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Creating Value

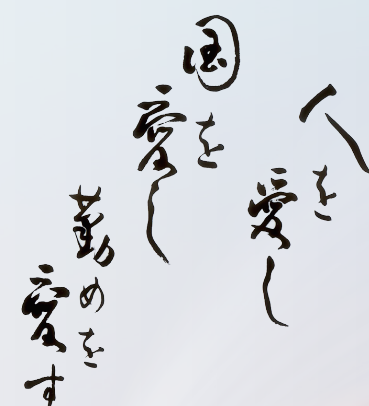
RICOH
imagine. change.

**Ricoh Group
Integrated Report 2021**

Ricoh Way

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

Founding Principles



The Spirit of Three Loves “Love your neighbor” “Love your country” “Love your work”

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



Kiyoshi Ichimura, Founder
(1900–1968)

Mission

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

Vision

To be the most trusted global company.

Values

CUSTOMER-CENTRIC

Act from the customer's perspective

PASSION

Approach everything positively and purposefully

GEMBA

Learn and improve from the facts

INNOVATION

Break with the status quo to create value without limits

TEAMWORK

Respect all stakeholders and co-create value

WINNING SPIRIT

Succeed by embracing challenges through courage and agility

ETHICS AND INTEGRITY

Act with honesty and accountability

Vision for 2036

Fulfillment through Work

Work can be stressful at times.

But also incredibly fulfilling when you overcome a challenge.

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

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

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

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

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

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

Evolving and Growing

Ricoh has focused relentlessly on the work requirements of customers since its establishment, continuing to deliver value that caters to their ever-evolving needs. We have long endeavored to help materialize a sustainable economy. We were swift to undertake environmental management initiatives that equate conservation with producing profits. Such efforts are in keeping with the Spirit of Three Loves (Love your neighbor, Love your country, Love your work), our founding principles. We will continue to resolve social issues through business to materialize our vision of Fulfillment through Work.

The changing world of work

- From writing by hand to using word processors
- One PC per person
- From paper to electronic storage and other forms of digitization in offices
- More color content
- Internet usage increases
- Higher transmission speed and larger data volume
- Work is becoming paperless
- Artificial Intelligence (AI) usage expanding
- Work practices diversifying

These founding principles are compatible with the 2030 Agenda for Sustainable Development Goals to leave no one behind.

We advocate OA with a view to having machines handle manual tasks, with people performing creative work, and roll out such office automation equipment as copiers, fax machines, and word processors.

Ricoh's customers are workers. Through EMPOWERING DIGITAL WORKPLACES, we provide value by leveraging digital technology to bring people and information together, helping individuals to communicate and create things and enhance the quality and quantity of what they produce.

We will build IT infrastructure for workplaces (offices, frontlines, and homes), digitize and connect workflows, and support new work practices.

As a digital services company, we will help workers become more creative and transform workplaces by identifying issues specific to countries, regions, and industries, providing optimal customer solutions by combining our technological and digital prowess.

Vision for 2036
Fulfillment through Work

1936
Establishment

1946
The Spirit of Three Loves

1977
Office automation (OA)

● Enters the office equipment field
Introduces Ricopy 101, its first diazo copier

● Driving digitization
Shifts from analog to digital multifunction printers
Product evolution continues with launches of networkable and color-capable models

● Transforming work practices
Provides IT services and communication services and devices

2017-
EMPOWERING
DIGITAL
WORKPLACES

2020
Management declares that Ricoh will become a digital services company

● 2021
Formulates Ricoh Group Human Rights Policy

● 2020
Discloses ESG targets
Sets materiality targets and undertakes specific activities to resolve social issues through business and strengthen the management infrastructure to support them.

● 2019
Sets up Risk Management Committee

● 2018
Establishes ESG Committee

● 2017
Sets materiality and new environmental targets based on management strategy
Revises material issues based on the Sustainable Development Goals (SDGs) of the United Nations and Ricoh's corporate philosophy and management strategies. At the same time, sets new Ricoh Group environmental goals for 2030 and 2050 to strive to help create a zero-carbon society and circular economy.

● 2017
Joins RE100
Is the first Japanese company to commit to RE100, a global initiative that brings together businesses that seek use 100% renewable electricity.

● 2014
Identifies material issues

● 2006
Establishes 2050 Long-Term Environmental Vision
Formulates this vision and uses backcasting to establish and deploy highly effective Group initiatives to reach vision goals.

● 2002
Signs the United Nations Global Compact
Becomes the second Japanese corporate signatory.

● 2002
Establishes Three Ps Balance
The Ricoh Group aims to help materialize a sustainable society in which Prosperity (economic activities), People (society), and the Planet (the environment) are in balance.

● 2000
Appoints outside director, introduces executive officer system

● 1998
Advocates Environmental Management
Commits to simultaneously conserving the environment while producing profits

● 1994
Establishes Comet Circle™
Comet Circle™ embodies stance on reducing environmental impact throughout product lifecycles to materialize a circular economy.

● 1992
Introduces Ricoh General Principles on the Environment
Establishes basic conservation policies and action guidelines

● 1978
Founds Environment Promotion Section

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We will continue to take on the challenges of a new era of work



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Ricoh Lift Off covers five years through fiscal 2025, including our two-year 20th MTP. It is during that period that we aim to become a digital services company that connects workplaces and supports the creativity of workers.

20th MTP Policy

1

Enhance business competitiveness

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- Adopting a business unit structure
- Business portfolio management
- Becoming a digital services company

20th MTP Policy

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Strengthen management underpinnings

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- Strengthen management underpinnings
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- Digital strategy

20th MTP Policy

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Improve capital returns

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- Information disclosure based on TCFD framework
- Achieving a circular economy
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Our website, ESG Data Book, and other vehicles present information not included in this report.

		Website	ESG Data Book	Other vehicles
		Note: The PDF version of this report includes website links for content.		
ESG information	ENVIRONMENT	Vision and basic policy • Pursuing the Ideal Society (Three Ps Balance™) • Ricoh Group Environmental Principles	○	TCFD Report
		Strategy—19th Environmental Action Plan		
		Environmental Management System	○	
		Acquisition of ISO 14001 Certification	○	
		Third-party verification of environmental and social data	○	
	SOCIAL	Ricoh Way and Human Resources	○	
		Occupational Safety and Health	○	
		Communication with employees (Employee Council)		
		Human Rights • Strengthening human rights initiatives • Implementation of human rights due diligence	○	
		CSR throughout Our Supply Chain • Ricoh Group supply chain • Supply chain Business Continuity Management (BCM)	○	
	GOVERNANCE	Internal Controls	○	Convocation notice
		Compliance	○	
		Risk Management	○	
		Financial irregularities at Ricoh India		
IR information		Investor Relations		Flash report Presentation of consolidated results
Technology		Technology Intellectual Property Ricoh Design		
Information security		Information Security at the Ricoh Group Security of RICOH Products and Services		
Customer satisfaction		In pursuit of product safety and reliability Turning customer feedback into products and services Customer satisfaction survey in each area		
Company history		Company History		
Company profile and data		Company Data Our Performance Against Major CSR Indicators	○	

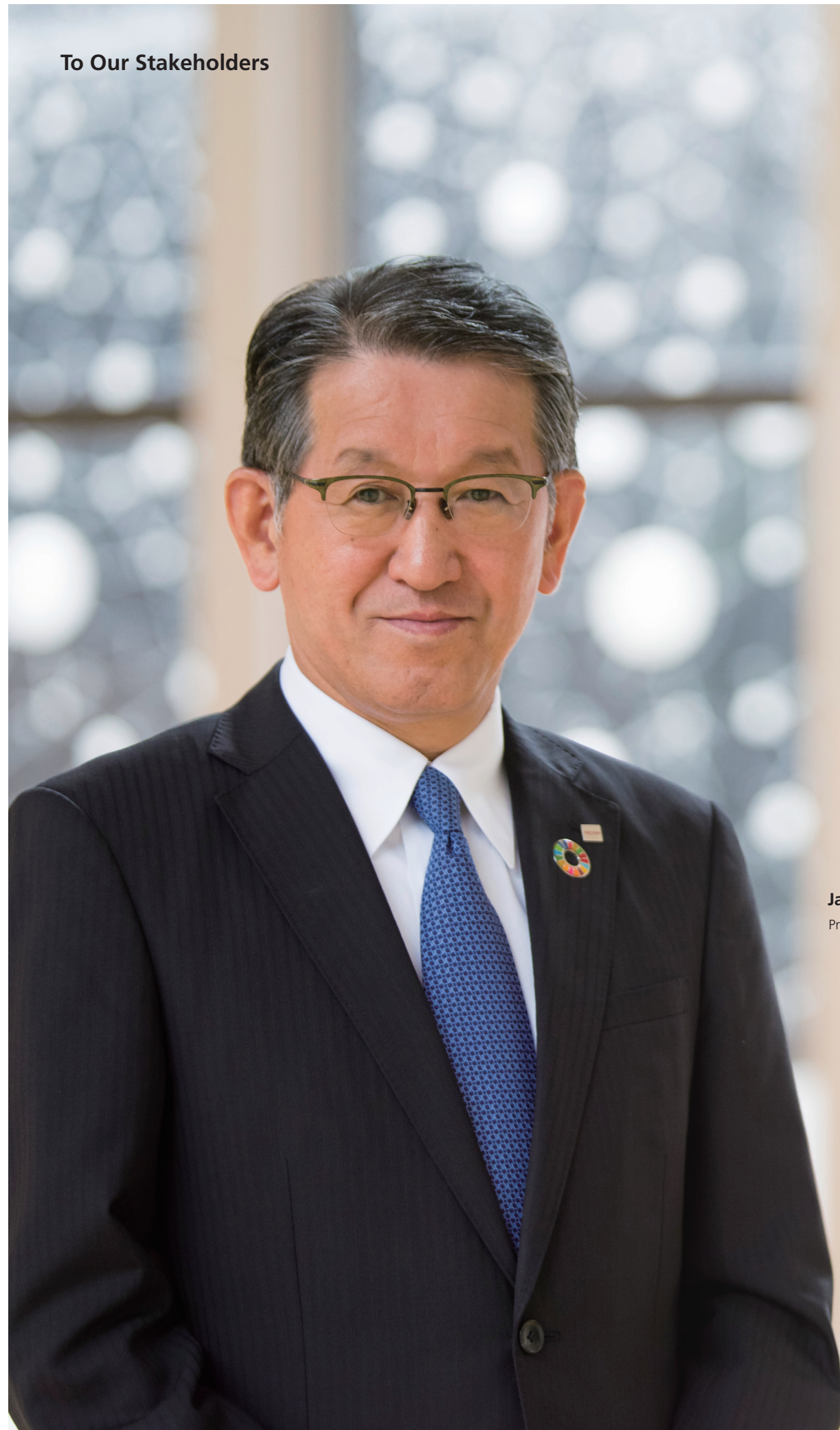
Forward-looking statements
The plans, prospects, strategies and other statements, except for the historical events, mentioned in this report are forward-looking statements with respect to future events and business results. These statements were made based on the judgment of Ricoh directors from the information that was obtainable at the time. Actual results may differ materially from those projected or implied. No assumptions concerning future events and business results should be made based on these forward-looking statements. The following important factors, without limiting the generality of the foregoing, could cause actual results to differ materially from those expressed in the forward-looking statements:

a. General economic conditions and business trends
b. Exchange rates and their fluctuations
c. Rapid technological innovation
d. Uncertainty as to Ricoh's ability to continue to design, develop, produce and market products and services that achieve market acceptance

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

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

Exchange rates referred to in this report
The translation of Japanese yen amounts into U.S. dollar equivalents as of March 31, 2021, and for fiscal 2020, ended March 31, 2021, is included solely for the convenience of readers outside Japan and has been made using the exchange rate of ¥111 to US\$1, the approximate rate of exchange prevailing at the Federal Reserve Board at the end of March 2021.



Jake Yamashita
President and CEO

We will continue to take on the challenges of a new era of work

Accelerating change to overcome the COVID-19 pandemic

The COVID-19 pandemic has upended economies and lifestyles. It is becoming important to determine how to operate in an economy in which goods, finance, and information are constantly moving, but not necessarily people, and rethink approaches to work. Many companies have half-heartedly adopted working from home and telecommuting, and many seek ways to embed and standardize these practices. Efforts to review and digitalize paper-based workflows seem to have accelerated significantly. Momentum is gathering to create digital workflows that connect offices and frontlines and transform how people work.

There will be no return to our pre-pandemic world. At the same time, the current circumstances will not continue for the next five years. In a post-pandemic world, demand will increase in some areas and decrease in others, and we need to face the pace of

change among our customers and society. That is why Ricoh must take the initiative to create and open new paths to tomorrow.

In keeping with that stance, we positioned fiscal 2020 as a period of emergency response and gearing up to reach new objectives in becoming a digital services company. We simultaneously strengthened our business structure and generated growth in Office Services. Notwithstanding an adverse operating climate, we made acquisitions in Europe and took other steps toward a better future. We adopted a business unit-based organization to enhance competitiveness and made return on invested capital a key performance indicator. We accordingly achieved our 20th Mid-Term Management Plan goals in a single year instead of three. In fiscal 2021 and 2022, the remaining two years of that initiative, we aim to implement objectives that we would initially have pursued under the subsequent plan. In other words, we will reach our goals in three years instead of six.

Our fiscal 2020 efforts positioned us well for further growth. This is testament to employees' bold efforts to stay close to customers on the frontlines or reform our businesses and structure. Employees reminded me that people can do anything if they have the will.

Setting a new structure in motion to drive growth

We have positioned our 20th Mid-Term Management Plan and its successor, which runs through fiscal 2025, as a period to execute the Ricoh Lift-Off strategy ①.

In April 2021, we adopted a structure of five domain-specific business units and a group headquarters ahead of schedule. Each unit endeavors to expand business and remain close to its customers while improving profitability by eliminating unnecessary tasks and running leaner. We have delegated considerable authority to each unit to do business faster.

Group Headquarters' role is to put together a business portfolio that can deliver growth by identifying what operations can contribute to the success of customers, society, and Ricoh. Headquarters accordingly assesses and manages human resources development, technological innovation, and other areas that will help



● For more information, refer to the following pages:

① Medium- to Long-Term Outlook and the 20th Mid-Term Management Plan: Ricoh Lift Off P. 21-22

businesses progress in the years ahead. It is vital for headquarters to exert the appropriate control to maintain a balanced relationship with each business unit.

While steadily implementing these measures to strengthen our business structure, we aim to become a digital services company that connects workplaces and supports workers' creativity by fiscal 2025. The Office Services business will drive our overall performance in continuing to grow. We will position ourselves to consistently deliver a return on equity of at least 9% by fiscal 2022, the final year of our 20th Mid-Term Management Plan, and 10% or above by fiscal 2025.

Providing digital services based on unmatched trust

The printing press, one of the three great inventions of the Renaissance, revolutionized the dissemination of knowledge. Ricoh has done much to help companies share information since its foundation in 1936. It took advantage of technological advances to digitize copiers. They have since evolved into edge devices called multifunctional printers that capture and digitize paper-based information. This cloud-computing era connects all sorts of data, making it crucial to rethink how multifunctional devices can keep contributing to economic progress. Connecting multifunctional devices to platforms that effectively process captured information can make those devices integral to industry and operational workflows. We also supply other edge devices that capture and digitize analog information and package them with apps and services to

As well as committing to telework, Ricoh is collaborating with local governments to offer "workations" that foster regional development.



create solutions that resolve customer business issues and help them generate value in their workplaces.

Our digital services create workplace IT infrastructures, connect workflows digitally, and provide new work approaches. We are unique because we work closely with customers to identify their specific challenges and leverage unparalleled technological capabilities to optimize solutions for them.

Becoming a digital services company may sound easy, but it entails much hard work to understand and help overcome customer challenges. It is essential to be close to customers. This has been a Ricoh hallmark since its establishment. It is only through trust that we can remain close to customers. So, all employees need to treasure the trust we have built with our approximately 1.4 million customers worldwide. Our strength is our commitment to providing unique services based on such trust.

In June 2021, we launched AI for Work in Japan. This service uses natural language processing to analyze customers' information assets, help them streamline operations, and generate new value. This service makes it possible to manage tacit knowledge that previously relied on the intuition and experience of particular people. It empowers customers to efficiently and accurately understand trends and produce projections. This unique service could only come about from customers sharing access to their data.

Another important element in providing digital services is solidly understanding the attraction and value of analog information, which increases as workflow digitalization progresses. In recent years in Japan, people have often spoken about hybridization, but this is about much more than simply combining digital and analog

technologies. Hybridization entails promoting digital processes while studying analog usage approaches to bring out the best in both and combine them effectively. Ricoh will identify hybridization approaches that differ for each customer and provide the best, most people-friendly digital services.

Balancing business growth and ESG

Ricoh has always cherished the Spirit of Three Loves ❶. Its founding principles of Love your neighbor, Love your country, and Love your work are in keeping with the notion of a society that leaves no one behind, a principle of the Sustainable Development Goals of the United Nations. Based on the Spirit of Three Loves, we have identified seven material issues ❷ in two respects. One is to resolve social issues through business. The other is to maintain a robust management infrastructure. We have formulated 17 ESG targets associated with these material issues. They are future financial goals because they will shape our operations in the years ahead. We will emphasize these targets and our financial objectives as benchmarks for enhancing corporate value.

We aim to become a world-class contributor to sustainability and ESG. We will get there by undertaking activities across the entire value chain. These include securing sufficient talent to become a digital services company, steadily lowering greenhouse gas emissions by accelerating the use of renewable energy, and collaborating with business partners to tackle human

rights issues. Since fiscal 2020, we have linked executive remunerations to ESG evaluations, enhancing awareness of the connections between management and ESG.

I delivered a keynote address during the opening of Climate Week NYC in 2018. I quoted an indigenous American saying, “We do not inherit the earth from our ancestors; we borrow it from our children.” We are aware that we have a great responsibility for the future. We will accordingly keep striving with stakeholders to materialize a sustainable economy.

Becoming a strong company by delivering fulfillment through work

Ricoh will celebrate its centennial in 2036. I want to ensure that this milestone is the first year in yet another century of progress. It is to that end that we formulated Fulfillment through Work: Our Vision for 2036 ❸. We want to benefit customers and the economy as a whole in this respect over our second century. We imagine a future in which we support worker creativity, help improve the quality of life and help create a sustainable economy. I believe that we need to tackle it with a firm determination to mark it as our “launch into the next 100 years.” We will start by working with customers to resolve their immediate issues, such as by helping them to improve productivity and efficiency and then collaborating with them to consider and implement what we need to do to deliver Fulfillment through Work.



To that end, it will be vital for all of our employees to practice the “Spirit of Three Loves” and embrace our seven Ricoh Way values. I believe that Ricoh will become even more robust if employees understand and experience Fulfillment through Work and then provide that same value to customers. It is essential to be a good company. But we cannot be sustainable if we are weak. By having self-motivated employees who can act autonomously when unexpected situations arise, as in COVID-19, we can remain a strong company that society needs.

Ricoh will continue to engage with stakeholders, expand its business as a digital services company, and help realize a sustainable economy by addressing social issues through business. We will keep taking on new challenges while remaining close to the ever-changing world of work, remaining true to our founding Spirit of Three Loves to deliver Fulfillment through Work and enhance the quality of life.

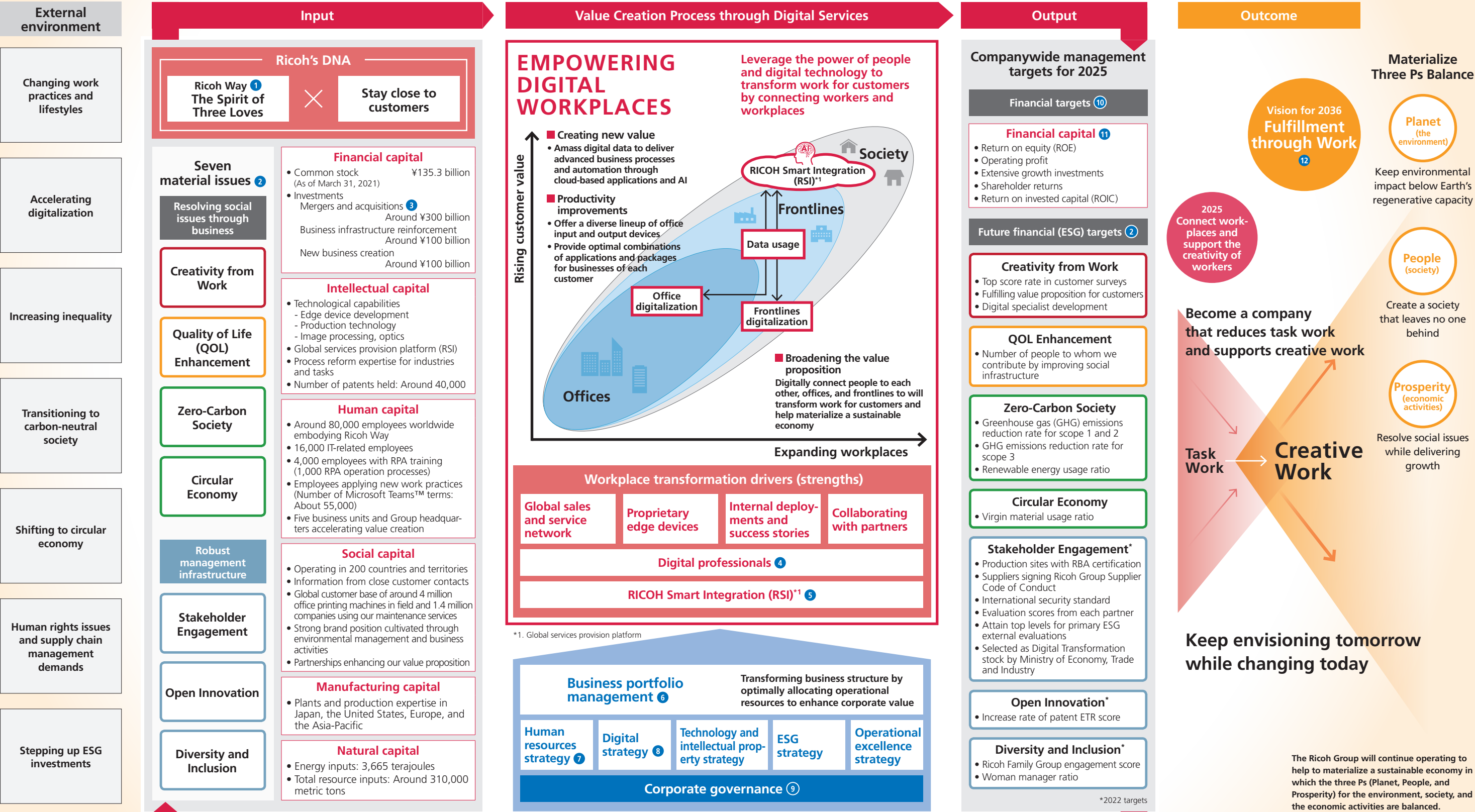
● For more information, refer to the following pages:

❶ Ricoh Way P. 1 ❷ Materiality and ESG Targets P. 15-16 ❸ Vision for 2036: Fulfillment through Work P. 2

Value Creation Process

By 2025, Ricoh aims to become a digital services company that connects workplaces and supports the creativity of workers. We are broadening our value proposition by increasing customer value and expanding the scope of workplaces.

Creating digital processes at offices and workplaces will connect them and transform entire workflows to enhance customer productivity. We will leverage data to drive operational advances and automation and help create new value that exceeds customer expectations by analyzing data.



● For more information, refer to the following pages: ① Ricoh Way P. 1 ② Materiality and ESG Targets P. 15-16 ③ Strengthening of capital policy P. 39 ④ Human resources P. 33 ⑤ Our digital strategy for becoming a digital services company P. 35-36 ⑥ Corporate governance structure P. 59-68 ⑦ Digital infrastructure technologies supporting co-creation platforms P. 36 ⑧ Business portfolio management P. 24 ⑨ Human resources strategy for becoming a digital services company P. 33-34 ⑩ 20th Mid-Term Management Plan P. 22 ⑪ Growth investments approach and shareholder returns policy P. 39 ⑫ Vision for 2036: Fulfillment through Work P. 2 * Windows and Microsoft Teams are registered trademarks or trademarks of Microsoft Corporation in the United States and other countries.

Materiality and ESG Targets

We have identified seven material issues to resolve social issues through business and maintain a robust management infrastructure.

We have positioned ESG initiatives as vital for generating future finances. Accordingly, we formulated 17 future financial targets (ESG targets) associated with each material issue, and are striving to resolve social issues through business.

Our sustainability vision encompasses the Three Ps Balance, covering Prosperity (economic activities), People (society), and the Planet (the environment). We identified priority material issues on which to focus in business by factoring in SDGs, our corporate philosophy, and mid-term management plans. We also reflected input from external experts, people in the Corporate Planning and

Sustainability departments, and senior executives (see Material Issue Analysis Process on page 16). [from Process of Materiality Analysis]
For strategic consistency, we review the materiality in alignment with the duration of the mid-term management plans. Since fiscal 2020, we have set materiality-related ESG targets and disclosed results.

Linkage between executive compensation and ESG targets

Ricoh has incorporated ESG indicators into executive compensation since fiscal 2020 in order to clarify management responsibilities for ESG initiatives and achievement of targets. For the board of directors’ remuneration, we have set the annual DJSI* Rating as an ESG indicator for bonus calculation formulas. For the executive officers’ compensation, the degree of achievement of ESG targets set in association with materiality as well as the degree of achievement of business performance targets and priority measures are incorporated into the evaluation indicators. Based on this evaluation result, the annual compensation is determined.

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

Process of materiality analysis



Ricoh's approach to seven material issues and ESG targets

Resolving social issues through business						
Materiality (Material issues)	2030 targets	Resolution of social issues and business strategies	ESG targets (April 2020 – March 2023)		Fiscal 2020 Results	Activities & Topics
			KPIs	Targets		
<div>Creativity from Work</div> <div>8 GROWTH IN NEW BUSINESS REVENUE 9 INCREASED EFFICIENCY OF MANAGEMENT</div>	Contribute to Creativity from Work of all customers to whom we deliver value	Social issues For sustainable development, companies need to reform employees’ work styles, boost productivity by using IT and increase employees’ work satisfaction. Business strategies We will help customers achieve Creativity from Work by providing them with digital technologies and services. Major business areas • Office printing/office services	Top score rate ^{*1} in customer surveys	30% or above	Japan: 28%; Americas: 28%; Europe: 24%; APAC: 40%	Surveyed key customers in each region to receive comprehensive evaluations of Ricoh.
			Fulfilling value proposition for customers	20% ^{*2}	10%	Sold 68,000 Scrum packages, bringing the cumulative number of packages since its release in 2017 to more than 140,000.
			Digital specialist development	IPA ITSS L3 1.5 times	(The result to be disclosed from fiscal 2022)	
<div>QOL Enhancement</div> <div>3 GROWTH IN NEW BUSINESS REVENUE 4 INCREASED EFFICIENCY OF MANAGEMENT 11 INCREASED EFFICIENCY OF MANAGEMENT</div>	Contribute to the enhancement of social infrastructure for 30 million people	Social issues It is necessary to eliminate disparities in medical, educational, and regional services between developed and developing countries, and between urban and rural areas. Business strategies We will help improve medical, educational and regional services by utilizing the digital technologies and know-how that we have accumulated for office solutions. Major business areas • Healthcare • Smart social infrastructure	Number of people to whom we have contributed by improving social infrastructure	10 million people	1.6 million people	Contributed to improving social infrastructure for 1.4 million people by regular inspection using Road Surface Inspection System (Social infrastructure business). Contributed to improving social infrastructure for 200,000 people through PCR inspection accuracy management using Ricoh standard DNA series (Healthcare business).
<div>Zero-Carbon Society</div> <div>7 GROWTH IN NEW BUSINESS REVENUE 13 GROWTH IN NEW BUSINESS REVENUE</div>	Reduce GHG emissions by 63% for scope 1 and 2, and 40% for scope 3 Switch to 50% renewable electricity	Social issues As the impact of climate change is becoming more severe, it is necessary to enhance and speed up countermeasures. Business strategies Upholding the Science Based Target (SBT) of 1.5°C, we will work to reduce GHG emissions substantially and supply products and solutions that contribute to the decarbonization of society as a whole. Major business areas • Office printing/office services • Environment	GHG emissions reduction rate for scope 1 and 2 (vs. fiscal 2015)	30%	36.5%	Reduced compared to prior year by utilizing renewable energy and saving energy usage (Improvement of production and work process, reduction and replacement of company cars to EVs), despite the COVID-19 impact.
			GHG emissions reduction rate for scope 3 (vs. fiscal 2015)	20%	31.7%	Reduced CO ₂ emissions by enhancing saving energy functionality of our products (reduced Typical Electricity Consumption (TEC) value).
			Renewable energy usage ratio	30%	17.6%	Widely increased renewable energy usage rate in Americas, Europe and China (Americas: 12.9%, Europe: 67.7%, China: 37.8%). Achieved 100% renewable electricity usage across 24 countries, 31 companies (As of March 2021).
<div>Circular Economy</div> <div>12 GROWTH IN NEW BUSINESS REVENUE</div>	Ensure efficient use of resources throughout the entire value chain and achieve virgin material usage ratio of 60% or less	Social issues For sustainable use of natural resources, it is necessary to foster the recycling of resources and reduce the use of new resources. Business strategies We will further enhance our 3Rs (reduce, reuse and recycle) measures and reduce the use and foster the substitution of plastic materials and provide on-demand printing service, thereby helping customers make efficient use of resources. Major business areas • Office printing/office services • Commercial printing/industrial printing • Thermal media	Virgin material usage ratio	85% or less	90.7%	Promoting 3R activities by setting targets for Ricoh Group Plastic Policy for products and organizing cross-functional Working Group (Office Printing devices). Launched a new product made from 17% recycled material and provided with reduced plastic packaging by 36% in January 2021.

Robust management infrastructure

Materiality (Material issues)	Requests from society and management strategies	ESG targets (April 2020 – March 2023)		Fiscal 2020 Results	Activities & Topics
		KPIs	Targets		
<div>Stakeholder Engagement</div> <div>16 GROWTH IN NEW BUSINESS REVENUE 17 GROWTH IN NEW BUSINESS REVENUE</div>	Requests from society For the sustainable development of society, companies are required to enhance the sustainability of their entire global value chain. Management strategies We will strengthen collaboration with our business partners and build a Win-Win-Win relationship between our company, business partners, and society.	Production sites with RBA certification	6 sites	3 sites	Three Ricoh sites received certification: Ricoh Industry Tohoku, Shanghai Ricoh Digital Equipment, and Ricoh Manufacturing (Thailand) (As of May 2021).
		Suppliers to sign Ricoh Group Supplier Code of Conduct	100% signed	86% signed	Conducted 16 ESG briefings for 226 key suppliers to share the Ricoh Group's policies and strategies and strongly suggested their signing of the Ricoh Group Supplier Code of Conduct. Supplier hotline established for suppliers to report law, rule and contract violations by Ricoh Group employees.
		International security standard	Bolstered security based on ISO/IEC, NIST		Undisclosed
		Evaluation scores ^{*3} from each partner (suppliers, distributors/dealers, development partners)			Undisclosed
		Attain top levels for primary ESG external evaluations	DJSI, CDP, etc.	Included in Dow Jones World Indices and the CDP climate change A List 2020	Won the Grand Prix award of Nikkei SDGs management Grand Prix in 2020, in addition to the evaluations listed.
		Selected as Digital Transformation stock by Ministry of Economy, Trade and Industry (METI)	Selected	Selected as DX Certified Business Operator	Selected as DX Certified Business Operator by Japan's METI in June 2021.
<div>Open Innovation</div> <div>9 GROWTH IN NEW BUSINESS REVENUE 17 GROWTH IN NEW BUSINESS REVENUE</div>	Requests from society For sustainable development, innovation needs to be promoted across a range of industrial sectors. Management strategies We will attribute importance to open innovation with universities, research institutes, other companies, and business partners and foster collaboration with these partners to resolve social issues through efficient research and technological development as well as to create new value.	Increase rate of patent ETR score (vs. fiscal 2020)	20%	(The result to be disclosed from fiscal 2022)	
<div>Diversity and Inclusion</div> <div>5 GROWTH IN NEW BUSINESS REVENUE 8 GROWTH IN NEW BUSINESS REVENUE 10 GROWTH IN NEW BUSINESS REVENUE</div>	Requests from society For sustainable development and innovation, it is necessary to promote decent work, which gives satisfaction and is humane, and respect diversity in society. Management strategies We will respect the diversity of employees, upholding the empowerment of self-motivated employees in our management policy and strive to create workplaces where employees can work with vigor.	Ricoh Family Group engagement score ^{*4}	50th percentile or above in each region	Japan: 48th percentile Americas: 35th percentile Europe: 21st percentile APAC: 31st percentile	Established Global Survey program. Survey results were reported to top management, and improvement measures discussed. Best practice sharing sessions for domestic group companies were held and will continue to be conducted.
		Woman manager ratio ^①	Global: 16.5% or above (Japan: 7.0% or more)	Global: 15.1% (Japan: 5.8% ^{*5})	Conducted awareness-raising training for women employees at all levels and Unconscious Bias Seminar. Won Semi-Grand Prix at 2021 J-Win Diversity Award – Corporate Basic category sponsored by a non-profit organization, Japan Women's Innovative Network (J-Win).

^{*1} Top score rate: Highest score selecting rate
^{*2} Scrum package customers rate in Japan
^{*3} Evaluation results of Ricoh Group from each partner

^{*4} 4 Scoring shows Ricoh's positioning in comparison to all participating companies of the Gallup survey as 100 in each region
^{*5} As of April 2021

For more information, refer to the following page: ① Empowering women P. 48

Business performance

The pandemic hampered the global economy throughout fiscal 2020.

In our mainstay office equipment market, office attendance rates dived amid government-imposed lockdowns and regulations and constraints on economic activity, causing printing demand to plunge.

We accordingly positioned fiscal 2020 as a year of responding to the emergency resulting from the pandemic and gearing up for the future. We thus endeavored to (1) secure sufficient liquidity to cover performance fluctuations, (2) enhance financial stability, and (3) accelerate our post-pandemic evolution. Consolidated sales for the term decreased 16.3% from a year earlier, to ¥1,682.0 billion. Hardware sales were down in the Office Printing segment owing to lockdowns and other constraints on sales activities. Non-hardware sales also dropped amid declining office attendance rates of our customers, primarily in Europe and the Americas.

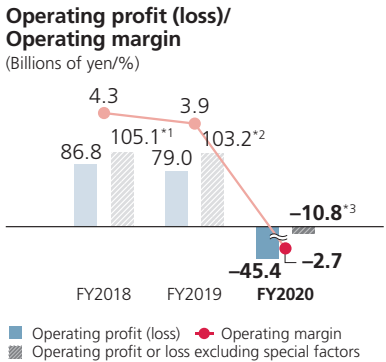
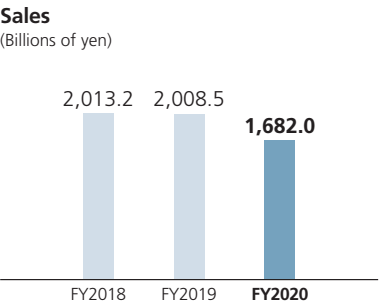
There has been a gradual recovery, notwithstanding some fluctuations because of the pandemic.

Consolidated subsidiary Ricoh Leasing Co., Ltd., became an equity method affiliate after a transfer of shares, leading to a significant sales drop.

We accordingly posted an operating loss of ¥45.4 billion, compared with an operating profit of ¥79.0 billion a year earlier. The red ink reflected the significant business impact of the pandemic and offset gains from measures to respond to the emergency and prepare for the future.

After excluding such special factors as structural reform-related and production reorganization costs, impairment losses, and government grants, the effective operating loss for fiscal 2020 was ¥10.8 billion. This figure represented a turnaround: from an operating loss of ¥31.5 billion in the first half of the year to an operating profit of ¥20.7 billion in the second half on a recovery from the pandemic and efforts to reinforce the business corporate structure and expand in Office Services.

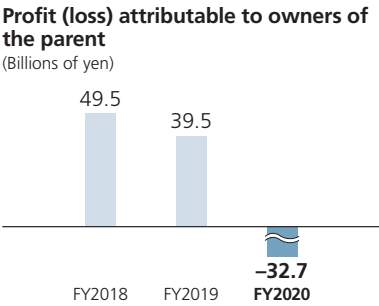
The loss attributable to owners of the parent was ¥32.7 billion, from a profit attributable to owners of the parent of ¥39.5 billion in the previous fiscal year.



*1 Operating profit after excluding ¥19.3 billion in structural reform expenses, ¥14.9 billion in Ricoh India-related costs, a ¥2.7 billion impairment loss, and an ¥18.6 billion one-time gain

*2 Operating profit after excluding ¥10.6 billion in structural reform expenses, a ¥15.6 billion pandemic impact, and a ¥2.1 billion one-time gain

*3 Operating profit after excluding ¥20.1 billion in expenses related to reinforcing the business structure, ¥5.0 billion in production reorganization expenses, ¥27.6 billion in impairment charges, and an ¥18.1 billion one-time gain



Financial position

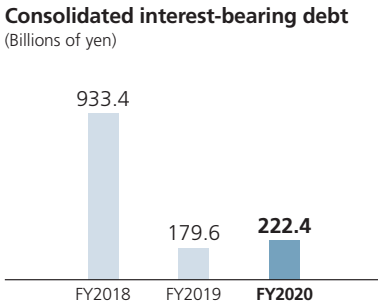
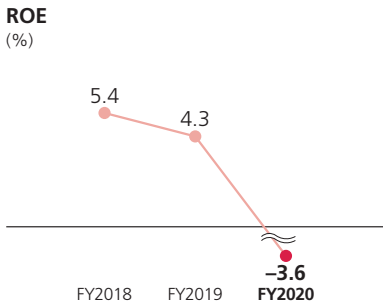
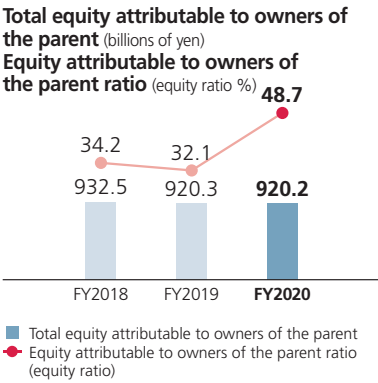
Total assets decreased ¥979.7 billion from the end of fiscal 2019, to ¥1,887.8 billion. The deconsolidation of Ricoh Leasing reduced assets by around ¥1 trillion.

Total liabilities were down ¥895.1 billion from the end of fiscal 2019, to ¥964.0 billion. This was despite bonds and borrowings increasing to prepare for a deteriorating business climate owing to the pandemic and reflected a decline in liabilities directly related to assets held for sale from the partial transfer of Ricoh Leasing shares. The deconsolidation substantially lowered interest-bearing debt (corporate bonds and

loans) by around ¥870.0 billion.

At the end of the term, total shareholders' equity was down ¥84.6 billion from a year earlier, at ¥923.8 billion. This reflected a repurchase of treasury stock following a resolution of the Board of Directors on March 3, 2021, and a drop in noncontrolling interests from Ricoh Leasing becoming an equity-method affiliate.

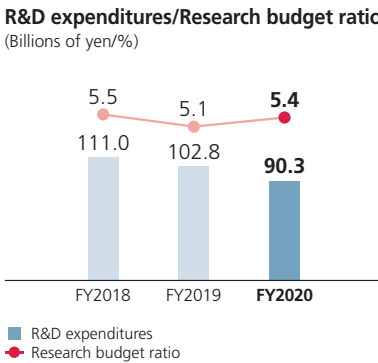
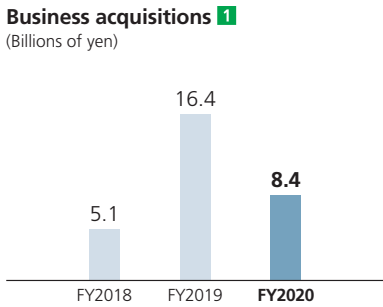
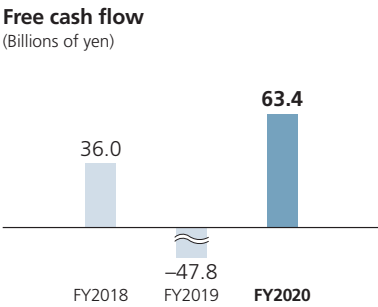
As a result of these factors, total equity attributable to owners of the parent decreased ¥100 million to ¥920.2 billion. The equity ratio remained stable, at 48.7%.



Free cash flow

We posted a free cash flow of ¥63.4 billion, with an increase of ¥111.2 billion in cash inflows compared to a year earlier. This was despite a loss for the term owing to the pandemic and reflected a decrease in trade and other receivables from an improvement in working capital and a decrease in lease

receivables owing to the deconsolidation of Ricoh Leasing. Other factors were lower cash outflows for the term owing to a one-time injection from the partial transfer of Ricoh Leasing shares and a drop in capital expenditures from that company becoming an equity-method affiliate.



● For more information, refer to the following pages: Business Overview P. 19-20

■ WEB Refer to our website: Annual securities report for the year ended March 31, 2021; Flash report for the year ended March 31, 2021

■ INFO

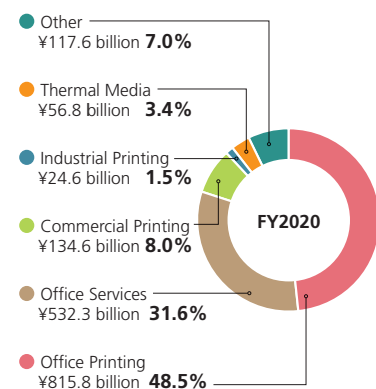
¹ Business acquisitions
Amount recorded under cash flows from investing activities in the consolidated statements of cash flows

Business Overview

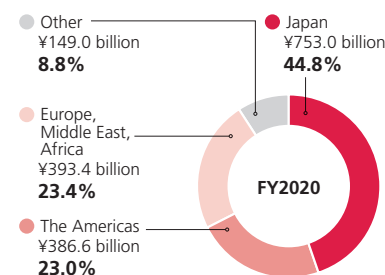
Financial highlights

Figures comply with International Financial Reporting Standards.

Sales by product category



Sales by geographic area



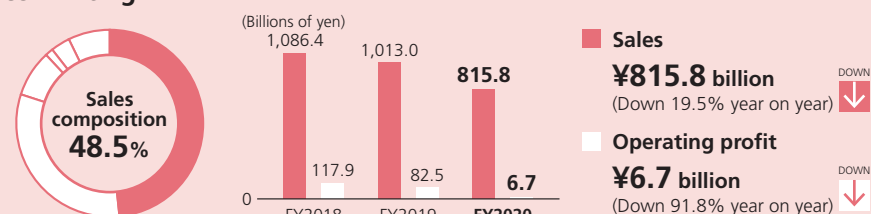
Previous segments → New segments

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

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

Note: We retroactively revised figures for fiscal 2019 as a result of a switch to new segmentation in the year under review.

Office Printing



Business outline

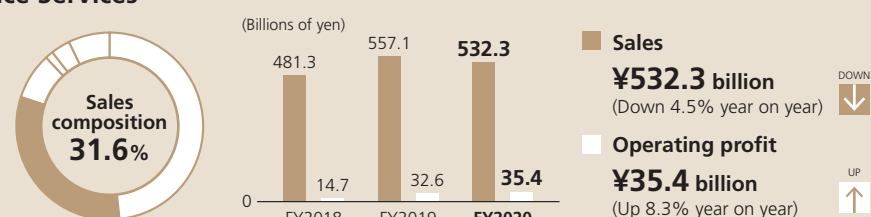
In this core business, we supply MFPs and other imaging equipment and related services. Our offerings include office multifunctional printers, for which we have the top market share worldwide.

Business report

Office Printing sales were down 19.5%, to ¥815.8 billion in fiscal 2020. Sales of hardware and related consumables were off owing to the pandemic, with lockdowns and other movement restrictions causing sales and deliveries to slump, while print volumes were down amid declining office attendance rates, particularly in Europe and the United States. Operating profit plunged from ¥82.5 billion a year earlier, to ¥6.7 billion. This was despite progress in

streamlining operations to lower costs. Key downside factors were a drop in gross profit from reduced sales and expenditure on measures to permanently reinforce the corporate structure. Another factor was the absence of one-time gains posted in the previous year. We were profitable for the year after experiencing a loss in the first half amid plunging sales and gradually recovering in the second half.

Office Services



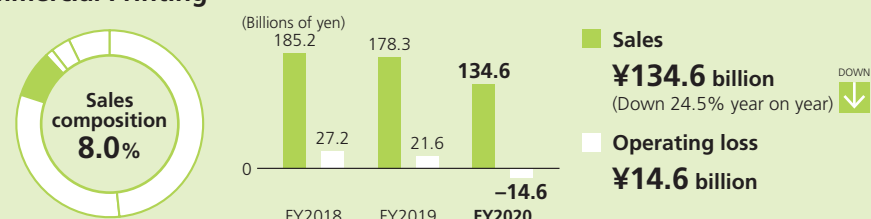
We help resolve customer office issues by offering total solutions that combine building IT environments with support for network operations environments and users. For example, we supply products and services that assist with new work practices.

Office Services sales decreased 4.5%, to ¥532.3 billion. Although sales were up for IT services and applications, including packaged solutions, sales were down for IT hardware in the absence of the previous year's demand associated with transitions to Windows 10™*. Operating profit was ¥35.4 billion, up from ¥32.6

billion a year earlier. This stemmed from progress in improving profitability by expanding sales of solutions packages. The operating margin rose from 5.9%, to 6.7%, as we made steady progress in transforming from being primarily an office equipment manufacturer into a digital services company.

* Windows is a trademark or registered trademark of Microsoft Corporation in the United States and other countries.

Commercial Printing

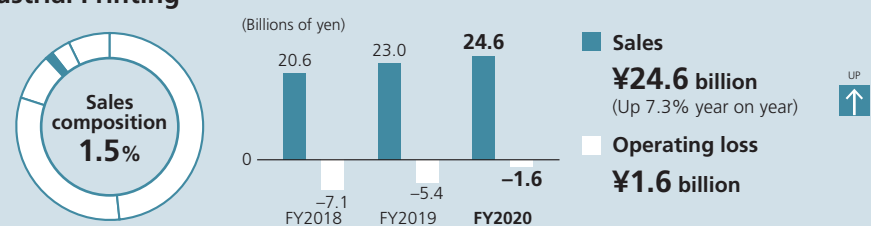


We serve printing industry customers by offering digital printing-related products and services that can handle high-mix, low-volume printing.

Commercial Printing sales fell 24.5%, to ¥134.6 billion. This was due largely to declining hardware sales in the key European and American markets, which suffered from business deal postponements owing to sales activity restrictions and from lower customer investment appetites because of the pandemic. Another downside factor was reduced commercial print volumes owing to declining economic activity. From the second quarter, sales of consumables and other offerings gradually recovered on an upturn in print demand for customer events and resumption of business activities. The operating loss was ¥14.6 billion, down from ¥21.6 billion a year earlier.

This reflected a gross profit downturn from lower sales of transaction printer-related consumables and other products and an impairment loss on development and other fixed assets. After excluding the impairment loss, operating profit would have been ¥11.8 billion. The impairment loss included a third-quarter charge in light of a future earnings forecast review because of the performance impact due to the pandemic. It also encompassed a fourth-quarter charge from a future earnings review to reflect a change in related expense allocations that stemmed from reorganizing the production structure in keeping with the transition to a business unit setup.

Industrial Printing

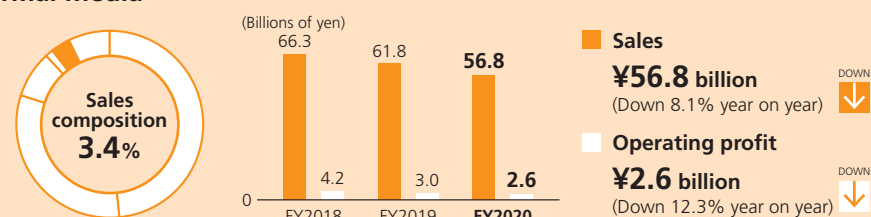


We manufacture and sell industrial inkjet heads, inkjet ink, industrial printers, and other offerings for such diverse tasks as printing furniture, wallpaper, automobile exteriors, and apparel fabric.

Industrial Printing sales increased 7.3%, to ¥24.6 billion. Sales of inkjet printheads to customers in Europe and the United States were down owing to the pandemic. Offsetting that impact were a recovery in sales of inkjet printheads in the key Chinese market and higher U.S. sales of industrial print-

ers. We incurred an operating loss of ¥1.6 billion for the year because of increased product development spending to drive business. This loss was lower than the ¥3.7 billion recorded in the previous term, reflecting a return to profitability in the fourth quarter.

Thermal Media

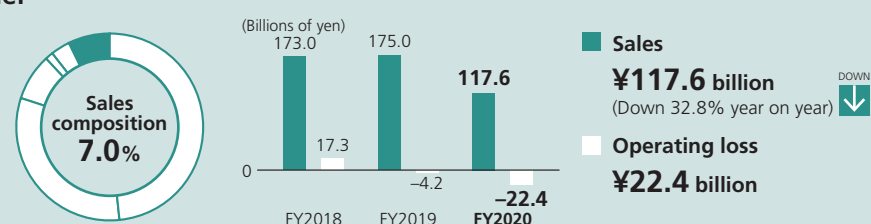


We manufacture and sell thermal paper for point-of-sale labels for food products, barcode labels, delivery labels, and thermal transfer ribbons for clothing price tags, brand tags, and tickets.

Thermal Media sales for the year under review decreased 8.1% from a year earlier, to ¥56.8 billion. This reflected lackluster demand for event and transportation tickets following lockdowns and other movement constraints amid the pandemic and because of smaller labels despite rising e-commerce

demand. Operating profit was ¥2.6 billion, from ¥3.0 billion a year earlier, with efforts to reduce raw material costs by stabilizing supplies and enhancing processes to lower cost ratios partially offsetting the impact of the pandemic.

Other



The Other segment comprises Industrial Products, Smart Vision, and Other, which includes other business segments. We draw on the technological capabilities of the Ricoh Group to provide a wide range of products and services in everything from the industrial to consumer sectors.

During the year, the Industrial Products business expanded sales of products for automated driving and advanced driving support, primarily for the automotive sector. In Smart Vision, we launched the THETA 360.biz official partner program. We released the AI Staging beta version, which leverages artificial intelligence to automatically arrange computer graphics of furniture in 360° panoramas.

This offering makes properties more appealing by enhancing living space views to prospective property buyers and renters. Segment sales for the term decreased 32.8%, to ¥117.6 billion. We posted an operating loss of ¥22.4 billion. This owed largely to Ricoh Leasing becoming an equity-method affiliate. After excluding the deconsolidation impact, earnings were basically unchanged.

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

Ricoh Lift Off

Fiscal 2020 was a year of emergency response and gearing up for the future. The 20th Mid-Term Management Plan (20th MTP) covers the two years starting in fiscal 2021 and defines our direction through fiscal 2025. These five years are positioned as Ricoh Lift Off. We strive to become a digital services company that supports worker creativity and connects workplaces during that time. To achieve this goal, we have set financial benchmarks and targets for ESG (Environmental, Social, and Corporate Governance), which we refer to as future financial targets. We will continue to promote ESG and link it to our future business.

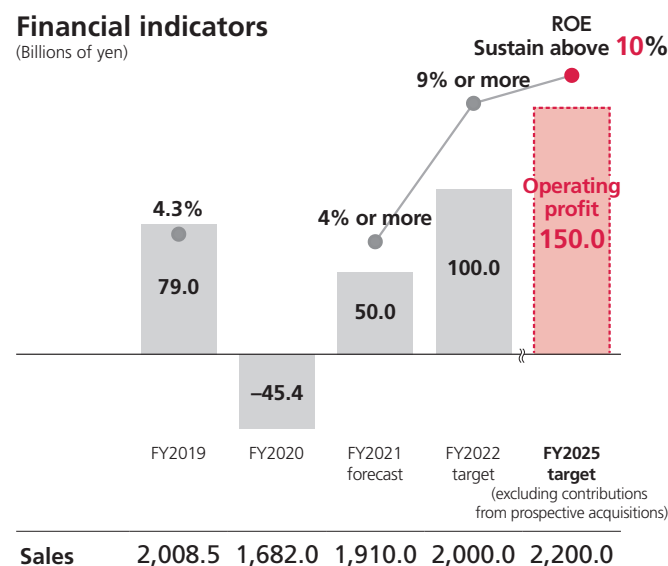
We will pursue future financial (ESG) targets by undertaking initiatives across our entire value chain to meet the rising ESG demands of our customers and investors. This is because we aim to be a company with a top-level global reputation for sustainability and ESG. From a financial perspective, we will materialize a corporate structure that enables our Office Services business to continue expanding and drive our companywide performance, with ROE consistently exceeding 10% by fiscal 2025.



Medium- to long-term targets for 2025

Financial indicators

(Billions of yen)



World-class sustainability and ESG ratings

Business Acknowledged as a digital services company

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

Finance ROIC management and capital policy for improved corporate value

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

20th MTP

As mentioned earlier, our 20th MTP objective is to become a digital services company that supports worker creativity and connects workplaces. We seek a return on equity of at least 9%. Financial targets to reach that goal include generating ¥100 billion in operating profit and around ¥2 trillion in sales. Against this backdrop, we will pursue growth in Office Services under our new business unit structure by distinguishing investments in high-priority regions from those in other regions.

In Office Printing, we will reinforce the business structure to overcome a print-volume downturn through operational excellence. We will steadily strengthen our business foundations, primarily at Group headquarters. For future financial targets, which are as important as financial benchmarks, we have set 17 goals for our seven material issues and will do our utmost to achieve them.

Transform to a digital services company that revolutionizes workplace productivity

Fiscal 2022: ROE 9% or more

By expanding businesses growth and improving capital profitability

Financial targets		Future financial (ESG) targets	
Financial indicators	Fiscal 2022	Targets per stakeholder (from 17 ESG targets)	Fiscal 2022
Operating profit/margin	¥100 billion / 5%	Customers	Top score from customers 30%
Sales	¥2,000 billion	Society	GHG Scope 1 and 2 (down from fiscal 2015 levels) 30%
ROIC	6.5% or more		GHG Scope 3 (down from fiscal 2015 levels) 20%
Office Services business operating profit*	8%		Electricity from renewable energy sources 30%
			New resource content in products 85% or less
		Employees	Employee engagement score 50th percentile in each region
		Partners	Evaluation scores given by each partner Set per partner and region
		Shareholders	ROE 9% or more

* Under former segmentation

Basic policies for 20th MTP initiatives

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

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

To strengthen our management underpinnings, we set up a small but robust Group headquarters. Through it, we will develop suitable strategies for operational resource allocation, research and development, human resources, and other areas to support business competitiveness.

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



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



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



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

Enhance business competitiveness

Adopting a business unit structure

In April 2021, we initiated a structure of five business units and a Group headquarters. We are shifting to a setup where each business unit integrates everything from development through production and sales and runs autonomously. Headquarters focuses on medium- through long-term strategic planning, allocating capital to restructure the business portfolio, and rigorously managing businesses based on the growth potential and returns on invested capital to reach Group ROE targets. We took these steps this year instead of in fiscal 2023 to swiftly tackle a changing business climate. We aim to maximize corporate value under the new business unit structure by transitioning more quickly into a digital services company.

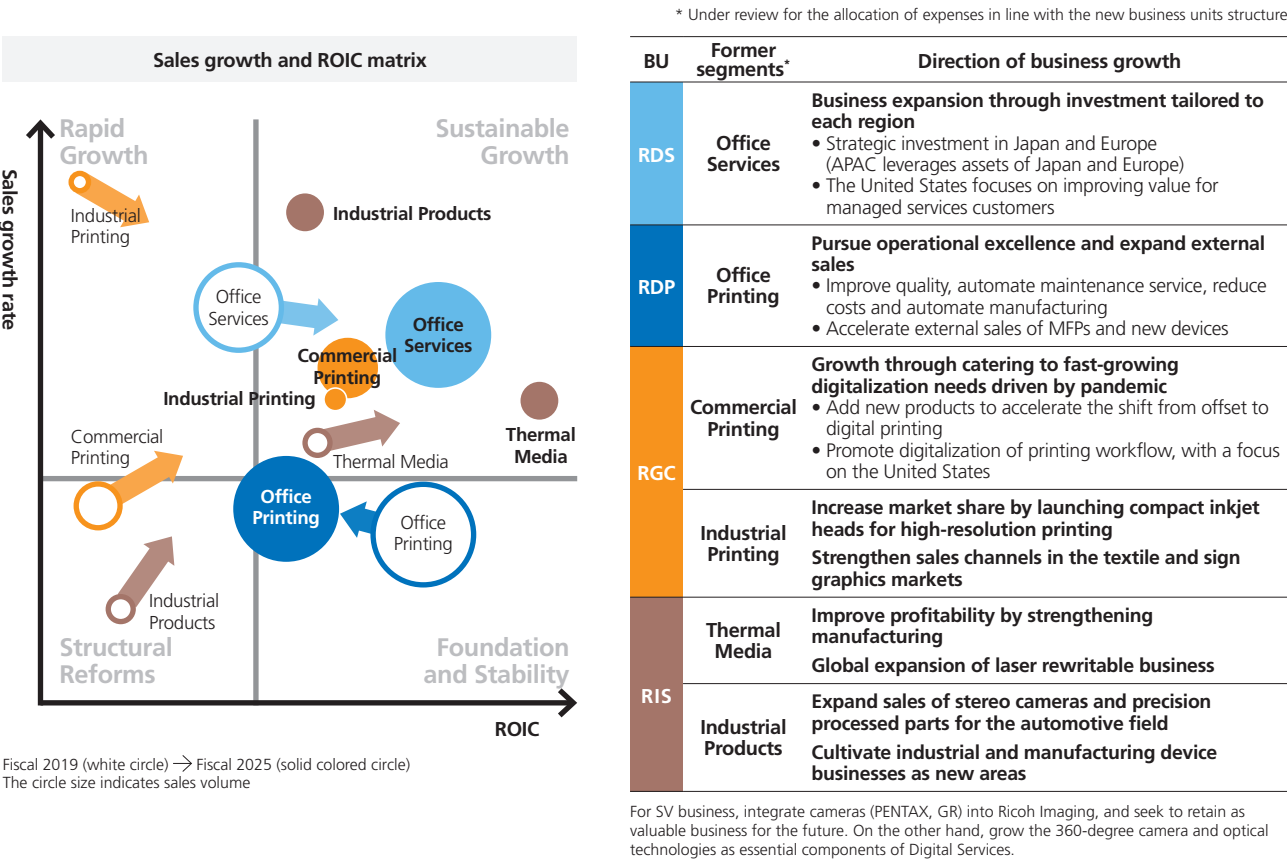
Goals	Business units	Value proposition	Former segments and function
Generate business growth through five business units Customer-centric business operations	RICOH Digital Services	RDS Resolve challenges of people at offices and working remotely Resolve challenges of people on frontlines	Office Services
	RICOH Digital Products	RDP Edge devices connecting people Manufacture products supporting digital services	Office Printing
	RICOH Graphic Communications	RGC Resolve challenges of people on frontline printing sites	Commercial Printing Industrial Printing
	RICOH Industrial Solutions	RIS Resolve challenges of people on frontline manufacturing, logistics, and industrial sites	Thermal Media Industrial Products
	RICOH Futures	RFS Create new businesses to resolve social issues	Smart Vision, Healthcare, batteries based on inkjet technology, new materials, social infrastructure, additive manufacturing, and energy harvesting
Group headquarters underpinning growth Small but robust headquarters focusing on governance and business resource allocation	Group headquarters	Support business growth by appropriately allocating resources to each business and overseeing governance	Management planning, human resources, finance, and ESG
	Platform	Refine corporate culture, human resources, infrastructure, technologies , and other areas as befits a digital services company	Establish Digital Strategy Department and Advanced Technology Center
	Professional Services	Extensively implement internal digital transformation to facilitate the commercialization of resulting advances	Consolidate business support functions and assist functional departments and business units through digital transformation practices

We seek to become a digital services company that remains close to customers and creates value for them. To that end, we concluded that it would be necessary for businesses to operate autonomously and make swift decisions under their own leaders. We thus adopted a business unit structure that comprises five entities. They are Ricoh Digital Services, Ricoh Digital Products, Ricoh Graphic Communications, Ricoh Industrial Solutions, and Ricoh Futures. We delegated considerable authority to the presidents of these units, giving them overall responsibility for their businesses. Each business unit pursues business growth and capital efficiency through operational agility and clear earnings structures based on customer perspectives while enlisting external resources and alliances to become more competitive.

The Group headquarters is responsible for rebuilding the business portfolio by assessing operations and allocating resources based on combinations of returns on invested capital with marketability and other factors. Other tasks are to bolster our human resources, infrastructure, and technology foundations. This small but robust headquarters performs three roles. First, its global headquarters function is to allocate operating resources and handle governance. Second, it serves as a platform for developing a digital infrastructure and researching advanced technologies. Third, it provides professional services support to business units.

Business portfolio management

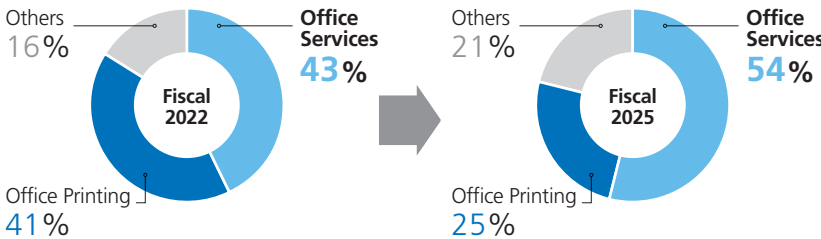
Rigorous portfolio management at the global headquarters will enable us to rely less on office printing and accelerate our transformation into a digital services company. Running each business to achieve returns on invested capital combined with growth potential and other factors should lead to optimal operational resource allocations based on rational assessments and decision-making.



The upper-left diagram shows fiscal 2019 results and fiscal 2025 targets for each business.

The changes in our portfolio management are expected to result in the Office Services business surpassing the Office Printing business—in terms of operating income in fiscal 2022 and sales in fiscal 2023—as the new core business of the Ricoh Group, accounting for a majority of total operating income in fiscal 2025.

Operating profit composition by segment (excluding eliminations and corporate expenses)



Becoming a digital services company

Growth approach under 20th Mid-Term Management Plan

Toward a 9% ROE

Under our 20th Mid-Term Management Plan, we look to attain an ROE of at least 9% and an operating profit of ¥100 billion by fiscal 2022 by driving business growth and improving returns on capital.

Ricoh Digital Services accordingly seeks to generate ¥27 billion in operating profit by expanding its Office Services business. Ricoh Digital Products will spearhead our pursuit of operational excellence to help save costs by ¥54 billion. These two business units will be joined by Ricoh Graphic Communications and Ricoh Industrial Solutions to drive business growth and cost reforms.

Note: Total impact amount over two years

Office segment	RDP / RDS	+¥54 billion
	RDS	+¥27 billion
	RDP	+¥6 billion
Major cost reduction for frontlines	RGC	+¥6 billion
	RIS	+¥5 billion
Major business growth for frontlines	RGC	+¥8 billion
	RIS	+¥6 billion

* A rewritable laser system

Office Services business growth

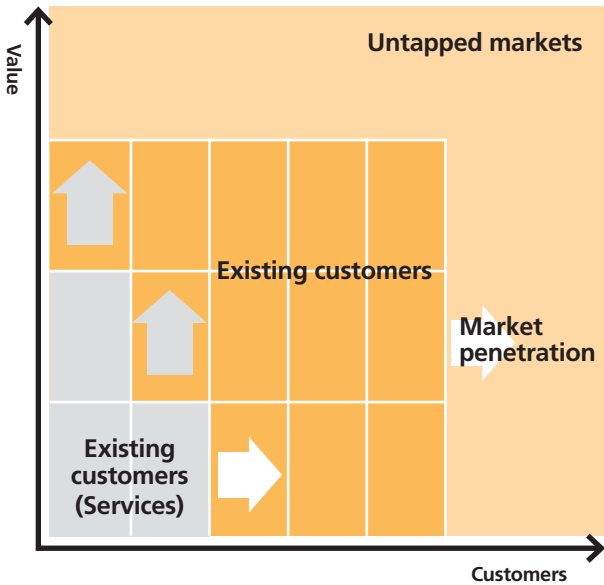
Expanding customer base and providing value

We will generate Office Services business growth by expanding the customer base while delivering more value.

By developing packages that match regional needs, we will be able to provide more value to our existing customers and acquire new customers with whom we have had no business in the past. For example, only about 10% of our customers in Japan have Scrum packages ❶, and we have room to expand our services to about 90% of our customers. Overseas, we have just started to expand services.

We will deliver more value by reinforcing our integration capabilities while broadening our software lineup through aggressive investing in Japan and Europe. We will up-sell and cross-sell to customers and expand recurring revenue business earnings.

In-house software, such as DocuWare ❷, is highly profitable and contributes to attracting new customers.

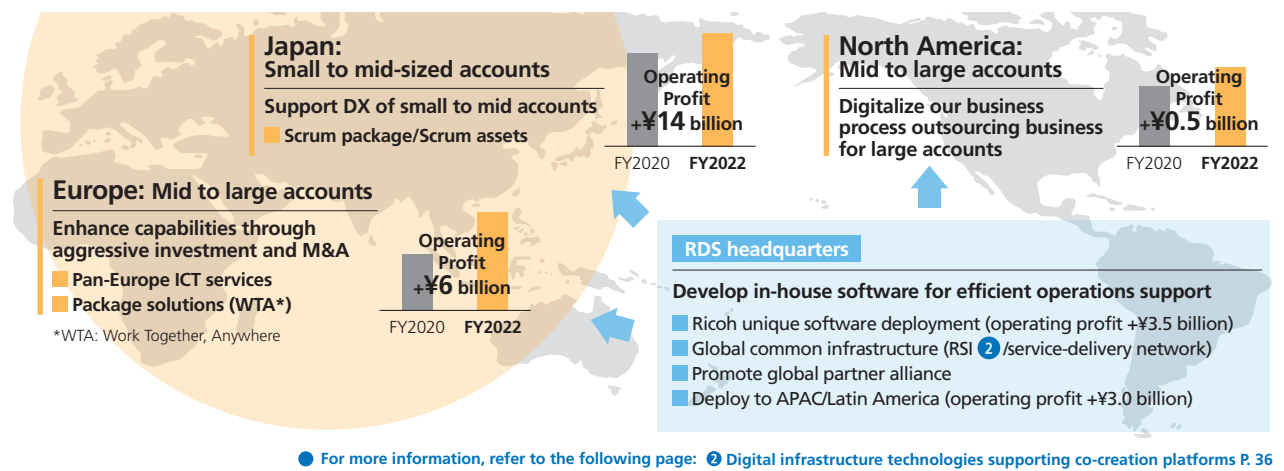


For more information, refer to the following page: ❶ Delivering digital services P. 27

❷ WEB Refer to our website: ❷ DocuWare

Regional and group strategies

We will expand the Office Services business as a growth driver by investing heavily, particularly in the Japanese and European markets. We will reinforce our global service platform to enhance our highly profitable in-house software lineup and improve the efficiency of our operations, thereby expanding our recurring revenues business and bolstering profitability.



Japan Supporting digital transformation and accelerating growth of small and midsized businesses nationwide

In Japan, small and midsize companies and local governments are accelerating investments in digital technologies and processes and are diversifying workstyles for these challenging times.

We will capitalize on opportunities to broaden our customer base by offering more services to customers that have already deployed Scrum packages and assets. We will also continue to cultivate customers in keeping government-driven digitization needs such as for the GIGA (Global and Innovation Gateway for All) school program and the adoption of digital administrative procedures.

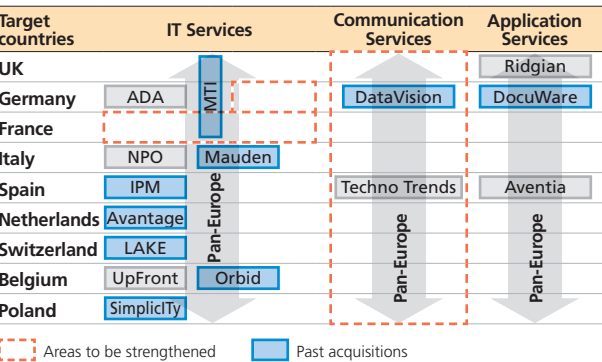
Scrum packages are pivotal to growth, and we look forward to doubling customer reach and unit sales of these offerings from fiscal 2020 through 2022.

	Fiscal 2020	Fiscal 2022
Scrum package customer ratio	10%	20%
Number of Scrum package sales	65,000 (275%) *vs fiscal 2018	130,000 (200%) *vs fiscal 2020

Europe Strengthen capabilities and expand business by investing extensively in growth and acquisitions

In Europe, the pandemic has led to a diversification of work styles while accelerating EU-led digitalization policies and cross-border digitalization across Europe.

We will continue to make acquisitions accordingly to secure and reinforce the information and communications technology (ICT) capabilities we need in each country. We will also expand business with leading companies with extensive operations across Europe by steadily enhancing our capabilities. We will also strengthen sales capabilities by shifting to Office Services by developing multi-skilled Office Printing sales and field engineers.



● Delivering digital services

SUCCESS STORY 1 Offering people-friendly digital workplace tools nationwide

Expanding sales of Scrum packages and assets

Improving productivity and revitalizing areas across the nation have become key social challenges for Japan as the working population declines and work style reforms spread. The uptake of ICT among small and medium-sized businesses has been generally limited. Still, adopting new work practices, including to set up telecommuting environments, has become important since 2020 in view of the need to tackle the pandemic.

Domestic sales subsidiary Ricoh Japan Corporation (Ricoch Japan) helps small and medium-sized businesses around the nation to digitalize business processes in keeping with its commitment to supplying people-friendly digital tools.

Since the debut of Scrum packages in October 2017, we have brought out more than 150 packages that integrate a range of applications and Ricoh products to deliver solutions for three common tasks across nine key sectors, including construction and real estate. Aggregate sales through June 2021 were around 160,000 units.

Since April 2019, we have developed Scrum assets for medium-sized enterprises to help them resolve issues in four areas. These are work practice reforms, security enhancements, back office efficiency improvements, and industry and operational workflows. We offer core systems as assets based on successes with highly effective systems provided to customers. Our systems engineers employ these assets to build and deliver systems that swiftly benefit customers at low costs.

These endeavors have enabled us to amass more than 4,500 Scrum assets. Ricoh Japan remains a leader in terms of the number of IT deployment grants that Japan's Ministry of Economy, Trade and Industry offers to support ICT adoption among small and medium-sized businesses. Local banks, cooperative financial institutions known as *shinkin* banks, and chambers of commerce increasingly ask us to help them deploy ICT and digital processes for their customers. We contribute to productivity reforms by driving digital process adoptions among small and medium-sized business across Japan.

Winning first place in three categories of Nikkei Computer Customer Satisfaction Survey

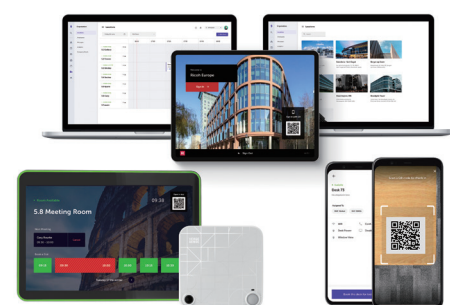
Efforts to strengthen its digital service offerings enabled Ricoh Japan to win first place in three categories of the Nikkei Computer Customer Satisfaction Survey 2021-2022. *Nikkei Computer* is a magazine of Nikkei Business Publications, Inc. Ricoh Japan became the first company to seize top spot in all three systems integration-related information service categories that the magazine adopted in 2008.



Customer Satisfaction Survey 2021-2022, published in September 2, 2021, edition of *Nikkei Computer*
Ranked first in IT Consulting/Upstream Design-Related Services (information service companies), System Development-Related Services (information service companies), and System Operating Services (information service companies)

SUCCESS STORY 2 RICOH Spaces for the new world of work

The pandemic has transformed office work and communications. The engineering team formerly from Ridgian developed RICOH Spaces, a workplace management solution to meet customer needs by catering to changing work practices.



Ridgian was a leading British information management consultancy that we acquired in 2015.

RICOH Spaces is a cloud-hosted application that allows users to reserve office space, including meeting rooms, desks, and open areas. Customers can thus better understand space usage and improve employee productivity by optimizing workplaces. This application also enables contact tracing for infectious disease and other issues.

The engineering team's nearness to customers and tailored product development have enabled us to enter markets that we were unable to tap without help from partners. In the first year after launching RICOH Spaces, we had rolled it out at 103 locations for more than 40 companies, managing more than 11,000 desks and 650 meeting rooms.

SUCCESS STORY 3 Services to help digitize workplaces

Providing solutions using 42-inch electronic paper

In July 2021, we commercialized the RICOH eWhiteboard 4200. This offering is the world's thinnest digital whiteboard, at just 14.5 mm thick. It is also the lightest, weighing only 5.9 kg, so it is portable despite its size. It is dustproof and waterproof as well. It incorporates software and cloud service solutions to boost digitization for outdoor and other sites. This service digitizes field site analog data, improving operational efficiency by sharing information through the cloud between sites and offices.

Checking drawings at construction sites has traditionally been difficult and time-consuming because of the need to share paper-based information, usually in the form of transcriptions or photos, from sites with people in offices or at other locations.

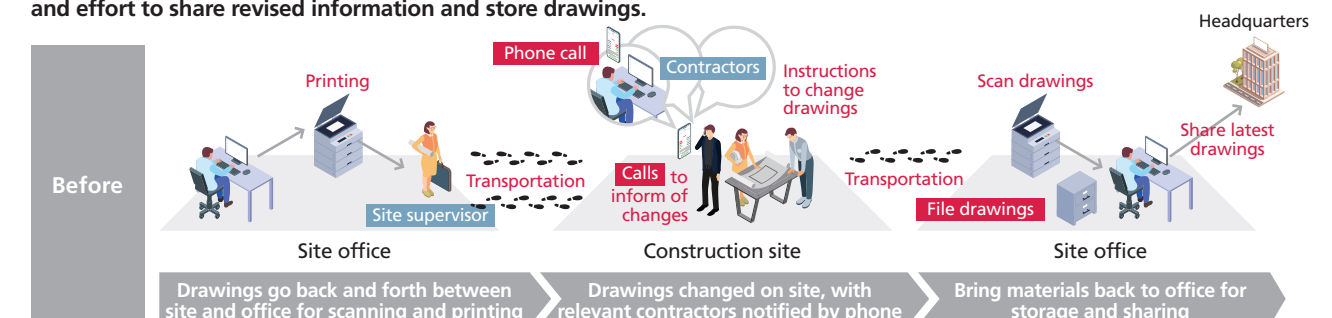
Our service shares information in real time across multiple locations, which is challenging with paper documents. It also stores digital data.

This model is the world's first dustproof and waterproof (with a rating of IP65) e-paper. It can employ its built-in battery to run in a range of indoor and outdoor environments. The installed software enhances e-paper benefits, such as zooming in and out, handwritten text conversion, and a custom dictionary.

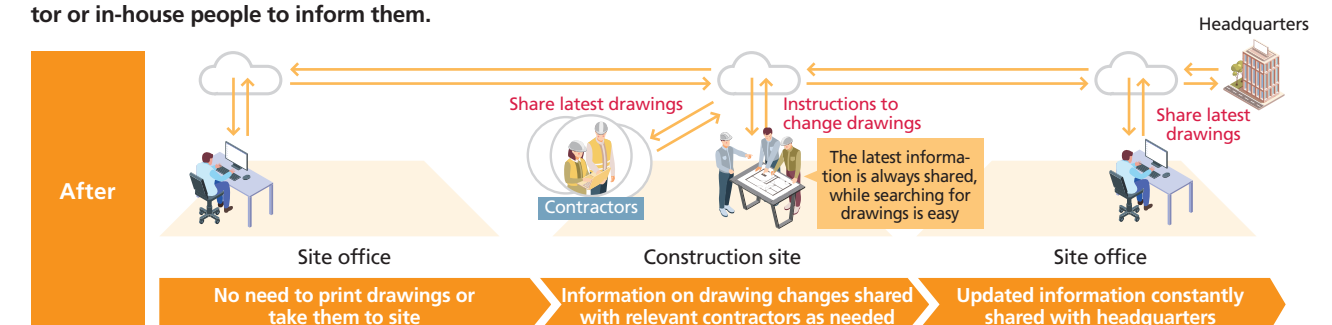
An optional cloud service makes it possible to create templates for standard forms, link them to storage, share information remotely, and view them from a PC or smartphone in-house or outside company facilities.

Drawings can be checked at construction and manufacturing sites. This offering is thus suitable where speed and accuracy are essential, particularly in healthcare and firefighting locations and in transportation infrastructure.

Printed instruction drawings are taken to a site, updated, and handed to relevant contractors. It takes considerable time and effort to share revised information and store drawings.



Retrieving required drawings from the cloud and showing them on eWhiteboard eliminates need to print and store them. Updates to information on site are reflected and shared in real time, so there is no need to contact each relevant contractor or in-house people to inform them.



Strengthening the Office Printing business structure

Pursuing operational excellence

The pandemic has fueled the expansion of working from home and other telecommuting, accelerating the uptake of paperless processes. While we expect print volumes to recover somewhat in fiscal 2021, demand will likely shrink in the years ahead.

We will therefore pursue operational excellence in the Office Printing business. Under the 20th MTP, we are accordingly endeavoring to reinforce the manufacturing structure, cut variable costs, and reduce costs by optimizing service operations.

Reduced cost (vs. fiscal 2020)	Primary actions	KPIs
Manufacturing reforms -¥18 billion	Development ■ Development efficiency improvement through digitalization ■ New development process by merging development and production organizations	Development work-hours per model (vs. fiscal 2020) -20%
	Production ■ Indirect workforce optimization through digital manufacturing and remote operation ■ Production site optimization	Indirect workforce -22% Site optimization 18 → 13 sites
Variable cost reduction -¥13 billion	■ Continuous cost reduction through common use parts ■ Direct labor cost reduction through AI-based production automation ■ New model cost reduction through joint cost improvement with suppliers	Existing models -2%/year New models -15%
Optimize service operations -¥23 billion	■ Improve maintenance efficiency through increasing Smart Support compatible MIFs* ■ Customer engineers multi-skill training	Smart Support compatible MIF above 60% Reduce single-purpose customer engineers 15%

* Machines in Field

Reinforcing manufacturing structure

We integrated production and development units and are fundamentally reviewing our processes. In controller development, we leverage automated evaluation programs during design to enhance employee efficiency. We will continue to streamline development efficiency by digitizing design processes.

On the production front, we opened a new plant in China ❶ that will spearhead our digital manufacturing capabilities, and completed site consolidations. We will keep lowering costs and improving quality by back-office head count reduction, such as by digitizing processes and managing production remotely at other plants. We will consolidate and reorganize production sites so they are more attuned to product attributes.

Cutting variable costs

We are striving to cut costs by at least 2% annually on existing models, including through parts sharing across models.

We are also endeavoring to lower direct labor costs by using artificial intelligence to automate production. We will keep up the effort to reduce these costs by rolling out digital manufacturing, such as by leveraging automated polymerization toner lines and artificial intelligence to bring together quality

prediction and automated control ❷ and thus enhance personnel efficiency.

We are collaborating with suppliers to jointly cut costs, which should generate significant savings.

Reducing costs by optimizing service operations

While lifting the market shares of high-quality and durable products, we will shorten repair times by incorporating Smart Support in them. This intelligent feature enables us to offer unique maintenance services, such as to pinpoint problem causes before visiting customer sites. Smart Support-enabled machines have slashed downtimes by 66% from fiscal 2016 levels, and reduced service times by 50.4%, exceeding the 50% reduction target.

Boosting the number of Smart Support-compatible machines in field is critical to ensure that that service operation optimization is fully effective. We look to increase the percentage of machines with such capabilities to 60% of the total number in field by fiscal 2022.

Multi-skill training will be provided for customer engineers and some will be shifted to the Office Services business.

Internal initiatives

SUCCESS STORY Deploying digital manufacturing at Ricoh Manufacturing (China)

With digital manufacturing, we use data needed to overhaul production sites. This approach entails employing digital technology to acquire data, storing data on a shared platform, and analyzing the data and employing it in new initiatives. Our digital manufacturing vision is to use digital technology and data to deliver new added value by transforming frontline and office productivity and work practices.

We set about accelerating digital manufacturing by preparing operations subject to production process innovation, systematically classifying 13 production areas based on quality, cost, and delivery attributes and 44 model worldwide operations. We visualize process data that devices and systems gather from these model operations in terms of quality, cost, and delivery for management, administration, and frontlines

levels to integrate key performance indicators for them.

Ricoh Manufacturing (China) Ltd. in Guangdong Province is a state-of-the-art digital manufacturing facility that we established in June 2020. The plant has deployed the Internet of Things, robots, automated equipment, and other digital technologies to enhance efficiency. It has thus been able to trim back office headcount by 11%, for annual savings of ¥4.5 billion.

Because the operations there were launched during the pandemic, local personnel led the way in taking full advantage of digital tools. This enabled us to relocate facilities without having to send employees from Japan to assist, instead providing remote technical support for equipment relocations, inspections, and training.

Today		Tomorrow
Management	• Asking each domestic and overseas plant for information about production conditions • Instructing each department and making decisions based on performance reports	Swift decision-making based on real-time data
Administration	• Plant workers seeking information about production situations on each line • Supporting between plants and from remote locations by traveling to sites	Teleworking becoming the norm, with real-time monitoring and remote management revolutionizing work style
Frontlines	• Setting up multiple managers and supervisors at production sites to monitor daily production and obtain information on site	Unmanned production areas and collaborative production between humans and robots reducing shop floor headcounts

New Office Printing growth initiatives

Providing new interface devices

In the Office Printing business, we are pursuing growth while reinforcing our operational structure. One of the initiatives has been to provide new interface devices that support diverse work practices.

We took advantage of our teleworking expertise to launch a range of unique meeting devices and services that support high-quality communication. To maximize productivity for people working from home, we provide personal printers and scanners, helping to ensure comfortable and secure work environments.

To connect people with frontline operations, we offer self-service devices that assist with remote communications and meet the demand of non-contact, non-face-to-face communications and save labor.

We look to generate new growth by delivering devices and services that connect people with the cloud in various situations.

Strengthening collaboration with other companies, including by expanding original equipment manufacturer (OEM) offerings

Markets are shrinking, and it has become essential to invest in efficient development initiatives. We will therefore collaborate extensively with other companies in areas in which we have competitive edges, leveraging our proprietary technologies in the process.

We will augment our position in peripheral equipment, drawing on such industry-leading technologies as staple-free stapling and compact folding units, to expand our OEM provision of flagship A3 color MFPs. At the same time, strategic collaboration with external parties will be pursued in areas of less priority.

Beyond technologies and products, we will step up collaboration in various fields, including to provide reuse and recycling infrastructure and expertise.

For more information, refer to the following pages: ❶ Internal initiatives P. 30 ❷ Internal Digital Transformation Initiatives P. 37

Strengthen management underpinnings

Focus on strengthening the management base required for a digital services company

Becoming a digital services company entails reorganizing and reinforcing Ricoh's corporate culture, human resources, infrastructure, R&D, and other operational underpinnings. We will draw on the measures we have deployed over the past few years in accelerating our efforts, investing extensively toward 2025.

We have reformed our personnel system since fiscal 2017 to enhance the corporate culture by encouraging worker initiative, thereby steadily improving engagement. We will overhaul our evaluation and personnel systems even more from fiscal 2021. We are preparing to adopt a job-based personnel system in fiscal 2022.

As a digital services company, we are driving to develop professionals who can assist customers directly. In April 2021, we accordingly assessed the digital competency of our

approximately 30,000 employees in Japan and started helping them to enhance their skills. Many business systems, including for manufacturing, development, human resources, and accounting, will be overhauled as part of our transformation.

In R&D, we prioritize investments in two advanced areas. One is to pursue product development connecting Fulfillment through Work with data sets of five basic human senses. The second is to use inkjet technology to create digital manufacturing processes.



Corporate culture and people

Create a culture and system supporting self-motivated employees

Initiatives so far

- Attendance rate of about 30% due to work style reforms
- In-house accelerator program and side-business system (2019–)
- Increased work choices and improved employee engagement

Areas to strengthen towards fiscal 2025

- Introduction of Ricoh-style job-based personnel system
- Enhance digital literacy for 30,000 employees in Japan
- Proactively shift personnel company-wide, and implement practical in-house DX thru internal reskill training



Infrastructure and framework

Utilize digital communication tools based on employees' developed IT literacy

Initiatives so far

- Drive Notes® utilization with end-user computing (1999–)
- Deployed Office365™ globally in 2017
- Introduced Robotic Process Automation (RPA), 800-themed business process reforms in 2018

Areas to strengthen towards fiscal 2025

- Upgrade approx. 70% of enterprise systems, including 180 systems to cloud
- Pursue data-driven management by defining and maintaining master data
- Build Ricoh Smart Integration (RSI) platform as a global common infrastructure

* Notes is a registered trademark of HCL Technologies Limited.
* Microsoft 365 is a registered trademark or trademark of Microsoft Corporation in the United States and other countries.



Technologies and R&D

Develop digital services leveraging technologies cultivated in the office business

Initiatives so far

- Research and development of optical and image processing technologies mainly for office imaging equipment (MFP/LP)

Areas to strengthen towards fiscal 2025

- Develop products that realize the fulfillment through work by converting the five senses of people into data
- Realize digitalization of manufacturing (Functional Printing) with inkjet technology ¹⁾

WEB Refer to our website: ¹⁾ Digital Printing of Lithium-Ion Secondary Cells Using Inkjet Technology

Human resources strategy for becoming a digital services company

In becoming a digital services company, we will need to transform our work environments in terms of our people, corporate culture, and systems and frameworks to drive digital innovation and materialize fulfillment through work for customers and ourselves.

Human resources

Self-driven digital professionals will be pivotal to Ricoh's transformation into a digital services company. We are accordingly endeavoring to change mindsets and cultivate digital skillsets.

All employees have embraced the Ricoh Way, adopting new work practices that harness digital technology in pursuit of customer success. We strive to cultivate self-driven people who take ownership of their work. A commitment to Ricoh Way underpins our culture of self-directed people and is an important element of our new evaluation system.

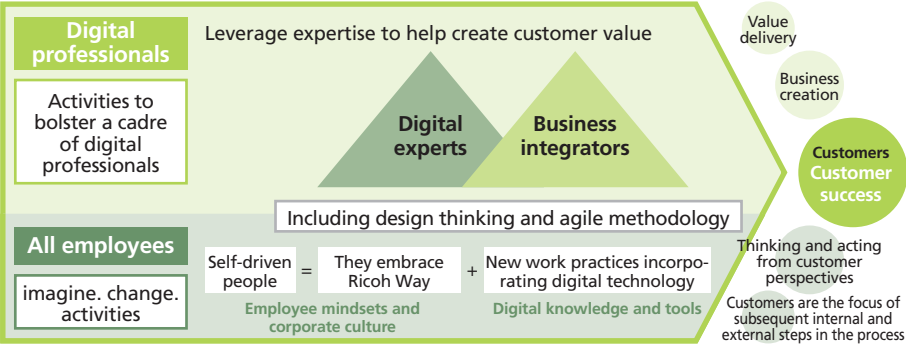
Our digital professionals include digital experts who help create customer value, and business integrators. We defined the skills of digital experts, in fiscal 2020. We are increasing the number of people with Japan METI's IT Skill Standard (ITSS) level 3 certification by fiscal 2022 to more than 50% of fiscal 2020. ITSS is an index to identify and systemize practical abilities of IT services.

In fiscal 2018, we launched an in-house digital revolution initiative in which all employees helped apply robotic process automation and artificial intelligence to improve business

processes. In fiscal 2020, we inaugurated Ideathon ❶ activities where employees leverage digital technologies to improve their work swiftly. Through these activities, we encourage people to acquire skills by tapping data, robotic process automation, low code development platforms, and other tools and undertake new work practices drawing on digital technology.

A digital services company needs individuals who maintain close customer ties, identify customer issues, and create products and solutions. These people must be able to make decisions and act autonomously. We have cultivated such personnel and work environments through various measures. These have included changing work practices, rolling out an in-house side job program, and launching TRIBUS, an internal accelerator program to discover and develop entrepreneurial talent. In fiscal 2020, we introduced a talent management system to help employees develop their career paths by listing their skills and experience and visualize them. In fiscal 2021, we will broaden the scope of this initiative groupwide.

Human resources essentials for a digital services company



We are cultivating and reinforcing a two-tiered structure in which employees use digital technology in new work practices, and digital professionals leverage specialized skills to help create customer value.

Corporate culture

We regularly survey employee engagement ❷. This is because enthusiastic individuals tend to be self-starters and perform better.

Our employee engagement scores are rising steadily, and we look to boost them in the years ahead. Efforts to accelerate improvements include sharing survey findings with top management, distributing executive messages to employees, and improving the quality of 1-on-1 sessions conducted by managers.

We are striving to enhance diversity and inclusion ❸, which is vital to becoming a digital services company. That is because diverse people respecting each other and drawing on their individuality and capabilities can unlock innovations together. We seek to increase the percentage of women in Group managerial positions to at least 7% in Japan and 16.5% worldwide, by the end of fiscal 2022.

❶ For more information, refer to the following pages: ❷ Employee engagement P. 50 ❸ Diversity and inclusion and work-life management P. 47-48

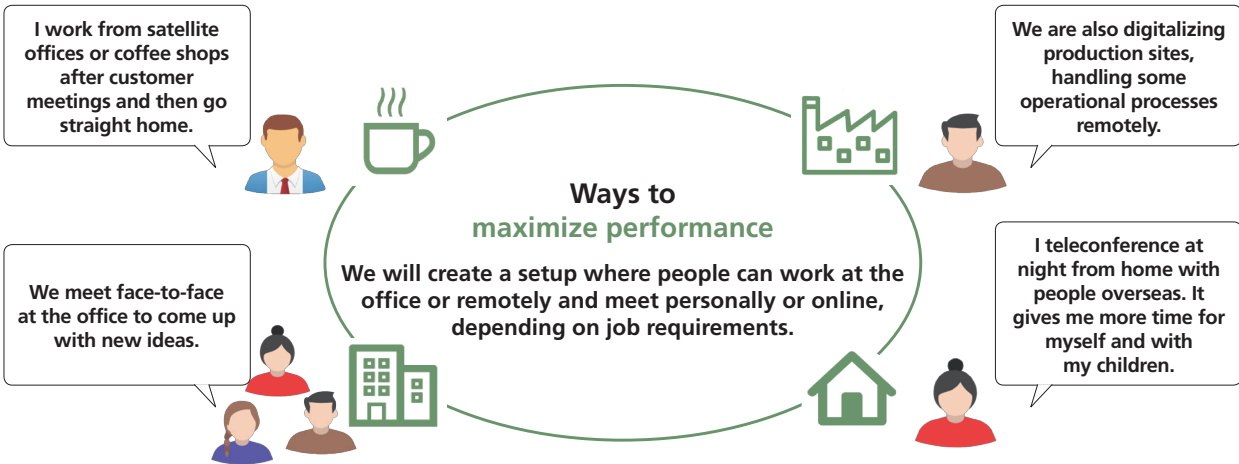
Systems and frameworks

We are preparing to roll out a Ricoh-style job-based personnel system in Japan in fiscal 2022 to inspire our people to pursue excellence. We will identify vital positions that support organizational goals and assign the best people to them. We will assess self-motivated employees according to their readiness to take on challenges and contribute to our progress.

We seek to improve employees' productivity, quality of life,

and health by offering them broader choices for when and where to work ❹ so they can help us materialize our vision for 2036 of Fulfillment through Work.

We believe that highly motivated employees will seek ways to improve their work practices and become more productive, leveraging their wide-ranging job experience to acquire skills more swiftly and advance their careers.



❶ For more information, refer to the following page: ❷ Work-life management P. 49

CASE

imagine. change. activities

We launched these groupwide activities in the first half of fiscal 2020. All employees are engaged in enhancing mindsets and the corporate culture and deepening their understanding of new work practices to maintain customer trust. The initiatives foster self-motivated people embracing Ricoh Way and new work practices leveraging digital technology. As of 2021, the CEO directly oversees these activities as a part of our robust support for fostering self-starters.

❶ For more information, refer to the following page: ❷ Undertaking bottom-up activities P. 37

Our digital strategy for becoming a digital services company

Message from the Chief Digital Innovation Officer

Ricoh is becoming a digital services company that transforms how people work by focusing on customer success and will stay close to customers. We will use digital technology and data to provide a co-creation platform* to connect workplaces, support workers’ creativity, produce new value, and fulfill our commitment to driving sustainability.

* A platform for creating value by connecting RSI and customers

Toyohito Tanaka

Senior Corporate Officer and
Chief Digital Innovation Officer



Creating value through digital services

We have undertaken a digital revolution in-house encompassing all employees as part of our fundamental management policies. Accordingly, we have reformed business processes that draw on RPA and AI companywide for indirect and all other operations, including development and production sites. We have allocated the time saved from these activities to undertake higher value-added work that interests employees.

We will help customers adopt digital processes by drawing on our experiences in that regard, continuing to provide digital services that help their businesses succeed. The pandemic has drastically changed work environments. Given the uncertainties on the horizon, we will remain close to our customers and understand their issues better than anyone else. We will team with them to imagine the future of work and harness digital technology and data to identify and deliver solutions in keeping with our commitment to materializing Fulfillment through Work.

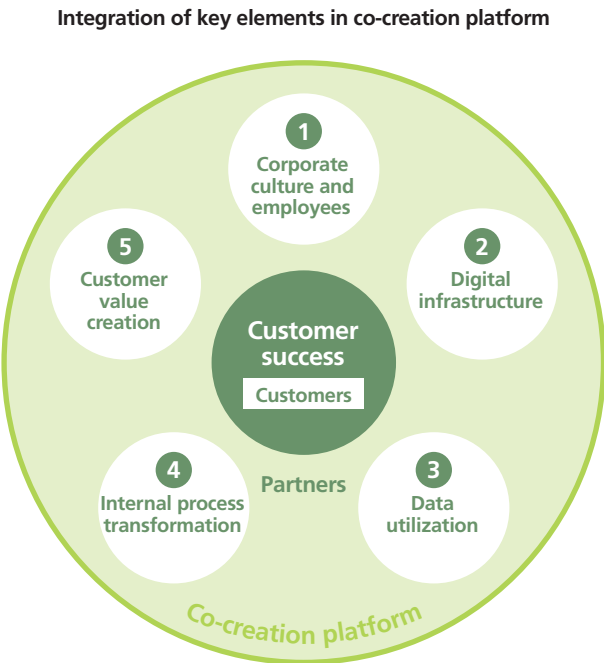
Five transformation drivers

We are pushing ahead groupwide with activities incorporating five key elements to accelerate a digital revolution in-house, help customers adopt digital processes, and keep creating more digital services that lead to customer business success. These elements are corporate culture and human resources, digital infrastructure, data utilization, internal process transformation, and customer value creation.

Bringing things together through co-creation platform

We will build on robust customer ties to develop a co-creation platform that connects workplaces and fosters people’s creativity.

Integrating our key elements with the attributes and strengths of customers and partners through this platform will enable us to provide optimal customer solutions.



Five key elements for accelerating transformation

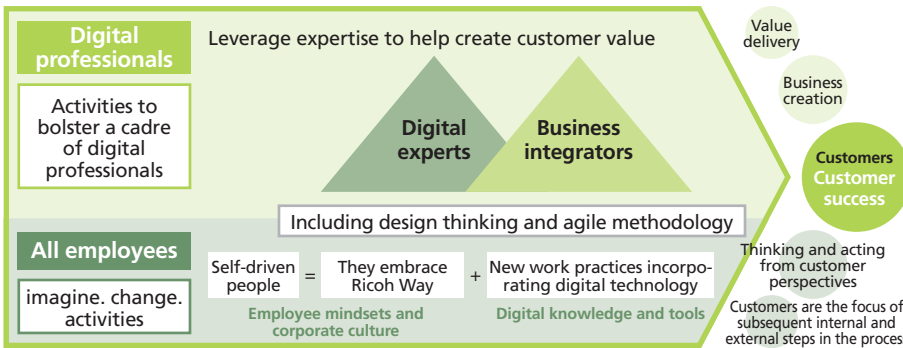
1 Corporate culture and human resources

Transform Group employee mindsets and corporate culture and cultivate digital professionals

(1) Cultivate expertise and help create customer value

(2) Implement Ricoh Way and adopt new work approaches that harness digital technology and data (imagine. change. activities)

Transform Group employee mindsets and corporate culture and cultivate digital professionals



2 Digital infrastructure

Integrate and develop common infrastructure for IT, RSI, and AI/CT to materialize a co-creation platform

(1) Drive group IT infrastructure advances

(2) Strengthen and employ infrastructure supporting digital services (RSI)

(3) Deploy AI/CT activities in each Group business

3 Data utilization

Help customers succeed by maximizing data usage

(1) Prepare common master data and build data usage environments

(2) Amass and use data by adopting digital office and frontlines processes

(3) Strengthen information security

4 Internal process transformation

Optimize workflows and establish new work practices tapping digital technology

(1) Innovate processes based on data usage and business visualization

(2) Develop people who are well versed internally with business tasks and who use digital technology

5 Customer value creation

Generate customer value by using digital technology and data

(1) Reorganize value creation process and foster its usage while amassing success stories

(2) Create and implement co-creation accelerators

Digital infrastructure technologies supporting co-creation platforms

AI/ICT technologies

We developed AI that employs images and audio from proprietary devices, applying it in social infrastructure inspections ❶ and vibration monitoring ❷. We have drawn on AI technology obtained from our advances to research and develop natural language processing AI and launch Legal Support Cloud, AI for Work, and other offerings. We are drawing on the Ricoh Advanced Technology R&D Division’s progress in digitizing five human senses to optimize the capabilities of individuals and organizations by bringing together technologies that support workers and create value.

■ WEB Refer to our website: ❶ Road Surface Inspection System ❷ Vibration Visualization for Machine Tools

Basic technologies of RSI

RSI is a common global platform for technologies that digitize work processes to connect people, systems, operations, and companies. We will develop a co-creation platform that enables us to flexibly combine proprietary and partner technologies as components, microservices, and containers and create new services harnessing data. We will overhaul our sales system so customers experience more successes from our services and continue to use them.

Internal digital transformation initiatives

Undertaking bottom-up activities

We debuted the In-House Digital Revolution Ideathon in 2020 to encourage digital transformation activities groupwide. Employees involved in particular business areas offer suggestions for improving frontline issues and acquire digital transformation process skills. Participants in these bottom-up activities receive hands-on training and support in bringing ideas to fruition and addressing issues, becoming more skilled and motivated to undertake digital transformation endeavors.



	1st session (2H of fiscal 2020)	2nd session (1H of fiscal 2021)
Number of teams	15	27
Number of themes	37	81
Number of participants	117	217

Example themes
Assessing and using surveys, reserving training rooms and facilities, handling inquiries, improving production systems, and analyzing costs and data

Developing employee COVID-19 vaccination appointment app

Ricoh wanted to manage appointment reservations of work-place vaccination efficiently so employees around Japan wishing to be vaccinated could do so as swiftly as possible. In just one week, it developed an application without needing to outsource it by tapping into digital and development process skills from experience in enhancing internal processes and tasking development support units to assist headquarters business units. As a result, the reservation service was quickly

rolled out, and the reservation management workload in each region around Japan was significantly reduced.

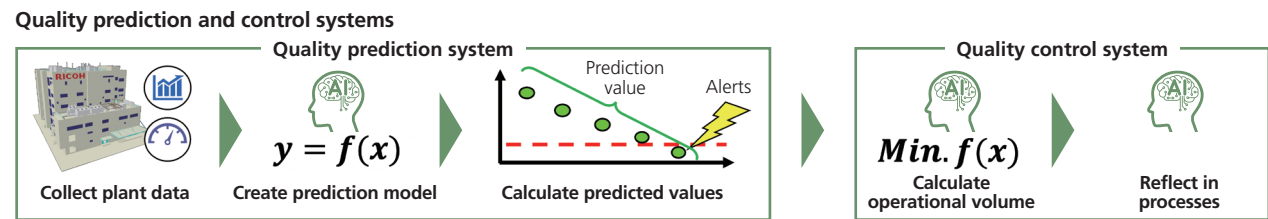


An intuitive, high-precision application

Adopting digital toner production processes

Chemical toners are multi-functional particles just microns in size that result from complex chemical reactions. We set about adopting digital production processes for toner to allay concerns about quality variations stemming from differing engineer experience levels and secure skilled personnel in the years ahead. Production engineers studied AI and developed a digital process system that incorporates their on-site expertise and has thus reduced defect rates while streamlining

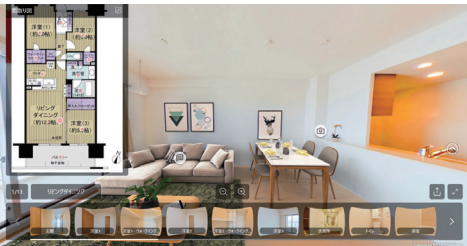
manufacturing steps. Digital systems now oversee most toner production with just one-fifth of the headcount needed for conventional processes. We replaced regular feedback controls from quality control managers with automated, AI-based setups to stabilize quality. Another AI benefit is automatically detecting abnormalities and anomalies for tens of thousands of production process data points that would otherwise escape attention.



Digital service initiatives

RICOH360

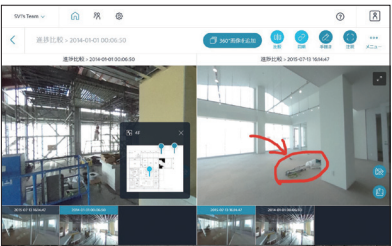
RICOH360 is a subscription service for sharing and editing tools that optimize businesses with 360° images. The service stores and integrates images from the RICOH THETA 1 with the RSI platform to provide diverse value that streamlines customer workflows. The service is particularly useful for the real estate sector and on construction sites amid restrictions on face-to-face customer service and work owing to the pandemic.



RICOH360 Tours for virtual property inspections

RICOH360 Tours 2 for real estate businesses allows people to take 360° virtual inspections of properties. The service uses AI to arrange furniture and accessories virtually. It then employs other computer graphics to make the spaces look attractive and enhance property appeal, thereby enhancing prospective buyer engagement and increasing closing rates.

WEB Refer to our website: 1 RICOH THETA 2 RICOH360 Tours 3 RICOH360 Projects



RICOH360 Projects for sharing immersive views of construction sites

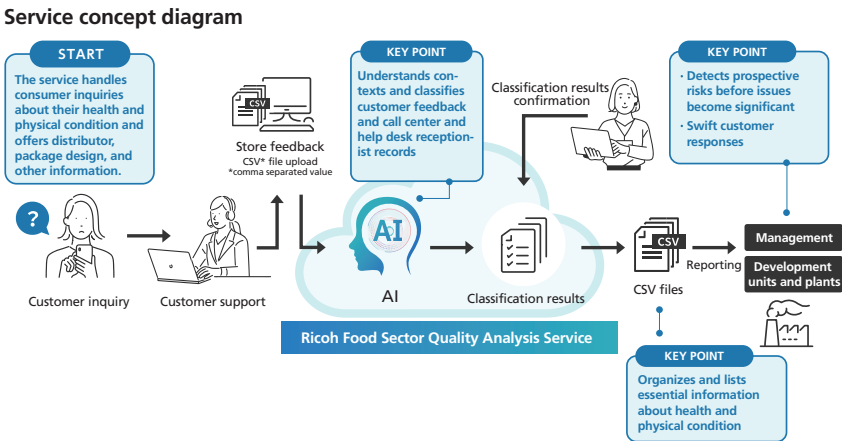
The Ricoh 360 Projects 3 service for construction businesses shares 360° views of building sites over the cloud so owners, project managers, forepersons, safety managers, designers, and other project stakeholders can collaborate to plan, coordinate, control and monitor projects easily from anywhere, avoiding potentially costly mistakes and reducing rework.

AI for Work

Ricoh launched the natural language processing-based AI for Work cloud service to analyze information accumulated inside companies. The service helps them operate more efficiently and create new value. This is useful because companies often find it hard to fully leverage documents, videos, images, audio, and other digital information that they have stored in myriad formats. AI for Work taps the power of digital technology to help customers to perform a range of high-value-added tasks efficiently with minimal labor and without inconsistencies stemming from human judgment. These tasks include identifying issues, formulating solutions, and generating new value.

Ricoh Food Sector Quality Analysis Service

This offering uses natural language processing to analyze vast volumes of customer inquiry information that call centers and help desks amass. The service allows them to handle customers more swiftly and reduce risks by improving responses.



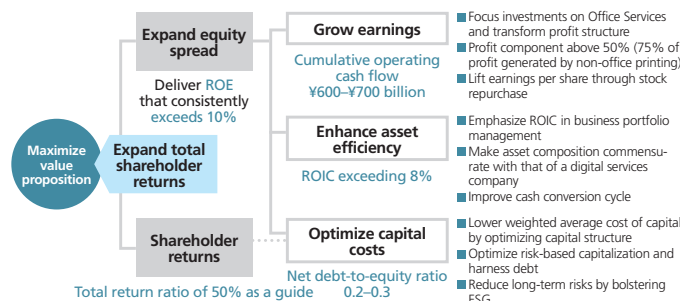
Improve capital returns

Strengthen capital policy

Corporate value maximization and capital policy approach

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

Steadily deploy measures to enhance corporate and shareholder value



Generate ¥100 billion in additional returns from fiscal 2020 in keeping with 19th Mid-Term Management Plan

Note: Figures other than shareholder returns are targets for fiscal 2025

Growth investments approach

We will materialize a suitable capital structure and generate operating cash flow by properly balancing debt and equity in businesses and investing systematically to drive further growth.

Composition of ¥500 billion in growth investments

■ **M&A investment for growth** Approx. ¥300 billion

M&A in Office Services arena: Approx. ¥200 billion
M&A in frontlines* arena: Approx. ¥100 billion

■ **Strengthen business foundation** Approx. ¥100 billion

(Acquire and nurture digital experts, renew enterprise system, internal digital transformation, etc.)

■ **Investment for new business domains** Approx. ¥100 billion

(Develop advanced technologies in priority areas and create new businesses to resolve external issues)

* Frontlines such as printing, manufacturing, logistics industries, which will be covered by RICOH Graphic Communications and RICOH Industrial Solutions

Shareholder returns policy

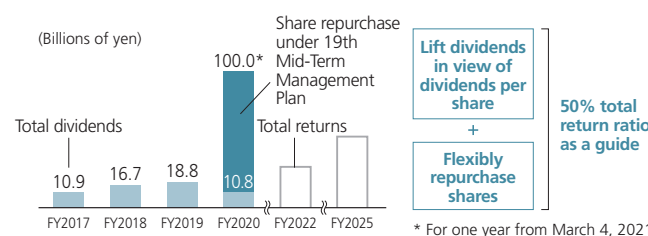
Under this policy, we target a 50% total return ratio by maintaining stable dividends and flexibly repurchasing shares. We look to steadily lift dividends per share in line with annual profit growth from the fiscal 2021 level. We will buy back shares within the total payout ratio scope, factoring in the business environment and progress with growth investments, to lift earnings per share.

From a balance sheet management perspective, the equity ratio rose slightly owing to the deconsolidation of Ricoh Leasing in April 2020. To become a digital services company, we will target an appropriate capital structure based on risk assessments and borrow to fund investments, carefully balancing debt and equity in our operations. We will use debt in such stable businesses as Office Printing while primarily allocating capital to growth businesses that pose relatively high risks. We target net assets of around ¥1 trillion over the medium term, optimally balancing our financial health and capital costs.

We have positioned total shareholder return and other stock-related indicators as key benchmarks in evaluating the CEO and other senior management team members. The formula for calculating executive officers' compensation reflects progress in reaching ROE targets and includes external ESG assessments.

We plan to invest around ¥500 billion in growth to become a digital services company. We will fund balanced, strategic allocations with operating cash flows and interest-bearing debt.

We established the Investment Committee in fiscal 2019 as part of governance reforms. The committee makes decisions by verifying investment plans from capital cost and other financial perspectives, assessing medium- and long-term profitability, growth prospects, risks, and investment efficiency from business strategy perspectives. The committee helps us to increase earnings from strategic investments to drive sustainable growth by advising on acquisition investment decisions and monitoring post-acquisition progress.



Message from the CFO

Financial Strategy Approach

Striving to enhance returns on capital

Jake Yamashita left no stone unturned in initiating reforms under the Ricoh Resurgent banner after he took the helm in 2017. He set about overhauling the cost structure and took steps to liquidate and consolidate business sites, reorganize Group companies, and optimize our asset portfolio. One decisive reform was to book goodwill impairment charges. This and other necessary moves meant significant losses and a lower ROE in fiscal 2017 and spotlighted the urgency of overhauling operations to emphasize returns on capital and minimize business volatility.

The Japanese government revised the Corporate Governance Code in 2018 to require companies to run with due consideration to the cost of capital. Encouraging managements to factor costs and risks into efforts to increase ROE should maximize corporate value. Total shareholder returns would thus rise in terms of capital gains (from higher share prices) and income gains (in the form of larger dividends).

We accordingly launched a project in October 2018 in which the president oversaw directors in mulling revisions to our capital policy and ways to enhance capital returns. Ricoh solidified its approach after identifying key elements to reevaluate its capital policy, including its capital and debt structure and shareholder returns. I benchmarked myself against the CFOs of other companies that have led the way in improving capital policies, incorporating their ideas in our approach. We announced our stance on improving capital returns and our capital policy on IR Day in April 2019. We intended to work on the specifics in 2019 and formally present a new Ricoh capital policy aligned with the 20th Mid-Term Management Plan, which we were to announce in March 2020.

The pandemic was a setback, and in fiscal 2020 we were only able to announce a general framework for emphasizing the total return ratio and repurchasing shares. Ricoh extended the announcement of its new Mid-Term Management Plan to March 2021. We took advantage of this time to more extensively discuss specifics and carefully consider the capital structure and allocations that would enable us to lift earnings per share and make our growth strategy more effective. Ricoh's stance is to establish an equity capital level that is commensurate with our business and asset risks. Specifically, we will set a net worth target of about ¥1 trillion over the medium term and invest debt and equity in our business in a balanced manner. We will borrow where interest rates are below the cost of capital, tapping this affordable leverage to drive earnings. We will manage risks by allocating debt to Office Printing and other businesses that produce stable earnings. We will use capital funding for growth businesses that present higher risks.

In April 2021, we adopted a business unit structure. Businesses have integrated everything from development to sales. This enables them to make proposals to development and design units relating to cost-cutting and efficiency improvements that were

Transitioning to emphasize returns on capital

Hidetaka Matsuishi

Director, Executive Corporate Officer and CFO



previously only within production phases. Our businesses focused less on capital investments and more on bottom-line earnings. That was because units were able to use plants and other facilities upon headquarters approval. As a result of reassessing the number of production sites from capital profitability perspectives, one business unit planned a major review of the number of sites it required. We aim to save around ¥68 billion by 2022 through such initiatives to reinforce our business structure.

In April 2021, we adopted ROIC after trialing a portfolio management approach from 2019. This is in keeping with efforts to build a business structure that considers capital returns. We are concentrating operational resources on businesses and overhauling them through portfolio management that combines ROIC with marketability and other factors.

Ensuring appropriate shareholder returns

Overseas institutional investors have long asked why many Japanese companies, Ricoh included, target a dividend payout ratio of 30%. We have recognized the need to boost our ratio based on discussions with overseas institutional investors and the targets of top companies we benchmark. Under our 20th Mid-Term Management Plan, which started in fiscal 2021, we committed to lifting our total shareholder return ratio, in stages, to 50%. We will pursue consistent dividend increases in light of dividends per share and improve earnings per share by flexibly repurchasing shares.

In announcing our shareholder return policy, we also declared in March 2020 a goal of providing an additional ¥100 billion in shareholder returns under the 19th Mid-Term Management Plan. The pandemic clouded the outlook for fiscal 2020, however, so we decided to refrain temporarily from offering additional shareholder returns and prioritize securing cash reserve liquidity to ensure our corporate survival. In March 2021, we began repurchasing shares in alignment with our shareholder returns policy. We plan to cancel all shares we buy back and the treasury stock we already hold.

We will strive to improve earnings per share through buybacks and cancel repurchased shares to eliminate concerns that we might reissue them later.

ENVIRONMENT

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

Ricoh Group environmental declaration

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

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

Achieving a zero-carbon society

We are endeavoring to virtually eliminate greenhouse gas emissions across our value chain by 2050. In view of an accelerating global decarbonization shift, we seek to reduce our Scope 1 and 2 greenhouse gas emissions by 63% from the fiscal 2015 level by 2030. This ambitious target meets the Science Based Targets Initiative **1** criteria for helping limit the rise in global temperature to 1.5°C above pre-industrial levels. In fiscal 2020, we doubled our 2030 reduction target for

Scope 3 greenhouse gas emissions from our supply chain to 40%. In the same year, we lifted our goal for sourcing renewable energy from at least 30% to 50%. We will speed up initiatives to eliminate our carbon emissions.

We are drawing on sustainable funding to help reach our objectives, a good example being a sustainability-linked loan agreement that we concluded with MUFG Bank, Ltd.

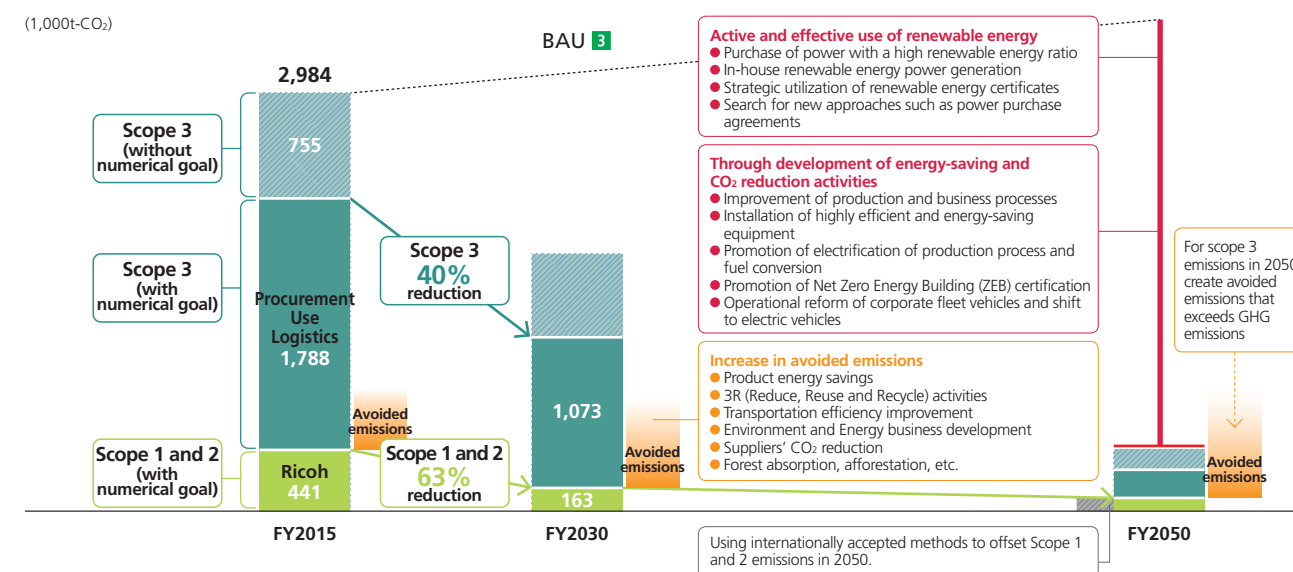
Ricoh Group environmental goals (zero-carbon)

Goals for 2030

- GHG Scope 1 and 2: **63% reduction** **2** vs. fiscal 2015
- GHG Scope 3: **40% reduction** **2** vs. fiscal 2015 (procurement, use, and logistics categories)
- Switch to 50% renewable energy

Goals for 2050

- Targeting zero GHG emissions across the entire value chain
- Switch to 100% renewable electricity



INFO

1 Science Based Targets Initiative

This international initiative certifies that companies' greenhouse gas reduction goals are in keeping with scientific evidence

2 GHG Scope 1, 2 and 3

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

3 BAU

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

Key Moves

- Doubled greenhouse gas emissions reduction target for 2030 to 40%
- Lifted goal for sourcing renewable energy by 2030 from at least 30% to 50%
- Completed switch to 100% renewable electricity usage at headquarters by leveraging comprehensive assessment system for renewable electricity
- Endorsed climate change-related initiatives, Uniting Business and Governments to Recover Better, and Business Ambition for 1.5°C
- Launched One Million Trees Project to conserve forests

Decarbonization endeavors and achievements in fiscal 2020

In addition to promoting energy-saving activities through improving production processes, introducing high-efficiency equipment, and reviewing logistics, we are also expanding the use of renewable energy to achieve our 2030 target.

We launched a comprehensive renewable electricity evaluation system in fiscal 2021 to increase renewables as a proportion of total energy consumption at domestic sites and ensure energy quality. Under the system, we screen and select renewable electricity suppliers for Group companies based on economic viability and environmental and regional contributions. Those companies can thus deploy renewable energy more effectively. Through this system, we switched to 100% renewable energy at headquarters



The new Wakayama Branch Office acquired ZEB certification



Private power generating equipment at a RE100 certified British plant

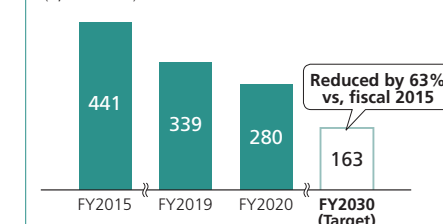
from fiscal 2021. The 4.3 gigawatt-hours annual renewable energy consumption would reduce our carbon dioxide emissions by 2,000 metric tons per year. We are in the process of seeking Net Zero Energy Building **4** certification for our domestic sales sites—five sites are already certified to date.

For key overseas sites, we aspire to switch entirely to renewable energy by fiscal 2030. Our Chinese plant that initiated mass production from July 2020 employs solar power for its generating equipment and displacement ventilation and air conditioning systems. It also uses natural lighting and ventilation. Thus, the plant's greenhouse gas emissions are 70% lower than those of conventional production facilities. The number of Group sites using 100% renewable power is rising every year, particularly in Europe, China, and elsewhere in Asia. We will keep endeavoring to enhance the quantity and quality of procured energy.

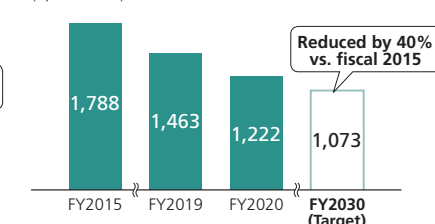
Our combined direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions were 280,000 metric tons in fiscal 2020. This was 17.4% lower than a year earlier and 36.5% down from fiscal 2015. Renewables accounted for 17.6% of our electricity usage in fiscal 2020, up 4.8 percentage points from a year earlier.

Fiscal 2020 results

GHG emissions (Scope 1 and 2)

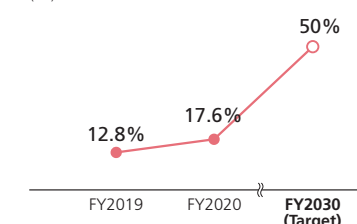


GHG emissions (Scope 3)*



* Procurement, use, and logistics categories

Renewable energy usage ratio (%)



Information disclosure based on TCFD framework **B**

Climate change is one of Ricoh's critical management issues. We identify associated risks and undertake decarbonization initiatives in keeping with the Task Force on Climate-related Financial Disclosures (TCFD) framework. We strive to reduce exposure to increasingly severe natural disasters by formulating and swiftly deploying risk management and business continuity plans.

Ricoh has been involved in environmental management from early on. Tackling climate change will present opportunities for us to increase the value of our products and services. We are accordingly striving to deliver products and solutions that help our customers decarbonize while creating new businesses.

WEB Refer to our website: **B** Information disclosure based on TCFD framework

INFO

4 Net Zero Energy Buildings (ZEBs)

These structures consume less energy every year. A ZEB conserves more than 100% of its standard primary energy. The savings for Nearly ZEB and ZEB Ready are 75% or 50% or more.

Approaches to four TCFD recommendations and fiscal 2020 progress

Governance	Action	<ul style="list-style-type: none">CEO-chaired ESG Committee supervises climate change issues at the management levelESG Committee manages progress toward environmental goals and deliberates on decarbonization-related investmentsSustainability Management Division drives forward with companywide climate change initiatives based on ESG Committee decisions
	Progress in fiscal 2020	<ul style="list-style-type: none">Deliberation and decision on climate change-related matters by the ESG Committee (held four times) (see page 65)<ul style="list-style-type: none">Climate change risks and opportunities in line with TCFDProgress on decarbonization activitiesEnhancement of renewable energy measures to accelerate decarbonization activitiesIntroduction of an ESG-linked executive remuneration system that varies depending on the degree of achievement of the GHG reduction target for executives and the management
Strategy	Action	<ul style="list-style-type: none">Contribution to SDGs given priority in formulating a Mid-term Management PlanZero-carbon Society included in the material issuesRisks and opportunities identified through scenario analysis and approved by ESG Committee
	Progress in fiscal 2020	<ul style="list-style-type: none">Conducted a cross-divisional workshop to consider risks and countermeasures related to natural disastersProgress in activities for decarbonization and customer appealConcluded an agreement of Sustainability Linked Loans with MUFG Bank to promote decarbonization initiatives
Risk management	Action	<ul style="list-style-type: none">The Risk Management Committee established to manage major focus managerial risks, which are risks that can significantly affect business performance categorized into two groups: strategic risks and operational risks
	Progress in fiscal 2020	<ul style="list-style-type: none">Documentation of initial response, reporting procedure, establishment and roles of each response division in the event of an emergencyDeveloped regional and operational business continuity plans that encompass regular facilities inspections and disaster drillsIntensively surveyed flood risks and formulated response plans for 19 key sites in Japan
Metrics and targets		See page 41 for details on Ricoh Group's environmental goals and page 42 for decarbonization endeavors and achievements in fiscal 2020.

Risks from climate change and Ricoh's actions

Transition risks: Analysis based on 2°C and 1.5°C scenarios Physical risks: Analysis based on 4°C scenario

	Impact on Ricoh Group's business	Financial impact	Urgency	Ricoh's actions	
Transition risks	Carbon taxes and emissions trading systems applied to suppliers	<ul style="list-style-type: none">Carbon pricing (carbon tax emissions trading) will be applied mainly to material suppliers with high GHG emissions. The price will be passed on to raw materials, and procurement costs will increase.	Medium	Medium	<ul style="list-style-type: none">Reducing virgin materials by sales of recycled machines and utilization of recycled materialsActively supporting suppliers' decarbonization activities and addressing the risk of procurement cost increase
	Response to accelerated transition to a decarbonized society by consumers and investors	<ul style="list-style-type: none">Due to the advance demands for achieving the target of 1.5°C and achieving RE100, additional costs for implementing measures such as energy-saving/renewable energy facility investment and switching to renewable energy are incurred.	Small	Medium	<ul style="list-style-type: none">Active development of energy-savings and renewable energy measures that contributes to the SBT 1.5°CFinancing by sustainability linked loans
Physical risks	Rapid increase of natural disasters	<ul style="list-style-type: none">Due to climate change, extreme weather has become more severe, causing production stops and sales opportunity losses due to disruption of the supply chain, etc.	Medium	High	<ul style="list-style-type: none">Supply chain risk addressingStrengthen risks response at Japanese sites
	Regional epidemics of infectious diseases	<ul style="list-style-type: none">Impact on production plan due to parts supply disruptionInsufficient inventory due to lower operating rates at production sitesDecrease in sales opportunities due to difficulty of face-to-face business	Medium	Low	<ul style="list-style-type: none">Strengthening business continuity plans against infectious diseasesIT-based operation and negotiation, decentralization of production bases/automation of processes, additional stock of parts and products
	Declining forest resources	<ul style="list-style-type: none">Global warming has led to an increase in forest damage caused by wildfires, insects, etc., which has worsened the stable supply of raw materials for paper.	Small	Low	<ul style="list-style-type: none">Reducing use of base paper with Environmentally Friendly Paperless LabelsPromoting forest preservation activities

Opportunities for climate change

Contribution areas related to climate change	Achievements in fiscal 2020		
Contributions to climate change mitigation	Approx. ¥960 billion	<ul style="list-style-type: none">Sales of products contributing to decarbonization (with eco-label certifications):Sales of major business negotiations based on ESG performances:Sales in the products and parts recycling business:Sales in energy creation and energy saving business:Creating and developing new businesses; Sales of eco-friendly products such as Silicone-top linerless labels and Foamed PLA sheets:	Approximately ¥900 billion Approximately ¥10 billion Approximately ¥30 billion Approximately ¥20 billion
Contributions to climate change adaptation	Approx. ¥70 billion	<ul style="list-style-type: none">Solution sales to support new ways of work (Scrum packages, Scrum assets*1 and WTA*2):Creating and developing new business; Sales of dye-sensitized solar cells:	Approximately ¥70 billion —

*1 Packaged solutions sold to small and medium-sized companies in Japan *2 Work Together, Anywhere: Packaged solutions in Europe

WEB Refer to our website: Information disclosure based on TCFD framework

Social leadership: Spearheading and participating in key national and international initiatives

We have led the way in key initiatives in Japan and overseas. We frequently offer recommendations to the government to drive climate change measures and expand the use of renewable energy in Japan.

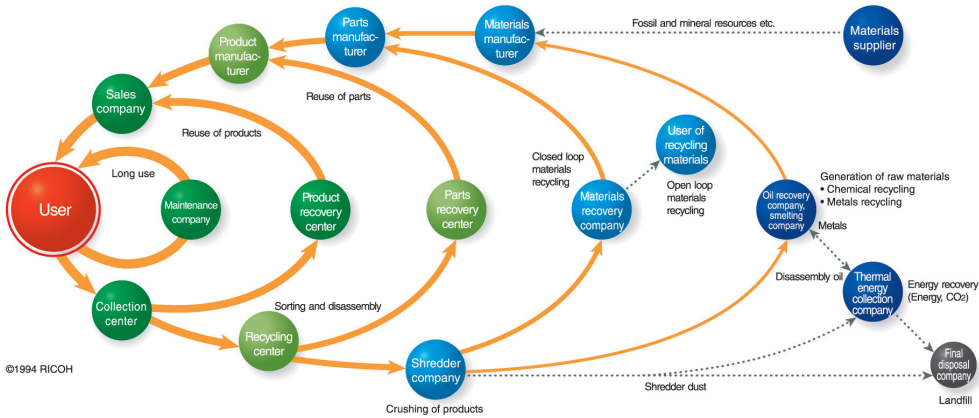
April	2017	Becomes the first Japanese company to join RE100
August	2018	Commits to recommendations of Task Force on Climate-Related Financial Disclosures
October	2018	Signs Japan Climate Action Summit declaration
January	2020	Becomes the only Asian company on RE100 Advisory Committee
March	2020	Obtains Science-Based Targets approval for setting emissions reduction goals that help limit global temperature rise to 1.5°C above pre-industrial levels
June	2020	Signs Uniting Business and Governments to Recover Better statement, with Jake Yamashita attending a meeting with Japan's Minister of the Environment to exchange views about climate change issues
September	2020	Shortlisted for RE100 Leadership Awards
October	2020	Commits to Business Ambition for 1.5°C
November	2020	On behalf of Ricoh as a Japan Climate Initiative member, Jake Yamashita proposes renewable energy deregulation to Japan's Minister for Regulatory Reform
March	2021	Joins WIPO GREEN

Realizing a circular economy

Interest in a circular economy has been surging in recent years. In 1994, the Ricoh Group created the Comet Circle™ concept for materializing such an economy. We have since drawn on its principles to foster effective resources usage across the product life cycles. Factoring the 3Rs of reduce, reuse, and recycle and long-term usage into designing products is imperative to materialize a circular economy. In 1993, we formulated the Policy on Recyclable Design and cultivated a range of expertise,

including grade labeling on plastic molded parts, strength design to allow reuse, high-value-added parts reuse, high-quality materials recycling, disassembly, and sorting improvements, and strength design to use fewer packaging materials. We have established goals for 2030 and 2050, and are endeavoring to use fewer virgin materials and recycle them. We also formulated a policy on plastic usage in Ricoh products and are accelerating efforts to reduce or replace plastics from fossil resources by 2030.

Comet Circle™ concept for realizing a circular economy



Comet Circle™

- Five key points
- (1) Reduce environmental impact at every product lifecycle stage, not just as a product manufacturer and distributor but also through upstream and downstream activities
 - (2) Prioritize inner loop
 - (3) Undertake multitiered recycling
 - (4) Pursue and secure economic viability
 - (5) Establish partnerships and share information at every stage

Ricoh Group environmental goals (resource conservation)

Goals for 2030

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

Goals for 2050

● Virgin material usage ratio for products: **12% or less**

Ricoh Group Plastic Policy for products

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

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

Specific targets and goals for plastic

- Reduction in packaging materials for virgin plastic derived from fossil resources
Goals for 2030: 50% or more, compared to the conventional model
- Use of post-consumer recycled plastics for imaging products
Goals for 2030: Post-consumer recycled plastic content rate of 50% or more
- Display resin identification code and single material use
Goals for 2025: Clearly indicated on all parts and all packaging materials

Resource conservation initiatives and fiscal 2020 results

One key product initiative has been to set up a cross-organizational working group to drive efforts to achieve resources conservation targets for 2030 and 2050. Setting weight targets for new and upgraded models has enabled us to reduce the sizes and weights of imaging business offerings. Efforts to recycle products and parts and increase the number of machines incorporating at least 5% recovered plastic materials reduced our fiscal 2020 consumption of virgin materials by 45.4% from fiscal 2007. The virgin material usage ratio was 90.7%.

We are helping to shrink our environmental footprint at every operational stage, from procurement to design, production, sales, and collection. For example, recycled materials (recovered plastic materials and electric furnace steel plate*1) account for around 17% of the weight of materials in the main units of the RICOH IM 7000/8000/9000. We launched these high-speed digital monochrome MFPs in January 2021. We lowered the weight of plastics and plastic bags for product packaging by 36%. We also developed digital full-color recycled MFPs, introduced in June

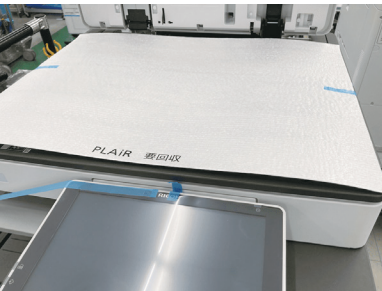
2021, by using advanced recycling technologies to sort, reclaim, and inspect reused parts. These models thus incorporate an average of 81%*2 reused parts by weight. We lowered the environmental impact of entire product lifecycles, including transportation, use, disposal, and recycling, by about 19%*2. We developed PLAiR sheet, which employs a plant-derived polylactic plastic for cushioning. We have labeled this sheet as requiring collection and recycling.

We develop production processes and approaches to minimize resource losses. We are constantly mindful of the need to streamline production simultaneously and decrease emissions. We are thus steadily reducing emissions volumes. We extensively reuse waste as a resource. The waste recycling rate from our business sites has reached around 98%.

We engage in activities that reflect our acknowledgment that risk management is a top priority. For example, we visit waste contractors to confirm that they treat waste properly. We also conduct internal audits of waste storage conditions to prevent contamination.

We recognize that water resources are indispensable for business activities and that safe and secure water use is everyone's right. Accordingly, the Ricoh Group closely monitors water consumption at all of its global production sites. We assess risks using the Aqueduct Water Risk Atlas of the World Resources Institute, an international environmental nongovernment organization, and strive to use water resources appropriately, taking into account regional characteristics and public policies.

*1 In principle, these steel sheets are made from 100% steel scrap
*2 For RICOH MP C4504RC SPF, as of June 2021, based on Ricoh research



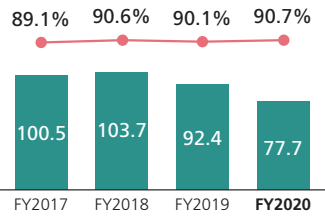
Plant-derived polylactic plastic sheet PLAiR

INFO

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

Fiscal 2020 results

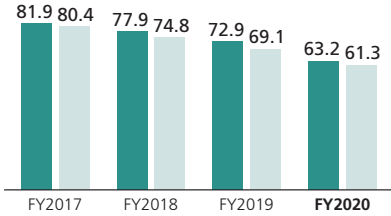
Virgin material usage and usage ratio
(1,000t/%)



■ Virgin material usage amounts
● Virgin material usage ratio for products

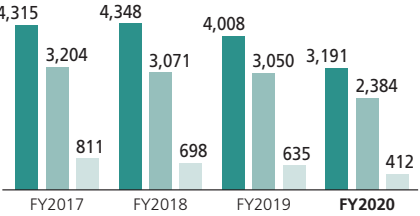
WEB Refer to our website: ESG Data Book

Waste
(1,000t)



■ Total amount of waste
■ Amount of resource recovered

Water
(1,000m³)



■ Water withdrawal
■ Water discharge
■ Reused/recycled volume

Pollution prevention initiatives

We formulated our Basic Rules for the Management of Chemical Substances to minimize the adverse effects of chemical substances on human health and the environment. We are endeavoring to reduce the use and emissions of hazardous chemical substances used in our operations and products.

We prohibit or restrict the use of certain substances at our business sites in manufacturing stages. If using such substances is unavoidable, we assess potential contamination and human health impacts and minimize the risks of using them.

We also recognize the impact of chemical contamination as

a serious financial risk. We accordingly established the Environmental Risk Assessment Standard for Land and Building Transactions and Leases. We monitor soil and groundwater contamination, polychlorinated biphenyl, asbestos, and other environmental regulatory requirements as part of the efforts to lower operational risks.

We collaborate with suppliers to ensure compliance with national laws and regulations worldwide. We also manufacture products that meet stricter internal standards than those of environmental labels and other legislative requirements.

WEB Refer to our website: Promotion of sustainable environmental management—Working on pollution prevention

Conserving biodiversity

We believe that conserving biodiversity as an underpinning of ecosystem services leads to creating a prosperous and sustainable economy. Accordingly, we established the Ricoh Group Biodiversity Policy. We are undertaking initiatives to lower the environmental impact of our operations while maintaining and enhancing the Earth's regenerative capacity.

We have mapped the relationships between product life cycles, land use, and other business elements and the ecosystem. Based on the results, we are working with our business units to implement activities that consider biodiversity throughout the supply chain.

WEB Refer to our website: Promotion of sustainable environmental management—Conservation of biodiversity

Biodiversity conservation through business activities:
Regulations of Ricoh Group Products Made of Wood

We established the Regulations of Ricoh Group Products Made of Wood to safeguard the environment and biodiversity. The rules prohibit the use of wood feedstock from particular forests and define requirements for raw materials suppliers. They apply to all Ricoh and Ricoh family brand product materials incorporating wood, including paper products, product manuals, packaging and cushioning, and pallets.

Forest conservation activities:
One Million Trees Project

Conserving forests is essential to protect biodiversity and prevent global warming and ensure sustainable community development, so we undertake extensive efforts to that end. We collaborate with an array of stakeholders, including environmental non-governmental organizations and other experts, local governments, and community members worldwide to conserve forests and increase tree numbers.

SOCIAL

The Ricoh Group's mission is to create new value that benefits the world and fulfill its responsibility for improving the quality of life and contributing to social sustainability in keeping with the Spirit of Three Loves, whose founding principles are Love your neighbor, Love your country, Love your work. We will meet society's expectations and take the initiative in contributing to a bright and prosperous future by creating diverse and positive work environments that are conducive to innovation. We are pursuing sustainable development and contributing to social progress that leaves no one behind by respecting human rights and ensuring fair business practices across our entire value chain.

Diversity and inclusion and work-life management

Societies cannot develop sustainably without innovation, which happens when diverse talent pools their capabilities in teams. We will become stronger and contribute to sustainable social development by encouraging each and every employee to seek fulfillment by innovating. We accordingly need work environments and management setups that empower diverse talent to play their roles. We have thus incorporated diversity and inclusion and work-life management in our management strategy. The third and fourth sections of the Ricoh Group Code of Conduct foster employee understanding of our commitment to creating a working environment that motivates employees and respects diversity. The third section covers respect for human rights and the fourth overviews our stance on better work environments and living. We are drawing on such efforts to ensure that our workplaces embrace diversity and support work-life balance.



Principal initiatives

Cultivating corporate culture awareness	<ul style="list-style-type: none">Disseminate information on diversity and work-life managementEducational seminars	<ul style="list-style-type: none">Disseminate a common global statementProduce a diversity and inclusion video 1
Embracing diversity	<ul style="list-style-type: none">Study groups and networking sessions for women managersEarly training for women managerial candidatesCareer forums for young womenInternational Women's Day events	<ul style="list-style-type: none">Broaden work scope for employees with disabilitiesCareer support for older workersSeminars and e-learning about lesbian, gay, bisexual, and transgender (LGBT) people, and other topics
Helping balance and review work practices	<ul style="list-style-type: none">Childcare and long-term care support program (leave and shorter working hours)Family support work-leave program (including for nursing and long-term care, infertility treatment, and personal injury)Fostering hourly-paid leave and accumulation of paid leave	<ul style="list-style-type: none">Working from home or satellite officesFlextime programShorten work time program (Shortened hours, fewer days)Special long-term leave for spouse transfersSpecial long-term leave for volunteer activitiesBalanced support communication guide (for supervisors and program users)Return-to-work support and nursing care seminars, family days, and other initiatives

[WEB](#) Refer to our website: [1](#) 2021 International Women's Day "I choose to challenge" video

Key Moves

- Joined 30% Club Japan, which aims to increase women's representation at the senior management level
- As in fiscal 2019, all eligible employees took childcare leave, both men and women
- Built global employee awareness survey framework

- Formulated Ricoh Group's Human Rights Policy
- Conducted self-assessments of 226 critical suppliers* in line with Responsible Business Alliance standards
- Added cobalt to Responsible Sourcing of Materials policy

* Ricoh identifies critical suppliers based on procurement spending and volumes and the importance and availability of alternatives for materials and parts procured.

Diversity and inclusion

Global Diversity & Inclusion Statement

We formulated this statement to underscore the commitment of all employees to mutual respect and teamwork. We disseminate the statement in 22 languages.

As part of diversity and inclusion efforts, we conducted events around the world to celebrate International Women's Day on March 8. We produced a video with messages from our women leaders in each country and disseminated it in-house and externally. We will broaden business ties with our customers and amongst employees through women's events in the years ahead.

Global Diversity & Inclusion Statement

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

Empowering women

We are empowering women in workplaces as part of our commitment to diversity. Beginning early this century, we prioritized formulating measures and creating work environments that empower women. We conduct study group sessions and seminars for women managers, train prospective women managers, and run career forums for young women employees.

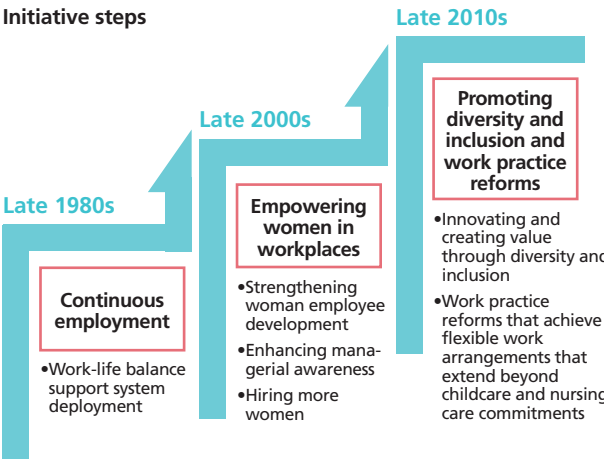
We undertake a range of global organizational initiatives, including regional International Women's Day events [2](#).

Starting in fiscal 2020, we set an ESG target ratio for women managers and are stepping up efforts to reach it. We are undertaking initiatives that adapt to regional conditions. We

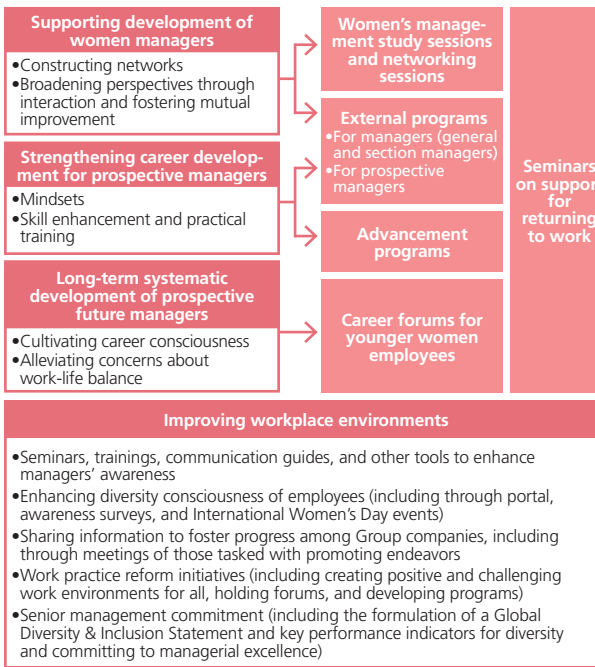
Women as a percentage of full-time employees	Global	Ricoh Company, Ltd.
	29%	16%
Women manager ratio	Global	Ricoh Company, Ltd.
	15.1%	5.4%

Fiscal 2020

Initiative steps



Key initiatives to foster talented and motivated women and promoting their activities



Ricoh Company, Ltd.

[WEB](#) Refer to our website: [2](#) International Women's Day event (Ricoh USA) [3](#) 30% Club Japan

Work-life management

● Helping balance childcare and eldercare obligations and work commitments

Ricoh rolled out a childcare leave and shorter working hours program in 1990, before the Childcare Leave Law was enacted, to help employees balance their work commitments and childcare and eldercare care obligations. We have since updated our programs to cater better to employee needs and changes in the social landscape. We create workplace environments that make our programs more accessible.

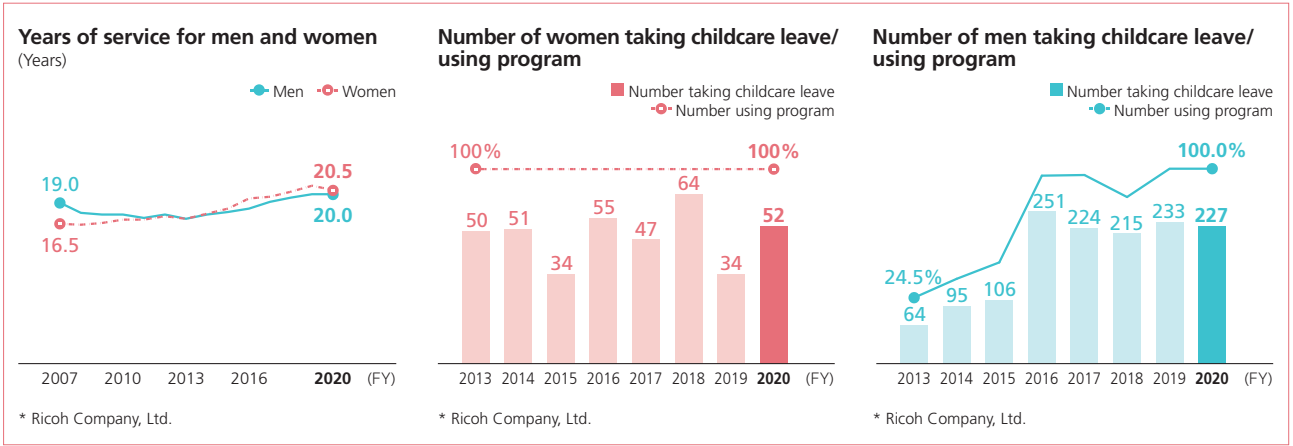
For example, we encourage men to play more active roles in child-rearing and can transform overall workplace practices by changing how they go about their jobs.

We have undertaken initiatives to improve manager attitudes and practices to enhance diversity and work-life management,

including by empowering women and helping them balance their work and home life. Examples include diversity management in 360° assessments and diversity and work-life management seminars. For all employees, our intranet presents our corporate policies and objectives and offers specific examples of initiatives to increase awareness and uptake of our approach.

Such endeavors have helped increase childcare support and return-to-work programs usage to nearly 100% among eligible women employees. Average years of service among women now exceeds the level for men. The number of men using our childcare support programs has risen significantly. All eligible employees used childcare leave in fiscal 2020.

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



● Work practice reform initiatives

We have undertaken a range of work practice and program reforms since the 1990s.

In fiscal 2017, overhauling work practices became a pivotal companywide priority. We pursue various initiatives, from creating rules and tools to transforming attitudes and the corporate culture.

● Cutting total working hours

We encourage our employees to focus entirely on their tasks while working and to get sufficient rest. We strive to trim working hours, notably by reducing overtime through efficiency gains while encouraging employees to take paid leave.

We endeavor to cut overtime by maintaining intervals between work hours, alerting supervisors of employees working too long, and conducting worker management training.

Also, by defining months and days for which we incentivize employees to take paid leave, we make it easier to take time off. We recommend five consecutive days of rest and offer hourly-paid leave.

● Fostering flexible work

We do much to create more efficient work environments. For example, we review work programs in line with new practices, such as eliminating core hours requirements for flextime and restrictions on the numbers of days and locations for telework. We also set up more satellite offices and encourage workers to use digital tools. Therefore, employees can choose working hours and locations in keeping with their duties and flexibly combine working at offices and remotely as needed. Even in manufacturing, hitherto unreceptive to telework, we have deployed digital processes for remote production management at some sites and are rolling these setups out at other locations.

Employee engagement

We have around 80,000 employees. We implemented a global personnel management policy that fosters self-starters. We also create energetic work environments that respect diversity. We thereby increase employee engagement, which is essential to drive corporate growth.

Ricoh global employee engagement survey

We endeavor to increase employee engagement through regular employee awareness surveys that we share with executives to explore and execute improvement measures. We created a global survey structure in fiscal 2020.

We publicize survey findings on our website, intranet, and in internal newsletters. We draw on this information to formulate and implement groupwide, Group company, and business unit improvement action plans.



Global human resources management

We have globalized our operations by expanding and acquiring businesses. We thus need to maintain an appropriate human resources management system. We accordingly look to create a global setup in which we provide opportunities to each and every Group employee to contribute meaningfully to

our progress and further their careers. We are deploying the Ricoh Group Human Resources Management Policy and its respect for basic human rights while leveraging the Ricoh Way to develop our people worldwide.

Human rights

Companies must increasingly ensure respect for human rights through business in view of the international community's growing interest in this issue. We are committed to respecting human rights in keeping with national regulatory requirements and in line with international norms. We support the 10 principles of the United Nations Global Compact, to which we are a signatory. We strive to enhance corporate value by respecting the human rights of all stakeholders while endeavoring to prevent human rights violations.

Ricoh Group's Human Rights Policy

In April 2021, we augmented our Ricoh Group Code of Conduct commitments by establishing the Ricoh Group's Human Rights Policy. We are stepping up efforts under this policy to comply with international norms. We have positioned this policy above all of our rules on preventing human rights violations and apply it to all of our executives and employees. We will make sure that all our suppliers and business partners accept and implement this policy.

- Ricoh Group's Human Rights Policy (established on April 6, 2021)**
1. Position of the Policy and Scope
 2. Conforming to International Principles and Standards
 3. Respect for Human Rights of Stakeholders
 4. Human Rights Due Diligence
 5. Remedy
 6. Education and Training
 7. Dialogue
 8. Transparency

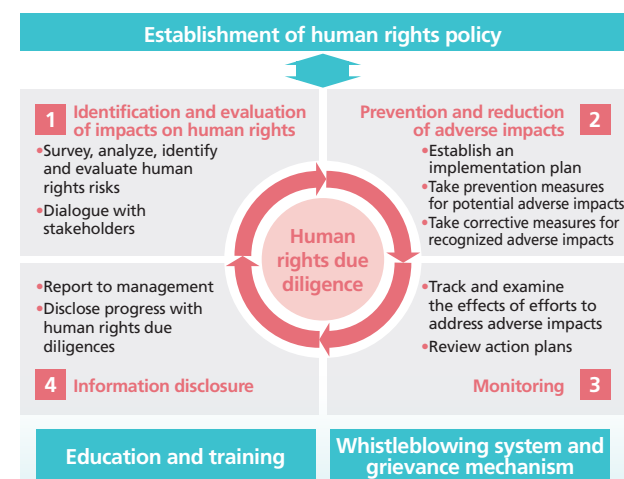
WEB Refer to our website: Human Rights Ricoh Group's Human Rights Policy

Human rights initiatives

Respecting human rights entails properly considering all of our stakeholders. It is thus essential to ensure that all employees fully understand our requirements in this regard. We have educated all executives and employees about human rights since fiscal 2012. We conduct seminars and e-learning sessions so employees can better understand the challenges that LGBT people face. We set up a consultation desk to advise on human rights, harassment and LGBT concerns.

Group companies in the United Kingdom and Australia issued statements on the Modern Slavery Act. Ricoh business units in other countries are exploring similar statements.

We have identified no violations of the Ricoh Group Supplier Code of Conduct in our supply chain.



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

Supply chain management

We adhere to socially responsible management in view of the wide-ranging impact of our operations. It is particularly important to avoid or minimize unintended negative impacts in our supply chain, which encompasses many companies and people. We are a member of the Responsible Business Alliance, an international coalition dedicated to CSR in global supply chains. We have committed to responsible conduct not just at our plants but also through supplier understanding and cooperation in view of international guidelines on human rights, labor, the environment and other areas. We are constantly striving to enhance our responsible conduct efforts.

WEB Refer to our website: CSR throughout Our Supply Chain

Building trust with suppliers

Suppliers are essential business partners with whom we are endeavoring to build trust and cooperative ties over the long term. We aim to communicate better with these partners to deepen mutual understanding about the importance of CSR, and develop with them in the years ahead.

● Joining Responsible Business Alliance

We joined the Responsible Business Alliance in November 2019. It is the world's largest industry coalition dedicated to corporate social responsibility in global supply chains. In fiscal 2020, we conducted assessments in accordance with that entity's standards for 226 global suppliers in China, Thailand, Japan, and other countries to determine risks. We will implement improvement activities for those suppliers that have been identified for improvement.

● Ricoh Group Supplier Code of Conduct

In January 2006, we established the Ricoh Group Supplier Code of Conduct in Japanese, English and Chinese. The aim is to keep working with suppliers to create a better society and global environment and achieve sustainable corporate development. In August 2020, we revised the Supplier Code of Conduct to conform to the Responsible Business Alliance (RBA) Code of Conduct, derived from major international human rights standards in line with the United Nations Guiding Principles on Business and Human Rights. We request suppliers to review this revised code and sign and submit it to confirm that their working environments are safe, that they treat their workers with respect and dignity, and that they do business ethically and in environmentally responsible manners.

● Holding procurement policy and ESG briefings

We conduct Ricoh Group Purchasing Policy briefings annually to explain our procurement and ESG policies to suppliers and ensure that our entire supply chain is on board with us. We additionally hold ESG briefings for key suppliers and conduct assessments based on Responsible Business Alliance standards to share issues. Where identifying numerous issues, we discuss them individually and push ahead with improvements.

In fiscal 2020, we held our ESG briefings online for the first time in view of the pandemic. These sessions were with critical suppliers in Japan, China, Thailand, and elsewhere overseas.

● Establishing Supplier Hotline

We established our Supplier Hotline to which suppliers can report Ricoh Group director, officer, or employee violations of laws and regulations, the Ricoh Group Code of Conduct, or contracts.

There were no reports to the Supplier Hotline in fiscal 2020.

Addressing conflict minerals issues

Since 2013, we have annually surveyed suppliers of raw materials and parts used in our products to learn whether they contain tantalum, tin, tungsten or gold. The surveys also ask whether suppliers source these minerals from conflict zones or high-risk areas. From fiscal 2020, we started informing primary

suppliers about high-risk smelters, asking them to switch to Responsible Minerals Assurance Process-certified ones.

We added cobalt to the list of substances surveyed in view of rising concerns in recent years about work environments and child labor in extracting that mineral.

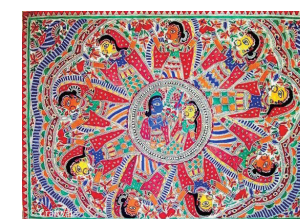
Contributing to society

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

Inclusion at work

Skill training for local artists in India

We created this program for women artists in rural areas in India who find it hard to earn a living. We enable them to enhance their digital skills and take advantage of our unique two-and-a-half dimensional inkjet technology in creating art.



QOL enhancement (education, healthcare and community development)

Ricoh Science Caravan

The Ricoh Science Caravan enables children to acquire a love for science by experimenting with copiers and digital cameras. In fiscal 2020, we began developing inquiry-based and other active learning programs. These are a priority in educational reforms that the Ministry of Education, Culture, Sports, Science and Technology is promoting. We are collaborating with that ministry to innovate educational approaches that could result in business opportunities.



The Ichimura Nature School Kanto

This institution fosters growth and understanding among children about the power of nature through practical experiments focused on agriculture and communal living. Children accumulate team-building skills, tenacity, and other traits by taking responsibility for everything from sowing seeds in spring to harvesting in fall.



Response to climate crisis and biodiversity

Our forest conservation activities: One Million Trees Project

Forest conservation is important, not just to protect biodiversity, but also to prevent global warming and ensure sustainable community development. We are endeavoring to conserve forests and increasing tree numbers.



WEB Refer to our website: Social Contribution Activities

GOVERNANCE

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

In adopting a business unit structure in fiscal 2021, we set about making our governance more effective by optimally monitoring business units and affiliates while more selectively managing our business portfolio and capital allocations.

Comments from outside directors

My role as an outside director is to oversee and advise the Ricoh Group's management on behalf of shareholders. Through grasping emerging trends and a changing business climate, I make recommendations drawing on broad, medium- and long-term perspectives gained from my management experience at Mitsui & Co. and other companies.

Notwithstanding some progress with COVID-19 vaccinations in some countries, the spreading pandemic poses enormous challenges for many other nations. It is against such a backdrop that digital technology gained even greater attention for its utility, accelerating its adoption. Uptakes will likely continue in the years ahead, widening gaps between successful adopters and laggards.

I also note that the concept of a green recovery, making efforts to tackle climate change pivotal to economic recovery, is gaining traction worldwide. There is increasing social pressure to contribute to sustainability.

In view of this business environment and my desire for the Ricoh Group to keep progressing as an entity that contributes to society, I will continue striving as an outside director to help oversee the Board of Directors, ensuring that corporate governance meets shareholders' and other stakeholders expectations.

Mutsuko Hatano

Chairperson of the Compensation Committee and Nominating Committee Member



Current position

Professor at the Department of Electrical and Electronic Engineering, School of Engineering, Tokyo Institute of Technology

Major contributions

Ms. Hatano harnessed her deep knowledge and insights in science and technology and talent development to offer insightful advice and recommendations regarding Ricoh's transformation into a digital services company and the formulation of the 20th Mid-Term Management Plan. She contributed to Ricoh's efforts to enhance corporate value by tackling the pandemic emergency and accelerating change.

Attendance at Board of Directors meetings

Attended all 12 gatherings in year ended March 31, 2021

The Board of Directors discussed the 20th Mid-Term Management Plan Ricoh Lift Off based on the fundamental question of what Ricoh Group must accomplish in the global community. It progressed in reforming Ricoh's corporate foundations by implementing structural reform and growth strategies, improving capital returns, and overhauling corporate governance. Ricoh adopted a business unit structure to transition into a digital services company and clarified its commitment to creating a structure that encourages all employees to contribute significantly to growth. At the same time, it is required for Ricoh to do more to materialize SDGs, accelerate digital and green transformation efforts, and increase the value it contributes to society, given the rising importance of social issues. It is also important to note that work is becoming more creative and, accordingly, less office-centric. It is increasingly vital in this process to pursue innovations for digital services and new businesses. Therefore, it is necessary to engage in deliberations and decision-making that are swift, highly transparent, and reflect global perspectives regarding technology and human resources strategies.

Leveraging my corporate and academic experience and diverse standpoints and insights that differ from Ricoh's, I will contribute to business growth through innovations while also helping improve sustainability. I will do my best as an outside director to help enhance corporate governance from stakeholder perspectives so the Ricoh Group can grow sustainably and improve its corporate value.

Masami Iijima

Chairperson of the Nominating Committee and Compensation Committee Member



Current positions

Outside Director, SoftBank Group Corp.; Counsellor, the Bank of Japan; Outside Director, Isetan Mitsukoshi Holdings Ltd.; Counselor, MITSUI & CO., LTD.; External Director (Audit and Supervisory Committee Member), Takeda Pharmaceutical Company Limited

Major contributions

Mr. Iijima drew on his extensive executive experience to advise on global risk management and improve governance, reorganize, and reinforce human resources strategies for Ricoh's transition to a business unit structure. He also recommended steps to improve the capital policy, tackle digital transformation, and formulate the 20th Mid-Term Management Plan.

Attendance at Board of Directors meetings

Attended all 12 gatherings in year ended March 31, 2021

Key Moves

- Evaluated performances evaluations of senior executives, including business unit heads
- Reinforced monitoring of capital investments and returns on capital through business portfolio deliberations in Board of Directors meetings
- Solidified risk management for new management structures and operations (including to delegate authority to business units and review management of affiliates)

Lifting ROE by delivering returns that exceed the cost of capital and undertaking optimal capital policies is vital for Ricoh to grow sustainably and increase corporate value.

I have endeavored to help enhance profitability through structural reforms, reorganize businesses, and improve productivity and financial efficiency. I have also striven to boost corporate value over the medium to long term by tackling ESG issues. We seek to build a globally competitive portfolio that focuses on delivering customer value under the independent management of a new business unit structure that deploys ROIC as a performance benchmark. The Office Services business is central to this portfolio. Ricoh's DNA has always been centered on leveraging its historically close customer ties, as well as the customer base and brand position that it has amassed in becoming No. 1 in the global MFP market to grow by responding to demand for digital processes. Another advantage is that Ricoh maintains a balanced presence in the large Japanese, European, and American markets. I do not doubt Ricoh can become a digital services company by bringing its distinctive services and solutions to the market and undertaking acquisitions that reflect regional needs.

I will take advantage of my management experience at a general electronics manufacturer and in various other industries to contribute to highly effective management oversight and decision-making from the perspectives of shareholders and other stakeholders. In so doing, I will do my utmost to help the Ricoh Group generate sustainable growth and increase corporate value.

Keisuke Yokoo

Nomination Committee Member and Compensation Committee Member



Current position

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

Major contributions

Mr. Yokoo provided advice and recommendations from the perspectives of shareholders and other investors concerning corporate finance, capital market communications, capital policies, initiatives to become a digital services company, improving capital returns, and formulating the 20th Mid-Term Management Plan.

Attendance at Board of Directors meetings

In year ended March 31, 2021, attended all 10 gatherings subsequent to being appointed at General Meeting of Shareholders

During the past year, under Jake's robust leadership as CEO, we endeavored to overcome dramatic changes in the business environment amid the pandemic to implement 20th Mid-Term Management Plan measures ahead of schedule and deemphasize office equipment manufacturing in becoming a digital services company. On the governance front, we monitored and discussed key priorities to assist decision-making. These priorities included improving organizational and human resources systems to support the Ricoh Group's global operations, strengthening risk management, and reaching financial and management goals. I contributed much to deliberations in the Nomination Committee and Compensation Committee, which are voluntary advisory entities.

As an outside and independent director, my role is to provide objective oversight, present effective proposals, and ensure appropriate disclosure. I will leverage the long-term perspectives that I have cultivated during 45 years in the financial services sector to help enhance corporate governance. I will do that by always serving the interests of shareholders and other stakeholders while helping Ricoh to improve corporate value and pursue sustainability.

Kazuhiro Mori

Nomination Committee Member and Compensation Committee Member



Current position

Trustee, Toyo University

Major contributions

Mr. Mori provided advice and recommendations from wide-ranging perspectives regarding efforts to become a digital services company, improve capital returns, undertake ESG initiatives, and formulate technological, intellectual property, and human resources strategies, and the 20th Mid-Term Management Plan.

Attendance at Board of Directors meetings

Attended all 12 gatherings in year ended March 31, 2021

New outside director

Mr. Tani served as an executive director of Jiji Press, Ltd. He is executive director and editor in chief of Nippon.com, a public foundation that offers information about Japan globally, promotes international understanding and helps develop people with global perspectives. Ricoh looks for Mr. Tani to make management decisions and oversee management from objective and social perspectives by drawing on his outstanding information-gathering and analysis skills while harnessing his communication skills to advise on disseminating information.

Sadafumi Tani

Compensation Committee Member



Current position

Executive Director and Editor in Chief, Nippon.com

Assessing effectiveness of Board of Directors

Overview of Board of Directors’ effectiveness assessments in fiscal 2020

Fiscal 2020 evaluation of effectiveness of Board of Directors

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

Basic policies for fiscal 2020

- 1. Provide oversight and support to ensure timely and appropriate responses to the business environment and update and implement strategies for the future
- 2. Appropriately monitor conditions and deliberate more from medium- to long-term perspectives to bolster capital returns and operating capital

Evaluation process

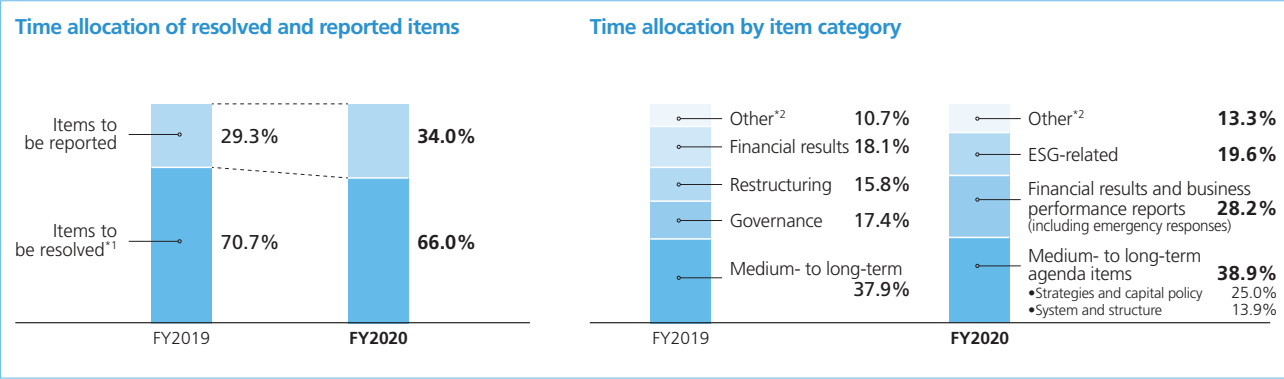
The evaluation was conducted through discussions attended by all Directors and Audit and Supervisory Board Members, after sharing the results of their written assessments and the analysis of questionnaires conducted by a third-party that ensured anonymity. Through the discussions, participants reviewed and evaluated the Board of Director’s performance during fiscal 2020, in terms of the basic policies on the operation of the Board of Directors and the three improvement items outlined below, which were set forth by the Company’s Board of Directors in the previous effectiveness assessment.

Results of operation of the Board of Directors

In fiscal 2020, the Board of Directors oversaw and supported emergency response to the pandemic. At the same time, it deliberated more from medium- to long-term perspectives and endeavored to supervise and decide on important agenda items. These included formulating the 20th Mid-Term Management Plan, adopting a business unit structure, and considering the capital policy. The Board of Directors determined pressing and medium- to long-term priorities and enhanced reporting and deliberation based on the annual schedule. It also shared information more effectively by using advance explanations and written reports and better supporting outside directors and the Audit and Supervisory Board members.

The time allocation to agenda items at meetings of the Company’s Board of Directors in fiscal 2020 is disclosed below to ensure the transparency of the status of deliberations of the Board of Directors.

Board of Directors—Time allocation by agenda item



*1 Items to be resolved: In addition to agenda items for resolution by the Board of Directors, these include Directors’ review meetings and governance review meetings held to prepare for deliberations.
*2 Other: Resolutions, etc., per the provisions of the Companies Act.

Fiscal 2020 action items and results summary
Action items

- 1. Encourage appropriate responses to the impact of the pandemic from emergency and medium- to long-term perspectives
- 2. Accelerate implementation by properly deliberating and supporting strategic updates given the operating climate
- 3. Monitor business expansion in terms of capital returns and discussion and support efforts to reinforce operating capital, notably in terms of human resources, technology, and funding for sustainable growth

Improvement results

Action items 1 and 2

- The Board ensured sufficient liquidity to cover the pandemic emergency and monitored the responses while conducting situational analyses based on detailed regional data.
- As well as reinforcing emergency oversight, the Board further discussed the Mid-Term Management Plan, capital policy, corporate structure, business plans, and other matters. Ricoh’s decision on effective plans and frameworks, which serve as a steppingstone toward becoming a digital services company, earned recognition.
- Still, in the coming years, the top challenges will be to implement and reach goals for the 20th MTP and the fiscal 2021 business plan. To further shape the execution plan, management system and operations will be required to be implemented quickly for the Board to provide appropriate monitoring and support.

Action item 3

- The Board held extensive deliberations on human resources, technological, intellectual property, liquidity base, and other capital forming foundations for growth over the medium through long terms. The 20th Mid-Term Management Plan reflects these deliberations. The company was commended for deepening discussions about shareholder returns and other capital policy elements, showing a path forward to improving corporate value.

- The Board will be required to continue its exploration of medium- to long-term digital transformation strategies, human resources, technologies and intellectual property, growth investments and ESG, and other business underpinnings for Ricoh to transform into a digital services company.
- ROIC-driven business and portfolio management and closer follow-up on growth investments under the business unit structure are necessary to improve the return on capital while transitioning the business structure.

Fiscal 2021 efforts to improve the effectiveness of the Board of Directors

Based on the evaluation above, we recognize the importance of continuously improving corporate value by deploying 20th Mid-term Management Plan initiatives and reaching our fiscal 2021 business plan goals. Accordingly, the Board will keep with the following fiscal 2021 basic policies and prioritize the three action items to strive to become more effective.

Basic policies for fiscal 2021

- 1. Monitor and support the steady implementation of the 20th Mid-term Management Plan and achieve the fiscal 2021 business plan
- 2. Enrich deliberations on business foundations and strategies to accelerate sustainable growth after the pandemic emergency


Action items for fiscal 2021

- Increase the degree of achieving fiscal 2021 business plan goals by monitoring financial and non-financial results and progress with measures while encouraging appropriate responses
- Bolster supervision and deliberation to transform the business structure and improve returns on capital over the medium and long terms and optimize resource allocations, systems, and operations
- Further discussion about the business infrastructure components, such as human, technological, and intellectual capital, as well as growth, digital transformation, and other strategies, from the standpoint of the post-pandemic business environment

Directors and Audit and Supervisory Board Members

As of June 29, 2021


Board of Directors



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

Currently
President, Ricoh Co., Ltd.


Formerly
President, Ricoh Electronics, Inc.;
General Manager, Corporate Planning Division,
Ricoh Co., Ltd.



Nobuo Inaba
Director
Chairperson of the Board
Nomination Committee Member
Compensation Committee Member
*Date of birth: November 11, 1950
2008: Joined the Company*

Currently
Chairperson of the Board, Ricoh Co., Ltd.


Formerly
Executive Director, the Bank of Japan;
President, Ricoh Institute of Sustainability and
Business



Hidetaka Matsuishi
Director
CFO
*Date of birth: February 22, 1957
1981: Joined the Company*

Currently
Executive Corporate Officer and General Manager,
Corporate Planning Division, Ricoh Co., Ltd.


Formerly
General Manager, Japan Marketing Group,
Ricoh Co., Ltd.;
Representative Director, President and CEO,
Ricoh Japan Corporation



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

Currently
Executive Corporate Officer and General Manager,
Advanced Technology R&D Division, Ricoh Co., Ltd.


Formerly
General Manager, Human Resources Division,
General Manager, Japan Management Division,
and General Manager, Imaging Systems
Development Division, Ricoh Co., Ltd.



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


Currently
Executive Corporate Officer and President,
Ricoh Digital Services Business Unit,
Ricoh Co., Ltd.

Formerly
General Manager, Europe Marketing Group,
Ricoh Co., Ltd.; President, Ricoh Europe Plc




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

Currently
Outside Director, SoftBank Group Corp.;
Counselor, the Bank of Japan;
Outside Director, Isetan Mitsukoshi Holdings Ltd.;
Counselor, MITSUI & CO., LTD.;
External Director (Audit and Supervisory
Committee Member), Takeda Pharmaceutical
Company Limited




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

Currently
Professor at the Department of Electrical and
Electronic Engineering, School of Engineering,
Tokyo Institute of Technology




Kazuhiro Mori
Outside Director
Nomination Committee
Member
Compensation Committee Member
*Date of birth: October 7, 1946
June 2018: Appointed as
Director*

Currently
Trustee, Toyo University



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


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



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


Currently
Executive Director and Editor in Chief,
Nippon.com

Audit and Supervisory Board




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

Formerly
General Manager, Human Resources Division
and Corporate Vice President, Ricoh Co., Ltd.




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

Formerly
General Manager, Finance and Legal Division
and Corporate Vice President, Ricoh Co., Ltd.




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

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



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

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



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

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

Skill matrix

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

The table below represents skills possessed by each Director and Audit and Supervisory Board Member that are deemed exemplary, and does not represent all of their knowledge and experience. The gender composition and categorization of the Directors and Board Members are also indicated.

		Years of service	Nomination Committee	Compensation Committee	Skills				Notable fields of expertise
					Corporate management/business operation	Governance/risk management	Finance/accounting	Technology/R&D	
Yoshinori Yamashita	Male	9 years							Supply chain management and marketing
Nobuo Inaba	Male	Non-executive	11 years						Economic and financial analysis
Hidetaka Matsuishi	Male	3 years							Sales and marketing
Seiji Sakata	Male	3 years							Technology and product development
Akira Oyama	Male	–							Global marketing
Masami Iijima	Male	Non-executive	5 years	Chairperson					Global business
Mutsuko Hatano	Female	Non-executive	5 years	Chairperson					Cutting-edge technology research and education
Kazuhiro Mori	Male	Non-executive	3 years						Business development and marketing
Keisuke Yokoo	Male	Non-executive	1 year						Finance and investment management
Sadafumi Tani	Male	Non-executive	–						Information analysis and distribution and communication

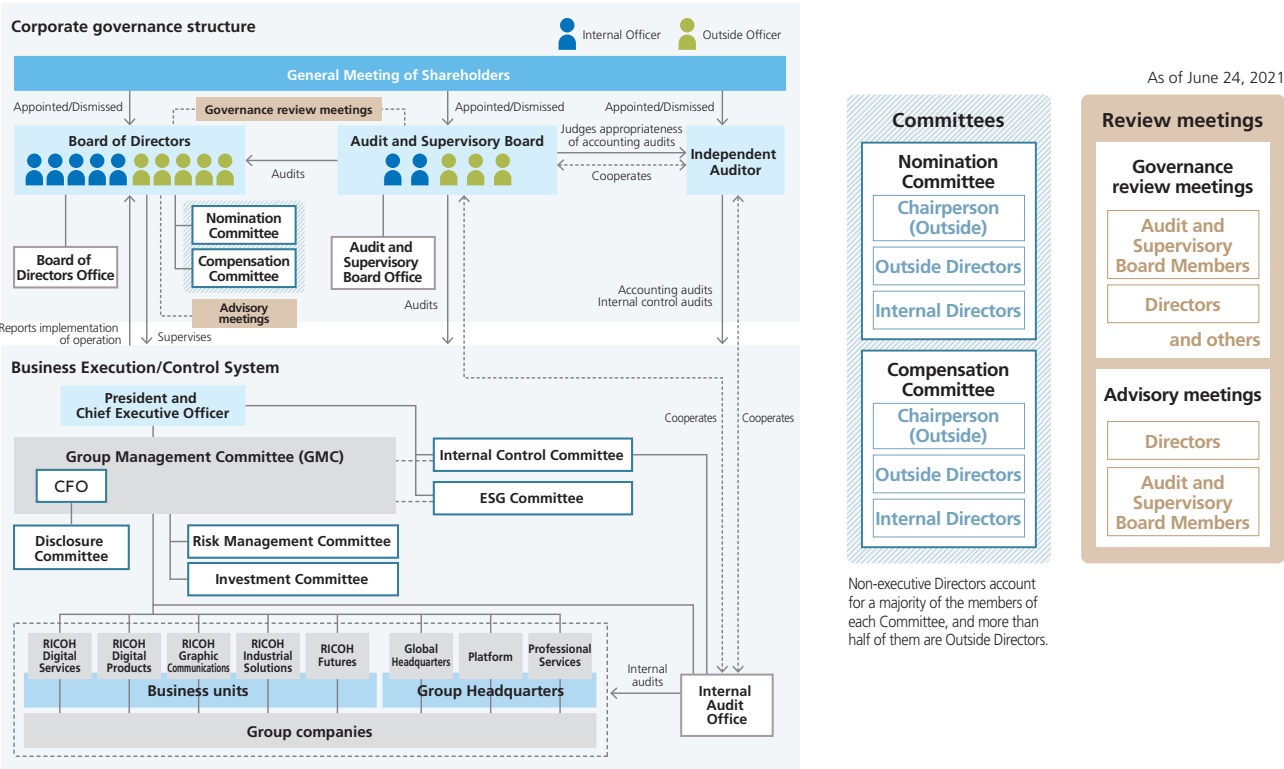
Audit and Supervisory Board Members

		Years of service	Nomination Committee	Compensation Committee	Skills				Notable fields of expertise
					Corporate management/business operation	Governance/risk management	Finance/accounting	Technology/R&D	
Kazuhiro Tsuji	Male	1 year							Human resources and personnel development
Shinji Sato	Male	–							Finance and accounting
Yo Ota	Male	4 years	Observer						Corporate legal affairs
Shoji Kobayashi	Male	1 year		Observer					Technology development and R&D
Yasunobu Furukawa	Male	1 year							Accounting audit

Corporate governance structure

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

WEB Refer to our website: Corporate governance



Initiatives in shifting to a business unit structure

On April 1, 2021, the Ricoh Group shifted to a business unit structure in order to transform its business operation into a digital services company and further improve returns on capital.

Each business unit operates its business autonomously. The Group headquarters focuses on medium- to long-term strategic planning, capital allocations to each business unit, and business management strictly based on each business unit's growth potential and return on capital. Through this process, we will realize the improvement of the corporate value of the entire Group.

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

Oversight

1. From fiscal 2021, the Board of Directors and the Nomination Committee will carry out performance evaluations of executive managers, including the head of each business unit, in addition to the existing assessments of Directors, including the CEO.
2. The Board of Directors regularly deliberates on the status of the business portfolio and the performance of each business unit to strengthen monitoring of the invested capital and return on capital.
3. We have strengthened monitoring by the Board of Directors to ensure internal control and risk management are functioning properly for the new management system and its operations, such as delegating authority to business units and reviewing the management of affiliates.

Execution

1. We have set target figures (return on capital, etc.) for each business and regularly monitor the achievement status by increasing the transparency in the scope of responsibility of each business through the shift to the business unit structure.
2. Profits earned by each business unit will be first consolidated as the entire Group, and then the resource reallocation policy will be decided at the portfolio management meeting, which is part of the GMC.

3. Each business unit implements autonomous internal control and risk management regarding their business operations, builds a collaborative system with the risk management department of the Group headquarters, cooperates in sharing the control status within each business unit, and responding to priority risks for the Group as a whole.

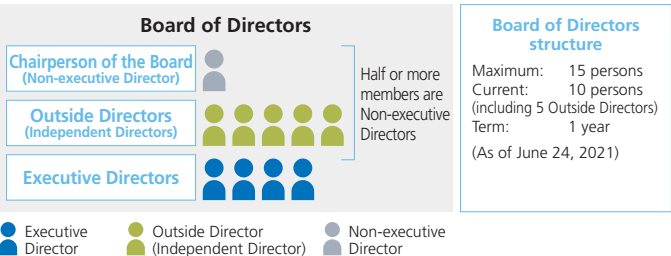
Audit

1. The Audit and Supervisory Board recognizes that the issues to be monitored in fiscal 2021 are the internal control system and the subsidiary management at each business unit and the effectiveness of governance by the Group headquarters in conjunction with the transition to a business unit structure. The Audit and Supervisory Board will engage in auditing measures, including confirming the status of initiatives from the perspectives of 1) Oversight and 2) Execution mentioned above.
2. Besides audits by Audit and Supervisory Board Members, we will strengthen and utilize coordination with the internal audit division and the Independent Auditor to audit the effectiveness of governance and internal control after the transition to the business unit structure.

Board of Directors

The Board of Directors is responsible for management oversight and essential decision-making for Group management. By appointing highly independent Outside Directors, the Group ensures greater transparency in its management and fair decision-making. By leveraging the expertise and experience of each Outside Director, Non-executive Director, and Executive Director in holding in-depth discussions on important issues, the Company encourages initiatives in new areas of growth, creating a structure that allows for management oversight from the perspectives of various stakeholders, including shareholders. The Company's policy is for at least one-third of the members of the Company's Board of Directors to be Outside Directors (Independent Directors).

In fiscal 2020, of the 10 Directors, five were independent Outside Directors—part of its continued effort to incorporate various views and opinions and eliminate arbitrary decision-making in management. As a rule, all Directors must attend at least 80% of the Board of Directors' meetings and are required to fulfill an effective supervisory function for corporate management.



Approach to election of Directors

● Election criteria for Directors
Management capabilities

Superior insight and judgment necessary for management functions

- 1. A wide range of knowledge about businesses and functions, and has the ability to think and make decisions appropriately from a company-wide and long-term perspective
- 2. Insight into the essence of issues
- 3. Vision to make best decisions on a global level
- 4. A broad range of experiences as a basis for judgment and insight and a proven track record in dramatically improving corporate value and competitiveness
- 5. Ability to think and make decisions appropriately from the perspective of various stakeholders, including shareholders and customers, based on a solid understanding of corporate governance

Character and personality

Positive trust relationships between Directors and management team for smooth execution as the oversight function

- 1. Integrity; exemplifies fair and honest decisions and actions based on a high sense of morality and ethics in addition to the strict observance of laws, regulations, and internal rules.
- 2. Interacts with others with respect and trust based on a spirit of respect for humanity. Has a deep understanding and accepts diverse values and ideas, and sets an example through decisions and actions that respect diversity.

● Election criteria for Outside Directors

In addition to the same eligibility criteria as for Internal Directors stated above, the eligibility criteria for Outside Directors include having excellence in areas such as expertise in various fields, problem discovery and solving capabilities, insight, strategic thinking capabilities, risk management capabilities, and leadership.

● Diversity policy

We believe that the Company's Board of Directors should be composed of directors with management ability and a rich sense of humanity, in addition to diverse viewpoints and backgrounds, in addition to sophisticated multilateral skills. When considering diversity, our policy is to select candidates based on their character and insight without distinction of race, ethnicity, gender, nationality, etc. In addition, we also ensure diversity of expertise and experience in various management-related fields.

● Election process and evaluation process for Directors
Nomination Committee

The Board established the Nomination Committee, which ensures that procedures for appointing, dismissing, and evaluating Directors, the CEO, and other management team members are objective, transparent, and timely. In order to enhance objectivity and independence, the committee is chaired by a Non-executive Director, and the majority of the members are Non-executive Directors, with at least half being outside directors. During fiscal 2021, the committee was chaired by an Outside Director with four Outside Directors, one internal Non-executive Director, one Internal Executive Director, and a majority of Outside Directors.

Election process

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

Evaluation process

The Nomination Committee evaluates directors annually, changing from a one-step evaluation to a two-step evaluation in fiscal 2018. In the initial evaluation, careful and appropriate deliberations are made on the soundness of Directors to continue in their duties, ensuring timeliness of appointment and dismissal. In the second evaluation, Directors' achievements are evaluated using a multifaceted approach, and their issues are clarified through feedback in order to improve the quality of management.

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

Evaluation of CEO and CEO Succession Plan

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

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

● CEO evaluation

The Nomination Committee evaluates the CEO. It adopted a two-step assessment process in fiscal 2018. In the first evaluation, careful and appropriate deliberations are made on the soundness of the CEO, ensuring timeliness of appointment and dismissal. In the second evaluation, the CEO's achievements are evaluated with a multifaceted approach, and their issues are clarified through feedback to improve the quality of management. The Nomination Committee's deliberations and conclusions on the evaluation of the CEO are reported to the Board of Directors to oversee the CEO effectively.

Key items for the CEO evaluation

(1) Financial viewpoint	Progress of the Mid-term Management Plan and business plans, return on capital, and other key performance indicators
(2) Shareholder and capital market viewpoints	Stock-related indicators including Total Shareholder Return (TSR), analyst evaluations, etc.
(3) Non-financial viewpoint	ESG measures, customer and employee satisfaction, safety and product quality, etc.

● Selection, development, and evaluation of CEO candidates

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

Selection of candidates

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

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

Development of candidates

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

Evaluation of candidates

CEO candidates receive annual evaluations. The CEO reports on the achievements and growth of each candidate during the development period (April to March next year) to the Nomination Committee in early November (the evaluation period is from April to October, which is the month before the Nomination Committee meets). The Nomination Committee deliberates on continuance or dismissal of CEO candidates and reports the results to the Board of Directors. Upon reporting from the Nomination Committee, the Board of Directors evaluates the CEO candidates. It confirms the validity of deliberations on which candidates are to remain and is actively involved in the process.

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

● Determining the policy regarding the decision on the content of individual compensation, etc.

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

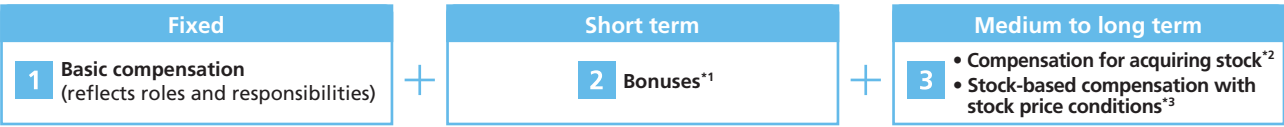
● Compensation policy

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

- 1. Executive compensation is composed of three elements: i) basic compensation that reflects expected roles and responsibilities, ii) bonuses that reflect business results (performance-linked compensation), and iii) compensation that reflects medium- to long-term increase in shareholder value. Compensation for Outside Directors is only basic compensation to ensure independence from business execution. Compensation for internal Non-executive Directors is comprised only of basic compensation and bonuses in light of their roles of serving full-time and overseeing business execution with extensive knowledge of the actual situation of Ricoh. Compensation for Audit and Supervisory Board Members consists only of basic compensation for their roles of appropriately conducting audits.
- 2. When compensation levels are set up, and individual compensation is determined, objectivity, transparency, and validity must be secured through proper external benchmarks and deliberation by the Compensation Committee.

3. Compensation for Directors

Breakdown of Director compensation



1 Basic compensation is monetary remuneration paid monthly during the term of office as compensation that reflects the roles and responsibilities expected of Directors. The amount of compensation is decided within the range of the total amount of compensation determined at the general meeting of shareholders. The total amount of compensation paid for fiscal 2020 was 253.32 million yen.

2 Bonuses are monetary compensation paid after the end of a fiscal year as compensation that reflects our business performance and shareholder value improvements in the target fiscal year. Operating profit is used as the basis for calculating the payment amount. Operating profit, which correlates with market capitalization, is set as an important indicator to clarify that Directors are responsible for improving the performance of the Ricoh Group and shareholder value. In addition, to clarify that Directors are accountable for achieving the targets set for important indicators, we have established an indicator that uses ROE results for each fiscal year as an incentive to enhance return on capital, and another indicator, the annual DJSI*4 Rating, which we are pursuing as an incentive to improve ESG on a company-wide basis.

*1 Excludes Outside Directors
*2 Excludes Outside Directors and Non-executive Directors
*3 Excludes Outside Directors and Non-executive Directors

● Policy on deciding the content of individual compensation, etc., and matters related to performance-linked compensation, non-monetary compensation, etc. for fiscal 2020

1. Process for determining compensation

The Company has established a voluntary Compensation Committee to build a more objective and transparent compensation review process that helps increase profits, enhances corporate value, and strengthens corporate governance through incentives. Through multiple deliberations, the Compensation Committee decides on compensation plans for basic compensation, bonuses, acquiring stock, and stock-based compensation with stock price conditions. This decision is based on the compensation standards and performance of the Directors, and the Compensation Committee makes recommendations to the Board of Directors. The Board of Directors deliberates and decides on each compensation plan recommended by the Compensation Committee and decides on the necessity to propose the payment of Directors' bonus to the general meeting of shareholders.

2. Policy for determining compensation level

From the perspective of ensuring appropriate linkage with corporate performance, we determine whether the compensation level of each compensation category secures its target level for our business performance. Basic compensation refers to the compensation level of officers of the benchmark company group* based on survey results of external specialized agencies. Short-term and medium- to long-term incentives are set at a higher level among the benchmark company group if our operating profit level is higher than the performance of the benchmark company group, and at a lower level among the group when the operating profit level is lower. The Compensation Committee confirms every fiscal year whether the target level is secured and decides on the necessity to adjust the levels after examining the trend for three years instead of a single year.

* Approximately 20 companies are selected from a group of domestic peer companies with employees of 30,000 to 200,000 and sales of 500 billion yen to less than 3 trillion yen.

Regardless of the results calculated by the formula 1 below, the Compensation Committee deliberates whether or not to pay bonuses, reflects the status of governance and non-financial factors, and makes recommendations to the Board of Directors. Based on these recommendations, the Board of Directors decides whether or not to submit a proposal of paying Directors' bonuses to the general meeting of shareholders.

Regarding bonuses for Directors in fiscal 2020, the Board of Directors decided at its meeting on May 7, 2021 not to pay bonuses for Directors in light of an operating loss of 45.4 billion yen for the full year, following the deliberation by the Compensation Committee accordingly. Therefore, there is no disclosure item regarding the bonus calculation method and performance indicator results for fiscal 2020.

3 Compensation that reflects the stock price consists of the following compensation for acquiring stock and stock-based compensation with stock price conditions to strengthen further Directors' commitment to improving corporate value over the medium to long term.

4. Compensation for Audit and Supervisory Board Members

Compensation for Audit and Supervisory Board Members consists only of basic compensation for their roles of appropriately performing audits.

● Policy on determining the ratio of fixed and variable compensation

In order to clarify the responsibility of each position to business performance, the ratio of variable compensation (bonuses, compensation for acquiring stock, and stock-based compensation with stock price conditions) is designed to increase for officers of a higher position with higher management responsibility,

compared to the ratio of fixed compensation (basic compensation). For the President, who is at the most senior position, the fixed and variable compensation ratio is generally 6:4 when the standard performance target is achieved. The variable compensation exceeds the fixed compensation when business performance and stock price rise significantly.

We will continue to deliberate on the appropriate amount of compensation for each compensation category. The deliberations will be based on a policy of increasing the ratio of performance-linked compensation, emphasizing improving corporate value and shareholder value over the medium to long term.

Committees

● Nomination Committee/Compensation Committee

As part of strengthening the management oversight functions by the Board of Directors, the Nomination Committee, which a Non-executive Director chairs, and the Compensation Committee, which is chaired by an Outside Director, with the majority of members on both committees being Non-executive Directors and at least half of the members being Outside Directors, were established. The establishment of these committees is to ensure transparency and objectivity of selection, dismissal, and compensation of Directors and Executive Officers, etc. In addition, one Outside Audit and Supervisory Board Member attends the deliberations of the Nomination Committee and Compensation Committee as an observer each time.

● Governance Review Meeting/Directors' Review Meeting

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

Directors' review meetings provide an opportunity and time for Directors and Audit and Supervisory Board members to thoroughly discuss important corporate themes (such as the Mid-Term Management Plan) in advance of the Board of Directors resolution.

● Group Management Committee

The GMC, chaired by the President and Chief Executive Officer and consisting of Executive Officers who fulfill specific requirements, is a decision-making body with delegated authority by the Board of Directors.

● Disclosure Committee

The Disclosure Committee is composed of representatives from each of the following functions: Disclosure Management, Accounting, Legal, Information Generation and Information Recognition, Principal Management of Affiliates, and Internal Control, as well as the CFO.

● Internal Control Committee

The Internal Control Committee deliberates and makes decisions on the internal control system of the entire Ricoh Group. The committee is composed of Executive Officers who fulfill specific qualifications. As a rule, it meets quarterly, but ad hoc or emergency meetings may be held as needed.

● Investment Committee

The Investment Committee verifies investment plans based on the validity of financial aspects, including capital costs and strategic elements such as profitability and growth risks, etc. The committee endeavors to accelerate the speed of decision-making and precision for diverse investment projects.

● ESG Committee

The CEO chairs this committee comprised of GMC members, Audit and Supervisory Board members, and the executive officer overseeing ESG. The committee aims to enhance Group management, responding promptly and appropriately to stakeholder expectations and needs through ongoing management-level discussions of the Ricoh Group's medium- to long-term environmental, social, and governance issues. The committee met four times in fiscal 2020, conducting the following evaluations.

ESG Committee meeting agenda	
First Meeting	<ul style="list-style-type: none">• Status of response to ESG evaluation/improvement• Climate change risks and opportunities (TCFD compliant)
Second Meeting	<ul style="list-style-type: none">• Climate change risks and opportunities (TCFD compliant)• Progress of decarbonization activities and pollution prevention measures• About the Ricoh Group Integrated Report 2020
Third Meeting	<ul style="list-style-type: none">• Reports of various ESG evaluation results• Revision of ESG goals• Report of RBA audit status• Formulation of Ricoh Group's Human Rights Policy• Strengthen renewable energy measures to accelerate decarbonization activities
Fourth Meeting	<ul style="list-style-type: none">• Responses and efforts for ESG evaluation• Strengthen RBA efforts• Formulation of Ricoh Group's Human Rights Policy• Revision of ESG goals and environmental goals

● Risk Management Committee

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

on the management of the Ricoh Group. The committee enhances the Ricoh Group's risk management by reviewing and restructuring the risk management system as needed, shown in the figure on the right.

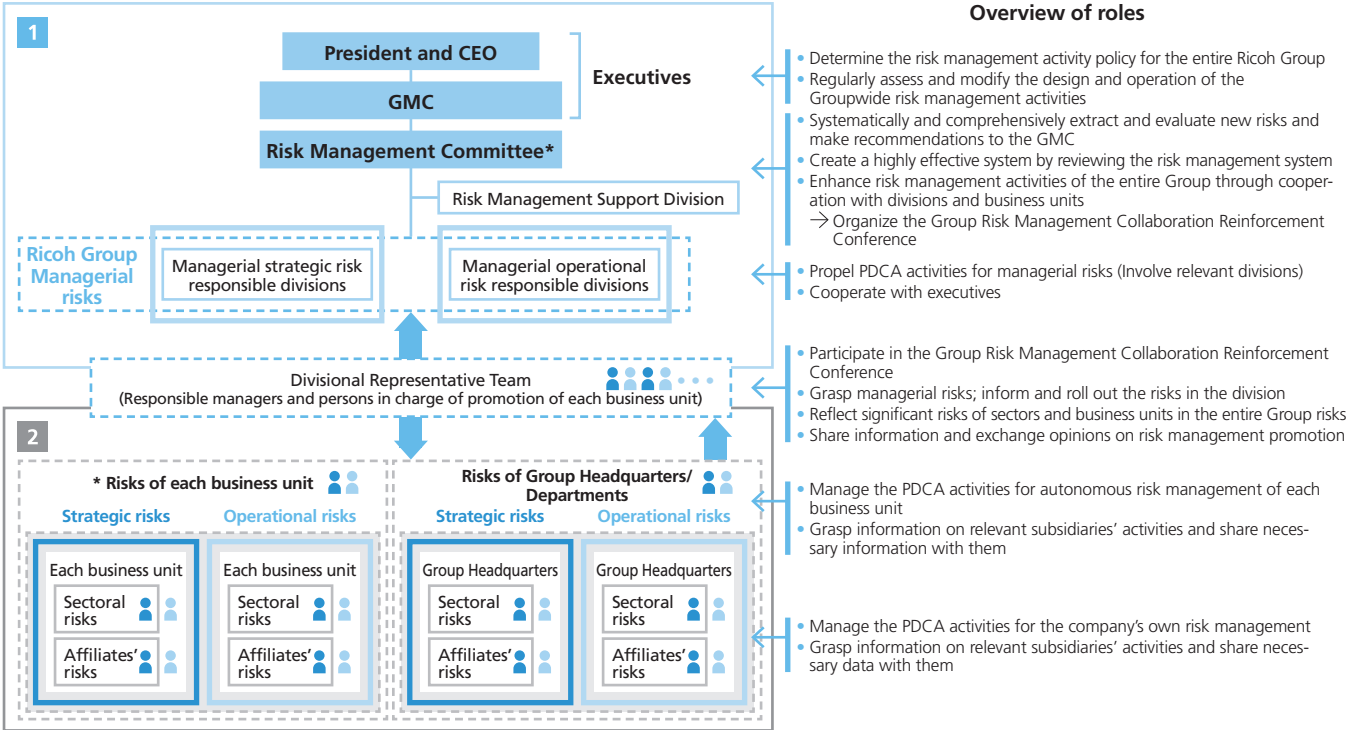
In fiscal 2020, the committee meeting was held twice in November. We had an intensive discussion about new risks which various changes will bring about, such as changes in work styles due to the pandemic, changes in the internal environment (transition to a business unit structure and transformation into a digital services company), and the ever-changing international situation. In March 2021, we reconfirmed if any important risks remain for the new structure, but it cannot be said that the possibility of unexpected events and management blind spots is zero. Therefore, from fiscal 2021, we will strengthen monitoring by increasing the frequency of the Risk Management Committee meetings, identifying and addressing risks early, and reviewing managerial risks appropriately to deal with risks flexibly. Management coordinates with each business execution division, selecting a person responsible for risk management from each division (as a rule, the manager), as well as a person responsible for the promotion of risk management (in a position to communicate with the organization head daily), to further enhance the effectiveness and comprehensiveness of risk management systems. In addition, we are fostering a corporate culture resilient to risks by holding meetings to strengthen coordination for persons in charge of promoting risk management, sharing good examples of risk management activities at each organization, disseminating managerial risks, and holding study sessions and workshops organized by outside experts about ways to make the corporate culture more risk-resistant.

The Ricoh Group's risk management systems

- The Ricoh Group's risk management systems can be divided into two main levels, as shown in the figure below.
- 1 The GMC independently selects and manages priority management risks that it considers to be of high importance to the Ricoh Group's management.
 - 2 Divisional or company-specific risks managed by each organization, under the responsibility of each business section

These two levels exist to clarify bodies responsible for risk management to facilitate agile decision-making and swift action in response to each level of risk and together form an integrated risk management system. The management of some risks may be transferred from one level to the other due to shifts in the level of impact caused by environmental changes. The role of each risk management body is shown on the right-hand side of the risk management structure.

Ricoh Group's risk management structure



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

Responding to U.S.-China trade friction

The Ricoh Group operates globally, so economic conditions in the key Japanese, U.S., and European markets significantly affect its business. We acknowledge that U.S.-China trade friction, whose outcome remains unclear, and the actions of other countries amid rising protectionism are significant risks that could affect our performance.

We therefore carefully monitor changes in the global economic situation and take steps to respond accordingly. We have endeavored to mitigate risks associated with U.S.-China trade friction in several ways. For example, we have transferred some Chinese production for the American market to a plant in Thailand and undertaken concurrent production as a business continuity planning measure. Given the ongoing friction between the two countries, management will keep deliberating on the need for measures extending beyond tariffs and act promptly in that regard.

WEB Refer to our website: Business Risks

Audit and Supervisory Board

The Audit and Supervisory Board discusses and decides on audit policies and assignment of duties, audits the execution of duties by Directors, plays a supervisory function on management through cooperating with the Company's Independent Auditor and the internal audit division, and audits internal departments and subsidiaries. Audit and Supervisory Board Members attend important meetings, including but not limited to the Board of Directors meetings, and exchange information regularly with Representative Directors.

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

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

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



Audit and Supervisory Board activities and disclosure

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

In fiscal 2020, the Audit and Supervisory Board examined risks given the enormous impact of the pandemic on the internal and external business climate and the possibility that conditions will remain unpredictable until the pandemic abates. That body augmented the audits in the chart below by establishing priority action measures for global risk management in a highly uncertain business environment and conducting appropriate audits in response to changes in the business environment.

Outline of audit activities by Audit and Supervisory Board Members

★ Meetings organized by Audit and Supervisory Board Members

	1. Directors	Attending the Board of Directors meetings Independent auditor observing Nomination Committee and Compensation Committee meetings* Holding regular meetings with Chairperson of the Board and Representative Director (quarterly) ★ Holding governance review meetings attended by Directors and the Audit and Supervisory Board Members (semi-annually) ★
	2. Business execution	Auditing headquarters and principal offices Attending GMC meetings Attending performance review meetings, Global Meetings, Investment Committee meetings, and other important meetings Holding separate regular meetings with the CEO and the CFO respectively (monthly) ★ Reviewing and confirming important documents (agendas and minutes of important meetings, documents for approval, written agreements, etc.)
	3. Subsidiaries	Auditing subsidiaries Holding regular meetings with Audit and Supervisory Board Members of subsidiaries (monthly) ★ Holding information exchange meetings among Audit and Supervisory Board Members of the Group (semi-annually) ★
	4. Internal audit	Receiving explanations from internal audit divisions about the internal audit plan and reporting the results thereof (quarterly) ★ Holding regular meetings with the internal audit division and risk management division (monthly) ★
	5. Accounting audit	Three-way audit meeting: Meetings with Independent Auditor and internal auditors (monthly) ★ Receiving explanation about audit plan and reports of quarterly review and audit result Evaluating Independent Auditor

* One independent auditor has attended each Nomination Committee and Compensation Committee meeting since fiscal 2020 to ensure the transparency of the deliberations.

Key audit issues for fiscal 2021

The Audit and Supervisory Board, and each of its members, reviewed audit findings and discussed key audit issues for fiscal 2021. The Board acknowledges that each business unit's internal control and subsidiary management systems and the effectiveness of Group Headquarters governance are audit issues for monitoring in line with the adoption of a business unit structure from fiscal 2021 and is conducting audits for that year.

Notes on the Audit Performance

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

Internal controls

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

Compliance

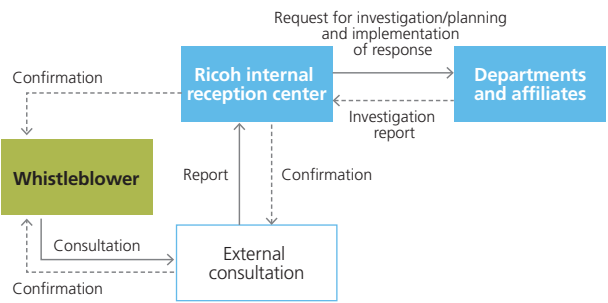
The Ricoh Group considers compliance to mean observing not only laws and regulations but also internal rules and social ethics. The Group Code of Conduct 14, which sets forth the principles and basic code of conduct for officers and employees, is thoroughly communicated to all Group employees, and everyone is expected to comply with it in their daily activities.

Hotline system

The Ricoh Group has established the Ricoh Group Hotline, which is made available to all Directors, employees, part-timers, and temporary staff in Japan as a contact for whistleblowing and consultation regarding compliance violations. In addition to the hotline, major subsidiaries in Japan and overseas have established their own local contact for whistleblowing and consultation according to their organizational and regional characteristics.

In addition, in November 2018, the Ricoh Group established the Ricoh Group Global Whistleblowing System, which is available to all Directors and employees at Ricoh Group companies in Japan and overseas. We have built a system through which workers can report directly via website to Ricoh's Audit and Supervisory Board. In May 2020, we established the Supplier Hotline, which allows Ricoh Group suppliers globally to report issues through this website. 5

Basic flow of the hotline system in Japan



Commitment and Recognition

Commitment to Society

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

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

* Japan Climate Action Summit declaration
This event was in October 2018, ahead of the 24th Conference of the Parties to the United Nations Framework Convention on Climate Change, convened in December that year.
The summit was held to issue a strong message from the attending 157 Japanese companies and government and other bodies on measures to combat global warming.

WEB Refer to our website: Commitment to Society



United Nations Global Compact
This voluntary worldwide initiative encourages companies and organizations to act as good members of society by being responsible and creative leaders and helping to achieve sustainable growth. Companies are encouraged to implement and comply with this initiative's Ten Principles, covering such areas as human rights, labor, the environment, and anti-corruption.



RE100
The Climate Group, a U.K.-based international environmental nongovernment organization, launched this global corporate initiative in 2014 to bring together companies committed to 100% renewable energy.

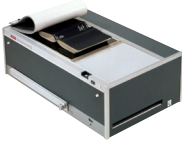
Major Awards

Domestic and international awards attest to the Ricoh Group's excellence.

April	2020	Ricoh IT Solutions wins i-Competency Dictionary Gold Star award
June		RICOH Pro VC70000 wins Technology Award of the Imaging Society of Japan
July		Ricopy BS-1, released in 1965, receives Mechanical Engineering Heritage certification
January	2021	Receives Promotion Award at the 21st Telework Promotion Award
March		Five Ricoh Group companies recognized under 2021 Certified Health & Productivity Management Outstanding Organizations Recognition Program, also known as White 500 Receives second prize in 2021 J-Win Diversity Award
June		Obtains Digital Transformation certification as stipulated by Ministry of Economy, Trade and Industry
August		Ricoh Japan wins first place in three categories of Nikkei Computer Customer Satisfaction Survey 2021-2022: IT Consulting/Upstream Design-Related Services (information service companies), System Development-Related Services (information service companies), and System Operating Services (information service companies)
September		J.D. Power rates Ricoh No. 1 in customer satisfaction survey for 2021 in large and middle office market segment for color MFPs and in color laser printer segment
October		Achieves first-place ranking for seventh consecutive year in two J.D. Power IT-related customer satisfaction survey categories (Independent/User/Office Equipment Systems Integrator segment and 2021 IT Equipment Maintenance Service Customer Satisfaction Survey [Server Equipment])
November		Places first in three J.D. Power corporate technical support call center satisfaction survey categories (server division, PC/tablet division and copier/printer division) Earns a perfect 5 star rating in the 5th Nikkei Smart Work Management Survey Earns a perfect 5 star rating for third consecutive year at the 3rd Nikkei SDGs Management Survey



RICOH Pro VC70000



Ricopy BS-1



ESG Index Inclusion and Recognition

The Ricoh Group is highly regarded for its environmental, social, and governance (ESG) initiatives. ESG indices in Japan and abroad have included Ricoh's stock.

(As of December 2021)

Included in the Dow Jones Sustainability World Index since 2020	Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA	Dow Jones Sustainability Indices Dow Jones & Company of the United States and sustainability investment research firm S&P Global jointly developed these indices, analyzing corporate sustainability from economic, environmental, and social perspectives
Included in the Asia Pacific Index since 2018		
Received Silver Class recognition in S&P Global's 2021 Sustainability Yearbook	Sustainability Award Silver Class 2021 S&P Global	S&P Global Sustainability Award S&P Global, a global socially responsible investment rating firm, selected one Gold and four Silver winners in the Computers & Peripherals and Office Electronics category in which Ricoh entered

Included on the CDP climate change A List since 2020		CDP A not-for-profit charity that encourages companies, cities, states and regions to reduce greenhouse gases and protect forests and water security.
Earned A score for the supplier engagement rating, placing on CDP 2020 Supplier Engagement Leaderboard		The Supplier Engagement Rating uses the CDP climate change questionnaire to evaluate corporate supply chain engagement on climate issues and spur action in that regard. The CDP surveys more than 5,800 companies worldwide. The highest-rated companies go the Supplier Engagement Leaderboard. Ricoh was among the top 7%, or around 400, of companies assessed, 83 of which were Japanese.

Awarded Gold Rating in EcoVadis supplier survey since 2014		EcoVadis EcoVadis assesses suppliers from over 160 countries and across more than 200 business sectors on corporate policies, initiatives and achievements in areas concerning the environment, labor and human rights, ethics, and sustainable procurement.
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Selected for the FTSE4Good Index Series, a socially responsible investment index, for the 18th consecutive year		FTSE4Good Index Series Since 2001, this wholly owned subsidiary of the London Stock Exchange Group has selected companies with strong environmental, social, and governance practices for inclusion in this benchmark.
Included for the fifth straight year in the FTSE Blossom Japan Index, which measures the ESG practices of Japanese companies		FTSE Blossom Japan Index This benchmark debuted in 2017 for Japanese companies. The Government Pension Investment Fund of Japan adopted this as one of its stock indices for ESG investing.

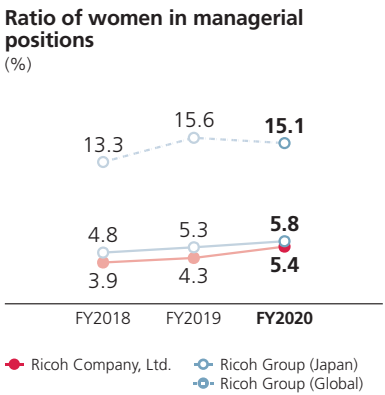
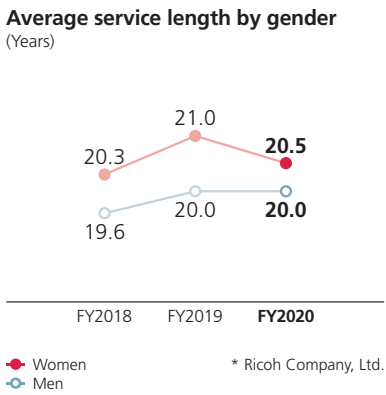
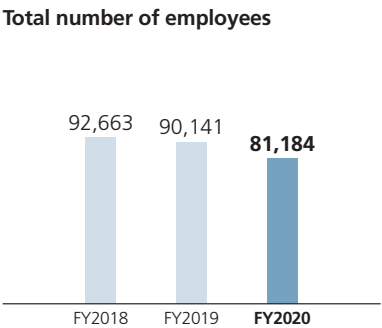
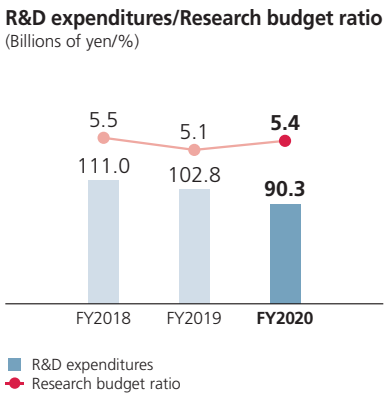
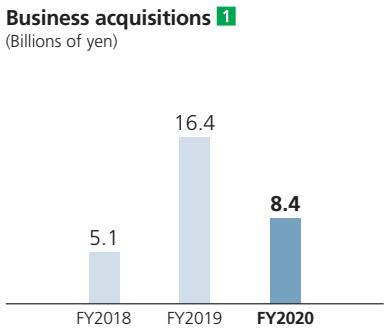
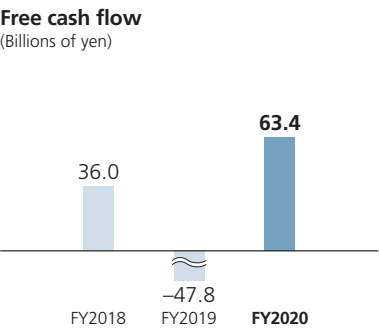
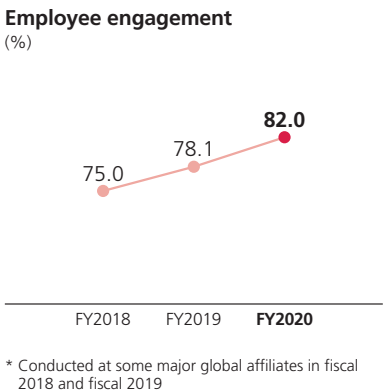
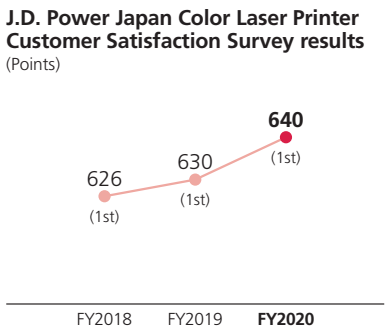
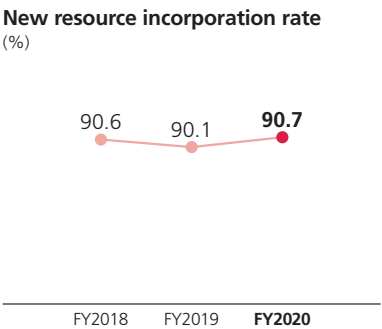
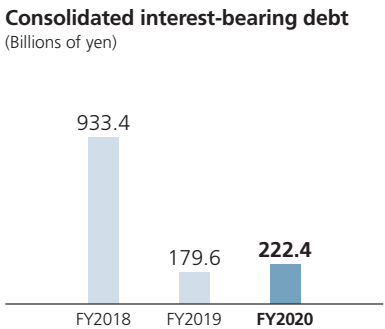
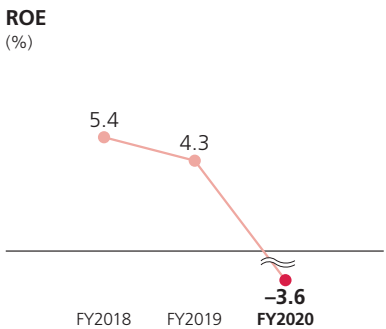
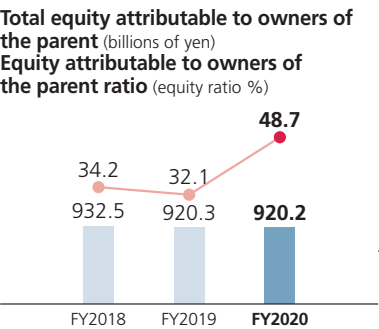
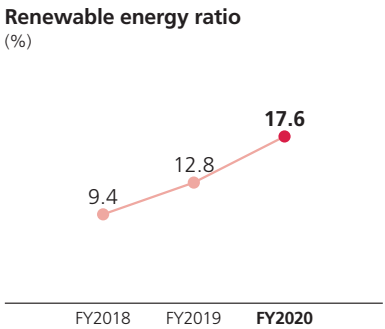
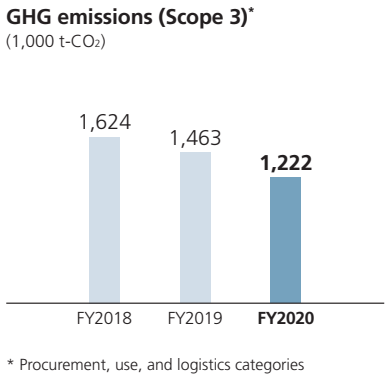
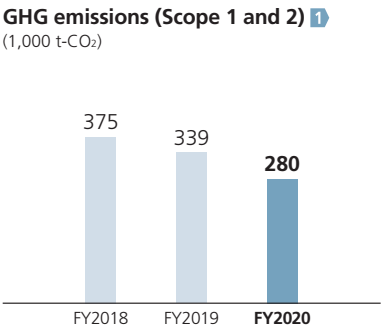
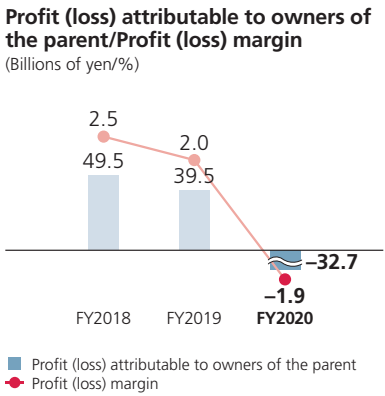
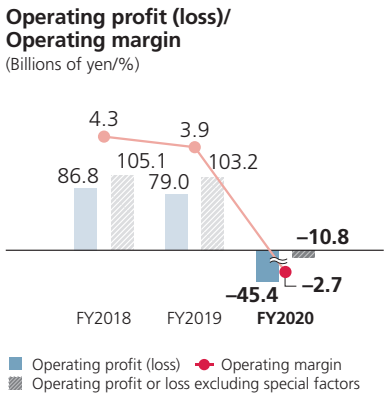
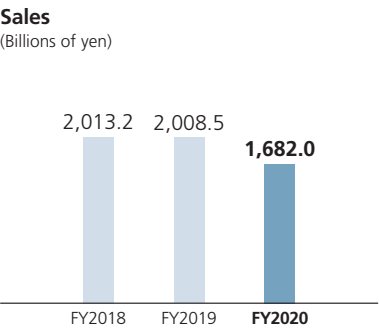
Included in MSCI Japan Empowering Women Index since 2017		MSCI Japan Empowering Women Index This index calculates scores for companies based on disclosed information on proportions of women hired, managerial positions held by women, and gender diversity initiatives. It includes companies with long-term sustainable growth prospects. The Government Pension Investment Fund has adopted this as one of its stock indices for ESG investing.
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The inclusion by Ricoh Company, Ltd., of data from MSCI ESG Research LLC or its affiliates (MSCI) or the use of MSCI logos, trademarks, service marks or index names does not constitute MSCI's sponsorship, endorsement, or promotion of Ricoh Company, Ltd. MSCI and the MSCI name and logos are trademarks or service marks of MSCI.

Included in the S&P/JPX Carbon Efficient Index since the benchmark's inception in 2018		S&P/JPX Carbon Efficient Index S&P Dow Jones Indices, one of the world's largest independent index providers, and the Japan Exchange Group's Tokyo Stock Exchange jointly developed this ESG index, based on carbon data from Trucost. It focuses on the disclosure of environmental information in measuring the performances of companies in the Tokyo Stock Price Index, overweighting or underweighting companies with lower or higher levels of carbon emissions per unit of revenue. Japan's Government Pension Investment Fund selected this benchmark as a Global Environmental Stock Index in 2018.
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Received a Prime rating on the ISS ESG Corporate Rating consecutively		ISS ESG CORPORATE RATING One of the world's leading rating agencies for sustainable investments, ISS ESG has given the Ricoh Group a Prime sustainability rating.
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Financial and Future Financial Highlights



INFO

¹ Business acquisitions

Amount recorded under cash flows from investing activities in the Consolidated Statements of Cash Flows.

WEB Refer to our website: ¹ Environmental performance data: Energy conservation

Consolidated Statements of Financial Position

Ricoh Company, Ltd., and Consolidated Subsidiaries
As of March 31

	Millions of Yen					Thousands of U.S. Dollars
	2017	2018	2019	2020	2021	2021
Assets						
Current assets:						
Cash and cash equivalents	126,429	160,568	240,099	262,834	334,810	3,016,306
Time deposits	8,662	68	70	50	238	2,144
Trade and other receivables	566,315	589,741	604,804	392,780	392,132	3,532,721
Other financial assets	276,575	291,144	294,351	87,226	92,823	836,243
Inventories	202,551	180,484	207,748	201,248	192,016	1,729,874
Other investments	—	55,921	—	—	—	—
Other current assets	58,682	50,052	40,107	36,428	46,725	420,946
Subtotal	1,239,214	1,327,978	1,387,179	980,566	1,058,744	9,538,234
Assets classified as held for sale	—	—	2,583	1,125,582	—	—
Total current assets	1,239,214	1,327,978	1,389,762	2,106,148	1,058,744	9,538,234
Non-current assets:						
Property, plant and equipment	271,257	250,005	250,287	201,569	191,963	1,729,396
Right-of-use assets	—	—	—	59,425	63,653	573,450
Goodwill and intangible assets	388,177	217,130	219,806	231,898	225,510	2,031,622
Other financial assets	655,600	689,629	708,295	139,181	136,093	1,226,063
Investments accounted for using the equity method	563	3,703	12,521	14,305	79,504	716,252
Other investments	81,579	26,985	22,443	14,951	18,504	166,703
Other non-current assets	39,210	36,806	38,006	29,550	29,773	268,226
Deferred tax assets	83,687	88,794	84,012	70,618	84,124	757,874
Total non-current assets	1,520,073	1,313,052	1,335,370	761,497	829,124	7,469,586
Total assets	2,759,287	2,641,030	2,725,132	2,867,645	1,887,868	17,007,820

	Millions of Yen					Thousands of U.S. Dollars
	2017	2018	2019	2020	2021	2021
Liabilities and Equity						
Current liabilities:						
Bonds and borrowings	229,944	223,194	266,957	51,492	82,731	745,324
Trade and other payables	295,788	300,724	306,189	246,055	287,160	2,587,027
Lease liabilities	—	—	—	27,230	25,475	229,505
Other financial liabilities	2,227	453	521	—	1,669	15,036
Income tax payables	15,149	17,871	15,455	9,455	7,213	64,982
Provisions	9,127	12,235	12,277	11,686	12,946	116,631
Other current liabilities	254,689	234,045	242,799	233,909	240,322	2,165,063
Subtotal	806,924	788,522	844,198	579,827	657,516	5,923,568
Liabilities directly related to assets held for sale	—	—	—	969,069	—	—
Total current liabilities	806,924	788,522	844,198	1,548,896	657,516	5,923,568
Non-current liabilities:						
Bonds and borrowings	629,799	658,707	666,462	128,172	139,676	1,258,342
Lease liabilities	—	—	—	38,741	46,737	421,054
Other financial liabilities	2,178	3,788	3,420	—	—	—
Accrued pension and retirement benefits	120,725	104,998	105,288	99,795	70,463	634,802
Provisions	10,969	12,709	6,610	6,458	11,413	102,820
Other non-current liabilities	61,701	80,174	77,619	34,143	34,469	310,531
Deferred tax liabilities	10,114	3,377	2,547	2,913	3,742	33,712
Total non-current liabilities	835,486	863,753	861,946	310,222	306,500	2,761,261
Total liabilities	1,642,410	1,652,275	1,706,144	1,859,118	964,016	8,684,829
Equity:						
Common stock	135,364	135,364	135,364	135,364	135,364	1,219,495
Authorized — 1,500,000,000 shares as of March 31, 2017 1,500,000,000 shares as of March 31, 2018 1,500,000,000 shares as of March 31, 2019 1,500,000,000 shares as of March 31, 2020 1,500,000,000 shares as of March 31, 2021 Issued and outstanding — 744,912,078 shares and 724,881,610 shares as of March 31, 2017 744,912,078 shares and 724,871,419 shares as of March 31, 2018 744,912,078 shares and 724,862,648 shares as of March 31, 2019 744,912,078 shares and 724,433,550 shares as of March 31, 2020 744,912,078 shares and 718,219,946 shares as of March 31, 2021						
Additional paid-in capital	186,423	186,463	186,086	186,173	186,231	1,677,758
Treasury stock	(37,318)	(37,329)	(37,394)	(37,795)	(45,024)	(405,622)
Other components of equity	100,194	114,954	73,645	41,768	82,097	739,613
Other comprehensive income related to disposal group held for sale	—	—	—	130	—	—
Retained earnings	657,443	510,113	574,876	594,731	561,578	5,059,261
Equity attributable to owners of the parent	1,042,106	909,565	932,577	920,371	920,246	8,290,505
Non-controlling interests	74,771	79,190	86,411	88,156	3,606	32,486
Total equity	1,116,877	988,755	1,018,988	1,008,527	923,852	8,322,991
Total liabilities and equity	2,759,287	2,641,030	2,725,132	2,867,645	1,887,868	17,007,820

Ricoh's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) since the year ended March 31, 2014.
To see Critical Accounting Policies and Notes to Consolidated Financial Statements, see www.ricoh.com/IR/financial_data/securities_report/

WEB Refer to our website: Investor relations Annual securities report for the year ended March 31, 2021 Flash report for the year ended March 31, 2021

Consolidated Statements of Profit or Loss

Ricoh Company, Ltd., and Consolidated Subsidiaries
For the Years Ended March 31

	Millions of Yen					Thousands of U.S. Dollars
	2017	2018	2019	2020	2021	2021
Sales	2,028,899	2,063,363	2,013,228	2,008,580	1,682,069	15,153,775
Cost of sales	1,240,271	1,272,357	1,246,345	1,287,003	1,109,762	9,997,856
Gross profit	788,628	791,006	766,883	721,577	572,307	5,155,919
Selling, general and administrative expenses	755,393	777,917	702,912	658,435	619,740	5,583,243
Other income	4,590	17,062	23,449	15,911	5,791	52,171
Impairment of goodwill	3,945	145,827	581	13	3,787	34,117
Operating profit (loss)	33,880	(115,676)	86,839	79,040	(45,429)	(409,270)
Finance income	4,600	4,123	4,598	4,926	4,373	39,396
Finance costs	8,556	12,831	7,965	8,319	3,617	32,586
Share of profit of investments accounted for using the equity method	31	202	492	244	3,645	32,838
Profit (loss) before income tax expenses	29,955	(124,182)	83,964	75,891	(41,028)	(369,622)
Income tax expenses	20,518	5,457	28,587	31,478	(8,364)	(75,352)
Profit (loss)	9,437	(129,639)	55,377	44,413	(32,664)	(294,270)
Profit (loss) attributable to:						
Owners of the parent	3,489	(135,372)	49,526	39,546	(32,730)	(294,865)
Non-controlling interests	5,948	5,733	5,851	4,867	66	595
	Yen					U.S. Dollars
Per share of common stock:	2017	2018	2019	2020	2021	2021
Earnings per share attributable to owners of the parent:						
Basic	4.81	(186.75)	68.32	54.58	(45.20)	(0.41)
Diluted	—	—	—	54.58	(45.20)	(0.41)
Cash dividends, applicable to the year	35.00	15.00	23.00	26.00	15.00	0.14
Per American Depositary Share, each representing 1 share of common stock:	Yen					U.S. Dollars
Earnings per ADR share attributable to owners of the parent:						
Basic	4.81	(186.75)	68.32	54.58	(45.20)	(0.41)
Diluted	—	—	—	54.58	(45.20)	(0.41)
Cash dividends, paid	35.00	15.00	23.00	26.00	15.00	0.14

Consolidated Statements of Comprehensive Income

Ricoh Company, Ltd., and Consolidated Subsidiaries
For the Years Ended March 31

	Millions of Yen					Thousands of U.S. Dollars
	2017	2018	2019	2020	2021	2021
Profit (loss)	9,437	(129,639)	55,377	44,413	(32,664)	(294,270)
Other comprehensive income (loss):						
Components that will not be reclassified subsequently to profit or loss:						
Remeasurement of defined benefit plan	4,555	2,541	(6,389)	(2,481)	13,804	124,360
Net change in fair value of financial assets measured through other comprehensive income	—	—	(1,929)	(946)	2,868	25,838
Share of other comprehensive income of investments accounted for using equity method	—	—	—	—	197	1,774
Total components that will not be reclassified subsequently to profit or loss	4,555	2,541	(8,318)	(3,427)	16,869	151,972
Components that will be reclassified subsequently to profit or loss:						
Net gain (loss) on fair value of available-for-sale financial assets	10,746	17,375	—	—	—	—
Net changes in fair value of cash flow hedges	222	(13,497)	56	190	(827)	(7,450)
Exchange differences on translation of foreign operations	(25,974)	10,737	(10,979)	(29,562)	38,594	347,694
Share of other comprehensive income of investments accounted for using equity method	—	—	—	—	81	730
Total components that will be reclassified subsequently to profit or loss	(15,006)	14,615	(10,923)	(29,372)	37,848	340,974
Total other comprehensive income (loss)	(10,451)	17,156	(19,241)	(32,799)	54,717	492,946
Comprehensive income (loss)	(1,014)	(112,483)	36,136	11,614	22,053	198,676
Comprehensive income (loss) attributable to:						
Owners of the parent	(6,705)	(118,072)	30,304	6,949	21,897	197,270
Non-controlling interests	5,691	5,589	5,832	4,665	156	1,406

Ricoh's consolidated financial statements have been prepared in accordance with IFRS since the year ended March 31, 2014.
To see Critical Accounting Policies and Notes to Consolidated Financial Statements, see www.ricoh.com/IR/financial_data/securities_report/

WEB Refer to our website: Investor relations Annual securities report for the year ended March 31, 2021 Flash report for the year ended March 31, 2021 Financial data Per share data

Consolidated Statements of Cash Flows

Ricoh Company, Ltd., and Consolidated Subsidiaries
For the Years Ended March 31

	Millions of Yen					Thousands of U.S. Dollars
	2017	2018	2019	2020	2021	2021
Cash Flows from Operating Activities:						
Profit (loss)	9,437	(129,639)	55,377	44,413	(32,664)	(294,270)
Adjustments to reconcile profit for the period to net cash provided by operating activities						
Depreciation and amortization	106,890	108,327	94,288	120,688	104,618	942,505
Impairment of property, plant and equipment and intangible assets	5,552	30,140	2,138	909	24,879	224,135
Impairment of goodwill	3,945	145,827	581	13	3,787	34,117
Other income	(4,590)	(17,062)	(23,449)	(6,748)	(1,502)	(13,532)
Share of profit (loss) of investments accounted for using the equity method	(31)	(202)	(492)	(244)	(3,645)	(32,838)
Finance income and costs	3,956	8,708	3,367	3,393	(756)	(6,811)
Income tax expenses	20,518	5,457	28,587	31,478	(8,364)	(75,351)
(Increase) decrease in trade and other receivables	(12,763)	(17,106)	(6,595)	16,408	29,727	267,811
(Increase) decrease in inventories	1,176	22,720	(30,097)	3,158	16,413	147,865
(Increase) decrease in lease receivables	(37,741)	(27,922)	(13,527)	(33,953)	15,572	140,288
Increase (decrease) in trade and other payables	11,992	5,215	10,024	(18,987)	(4,712)	(42,450)
Increase (decrease) in accrued pension and retirement benefits	(9,094)	(11,506)	(6,937)	(6,805)	(12,315)	(110,946)
Other, net	21,099	32,808	553	(4,966)	14,056	126,630
Interest and dividends received	2,947	3,902	4,123	4,557	3,418	30,793
Interest paid	(8,406)	(5,025)	(5,007)	(4,429)	(3,259)	(29,360)
Income taxes paid	(26,588)	(44,354)	(30,987)	(32,184)	(18,291)	(164,784)
Net cash provided by operating activities	88,299	110,288	81,947	116,701	126,962	1,143,802
Cash Flows from Investing Activities:						
Proceeds from sales of property, plant and equipment	14,893	18,484	9,707	8,615	4,823	43,450
Expenditures for property, plant and equipment	(75,447)	(72,285)	(72,462)	(86,596)	(42,155)	(379,775)
Proceeds from sales of intangible assets	—	6,554	969	221	60	541
Expenditures for intangible assets	(26,793)	(34,698)	(29,589)	(27,188)	(24,779)	(223,234)
Payments for purchases of available-for-sale securities	(464)	(1,005)	(8,639)	(14,982)	(1,052)	(9,477)
Proceeds from sales of available-for-sale securities	824	186	63,830	3,985	491	4,423
Net increase of time deposits	(7,519)	8,062	458	12	(168)	(1,514)
Purchase of business, net of cash acquired	(1,429)	(458)	(5,133)	(16,462)	(8,431)	(75,955)
Net increase due to loss of control of subsidiaries	—	7,788	10,223	—	7,846	70,685
Others, net	(10,780)	(13,705)	(15,295)	(32,196)	(194)	(1,748)
Net cash used in investing activities	(106,715)	(81,077)	(45,931)	(164,591)	(63,559)	(572,604)
Cash Flows from Financing Activities:						
Net proceeds (repayments) of short-term debt	(35,246)	(21,180)	26,236	6,068	(19,428)	(175,027)
Proceeds from long-term debt	303,100	134,819	152,234	292,885	98,482	887,225
Repayments of long-term debt	(289,452)	(109,877)	(139,399)	(200,950)	(12,817)	(115,468)
Proceeds from issuance of bonds	51,567	68,285	50,000	72,119	—	—
Repayments of bonds	(20,000)	(50,000)	(35,000)	(42,148)	(12,413)	(111,829)
Repayments of lease liabilities	—	—	—	(30,065)	(35,728)	(321,874)
Dividends paid	(28,996)	(14,498)	(12,685)	(18,841)	(14,851)	(133,793)
Payments for purchase of treasury stock	(7)	(11)	(10)	(401)	(7,296)	(65,730)
Proceeds from purchase of investments in subsidiaries without change in scope of consolidation	—	—	3,006	—	—	—
Others, net	(887)	(1,131)	(1,958)	(2,910)	(34)	(306)
Net cash provided by (used in) financing activities	(19,921)	6,407	42,424	75,757	(4,085)	(36,802)
Effect of Exchange Rate Change on Cash and Cash Equivalents	(2,781)	(1,479)	1,091	(4,278)	7,338	66,108
Net Increase (Decrease) in Cash and Cash Equivalents	(41,118)	34,139	79,531	23,589	66,656	600,504
Cash and Cash Equivalents at Beginning of Year	167,547	126,429	160,568	240,099	263,688	2,375,568
Cash and Cash Equivalents at End of Year	126,429	160,568	240,099	263,688	330,344	2,976,072

Note 1: Income tax payment for fiscal year ended March 31, 2018, included U.S. subsidiary's additional payment based on transfer pricing taxation.

Note 2: The difference in the amount of cash and cash equivalents between consolidated statement of financial position and consolidated statement of cash flows represents a reclassification to assets classified as held for sale at the year ended March 31, 2020 and bank overdrafts at the year ended March 31, 2021.

Ricoh's consolidated financial statements have been prepared in accordance with IFRS since the year ended March 31, 2014.
To see Critical Accounting Policies and Notes to Consolidated Financial Statements, see www.ricoh.com/IR/financial_data/securities_report/

WEB Refer to our website: Investor relations Annual securities report for the year ended March 31, 2021 Flash report for the year ended March 31, 2021 Financial data

Selected Financial Data

Ricoh Company, Ltd., and Consolidated Subsidiaries
For the Years Ended March 31

International Financial Reporting Standards (IFRS)

		Millions of Yen					Thousands of U.S. Dollars
		2017	2018	2019	2020	2021	2021
Related Consolidated Profit or Loss	Sales	2,028,899	2,063,363	2,013,228	2,008,580	1,682,069	15,153,775
	Cost of sales	1,240,271	1,272,357	1,246,345	1,287,003	1,109,762	9,997,856
	Gross profit	788,628	791,006	766,883	721,577	572,307	5,155,919
	Selling, general and administrative expenses	755,393	777,917	702,912	658,435	619,740	5,583,243
	Operating profit (loss)	33,880	(115,676)	86,839	79,040	(45,429)	(409,270)
	Profit (loss) before tax	29,955	(124,182)	83,964	75,891	(41,028)	(369,622)
	Income tax expenses	20,518	5,457	28,587	31,478	(8,364)	(75,352)
	Profit (loss) attributable to owners of the parent	3,489	(135,372)	49,526	39,546	(32,730)	(294,865)
	Earnings per share attributable to owners of the parent [in yen and US\$]						
	Basic	4.81	(186.75)	68.32	54.58	(45.20)	(0.41)
	Diluted	—	—	—	54.58	(45.20)	(0.41)
	R&D expenditures	114,398	111,015	111,013	102,851	90,387	814,297
	Depreciation for tangible fixed assets	68,007	68,436	65,437	62,528	45,389	408,910
	Capital expenditures	75,447	72,285	72,462	86,596	42,155	379,775
	Free cash flow	(18,416)	29,211	36,016	(47,890)	63,403	571,198
	Interest-bearing debt	859,743	881,901	933,419	179,664	222,407	2,003,666
	Total assets	2,759,287	2,641,030	2,725,132	2,867,645	1,887,868	17,007,820
	Equity attributable to owners of the parent	1,042,106	909,565	932,577	920,371	920,246	8,290,505
Exchange rate [yen/US\$]		108.39	110.91	110.95	108.80	106.05	—
[yen/euro]		118.82	129.67	128.46	120.90	123.70	—

		Millions of Yen					Thousands of U.S. Dollars
Sales by Category	Imaging & Solutions	1,792,064	—	—	—	—	—
	Office Imaging	1,274,888	—	—	—	—	—
	Production Printing	206,202	—	—	—	—	—
	Network System Solutions	310,974	—	—	—	—	—
	Industrial Products	124,886	—	—	—	—	—
	Other	111,949	—	—	—	—	—
	Office Printing	1,165,979	1,144,053	1,086,428	1,006,274	815,895	7,350,405
	Office Service	425,612	447,973	481,392	568,955	532,307	4,795,559
	Office Total	—	—	—	—	1,348,202	12,145,964
	Commercial Printing	186,110	185,933	185,292	178,396	134,661	1,213,162
	Industrial Printing	11,883	19,200	20,692	23,006	24,689	222,423
	Thermal Media	52,287	61,458	66,368	61,896	56,874	512,378
	Other	182,028	204,746	173,056	170,053	117,643	1,059,848

		Millions of Yen					Thousands of U.S. Dollars
Sales by Geographic Area	Japan	767,522	799,904	805,799	872,378	753,041	6,784,153
	Overseas	1,261,377	1,263,459	1,207,429	1,136,202	929,028	8,369,622
	The Americas	609,098	577,559	567,442	534,181	386,609	3,482,964
	Europe, Middle East and Africa	456,471	477,554	458,856	436,458	393,409	3,544,225
	Other	195,808	208,346	181,131	165,563	149,010	1,342,433

Editorial Policy

We are committed to disclosing information in a timely and fair manner so stakeholders can learn about the Ricoh Group.

This integrated report aims to deepen our stakeholders’ understanding of Ricoh Group efforts to increase long-term corporate value by producing and disclosing management policies and financial and ESG information.

By 2025, we strive to become a digital services company that connects workplaces and supports the creativity of workers. This year’s report presents medium- to long-term value creation processes and initiatives and examples to achieve that goal.

We have reinforced comprehensive ESG disclosure through the Integrated Report, ESG Data Book, and website, and added a TCFD Report new for this year. We seek to gain stakeholder understanding and support about various aspects of our corporate activities while leveraging feedback to enhance our operations and corporate value.

Target readership

Current and future stakeholders of the Ricoh Group

Scope of coverage

Ricoh Company, Ltd., and its consolidated subsidiaries

Reporting period

This report covers fiscal 2020 (April 1, 2020 to March 31, 2021); however, some activities from fiscal 2021 are also included.

Editorial Structure

The Public Relations Department takes the lead in planning and developing the overall structure of the Integrated Report in collaboration with the IR/SR Department, ESG Strategy Department, and Business Planning Department, publishing it upon approval from the ESG Committee.

We drew on assistance from functional divisions and business units to produce the report. Also, the value creation process diagram was discussed with the president, directors, and other attendees in ESG Committee and other management-level meetings. Disclosure was based on approval from the ESG Committee and Disclosure Committee.

We are in the process of becoming a digital services company. We consider it important to not only to inform investors about efforts to enhance corporate value but also to foster understanding of how all Ricoh Group employees help create corporate value and contribute to social progress.

We compiled this report to convey Ricoh’s commitment of all of our people to value creation, society and to embodying Fulfillment through Work.

Major Organizational Changes

None



Integrated Report

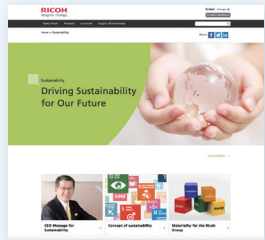
Overviews the Ricoh Group’s value creation endeavors

ESG Data Book

Presents key environmental, social, and governance figures

TCFD Report

Discloses climate change-related risks and opportunities based on the TCFD framework



Website

Comprehensively discloses information on investor relations, ESG, technologies, products and services, and other business activities

Guidelines

The following guidelines have been used as reference to ensure topics are appropriately selected and organized:

- GRI Standards 1
- The Japanese Ministry of the Environment’s Environmental Reporting Guidelines 2018
- United Nations Global Compact Communication on Progress Policy
- International Integrated Reporting Framework
- Ministry of Economy, Trade and Industry’s Guidance for Collaborative Value Creation

This version of the Integrated Report reflects suggestions from institutional investors and think tanks on improvements to the previous report.

WEB Refer to our website: GRI Standards

Disclosure Committee

Comprises representatives from the disclosure management division, accounting division, legal division, departments that generate and receive information, principal administrative divisions for affiliates, the internal control divisions, and the CFO, who oversees disclosure

ESG Committee

Chaired by the CEO and comprising GMC members, Audit and Supervisory Board members and executive officer in charge of ESG

Approves items for disclosure in Integrated Report
Discusses and approves value creation process diagram

Planning and content creation

Project team

Public Relations Department, Communication Strategy Center

IR/SR Department

ESG Strategy Department

Business Planning Department

Content production assistance

Functional divisions and business units