



RICOH

R I C O H   G R O U P  
S U S T A I N A B I L I T Y

R E P O R T  
(CORPORATE SOCIAL  
RESPONSIBILITY) 2005



## Earning the public's trust; Activity reports from 3 perspectives— “environment”, “corporate social responsibility” and “economy”

Being a good corporate citizen means striving to be a valued and respected member of society by contributing to its sustainable growth. To this end, the Ricoh Group believes in being outstanding in all areas of the environment, corporate social responsibility and the economy, as well as openly communicating its activities.

The Ricoh Group publishes information on its activities in reports written from three different perspectives: the environment, corporate social responsibility, and the economy. This report provides our shareholders, customers, and other stakeholders with information on our social responsibility management policies and performance, to facilitate a better understanding of what we do and how we work.

### ● How to Obtain Ricoh Corporate Information:

- Corporate social responsibility  
<http://www.ricoh.com/csr/>
- Sustainable environmental management  
<http://www.ricoh.com/environment/index.html>
- IR (for shareholders and investors)  
<http://www.ricoh.com/IR/>
- Social contribution (Japanese language only)  
<http://www.ricoh.co.jp/kouken/>



### SUSTAINABILITY REPORT (ENVIRONMENT)



### SUSTAINABILITY REPORT (CORPORATE SOCIAL RESPONSIBILITY)



### SUSTAINABILITY REPORT (ECONOMY)



## The Ricoh Group contributes to the development of a sustainable society through CSR\* activities.

### ◎ Scope of the Ricoh Group's CSR Activities

To contribute to the development of a sustainable society and to promote its own sustainability, the Ricoh Group has established social responsibility for each stakeholder sphere. The Ricoh Group recognizes that many activities in separate spheres should be performed by its employees on their own initiative.

1. Basis of all CSR activities: With a conscientious corporate mindset as the basis of all activities, the Ricoh Group clarifies the responsibilities of each stakeholder to enable them to fulfill those responsibilities.
2. Clarification of activities: The Ricoh Group establishes a system and management methods and defines the actions to be taken by its employees.
3. Clarification of responsibilities (three principles): Regarding the most important aspects of corporate activities in promoting integrity: protection of the global environment, respect for human rights, and the relationship with the community surrounding the company, the Ricoh Group has established three principles (harmony with the environment, respect for people, and harmony with society) to clarify them and to carry out various activities accordingly.

The Ricoh Group aims to foster the concept in each sphere of CSR activity, to make plans and achieve higher goals in stages for those activities. Each of its employees acknowledges and performs such activities in order to make the Ricoh Group a company that will retain the respect of the world community and to promote them to corporate management level.

\* Corporate Social Responsibility

## ● Sustainability Report (Corporate Social Responsibility)



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

## ● Sustainability Report (Environment)



- Concept of sustainable environmental management
- Improving our products
- Improvements made at business sites
- Basis for sustainable environmental management
- Social contribution of environmental conservation/Environmental communication

## ● Annual Report



- Management policy
- Management results
- Financial status

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

## ■ Framework of Corporate Social Responsibility

	Stakeholder				
	Employees	Partners			Society
		Customers	Share-holders	Partner companies	
CSR Activities					
Integrity in corporate activities					
Harmony with the environment					
Respect for people					
Harmony with society					

## ◎ Target readers

This report is prepared for users of Ricoh products, shareholders and investors, suppliers, members of local communities, CSR specialists, people in charge of CSR issues for their companies, researchers, students, the Ricoh Group employees, rating agencies, administrators and NPOs: All of the current and potential stakeholders in the Ricoh Group's sustainable management.

Ricoh Group's CSR Activities and Promotion	1
Scope of the Ricoh Group's CSR Activities	2
Why Publish a Group Sustainability Report?	3

## Concept of CSR

1. Corporate Governance	5
2. Scope of CSR	7
3. Promoting CSR Activities	9

## Integrity in Corporate Activities

Risk Management and Compliance Awareness	11
Information Security (ISMS) and Personal Information Protection	13

## Harmony with the Environment

Concept of Sustainable Management and Environmental Action Plan for Fiscal 2005	15
Environmental Action Plan and Results (up to Fiscal 2004)	17

## Respect for People

A Vital and Motivated Culture	19
Health and Safety	21

## Harmony with Society

Social Contribution Activities	22
Communication with Stakeholders	23

## Data

Outline of the Reporting Organization	25
Independent Review	26



### The Ricoh Group continues to earn society's trust while promoting steady growth and development

#### Earning the public's trust

Corporate entities should now strive to assume corporate social responsibility in addition to playing their essential roles of increasing corporate values and pursuing profitability. In terms of corporate social responsibility, companies are required to focus on legal compliance, cope with public needs, define ambitious goals and take positive and responsible actions to attain those goals, and continue to find new additional values, thereby earning the public's trust. We strive to promote social responsibility-driven management as a part of our corporate values as well as engage in global corporate expansion to contribute to the development of a sustainable society.

#### Importance of Communicating with Society

Today, companies are required to manage their social responsibilities with the support of society and to promote its continuous growth and development. There are other ways to implement corporate social responsibility management other than just compliance management based on strict observation of laws and social contribution of surplus funds. Corporate social responsibility management includes activities related to the global environment, markets, society, and people. The object and importance of activities also differ according to the type of corporation and the region in which it functions. At present, there is no unified global definition of CSR. That is, corporate social responsibility management is still under development. However, before producing a global definition, we need to realize and fulfill our own social responsibilities, while improving the company's value and the quality of society, and qualify our CSR policies through communicating with society. When creating new value, we need to concentrate on finding ways to apply the company's qualities

to creative activities in the most effective ways. The Ricoh Group has taken it upon itself, as a global citizen to conduct environmental conservation activities. We have also learned many things through these activities. Based on this we have reviewed our corporate social responsibility activities from the viewpoint of our relationship with society and produced a report from the viewpoint of social responsibility management.

#### The Ricoh Group's CSR Management Vision

##### ● Shift from contribution to responsibility

We think that corporate activities aimed at producing a comfortable global and social environment should not be limited to social compliance rooted in observing laws or social contribution, and based on offering surplus funds and time. The Ricoh Group will continue to shoulder its responsibilities as a corporate and global citizen.

##### ● Fulfilling corporate social responsibility and creating economic value

Continuous growth and development cannot be achieved without the continuous development of society. That is, the economic and social aspects of a company are closely related. The Ricoh Group will fulfill its corporate social responsibility by making it the basis for management of the company.

##### ● Daily activities by all employees

In order to steadily improve social responsibility management, it is important to encourage all employees to participate as a part of their daily activities. As long as social responsibility management activities are only conducted by employees in specific divisions, we cannot meet the expectations of society. Every company in the Ricoh Group



and all the employees in each of these companies will participate in these activities positively, making efforts to reach a higher goal every day, and to fulfill their responsibilities to the earth and society.

#### ● Thinking global, acting local

In promoting social responsibility management globally, we have to deal with both common global issues and issues that differ according to countries and regions. In dealing with global activities, it is necessary to promote unified activities while respecting cultural differences. The Ricoh Group Corporate Social Responsibility Charter and the Ricoh Group Code of Conduct are based on this recognition, and became effective on January 1, 2004. By following these, the Ricoh Group will continue to promote positive activities on a global scale.

#### Dear Readers

The Ricoh Group reported on its activities for the first time in the Ricoh Group Sustainability Report (Corporate Social Responsibility) issued last year, based on the concepts described above. We think that social responsibility management, which is at the dawn of its development, will evolve through communication with you, the reader. We hope that this report will help you understand and value our social responsibility management activities. We welcome your honest opinion on the Ricoh Group's activities as we grow and develop in harmony with society.



**Masamitsu Sakurai**

Chairman of the Board,  
President and Chief Executive Officer

桜井正光

## Earning the Public Trust

For corporations to grow and develop, they must give consideration to preserving the environment, respecting people, and being in harmony with society while pursuing corporate profits. When performing corporate activities based on such considerations, continuity becomes the key. To retain the respect of the world community, the company must continue these activities until they are well recognized by society.

In order to gain the respect of the world community, the Ricoh Group has continued to promote CSR activities based on corporate governance, communication with society, and the participation of all employees.

To actualize a better world and society, and to generate corporate profit concurrently, the Ricoh Group clarifies two areas of responsibility (fundamental responsibilities and voluntary responsibilities to society) and performs CSR activities while discovering what our stakeholders expect, and dealing with the issues.

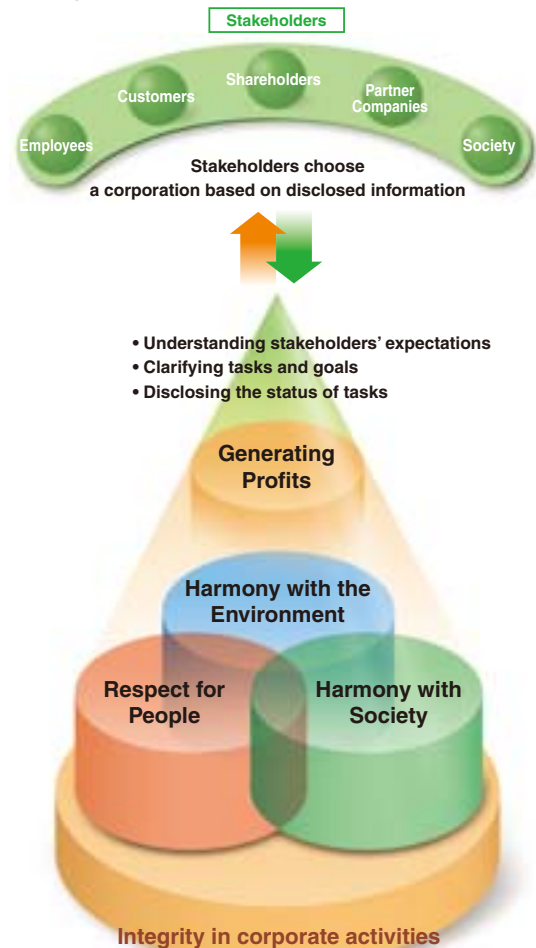
### ●CSR:Framework and governance

To obtain a good relationship with our stakeholders, the Ricoh Group established a CSR framework (see the figure on the right). In this framework, social responsibilities are divided into fundamental and voluntary responsibilities to society, in order to clarify the Ricoh Group's responsibilities to our stakeholders. In order to ensure the effectiveness of the framework, it is necessary to establish corporate governance, especially in the areas of leadership, management structure, management systems and information disclosure.

### ●Ricoh Group corporate governance structure

The Ricoh Group has established a CSR Committee, which has a director of CSR as chairman, and which is under the Group Management Committee organized by the Board of Directors, Chief Operating Officer and operating officers, who meet certain requirements. It is responsible for supervising operations and making important decisions regarding the Ricoh Group's management. Subcommittees are also established to implement and promote CSR activities. The activity plan and status of development are first reported and discussed by the CSR Committee and then proposed to the management committee.

### ■ Our Corporation's Continuous Development and Social Responsibilities



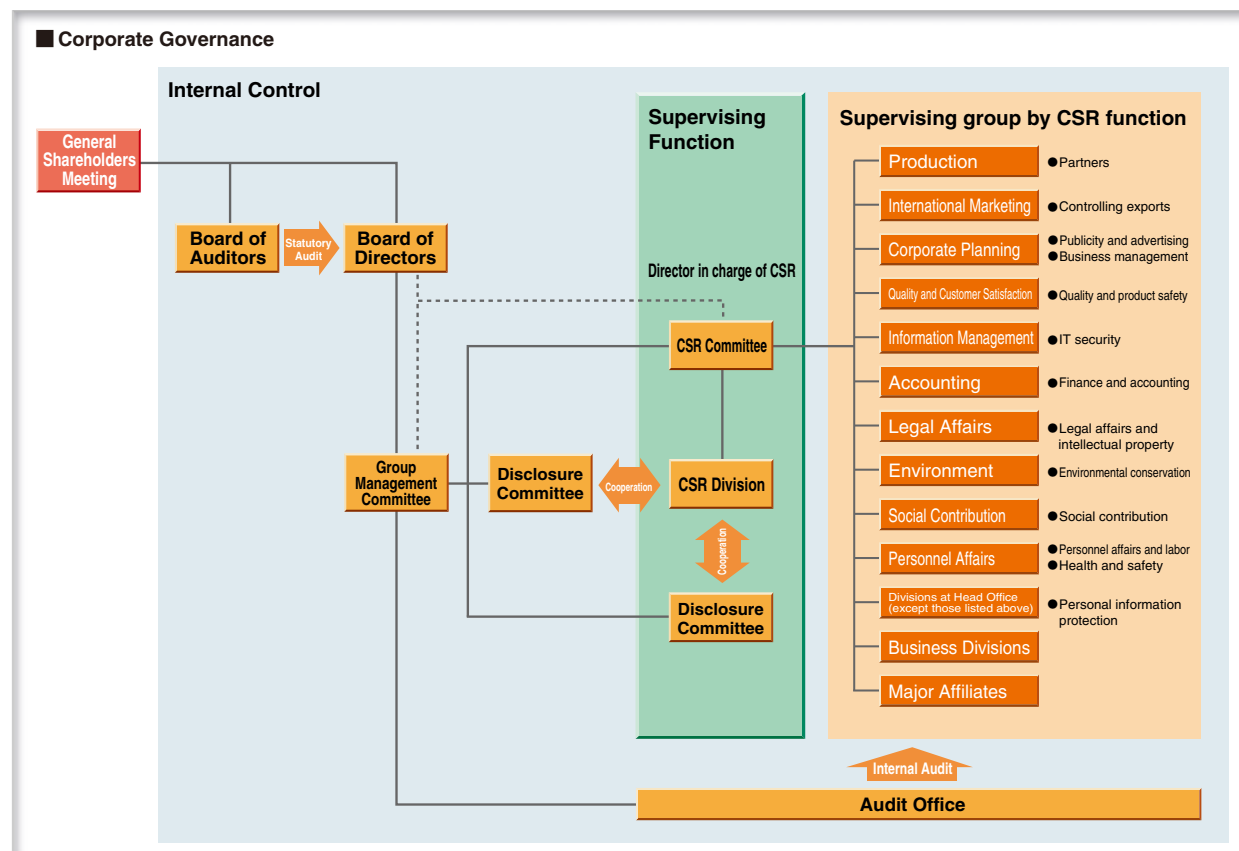
### ■ Framework of CSR



In March 2004, the Internal Control Promotion Office was established in order to promote internal control within the Ricoh Group to strengthen the management structure and to follow Section 404 of the Sarbanes-Oxley Act (broad corporate and accounting reform act) of the United States. With this office, the Ricoh Group aims to observe applicable laws and regulations, improve effectiveness and efficiency of operations, and maintain the reliability of financial reporting as a global corporation with strong corporate values. During fiscal 2004, the Internal Control Promotion Office has worked together with related sections and major companies in the Group to restructure the internal control of the entire Group, to educate the employees, and to improve the business process. In fiscal 2005, a self-assessment regarding internal control is planned and various improvements will be made to increase the effectiveness of business operations. In addition, a system will be introduced to examine the selection,

dismissal and remuneration of the directors and operating officers, to make our operations more transparent. To protect privacy, the Act for Protection of Computer Processed Personal Data held by Administrative Organs has been fully effective since April 2005 in Japan. In December 2004, the Ricoh Group established a Personal Information Control Office to quickly respond to such needs and to promote compliance with the act throughout the Group. An Information Disclosure Committee has been established, to oversee disclosure of corporate management information, including information that may reflect negatively on the group. In fiscal 2004, only one accident was discussed and reported by the Information Disclosure Committee.

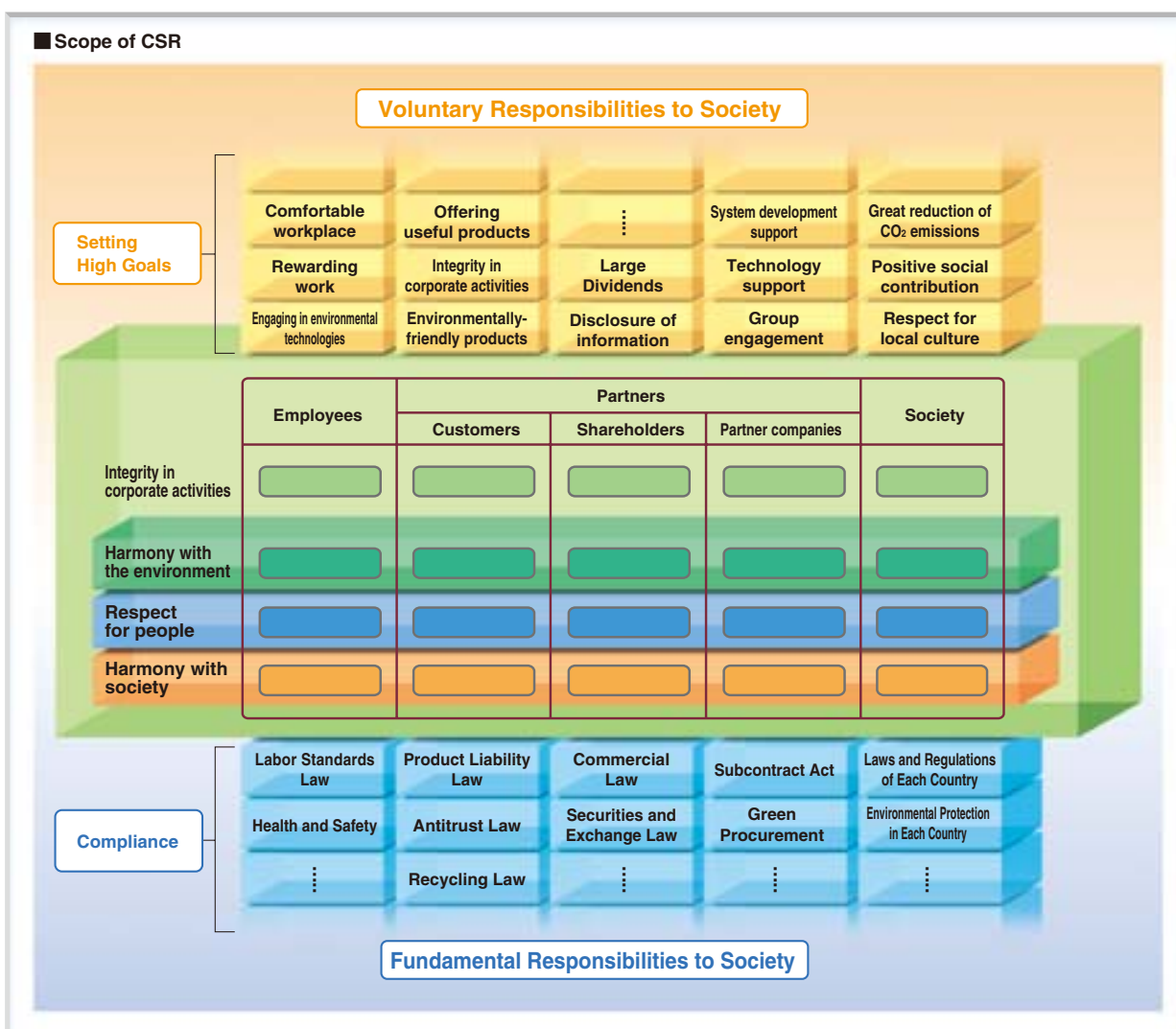
See Page 14.



## Clarifying Responsibilities and Participation of All Employees in CSR Activities

The Ricoh Group has divided its responsibilities for CSR into two areas: fundamental and voluntary. The fundamental responsibilities to society cover compliance with basic laws. The voluntary responsibilities are to goals the Ricoh Group has set for itself. The specific CSR items that are covered by these responsibilities are exemplified for each stakeholder to systematize CSR and to achieve the participation of employees. In order to promote participation of all employees in

the CSR activities, the Ricoh Group Corporate Social Responsibility (CSR) Charter and the Code of Conduct became effective on January 1, 2004 to make sure that individual efforts meet the expectations of society.





## ● Ricoh Group Corporate Social Responsibility (CSR) Charter and Code of Conduct

### ■ Ricoh Group CSR Charter

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

#### Integrity in Corporate Activities

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

#### Harmony with the Environment

4. Every company in the Ricoh Group will take responsibility, as a citizen of the world, working voluntarily and actively to preserve the environment.

5. Every company in the Ricoh Group, and all employees of each company, will seek to implement technological innovations that reflect environmental concerns and will participate in ongoing activities to preserve the environment.

#### Respect for People

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

► For details of the Ricoh Group CSR Charter, go to <http://www.ricoh.com/about/csr.html>

### ■ Ricoh Group Code of Conduct

#### [Integrity in Corporate Activities]

1. Providing customer-centric products
2. Free competition and fair trading
3. Banning insider trading
4. Managing corporate secrets
5. Limits on entertainment and gifts
6. Doing business with public bodies and making political contributions
7. Strict control of exports and imports
8. Protection and use of intellectual properties

9. Participation in anti-social actions
10. Individual actions against the interests of the company
11. Protection of corporate assets

#### [Harmony with the Environment]

12. Respecting the global environment

#### [Respect for People]

13. Respect for human rights

#### [Harmony with Society]

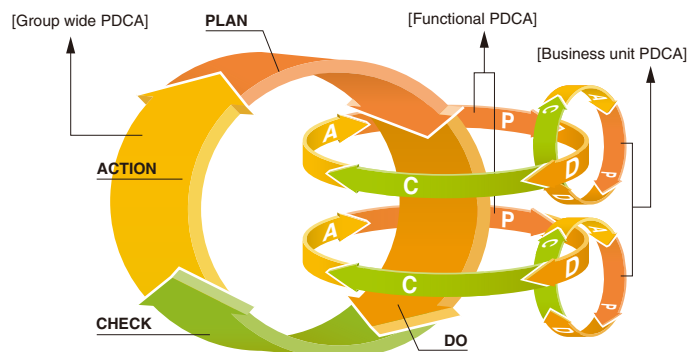
14. Practical contributions to society
15. Harmonizing with society

► For details of the Ricoh Group Code of Conduct, go to <http://www.ricoh.com/about/csr.html>

## Ricoh Advances CSR While Harmonizing at Each Group Level

The Ricoh Group clarifies and works on specific goals for each CSR sphere based on communication with the stakeholders and changes in the social environment. To achieve such goals, the biggest emphasis is placed on building a CSR management system to continuously improve CSR activities and on using PDCA cycles in the departments that implement the CSR activities and their supervising divisions. In addition, emphasis is placed on using the PDCA cycles in the divisions responsible for controlling the functions of the Group.

■ PDCA\* responsible for controlling group and business functions.



\* Continuous improvement management system using a Plan-Do-Check-Action cycle

### ■ PDCA of CSR

Management of CSR related information/Stakeholder analysis/CSR report (accountability)				
Ricoh Group CSR Charter	Plan	Do	Check	Action
	<ul style="list-style-type: none"> <li>Investigating CSR tasks (impact evaluation)</li> <li>Reviewing visions and establishing CSR policy</li> <li>Planning (establishing goals/selecting indicators)</li> </ul>	<ul style="list-style-type: none"> <li>Operation</li> <li>1. Crafting rules to achieve goals</li> <li>2. Educating to achieve goals</li> </ul>	<ul style="list-style-type: none"> <li>Performance measurement</li> </ul>	<ul style="list-style-type: none"> <li>Review and continuous improvement</li> </ul>
(Compliance)				
Integrity in corporate activities				
1. Product safety				
2. Fair competition				
3. Information management				
Harmony with the environment				
4. Environmental protection				
5. Environmental technologies				
Respect for people				
6. Workplace safety/respect for individuality				
7. Protection of human rights				
8. Prohibition of forced and child labor				
Harmony with society				
9. Social contributions				
10. Relationship with countries and local areas				
11. Disclosure of Information				

## Approach to the 15th Midterm Plan (FY 2005 – 2007)

### ● CSR Activities from Fiscal 2005

The Ricoh Group performs various activities to achieve the goal of ¥2.3 trillion in sales, and operating margins of 10% in fiscal 2007. The table below shows major activities for CSR in order to achieve that goal.

#### ■ Important Theme: Fulfilling corporate responsibilities in society (from the Group vision in the 15th Midterm Business Plan)

1. All the organizations, employees and partner companies obey the law and act according to corporate ethics.
2. It executes and actively supports social contribution activities.
3. It practices environmental management with a sense of mission as a global citizen.

Ricoh Group CSR Charter	Item	Activities
Integrity in corporate activities	1. Corporate governance	Investigation of systems to strengthen supervisory function of the board of directors.
	2. Customer Satisfaction (CS)	Japan: Maintaining the No. 1 position in customer satisfaction. Global: Creating an evaluation system to be No. 1 in customer satisfaction.
	3. Information security	Completing acquisition of Group global unified certificate by fiscal 2007. Japan: Improving effectiveness and preservation of existing processes. Global: Completing investigation into expanding production and sales affiliated companies.
	4. Protection of personal information	Improving the effectiveness of the existing management system.
	5. Compliance	Japan: Determining how well the CSR Charter and Code of Conduct are understood and followed by employees, and improving their performance. Global: Promoting understanding and use of the CSR Charter and Code of Conduct.
	6. Risk management	Japan: Penetration and review of proactive measures for important crises. Global: Starting development of proactive measures for crises.
	7. Offering useful products	Developing and creating appliance-like products.
Harmony with the environment	1. Environmental management (Achieving environmental conservation and corporate profits)	Improving environmental performance of products and promoting environmental technology development.
		Developing environmental conservation activities at business sites and offices, aiming at cost effectiveness.
Respect for people	1. Changing employee minds	Continuous improvement of work patterns, emphasis on customer and hypothesis testing, called "Fire" culture.
		Establishing and managing criteria for employee assessment, such as employee attitude surveys and personnel evaluation systems.
	2. Health and safety	Clarifying cost vs. effect of health-safety activities, and establishing and enforcing the 26 items used to gauge the importance of those activities in corporate management.
	3. CSR and suppliers	Establishing guidelines for dealing with suppliers, and maintaining good relationships by respecting the laws (subcontracting laws) and observing the corporate philosophy.
Harmony with society	1. Communication	Continuing to develop community-based communications.
	2. Social contributions	Japan: Specific development activities based on analysis of collected sample cases. Global: Collection of sample cases and specific development activities based on their analysis.

## Crisis Classification and Prevention

In management activities, crises caused by various internal and external factors may be envisioned. The Ricoh Group considers taking preventive measures for crises to be one of its fundamental responsibilities, and implements these measures in its daily activities together with compliance measures.

### Risk Management

The Business Process Risk Management (BPRM) Subcommittee manages risks, which may occur in the business process, excluding risks related to business strategy, natural disasters and fires or financial matters.

The Ricoh Group defines “a crisis” as an event or accident caused by “a risk.” (A sign or precursor of a crisis). We have divided our risk management activities into two parts: preventing crises before they happen, and countermeasures at the initial stages of a crisis, and we carry out those activities according to the rules and regulations we have established.

#### Risk Management Activities before the end of Fiscal 2003

- The Business Process Risk Management (BPRM) Subcommittee was established.
- The BPRM Basic Regulation was established.
- The countermeasures for the initial stage of a crisis were established.
- The Ricoh Group Standards (RGS) were established in Japan.
- 139 potential crises were identified.
- 25 items were named as important out of the 139 potential crises.
- The risk items were selected.
- The preventive measures for crises were mapped out.

#### Risk Management Activities in Fiscal 2004

##### ●Establishing a Ricoh Group Standard (RGS)

The BPRM Basic Regulation for overseas affiliates and the RGS – countermeasures for the initial stages of a crisis – were established.

##### ●Mapping out, implementing and evaluating crisis prevention measures

For the crisis identified so far, Ricoh’s head office has mapped out preventive measures and promoted them inside the Group. At the end of the fiscal year, when the status of all items was checked for which preventive measures had been identified, it was discovered that only half of the items had been followed up. This meant that the PDCA cycles were not functioning effectively enough. We plan to improve the use of the PDCA cycles in order to enhance our risk management activities.(Japan)

##### ●Standardizing evaluation items

The assessment by the Internal Control Promotion Office and the assessment of the important crises by the CSR Division were standardized, to lessen the burden and provide for easier use by local companies. (Japan)

#### Plan for Fiscal 2005

##### ●Mapping out the crisis prevention measures

To start the important crises selection process and the prevention measure development process, working together with the Internal Control Promotion Office.

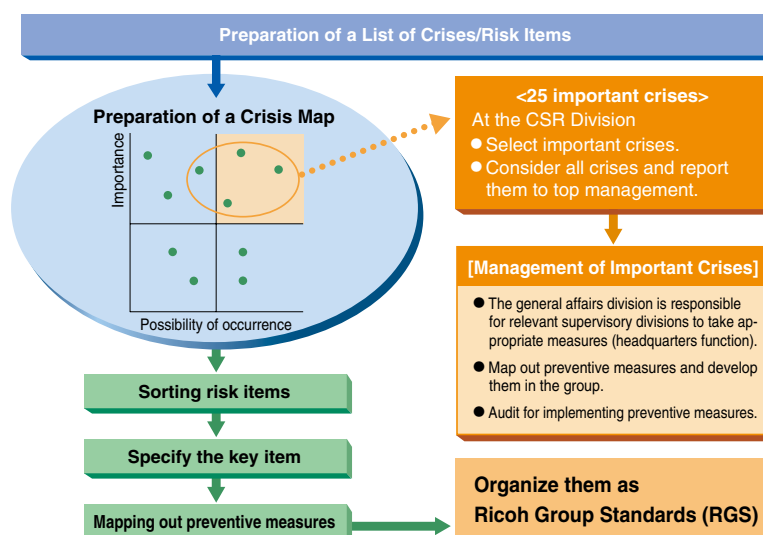
##### ●PDCA Activities for important crises

To execute preventive measures, and improve them by evaluating their effectiveness. To establish preventive measures firmly at each business location by assessing its activities.

##### ●Reviewing 25 crisis items

To review the items labeled as important crises according to changes in society (rules and regulations, values).(Japan)

#### ■ Mapping Out and Developing Measures for Crisis Prevention



## Compliance Awareness

To establish compliance with the Code of Conduct among employees, we have used educational videos. At the same time, we have provided compliance education using e-learning courses. In the coming year, we will continue to make improvements by studying the effects, penetration and retention of this education among employees.

### Compliance Awareness Activities up to the end of Fiscal 2003

- CSR Charter and Code of Conduct were implemented.
- Booklets were created and distributed.
- Panels were created and distributed.
- Compliance education (both basic and management e-learning courses) was given.

## Compliance Awareness Activities in Fiscal 2004

### ●Overseas versions of the Code of Conduct

At our overseas affiliates, we have begun investigating the possibility of creating a code of conduct based on the Japanese version, and have also started compliance education activities.

### ●Creation of the explanation database

A database to explain the Code of Conduct was created.

### ●Educational video for CSR Charter and Code of Conduct

Media such as videos and CD-ROMs were created and used to educate Group employees. In addition, those employees have signed a written oath.

### ●Measuring the effects of education

We have investigated the status of compliance education. In addition, we have proceeded with preparations for creating a tool to assess the understanding and awareness of each employee regarding compliance.(Japan)

## Plan for Fiscal 2005

### ●Establishing overseas versions of the Code of Conduct

At each overseas affiliate, the code of conduct will be established and employee training will be carried out.

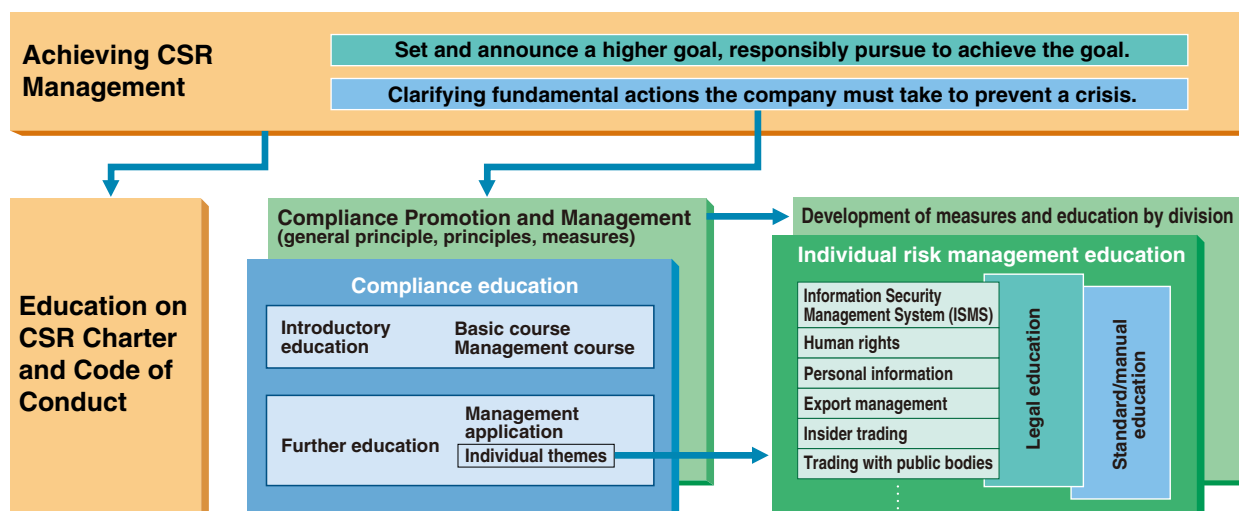
### ●Checking employee understanding of the Code of Conduct and mapping out an improvement plan

The intranet will be used to check the employees' understanding of the Code of Conduct. The data will be used to set midterm goals and establish an improvement plan. Future Code of Conduct training will be based on these goals.(Japan)

### ●Management application of compliance education

Management's application of compliance education will be carried out using case studies, in order to establish compliance in daily activities.(Japan)

## ■ Overview of CSR, Compliance Measures and the Training System





## Information Security and Corporate Responsibility

Every employee of the Ricoh Group is committed to an Information Security System and the protection of personal information.

### Information Security Management System (ISMS)

Information forms the basis of the Ricoh Group's business. Our Corporate Social Responsibility (CSR) Charter clearly states that "Every company in the Ricoh Group will take responsibility for managing and safeguarding its own information and that of its customers." We are committed to offering our customers reliable products and services to gain their absolute confidence.

### Information Security Activities in Fiscal 2004

#### ●Obtaining Unified ISMS Certificate for the Group

On December 17, 2004, the Ricoh Group obtained a unified certificate for BS7799-2:2002 and the ISMS Certification Standards (Ver. 2.0). The certificate covers a large scale: 91 companies in Japan, 1,284 business sites, 52,000 employees (32,000 full-time employees and 20,000 other employees including temporary workers). In order to obtain these, we have made improvements to the generalized management system and our standard tools, trained internal auditors, and underwent a series of internal reviews.

<ISMS Certification No.>  
BS7799:IS85241  
ISMS:IJ01110



<Reference data>

Item	Plan	Actual
Internal auditor training	500	597
e-learning participants	52,000	29,400
Class participants		22,600

\* Additionally, 1,284 business sites had their own training.

### Plan for Fiscal 2005

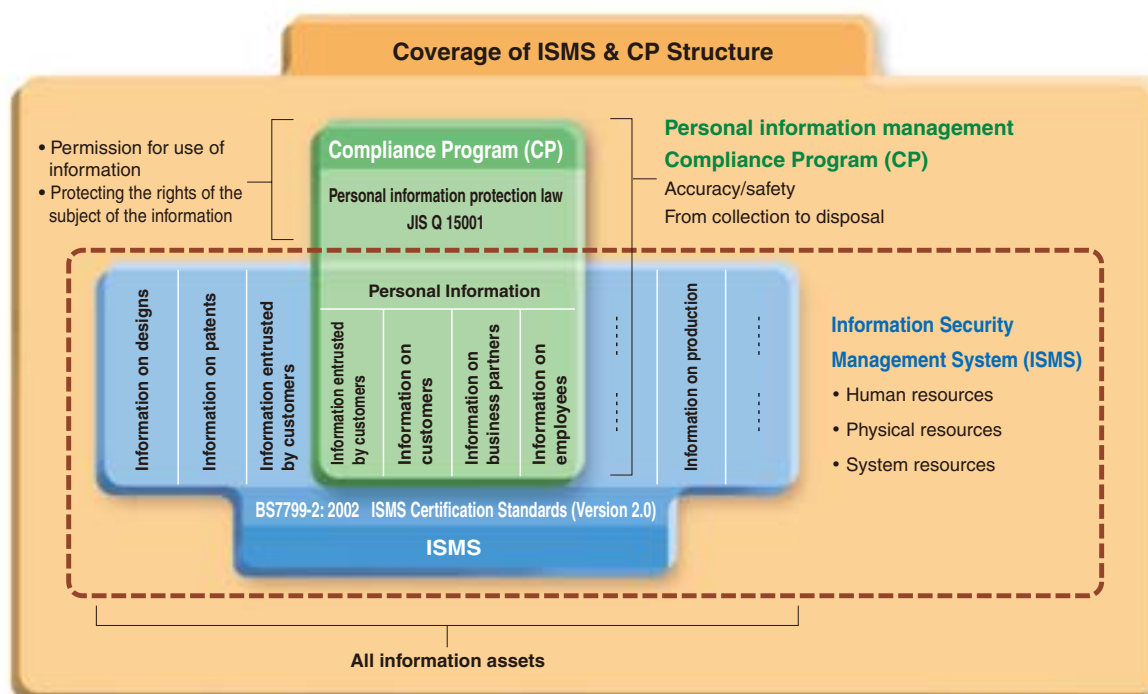
#### ●Obtaining unified certificates, including overseas affiliates

In order to complete the reviewing process for overseas production affiliates, we will supervise the building of ISMS structures and train internal auditors at overseas affiliated sites. We aim to obtain unified certification in October 2005.

#### ●Preparing for further reviews in Japan

Further reviews of ISMS structure are scheduled between September and November of 2005. We plan to improve management system effectiveness.

### ■ Framework of Information Management in the Ricoh Group



## Protection of Personal Information

To respond to full enforcement of the personal information protection law in Japan and to strengthen its structure, the Ricoh Group started a new organization by developing the existing organization system. For personal information protection management from collection to disposal, the following items have been added to the basic policy: permission for the use of the information, information accuracy, and safety in information management.

### Personal Information Protecting Activities in Fiscal 2004

#### ●The Personal Information Control Office was established

The efforts to protect personal information were executed as part of our information security activities; however, we realized that more efforts are necessary to protect the personal information of our customers as well as our employees. On December 1, 2004, the Personal Information Control Office was established for personal information protection. We have made some improvements to the structure for compliance with the personal information protection law, which reached full enforcement on April 1, 2005.

### Plan for Fiscal 2005

#### ●Enhancing training and strengthening internal auditing

As with information security, the Ricoh Group has improved and strengthened education enrichment and internal auditing. These activities will be strengthened even further in future in order to maintain and improve the management system's effectiveness.

## ● Recent misconduct and actions taken

### Case/Personal Computer Theft

#### ● Background

On March 25, 2005, one employee's laptop was stolen on the way home. On this laptop was personal information for 18,656 companies using Ricoh business software. The information included company names, addresses, and telephone numbers. For some of the companies, other data such as company president, names of representatives and their departments were included.

#### ● Measures Taken before the Occurrence

Ricoh uses passwords to protect customer information. Therefore, we believe it is almost impossible for the person who stole the laptop to access the information. We have instructed our employee to take measures to prevent any leaks of information through computers, and have taken extra care to protect our customer information.

#### ● Countermeasures and Standardization

After reporting the incident to the customers and apologizing through the media, the following countermeasures were taken.

1. We realized that our current rules for shared laptops in the area of maintenance are inadequate (the one stolen this time was usually used for customer demonstrations). We have extended the management scope to include the following rules and have been urging employees to observe them.

- 1-1. Specify a chief administrator for each shared laptop.
- 1-2. Maintain and manage all the shared laptops using the shared laptop management book.
- 1-3. Set a password on each laptop.

2. We have urged all employees to better understand the necessary care to be taken in handling customer and personal information, and to use it appropriately.
3. Each organization in the Group had entered the results of the above items in the database by April 30 2005.  
For further preventative measures, we plan to continue discussions in the future.

## The Ricoh Group's Concept of Sustainable Environmental Management is to Simultaneously Achieving Environmental Conservation and Profits

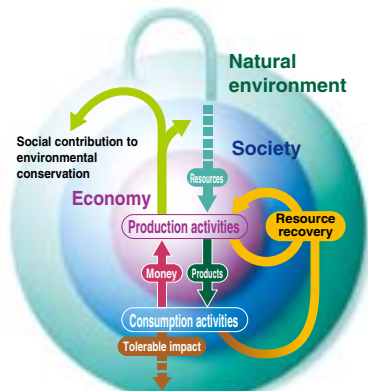
The Ricoh Group's sustainable environmental management means simultaneously achieving environmental conservation and profits. This policy is carried out through development of environment-oriented technologies and in activities conducted by all employees. Initiatives have been taken in the three areas of energy conservation and prevention of global warming, resource conservation and recycling, and pollution prevention for both products and business sites. To efficiently advance these activities, a basis for sustainable environmental management was established.

### ●Pursuing an environment ideal

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

#### ■[Three P's Balance™]

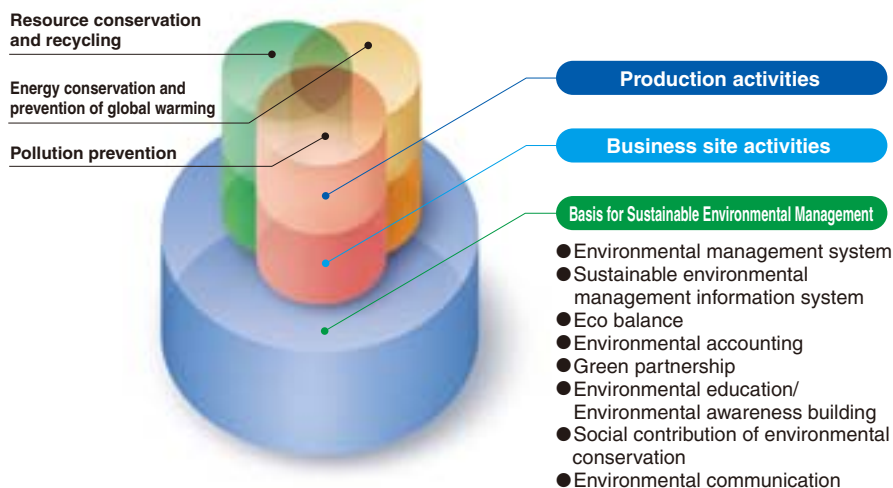
Representing the Relationship between the Global Environment and Society



#### Pursuing the Ideal Society

Environmental impact remains within the recovering ability of the Earth.

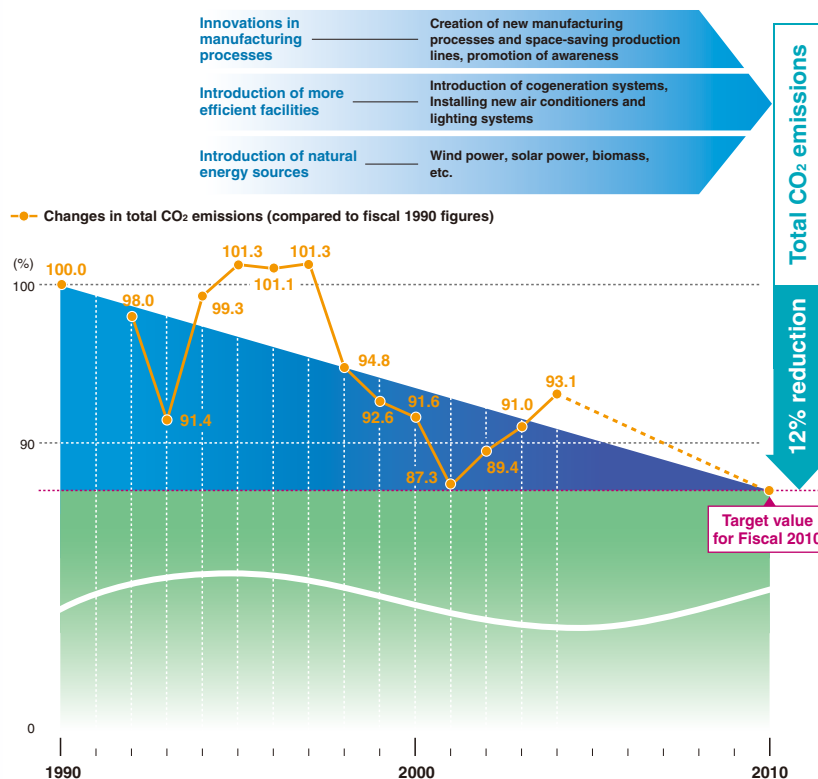
#### ■ Overall Picture of Ricoh Group's Sustainable Environmental Management



### ●Reducing total CO<sub>2</sub> emissions by 12% by the end of fiscal 2010

The Ricoh Group regards the ideal society as sustainable, where the "Three P's Balance" is attained and the environmental impact is reduced within the range of the self-restoration capacity of the natural environment. In order to achieve this, we have set a goal of reducing total CO<sub>2</sub> emissions by 12% by the end of fiscal 2010 – a higher figure than that set out in the Kyoto Protocol.

#### ■ Scenario for reducing total CO<sub>2</sub> emissions for Ricoh Group (production) in Japan up to Fiscal 2010



► For details on our sustainable environmental management, see the "Rico Group Sustainability Report (Environment) 2005" or go to our homepage <http://www.ricoh.com/environment/>

## ●New environmental action plan to realize sustainable environmental management

In fiscal 2004, the Ricoh Group mapped out an environmental action plan to be carried out from fiscal 2005 to 2007. In this plan, goals for environmental impact reduction and activity promotion were set in areas such as “Improving environmentally-

friendly functions”, “Promote green marketing”, “Environmental conservation activities that improve the effect on cost at plants and offices”, “Improving the sustainable environmental management system” and “Promoting environment-conscious social contribution activities”. We offer this plan as our commitment to society.

**The Ricoh Group's Environmental Action Plan (FY 2005–2007)** \*Items for which any fiscal year is not mentioned are those planned to be achieved in fiscal 2007.

<b>1</b>  <b>Improving environmentally-friendly functions and promoting environmental technological development</b>	<p>1) Develop new environmental technologies. (*Details of the progress of new technologies are not currently released.)</p> <ul style="list-style-type: none"> <li>① Develop new environmental technologies to reduce resource use.</li> <li>② Develop new environmental technologies to realize a society that is less dependent on fossil fuel.</li> </ul> <p>2) Improve environmentally-friendly functions.</p> <ul style="list-style-type: none"> <li>① Promote the use of energy-saving technologies in products. <ul style="list-style-type: none"> <li>• Achieve Ricoh's energy-saving goals.</li> </ul> </li> <li>② Promote the use of resource-saving technologies in products. <ul style="list-style-type: none"> <li>• Improve the quantity of reusable parts used by a factor of at least five (compared to fiscal 2003 figures in Japan).</li> <li>• Increase the quantity of recycled plastics used to 1,000 tons or more.</li> </ul> </li> <li>③ Observe Ricoh standards that cover environmentally-sensitive substances emitted by products. <ul style="list-style-type: none"> <li>• Observe Ricoh standards that cover such substances as ozone, dust, and VOC.</li> </ul> </li> </ul>
<b>2</b>  <b>Promote green marketing</b>	<ul style="list-style-type: none"> <li>① Increase the number of recycled copiers marketed. <ul style="list-style-type: none"> <li>• Increase the number of recycled copiers marketed by a factor of at least 10 (compared to fiscal 2003 figures in Japan).</li> </ul> </li> <li>② Promote the green marketing of paper. <ul style="list-style-type: none"> <li>• Improve the recycled pulp use rate for paper products to 60% or more (in Japan).</li> </ul> </li> </ul>
<b>3</b>  <b>Environmental conservation activities that improve the effect on cost at plants and offices</b>	<p>1) Promote energy conservation at business sites.</p> <ul style="list-style-type: none"> <li>① Reduce total amount of CO<sub>2</sub> emitted as a result of business activities. <ul style="list-style-type: none"> <li>• Reduce CO<sub>2</sub> emissions by 12% by fiscal 2010 (Ricoh and manufacturing subsidiaries in Japan, compared to fiscal 1990 figures).</li> <li>• Reduce CO<sub>2</sub> emissions by 10% by fiscal 2010 (manufacturing subsidiaries outside of Japan, compared to fiscal 1998 figures).</li> <li>• Reduce CO<sub>2</sub> emissions by 4% (Ricoh and manufacturing subsidiaries in and outside of Japan, compared to fiscal 2000 figures).</li> <li>• Reduce CO<sub>2</sub> emissions by 4% (non-manufacturing subsidiaries in Japan, compared to figures in the base fiscal year set at each company).</li> </ul> </li> </ul> <p>2) Promote resource conservation at business sites.</p> <ul style="list-style-type: none"> <li>① Reduce generated waste. <ul style="list-style-type: none"> <li>• Reduce generated waste by at least 3% (Ricoh and manufacturing subsidiaries in and outside of Japan, compared to fiscal 2000 figures).</li> <li>• Reduce generated waste by the ratio calculated by multiplying the number of years from the base fiscal year to fiscal 2007 by the yearly rate (2%) (non-manufacturing subsidiaries in Japan; the base fiscal year is set at each company).</li> </ul> </li> <li>② Improve the waste recycling rate. <ul style="list-style-type: none"> <li>• Improve the waste recycling rate to at least 95% (non-manufacturing subsidiaries in Japan).</li> </ul> </li> <li>③ Reduce water consumption. <ul style="list-style-type: none"> <li>• Reduce water consumption to a level that is below the results of fiscal 2000 (Ricoh production sites and manufacturing subsidiaries in and outside of Japan).</li> </ul> </li> <li>④ Reduce paper consumption. <ul style="list-style-type: none"> <li>• Reduce paper consumption by at least 10% (Ricoh, manufacturing and non-manufacturing subsidiaries in Japan, and manufacturing subsidiaries outside of Japan, compared to fiscal 2002 figures).</li> </ul> </li> </ul> <p>3) Promote pollution prevention at business sites.</p> <ul style="list-style-type: none"> <li>① Completely eliminate the use of chlorine organic solvents. <ul style="list-style-type: none"> <li>• Completely eliminate chlorine organic solvents used in manufacturing Organic Photo Conductors at manufacturing contractors as well as at Ricoh manufacturing divisions.</li> </ul> </li> <li>② Reduce greenhouse gas emissions (except CO<sub>2</sub>). <ul style="list-style-type: none"> <li>• Reduce greenhouse gas emissions (except CO<sub>2</sub>) in the semiconductor business division by 15% (compared to fiscal 2000 figures).</li> </ul> </li> <li>③ Examine and improve soil and underground water at Ricoh's non-production sites and leased land. <ul style="list-style-type: none"> <li>• Complete the examination of soil and underground water at Ricoh's non-production sites and leased land (Ricoh and affiliates in and outside of Japan).</li> <li>• Make and implement plans to improve sites where pollution is detected.</li> </ul> </li> </ul>
<b>4</b>  <b>Improving the sustainable environmental management system and making it more consistent through systems integration</b>	<p>1) Improve the sustainable environmental management system.</p> <ul style="list-style-type: none"> <li>① Improve the ISO 14001 system. <ul style="list-style-type: none"> <li>• Integrate the sustainable environmental management system with that of Ricoh (in fiscal 2005) and the Ricoh Group (in fiscal 2007).</li> </ul> </li> <li>② Create a system of managing chemical substances contained in products. <ul style="list-style-type: none"> <li>• Create and enforce a system of managing chemical substances contained in Ricoh Group products (in fiscal 2005).</li> </ul> </li> <li>③ Improve the sustainable environmental management information system. <ul style="list-style-type: none"> <li>• Introduce the information system, which manages real-time information on the environmental impact caused at resource processing sites, to various business divisions other than the imaging equipment division.</li> <li>• Introduce the information system, which manages real-time information on the environmental impact caused by transportation processes, to overseas transportation processes.</li> </ul> </li> </ul>
<b>5</b>  <b>Promoting environment-conscious social contribution activities to preserve the ecosystem</b>	<ul style="list-style-type: none"> <li>① Promote forest conservation activities and environment-conscious social contribution activities to preserve the ecosystem. <ul style="list-style-type: none"> <li>• Promote environment-conscious social contribution activities to preserve the ecosystem (overseas regional headquarters; Ricoh production sites, manufacturing subsidiaries, and marketing subsidiaries in Japan; Ricoh Logistics Systems Co., Ltd.; Ricoh Leasing Company, Ltd.; and Ricoh San-ai Services).</li> </ul> </li> </ul>

### ● 3-year environmental action plan review

The Ricoh Group has engaged in activities to attain environmental action plans based on the 14th Medium-term Management Plan for the past three years. The major results obtained were

the development and introduction of energy-saving technologies to copiers, the marketing of products in which no chemical substances (lead, hexavalent chromium, cadmium, and PVC) are contained, a rapid improvement in collection rates and the re-

#### The Ricoh Group's Environmental Action Plan (FY 2002–2004)

<b>1</b>  <b>Improving environmentally-friendly functions and promoting technological development</b>	<ol style="list-style-type: none"> <li>Promote the use of energy-saving technologies in products. <ul style="list-style-type: none"> <li>Achieve Ricoh's energy-saving goals.</li> </ul> </li> <li>Promote pollution-preventing measures with regard to products. <ul style="list-style-type: none"> <li>Completely eliminate the use of environmentally-sensitive substances (i.e., lead, hexavalent chromium, polyvinyl chloride, and cadmium) in products.</li> <li>Reduce noise levels by at least 2 dB (weighted average value for the number of units sold out of the number of units marketed in fiscal 2000).</li> <li>Observe Ricoh standards that cover environmentally-sensitive substances emitted by products, including styrene, ozone, and dust.</li> </ul> </li> <li>Develop new environmental technologies. <ul style="list-style-type: none"> <li>Develop practical application technologies for alternative paper and rewritable paper.</li> </ul> </li> </ol>
<b>2</b>  <b>Increasing the resource conservation rate by improving the productivity of products and materials as well as profitability in the recycling business</b>	<ol style="list-style-type: none"> <li>Improve the quantity of reusable parts used by a factor of at least 20 (compared to fiscal 2000 in Japan).</li> <li>Improve the collection rate of used products and toner cartridges by at least 10% in terms of the number of units collected (the Ricoh Group as a whole, compared to fiscal 2000 figures.)</li> <li>Increase the number of resource-recirculating-type products marketed by a factor of at least 20 (in Japan, compared to fiscal 2000 figures).</li> <li>Improve the resource recovery rate for used products and toner cartridges. <ul style="list-style-type: none"> <li>The resource recovery rate for equipment and toner cartridges rises to 98% (in Japan).</li> <li>The resource recovery rate for equipment and toner cartridges rises to 85% (in Europe).</li> <li>The resource recovery rate for equipment rises to 95% and that of toner cartridges to 100% (in the Americas).</li> <li>The resource recovery rate for equipment rises to 85% and that of toner cartridges to 85% (in the Asia-Pacific region).</li> </ul> </li> </ol>
<b>3</b>  <b>Environmental conservation activities at plants and offices</b>	<ol style="list-style-type: none"> <li>Reduce the amount of energy used. <ul style="list-style-type: none"> <li>Reduce CO<sub>2</sub> emissions at plants and offices by 62% in terms of CO<sub>2</sub> emissions per sales unit and by 13% in terms of total amount emitted (Ricoch in Japan, compared to fiscal 1990 figures).</li> <li>Reduce CO<sub>2</sub> emissions by 20% per sales unit (all Ricoh business sites in Japan, compared to fiscal 2000 figures).</li> <li>Reduce CO<sub>2</sub> emissions by 2% (the Ricoh Group in Japan, compared to fiscal 2000 figures).</li> <li>Reduce CO<sub>2</sub> emissions by 2% (Ricoch Group manufacturing subsidiaries outside of Japan, compared to fiscal 2000 figures).</li> </ul> </li> <li>Promote pollution prevention. <ul style="list-style-type: none"> <li>Reduce environmentally-sensitive substances (Ricoch Group's target substances to be reduced) to 8% of those used and 50% of those emitted (Ricoch and Ricoch Group manufacturing subsidiaries in Japan and Ricoch Group manufacturing subsidiaries outside of Japan, compared to fiscal 2000 figures).</li> <li>Completely eliminate the use of dichloromethane (Ricoch and Ricoch Group manufacturing subsidiaries in Japan and Ricoch Group manufacturing subsidiaries outside of Japan).</li> <li>Restrict the increase in greenhouse gas emissions to a maximum of 1% (Ricoch and Ricoch Group manufacturing subsidiaries in Japan and Ricoch Group manufacturing subsidiaries outside of Japan, compared to fiscal 2000 figures).</li> <li>Reduce emissions of ozone-depleting substances by 60% (Ricoch and Ricoch Group manufacturing subsidiaries in Japan and Ricoch Group manufacturing subsidiaries outside of Japan, compared to fiscal 2000 figures).</li> </ul> </li> <li>Promote resource conservation and recycling. <ul style="list-style-type: none"> <li>Reduce generated waste by at least 13% (Ricoch and Ricoch Group manufacturing subsidiaries in Japan and Ricoch Group manufacturing subsidiaries outside of Japan, compared to fiscal 2000 figures).</li> <li>Improve the waste recycling rate to at least 90% (Ricoch Group non-manufacturing subsidiaries in Japan).</li> <li>Reduce water consumption by at least 10% (Ricoch and Ricoch Group manufacturing subsidiaries in Japan and Ricoch Group manufacturing subsidiaries outside of Japan, compared to fiscal 2000 figures).</li> <li>Reduce paper purchase by at least 10% (Ricoch and Ricoch Group manufacturing and non-manufacturing subsidiaries in Japan, Ricoch Group manufacturing subsidiaries outside of Japan, compared to fiscal 2000 figures).</li> </ul> </li> </ol>
<b>4</b>  <b>Promoting Green Partnerships to increase the number of customers and reduce costs</b>	<ol style="list-style-type: none"> <li>Promote green marketing. <ul style="list-style-type: none"> <li>Improve the recycled pulp use rate for paper products to 60% (in Japan).</li> </ul> </li> <li>Promote green procurement. <ul style="list-style-type: none"> <li>Identify the environmental impact at suppliers' sites to set goals for reducing that impact (Ricoch Group purchasing divisions).</li> <li>Completely eliminate designated environmentally-sensitive substances in the suppliers' manufacturing process (Ricoch Group purchasing divisions).</li> </ul> </li> <li>Promote green purchasing. <ul style="list-style-type: none"> <li>Improve the green purchasing rate (for office supplies) to 100% (the Ricoch Group in Japan).</li> </ul> </li> </ol>
<b>5</b>  <b>Improving the sustainable environmental management system</b>	<ol style="list-style-type: none"> <li>Establish an environmental management indicator.</li> <li>Construct a companywide audit system.</li> <li>Construct an environmental management information system.</li> </ol>
<b>6</b>  <b>Promoting environment-conscious social contribution activities</b>	<ol style="list-style-type: none"> <li>Promote forest conservation activities to preserve the ecosystem (the Ricoch Group).</li> </ol>



source recovery of used products in and outside of Japan, and a drastic reduction in the volume of use and emissions of environmental-sensitive substances in the manufacturing process. Through these activities, the Group succeeded in reducing the

integrated environmental impact in fiscal 2004 by 8.6% over the figures for fiscal 2000.

## Results

▶ The imagio Neo 602/752ec series of high-speed multifunctional digital copiers (with a copy productivity of 60/75 pages per minute) with a quick recovery function (10 seconds or less) from energy-saving mode were put on the market. With this introduction, Ricoh completed a wide-ranging energy-saving multifunctional monochrome copier lineup comprising machines with various productivities.

▶ Products in which lead, hexavalent chromium, polyvinyl chloride (PVC), and cadmium are completely eliminated were put on the market in fiscal 2004.  
▶ The level of noise emitted from color copiers during operation and while on standby was reduced 3.1dB and 11.2dB, respectively.  
▶ All 96 models of copiers, facsimiles, and printers marketed in fiscal 2004 follow Ricoh's standards concerning styrene, ozone, and dust.

▶ The RECO-View® IC tag sheet, which enables information recorded on IC tags to be displayed and rewritten, was put on the market. Rewritable IC tag sheets were introduced to more than 30 companies.

▶ Quantity of reusable parts used reached 3.3 times that used in fiscal 2000. Efforts will continue to make improvements.

▶ Collection rates of used products (compared to those in fiscal 2000): The collection rate of used products increased 56% worldwide, which is considerably higher than the goal that was set. Although the quantity of toner cartridges collected decreased, the collection rate (the ratio of the quantity of toner cartridges collected to the quantity of those marketed) increased by a large margin. (Collection rates increased 146% in Japan, 361% in Europe, 162% in the Americas, and 209% in the Asia-Pacific region.\*\*) (\*Compared to fiscal 2001 data)

▶ The number of resource-recycling-type products marketed reached 24.3 times that in fiscal 2000, and the goal was attained.

▶ Current status of resource recovery rate  
• Equipment: 99.4%; toner cartridges: 99.6% (Japan)  
• Equipment: 93.9%; toner cartridges: 96.5% (Europe)  
• Equipment: 95.0%; toner cartridges: 100% (the Americas)  
• Equipment: 88.4%; toner cartridges: 97.0% (Asia and Pacific)

▶ Current status of CO<sub>2</sub> emissions  
• Ricoh in Japan: Reduced 29.7% per sales unit and 6.9% in terms of total amount emitted (compared to fiscal 1990 figures)  
• Ricoh in Japan: Reduced 1.6% per sales unit (compared to fiscal 2000 figures)  
• Ricoh and Ricoh Group manufacturing subsidiaries in Japan: Increased 1.5% in terms of total amount emitted (compared to fiscal 2000 figures)  
• Ricoh Group non-manufacturing subsidiaries in Japan: Reduced 10.4% in terms of total amount emitted at Ricoh Logistics Systems; reduced 6.1% at Ricoh Techno Systems; reduced 10.8% at marketing subsidiaries; and increased 9.8% at Ricoh Leasing Company (compared to figures in the base fiscal year\*) (\*Base fiscal year: 2000 at Ricoh Logistics Systems and Ricoh Techno Systems and 2002 at marketing subsidiaries and Ricoh Leasing Company)  
• Ricoh Group manufacturing subsidiaries outside of Japan: Increased 2.2% in terms of total amount emitted (compared to fiscal 2000 figures)

▶ Progress in pollution prevention (compared to fiscal 2000 figures)  
• Environmentally sensitive substances used were reduced 36% and those emitted 77%.  
• Dichloromethane was completely eliminated from the manufacturing process in March 2005.  
• Greenhouse gas emissions other than CO<sub>2</sub> were reduced 20.7%.  
• The emission of ozone depleting substances were reduced 88%.

▶ Progress in resource conservation and recycling (compared to fiscal 2000 figures)  
• The amount of waste generated was reduced 2.5%.  
• The waste recycling rate went up to 85.2–99.0%.  
• Water consumption was reduced 4.7%.  
• Paper purchase was reduced 14.1%.

▶ The recycled paper use rate for paper production improved to 51%. Efforts to improve the rate will be continued.

▶ A trial method using a cost table was chosen to calculate environmental impact in the mold pressing process of parts.  
▶ Out of 622 domestic Group suppliers, 618 submitted certificates indicating the nonuse of chlorine organic solvents.

▶ The green purchasing rate in fiscal 2004 was 99% in terms of money value.

▶ Sustainable environmental management indicators were set. A simulation to measure the effect on cost was conducted when the new environmental action plan was made out.

▶ Based on some issues identified in the sustainable environmental management system, a management systems integration plan to improve performance and streamline the process was made.

▶ The creation of a sustainable environmental management system was completed as planned in and outside of Japan.

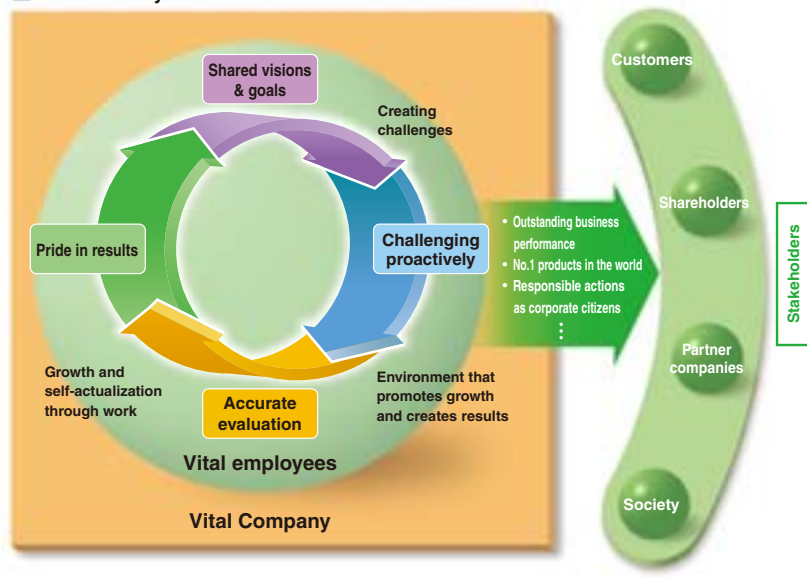
▶ Regional headquarters took part in forest preservation projects and attained their goals. Their activities were expanded to regional sales companies and their plants.  
• Europe: 1 (started in fiscal 2002)  
• The Americas: 1 (started in fiscal 2003 in cooperation with Ricoh Latin America, Inc.)  
• Asia and Pacific region<sup>1</sup>: 1 (started in fiscal 2002 in cooperation with Ricoh Australia Pty, Ltd.)  
• Former China region<sup>2</sup>: 1 (started in fiscal 2001 and has now ended)  
• Japan: 8 (started in fiscal 1999–2001), 3 (started in fiscal 1999–2001 and has now ended)

1. Asia (except Japan and China but including Hong Kong and Taiwan) and Oceania 2. China, Hong Kong, and Taiwan \*Number of projects driven by regional headquarters

## The Ricoh Group Promotes a Vital and Motivated Culture that Respects People Everywhere

A company is only as good as its employees. Therefore, great importance should be attached to corporate activities for employees. The Ricoh Group's corporate philosophy is "Love your neighbor, Love your country, Love your work." This corporate philosophy to respect all people and to create a working environment free from discrimination is reflected in the CSR Charter developed and implemented in fiscal 2004.

■ Motivation Cycle



■ Major Activities based on the CSR Charter

CSR Charter	Major Activities	General Description
<b>Safe and Comfortable Workplace</b>	Self-managed working hours (flex-time & the four-seasons holiday system)	Ricoh places top priority on a comfortable working environment and has introduced more flexible working schedules. <a href="#">Graph 1.</a> <a href="#">Graph 2.</a>
	Post-retirement employment	This system is designed to utilize the wealth of experience and skills of retired employees, and they are hired as senior partners and staff. <a href="#">Graph 3.</a>
	Childcare support system	This system allows the employees to take childcare leave from work (regardless of gender). One may choose to take up to two years of child-care leave or three years of reduced working hours. <a href="#">Graph 4.</a>
<b>Pleasant Working Environment Free from Discrimination</b>	Promotion of a gender discrimination-free environment	Ricoh is committed to a range of activities, including making available information on gender discrimination issues, publishing a handbook, and nurturing female managers.
	Employment promotion of people with disabilities	Ricoh employs people with disabilities. For example, the majority of employees at Ricoh Espoir are people with disabilities. <a href="#">Graph 5.</a>
<b>Respect for all people who have any connection with our company</b>	The Procurement Guidelines	Awareness of CSR, respect for fundamental human rights, protection of privacy, and elimination of unfair labor practices are specifically stated in the guidelines.
<b>Initiative and creativity are encouraged, Individuality is respected (A confidence enhancing work environment)</b>	Nurturing new leaders (DPI program)*	This is a program to create new leaders who have the vision to actively promote innovation, and a group that possesses the originality to plan and implement those innovations.
	Patent Master Award	This award is to honor employees according to the number of patents they have obtained. Since the implementation of this award in 1993, the total number of employees awarded has reached 500.
	Goal evaluation system	This system encourages employees to set goals for their tasks, develop their own abilities, strive to attain these goals, and report the results. The goals and results are reviewed at a meeting with a manager to set realistic goals and to obtain feedback. This system was established to promote fair evaluations.
	Internal job transfer application system	Ricoh has implemented this system to encourage employees to apply for new posts where they can actively develop their abilities. A special route is also available, in which the employee can apply directly to the human resources department, without going through a manager. <a href="#">Graph 6.</a>
	Commendations (Minori Sho, World's Greatest Product Award, Environmental Management Activity Award, etc.)	Commendations are given to employees in the Group who are recommended by their peers or who submit application. Ricoh encourages employees to seek external awards.
	Employee Satisfaction Survey	Ricoh surveys employees and makes use of their opinions in reforming corporate management and human resources every year. The survey is conducted not only at Ricoh but also at its affiliates.

\* Development Program for Innovative leaders

## Plan for Fiscal 2005

Ricoh plans to move up in the "Motivation Cycle" by promoting better and more efficient use of our human resources, and to take various measures in creating a vital society.

1. Restructuring the company-wide education system
2. Investigating systems to support career development
3. Creating systems for human resource management

Some treatment issues will be reviewed and our personnel system and management will be improved.

4. Configuring the core human resource system

Information on human resources in the Group will be shared and utilized.

## Human Resource Vitalization Measures taken at Ricoh's Global Affiliates

### ● Ricoh Corporation (RC) / U.S.A

Ricoh Corporation (RC), regional headquarters for the Americas, is executing various measures to revitalize its human resources by improving its visibility in the industry, in order to obtain excellent human resources and improve the satisfaction level of its employees.

Ricoh Corporation uses the results of the annual employee satisfaction survey to make the working environment more comfortable and rewarding. In addition, specific measures will be taken to promote equal opportunities, such as appointing minorities and female employees to be managers. We believe that our visibility in the industry will increase and we may contribute to creating a better society if we succeed in implementing these measures.

### ● Ricoh Hong Kong (RHK) / China

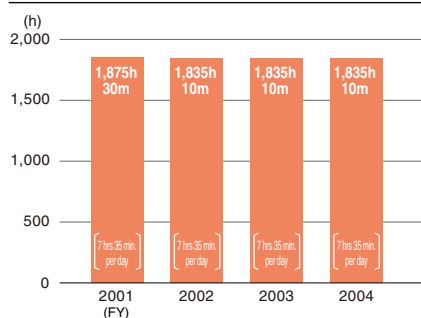
Ricoh Hong Kong, which is a sales subsidiary in the Asia Pacific region, is also executing various measures to revitalize its human resources, and plans to expand those measures across wider areas. The bases of the measures are improvement of education for employees and revitalizing the workplace. Ricoh Hong Kong regards communication as the key to revitalizing the working environment and improving measures in job procedures and employee evaluation. As a result, it was awarded Best Employer in Hong Kong 2005 for raising the profile of Ricoh internationally.



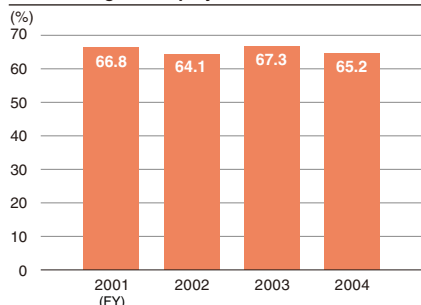
President of Ricoh Hong Kong (right) receiving the Best Employers Award

## ■ Shift in the CSR Charter Activity Results (Ricoh)

### 1. Normal Working Hours for the Year



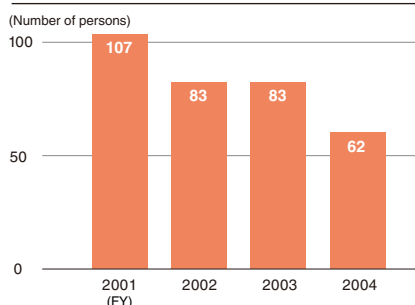
### 2. Percentage of Employees who took Paid Leave



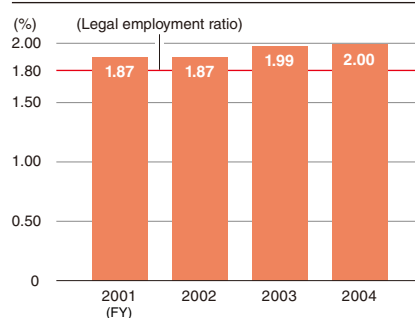
### 3. Number of Employed Retirees



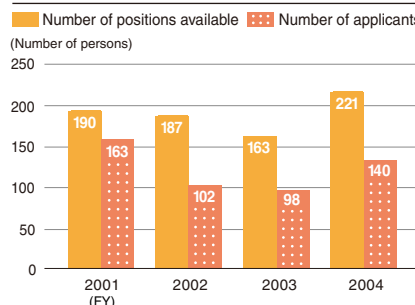
### 4. Number of Employees who took Childcare Leave



### 5. Number of Employees with Disabilities



### 6. Number of Job Transfer Applicants



## Health and Safety from a CSR Point of View

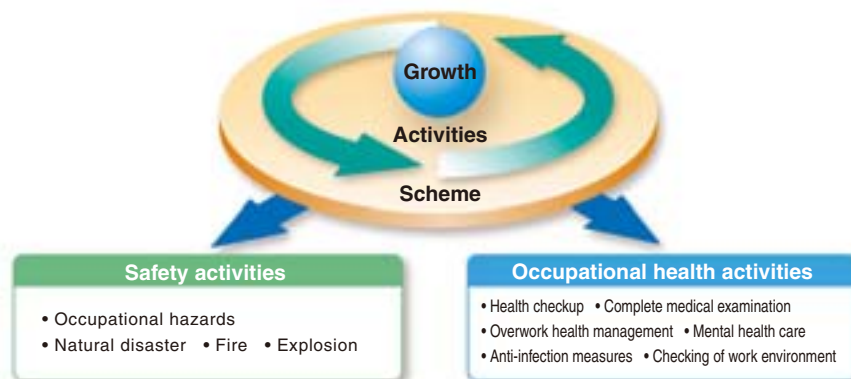
The Ricoh Group is continuously committed to an ever higher level of health and safety and to creating a safer and more comfortable working environment. The basic policy and action agenda of its health and safety activities have been made clear to all employees and positioned as its commitment to society. Ricoh believes encouraging more individually motivated activities is a necessary condition for continued and stable improvements. Accordingly, efforts are being made to create new systems and to utilize them.

### Mental Healthcare

Ricoh regards the care of employees' mental health as a contemporary issue in occupational health and safety, and is striving to establish the concept of an Employee Assistance Program (EAP), where employees will be supported by the whole company while giving sufficient consideration to the protection of personal information.

### Health Management

Ricoh has run its overwork management in accordance with the guidelines presented by the Ministry of Health, Labor and Welfare since 2002. The physical health of employees are recorded on Health Check Confirmation Sheets, which are used together with the results of past health checkups for interviews with industrial physicians. In June 2004, these sheets were standardized within the Group.



### Health and Safety Activities in Fiscal 2004

#### ●Protecting Personal Information

To respond to full enforcement of the personal information protection law, Ricoh makes sure that employees agree to the use of their information on the health checkups and complete medical examinations, and also that they are familiar with the traditional handling of the information.

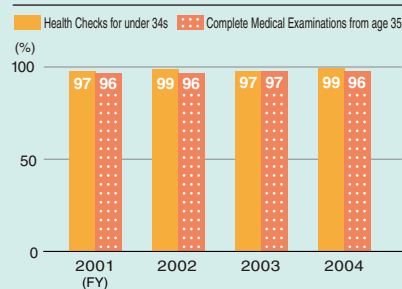
#### ●Ricoh Group Health and Safety Common Indexes

The Ricoh Group has revised its indexes and created new ones that are common to the entire Group. These indexes clearly show the relationship between the cost and effects and the effectiveness of our health and safety activities. The indexes contain 26 items, including data for costs and effects, in order to produce four safety management indexes concerning safety factors. These indexes are scheduled to be implemented in the first half of fiscal 2005.

#### ●Visual Compliance Management for Health and Safety

Ricoh has built a structure for compliance management for health and safety activities in a database format to be shared within the Group. This has allowed us to see the operational flow at a glance, and follow the compliance status for various regulations. By utilizing such a database, the efficiency of searches by each department for relevant regulations on occupational health and safety factors has been improved, and a system was actualized to determine the execution of compliance operations. In addition, it promoted elicitation of tasks to help us abide by the regulations.

#### Health Checkup Rate/Summary/Complete Medical Examination Rate



#### Changes in Total Number of Occupational Hazard Cases at Ricoh



\*The increase was due to the change of the standard in data collection.



## Managing the Results of Our Social Contributions

In order to be acknowledged as a company aiming to achieve harmony with the international community and civil society, and to obtain trust, the company must have a mutual understanding with, and contribute to, society. The Ricoh Group believes that we can contribute to the lives of people outside our business scope, and also to our host communities and countries, by broadening the perspective of our corporate activities.

### ●Social contribution activities

The Ricoh Group promotes social contribution activities while clarifying the actors (companies, shareholders and employees), the procedures (general donations, offering products and volunteer work by employees, and a social contribution reserve participated in by our shareholders), and the areas of contribution (activities for youth, environmental protection, promotion of science, and regional development). As a corporation, we support social contribution activities by individual employees (Example: volunteer leave system).

### ●Basic systems for support-based social contribution activities

We have established a basic system to clarify the positioning of the different contributions: monetary, personnel and material.

### Social Contribution Activities in Fiscal 2004

#### ●Counting System for Contribution Activity Results

From Fiscal 2004, we are able to record the results of each Group company in Japan. For overseas contribution activity results, each area will collect the data and we will develop a system to record the results for the entire Group.

#### Total Activity Results of the Ricoh Group companies in Japan for Fiscal 2004

1. Total amount (converted into yen)	¥625 million
2. Total number of activities	3,751
3. Total number of hours	50,040 hours

Note 1: The total, calculated as a monetary value, for all the activities and contributions, such as offering products and volunteer work by employees, according to a conversion table.

Note 2: Includes employee volunteer activities (voluntary notification).

Note 3: For the total number of hours, the total amount of activities was divided by 5,000 yen/hour.

#### ●Co-sponsoring the World's Biggest Science Contest for High School Students

##### <Ricoh Corporation (RC) / U.S.A>

Ricoh Corporation (RC), which is regional headquarters for the Americas, became a major sponsor for the 2004 International Science & Engineering Fair (ISEF). ISEF is the world's biggest science contest for high school students. At this 56th fair, over 10 million students participated from all over the world. From 2005, Ricoh Corporation will sponsor environmental science and team projects in the 14 categories. A new Ricoh Sustainable Development Award was established to promote the importance of environ-

mental protection and sustainability. This award is given for the project that has the highest chance of producing both environmental protection and business profits.

\* The award ceremony was held in Phoenix, Arizona in May. The winners were awarded scholarships of \$50,000 and extra prizes such as a trip to the Expo in Aichi, Japan.



Chairman of Ricoh Corporation and Award Winners

#### ●Examples of Social Contribution Activities



**Ricoh Leasing Company / Japan**  
Company-wide promotion of the Pink Ribbon activities to fight against breast cancer



**Ricoh Australia / Australia**  
Supported environment and nature education programs



**Ichimura School of Nature (Kanto area) / Japan**  
Activities to experience nature through growing crops



**Lanier, Atlanta / U.S.A**  
Building homes for the underprivileged



**Teachers Workshop (hosted by the New Technology Development Foundation) / Japan**  
Workshop for School Teachers



**Science Festival (hosted by the Ministry of Education, Culture, Sports, Science and Technology, and the Science Museum) / Japan**  
"Let's become a copy machine!"

▶ For details of the social contribution activities, see the booklet "Ricoh Social Contribution Activities" or go to our website: <http://www.ricoh.co.jp/kouken/> (Japanese language only)  
▶ For details of the environmental social contribution activities, read the "Ricoh Group Sustainability Report (Environment) 2005" or go to our website <http://www.ricoh.com/environment/society/>



## At Ricoh, Communication is an Important Social Responsibility

In order to obtain the trust of our stakeholders in various areas, the processes of finding out what information they need, what their wishes are, and what they expect from us, are important. By working through these processes, we will be able to fulfill our social responsibilities.

### Communication with Partner Companies

The excellent example cases of our suppliers were announced at meetings such as the 8th Ricoh Company Purchasing Policy Meeting held in June 2004, the 3rd Briefing on Procurement Policies at Ricoh Asia Industry Ltd. (RAI) held in January 2005, the Ricoh Group Green Procurement Meeting held on February 17, 2005. At the Green Procurement Meeting the General Manager of the Procurement Division requested everyone to come up with countermeasures for environmentally sensitive substances, and to promote CSR activities. Furthermore, cooperative ties with our partner companies were reinforced through exchanging opinions in panel discussions.



Ricoh Group Green Purchasing Meeting

### Communication with Customers

The Ricoh Group's customers include a wide range of public and private organizations. We have therefore assigned a person to be responsible for each customer, who communicates with the customer together with the supporting departments. For example, we promote total network office solutions, which are designed to meet the needs of each customer, utilizing high performance, user-friendly appliances to strengthen the customer's business activities. In addition, we introduce the systems we have developed for the Ricoh Group and pres-



An example of a product that can be used by someone in a wheelchair

ent example cases of our CS activities (Japan Quality Award by Japan Quality Assurance Organization) and CSR activities at seminars hosted by the sales companies of the Ricoh Group, universities and external institutions.

#### ● @Remote™

The Ricoh Group implements various improvements based on the customer satisfaction surveys taken periodically. An example of an improvement made in Fiscal 2004 is the global promotion of the remote device relationship management system. @Remote is a system with the ability to monitor the state and usage of multifunction copiers and printers via the Internet, providing accurate and prompt support and service.

### Communication with Employees

The efforts made in this area include a council system, where the representatives from each office at a business site gather for discussion, and a central council system, where the representatives from each council gather for discussion. In addition, employees are encouraged to post their opinions on the President's Page and to write to newsletters published in the Group. We also use the periodical Employees Satisfaction Survey to gather information. From the survey executed in 2003, we learned that employees' have a high expectation to grow through educational opportunities at work. To meet this need, we have established 145 courses, mainly offered as e-learning courses.

### Communication with International Organizations

Ricoh announced its participation in the Global Compact, which gives corporate activity principles, proposed by UN Secretary-General Kofi Annan. We introduced our activities in the areas of CSR and environmental management to the leaders of global corporations at the Global Compact Leaders Summit held at UN Headquarters (N.Y.) in June 2004.



Participants at the Leaders Summit

### ●Customer Support Center

The Customer Support Center was established in June 2004, in Japan, by integrating 13 call centers and a customer service center which receives customer opinions on overall management activities. This allows us to respond to customer needs faster, and to provide a higher level of support.



New Customer Support Center

### ●Overseas CSR Audit Requested by Customers

In November 2004, Ricoh France S.A., which is in charge of sales in Europe, was requested by a customer (Word's No.1 in its field) to undergo a CSR audit as its supplier. As the object of the audit, Ricoh Industrie France S.A. (RIF) and its affiliates, and Ricoh Asia Industry Ltd. (RAI) in China, were selected. We have received a report of the audit from the customer, including the cases the customer thought were useful, such as KAI-ZEN, and the cases the customer had some advice on, such as solutions to energy problems. The Ricoh Group will continue to strive to fulfill its social responsibilities. If many of our customers begin to request such audits, we would consider it important to find a way to handle the situation.

► For inquiries and customer support on Ricoh products, go to <http://www.ricoh.com/contact/>

## Communication with Shareholders

### ●New Shareholder Special Benefit Plan with CSR Emphasis

Ricoh Leasing Company, Ltd. started a new shareholder special benefit plan, with CSR emphasis, from September 2004. With this plan, individual investors are able to take part in our activities connected with social contributions. This was actualized by collaboration with Coca Cola West Japan Co., Ltd., which is a part of the Ricoh San-Ai Group. The shareholders are presented with ¥2,352 worth of Gift Certificates for drinks per unit (100 shares). When shareholders use these certificates, 20% of sales go to the Green Fund promoted by the National Land Forestation Promotion Organization. Many shareholders have supported us, and told us through the questionnaire, which is part of the sustainability report, that they are happy to be able to contribute to society through this plan.

► For details, go to <http://www.r-lease.co.jp/ir/e/corporate/shareholder.html>

## Communication with Local Communities

### ●Hosting Stakeholders Conferences

The Ricoh Chubu Area Sales Group, which is in charge of sales in the Chubu area, is developing activities to create a bright future based on the themes "Communities" and "Environmental Communication." They have conducted green promotion activities, where our customers' opinions are reflected. They also provided "trash separation specialist" training at their site and at customers' offices.

In addition, they hosted a Stakeholders Conference in November 2004, with "Corporation and Communities" as its theme, and it was attended by municipal

representatives, the media, and various corporations and NPOs, plus the president of Ricoh Chubu. The purpose of this conference was for Ricoh Chubu to seek ways to collaborate with communities as it tries to combine society-contribution activities with profitable business. At the conference, Ricoh Chubu first presented the measures they have taken, the participants of the conference evaluated these measures, then different participants gave their opinions. Ricoh Chubu was highly evaluated for the

measures they have taken, and was told "the long-standing trust between Ricoh Chubu and the local communities will become its largest asset."



Stakeholder conference

Ricoh Co., Ltd. was established in Japan on February 6, 1936. The Ricoh Group consists of Ricoh Co., Ltd., 325 subsidiaries, and 22 affiliates\*. The Ricoh Group engages in activities on a global scale that include the development, production, marketing, after-sales services, and recycling of office equipment, including copiers and printers, in five regions around the world (Japan, the Americas, Europe, China, and the Asia-Pacific region). The Group has more than 75,000 employees.

#### Ricoh Aoyama Head Office

Ricoh Bldg., Minami-Aoyama 1-15-5  
Minato-ku, Tokyo 107-8544, Japan  
Phone: +81-3-3479-3111 <http://www.ricoh.com/>

\*The definition of an affiliate follows the U.S. Generally Accepted Accounting Principles (U.S. GAAP), which differ slightly from the definition given in Japan's GAAP.

#### Ricoh Group Brands

The Ricoh Group markets products under its own brand name "RICOH" as well as the following.

#### Brand logos

**RICOH** **RICOH**

\* The new logo from September 2005

**nashuatec**

**Rex-Rotary** **Gestetner**

**LANIER** **SAVIN**

#### Outline of the Report

##### ●Report period

This is a CSR report for the period from April 1, 2004 to March 31, 2005.

##### ●Report range

The data appearing in the report is from Ricoh, while examples show data for both Ricoh and the Ricoh Group.

##### ●Issuing Time of Reports

The 2005 Report in English was issued in September 2005. The 2006 Report in English will be issued in September 2006.

##### ●Important Organization Changes Made During the Report Period

On October 1, 2004, all shares of Hitachi Printing Solutions Ltd. were transferred to Ricoh, and Ricoh Printing Solutions Ltd. was established. On January 1, 2005, five sales companies in the Tokyo area were integrated into Ricoh Sales Company, Ltd.

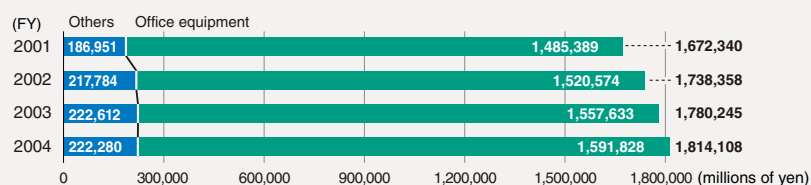
\* In this report, "Rico" refers to the Ricoh Company, Ltd. in Japan, not the Ricoh Group.

#### Market Evaluation Results and Economic Performance

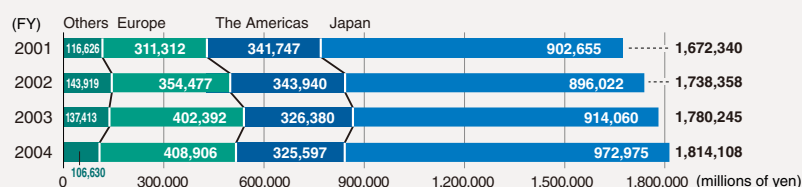
In 2004, Ricoh held the largest share of the office-use black-and-white copier market and the second largest share of the color copier market in Japan. In the same year, the Ricoh Group held the second largest share of both the office-use black-and-white copier market and the color copier market in the United States<sup>1</sup>. In the office-use black-and-white copier market in Europe<sup>2</sup>, the Group held the largest share for the eighth year in a row. Consolidated sales for the Ricoh Group rose but net income decreased<sup>3</sup> in Fiscal 2004.

1. Total number of products marketed under the Ricoh, Savin, Gestetner, and Lanier brand names (excluding the segment for up to 10 ppm black-and-white copiers)
  2. Including products marketed under the Ricoh, Gestetner, Nashuatec, Rex-Rotary, and Lanier brand names as well as OEM products (excluding the segment for personal copiers)
  3. For details, see the IR section of Ricoh's website. (<http://www.ricoh.com/IR/>)
- Source: Gartner Dataquest, March 2005, GJ05138 (Data for Japan and the United States) Inforsource S.A. (Europe)

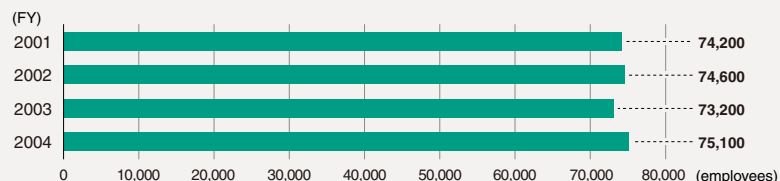
#### The Ricoh Group's Sales Classified by Business



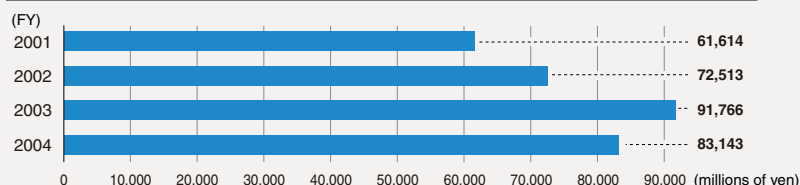
#### The Ricoh Group's Sales Classified by Region



#### The Number of Ricoh Group Employees



#### The Ricoh Group's Net Income



\*Figures are from the Ricoh Group's securities report and differ slightly from the figures from the environmental load data.

## Major Product Lines of the Ricoh Group

### [OFFICE EQUIPMENT]

#### Imaging solutions

##### ●Digital imaging equipment:

Digital copiers, color copiers, printers, facsimiles, related supplies and maintenance services, others

##### ●Other imaging equipment:

Analog copiers, diazo copiers, related supplies and maintenance services, thermal paper, others

#### Network Input/Output (I/O) systems

##### ●Printing systems:

Multifunctional printers (MFPs), laser printers, related supplies and maintenance services, related software, others

##### ●Other I/O systems:

Optical-disk products, systems, scanners, others

#### Network systems solutions

Personal computers, servers, network devices, networking software, applications, services and support, others

### [OTHER]

#### Other businesses

Optical equipment, measuring equipment, semiconductors, others



Aficio G700



imagio Neo 752ec (Only in Japan)

## Independent Review

### Opinions on the Ricoh Group's Corporate Social Responsibility Report

Ricoh has integrated environmental aspect into its core values and business strategies and steadily implemented the environmental management. I can identify Ricoh's firm commitment to fulfill the responsibility for the social aspect by publication of the separate issue of Corporate Social Responsibility Report from its Environmental Report. In this context, the notable features are pointed out as follows:

#### ●Integrating the consideration of CSR into the midterm business plan

Ricoh has clearly specified the Group's vision by integrating corporate social responsibility as well as environmental management in its midterm business plan starting from fiscal 2005. For the effective development of CSR, Ricoh is expected to execute the concept in line with the business plan, not just declare in the policy, and bring substantial outcomes as the result.

#### ●Structuring the PDCA cycle at the corporate level and enforcing the cycle at the operational level as well

As in the case with environmental management, Ricoh's initiatives to implement PDCA (plan-do-check-act) cycles at various levels, from corporate to each operation, and to promote CSR activities by all employees are highly regarded.

As stated above, Ricoh expanded its base for social activities in 2004. To further develop the initiatives, I believe the following points need to be considered.

#### ●Reflecting stakeholder concerns and expectations in its activities

Ricoh acknowledged that incorporating concerns and expectations of its stakeholders is the basis of the CSR management. However, the efforts for stakeholder consideration are not clearly specified in the report. I hope that Ricoh should make efforts to communicate with the stakeholders on various occasions in its activities and account such activities in this report.

#### ●Improving and expanding "Respect for People"

In the section of "Respect for People", the description of activities to the people the Company comes in contact with (stakeholders) is rather insufficient. Especially, reporting to customers, who are major stakeholders, has not been well pointed up and this part needs to be improved.

#### ●Expanding boundary to overseas sites

The reporting boundary should be expanded to the overseas management and operation in line with Ricoh's current business activities spreading out all over the world.

#### ●Integrating social issues into the business strategy

Like proposing the Comet Circle in environmental management, Ricoh is expected to develop a business model by taking into consideration the social and community aspects for sustainable development. By implementing such a model, Ricoh would become more strategic and accomplish the business case while the company fulfills its accountability and responsibility to society.

— It is not easy for a single corporation to solve social issues at both community and global levels. I still hope that Ricoh will build up its efforts toward solving such issues for sustainable development.



Mizue Unno

Managing Director of So-Tech Consulting, Inc.  
Technical Advisor for the CSR Management Forum



Please send all comments and inquiries regarding this report to:

Ricoh Co., Ltd.  
CSR Division  
1-15-5 Minami Aoyama, Minato-ku, Tokyo 107-8544, Japan  
Phone: +81-3-5411-4670 Facsimile: +81-3-5411-4677  
e-mail: [csrinfo@ricoh.co.jp](mailto:csrinfo@ricoh.co.jp)  
<http://www.ricoh.com/csr/>



NPO Color Universal Design Organization has certificated this report as a color universal design due to its easy-to-see features based on careful color selection and various patterns.



**17.5%**  
Minimum  
SA-COC-1210  
FSC Trademark© 1996 Forest Stewardship Council A.C.

At least 50% of the fibre used in the manufacturing process of this product is recycled paper. At least 17.5% comes from well-managed forest independently certified according to the rules of the Forest Stewardship Council.