

Annual Securities Report

(The 123rd Business Term)
From April 1, 2022 to March 31, 2023

3-6, Nakamagome 1-chome, Ohta-ku, Tokyo
Ricoh Company, Ltd.

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[Place Where Available for Public Inspection]	Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo)

This is an English translation of the Annual Securities Report filed with the Director of the Kanto Local Finance Bureau via Electronic Disclosure for Investors’ NETwork (“EDINET”) pursuant to the Financial Instruments and Exchange Act of Japan. The translation of the Independent Auditors’ Report is included at the end of this document.

In this document, the term “Ricoh” refers to Ricoh Company, Ltd. and our consolidated subsidiaries or as the context may require, and the term “the Company” refers to Ricoh Company, Ltd. on a nonconsolidated basis. References in this document to the “Financial Instruments and Exchange Act” are to the Financial Instruments and Exchange Act of Japan and other laws and regulations amending and/or supplementing the Financial Instruments and Exchange Act of Japan. References in this document to the “Companies Act” are to the Companies Act of Japan and other laws and regulations amending and/or supplementing the Companies Act of Japan.

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I. OVERVIEW OF THE COMPANY

1. KEY FINANCIAL DATA

Consolidated financial data, etc.

(Millions of yen, unless otherwise stated)

Fiscal year	IFRSs				
	119 th	120 th	121 st	122 nd	123 rd
	business term	business term	business term	business term	business term
Year end	March 2019	March 2020	March 2021	March 2022	March 2023
Sales	2,013,228	2,008,580	1,682,069	1,758,587	2,134,180
Profit(loss) before income tax expenses	83,964	75,891	(41,028)	44,388	81,308
Profit(loss) attributable to owners of the parent	49,526	39,546	(32,730)	30,371	54,367
Comprehensive income(loss) attributable to owners of the parent	30,304	6,949	21,897	90,733	100,564
Equity attributable to owners of the parent	932,577	920,371	920,246	902,042	931,556
Total assets	2,725,132	2,867,645	1,887,868	1,853,254	2,149,956
Equity per share attributable to owners of the parent (yen)	1,286.56	1,270.47	1,281.29	1,416.08	1,529.46
Earnings(loss) per share attributable to owners of the parent, basic (yen)	68.32	54.58	(45.20)	45.35	88.13
Earnings(loss) per share attributable to owners of the parent, diluted (yen)	—	54.58	(45.20)	45.34	88.10
Equity attributable to owners of the parent ratio (%)	34.22	32.10	48.75	48.67	43.33
Profit(loss) to equity attributable to owners of the parent ratio (%)	5.38	4.27	(3.56)	3.33	5.93
Price earnings ratio (times)	16.93	14.55	—	23.42	11.24
Net cash provided by operating activities	81,947	116,701	126,962	82,462	66,708
Net cash used in investing activities	(45,931)	(164,591)	(63,559)	(59,355)	(133,939)
Net cash provided by (used in) financing activities	42,424	75,757	(4,085)	(131,685)	35,454
Cash and cash equivalents at end of year	240,099	263,688	330,344	234,020	210,884
Number of employees	92,663	90,141	81,184	78,360	81,017

(Note) 1. Ricoh's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

2. There were no diluted shares for the year 2019.

3. Price earnings ratio are not shown because there were losses per share attributable to owners of the parent for the year 2021.

2. HISTORY

February 1936	Riken Kankoshi Co., Ltd. is formed to manufacture and sell sensitized paper.
March 1938	The Company's name is changed to Riken Optical Co., Ltd. and starts manufacturing and selling optical devices and equipment.
May 1949	The Company lists its securities on the Tokyo and Osaka Stock Exchanges.
April 1954	The Company establishes an optical device and equipment plant in Ohmori, Ohta-ku, Tokyo (now known as the Head office).
May 1955	The Company begins manufacturing and selling desktop copiers.
May 1961	The Company establishes a sensitized paper plant in Ikeda, Osaka (now known as the Ikeda plant).
October 1961	The Company lists its securities on the First Section of each of the Tokyo and Osaka Stock Exchanges.
June 1962	The Company starts operations of a paper plant in Numazu, Shizuoka, which featured a fully-integrated sensitized paper production system (now known as the Numazu plant).
December 1962	The Company establishes Ricoh of America, Inc. (a subsidiary, now known as Ricoh USA, Inc.).
April 1963	The Company changes its corporate name to Ricoh Company, Ltd.
July 1967	The Company establishes Tohoku Ricoh Co., Ltd. in Shibata-gun, Miyagi.
May 1971	The Company completes its manufacturing facility in Atsugi, Kanagawa (now known as the Atsugi plant), to which it transfers some of its office equipment production from the Ohmori plant.
June 1971	The Company establishes Ricoh Nederland B.V. (a subsidiary, now known as Ricoh Europe Holdings B.V.) in the Netherlands.
January 1973	The Company establishes Ricoh Electronics, Inc. (a subsidiary) in the United States.
December 1976	The Company forms Ricoh Credit Co., Ltd. (an affiliate, now known as Ricoh Leasing Co., Ltd.).
December 1978	The Company establishes Ricoh Business Machines, Ltd. (a subsidiary, now known as Ricoh Hong Kong Ltd.).
March 1981	The Company builds the Ricoh Electronics Development Center at the Ikeda plant to develop and manufacture electronic devices.
May 1982	The Company establishes sensitized paper production facilities in Sakai, Fukui (now known as the Fukui plant).
December 1983	The Company establishes Ricoh UK Products Ltd. (a subsidiary).
October 1985	The Company builds a copier manufacturing plant in Gotemba, Shizuoka which takes over some of production from Atsugi plant.
April 1986	The Company opens a research and development ("R&D") facility in Yokohama, Kanagawa (now known as the Yokohama Nakamachidai office) in commemoration of the Company's 50 th anniversary, to which it transfers some of its R&D operations from the Ohmori plant.

April 1987	The Company establishes Ricoh Industrie France S.A. (a subsidiary, now known as Ricoh Industrie France S.A.S.).
January 1991	The Company establishes Ricoh Asia Industry (Shenzhen) Ltd. (a subsidiary) in China.
March 1995	Ricoh Corporation acquires Savin Corporation, an American office equipment sales company.
September 1995	The Company acquires Gestetner Holdings PLC (now known as Ricoh Europe PLC), a British office equipment sales company.
January 1996	Ricoh Leasing Co., Ltd. lists its securities on the Tokyo Stock Exchange.
December 1996	The Company establishes Ricoh Asia Pacific Pte. Ltd. (a subsidiary) in Singapore.
March 1997	The Company establishes Ricoh Silicon Valley, Inc. (a subsidiary, now known as Ricoh Innovations Corporation) in the United States.
August 1999	Ricoh Hong Kong Ltd. acquires Inchcape NRG Ltd., a Hong Kong-based office equipment sales company.
January 2001	Ricoh Corporation acquires Lanier Worldwide, Inc., an American office equipment sales company.
October 2002	The Company establishes Ricoh China Co., Ltd. (a subsidiary).
April 2003	Tohoku Ricoh Co., Ltd. becomes a wholly-owned subsidiary of the Company.
October 2004	The Company acquires Hitachi Printing Solutions, Ltd. in Japan.
August 2005	The Company opens Ricoh Technology Center in Ebina, Kanagawa to integrate its domestic development facilities and offices.
November 2005	The Company relocates its headquarters to Chuo-ku, Tokyo.
January 2007	Ricoh Europe B.V. acquires the European operations of Danka Business Systems PLC.
June 2007	Info Print Solutions Company, LLC, a joint venture company of Ricoh and International Business Machines Corporation (“IBM”), commences its operations.
May 2008	The Company establishes Ricoh Manufacturing (Thailand) Ltd. (a subsidiary) in Thailand.
August 2008	Ricoh Elemex Corporation becomes a wholly-owned subsidiary of the Company.
October 2008	Ricoh Americas Corporation acquires all of the outstanding shares of IKON Office Solutions, Inc. (“IKON”, now known as Ricoh USA, Inc.), an American office equipment sales and service company.
July 2010	Seven domestic sales subsidiaries and the marketing group of the Company are merged into one domestic sales subsidiary named Ricoh Japan Corporation.
August 2010	The Company completes the construction of a new building that expands the Ricoh Technology Center located in Ebina, Kanagawa.
October 2011	The Company acquires the PENTAX imaging systems business from HOYA Corporation (now known as Ricoh Imaging Co., Ltd.).
April 2013	The Company transfers part of its engineering functions and operations previously performed by the Company and its manufacturing subsidiaries in Japan to Ricoh Technologies Company, Ltd.

April 2013	The Company transfers part of its production functions and operations previously performed by the Company and its manufacturing subsidiaries in Japan to Ricoh Industry Company, Ltd.
July 2014	Domestic sales and service subsidiaries are merged into Ricoh Japan Corporation.
October 2014	The Company transfers its direct sales of optical equipment and electronic components divisions previously performed by the Company and its manufacturing subsidiaries in Japan to Ricoh Industrial Solutions Inc.
April 2016	The Company opens Ricoh Eco Business Development Center in Gotemba, Shizuoka.
November 2017	The Company establishes Ricoh Manufacturing (China) Ltd.
January 2018	The Company relocates its headquarters to Ohta-ku, Tokyo.
March 2018	The Company transfers 80% of the outstanding shares of Ricoh Electronic Devices Co., Ltd. (“Ricoh Electronic Devices Co., Ltd.”, now known as Nisshinbo Micro Devices Inc.), to Nisshinbo Holdings Inc. (The Company transferred all shares to Nisshinbo Holdings Inc. in December 2021.)
August 2018	The Company transfers 66.6% (figures below the second decimal place are omitted) of the outstanding shares of Ricoh Logistics System Co., Ltd. (“Ricoh Logistics System”, now known as SBS Ricoh Logistics System Co., Ltd.), to SBS Holdings Co., Ltd.
April 2020	The Company transfers approximately 20% of the outstanding shares of Ricoh Leasing Co., Ltd., to Mizuho Leasing Co., Ltd.
April 2022	The Company moves from the First Section of the Tokyo Stock Exchange to the Prime Market as a result of a review of the Tokyo Stock Exchange market segmentation.
September 2022	The Company acquires PFU Limited (acquires 80% of outstanding shares of PFU and makes it a consolidated subsidiary).

3. DESCRIPTION OF BUSINESS

Ricoh consists of the parent company, Ricoh Company, Ltd., 219 subsidiaries and 21 affiliates as of March 31, 2023.

Ricoh's development, manufacturing, sales and service activities center on the business segments of Digital Services, Digital Products, Graphic Communications, Industrial Solutions and Other.

Ricoh Company, Ltd., the parent company of Ricoh, heads development. The Company and its respective subsidiaries and affiliates maintain an integrated domestic and overseas manufacturing structure.

Ricoh is represented in roughly 200 countries and runs its sales and service activities out of four regional headquarters located in the geographic areas of 1) Japan, 2) the Americas, 3) Europe, the Middle East and Africa and 4) Other, which includes China, South East Asia and Oceania.

Our main product areas and the locations of key subsidiaries and affiliates are listed below.

Ricoh changed Operating Segments from this fiscal year. For details of the changes, please refer to "V. Financial Information – Notes to Consolidated Financial Statements – 5. Operating Segments".

Digital services as a business segment is mainly limited to the office services business and the office printing sales business. This segment does not include all digital services, which Ricoh aims to transform into "a digital services company" that connects workplaces and support worker's creativity. "Digital Services" provided as "a digital services company" is included in all the business segments as well as Digital Services business segment.

<Digital Services>

In Digital Services, we sell office imaging equipment such as MFPs and printers, in which we have leading global market shares, and consumables, to our global customer base. We also provide IT-related solutions that support customers' overall workflow reforms and work practice innovations, as well as other services to digitally resolve their management issues and enhance productivity.

<Digital Products>

In Digital Products, we develop and produce (including on an original equipment manufacturing basis) office MFPs, in which we are the global market leader, as well as printers and other imaging equipment and edge devices that support digital communication.

<Graphic Communications>

This segment comprises the commercial printing and industrial printing businesses.

Commercial printing business: We provide digital printing-related products and services for high-mix, low-volume printing, mainly to our customers in the printing industry.

Industrial printing business: We manufacture and sell industrial inkjet printers, inkjet ink, and industrial printers for diverse applications. These include building materials, furniture, wallpaper, signage displays, and apparel fabrics.

[Main Subsidiaries and Affiliates in the above three business segments]

Manufacturing

Japan: Ricoh Industry Co., Ltd. and Ricoh Elemex Corporation

The Americas: Ricoh Electronics, Inc.

Europe: Ricoh UK Products Ltd. and Ricoh Industrie France S.A.S.

Other regions: Shanghai Ricoh Digital Equipment Co., Ltd., Ricoh Manufacturing (China) Ltd. and Ricoh Manufacturing (Thailand) Ltd.

Sales, Service, Support and Other

Japan: Ricoh Japan Corporation and Ricoh IT Solutions Co., Ltd.

The Americas: Ricoh Americas Holdings, Inc., Ricoh Canada Inc., Ricoh USA, Inc., Ricoh Printing Systems America, Inc. and Ricoh South America DC S.A.

Europe: Ricoh Europe Holdings PLC, Ricoh Sverige AB., Ricoh UK Ltd., Ricoh Deutschland GmbH, DocuWare GmbH, Ricoh International B.V., Ricoh Nederland B.V., Ricoh Europe SCM B.V., Ricoh Belgium N.V., Rex-Rotary S.A.S., Ricoh France S.A.S., Ricoh Schweiz AG, Ricoh Italia S.R.L., Mauden S.R.L., NPO Sistemi S.R.L. and Ricoh Espana S.L.U.

Other regions: Ricoh China Co., Ltd., Ricoh Asia Industry Ltd., Ricoh Asia Pacific Operations Ltd., Ricoh Hong Kong Ltd., Ricoh Thailand Ltd., Ricoh Asia Pacific Pte. Ltd., Ricoh Australia Pty, Ltd. and Ricoh New Zealand Ltd.

<Industrial Solutions>

This segment encompasses the thermal and industrial products businesses.

Thermal business: We manufacture and sell thermal paper used for food POS labels, barcode labels, shipping labels, and other labels, and thermal transfer ribbons for printing clothing price tags, brand tags, and tickets.

Industrial products business: We provide precision device components and other products that employ optical and image processing technologies.

[Main Subsidiaries and Affiliates]

Manufacturing

Japan: Ricoh Industrial Solutions Co., Ltd. and Ricoh Elemex Corporation

Other regions: Ricoh Electronics, Inc., Ricoh Industrie France S.A.S. and Ricoh Thermal Media (Wuxi) Co., Ltd.

<Other>

This segment includes PFU and new businesses such as the smart vision.

PFU: PFU provides products and services related to ICT, such as hardware including image scanners and embedded computers, building IT infrastructure, and multi-vendor services in partnership with other companies.

New businesses: We have been expanding new business opportunities in various fields. One is our smart vision business that provides platform business, which brings together our 360° cameras with software and cloud services to digitalize real estate, construction, and civil engineering site work. Other examples include our business with PLAiR, a new plant-derived material that is an alternative to plastic, our biomedical business, which supports drug discovery with iPS differentiated cells and cell chips, and our medical imaging-based healthcare business, which focuses on magnetoencephalography. We are helping to resolve social issues, notably by streamlining inspection work for road surfaces, tunnels, slopes, and other infrastructure, and are creating environmental technologies and businesses. This segment also includes our digital camera-related-business, for which we have solid consumer market demand, and businesses that affiliates are expanding.

[Main Subsidiaries and Affiliates]

Manufacturing

Other regions: Ricoh Imaging Products (Vietnam) Co., Ltd.

Sales, Service, Support and Other

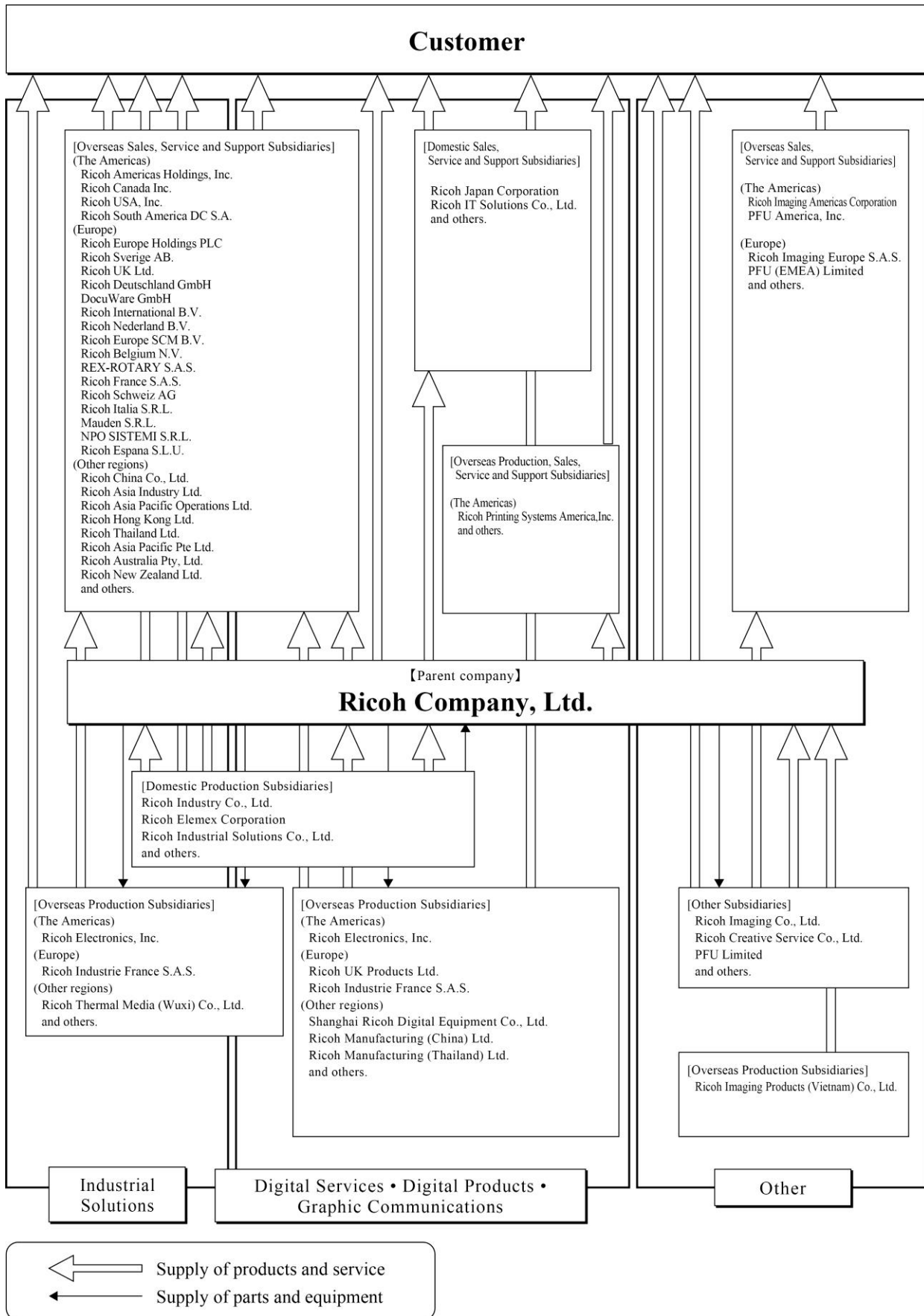
Japan: Ricoh Imaging Co., Ltd., Ricoh Creative Service Co., Ltd. and PFU Limited

The Americas: Ricoh Imaging Americas Corporation and PFU America, Inc.

Europe: Ricoh Imaging Europe S.A.S. and PFU (EMEA) LIMITED

<Chart of Operational Flow>

The following chart shows the group's positions.



4. INFORMATION ON AFFILIATES

(As of March 31, 2023)

Company Name	Location	Principal Businesses	Ownership percentage of voting rights (%)
(Consolidated Subsidiaries)			
Ricoh Industry Co., Ltd.	Japan	Production of digital service devices	100.0
Ricoh Elemex Corporation	Japan	Production and sale of digital service devices and precision equipment	100.0
Ricoh Japan Corporation	Japan	Provision of digital services combining devices, applications and maintenance	100.0
Ricoh IT Solutions Co., Ltd.	Japan	Development, construction and sale of network systems	100.0
PFU Limited	Japan	Development, production, sale and maintenance of scanners and industrial computing products, and construction of IT infrastructure	80.0
Ricoh Imaging Co., Ltd.	Japan	Sale of digital cameras	100.0
Ricoh Creative Service Co., Ltd.	Japan	Management of group facility, advertisement and printing	100.0
Ricoh Industrial Solutions Co., Ltd.	Japan	Production and sale of optical equipment and electronic components	100.0
Ricoh Technologies Co., Ltd.	Japan	Development and design of digital service devices	100.0
Ricoh Electronics, Inc.	U.S.A.	Production of digital service devices related supplies and Production and sale of thermal media	100.0 (100.0)
Ricoh UK Products Ltd.	U.K.	Production of digital service devices and related supplies	100.0 (100.0)

Company Name	Location	Principal Businesses	Ownership percentage of voting rights (%)
Ricoh Industrie France S.A.S.	France	Production and sale of thermal media	100.0
Ricoh Thermal Media (Wuxi) Co., Ltd.	China	Production and sale of thermal media	99.0 (10.0)
Shanghai Ricoh Digital Equipment Co., Ltd.	China	Production and sale of digital service devices	100.0 (55.3)
Ricoh Manufacturing (China) Ltd.	China	Production of digital service devices	100.0 (100.0)
Ricoh Imaging Products (Vietnam) Co., Ltd.	Vietnam	Production of digital cameras	100.0 (100.0)
Ricoh Manufacturing (Thailand) Ltd.	Thailand	Production of digital service devices and related supplies	100.0
Ricoh Americas Holdings, Inc.	U.S.A.	Holding company in the U.S.A.	100.0
Ricoh Canada Inc.	Canada	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)
Ricoh USA, Inc.	U.S.A.	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)
Ricoh Printing Systems America, Inc.	U.S.A.	Sale of inkjet heads	100.0 (3.0)
PFU America, Inc.	U.S.A.	Sale and maintenance of scanners	80.0 (80.0)
Ricoh Imaging Americas Corporation	U.S.A.	Sale of digital cameras	100.0 (100.0)
Ricoh South America DC S.A.	Uruguay	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)
Ricoh Europe Holdings PLC	U.K.	Holding company of sales in the European region	100.0
Ricoh Sverige AB.	Sweden	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)
Ricoh UK Ltd.	U.K.	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)

Company Name	Location	Principal Businesses	Ownership percentage of voting rights (%)
PFU (EMEA) LIMITED	U.K.	Sale and maintenance of scanners	80.0 (80.0)
Ricoh Deutschland GmbH	Germany	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)
DocuWare GmbH	Germany	Development and sale of CSP (Contents Service Platform)	100.0 (100.0)
Ricoh International B.V.	Netherlands	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)
Ricoh Nederland B.V.	Netherlands	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)
Ricoh Europe SCM B.V.	Netherlands	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)
Ricoh Belgium N.V.	Belgium	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)
Rex-Rotary S.A.S.	France	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)
Ricoh France S.A.S.	France	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)
Ricoh Imaging Europe S.A.S.	France	Sale of digital cameras	100.0 (100.0)
Ricoh Schweiz AG	Switzerland	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)
Ricoh Italia S.R.L.	Italy	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)

Company Name	Location	Principal Businesses	Ownership percentage of voting rights (%)
Mauden S.R.L.	Italy	Provision of IT services	100.0 (100.0)
NPO Sistemi S.R.L.	Italy	Provision of IT services	100.0 (100.0)
Ricoh Espana S.L.U.	Spain	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)
Ricoh China Co., Ltd.	China	Provision of digital services combining devices, applications and maintenance	100.0
Ricoh Asia Industry Ltd.	Hong Kong, China	Provision of digital service devices for sales bases	100.0
Ricoh Asia Pacific Operations Ltd.	Hong Kong, China	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)
Ricoh Hong Kong Ltd.	Hong Kong, China	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)
Ricoh Thailand Ltd.	Thailand	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)
Ricoh Asia Pacific Pte. Ltd.	Singapore	Holding company of sales in the Asia Pacific region	100.0
Ricoh Australia Pty, Ltd.	Australia	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)
Ricoh New Zealand Ltd.	New Zealand	Provision of digital services combining devices, applications and maintenance	100.0 (100.0)
Ricoh Europe Finance Ltd.	U.K.	Provision of finance management services to Ricoh group companies	100.0 (100.0)
And 168 other consolidated subsidiaries			

(Affiliates)

SBS Ricoh Logistics System Co., Ltd.	Japan	Logistics services and custom clearances	33.3 (33.3)
Ricoh Leasing Co., Ltd.	Japan	General leasing and rental Factoring	33.7
And 19 other affiliates			

(Note) The percentage in the parenthesis under “Ownership percentage of voting rights” indicates the indirect ownership out of the total ownership noted above.

5. EMPLOYEES

(1) Consolidated basis

(As of March 31, 2023)

Segment	Number of employees
Digital Services	50,841
Digital Products	13,003
Graphic Communications	6,512
Industrial Solutions	2,588
Other	5,970
All companies (Shared)	2,103
Total	81,017

(Note) Number of employees represents the number of employed workers, but excludes temporary employees.

(2) The Company

(As of March 31, 2023)

Number of employees	Average age	Average length of service (Year)	Average annual salary (Yen)
7,470 (866)	45.6	20.7	8,387,185

Segment	Number of employees
Digital Services	784
Digital Products	2,646
Graphic Communications	1,079
Industrial Solutions	377
Other	525
All companies (Shared)	2,059
Total	7,470

(Note) 1. "Number of employees" represents the number of employed workers, and the numbers within brackets indicate the average number of temporary employees over the current fiscal year (converted at 7.5h/day).

2. Temporary employees include contracted staff after retirement and part time employees, but exclude temporary staff who are contracted through staffing agencies, business consignments and contractors.

3. Average annual salary includes bonuses and extra wages.

(3) Relationship with labor union

A union is organized in the Company and certain subsidiaries. There were no significant labor disputes noted in fiscal year 2022, and the Company believes that it has a good relationship with its employees.

(4) Diversity indicators

Indicators of diversity for the fiscal year ended March 31, 2023 are as follows.

(i) Disclosure based on the Act on the Promotion of Women's Active Engagement in Professional Life and Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members

The Company and consolidated subsidiaries	Ratio of female employees among full-time employees (%)	Female-held managerial position rate (%)	Ratio of male employees taking childcare leave (%)	Wage gap between men and women (%)		
				All employees	Of which, full-time employees	Of which, part-time and fixed-term employees
Ricoh Co., Ltd.	16.8	6.6	111.8	78.0	76.1	92.1
Ricoh Japan Corporation	19.2	7.1	96.8	80.2	77.1	95.2
PFU Limited	18.4	5.8	62.2	75.7	76.1	105.6
Ricoh Industry Co., Ltd.	21.6	4.5	109.1	67.6	74.6	79.5
Ricoh Industrial Solutions Co., Ltd.	21.8	4.9	54.5	70.8	75.6	73.0
Ricoh IT Solutions Co., Ltd.	22.7	8.0	112.2	81.8	83.0	89.1
Ricoh Elemex Corporation	20.5	4.8	44.4	73.1	76.7	71.2
PFU IT Services Limited	7.4	0.0	25.0	72.4	77.3	83.0
Ricoh Technologies Co., Ltd.	11.8	1.4	200.0	70.4	70.1	70.8
Ricoh Creative Service Co., Ltd.	25.0	12.9	77.8	77.6	88.3	88.6
Ricoh Imaging Co., Ltd.	14.4	4.2	66.7	86.6	83.7	81.9
Hasama Ricoh, Inc.	24.3	13.8	100.0	68.8	85.5	79.8
Soft com Co., Ltd.	26.1	13.0	33.3	73.8	76.1	68.7
PFU Techno Wise Limited	36.3	0.0	—	69.7	80.0	84.0

(Notes)

1. The ratio of female employees among full-time employees is as of March 31, 2023. The female-held managerial position rate is as of April 1, 2023.
2. The female-held managerial position rate and the wage gap between men and women are calculated based on the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64, 2015), and seconded employees are counted as employees of the company from which they are seconded.
3. The rate of male workers taking childcare leave is calculated based on Article 71-4-1 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25, 1991) in accordance with the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76, 1991), and seconded employees are counted as employees of the company from which they are seconded.
4. "—" indicates that there are no employees eligible.
5. Regarding the wage gap between men and women, treatment is the same for men and women in general, and the differences that currently exist are due to differences in duties, grade, and age structure.

(ii) Consolidated basis

	Ratio of female employees among full-time employees (%)	Female-held managerial position rate (%)	Ratio of male employees taking childcare leave (%)	Wage gap between men and women (%)			
				All employees	Of which, full-time employees	Of which, part-time and fixed-term employees	Managers
The Company and consolidated subsidiaries	29.3	15.9	—	80.9	81.5	93.6	88.9
The Company and domestic consolidated subsidiaries	18.7	6.7	98.2	78.1	78.8	83.9	94.4

(Notes)

1. The ratio of female employees among full-time is as of March 31, 2023. The female-held managerial position rate is as of April 1, 2023.
2. Regarding the female-held managerial position rate, seconded employees are counted as employees of the company from which they were seconded.
3. The rate of male workers taking childcare leave in the Company and its domestic consolidated subsidiaries is calculated based on Article 71-4-1 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25, 1991) in accordance with the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76, 1991), and seconded employees are counted as employees of the company from which they are seconded.
4. The ratio of male employees taking childcare leave is indicated as “—”, since no data has been collected from overseas consolidated subsidiaries.
5. The wage gap between men and women indicates the ratio of women’s wages to men’s wages. The wages include base salary and incentives such as bonuses. Treatment is the same for men and women in general, and the differences that currently exist are due to differences in duties, grade, and age structure.
6. The wage gap between men and women in the Company is 95.1% for management positions.

II. BUSINESS OVERVIEW

1. MANAGEMENT POLICIES, MANAGEMENT ENVIRONMENT AND ISSUES TO BE SOLVED

(1) Unchanging Commitments amid Change

The pandemic transformed the world. It drastically altered the environment for working people, accelerating the global shift to working anytime, anywhere. At the same time, a trend has also emerged towards mandatory physical attendance at work. Faced with changing working styles, companies and the people who work there have been forced to reexamine the meaning of gathering at offices and reconsider how to exert creativity.

Two of our fundamental commitments will remain unchanged in this new environment.

First, we will stay close to our customers. Since championing office automation in 1977, we have done much to help improve the efficiency and productivity of offices. As the value of work shifts away from enhancing efficiency toward harnessing the creativity that only people can deliver, we will keep collaborating with customers to help them attain fulfillment through work. Our second commitment is to our founding principles, the Spirit of Three Loves: “Love your neighbor, Love your country, Love your work.” On April 1, 2023, we revised our corporate philosophy, The Ricoh Way, to further clarify our vision, based on the Spirit of Three Loves, to be a company that stays close to our customers’ work and helps them attain fulfillment through work. We have redefined “Fulfillment through Work” as our Mission & Vision. By staying close to our customers’ work and continuing to bring about transformation, we aim to support them to make the most of human creativity and help build a sustainable future society.

In addition, this section contains forward-looking statements, which are based on our judgments at the end of the period.



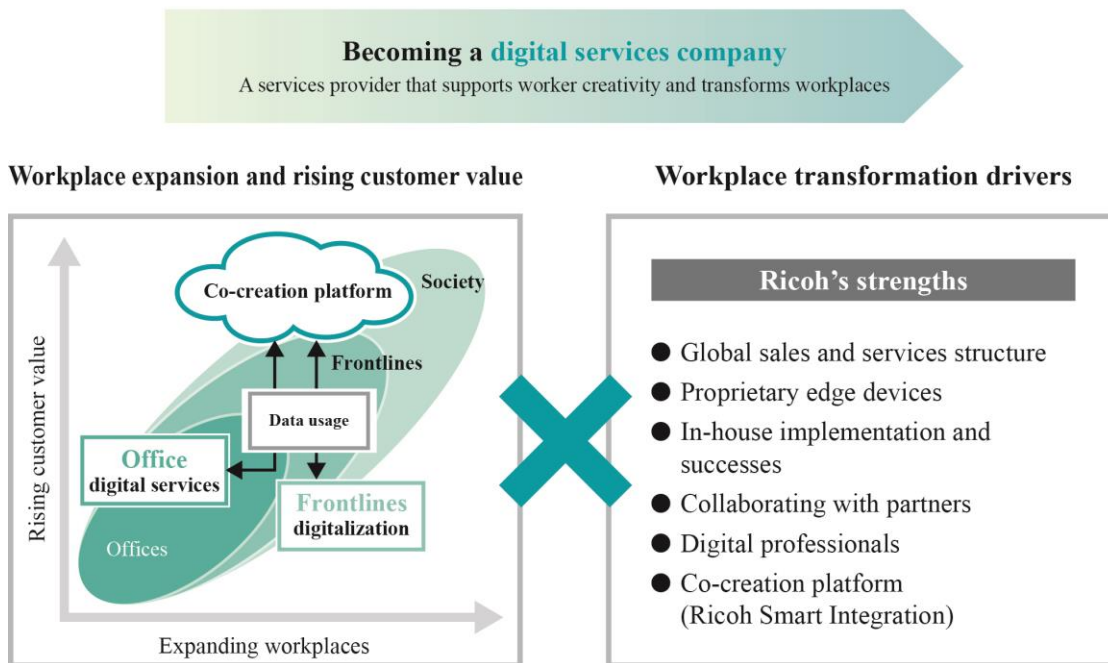
(2) Medium-Term Direction

In March 2023, we announced the 21st Mid-Term Management Strategy beginning from April 2023.

As our medium- to long-term goal, we aim to become a digital services company that supports workers creativity and transforms workplaces in order to achieve our Mission & Vision of “Fulfillment through

Work.” We expand the range of workplaces where we provide digital services from offices, centered on the sale of MFPs, to services on frontlines and throughout society. At the same time, we will expand the customer value we provide to each workplace (office/frontline/social setting) and progressively evolve into a digital services company.

Expanding workplace and customer value by providing value as a digital services company



Future Financial (ESG) Perspectives

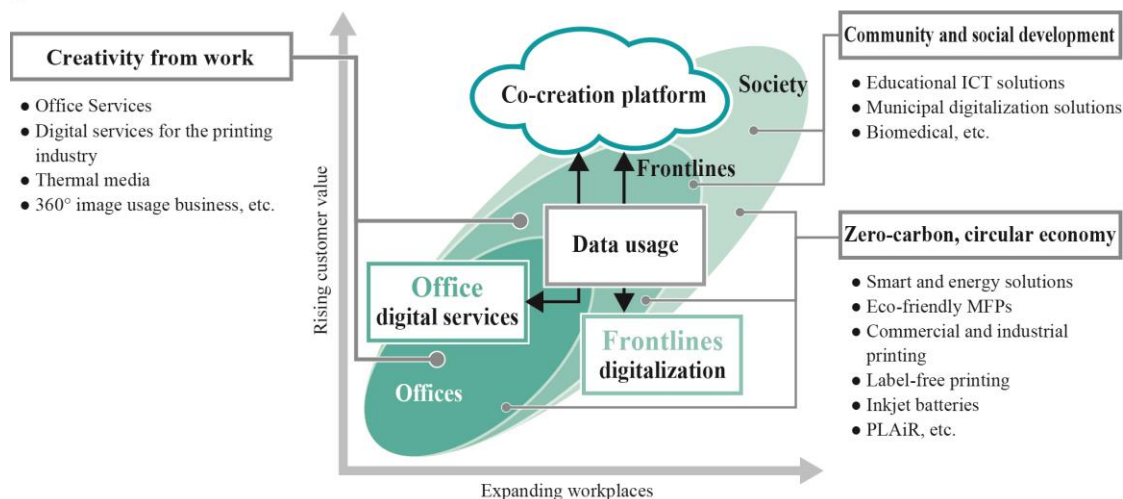
As positioning ESG initiatives are essential for generating future finances, we will undertake initiatives across the value chain to serve the growing ESG requirements of customers, shareholders and investors in keeping with a commitment to maintaining a top global reputation for sustainability and ESG.

With the launch of the 21st Mid-Term Management Strategy, we have partially redefined these material issues, and we will engage in resolving four social issues through business and take on three challenges to robust management infrastructure to support these efforts. In addition, we have set 16 future financial targets (ESG targets) linked to our seven material issues. Materiality and ESG targets are set with a view to responding to the global ESG trend and improving the execution capabilities of the management strategy, and 16 ESG targets are broken down into each business unit and functional organization.

To help resolve social issues through business, we will provide digital technologies and services to help customers achieve “Creativity from Work” and support productivity improvement and value creation. We will also continue to focus on achieving a zero-carbon society and circular economy, and combine our technological and customer contact capabilities, a Ricoh Group strength, to contribute to maintaining, developing, and streamlining community and social systems.

To establish a stronger management foundation, we will strengthen measures to address human rights issues, secure sufficient number and quality of digital professionals to become a digital services company and improve the quality of digital service-related patents. Finally, under the 21st Mid-Term Management Strategy, we will take on the challenge of clarifying the businesses that contribute to solving social issues and their impact on our performance, and show our efforts to fuse ESG and business growth to stakeholders in an easy-to-understand manner.

● Examples of Social Issues Resolved through Business

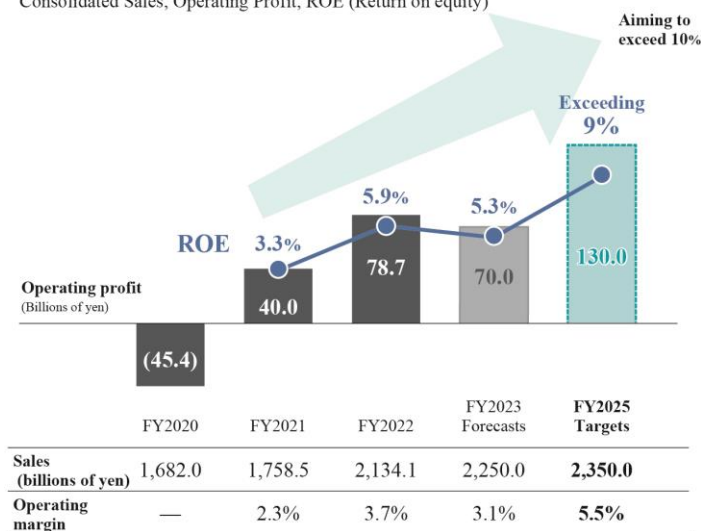


Financial Perspectives

Under the 21st Mid-Term Management Strategy, we aim to enhance corporate value by achieving growth as a digital services company through innovation from the customer’s perspective. Our financial targets for fiscal 2025, the final fiscal year of the 21st Mid-Term Management Strategy, are net sales of ¥2,350.0 billion, operating profit of ¥130.0 billion, and ROE of over 9%. When we announced the 20th Mid-Term Management Plan (in March 2021), we set financial targets for fiscal 2025 of operating profit of ¥150.0 billion, and ROE of over 10%. However, upon consideration of factors such as the recent unpredictable changes in the management environment and a recovery in non-hardware sales in the office printing business that is expected to be more subdued than originally anticipated, we believe that the achievement of these targets will take more time than the original plan, and we have revised our targets for fiscal 2025. We will continue to aim for ROE of over 10%.

● 21st Mid-Term Management Strategy Financial Targets

Consolidated Sales, Operating Profit, ROE (Return on equity)



At the same time, we have also revised some of the targets we have set for net sales and operating profit in each segment (business unit). With the digital office services provided by Ricoh Digital Services driving growth companywide, we will expand the growth domain of frontline digitalization to manufacturing and logistics sites and social settings. We aim to support our customers as a company that provides services wherever our customers work, and firmly establish this as a new pillar of our revenue.

● Sales & Operating Profit Targets by Segment

Segment (Business Unit)	FY2025 target		Main businesses
	Sales (CAGR: Compound Annual Growth Rate)	Operating profit (Changes from FY2022)	
Ricoh Digital Services	1750.0 (2.0%)	60.0 (+31.7)	Office Services Office Printing Edge devices
Ricoh Digital Products	420.0 (-1.6%)	34.0 (+2.4)	
Ricoh Graphic Communications	280.0 (6.0%)	18.0 (+3.4)	Commercial Printing Industrial Printing
Ricoh Industrial Solutions	160.0 (11.2%)	12.0 (+8.8)	Thermal Printing Industrial equipment
Ricoh Futures	Others + Companywide and elimination	6.0 (+4.8)	Smart Vision Biomedical PLAiR*1
Group Headquarters			
Total	2,350.0 (3.3%)	130.0 (+51.2)	

*1 PLAiR: A new material that is plant-derived and biodegradable and is an alternative to plastics

We have also established four key performance indicators (KPIs) and targets for fiscal 2025 to manage the progress of our transformation into a digital services company. The first is to generate more than 60% of sales from digital services as we attempt to transform our business portfolio, shifting our focus to the growth area of digital services. The second is to increase recurring revenue business earnings by 18% (compared to fiscal 2022) as we transform the business model and boost profitability, enhancing our business model to continually generate returns. The third is to raise the proportion of recurring revenue business earnings generated from areas outside the office printing business to 54%. Finally, our fourth KPI is to increase profitability per employee by 70% (compared to fiscal 2022) as we aim to maximize human capital potential, reallocating human capital to growth areas by reskilling*2 and enhancing organizational productivity.

*2 Reskilling: Initiatives by existing employees to acquire new qualifications and skills

● Main Key Performance Indicators for Boosting Earnings

Companywide initiatives	Direction	FY2025 targets for four main key performance indicators (Target compared with FY2022 figures)
Reform business portfolio	Shift to digital services growth areas	<ol style="list-style-type: none"> 1. Generate more than 60% of sales from digital services 2. Increase recurring revenue business earnings by 18% 3. Increase recurring revenue business earnings ratio from non-Office Printing to 54% 4. Increase profitability per employee by 70%
Transform business model and boost profitability	Increase overall earning from recurring revenue levels and expand in non-Office Printing areas	
Maximize human capital potential	Reallocate human capital to growth areas by reskilling and lifting organizational productivity	

To achieve these financial targets, we will engage in the three basic policies of the 21st Mid-Term Management Strategy: “1. Reinforce regional strategies and evolve Group management,” “2. Build revenue sources in frontlines and social domains,” and “3. Leverage global talent.”

● **Basic policies of the 21st Mid-Term Management Strategy**

- (1) Reinforce regional strategies and evolve Group management
- (2) Build revenue sources in frontlines and social domains
- (3) Leverage global talent

Basic Policy (1) Reinforce regional strategies and evolve Group management

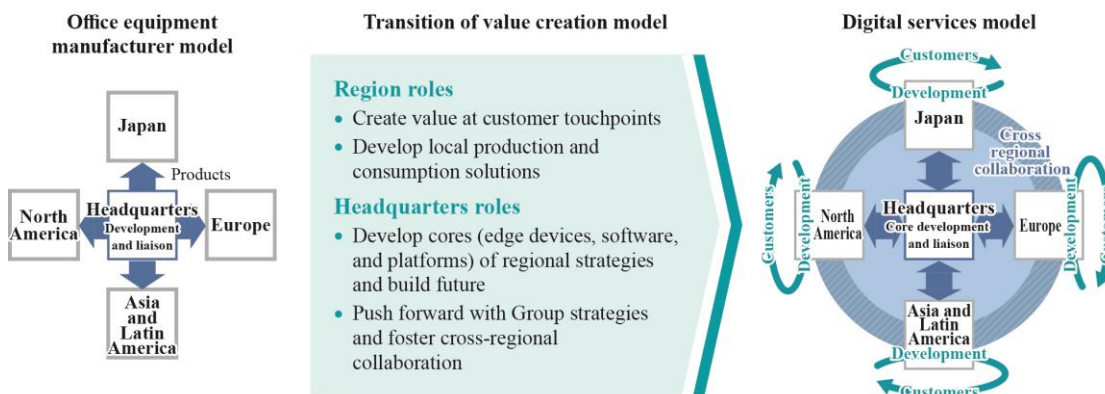
Three points are key to amassing revenue from outside the office printing business and establishing a highly profitable earnings base: improving customer touchpoint value creation capabilities, leveraging synergies within the Ricoh Group, and being able to tackle business climate changes in order to achieve continuous improvement of revenue.

We have businesses spanning regions around the globe, including Japan, Europe, the U.S., Asia, Latin America, and elsewhere. Each region has different customer bases, with different customer challenges and demands. In order to help customers in each region transform how they work, we must therefore strengthen our customer touchpoint functions with a development framework based on local production and local consumption to stay close to our customers and swiftly provide them with solutions. Under the 21st Mid-Term Management Strategy, we will work to strengthen our customer touchpoint function while taking into account the attributes of customers in each region and our existing organizational capabilities, to strengthen our frameworks for value creation.

Beyond this, to fully leverage our synergies as a global corporate group, we will pursue headquarters-led efforts in building ecosystems around our Co-creation platform (RICOH Smart Integration), enhancing our proprietary software and expanding it globally, and developing and providing competitive edge devices.

● Enhance Customer Touchpoint Value

Become digital services company with regional strategy to create value with regional customers



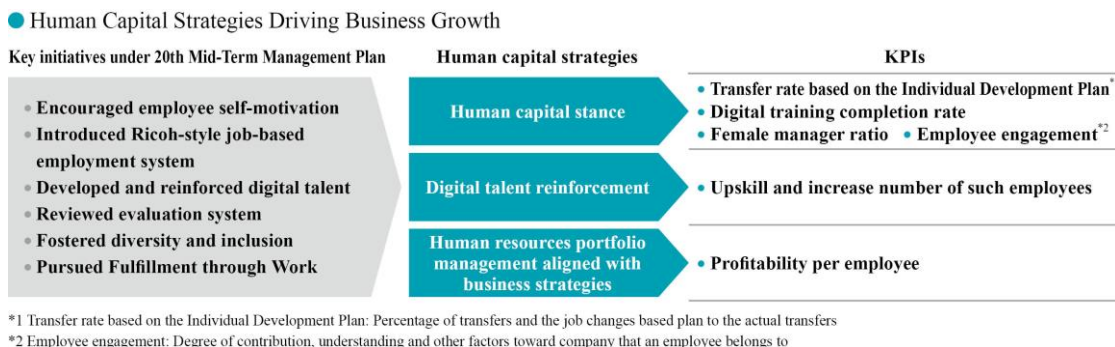
Basic Policy (2) Build revenue sources in frontlines and social domains

Our revenue is currently centered on the office domain, but we will build on our digital services and progressively expand our frontline businesses to provide value to a wider range of customers. Operations at many frontline locations, such as manufacturing and logistics sites, are still largely analog, and we hope to use our technologies to develop new businesses. We will also engage in creating businesses directly linked to resolving social issues.

Businesses that we will focus on under the 21st Mid-Term Management Strategy include commercial printing centered on customers in the printing industry, the thermal business providing solutions for printing on external packaging in the food, logistics, and other industries, and businesses that contribute to resolving social issues, such as PLAiR, a new material that contributes to reducing environmental pollution caused by waste. We will identify business domains to focus on and build a revenue pillar in the frontlines and social domains.

Basic Policy (3) Leverage global talent

To change our business structure and expand our value proposition globally, it is vital that we leverage talent. We perceive the abilities and skills of our employees as a form of capital, and we have established a human capital strategy to actively invest in people.



Our human capital strategy is founded on the three components of autonomy, growth, and Fulfillment through Work. The basic approach of this strategy is to aim for both employees' Fulfillment through Work and business growth by enabling them to accumulate the experiences they gain through working at Ricoh.

Leverage employee experience components to drive personal and business growth

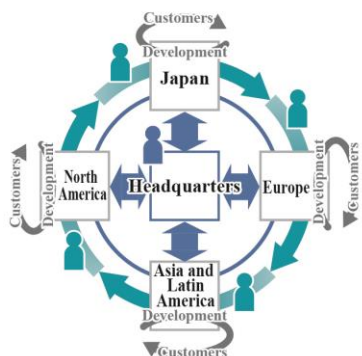
		Three Core Components of Human Capital Stance		
		1. Self-motivation	2. Growth	3. Fulfillment through Work
Group policies		<p>Encourage employees to fulfill their potential</p> <p>Self-discipline and self-directed work approaches maximize performances of individual workers</p>	<p>Align personal and business growth</p> <p>Unleash employee creativity and foster business growth by leveraging digital skills</p>	<p>Connect employee experience^{*1} with Fulfillment through Work</p> <p>Create corporate culture of Fulfillment through Work by offering same employee experiences everywhere</p>
	Experiential value	Self-directed career planning	Personal and business growth	Materialize Fulfillment through Work
Employee experience	Opportunities	<p>Career ownership</p> <p>Self-growth</p>	<p>Ricoh Agile^{*2}</p> <p>Digital basics</p>	<p>Process digitalization^{*3}</p> <p>Strengthen DE&I^{*5}</p> <p>Co-creation culture</p>
	KPIs	Transfer rate based on IDP ^{*6}	Digital training completion rate ^{*3,6}	Female manager ratio
	FY2025 target	More than 60%	100%	Globally: 20% In Japan: 10%
				Employee engagement ^{*7} 3.91

^{*1} Employee experience: Experience gained from Ricoh's work
^{*2} Ricoh Agile: In-house design thinking + agility model for organizational management
^{*3} Process digitalization: Redesigning work and processes with digital technology
^{*4} Digital training completion rate: Generic term for training programs encompassing Ricoh Agile, process digitalization, and digital basics
^{*5} DE&I (Diversity, Equity & Inclusion): Equity was added to the Diversity & Inclusion from the 21st Mid-Term Management Strategy and is being developed as DE&I
^{*6} Transfer rate based on IDP (Individual Development Plan) and Digital training completion rate: Managed as new indicators from the 21st Mid-Term Management Strategy
^{*7} Employee engagement: In the 20th Mid-Term Management Plan, percentile that is relative in comparison with other companies and benchmarks was used for target management. However, from the 21st Mid-Term Management Strategy, absolute values of the score is used as an indicator for measuring results of efforts in the Group more precisely. For results of the 20th Mid-Term Management Plan, please refer to "II. Business Overview, 2. Our Approach and Efforts on Sustainability, (4) Indicators and Goals"

In addition to boosting the level of skills of the employees of the Ricoh Group, we will enhance the expertise of the digital professionals who will contribute to creating and accelerating our digital services. Under the 21st Mid-Term Management Strategy, we will strengthen our human resources capable of creating advanced services from customer contacts in each region and expanding these service models globally. We will also engage in training management personnel for the future, including measures such as the implementation of fast track digital leadership development program in digital services and the provision of experience in multiple projects globally.

- Reinforce Digital Talent to Accelerate Business Growth

Bolster leaders co-creating, collaborating, and creating digital services globally



- **Expand pool of professionals**
Strengthen personnel pipeline for global digital business co-creation and collaboration
- **Expand management pool**
Reinforce pipeline of managers with digital business experience

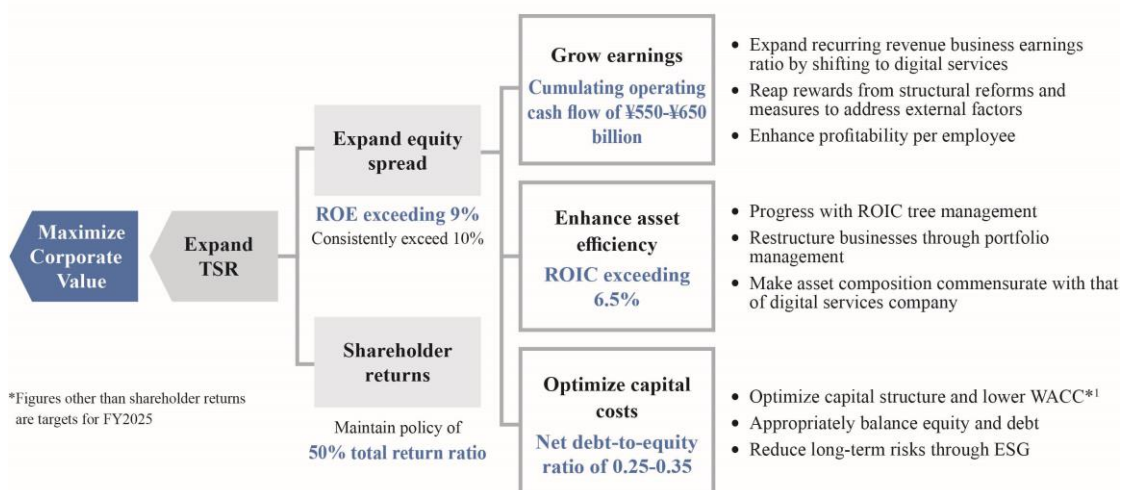
Capital Policies Supporting Growth

We aim to maximize shareholder value and corporate value while satisfying stakeholder expectations. We accordingly seek to realize returns on the capital contributed by our shareholders that exceed the cost of capital. We will promote return on invested capital (ROIC*) management and the enhancement of asset efficiency in our business portfolio management, among other measures, and strive to improve return on equity (ROE). ROIC in the fiscal year 2022 was 4.9%.

* ROIC = (Operating profit - Income tax expenses + Share of profit of investments accounted for using the equity method) / (Equity attributable to owners of the parent + Interest-bearing debt)

- Maximizing Corporate Value

Steadily expand total shareholder returns to maximize corporate value



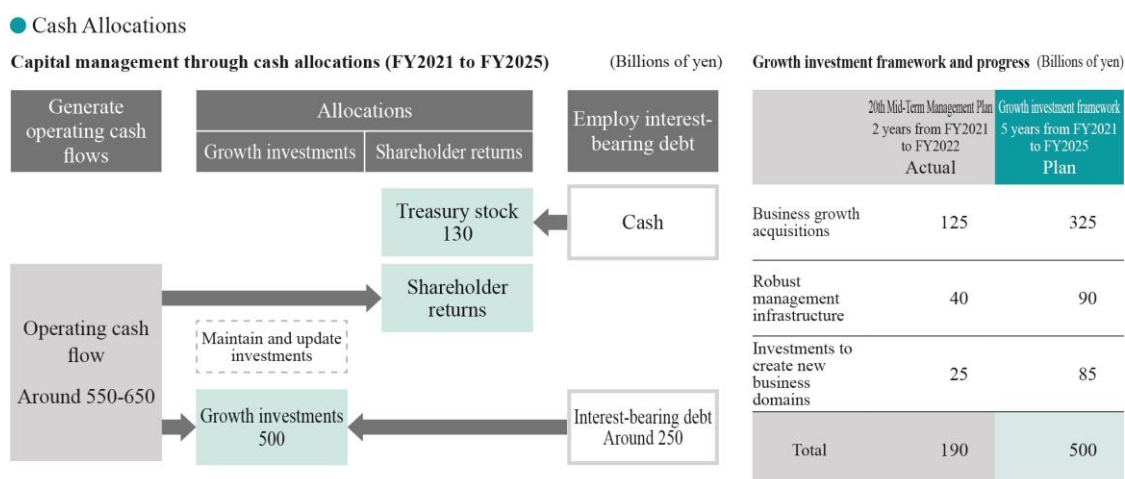
*Figures other than shareholder returns are targets for FY2025

*1 WACC: Weighted average cost of capital

To evolve into a digital services company, we will aim for an appropriate capital structure based on risk assessments and borrow to fund investments, carefully balancing debt and equity in our operations. We will use debt in such stable businesses as office printing while primarily allocating capital to growth businesses that pose relatively high risks.

Towards fiscal 2025, we will secure capital for growth based on the assumption that the business environment will remain uncertain with a capital structure that takes into account ratings and fundraising risks. From fiscal 2025 onwards, we plan to flexibly adjust the optimal capital structure, taking into account changes in the business structure associated with the new growth investment strategy in conjunction with the stabilization of businesses in the growth and investment area.

We will thus systematically use operating cash flows generated from business investments to fund further growth and shareholder returns. We have not altered our plan to invest around ¥500.0 billion in growth areas over five years (fiscal 2021 to fiscal 2025), announced in the 20th Mid-Term Management Plan, as growth investment in the drive to become a digital services company. In fiscal 2022, we acquired PFU to help transform our customers' document workflows and strengthen our IT management service functions. We also made other M&A investments in Europe and the U.S. to grow our office services business, steadily proceeding with investments for business growth. To fund investments, we will also draw on interest-bearing debt centered on operating cash flows, strategically executing investments in a well-balanced manner.



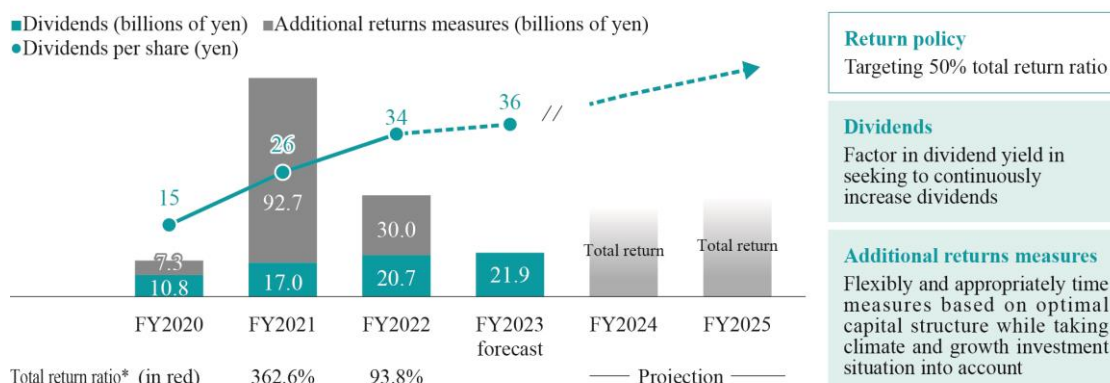
At the financial results briefing for fiscal 2022 held on May 8, 2023, we announced that we have launched a special project to realize price book-value ratio (PBR) of over 1.0 and started its activities. By analyzing the gap between the theoretical stock value and the current evaluation, and identifying the factors that lead to PBR of under 1.0, we intend to formulate and implement action plans that lead to the improvement of corporate value, including the acceleration of the measures in the 21st Mid-Term Management Plan. We plan to cover a wide range of topics, from identifying business portfolios to capital policies.

Our shareholder return policy is to maintain a total return ratio of 50%. With the target of a total return ratio of 50%, we look to steadily lift dividends per share in line with annual profit growth, while being conscious of offering attractive dividend yields. We will also implement share repurchases and other additional return measures in a flexible and timely manner based on our views on the optimal capital structure and factoring in the business environment and progress with growth investments to achieve an improvement in total shareholder return (TSR).

Based on this policy, we look to lift cash dividends per share by ¥2.00, to ¥36.00, in fiscal 2023.

● Shareholder Return Policy

Maintain 50% total return ratio policy and improve total shareholder return by continuing to increase dividends while undertaking additional shareholder return measures



*The Company acquired ¥100.0 billion of treasury stock during the period from March 4, 2021 to December 8, 2021. This includes ¥7.3 billion in FY2020 and ¥92.7 billion in FY2021. Together with the treasury stock acquired before March 2021, the Company canceled its treasury stock on February 28, 2022. The Company acquired ¥30.0 billion of treasury stock between May 11, 2022 and September 22, 2022 and canceled the acquired treasury stock on October 31, 2022.

Future Outlook

A moderate recovery trend emerged in business conditions during fiscal 2022, thanks to the relaxation of restrictions on movement due to COVID-19. However, the economic outlook for global business remained uncertain due to factors such as continuing international tensions, rising resource prices, inflation, and the depreciation of the yen. This adverse external environment will persist in fiscal 2023. However, under the 21st Mid-Term Management Strategy, we will accelerate our transformation from an earnings structure focused on the office printing business and work to enhance profitability as a digital services company. We will also build flexible production and supply systems, raise our capacity to tackle business climate changes and establish a new pillar of earnings in frontline digital services domains. For fiscal 2023, we forecast ¥2.25 trillion in consolidated sales and ¥50.0 billion in profit attributable to owners of the parent. While the forecast indicates a decrease in profit from the results of the current fiscal year, the decrease is mainly due to transient earnings such as sale of assets and government support generated during the current fiscal year, and the impact of one-time costs for structural reform included in the next fiscal year. With these exceptions, profits will be substantially increased. In order reliably to achieve this forecast, we will continue to promote business growth centered on digital services and transform the earnings structure by strengthening the structure.

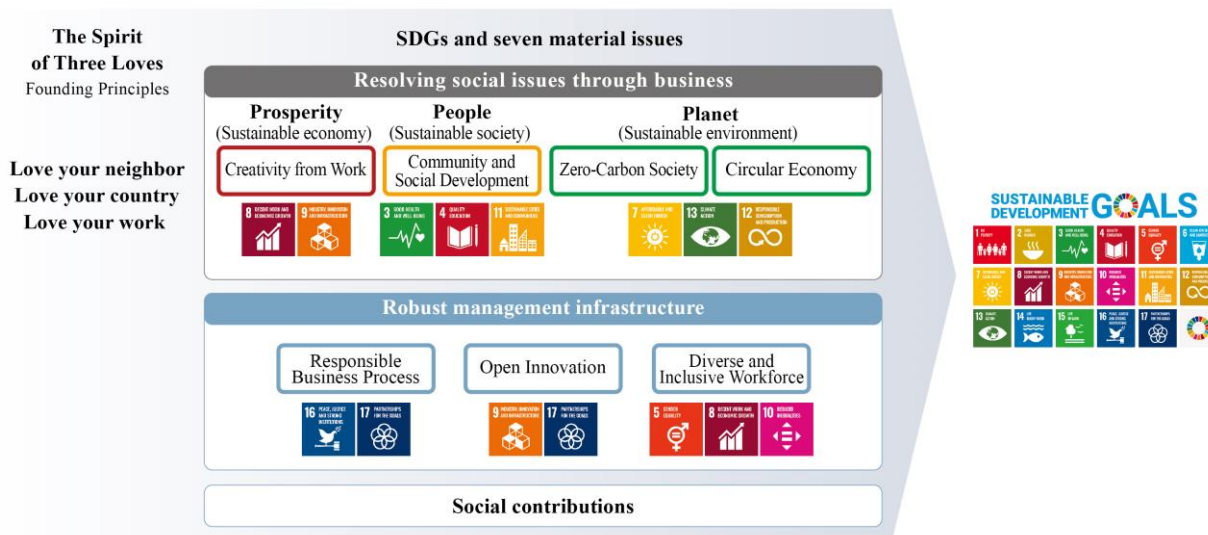
2. OUR APPROACH AND EFFORTS ON SUSTAINABILITY

The Group’s approach to sustainability and its initiatives are as follows.

Note that matters related to future developments that are mentioned in this section are judgments of the Group that were made as of the end of the fiscal year under review.

Basic approach – Leveraging the power of business to materialize sustainable society

The Ricoh Group pursues sustainability through a Three Ps Balance – Prosperity (economic activities), People (society), and Planet (environment) based on the Spirit of Three Loves. To realize this, we will help to reach Sustainable Development Goals (SDGs) through resolving social issues through business, reinforcing management infrastructure and contributing to society.



(1) Governance

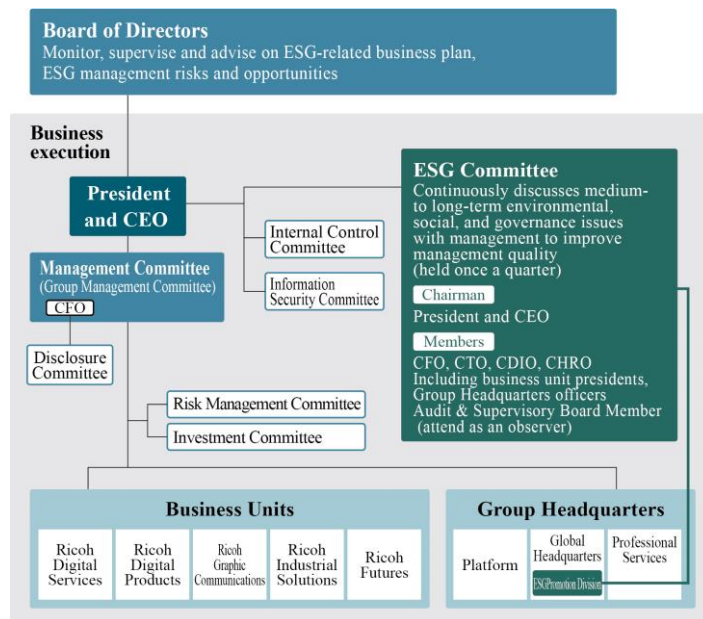
We have established the ESG Committee for the purpose of continuously discussing environmental, social, and governance issues faced by the Ricoh Group at a management-level and leading the discussions to the quality enhancement of the entire Group. The committee is a decision-making organization that meets quarterly chaired by the CEO and consists of GMC *1 members including Internal Executive Director and business unit presidents *2.

The ESG Committee deliberates on future risks and opportunities for the business in the area of sustainability, identification of material social issues (materiality), and setting of ESG targets. Progress on ESG targets is overseen at the management level through the ESG Committee and the Board of Directors. The new material issues and ESG targets, which were set in conjunction with the 21st Mid-Term Management Strategy starting in fiscal 2023, were also approved by the Board of Directors as indicators to be aimed for in tandem with the financial indicators.

In addition, ESG indicators are incorporated into the remuneration of Directors and Executive Officers to clarify management responsibility for ESG initiatives and goal achievement. Beginning from fiscal 2023, the percentage of achievement of companywide ESG targets is set at 20% of executive stock compensation under the Executive Stock Compensation Program for Internal Directors and Executive Officers. For details of the executive stock compensation program, please refer to “IV. Information on the Company, 4. Corporate Governance, etc., (4) Compensation to Directors and Audit & Supervisory Board Members.”

*1 Group Management Committee: The President and CEO chairs this body, to which the Board of Directors delegates authority to review and make decisions to optimize companywide management.

*2 Internal Audit & Supervisory Board Members participate as observers.

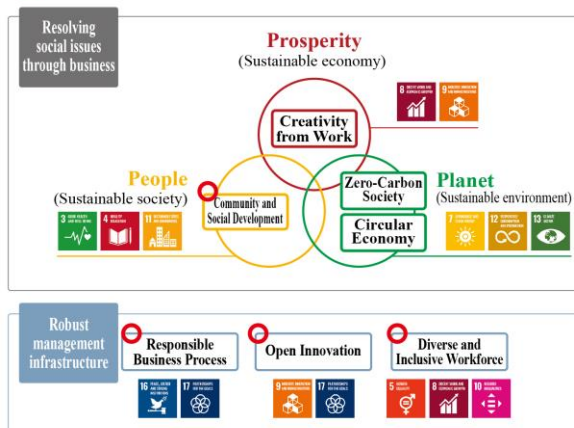


(2) ESG Strategy

The Ricoh Group views ESG initiatives as essential elements for generating future finances. Based on the vision of a sustainable society (Three Ps Balance), the Ricoh Group identifies the material issues that it will emphasize particularly in its Mid-Term Management Strategy, and sets company-wide ESG targets as KPIs for these material issues. The seven material issues and 16 companywide ESG targets set in the 21st Mid-Term Management Strategy are set from two perspectives: to respond to global ESG trends and to support the company-wide strategy of transforming into a digital services company. Specifically, we have set goals related to climate change and human rights issues, which are common global issues, as well as goals related to digital service-related patents, information security, and digital human resource development, which will be necessary for our transformation into a digital services company. Furthermore, under the 21st Mid-Term Management Strategy, we will further strengthen our efforts to solve social issues through our business, take on the challenge of clarifying the impact on our performance, and show our efforts to fuse ESG and business growth, to stakeholders in an easy-to-understand manner.

<Seven Material Issues and Strategic Intent>

○ Circle indicates changes from the 20th Mid-Term Management Plan



[Materiality]

[Strategic Intent]

Creativity from Work

To provide digital services that transform the way customers work, and help them improve productivity improvement and value creation

Community and Social Development

To contribute to the maintenance, development, and efficiency of community and social systems. We leverage our technical expertise and customer connections to expand the areas where we provide value

Zero-Carbon Society

To decarbonize the entire value chain and create business opportunities by contributing to carbon neutrality

Circular Economy

To create business opportunities by building a circular economy business model for ourselves and our customers

Responsible Business Process

To earn stakeholder trust by taking a holistic review of our supply chain and minimizing ESG risks in our business processes

Open Innovation





To shift from a self-sufficient approach to a new value creation process that creates businesses to quickly resolve social issues

Diverse and Inclusive Workforce

To foster a corporate culture where diverse employees can demonstrate their potential and transform themselves and the company into one that is resilient to change




<16 Company-wide ESG Targets linked to Seven Material Issues>

Resolving social issues through business

Materiality	Strategic Intent	2030 Targets	Focus Domains	21st Mid-Term Management Strategy ESG Targets (End of fiscal 2025)	
 <p>Creativity from Work</p>	To provide digital services that transform the way customers work, and help them improve productivity improvement and value creation	Contribute to “Creativity from Work” of all customers to whom we deliver value	- Office services - Digital services for printing industry - Thermal media - Industrial products - Smart Vision	(1) Customer survey scores*1	29%
 <p>Community and Social Development</p>	To contribute to the maintenance, development, and efficiency of community and social systems. We leverage our technical expertise and customer connections to expand the areas where we provide value	Contribute to the enhancement of social infrastructure for 30 million people	- GEMBA - Biomedical - Municipal digitalization solutions - Educational ICT solutions	(2) Number of people to whom we have contributed by improving social infrastructure	15 million to 20 million people
 <p>Zero-Carbon Society</p>	To decarbonize the entire value chain and create business opportunities by contributing to carbon neutrality	- Reduce GHG emissions by 63% for scope 1 and 2, and 40% for scope 3 - Switch to 50% renewable electricity	- Eco solutions - Eco-friendly MFPs - Commercial and industrial printing - Label-free printing - PLAiR	(3) GHG scope 1, 2 reduction rate (vs. 2015) (4) GHG scope 3 reduction rate (vs. 2015) (5) Renewable energy utilization ratio (6) Avoided emissions	50% 35% 40% 1.4 million metric tons
 <p>Circular Economy</p>	To create business opportunities by building a circular economy business model for ourselves and our customers	Ensure efficient use of resources throughout the entire value chain and achieve 60% or less of virgin material usage rate		(7) Virgin material usage ratio	80% or less

*1: Percentage of customers recognizing Ricoh as a digital services company.

Robust management infrastructure

Materiality	Strategic Intent	21st Mid-Term Management Strategy ESG Targets (End of fiscal 2025)	
 <p>Responsible Business Process</p>	To earn stakeholder trust by taking a holistic review of our supply chain and minimizing ESG risks in our business processes	(8) CHRB score*2 (9) Compliant with NIST SP800-171 Coverage of Company’s Core Business Environment (10) Low-compliance risk group companies	ICT sector top 80% or more 80% or more
 <p>Open Innovation</p>	To shift from a self-sufficient approach to a new value creation process that creates businesses to quickly resolve social issues	(11) Contracted Joint R&D ratio (12) Digital service patent application ratio*3	25% 60%
 <p>Diverse and Inclusive Workforce</p>	To foster a corporate culture where diverse employees can demonstrate their potential and transform themselves and the company into one that is resilient to change	(13) Ricoh Digital Skills Level 2 or above rated employees (Japan) (14) Process DX Silver Stage certified employee ratio*4 (15) Engagement score*5 (16) Female-held managerial position ratio	4,000 people 40% Global: 3.91 Japan: 3.69 North America: 4.18 Latin America: 4.14 EMEA: 4.01 APAC: 4.15 Global: 20% (Japan: 10%)

*2: Corporate Human Rights Benchmark: The International Human Rights initiative established by institutional investors and NGOs. Selects and evaluates approximately 250 global companies from five sectors (agricultural products, apparel, extractives, ICT, and automotive). If not included in the assessment, the score will be calculated through a self-assessment including a third-party review by an external organization.

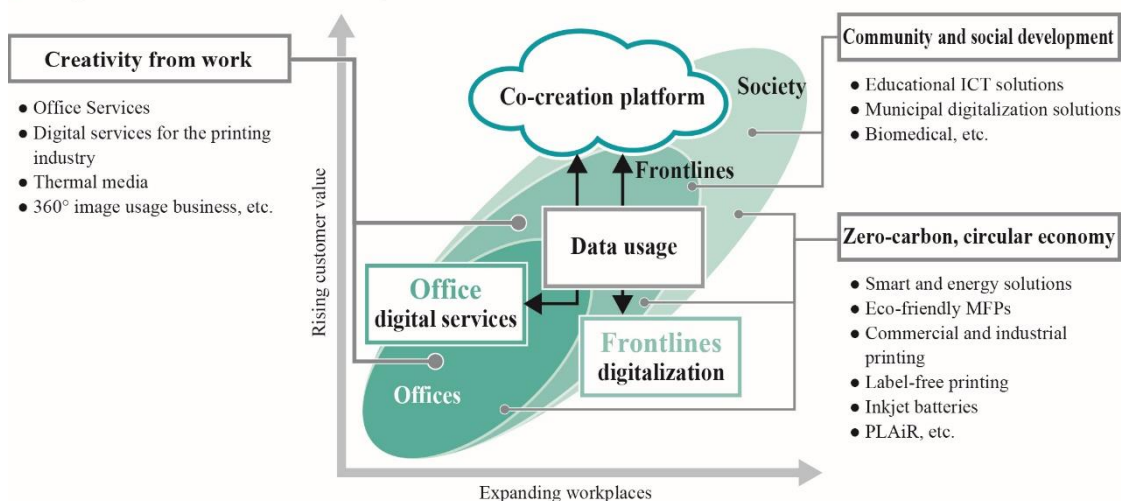
*3: Ratio of patent applications related to digital service contribution business to the total number of patent applications.

*4: Percentage of personnel trained with a track record based on Process DX template (Parameter is the total number of personnel in the organization to be trained in each business unit)

*5: Based on Gallup Q12 Mean™

<Focus Business Areas of the Ricoh Group that Contribute to Solving Material Social Issues through Business>

● Examples of Social Issues Resolved through Business














(3) Risk Management

The Ricoh Group positions risks that may significantly impact the performance of the company as managerial risks, and risk management is divided into strategic risks and operational risks, depending on the characteristics of the risk. Since sustainability-related risks have a significant impact on a company’s medium- to long-term growth, we have positioned “responding to ESG and SDGs” as one of our strategic risks and are managing risks related to climate change and human rights issues at the management level. The impact and urgency of each climate change risk listed in the “Actions on Climate Change” section is evaluated in accordance with the company-wide risk management framework. For details on risk management, please refer to “II. Business Overview, 3. Business Risks.”

(4) Indicators and Goals

The results of ESG targets in the 20th Mid-Term Management Plan are as follows. 13 of 17 targets were achieved in the Mid-Term Management Plan.

Resolving social issues through business					
Materiality (Material issues)	2030 targets	Resolution of social issues and business strategies	ESG targets		Results ^{*11}
			KPIs	20th Mid-Term Management Plan targets	
Creativity from Work 	Contribute to “Creativity from Work” of all customers to whom we deliver value	<u>Social issues</u> For sustainable development, companies need to reform employees’ work styles, boost productivity by using IT and increase employees’ work satisfaction. <u>Business strategies</u> We will help customers achieve “Creativity from Work” by providing them with digital technologies and services.	(1) Top score rate ^{*1} in customer surveys	30% or more	Japan: 37% Europe: 20% APAC: 32% Americas: 89%
			(2) Fulfilling value proposition for customers ^{*2}	15%	15.5%
			(3) Digital specialist development	IPA ^{*3} ITSS L3 ^{*4} 1.5 times	1.53 times
QOL Enhancement 	Contribute to the enhancement of social infrastructure for 30 million people	<u>Social issues</u> It is necessary to eliminate disparities in medical, educational, and regional services between developed and developing countries and between urban and rural areas. <u>Business strategies</u> We will help improve medical, educational, and regional services by utilizing the digital technologies and know-how that we have accumulated for office solutions.	(4) Number of people to whom we have contributed by improving social infrastructure	10 million people	10.01 million
Zero-carbon Society 	- Reduce GHG emissions by 63% for scope 1 and 2, and 40% for scope 3 - Switch to 50% renewable electricity	<u>Social issues</u> As the impact of climate change is becoming more severe, it is necessary to enhance and speed up countermeasures. <u>Business strategies</u> Upholding the Science Based Target (SBT) ^{*5} of “1.5°C,” we will work to reduce GHG emissions substantially and supply products and solutions that contribute to the decarbonization of society as a whole.	(5) GHG scope1, 2 reduction rate (vs. 2015)	30%	45.5% ^{*11}
			(6) GHG scope 3 reduction rate (vs. 2015)	20%	31.4% ^{*11}
			(7) Renewable energy utilization rate	30%	30.2% ^{*11}
Circular Economy 	Ensure efficient use of resources throughout the entire value chain and achieve 60% or less of virgin material usage rate	<u>Social issues</u> For sustainable use of natural resources, it is necessary to foster the recycling of resources and reduce the use of new resources. <u>Business strategies</u> We will further enhance our 3Rs measures and reduce the use and foster the substitution of plastic materials and provide on-demand printing service, thereby helping customers make efficient use of resources.	(8) Virgin material usage rate	85% or less	84.9%

Robust management infrastructure				
Materiality (Material issues)	Demand from society and management strategies	ESG targets		Results ^{*11}
		KPIs	20th Mid-Term Management Plan targets	
Stakeholder Engagement  	<u>Requests from society</u> For the sustainable development of society, companies are required to enhance the sustainability of their entire global value chains. <u>Management strategies</u> We will strengthen collaboration with our business partners and build Win-Win-Win relationships between our company, business partners and society.	(9) Production sites with RBA certified	6 sites	5 sites
		(10) Suppliers signing on RICOH Group Supplier Code of Conduct	100% signed	98% signed
		(11) International security standard	Bolstered security based on ISO/IEC ^{*6} NIST	Bolstered security based on ISO/IEC NIST
		(12) Evaluation scores given by each partner ^{*7} (suppliers, distributors/dealers, development partners)	Undisclosed	
		(13) Attain top levels for primary ESG external evaluations	DJSI, CDP ^{*8} etc.	DJSI: World Index CDP: A-list
		(14) Selected in Digital Transformation stock (by Ministry of Economy, Trade and Industry)	Selected as DX stock	Selected as DX stock 2022
Open Innovation  	<u>Requests from society</u> For sustainable development, innovation needs to be promoted across a range of industrial sectors. <u>Management strategies</u> We will attribute importance to open innovation with universities, research institutes, other companies and business partners, and foster collaboration with these partners to solve social issues through efficient research and technological development as well as to create new value.	(15) Increase rate of patent ETR ^{*9} score (vs fiscal 2020)	20%	20.1%
Diversity and Inclusion   	<u>Requests from society</u> For sustainable development and innovation, it is necessary to promote decent work, which gives satisfaction and is humane, and respect diversity in society. <u>Management strategies</u> We will respect the diversity of employees, upholding the empowerment of self-motivated employees in our management policy and strive to create workplaces where employees can work with vigor.	(16) RFG ^{*10} engagement score	50 percentile or more in each region	Japan: 54 percentile Americas: 45 percentile Europe: 38 percentile APAC: 39 percentile
		(17) Female-held managerial position rate	Global: 16.5% or more (Japan: 7.0% or more)	Global: 16.3% (Japan: 6.9%)

*1 Top score ratio: Highest score selecting ratio

*2 Scrum-package customers ratio

*3 IPA: Information-technology Promotion Agency.

*4 ITSS: IT Skill Standard set by IPA (level 0-6)

*5 SBT (Science Based Targets): International initiatives to certify that GHG reduction targets of a company are consistent with scientific evidence

*6 ISO/IEC: International Organization for Standardization/International Electrotechnical Commission

*7 Evaluation score: Evaluation results from each partner for Ricoh.

*8 CDP: Evaluation by an international NGO working in climate change and other environmental issues.

*9 ETR (External Technology Relevance): Score indicating the number of patents cited by other companies.

*10 RFG (Ricoh Family Group): Ricoh Group

*11 Results of ESG targets for GHG scope 1, 2 and 3, and renewable energy utilization rate reflect the data of PFU which was made a consolidated subsidiary in September 2022.

(5) Actions on Climate Change

The Ricoh Group has defined “Zero-carbon Society” as one of its material issues, and within its management strategies, we are responding to climate change as one of our management issues. From 2020, we have positioned “GHG* emission reduction targets” as one of the “ESG Targets” and we are promoting effective initiatives by linking them to the remuneration of officers and senior management. In particular, we will strive to reduce risks by formulating and implementing a risk management plan and a business continuity plan (BCP) in response to natural disasters, which are becoming more and more severe. In addition, we are contributing to the creation of a decarbonized society throughout the entire value chain by improving the energy efficiency of our products and collaborating with our business partners and customers.

Please refer to the TCFD Report for more information.

<https://www.ricoh.com/sustainability/report/tcfd>

*GHG: Green House Gas

(i) Measures for addressing climate change and progress made in fiscal 2022

Governance	<ul style="list-style-type: none"> - The Board of Directors and CEO-chaired ESG Committee established to ensure management-level supervision for climate change-related activities - The ESG Committee discusses proposals for decarbonization roadmaps, confirms progress toward environmental goals, and decides on investments in decarbonization-related projects - The Group’s climate change action plans approved by the ESG Committee and implemented under the leadership of the ESG Management Division - Introduction of an ESG-linked executive remuneration system for executives and management that varies depending on the degree of achievement of the “GHG reduction target” 	
	Status of fiscal 2022 initiatives	<ul style="list-style-type: none"> - Deliberated and decided on the following matters at the ESG Committee meetings (held four times) <Issues discussed by the ESG Committee> - Approved ESG targets (decarbonization, circular economy) - Approved decarbonization roadmap and initiatives - Fiscal 2023 renewable energy introduction plans
Strategies	<ul style="list-style-type: none"> - Contribution to SDGs given priority in formulating a Mid-Term Management Strategy - “Zero-carbon Society” included in material issues. Manage specific numeric targets as ESG targets - Risks and opportunities identified through scenario analysis at ESG Committee meetings 	
	Status of fiscal 2022 initiatives	<ul style="list-style-type: none"> - Implement measures aligned with decarbonization roadmap (renewable energy comprehensive evaluation system, achieve RE100* at main sites, etc.) - Progress in activities for decarbonization and customer appeal - Concluded VPPA (Virtual Power Purchase Agreement) * RE100: An international initiative aiming for 100% conversion to renewable energy

Risk management	<ul style="list-style-type: none"> - The Risk Management Committee established to manage major focus managerial risks, which are risks that can significantly affect business performance categorized into two groups: strategic risks and operational risks - Categorize risk levels based on financial impact, urgency, and risk management level, and prioritize the order of measures to address them
	<p>Status of fiscal 2022 initiatives</p> <ul style="list-style-type: none"> - Documentation of initial response, reporting procedure, roles of each response division in the event of an emergency - Preparation of BCP (business continuity plan) for each region and business, such as implementation of regular facilities inspections and disaster prevention training - Flooding risk investigation for key domestic sites and implementation of risk countermeasures for high-risk sites

◆ Indicators and goals

The Ricoh Group has set long-term environmental goals to achieve zero GHG emissions across the entire value chain by 2050. We have also set a high level GHG emission reduction target of 63% reduction for scope 1 and 2 and 40% reduction for scope 3 (procurement, logistics and usage category) in 2030 (each compared to 2015 levels), which has been validated by SBTi, an international climate change initiative, as a 1.5°C level. To achieve this target, the Ricoh Group is promoting thorough energy-saving activities and active use of renewable energy sources. In addition, we became the first Japanese company to participate in RE100 to promote the active use of renewable energy, and in March 2021, we raised our 2030 target for renewable energy use rate to 50%. For results of fiscal 2022, we have reduced 45.5% in emissions for scope 1 and 2 compared to fiscal 2015 and 31.4% for scope 3 compared to fiscal 2015 and has been steadily reducing toward the 2030 target.

To achieve our 2030 target, we have formulated a decarbonization roadmap for scope 1, 2 and 3 to manage the progress of each measure.

The Ricoh Group's environmental goals (decarbonization)

2030 goals

- GHG scope 1 and 2*: 63% reduction vs 2015
- GHG scope 3*: 40% reduction vs 2015 (procurement, logistics and usage category)
- Switch 50% of electricity used in business operations to renewable energy

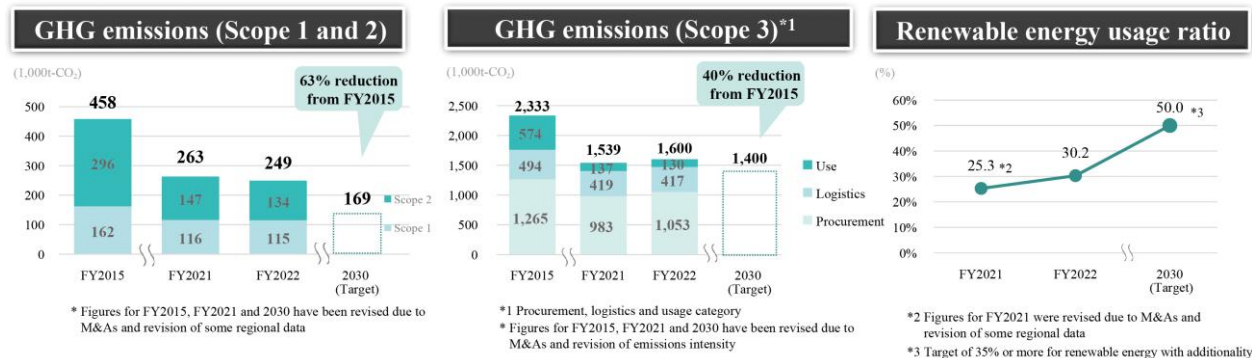
2050 goals

- Achieve zero GHG emissions across the entire value chain
- Switch 100% of electricity used in business operations to renewable energy

* GHG scope 1, 2, 3

- GHG scope 1: GHG directly emitted by the Ricoh Group factories, offices, vehicles, etc.
- GHG scope 2: GHG produced by heat/power purchased by the Ricoh Group
- GHG scope 3: Supply chain emissions from corporate activities (excluding GHG scope 1 and 2)

FY2022 Results



(ii) Climate change risk recognition

We evaluate the financial impact and urgency of individual risks through scenario analysis. In this evaluation, the impact and urgency are indicated in specific amounts and years for the impact to take place in full-scale with greater than 50% probability of occurrence by comparing the results of scenario analysis with the company-wide risk management framework. Natural disasters, which are increasing year by year, are an urgent issue for the Ricoh Group. In particular, we consider the disruption of supply chains, including our own business locations, as a risk that could have a major impact on our business, and we monitor the situation every year and take appropriate countermeasures.

Climate change risk

Impact of climate change on the Ricoh Group		Impact	Urgency
Transition risks	<p>Transition risk 1 (2°C /1.5°C scenario*1) Carbon taxes and emissions trading systems applied to suppliers</p>	<ul style="list-style-type: none"> - Carbon pricing (carbon tax/emissions trading) will be applied to all suppliers and the price will be passed on to raw materials, resulting in higher procurement costs. - Impact of carbon pricing (carbon tax/emissions trading) on the Ricoh Group is minimal (Implement systematic reduction of GHG under the SBT of 1.5°C) 	<p>Below ¥1.0 billion</p> <p>Within 5 years</p>
	<p>Transition risk 2 (2°C /1.5°C scenario) Response to accelerated transition to decarbonized society by consumers and investors</p>	<ul style="list-style-type: none"> - Due to demand for achieving the target of 1.5°C and RE100 ahead of schedule, additional costs for implementing measures such as energy saving/renewable energy facility investment and switching to renewable energy are incurred 	<p>Below ¥1.0 billion</p> <p>Within 5 years</p>
Physical risks	<p>Physical risk 1 (4°C scenario*2) Rapid increase of natural disasters</p>	<ul style="list-style-type: none"> - Due to climate change, the severity of weather has become more extreme, causing production stops and sales opportunity losses due to disruption of the supply chain, etc. as a result of greater than expected storms and rain damages to Group production sites and suppliers 	<p>Up to ¥20.0 billion</p> <p>Within 5 years</p>

	Physical risk 2 (4°C scenario) Regional epidemics of infectious diseases	- Impact on production plans due to parts supply disruption - Insufficient inventory due to lower operating rates at production sites - Decrease in sales opportunities due to difficulty of face-to-face business	Up to ¥20.0 billion	Within 10 years
	Physical risk 3 (4°C scenario) Declining forest resources	- Forest damage such as forest fires and increase of pests due to global warming results in deterioration of stable supply of paper raw materials and leads to a rise in paper procurement costs	Below ¥1.0 billion	Within 10 years

*1 2°C /1.5°C scenario: a scenario where the global average temperature increase is below 2°C by 2100

*2 4°C scenario: a scenario where the global average temperature increase is 4°C by 2100

(iii) Climate change opportunities recognition

We recognize that climate change not only leads to business risks, but also to opportunities to increase the value of providing our products and services as well as corporate value. Our efforts on climate change have brought opportunities including the provision of products and solutions that support customers' decarbonization by utilizing energy-saving technologies and services, the expansion of sales of solutions that lead to countermeasures against infectious diseases, business expansion in the environmental and energy fields, and the creation of new businesses.

Opportunities in climate change

Areas of contribution	Overview of fiscal 2022 results	Financial effect
Contributions to climate change mitigation We will pursue thorough energy savings in our products and services that contribute to the mitigation of climate change.		Approx. ¥1,165 billion
	- Sales of products that contribute to decarbonization (environmental label certification)	Approx. ¥1,060 billion
	- Sales from negotiations involving ESG response	Approx. ¥40 billion
	- Sales in products and parts reuse and recycling businesses	Approx. ¥30 billion
	- Sales in energy saving and energy creation businesses	Approx. ¥30 billion
	- Contributions of new businesses (sales of eco-friendly Silicone-Top Linerless Label)	Approx. ¥5 billion
Contributions to climate change adaptation We will strive to develop products and services that avoid or mitigate the impact of climate change.		Approx. ¥130 billion
	- Sales of solutions that support new workstyles (Scrum package solutions and Scrum assets ^{*1} /LCAW ^{*2})	Approx. ¥130 billion
	- Contributions of new businesses (sales of energy harvesting ^{*3} products, etc.)	-

*1 Scrum assets: A packaged solution for mid-sized companies sold in Japan

*2 LCAW (Leading Change at Work): A packaged solution sold in Europe

*3 Energy harvesting: Environmental power generation that generates electricity from light, heat, and vibration present in the surrounding environment

Products that contribute to decarbonization

The Ricoh Group has obtained international ENERGY STAR certification for 94.2% of its imaging equipment launched in the fiscal year ended March 31, 2023. Moreover, we are actively pursuing environmental label certifications such as the Blue Angel and EPEAT to contribute to decarbonization. In addition, we promote manufacturing that contributes to the environment by operating the Ricoh Sustainable Products Program, which evaluates products based on our own strict standards for energy conservation, resource conservation, pollution prevention, comfort, and ease of use.

Negotiations involving ESG response

ESG requirements in business negotiations and bidding from public institutions and global companies, particularly in Europe, are on the rise, and such requirements are becoming more stringent. Some ESG requirements in bidding and business negotiations in Japan and overseas can be handled by the sales department, which is the customer contact point, but more difficult projects are being handled by the ESG department at the headquarters. As the quality of ESG responses influences bidding and business negotiations, we make a list of ESG requirements, delivery deadlines, and the scale of business negotiations, analyze them, and respond proactively.

Products and parts reuse and recycling businesses

The Ricoh Group promotes the 3Rs (Reduce, Reuse, Recycle) based on its original concept of Comet Circle to realize a recycling-oriented society, and we are engaged in our product and parts reuse and recycling businesses on a global level, including refurbishing used MFPs collected from the market and providing them to our customers again.

[Reference] Circular Economy Report 2022 (issued in August 2022)

<https://www.ricoh.com/sustainability/report/ce>

Energy saving and energy creation businesses

We are expanding energy saving and energy creation businesses in Japan. We are engaged in energy saving and energy creation businesses such as O&M (operation and maintenance) of solar power generation facilities, maintenance of EV charging facilities, and lighting and air conditioning control systems by utilizing monitoring services cultivated in the field of IT and network equipment.

Sales of eco-friendly linerless labels

The Ricoh Group sells silicone-top linerless labels (SLL) as thermal labels that do not use peel-off paper, based on thermal paper technology developed over many years. There is no peel-off paper for SLL, which reduces the amount of paper used, reduces waste, and contributes to CO₂ emissions reduction.

Solutions to support new ways of working

The Ricoh Group's problem-adaptive solution packages combine edge devices, software, and cloud services provided by Ricoh and its collaborative partners to support customers' new ways of working and digitizing their operations. By providing services that are in line with the era of a "new normal," we contribute to the reduction of CO₂ emissions as our customers' productivity improves.

(6) Response to Human Capital and Diversity

Leverage global talent

To change our business structure and expand our value proposition globally, it is vital that we leverage talent. We perceive the abilities and skills of our employees as a form of capital, and we have established a human capital strategy to actively invest in people.

● Human Capital Strategies Driving Business Growth

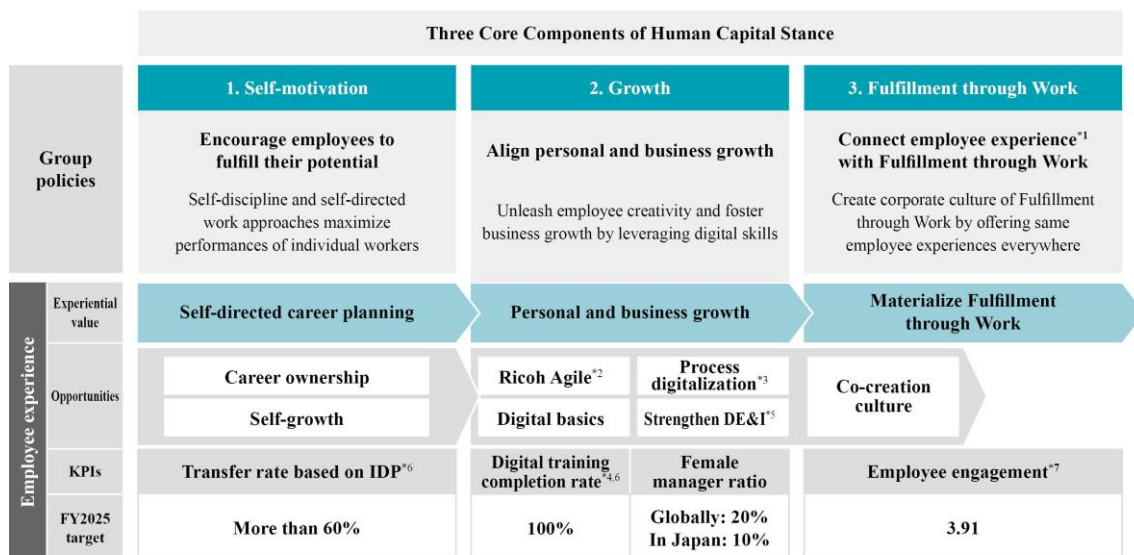


*1 Transfer rate based on the Individual Development Plan: Percentage of transfers and the job changes based plan to the actual transfers

*2 Employee engagement: Degree of contribution, understanding and other factors toward company that an employee belongs to

Our human capital strategy is founded on the three Ricoh components of autonomy, growth, and Fulfillment through Work. This strategy aims for both employees' Fulfillment through Work and business growth by enabling them to accumulate the experiences they gain through working at Ricoh.

Leverage employee experience components to drive personal and business growth



*1 Employee experience: Experience gained from Ricoh's work

*2 Ricoh Agile: In-house design thinking + agility model for organizational management

*3 Process digitalization: Redesigning work and processes with digital technology

*4 Digital training completion rate: Generic term for training programs encompassing Ricoh Agile, process digitalization, and digital basics

*5 DE&I (Diversity, Equity & Inclusion): Equity was added to the Diversity & Inclusion from the 21st Mid-Term Management Strategy and is being developed as DE&I.

*6 Transfer rate based on IDP (Individual Development Plan) and Digital training completion rate: Managed as new indicators from the 21st Mid-Term Management Strategy

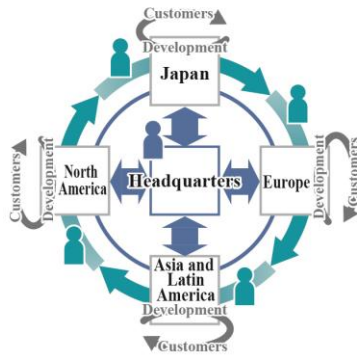
*7 Employee engagement: In the 20th Mid-Term Management Plan, percentile that is relative in comparison with other companies and benchmarks was used for target management.

However, from the 21st Mid-Term Management Strategy, absolute values of the score is used as an indicator for measuring results of efforts in the Group more precisely. For results of the 20th Mid-Term Management Plan, please refer to "II. Business Overview, 2. Our Approach and Efforts on Sustainability, (4) Indicators and Goals"

In addition to boosting the level of skills of the employees of the Ricoh Group, we will enhance the expertise of the digital professionals who will contribute to creating and accelerating our digital services. Under the 21st Mid-Term Management Strategy, we will strengthen our human resources capable of creating advanced services from customer contacts in each region and expanding these service models globally. We will also engage in training management personnel for the future, including measures such as the implementation of fast track digital leadership development program in digital services and the provision of experience in multiple projects in and outside Japan.

- Reinforce Digital Talent to Accelerate Business Growth

Bolster leaders co-creating, collaborating, and creating digital services globally



- **Expand pool of professionals**
Strengthen personnel pipeline for global digital business co-creation and collaboration
- **Expand management pool**
Reinforce pipeline of managers with digital business experience

Active participation of diverse human resources

Diversity, equity & inclusion and work-life management

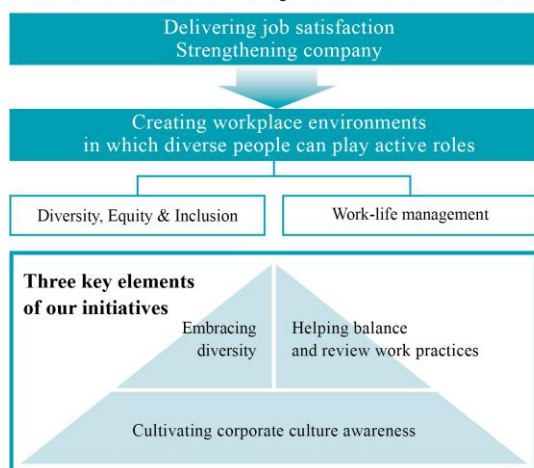
The innovation that is essential for our transformation into a digital services company will be created by a diverse group of people working together and leveraging their individual talents. This requires an environment where a diverse range of people can actively participate and where each employee can maximize his or her own performance. To achieve this, we have positioned the advancement of diverse human resources (diversity & inclusion (“D&I”) and work-life management) as one of our management strategies and have been promoting these initiatives to this end.

In order to ensure that diverse human resources can be truly active, we have stepped up D&I from the fiscal year ended March 31, 2023 and enhanced our initiatives as diversity, equity & inclusion (“DE&I”), adding the concept of equity, which is indispensable for fostering an inclusive organizational culture, as one of its purpose.

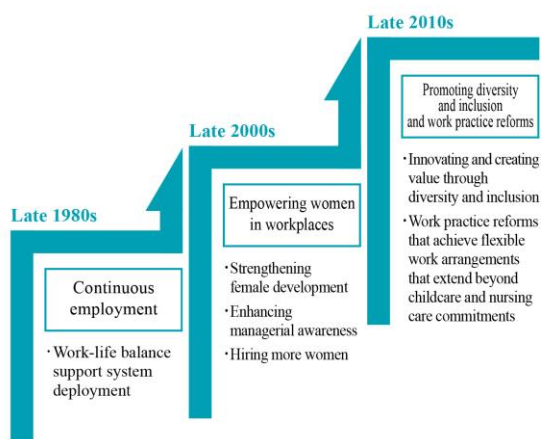
Global DE&I Statement

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

Goals of DE&I and work-life management and elements of initiatives



Initiative steps of DE&I and work-life management



(New initiatives and external evaluation in fiscal 2022)

- Introduction of Ricoh-style job-based personnel system
- Launch of Japan and global DE&I Councils
- Received the Top Hundred Telework Pioneers and Awards of Minister for Internal Affairs and Communications from the Ministry of Internal Affairs and Communications

	Female ratio in full-time employees	Female-held managerial position rate	Female ratio in executive management level* ¹
Global* ²	29.3% (29.8%)	15.9% (16.3%)	8.7% (9.2%)
Japan* ³	18.7% (18.8%)	6.7% (6.9%)	3.9% (4.0%)
Ricoh Company, Ltd.	16.8%	6.6%	4.2%

(Note) Female ratio in full-time employees: as of March 31, 2023. Female ratio in management level and female ratio in executive management level: as of April 1, 2023.

*1 Executive management levels are those equivalent to line managers and above. Excludes officers.

*2 Global is consolidated subsidiaries including the Company.

*3 Japan is consolidated subsidiaries in Japan including the Company.

*4 Figures in parentheses exclude PFU.

It is essential for global human resources to plan an active role in order for us to further develop as a digital services company in the future. The Japanese and global DE&I Councils, which were established in fiscal 2022, discuss various DE&I issues we face and our future approach in cooperation with the global and local DE&I Councils. Among these issues, women's advancement is one of the priority issues worldwide, and we have set and strengthened ESG targets for this issue.

The female-held managerial position rate (excluding PFU) in fiscal 2022 was 16.3% as opposed to the target of 16.5%. In Japan, the rate (excluding PFU) was 6.9%, only 0.1% short of the target of 7.0%. The job-based personnel system, which is based on the concept of the right person in the right place at the right time, has led to the active promotion of employees to management positions regardless of their gender or age, and the ratio of managers in their 30s has also increased significantly especially in Japan (reference: the number of managers in their 30s at Ricoh: 2.8x from the end of March 2022 to April 1, 2023). We will continue to make further efforts to promote the activities of our diverse human resources, and in particular, we have set a long-term goal for the advancement of women, which is to achieve the same ratio of female employees and female managers by 2036, the 100th anniversary of our founding. As an interim milestone, the 21st Mid-Term Management Strategy aims to increase the female-held managerial position rate to 10% or more in Japan and to 20% or more globally, and we will continue to focus our efforts on these goals.

In hiring people with disabilities, we seek to expand job opportunities and seek people who can accelerate change to create new value, regardless of whether they have a disability or not.

In addition, the introduction of the Ricoh-style job-based personnel system encourages each employee to be autonomous in his or her work, and the use of internal job openings enhances the mobility of human resources, thereby expanding opportunities for diverse experience to be utilized in the organization.

We will further strengthen our efforts to make DE&I a part of our corporate culture to take advantage of the diversity of our employees, not only in terms of gender, disability, and other attributes, but also in terms of knowledge and experience.

3. BUSINESS RISKS

Matters concerning the status of business and performance that may have a material effect on the decisions of shareholders and investors are as follows.

- (1) Ricoh Group's material management risks (managerial risks)
- (2) Significant risks specific to business domain (business unit risks)
- (3) Other risks (corporate functional organization risks)

While the risks that management recognizes as having a material impact on Ricoh's financial position, operating results, and cash flows are as below, they are not all-inclusive. Ricoh's business may be affected in the future by other risks that are currently unknown or not considered significant. Business and other risks are based on Ricoh's assessment as of March 31, 2023.

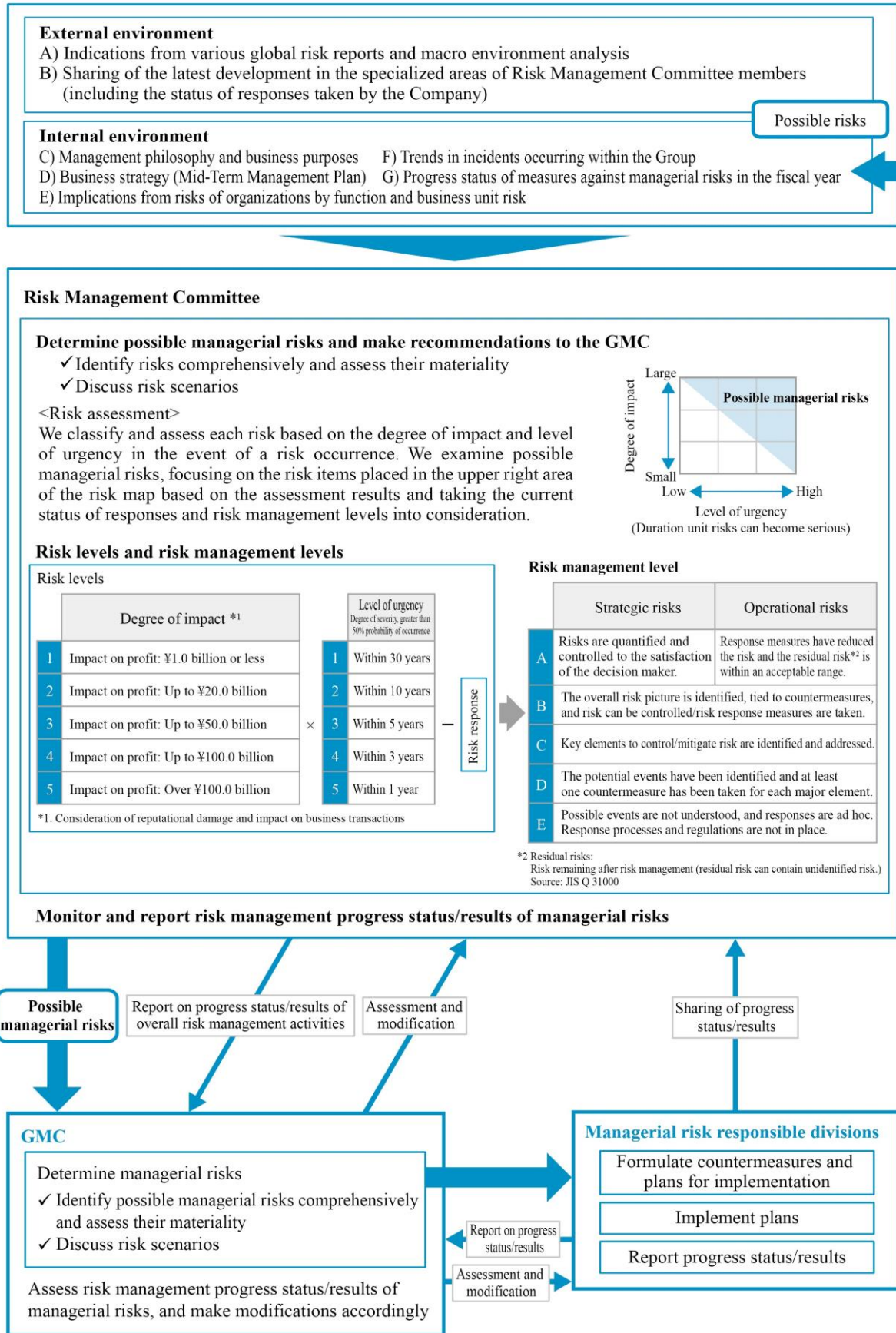
■ Process of determining managerial risks

The GMC and Risk Management Committee determine managerial risks based on a comprehensive recognition of risks that have a significant impact on management, including impact on interested parties, in light of the Company's management philosophy and business purpose, and are actively involved in countering these risks. (Figure 1: Process of determining managerial risks)

- Managerial risks are classified and managed as "strategic risks" and "operational risks" based on their characteristics. Strategic risks cover a wide range of risks that affect management, from risks related to the accomplishment of short-term business plans to emerging risks in the medium- to long-term.
- As an advisory body to the GMC, the Risk Management Committee, whose members are experts representing each organization with the specialized knowledges and experiences, engaged in substantial discussions to recognize and assess risks, in order to identify possible managerial risks.

For more information about the Ricoh's risk management system and the Risk Management Committee, please refer to "IV. Information on the Company, 4. Corporate Governance, etc., (1) Corporate Governance, 2) Reason for adopting current corporate governance structure, (VIII) Risk Management Systems and Risk Management Committee."

Figure 1: Process of determining managerial risks



List of Business Risks

(1) Ricoh Group's material management risks

[Managerial strategic risks]		
Item:(1) Transition of profit structure as a digital services company		
Urgency	Impact	Risk management level
4	4	C
<p>Description:</p> <p>As Ricoh aims to transform it into a digital services company from an OA manufacturer, there is a risk of business performance being impacted by a decline in printing volume due to a lack of progress in the transformation of the business structure. There is also a risk of missing M&A investment opportunities for business growth and losing growth opportunities.</p>		
<p>Countermeasures:</p> <p>Along with portfolio management decisions aimed at the transition of profit structure as a digital services company, Ricoh will:</p> <ul style="list-style-type: none"> • Invest in growth businesses and implement new businesses to accelerate the transformation into a digital services company; • Continue portfolio management, and monitor growth investment executions; and • Strengthen monitoring mechanisms for financial management indicators and management of business structure for transformation of profitability. <p>Ricoh will also strengthen the visibility and development of M&A human resources.</p>		

[Managerial strategic risks]		
Item:(2) Acceleration of digital strategy		
Urgency	Impact	Risk management level
4	3	C
<p>Description:</p> <p>To accelerate the implementation of digital strategy, the headquarters functions and business units are working together for various initiatives, such as developing and strengthening digital human resources, strengthening and promoting the utilization of data content and enhancing technological infrastructure, deepening existing businesses and strengthening and implementing mechanisms for creating value through the use of digital technology, and continuing to improve business processes through the use of all types of digital technology. However, there are still such risks that Ricoh's performance and growth may be affected by the following:</p> <ul style="list-style-type: none"> • Lack of human resources to implement digital strategy; and • The Co-creation platform (RICOH Smart Integration) is not utilized as a foundation to promote business value creation globally. 		
<p>Countermeasures:</p> <p>Ricoh believes that accelerating the implementation of digital strategy is important to enhance resilience amid intensifying global competition, and is working to further enhancing the following:</p> <ul style="list-style-type: none"> • Securing human resources to implement the digital strategy; and • Construction of a mechanism to link the Co-creation platform (RICOH Smart Integration) and edge devices for each business, and support for their use by each business. 		

[Managerial strategic risks]			
Item:(3) Reinforcement of advanced technologies			
	Urgency	Impact	Risk management level
Technical adaptation for medium- to long-term markets	3	2	C
Technical ethics	4	3	D
<p>Description:</p> <p>Ricoh has adopted the business unit structure, which promotes understanding of customers and the market. Such structure, however, also carries risks of the decline in the efficiency of technological investment and decline in the company's technological response capability to respond to the medium- to long-term market</p>			

due to the decentralization of technological development.
 In addition, there are risks of loss of corporate credibility and business opportunities due to the lack of ELSI*1 response capability in adopting AI and other advanced technologies.

Countermeasures:

Ricoh will continue R&D investment portfolio management to promote forming of a consensus of development action plans based on the technology strategies with action plans.

Ricoh has strengthened technology ethics promotion systems, and trial-launched some of the ethics assurance functions. In addition, it will disclose rules on its approach to technology ethics to advance the practice of raising awareness of such ethics in order to further enhance the ethics.

[Managerial strategic risks]
Item:(4) Information security

	Urgency	Impact	Risk management level
Compliance with NIST SP800-171	5	3	C
Adaptation of information security	4	2	C

Description:

In its bid to transform into a digital services company, Ricoh is committed to utilizing and providing various digital services, and digitalizing its own operations. It also focuses itself and is working on systems to ensure information security and their operations. However, Ricoh is affected by the following:

- Risk of non-compliance with NIST SP800-171*2:

Cyber-attacks on companies and government agencies are increasing in number and sophistication, and organizations are being called on to have a higher level of defense systems and information protection. The U.S. government, a major leader in this field, has begun requiring more robust and advanced cyber security measures for the defense industry and other business partners with federal government agencies, using security requirements established by the National Institute of Standards and Technology (NIST) as a cornerstone.

- Product security risks:

Incidents such as use of an unintended stepping stone for attacks against others that is unintentional on the part of Ricoh, due to inadequate security measures for publicly disclosed websites or serious security problems inherent in Ricoh Group products delivered to customers.

- Corporate security risks:

Increasingly sophisticated and complex cyber-attacks may cause business activities of Ricoh Group companies to be suspended due to stoppages or malfunctions of business systems, and data may be falsified, leaked, or destroyed.

- Factory security risks:

Production facilities had fewer risks due to restriction on the connection with outside parties. However, the boundary between the business systems of Ricoh Group companies and the production facilities has been weakening due to the progress of DX*3 in recent years, and a breach from the production facilities could cause the business systems of Ricoh Group companies to stop or malfunction, resulting in the suspension of business activities or the falsification, leakage, or destruction of data.

- Data privacy risks, including personal data protection:

As laws concerning the protection of personal information (the revised Personal Information Protection Law and GDPR*4) are enforced in various countries and are applied even to events outside the country of origin (extraterritorial application), in the case of global joint use, if sanctions are imposed due to violation of

regulations in each country, there may be business impact such as damage to the corporate brand value and loss of business opportunities due to the decline in social trust.

Countermeasures:

As demand for taking countermeasures at the national level in each country increases, Ricoh considers it one of the priorities to keep abreast of the changing situation of information security and to consider and promote appropriate measures for Ricoh, which has operating bases around the world.

- Risk of non-compliance with NIST SP800-171:

To provide secure products and services to our customers around the world, Ricoh is committed to meeting the security needs of international standards. Ricoh is working on the development of business environments and manufacturing for the purpose of protecting our customers' information assets, such as digitizing workflow to provide added value to our customers.

Ricoh considers not only meeting the requirements of NIST SP800-171 but also protecting customers' information as essential for the purpose of its compliance with NIST SP800-171.

There are two objectives: to protect our products and services, which may handle information assets that customers wish to protect in their business environment, from cyber-attacks; and to protect information assets handled in the value chain up to the provision of those products and services to customers.

Ricoh is committed to security activities by positioning the protection of our customers' information assets as a top priority, and aims to comply with NIST SP800-171.

- Product security risks:

In building websites and developing products, Ricoh continues to strengthen information security-related quality management and also check the vulnerability of sites already published and products already sold, and take appropriate action when risks are discovered. To this end, Ricoh continues implementing activities such as setting up a dedicated counter for security issues, providing information on safe use of our products, and developing guidelines for dealing with vulnerabilities in its products.

- Corporate security risks:

Ricoh has established/strengthened a system with awareness of information security for the entire Ricoh's supply chain in accordance with international information security standards (ISO/IEC*5, NIST, etc.). In addition, it continues to review and implement countermeasures to address security risks associated with business systems in the planning, design, purchasing, production, sales and support phases in a timely manner.

- Factory security risks:

Ricoh assumes the security risks associated with the production plant systems at the Ricoh Group companies' production facilities based on international information security standards (ISO/IEC, NIST, etc.), and continues to review and implement countermeasures.

- Data privacy risks, including personal data protection:

Ricoh formulates response policies in accordance with the personal information protection laws being developed in each country, by examining the revision of personal information handling standards and investigating and correcting the handling of personal information in Ricoh, and is reviewing and implementing countermeasures.

[Managerial strategic risks]

Item:(5) Securing, developing, and managing human resources

	Urgency	Impact	Risk management level
Acquisition of advanced expertise	5	3	C
Reallocation of human resources in line with business strategy	4	3	C

Description:

Ricoh's business transformation into a digital services company and continued growth over the medium- to long-term depends largely on its human resources. There is a risk of adverse effects on Ricoh's performance and growth due to the continuous failure to acquire advanced expertise and reallocate human resources in

line with business strategies.

Countermeasures:

Ricoh implements the following:

- Human resource development through internal and external training and career recruitment;
- Strengthening of initiatives to enhance the corporate image as an attractive place to work;
- Clarification of gaps between the current status and the plan to acquire advanced expertise and reallocate human resources in line with business strategies and their issues, and consideration and implementation of countermeasures; and
- Thorough implementation of Ricoh-style job-based personnel system and internal recruiting of new positions.

[Managerial strategic risks]

Item:(6) Responding to ESG and SDGs

	Urgency	Impact	Risk management level
Response to human rights	5	1	C
Decarbonization efforts	4	1	B
Resource recycling	4	3	C

Description:

Responding to ESG and SDGs is an emerging risk that may affect Ricoh's business activities over the medium- to long-term, and it is working on the following items it considers as particularly important and to be prioritized:

- Establishment of an ESG management system for the entire supply chain based on the international level of response to human rights, which is required for business meetings, government procurement, acquisition of environmental labels, etc.;
- Measures against storms and rain damages at major sites due to severe extreme weather events, and measures to address climate change and information disclosure that contribute to the level required by investors and customers; and
- Support for customer demands and related laws, regulations, and standards related to circular economy, such as product recycling, the establishment of recycling systems, and usage rate of recycled materials.

Failure to keep up with the competition in addressing these issues may not only cause a negative impact on business, such as loss of business opportunities, but also a risk of tremendous damage to Ricoh, such as loss of social credibility and damage to brand value.

Countermeasures:

Ricoh has been enhancing its measures against ESG/SDGs risks such as:

- Promoting to reduce human rights risks by expanding RBA^{*6}-based ESG risk assessments to all production sites and by strengthening ESG management at key suppliers;
- Deploying decarbonization activities to maintain the SBT-based 1.5°C line by formulating an annual renewable energy introduction strategy and roadmap based on social trends, the internal CO2 reduction status, and energy consumption, etc.; and
- Regularly conducting simulations and progress management to predict the impact of new resource usage in imaging products. Striving to promote measures to reduce the rate of new resource usage, such as increasing the use of post-consumer recycled plastics in imaging products.

[Managerial strategic risks]

Item:(7) Geopolitical risks

Urgency	Impact	Risk management level
4	4	C

Description:

As we conduct business activities on a global scale, heightened political, military, and social tensions in countries and areas may significantly affect Ricoh's business.

There is a risk of losing business opportunities due to geopolitical risks such as stricter laws and regulations in each country and checks and balances between countries.

Countermeasures:

Ricoh is strengthening prevention and response processes. Its management will deliberate and take prompt and appropriate actions to ensure smooth business activities in the future through such means as enhancing collection of information on laws and regulations in each country, and selecting multiple suppliers for each critical component.

[Managerial operational risks]

Item:(1) Long-term delay and suspension in supply of products

	Urgency	Impact	Risk management level
Infectious diseases	2	2	C
Earthquakes, volcanic eruptions, typhoons	3	2	B

Description:

There is a risk of losing business opportunities due to unpredictable circumstances such as major earthquakes, tsunamis, floods, pandemics, suspension of supply, and geopolitical risk resulting in:

- Delay or suspension in the supply of parts;
- Delay or suspension of manufacturing by factories;
- Delay or suspension of operations by distributing agents; and
- Delay or suspension of supply to sales companies.

Countermeasures:

Ricoh has strengthened prevention and response processes in light of the rapid global spread of COVID-19 and its prolongation, and is conducting the following:

- Securing inventories for contingencies;
- Selecting multiple suppliers for critical components or selecting alternative parts;
- Setting and launching alert levels for each area such as purchasing and production; and
- Conducting BCP drills that assume new work styles such as remote work.

Ricoh will also continue to improve response measures and confirm their effectiveness through regular practice as well as classroom training.

[Managerial operational risks]

Item:(2) Large-scale disasters / incidents or accidents

	Urgency	Impact	Risk management level
Japan: earthquakes, volcanic eruptions	1	3	C
Japan: wind, flood or snow damage	5	1	C
Outside Japan: major natural disasters, accidents or incidents	3	1	C

Description:

Ricoh assumes risks of significant impact on business due to large-scale natural disasters, incidents, or accidents in Japan or overseas, such as human or property damage.

Countermeasures:

In response to these risks, Ricoh has taken measures as follows:

In Japan:

- Ricoh has built a mechanism for appropriate response to disasters (preventive measures, efforts for early detection of incidents/enhancement of post-incident-discovery response capabilities) by clarifying in its internal rules the system and roles, including the initial response to disasters (including restoration of business sites), reporting methods, and the establishment of each task force. In addition, Ricoh continuously reviews the mechanism according to changes in the internal and external environments.
- To prevent damage from disasters and minimize damage in the event of a disaster, Ricoh conducts joint disaster response drills in Japan, disaster drills at each business site (including night-time evacuation drills), and periodic facility inspections, etc. As such, Ricoh has prepared to ensure the safety of its employees and to restore its business operations as soon as possible by constantly verifying and improving the functioning of its systems and operations through various training drills.

- In response to flood risks, Ricoh has strengthened its initiatives since fiscal 2020, and prepared a recovery action plan in the event of major flooding and conducted on-site training based on the plan. Based on the results of a detailed survey of flood risks at its sites, Ricoh has continued to carry out necessary construction work at sites with relatively high risks, starting from fiscal 2021. Furthermore, it established a visualization tool for flood risk information for all of Ricoh's sites in Japan (approximately 400 sites) and started its operational roll out in fiscal 2022.
 - In response to eruption risks, Ricoh reviewed countermeasures for the Mt. Fuji eruption in fiscal 2022, confirmed the impact of the eruption on its sites, and formulated new countermeasures. It will implement the formulated countermeasures in the future.
- Outside Japan:
- In response to major disasters/incidents and accidents outside Japan, Ricoh has clarified basic approach, roles, and responsibilities, and is monitoring the status of response at each overseas company.

[Managerial operational risks]

Item:(3) Unexpected impact of changes in the global environment

Urgency	Impact	Risk management level
5	3	D
<p>Description:</p> <p>The COVID-19 pandemic, the Russia-Ukraine situation, supply chain disruptions, unstoppable price hikes, and the historic depreciation of the yen are just a few of the events that had been unexpected or beyond-expectation but have actually occurred over the past three years.</p> <p>Although measures have always been taken in advance by detecting signs of events and taking recovery measures when they occur, it is inevitable that new, and unexpected events will affect Ricoh's performance in the future.</p> <p>Countermeasures:</p> <p>The Company monitors monthly performance at the management meeting and business operation meeting of each business unit to understand the causes of the forecast/result gaps and consider measures to recover from them.</p> <p>The Company has also established the contingency plan*7 process and makes decisions on measures in accordance with the process. In fiscal 2022, the Company determined and executed the sale of the headquarters assets.</p> <p>The Company will continue the current process in fiscal 2023 onwards, and establish a resilient production and supply system.</p>		

[Managerial operational risks]

Item:(4) Human resource-related compliance

Urgency	Impact	Risk management level
5	1	C
<p>Description:</p> <p>Ricoh may face a risk of losing social credibility due to various compliance violations related to human resources.</p> <p>Countermeasures:</p> <p>Ricoh carries out the following:</p> <ul style="list-style-type: none"> • Implementation of training for compliance (including human rights and harassment issues); • Raising awareness of consultation and reporting when compliance violations are detected; • Providing labor management training for managers; • Sharing information on revised labor-related laws across the Ricoh Group and how to handle them; and • Establishment of a consultation service for personnel-related compliance violations throughout the Ricoh Group, and sharing of case studies. 		

[Managerial operational risks]

Item:(5) Risks related to Group governance

Urgency	Impact	Risk management level
5	1	C
<p>Description:</p> <p>In an era of rapid changes in the internal and external environment, the Company believes that it is extremely important to strengthen group governance in order to maintain healthy growth. If governance at the</p>		

headquarters is not functioning properly, the following risks may arise:

- Failure to respond to risks associated with new business and changes in the external environment due to not promptly developing the Ricoh Group's policy and response actions may lead to risks of violations of ethics and compliance violations.
- Inadequate management and supervision of headquarters over the governance structure, operational status and business processes of Ricoh Group companies may lead to the deterioration of brand image and credibility due to fraud and scandals and increase the risk to the sustainable growth and enhancement of corporate value of the Ricoh Group as a whole.

Countermeasures:

To reduce group governance-related risks, the Company is in the process of redesigning the governance structure of headquarters functions, business units, and group companies. It is working on the redesigning by taking into account the optimal balance between centralization and decentralization, while also by comprehensively taking into account the need for expedited decision-making, integrated management, and effective Ricoh Group company management. Furthermore, the Company examines the governance of Ricoh Group companies by the Supervising Organizations to ensure that more appropriate guidance and management supervision to Ricoh Group companies are provided in accordance with the characteristics of individual businesses and the maturity of risk management. The Company is preparing to propose effective actions based on technology-based compliance violation trend analysis to each organization from fiscal 2023 onwards, by analyzing trends at the risk management department of headquarters, from compliance violations, misconduct, and whistle-blowing that have occurred throughout the Ricoh Group.

(2) Significant risks specific to business domain

Item:(1) Changes in the environment of the office printing market		
Urgency	Impact	Risk management level
4	2	C
Description: There is a risk of adverse impact on performance of a decline in print output in the market for MFPs and printers for office use due to an increase in remote work and the shift to a paperless office environment.		
Countermeasures: Ricoh has strengthened its services and products that support remote work and the shift to a paperless office environment in the office services domain to increase recurring revenue business earnings in the domain so as to hedge risks in the office printing domain. Ricoh strives to secure profits by adjusting related personnel in response to changes in print output volume, etc. Ricoh hedges risks by improving profit margin through initiatives to reduce development and production costs by forming partnerships with other companies and other measures.		

Item:(2) Growth of office services business through strategic acquisitions		
Urgency	Impact	Risk management level
4	2	C
Description: Strategic acquisitions in the office services domain, which is the main area in the transformation of our business structure transformation into digital services business, are one of the requirements for achieving the financial targets of the Mid-Term Management Strategy. Meanwhile, there are risks of not achieving the anticipated return on investment from target companies due to changes in market conditions or poor performance, not being able to identify and acquire suitable companies to acquire in the future, which may affect the execution of the business strategy.		
Countermeasures: A system was established to constantly monitor the performance and return on investment of acquired companies at the Investment Committee, an advisory committee to the GMC, and implement appropriate countermeasures against unexpected situations. The M&A department was established within the Corporate Planning Division of the headquarters to identify deals by utilizing outside consultants, and improve the probability of executing strategic acquisitions in target areas by strengthening search activities at regional headquarters around the world.		

Item:(3) Growth risks in the commercial printing business		
Urgency	Impact	Risk management level
4	2	B
<p>Description:</p> <p>There is a risk of a downturn in the performance of the enterprise printing business in the commercial printing business domain due to the consolidation and integration of print output volume with print service providers who accept orders for low-cost printing services using high-speed printing equipment and the accelerated digitization of documents.</p>		
<p>Countermeasures:</p> <p>In order to mitigate risks of a downturn in the performance of the enterprise printing business, Ricoh is promoting the development of untapped distributors in Europe, North America, and emerging countries, while implementing business portfolio management to strengthen resource allocation to commercial printing and industrial printing businesses, where market growth is expected, as well as promoting business restructuring.</p>		

Item:(4) Intensifying price competition in the thermal market		
Urgency	Impact	Risk management level
3	2	C
<p>Description:</p> <p>Although the thermal market is growing steadily, thermal products are increasingly commoditized. The Company differentiates its products by their quality based on superior color sensitivity, print definition and image storage capabilities. However, if demand for low and medium grade products increases, the Company may face price-cutting competition, resulting in lower market share and profitability, which may adversely affect our performance.</p>		
<p>Countermeasures:</p> <p>The Company has reduced product costs and reviewed product portfolio to solve social issues in regions where demand for low and medium grade products is increasing.</p> <p>In addition, the Company is implementing business transformation to provide customers in the fields (logistics, distribution, manufacturing, etc.) with digital services for which the Company can leverage its strengths in thermal formulation technology and production technology.</p>		

(3) Other risks

Item:(1) Impairment of goodwill and fixed assets		
Urgency	Impact	Risk management level
2	3	B
<p>Description:</p> <p>Ricoh has on its balance sheet goodwill arising from corporate acquisitions as well as property, plant and equipment and intangible assets for businesses.</p> <p>For these assets, there is a risk of adverse impact on Ricoh's business results and financial position if expected cashflows are not generated due to divergence from target business results and changes in markets.</p>		
<p>Countermeasures:</p> <p>When acquiring assets, Ricoh implements the prescribed procedures according to the amount and content of the investment, and review the return on investment, etc. before deciding on whether to execute the acquisition. In addition, the Investment Committee, an advisory body to the GMC, deliberates external investment projects from financial, strategic, and risk perspectives and submits its views to the GMC. A system is in place for taking countermeasures against risks through periodic monitoring by the Investment Committee of the progress of approved projects.</p>		

Item:(2) Deferred tax assets		
Urgency	Impact	Risk management level
2	3	C
<p>Description:</p> <p>Ricoh has adopted tax effect accounting and recognizes deferred tax assets for deductible temporary</p>		

differences and net operating loss carryforwards. Deferred tax assets are reviewed for recoverability against future taxable income based on business plans. If estimated future taxable income are lower than current estimated taxable income, the recoverable amount of deferred tax assets will decrease, resulting in a reduction of deferred tax assets, which may adversely affect Ricoh's business results and financial position.

Countermeasures:

In making the assessment of deferred tax assets, Ricoh considers the scheduled realization of deferred tax liabilities, projected future taxable income and tax planning strategies. Each business units monitor progress of their performance based on business plans in relation to estimated future taxable income, and a system is in place for responding quickly and autonomously when factors that hinder the achievement of the plans occur.

Item:(3) Protection of intellectual property rights

Urgency	Impact	Risk management level
2	1	B

Description:

Ricoh regards intellectual property rights as important management resources and obtains patents, design rights, trademarks, and other intellectual property rights to protect, differentiate, and expand its current and future businesses and the technologies that support them. There is a risk, however, of the decline in their uniqueness if competitors develop equivalent technologies, and of failing to obtain expected rights to protect Ricoh's intellectual property rights as a result of examinations of patent offices of each country.

There is also a risk of receiving a warning of injunction of sale or payment of damages, or of filing of a lawsuit against Ricoh by a third party, due to alleged infringement of intellectual property rights of a third party.

Furthermore, as the number of contracts involving intellectual property rights increases along with launches of Ricoh's new businesses and increasingly active collaboration with other companies, as well as joint researches and developments, there is an increased risk of adverse impact on Ricoh's business if troubles and other issues arise from these contracts.

Countermeasures:

Ricoh strives to improve the accuracy of probability of obtaining intellectual property rights thorough prior-art search when applying for intellectual property rights, and through understanding of laws, examination processes and criteria related to intellectual property in each country.

In addition, before launching its products and services in the market, Ricoh thoroughly conducts an investigation into the intellectual property rights of third parties and a comparative examination of its products and services with the intellectual property rights of third parties. If there is a risk of infringement of a third party's intellectual property rights, Ricoh reduces risks of litigation with the third party by conducting appraisals by outside lawyers or patent attorneys, making design changes if necessary, and negotiating and obtaining licenses.

Ricoh places importance on the protection of intellectual property rights as a risk that could affect its performance, and prevents problems and reduces risks using explicit knowledge of past contractual issues.

Item:(4) Product liability

Urgency	Impact	Risk management level
2	2	B

Description:

For products and goods that Ricoh manufactures and sells:

- Serious safety problems (casualties, fire damage);
- Legal issues related to safety or the environment; or
- Prolonged quality problems, etc.

may cause a risk of loss of customers' confidence and social credibility in the company, resulting in damage to the corporate brand and product brand, as well as a risk of the continuity of business becoming difficult.

Countermeasures:

Ricoh has strengthened its prevention and response processes as follows to deal with product liability:

- Ricoh has raised accuracy of analyzing mechanisms leading to breakdowns and accidents in order to improve reliability and safety of equipment, applied measures for preventing recurrence of issues or preventing issues from ever occurring to the development process, and reduced risks;
- A system is in place to respond to the market quickly and accurately in the event of a problem; and

- In order to provide products that are compliant with safety and environmental regulations in each country, Ricoh works closely with its local companies to formulate appropriate standards and guides and regularly reviews these standards and guides.

Item:(5) Government regulations (import/export management)

Urgency	Impact	Risk management level
5	3	B
<p>Description:</p> <p>In the course of business activities of Ricoh, factors such as:</p> <ul style="list-style-type: none"> • Impact on production and sales from administrative sanctions such as export suspensions due to violations of laws related to import and export, loss of business opportunities due to the loss of social credibility, fines and criminal penalties, etc.; and • Violation of export control laws of countries due to external factors such as international emergencies may cause a risk of significant damage to Ricoh. 		
<p>Countermeasures:</p> <p>Ricoh:</p> <ul style="list-style-type: none"> • Has strengthened governance through structure of a group import export committee headed by the Representative Director and President and with a dedicated import export management division as the secretariat; • Conducts periodic training for group officers and employees and internal audits focused on import / export control of business divisions, and promptly disseminates information on revisions to laws and regulations; and • Strictly complies with laws and regulations through appropriate pre-export inspections and customer screenings by a dedicated team. 		

Item:(6) Government regulations (antitrust / competition law)

Urgency	Impact	Risk management level
5	2	B
<p>Description:</p> <p>If violation of antitrust/competition laws occurs in the course of business activities of Ricoh, there is a risk of being imposed of fines (administrative dispositions) and criminal penalties, suspension of transactions with public offices, and loss of public trust causing significant damage to Ricoh.</p>		
<p>Countermeasures:</p> <p>Ricoh strives to strengthen education activities and response to incidents led by local legal departments in order to ensure thorough compliance with antitrust laws and competition laws in each country.</p>		

Item:(7) Government regulations (environment)

Urgency	Impact	Risk management level
5	2	B
<p>Description:</p> <p>If violation of environment-related and occupational health & safety laws in the course of business activities of Ricoh, there are risks of being subjected to administrative dispositions impacting production, fines, criminal penalties, loss of social credibility and damage to brand value causing significant adverse impacts on Ricoh.</p>		
<p>Countermeasures:</p> <p>Ricoh has constructed Environmental Management Systems, and conducts regular assessments to ensure thorough compliance with environmental laws, and grasps and responds promptly to changes in regulation. In addition, Ricoh conducts appropriate environmental due diligence in M&A transactions to prevent risks. In response to public requests for disclosure of environmental information, Ricoh discloses environmental performance data in a transparent manner and actively discloses reliable environmental information, including third-party verification of key data.</p>		

Item:(8) Exchange rate fluctuations		
Urgency	Impact	Risk management level
4	3	C
<p>Description:</p> <p>A substantial portion of Ricoh’s production and sales activities are conducted outside Japan, such as in the U.S., Europe and China, and these activities are affected by foreign currency fluctuations.</p> <p>There are risks of:</p> <ul style="list-style-type: none"> • Impact of exchange rate fluctuations on the consolidated statement of profit of loss and consolidated statement of comprehensive income because of the translation of local currency-denominated business results of overseas subsidiaries into yen using the average rate of foreign currencies during each fiscal year; and • Impact of exchange rate fluctuations on assets and liabilities recorded on the consolidated statement of financial position because of the translation of local currency-denominated assets and liabilities into yen using the rate as of the end of each fiscal year. 		
<p>Countermeasures:</p> <p>Ricoh conducts the following:</p> <ul style="list-style-type: none"> • Hedging transactions by entering into forward exchange contracts with financial institutions, among others, to minimize impact of short-term fluctuations of major currencies including U.S. dollar, Euro and yen. Companies and organizations that are entitled to engage in hedging transactions are limited with relevant financial rules strictly in place; • Minimization of foreign currency-related risks through maximum netting arrangements in settlement across the Ricoh Group; and • Currency matching of assets and liabilities of overseas subsidiaries. 		

Item:(9) Defined benefit plan obligations		
Urgency	Impact	Risk management level
2	2	B
<p>Description:</p> <p>Ricoh bears costs for defined benefit plan obligations and retirement benefit plans according to certain accounting policies and contributes funds in accordance with government regulations.</p> <p>Currently, there is no immediate and significant funding requirement. However, there are risks of need for additional funding and incurring costs if revenue from plan assets declines due to unexpected and unforeseen movements in the equity and debt markets.</p>		
<p>Countermeasures:</p> <p>Ricoh reviews and revises plans as appropriate, in view of government regulations, personnel strategy and personnel systems.</p>		

*1 ELSI: Ethical, Legal and Social Issues

*2 NIST SP800-171: One of the guidelines issued by the National Institute of Standards and Technology (NIST)

*3 DX (digital transformation): Corporate efforts to deal with drastic changes in the business environment by transforming its products, services and business models according to the needs of customers and society, as well as its business operations, organizations, processes, and corporate culture and climate by leveraging data and digital technologies, with the aim of establishing competitive advantage

*4 GDPR: General Data Protection Regulation

*5 ISO/IEC: International Organization for Standardization/International Electrotechnical Commission

*6 RBA (Responsible Business Alliance): An alliance of more than 150 leading companies that have agreed to a uniform code of conduct and audit process for their suppliers

*7 Contingency plan: An emergency response plan to prepare for unforeseen situations and minimize the impact on business that describes measures and action guidelines to be implemented

4. ANALYSIS OF CONSOLIDATED FINANCIAL POSITION, OPERATING RESULTS AND CASH FLOWS

The future related matters discussed in this section are determined with the information available as of this fiscal year.

(1) Significant Accounting Policies

The consolidated financial statements of Ricoh are prepared in accordance with International Financial Reporting Standards (“IFRSs”) under the provisions of Article 93 of the "Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements" issued by the Japanese Financial Services Agency (FSA). Ricoh evaluates its accounting estimates based on historical experience and other assumptions that are believed to be reasonable. For a summary of the significant accounting policies, refer to “V. Financial Information – Notes to Consolidated Financial Statements – 3. Significant Accounting Policies”.

(2) Business results

Economic Climate

The global economy ebbed and flowed during the term because of factors such as the spread of the COVID-19 Omicron variant, inflation in Europe and the U.S., the implementation and end of lockdowns in China, shortages of semiconductors and parts and materials, and a subsequent moderate recovery in supply, and large fluctuations in exchange rates. Against this backdrop, office attendance rates in our core office market remained low, amid growing acceptance of remote work and other aspects of new ways of working. Recovery in print demand was thus limited. Although there were signs of an improving trend in transport costs, an alleviation of shortages in parts and materials, and an improvement in ICT products procurement, factors such as uneasiness over corporate management in the financial industry and concerns of a recession due to tighter monetary policy in response to inflation in Europe and the U.S. led to continuing uncertainty about global business prospects.

Regarding the average exchange rates of major currencies, the yen in fiscal 2022 was ¥135.49 to the U.S. dollar, up ¥23.13 from the previous year, and ¥140.91 to the euro, up ¥10.36.

Results for the Year

Ricoh (the Company and its affiliates) aimed to become a digital services company that is a work productivity innovator under the two years of its 20th Mid-Term Management Plan.

In the fiscal year 2022, which was the final year of the 20th Mid-Term Management Plan, we proceeded with autonomous business operations by each business unit under the business unit structure that we adopted in April 2021. We accelerated efforts to reinforce our structure while swiftly tackling changes in each market. We also cultivated human resources to support our drive to become a digital services company and overhauled enterprise systems, striving for transformation and endeavoring to achieve digital services growth by uniting our entire organization.

Consolidated sales for the term increased by 21.4% from a year earlier, to ¥2,134.1 billion. (an increase of 12.4% excluding foreign currency exchange fluctuations) In the office printing business, shortages of parts and materials and a decline in factory operating rates due to lockdowns in China caused delays in the supply of products, but we improved supply towards the end of the term by deploying various production measures to respond to these external factors, and sales of edge devices* increased. Non-hardware sales increased year-on-year, but the recovery was more moderate than anticipated. In the office services business as well, sales activities were impacted by shortages of ICT products and other factors. However, sales increased owing to factors such as the deployment of services and solutions independent of ICT products, the effect of acquisitions in Europe and the U.S., the conversion of PFU Limited (“PFU”) to a consolidated subsidiary in September 2022, and the depreciation of the yen.

By region, in Japan, sales for the office printing business increased year-on-year due to an increase in sales of A3 MFPs. In the office services business, services for small and medium-sized enterprises independent of ICT products, such as services to comply with the revised Electronic Books

Preservation Act, performed strongly, contributing to a rise in sales, amid the impact of delays in the supply of our products and ICT products due to shortages of parts and materials. In addition, owing to factors such as the effect of the acquisition of PFU, sales increased by 14.0% from a year earlier. Overseas, in the Americas, supply shortages of A4 MFPs and other products were alleviated towards the end of the term, leading to bulk sales including A3 MFPs, and sales of edge devices in the office printing business increased year on year. In the office services business, we strengthened our new services and solutions for existing customers of our managed services. Also sales increased partly thanks to the acquisition of Cenero LLC. (“Cenero”) in the communication services domain. Total sales in the region increased by 35.4% (an increase of 13.0% excluding foreign currency exchange fluctuations) from a year earlier with a recovery in sales of both hardware and non-hardware, which was boosted by the depreciation of the yen. In Europe, the Middle East, and Africa, supply shortages for products such as A4 MFPs in the office printing business were alleviated and sales of edge devices increased. Non-hardware also recovered from the previous term, and sales grew. The office services business continued to perform strongly thanks to the effect of acquisitions and packaged sales. This was boosted by the depreciation of the yen, leading to a year-on-year increase in sales of 21.4% (an increase of 12.6% excluding foreign currency exchange fluctuations). In other regions, sales slumped temporarily due to the impact of movement restrictions under lockdowns in China, and the subsequent spread of COVID-19 due to the change of government policies, but sales for the term grew 14.7% (an increase of 2.6% excluding foreign currency exchange fluctuations) from a year earlier, boosted by the depreciation of the yen. As a result, overseas sales increased by 26.3% overall. Excluding effects of foreign currency fluctuations, sales in overseas would have increased by 11.3% as compared to the previous year.

Gross profit increased by 19.7%, to ¥745.4 billion. Profit improved owing to a rise in earnings from higher sales and efforts to secure profits through pricing controls including price pass-throughs implemented at each business unit in response to rising purchasing costs due to increased commodity prices and energy costs, as well as parts and materials shortages. Profit was further boosted by continuing structural reinforcement of development and production and the depreciation of the yen.

Selling, general and administrative expenses increased by 14.6%, to ¥688.1 billion due to factors such as the acquisition of PFU and the depreciation of the yen, in addition to increase in sales and expenses associated with business growth.

Other income increased year on year. In the previous term, we recorded income including gains on U.S. subsidiary land sales. During the fiscal year, we went on to record gains such as sales of land in Japan.

We accordingly posted an operating profit of ¥78.7 billion, an increase of ¥38.6 billion from the previous fiscal year.

Net financial expenses increased, reflecting increases in interest expense and foreign exchange losses.

The share of profit of investments accounted for using the equity method was higher, reflecting better performances among equity-method affiliates.

We recorded an ¥81.3 billion profit before income tax expenses, an increase of ¥36.9 billion from the previous fiscal year.

Income tax expenses increased by ¥11.9 billion, owing largely to the increase in profit before income tax expenses.

We therefore posted a ¥54.3 billion profit attributable to owners of the parent, an increase of ¥23.9 billion from the previous fiscal year.

Comprehensive income was ¥101.7 billion, owing largely to the profit increase above and an increase in translation adjustments for foreign operations.

* Edge devices: Networked devices with data processing functions, such as multifunctional printers or

cameras that serve as an entry and exit point for various data, such as text, photographs, audio, and video.

Operating results by segment are as follows:

	(Millions of yen)			
	Year ended March 31, 2022	Year ended March 31, 2023	Change	%
Digital Services:				
Sales:	1,428,192	1,650,414	222,222	15.6
Unaffiliated customers	1,428,192	1,650,414	222,222	15.6
Operating profit (loss)	16,209	28,284	12,075	74.5
Operating profit (loss) on sales in Digital Service (%)	<i>1.1</i>	<i>1.7</i>		
Digital Products:				
Sales:	377,447	440,376	62,929	16.7
Unaffiliated customers	24,466	26,702	2,236	9.1
Operating profit (loss)	41,534	31,577	(9,957)	(24.0)
Operating profit (loss) on sales in Digital Products (%)	<i>11.0</i>	<i>7.2</i>		
Graphic Communications:				
Sales:	187,082	234,843	47,761	25.5
Unaffiliated customers	187,082	234,843	47,761	25.5
Operating profit (loss)	(466)	14,578	15,044	—
Operating profit (loss) on sales in Graphic Communications (%)	<i>(0.2)</i>	<i>6.2</i>		
Industrial Solutions:				
Sales:	102,059	116,335	14,276	14.0
Unaffiliated customers	99,497	113,572	14,075	14.1
Operating profit (loss)	1,504	3,150	1,646	109.4
Operating profit (loss) on sales in Industrial Solutions (%)	<i>1.5</i>	<i>2.7</i>		
Other:				
Sales:	35,554	127,752	92,198	259.3
Unaffiliated customers	19,350	108,649	89,299	461.5
Operating profit (loss)	(15,521)	(3,245)	12,276	—
Operating profit (loss) on sales in Other (%)	<i>(43.7)</i>	<i>(2.5)</i>		

a. Digital Services

Digital Services sales increased by 15.6% (an increase of 7.2% excluding foreign currency exchange fluctuations) to ¥1,650.4 billion in the fiscal year 2022. The office services business continued to grow, despite the impact of shortages in ICT products on sales activities and the sales of related services.

We expanded domestic sales of solutions independent of ICT-based products, such as services to comply with the revised Electronic Books Preservation Act and invoicing system. We also strengthened our ability to propose solutions through training. As a result, sales of Scram series remained strong mainly due to the good performances of operation management after system installation, virtualization consolidation, and security-related services.

In April 2022, we agreed on a business partnership with Cybozu, Inc. (“Cybozu”) concerning the digital services business. We then proceeded to launch the “RICOH kintone plus” solution, the cloud-based business improvement platform jointly developed with Cybozu based on a strategic alliance, in October 2022. “RICOH kintone plus” enables collaboration between our co-creation platform “RICOH Smart Integration” and MFPs. In December 2022, we went on to conclude a capital alliance agreement with Cybozu, and we are working towards stronger initiatives in the digital services field. In the Americas, sales of security-related services continued to be robust. We completed the acquisition of the U.S. company Cenero, which provides communications services, and progressively strengthened our proposal capabilities in the office services business.

We succeeded in growing net sales in Europe through the sale of packaged solutions and by generating synergies with acquired IT service companies. We acquired Pure AV Ltd. in the United Kingdom, AVC A/S in Denmark, and Corelia SAS in France, proceeded with the training of internal systems engineers and sales staff responsible for the office services business, strengthened the foundation of the office services business, and enhanced our sales and support structures.

In the office printing business, sales of edge devices increased due to improvements in the supply shortage of A4 MFPs, etc. toward the end of the fiscal year 2022, and progress in the delivery of edge devices, including A3 MFPs, at the time of the bulk sales, despite the impact of material shortages and delays in product supply due to lockdown in China. Non-hardware sales recovered at a more moderate pace than anticipated. On the other hand, in response to rising costs mainly due to ocean freight, we secured profits by implementing pricing controls such as price pass-through and selling value-added products. At the same time, we implemented profit improvement measures such as structural reform of maintenance services.

As a result, segment operating profit increased by ¥12.0 billion to ¥28.2 billion.

b. Digital Products

In fiscal 2022, we worked to strengthen our range of edge devices that support digital services. We launched the RICOH IM C6010/C5510/C4510/ C3510/C3010/C2510/C2010 full-color A3 MFPs in February 2023. These paper document digitalization devices provide value in terms of both customer DX and sustainability. Amid the progressive shift to digital order sheets and invoices due to changes in working styles and legal reform, MFPs have become edge devices, linking paper-based analogue information with digital technology. These new products are enabling users to digitalize a wide range of paper documents. By saving on resources and energy, they also reduce environmental burdens across all facets of lifecycle, contributing to reducing environmental burdens from customers’ business activities.

Regarding video and audio digitalization, in June 2022, we launched the RICOH Meeting 360 V1, an all-in-one teleconferencing device incorporating a 360° camera, as an edge device to enhance the sense of presence at web meetings. In November 2022, we launched the RICOH Portable Monitor 150BW/150, a lightweight handout display featuring a touch function. These edge devices enhance the efficiency of customer workflows by coordinating with a range of applications through the RICOH Smart Integration co-creation platform.

Digital Products sales rose by 9.1% (an increase of 2.1% excluding foreign currency exchange fluctuations) to ¥26.7 billion. Sales including intersegment sales increased by 16.7%, to ¥440.3 billion. While plant operation suffered from parts and materials shortages, together with lockdowns in China for the enforcement of zero-covid policies and the subsequent spread of the COVID-19 cases there, we implemented flexible production measures and sales increased year-on-year due to recovery of production. We secured profits as a result of through measures such as cost improvement activities by enhancing manufacturing structure, in response to a decline in profit margin due to a temporary increase in A4 MFP's shipment ratio toward the end of the fiscal year and a continuous rise in the price of parts and materials. Operating profit was ¥31.5 billion, a year-on-year decline of ¥9.9 billion. However, operating profit was basically unchanged after excluding the one-off factors such as the gains on U.S. subsidiary's land sales recorded in the previous fiscal year.

c. Graphic Communications

In July 2022, we launched RICOH IM CW2200/CW2200H/ CW1200/CW1200H wide format digital full-color MFPs in the commercial printing business. These new devices not only feature high-speed full-color and monochrome output, but also significantly faster scanning speeds, greatly improving productivity in applications such as plan printing and plan data transmission, and promoting more efficient business operations. In September 2022, we went on the launch the color management solution RICOH Auto Color Adjuster, a new solution for on-site use in the printing industry to achieve more efficient color-matching and color adjustment.

Graphic Communications sales increased by 25.5% (an increase of 11.3% excluding foreign currency exchange fluctuations) to ¥234.8 billion. Sales in the commercial printing business increased thanks to the recovery of economic activities in Europe and the United States. Although it was affected by the shortages in parts and materials, sales of production printers increased due to efforts to secure production volume by procuring substitute parts. Sales of non-hardware remained strong and recovered to pre-pandemic levels. In the industrial printing business, sales of ink jet heads were robust, despite the impact of lockdowns in the key Chinese market. Although profit came under pressure from a rise in costs due to the procurement of substitute parts in the commercial printing business, overall operating profit of Graphic Communications increased by ¥15.0 billion year-on-year to ¥14.5 billion, driven by an improvement in development, production, and services activities, as well as the effect of the depreciation of the yen.

d. Industrial Solutions

In the thermal business, fiscal 2022 marked the adoption of our On-demand Direct Printing (ODP) Thermal Media thermal printing technology for product packaging by several major convenience stores. The introduction of Label-free printing allows information such as product names and ingredients to be printed directly on the upper surface of packaging, thus making the paper labels previously attached to packaging redundant, and contributing to alleviating environmental burdens. It also eliminates the work of affixing paper labels and replacing ink ribbons in manufacturing processes, achieving an increase in productivity across a wide range of fields such as retail and logistics.

In the industrial products business, we launched RICOH AGV* 3000 autonomous delivery vehicle in September 2022. This vehicle is designed to transport goods of a wide variety of shapes and sizes through the narrow spaces and diverse layouts of production and logistics sites, then contributes to on-site digital transformation.

Industrial solutions sales increased by 14.1% (an increase of 5.2% excluding foreign currency exchange fluctuations) to ¥113.5 billion. In the thermal business, while energy and raw material prices, also logistics and other costs continued to rise, we absorbed this rise through the flexible implementation of pricing controls, including price pass-through. In addition, sales expanded of linerless labels and demand grew from the logistics and distribution industries in Europe and the U.S., contributing to the sales increase. Sales declined in the industrial products business, which was

affected by reduced production by automotive customers due to the lockdowns in China. Operating profit increased by ¥1.6 billion from the previous year, to ¥3.1 billion, due partly to the effect of securing profits through pricing controls.

The electronics business in Industrial Solutions has been reclassified into Digital Products from the third quarter. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

* AGV (automated guided vehicles): Automated transport vehicles guided by recognition of lines of tape on the floor.

e. Other

We acquired shares of PFU and made it our consolidated subsidiary in September 2022. PFU boasts the global No. 1 market share and customer base for business scanners. By strengthening our business scanners, we are able to respond to special documents that are difficult to read by existing MFPs. This will enable us to provide value not only to the office domain but also to more specialized fields, such as the teller window operations of medical institutions and public institutions, and the processing services of various documents at financial institutions and corporate backyards. Moreover, PFU also provides cloud development and managed security services in Japan, and this acquisition also bolsters our IT management services capabilities. We are supplementing and enhancing the areas of specialization of each company to generate synergies, and thereby accelerating our growth into a digital services company.

In the Smart Vision business, jointly with SpiderPlus & Co., we launched a collaboration, with the aim of accelerating DX in the construction industry.

Other sales increased by 461.5% (an increase of 454.5% excluding foreign currency exchange fluctuations) to ¥108.6 billion. This increase was mainly due to the acquisition of PFU. We also engaged in new business creation, such as an additional investment in Elixirgen Scientific, Inc. in the drug discovery support business and activities aimed at the commercialization of social infrastructure inspection services, including verification testing and new project development.

We posted a ¥3.2 billion operating loss in this segment due to advance investments in new business creation including above mentioned activities. However, this was an improvement of ¥12.2 billion.

* Digital services as a business segment is mainly limited to the office services business and the office printing sales business. This segment does not include all digital services, which Ricoh aims to transform into "a digital services company" that connects workplaces and support worker's creativity. "Digital Services" provided as "a digital services company" is included in all the business segments as well as Digital Services business segment.

1) Production

Production in each segment for the years ended March 31, 2022 and 2023 are as follows:

	Millions of Yen		
	For the year ended March 31, 2022	For the year ended March 31, 2023	Change
Digital Services	—	—	—
Digital Products	323,573	398,324	23.1%
Graphic Communications	143,192	163,193	14.0%
Industrial Solutions	99,178	114,530	15.5%
Other	19,021	106,063	457.6%
Total	584,964	782,110	33.7%

(Note) 1. The amounts are based on sales prices, including intersegment transactions. In addition, production related to services has been excluded from the production and production related to only manufacturing are displayed above.
2. Production of PFU is included in Other segment.
3. The electronics business in Industrial Solutions has been reclassified into Digital Products from the current year. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

2) Orders Received

Not applicable as the production system adopted is based on estimated orders.

3) Sales

Sales in each segment for the years ended March 31, 2022 and 2023 are as follows:

	Millions of Yen		
	For the year ended March 31, 2022	For the year ended March 31, 2023	Change
Digital Services	1,428,192	1,650,414	15.6%
Digital Products	24,466	26,702	9.1%
Graphic Communications	187,082	234,843	25.5%
Industrial Solutions	99,497	113,572	14.1%
Other	19,350	108,649	461.5%
Total	1,758,587	2,134,180	21.4%

(Note) 1. All intersegment transactions are eliminated.
2. Information on sales by customer is omitted because no single customer accounted for 10% or more of the total revenues for the years ended March 31, 2022 and 2023.
3. Sales of PFU are included in Other segment.
4. The electronics business in Industrial Solutions has been reclassified into Digital Products from the current year. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

(3) Financial positions

Total assets increased by ¥296.7 billion from the end of fiscal 2021, to ¥2,149.9 billion. In addition to the acquisition of PFU, the yen depreciated from the end of the previous term, producing currency translation differences for foreign assets and boosting the amount of total assets. After excluding the foreign exchange impact, total assets increased by ¥221.0 billion. The year-end rates for major currencies for the yen at end of fiscal 2022 were ¥133.53 against the U.S. dollar (up ¥11.14 from the previous year) and ¥145.72 against the euro (up ¥9.02). Trade and other receivables rose by ¥79.2 billion, mainly due to the increase in sales towards at end of fiscal year 2022. Inventories rose by ¥81.8 billion due to factors such as an increase in sales inventories, the securing of safety inventory, acquisitions, and the depreciation of the yen. Goodwill and intangible assets increased by ¥106.9 billion on the acquisition of PFU and service business companies in Europe and the U.S., as well as the depreciation of the yen and other factors.

Total liabilities were up ¥244.4 billion, to ¥1,191.8 billion. Trade and other payables increased by ¥43.8 billion owing to an increase in purchases. The total of current and non-current bonds and borrowings increased by ¥127.5 billion with the procurement of funds through syndicated loans and other means. Total equity increased by ¥52.2 billion, to ¥958.0 billion. Equity declined in line with the repurchase and retirement of ¥30.0 billion of treasury stock, implemented as a policy to enhance shareholder returns. However, as a result of the yen's depreciation, exchange differences on translation of foreign operations rose by ¥40.7 billion. Equity attributable to owners of the parent was up ¥29.5 billion, to ¥931.5 billion. The equity ratio declined 5.4 points from the end of fiscal 2021 to 43.3%, mainly due to share repurchases and other capital policy measures, as well as new borrowings, but remained at a stable level.

(4) Cash flows

Net cash provided by operating activities was ¥66.7 billion, down ¥15.7 billion from the previous year. While profitability improved significantly, inventories rose and trade and other receivables increased due to an increase in sales during the fiscal year. Net cash used in investing activities increased by ¥74.5 billion, to ¥133.9 billion, mainly due to the acquisition of PFU and other active acquisitions and investments. We accordingly posted a negative free cash flow (net cash provided by operating activities plus net cash used in investing activities) of ¥67.2 billion, down ¥90.3 billion. Net cash provided by financing activities was ¥35.4 billion, after a decline of ¥167.1 billion in cash used from the previous fiscal year. This was mainly due to an increase in cash provided due to borrowing and other funds procurement, despite the increase in cash used to implement ¥30.0 billion in share repurchases. Cash and cash equivalents at the end of fiscal 2022 thus totaled ¥210.8 billion, down ¥23.1 billion. We will systematically employ operating cash flows from business investments to invest in further growth and bolster shareholder returns.

Please refer to “II. BUSINESS OVERVIEW 1. MANAGEMENT POLICIES, MANAGEMENT ENVIRONMENT AND ISSUES TO BE SOLVED (2) Medium-Term Direction Capital Policies Supporting Growth” for more information on capital policy.

(Reference) Cash Flow Indices

	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2023
Equity attributable to owners of the parent / Total assets	34.2%	32.1%	48.7%	48.7%	43.3%
Market capitalization / Total assets	30.8%	20.1%	42.8%	36.5%	28.1%
Interest bearing debt / Operating cash flow	11.4	9.1	1.8	2.9	5.4
Operating cash flow / Interest expense	17.3	25.5	47.1	26.9	13.2

i. All indices are calculated based on consolidated data.

ii. Operating cash flow is shown in consolidated statement of cash flow. Interest bearing debt are bonds and borrowings.

Cash and Asset-Liability Management

In recent years, Ricoh made efforts to achieve greater efficiencies in utilizing cash balances held by its subsidiaries pursuant to its policy of ensuring adequate financing and liquidity for its operations and growth and maintaining the strength of its financial position. One method that Ricoh has implemented to achieve greater efficiency is building up its group cash management system in each region as well as globally. This cash management system functions as an arrangement in which Ricoh's funds are pooled together and cash resources are lent and borrowed from one group company to another with finance companies located in each region coordinating this arrangement. As part of that, Ricoh introduced a global cash pooling system and realized further improvement of fund operation efficiency globally.

Ricoh also enters into various derivative financial instrument contracts in the normal course of its business and in connection with the management of its assets and liabilities. Ricoh enters into foreign currency contracts to hedge against the potentially adverse impact of foreign exchange fluctuation on local currency-denominated assets and liabilities. Ricoh uses these derivative instruments to reduce its risk and to protect the market value of its assets and liabilities in conformity with Ricoh's policy. Ricoh does not use derivative financial instruments for trading or speculative purposes nor is it a party to leveraged derivatives.

Sources of Funding

Ricoh's principal sources of funding are a combination of cash and cash equivalents on hand, various credit facilities and long-term debt securities. In assessing its liquidity and capital resources needs, Ricoh places importance on the balance of cash and cash equivalents and operating cash flows in the consolidated statement of cash flows.

As of March 31, 2023, Ricoh had ¥210.8 billion in cash and cash equivalents and ¥376.2 billion in credit facilities. Of the ¥376.2 billion in credit facilities, ¥346.2 billion was available for borrowing by Ricoh as of March 31, 2023. The Company has committed credit lines with banks having credit ratings satisfactory to Ricoh in the aggregate amount of ¥150.0 billion. These committed credit line amounts of the Company are included in the ¥376.2 billion figure for credit facilities. Ricoh may also borrow up to its borrowing limit from financial institutions under the interest rates of each respective market.

The Company and certain subsidiaries raise capital by bank borrowings and issuing long-term debt securities in various currencies. Furthermore, Ricoh utilizes a cash management system globally elsewhere to efficiently manage the Ricoh Group funding.

The Company obtains ratings from the following major rating agencies: Standard & Poor's Rating Services ("S&P") and Rating and Investment Information, Inc. ("R&I"). As of June 20, 2023, S&P assigned long-term and short-term credit ratings for the Company of BBB and A-2, respectively, and R&I assigned long-term and short-term credit ratings for the Company of A+ and a-1, respectively.

Cash Requirements and Commitments

Ricoh believes that its cash and cash equivalents, funds expected to be generated from its operations and procurement funds such as bonds and borrowings are sufficient to meet its cash requirements at least through fiscal year ending March 31, 2024. Even if there were a decrease in cash flows from operations as a result of fluctuations in customer demands from one year to another due to unexpected changes in global economic conditions, Ricoh believes that current funds on hand along with funds available under existing credit facilities would be sufficient to finance its operations. In addition, Ricoh believes that it is able to secure adequate resources to fund ongoing operating requirements and investments related to the expansion of businesses and the development of new projects through its access to financial and capital markets. While interest rates of such instruments may fluctuate due to economic trends and other factors in various countries, Ricoh believes that the effect of such fluctuations would not significantly affect Ricoh's liquidity, due mainly to the adequate amount of Ricoh's cash and cash equivalents on hand, stable cash flow generated from its operating activities and group-wide cash management system.

5. MATERIAL AGREEMENTS, ETC.

(1) The important patent and licensing agreements

The following table lists some of the important patent and licensing agreements which the Company is currently a party to:

Counterparty	Country and Region	Summary of the Contract	Contract Term
International Business Machines Corporation	USA	Comprehensive cross license patent agreement related to information processing technology (reciprocal agreement)	March 28, 2007 to expiration date of the patent subject to the agreement
Adobe Inc.	USA	Patent licensing agreements related to development of printer software and sales (counterparty as licensee)	January 1, 1999 to March 31, 2024
Lemelson Medical, Education & Research Foundation Limited Partnership	USA	Patent licensing agreement related to computer image analysis and other products (counterparty as licensee)	March 31, 1993 to expiration date of the patent subject to the agreement
HP Inc.	USA	Comprehensive cross license patent agreement related to document processing systems (reciprocal agreement)	October 31, 2011 to expiration date of the patent subject to the agreement
BROTHER INDUSTRIES, LTD.	Japan	Patent licensing agreement related to office equipment (Company as licensor)	October 1, 2019 to September 30, 2024

(2) Business integration agreement and Shareholder agreement for integration of development and manufacturing of multifunction printers and other devices

Ricoh Company, Ltd. and Toshiba Tec Corporation, in the resolution of the Board of Directors of each company on May 19, 2023 to conclude an agreement to set the terms and conditions for integrating businesses regarding the development and manufacturing of multifunction printers and other devices by necessary procedures such as company split effective on a specific day between April 1, 2024 and June 30, 2024 to be separately agreed upon by the two companies. The Boards of Directors of both companies also resolved to conclude a shareholders agreement related to the Business Integration.

For the details, refer to “V. Financial Information – Notes to Consolidated Financial Statements – 37.

SUBSEQUENT EVENTS (Business partnership and the conclusion of a business integration agreement and a shareholders agreement)”

6. RESEARCH AND DEVELOPMENT

Ricoh (Ricoh Company, Ltd. and our consolidated subsidiaries) is committed to providing excellence to improve the quality of living and to drive sustainability as our basic management philosophy. Although the global spread of COVID-19 continues, economic activities are gradually resuming thanks to the spread of vaccines and other factors. On the other hand, our operating environment is becoming increasingly uncertain due to factors such as the continuing shortage of parts and materials and accelerating inflation caused by the prolonged conflict in Russia and Ukraine among other factors. Against this backdrop, in its R&D activities, we have been focusing on growing out of being an OA manufacturer and transforming into a digital services company as it accelerates transformation beyond COVID-19.

As a digital services company, we will continue to provide products and services that transform the workplace in order to realize our vision for 2036, “Fulfillment through Work”

Ricoh is strengthening its internal and external digital and data-based infrastructure and value creation functions under the CTO (Chief Technology Officer) and CDIO (Chief Digital Innovation Officer). We have defined customer success as the value provided by Ricoh and are strengthening our internal and external data utilization infrastructure and functions to deepen existing business and evolve new customer value, as well as to sustainably enable these activities. We aim to further expand as a digital services company by leveraging our global customer base of approximately 1.4 million companies.

Under the business unit structure introduced in fiscal 2021, we have shifted from the concept of consolidating resources for each customer and product in each business unit of each business domain to a new system in which research and development is integrated by business domain, ranging from medium- to long-term research for the future to immediate product development, design, and production.

In accordance with the above changes in the structure, the role and nature of headquarters research and development has also been changed.

The company has defined two areas of research at the headquarters as technological strategies to support medium- to long-term growth outside of its current business domains: “a digital twin that fosters evolutions in workplace practices,” and “digital printing for a mass customization era.” Research and development for the achievement of these strategies and the development of Ricoh’s common infrastructure technologies are being conducted at Advanced Technology R&D Division. Research and development of digital infrastructure technology to support RICOH Smart Integration (RSI) is being promoted by the Digital Strategy Department. We are engaged in the development of AI/ICT technology, the development of technology to digitize work, and the training and enhancement of digital human resources involved in these areas to support the expansion of the Group as a digital services company.

Furthermore, the Ricoh Futures Business Unit is engaged in business incubation based on the technological development of the headquarters research center and is strengthening the development system with the aim of early commercialization.

As for how we proceed with research and development, we investigate and search for market needs and conduct research and technological development by taking advantage of the characteristics of each region while deepening cooperation among our global business locations. Moreover, we have established technology centers and customer experience centers around the world to provide feedback to product development on needs identified directly through customer support, thereby developing value co-creation activities together with customers.

In open innovation, we are actively utilizing the power of universities, research institutes, and companies to efficiently develop cutting-edge technologies, and in the fiscal year ended March 31, 2023, we newly started joint research with universities including the University of Tokyo and Keio University.

In addition, TRIBUS accelerator program, which aims to support the growth of startup companies and internal and external entrepreneurs to co-create businesses, has been implemented since fiscal 2019. In the fiscal year ended March 31, 2023, the fourth year of the program, a contest will be held from among 142

applications, and the themes that pass the contest will be eligible to utilize various resources, including approximately 250 supporters registered within Ricoh, with the aim of further fostering a culture that supports and fosters people who take on challenges and encourages the creation of new businesses.

Ricoh capitalized a portion of its development investments and recorded them as intangible assets in accordance with the application of IFRS. Research and development investment for the fiscal year ended March 31, 2023, including development costs recorded under intangible assets, amounted to ¥107.7 billion.

(1) Digital Services

Ricoh defines the value it provides to customers as Empowering Digital Workplaces and contributes to improving the operational efficiency and productivity of customers by supporting the digital transformation of workplaces.

Recently, there has been a growing demand for diverse workstyles that are not restricted by time or location, and Ricoh is working to develop services that can contribute to solving our customers' issues through digital transformation in various workflows, including not only paperless office operations, but also trade ecosystems that support business-to-business transactions, on-site work support using remote equipment, and streamlined social infrastructure inspection operations that are facing labor shortage issues.

Ricoh offers RICOH Smart Integration (RSI), which connects MFPs and other devices that are highly compatible with cloud services, making it possible for customers to use the latest services at any time. Using this platform, we will continue to contribute to the success of customers by providing digital services that support the creativity of people working in all kinds of workplaces.

In the fiscal year ended March 31, 2023, we promoted strategic collaborations, including the development, sales for RICOH kintone plus and capital alliance, through an OEM business partnership with Cybozu, Inc. Through this collaboration, we will support the sharing of information and streamlining of business processes related to various operations with the power of digital technology, thereby supporting the future growth and competitiveness of our customers and contributing to the DX (digital transformation) of work in the future of companies and organizations.

We also acquired all shares of Cenero, LLC, which is engaged in design and implementation of communication services and video conferencing systems and provision of integrated AV (audio visual) solutions, to expand the value of Empowering Digital Workplaces offering through communication and collaboration services.

In addition, NR-Power Lab Co., Ltd., a joint venture with NGK Insulators Ltd. regarding electric power business, was launched, and by combining NGK Insulator's NAS® battery and storage battery control technology with our renewable energy distribution record platform utilizing blockchain technology, we will provide electric power digital services to expand the use of renewable energy, which is essential for achieving carbon neutrality, thereby contributing to the realization of a sustainable society.

Major achievements in the fiscal year ended March 31, 2023 are as follows.

Launched the business improvement platform RICOH kintone plus for the Japanese and the U.S. markets

Accelerate DX for SMEs by escorting the use of digital technology in the field

- Linking with RICOH Smart Integration (RSI)
- Based on the business improvement know-how we have accumulated through the provision of scrum packages for SMEs and scrum assets for mid-sized companies, as well as the requests we have received from customers through the provision of kintone®, we have added original plugin apps and functions linked to our MFPs

Began rolling out the RICOH Print Management Cloud, an all-in-one printing infrastructure solution, in each region

Getting rid of servers for printing-related systems through cloud

- Enables centralized management by eliminating dependence on print servers

- Designed for global security compliance from user protection, data protection, process compliance, to data center security (GDPR, ISO27001, NCSC, OWASP, SOC2)

Launched RICOH Drive, a cloud storage service that connects the office, the field, and the home Syncs with edge device applications and supports enterprise digitalization through secure data sharing

- In addition to file encryption and communication path encryption, security features such as user-specific access restrictions and log management enable secure data sharing both inside and outside a company
- When sending or receiving files to or from external users who do not have a RICOH Drive ID, email address authentication and one-time passwords are issued to prevent accidental transmission
- Through RICOH Smart Integration (RSI), various edge devices and applications including MFPs can be linked, enabling usage in accordance with the workflow of each customer's industry and business

Integrated a group of cloud services that streamline B2B transactions and began offering them as the Trade Forms DX Series

Integrated six services, including the RICOH Cloud OCR Series, into a single service

- Provides digitalization of the entire workflow related to business transactions by linking with other product series and third-party services
- Cloud service for constantly updating to the latest laws and regulations
- Provides a support system that accompanies the customer from the preparation for the start of service operation to the establishment of operations

Released DocuWare Version 7.6/7.7

Enhanced content management and workflow functions, as well as API-based integration with a variety of external systems, to help companies improve the efficiency of their business processes

- Provides the ability to customize transfer data to meet the requirements of third-party software and share links of archived documents to Microsoft Teams (version 7.6)
- One Click Indexing for enhanced automatic entry of invoice items and iPaaS Connector for integration with other business applications (version 7.7)

Released Axon Ivy Version 10

Pursuit of scalability and ease of use to the limit

- Fully compatible with cloud environments. Provides new process editor, "Marketplace" system interface for integration with third-party IT systems, customizable dashboards, and integration with Microsoft Teams

Released RICOH Remote Field, a real-time two-way video and audio streaming service

Contributed to DX through high-quality, low-latency, 4K360-degree video that connect the field and the office

- Achieves real-time, two-way streaming of video and audio with stable connection quality as a service utilizing RICOH Smart Integration (RSI)
- The service provides both high video quality and low latency through our media bandwidth control technology for video and audio, which we have cultivated through our videoconferencing and web conferencing systems, and enables stable connections even in mobile network environments such as 4G
- Supports communication between remote locations by connecting various spaces in real time through two-way streaming of video and audio

Released RICOH Flexible Image Checker, a practical solution for the manufacturing industry

Enabling more efficient visual checks using various angles of the hand-held camera

- When an object to be inspected is photographed with a camera, the inspection app analyzes missing parts and differences from the finished product using pattern matching and automatically makes a pass or fail decision
- The hand-held camera makes it possible to check the object from various angles, and at the same time, a hand-held cover can be attached to control tilt and blurring

- Based on our experience at our production sites in Japan and overseas, we have implemented a technology that automatically corrects for tilted or blurred images and performs pattern matching

Research and development investment in this business segment for the fiscal year ended March 31, 2023 totaled ¥13.5 billion.

(2) Digital Products

While the number of people returning to the office is increasing after the impact of COVID-19 has subsided, a variety of workstyles have taken root, such as working from home or workcations. We believe that we will not return to the situation before the COVID-19 pandemic, where everyone gathers in one place to work. The Digital Products Business Unit continues to focus on the development of digital edge device technologies that support these diverse ways of working.

In the fiscal year ended March 31, 2023, we renewed our mainstay A3 color MFPs that can provide value to customers in terms of both DX (digital transformation) and sustainability. In order to seamlessly connect analog and digital, RICOH Smart Integration (RSI) enables the printer to link with various applications such as “RICOH kintone plus.” In addition, by promoting resource and energy conservation, the environmental impact (carbon footprint) over the entire product lifecycle has been reduced by 27% compared to its predecessor, and recycled plastic is used for 50% of the total resin weight of the main body, while the use of paper materials for product packaging has also reduced the amount of packaging plastic by 54%. We will continue to advance these environmentally friendly technologies.

In the fiscal year ended March 31, 2023, we acquired 80% of the shares of PFU Limited, making it a consolidated subsidiary. PFU Limited has the world’s No.1 scanner market share and excellent paper transport technology to support this market share, and we expect technological synergies with our MFPs and printers in the future.

In the edge devices other than printing or scanning, in addition to interactive whiteboards (electronic blackboards) and projectors, we have also released a new 360° conference system and portable monitors. Based on our knowledge and experience in the office working environment, we will further expand the value we provide to our customers in all aspects of work.

Difficulties in terms of production continued in the fiscal year ended March 31, 2023, such as the long-term plant shutdown due to the COVID-19 pandemic and the continuing sharp rise in raw material prices. We will continue to build a manufacturing system that is not affected by changes in the external environment, including a rapid switch to alternative parts and parallel production at multiple sites, which we have been working on since fiscal 2021.

Major achievements in the fiscal year ended March 31, 2023 are as follows.

Released RICOH IM C6010/C5510/C4510/C3510/C3010/C2510/C2010, full-color MFPs that support DX by helping to resolve issues for each type of business

Providing value to customers through solution collaboration and industry-leading environmental performance

- We have enhanced functionality as an edge device, enabling the digitization of a wide variety of paper documents, including small-size documents such as business cards and receipts
- Link with applications such as RICOH kintone plus through RICOH Smart Integration (RSI)
- Enhanced paper folding and needleless binding options
- Contribute to the realization of a recycling-oriented and decarbonized society by reducing environmental impact

Realization of remote meetings with a sense of presence

Released RICOH Meeting 360 V1 microphone speaker with 360° camera

Web conferencing device that captures the entire atmosphere of a conference room

- 360° camera can show the entire conference room and all participants
- Automatic recognition of the speaker and instant close-up
- Equipped with omni-directional microphone capable of collecting sound from a distance of up to approximately 6 meters and a high-quality speaker unit

Released RICOH Portable Monitor 150BW/150, a lightweight handout-type display with OLED and touch functionality

Supporting hybrid work by encouraging co-creation of communication

- 15.6-inch portable display that is easy to carry and can be operated by touching
- Communication device that facilitates collaboration in small groups by taking advantage of face-to-face meetings

**Released RICOH PJ WXL4960/WXL4960NI desktop short throw projectors with laser light source
For installation on a teacher's desk with no restriction on projection position as a large classroom presentation device**

- Equipped with specifications and functions suitable for large classroom projectors
- Designed to meet the needs of educational settings, with our unique front input terminal and auto eco-friendly mode
- Laser light source for brighter and clearer image quality, longer life, and improved convenience

Released RICOH IP C6020 and RICOH IP C6020M A3 color printers

Equipped with a 7-inch full-color touch panel and enhanced solution integration functions to streamline operations

- MultiLink-Panel enables intuitive operation like that of a tablet device or smartphone
- Link with solutions such as the Ricoh Personal Authentication System AE2 to create a more secure printing environment
- In addition to its full range of functions, such as reduced power consumption while enabling large-volume paper feeding, it also offers excellent energy-saving performance

Research and development investment in this business segment for the fiscal year ended March 31, 2023 totaled ¥33.0 billion.

(3) Graphic Communications

Ricoh aims to solve the issues faced by customers working in the frontlines through DX (digital transformation) and contribute to their business expansion and workstyle reforms, and we will continue to provide innovative solutions that combine workflow software with products that have advantages in terms of performance and price.

In the commercial printing business field, for customers in the printing industry, we are proposing a combination of printers that contribute to higher productivity, special color toners that enable high value-added such as gold and silver, and workflow solutions that enable integrated management of processes from upstream to downstream to accelerate the Offset to Digital and drive the digitalization of the processes of customers in the frontlines.

To this end, we continue to develop electrophotographic technology, supply technology, optical design technology, image processing technology, inkjet technology, next-generation imaging engine element technology, and cutting-edge software technology.

We will also provide total printing solutions through our long-standing partnership with Heidelberger Druckmaschinen AG (Germany), which promotes printing DX, alliances with processing machine vendors and other companies that support a wide variety of printed materials, and initiatives to develop solutions in collaboration with our customers.

The upgraded RICOH Pro VC70000e enables the use of a wider range of media, expanding the range of work for our customers, and the inclusion of new software has enabled further automation and streamlining of operations.

Major achievements in the fiscal year ended March 31, 2023 are as follows.

RICOH Pro VC70000e expands business opportunities in offset and digital printing business

The RICOH Pro VC70000e is available for upgrade from an existing predecessor, Ricoh Pro VC70000, and has the following features:

- Proprietary pre-coat technology enables use of a wider range of media and applications, improving overall print quality
- New print head developed for sharper text and fine lines
- Software advances such as RICOH Pro Scanner Option and RICOH Supervisor provide constant feedback on machine and job status, and AI generates accurate and efficient processes

Released RICOH Auto Color Adjuster color management solution

The company's proprietary high-speed spectrophotometric color measurement technology and color adjustment process streamline operations at printing sites

- The RICOH Auto Color Adjuster enables the reproduction of correct colors by measuring the entire paper surface at high speed, creating an ICC profile for color adjustment from a dedicated chart or sample image, and using this profile with the color production printer that outputs the color. In addition, by quantifying the printer's color status based on the dedicated chart, objective color quality control is possible
- Color matching can be easily performed in printing according to color swatches

In the industrial printing business field, we will focus on the development and commercialization of industrial inkjet printhead technologies to expand our product lineup. For MH series heads, which have been well received by customers for their high durability and wide ink compatibility, we have launched a new model with enhanced durability and system compatibility. In addition, the TH series head, which utilizes MEMS (Micro Electro Mechanical System) technology for compact and high-definition printing, has been adopted by an increasing number of new customers.

For the garment printing market, we have also launched a solution that enables customers using the already released RICOH Ri 1000/2000 to use new applications as Direct-to-Film. Together with the entry-level RICOH Ri 100, we offer products that meet the needs of our customers.

Major achievements in the fiscal year ended March 31, 2023 are as follows.

Released RICOH MH5422, RICOH MH5442, and RICOH MH5422 Type A, new industrial inkjet printheads

Combining high image quality and high productivity, three models are available depending on the application

- The 1,280 nozzle and 150dpi x 4 row nozzle offer high quality printing with improved uniformity of the drop placement accuracy and ejection speed, in addition to the position and standard droplet volume of 7pl. In addition, stability at high frequency drive has been improved, and it can be used at drive frequencies of up to 50 kHz
- Compatible with all UV, water-based, and solvent inks. In particular, water-based ink has more than doubled the service life of its predecessor RICOH MH5421/5441
- High water-repellent treatment technology improves the strength of the water-repellent film compared to conventional heads, providing stable image quality even after long hours of use
- In addition to the pin-alignment model, the lineup includes a high-precision surface-alignment model. Improved mounting accuracy and ease of alignment during head mounting and replacement, facilitating position adjustment

Providing a Direct-to-Film solution for use with garment printers

- RICOH Ri 1000/2000 offers a Direct-to-Film solution that prints on PET film and transfers it to garments, and can also print on leather, nylon, and other materials
- Print CMYK first, then white on top of CMYK
- Compliant with OEKO-TEX standards
- Supported by Productionserver of ColorGATE Digital Output Solutions GmbH, a member of Ricoh

Research and development investment in this business segment for the fiscal year ended March 31, 2023 totaled ¥28.0 billion.

(4) Industrial Solutions

In the thermal business field, we aim to gain further customer trust by providing high quality products and services, including high value-added thermal paper, which holds an overwhelming share of the global market.

In high value-added thermal paper, we have been developing products that solve social issues (phenol-free labels* with enhanced safety of coloring materials) in the European and Japanese markets in response to growing environmental awareness in recent years and in the fiscal year ended March 31, 2023, we also commenced sales in the North American market. We will gradually expand globally and in product lineups.

*Uses thermal paper with a phenol content of less than 0.02% (the Company's standard)

In addition, we are developing the business of rewritable laser systems and high-speed printing solutions (FC-LDA Printer) using semiconductor laser beams, combining the unique optics technologies we have cultivated over the years. Furthermore, through the development of label-less thermal technology, which adds heat-sensitive function to packaging materials, we are contributing to the reduction of environmental impact, labor savings at logistics sites where there is a severe manpower shortage, and the advancement of automation in the manufacturing industry.

Label-less thermal printing technology was adopted by a major Japanese convenience store chain in May 2022. Since its launch, it has been well received by convenience store customers for improved visibility of information on ingredients, allergens, etc., and in the food manufacturing process for reduction of environmental impact, automation and labor saving, and streamlining of packaging material inventory, and its introduction is expanding to other convenience stores as well.

Major achievements in the fiscal year ended March 31, 2023 are as follows.

Our label-less thermal packaging was adopted by SEVEN-ELEVEN

Direct printing of raw material labels on packaging materials contributes to reduced environmental impact, increased work efficiency, and improved productivity

- High transparency and high-quality thermal media layer
Thermal functional layer is inked by utilizing dispersion technology, high resistance coloring technology, and layer composition technology, and then packaged by coating this layer
Fitting well with the design, it achieves direct printing of variable information and the durability and safety required for food packaging
- Thermal ink with high printability
Utilizing our proprietary thermal materials and formulation technologies, we have developed inks that can be processed at the same time as packaging materials design printing, maintaining the productivity of packaging materials

In the industrial products business field, by combining production technology with cutting-edge technologies such as IoT, AI, and image recognition, we provide inspection line solutions focusing on the integration of various industrial facilities and the appearance of coatings such as vehicle bodies and exterior parts by visualizing information through information conversion through data recognition processing. For example, we produce and sell inspection lines that enhance safety and reliability in the fast-growing automotive lithium-ion battery appearance inspection and vehicle paint appearance inspection fields, contributing to reduced manpower and automation at the frontlines. Going forward, we plan to utilize the data obtained from these inspection facilities to offer new value to our customers.

We are also working with various partners to develop stereo cameras for automatic control and safety assistance for automobiles and logistics and construction equipment vehicles by integrating the optical technology, image recognition, AI, and other cutting-edge technologies we have developed. In the fiscal year ended March 31, 2023, we developed and launched a system to prevent collisions at construction and civil engineering sites where cranes are used, by automatically detecting suspended loads and workers, capturing them in three dimensions, detecting the risk of collisions between suspended loads and workers, and notifying crane operators through joint demonstration experiments with TOYO CONSTRUCTION CO., LTD.

Major achievements in the fiscal year ended March 31, 2023 are as follows.

Developed a crane operation safety support system and conducted joint demonstration tests with TOYO CONSTRUCTION CO., LTD.

Contributing to improved safety at work sites by reducing collisions between suspended loads and workers in crane operations

- The system automatically detects and tracks the position of the suspended load and the worker at the unloading location using images acquired from a stereo camera and AI, and issues an alarm when the suspended load and worker are close to each other, thereby supporting safe work of all workers
- Cloud integration enables notification to remote administrators as well as recording and management of work status
- Accumulates and learns on-site data through the cloud, enabling highly accurate detection of workers' locations in various sites
- Browser application can be used to learn on-site risk management by using recordings of hazardous scenes at each site
- The effectiveness of the system in improving safety at sites where cranes are used has been recognized, and it was registered in the New Technology Information System (NETIS^{*}) in October 2022

*NETIS: A database system developed by the Ministry of Land, Infrastructure, Transport and Tourism for the purpose of sharing and providing information related to new technologies for their utilization

Research and development investment in this business segment for the fiscal year ended March 31, 2023 totaled ¥3.7 billion.

(5) Other Segments

Leveraging Ricoh's technological capabilities, this segment provides a wide range of products and services from industrial to consumer applications. We also aim to create new businesses that contribute to solving social issues in the frontlines, healthcare, and the environment.

■Digital Cameras

Ricoh Imaging Co., Ltd., which is engaged in the digital camera business, is further enhancing the value of its two brands, PENTAX and GR, and connecting directly with customers using digital methods to further sharpen and deepen the appeal of both brands.

Based on the pillars of optical design and optical component processing technologies cultivated over 100 years of camera development history, Ricoh develops digital camera products that achieve excellent tone reproduction and texture depiction in all sensitivity ranges by combining PRIME V and GR ENGINE 6 image processing engines, which incorporate the most advanced digital image processing technologies, with accelerator units I and II, which achieve advanced noise processing. In addition to these technologies, our cameras are equipped with proprietary SR (Shake Reduction) in-body image stabilization mechanism, enabling excellent image stabilization performance, and we have also developed a low-pass selector function and a real resolution function that apply this mechanism. We offer the following series of digital cameras equipped with these technologies to users who are particular about photography.

Major achievements in the fiscal year ended March 31, 2023 are as follows.

Released the RICOH WG-80, a compact digital camera capable of underwater photography at a depth of 14 meters

- This is a waterproof compact digital camera with high waterproof performance, excellent drop-shock resistance, and a variety of shooting functions in a compact and lightweight body
- The compact and lightweight body is waterproof to 14 meters, drop impact resistant to 1.6 meters, and cold resistant to minus 10 degrees Celsius, making it highly reliable for shooting in environments where ordinary digital cameras and smartphones are difficult to use

Released RICOH GR IIIx Urban Edition and RICOH GR III Diary Edition Special Limited Kit high-end compact digital cameras

- The RICOH GR IIIx and RICOH GR III are special spec high-end compact digital cameras with high image quality suitable for professional use and a compact, lightweight body ideal for snapshooting, each with body colors inspired by urban living and daily life, respectively

Released HD PENTAX-D FA MACRO 100mmF2.8ED AW macro lens with dustproof and drip-proof construction

- The optical system has been redesigned using the latest design technology to achieve high resolution and high contrast from the maximum aperture for sharp images, and is the first of our macro lenses to feature a dustproof and drip-proof structure

Released smc PENTAX XW16.5 and smc PENTAX XW23 eyepieces for astronomical telescopes

- The new eyepieces are high-performance eyepieces for astronomical telescopes with a new 5-group/7-element optical system that produces sharp images of stars up to the periphery of the field of view and the widest field of view in the series at 85°, enabling powerful observation of nebulae and star clusters

Released PENTAX KF, a dustproof, drip-proof, compactly designed digital SLR camera

- PENTAX KF is standard-class digital SLR camera with basic performance features including a full-fledged optical viewfinder in a compact, dustproof, and drip-proof body suitable for outdoor photography
- This model is equipped with functions and performance equivalent to those of higher-class models, including a glass pentaprism optical viewfinder with a field of view of approximately 100% and in-body image stabilization equivalent to 4.5 stops in shutter speed conversion

■Smart Vision

Since releasing the RICOH THETA, a camera that can capture 360-degree images in a single shot, we have expanded the scope of our business utilizing 360-degree images and video. Currently, we are developing our SaaS business by strengthening our RICOH360 platform business, which provides solutions that streamline the entire workflow by linking it with cloud services to improve operational efficiency and productivity.

In the construction industry, there is an urgent need to increase labor productivity, as the revised work-practice reform related laws scheduled to take effect in April 2024 includes penalties related to maximum overtime hours. Against this backdrop, we have started collaborations with other companies to accelerate DX (digital transformation) in the construction industry and to further expand the RICOH360 platform business.

Major achievements in the fiscal year ended March 31, 2023 are as follows.

Started collaboration with a construction technology company for the RICOH360 platform business Accelerating DX in the field by providing solutions for the construction industry

- With the construction tech company SpiderPlus & Co., we have started collaboration between the RICOH360 platform business and SpiderPlus' SPIDERPLUS construction DX services business for the purpose of accelerating DX in the construction industry
- We have started to verify services for BIM (Building Information Modeling), which is promoted by the public and private sectors in the construction industry, by providing our 360-degree image/video technology information and functions to SpiderPlus & Co.
- We will continue to collaborate with construction technology companies that are familiar with workflow in order to enhance the functions of RICOH360 to solve short-term issues based on user needs in the construction industry and medium- to long-term issues based on market trends

■Healthcare

Ricoh positions the healthcare business, which is required to cope with an aging society, reduce medical costs, and prevent the spread of viruses and other infectious diseases, as one of the businesses in which it will work to solve social issues.

We are engaged in technological development in two key areas: biomedical, which supports drug discovery based on our core technologies for high-speed induction differentiation of iPS cells and mRNA design and manufacturing; and medical imaging, which visualizes the brain and central and peripheral nerve activities by utilizing magnetoencephalographs and spinal cord magnetometers.

Major achievements in the fiscal year ended March 31, 2023 are as follows.

Strengthening drug discovery support business using mRNA

Reached an agreement with Elixirgen Scientific, Inc., (eSci), a biotechnology company, to acquire additional shares of eSci

- By acquiring a majority stake in eSci and converting it into a subsidiary, we aim to accelerate the development and establishment of a drug discovery platform to solve social issues such as aging and pandemics, and contribute to people's health and peace of mind
- eSci possesses proprietary technology that can rapidly induce differentiation of iPS and ES (embryonic stem) cells into various types of cells, as well as strength in mRNA design and manufacturing. eSci will expand the areas of application of this technology with digitalization and AI (artificial intelligence) technologies that we have developed up until now, and contribute to the acceleration of personalized medicine and drug discovery research

Established a fund to revitalize the mRNA drug discovery market in Japan

Strengthening research and development support for drug discovery startups utilizing mRNA

- In September 2022, we established the Ricoh Biomedical Startup Fund to support research and development activities of mRNA drug discovery startups in Japan, with the aim of revitalizing the mRNA drug discovery market in Japan
- The fund supports the development and establishment of mRNA-based drug discovery platform in Japan by combining the strengths of the company and eSci/EsJ* with the technologies and know-how of startups

*EsJ: Elixirgen Scientific Japan, Inc.

The company and Elixirgen Scientific Japan's proposal was selected by the Ministry of Economy, Trade and Industry for the Project for Developing Biopharmaceutical Manufacturing Sites to Strengthen Vaccine Production

- The Project for Developing Biopharmaceutical Manufacturing Sites to Strengthen Vaccine Production is a publicly solicited project by the Ministry of Economy, Trade and Industry to promote the early establishment of an actual production system (large-scale production) for biopharmaceuticals, including COVID-19 vaccines in Japan, as well as to promote the early supply of vaccines
- With the adoption by this project, we aim to further increase production capacity for medical mRNA, and we will support research and development of mRNA drugs, including vaccines, more broadly
- By establishing a manufacturing base in Japan for mRNA investigational drugs through this project and investing in startup companies through the fund, we will create an environment in which mRNA drugs can be created more freely and contribute to people's health and peace of mind

■Environment

One of the key social issues that Ricoh focuses on through its business is the achievement of a decarbonized society, and Ricoh is accelerating its efforts toward thorough energy conservation and active use of renewable energy, including becoming the first Japanese company to participate in the RE100 program.

We are working on innovations toward decarbonization, such as improving the energy efficiency of our products and developing materials using recycled materials and plant-derived raw materials. Going forward, we will encourage business partners and customers to cooperate with us, thereby contributing to the creation of a decarbonized society throughout the entire value chain.

Major achievements in the fiscal year ended March 31, 2023 are as follows.

Released the RICOH EH CO2 Sensor D101, which enables monitoring of environmental information in offices and other commercial facilities

Environmental power generation technology enables acquisition of various environmental information without the need for battery replacement or wiring

- We launched the RICOH EH CO₂ Sensor D101 in mid-June 2022, which can acquire CO₂ concentration in addition to temperature, humidity, illuminance, and air pressure, as a new environmental sensing device that can acquire environmental information for offices and commercial facilities without the need for battery replacement or wiring
- The RICOH EH DSSC Series, a solid-state dye-sensitized solar cell module developed by the company, is mounted on the sensor to enable continuous operation under indoor light, and since it uses wireless communication to collect environmental information, multiple units can be installed to enable centralized real-time management even over a large floor
- With this product, we aim to provide our customers with a safe and secure working environment by contributing not only to the confirmation of human density and ventilation conditions, which is part of infection control measures, but also to introduce DX for the environmental management of workplaces

RICOH EH Environmental Sensor D202 used for IoT facility inspection using security robots by Mitsubishi Estate Co., Ltd.

Contributing to the realization of DX for inspection work that does not rely on the manpower of facilities technicians

- Our RICOH EH Environmental Sensor D202 has been adopted for IoT facility inspection using security robots being promoted by Mitsubishi Estate Co., Ltd.
- In this system, an autonomous mobile robot that performs patrols and standing guard automatically collects data from IoT sensors and cameras installed in equipment and performs equipment inspections, and RICOH EH Environmental Sensor D202 is an IoT sensor that detects environmental information inside air conditioners
- Although the current equipment is inspected visually or by regular patrols by equipment technicians, by remotely checking the filter status inside air conditioning equipment, it achieves inspections that do not rely on the manual labor of equipment technicians and contributes to workstyle reforms

■Business Co-creation

TRIBUS, an accelerator program that aims to support the growth of startups and internal and external entrepreneurs to co-create businesses, has been implemented since fiscal 2019.

Major achievements in the fiscal year ended March 31, 2023 are as follows.

Micro-hydropower generation using a 3D printer is studied in a sewage application study by the Ministry of Land, Infrastructure, Transport and Tourism

- WEeT-CAM, an in-house startup selected for the TRIBUS new business creation initiative, has developed a micro hydroelectric generator incorporating 3D printed blades made of biomass^{*1} derived materials in collaboration with Seabell Incorporated and Kanazawa Institute of Technology, and use at a water treatment plant is being considered
- The waterwheel part weighs 25% less and the equipment part 15% lighter than conventional metal micro hydroelectric generators, and the time required to create the waterwheel has been significantly shortened from about one month to three days
- The waterwheel part is made of resin for improved underwater durability. Compared to a waterwheel made with commonly used 3D printer materials, the waterwheel blades are twice^{*2} as strong, which is equivalent to those of metal blades. It has been found that the strength is maintained even after being placed underwater for a long period of time and can be used for conventional micro hydroelectric power generation

*1 Biomass: Renewable organic resources derived from living organisms, excluding fossil resource

*2 Maximum bending breaking strength is 133N/nm² with our RD3 New method, compared to 60N/nm² with the resin properties of conventional materials

Released the RICOH Image Pointer GP01, a compact hand-held projector

- Image Pointer, an in-house startup selected for the TRIBUS new business creation initiative, has launched a compact hand-held projector
- The compact body fits comfortably in one's hand and weighs only 220g, making it small enough to fit in your pocket
- Even though it is small, it is capable of trapezoidal correction and color change, and is equipped with a speaker. Projection sizes range from 25 to 80 inches. Projection can be done at will, getting close or getting away, depending on the projection location and the number of people in the room
- It supports Wi-Fi™ for instant connectivity, requires no app, and has HDMI® connectivity. Wireless projection onto a desk or wall makes it possible to share your favorite photos and videos with everyone on a large screen

Research and development investment in this business segment for the fiscal year ended March 31, 2023 totaled ¥14.0 billion.

(6) Fundamental Research

Up until now, Ricoh has been engaged in the following fundamental research fields that lead to product differentiation: advanced sensing and edge device technologies that integrate photonics technology, MEMS, image recognition and image processing technologies; fundamental technologies such as analysis and simulation; technological functional materials such as verification, and simulation; applied research and development of printing technology; data collection and analysis technology to contribute to customers' business efficiency and new ways of working regardless of time and place; and system solution development applying artificial intelligence.

Going forward, Advanced Technology R&D Division is developing these technologies as its core, focusing on two areas of value to be provided.

- Human Digital Twin at Work (HDT): Digitalization technology for people working in the workplace. It utilizes technologies such as behavioral sensing and vital sensing, as well as recognition and AI technologies, to support creativity of workers.
- Industrial Digital Printing System (IDPS): Digitalization of manufacturing and production processes through the development of industrial inkjet technology that discharges functional materials instead of ink, leading to dramatic improvements, waste reduction, and energy conservation.

Common fundamental technologies such as analysis and simulation will continue to be rolled out to Ricoh's development and production sites to further improve efficiency and quality.

We are also actively promoting co-creation with collaborative partners, and conducted value verification with more than 30 collaborative partners in the fiscal year ended March 31, 2023.

In addition, we are building a system of collaboration with overseas research institutions and companies with the aim of expanding research and development activities on a global level. We participated in the Horizon Europe (an international framework for research and innovation addressing critical issues of our time) program and initiated joint research and development with major research institutions and leading companies in Europe.

Major achievements in the fiscal year ended March 31, 2023 are as follows.

GELART JET Head next-generation inkjet printhead technology

Aiming to achieve a sustainable society through the expansion of the application areas of inkjet technology

- The unique head supports high pressure and enables printing on large and thick surfaces by discharging high viscosity and large drop size paint, printing on curved and uneven surfaces by expanding the flying distance of paint, and expanding the application of inkjet technology to non-printing applications by discharging large particle-containing materials
- The technology is being used to develop digital painting technology for applications such as walls, road surfaces, and automobile exteriors. It minimizes waste of materials and energy generated in the painting process, contributing to a sustainable society by reducing environmental pollution and saving energy

- At IGAS2022 (International Graphic Arts Show) held in November 2022, we presented the technologies developed in the IDPS area, including this technology, under the concept of “functional jetting”

Technology development to achieve HDT (Human Digital Twin at Work)

Acceleration of development through co-creation activities

- We established a social collaboration course called Fulfillment through Work with the University of Tokyo and started joint research on future workstyles that enhance creativity and job satisfaction for individuals and teams. By combining the strengths of both entities, our experience in office solutions backed by our technology and know-how and the University of Tokyo’s outstanding academic knowledge and technology, we aim to create new value through the exchange of intellectual, human, and physical resources in the field of technology and the promotion of joint research and development activities
- In collaboration with VIE STYLE Inc. we began joint research on improving intrinsic motivation to work through the use of brain tech. By combining VIE STYLE’s knowledge of next-generation wearable earpiece electroencephalographs and neurotechnology with gamification of work, we aim to improve the wellbeing and performance of working individuals by enhancing intrinsic motivation (job satisfaction) at work

The Digital Strategy Department is developing and strengthening RICOH Smart Integration (RSI) as a digital platform for creating customer value.

By connecting various business systems and devices with RSI, we digitize the business flow and contribute to business DX (digital transformation). Specifically, we develop and provide services in a short period of time by combining our own technologies and our partners’ technologies as components, microservices, and containers with edge devices to build workflows for low code or no code.

Further, by combining and utilizing various data including image data accumulated in RSI with AI, we are promoting the creation of new customer value to solve issues faced by customers and society.

Major achievements in the fiscal year ended March 31, 2023 are as follows.

Technology to quantify sensory information such as gloss and luxury perceived by people and visualize the relationship between them

Contributing to the efficiency of the product development process by understanding the relationship between emotions and textures

- Proposing a method for constructing a sensitivity model using optimization methods for the qualitative and humanistic emotion and texture design process in product development
- The graph structure applied to structural equation modeling is optimized by a genetic algorithm, using the evaluation points related to the emotions and textures obtained from sensory evaluation experiments as variables. It achieves a sensibility model construction based on the set statistics without dependence on any particular person
- Although this study focused on emotions and textures from sight, it can be applied to sensory information in other senses (touch, hearing, taste, and smell)
- The results of this research were presented at IEEE SMC 2022 in the Czech Republic in October 2022

Developed a new algorithm for image recognition AI that can be applied in the medical field

Accelerating research and development for labor-saving diagnosis by applying AI to EEG decoding of epilepsy

- We developed a new algorithm for image recognition AI using deep learning in collaboration with Osaka University.
- Results of a study showed that the algorithm developed in this research can be applied to the analysis of EEG measured by magnetoencephalograms to identify waveforms that are characteristic of epilepsy (epileptic waveforms)
- The application of this technology to magnetoencephalography, which is performed prior to epilepsy surgery, is expected to significantly reduce the amount of labor required for diagnosis.

Research and development investment in this business segment for the fiscal year ended March 31, 2023 totaled ¥15.3 billion.

III. PROPERTY, PLANT AND EQUIPMENT

1. SUMMARY OF CAPITAL INVESTMENTS, ETC.

Capital investment in the fiscal year ended March 31, 2023 was ¥45,459 million. A breakdown of capital investment by segment is as follows:

	Millions of yen		Main purpose of investment
	For the year ended March 31, 2022	For the year ended March 31, 2023	
Digital Services	15,934	17,057	Investment in infrastructure relating Digital Services
Digital Products	9,677	12,618	Expansion and renewal of production facilities and improvement of productivity
Graphic Communications	4,540	5,772	Expansion and renewal of production facilities and improvement of productivity
Industrial Solutions	2,232	3,872	Expansion and renewal of production facilities and improvement of productivity
Other	1,236	3,751	Capital investment related to new business development
Corporate	3,740	2,389	Improve information system, etc.
Total	37,359	45,459	

(Notes)

1. These investments were financed mostly with Ricoh's own capital or borrowings.
2. Capital investment of PFU is included in Other segment.
3. The electronics business in Industrial Solutions has been reclassified into Digital Products from the current year. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

2. MAJOR PROPERTY, PLANTS AND EQUIPMENT

(1) The Company

Facility (Main location)	Segment	Details of major facilities and equipment	Book value (Millions of Yen)				Total	Number of employees
			Buildings and structures	Machinery and equipment	Land (Area in thousands of m ²)	Right-of- use assets		
Tohoku plant at Ricoh Industry Co., Ltd. (Miyagi)	Digital Products and Graphic Communications	Production facilities for digital service devices related supplies	724	1,614	— (—)	—	2,388	—
Head Office (Tokyo)	Corporate, Digital Services, Graphic Communications, Industrial Solutions and Other	Development facilities and other equipment	4,878	38	111 (11)	101	5,128	879
Yokohama Nakamachidai Office (Kanagawa)	Corporate	Other equipment	1,172	161	3,200 (17)	114	4,647	163
Ricoh Technology Center (Kanagawa)	Digital Products, Graphic Communications and Other	Development facilities	17,836	3,788	4,944 (89)	449	27,017	4,360
Atsugi Plant (Kanagawa)	Digital Products and Graphic Communications	Production facilities for digital service devices	2,499	1,711	2,011 (98)	—	6,221	133
Numazu Plant (Shizuoka)	Digital Products, Graphic Communications and Industrial Solutions	Production facilities for digital service devices related supplies	8,269	4,575	1,194 (128)	3	14,041	662
Ricoh Eco Business Development Center (Shizuoka)	Digital Services and Digital Products	Other equipment	2,911	357	2,205 (93)	2	5,475	160
Fukui Plant (Fukui)	Digital Products and Industrial Solutions	Production facilities for digital service devices related supplies	1,259	1,886	1,120 (93)	—	4,265	123
Ikeda Plant (Osaka)	Corporate	Other equipment	1,857	262	98 (19)	1	2,218	78

(2) Domestic subsidiaries

(As of March 31, 2023)								
Facility (Main location)	Segment	Details of major facilities and equipment	Book value (Millions of Yen)				Total	Number of employees
			Buildings and structures	Machinery and equipment	Land (Area in thousands of m ²)	Right-of- use assets		
Ricoh Industry Co., Ltd. (Kanagawa)	Digital Products and Graphic Communications	Production facilities for digital service devices	6,604	3,003	234 (151)	243	10,084	1,088
Ricoh Elemex Corporation (Aichi)	Digital Products, Graphic Communications and Industrial Solutions	Production facilities for digital service devices and precision equipment	1,432	1,973	3,244 (546)	52	6,701	462
Ricoh Japan Corporation (Tokyo)	Digital Services and Graphic Communications	Other equipment	4,804	8,683	2,331 (50)	9,866	25,684	15,937
PFU Limited (Ishikawa)	Other	Production facilities for scanners and industrial computing products	3,039	1,980	1,178 (121)	3,839	10,036	3,744
Ricoh Creative Service Company, Ltd. (Tokyo)	Other	Other equipment	46	10	— (—)	1,648	1,704	597
Ricoh Industrial Solutions Co., Ltd. (Tokyo)	Digital Products and Industrial Solutions	Manufacturing facilities for optical equipment and electronic components	2,091	1,528	331 (40)	64	4,014	914

(3) Overseas subsidiaries

(As of March 31, 2023)								
Facility (Main location)	Segment	Details of major facilities and equipment	Book value (Millions of Yen)				Total	Number of employees
			Buildings and structures	Machinery and equipment	Land (Area in thousands of m ²)	Right-of- use assets		
Ricoh Electronics, Inc. (U.S.A.)	Digital Products, Graphic Communications and Industrial Solutions	Production facilities for digital service devices related supplies and thermal media	1,189	2,662	335 (289)	339	4,525	663
Ricoh UK Products Ltd. (U.K.)	Digital Products and Graphic Communications	Production facilities for digital service devices related supplies	424	678	361 (210)	29	1,492	497
Ricoh Industrie France S.A.S. (France)	Digital Products and Industrial Solutions	Production facilities for thermal media	767	3,394	58 (209)	—	4,219	580
Ricoh Thermal Media (Wuxi) Co., Ltd. (China)	Industrial Solutions	Production facilities for thermal media	1,705	2,625	— [64]	18	4,348	303
Shanghai Ricoh Digital Equipment Co., Ltd. (China)	Digital Products	Production facilities for digital service devices	1,000	1,849	— [59]	—	2,849	1,047
Ricoh Manufacturing (China) Ltd. (China)	Digital Products	Production facilities for digital service devices	7,396	6,397	— [93]	—	13,793	2,823
Ricoh Manufacturing (Thailand) Ltd. (Thailand)	Digital Products and Industrial Solutions	Production facilities for digital service devices related supplies	3,624	2,519	554 (121)	18	6,715	2,433
Ricoh USA Inc. and other 30 sales subsidiaries in Americas	Digital Services and Graphic Communications	Other equipment	1,344	11,141	344 (148)	13,537	26,366	18,085
Ricoh Europe Holdings PLC and other 93 sales subsidiaries in Europe	Digital Services and Graphic Communications	Other equipment	732	9,238	— (—)	15,583	25,553	14,945

Ricoh Asia									
Pacific Pte. Ltd. and other 14 sales subsidiaries in Other area	Digital Services and Graphic Communications	Other equipment	211	5,672	— (—)	3,364	9,247	5,095	

- (Notes) 1. The tables above do not include construction in progress.
2. Currently there is no material idle equipment.
3. The facilities of the Tohoku plant at Ricoh Industry Co., Ltd. are owned by the Company, but the manufacturing is performed under a consignment agreement with Ricoh Industry Co., Ltd.
4. The disclosures for PFU Limited and Ricoh Electronics, Inc. are based on consolidated figures.
5. The land used by Ricoh Thermal Media (Wuxi) Co., Ltd., Shanghai Ricoh Digital Equipment Co., Ltd. and Ricoh Manufacturing (China) Ltd. are leased from third parties and disclosed within brackets [].

3. PLANS FOR CAPITAL INVESTMENT, DISPOSALS OF PROPERTY, PLANT AND EQUIPMENT, ETC.

The amount of capital investment for the fiscal year ending March 31, 2024 will be ¥48,000 million. A breakdown by segment is as follows:

	<u>Millions of Yen</u>	
	For the year ending	
	March 31, 2024	Main purpose of investment
Digital Services	18,000	Investment in infrastructure relating Digital Services
Digital Products	13,300	Expansion and renewal of production facilities and improvement of productivity
Graphic Communications	6,100	Expansion and renewal of production facilities and improvement of productivity
Industrial Solutions	4,100	Expansion and renewal of production facilities and improvement of productivity
Other	4,000	Capital investment related to new business development
Corporate	2,500	Improve information system, etc.
Total	48,000	

(Notes)

1. These investments will be mostly financed with Ricoh's own capital or borrowings.
2. Capital investment of PFU is included in Other segment.

IV. INFORMATION ON THE COMPANY

1. INFORMATION ON THE COMPANY'S STOCK, ETC.

(1) Total number of shares, etc.

1) Total number of shares

Class	Total number of shares authorized to be issued (shares)
Common stock	1,500,000,000
Total	1,500,000,000

2) Issued shares

Class	Number of shares issued as of the filing date (shares) March 31, 2023	Number of shares issued as of the filing date (shares) June 26, 2023	Stock exchanges on which the Company is listed	Description
Common stock	609,521,978	609,521,978	Tokyo	The number of shares per one unit of shares is 100 shares
Total	609,521,978	609,521,978	—	—

(2) Information on the stock acquisition rights, etc.

Not applicable

(3) Information on moving strike convertible bonds, etc.

Not applicable

(4) Changes in the total number of issued shares and the amount of common stock and other

Date	Change in total number of issued shares (hundreds of shares)	Balance of total number of issued shares (hundreds of shares)	Change in common stock (Millions of Yen)	Balance of common stock (Millions of Yen)	Change in capital reserve (Millions of Yen)	Balance of capital reserve (Millions of Yen)
February 28, 2022	(1,074,439)	6,374,681	—	135,364	—	180,804
October 31, 2022	(279,462)	6,095,219	—	135,364	—	180,804

(Note)1. The decrease is due to the retirement of treasury shares on February 28, 2022, based on the resolution of the Board of Directors meeting held on February 4, 2022.

2. The decrease is due to the retirement of treasury shares on October 31, 2022, based on the resolution of the Board of Directors meeting held on October 4, 2022.

(5) Shareholder composition

(As of March 31, 2023)

Class of shareholders	Status of shares (one unit of stock: 100 shares)							Total	Number of shares less than one unit (shares)
	Government and municipality	Financial institution	Financial instruments business operator	Other institutions	Foreign corporations, etc.		Individuals and others		
					Non individuals	Individuals			
Number of shareholders	—	71	43	497	703	69	42,211	43,594	—
Share ownership (units)	—	2,464,263	180,814	266,947	2,580,661	227	595,291	6,088,203	701,678
Ownership percentage of shares (%)	—	40.48	2.97	4.38	42.39	0.00	9.78	100.00	—

(Note)1. As for 75,771 shares of treasury stock, 757 units are included in the “Individual and others” column and 71 shares are included in the “Number of shares less than one unit” column.

2. As for 371,400 shares of the Company held by Board Incentive Plan trust in which beneficiaries include directors and executive officers, 3,714 units are included in the “Financial institution” column.

(6) Major shareholders

(As of March 31, 2023)

Name	Address	Share Ownership (hundreds of shares)	Ownership percentage to the total number of issued shares (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	11-3, Hamamatsucho 2-chome, Minato-ku, Tokyo	1,108,831	18.19
Custody Bank of Japan, Ltd. (Trust Account)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	325,073	5.33
GOLDMAN SACHS INTERNATIONAL (Standing proxy: Goldman Sachs Japan Co., Ltd.)	PLUMTREE COURT,25 SHOE LANE, LONDON EC4A 4AU, U.K. (10-1 Roppongi Hills Mori Tower, Roppongi 6-chome, Minato-ku, Tokyo)	302,394	4.96
Nippon Life Insurance Company	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo	264,973	4.35
Shinsei Trust & Banking Co., Ltd. ECM MF Trust Account 8299004	4-3, Nihonbashi-Muromachi 2-Chome, Chuo-ku, Tokyo	210,000	3.45
BNYMSANV AS AGENT/CLIENTS LUX UCITS NON TREATY 1 (Standing proxy: MUFG Bank, Ltd.)	VERTIGO BUILDING-POLARIS 2-4 RUE EUGENE RUPPERT L-2453 LUXEMBOURG GRAND DUCHY OF LUXEMBOURG (7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo)	164,899	2.71
Ichimura Foundation for New Technology	26-10, Kitamagome 1-chome, Ohta-ku, Tokyo	158,395	2.60
CGML PB CLIENT ACCOUNT/COLLATERAL (Standing proxy: Citibank, N.A., Tokyo Branch)	CITIGROUP CENTRE, CANADA SQUARE, CANARY WHARF LONDON E14 5LB (27-30, Shinjuku 6-Chome, Shinjuku-ku, Tokyo)	118,154	1.94
J.P. MORGAN SECURITIES PLC FOR AND ON BEHALF OF ITS CLIENTS JPMS RE CLIENT ASSETS-SEGR ACCT (Standing proxy: Citibank, N.A., Tokyo Branch)	25 BANK STREET, CANARY WHARF LONDON E14 5JP UK (27-30, Shinjuku 6-Chome, Shinjuku-ku, Tokyo)	110,025	1.81
MUFG Bank, Ltd.	7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	107,867	1.77
Total	—	2,870,612	47.10

(Notes) 1. Following confirmation of reports of possession of a large volume issued on October 7, 2022, the Company has confirmed that NOMURA SECURITIES INTERNATIONAL, Inc. and its joint holders, Nomura Asset Management Co., Ltd. held shares as set forth below as of September 30, 2022. However, the number of shares is not included in the status of major shareholders above as the Company could not confirm the actual holding of shares at the end of the period.

Contents of Amendment Statement are as follows.

Under Article 178 of the Companies Act, the Company's common stock were retired on October 31, 2022.

As a result, the total number of issued shares decreased by 27,946,200 shares to 609,521,978 shares. Ownership percentage to the total number of issued shares was recorded before the retirement.

Name	Address	Share ownership (hundreds of shares)	Ownership percentage to the total number of issued shares (%)
NOMURA SECURITIES INTERNATIONAL, Inc.	Worldwide Plaza 309 West 49th Street New York, New York 10019-7316	69,600	1.09
Nomura Asset Management Co., Ltd.	2-1, Toyosu 2-chome, Koto-ku, Tokyo	271,063	4.25

2. Following confirmation of reports of possession of a large volume and of shares reports of changes in possession of a large volume issued on July 22, 2022, the Company has confirmed that Sumitomo Mitsui Trust Bank, Limited and its joint holders, Sumitomo Mitsui Trust Asset Management Co., Ltd. and Nikko Asset Management Co., Ltd., held shares as set forth below as of July 15, 2022. However, the number of shares is not included in the status of major shareholders above as the Company could not confirm the actual holding of shares at the end of the period.

Contents of Amendment Statement are as follows.

Under Article 178 of the Companies Act, the Company's common stock were retired on October 31, 2022.

As a result, the total number of issued shares decreased by 27,946,200 shares to 609,521,978 shares. Ownership percentage to the total number of issued shares was recorded before the retirement.

Name	Address	Share ownership (hundreds of shares)	Ownership percentage to the total number of issued shares (%)
Sumitomo Mitsui Trust Bank, Limited	4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo	47,140	0.74
Sumitomo Mitsui Trust Asset Management Co., Ltd.	1-1, Shiba 1-chome, Minato-ku, Tokyo	207,570	3.26
Nikko Asset Management Co., Ltd.	7-1, Akasaka 9-chome, Minato-ku, Tokyo	124,376	1.95

3. Following confirmation of reports of possession of a large volume of shares reports of changes in possession of a large volume issued on July 9, 2021, the Company has confirmed that MUFG Bank, Ltd. and its joint holders, 3 other companies, held shares as set forth below as of March 22, 2021. However, excluding MUFG Bank, Ltd., the number of shares is not included in the status of major shareholders above as the Company could not confirm the actual holding of shares at the end of the period.

Contents of Amendment Statement are as follows.

Under Article 178 of the Companies Act, the Company's common stock were retired on February 28, 2022 and on October 31, 2022.

As a result, the total number of issued shares decreased by 135,390,100 shares to 609,521,978 shares. Ownership percentage to the total number of issued shares was recorded before the retirement.

Name	Address	Share ownership (hundreds of shares)	Ownership percentage to the total number of issued shares (%)
MUFG Bank, Ltd.	7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	107,867	1.45
Mitsubishi UFJ Trust and Banking Corporation	4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo	232,211	3.12
Mitsubishi UFJ Kokusai Asset Management Co., Ltd.	12-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo	56,330	0.76
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	9-2, Otemachi 1-chome, Chiyoda-ku, Tokyo	23,214	0.31

4. Following confirmation of reports of possession of a large volume and of shares reports of changes in possession of a large volume issued on June 28, 2021, the Company has confirmed that Effissimo Capital Management Pte Ltd held shares as set forth below as of June 25, 2021.

However, the number of shares is not included in the status of major shareholders above as the Company could not confirm the actual holding of shares at the end of the period.

Contents of Amendment Statement are as follows.

Under Article 178 of the Companies Act, the Company's common stock were retired on February 28, 2022 and on October 31, 2022.

As a result, the total number of issued shares decreased by 135,390,100 shares to 609,521,978 shares. Ownership percentage to the total number of issued shares was recorded before the retirement.

Name	Address	Share ownership (hundreds of shares)	Ownership percentage to the total number of issued shares (%)
Effissimo Capital Management Pte Ltd	260 orchard Road #12-06 The Heeren Singapore 238855	1,119,892	15.03

5. Following confirmation of reports of possession of large volume of shares reports of changes issued on February 19, 2021, the Company has confirmed that BlackRock Japan Co., Ltd. and its joint holders, 10 other companies, held shares as set forth below as of February 15, 2021.

However, the number of shares is not included in the status of major shareholders above as the Company could not confirm the actual holding of shares at the end of the period.

Contents of Amendment Statement are as follows.

Under Article 178 of the Companies Act, the Company's common stock were retired on February 28, 2022 and on October 31, 2022.

As a result, the total number of issued shares decreased by 135,390,100 shares to 609,521,978 shares. Ownership percentage to the total number of issued shares was recorded before the retirement.

Name	Address	Share ownership (hundreds of shares)	Ownership percentage to the total number of issued shares (%)
BlackRock Japan Co., Ltd.	8-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo	77,898	1.05
BlackRock Financial Management, Inc.	55 East 52nd Street New York, NY, USA	13,827	0.19
BlackRock Investment Management LLC	1 Princeton University Square Drive, New Jersey, USA	8,970	0.12
BlackRock (Netherlands) BV	Amstelplein 1. 1096 HA, Amsterdam, Netherlands	24,991	0.34
BlackRock Fund Managers Limited	12 Throgmorton Avenue, London, UK	13,523	0.18
BlackRock Life Limited	12 Throgmorton Avenue, London, UK	7,285	0.10
BlackRock Asset Management Canada Limited	161 Bay Street Suite 2500, PO Box 614, Toronto, Ontario, Canada	11,355	0.15
BlackRock Asset Management Ireland Limited	2 Ballsbridge Park Ballsbridge Dublin, Ireland	37,238	0.50
BlackRock Fund Advisors	400 Howard Street San Francisco, California, USA	109,324	1.47
BlackRock Institutional Trust Company, N.A.	400 Howard Street San Francisco, California, USA	150,504	2.02
BlackRock Investment Management (UK) Limited	12 Throgmorton Avenue, London, UK	18,988	0.25

6. Following confirmation of reports of possession of a large volume and of shares reports of changes in possession of a large volume issued on April 22, 2020, the Company has confirmed that Mizuho Bank, Ltd. and its joint holders, 3 other companies, held shares as set forth below as of April 15, 2020. However, the number of shares is not included in the status of major shareholders above as the Company could not confirm the actual holding of shares at the end of the period.

Contents of Amendment Statement are as follows.

Under Article 178 of the Companies Act, the Company's common stock were retired on February 28, 2022 and on October 31, 2022.

As a result, the total number of issued shares decreased by 135,390,100 shares to 609,521,978 shares. Ownership percentage to the total number of issued shares was recorded before the retirement.

Name	Address	Share ownership (hundreds of shares)	Ownership percentage to the total number of issued shares (%)
Mizuho Bank, Ltd.	1-5-5, Otemachi, Chiyoda-ku, Tokyo	10,000	0.13
Mizuho Securities Co., Ltd.	1-5-1, Otemachi, Chiyoda-ku, Tokyo	768	0.01
Asset Management One Co., Ltd.	1-8-2 Marunouchi, Chiyoda-ku, Tokyo	262,367	3.52
Asset Management One International Ltd.	Mizuho House, 30 Old Bailey, London, EC4M 7AU, UK	10,081	0.14

7. Following confirmation of reports of possession of a large volume and of shares reports of changes in possession of a large volume issued on May 8, 2019, the Company has confirmed that Eastspring Investments Co., Ltd. and its joint holder, M&G Investment Management Co., Ltd., held shares as set forth below as of April 30, 2019. However, the number of shares is not included in the status of major shareholders above as the Company could not confirm the actual holding of shares at the end of the period.

Contents of Amendment Statement are as follows.

Under Article 178 of the Companies Act, the Company's common stock were retired on February 28, 2022 and on October 31, 2022.

As a result, the total number of issued shares decreased by 135,390,100 shares to 609,521,978 shares. Ownership percentage to the total number of issued shares was recorded before the retirement.

Name	Address	Share ownership (hundreds of shares)	Ownership percentage to the total number of issued shares (%)
Eastspring Investments (Singapore) Co., Ltd.	Marina Bay Financial Center Tower 2, 32-10, Marina Bluebird 10, Singapore	321,461	4.32
M&G Investment Management Co., Ltd.	EC3M 5AG, 10 Fenchurch Avenue, London, UK	17,451	0.23

(7) Information on voting rights

1) Issued shares

Classification	Number of shares (shares)	Number of voting rights	(As of March 31, 2023)	
			Description	
Shares without voting rights	—	—	—	
Shares with restricted voting rights (treasury stock, etc.)	—	—	—	
Shares with restricted voting rights (others)	—	—	—	
Shares with full voting rights (treasury stock, etc.)	Common stock 75,700	—	The number of shares per one unit of shares is 100 shares	
Shares with full voting right (others)	Common stock 608,744,600	6,087,446	Same as above	
Shares less than one unit	Common stock 701,678	—	Shares less than one unit of 100 shares.	
Number of issued shares	609,521,978	—	—	
Total number of voting rights	—	6,087,446	—	

(Notes) 1. As for the shares of the Company held by Board Incentive Plan trust in which beneficiaries include Directors and Executive Officer, 371,400 shares and 3,714 voting rights are included in the “Shares with full voting right (others)” column.

2. As for the number of treasury stocks, 71 shares are included in the “Shares less than one unit” column.

2) Treasury stock, etc.

Name of shareholder	Address	Number of shares held under own name (shares)	Number of shares held under the names of others (shares)	(As of March 31, 2023)	
				Total shares held (shares)	Ownership percentage to the total number of issued shares (%)
Ricoh Company, Ltd.	3-6, Nakamagome 1-chome, Ohta-ku, Tokyo	75,700	—	75,700	0.01
Total	—	75,700	—	75,700	0.01

(Notes) The above table does not include the shares of the Company held by Board Incentive Plan trust in which beneficiaries include directors and executive officers.

(8) Share ownership plan for directors (and other officers) and employees

At the 119th Ordinary General Meeting of Shareholders held on June 21, 2019, the Company has agreed to introduce a share-based compensation plan with stock price conditions (hereinafter, “the plan”) for the Company’s board directors and executive officers (excluding outside board directors; hereafter, “directors and executive officers”). The operation of this system has been extended by a resolution of the Board of Directors held on March 6, 2023. The Company has adopted Board Incentive Plan trust in which beneficiaries include the directors and executive officers (hereinafter, “the Trust”) as the structure for the plan.

1) The summary of the trust is as follows.

(1) Name	Trust for granting shares to the Company’s Directors	Trust for granting shares to the Company’s Executive Officers
(2) Assignor	Ricoh Company, Ltd.	
(3) Trustee	Sumitomo Mitsui Trust Bank, Ltd. (Re-trustee: Custody Bank of Japan, Ltd.)	
(4) Beneficiaries	The Company’s Directors who meet the beneficiary requirements	The Company’s Executive Officers who have an employment contract with the Company and meet the beneficiary requirements
(5) Trust administrator	Akasaka International Accounting	
(6) Non-exercise of voting rights	Voting rights associated with the shares of the Company held in the Trust shall not be exercised at all throughout the Trust period	The trust administrator will issue instructions regarding voting rights associated with the shares held in the Trust
(7) Type of Trust	Trust of money other than money trust (Third party-benefit trust)	

2) The scheduled number of shares to be acquired by the Trust and the number of shares to the Company held by the Trust is as follows.

Trust for granting shares to the Company’s Directors: 100,000 shares per year

The number of shares to the Company’s Executive Officers the Company held by the Trust: 297,900 shares

3) The scope of beneficiaries who are eligible for the Beneficiary right and other rights arising from the Trust for granting shares to the Company’s Directors: the Company’s Directors who meet the beneficiary requirements

Trust for granting shares to the Company’s Executive Officers: the Company’s Executive Officers who have an employment contract or Mandate contract with the Company and meet the beneficiary requirements

(Notes) Based on the resolution of the 123rd Ordinary General Meeting of Shareholders held on June 23, 2023, the Plan is partially revised and continued from September 1, 2023.

The amendments to the Plan are recorded in “III. INFORMATION ON THE COMPANY, 4.

CORPORATE GOVERNANCE, ETC., (4) Compensation to Directors and Audit & Supervisory Board Members.

2. INFORMATION ON ACQUISITION, ETC. OF TREASURY STOCK

Class of shares

Acquisition of common stock under Article 155, Item 3 and Item 7 of the Companies Act

(1) Acquisition of treasury stock resolved at the general meeting of shareholders
Not applicable.

(2) Acquisition of treasury stock resolved at the Board of Directors meetings

Classification	Number of shares (shares)	Total amount (Yen)
Details on resolution at the Board of Directors meeting held on May 10, 2022 (Term of validity: May 11, 2022 to September 30, 2022)	48,000,000	30,000,000,000
Treasury stock acquired before the fiscal year ended March 31, 2023	—	—
Treasury stock acquired for the fiscal year ended March 31, 2023	27,946,200	29,999,937,700
Treasury stock not acquired for the fiscal year ended March 31, 2023	—	—
Ratio of remaining treasury stock not acquired as of March 31, 2023	—	—
Treasury stock acquired during the current period	—	—
Ratio of remaining treasury stock not acquired as of filing date	—	—

(Note) Based on the resolution of the Board of Directors meeting held on May 10, 2022, the Company acquired its common stock from May 11, 2022 to September 22, 2022. In addition, the Company's common stock were retired on October 31, 2022, based on the resolution of the Board of Directors meeting held on October 4, 2022.

(3) Details of acquisition of treasury stock not based on the resolutions of the general meeting of shareholders or the Board of Directors meetings

Classification	Number of shares (shares)	Total amount (Yen)
Treasury stock acquired during the fiscal year ended March 31, 2023	5,829	6,115,712
Treasury stock acquired during the current period	1,196	1,299,492

(Note) 1. The number of shares of treasury stock acquired due to requests to purchase stock of less than one unit of shares from June 1, 2023, to the filing date is not included.

2. The above table does not include the shares of the Company held by Board Incentive Plan trust in which beneficiaries include directors and executive officers.

(4) Status of the disposition and holding of acquired shares of treasury stock

Classification	Fiscal year ended March 31, 2023		Current period (Note)	
	Number of shares (shares)	Total disposition amount (Yen)	Number of shares (shares)	Total disposition amount (Yen)
Acquired treasury stock which was offered to subscribers	—	—	—	—
Acquired treasury stock which was canceled	27,946,200	30,013,946,202	—	—
Acquired treasury stock which was transferred due to merger, share exchange or company split	—	—	—	—
Others (acquired treasury stock which was sold due to requests from shareholders holding shares of less than one unit of shares to sell additional shares)	158	170,034	50	53,600
Total number of treasury stock held	75,771	—	76,917	—

(Note) 1. The number of shares of treasury stock acquired due to requests to purchase stock of less than one of unit of shares from June 1, 2023, to the filing date is not included.

2. The above table does not include the shares of the Company held by Board Incentive Plan trust in which beneficiaries include directors and executive officers.

3. DIVIDEND POLICY

With regard to shareholder returns, we set the total return ratio to 50% as a guideline and plan to raise dividend and repurchase treasury stock flexibly with an eye on dividend yields. With regard to dividend, we aim to continue increasing dividends in line with growth in profits. With regard to repurchase of treasury stock, we will implement flexibly while taking into account the management environment and state of growth investment and improve Earnings Per Share (EPS).

The dividend per share distributed at interim was ¥17.0, and the dividend per share at year-end was ¥17.0, for a total of ¥34.0.

An appropriation of surplus will be made to shareholders twice a year at interim and year-end. The appropriation of surplus at interim is based upon a resolution of the Board of Directors and the distribution of surplus at year-end is decided upon a resolution at the General Meeting of Shareholders.

The Company provides in its Articles of Incorporation that an appropriation of surplus at interim will be made to shareholders of record as of September 30 of each year by a resolution of the Board of Directors.

The appropriation of surplus for the fiscal year ended March 31, 2023, is as follows:

Date of resolution	Total dividends (Millions of Yen)	Dividend per share (Yen)
Board of Directors Meeting (November 4, 2022)	10,361	17.0
Ordinary General Meeting of Shareholders (June 23, 2023)	10,361	17.0

4. CORPORATE GOVERNANCE, ETC.

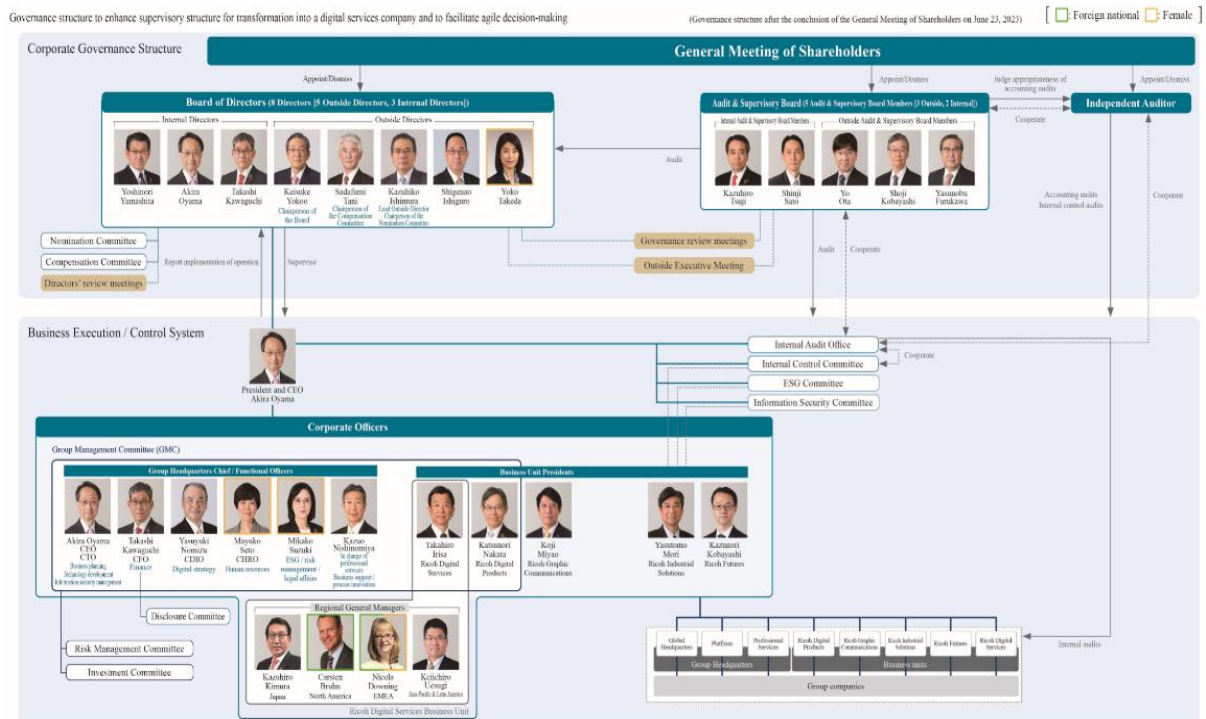
(1) Corporate Governance

1) Basic Policies for Corporate Governance

Ricoh, through its corporate activity as a whole, including activities by management, is working to enhance our governance system to strengthen competitiveness in line with stakeholder expectations, while ensuring management transparency based on corporate ethics and legal compliance. By doing so, Ricoh aims to achieve sustainable growth, and improve shareholder value and corporate value. Ricoh established The Ricoh Way as a set of guiding principles and values that serve as the foundation for all our business activities. The Ricoh Way, which comprises our founding principles, Mission & Vision, and Values, is the foundation of our management policy and strategy, and also is the basis of its autonomous corporate governance.

2) Reason for adopting current corporate governance structure

The Company has introduced a corporate audit system. In addition, the Company is making efforts to enhance oversight of executive management by the Board of Directors and enhance execution of operations by the executive officer system. Furthermore, by appointing Outside Directors, the Company is making efforts toward further improvement of corporate governance by decision-making and oversight of executive management through discussion from their independent perspectives. The nomination and compensation of Directors and Executive Officers are deliberated by the Nomination Committee and the Compensation Committee, advisory bodies that are comprised of a majority of Independent Outside Directors. The recommendations of each committee are reported to the Board of Directors.



The Board of Directors reflected on Ricoh's founding spirit to discuss the ideas and principles that underpin that body's deliberations, decisions, and actions to help enhance corporate value. It accordingly established the following values for Board culture in fiscal 2022.

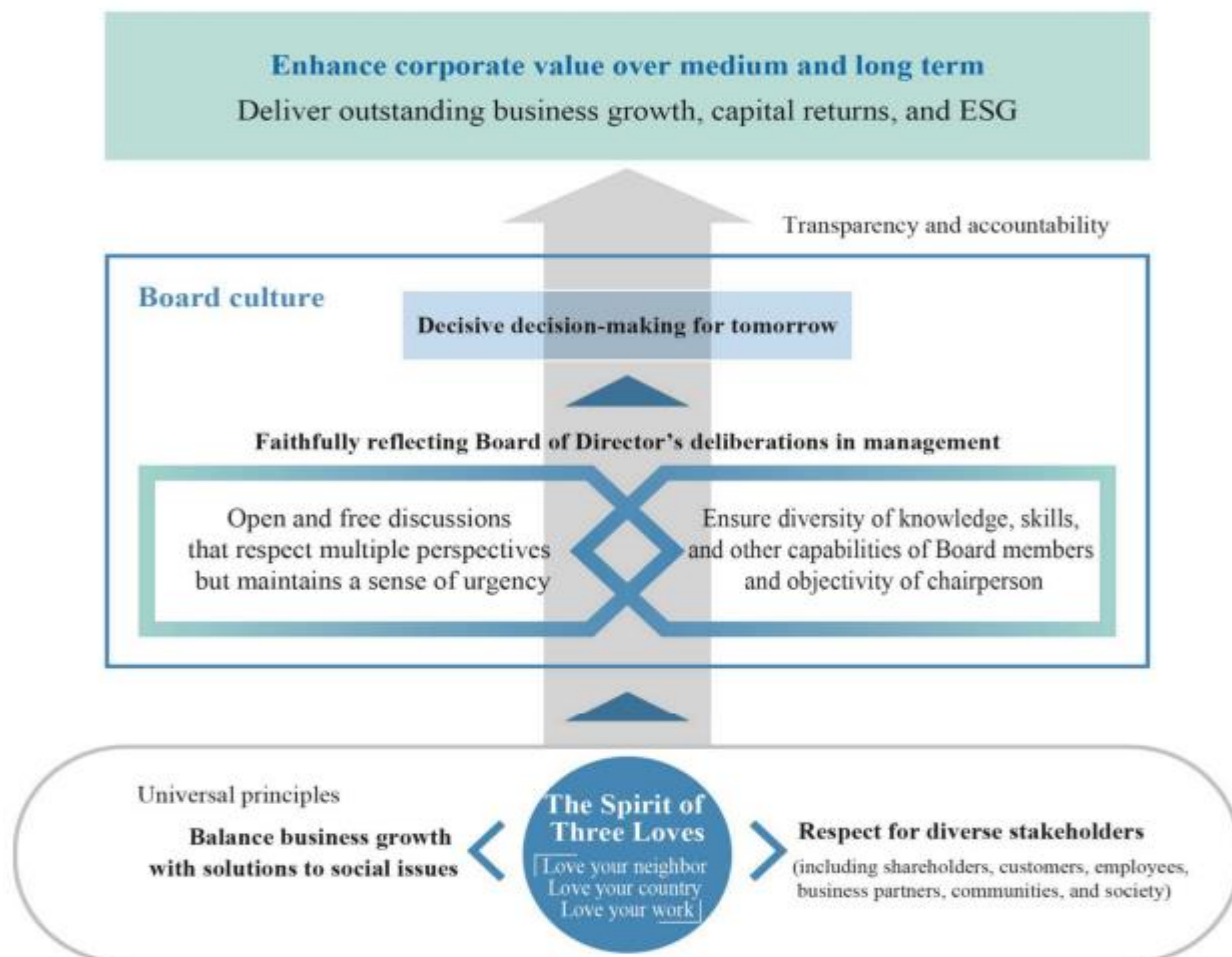
The Board of Directors shall:

1. Honor the Spirit of Three Loves, engaging with and respecting the interests of shareholders, customers, employees, partner companies, communities and society, and other stakeholders while overseeing management strategies and plans that help resolve social issues.
2. The chairperson shall objectively lead diverse and highly independent Board members to engage in constructive deliberations that value a diversity of open and free viewpoints. Management shall faithfully reflect the results of these deliberations.

3. Board members shall understand their social responsibilities, make robust decisions for the future, and oversee management's implementation of decisions, so that Ricoh can enhance medium- and long-term corporate value by delivering exceptional business growth, capital profitability, and ESG goals.

As the business climate and management structure change, the Board of Directors will constantly refer back to the culture described above in deliberating, making decisions, choosing directors, and engaging with shareholders and other stakeholders.

Conceptual diagram of Ricoh Board culture



Corporate governance system under the business unit structure

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

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

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

- 1) Oversight
 - a) The Board of Directors and the Nomination Committee have carried out performance evaluations of executive managers, including the head of each business unit, in addition to the existing evaluations of Directors including the CEO, since fiscal 2021.
 - b) The Board of Directors deliberates on the performance status of each business unit on a quarterly basis and monitors invested capital and return on capital.
 - c) The Board of Directors is strengthening its monitoring to ensure that internal controls and risk management are functioning properly after transition to a business unit structure, including the delegation of authority to each business unit and the review of affiliate management.

2) Execution

- a) After clarifying the scope of responsibility of each business unit through the business unit structure, each business unit sets its own targets (return on capital, etc.), monitors results at monthly business unit management meetings, and discusses issues and countermeasures with the CEO and general managers of Group headquarters.
- b) Profits earned by each business unit will be first consolidated on a Group basis. Resource reallocation policy will be decided every year at the portfolio management meeting, which is part of the management meeting (Group Management Committee (GMC)). At the portfolio management meeting, each business is analyzed based on the three evaluation axes of finance, marketability, and compatibility with digital service, and GMC members agree on a business category that establishes resource priorities. The Directors attend these meetings on a voluntary basis.
- c) In addition to implementing autonomous internal control and risk management, each business unit addresses the Group's managerial risks in cooperation with the risk management division of Group headquarters. The risk management division of Group headquarters regularly exchanges individual information with each business unit and provides support to resolve individual issues according to the robustness of internal control and risk management identified there. In addition, Ricoh is implementing initiatives to enhance the sensitivity to risk and strengthen risk management capabilities throughout Ricoh, such as holding risk-related study sessions for risk management promoters in each organization.

3) Audit

- a) The Audit & Supervisory Board recognizes that the following audit issues require close attention: "the optimal form of headquarters function governance for a digital services company," "autonomous internal control and risk management by business units and management of subsidiaries," and "control environments within individual organizations," such as employee and workplace environments and organizations. In addition to the review of each organization at the headquarters and subsidiaries, the Audit & Supervisory Board conducts cross-sectional reviews of headquarters functions dispersed as a result of the introduction of the business unit structure, as well as interviews with each business unit president and Group headquarters function managers and participation in various meetings to audit the status of initiatives from the oversight and execution perspectives described above.
- b) The internal audit division, the Independent Auditor and Audit & Supervisory Board Members closely exchange opinions and share information on governance and internal control issues and concerns after the transition to the business unit structure, and reflect them in their respective audit items, thereby collaborating and strengthening the three-way audit.

(1) The Board of Directors

The Board of Directors is responsible for management oversight and important decision-making for Group management. By appointing highly independent Outside Directors, Ricoh ensures greater transparency in its management and fair decision-making.

By leveraging the expertise and experience of each Director who is not concurrently serving as an Executive Officer, including Independent Outside Directors and Executive Directors in holding serious discussion on important issues, the Company encourages initiatives in new areas of growth, creating a structure that allows for management oversight from the viewpoints of various stakeholders, including shareholders. As a rule, all Directors must attend at least 80% of meetings of the Board of Directors, and are required to provide an effective supervisory function for corporate management.

The Board of Directors is chaired by an Independent Outside Director, and Independent Outside Directors on the Board of Directors constitute a majority. In fiscal 2022, five (5) of the eight (8) Directors were Independent Outside Directors. In addition, the Company appoints a Lead Independent Director to enable Outside Directors to better fulfill their roles and functions on the Board of Directors. The Lead Independent Director will be responsible for improving and enhancing governance in collaboration with the Chairperson of the Board of Directors, and will serve as the leader of Independent Outside Directors at the Company.

The appointment of the Lead Independent Director will be made as necessary based on the judgment of the Board of Directors in light of the Company's management situation and the appointment of the Chairperson of the Board of Directors and the Directors. Appropriate collaboration and division of roles by the Chairperson of the Board of Directors and the Lead Independent Director will ensure the smooth operation of the Board of Directors and the fulfillment of its functions.

Furthermore, the Company has appointed a Chairperson in April 2023. In appointing the Chairperson, the Board of Directors and the Nomination Committee carefully deliberated on the role to be played by the Chairperson so that the relationship of its authority and responsibility with those of the CEO would be clear. As a result, the role of the Chairperson in the Company has been defined as an Internal Director who primarily supervises management, does not concurrently serve as an Executive Officer, and is not involved in the day-to-day execution of the Company's business. The definition has been clearly stated in the internal rules and regulations. Based on the above roles, the delegation of the Chairperson's duties is based on the perspectives of strengthening the supervisory function, providing support to the business execution, and external activities. By granting the Chairperson representative authority, we have further strengthened the Chairperson's support to the business execution and external activities, and clarified the position to fulfill his or her responsibilities in order to enhance corporate value. The position and duties of the Chairperson are reviewed on a regular basis in light of the business environment and execution.

Chairperson of the Board	Keisuke Yokoo
Director	Yoshinori Yamashita
Director	Akira Oyama
Director	Takashi Kawaguchi
Independent Outside Director (Lead Independent Director)	Kazuhiko Ishimura
Independent Outside Director	Sadafumi Tani
Independent Outside Director	Shigenao Ishiguro
Independent Outside Director	Yoko Takeda

Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has executed a contract with Mr. Kazuhiko Ishimura, Mr. Keisuke Yokoo, Mr. Sadafumi Tani, Mr. Shigenao Ishiguro and Ms. Yoko Takeda to limit liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, to the higher of ¥10 million or the minimum liability limit amount stipulated in Article 425, Paragraph 1 of the Companies Act.

Attendance for the Board of Directors meetings held during the fiscal year

Position	Name	Attendance rate for the Board of Directors meetings held during the fiscal year
Director	Yoshinori Yamashita	100% (15 out of 15)
Director	Seiji Sakata	100% (15 out of 15)
Director	Akira Oyama	100% (15 out of 15)
Independent Outside Director (Lead Independent Director)	Masami Iijima	93% (14 out of 15)
Independent Outside Director	Mutsuko Hatano	100% (15 out of 15)
Independent Outside Director	Keisuke Yokoo	100% (15 out of 15)
Independent Outside Director	Sadafumi Tani	100% (15 out of 15)
Independent Outside Director	Kazuhiko Ishimura*1	100% (12 out of 12)

*1 The number of attendances of Mr. Kazuhiko Ishimura is after being appointed and the election at the 122st Ordinary General Meeting of Shareholders held on June 24, 2022.

(II) Audit & Supervisory Board

The Audit & Supervisory Board discusses and decides on audit policies and assignment of duties, audits the execution of duties by Directors, plays a supervisory function on management through cooperating with the Company's Independent Auditor and the internal audit division, and auditing the Company's individual organizations and subsidiaries. In addition to the Board of Directors and its advisory committee meetings, Audit & Supervisory Board Members attend other important meetings and regularly exchange information with the Representative Director and Outside Directors.

The Company has five (5) Audit & Supervisory Board Members, comprising two (2) full-time members who are familiar with internal circumstances and three (3) outside members who meet the requirements for independent Audit & Supervisory Board Member set by the Company, and the majority of the members are independent Outside Audit & Supervisory Board Members. In addition, the Audit & Supervisory Board is required to secure necessary knowledge, experience, and specialized abilities in a well-balanced manner in forming the Audit & Supervisory Board. We have built a system that enables deep discussion from an independent and objective perspective, capitalizing on a wealth of experience and wide-ranging insight in the specialized fields of each Audit & Supervisory Board Member.

Audit & Supervisory Board Member
 Audit & Supervisory Board Member
 Independent Outside Audit & Supervisory Board Member
 Independent Outside Audit & Supervisory Board Member
 Independent Outside Audit & Supervisory Board Member

Kazuhiro Tsuji
 Shinji Sato
 Yo Ota
 Shoji Kobayashi
 Yasunobu Furukawa

Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has executed a contract with Mr. Yo Ota, Mr. Shoji Kobayashi and Mr. Yasunobu Furukawa to limit liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, to the higher of ¥5 million or the minimum liability limit amount stipulated in Article 425, Paragraph 1 of the Companies Act.

(III) Nomination Committee / Compensation Committee

Decisions on the nomination of the CEO and other senior managers, and their compensation, etc. are one of the most important matters for management oversight by the Board of Directors. The Company secures transparency and objectivity of appointment and dismissal, and compensation of Directors and Executive Officers, etc. by establishing the “Nomination Committee,” which is chaired by an Independent Outside Director, with Independent Outside Directors making up the majority; and the “Compensation Committee.” In addition, one Outside Audit & Supervisory Board Member attends the deliberations of the Nomination Committee and Compensation Committee as an observer at each meeting.

The Nomination Committee and Compensation Committee for fiscal 2022 each consisted of four Independent Outside Directors and one Internal Director.

Nomination Committee

Chairman (Lead Independent Director)	Kazuhiko Ishimura
Member (Internal Non-Executive Director)	Yoshinori Yamashita
Member (Independent Outside Director)	Keisuke Yokoo
Member (Independent Outside Director)	Sadafumi Tani
Member (Independent Outside Director)	Shigenao Ishiguro

Compensation Committee

Chairman (Independent Outside Director)	Sadafumi Tani
Member (Internal Non-Executive Director)	Yoshinori Yamashita
Member (Independent Outside Director)	Keisuke Yokoo
Member (Lead Independent Director)	Kazuhiko Ishimura
Member (Independent Outside Director)	Yoko Takeda

(IV) Governance Review Meeting / Directors’ Review Meeting / Outside Executive Meeting

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

Directors’ review meetings are held to provide an opportunity and sufficient time for prior discussions by Directors and Audit & Supervisory Board Members to resolve on important company themes (such as the midterm management strategy) at Board of Directors meetings.

From the viewpoint of active contribution to discussions at meetings of the Board of Directors, the Outside Executive Meeting serves as a forum to share information and perspectives based on the independent and objective standpoints among Outside Directors and Outside Audit & Supervisory Board Members, as well as between Outside Directors and Outside Audit & Supervisory Board Members, and Full-time Audit & Supervisory Board Members and other executives.

(V) Group Management Committee

The Group Management Committee (GMC), chaired by the President and Chief Executive Officer and consisting of executive officers who fulfill certain conditions, has been established as a decision-making body authorized by the Board of Directors. The GMC facilitates deliberations and renders decisions on Ricoh’s overall management from the perspective of total optimization. While items requiring a resolution of the Board of Directors are stipulated in the Board of Directors Regulations, matters for approval or important items related to business execution that do not satisfy these criteria are decided by the GMC. The following items regarding the execution of duties by the GMC are reported to the Board of Directors at least once every three months.

- Important management indicators and the implementation status of important measures in terms of business strategy

- Items resolved by the GMC and the results of the resolution

Matters to be discussed at the GMC are as follows.

1. Planning of management strategy
 - Management philosophy
 - Medium and long-term management strategy
 - Approval of short-term (annual) management policies and business plans
 - Consolidated financial plans and borrowing facilities
2. Execution of management strategy
 - Review and determination of proposals by Board of Directors
 - Approval of financial decisions based on internal rules and regulations
 - Determination of managerial risk items for Ricoh
 - Important personnel policy matters of Ricoh Company, Ltd.
3. Decision-making and reporting on other important matters

Outside Directors also participate in the GMC as observers in order to deepen their understanding of business operations.

**<Participation by Outside Directors
as observer in fiscal 2022>**

Year and Month held		Number of observer Outside Directors
2022	April	1
	May #1	3
	May #2	2
	June	2
	July #1	2
	July #2	3
	September	2
	November	3
	December	2
2023	January	2
	February #1	2
	February #2	1
	February #3	2
	March	1

(VI) Disclosure Committee

The Disclosure Committee performs appropriate disclosure of information that may influence the decisions of investors in addition to promoting dialogue with shareholders and capital markets by proactively disclosing corporate information that contributes to investment decisions, and thereby seeks to develop relationships of trust with shareholders and capital markets as well as to achieve an appropriate recognition of Ricoh.

This committee is composed of representatives from different functional organizations, including the disclosure management division, accounting division, legal division, business planning division, Board of Directors operating division, public relations division, and internal control division, information-generating and acknowledging departments, the Supervising Organizations managing affiliates, and the CFO, who is responsible for information disclosure.

During fiscal 2022, the committee performed a review of internal processes and internal regulations in order to enhance its effectiveness.

We conduct deliberation on active disclosure and monitoring of disclosing procedures regarding company information that contributes to investors' investment decisions, along with the judgment on the appropriateness and accuracy of annual report documents and timely disclosure documents, and judgment on the necessity of information disclosure in disclosure procedures. Furthermore, the internal control division regularly evaluates the timeliness of information disclosure, the accuracy and validity of disclosure statements, and the validity of disclosure decisions, etc., and reports its findings to the Board of Directors and the Internal Control Committee.

Fiscal 2022		Agenda
First Meeting	April	Disclosure content of the convocation notice
Second Meeting		
Third Meeting	June	Revision of the disclosure policy
Fourth Meeting		Contents of response to corporate research
Fifth Meeting	August	Disclosure content of the Ricoh Group Integrated Report
Sixth Meeting		Disclosure content of the Ricoh Group TCFD Report
Seventh Meeting	December	Revision of disclosure rules
Eighth Meeting	March	Report on fiscal year results

(VII) Internal Control Committee

The Internal Control Committee is an organization established under the President and CEO of the Company to deliberate and make decisions on internal control of the entire Ricoh.

The committee is composed of executive officers who fulfill certain requirements. As a rule, it meets once every quarter, but extraordinary or emergency meetings may be held at other times.

The committee deliberates on the following matters.

1. Assessment of the design and operation of internal controls, and their rectification
 - Assessment of the design and operation of internal control as a whole
 - Assessment of the effectiveness of internal controls related to financial reporting
 - Assessment of the effectiveness of internal controls related to information disclosure
 - Revision of internal controls
2. Determination of policies for internal control activities
 - Determination of basic policies for internal controls related to financial reporting
 - Determination of internal audit plans for each fiscal year
3. Response to defects in internal control
 - Decisions on response in the case of serious incidents
4. Presentation of proposals to the Board of Directors for the amendment of internal control principles
 - Presentation of proposals to the Board of Directors for the amendment of internal control principles, in consideration of environmental changes

Specifically, in the case of serious incidents that may impact the entire Ricoh, the Internal Control Committee confirms details including the background, cause, and measures to prevent recurrence. Where doubts remain regarding the validity of measures to prevent recurrence, or issues remain regarding the possibility of recurrence of that incident in Ricoh, the committee promptly determines the necessary countermeasures, and ensures that these are implemented from a top-down approach. In addition, taking into consideration internal control issues reported by internal audits and risk management and compliance activities, the GMC discusses and decides on measures to be taken to prevent recurrence.

Internal Control Committee meetings

Fiscal 2022		Agenda
First Meeting	April	<ol style="list-style-type: none"> 1. Report of internal audit results for fiscal 2021 2. Fiscal 2021 Q4 disclosure audit report 3. Internal audit plan for fiscal 2022 4. Report on critical incidents and the number of whistleblowing incidents in fiscal 2021 5. Review of the Internal Control System Basic Policy and its inclusion in the Business Report of the Notice of 122nd Ordinary General Meeting of Shareholders of the status of operations in fiscal 2021 6. Strengthening processes for managerial risks and disclosure of risk information
Second Meeting	June	<ol style="list-style-type: none"> 1. Risk levels of managerial risks 2. Disclosure of TCFD information on risk impact and urgency level in fiscal 2022
Third Meeting	August	<ol style="list-style-type: none"> 1. Fiscal 2022 Q1 internal audit report 2. Fiscal 2022 Q1 disclosure audit report 3. Approach toward SOX management evaluation in fiscal 2022 4. Fiscal 2022 1H critical incident report 5. Rules on critical incident report 6. Management and supervision system for government subsidies 7. Compliance Month (October)
Fourth Meeting	November	<ol style="list-style-type: none"> 1. Fiscal 2022 Q2 internal audit report 2. Fiscal 2022 Q2 disclosure audit report 3. Fiscal 2022 1H critical incident report 4. Results of the compliance survey 5. Provision of tools to collect information on laws and regulations
Fifth Meeting	February	<ol style="list-style-type: none"> 1. Fiscal 2022 Q3 critical incident report 2. Learning from incidents 3. Introduction of IT system for risk management 4. Follow-up items for extraordinary Internal Control Committee meetings 5. Fiscal 2022 Q3 internal audit report 6. Fiscal 2022 Q3 disclosure audit report 7. Internal audit plan for fiscal 2023

Extraordinary Internal Control Committee meetings

Fiscal 2022		Agenda
First Extraordinary Meeting	October	<ol style="list-style-type: none"> 1. Learning from incidents 2. Revision of basic policies for internal controls related to financial reporting
Second Extraordinary Meeting	December	<ol style="list-style-type: none"> 1. Learning from incidents
Third Extraordinary Meeting	March	<ol style="list-style-type: none"> 1. Internal audit plan for fiscal 2023

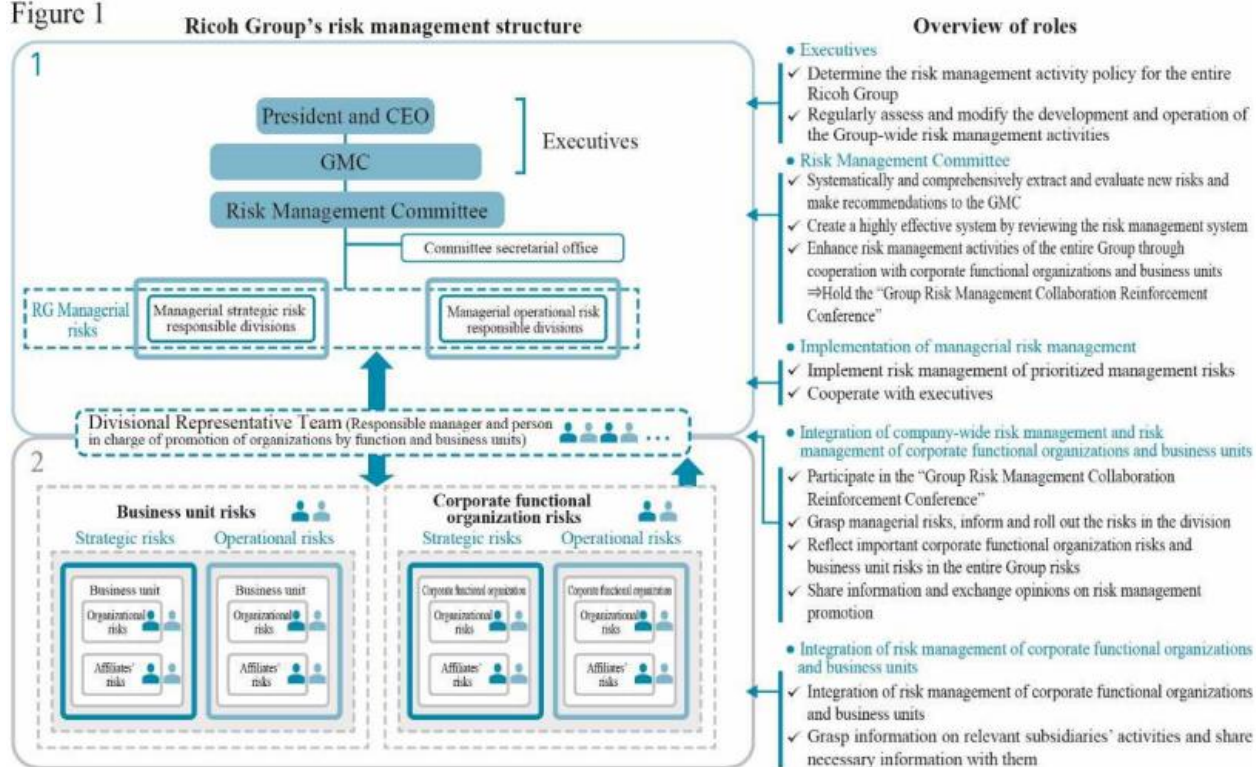
(VIII) Risk Management Systems and Risk Management Committee

Ricoh's risk management systems can be divided into two main levels, as shown in Figure 1 below.

1. Managerial risks, which are selected and managed autonomously by the GMC for management items of particular importance, within the management of Ricoh
2. Corporate functional organization risks and business unit risks that each business organization is responsible for managing its own business

These two levels clarify the bodies responsible for risk management enabling agile decision-making and swift action in response to each level of risk, and together form an integrated risk management system. The management of some risks may be transferred from one level to the other due to changes in the level of impact caused by environmental changes.

Figure 1



The Risk Management Committee is an advisory body to the GMC that was established to strengthen risk management processes across the entire Ricoh. The committee is chaired by the corporate officer in charge of risk management and has experts from each organization as members to ensure comprehensive coverage of risks and substantial discussions, and to propose to the GMC specific risks requiring response or focus in terms of the management of Ricoh. Furthermore, the committee will review and restructure the risk management system in 1 and 2 in Figures 1 as necessary in order to strengthen the effectiveness of risk management across Ricoh.

In addition, in order to establish a more effective and integrated risk management system through coordination between management and each business execution organization, we have appointed risk management managers and promoters from each organization, and have established an autonomous risk management system for each organization.

Moreover, at the Group Risk Management Collaboration Reinforcement Conference for each risk management promoter, study sessions and information sharing related to risk management are held, and ongoing efforts are being made to make the organization more responsive to risk.

Fiscal 2022		Agenda
First Meeting	April	<ul style="list-style-type: none"> • Consideration of strengthening the rolling planning process for managerial risks • Consideration of risk information disclosure
Second Meeting	October	<ul style="list-style-type: none"> • Confirmation of changes in the internal and external environment • Confirmation of the status of response to managerial risks for fiscal 2022
Third Meeting	November	<ul style="list-style-type: none"> • Consideration of plans of managerial risks for fiscal 2023
Fourth Meeting		
Fifth Meeting		
Sixth Meeting	March	<ul style="list-style-type: none"> • Report on the results of the response to managerial risks in fiscal 2022 • Discussion of promotion plan concerning managerial risks for fiscal 2023

(IX) Investment Committee

The Investment Committee, as an advisory committee to the GMC, verifies investment plans based on financial considerations including capital costs, and strategic considerations such as profitability and growth risks, etc. Members representing different functional organizations perform prior reviews and discussion on diversifying investment projects to external entities in order to ensure consistency with management strategies and raise the effectiveness of investments while improving the speed and accuracy of investment decisions.

The committee mainly discusses investments from the perspective of strategies, finance, and risks. Its members include a chairperson appointed by the President and CEO, representatives from the business planning, accounting, legal, and internal control functions as specialists for each functional organization, as well as various experts depending on the project. The committee receives prior inquiries from planning departments to provide evaluations and advice after performing comprehensive discussion on the investment value of a project. Although the committee is not authorized to approve or disapprove of any investment projects, it assists the decision-maker in making objective decisions by clearly presenting the results of the committee's deliberations on each project.

In order to improve the accuracy of external investment decisions for the Company as a whole, the committee also deliberates on projects below the GMC's standard amount for approval, and provides advice on investment decisions and considerations made by the planning department as well as on project negotiations.

<Continuous monitoring of investments >

After investments are executed, we will periodically summarize the progress of the investments and provide monitoring reports to the GMC on a semi-annual basis in accordance with the content and timing of the business plan and quantitative indicators (KPI) that have been approved by the GMC and other decision-making bodies after the Investment Committee's deliberation process.

<Initiatives to develop M&A experts>

Since fiscal 2019, we have systematically developed human resources to lead M&A and PMI* to success. By raising the level of planning divisions, we are improving the quality of investment projects and enhancing discussions and deliberations at the Investment Committee.

The training program offers the Company's original program (20 courses with the duration of six months) based on our past cases. So far, 156 people have obtained completion certificates. This is scheduled to be continued in fiscal 2023 as well.

In addition, even after the completion of this training program, we will hold courses for corporate value evaluation and financial analysis, as well as specialized courses for different functions, such as human resources, environment, and IT, to provide continuous support to program attendees and help them further improve their abilities.

These efforts have increased the speed and reliability of investment reviews in the planning department.

* PMI (Post Merger Integration):

It refers to the integration process to maximize the integration effect that was initially expected after the M&A. The scope of integration covers all processes related to integration, such as management, business, and awareness.

(X) ESG Committee

The ESG Committee aims to respond promptly and appropriately to the expectations and requests of stakeholders by continuously discussing environmental, social, and governance issues faced by Ricoh at a management-level and leading the discussions to the quality enhancement of the entire Group. The ESG Committee plays the following specific roles:

1. Formulate Ricoh Sustainability Strategy to resolve social issues through business, such as initiatives toward achieving SDGs, into the foundation of the Company's management
2. Identify medium- to long-term sustainability risks and opportunities as well as material issues faced by the entire Group (investment decisions on risks and opportunities related to climate change recommended by the TCFD*1)
3. Supervise and advise on sustainability strategies, material issues, and progress in KPIs for each business division throughout the entire Group
4. Identify sustainability issues to be submitted for discussion at the Board of Directors and report them to the Board of Directors

The committee is chaired by the CEO and consists of GMC members including Internal Executive Director, and business unit presidents*2. The committee, which meets quarterly, has established a system to examine and discuss sustainability issues across the Company by inviting representatives of the relevant business divisions according to the theme to be discussed, and other means.

In fiscal 2022, the committee met four times to discuss the following.

*1 TCFD (Task Force on Climate-related Financial Disclosures):

Established by the Financial Stability Board (FSB), the TCFD provides stability to financial markets by promoting information disclosure of climate-related risks and opportunities by companies, and facilitating a smooth transition to a low-carbon society.

*2 Internal Audit & Supervisory Board Members participate as observers.

Fiscal 2022		Agenda
First Meeting	May	<ul style="list-style-type: none"> Report on the results of material ESG items and deliberation on draft disclosure for the convocation notice and the annual securities report Deliberations on information security system proposals Report on trends and points for enhancement in ESG activities
Second Meeting	August	<ul style="list-style-type: none"> Roadmap of the Ricoh Group's decarbonization efforts and deliberations on measures Ricoh Group Integrated Report, ESG-related media publication reports
Third Meeting	November	<ul style="list-style-type: none"> Deliberations on renewable energy fiscal 2023 certificate budget and introduction of the 21st Mid-Term Management Strategy Deliberations on materiality/ESG targets revisions Report on RBA* audit results
Fourth Meeting	February	<ul style="list-style-type: none"> Planning deliberations on 2023 Ricoh Group Integrated Report Report on 20th Mid-Term Management Plan ESG improvement activities and external assessment results Report on changes in customer demands as seen from ESG benchmark and business talks in fiscal 2022 Report on environmental appeal of new products

* RBA (Responsible Business Alliance):

An alliance of more than 150 leading companies that have agreed to a uniform code of conduct and audit process for their suppliers.

(XI) Information Security Committee

The Information Security Committee was newly established in the second half of fiscal 2022 as a body under the President and CEO to make decisions regarding the security of Ricoh. The committee consists of Executive Officers who meet certain eligibility requirements and will meet quarterly beginning in fiscal 2023 in principle.

The committee mainly deliberates on Ricoh's security strategy, security governance, and security operations.

The risks to information security have been increasing rapidly in recent years. The scope of response by companies is also expanding due to the frequency of cyber-attacks, the diversification and sophistication of malware technologies (ransomware*, etc.), the tightening and diversification of laws and regulations in various countries, and the emergence of geopolitical risks.

In addition, as we aim to transform ourselves into a digital services company, we must not only mitigate security risks in our digital services but also view them as investments for business growth in order to further solidify profitability in our existing businesses.

Recently, while companies are aiming to improve their competitiveness through DX, there are also security issues that need to be resolved. To this end, a security department was established in fiscal 2022 under the direct control of the CEO, who is in charge of security management, to plan and implement security and privacy protection strategies for Ricoh as a whole. The department supports the operation of the committee by making prompt management decisions on security and clarifying strategies to comply with the laws and regulations of various countries.

Fiscal 2022		Agenda
First Meeting	November	Current issues and future responses
Second Meeting	December	Security ratings discussions

* Ransomware: A malicious program that infects a computer or smartphone. If corrupted by a ransomware, the files stored on the victim's computer/smartphone get encrypted (making the files inaccessible) and the attacker demands ransom from the victim to restore the files.

3) Other matters for Corporate Governance

(I) Policy for constructive engagement with shareholders

The Company engages dynamically and constructively with shareholders. We maintain a cycle in which we reflect feedback from shareholders in our activities to cultivate trust through mutual understanding. In operating based on that cycle, we endeavor to innovate and deliver value that is useful for everyone, everywhere, helping to enhance their lives and create social sustainability while increasing medium- and long-term corporate value.

Person responsible for dialogue with shareholders:

Representative Director, President and CEO

Department(s)/person(s) in charge:

Depending on the purpose of the dialogue and the number of shares held, this will be conducted by the IR/SR departments, and by the President and CEO, CFO, business unit presidents, CHRO, ESG officers, and Internal as well as Outside Directors/Audit & Supervisory Board Members.

Main dialogue opportunities:

Large and small meetings such as medium- to long-term strategy briefings, financial results briefings, and business briefings, as well as 1-on-1 individual dialogues are conducted. In addition, briefings are held at externally sponsored IR events and conferences as appropriate.

Feedback to management:

(1) After conducting large meetings such as briefings on quarterly financial results and medium- to long-term strategy briefings, we report on the reaction from the capital market based on information including the content of dialogue with shareholders and investors and analyst reports.

(2) The views on the Company obtained through dialogue with management and the IR/SR departments, as well as with the capital market through means such as a perception study survey, are shared with management and executives, with the President and CEO and CFO taking the lead in improving disclosure that leads to more constructive dialogue.

(3) We report the opinions of shareholders and investors, mainly when management engages in dialogue with them, unchanged in principle in terms of content, in order to provide feedback to management as clearly and without discrepancies as possible.

Regarding insider information:

To prevent the leak of insider information and ensure fairness in information disclosure, the Company observes a quiet period from the day following the final day of each fiscal year to the day of the annual financial results announcement.

Results of dialogue for the current fiscal year

The Company's information dissemination and dialogue results for the current fiscal year are as follows.

Total of 6 large meetings: (1 briefing on mid-term management strategy / 1 business briefing / 4 financial results briefings)

Total of 7 small meetings: (5 management* meetings / 1 Outside Director meeting / 1 ESG department meeting)

Total of 235 1-on-1 meetings: (38 management* meetings [9 IR/ 29 SR] / 195 IR/SR departments / 2 ESG department)

* Management: President and CEO, CFO, Outside Directors, ESG officers

(II) Approach to Election of Directors

Election Criteria for Directors

<Management capabilities>

Superior insight and judgment necessary for management functions

1. Knowledge of a wide range of businesses and functions, and has the ability to think and make decisions appropriately from a company-wide and long-term perspective
2. Insight into the essence of issues
3. Vision to make best decisions on a global level
4. Judgment and insight based on extensive experience, as well as excellent track record leading to significant improvements in corporate value and competitive strength
5. Ability to think and make decisions appropriately from the perspective of various stakeholders including shareholders and customers based on a firm awareness of corporate governance

<Character and personality>

Positive trust relationships between Directors and management team for smooth performance of the oversight function

1. Integrity (honesty, moral values and ethics); exemplifies fair and honest decisions and actions based on a high sense of morality and ethics in addition to the strict observance of laws, regulations, and internal rules.
2. Interacts with others with respect and trust based on a spirit of respect for humanity and sets an example for decisions and actions that respect the personality and individuality of others based on a deep understanding and acceptance of diverse values and ideas.

Election criteria for Outside Directors

In addition to the election criteria for Internal Directors stated above, the election criteria for Outside Directors include having excellence in areas such as expertise in different fields, problem discovery and solving capabilities, insight, strategic thinking capabilities, risk management capabilities, and leadership. Outside Directors must also meet the Company's standards for independence of Outside Directors and Outside Audit & Supervisory Board Members. As for the standards the Company established, please refer to "4. CORPORATE GOVERNANCE, ETC. (2) Directors and senior management 2) Outside Directors and Outside Audit & Supervisory Board Members".

Diversity Policy

We believe that the Board of Directors of the Company should be composed of directors with management ability and a rich sense of humanity in addition to various viewpoints and backgrounds, on top of multidimensional sophisticated skills. In addition, it is our policy to select candidates based on their character and knowledge with no distinction made on the basis of race, ethnicity, gender, or nationality or similar attributes, thus ensuring diversity in such attributes.

(III) Election Process and Evaluation Process for Directors

The Company is making ongoing efforts to strengthen and enhance corporate governance for the Company's sustainable growth and improvement of shareholder value and corporate value.

<Nomination Committee>

To secure objectivity, transparency, and timeliness for procedures to appoint, dismiss, and evaluate Directors, the CEO, and other members of the management team, the Board of Directors has established the Nomination Committee, which is an advisory body to the Board of Directors.

To increase objectivity and independence, the Nomination Committee is comprised of a majority of Independent Outside Directors, and is chaired by an Independent Outside Director. In addition, one Outside Audit & Supervisory Board Member attends meetings of the committee so as to ensure transparency in deliberation.

(At the submission date of this report, the committee is chaired by an Independent Outside Director with four Independent Outside Directors, one Internal Non-executive Director, and a majority of Independent Outside Directors.)

The Nomination Committee deliberates on the following matters and reports on the deliberation and conclusions to the Board of Directors.

(Inquiry items from the Board of Directors)

- 1) Nomination of candidates for CEO and Directors
- 2) Whether or not the CEO and Directors should be replaced
- 3) Evaluation of the performance of the CEO and Executive Directors
- 4) Confirmation of status of CEO succession plans and development of future CEO candidates
- 5) Confirmation of appointment/dismissal proposals and reasons therefore for Executive Officers, Advisors, and Fellows*1
- 6) Review of the evaluation of Non-executive Directors*2, their positions, and the nature of their assignments
- 7) Approval or disapproval on the formulation, revision or abolishment of appointment/dismissal systems for Directors and Executive Officers
- 8) Other matters individually consulted by the Board of Directors

*1 Fellow: The Company defines a "fellow" as a person who holds excellent technological prowess or knowledge recognized in the world, and who is able to further pursue his or her expertise, and lead research activities for utilizing and developing such expertise. Fellows are appointed by resolution of the Board of Directors.

*2 Non-executive Director: An Internal Director who does not concurrently serve as an Executive Officer and is not involved in the day-to-day execution of the Company's business

(Other agenda items)

- 1) Confirmation of reasons for selecting candidates for Audit & Supervisory Board Member based on requests from the Audit & Supervisory Board
- 2) Confirmation of performance evaluation of Executive Officers
- 3) Other matters consulted by the CEO

<Election process>

In order to maintain a Board of Directors structure that enables appropriate and effective management decision-making and supervision of business execution, the Nomination Committee undertakes ongoing deliberation on the composition of the Board and the specializations, experience (skills matrix), etc. required of Directors, based on the issues recognized at the meeting held to evaluate the effectiveness of the Board of Directors, before nominating candidates for Director. Candidate nominations for Director are deliberated by the Nomination Committee over several sessions, and undergo a strict screening process. The Nomination Committee engages in multifaceted assessment of the qualities, experience, skills, diversity, etc. required of the Company’s Directors, in accordance with the management environment, strategic direction, challenges, etc., against the basic criteria of management ability, character and personality necessary to fulfill the role and responsibilities of Director, and reports to the Board of Directors after clarifying the basis for nomination.

Based on reporting from the Nomination Committee, the Board of Directors deliberates from a shareholder perspective, and then determines which candidates for Director are to be submitted to the General Meeting of Shareholders.

A skills and career matrix that maps out personnel, roles, skills, career experience, etc. is also used when determining the Company’s executive structure, with the aim of building a structure to facilitate swift and accurate decision-making by the GMC, as well as appointing and developing appropriate human resources in terms of the management succession plan. The CEO reports to the Nomination Committee on the selection and training policy of management candidates.

<Evaluation process>

Directors are evaluated annually in two steps by the Nomination Committee, upon consultation by the Board of Directors. In the first evaluation, careful and appropriate deliberations are made on the competence of Directors to continue in their duties, ensuring timeliness of appointment and dismissal. In the second evaluation, Directors’ achievements are evaluated with a multifaceted approach, and their issues are clarified through feedback to improve the quality of management. The Nomination Committee’s deliberations and conclusions on the evaluation of Directors are reported to the Board of Directors to thoroughly oversee whether the Director is suitable to continue in their duties.

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

<Key items for Director evaluation> for Directors concurrently serving as Executive Officers

Evaluation perspective	Category	Evaluation items (typical items)	Example of item details
Management oversight status	Qualities and abilities	Actions aimed at maximizing shareholder value and corporate value, attitude toward executive oversight and mutual checks and balances among Directors, risk management, and insight necessary for corporate management	
Financial indicators	Performance	Business performance on a consolidated basis	Sales, operating profit, profit, ROE, ROIC, FCF
		Status of annual business plan	By business unit, by region, key measures
		Performance under the Mid-Term Management Plan	Finance, key measures
Capital market / shareholder indicators	Capital market	Stock price indicators	Stock price, market capitalization, PBR
	Shareholder	Rating TSR/shareholder returns	

TSR, which is used as one of the criteria for “contribution to shareholders and capital market evaluation perspectives” to evaluate Directors, is calculated based on the average share price for the fiscal year (see table below) to avoid the impact of sudden share price fluctuations.

Holding period	1 year	2 years	3 years	4 years	5 years	6 years
RICOH (incl. dividends)	95.4%	138.6%	107.0%	104.5%	113.1%	126.0%
TOPIX (incl. dividends)	101.2%	120.7%	129.9%	126.5%	128.9%	158.3%

(Notes) 1. March 31, 2023 is the record date for TSR.

2. The TSR is calculated using the average of the daily dividend-included stock price for the year in order to equalize the effect of the share price at the beginning and the end of the period.

(IV) Evaluation of CEO and CEO Succession Plan

The CEO succession plan is an important initiative for improving shareholder value and corporate value of Ricoh in a continuous manner over the medium to long-term and continuously fulfilling the social responsibilities of the Group as a member of society. From the viewpoint of strengthening corporate governance, Ricoh works to establish a CEO succession plan with procedures that are objective, timely, and transparent.

1) CEO Evaluation

The CEO is evaluated annually in two steps by the Nomination Committee, at the request of the Board of Directors.

In the first evaluation, careful and appropriate deliberations are made on the soundness of the CEO to continue in his/her duties, ensuring timeliness of appointment and dismissal. In the second evaluation, the CEO's achievements are evaluated with a multifaceted approach, and his/her issues are clarified through feedback in an effort to improve the quality of management. The Nomination Committee's deliberations and conclusions on the evaluation of the CEO are reported to the Board of Directors to effectively oversee the CEO.

As with Directors who concurrently serve as Executive Officers, the CEO is evaluated based on the "Management oversight status as a Director," "Financial aspects including key management indicators regarding business results, return on capital, etc." and "Contribution to shareholders and evaluation by capital markets" (see above), as well as "Future financial viewpoint" to evaluate his/her overall management supervision and business execution capabilities as a CEO.

Note: Please refer to "(III) Election Process and Evaluation Process for Directors <Evaluation process> <Key items for Director evaluation>".

<Key items for CEO evaluation>

Evaluation perspective	Category	Evaluation items (typical items)	Examples of item details
Management oversight status	Same categories and evaluation items as those for Directors (note)		
Financial indicators	Same as above		
Capital market / shareholder indicators	Same as above		
Future financial indicators	ESG	Environment	Environmental management initiatives
		Society	SDGs initiatives
		Governance	System, disclosure, IR, compliance
	Employees	Development and use of human resources	Personnel systems and work environment
		Employee engagement	External survey
		Safety and health	Workplace safety and health management
	Customers	Serious incident	Product and information security
Customer satisfaction		External survey	

As former CEO Yamashita resigned as CEO on March 31, 2023, in addition to the usual evaluation items for him, a review of the following items was conducted as a summary of the six years since the former CEO assumed office on April 1, 2017, and the results were reported to the Board of Directors by the Chairperson of the Nomination Committee as feedback for the new management team, including current CEO Oyama.

<Evaluation items for the six years in office added as a summary of the CEO's term in office>

- Consolidated financial results (net sales, operating profit, free cash flow, etc.)
- Return on capital (ROE, ROIC, TSR, shareholder returns, etc.)
- Focus on growth businesses (business portfolio, etc.)
- Cost structure reform initiatives
- Changes in assets (investments and disposal) and asset efficiency

2) Selection, development and evaluation of CEO candidates

<Selection of new CEO effective April 1, 2023>

For the CEO succession, the Nomination Committee has been systematically training and reviewing succession candidates, replacing, and narrowing down the list of candidates, and implementing training based on each candidate's issues. In particular, since fiscal 2021, when former CEO Yamashita entered his fifth year in office and the selection process for a successor CEO began in full, the Nomination Committee has held a total of 12 sessions for deliberation, evaluation, and discussion regarding the succession. The Nomination Committee has ensured transparency and objectivity in the selection process through fair and objective deliberation led by the Chairperson who is an Outside Director, interviews with Outside Directors (committee members), and third-party assessments.

After careful deliberations by the Nomination Committee on the track record, experience, qualifications, and character of several candidates, the committee concluded that in accelerating the transformation into a digital services company, Mr. Akira Oyama is a suitable successor CEO, based on his track record of expanding overseas operations and strengthening the profitability of office services, his global business experience, as well as his experience in company-wide roles such as CFO and business planning, his unifying power including that for overseas management, and his ability to identify potential needs from a global perspective and link them to services. Based on the report from the Nomination Committee, the Board of Directors, at its meeting held on January 30, 2023, selected Mr. Akira Oyama as the successor CEO, taking into consideration factors including the tenure of former CEO Yamashita and the starting year of the 21st Mid-Term Management Strategy, and as a result, determined that the transition to a new management team led by a new CEO effective April 1, 2023, was necessary to ensure the implementation of measures toward becoming a digital services company.

<Positioning of the Nomination Committee and the Board of Directors >

Once a year (around September), the CEO prepares a list of potential future CEO candidates together with a development plan for them and elaborates on the proposals at the Nomination Committee in early November.

The Nomination Committee deliberates on the appropriateness of the CEO candidate list and development plans, provides advice to the CEO on candidate development, and reports the findings to the Board of Directors. The Board of Directors confirms the appropriateness of the candidate selection and development plans upon reporting from the Nomination Committee and is actively involved in the selection and development of CEO candidates.

<Selection of candidates>

CEO candidates are selected by terms as follows according to the timing of the change. The backup candidate in case of accident in the table below is determined via resolution of the Board of Directors at the same time the CEO is selected.

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

<Development of candidates>

The Nomination Committee deliberates on the development plan for future CEO candidates and gives guidance to the CEO, who, in the next fiscal year, provides growth opportunities suited to each candidate according to their individual targets, allowing the candidates to accumulate experience. The CEO also gives direct guidance to promote the candidate's development based on individual assessment.

<Evaluation of candidates>

CEO candidates are evaluated annually, and the CEO reports on the achievements and growth of each candidate during the development period (April to March next year) to the Nomination Committee in early November (the evaluation period is from April to October, which is the month before the Nomination Committee meets). The Nomination Committee deliberates on the continuation or replacement of CEO candidates and, if necessary, evaluates CEO candidates, utilizing advice from outside experts, etc., and reports the results of its deliberations to the Board of Directors. Upon reporting from the Nomination Committee, the Board of Directors evaluates the CEO candidates and confirms the validity of deliberations on which candidates are to remain or to be replaced, and is actively involved in the process.

(V) Results Summary of the Evaluation of Effectiveness of the Board of Directors During Fiscal 2022

On May 8, 2023, the Company evaluated the effectiveness of the Board of Directors during fiscal 2022 (from April 2022 to March 2023), and the results are as outlined below.

I. Outline of Evaluation: Effectiveness of the Board of Directors during fiscal 2022

The evaluation continued to include how the Nomination Committee and Compensation Committee as well as the response of the business executives to Board of Directors, along with the effectiveness of the Board of Directors. A third-party evaluation was also implemented as well in order to ensure objectivity.

[Evaluation process]

The evaluation was carried out at a discussion attended by all Directors and Audit & Supervisory Board Members, after sharing written evaluations by the Directors and the Audit & Supervisory Board Members, as well as the results of questionnaires' analysis by the third-party anonymous survey. Through discussions, participants reviewed and evaluated the performance of the Board of Directors during fiscal 2022, in terms of the basic policies on the operation of the Board of Directors and the three action items outlined below, which were set forth by the Company's Board of Directors in the last evaluation of effectiveness.

<Basic policies for fiscal 2022 >

- 1) Monitor and support important measures to achieve the goals as the final year of the 20th Mid-Term Management Plan
- 2) Discuss and support the formulation of the 21st Mid-Term Management Strategy with the aim of maximizing corporate value as a digital services company

<Action items for fiscal 2022 >

- i) In a highly uncertain business environment, monitor the progress of key management indicators and measures to achieve the business plan for fiscal 2022, and encourage execution as necessary
- ii) In order to maximize corporate value as a digital services company, further enhance discussions on the transformation of the business structure, improvement of return on capital, and other matters concerning the management base, including the human capital to support it, and reflect them in the 21st Mid-Term Management Strategy
- iii) Along with continuous improvement of corporate governance, inspect and supervise the business unit structure, risk management system, new personnel system, ESG (future finances), etc., to create an environment for sustainable growth

II. Results summary of the "Evaluation of Effectiveness of the Board of Directors" for fiscal 2022

II-1. Results of operation of the Board of Directors

In fiscal 2022, the final year of the 20th Mid-Term Management Plan, we monitored the progress of key indicators and measures for each business unit, and also deliberated on medium- and long-term management policies and strategies based on the annual plan as the year for formulating the 21st Mid-

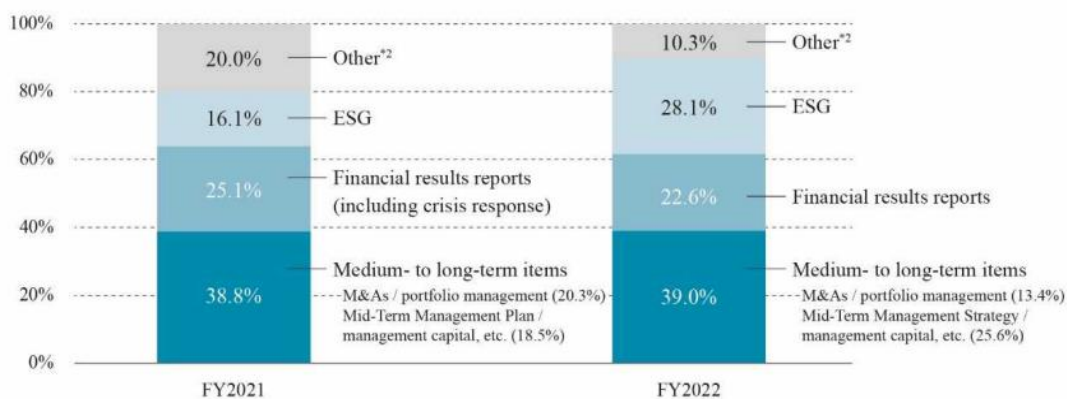
Term Management Strategy. With respect to the CEO succession plan, the Nomination Committee had enough meetings and time to conduct the final selection of the successor CEO and discuss the new management structure.

In addition to the on-site inspections by Outside Directors and Outside Audit & Supervisory Board Members, roundtable discussions with local employees, and participation in management meetings as observers to gain an understanding of the Company’s actual situation, opportunities were provided for dialogue through small meetings between shareholders and Outside Directors to deepen discussions from the shareholders’ perspective, with the aim of reflecting the shareholders’ views in management. The allocation of time to agenda items at meetings of the Company’s Board of Directors held in fiscal 2022 is disclosed as follows, for the purpose of ensuring the transparency in the status of deliberations of the Board of Directors.



*1 Items to be resolved: In addition to agenda items for resolution of the Board of Directors, these include Director’s review meetings and governance review meetings held for deliberation in preparation for making a resolution.

<Time allocated by item category>



*2 Resolutions in accordance with the provisions of the Companies Act, personnel matters, other individual proposals, etc.

II-2 Summary

The following is a summary of the results of discussions among the members of the Board of Directors regarding written evaluations by the Directors and the Audit & Supervisory Board Members, as well as third-party evaluations.

- The unanimous evaluation was that the composition of the Board of Directors was appropriate, that free and vigorous discussions were held under the Chairperson of the Board of Directors, an Outside Director, who presided from the neutral standpoint, that appropriate supervision and decision-making were carried out in response to various changes in the business environment, and that the effectiveness of the Board of Directors was ensured.

- The Nomination Committee ensured that the process of the changes of CEO was highly fair and transparent, and the Compensation Committee revised the executive compensation system from a shareholder perspective, including the introduction of performance-linked stock-based compensation. Both committees, which are chaired by an Outside Director and consist of a majority of Outside Directors, conducted extensive deliberations and were evaluated as effectively functioning as advisory bodies to the Board of Directors.

- It was judged that the selection of a new Lead Independent Director has further strengthened the effectiveness of governance, and the Board of Directors now engages in deliberations with a more shareholder-oriented perspective, with Directors aware of shareholder expectations and concerns through ongoing SR by senior management and small meetings between shareholders and Outside Directors.
- On the other hand, it was pointed out that “further enhancement of deliberations and response to issues to achieve corporate value that meets the expectations of stakeholders” and “qualitative growth with transformation into a digital services company through steady implementation of the fiscal 2023 business plan” are needed, based on the trends of the Company’s corporate value and evaluation of the current business performance.
- In addition, it was pointed out that, in transforming the business structure, it is necessary to review and continuously improve integrated risk management under the business unit structure.

<Action items for fiscal 2022 i) and ii)>

- In a highly uncertain business environment, the Board of Directors made efforts to understand the actual status of the business through monitoring the performance and measures of each business unit, and encouraged improvement of issues in response to the business environment.
- It was positively evaluated that the Board of Directors also supported the development of the management infrastructure through deliberations on human capital strengthening, capital policy, and IT infrastructure overhaul, laying the foundation for the implementation strategies under the 21st Mid-Term Management Strategy, as well as supervision and decision-making toward the transformation of the business structure, including implementation of growth investments and business alliances aimed at strengthening digital services.
- On the other hand, recognizing that the highly uncertain business environment will continue, there were remarks pointing out the need for discussion on a resilient management structure, as well as the need to accelerate the transformation of the business structure to enhance corporate value, and the importance of deepening discussions on improving the profitability of the office services business and business portfolio management using ROIC.

<Action item for fiscal 2022 iii)>

- The Board of Directors was commended for sharing governance issues through governance review meetings and Outside Executive Meetings, and for regularly requesting reports on internal audits, risk management, and ESG progress to strengthen the governance structure necessary for a digital services company.
- Efforts to directly understand the operation status of the new personnel system and environmental initiatives through on-site inspections and communication with local employees, as well as in-depth discussions at Board of Directors’ meetings and inspections from multiple perspectives, were highly evaluated as having led to improved effectiveness of the supervisory function.
- Meanwhile, the need for verification of integrated risk management in accordance with the management structure based on the business unit structure, response to risks specific to each region and business unit, the head office structure, and Ricoh-style job-based personnel system and its operation was also pointed out.

III. Efforts to improve the effectiveness of the Board of Directors in fiscal 2023

Based on the above evaluation, the Company’s Board of Directors will operate in accordance with the following basic policies and work to improve the effectiveness of the Board of Directors based on three specific action items.

<Basic policies for fiscal 2023 >

- 1) Discuss and oversee the realization of corporate value that meets stakeholder expectations
- 2) Monitor and support performance and key measures, from both quantitative and qualitative aspects, to achieve qualitative growth with transformation into a digital services company

<Action items for fiscal 2023 >

- i) Enhance deliberations on enhancing corporate value, deepen discussions to a level where concrete measures can be implemented, and provide more effective supervision from the perspective of corporate value

- ii) Supervise and support the Company to achieve qualitative growth with transformation into a digital services company through steady implementation of the fiscal 2023 business plan
- iii) Continuously improve integrated risk management linked to the management system, which enables both sound risk-taking and risk control in order to accelerate the transformation into a digital services company

(VI) System to secure appropriateness of operations

The systems to secure the appropriateness of the Company's operations are reviewed on a regular and ongoing basis in response to changes in the business environment, and resolutions are made at the Board of Directors.

Internal Control System Basic Policy

The Ricoh Way, which comprises our founding principles ("The Spirit of Three Love" - love your neighbor, love your country, love your work), Mission & Vision, and Values, is the foundation of Ricoh's management policy, strategy, and internal control system.

Inspired by the values incorporated in The Ricoh Way, we are working to establish and implement an internal control system aimed at strengthening competitiveness and continuously improving the system while ensuring transparency based on corporate ethics and legal compliance.

(1) Systems to ensure appropriate compliance with laws and Articles of Incorporation concerning the implementation of Directors' and employees' duties

Based on the principle of autonomous corporate governance, the Company promotes a corporate culture that values both a sense of duty to meet the various expectations of stakeholders and high ethics suited to good social conscience.

1) Systems to ensure appropriate compliance with laws and Articles of Incorporation concerning the implementation of Directors' duties

(i) Management transparency and fairness of decision-making are strengthened by the presence of Outside Directors. In addition, the Board of Directors is composed of a majority of Outside Directors to strengthen functions of overseeing from different perspectives.

(ii) The Board of Directors is positioned as the highest decision-making organization for business management and is chaired by an Outside Director, who leads the Board from a neutral position, in order to facilitate in-depth discussions for important matters to reach robust decisions.

(iii) As part of the strengthening of management oversight functions by the Board of Directors, the "Nomination Committee" and the "Compensation Committee", which are chaired by Outside Directors have been established. In each committee, the majority of the members are Outside Directors, so that the transparency and objectivity of the selection of candidates and compensation of Directors and executive officers, etc. is secured.

(iv) Policies regarding disclosure has been established to assure the accuracy, timeliness and completeness of disclosure of corporate information and the "Disclosure Committee", which is chaired by a CFO who is responsible for information disclosure, is established to verify and decide the importance of disclosure of information, necessity of disclosure and validity of the content.

2) Systems to ensure appropriate compliance with laws and Articles of Incorporation concerning the implementation of employees' duties

(i) Regarding CSR (Corporate Social Responsibility) including compliance, in order to thoroughly implement the "Ricoh Group Code of Conduct" which articulates the general rules of conduct for Ricoh and its officers and employees, the Specialty Committee and a reporting line to report incidents and seek advice have been established. Also, various training programs are set up to enhance compliance domestically and overseas. Ricoh prohibits unfavorable treatments of anyone who made the report to the reporting line due to such reporting.

(ii) Efforts are being made to improve business processes and construct a framework for standardized internal control throughout Ricoh, with the goal of "complying with laws, norms and internal rules", "improvement of business effectiveness and efficiency", "maintaining high reliability of financial reporting", and "securing of assets", including compliance to the Financial Instruments and Exchange Law and other relevant laws and regulations.

- (iii) The Company shall establish a department (Risk Management and Legal Center) specializing in enhancing and promoting the functions of the above on an integrated basis.
- (iv) To ensure appropriate internal auditing, a division of internal management and control shall be established. The division examines and evaluates business operations based on legal compliance and rational criteria, and perform audit for improvement.
- (v) To establish and improve an internal control system of Ricoh, the Company shall institute an “Internal Control Committee,” which is expected to convene regularly to evaluate, deliberate and decide on development and improvement of internal control.

(2) Systems related to the retention and management of information related to the implementation of Directors’ duties

Records and proposals related to decisions by Directors in the course of their duties are created, retained and managed in compliance with applicable laws, regulations and internal rules. Documents are kept so that they can be retrieved and reviewed when a request from Directors and Audit & Supervisory Board Members is made.

(3) Regulations and other systems regarding risk management for losses

- (i) The occurrence of losses shall be proactively prevented based on risk management regulations.
- (ii) Should losses nevertheless arise, efforts shall be made to minimize damage (loss) based on standards for initial reaction.
- (iii) In order to respond to diversifying sources of uncertainty both inside and outside Ricoh, the “Risk Management Committee” assesses critical risks and evaluates responses, and devises risk management measures. In addition, a risk management promotion division will be established to expand risk management activities globally.

(4) System to ensure the efficient implementation of Directors’ duties

- (i) The executive officer system, its division of duties clarified, speeds up the decision-making process through the delegation of authority to each business unit
- (ii) The GMC is a decision-making organization chaired by the President and CEO, delegated by the Board of Directors, and composed of executive officers who meet specific criteria and other members. The GMC operates so as to accelerate deliberation and decision-making from the perspective of the optimum management of the entire Ricoh, concerning the most appropriate strategies for direction of each business unit and the entire Ricoh, within the powers granted to it.
- (iii) The “Board of Directors office” realizes robust decision-making and management oversight with high transparency by supporting the Board of Directors.

(5) Systems to ensure correct business standards at Ricoh and its subsidiaries

Ricoh shall devise a system that ensures adherence to correct business standards to improve business performance and enhance the prosperity of Ricoh, while respecting each other’s independence, as follows:

- (i) The Company’s Board of Directors and the GMC make decisions and perform management oversight for Ricoh as a whole
- (ii) The Company establishes its management regulations concerning each company, and prescribes a system for reporting matters regarding the performance of duties of the Directors of each company, and the Directors’ authority for conducting such duties efficiently.
- (iii) Each Ricoh Group company conducts risk management for losses relating to the company. Should any incident arise, the company should strive to minimize damage and recover quickly, and promptly report to the Company.
- (iv) To ensure that the duties of Ricoh’s Directors and employees are performed in compliance with laws and regulations and Articles of Incorporation, we formulate a set of common rules which shall be followed as Ricoh’s common standards, the “Ricoh Group Standard,” and promote compliance across Ricoh.

(6) Systems established to ensure the effective performance of duties by Audit & Supervisory Board Members

1) Matters regarding measures to secure independence of employees whom Audit & Supervisory Board Members request to assist them in the performance of their duties from Directors and efficacy of instructions given to such employees

- (i) The Company shall establish an Audit & Supervisory Board office, where exclusively assigned employees assist Audit & Supervisory Board Members in performing their duties under their command.
- (ii) Personnel evaluations regarding said employees shall be made by the Audit & Supervisory Board. Furthermore, personnel changes regarding said employees shall be made only after gaining agreement of the Audit & Supervisory Board.

2) Systems for Directors and employees of Ricoh to report to Audit & Supervisory Board Members and other systems related to the reporting to Audit & Supervisory Board Members

- (i) Directors and employees shall promptly report to Audit & Supervisory Board Members concerning risks that may affect the operation or the performance of Ricoh or material violations of compliance concerning execution of duties.
- (ii) Directors shall provide Audit & Supervisory Board Members with opportunities to attend important meetings, view minutes and materials of important meetings, as well as important resolution documents.
- (iii) Directors shall report the status of business and assets regularly or occasionally at the request of Audit & Supervisory Board Members.
- (iv) The Company prohibits unfavorable treatments of any Directors or employees of Ricoh, who made the report to Audit & Supervisory Board Members due to such reporting.

3) Other systems established to ensure effective performance of duties by Audit & Supervisory Board Members

- (i) Audit & Supervisory Board Members may regularly exchange opinions with Representative Directors.
- (ii) Directors and employees of Ricoh shall establish an environment for effective auditing of the Company and each Ricoh Group company by Audit & Supervisory Board Members at the time of audit.
- (iii) The Company shall create an environment that enables Audit & Supervisory Board Members to conduct effective auditing through mutual cooperation with the Independent Auditor and the division of internal management and control.
- (iv) The Company shall pay expenses incurred from the performance of duties of Audit & Supervisory Board Members and from receiving advice from outside experts as necessary.

(VII) Approach to Election of Audit & Supervisory Board Members

Election Criteria for Audit & Supervisory Board Members

Candidates for Audit & Supervisory Board Members are selected for a balance of knowledge, experience, and specialized abilities required of the Audit & Supervisory Board taken into consideration, such as, in particular, the appointment of at least one person with sufficient knowledge of finance and accounting, in addition to the candidate's ability to contribute to the sound and sustained growth of the Company and the medium- to long-term enhancement of its corporate value through the performance of duties as an Audit & Supervisory Board Member.

In selecting candidates for Audit & Supervisory Board Members, the Audit & Supervisory Board has established the following criteria and makes a comprehensive judgment based on these criteria.

[Audit ability]

1. Appropriate experience, ability, and the necessary knowledge regarding finance, accounting and law
2. Professional skepticism and the ability to investigate facts properly, with an earnest attitude, and exercise objective judgement
3. Sense of duty and courage founded on personal beliefs, and the ability to make active and forthright suggestions and proposals to Directors and employees
4. The ability to see matters from a shareholders' perspective, act on this perspective, and engage in audits based on an attitude of learning from actual front lines, actual things and actual facts

[Knowledge background and temperament]

1. Healthy in mind and body, and able to serve for a full four-year tenure as Audit & Supervisory Board Member
2. Always aspires to improve him/herself, with a desire to learn new things
3. Able to communicate with local top management in English

Election Criteria for Outside Audit & Supervisory Board Members

In addition to the criteria above, Outside Audit & Supervisory Board Members are elected based on their high degree of specialist insight in the fields of corporate management, finance, accounting and law, and their extensive experience. The absence of any issues of independence regarding their relationships with the Company, its Representative Director, other Directors and important employees, with reference to the Company's Standards for Independence of Outside Directors and Outside Audit & Supervisory Board Members that be shown in "IV. INFORMATION ON THE COMPANY, 4 CORPORATE GOVERNANCE, ETC., (2) Directors and senior management, 2) Outside Directors and Outside Audit & Supervisory Board Members", is an additional criterion.

Diversity

In appointing Audit & Supervisory Board Members, the Company believes that the Audit & Supervisory Board should be composed of Audit & Supervisory Board Members with diverse experiences and perspectives, in addition to the above-mentioned auditing abilities, backgrounds, and personalities. In addition, no distinction is made on the basis of race, ethnicity, gender, nationality or similar attributes, and candidates are selected based on their character and knowledge, thus ensuring diversity in such attributes.

(VIII) Election Process for Audit & Supervisory Board Members

"Recommendation of candidates" and "candidate nomination/proposal" for Audit & Supervisory Board Member is conducted primarily by the Audit & Supervisory Board, in accordance with the process shown below, with an emphasis on ensuring the independence of Audit & Supervisory Board Members.

The Audit & Supervisory Board provides a list of candidates for Audit & Supervisory Board Members based on the criteria for the appointment of Audit & Supervisory Board Members, recommends candidates based on the list and in deliberation with the President and CEO as necessary, and nominates and proposes candidates after confirmation by the Nomination Committee.

The Board of Directors respects the judgment of the Audit & Supervisory Board and passes a resolution for a proposal for the appointment of Audit & Supervisory Board Members submitted to the General Meeting of Shareholders.



(IX) Related Party Transactions

If the Company engages in transactions with Directors, the internal rules require a resolution of approval in advance by the Board of Directors. In addition, to supervise conflict-of-interest transactions by executives, all Directors are required to submit a yearly report to the Audit & Supervisory Board Members regarding any transactions conflicting with the Company.

(X) Number of Directors

The number of directors is limited to 15 as set out in the Company's Articles of Incorporation.

(XI) Conditions for Resolution on Appointments of Directors

The Company's Articles of Incorporation stipulate that a resolution to appoint a director or corporate auditor must be made by the majority vote of attending shareholders holding at least one-third of the voting rights of shareholders who are eligible to exercise voting rights.

(XII) Acquisition of treasury stock

Pursuant to the provisions of Article 165, Paragraph 2 of the Corporation Law of Japan, the Company's Articles of Incorporation stipulate that the Company may acquire treasury stock by resolution of the Board of Directors. The aim is to allow management to swiftly exercise capital policies as deemed appropriate in response to changes in the operating environment by allowing the Company to acquire treasury stock through market transactions, etc.

(XIII) Requirements for Special Resolution by an Ordinary General Shareholders' Meeting

Pursuant to Article 309, Paragraph 2 of the Corporation Law of Japan, the Company's Articles of Incorporation stipulate that special resolutions by an ordinary general shareholders' meeting must be passed by at least a two-thirds majority vote of attending shareholders holding at least one-third of the voting rights of shareholders eligible to exercise voting rights. The aim is to lower the required quorum for a special resolution of an ordinary general shareholders' meeting to facilitate the smooth operations of the meeting.

(XIV) Determination of Interim Dividends

Under the provisions of the Company's Articles of Incorporation, pursuant to Article 454, Paragraph 5 of the Japanese Corporate Law, the Company may through the resolution of the Board of Directors pay an interim dividend with the record date of September 30 each year to allow an expeditious distribution of profits to shareholders.

(XV) Outline of liability limitation contracts

The Company amended its Articles of Incorporation regarding liability limitation contracts at the 115th Ordinary General Meeting of Shareholders on June 19, 2015, establishing the provision of contracts to limit liabilities of Directors (excluding Executive Directors) and Audit & Supervisory Board Members. The outline of liability limitation contracts, which the Company concluded only with Outside Directors and Outside Audit & Supervisory Board Members in accordance with the revised Articles of Incorporation, is as follows.

(a) Liability limitation contracts with Outside Directors Under such contracts, the maximum liability of Outside Directors shall be the higher of either of ¥10 million or a minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.

(b) Liability limitation contracts with Outside Audit & Supervisory Board Members Under such contracts, the maximum liability of Outside Audit & Supervisory Board Members shall be the higher of either of ¥5 million or a minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.

(XVI) Outline of directors and officers liability insurance contracts

The Company has entered into a directors and officers liability insurance contract pursuant to Article 430-3, Paragraph 1 of the Companies Act with an insurance company, to insure officers of Ricoh (Directors, Audit & Supervisory Board Members, Executive Officers, etc.), with all insurance premiums at its expense. The insurance contract covers damages and litigation expenses arising from claims made to insured officers during the insurance period as a result of their actions in their capacity as an officer. However, certain damages are not covered by the insurance, including those arising from an action of the insured officer taken with the knowledge that it violates laws and regulations.

(2) Directors and senior management

1) Directors and senior management members

Directors and Audit & Supervisory Board Members of the Company as of June 26, 2023 are as follows:

Men: 12 persons, Women: 1 person (Ratio of women in the Directors and Audit & Supervisory Board Members: 7.7%)

Name (Date of Birth)	Current Position (Function/Business Area)	Date	Business Experience
Yoshinori Yamashita (August 22, 1957)	Representative Director Chairperson Nomination Committee Member Compensation Committee Member	Mar. 1980 Feb. 1995 Apr. 2008 Apr. 2010 Apr. 2011 Jun. 2012 Apr. 2014 Apr. 2015 Jun. 2016 Apr. 2017 Apr. 2020 Apr. 2021 Apr. 2023	Joined the Company General Manager of Business Planning Division of Ricoh UK Products Ltd. President of Ricoh Electronics, Inc. Group Executive Officer Corporate Senior Vice President General Manager of Corporate Planning Division Director Corporate Executive Vice President General Manager of Business Solutions Group In charge of core business Deputy President Representative Director (Current) President CEO (Chief Executive Officer) CHRO (Chief Human Resource Officer) Vice Chairperson of Japan Association of Corporate Executives (Current) Chairperson (Current)
Akira Oyama (January 6, 1961)	Representative Director CEO (Chief Executive Officer) CTO (Chief Technology Officer)	Jul. 1986 Apr. 2011 Aug. 2012 Apr. 2014 Apr. 2015 Jun. 2015 Sep. 2015 Jun. 2016	Joined the Company President and COO (Chief Operating Officer) of Ricoh Europe Plc Group Executive Officer General Manager of Europe Marketing Group CEO (Chief Executive Officer) of Ricoch Europe Plc Chairperson of Ricoh Europe B.V. Corporate Senior Vice President General Manager of Corporate Division President of Ricoh Americas Holdings, Inc. Director General Manager of New Business Development Division Corporate Executive Vice President

Name (Date of Birth)	Current Position (Function/Business Area)	Date	Business Experience
Takashi Kawaguchi (January 29, 1963)	Director CFO (Chief Financial Officer)	Apr. 2017	CFO (Chief Financial Officer) General Manager of CEO office
		Apr. 2018	General Manager of Sales and Marketing Group
		Apr. 2019	CMO (Chief Marketing Officer)
		Apr. 2020	General Manager of Workplace Solutions Business Group
		Apr. 2021	Executive Corporate Officer President of Ricoh Digital Services Business Unit
		Jun. 2021	Director
		Apr. 2022	Director and Chairperson of Ricoh Japan Corporation
		Apr. 2023	Representative Director (Current) President (Current) CEO (Chief Executive Officer) (Current) CTO (Chief Technology Officer) (Current)
		Mar. 1986	Joined the Company
		Jul. 2004	General Manager of Accounting Department of Finance and Accounting Division
		May. 2007	CFO (Chief Financial Officer) of InfoPrint Solutions LLC
		Aug. 2010	SVP (Senior Vice President) of Ricoh Americas Holdings, Inc.
		Oct. 2015	General Manager of Planning Department, Global Capital Management Support Center, Corporate Division
		Apr. 2018	General Manager of Finance Department, Finance and Legal Division and General Manager of CEO office
Oct. 2018	Executive Officer and General Manager of Corporate Management Division of RICOH LEASING COMPANY, LTD.		
Jan. 2019	Managing Executive Officer and General Manager of Corporate Management Division of RICOH LEASING COMPANY, LTD.		
Jun. 2019	Director of RICOH LEASING COMPANY, LTD.		
Apr. 2020	Director and Corporate Senior Vice President of RICOH LEASING COMPANY, LTD.		

Name (Date of Birth)	Current Position (Function/Business Area)	Date	Business Experience
Keisuke Yokoo (November 26, 1951)	Outside Director Chairperson of the Board Nomination Committee Member Compensation Committee Member	Jun. 2021	General Manager of Finance and Accounting Division (Current) General Manager of Finance and Accounting Center, Professional Services Division
		Apr. 2022	Chairperson and President of Ricoh Americas Holdings, Inc. (Current) Corporate Officer CFO (Chief Financial Officer) (Current)
		Apr. 2023	Executive Corporate Office (Current)
		Jun. 2023	Director (Current)
		Apr. 1974	Joined The Industrial Bank of Japan, Ltd. (Current Mizuho Bank, Ltd.)
		Apr. 2000	General Manager of Nagoya Branch of The Industrial Bank of Japan, Ltd.
		Jun. 2001	Managing Director, Head of Planning Group of Mizuho Securities Co., Ltd.
		Apr. 2007	President of Mizuho Securities Co., Ltd. (Shinko Securities Co., Ltd. and Mizuho Securities Co., Ltd. merged in May 2009 to form Mizuho Securities Co., Ltd.)
		Jun. 2011	Chairperson of Mizuho Securities Co., Ltd.
		Jun. 2012	Advisor of Mizuho Securities Co., Ltd.
		Apr. 2015	Vice Chairperson & President of Japan Association of Corporate Executives
		Oct. 2016	Outside Director of The Dai-ichi Life Insurance Company, Limited (Current)
		Jun. 2017	Outside Director of Nippon Suisan Kaisha, Ltd.
		May. 2019	Chairperson of Sonar Advisers Inc. (Current)
Sadafumi Tani (September 15, 1954)	Outside Director Nomination Committee Member Chairperson of Compensation Committee Member	Dec. 2019	President, Member of the Board & Chief Executive Officer of Japan Investment Corporation (Current)
		May. 2020	Outside Director of Takashimaya Company, Limited (Current)
		Jun. 2020	Outside Director (Current)
		Apr. 1977	Joined Jiji Press, Ltd.
		Apr. 1988	Staff Correspondent of Washington D.C. Bureau of Jiji Press, Ltd.
		Dec. 2001	Editor in Chief of Economic News of Jiji Press, Ltd.
		Jun. 2004	Director of Kobe Bureau of Jiji Press, Ltd.
		Jun. 2006	Managing Editor of Jiji Press, Ltd.

Name (Date of Birth)	Current Position (Function/Business Area)	Date	Business Experience
		Jun. 2009	Director of General Administration Division of Jiji Press, Ltd.
		Jan. 2010	General Manager of President's Office of Jiji Press, Ltd.
		Jun. 2010	Director of Jiji Press, Ltd.
		Jul. 2010	Director and Managing Editor of Jiji Press, Ltd.
		Jun. 2013	Executive Director of Jiji Press, Ltd.
		Mar. 2016	Director / Editor in Chief of Nippon.Com
		May. 2016	Audit & Supervisory Board Member of Quants Research Inc.
		Jun. 2016	Executive Director/Editor in Chief of Nippon.com (Current)
		Jun. 2021	Outside Director (Current)
		May. 2022	Advisor and Visiting Researcher of Jiji research Institute, Ltd. (Current)
Kazuhiko Ishimura (September 18, 1954)	Outside Director Lead Outside Director Chairperson of Nomination Committee Member Compensation Committee Member	Apr. 1979	Joined Asahi Glass CO., Ltd. (Current AGC Inc.)
		Jan. 2006	Executive Officer and GM of Kansai Plant of Asahi Glass Co., Ltd.
		Jan. 2007	Senior Executive Officer and GM of Electronics & Energy General Division of Asahi Glass CO., Ltd.
		Mar. 2008	Representative Director, President and COO of Asahi Glass Co., Ltd.
		Jan. 2010	Representative Director, President and CEO of Asahi Glass Co., Ltd.
		Jan. 2015	Representative Director and Chairperson of Asahi Glass Co., Ltd.
		Jun. 2015	Outside Director of TDK Corporation
		Jun. 2017	Outside Director of IHI Corporation
		Jan. 2018	Director and Chairperson of Asahi Glass Co., Ltd.
		Apr. 2018	Vice Chairperson of Japan Association of Corporate Executives (Current)
		Jun. 2018	Outside Director of Nomura Holdings, Inc. (Current)
		Mar. 2020	Director of AGC Inc.
		Apr. 2020	President of National Institute of Advanced Industrial Science and Technology.
		Apr. 2021	President and CEO of National Institute of Advanced Industrial Science and Technology. (Current)
		Jun. 2022	Outside Director (Current)
Shigenao Ishiguro	Outside Director	Jan. 1982	Joined TDK ELECTRONICS CO., LTD. (Current TDK Corporation)

Name (Date of Birth)	Current Position (Function/Business Area)	Date	Business Experience
(October 30, 1957)	Nomination Committee Member	Apr. 2002	Senior Manager of Planning Group of Europe Sales Group of Recording Media & Solutions Business Group of TDK Corporation
		Apr. 2011	Deputy General Manager of Data Storage & Thin Film Technology Components Business Group of TDK Corporation
		Jun. 2012	General Manager of Data Storage & Thin Film Technology Components Business Group of TDK Corporation
		Jun. 2014	Corporate Officer of TDK Corporation
		Apr. 2015	CEO of Magnetic Heads and Sensors Business Company of TDK Corporation
		Jun. 2015	Senior Vice President of TDK Corporation
		Jun. 2016	President & Representative Director of TDK Corporation General Manager of Manufacturing HQ and General Manager of Humidifier Countermeasures HQ of TDK Corporation
		Apr. 2022	Chairperson & Representative Director of TDK Corporation
		Jun. 2022	Outside Director of NTT DATA Corporation (Current) Chairperson & Director of TDK Corporation (Current)
		Jun. 2023	Outside Director (Current)
		Apr. 1994	Joined the Bank of Japan
		Apr. 2009	Joined Mitsubishi Research Institute, Inc. Senior Economist, Senior Researcher of Research Center for Policy and Economy of Mitsubishi Research Institute, Inc.
		Yoko Takeda (April 13,1971)	Outside Director Compensation Committee Member
Oct. 2015	Deputy General Manager of Research Center for Policy and Economy of Mitsubishi Research Institute, Inc.		
Oct. 2017	General Manager of Research Center for Policy and Economy of Mitsubishi Research Institute, Inc.		
Oct. 2020	Deputy General Manager of Think Tank Unit and General Manager of Center for Policy and the Economy of Mitsubishi Research Institute, Inc. (Current)		
Dec. 2021	Research Fellow of Mitsubishi Research Institute, Inc. (Current)		
Oct. 2022	General Manager of Planning and Administration Office of Mitsubishi Research Institute, Inc. (Current)		

Name (Date of Birth)	Current Position (Function/Business Area)	Date	Business Experience
Kazuhiro Tsuji (January 25, 1961)	Audit & Supervisory Board Member	Jun. 2023	Outside Director (Current) Outside Director of FANUC Corporation (Scheduled to be appointed)
		Mar. 1984	Joins the Company
		Mar. 2010	General Manager of Human Capital Development Department, Human Resources Division
		Apr. 2011	General Manager of Shared Service Center, Human Resources Division
		Jul. 2011	Deputy General Manager of General Administration Strategic Center
		Apr. 2013	General Manager of Secretarial Office
		Apr. 2018	General Manager of Human Resources Division
		Apr. 2019	Corporate Vice President
		Jun. 2020	Audit & Supervisory Board Member (Current)
		Shinji Sato (May 2, 1960)	Audit & Supervisory Board Member
May. 2010	President and Representative Director of MITSUI & CO. Financial Management, Ltd.		
Apr. 2012	Chief Financial Officer of Asia Pacific Business Unit of MITSUI & CO., LTD. Senior Vice President of MITSUI & CO. (Asia Pacific) Pte. Ltd.		
Apr. 2015	Internal Auditor of Internal Auditing Division of MITSUI & CO., LTD.		
Dec. 2017	Joins the Company Advisor		
Apr. 2018	Corporate Vice President in charge of Financial Affairs General Manager of Finance and Legal Division President of RICOH AMERICAS HOLDINGS, Inc.		
Jun. 2019	Director of RICOH LEASING COMPANY, LTD.		
Apr. 2020	General Manager of Finance and Accounting Division		
Apr. 2021	General Manager of Finance Management Division		
Jun. 2021	Audit & Supervisory Board Member (Current)		
Yo Ota (October 3, 1967)	Outside Audit & Supervisory Board Member	Apr. 2001	A member of staff of Civil Affairs Bureau of The Ministry of Justice (Japanese Commercial Code Group of Counsellor's Office)
		Jan. 2003	Partner of Nishimura & Asahi (Current)

Name (Date of Birth)	Current Position (Function/Business Area)	Date	Business Experience
Shoji Kobayashi (December 29, 1953)	Outside Audit & Supervisory Board Member	Jun. 2005	Outside Auditor of Culture Convenience Club Co., Ltd.
		Jun. 2005	Outside Director of Denki Kogyo Co., Ltd.
		May. 2012	Director of the Japan Association of Corporate Directors (Current)
		Apr. 2013	Professor of Graduate Schools for Law and Politics of the University of Tokyo
		Jun. 2013	Councilor of LOTTE Foundation (Current)
		Jul. 2014	Vice Chairman of Corporate Governance Committee of the Japan Association of Corporate Directors (Current)
		Jun. 2016	Outside Director of Nippon Kayaku Co., Ltd. (Current)
		Jun. 2017	Outside Audit & Supervisory Board Member (Current)
		Apr. 1979	Joined Kao Soap Co., Ltd. (currently Kao Corporation)
		Feb. 1998	Director, Chemical Research Lab. of Kao Corporation
		Sep. 2002	General Manager, Industrial Materials Business Division of Kao Corporation
		Jun. 2006	Vice President & Executive Officer, Chemical Business Unit of Kao Corporation
		Jun. 2010	President, Chemical Business Unit of Kao Corporation
		Mar. 2013	Full-time Audit & Supervisory Board Member, Kao Corporation
		Jun. 2017	Member of the Contract Surveillance Committee, National Institute of Technology and Evaluation (NITE)
Jan. 2018	Advisor, SAIWAI TRADING Co., Ltd.		
Jun. 2019	Part-time Director, in charge of Control Group of SAIWAI TRADING Co., Ltd		
Jun. 2020	Outside Audit & Supervisory Board Member (Current)		
Jun. 2021	Chairperson of the Contract Surveillance Committee, National Institute of Technology and Evaluation (NITE)		
Apr. 2022	Member of the Contract Surveillance Committee, National Institute of Technology and Evaluation (NITE) (current)		

Name (Date of Birth)	Current Position (Function/Business Area)	Date	Business Experience
Yasunobu Furukawa (October 11, 1953)	Outside Audit & Supervisory Board Member	Apr. 1976	Joined Tetsuzo Ota & Co. (currently Ernst & Young ShinNihon LLC)
		Sep. 1980	Registered as a Certified Public Accountant (current)
		May. 1999	Representative Partner of Ernst & Young ShinNihon LLC
		Aug. 2008	Executive Partner of Ernst & Young ShinNihon LLC
		Aug. 2010	Senior Executive Partner of Ernst & Young ShinNihon LLC
		Aug. 2012	Senior Advisor of Ernst & Young ShinNihon LLC
		Jun. 2014	Outside Director, Keisei Electric Railway Co., Ltd. (current)
		Jun. 2015	Outside Audit & Supervisory Board Member, Saitama Resona Bank, Ltd.
		Jun. 2015	Outside Director, NSK Ltd.
		Jun. 2019	Outside Director, Member of Audit & Supervisory Committee, Saitama Resona Bank, Ltd.
		Jun. 2020	Outside Audit & Supervisory Board Member (Current)

Directors and Audit & Supervisory Board Members are elected at a general meeting of shareholders for one year and four years terms, respectively, and may serve any number of consecutive terms. The Board of Directors appoints from among its members a Chairperson and one or more Representative Directors in accordance with the Corporation Law of Japan.

The following table shows the number of shares of common stock owned by each Director and Audit & Supervisory Board Member of the Company as of March 31, 2023. None of the Company's Directors or Audit & Supervisory Board Members is a beneficial owner of more than 1% of the Company's common stock.

Name	Position	Number of Shares
Yoshinori Yamashita	Chairperson	61,100
Akira Oyama	Representative Director	29,500
Takashi Kawaguchi	Director	2,400
Keisuke Yokoo	Outside Director	3,200
Sadafumi Tani	Outside Director	3,700
Kazuhiko Ishimura	Outside Director	—
Shigenao Ishiguro	Outside Director	—
Yoko Takeda	Outside Director	—
Kazuhiro Tsuji	Audit & Supervisory Board Member	7,800
Shinji Sato	Audit & Supervisory Board Member	7,200
Yo Ota	Outside Audit & Supervisory Board Member	—
Shoji Kobayashi	Outside Audit & Supervisory Board Member	—
Yasunobu Furukawa	Outside Audit & Supervisory Board Member	—
Total		114,900

The Company maintains an executive officer system under which there are 15 officers.

Executive Officers of the Company as of June 26, 2023 are as follows:

Name	Current Position (Function)	Current Position (Business Area)
Akira Oyama	President	CEO (Chief Executive Officer) CTO (Chief Technology Officer)
Katsunori Nakata	Executive Corporate Officer	President of Ricoh Digital Products BU
Takashi Kawaguchi	Executive Corporate Officer	CFO (Chief Financial Officer) General Manager of Finance and Accounting Division President and Chairperson of Ricoh Americas Holdings, Inc.
Takahiro Irida	Senior Corporate Officer	President of Ricoh Digital Services BU
Mayuko Seto	Senior Corporate Officer	CHRO (Chief Human Resource Officer) General Manager of Human Resources Division
Koji Miyao	Corporate Officer	President of Ricoh Graphic Communications BU
Yasutomo Mori	Corporate Officer	President, General Manager of Strategy and Management Headquarter of Ricoh Industrial Solutions BU President of Ricoh Elemex Corporation
Kazunori Kobayashi	Corporate Officer	President of Ricoh Futures BU
Carsten Bruhn	Corporate Officer	General Manager of North America Management Division, Ricoh Digital Services BU President and CEO of Ricoh USA, Inc.
Nicola Downing	Corporate Officer	General Manager of EMEA Management Division, Ricoh Digital Services BU CEO of Ricoh Europe PLC
Keiichiro Uesugi	Corporate Officer	General Manager of Asia Pacific & Latin America Management Division, Ricoh Digital Services BU President of Ricoh Asia Pacific Pte. Ltd.
Kazuhiro Kimura	Corporate Officer	General Manager of Japan Management Division, Ricoh Digital Services BU President of Ricoh Japan Corporation
Mikako Suzuki	Corporate Officer	General Manager of ESG Strategy Division
Yasuyuki Nomizu	Corporate Officer	CDIO (Chief Digital Innovation Officer) General Manager of Digital Strategy Division President of Ricoh IT Solutions Co., Ltd. Chairperson of Ricoh Software Research Center (Beijing)Co., Ltd.
Kazuo Nishinomiya	Corporate Officer	General Manager of Professional services Division

2) Outside Directors and Outside Audit & Supervisory Board Members

The Company has appointed five Outside Directors and three Outside Audit & Supervisory Board Members.

The relationship with Outside Directors and Outside Audit & Supervisory Board Members

Outside Directors

Name	Personal, capital, trading relationships or other special interests between the individuals and the Company
Keisuke Yokoo	<p>Number of the Company's shares held is 3,200 as of March 31, 2023.</p> <p>Mr. Keisuke Yokoo currently serves as Outside Director of The Dai-ichi Life Insurance Company, Limited and Takashimaya Company, Limited. The Company has business relations with each of these companies, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and each of these companies, respectively, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Director.</p> <p>In addition, the Company has business relations with Mizuho Securities Co., Ltd. and Nippon Suisan Kaisha, Ltd., where Mr. Keisuke Yokoo had belonged to in the past 10 years, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and each of these companies, respectively, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Director.</p> <p>The Company has executed a contract with Mr. Keisuke Yokoo to limit liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, to the higher of ¥10 million or the minimum liability limit amount stipulated in Article 425, Paragraph 1 of the Companies Act.</p>
Sadafumi Tani	<p>Number of the Company's shares held is 3,700 as of March 31, 2023.</p> <p>The Company has business relations with Jiji Press Ltd. and Quants Research Inc., where Mr. Sadafumi Tani had belonged to in the past 10 years, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and each of these companies, respectively, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Director.</p> <p>The Company has executed a contract with Mr. Sadafumi Tani to limit liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, to the higher of ¥10 million or the minimum liability limit amount stipulated in Article 425, Paragraph 1 of the Companies Act.</p>

Name	Personal, capital, trading relationships or other special interests between the individuals and the Company
Kazuhiko Ishimura	<p>Mr. Kazuhiko Ishimura is an Outside Director of Nomura Holdings, Inc. and President and CEO of the National Institute of Advanced Industrial Science and Technology. The Company has business relations with each of these companies, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and each of these companies, respectively, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Director.</p> <p>In addition, the Company has business relations with AGC Inc., TDK Corporation and IHI Corporation, where Mr. Kazuhiko Ishimura had belonged to in the past 10 years, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and each of these companies, respectively, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Director.</p> <p>The Company has executed a contract with Mr. Kazuhiko Ishimura to limit liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, to the higher of ¥10 million or the minimum liability limit amount stipulated in Article 425, Paragraph 1 of the Companies Act.</p>
Shigenao Ishiguro	<p>Mr. Shigenao Ishiguro is a Chairperson & Director of TDK Corporation and Outside Director of NTT DATA Corporation. The Company has business relations with each of these companies, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and each of these companies, respectively, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Director.</p> <p>TDK Corporation holds 108,000 shares of the Company's stock (holding ratio: 0.018% as of March 31, 2023), and the Company holds 2,790 shares of TDK Corporation's stock (holding ratio: 0.001% as of March 31, 2023). The mutual shareholding ratio is well below the standard of major shareholders (10%) stipulated in the Financial Instruments and Exchange Act.</p> <p>The Company has executed a contract with Mr. Shigenao Ishiguro to limit their liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, to the higher of ¥10 million or the minimum liability limit amount stipulated in Article 425, Paragraph 1 of the Companies Act.</p>
Yoko Takeda	<p>There are no special interests between Ms. Yoko Takeda and the Company.</p> <p>The Company has executed a contract with Ms. Yoko Takeda to limit their liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, to the higher of ¥10 million or the minimum liability limit amount stipulated in Article 425, Paragraph 1 of the Companies Act.</p>

Outside Audit & Supervisory Board Members

Name	Personal, capital, trading relationships or other special interests between the individuals and the Company
Yo Ota	<p>Mr. Yo Ota is an attorney-at-law and Partner at Nishimura & Asahi. Nishimura & Asahi is one of the law firms that the Company requests the handling of legal affairs on a case-by-case basis. Although the Company has transactions involving consignment of legal affairs, etc., with other attorneys-at-law at Nishimura & Asahi, the relevant transactional amount for the fiscal year under review accounts for less than 1% of the consolidated net sales of the Company and the annual transaction amount of Nishimura & Asahi, respectively, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Audit & Supervisory Board Member.</p> <p>In addition, Mr. Yo Ota serves as an Outside Director of Nippon Kayaku Co., Ltd. The Company has business relations with Nippon Kayaku Co., Ltd. such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and Nippon Kayaku Co., Ltd., respectively, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Audit & Supervisory Board Member.</p> <p>The Company has executed a contract with Mr. Yo Ota to limit liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, to the higher of ¥5 million or the minimum liability limit amount stipulated in Article 425, Paragraph 1 of the Companies Act.</p>
Shoji Kobayashi	<p>Mr. Shoji Kobayashi was a full-time Audit & Supervisory Board Member of Kao Corporation until March 2017. The Company has business relations with Kao Corporation, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and Kao Corporation, respectively, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Audit & Supervisory Board Member.</p> <p>The Company has executed a contract with Mr. Shoji Kobayashi to limit liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, to the higher of ¥5 million or the minimum liability limit amount stipulated in Article 425, Paragraph 1 of the Companies Act.</p>
Yasunobu Furukawa	<p>Mr. Yasunobu Furukawa was a Senior Advisor of Ernst & Young ShinNihon LLC until June 2014. The Company has business relations with Ernst & Young ShinNihon LLC, such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and Ernst & Young ShinNihon LLC, respectively, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Audit & Supervisory Board Member.</p> <p>Mr. Yasunobu Furukawa currently serves as External Director of Keisei Electric Railway Co., Ltd. The Company has business relations with Keisei Electric Railway Co., Ltd. such as product sales, with the relevant transactional amounts totaling less than 1% of the consolidated net sales of the Company and Keisei Electric Railway Co., Ltd., respectively, which is considered extremely insignificant. Thus, there are no special business relations that could affect him in executing his duties as Outside Audit & Supervisory Board Member.</p> <p>The Company has executed a contract with Mr. Yasunobu Furukawa to limit liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, to the higher of ¥5 million or the minimum liability limit amount stipulated in Article 425, Paragraph 1 of the Companies Act.</p>

There are no special interests between Outside Directors and Outside Audit & Supervisory Board Members and the Company.

Outside Director, Mr. Keisuke Yokoo, Mr. Sadafumi Tani, Mr. Kazuhiko Ishimura, Mr. Shigenao Ishiguro, and Ms. Yoko Takeda, and Outside Audit & Supervisory Board Members, Mr. Yo Ota, Mr. Shoji Kobayashi and Mr. Yasunobu Furukawa have been registered as an Independent Director as stipulated in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange.

The functions and roles of Outside Directors and Outside Audit & Supervisory Board Members in the Corporate Governance

Outside Directors

Name	The functions and roles in Corporate Governance
Keisuke Yokoo	<p>Mr. Keisuke Yokoo used his broad-ranging experience over many years in finance and capital markets together with his broad-ranging knowledge and insights regarding finance to make appropriate management decisions and provide management oversight from a shareholder and investor perspective.</p> <p>In addition, as Chairperson of the Board of Directors, he is responsible for setting the agenda and facilitating board meetings from a neutral standpoint and plays a role in leading engagement with shareholders and the handling of important supervisory matters in collaboration with the Lead Independent Director.</p> <p>Concurrently, as a member of the Nomination Committee and the Compensation Committee, he has made proposals and engaged in discussions from a corporate top executive viewpoint.</p>
Sadafumi Tani	<p>Mr. Sadafumi Tani used his broad-ranging experience and knowledge over many years as an economic reporter regarding global economy and social issues, to make appropriate management decisions and provide management oversight.</p> <p>Concurrently, as the Chairperson of the Compensation Committee, he led the operation of the committee, encouraged lively discussions among members, and reported its content to the Board of Directors. As a member of the Nomination Committee, he has made proposals and engaged in discussions based on his experience as a corporate manager.</p>
Kazuhiko Ishimura	<p>Mr. Kazuhiko Ishimura used his broad-ranging experience as a management executive of AGC Inc. and his knowledge and insight as Chairperson of the National Institute of Advanced Industrial Science and Technology (AIST) to make appropriate management decisions and provide management oversight by providing advice and recommendations.</p> <p>In addition, as the Lead Independent Director at the Company, he is responsible for improving and enhancing governance in collaboration with the Chairperson of the Board of Directors, and plays a role in leading the duties of independent Outside Directors at the Company.</p> <p>Concurrently, as the Chairperson of the Nomination Committee, he led the operation of the committee, encouraged lively discussions among members, and reported its content to the Board of Directors. As a member of the Compensation Committee, he has actively made proposals and engaged in discussions from a corporate top executive viewpoint.</p>

Name	The functions and roles in Corporate Governance
Shigenao Ishiguro	<p>Since Mr. Shigenao Ishiguro joined TDK ELECTRONICS CO., LTD. (currently TDK Corporation) in 1982, he has led the Company's overseas expansion through his extensive overseas experience. After serving as Corporate Officer from June 2014 and Senior Vice President from June 2015, he was appointed President & Representative Director in June 2016, and has contributed to the development of the company and the enhancement of its corporate value by exercising outstanding management skills, such as promoting the transformation of the company's business structure by developing new businesses based on EX (energy transformation) and DX(digital transformation), including the battery and sensor businesses. In addition, as Chairperson & Representative Director from April 2022, and as Chairperson & Director since June 2022, he has exercised governance functions from a medium- to long-term and broad perspective.</p> <p>He is expected to make objective management decisions and oversight from an independent standpoint based on his proven track record of global management excellence, fostering new businesses and transforming business structures, and his deep insights into sustainability and governance.</p> <p>Concurrently, as a member of the Nomination Committee, he is expected to make proposals and engage in discussions from a corporate top executive viewpoint.</p>
Yoko Takeda	<p>Ms. Yoko Takeda joined the Bank of Japan in 1994, where she was in charge of overseas economic analysis and domestic and international financial market analysis. After studying abroad, she joined Mitsubishi Research Institute, Inc. (MRI) in April 2009, where she served in numerous positions, including General Manager of Research Center for Policy and Economy (appointed in October 2017) and Deputy General Manager of the Think Tank Unit and General Manager of Center for Policy and the Economy (in October 2020). Currently, as a Research Fellow, Deputy General Manager of the Think Tank Unit, General Manager of the Planning and Administration Office, and General Manager of the Center for Policy and the Economy of MRI, she has demonstrated her outstanding skills and abilities in research and analysis of finance and economics. She has also been actively involved in external activities, including serving on numerous government councils. She has made a wide range of policy recommendations regarding issues such as monetary policy, public finance, social security systems, and labor markets.</p> <p>She is expected to make objective management decisions and oversight from an independent standpoint based on her wealth of insight and analytical skills related to global economic and social trends, as well as deep insight and knowledge of employment issues and human resource development, which she has cultivated over many years as an economist.</p> <p>Concurrently, as a member of the Compensation Committee, she is expected to make proposals and engage in discussions from a viewpoint different from that of a corporate executive.</p>

Outside Audit & Supervisory Board Members

Name	Their function and role in Corporate Governance
Yo Ota	Mr. Yo Ota actively made comments at the Audit & Supervisory Board and the Board of Directors based on his extensive track records from his many years of experience as an attorney practicing all areas of corporate law, including M&As, corporate governance, and compliance, and his extensive experience as a specialist in corporate governance. In addition to the above activities, he also participated in audits of divisions and subsidiaries in fields of particular focus in relation to his areas of expertise or importance, and provided advice and recommendations. He is also expected to contribute to ensure the transparency in the process of determining compensation by attending Compensation Committee meetings as an observer.
Shoji Kobayashi	Mr. Shoji Kobayashi actively made comments at the Audit & Supervisory Board and the Board of Directors from an objective perspective based on his extensive experience gained through many years in development and business management while serving in important positions at Kao Corporation, such as General Manager of a business division and Executive Officer, as well as his deep insight into the management and governance of a global corporation, acquired as a full-time Audit & Supervisory Board Member of Kao Corporation, and his broad knowledge regarding all aspects of technology. In addition to the above activities, he also attended numerous audits of business units and Group headquarters organizations, subsidiaries, etc., and provided advice and recommendations from a wide range of perspectives, including technical and business operations, as well as ESG and engagement.
Yasunobu Furukawa	Mr. Yasunobu Furukawa actively made comments at the Audit & Supervisory Board and the Board of Directors based on his many years of experience as a certified public accountant and as an engagement partner for audits of global corporations with operations overseas at Ernst & Young ShinNihon LLC, and on his extensive insight and experience in corporate management as an outside director, audit committee member, and outside audit & supervisory board member for other companies. He also participated in audits of divisions and subsidiaries in fields of particular focus in relation to his areas of expertise or importance, and provided advice and recommendations. In addition, when receiving reports from the Independent Auditor, he was particularly active in asking questions from his professional perspective. He is also expected to contribute to ensure the transparency in the nomination process by attending Nomination Committee meetings as an observer.

The Company engages the election criteria for Outside Directors, as member of the Board of Directors, in “IV. INFORMATION ON THE COMPANY, 4 CORPORATE GOVERNANCE, ETC., (1) Corporate Governance, 3) Other matters for Corporate Governance, (II) Approach to Election of Directors”.

The Company expects the Outside Directors to fully utilize their knowledge and experiences, and to contribute to strengthening the corporate governance through decision-making and supervising of the Company’s management, based on discussions made from an independent and objective standpoint. As for the election criteria for Outside Audit & Supervisory Board Members, in “IV. INFORMATION ON THE COMPANY, 4 CORPORATE GOVERNANCE, ETC., (1) Corporate Governance, 3) Other matters for Corporate Governance, (VII) Approach to Election of Audit & Supervisory Board Members and (VIII) Election Process for Audit & Supervisory Board Members”, the Company places emphasis on ensuring their independence, and confirms the candidates’ eligibility from an objective standpoint based on the election criteria.

Furthermore, the Outside Audit & Supervisory Board Members are expected to actively provide proposals and audit, drawing on the respective individual expertise and background.

As each of the Outside Directors and Outside Audit & Supervisory Board Members are performing the function and roles expected, and the independence criteria of the Outside Directors are met, the Company

recognizes the appointment of the current Outside Directors and Outside Audit & Supervisory Board Members are appropriate.

The Company established the Company's Standards for Independence of Outside Directors and Audit & Supervisory Board Members as below and confirms these standards to elect Outside Directors and Outside Audit Supervisory Board Members.

1. In principle, Outside Directors and Outside Audit & Supervisory Board Members of the Company should be independent from the Company and should satisfy all of the items set out below.
 - (i) A person who is not a shareholder holding 10% or more of the total voting rights of the Company (a "major shareholder"), or a person who is not a director, audit and supervisory board member, accounting advisor, executive officer, executive director, corporate officer, manager or any other employee of the major shareholder of the Company.
 - (ii) A person who is not a director, audit and supervisory board member, accounting advisor, executive officer, executive director, corporate officer, manager or any other employee of a company of which the is a major shareholder.
 - (iii) A person who is not a director (excluding outside directors who are independent), audit and supervisory board member, accounting advisor, executive officer, executive director, corporate officer, manager or any other employee of the Ricoh Group or a person who was not a director (excluding outside directors who are independent), audit and supervisory board member, accounting advisor, executive officer, executive director, corporate officer, manager or any other employee of the Ricoh Group within 10 years preceding the assumption of the office of Outside Director.
 - (iv) A person of which the Ricoh Group was not a major business partner (whose sales to the Ricoh Group accounted for 2% or more of its consolidated net sales) in the immediately preceding fiscal year or any of the three fiscal years prior to such fiscal year, or a person who is not a director (excluding outside directors who are independent), executive officer, executive director, corporate officer, manager or any other employee thereof (including its parent company and subsidiaries).
 - (v) A person who was not a major business partner of the Ricoh Group (to which sales of the Ricoh Group accounted for 2% or more of consolidated net sales of the Ricoh Group) in the immediately preceding fiscal year or any of the three fiscal years prior to such fiscal year, or a person who is not a director (excluding outside directors who are independent), executive officer, executive director, corporate officer, manager or any other employee thereof (including its parent company and subsidiaries).
 - (vi) A person who is not a consultant, certified public accountant, certified tax accountant, lawyer or any other professional who received money or other property other than executive compensation, either directly or indirectly, from the Ricoh Group in an amount of ¥10 million or more in the immediately preceding fiscal year or per year in average over the past three fiscal years.
 - (vii) A person who does not belong to an organization, such as a law firm, auditing firm, tax accounting firm, consulting firm or any other professional advisory firm, that received money or other property, either directly or indirectly, from the Ricoh Group in an amount equivalent to 2% or more of its total revenue in the immediately preceding fiscal year or per year in average over the past three fiscal years.
 - (viii) A person who is not a spouse, a relative within the second degree of kinship or a relative who lives in the same household of a person who falls under the items (i) through (vii).
 - (ix) A person who is not a director, audit and supervisory board member, accounting advisor, executive officer, executive director, corporate officer, manager or any other important employee of a company, its parent company or subsidiary that has directors dispatched from the Ricoh Group.
 - (x) A person who is unlikely to cause a substantial conflict of interests with the Company.
2. The Company may appoint a person as Outside Director or Outside Audit and Supervisory Board Member if it determines that the person is qualified for the post, even though he/she fails to satisfy any of the above items (i) and (iv) through (ix) in the preceding paragraph, provided that the Company explains to external parties the reason for its determination that the person qualifies for the post.

3) Cooperation among internal audits, audits by Audit & Supervisory Board Members and accounting audits and relations with internal control departments

Outside directors, as member of the Board of Directors, are responsible for management oversight and important decision making concerning Ricoh's management. Outside Audit & Supervisory Board Members are responsible for auditing the decision making and operations performed by Executive Officers.

Outside Audit & Supervisory Board Members receive quarterly reports on the status of activities from the Internal Audit Office, which is in charge of internal audit, at meetings of the Audit & Supervisory Board, and the External Auditor who is in charge of accounting audits explains audit plans, audit reports, quarterly review results, quality control systems, etc.

Outside Audit & Supervisory Board Members are shared information from full-time Audit & Supervisory Board Members at meetings of the Audit & Supervisory Board regarding the three-way audit meeting which consists of Internal Audit Office and External Auditor and information exchange meetings held regularly by full-time Audit & Supervisory Board Members and External Auditor. The three-way audit meeting is held to exchange views of auditing policies and plans, and to share the findings from the audits performed by each auditor.

Furthermore, Outside Audit & Supervisory Board Members maintain an effective cooperation with Internal Audit & Supervisory Board Members, External Auditor and Internal Management & Control Division. They attend the interviews to Directors performed by External Auditor with Internal Audit & Supervisory board members and the Internal Management & Control Division and perform audits with Internal Audit & Supervisory board members, if necessary.

Through these cooperation and relationships, Outside Directors and Audit & Supervisory Board Members express their opinions in a timely manner from their respective professional standpoints.

(3) Audit

1) Operating Status of Audit & Supervisory Board

a. Audit & Supervisory Board members and the Audit & Supervisory Board

The Audit & Supervisory Board Members comprised 5 members of whom 3 are Outside Audit & Supervisory Board Members. Career etc. for each Audit & Supervisory Board member are as follows.

Position	Name	Career etc.
Audit & Supervisory Board Member (Full-time)	Kazuhiro Tsuji	He has abundant experience in our human resource, general affairs and secretarial offices, as well as a global human network, and an audit perspective through promoting risk management to our subsidiaries.
Audit & Supervisory Board Member (Full-time)	Shinji Sato	He has abundant experience in accounting and finance operations at domestic and overseas offices and affiliates, in addition to abundant experience serving as a president of affiliates and in internal audit operations at the Company and MITSUI & CO., LTD., where he had worked previously. He has considerable insight into finance and accounting.
Independent outside Audit & Supervisory Board Member	Yo Ota	He has a track record of handling numerous cases as an attorney-at-law specialized in M&A and corporate legal affairs. He has an extensive experience as attorney and expert on corporate governance.
Independent outside Audit & Supervisory Board Member	Shoji Kobayashi	He has served in various posts at Kao Corporation, such as General Manager of a business division, Executive Officer and Audit & Supervisory Board Member, and has extensive experience and deep insight into the business management and governance of a research & development and global corporation.
Independent outside Audit & Supervisory Board Member	Yasunobu Furukawa	As a certified public accountant and Ernst & Young ShinNihon LLC, he has audited global companies expanding overseas as an engagement partner, he has considerable insight into finance and accounting.

The Audit & Supervisory Board Office has been established, staffed by four full-time employees dedicated to this office with a certain degree of guaranteed independence from the Business Execution and assists the activities of the Audit & Supervisory Board Members, such as collection and analysis of information globally and support for investigation.

b. Operation of the Audit & Supervisory Board

The Audit & Supervisory Board meetings were held 14 times during fiscal 2022 (average time per meeting: approximately 141 minutes). Attendance rate of the Audit & Supervisory Board meetings and Board of Directors meetings for each Audit & Supervisory Board member are as follows.

Position	Name	Attendance rate for the Audit & Supervisory Board meetings held during the fiscal year	Attendance rate for the Board of Directors meetings held during the fiscal year
Audit & Supervisory Board Member (Full-time)	Kazuhiro Tsuji	100% (14 out of 14)	100% (15 out of 15)
Audit & Supervisory Board Member (Full-time)	Shinji Sato	100% (14 out of 14)	100% (15 out of 15)
Independent outside Audit & Supervisory Board Member	Yo Ota	86% (12 out of 14)	100% (15 out of 15)
Independent outside Audit & Supervisory Board Member	Shoji Kobayashi	100% (14 out of 14)	100% (15 out of 15)
Independent outside Audit & Supervisory Board Member	Yasunobu Furukawa	100% (14 out of 14)	100% (15 out of 15)

In fiscal 2022, the Audit and Supervisory Board made the following resolutions, engaged in the following deliberations, and issued the following reports.

18 resolutions: Audit policy, audit plan, and division of duties, selection of the Chairperson of the Audit & Supervisory Board, full-time Audit & Supervisory Board Members, and specific Audit & Supervisory Board Members, audit budgets, Audit & Supervisory Board's Report, Notes on the Audit Performance, contents of summary of Audit & Supervisory Board audit activities, internal regulations related to Audit & Supervisory Board Members ("Audit & Supervisory Board Member Auditing Regulations," etc.), reappointment of the Independent Auditor, agreement regarding audit fee paid to the Independent Auditor, prior approval procedures for non-auditing activities of the Independent Auditor, etc.

35 deliberations: Review of exchange of opinions and the status of deliberations at the Board of Directors meetings, evaluation of the Independent Auditor, the results of Audit & Supervisory Board Member review, contents of regular meetings and follow-up with the Representative Director, Chairperson of the Board of Directors and Lead Independent Director and the methods used to hold these meetings, remuneration for Audit & Supervisory Board Members, prior consultation regarding resolutions, etc.

48 reports: Status of execution of duties by full-time Audit & Supervisory Board Members (monthly), status of operation of the Investment Committee, status of creation and operation of the disclosure system, status of non-audit work by the Independent Auditor, contents of securities report, the contents of business report, convocation notices, and subsequent events, the results of audits by the Independent Auditor, the status of internal audits, etc.

c. Outline of audit activities

We reviewed risks and issues in the five areas, namely (1) Directors, (2) Business execution, (3) Subsidiaries, (4) Internal audit, and (5) Accounting audit, and formulated annual activity plans. Outline of audit activities in each of these areas and division of duties of Audit & Supervisory Board Members are illustrated in Table1 below. Audit activities are mainly carried out by full-time Audit & Supervisory Board Members, and the contents are shared in a timely manner at the Audit & Supervisory Board meetings. Outside Audit & Supervisory Board Members conduct audits with full-time Audit & Supervisory Board Members and make recommendations, taking advantage of their respective expertise and backgrounds, and express their opinions from the independent standpoint.

Table1 : Outline of audit activities ★Meetings organized by the Audit & Supervisory Board members

Areas	Audit activities	Allocation of responsibilities	
		Full-time Audit & Supervisory Board Members	Outside Audit & Supervisory Board Members
(1) Directors	Attending the Board of Directors meetings, monitoring Board of Directors effectiveness improvement measures, and reviewing and following up on Board of Directors proposals	●	●
	Attending as an observer in the Nomination Committee and Compensation Committee meetings		●
	Holding regular meetings with Chairperson of the Board of Directors, Lead Outside Director and Representative Director ★	●	●
	Holding governance review meetings attended by Directors and the Audit & Supervisory Board Members ★	●	●
	Holding Outside Executive Meeting (meeting for exchange of opinions by Outside Directors and Audit & Supervisory Board Members) ★	●	●
(2) Business execution	Audit & Supervisory Board Member review*1 on headquarters and principal offices (individual business units and individual Group headquarters organization)	●	□
	Attending Group Management Committee (GMC)	●	□
	Attending performance review meetings, business unit operation meetings, Investment Committee meetings and other important meetings	●	□
	Holding separate regular meetings with the CEO, CFO and the CHRO respectively (monthly) ★	●	
	Holding information sharing meetings with presidents of business units and Group Headquarters functional officers ★	●	
	Reviewing and confirming important documents (agendas and minutes of important meetings, documents for approval, written agreements, etc.)	●	
	Holding regular meetings with risk management department (monthly) ★	●	

	Auditing business reports, supplementary schedules, and financial statements, other period-end auditing duties	●	●
(3) Subsidiaries	Audit & Supervisory Board Member review on subsidiaries*1	●	□
	Holding regular meetings with Audit & Supervisory Board Members of subsidiaries (every other month) ★	●	
	Holding information exchange meetings among Audit & Supervisory Board Members of the Group ★	●	□
(4) Internal audit	Receiving explanation from internal audit division about the internal audit plan, and reporting the results thereof (quarterly) ★	●	●
	Holding regular meetings with internal audit division (monthly) ★	●	
	Holding three-way audit meeting: meetings with Independent Auditor and internal auditors (quarterly) ★	●	
(5) Accounting audit	Sharing information with the Independent Auditor (monthly (except for months in which three-way audit meetings are conducted))	●	
	Receiving explanation about audit plan and reports of quarterly review and Audit result from the Independent Auditor	●	●
	Evaluating the Independent Auditor	●	●

●: In charge

□: Voluntarily or partly in charge

*1 Audit & Supervisory Board Member review: A series of audit procedures to be conducted including on-site audit at headquarters, principal offices, and subsidiaries as a general rule

Number of Audit & Supervisory Board Member reviews conducted: 5 business unit audits, 17 Group headquarters audits, and 22 subsidiary audits (9 in Japan and 13 overseas)

In fiscal 2022, the final year of the Company's 20th Mid-term Management Plan, the Company engaged in a variety of initiatives, including the business unit structure that was introduced in the previous fiscal year, and introduced a new Ricoh-style job-based personnel system, with the aim of transforming into a digital services company. The Audit & Supervisory Board examined these business activities as well as associated expected risks based on changes in the internal and external environment. As a result, "the optimal form of headquarters function governance for a digital service company," "autonomous internal control and risk management by business units and management of subsidiaries," and "control environments within individual organizations," were established as areas of focus for fiscal 2022.

Area of focus: (i) The optimal form of headquarters function governance for a digital service company

Based on the issues recognized in conjunction with governance changes resulting from the introduction of the business unit structure, and the state of responses to these issues, the Audit & Supervisory Board confirmed the status of the creation for the optimal form of headquarters function governance for a digital services company.

- Confirmation of group governance design, creation, and operation structure
 - The Audit & Supervisory Board Members conducted reviews of each business unit and headquarters organization. They confirmed the status of the establishment and operation of governance and checks and balances functions within each functional organization, the status of headquarters cross-functional and support functions, and the division of responsibilities.
 - Feedbacks regarding internal control issues identified through auditing activities, Outside Executive Meetings, governance review meetings, and other discussions were provided as appropriate at information sharing meetings with the leaders of Group headquarters functional organization and the presidents of business units in order to assist with making improvements.

- Confirmation of the states of governance in functions whose structure changed as a result of the transition to the business unit structure
 - With regard to functions related to quality, purchasing, and supply chain management, shared by multiple business units, Audit & Supervisory Board Members performed reviews spanning organizations, including the Group headquarters management organization, and confirmed the status of their mutual cooperation, divisions of duties, and other matters.

Area of focus: (ii) Autonomous internal control and risk management by business units and management of subsidiaries

Under the business unit structure, each business unit is required to autonomously conduct internal control, risk management, and management of its own subsidiaries. The Audit & Supervisory Board confirmed that structures for doing so had been created and were being appropriately operated and managed.

- Confirmation of the status of creation of systems aligned with business unit characteristics and resources
 - The Audit & Supervisory Board conducted Audit & Supervisory Board Member reviews of business units, participated in business operation meetings, and used information sharing meetings with business unit presidents to confirm the status of their creation of internal controls and the status of the operation and management of these internal controls.
 - The Audit & Supervisory Board confirmed improvements made to address issues pointed out during internal audits, etc., the rollout of these improvements throughout the Group, and the status of creation and operation of processes for firmly establishing these improvements.
 - Audit & Supervisory Board Member reviews were carried out of subsidiaries selected based on their importance, the presence or absence of risks, and whether or not there were changes in management conditions following the introduction of the business unit structure. The status of management by Supervising Organizations*2 and their cooperation were confirmed.

*2 Supervising Organizations: Headquarters organizations that administer their Affiliate(s) individually.

Area of focus: (iii) Control environments within individual organizations

The Audit & Supervisory Board confirmed whether each organization was properly maintaining a control environment, taking into consideration the transition to the business unit structure, the impact of the Ricoh-style job-based personnel system introduced in fiscal 2022, and the like.

- Confirmation of the level of understanding among employees regarding changes in the internal environment, the impact of these changes, and changes in the organization culture
 - In Audit & Supervisory Board Member reviews conducted at some of the headquarters organizations (5 organizations) and subsidiaries (9 companies), roundtable discussions with employees were also conducted to determine the impact of changes in the internal environment, how these changes were seen by individual employees, the degree to which they accepted the new systems, the impact on the workplace, and the like.
 - The Audit & Supervisory Board confirmed the understanding of current situation by top management of each organization and subsidiary concerning the results of internal employee engagement surveys and compliance surveys and the status of measures taken in response.

- The information and insights obtained through these activities were shared at Outside Executive Meetings and the opinions of Outside Directors and Outside Audit & Supervisory Board Members were confirmed.
These were provided to Supervising Organizations and related organizations such as human resource departments as feedbacks.

d. Coordination with Independent Auditor and Evaluation

The content of coordination between Audit & Supervisory Board Members and Independent Auditor, Deloitte Touche Tohmatsu LLC, is as follows.

Content of coordination	Overview	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Explanation of audit plan	Audit plan and audit focus areas				■					■			■
Quarterly review report	Status of review procedure and key matters					■			■			■	
Quality management structure report	Audit quality initiatives and audit structure							■					
Audit results report	Results of Companies Act and Financial Instruments and Exchange Act auditing		■	■									
Internal control audit report	Explanation of audit results			■									
Regular meetings, etc. (including three-way audit meetings)	Sharing of information regarding enactment of and revisions to regulations and laws, other topics related to accounting auditing, the status of auditing, etc.	■	■	■	■	■	■	■	■	■	■	■	■

Table2: Content of coordination between Audit & Supervisory Board Members and Independent Auditor

With regard to the Key Audit Matters (KAM) in fiscal 2022, the Audit & Supervisory Board confirmed the status of deliberations on the occasions of the explanations on the Independent Auditor’s audit plans, quarterly review reports, etc., and strove to communicate appropriately with the executive side, as well.

2) Operating Status of Internal Audit

a. Organization, personnel, and procedures

As of the end of March 2023, the Internal Auditing Office of an independent dedicated organization had 23 members. Based on the Internal Audit Standard and the Annual Auditing Plan, the Internal Audit Office conducts internal audits of the status of Ricoh's business execution using a risk approach from the viewpoints of legal compliance, effectiveness and efficiency of operations, reliability of financial reporting, and safeguarding of assets, and provides advice and recommendations for improvement from a fair and objective standpoint.

In addition to individual audit reports, the results are reported quarterly to the Internal Control Committee established under the President & CEO.

They are also reported to the Board of Directors every six months.

The Internal Audit Office also evaluates and reports on internal control over financial reporting in accordance with the Financial Instruments and Exchange Act.

b. Mutual Cooperation among internal audits, audits by the Audit & Supervisory Board members and accounting audits, and relations with internal control departments

The results of the internal audit and the contents of the report to the Internal Control Committee, including the annual audit plan, are reported to the Audit & Supervisory Board quarterly by the Internal Audit Office for an exchange of opinions.

In addition, we hold monthly information exchange meetings with the full-time Audit & Supervisory Board members to report the results of internal audits and the status of internal controls. We use a common database to access information, including audit reports, on a day-to-day basis, and conduct audits in close cooperation with each other.

In addition, the Audit & Supervisory Board members, the Internal Audit Office, and the Independent Auditors hold quarterly information exchange meetings (Three-Way Audit Meetings) to exchange opinions on the results of each audit and on the status of internal controls and risk assessments understood by the accounting auditors, and to maintain close cooperation.

The Internal Audit Office and the Independent Auditors exchange information on the status of internal audits and internal control audits every month.

Items pointed out in these audits are reported quarterly to the principal administrative divisions and the risk management division. We are working to strengthen internal controls and improve the quality of business execution through a follow-up cycle in which we review improvements and reconfirm that necessary improvements are being made.

3) Accounting Audit

a. Name of certified public accountants

Deloitte Touche Tohmatsu LLC

b. The length of years the Accounting Auditor has served

Four years

c. Certified public accountants (CPAs) who conducted the audit on the Company's financial statements

Masato Shoji, Kenjiro Ikehata and Yosuke Nakamoto

d. The numbers of audit assistants involved in the audit

There were total of 96 audit assistants involved in the audit as of March 31, 2023, 26 certified public accountants and 70 others.

e. Policy to select the independent auditor and the reason

The Audit & Supervisory Board has established the following policy to select the independent auditor (policy regarding the decisions to reappointment, dismissal, non-reappointment and appointment the independent auditor).

Policy to select the independent auditor

The Audit & Supervisory Board, by unanimous agreement, will dismiss the independent auditor when confirmed that the independent auditor falls under any item of Article 340, Paragraph 1 of the Companies Act. In this case, the dismissal and its reasons will be reported at the first general meeting of shareholders to be held after the dismissal.

The Audit & Supervisory Board establishes the evaluation criteria for the independent auditors, and considers the selection of the independent auditor every year, taking into account its independence, expertise, quality control system, audit fees and group audit system, whether it is difficult for the independent auditor to properly perform audit duties, etc.

If there are any doubts regarding the reappointment of the independent auditor, or if the engagement becomes a long-term audit engagement, then the Audit & Supervisory Board will periodically listen to proposals from multiple auditing firms and will reappoint the independent auditor or will decide on the contents of resolutions to submit to the General Meeting of Shareholders regarding the dismissal or non-reappointment of the independent auditor, or election of another independent auditor.

The Audit & Supervisory Board conducted an evaluation based on the “Policy to select the independent auditor (policy regarding the decisions to reappointment, dismissal, non-reappointment and appointment the independent auditor)”, and confirmed that there was no matters falling under each item of Article 340, Paragraph 1 of the Companies Act and that there was no doubt about reappointment and decided that it would be appropriate to reappoint Deloitte Touche Tohmatsu LLC.

f. Evaluation of the Independent Auditor by the Audit & Supervisory Board Members and the Audit & Supervisory Board

The Independent Auditor was evaluated based on the following evaluation criteria defined by the Audit & Supervisory Board.

- The Audit & Supervisory Board communicated with the Independent Auditor regarding the content shown in Table 2 and monitored the quality of its auditing, such the stances of the Independent Auditor and the status of coordination with network firms, etc.
- Management letters and mid-term reports were used to confirm that information and recommendations were being appropriately provided to management.
- During the period (November and December), full-time Audit & Supervisory Board Members conducted interviews with executive divisions (accounting and internal auditing) regarding the performance of the Independent Auditor. Based on the results of these interviews and the quality of audits by the Independent Auditor, the Audit & Supervisory Board performed a performance review during the period. Requests for the Independent Auditor were collected and organized in the middle of the fiscal year, and explanations were received regarding replies to these requests.
- The Audit & Supervisory Board conducted an evaluation review at the end of the fiscal year (April), referring to the replies to the requests and other information, through evaluation items*3 for the Independent Auditor defined by the Audit & Supervisory Board, determined the appropriateness of the reappointment of the Independent Auditor, and confirmed points of improvement in the upcoming fiscal year.

*3 Evaluation items for the Independent Auditor: Quality control by the audit firm, audit team, audit fee, etc., communication with Audit & Supervisory Board Members, etc., relationship with management, etc., group audits, fraud risk

4) Details of Fees for Audit and Non-Audit Services

(1) Fees to certified public accountants

Category	Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2023	
	Fees for audit services (Millions of Yen)	Fees for non-audit services (Millions of Yen)	Fees for audit services (Millions of Yen)	Fees for non-audit services (Millions of Yen)
The Company	215	1	255	29
Consolidated subsidiaries	93	—	133	—
Total	308	1	388	29

Descriptions of non-audit services to the Company

(Fiscal year ended March 31, 2022)

Non-audit services to the Company were in respect of the educational services related to risk management.

(Fiscal year ended March 31, 2023)

Non-audit services to the Company were in respect of inspection service related to information security evaluation.

Descriptions of non-audit services to consolidated subsidiaries

(Fiscal year ended March 31, 2022)

Not applicable.

(Fiscal year ended March 31, 2023)

Not applicable.

(2) Fees to the same network as the Company's accounting auditor (excluding (1))

Category	Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2023	
	Fees for audit services (Millions of Yen)	Fees for non-audit services (Millions of Yen)	Fees for audit services (Millions of Yen)	Fees for non-audit services (Millions of Yen)
The Company	—	199	—	96
Consolidated subsidiaries	1,496	122	1,981	162
Total	1,496	321	1,981	258

Descriptions of non-audit services to the Company

(Fiscal year ended March 31, 2022)

Non-audit services from the same network as the Company's accounting auditor (Deloitte Touche Tohmatsu Limited) to the Company were in respect of the advisory services on organizational realignment, etc.

(Fiscal year ended March 31, 2023)

Non-audit services from the same network as the Company's accounting auditor (Deloitte Touche Tohmatsu Limited) to the Company were in respect of the advisory services on organizational realignment, etc.

Descriptions of non-audit services to consolidated subsidiaries

(Fiscal year ended March 31, 2022)

Non-audit services from the same network as the Company's accounting auditor (Deloitte Touche Tohmatsu Limited) to consolidated subsidiaries were in respect of the tax compliance related services, etc.

(Fiscal year ended March 31, 2023)

Non-audit services from the same network as the Company's accounting auditor (Deloitte Touche Tohmatsu Limited) to consolidated subsidiaries were in respect of the tax compliance related services and the advisory services on corporate acquisitions, etc.

(3) Other fees

Not applicable.

(4) Policy on determination of audit fees

In determining the amount of audit fees, the Company has a thorough discussion with the certified public accountants, including the scale and characteristics of the businesses.

(5) Reason why the Audit & Supervisory Board agreed to the audit fees etc.

The Audit & Supervisory Board conducted necessary verifications to determine whether the details of the audit plan for auditing by the Independent Auditor, the state of execution of accounting audit duties, and the calculation basis for audit fee estimates are appropriate or not. Upon these verifications, the Audit & Supervisory Board concluded that the amount of audit fee, etc., of the Independent Auditor is reasonable and consent has been given to it.

(4) Compensation to Directors and Audit & Supervisory Board Members

(i) Policy on determination of Compensation for Directors & Supervisory Board Members and its calculation formula

1. How to determine policy regarding decisions on individual compensation, etc.

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

2. Compensation policy

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

1) Compensation composition

- Compensation for Internal Directors who concurrently serve as Executive Officer is comprised of three elements: i) basic compensation that reflects expected roles and responsibilities, ii) bonuses that reflect business results (performance-linked compensation), and iii) compensation that reflects medium- to long-term increase in shareholder value.
- Compensation for Internal Directors who do not concurrently serve as Executive Officers is comprised of basic compensation, bonuses and stock-based compensation in light of their role of overseeing business execution as full-time Director with extensive knowledge of the actual situation of the Company.

- Compensation for Outside Directors responsible for management oversight and Audit & Supervisory Board Members responsible for auditing is comprised only of basic compensation in order for them to focus on fair oversight and auditing, thereby ensuring independence from the execution of business.

2) Governance

- The Company will ensure objectivity, transparency and appropriateness in designing the compensation system, setting compensation levels and determining individual compensation through appropriate external benchmarks and ongoing deliberations and monitoring by the Compensation Committee.
- The Compensation Committee and the Board of Directors deliberates on the appropriateness of individual director compensation amounts based on the results of the Nomination Committee’s evaluation of Directors and other factors.

3. Policy regarding decisions on individual compensation, etc., and matters related to performance linked compensation, non-monetary compensation, etc. for fiscal 2022

1) Process for determining compensation

The Company has established a voluntary Compensation Committee to build a more objective and transparent compensation review process that helps increase profits, enhance corporate value, and strengthen corporate governance through incentives. The Compensation Committee determines each compensation plan for basic compensation, bonuses, compensation for acquiring stock, and performance-linked stock-based compensation after multiple deliberations based on the compensation standards for Directors and business performance, as well as the results of the Nomination Committee’s evaluation of Directors, and makes recommendations to the Board of Directors.

The Board of Directors deliberates and decides on each compensation plan recommended by the Compensation Committee. With respect to bonuses, the Board of Directors determines the total amount of bonuses to be paid after confirming that the amount of bonuses for each individual Director is appropriate in accordance with the formula for Directors’ bonuses, and decides on a proposal for the payment of bonuses to Directors and whether or not to submit the proposal to the General Meeting of Shareholders. After the proposal for payment of bonuses to Directors is approved at the General Meeting of Shareholders, the amount of the individual bonuses determined by the Board of Directors is paid.

2) Policy for determining compensation level

In order to ensure appropriate linkage with corporate performance, the Compensation Committee confirms every fiscal year whether the target level of the Company’s performance has been secured for each compensation category of basic compensation and short-, medium-, and long-term incentives. The compensation levels of the peer group officers based on the results of a survey by an external professional organization are used as guides, while the payment rate for short-, medium-, and long-term incentives is set to fluctuate according to the Company’s performance.

3) Compensation for Directors

Type	Name	Internal Director	Outside Director	Comments
Fixed	Basic compensation	○	○	Compensation based on roles and responsibilities
Variable (short-term)	Performance-linked bonuses	○	-	Linked to achievement of performance targets
Variable (medium- to long-term)	Compensation for acquiring stock	○	-	The entire amount paid is used for the acquisition of Company shares through the Executive Stock Ownership Plan
	Performance-linked stock-based compensation	○	-	Incentive to enhance shareholder value and corporate value over the medium to long term

i) Basic compensation (fixed)

Basic compensation is monetary compensation paid monthly during the term of office as a compensation that reflects the roles and responsibilities expected of Directors. The amount of compensation is decided within the range of the total amount of compensation determined at the general meeting of shareholders, and the total amount of compensation paid for fiscal 2022 was ¥263.01 million.

	Composition of compensation	Main method of setting compensation levels
Internal Directors	“Compensation pertaining to management oversight” and “compensation reflecting the importance of individual roles and management responsibilities” as a base, with additional “compensation based on positions, such as Representative Director, member of the Nomination Committee, or member of the Compensation Committee”	<ul style="list-style-type: none"> • The importance of individual roles and management responsibilities of Directors who concurrently serve as Executive Officers are determined with reference to the job grade framework of external specialized agencies. • Compensation for Directors who do not concurrently serve as Executive Officers is determined in light of their role of overseeing business execution with their extensive knowledge of the actual situation of the Company serving full-time.
Outside Directors	“Compensation pertaining to management oversight” and “compensation pertaining to advice to management” as a base, with additional “compensation based on positions, such as Chairperson of the Board of Directors, Chairperson of the Nomination Committee and Chairperson of the Compensation Committee”	<ul style="list-style-type: none"> • The amount of compensation is set with reference to objective data from external specialized agencies.

ii) Performance-linked bonuses (short-term)

Performance-based bonuses are monetary compensation paid after the end of a fiscal year as compensation that reflects the Company’s performance and shareholder value improvements in the target fiscal year. For fiscal 2022, the following indicators were established.

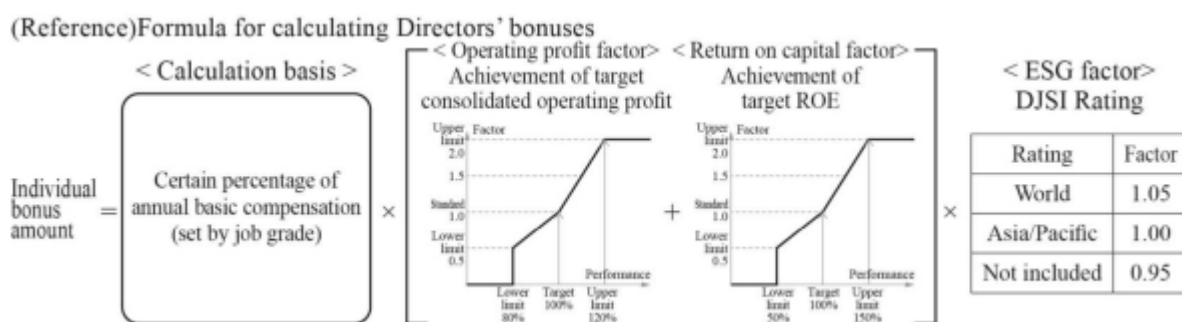
Evaluation indicator	Reason
Achievement of target consolidated operating profit	Clarify that Directors are responsible for increasing earnings and improving profitability by setting operating profit, which correlates with market capitalization and represents achievements in business activities, as an evaluation indicator
Achievement of target ROE	Clarify that Directors are responsible for improving shareholder value by setting ROE, a key indicator for enhancing return on capital, as an evaluation indicator
Annual DJSI* Rating	Provide an incentive for ESG improvement by using the DJSI’s annual rating, which is used as a tool for confirming company-wide ESG initiatives, as an evaluation indicator

*Dow Jones Sustainability Index (DJSI):

A share index jointly developed by Dow Jones in the US and S&P Global, a company specializing in research on sustainable investment, the Dow Jones Sustainability Index measures the sustainability of major companies around the world from the three perspectives of economy, environment and society.

In addition, the Compensation Committee deliberates on the appropriateness of individual bonus payment amounts based on the results calculated by the formula for calculating Directors’ bonuses below, including the results of the evaluation of Directors by the Nomination Committee, and make recommendations to the Board of Directors, which then decides whether or not to submit a proposal for the payment of bonuses to Directors to the General Meeting of Shareholders.

With regard to bonuses for fiscal 2022, the Compensation Committee’s deliberations determined that the results calculated according to the formula for calculating Directors’ bonuses below are appropriate, and the total amount to be paid is 74.94 million yen.



Targets and Results for Evaluation Indicators (fiscal 2022)

	Target	Results	Factor
Achievement of target consolidated operating profit	¥90.0 billion	¥78.7 billion	0.69
Achievement of target ROE	7.0%	5.9%	0.84
Annual DJSI Rating	World	World	1.05

*The target values are the fiscal 2022 forecast which was briefed in the fiscal 2021 financial results released on May 10, 2022.

iii) Compensation that reflects the improvement of shareholder value (medium- to long-term)
 Compensation that reflects the stock price consists of the following “compensation for acquiring stock,” and “performance-linked stock-based compensation” for the purpose of further strengthening Directors’ commitment to improving the Company’s corporate value over the medium- to long-term.

(Cash compensation for acquiring stock)

Cash compensation for acquiring stock is cash compensation intended to steadily increase the number of shares held by the Directors and to share with shareholders the benefits and risks arising from fluctuations in the stock price. Cash compensation for acquiring stock is paid monthly as fixed salary during the term of office, and the entire amount paid is used for the acquisition of Company shares by the Ricoh Executive Stock Ownerships Plan. The amount is set for each position within the range of the total compensation decided at the general meeting of shareholders, and the total compensation paid for fiscal 2022 was ¥10.43 million.

(Performance-linked stock-based compensation)

At the 119th Ordinary General Meeting of Shareholders held on June 21, 2019, the Company introduced a stock-based compensation plan with stock price conditions (the “Plan”) using a trust as the compensation structure for Directors with the approval of shareholders. The Plan will be partially revised and continued from September 1, 2023 as a performance-linked stock-based compensation plan in order to further strengthen awareness of shared interests and risks with shareholders, and to demonstrate Directors’ commitment to sustainable growth and improved shareholder value, including appropriate shareholder returns. The performance-linked stock-based compensation is a plan under which the Board Incentive Plan trust (hereinafter referred to as the “Trust”) established by the Company with monetary contributions acquires the Company’s common stock (“Company Shares”) from the stock exchange market (including off-floor trading) and delivers the number of Company Shares equivalent to the number of points granted by the Company to each Director through the Trust. In principle, Directors will receive Company Shares after the completion of each period subject to performance evaluation (each period of three consecutive fiscal years commencing on April 1 of each year after 2023; the same shall apply thereafter). The number of points granted to each Director by the Company will be determined based on the base amount for each job grade in accordance with the rule of performance shares determined by the resolution of the Board of Directors and will vary within a range of 0% to 200% by taking into account the evaluation of the Company’s TSR relative to the TOPIX (including dividends) growth rate as well as its ranking relative to the TSR of the peer group, and the degree of achievement of ESG targets during the performance evaluation period. Company Shares will be delivered at a rate of one share per point. In addition, pre-issuance malus-clawback clause has been established to request the return of stock-based compensation in the event of serious misconduct, etc. that causes an impact on the Company during the Director’s term of office.

For the Plan before the amendments, in principle, the Company will stop granting new points after September 1, 2023, and the number of Company Shares corresponding to the accumulated points will be delivered at the time of retirement in accordance with the provisions of the Plan before the amendments. The amount of expenses recorded based on the points granted for the fiscal 2022 under the Plan before the amendments was ¥32.03 million, and shares (4,000 shares) were granted to a Director who retired during fiscal 2022 in proportion to the result of the comparison of the Company's stock price growth rate (95.7%) with TOPIX growth rate (122.0%) during the tenure of the Director to the accumulated points.

(Major amendments to the Plan)

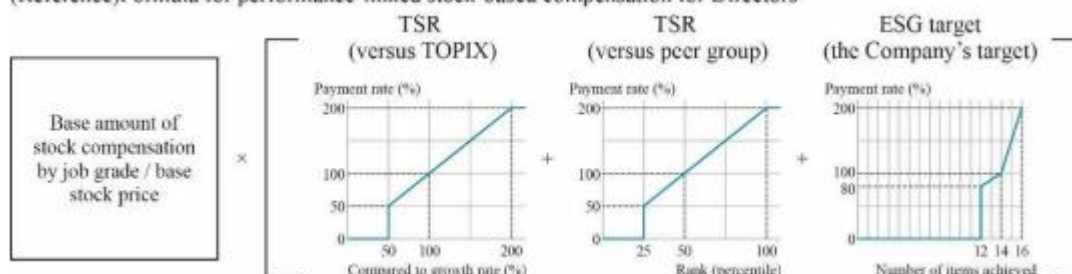
	Item	Performance-linked stock-based compensation (after amendments)	Stock-based compensation with stock price conditions (before amendments)
1	Evaluation indicators (Reason and aim for setting indicators)	The evaluation of the Company's TSR relative to the TOPIX (including dividends) growth rate and its ranking relative to the TSR of the peer group, and the degree of achievement of ESG targets during the performance evaluation period (to strengthen the link between management responsibility for increasing shareholder value and achieving sustainable development goals and stock-based compensation)	Results of comparison of the Company's stock price growth rate with TOPIX growth rate during tenure (to share with shareholders the benefits and risks of stock price fluctuations)
2	Standard for granting points	Points are granted according to the above evaluation indicators based on the base amount of stock-based compensation by job grade and the base stock price	Points are granted according to the above evaluation indicators based on the position
3	Timing of delivery of Company Shares to the eligible Directors	In principle, after the completion of each performance evaluation period (three years after the commencement of the performance evaluation period)	In principle, at the time of retirement

[Reference] Process from grant of rights to delivery of shares under the amended Plan (image)

Plan	Event \ Calendar year	X	X+1 year	X+2 years	X+3 years	X+4 years	X+5 years
X	Grant of rights	☆					
	Period subject to performance evaluation						
	Vesting of rights (determination of the number of points granted, delivery of shares)				☆		
X+1	Grant of rights		☆				
	Period subject to performance evaluation						
	Vesting of rights (determination of the number of points granted, delivery of shares)					☆	
X+2	Grant of rights			☆			
	Period subject to performance evaluation						
	Vesting of rights (determination of the number of points granted, delivery of shares)						☆

The number of points to be granted for fiscal year X is determined on a single fiscal year basis after the evaluation over a performance evaluation period of three fiscal years, including fiscal year X and two subsequent fiscal years (X+1 year and X+2 years) and three years (X+3 years) after the end of the performance evaluation period (three fiscal years), and shares are issued accordingly. Similarly, the number of points to be granted for fiscal year X+1 is determined on a single year basis after the evaluation over a performance evaluation period of three fiscal years, including fiscal year X+1 and two subsequent fiscal years (X+2 years and X+3 years) and three years (X+4 years) after the end of the performance evaluation period (three fiscal years), and shares are issued accordingly.

(Reference)Formula for performance-linked stock-based compensation for Directors

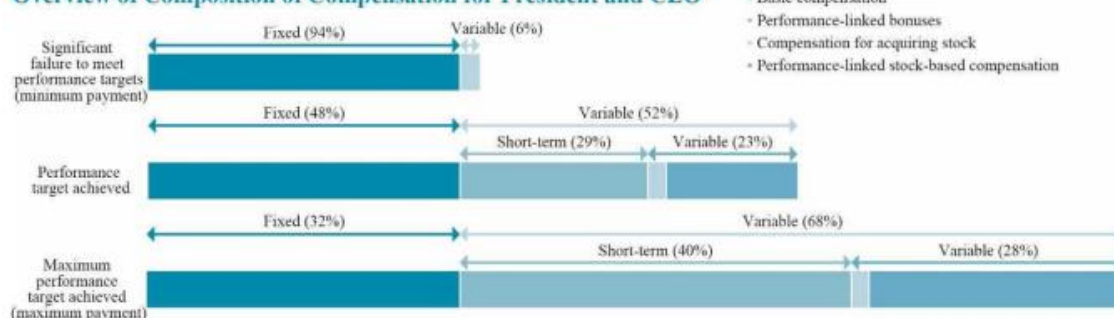


4. Policy on determining the ratio of fixed and variable compensation

In order to clarify responsibility for performance for each role and function, the ratio of fixed compensation (basic compensation) to variable compensation (performance-linked bonus, compensation for acquiring stock, and performance-linked stock-based compensation) is designed so that those with more management responsibility will receive a greater proportion of variable compensation. For the highest-ranking President and CEO, the fixed/variable compensation ratio will approximately be 5:5 when the standard performance target for fiscal 2022 is achieved (Operating profit of ¥90.0 billion and ROE of 7.0%), and 3:7 when the maximum performance target is achieved (Operating profit of ¥108.0 billion or more and ROE of 10.5% or higher).

The Company will continue to emphasize the enhancement of shareholder value and corporate value over the medium to long term, and will further increase the ratio of variable compensation linked to shareholder value and business performance, and will continue to deliberate on the appropriate amount of compensation for each compensation type.

Overview of Composition of Compensation for President and CEO



5. Other important matters regarding decisions on individual compensation, etc.

1) Return of stock-based compensation (malus-clawback clause)

Regarding performance-linked stock-based compensation, a malus clause and a clawback clause are stipulated in the rule of performance shares that are determined by the Board of Directors of the Company. In the event that a Director engages a serious misconduct, etc. that causes an impact on the Company, all or part of the points granted up to that time will expire by a resolution of the Board of Directors and the Director subject to the malus clause and the clawback clause will not be eligible for beneficiary rights related to the expired points.

Furthermore, the Company can request those who have already received delivery of Company Shares and delivery of money in lieu of Company Shares to return the amount obtained by multiplying the total number of points by the closing price of the Company Shares on the Tokyo Stock Exchange on the date such request is made.

2) Prohibition of stock trading for a certain period

In compliance with insider trading regulations, even after the delivery of the Company's shares, incentive compensation shares may not be bought or sold until one year has elapsed from the date following the recipient's retirement.

3) Handling of compensation amid significant environmental changes, etc.

In the event of a significant change in the business environment, sudden deterioration of business performance, and quality issues that may damage corporate value, serious accidents, scandals, etc., the compensation for Directors may be temporarily reduced or suspended by a resolution of the Board of Directors.

6. Reasons why the Board of Directors has determined that the content of individual compensation, etc. for Directors is consistent with the policy for determining compensation

In determining individual compensation for Directors in fiscal 2022, the Compensation Committee conducted a multifaceted examination including consistency with the above policy for determining compensation, and the Board of Directors deliberated and made decisions, basically respecting the recommendation made by the Compensation Committee. Therefore, we have determined that the individual compensation for Directors in fiscal 2022 was consistent with the above policy for determining compensation.

7. Matters concerning resolutions at the general meeting of shareholders regarding compensation of officers, etc.

Compensation type	Details	Resolution	Number of recipients at the time of resolution
Compensation for Directors	The amount of basic compensation (including the cash portion of the compensation for acquiring stock): ¥46 million or less per month (including 7 million yen or less per month for Outside Directors)	116th Ordinary General Meeting of Shareholders held on June 17, 2016	11 (including 4 Outside Directors)
	The maximum amount of contribution and the maximum total number of points to be granted to Directors for the stock-based compensation with stock price conditions are ¥300 million in total (¥100 million per fiscal year) and 300,000 points in total (100,000 points per fiscal year) for the initial period (from the fiscal year ended March 31, 2020 to the fiscal year ended March 31, 2022). In the event that the period covered is extended by a resolution of the Board of Directors of the Company for a period not exceeding five fiscal years, the amount shall be ¥100 million multiplied by the number of fiscal years of the extended period, and the number of points shall be 100,000 points multiplied by the number of fiscal years of the extended period.	119th Ordinary General Meeting of Shareholders held on June 21, 2019	3
Compensation for Audit & Supervisory Board Members	The amount of basic compensation: ¥9 million or less per month	84th Ordinary General Meeting of Shareholders held on June 29, 1984	4

8. Compensation for Audit & Supervisory Board Members

Compensation for Audit & Supervisory Board Members consists only of basic compensation for their role of appropriately performing audits. Compensation levels are discussed by the Audit & Supervisory Board based on the results of an external benchmark study and are determined within the remuneration framework for Audit & Supervisory Board Members approved at the 84th Ordinary General Meeting of Shareholders.

(ii) The total amount of compensation, etc., total amount of each type and number of persons for each Directors and Audit & Supervisory Board Members Category

Category	Total compensation, etc. (Millions of Yen)	Total amount of each type (Millions of Yen)				Number of Persons
		Fixed	Short-term	Medium to long-term		
		Basic Compensation	Bonuses	Compensation for acquiring stock	Stock-based compensation with stock price conditions	
Directors (excluding Outside Directors)	301	184	74	10	32	5
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	57	57	—	—	—	2
	Subtotal	114	114	—	—	9
Outside Directors and Audit & Supervisory Board Members	Outside Directors	78	78	—	—	6
	Outside Audit & Supervisory Board Members	36	36	—	—	3
Total	474	356	74	10	32	16

Notes:

1. It was decided that aggregate basic compensation of Directors should not exceed ¥46 million per month (including ¥7 million per month for Outside Directors), according to the resolution of the 116th Ordinary General Meeting of Shareholders held on June 17, 2016. It was decided that aggregate basic compensation of Audit & Supervisory Board Members should not exceed ¥9 million per month, according to the resolution of the 84th Ordinary General Meeting of Shareholders held on June 29, 1984.

2. The compensation paid to Directors excludes employee wages for Directors who are also employees.

3. It was decided that stock price-linked compensation was abolished and stock-based incentive with stock price conditions was introduced according to the resolution of the 119th Ordinary General Meeting of Shareholders held on June 21, 2019. The above is the amount recorded as an expense in the current fiscal year according to Japanese standards.

(iii) The individual amount of compensation to Directors and Audit & Supervisory Board Members

Name	Total amount of compensation, etc. (Millions of Yen)	Category	Company	Total amount of each type (Millions of Yen)			
				Basic compensation	Bonuses	Compensation for acquiring stock	Stock-based compensation with stock price conditions
Yoshinori Yamashita	145	Director	Ricoh Company, Ltd.	83	39	4	18

Notes: CEO in Fiscal year ended March 31, 2023, and only members who were awarded with consolidated remuneration of ¥100 million or more in total are stated above.

(iv) The portion of an employee's salary for Directors who concurrently serve as employees
There is no significant amount for the portion of employee's salary for Directors who concurrently serve as employees.

(5) Information on share holdings

1) Standards and principle of classification of equity securities

The Company classified the securities, which is held for the movement of stock value or dividend income, as pure investment and others are equity securities for purposes other than pure investment.

2) Equity securities held for purposes other than pure investment

a. The holding policy, the methods of evaluation for rational reason and contents of evaluating the worth to verify each issue by the Board of Directors

From the viewpoint of streamlining and strengthening of business alliance and development of collaborative businesses, the Company shall be able to hold shares of the relating partners only when such holding of shares is deemed necessary and effective for the future development of Ricoh, while taking into consideration of the returns such as dividends.

Specifically, the Board of Directors will verify each issue whether the benefits and risks of the holding are worth the capital cost, and if the holding loses significance in the medium- to long-term, they will be reduced accordingly.

b. Number of stock names and Nonconsolidated Statement of Financial Position Amount as of March 31, 2023.

	Number of stock names	Non-consolidated Statement of Financial Position Amount as of March 31, 2023 (Millions of Yen)
Unlisted securities	30	422
Other than unlisted securities	14	13,348

(Stocks increasing shares in year ended March 31, 2023)

	Number of stock names	Nonconsolidated Statement of Financial Position Amount as of March 31, 2023 (Millions of Yen)	The reason of increasing of shares
Other than unlisted securities	1	4,449	Enhancement of business alliance Acceleration of business development

(Stocks decreasing shares in year ended March 31, 2023)

	Number of stock names	Nonconsolidated Statement of Financial Position Amount as of March 31, 2023 (Millions of Yen)
Unlisted securities	2	212
Other than unlisted securities	4	190

c. Information regarding number of shares, amount recorded in Nonconsolidated Statement of Financial Position, specified investment securities and deemed holding securities. Specified investment securities

Stock Name	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022	Purpose and effect of holding, overview of business alliance, reason of increasing the number of shares	Share of common stock owned by each company
	Number of Shares (Shares)	Number of Shares (Shares)		
	Nonconsolidated Statement of Financial Position Amount as of March 31, 2023 (Millions of Yen)	Nonconsolidated Statement of Financial Position Amount as of March 31, 2022 (Millions of Yen)		
Cybozu, Inc.	1,740,100	—	Enhancement of business alliance	None
	5,108	—	Acceleration of business development	
OTSUKA CORPORATION	390,000	390,000	Facilitation and enhancement of business alliance	Yes
	1,827	1,694		
SAN-AI OBBLI CO.,LTD.	1,113,320	1,113,320	Maintaining and enhancement of stable sales business relationships	Yes
	1,526	1,045		
Sindoh Co., Ltd.	313,748	313,748	Maintaining and enhancement of stable sales and procurement relationships	None
	1,057	1,010		
NIDEC CORPORATION	121,976	121,976	Maintaining and enhancement of stable procurement relationships	None
	834	1,189		
Ushio Inc.	500,429	500,429	Maintaining and enhancement of stable sales and procurement relationships	Yes
	833	913		
Central Japan Railway Company	40,000	40,000	Maintaining and enhancement of stable sales business relationships	None
	632	638		
XAVIS.Co.,Ltd.	1,701,500	1,701,500	Facilitation and enhancement of business alliance	None
	482	343		

				Yes
HISAMITSU PHARMACEUTICAL CO., INC.	118,100	118,100	Maintaining and enhancement of stable sales business relationships	
	446	432		
Tokio Marine Holdings, Inc.	103,500	34,500	Maintaining and enhancement of stable sales and insurance relationships	Yes
	263	245	The number of shares has increased by split of stock.	
Evixar Inc.	200,000	200,000	Facilitation and enhancement of business alliance	None
	240	240		
Sompo Holdings, Inc.	12,403	12,403	Maintaining and enhancement of stable sales and insurance relationships	Yes
	65	66		
STANLEY ELECTRIC CO., LTD.	5,813	5,813	Maintaining and enhancement of stable sales business relationships	Yes
	17	13		
TDK Corporation	2,790	2,790	Maintaining and enhancement of stable sales and procurement relationships	Yes
	13	12		
Nippon Paper Group, Inc.	—	81,024	Sold by September 15, 2022	None
	—	84		
Japan Pulp & Paper Co., Ltd.	—	17,185	Sold by August 23, 2022	Yes
	—	66		
SMK Corporation.	—	12,409	Sold by March 14, 2023	Yes
	—	27		
WACUL INC.	—	17,500	Sold by April 6, 2022	None
	—	17		

Notes : SAN-AI OBBLI CO.,LTD. changed company name from SAN-AI OIL CO.,LTD. to SAN-AI OBBLI CO.,LTD. on April 1, 2022.

Deemed holding securities

Stock Name	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022	Purpose and effect of holding, overview of business alliance, reason of increasing the number of shares	Shares of common stock owned by each company
	Number of Shares (Shares)	Number of Shares (Shares)		
	Nonconsolidated Statement of Financial Position Amount as of March 31, 2023 (Millions of Yen)	Nonconsolidated Statement of Financial Position Amount as of March 31, 2022 (Millions of Yen)		
SAN-AI OIL CO.,LTD	5,800,000	5,800,000	Retaining the authority to give instructions on the exercise of voting rights on the retirement benefit trust arrangement	Yes
	8,084	5,514		
Mitsubishi UFJ Financial Group, Inc.	7,790,000	7,790,000	Retaining the authority to give instructions on the exercise of voting rights on the retirement benefit trust arrangement	Yes
	6,710	6,018		
STANLEY ELECTRIC CO., LTD.	1,300,000	1,300,000	Retaining the authority to give instructions on the exercise of voting rights on the retirement benefit trust arrangement	Yes
	3,837	3,048		
Ushio Inc.	1,388,000	1,388,000	Retaining the authority to give instructions on the exercise of voting rights on the retirement benefit trust arrangement	Yes
	2,369	2,593		
Mizuho Financial Group, Inc.	544,500	544,500	Retaining the authority to give instructions on the exercise of voting rights on the retirement benefit trust arrangement	Yes
	1,042	871		

(Notes)

1. SAN-AI OBBLI CO.,LTD. changed company name from SAN-AI OIL CO.,LTD. to SAN-AI OBBLI CO.,LTD. on April 1, 2022
2. Specified investment securities and deemed holding securities are not combined for disclosure of major shareholders.
3. “ - “ means the Company does not have the stocks.
4. “Shares of common stock owned by each company” included the shares of subsidiaries’ if the issuing company controls the subsidiaries management system as their principle business.
5. It is difficult to describe the quantitative effectiveness of holding, due to unable to disclose the business conditions of each issues. However, from the viewpoint of streamlining and strengthening of business alliance and development of collaborative businesses, the Company

verify the rationality of holdings of shares whether effective for the future development of Ricoh, whether the benefits and risks of the holding are worth the capital cost while taking into consideration of the returns such as dividends.

3) Equity securities held for pure investment

Not applicable.

V. FINANCIAL INFORMATION

Consolidated Financial Statements
For the year ended March 31, 2023
With Independent Auditor's Report

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Ricoh Company, Ltd. and its Subsidiaries

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All schedules not listed have been omitted because they are not applicable or the required information has been otherwise supplied in the consolidated financial statements or the notes thereto.

Consolidated Statement of Financial Position

Ricoh Company, Ltd. and its Subsidiaries

	Millions of Yen	
	As of March 31, 2022	As of March 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents (Note 7)	240,308	221,890
Time deposits (Note 7)	81	207
Trade and other receivables (Note 8)	397,148	476,429
Other financial assets (Note 13 and 14)	92,293	93,906
Inventories (Note 9)	232,558	314,368
Other current assets	50,034	68,499
Total current assets	1,012,422	1,175,299
Non-current assets:		
Property, plant and equipment (Note 10 and 12)	188,439	196,512
Right-of-use assets (Note 12 and 13)	57,730	57,003
Goodwill and intangible assets (Note 11 and 12)	259,482	366,394
Other financial assets (Note 13 and 14)	128,321	135,158
Investments accounted for using the equity method (Note 36)	81,396	83,529
Other investments (Note 15)	12,329	19,359
Other non-current assets	31,942	44,540
Deferred tax assets (Note 21)	81,193	72,162
Total non-current assets	840,832	974,657
Total assets (Note 5)	1,853,254	2,149,956

	Millions of Yen	
	As of March 31, 2022	As of March 31, 2023
LIABILITIES AND EQUITY		
Current liabilities:		
Bonds and borrowings (Note 17)	114,395	157,828
Trade and other payables (Note 16)	268,534	312,429
Lease liabilities (Note 13)	22,665	26,185
Other financial liabilities (Note 19)	2,079	2,582
Income tax payables	11,143	11,864
Provisions (Note 18)	9,941	10,968
Other current liabilities (Note 20)	264,691	307,258
Total current liabilities	693,448	829,114
Non-current liabilities:		
Bonds and borrowings (Note 17)	121,042	205,110
Lease liabilities (Note 13)	44,444	38,147
Other financial liabilities (Note 19)	—	27,566
Accrued pension and retirement benefits (Note 22)	45,728	41,058
Provisions (Note 18)	9,607	8,347
Other non-current liabilities (Note 20)	29,029	24,742
Deferred tax liabilities (Note 21)	4,131	17,790
Total non-current liabilities	253,981	362,760
Total liabilities	947,429	1,191,874
Equity:		
Common stock (Note 24)	135,364	135,364
Additional paid-in capital (Note 24)	180,942	158,529
Treasury stock (Note 24)	(460)	(427)
Other components of equity	126,341	167,368
Retained earnings (Note 24)	459,855	470,722
Total equity attributable to owners of the parent	902,042	931,556
Non-controlling interests	3,783	26,526
Total equity	905,825	958,082
Total liabilities and equity	1,853,254	2,149,956

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Profit or Loss

Ricoh Company, Ltd. and its Subsidiaries

	Millions of Yen	
	For the year ended March 31, 2022	For the year ended March 31, 2023
Sales (Note 5 and 27)	1,758,587	2,134,180
Cost of sales (Note 12 and 20)	(1,135,920)	(1,388,758)
Gross profit	622,667	745,422
Selling, general and administrative expenses (Note 12, 20, 28 and 29)	(600,269)	(688,156)
Other income (Note 20 and 26)	17,960	21,544
Impairment of goodwill (Note 12)	(306)	(70)
Operating profit (loss)	40,052	78,740
Finance income (Note 30)	2,532	4,522
Finance costs (Note 30)	(3,800)	(8,105)
Share of profit (loss) of investments accounted for using the equity method (Note 36)	5,604	6,151
Profit (loss) before income tax expenses	44,388	81,308
Income tax expenses (Note 21)	(13,763)	(25,667)
Profit (loss)	30,625	55,641
Profit (loss) attributable to:		
Owners of the parent	30,371	54,367
Non-controlling interests	254	1,274

	Yen	
	For the year ended March 31, 2022	For the year ended March 31, 2023
Earnings per share (attributable to owners of the parent) (Note 32) :		
Basic	45.35	88.13
Diluted	45.34	88.10

The accompanying notes are an integral part of these consolidated financial statements.

* Gain on sales of property, plant, equipment and others were included in “Other income.”

Consolidated Statement of Comprehensive Income

Ricoh Company, Ltd. and its Subsidiaries

	Millions of Yen	
	For the year ended March 31, 2022	For the year ended March 31, 2023
Profit (loss)	30,625	55,641
Other comprehensive income (Note 31) :		
Components that will not be reclassified subsequently to profit or loss:		
Remeasurements of defined benefit plans	14,515	5,097
Net changes in fair value of financial assets measured through other comprehensive income	(1,851)	742
Share of other comprehensive income of investments accounted for using equity method	187	(318)
Total components that will not be reclassified subsequently to profit or loss	12,851	5,521
Components that will be reclassified subsequently to profit or loss:		
Net changes in fair value of cash flow hedges	590	(77)
Exchange differences on translation of foreign operations	46,775	40,591
Share of other comprehensive income of investments accounted for using equity method	99	59
Total components that will be reclassified subsequently to profit or loss	47,464	40,573
Total other comprehensive income	60,315	46,094
Comprehensive income	90,940	101,735
Comprehensive income attributable to:		
Owners of the parent	90,733	100,564
Non-controlling interests	207	1,171

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

Ricoh Company, Ltd. and its Subsidiaries

	Millions of Yen					
	Common stock	Additional paid-in capital	Treasury stock	Other components of equity		
				Remeasure-ments of defined benefit plans	Net changes in fair value of financial assets measured through other comprehensive income	Net changes in fair value of cash flow hedges
Balance as of April 1, 2021	135,364	186,231	(45,024)	—	7,807	(430)
Profit (loss)						
Other comprehensive income (Note 31)				14,571	(1,720)	676
Comprehensive income	—	—	—	14,571	(1,720)	676
Net change in treasury stock (Note 24)		(139)	(92,717)			
Retirement of treasury stock (Note 24)		(5,188)	137,265			
Dividends declared and approved to owners (Note 24)						
Share-based payment transactions (Note 23)		38	16			
Transfer from other components of equity to retained earnings				(14,571)	(1,547)	
Other						
Total transactions with owners	—	(5,289)	44,564	(14,571)	(1,547)	—
Balance as of March 31, 2022	135,364	180,942	(460)	—	4,540	246
Profit (loss)						
Other comprehensive income (Note 31)				5,011	466	(6)
Comprehensive income	—	—	—	5,011	466	(6)
Net change in treasury stock (Note 24)		(21)	(30,006)			
Retirement of treasury stock (Note 24)			30,014			
Dividends declared and approved to owners (Note 24)						
Share-based payment transactions (Note 23)		72	25			
Change in scope of consolidation (Note 6)						
Written put options over non-controlling interests (Note 6)		(22,485)				
Transfer from other components of equity to retained earnings				(5,011)	(159)	
Transfer from retained earnings to additional paid-in capital		21				
Total transactions with owners	—	(22,413)	33	(5,011)	(159)	—
Balance as of March 31, 2023	135,364	158,529	(427)	—	4,847	240

	Millions of Yen					
	Other components of equity		Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Total other components of equity				
Balance as of April 1, 2021	74,720	82,097	561,578	920,246	3,606	923,852
Profit (loss)			30,371	30,371	254	30,625
Other comprehensive income (Note 31)	46,835	60,362		60,362	(47)	60,315
Comprehensive income	46,835	60,362	30,371	90,733	207	90,940
Net change in treasury stock (Note 24)				(92,856)		(92,856)
Retirement of treasury stock (Note 24)			(132,077)	—		—
Dividends declared and approved to owners (Note 24)			(14,058)	(14,058)	(30)	(14,088)
Share-based payment transactions (Note 23)				54		54
Transfer from other components of equity to retained earnings		(16,118)	16,118	—		—
Other			(2,077)	(2,077)		(2,077)
Total transactions with owners	—	(16,118)	(132,094)	(108,937)	(30)	(108,967)
Balance as of March 31, 2022	121,555	126,341	459,855	902,042	3,783	905,825
Profit (loss)			54,367	54,367	1,274	55,641
Other comprehensive income (Note 31)	40,726	46,197		46,197	(103)	46,094
Comprehensive income	40,726	46,197	54,367	100,564	1,171	101,735
Net change in treasury stock (Note 24)				(30,027)		(30,027)
Retirement of treasury stock (Note 24)			(30,014)	—		—
Dividends declared and approved to owners (Note 24)			(18,635)	(18,635)	(75)	(18,710)
Share-based payment transactions (Note 23)				97		97
Change in scope of consolidation (Note 6)				—	21,647	21,647
Written put options over non-controlling interests (Note 6)				(22,485)		(22,485)
Transfer from other components of equity to retained earnings		(5,170)	5,170	—		—
Transfer from retained earnings to additional paid-in capital			(21)	—		—
Total transactions with owners	—	(5,170)	(43,500)	(71,050)	21,572	(49,478)
Balance as of March 31, 2023	162,281	167,368	470,722	931,556	26,526	958,082

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

Ricoh Company, Ltd. and its Subsidiaries

	Millions of Yen	
	For the year ended March 31, 2022	For the year ended March 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit (loss)	30,625	55,641
Adjustments to reconcile profit (loss) to net cash provided by (used in) operating activities		
Depreciation and amortization (Note 5)	90,479	97,468
Impairment losses of property, plant and equipment and intangible assets (Note 12)	762	37
Impairment of goodwill (Note 12)	306	70
Other income (Note 26)	(13,299)	(13,128)
Share of (profit) loss of investments accounted for using the equity method (Note 36)	(5,604)	(6,151)
Finance income and costs (Note 30)	1,268	3,583
Income tax expenses (Note 21)	13,763	25,667
(Increase) decrease in trade and other receivables	13,448	(39,546)
(Increase) decrease in inventories	(28,533)	(45,536)
(Increase) decrease in lease receivables	23,285	5,852
Increase (decrease) in trade and other payables	(26,212)	22,654
Increase (decrease) in accrued pension and retirement benefits	(9,306)	(10,661)
Other, net	13,907	195
Interest and dividends received	3,457	6,004
Interest paid	(3,795)	(5,512)
Income taxes paid	(22,089)	(29,929)
Net cash provided by (used in) operating activities	82,462	66,708
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of property, plant and equipment	15,062	14,340
Expenditures for property, plant and equipment	(37,359)	(45,459)
Expenditures for intangible assets	(33,683)	(35,156)
Payments for purchases of investment securities	(442)	(6,539)
Proceeds from sales of investment securities	6,327	923
Net (Increase) decrease in time deposits	162	(122)
Purchases of business, net of cash acquired (Note 6)	(9,422)	(58,453)
Other, net	—	(3,473)
Net cash provided by (used in) investing activities	(59,355)	(133,939)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase (decrease) of short-term debt (Note 17)	15,990	24,159
Proceeds from long-term debt (Note 17)	37,140	150,027
Repayments of long-term debt (Note 17)	(46,664)	(44,032)
Repayments of bonds (Note 17)	—	(13,725)
Repayments of lease liabilities (Note 17)	(31,146)	(32,229)
Dividends paid (Note 24)	(14,058)	(18,635)
Payments for purchases of treasury stock (Note 24)	(92,717)	(30,006)
Other, net	(230)	(105)
Net cash provided by (used in) financing activities	(131,685)	35,454
EFFECT OF EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS	12,254	8,641
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(96,324)	(23,136)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	330,344	234,020
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)	234,020	210,884

The accompanying notes are an integral part of these consolidated financial statements.

Notes: The difference in the amount of “cash and cash equivalents” between consolidated statement of financial position and consolidated statement of cash flows represents bank overdrafts.

Notes to Consolidated Financial Statements

Ricoh Company, Ltd. and its Subsidiaries

1. REPORTING ENTITY

Ricoh Co., Ltd. (the “Company”) is a company domiciled in Japan. The consolidated financial statements of the Company as of and for the year ended March 31, 2023, comprise of the Company and its subsidiaries (the “Ricoh” as a consolidated group) and Ricoh's interest in associates.

Ricoh is operating development, manufacturing, sales and service activities on the business segments of Digital Services, Digital Products, Graphic Communications, Industrial Solutions and Other (see Note 5, “Operating Segments”).

2. BASIS OF PREPARATION

(1) Statements of Compliance

Ricoh’s consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) based on the stipulations of Article 93 of the “Regulations Concerning Terminology, Form and Method for Preparing Financial Statements”. Ricoh meets all the requirements for “Regulations Concerning Terminology, Form and Preparation Methods of Consolidated Financial Statements” (Ministry of Finance of Japan Regulation No. 28, 1976).

(2) Basis of Measurement

Ricoh's consolidated financial statements have been prepared on the historical cost basis, except for certain assets and liabilities, including financial instruments measured at fair value and retirement benefit assets and liabilities as shown in Note 3, “significant accounting policies”.

(3) Functional and Presentation Currency

The items included in financial statements of each group company are measured by the currency of the primary economic environment in which each group company operates (“functional currency”). The consolidated financial statements are presented in Japanese yen, which is also the Company’s functional currency. All amounts presented in Japanese yen have been rounded to the nearest million.

(4) New Standards and Interpretations

Significant accounting policies which are applied to the Consolidated Statement of Financial Position are consistent with previous fiscal year excepting the table below.

IFRSs	Title	Summaries of new IFRSs/amendments
IAS 12	Income Taxes	A temporary exception to the requirements to recognize and disclose information about deferred tax assets and liabilities related to BEPS 2.0 - Pillar Two income taxes.

(5) Early Adoption of New Standards

Ricoh did not have early adoption of any new standards.

(6) Use of Estimates and Judgments

For the preparation of consolidated financial statements in accordance with IFRSs, it is required that management makes judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods in which the revision affects.

For the consolidated financial statements for the current fiscal year, Ricoh assumes that the effect of the surge in resource prices and inflation will persist to a certain extent over the next fiscal year and beyond although the impact on economic activities from COVID-19 and impact on the Ricoh's performance due to the supply constraints resulting from component shortages and logistics issues are gradually improving.

Ricoh has considered the business impact of the situation in which society will not completely recover to a pre-pandemic normal and of the sales price fluctuations as measures to deal with cost increase of components, in view of the well-received new work style stemming from the downsizing of office spaces and decreasing attendance rate at work as teleworking triggered by the COVID-19 pandemic has taken root.

The items on which estimates and assumptions have a significant effect in the consolidated financial statements are impairment losses on tangible assets, intangible assets and goodwill and recognition of deferred tax assets. Ricoh tests goodwill and fixed assets for impairment and evaluates the recoverability of deferred tax assets on the grounds that future business plans are established in accordance with certain assumptions in consideration of the above scenarios. Please refer to Note 12 - Impairment losses (impairment losses on tangible assets, intangible assets and goodwill) and Note 21 - Income taxes (recognition of deferred tax assets) for more information.

The following notes include information in respect to uncertainties of judgments and estimates which have a significant risk to cause material adjustments in the next fiscal year.

- Note 13 - Lease (Estimation of lease terms)
- Note 18 - Provisions (Estimation of expenditures required to settle obligations)
- Note 22 - Employee benefits (Estimation of the present value of defined benefit plan obligations)
- Note 25 - Financial Instruments and related disclosures (Estimation of allowance for doubtful receivables, fair value of financial instruments)
- Note 27 - Sales (Estimation of variable considerations for revenue recognition)

3. SIGNIFICANT ACCOUNTING POLICIES

(1) Principles of Consolidation

(a) Business Combinations

Business combinations are accounted for using the acquisition method. Goodwill is recognized and measured as the excess of the net of the acquisition date amounts of identifiable assets acquired and liabilities assumed over the aggregate of consideration transferred, the amount of any noncontrolling interests and, in case of business combinations achieved in stages, the acquisition date fair value of the previously held equity interest. If the consideration of the acquisition is lower than the fair value of the identifiable assets and liabilities, the difference is immediately recognized as profit in the consolidated statement of profit or loss. If the amount of initial accounting for a business combination is not determined by the end of the reporting period in which the combination occurs, the provisional amounts for the items for which the accounting is incomplete are reported and are adjusted during the measurement period, which is one year from the acquisition date. The acquisition related costs are charged to expenses as incurred.

Business combinations of entities under common control or business combinations in which all the combined entities or businesses are ultimately controlled by the same party or parties both before and after the business combinations when that control is not transitory are accounted for based on the carrying amounts.

(b) Subsidiaries

Subsidiaries are entities which are controlled by Ricoh. Ricoh controls an entity when Ricoh has exposure, or rights, to variable returns from its involvement with the entity and has the ability to affect those returns

through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date when control is obtained until the date when it is lost. In case that the accounting policies applied by a subsidiary differ from those applied by the Group, adjustments are made to the subsidiary's financial statements, if necessary. All intercompany balances and transactions have been eliminated in preparing the consolidated financial statements.

The disposal of interests in subsidiaries are accounted for as equity transactions if Ricoh retains control over the subsidiaries. Any difference between the adjustment to the noncontrolling interests and the fair value of the consideration received is recognized directly in equity as Ricoh Company, Ltd. shareholders' equity. Any surplus or deficit arising on the loss of control is recognized in profit or loss.

(c) Associates

Associates are entities over which Ricoh has significant influence to govern financial and operating policies, but does not have control them.

Investments in associates are accounted for using the equity method and are recognized at cost on acquisition. The investments include goodwill recognized on acquisition.

Ricoh's share of the income and expenses of the associates accounted for using the equity method and changes in Ricoh's share in such equity are included in the consolidated financial statements from the date when significant influence or joint control is obtained until the date it is lost. The accounting policies of associates accounted for using the equity method have been adjusted to ensure consistency with those applied by Ricoh.

(2) Foreign Currency

(a) Foreign currency transactions

Foreign currency transactions are translated into functional currencies of Ricoh by applying the rate of exchange prevailing at the date of transaction. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are retranslated into functional currencies at the prevailing exchange rate at the reporting date. Nonmonetary assets and liabilities measured at fair value that are denominated in foreign currencies are retranslated using the exchange rate at the date when the fair value was determined. Exchange differences arising from retranslation are recognized in profit or loss.

(b) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising from acquisitions of foreign operations are translated using the exchange rate at the reporting date. In addition, the income and expenses of foreign operations are translated using the average exchange rate for the year excluding those cases in which exchange rates are fluctuating significantly. In the event of significant exchange rate fluctuations, the exchange rate at the date of the transaction is used.

Foreign exchange translation differences are recognized in other comprehensive income. On disposal of the entire interest in foreign operations and on the partial disposal of the interest involving loss of control, significant influence or joint control, the cumulative amount of the foreign exchange translation differences related to such foreign operations is reclassified to profit or loss at the time of such disposal.

(3) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank deposits available for withdrawal on demand and short-term investments which are readily convertible to known amounts of cash, due within 3 months or less and substantially free from any price fluctuation risk.

(4) Inventories

Inventories are measured at the lower value of cost or net realizable value. The cost of inventory includes purchase costs and conversion costs that contain appropriate allocation of fixed and variable overhead expenses. These costs are assigned to inventories mainly by the weighted-average method.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(5) Assets held for sale

A non-current asset (or disposal group) is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The classification requires both of conditions, when the asset (or disposal group) is available for immediate sale in its present condition and when its sale is highly probable. For the sale to be highly probable, management must be committed to a plan to sell the asset (or disposal group) and the sale must be expected to be concluded within one year from the date of the classification.

After the classification, the asset (or disposal group) is measured at the lower of its carrying amount and fair value less costs to distribute and depreciation on the asset (or disposal group) ceases. Regarding the measurement, an impairment loss for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell is recognized through profit or loss. The gain can be recognized up to the amount not in excess of the cumulative impairment loss that has been recognized.

(6) Property, Plant and Equipment

(a) Recognition and measurement

Property, plant and equipment are measured by using the cost model and carried at cost less any accumulated depreciation and any accumulated impairment loss. The cost of items of property, plant and equipment includes costs directly attributable to the acquisition and initial estimate of the costs of dismantling and removing the items and restoring the site on which they are located. When the useful life of each part of an item of property, plant and equipment varies, it is accounted for as a separate item of property, plant and equipment.

(b) Subsequent costs

Ordinary maintenance and repairs are charged to expense as incurred. Major replacements and improvements are capitalized to the extent they enhance the future economic benefit of the Ricoh's asset.

(c) Depreciation

Depreciation of property, plant and equipment other than land and construction in progress is mainly computed under the straight-line method based on the estimated useful life of each item. The depreciation period generally ranges from 2 to 60 years for buildings and structures, 1 to 20 years for machinery, equipment and vehicles, and 1 to 20 years for tools, furniture and fixtures. The depreciation methods, useful life and residual values are reviewed at the end of each fiscal year and changed when necessary.

(7) Goodwill and Intangible Assets

(a) Goodwill

Goodwill measurements at initial recognition are presented in "(1) Principles of Consolidation (a) Business Combinations". It is not amortized and is measured by deducting impairment loss from cost.

(b) Intangible Assets

Intangible assets are measured by using the cost model and carried at cost less any accumulated amortization and accumulated impairment loss.

(i) Capitalized software costs

Ricoh capitalizes certain internal and external costs incurred to acquire or create internal use software during the application development stage as well as upgrades and enhancements that result in additional functionality. The capitalized software is amortized on a straight-line basis generally over 2 to 10 years.

(ii) Development assets

An intangible asset arising from development activities (or from the development phase of an internal project) shall be recognized if, and only if, Ricoh can demonstrate all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset for use or sale;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Amortization of such asset commences on the commercial production date after the completion of an internal project, and the asset is amortized on a straight-line basis over its estimated useful life, generally ranging from 2 to 10 years, that is the period over which it is expected to generate net cash inflows. Other development expenditure and expenditure on research activities are recognized as an expense as incurred.

(iii) Other intangible assets

Intangible assets acquired separately are measured at cost at initial recognition. Intangible assets acquired in a business combination and recognized separately from goodwill are measured at fair value on the acquisition date.

(iv) Amortization (other than development assets)

Intangible assets with definite useful lives are amortized over the estimated useful life and a determination is made as to whether there exists any indication of impairment. Intangible assets consisting primarily of software, customer relationships and trademarks are amortized on a straight-line basis over 1 to 20 years. Intangible assets with indefinite useful lives and intangible assets that are not ready to use are not amortized, but are tested annually for impairment until the asset's life is determined to no longer be indefinite.

(8) Impairment losses of tangible assets, right-of-use assets, goodwill and intangible assets

The Ricoh determines on the last day of each reporting period whether there is indication of impairment in the carrying amount of non-financial assets excluding inventories and deferred tax assets. Upon identifying an impairment indicator, impairment test is conducted with reference to the recoverable amount of the asset.

Goodwill, intangible assets without definite useful lives and intangible assets that are yet to be ready for use are tested for impairment on an annual basis. Cash generating unit which serves as the basis for conducting impairment test, is defined as the smallest group of asset identifiable as source of cash inflow largely independent from the cash inflows of other assets or asset groups. Cash generating units benefiting from goodwill are defined as the smallest units being monitored for the purpose of internal control, within the scope of business segments before aggregation.

Recoverable amount of an asset or a cash generating unit is defined as fair value after deducting disposal cost or value in use, whichever higher. In calculating the value in use, estimated future cash flows are discounted into present value by using a pre-tax discount rate reflecting the asset-specific risk which has not been considered in estimating either the time value of money or future cash flows.

Since corporate assets will not generate independent cash inflow, if an indication of impairment is identified in a corporate asset, impairment test is conducted with reference to the recoverable amount of the cash generating unit to which such corporate asset is attributable to.

Impairment loss is recognized when the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. Impairment loss recognized in relation to a cash generating unit is first allocated to reduce the carrying amount of goodwill allocated to the unit, and then to other assets of the unit in proportion to the carrying amount of each such asset.

For the asset or cash generating unit for which impairment loss was recognized in the past periods, whether there is an indication that warrants reversal of such recognized impairment loss is determined. For the asset or cash generating unit showing an indication that warrants such reversal of impairment loss, its recoverable amount is estimated and the impairment loss is reversed if such estimated recoverable amount is found to exceed the carrying amount. The carrying amount after reversal of impairment loss should not exceed the carrying amount reflecting the depreciations or amortizations up to the reversal had the impairment loss not been recognized. Reversal of impairment loss for goodwill is excluded.

(9) Leases

(a) Leases as lessee

Ricoh assesses whether the contract is or contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

When the underlying asset is real estate, Ricoh allocates the consideration of the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. When the underlying asset is other than real estate, Ricoh elects not to separate non-lease components from lease components, and instead accounts for each lease component and any associated non-lease components as a single lease component.

For a contract that is, or contains, a lease, Ricoh recognizes right-of-use assets and lease liabilities at the commencement date of the lease. Lease liabilities are measured at the present value of outstanding lease payments discounted using the lessee's incremental borrowing rate at the commencement date. Right-of-use assets are initially measured at the initial measurement amount of the lease liability adjusted for the prepaid lease payments and other factors.

Right-of-use assets are measured at cost and depreciated on a straight-line basis over the shorter of their estimated useful lives and lease terms. Lease payments are apportioned between interest expenses and the reduction of the outstanding liability using the effective interest method.

Interest expenses are presented on the consolidated statement of profit or loss separately from depreciation expenses of right-of-use assets.

Ricoh does not recognize right-of-use assets and lease liabilities for short-term leases (with a lease term of 12 months or less) and leases for low-value assets. Ricoh recognizes the lease payments associated with these leases as expenses on a straight-line basis over the lease term.

(b) Leases as lessor

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. Other leases are classified as operating leases. In circumstances in which the lessor is a manufacturer or dealer, the profit or loss from a finance lease is recognized in accordance with the same revenue recognition policy as that for products sales. Finance income is recognized over the term of the lease using the effective interest method. In circumstances in which the lessor is neither a manufacturer nor dealer, finance income is recognized over the term of the lease using the effective interest method.

The interest rate implicit in the lease is the discount rate that causes the aggregate present value of the minimum lease payments and the unguaranteed residual value to be equaled to the sum of the fair value of the leased asset and any initial direct costs incurred by the lessor.

Income from operating leases is recognized on a straight-line basis over the term of the lease.

(10) Provisions

Provisions are recognized when Ricoh has present obligations as a result of past events, when it is probable that outflows of resources embodying economic benefits will be required to settle the obligations and reliable estimates can be made of the amount of the obligations. Where the time value of money is material, the provision is measured based on the present value using a discount rate that reflects the risks specific to the obligations.

The estimated costs of dismantling, removing and restoring assets and any other expenditures arising from an obligation are recognized as provisions for asset retirement obligation, which is included in the cost of "Property, plant and equipment". The estimated costs and discount rate are reviewed annually, and where Ricoh considers it is necessary to change them, addition or deduction will be made to the carrying amount of the asset, which is treated as changes in accounting estimates.

The warranties provision corresponds to the cost of product warranties related to after-sales service and is recognized based on the estimated cost of after-sales service during the warranty period. The warranty costs were included in "Cost of sales".

(11) Government grants

Government grants are recognized at fair value when there is a reasonable assurance that Ricoh will comply with the terms and conditions attached to the grants. Government grants related to income are recognized in profit or loss over the period in which the related costs for which the grants are intended to compensate are recognized, and are mainly deducted in the related expenses. With regard to government grants for the purchase of assets, the amount of the grant is credited to deferred income and recognized in profit over the expected useful life of the relevant assets.

(12) Employee benefits

(a) Post-employment benefits

Ricoh has defined benefit corporate pension plans and defined contribution plans.

The net obligations for defined benefit plans are recognized at the present value of the amount of future benefits that the employees have earned in the current and prior periods less the fair value of any plan assets on a plan-by-plan basis. Actuarial gains and losses arising from defined benefit plans are recognized immediately in other comprehensive income and directly reclassified to retained earnings from other components of equity. Past service costs are recognized in profit or loss.

The contribution to the defined contribution plans is recognized as an expense when the related service is provided by the employee.

(b) Short-term employee benefits

Short-term employee benefits are recognized as expenses when the related service is provided. A liability is recognized for the amount expected to be paid if Ricoh has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be reliably estimated.

(13) Share-based Payment

Ricoh has equity-settled share-based compensation plans.

Under the equity-settled share-based compensation plan, the amount of services received is measured with reference to the fair value of the granted capital instruments at the granted date, and is recognized as an expense over the vesting period. The same amount is recognized as an increase in additional paid-in capital.

(14) Financial Instruments

Ricoh classifies the financial assets and liabilities that it holds into the following categories: (i) financial assets measured at amortized cost, (ii) debt instruments measured at fair value through other comprehensive income (iii) equity instruments measured at fair value through other comprehensive income, (iv) financial assets measured at fair value through profit or loss and (v) financial liabilities measured at amortized cost.

(a) Initial recognition and measurement

Ricoh initially recognizes trade and other receivables on the date when they are originated. Financial assets purchased or sold in the ordinary course of business are initially recognized on the settlement date. Financial assets measured at fair value through profit or loss are initially measured at fair value. Financial assets measured at amortized cost, debt instruments and equity instruments measured at fair value through other comprehensive income are initially measured at fair value plus transaction costs directly attributable to the acquisition. However, trade receivables that do not contain a significant financing component are initially measured at the transaction price.

(b) Classification and subsequent measurement

(i) Financial assets measured at amortized cost

Financial assets held by Ricoh are measured at amortized cost if both of the following conditions are met:

- The financial asset is held in a business model in which the objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, the carrying amounts of the financial assets measured at amortized cost are recognized using the effective interest method less impairment loss, if any. Amortization using the effective interest method and gains and losses on derecognition are recognized in profit or loss for the period.

(ii) Debt instruments measured at fair value through other comprehensive income

Financial assets held by Ricoh are classified as debt instruments measured at fair value through other comprehensive income if both of the following conditions are met.

- The financial asset is held in a business model in which the objective is to hold financial assets in order to collect contractual cash flows and sale the financial asset; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are measured at fair value after initial recognition, and subsequent changes including foreign exchange, impairment gains or losses, and interest income from debt instrument are recognized as profit or loss. Other changes are included in other comprehensive income. When the debt instruments are derecognized, accumulated other comprehensive income is reclassified to profit or loss.

(iii) Equity instruments measured at fair value through other comprehensive income

Ricoh has made an irrevocable election to present subsequent changes in the fair value of financial assets, except financial assets measured at amortized cost and debt instruments measured at fair value through other comprehensive income and classify them in equity instruments measured at fair value through other comprehensive income.

These financial assets are measured at fair value after initial recognition, and changes in the fair value are included in other comprehensive income. When the fair value significantly declines or the equity instruments are derecognized, accumulated other comprehensive income is reclassified to retained earnings.

Dividends from equity instruments measured at fair value through other comprehensive income are recognized as profit or loss.

(iv) Financial assets measured at fair value through profit or loss

Financial assets other than financial assets measured at amortized cost as well as debt instruments and equity instruments measured at fair value through other comprehensive income are measured at fair value through profit or loss.

These financial assets are measured at fair value after initial recognition, and changes in their fair value are recognized in profit or loss.

(v) Financial liabilities measured at amortized cost

Bonds, borrowings, trade and other payables which Ricoh holds are initially measured at fair value less transaction costs directly attributable to the issuance. After initial recognition, these financial liabilities are measured at amortized cost.

(c) Derecognition of non-derivative financial assets and liabilities

Ricoh derecognizes financial assets when the contractual rights to the cash flows from the assets expire or Ricoh transfers the financial assets in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred.

Ricoh derecognizes financial liabilities when contractual obligations are discharged, cancelled or expired.

(d) Impairment of non-derivative financial assets

With respect to impairment of financial assets measured at amortized cost, Ricoh recognizes a loss allowance for expected credit losses on such financial assets. At each reporting date, Ricoh assesses whether the credit risks on the financial assets have increased significantly since initial recognition. The determination of whether a credit risk on the financial assets has increased significantly is based on a change in the default risk, considering past due information and the financial difficulties of the obligors.

If the credit risk on a financial instrument has not increased significantly since initial recognition, the loss allowance for that financial instrument is measured at an amount equal to the 12-month expected credit loss. If a credit risk on a financial instrument has increased significantly since initial recognition, the loss allowance is measured at an amount equal to the lifetime expected credit loss. However, with respect to trade receivables that do not contain a significant financing component, the loss allowance is measured through simplified approach.

The expected credit loss of financial asset is estimated in a way that reflects the following:

- an unbiased and probability-weighted amount determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The amounts of these measurements are recognized in profit or loss. If an event that reduces an impairment loss occurs after the impairment loss has been recognized, the impairment loss will be reversed to the extent of the decrease and credited to profit or loss.

(e) Equity

(i) Ordinary shares

Incremental costs, net of tax, directly attributable to the issuance of equity instruments are deducted from equity.

(ii) Treasury shares

If the Company purchases its own equity instruments (treasury shares), the consideration paid, net of directly attributable transaction costs and tax, is recognized as a deduction from equity. If the Company disposes of treasury shares, any gain or loss arising from the disposal is recognized in equity.

(f) Derivative financial instruments and hedging activities

Ricoh manages its exposure to certain market risks, those primarily related to foreign currency and interest rate, through the use of derivative instruments. As a matter of policy, Ricoh does not enter into derivative contracts for trading or speculative purposes.

Ricoh recognizes all derivative instruments as either assets or liabilities in the consolidated statement of financial position and measures those instruments at fair value. When entering into a derivative contract, Ricoh determines as to whether or not the hedging relationship meets hedge effectiveness requirements. In general, a derivative applicable for hedge accounting may be designated as either (1) a hedge of the exposure to changes in the fair value of a recognized asset or liability (“fair value hedge”) or (2) a hedge of the exposure to changes in variability of the expected cash flows associated with an existing asset or liability or a highly probable forecasted transaction (“cash flow hedge”).

Ricoh formally documents all relationships between hedging instruments and hedged items as well as its risk management objectives and strategies for undertaking various hedge transactions. This process includes linking all derivatives that are designated as fair value or cash flow hedges to specific assets and liabilities on the consolidated statement of financial position or to specific firm commitments or forecasted transactions.

(i) Fair value hedges

Derivative instruments designated as fair value hedges are measured at fair value. Changes in the fair values of derivatives designated as fair value hedges are recognized as gains or losses and are offset by the gains or losses resulting from the changes in the fair values of the hedged items.

(ii) Cash flow hedges

The effective portion of the gains and losses of hedging instruments in a cash flow hedge are recognized through other comprehensive income. Other comprehensive income is reclassified to profit or loss in the same period during which the hedged expected cash flows affect profit or loss. Changes in the fair values of the ineffective portions of cash flow hedges are recognized immediately in profit or loss.

(iii) Derivatives not designated as hedging instruments

Changes in the fair value of derivative financial instruments which do not qualify for hedge accounting are recognized in profit or loss.

(15) Revenue Recognition

Ricoh recognizes and measures revenue based on a 5-step approach as follows.

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The specific revenue recognition standards are described in Note 27 Sales.

(16) Finance Income and Finance Costs

Finance income mainly comprises dividend income, interest income and foreign currency exchange gain. Dividend income is recognized on the date when the right to receive payment is established. Interest income is recognized when incurred using the effective interest method.

Finance costs mainly comprise interest costs and foreign currency exchange loss. Interest costs are recognized when incurred using the effective interest method.

(17) Income Taxes

Income taxes comprise current taxes and deferred taxes. These are recognized in profit or loss, except for those taxes which are recognized either in other comprehensive income, directly in equity or arising from business combinations.

Current taxes are the expected taxes payable or receivable on taxable profit or loss using the tax rates and tax laws enacted or substantially enacted by the end of the reporting period adjusted by taxes payable or receivable in prior years. Deferred tax assets and liabilities are recognized on temporary differences between the carrying amounts of assets and liabilities for accounting purposes and their tax bases, net operating loss carryforwards and tax credit carryforwards.

Deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of an asset or liability in a transaction which is not related to a business combination and, at the time of transaction, affects neither book basis nor tax basis profits (tax losses). Deferred tax liabilities are not recognized if the taxable temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and investments accounted for by the equity method. However, if Ricoh is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not be reversed in the foreseeable future, deferred tax liabilities are not recognized. Deferred tax assets arising from deductible temporary differences associated with investments in subsidiaries and associates accounted for by the equity method are recognized only to the extent that it is probable that there will be sufficient taxable profit against which the benefit of temporary differences can be utilized and the temporary differences will be reversed in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the temporary differences are expected to be reversed based on tax laws that have been enacted or substantively enacted by the end of reporting period. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and income taxes are levied by the same tax authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

Deferred tax assets are recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Ricoh adopt the exception to the requirements to recognize and disclose information about deferred tax assets and liabilities related to BEPS 2.0 - Pillar Two income taxes.

(18) Earnings Per Share

Basic earnings per share are calculated by dividing profit and loss attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the year, adjusted by the number of treasury shares. Diluted earnings per share are calculated by adjusting all the effects of potentially dilutive ordinary shares.

(19) Operating Segments

Operating segments are components of business activities from which Ricoh may earn revenues and incur expenses, including revenues and expenses relating to transactions with other operating segments, and for which discrete financial information for operating results of all operating segments is available and is regularly reviewed by management in order to determine the allocation of resources to the segment and assess its performance.

4. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

New standards and interpretations that were not effective in the reporting period ended March 31, 2023 and which Ricoh has not yet adopted for the preparation of consolidated financial statements are set forth in the table below. The effect of IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction is minor. Ricoh is currently evaluating the effect of other than IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

IFRSs	Title	Date on or after which the application is required for new reporting periods	Ricoh's applicable reporting period	Summaries of new IFRSs/amendments
IAS 12	Income Taxes	January 1, 2023	Period ending March 2024	Clarify accounting for deferred tax related to assets and liabilities arising from a single transaction.
IAS 12	Income Taxes	January 1, 2023	Period ending March 2024	The requirements to disclose information about the effect of adoption to BEPS 2.0 - Pillar Two income taxes.
IAS 1	Presentation of Financial Statements	January 1, 2024	Period ending March 2025	Improved information about covenanted long-term debt.

5. OPERATING SEGMENTS

Ricoh's operating segments are composed of Digital Services, Digital Products, Graphic Communications, Industrial Solutions and Other.

The electronics business in Industrial Solutions has been reclassified into Digital Products from the current year. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

The following table presents the content of operating segment.

Segments	Business Domains
Digital Services	Sales of MFPs (multifunctional printers), laser printers, digital duplicators, wide format printers, facsimile machine, scanners, personal computers, servers, network equipment, related parts & supplies, services, support, software and service & solutions related to documents
Digital Products	Production and OEM of MFPs (multifunctional printers), laser printers, digital duplicators, wide format printers, facsimile machine, scanners, network equipment, and related parts & supplies, production and sales of electronic components
Graphic Communications	Production and sales of cut sheet printers, continuous feed printers, inkjet heads, imaging systems, industrial printers, related parts & supplies, services, support and software
Industrial Solutions	Production and sales of thermal paper and thermal media, industrial optical component/module and precision mechanical component
Other*	Digital cameras, 360°cameras, environment, healthcare

* Sales, profit and loss, etc. of PFU are included in Other.

(Note) Digital services as a business segment is mainly limited to the office services business and the office printing sales business. This segment does not include all digital services, which Ricoh aims to transform into "a digital services company" that connects workplaces and support worker's creativity. "Digital Services" provided as "a digital services company" is included in all the business segments as well as Digital Services business segment.

Segment profit (loss) is based on operating profit (loss) and is used by Ricoh's management in allocating resources and in assessing business performance. Segment profit (loss) excludes certain adjustment such as elimination of unrealized gain or loss on inventories and fixed assets accrued from intersegment transaction.

The following tables present certain information regarding Ricoh's operating segments and geographic areas for the years ended March 31, 2022 and 2023. Intersegment transactions are made at arm's-length prices. No single customer accounted for 10% or more of the total sales for the years ended March 31, 2022 and 2023.

(1) Operating Segment Information

	Millions of Yen	
	For the year ended March 31, 2022	For the year ended March 31, 2023
Segment sales:		
Digital Services	1,428,192	1,650,414
Digital Products	377,447	440,376
Graphic Communications	187,082	234,843
Industrial Solutions	102,059	116,335
Other	35,554	127,752
Intersegment sales	(371,747)	(435,540)
Total segment sales	1,758,587	2,134,180
Segment profit (loss):		
Digital Services	16,209	28,284
Digital Products	41,534	31,577
Graphic Communications	(466)	14,578
Industrial Solutions	1,504	3,150
Other	(15,521)	(3,245)
Total segment profit (loss)	43,260	74,344
Reconciling items:		
Corporate expenses and elimination	(3,208)	4,396
Finance income	2,532	4,522
Finance costs	(3,800)	(8,105)
Share of profit of investments accounted for using equity method	5,604	6,151
Profit (loss) before income tax expenses	44,388	81,308

Intersegment sales are primarily from Digital Products to Digital Services.

The following tables represent total assets, capital expenditures, depreciation and amortization for the years ended March 31, 2022 and 2023.

	Millions of Yen	
	As of March 31, 2022	As of March 31, 2023
Total assets:		
Digital Services	905,921	1,018,143
Digital Products	246,966	279,190
Graphic Communications	126,582	148,347
Industrial Solutions	82,599	90,045
Other	34,785	170,340
Elimination of intersegment transactions	(21,607)	(22,240)
Corporate	478,008	466,131
Consolidated	1,853,254	2,149,956

	Millions of Yen	
	For the year ended March 31, 2022	For the year ended March 31, 2023
Capital expenditures:		
Digital Services	20,691	21,741
Digital Products	20,349	23,039
Graphic Communications	15,903	18,513
Industrial Solutions	2,249	3,899
Other	1,689	5,832
Corporate	10,161	7,591
Consolidated	71,042	80,615
Depreciation and amortization:		
Digital Services	43,438	46,600
Digital Products	18,492	16,712
Graphic Communications	8,796	9,293
Industrial Solutions	4,679	4,973
Other	5,324	10,859
Corporate	9,750	9,031
Consolidated	90,479	97,468

Assets are allocated to the operating segments which mainly benefited from the assets.

Corporate assets consist primarily of cash and cash equivalents, other financial assets, investments accounted for using the equity method and deferred tax assets that are not related to specific operating segments.

(2) Sales by Product Category

Information for sales by product category is as follows:

	Millions of Yen	
	For the year ended March 31, 2022	For the year ended March 31, 2023
Sales:		
Digital Services	1,428,192	1,650,414
Digital Products	24,466	26,702
Graphic Communications	187,082	234,843
Industrial Solutions	99,497	113,572
Other	19,350	108,649
Total sales	1,758,587	2,134,180

(Note) Each category includes the following product lines:

Digital Services	MFPs (multifunctional printers), laser printers, digital duplicators, wide format printers, facsimile machine, scanners, personal computers, servers, network equipment, related parts & supplies, services, support, software and service & solutions related to documents
Digital Products	OEM of MFPs (multifunctional printers), laser printers, digital duplicators, wide format printers, facsimile machine, scanners, network equipment, and related parts & supplies. Electronic components
Graphic Communications	Cut sheet printers, continuous feed printers, inkjet heads, imaging systems, industrial printers, related parts & supplies, services, support and software
Industrial Solutions	Thermal paper and thermal media, industrial optical component/module and precision mechanical component
Other*	Digital cameras, 360°cameras, environment, healthcare

* Sales of PFU are included in Other segment.

(3) Geographic Information

Sales based on the location of customers and noncurrent assets, including property, plant and equipment, right-of-use assets, goodwill and intangible assets were as follows:

	Millions of Yen	
	For the year ended March 31, 2022	For the year ended March 31, 2023
Sales:		
Japan	705,242	803,955
The Americas	443,647	600,836
Europe, the Middle East and Africa	450,178	546,462
Other	159,520	182,927
Consolidated	1,758,587	2,134,180
The United States (included in The Americas)	367,876	504,769

	Millions of Yen	
	As of March 31, 2022	As of March 31, 2023
Non-current assets:		
Japan	218,760	298,657
The Americas	98,660	119,756
Europe, the Middle East and Africa	145,588	158,209
Other	42,643	43,287
Consolidated	505,651	619,909
The United States (included in The Americas)	86,293	107,805

6. BUSINESS COMBINATIONS

(For the year ended March 31, 2022)

There was no significant business combination.

(For the year ended March 31, 2023)

(PFU Limited)

1. Outline of business combination

(i) Name and description of acquired business

Name of acquired business : PFU Limited

Description of business : Document scanners, industrial computing products and other hardware; security and document management and other software & services; configuration of IT infrastructure; and multivendor services provided in cooperation with third-party companies

(ii) Reason for the acquisition of shares

This share acquisition is a part of the growth investments outlined in the medium- to long-term plan through FY2025. PFU has the No. 1 share in the global market for document scanners and offers cloud construction and managed security services in Japan. By making PFU a subsidiary of the Company, the Company intends to strengthen edge devices that support digital services by acquiring industry and business scanners that serve as entry points for business workflows, and also intends to fortify its human capital through acquiring software engineers and digital professionals in the field, close to its customers and edge devices including construction and operation of multi-cloud environments and security services. In doing so, the Company intends to achieve digital transformation (DX) for customers and expand Ricoh's the office services business, which is positioned as an area of accelerated growth in its business portfolio management. In addition, PFU has the No. 1 share in the Japanese market for industrial computer boards and boasts an extensive product lineup. The combination of PFU's strengths and the Company's electronics business will create synergies in production, purchasing, and development to increase cost competitiveness, strengthen the industrial computer business, and develop new edge devices that will advance the digitalization of frontlines in fields such as logistics and manufacturing.

(iii) Acquisition date

September 1, 2022

(iv) Percentage of voting equity interests acquired

80%

2. Consideration transferred and each major class of consideration

Cash ¥90,584 million

(Note) Price adjustments after acquisition have been finalized, and the final acquisition cost was determined.

3. Acquisition-related costs

The acquisition-related costs of ¥236 million were included in “Selling, general and administrative expenses” in the consolidated statement of profit or loss.

4. Assets acquired, liabilities assumed, non-controlling interests and goodwill

	Millions of Yen		
	Provisional fair value	Subsequent revision	Revised fair value
Fair value of the consideration transferred	90,584	—	90,584
Cash and cash equivalents	42,060	—	42,060
Trade and other receivables	19,698	—	19,698
Inventories	24,322	—	24,322
Property, plant and equipment	7,482	(1,882)	5,600
Intangible assets	6,631	36,675	43,306
Other assets	13,885	—	13,885
Trade and other payables	(13,575)	—	(13,575)
Other liabilities	(29,344)	(11,327)	(40,671)
Net assets	71,159	23,466	94,625
Non-controlling interests	(14,487)	(4,517)	(19,004)
Goodwill	33,912	(18,949)	14,963
Total	90,584	—	90,584

Non-controlling interests are measured by the non-controlling interests' proportionate share in the recognized amounts of the acquiree's identifiable net assets. Goodwill arising from the acquisition of PFU consists primarily of future economic benefits and synergies with existing operations. Ricoh applied the acquisition method to account for the acquisition and the acquisition cost has been allocated to the assets acquired and the liabilities assumed based on the estimated fair values as at the acquisition date. The initial accounting for the business combination had not been completed as of December 31, 2022 and the amounts disclosed previously were provisional based on the information available at that time. The allocation of the acquisition cost was completed as of March 31, 2023. As it was completed, the amounts of assets acquired, liabilities assumed, non-controlling interests and goodwill were revised as above. The operating results of PFU have been included in the accompanying consolidated financial statements after the acquisition date.

The Company granted written put options to sell the subsidiary shares to the non-controlling shareholder of the acquired company. The present value of the written put options granted to the non-controlling shareholder was recognized as financial liabilities in the amount of ¥22,485 million at the acquisition date, and the same amounts were deducted from additional paid-in capital. The amount of the financial liabilities related to the written put options increased by ¥1,656 million due to the determination of the final acquisition cost.

5. Impact on Ricoh's business results

Sales and profit generated by PFU since the acquisition date amounted to ¥86,888 million and ¥6,347 million, respectively. Assuming the business combination had been conducted at the beginning of the period, the pro-forma information for the year ended March 31, 2023 would have been ¥2,181,265 million in sales and ¥55,550 million in profit for the period, respectively. The amounts are unaudited by the independent auditor.

(Other business combinations)

Business combinations other than the acquisition of PFU Limited that are individually immaterial but are material collectively are disclosed in aggregate.

1. Consideration transferred and each major class of consideration

	Millions of Yen
Cash	11,002
Fair value of the equity interest held immediately before the acquisition date	4,620
Contingent consideration	4,374
Total	19,996

2. Acquisition-related costs

The acquisition-related costs of ¥421 million were included in “Selling, general and administrative expenses” in the consolidated statement of profit or loss.

3. Assets acquired, liabilities assumed, non-controlling interests and goodwill

The acquisition-date fair values of the consideration transferred, assets acquired and liabilities assumed, non-controlling interests and goodwill are as follows:

	Millions of Yen
Fair value of the consideration transferred	19,996
Current assets	7,956
Non-current assets	14,247
Current liabilities	(5,993)
Non-current liabilities	(4,122)
Net assets	12,088
Non-controlling interests	(2,643)
Goodwill	10,551
Total	19,996

Non-controlling interests are measured by the non-controlling interests' proportionate share in the recognized amounts of the acquiree's identifiable net assets. Goodwill arising from the acquisition consists primarily of future economic benefits and synergies with existing operations. Ricoh applied the acquisition method to account for the acquisition and the acquisition cost has been allocated to the assets acquired and the liabilities assumed based on the estimated fair values as at the acquisition date. The initial accounting for some acquirees was incomplete as of March 31, 2023 and therefore, the provisional amounts of intangible assets and goodwill may be adjusted upon the completion of the purchase price allocation. The operating results have been included in the accompanying consolidated financial statements since the acquisition date.

4. Gain on step acquisitions through business combinations

As a result of the remeasurement of the acquisition-date fair value of the equity interest in the acquiree held by Ricoh immediately before the acquisition date, gain on step acquisitions through business combinations of ¥2,401 million was included in "Other income" in the consolidated financial statement of profit or loss.

5. Impact on Ricoh's business results

Sales and profit for the year of acquirees since the acquisition date and assuming the business combination had been conducted at the beginning of the period, the pro-forma information for the year ended March 31, 2023 are not disclosed since the impact on the consolidated financial statements is immaterial.

7. CASH AND CASH EQUIVALENTS

Details of cash and cash equivalents are as follows:

	Millions of Yen	
	As of March 31, 2022	As of March 31, 2023
Cash and cash equivalents		
Cash and deposit	240,389	222,097
Less time deposit over 3 months	(81)	(207)
Total cash and cash equivalents on consolidated statement of financial position	240,308	221,890
Bank overdrafts	(6,288)	(11,006)
Total cash and cash equivalents on consolidated statement of cash flows	234,020	210,884

8. TRADE AND OTHER RECEIVABLES

The components of trade and other receivables are as follows:

	Millions of Yen	
	As of March 31, 2022	As of March 31, 2023
Notes receivables and electronically recorded monetary claims	33,636	36,780
Accounts receivables	300,998	369,016
Other receivables	71,890	77,196
Less allowance for doubtful receivables	(9,376)	(6,563)
Total	397,148	476,429

The amounts expected to be recovered or settled within or after 12 months after the reporting period are as follows:

	Millions of Yen	
	As of March 31, 2022	As of March 31, 2023
Within 12 months	396,425	475,830
After 12 months	723	599
Total	397,148	476,429

9. INVENTORIES

Details of inventories are as follows:

	Millions of Yen	
	As of March 31, 2022	As of March 31, 2023
Goods and products	125,831	190,403
Work in progress and raw materials	106,727	123,965
Total	232,558	314,368

The amount of write-down is as follows:

	Millions of Yen	
	For the year ended March 31, 2022	For the year ended March 31, 2023
Amount of write-down	7,680	9,368

The amount of write-down is included in “Cost of sales” in the consolidated statement of profit or loss.

10. PROPERTY, PLANT AND EQUIPMENT

Cost, accumulated depreciation and impairment loss, and the carrying amount of property, plant and equipment are as follows:

Cost

	Millions of Yen					Total
	Land	Buildings and structures	Machinery and vehicles	Tools, equipment and fixtures	Construction in progress	
Balance as of April 1, 2021	27,715	270,200	222,193	409,552	8,234	937,894
Additions	—	2,941	2,068	17,179	15,171	37,359
Acquisitions through business combinations	—	53	54	256	—	363
Disposals	(1,687)	(10,822)	(13,973)	(20,586)	(84)	(47,152)
Transfers from construction in progress	—	3,765	7,674	3,949	(15,388)	—
Exchange differences	120	4,977	4,489	15,630	550	25,766
Others	93	(143)	(671)	(114)	127	(708)
Balance as of March 31, 2022	26,241	270,971	221,834	425,866	8,610	953,522
Additions	—	3,007	2,807	21,820	17,825	45,459
Acquisitions through business combinations	1,178	3,449	320	1,224	4	6,175
Disposals	(67)	(7,745)	(9,225)	(28,466)	(54)	(45,557)
Transfers from construction in progress	—	2,672	5,647	8,508	(16,827)	—
Exchange differences	124	3,066	2,665	10,481	298	16,634
Others	(60)	230	(27)	2,580	(1,701)	1,022
Balance as of March 31, 2023	27,416	275,650	224,021	442,013	8,155	977,255

Accumulated depreciation and impairment loss

	Millions of Yen				
	Land	Buildings and structures	Machinery and vehicles	Tools, equipment and fixtures	Total
Balance as of April 1, 2021	(1,356)	(192,309)	(191,627)	(360,639)	(745,931)
Depreciation expense	—	(7,622)	(8,223)	(24,006)	(39,851)
Disposals	—	10,134	11,881	18,541	40,556
Impairment loss	—	(12)	(49)	(286)	(347)
Exchange differences	—	(3,125)	(3,437)	(13,445)	(20,007)
Others	—	(56)	696	(143)	497
Balance as of March 31, 2022	(1,356)	(192,990)	(190,759)	(379,978)	(765,083)
Depreciation expense	—	(8,749)	(8,171)	(25,075)	(41,995)
Disposals	—	7,010	8,585	26,456	42,051
Impairment loss	—	(7)	(16)	(14)	(37)
Exchange differences	—	(2,315)	(2,168)	(8,610)	(13,093)
Others	—	(115)	101	(2,572)	(2,586)
Balance as of March 31, 2023	(1,356)	(197,166)	(192,428)	(389,793)	(780,743)

Carrying amount

	Millions of Yen					
	Land	Buildings and structures	Machinery and vehicles	Tools, equipment and fixtures	Construction in progress	Total
Balance as of April 1, 2021	26,359	77,891	30,566	48,913	8,234	191,963
Balance as of March 31, 2022	24,885	77,981	31,075	45,888	8,610	188,439
Balance as of March 31, 2023	26,060	78,484	31,593	52,220	8,155	196,512

11. GOODWILL AND INTANGIBLE ASSETS

Cost, accumulated amortization and impairment loss, and the carrying amount of goodwill and intangible assets are as follows:

Cost

	Millions of Yen					
	Goodwill	Software	Trademarks and customer relationships	Development assets	Others	Total
Balance as of April 1, 2021	338,127	170,380	91,623	63,706	21,773	685,609
Additions	—	12,686	—	—	—	12,686
Acquisitions through business combinations	9,806	1	2,380	—	—	12,187
Increase through internal development activities	—	—	—	20,997	—	20,997
Disposals	—	(11,252)	—	(10,778)	(23)	(22,053)
Exchange differences	29,745	4,645	5,254	—	1,254	40,898
Others	—	(1,177)	—	596	—	(581)
Balance as of March 31, 2022	377,678	175,283	99,257	74,521	23,004	749,743
Additions	—	12,634	—	—	88	12,722
Acquisitions through business combinations	25,514	9,564	35,471	—	14,217	84,766
Increase through internal development activities	—	—	—	22,434	—	22,434
Disposals	—	(7,247)	(6,613)	(18,415)	(391)	(32,666)
Exchange differences	28,794	4,833	5,254	—	447	39,328
Others	(1,681)	(586)	—	—	—	(2,267)
Balance as of March 31, 2023	430,305	194,481	133,369	78,540	37,365	874,060

Accumulated amortization and impairment loss

	Millions of Yen					
	Goodwill	Software	Trademarks and customer relationships	Development assets	Others	Total
Balance as of April 1, 2021	(192,362)	(121,672)	(83,737)	(44,056)	(18,272)	(460,099)
Amortization expense	—	(11,656)	(1,414)	(7,718)	(658)	(21,446)
Disposals	—	10,622	—	8,805	10	19,437
Impairment loss	(306)	(236)	—	—	—	(542)
Exchange differences	(19,145)	(3,081)	(4,807)	—	(563)	(27,596)
Others	—	(15)	—	—	—	(15)
Balance as of March 31, 2022	(211,813)	(126,038)	(89,958)	(42,969)	(19,483)	(490,261)
Amortization expense	—	(13,219)	(3,777)	(6,229)	(1,375)	(24,600)
Disposals	—	7,240	6,565	18,415	391	32,611
Impairment loss	(70)	—	—	—	—	(70)
Exchange differences	(17,806)	(3,286)	(4,807)	—	(93)	(25,992)
Others	—	646	—	—	—	646
Balance as of March 31, 2023	(229,689)	(134,657)	(91,977)	(30,783)	(20,560)	(507,666)

Carrying amount

	Millions of Yen					
	Goodwill	Software	Trademarks and customer relationships	Development assets	Others	Total
Balance as of April 1, 2021	145,765	48,708	7,886	19,650	3,501	225,510
Balance as of March 31, 2022	165,865	49,245	9,299	31,552	3,521	259,482
Balance as of March 31, 2023	200,616	59,824	41,392	47,757	16,805	366,394

Amortization expense of development assets were included in "Cost of sales", and amortization expense of other intangible assets were included in "Cost of sales" and "Selling, general and administrative expenses" in the consolidated statement of profit or loss.

12. IMPAIRMENT LOSS

(1) Impairment loss on Property, plant and equipment and goodwill and intangible assets by segment and cash generating units or cash generating unit groups

Impairment loss on Property, plant and equipment and goodwill and intangible assets by segment and cash generating units or cash generating unit group was as follows:

	Millions of Yen	
	For the year ended March 31, 2022	For the year ended March 31, 2023
Office Printing Total	179	—
Office Services Total	119	70
Digital Services Total	298	70
Industrial Printing Total	265	37
Graphic Communications Total	265	37
Other Total	505	—
Impairment loss Total	1,068	107

(2) Impairment loss on Property, plant and equipment and goodwill and intangible assets by class

Impairment loss on Property, plant and equipment and goodwill and intangible assets by class was as follows:

	Millions of Yen	
	For the year ended March 31, 2022	For the year ended March 31, 2023
Buildings and structures	12	7
Machinery and vehicles	49	16
Tools, equipment and fixtures	286	14
Property, plant and equipment Total	347	37
Goodwill	306	70
Software	236	—
Goodwill and intangible assets Total	542	70
Right-of-use assets	179	—
Impairment loss Total	1,068	107

Impairment loss for the year ended March 31, 2022 was included in “Selling, general and administrative expenses” in the amount of ¥762 million and “Impairment of goodwill” in the amount of ¥306 million, respectively. Impairment loss for the year ended March 31, 2023 was included in “Cost of sales” in the amount of ¥2 million, “Selling, general and administrative expenses” in the amount of ¥35 million and “Impairment of goodwill” in the amount of ¥70 million, respectively.

(3) Impairment losses and the background

(For the year ended March 31, 2022)

Ricoh recognized no significant impairment loss.

(For the year ended March 31, 2023)

Ricoh recognized no significant impairment loss.

(4) Impairment test of goodwill

(For the year ended March 31, 2022)

The recoverable amount of goodwill was determined based on the value in use. The value in use is the present value calculated by discounting the estimated cash flows based on projections approved by management and the growth rate after the projection period. The growth rate used is determined in consideration of the long-term growth rate of the market to which the CGU or CGU group belongs (-4 to 2%). The discount rate used is calculated based on the pre-tax weighted average capital cost of each CGU or CGU group (10 to 13%). Business plans are projected for 5 years and the growth rate does not exceed the long-term average growth rate for the market in which the asset is used.

Ricoh assumes that although the global resurgence of new variants of COVID-19 and the supply constraints due to component shortages and logistics issues continue to affect its business results, to a certain extent, over the next fiscal year and beyond, the situation will gradually improve in the future.

For impairment test of goodwill, Ricoh has taken into account the business impact of the situation in which society will not completely recover to a pre-pandemic normal in view of the prolonged impact of the COVID-19 pandemic as well as the well-received “new normal” work style stemming from the downsizing of office spaces and decreasing attendance rate at work as teleworking has taken root. Ricoh also has taken into account the business impact the supply constraints due to component shortages and logistics issues and fluctuations in sales price caused by the response to rising costs of component, etc.

Office Printing (Europe, Middle East and Africa sales group) CGU group is exposed to a risk of resulting in a material adjustment to the carrying amounts of goodwill within the next financial year. The recoverable amount in Office Printing (Europe, Middle East and Africa sales group) exceeds its carrying amount by ¥15,789 million. In estimating the value in use, Ricoh considers the sales volume, print output volume and sales price of MFPs, etc. in the projection, the growth rate after the projection period, and the discount rate are recognized as key assumptions.

The result of estimating of the growth rate and the discount rate is set forth in the table below. This estimates whether recognition of impairment loss is necessary in case how much the discount rate rise. Ricoh expects that the carrying amount will not exceed the recoverable amount even if there are reasonably possible changes in the sales volume, print output volume and sales price of MFPs, etc. in the projection underlying the recoverable amount.

	Growth rate	Discount rate
Office Printing (Europe, Middle East and Africa sales group)	(4.3%)	+2.0%

Ricoh expects that the carrying amount will not exceed the recoverable amount even if there are reasonably possible changes in the major assumptions underlying the recoverable amount (growth rate, discount rate, etc.) in other CGU or CGU group which goodwill are allocated.

(For the year ended March 31, 2023)

The recoverable amount of goodwill was determined based on the value in use. The value in use is the present value calculated by discounting the estimated cash flows based on projections approved by management and the growth rate after the projection period. The growth rate used is determined in consideration of the long-term growth rate of the market to which the CGU or CGU group belongs (-4 to 2%). The discount rate used is calculated based on the pre-tax weighted average capital cost of each CGU or CGU group (11 to 15%). Business plans are projected for 5 years and the growth rate does not exceed the long-term average growth rate for the market in which the asset is used.

As described in Note 2. BASIS OF PREPARATION- (6) Use of Estimates and Judgments, Ricoh assumes that the effect of the surge in resource prices and inflation will persist to a certain extent over the next fiscal year and beyond although the impact on economic activities from COVID-19 and impact on the Ricoh’s performance due to the supply constraints resulting from component shortages and logistics issues are gradually improving.

Ricoh has considered the business impact of the situation in which society will not completely recover to a pre-pandemic normal and of the sales price fluctuations as measures to deal with cost increase of components, in view of the well-received new work style stemming from the downsizing of office spaces and decreasing attendance rate at work as teleworking triggered by the COVID-19 pandemic has taken root.

Office Printing (Europe, Middle East and Africa sales group) CGU group is exposed to a risk of resulting in a material adjustment to the carrying amounts of goodwill within the next financial year. The recoverable amount in Office Printing (Europe, Middle East and Africa sales group) is determined based on value in use, which fully exceeds its carrying amount. In estimating the value in use, Ricoh considers the sales volume, print output volume and sales price of MFPs, etc., the related cost in the projection, the growth rate after the projection period, and the discount rate are recognized as key assumptions.

Ricoh expects that the carrying amount will not exceed the recoverable amount even if there are reasonably possible changes in the major assumptions underlying the recoverable amount (growth rate, discount rate, etc.) in all CGU or CGU group which goodwill are allocated.

The details of goodwill after recognition of impairment losses by CGU or CGU group are as follows.

	Millions of Yen	Millions of Yen
	As of March 31, 2022	As of March 31, 2023
Office Printing (Common function group excluding sales)	70,888	76,517
Office Printing (Europe, Middle East and Africa sales group)	51,187	55,298
Office Services (Europe software development group)	13,454	18,463
Office Printing (Japan sales group)	4,981	4,981
Other CGUs, CGU groups	25,355	45,357
Total	165,865	200,616

13. LEASE

(1) As Lessor

Lease receivables are included in other financial assets.

Ricoh is engaged in the leasing business of Ricoh's products. Most of these leases are accounted for as finance leases.

Residual risk on leased equipment is not significant, because of the existence of a secondary market with respect to the equipment and having sales means such as extension of arrangement with customer.

(a) Finance lease

Future receivables under finance leases are as follows:

	Millions of Yen	
	As of March 31, 2022	As of March 31, 2023
Gross investments in finance leases		
Due in 1 year or less	109,260	112,230
Due after 1 year through 2 years	71,698	73,686
Due after 2 year through 3 years	44,724	46,305
Due after 3 year through 4 years	22,302	24,444
Due after 4 year through 5 years	6,999	8,494
Due after 5 years	904	930
Undiscounted lease receivables	255,887	266,089
Unguaranteed residual value	(5,839)	(5,907)
Future finance income	(26,426)	(28,334)
Present value of minimum lease payments receivable	223,622	231,848

The following table presents selling profit or loss and finance income on the net investment in the lease.

	Millions of Yen	
	For the year ended March 31, 2022	For the year ended March 31, 2023
Selling profit or loss	32,312	40,865
Finance income on the net investment in the lease	16,881	17,685

(b) Operating lease

Future receivables under operating leases are as follows:

	Millions of Yen	
	As of March 31, 2022	As of March 31, 2023
Due in 1 year or less	11,771	13,886
Due after 1 year through 2 years	6,830	5,885
Due after 2 year through 3 years	3,754	3,697
Due after 3 year through 4 years	2,117	2,284
Due after 4 year through 5 years	1,091	1,154
Due after 5 years	578	599
Undiscounted lease receivables	26,141	27,505

The following table presents operating lease income.

	Millions of Yen	
	For the year ended March 31, 2022	For the year ended March 31, 2023
Lease income	35,520	43,728
Income relating to variable lease payments	1,816	1,274

(2) As Lessee

Ricoh leases many assets including land, buildings, machinery, equipment and fixtures.

Information on leases, as a lessee, is as follows:

(a) Right-of-use assets

Carrying amount of right-of use assets consists of the follows:

	Millions of Yen	
	As of March 31, 2022	As of March 31, 2023
Land, buildings and structures	47,375	48,230
Vehicles, equipment and other	10,355	8,773
Total	57,730	57,003

The amount of right-of-use assets increased by ¥25,309 million and ¥27,676 million for the years ended March 31, 2022 and 2023, respectively.

Total cash outflow for leases were ¥32,195 million and ¥33,237 million for the years ended March 31, 2022 and 2023, respectively.

(b) Income and expenses relating to right-of use assets

Income and expenses relating to right-of use assets consist of the following:

	Millions of Yen	
	For the year ended March 31, 2022	For the year ended March 31, 2023
Depreciation expenses for right-of-use assets:		
Land, buildings and structures	23,746	25,562
Vehicles, equipment and other	5,436	5,311
Total	29,182	30,873
Expenses relating to short-term lease and lease of low-value assets	4,306	3,000

Income and expenses with sublease and sale and lease back were not material.

Interest expense on lease liabilities is described in Note 30, Finance income and finance costs. Analysis of the contractual maturities of lease liabilities are described in Note 25, Financial instruments and related disclosures - (4) Liquidity risk management.

(c) Extension option and termination options

In Ricoh, each company is responsible for managing its lease contracts, and lease conditions are individually negotiated, resulting in a wide range of contract conditions. Extension option and termination option are mainly included in real estate leases for offices and warehouses. These options are used as necessary for the lease contractor to utilize real estate for business.

14. OTHER FINANCIAL ASSETS

The components of other financial assets are as follows:

	Millions of Yen	
	As of March 31, 2022	As of March 31, 2023
Derivative assets	147	202
Lease receivables	229,461	237,755
Less allowance for doubtful receivables	(8,994)	(8,893)
Total	220,614	229,064
Current	92,293	93,906
Noncurrent	128,321	135,158

15. OTHER INVESTMENTS

The components of other investments are as follows:

	Millions of Yen	
	As of March 31, 2022	As of March 31, 2023
Securities and equity interests	11,841	18,972
Bonds	488	387
Total	12,329	19,359
Current	—	—
Noncurrent	12,329	19,359

16. TRADE AND OTHER PAYABLES

The components of trade and other payables are as follows:

	Millions of Yen	
	As of March 31, 2022	As of March 31, 2023
Notes payables and electronically recorded obligations	10,276	9,158
Accounts payable	167,098	208,924
Other payables	91,160	94,347
Total	268,534	312,429

17. LOANS AND BORROWINGS

Long-term borrowings are as follows:

	Millions of Yen	
	As of March 31, 2022	As of March 31, 2023
Unsecured Bonds:		
0.22% straight bonds, payable in yen, due July 2022, issued by the Company	13,670	—
0.20% straight bonds, payable in yen, due December 2023, issued by the Company	10,000	10,000
0.47% straight bonds, payable in yen, due December 2028, issued by the Company	10,000	10,000
6.75% straight bonds, payable in yen, due December 2025, issued by a consolidated subsidiary	1,729	1,890
7.30% straight bonds, payable in yen, due November 2027, issued by a consolidated subsidiary	2,544	2,780
Total bonds	37,943	24,670
Unsecured loans		
From banks and insurance companies		
weighted average interest rate	0.22%	0.39%
due 2032	130,231	221,610
Long-term borrowings arising from securitization of lease receivables (see Note 25)	260	99
Subtotal	168,434	246,379
Less current maturities included in “Current liabilities”	(47,392)	(41,269)
Total	121,042	205,110

All bonds outstanding as of March 31, 2023 are redeemable at the option of Ricoh under certain conditions as provided in the applicable agreements.

Bonds are subject to certain covenants such as restrictions on additional secured borrowings as defined in the agreements. Ricoh was in compliance with all such covenants as of March 31, 2023.

Short-term borrowings consist of the following:

	Millions of Yen	
	As of March 31, 2022	As of March 31, 2023
Borrowings, principally from banks	67,003	86,559
Commercial paper	—	30,000
Total	67,003	116,559

	Weighted average interest rate (*)	
	As of March 31, 2022	As of March 31, 2023
Borrowings, principally from banks	0.3%	1.5%
Commercial paper	—	0.0%

*Weighted average interest rate is the rate on the balance of borrowings at the end of the period.

Movement of liabilities related to financing activities consisted of the following:

	Millions of Yen					
	As of April 1, 2021	Changes arising from cash flows (ii)	Non-cash changes			As of March 31, 2022
			Additions	Exchange differences	Others	
Short-term debt	36,620	25,961	—	2,909	1,513	67,003
Long-term debt (i)	148,948	(19,495)	—	1,038	—	130,491
Bonds (i)	36,839	—	—	1,104	—	37,943
Lease liabilities	72,212	(31,146)	25,164	3,466	(2,587)	67,109
Total	294,619	(24,680)	25,164	8,517	(1,074)	302,546

(i) Including the current portion.

(ii) Proceeds from long-term debt and Repayments of long-term debt indicated in Consolidated Statement of Cash Flow includes the amounts of proceed and repayment of more than 3 months and less than 1 year.

	Millions of Yen					
	As of April 1, 2022	Changes arising from cash flows (ii)	Non-cash changes			As of March 31, 2023
			Additions	Exchange differences	Others	
Short-term debt	67,003	40,795	—	4,600	4,161	116,559
Long-term debt (i)	130,491	89,359	—	1,859	—	221,709
Bonds (i)	37,943	(13,725)	—	452	—	24,670
Lease liabilities	67,109	(32,229)	24,800	3,050	1,602	64,332
Total	302,546	84,200	24,800	9,961	5,763	427,270

(i) Including the current portion.

(ii) Proceeds from long-term debt and Repayments of long-term debt indicated in Consolidated Statement of Cash Flow includes the amounts of proceed and repayment of more than 3 months and less than 1 year.

18. PROVISIONS

The changes in provisions are as follows:

	Millions of Yen				
	Asset retirement obligation	Warranties provision	Restructuring provision	Other provisions	Total
Balance as of April 1, 2022	4,800	2,586	7,732	4,430	19,548
Increase for the year	537	1,704	22	5,642	7,905
Decrease for the year (applied against provisions)	(218)	(789)	(2,721)	(6,362)	(10,090)
Decrease for the year (unused amounts reversed)	(57)	(1,395)	(62)	(295)	(1,809)
Interest expense for discounting	18	—	—	—	18
Others	243	68	654	2,778	3,743
Balance as of March 31, 2023	5,323	2,174	5,625	6,193	19,315
Current liabilities	168	2,174	4,057	4,569	10,968
Noncurrent liabilities	5,155	—	1,568	1,624	8,347

Ricoh recognizes provisions for asset retirement obligation when there is an obligation to dismantle, remove or restore assets at the end of lease contract or obligation to decontaminate certain fixed assets. Future expected outflows of economic benefits are long-term in nature and may be affected by future business plans.

The warranties provision corresponds to the cost of the warranty that the finished goods comply with the agreed-upon specifications and is recognized based on the estimated cost during the warranty period. The warranty costs were included in in “Cost of sales”.

The restructuring provision consists of expenditures on restructuring activities such as fixed costs reductions in order to enhance competitiveness. Restructuring provisions are expected to be utilized mainly within the next fiscal year. However, they may be affected by future business plans.

Other provisions mainly consist of litigation provisions.

19. OTHER FINANCIAL LIABILITIES

Details of other financial liabilities are as follows:

	Millions of Yen	
	As of March 31, 2022	As of March 31, 2023
Derivative liabilities	2,079	362
Contingent consideration	—	7,245
Written put option liabilities over non-controlling interests	—	22,541
Total	2,079	30,148
Current	2,079	2,582
Noncurrent	—	27,566

20. GOVERNMENT GRANTS

Government grants are recognized at fair value when there is a reasonable assurance that Ricoh will comply with the terms and conditions attached to the grants. Government grants related to income are recognized in profit or loss over the period in which the related costs for which the grants are intended to compensate are recognized, and are mainly deducted in the related expenses. With regard to government grants for the

purchase of assets, the amount of the grant is credited to deferred income and recognized in profit or loss over the expected useful life of the relevant assets.

For the years ended March 31, 2022 and 2023, government grants related to income were mainly employment grants related to COVID-19. Government grants for the purchase of assets were principally related to capital expenditures on R&D of the Company and the production facility of a manufacturing subsidiary in Japan.

For the year ended March 31, 2022, the amount of government grants recognized in the consolidated statement of profit or loss was ¥7,954 million, which were deducted by ¥4,281 million in "cost of sales" and ¥2,531 million in "selling, general and administrative expenses", and were included by ¥1,142 million in "other income".

For the year ended March 31, 2023, the amount of government grants recognized in the consolidated statement of profit or loss was ¥4,353 million, which were deducted by ¥1,924 million in "cost of sales" and ¥1,619 million in "selling, general and administrative expenses", and were included by ¥810 million in "other income".

The total balance of government grants, presented as deferred income in "other current liabilities" or "other non-current liabilities" in the consolidated statement of financial position as of March 31, 2022 and March 31, 2023 was ¥3,383 million and ¥3,210 million, respectively.

There are no unfulfilled conditions or contingencies related to government grants recognized as deferred income.

21. INCOME TAXES

Details of deferred tax assets and liabilities are as follows:

	Millions of Yen					
	As of April 1, 2021	Recognized in profit or loss	Recognized in other comprehen- sive income	Acquisitions through business combinations	Exchange differences and other	As of March 31, 2022
Deferred tax assets:						
Accrued expenses	22,805	(386)	—	—	477	22,896
Unrealized profit on inventories	9,331	931	—	—	665	10,927
Depreciation and amortization	12,321	(3,361)	—	—	811	9,771
Accrued pension and retirement benefits	24,229	(6,579)	(4,431)	—	519	13,738
Net operating loss carryforwards	28,700	6,279	—	—	1,960	36,939
Other	23,614	1,951	—	—	48	25,613
Total deferred tax assets	121,000	(1,165)	(4,431)	—	4,480	119,884
Deferred tax liabilities:						
Undistributed earnings of subsidiaries and affiliates	(1,946)	(91)	—	—	(53)	(2,090)
Net changes in fair value of financial asset through other comprehensive income	(3,402)	—	1,547	—	(40)	(1,895)
Goodwill and intangible assets	(19,976)	(2,966)	—	(570)	(189)	(23,701)
Other	(15,294)	1,874	(138)	—	(1,578)	(15,136)
Total deferred tax liabilities	(40,618)	(1,183)	1,409	(570)	(1,860)	(42,822)

Millions of Yen

	As of April 1, 2022	Recognized in profit or loss	Recognized in other comprehen- sive income	Acquisitions through business combinations	Exchange differences and other	As of March 31, 2023
Deferred tax assets:						
Accrued expenses	22,896	1,614	—	1,883	330	26,723
Unrealized profit on inventories	10,927	1,082	—	757	620	13,386
Depreciation and amortization	9,771	(2,110)	—	495	10	8,166
Accrued pension and retirement benefits	13,738	(2,912)	(2,009)	956	101	9,874
Net operating loss carryforwards	36,939	838	—	247	671	38,695
Other	25,613	(5,334)	—	1,814	1,433	23,526
Total deferred tax assets	119,884	(6,822)	(2,009)	6,152	3,165	120,370
Deferred tax liabilities:						
Undistributed earnings of subsidiaries and affiliates	(2,090)	(1,229)	—	(368)	16	(3,671)
Net changes in fair value of financial asset through other comprehensive income	(1,895)	—	(270)	—	(480)	(2,645)
Goodwill and intangible assets	(23,701)	(2,610)	—	(14,381)	(692)	(41,384)
Other	(15,136)	(935)	(534)	(473)	(1,220)	(18,298)
Total deferred tax liabilities	(42,822)	(4,774)	(804)	(15,222)	(2,376)	(65,998)

Ricoh assesses the probability that a portion or all of the future deductible temporary differences, net operating loss carryforwards and tax credit carryforwards can be used to offset future taxable profits on recognition of deferred tax assets. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible and whether loss carryforwards are utilizable. Ricoh considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the temporary differences are deductible or loss carryforwards are utilizable, Ricoh believes it is more likely than not that the deferred tax assets of these deductible differences will be realized. The amount of the deferred tax assets considered realizable, however, will be reduced if estimates of future taxable income during the carryforward period are reduced.

As described in Note 2. BASIS OF PREPARATION- (6) Use of Estimates and Judgments, Ricoh assumes that the effect of the surge in resource prices and inflation will persist to a certain extent over the next fiscal year and beyond although the impact on economic activities from COVID-19 and impact on the Ricoh's performance due to the supply constraints resulting from component shortages and logistics issues are gradually improving.

For the recoverability of deferred tax assets, Ricoh has considered the business impact of the situation in which society will not completely recover to a pre-pandemic normal and of the sales price fluctuations as measures to deal with cost increase of components, in view of the well-received new work style stemming from the downsizing of office spaces and decreasing attendance rate at work as teleworking triggered by the COVID-19 pandemic has taken root.

Ricoh applies the group tax sharing system in Japan. Most of the recognized deferred tax assets are related to the tax group in Japan. In the business plan in estimating the taxable income of the future sharing group, Ricoh recognizes that the sales of the office services business, the sales price and sales volume of MFPs and consumables such as toner, and the related cost are an important assumption.

Net operating loss carryforwards, deductible temporary differences and foreign tax credit carryforwards for which deferred tax assets have not been recognized are as follows:

	Millions of Yen	
	As of March 31, 2022	As of March 31, 2023
Net operating loss carryforwards	125,604	135,158
Deductible temporary differences	3,071	4,396
Foreign tax credit carryforwards	602	436
Total	129,277	139,990

The expiration date and amounts of net operating loss carryforwards for which deferred tax assets are not recognized are as follows:

	Millions of Yen	
	As of March 31, 2022	As of March 31, 2023
Within 4 years	44,531	64,841
After 5 years and thereafter	81,073	70,317
Total	125,604	135,158

The above amounts do not include net operating loss carryforwards in which deferred tax assets related to local taxes (residence tax and enterprise tax) are not recognized as it is not covered by the group tax sharing system. The amount of net operating loss carryforwards related to residence tax and enterprise tax as of March 31, 2022 were ¥32,417 million and ¥85,686 million, respectively, and as of March 31, 2023 were ¥12,972 million and ¥64,563 million, respectively.

The amounts of recognized deferred tax assets over the amounts of deferred tax liabilities and the recoverability of deferred tax assets are dependent on future taxable profits as of March 31, 2022 and 2023 were ¥63,413 million and ¥49,839 million, respectively. These deferred tax assets were recognized in the Company or some other subsidiaries which recognized tax losses for the years ended March 31, 2022 and 2023. The Company and certain subsidiaries assess the probability that such subsidiaries can utilize deductible temporary differences, net operating loss carryforwards and foreign tax credit carryforwards against future taxable profits.

Deferred tax assets related to the group tax sharing system are included because tax losses are recorded for the fiscal years ended March 31, 2022 and 2023.

Details of current and deferred tax expenses are as follows:

	Millions of Yen	
	For the year ended March 31, 2022	For the year ended March 31, 2023
Current tax expense:		
Current year	11,415	14,071
Total current tax expense	11,415	14,071
Deferred tax expense:		
Origination and reversal of temporary differences	3,559	7,791
Changes in unrecognized deferred tax assets in previous years	(1,211)	3,805
Total deferred tax expense	2,348	11,596
Total provision for income taxes	13,763	25,667

The amount of the benefits arising from previously unrecognized tax losses, tax credit or temporary differences of a prior period that were used to reduce current tax expenses for the years ended March 31, 2022 and 2023 were ¥4,837 million and ¥5,939 million, respectively, and these benefits were included in the current tax expense.

The Company and its domestic subsidiaries are subject to a number of income taxes, which, in the aggregate, represent a statutory income tax rate of approximately 31% for the years ended March 31, 2022 and 2023.

Reconciliation of the statutory income tax rate to the effective income tax rate is as follows:

	For the year ended March 31, 2022	For the year ended March 31, 2023
Statutory income tax rate	31%	31%
Nondeductible expenses	5	1
Nontaxable income	(1)	(0)
Changes in unrecognized deferred tax assets in previous years	(3)	5
Income tax exposures	(6)	(1)
Taxes on undistributed earnings of foreign subsidiaries	5	5
Difference in statutory tax rates of foreign subsidiaries	(5)	(6)
Impairment of goodwill	0	0
Share of profit (loss) of investments accounted for using the equity method	(4)	(2)
Other, net	9	(1)
Effective income tax rate	31	32

Ricoh does not recognize deferred tax liability on undistributed retained earnings of domestic subsidiaries because dividends from domestic subsidiaries are almost tax-free under the domestic tax law. Ricoh does not recognize deferred tax liability on the taxable temporary differences associated with a portion of undistributed retained earnings in foreign subsidiaries because Ricoh is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

The amount of those taxable temporary differences as of March 31, 2022 and 2023 were ¥378,696 million and ¥434,292 million, respectively.

22. EMPLOYEE BENEFITS

(1) Defined benefit plans

Ricoh has defined benefit corporate pension plans and lump-sum payment plans. The benefits of these defined benefit plans are provided based on employees' years of service, compensation level and other terms. Contributions to these plans have been made to provide future pension payments in conformity with actuarial calculations determined by the current basic rate of salary.

The Company and certain subsidiaries have contract-type corporate pension plans based on pension provision. The Company and certain subsidiaries have established Ricoh's group corporate pension provisions stipulating the contents of the pension plan such as eligibility requirements, contents and method for determining benefit payments and burden of contributions by agreement with their employees and have had these plans approved by the Minister of Health, Labour and Welfare. The Company and certain subsidiaries maintain plans by exchanging contracts with trust banks and insurance companies for the payment of contributions and the management of accumulated funds. The trust banks maintain and manage the plan assets while they perform actuarial calculation and payments of annual and lump-sum benefits.

The Company and certain subsidiaries are responsible for operations related to the administration and investment of pension reserves for the participants in compliance with laws and regulations and any orders issued by the Minister of Health, Labour and Welfare. Furthermore, the Company and certain subsidiaries are prohibited from engaging in any actions that could hinder proper administration and investment of the pension reserves for the purpose of furthering their own interests or the interests of third parties other than the participants.

For the years ended March 31, 2022 and 2023, a pension buyout was implemented in the retirement benefit plan of certain overseas subsidiaries. As a result, Ricoh recognized settlement gain and loss in the consolidated statement of profit or loss for the years ended March 31, 2022 and 2023.

The changes in the defined benefit obligations and plan assets of the pension plans are as follows:

Domestic plans	Millions of Yen	
	For the year ended March 31, 2022	For the year ended March 31, 2023
Net defined benefit obligations at beginning of year:	30,876	20,275
Changes in the present value of defined benefit obligations:		
Defined benefit obligations at beginning of year	210,118	200,215
Current service cost	6,817	6,735
Past service cost	—	380
Interest cost	1,105	1,319
Actuarial gain or loss (i)	(1,498)	(6,602)
Benefits paid	(16,327)	(15,511)
Increase due to acquisitions through business combinations	—	12,284
Defined benefit obligations at end of year	200,215	198,820
Changes in plan assets:		
Fair value of plan assets at beginning of year	179,242	179,940
Interest income	835	1,104
Income related to plan assets (ii)	4,249	(5,467)
Employer contributions	12,361	12,298
Plan participants' contributions	—	143
Partial withdrawal of plan assets	(420)	(570)
Benefits paid	(16,327)	(15,474)
Increase due to acquisitions through business combinations	—	9,499
Fair value of plan assets at end of year	179,940	181,473
Net defined benefit obligations at end of year	20,275	17,347

Foreign plans	Millions of Yen	
	For the year ended March 31, 2022	For the year ended March 31, 2023
Net defined benefit obligations at beginning of year:	38,686	22,163
Changes in the present value of defined benefit obligations:		
Defined benefit obligations at beginning of year	265,934	251,112
Current service cost	1,438	1,137
Past service cost	(56)	(158)
Interest cost	5,861	7,176
Plan participants' contributions	324	378
Actuarial gain or loss (i)	(19,035)	(41,214)
Settlements	(15,025)	(25,872)
Benefits paid	(10,580)	(10,166)
Increase due to acquisitions through business combinations	439	59
Exchange differences and other	21,812	16,299
Defined benefit obligations at end of year	251,112	198,751
Changes in plan assets:		
Fair value of plan assets at beginning of year	227,248	228,949
Interest income	5,453	6,842
Income related to plan assets (ii)	(5,836)	(35,243)
Employer contributions	8,545	6,188
Plan participants' contributions	324	378
Partial withdrawal of plan assets	(719)	(712)
Settlements	(14,181)	(23,908)
Benefits paid	(10,580)	(10,166)
Exchange differences and other	18,695	14,917
Fair value of plan assets at end of year	228,949	187,245
Net defined benefit obligations at end of year	22,163	11,506

(i) Actuarial gain or loss for the years ended March 31, 2022 and 2023 arose mainly from changes in financial assumptions.

(ii) Income related to plan assets excludes interest income.

The weighted average of significant actuarial assumptions used to determine defined benefit obligations are as follows:

	Domestic plans		Foreign plans	
	As of March 31, 2022	As of March 31, 2023	As of March 31, 2022	As of March 31, 2023
Discount rate	0.6%	1.1%	3.0%	4.4%
Rate of compensation increase	2.4%	2.4%	1.9%	2.1%

In situations in which the discount rate changes, the effects on the defined benefit obligation as of March 31, 2022 and 2023 are shown below. The sensitivity analysis is based on the assumption that there are no other changes in the actuarial calculations, but, in fact, other changes in assumptions could possibly affect the defined benefit obligation. Ricoh does not expect any changes in the rate of compensation to increase.

	Millions of Yen	
	For the year ended March 31, 2022	For the year ended March 31, 2023
Increase of 0.5 of a percentage point	(25,399)	(19,375)
Decrease of 0.5 of a percentage point	27,851	21,192

The fair value of plan assets as of March 31, 2022 by asset class is as follows:

	Millions of Yen		
	As of March 31, 2022		
Domestic plans	Assets with quoted market prices in an active market	Assets without quoted market prices in an active market	Total
Equity securities:			
Domestic companies	18,047	—	18,047
Pooled funds	—	47,053	47,053
Debt securities:			
Domestic bonds	—	—	—
Pooled funds	—	66,590	66,590
Life insurance company general accounts	—	18,988	18,988
Other assets	16	29,246	29,262
Total assets	18,063	161,877	179,940

	Millions of Yen		
	As of March 31, 2022		
Foreign plans	Assets with quoted market prices in an active market	Assets without quoted market prices in an active market	Total
Equity securities:			
Foreign companies	5,240	—	5,240
Pooled funds	—	39,043	39,043
Debt securities:			
Foreign bonds	101,611	—	101,611
Pooled funds	—	74,103	74,103
Life insurance company general accounts	—	23,579	23,579
Other assets (i)	(22,938)	8,311	(14,627)
Total assets	83,913	145,036	228,949

The fair value of plan assets as of March 31, 2023 by asset class is as follows:

Domestic plans	Millions of Yen		
	As of March 31, 2023		
	Assets with quoted market prices in an active market	Assets without quoted market prices in an active market	Total
Equity securities:			
Domestic companies	22,815	—	22,815
Foreign companies	289	—	289
Pooled funds	—	43,337	43,337
Debt securities:			
Domestic bonds	—	—	—
Foreign bonds	96	—	96
Pooled funds	—	62,291	62,291
Life insurance company general accounts	—	18,188	18,188
Other assets	492	33,965	34,457
Total assets	23,692	157,781	181,473

Foreign plans	Millions of Yen		
	As of March 31, 2023		
	Assets with quoted market prices in an active market	Assets without quoted market prices in an active market	Total
Equity securities:			
Foreign companies	5,757	—	5,757
Pooled funds	—	22,417	22,417
Debt securities:			
Domestic bonds	11	—	11
Foreign bonds	91,128	—	91,128
Pooled funds	—	52,699	52,699
Life insurance company general accounts	—	22,083	22,083
Other assets (i)	(12,204)	5,354	(6,850)
Total assets	84,692	102,553	187,245

(i) Assets with quoted market prices in an active market represents a portfolio of investments that primarily consists of Liability Driven Investment (LDI), designated to match the plan assets with a change in the present value of the defined benefit obligation arising from a change in indices, such as interest rates and inflation.

Ricoh's investment objectives are to maximize returns subject to specific risk management policies. Its risk management policies permit investments in mutual funds, debt and equity securities and prohibit speculative investment in derivative financial instruments. Ricoh addresses diversification by utilizing mutual fund investments whose underlying investments are in domestic and international fixed income securities and domestic and international equity securities. These mutual funds are readily marketable and can be sold to fund benefit payment obligations as they become payable.

Ricoh's model portfolio for domestic plans consists of three major components: approximately 35% is invested in equity securities, approximately 35% is invested in debt securities and approximately 30% is invested in other investment vehicles, consisting primarily of investments in life insurance company general accounts.

Outside of Japan, investment policies vary by country, but the long-term investment objectives and strategies remain consistent. Ricoh's model portfolio for foreign plans has been developed as follows: approximately 15% is invested in equity securities, approximately 75% is invested in debt securities and approximately 10% is invested in other investment vehicles, consisting primarily of investments in life insurance company general accounts.

Ricoh expects to contribute ¥16,080 million to its pension plans for the year ending March 31, 2024.

The weighted average duration of defined benefit obligations was 10 years as of March 31, 2023.

(2) Defined contribution plans

The Company and certain subsidiaries have defined contribution plans. The cost of defined contribution plans for the years ended March 31, 2022 and 2023 were ¥ 10,861 million and ¥ 12,470 million, respectively.

(3) Employee benefit expense

The employee benefit expense included in "Cost of sales" and "Selling, general and administrative expenses" in the consolidated statement of profit or loss for the years ended March 31, 2022 and 2023 were ¥ 579,830 million and ¥ 674,918 million, respectively.

23. SHARE-BASED PAYMENT

Share-Based Compensation Plans using Board Incentive Plan trust in which beneficiaries include Directors and Executive Officers of the Company

(a) Details of share-Based compensation plans

The Company has introduced a share-based compensation plan with stock price conditions (hereinafter, "the plan") for the Company's board directors and executive officers (excluding outside board directors; hereafter, "directors and executive officers"). This is aimed at reinforcing common interest between the Company's directors and executive officers and the shareholders. It will also achieve a highly transparent and fair share-based incentive system, with stock price conditions, to show commitment to sustainable development and medium to long-term improvement of our corporate value.

The Company has adopted a Board Incentive Plan trust in which beneficiaries include the directors and executive officers. Under the plan, the Company's shares are acquired through the trust using money contributed by the Company as the source of funds. In accordance with "Rules relating to grant of shares" established by the Company, from the date of commencement of the plan, points (1 point = 1 shares) are granted to the directors and executive officers each month at the end of the month during the period which the plan applies. The plan is designed so that the number of shares granted to the directors and executive officers are based on the comparative result of the growth rate of the Company's stock price and the growth rate of TOPIX (Tokyo stock price index) within a certain time frame. In principle, by carrying out the prescribed beneficiary vesting procedures at the time of retirement for directors and executive officers, those individuals are able to receive shares of the Company, with the number of shares corresponding to the number of points granted.

The plan is accounted for as equity-settled share-based compensation.

(b) Number of points granted during the period and weighed average fair value of points

The fair value of the points on the date of grant is determined by adjusting the market value of the Company's shares taking expected dividends in account.

The number of points granted during the period and the weighted average fair value of the points are as follows:

	For the year ended March 31, 2022	For the year ended March 31, 2023
Number of points granted during the period	51,585	106,575
Weighted average fair value (yen)	1,047	1,153

(c) Share-based payment expenses

Share-based payment expenses for the years ended March 31, 2022 and 2023 were ¥54 million and ¥123 million, respectively. This expense was presented within "Selling, general and administrative expenses" in the consolidated statement of profit or loss.

24. CAPITAL AND RESERVES

(1) Common Stock

The numbers of shares authorized and issued are as follows:

	Number of shares	
	For the year ended March 31, 2022	For the year ended March 31, 2023
Authorized:		
Ordinary shares	1,500,000,000	1,500,000,000
Issued:		
Balance, beginning of year	744,912,078	637,468,178
Adjustment for the year	(107,443,900)	(27,946,200)
Balance, end of year	637,468,178	609,521,978

The decrease in the total number of shares issued for the years ended March 31, 2022 and 2023 was due to the retirement of treasury stock.

(2) Reserves

(a) Additional Paid-in Capital

Under the Company Law of Japan ("the Company Law"), at least 50% of the proceeds of certain issues of common shares shall be credited to common stock. The remainder of the proceeds shall be credited to additional paid-in capital. The Company Law permits, upon approval at the general meeting of shareholders, the transfer of amounts from additional paid-in capital to common stock.

(b) Retained Earnings

The Company Law provides that a 10% dividend of retained earnings shall be appropriated as additional paid-in capital or as a legal reserve until the aggregate amount of the additional paid-in capital and the legal

reserve equals 25% of common stock. The legal reserve may be used to eliminate or reduce a deficit or be transferred to retained earnings upon approval at the general meeting of shareholders.

Retained earnings available for dividends under the Company Law is based on the amount recorded in the Company's general accounting records maintained in accordance with accounting principles generally accepted in Japan.

The Company Law limits the amount of retained earnings available for dividends. Retained earnings of ¥ 110,112 million and ¥ 90,869 million as of March 31, 2022 and 2023, respectively, were not restricted by the limitations under the Company Law.

(3) Treasury stock

The number of shares of treasury stock as of March 31, 2022 and 2023 included in the number of shares issued shown above were 468,700 shares and 447,171 shares, respectively. The Company has established the Board Incentive Plan trust in which beneficiaries include directors and executive officers. The number of the shares in the Company owned by the trust as of March 31, 2022 and 2023 were 398,600 shares and 371,400 shares, respectively. The shares owned by the trust were included in the number of shares of treasury stock.

(For the year ended March 31, 2022)

At the meeting of the Board of Directors of the Company held on March 3, 2021, the Company resolved a share repurchase. The share repurchases for the year ended March 31, 2022 is as follows and has been completed on December 10, 2021 (on delivery date basis).

(1) Share category	Common stock
(2) Number of shares	81,230,900 shares
(3) Repurchase cost	¥ 92,709,040,000
(4) Period	April 1, 2021, through December 10, 2021 (on delivery date basis)
(5) Method	Open market purchase on Tokyo Stock Exchange

(Reference)

The matters for resolution at the Board of Directors meeting held on March 3, 2021

(1) Share category	Common stock
(2) Number of shares	Up to 145,000,000 shares (representing 20.02% of issued and outstanding shares excluding treasury shares)
(3) Repurchase ceiling	Up to ¥ 100 billion
(4) Period	March 4, 2021, through March 3, 2022
(5) Method	Open market purchase on Tokyo Stock Exchange

The Company retired treasury shares, as stated below, following a Board of Directors resolution on February 4, 2022.

(1) Share category	Common stock
(2) Number of shares	107,443,900 shares
(3) Retirement date	February 28, 2022

(For the year ended March 31, 2023)

At the meeting of the Board of Directors of the Company held on May 10, 2022, the Company resolved a share repurchase. The share repurchase for the year ended March 31, 2023 is as follows and has been completed on September 27, 2022 (on delivery date basis).

(1) Share category	Common stock
(2) Number of shares	27,946,200 shares
(3) Repurchase cost	¥ 29,999,937,700
(4) Period	May 11, 2022, through September 27, 2022 (on delivery date basis)
(5) Method	Open market purchase on Tokyo Stock Exchange

(Reference)

The matters for resolution at the Board of Directors meeting held on May 10, 2022

(1) Share category	Common stock
(2) Number of shares	Up to 48,000,000 shares (representing 7.5% of issued and outstanding shares excluding treasury shares)
(3) Repurchase ceiling	¥30 billion
(4) Period	May 11, 2022, through September 30, 2022
(5) Method	Open market purchase on Tokyo Stock Exchange

The Company retired treasury shares, as stated below, following a Board of Directors resolution on October 4, 2022.

(1) Class of shares retired	Common stock
(2) Number of shares retired	27,946,200 shares
(3) Retirement date	October 31, 2022

(4) Dividends

Dividends paid are as follows:

Resolution	Class of shares	Amount of dividends	Dividends per share	Record date	Effective date
		(Millions of Yen)	(Yen)		
Ordinary general meeting of shareholders held on June 24, 2021	Ordinary shares	5,391	7.5	March 31, 2021	June 25, 2021
Board of Directors' meeting held on November 4, 2021	Ordinary shares	8,677	13.0	September 30, 2021	December 1, 2021
Ordinary general meeting of shareholders held on June 24, 2022	Ordinary shares	8,286	13.0	March 31, 2022	June 27, 2022
Board of Directors' meeting held on November 4, 2022	Ordinary shares	10,361	17.0	September 30, 2022	December 1, 2022

Note: The total amount of dividends by the resolution of the ordinary general meeting of shareholders held on June 24, 2021 and the board of directors' meeting held on November 4, 2021 include ¥ 3 million and ¥ 5 million respectively corresponding to the Company's shares owned by the Board Incentive Plan trust in which beneficiaries include directors and executive officers.

In addition, the total amount of dividends by the resolution of the ordinary general meeting of shareholders held on June 24, 2022 and the board of directors' meeting held on November 4, 2022 include ¥ 5 million and ¥ 7 million respectively corresponding to the Company's shares owned by the Board Incentive Plan trust in which beneficiaries include directors and executive officers.

Dividends whose record date is in the current fiscal year but whose effective date is in the following fiscal year are as follows:

Resolution	Class of shares	Amount of dividends	Source of dividends	Dividends per share	Record date	Effective date
		(Millions of Yen)		(Yen)		
Ordinary general meeting of shareholders held on June 23, 2023	Ordinary shares	10,361	Retained earnings	17.0	March 31, 2023	June 26, 2023

Note: The total amount of dividends by the resolution of the board of directors' meeting held on June 23, 2023 includes ¥ 6 million corresponding to the Company's shares owned by the Board Incentive Plan trust in which beneficiaries include Directors and Executive Officers.

25. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

(1) Capital risk management

Ricoh's capital management policy is to maintain a strong financial position, which enables us to procure sufficient funds for business expansions and to build an efficient capital structure in order to achieve continuous growth and increase corporate value.

Ricoh manages net interest-bearing debt, where cash and deposits are deducted from interest-bearing debt, capital (equity attributable to owners of the parent company) and the debt-to-equity ratio (ratio of interest-bearing debt to equity). The amounts as of each year end are as set forth in the table below.

In addition, Ricoh manages net interest-bearing debt, excluding debt from sales financing, for managerial purposes.

	Millions of Yen	
	As of March 31, 2022	As of March 31, 2023
Interest-bearing debt	302,546	427,270
Cash and deposit	(240,389)	(222,097)
Net interest-bearing debt	62,157	205,173
Capital (equity attributable to owners of the parent)	902,042	931,556
Debt Equity Ratio	0.07	0.22

(2) Market risk management

(a) Foreign currency exchange rate risk

(i) Foreign currency exchange rate risk management

The financial results, assets and liabilities are subject to foreign exchange fluctuations because of the high volume of Ricoh's production and sales activities in the Americas, Europe and Other, such as China.

Ricoh enters into foreign currency contracts to hedge against the potentially adverse impact of foreign currency fluctuations on those assets and liabilities denominated in foreign currencies.

(ii) Foreign currency contracts

Foreign currency contracts are as follows:

Foreign Currency Contracts

As of March 31, 2022			
	Exchange rates	Contract amounts (Millions of Yen)	Fair value (Millions of Yen)
U.S. dollar/¥	¥ 122.39	—	—
Euro/¥	¥ 136.70	13,670	(710)
Pound/Euro	€ 1.18	46,213	(255)

As of March 31, 2023			
	Exchange rates	Contract amounts (Millions of Yen)	Fair value (Millions of Yen)
U.S. dollar/¥	¥ 133.53	1,647	3
Euro/¥	¥ 145.72	1,749	(29)
Pound/Euro	€ 1.14	42,064	58

(iii) Sensitivity analysis for foreign currency risk

The following table represents Ricoh's sensitivity analysis of financial instruments for foreign currency risk exposures. The analysis shows the hypothetical impact on profit before income tax expenses in the consolidated statement of profit or loss that would have resulted from a 1 yen appreciation of the Japanese yen against the U.S. dollar and the euro at the end of the year. The analysis is based on the assumption that such balances and interest rates are constant.

Sensitivity analysis for foreign exchange exposure is as follows:

	Millions of Yen	
	For the year ended March 31, 2022	For the year ended March 31, 2023
U.S. dollar	94	(35)
Euro	(131)	(116)

(b) Interest rate risk**(i) Interest rate risk management**

Ricoh's interest-bearing debt is mainly bonds and borrowings with fixed interest rates. At present, the current level of interest rate risk is minor.

(ii) Sensitivity analysis for interest rate

If the interest rate of financial instruments held by Ricoh as of March 31, 2022 and 2023 had increased by 1%, the impact on profit before income tax expenses in the consolidated statement of profit or loss would have been as set forth below.

The analysis assumes interest-bearing debt with floating rates affected by interest rate fluctuation and is based on the assumption that other factors, including the impact of foreign exchange fluctuation, are constant.

	Millions of Yen	
	For the year ended March 31, 2022	For the year ended March 31, 2023
Profit before income tax expenses	(107)	(84)

(3) Credit risk management

(a) Credit risk of financial assets

Receivables generated from operating activities of Ricoh are exposed to the credit risk of its business partners.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. As for such risk, Ricoh sets a credit limit, conducts surveys on credit and monitoring of the performance of its business partners on an ongoing basis. Ricoh believes that potential risk such as concentration of credit risk needs to be minimized, and therefore, Ricoh makes adjustment to the extent of granting credit based on the results of monitoring. In addition, Ricoh measures and recognizes an allowance for doubtful receivables by estimating future credit losses with consideration for future situations.

Ricoh considers whether credit risk on that financial instrument has increased significantly since initial recognition by evaluating changes in default risk with reference to factors including the decline of counterparty results and delinquency information. Additionally, Ricoh recognizes credit-impaired financial asset if it experiences serious overdue payment, such as over 180 days or more, and customers with serious financial difficulties. Ricoh directly reduces the gross carrying amount of a financial asset when there are no reasonable expectations of recovering a financial asset in its entirety, such as when receivables are legally extinguished.

When Ricoh uses derivative transactions, financial institutions are limited to those which are highly credible. Therefore, credit risk is recognized to be minimal.

The total carrying amount of financial assets represents the maximum amount of exposure to credit risk.

(i) The measurement of expected credit losses on trade receivables and lease receivables

Ricoh applies the simplified method in which the loss allowance on trade receivables and lease receivables is measured in an amount equal to the lifetime expected credit losses.

(ii) The measurement of expected credit loss on loans and other receivables

When at the end of the reporting period, the credit risk on loans and other receivables has not significantly increased since initial recognition, Ricoh calculates the amount of loss allowance on these financial instruments by estimating the 12-month expected credit loss collectively based upon both historical credit loss experience and forward-looking information such as economic conditions. Ricoh manages loan transactions by ongoing credit evaluations, establishing appropriate credit limits and monitoring accounts periodically to minimize the credit risk of these financial instruments.

(b) Quantitative and qualitative information on expected credit loss

Allowance for doubtful trade receivables and lease receivables is as follows:

	Millions of Yen		
	Non-credit-impaired doubtful receivables	Credit-impaired doubtful receivables	Total
As of April 1, 2021	10,720	4,572	15,292
Net provision	257	3,116	3,373
Charge-offs	(586)	(1,034)	(1,620)
Exchange differences and other	715	610	1,325
As of March 31, 2022	11,106	7,264	18,370
Net provision	768	(890)	(122)
Charge-offs	(1,588)	(2,425)	(4,013)
Exchange differences and other	738	483	1,221
As of March 31, 2023	11,024	4,432	15,456

The carrying amount of trade receivables and the allowance for doubtful receivables by the number of days past due is as follows:

(For the year ended March 31, 2022)

	Millions of Yen		
	Carrying amounts of receivables	Expected credit loss	Allowance for doubtful receivables for the entire period
Past due 180 days or less	553,706	2.0%	11,106
Past due 181 days or more	10,389	69.9%	7,264
Total	564,095	3.3%	18,370

(For the year ended March 31, 2023)

	Millions of Yen		
	Carrying amounts of receivables	Expected credit loss	Allowance for doubtful receivables for the entire period
Past due 180 days or less	632,631	1.7%	11,024
Past due 181 days or more	10,920	40.6%	4,432
Total	643,551	2.4%	15,456

(4) Liquidity risk management

Ricoh raises funds through borrowings from financial institutions or issuance of bonds. These liabilities are exposed to the liquidity risk that Ricoh would not be able to repay liabilities on the due date resulting from the deterioration of the financing environment.

The Company and certain subsidiaries have committed limit of borrowing and overdraft facilities with financial institutions as well as commercial paper programs.

Ricoh has implemented a cash management system as a pooling-of-funds arrangement to achieve greater efficiencies in the utilization of liquidity on hand from one group company to another company through finance subsidiaries located in each region.

Ricoh has various funding methods and also has several committed lines of credit with financial institutions in order to reduce the liquidity risk.

An analysis of the contractual maturities of financial liabilities other than guarantee liabilities (including derivative financial instruments) is as follows:

Millions of Yen								
As of March 31, 2022								
	Carrying amount	Contractual cash flows	Due within 1 year or less	Due between 1 year and 2 years	Due between 2 years and 3 years	Due between 3 years and 4 years	Due between 4 years and 5 years	Due after 5 years
Non-derivative financial liabilities								
Trade and other payables	268,534	268,534	268,534	—	—	—	—	—
Short-term borrowings	67,003	67,195	67,195	—	—	—	—	—
Long-term borrowings	130,491	131,037	33,961	30,016	55,633	1,033	10,361	33
Bonds	37,943	39,793	14,049	10,364	349	2,050	233	12,748
Lease liabilities	67,109	71,342	23,614	15,260	10,151	6,415	5,293	10,609
Subtotal	571,080	577,901	407,353	55,640	66,133	9,498	15,887	23,390
Derivative financial liabilities								
Foreign currency contracts	2,079	2,079	2,079	—	—	—	—	—
Subtotal	2,079	2,079	2,079	—	—	—	—	—
Total	573,159	579,980	409,432	55,640	66,133	9,498	15,887	23,390

Millions of Yen								
As of March 31, 2023								
	Carrying amount	Contractual cash flows	Due within 1 year or less	Due between 1 year and 2 years	Due between 2 years and 3 years	Due between 3 years and 4 years	Due between 4 years and 5 years	Due after 5 years
Non-derivative financial liabilities								
Trade and other payables	312,429	312,429	312,429	—	—	—	—	—
Short-term borrowings	116,559	117,684	117,684	—	—	—	—	—
Long-term borrowings	221,709	225,061	32,115	62,326	38,104	11,339	41,595	39,582
Bonds	24,670	26,254	10,393	378	2,236	250	2,962	10,035
Lease liabilities	64,332	67,557	23,112	15,579	9,453	6,154	3,613	9,646
Contingent consideration	7,245	7,245	2,220	2,859	1,797	369	—	—
Written put option liabilities over non-controlling interests	22,541	22,670	—	22,670	—	—	—	—
Subtotal	769,485	778,900	497,953	103,812	51,590	18,112	48,170	59,263
Derivative financial liabilities								
Foreign currency contracts	362	362	362	—	—	—	—	—
Subtotal	362	362	362	—	—	—	—	—
Total	769,847	779,262	498,315	103,812	51,590	18,112	48,170	59,263

The Company and its certain subsidiaries enter into limit of borrowing and overdrafts arrangements with financial institutions. These financial institutions also hold the commercial paper issued by the Company and certain subsidiaries.

The total of credit facilities are as follows:

Millions of Yen		
	As of March 31, 2022	As of March 31, 2023
Limit of borrowing and overdrafts		
Used	300	7
Unused	232,300	236,181
Total	232,600	236,188
Issue limit of commercial paper		
Used	—	30,000
Unused	136,717	110,059
Total	136,717	140,059

(5) Fair value of financial instruments by type

The carrying amount and fair value of major financial instruments were as follows:

	Millions of Yen			
	As of March 31, 2022		As of March 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets:				
Lease receivables	220,467	224,834	228,862	232,006
Derivative assets	147	147	202	202
Securities and equity interests	11,841	11,841	18,972	18,972
Bonds	488	488	387	387
Total	232,943	237,310	248,423	251,567
Liabilities:				
Derivative liabilities	2,079	2,079	362	362
Contingent consideration	—	—	7,245	7,245
Written put option liabilities over non-controlling interests	—	—	22,541	22,541
Bonds and borrowings	121,042	117,985	205,110	199,713
Total	123,121	120,064	235,258	229,861

Note:

(i) Cash and cash equivalents, time deposits and trade and other payables

These are not included in the table above, as their carrying amounts approximate their fair values due to short-term settlement.

(ii) Trade and other receivables

Trade and other receivables settled in a short period are not included in the table above because the carrying amounts approximate the fair values due to the short maturities of these instruments. Any other receivables that are not material are not included in the table above.

(iii) Lease receivables

The fair value of lease receivables is calculated per each receivable classified per certain period based on the present value of such receivable discounted by the interest rate which takes into account the period to maturity and the credit risk. Lease receivables using the inputs described above are classified as Level 3.

(iv) Derivatives

Derivative instruments include foreign currency contracts. These derivative instruments are classified as Level 2 since the fair values of these instruments are measured mainly by obtaining quotes from brokers or proper valuation methods based on available information.

(v) Securities, equity interests and bonds

Securities, equity interests and bonds include mainly marketable securities and bonds, as well as unlisted securities and equity interests. As the fair value of marketable securities and bonds is measured using quoted prices of identical assets in an active market and is therefore observable, their fair value is classified as Level 1. As the fair value of unlisted securities and equity interests is measured based on valuation techniques using observable indicators such as market prices of comparable companies, as well as unobservable indicators, their fair value is classified as Level 3.

(vi) Bonds and borrowings

Bonds and borrowings expected to be settled in less than 12 months are not included in the table above as the carrying amounts approximate fair values due to the short-term maturities of these instruments.

The fair value of bonds and borrowings are calculated from estimated present values using year-end borrowing rates applied to borrowings with similar maturities derived from future cash flows on a per-loan basis as well as calculated based on market prices. Bonds and borrowings using inputs described above are

classified as Level 2, since they are valued using observable market data.

(vii) Contingent consideration

Contingent consideration is classified as Level 3, since the fair value of contingent consideration is calculated taking into account future performance of acquired companies and payment amounts.

(viii) Written put option liabilities over non-controlling interests

The amount stated as the fair value of written put option liabilities over non-controlling interests is determined by discounting future cash flows at the interest rate taking into account the credit risk at the period to the date of exercise and at the end of the period. Written put option liabilities over non-controlling interests using inputs described above are classified as Level 2, since they are valued using observable market data.

(ix) Measurement of financial instruments

Measurement methods for the financial instruments in accordance with IFRS9 'Financial Instruments' were as follows.

At amortized cost: trade receivables, bonds (as liabilities) and borrowings, written put option liabilities over non-controlling interests.

At fair value through profit or loss: derivative assets, securities and equity interests, derivative liabilities, contingent consideration.

At fair value through other comprehensive income: securities and equity interests, bonds (as assets).

Ricoh classifies the equity instruments it holds to maintain and strengthen relationships with the companies as the financial assets measured at fair value through other comprehensive income.

The fair values of major investments in the equity instruments measured at fair value through other comprehensive income were as follows:

(As of March 31, 2022)

Company name	Fair value (Millions of Yen)
OTSUKA CORPORATION	1,694
NIDEC CORPORATION	1,189
SAN-AI OBBLI CO.,LTD.	1,045
Sindoh Co., Ltd.	1,010
Ushio Inc.	913
Central Japan Railway Company	638
HISAMITSU PHARMACEUTICAL CO., INC.	432
XAVIS.Co.,Ltd.	343
Tokio Marine Holdings, Inc.	245
Evixar Inc.	240

(As of March 31, 2023)

Company name	Fair value (Millions of Yen)
Cybozu, Inc.	5,108
OTSUKA CORPORATION	1,827
SAN-AI OBBLI CO.,LTD.	1,526
Sindoh Co., Ltd.	1,057
NIDEC CORPORATION	834
Ushio Inc.	833
Central Japan Railway Company	632
XAVIS.Co.,Ltd.	482
HISAMITSU PHARMACEUTICAL CO., INC.	446
Tokio Marine Holdings, Inc.	263

Note: SAN-AI OBBLI CO.,LTD. changed company name from SAN-AI OIL CO.,LTD. to SAN-AI OBBLI CO.,LTD. on April 1, 2022.

Ricoh sold and derecognized some of its financial assets measured at fair value through other comprehensive income in consideration for improving assets efficiency as well as revising business relationships with the companies. The total amounts of the fair value of such financial assets at the time of sale and the cumulative gains or losses on the sales are as follows:

	For the year ended March 31, 2022 (Millions of Yen)	For the year ended March 31, 2023 (Millions of Yen)
Fair value	3,803	566
Cumulative gains (losses)	2,250	227
Dividend income	98	5

The dividends related to held investments in equity instruments designated at fair value through other comprehensive income for the years ended March 31, 2022 and 2023 were ¥875 million and ¥521 million, respectively.

Ricoh transfers to retained earnings the cumulative gains or losses arising from changes in the fair value of financial assets measured at fair value through other comprehensive income recognized in other components of equity when it disposes of an investment or when the fair value declines significantly. Cumulative gains or losses of other comprehensive income, net of tax, that were transferred to retained earnings for the years ended March 31, 2022 and 2023 were ¥1,547 million and ¥159 million, respectively.

(6) Fair value measurement applied in consolidated statement of financial position

The analysis of financial instruments subsequently measured at fair value is shown below. The fair value hierarchy of financial instruments is categorized as follows from Level 1 to Level 3:

Reclassification among the levels in the fair value hierarchy is recognized upon the date when the event or change in circumstances causing the reclassification to occur.

Level 1: Fair values measured using quoted prices in active markets with respect to identical assets or liabilities

Level 2: Fair values measured using inputs other than quoted prices that are observable, either directly or indirectly

Level 3: Fair values measured using inputs not based on observable market data

The following tables present the fair-value hierarchy of financial assets and liabilities that are measured at fair value in the consolidated statement of financial position.

	Millions of Yen			
	As of March 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:				
Derivative assets	—	147	—	147
Securities and equity interests	—	—	1,259	1,259
Financial assets at fair value through other comprehensive income:				
Securities and equity interests	8,830	—	1,752	10,582
Bonds	488	—	—	488
Total assets	9,318	147	3,011	12,476
Financial liabilities at fair value through profit or loss:				
Derivative liabilities	—	2,079	—	2,079
Total liabilities	—	2,079	—	2,079

	Millions of Yen			
	As of March 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:				
Derivative assets	—	202	—	202
Securities and equity interests	—	—	1,517	1,517
Financial assets at fair value through other comprehensive income:				
Securities and equity interests	14,422	—	3,033	17,455
Bonds	387	—	—	387
Total assets	14,809	202	4,550	19,561
Financial liabilities at fair value through profit or loss:				
Derivative liabilities	—	362	—	362
Contingent consideration	—	—	7,245	7,245
Total liabilities	—	362	7,245	7,607

Note:

(i) Derivative instruments include foreign currency contracts. These derivative instruments are classified as Level 2 since the fair values of these instruments are measured mainly by obtaining quotes from brokers or proper valuation methods based on available information.

(ii) Securities, equity interests and bonds include mainly marketable securities and bonds, as well as unlisted securities and equity interests. As the fair value of marketable securities and bonds is measured using quoted prices of identical assets in an active market and is therefore observable, their fair value is classified as Level 1. As the fair value of unlisted securities and equity interests is measured based on valuation techniques using observable indicators such as market prices of comparable companies, as well as unobservable indicators, their fair value is classified as Level 3.

(iii) Contingent consideration is classified as Level 3, since the fair value of contingent consideration is calculated taking into account future performance of acquired companies and payment amounts.

As to financial assets categorized at Level 3, significant changes in fair value are not expected in case that an unobservable input is replaced by a reasonable alternative assumption.

A reconciliation of financial assets categorized at Level 3 from beginning balances to ending balances is as follows:

	Millions of Yen	
	For the year ended March 31, 2022	For the year ended March 31, 2023
Beginning balance	2,453	3,011
Total gains and losses:		
- in profit or loss (i)	161	(435)
- in other comprehensive income (ii)	93	33
Purchases	369	1,960
Sales	(64)	(235)
Reclassified to Level 1 due to listing (iii)	(100)	—
Others	99	216
Ending balance	3,011	4,550

Note:

(i) Total gains and losses included in net profit or loss relate to financial assets held at the end of the period that are restated to fair value through net profit or loss. These are included in “Finance income” and “Finance costs” in the consolidated statement of profit or loss.

(ii) Total gains and losses included in other comprehensive income relate to financial assets at fair value through other comprehensive income held at the end of the period. These are included in “Net changes in fair value of financial assets measured through other comprehensive income” in the consolidated statement of comprehensive income (see Note 31, “Other Comprehensive Income”).

(iii) Reclassification is because the initial public offering of investees made possible to observe its fair value by the share market price.

A reconciliation of financial liabilities categorized at Level 3 from beginning balance to ending balance is as follows:

	Millions of Yen
	For the year ended March 31, 2023
Beginning balance	—
Increase due to acquisitions through business combinations and other	7,653
Settlement	(124)
Others	(284)
Ending balance	7,245

(7) Derivative financial instruments and hedging activities

Ricoh manages its exposure to certain market risks, those primarily related to foreign currency and interest rate, through the use of derivative instruments. As a matter of policy, Ricoh does not enter into derivative contracts for trading or speculative purposes.

Ricoh recognizes all derivative instruments as either assets or liabilities in the consolidated statement of financial position and measures those instruments at fair value. When entering into a derivative contract, Ricoh determines as to whether or not the hedging relationship meets hedge effectiveness requirements.

In general, a derivative applicable for hedge accounting may be designated as either a hedge of the exposure to changes in the fair value of a recognized asset or liability (“fair value hedge”) or a hedge of the exposure to changes in variability of the expected cash flows associated with an existing asset or liability or a highly probable forecasted transaction (“cash flow hedge”).

The periods in which the cash flows associated with the cash flow hedge derivatives are expected to occur and the periods in which the cash flows are expected to enter into the determination of profit or loss are within 1 year.

Gains and losses resulting from the fair values of derivatives not designated as hedging instruments were ¥670 million (loss) and ¥1,798 million (gain) for the years ended March 31, 2022 and 2023, respectively, and are included in "Finance income" and "Finance costs" in the consolidated statement of profit or loss. The gains and losses as noted above were due mainly to the impact of foreign exchange fluctuation.

As of March 31, 2022 and 2023, hedging instruments designated as cash flow hedges were not recorded.

As of March 31, 2022 and 2023, cash flow hedge reserves were not recorded.

(8) Liquidated financial assets not qualifying for derecognition criteria

Certain foreign subsidiaries of the Company transferred lease receivables with recourse. Ricoh recognized receivables subject to these transfers as well as relevant liabilities as “Borrowings” since the risks and economic values were retained and these transactions did not meet the derecognition criteria for financial assets.

The following table presents the carrying amount of financial assets and related liabilities that are transferred but do not meet the derecognition criteria, as well as the fair value where related liabilities have recourse only to the transferred assets:

	Millions of Yen		Millions of Yen	
	As of March 31, 2022		As of March 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Finance lease receivables, net	260	282	99	105
Borrowings	260	260	99	99

26. OTHER INCOME

The components of other incomes are as follows:

	Millions of Yen	
	For the year ended March 31, 2022	For the year ended March 31, 2023
Gain on sale of tangible assets and intangible assets	14,004	11,738
Government grants	1,142	810
Gain on step acquisitions through business combinations	—	2,401
Others	2,814	6,595
Total	17,960	21,544

27. SALES

1. Disaggregation of sales

As described in Note 5, Operating Segments, Ricoh has five business units as reportable segments, namely Digital Services, Digital Products, Graphic Communications, Industrial Solutions, and Other. Sales are based on the location of customers and are disaggregated by geographic region. The relationship between these disaggregated sales and each reportable segment is as follows:

For the year ended March 31, 2022	Millions of Yen				
	Japan	The Americas	Europe, Middle East and Africa	Other	Total
Digital Services	615,808	329,961	380,384	102,039	1,428,192
Digital Products	16,754	669	49	6,994	24,466
Graphic Communications	26,381	86,820	48,520	25,361	187,082
Industrial Solutions	37,628	22,115	17,617	22,137	99,497
Other	8,671	4,082	3,608	2,989	19,350
Total segment sales	705,242	443,647	450,178	159,520	1,758,587
Revenue from contracts with customers	700,574	391,073	376,145	134,665	1,602,457
Revenue from other sources	4,668	52,574	74,033	24,855	156,130

*1 Figures exclude intersegment sales.

*2 The electronics business in Industrial Solutions has been reclassified into Digital Products from the current year. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

*3 Revenue from other sources includes revenue from lease contracts as defined under IFRS 16.

For the year ended March 31, 2023	Millions of Yen				
	Japan	The Americas	Europe, Middle East and Africa	Other	Total
Digital Services	655,306	426,610	451,926	116,572	1,650,414
Digital Products	21,162	874	82	4,584	26,702
Graphic Communications	27,189	118,027	60,229	29,398	234,843
Industrial Solutions	36,946	31,806	21,946	22,874	113,572
Other	63,352	23,519	12,279	9,499	108,649
Total segment sales	803,955	600,836	546,462	182,927	2,134,180
Revenue from contracts with customers	799,662	531,345	459,560	151,097	1,941,664
Revenue from other sources	4,293	69,491	86,902	31,830	192,516

*1 Figures exclude intersegment sales.

*2 Sales of PFU are included in Other segment.

*3 Revenue from other sources includes revenue from lease contracts as defined under IFRS 16.

The timing of revenue recognition is as follows:

	Millions of Yen					
	For the year ended March 31, 2022			For the year ended March 31, 2023		
	Goods or services transferred at a point in time	Goods or services transferred over time	Total	Goods or services transferred at a point in time	Goods or services transferred over time	Total
Digital Services	703,444	724,748	1,428,192	829,412	821,002	1,650,414
Digital Products	24,223	243	24,466	26,508	194	26,702
Graphic Communications	114,818	72,264	187,082	149,258	85,585	234,843
Industrial Solutions	99,497	—	99,497	113,572	—	113,572
Other	18,902	448	19,350	86,200	22,449	108,649
Total segment sales	960,884	797,703	1,758,587	1,204,950	929,230	2,134,180

*1 The above revenue includes revenue from other sources than IFRS 15, mainly lease revenue in accordance with IFRS 16.

*2 Sales of PFU are included in Other segment.

*3 The electronics business in Industrial Solutions has been reclassified into Digital Products from the current year. Prior year comparative figures have also been reclassified to conform to the current year's presentation.

The Ricoh's business consists of Digital Services, Digital Products, Graphic Communications, Industrial Solutions, and Other, and sells products and provides services in each business.

Sales are measured at the amount of consideration promised in a contract with the customer, after deducting the amount of discounts, rebates based on the volume of purchases, etc. For variable consideration, including variable discounts and rebates, Ricoh estimates the amount of consideration to

which it is entitled using all reasonably available information, including historical, current, and projected estimates, and recognizes revenue only to the extent that it is highly probable that a significant reversal will not occur.

In Digital Services and Other, revenue from sales of merchandise in which Ricoh is an agent is recognized at the net amount.

With respect to product warranties, Ricoh accounts for such warranties as a provision, since the customer does not have the option to independently purchase such warranties and Ricoh does not provide services to the customer in addition to the warranty that the finished goods comply with the agreed-upon specifications. There are no significant return and refund obligations and other similar obligations.

Revenue from products in Digital Services (equipment such as multifunctional printers, printers, personal computers and servers), Digital Products (OEM of multifunctional printers and printers) and Graphic Communications (production printer, inkjet heads, imaging systems and industrial printers, etc.) is recognized typically when they have been installed and accepted by the customer, and revenue from related consumables related to these equipment is recognized at the time of delivery, as delivery represent the timing at which legal title and physical possession of the product, significant risks associated with ownership of the product, and economic value are transferred to the customer, and performance obligation of Ricoh is deemed to have been satisfied.

Revenue from the sales of Industrial Solutions (thermal paper, industrial optical components, etc.) and major products of Other is recognized at the time when such equipment, etc., is delivered to the customer, as the customer acquires control over the equipment, etc., at the time of delivery of the equipment, etc., and performance obligation of Ricoh is deemed to have been satisfied.

In the office printing business in Digital Services and the commercial printing business of Graphic Communications, revenue is recognized from maintenance contracts that charge a metered fee based on the customer's equipment usage, a fixed fee, or a base fee plus a metered fee based on usage. Ricoh has determined that its performance obligation under maintenance contracts is to provide the customer with equipment available at all times in accordance with the contract, and revenue is recognized over a certain period of time as the relevant performance obligation is satisfied. Revenue from maintenance contracts based on a fixed fee is recognized equally over the contract period for the transaction amount related to the contract with the customer. Revenue from maintenance contracts that charge a metered fee based on usage and that charge a base fee plus a metered fee based on usage are recognized based on the amount invoiced to the customer.

In the office services business of Digital Services, sales of software services are mainly divided into two types: license-based services with maintenance services, and cloud-based services. Revenue from license-based services is recognized when the software is provided according to the customer's specifications and the customer acquires control over the software at the time of delivery, and performance obligation of Ricoh is deemed to have been satisfied. On the other hand, revenue from maintenance services is recognized over time, as maintenance and support services for products are provided over a certain period of time and performance obligation of Ricoh is satisfied over a certain period of time. Similarly, revenue from cloud-based services is recognized over time, as services are provided through applications according to customer's specifications over a certain period of time.

As receivables under installment sales contracts are billed monthly over the installment payment period, Ricoh makes adjustments with respect to the financing component. For other contracts, Ricoh receives consideration generally within one year after performance obligation of Ricoh is satisfied, and they do not contain a significant financing component.

2. Receivables and liabilities from contracts with customers

The ending balance of receivables and liabilities from contracts with customers were as follows:

	Millions of Yen	
	As of April 1, 2022	As of March 31, 2023
Receivables from contracts with customers	372,249	445,253
Contract liabilities	68,366	86,232

Contract liabilities are included in “Other current liabilities” and “Other non-current liabilities” on the consolidated statement of financial position. Contract liabilities are mainly related to advanced payments from customers for maintenance contracts. For revenues recognized for the years ended March 31, 2022 and 2023, amounts included in contract liabilities at the beginning of the fiscal year were ¥28,030 million and ¥37,805 million, respectively. For the years ended March 31, 2022 and 2023, the amount of revenue recognized from performance obligations satisfied (or partially satisfied) in the previous period was not material.

3. Transaction price allocated to the remaining performance obligation

As of March 31, 2022 and 2023, the remaining performance obligation of the contracts with an initial service period of more than one year at the end of reporting period was ¥198,575 million and ¥222,127 million, respectively. The transaction prices are mainly related to maintenance contracts for equipment sold to customers, and include fixed fees and the base fee component for metered fee contracts. They do not include the metered fee component for metered fee contracts. The time frame in which Ricoh expects to recognize such transaction prices as revenue is approximately one to five years. Ricoh has applied a practical expedient, and omits disclosures for individual contracts with expected durations of one year or less.

4. Assets recognized from the costs to obtain or fulfill contracts with customers

Ricoh capitalizes the incremental costs of obtaining contracts with customers as an asset if those costs are expected to be recoverable and records them in “Other current assets” and “Other non-current assets” in the consolidated statement of financial position. Incremental costs of obtaining contracts are those costs that Ricoh incurs to obtain a contract with a customer that would not have been incurred if the contract had not been obtained. Incremental costs of obtaining contracts recognized as assets by Ricoh are mainly the initial costs incurred related to sales commissions. The related assets are amortized on a straight-line basis over the estimated contract terms.

	Millions of Yen	
	As of April 1, 2022	As of March 31, 2023
Assets recognized from costs to obtain a contract with customers	6,727	7,063

For the years ended March 31, 2022 and 2023, amortization associated with the assets recognized from the costs to obtain contracts with customers were ¥4,232 million and ¥4,594 million, respectively.

28. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Details of selling, general and administrative expenses are as follows:

	Millions of Yen	
	For the year ended March 31, 2022	For the year ended March 31, 2023
Personnel expenses	403,240	459,585
Depreciation and amortization expenses	50,334	56,738
Shipping and handling expenses	27,557	34,523
Rental payments	8,661	8,306
Advertising expenses	4,206	4,462
Impairment losses of property, plant and equipment and intangible assets	762	35
Others	105,509	124,507
Total	600,269	688,156

29. RESEARCH AND DEVELOPMENT

Research and development expenses are as follows:

	Millions of Yen	
	For the year ended March 31, 2022	For the year ended March 31, 2023
Research and development expenses	75,724	85,315

30. FINANCE INCOME AND FINANCE COSTS

Details of finance income and finance costs are as follows:

	Millions of Yen	
	For the year ended March 31, 2022	For the year ended March 31, 2023
Finance income		
Dividend income		
Financial assets measured at fair value through other comprehensive income	973	526
Interest income		
Financial assets measured at amortized cost	1,116	3,876
Financial assets measured at fair value through other comprehensive income	22	20
Other finance income	421	100
Total finance income	2,532	4,522
Finance costs		
Interest costs		
Financial liabilities measured at amortized cost	2,188	4,988
Lease liabilities	1,049	1,008
Provisions	22	18
Foreign currency exchange loss, net	10	1,349
Other finance costs	531	742
Total finance costs	3,800	8,105

31. OTHER COMPREHENSIVE INCOME

The components of other comprehensive income are as follows:

	Millions of Yen	
	For the year ended March 31, 2022	For the year ended March 31, 2023
Remeasurements of defined benefit plans		
Gain (loss) arising during the year	14,515	5,097
Total	14,515	5,097
Net changes in fair value of financial assets measured through other comprehensive income		
Gain (loss) arising during the year	(1,851)	742
Total	(1,851)	742
Net changes in fair value of cash flow hedges		
Gain (loss) arising during the year	(133)	(241)
Reclassification adjustments to profit or loss for the year	723	164
Total	590	(77)
Exchange differences on translation of foreign operations		
Gain (loss) arising during the year	46,775	40,787
Reclassification adjustments to profit or loss for the year	—	(196)
Total	46,775	40,591
Share of other comprehensive income of investments accounted for using equity method		
Gain (loss) arising during the year	305	(246)
Reclassification adjustments to profit or loss for the year	(19)	(13)
Total	286	(259)

Tax effects of other comprehensive income (including those attributable to noncontrolling interests) are as follows:

	Millions of Yen					
	For the year ended March 31, 2022			For the year ended March 31, 2023		
	Pretax amount	Tax benefit (expense)	Net-of-tax amount	Pretax amount	Tax benefit (expense)	Net-of-tax amount
Remeasurements of defined benefit plans	18,946	(4,431)	14,515	7,106	(2,009)	5,097
Net changes in fair value of financial assets measured through other comprehensive income	(2,695)	844	(1,851)	1,080	(338)	742
Net changes in fair value of cash flow hedges	728	(138)	590	(96)	19	(77)
Exchange differences on translation of foreign operations	46,775	—	46,775	41,144	(553)	40,591
Share of other comprehensive income of investments accounted for using equity method	286	—	286	(259)	—	(259)
Total other comprehensive income (loss)	64,040	(3,725)	60,315	48,975	(2,881)	46,094

32. EARNINGS PER SHARE

Basic earnings per share and diluted earnings per share are as follows.

(1) Basic earnings per share

	For the year ended March 31, 2022	For the year ended March 31, 2023
Profit (loss) attributable to owners of the parent (millions of yen)	30,371	54,367
Weighted average number of ordinary shares outstanding (thousands of shares)	669,698	616,917
Basic earnings (loss) per share (yen)	45.35	88.13

(2) Diluted earnings per share

	For the year ended March 31, 2022	For the year ended March 31, 2023
Profit (loss) attributable to owners of the parent (millions of yen)	30,371	54,367
Adjustments (millions of yen)	—	—
Profit (loss) used for calculation of diluted earnings per share (millions of yen)	30,371	54,367
Weighted average number of ordinary shares outstanding (thousands of shares) *	669,698	616,917
Effect of dilutive potential ordinary shares		
Share-based payment (thousands of shares)	100	158
Weighted-average number of ordinary shares diluted (thousands of shares)	669,799	617,075
Diluted earnings (loss) per share (yen)	45.34	88.10

* For the purpose of calculation of basic earnings per share and diluted earnings per share, the shares of the Company held by Board Incentive Plan trust in which beneficiaries include directors and executive officers are accounted as treasury shares and the number of those shares are deducted from weighted-average number of ordinary shares outstanding during the year.

33. RELATED PARTIES

1. Transactions with related parties

Related-party transactions (except for transactions that were offset in the consolidated financial statements) during the year are as follows:

(For the year ended March 31, 2022)

Type	Name	Transactions	Transaction volume (Millions of Yen)	Account	Outstanding balance (Millions of Yen)
Associates	Ricoh Leasing Co., Ltd.	Transfer of trade and other payables by factoring	86,172	Trade and other payables	31,030

(For the year ended March 31, 2023)

Type	Name	Transactions	Transaction volume (Millions of Yen)	Account	Outstanding balance (Millions of Yen)
Associates	Ricoh Leasing Co., Ltd.	Transfer of trade and other payables by factoring	73,304	Trade and other payables	23,876

Note:

Transactions with related parties are determined after price negotiations in consideration of market prices and other factors. As of March 31, 2022 and 2023, there were no collateral or guarantee transactions.

2. Remuneration of key management personnel

Directors' remuneration during the year is as follows:

	Millions of Yen	
	For the year ended March 31, 2022	For the year ended March 31, 2023
Remuneration, including bonuses	326	338
Compensation for acquiring stock	11	10
Stock-based compensation with stock price conditions	17	40
Total	354	388

34. CAPITAL COMMITMENTS AND CONTINGENCIES

As of March 31, 2022 and 2023, Ricoh had outstanding contractual commitments for acquisition or construction of property, plant and equipment and other assets aggregating to ¥ 7,662 million and ¥ 13,222 million, respectively.

As of March 31, 2022 and 2023, there were no significant financial guarantee.

35. GROUP ENTITIES

Refer to “4. Information on Affiliates” in “I. Overview of the Company”.

36. ASSOCIATES

1. Material associates

Ricoh’s material associate is Ricoh Leasing Co., Ltd. (referred to as “Ricoh Leasing”) (reporting date: March 31).

Ricoh Leasing is engaged in the general leasing business in Japan. In addition to leasing Ricoh’s products to customers, Ricoh Leasing conducts factoring transactions with Ricoh group companies in Japan.

The following table reconciles summarized financial statements of Ricoh Leasing to the carrying amounts of Ricoh’s equity interests.

	Millions of Yen	
	As of March 31, 2022	As of March 31, 2023
Current assets	665,836	704,170
Non-current assets	557,959	577,543
Current liabilities	284,164	295,089
Non-current liabilities	737,808	774,071
Total equity	201,823	212,553
Percentage ownership interest	33.7%	33.7%
Total equity attributable to Ricoh	68,014	71,822
Consolidation adjustments	361	279
Carrying amount of equity	68,375	72,101

At the time of loss of control of Ricoh Leasing in April 2020, residual investments were valued at fair value reflecting the premium on significant influence. Therefore, carrying amount of equity attributable to Ricoh reflected the premium on significant influence.

The amount calculated by multiplying the number of shares of Ricoh Leasing held by Ricoh by the market prices on the same day were ¥34,565 million and ¥39,547 million for the years ended March 31, 2022 and 2023, respectively.

	Millions of Yen	
	For the year ended March 31, 2022	For the year ended March 31, 2023
Sales	71,897	76,709
Profit	14,196	15,801
Other comprehensive income	691	(645)
Share of:		
Profit	4,784	5,339
Other comprehensive income (loss)	233	(218)
Total comprehensive income	5,017	5,121
Dividends received by Ricoh Leasing	1,138	1,350

2. Individually immaterial associates

Carrying amounts of Ricoh's equity interests in individually immaterial associates were as follows:

	Millions of Yen	
	As of March 31, 2022	As of March 31, 2023
Associates	13,021	11,428

Ricoh's share of total comprehensive income in individually immaterial associates was as follows:

	Millions of Yen	
	For the year ended March 31, 2022	For the year ended March 31, 2023
Share of:		
Profit	820	812
Other comprehensive income (loss)	53	(41)
Total comprehensive income	873	771

37. SUBSEQUENT EVENTS

(Business partnership and the conclusion of a business integration agreement and a shareholders agreement)

The Company and Toshiba Tec Corporation (“Toshiba Tec”) resolved at meetings of the Boards of Directors of both companies held on May 19, 2023, to conclude an agreement to set the terms and conditions for integrating businesses (“Integration Agreement”) regarding the development and manufacturing of multifunction printers and other devices by necessary procedures such as company split effective on a specific day between April 1, 2024 and June 30, 2024 to be separately agreed upon by the two companies (“Business Integration”). The Boards of Directors of both companies also resolved to conclude a shareholders agreement related to the Business Integration (“Shareholders Agreement”).

1. Background and External Environment

Although the office printing market is recovering from the sharp decline in printing volume caused by the spread of the COVID-19 pandemic, the pre-existing and ongoing trend toward a paperless transition continues. The global market as a whole will continue on a gradual downward trend.

Against the backdrop of expanding remote work and a worsening labor shortage due to Japan’s shrinking workforce, the need for digitalization of various operations in offices and in the frontlines has become apparent. Companies in the office printing industry are positioning Digital Transformation (“DX”) demand as a growth area and focusing on developing and providing solutions using IT (information technology).

As the competitive landscape shifts from providing stand-alone hardware to solutions combined with software and services, a common challenge has become a growing competitiveness in the development and production of printing devices. In addition, there is a need to build resilient supply chains that can respond flexibly to rising geopolitical risks. On the other hand, opportunities exist for creating new customer value based on printing-related technology through the expansion of digitalization of office and field operations.

2. Outline of the Business Integration

The Company is committed to transforming itself into a digital services company with its mission and vision of “Fulfillment through Work” to achieve sustainable growth and further development. The Company is working closely with its customers to contribute to the transformation of their business processes and the creation of new value by combining various edge devices and optimal applications. Toshiba Tec aims to become “a global top solutions partner” that co-creates solutions leading to new value and resolving social issues together with its customers and partners by practicing its corporate philosophy, “Create with You”.

To respond to the previously described market changes, the two companies will enter into a joint venture that takes on the role of MFPs’ development and manufacturing to realize the following:

(1) Strengthen competitiveness and business foundations of office printing device manufacturing
By bringing the two companies’ respective technological strengths in the development and production of office printing equipment, the two companies will expand their planning, design, and development functions. The two companies will also make joint purchases for parts and materials, and mutually utilize their production bases to build a resilient supply chain that responds flexibly to heightened geopolitical risks and aims to achieve more robust manufacturing. Furthermore, the two companies will contribute to the realization of a circular economy by enhancing the efficiency and sophistication of reuse and recycling efforts to collect used MFPs.

(2) Collaborate on the planning and development of new solutions in the frontlines utilizing the technologies and resources of the two companies

The Business Integration will enable the two companies to shift their resources to focus more on areas of innovation and individual areas of differentiation, thereby increasing their competitiveness and

strengthening their business foundations. Furthermore, the two companies will work on joint planning and development of new solutions to support customers' DX by integrating image recognition technology utilizing Toshiba Tec's barcode printer, RFID, etc., and the Company's optical and image processing technologies, such as cameras and projectors.

The two companies will provide competitive, high-quality, and high-value-added products created through co-creation to the global market through their respective branded products that pursue their unique user experience. Each of the two companies will provide solutions combined with various software and services through their respective sales channels to help customers enhance their productivity by digitalizing and improving workflows tailored to the needs of each of their operations. Thus, each of the two companies will contribute to resolving social issues by helping customers realize DX in their workplaces.

3. Summary of the Business Integration

(1) Method of the Business Integration

The Business Integration covers MFPS' development and the manufacturing operations of the two companies in Japan and overseas, excluding certain countries' businesses* of Toshiba Tec. This coverage is hereinafter collectively referred to as the "Business". The Business is, furthermore, hereinafter specified as "Ricoh's Business" and "Toshiba Tec's Business". The Business Integration will be implemented mainly by an absorption-type split in order to succeed the Ricoh's Business and Toshiba Tec's Business to Ricoh Technologies Company, Ltd., a subsidiary company of the Company in Japan ("Joint Venture"). The investment ratio in the Joint Venture after the Business Integration shall be 85% by the Company and 15% by Toshiba Tec.

The absorption-type split of the Company to implement the Business Integration is hereinafter referred to as the "Ricoh Absorption-type Split", and the absorption-type split agreement between the Company and the Joint Venture for the Ricoh Absorption-type Split is hereinafter referred to as the "Ricoh Absorption-type Split Agreement". The absorption-type split of Toshiba Tec to implement the Business Integration is hereinafter referred to as the "Toshiba Tec Absorption-type Split", and the absorption-type split agreement between Toshiba Tec and the Joint Venture for the Toshiba Tec Absorption-type Split is hereinafter referred to as the "Toshiba Tec Absorption-type Split Agreement".

Furthermore, the Ricoh Absorption-type Split and the Toshiba Tec Absorption-type Split are hereinafter collectively referred to as the "Absorption-type Split", and the Ricoh Absorption-type Split Agreement and the Toshiba Tec Absorption-type Split Agreement are hereinafter collectively referred to as the "Absorption-type Split Agreement".

Business Integration will be accounted as an acquisition of Toshiba Tec's Business by the Joint Venture on the effective date in accordance with IFRS 3 "Business Combinations".

* Toshiba Tec businesses in certain countries may also be included in Toshiba Tec's Business at Toshiba Tec's discretion after the completion of certain procedure.

(2) Schedule of the Business Integration

Both companies' Board of Directors to approve the conclusion of the Integration Agreement and the Shareholders Agreement	May 19, 2023
Conclusion of the Integration Agreement and the Shareholders Agreement	May 19, 2023
Both companies' Board of Directors to approve the conclusion of the Absorption-type Split Agreement	Undecided
Conclusion of the Absorption-type Split Agreement	Undecided

Effective date of the Absorption-type Split	A specific day between April 1, 2024 and June 30, 2024 to be separately agreed upon by the two companies (scheduled)
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(Note 1) Both Ricoh Absorption-type Split and Toshiba Tec Absorption-type Split will be conducted as a simplified absorption-type split under Article 784, Paragraph 2 of the Companies Act, without obtaining approval at the shareholders' meetings of both companies.

(Note 2) The implementation of the Business Integration is subject to the conditions that, among others, (i) all procedures under the competition laws (including procedures such as notifications and obtaining clearances, etc.) and notifications and other procedures under foreign investment regulations in Japan and other countries or regions have been completed, and (ii) no event has occurred or been found that has or may have a material adverse effect on the assets, business, financial condition, operating results or cash flow status or other value of the Business of both companies.

(Note 3) The above schedule is the current schedule and is subject to change upon consultation between the two companies in the course of the procedures for the Business Integration, depending on the obtainment of permits and approvals from the relevant authorities or for other reasons.

(3) Outline of the successor company in absorption-type split (the Joint Venture) (as of March 31, 2023)

(1)	Trade name	Ricoh Technologies Company, Ltd.	
(2)	Address	2-7-1, Izumi, Ebina Kanagawa, Japan	
(3)	Representative name	Mikio Ishibashi, President and CEO	
(4)	Principal business	Development, design, and sales of office equipment, optical equipment, printing-related peripheral equipment, and those consumables, etc.	
(5)	Capital stock	10 million yen	
(6)	Date established	December 19, 2012	
(7)	Total Shares Issued	200	
(8)	Accounting Date	March 31	
(9)	Number of Employees	489	
(10)	Major Customers	Ricoh Company, Ltd.	
(11)	Main Bank	None	
(12)	Major Shareholders and Percentage of Shares Held	Ricoh Company, Ltd.	100%
(13)	Relationships with two companies		
	Capital	100% invested by Ricoh Company, Ltd.	
	Personnel	3 Directors (out of 3) and 2 auditors (out of 2) from Ricoh Company, Ltd.	
	Business	Consignment of design and businesses from Ricoh Company, Ltd. Original Equipment Manufacturing to Toshiba Tec Corporation	
	Status as a related party	Related parties of Ricoh Company, Ltd.	

4. Outline of the splitting businesses

Nature of business of the division to be split

The Company	Toshiba Tec
Development, manufacturing and Original Equipment Manufacturing of MFPs, Printers, and those related peripheral equipment and consumables	Development, manufacturing of MFPs, Auto ID system, and those related products

5. Future outlook

Ricoh is investigating the impact of the Absorption-type Split and the Business Partnership on the consolidated business results for the fiscal year ending March 31, 2024.

(Business Combination)

On June 1, 2023, Ricoh Europe Holdings PLC, a wholly owned subsidiary of the Company, acquired all shares of PFH Technology Group, a leading provider of IT infrastructure, cloud and managed workplace services in Ireland, in order to expand digital services.

Consideration for acquisition in cash is 88.25 million EURO *1 (¥13,123 million *2), which was paid on acquisition date.

The fair value of assets acquired, liabilities assumed, and goodwill are in the process of being calculated.

(*1) In addition to consideration for acquisition in cash, the share purchase agreement also includes contingent consideration. The contingent consideration is calculated on the basis of agreed-upon conditions depending on the achievement of PFH Technology Group's performance targets and could be up to 28.75 million EURO (undiscounted).

(*2) 1 EURO = 148.70 yen (as of June 1, 2023)

38. AUTHORIZATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were authorized for issue by Akira Oyama, Representative Director and President, and Takashi Kawaguchi, Director and Executive Corporate Officer, on June 26, 2023.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Ricoh Company, Ltd.:

Opinion

We have audited the consolidated financial statements of Ricoh Company, Ltd. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as of March 31, 2023, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of goodwill related to Office Printing (Europe, Middle East and Africa sales group)	
Key Audit Matter Description	How the Key Audit Matter Was Addressed in the Audit
<p>As described in Note 12 to the consolidated financial statements, the Group recorded goodwill related to Office Printing (Europe, Middle East and Africa sales group) in the amount of 55,298 million yen at the end of the current fiscal year. The goodwill arose from the past acquisition aiming to expand the Group's sales and services network and customer base in the Office Printing business, and there is a risk that expected cash flows are not generated due to deviations from the business plan, changes in the market environment, and other adverse changes.</p> <p>In testing goodwill for impairment, the Group measures the recoverable amount of the group of cash-generating units, including goodwill, based on the value in use. The value in use is the present value of the estimated future cash flows based on the business plan prepared by management and the expected growth rate after the periods covered by the business plan.</p> <p>In estimating the value in use, the Group uses the followings as significant underlying assumptions:</p> <ul style="list-style-type: none"> • The estimated number of units sold, print output volume and sales prices of multi-function printers during the periods covered by the business plan • Costs related to sales • The expected growth rate after the periods covered by the business plan • The discount rate <p>These assumptions can be affected by the decrease in office attendance rates due to downsizing of office spaces and teleworking that has taken root with the COVID-19 pandemic as a turning point, the fluctuations in sales prices in accordance with cost conditions, etc., and involve significant judgments made by management and uncertainties. Therefore, we identified the valuation of goodwill related to Office Printing (Europe, Middle East and Africa sales group) as a key audit matter.</p>	<p>In testing the valuation of goodwill related to Office Printing (Europe, Middle East and Africa sales group), we mainly performed the following procedures. These include procedures performed by component auditors of consolidated subsidiaries under our instructions:</p> <ol style="list-style-type: none"> 1. Evaluation of Internal Controls <ul style="list-style-type: none"> • We tested the design and operating effectiveness of internal controls over the processes related to the valuation of goodwill, and mainly focused on the internal controls that evaluate the reasonableness of significant assumptions used in the business plan. 2. Evaluation of Reasonableness of Value in Use <ul style="list-style-type: none"> • We discussed with management the estimated number of units sold, print volume and sales prices of multi-function printers, costs related to sales and the expected growth rate, as well as the effects of the decrease in office attendance rates due to downsizing of office spaces and teleworking that has taken root with the COVID-19 pandemic as a turning point, and the fluctuations in sales prices in accordance with cost conditions, etc., and performed a trend analysis using historical results. We also compared the estimated number of units sold and print volume and the expected growth rate with available external information regarding the market forecast. In addition, we examined the consistency of estimated sale prices with historical results and relevant information and evaluated its feasibility. • We evaluated the estimation accuracy of the business plan and whether management biases existed by comparing the business plan prepared in the past with historical results. • With the assistance of our network firm's fair value specialist, we evaluated the appropriateness of the valuation method and discount rate used by management in estimating the value in use. • We evaluated the effect on the recoverable amount using alternative assumptions which reflected estimation uncertainty in the estimated future cash flows, expected growth rate and discount rate.

Valuation of deferred tax assets for the tax sharing group in Japan	
Key Audit Matter Description	How the Key Audit Matter Was Addressed in the Audit
<p>Ricoh Company, Ltd. (the "Company") and some of its Japanese subsidiaries (collectively, the "tax sharing group") utilize the group tax sharing system in Japan.</p> <p>As described in Note 21 to the consolidated financial statements, deferred tax assets, before offsetting against deferred tax liabilities, was 120,370 million yen at the end of the current fiscal year, and are mostly attributable to the tax sharing group in Japan.</p> <p>The Company assesses the probability that a portion or all of the future deductible temporary differences, net operating loss carryforwards and tax credit carryforwards can be used to offset future taxable profits on recognition of deferred tax assets related to the tax sharing group.</p> <p>The future taxable profits of the tax sharing group in Japan are estimated based on the business plan prepared by management. Significant assumptions, including sales from the office services business, the estimated number of units sold and sales prices of multi-function printers and consumables, such as toner, and related costs, etc. are used in preparing the business plan. These assumptions can be affected by the penetration of new working styles that have taken root with the COVID-19 pandemic as a turning point, rising costs of resources, and inflation, etc. and involve significant judgments made by management and uncertainties. Therefore, we identified the valuation of deferred tax assets for the tax sharing group in Japan as a key audit matter.</p>	<p>In testing the valuation of deferred tax assets for the tax sharing group in Japan, we mainly performed the following procedures:</p> <ol style="list-style-type: none"> 1. Evaluation of Internal Controls <ul style="list-style-type: none"> • We tested the design and operating effectiveness of internal controls over the evaluation of deferred tax assets related to the tax sharing group in Japan and focused on the internal controls that evaluate the reasonableness of significant assumptions used in the business plan. 2. Evaluation of Reasonableness of Future Taxable Profits <ul style="list-style-type: none"> • We discussed with management sales from the office services business, the estimated number of units sold and sale prices of multi-function printers and consumables, such as toner, as well as effects of the penetration of new working styles that have taken root with the COVID-19 pandemic as a turning point, etc., performed a trend analysis using historical results, and compared the estimated number of units sold and print volume and the expected growth rate with available external information regarding the market forecast. In addition, we examined the consistency of estimated related costs with historical results and relevant information and evaluated its feasibility. • We evaluated the estimation accuracy of the business plan and whether management biases existed by comparing the business plan prepared in the past with historical results.

Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Annual Securities Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with IFRSs and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with IFRSs, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Audit & Supervisory Board members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Deloitte Touche Tohmatsu LLC

June 26, 2023