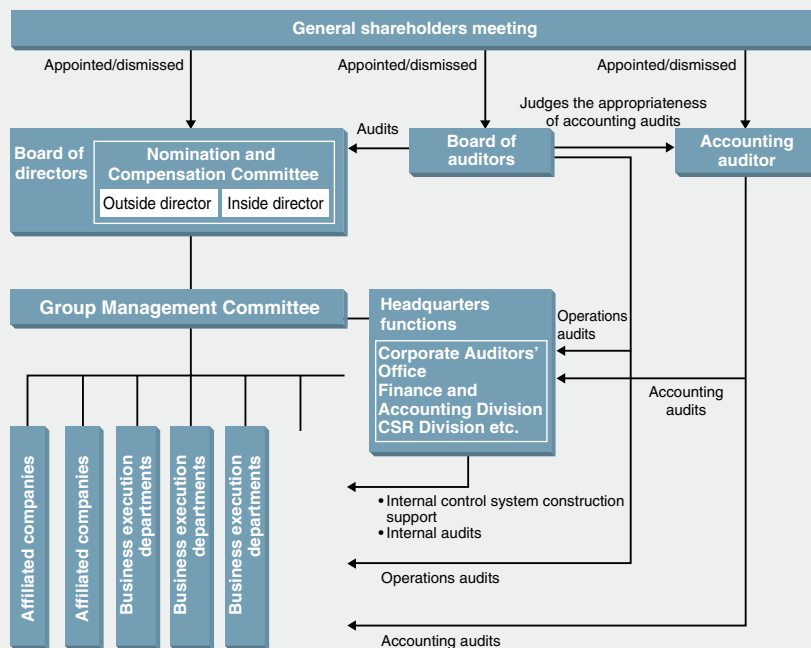


Overall framework for the Ricoh Group's corporate governance

The Ricoh Group's corporate governance system is designed to ensure transparent business management underpinned by strong business ethics and legal compliance; to increase competitiveness in the market; and ultimately to achieve sustainable growth and increased group-wide enterprise value. We have identified four key stakeholder groups—customers, shareholders, employees, and society—and defined respective policies to address each of these groups. We have a corporate auditor system in place to strengthen our board of directors, and an executive officer system, to intensify our management oversight and business execution. By appointing some directors from outside of the company, we maintain transparent management and fair, well-balanced decision-making. Appointment, compensations and other related concerns of directors and executive officers are deliberated and decided on by the Nomination and Compensation Committee, a permanent organ for this specific purpose.

Corporate governance and internal control system diagram



Governance structure in the Ricoh Group

The Ricoh Group has strengthened its corporate governance.

(1) Board of directors

To ensure mutual oversight among board members and further improve management transparency, the board of directors consists of directors in equal positions (conventional titles such as executive managing director and managing director were abolished) and outside board members. Additionally, we have a Nomination and Compensation Committee as a permanent organ of the board of directors. The responsibilities of the committee include planning and determining appointments/dismissals as well as compensation policies for directors and executive officers. The board of directors comprises 11 members (as of June 2008), including two outside directors.

(2) Executive function for group-wide management

Placed under the Chief Executive Officer (CEO), Chief Officers are responsible for important management functions. Chief Officers support the CEO in supervising the Group's management strategies, important decision making, and execution of

business, while taking charge of respective functions. Also, the CEO and Chief Officers make up the Group Management Committee (GMC), which aims to achieve the management goals (performance and strategic goals) of the whole Group. GMC plans and carries out management strategies as well as supervises the execution of business for the whole Group.

(3) Restructuring of the internal control system

To further strengthen the internal control function, an Internal Control Committee was organized within the GMC, while the Internal Management & Control Division was set up in April 2007 under the direct supervision of the President. The Internal Management & Control Division supervises internal control (SOX Law-related matters and strengthening of internal controls), while administering and promoting related compliance, risk management, and internal audits. In the meantime, the Audit Office was replaced in April 2007 by the Corporate Auditors' Office, whose function is to assist auditors, clearly showing that audits conducted by auditors and auditors' staff are independent. The Board of Auditors consists of four members (as of June 2008), including two outside auditors.

Revision of executive compensation program

Ricoh has been implementing its second management structure reform since fiscal 2006 to strengthen its corporate governance and continuously increase the enterprise value. Specific actions taken in this reform program include the enhancement of the management oversight function mainly through the establishment of a Nomination and Compensation Committee, as well as the strengthening of group-wide business execution capabilities through the introduction of a Chief Officer System and other measures.

In June 2007, as a part of its management structure reform, Ricoh has revised its executive compensation program. Key changes include abolishment of the retirement allowance program for officers and directors, introduction of share price-linked remunerations, expansion of performance-related compensation, and a higher correlation between corporate performance and executive compensation. Under this revision, executive compensation has become more closely linked with Ricoh's stock and operating performance. The revised program allows Ricoh's executives to share the same interest with its shareholders and gives an incentive to achieve sustainable earnings growth and greater shareholder value.