

Long-term environmental vision and environmental management

Our aim: to reduce absolute environmental impact across our entire business to one-eighth by 2050

Setting targets according to “back casting method” to achieve a sustainable society

We must aim to keep environmental impact within regenerative the capacity of the earth. Beginning with the Kyoto Protocol that came into force in 2005, the world has begun to form a sustainable society. Merely setting global agreements or meeting laws and regulations should not be our goal. For our share of the effort to achieve harmony between the global environmental and society, the Ricoh Group has set an ultra long-term environmental goal to reduce the absolute environmental impact of the entire business to one-eighth by 2050.

We have adopted the “back casting method.” For setting targets. Using this method, we first set our ultimate goal, then set targets that we need to achieve en route to that goal. We therefore began by setting an ultra long-term environmental goal for 2050. Next, we set a long-term environmental target of reducing environmental impact by 20% by 2010. Based on this target, we prepared the 2005 to 2007 environmental action plan, whereby we aim to reduce environmental impact by 15% by 2007, on the assumption that business growth will be at least 8% per year.

Reducing absolute environmental impact across the entire business

When a company commits to CO₂ reduction or resource conservation as an independent activity, it may achieve the individual target, but end up with greater environmental impact in other areas of the business. In order to securely reduce environmental impact, it is necessary to first determine the environmental impact of the entire business, and then determine what activity is needed for each area of the business to reduce environmental impact of the business as a whole. If targets are set by using relative indicators based on basic units or factor efficiency, the activities may not necessarily result in global environmental protection. Therefore, it is necessary to set an absolute amount of environmental impact reduction. This is why the Ricoh Group has used a single unit for determining various types of environmental impact to set targets for reducing the absolute volume of “integrated environmental effect*” of the business as a whole.

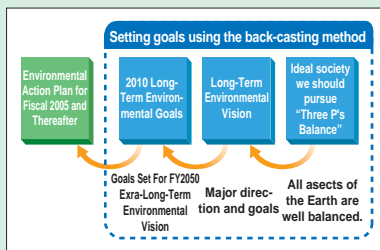
* “Integrated environmental effect” refers to the sum of environmental impacts from CO₂ emission, resource use, chemical substance use, etc. The Ricoh Group currently uses EPS, an integration technique developed in Sweden, to calculate integrated environmental effect.

Environmental management to sustain the earth as it was meant to be while maintaining business growth

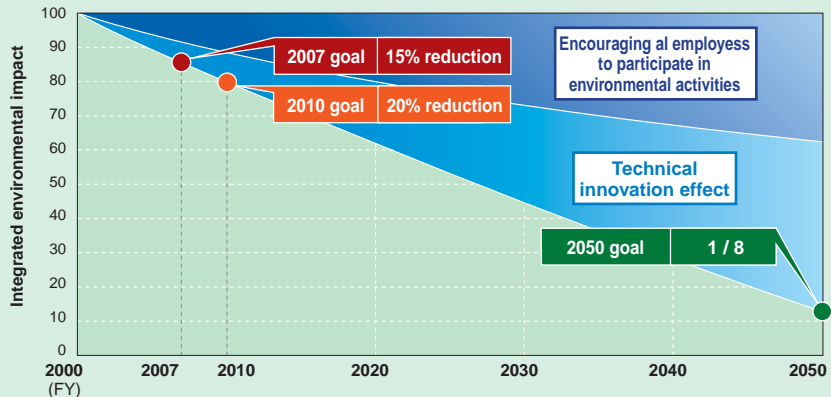
In order to continuously reduce environmental impact in the long run, it is necessary to promote environmental management, which creates environmental value through environmental preservation, while sustaining business growth.

The Ricoh Group's environmental efforts are programmed in multiple steps. Having completed the environmental awareness and environmental preservation stages, we are now at the environmental management stage. In the environmental awareness stage, we engaged in such passive activities as addressing external changes in legislation and competitors' trends, while in the environmental preservation stage, we voluntarily engaged in measures to reduce the environmental impact of businesses and products with a sense of mission as a global citizen. In the current environmental management stage, we are working to achieve sustainable environmental preservation by reducing the environmental impact of business activities and creating economic value at the same time.

How to Set Environmental Goals



Long-term Environmental Vision and Long-term Environmental Targets



Bioplastics

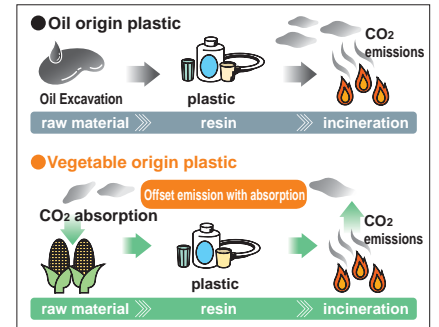
First in the photocopier industry to use bioplastics

Ricoh seeks an alternative to petroleum

Ricoh seeks an alternative to petroleum. As a manufacturer, it is the responsibility of the Ricoh Group to be selective about the materials from which its products are made. For us, the development of product materials with low environmental impact has become an important issue as "harmonize with the environment" is one of our core values. Bioplastics do not promote global warming and cause little environmental impact. On the other hand, before we could use bioplastics in photocopiers, we had to overcome numerous technical hurdles

including shock and flame resistance. The Ricoh Group has worked with Mitsui Chemicals since 2002 to conquer such issues in practical use of bioplastics, and has carried out many tests and refinements. As a result, we have succeeded in developing a new plastic material from corn, with a high plant content of more than 50%. The new plastic was used to form part of the shell for the imagio Neo 602ec/752ec digital MFPs in 2005. In addition, the new material has been used for part of the paper feed trays on the imagio MP C1500, a standard model, starting in February 2006. The Ricoh Group will continue to improve bioplastics to increase product application.

Comparison of CO₂ Emissions from Petroleum Plastics and Bioplastics



Paper feed tray cover with bioplastic parts

imagio MP C1500

American Recycling Business

Unique American recycled machine business model catering to the needs of the Latin American market

The success of the recycled machine business is key to realizing environmental management. The Ricoh Group launched a full-fledged recycled machine business in 2004, through the teamwork of North American and South and Central American group companies in the Americas. In June 2005, Ricoh Industry Mexico (RIM), a production plant, began refurbishing used photocopiers collected from the North

American market. The refurbished photocopiers are then sold by Ricoh Latin America (RLA), a regional marketing company. Thus a business model unique to the Americas bringing products from the North to the South was launched. In the photocopier markets in South and Central Americas, the number of used units is said to exceed that of new units. In these markets, due to outstanding quality, Ricoh's refurbished units hold commanding shares. We will further improve our organization to more flexibly meet market needs by expanding the sales of recycled machines.

Flow of Refurbished Machines in U.S. Market

