

## Improving CSR Effectiveness

To maintain a good relationship with our stakeholders, the Ricoh Group established a CSR framework (see the figure below). In this framework, social responsibilities are divided into fundamental and voluntary responsibilities to society, in order to clarify the Ricoh Group’s responsibilities to our stakeholders. To ensure the effectiveness of the framework, good corporate governance, is essential, especially in the areas of leadership, management systems, management structure and information disclosure.

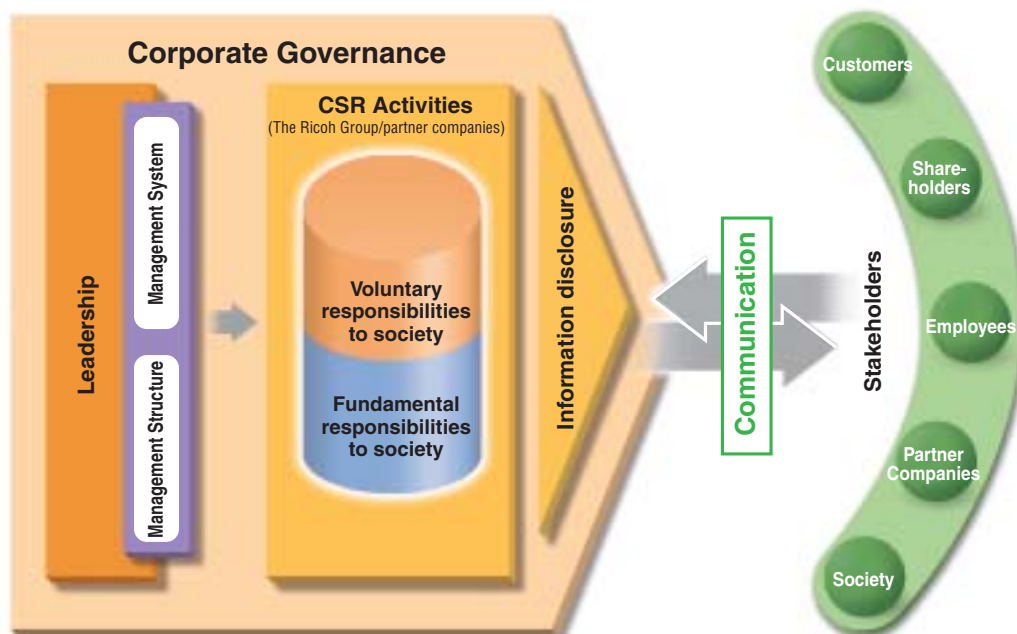
### ● The Ricoh Group’s corporate governance structure

#### (1) Enhancing the board’s management oversight function.

To ensure mutual oversight among board members and further improve management transparency, we abolished conventional titles, including executive managing director and managing director, and made all board members’ positions equal. Furthermore, we increased the number of outside board members by one and strengthened the support system to allow them to fully perform their duties.

Additionally, we created a Nomination & 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 operating officers. The Nomination & Compensation Committee is made up of both external and internal board members. Moreover, we reviewed in-house rules concerning the management of the board of directors and stipulated that board meeting discussions should focus more on compliance and social responsibility.

■ Framework of CSR



**(2) Enhancing executive function for groupwide management**

We created the positions of Chief Executive Officer (CEO) and Chief Officers responsible for important management functions. Each Chief Officer is involved in crucial decision making in his/her area of responsibility on behalf of the CEO and provides advice to executive divisions from a whole-group perspective.

Also, the CEO and Chief Officers, who make up the Group Management Committee (GMC), plan and carry out management strategies as well as supervise the execution of business for the whole Group and are jointly responsible for the Group's business performance.

**(3) Enhancing functions to promote CSR activities and an internal control system**

In April 2005, we created the CSR Division to reinforce efforts to promote CSR. The individual functions performed by the

CSR Division, Social Contribution Promotion Office, ISMS Promotion Office, and Personal Information Control Office were transferred to this newly established CSR Group, which is headed by a Director and Corporate Executive Vice President. To comply with Japan's new Corporate Law, which went into effect in May 2006, a summary of the board's discussions regarding an internal control system is included in the business report.

**(4) Reporting incidents**

If an incident occurs, it is disclosed publicly following a discussion of the Information Disclosure Committee. In fiscal 2005, there were no serious incidents/accidents to be disclosed.

**CSR-Oriented Corporate Governance Structure**

