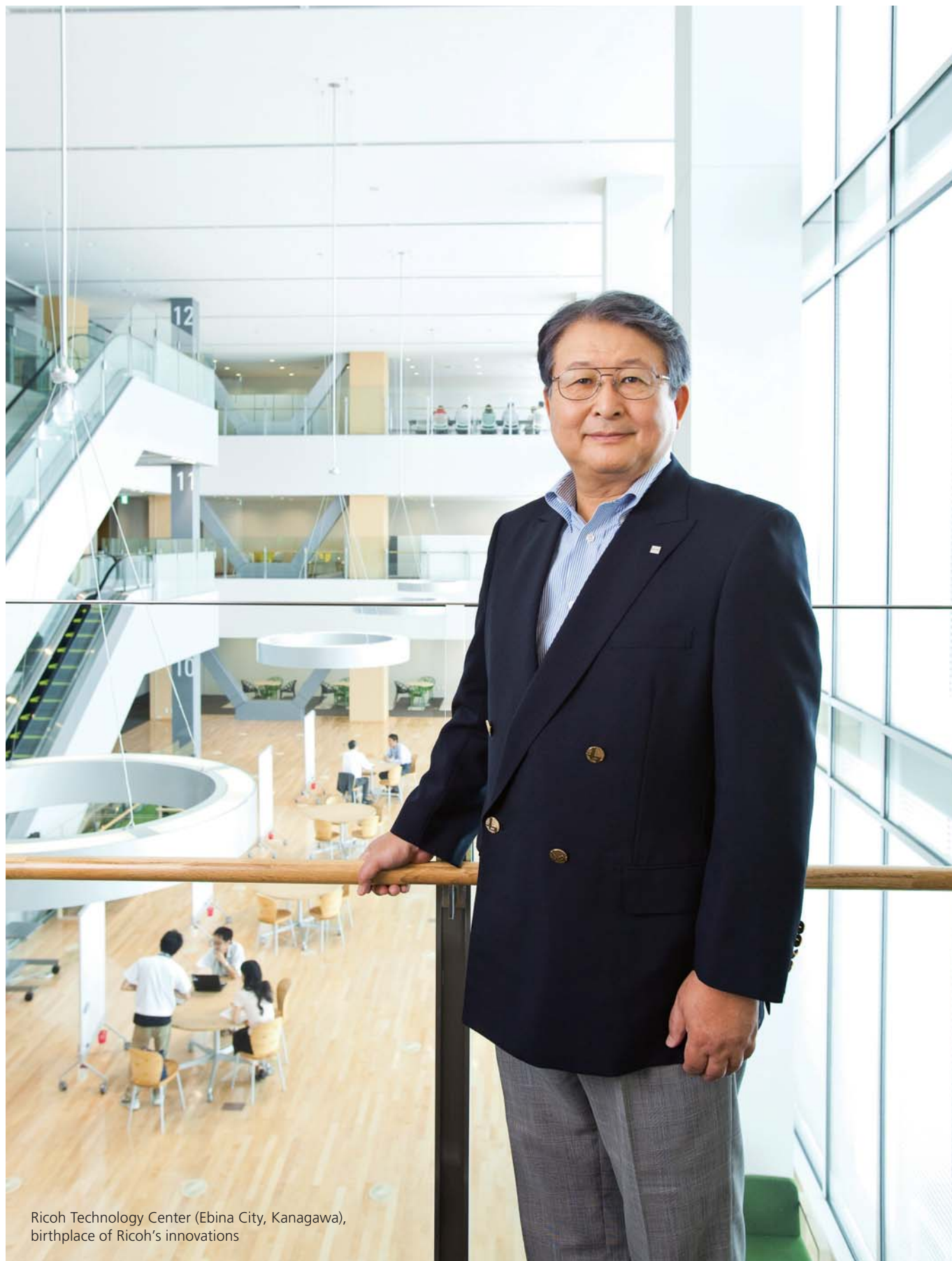
We believe that the value of the Founding Principles and Management Philosophy will become even more significant for our corporate activities as the Ricoh Group grows larger. That’s because we know that the ideas presented in the principles and philosophy clearly show us how we should make decisions and take action to cope with highly challenging and complicated problems that any company can face at any time. The ideas and values that make up “The Spirit of Three Loves” along with the Management Philosophy are exactly what The RICOH Way tells us.

To respond to drastic changes in our business environment and to establish and maintain a stable position as a global brand that is highly

appreciated by people around the world, we must bring about innovation to create products and services with totally new value. We also have a responsibility to fulfill one of our missions, “To create a sustainable society.” In these endeavors, The RICOH Way serves as a trustful guiding principle.

The Ricoh Group develops its business in approximately 200 countries and regions, and people involved in its operations hail from diverse backgrounds. The RICOH Way has long been passed down through these people. Through the actions of each and every one of these members who put the principles of The RICOH Way into practice, the Ricoh Group will remain a corporate group that changes the world for the better.

For any company, experiencing continuous growth and making contributions to the creation of a sustainable society are inseparable concepts. Currently, there are a multitude of problems being dealt with by society as a whole. The Ricoh Group creates economic value through its corporate activities and at the same time actively plays its part in obtaining solutions for the issues faced by society. At the same time, with innovations that bring about new technologies and new business models, we will endeavor to keep increasing our corporate value.



Ricoh Technology Center (Ebina City, Kanagawa),  
birthplace of Ricoh's innovations

**Shiro Kondo**  
President and Chief Executive Officer



# Simultaneously achieving “business creation and integration” and “restructuring”

## Mid-term business challenges and measures

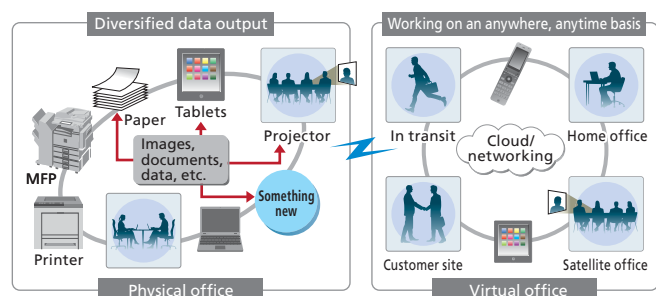
As society and the economy experience a greater number of significant changes such as advances in Information and Communication Technology (ICT), manifestation of resource and energy issues and development of globalization, the Ricoh Group is facing a turning point in its business strategies. Specifically in one of our core business areas, Imaging and Solutions, we have recognized trends in customer demand, which include:

- 1) Improvement of workflow and reduction of total cost of ownership (TCO)
- 2) Shift from “owning equipment” to “using services”
- 3) Higher awareness of environmental conservation in order to realize low-carbon offices

To meet these new demands, it has become more important for us to combine multiple products and services to be offered as a set solution for the specific problems of individual customers.

The work styles of our customers are also changing. As greater amounts of information are being digitized, use of cloud computing, smartphones and tablet PCs has been rapidly spreading. As a result, communication media are diversified and the costs for information sharing have been drastically dropped. Diverse ways to generate, store, search and use information have allowed significant advancement. Now, demands are being shifted to new products and services that can supply a good work environment wherever and whenever they are required.

### ■ Workplaces and communication in the future



Presently, society demands that global companies play a role not only as entities that generate economic value but also as organizations that make contributions toward solving issues facing the Earth and its people, as well as in creating a sustainable society. At the same time, elements influencing corporate activities are experiencing increased diversification and expansion in their range of effects. Now, not only companies themselves, but also their business partners are being affected.

In order to correctly respond to these changes in the demands of customers and society, the Ricoh Group plans and implements management strategies that are based on three key elements: “economy,” “society” and the “environment.” We work to both further the growth of the Group and to create a sustainable society.

## The 17th MTP

Our goals for the 17th MTP (implemented from fiscal 2012 to 2014) are to “strive for a global brand, create a future with new innovation and achieve ‘growth’ and ‘restructuring’ simultaneously.” Under these goals, we work on two basic strategies: “business creation and integration” and “establishment of highly effective management.”

### ● Business creation and integration

Imaging and Solutions, the core business of the Ricoh Group, has now faced a turning point in terms of reviewing its business structure. We will make this area a stronger base for our business operations by improving the performance of our MFPs and other printers. For example, we will improve their compatibility with other network equipment and reduce their environmental impact. We are also working on our solution services in various areas such as document management. Our customers are now placing more value on “intangible assets (use of services)” in addition to “tangible goods (ownership of products).” To respond to this change, we will seize upon every growth opportunity that is related to conventional businesses for offices. In particular, we will place more emphasis on new businesses, including managed document services, IT services, projection systems and video conference systems. By combining existing products and services with those that are new, we are able to place higher value on the products and/or services we offer to our customers. To accomplish this, we fully employ our advantage—the strong relationship we have built with our customers.

In the expanding markets of emerging countries, we see expectations for product functions and services that are different from those we see in developed markets. For these markets, we first identify the local functions and prices that are expected and reflect these into our products, starting at the design stage. We also prepare locally workable sales systems to expand our business.

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### Major initiatives for business creation and integration

1. Acquire and maintain top market share in the core business
2. Enhance customer value by creating synergies among new businesses and the core business
3. Accelerate business structure transformation to service businesses in the markets of developed countries
4. Accelerate business growth in emerging markets
5. Realize profit contributions from the Production Printing business

### ● Establishment of highly effective management

We will reconstruct our corporate systems in order to build an organization that can maintain accelerated business growth while properly responding to any changes in the business environment. We are removing duplicate functions among our divisions and are reviewing our allocation of human resources. We are also conducting a full analysis of all business activities, and advancing structural reform. To this end, we work on streamlining sales structures and processes, revitalizing non-profitable businesses, integrating and eliminating production sites, promoting centralization of purchase functions globally, and examining methods of product development.

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#### Major initiatives for “restructuring”

Streamline sales structure and process

Optimize HR allocation

Revitalize non-profitable business

Centralize purchase functions globally

Integrate and eliminate production site

Reform development process

Reengineer operational process

The Ricoh Group will put these basic strategies into practice to rebuild a business structure that will support further growth of the Group. Exercising our creativity to design a future, we will keep working on building innovation that will exceed the expectations of our customers.

In the term ending in March 2014, the last year in the 17th MTP, as a reflection of the implementation of these measures, our business performance should be able to return to the level seen before the world financial crisis. We will then be on a new track for success and growth.

Related information provided at an investors meeting for MTP briefing (presentation materials and audio streaming) [WEB www.ricoh.com/IR/events/index2.html](http://www.ricoh.com/IR/events/index2.html)

### ■ 17th MTP final year targets (fiscal year ending March 2014)

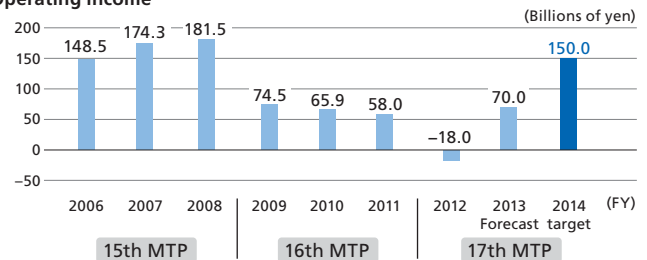
Net sales	2,100.0 billion yen or higher
Operating income	150.0 billion yen or higher
Operating margin	7.1% or higher
ROE	10.0% or higher
FCF	100.0 billion yen or higher
Total return ratio (Dividends and treasury stocks)	Approximately 30%
Exchange rate	US \$=¥75.00    €=¥105.00

### ■ Performance trend (15th–17th MTP)

#### Operating margin



#### Operating income



# To achieve the goals in the 17th MTP

## Redefining core businesses and expanding new businesses

In the markets of developed countries, the demand for MFPs is slowly recovering from the decline that followed the world financial crisis. At the same time, our customers are apparently continuing in their efforts to reduce the number of MFPs or/and printers in their offices and reducing the volume of output. They are also placing more value on “intangible assets (use of services)” in addition to the “tangible goods (ownership of products).” With these changes, it is becoming increasingly difficult to meet the needs of our customers if we focus only on the functions and prices of products.

To respond to these changes, we are improving the value of what we offer by combining both existing and new products and services. Specifically, we are strengthening our managed document services and IT services; expanding sales of production systems and video conference systems, which support visual communication between offices; and developing functions to combine our MFPs and other printers with smartphones and tablet PCs, which are becoming the major devices used for internet connection. With these activities, we are taking advantage of the relationships the Ricoh Group has built with its customers.

In addition to Imaging and Solutions, we will establish a new core business that can ensure our mid-term growth. Considering possible synergistic effects with existing technologies and businesses, we have set three major areas for our new business operations: “Workplace Innovation,” “Intelligent Sensing,” and “Visual Revolution.” We will put more focus on the development of new businesses in these areas while shifting business resources we gain from improving the efficiency of existing businesses.

## Progress of major measures

We were not able to avoid certain external events that influenced our results in FY 2012, the first year of the 17th MTP. External causes for the overall loss included the damage sustained from the Great East Japan Earthquake and the flooding in Thailand, as well as the financial crisis in Europe and drastic exchange rate fluctuations. We were forced to internally bear the expenses that were needed to put structural reform into practice and to book the impairment loss.

Nevertheless, we were able to stably develop our plans to reform business structure towards the creation of new value for our customers and to improve efficiency through this structural reform. As a result, we can now forge ways toward business recovery and profit growth. The following describes the progress of specific measures described in the basic strategies for the 17th MTP.

### ● Business creation and integration

#### 1. Acquire and maintain top market share in the core business

In March 2012, we launched new products to expand our product lineup and obtained a large market share in the MFP market both within and outside Japan.

Our new series of color MFPs, the MP C5002/C4002/C3302/C2802 series in Japan, is equipped with advanced environment-friendly features and possesses higher operational efficiency and user friendliness. We will develop more products with high energy-efficiency, such as those featuring lower fusing temperature, to maintain our support of energy saving activities at offices and to reduce the burden on the environment.

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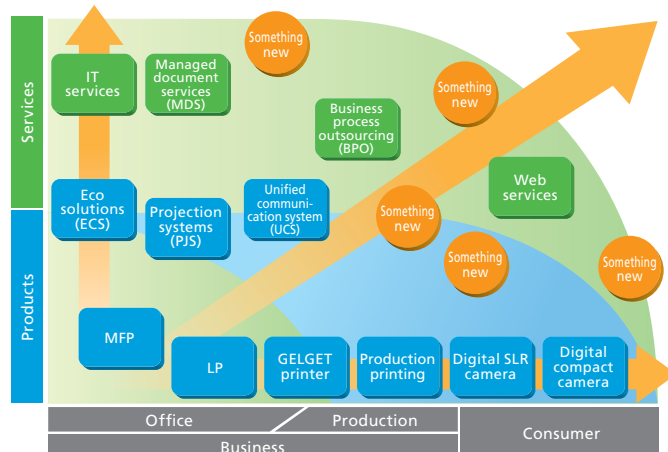
#### 2. Enhance customer value by creating synergies among new business and core business

We are creating and expanding the value of our products for customers by combining new and existing products and services. In March 2012, we began offering products and services for unified communication systems that enable remote image communication, as well as the PJ WX4130 Series, a lineup of ultra-short-throw projectors that allow projection with extra short distances. To these products, we added applications to make them compatible with tablet PCs and offered the products as a solution for paperless conferences, or as a new method to share information.

As a measure taken to further strengthen and expand the Visual Revolution—one of our new core business areas—we acquired PENTAX Imaging System Business from HOYA Corporation. This allows us to grow our single-lens reflex camera business, an area which we see as expanding, and reinforce operational resources to develop factory automation (FA) along with other industrial cameras and optical devices.

### ■ Expansion of business areas

#### Reinforcing products and services



### 3. Accelerate business structure transformation to service businesses in the markets of developed countries

We provide services to support our customers in their document management needs as well as in installation and operation of IT services at their offices, so that we can help improve their operational efficiency and solve their business challenges. In March 2012, sales in managed document services increased significantly by 20% from the previous year on a local currency basis. Sales of network system solutions also grew by 10% from the previous year, thus validating our achievement in structural transformation, which places more emphasis on the service business.

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### 4. Accelerate business growth in emerging markets

In emerging markets, we first identify functions and prices expected locally and reflect these into our products beginning at the design process. We also prepare locally competent sales systems to expand our business. In March 2012, we released the Aficio SP100 Series, a series of A4 MFPs designed and developed specifically for the Chinese market and produced locally. We accelerated our business development to meet the rapid growth of the Chinese market for A4 MFPs.

See page 46

### 5. Realize profit contributions from the Production Printing business

The production printing business continues to expand its product line and to strengthen sales and development schemes to accelerate profit growth. In March 2012, we launched Pro C751EX/C651EX, a printer equipped with high image quality and paper flexibility, yet excellent cost performance. Along with the Pro C901 Series, which has already been highly evaluated, the new series has gained large market share in the Americas, EMEA and Japan, as a solution that meets the diversified needs of customers who demand a wider variety of printing materials, smaller lots and shorter delivery.

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#### ● Establishment of highly effective management

To build a stronger management system for further growth while properly responding to changes in the business environment, we have brought our measures for structural reform forward. In March 2012, we allocated 34.1 billion yen as structural reform expenses and took measures to optimize staff size, including solicitation of voluntary retirement for Ricoh and affiliated companies based in Japan. We also worked to improve sales activities to respond to the change in work styles, and increased the efficiency of sales operations, while fully reviewing all business processes in all divisions. As a result of these measures, we were able to realize great improvement.



### Measures to be taken in fiscal 2013

We regard fiscal 2013, the second year of the 17th MTP, as an important year to get on a new track for business growth. While the prospects of the world economy are still uncertain due to the debt crisis in Europe and price hikes in crude oil, the Ricoh Group expects to see positive results in the structural reform efforts it has carried out over the past several years as the influence of the Great East Japan Earthquake and floods in Thailand, which had an enormous impact on business achievements in the previous term, fade away.

To rebuild a management structure to continue our business growth even under a new competitive environment that we must face as a result of expanding our business domain, we will focus on three themes: "To accelerate business structure transformation," "To enforce the foundation for profits" and "To develop new businesses."

### Aiming to become an excellent global company that can contribute to a better future

Ricoh's origin started from a wish to create value that is useful for communication among people to share information with many others. And the first company started its business with two communication technologies: sensitive paper and cameras. Since then, we have enhanced image processing technologies through the development of copiers and fax machines, while gaining sales and service capabilities to meet the diverse needs of our customers around the world. By using these knowledge and capabilities, we have brought about a series of innovations that support productivity improvement and knowledge creation of our customers.

Excellent global companies are corporations that can trail-blaze their own future with the support of a variety of stakeholders located throughout the world. In 2002, the Ricoh Group became one of the first companies to sign the United Nations Global Compact. We will keep creating economic value with our stakeholders and will play an active role towards coming up with solutions for various issues faced by society. We will develop ourselves into a brand that is highly appreciated and trusted by the people around the world.

## The RICOH Way

ISO 26000 Organizational governance The environment

# Under The RICOH Way, we strive for the creation of new value with the simultaneous achievement of business growth and the sustainable growth of society

## The RICOH Way, the basis for all our corporate activities

The RICOH Way constitutes the basis of all corporate activities of the Ricoh Group. It is comprised of the Founding Principles (also known as The Sprit of Three Loves, i.e., "Love your neighbor, Love your country, Love your work.") and the Mission, Vision, and Values. The latter includes the Vision Statement, "To be the most trusted brand with irresistible appeal in the global market," and the Mission Statement, "At the Ricoh Group, we are committed to providing excellence to improve the quality of living." Based on these concepts, we develop and market innovative products and services designed to offer RICOH Brand Benefits—i.e., "harmonize with the environment," "simplify your life and work" and "support knowledge management." We will continue to help customers improve their productivity and simplify their lives and work. By doing so, we will work to earn greater trust from them and increase our enterprise value on an ongoing basis.

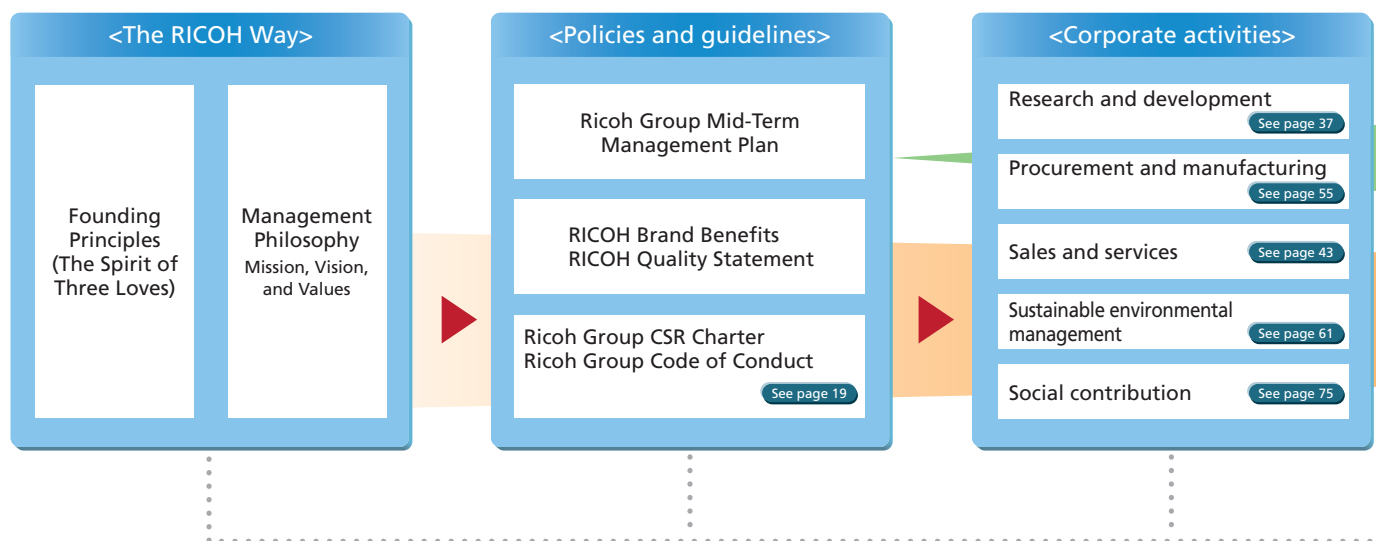
In addition, we will continue to make positive contributions to solving mounting social issues. Given a dramatically changing business

environment, we firmly believe that corporations will not be able to achieve sustained growth and development without making serious efforts to solve these issues. The Ricoh Group aims to be part of the solutions to social issues and to help create a sustainable society. To this end, we strive to fulfill our mission of generating innovation and creating new value.

As we recognize that engagement across the entire value chain is the key to conducting effective initiatives, we work together with our suppliers, business partners, and other stakeholders to build a better and more sustainable society, while simultaneously achieving business growth.

We are more than convinced that a full understanding of the aforementioned principles and ideas by the more than 100,000 Ricoh Group employees worldwide coupled with their imagination will enable the Ricoh Group to create innovative technologies and business models which will simultaneously contribute to economic, social, and environmental advancement.

### ■ The RICOH Way and corporate activities



RICOH Brand Benefits [WEB www.ricoh.com/about/commitment/values/](http://www.ricoh.com/about/commitment/values/)

RICOH Quality Statement [WEB www.ricoh.com/about/commitment/quality/index.html](http://www.ricoh.com/about/commitment/quality/index.html)



## The RICOH Way

### Founding Principles

(The Spirit of Three Loves)

Love your neighbor, Love your country, Love your work

### Mission, Vision, and Values

#### Mission Statement

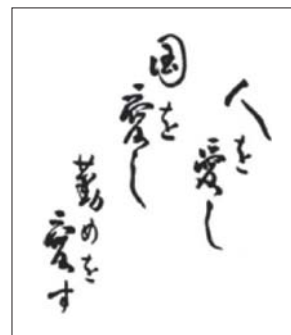
At the Ricoh Group, we are committed to providing excellence to improve the quality of living.

#### 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.



Founding Principles



Kiyoshi Ichimura, Founder

Ricoh founder Kiyoshi Ichimura formulated The Spirit of Three Loves in 1946. These Principles inform how we do business, encouraging us to constantly improve and contribute to the wellbeing of all stakeholders. The principles embody Mr. Ichimura's dedication by championing mutual respect, contributing to society by cherishing the planet, and encouraging our people to find meaning in work and passionately take on new challenges.

### ■ Primary activities for stakeholders

Customers	<ul style="list-style-type: none"> <li>• Increase customer value by offering products and services that embody the RICOH Brand Benefits</li> <li>• Offer safe and reliable products and services</li> </ul>
Shareholders and investors	<ul style="list-style-type: none"> <li>• Increase corporate value by achieving sustained growth</li> <li>• Timely and appropriate information disclosure and communication</li> </ul>
Business partners	<ul style="list-style-type: none"> <li>• Build partnerships based on mutual trust and fair trade</li> <li>• Promote socially responsible activities across the value chain</li> </ul>
Society	<ul style="list-style-type: none"> <li>• Contribute to solving social issues through social contributions and business activities</li> <li>• Respect the culture and customs of the countries and regions in which we operate and contribute to their development</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Promote workplace health and safety and develop human resources</li> <li>• Promote respect for employee diversity and work-life balance</li> </ul>
Global environment	<ul style="list-style-type: none"> <li>• Conduct business activities in an environmentally friendly manner and contribute to the reduction of environmental impact</li> <li>• Contribute to the maintenance and restoration of the Earth's self-recovery capabilities</li> </ul>

#### <Customers and society>

Customers

Shareholders and investors

Business partners

Society

- Procurement
- Investment
- Evaluation
- Collaboration, and more

- Products and services
- Information disclosure
- Communication
- Social contribution, and more

#### ■ Brand tagline

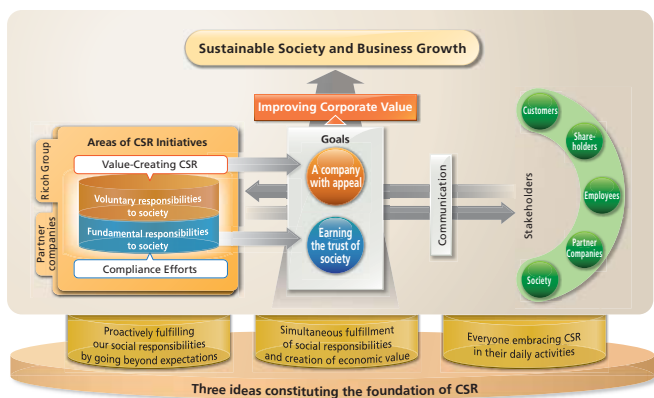
**RICOH**  
imagine. change.

Aiming to establish a stronger presence of the Ricoh brand in the global marketplace, the Ricoh Group has introduced a new global brand tagline, "imagine. change." and started to use this new phrase in our communication tools. The tagline represents our commitment to delivering value to new customers by mustering our collective imagination ("imagine") to help customers change to respond to a changing environment ("change"). And the Ricoh Group itself will also continue to change and evolve to constantly offer new ideas and methodologies to improve the lives of both corporations and individuals. At the Ricoh Group, imagination drives innovation—this is what the Ricoh brand is all about.

## Our Approach to Corporate Social Responsibility (CSR)

### CSR framework

The Ricoh Group is engaged in “two-tier” CSR activities based on the three ideas constituting the foundation of CSR specified in the chart below: the first tier involves basic social responsibilities and the second tier involves voluntary social responsibilities. 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. We develop and implement action plans focusing on the four key areas specified in our CSR Charter: integrity in corporate activities, harmony with the environment, respect for people, and harmony with society.



The Ricoh Group regards the promotion of CSR activities as a growth strategy which aims to solve social issues, while at the same time fostering its corporate growth. Therefore, we place particular focus on a concept we refer to as “value-creating CSR.” Utilizing our resources such as technologies, products, services, and our employees, we aim to help solve a range of social issues. [See page 76](#)

To facilitate these efforts, we have adopted many globally accepted CSR guidelines—United Nations Global Compact, ISO 26000 etc.—and have enhanced our activities accordingly. We also encourage our business partners, who are important members of our value chain, to understand the significance of corporate social responsibility and to share our CSR-related values and work towards them. We believe this collaborative approach will make each of the companies within our value chain stronger and accelerate our efforts to create a sustainable society and achieve our business growth. As we are fully aware that communication holds the key to conducting effective efforts to achieve an ideal society, we actively seek two-way communication with our stakeholders, hold dialogue with experts to obtain their objective opinions from a social standpoint, and collaborate with NPOs and NGOs. [See page 34](#)

### Ricoh Group CSR Charter

To grow as a respected enterprise, the Ricoh Group must fully discharge its corporate social responsibilities from a consistent global perspective and throughout every aspect of its operations. To ensure this, the Ricoh Group CSR Charter specifies corporate action principles consisting of the four areas and stipulates that each Ricoh Group company observe them.

#### Ricoh Group CSR Charter

##### [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 Code of Conduct

The Ricoh Group Code of Conduct is intended to establish the basic standards to ensure that executives 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.

The Ricoh Group Code of Conduct [WEB www.ricoh.com/csr/data/code\\_of\\_conduct/index.html](http://www.ricoh.com/csr/data/code_of_conduct/index.html)

For more details [WEB www.ricoh.com/csr/](http://www.ricoh.com/csr/)

## Promotion of sustainable environmental management

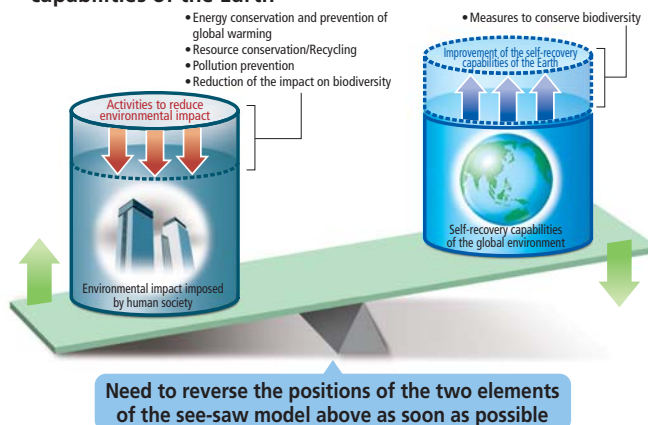
There are three stages in the Ricoh Group's environmental conservation efforts: the Passive Stage, the Proactive Stage, and the Responsible Stage. In the Passive Stage, we coped with social pressures by dealing with laws and regulations and competing with other companies. In the Proactive Stage, we began to take voluntary actions with a sense of mission as a global citizen. And in the Responsible Stage, our focus is on more than environmentally friendly business operations. We are striving to achieve both profits and environmental conservation simultaneously. Specifically, we develop energy-efficient products, achieve cost reduction through reduced consumption of energy and resources, develop alternatives for materials that are at high risk of depletion, improve operational efficiency, and offer products and solutions for smarter, environmentally friendly work styles, along with engaging in many more efforts in the course of our day-to-day operations.

Based on the recognition that we cannot conserve the global environment or build a sustainable society without reducing total environmental impact to a level that the Earth's self-recovery capabilities can manage, we are actively engaged in forest ecosystem conservation

activities, in addition to our efforts to reduce our business-related environmental impact.

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### ■ Keep environmental impact within the self-recovery capabilities of the Earth



### ■ Three stages in environmental conservation activities (from the passive, to proactive to responsible stage)

	Passive Stage	Proactive Stage	Responsible Stage
Purpose	Coping with external requirements <ul style="list-style-type: none"> <li>• Laws and regulations</li> <li>• Competition</li> <li>• Customers</li> </ul>	Carrying out its mission as a global citizen <ul style="list-style-type: none"> <li>• Self-imposed responsibility</li> <li>• Voluntary planning</li> <li>• Voluntary activities</li> </ul>	Simultaneously achieving environmental conservation and profits
Activities	Passive measures to meet laws and regulations, competing with other companies, and satisfying customer needs	<ol style="list-style-type: none"> <li>1. High-aiming, aggressive activities to reduce environmental impact <ul style="list-style-type: none"> <li>• Energy conservation</li> <li>• Resource conservation and recycling</li> <li>• Pollution prevention</li> </ul> </li> <li>2. Improved awareness of all employees</li> </ol>	<ol style="list-style-type: none"> <li>1. Environmental conservation activities (QCD activities*) <ul style="list-style-type: none"> <li>E.g.: • Reduced number of parts</li> <li>• Reduced number of process steps</li> <li>• Improved yield and operation rate</li> </ul> </li> <li>2. Environmental technology development</li> </ol> <p>* Activities to improve quality, control costs, and manage delivery times.</p>

## Environmental Principles

Based on its management philosophy, Ricoh established its Environmental Principles in 1992. The Principles clearly show the basic policy and action guidelines that the Group should follow for environmental conservation and represent the Group's commitment to sustainable environmental management, which makes environmental conservation and the creation of economic value compatible.

Environmental Principles [WEB www.ricoh.com/environment/management/principles.html](http://www.ricoh.com/environment/management/principles.html)

## Ricoh Group Mid- and Long-Term Environmental Impact Reduction Goals

The Ricoh Group has set reduction targets in three key areas—energy conservation and global warming prevention, resource conservation and recycling, and pollution prevention—under its Mid- and Long-Term Environmental Impact Reduction Goals. In formulating these goals, we used the back-casting method, where we first establish final goals, then determine target values as milestones on the journey toward these goals.

To achieve our established goals, we have been engaged in a range of activities based on our detailed environmental action plans, which are formulated every three years.

### ■ Ricoh Group Mid- and Long-Term Environmental Impact Reduction Goals

Energy conservation and prevention of global warming	Reduce the total lifecycle CO <sub>2</sub> emissions by the Ricoh Group by 30% by 2020 and by 87.5% by 2050 from the 2000 level
Resource conservation and recycling	<ol style="list-style-type: none"> <li>(1) Reduce the new input of resources by 25% by 2020 and by 87.5% by 2050 from the 2007 level</li> <li>(2) Reduce the use of or replace the major materials of products that are at high risk of depletion (e.g., crude oil, copper and chromium) by 2050</li> </ol>
Pollution prevention	Minimize risks of chemical substances throughout the product lifecycle by 2020 in compliance with the Strategic Approach to International Chemicals Management (SAICM) * Revised in March 2013

For more details [WEB www.ricoh.com/environment/management/vision.html](http://www.ricoh.com/environment/management/vision.html)  
Environmental Action Plan [WEB www.ricoh.com/environment/management/plan.html](http://www.ricoh.com/environment/management/plan.html)

## Corporate Governance

ISO 26000 Organizational governance Fair operating practices

### The Ricoh Group strives to enhance corporate governance in order to retain the confidence of all stakeholders

The Ricoh Group has established The RICOH Way, a set of guiding principles and values that serves as a foundation for its business activities. Abiding by these principles in corporate ethics and legal compliance and maintaining adequate transparency in corporate management, the group strives to continuously improve its corporate governance system, through which it ultimately aims to enhance its competitiveness.

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 discipline to guide our actions. Based on this belief, we maintain and improve our corporate culture under The RICOH Way.

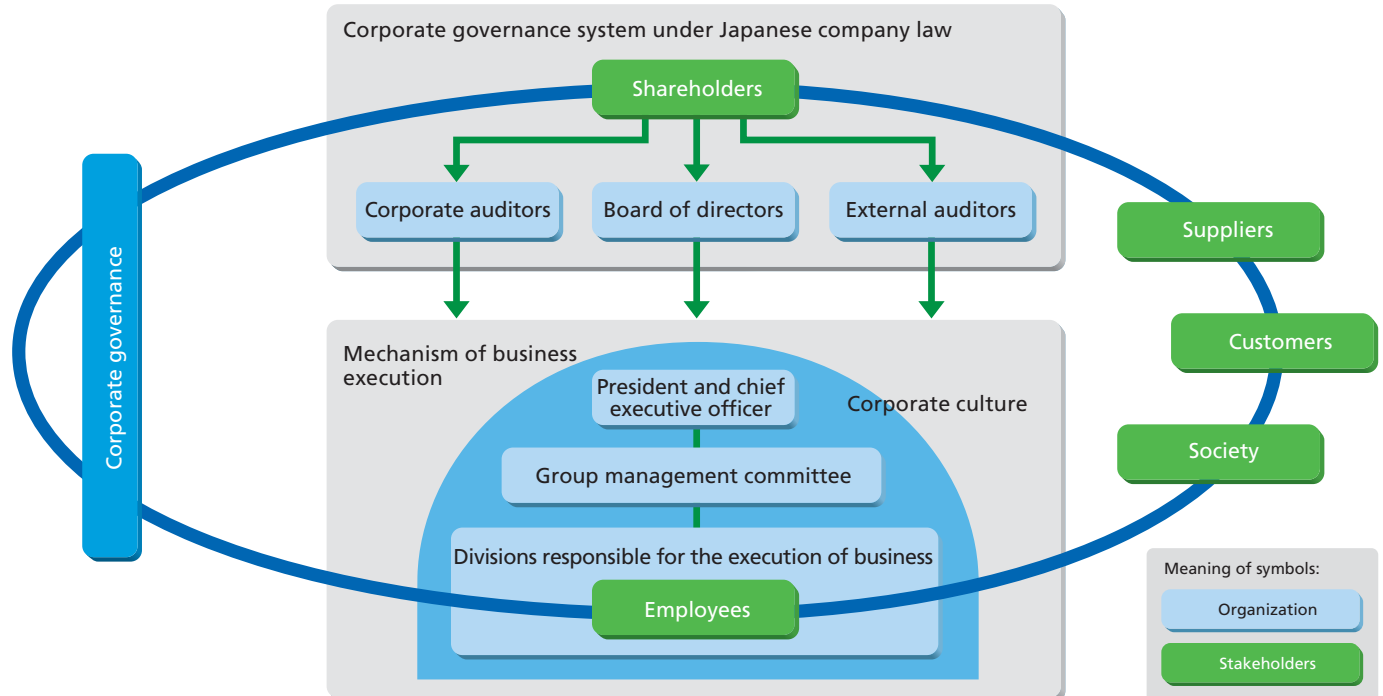
According to this concept, the Ricoh Group is committed to enhance and promote the corporate governance system while

working hard to achieve sustainable business growth and increase corporate values.

The Ricoh Group has also introduced the corporate audit system, in which corporate auditors improve effectiveness of audits and monitoring functions of top management while the board of directors, including outside directors, strengthens oversight functions so that transparency in corporate management and fair decision-making is maintained. Furthermore, by expanding the executive officer system, the segregation of duties between oversight and business execution is better clarified, which results in speedier decision-making.

The Group also implements the integrated risk management system for uncertainty related to both business opportunities and to the execution of business operations, while building and utilizing an internal control procedure for the purpose of making its own strategies and business targets more functional and achieving them.

#### ■ The Ricoh Group's corporate governance



## Interview



Director (outside)  
\* Since June 2010

### Mochio Umeda

Date of birth: August 30, 1960

(Currently serving as) President of  
MUSE Associates, LLC, and Outside  
Director of ASATSU-DK, INC.,  
as well as Managing Director of  
Pacifica Fund

**In this globalized world, everyone is required to compete against various players in the same field regardless of whether you like it or not.**

The world is vast, and in societies around the world, diverse cultures and senses of value exist. Equally diversified are the philosophies of corporate management.

Many companies in the world operate extremely dynamically at a completely high speed. Other companies pursue immediate victory rather than perpetual survival, and race in bursts of explosive movement. In this globalized world, everyone is required to compete against various players in the same field regardless of whether you like it or not. What I always keep in mind as an outside director, is to consider matters from a shareholder's perspective, and extract essence

from the background story behind each proposal submitted to Ricoh's board and point out issues or make recommendations that I believe are important. In addition, I aim to work as a catalyst for free and open-minded discussions under pressure to ensure that the board engages in productive meetings. Ricoh has established key businesses that are firm and stable. By further advancing and sophisticating these key businesses, which will strengthen the corporate foundation, Ricoh will be able to add extra funds and time to build a new core business that will underpin its prosperity 30 or 40 years into the future. I have great expectations for Ricoh's future.

### Reason for his appointment and his current activities at Ricoh

#### Reason for his appointment

Mr. Umeda has advanced knowledge in the area of information technology and experience in global business. We expect him to fully utilize his capacity to scrutinize our decision-making process and make recommendations based on an external viewpoint.

#### Activities

He attended nine of the ten board meetings held in the term ended March 2012. (Attendance rate: 90%)



### A newly appointed Outside Director

#### Kunio Noji

Date of birth: November 17, 1946

(Currently serving as) President  
and CEO of Komatsu Ltd.

#### Reason for his appointment

Mr. Noji has abundant experience and expertise as a management member of Komatsu Ltd. We expect him to fully utilize his capacity to scrutinize our decision-making process and make recommendations from a highly independent position.

<Newly appointed in June 2012>



## Management Structure

ISO 26000 Organizational governance Fair operating practices

- The Ricoh Group has introduced the corporate audit system.
- The board of directors is responsible for management oversight and important decision-making concerning Group management. By appointing highly independent outside directors, the Group ensures transparency in management and its decision-making.
- Two of its 11 directors are outside directors. In addition to heeding various views and opinions, the Group aims to eliminate arbitrary decision-making in management.
- To ensure clear separation between management oversight and business execution, the internal regulations stipulate that the chairman of the company serves as the chair of the board of directors.
- The board of corporate auditors makes decisions on the direction of audits and the assignment of duties through discussions and it monitors corporate management.
- Corporate auditors attend all important meetings, including board meetings, and exchange information regularly with the representative director.
- In order to ensure that the corporate auditors can work effectively, the Corporate Auditor Office with designated support staff has been established.
- Under the executive officer system, the authority to execute business has been assigned to the respective execution departments in order to expedite decision-making and clarify the role of each department.

### [Group Management Committee]

The Group Management Committee (GMC) is a decision-making body empowered by the board of directors that consists of executive officers. The GMC facilitates deliberation and flexibly makes decisions on the Group's overall management from the viewpoint of total optimization.

### [Nomination and Compensation Committee]

The Nomination and Compensation Committee, a unique permanent organ consisting of two outside directors and three inside directors, plans appointment/dismissal and compensation of directors and executive officers.

### [Internal auditing]

The Internal Management & Control Division, an organization that takes charge of internal auditing, reviews and assesses the status of business execution by respective business execution divisions properly according to the rules and in an objective manner to ensure legal compliance and adequacy of execution practices, and in addition, provides advice and recommendations for improvement. The results are reported on a regular basis to the Internal Control Committee established in the GMC.

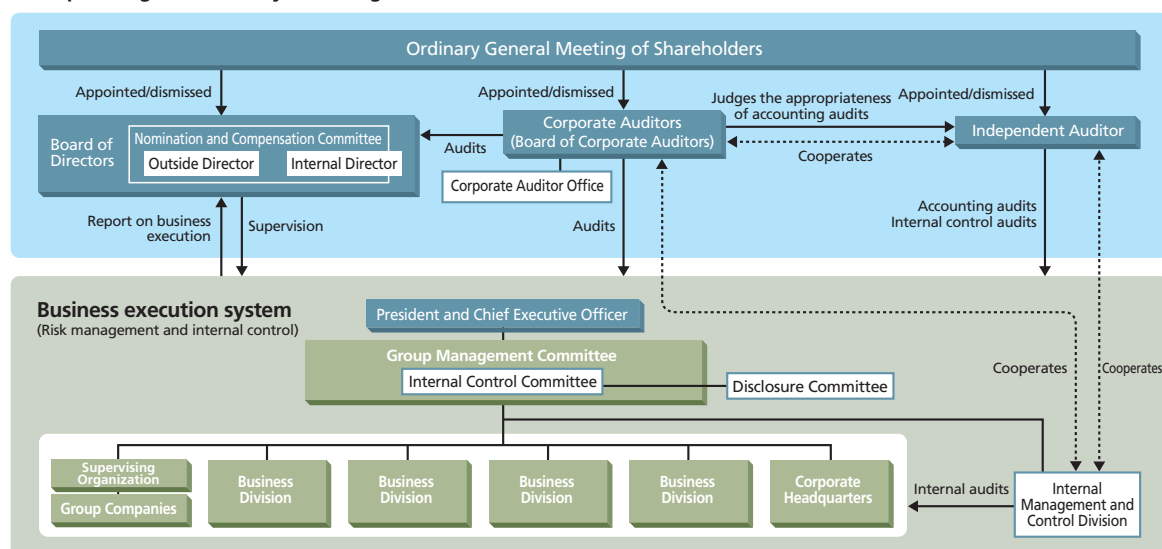
### [External auditing]

Ricoh has formulated a set of guidelines called the policy and procedures for prior approvals concerning audit and non-audit services. In accordance with the guidelines, approval must be obtained from the board of corporate auditors concerning details of and fees for auditing contracts.

### ■ Board of directors/Board of auditors

	Max. no. of directors	Current no. of executives	Term
Board of directors	15	11, including 2 outside directors	2 years
Board of auditors	5	4, including 2 outside auditors	4 years

### ■ Corporate governance system diagram



### [Executive compensation]

At the Ricoh Group, executive compensation is employed as an effective incentive to achieve a sustainable increase in corporate earnings in the pursuit of increased shareholder value.

The base salary of board directors consists of remuneration pertaining to management oversight, remuneration reflecting the importance of their individual roles and responsibilities, remuneration for the purpose of purchasing treasury stocks (except for outside directors), and variable remuneration linked to stock price performance during the relevant fiscal year. Ricoh has been strengthening its incentives for increasing shareholder value by allocating a portion of remuneration for stock repurchase so that there will be a common shareholder viewpoint among directors.

The amount of bonuses paid to directors is determined based on

the achievement of key performance indicators such as sales, operating income, and ROA, which pertain to shareholder value and the company's competitiveness. Proposed executive bonuses are brought before the ordinary shareholders meeting for approval.

Compensation of corporate auditors is comprised solely of remuneration for their auditing duties.

### [Compensation for auditing by external auditors]

Ricoh verifies the adequacy of time spent for auditing together with audit firms and certified public accountants (CPA) taking into consideration the scale and characteristics of our businesses regarding the finalization of compensation for auditing.

#### ■ Executive compensation

	No. (People)	Base salary (¥ million)	Bonus (¥ million)	Total (¥ million)
Directors	12	438	—	438
Outside Directors	2	21	—	21
Corporate Auditors	5	74	—	74
Outside Corporate Auditors	2	14	—	14
Total	17	513	—	513

\* For the year from April 1, 2011 to March 31, 2012

#### ■ Compensation for auditing by external auditors

	¥ million
Compensation for auditing services	1,422
Compensation for non-auditing services	130
Total	1,552

\* For the year from April 1, 2011 to March 31, 2012

## Stakeholder Communication

### Communication with shareholders & investors

#### General meeting of shareholders

With the aim of obtaining better understanding from shareholders, we continuously review and revise our notification of shareholder meetings and attached materials whenever necessary. To enhance shareholders' convenience, we introduced the Electronic Proxy Voting Platform for shareholders to exercise their voting rights via the Internet. A social gathering between executives and shareholders is held after a general shareholders meeting.

Notice of Resolution at The 112th Ordinary General Meeting of Shareholders  
[WEB www.ricoh.com/IR/events/gm\\_20120626.html](http://www.ricoh.com/IR/events/gm_20120626.html)

#### Various explanatory meetings

The CEO regularly holds an investor meeting on Ricoh's mid-term management strategy and the progress of its implementation in the attendance of shareholders. In addition, meetings are held to explain in detail about our quarterly financial results.

IR Presentations [WEB www.ricoh.com/IR/events/index2.html](http://www.ricoh.com/IR/events/index2.html)

#### Expansion of IR site

Materials related to general meetings of shareholders, investor meetings, and financial announcements, are swiftly uploaded as they become available on our Investor Relations site for the benefit of shareholders and investors who are unable to attend related events. Ricoh's Investor Relations site was awarded a 2011 Internet IR Best Company Award in Japan, by Daiwa Investor Relations Co., Ltd.

Investor Relations site [WEB www.ricoh.com/IR/](http://www.ricoh.com/IR/)



#### Communication with shareholders and investors

In addition to holding social events with shareholders, Ricoh organizes various events for shareholders, including tours of our business offices and explanatory events to introduce the company's cultural and sports activities (such events were held six times in fiscal 2012). We also hold meetings with both in Japan and overseas institutional investors (over 400 firms annually).

## Internal Control System

The Ricoh Group has established The RICOH Way, a set of guiding principles that serves as a foundation for its business activities. Abiding by these principles in corporate ethics and legal compliance and maintaining adequate transparency in corporate management, the group strives to continuously improve its corporate governance system, through which it ultimately aims to enhance its competitiveness.

- Ricoh's board of directors and GMC oversee the group's overall business operations and take charge of decision-making. To ensure effectiveness of such efforts, managerial regulations concerning the group's affiliated companies have been formulated, while supervising organization has been set up as a central function responsible for each official company.
- Ricoh has developed a basic disclosure policy to ensure that disclosed corporate information is accurate, timely, and comprehensive, and the "Disclosure Committee," an independent body in charge of verification of the process to prepare information to be disclosed, has been put in place.
- Ricoh has established a set of common rules, the Ricoh Group Standard (RGS), and has ensured adherence to these rules across the group.
- In order to thoroughly implement the Ricoh Group CSR Charter, which sets forth the principles of corporate behavior including compliance, and the Ricoh Group Code of Conduct, which articulates the general rules of conduct for Ricoh Group employees, a Specialty Committee and a hotline for reporting incidents and seeking advice have been established. In addition, various training programs have been set up to enhance compliance both domestically and internationally.
- The Ricoh Group is operating a total risk management (TRM), which allows us to identify, examine, and address risks faced in a comprehensive and across-the-board manner. Basic objectives of the TRM is to realize stable and sustainable development of the Group and increase corporate values.
- An integrated internal audit (U.S. SOX Act audit, financial audit, operational audit, etc.) has been conducted to ensure the reliability of our financial reports, improve operational efficiency, confirm compliance to laws and regulations, and check how risk management measures are implemented.

ISO 26000 Organizational governance Fair operating practices

## Risk Management

Executive Officers of the Ricoh Group will acknowledge possibilities of favorable or unfavorable results based on uncertainties surrounding the corporation. Management should perform integrated risk management activities which consider uncertainly related to business opportunities and uncertainly related to execution of business activities.

Accordingly, the group identifies risks that may exert a significant influence on the group's business operations. Risk management is performed mainly by a management division assigned to each individual risk, while conducting daily business activities. These efforts prevent the occurrence of an incident\* that may significantly adversely affect the Ricoh Group's corporate activities. In addition, an initial response standard has been put in place that clearly states which division will be primarily responsible for incident control (depending on incident type) should a crisis occur, along with the reporting levels. It also explains the process of consecutive reporting to the president and managers concerned in accordance with the president's instructions.

Furthermore, a business continuity plan (BCP) has been formulated to prepare 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.

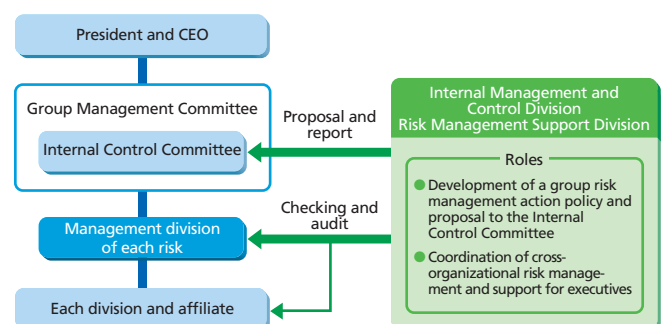
\* "Incident" refers to an event or an accident that can seriously affect the Ricoh Group's business operations.

Risk factors [WEB www.ricoh.com/IR/risk.html](http://www.ricoh.com/IR/risk.html)

### <Major risk management items>

- Violation of compliance (fraudulence in relation to business operations, bribery and corruption, insider trading, etc.)
- Natural disasters (earthquakes, typhoons, deluge, etc.)/Serious accidents
- Human rights issues
- Serious Quality Problem (violation of laws, product liability, etc.)
- Information security (personal information protection, leakage of trade secrets, etc.)
- Violation of export and import related legislation
- Administrative disposition, Claim for damages, etc.
- Others (harmful rumors, brand devaluation, etc.)

## ■ Risk management



## Compliance

Regarding compliance with laws, regulations and corporate ethics, Ricoh considers it important to ensure all group members fully understand the Ricoh Group CSR Charter, which outlines principles of corporate behavior to be shared across the group, and the Ricoh Group Code of Conduct, which consists of the basic standards and values to be upheld by all Ricoh managers and employees, and the company ensures that all individuals act in strict compliance with the stated principles.

To this end, we provide all employees with educational programs, including e-learning programs, to deepen their understanding of the Ricoh Group Code of Conduct and learn the importance of compliance with laws, regulations and corporate ethics every year. Moreover, employees are required to sign a document to pledge that they will comply with the code of conduct.

### • Anti-corruption initiatives

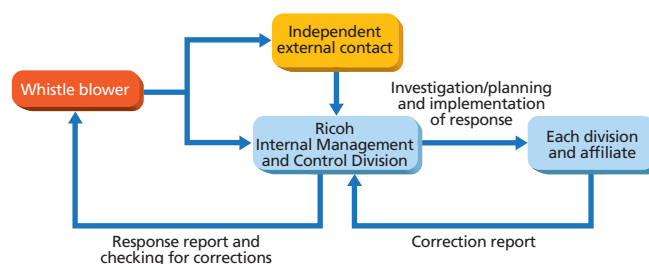
The Ricoh Group stipulates the basic anti-corruption policy in its Code of Conduct and promotes it across the Group through the Code of Conduct education. In addition, for the purpose of appropriately complying with relevant laws and regulations that prevent illegal transactions by companies, such as the Foreign Corrupt Practices Act of the United States or the Bribery Act of Great Britain, the Ricoh Group

works with lawyers and other specialists as well as stakeholders to prevent business irregularities.

### • Whistle-blowing system “Hotline”

As part of Ricoh’s whistle-blowing system, a hotline has been in operation since April 2003 as a contact point for employees wishing to report incidents or seek advice. To protect whistle blowers, operational rules for the system have been prepared as Ricoh Group standards. In addition to internal contact, an independent external contact has been opened.

#### ■ Basic flow of “Hotline” system in Japan



## Focus

### Risk management response to the Great East Japan Earthquake

To prepare for possible incidents that may seriously affect business activities, the Ricoh Group has created a set of standards as emergency response measures. To further strengthen our disaster prevention measures, we began developing a Business Continuity Plan (BCP) in 2007. The plan was designed with a major focus on securing continued business activities with our customers even in the event of a massive earthquake.

When Japan faced the Great East Japan Earthquake on March 11, 2011, these standards along with the BCP were activated and a disaster headquarters was immediately established, led by the company president. Meetings with the participation of top managers were held daily in March and twice a week in April and May. These managers directed the headquarters to collect information, discuss various response measures and provide support to people in affected areas. At the headquarters, information that included the latest conditions of our offices and plants located in the affected areas and our efforts to support the damaged areas was organized, and the news was posted on various sites, including Ricoh’s websites and those of Group companies.

Our preventive measures successfully maintained an internal network and other IT infrastructure functions following the



President and CEO of Ricoh, Shiro Kondo, visits disaster-stricken Tohoku Ricoh.












earthquake. Notably effective were our decisions to maintain contracts with more than one network provider and to base our servers at two different locations. These measures allowed us to continue normal business operations, as well as to gather and share information from the afflicted areas and to provide support for the earthquake-hit communities.

In June 2011, we began reviewing the BCP to reflect our experiences following the Great East Japan Earthquake, and preparing the BCP for other types of disasters that may arise from a wider range of areas.





## Executives (as of November 5, 2012)

ISO 26000 Organizational governance

### Board of Directors

 <p><b>Masamitsu Sakurai</b> Chairman of the Board Member of Nomination and Compensation Committee</p>	<p>Date of birth: January 8, 1942 April 1966: Joined the Company</p> <p>(Current) Chairman of Ricoh Co., Ltd.</p> <p>(Career summary) President of RICOH UK PRODUCTS LTD., President of RICOH EUROPE B.V., Representative Director &amp; President of Ricoh Company Ltd., Chairman of Japan Association of Corporate Executives</p>	 <p><b>Shiro Kondo</b> Representative Director, CEO Member of Nomination and Compensation Committee</p>	<p>Date of birth: October 7, 1949 April 1973: Joined the Company</p> <p>(Current) President of Ricoh Co., Ltd.</p> <p>(Career summary) General Manager of Imaging System Business Group, General Manager of MFP Business Group of Ricoh Company Ltd.</p>	 <p><b>Zenji Miura</b> Representative Director, CFO</p>	<p>Date of birth: January 5, 1950 April 1976: Joined the Company</p> <p>(Current) Deputy President of Ricoh Co., Ltd.</p> <p>(Career summary) President of RICOH FRANCE S.A., General Manager of Finance and Accounting Division and General Manager of Corporate Planning Division of Ricoh Company Ltd.</p> <p>&lt;In charge of internal control&gt;</p>
 <p><b>Hiroshi Kobayashi</b> Director, CHO Member of Nomination and Compensation Committee</p>	<p>Date of birth: July 2, 1948 April 1974: Joined the Company</p> <p>(Current) Corporate Executive Vice President</p> <p>(Career summary) General Manager of Office Business Planning Center, and General Manager of Printer Business Group of Ricoh Company, Ltd.</p> <p>&lt;In charge of CSR&gt;</p>	 <p><b>Shiro Sasaki</b> Director, CMO</p>	<p>Date of birth: December 23, 1949 April 1972: Joined the Company</p> <p>(Current) Corporate Executive Vice President, General Manager of Production Printing Business Group of Ricoh Co., Ltd.</p> <p>(Career summary) President of GESTETNER HOLDINGS PLC., Chairman of RICOH EUROPE B.V.</p>	 <p><b>Nobuo Inaba</b> Director, CIO</p>	<p>Date of birth: November 11, 1950 May 2008: Joined the Company</p> <p>(Current) Corporate Executive Vice President, President of Ricoh Institute of Sustainability and Business</p> <p>(Career summary) Executive Director of the Bank of Japan</p>
 <p><b>Yozo Matsuura</b> Director</p>	<p>Date of birth: April 15, 1956 1980: Joined the Company</p> <p>(Current) Corporate Executive Vice President, General Manager of MFP Business Group of Ricoh Co., Ltd.</p> <p>(Career summary) General Manager of Imaging Engine Development Division and General Manager of Controller Development Division of Ricoh Company Ltd.</p> <p>&lt;In charge of environmental promotion activities&gt;</p>	 <p><b>Yoshinori Yamashita</b> Director</p>	<p>Date of birth: August 22, 1957 1980: Joined the Company</p> <p>(Current) Corporate Executive Vice President, General Manager of Corporate Planning Division of Ricoh Co., Ltd.</p> <p>(Career summary) President of RICOH ELECTRONICS, INC.</p>	 <p><b>Kunihiko Sato</b> Director</p>	<p>Date of birth: October 21, 1956 1979: Joined the Company</p> <p>(Current) Corporate Executive Vice President, Representative Director, President and CEO of Ricoh Japan Corporation</p> <p>(Career summary) Representative Director, President of Ricoh Kansai Co., Ltd.</p>
 <p><b>Mochio Umeda</b> Director (outside) Member of Nomination and Compensation Committee * Since June 2010</p>			 <p><b>Kunio Noji</b> Director (outside) Member of Nomination and Compensation Committee * Since June 2012</p>		
<p>Date of birth: August 30, 1960</p> <p>(Current) President of MUSE Associates, LLC, Outside Director of ASATSU-DK INC., Managing Director of Pacifica Fund</p>			<p>Date of Birth: November 17, 1946</p> <p>(Current) President and Chief Executive Officer of Komatsu Ltd.</p>		

### Board of Corporate Auditors

 <p><b>Yuji Inoue</b> Senior Corporate Auditor</p> <p>Date of birth: April 4, 1948 1971: Joined the Company</p> <p>(Career summary) General Manager of Finance and Accounting Division of Ricoh Company, Ltd., President &amp; Chief Executive Officer of Ricoh Leasing Co., Ltd.</p>	 <p><b>Mitsuhiro Shinoda</b> Corporate Auditor</p> <p>Date of birth: November 23, 1953 1978: Joined the Company</p> <p>(Career summary) General Manager of Finance Department in the Finance and Accounting Division and Internal Management &amp; Control Division of Ricoh Company Ltd.</p>
 <p><b>Takao Yuhara</b> Corporate Auditor (outside) * Since June 2008</p> <p>Date of birth: June 7, 1946</p> <p>(Current) Managing Executive Director &amp; CFO of ZENSHO CO., LTD. and Outside Director of COCO'S JAPAN</p> <p>(Reason for his appointment) Mr. Yuhara has abundant experience working as a financial officer at SONY Corporation as well as ZENSHO HOLDINGS CO., Ltd. We consider that he is well qualified as an auditor of Ricoh Co., Ltd.</p> <p>(Activities) He attended 10 of the 10 board meetings held in the term ended March 2012. (Attendance rate: 100%) He also attended 10 of the 10 auditors meetings held during the same period. (Attendance rate: 100%)</p>	 <p><b>Tsukasa Yunoki</b> Corporate Auditor (outside) * Since June 2010</p> <p>Date of birth: July 6, 1943</p> <p>(Current) Lawyer at Yunoki Law Office, Auditor of HIROSE ELECTRIC CO., LTD.</p> <p>(Reason for his appointment) We expect Mr. Yunoki to make recommendations based on profound insight gained through his practice as a lawyer.</p> <p>(Activities) He attended 10 of the 10 board meetings held in the term ended March 2012. (Attendance rate: 100%) He also attended 10 of the 10 auditors meetings held during the same period. (Attendance rate: 100%)</p>



## Pick up

ISO 26000 Organizational governance

### Ricoh Institute of Sustainability and Business

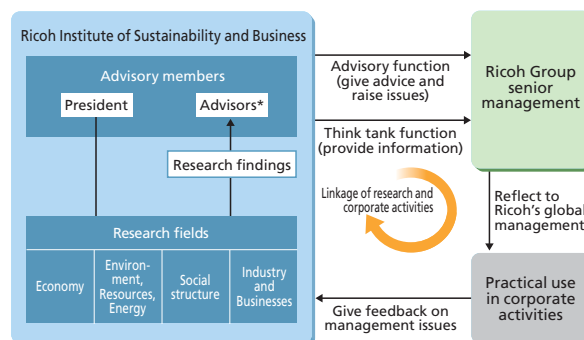
As the global economy and society changes ever more dynamically, entities are urged to achieve growth and development while overcoming various global challenges. Under such circumstances, expectations of private companies are increasingly growing as a main drive to realize a sustainable economy and society. In response, Ricoh established the Ricoh Institute of Sustainability and Business, aiming to achieve business growth through corporate activities while contributing to the realization of an affluent and sustainable economy and society in April 2010.

The institute possesses dual functions: a think-tank function to study future economic trends of society and their potential impact on corporate management; and an advisory function to make recommendations and point out issues based on the research findings to Ricoh Group senior management.

Utilizing such functions, Ricoh precisely understands structural changes in society and the economy taking place behind continuous changes felt in the business environment while steadfastly conducting independent analysis in light of Ricoh's own business conditions. The institute also explores desirable directions of our corporate activities that aim to contribute to the resolution of global challenges, including global warming, and how a company should act amid global competition, seeking a new growth model that is reflected in mid- to long-term management strategies. We strive to become a company that will gain increasing confidence of the international community through the collaboration between research and corporate activities while strengthening our corporate competitive edge.



#### ■ The Institute's structure



\* The institute calls upon business executives and intellectuals with advanced and broad expertise from outside the company.

Advisors: Kunio Nakamura (Executive Advisor, Panasonic Corporation)  
Shoei Utsuda (Chairman, Mitsui & Co., Ltd.)

## Interview

### Companies are required to make decisions with a critical eye on outlook based on the premise that the future is uncertain

**Nobuo Inaba**  
President, Ricoh Institute of Sustainability and Business



As the global economic society changes each minute, various challenges come to light. In today's business world, companies are required to make decisions while keeping a critical eye on the outlook based on the premise that it is highly likely that uncertainty will continue into the future.

Under such circumstances, the Ricoh Institute of Sustainability and Business aims to contribute to corporate decision-making through analysis of the business environment, and strives to conduct practical studies that are closely related to our corporate activities.

Since its foundation, the institute has provided useful information to the top management and presented suggestions concerning corporate management through joint meetings where discussions are conducted based on research findings and study groups with external experts, while gradually expanding the release of our findings outside the company. We strive to enhance our activities and contribute to the simultaneous realization of business growth and a sustainable economic society.

## Human Resources Management

### Performing the personnel system and developing human resources to deploy the right person for the right job on a global basis.

The most important element in carrying out corporate activities is people. If people are able to lead a meaningful life and fulfill their roles, this will lead to the development of successful companies and organizations. At the same time, the development of a company will bring happiness not only to its employees but also to their families and all those involved. We always place emphasis on human-oriented business management in every aspect of our corporate activities.

Based on the concept above, the Ricoh Group focuses its efforts on developing training systems that are easily accessible by employees, as well as an organizational climate that encourages individual employees to aim to achieve higher and more challenging goals so that they can further grow and fulfill their personal objectives. With the aim of achieving our global growth strategy, the Ricoh Group places emphasis on optimizing development and use of human resources to accelerate global management as well as securing personnel capable of taking on new and growing businesses.

Global Human Resources Management See page 30

As the company expands globally, we need to better understand different cultures and values. In this context, it is important for us to create a work environment in which diverse employees are provided with equal opportunities beyond gender and nationality; in other words, we need to implement diversity management. To achieve this objective, the Ricoh Group places equal emphasis on diversity promotion and work-life balance management in managing its human resources.

Diversity Management See page 31

Priority is also placed on ensuring a safe and comfortable environment for all those involved in the Group's business activities. Efforts have been made to create and maintain a health- and safety-conscious work environment.

Occupational Safety and Health See page 32

The Ricoh Group develops its business in numerous countries that have characteristically different ways of thinking and different customs. With two-thirds of all Group company employees being non-Japanese, we establish human rights-related policies, develop promotional tools, and provide education based on the basic universal policy of respecting human rights, which is the premise for mutual understanding.

Respect for Human Rights See page 33

#### ● Concept behind performance appraisal and compensation systems

Every one of our employees voluntarily aims to achieve high goals and gains a sense of fulfillment and personal growth by achieving them, thus becoming motivated to achieve even higher goals by being fairly treated and evaluated—this flow is called the “motivation cycle.” To facilitate the completion of this cycle, we promote a fair and transparent personnel evaluation system to encourage appropriate self-recognition and self-reliant career development among employees as well as a variety of compensation systems that reflect roles and responsibilities and achievement levels.

#### ● Efforts in personnel development

Based on the concept of supporting employees who voluntarily improve their expertise, the Ricoh Group established the “Ricoch Group Training Policy,” under which various kinds of training programs are prepared to develop employees who serve as a key component to implement growth strategies. To provide these training programs, training facilities have been expanded. Our training methods range widely, and include group training and e-learning. Since 2012, practical training on social contributions has been included in orientation training for newly hired employees to promote and raise awareness of The RICOH Way through on-the-job training.

Support activities by employees “Help and learn through volunteering” See page 83

## Pick up

### RPL awarded an IPP Gold Medal

The IPP (Investors In People) is the international standard set by a UK Government agency for effective investment in human resources. The status of the use of human resources is assessed annually in about 20,000 companies with 30,000 or more employees. Companies that are ranked in the top 1% are awarded the Gold Medal. Assessment is based on direct interviews with employees. In the assessment of Ricoh UK Products Ltd. (RPL), 77 employees were interviewed. The company met 173 of 196 requirements and was awarded the Gold Medal.



Paul Humphreys, Area Representative of IPP (second from left) and employees of RPL

## Global Human Resources Management

In order for the Ricoh Group to achieve sustainable growth, it is important that each employee from all Group companies around the world engages in creating and providing customer value through implementing The RICOH Way. It is also important for the company to implement personnel development measures on a global basis to provide opportunities to each Group employee to grow, particularly those with higher capabilities and motivation.

Through M&As and other strategic consolidations that expand its business, the Ricoh Group has become a corporate group with 100,000 employees. The potential of the Group will be further unleashed through the concerted efforts of these diversified human resources around the world in achieving common objectives beyond country borders and regions.

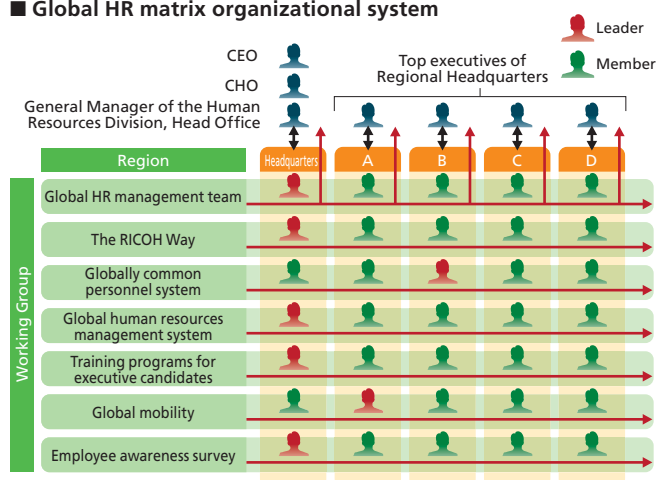
In October 2011, the Ricoh Group Human Resources Management Policy was defined and a global business leadership training system was initiated. A global pool of leaders will be established according to this policy to facilitate the discovery, training and effective use of human resources. Priority themes for promoting the management of global human resources are 1) wide dissemination of The RICOH Way, 2) training for global top talent, 3) promotion of global mobility, 4) visualization of global human resources, and 5) adoption of a global common system of personnel management.

### ● Establishment of a Global HR matrix system

Global human resources management is the key to making full use of each individual employee's expertise in each Group company, for which improvement in cooperation among personnel departments of all Group companies is needed. Ricoh has a cooperative system for managing global human resources that involves overseas regional headquarters, and personnel-related issues are discussed under the global matrix organizational system.

Under this system, programs for global human resources management are developed and implemented. Currently, particular emphasis is placed on the themes described above.

### ■ Global HR matrix organizational system



## Major efforts for global human resources management

### 1) Wide dissemination of The RICOH Way

It is important to share the Group's philosophy and value in terms of acceleration of global business management. To further strengthen cooperation among Group companies and improve the Group's competitiveness, we are promoting the sharing of The RICOH Way.

### 2) Training for global top talent

Regarding candidate business leaders as the Group's assets, we have redefined the process of selection, training, use (rotation), evaluation and appointment of the business leader training system. Using this system, efforts are ongoing to promote the continuing growth of the Ricoh Group. The Global Executive Summit (GES), consisting of candidate business leaders from around the world, was formed in 2011 to ensure sharing of The RICOH Way as well as business policy and strategy, and to make proposals to the Head Office's management team through group discussions. In addition, we are preparing "training programs for executive candidates" on a global basis.



Global HR Management Conference

### 3) Promotion of global mobility

Personnel reshuffling of executives, mid-level executives with high expertise, and general employees is performed beyond countries and regions in order to appoint the right person for the right job on a global basis. The initial reshuffling that took place according to this concept involved three employees who were transferred from overseas regions to Japan by the end of March 2012. Reshuffling of personnel beyond borders will be expanded in the future.

## Diversity and Work-life Balance Management

Global competition has become more and more intense and customers' needs have become ever more diversified and sophisticated. In this rapidly changing business environment, in order for the Ricoh Group to keep growing, it is necessary to provide products and services with high added value that meet such customer needs and to keep producing innovations that achieve a significant improvement in productivity.

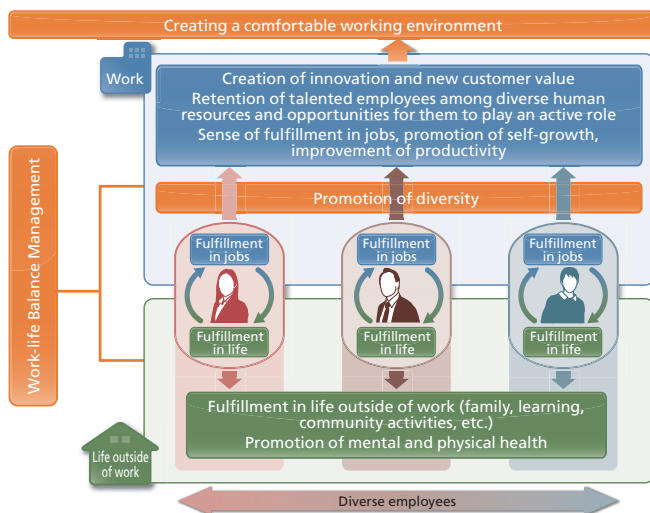
Innovation can be achieved not through a monocultural or singular way of thinking but by making full use of the varied characteristics of diverse employees and by integrating their expertise and knowledge. To allow these employees with their diverse backgrounds to achieve

high productivity in their work while achieving fulfillment in life outside of their work and career, it is necessary to change the ways of working in such a way as to ensure the growth of both the company and the individual employees.

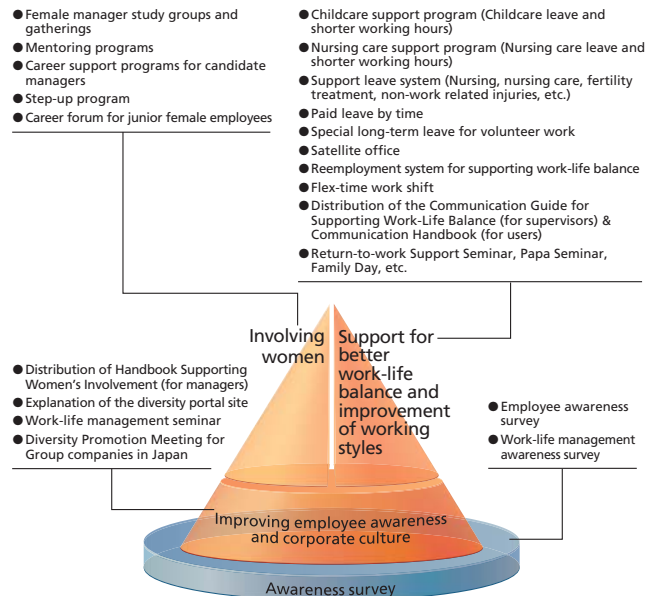
"Diversity Promotion" and "Work-life Balance Management" are our efforts to address the above issues so as to become a "vital company" where both organizations and individuals grow and develop. With these efforts, we will pursue challenging goals to establish new ways of working.

The Ricoh Group is promoting diversification of employment and working patterns to suit various employee lifestyles.

### ■ Correlations between Diversity Promotion and Work-life Balance Management



### ■ Creation of a workplace that provides employees with diverse backgrounds with opportunities to play an active role



## Interview

### Diversity initiatives at RAC

At Ricoh Americas "diversity" is much more than just another concept: it's a way of life. "Diversity is first of all a matter of ethics, but not only that," says Donna Venable, Senior Vice President, Human Resources at Ricoh Americas Corporation (RAC). "More and more our valued customers want to know how our sales and services are structured around diversity. They are looking for a partner they are comfortable with. In that sense for us diversity is not just the right thing to do, it also makes good business sense."

Underpinning all Ricoh Americas' diversity initiatives is The Diversity and Social Responsibility Council, which serves as an advisory board to senior management. One particularly powerful

initiative, is something called "Supplier Diversity," which is both a strategic imperative and a competitive advantage for the company. Simply put Supplier Diversity consists in seeking and expanding partnerships with minority-owned, small, small-disadvantaged, woman-owned, veteran-owned, service-disabled-veteran-owned and HUBZone small businesses.

**Donna Venable**  
Senior Vice President  
Human Resources  
RicoH Americas Corporation

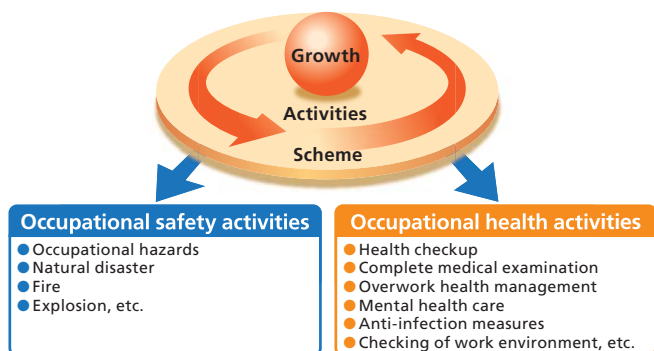


## Occupational Safety and Health

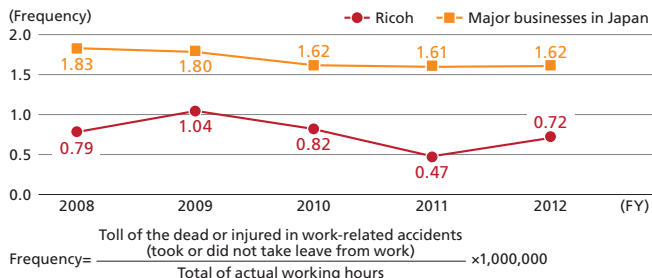
### ● Building a healthy, safe and pleasant workplace

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.

### ■ Conceptual diagram of health and safety activities



### ■ Frequency of work-related accidents (Ricoch)



### ● 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 the term ending March 2013, we added new examination items to those legally required for the regular health checkup for those over 35 years old. The revised health checkup is more focused on preventing lifestyle-related diseases and on the early detection of cancer. Our efforts in health management also include the establishment and implementation of a management cycle that covers all Group companies in which staff involved in mental healthcare, physical healthcare and labor issues cooperate with each other.

### ● 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. We use 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 the term ending March 2013, the Group's priority was on eliminating accidents involving falls, cuts, abrasions, caught in-between and entanglement hazards, and lower back pain.

## Stakeholder Communication

### Communication with employees

#### Group Employee Awareness Survey

Ricoh conducts employee awareness surveys on a regular basis with the intention of using the results to create an enhanced workplace environment where individual employees are encouraged to demonstrate their abilities to the fullest and enjoy working to fulfill their responsibilities.

In 2012, the surveys also began to be introduced to group companies in Japan. The results are intended to be used to develop actionable improvements that will benefit employees and companies as well as the entire group.

#### Ricoh Employee Council

Ricoh Employee Council meetings are held based on the concept that employees are collaborators in business. In Council's regular and ad-hoc central meetings, top management members and other employees gather to report the current status of achievements and progress made in each department's projects. Information shared at these meetings is later conveyed to all employees at office meetings and workplace meetings. Company-wide issues such as pay raises and bonuses are deliberated by special section meetings after gathering opinions from as many employees as possible. Results of deliberations are presented to executive officers.





# Respect for Human Rights

ISO 26000 Human Rights

## The Ricoh Group respects the rights of all those involved and takes the initiative to avoid risks while enhancing corporate values

### As a company engaged in global business

Various issues related to the increasingly globalized economy are emerging. Of these, human rights-related issues are the most extensive and complicated. Respecting human rights has become increasingly important to companies.

From the very beginning, Ricoh has been built on the foundation of The Spirit of Three Loves—love your neighbor, love your country, and love your work—Among the three loves, “love your neighbor” is the basis of the Ricoh Group’s respect of human rights. We have cherished this spirit since the foundation of the company, and in 2002, we announced our participation in the United Nations Global Compact (UNGC). We incorporated the UNGC’s principles on human rights and labor into the corporate principles stipulated in the “CSR Charter” issued in the fall of 2003 and into the “Code of Conduct,” which both executives and employees are required to observe, based on which, efforts to address human rights and labor issues have been undertaken.

#### ■ The Ricoh Group’s past activities to ensure human rights

November 1991	The Human Rights Enlightenment Committee was established and staff in charge of human rights enlightenment were assigned to each office and plant and the Business Assistance Division.
October 1994	A guidebook for enlightenment of human rights “ <i>Hito-o Aisu</i> (Love your neighbor)” was issued and education to raise awareness of human rights was initiated.
September 1998	The Human Rights Counseling Center was established.
April 2002	Operation of a database on human rights and sexual harassment was initiated.
April 2002	The company signed the United Nations Global Compact (UNGC).
November 2003	Respect for basic human rights was clearly stipulated in the Ricoh Group CSR Charter and the Ricoh Group Code of Conduct.
January 2006	The Ricoh Group Supplier Code of Conduct was established, which requested that suppliers respect basic human rights, and in 2009 the self-assessment system was established.
April 2007	An organization to promote “diversity & work-life management” activities was established.
April 2008	Color universal design activities (in consideration of the diversity of color vision) were initiated.
December 2008	The company signed the CEO Statement for the 60th anniversary of the Universal Declaration of Human Rights (UDHR).
February 2011	The company signed the United Nation’s Women’s Empowerment Principles.
March 2011	A stakeholder dialogue on human rights was held.
March 2012	The company announced its policy on conflict mineral issues.

#### ■ Major international standards and regulations that are referred to in addressing relevant issues

- The ten principles of the United Nations Global Compact
- Human rights guidelines based on the United Nations Guiding Principles on Business and Human Rights (the Ruggie framework)
- Social responsibility standard—ISO 26000
- OECD Guidelines for Multinational Enterprises
- ILO international labour standards

### Two elements in addressing human rights issues

The two main elements regarding respecting human rights are “risk avoidance” and “corporate value improvement,” while giving due consideration to all stakeholders involved in corporate activities.

The company monitors for the presence of child labor and forced labor not only within its own organization but also within companies in its supply chain. Our suppliers are required to comply with the Ricoh Group Supplier Code of Conduct. The status of their compliance with the code of conduct is regularly assessed by “CSR self-assessment” reports and they are encouraged to make improvements, if necessary.

Emphasis is also placed on human rights issues in the context of the mining of resources in conflict areas (conflict minerals issues), which has recently been particularly controversial. We are addressing these issues in cooperation with other organizations in the industry. In our efforts to respect human rights, it is also important to ensure “health, security and safety” for users of Ricoh’s products. We have promoted various activities to achieve this objective, including provision of user-friendly products that everyone can use with ease and promotion of “color universal design activity,” in consideration to the diversity of color vision.

#### ■ Two elements in addressing human rights issues

##### 1. Risk avoidance

- 1) Human rights due diligence
- 2) Recognition of the extent of influence
- 3) Avoidance of conspiracy

##### 2. Corporate value improvement

- 1) Protection of consumers
- 2) Respect for diversity
- 3) Coexistence with communities

Consideration of human rights in the supply chain See pages 56 and 58

Technologies that contribute to solve social challenges See page 42

Recognizing fully that it is essential for a company that operates globally to respect the culture and customs and appropriately consider human rights in places where it develops business, the Ricoh Group has given due consideration both to environmental conservation as well as employment and training of human resources, regardless of when or where in the world the Group conducts its business. We believe that this approach helps us to gain the trust of local communities and contributes to achieving both community development and business growth.

We fulfill our responsibilities as a company engaged in global business through our business activities so as to create living and working environments where anybody can live a secure, safe and comfortable life and participate in community activities.

## To further strengthen efforts to promote respect for human rights

With regard to human rights, it is important from a global perspective to constantly monitor relevant laws and regulations that already exist as well as international standards and guidelines that will be introduced in the

future. In March 2011, we held a dialogue on efforts and initiatives to be undertaken by the Ricoh Group in the future, inviting experts in human rights and ISO 26000 standards with abundant experience in relevant fields.

### “Dialogue on Human Rights” inviting experts



#### [Invited participants]

**Yozo Yokota**  
(Director, Center for Human Rights Education and Training; Professor, Chuo University)

**Shinichi Hasegawa**  
(Director, Japan ILO Office)

**Makoto Teranaka**  
(Executive Director, Amnesty International Japan)

**Kaori Kuroda**  
(Executive Director, CSO Network Foundation; Expert, ISO 26000 Working Group)

**Masao Seki**  
(Associate Director, Chief CSR Officer, Sampo Japan Insurance Inc.; Expert, ISO 26000 Working Group)

(The affiliations and job positions above are accurate as of March 25, 2011)

### Major pieces of advice provided by experts

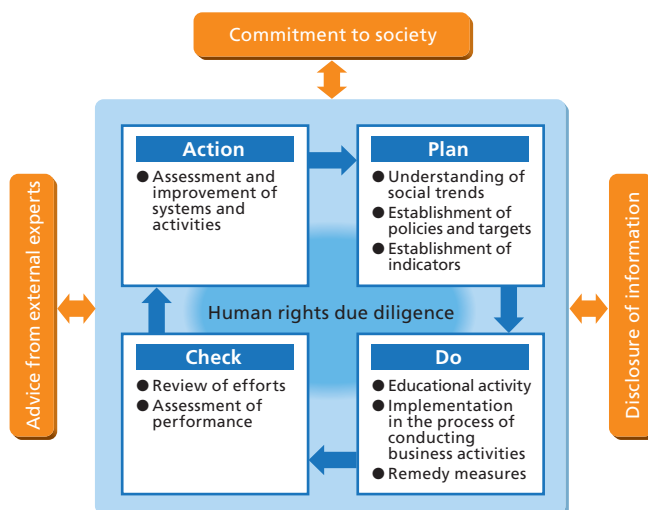
- Issues related to human rights may develop into litigation and therefore it is important to regard them as possible risks to the company.
- There is a concern about how the company analyzed human rights-related cases in the past in Japan and abroad and how the company shares information on these cases within its organization.
- Issues yet to be addressed include improvement of the system to evaluate and study the occurrence of human rights-related cases on a regular basis and the system of due diligence that allows the company to preemptively identify possible cases.
- Human rights issues should be regarded as issues that need to be addressed not only by the Human Resources Division but by all divisions and departments of the entire company.
- It is recommended that more experts from external sources be used in order to improve relevant activities.
- As a global company, it is important to be constantly sensitive to global trends concerning human rights issues so as to stay informed of the latest news.
- The company should include education on human rights in pre-transfer training programs for employees to be assigned overseas.
- It is important to acknowledge that the supply chain is within the company's realm of responsibility (within the company's sphere of control) and therefore should be included in the company's efforts to address human rights issues.

Based on advice provided by experts and awareness raised through these dialogue meetings, we have added the following items to our list of efforts to promote human rights:

- 1) Understanding details regarding international standards and guidelines on human rights
- 2) Analysis of the Ricoh Group's current situation and identification of issues that need to be addressed according to items related to human rights in ISO 26000
- 3) Collection and past case reviews
- 4) Improvement in the aspect of human rights for risk management of the entire Group [Risk Management See page 25](#)
- 5) Education for all employees through “human rights e-learning”

More effort will be focused on relevant activities from a global perspective, with more attention placed on international trends, based on the “Ricoch Group Human Rights Respect Promotion Framework.”

### ■ Ricoh Group Human Rights Respect Promotion Framework





# A World of Innovation



Research &  
Development

Creating new innovations with  
imagination and ideas

See page 37

Total  
Solutions  
for Office

Providing one-stop solutions to  
solve customer management issues

See page 43

Production  
Printing

Delivering total workflow solutions  
to enable customers to succeed

See page 51

Supply  
Chain  
Management

Maximizing customer value with  
suppliers and achieving sustainability

See page 55

Sustainable  
Environmental  
Management

Pursuing a business model  
whereby we help to create a  
sustainable society

See page 61

To Grow  
with Society

Committed to a sustainable future  
for business, society and the earth

See page 75



## Research & Development

### Creating new innovations with imagination and ideas

6%

Research and development expenses ratio to sales  
(FY 2012 ended March 31, 2012)

39,254 patents

Japanese and foreign issued patents  
(As of March 31, 2012)

"Committed to providing excellence to improve the quality of living" through the interaction between people and information. This is one element of our mission statement embraced in Ricoh's management philosophy. Since its founding in 1936, Ricoh has brought about technical innovations in the office environment by introducing a variety of new products and services, including sensitized paper, plain paper copiers, facsimile machines, and MFPs.

The foundation for these innovations is Ricoh's wide variety of resources. For example, MFPs, which are Ricoh's major products, are built upon integrated efforts among its various fields of expertise such as electrophotography, imaging, chemistry, optical technology, networks, software and others. We are certain that we will continue to create new value by combining these long-established technologies with new technologies.

ISO 26000

The environment Consumer issues Community development



# Innovation

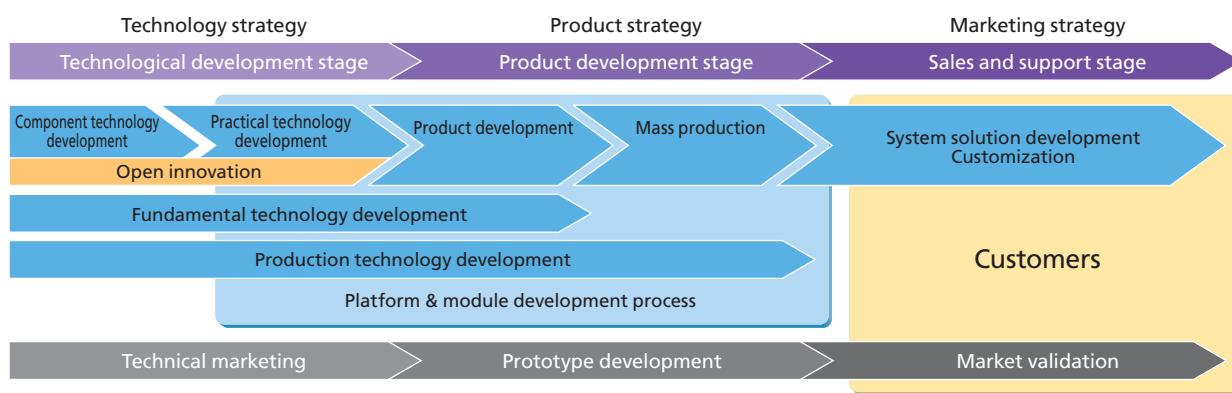
## The Ricoh Group's research and development activities

The Ricoh Group has built a solid R&D system that underpins its excellent capabilities of realizing comfortable workstyles by understanding customers and projecting future trends based on studies regarding the world economy, social and technological trends.

In particular, Ricoh's values are defined as Ricoh Brand Benefits. Specifically, keeping three key points in mind—"harmonize with the environment; simplify your life and work; and support knowledge management,"—we have been engaged in innovative technology development with the aim of realizing product and service development,

which are important and impressive features for our customers.

At the technology development stage, Ricoh conducts R&D based on technology strategies, which are essential for the creation of new business opportunities and for innovation of existing business. Additionally, at the sales and support stage, we are engaged in joint value creation activities in accordance with marketing strategies in cooperation with customers, including promotion of the developer program and the development of system solutions and customization at Technology Centers around the world.



Technology [WEB www.ricoh.com/about/company/technology/](http://www.ricoh.com/about/company/technology/)

## Creating innovation

See page 39

To come up with new innovations, it is essential to take a new approach to development style. Therefore, in addition to following conventional procedures, we have also been trying new approaches, including starting marketing activities at the stage of developing component technologies, and releasing a prototype into the market for the purpose of enhancing it together with customers.

Furthermore, in the R&D process at our global research and development facilities, open innovation activities are aggressively promoted, including collaboration with universities and other research institutes, businesses alliances in different industries, and standardization and criteria-forming activities through partnerships with other corporations.

## Global technology development system

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Ricoh has set up research and development sites around the world including Japan, the United States, India and China. These sites are actively engaged in group-wide R&D activities, from technological research at the seed level, to R&D concerning component technologies and its commercialization, as well as basic technology development including environmental/simulation technologies.

## Technologies for a sustainable society

See page 42

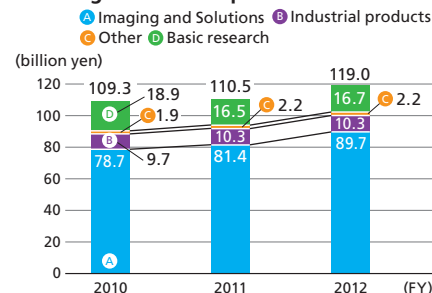
Ricoh is committed through innovation to contributing to the resolution of various problems facing society. To this end, we utilize the Group's technological and human resources to develop technologies that contribute to the reduction of environmental impact, products with superb usability, and next-generation potential.

## Continuous R&D investment

The Ricoh Group constantly invests approximately 5 to 6% of its total sales in R&D activities in order to continue to bring about innovations. For example, R&D expenses for fiscal 2012 (ended March 31, 2012) were

119 billion yen (with approximately 6% ratio to sales). And over 10% of R&D investment, or 16.7 billion yen, was allocated to development in the basic research field.

### Changes in R&D expenses



## Creating Innovation

Many people benefit from conducting intellectual activities using advanced networks. On the other hand, we face imminent environmental issues such as increasing population and overuse of non-renewable resources and energy.

The Ricoh Group can contribute to the resolution of these issues based on Ricoh Brand Benefits.

We will create new innovation that accelerates changes towards making a better world.

### Six trends in the transforming office environment

In recent years, we have experienced various changes in the social and economic environment, including progress in globalization, expansion of emerging economies, evolution of network technologies, changes in demographics and increased environmental problems. Along with such changes, workstyles at companies are rapidly being transformed as well.

We consider the totality of the way people work, their business processes and work environment as the "office."

At Ricoh, we have projected six transforming trends of the office environment continuing through the next ten years based on the transition in the social climate.

- (1) Outsourcing non-core business and focusing on core businesses
- (2) Strengthening internal and external networks (workflow collaboration)
- (3) Greater emphasis on emerging markets
- (4) Diversification of workstyle—work anywhere and anytime
- (5) Further development of environmental preservation
- (6) Individual's awareness of security and safety

### Three future office images that Ricoh envisions

Taking into consideration these trends, we have envisioned three images of the future office: (a) integration of business processes in advanced and emerging markets, (b) two types of office worker: knowledge worker and skilled worker\*, and (c) individually optimized work environment.

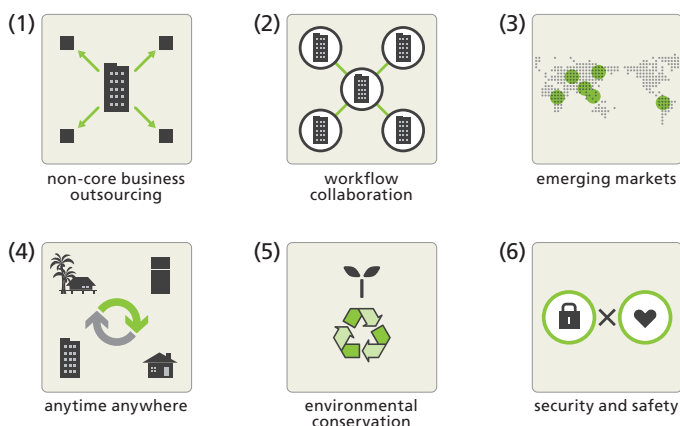
In the future office, it will be essential to establish a workflow that seamlessly links different locations to which labor has been allocated, for instance, between offices in advanced nations and emerging nations, and internal/external organizations. In addition, it will be necessary to ensure that workers are able to access data via mobile devices, and use optimized equipment for their home in the same way as workers perform at the office. It will be also important to provide a secure and comfortable environment in this regard.

Needless to say, we always need to keep in mind sustainability and environmental conservation when offering products and services to respond to this transformation.

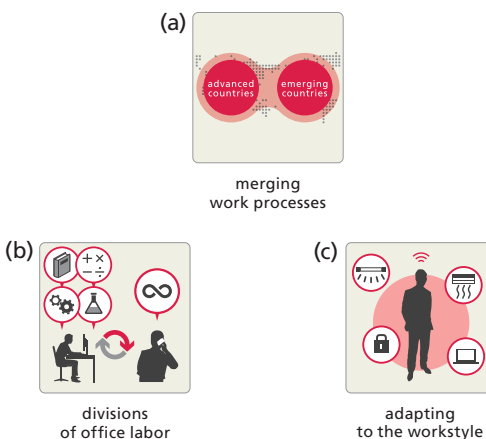
The Ricoh Group is examining various possibilities for the future while it is engaged in a wide range of R&D activities with the main focus on innovative technologies that will transform customer workstyles while reducing environmental impact.

\* Polarization of workstyle into two distinct forms based on expertise: fixed-based workstyle in terms of time, place and task, and project-based flexible workstyle.

#### ■ Six trends



#### ■ Three office images Ricoh envisions



## Developing new business for growth markets

Ricoh is proactively developing new businesses in order to pioneer a new growth market. The first step is to explore possibilities for new businesses that utilize technologies currently under development or that utilize our existing core technologies. Technologies recognized by the R&D sector for their distinct promise are then judged promptly by a handful of executives, including the top management, on feasibility of the application for new business. Finally, the commercialization process of projects that have been approved by the president is accelerated through the placement of

personnel and by preparing funds for product development in partnership with the business unit, as well as the establishment of a marketing network.

Under past projects, a projection system, a unified communication system, rewritable hybrid media, eWriter solution, and an eco-solution have been placed into the market, with the aim of accommodating changes in customer workstyles.

## Pick up

### Major products/services in fiscal 2012 (ended March 31, 2012)

#### Compact MFP developed for Chinese market

##### ● SP 100SF

This A4 MFP was created out of marketing and development activities in China, and was released in October 2011 in China. Since 2012, its sales area has expanded to Southeast Asia, including India.

See page 45



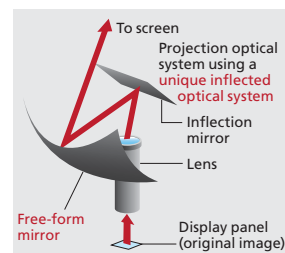
#### Ultra-short-throw projector for efficient use of limited space

##### ● PJ WX4130 series

World's smallest and lightest\* ultra-short-throw projector

See page 50

\* World's lightest: as an ultra-short-throw projector that employs mirror reflection (surveyed by Ricoh, as of April 2012)



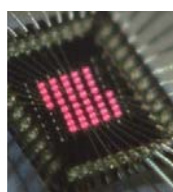
WEB [www.ricoh.com/about/company/technology/tech/040.html](http://www.ricoh.com/about/company/technology/tech/040.html)

#### 40-channel vertical cavity surface emitting laser (VCSEL) array

##### ● RICOH Pro C751EX/C651EX

Ricoh has developed proprietary VCSEL technology that realizes high-definition and high-speed printing with the ability to emit 40 laser beams simultaneously.

See page 53



WEB [www.ricoh.com/about/company/technology/tech/038.html](http://www.ricoh.com/about/company/technology/tech/038.html)

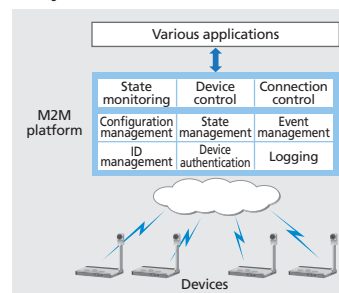
#### Easy access via the Internet with unique M2M communications control technology

##### ● RICOH Unified Communication System P3000

This new visual communications system provides services via the Internet with an optimal platform built in a cloud, which enables real-time two-way video and voice communications among multiple locations.

See page 50

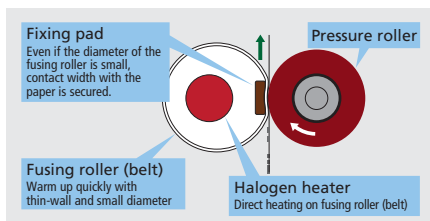
WEB [www.ricoh.com/about/company/technology/tech/039.html](http://www.ricoh.com/about/company/technology/tech/039.html)



#### Significant power reduction with a low-temperature fixing toner and a DH fixing system

##### ● MP C5002 series

The world's top-class environmental performance is realized with the introduction of Ricoh's proprietary technologies including new color QSU by the direct heating (DH) fixing system and Color PxP-EQ Toner, a toner that achieves low-temperature fixing. Specifically, typical energy consumption (TEC) is significantly reduced and the machine is able to quickly recover from its energy-saving mode (sleep mode).



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WEB [www.ricoh.com/environment/product/energy/01\\_01.html](http://www.ricoh.com/environment/product/energy/01_01.html)

#### Innovative image search realized by Ricoh Visual Search technology

##### ● TAMAGO Clicker

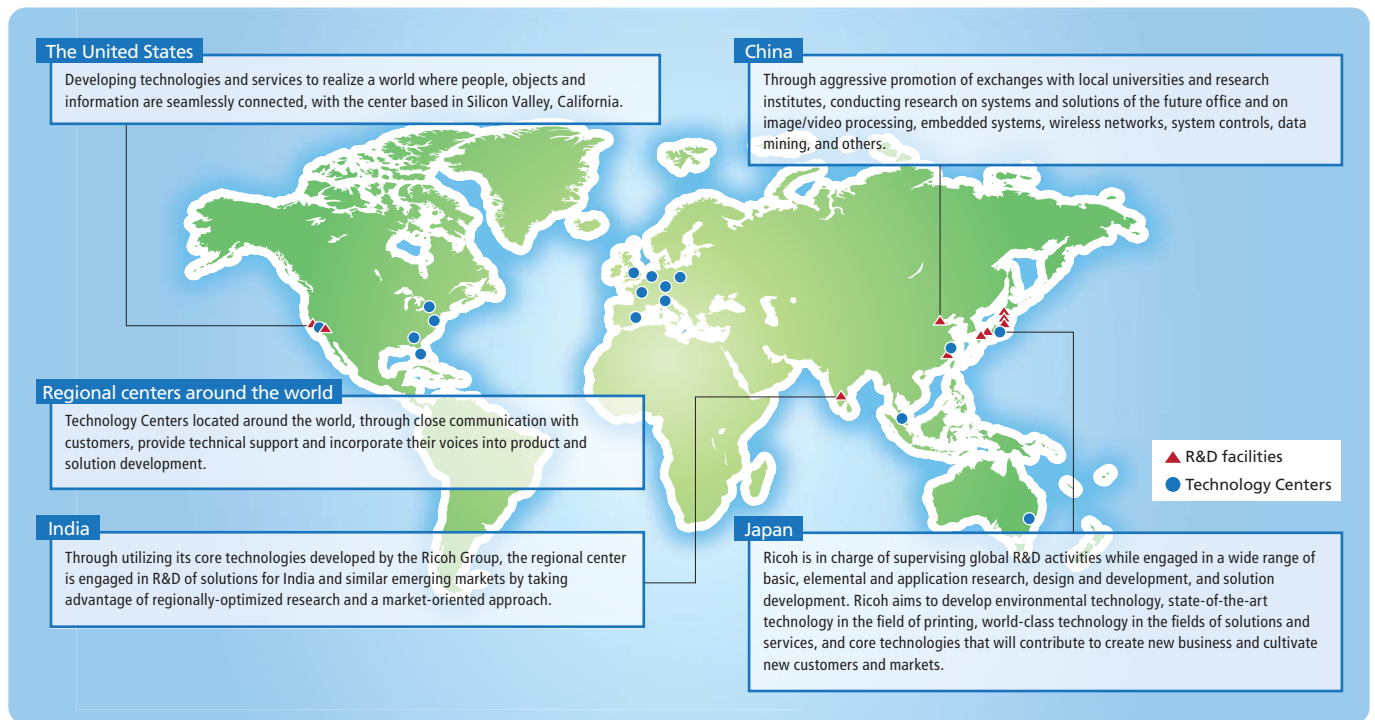
Ricoh's proprietary technology enables smart phones to access digital content and cloud services with printed media and respond to Clickable Paper™ service anywhere anytime.



WEB [www.ricoh.com/about/company/technology/tech/044.html](http://www.ricoh.com/about/company/technology/tech/044.html)

## Global Technology Development System

The Ricoh Group studies market needs and conducts research, design and development through its R&D sites located in Japan, the United States, India and China in a way that accommodates regional characteristics. In addition, we have built a framework to grasp genuine customer needs by opening Technology Centers and Printing Innovation Centers around the world.

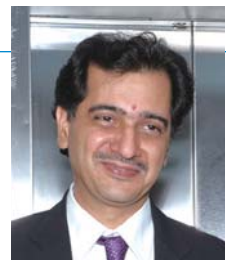


## Interview

### Creating new business opportunities with the community-oriented research

Combining market-oriented technology development with regionally optimized research to pioneer new business tailored for the India market, RIPL focuses on supporting cutting-edge projects in large market segments such as health care, education, finance, media and entertainment. Bangalore offers a large pool of talented engineers, researchers and entrepreneurs. We look forward to building an

**Kaip Sridhar**  
Managing Director  
Rico Innovations Private Limited



excellent multi-disciplinary team to address the many opportunities in India and similar emerging markets like Africa, Middle East and South East Asia.

## Open innovation

Ricoh has been promoting open innovation, which proactively utilizes the capabilities of universities, research institutes, and companies that have expertise in the technical fields Ricoh intends to explore. Through building win-win relations in flexible partnerships with different businesses and industries, Ricoh is accelerating the speed of innovation.

For example, Ricoh and Tokyo Steel Manufacturing jointly developed

electric furnace steel sheets made of 100% recycled steel scraps in 2011. Also, we have been developing next-generation water treatment technology jointly with REO Research Institute and the National Institute of Advanced Industrial Science and Technology based on ozone micro/nano bubble technology.

## Technologies for a Sustainable Society

We have been engaged in activities that accommodate public requests, address environmental issues and social challenges and help foster the next generation through innovation, which leads to create new technologies and business models.

### Environmental technologies

Ricoh conducts R&D activities that will reduce the environmental impact of its products at all stages of their lifecycle. At the product technology development stage, we focus on LCA-based design and energy-saving technology and have been making an effort to develop products with lower environmental impact. Regarding technology development at the production stage, we are developing new production processes and recycling technology that can further lower environmental impact while retaining high quality. In addition to technology development that is directly related to its products, Ricoh has been dealing with R&D themes that contribute to reducing negative impacts across society.

### Technologies that contribute to solve social challenges

The Ricoh Group is developing products and services that "simplify your life and work" under the Ricoh Brand Benefits, taking into consideration social challenges and increasing diversity. Information devices have been further sophisticated with higher and wider functionality and have been used by increasingly more people in various situations in recent years, which are even leading to changes in customer lifestyles. At the same time, in many cases a higher level of literacy in freely using such devices is expected. For instance, as MFPs become more convenient and useful with the addition of many extra functions, they become more difficult for some users to operate since much time is required to learn how to use them. To address this problem, Ricoh has been conducting technology development that allows as many customers as possible to feel comfortable with using its products and to recognize good usability regardless of physical disabilities or age, and has been incorporating such technologies into many of its products and services.

### Ricoh's technology-based nurturing programs of the next generation

The Ricoh Group has conducted a variety of programs related to various technologies, which are designed to inspire youth to inquire into technology and science. For instance, the application programming competition targeting university students, launched in 2008. The Ricoh Science Caravan, which was designed to let children have hands-on experience with the wonders of science with the aim of inspiring them to become more interested in science, have both been attracting an

## Pick up

Major achievements in FY 2012  
(ended March 31, 2012)

### Technologies aimed at reducing the use of virgin resources

- Closed water recycling system based on the application of ozone micro/nano bubble technology
- Electric furnace steel sheets used for MFP

See page 69

### Technology aimed at reducing environmental impact during production

- Low-cost but safe and high-quality polymerization method of obtaining metal-free poly-lactic acid

See page 70

### Technology with which users can reduce environmental impact

- Energy-saving function for printing with Quick-Start-UP technology (QSU)

See page 63



Part made from electric furnace steel sheets

For more details [WEB www.ricoh.com/environment/](http://www.ricoh.com/environment/)

## Pick up

Major achievements in FY 2012 (ended March 31, 2012)

### Improving accessibility of MFP

MP C5002 series (released in 2012) designed to improve accessibility and usability

- The scanner unit is detachable so that it can be placed on a desk where everyone, including wheelchair-bound users, can comfortably operate the machine.
- The angle of the control panel is adjustable so that users can easily access various functions even when they are seated in a chair.
- With CUD (color universal design)-incorporated printer functions, users can easily select a type of printing that utilizes colors that are easier to see for those with impaired color vision.



For more details [WEB www.ricoh.com/csr/activity/integrity/userfriendly.html](http://www.ricoh.com/csr/activity/integrity/userfriendly.html)

increasing number of participants every year. In particular, the Ricoh Science Caravan is positioned as a program unique to the Ricoh Group that leverages the group's resources as well as collaboration with local communities in Japan.





## Total Solutions for Office

## Providing one-stop solutions to solve customer management issues

# No.1

Global market share for A3 MFP  
(including single function copiers)

In 2011, in terms of shipments

\* Source: IDC's Worldwide Quarterly Hardcopy  
Peripherals Tracker 2012 Q2

# No.2

Global market share for MPS

In 2010, amount of sales

\* Source: IDC: Worldwide and U.S. Managed Print Services and  
Basic Print Services 2012-2015 Forecast and Analysis,  
Mar 2012, Doc#233453

Providing one-stop solutions for various management issues—that is what the Ricoh Group can deliver to its customers. In about 200 countries and regions worldwide, we provide advanced document-related solutions and equipment. Our operations have continuously expanded to include IT services and cloud-based communication devices and solutions. We always strive to meet and exceed the needs of our customers, which often allows us to identify problems that even they are unaware of. Leveraging our accumulated expertise, we at the Ricoh Group support customers in their efforts to improve operational efficiency and reduce environmental impact in their offices.

ISO 26000

The environment   Consumer issues   Community development

# Products and Solutions for the Office

## We become closer and grow together with customers by providing one-stop solutions.

To survive and prevail given the intensifying global competition that is present in today's business environment, companies must strengthen their management capabilities any way they can. Under these circumstances, to improve operational efficiency and productivity and reduce workflow-related costs, there are growing needs for visualization and consolidation of not only office devices, document infrastructure and companywide processes, but also for outsourcing development, as well as operation of all of these processes. To adjust to changes in work style resulting from the widespread use of tablets and other smart devices as well as from cloud computing, companies are also increasingly becoming interested in employing innovative infrastructure and services to improve efficiency.

Having traditionally focused on office document devices and related services, the Ricoh Group positions its globally consistent product lineup and extensive sales and support services as tools which allow it to deliver optimal solutions tailored to each customer's needs.

Built upon those strengths, we have expanded our business areas to cover not only the traditional document environment, but also IT services and communication areas, to meet evolving customer needs and environments. We also work to develop and release new products and services that support customers in every aspect of their business so that we are able to provide one-stop solutions for customers of all sizes and in all sectors.

The Ricoh Group will continue to make even greater efforts to identify the challenges customers face and the value they expect from us. By finding the answers and delivering solutions to them, we will build even stronger ties and grow together.

### ■ Customer value proposition matrix

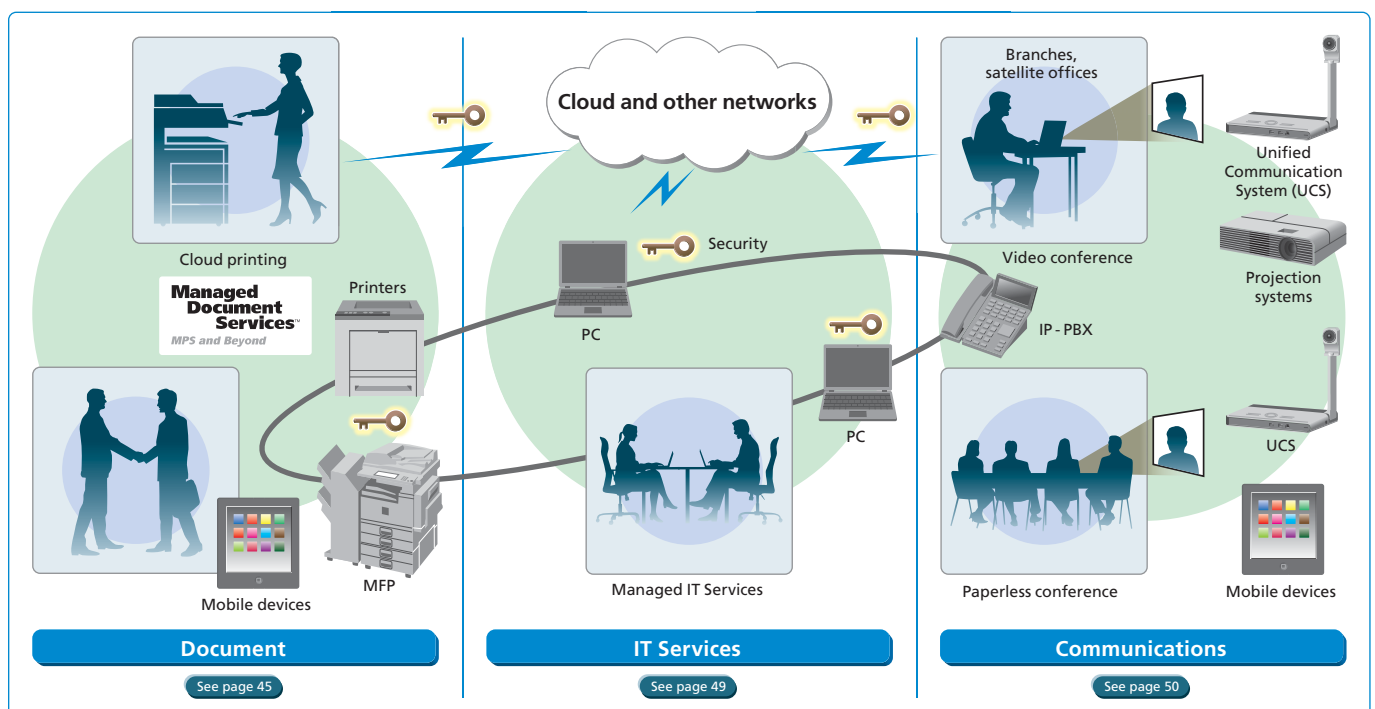
As a one-stop solutions provider, we now deliver an optimal combination of hardware and services that are best suited to customers' respective needs and issues, rather than offering hardware (e.g., imaging equipment) only.

	Document	IT Services	Communications
Hardware	MFPs, office printers, production printers, etc.	PCs, servers, tablets, etc.	Projection systems, UCS, IP phones, etc.
Operation services	Consumables, maintenance, remote device management	Development, maintenance, remote device management	
Outsourcing services	Managed Document Services (MDS), Document process outsourcing (DPO)	Business process outsourcing (BPO)	

Customer Case Studies

[WEB www.ricoh.com/services\\_solutions/casestudy/globaldeployment.html](http://www.ricoh.com/services_solutions/casestudy/globaldeployment.html)

### ■ Expansion of Ricoh's business areas



## Document Services

Businesses look for more than the value of document devices; they look for optimal solutions that enable efficient collaboration of all documentation-related elements including document devices and information infrastructure.

To deliver such solutions and satisfy customer needs, the Ricoh Group will continue to enhance its hardware lineup and sales and support services, thereby delivering greater customer value that caters to specific document needs and environments. Our aspiration is to become an indispensable business partner for our customers.

### Product Strategy

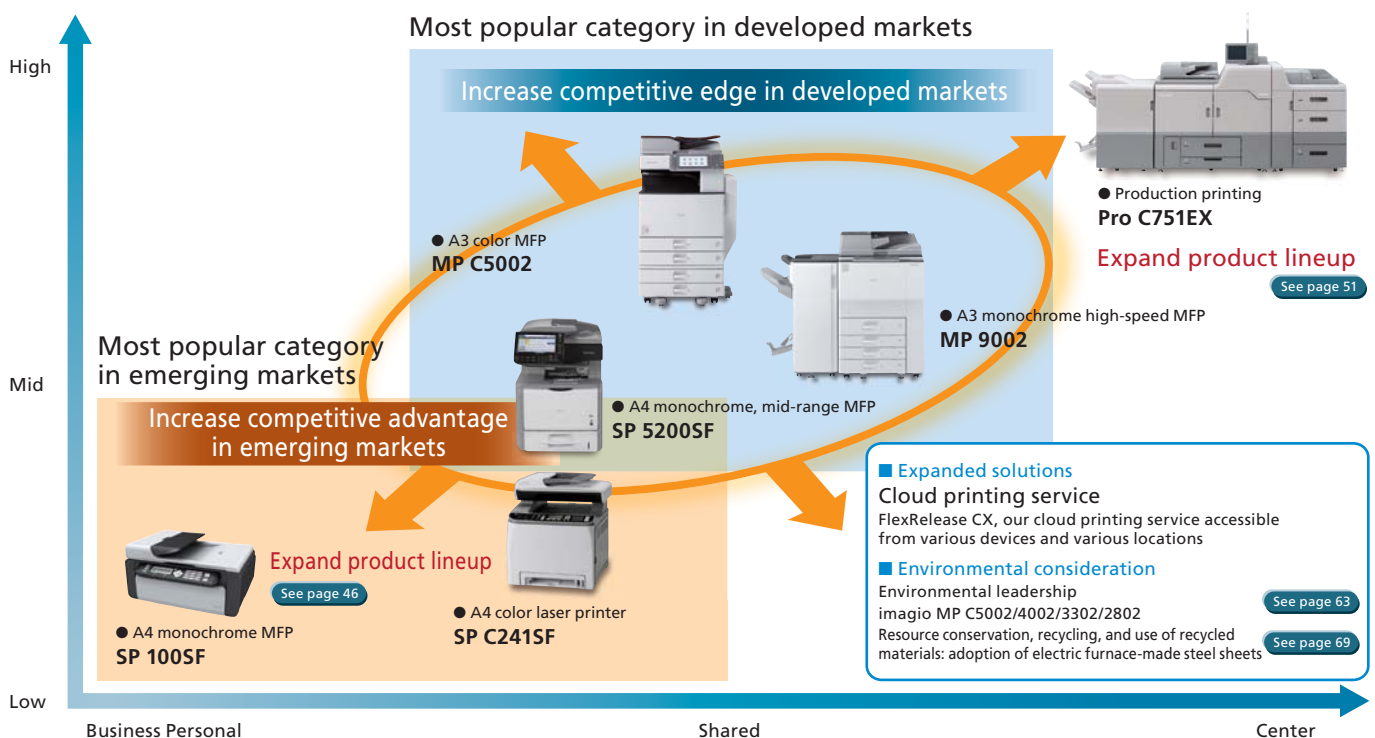
Expanding our portfolio of competitive products and delivering one-stop solutions around the globe

#### Meeting a wide variety of customer needs in various countries with our one-stop solutions and full product range

Aiming to satisfy a wide variety of customer needs around the world, the Ricoh Group has continued extending the depth and reach of its products and services, ranging from MFPs and printers for office use to production printers. In the A3 MFP segment, of which Ricoh has the largest global market share, we have foraged ahead of our competitors by fully redesigning our mid-speed color MFP model in 2012 to meet Japan's energy efficiency qualifications. We have also added new models to our A4 MFPs and printers, extending our product mix to cover low-end to high-end models.

#### Aggressive roll-out of new A4 models in developed and emerging markets

We are continuously expanding our lineup of A4 models, particularly focusing on the development of color models for large corporate MDS customers (as part of a full imaging product range) in developed countries, as well as models that can meet the needs of emerging markets, which are expected to see significant increased demand for printing devices and services. In the year ended March 2012, we added nine new models to our A4 MFP lineup and 14 models to our A4 printer lineup.



## Focus

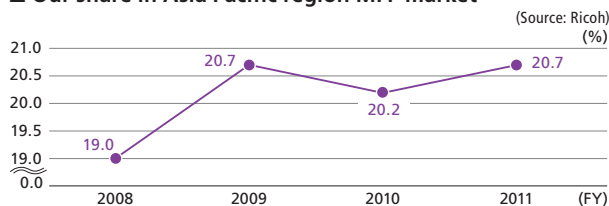
### Business expansion into rapidly growing emerging markets

While developed markets have seen a slow growth, emerging markets have been expanding on a continuous basis. Among these markets, the Asia Pacific region in particular is considered to have significant growth potential, and the Ricoh Group is expanding and strengthening its production, sales, and R&D facilities in this region.

As we aim to establish a solid foundation in emerging markets, particularly in China, East Asia, and India, we will strive to deliver products and services that meet local characteristics and needs and continue upgrading them by leveraging our group-wide product development capabilities and technological excellence, identifying local needs appropriately, and conducting effective marketing efforts.

In the year ended March 2012, we successively launched products specifically targeting emerging markets. As a result, our market share and sales in these areas have been growing steadily.

#### ■ Our share in Asia Pacific region MFP market



#### Strengthening sales network

##### ● Establishment of the 11th Asia-Pac sales subsidiary in Vietnam

Vietnam is one of the most promising emerging economies following the BRICs. We established a sales company, Ricoh Vietnam Company Limited, in Ho Chi Min City, which started operations in November 2011. With this, our 11th sales subsidiary in the Asia Pacific region, added to our existing distributor-based sales network in the country, we have established a direct sales network and will further strengthen our Vietnam operations by delivering Ricoh's distinct high value-added solutions, support, and services based on our globally consistent sales strategy.

##### ● Stronger sales network through M&A

Ricoh India Limited announced its acquisition of Momentum Infocare, a local IT service provider, in May 2011. At the same time, Ricoh Australia Pty, Ltd. acquired Print Solutions Group (PSG) to strengthen our position and capabilities in the office printing market.

#### Expansion of product lineups

##### ● Main models for emerging markets

In the year ended March 2012, we launched six low-end MFP models and eight MFP models targeting emerging markets.

SP 100SF, an A4-MFP model, was created through our marketing and development activities in China. The model made its debut in China in October 2011 and in India and other Asian markets in and after May 2012.



SP 100SF

#### Expansion of production sites

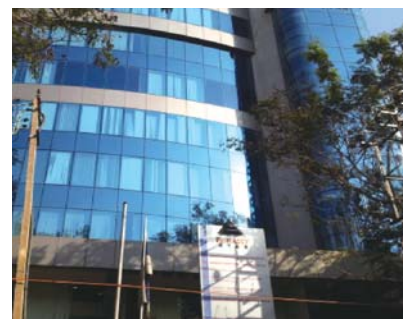
##### ● Establishing a "local-for-local" production system in the Asia Pacific region

In September 2009, Ricoh Manufacturing (Thailand) Ltd. started operations. The new production site allows us to source more parts and materials from local suppliers, secure production capacity, address expanding business, and diversify risks associated with production facilities.

#### Strengthening of R&D facilities

##### ● New R&D facilities to develop solutions offered for emerging markets

In February 2012, we established the IT-focused R&D facility, Ricoh Innovations Private Limited (RIPL), in Bangalore in southern India. RIPL creates IT solutions for local customers by leveraging Ricoh's leading-edge core IT technologies, which have been cultivated over many years.



## Document Services

### Managed Document Services (MDS)

Offering various high-quality outsourcing services with global, customized and one-stop services.

#### Ricoh Group's MDS

Ricoh's Managed Document Services (MDS) relieve customers from the burden of managing their printing and all other document-related tasks, allowing them to reduce costs and improve productivity and efficiency.

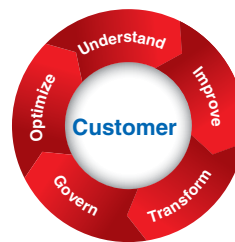
Our MDS are designed to ensure that all our customers can enjoy a frustration-free user experience by allowing them to use the information they require when they need it. Specifically, we design, build, and implement the optimal information infrastructure and workflow for entire document-related processes required by our customers, ranging from document creation to effective throughput, while continuously offering suggestions for improvement. And the management of document related environments is only a small part of what our MDS have to offer: The Ricoh Group provides in-depth operational solutions, including i-Invoicing\*, document process outsourcing (DPO) and business process outsourcing (BPO).

\* Ricoh's e-invoicing solution

Managed Document Services (MDS) [WEB mds.ricoh.com](http://mds.ricoh.com)

#### Phases of our MDS designed to efficiently solve customer management issues

Cost control, sustainability management, information security governance, effective business process operation, high employee productivity, information asset management and use, and strategic infrastructure development are often high on the list of management issues facing our customers. To support customers in addressing these priority issues effectively, the Ricoh Group's MDS—consisting of five phases: understand, improve, transform, govern, and optimize—visualizes their document related environment and develops proposed plans for improvement. Even after implementation of our plans, we provide ideas to enhance efficiency on an ongoing basis.



**Managed Document Services™**  
MPS and Beyond

#### Global leadership in quality and market share

According to a survey by International Data Corporation (IDC), a leading global IT research firm,\* Ricoh was No. 2 in global MPS market share in 2011. IDC's 2011 survey categorized us as the "Leader" group for the second consecutive year. In distinguished recognition of our MDS strategies and capabilities in particular, the survey report states that Ricoh's "global scope (consistent global structure, governance and process) is one of its biggest differentiators" and that the "company's structured approach to MDS delivery is also distinctive."

\* "IDC MarketScape: Worldwide Managed Print Services 2011 Hardcopy Vendor Analysis"

No.2

MPS market share  
(2011)

17 firms

New global MDS customers added  
(FY 2012)





## Staff expansion and training for excellent MDS quality

The Ricoh Group designs and offers optimal MDS tailored to each customer through its worldwide MDS network of more than 30,000 dedicated sales and technical professionals. In addition, for customers who wish to introduce MDS on a global scale, our Global Competency Center provides all necessary support, continuous monitoring, and advice for improvement.

To make the most of these resources, we continue to upgrade global training programs to further enhance the quality of our sales and customer service staff.

Furthermore, we have also expanded our MDS teams in the five regions of the world where we operate. We also provide multifaceted global training programs designed exclusively for MDS professionals, which include face-to-face training, a change management trainer certification program, manager training, TRAC training, MDS tool training, and more.

## Investment for the expansion of our global MDS network

To expand and strengthen its MDS network and capabilities, the Ricoh Group has made continual investments, which include the acquisition of IKON Office Solutions of the U.S. in 2008, Carl Lamm of Sweden in 2009, Georg Kohl of Germany in 2010, and the Print Solutions Group of Australia in 2011.

## F o c u s

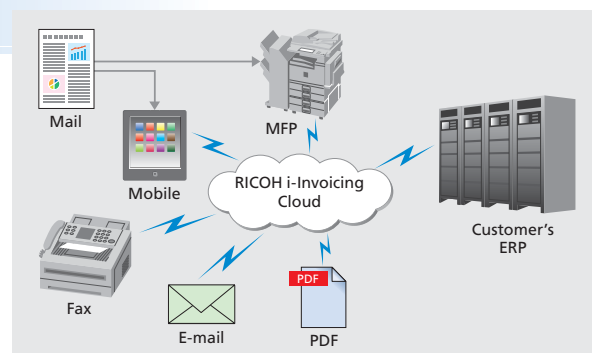
### i-Invoicing for making transition to electronic invoicing smooth

Shifting to electronic invoicing is considered an operational improvement measure that achieves both greater efficiency and related cost reduction. In Europe, most invoicing is paper-based and a growing number of companies, particularly large corporations, are interested in shifting to e-invoicing.

In practice, however, the shift towards the electronic alternative has made little progress. Existing software and solutions often require the conversion of all invoices to electronic form, which is not feasible in many cases, as many business partners are not necessarily ready to completely digitize their operations.

Ricoh Europe's i-Invoicing spares customers from such problems, since the e-invoicing service can handle paper-based invoices as well. The service also allows customers to complete the transition from paper to electronic form smoothly and hassle-free.

When preparing and sending invoices, customers initially send invoice data from their ERP systems to Ricoh's i-Invoicing Cloud. Ricoh then issues invoices to customers' business partners in the format that each partner designates (e.g., paper, e-mail, fax or other electronic means). When processing account payables, Ricoh reads invoice data with MFPs or scanners, which may be in paper (postal), fax, or e-mail (e.g. PDF) format, and forwards the data from i-Invoicing Cloud to customers' ERP systems.



Information security is also guaranteed. Ricoh, an ISO 27001-certified company, protects customers' data and uses its cloud environment in a strict and responsible manner so data is maintained even in the event of an emergency. In addition, there is basically no initial investment required from customers for this service and specific offerings can be customized a case-by-case based on document volume, business size, etc.

Leveraging its core expertise in printing and scanning as well as its global network, the Ricoh Group will aggressively expand this intelligent electronic invoicing system initially in the European market, where there is huge growth potential, and eventually to other geographic areas.

## IT Services

Utilizing its know-how and systems developed on the strength of its experience in imaging and IT to offer imaging equipment-related support, the Ricoh Group has expanded its business from core document-related areas to IT services, providing indispensable support for customers' operations.

### "IT concierge" offers quality service for developing systems ranging from installation to operation and maintenance

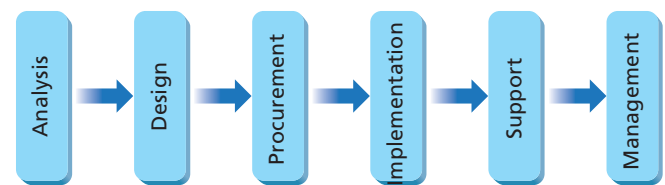
Aiming to improve operational efficiency and thereby increase sales and improve profitability, many companies strive to allocate more human resources to core businesses. Accordingly, outsourcing entire IT-related processes, from development, operations and maintenance to upgrading of IT systems, is attracting growing interest from companies, particularly smaller firms. Smaller companies often do not have dedicated IT departments that can address rapidly changing IT technologies and environments, and instead assign tech-savvy employees to take care of their IT environment, in addition to attending to their regular duties.

The Ricoh Group can meet such needs with its high-quality IT services, drawing on the IT and network-related experience and expertise it has developed over the years through sales and support provision of MFPs, printers, and other products and services. We provide a full range of support including the adoption, operation, management, and

maintenance of IT equipment (e.g. PCs, servers, NW, and other devices) as well as continuous monitoring. This all-inclusive service has been built on achievements the Group has made in pursuing efficient and effective use of IT equipment and systems in order to reform its own operations processes. Functioning as an IT department for its customers, Ricoh enables them to focus their resources on core duties without being distracted by IT concerns.

Our ability to provide one-stop services ranging from the traditional document business to IT services helps us build closer and stronger relationships and grow together with our customers.

#### ■ IT infrastructure development workflow



## Pick up

### [Examples of our solutions] Solving the various problems of our customers with our IT services

#### Problem

IT staff are too busy with day-to-day IT support operations (e.g., PC trouble, resetting of passwords) to spend time developing or executing IT strategy, which is indispensable for the company's growth.



#### Solution

Outsourcing the customer's IT support operations to Ricoh will allow its IT staff to focus on strategically important tasks while guaranteeing sufficient IT support for all employees.

#### Problem

The company's IT network often goes down, causing unexpected costs such as reduced productivity and business opportunity losses.



#### Solution

Under Ricoh's IT services, customers' systems are always monitored so that preventive action can be taken proactively to avoid any problems, thus saving customers from costs and losses resulting from sudden server breakdown.

#### Problem

When expanding operations globally, the company wishes to receive seamless service and support at its overseas sites.



#### Solution

With its accumulated experience in support services and its extensive global reach, Ricoh can provide consistent quality support services to all sites where customers operate.

# Communications

Work styles of customers have been evolving dramatically.

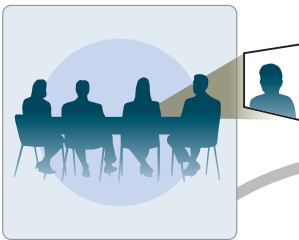
In addition to traditional paper and electronic documents, tablets and cloud services are being used as access points from outside the office.

Customers are also making increased use of projectors, video conferencing and other remote communication tools.

To meet the needs of customers in this area, the Ricoh Group serves as a one-stop provider of products and services that enable customers to conduct their operations more easily and efficiently.

## ■ Ricoh's products, systems, and solutions suitable for a diversified communications environment

### Paperless conference



### ■ Projection systems

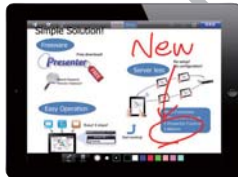
In addition to offering projector units that showcase Ricoh's excellent optical technology, we provide customers with solution proposals, service support and sales capabilities to improve their visual communications and workflow.



PJ WX4130N

### ■ TAMAGO Presenter

RICOH TAMAGO Presenter can help a conference go paperless with its useful features that allow meeting material sharing and page synchronization without the use of a server.



RICOH TAMAGO Presenter

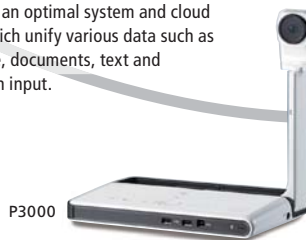
### Cloud and other networks

### ■ Cloud-based IP-PBX phone

Our cloud-based PBX telephone network offers a safe, secure, and highly cost-effective business communications environment.

### ■ Unified Communication System (UCS)

We provide an optimal system and cloud services which unify various data such as video, voice, documents, text and handwritten input.



P3000

### Video conference



### ● Examples of communications using UCS



Meetings between remote companies such as a construction company and an architectural design office



Communication among peers at schools/ laboratories in remote areas



Medical services linking remote clinics and hospitals

Unified Communication System [WEB www.ricoh.com/ucs/](http://www.ricoh.com/ucs/)



## Production Printing

# No.1

2011 Color Cut Sheet Machine/World Share  
\* Middle Segment, surveyed by Ricoh

## Delivering total workflow solutions to enable customers to succeed

The introduction of various types of new communication tools such as web portals and tablets and the recent challenging economic environment have accelerated change and diversification in the printing business in response to customer needs. To keep pace with this change, the printing market is rapidly undergoing transformation.

The Ricoh Group entered the production printing market in 2005. The Group's full-scale efforts since then have been focused on developing a system to offer total solutions, from improvement in the quality of printing equipment to effective use of information technology, cost reduction, and reduction of environmental impact.

It is our aim to grow our business in the printing market, an area that is still new to us, in cooperation with customers who are professionals in the printing business as well as with customers who order printing services. To achieve this goal, our efforts will be focused on reflecting the needs of these customers so as to provide products and solutions that will help develop their printing business.

ISO 26000

The environment

Consumer issues



# Production Printing

## Significant changes in the needs of the printing market

The recent expansion of new communication tools such as web portals and tablets has triggered a transfer of information from printed media such as magazines to electronic media, and this is gradually beginning to exert its influence on the commercial printing market, a market that is mostly dependent on off-set printing methods. On the other hand, innovation (high speed, high definition, high reliability) in printing technologies, primarily laser and inkjet technologies, has enabled the printing in limited amounts on an as-needed basis, even in small lots, thereby decreasing costs. It has also become possible to provide a wide variety of highly attractive ideas for printing, thereby meeting the diverse needs of customers who require printing services.

In the commercial printing sector, therefore, in addition to conventional offset printing, we can offer customers a wider variety of services such as print-on-demand (POD), variable printing and web-to-print. It is now also possible for companies to produce a variety of printed materials in-house that previously were not possible to produce, all at a higher speed and lower cost. For these reasons, the demand for production printing has been increasing in the printing market.

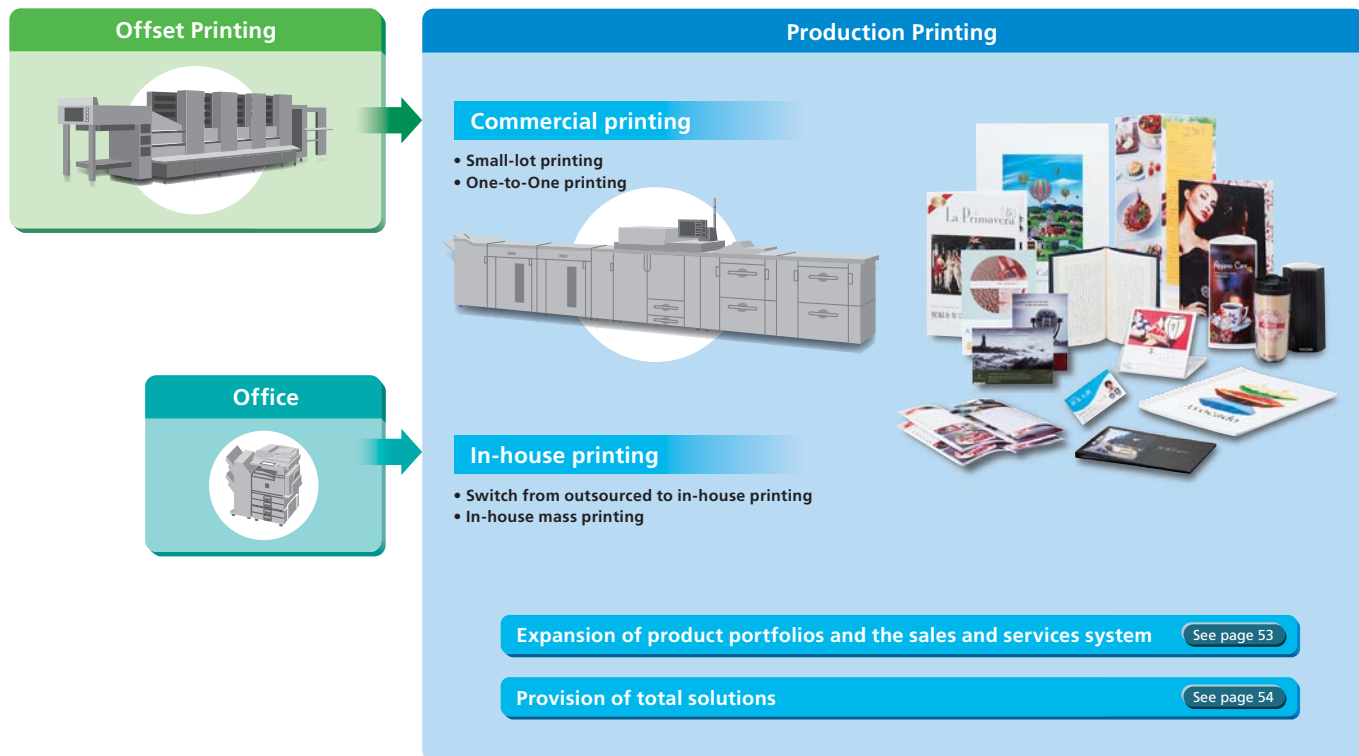
## Contribution to the growth of customers engaged in the printing business

The Ricoh Group offers a diverse line-up of high-quality and highly reliable products to customers requiring production printing services such as printing from mission-critical systems, commercial printing and in-house printing. Our globally connected network of sales and services for corporate offices allows us to provide solutions support that is optimal for responding to the diverse needs of the ever-changing printing market.

Ricoh's Production Printing not only provides commercial printing customers with products and services but also proposes solutions that contribute to increasing their sales; in effect, creating a new business model together with them. With regard to in-house printing, we help companies achieve increased productivity through cost reduction and carefully planned solutions, customization, training and support. The Ricoh Group aims to achieve both the success of customers' businesses and growth in the production printing business.

Production Printing [WEB www.ricoh.com/about/feature/story1/](http://www.ricoh.com/about/feature/story1/)

### ■ Production printing business and Ricoh's efforts





## Expansion of product portfolios and the sales and services system

### Full-range line-up of products based on integrated marketing and development

Making full use of technology and know-how accumulated through its experience as a printer manufacturer and its alliance as a solution vendor, the Ricoh Group has developed a line-up of high-performance products to address the various needs of customers, including cost reduction and security. In June 2011, we launched "RICOH Pro C751EX/C651EX," equipped with functions to provide high-definition output and to adapt to different types of paper, while achieving excellent cost performance. This series, along with the RICOH Pro C901 series, which are already highly recognized, have achieved a high market share in Japan and abroad. In 2012, we announced the "RICOH Pro L4000," an inkjet color wide-format

printer. With these new products, Ricoh has been focusing on enhancing its product portfolio, ranging from cut-sheet to continuous paper printers and wide-format paper printers.

In its efforts to expand the production printing business, the Ricoh Group has not only improved the quality and reliability of its printing equipment but has also established a system to provide total solutions. In April 2011, Ricoh and Heidelberg Druckmaschinen AG (Heidelberg) in Germany signed a global strategic cooperation agreement. By the end of March 2012, Heidelberg was selling Ricoh's production printing products in 18 countries.

#### Cut-sheet printers

With their high-quality printing output and high durability, they are widely used for commercial printing, POD, and in-house printing.



Pro C751EX



Pro C901

#### Continuous paper printers

Highly reliable, they are widely used for basic industrial printing such as continuous paper printing and direct mail printing.



InfoPrint 5000

#### Wide-format printers

They are widely used for wide-format and large-format printing, such as for signage and technical drawings.



Pro L4000\*

\* Scheduled to be launched in 2013.

## Interview

### No. 1 share of color cut-sheet printers in the European market

We attribute continued success in Western Europe to the broad capabilities of our extremely responsive, high quality solutions, including the Pro C901 Graphic Arts Edition digital production press and the Pro C751 series. Our clients also recognise that investment in Ricoh technology is accompanied by long term support and guidance through a wide range of additional services, knowledge and expertise. The quality of our products, combined with the breadth of

**Graham Moore**  
Director  
Production Printing Business Group  
RicoH Europe PLC



our services and the depth of our post-sale support, positions Ricoh as a true business partner to print service providers of all sizes throughout Western Europe.

For more details [www.ricoh-europe.com/about-ricoh/news/2012/Ricoh\\_Number\\_1\\_in\\_Production\\_Colour\\_Cut\\_Sheet.aspx](http://www.ricoh-europe.com/about-ricoh/news/2012/Ricoh_Number_1_in_Production_Colour_Cut_Sheet.aspx)

## Provision of total solutions

### One-stop development of workflow

"TotalFlow," in combination with the high-performance production printer "Pro" series, helps create an optimal business workflow for customers in the commercial printing sector. "TotalFlow," which is based on open-architecture, is composed of software developed by Ricoh and prepress, post-processing and professional services.

**TotalFlow**



The Ricoh Group also offers support for planning business strategies, developing business models, and training personnel to use POD and color management effectively. And it provides training seminars on how to operate systems and supports their actual operations. Through these efforts, we contribute to creating new value that satisfies both our own customers and those of our clients.

TotalFlow [WEB www.ricoh-usa.com/products/product\\_details.aspx?cid=28&scid=154&pid=2323&ptm=features](http://www.ricoh-usa.com/products/product_details.aspx?cid=28&scid=154&pid=2323&ptm=features)

### "Printing Innovation Center," creating business together with customers

The "Printing Innovation Center" is a place where customers can experience "creation of a new work style," "creation of information value" and "creation of a business" provided by the Ricoh Group's printing solutions. Visitors can see, understand and try printing environments and gain hands-on experience with a system that is similar to an actual application suited to their type of business and job requirements. The Centers are located in various cities in Japan, as well as London, New York, and other cities.



## Pick up

### Providing "Environmental" value in the production printing sector

Efforts to achieve sustainability, such as reducing environmental impact, are also expected in the production printing sector, including commercial printing and in-house printing. Based on its successful achievements in reducing environmental impact

in the office solutions sector, the Ricoh group develops top-class environmentally conscious products and environmental technology, and provides solutions such as "Carbon Balanced Production Printing," which helps customers reduce their environmental impact.

#### ■ Pro C901/901S

##### Awarded the industry's first and highest prize, the Energy Conservation Grand Prize

"Pro C901/901S" (launched in October 2010) received the Energy Conservation Center Chairman's Prize in the Product and Business Model category of the 2012 Energy Conservation Grand Prize organized by the Energy Conservation Center, Japan (ECCJ). With its energy saving design features such as a lower melting point for the toner and improved fixing devices, the product achieved the TEC (Typical Electricity Consumption) value set by the International Energy Star program for the first time among printers providing high-speed printing at 90 pages per minute.

#### ■ Pro C901, C751/C651 series

##### Received the INGEDE certification for its easy-to-recycle toner

The toner used in the Pro C series received the International Association of the Deinking Industry (INGEDE) certification. The level of "deinking" indicates the ease with which toner is removed from paper in the recycling process. A higher level of deinking promotes paper recycling. This certification recognizes that the toner used for the Pro C series contributes to further promotion of sustainable printing services.



## Supply Chain Management

# 88%

Overseas production versus total production of MFPs and printers for office use  
(Based on the production volume in FY 2012)

## Maximizing customer value with suppliers and achieving sustainability

The Ricoh Group has 40 production sites worldwide, including in Japan, the Americas, Europe, China and the Asia-Pacific region. Through close cooperation between production sites and sales departments in these five regions, a global "Regionally Manufactured and Regionally Consumed" system has been established to manufacture and provide products and services that meet the needs of regional customers in a quick and accurate manner. We aim to maximize customer value and create profits with suppliers at every stage of the supply chain, from development to sales and collection. At the same time, we endeavor to actively engage in environmental issues and corporate social responsibility.

ISO 26000

Human rights   The environment

Fair operating practices   Consumer issues

# Supply Chain Management

## Promoting SCM Innovation

The Ricoh Group continuously focuses its efforts on strengthening its manufacturing system with the aim of becoming the best manufacturing company in the world. Commanding a view of the entire supply chain, we are always innovating not only on our own but also in cooperation with suppliers.

We have developed and implemented various systems for use at all stages, from design to procurement, production, transportation, installation and collection, to facilitate our efforts to achieve innovation. The innovation we achieve in supply chain management (SCM) is promoted in such a way as to optimize inventories and fulfill the requirements of customers by enhancing the flexibility of production to meet any market needs, as well as to reduce not only costs but also environmental impact.

In the procurement stage, we have a global system in place that ensures optimal procurement in line with production strategies. Our efforts are also focused on green procurement with an emphasis on working in partnership with suppliers. We are also promoting CSR procurement based on our belief that it is important for all companies and organizations that are involved in the value chain, from procurement through to sales, to act ethically and take on responsibility for society.

## Ricoh Group basic policy in purchasing activities

The Ricoh Group, along with suppliers, is conducting purchasing activities on the basis of following policy with an aim to discharge its social responsibility in the supply chain: 1) Coexistence and co-prosperity with suppliers by establishing long-term reliable relationships and cooperation, 2) Fairness of transactions (comprehensive evaluation of suppliers based on their participation in corporate social responsibility activities on the basis of economic rationality), 3) Establishment of an environmental management system and reduction of environmental impact through purchasing environment-friendly products, 4) Compliance with the law and 5) Respect for social ethics.

Ricoh Group basic policy in purchasing activities [WEB www.ricoh.com/csr/supply/index.html](http://www.ricoh.com/csr/supply/index.html)

### ● Ricoh Group Supplier Code of Conduct

In January 2006, the Ricoh Group established the Ricoh Group Supplier Code of Conduct for our suppliers to make efforts to aim at a better society and global environment and sustainable development of society.

All of our suppliers are required to comply with this code of conduct. The Supplier Code of Conduct includes clauses on human rights such as prevention of child labor and environmental conservation.

Ricoh Group Supplier Code of Conduct [WEB www.ricoh.com/csr/data/pdf/supplier.pdf](http://www.ricoh.com/csr/data/pdf/supplier.pdf)

### ● Green procurement in partnership with suppliers

The Ricoh Group purchases materials and parts used to manufacture products in line with Green Procurement Standards. As part of our efforts to help suppliers promote environmental protection, we have developed Environmental Management System (EMS) Guidelines and Chemical Substance Management System (CMS) Guidelines to help the suppliers establish their own EMS and CMS Guidelines in line with those of the Ricoh Group. These guidelines are used to provide suppliers with training and education as well as support in operating the management systems.

Green Procurement Standards [WEB www.ricoh.com/environment/guideline/](http://www.ricoh.com/environment/guideline/)

### ● Conflict Minerals Issue

The Ricoh Group views the Conflict Minerals Issue<sup>1</sup> as an important CSR issue, and is constantly working to improve transparency in the supply chain together with its business partners while also ensuring responsible mineral sourcing practices.

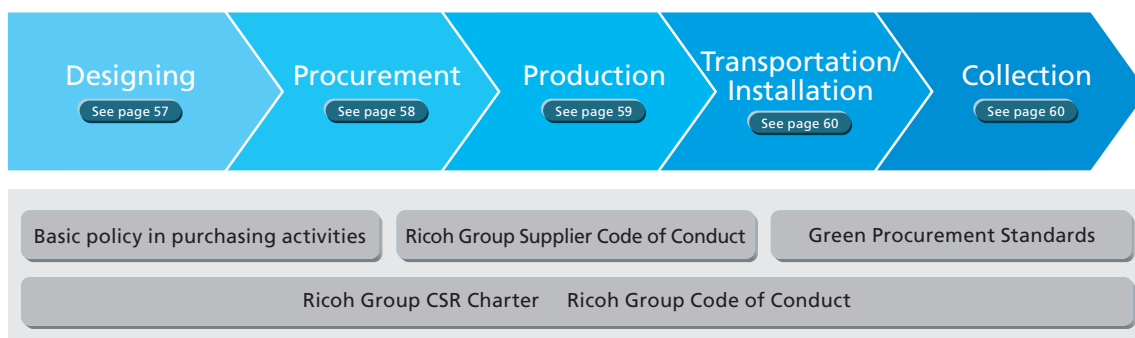
1. The issue that certain minerals mining or trading finances armed groups and fosters conflicts, or closely related to human rights abuses, labor issues or environmental destruction, etc.

### Ricoh Responds to Conflict Minerals related rules the U.S.

The U.S. Securities and Exchange Commission (SEC) adopted the final rule pursuant to Section 1502 of the Dodd Frank Wall Street Reform and Consumer Protection Act, called the Conflict Minerals provision, on August 22nd, 2012. The rule requires listed companies to disclose and report to the SEC on the use in their products of conflict minerals<sup>2</sup> originating from the Democratic Republic of Congo or adjoining countries.

Ricoh, as a member company of the "Responsible Minerals Trade Working Group," launched in May 2012 by the Japan Electronics and Information Technology Industries Association (JEITA), is participating in a Working Group for the entire global supply chain. Activities of the working group include compliance with this rule. This is all part of Ricoh's commitment as a good global citizen.

2. Columbite-tantalite, cassiterite, gold, wolframite or their derivatives. Primary derivatives are tantalum, tin and tungsten.





## Designing

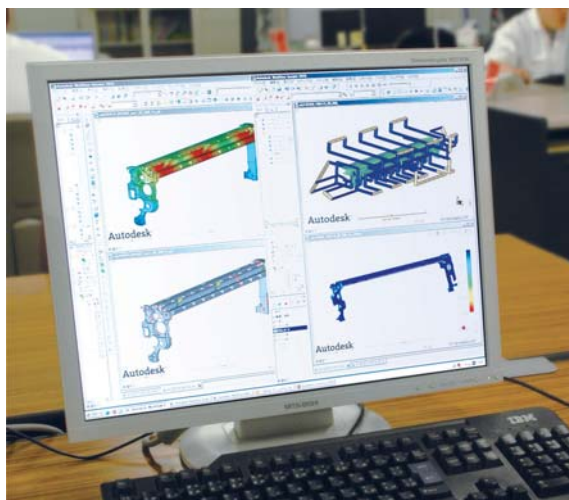
In response to diversifying customer needs and in order to increase the efficiency of development and reduce cost, we are undertaking radical reform of design processes, in which the entire supply chain related to development, design, production, and procurement is taken into consideration.

### Improvement in development efficiency through “creation without making new parts and without making many prototypes”

As customer needs expand and change, we are increasingly required to achieve high-mix low-volume production and to shorten the development cycle. The Ricoh Group is now undertaking radical reform of its development and design processes based on the concept of “creation without making new parts and without making many prototypes” from five individual standpoints as follows: “testing without prototypes,” “making fewer parts and fewer prototypes,” “if ‘something’ needs to be produced, that ‘something’ must be highly robust,” “improvement of manufacturers” and “creation and effective use of design assets.”

The concept of the “creation without making new parts and without making many prototypes” basically aims to use existing parts of stable quality as much as possible instead of making new parts and many prototypes. Our efforts in line with this concept have already allowed us to shorten development period, reduce cost and reduce environmental impact.

Particularly regarding “testing without prototypes,” we use 3DCAD/CAE and other simulation tools as often as possible. It is possible to achieve greater accuracy and more detailed verification in a virtual environment than with actual prototypes, thus enabling us to achieve a level of quality that satisfies customers at the design stage. Our increase in the use of simulation tools has helped us shorten the time required for developing new products by 30% and halved the number of prototypes employed compared to just a few years ago.



Efforts to create without making new parts and without making many prototypes

WEB [www.ricoh.com/csr/report/pdf2008/9-12.pdf](http://www.ricoh.com/csr/report/pdf2008/9-12.pdf)  
[www.ricoh.com/environment/product/resource/feature2011/index.html](http://www.ricoh.com/environment/product/resource/feature2011/index.html)

### “Platform- & Module-type Development”

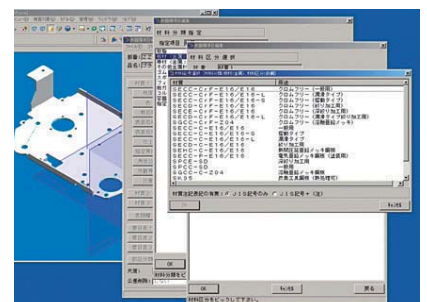
With “Platform- & Module-type Development,” we limit our product planning to already existing series models, but grow a development concept that is not only for existing models but also takes into account successor models. Efforts are focused on developing and designing modules with flexible specifications.

In developing a successor model for a series model, in principle, we use the platform and module that were developed for the predecessor model without adding any additional changes, or replace the minimum possible number of modules to improve the specifications. This enables us to improve quality while increasing the efficiency of development, and eventually allows us to allocate more development resources to acquire highly competitive technology. In addition, this development approach allows us to repeatedly use collected reusable parts that will be equipped with new functions for products to be developed in the generations to come.



### The “ΣE System” to reduce the number of product parts to ≤10%

The “ΣE System” was established from 1996 through 2006 with the aim of achieving efficient selection of electronic parts, reduction in procurement costs and reduction in inventories. This system has helped to reduce the number of parts from as many as 35,000 to just 3,000. Under the “ΣE System,” the parts are registered in the certified electronic parts database and their QCDE (quality, cost, delivery, ecology) is always guaranteed by an organization specialized in parts certification. With this system, we have successfully improved the efficiency of parts selection upstream of the design process. In addition, the system has allowed us to ensure design quality and to reduce parts procurement costs and factory inventories.





## Procurement

Our procurement is in line with our procurement strategies, including "intensive production" and "local production for local consumption." We use a global IT-based procurement system that ensures optimized procurement through the review of costs and supply regions. The SCM System that enables us to share information on orders, designs, environmental issues and CSR activities with more than 1,200 suppliers in Japan and abroad has been developed.

### Help understand and share information on production, environment and CSR

The Ricoh Group has built a system to communicate information on production and environmental impact caused by raw materials and parts on "RaVenderNET," a network infrastructure jointly operated with suppliers. This system, which has been operating since 2001, was expanded in 2005 to include overseas suppliers. As a result, the time required for communicating information on orders was reduced from 2-3 days to half a day and production lead times have thereby been shortened. This system has also been used to share information on CSR procurement since 2010.

### Promotion of efforts to address child labor issues

Child labor is one of the priority issues of the Ricoh Group's TRM (total risk management) efforts, and relevant departments have been engaged in various projects 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. We will continue to monitor child labor.

### Supplier CSR Self-Assessment System

The Ricoh Group Supplier Code of Conduct contains CSR-related standards, including environmental conservation and regulations regarding human rights such as the prohibition of child labor. We request suppliers to comply with these standards in their business activities. We have developed the Supplier Code of Conduct Guidebook and distributed it to suppliers to help them better understand the necessity of compliance with the Code of Conduct. In 2009, we held an explanatory meeting on the Ricoh Group's CSR activities, inviting all major suppliers in Japan to attend, with the aim of raising their awareness of the importance of making efforts in the CSR area and improving their understanding of the Code of Conduct in order to share our values.

Also in 2009, a CSR Self-Assessment System for monitoring the level of compliance with the Supplier Code of Conduct was introduced. Implementation of the system was initiated in Japan and has gradually been expanded to other countries. Based on assessment results reported to the Ricoh Group, activities needing to be improved are identified, results are fed back to the suppliers and advice and support necessary to further improve their activities are provided. The CSR Self-Assessment System has been applied to local suppliers in China since 2010 and is planned to be introduced to Thailand in 2013. The system helps suppliers to implement the PDCA cycle by themselves, and this will eventually enable them to meet society's needs and requests.

## Interview

### Application of the self-assessment system to Chinese legal systems and circumstances to be taken into consideration

An explanatory meeting to improve suppliers' understanding of the Ricoh Group Supplier Code of Conduct and to seek their cooperation in self-assessment and other CSR activities was held in China in 2010, with invitations sent to 50 suppliers at five major production sites. Although issues related to excessive working hours and intellectual property rights have been reported sporadically in China, the country lags behind in fostering people's awareness of the development of legal systems and compliance with laws and regulations. Since we were concerned that due to the circumstances described above, merely translating the guidebooks into Chinese would fail to convey

the true intended meaning, we prepared guidebooks exclusively for Chinese companies. Regarding actual implementation of the guidebooks in China, some items are difficult for Chinese companies to interpret correctly. However, the Ricoh Group has been working together with Chinese companies to aid them in establishing both environmental management systems and chemical substance management systems, and based on this experience, they have been actively introducing such self-assessment systems. Our goal is to grow together with our suppliers, placing emphasis on establishing and maintaining trusting relationships with them.

**Isao Inoue**  
Procurement Control Center  
Global Procurement Division  
Ricoch co., Ltd.



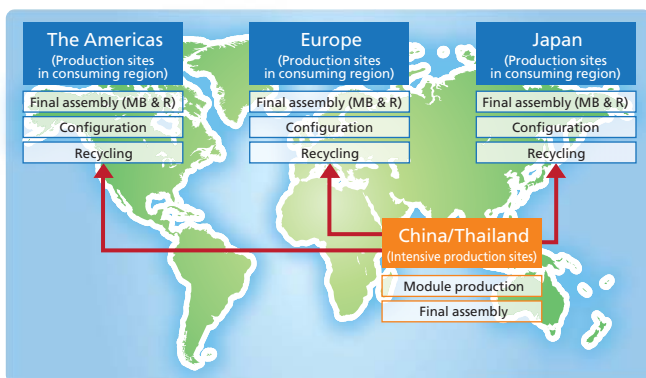
## Production

We possess production sites in five regions around the world, based on which we are developing a global "Regionally Produced and Regionally Consumed" system.

We have put our focus not only on improving production efficiency but also on continuing with comprehensive reform of the supply chain process, including sales, production, procurement and logistics, in such a way as to shorten total lead time, optimize inventories, and reduce environmental impact.

### Production in the optimal location meets customer needs around the world

Production sites in the five regions around the world in which we operate adopt a production system based on the concept of "production in the optimal location for maximum efficiency," which is supported by a combination of "intensive production" to produce high quality products efficiently at the lowest possible cost and "local production for local consumption" to promptly provide products and services at locations that are convenient to and that meet the needs of local customers.



### "Ricoh's production system," which is resistant to change

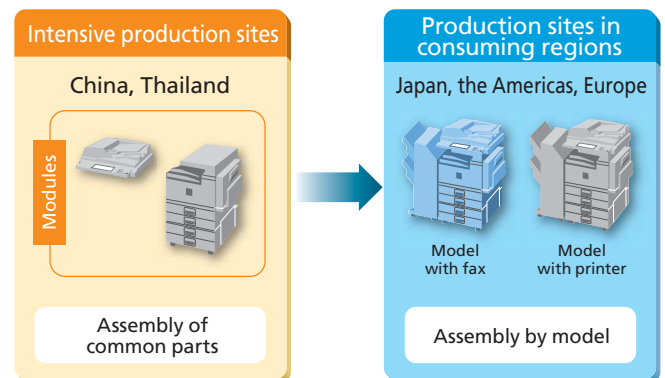
We adopt "Ricoh's original production system," which is designed to achieve high productivity and low environmental impact, and to aim at manufacturing products that are resistant to change. In 1999, Ricoh began gradually eliminating fixed conveyor lines and introducing a layout-free production system 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. Our system allows a significant reduction in environmental impact and energy costs. In addition, 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.



Innovations in manufacturing processes See page 66

### "MB & R Production" to reduce costs for inventories of finished products

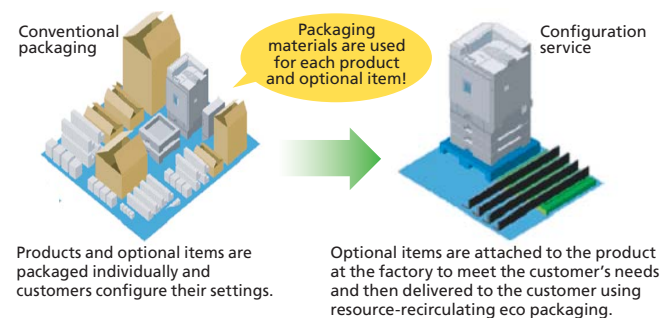
MB & R (Modular Build & Replenishment) is a production method in which modeling is performed at the latest possible step of the production process by producing modules at lower cost in an intensive manner at concentrated production sites (China and Thailand) and assembling finished modules at production sites in consuming regions (Japan, the Americas, Europe) after selecting the type to meet changes in demand. This method has allowed us to reduce the inventories of finished goods and, accordingly, management expenses.



### Reduced delivery time with the configuration service

This is a service to deliver customers products with optional items already attached and for which necessary settings, including IP addresses, have already been configured at the factory. Products are delivered directly from the factory to the customer in the form of an all-in-one package. This service helps shorten the installation time of the machine, and it also contributes to a substantial reduction of packaging materials compared with the traditional delivery of items separately packaged in cardboard.

#### ■ Conventional packaging versus the configuration service



## Transportation/Installation

In logistics, with focus placed on the five areas of packaging, transportation, space, transshipment and storage, the Ricoh Group surveys all processes and promotes efforts on a global scale, including the improvement of cargo-carrying efficiency through modal shifts, direct deliveries to customers, and by optimizing transportation routes, so that we can simultaneously reduce costs and environmental impact.

### Reducing environmental impact through “eco packaging”

The Ricoh Group has been promoting the introduction of “eco packaging,” which uses less cardboard. In 2001, we introduced “resource-recirculating eco packaging” using resin materials that can be re-used repeatedly. During fiscal 2012 (ended March 31, 2012), about 72% of MFPs, or 61 models out of a total of 75, that were shipped within Japan were packaged with resin-based materials. The use of eco packaging helps reduce about 1,451 tons of packaging materials annually, equivalent to about 1,900 tons of CO<sub>2</sub>. The Ricoh Logistics Group has adopted RFID technology\* in managing and collecting packages under the “resource-recirculating eco packaging” system. A series of arterial and venous logistic flows are managed with the help of the RFID technology to ensure collection and recycling.



Resource-recirculating eco packaging

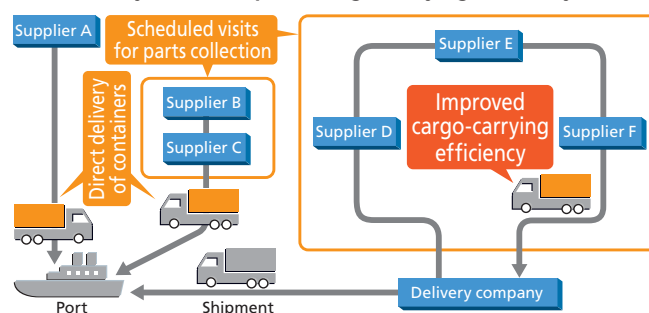
\* [www.ricoh.co.jp/thermal/recoview/](http://www.ricoh.co.jp/thermal/recoview/)

For more details [WEB www.ricoh.com/environment/product/resource/03\\_01.html](http://www.ricoh.com/environment/product/resource/03_01.html)

### Optimization of logistics with the milk run system

The milk run system, in which one truck makes scheduled visits to more than one supplier to pick up parts, has been established. The system is designed to gather advance information on the number of parts to be collected from each supplier to ensure that collection is made in a well-planned manner. The adoption of this system has helped improve cargo-carrying efficiency and to reduce vehicle trip distance.

#### ■ Milk run system to improve cargo-carrying efficiency



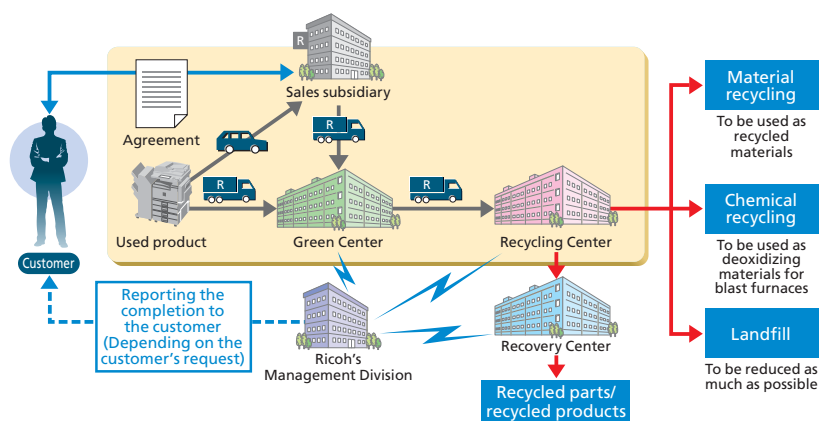
## Collection

The Ricoh Group, which has been promoting recycling-oriented business since the 1990's, has a product collection network to achieve highly efficient recycling. Through the integration of arterial and venous logistics into the network, we have improved the efficiency of the entire logistics process and reduced environmental impact.

### Product collection system (Venous logistic flows)

We have established a logistics system that integrates both arterial logistics flows that deliver our products to customers and venous logistics flows that collect used products. In the collection network, we apply Ricoh's original recycling information system using the bar code on each product, which allows us to share information on the amount of used products and parts that have been collected as well as the rate of collection. Based on data obtained from the network, we develop sales plans for recycled products and reuse collected parts. [See page 67](#)

For more details [WEB www.ricoh.co.jp/ecology/recycle/system/index.html](http://www.ricoh.co.jp/ecology/recycle/system/index.html)



Efforts to reduce environmental impact in logistics [WEB www.ricoh.com/environment/office/logistics/01\\_01.html](http://www.ricoh.com/environment/office/logistics/01_01.html)





## Sustainable Environmental Management

### Pursuing a business model whereby we help to create a sustainable society

7,200t

The amount of reusable parts recovered from used products (FY 2012)

99.3%

Resources recovery rate of wastes (Ricoh and the manufacturing subsidiaries of the Ricoh Group) (FY 2012)

We at the Ricoh Group promote sustainable environmental management, which is designed to contribute to environmental conservation while at the same time generating profits. We recognize that business activities in general depend on natural resources and global ecosystems, as well as social systems which are built upon them, and that environmental issues such as global warming, natural resource depletion, and ecosystem degradation, impart various risks as well as opportunities. We specifically focus on the development of energy-efficient products, cost reductions through efficient use of energy and resources, the development of alternatives to depleting natural resources, and the development and promotion of a work style that improves operational and energy efficiency, among others. Through these activities, we are striving for early development and implementation of a business model that helps create a sustainable society that generates minimal environmental impact.

ISO 26000

The environment

Consumer issues

Community development



# Sustainable Environmental Management

## Achieving environmental conservation and profits simultaneously

The Ricoh Group promotes sustainable environmental management, in which continuous environmental conservation efforts are an integral part of its business activities. We aim to achieve both environmental conservation and profits simultaneously.

At the Ricoh Group, sustainable environmental management does not mean striking a balance between environmental conservation activities and profit generation activities. We recognize that very limited benefits will come from our environmental conservation efforts if we only conduct them actively during prosperous, financially strong times and then neglect them to place more importance on profits in difficult times. We must make solid, continuous efforts towards the long-term objective of making our environmental conservation activities effective enough to make a difference.

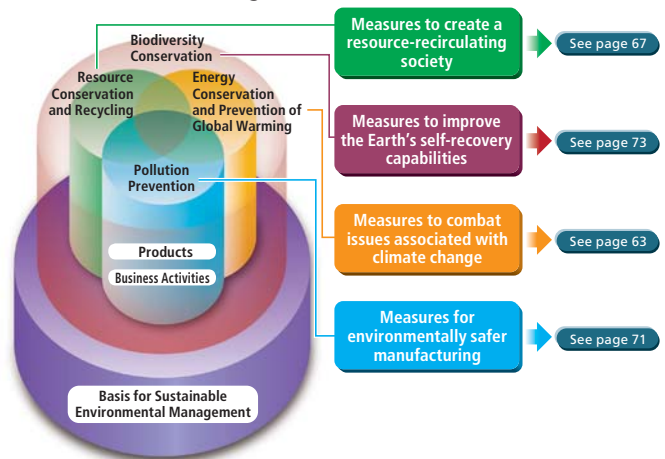
## Comet Circle

If a corporation only deals with environmental impact that is directly associated with its own business activities, its environmental conservation activities will never lead to a reduction in the environmental impact to society as a whole. Based on this recognition, the Ricoh Group established the Comet Circle in 1994 as the basis to encourage the creation of a sustainable society. This concept is built upon our awareness that product manufacturers like Ricoh can make the greatest contribution to reducing environmental impact of products in the market because it is manufacturers who determine product designs and specifications. This means that product manufacturers and distributors like Ricoh are responsible for reducing environmental impact across the entire life cycle of their products, which includes their own business activities as well as upstream and downstream development.

## Four pillars of the Ricoh Group's sustainable environmental management

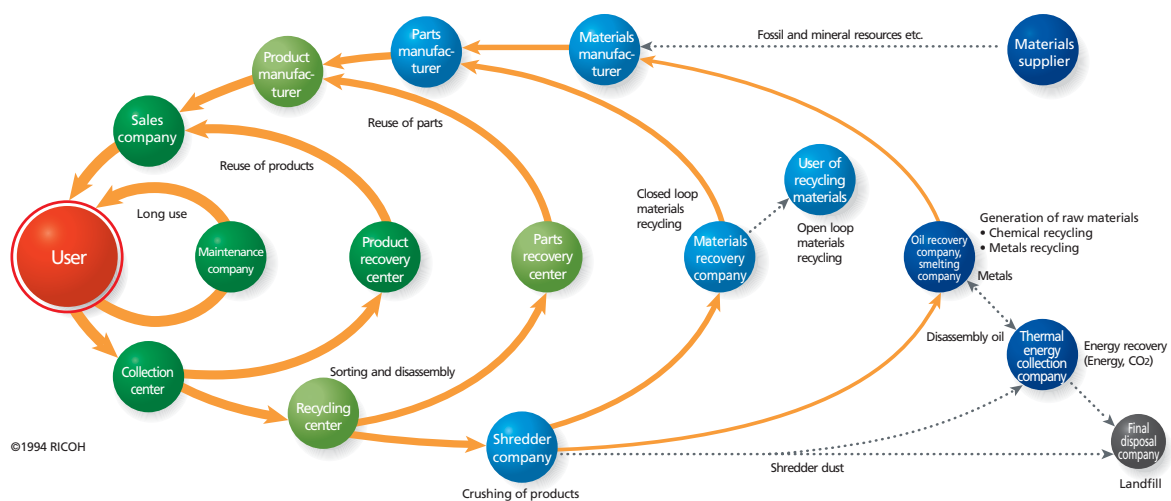
To achieve a sustainable society, it is necessary to limit environmental impact to a level that fits within the Earth's self-recovery capabilities. Therefore, the Ricoh Group's sustainable environmental management focuses on four pillars: energy conservation and prevention of global warming, resource conservation and recycling, pollution prevention, and biodiversity conservation. The first three pillars aim to reduce environmental impact from our business activities, while the fourth pillar aims to improve the Earth's self-recovery capabilities.

### Overall picture of the Ricoh Group's sustainable environmental management



Environmental Action Plan [WEB www.ricoh.com/environment/plan/index.html](http://www.ricoh.com/environment/plan/index.html)  
 Environmental Management System [WEB www.ricoh.com/environment/base/index.html](http://www.ricoh.com/environment/base/index.html)  
 Environmental data [WEB www.ricoh.com/environment/data/index.html](http://www.ricoh.com/environment/data/index.html)

### Concept of a sustainable society: The Comet Circle™



©1994 RICOH

Reducing the total environmental impact at all stages of the product lifecycle, from procurement to use and recycling

Prioritizing recycling efforts to ensure such efforts are conducted as efficiently and as often as possible

- Promoting recycling to generate high economic value
- Decreasing the use of new resources by expanding the use of recycled resources

Reducing environmental impact across the entire life cycle of our products in cooperation with our partners at every stage

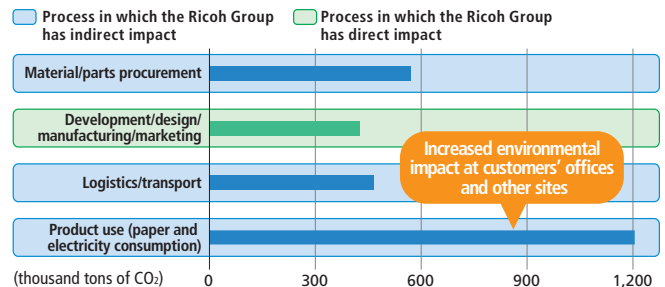
For more details [WEB www.ricoh.com/environment/management/concept.html](http://www.ricoh.com/environment/management/concept.html)



## Energy Conservation and Prevention of Global Warming

We are working to reduce our total lifecycle CO<sub>2</sub> emissions by 30% from the 2000 level by 2020. We are particularly focused on reducing environmental impact associated with the use of our products by customers, which is the stage of the product life cycle with the largest impact on the environment. At the same time, we are working to reduce CO<sub>2</sub> emissions associated with production activities primarily through innovating production processes, aiming at both cost and environmental impact reduction.

### ■ Ricoh Group lifecycle CO<sub>2</sub> emissions from business activities



### Our approaches to reduce environmental impact associated with the use of our products by customers

We develop many energy-efficient products and offer them along with solutions and services that facilitate a new work style with enhanced operational efficiency and lower environmental impact. Through such efforts we help customers reduce environmental impact.

### Launching products boasting outstanding energy efficiency performance imagio MP C5002/C4002/C3302/C2802

Featuring Ricoh's proprietary technologies, including Color QSU<sup>1</sup> technology (direct heating (DH) fixing system) and color PxP-EQ toner with a lower melting point, imagio MP C5002/C4002/C3302/C2802 (color MFPs released in February 2012) have reduced their typical electricity consumption (TEC)<sup>2</sup> substantially and achieved best-in-class environmental performance. We reduced the typical electricity consumption (TEC) of imagio MP C5002 SPF by 22% compared to that of the previous model and also achieved a recovery time of 9.1 seconds<sup>3</sup> from the sleep mode.

1. QSU: Quick Start-Up
2. Measured according to the guideline set by the International ENERGY STAR Program
3. In the case of imagio MP C5002: 9.1 seconds; imagio MP C4002: 9.3 seconds; imagio MP C3302/C2802: 7.8 seconds

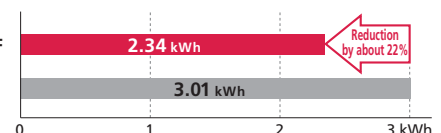
\* The performance data shown here is for the imagio MP C5002/C4002/C3302/C2802 model MFP available in Japan. The proprietary technology used to achieve these results, Ricoh's Color QSU Technology and PxP-EQ toner using Direct Heating System, are also used in the Aficio MP C5502/C4502/C3502/C3002 model outside of Japan.



#### imagio MP C5002 SPF

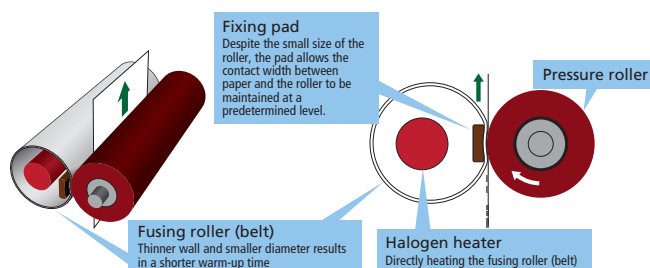
Previous model  
(imagio MP C5001 SPF)

\* Assessed by Ricoh



#### Energy-saving technologies (1): Color QSU (Direct Heating (DH) Fixing System) Efficient heating of fusing rollers

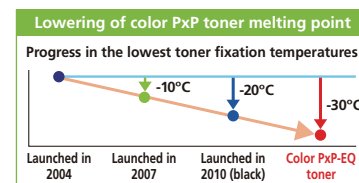
The fusing unit has a substantially lower heat capacity due to the smaller diameter and thinner wall of the fusing roller (belt). The unit also has a higher heat-transfer efficiency since a heater located inside the roller heats the roller (belt) directly.



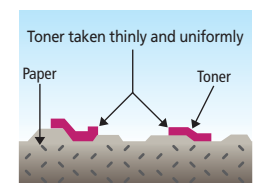
WEB [www.ricoh.com/about/company/technology/tech/042.html](http://www.ricoh.com/about/company/technology/tech/042.html)  
[www.ricoh.com/about/company/technology/tech/043.html](http://www.ricoh.com/about/company/technology/tech/043.html)

#### Energy-saving technologies (2): Color PxP-EQ toner Lower fusing point and excellent image quality that is more natural and easy to read

The fixation temperature is lower by around 30°C compared to that of the color PxP toner when it was first released in 2004. To achieve a lower fixation temperature as well as stable quality at a higher temperature during storage, the toner is designed to remain unchanged until reaching the fusing temperature, whereupon it immediately melts.



Improved ductility (spreading ease) of the toner has made uniform image formation possible with a small mass of deposit per unit area on the uneven surface of paper fiber, resulting in a more natural and reader-friendly image quality.



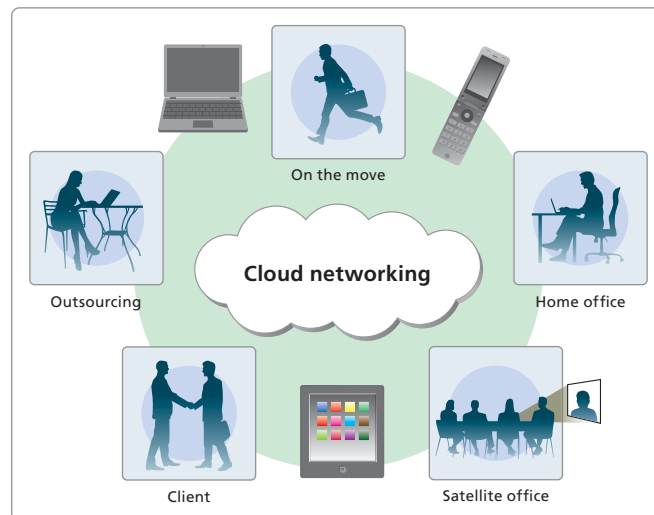
## New products and solutions to bring innovations to customers' work styles

Today's working styles have changed dramatically with the growing use of cloud computing, smartphones and tablets. Now that it is possible to contact the people you need to anytime and access necessary information wherever you are, the effective use of time and space when working is needed.

Ricoh offers various new visual communications products, systems, and solutions to promote customers' shift to a work style with higher operational efficiency and lower environmental impact.

Related information See page 50

### ■ Diversified work style—Work anywhere at any time



## Focus

### Innovative work style utilizing tablets Efforts to reduce costs and environmental impact while improving productivity of sales activities

#### Increasing the number of business negotiations and meetings as well as orders received, while decreasing environmental impact from traveling sales staff and the printing of brochures

At Ricoh Japan, one of the Ricoh Group's sales subsidiaries in Japan, about 4,500 sales representatives are promoting innovation in sales activity by utilizing tablets and cloud services in order to bolster sales capability. More than 1,000 sales tools, including electronic catalogs and video content, are stored in an electronic cabinet in the cloud. Sales representatives use the proposal support system, "Risonator," to identify customer problems through conversations with them and provide proposals on appropriate solutions. This system also allows sales staff to check email from outside of the office, thus enabling them to respond to customer requests more quickly.



Using these latest tools to accommodate customer interests or issues, sales representatives are able to make proposals or demonstrations anytime they wish and are therefore more likely to seize on new business opportunities. Moreover, as representatives do not have to return to their offices to prepare proposal materials or to check email,



Risonator is a sales support tool that analyzes customer problems identified from their conversations with sales representatives. As true management issues become obvious with the help of Risonator, salespeople are able to propose appropriate solutions to problems.

productivity increases. Reductions in environmental impact and costs are realized as a result of a significant decrease in the need for printed materials such as catalogs and sales promotion literature.

A rise in the number of business negotiations and meetings as well as in the amount of orders received was confirmed by a productivity survey conducted in December 2011 that targeted salespeople who began using the new smart devices in advance.

For more details [WEB www.ricoh-japan.co.jp/solutions/smartdevice/](http://www.ricoh-japan.co.jp/solutions/smartdevice/)

## Energy Conservation and Prevention of Global Warming

### Reducing environmental impact from production processes

To minimize the environmental impact of our production processes, we continuously engage in environmental impact reduction efforts, adopting three major approaches—innovation in manufacturing processes, introduction of natural energy and introduction of high-efficiency equipment. Innovation in manufacturing processes brings about compact production lines that will not only contribute to energy savings on the production lines themselves but also to energy savings from ancillary equipment, thus enabling us to significantly reduce energy consumption and production costs.

#### Introduction of high-efficient equipment

##### ● Cogeneration system

##### Reduction of CO<sub>2</sub> emissions by 20% across the plant

Ricoh Fukui Plant carried out a fuel switch from kerosene to natural gas and introduced a gas-engine-type cogeneration system, which has been in operation since July 2005. Subsidies from the New Energy and Industrial Technology Development Organization (NEDO) System were used to introduce the system. The system was launched in November 2004 and led to about a 5,000-ton reduction in CO<sub>2</sub> annually, including the amount reduced by the fuel switch, which translates into a 20% reduction in the Fukui Plant's total emissions.



Exterior of the cogeneration system: Liquefied natural gas tank (left) and gas engine power generator building (right)

#### Introduction of natural energy

##### ● Solar power generation system

##### Using Californian sunshine to reduce costs and CO<sub>2</sub> emissions

Ricoh Electronics Inc. (REI), a manufacturing subsidiary in the U.S., has completed the installation of a rooftop solar power generation system that will annually supply up to 10% (about 350,000 kWh) of electricity used by the headquarters facility. Using this system, the company will be able to reduce its CO<sub>2</sub> emissions by 98.1 tons and its electricity cost by at least 56,000 dollars per year.

REI is located in sunny Southern California, a highly suitable place for the installation of a solar power generation system. On the rooftop of the headquarters, about 1,000 panels have so far been installed.



Rooftop solar power generation system

##### ● Construction of an environmentally-friendly plant

##### Annual reduction of CO<sub>2</sub> emissions by more than 250 tons

The production plant of Ricoh Manufacturing (Thailand) Ltd., which started operations in September 2009, boasts a number of environmentally friendly designs and facilities in various parts of the building. Examples of the green equipment installed include natural lighting and ventilation systems, a highly efficient air-conditioning system utilizing water-cooling freezers, an insulated roof, heat-reflective glass panels, highly efficient ballast for HF lamps, and occupancy sensors. Through these efforts, we can achieve an annual reduction in CO<sub>2</sub> emissions of more than 250 tons.



Manufacturing area in which natural daylight is used



## Innovations in manufacturing processes

### ● Cart production line

#### An eco-friendly production system that can respond flexibly to production volume and equipment model changes

In this system, 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 large 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.

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



### ● On-Demand Toner Filling Machine

#### Small and portable toner-filling machine

To cope with limited production of a wide range of toner products, Ricoh has developed an “On-Demand Toner Filling Machine” based on conventional machines that is designed to fill a large amount of toner at high speed. Compared with the conventional toner filler systems, the new machine takes only 1/40 of the time to switch between product types, requires 1/40 of the installation space, and uses 1/4 of the electricity. Introducing this toner filling machine into toner production bases and also into logistics bases and sales companies allows toner cartridges to be manufactured at and shipped from sites closer to customers in the same manner as at plants. This has resulted in a reduction in environmental impact from the transportation of cartridges collected from the market for reuse and a shorter lead time.



### ● Downsized production lines for a photoconductor

#### Substantial reduction in air-conditioned clean room space

Production of photoconductors, a component of MFPs and printers, must be conducted in a clean space containing no dust. Traditional large production lines required large air purifying and conditioning systems, which inevitably entailed big financial and environmental impacts. To address this issue, we have developed a new production line system where one or two units are manufactured at a time and air purifying and conditioning systems are used in that small area, instead of putting several dozen units on a pallet. The new system requires only about 1/6 of the production line length, 1/16 of the equipment installation space\*, 1/92 of the clean, air-conditioned area, and 1/3 of the capital investment of the conventional lines.

\* Ratio of facility area to per-unit production capacity



Small-lot production lines able to meet market demand for multipurpose, high-quality products

## Resource Conservation and Recycling

To achieve the goal of reducing the new input of resources by 25% by 2020 from the 2007 level, we work to utilize resources in the most effective way possible and minimize the use of non-recycled virgin resources during production. To this end, we are actively engaged in the development of alternative materials, use of renewable resources, reuse of used parts, recycling, waste reduction, and other efforts. We believe that these efforts are important initiatives that play a part in mitigating the risks of resource depletion and deforestation.

In addition, we are taking initiatives to develop technologies for recycling water and resources used during production processes.

### Promotion of the recycling business

Recycling efforts are worthless if they result in increases in related costs and environmental impact. The Ricoh Group develops products and components that are easy to recycle and reuse, develops new recycling technologies, develops and expands the network for collecting used products, and conducts many other activities while aiming to improve profitability and decrease environmental impact in this business area.

### Recycled copiers

#### Extensive lineup of recycled copiers: 17 models from 9 series

Ricoh has adopted resource conservation and recycling as one of the pillars of its environmental conservation activities since the early 1990s, and has been working on the recycling of collected MFPs, laser printers, toner cartridges, and supplies. More than 200,000 units of our used products are collected each year, and fully recycled or reused.

Since the release of its first recycled copier in 1997, Ricoh has expanded its lineup more actively than any other company to offer a wide variety of recycled machines. The latest recycled full-color copier, the imagio MP C4000RC/C2800RC series, was launched in May, 2012.

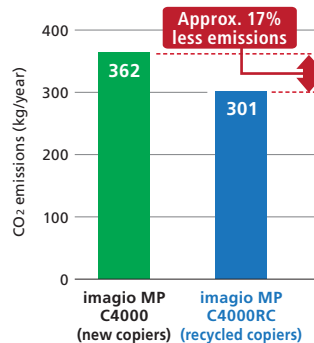
To meet the various needs of customers, Ricoh offers 17 models from 9 series of recycled copiers with a copying capacity ranging from 28 to 50 pages per minute (color) and from 25 to 75 pages (monochrome).



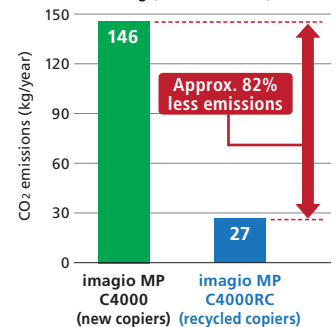
#### ■ imagio MP C4000RC

\* As of May 2012, assessed by Ricoh

##### ● LCA (CO<sub>2</sub> emissions)



##### ● Environmental impact caused by manufacturing (CO<sub>2</sub> emissions)



Line up of recycled copiers [WEB www.ricoh.co.jp/imagio/rc/](http://www.ricoh.co.jp/imagio/rc/)





## Recyclable design

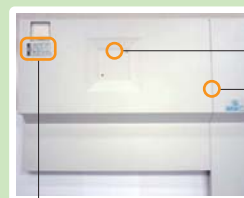
### Incorporating the ease of recycling into product design

Recyclable design is an essential approach to promoting resource conservation and product recycling. To introduce recyclable design, an organization that is now known as the Design for Environment Workshop was established in 1993. The workshop formulated the company's first recyclable design policy based on the Comet Circle, and has built up know-how in various areas, such as the grading of plastic mould parts, strength design considering future reuse as well as the reduction of packaging materials, the reuse of high value-added parts, recycling of high-quality materials, and improvement in the ease of disassembling and sorting.

After designing MFPs and printers, designers carry out recyclable design self-assessments to make necessary improvements, and in doing so, the consideration that designers impart to recycling has already become a part of their core design process.

Comet Circle See page 62

#### ■ Recyclable design front cover



##### ● Label positioned on one part

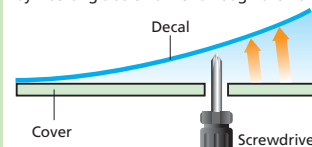
It is more difficult to dismantle the unit if the label covers more than one part.

##### ● Compatible label

Compatible labels do not have to be removed for recycling.

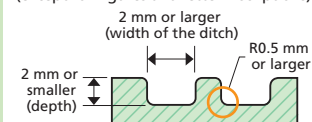
##### ● The spot on the cover where the product name decal (sticker) is attached

By making a hole on the front cover at the spot where the product name label is attached, the label can be easily removed by inserting a screwdriver through the hole.



##### ● Surface of the outer cover

The surface must be designed for easy cleaning and drying for recycling. The ditch on the covering and operation surfaces must be 2 mm or larger in width and 2 mm or smaller in depth with a bottom round with R0.5 mm or larger (except for figures and letter inscriptions).



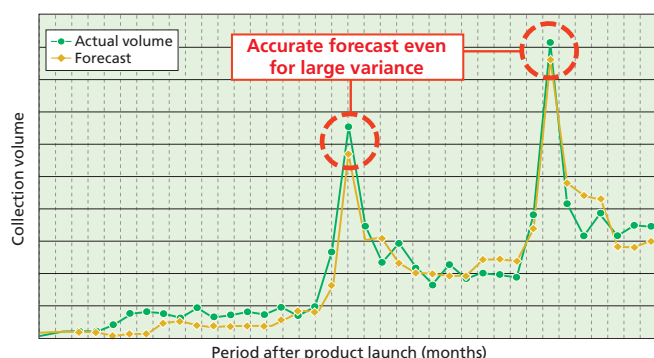
## Recycling technologies

### ● Technology for forecasting used product collection volumes

#### Making contributions to well-planned sales of recycled copiers

Ricoh has developed a new technique for forecasting the volume of used products to be collected from the market. Given the nature of the products and the fact that recycled copiers are made from collected used copiers, an accurate collection volume forecast is particularly important to conduct this business in a well-planned manner. Using related data in our customer data base such as headcounts and numbers of copies printed, we prepare detailed forecasts, e.g., number of units, types of models, how many copies printed and which region they will be collected from, and during which period (monthly, semi-annually, annually). Such forecasts allow us to develop and implement plans on product design, development, production, and sales.

#### ■ Collection volume forecast

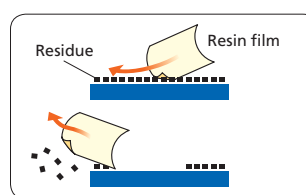


### ● Dry washing technology

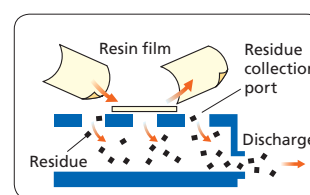
#### Stain removal without the use of water

Recycling can never be labeled effective if it generates a significant impact on the environment. Based on this recognition, Ricoh has been making solid progress in developing resource-recirculating production systems. The development of original dry washing technology is among the latest examples of these systems.

To recycle parts stained with toner, we previously employed an ultrasonic cleaning process that required the use of water, which inevitably involved wastewater treatment and energy consumption to dry the washed parts. With the newly developed technology, which cleans to a quality comparable to ultrasonic cleaning processes, toner stains are scraped off the parts by blasting them with tiny sheets of film, rather than water, at high speed. This new technology has been in practical use since 2007, mainly in the organic photoconductor unit cartridge recycling process both in Japan and overseas, and has led to considerably shorter operation times and less energy use than wastewater treatment and drying processes.



Removal of residue using resin film



Separation and discharge of residue

For more details [WEB www.ricoh.com/about/company/technology/tech/006.html](http://www.ricoh.com/about/company/technology/tech/006.html)

## Resource Conservation and Recycling

## Development of recycled materials and use of renewable resources

To reduce new resource input, we are striving to develop recycled materials and use more renewable resources while aiming to improve profitability and decrease environmental impact.

### Using recycled materials

#### ● Electric furnace steel sheets

#### Using steel sheets made of 100% steel scrap to produce parts for MFPs

Ricoh became the first office equipment manufacturer to develop electric furnace steel sheets<sup>1</sup> with properties required for use in office equipment parts. The steel sheets, jointly developed with Tokyo Steel Manufacturing Co., Ltd. (Tokyo Steel), are used in parts for the imagio MP 9002/7502/6002/6002GP series released in July 2012.

Traditionally, electric furnace steel sheets were used for construction purposes due to their high strength. The newly developed steel sheets attain a sufficient level of quality features that are required for the production of office equipment, namely, suitable width (a thickness of 2 mm or less), electrical conductivity and ease of processing.

In its joint development activities, Ricoh identified necessary material properties and Tokyo Steel then worked to meet those properties by reducing thickness, achieving thinner plating, improving electrical conductivity and ease of processing, and adding more improvements.

Combined with Tokyo Steel's advanced impurity-removal and rolling technologies, the joint development project succeeded in manufacturing high-performance steel sheets to be used for office equipment.

[WEB www.ricoh.com/about/company/technology/voice/f\\_runner/fr12/](http://www.ricoh.com/about/company/technology/voice/f_runner/fr12/)



MFP part using electric furnace steel sheets



Electric furnace at Tokyo Steel

Currently, application of the new steel sheets is limited to specifically selected parts due to a lower ductility level than blast furnace steel sheets<sup>2</sup>. Despite this limitation, Ricoh believes that using electric furnace steel sheets, or recycled steel sheets, carries significant meaning, particularly considering the finite availability of natural resources. As its next step, Ricoh will continue joint development efforts with Tokyo Steel, aiming to improve the properties of the materials.

1. Steel sheets normally made of 100% steel scrap
2. Steel sheets made of pig iron extracted by an iron ore reduction reaction

## Interview

### Joint development of the industry's first electric furnace steel sheets for MFPs

While many customers use electric furnace steel sheets because of their price rather than their quality, Ricoh has focused on the environmental friendliness of the products, and presented us with a joint development opportunity. The biggest challenge we faced was the time constraint. We were fully confident that our engineers would be able to overcome the technical challenges involved but were not sure if we could make it by the agreed deadline. What enabled us to complete this tough project within the demanding time frame we were given was our unwavering passion for the project; we shared with Ricoh the belief that we should and will develop environmentally friendly materials.



**Gaku Ito**  
Manager  
Sales Department  
Tokyo Steel Manufacturing Co., Ltd.

I think it is fair to say the development of this electric furnace steel sheet for application to MFPs is a testament of our world's best technological capabilities in this field. I hope the success of this project will demonstrate the high performance and value of electric furnace steel sheets and attract greater market attention. Tokyo Steel looks forward to continuing and expanding its collaboration with Ricoh in the recycling of steel sheets and many other initiatives.

## Use of renewable resources

### ● Metal-catalyst-free polymerization of PLA at low temperatures

#### Development of a technology to spur the use of biomass resources

In cooperation with Shizuoka University, in 2012 Ricoh succeeded in developing a new technology that enables the polymerization<sup>1</sup> of polylactic acid (PLA) at low temperatures without the use of a metal catalyst. Through the use of this technology, PLA, an attention-grabbing bio-plastic compound made from biomass (i.e., plant)-based materials, can be produced using hyperbaric CO<sub>2</sub> or supercritical<sup>2</sup> carbon dioxide, and organic molecule catalysts. As it does not require the use of organic solvents or metal catalysts, this technology allows the production of PLA in a safe, high-quality, and low-cost manner.

Under traditional methods, which take several hours to complete, the polymerization process requires a tin-based catalyst and involves high temperatures (about 200 °C). The new technology, however, has eliminated the need for metal catalysts, achieved polymerization at a low temperature (lower than 100 °C), and has even succeeded in allowing continuous polymerization.

As its applications are not only limited to image equipment but to wide areas involving the use of plastics, this new technology is expected to spur the use of biomass resources in various fields.

1. Polymerization is a process whereby two or more small-molecule chemical compounds (whether of the same type or different types) are bonded chemically to form a high-molecular-weight compound.
2. "Supercritical" refers to a state where a material is held at or above its critical temperature and pressure. It is difficult to determine the state of a supercritical material, whether gas or liquid, as such materials can be diffused like a gas and also dissolved like a liquid.



Polylactic acid produced under this new technology

### ● Biomass toner

#### Development of toner made from plant-based renewable materials

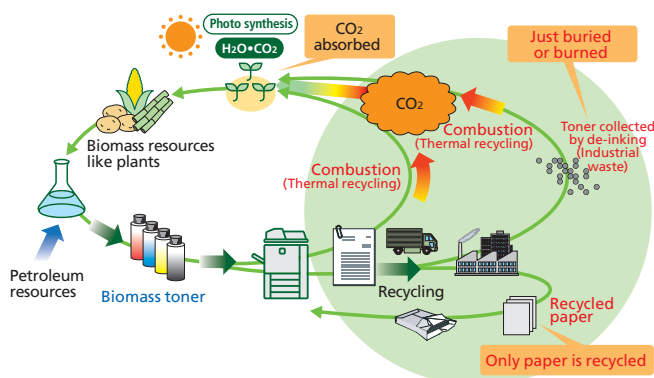
Every year, more than 200,000 tons of toner is produced worldwide, with about 80% being resin. To lessen the environmental impact of producing toner, Ricoh has been developing a biomass<sup>1</sup> toner, for which we adopted a plant-based resin.

The biomass toner requires less petroleum than conventional toner, and contributes to the prevention of petroleum depletion. Being carbon-neutral, biomass toner works to reduce the net amount of CO<sub>2</sub> emitted from the combustion of used toner.

In November 2009, Ricoh released the world's first MFP, imagio MP 6001GP, featuring biomass toner, the "for E toner," with a biomass content<sup>2</sup> of 25%.

The development of this new biomass toner involved the creation of a new plant-based resin, since unlike conventional plant-based resins used for molding, the resin used for toners needs to have excellent chargeability and fluidity as well as low-temperature fixing and heat resistance at the same time.

1. Biomass resources are organic resources that are biologically reproducible, excluding fossil resources.
2. Ricoh utilizes the biomass content in percentages to indicate how much biomass is contained in the parts.



Promoting "resource-recirculating eco packaging" [WEB](http://www.ricoh.com/environment/product/resource/03_01.html) [www.ricoh.com/environment/product/resource/03\\_01.html](http://www.ricoh.com/environment/product/resource/03_01.html)

Reducing Production-Related Packaging [WEB](http://www.ricoh.com/environment/office/resource/01_01.html) [www.ricoh.com/environment/office/resource/01\\_01.html](http://www.ricoh.com/environment/office/resource/01_01.html)

Auditing of waste disposal service providers [WEB](http://www.ricoh.com/environment/office/resource/03_01.html) [www.ricoh.com/environment/office/resource/03\\_01.html](http://www.ricoh.com/environment/office/resource/03_01.html)

Resource Conservation/Recycling [WEB](http://www.ricoh.com/environment/office/resource/index.html) [www.ricoh.com/environment/office/resource/index.html](http://www.ricoh.com/environment/office/resource/index.html)  
[www.ricoh.com/environment/product/resource/index.html](http://www.ricoh.com/environment/product/resource/index.html)

## Pollution Prevention

We are exposed to a wide variety of chemical substances on a daily basis. The various impacts of these substances on human health and the environment have not all been identified yet. To minimize chemical substance-related risks, we at the Ricoh Group identify and manage chemical substances contained in our products following the SAICM\* approach, and thereby offer products with minimal adverse impact on the environment and human health.

\* Strategic Approach to International Chemicals Management (SAICM): a policy framework to promote the sound management of chemicals adopted in February 2006 by the International Conference on Chemicals Management (ICCM) and endorsed by the United Nations Environment Programme (UNEP).

### Management of environmentally sensitive substances contained in our products

We operate a system to reduce and strictly manage environmentally sensitive substances contained in our products in all manufacturing processes, including those conducted by suppliers. We also work to minimize emissions of ozone, dust, and volatile organic compounds (VOCs) from the use of our products and ensure the safety of supplies to be used with the products.

### Operation of the Ricoh Group's chemical substance management system since 2006

Ricoh set original standards for environmentally sensitive substances that could be used in its products in 1993 as an indication of its determination to reduce these substances. Since then, all the divisions engaged in production have worked together to improve the chemical substance control system. By the end of March 2006, a chemical substance management system (CMS) for suppliers was created on a global basis. At the same time, the CMS within the Ricoh Group was strengthened, completing the management system for chemical substances (MSC) contained in products within and outside of Japan in July 2006.

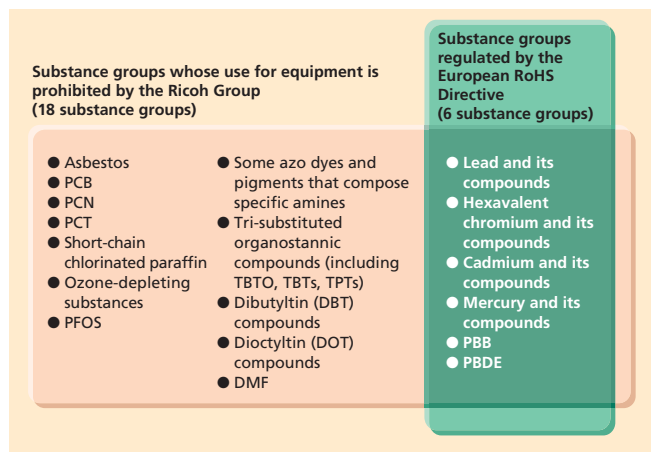
As part of its risk management efforts, Ricoh has expanded the list of chemical substances controlled by the Group since 2008. We also then started to operate a quantity control system that keeps track of which chemical substances controlled by Ricoh are contained in which part of our equipment and in what quantities. With this quantity control system in place, we are now well-positioned to take prompt action in the event of permission to use currently approved chemical substances being withdrawn due to regulatory change.

### Systematic global efforts to comply with the REACH Regulation

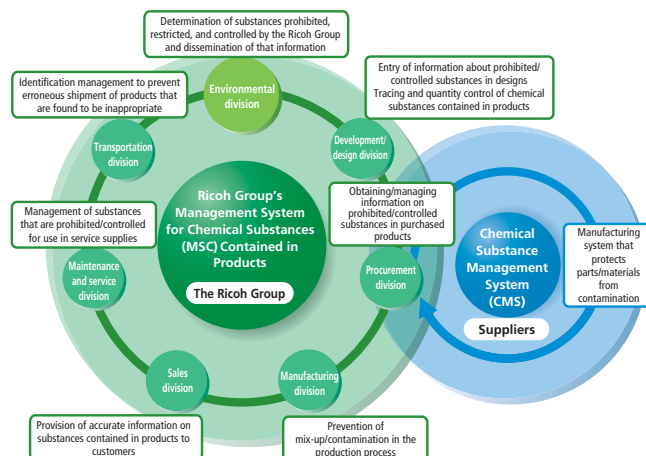
Under the REACH Regulation<sup>1</sup>, a European regulatory framework on chemical substances, producers and importers of substances, preparations and articles produced in, or imported into, the EU are required to register and give notice of all chemical substances included in their products whose quantity is above certain threshold levels. Producers and importers are also required to fulfill their duties to communicate information to customers and general consumers on designated substances contained in products<sup>2</sup>. It is anticipated that the number of chemical substances subject to this regulation will eventually exceed 1,500.

The Ricoh Group established the REACH Compliance Working Group with 180 attendees from the production division (including the general sales division) in February 2008 to solidify Ricoh's REACH compliance system. The core mission of the working group is to develop a system that will allow us to collect and manage chemical substance information accurately and efficiently from partners both upstream and downstream in the supply chain, and to provide the information to customers upon their request.

#### ■ Substance groups whose use for equipment is controlled by the Ricoh Group



#### ■ Framework for chemical substance control (MSC and CMS)



In 2008, we also developed a database and formulated common rules for the communication of chemical substance information based on a related system developed by the Joint Article Management Promotion-consortium (JAMP), of which Ricoh is one of the founders. This system has been introduced at some 1,200 suppliers in Japan, China, and Korea. In 2009, we started employee training programs to ensure the accuracy of information collected, and prepared and distributed written instructions on appropriate handling of the information of applicable chemicals. From October 2009, the information on SVHC in products for the European market has been made available on our website<sup>3</sup>. The Ricoh Group is fully

able to comply with the REACH requirements and is ready to respond promptly to future development of the regulations.

1. This is a new EU regulatory framework for the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH). It requires the registration and management of all chemical substances used in businesses in accordance with their conditions of use to ensure safe assessment of chemical substances. It came into force on June 1, 2007, and the regulations have been gradually enforced since June 1, 2008.
2. Called "Substances of Very High Concern (SVHC)," these are substances on the European Chemicals Agency's candidate list for eventual inclusion in Annex XIV.
3. On the Health & Safety Information page of Ricoh Europe's website, see REACH FAQs, Q3 "SVHC—Machines"

## Chemical substance control and pollution prevention at our manufacturing sites

Efforts are being made on a global scale to reduce the amount of chemical substances used/discharged in the manufacturing processes and to prevent pollution in the areas surrounding our manufacturing sites, based upon the idea of risk management.

### Risk minimization and information sharing as part of chemical substance control at our manufacturing sites

In compliance with the Strategic Approach to International Chemicals Management (SAICM), the Ricoh Group has established a system to manage the risks of chemical substances by applying a risk evaluation method, aiming to minimize the risk throughout the lifecycle of chemicals and to share related information.

Under this risk management system, all the chemical substances used, discharged and disposed of in the manufacturing processes of Ricoh products are assessed in two steps: (1) screening in terms of discharged amounts, according to the hazard\* level scale; (2) for substances evaluated as above a specified level, exposure assessments are conducted. Based on the results obtained, we assess the risks of hazardous substances that may affect the health of local residents as well as water-borne creatures living in the surrounding areas. Enhancing this risk assessment scheme, we are working to establish a global system to reduce risks related to chemical substances.

In addition, the Group has a system in place to manage environmental risks. To control soil and underground water contamination, we have formulated basic principles, provided in the group management standards and other guidelines. In case of contamination, we voluntarily conduct an investigation using the group's uniform standards and promptly take steps for remediation.

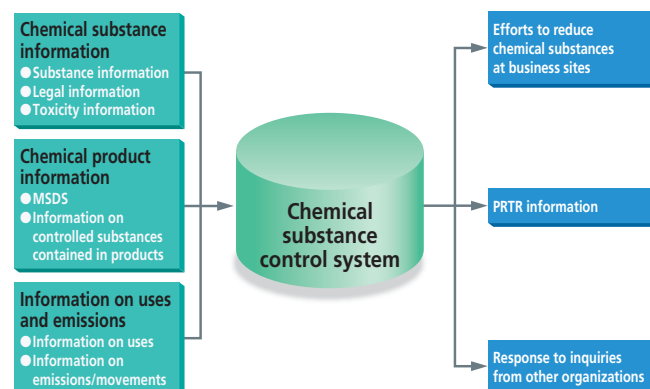
Regarding soil and underground water contamination, PCBs, and asbestos, the Group started to make efforts to understand environmental liabilities that could have a financial impact.

\* Harmfulness to human beings and the environment

### Accurate and swift information disclosure through chemical substance control system

The Ricoh Group uses its chemical substance control system to monitor data on chemical substances used, discharged, and disposed of at business sites. The system is designed to promote the reduced use of chemical substances, to prepare materials for PRTR reporting, and to quickly respond to inquiries received from around the world.

#### ■ Chemical substance control system



Establishment of a chemical substance risk management system [WEB > www.ricoh.com/environment/office/risk/01\\_01.html](http://www.ricoh.com/environment/office/risk/01_01.html)

Understanding environmental liabilities [WEB > www.ricoh.com/environment/office/risk/04\\_01.html](http://www.ricoh.com/environment/office/risk/04_01.html)

Management of the contamination risk of soil and underground water [WEB > www.ricoh.com/environment/office/risk/02\\_01.html](http://www.ricoh.com/environment/office/risk/02_01.html)

Environment risk management with respect to assets [WEB > www.ricoh.com/environment/office/risk/04\\_01.html](http://www.ricoh.com/environment/office/risk/04_01.html)

Asbestos and PCBs [WEB > www.ricoh.com/environment/office/risk/03\\_01.html](http://www.ricoh.com/environment/office/risk/03_01.html)

Used and discharged amount of chemical substances [WEB > www.ricoh.com/environment/office/risk/outline.html](http://www.ricoh.com/environment/office/risk/outline.html)



## Conservation of Biodiversity

To conserve the global environment, we need to take actions to maintain and improve the self-recovery capabilities of the global environment. Recognizing that our businesses depend on the global ecosystem and that biodiversity plays an indispensable role in its health, the Ricoh Group is engaged in various biodiversity conservation activities.

### Biodiversity and our business activities

In March 2009, the Ricoh Group formulated a policy that specifies its commitment to working for biodiversity conservation in the course of its business activities, and has continued an existing ecosystem conservation program and other activities since the 1990s. Following this policy, we have implemented initiatives to reduce the impact of our business activities on, and to contribute to, the conservation of biodiversity.

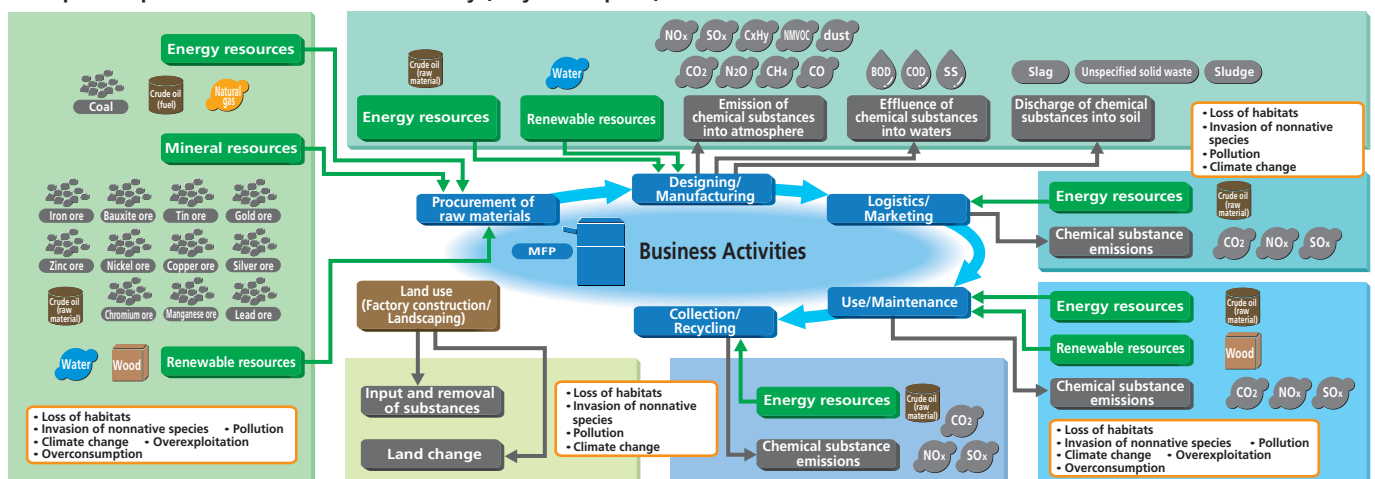
### Mapping of relationship between business activities and biodiversity

The Ricoh Group created and uses the Map of Corporate Activities and Biodiversity that shows the relationship between corporate activities, such as product lifecycle and land use, and biodiversity.

From the map, we learned that MFPs have a large impact on the

ecosystem due to procurement of raw materials (e.g., paper pulp and metals) and manufacturing and consumption of paper. We are using the discoveries from the mapping to enhance our biodiversity conservation activities in close cooperation with each business division.

#### ■ Map of corporate activities and biodiversity (recycled copiers)



### Regulations of Ricoh Group Products Made of Wood

In February 2010, the Ricoh Group established the group-wide Regulations of Ricoh Group Products Made of Wood. The new rules were developed based on the 2003 Environmental Standards for Paper Product Procurement to expand control over the procurement of wood raw material beyond that used in paper products. And they were to be applicable to the entire group.

These wood raw material procurement rules apply to two groups related to products under the Ricoh or Ricoh Group company brands, namely, paper products (plain copier paper, heat-sensitive paper, etc.) and articles/materials made from wood (manuals and instructions, packaging materials, cushioning materials, pallets, etc.) provided along with any lines of products.<sup>1</sup> Through this application, the rules aim to help protect HCVFs<sup>2</sup>, or forests with significant and critical value in terms of global environment and biodiversity conservation, by avoiding the use of wood sourced from these critical forests as material for the Ricoh

Group products. The rules mainly provide for the prohibition of the use of wood sourced from HCVFs as raw material and for requirements to be met by suppliers, including provision for the suspension of business with noncompliant suppliers.

The Ricoh Group will use these new rules to exert control over wood material procurement for products made from wood, mainly paper products, thereby ensuring that the Group's procurement process contributes to the conservation of HCVFs.

1. Recycled materials, including used paper, leftover wood material and wood chips, are excluded, as it is difficult to trace the original sources of such materials.
2. High conservation value forests (HCVFs), as defined here, fall under any of the following categories: old growth forests; primary forests/virgin forests; natural forests containing habitats of endangered species; or forests for which multiple environmental groups claim protective measures need to be taken mainly from the perspective of biodiversity.

Regulations of Ricoh Group Products Made of Wood

WEB [www.ricoh.com/environment/product/procurement/01\\_01.html](http://www.ricoh.com/environment/product/procurement/01_01.html)

## Focus

### IPM-based green space management: An initiative to conserve biodiversity of office premises

#### Reducing the use of pesticides to less than 1% of the previous year's level in the green spaces at Ricoh Ohmori Office

At the Ricoh Group's office and factories around the world, green space and greenery constitute an important part of these business sites. Some locations even have lush green forests within their premises. To conserve the biodiversity of such natural environments within our properties, the current Environmental Action Plan, effective for three years from April 2011, calls for: (1) maintenance of greenery coverage rates, (2) removal of invasive alien species, and (3) minimal use of chemical pesticides and fertilizers.

To recover the health of the ecosystems on our premises and in neighboring areas, the Ricoh Ohmori Office in Japan started to manage the green space on the premises under the approach of integrated pest management (IPM)\*, a comprehensive approach to pest and weed management with minimal use of chemicals, in 2010.

Collaborating with GREEN WISE, a green management company, the Ohmori Office implemented IPM-based pest control measures, including physical removal, use of microbe-based pesticides, reviewing and changing where necessary the timing of carrying out pruning activities and the layout and types of greenery planted,



Periodical monitoring

and the conduction of periodical monitoring, along with other necessary actions. As a result, pesticide usage at the office was reduced to less than 0.17% of the previous year's level. In 2012, other offices and plants in and outside of Japan also introduced the IPM approach into their green space management initiatives to help conserve biodiversity in their respective regions.

\* Integrated pest management: An integrated approach for pest and weed control, which has been internationally adopted in agricultural operations in recent years. IPM adopts an optimal combination of pest and weed prevention and control means based on the consideration of every possible technique available. It aims to reduce the use of pesticides and other chemicals to minimal levels while at the same time preventing the proliferation and growth of pests and weeds and reducing and minimizing hazards to human health and the environment.

Major IPM components include:

- Physical control: Using light, sound, heat and mechanical methods;
- Chemical control: Applying chemicals derived from natural ingredients;
- Biological control: Introducing natural enemies of target pests; and
- Cultivation control: Improving the quality of soil (e.g. enhancing drainage and ventilation)

## Conservation of forest ecosystems

Among various ecosystems, the Ricoh Group focuses particularly on forest ecosystems with rich biodiversity. We started forest ecosystem conservation projects in fiscal 2000 and now promote such projects in six countries and seven regions around the world. In these projects, we work to develop a society where local residents can maintain harmonious relationships with the forests in which they live and depend upon.

### ■ Ricoh's forest ecosystem conservation projects (As of the end of March 2012)

Start date	Country	Project name/NGO partner
Nov. 2001	Japan	Nagano Kurohime Afan Forest Conservation/ C. W. Nicol Afan Forest Foundation
Nov. 2001	Japan	Conservation of the Yanbaru Forest in Okinawa/ Yanbaru Forest Trust
Mar. 2002	Ghana	Restoration of tropical rain forests/Conservation International
May 2004	Russia	Conservation of Taiga, the northern limit habitat of tigers/Friends of the Earth Japan (FoE Japan)
Aug. 2007	China	Conservation of biodiversity at the Three Parallel Rivers, a World Heritage Site/Asia Green-Culture Association
Aug. 2007	Brazil	Restoration of forests in Boa Nova, lowland tropical forests along the Atlantic coast/BirdLife International Asia Division
Jul. 2011	Malaysia	Revitalization of mangrove forests on the north-central Selangor coast/Birdlife International Asia Division

For the details on the projects [WEB](http://www.ricoh.com/environment/biodiversity/forest_ecosystem/01_01.html) [www.ricoh.com/environment/biodiversity/forest\\_ecosystem/01\\_01.html](http://www.ricoh.com/environment/biodiversity/forest_ecosystem/01_01.html)



#### Project for revitalization of mangrove forests on the north-central Selangor coast in Malaysia

Mangrove forests comprise a distinctive ecosystem that features the rich biodiversity of Malaysia. However, such forests are diminishing year by year as a result of illegal logging. The aim of this project is to share recognition of the importance of this forest ecosystem with the local residents and to achieve revitalization and sustainable conservation of such forests through environmental education and tree planting activities.



## To Grow with Society

© Save the Children Japan

# 8 years

Consecutive years of being selected as  
one of the Global 100 Most Sustainable  
Corporations in the World

# 8,329 people

Number of employees participating in  
the company's social contribution club  
"FreeWill" (as of June 2012)

## Committed to a sustainable future for business, society and the earth

When society is faced with various issues, corporations, which operate as a part of society, have the responsibility to address such issues in good faith. And such social issues are most likely to lead to potential market needs.

The Ricoh Group is pursuing business growth whilst simultaneously helping to support development of society. To this end, the Group needs to do more than just flexibly respond to constantly changing environments and to the needs of society. It is necessary to work as a member of society to create new value that will facilitate sustainable social growth and to address various challenges facing society. With this understanding, we are proactively cooperating with a variety of stakeholders globally in implementing social initiatives and activities, including those aimed at achieving the Millennium Development Goals (MDGs). By involving our individual employees in these activities, we expect to help each of them increase their awareness of social issues and understand that they can contribute to solving such issues by engaging in business operations and encouraging them to take action, thereby achieving our CSR management in the true sense of the term. This is the way the Ricoh Group is working to fulfill its commitment to contributing to a sustainable future, for business, society and the Earth.

ISO 26000

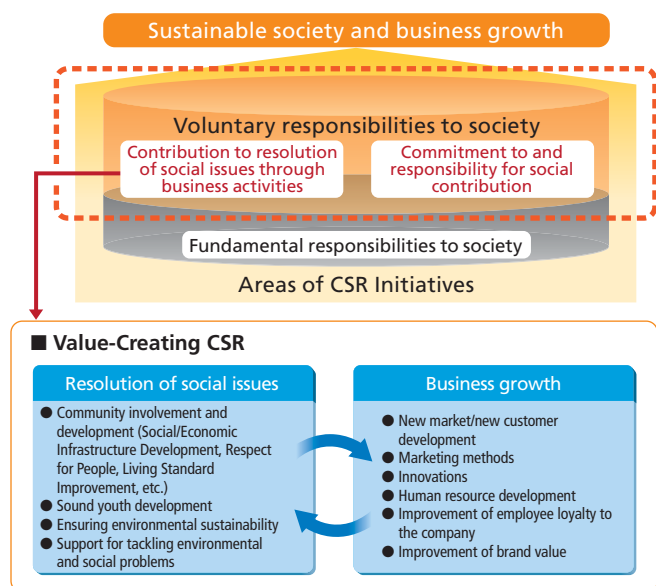
Human rights The environment Community development



# To Grow with Society

## Contributing to solving social challenges

As globalization progresses, our society faces an increasing number of challenges on a global scale that are diverse in nature, traverse various aspects of society, the economy and the global environment. These issues are too intricately intertwined by multiple factors to be addressed by the public sector alone, including national governments, international organizations and the social sector. Against this background, expectations are rising for private companies that possess a wide range of global resources to contribute to solving these complicated social concerns.



As such a corporate entity, the Ricoh Group works to meet these social challenges, clarifying its stance under two principles: "contribution to resolution of social issues through business activities" and "commitment to and responsibility for social contribution."

The contribution to resolution of social issues through business activities constitutes a pillar of our "value-creating CSR," a concept promoted as our growth strategy aimed at simultaneously achieving both social contribution and corporate growth. More specifically, we intend to accurately understand factors involving global issues, and identify new business opportunities for providing effective solutions by utilizing our technology, products, services and human and other resources as well as organizing cooperation with related parties. With these efforts, we expect to tap into new markets, find new customers and drive innovation that can resolve or alleviate global concerns as part of our ongoing and future business activities.

We also place importance on commitment to and responsibility for social contribution. This represents our firm determination that we will continue social contribution activities in a steady responsible manner once we decide to commit to them, within or outside of our business functions. These activities include initiatives led by the Group and its employees as well as support to outside social non-profit organizations.

To facilitate these efforts, we offer training to help individual employees raise awareness and sensitivity toward social issues and to encourage them to take action, thereby fostering a corporate culture that can contribute to solving social challenges.

## Pick up

### Example of Value-Creating CSR: BOP project

#### Aiming to develop new businesses which lead to community development in rural villages in India

While rapid economic growth is being witnessed in many emerging and developing countries, there are still considerable population groups in these nations living in severe poverty, often referred to as the BOP (Base of the Pyramid). These people are suffering from a wide range of social challenges.

In order to offer remedies to such challenges, Ricoh launched the BOP project under the concept of value-creating CSR that aims to create business and provide social resolution at the same time. The first step in this project was taken at a rural Indian village in Bihar state in 2010. Under the project, Ricoh employees were sent to stay in local communities to understand their culture and customs and to build trusting relationships with village residents. The staff then

conducted interviews and surveys to accurately grasp concerns facing the area. Based on the findings obtained from this field research, Ricoh is discussing plans for sustainable business projects with local parties that can support the lives of the people living there.

Since 2011, the project has implemented a range of initiatives designed to cultivate entrepreneurship and assist start-ups, focusing on business creation and female empowerment. Going forward, we intend to develop Ricoh's own business by offering our new products and services to those local entrepreneurs so that they can expand their businesses.

WEB [www.ricoh.com/csr/activity/special.html](http://www.ricoh.com/csr/activity/special.html)



## Global Policy for Social Contribution Activities

The Ricoh Group has set fundamental principles on social contribution by which all Group companies around the world abide. We believe that by conducting social contribution activities based on a common concept, we can maximize the effects of our contributions toward solving challenges. Under these principles, individual Group companies are implementing measures by leveraging the Group's strengths in human and other resources.

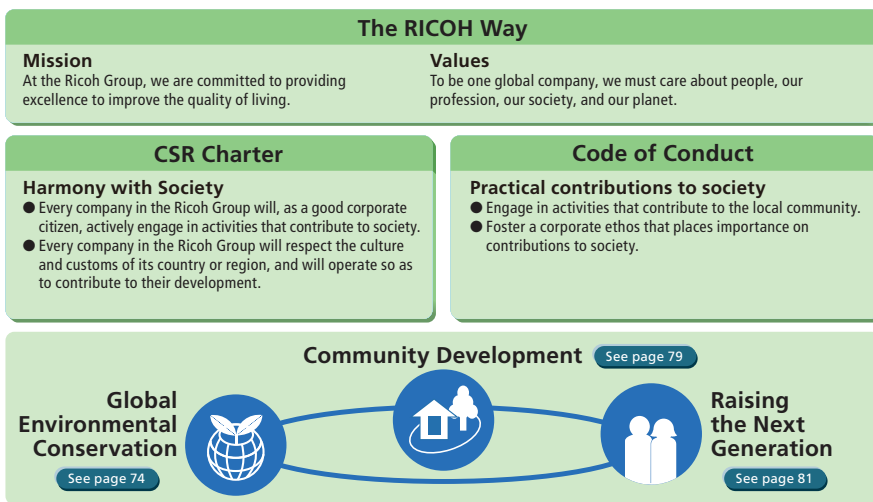
The Ricoh Group, mindful of its responsibility as a corporate citizen, respects the cultures and customs of all countries and regions, joining in active partnership with like-minded people and inspiring employees to contribute to the development of a sustainable society and planet.

Reflecting a deep understanding of social issues in various parts of the world, Ricoh Group companies carry out social activities focusing on several priority areas.

Philosophy

Principles of Action

Priority Areas



\* Only relevant parts from The Ricoh Way, CSR Charter and Code of Conduct are cited

### Our vision in three focus areas



#### Global Environmental Conservation

The Ricoh Group accepts its responsibility as a global citizen and proactively takes action to preserve the global environment based on the Ricoh Group Environmental Principles. Recognizing that all our stakeholders depend on the ecosystem and that biodiversity plays an indispensable role in ensuring its health, the Ricoh Group has developed and launched the Ricoh Group Biodiversity Policy in order to maintain and improve the self-recovery capabilities of the Earth. In addition to reducing environmental impact, we have been striving to conserve biodiversity to support a sustainable global environment.

Furthermore, regarding environmental conservation, it is important that each employee has a sense of being a global citizen and acts voluntarily inside and outside the company. The Ricoh Group is committed to environmental conservation with many employees specifically focusing on the conservation of biodiversity.



#### Community Development

A corporation is an integral member of the community and we conduct our business with the support of local communities. The Ricoh Group aims to coexist and develop in harmony within the countries in which it operates, contributing to the mutual development of both society and the local community based on their needs.

At the same time, as a global company, it is necessary to contribute to developing countries, which face many challenges. In addition to promoting social activities by utilizing the company's resources, including technology and human resources, the Ricoh Group conducts activities for economic development in cooperation with local people. Through these activities, we support the achievement of the Millennium Development Goals while cooperating with all of our stakeholders, and contribute to our business growth.



#### Raising the Next Generation

The future is in the hands of our children and young adults, and we aim to help realize a "sustainable society." Society at large needs to work collectively to resolve various problems around the world that the next generation will face, and this means that companies must play a role as well.

The Ricoh Group actively supports activities to raise the next generation continuously by utilizing its resources, including products, technologies and human resources, in order to cooperate with parents, schools, communities and NPO's to provide environments for learning and growing independently. Employees who participate in these activities feel responsibility towards the society.

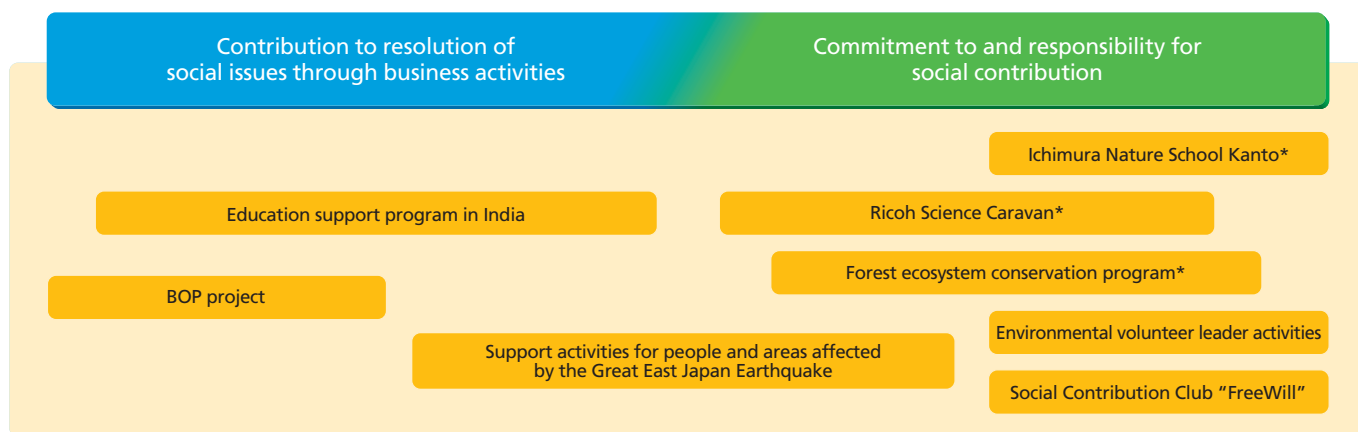
Companies can create an environment whereby children who join a company-sponsored scheme can dream, change and develop into successful contributors to society. Ricoh positions this as a "Social Innovation" cycle of sustainable development for both companies and society.





## Major corporate programs

Upholding the two principles of “contribution to resolution of social issues through business activities” and “commitment to and responsibility for social contribution,” we are engaged in a variety of social contribution programs globally.



Programs marked with a (\*) are funded under Ricoh's social contribution reserve system, established to underpin its stable and persistent social engagement. Following approval at the 1998 shareholders meeting, Ricoh introduced the social contribution reserve system, under which a portion of profits is allocated to a reserve fund, after obtaining approval at a board of directors meeting, with the aim of supporting its long-term, stable engagement in social activities. Currently, the system is applied to three programs (Ichimura Nature School Kanto, Ricoh Science Caravan, and the Forest ecosystem conservation program).

## Aiming to raise the social awareness of individual employees

For a company to effectively utilize its resources to address social challenges, enhanced social awareness of its employees is essential. With this view, we offer a spectrum of opportunities to help individual employees raise their awareness and sensitivity toward social issues, and encourage them to take action in some form by participating in volunteer activities or making efforts within their business engagements.

### ● Social Contribution Club “FreeWill”

FreeWill is an employee-led endeavor formulated in January 1999. It aims to turn individual donations from employees into a sizable fund that supports social contribution activities. More specifically, FreeWill members donate a portion of their salary and bonus pay to support the efforts of NPOs that organize and operate social activities in wide-ranging areas. In addition, with the intention of developing a better understanding of recipient organizations and making additional contributions through purchases, the club members host volunteer events in which they sell items for charity and Fairtrade products dealt with by these organizations.



### ● Value-Creating CSR Workshop

In 2009, the Ricoh Group widely introduced a Value-Creating CSR Workshop in its divisions, aiming to help employees better understand diverse social issues and consider possible solutions provided by them through their business efforts, as well as encourage them to take action towards this end. Since fiscal 2011, the workshop has been incorporated into the annual training program for new employees. In fiscal 2013, a special program was organized, in which around 180 new employees were sent to areas hit by the Great East Japan Earthquake to conduct support activities, followed by a discussion session for proposing ideas and plans for business projects that can help solve problems prevalent in the affected areas.



### ● Campaigns for raising the social awareness of employees

Starting in 2006, the Ricoh Group designated June 5 as the “Ricoh Global Eco Action” day, when all members of the Ricoh Group around the world think about the global environment, take local eco-related actions, and improve their eco-awareness. On this day every year, we hold a variety of environmental events, including biodiversity conservation activities and energy-saving campaigns, mobilizing Group employees across the globe.

In addition, since 2008, Group companies in Japan have participated in the Stand Up, Take Action campaign coordinated by the UN, which seeks to eradicate poverty and achieve Millennium Development Goals (MDGs). On the campaign day in 2012, about 3,900 employees joined the event to enhance their awareness of poverty and other global issues.

## Education Support Program in India

In its value-creating CSR activities that revolve around local communities, the Ricoh Group provides its products, services and human resources for the purpose of contributing to the resolution of social problems in developing countries.

In 2011, Ricoh launched the Education Support Program in India, aiming to solve education problems facing rural areas of the country.

### Ricoh's digital duplicators serve as the driving force for the virtuous cycle to improve educational standards that achieve high-quality education for children in rural villages and provide a better future for fulfilling their dreams

#### Rural villages facing a wide range of issues on education

In May 2011, Ricoh launched the Education Support Program in the Medak District in Andhra Pradesh State, situated in the southern part of India, and has been working together with Save the Children (NGO) to help improve local education conditions.

At the end of January 2011, prior to launch, Ricoh employees visited the area where they conducted a field survey and interviewed school faculty, educational bureau staff, parents and children, through which various issues were identified.

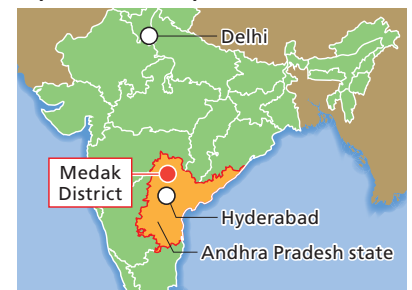
For example, children of farmers tend to be absent from school for a long period in the busy farming season in order to help with farming chores, and often end up dropping out before finishing their primary education. The survey also found that the situation with girls is even more severe in terms of continuing to learn at school. Fundamentally, some parents are not aware of the importance of education, and platforms that are essential for proper school operations are generally fragile, causing problems that include a lack of sufficient educational infrastructure and declining quality of educational services due to a shortage in human resources. The study also pointed out that most schools did not have any printing machines or duplicators, which means that teachers did not have any means to print tests and teaching materials and that communities could not share information effectively.

To address these issues, Ricoh implemented a program under which digital duplicators are donated to local schools and educational institutions where training is provided to children, teachers, and officials of local

governments on how to use them for the purpose of improving the quality of classes and helping community residents to share information effectively. At the same time, with the aim of improving the educational environment in the target area, we are conducting

educational activities, for instance, hosting seminars for the school management committee and organizing "children's groups." Through these activities, we are supporting the establishment of networks among those who are engaged in education.

#### Target region of the program (Medak District)



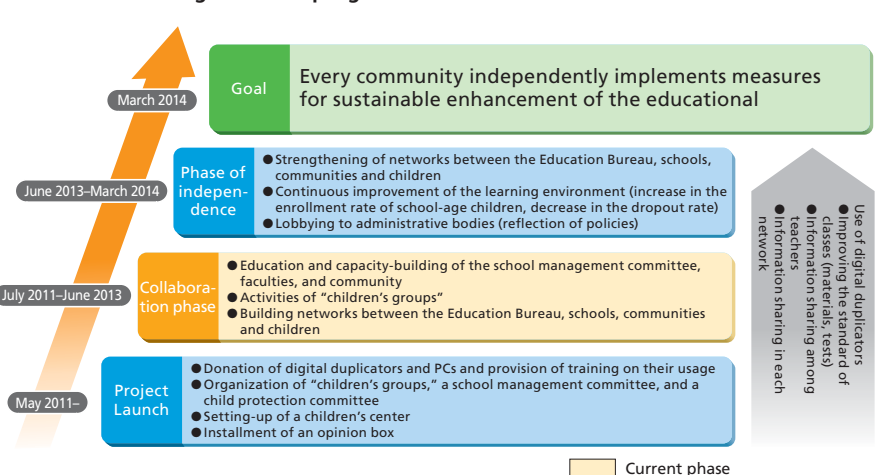
#### Duplicators are contributing to the improvement of classes and revitalization of the community

Ricoh donated duplicators to ten schools and other educational institutions beginning in July 2011 and also provided training on their usage. In February 2012, we examined the effectiveness of our support program. Through our review, we discovered that increasingly more class

#### Cycle to Improve the Educational Environment Executed under Ricoh's Program to Support Education



#### Phases and the goal of the program



time had been allocated to exercises, drills and tests because teachers were able to use more of their time for teaching rather than wasting it writing out questions and explanations on the blackboard and even waiting for students to copy them on their notebooks.

Also, we received positive comments from program participants, saying that since they are now able to share a larger amount of information, such as letters to parents, guidelines for teachers, and a register of teachers, more quickly with far more numbers of people than before, they have become confident about information distribution.

In addition, regarding development of the educational environment, we discovered that 60 schools in the target area organized "children's groups." Under this system, children aggressively participate in discussions concerning the improvement of their schools, local issues facing the community and other items of interest. Going forward, we will place more focus on the establishment of a framework for school improvement and a network among adults in the community including the school management committee, while



supporting information sharing by making effective use of the duplicators.

By March 2014, the target month for achieving the program's goal, we aim to fully realize real improvement in the quality of classes and independent and sustainable efforts by local residents in the community to enhance the educational environment, which enables as many children as possible to keep going to school.

### Obtaining valuable marketing information specific to each area

As the program progresses, we are obtaining more and more valuable information which will be key for us to conduct business operations locally. For example, we have learned about the challenges that are faced specifically in rural areas located far from urban cities, including for example, the high possibility of damage to duplicators installed at the facilities due to attacks by rats, and poor supply channels for paper refills. Another achievement is the relationship we have built with personnel from educational bodies and governmental organizations. By using these connections as our footing, we can conduct product promotion and public relations activities.

Taking into account the recent passing of the Right to Education Act (RTE Act) by the Indian parliament in 2009, it is expected that education-related markets in India will expand into rural villages, thus realizing government efforts to promote compulsory education and improve educational standards in the country. At the same time, the Ricoh Group is intending to build a local community-oriented business model for providing products and services that will contribute to the resolution of social issues faced by communities by leveraging expertise gained through our synergy and these project activities.

## Interview

### Collecting valuable information to be utilized to develop new customer demand and cultivate local markets

#### Initiatives led by Ricoh India

In the local area, duplicator penetration is very low; only government offices and major private schools have them. But since teachers have evidently been able to use time more effectively and prepare more tests and teaching materials using Ricoh's duplicators donated under the program, we were able to demonstrate the benefits of the duplicators to the government.

Regarding sales activities in a region such as the district concerned, through the program, we discovered that it was important

to coordinate with local bodies and the state government to create needs for our products, and to offer products which address region-specific issues including power cuts, low cost and easy availability of supplies such as ink and toner.

We also know through surveys that recent customers tend to choose products from a company that engages in CSR activities. Encouraged by these reports, we will communicate Ricoh's initiatives and achievements to our customers.



**Sanjeev Mehta**  
Executive Manager  
After Market Planning  
Ricoch India Limited

## The Ichimura Nature School in the Kanto Region

“What do today’s children tend to lack despite growing up in Japan’s seemingly affluent society of abundant goods and information?”

In 2002, Ricoh established the Ichimura Nature School as part of its social contribution activities aimed at the sound development of children.

To help to fill a possible void in their lives, the Ichimura Nature School offers programs that are designed to foster a zest for life within children, who hold the future in their hands.

**“Developing a great zest for life through learning from Nature!”  
With this unwavering philosophy, the Ichimura Nature School supports the sound growth of children.**

### Developing a great zest for life from farm work and communal life

The Ichimura Nature School Kanto is an NPO that was founded in Ashigara-kami-gun, Kanagawa Prefecture in 2002 to commemorate the 100th anniversary of the birth of the Ricoh Group’s founder, Kiyoshi Ichimura. Based on the concept of “learning how to live from Mother Nature,” the school offers hands-on programs to children from grades 4 through 8 throughout the year.

The school’s building stands at a nature-rich site that extends to around 7,000 m<sup>2</sup>. During the 8-month long program, city-raised children spend two nights every other weekend engaging in a variety of agricultural activities, from sowing seeds to harvesting crops. Along with this hands-on experience, being away from their parents provides them with opportunities to learn the importance of farming, which requires much physical work, and to feel blessed by nature and experience a great sense of accomplishment through working hard together with peers, while also allowing them to appreciate the fruits of their labor and experience, namely the joy that comes from harvesting their crops. In the autumn season, when the leaves that sprouted in the spring turn red, the children graduate from the school, their state of body and mind more robust than when they first came.



### Understanding how precious life is and learning the essence of the dignity of a human life

At the same time as when the Nature School was first established, the fragile mental state of increasing numbers of school-aged children was manifesting itself as their self-isolation from society, as victims of abuse. “What went wrong with these children?” Ricoh attempted to determine what it could do to help the children, and ultimately decided to found a Nature School under the philosophy of the then chairman, Hiroshi Hamada.

Instructors at the school follow the basic principle of the “four don’ts”: don’t give children too many instructions; don’t give them too many orders; don’t try too hard to teach them something; and don’t coddle them. The school programs are designed to help children develop three values—caring for nature, caring for others and cooperation, and caring for social rules—as well as a twin capacity for independent action and awareness of safety and danger.

More than 10 years have passed since the school’s foundation and over 500 children have finished the course. Despite the requirement to stay on the school’s premises every weekend, the attendance rate of the students exceeds 95%. Through participating in school activities, students begin to nurture a great zest for life. By the time they finish the course, a strong self-confidence that is underpinned by enthusiastic feelings has sprouted within them. Messages from their parents indicate that students have been steadily developing a spirit of independence, a sense of responsibility and a sense of caring for others. Examples of such messages include: “my child now voluntarily helps with household chores,” and “my child has begun to say his/her own opinions confidently.”





## Focus

### Providing firm ground for a greater zest for life, nurtured at the Nature School, into the future

Providing graduates with further support to continue  
to develop soundly through social networking

#### At the 10th anniversary milestone, the school initiated new activities led by alumni

On October 23, 2011, a total of 344 alumni, their parents, and those concerned, gathered at the Ricoh Technology Center located in Ebina-shi, Kanagawa Prefecture to attend the Ichimura Nature School's 10th anniversary reunion.

A total of 130 former students and 134 parents exchanged opinions and views on a number of topics including "How are you putting into practice the lessons learned at the nature school?" "How can we create opportunities for exchanges between alumni and for their further development going forward?" Upon looking back on the old days spent at the school, some former students said that they learned the importance of putting forth their best efforts, recalling that plants that failed to grow well did not have good care, and they naturally started to appreciate food more and to also feel humble, understanding that the food they ate came from living things. At the same time, we received from them a number of opinions and requests, including, "I would like to have



Masamitsu Sakurai, general head of the  
Ichimura Nature School

an opportunity to listen to graduates who have started working," "I want to open a website specifically for the alumni association," and "I want to make new fields for the alumni."

The opinion exchange session was followed by a



Panel discussion of alumni

ceremony where Ricoh's chairman, Masamitsu Sakurai, who serves as the general head of the Ichimura Nature School, delivered the opening remarks. In acknowledgement of a wide range of issues surrounding today's children, Mr. Sakurai emphasized the school's underlying vision that has remained true to its form since its foundation and the great social significance of the programs.

Then School Board Director Takashi Nakamura summed up the opinions and views exchanged among the former students and their parents, indicating that going forward, Ricoh, the Ichimura Nature School and "Daichi-no-kai (the voluntarily founded alumni association)" will work together to decide on a future approach to measures to support further development of graduates. He expressed his hope that with these new measures implemented in line with regular activities at the school, graduates can grow to become future leaders to create a better society.

In his closing remarks, Ricoh President Shiro Kondo extended his gratitude to those who made the event possible and expressed his commitment and continuous support to the Nature School in hopes of its further success and for the continued sound development of every single student who graduated from the school.

## Interview

### Strong bond of fellowship created through living together

The alumni association, *Daichi-no-kai* brings former students together,  
stimulating each other to work harder

"When we unite our efforts, we can accomplish what appears to be impossible to accomplish by individual effort." This is one of the lessons I learned at the nature school. Since I always keep this in mind, I am able to organize people well in my research group, at a school club, etc. In addition, because of the farming experience, I understand how hard farm work is and feel appreciative of food.

At *Daichi-no-kai*, we strongly emphasize the maintenance of bonds developed among former students and between alumni and the school. Through living together at the school and eating the same food together, students start to bond with each other. You also find many of your peers are curious about various things and have different interests. Keeping a good relationship with those fellows is really significant for the rest of our lives.

*Daichi-no-kai* has held general meetings and summer camps, etc. In addition, I would like to start activities that will be helpful

#### Yoshiaki Minagawa

Chairman of *Daichi-no-kai*

One of the first students who joined the Ichimura Nature School Kanto (when he started he was a grade 8 student.) He is currently in the second year of the Graduate School of Engineering, the University of Tokyo.



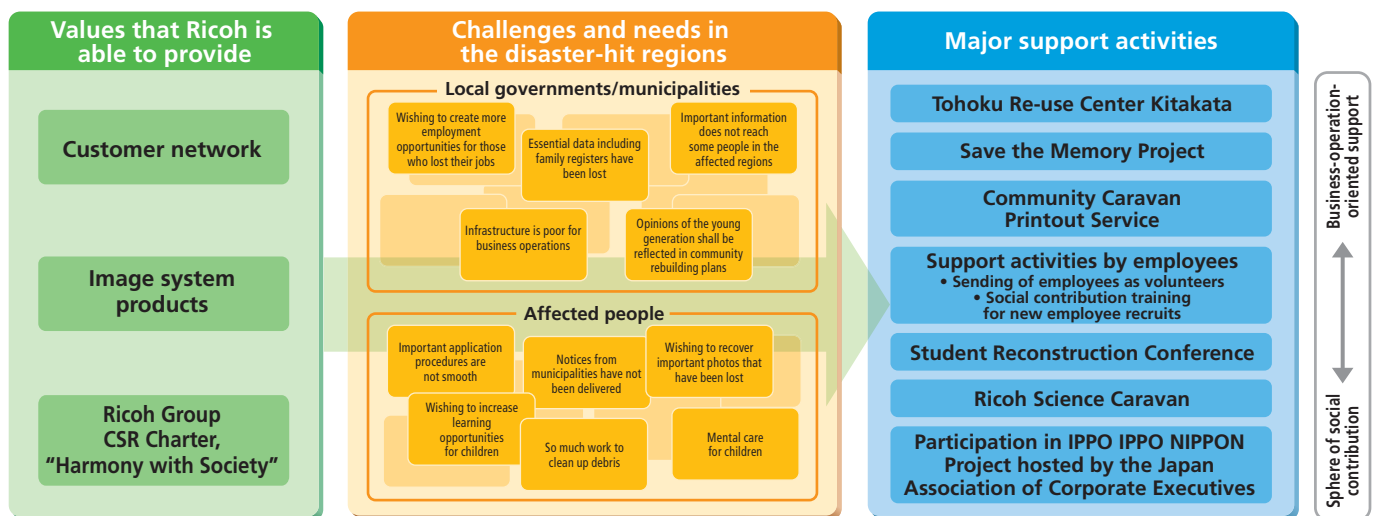
for those who have finished the school to continue to grow well, which will be a solid ground for the time when they start to work. Children need an adult or senior student around who is a kind of person they want to become in the future as well as a friend who competes to work harder at times, and also support them at other times. I hope we can develop an environment in which children can build such relationships with others.

Furthermore, I wish to create opportunities for alumni to be engaged in activities that will contribute to society, such as volunteer activities related to environmental conservation and agriculture.

# Support Activities for People and Areas Affected by the Great East Japan Earthquake

All Ricoh Group employees express sincere sympathies to all those affected by the Great East Japan Earthquake and their loved ones. Two days after the disaster hit the nation, the Ricoh Group announced that it would provide financial assistance of 300 million yen in total and immediately stated to support municipalities in the affected region and Japan Platform, an NPO that was conducting relief activities there, while swiftly donating relief goods to the regions. Following these donations, we have continued various support activities to fulfill the needs and address the troubles resulting from the disaster, drawing on the Group's well-established customer network, products and services and know-how of social contribution activities, in the hopes that the people in the disaster-hit regions can restore their lives to normalcy at the earliest possible time. Consequently, the Group's support was highly recognized and awarded the His Imperial Highness Prince Tomohito of Mikasa Award of International Association for Universal Design 2012.

■ A wide range of support activities from the "sphere of business-operation-oriented support" to the "sphere of social contribution"



## ● Support activities by employees

### Help and learn through volunteering

Ricoh dispatched employees to a severely afflicted area in Rikuzentakata-shi, Iwate Prefecture, to carry out support activities for five weeks from August 2011. Utilizing their summer vacation leave time, around 90 employees volunteered to join the program, in which they engaged in removing rubble and debris and other work. The program provided the participants with a precious opportunity to witness first hand the actual areas of devastation and renew their understanding of the necessity for long-term support, thereby driving expansion of employee volunteer support activities.

Recognizing anew that continued support for reconstruction efforts in affected areas is still needed and that volunteer work can also benefit participants in enhancing their social awareness and gaining new perspectives, Ricoh defined the reconstruction support activity as an employee program, incorporating it into its social contribution training for new employees in 2012.

The following is a report on the first program organized under this framework. In May 2012, a total of 183 new employees were sent to the tsunami-stricken town, Minamisanriku-cho, Miyagi Prefecture, where they helped with fishing operations, specifically, preparing sandbags to be used as weights for oyster and scallop farming rafts, and also helped with shipping kelp in cooperation with JEN, an NPO that also was conducting assistance activities there. Working with local fishermen, the participants witnessed the actual, ongoing situation involving the difficult reconstruction process in affected areas and learned about damage that

was sustained immediately after the disaster occurred as well as about current and future challenges facing local residents and organizations working to rebuild community life.

In the following week, the trainees participated in a Value-Creating CSR Workshop, where they engaged in group discussions to propose problem-solving business plans and ideas, focusing on products and services, for facilitating reconstruction in affected areas. Based on the insights obtained through their volunteer work, the participants explored the nature and causes of the challenges confronting many afflicted areas and possible solutions the corporation could provide, before each group made a presentation on the results of the discussions.

This training program was beneficial for the new employees in developing their social awareness. While extending help to victims in affected areas, they learned a host of lessons, including the significance of corporations conducting social activities, the importance of rebuilding people's lives, not only physical structures in achieving real community reconstruction, the effect of visiting the actual scenes of devastation and the potential of business to solve various social issues. We will continue to support these employee volunteer activities, focusing on new employee training.



### ● Tohoku Re-use Center Kitakata

#### Supporting the restart of business operations and the creation of new employment in disaster-hit areas

Ricoh opened the Tohoku Re-use Center Kitakata on December 15, 2011 thanks to cooperation from Kitakata-shi, Fukushima Prefecture. In order to make this possible, we worked in concert with local administrative bodies and as a result of their support, we were able to receive subsidies from the prefectural emergency job creation fund, recognized as a part of the program. Accordingly, we prioritized people from the affected areas for the purpose of hiring them. The re-use center collects used MFPs from the market. Machines are dismantled, cleaned, and maintained, with parts replaced when necessary. To assist local companies trying to restart their operations, Ricoh opened the center at the earliest possible time. The center lends out machines free of charge (except for maintenance service and expendable supplies) that have been maintained for re-use to clients whose MFPs were damaged in the disaster. To date, a few hundred machines have been loaned out to our clients.



### ● Save the Memory Project

#### Bringing memorable photographs to their owners

The Ricoh Group began its Save the Memory Project in partnership with local governments of affected areas, under which photographs and albums damaged by the tsunami are retrieved and scanned into MFPs in order to return the digitized images with original photos to their owners.

By March 2012, we digitized approximately 300,000 photos that were retrieved and cleaned in Minamisanriku-cho and Onagawa-cho in Miyagi Prefecture, and Rikuzentakata-shi in Iwate Prefecture, with the help of around 500 volunteer Group employees. The image data has been made available for search through the Internet by disaster victims from photo centers set up in local government offices.

Since April 2012, we have offered a service package that carries out the entire process, from digitization of photos to installing equipment and providing cloud service, as well as personnel and technical support necessary for photo center operation. The service was first introduced in Watari-cho in Miyagi Prefecture, followed by municipalities located along the coast in northeastern Japan.



### ● Community Mobile Data Printing Service

#### Taking special care of each resident's situation

In order to meet the needs of municipalities for distribution of announcements and for printing and copying important documents including disaster victim certificates, Ricoh's vehicles, equipped with MFPs and PCs, made regular rounds visiting temporary housing in Higashi-Matsushima-shi in Miyagi Prefecture, and Kamaishi-shi, Rikuzentakata-shi and Otsuchi-cho in Iwate Prefecture. Taking into consideration the difficult situation faced by the people, including senior citizens and those with physical disabilities in particular, we paid special attention to personal communication with those affected. Through these visits over time, many people began using the service in order to photocopy disaster victim certificates, health insurance cards, drivers' licenses, inheritance-related documents, requests for debris removal, directories of school classes, and other purposes. There was one case of a person who had not been able to contact his friends because he lost his telephone directory in the disaster so he photocopied his town's directory. This service ended in March 2012, but MFPs have been installed in meeting rooms of the temporary housing in accordance with requests from municipalities, which are now in charge of their management.



### ● Student Reconstruction Conference

#### Using ideas from high school students for disaster area reconstruction

Ricoh co-hosted the Student Reconstruction Conference with the National Museum of Emerging Science and Innovation. The conference was held in Rikuzentakata-shi, Iwate Prefecture, on August 6, 2011 and attended by 40 students from Iwate Prefectural Takata Senior High School. The students, ardent hometown supporters with their futures in their own hands, held discussions to explore the theme of community building toward reconstruction. By allowing their ideas to flow in a think-outside-the-box manner and taking inspiration from advice provided from invited professional architects, the students were able to piece together ideas for creating the town's symbolic facilities, focusing on the interaction of the people, and they presented the ideas to Rikuzentakata Mayor Futoshi Toba.

In order to ensure that the ideas borne from the event were effectively put to use towards rebuilding the town, the ideas of the students, supported by their enthusiasm, were passed on to a local reconstruction initiative undertaken by a team of children in Rikuzentakata-shi, led by Save the Children Japan. Ricoh will continue to support their activities to this end.



# History of the Ricoh Group

## The imaging revolution continues

Ricoh started out by marketing sensitized paper and cameras to help people share information. We have since innovated numerous image processing technologies to offer revolutionary products and services.

### The early years

Ricoh's origins date back to a decision of the Institute of Physical and Chemical Research to commercialize the fruits of its R&D by setting up Rikagaku Kogyo Co., Ltd. In 1936, the company established Riken Kankoshi Co., Ltd. (renamed Riken Optical Co., Ltd. in 1938, and Ricoh Company, Ltd. in 1963) to manufacture and sell sensitized paper. In 1950, it created Japan's first mass production structure for cameras, driving their popularity among consumers. The Company entered the business machine field in 1955 by launching the Ricopy 101.

- 1936 Riken Kankoshi Co., Ltd. established to make and market sensitized paper, with Kiyoshi Ichimura appointed executive managing director.
- 1938 Renamed Riken Optical Co., Ltd. (until 1963)
- 1946 Kiyoshi Ichimura becomes president.
- 1950 Launches the Ricohflex III camera, which spurred the popularization of cameras.
- 1955 Enters office copier field with the Ricopy 101, its first diazo model.
- 1957 Wins Ohkochi Memorial Production Prize for establishing mass-production system for cameras.
- 1960 Ushers in low-cost, high-volume office copying with the new Ricoh offset duplicator.
- 1962 Launches the Ricoh Auto Half, a half-framed model that proves a massive hit. Establishes Ricoh Industries, U.S.A. Inc., a sales subsidiary.
- 1963 Renamed Ricoh Company, Ltd.
- 1965 Introduces the Ricopy BS-1 as its first electrostatic copier.
- 1968 Kiyoshi Ichimura passes away.



Ricohflex III



Ricopy 101



Rico Auto Half



Ricopy BS-1

### OA pioneers

In 1974, Ricoh launched the Rifax 600S, the world's first high-speed office facsimile. In 1977, we coined the acronym OA for "office automation." During the 1980s, we extended our office productivity support by rolling out a lineup that included computers and word processors, optical filing systems, and laser printers.

- 1970 Ricoh Pavilion at Japan Expo '70 highlights the theme of a "Better Vision for Humanity."
- 1971 Introduces the Ricom 8 as its first office computer. Establishes Ricoh Nederland B.V., a sales subsidiary in Holland.
- 1972 Launches the Ricoh PPC 900, its first dry-electrostatic-transfer plain paper copier.
- 1973 The Rifax 600S, the world's first high-speed office facsimile, transmits a document from Tokyo to New York via satellite. Establishes Ricoh Electronics, Inc., a manufacturing subsidiary in the U.S.
- 1975 Commercializes the Ricopy DT1200, a wet process-based plain paper copier that becomes the world's top-selling copier. Becomes the office automation industry's first recipient of the Deming Prize.
- 1976 Establishes the Environmental Promotion Section. Rifax 600S adopted for use in the Montreal Olympic Games.
- 1977 Coins OA for "office automation."
- 1981 Started marketing Ricoh brand dry process plain paper copiers in Europe and North America.
- 1982 Introduces the Ricopy FT4060, the first dry-toner plain paper copier.
- 1983 Establishes Ricoh UK Products Ltd., a manufacturing subsidiary.
- 1984 The Rifax 1300HS receives a Nikkei Product Excellence Prize.



Rifax 600S



Ricopy DT1200



## The digital revolution

In 1987, we pioneered MFPs with the IMAGIO 320. In 1996, we helped popularize digital models by launching the imagio MF200, a compact and highly affordable MFP. We thereafter released networkable and color offerings.



imagio MF200

- 1985 Receives the Ohkochi Memorial Production Prize for developing a multi-product production system for MFPs. Develops speech recognition and optical character recognition technology.
- 1986 Adopts a new corporate logo in celebration of its 50th anniversary.
- 1987 The OHP313R overhead projector wins the Good Design Grand Award. Establishes Ricoh Industrie France S.A., a manufacturing subsidiary.
- 1989 Signs a Worldwide Sponsorship contract in the facsimile machine category for the 1992 Barcelona Olympic Games.
- 1991 The Ricoh California Research Center develops the world's fastest color imaging compression algorithm. Establishes Ricoh Asia Industry (Shenzhen) Ltd., a manufacturing subsidiary in China.
- 1992 Implements the Ricoh General Principles on the Environment to spell out the Group's conservation stance.
- 1993 Ricoh UK Products Ltd. is the first recipient of the Queen's Award for Environmental Achievement. Establishes GR Advanced Materials, Ltd., a manufacturing subsidiary in the U.K.
- 1994 Ricoh UK Products Ltd. receives a Highly Recommended prize from the European Better Environment Awards for Industry for its chlorofluorocarbon-free recycling system.
- 1995 Launches its first digital camera, DC-1. Acquires Gestetner Corporation (U.K.) and Savin Corporation (U.S.).
- 1996 Ricoh Corporation receives the first of five straight ENERGY STAR awards from the Environmental Protection Agency of the U.S. Establishes Ricoh Asia Pacific Pte Ltd., a sales subsidiary in Singapore.
- 1997 Establishes Ricoh Silicon Valley, Inc. an R&D facility in the U.S.
- 2000 Obtains the Eco Mark certification for copiers, marking a first for the industry.



DC-1



ENERGY STAR logo

## A global company

Ricoh's overseas expansion began in the 1970s, when the Company began selling on an original equipment manufacturer basis. UK-based Gestetner became part of the Group in the late 1990s as part of efforts to build a global sales support structure. We have expanded our operational scope, entering the production printing market and reinforcing our solutions business while deploying network appliances linked to cloud services.

- 2001 Acquires Lanier Worldwide, Inc. (U.S.).
- 2002 Given the world's highest ranking for corporate social responsibility by oekom Research AG (also in 2005 and 2006). Joins the United Nations Global Compact.
- 2003 The Ricoh Group receives a Gold Medal from the World Environment Center. Establishes Ricoh China Co., Ltd.
- 2004 Acquires Hitachi Printing Solutions, Ltd., which is renamed Ricoh Printing Systems.
- 2005 Given highest (AAA) evaluation in the environmental ranking organized by Deloitte Tohmatsu Evaluation and Certification Organization (also in 2006). Given the world's highest ranking for corporate social responsibility by oekom Research AG (also in 2006).
- 2006 Lights up a major billboard atop the San-Ai Dream Center in Ginza, Tokyo.
- 2007 InfoPrint Solutions Company, a Ricoh-IBM joint venture, starts operation.
- 2008 Introduces the Pro C900 color production printer. Acquires IKON Office Solutions, Inc. (U.S.).
- 2009 Releases its first reconditioned color MFP MP C3500RC/C2500RC series in Japan. Produces the world's first biomass toner, used in the MP 6001GP MFP. Establishes Ricoh Manufacturing (Thailand).
- 2010 Sets up a 100% eco-powered billboard in New York's Times Square. Launches the Projection System business.
- 2011 Launches the Unified Communication System business to efficiently integrate video, voice and other information data. Establishes PENTAX Ricoh Imaging Company, Ltd. Receives the Award of Director-General of the Industrial Science And Technology Policy and Environment Bureau, Ministry of Economy, Trade and Industry for its dry washing technology that removes residue without solvents or water.



- 2012 Listed in the "Global 100 Most Sustainable Corporations in the World" by Corporate Knights, Inc. of Canada for the eighth year in a row.
- Selected by oecom Research AG as the world's best performing business for sustainability performance in the IT industry.
- Establishes Ricoh Innovations Private Limited, an R&D facility in India.
- Selected as one of the "2011 World's Most Ethical Companies"

by Ethisphere Institute of the U.S., for the fourth year in a row.

Selected for inclusion in the FTSE4Good Global Index, a leading stock index for sustainability investment for nine years in a row.

Releases MP 9002/7502/6002/6002GP series, the industry's first digital high-speed monochrome MFPs that feature a number of steel parts made from steel scrap.

Ricopy 101, the diazo copier launched in 1955, is included in the list of Japan's Mechanical Engineering Heritage.

## Eco Billboards

### Our eco-billboards underscore our commitment to the environment

Ricoh was the first to install a completely solar-powered billboard in New York's famed Times Square. Solar power charges storage batteries that illuminate LED floodlights. Daily power generation is around 16 kilowatt-hours, preventing annual carbon dioxide emissions of about two tons. When we decided to install the billboard, we were prepared to accept that the sign might go dark if unable to secure sufficient power because of the weather, as such situations would actually underscore our corporate commitment to natural energy. In 2011, we installed an eco-billboard in London that employs both solar and wind power and set up another eco-billboard in Sydney.



New York



Sydney



London



## Sponsoring Sports Excellence

### Partnerships that align with our commitment to teamwork

Sponsorship [www.ricoh.com/about/feature/story10](http://www.ricoh.com/about/feature/story10)



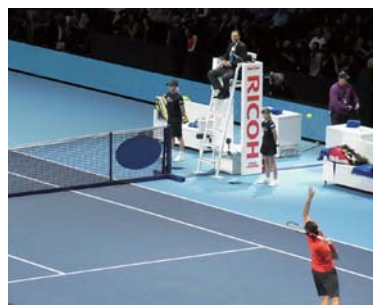
LPGA Tour Championship Ricoh Cup, Japan



Ricoh Women's British Open, United Kingdom



A.C. Milan, Italy



ATP Tournaments, Europe, Asia Pacific



Ricoh Arena, United Kingdom



Official Partner of the National Museum of Emerging Science and Innovation, Japan



Ricoh Coliseum, Canada

Courtesy of Makoto Hirata

## Overview of Ricoh Group's Financial Results for Fiscal 2012 Ended March 31, 2012

### (1) Operating Results

Consolidated net sales of Ricoh Group for the fiscal year 2012 (April 1, 2011 to March 31, 2012) decreased by 2.0% as compared to the previous corresponding period, to ¥1,903.4 billion. Net sales would have increased by 1.2% excluding impact of foreign currency exchange fluctuation.

In Japan, the business environment continued to be severe due to the impact of the Great East Japan Earthquake and the flood in Thailand and also the sharp appreciation of the Yen. Ricoh continued to face the severe business environment. However, signs of improvement started to appear from latter part of the fiscal year 2012, as a result, domestic sales in the Imaging & Solutions and the Other increased, though domestic sales in the Industrial Products decreased from the previous corresponding period. Consequently, overall sales in Japan increased by 1.2% as compared to the previous corresponding period.

As for the overseas economy, in the Americas, individual consumption and capital investment are slowly recovering and in Asian countries including China, high growth is ongoing. However, the situation remained uncertain due to the European debt crisis. Ricoh continued to face a severe business environment due to the appreciation of the Yen.

As for overseas sales by region, compared to the previous corresponding period, sales in the Americas decreased by 9.9% due to foreign currency exchange fluctuation (2.1%, excluding foreign currency exchange fluctuation), sales in Europe, due to appreciation of the Yen against the Euro, decreased by 1.6% (increased by 2.3%, excluding foreign currency exchange fluctuation), and sales in the other region, which includes China, South East Asia and Oceania, increased by 7.3% (10.7%, excluding foreign currency exchange fluctuation).

As a result, sales in the overseas market decreased by 4.5% compared to the previous corresponding period. Excluding effects of foreign currency fluctuations, sales overseas would have increased by 1.2% compared to the previous corresponding period.

Gross profit decreased by 4.6% compared to the previous corresponding period, to ¥752.6 billion due primarily to a decrease in sales and the appreciation of the Yen, despite ongoing cost reductions.

Selling, general and administrative expenses increased by 5.4% compared to the previous corresponding period, to ¥770.6 billion due primarily to impairment loss of ¥37.0 billion on goodwill and long-lived assets for the Production Printing business as well as restructuring costs of ¥34.1 billion.

As a result, operating income sharply decreased compared to the previous corresponding period, to ¥18.0 billion loss.

As for other (income) expenses, impairment loss on valuation of investment securities is included and foreign exchange loss decreased.

Consequently, income before income taxes decreased compared to the previous corresponding period, to ¥31.9 billion loss.

In addition, due to the decrease in corporate tax rate, deferred tax assets and liabilities have been recalculated. As a result, net income (loss) attributable to Ricoh Company, Ltd. amounted to a ¥44.5 billion loss.

As for comprehensive income, comprehensive loss increased due primarily to net loss attributable to Ricoh Company, Ltd. as well as a decrease of pension liability adjustments and cumulative translation adjustments.

### (2) Financial Position

#### A) Assets, Liabilities, and Equity at Year-End

For Assets, from the end of the previous fiscal year, trade receivables increased in Japan and Europe. In addition, inventories increased due partly to initial stock for launch of new products in new businesses. As a result, total assets increased by ¥33.7 billion, to ¥2,289.3 billion.

For Liabilities, the interest-bearing debt increased due primarily to payment for costs in a global restructuring program. Consequently, total liabilities increased by ¥132.9 billion, to ¥1,410.3 billion.

For Total Equity, the change in retained earnings resulted from payment for dividends and net loss attributable to Ricoh Company, Ltd. Accumulated other comprehensive loss increased due primarily to the fluctuation of cumulative translation adjustments reflecting exchange fluctuation from the end of the previous period. As a result, Total Equity decreased by ¥99.1 billion from the end of the previous fiscal year, to ¥879.0 billion.

#### B) Cash Flows

Net cash provided by operating activities decreased by ¥117.4 billion from the previous corresponding period, to ¥11.2 billion due primarily to increase of trade receivables and inventory.

Net cash used in investing activities increased by ¥20.5 billion from the previous corresponding period, to ¥112.4 billion due primarily to capital expenditures as well as acquisition of PENTAX Imaging Corporation.

As a result, free cash outflows generated by operating and investing activities amounted to ¥101.2 billion while free cash inflows amounted to ¥36.7 billion in the previous corresponding period.

Net cash provided by financing activities in this period amounted to ¥87.8 billion due primarily to an increase of the interest-bearing debt.

As a result of the above, cash and cash equivalents as of the end of this fiscal year decreased by ¥16.0 billion from the end of the previous corresponding period, to ¥156.2 billion.



## Consolidated Statements of Income

Ricoh Company, Ltd. and Consolidated Subsidiaries  
For the Years Ended March 31, 2010, 2011 and 2012

	Millions of Yen			Thousands of U.S. Dollars
	2010	2011	2012	2012
<b>Net sales:</b>				
Products	¥ 964,974	¥ 935,280	¥ 876,399	\$ 10,687,793
Post sales and rentals	951,740	901,402	920,827	11,229,597
Other revenue	99,097	104,654	106,251	1,295,744
Total	2,015,811	1,941,336	1,903,477	23,213,134
<b>Cost of sales:</b>				
Products	681,863	647,155	626,426	7,639,341
Post sales and rentals	434,182	427,796	448,478	5,469,244
Other revenue	78,227	77,444	75,951	926,232
Total	1,194,272	1,152,395	1,150,855	14,034,817
Gross profit	821,539	788,941	752,622	9,178,317
<b>Selling, general and administrative expenses</b>	755,638	730,870	770,690	9,398,658
Operating income (loss)	65,901	58,071	(18,068)	(220,341)
<b>Other (income) expenses:</b>				
Interest and dividend income	(3,471)	(2,985)	(3,129)	(38,159)
Interest expense	8,139	8,528	6,979	85,110
Foreign currency exchange loss, net	5,159	5,956	4,355	53,110
Loss on impairment of securities	169	1,844	5,012	61,122
Other, net	(1,177)	559	652	7,951
Total	8,819	13,902	13,869	169,134
<b>Income (loss) before income taxes, and equity in earnings of affiliates</b>	57,082	44,169	(31,937)	(389,476)
<b>Provision for income taxes:</b>				
Current	27,544	21,501	32,309	394,012
Deferred	521	909	(24,086)	(293,732)
Total	28,065	22,410	8,223	100,280
<b>Equity in earnings (losses) of affiliates</b>	6	(22)	39	476
<b>Net income (loss)</b>	29,023	21,737	(40,121)	(489,280)
<b>Net income (loss) attributable to noncontrolling interests</b>	1,979	3,107	4,439	54,134
<b>Net income (loss) attributable to Ricoh Company, Ltd.</b>	¥ 27,044	¥ 18,630	¥ (44,560)	\$ (543,414)

Per share of common stock:	Yen			U.S. Dollars
	2010	2011	2012	2012
Net income attributable to Ricoh Company, Ltd.:				
Basic	37.27	25.68	(61.42)	(0.75)
Diluted	36.25	25.15	(61.42)	(0.75)
Cash dividends, applicable to the year	¥ 31.50	¥ 33.00	¥ 33.00	\$ 0.40

### Per American depositary share, each representing 5 shares of common stock:

	Yen			U.S. Dollars
	2010	2011	2012	2012
Net income attributable to Ricoh Company, Ltd.:				
Basic	186.35	128.40	(307.10)	3.75
Diluted	181.25	125.75	(307.10)	3.75
Cash dividends, paid	¥ 157.50	¥ 165.00	¥ 165.00	\$ 2.01

We have restated the figures for fiscal 2010 and fiscal 2011 due to changing the fiscal year-end calculations of our subsidiaries in fiscal 2012.

To see Critical Accounting Policies and Notes to Consolidated Financial Statements, refer to the URL [www.ricoh.com/IR/financial\\_data/sec\\_filings/](http://www.ricoh.com/IR/financial_data/sec_filings/)

## Consolidated Balance Sheets

Ricoh Company, Ltd. and Consolidated Subsidiaries  
March 31, 2011 and 2012

	Millions of Yen		Thousands of U.S. Dollars
	2011	2012	2012
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	¥ 172,221	¥ 156,210	\$ 1,905,000
Time deposits	2,010	2,461	30,012
Securities			
Trade receivables:			
Notes	46,350	43,921	535,622
Accounts	419,471	439,673	5,361,866
Less- Allowance for doubtful receivables	(16,764)	(16,380)	(199,756)
Current maturities of long-term finance receivables, net	208,675	219,716	2,679,463
Inventories:			
Finished goods	85,842	101,165	1,233,720
Work in process and raw materials	86,041	93,844	1,144,439
Deferred income taxes and other	64,004	65,896	803,610
<b>Total current assets</b>	<b>1,067,850</b>	<b>1,106,506</b>	<b>13,493,976</b>
<b>Property, plant and equipment, at cost:</b>			
Land	44,444	45,893	559,671
Buildings	262,526	265,843	3,241,988
Machinery and equipment	737,373	659,503	8,042,719
Construction in progress	5,394	9,576	116,780
<b>Total</b>	<b>1,049,737</b>	<b>980,815</b>	<b>11,961,158</b>
Less- Accumulated depreciation and amortization	(784,917)	(712,288)	(8,686,439)
<b>Net property, plant and equipment</b>	<b>264,818</b>	<b>268,527</b>	<b>3,274,719</b>
<b>Investments and other assets:</b>			
Long-term finance receivables, net	445,783	468,004	5,707,366
Investment securities	48,909	45,470	554,512
Investments in and advances to affiliates	213	444	5,415
Goodwill	221,092	195,251	2,381,110
Other intangible assets	130,063	112,914	1,377,000
Lease deposits and other	76,836	92,242	1,124,902
<b>Total investments and other assets</b>	<b>922,896</b>	<b>914,325</b>	<b>11,150,305</b>
<b>Total assets</b>	<b>¥ 2,255,564</b>	<b>¥ 2,289,358</b>	<b>\$27,919,000</b>

We have restated the figures for fiscal 2011 due to changing the fiscal year-end calculations of our subsidiaries in fiscal 2012.

## Consolidated Balance Sheets

Ricoh Company, Ltd. and Consolidated Subsidiaries  
March 31, 2011 and 2012

	Millions of Yen		Thousands of U.S. Dollars
	2011	2012	2012
<b>Liabilities and Shareholders' Investment</b>			
<b>Current liabilities:</b>			
Short-term borrowings	¥ 39,095	¥ 111,272	\$ 1,356,976
Current maturities of long-term indebtedness	111,106	105,160	1,282,439
Trade payables:			
Notes	12,216	11,553	140,890
Accounts	235,190	240,656	2,934,829
Accrued income taxes	13,393	13,448	164,000
Accrued expenses and other	198,464	190,935	2,328,476
Total current liabilities	609,464	673,024	8,207,610
<b>Long-term liabilities:</b>			
Long-term indebtedness	479,423	525,435	6,407,744
Accrued pension and severance costs	140,840	164,757	2,009,231
Deferred income taxes and other	47,707	47,124	574,683
Total long-term liabilities	667,970	737,316	8,991,658
<b>Equity:</b>			
Common stock	135,364	135,364	1,650,780
Authorized - 1,500,000,000 shares in 2011 and 2012			
Issued and outstanding - 744,912,078 shares and 725,502,668 shares in 2011 and 744,912,078 shares and 725,081,018 shares in 2012			
Additional paid-in capital	186,083	186,083	2,269,305
Retained earnings	811,082	742,549	9,055,476
Accumulated other comprehensive income (loss)	(170,448)	(204,175)	(2,489,939)
Treasury stock at cost: 19,409,410 shares in 2011 and 19,831,060 shares in 2012	(36,838)	(37,117)	(452,646)
Total Ricoh Company, Ltd. shareholders' equity	925,243	822,704	10,032,976
Noncontrolling interests	52,887	56,314	686,756
Total equity	978,130	879,018	10,719,732
Total liabilities and equity	¥ 2,255,564	¥ 2,289,358	\$ 27,919,000

We have restated the figures for fiscal 2011 due to changing the fiscal year-end calculations of our subsidiaries in fiscal 2012.

To see Critical Accounting Policies and Notes to Consolidated Financial Statements, refer to the URL [www.ricoh.com/IR/financial\\_data/sec\\_filings/](http://www.ricoh.com/IR/financial_data/sec_filings/)

## Consolidated Statements of Changes in Equity

Ricoh Company, Ltd. and Consolidated Subsidiaries  
For the Years Ended March 31, 2010, 2011 and 2012

Millions of Yen

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total Ricoh Company, Ltd. shareholders' equity	Noncontrolling interests	Total equity
Balance as of April 1, 2009, as adjusted	¥ 135,364	¥ 186,083	¥ 812,686	¥ (125,121)	¥ (36,678)	¥ 972,334	¥ 48,977	¥ 1,021,311
Loss on disposal of treasury stock			(39)			(39)		(39)
Dividends declared and approved to Ricoh Company, Ltd. shareholders			(22,858)			(22,858)		(22,858)
Comprehensive income (loss):								
Consolidated net income			27,044			27,044	1,979	29,023
Net unrealized gains and losses on securities				524		524	10	534
Pension liability adjustments				6,966		6,966	65	7,031
Net unrealized gains and losses on derivatives				(784)		(784)	4	(780)
Foreign currency translation adjustments				(13,751)		(13,751)	2	(13,749)
Total comprehensive income (loss)						19,999	2,060	22,059
Net changes in treasury stock					(78)	(78)		(78)
Dividends to noncontrolling interests							(504)	(504)
Balance as of March 31, 2010	¥ 135,364	¥ 186,083	¥ 816,833	¥ (132,166)	¥ (36,756)	¥ 969,358	¥ 50,533	¥ 1,019,891
Cumulative effect of a change in accounting principle - adoption of accounting standard for a variable interest entity, net of tax	-	-	(410)			(410)	(392)	(802)
Balance as of April 1, 2010, as adjusted	135,364	186,083	816,423	(132,166)	(36,756)	968,948	50,141	1,019,089
Loss on disposal of treasury stock			(28)			(28)		(28)
Dividends declared and approved to Ricoh Company, Ltd. shareholders			(23,943)			(23,943)		(23,943)
Comprehensive income (loss):								
Consolidated net income			18,630			18,630	3,107	21,737
Net unrealized gains and losses on securities				94		94	(6)	88
Pension liability adjustments				(158)		(158)	(7)	(165)
Net unrealized gains and losses on derivatives				(11)		(11)	(22)	(33)
Foreign currency translation adjustments				(38,207)		(38,207)	269	(37,938)
Total comprehensive income (loss)						(19,652)	3,341	(16,311)
Net changes in treasury stock					(82)	(82)		(82)
Dividends to noncontrolling interests							(595)	(595)
Balance as of March 31, 2011	¥ 135,364	¥ 186,083	¥ 811,082	¥ (170,448)	¥ (36,838)	¥ 925,243	¥ 52,887	¥ 978,130
Loss on disposal of treasury stock			(31)			(31)		(31)
Dividends declared and approved to Ricoh Company, Ltd. shareholders			(23,942)			(23,942)		(23,942)
Comprehensive income (loss):								
Consolidated net income			(44,560)			(44,560)	4,439	(40,121)
Net unrealized gains and losses on securities				1,215		1,215	(7)	1,208
Pension liability adjustments				(20,085)		(20,085)	(78)	(20,163)
Net unrealized gains and losses on derivatives				15		15	68	83
Foreign currency translation adjustments				(14,872)		(14,872)	(194)	(15,066)
Total comprehensive income (loss)						(78,287)	4,228	(74,059)
Net changes in treasury stock					(279)	(279)		(279)
Dividends to noncontrolling interests							(603)	(603)
Equity transactions with noncontrolling interests							(198)	(198)
Balance as of March 31, 2012	¥ 135,364	¥ 186,083	¥ 742,549	¥ (204,175)	¥ (37,117)	¥ 822,704	¥ 56,314	¥ 879,018

Thousands of U.S. Dollars

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total Ricoh Company, Ltd. shareholders' equity	Noncontrolling interests	Total equity
Balance as of March 31, 2011	\$1,650,780	\$2,269,305	\$9,891,244	\$(2,078,634)	\$(449,244)	\$11,283,451	\$644,964	\$11,928,415
Loss on disposal of treasury stock			(378)			(378)		(378)
Dividends declared and approved to Ricoh Company, Ltd. shareholders			(291,976)			(291,976)		(291,976)
Comprehensive income (loss):								
Consolidated net income			(543,414)			(543,414)	54,134	(489,280)
Net unrealized gains and losses on securities				14,817		14,817	(85)	14,732
Pension liability adjustments				(244,939)		(244,939)	(951)	(245,890)
Net unrealized gains and losses on derivatives				183		183	829	1,012
Foreign currency translation adjustments				(181,366)		(181,366)	(2,366)	(183,732)
Total comprehensive income (loss)						(954,719)	51,561	(903,158)
Net changes in treasury stock					(3,402)	(3,402)		(3,402)
Dividends to noncontrolling interests							(7,354)	(7,354)
Equity transactions with noncontrolling interests							(2,415)	(2,415)
Balance as of March 31, 2012	\$1,650,780	\$2,269,305	\$9,055,476	\$(2,489,939)	\$(452,646)	\$10,032,976	\$686,756	\$10,719,732

We have restated the figures for fiscal 2010 and fiscal 2011 due to changing the fiscal year-end calculations of our subsidiaries in fiscal 2012.



## Consolidated Statements of Cash Flows

Ricoh Company, Ltd. and Consolidated Subsidiaries  
For the Years Ended March 31, 2010, 2011 and 2012

	Millions of Yen			Thousands of U.S. Dollars
	2010	2011	2012	2012
<b>Cash Flows from Operating Activities:</b>				
Consolidated net income	¥ 29,023	¥ 21,737	¥ (40,121)	\$ (489,280)
Adjustments to reconcile consolidated net income to net cash provided by operating activities				
Depreciation and amortization	99,007	93,677	91,137	1,111,427
Equity in earnings of affiliates, net of dividends received	(6)	22	(39)	(476)
Deferred income taxes	521	909	(24,086)	(293,732)
Loss on disposals and sales of property, plant and equipment	2,586	1,507	1,604	19,561
Loss on impairment of long-lived assets	2,353	842	10,070	122,805
Loss on impairment of securities	169	1,844	5,012	61,122
Loss on impairment of goodwill	—	—	27,491	335,256
Pension and severance costs, less payments	(2,476)	(1,106)	(5,386)	(65,683)
Changes in assets and liabilities, net of effects from acquisition:				
(Increase) Decrease in trade receivables	1,782	1,072	(20,393)	(248,695)
(Increase) decrease in inventories	21,881	(12,515)	(17,126)	(208,854)
(Increase) decrease in lease receivables	23,341	13,917	(25,667)	(313,012)
Decrease in trade payables	(9,537)	(11,850)	(5,096)	(62,146)
(Decrease) increase in accrued income taxes and accrued expenses and other	15,962	13,868	(5,623)	(68,573)
Other, net	2,674	4,713	19,430	236,939
Net cash provided by operating activities	187,280	128,636	11,206	136,659
<b>Cash Flows from Investing Activities:</b>				
Proceeds from sales of property, plant and equipment	1,591	1,389	1,532	18,683
Expenditures for property, plant and equipment, including interest capitalized	(66,886)	(66,875)	(73,271)	(893,549)
Expenditures for intangible assets	(13,383)	(18,807)	(14,504)	(176,878)
Payments for purchases of available-for-sale securities	(701)	(235)	(93)	(1,134)
Proceeds from sales of available-for-sale securities	1,027	126	68	829
(Increase) decrease in time deposits	211	(401)	(385)	(4,695)
Purchase of business, net of cash acquired	(4,760)	(1,415)	(14,816)	(180,683)
Other, net	(6,614)	(5,688)	(10,974)	(133,829)
Net cash used in investing activities	(89,515)	(91,906)	(112,443)	(1,371,256)
<b>Cash Flows from Financing Activities:</b>				
Proceeds from long-term indebtedness (excluding debt securities)	46,965	58,622	147,034	1,793,098
Repayment of long-term indebtedness (excluding debt securities)	(66,564)	(87,147)	(82,260)	(1,003,171)
(Decrease) increase in short-term borrowings, net	(105,241)	(31,584)	70,044	854,195
Proceeds from issuance of long-term debt securities	55,000	79,741	—	—
Repayment of long-term debt securities	(20,000)	(87,975)	(22,444)	(273,707)
Dividends paid	(22,858)	(23,943)	(23,942)	(291,976)
Payment for purchase of treasury stock	(183)	(157)	(23)	(280)
Other, net	(488)	(520)	(586)	(7,147)
Net cash provided by (used in) financing activities	(113,369)	(92,963)	87,823	1,071,012
Effect of Exchange Rate Change on Cash and Cash Equivalents	(3,975)	(8,647)	(2,597)	(31,671)
Net Increase (Decrease) in Cash and Cash Equivalents	(19,579)	(64,880)	(16,011)	(195,256)
Cash and Cash Equivalents at Beginning of Year	256,680	237,101	172,221	2,100,256
Cash and Cash Equivalents at End of Year	¥ 237,101	¥ 172,221	¥ 156,210	\$ 1,905,000
<b>Supplemental Disclosures of Cash Flow Information:</b>				
Cash Paid During The Year for-				
Interest, excluding interest capitalized	¥ 11,039	¥ 9,683	¥ 8,419	\$ 102,671
Income taxes	9,081	18,878	17,051	207,939

We have restated the figures for fiscal 2010 and fiscal 2011 due to changing the fiscal year-end calculations of our subsidiaries in fiscal 2012.

To see Critical Accounting Policies and Notes to Consolidated Financial Statements, refer to the URL [www.ricoh.com/IR/financial\\_data/sec\\_filings/](http://www.ricoh.com/IR/financial_data/sec_filings/)

## Selected Financial Data

### Related Consolidated Profit and Loss

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

	2003	2004	2005
Net sales	¥1,732,012	¥1,773,306	¥1,807,406
Cost of sales	991,911	1,013,249	1,058,232
Gross profit	740,101	760,057	749,174
Selling, general and administrative expenses	610,380	614,652	618,065
Operating income	129,721	145,405	131,109
Income before income taxes	119,708	138,472	130,983
Provision for income taxes	49,089	54,768	48,840
Income from continuing operations	71,648	89,049	80,537
Income from discontinued operations, net of tax	865	2,717	2,606
Net income attributable to Ricoh Company, Ltd.	72,513	91,766	83,143
Net income attributable to Ricoh Company, Ltd. shareholders per share (in yen and dollars)			
Basic	99.79	123.63	112.64
Diluted	96.81	123.63	112.64
R&D expenditure	83,551	92,515	110,478
Depreciation for tangible fixed assets	69,558	67,684	66,796
Capital investments	73,956	75,507	84,701
Free cash flow	280,713	87,676	33,089
Debt (Short-term borrowings and Long-term indebtedness)	484,615	432,732	410,085
Total assets	1,884,922	1,852,793	1,953,669
Shareholders' equity	657,514	795,131	862,998
Exchange rate [yen/US\$]	121.96	113.09	107.58
[yen/EURO]	121.00	132.65	135.25

\* As a result of the sale of a business, the operating results from the discontinued operations have been reclassified in accordance with Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" from fiscal year 2003 to 2006.

### Sales by Category

Imaging & Solutions	–	–	¥1,531,428
Imaging Solutions	–	–	1,332,299
Network System Solutions	–	–	199,129
Industrial Products	–	–	119,408
Other	–	–	156,570

\* Ricoh revised business Segments from fiscal year 2006. The figure of fiscal year 2005 have been revised to conform to current presentation.

### Sales by Geographic Area

Japan	¥889,676	¥907,121	¥966,273
Overseas	842,336	866,185	841,133
The Americas	343,940	326,380	325,597
Europe	354,477	402,392	408,906
Other	143,919	137,413	106,630

Millions of Yen							Thousands of U.S. Dollars
2006	2007	2008	2009	2010	2011	2012	2012
¥1,909,238	¥2,068,925	¥2,219,989	¥2,091,696	¥2,015,811	¥1,941,336	¥1,903,477	\$23,213,134
1,114,238	1,206,519	1,292,262	1,237,310	1,194,272	1,152,395	1,150,855	14,034,817
795,000	862,406	927,727	854,386	821,539	788,941	752,622	9,178,317
646,416	688,026	746,221	779,850	755,638	730,870	770,690	9,398,658
148,584	174,380	181,506	74,536	65,901	58,071	(18,068)	(220,341)
152,766	174,519	174,669	30,939	57,082	44,169	(31,937)	(389,476)
56,165	64,326	63,396	22,158	28,065	22,410	8,223	100,280
95,022	106,224	106,463	6,530	27,044	18,630	(44,560)	(543,414)
2,035	5,500	–	–	–	–	–	–
97,057	111,724	106,463	6,530	27,044	18,630	(44,560)	(543,414)
132.33	153.10	146.04	9.02	37.27	25.68	(61.42)	(0.75)
132.33	151.89	142.15	8.75	36.25	25.15	(61.42)	(0.75)
110,385	114,985	126,033	124,406	109,346	110,553	119,027	1,451,549
67,468	72,432	72,762	74,886	70,394	67,231	64,984	810,108
102,054	85,800	85,215	96,958	66,886	66,875	73,271	806,940
53,428	51,865	(3,987)	(195,684)	97,765	36,730	(101,237)	458,337
381,277	415,648	384,372	779,195	684,454	629,624	741,867	9,047,159
2,041,183	2,243,406	2,214,368	2,513,495	2,377,983	2,255,564	2,289,358	27,919,000
960,245	1,070,913	1,080,196	975,373	969,358	925,243	822,704	10,032,976
113.26	117.02	114.40	100.55	92.91	85.77	79.08	–
137.86	150.08	161.69	143.74	131.21	113.28	109.05	–
Millions of Yen							Thousands of U.S. Dollars
¥1,637,228	¥1,774,467	¥1,909,573	¥1,833,098	¥1,789,717	¥1,712,630	¥1,670,772	\$20,375,268
1,446,635	1,580,155	1,709,491	1,598,614	1,614,347	1,531,219	1,471,827	17,949,110
190,593	194,312	200,082	234,484	175,370	181,411	198,945	2,426,158
120,636	133,387	144,340	115,550	101,692	106,830	96,584	1,177,854
151,374	161,071	166,076	143,048	124,402	121,876	136,121	1,660,012
Millions of Yen							Thousands of U.S. Dollars
¥966,224	¥1,002,251	¥1,016,034	¥ 938,331	¥ 876,498	¥ 875,819	¥ 886,425	\$10,810,061
943,014	1,066,674	1,203,955	1,153,365	1,139,313	1,065,517	1,017,052	12,403,073
387,412	426,453	434,799	502,862	558,942	520,000	468,728	5,716,195
434,800	507,158	603,219	523,407	456,563	415,189	408,542	4,982,219
120,802	133,063	165,937	127,096	123,808	130,328	139,782	1,704,659

We have restated the figures for fiscal 2010 and fiscal 2011 due to changing the fiscal year-end calculations of our subsidiaries in fiscal 2012.

## Major CSR Indicators and Our Performance

CSR Charter			Scope of Survey	Performance			Items Relating to Major Initiatives¹	Note		
Indicator				Year ended Mar. 31, 2010	Year ended Mar. 31, 2011	Year ended Mar. 31, 2012				
Integrity in Corporate Activities										
1	Ratio of outside directors (%)		Ricoh Co., Ltd.	18	18	17	GRI: Organizational Profile 4.3 ISO26000: 6.2			
2	Number of important notices issued		Ricoh Co., Ltd.	1	2	2	GRI: PR2 ISO26000: 6.7			
3	Cases of serious accidents involving consumer products		Ricoh Group	0	0	0	GRI: PR1, PR2 ISO26000: 6.7	The number 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 Group (Japan)	100	100	100	GRI: HR3, SO3 GC: Principles 1, 2, 4-7, 9, 10 ISO26000: 6.3, 6.6, 6.7			
5	Response rate for CSR self-assessments conducted by suppliers (%)		Japan	98	100	100	GRI: HR2 GC: Principles 1, 2, 4-8 ISO26000: 6.3, 6.4, 6.5, 6.6, 6.7	Self-assessments started in the year ended Mar. 31, 2010.		
			China	—	99	—		Self-assessments were not conducted in the year ended Mar. 31, 2012.		
6	Number of serious incidents and accidents involving information security		Ricoh Group (Japan)	0	0	0	GRI: PR8 ISO26000: 6.7	The number of serious incidents and accidents involving information security, both of which are required to be made public		
Harmony with the Environment										
7	Energy consumption	Total calories (TJ)		Ricoh Group	3,714	4,824	4,749	GRI: EN3, EN4 GC: Principles 7, 8; MDGs 7 ISO26000: 6.5		
8	GHG emissions	Scope 1	CO₂ (kt)	Ricoh Co., Ltd.	45.6	46.0	47.4	GRI: EN16 GC: Principles 7, 8; MDGs 7 ISO26000: 6.5		
			5 gases (kt)		22.2	21.8	20.3	GRI: EN17 GC: Principles 7, 8; MDGs 7 ISO26000: 6.5	CO₂ equivalent	
		Scope 2	CO₂ (kt)		95.0	91.6	86.5	GRI: EN16 GC: Principles 7, 8; MDGs 7 ISO26000: 6.5		
		Total (kt)			162.8	159.5	154.2	GRI: EN16, 17 GC: Principles 7, 8; MDGs 7 ISO26000: 6.5		
		Scope 1	CO₂ (kt)		Ricoh Group	104.7	158.5	158.6	GRI: EN16 GC: Principles 7, 8; MDGs 7 ISO26000: 6.5	
			5 gases (kt)			23.1	22.9	21.4	GRI: EN17 GC: Principles 7, 8; MDGs 7 ISO26000: 6.5	CO₂ equivalent
		Scope 2	CO₂ (kt)			210.9	256.5	246.3	GRI: EN16 GC: Principles 7, 8; MDGs 7 ISO26000: 6.5	
		Total (kt)				338.7	437.9	426.3	GRI: EN16, 17 GC: Principles 7, 8; MDGs 7 ISO26000: 6.5	
9	Water use	Total (km³)		Ricoh Group	3,845	4,018	4,012	GRI: EN8 GC: Principles 7, 8; MDGs 7 ISO26000: 6.5		
10	Wastes	Total amount (t)		Ricoh Company, Ltd., manufacturing subsidiaries	50,389	58,634	66,984	GRI: EN22 GC: Principles 7, 8; MDGs 7 ISO26000: 6.5		
		Final disposal amount (t)			298	247	293	GRI: EN22 GC: Principles 7, 8; MDGs 7 ISO26000: 6.5		
		Resource recovery rate (%)			97.9	99.2	99.3	GRI: EN2 GC: Principles 7, 8; MDGs 7 ISO26000: 6.5		
11	CO₂ emissions during product use (imaging equipment)	Scope 3 CO₂ (kt)		Ricoh Group	—	492.2	429.2	GRI: EN26 GC: Principles 7, 8, 9; MDGs 7 ISO26000: 6.5, 6.7	Amount of CO₂ emissions stemming from the use of imaging equipment sold during each fiscal year, calculated based on the expected service life	

For more information about environmental indicators and our performance, please refer to the webpage at [www.ricoh.com/environment/data/](http://www.ricoh.com/environment/data/)



CSR Charter		Scope of Survey	Performance			Items Relating to Major Initiatives¹	Note	
Indicator			Year ended Mar. 31, 2010	Year ended Mar. 31, 2011	Year ended Mar. 31, 2012			
Respect for People								
12	Number of regular employees	Japan	41,118	40,072	38,519	GRI: Organizational Profile 2.8 LA1		
		Overseas		67,407	68,942			70,723
			Americas	35,000	34,139			33,262
			Europe	17,239	17,350			17,637
			Asia Pacific	5,025	5,645			7,864
		China	10,143	11,808	11,960			
Ricoh Group companies (in total)		108,525	109,014	109,241				
13	Annual working hours per regular employee	Ricoh Co., Ltd.	1,863	1,998	2,020	GC: Principle 4 ISO26000: 6.4	The following Ricoh Group companies were subject of the survey, data from which was used for items 13–22. ● Ricoh Co., 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. ● 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 10 companies in Asia Pacific  Indices were calculated based on the following numbers of employees. (The data for the year ended March 31, 2012 covers 62% of the total number of Ricoh Group employees, which stands at 109,241.)	
		Overseas manufacturing companies	2,102	2,235	2,254			
		Overseas regional headquarters and sales subsidiaries	1,996	1,985	1,984			
14	Sex ratio (male: female)	Ricoh Co., Ltd.	86:14	86:14	86:14	GRI: LA13 GC: Principle 6; MDGs 3 ISO26000: 6.3, 6.4		
		Overseas manufacturing companies	46:54	44:56	42:58			
		Overseas regional headquarters and sales subsidiaries	68:32	69:31	69:31			
15	Percentage of female workers in management positions	Ricoh Co., Ltd.	1.5	1.9	2.3	GRI: LA13 GC: Principle 6; MDGs 3 ISO26000: 6.3, 6.4		
		Overseas manufacturing companies	19.9	20.0	22.6			
		Overseas regional headquarters and sales subsidiaries	24.9	25.2	24.2			
16	Percentage of female workers in executive management positions	Ricoh Co., Ltd.	0.5	0.6	0.6	GRI: LA13 GC: Principle 6; MDGs 3 ISO26000: 6.2, 6.3, 6.4		
		Overseas manufacturing companies	13.6	13.8	13.8			
		Overseas regional headquarters and sales subsidiaries	10.4	9.5	13.9			
17	Percentage of locally-hired presidents	Ricoh Group companies overseas	—	75	80	GRI: EC7; GC: Principle 6 ISO26000: 6.2, 6.3, 6.4		
18	Percentage of employees with disabilities	Ricoh Co., Ltd.	1.96	1.96	2.06	GRI: LA13 GC: Principle 6 ISO26000: 6.3, 6.4		
		Overseas manufacturing companies²	0.77	0.90	0.99			
		Overseas regional headquarters and sales subsidiaries²	1.00	1.00	1.10			
19	Average years of service	Ricoh Co., Ltd.	Male	17.8	17.8	17.1	GRI: LA2, LA13 GC: Principle 6; MDGs 3 ISO26000: 6.3, 6.4	Overseas regional headquarters and sales subsidiaries
			Female	15.9	16.4	16.3		
		Overseas manufacturing companies³	Male	8.5	9.1	8.7		
			Female	8.5	8.8	8.1		
		Overseas regional headquarters and sales subsidiaries	Male	9.6	9.9	10.1		
			Female	7.0	7.4	7.8		
20	Annual average hours of training per regular employee	Ricoh Co., Ltd.	39.9	39.9	41.3	GRI: LA10 ISO26000: 6.4	2. Calculated based on the data of the companies available for the survey. (overseas manufacturing subsidiaries: 4, overseas regional headquarters and sales subsidiaries: 33)  3. RMT (only 3 years after its foundation) has not been a subject of the survey.	
		Overseas manufacturing companies	18.2	17.1	18.1			
		Overseas regional headquarters and sales subsidiaries	30.6	26.7	64.2			
21	Percentage of companies that have conducted human rights education	Ricoh Co., Ltd.	100	100	100	GRI: HR3 GC: Principle 1 ISO26000: 6.3		
		Overseas manufacturing companies	80	80	80			
		Overseas regional headquarters and sales subsidiaries	67	69	68			
22	Number of complaints related to human rights	Ricoh Co., Ltd.	26	15	14	GRI: HR11 GC: Principle 1 ISO26000: 6.3		
		Overseas manufacturing companies	9	6	6			
		Overseas regional headquarters and sales subsidiaries	4	2	3			

	Year ended Mar. 31, 2010	Year ended Mar. 31, 2011	Year ended Mar. 31, 2012
Ricoh Co., Ltd.	12,173	12,187	11,404
Overseas manufacturing companies	6,673	6,660	7,434
Overseas regional headquarters and sales subsidiaries	45,220	48,632	49,202

2. Calculated based on the data of the companies available for the survey.  
(overseas manufacturing subsidiaries: 4, overseas regional headquarters and sales subsidiaries: 33)

3. RMT (only 3 years after its foundation) has not been a subject of the survey.

Harmony with Society								
23	Amount of charitable donations	Japan	Ricoh Co., Ltd.	127 million yen	133 million yen	524 million yen	GRI: EC1 MDGs 1 ISO26000: 6.8	Based on the report submitted to Nippon Keidanren's One Percent Club (monetary donations, contributions of goods, loaning of facilities).
		Europe	Regional headquarters and sales subsidiaries	684 thousand euros	591 thousand euros	1,053 thousand euros		Aggregate achieved by RE and 21 sales subsidiaries
		Americas	Regional headquarters	—	1.11 million dollars	1.175 million dollars		Achievement by RAC
24	Hours spent for social contribution activities	Japan	Ricoh Co., Ltd.	34,200	40,300	53,000	GRI: EC8 MDGs 1 ISO26000: 6.8	Total hours spent by employees
		Europe	Regional headquarters and sales subsidiaries	10,000	10,500	13,354		Aggregate achieved by RE and 21 sales subsidiaries
		Americas	Regional headquarters	—	2,300	3,400		Achievement by RAC
25	Number of cases of donations to organizations engaged in social contribution through Ricoh's FreeWill club	Ricoh Co., Ltd.		45	49	47	MDGs 1 ISO26000: 6.8	
26	Number of children who "graduated" from the Ichimura Nature School	Ricoh Co., Ltd.		407	463	519	ISO26000: 6.8	
27	Number of times Ricoh Science Caravan was held (number of children who participated in the program)	Ricoh Co., Ltd.		23 times (13,537 children)	29 times (16,395 children)	42 times (17,773 children)	ISO26000: 6.8	Numbers indicate the number of times Ricoh Science Caravan took place and the number of participants in each fiscal year.
28	Number of projects for assisting community development in developing countries	Ricoh Co., Ltd.		7	6	7	MDGs 8 ISO26000: 6.3, 6.8	Forest Ecosystem Conservation Projects (6 projects in 2009, 4 projects in 2010, 5 projects in 2011); assistance with the initiative to build schools in Nepal (2009); India BOP project (2010-2011); India education project (2010-2011)

1. [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.

## Company Data

Company Name	Ricoh Company, Ltd.
Date of Establishment	February 6, 1936
Head Office	Ricoh Building, 8-13-1 Ginza, Chuo-ku, Tokyo 104-8222, Japan Phone: +81-3-6278-2111
Representative Directors	<b>Shiro Kondo</b> President and CEO <b>Zenji Miura</b> Deputy President and CFO
Capitalization	135.3 billion yen (as of March 31, 2012)
Consolidated Net Sales	1,903.4 billion yen (Year ended March 31, 2012)
Number of Consolidated Companies	230 companies (as of March 31, 2012)
Main Business	<p><b>&lt;Imaging and Solutions*&gt;</b></p> <ul style="list-style-type: none"> <li>● <b>Office Imaging</b> MFPs (multifunctional printers), copiers, laser printers, digital duplicators, facsimile, scanners, related parts &amp; supplies, services, support and software</li> <li>● <b>Production Printing</b> Cut sheet printer, continuous feed printer, related parts &amp; supplies, services, support and software</li> <li>● <b>Network System Solutions</b> Personal computers, servers, network equipment, related services, support and software</li> </ul> <p>.....</p> <p><b>&lt;Industrial Products&gt;</b> Thermal media, optical equipment, semiconductor devices and electronic components</p> <p>.....</p> <p><b>&lt;Other&gt;</b> Digital cameras</p>
Number of Employees	109,241 (as of March 31, 2012)
Stock Listings	Tokyo, Osaka, Nagoya, Fukuoka, Sapporo, Euronext Paris
Independent Public Accountants	KPMG AZSA LLC
Shareholders Register Agent	Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo
Depository for American Depositary Receipts	The Bank of New York Mellon 101 Barclay Street, New York, NY 10286, U.S.A. Phone: +1-201-680-6825 US toll free: +1-888-269-2377 (1-888-bny-adrs) Website: <a href="http://www.adrbnymellon.com">http://www.adrbnymellon.com</a>

\* The Imaging and Solutions segment has been reorganized to consist of the current three sub-segments: Office Imaging, Production Printing and Network System Solutions, starting in the year ending March 2013.

■ Planning and compilation of the Ricoh Group Sustainability Report 2012:  
Ricoh Company, Ltd. Corporate Communication Center, CSR Division, Corporate Environment Division

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

We welcome feedback on its contents.