

ESG_Environment

Balancing conservation and business growth

The Ricoh Group considers it important to undertake environmental conservation and profit generation simultaneously. We practice environmental management, through which we proactively endeavor groupwide to lower our environmental impact and improve the Earth's regenerative capabilities. >¹

To achieve a sustainable society, we have positioned achieving a zero-carbon society and realizing a circular economy as our material issues, >² and set environmental goals for 2030 and 2050 in the areas of preventing global warming and conserving resources through the backcasting method. We accordingly formulated specific measures under mid-term management plans, >³ undertaking activities in each field. From fiscal 2020, we framed environmental targets as ESG goals based on our management strategy, linking them to executive officer remuneration to clarify environmental management responsibilities.

Ricoh Group environmental declaration

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

Achieving a zero-carbon society

We are pushing ahead with extensive energy conservation activities while employing renewable energy with the aim of reducing GHG emissions across the entire value chain to virtually zero by 2050. In view of an acceleration in recent years of a global decarbonization shift, we now seek to cut our greenhouse gas emissions by 63% from the 2015 level by 2030, compared with a previous reduction target of 30%.

The new target met Science Based Targets Initiative >¹ criteria for setting goals that help limit the rise in global temperature to 1.5°C above pre-industrial levels.

We concluded a sustainability-linked loan agreement with the MUFG Bank, Ltd., to help achieve our objectives by securing preferential interest rates aligned with our attainment of environmental targets.



1 Science Based Targets Initiative

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

2 GHG Scope 1, 2 and 3

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

3 BAU

Business As Usual

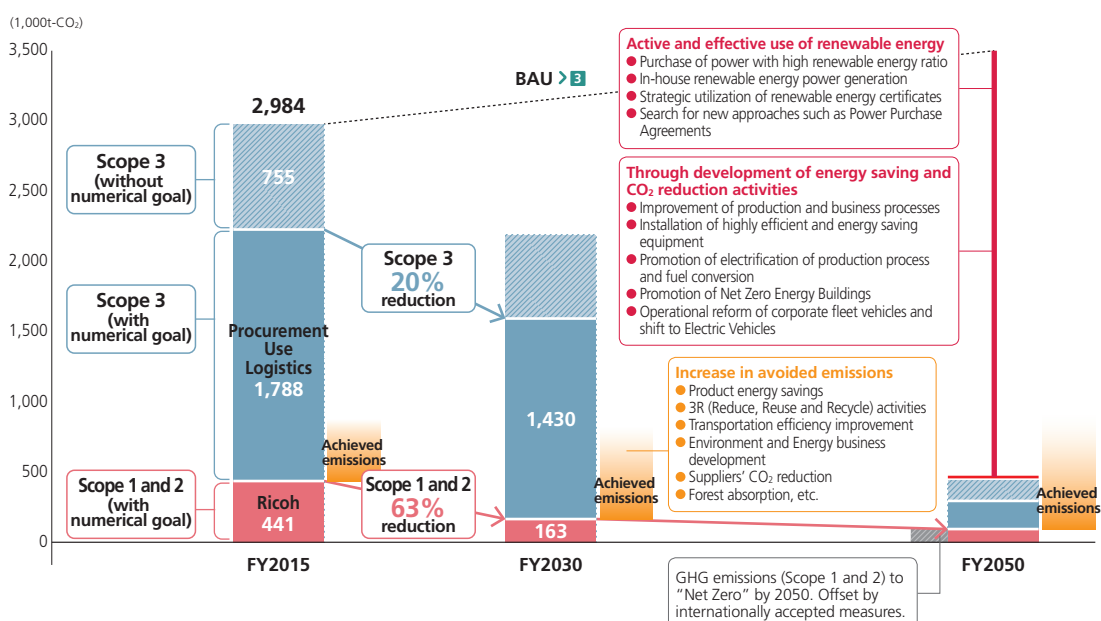
Ricoh Group environmental goals (preventing global warming)

[Goals for 2030]

- GHG Scope 1 and 2: 63% reduction >² compared to the 2015 level
- GHG Scope 3: 20% reduction >² compared to the 2015 level (procurement, use, and logistics categories)
- Source at least 30% renewable electricity

[Goals for 2050]

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



Refer to our website

¹ Environment www.ricoh.com/sustainability/environment

² Materiality www.ricoh.com/sustainability/materiality/

³ Ricoh Group's 19th Environmental Action Plan (three years through March 31, 2020) www.ricoh.com/sustainability/environment/plan/plan19th

Decarbonization endeavors and achievements in fiscal 2019

We will improve production processes, deploy highly efficient facilities, and review logistics processes to propel intensive energy conservation activities through the entire supply chain while providing 100% renewable energy for the electricity that our businesses consume.

From fiscal 2019, all facilities in China, Thailand, and Japan that assemble A3 MFPS, our primary products, sourced all of their electricity (corresponding approximately to 37 gigawatts) from renewables. Five

of our domestic sales sites have obtained ZEB (Net Zero Efficiency Building) >4 certification so far. Overseas business sites are expanding renewable energy usage by installing solar panels in their buildings and obtaining renewable energy certification.

Because of these efforts, Scope 1 and Scope 2 greenhouse gas emissions totaled 338,000 metric tons in fiscal 2019, down 9.8% from a year earlier and 23.4% from 2015. Our renewable energy ratio 12.9%, up 3.5 percentage points from the previous year.

RE100

CLIMATE GROUP | CDP

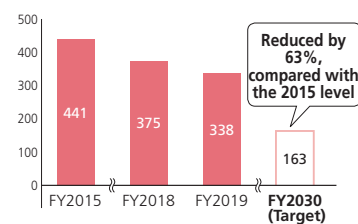


4 Net Zero Energy Buildings (ZEBs)

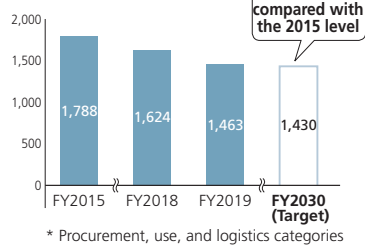
These structures consume less energy every year. A ZEB conserves more than 100% of its standard primary energy. The savings for Nearly ZEB and ZEB Ready are 75% or 50% or more.

[Results of fiscal 2019]

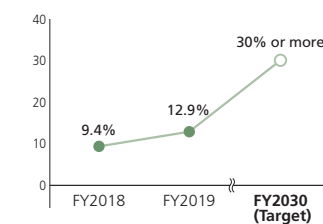
GHG emission (Scope 1 and 2) (Thousand-ton)



GHG emission (Scope 3) (Thousand-ton)



Renewable energy ratio (%)



Social leadership

● Supporting Uniting Business and Governments to Recover Better statement >4

In June 2020, Ricoh expressed its support for Uniting Business and Governments to Recover Better, a joint statement from companies in the Science Based Targets Initiative and the UN Global Compact-led Business Ambition for 1.5°C. The statement recognizes that while the COVID-19 pandemic has greatly affected economies, recovery efforts should not hamper national endeavors to tackle climate change.

● Exchanging climate change views with Japanese Minister of the Environment

In June 2020, Ricoh President and CEO, Jake Yamashita was among representatives of companies participating

in the Japan Climate Initiative >5 who gathered to exchange views with Shinjiro Koizumi, Minister of the Environment, about policies for a green recovery from the pandemic. Mr. Yamashita stressed that economic and ecological turnaround efforts should progress together. He highlighted the challenges of procuring renewable energy in Japan and sought the government's assistance in that respect.

● Shortlisted for RE100 Leadership Awards >6

In September 2020, Ricoh was the sole Japanese company shortlisted for the RE100 Leadership Awards, which recognize leadership among RE100 companies in transitioning to wholly renewable energy.



5 Japan Climate Initiative

This is a network of 500 companies, local governments, nongovernment organizations, and other entities (as of September 2020) tackling climate change.

Information disclosure based on TCFD framework >6

The Ricoh Group views climate change as a management risk and a growth opportunity.

In fiscal 2020, we continued to analyze scenarios as we did in the previous year. We have addressed a rising number of natural disasters every year by

holding workshops with representatives from sustainability management, general affairs, risk management, corporate planning, purchasing, and manufacturing divisions to explore supply chain risks and responses, including for our sites. We accordingly added flood

Refer to our website

4 Uniting Business and Governments to Recover Better www.ricoh.com/info/2020/0610_2/

5 RE100 Leadership Awards www.ricoh.com/info/2020/0914_1/

6 Information disclosure based on TCFD framework www.ricoh.com/sustainability/environment/management/tcfd

damage risks at domestic and overseas sites to our assessment list. We also included risks and opportunities for infectious diseases associated with climate change in view of the great impact of COVID-19.

The Risk Management, ESG, and Group Management committees, in which executives participate, are looking into countermeasures based on evaluation findings.

Implemented scenarios

Transition risks: 2°C (IPCC RCP2.6) and 1.5°C scenarios

Physical risks: 4°C scenario (IPCC RCP8.5)

Risks and actions

Financial impacts: Large, medium, and small (hundreds of millions through tens of billions of yen)
Urgency: High, medium, and low (less than one year through more than five years) risk materialization time frames

	Impact on Ricoh	Financial impacts	Urgency	Actions	
Transition risks	Application of carbon tax and emissions trading regimes to suppliers	<ul style="list-style-type: none"> Higher procurement costs from supplier carbon pricing (carbon tax and emissions trading) * Minor carbon pricing impact on the Ricoh Group 	Medium	Low	<ul style="list-style-type: none"> Conserve resources <ul style="list-style-type: none"> Reduce new resource inputs by selling recycled machines and using recycled materials Support suppliers <ul style="list-style-type: none"> Cut procurement costs by supporting supplier decarbonization efforts
	Swift changes in consumer and investor behavior in decarbonized societies	<ul style="list-style-type: none"> Higher costs from responses to meet 1.5°C target and reach RE100 goals early 	Small	Medium	<ul style="list-style-type: none"> Decarbonize <ul style="list-style-type: none"> Deploy measures to save energy and use renewables to help reach the Science Based Targets 1.5°C target (such as by strategically renewable energy certificates) Finance through sustainability-linked loans
Physical risks	Rapid increases in natural disasters	<ul style="list-style-type: none"> More storm and flooding damage than expected at the key production sites owing to exceptionally abnormal weather Greater losses from production halts and lost sales opportunities as a result of supply chain fragmentation 	Medium	High	<ul style="list-style-type: none"> Reduce business continuity planning exposure to floods, heavy rains, and typhoons <ul style="list-style-type: none"> Implement disaster measures at production sites Formulate business continuity plans for procurement and logistics
	Infectious disease epidemics	<ul style="list-style-type: none"> Production planning impacts of parts supply fragmentation Inventory shortages from lower plant capacity utilization rates Fewer sales opportunities because of face-to-face selling challenges 	Medium	Low	<ul style="list-style-type: none"> Solidify business continuity planning to tackle infectious diseases <ul style="list-style-type: none"> Digitize business processes and deal negotiations Decentralize manufacturing sites and automating processes Increase parts and product inventories
	Forest resource declines	<ul style="list-style-type: none"> Destabilized supplies of paper materials as a result of greater forest damage, notably from wildfires and pests, and higher paper procurement costs 	Small	Low	<ul style="list-style-type: none"> Pursue green procurement <ul style="list-style-type: none"> Use certified paper from managed forest resources Conserve resources <ul style="list-style-type: none"> Reduce base paper usage with silicon linerless labels and rewritable paper

Opportunities

Opportunities for 2030	Current initiatives	Financial impacts
Increase service solutions sales to help customers decarbonize	<ul style="list-style-type: none"> Supply energy-saving products that significantly surpass eco label standards Provide decarbonization support solutions Offering office optimization solutions 	<p>Fiscal 2019 Decarbonized product sales (Energy Star- certified): Around ¥1,100 billion</p>
	<ul style="list-style-type: none"> Increase sales opportunities by enhancing eco brands and supplying eco-friendly products 	<p>Fiscal 2019 Sales from major ESG-compatible business deals: Around ¥12 billion</p>
Enhance sales of solutions for new times	<ul style="list-style-type: none"> Provide telemedicine, education, meeting, work practice reform, and other solutions that reduce infection risks 	<p>Fiscal 2019 Sales of solutions packages that help reduce infectious diseases and decarbonize: Around ¥30 billion</p>
Expand environmental and energy businesses to create, store, and conserve energy	<ul style="list-style-type: none"> Expand product recycling and parts regeneration businesses Reuse and recycle recovered products 	<p>Fiscal 2019 Product and parts recycling business sales: Around ¥36 billion</p>
	<ul style="list-style-type: none"> Expand energy creation and conservation businesses, including electricity sales with low carbon dioxide emission factors, solar power operations and maintenance, and lighting and air conditioning management systems) 	<p>Fiscal 2019 Energy creation and conservation sales: Around ¥30 billion</p>
Create and develop new businesses	<ul style="list-style-type: none"> Develop and sell alternative plastics materials 	<p>Outlook In 2020, we began shipping samples of packaging made of polylactic acid foam, a biodegradable plant-derived polymer, as an alternative to containers and packaging materials made with regular plastics. We aim to expand sales by marketing our materials to diverse industries, including for Ricoh's products, offering manufacturing solutions, and licensing production.</p>
	<ul style="list-style-type: none"> Develop and sell dye-sensitized solar cells 	<p>Outlook One energy harvesting >1 effort will be to expand sales by deploying dye-sensitized solar cells >1 for a range of applications.</p>
	<ul style="list-style-type: none"> Develop and sell silicon linerless labels, rewritable laser systems, and labelless printing 	<p>Outlook We seek to increase sales by helping reduce paper consumption and waste in societies through label-free printing and release paper-free label seals.</p>

1 Energy harvesting
Generating power from light, heat, vibration, and other external sources

 **Refer to our website**

 **Solid-state dye-sensitized solar cell** www.ricoh.com/release/2020/0204_1/

Realizing a circular economy

Interest in a circular economy has surged in recent years. We have established resource conservation goals for 2030 and 2050, and are actively recycling resources while reducing resource inputs for products and business activities. We formulated a new policy on plastics usage, set reduction targets across the medium through long terms, and are accelerating efforts regarding plastics.

Ricoh Group environmental goals (resource conservation)

[Goal for 2030]

- Product resource conservation rate >2: 50%

[Goal for 2050]

- Product resource conservation rate: 93%

Ricoh Group plastic policy for products

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

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

Specific targets and goals for plastic

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



2 Product resource conservation rate

New resource input reductions percentage for total input resource amounts

Resource conservation initiatives and fiscal 2019 results

We strive to improve resource efficiency by pursuing the product 3Rs of reduce, reuse, and recycle. At manufacturing stages, we reduce new resource inputs by downsizing and decreasing product weight, expanding recycled materials usage, and engineering offerings that are easier to recycle after use. We also develop non-petroleum-based materials to minimize risks associated with resource shortages, environmental impacts, and waste. As a result of these efforts, our resource conservation rate in fiscal 2019 was 22.0%.

● Implementing End-of-Life design

In 1993, we formulated design policies based on recycling. We accordingly developed various kinds of know-how, including grade labeling on plastic molded parts, strength design to allow reuse, reprocessing of high-value-added parts, recycling of high-quality materials, easier dismantling and sorting, and strength design to reduce the use of packaging materials. We internally assess eco-friendliness and pursue further improvements at each product design stage.

● Making products smaller and lighter

We set weight targets for each product, which has enabled us to use resources more efficiently and lower environmental impact by making products smaller and lighter. We carried out extensive strength and impact simulations for digital full-color MFPs that we rolled out in 2019. These efforts enabled us to create thinner plastic parts and metal sheets while developing new lightweight frames with stronger surfaces and corners, making these models more than 65% lighter than conventional offerings.

● Using recycled plastics and developing new eco materials

We maintain the quality of recycled materials by displaying resin grades on individual parts during manufacture, recycling for each grade after product recovery. From 2016, we developed recycled materials made from commercially sold recovered materials for interior and external usage, starting to incorporate them in our MFPs. More than 95% of [office toner bottles](#) >3 made by the Ricoh Group employ recycled plastic materials.

We leveraged proprietary technology to develop [polylactic acid foam](#) >4 from renewable resources to replace petroleum-based plastics.

● Our reuse and recycling network

Each of our sites around the world has deployed programs to optimally reuse and recycle resources. We employ uniform standards to sort and recycle recovered MFPs and supply customers. We provide prepaid shipping labels for collecting used cartridges at no charge.

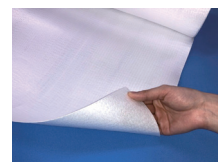


3 Office toner bottles

Toner bottles made with polyethylene terephthalate

4 Polylactic acid foam

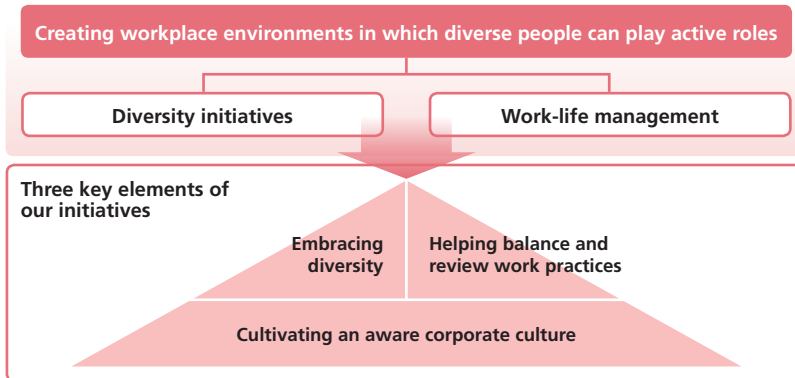
A new material made by foaming PLA (polylactic acid) made from plant-derived starch. This new material helps reduce global warming and marine pollution. It does not increase carbon dioxide emissions when incinerated and decomposes into water and carbon dioxide even if ending up in landfill or oceans.



Strengthening value chain sustainability in light of SDGs

Ricoh's mission statement reads, "We are committed to providing excellence to improve the quality of living and to drive sustainability." We follow the United Nations SDGs by striving to materialize decent work through sustainable social development, innovation, and respecting diversity while reinforcing sustainability across our global value chain.

Diversity and work-life management



We embrace diversity at Ricoh, drawing on our employees' individuality and talents and their collective acumen to drive innovation.

It is vital to create a diversity-driven workplace where employees from many cultures and backgrounds can perform at their best while managing a work-life balance.

We accordingly incorporated diversity and work-life management into our business strategies.

Diversity initiatives

We seek to create new value so we can contribute to sustainable social development and innovation. We do so by respecting employee diversity, creating positive work environments, and bringing together our employees' unique talents, experience, and knowledge.

The [Ricoh Group Code of Conduct](#) (in particular, sections covering behavior respecting human rights and the pursuit of fulfilling work & life) accordingly provides clear and actionable guidelines through which we seek to enhance employee understanding.

● Becoming a better employer through a range of awareness-enhancing policies

By cultivating awareness in corporate culture, we seek to review work practices to create workplaces that embrace diversity and promote balance.

Principal initiatives

Cultivating corporate culture awareness	<ul style="list-style-type: none"> Disseminate information on diversity and work-life management Educational seminars Group Company Management Council in Japan 	
Embracing diversity	<ul style="list-style-type: none"> Woman management study groups and seminars Prospective woman manager training Career forums for young women International Women's Day events 	<ul style="list-style-type: none"> Broaden work scope for employees with disabilities Career support for older workers Seminars and e-learning on LGBT and other topics
Helping balance and review work practices	<ul style="list-style-type: none"> Childcare and long-term care support program (leave and shorter working hours) Family support work-leave program (including for nursing and long-term care, infertility treatment, and personal injury) Fostering hourly-paid leave and accumulation of paid leave Working from home or satellite offices Flextime program 	<ul style="list-style-type: none"> Short work program (short hours and fewer days) Special long-term leave for spouse transfers Special long-term leave for volunteer activities Balance support communication guide (for supervisors & users) Return-to-work support and nursing care seminars, family days, and other initiatives

[Refer to our website](#)

[Ricoh Group Code of Conduct www.ricoh.com/sustainability/society/vision/code_of_conduct.html](http://www.ricoh.com/sustainability/society/vision/code_of_conduct.html)

Empowering women

We are empowering women in workplaces as part of our commitment to diversity.

Beginning early this century, we prioritized formulating measures and creating work environments that empower women. We conduct study group sessions and seminars for woman managers, train prospective woman managers, and run career forums for young woman employees.

We undertake a range of global organizational initiatives, including regional International Women's Day events.

● Supporting women's empowerment

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

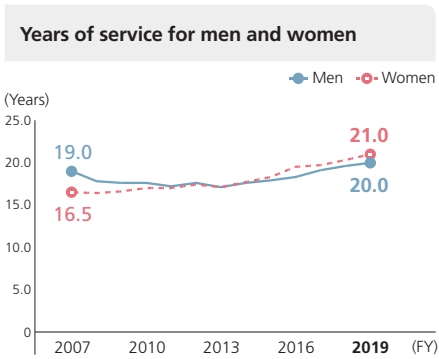
For example, we encourage men to play a more active role in child-rearing and can transform overall workplace practices by changing how they go about their jobs.

We have undertaken initiatives to improve manager attitudes and practices to enhance diversity and work-life management, including empowering women, and helping them balance their work and home life. Examples include diversity management in

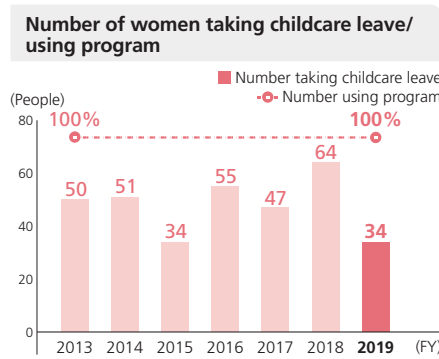
360° assessments and diversity and work-life management seminars. For all employees, we utilize a "diversity and work-life management" portal that presents our corporate policies and objectives and offers specific examples of initiatives to increase awareness and uptake of our approach.

We conduct employee awareness surveys regarding work-life management and use these polls to raise awareness of our programs, help change attitudes, and identify employee needs.

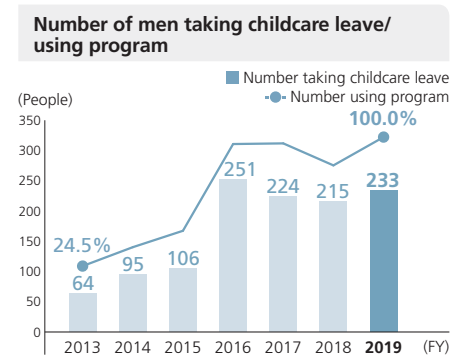
Such endeavors have helped increase childcare support and return-to-work programs usage to nearly 100% among eligible woman employees. Average years of service among women have risen commensurately and now exceed the level for men. The number of male employees using our childcare support programs has jumped significantly, and 100% of eligible employees used childcare leave in fiscal 2019.



* Ricoh Co., Ltd.



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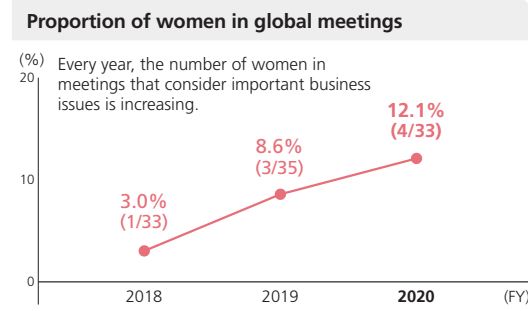


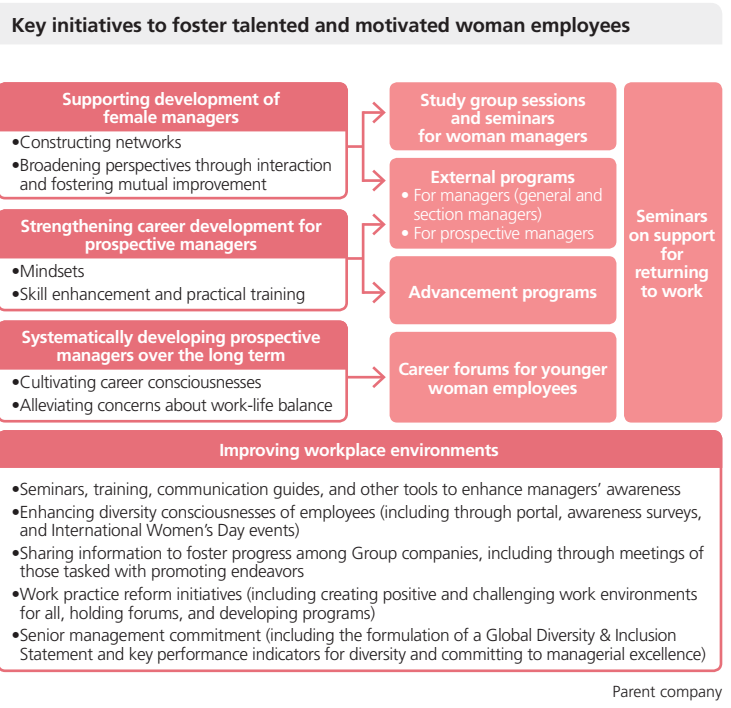
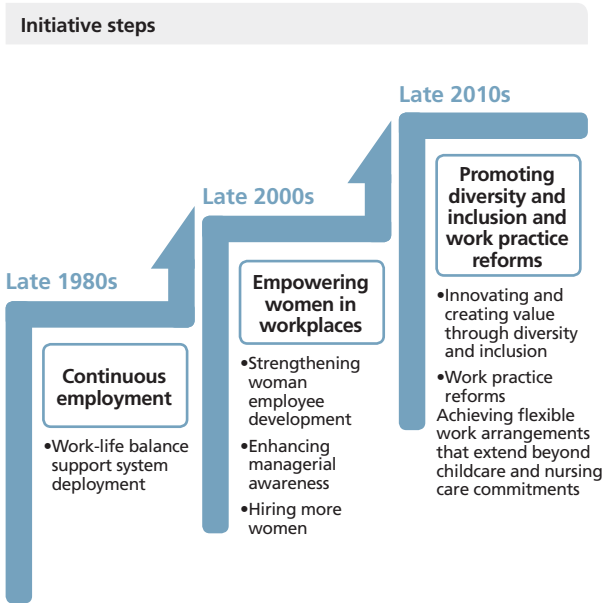
* Ricoh Co., Ltd.

Starting in fiscal 2020, we set an ESG target ratio for woman managers and are stepping up efforts to reach it. We are undertaking initiatives that adapt to regional conditions. We seek to lift the woman managers' ratio in Japan to at least 7% by the end of fiscal 2023 and more than 15% worldwide. In Japan, where woman empowerment endeavors have lagged, the number of woman managers has risen steadily, owing to ongoing human resources development initiatives, work-life balance programs, and flexible work arrangements. We will deploy new initiatives in the coming years to accelerate our progress.

Women as a percentage of full-time employees	Global 31%	Ricoh Company, Ltd. 15%
Woman manager ratio	Global 15.6%	Ricoh Company, Ltd. 4.3%

FY2019





● **Global Diversity & Inclusion Statement**

We are stepping up groupwide measures through the One Global Ricoh effort.

We commemorate International Women's Day annually through regional events with the theme of woman empowerment. We are expanding collaboration between the Ricoh Group and our customers, between employees, and leveraging the resulting capabilities into our business. As part of these efforts, we formulated a Global Diversity & Inclusion Statement representing our collective commitment to global teamwork and acceptance of diverse

peoples and values. We have translated the statement into 22 languages.

Global Diversity & Inclusion Statement

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

Work-life management

● **Work practice reform initiatives**

We have undertaken a range of work practice and program reforms since the 1990s. In fiscal 2017, overhauling work practices was a pivotal company-wide priority. We pursue various initiatives, from creating rules and tools to transforming attitudes and the corporate culture.

● **Cutting total working hours**

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

Specific efforts to reduce overtime include setting

a minimum of two days a week to finish work on time, alerting supervisors to employees working overtime, and providing labor-management training.

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

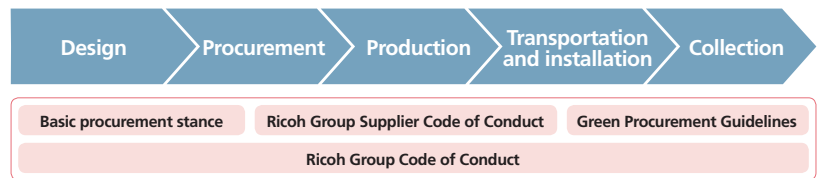
● **Fostering flexible work**

We offer flextime, telework, and shorter working hours and days programs to ensure employees' flexibility.

We are endeavoring to enhance employee efficiency by expanding satellite office access and providing communication tools.

Value chain management

We pursue socially responsible management, given the broad influence of our business activities. Our supply chain is particularly important in that regard since it involves so many companies and individuals, making it vital to avoid or minimize inadvertent downsides from our operations. We endeavor to improve our activities by ensuring that our plants and suppliers operate ethically per human rights, labor, environmental, and other international guidelines.



● **Joining Responsible Business Alliance > 1**

We joined the Responsible Business Alliance in November 2019. It is the world's largest industry coalition dedicated to global supply chains CSR. In keeping with the shared goals of members and the coalition's spirit, we deploy its methodologies and share them with suppliers.

● **Ricoh Group Supplier Code of Conduct**

We established this code in January 2006 to continue collaborating with suppliers to foster acceptance of our CSR principles, contribute to social and environmental progress, and attain sustainable corporate development.

We revised our code in August 2020 per the United Nations Guiding Principles on Business and Human Rights and the Responsible Business Alliance Code of Conduct. The latter is based on central international human rights standards, such as the International Labour Organization's Declaration on Fundamental Principles and Rights at Work Labor and the Universal Declaration of Human Rights. We reproduced the code in Japanese, English, and Chinese and distributed it to suppliers.

We encourage the initiatives throughout our supply chain by developing codes of conduct for suppliers.

We endeavor to fulfill our social responsibilities through our supply chain by engaging in CSR procurement and tackling child labor and conflict minerals issues.

● **Conducting procurement policy briefings**

We conduct annual purchasing policy briefings for suppliers. Our daily production activities' stability stems from supplier cooperation and a commitment to mutually benefiting through trust. We hold seminars for suppliers to pursue CSR activities throughout the supply chain. In fiscal 2019, we held briefings in Thailand and China for local suppliers and outlined various social issues. These included environmental challenges, the significance of SDGs, and our Group policies and goals. We also conducted CSR assessments to confirm adherence to the Responsible Business Alliance's standards, notably for labor, health, safety, and management systems. Our feedback fostered engagement by presenting compliance levels, areas of excellence, and areas requiring improvement.

● **Human rights initiatives > 2**

Interest is growing in human rights risks in supply chains, particularly relating to the use of child and forced labor. We require suppliers to comply with our Supplier Code of Conduct, which forbids the use of child and forced labor. We monitor compliance through regular CSR self-assessments that foster the required improvements.

We responded to the United Kingdom's Modern Slavery Act, which passed into law in October 2015, by posting our commitment statement on the website of Ricoh Europe PLC, a sales subsidiary. We are also continuing to act and disclose information relating to [conflict minerals > 3](#), which has become a key issue in recent years.

Refer to our website

- 1 Release on joining the Responsible Business Alliance www.ricoh.com/info/2019/1127_1
RBA www.responsiblebusiness.org/
- 2 Human rights www.ricoh.com/sustainability/society/human-rights/
- 3 Conflict minerals www.ricoh.com/sustainability/society/fair#minerals

ESG_Governance

Striving to Enhance Corporate and Shareholder Value

The Ricoh Group is working to enhance its governance system in accordance with social awareness and various stakeholders aimed at strengthening competitiveness and continuously improving the system while ensuring transparency based on corporate ethics and legal compliance. In this way, the Ricoh Group will achieve continuous growth, and improve corporate and shareholder value.

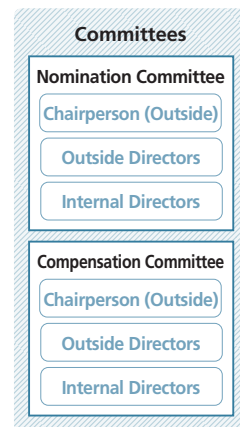
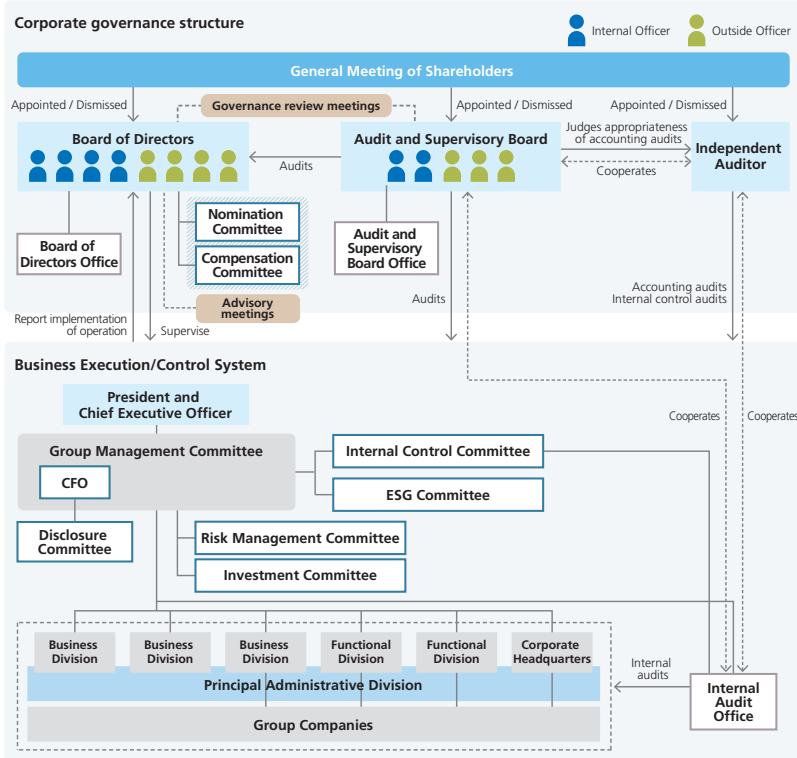
The Ricoh Group established The Ricoh Way as a set of guiding principles and values that serve as the foundation for all our business activities. The Ricoh Way, which comprises our founding principles and Management Philosophy (Mission Statement, Vision Statement and Values Statement), is the foundation of Ricoh's management policy and strategy, and is also the basis of its corporate governance.

The Ricoh Group endeavors to reinforce corporate governance to underpin its efforts to generate value and grow sustainably. Our overall approach to strengthening our position comprises three elements. The first is to improve corporate and shareholder value by taking prudent risks and managing them. The second is to reinforce supervisor and auditing independence. The third is to engage in disclosure and dialogue with stakeholders. Moves in fiscal 2019 included tightening evaluations of the CEO and Internal Directors, solidifying succession planning, and reviewing the election process for Audit and Supervisory Board Members.

Corporate governance structure >■

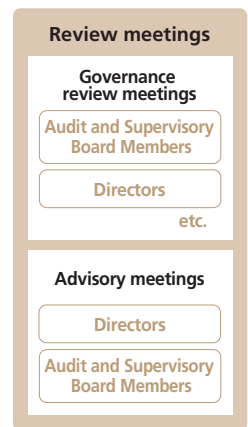
The Ricoh Group has introduced a corporate audit system. In addition, the Group is making efforts toward enhancing oversight of executive management by the Board of Directors and enhancing execution of operations by the executive officer system. Furthermore, by appointing Outside Directors, the Group is making efforts toward further enhancement of corporate governance by decision-making

and oversight of executive management through discussion from their independent perspectives. The nomination of Directors and Executive Officers and their compensation are deliberated by the Nomination Committee and the Compensation Committee, advisory bodies which comprise a majority of Outside Directors. The results are reported to the Board of Directors.



Non-executive Directors account for a majority of the members of each Committee, and more than half of them are Outside Directors.

As of June 29, 2020



Governance review meetings
These gatherings comprehensively discuss Ricoh's governance direction and issues, with governance reports and other tools disclosing summaries of meeting deliberations.

Advisory meetings
These afford ample opportunities to deliberate in leadups to resolutions on key corporate matters, one example being mid-term management plans.

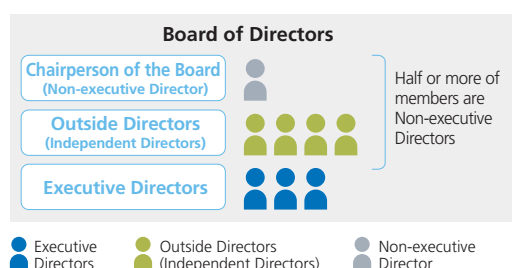
 Refer to our website

 Corporate governance www.ricoh.com/sustainability/governance/governance.html

Board of Directors

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

(Independent Directors)—part of an effort to incorporate various views and opinions and to eliminate arbitrary decision-making in management. Directors are required to attend at least 80% of meetings of the Board of Directors, and are required to provide an effective supervisory function for corporate management.



Board of Directors structure

Maximum number of Directors:	15
Current number of Directors: (including 4 Outside Directors)	8
Term:	1 year

As of June 29, 2020

Audit and Supervisory Board structure

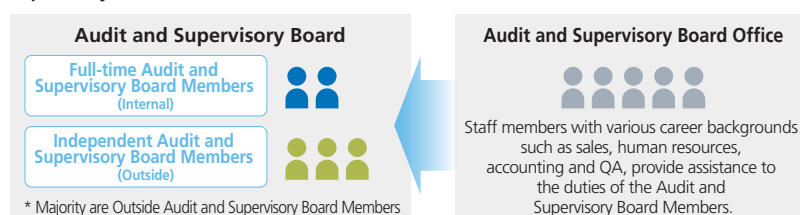
Maximum number of Audit and Supervisory Board Members:	5
Current number of Audit and Supervisory Board Member: (including 3 Outside Audit and Supervisory Board Members)	5
Term:	4 years

As of June 29, 2020

Audit and Supervisory Board

Audit and Supervisory Board Members hold discussions to determine audit and supervising policies and the assignment of duties, and monitor corporate management. Audit and Supervisory Board Members attend important meetings, including but not limited to the Board of Directors meetings, and exchange information regularly with the representative director.

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



Committees

Nomination Committee/Compensation Committee

As part of strengthening the management oversight functions by the Board of Directors, the "Nomination Committee," which is chaired by a Non-executive Director, and the "Compensation Committee," which is chaired by an Outside Director, with the majority of members on both committees being Non-executive Directors and at least half of the members being Outside Directors, were established to ensure transparency and objectivity of nomination, dismissal, and compensation of Directors and Executive Officers, etc.

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 empowered by the Board of Directors.

Disclosure Committee

The Disclosure Committee is composed of representatives from the disclosure management division, accounting division, legal division, information-generating and acknowledging departments, the principal administrative divisions managing affiliates, the internal control division, and the CFO.

Internal Control Committee

The Internal Control Committee deliberates and makes decisions on the internal control system of the whole Ricoh Group. 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.

Investment Committee

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

 Refer to our website

Securities reports www.ricoh.com/IR/financial_data/securities_report/
 Audit and Supervisory Board www.ricoh.com/sustainability/governance/audit_and_supervisory

ESG Committee

The ESG Committee is chaired by the CEO, and is composed of the main GMC members, an Audit and Supervisory Board Member, and the General Manager of the Sustainability Management Division. The committee aims to respond promptly and appropriately to the expectations and needs of stakeholders by continuously discussing medium- to long- term environmental, social, and governance issues faced by the Ricoh Group at a management-level and leading the discussions to the quality enhancement of the Group.

Risk Management Committee

The Risk Management Committee was established as an advisory body to the GMC, for the purpose of strengthening risk management processes across the entire Ricoh Group. The committee is chaired by the corporate officer in charge of risk management, and is composed of the managers of each headquarters and cross-functional division (business planning, human resources, accounting, legal, sustainability promotion, IT, sales, production, etc.), in order to ensure comprehensive coverage of risks and substantial discussions, and proposes to the GMC specific risks requiring response or focus in terms of the management of the Ricoh Group. Furthermore, the Company will review and restructure the entire risk management system in the figure below as necessary, in order to strengthen the effectiveness of risk management across the Ricoh Group. In fiscal 2019, the Risk Management Committee held meetings twice in November and engaged in intense debate to determine possible managerial risks. Committee members also use Microsoft Teams and other methods to maintain an information sharing

network throughout the year, and exchange opinions and information on incidents that have occurred in the Ricoh Group and significant changes in the external environment, as well as feedback received from the GMC. Management coordinates with each business section, selecting a person responsible for risk management from each division (as a rule the General Manager), as well as a person responsible for the promotion of risk management (in a position to communicate with the General Manager on a daily basis), in order to further enhance the effectiveness and comprehensiveness of risk management systems. A meeting to strengthen coordination is held with this team of divisional representatives biannually, to share good examples of risk management activities at each division and disseminate information on managerial risks, as well as hold workshops aimed at strengthening risk management.

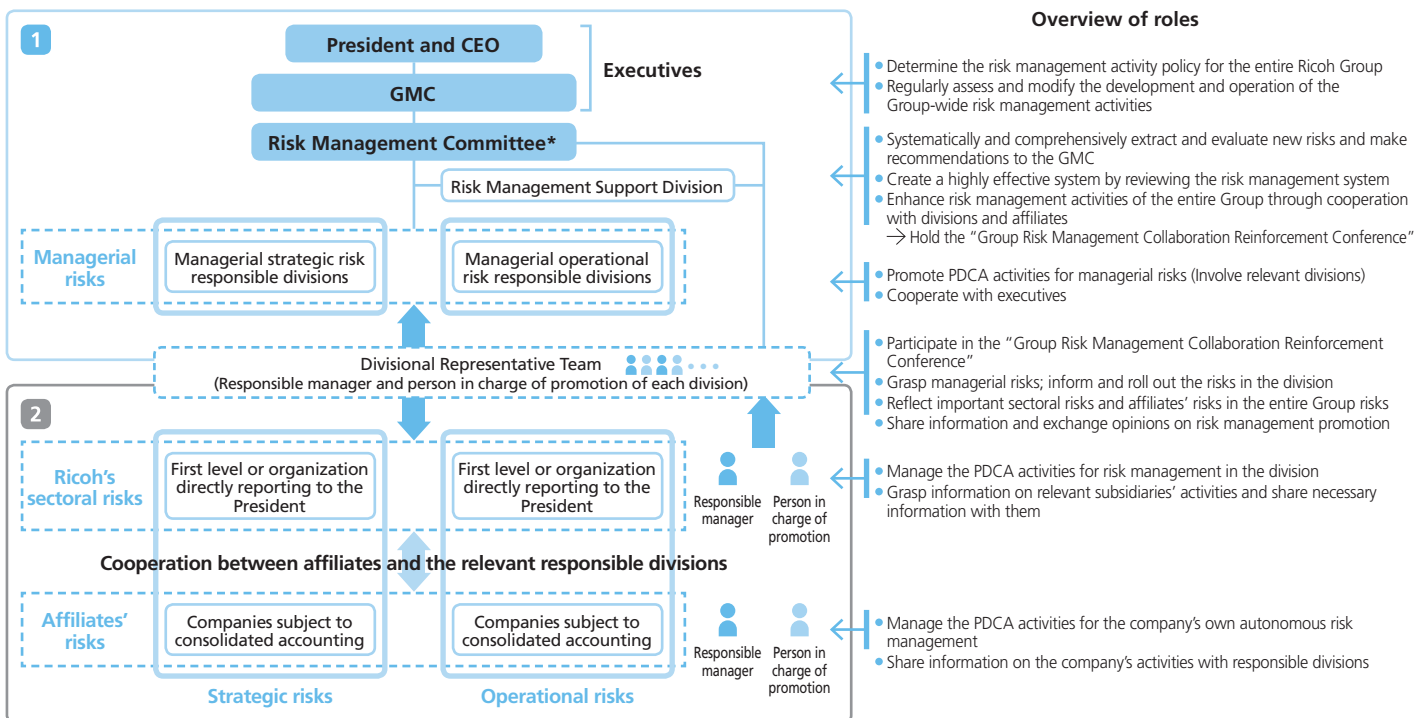
The Ricoh Group's Risk Management Systems

The Ricoh Group's risk management systems can be divided into two main levels, as shown in the figure below.

- 1 Managerial risks, which are selected and managed autonomously by the GMC for management items of particular importance, within the management of the Ricoh Group
- 2 Divisional or company-specific risks managed by each organization, under the responsibility of each business section

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

Ricoh Group's risk management structure



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

Directors and Audit and Supervisory Board Members

As of June 26, 2020

Board of Directors



Yoshinori Yamashita

Representative Director,
CEO, CHRO
Nomination
Committee Member
Compensation
Committee Member

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

Currently

President, Ricoh Co., Ltd.

Formerly

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



Nobuo Inaba

Director, Chairperson of
the Board
Nomination Committee
Member
Compensation
Committee Member

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

Currently

Director, Ricoh Co., Ltd.

Formerly

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



Hidetaka Matsuishi

Director, CFO

Date of birth:
February 22, 1957
1981: Joined the Company

Currently

Corporate Executive Vice President and General
Manager, Business Planning Division, Ricoh Co., Ltd.

Formerly

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



Seiji Sakata

Director, CTO

Date of birth:
September 12, 1958
1981: Joined the Company

Currently

Corporate Executive Vice President, Ricoh Co., Ltd.

Formerly

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



Masami Iijima

Outside Director
Chairperson of the
Nomination Committee
Compensation
Committee Member

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

Currently

Representative Director, Chairperson of the Board
of Directors, MITSUI & CO., LTD.;
Outside Director, SoftBank Group Corp.;
Counsellor, the Bank of Japan;
Outside Director, Isetan Mitsukoshi Holdings Ltd.



Mutsuko Hatano

Outside Director
Chairperson of the
Compensation
Committee

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

Currently

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



Kazuhiro Mori

Outside Director
Nomination Committee
Member
Compensation
Committee Member

Date of birth:
October 7, 1946
June 2018: Appointed as
Director

Currently

Trustee, Toyo University



Keisuke Yokoo

Outside Director
Nomination Committee
Member
Compensation
Committee Member

Date of birth:
November 26, 1951
June 2020: Appointed as
Director

Currently

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

Audit and Supervisory Board



Hiroshi Osawa

Audit and Supervisory
Board Member

Date of birth:
February 28, 1964
1988: Joined the Company
June 2017: Assumed the
position of Audit and
Supervisory Board Member

Formerly

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



Kazuhiro Tsuji

Audit and Supervisory
Board Member

Date of birth:
January 25, 1961
1984: Joined the Company
June 2020: Assumed the
position of Audit and
Supervisory Board Member

Formerly

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



Yo Ota

Outside Audit and
Supervisory Board
Member

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

Currently

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



Shoji Kobayashi

Outside Audit and
Supervisory Board
Member

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

Currently

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



Yasunobu Furukawa

Outside Audit and
Supervisory Board
Member

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

Currently

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

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 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. Ability to interact with others with deference and trust based on a spirit of respect for humanity and set 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 same election criteria as for Internal Directors stated above, the election criteria for Outside Directors include expertise in different fields, problem discovery and solving capabilities, insight, strategic thinking capabilities, risk management capabilities, and leadership qualities.

● Diversity

We believe that the Board of Directors of the Company should be composed of Directors with management ability and rich sense of humanity in addition to various viewpoints and backgrounds, on top of multi-lateral sophisticated skills. When considering diversity, the Company policy is to appoint appropriate persons based on their personality and insight irrespective of race, ethnicity, gender, country of origin, nationality, etc. This approach ensures diversity, with respect not only to these attributes, but also with regards to expertise and experience in each field related to corporate management.

● Election and Evaluation Processes for Directors

<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 in place the Nomination Committee. To increase objectivity and independence, the Nomination Committee comprises a majority of Non-executive Directors with at least half of the members being Outside Directors, and is chaired by a Non-executive Director. In fiscal 2020, the committee consists of three Outside Directors, one Internal Non-executive Director, one Internal Executive Director, with a majority of Outside Directors, and is chaired by an Outside Director.

<Election process>

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

<Evaluation process>

Directors are evaluated annually by the Nomination Committee. From fiscal 2018, the former one-step evaluation was modified to a two-step evaluation. In the first evaluation, careful and appropriate deliberations are made on the soundness of Directors to continue in their duties, ensuring timeliness of appointment and dismissal. In the second evaluation, Directors' achievements are evaluated with a multi-faceted approach, and their issues are clarified through feedback in an effort to improve the quality of management.

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

Evaluation of CEO and CEO succession plan

The CEO succession plan is an important initiative for improving shareholder value and corporate value of the Ricoh Group 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, the Group works to establish a CEO succession plan with procedures that are objective, timely, and transparent.

● CEO Evaluation

The CEO is evaluated annually by the Nomination Committee. From fiscal 2018, a two-step evaluation has been adopted. 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.

Key items for the CEO evaluation

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

● Selection, Development and Evaluation of CEO Candidates

Once a year (around September), the CEO prepares a list of future CEO candidates together with their development plan and elaborates on the proposals at the Nomination Committee in early November. The Nomination Committee deliberates on the validity 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 validity 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 according to the timing of the change. The backup candidate in case of accident 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) to the Nomination Committee in early November (the evaluation period is from April to October, which is the month before the Nomination Committee meeting is held). The Nomination Committee reviews the selection of CEO candidates, and reports the results to the Board of Directors. Upon reporting from the Nomination Committee, the Board of Directors evaluates the CEO candidates and confirms the validity of deliberations on which candidates are to remain, and is actively involved in the process.

Policy of compensation for Directors

Director compensation is used as an effective incentive to achieve sustainable increases in corporate earnings for the medium- to long-term, in the pursuit of increased shareholder value. 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 is composed of three elements: i) basic compensation that reflects roles and performance of Directors, ii)

bonuses that reflect business results (performance-linked compensation), and iii) compensation that reflects medium- to long-term increase in shareholder value.

2. When compensation levels are set up and individual compensation are determined, objectivity, transparency and validity must be secured through proper external benchmarks and deliberation by the Compensation Committee.

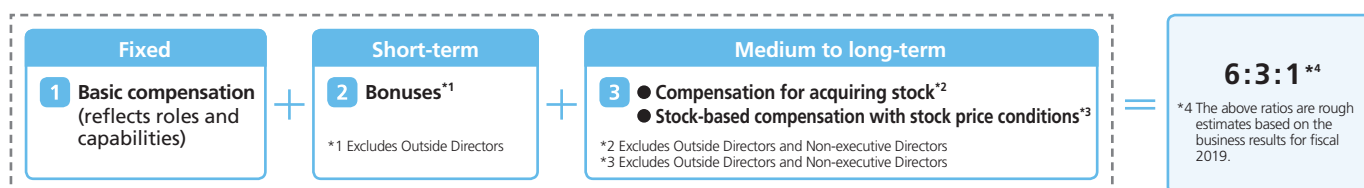
Outside Directors with positions that are independent from business execution are only paid basic compensation, and they do not receive contingent compensation such as performance-linked compensation. The retirement benefit plan was abolished as of the date of the 107th Ordinary

General Meeting of Shareholders held on June 27, 2007. Total compensation amount for Directors paid in fiscal 2019 was ¥324,620,000.

Executive compensation for fiscal 2019

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 price-linked compensation	Stock-based compensation with stock price conditions	
Directors (excluding Outside Directors)	267	193	54	9	3	5	4
Audit and Supervisory Board Members (excluding Outside Audit and Supervisory Board Members)	57	57	—	—	—	—	2
Outside Directors and Audit and Supervisory Board Members	86	86	—	—	—	—	7
Outside Directors	57	57	—	—	—	—	4
Outside Audit and Supervisory Board Members	28	28	—	—	—	—	3
Total	411	337	54	9	3	5	13

Breakdown and ratio of Director compensation



1 Basic compensation consists of compensation pertaining to management oversight and compensation reflecting the importance of individual roles and management responsibilities. In addition, compensation based on positions is additionally provided for the Representative Director, Chairperson of the Board, Chairperson of the Nomination Committee and the Compensation Committee, etc. A total of ¥251,520,000 was paid in fiscal 2019.

2 The amount of bonuses paid to Directors is determined based on operating income. By setting operating income as the key performance indicator, which is strongly correlated with market capitalization, it further clarifies responsibilities of Directors for the business results of the entire Ricoh Group and the improvement of shareholder value. In addition, regardless of the results calculated through this framework, whether or not a bonus will be paid reflecting the status of governance and non-financial factors will be discussed by the Compensation Committee and decided by the Board of Directors.

(Reference)

The amount of bonuses is calculated by the following formula, which has been judged as appropriate and determined through deliberation by the Compensation Committee.

Directors' bonuses = Base compensation for calculation (Basic monthly compensation) × Profit factor (Number of months determined in accordance with consolidated operating income*5)

*5 Number of months = consolidated operating income (millions of yen) / 20,000

The indicator targets for performance-linked compensation for fiscal 2019 were consolidated operating income of ¥100.0 billion, while the actual result was ¥79.0 billion.

3 Among compensation that reflects the stock price, compensation for acquiring stock is allocated in full for the acquisition of stock in the Ricoh Executive Stock Ownerships Plan as an incentive for increasing shareholder value over the medium to long term. Stock price-linked compensation (monetary compensation) was abolished and stock-based incentive with stock price conditions was introduced during fiscal 2019. Both compensation for acquiring stock and the stock price-linked compensation abolished in fiscal 2019 were paid to Directors by the Company in cash. As for fiscal 2019, a total of ¥12.99 million was paid. The amount of expense recorded pertaining to points granted under the stock-based compensation with stock price conditions, introduced during fiscal 2019, was ¥5.75 million.

(Reference)

Compensation for acquiring stock is paid as a component of fixed salary. Stock price-linked compensation payable was determined through deliberation of the Compensation Committee, based on the results of a comparison between Ricoh's share price growth rate relative to that of TOPIX during the period from April to July 2019, before stock price-linked compensation was abolished. The final number of shares to be granted (amount of compensation paid) for stock-based compensation with stock price conditions is calculated by multiplying the points granted based on the Director's position, determined through deliberation of the Compensation Committee, by a factor (from 0% to 200%) based on the results of a comparison between Ricoh's share price growth rate relative to that of TOPIX during the period from the time when the system was adopted until the time of retirement.

Revision to the formula for calculating Directors' bonuses linked to key performance indicators

As described above, bonuses for the Company's Directors are determined based on key performance indicators related to increasing share price and reinforcing competitive strength. At the meeting of the Board of Directors held on March 31, 2020, it was determined to establish return on capital and ESG indicators as additional key performance indicators in the formula for calculating Directors' bonuses, starting from fiscal 2021. With this revision to the bonus formula, Directors' responsibility has been made clear with regard to achieving key performance indicator goals.

<Main points of the formula revision>

1. Establish a performance indicator using ROE results for each fiscal year, as an incentive to enhance return on capital
2. Establish the annual [DJSI](#) >1 Rating, which the Company as a whole is pursuing, as a performance indicator, as an incentive to enhance ESG indicators

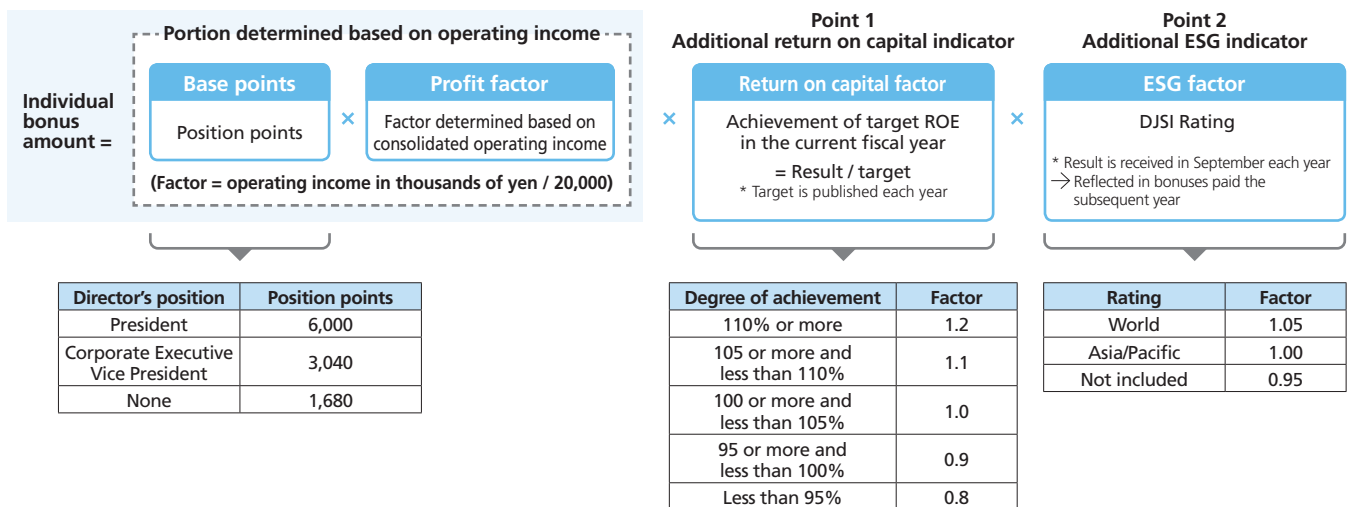
* Indicators related to return on capital and ESG will also be added to the formula for Executive Officers.



1 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.

Formula for calculating Directors' bonuses



Assessing effectiveness of the Board of Directors

■ Overview of the Board of Directors' effectiveness assessments in fiscal 2019

1. Evaluation of the effectiveness of the Board of Directors held during fiscal 2019

A highly uncertain business environment for companies is expected to continue through fiscal 2020, as the spread of COVID-19 affects entire economies and societies on a global scale. In view of these conditions, the Company's Board of Directors has implemented its effectiveness evaluation for fiscal 2019 with a recognition of the execution of appropriate oversight and support under an assumed state of emergency as a top-priority issue, in addition to the medium- to long-term enhancement of corporate value in anticipation of a return to normal after COVID-19 is brought under control.

The evaluation continued to include the response of business executives to the Board of Directors, along with the effectiveness of the Board of Directors. In addition, a third-party evaluation was also implemented, in order to ensure objectivity.

Basic policies for fiscal 2019

- 1) Monitor and support the achievement of our mid-term goals as the final year of the 19th Mid-Term Management Plan (the "19th MTP").
- 2) Formulate the 20th Mid-Term Management Plan (the "20th MTP") with emphasis on discussion with a medium- to long-term perspective to enhance corporate value.

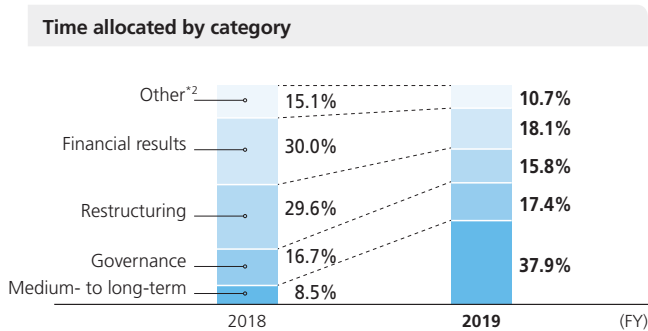
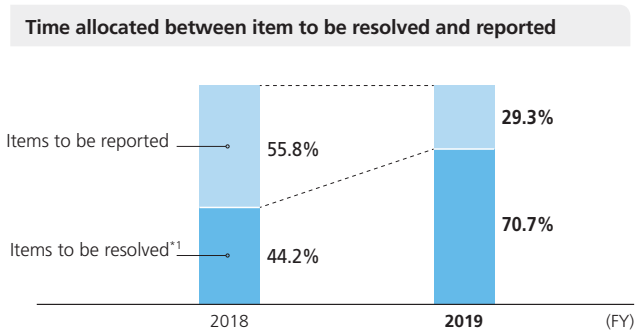
<Evaluation process>

The evaluation was carried out at a discussion attended by all Directors and Audit and Supervisory Board Members, after sharing written evaluations by the Directors and the Audit and Supervisory Board Members, as well as the results of analysis of the anonymous third-party survey. Through the discussions, participants reviewed and evaluated the performance of the Board of Directors during fiscal 2019, in terms of the basic policies on the operation of the Board of Directors and the three improvement items outlined below, which were set forth by the Company's Board of Directors in the last evaluation of the effectiveness.

2. Results of operation of the Board of Directors

The Board of Directors endeavored to engage in more substantial deliberations regarding medium- to long-term matters, while also strengthening oversight of key issues, through fuller explanation of agenda items prior to meetings, the designation of key agenda items, and greater efficiency in reporting, including the introduction of written reports and more substantial information sharing, in accordance with the “basic policies for fiscal 2019.” The allocation of time to agenda items at meetings of the Company’s Board of Directors in fiscal 2019 is disclosed as follows, for the purpose of ensuring the transparency of the status of deliberations of the Board of Directors.

Board of Directors—Time allocation by agenda item



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

*2 Other: resolutions, etc. in accordance with the provisions of the Companies Act.

3. Action items and results of improvement in year under review

Action item 1

Monitor the progress of the priority measures in the 19th MTP, the achievement level of financial and non-financial targets as well as key management indicators, and conduct appropriate discussions and support according to circumstances.

Results of improvement

The Board of Directors recognized the success in monitoring the progress of the key indicators in the final year of the 19th MTP, and the earnest response of the CEO and other senior managers to strict remarks from the Outside Directors, made from the perspective of shareholders, which achieved results.

Action item 2

Continue discussions from a medium- to long-term perspective on important themes, such as growth, human resources and technological strategies, and reflect in the 20th MTP.

Results of improvement

The Board of Directors recognized that more substantial discussions were conducted from a medium- to long-term perspective with the aim of enhancing corporate value, including long-term vision, the 20th MTP, growth strategy, capital policy, group restructuring, etc., thanks to the appropriate setting of agendas, and that these were reflected in the management plan.

Action item 3

Monitor the continuous improvement of the management system targeted towards the 20th MTP, creating an environment for the full-scale development of growth strategies.

Results of improvement

The Board of Directors recognized, in line with the 20th MTP and growth strategies, the introductions of business management using ROIC, capital policy, greater rigor in the evaluation of the CEO, and stock price-linked compensation, as well as discussions held with the aim of enhancing the management system and governance, reflecting the perspective of the 20th MTP.

■ Efforts to improve the effectiveness of the Board of Directors in fiscal 2020

In response to the above evaluation, and in view of the impact of the spread of COVID-19, the Company’s Board of Directors is working to improve its effectiveness by operating in line with the basic policies indicated below, and has set three improvement items.

Basic policies for fiscal 2020

- 1) Engage in monitoring and support to ensure the renewal and execution of timely and appropriate response to the management environment, and strategy for the future.
- 2) Engage in appropriate monitoring and more thorough discussion from a medium- to long-term perspective, to accomplish both the enhancement of return on capital and the strengthening of the capital that composes the management base.

Improvement items for fiscal 2020

- 1) Encourage accurate response to the impact of the spread of COVID-19, from both an urgent perspective, and a medium- to long-term perspective.
- 2) Accelerate execution through appropriate deliberations and support, to renew strategy in line with the management environment.
- 3) Monitor business expansion from the perspective of return on capital, and engage in discussions and support aimed at strengthening the various forms of capital that compose the management base (human capital, technological capital, intellectual capital, liquidity base, etc.) to realize sustained growth.

Approach to election of Audit and Supervisory Board Members

● Election Criteria for Audit and Supervisory Board Members

Candidates for Audit and Supervisory Board Member are selected for their appropriateness as personnel able to contribute, through the performance of duties as an Audit and Supervisory Board Member, to sound and sustained growth of the Company and the medium- to long-term enhancement of its corporate value, taking into consideration the balance of knowledge, experience and specialized abilities required of the Audit and Supervisory Board. The following criteria (requirement definitions) have been established by the Audit and Supervisory Board in order to select candidates for Audit and Supervisory Board Member based on objective assessment of their suitability.

<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 and Supervisory Board Member
2. Always aspires to improve him/herself, with a desire to learn new things
3. Able to manage local staff and communicate in English

● Election Criteria for Outside Audit and Supervisory Board Members

In addition to the criteria above, Outside Audit and 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 and Supervisory Board Members, is an additional criterion.

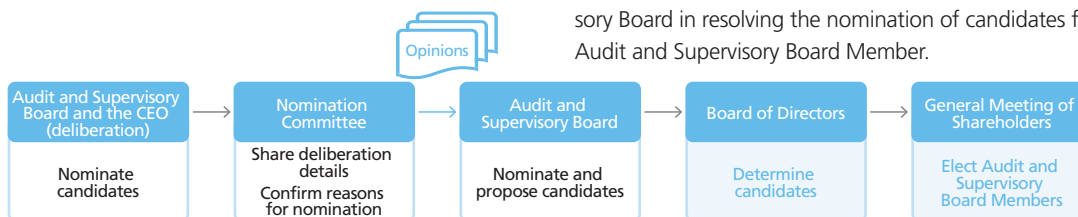
● Diversity

When considering diversity in the appointment of Audit and Supervisory Board Members, 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.

Election process for Audit and Supervisory Board Members

"Recommendation of candidates" and "nomination of candidates" for Audit and Supervisory Board Member is conducted primarily by the Audit and Supervisory Board, in accordance with the process shown below, with an emphasis on ensuring the independence of Audit and Supervisory Board Members.

The Audit and Supervisory Board recommends candidates based on the election criteria for Audit and Supervisory Board Members and after consultation with the CEO. These candidates are nominated and proposed after confirmation by the Nomination Committee. The Board of Directors respects the judgment of the Audit and Supervisory Board in resolving the nomination of candidates for Audit and Supervisory Board Member.



Audit and Supervisory Board activities and disclosure

Audit and Supervisory Board reviews risks and issues in the five areas, namely 1. Directors, 2. Business execution, 3. Subsidiaries, 4. Internal audit, and 5. Accounting audit, and formulates annual activity plans. Outline of audit activities in each of these areas are illustrated in the chart on the following page. Audit and Supervisory Board Members point out the issues and provide suggestions to Directors and business divisions, concerning the matters brought to our attention through these audit activities.

In light of a review of audits for the previous term and risk assessment findings, in fiscal 2019 the Audit and Supervisory Board conducted audits that focused on several areas. These were the "effective management of overseas subsidiaries," "actual state of governance of subsidiaries acquired through M&A," and "global monitoring of the comprehensive audit quality of the Independent Auditor."

Outline of audit activities by Audit and Supervisory Board Members

★ Meetings organized by Audit and Supervisory Board Members

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

Notes on the Audit Performance >1

Audit and Supervisory Board Members, as independent agents, are charged by the Company's shareholders with responsibility for auditing the execution of duties by Directors, and ensuring the establishment of systems of good corporate governance to respond to the trust placed in the Company by society. Since fiscal 2017 the Audit and Supervisory

Board has voluntarily prepared these Notes as complementary material to the Audit and Supervisory Board's Report, in order to enhance the effectiveness of the dialogue with stakeholders including shareholders, based on the belief that more concrete explanation of the Audit and Supervisory Board's activities will lead to enhanced audit transparency.

Internal controls >2

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

Compliance >3

The Ricoh Group considers that "compliance" includes observance of not only laws and regulations, but also company rules and social ethics. Therefore, the Ricoh Group provides thorough instruction of each company's action principle, which provides the principles of Ricoh Group's corporate behaviors, and "Ricoh Group Code of Conduct," >4 which indicates behavioral principle of Directors and employees of the Ricoh Group. Every member of the Group is concerned to ensure all employees observe the principles in their daily activities.

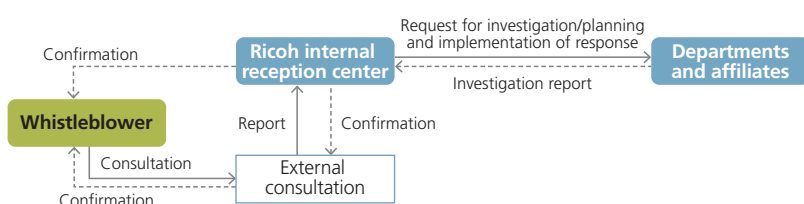
Hotline system

The Ricoh Group has established "Ricoh Group Hotline," which is made available to all Directors, employees,

part-timers and temporary staff in Japan as a contact for whistle-blowing and consultation regarding violations of compliance. In addition to "Ricoh Group Hotline," major companies in Japan and in overseas have established their own contact for whistle-blowing and consultation according to their organizational and regional characteristics.

In addition, since November 2018, the Ricoh Group has established the "Ricoh Group Global Whistle-Blowing System," which is available to all Directors and employees at Ricoh Group companies in Japan and overseas. We have built a system in which workers can report directly to the full-time Audit and Supervisory Board Member of Ricoh by e-mail.

Basic flow of the Hotline system in Japan



Refer to our website

- 1 Notes on the Audit Performance www.ricoh.com/-/Media/Ricoh/Sites/com/IR/events/pdf/meeting120.pdf#page=135
- 2 Internal controls www.ricoh.com/sustainability/governance/system.html
- 3 Compliance www.ricoh.com/governance/compliance.html
- 4 Ricoh Group Code of Conduct www.ricoh.com/sustainability/society/vision/code_of_conduct.html