

Maintaining Ricoh's corporate value on behalf of all stakeholders

The Ricoh Group established The RICOH Way as a set of guiding principles and values that serves as the foundation for all our business activities. Abiding by these principles in corporate ethics and compliance and maintaining transparency in management, we continuously strive to improve our governance, and in doing so ultimately enhance our corporate value.

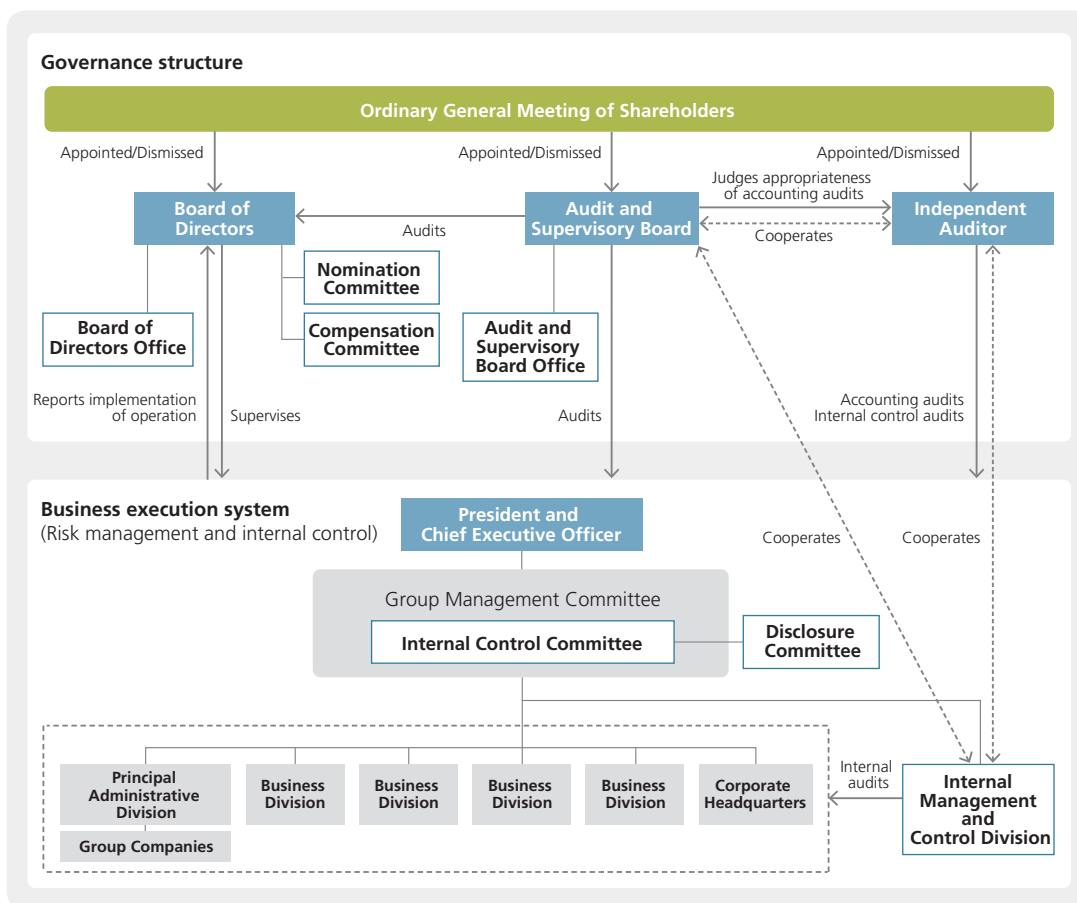
Corporate governance

We strongly believe that responsible global citizenship calls for a corporate culture that embraces a sense of mission to meet the expectations of diverse stakeholders—a culture that is committed to operating under the highest ethical standards in line with the expectations of society as a whole.

Based on this belief, we advance the operations of the entire Group under The RICOH Way, strengthening our governance and ceaselessly promoting a culture of integrity while working toward sustainable corporate growth.

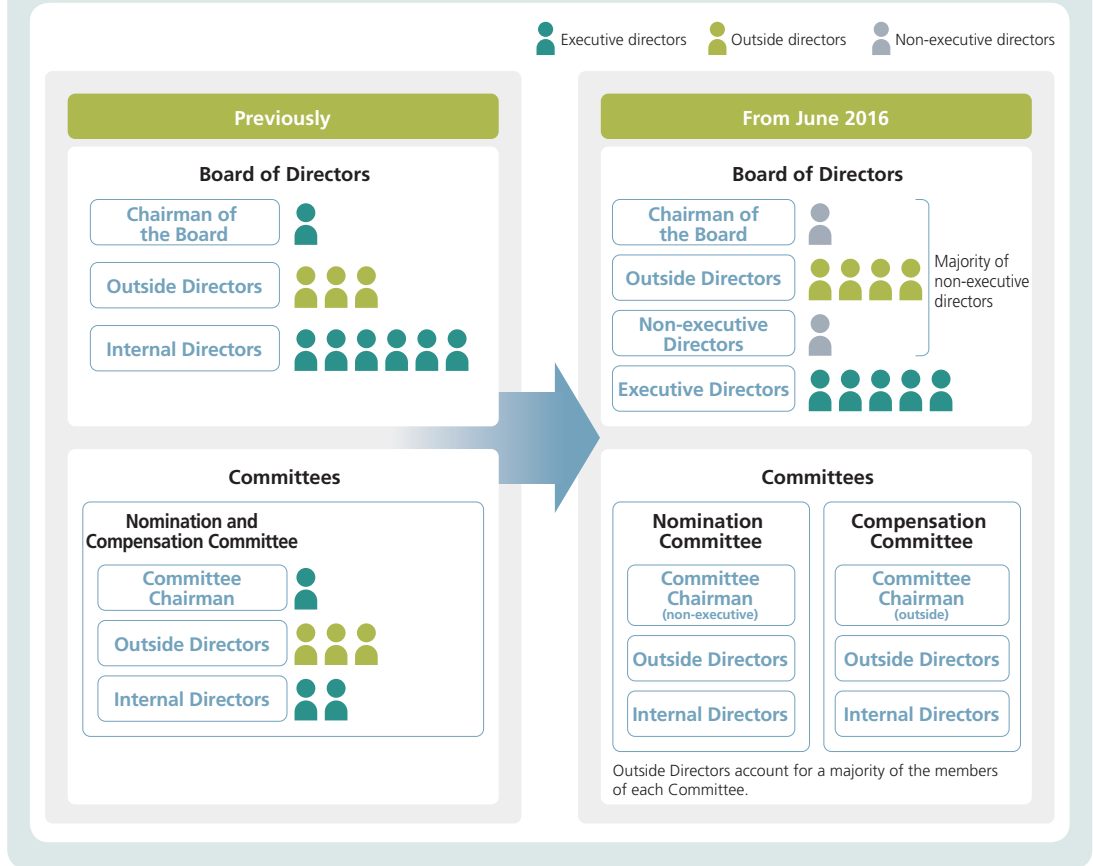
We implemented a revised corporate governance structure in April 2016 to ensure sustainable growth and bolster our corporate activities.

The Group has also implemented an integrated risk management system for both business opportunities and business execution, and it follows internal control procedures to achieve the success of our corporate strategies and business targets.



Revisions to corporate governance structure

We fostered new growth challenges by encouraging outside, non-executive, and executive directors to draw on their expertise and experience in deliberating extensively on important matters. We also built a structure to supervise management from the perspectives of shareholders and diverse other stakeholders.



Board of Directors and Audit and Supervisory Board

Board of Directors
 Maximum number of directors: 15
 Current number of executives: 11 (including 4 outside directors)
 Term: 2 years

Audit and Supervisory Board
 Maximum number of Audit and Supervisory Board members: 5
 Current number of executives: 5 (including 3 outside Audit and Supervisory Board members)
 Term: 4 years

(As of June 17, 2016)

Governance structure

- The Ricoh Group has introduced a corporate audit system.
- 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.

- Four of the Board's 11 directors are outside directors—part of an effort to incorporate various views and opinions and to eliminate arbitrary decision making in management.
- The Board of Directors Office was established to foster resolute decision making and help maintain highly transparent management supervision.
- Audit and Supervisory Board members hold discussions to determine audit and supervising policies and the assignment of duties, and they monitor corporate management.

Refer to our website

Stock information www.ricoh.com/IR/settlement.html
Securities reports www.ricoh.com/IR/financial_data/securities_report/

- Audit and Supervisory Board members attend all important meetings, including but not limited to Board meetings, and exchange information regularly with the representative directors.
- The Audit and Supervisory Board Members Office, with designated support staff, has been established to ensure that the Audit and Supervisory Board members can work effectively.
- Under the executive officer system, the authority to carry out business has been assigned to respective functional departments so as to expedite decision making and clarify the roles of each department.

Nomination and Compensation Committees

As part of efforts to reinforce management supervision and decision making by the Board of Directors, we set up the Nomination Committee, whose three outside directors comprise its majority of members. The Committee is chaired by an outside director. We also established the Compensation Committee, whose four outside directors similarly constitute its majority of members. These bodies ensure transparency and objectivity in appointments and dismissals and compensation for directors and executive officers.

Group Management Committee

The Group Management Committee (GMC) consists of executive officers and is a decision-making body empowered by the Board of Directors. The GMC facilitates deliberations and renders decisions on the Group's overall management from the perspective of total optimization.

Internal auditing

The Internal Management and Control Division, which is in charge of internal auditing, objectively reviews and assesses the status of business execution by respective business divisions according to clearly defined rules to ensure legal compliance and adequacy of execution practices. It also provides advice and recommendations for improvement. The results are regularly reported to the GMC's Internal Control Committee.

External auditing

Ricoh has formulated a set of guidelines called the "Policy and Procedures for Prior Approvals for Audit and Non-audit Services." In accordance with these guidelines, advance approval must be obtained from the Audit and Supervisory Board members concerning the details of and fees for auditing contracts.

Assessing effectiveness of Board of Directors

Under a new structure deployed in 2016, the Board of Directors and the Audit and Supervisory Board assess their own effectiveness. The goal is to ensure that the Board of Directors fulfills its roles and duties through autonomous improvements.

Executive compensation

In its pursuit of increased shareholder value, the Ricoh Group employs executive compensation as an effective incentive to achieve sustainable increases in corporate earnings over the medium and long term.

The base salary of directors consists of remuneration related to management oversight, remuneration reflecting the importance of individual roles and responsibilities, remuneration for the purpose of purchasing treasury stocks (except for outside directors), and variable remuneration linked to stock price performance during the relevant fiscal year. The Ricoh Group has been strengthening incentives for executives to increase shareholder value over the long term by allocating a portion of remuneration for stock repurchase so that executives will have a common interest with shareholders.

The amount of bonuses paid to directors is based on the attainment of key performance indicators—such as sales, operating income and ROA—that pertain to shareholder value and the Company's competitiveness. Proposed bonuses for directors are brought before the general meeting of shareholders for approval.

Compensation paid to the Audit and Supervisory Board members is composed solely of remuneration for their auditing duties.

Executive compensation for fiscal 2016

Category	Number	¥ million		
		Total	Total remuneration, etc. by category	
			Base salary	Bonus
Directors (excluding Outside Directors)	7	479	356	122
Audit and Supervisory Board Members (excluding Outside Audit and Supervisory Board Members)	2	52	52	—
Outside Directors and Audit and Supervisory Board Members	5	59	59	—
Outside Directors	3	43	43	—
Outside Audit and Supervisory Board Members	2	16	16	—
Total	14	591	468	122

Executives

As of June 17, 2016

Board of Directors



Shiro Kondo

Representative Director and Chairman of the Board
 • Chairman of Nomination Committee
 • Member of Compensation Committee

Date of birth: October 7, 1949
 Joined the Company: 1973

Currently

Chairman, Ricoh Co., Ltd.

Formerly

General Manager, Imaging System Business Group and General Manager, MFP Business Group, Ricoh Co., Ltd.



Zenji Miura

Representative Director and CEO
 • Member of Nomination and Compensation Committees

Date of birth: January 5, 1950
 Joined the Company: 1976

Currently

President and CEO, Ricoh Co., Ltd.

Formerly

President, Ricoh France S. A. S.; General Manager, Finance and Accounting Division and General Manager, Corporate Planning, Ricoh Co., Ltd.



Yoshinori Yamashita

Director

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

Currently

Deputy President and General Manager, Business Solutions Group, Ricoh Co., Ltd.

Formerly

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



Nobuo Inaba

Director

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

Currently

Director, Ricoh Co., Ltd.

Formerly

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



Yohzoh Matsuura

Director

Date of birth: April 15, 1956
 Joined the Company: 1980

Currently

Corporate Executive Vice President, In charge of R&D and General Manager, Intellectual Property Division, Ricoh Co., Ltd.

Formerly

General Manager, Imaging System Development Division and General Manager, Ricoh Institute of Technology, Ricoh Co., Ltd.



Kunihiko Satoh

Director

Date of birth: October 21, 1956
 Joined the Company: 1979

Currently

Corporate Executive Vice President, In charge of optical-related business, In charge of global new business promotion and General Manager, New Business Development Division, Ricoh Co., Ltd.; Director, Ricoh Leasing Co., Ltd.

Formerly

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



Akira Oyama

Director

• Member of Compensation Committee

Date of birth: January 6, 1961
 Joined the Company: 1986

Currently

Corporate Executive Vice President, Corporate Human Resource Executive and General Manager, Corporate Division, Ricoh Co., Ltd.; President, Ricoh Americas Holdings, Inc.

Formerly

General Manager, Europe Marketing Group, Ricoh Co., Ltd.; CEO, Ricoh Europe Plc



Kunio Noji

Director (outside)

• Member of Nomination Committee
 • Chairman of Compensation Committee

* Since June 2012

Date of birth: November 17, 1946

Currently

Chairman of the Board, Komatsu Ltd.; Outside Director, NEC Corporation



Makoto Azuma

Director (outside)

• Member of Nomination and Compensation Committees

* Since June 2014

Date of birth: May 25, 1945

Currently

Member, Science Council of Japan; Advisory Professor, Tsing Hua University (China); Advisor, TDK Corporation; Councillor, TOSHIBA INTERNATIONAL FOUNDATION



Masami Iijima

Director (outside)

• Member of Nomination and Compensation Committees

* Since June 2016

Date of birth: September 23, 1950

Currently

Representative Director, Chairman of the Board of Directors, MITSUI & CO., LTD.



Mutsuko Hatano

Director (outside)

• Member of Compensation Committee

* Since June 2016

Date of birth: October 1, 1960

Currently

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

Audit and Supervisory Board



Kunihito Minakawa

Audit and Supervisory Board Member

Date of birth: August 15, 1954
 Joined the Company: 1978

Formerly

General Manager, Finance and Accounting Division, Ricoh Co., Ltd.



Katsumi Kurihara

Audit and Supervisory Board Member

* Since June 2016

Date of birth: March 24, 1956
 Joined the Company: 1978

Formerly

Corporate Senior Vice President and General Manager, Manufacturing Quality Assurance Center, Manufacturing Division, Ricoh Co., Ltd.



Kimitoshi Yabuki

Outside Audit and Supervisory Board Member

* Since June 2013

Date of birth: August 22, 1956

Currently

Yabuki Law Office
 Outside Director, Sumitomo Life Insurance Company

Contributions

Attended 9 of the 11 board meetings held in the term ended March 2016 (attendance rate: 82%).
 Attended 9 of the 11 auditors' meetings held during the same period (attendance rate: 82%)



Takashi Narusawa

Outside Audit and Supervisory Board Member

* Since June 2016

Date of birth: December 8, 1949

Currently

Outside Director, The Nishin Oillio Group, Ltd.; Advisor, Starts Corporation Inc., Outside Director, Hirata Corporation



Shigeru Nishiyama

Outside Audit and Supervisory Board Member

* Since June 2016

Date of birth: October 27, 1961

Currently

Outside Director (Audit and Supervisory Committee Members), UNIPRES CORPORATION; Professor, Waseda Business School (Graduate School of Business and Finance), Outside Audit & Supervisory Board Members, Pigeon Corporation

Comments from Outside Directors

Accommodate change by making safety, the environment, and compliance top priorities



Kunio Noji

Currently

Chairman of the Board, Komatsu Ltd.; Outside Director, NEC Corporation

Reason for appointment

Mr. Noji was president and CEO of Komatsu Ltd. He has abundant experience and expertise as a member of top management of one of the leading companies in Japan. We believe that his wealth of experience and knowledge will greatly benefit our decision-making process, and Mr. Noji will be able to offer us useful advice and counsel from an independent perspective.

Activity status

He attended 11 out of 11 Board meetings held in fiscal 2016.

Japanese companies continue to experience unstable operating climates, notably because of the emergence of China as an economic and political power and a high Japanese yen. Global social changes are also having a great impact on operations, an example being the United Kingdom's decision to leave the European Union. On top of that, accelerating technological change in the Internet of Things, artificial intelligence, and other areas are transforming the offices that are central to Ricoh's operations and the nature of business itself.

I am thus convinced that the Ricoh Group can generate sustainable growth only by flexibly tackling the challenges of change. It must particularly concentrate its business resources, formulate regional strategies, engage in open innovation, and build new business models. I will draw on my understanding of Ricoh's strengths in sharing my insight with other members of the Board of Directors

As it addresses change, I believe that it will be important for Ricoh to keep constructing a corporate culture that makes safety, the environment, and compliance its top priorities. I will keep endeavoring as an outside director to help enhance its corporate culture.

Create a corporate culture that promotes self-reliance



Makoto Azuma

Currently

Member, Science Council of Japan; Advisory Professor, Tsing Hua University (China); Advisor, TDK Corporation; Councillor, TOSHIBA INTERNATIONAL FOUNDATION

Reason for appointment

Mr. Azuma was executive vice president and CTO (chief technology officer) of Toshiba Corporation and is currently a professor at Tokyo University of Science Graduate School of Innovation Studies. His wealth of knowledge regarding technology strategy and managerial expertise will help shape and integrate our decision making and guide our efforts from an objective, expert perspective.

Activity status

He attended 11 out of 11 Board meetings held in fiscal 2016.

Companies can expose themselves to problems of their own doing when they become too big. While shifts away from founding stances in view of changing political, economic, and social landscapes can lead to corporate malaises, I think the fundamental cause is that people tend to function more mechanically as organizations grow.

Ricoh started out 80 years ago by marketing sensitized paper. It has since grown into an organization with net sales exceeding ¥2 trillion by constantly pioneering innovations. Examples include the mass production of cameras, the office automation concept, and digital technology applications. Today, Ricoh derives 65% of its revenues from office imaging. Left unchecked, this situation could lead to internal complacency, which is symptomatic of corporate malaises. So as an outside director, I wish to contribute to the Board of Directors by fostering a culture of self-reliance among Ricoh employees. In that regard, I particularly wish to assist its engineers to make it easier for them to craft new technologies and business ideas.

New Outside Directors

Masami Iijima



Currently

Representative Director, Chairman of the Board of Directors, MITSUI & CO., LTD.

Reason for appointment

Mr. Iijima accumulated a wealth of experience as an executive at MITSUI & CO., LTD. He should contribute significantly to decision making at Ricoh through his independent oversight and advice.

Ricoh filed to appoint Mr. Iijima as an outside director on the basis that he is an independent officer without conflicts of interest with the Company or its shareholders, as set forth in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange.

Mutsuko Hatano



Currently

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

Reason for appointment

Ms. Hatano is a professor in the electrical and electronics fields at the Tokyo Institute of Technology, and has served on numerous committees for government institutions. She should contribute significantly to decision making at Ricoh through her independent oversight and advice.

Ricoh filed to appoint Ms. Hatano as an outside director on the basis that she is an independent officer without conflicts of interest with the Company or its shareholders, as set forth in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange.