

Ricoh Group Sustainability Report 2017
— Integrated Report —

Creating
Value

Financial
Social
Environmental



The RICOH Way constitutes the basis of all corporate activities of the Ricoh Group, and comprises its Founding Principles and its Mission, Vision, and Values.

Founding Principles

The Spirit of Three Loves

**Love your neighbor,
Love your country,
Love your work**

Mission, Vision, and Values

Mission Statement

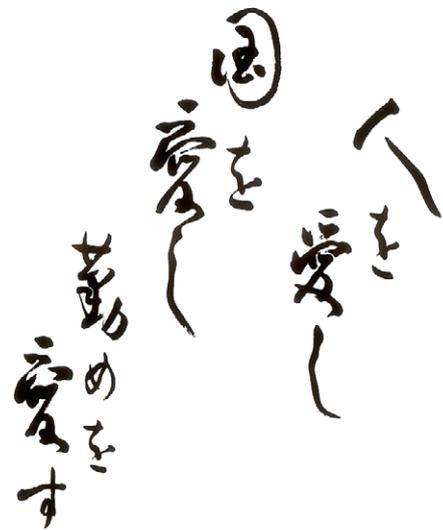
At the Ricoh Group, we are committed to providing excellence to improve the quality of living and to drive sustainability.

Vision Statement

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

Values Statement

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



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

Policy on information disclosure

We take a proactive and fair approach to providing society with timely information and ensure that as many people as possible understand what the Ricoh Group is all about.

The purpose of the Sustainability Report is to enable stakeholders to fully understand activities undertaken by the Ricoh Group to raise corporate value over the long term through a concise mixture of financial information, such as business performance and numerical results, and non-financial information, such as policies, strategies and underlying concepts.

The booklet version (printed and PDF*) of the Sustainability Report briefly presents stories and measures about efforts to boost corporate value. The online version features specific initiatives to attain objectives and associated results. > P.73



Booklet version (printed and PDF*)

Concise presentation of stories and measures aimed at boosting corporate value

Online version

Details on activities and results, categorized by theme

* Adobe PDF is a trademark or a registered trademark of Adobe Systems Incorporated in the United States and other countries.

Target readership

Current and future stakeholders of the Ricoh Group

Scope of coverage

Ricoh Co., Ltd. and its consolidated subsidiaries

Reporting period

This report covers the fiscal year from April 1, 2016 to March 31, 2017; however, some activities from the fiscal year ending March 31, 2018 are also included.

Guidelines

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

- GRI Sustainability Reporting Guidelines (G3.1)/(G4) > 1
- The Japanese Ministry of the Environment's Environmental Reporting Guidelines 2007
- United Nations Global Compact Communication on Progress Policy
- IIRC International <IR> Framework

This version of the Sustainability Report reflects the opinions of experts, including investors and think tanks, who offered their thoughts on how the previous report could be improved. > 2

Major organizational changes

• Avanti Computer Systems Limited acquired on January 18, 2017

Based in Toronto, Canada, this leading print management information system vendor provides printers and supplies end-to-end system solutions for printing processes. We will draw on this acquisition to expand value for customer production workflows and support global management efficiency and productivity improvements.

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:

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

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

This material is not an offer or a solicitation to make investments. Please do not rely on this material as your sole source of information for your actual investments, and be aware that 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 and for the year ended March 31, 2017 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 on March 31, 2017.

Refer to our website

- 1 GRI Guidelines www.ricoh.com/sustainability/report/gr_guideline/
- 2 Dialogue with Experts www.ricoh.com/csr/vision/concept.html

The Ricoh Group has continued to progress alongside its customers since its inception in 1936, bringing new innovations to the world through its revolutionary optical and imaging equipment. The operating climate has continued to change over the years. Today, issues such as climate change, globalization, the development of emerging economies, and the elimination of poverty as well as the promotion of human rights are among the key issues on everyone's agenda.

It was against this backdrop that we reinforced our dedication to our Founding Principles of "Love your neighbor, Love your country, Love your work" under whose Mission Statement "we are committed to providing excellence to improve the quality of living and to drive sustainability."

Swift and dynamic reforms are vital for us to continue growing amid dramatic change. Central to the 19th Mid-Term Management Plan that we deployed in April 2017, our 81st year, is RICOH Resurgent, which symbolizes our determination to embark on a new start by casting aside conventional wisdom and precedents that are hindrances to progress. It is through RICOH Resurgent that we will leave no stone unturned in reforming our cost structure, prioritizing growth businesses centered on our strengths, and ensuring implementation that delivers results and has clear accountability.

We also formulated a new value proposition for Ricoh - EMPOWERING DIGITAL WORKPLACES, which guides the unified efforts of all Ricoh Group employees. It underpins our drive to improve workplaces and help resolve social issues through innovative technologies and services that enable individuals to work smarter.

We are leveraging our corporate tagline of "imagine. change." in the approximately 200 countries and regions in which we operate to imagine the future and change what we do today. We will continue striving to satisfy our customers and all stakeholders by creating unique value beyond their expectations.

September 2017



**Yoshinori
Yamashita**
President and CEO

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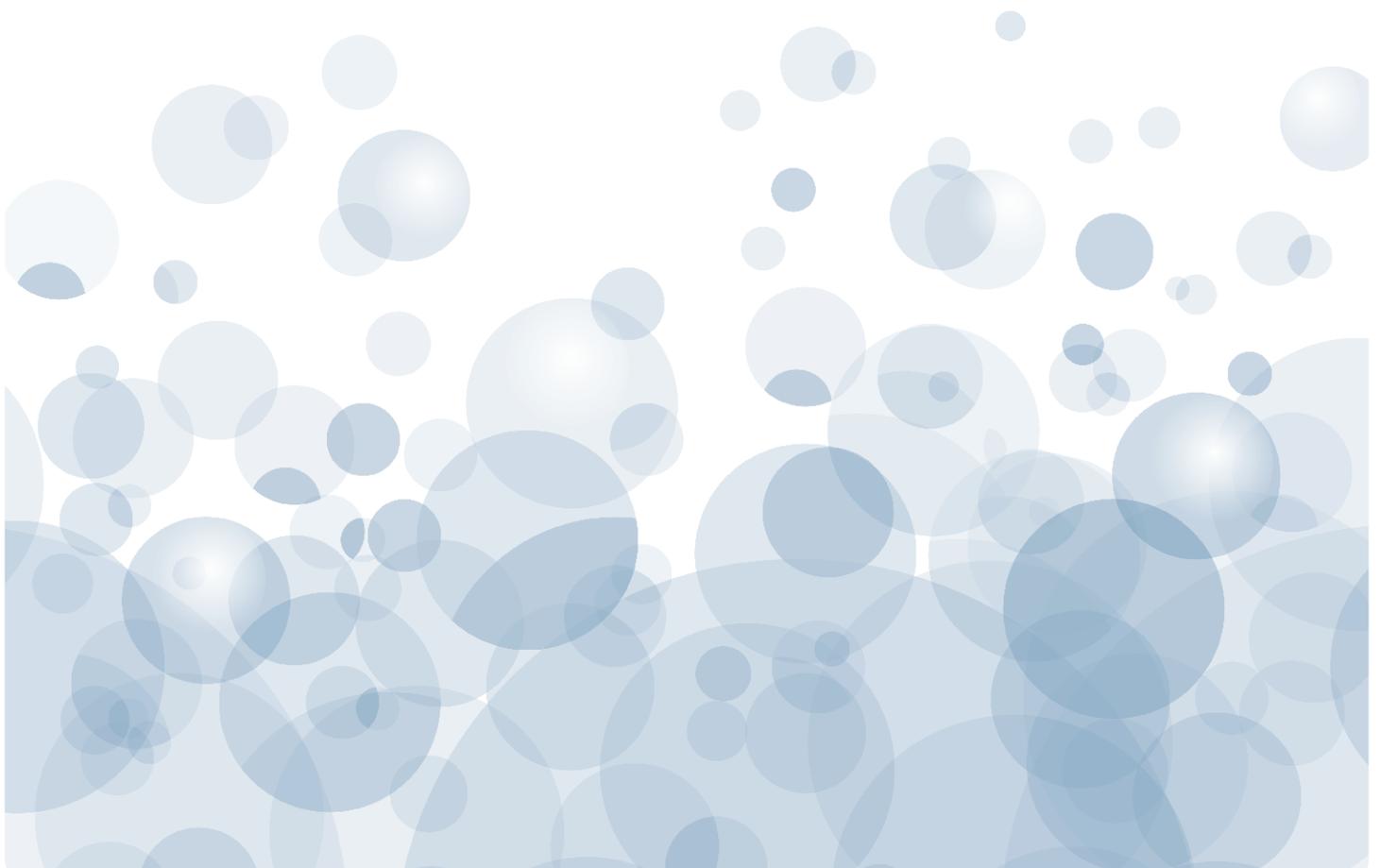
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Value Creation

The Ricoh Group has continued to resolve social issues by accommodating social needs through business since its establishment.

Here, we underscore that approach by presenting progress to date, current business conditions, and endeavors to build value for tomorrow.

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Always delivering new value to meet the expectations of our customers and society

1936–

The early years

Started out in the sensitized paper business and then branched out into the camera business, creating the first mass production structure for cameras in Japan and driving widespread interest in cameras among consumers. Entered the business machine field as well.



Ricoh founder, Kiyoshi Ichimura, oversaw the business based on the principles of “Love your neighbor, Love your country, Love your work”—The Spirit of Three Loves.

Founder, Kiyoshi Ichimura (1900–1968)

- Business
- Environmental, social and governance issues

- 1936** ● Establishes Riken Kankoshi Co., Ltd. (the Ricoh Group commences operations).
- 1938** ● Renames company, Riken Optical Co., Ltd.
- 1950** ● Launches the Ricohflex III camera, which spurs the popularization of cameras.
- 1955** ● Enters the office copier field with the Ricopy 101, its first diazo model.
- 1962** ● Launches the Ricoh Auto Half, a half-frame camera that proves a massive hit.
 - Establishes Ricoh Industries, U.S.A., Inc., a sales subsidiary.
- 1965** ● Introduces the Ricopy BS-1, its first electrostatic copier.
- 1967** ● Launches the Ricomac 201 electric calculator.



Ricohflex III



Ricopy 101



Ricopy BS-1

1970–

OA pioneer

Industry debut of office automation (OA). Launched various machines, including plain paper copiers (PPC), to support enhanced office productivity.

- 1971** ● Introduces the Ricom 8, its first office computer.
- 1972** ● Launches the Ricoh PPC 900, its first dry-electrostatic-transfer plain paper copier.
- 1973** ● Establishes Ricoh Electronics, Inc., a manufacturing subsidiary in the U.S.
- 1974** ● Launches the Rifax 600S, the world's first high-speed office facsimile machine.
- 1976** ● Establishes the Environmental Promotion Section.
- 1977** ● Coins the acronym OA for “office automation.”
- 1979** ● Establishes Ricoh Systems, Inc. in the U.S. to carry out R&D.
- 1980** ● Introduces Ricoh Thermal Paper Type 110LA for a food POS system.
- 1983** ● Launches the RICOH LP4120 laser printer.



Rifax 600S



Ricom 8



RICOH LP4120

1985–

The digital revolution

Shifted from analog to digital in the multifunction printer (MFP) domain, helping to popularize digital models. Continued product evolution with the launch of networkable and color-capable models.

- 1987** ● Launches the IMAGIO 320 digital copier.
- 1990** ● Introduces the Artage 8000 digital color PPC.
- 1991** ● Establishes Ricoh Asia Industry (Shenzhen) Ltd., a manufacturing subsidiary, in China.
- 1992** ● Implements the Ricoh General Principles on the Environment, obtains ISO 9002 certification.
- 1995** ● Gotemba Plant obtains the first ISO/DIS 14001 certification from Japan Quality Assurance Organization.
- 1995** ● Acquires Savin Corporation (U.S.) and Gestetner Corporation (U.K.).
 - Launches the DC-1, its first digital camera.
- 1996** ● Launches the world's first CD-Rewritable disc.
- 1999** ● Receives Japan Quality Award.



Artage 8000



DC-1



CD-RW discs

2000–

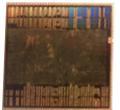
A global company

Introduced a global sales structure and achieved an overseas sales ratio exceeding 50%. Concurrently, as a global company, Ricoh initiated earnest efforts to fulfill corporate social responsibility (CSR) goals, exemplified by the establishment of the CSR Section.

- 2000** ● Appoints an outside director, introduces the executive officer system.
- 2001** ● Introduces the world's first JPEG 2000-compliant LSI, which is capable of processing moving images.
- 2002** ● Signs the United Nations Global Compact.
- 2003** ● Establishes the CSR Section.
 - Establishes the Ricoh Group CSR Charter.
 - Establishes the Ricoh Group Code of Conduct.
 - The Ricoh Group receives a Gold Medal from the World Environment Center (WEC).
- 2004** ● Acquires Hitachi Printing Solutions, Ltd.
- 2006** ● Establishes 2050 Long-Term Environmental Vision.
- 2007** ● InfoPrint Solutions Company, a Ricoh-IBM joint venture, commences operations.
- 2008** ● Introduces the RICOH Pro C900 color production printer.
 - Acquires IKON Office Solutions, Inc. (U.S.).
- 2009** ● Establishes the Ricoh Group Biodiversity Policy.



WEC Gold Medal



JPEG 2000-compliant LSI



RICOH Pro C900

2010–

Creating new customer value

The range of value provided by Ricoh to customers expanded significantly with rapid evolution in customer workstyles.

- 2011** ● Establishes PENTAX Ricoh Imaging Company, Ltd. (currently RICOH IMAGING COMPANY, LTD.)
 - Introduces the RICOH PJ WX4130N ultra-short-throw projector.
 - Launches the RICOH Unified Communication System P3000 videoconferencing system.
- 2013** ● Releases the RICOH Interactive Whiteboard D5500.
 - Launches the RICOH THETA 360° spherical camera.
- 2014** ● Enters the additive manufacturing business.
- 2015** ● Opens RICOH Eco Business Development Center.
 - Opens RICOH Future House.
- 2016** ● Enters the healthcare solutions field.
- 2017** ● Sets new environmental goals.



RICOH Interactive Whiteboard D5500



RICOH Unified Communication System P3000



RICOH PJ WX4130N



PENTAX 645Z



RICOH THETA

RICOH Resurgent: Prioritizing profits over volume



Yoshinori Yamashita
President and CEO

Career highlights

- | | | | |
|-----------|---|-----------|--|
| Mar. 1980 | Joined Ricoh Co., Ltd.
Worked on procurement and plant launches in Japan and overseas for the materials division | Apr. 2011 | Corporate Senior Vice President,
General Manager of Corporate Planning Division |
| Feb. 1995 | Managing Director of Ricoh UK Products Ltd. | June 2012 | Director, Corporate Executive Vice President |
| Apr. 2008 | President of Ricoh Electronics, Inc. (US) | Apr. 2014 | General Manager of Business Solutions Group |
| | | June 2016 | Deputy President |
| | | | Appointed President in April 2017 |

Q1 What were your key priorities on becoming president?

I was appointed president and CEO on April 1, 2017. I first set about informing all our stakeholders that I was determined that Ricoh would make a new start and that included challenging conventional wisdom.

Since the global financial crisis in particular, we have been unable to return our performance to levels that satisfied our stakeholders. On top of that, the business climate for our core office equipment imaging business has become more adverse as competition has intensified amid a slowdown in overall market growth.

I therefore found it instructional to look back at Ricoh founder Kiyoshi Ichimura's Spirit of Three Loves as principles that we can draw on to expand and to deliver new value by bringing together people and information while overcoming the numerous crises. I believe that management must put customers first to make the Spirit of Three Loves a cornerstone of the Group. I am certain that we can innovate and create new markets by focusing relentlessly on what our customers want, pursuing the development of products and services that open new vistas for them and excite them.

I have devoted much of my career to manufacturing in Japan and overseas, and more recently oversaw management strategy, new businesses, and sales and marketing. Based on my experience, I am confident that solutions to frontline problems can only come from the frontlines and not from the confines of conference rooms. Since becoming president, I have continued to visit the frontlines to see what is happening so I can identify the very essence of these issues. I am determined to ensure that Ricoh remains a company that values what's really going on.

Q2 Tell us about your growth trajectory to date and your current business climate.

In making a new start, I decided it was vital to make a clean break from the past.

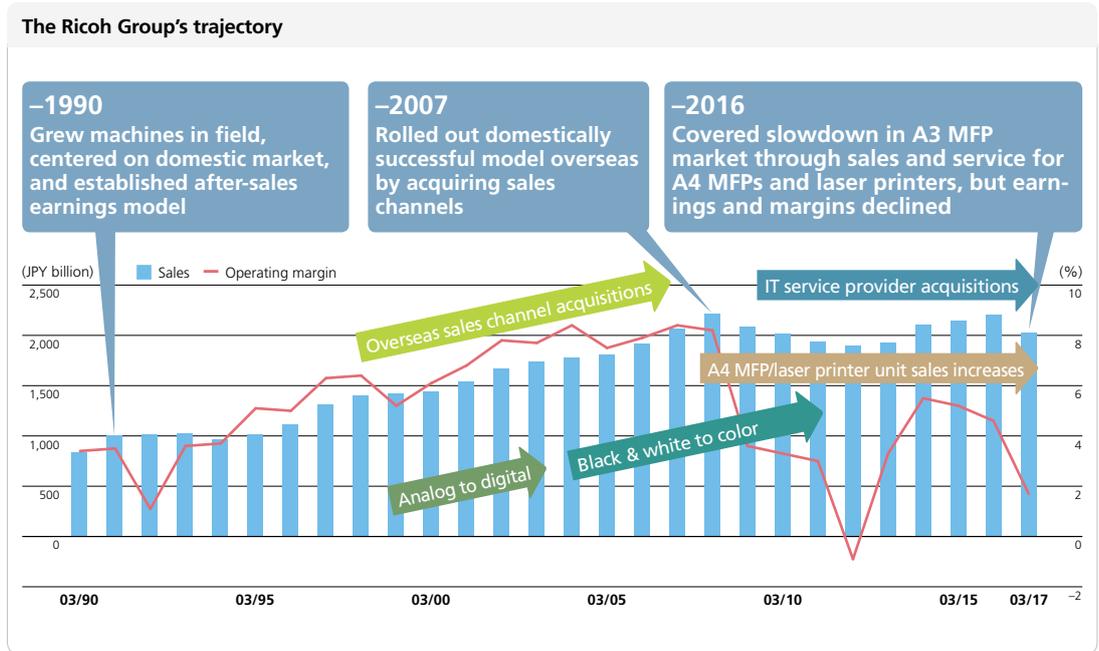
The Ricoh Group has passed through three stages over the past quarter of a century. The first was in 1990, when we reached ¥1 trillion in net sales. We generated around 70% of that amount in Japan. It was at that point that we grew the number of copiers, printers, and other office machines in field, mainly in Japan, and established our strong [after-sales earnings](#) > **1** model.

In our second stage, we boosted revenues for 14 straight years, through 2007, when earnings peaked. It was during that time that we acquired sales channels overseas and rolled out internationally the earnings model that we established in Japan. Our prime growth drivers were a switch from analog to digital technology and moves from monochrome to color machines. Phase three was from 2008. In developed nations, we endeavored to reinforce our services businesses as demand matured for color machines. We bought IT service providers and moved to a strategy of maintaining income levels that we had secured from after-sales earnings with office equipment. But, it was in this third phase that market growth slowed down in the aftermath of the global financial crisis and price competition intensified making it tough to maintain previous earnings levels.



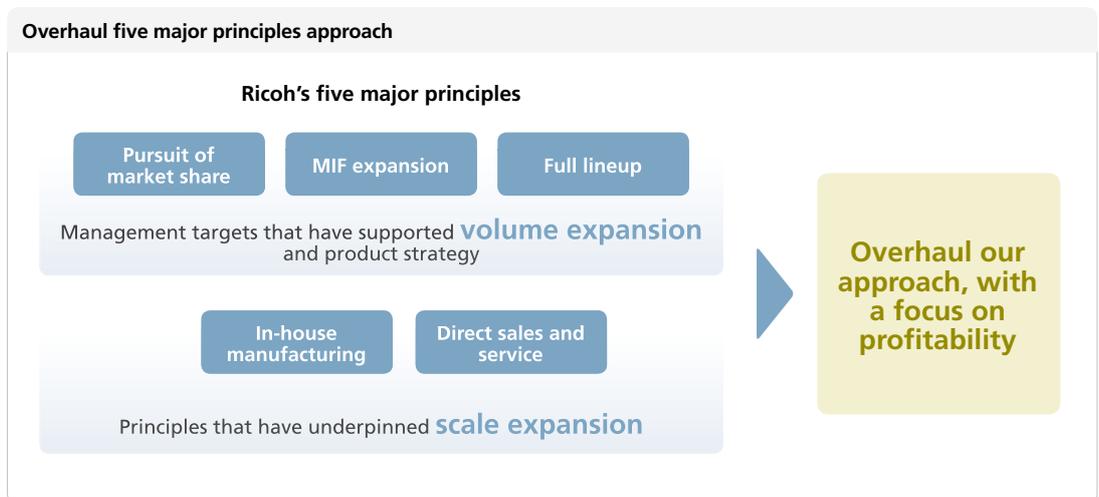
1 After-sales earnings

This is income from consumables, support, and service for MFPS, printers, and other equipment that we have sold



We established a business model to generate after-sales earnings and deployed that model overseas to secure new customers. We did this while rolling out our digital and color technologies to existing customers. It was during that process that we cultivated five major principles predicated on market growth, on which we based our decisions. These principles were to pursue market share, expand the number of machines in field, maintain a full lineup, emphasize in-house manufacturing, and maintain a direct sales and service structure. These principles impeded our efforts to shift strategies as the business climate changed.

The spread of mobile devices and the information technology infrastructure will likely hasten a decline in paper use and drive prices lower, making the going tougher for our core office imaging equipment business. So, under our 19th Mid-Term Management Plan, a three-year initiative through the fiscal year ending March 31, 2020, we decided to put our five major principles behind us and switch the emphasis of our strategic focus from volume to profitability.



The fiscal year ended March 31, 2017

Consolidated sales declined, reflecting lower revenues from our Imaging & Solutions business and foreign currency impact offset the steady progress in the industrial and other areas that are our growth domains. Operating profit was down. This was due to higher expenditure having embarked on structural reforms to cultivate future growth businesses, an impairment charge for the camera business, and India-related expenses.

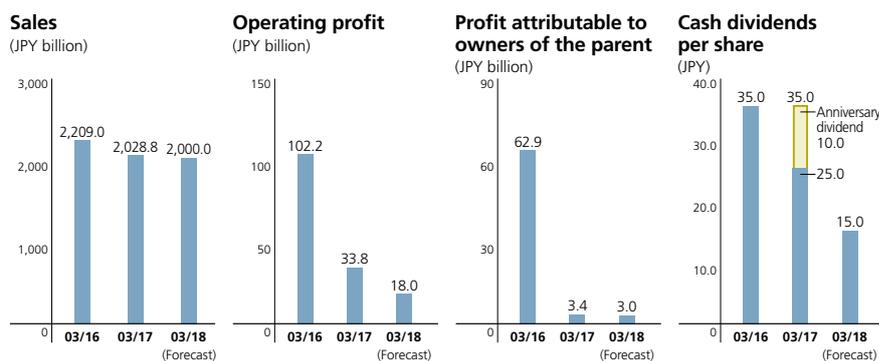
Outlook for the fiscal year ending

March 31, 2018

We will deploy policies to transform our business structure so we can generate earnings amid even the greatest changes in the operating climate. This improvement thrust encompasses driving cost structure reforms, undertaking business process reforms that boost productivity, and pursuing extensive business selectivity. Our forecasts in light of those endeavors are as shown on the right.

Shareholder return policy

Ricoh will set aside internal reserves to reinforce its corporate structure and cultivate new businesses while striving to deliver stable dividends to shareholders after comprehensively considering such factors as its medium-term earnings projections, cash flows, and financial position. We intend to allocate retained earnings to reinforce core businesses and concentrate investments in businesses offering medium- and long-term growth potential.



	03/2018 Forecast	(JPY billion) Change
Sales	2,000.0	-1.4%
Operating profit	18.0	-46.9%
Operating margin	0.9%	-0.8ppt
Profit attributable to owners of the parent	3.0	-14.0%
EPS (JPY)	4.14	-0.67
ROE	0.3%	±0.0ppt
R&D expenditures	117.0	2.6
Capital expenditures (Property, plant and equipment)	76.0	0.5
Depreciation (Property, plant and equipment)	66.0	-2.0

Exchange rate: USD/JPY=105.00; EUR/JPY=115.00

Announced on July 28, 2017

Q3

What are your basic strategies under RICOH Resurgent?

We have three key RICOH Resurgent objectives under our 19th Mid-Term Management Plan >1. The first is to reform our cost structure by driving structural reforms. The second is to prioritize growth businesses centered on our strengths. The third is to reinforce our management systems.

1. Reform the cost structure

There are two focuses to our structural reforms. The first is cost structure reforms, through which we are reviewing our in-house manufacturing and direct sales and service approaches, consolidating business units, paring down the number of models that we develop in-house, and optimizing our sales and service structure. We are accordingly overhauling the overall structure of headquarters, the supply chain, and other areas.

The second component is business process reforms, through which we are reviewing businesses themselves, improving productivity, and pursuing efficiency by deploying information technology. Specific objectives are to reduce costs by expanding shared services to consolidate and streamline common operations among companies and departments, reform maintenance processes for office models, and expand cost reductions through production automation.

Our greatest management challenges under our extensive business selectivity thrust are to review our portfolio of existing businesses, services, and products and shift to a structure that can generate revenues during our 19th Mid-Term Management Plans. We aim to transform our business structure, investing cash in growth businesses created through structural reforms to make them profit engines.

Refer to these pages

1 19th Mid-Term Management Plan P.15-16

2. Prioritize growth businesses centered on our strengths

We are refining and prioritizing our strengths and targeting growth based on those strengths.

In the office market, we are deepening ties with customers around the world, augmenting the capabilities in the core printing domain by providing new services. They include meeting support systems that help to enhance customer workflow and business productivity. We will leverage our strengths in printing technology to help create new customer value by broadening the potential of printing. Examples include commercial and industrial printing and [laser printing solutions](#) > [1](#) that employ thermal technology.

We redefined our segments and business areas to build the ideal structure for implementing these strategies.

For a start, we put our Office Printing and Office Service businesses in the Office segment. The Printing segment incorporates the Commercial Printing, Industrial Printing, and Thermal businesses. In the Office segment, we are switching the emphasis of our strategic focus from volume to profitability. In the Printing segment, we are concentrating resources, funding, and other elements to determine the direction for each segment. We are also clarifying accountability for each business domain to accelerate decision-making and reinforce our growth potential.

3. Reinforce our management systems

We set up the CEO Office, which reports directly to me, to implement structural reforms from the top down. We have put directors in charge of acting on priority companywide themes, delegating authority to speed up reforms.

To deploy our business strategy, we created a vertically integrated system for each business to reinforce PDCA (Plan, Do, Check, Act) management and accountability for results. At the same time, we are transferring oversight for some businesses to the most advanced markets including the Americas and Europe, as part of efforts to enhance the quality and speed of our strategic deployment.



1 Laser printing solutions
Solutions that enable customers to print within their production lines

Q4 What are the Group's medium- and long-term objectives?

When we embarked on our 19th Mid-Term Management Plan, we formulated a new value proposition for Ricoh - EMPOWERING DIGITAL WORKPLACES. It guides the efforts of all Ricoh employees to expand the notion of workplaces beyond the offices that we have traditionally served to also encompass operational frontlines and society at large. We aim to realize new growth opportunities by digitizing all workplaces so people can work smarter and by providing new value to individuals, teams and organizations.

Ricoh's approach

Ricoh's value proposition

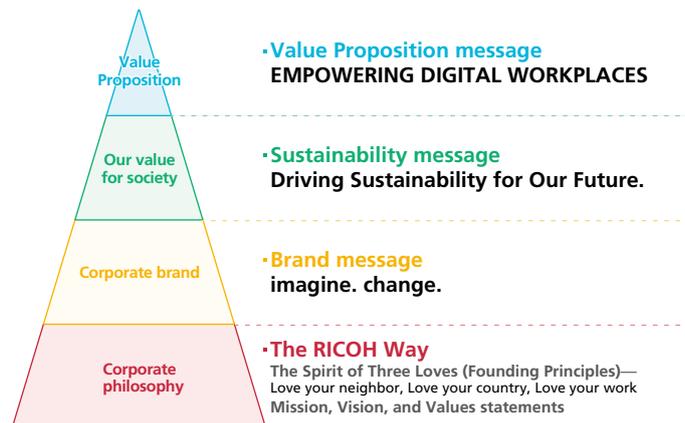
EMPOWERING DIGITAL WORKPLACES

Ricoh improves workplaces by using innovative technologies and services to enable individuals to work smarter



Value proposition positioning

Ricoh formulated its value proposition in keeping with its corporate philosophy and corporate brand message to express the concerted commitment of Ricoh employees everywhere to its customers and the communities in which it operates.



Ricoh's five materiality issues



We established five material issues that we must tackle through business and new environmental targets to reinforce our contributions to resolving social challenges. The issues are in keeping with Sustainable Development Goals >2 adopted by the United Nations and Ricoh's Mission, Vision, and Values. >1

We formulated and are reinforcing implementation of the Ricoh Group Environmental Goals to drive decarbonization and the circular economy. On the decarbonization front, we established a new greenhouse gas goal for 2030 based on the Paris Agreement, which entered into force in 2016, and we aim

to eliminate greenhouse gas emissions across our entire value chain by 2050. We will undertake extensive energy conservation activities and harness renewable energy to reach our targets. We were the first Japanese company to join RE100, an international initiative striving to increase the demand for and delivery of renewable energy. We will endeavor to improve the energy efficiency of our products while collaborating with business partners and customers to help decarbonize society throughout our value chain. >2

The Ricoh Group will swiftly and dynamically transform itself to stay ahead in a rapidly changing business environment. We will continue striving to deliver value that exceeds customer expectations while resolving social issues to grow with communities and enhance sustainable corporate value.

Refer to these pages

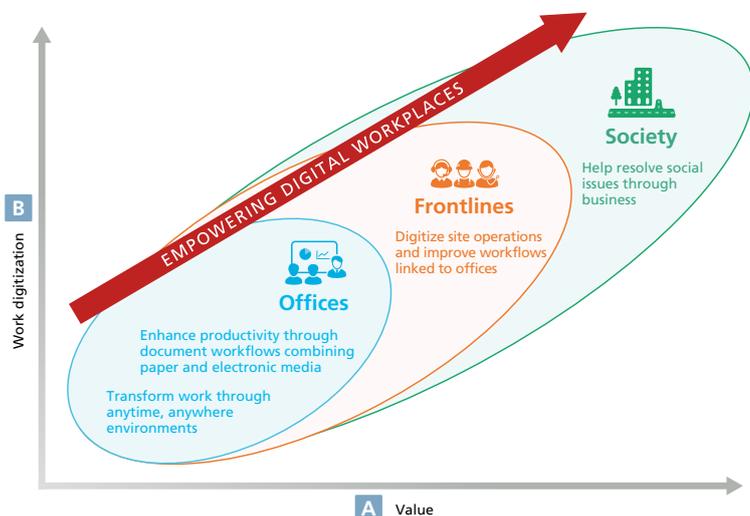
1 Resolving Social Issues and Creating Value P.19-20

2 Sustainable Environmental Management P.45-48

Sustainable development goals

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

Workplace expansion and our value proposition



- A Value**
Value focuses on the move beyond traditional offices towards workplaces and expands to encompass society.
- B Work digitization**
Digitizing work wherever people are working and analyzing the data to support customer knowledge creation.

19th Mid-Term Management Plan (April 2017–March 2020)

Under our 19th Mid-Term Management Plan, our prime challenge is to switch the emphasis of our strategic focus from volume to profitability. We will change our business structure by leveraging the cash we generate through those reforms to invest heavily in growth businesses and position us to generate solid profits under our next Mid-Term Management Plan.



* Free cash flow excluding finance business

01 Implement structural reforms

In implementing the structural reforms that are pivotal to the 19th Mid-Term Management Plan, we are driving ahead with top-down efforts with a view to generating some tangible results during the fiscal year ending March 31, 2018. For that year, we project ¥45 billion in structural reform expenses and ¥39 billion in cost reductions, producing savings totaling ¥100 billion over three years. On the governance front, we have made structural reforms part of the regular agenda for meetings of the Board of Directors, which closely monitors progress. We also aim to strengthen stakeholder trust by disclosing progress reports, mainly when announcing operating results.

Structural reform approach

Strategic switch

The emphasis of our strategic focus from volume to profitability

From expansionary strategy dabbling in everything to prioritizing businesses from a profitability perspective



Reform thrust

1. Cost structure reforms

- Review in-house manufacturing focus
 - Consolidate production network and redefine site roles
 - Cut development costs by paring down models created in-house
- Revamp direct sales and service
 - Optimize sales structure for small and medium-sized businesses in North America
 - Trim headquarters and back office operations

2. Business process reforms that boost productivity

- Enhance productivity by expanding global shared services
- Improve maintenance processes through enhanced service capability across more models
- Broaden cost reductions through more automated manufacturing

3. Extensive business selectivity

- Improve profitability by overhauling office services
- Clarify criteria for shutting down, maintaining, and investing in businesses and services

Projected structural reform savings under 19th MTP

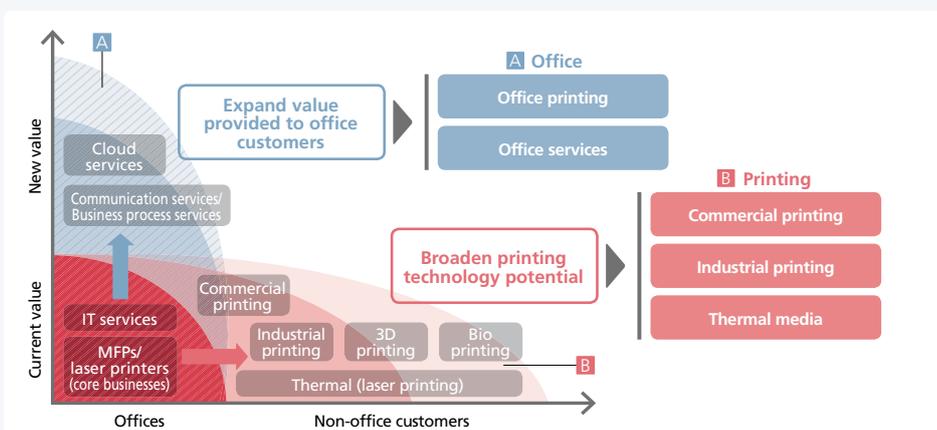
(JPY billion)	3/2018	3/2019	3/2020
1. Cost structure reforms	28.0	37.0	45.0
2. Business process reforms	11.0	39.0	55.0
Total reductions from the fiscal year ended March 31, 2017	39.0	76.0	100.0

02 Prioritize growth businesses

Deploying strategies that harness Group strengths will be vital to switching to a growth business revenues-driven operational structure. We will focus on growth businesses that are strengths under the 19th Mid-Term Management Plan and develop winning strategies in each business.

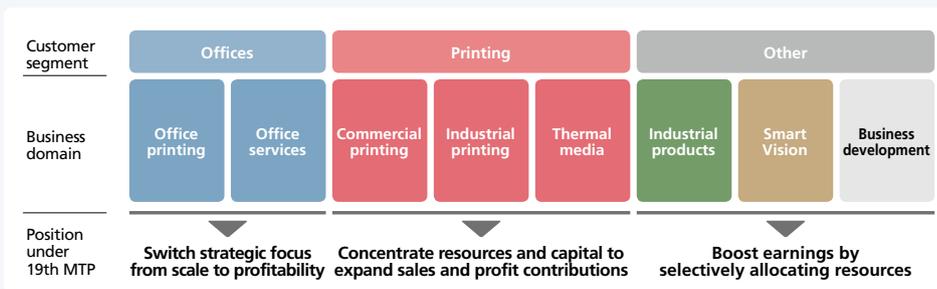
Focus on growth domains

- Grow by refining and prioritizing our strengths
- Leverage open innovation and concentrated investments to reinforce growth capabilities



Business structure leveraging strengths

- Redefine our business domains based on customer attributes and our strengths
- Improve cash flow and concentrate investments in growth fields



03 Reinforce management systems

We will endeavor to reinforce these systems because it will be vital to eliminate ambiguity in roles and responsibilities. The CEO is spearheading the drive to deploy and reform systems in order to implement structural reforms, develop business strategies and enhance their execution.

Approach to reinforcing management systems

Looking back

Ambiguous responsibilities, roles, and authority for some businesses and functions

Approach

Organization to implement structural reforms

- Drive reforms from the top down
 - The new CEO Office formulated four reform themes that individual divisions would find hard to tackle, and has delegated directors to oversee each initiative.

Organization to deploy business strategies

- Ensure thorough business PDCA management and accountability for results through structural reforms
- Improve strategic quality and speed by shifting business oversight to the best regions
- Visualize management information to swiftly identify and address issues

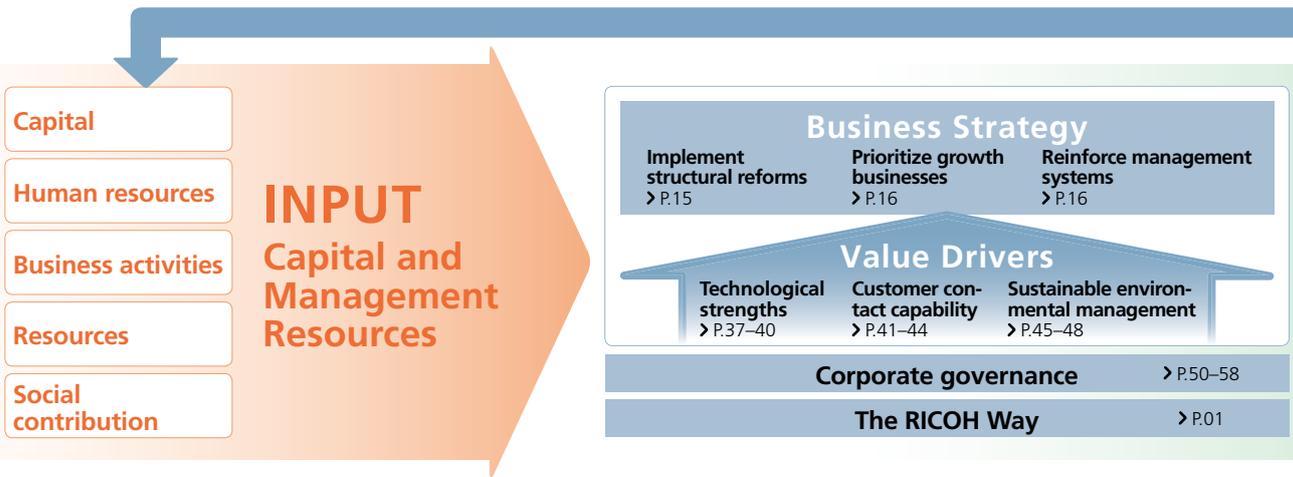
Corporate value integral to business growth

The Ricoh Group is always working to provide new value to stakeholders through corporate activities and to be a constructive part of solutions to issues that concern customers and society as a whole. As a group, we will strive to achieve continuous business growth and raise corporate value ever higher.

Cycle of improvement for corporate value

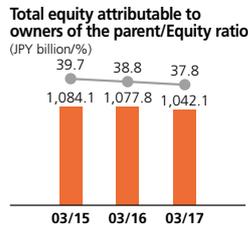
Companies invest copious amounts of capital and management resources to run their businesses and generate all sorts of value.

To us, at Ricoh, corporate value means responding to the various expectations of stakeholders and delivering value that extends to all stakeholders, including customers, shareholders, employees and society at large, and by raising value for each stakeholder we ultimately raise corporate value as well.



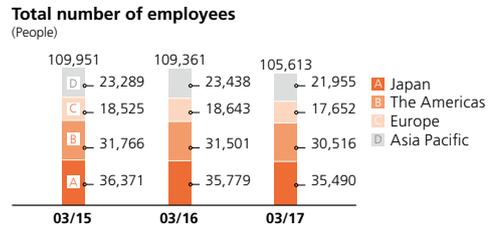
INPUT Capital and Management Resources

Capital



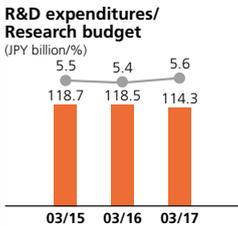
We secured sufficient funds to generate sustainable growth and increase corporate value.
> P.68

Human resources



We deploy the people needed to ensure ongoing growth and drive our operations in keeping with local conditions.

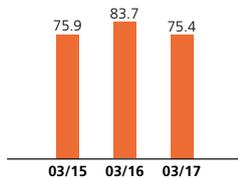
Business activities



We have targeted research and development investments equivalent to around 5% or 6% of sales to drive ongoing innovations.
> P.38

Capital expenditures*1

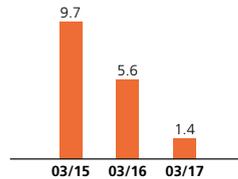
(JPY billion)



We bolstered production facilities and rationalized investments to cultivate new and existing businesses.

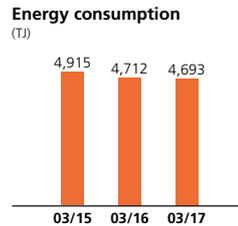
Business acquisitions*2

(JPY billion)



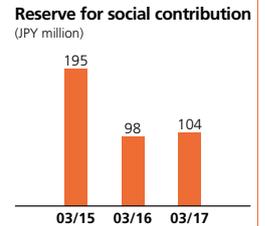
We acquired businesses to secure the resources we need for building new and growth businesses.

Resources



We have continued to reduce energy consumption.
> P.1

Social contribution



Every year, we undertake social contribution activities funded with earnings we allocate following approval at the Ordinary General Meeting of Shareholders.

Refer to our website

Environmental performance data: Energy Conservation www.ricoh.com/environment/data/pfm_energy.html#energy

*1 Expenditures for property, plant and equipment

*2 Amount recorded under Cash Flows from Investing Activities in the Consolidated Statements of Cash Flows

To boost corporate value, we undertake activities in accordance with management strategies based on core value perceptions and structures. A key element in the equation is The RICOH Way, which establishes the value perceptions that form the foundation for all we do. Corporate governance, with The RICOH Way as a cornerstone feature, accords us the ability to ensure that business activities are being properly executed, and it underpins sound and highly transparent management practices. Then there are our three

value drivers—technological strengths, customer contact capability and sustainable environmental management—that fuel our business growth, and we will apply these drivers in promoting activities to realize the three basic business strategies of the 19th MTP, which are to undertake structural reforms, prioritize growth businesses and reinforce management systems.

By reinvesting surplus capital and management resources derived through these efforts, we perpetuate the cycle that constantly drives corporate value higher.

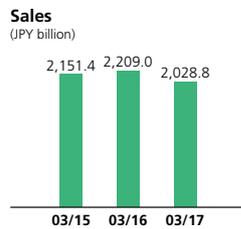
OUTPUT Value Creation

Engaging stakeholders

Value to customers	Customers	<ul style="list-style-type: none"> • Increase customer value through products and services • Offer safe and reliable products and services
	Business partners	<ul style="list-style-type: none"> • Build partnerships based on mutual trust and fair trade • Promote socially responsible activities across the value chain
Value to shareholders	Shareholders and investors	<ul style="list-style-type: none"> • Increase corporate value by achieving sustained business growth • Provide timely and appropriate information disclosure and communication
Value to employees	Employees	<ul style="list-style-type: none"> • Provide workplaces that motivate our diverse employees • Maintain a culture that fosters personal development and fair treatment
Value to society	Society	<ul style="list-style-type: none"> • Contribute to solving social issues through social contribution and business activities • Respect the cultures and customs of the countries and regions in which we operate, and contribute to their development
	Global environment	<ul style="list-style-type: none"> • Conduct business activities in an environmentally friendly manner and contribute to the reduction of environmental impact • Contribute to the maintenance and restoration of the Earth's self-recovery capabilities

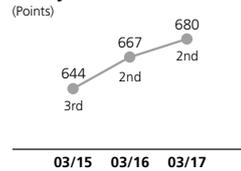
OUTPUT Value Creation

Value to customers



In the fiscal year ended March 31, 2017, sales declined owing to lower sales in the Imaging & Solutions segment and a higher yen.
➤ P.60

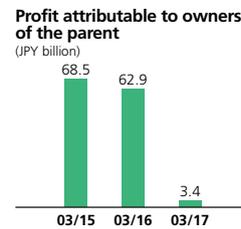
Results of J.D. Power color copier customer satisfaction surveys*



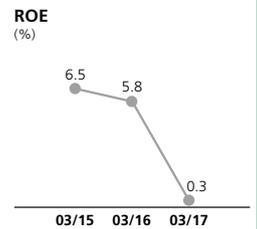
Our enhanced score reflected our customer-centric manufacturing approach and customer engagement.

*Covering large and middle office markets (enterprises with more than 30 employees nationwide)

Value to shareholders



The downturn in the year under review reflected the impact of a higher yen, lower margins amid intensified competition, and nonrecurring charges.
➤ P.68



ROE was down owing to lower earnings in the year under review. We aim to improve profitability through business structure reforms under our 19th Mid-Term Management Plan.

Value to employees

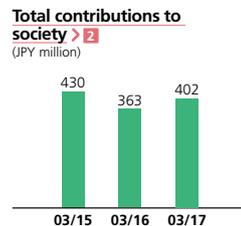


The average has grown over the years on the strength of efforts to enhance programs that help female employees meet their childcare and eldercare commitments.

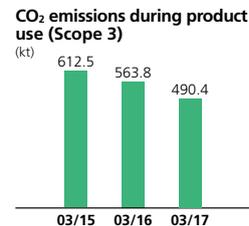


Despite analysis and preventive measures, the number of non-manufacturing occupational accidents was up slightly. The number of manufacturing incidents trended downward through the use of risk assessments and other tools. We will continue to pursue improvements. The number of severe occupational accidents remained zero for a second straight year.

Value to society

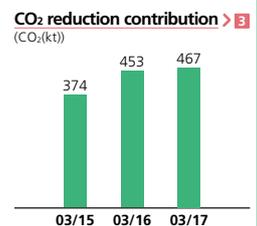


Contributions were up due to increasing employee participation in regional activities.



The expanded use of energy-efficient products contributed to a decrease in emissions.

Value to society/customers



Our products and solutions helped cut overall carbon dioxide emissions by society, with the reductions exceeding emissions from all of the Ricoh Group's plants.

Refer to our website

2 Social contribution activities www.ricoh.com/csr/community/performance.html

3 Evaluation of contribution www.ricoh.com/environment/management/reduction.html

Leveraging the power of business to materialize social sustainability

We are undertaking a range of initiatives in keeping with our sustainability message, which is Driving Sustainability for Our Future. The message conveys our determination to create new value to resolve social issues and help materialize a sustainable society through business. The Ricoh Group pursues such sustainability through a Three Ps Balance—Prosperity (economic activities), People (society), and Planet (environment). We accordingly endeavor to resolve social issues through business, reinforce our operational underpinnings, and contribute to society, and will help to reach Sustainable Development Goals (SDGs) >1 agreed to by the international community.

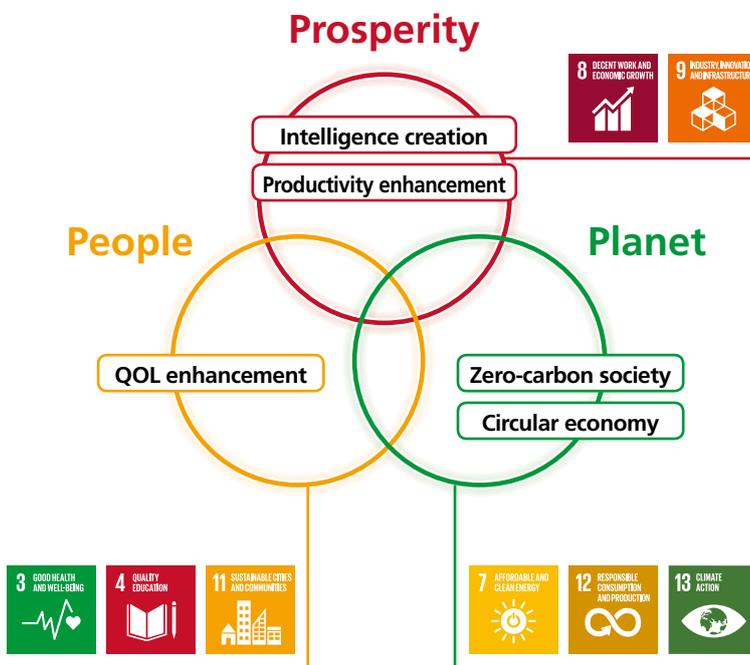
Refer to this page
 1 Top Management Interview
 P.14

Resolving social issues through business

We reduced the number of SDGs in which we are leveraging our strengths in business, services, and technologies to resolve social issues from 17, to eight. We established five key social issues (materialities) that we are tackling through business by bringing together our corporate philosophy, business

strategies, and environmental management initiatives. We aim to simultaneously resolve social issues and grow our business by expanding the scope of value that we offer to encompass everything from conventional offices to wherever people work.

Ricoh Group's materiality >1



Major materiality initiatives

- Intelligence creation**
- Productivity enhancement**
 - Improve productivity and support work practice changes by digitizing workplace tasks
- Quality of life (QOL) enhancement**
 - Help enhance the quality of medical services and education and revitalize communities
 - Help build and maintain sustainable urban and social infrastructures
- Zero-carbon society**
- Circular economy**
 - Reduce greenhouse gas emissions by carefully conserving energy and using renewable energy
 - Increase resource efficiency by recycling products and harnessing recycled resources
 - Develop and supply eco-friendly products and services >2

Refer to our website
 1 Materiality for the Ricoh Group www.ricoh.com/csr/strategy/materiality.html
 2 Products www.ricoh.com/environment/product/#env1

Initiatives through efforts to reinforce operational underpinnings

We will contribute to SDGs by reinforcing our operational underpinnings. We have accorded particular emphasis to respecting human rights, promoting diversity, and ensuring work-life management. Work practice reforms are a top priority that involve all of our people. Employees with a range of backgrounds are creating environments, organizations, and structures that enable them to demonstrate their individual capabilities and translate the results of in-house efforts into products and services for customers.

We are endeavoring to meet diverse stakeholder expectations as a global enterprise and enhance corporate value over the medium through long terms. We are accordingly fostering a corporate culture that has a strong sense of mission and high ethical standards. We are also endeavoring to strengthen corporate governance and ensure management transparency and fair decision-making.

> 3 > 4 > 5



Acting responsibly through our social contribution activities

As well as establishing basic social contribution policies, we have partnered with various stakeholders in three priority areas. These are environmental protection, community development, and youth education. We are accordingly drawing on the strengths, human

and other resources of each Group company and the exceptional knowledge and expertise of our partners. > 6 > 7 > 8



Three priority areas and key corporate programs

● Environmental protection

We recognize that our business activities are based on the provision of biodiversity-based ecosystem services. We undertake ongoing conservation initiatives to reduce environmental impact and to maintain and enhance the earth's ability to regenerate.

- Forest conservation project in Ena, Gifu Prefecture
- Forest ecosystem conservation projects



Forest conservation project in Ena
Nature class for young children

● Community development

Companies are members of communities and operate with the cooperation of those communities. We endeavor to become integral to the nations and communities in which we operate and progress together. We undertake ongoing initiatives that match community needs.

- BOP (Base of the Pyramid) project



BOP Project
Educating about female hygiene

● Educating the young

It is important for societies and companies to foster the young in view of their future roles in materializing sustainable societies. We therefore undertake ongoing initiatives to help children learn and grow through educational experiences and activities.

- Ichimura Nature School Kanto
- Ricoh Science Caravan
- Educational support project in India

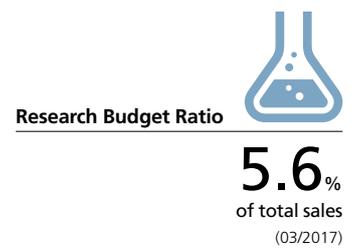
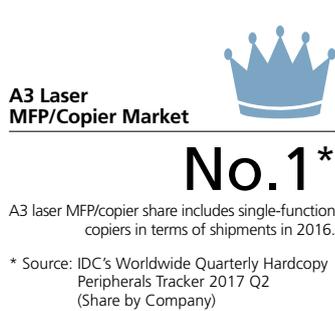
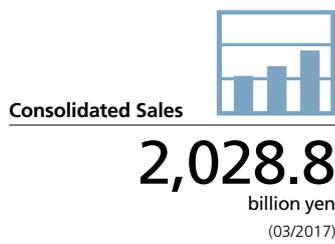


Ricoh Science Caravan
Try to be a copier machine!

Refer to our website

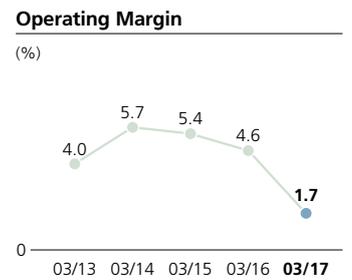
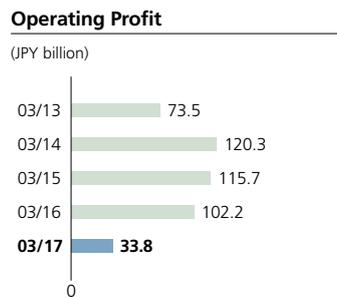
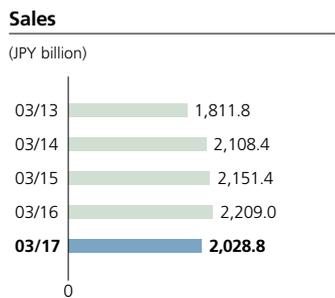
- 3 Human Rights www.ricoh.com/csr/human_rights/
- 4 Diversity and Work-Life Management www.ricoh.com/csr/labor/diversity.html
- 5 Governance www.ricoh.com/governance/
- 6 Forest Ecosystem Conservation Projects www.ricoh.com/environment/biodiversity/contribution/forest_ecosystem.html
- 7 Global Policy for Social Contribution Activities www.ricoh.com/csr/community/
- 8 Collaboration with the Social Sector www.ricoh.com/csr/community/sector.html

About the Ricoh Group

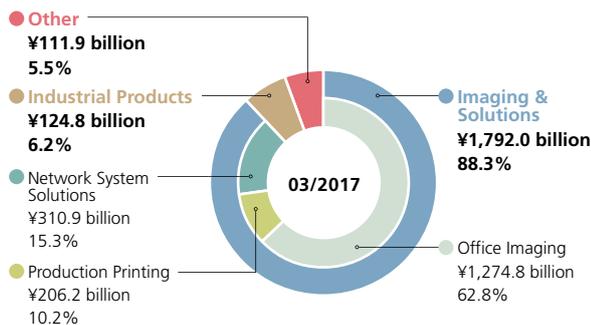


Highlights for the fiscal year ended March 31, 2017

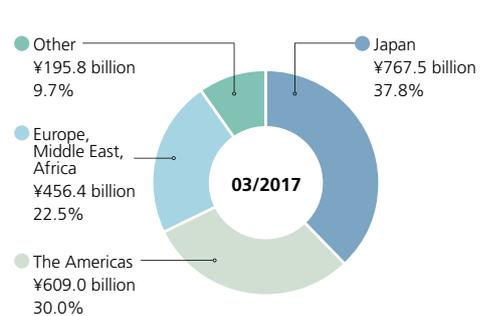
Figures comply with International Financial Reporting Standards.



Sales by Product Category



Sales by Geographic Area



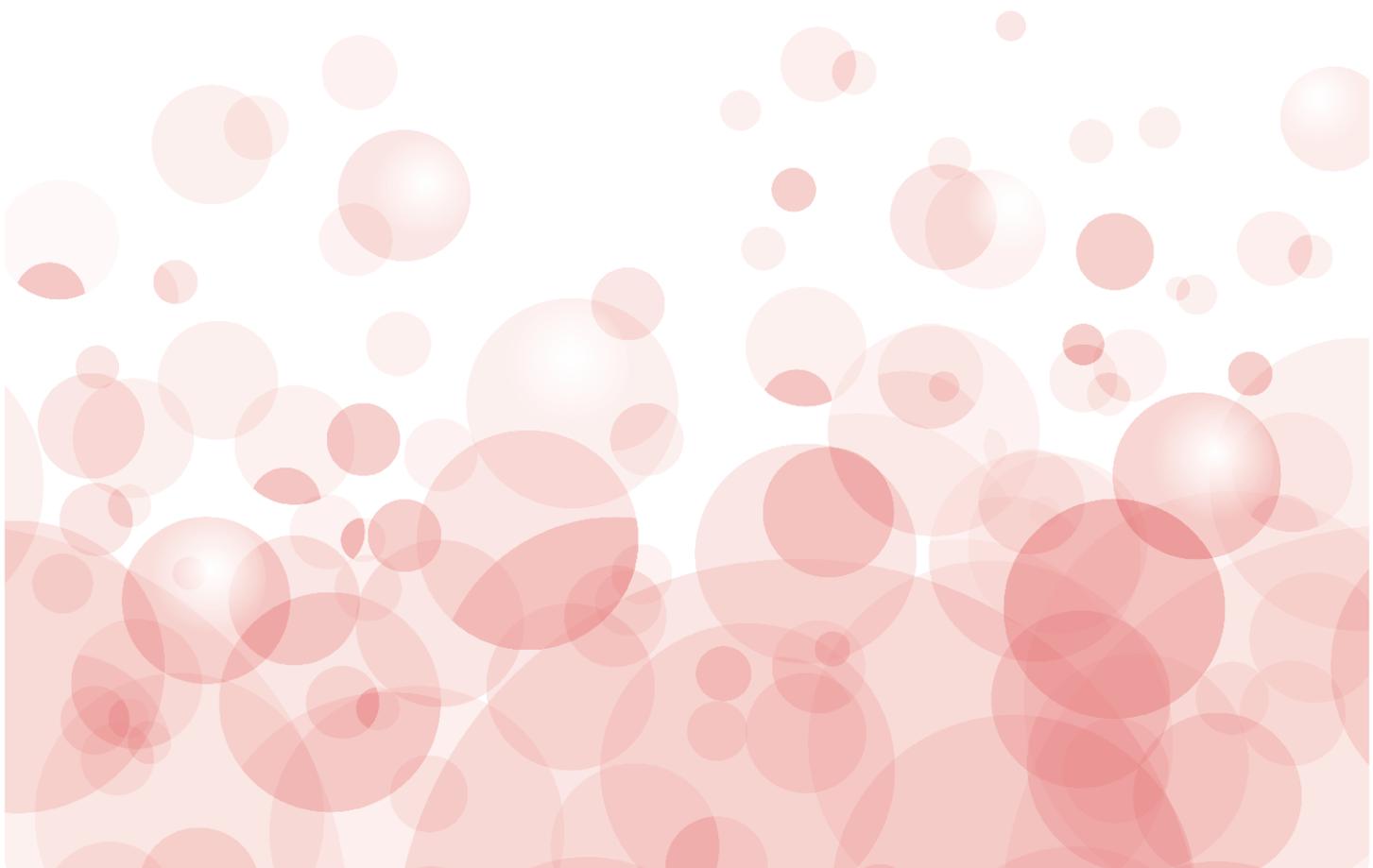
Ricoh redefined its business domains and adopted new operating segments as of April 1, 2017.

Business Strategy

The Ricoh Group's businesses grow by constantly anticipating and adapting to social trends and needs.

Here, we explain where we are headed with key businesses and present products and case studies to highlight our achievements.

23	Offices	(Office Printing/Office Services)
27	Printing	(Commercial Printing)
29		(Industrial Printing)
31		(Thermal)
32	Other	(Industrial Products)
33		(Smart Vision)
34		(New Development)



Providing new value to drive office evolutions

Delivering value to office customers and transforming workplaces.

Strategic direction

- Maintain and improve margins through product, sales channel, and regional selection and concentration
- Coordinate equipment and workflow solutions to create new customer value and expand revenues



Office Printing Business

Kunihiko Satoh

Director and Corporate Executive Vice President
General Manager of Office Printing Business Group
Ricoh Co., Ltd.

Strategic direction

- Review service menus and standardize globally
- Improve operational efficiency and invest in growth areas



Office Service Business

Mona Abutaleb

Corporate Associate Advisory Officer
General Manager of Office Services Business Group
Ricoh Co., Ltd.

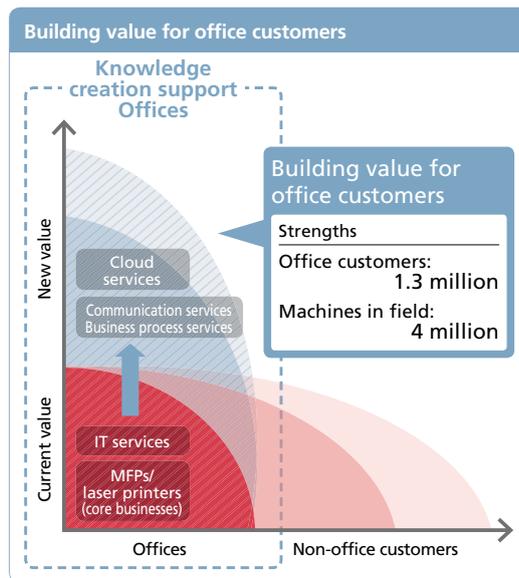
Business environment and growth areas

Our business has traditionally centered on regular offices. Advances in information and communication technology and work practice reforms have transformed the office to encompass anywhere in society, including factories, shops, and hospitals. The communications linking these offices have also diversified. We accordingly formulated the **EMPOWERING DIGITAL WORKPLACES** >1 value proposition to describe what the Ricoh Group offers to its customers.

We are accordingly cultivating office printing and office services businesses to expanding customer value in the office arena.

One of our great strengths is our ability to serve office customers worldwide. We have around 1.3 million customers, with about 4 million machines in field. We aim to augment our printing business prowess by providing support for the work practice reforms of customers by providing services that leverage the Internet of Things and other advances. In recent years, we have accordingly endeavored to strengthen sales and marketing structures by industry category. We are reviewing customer's core business processes for specific industries such as healthcare, education, finance, manufacturing, etc. and expanding our service business to support sales expansion and customer satisfaction improvement.

We seek to cater to various needs by identifying specific regional requirements and regulations so we can provide comprehensive solutions through collaboration with design units in keeping with our long-term vision. We are also endeavoring to deliver value. For example, we offer **managed document services (MDS)** >2 and IT services that encompass everything from planning through building and managing office information and communications infrastructures and offer **visual communications** >3 that make interactions in offices and at educational institutions.



Refer to our website

- 1 **EMPOWERING DIGITAL WORKPLACES** www.ricoh.com/about/company/empowering/
- 2 **Managed document services** services.ricoh.com/services/managed-document-services/
- 3 **Visual communication** services.ricoh.com/services/communication-services/

Supporting customer workflows Solutions services

Expansion of the cloud service market in recent years has ushered in the development of work environments that are free of time and place constraints, streamlining operational efficiency in various ways. Even in the MFP arena, we are collaborating with development partners to accelerate the development of cloud solutions that address the growing need for solutions from issues arising from changing work patterns.

That approach led to the May 2016 launches of mid-range and high-end color MFPs that all incorporated large full-color touch panels. These systems function input and output devices for cloud services, providing access from the operating panel to application sites on the cloud. This standard feature enables users to install the apps that they need for their businesses. By offering various applications from a simple, user-friendly screen, we can support the workflows of small and medium-sized enterprises and other customers to help them improve their operational productivity.

We are improving convenience for MFP customers by deploying the [@Remote](#) office equipment management service around the globe. This service remotely assesses the usage and operational states of equipment online. This setup automatically orders supplies and prevents failures without customers needing to contact Ricoh, shortening downtimes. We cut customer labor costs and enhance productivity through MDS, which handles overall operational tasks relating to documents, not just output.

In addition, we are reducing the work cost of our customers and improving productivity through MDS, which undertakes general operation management tasks related to documents as well as output.

We continue to present improvement proposals to customers that range from building information infrastructures to optimizing the designs, deployment, and running of workflows for creating, outputting, and managing documents.



Large MFP touch panels that can access cloud services

Improving workflows to automate business processes

The Ricoh Group provides new customer value by complementing its MFP cloud solutions by proposing ways for medium-sized and large companies to automate business processes.

Customer worksites increasingly need to consolidate and automate data inputting and business processes, and are cutting back on the use of paper-based tasks. Ricoh has accordingly drawn on the document processing that it has amassed over many years to initiate proposals to scan paper documents to create data files, improve customer workflows, and undertake multiple tasks simultaneously. We already support accounting workflows and other processes in Europe and the United States, and plan to develop businesses in other areas in the years ahead.

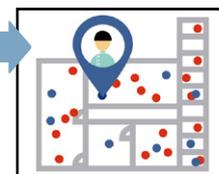
Helping to improve productivity based on site sectors and operational characteristics

In 2016, we launched an indoor location information service to cover facilities and underground areas that GPS tracking cannot reach. The service acquires and visualizes positional information on people and objects. We have begun supplying a solution that analyzes that data with supplemental information. One user is Sapporo Dohto Hospital Medical Corporation in Sapporo, Japan. That institution has launched hospital services that locate medical professionals, patients, and medical equipment in real time, optimizing the use of precious time and enhancing operational efficiency.

Ricoh will continue to develop business- and industry-specific solutions that leverage the power of digital technology to reform businesses and workplaces.



Positional information (top right) displayed at nurse station



System providing real-time positioning of people and devices at medical institution sites

 Refer to this page

 Technological Strengths
P.39

 Refer to our website

 @Remote www.ricoh.com/remote/

Providing seamless support with visual communications

The rapid development of information and communication technology in recent years has made it easy for people to access information at any time or place. This development has come amid a rising focus on work practice reforms to address shrinking workforces, enhancing work productivity while eliminating long working hours. More companies have diversified work practices, notably by offering telework and holding remote conferences.

As office communication and work practices change, Ricoh provides visual communication systems that foster collaboration across time and space and drive reforms in how people work. Our teleconferencing and Web conferencing systems, for example, enable people to be in touch anywhere. Our interactive whiteboards help bring creative ideas together. Combining these systems with projectors produces virtual spaces in which people can quickly meet, share information, and make decisions when they need to. We also provide our work efficiency knowhow and solutions that draw on such products. We seek to materialize total support for work environments, thereby providing value that enhances customer productivity.



We will provide business support using visual communication products and cloud services to cater to changes in how and where offices function, examples being telework and satellite offices. Such support ensures accurate communication even between people at remote sites, so they can share materials and serve customers more effectively.

Ricoh will continue to support the creation of environments that allow people to communicate anytime and anywhere with anyone through visual communication devices.

Visual communication products that transform work practices



Video and Web conference systems
RICOH Unified Communication System P3500

A portable platform that does not require dedicated lines and makes it easy to communicate with multiple sites face-to-face anytime and anywhere.



Interactive whiteboards
RICOH Interactive Whiteboard D6510

Can display personal computer and tablet information and allow handwriting on the board, saving the digital information. Multiple units can be used for remote sharing.



Projectors
RICOH Pj WX4152N

We offer a diverse lineup of projectors, from ultrashort throw to high-end models to match installation, functional, projection distance, and other requirements.

Case study:

Making customer workplaces smarter

We are contributing to workplace reform by offering the latest technology solutions to revitalize the customer's workplace.

International Business Machines Corp.

Enhancing meeting productivity with our interactive whiteboards and IBM Watson platform

Ricoh's interactive whiteboards (IWB) ▶¹ can record ideas directly by incorporating data from personal computers and tablets. They can also share information in real time by connecting to remote sites. Ricoh started collaborating with IBM to transform work with IWB. IBM's Watson artificial intelligence platform* leverages its speech recognition function to analyze and understand natural language, reading files and manipulating pages and making it possible to automatically collate meeting minutes. One aim is to create practical applications. They include using machine translation to support multi-language meetings and automatically creating minutes. We will continue development with IBM so the combination of IWB and Watson can revitalize entire meetings and pave the way to more efficient decision-making.



Supporting multi-language meetings with machine translation

* IBM Watson is a trademark of International Business Machines Corporation.

Kinki Nippon Tourist Individual Tour Co., Ltd.

Experienced travel concierges harness videoconferencing system in proposing tour plans

Kinki Nippon Tourist Individual Tour Co., Ltd., maintains a service in which experienced personnel use teleconferencing systems and Ricoh's Unified Communication System (UCS) ▶² to function as travel concierges, proposing tour plans to customers. Customers visiting shops can consult about travel concierge plans by using displays connected to the UCS. We constructed the system as a video communication partner for connecting shops with travel concierges. Our setup ensures stable and secure video communications through the Internet and provides robust IT support.

Some customers were initially reluctant to seek advice through video screens, but when they used the travel concierge system nearly 90% of them were very satisfied with the results. At some shops, the travel concierge service has accounted for 25% of sales. The service is growing by satisfying customers, enabling Kinki Nippon Tourist Individual Tour to build its personalized travel business. We will provide more satisfying services, notably by making it easier to analyze the performance of travel concierges and enabling the system to present itinerary recommendations.



Travel concierges use videoconferencing system to propose tour plans to customers

Refer to our website

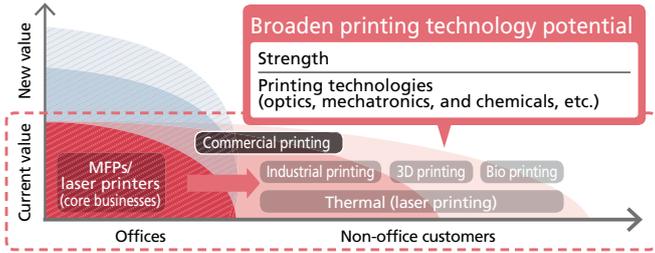
- 1 RICOH Interactive Whiteboards www.ricoh.com/iwb/
- 2 RICOH Unified Communication System www.ricoh.com/ucs/

Delivering total print solutions

We will lead the transition from offset to digital printing by combining high-performance solutions with on-demand digital printing presses.

Strategic direction

- Expand profits by providing workflow solutions to existing customers
- Secure new customers among leading commercial printers and expand business



Commercial and Industrial Printing Business

Peter Williams
 Corporate Vice President
 General Manager of Commercial and
 Industrial Printing Business Groups
 Ricoh Co., Ltd.



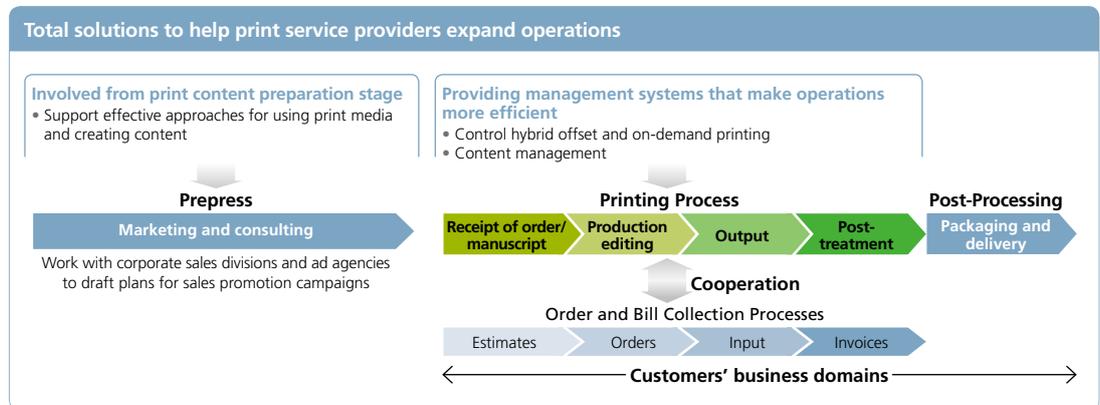
Business environment and growth areas

The Ricoh Group fully entered the production printing business in 2007, focusing on the evolving changing needs of the printing market. We expanded our products and services to cater to a range of market requirements, including for intensive in-house and core systems printing and print-on-demand commercial printing. There is tremendous potential in commercial printing, where key customers are in the advertising, publishing, and other sectors, and needs are diverse. That market is worth an estimated ¥40 to ¥50 trillion, including for conventional offset printing. Demand is not just for conventional offset printing, and extends to high-value-added areas, such as on-demand and variable printing allowing small print runs whenever needed.

We responded to these market trends by packaging products and workflow solutions delivering

exceptional performance at attractive prices to customers in the printing industry. We aim to drive the offset to digital transition while securing new commercial printing customers. We are also focusing on proposals for advanced printing processes that bring together our printing technologies and expertise in proposing solutions that help improve the productivity of customers throughout the value chain, encompassing consulting through printing and delivery.

We are drawing on the technologies, functions, and knowhow of PTI Marketing Technologies, Inc., Avanti Computer Systems Limited, and Interconnect, Inc., and other Group companies that have undertaken strategic investments and acquisitions in the past few years to reinforce our structure for providing total business workflow support for our customers.



Refer to our website
 Production printing www.ricoh.com/products/office/

Product lineup offering new value

Color cut-sheets models are driving earnings gains in the commercial printing business.

The RICOH Pro C5210S/C5200S color production printer, launched in January 2017, offers more robust paper handling and superior image quality.

We are harnessing oil-free color PXP-EQ toner, based on our proprietary polymerization technique, as well as surface-emitting semiconductor laser technology to materialize higher image and other quality while improving speed, reducing noise, and accelerating warm-up times to create more comfortable business environments for customers.

The RICOH Pro C7100 series can use white and fluorescence toner, and is being used for high-value printed materials featuring advanced designs.

The RICOH Pro 8200 series monochrome production printers provide greater productivity and image quality than predecessor models. Key customers are retailers, financial institutions, and public agencies that have major in-house print volume needs, as well as printing firms with commercial printing operations.

Broadening the potential of commercial printing with customers

In November 2016, we augmented RICOH Customer Experience Centers (CECs) in Tokyo and Thailand, following CECs in the United Kingdom and the United States. We thus maintain such centers in all four operating regions. CEC TOKYO enables customers to immerse themselves in workflows ranging from taking commercial printing orders to editing, printing, post processing, packing, and shipping. Through in-house printing, we gain deep understandings of customer businesses, reflecting what we learn in development, planning, and production and in creating innovative solutions. We provide customers with manufacturing expertise that we have cultivated over the years.

Through consulting services that support business tasks, we recommend business improvements to customers through consulting services that support business tasks, reinforcing our credibility while endeavoring to build our presence in the commercial printing market.

By leveraging the collaboration of each of our Customer Experience Centers, we seek to expand our business in the growing commercial printing arena while sharing our expertise and catering to the various requirements of customers.



High-value-added publications in an array of designs



Promotional materials employing white (left) and fluorescent toners



Customer Experience Center (Tokyo)



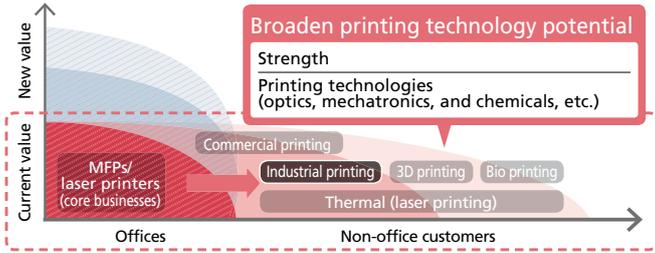
Customer Experience Center (Thailand)

Expand the potential of printing through inkjet technology cultivated over many years

We are helping customers to reform their value chains by providing industrial inkjet printheads, inkjet modules, and industrial printers.

Strategic direction

- Enhance market share by strengthening development and sales of industrial inkjet printheads and inks
- Broaden use of industrial inkjet technology in inkjet modules and printer arenas



Commercial and Industrial Printing Business

Peter Williams
 Corporate Vice President
 General Manager of Commercial and Industrial Printing Business Groups
 Ricoh Co., Ltd.



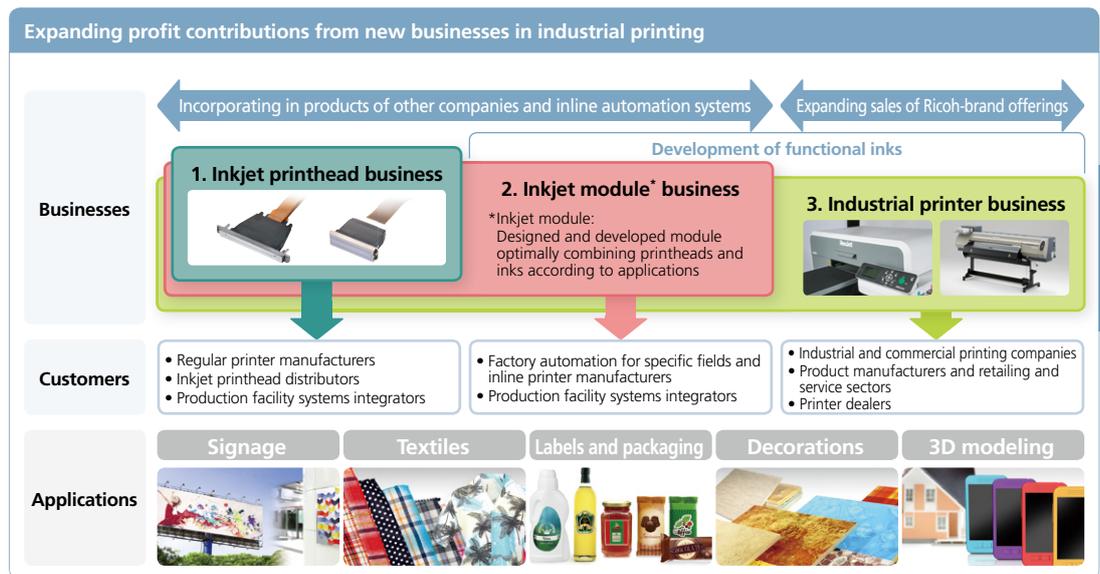
Business environment and growth areas

The Ricoh Group has amassed a strong track record over more than 40 years of developing industrial inkjet printheads offering outstanding reliability and cost performance and safe and highly functional inkjet inks that customers can choose to match applications. We drew on powerful proprietary technologies from such areas in entering the industrial printing arena.

Our products and solutions focus on three businesses. These are the Printhead Business and Inkjet Module Business, whose offerings are for the products of other companies, and the Industrial Printer Business.

In the industrial printing market, there is a growing need to print to everything from furniture, wallpaper, and automobile exteriors to clothing fabrics, plastic bottle labels, and signs. The inkjet printhead field is set for great expansion.

In the industrial printer area, we employ our strengths as a printer manufacturer to provide accurate and efficient industrial inkjet printing systems that integrate inkjet printhead, ink, and advanced automated equipment technologies to help customers improve operational efficiency.



Refer to our website
Industrial inkjet industry.ricoh.com/en/industrialinkjet/

Harnessing proprietary technology to provide industrial inkjet printheads

The industrial inkjet printhead >■ field is poised for growth in view of diversifying requirements for these components and the intensive development of products and applications.

RICOH MH Series inkjet printheads are compatible with an array of inks and are very durable. Released in 2017, the RICOH MH 5421F/5421MF employs our proprietary ink circulation structure and uses a stainless steel housing. This structure enables continuous ink flow directly past back of the nozzles to prevent dry nozzle and ink particle sedimentation, offering highly stable jetting performance. This printhead supports up to two colors, offering increased reliability for high-resolution printing.



RICOH MH5421 Series

Helping customers to perform better through our printing technology

The Inkjet Modules and Industrial Printer businesses will likely experience considerable growth in expanding the potential of printing technology. The digitization of processes will enable on-demand printing of small runs of multiple jobs at low costs.

In the Inkjet Modules business, we supply such printhead, ink, image processing, and other systems. We deliver finished products to customers and partner such customers as factory automation printer manufacturers and systems integrators from early development stages, proposing ways to take advantage of our technical and sales capabilities and thereby transform their value chains.

In the Industrial Printer business, we bring out products in segments enjoying particularly solid growth as needs diversify. A particular priority is Direct to Garment printers for clothes, fabrics, and other items. We aim to expand this business, whose markets should become massive in the years ahead.

 Refer to this page

 Technological Strengths
P.40

Compact direct to garment printer that puts the fun into printing unique designs

Textile printing applications that use inkjet technology can deliver shorter production processes than conventional screen printing. This can lower environmental impact by reducing the consumption of energy and chemicals. It is also possible to create finer patterns than with screen printing.

We reinforced our industrial inkjet business by launching the RICOH Ri 3000 and Ri 6000 Direct to Garment printers in North America in May 2017. These were the first Ricoh-branded models employing technology from AnaJet LLC, which we acquired in January 2016. These systems offer high-speed and high-quality printing on T-shirts, hats, and other apparel, as well as tote bags. In August 2017, we announced the RICOH Ri 100, a strategic Direct to Garment offering. Its outstanding operability and miniaturization technology stem from four decades of amassing inkjet technology and developing office printers, and it delivers outstanding image quality and

a smooth texture. Integration of the printer and finisher resulted in a compact design, with new holder cassettes making operations simple. Shops and event sites without skilled operators can easily produce their own T-shirt and tote bags designs.

The RICOH Ri 100 will be released in China, Japan, and elsewhere in Asia from fall 2017, becoming available elsewhere thereafter, bringing fun to printing custom designs of children's drawings, photos, and other images.



Direct to Garment printer
RICOH Ri 100

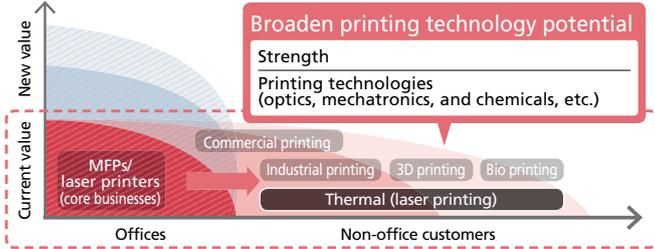


Diverse products and services to meeting customer needs

We aim to build customer trust through our high-value-added thermal paper, in which we dominate the world market, and our top-quality products and services.

Strategic direction

- Maximize revenue in the key markets of Japan, the United States, Europe, and China, and expand our business scale in emerging nations
- Commercialize laser printing solutions



Thermal Media Business

Yasutomo Mori

Corporate Senior Vice President
General Manager of Industrial Media Solutions Business Group
Ricoh Co., Ltd.

Employing thermal coloring and printing technologies in diverse applications

Thermal media ¹ like paper and films respond to heat for colorizing or printing. Thermal paper is used for printing merchandise information and barcodes for such applications as food point-of-sale setups, process management, and delivery labels. Thermal transfer ribbons are used to manage logistics, inventory, specimens, and for apparel price tags, brand tags, and tickets. We have built strong market shares in numerous countries and territories by differentiating ourselves competitively, notably in terms of high image quality and thermal durability. We are also cultivating businesses in Southeast Asia,

whose markets offer strong growth potential.

In the consumer market, the need to optimally print or publish personalized information is rising, including through the customization of beverage and food packaging and labels. Ricoh aims to offer a laser printing solution to deliver ultrahigh-speed on-demand printing and custom printing within customer production lines through the integration of proprietary materials technology and equipment employing laser writing technology. In the years ahead, we will commercialize such a setup as a high-value-added service.

Noteworthy thermal paper applications

<p>Food label (POS)</p>	<p>Clothing tags</p>	<p>Receipts</p>	<p>Food point-of-sale labels</p>	<p>Baggage tags</p>	<p>Boarding passes and tickets</p>	<p>Expressway receipts</p>	
	Shopping			Travel			
	<p>Tickets</p>	<p>Lottery tickets</p>		<p>Process control labels</p>	<p>Chemical labels</p>	<p>Logistics labels</p>	<p>Handy terminal paper</p>
Leisure		Industry					

Refer to our website
¹ **Thermal media** industry.ricoh.com/en/thermal/

Industrial Products

Creating value in a diverse range of fields

We will develop our businesses, optimizing our cultivated technological strengths in the industrial products field, including the automotive industry, striving to resolve social issues with our business partners.

Strategic direction

- Optical Module Business: Establish a business model for the automotive industry and generate earnings by expanding industrial businesses that fully harness core technologies.
- IC and Wafer Business: Provide high value-added products that draw on our strengths and materialize a highly profitable structure.
- Precision Component Business: Reinforce profitability by increasing sales and reinforcing our operational foundations.

Industrial Products Business

Katsunori Nakata
Corporate Senior Vice President
General Manager of Industrial Product Business Group
Ricoh Co., Ltd.



Cultivating diverse industrial product businesses

In [Industrial Products >2](#), we engage in various industrial application areas, endeavoring to expand our earnings.

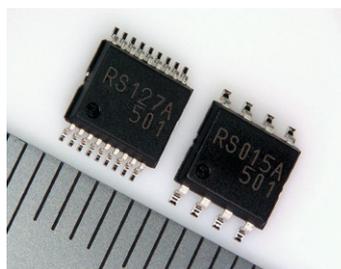
In the optical module business, in 2017 Ricoh Industrial Solutions drew on its strengths in optical and image processing technologies to develop and begin mass producing the world's smallest automotive stereo camera. This camera is designed to enhance driver safety. We will bolster our products and technologies for the automotive industry, while applying expertise from that field in other industries, thereby expanding our business scale.



Automotive stereo camera

Automotive and battery sales are rising in the IC and wafer business of Ricoh Electronic Devices Co., Ltd. In CMOS analog semiconductors, where we have proprietary process and circuit technology, we are reinforcing our position in general-purpose power ICs that are compact and minimize current consumption. In battery protection ICs, where we have

amassed a solid record over the years, we will endeavor to maintain our leads in mobile devices.



Automotive power supply ICs

In the precision component business, Ricoh Elemex focuses on precision components for automobiles. The subsidiary aims to expand its business by developing and securing new technologies so it can cater to emerging customer demand for more compact and lighter offerings.



Precision machined parts

 [Refer to our website](#)

[2 Industrial products](#) industry.ricoh.com/en/

Providing new expressiveness for still images and video

Creating new image and video expressiveness with unique and attractive hardware and data use

Strategic direction

- Build the top brand position for the RICOH THETA in the 360° camera market
- Build an image and video data platform and expand service offerings
- In the existing camera market, develop value-added products for target users



Smart Vision Business

Wataru Otani

Corporate Associate Vice President
General Manager of Smart Vision Business Group
Ricoh Co., Ltd.

Providing leading edge device and image data solutions

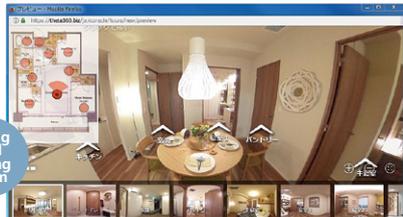
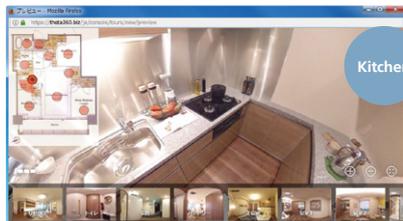


RICOH THETA V

We are focusing on reinforcing our sales structure to generate both consumer and corporate demand for the **RICOH THETA > 1** camera. This model can provide 360° still images and movies that showcase atmospheres and locations, and has considerable potential in the restaurant, hotel, tourist facility, construction, and automotive sectors. In addition, we offer the THETA 360.biz as a Web application that makes it easy to save images on the cloud and show them on subscriber websites. We aim to expand our lineup of models that can capture video in 4K and are waterproof, and look to establish our position as a top runner in cultivating new markets.

In data services, we are building a platform to store and analyze image and video data, and expanding our services. We aim to improve customer value in various industries, examples being facial authentication algorithms for security, behavioral analysis solutions for retailers, and stereo cameras for infrastructure inspection solutions.

In conventional **digital cameras > 2**, we maintain a solid lineup of models. They include single lens reflex cameras for professionals, high-performance compact cameras for professionals, high-performance compact cameras, and action cameras that are waterproof, dustproof, and shock resistant.



Images captured on RICOH THETA for a property search site

PENTAX K-1



GR II



RICOH WG-50



Refer to our website

- 1 **RICOH THETA** theta360.com/en/
- 2 **Digital cameras** www.ricoh-imaging.co.jp/english/products/index.html

New Development

Leveraging our strengths to create value for tomorrow

Establishing priority areas in which we aim to swiftly commercialize offerings

Strategic direction

- Identify profitable business models and swiftly launch new businesses

New Development Business

Masahiro Nakamura
Corporate Vice President
General Manager of Business Development Division
Ricoh Co., Ltd.



Additive manufacturing (3D printers)

In September 2014, the Ricoh Group launched an additive manufacturing business focusing on 3D printers. **➤** To date, we stocked and sold such hardware as Ricoh and other brand 3D printers while providing solutions that integrate everything from consulting to 3D data design and modeling.

We established RICOH Rapid Fab centers in Atsugi, Shin Yokohama, Osaka, and Nagoya to assist customers with everything from installing to operating 3D printers. They can talk with Ricoh technicians and see numerous modeled samples, direct parts, and molds and jigs at these centers, which show just how versatile 3D printing can be. We hold monthly events and

seminars around Japan that highlight the technologies and applications of 3D printers and showcase the latest products. We will step up support for customer innovations through such initiatives, products, and services.



RICOH Rapid Fab
(Atsugi, Kanagawa, Japan)



Objects fabricated with 3D printer



RICOH AM S5500P

Eco Solutions

We seek to evolve with our customers through environmental management **➤**, which we began undertaking in the 1990s. We opened the RICOH Eco Business Development Center **➤** in Gotemba, Shizuoka, Japan, in April 2016. The goals of this facility are to create new environmental technologies and businesses that conserve resources, create and save energy, and through open innovation encompassing collaboration between industry, government and academia and to reuse and recycle MFPs. Ricoh Japan provides solar power facility operation and maintenance services that constantly monitor conditions

and manage demand peaks and also provides electricity sales services. We aim to build and expand our eco solutions overall to generate annual sales of ¥100 billion by the fiscal year ending March 31, 2021.

Refer to these pages

1 Sustainable Environmental Management
P.45-48



MFP resource recycling exhibit



Solar power facility operation and maintenance services

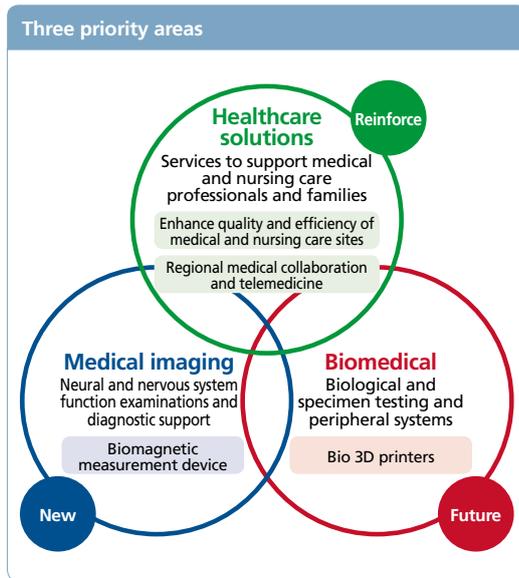
Refer to our website

3 3D printer www.ricoh.com/release/2015/1027_1.html

4 RICOH Eco Business Development Center www.ricoh.com/environment/eco_business_center

Healthcare

The Ricoh Group entered the [healthcare field](#)  in 2016 to capitalize on opportunities offered by an aging society and the need to reduce medical costs and eliminate regional disparities in medical treatment standards. We aim to expand our business by focusing on healthcare solutions, medical imaging, and biomedicine.



In healthcare solutions, we demonstrate experiments with telemedicine systems that use videoconferencing. In May 2017, we signed a joint business development agreement with MinebeaMitsumi Inc. for a bed sensor system for monitoring biometric information. In the first phase of this project, we will build a platform to monitor the elderly. The platform would accurately noninvasively monitor such biometrics as



Bed sensor



Bed sensor system that monitors biological information

the weight and movements of people in beds, helping to enhance patient monitoring while reducing measurement and recording workloads. In medical imaging, we are developing magnetometers that can evaluate spinal cord and neural activity. We are also developing a spinal magnetometer that can evaluate nervous system functions. We acquired the brain activity measurement business of Yokogawa Electric Corporation in April 2016, and have accelerated business development and R&D in biomagnetic measurements. In the biomedical field, we are conducting R&D for bio-3D printers that create human tissue by using inkjet technology to three-dimensionally place cells.



Spinal cord neural activity



Magnetoencephalograph showing the neural activity of the brain

 **Refer to our website**

 **Healthcare** www.ricoh.com/technology/institute/research/healthcare.html

Value Drivers

Our technological strengths, close customer contacts, and environmental management drive our efforts to create value. We are leveraging those strengths and will further enhance corporate value.

- 37 **Technological Strengths**
- 41 **Customer Contact Capability**
- 45 **Sustainable Environmental Management**



Continuing to provide new value to society through our core technology and unique ideas

We will create products and technologies that help transform customer workplaces and resolve social issues.

Providing new value for diverse workplaces

We have brought out ideas for innovative work styles since entering the business machine field in the 1950s. We are now broadening the scope of the value we create from regular offices to worksites in various industries and locations. By digitizing work in various places, we are helping customers work smarter. By providing new value to individuals, organizations and society, we can resolve social issues while generating new growth opportunities.

We are helping to change workplaces and society and continue providing value to customers through the core technologies that we have innovated in many years of product development. They include the image processing, optics, materials and devices, environment, networking, and software fields. We will bring these technologies together with new ideas and other technologies to pursue even more innovations. >1

Seeking to create value in new areas

One new R&D fields for us is to create knowledge so people can work smarter. We also aim to build value through inkjet technologies that broaden the potential of printing.

We help customers to create knowledge by innovating for a range of workplaces. We do this through the use of machine vision and other input, artificial intelligence analysis, and through optimal combina-

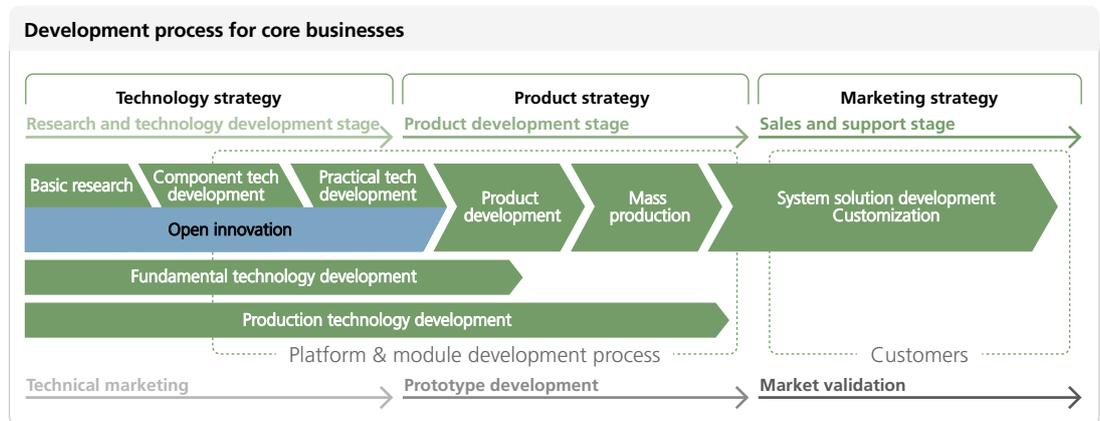
tions of displays, controls, and other processes. > P.39

Inkjet technology applications have expanded to encompass commercial printing, industrial printing, and healthcare. We are going beyond printing on paper to push ahead with inkjet printhead applications for functional printing on other media, notably for bioprinting and electronic circuit printing. > P.40

R&D structure and development process

The Ricoh Group has R&D sites in Japan, the United States, India and China. >2 Each site explores market needs and conducts research and technology development attuned to regional characteristics while deepening cooperative connections among global sites. Our corporate map also includes technology centers and printing innovation centers, and we launch value-creating activities involving our customers through a framework for gathering feedback on market needs ascertained directly through customer support activities to enhance future product development.

Ricoh's technology development process >3 for core businesses is broken down into three stages—research and technology development, product development, and sales and support. We emphasize system solutions development and customized development to fuel more robust responses, from the development of key technologies based on technology strategy through efficient product development without relying on prototypes, >4 and then to customer needs.



Refer to our website

- 1 Technology www.ricoh.com/technology/
- 2 Global R&D www.ricoh.com/technology/rd/global.html
- 3 Technology Development www.ricoh.com/technology/rd/development.html
- 4 Development process innovation www.ricoh.com/technology/rd/manufacture.html

Engaging in open innovation

We are drawing on open innovation with universities, research institutions, and enterprises to accelerate efforts to help resolve social issues, streamlining the development of advanced technologies.

We are applying our inkjet, machine vision, image processing, and other technologies in diverse initiatives. They include the Japanese government-supported Funding Program for World-Leading Innovative R&D on Science and Technology and joint R&D with universities and independent administrative corporations. We are reinforcing relationships with venture enterprises to accelerate the creation of new businesses.

Open innovation case study

Inspecting bridges with drones > P.39

We are undertaking research under the auspices of the Infrastructure, Maintenance, Renovation and Management Technologies initiative of the Cross-Ministerial Strategic Innovation Promotion Program of the Japanese Cabinet's Council for Science, Technology and Innovation. The New Energy and Industrial Technology Development Organization is supervising that initiative. The theme is R&D into drone systems for acoustic and proximity visual inspections of bridges. Associate Professor Kazunori Ohno of Tohoku University is heading this research.

3D bioprinters > P.40

We are participating in a national project led by the Japan Agency for Medical Research and Development, which is undertaking joint research with Osaka University.

Inspecting roads with stereo cameras > P.39

We developed technologies as part of the Road Surface Condition Monitoring Verification Testing Consortium. Its members are the Ministry of Land, Infrastructure and Transport, Akita Prefecture and Semboku, a city in that prefecture, and the Ricoh Institute of Information and Communication Technology.

In March 2016, we established a fund to foster tech ventures that drive progress in next-generation industries.

Through this fund, we aim to contribute to industry development by financing tech ventures and by supporting start-up and accelerating the commercialization of technologies.

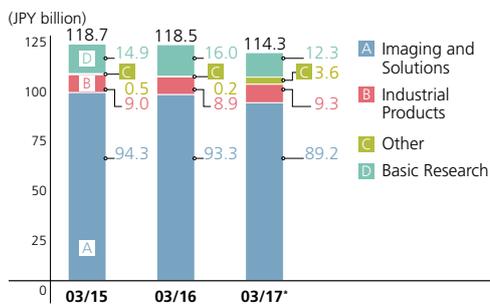
R&D investments and intellectual property initiatives

The Ricoh Group consistently earmarks 5% to 6% of consolidated sales for R&D to ensure a steady stream of innovation. In the fiscal year ended March 31, 2017, R&D expenses reached ¥114.3 billion, or about 5.6% of sales. Of this amount, 10.7%, or ¥12.3 billion, went into basic research.

Intellectual property > IP, the fruit of our R&D efforts, is vital to our competitiveness. We therefore encourage efforts that yield valuable intellectual property and seek to acquire and use intellectual property that protects and grows our businesses. We have deployed business and technological strategies to reinforcing core businesses, globalizing by cultivating operations in emerging nations, and launching new businesses to expand our domains.

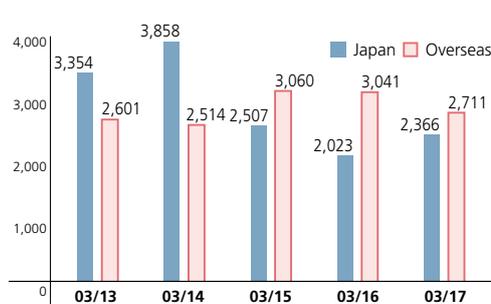
We have deployed strategies to expand our domains, reinforcing core businesses, globalizing by cultivating operations in emerging nations, and launching new businesses. We accordingly continue to secure patents in Japan and abroad. As a result, the number of registered patents overseas has exceeded the number in Japan since the fiscal year ended March 31, 2015. We are conducting a review of maintained patent rights by assessing future market and business conditions and determining whether to abandon any unnecessary patent rights.

Changes in R&D investment



* In the fiscal year ended March 31, 2017, R&D investments relating to the camera business were included in the Other segment after being part of Imaging and Solutions. If R&D investments based on the approach for the fiscal year ended March 31, 2016 were applied in the fiscal year ended March 31, 2017, they would have been ¥3.4 billion.

Number of registered patents worldwide



 Refer to our website

 Initiatives in Intellectual Property www.ricoh.com/technology/rd/ip.html

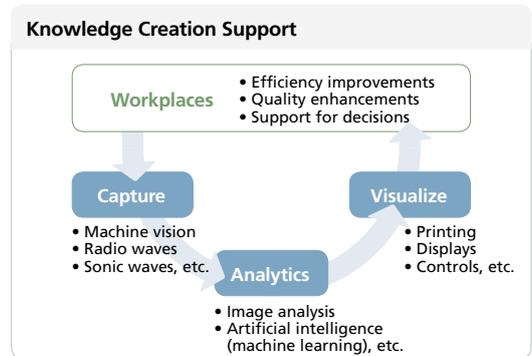
Transforming workplaces through knowledge creation

In pushing forward with EMPOWERING DIGITAL WORKPLACES, we are developing technologies to support ongoing knowledge creation by working people.

Supporting knowledge creation by organically linking inputting, processing, and outputting

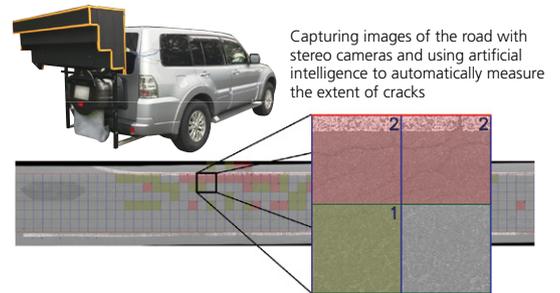
We defined three necessary steps that we organically link and evaluate to supply smart systems and solutions that support knowledge creation.

- Capture: Collect a range of information with optimal devices
- Analytics: Examine and process collected information and convert it into intelligence
- Visualize: Optimally supply the results of processing to systems and people



● Road surface inspection system > 1

Special vehicles are commonly used to maintain road infrastructure. We developed a camera system that can be mounted on standard monitor vehicles to evaluate road surfaces. Multiple stereo cameras can measure the rate of cracks, the depth of ruts, and flatness in a single pass. The system decodes images with a model obtained through machine learning, reducing man-hours. The Maintenance Control Index, a comprehensive benchmark for making repair decisions, is calculated based on findings, and provides support for writing up inspection records. The results can be mapped to visualize the road surface conditions.



● Public infrastructure inspection system > 2

The aging of bridges and other structures has become a social problem worldwide. The need to perform inspections in high places poses considerable risks. Another issue in recent years has been shortages of inspectors.

We developed a spherical shell drone equipped with a camera that can maintain appropriate distances from target structures and can safely capture macro shots of bridge floor slabs and supporting sections. The photos are automatically reconstructed into 3D panoramic images. The system links images with bridge position information to help with preparing records according to inspection procedures. This saves a lot of labor and contributes to report consistency.



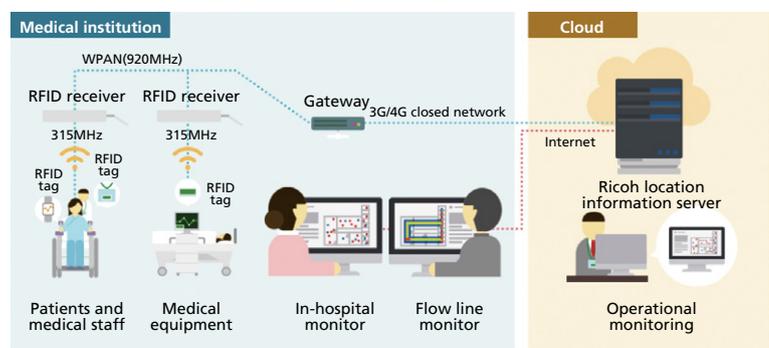
Spherical shell drone for inspecting bridges

● Localization service

We provide services that optimize the use of precious time at medical institutions by pinpointing the locations of people and objects in real time, reducing inconvenience, wasted effort, and inconsistency.

Radio frequency identifier (RFID) tags on patients, medical staff, and medical equipment transmit information to in-hospital receivers. The acquired positioning data goes to our location information server on the cloud and is processed, with each location being displayed on in-hospital maps.

This setup eliminates considerable time otherwise wasted seeking people and objects, helping to streamline work efficiency.



Refer to our website

- 1 **Road Surface Inspection System** www.ricoh.com/technology/institute/research/tech_road_surface_monitoring.html
- 2 **Public infrastructure inspection system** www.ricoh.com/technology/institute/research/tech_inspection_system.html

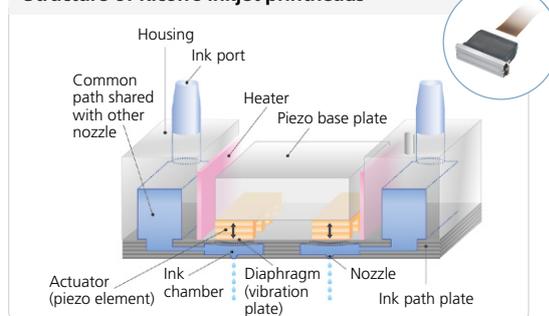
Expanding the potential of printing and creating new value

Ricoh has refined its inkjet technology over more than 40 years. The applications of technology launched for office printing have expanded to commercial and industrial printing, serving in such areas as clothing, food and housing.

Head technology for even and precise ink drops >3

Ricoh's inkjet technology comprises inkjet printheads that are pivotal for performance on various media, enabling the ink supplies to deliver the right image quality, and with color matching position control technology that precisely regulates positions. Our inkjet printheads eject ink from nozzles with piezo elements. Nozzles and housings are made of stainless steel to ensure high durability and long service lives. Our proprietary bi-pitch laminated piezo actuator ensures very precise and stable control of ejection volumes for various ink types.

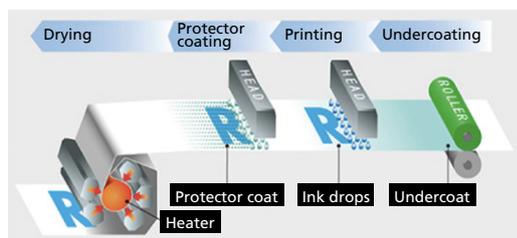
Structure of Ricoh's inkjet printheads



Commercial printing system incorporating the latest technology >4

For the RICOH Pro VC 60000 high-speed continuous feed inkjet printing system, we deployed 1,200-dot-per-inch dual print head technology to deliver high-definition images for professional needs and Dynamic Print Head Positioning, our technology for improving dot position accuracy. This product employs an undercoating technology that keeps dot diameters stable and a protector coating technology that maintains the surface properties of paper materials.

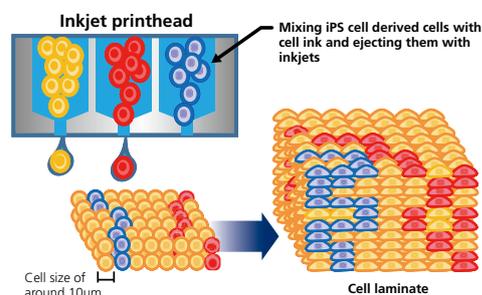
These technologies deliver high-quality printing on a wide range of paper, including offset coated stock.



Bio printers that position cells in 3D >5

It is necessary to precisely arrange different types of cells derived from induced pluripotent stem cells and assemble them three-dimensionally to reproduce biological tissue structures that closely approximate those of living bodies.

Ricoh is researching and developing 3D bioprinters that can mix cells with inks, disperse them in liquid, and stably eject cells from inkjet printheads without crushing them to produce artificial human tissues.

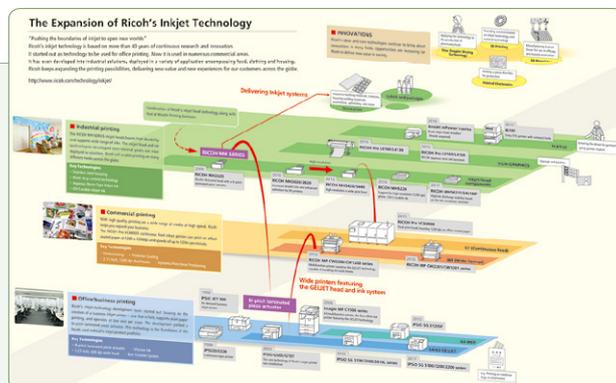


Pushing the boundaries of inkjet to open new world

We produced a website that overviews the expansion of our inkjet technology.

www.ricoh.com/technology/inkjet/

The site presents our technology, inkjet innovations, and development achievements over the years.



Refer to our website

- 3 Industrial Inkjet industry.ricoh.com/en/industrialinkjet/
- 4 Printing www.ricoh.com/technology/tech/printing.html
- 5 3D Bioprinter www.ricoh.com/technology/institute/research/tech_3d_bio_printer.html

Knowing and growing with our customers

Customer benefits underpin all of our decision-making. From product development through manufacturing, sales, service, and support, we constantly seek to provide new value that puts customers first.

Identifying customers' potential needs and innovating

Today's socio-economic environment is vastly different from what it used to be and the transformation process continues, driven by increased globalization, growth of emerging economies and a wider embrace of network technologies. Customers' business environments and needs are changing, with management focusing on everything from transforming workflows and cutting the total costs of ownership to ensuring compliance with laws and ordinances.

That said, it is not always clear what customers want. We seek to stay ahead of customers in uncovering needs that they have yet to notice. We have to look beyond what they tell us to identify what they truly want.

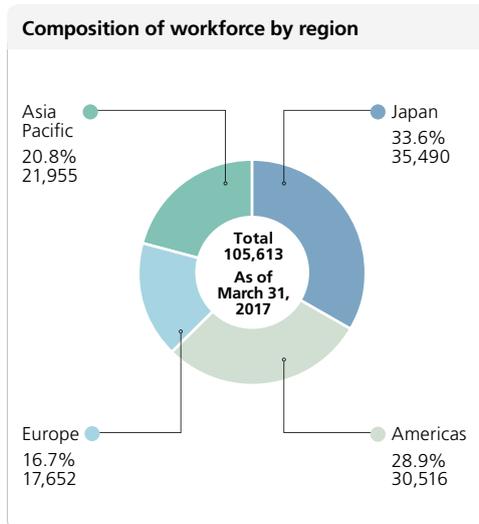
The Ricoh Group looks beyond conventional offices in expanding the value it offers to various industries and worksites. We will leverage the power of One Global Ricoh to meet customer expectations.

Operating globally and building our supply chain

In sales and services, we have built a global network stretching across some 200 countries and regions and maintain a four-point regional headquarters structure—Japan, the Americas, Europe and Asia Pacific. In addition, we constantly work to expand the service business and strengthen the structure through M&As while taking steps to foster local harmony and consistency in our global strategies.

To ensure that we are able to provide leading-edge technologies to customers around the world, we have set up R&D hubs in Japan, the United States, China and India, and pursue development of technologies attuned to local market characteristics and globally strategic technologies.

In delivering products and services to customers, we utilize four global production hubs and maintain an optimum production structure emphasizing the most favorable location for maximum efficiency. This approach combines two production formats: "intensive production," which outputs core modules common to many products as economically and efficiently as possible, and "local production for local consumption," which swiftly addresses the needs of customers close to the point of production.



Structure-strengthening M&As (May 2015–July 2017)

2015	May	Ridgian Limited	United Kingdom
	June	Graycon Group Inc.	Canada
	July	NASSION Systems	Malaysia
		Capa 4	Mexico
	December	Impromat CZ spol. s.r.o.	Czech Republic
Impromat Slov spol.s.r.o.		Slovakia	
Upfront SPRL		Belgium	
2016	January	AnaJet LLC.	United States
	June	Eye-Fi Inc.	United States
2017	January	Avanti Computer Systems Limited	Canada
	July	Techno Trends, S.L.	Spain

Meanwhile, we have worked to achieve a supply chain that remains uninterrupted even in a disaster or other emergency situations so that customers will never have to halt operations. Within the Ricoh Group, we ask suppliers to reinforce business continuity capabilities through redundant production bases and parts procurement channels and larger material and component inventories, and we encourage them to be socially responsible and take a rigorous stance on CSR procurement and issues of child labor and conflict minerals.

These efforts underpin our commitment to customer satisfaction through [supply chain management](#) ¹ implemented from a customer perspective while simultaneously pursuing profit opportunities.

Products that consistently delight and inspire customers

The Ricoh Group believes it is important to provide products and services that customers can use with confidence and that deliver a sense of value that exceeds expectations. This ideal is captured in the [RICOH Quality declarations](#) ² with the words “consistently delight and inspire our customers,” and we strive to ensure quality, particularly the aspects of safety and reliability.

Standards/Frameworks to ensure confidence and safety

- Basic Policy for Product Safety Activities
- Action Policy for Product Safety Activities
- Multifaceted market quality information management
- Quality management system

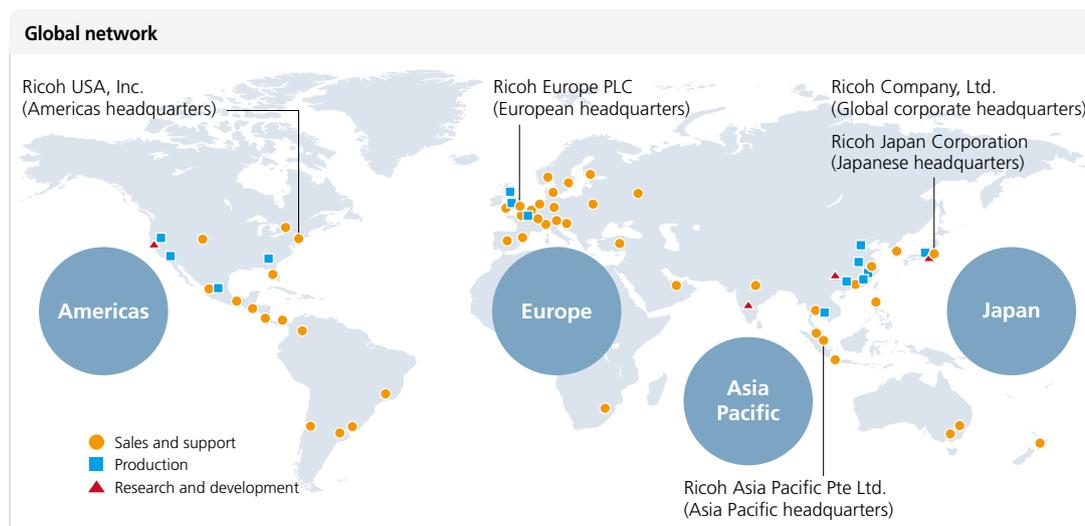
Constant improvements in pursuit of customer satisfaction ³

Sales companies in each country have opportunities for direct contact with customers. It is these companies which operate and maintain customer relationship management (CRM) databases and track customer equipment information and maintenance histories. Customer contact sites use CRM databases, repeatedly survey and analyze needs, pinpoint issues, and suggest products and solutions based on projected needs. Our support continues after delivery, as well, through the 24-hour [@Remote](#) ⁴ on-site maintenance and remote monitoring system, which executes automatic diagnostics and enables quick servicing for worry-free equipment use with little to no downtime for customers. With @Remote, we can verify the operating status of equipment and provide continuous improvements and fine-tuned suggestions based on captured status data, which contributes to greater management efficiency at customer sites.

In addition, we identify ways to make our products better by analyzing customer satisfaction surveys, undertaking improvements to increase user-friendliness and reflecting our findings in manufacturing.

Systems for collecting and applying customer feedback

- CRM databases
- @Remote
- Customer satisfaction surveys
- Call centers
- Customer centers
- Technology centers
- Technology advisory conferences



Refer to our website

- ¹ [Supply chain management](http://www.ricoh.com/sustainability/report/action/supplychain.html) www.ricoh.com/sustainability/report/action/supplychain.html
- ² [RICOH Quality](http://www.ricoh.com/about/commitment/quality/) www.ricoh.com/about/commitment/quality/
- ³ [Customer satisfaction](http://www.ricoh.com/csr/consumer/) www.ricoh.com/csr/consumer/
- ⁴ [“RICOH @Remote” for Printing Devices](http://www.ricoh.com/remote/) www.ricoh.com/remote/

Visualizing customer needs through technology advisory conferences

We conduct technology advisory conferences as vehicles for creating new value with customers. CTOs, VPs, and IT Directors from businesses partners attend the conference, where participants share information and common issues through group discussions. We visualize the potential needs of customers and endeavor to reflect them in future products and services.

Representatives from 31 of Ricoh's Fortune Global 500 Major and International Account customers participated in the 11th European Technology Advisory Conference (eTAC) in Telford, Shropshire, in June 2017. Also attending were delegates from Ricoh operating companies around Europe and technology specialists from Canada, China, and Japan. We updated customers on our direction and strategy, industrial technologies and applications, the ITS future portfolio and strategy, and explained how our innovative technologies and services enable people to work smarter.

Discussions also encompassed how Cyber-Physical systems could reduce warehouse inspection costs and how Ricoh could help firms to improve and cleanse customer-related data in light of EU's General Data Protection Regulation (GDPR), which will take effect on May 25, 2018. Another focus was on using a combination of communication services and collaborative platforms, SI-Cloud and Smart apps, and Ricoh Interactive White Boards with artificial intelligence-linked conference support solutions. Discussion extended to challenges faced by today's office worker and the technologies and new processes that Ricoh could deliver.

Throughout the event, customers had opportunities to familiarize themselves with multi-projector systems demonstrations, the 360° THETA S camera, technology integrated into the RICOH Unified Communication System, the RICOH R Development Kit, which can provide 24-hour spherical live streaming, and other new offerings. Customers gained insights into the Customer Experience Centre, the RICOH Rapid Fab 3D experience area, and other facilities.

The Customer Satisfaction Index (CSI) reached 85% and 95% of the customer attendees said they'd like to participate again next year.



eTAC 2017 – Plenary session



eTAC 2017 attendees



RICOH Customer Experience Centre

Case study

Virgin Money

Helping Virgin Money to manage IT incidents more effectively

Virgin Money plc deployed a RICOH Interactive Whiteboard (IWB) >  solution to more effectively track, record, and manage IT incidents and share information faster and more efficiently.



 Refer to these pages

 Office Services
P.25-26

Overcoming the complexity and inefficiency of conventional information management

Managed Print Services customer Virgin Money used to manually record IT incidents. It maintains a team that manages such incidents for all of Virgin Money's head office, back office and retail branch operations. This includes large computer systems handling banking and customer information, corporate networks and staff PCs, through to iPads used in branches to help customers. The team would manually record IT events and incidents on display panels. It would then record details of each incident by photographing the panels. As the bank's operations expanded, this method of incident management became complicated and inefficient. Since several IT teams are present at different locations, sharing incident information was complicated.

Deploying interactive whiteboard to streamline information management, sharing, and recording

Asked to review the problem, Ricoh looked at how Virgin Money operated incident management and then suggested using IWBs to share information and help streamline operations. The bank decided to use a solution comprising two units of IWB that serve and link Virgin Money's IT incident teams in Gosforth and Norwich. With

IWBs in place, electronic records of incident information replace paper and ink. Each incident starts with a handwritten problem statement, but then additional information, such as requirements and actions taken, is added to the case. Documents associated with an incident can be pulled up electronically, viewed on IWB and then attached to the incident. When closed, the incident and all associated information and documentation is saved as a single incident PDF.



Making a positive compliance impact

The Ricoh solution has made a tangible difference to the way Virgin Money handles IT incidents by making information easier to manage, share and archive. It also helps the bank meet compliance regulations. The team leader for IT Incident & Problem Management at Virgin Money says that, "Ricoh's IWB solution is extremely useful and now forms an integral part of Virgin Money's IT incident management process. One benefit is the improvement in the way we collaborate and share knowledge and information between the Gosforth and Norwich teams, in real time. But the biggest benefit is being able to collate and record information efficiently and then create an accurate, reliable audit trail of incident management." The PDF record of an incident can be linked to relevant incident information in the bank's service management application and archived. He adds that, "Time is an important factor in managing any incident, and the clarity and speed that the Ricoh whiteboards introduce make a big difference."



About Virgin Money

Part of the Virgin Group, Virgin Money is a UK-based retail bank that provides residential mortgages, savings, current accounts and credit cards, as well as such complementary financial products as investments and insurance. Its 75 Virgin Money Stores across the nation serve four million customers.

 Refer to our website

 Virgin Money case study www.ricoh.co.uk/business-services/case-studies/virgin-money.html

Environmental management balancing conservation and business growth

We will transform our business model from long-term perspectives and contribute to social sustainability improvements.

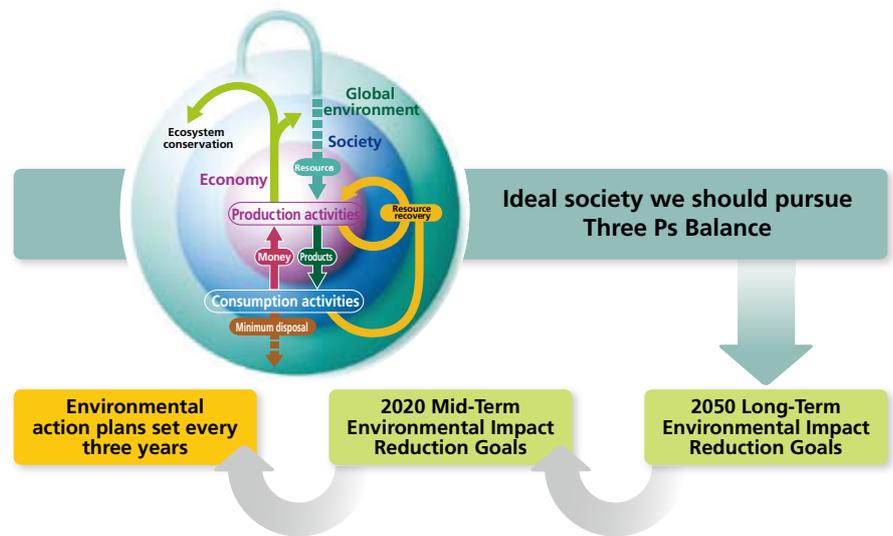
Process for setting and achieving new environmental goals

The five materialities ^{> 1} that the Ricoh Group set in April 2017 include items for achieving a zero-carbon society and circular economy. ^{> P.19}

We accordingly set about reinforcing our efforts by formulating the Ricoh Group Environmental Declaration and environmental goals. We particularly seek to achieve a zero-carbon society, tackling global warming by eliminating greenhouse gas (GHG) emissions across the entire value chain by 2050. We will reach

that goal by conserving energy and using renewable energy. We were the first Japanese company to join RE100, an international initiative striving to increase the demand for and delivery of renewable energy. While striving to enhance the energy efficiency of our products, we will collaborate with business partners and customers to help decarbonize society throughout the value chain. ^{> 2}

Setting goals using the back-casting method ^{> 3}



1 Reduction Goals under Representative Concentration Pathways 2.6 emission scenario as adopted by Intergovernmental Panel on Climate Change

- 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)

2 Product resource conservation rate

Rate of reduction in new resource inputs to total resource inputs

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.

Ricoh Group environmental goals

2030 goals

- GHG Scope 1, 2 ^{> 1} 30% reduction
- GHG Scope 3 ^{> 1} 15% reduction
- Product resource conservation rate ^{> 2}: 50%

Note: Figures compared with 2015 levels

2050 goals

- Targeting zero GHG emissions across the entire value chain
- Product resource conservation rate: 93%

Refer to our website

- ¹ Ricoh sets materiality and environmental goals aimed to resolve social issues www.ricoh.com/release/2017/0421_1.html
- ² Vision –Pursuing the Ideal Society (Three Ps Balance™)– www.ricoh.com/environment/management/earth.html
- ³ Strategies –Ricoh Group Environmental Declaration and Environmental Goals– www.ricoh.com/environment/strategy/target.html

Approach to decarbonizing society

We will aim to reduce CO₂ emissions through thorough energy conservation activities and proactive use of renewable energy.

● Reducing carbon dioxide emissions by providing energy-efficient products

Ricoh's MFPs incorporate proprietary offerings that enable quick recoveries from Energy Saver Mode, including Quick Start Up technology and low-melting-point toner. **Color MFPs** ³ that we launched in May 2016 employ a human detection sensor that wakes the system from energy saver mode in just 0.5 second to enable key operations. ⁴

● Lowering carbon dioxide emissions from business activities

About 70% of our operational carbon dioxide emissions stem from manufacturing-related activities. We focus on cutting emissions by improving production processes. Business units that produce toner and other consumables reduced emissions by around 700 metric tons in the fiscal year ended March 31, 2017 by bolstering production efficiency and quality.

● Tapping renewable energy

We have opted for approaches that optimally accommodate sites and regional situations in our drive to tap renewable energy. These efforts include making renewable sources a high proportion of the electricity we buy and installing renewable power facilities. We are exploring the use of green certificates and other vehicles that have earned social acceptance.



3 Color MFPs launched in May 2016

RICOH MP C6004, C5504, C4504, C3504, and C3004 series



In April 2017, Ricoh USA, Inc. began operating a solar array that should provide for about half of the electrical needs of its New Jersey facility. ⁵

Becoming first Japanese company to join RE100

In April 2017, Ricoh began participating in RE100, an international initiative that seeks to increase the demand for and delivery of renewable energy. Having many companies on board with RE100 should boost demand for renewable energy, enhancing supplier and legal structures, and accelerating the widespread use of renewable energy.

RE 100

RE 100:
Companies collaborating in this global initiative seek to source 100% renewable electricity.

Approach to creating recycling-oriented societies

We will help materialize recycling-oriented societies by recycling our products and using resources efficiently to conserve them.

● Making products smaller and lighter

We conserve resources from the design stage to minimize inputs. For example, the RICOH MP C6003 color laser MFP delivers a footprint that is 37% smaller than that of conventional models and is more than 65% lighter, reflecting body frame weight reductions, the development of a smaller and lighter motor, and the use of plastics and metal sheeting that shave weight. ⁶



● Reuse

We are reusing products around the globe. In Japan, we recycle about 80% by weight of recovered products. Our recycled offerings match the quality standards of new ones. ⁷

● Materials recycling

Our recycled materials are made partly from recovered Ricoh products. We also draw on commercially recovered materials to develop recycled materials that can be used repeatedly, employing them in our products.

Collaborating to develop recycled materials

Electric furnace steel sheets

- Ricoh and Tokyo Steel Co., Ltd., developed steel sheet made completely from scrap
- Mechanical and other qualities make the sheets appropriate for use in MFPs



Recycled plastics ⁸

- Partnered with Nippon Steel & Sumikin Chemical Co., Ltd. to develop recycled plastics made from commercial recovered materials
- The high-grade plastics enhance the flame resistance and strength of MFPs



Refer to our website

⁴ Products: Energy Conservation/Prevention of Global Warming –To be more comfortable to save more energy (Movie)–
www.ricoh.com/environment/product/energy/08_01.html

⁵ Ricoh solar array sustainability project www.ricoh-usa.com/er/insights/library/articles/ricoh-solar-array-sustainability-project

⁶ Products: Resource Conservation/Recycling –Reduction (in size and weight, etc.)– www.ricoh.com/environment/product/resource/05_01.html

⁷ Products: Resource Conservation/Recycling –Reuse– www.ricoh.com/environment/product/resource/02_01.html

⁸ Ricoh to Use Recycled Plastics from Commercially Recovered Material in Next Generation MFPs www.ricoh.com/release/2016/0530_2.html

Results of 18th Environmental Action Plan and focus of 19th Environmental Action Plan

Under the [18th Environmental Action Plan >1](#) that ended in March 2017, we focused on progress in three areas. The first was to reduce the environmental impact exerted by our customers, which we did through cuts from a year earlier in carbon dioxide emissions from product usage. The second was to enhance cooperation with stakeholders, in which regard we worked closely with various external organizations, suppliers, and employees in environmental initiatives. The third was to expand our environmental businesses, and here we globally optimized MFP reuse and recycling operations and deployed carbon offset proposals worldwide.

Under the [19th Environmental Action Plan >2](#) launched in April 2017, we formulated priority strategies and targets to contribute further to business growth and corporate value by stepping up collaboration with society and other stakeholders. To combat global warming, we are undertaking companywide projects to eliminate greenhouse gas emissions from our operations by conserving energy and leveraging renewables.

19th Environmental Action Plan

Areas	Initiatives	
Conserving energy and preventing global warming	Reducing carbon dioxide emissions through eco-friendly products and solutions	• Conserve energy through Ricoh Sustainable Products Program
	Reduce greenhouse gas emissions from business activities	• Cut emissions by improving processes and using electricity from renewable energy sources
Resource conservation and recycling	Improve resource efficiency by implementing product 3Rs (reduce, reuse, and recycle)	• Reduce new resource inputs to achieve 2020 environmental impact reduction goals
	Reduce waste discharges from business activities	• Reduce waste from business activities
	Lower water consumption of business activities	• Minimize consumption in business activities
Pollution prevention	Reduce usage and emissions of environmentally hazardous chemical substances from business activities	• Optimally manage usage and emissions of these substances
Biodiversity conservation	Have all in the Group conserve and restore biodiversity	<ul style="list-style-type: none"> • Progress with forest diversity conservation projects • Launch and manage seven biodiversity conservation site projects with stakeholders • Develop human resources to promote biodiversity conservation activities with stakeholder engagement • Undertake biodiversity conservation activities with communities in company-owned forests • Conduct biodiversity conservation activities with stakeholders • Ensure that the use of wood-based products is conducive to biodiversity
Enhance the basis for environmental management	Develop environmental technologies	• Push forward with Ricoh Sustainable Products Program
	Expand environmental business	<ul style="list-style-type: none"> • Globally deploy Sustainability Optimization Program • Promote environmental business development
	Collaboration with stakeholders	<ul style="list-style-type: none"> • Collaborate with external organizations to create a sustainable society • Foster environmental awareness among employees • Undertake activities that help supplier managements enhance quality

Refer to our website

- [1 Strategy –Results of the 18th Environmental Action Plan–](http://www.ricoh.com/environment/plan/plan18th.html) www.ricoh.com/environment/plan/plan18th.html
[2 Strategy –19th Environmental Action Plan–](http://www.ricoh.com/environment/plan/plan19th.html) www.ricoh.com/environment/plan/plan19th.html

Case study

RICOH Eco Business Development Center seeking to build new businesses based on environment

The RICOH Eco Business Development Center  has accelerated its use of renewable energy and resource recycling endeavors since opening in 2016.



Helping preserve forests in Gotemba through local wood biomass production

The center runs a biomass boiler that burns woodchips from thinned timber waste in Gotemba, Shizuoka Prefecture. The boiler powers the site's air-conditioning systems and hot water supply. We are working with the local government and residents to package this setup and roll it out nationwide as a business model for forest conservation and energy production.



Wood biomass boiler

Micro-hydropower system harnessing small water flows

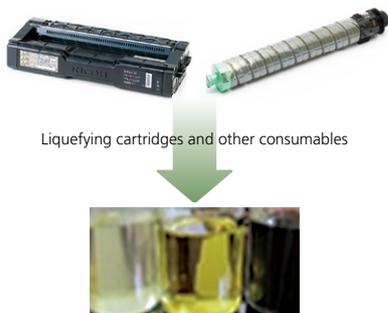
The center is conducting verification tests with a micro hydropower generation system that harnesses water flows from streams, irrigation canals, building piping, and other small water flow sources. For indoor tests, the center is using water flows from its air-conditioning piping. It is building a setup that harnesses agricultural water outdoors and is compact, light, and operates reliably at low cost.



Indoor testing with micro-hydropower system

Waste plastic liquefaction technology for recycling into oil and metals

It is challenging to disassemble and sort toner cartridges and bottles incorporating toner and metals. The center looks to recycle waste plastics through a liquefaction technology that thermally decomposes composites without sorting them. It will drive progress with this technology to build a local production and consumption model for resource recycling.



Establishing a recycling model

The center disassembles, sorts, or recycles used products and cartridges and incorporates them in new and recycled offerings. This approach has delivered a recycling rate exceeding 99% for used products. In the fiscal year ended March 31, 2016, the center received the Prime Minister's Prize in the 3Rs Promotion Merit Awards in recognition of its efforts to spearhead reuse and recycling initiatives that Ricoh has undertaken over many years.



Collected MFPs

 Refer to our website

 RICOH Eco Business Development Center www.ricoh.com/environment/eco_business_center/

Governance

Robust foundations are pivotal to continuing to build value and grow as a corporate group. This section presents our stance on the construction of our governance structure and overviews its components.

50	Corporate Governance
53	Comments from Outside Directors
55	Executives
56	Internal Controls
56	Compliance
57	Risk Management



Governance

Maintaining Ricoh's corporate value on behalf of all stakeholders

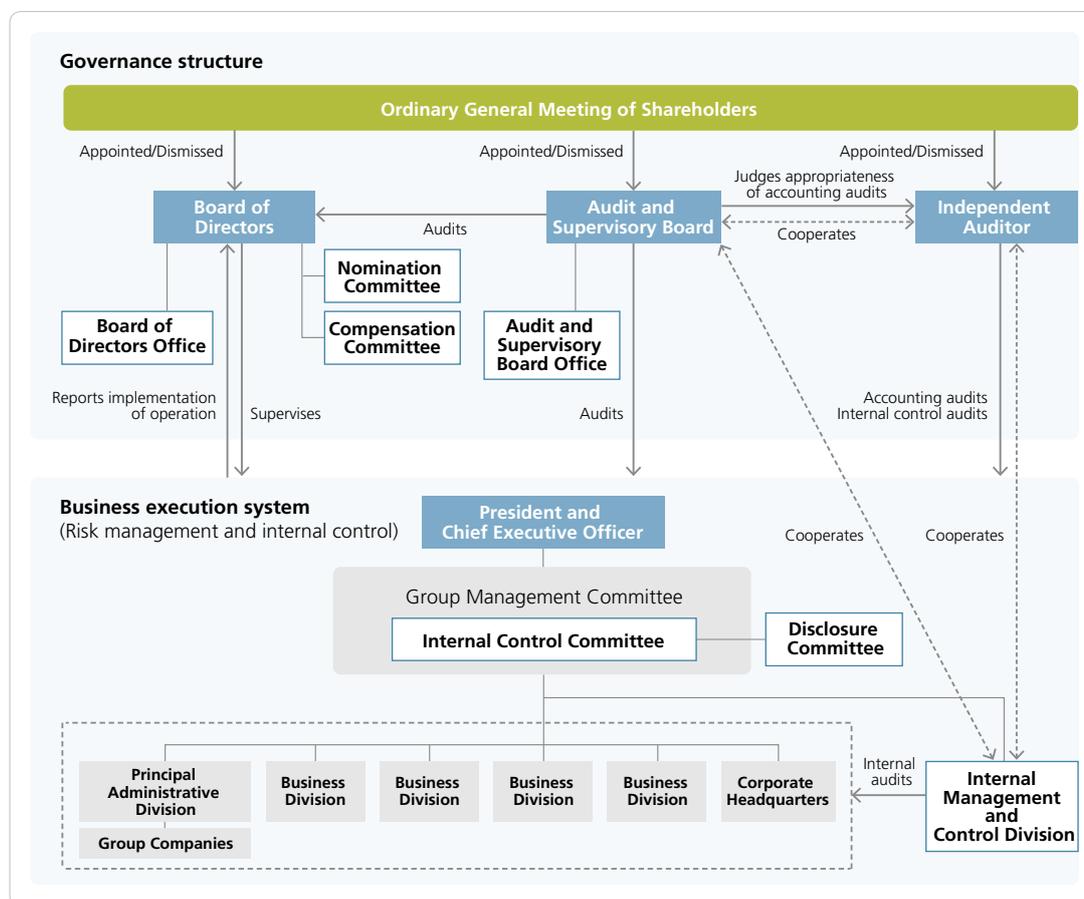
The Ricoh Group established The RICOH Way as a set of guiding principles and values that serves as the foundation for all our business activities. Abiding by these principles in corporate ethics and compliance and maintaining transparency in management, we continuously strive to improve our governance, and in doing so ultimately enhance our corporate value.

Corporate governance

We strongly believe that responsible global citizenship calls for a corporate culture that embraces a sense of mission to meet the expectations of diverse stakeholders—a culture that is committed to operating under the highest ethical standards in line with the expectations of society as a whole.

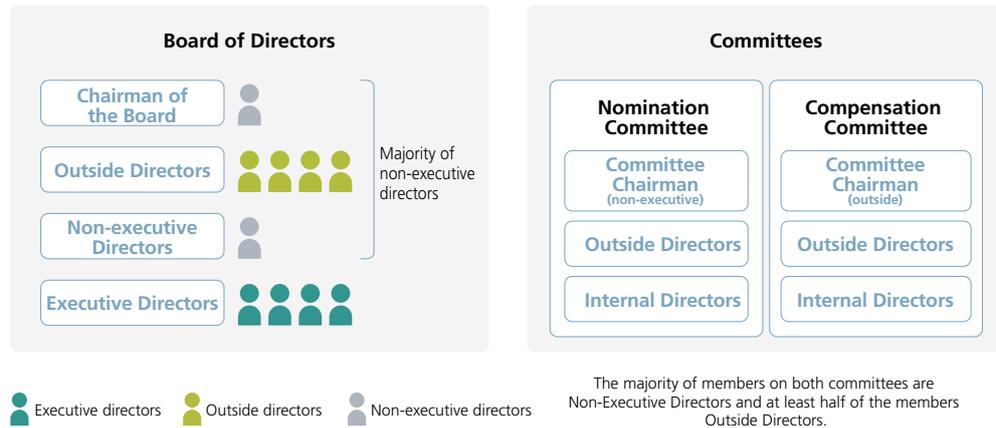
Based on this belief, we advance the operations of the entire Group under The RICOH Way, strengthening our governance and ceaselessly promoting a culture of integrity while working toward sustainable corporate growth.

The Group has also implemented an integrated risk management system for both business opportunities and business execution, and it follows internal control procedures to achieve the success of our corporate strategies and business targets.



Corporate governance structure

We fostered new growth challenges by encouraging outside, non-executive, and executive directors to draw on their expertise and experience in deliberating extensively on important matters. We also built a structure to supervise management from the perspectives of shareholders and diverse other stakeholders.



Board of Directors and Audit and Supervisory Board

Board of Directors

Maximum number of directors:	15
Current number of executives:	10 (including 4 outside directors)
Term:	2 years

Audit and Supervisory Board

Maximum number of Audit and Supervisory Board members:	5
Current number of executives:	5 (including 3 outside Audit and Supervisory Board members)
Term:	4 years

(As of June 16, 2017)

Governance structure

- The Ricoh Group has introduced a corporate audit system.
- The Board of Directors is responsible for management oversight and important decision making concerning Group management. By appointing highly independent outside directors, the Group ensures greater transparency in its management and decision making.
- Four of the Board's 10 directors are outside directors—part of an effort to incorporate various views and opinions and to eliminate arbitrary decision making in management.
- The Board of Directors Office was established to foster resolute decision making and help maintain highly transparent management supervision.
- Audit and Supervisory Board members hold discussions to determine audit and supervising policies and the assignment of duties, and they monitor corporate management.
- Audit and Supervisory Board members attend all important meetings, including but not limited to Board meetings, and exchange information regularly with the representative directors.
- The Audit and Supervisory Board Members Office, with designated support staff, has been established to ensure that the Audit and Supervisory Board members can work effectively.
- Under the executive officer system, the authority to carry out business has been assigned to respective functional departments so as to expedite decision making and clarify the roles of each department.

Refer to our website

Stock information www.ricoh.com/IR/settlement.html
Securities reports www.ricoh.com/IR/financial_data/securities_report/

Nomination and Compensation Committees

As part of the strengthening of management oversight functions by the Board of Directors, the “Nomination Committee”, which is chaired by a Non-executive Director, 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 to ensure transparency and objectivity of nomination, dismissal and compensation of Directors and executive officers, etc. And the Board of Directors Office was set up to support the Board of Directors, driving robust decision-making and ensuring transparent management oversight.

Group Management Committee

The Group Management Committee (GMC) consists of executive officers and is a decision-making body empowered by the Board of Directors. The GMC facilitates deliberations and renders decisions on the Group’s overall management from the perspective of total optimization.

Internal auditing

The Internal Management and Control Division, which is in charge of internal auditing, objectively reviews and assesses the status of business execution by respective business divisions according to clearly defined rules to ensure legal compliance and adequacy of execution practices. It also provides advice and recommendations for improvement. The results are regularly reported to the GMC’s Internal Control Committee.

External auditing

Ricoh has formulated a set of guidelines called the “Policy and Procedures for Prior Approvals for Audit and Non-audit Services.” In accordance with these

guidelines, advance approval must be obtained from the Audit and Supervisory Board members concerning the details of and fees for auditing contracts.

Assessing effectiveness of Board of Directors

Under a new structure deployed in the fiscal year ended March 31, 2017, the Board of Directors and the Audit and Supervisory Board assess their own effectiveness. The goal is to ensure that the Board of Directors fulfills its roles and duties through autonomous improvements.

Executive compensation

In its pursuit of increased shareholder value, the Ricoh Group employs executive compensation as an effective incentive to achieve sustainable increases in corporate earnings over the medium and long term.

The base salary of directors consists of remuneration related to management oversight, remuneration reflecting the importance of individual roles and responsibilities, remuneration for the purpose of purchasing treasury stocks (except for outside directors), and variable remuneration linked to stock price performance during the relevant fiscal year. The Ricoh Group has been strengthening incentives for executives to increase shareholder value over the long term by allocating a portion of remuneration for stock repurchase so that executives will have a common interest with shareholders.

The amount of bonuses paid to directors is based on the attainment of key performance indicators—such as sales, operating income and ROA—that pertain to shareholder value and the Company’s competitiveness. Proposed bonuses for directors are brought before the general meeting of shareholders for approval.

Compensation paid to the Audit and Supervisory Board members is composed solely of remuneration for their auditing duties.

Executive compensation for the fiscal year ended March 31, 2017

Category	Number	Total	¥ million	
			Total remuneration, etc. by category	
			Base salary	Bonus
Directors (excluding Outside Directors)	7	416	378	38
Audit and Supervisory Board Members (excluding Outside Audit and Supervisory Board Members)	3	60	60	—
Outside Directors and Audit and Supervisory Board Members	9	79	79	—
Outside Directors	5	54	54	—
Outside Audit and Supervisory Board Members	4	25	25	—
Total	19	555	517	38

Comments from Outside Directors

Four outside directors share their views on corporate governance and sustainable growth issues for Ricoh

Accommodate change by making safety, the environment, and compliance top priorities



Kunio Noji

Currently

Chairman of the Board, Komatsu Ltd.; Outside Director, NEC Corporation

Reason for appointment

Mr. Noji was president and CEO of Komatsu Ltd. He has abundant experience and expertise as a member of top management of one of the leading companies in Japan. We believe that his wealth of experience and knowledge will greatly benefit our decision-making process, and Mr. Noji will be able to offer us useful advice and counsel from an independent perspective.

Activity status

He attended 12 out of 13 Board meetings held in the fiscal year ended March 31, 2017.

Information and communication technology, artificial intelligence (AI), the Internet of things (IoT), and other high-tech areas have evolved far faster than anticipated. This progress has transformed the environments and structures of offices, which relate closely to the Company's businesses. Our challenges in such mature markets as Japan, the United States, and Europe are to refine technologies in those technology fields to drive innovations and create and enhance customer value. In expanding emerging nations, we need to deploy regional strategies that leverage simple systems to boost customer productivity.

I share my views on specific matters with other members of the Board of Directors in light of these considerations and the strengths of the Ricoh Group.

I constantly state that safety, the environment, and compliance are top priorities in tackling change, and I want all employees to embrace that commitment. Through my involvement with the Board of Directors, I aim to contribute to a dynamic and rewarding corporate culture for employees.

Comment on the effectiveness of the Board of Directors

The Board progressed in addressing the effectiveness of evaluations, which was an issue in the previous year, and both the Nomination Committee and Compensation Committees performed well. In the fiscal year ending March 31, 2018, I would like to deepen deliberations about challenges that are vital for the success of RICOH Resurgent, such as reinforcing growth strategies and global management.

Capitalizing on the opportunities of IoT while remaining grounded in reality



Makoto Azuma

Currently

Member, Science Council of Japan; Advisory Professor, Tsing Hua University (China); Advisor, TDK Corporation; Councillor, TOSHIBA INTERNATIONAL FOUNDATION

Reason for appointment

Mr. Azuma was executive vice president and CTO (chief technology officer) of Toshiba Corporation and is currently a professor at Tokyo University of Science Graduate School of Innovation Studies. His wealth of knowledge regarding technology strategy and managerial expertise will help shape and integrate our decision making and guide our efforts from an objective, expert perspective.

Activity status

He attended 13 out of 13 Board meetings held in the fiscal year ended March 31, 2017.

IoT is the fruit of the relentless progress of computers, information, and memory devices. Products and services linked to the Internet can exchange information and provide new value. Ricoh is also focusing on IoT, primarily through its MFPs and RICOH THETA spherical camera. It has based its products and services to date on the ideas and inventions of its developers. In contrast, IoT empowers anyone to determine what to connect THETA with. Employees in general have to offer ideas for innovative services, promptly acting on them where possible.

What organizations tend to neglect is the Three Reality Principle that was central to the ethos of Soichiro Honda, Honda Motor's founder. He believed in going to where things happen, identifying what is happening, and being realistic. While it may be hard to always apply that principle today, its essence remains unchanged. Enterprises typically lose sight of where they actually stand as they grow, so I will make keeping things real pivotal to overseeing management.

Comment on the effectiveness of the Board of Directors

In the fiscal year ended March 31, 2017, the Board was able to discuss mid-term management plans extensively because it had optimized the selection of agenda items throughout the year and had streamlined the handling of reporting items. I believe that our deliberations should increasingly encompass such future-oriented areas as research and development and new businesses.

Contributing to business strategy formulation and management decisions from broad perspectives over the long run



Masami Iijima

Currently

Representative Director, Chairman of the Board of Directors, MITSUI & CO., LTD.

Reason for appointment

Mr. Iijima accumulated a wealth of experience as an executive at MITSUI & CO., LTD. He should contribute significantly to decision making at Ricoh through his independent oversight and advice.

Activity status

He attended 10 out of 11 Board meetings held in the fiscal year ended March 31, 2017.

Leveraging diverse perspectives and ideas to balance business growth and sustainability improvements



Mutsuko Hatano

Currently

Professor, Department of Electrical and Electronic Engineering, School of Engineering, Tokyo Institute of Technology; Council Member, Science Council of Japan

Reason for appointment

Ms. Hatano is a professor in the electrical and electronics fields at the Tokyo Institute of Technology, and has served on numerous committees for government institutions. She should contribute significantly to decision making at Ricoh through her independent oversight and advice.

Activity status

She attended 10 out of 11 Board meetings held in the fiscal year ended March 31, 2017.

I recognize that my role as an outside director is to help the Ricoh Group formulate its business strategies and make management decisions by drawing on the broad perspectives and vision I accumulated as a general trading firm executive.

Economic globalization has created far more business development options, complicating decision-making. Our actions may have broader consequences in the form of unexpected obstacles and complaints. So, it will likely become essential to secure wide-ranging views from companies and individuals around the world to make the best decisions and avert crises.

In view of the diversity of technological innovations and their great impacts, particularly in AI, IoT, and robotics, it will become more important to persist with efforts to transform new technologies into profitable businesses. It is also crucial for corporate managements to remember that focusing excessively on near-term profitability may prevent them from improving enterprise value over the long term. I will keep that uppermost in mind as an outside director in monitoring management.

Comment on the effectiveness of the Board of Directors

Outside directors and internal non-executive directors engaged in free and vigorous debate through the Board of Directors and Nomination and Compensation committees. In the fiscal year ending March 31, 2018, we aim to assess governance from companywide perspectives, including through auditing and internal controls, and push forward with improvements.

It is crucial to pursue the Sustainable Development Goals (SDGs) of the United Nations' 2030 Agenda for Social Development to help resolve global social challenges. People will increasingly assess companies based on their ability to swiftly tackle such challenges without compromising management ethics. Ricoh was swift to set goals based on SDGs in its 19th Mid-Term Management Plan. It will be strategically important to align innovations in core and new businesses to these SDGs.

As an outside director, I will draw on my corporate and academic background and diverse external perspectives and ideas to contribute through the Board to making business growth through innovation compatible with sustainability.

The digitization of all levels of society will change everything. A good example of that so far is that the world's biggest retailer does not have a physical store. Ultimately, companies may no longer have offices. I believe that by achieving true innovations in knowledge creation, Ricoh can offer and drive progress with grand design for society.

Comment on the effectiveness of the Board of Directors

The Board engages in extensive deliberations as part of the governance process. I believe that the Company will need to make its deliberations and decision making even more transparent and swift from global perspectives to materialize its RICOH Resurgent goals under the 19th Mid-Term Management Plan.

Executives

As of June 16, 2017

Board of Directors



Yoshinori Yamashita

Representative Director and CEO
Member of Nomination and Compensation Committees

Date of birth: August 22, 1957
Joined the Company: 1980

Currently

President and CEO, Ricoh Co., Ltd.

Formerly

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



Shiro Kondo

Director
Member of Nomination and Compensation Committees

Date of birth: October 7, 1949
Joined the Company: 1973

Currently

Chairman, Ricoh Co., Ltd.

Formerly

Representative Director, President and CEO and General Manager, Imaging System Business Group, Ricoh Co., Ltd.



Nobuo Inaba

Director
Chairman of the Board
Member of Nomination and Compensation Committees

Date of birth: November 11, 1950
Joined the Company: 2008

Currently

Director, Ricoh Co., Ltd.

Formerly

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



Yohzoh Matsuura

Director

Date of birth: April 15, 1956
Joined the Company: 1980

Currently

Corporate Executive Vice President, General Manager, Research and Development Group and General Manager, Intellectual Property Division, Ricoh Co., Ltd.

Formerly

General Manager, Imaging System Development Division and General Manager, Ricoh Institute of Technology, Ricoh Co., Ltd.



Kunihiko Satoh

Director

Date of birth: October 21, 1956
Joined the Company: 1979

Currently

Corporate Executive Vice President and General Manager, Office Printing Business Group, Ricoh Co., Ltd.; Director, Ricoh Leasing Co., Ltd.

Formerly

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



Akira Oyama

Director and CFO

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

Currently

Corporate Executive Vice President and General Manager, Corporate Division, Ricoh Co., Ltd.; President, Ricoh Americas Holdings, Inc.

Formerly

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



Kunio Noji

Director (outside)
Chairman of Nomination Committee
Member of Compensation Committee

Date of birth: November 17, 1946
Appointed as Director: June 2012

Currently

Chairman of the Board, Komatsu Ltd.; Outside Director, NEC Corporation



Makoto Azuma

Director (outside)
Member of Nomination and Compensation Committees

Date of birth: May 25, 1945
Appointed as Director: June 2014

Currently

Member, Science Council of Japan; Advisory Professor, Tsing Hua University (China); Advisor, TDK Corporation; Councillor, TOSHIBA INTERNATIONAL FOUNDATION



Masami Iijima

Director (outside)
Member of Nomination Committee
Chairman of Compensation Committee

Date of birth: September 23, 1950
Appointed as Director: June 2016

Currently

Representative Director, Chairman of the Board of Directors, MITSUI & CO., LTD.



Mutsuko Hatano

Director (outside)
Member of Compensation Committee

Date of birth: October 1, 1960
Appointed as Director: June 2016

Currently

Professor, Department of Electrical and Electronic Engineering, School of Engineering, Tokyo Institute of Technology; Council Member, Science Council of Japan

Audit and Supervisory Board



Katsumi Kurihara

Audit and Supervisory Board Member
* Since June 2016

Date of birth: March 24, 1956
Joined the Company: 1978

Formerly

Corporate Senior Vice President and General Manager, Manufacturing Quality Assurance Center, Manufacturing Division, Ricoh Co., Ltd.



Hiroshi Osawa

Audit and Supervisory Board Member
* Since June 2017

Date of birth: February 28, 1964
Joined the Company: 1988

Formerly

Executive Vice President, Ricoh Europe Plc; General Manager, Business Management Department, Corporate Strategy & Planning Center, Corporate Division, Ricoh Co., Ltd.



Takashi Narusawa

Outside Audit and Supervisory Board Member

Date of birth: December 8, 1949
Appointed as Audit and Supervisory Board Member: June 2016

Currently

Outside Director, The Nishin Oillio Group, Ltd.; Outside Director, Hirata Corporation

Contributions

Attended all of the 11 board meetings held in the term ended March 2017 (attendance rate: 100%). Attended all of the 10 auditors' meetings held during the same period (attendance rate: 100%)



Shigeru Nishiyama

Outside Audit and Supervisory Board Member

Date of birth: October 27, 1961
Appointed as Audit and Supervisory Board Member: June 2016

Currently

Professor, Graduate School of Business & Finance, Waseda University; Outside Director (Audit and Supervisory Committee Member), UNIPRES CORPORATION; Outside Audit & Supervisory Board Members, Pigeon Corporation

Contributions

Attended all of the 11 board meetings held in the term ended March 2017 (attendance rate: 100%). Attended all of the 10 auditors' meetings held during the same period (attendance rate: 100%)



Yo Ota

Outside Audit and Supervisory Board Member

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

Currently

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

Internal controls > 1

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 principles of corporate ethics and legal compliance. Ricoh has established the Ricoh Group Corporate Management Principles as a set of guidelines for corporate activities, and follows the Internal Control Principles included therein.

- The Group Management Committee (GMC) was established to oversee the Group's overall business operations and to enable quick analysis and decision making to ensure the best results for the Group as a whole.
- The Internal Control Committee was established within the GMC to determine action policies, report incidents, and evaluate and correct the control system regarding internal controls, risk management and compliance, in particular.
- Corporate Management Regulations for Ricoh Affiliates stipulate the establishment of a supervising organization to oversee risk at all Ricoh Group companies.
- The Ricoh Group Standards (RGS) have been established as a set of common rules for all Ricoh Group employees to follow, and adherence to these rules across the Group is ensured.
- A basic disclosure policy has been established to ensure that corporate information released by the Group is accurate, timely and comprehensive. Also the Disclosure Committee has been set up as an independent body charged with verifying the preparing process of the information to be disclosed.
- Integrated internal audits (J-SOX audit, financial audit, operational audit, etc.) are conducted to ensure the reliability of our financial reports, improve operational efficiency, confirm compliance with laws and regulations, and confirm that risk management measures are being implemented properly.
- The Fraud Risk Management (FRM) program of the Ricoh Group has been deployed to prevent fraud risk. The FRM utilizes a check sheet and tools to detect anomalies within large volumes of data in the integrated internal audit.

Compliance > 2

We believe that it is important for every employee to adhere strictly to laws, company regulations and corporate ethics in their daily activities.

All Ricoh Group executives and employees in Japan receive annual training via e-learning on the [Ricoh Group Code of Conduct > 3](#), which provides principles of conduct in daily activities. Equivalent training is given to all overseas Ricoh Group companies.

An integrated internal audit checks the status of compliance in every organization.

Anti-corruption initiatives

The Ricoh Group stipulates its basic anti-corruption policy in the Ricoh Group Code of Conduct and promotes it across the Group through Code of Conduct education. In 2013, the Ricoh Group Standard for Bribery Prevention became a part of the RGS to help ensure total compliance with laws and regulations that prevent illegal transactions, such as the Foreign Corrupt Practices Act of the United States and the Bribery Act (2010) of the United Kingdom. In addition, the Ricoh Group Bribery Prevention Guidelines for Third Parties has been enacted as a means to prevent corruption among Ricoh Group business partners. > 1

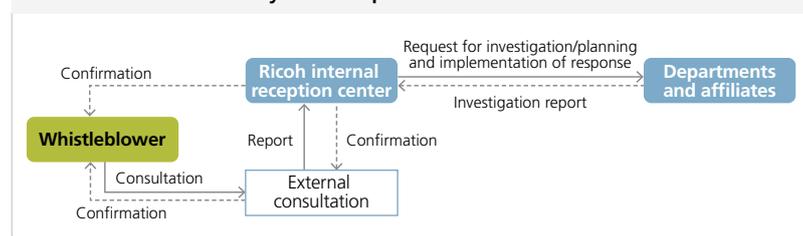
Hotline system

The Ricoh Group Hotline has been in operation since April 2003 in Japan as a contact point for all directors and employees wishing to report incidents or seek advice. Independent contact points have also been established externally as the first point of contact. To make the Hotline easier for employees to use, we continuously review its hours of operation and procedures.



1 Business partners refer to organizations and individuals outside the Ricoh Group which perform services that contribute to the profits of any Ricoh Group company or that represent any Ricoh Group company.

Basic flow of the Hotline system in Japan



Refer to our website

- 1 Internal controls www.ricoh.com/governance/system.html
- 2 Compliance www.ricoh.com/governance/compliance.html
- 3 Ricoh Group Code of Conduct www.ricoh.com/csr/vision/code_of_conduct.html

In addition, major Group companies worldwide have established and operate a reporting system and advice contacts. We evaluate the hotline system during internal audits.

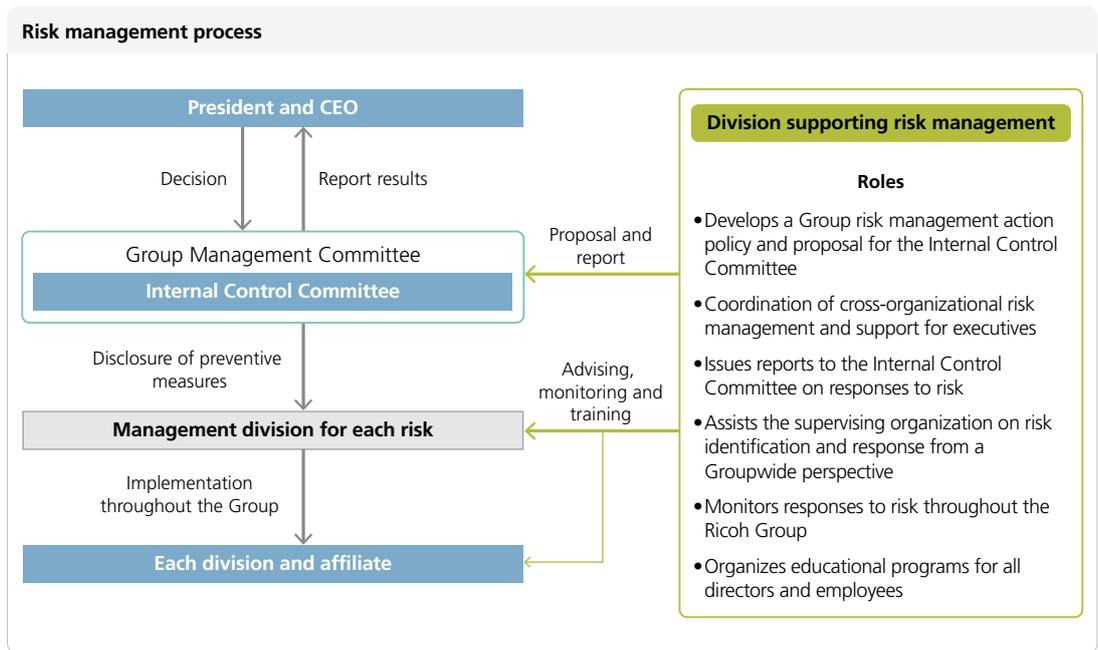
Whistleblowers are protected from retaliation by rules prohibiting discriminatory acts against those who have contacted the Hotline.

Risk management > 

Total risk management (TRM)

Based on the Risk Management Principles stipulated in the Ricoh Group Corporate Management Principles, the GMC/Internal Control Committee has established a risk management area of responsibility for each business risk and implemented through risk management in daily execution and business operations. In addition, the Group has established a division supporting risk management, which provides comprehensive support for executives, risk management areas, and all divisions within the Group.

To streamline risk management groupwide, the Group Standard (which defines the Basic Rules for Ricoh Group Total Risk Management) is explained to major affiliates through the Guidelines for Implementing Affiliated Company Risk Management. We create risk management journals for specific risks relating to events, factors, preventive measures and advance preparations, and response measures. We accordingly rank implementation items each year, and plan, undertake, and report on them.



 **Refer to our website**
 **Risk management** www.ricoh.com/governance/risk.html

Focus managerial, managerial and sectoral risks

We undertake risk management PDCA's according to risk levels. We deem sectoral risks managed by Ricoh divisions and Group companies as managerial risks if the impact on human life or society or the monetary damage could be major if such risks materialize. We prioritize focus managerial risks where considering it important to undertake initiatives focusing on them in the relevant fiscal year.

Determining and reviewing managerial risks

The Group assigns a risk value based on frequency and degree of impact for external risks such as world trends, incidents and accidents, as well as for internal risks such as changes in the business structure, and it creates a two-dimensional risk map to define managerial risks. This is reviewed annually at the time the business plan is being created.

Focus managerial risks

The Ricoh Group pays particular attention to the following types of risk in the fiscal year ending March 31, 2018.

Key risks

1. Risks when entering new business fields or to be considered when transforming businesses
2. Fraudulent accounting
3. Misappropriation and embezzlement by employees
4. Significant quality problems
5. Employment compliance violations
6. Harassment issues
7. Long-term supply delays and stoppages with products
8. The risks of falsification, theft, and fraudulent deletions of important information owned by the Ricoh Group

Responding to incidents and accidents

Setting down the Ricoh Group "Incident Management Standard" for all affiliate companies in Japan and overseas, the Ricoh Group has created a system to deal with incidents that may have a negative impact on corporate business activities and to prevent reoccurrence based on the president's policies. "TRM incidents" are to be reported from the division in which the incident occurred through the management division primarily responsible for each incident, to the Ricoh President, the Internal Control Directors, officers connected to the case, and Audit and Supervisory Board Members. A summary of TRM incidents that have occurred during the most recent six months, together with a description of how they

were dealt with and the measures taken to prevent reoccurrence, as well as changes in the numbers of occurrences classified by incident, are reported to the GMC and Board of Directors every six months. The GMC and Board of Directors review the management risks every year with reference to the content of these reports. In the fiscal year ending March 31, 2018, software copyright infringement is added as a management risk, and PDCA cycles are implemented for the risk management.

Among the reported incidents, the number of compliance-related TRM incidents (corresponding to GRI G4 SO5 (a)) in the past three years were 19 in the fiscal year ended March 31, 2015, 16 in the fiscal year ended March 31, 2016, and 17 in the fiscal year ended March 31, 2017.

Of these compliance-related TRM incidents, there was one major incident  that required disclosures to external organizations in the fiscal year ended March 31, 2016, which was an accounting violation that occurred in India.  However, there was no major incident in the fiscal year ended March 31, 2017. We will leverage our website and other vehicles to promptly share any information that should be disclosed regarding Ricoh India.

Ricoh takes the above matter seriously, and will fully cooperate with any continuing oversight by India regulators and courts. Concerning its global systems, it will reflect external expert assessments of the effectiveness of governance and internal controls at overseas subsidiaries in formulating and deploying measures to reinforce internal audits at those subsidiaries and prevent similar incidents from recurring.

Business continuity plan

The Ricoh Group has created a business continuity plan (BCP) to enable the business to quickly recover and continue and to minimize the degree of damage in the event of an unanticipated disaster or accident.

In addition to the BCP itself, measures are in place throughout the Ricoh Group to facilitate responses within the scope of business continuity management (BCM), covering implementation, application, education, training, correction and revision of prevailing BCPs, which include the current BCP implemented throughout the Group to ensure a common response to new strains of influenza and widespread natural disasters in Japan.



1 Criteria for determining major legal violations

The Ricoh Group employs the following four criteria in determining major legal violations:

1. Incidents matching those described in (b) through (d) of Indicator SO5 of the G4 Sustainability Reporting Guidelines issued by the Global Reporting Initiative
2. Incidents matching important reporting information criteria in the Tokyo Stock Exchange's material facts list
3. Government directives presented on the websites of Ricoh or the authorities
4. Other major matters that Ricoh's Internal Control Committee deems necessary to disclose

 Refer to our website

 Financial irregularities at Ricoh India www.ricoh.com/governance/risk.html

Data & Profile

The information in this section enhances understanding of what we do.

- 60 **Ricoh Group Consolidated Financial Results for the Fiscal Year Ended March 31, 2017**
- 61 **Financial Statements**
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Ricoh Group Consolidated Financial Results for the Fiscal Year Ended March 31, 2017

Operating Results

Ricoh's consolidated sales for the fiscal year ended March 31, 2017 decreased by 8.2% as compared to the previous corresponding period, to ¥2,028.8 billion. During this period, the average exchange rates of the Japanese yen against the U.S. dollar and the euro were ¥108.39 (up ¥11.73 from previous year) and ¥118.82 (up ¥13.86 from previous year) respectively.

While the Japanese economy showed some signs of a gradual recovery, the future of the Japanese economy was unpredictable caused by increasing geopolitical risks. Under such market conditions, the sales in the Imaging & Solutions segment decreased, but sales in the Industrial Products segment and the other segment increased. As a result, the sales in the domestic market increased by 0.8% as compared to the previous corresponding period.

As for the overseas market, though the U.S. economy is expected to expand as a result of the presidential election, the European economy remains uncertain because of Brexit. The economic slowdown in China and other developing countries in Asia is showing stop of ending, leading to their gradual recovery. Under such market conditions, sales in the Imaging & Solutions segment mainly decreased.

As for overseas sales by region, sales in the Americas decreased by 12.2% (a decrease of 2.7% excluding foreign currency exchange fluctuation), sales in Europe, Middle East and Africa decreased by 14.0% (a decrease of 4.1% excluding foreign currency exchange fluctuation) and sales in other region, which includes China, South East Asia and Oceania, decreased by 12.1% (a decrease of 2.8% excluding foreign currency exchange fluctuation).

As a result, sales in the overseas market decreased by 12.9% as compared to the previous corresponding period.

Gross profit decreased by 10.6% as compared to the previous corresponding period, to ¥788.6 billion, mainly due to the decrease in sales and expenditures for property, plant and equipment as well as intangible assets of the camera business (loss of ¥1.7 billion). Selling, general and administrative expenses decreased by 5.5% as compared to the previous corresponding period, to ¥755.3 billion. Though there was an increase in cost-related structural reforms for future business growth and expenditures for property, plant and equipment and intangible assets of the camera business (loss of ¥3.7 billion), the effects of foreign currency fluctuations and continuous group-wide activities to reduce costs have contributed to controlling these expenses.

As a result, operating profit decreased by 66.9% as compared to the previous corresponding period, to ¥33.8 billion.

As for finance income and costs, foreign exchange profit increased as compared to the previous corresponding period.

Profit before income tax expenses decreased by 68.7% as compared to the previous corresponding period, to ¥29.9 billion.

The income tax expense for which mutual discussion about Advance Pricing Arrangement (APA) had been conducted

between Japanese and American tax authorities is included in income tax expenses. This agreement assures that income associated with covered transactions is not subject to double taxation.

As a result, profit attributable to owners of the parent decreased by 94.5% as compared to the previous corresponding period, to ¥3.4 billion.

In this corresponding period, Ricoh recorded a loss of ¥6.9 billion, including the loss that was recorded by our subsidiary listed in India, whose disclosure was delayed, in the financial closing for the year ended March 31, 2016.

Financial Position

Assets, Liabilities, and Equity at Year-End

In Assets, the impact of the strengthening of the yen affected the decrease and also "Cash and cash equivalents" and "Goodwill and intangible assets" decreased as compared to the previous corresponding period. As a result, Total assets decreased by ¥17.1 billion as compared to the previous corresponding period, to ¥2,759.2 billion.

In Liabilities, "Other current liabilities" increased as compared to the previous corresponding period. As a result, Total liabilities increased by ¥13.7 billion as compared to the previous corresponding period, to ¥1,642.4 billion.

In Equity, "Exchange difference on translation of foreign operations" decreased as compared to the previous corresponding period due to the impact of the strengthening of the yen and also payment of dividends affected the decrease. As a result, Total equity decreased by ¥30.8 billion as compared to the previous corresponding period, to ¥1,116.8 billion.

Cash Flows

Net cash provided by operating activities decreased by ¥11.5 billion to ¥88.2 billion due primarily to a decrease in profit caused by expenditures for the camera business and unit price declines caused by the deteriorating market conditions and the intensification of market competition.

Net cash used in investing activities increased by ¥2.5 billion to ¥106.7 billion due primarily to a decrease in gains on sales of idle facilities and offices as a result of group-wide activities to streamline costs such as reorganization. Net cash used in investing activities consisted mainly of ¥75.4 billion of expenditures for property, plant and equipment, ¥26.7 billion of expenditures for intangible fixed assets and ¥7.5 billion for an increase in time deposits. Expenditures for property, plant and equipment consisted primarily of increases in the production capacity and improvement of the production efficiency for office equipment, network system and purchase of rental assets.

Net cash used in financing activities was ¥19.9 billion. Net cash provided by financing activities consisted primarily of ¥51.5 billion of proceeds received from the issuance of bonds and ¥303.1 billion of proceeds received from the issuance of long-term indebtedness, which were partially offset by ¥324.6 billion to repay debt, ¥28.9 billion to pay dividends and ¥20.0 billion to repay bonds.

Refer to our website

Investor relations www.ricoh.com/IR/

Securities report for the fiscal year ended March 31, 2017 www.ricoh.com/IR/financial_data/securities_report/pdf/AnnualSecuritiesReport_117th.pdf

Flash report for the fiscal year ended March 31, 2017 www.ricoh.com/IR/financial_data/financial_result/data/29/q4_report.pdf

Consolidated Statements of Comprehensive Income

Ricoh Company, Ltd. and Consolidated Subsidiaries
For the Years Ended March 31, 2016 and 2017

	Millions of Yen		Thousands of U.S. Dollars
	2016	2017	2017
Profit	67,306	9,437	85,018
Other comprehensive income (loss):			
Components that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plan	(6,039)	4,555	41,036
Components that will be reclassified subsequently to profit or loss:			
Net gain on fair value of available-for-sale financial assets	6,457	10,746	96,812
Net gain on fair value of cash flow hedges	(1,916)	222	2,000
Exchange differences on translation of foreign operations	(44,180)	(25,974)	(234,000)
Total other comprehensive income	(45,678)	(10,451)	(94,152)
Comprehensive income	21,628	(1,014)	(9,134)
Comprehensive income attributable to:			
Owners of the parent	18,332	(6,705)	(60,405)
Non-controlling interests	3,296	5,691	51,271

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

Refer to our website

Investor relations www.ricoh.com/IR/

Securities report for the fiscal year ended March 31, 2017 www.ricoh.com/IR/financial_data/securities_report/pdf/AnnualSecuritiesReport_117th.pdf

Flash report for the fiscal year ended March 31, 2017 www.ricoh.com/IR/financial_data/financial_result/data/29/q4_report.pdf

Financial data www.ricoh.com/IR/financial_data/financial_indicators/data5.html

Per share data www.ricoh.com/IR/financial_data/financial_indicators/data7.html

Consolidated Statements of Financial Position

Ricoh Company, Ltd. and Consolidated Subsidiaries
March 31, 2016 and 2017

	Millions of Yen		Thousands of U.S. Dollars
	2016	2017	2017
Assets			
Current assets:			
Cash and cash equivalents	167,547	126,429	1,139,000
Time deposits	973	8,662	78,036
Trade and other receivables	564,204	566,315	5,101,937
Other financial assets	272,347	276,575	2,491,667
Inventories	207,092	202,551	1,824,784
Other current assets	61,032	58,682	528,667
Total current assets	1,273,195	1,239,214	11,164,091
Non-current assets:			
Property, plant and equipment	276,551	271,257	2,443,757
Goodwill and intangible assets	413,836	388,177	3,497,090
Other financial assets	620,171	655,600	5,906,306
Investments accounted for using the equity method	935	563	5,072
Other investments	67,084	81,579	734,947
Other non-current assets	38,905	39,210	353,243
Deferred tax assets	85,784	83,687	753,937
Total non-current assets	1,503,266	1,520,073	13,694,352
Total assets	2,776,461	2,759,287	24,858,443

	Millions of Yen		Thousands of U.S. Dollars
	2016	2017	2017
Liabilities and Equity			
Current liabilities:			
Bonds and borrowings	260,755	229,944	2,071,568
Trade and other payables	286,123	295,788	2,664,757
Other financial liabilities	1,820	2,227	20,063
Income tax payables	15,220	15,149	136,477
Provisions	6,629	9,127	82,225
Other current liabilities	236,321	254,689	2,294,495
Total current liabilities	806,868	806,924	7,269,585
Non-current liabilities:			
Bonds and borrowings	592,045	629,799	5,673,865
Other financial liabilities	3,745	2,178	19,622
Accrued pension and retirement benefits	139,049	120,725	1,087,613
Provisions	9,502	10,969	98,820
Other non-current liabilities	72,890	61,701	555,865
Deferred tax liabilities	4,598	10,114	91,117
Total non-current liabilities	821,829	835,486	7,526,902
Total liabilities	1,628,697	1,642,410	14,796,487
Equity:			
Common stock	135,364	135,364	1,219,495
Authorized — 1,500,000,000 shares as of March 31, 2016 and 1,500,000,000 shares as of March 31, 2017 Issued and outstanding — 744,912,078 shares and 724,888,649 shares as of March 31, 2016 and 744,912,078 shares and 724,881,610 shares as of March 31, 2017			
Additional paid-in capital	186,423	186,423	1,679,486
Treasury stock	(37,312)	(37,318)	(336,198)
Other components of equity	114,914	100,194	902,650
Retained earnings	678,424	657,443	5,922,910
Total equity attributable to owners of the parent	1,077,813	1,042,106	9,388,343
Non-controlling interests	69,951	74,771	673,613
Total equity	1,147,764	1,116,877	10,061,956
Total liabilities and equity	2,776,461	2,759,287	24,858,443

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

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Flash report for the fiscal year ended March 31, 2017 www.ricoh.com/IR/financial_data/financial_result/data/29/q4_report.pdf

Consolidated Statements of Changes in Equity

Ricoh Company, Ltd. and Consolidated Subsidiaries
For the Years Ended March 31, 2016 and 2017

	Millions of Yen					
	Common stock	Additional paid-in capital	Treasury stock	Other components of equity		
				Remeasurement of defined benefit plan	Net gain on fair value of available-for-sale financial assets	Net gain (loss) on fair value of cash flow hedges
Balance at April 1, 2015	135,364	186,083	(37,295)	—	17,082	803
Profit						
Other comprehensive income (loss)				(6,010)	6,535	(1,070)
Comprehensive income	—	—	—	(6,010)	6,535	(1,070)
Net change in treasury stock			(17)			
Dividends declared and approved to owners						
Transfer from other components of equity to retained earnings				6,010		
Acquisition of non-controlling interests		340				
Total transactions with owners	—	340	(17)	6,010	—	—
Balance at March 31, 2016	135,364	186,423	(37,312)	—	23,617	(267)
Profit						
Other comprehensive income (loss)				4,526	10,713	340
Comprehensive income	—	—	—	4,526	10,713	340
Net change in treasury stock			(6)			
Dividends declared and approved to owners						
Transfer from other components of equity to retained earnings				(4,526)		
Acquisition of non-controlling interests						
Total transactions with owners	—	—	(6)	(4,526)	—	—
Balance at March 31, 2017	135,364	186,423	(37,318)	—	34,330	73

	Thousands of U.S. Dollars					
	Common stock	Additional paid-in capital	Treasury stock	Other components of equity		
				Remeasurement of defined benefit plan	Net gain on fair value of available-for-sale financial assets	Net gain (loss) on fair value of cash flow hedges
Balance at March 31, 2016	1,219,495	1,679,486	(336,144)	—	212,766	(2,405)
Profit						
Other comprehensive income (loss)				40,775	96,514	3,063
Comprehensive income	—	—	—	40,775	96,514	3,063
Net change in treasury stock			(54)			
Dividends declared and approved to owners						
Transfer from other components of equity to retained earnings				(40,775)		
Acquisition of non-controlling interests						
Total transactions with owners	—	—	(54)	(40,775)	—	—
Balance at March 31, 2017	1,219,495	1,679,486	(336,198)	—	309,280	658

	Millions of Yen					
	Exchange differences on translation of foreign operations	Total other components of equity	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance at April 1, 2015	135,662	153,547	646,468	1,084,167	70,145	1,154,312
Profit			62,975	62,975	4,331	67,306
Other comprehensive income (loss)	(44,098)	(44,643)		(44,643)	(1,035)	(45,678)
Comprehensive income	(44,098)	(44,643)	62,975	18,332	3,296	21,628
Net change in treasury stock				(17)		(17)
Dividends declared and approved to owners			(25,009)	(25,009)	(882)	(25,891)
Transfer from other components of equity to retained earnings		6,010	(6,010)	—		—
Acquisition of non-controlling interests				340	(2,608)	(2,268)
Total transactions with owners	—	6,010	(31,019)	(24,686)	(3,490)	(28,176)
Balance at March 31, 2016	91,564	114,914	678,424	1,077,813	69,951	1,147,764
Profit			3,489	3,489	5,948	9,437
Other comprehensive income (loss)	(25,773)	(10,194)		(10,194)	(257)	(10,451)
Comprehensive income	(25,773)	(10,194)	3,489	(6,705)	5,691	(1,014)
Net change in treasury stock				(6)		(6)
Dividends declared and approved to owners			(28,996)	(28,996)	(871)	(29,867)
Transfer from other components of equity to retained earnings		(4,526)	4,526	—		—
Acquisition of non-controlling interests				—		—
Total transactions with owners	—	(4,526)	(24,470)	(29,002)	(871)	(29,873)
Balance at March 31, 2017	65,791	100,194	657,443	1,042,106	74,771	1,116,877

	Thousands of U.S. Dollars					
	Exchange differences on translation of foreign operations	Total other components of equity	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance at March 31, 2016	824,901	1,035,262	6,111,928	9,710,027	630,189	10,340,216
Profit			31,432	31,432	53,586	85,018
Other comprehensive income (loss)	(232,189)	(91,837)		(91,837)	(2,315)	(94,152)
Comprehensive income	(232,189)	(91,837)	31,432	(60,405)	51,271	(9,134)
Net change in treasury stock				(54)		(54)
Dividends declared and approved to owners			(261,225)	(261,225)	(7,847)	(269,072)
Transfer from other components of equity to retained earnings		(40,775)	40,775	—		—
Acquisition of non-controlling interests				—		—
Total transactions with owners	—	(40,775)	(220,450)	(261,279)	(7,847)	(269,126)
Balance at March 31, 2017	592,712	902,650	5,922,910	9,388,343	673,613	10,061,956

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

Refer to our website

Investor relations www.ricoh.com/IR/

Securities report for the fiscal year ended March 31, 2017 www.ricoh.com/IR/financial_data/securities_report/pdf/AnnualSecuritiesReport_117th.pdf

Flash report for the fiscal year ended March 31, 2017 www.ricoh.com/IR/financial_data/financial_result/data/29/q4_report.pdf

Consolidated Statements of Cash Flows

Ricoh Company, Ltd. and Consolidated Subsidiaries
For the Years Ended March 31, 2016 and 2017

	Millions of Yen		Thousands of U.S. Dollars
	2016	2017	2017
Cash Flows from Operating Activities:			
Profit	67,306	9,437	85,018
Adjustments to reconcile profit to net cash provided by operating activities			
Depreciation and amortization	107,366	106,890	962,971
Impairment losses of property, plant and equipment and intangible assets	—	5,552	50,018
Impairment of goodwill	—	3,945	35,541
Other income	(19,737)	(4,590)	(41,351)
Share of profit (loss) of investments accounted for using the equity method	(55)	(31)	(279)
Finance income and costs	6,666	3,956	35,640
Income tax expenses	28,378	20,518	184,847
Increase in trade and other receivables	(23,376)	(12,763)	(114,982)
(Increase) decrease in inventories	9,595	1,176	10,595
Increase in lease receivables	(35,683)	(37,741)	(340,009)
Decrease (increase) in trade and other payables	11,992	11,992	108,036
Decrease in accrued pension and retirement benefits	(9,107)	(9,094)	(81,928)
Other, net	(14,323)	21,099	190,081
Interest and dividends received	2,350	2,947	26,550
Interest paid	(6,916)	(8,406)	(75,730)
Income taxes paid	(24,598)	(26,588)	(239,532)
Net cash provided by operating activities	99,858	88,299	795,486
Cash Flows from Investing Activities:			
Proceeds from sales of property, plant and equipment	20,997	14,893	134,171
Expenditures for property, plant and equipment	(83,778)	(75,447)	(679,702)
Expenditures for intangible assets	(28,968)	(26,793)	(241,378)
Payments for purchases of available-for-sale securities	(799)	(464)	(4,180)
Proceeds from sales of available-for-sale securities	3,244	824	7,423
Decrease (increase) in time deposits	(163)	(7,519)	(67,739)
Purchase of business, net of cash acquired	(5,687)	(1,429)	(12,874)
Others, net	(8,984)	(10,780)	(97,117)
Net cash used in investing activities	(104,138)	(106,715)	(961,396)
Cash Flows from Financing Activities:			
Net proceeds of short-term debt	(3,620)	(35,246)	(317,532)
Proceeds from long-term debt	198,895	303,100	2,730,631
Repayments of long-term debt	(84,432)	(289,452)	(2,607,676)
Proceeds from issuance of bonds	20,000	51,567	464,568
Repayments of bonds	(60,000)	(20,000)	(180,180)
Dividends paid	(25,009)	(28,996)	(261,225)
Payments for purchase of treasury stock	(16)	(7)	(63)
Others, net	(3,149)	(887)	(7,991)
Net cash provided by financing activities	42,669	(19,921)	(179,468)
Effect of Exchange Rate Change on Cash and Cash Equivalents	(8,564)	(2,781)	(25,054)
Net Decrease (Increase) in Cash and Cash Equivalents	29,825	(41,118)	(370,432)
Cash and Cash Equivalents at Beginning of Year	137,722	167,547	1,509,432
Cash and Cash Equivalents at End of Year	167,547	126,429	1,139,000

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

Refer to our website

Investor relations www.ricoh.com/IR/

Securities report for the fiscal year ended March 31, 2017 www.ricoh.com/IR/financial_data/securities_report/pdf/AnnualSecuritiesReport_117th.pdf

Flash report for the fiscal year ended March 31, 2017 www.ricoh.com/IR/financial_data/financial_result/data/29/q4_report.pdf

Financial data www.ricoh.com/IR/financial_data/financial_indicators/data5.html

Selected Financial Data

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

U.S. GAAP

		Millions of Yen					
		2008	2009	2010	2011	2012	2013
Related Consolidated Profit and Loss	Sales	2,219,989	2,091,696	2,015,811	1,941,336	1,903,477	1,924,497
	Cost of sales	1,292,262	1,237,310	1,194,272	1,152,395	1,150,855	1,155,896
	Gross profit	927,727	854,386	821,539	788,941	752,622	768,601
	Selling, general and administrative expenses	746,221	779,850	755,638	730,870	770,690	705,167
	Operating income (loss)	181,506	74,536	65,901	58,071	(18,068)	63,434
	Income (loss) before income taxes	174,669	30,939	57,082	44,169	(31,937)	58,173
	Provision for income taxes	63,396	22,158	28,065	22,410	8,223	20,838
	Net income (loss) attributable to Ricoh Company, Ltd.	106,463	6,530	27,044	18,630	(44,560)	32,467
	Net income (loss) attributable to Ricoh Company, Ltd. shareholders per share [in yen]						
	Basic	146.04	9.02	37.27	25.68	(61.42)	44.78
	Diluted	142.15	8.75	36.25	25.15	(61.42)	—
	R&D expenditure	126,033	124,406	109,346	110,553	119,027	112,006
	Depreciation for tangible fixed assets	72,762	74,886	70,394	67,231	64,984	60,471
	Capital investments	85,215	96,958	66,886	66,875	73,271	86,569
	Free cash flow	(3,987)	(195,684)	97,765	36,730	(101,237)	18,059
	Debt (Short-term borrowings and Long-term indebtedness)	384,372	779,195	684,454	629,624	741,867	702,780
Total assets	2,214,368	2,513,495	2,377,983	2,255,564	2,289,358	2,360,697	
Shareholders' equity	1,080,196	975,373	969,358	925,243	822,704	897,996	
Exchange rate [yen/US\$]	114.40	100.55	92.91	85.77	79.08	83.06	
[yen/euro]	161.69	143.74	131.21	113.28	109.05	107.08	

		Millions of Yen					
Sales by Category	Imaging & Solutions	1,909,573	1,833,098	1,789,717	1,712,630	1,671,100	1,685,391
	Office Imaging	1,709,491	1,598,614	1,614,347	1,381,175	1,323,263	1,329,608
	Production Printing				150,044	148,564	147,040
	Network System Solutions	200,082	234,484	175,370	181,411	199,273	208,743
	Industrial Products	144,340	115,550	101,692	107,032	98,052	93,094
	Other	166,076	143,048	124,402	121,674	134,325	146,012

		Millions of Yen					
Sales by Geographic Area	Japan	1,016,034	938,331	876,498	875,819	886,425	870,397
	Overseas	1,203,955	1,153,365	1,139,313	1,065,517	1,017,052	1,054,100
	The Americas	434,799	502,862	558,942	520,000	468,728	496,605
	Europe	603,219	523,407	456,563	428,519	421,373	421,740
	Other	165,937	127,096	123,808	116,998	126,951	135,755

We have restated the consolidated financial statements due to changing the fiscal year-ends of our subsidiaries from the fiscal year ended March 31, 2012. We also recalculated the figures for the fiscal year ended March 31, 2010 and the fiscal year ended March 31, 2011 for reference purposes.

Product lines included in the product categories were changed from the fiscal year ended March 31, 2013. We also recalculated the figures for the fiscal year ended March 31, 2011 and the fiscal year ended March 31, 2012 for reference purposes.

Middle East and Africa sales have shifted from Other to Europe as of the fiscal year ended March 31, 2013. We also recalculated the figures for the fiscal year ended March 31, 2011 and the fiscal year ended March 31, 2012 for reference purposes.

The compilation method has been changed from the fiscal year ended March 31, 2015, such as the reclassification of certain products, e.g., from Production Printing to Industrial Products. We also recalculated the figures for the fiscal year ended March 31, 2014 for reference purposes.

We have retroactively adjusted the IFRS-based data from the fiscal year ended March 31, 2013 due to the change in reporting of some lease transactions from a gross basis to a net basis as of the fiscal year ended March 31, 2016.

Refer to our website

Investor relations www.ricoh.com/IR/

Key financial figures www.ricoh.com/IR/financial_data/financial_indicators/data5.html

Per share data www.ricoh.com/IR/financial_data/financial_indicators/data7.html

Sales by product category and area www.ricoh.com/IR/financial_data/financial_indicators/data6.html

International Financial Reporting Standards (IFRS)

		Millions of Yen					Thousands of U.S. Dollars	
		2013	2014	2015	2016	2017	2017	
Related Consolidated Profit and Loss	Sales	1,811,814	2,108,475	2,151,404	2,209,028	2,028,899	18,278,369	
	Cost of sales	1,062,204	1,235,250	1,244,486	1,327,064	1,240,271	11,173,613	
	Gross profit	749,610	873,225	906,918	881,964	788,628	7,104,756	
	Selling, general and administrative expenses	676,055	752,880	794,014	799,406	755,393	6,805,342	
	Operating profit	73,555	120,345	115,765	102,295	33,880	305,224	
	Profit before income tax expenses	68,082	118,063	112,297	95,684	29,955	269,865	
	Income tax expenses	24,264	39,611	38,598	28,378	20,518	184,847	
	Profit attributable to owners of the parent	38,915	72,818	68,562	62,975	3,489	31,432	
	Earnings per share attributable to owners of the parent [in yen and US\$]							
		Basic	53.67	100.44	94.58	86.87	4.81	0.04
		Diluted	—	—	—	—	—	—
		R&D expenditures	112,006	116,222	118,782	118,583	114,398	1,030,613
		Depreciation for tangible fixed assets	54,376	63,305	70,924	68,740	68,007	612,676
		Capital expenditures	79,287	72,993	75,976	83,778	75,447	679,703
	Free cash flow	15,575	23,956	(40,913)	(4,280)	(18,416)	(165,910)	
	Interest-bearing debt	702,335	724,164	790,580	852,800	859,743	7,745,433	
	Total assets	2,391,163	2,596,618	2,730,207	2,776,461	2,759,287	24,858,443	
	Total equity attributable to owners of the parent	913,705	1,029,413	1,084,167	1,077,813	1,042,106	9,388,343	
	Exchange rate [yen/US\$]	83.06	100.29	109.89	120.12	108.39	—	
	[yen/euro]	107.08	134.47	138.85	132.68	118.82	—	
		Millions of Yen					Thousands of U.S. Dollars	
Sales by Category	Imaging & Solutions	1,611,210	1,877,668	1,916,676	1,974,510	1,792,064	16,144,721	
	Office Imaging	1,264,286	1,406,736	1,439,723	1,432,065	1,274,888	11,485,477	
	Production Printing	147,040	180,092	191,991	223,815	206,202	1,857,676	
	Network System Solutions	199,884	290,840	284,962	318,630	310,974	2,801,568	
	Industrial Products	93,094	110,007	117,772	125,465	124,886	1,125,098	
	Other	110,893	120,800	116,956	109,053	111,949	1,008,550	
		Millions of Yen					Thousands of U.S. Dollars	
Sales by Geographic Area	Japan	760,885	817,964	759,580	761,590	767,522	6,914,613	
	Overseas	1,050,929	1,290,511	1,391,824	1,447,438	1,261,377	11,363,756	
	The Americas	496,857	589,160	648,545	693,786	609,098	5,487,369	
	Europe, Middle East and Africa	418,418	519,103	532,375	531,002	456,471	4,112,351	
	Other	135,654	182,248	210,904	222,650	195,808	1,764,036	

Our Performance Against Major CSR Indicators

Indicator	Scope of Survey	Performance			Items Relating to Major Initiatives*1	Note	
		Year ended Mar. 31, 2015	Year ended Mar. 31, 2016	Year ended Mar. 31, 2017			
1	Number of outside directors (total number of directors)	Ricoh Co., Ltd.	3 (9)	3 (10)	4 (10)	GRI: 38 ISO26000: 6.2 SDGs: 16	
2	Response rate for CSR self-assessments by suppliers (%) () indicates number of suppliers asked to respond	Japan	—	100 (13)	—	GRI: HR10, HR11 GC: 1, 2, 4-8 ISO26000: 6.3, 6.4, 6.5, 6.6, 6.7, 6.8	
		China	100 (560)	—	—		
		Thailand	—	—	100 (68)		
3	Cases of serious accidents involving products*2	Ricoh Group	0	0	0	GRI: PR1, PR2 ISO26000: 6.7 SDGs: 16	Number of serious accidents involving products which jeopardize the life or physical health of consumers (which may result in death, serious injury, residual disorder, or cause carbon monoxide poisoning or fires, etc.) For more details: www.ricoh.com/csr/consumer/
4	Number of serious incidents and accidents involving information security	Ricoh Group	0	2	0	GRI: PR8 ISO26000: 6.7 SDGs: 16	Number of serious violations of law or incidents and accidents that must be made public The fiscal year ended March 31, 2016: Laptop computer theft and service issues owing to system failure
5	Number of serious violations of law or incidents and accidents*2	Ricoh Group	0	1	0	GRI: SO5, SO7, SO8 GC: 1, 2, 4-8, 10 ISO26000: 6.3, 6.4, 6.5, 6.6, 6.7 SDGs: 16	Number of serious violations of law or incidents and accidents that must be made public Number excludes any serious product accidents noted in 3 above, and any serious information security accidents or incidents noted in 4 above For more details: www.ricoh.com/governance/risk.html The fiscal year ended March 31, 2016: Fraudulent accounting at Ricoh India > P.58
6	Customer satisfaction	Japan	Third	Second	Second	GRI: G4, PR5 ISO26000: 6.7	Results of J.D. Power Japan Color Copier Customer Satisfaction Survey* *Large and midsized office market (companies with more than 30 employees nationwide)

Environment

7	Energy consumption	Total calories (TJ)	Ricoh Group	4,915	4,712	4,693	GRI: EN3 GC: 7, 8 ISO26000: 6.5 SDGs: 7, 8, 12, 13	Third-party inspection ratio*3: 83%	
8	GHG emissions	Scope1	CO ₂ (kt)	Ricoh Group	153.6	147.5	144.8	GRI: EN15 GC: 7, 8 ISO26000: 6.5 SDGs: 3, 12, 13, 15	Third-party inspection ratio*3: 68%
					5 gases (kt)	31.7	30.7	32.7	GRI: EN15 GC: 7, 8 ISO26000: 6.5 SDGs: 3, 12, 13, 15
		Scope2	CO ₂ (kt)		337.5	320.1	308.6	GRI: EN16 GC: 7, 8 ISO26000: 6.5 SDGs: 3, 12, 13, 15	Third-party inspection ratio*3: 93%
		Total (kt)	518.5		498.3	486.1	GRI: EN15,16 GC: 7, 8 ISO26000: 6.5 SDGs: 3, 12, 13, 15	Third-party inspection ratio*3: 86%	
9	CO ₂ emissions during product use	Scope3	CO ₂ (kt)	Ricoh Group	612.5	563.8	490.4	GRI: EN17 GC: 7, 8, 9 ISO26000: 6.5, 6.7 SDGs: 3, 12, 13, 15	Third-party inspection ratio*3: 100% CO ₂ emissions based on lifecycle estimations of equipment sold in each year (Subject products: imaging equipment, projectors, videoconferencing/webconferencing systems, LED lighting)
10	CO ₂ reduction contribution	CO ₂ (kt)	Global	374	453	467	GRI: EN27 GC: 7, 8, 9 ISO26000: 6.5, 6.7 SDGs: 6, 8, 12, 13, 15	Reduction of CO ₂ emissions due to the use of Ricoh products and/or solutions	
11	Water use	Total (km ³)	Ricoh Group	4,252	4,475	4,542	GRI: EN8 GC: 7, 8 ISO26000: 6.5 SDGs: 3, 6, 12	Third-party inspection ratio*3: 100%	
12	Wastes	Total amount (t)	Ricoh Co., Ltd. and manufacturing subsidiaries	61,555	61,357	56,816	GRI: EN23 GC: 7, 8 ISO26000: 6.5 SDGs: 3, 6, 8, 12	Third-party inspection ratio*3: 100%	
		Final disposal amount (t)		356	375	266	GRI: EN23 GC: 7, 8 ISO26000: 6.5 SDGs: 3, 6, 8, 12	Third-party inspection ratio*3: 100%	
		Resource recovery rate (%)		98.3	98.5	99.2	GRI: EN23 GC: 7, 8 ISO26000: 6.5 SDGs: 3, 6, 8, 12	Third-party inspection ratio*3: 100%	

*1 Major initiatives GRI: Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (G4), GC: Global Compact, SDGs: Sustainable Development Goals, ISO 26000: International standards for SR

*2 Third-party inspections conducted during the fiscal year ended March 31, 2017 by SGS Japan Inc.

For more details > WEB: www.ricoh.com/environment/data/third.html

*3 Third-party inspections conducted during the fiscal year ended March 31, 2017 by SGS Japan Inc.

For more details > WEB: www.ricoh.com/environment/data/third.html
(The ratios listed in the "Note" column are for the fiscal year ended March 31, 2017.)

 For more information about environmental data > WEB: www.ricoh.com/environment/data/

Indicator	Scope of Survey	Performance			Items Relating to Major Initiatives*1	Note		
		Year ended Mar. 31, 2015	Year ended Mar. 31, 2016	Year ended Mar. 31, 2017				
Society								
13	Number of regular employees	Ricoh Group (Japan)	36,292	35,953	35,490	GRI: 9	Item 13 is the total number of employees at 227 companies in the Ricoh Group	
		Ricoh Group (Overseas)	73,648	73,651	70,123			
		Ricoh Group total	109,940	109,604	105,613			
14	Gender ratio (male:female)	Ricoh Co., Ltd.	86:14	86:14	85:15	GRI: 10 GC: 6 ISO26000: 6.4 SDGs: 5, 8	Items 17 and 18 covering 23 domestic subsidiaries. Totals covering almost all Ricoh Group employees	
		Subsidiaries in Japan	84:16	84:16	83:17			
		Ricoh Group (Japan) total	84:16	84:16	84:16			
15	Average years of service	Ricoh Co., Ltd.	Male	17.6	17.9	GRI: N/A GC: 6 ISO26000: 6.4 SDGs: 5, 8	Numbers differ from those disclosed in the previous fiscal year, reflecting a change in the scope of data in items 20 and 21 for domestic Ricoh Group businesses	
			Female	17.7	18.3			19.5
16	Average age	Ricoh Co., Ltd.	Male	42.7	43.0	GRI: LA10 GC: 6 ISO26000: 6.4 SDGs: 5, 8	Item 22 covering 31 key subsidiaries	
			Female	40.3	41.0			41.7
			Total	42.3	42.7			43.3
17	Percentage of female workers in management positions*4	Ricoh Co., Ltd.	3.2	3.4	3.5	GRI: LA12 GC: 6 ISO26000: 6.4 SDGs: 5, 8		
		Subsidiaries in Japan	3.2	3.7	4.2			
		Ricoh Group (Japan) total	3.2	3.6	4.0			
18	Percentage of female workers in executive management positions*4	Ricoh Co., Ltd.	1.5	1.7	1.6	GRI: LA12 GC: 6 ISO26000: 6.4 SDGs: 5, 8		
		Subsidiaries in Japan	1.7	1.9	2.1			
		Ricoh Group (Japan) total	1.6	1.8	1.9			
19	Employee turnover ratio	Ricoh Co., Ltd.	1.9	1.9	2.2	GRI: LA1 ISO26000: 6.4 SDGs: 5, 8		
20	Number of people taking childcare leave	Ricoh Co., Ltd.	146	140	306	GRI: LA3 ISO26000: 6.4 GC: 1		
		Subsidiaries in Japan	227	243	262			
		Ricoh Group (Japan) total	373	383	568			
21	Number of people taking nursing care leave	Ricoh Co., Ltd.	9	9	7	GRI: N/A ISO26000: 6.4 GC: 1 SDGs: 8		
		Subsidiaries in Japan	3	11	14			
		Ricoh Group (Japan) total	12	20	21			
22	Percentage of locally hired presidents	Overseas subsidiaries	57.1	61.3	58.1	GRI: LA12 GC: 6 ISO26000: 6.4 SDGs: 8		
23	Number of major disasters	Ricoh Co., Ltd.	0	0	0		Number of incidents resulting in fatality and injury or hospitalization for more than three people Item 23 covers 23 domestic subsidiaries. Totals covering almost all Ricoh Group employees	
		Subsidiaries in Japan	0	0	0			
		Ricoh Group (Japan) total	0	0	0			
24	Number of industrial accidents	Ricoh Co., Ltd. (manufacturing)	4	5	5	GRI: LA6 GC: 1 ISO26000: 6.4 SDGs: 3, 8	Item 23 figures include major incidents Item 24 covers 23 domestic subsidiaries. Totals covering almost all Ricoh Group employees	
		Ricoh Co., Ltd. (non-manufacturing)	7	6	5			
		Ricoh Co., Ltd. total	11	11	10			
		Subsidiaries in Japan (manufacturing)	28	36	23			
		Subsidiaries in Japan (non-manufacturing)	69	83	86			
		Subsidiary total in Japan	97	119	109			
		Ricoh Group (Japan) total (manufacturing)	32	41	28			
		Ricoh Group (Japan) total (non-manufacturing)	76	89	91			
		Ricoh Group (Japan) total	108	130	119			
25	Implementation rate of employee awareness surveys	Ricoh Group (Japan)	92	—	—	GRI: N/A ISO26000: N/A SDGs: 8		
		Overseas subsidiaries	84	—	—			
		Ricoh Group total	87.4	—	—			
26	Amount of charitable donations*4 (JPY million)	Ricoh Co., Ltd.	133	126	118		• Collected amounts at 66 Ricoh Group companies • Amounts are based on exchange rates for each fiscal year as determined in-house	
		Subsidiaries in Japan	6	4	6			
		Overseas subsidiaries	27	40	24			
		Ricoh Group total	166	170	148			
27	Hours spent for social contribution activities	Ricoh Co., Ltd.	8,895	8,592	4,989	GRI: SO1 ISO26000: 6.8 SDGs: 1-17		
		Subsidiaries in Japan	5,485	5,106	2,861			
		Overseas subsidiaries	21,701	14,461	28,453			
		Ricoh Group total	36,081	28,159	36,303			
28	Total contributions to society (JPY million)	Ricoh Co., Ltd.	216	200	157			
		Subsidiaries in Japan	36	28	20			
		Overseas subsidiaries	178	135	225			
		Ricoh Group total	430	363	402			

*4 Third-party inspections conducted during the fiscal year ended March 31, 2017 by SGS Japan Inc.
For more details > WEB: www.ricoh.com/environment/data/third.html

Commitment and Recognition



RE 100

*RE100: This is an international initiative in which participating companies aim to covering all of their power needs with renewable energy. Ricoh has committed to using a minimum of 30% renewable energy by 2030 and 100% by 2050.

Commitment to Society > 1

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	2008	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 by 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
September	2014	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

Major Awards and Recognition

Many international awards attest to the excellence of Ricoh Group products and business operations.

January	2013	Ricoh's CSR activities are given the 10th Corporate Philanthropy Award
March	2013	Included in the Ministry of Economy, Trade and Industry's Diversity Management Selection 100
July	2013	Designated a Leader in Worldwide Managed Print Services by IDC MarketScape Analysis for the third straight year
January	2014	Receives Bronze Award in RobecoSAM's survey of corporate sustainability
January	2014	Selected as one of the Global 100 Most Sustainable Corporations for the 10th consecutive year
October	2014	Receives Singapore Sustainability Award
November	2014	Named to "2014 Top 100 Global Innovators" list
December	2014	Ricoh Asia Pacific Pte Ltd. recognized at Singapore Sustainability Awards 2014
December	2014	Awarded 2014 Environment Minister's Award for Global Warming Prevention Activity
December	2014	Remains a constituent under new standards for the FTSE4Good Index Series
January	2015	Receives the Chairman's Prize of ECCJ in the Energy Conservation Grand Prize for excellent energy conservation equipment
January	2015	Recognized as "Prime" on the oekom > 2 sustainability rating
April	2015	Receives the Prize for Science and Technology in the Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology
September	2015	Becomes a component of the Dow Jones Sustainability World Indices for socially responsible investment for the third year in a row
November	2015	Recognized by CDP as a leading company in Climate Change Disclosure for the second straight year
January	2016	Selected for the Silver Class in RobecoSAM sustainability ratings for the second consecutive year
March	2016	Named as one of the "2016 World's Most Ethical Companies" by Ethisphere Institute for the seventh time
April	2017	Awarded the top "Gold Rating" in EcoVadis supplier survey for the third straight year
July	2017	Selected for the FTSE4Good Index Series > 3, a socially responsible investment index, for the 14th consecutive year
July	2017	Included in the FTSE Blossom Japan Index, which measures the ESG practices of Japanese companies, and the MSCI Japan Empowering Women Index
September	2017	Placed first for third consecutive year in two IT-related J.D. Power customer satisfaction survey categories



Sponsorships to Develop Future Leaders

The Ricoh Group is a leading sponsor of student technology competitions.



Intel* International Science & Engineering Fair [U.S.] > 4

*Intel: Intel is a trademark of Intel Corporation in the United States and other countries.

Refer to our website

- 1 **Commitment to society** www.ricoh.com/csr/vision/concept.html
- 2 **oekom** www.oekom-research.com
- 3 **FTSE4Good** www.ftse.com/products/indices/FTSE4Good
- 4 **Intel International Science & Engineering Fair** www.ricoh-usa.com/en/about-us/corporate-responsibility-and-environmental-sustainability/biodiversity-and-environmental-csr

Company Data

Company Name	Ricoh Company, Ltd.
Date of Establishment	February 6, 1936
Head Office	8-13-1 Ginza, Chuo-ku, Tokyo 104-8222, Japan Phone: +81-3-6278-2111
Representative Directors	Yoshinori Yamashita President and CEO
Capitalization	135.3 billion yen (as of March 31, 2017)
Consolidated Sales	2,028.8 billion yen (year ended March 31, 2017)
Number of Consolidated Companies	226 companies (as of March 31, 2017)
Main Business	<p>Imaging and Solutions</p> <ul style="list-style-type: none"> • Office Imaging MFPs (multifunction printers), copiers, laser printers, digital duplicators, facsimiles, scanners, related parts and supplies, services, support and software • Production Printing Cut sheet printer, continuous feed printer, related parts and supplies, services, support and software • Network System Solutions Personal computers, servers, network equipment, related services, support and software <p>Industrial Products Thermal media, optical equipment, electronic components, semiconductor devices and inkjet head</p> <p>Other Digital cameras</p> <p><small>Ricoh redefined its business domains and adopted new operating segments as of April 1, 2017.</small></p>
Number of Employees	105,613 (as of March 31, 2017)
Stock Listings	Tokyo, Nagoya, Fukuoka, Sapporo
Independent Public Accountant	KPMG AZSA LLC
Shareholders' Register Agent	Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo
Depository for American Depository Receipts	The Bank of New York Mellon 101 Barclay Street, New York, NY 10286, U.S.A. Phone: +1-201-680-6825 U.S. toll free: +1-888-269-2377 (1-888-bny-adrs) Website: http://www.adrbnymellon.com

Ricoh Group Sustainability Report 2017 is issued by the Corporate Communication Center and the Sustainability Management Division of Ricoh Co., Ltd.

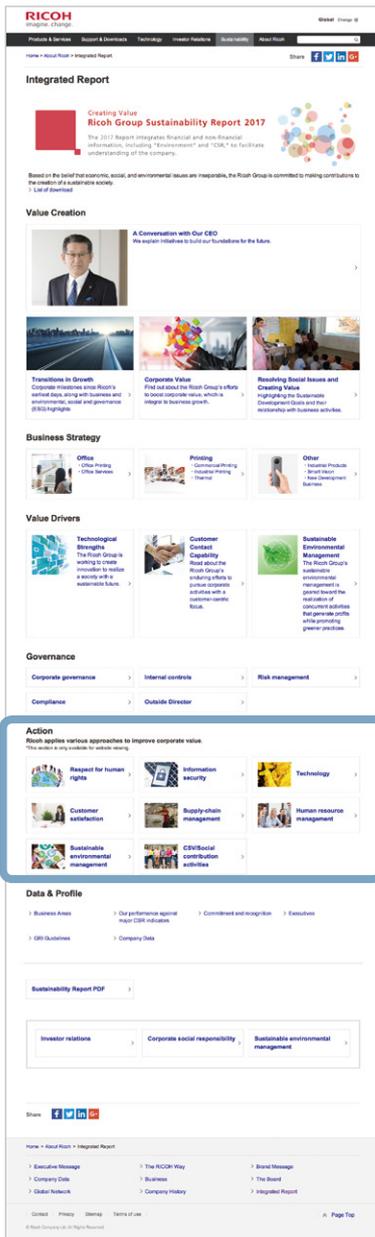
Featured Information in Online Version of Sustainability Report

Beginning in 2015, the Ricoh Group Sustainability Report is available in a booklet version (printed and PDF*), which offers a concise account of stories and measures aimed at boosting corporate value, with specific activities and systems for realizing these objectives as well as associated results described in the online version.

Our objective is to provide readers with effective access to information and enable them to gain cross-sectional insight into the financial and non-financial activities of the Ricoh Group.

* Adobe PDF is a trademark or a registered trademark of Adobe Systems Incorporated in the United States and other countries.

 www.ricoh.com/sustainability/report/



Sections only available in the online version

 Respect for Human Rights	 Information Security	 Technology
 Customer Satisfaction	 Supply Chain Management	 Human Resource Management
 Sustainable Environmental Management	 Social Contribution Activities	

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